# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

# FORM 8-K

## CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 2, 2022

# **Huntsman Corporation**

(Exact name of registrant as specified in its charter)

**Delaware** (State or other jurisdiction

of incorporation)

**001-32427** (Commission File Number) 42-1648585 (IRS Employer Identification No.)

10003 Woodloch Forest Drive The Woodlands, Texas (Address of principal executive offices)

77380 (Zip Code)

Registrant's telephone number, including area code: (281) 719-6000

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

" Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

" Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

" Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities Registered pursuant to Section 12(b) of the Act:

		Trading	Name of each exchange
Registrant	Title of each class	Symbol	on which registered
 Huntsman Corporation	Common Stock, par value \$0.01 per	HUN	New York Stock Exchange
	share		

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company "

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

#### Item 2.02. Results of Operations and Financial Condition.

On August 2, 2022, we issued a press release announcing our results the three months ended June 30, 2022. The press release is furnished herewith as Exhibit 99.1.

We will hold a conference call to discuss our second quarter 2022 financial results on Tuesday, August 2, 2022, at 10:00 a.m. ET.

Webcast link: https://event.choruscall.com/mediaframe/webcast.html?webcastid=E6B5RbBA

Participant dial-in numbers: Domestic callers: (877) 402-8037 International callers: (201) 378-4913

The conference call will be accompanied by presentation slides that will be accessible via the webcast link and Huntsman's investor relations website, www.huntsman.com/investors. Upon conclusion of the call, the webcast replay will be accessible via Huntsman's website.

Information with respect to the conference call, together with a copy of the press release furnished herewith as Exhibit 99.1, is available on the investor relations page of our website at www.huntsman.com/investors.

## Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Number	Description of Exhibits
<u>99.1</u>	Press Release dated August 2, 2022 regarding second quarter 2022 earnings
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

# HUNTSMAN CORPORATION

/s/ IVAN MARCUSE

Vice President, Investor Relations

Dated: August 2, 2022



FOR IMMEDIATE RELEASE August 2, 2022 The Woodlands, TX NYSE: HUN **Media:** Gary Chapman (281) 719-4324



Enriching lives through innovation

Investor Relations: Ivan Marcuse (281) 719-4637

## Huntsman Announces Second Quarter 2022 Earnings; \$501 million of Buybacks in First Half of 2022

#### Second Quarter Highlights

- Second quarter 2022 net income of \$242 million compared to net income of \$172 million in the prior year period; second quarter 2022 diluted earnings per share of \$1.10 compared to diluted earnings per share of \$0.70 in the prior year period.
- Second quarter 2022 adjusted net income of \$265 million compared to adjusted net income of \$191 million in the prior year period; second quarter 2022 adjusted diluted earnings per share of \$1.28 compared to adjusted diluted earnings per share of \$0.86 in the prior year period.
- · Second quarter 2022 adjusted EBITDA of \$432 million compared to adjusted EBITDA of \$334 million in the prior year period.
- Second quarter 2022 net cash provided by operating activities from continuing operations was \$231 million. Free cash flow from continuing operations was \$162 million for the second quarter 2022 compared to an outflow of \$83 million in the prior year period.
- Repurchased approximately 8.4 million shares for approximately \$291 million in the second quarter 2022.

	Three mor June	iths e e 30,	nded	Six mon Jun	ths en e 30,	ded
In millions, except per share amounts	 2022		2021	 2022		2021
Revenues	\$ 2,362	\$	2,024	\$ 4,751	\$	3,861
Net income	\$ 242	\$	172	\$ 482	\$	272
Adjusted net income <sup>(1)</sup>	\$ 265	\$	191	\$ 521	\$	338
Diluted income per share	\$ 1.10	\$	0.70	\$ 2.14	\$	1.07
Adjusted diluted income per share <sup>(1)</sup>	\$ 1.28	\$	0.86	\$ 2.47	\$	1.52
Adjusted EBITDA <sup>(1)</sup>	\$ 432	\$	334	\$ 847	\$	623
Net cash provided by (used in) operating activities from continuing operations	\$ 231	\$	(7)	\$ 316	\$	(23)
Free cash flow from continuing operations <sup>(2)</sup>	\$ 162	\$	(83)	\$ 178	\$	(197)

See end of press release for footnote explanations and reconciliations of non-GAAP measures.

THE WOODLANDS, Texas – Huntsman Corporation (NYSE: HUN) today reported second quarter 2022 results with revenues of \$2,362 million, net income of \$242 million, adjusted net income of \$265 million and adjusted EBITDA of \$432 million.

## Peter R. Huntsman, Chairman, President, and CEO, commented:

"Second quarter EBITDA margins exceeded 18% on the back of our value over volume strategy, improved pricing, and solid cost control. We remain well ahead or on track to meet the targets that we presented at our Investor Day in November 2021, despite an increasingly challenging economic environment due to extremely high European natural gas prices, headwinds in China associated with government-mandated shutdowns and monetary tightening in the United States. In addition to the positive results, we repurchased approximately \$500 million in shares in the first six months of the year and our balance sheet remains extremely strong with a net leverage ratio of 0.6x.

"Regardless of any macro headwinds that may impact the chemical industry in the coming quarters, our priorities around cost control, a focus on downstream businesses and returning capital to shareholders will remain unchanged. Our balance sheet and cash generation places us in an enviable position to take advantage of opportunities as they present themselves to invest in our core businesses."

#### Segment Analysis for 2Q22 Compared to 2Q21

#### Polyurethanes

The increase in revenues in our Polyurethanes segment for the three months ended June 30, 2022 compared to the same period of 2021 was primarily due to higher MDI average selling prices, partially offset by lower sales volumes. MDI average selling prices increased in all our regions. Sales volumes decreased primarily due to the extended government-mandated COVID lockdown in Shanghai, China and lower demand, partially offset by favorable comparisons in Europe due to the scheduled turnaround at our Rotterdam, Netherlands facility in the second quarter of 2021. The increase in segment adjusted EBITDA was primarily due to higher MDI margins and a gain from an insurance settlement, partially offset by lower sales volumes, the negative impact of weaker major international currencies against the U.S. dollar and lower equity earnings from our minority-owned joint venture in China.

#### Performance Products

The increase in revenues in our Performance Products segment for the three months ended June 30, 2022 compared to the same period of 2021 was primarily due to higher average selling prices, partially offset by lower sales volumes. Average selling prices increased primarily due to commercial excellence programs and in response to an increase in raw material costs. Sales volumes decreased primarily due to a shift in product mix based on demand and business strategy. The increase in segment adjusted EBITDA was primarily due to increased revenues and margins, partially offset by a slight increase in fixed costs.

## Advanced Materials

The increase in revenues in our Advanced Materials segment for the three months ended June 30, 2022 compared to the same period of 2021 was primarily due to higher average selling prices, partially offset by lower sales volumes. Average selling prices increased largely in response to higher raw material, energy and logistics costs as well as improved sales mix. Sales volumes decreased primarily due to deselection of lower margin base resins business. The increase in segment adjusted EBITDA was primarily due to higher sales prices and improved sales mix.

#### Textile Effects

The decrease in revenues in our Textile Effects segment for the three months ended June 30, 2022 compared to the same period of 2021 was primarily due to lower sales volumes, partially offset by higher average selling prices. Sales volumes decreased primarily due to a deselection of certain volume as well as lower demand. Average selling prices increased in response to higher direct costs. The decrease in segment adjusted EBITDA was primarily due to lower revenues, partially offset by improved portfolio mix.



### Corporate, LIFO and other

For the three months ended June 30, 2022, adjusted EBITDA from Corporate and other was a loss of \$38 million as compared to a loss of \$48 million for the same period of 2021. The year-over-year difference was primarily due to translational foreign currency gains related to the Chinese Yuan.

## Liquidity and Capital Resources

During the three months ended June 30, 2022, our free cash flow from continuing operations was a source of cash of \$162 million as compared to a use of cash of \$83 million in the same period of 2021. As of June 30, 2022, we had approximately \$2.1 billion of combined cash and unused borrowing capacity.

During the three months ended June 30, 2022, we spent \$69 million on capital expenditures as compared to \$76 million in the same period of 2021. For 2022, we expect to spend approximately \$300 million on capital expenditures.

## **Income Taxes**

In the second quarter of 2022, both our effective tax rate and our adjusted effective tax rate was 22%. We expect our 2022 adjusted effective tax rate to be approximately 22% to 24%.

## **Earnings Conference Call Information**

We will hold a conference call to discuss our second quarter 2022 financial results on Tuesday, August 2, 2022 at 10:00 a.m. ET.

## Webcast link: https://event.choruscall.com/mediaframe/webcast.html?webcastid=E6B5RbBA

Participant dial-in numbers:

Domestic callers:	(877) 402-8037
International callers:	(201) 378-4913

The conference call will be accompanied by presentation slides that will be accessible via the webcast link and Huntsman's investor relations website, <u>www.huntsman.com/investors</u>. Upon conclusion of the call, the webcast replay will be accessible via Huntsman's website.

## **Upcoming Conferences**

During the second quarter 2022, a member of management is expected to present at: Jefferies Industrials Conference on August 10, 2022 Seaport Global Virtual Chemicals Conference on August 23, 2022 UBS Chemicals Conference on September 7, 2022

A webcast of the presentation, if applicable, along with accompanying materials will be available at www.huntsman.com/investors.



# Table 1 – Results of Operations

	Three mor June		nded	Six months ended June 30,						
In millions, except per share amounts	 2022		2021		2022		2021			
Revenues	\$ 2,362	\$	2,024	\$	4,751	\$	3,861			
Cost of goods sold	1,824		1,593		3,648		3,038			
Gross profit	538		431	_	1,103	_	823			
Operating expenses, net	221		211		482		453			
Restructuring, impairment and plant closing costs	24		11		24		35			
Operating income	 293		209		597		335			
Interest expense, net	(16)		(18)		(30)		(37)			
Equity in income of investment in unconsolidated affiliates	19		46		34		84			
Fair value adjustments to Venator investment, net	-		(6)		(2)		(25)			
Loss on early extinguishment of debt	-		(27)		-		(27)			
Other income, net	13		9		14		16			
Income from continuing operations before income taxes	309		213		613		346			
Income tax expense	(67)		(42)		(132)		(76)			
Income from continuing operations	 242		171		481		270			
Income from discontinued operations, net of tax	-		1		1		2			
Net income	 242		172		482		272			
Net income attributable to noncontrolling interests, net of tax	(14)		(16)		(31)		(33)			
Net income attributable to Huntsman Corporation	\$ 228	\$	156	\$	451	\$	239			
Adjusted EBITDA <sup>(1)</sup>	\$ 432	\$	334	\$	847	\$	623			
		•								
Adjusted net income <sup>(1)</sup>	\$ 265	\$	191	\$	521	\$	338			
Basic income per share	\$ 1.11	\$	0.71	\$	2.16	\$	1.08			
Diluted income per share	\$ 1.10	\$	0.70	\$	2.14	\$	1.07			
Adjusted diluted income per share <sup>(1)</sup>	\$ 1.28	\$	0.86	\$	2.47	\$	1.52			
Common share information:										
Basic weighted average shares	205		221		209		221			
Diluted weighted average shares	207		223		211		223			
Diluted shares for adjusted diluted income per share	207		223		211		223			

See end of press release for footnote explanations.

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## Table 2 – Results of Operations by Segment

	Three mo Jun	nths o e 30,	ended	Better /	Six mont June	 ded	Better /
In millions	 2022		2021	(Worse)	 2022	2021	(Worse)
Segment Revenues:					 	 	
Polyurethanes	\$ 1,353	\$	1,155	17%	\$ 2,739	\$ 2,223	23%
Performance Products	492		371	33%	972	676	44%
Advanced Materials	336		299	12%	671	577	16%
Textile Effects	192		207	(7)%	389	400	(3)%
Total Reportable Segments' Revenue	 2,373		2,032	17%	4,771	 3,876	23%
Intersegment Eliminations	(11)		(8)	n/m	(20)	(15)	n/m
Total Revenues	\$ 2,362	\$	2,024	17%	\$ 4,751	\$ 3,861	23%
Segment Adjusted EBITDA <sup>(1)</sup> :							
Polyurethanes	\$ 229	\$	208	10%	\$ 453	\$ 415	9%
Performance Products	152		88	73%	298	151	97%
Advanced Materials	67		58	16%	134	102	31%
Textile Effects	22		28	(21)%	50	53	(6)%
Total Reportable Segments' Adjusted EBITDA <sup>(1)</sup>	 470		382	23%	935	721	30%
Corporate, LIFO and other	(38)		(48)	21%	(88)	(98)	10%
Total Adjusted EBITDA <sup>(1)</sup>	\$ 432	\$	334	29%	\$ 847	\$ 623	36%

n/m = not meaningful

See end of press release for footnote explanations.

# Table 3 – Factors Impacting Sales Revenue

	_		ree months ended e 30, 2022 vs. 2021		
	Average Sellin	g Price <sup>(a)</sup>			
	Local	Exchange	Sales Mix	Sales	
	Currency	Rate	& Other	Volume <sup>(b)</sup>	Total
Polyurethanes	24%	(4)%	1%	(4)%	17%
Performance Products	33%	(3)%	6%	(3)%	33%
Advanced Materials	21%	(5)%	12%	(16)%	12%
Textile Effects	12%	(3)%	0%	(16)%	(7)%

			5 ix months ended ne 30, 2022 vs. 2021		
	Average Sellin	g Price <sup>(a)</sup>			
	Local	Exchange	Sales Mix	Sales	
	Currency	Rate	& Other	Volume <sup>(b)</sup>	Total
Polyurethanes	27%	(4)%	0%	0%	23%
Performance Products	40%	(3)%	7%	0%	44%
Advanced Materials	23%	(4)%	14%	(17)%	16%
Textile Effects	14%	(2)%	(2)%	(13)%	(3)%

(a) Excludes sales from tolling arrangements, by-products and raw materials.

(b) Excludes sales from by-products and raw materials.



# Table 4 – Reconciliation of U.S. GAAP to Non-GAAP Measures

	Th	EBI ree mor June	ths e	nded		Incom (Expense) Three mon June	) Be ths	enefit ended	Th	Net In Tree mon June	ths e		T	Diluted Per S rree mon June	hare ths	;
In millions, except per share amounts	2	022	2	021		2022		2021	2	022	2	2021	2	2022	1	2021
Net income	\$	242	\$	172			_		\$	242	\$	172	\$	1.17	\$	0.77
Net income attributable to noncontrolling interests		(14)		(16)						(14)		(16)		(0.07)		(0.07)
Net income attributable to Huntsman Corporation		228		156						228		156		1.10		0.70
Interest expense, net from continuing operations		16		18									_			
Income tax expense from continuing operations		67		42	\$	(67)	\$	(42)								
Depreciation and amortization from continuing operations		72		73												
Business acquisition and integration expenses and purchase																
accounting inventory adjustments		4		5		(2)		-		2		5		0.01		0.02
Costs associated with the Albemarle Settlement, net		1		-		-		-		1		-		-		-
EBITDA / Income from discontinued operations, net of tax		-		(1)		N/A		N/A		-		(1)		-		-
Loss (gain) on sale of businesses/assets		7		(30)		(1)		4		6		(26)		0.03		(0.12)
Income from transition services arrangements		(1)		(3)		-		1		(1)		(2)		-		(0.01)
Fair value adjustments to Venator Investment, net <sup>(a)</sup>		-		6		-		-		-		6		-		0.03
Loss on early extinguishment of debt		-		27		-		(6)		-		21		-		0.09
Certain legal and other settlements and related expenses		2		8		1		(2)		3		6		0.01		0.03
Certain non-recurring information technology project																
implementation costs		1		3		(1)		(1)		-		2		-		0.01
Amortization of pension and postretirement actuarial losses		13		21		(3)		(5)		10		16		0.05		0.07
Restructuring, impairment and plant closing and transition																
costs		27		12		(7)		(2)		20		10		0.10		0.04
Plant incident remediation credits		(5)		(3)		1		1		(4)		(2)		(0.02)		(0.01)
Adjusted <sup>(1)</sup>	\$	432	\$	334	\$	(79)	\$	(52)	\$	265	\$	191	\$	1.28	\$	0.86
· ·	-		-		-	(,,,,	-	(/	-		-		-		-	
Adjusted income tax expense <sup>(1)</sup>									\$	79	\$	52				
Net income attributable to noncontrolling interests, net of tax									Ψ	14	Ψ	16				
Adjusted pre-tax income <sup>(1)</sup>									\$	358	\$	259				
Adjusted effective tax rate <sup>(3)</sup>									+	22%	-	20%				
Effective tax rate										22%		20%				

		Six mon	TDA ths e ie 30.	nded		Incon (Expense Six mon Jun	e) B ths	enefit ended		Net II Six mont Jun	ths e	ended		Diluted Per S Six mont Jun	shar hs e	nded
In millions, except per share amounts		2022		2021		2022		2021		2022		2021		2022		2021
Net income	\$	482	\$	272					\$	482	\$	272	\$	2.28	\$	1.22
Net income attributable to noncontrolling interests		(31)		(33)						(31)		(33)		(0.15)		(0.15)
Net income attributable to Huntsman Corporation		451		239						451		239		2.14		1.07
Interest expense, net from continuing operations		30		37									_			
Income tax expense from continuing operations		132		76	\$	(132)	\$	(76)								
Depreciation and amortization from continuing operations		143		147												
Business acquisition and integration expenses and purchase																
accounting inventory adjustments		10		14		(2)		(2)		8		12		0.04		0.05
Costs associated with the Albemarle Settlement, net		2		-		-		-		2		-		0.01		-
EBITDA / Income from discontinued operations, net of tax		(1)		(2)		N/A		N/A		(1)		(2)		-		(0.01)
Loss (gain) on sale of businesses/assets		11		(30)		(2)		4		9		(26)		0.04		(0.12)
Income from transition services arrangements		(2)		(4)		-		1		(2)		(3)		(0.01)		(0.01)
Fair value adjustments to Venator Investment, net <sup>(a)</sup>		2		25		-		-		2		25		0.01		0.11
Loss on early extinguishment of debt		-		27		-		(6)		-		21		-		0.09
Certain legal settlements and related expenses		14		10		(3)		(3)		11		7		0.05		0.03
Certain non-recurring information technology project																
implementation costs		3		4		(1)		(1)		2		3		0.01		0.01
Amortization of pension and postretirement actuarial losses		27		43		(6)		(10)		21		33		0.10		0.15
Restructuring, impairment and plant closing and transition																
costs		30		36		(8)		(8)		22		28		0.10		0.13
Plant incident remediation (credits) costs		(5)		1		1		-		(4)		1		(0.02)		-
Adjusted <sup>(1)</sup>	\$	847	\$	623	\$	(153)	\$	(101)	\$	521	\$	338	\$	2.47	\$	1.52
v	-		-		-	(100)	-	(	-		-		-		+	
Adjusted income tax expense <sup>(1)</sup>									\$	153	\$	101				
Net income attributable to noncontrolling interests, net of tax									φ	31	φ	33				
Adjusted pre-tax income <sup>(1)</sup>									<u>ф</u>		<b></b>					
JI									\$	705	\$	472				
Adjusted effective tax rate <sup>(3)</sup>										22%		21%				
Effective tax rate										22%		22%				

(a) Represents the changes in market value in Huntsman's remaining interest in Venator and related option to sell those remaining Venator shares.

N/A = not applicable

See end of press release for footnote explanations.

## Table 5 – Selected Balance Sheet Items

In millions	J	une 30, 2022	ember 31, 2021
Cash	\$	608	\$ 1,041
Accounts and notes receivable, net		1,288	1,186
Inventories		1,401	1,201
Receivable associated with the Albemarle Settlement		-	333
Other current assets		140	167
Property, plant and equipment, net		2,486	2,576
Other noncurrent assets		2,798	2,888
Total assets	\$	8,721	\$ 9,392
Accounts payable	\$	1,128	\$ 1,208
Other current liabilities		481	831
Current portion of debt		13	12
Long-term debt		1,508	1,538
Other noncurrent liabilities		1,240	1,244
Huntsman Corporation stockholders' equity		4,147	4,378
Noncontrolling interests in subsidiaries		204	181
Total liabilities and equity	\$	8,721	\$ 9,392

# Table 6 – Outstanding Debt

In millions	une 30, 2022	ember 31, 2021
Debt:		
Revolving credit facility	\$ -	\$ -
Accounts receivable programs	-	-
Senior notes	1,451	1,473
Variable interest entities	40	45
Other debt	30	32
Total debt - excluding affiliates	1,521	 1,550
Total cash	608	1,041
Net debt - excluding affiliates <sup>(4)</sup>	\$ 913	\$ 509

See end of press release for footnote explanations.

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## Table 7 – Summarized Statement of Cash Flows

In millions Total cash at beginning of period	Three months ended June 30,				Six months ended June 30,			
	2022		2021		2022		2021	
	\$	807	\$	673	\$	1,041	\$	1,593
Net cash provided by (used in) operating activities from continuing								
operations		231		(7)		316		(23)
Net cash used in operating activities from discontinued operations		-		-		-		(1)
Net cash used in investing activities		(64)		(46)		(129)		(369)
Net cash used in financing activities		(357)		(112)		(609)		(691)
Effect of exchange rate changes on cash		(9)		2		(11)		1
Total cash at end of period	\$	608	\$	510	\$	608	\$	510
Free cash flow from continuing operations <sup>(2)</sup> : Net cash provided by (used in) operating activities from continuing								
operations	\$	231	\$	(7)	\$	316	\$	(23)
Capital expenditures		(69)		(76)		(138)		(174)
Free cash flow from continuing operations		162		(83)		178		(197)
Supplemental cash flow information:								
Cash paid for interest	\$	(24)	\$	(31)	\$	(33)	\$	(47)
Cash paid for income taxes		(122)		(68)		(154)		(76)
Cash paid for restructuring and integration		(13)		(8)		(26)		(17)
Cash paid for pensions		(13)		(14)		(26)		(28)
Depreciation and amortization		72		73		143		147
Change in primary working capital:								
Accounts and notes receivable	\$	(8)	\$	(97)	\$	(142)	\$	(214)
Inventories		(52)		(176)		(239)		(332)
Accounts payable		(129)		79		(9)		173
Total change in primary working capital	\$	(189)	\$	(194)	\$	(390)	\$	(373)

See end of press release for footnote explanations.

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#### Footnotes

(1) We use adjusted EBITDA to measure the operating performance of our business and for planning and evaluating the performance of our business segments. We provide adjusted net income because we feel it provides meaningful insight for the investment community into the performance of our business. We believe that net income (loss) is the performance measure calculated and presented in accordance with generally accepted accounting principles in the U.S. ("GAAP") that is most directly comparable to adjusted EBITDA and adjusted net income (loss). Additional information with respect to our use of each of these financial measures follows:

Adjusted EBITDA, adjusted net income (loss) and adjusted diluted income (loss) per share, as used herein, are not necessarily comparable to other similarly titled measures of other companies.

Adjusted EBITDA is computed by eliminating the following from net income (loss): (a) net income attributable to noncontrolling interests, net of tax; (b) interest; (c) income taxes; (d) depreciation and amortization; (e) amortization of pension and postretirement actuarial losses (gains); (f) restructuring, impairment and plant closing costs (credits); and further adjusted for certain other items set forth in the reconciliation of net income (loss) to adjusted EBITDA in Table 4 above.

Adjusted net income (loss) and adjusted diluted income (loss) per share are computed by eliminating the after tax impact of the following items from net income (loss): (a) net income attributable to noncontrolling interest; (b) amortization of pension and postretirement actuarial losses (gains); (c) restructuring, impairment and plant closing costs (credits); and further adjusted for certain other items set forth in the reconciliation of net income (loss) to adjusted net income (loss) in Table 4 above. The income tax impacts, if any, of each adjusting item represent a ratable allocation of the total difference between the unadjusted tax expense and the total adjusted tax expense, computed without consideration of any adjusting items using a with and without approach.

We may disclose forward-looking adjusted EBITDA because we cannot adequately forecast certain items and events that may or may not impact us in the near future, such as business acquisition and integration expenses and purchase accounting inventory adjustments, certain legal and other settlements and related expenses, gains on sale of businesses/assets and certain tax only items, including tax law changes not yet enacted. Each of such adjustment has not yet occurred, is out of our control and/or cannot be reasonably predicted. In our view, our forward-looking adjusted EBITDA represents the forecast net income on our underlying business operations but does not reflect any adjustments related to the items noted above that may occur and can cause our adjusted EBITDA to differ.

- (2) Management internally uses free cash flow measure: (a) to evaluate our liquidity, (b) evaluate strategic investments, (c) plan stock buyback and dividend levels and (d) evaluate our ability to incur and service debt. Free cash flow is defined as net cash provided by operating activities less capital expenditures. Free cash flow is not a defined term under U.S. GAAP, and it should not be inferred that the entire free cash flow amount is available for discretionary expenditures.
- (3) We believe adjusted effective tax rate provides improved comparability between periods through the exclusion of certain items that management believes are not indicative of the businesses' operational profitability and that may obscure underlying business results and trends. In our view, effective tax rate is the performance measure calculated and presented in accordance with U.S. GAAP that is most directly comparable to adjusted effective tax rate. The reconciliation of historical adjusted effective tax rate is set forth in Table 4 above. Please see the reconciliation of our net income to adjusted net income in Table 4 for details regarding the tax impacts of our non-GAAP adjustments.

Our forward-looking adjusted effective tax rate is calculated based on our forecast effective tax rate, and the range of our forward-looking adjusted effective tax rate equals the range of our forecast effective tax rate. We disclose forward-looking adjusted effective tax rate because we cannot adequately forecast certain items and events that may or may not impact us in the near future, such as business acquisition and integration expenses and purchase accounting inventory adjustments, certain legal and other settlements and related expenses, gains on sale of businesses/assets and certain tax only items, including tax law changes not yet enacted. Each of such adjustment has not yet occurred, is out of our control and/or cannot be reasonably predicted. In our view, our forward-looking adjusted effective tax rate represents the forecast effective tax rate to differ.

(4) Net debt is a measure we use to monitor how much debt we have after taking into account our total cash. We use it as an indicator of our overall financial position, and calculate it by taking our total debt, including the current portion, and subtracting total cash.

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#### About Huntsman:

Huntsman Corporation is a publicly traded global manufacturer and marketer of differentiated and specialty chemicals with 2021 revenues of approximately \$8 billion. Our chemical products number in the thousands and are sold worldwide to manufacturers serving a broad and diverse range of consumer and industrial end markets. We operate more than 70 manufacturing, R&D and operations facilities in approximately 30 countries and employ approximately 9,000 associates within our four distinct business divisions. For more information about Huntsman, please visit the company's website at www.huntsman.com.

#### Social Media:

Twitter: <u>www.twitter.com/Huntsman\_Corp</u> Facebook: <u>www.facebook.com/huntsmancorp</u> LinkedIn: <u>www.linkedin.com/company/huntsman</u>

### Forward-Looking Statements:

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, divestitures or strategic transactions, including the review of the Textile Effects Division, business trends and any other information that is not historical information. When used in this press release, the words "estimates," "expects," "anticipates," "likely," "projects," "outlook," "plans," "intends," "believes," "forecasts," or future or conditional verbs, such as "will," "should," "could" or "may," and variations of such words or similar expressions are intended to identify forward-looking statements. These forward-looking statements, including, without limitation, management's examination of historical operating trends and data, are based upon our current expectations and various assumptions and beliefs. In particular, such forward-looking statements are subject to uncertainty and changes in circumstances and involve risks and uncertainties that may affect the Company's operations, markets, products, prices and other factors as discussed in the Company's filings with the Securities and Exchange Commission (the "SEC"). In addition, there can be no assurance that the review of the Textile Effects Division will result in one or more transactions or other strategic change or outcome. Significant risks and uncertainties may relate to, but are not limited to, increased energy costs in Europe, inflation and resulting monetary tightening in the US, geopolitical instability, ongoing impact of COVID-19 on our operations and financial results, volatile global economic conditions, cyclical and volatile product markets, disruptions in production at manufacturing facilities, timing of proposed transactions, reorganization or restructuring of the Company's operations, including any delay of, or other negative developments affecting the ability to implement cost reductions and manufacturing optimization improvements in the Company's businesses and to realize anticipated cost savings, and other financial, operational, economic, competitive, environmental, political, legal, regulatory and technological factors. Any forward-looking statement should be considered in light of the risks set forth under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021, which may be supplemented by other risks and uncertainties disclosed in any subsequent reports filed or furnished by the Company from time to time. All forward-looking statements apply only as of the date made. Except as required by law, the Company undertakes no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

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