HUNTSMAN

Enriching lives through innovation

2020 ANNUAL REPORT

HUNTSMAN

Enriching lives through innovation

WE TOOK ADDITIONAL LEAPS FORWARD TO OPTIMIZE AND GROW OUR DOWNSTREAM SPECIALTY AND DIFFERENTIATED BUSINESSES.

Huntsman Corporation is a publicly traded global manufacturer and marketer of specialty and differentiated chemicals. Our products are sold worldwide and serve a broad and diverse range of consumer and industrial end markets.

2020 MILESTONES

- Completed the sale of our Chemical Intermediate and Surfactants businesses to Indorama Ventures for approximately $2 billion which reduced our upstream footprint and further fortified our investment grade balance sheet.
- Acquired Icynene-Lapolla for ~$350 million, which nearly doubled our existing spray polyurethane foam business. The combined business was rebranded to Huntsman Building Solutions a global leader in spray polyurethane foam insulation.
- Responded to the COVID-19 pandemic with increased cost control and lower discretionary spending, reducing capital expenditures and suspending share repurchases to preserve our strong balance sheet. Huntsman also utilized available assets to produce and donate millions of pounds of hand sanitizer around the world in order to help contribute to the global fight against the pandemic.
- Transformed our Advanced Materials business by announcing three separate transactions through 2020, of which two were closed during 2020 and the third closed in January 2021. During 2020 we closed on the acquisition of CVC Thermoset Specialties for ~$300 million and the sale of our India based Do-It-Yourself consumer adhesives business for approximately $257 million, plus up to an additional approximate $28 million subject to an 18-month earn out. We also announced in December 2020 the acquisition of Gabriel Performance Products for ~$250 million, which was closed in early 2021. The net impact of all three transactions expanded our core specialty business and improved its geographic balance at an overall attractive net purchase price.
- Completed the sale of approximately 42.4 million ordinary shares of Venator Materials PLC for approximately $100 million, which includes a 30-month option for the buyer to acquire the remaining 9.7 million ordinary shares held by Huntsman. This transaction also allowed for Huntsman to capture an immediate tax savings of $150 million, securing a total related cash benefit of $250 million in 2020.
- Announced more than $120 million of annualized cost and synergy savings including the acceleration of synergy capture relating to our newly acquired businesses.
- Received Six Responsible Care® Certificates for 2019 Health and Safety Performance from the American Chemistry Council and published our 2019 sustainability report discussing how we are adopting to a circular mindset. This was Huntsman's ninth sustainability report since launching its corporate sustainability initiative in 2010.
- Opened a new TEROL polyols plant in Taiwan, expanding our downstream polyurethanes capabilities in the Asia-Pacific region.
- Paid out approximately $144 million in dividends to our shareholders and repurchased 5.4 million shares for $96 million.

DEAR FELLOW SHAREHOLDERS:

2020 was a year with extraordinary challenges that impacted all companies, including Huntsman, as the coronavirus pandemic caused unprecedented economic volatility including a global recession. However, our Company entered this period of turmoil with the strongest financial position in its history and used this strength to its advantage.

As the global economic impact of the pandemic was becoming more evident in early March, we quickly made prudent decisions to lower discretionary spending and control costs, including accelerating our plans to realign our costs following the sale of our Chemical Intermediate and Surfactants businesses. We also prioritized protecting our strong balance sheet and liquidity position through actions such as suspending our share repurchase program, lowering our capital expenditures, and working closely with customers and suppliers to assume timely collections and payments. Because of our financial strength we did not have to raise additional debt for liquidity purposes or cut our quarterly dividend as other companies did. Additionally, with our strong balance sheet we were able to take advantage of market conditions and continue making strategic investments to further strengthen and realign our core businesses.

The completion of our timely divestiture of our Chemical Intermediates and Surfactants businesses in early January for approximately $2 billion ended up being the first of several strategically important portfolio moves that we would close in 2020.

We then completed the acquisition of the spray polyurethane foam (SPF) insulation company Icynene-Lapolla in February 2020 for ~$350 million, which we immediately began integrating with our existing SPF business. We rebranded this combined business to Huntsman Building Solutions, which is now the largest SPF manufacturer in the world. We also anticipate it will be one of our fastest growing businesses over the next several years. Not only does this allow us to push more of our polymeric MDI downstream, but it also enables us to utilize our TEROL polyols which consumes the equivalent of over one billion PET bottles per annum as a feedstock source. This business not only helps to reduce plastic waste but also makes buildings significantly more energy efficient when compared to other insulation alternatives.

Next, through 2020 we were able to strategically reposition and fortify the core businesses of our Advanced Materials division with three separate transactions which included the purchases of CVC Thermoset Specialties in May for ~$300 million and Gabriel Performance Products for ~$250 million which was announced in December and closed in early 2021. These acquisitions were partially funded with the proceeds of the sale of our India based DIY consumer adhesives business for approximately $257 million in November, plus up to an additional approximate $28 million under an earn out over 18 months. These strategic moves strengthened the Advanced Materials core specialty product offering and improved its geographic balance at an overall attractive net price.

Finally, we sold approximately 42.4 million ordinary shares of Venator Materials PLC for approximately $100 million which included an option for the buyer to acquire our remaining approximate 9.7 million ordinary shares. This sale allowed us to also capture an immediate $150 million tax savings by utilizing the capital loss from this sale against the gain on the sale of the Chemical Intermediates and Surfactants businesses. This just about completes the separation of Venator Materials which was started with an initial public offering in 2017. In total, we have generated about $2 billion in total gross proceeds from the related Venator transactions including the $150 million cash tax loss benefit.

On top of acquisitions and divestitures in 2020 we continued to fund organic strategic investments such as the opening of a new TEROL polyol facility in Taiwan and funding the ongoing construction of our new MDI splitter at our Geismar Louisiana facility, expected to be operational in 2022, which will help to further grow our downstream Polyurethane businesses in North America.

Our aim was to exit 2020, despite all its macro challenges, as a stronger and better company. Through the efforts of all our associates, we have done so. Our portfolio of businesses has never been more uniquely downstream and differentiated, and more focused on viable sustainable solutions for the emerging long-term needs of society.

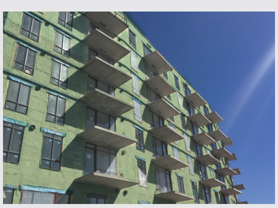
Furthermore, our high-priority focus is unchanged on the safety and well being of our associates and all stakeholders. Our commitment to safety and the environment is simply unquestionable. I believe this commitment is reflected in awards such as being recognized in the *Houston Chronicle*'s "Top Workplaces" again in 2020. Also, in 2020 we received six Responsible Care Facility Safety Awards from the American Chemistry Council, which was in recognition of the company's significant achievements in employee health and safety performance during 2019.

The Huntsman Corporation and its employees have a lot to be proud of for what we accomplished in 2020, even in a very challenging economic environment. Our employees quickly adapted to a work from home environment and our Company never missed a beat in running the day-to-day operations. Notably, as this report is going to press, our associates just concluded a fundraiser to assist local food banks affected by the recent freeze in the state of Texas. In less than 24 hours our associates raised over $600,000 and distributed the funds within a day of completing this initiative. I can not think of a better example as to the quality and wonderful culture of our associates. This is what makes us a great company… our people.

Thank you for your confidence in Huntsman. I look forward to updating you again in next year's letter.

Peter R. Huntsman
Chairman, President and CEO

OVERVIEW OF BUSINESS DIVISIONS



59%

POLYURETHANES

Polyurethanes is a leading global producer of MDI-based polyurethanes focused on formulating innovative, differentiated products for key downstream markets including energy-saving insulation, light-weighting and performance materials for automotive, comfort foam for bedding and furniture, protective coatings, adhesives, and elastomers for footwear.

17%

PERFORMANCE PRODUCTS

Performance Products manufactures a wide variety of chemical products that provide important properties in everyday items people want and need. The primary product categories of amines and maleic anhydride are used in coating & adhesives, fuels & lubricants, urethane catalysts, composites, gas treating, and epoxy curing.

14%

ADVANCED MATERIALS

Advanced Materials provides specialty epoxy, acrylic and polyurethane-based polymer resin systems and adhesive products, which are replacing traditional materials in aircraft, automobiles and electrical power transmission. These products are also used in coatings, construction materials, circuit boards and sports equipment.

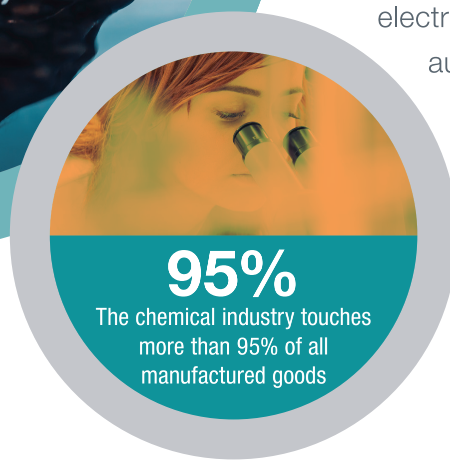
10%

TEXTILE EFFECTS

Textile Effects is a major global solutions provider of textile dyes and textile chemicals to the textile industry that enhance color and improve fabric performance such as wrinkle resistance, faster drying properties and the ability to repel water and stains in apparel, home and technical textiles.

BRIGHTENING THE HORIZON: INNOVATIVE SOLUTIONS FOR A LOW-CARBON ECONOMY

Huntsman believes moving to a low-carbon economy will make both society and the environment more sustainable. We are developing innovative solutions that improve efficiency and reduce emissions, from high-performance building insulation, to high-purity battery solvents that enable electric vehicles, to light-weight automotive and aerospace components, to advanced energy-saving dyes. The pathway to a cleaner environment and more efficient economy runs through Huntsman.



Huntsman Polyurethanes transforms plastic waste into useable MDI-based polyurethane insulation products that reduce heating and cooling costs of homes and commercial buildings and prolong the shelf life of perishable foods. We recycle the equivalent of over 1 billion 500 ml plastic bottles into TEROL® polyols every year with a recycled content of up to 60%. By using waste to manufacture insulation products that improve a building's energy efficiency, we are reducing fossil fuel consumption and carbon dioxide emissions.

Huntsman Performance Products produces carbonate solvents that make electric batteries more efficient and cost competitive. As the only U.S. producer of ethylene and propylene carbonates used in Lithium-ion (Li-ion) batteries, Huntsman is well-positioned to grow with the electric vehicle industry, a key driver in phasing out internal combustion engines over the next 10 to 15 years and reducing carbon dioxide emissions.

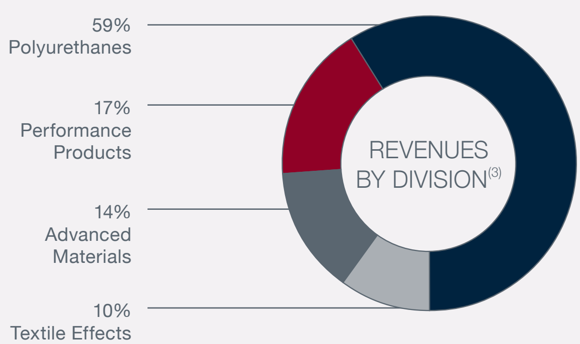
Huntsman Advanced Materials creates products to insulate motors and build composite battery boxes that make electric vehicles lighter and safer. We also produce carbon nanomaterials for longer-lasting and better-performing Li-ion batteries. Our investment in research and development includes scaling a process that converts methane into clean-burning hydrogen fuel and valuable structural carbon materials for construction, transportation, and other applications.

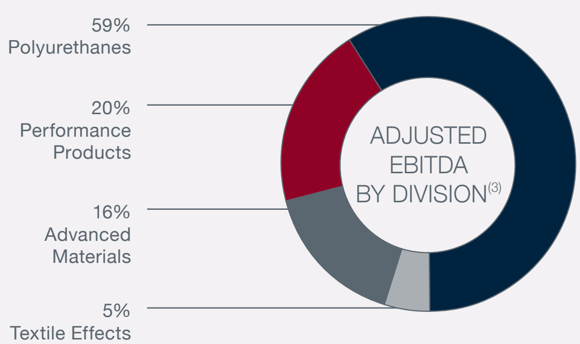
Huntsman Textile Effects combines our innovative TERASIL® W/WW disperse dyes for polyester with our award-winning AVITERA® SE reactive dyes for cotton in a new SE Fast Process for polyester-cellulosic blends to provide the shortest possible processing time and the lowest environmental impact, along with robust dyeing behavior for all shade depths. The process reduces the time required to dye polyester-cellulosic blends from nine to six hours while lowering water consumption, energy demand, and carbon dioxide emissions by up to 50%.

FINANCIAL HIGHLIGHTS—2020 AT A GLANCE

$ in millions, except per share amounts	*Year Ended December 31,* **2020**	2019	2018
Revenues	**$6,018**	$6,797	$ 7,604
Gross profit	**$1,100**	$1,382	$ 1,764
Interest expense, net	**$ 86**	$ 111	$ 115
Net income	**$1,066**	$ 598	$ 650
Adjusted net income[1]	**$ 218**	$ 353	$ 642
Diluted adjusted net income per share[1]	**$ 0.98**	$ 1.53	$ 2.66
Adjusted EBITDA[1]	**$ 647**	$ 846	$ 1,161
Adjusted free cash flow[1]	**$ 285**	$ 382	$ 453
Capital expenditures	**$ 249**	$ 274	$ 251

$ in millions	*December 31,* **2020**	2019	2018
Total assets	**$8,713**	$8,320	$ 7,953
Net debt[2]	**$ 528**	$1,864	$ 1,980





(1) Reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures are provided through the "Non-GAAP Reconciliation" link available in the "Financials" section on our website at www.huntsman.com/investors.
(2) Net debt calculated as total debt excluding affiliates less cash of $1,593 million, $525 million and $340 million in 2020, 2019 and 2018, respectively.
(3) Division allocation before Corporate and other unallocated items.

FINANCIAL REVIEW AND FORM 10-K

DEFINITIONS

Each capitalized term used without definition in this report has the meaning specified in the Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the Securities and Exchange Commission on February 12, 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Recent Developments

COVID-19 Update

The outbreak of the coronavirus disease ("COVID-19") has spread from China to many other countries, including the United States ("U.S."). In March 2020, the World Health Organization characterized COVID-19 as a pandemic. As of December 31, 2020, there have not been any significant interruptions in our ability to provide our products and support to our customers. However, the COVID-19 pandemic has significantly impacted economic conditions throughout the U.S. and the world, including the markets in which we operate. Demand for our products declined at a rapid pace in the second quarter 2020, which led to a meaningful adverse impact on our revenues and financial results. Although we have experienced improved conditions in most of our core markets in the second half of 2020, there continues to be many uncertainties regarding the impact of the COVID-19 pandemic, including the scope of scientific and health issues, the anticipated duration of the pandemic and the extent of local, regional and worldwide economic, social and political disruption. Given such uncertainties, it is difficult to estimate the magnitude COVID-19 may impact our future business, but we expect any adverse impact to continue for some time.

In response to the impact of COVID-19, we have implemented, and may continue to implement, cost saving initiatives, including:

- suspended merit and general wage increases that customarily would have occurred at the end of the first quarter of 2020;
- implemented a temporary hiring freeze for all non-business critical positions;
- accelerated integration efforts related to the integration of Icynene-Lapolla and CVC Thermoset Specialties in order to more expeditiously capture related synergies;
- implemented restructuring programs in our Polyurethanes segment to reorganize our spray polyurethane foam business to better position this business for efficiencies and growth in coming years and to optimize our downstream footprint;
- implemented a restructuring program in our Performance Products segment, primarily related to workforce reductions, in response to the sale of our chemical intermediates businesses, which included PO/MTBE, and our surfactants businesses (collectively, "Chemical Intermediates Businesses") to Indorama Venture Holdings L.P. ("Indorama");
- implemented restructuring programs in our Advanced Materials segment, primarily related to workforce reductions in connection with our acquisition of CVC Thermoset Specialties and the alignment of the segment's commercial organization and optimization of the segment's manufacturing processes; and
- implemented restructuring programs in our Textile Effects segment to rationalize and realign structurally across various functions and certain locations within the segment.

For more information regarding our 2020 restructuring activities, see "Note 13. Restructuring, Impairment and Plant Closing Costs (Credits)" to our consolidated financial statements.

Redemption of the 2021 Senior Notes

On January 15, 2021, we redeemed in full €445 million (approximately $541 million) in aggregate principal amount of our 5.125% senior notes due 2021 ("2021 Senior Notes") at the redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest to, but not including, the redemption date. In connection with this redemption, we expect to incur an incremental cash tax liability of approximately $15 million in the first quarter of 2021 related to foreign currency exchange gains.

Acquisition of Gabriel Performance Products

On January 15, 2021, we completed the acquisition of Gabriel Performance Products ("Gabriel"), a North American specialty chemical manufacturer of specialty additives and epoxy curing agents for the coatings, adhesives, sealants and composite end-markets, from funds affiliated with Audax Private Equity in an all-cash transaction of approximately $250 million, subject to customary closing adjustments, funded from available liquidity. The acquired business will be integrated into our Advanced Materials segment.

Sale of Assets at our Basel, Switzerland Site

In November 2020, we entered into a sale and leaseback agreement to sell certain properties in Basel, Switzerland for approximately CHF 67 million (approximately $73 million) and to lease those properties back for five years. This transaction resulted in a pretax gain of approximately CHF 30 million (approximately $33 million).

Sale of India-Based Do-It-Yourself Consumer Adhesives Business

On November 3, 2020, we completed the sale of the India-based do-it-yourself consumer adhesives ("DIY") business, previously part of our Advanced Materials segment, to Pidilite Industries Ltd. and received cash of approximately $257 million. Under the terms of the agreement, we may receive up to approximately $28 million of additional cash under an earnout within 18 months if the business achieves certain sales revenue targets in line with the DIY business' 2019 performance. In connection with this sale, we recognized a pretax gain of $247 million in the fourth quarter of 2020, which was recorded in gain on sale of India-based DIY business in our consolidated statements of operations.

Sale of Venator Interest

On December 23, 2020, we completed the sale of approximately 42.4 million ordinary shares of Venator Materials PLC ("Venator") to funds advised by SK Capital Partners, LP. We received approximately $99 million in cash, which included $8 million for a 30-month option described below. In addition to the cash proceeds received from the sale, we achieved immediate cash tax savings of approximately $150 million by offsetting the capital loss on the sale of Venator shares against the capital gain realized on the sale of our Chemical Intermediates Businesses. See "Note 4. Discontinued Operations and Business Dispositions—Separation and Deconsolidation of Venator" to our consolidated financial statements.

Concurrently with the sale of Venator ordinary shares, we entered into an option agreement, pursuant to which we granted an option to funds advised by SK Capital Partners, LP to purchase the remaining approximate 9.7 million ordinary shares we hold in Venator at $2.15 per share. The option will expire on June 23, 2023 and will not be exercisable so long as such exercise would result in a default or an "Event of Default" under Venator's Term Loan Credit Agreement and Revolving Credit Agreement.

In connection with the 2017 initial public offering of Venator, we recorded a receivable of approximately $34 million related to certain income tax benefits that was reduced upon completion of the sale of Venator shares to SK Capital Partners, LP due to a change of control limitation on specific Venator tax attributes. Accordingly, we wrote off approximately $31 million of this receivable upon completion of the sale of the Venator ordinary shares in December 2020.

Other Significant Developments During 2020

Other significant developments that occurred during 2020 were as follows:

- In May 2020, we completed the acquisition of CVC Thermoset Specialties, a North American specialty chemical manufacturer serving the industrial composites, adhesives and coatings markets ("CVC Thermoset Specialties Acquisition".) CVC Thermoset Specialties operates two manufacturing facilities located in Akron, Ohio and Maple Shade, New Jersey. The acquired business was integrated into our Advanced Materials segment. For more information, see "Note 3. Business Combinations and Acquisitions—Acquisition of CVC Thermoset Specialties" to our consolidated financial statements.

- In February 2020, we completed our acquisition of Icynene-Lapolla, a leading North American manufacturer and distributor of spray polyurethane foam insulation systems for residential and commercial applications ("Icynene-Lapolla Acquisition".) The acquired business was integrated into our Polyurethanes segment. For more information, see "Note 3. Business Combinations and Acquisitions—Acquisition of Icynene-Lapolla" to our consolidated financial statements.

- In January 2020, we completed the sale of our Chemical Intermediates Businesses to Indorama in a transaction valued at approximately $2 billion, comprised of a cash purchase price of approximately $1.92 billion and the transfer of approximately $72 million in net underfunded pension and other post-employment benefit liabilities. For more information, see "Note 4. Discontinued Operations and Business Dispositions—Sale of Chemical Intermediates Businesses" to our consolidated financial statements.

RESULTS OF OPERATIONS

The following tables set forth our consolidated results of operations for the years ended December 31, 2020, 2019 and 2018 (dollars in millions, except per share amounts).

	December 31,			Percent Change	
	2020	2019	2018	2020 vs 2019	2019 vs 2018
Revenues	$ 6,018	$ 6,797	$ 7,604	(11)%	(11)%
Cost of goods sold	4,918	5,415	5,840	(9)%	(7)%
Gross profit	1,100	1,382	1,764	(20)%	(22)%
Operating expenses	618	954	942	(35)%	1%
Restructuring, impairment and plant closing costs (credits)	49	(41)	(7)	NM	486%
Merger costs	—	—	2	—	(100)%
Operating income	433	469	827	(8)%	(43)%
Interest expense, net	(86)	(111)	(115)	(23)%	(3)%
Equity in income of investment in unconsolidated affiliates	42	54	55	(22)%	(2)%
Fair value adjustments to Venator investment and related loss on disposal	(88)	(18)	(62)	389%	(71)%
Loss on early extinguishment of debt	—	(23)	(3)	(100)%	667%
Other income, net	36	20	32	80%	(38)%
Income from continuing operations before income taxes	337	391	734	(14)%	(47)%
Income tax (expense) benefit	(46)	38	(45)	NM	NM
Income from continuing operations	291	429	689	(32)%	(38)%
Income (loss) from discontinued operations, net of tax	775	169	(39)	359%	NM
Net income	1,066	598	650	78%	(8)%
Reconciliation of net income to adjusted EBITDA:					
Net income attributable to noncontrolling interests	(32)	(36)	(313)	(11)%	(88)%
Interest expense, net from continuing operations	86	111	115	(23)%	(3)%
Interest expense, net from discontinued operations	—	—	36	—	(100)%
Income tax expense (benefit) from continuing operations	46	(38)	45	NM	NM
Income tax expense from discontinued operations	242	35	86	591%	(59)%
Depreciation and amortization of continuing operations	283	270	255	5%	6%
Depreciation and amortization of discontinued operations	—	61	88	(100)%	(31)%
Other adjustments:					
Business acquisition and integration expenses and purchase accounting inventory adjustments	31	5	9		
Merger costs	—	—	2		
EBITDA from discontinued operations[2]	(1,017)	(265)	(171)		
Noncontrolling interest of discontinued operations	—	—	232		
Fair value adjustments to Venator investment and related loss on disposal	88	18	62		
Loss on early extinguishment of debt	—	23	3		
Certain legal and other settlements and related expenses	5	6	1		
(Gain) loss on sale of businesses/assets	(280)	21	—		
Income from transition services arrangements	(7)	—	—		
Certain nonrecurring information technology project implementation costs	6	4	—		
Amortization of pension and postretirement actuarial losses	76	66	67		
Plant incident remediation costs	2	8	—		
Restructuring, impairment and plant closing and transition costs (credits)[3]	52	(41)	(6)		
Adjusted EBITDA[1]	$ 647	$ 846	$ 1,161	(24)%	(27)%
Net cash provided by operating activities from continuing operations.	$ 277	$ 656	$ 704	(58)%	(7)%
Net cash provided by (used in) investing activities from continuing operations	1,462	(201)	(615)	NM	(67)%
Net cash used in financing activities	(655)	(450)	(424)	46%	6%
Capital expenditures from continuing operations	(249)	(274)	(251)	(9)%	9%

	Year ended December 31, 2020			Year ended December 31, 2019			Year ended December 31, 2018		
	Gross	Tax and other(4)	Net	Gross	Tax and other(4)	Net	Gross	Tax and other(4)	Net
Reconciliation of net income to adjusted net income									
Net income			$ 1,066			$ 598			$ 650
Net income attributable to noncontrolling interests			(32)			(36)			(313)
Business acquisition and integration expenses and purchase accounting inventory adjustments	$ 31	$ (6)	25	$ 5	$ —	5	$ 9	$ (3)	6
Merger costs	—	—	—	—	—	—	2	—	2
Income from discontinued operations(2)(6)	(1,017)	242	(775)	(265)	96	(169)	(171)	210	39
Noncontrolling interest of discontinued operations	—	—	—	—	—	—	232	—	232
Fair value adjustments to Venator investment and related loss on disposal	88	(9)	79	18	—	18	62	—	62
Loss on early extinguishment of debt	—	—	—	23	(5)	18	3	(1)	2
Certain legal and other settlements and related expenses	5	(1)	4	6	(1)	5	1	(1)	—
(Gain) loss on sale of businesses/assets	(280)	31	(249)	21	(5)	16	—	—	—
Income from transition services arrangements	(7)	2	(5)	—	—	—	—	—	—
Certain nonrecurring information technology project implementation costs	6	(1)	5	4	(1)	3	—	—	—
Amortization of pension and postretirement actuarial losses	76	(17)	59	66	(16)	50	67	(13)	54
Significant activities related to deferred tax assets and liabilities(5)	—	—	—	—	(128)	(128)	—	(119)	(119)
U.S. Tax Reform Act impact on income tax expense	—	—	—	—	(1)	(1)	—	32	32
Plant incident remediation costs	2	—	2	8	(2)	6	—	—	—
Restructuring, impairment and plant closing and transition costs (credits)(3)	52	(13)	39	(41)	9	(32)	(6)	1	(5)
Adjusted net income(1)			$ 218			$ 353			$ 642
Weighted average shares-basic			220.6			228.9			238.1
Weighted average shares-diluted			221.9			230.6			241.6
Basic net income (loss) attributable to Huntsman Corporation per share:									
Income from continuing operations			$ 1.18			$ 1.72			$ 2.55
Income (loss) from discontinued operations			3.51			0.74			(1.13)
Net income			$ 4.69			$ 2.46			$ 1.42
Diluted net income (loss) attributable to Huntsman Corporation per share:									
Income from continuing operations			$ 1.17			$ 1.70			$ 2.52
Income (loss) from discontinued operations			3.49			0.74			(1.13)
Net income			$ 4.66			$ 2.44			$ 1.39
Other non-GAAP measures:									
Diluted adjusted net income per share(1)			$ 0.98			$ 1.53			$ 2.66
Net cash provided by operating activities from continuing operations			$ 277			$ 656			$ 704
Capital expenditures from continuing operations			(249)			(274)			(251)
Free cash flow from continuing operations(1)			$ 28			$ 382			$ 453
Other cash flow measure:									
Taxes paid on sale of businesses(7)			$ 257			$ —			$ —

NM—Not meaningful

(1) See "—Non-GAAP Financial Measures."

(2) Includes the gain on the sale of our Chemical Intermediates Businesses in 2020.

(3) Includes costs associated with transition activities relating to the acquisition of CVC Thermoset Specialties in 2020 and transition activities in 2018 relating to the transition of our Textile Effects segment's production from Basel, Switzerland to a tolling facility. These transition costs were included in either selling, general and administrative expenses or cost of sales on our consolidated statements of operations.

(4) 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.

(5) During the year ended December 31, 2019, we recorded $153 million of tax benefit relating to the outside basis difference in our investment in Venator, we recorded $18 million of tax benefit relating to realized tax losses on our remaining interest in Venator, we established $11 million of significant income tax valuation allowance in Australia and we recorded $32 million of deferred tax expense due to the reduction of tax rates in Switzerland. During the year ended December 31, 2018, we released $119 million of significant income tax valuation allowances in Switzerland, the U.K. and Luxembourg. We eliminated the effect of these significant changes in tax valuation allowances and deferred tax assets and liabilities from our presentation of adjusted net income to allow investors to better compare our ongoing financial performance from period to period.

(6) In addition to income tax impacts, this adjusting item is also impacted by depreciation and amortization expense and interest expense.

(7) Represents the taxes paid in connection with the sale of the Chemical Intermediates Businesses and the sale of the India-based DIY business. For more information, see "Note 4. Discontinued Operations and Business Disposition" to our consolidated financial statements.

Non-GAAP Financial Measures

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP" or "U.S. GAAP"), which we supplement with certain non-GAAP financial information. These non-GAAP measures should not be considered in isolation or as a substitute for the related U.S. GAAP measures, and other companies may define such measures differently. We encourage investors to review our financial statements and the reconciliation of the non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures in their entirety and not to rely on any single financial measure. These non-GAAP measures exclude the impact of certain expenses that we do not believe are indicative of our core operating results.

Adjusted EBITDA

Our management uses adjusted EBITDA to assess financial performance. Adjusted EBITDA is defined as net income of Huntsman Corporation before interest, income tax, depreciation and amortization, net income attributable to noncontrolling interests and certain Corporate and other items, as well as eliminating the following adjustments: (a) business acquisition and integration expenses and purchase accounting inventory adjustments; (b) merger costs; (c) EBITDA from discontinued operations; (d) noncontrolling interest of discontinued operations; (e) fair value adjustments to Venator investment and related loss on disposal; (f) loss on early extinguishment of debt; (g) certain legal and other settlements and related expenses; (h) (gain) loss on sale of businesses/assets; (i) income from transition services arrangements related to the sale of our Chemical Intermediates Businesses to Indorama; (j) certain nonrecurring information technology project implementation costs; (k) amortization of pension and postretirement actuarial losses; (l) plant incident remediation costs; and (m) restructuring, impairment and plant closing and transition costs (credits). We believe that net income of Huntsman Corporation is the performance measure calculated and presented in accordance with U.S. GAAP that is most directly comparable to adjusted EBITDA.

We believe adjusted EBITDA is useful to investors in assessing the businesses' ongoing financial performance and 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. However, this measure should not be considered in isolation or viewed as a substitute for net income of Huntsman Corporation or other measures of performance determined in accordance with U.S. GAAP. Moreover, adjusted EBITDA as used herein is not necessarily comparable to other similarly titled measures of other companies due to potential inconsistencies in the methods of calculation. Our management believes this measure is useful to compare general operating performance from period to period and to make certain related management decisions. Adjusted EBITDA is also used by securities analysts, lenders and others in their evaluation of different companies because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be highly dependent on a company's capital structure, debt levels and credit ratings. Therefore, the impact of interest expense on earnings can vary significantly among companies. In addition, the tax positions of companies can vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the various jurisdictions in which they operate. As a result, effective tax rates and tax expense can vary considerably among companies. Finally, companies employ productive assets of different ages and utilize different methods of acquiring and depreciating such assets. This can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies.

Nevertheless, our management recognizes that there are material limitations associated with the use of adjusted EBITDA in the evaluation of our Company as compared to net income of Huntsman Corporation, which reflects overall financial performance. For example, we have borrowed money in order to finance our operations and interest expense is a necessary element of our costs and ability to generate revenue. Our management compensates for the limitations of using adjusted EBITDA by using this measure to supplement U.S. GAAP results to provide a more complete understanding of the factors and trends affecting the business rather than U.S. GAAP results alone.

Adjusted Net Income

Adjusted net income is computed by eliminating the after tax amounts related to the following from net income attributable to Huntsman Corporation: (a) business acquisition and integration expenses and purchase accounting inventory adjustments; (b) merger costs; (c) loss (income) from discontinued operations; (d) noncontrolling interest of discontinued operations; (e) fair value adjustments to Venator investment and related loss on disposal; (f) loss on early extinguishment of debt; (g) certain legal and other settlements and related expenses; (h) gain on sale of businesses/assets; (i) income from transition services arrangements related to the sale of our Chemical Intermediates Businesses to Indorama; (j) certain nonrecurring information technology project implementation costs; (k) amortization of pension and postretirement actuarial losses; (l) significant activities related to deferred tax assets and liabilities; (m) U.S. Tax Reform Act impact on income tax expense; (n) plant incident remediation costs; and (o) restructuring, impairment and plant closing and transition costs (credits). Basic adjusted net income per share excludes dilution and is computed by dividing adjusted net income by the weighted average number of shares outstanding during the period. Adjusted diluted net income per share reflects all potential dilutive common shares outstanding during the period and is computed by dividing adjusted net income by the weighted average number of shares outstanding during the period increased by the number of additional shares that would have been outstanding as dilutive securities. Adjusted net income and adjusted net income per share amounts are presented solely as supplemental information.

We believe adjusted net income is useful to investors in assessing the businesses' ongoing financial performance and 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.

Free Cash Flow

We believe free cash flow is an important indicator of our liquidity as it measures the amount of cash we generate. Management internally uses a 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. We have historically defined free cash flow as cash flows provided by operating activities and used in investing activities, excluding acquisition/disposition activities and including non-recurring separation costs. Starting with the quarter ended March 31, 2020, we updated our definition of free cash flow to a presentation more consistent with today's market standard of 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.

Adjusted Effective Tax Rate

We believe that the effective tax rate of Huntsman Corporation is the performance measure calculated and presented in accordance with U.S. GAAP that is most directly comparable to adjusted effective tax rate. We believe our 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. We do not provide reconciliations for adjusted effective tax rate on a forward-looking basis because we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amounts of certain items, such as business acquisition and integration expenses and purchase accounting inventory adjustments, merger costs, certain legal and other settlements and related expenses, gains on sale of businesses/assets and amortization of pension and postretirement actuarial losses. Each of such adjustments have not yet occurred, is out of our control and/or cannot be reasonably predicted. For the same reasons, we are unable to address the probable significance of the unavailable information.

Year Ended December 31, 2020 Compared with Year Ended December 31, 2019

As discussed in "Note 4. Discontinued Operations and Business Dispositions—Sale of Chemical Intermediates Businesses" and "Note 4. Discontinued Operations and Business Dispositions—Separation and Deconsolidation of Venator" to our consolidated financial statements, the results from continuing operations presented exclude primarily the results of our Chemical Intermediates Businesses for all periods presented and the results of Venator for 2018. The decrease of $134 million in net income attributable to Huntsman Corporation from continuing operations was the result of the following items:

- Revenues for the year ended December 31, 2020 decreased by $779, or 11%, as compared with the 2019 period. The decrease was primarily due to lower sales volumes in all our segments and lower average selling prices in all our segments, except for our Advanced Materials segment. See "—Segment Analysis" below.

- Gross profit for the year ended December 31, 2020 decreased by $282 million, or 20%, as compared with the 2019 period. The decrease resulted from lower gross profits in all our segments. See "—Segment Analysis" below.

- Our operating expenses for the year ended December 31, 2020 decreased by $336 million, or 35% , as compared with the 2019 period, primarily related to lower selling, general and administrative costs resulting from cost suppression measures and actions taken to address the economic impacts of COVID-19 as well as gains related to the sale of the India-based DIY business and the sale of assets at our Basel, Switzerland site, partially offset by an increase in selling, general and administrative costs incurred in our newly acquired businesses of Icynene-Lapolla and CVC Thermoset Specialties.

- Restructuring, impairment and plant closing costs (credits) for the year ended December 31, 2020 was a cost of $49 million compared to a credit of $41 million in the 2019 period. For more information on restructuring activities, see "Note 13. Restructuring, Impairment and Plant Closing Costs (Credits)" to our consolidated financial statements.

- Our interest expense, net for the year ended December 31, 2020 decreased by $25 million, or 23% , as compared with the 2019 period, primarily related to repayments of outstanding borrowings on our $1.2 billion senior revolving credit facility ("Revolving Credit Facility") and other prepayable debt.

- Equity in income of investment in unconsolidated affiliates for the year ended December 31, 2020 decreased to $42 million from $54 million in the 2019 period. The decrease was primarily attributable to a decrease in income at our PO/MTBE joint venture with Sinopec, of which we hold a 49% interest.

- We recorded a loss of $88 million in fair value adjustments to our investment in Venator and related loss on disposal for the year ended December 31, 2020 compared to a loss of $18 million in the 2019 period. For more information, see "Note 4. Discontinued Operations and Business Dispositions—Separation and Deconsolidation of Venator" to our consolidated financial statements.

- Loss on early extinguishment of debt for the year ended December 31, 2020 was nil compared to $23 million in the 2019 period due to the early repayment in full of our 4.875% senior notes due 2020 ("2020 Senior Notes") in the first quarter of 2019. See "Note. 15. Debt—Notes" to our consolidated financial statements.

- Our income tax expense for the year ended December 31, 2020 increased to $46 million from an income tax benefit of $38 million in the 2019 period. The increase in income tax expense was primarily due to fewer discrete benefit items in 2020 than in 2019. In 2020, discrete items include tax benefits related to the sale of the India-based DIY business, partially offset by foreign withholding tax on repatriated earnings. In 2019, discrete items include tax benefits related to built-in capital losses and realized tax losses both on our remaining interest in Venator, partially offset by tax expense related to the establishment of valuation allowances in Australia and the change in tax rate in Switzerland. Our income tax expense is significantly affected by the mix of income and losses in the tax jurisdictions in which we operate, as impacted by the presence of valuation allowances in certain tax jurisdictions. For further information concerning income taxes, see "Note 20. Income Taxes" to our consolidated financial statements.

Segment Analysis

Year Ended December 31, 2020 Compared with Year Ended December 31, 2019

	Year ended December 31,		Percent Change Favorable
(Dollars in millions)	**2020**	**2019**	**(Unfavorable)**
Revenues			
Polyurethanes	$ 3,584	$ 3,911	(8)%
Performance Products	1,023	1,158	(12)%
Advanced Materials	839	1,044	(20)%
Textile Effects	597	763	(22)%
Corporate and eliminations	(25)	(79)	NM
Total	$ 6,018	$ 6,797	(11)%
Segment adjusted EBITDA(1)			
Polyurethanes	$ 472	$ 548	(14)%
Performance Products	164	168	(2)%
Advanced Materials	130	201	(35)%
Textile Effects	42	84	(50)%
Corporate and other	(161)	(155)	(4)%
Total	$ 647	$ 846	(24)%

NM—Not meaningful

(1) For more information, including reconciliation of segment adjusted EBITDA to net income of Huntsman Corporation, see "Note 27. Operating Segment Information" to our consolidated financial statements.

	Year ended December 31, 2020 vs 2019			
	Average Selling Prices(1)			
	Local Currency	Foreign Currency Translation Impact	Mix & Other	Sales Volumes(2)
Period-Over-Period (Decrease) Increase				
Polyurethanes	(3)%	—	—	(5)%
Performance Products	(4)%	—	3%	(11)%
Advanced Materials	2%	(1)%	(2)%	(19)%
Textile Effects	(3)%	(1)%	(2)%	(16)%

	Fourth Quarter 2020 vs Third Quarter 2020			
	Average Selling Prices(1)			
	Local Currency	Foreign Currency Translation Impact	Mix & Other	Sales Volumes(2)
Period-Over-Period (Decrease) Increase				
Polyurethanes	10%	2%	1%	(3)%
Performance Products	2%	1%	(8)%	16%
Advanced Materials	1%	1%	1%	1%
Textile Effects	1%	1%	—	20%

(1) Excludes revenues from tolling arrangements, byproducts and raw materials.
(2) Excludes sales volumes of byproducts and raw materials.

Polyurethanes

The decrease in revenues in our Polyurethanes segment for 2020 compared to 2019 was due to lower MDI average selling prices and lower overall polyurethanes sales volumes. MDI average selling prices decreased across most major markets in relation to the global economic slowdown resulting from the COVID-19 pandemic. Overall polyurethanes sales volumes decreased primarily in relation to the global economic slowdown and the resulting decrease in demand across most major markets, partially offset by additional sales volumes in connection with the Icynene-Lapolla Acquisition. The decrease in segment adjusted EBITDA was primarily due to lower component and polymeric systems margins largely driven by lower MDI pricing and lower polyurethanes sales volumes, partially offset by lower raw material costs and lower fixed costs.

Performance Products

The decrease in revenues in our Performance Products segment for 2020 compared to 2019 was due to lower sales volumes and lower average selling prices. Sales volumes decreased primarily in relation to the global economic slowdown resulting from the COVID-19 pandemic. Average selling prices decreased primarily related to lower raw material costs. The decrease in segment adjusted EBITDA was primarily due to lower sales volumes, mostly offset by lower fixed costs.

Advanced Materials

The decrease in revenues in our Advanced Materials segment for 2020 compared to 2019 was due to lower sales volumes, slightly offset by higher average selling prices. Sales volumes decreased significantly across all markets, except in our global power market, primarily in relation to the global economic slowdown resulting from the COVID-19 pandemic, partially offset by additional sales volumes related to the CVC Thermoset Specialties Acquisition. Average selling prices increased in response to cost increases, partially offset by the impact of a stronger U.S. dollar against major international currencies. The decrease in segment adjusted EBITDA was primarily due to lower sales volumes, partially offset by lower fixed costs.

Textile Effects

The decrease in revenues in our Textile Effects segment for 2020 compared to 2019 was due to lower average selling prices and lower sales volumes. Average selling prices decreased as a result of product mix change, competitive market pressures and the impact of a stronger U.S. dollar against major international currencies. Sales volumes decreased primarily due to significantly weaker demand in relation to the global economic slowdown resulting from the COVID-19 pandemic. The decrease in segment adjusted EBITDA was primarily due to lower sales revenues and lower capitalization of indirect costs because of reduced production, partially offset by lower raw material costs and lower fixed costs.

Corporate and other

Corporate and other includes unallocated corporate overhead, unallocated foreign currency exchange gains and losses, LIFO inventory valuation reserve adjustments, loss on early extinguishment of debt, unallocated restructuring, impairment and plant closing costs, nonoperating income and expense and gains and losses on the disposition of corporate assets. For 2020, adjusted EBITDA from Corporate and other decreased by $6 million to a loss of $161 million from a loss of $155 million for 2019. The decrease in adjusted EBITDA from Corporate and other resulted primarily from a charge from a LIFO inventory reserve adjustment, partially offset by an increase in unallocated foreign currency exchange gains.

Year Ended December 31, 2019 Compared with Year Ended December 31, 2018

For a comparison of our results of operations for the fiscal years ended December 31, 2019 and 2018, see "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed with the SEC on February 13, 2020.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows For Year Ended December 31, 2020 Compared with Year Ended December 31, 2019

Net cash provided by operating activities from continuing operations for 2020 and 2019 was $277 million and $656 million, respectively. The decrease in net cash provided by operating activities from continuing operations during 2020 compared with 2019 was primarily attributable to decreased operating income as described in "—Results of Operations" above, including $257 million of cash paid for taxes in connection with the sale of the Chemical Intermediates Businesses and the sale of the India-based DIY business, partially offset by a $338 million unfavorable variance in operating assets and liabilities for 2020 as compared with 2019.

Net cash provided by (used in) investing activities from continuing operations for 2020 and 2019 was $1,462 million and $(201) million, respectively. During 2020 and 2019, we paid $249 million and $274 million, respectively, for capital expenditures, including $54 million and $13 million during 2020 and 2019, respectively, on a new MDI splitter in Geismar, Louisiana. In January 2020, we received approximately $1.92 billion for the sale of our Chemical Intermediates Businesses. Additionally, in November 2020, we received approximately $257 million for the sale of the India-based DIY business. See "Note 4. Discontinued Operations and Business Dispositions—Sale of Chemical Intermediates Businesses" and "Note 4. Discontinued Operations and Business Dispositions—Sale of India-Based Do-It-Yourself Consumer Adhesives Business" to our consolidated financial statements. In December 2020, we completed the sale of approximately 42.4 million ordinary shares of Venator and received approximately $99 million. See "Note 4. Discontinued operations and Business Dispositions—Separation and Deconsolidation of Venator" to our consolidated financial statements. During 2020, we paid approximately $650 million for the acquisition of businesses, net of cash acquired. See "Note 3. Business Combinations and Acquisitions" to our consolidated financial statements. During the year ended December 31, 2020, we entered into a sale and leaseback agreement to sell certain properties in Basel, Switzerland, for which we received approximately $73 million in proceeds from the sale of assets. During the year ended December 31, 2019, we received approximately $49 million in proceeds from the sale of assets in connection with the closure of certain Textile Effects facilities and offices in Basel, Switzerland. During 2019, we received $16 million in proceeds from the settlement of the December 3, 2018 sale of Venator ordinary shares to Bank of America N.A.

Net cash used in financing activities for 2020 and 2019 was $655 million and $450 million, respectively. The increase in net cash used in financing activities was primarily due to the increase in repayments on our Revolving Credit Facility during 2020 as compared with 2019, the repayment in full of our 364-day term loan facility ("2019 Term Loan") in the third quarter of 2020 and the proceeds from the issuance of our 4.50% senior notes due 2029 ("2029 Senior Notes") in the first quarter of 2019, partially offset by a decrease in repurchases of common stock during 2020 as compared with 2019 and cash paid in the third quarter of 2019 to acquire the 50% noncontrolling interest that we did not own in the Sasol-Huntsman joint venture.

Free cash flow from continuing operations for 2020 and 2019 were proceeds of cash of $28 million and $382 million, respectively. The reduction in free cash flow was primarily attributable to the decrease in cash provided by operating activities from continuing operations, partially offset by a decrease in cash used for capital expenditures during 2020 as compared with 2019.

Cash Flows For Year Ended December 31, 2019 Compared with Year Ended December 31, 2018

For a comparison of our cash flows for the fiscal years ended December 31, 2019 and 2018, see "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed with the SEC on February 13, 2020.

Changes in Financial Condition

The following information summarizes our working capital (dollars in millions):

	December 31, 2020	Less Acquisitions(1)	Subtotal	December 31, 2019	Increase (Decrease)	Percent Change
Cash and cash equivalents	$ 1,593	$ (7)	$ 1,586	$ 525	$ 1,061	202%
Accounts and notes receivable, net	910	(48)	862	953	(91)	(10)%
Inventories	848	(69)	779	914	(135)	(15)%
Other current assets	217	(1)	216	155	61	39%
Current assets held for sale(2)	—	—	—	1,208	(1,208)	(100)%
Total current assets	3,568	(125)	3,443	3,755	(312)	(8)%
Accounts payable	876	(20)	856	822	34	4%
Accrued liabilities	458	(11)	447	420	27	6%
Current portion of debt	593	—	593	212	381	180%
Current operating lease liabilities	52	—	52	42	10	24%
Current liabilities held for sale(2)	—	—	—	512	(512)	(100)%
Total current liabilities	1,979	(31)	1,948	2,008	(60)	(3)%
Working capital	$ 1,589	$ (94)	$ 1,495	$ 1,747	$ (252)	(14)%

(1) Represents combined amounts related to the Icynene-Lapolla Acquisition and the CVC Thermoset Specialties Acquisition. For more information, see "Note 3. Business Combinations and Acquisitions" to our consolidated financial statements.

(2) Represents amounts related to the sale of our Chemical Intermediates Businesses. The assets and liabilities held for sale were classified as current as of December 31, 2019 because we completed the sale of our Chemical Intermediates Businesses on January 3, 2020. For more information, see "Note 4. Discontinued Operations and Business Dispositions—Sale of Chemical Intermediates Businesses" to our consolidated financial statements.

Our working capital decreased by $252 million as a result of the net impact of the following significant changes:

- The increase in cash and cash equivalents of $1,061 million resulted from the matters identified on our consolidated statements of cash flows. See also "—Cash Flows Year Ended December 31, 2020 Compared with Year Ended December 31, 2019."
- Accounts and notes receivable decreased by $91 million primarily due to improved days sales outstanding and reduction of overdue accounts receivable year-over-year, despite slightly higher revenues in the fourth quarter of 2020 compared to the fourth quarter of 2019.
- Inventories decreased by $135 million primarily due to lower inventory costs and volumes.
- Other current assets increased by $61 million primarily due to an increase in current income tax receivable and in prepaid insurance.
- Accounts payable increased by $34 million primarily due to an increase in days payable outstanding year-over-year and higher capital expenditures in the fourth quarter of 2020 compared to the fourth quarter of 2019.
- Current portion of debt increased by $381 million primarily due to the current classification of our 2021 Senior Notes, offset in part by our repayment of the 2019 Term Loan in full at maturity.

Direct and Subsidiary Debt

See "Note 15. Debt—Direct and Subsidiary Debt" to our consolidated financial statements.

Debt Issuance Costs

See "Note 15. Debt—Direct and Subsidiary Debt—Debt Issuance Costs" to our consolidated financial statements.

Revolving Credit Facility

See “Note 15. Debt—Direct and Subsidiary Debt—Revolving Credit Facility” to our consolidated financial statements.

Term Loan Credit Facility

See “Note 15. Debt—Direct and Subsidiary Debt—Term Loan Credit Facility” to our consolidated financial statements.

A/R Programs

See “Note 15. Debt—Direct and Subsidiary Debt—A/R Programs” to our consolidated financial statements.

Notes

See “Note 15. Debt—Direct and Subsidiary Debt—Notes” to our consolidated financial statements.

Variable Interest Entity Debt

See “Note 15. Debt—Direct and Subsidiary Debt—Variable Interest Entity Debt” to our consolidated financial statements.

Compliance With Covenants

See “Note 15. Debt—Compliance with Covenants” to our consolidated financial statements.

Maturities

See “Note 15. Debt—Maturities” to our consolidated financial statements.

Short-Term Liquidity

We depend upon our cash, Revolving Credit Facility, U.S. accounts receivable securitization program (“U.S. A/R Program”) and European accounts receivable securitization program (“EU A/R Program” and collectively with the U.S. A/R Program, “A/R Programs”) and other debt instruments to provide liquidity for our operations and working capital needs. As of December 31, 2020, we had $2,952 million of combined cash and unused borrowing capacity, consisting of $1,593 million in cash, $1,194 million in availability under our Revolving Credit Facility and $165 million in availability under our A/R Programs. Our liquidity can be significantly impacted by various factors. The following matters had, or are expected to have, a significant impact on our liquidity:

- Cash proceeds from our accounts receivable and inventory, net of accounts payable, were approximately $277 million for 2020, as reflected in our consolidated statements of cash flows. We expect volatility in our working capital components to continue.
- During 2021, we expect to spend between approximately $320 million to $330 million on capital expenditures, including spending of approximately $80 million on a new MDI splitter in Geismar, Louisiana. We expect to fund spending on all capital expenditures with cash provided by operations, including proceeds received from the sale of the Basel, Switzerland properties. See “Note 1. General—Recent Developments—Sale of Assets at our Basel, Switzerland Site” to our consolidated financial statements.
- During 2020, we made contributions to our pension and postretirement benefit plans of $101 million. During 2021, we expect to contribute an additional amount of approximately $60 million to these plans.
- On February 7, 2018 and on May 3, 2018, our Board of Directors authorized our Company to repurchase up to an additional $950 million in shares of our common stock in addition to the $50 million remaining under our September 2015 share repurchase authorization. Repurchases may be made through the open market, including through accelerated share repurchase programs, or in privately negotiated transactions, and repurchases may be commenced or suspended from time to time without prior notice. Shares of common stock acquired through the repurchase program are held in treasury at cost. During the first quarter of 2020, we repurchased 5,364,519 shares of our common stock for approximately $96 million, excluding commissions, under the repurchase program. Subsequent to the end of the first quarter of 2020, we suspended share repurchases under our existing share repurchase program in order to enhance our liquidity position in response to COVID-19.
- During 2020, management implemented cost realignment and synergy plans. In connection with these plans, we expect to achieve annualized cost savings and synergy benefits of more than $120 million by the end of 2023 with associated net cash restructuring and integration costs of approximately $100 million. See “Note 13. Restructuring, Impairment and Plant Closing Costs (Credits)” to our consolidated financial statements.
- In November 2020, we entered into a sale and leaseback agreement to sell certain properties in Basel, Switzerland for approximately CHF 67 (approximately $73 million) and to lease those properties back for five years.
- On November 3, 2020, we completed the sale of the India-based DIY business, part of the Advanced Materials segment, to Pidilite Industries Ltd. and received cash of approximately $257 million. Under the terms of the agreement, we may

receive up to approximately $28 million of additional cash under an earnout within 18 months if the business achieves certain sales revenue targets in line with the DIY business' 2019 performance.

- On December 23, 2020, we completed the sale of approximately 42.4 million ordinary shares of Venator and received approximately $99 million in cash, which includes $8 million for a 30-month option for the sale of the remaining approximate 9.7 million ordinary shares we hold in Venator at $2.15 per share. See “Part I. Item 1. Business—Recent Developments—Sale of Venator Interest.”
- On January 15, 2021, we redeemed in full €445 million (approximately $541 million) in aggregate principal amount of our 2021 Senior Notes at the redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest to, but not including, the redemption date. Upon the redemption of the 2021 Senior Notes, we expect to incur an incremental cash tax liability of approximately $15 million in the first quarter of 2021 due to the U.S. tax foreign currency exchange gains recognized at redemption of the notes.
- On January 15, 2021, we completed the acquisition of Gabriel, a North American specialty chemical manufacturer of specialty additives and epoxy curing agents for the coatings, adhesives, sealants and composite end-markets, from funds affiliated with Audax Private Equity in an all-cash transaction of approximately $250 million, subject to customary closing adjustments, funded from available liquidity. The acquired business will be integrated into our Advanced Materials segment.

Long-Term Liquidity

- We have deferred a portion of capital spending on a new MDI splitter in Geismar, Louisiana leaving approximately $115 million in 2021 and 2022. We expect to fund spending on all capital expenditures with cash provided by operations.

As of December 31, 2020, we had $593 million classified as current portion of debt, including $545 million on our 2021 Senior Notes, which we redeemed in full on January 15, 2021, debt at our variable interest entities of $47 million and certain other short-term facilities and scheduled amortization payments totaling $1 million. We intend to renew, repay or extend the majority of these short-term facilities in the next twelve months.

As of December 31, 2020, we had approximately $491 million of cash and cash equivalents, including restricted cash, held by our foreign subsidiaries, including our variable interest entities. With the exception of certain amounts that we expect to repatriate in the foreseeable future, we intend to use cash held in our foreign subsidiaries to fund our local operations. Nevertheless, we could repatriate additional cash as dividends and the repatriation of cash as a dividend would generally not be subject to U.S. taxation. However, such repatriation may potentially be subject to limited foreign withholding taxes.

Restructuring, Impairment and Plant Closing Costs

For a discussion of restructuring plans and the costs involved, see “Note 13. Restructuring, Impairment and Plant Closing Costs” to our consolidated financial statements.

Recently Issued Accounting Pronouncements

For a discussion of recently issued accounting pronouncements, see “Note 2. Summary of Significant Accounting Policies" to our consolidated financial statements.

Critical Accounting Estimates

This discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements requires us to make judgments, estimates and assumptions that involve a significant level of estimation and uncertainty and are reasonably likely to have a material impact on our financial condition and/or results of operations. Summarized below are our critical accounting estimates.

Income Taxes

Deferred income taxes reflect the net effects of temporary differences between assets and liabilities for financial and tax reporting purposes. We evaluate deferred tax assets to determine whether it is more likely than not that they will be realized; valuation allowances are recorded to offset deferred tax assets unlikely to be realized. Valuation allowances are reviewed on a tax jurisdiction basis to analyze whether there is sufficient positive or negative evidence to support a change in judgment about the realizability of the related deferred tax assets. These conclusions require significant judgments. In evaluating the objective evidence that historical results provide, we consider the cyclicality of businesses and cumulative income or losses. Cumulative historical losses incurred over periods of time limit our ability to consider more subjective projections of future taxable income. Changes in expected future taxable income and tax planning strategies in applicable jurisdictions affect our assessment of the realization of deferred tax assets. Our judgments regarding valuation allowances are also influenced by factors outside of business results that could impact our ability to utilize a deferred tax asset. As of December 31, 2020, we had total valuation allowances of $206 million, which represents a decrease of $25 million from the prior year, and we have recognized net deferred tax assets of $76 million. See “Note 20. Income Taxes” to our consolidated financial statements for more information regarding our deferred tax assets and valuation allowances.

Employee Benefit Programs

We sponsor several contributory and non-contributory defined benefit plans, covering employees primarily in the U.S., the U.K., The Netherlands, Belgium and Switzerland, but also covering employees in a number of other countries. We fund the material plans through trust arrangements (or local equivalents) where the assets are held separately from us. We also sponsor unfunded postretirement plans which provide medical and, in some cases, life insurance benefits covering certain employees in the U.S. and Canada. Amounts recorded in our consolidated financial statements are recorded based upon actuarial valuations performed by various independent actuaries. Inherent in these valuations are numerous assumptions regarding expected long-term rates of return on plan assets, discount rates, compensation increases, mortality rates and health care cost trends. Each of these critical estimates are subject to uncertainty and are assessed by us using historical data, as well as projections of future conditions. These assumptions and changes during the period are described in “Note 19. Employee Benefit Plans” to our consolidated financial statements.

We retain third party actuaries to assist us with judgments necessary to make assumptions on which our employee pension and postretirement benefit plan obligations and expenses are based. The effect of a 1% change in three key assumptions is summarized as follows (dollars in millions):

Assumptions	**Statement of Operations(1)**	**Balance Sheet Impact(2)**
Discount rate		
—1% increase	$ (36)	$ (545)
—1% decrease	44	622
Expected long-term rates of return on plan assets		
—1% increase	(21)	—
—1% decrease	21	—
Rate of compensation increase		
—1% increase	10	54
—1% decrease	(6)	(61)

(1) Estimated (decrease) increase on 2020 net periodic benefit cost

(2) Estimated (decrease) increase on December 31, 2020 pension and postretirement liabilities and accumulated other comprehensive loss

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks, such as changes in interest rates, foreign exchange rates and commodity prices. From time to time, we enter into transactions, including transactions involving derivative instruments, to manage certain of these exposures. We also hedge our net investment in certain European operations. Changes in the fair value of the hedge in the net investment of certain European operations are recorded in accumulated other comprehensive loss.

Interest Rate Risks

See “Note 16. Derivative Instruments and Hedging Activities—Interest Rate Risk” to our consolidated financial statements.

Foreign Exchange Rate Risk

See “Note 16. Derivative Instruments and Hedging Activities—Foreign Exchange Rate Risk” to our consolidated financial statements.

Commodity Prices Risk

See “Note 16. Derivative Instruments and Hedging Activities—Commodity Prices Risk” to our consolidated financial statements.

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2020. Based on this evaluation, our chief executive officer and chief financial officer have concluded that, as of December 31, 2020, our disclosure controls and procedures were effective, in that they ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

No changes to our internal control over financial reporting occurred during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act).

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control framework and processes are designed to provide reasonable assurance to management and our Board of Directors regarding the reliability of financial reporting and the preparation of our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our Company;
- provide reasonable assurance that transactions are recorded properly to allow for the preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of our Company are being made only in accordance with authorizations of management and Directors of our Company;
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our consolidated financial statements; and
- provide reasonable assurance as to the detection of fraud.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changing conditions, effectiveness of internal control over financial reporting may vary over time.

Our management assessed the effectiveness of our internal control over financial reporting and concluded that, as of December 31, 2020, such internal control is effective. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework (2013)*.

Our independent registered public accounting firm, Deloitte & Touche LLP, with direct access to our Board of Directors through our Audit Committee, have audited our consolidated financial statements prepared by our Company and have issued attestation reports on internal control over financial reporting for our Company.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Huntsman Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Huntsman Corporation and subsidiaries (the "Company") as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2020, of the Company and our report dated February 12, 2021, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 12, 2021

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Huntsman Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Huntsman Corporation and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 12, 2021, expressed an unqualified opinion on the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, effective January 1, 2019, the Company adopted the Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842).

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the Audit Committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Income Taxes—Realizability of Deferred Tax Assets—Refer to Notes 2 and 20 to the financial statements

Critical Audit Matter Description

The Company recognizes deferred income taxes for tax attributes and for differences between the financial statement and tax carrying amounts of assets and liabilities at enacted statutory tax rates in effect for the years in which the deferred tax liability or asset are expected to be settled or realized. A valuation allowance is provided to offset deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company files tax returns in multiple jurisdictions with complex tax laws and regulations. Valuation allowances are evaluated on a tax jurisdiction basis to analyze whether there is sufficient positive or negative evidence to support a change in judgment about the realizability of the related deferred tax assets for each jurisdiction. In evaluating the objective evidence that historical results provide, the Company considers the cyclicality of businesses and cumulative income or losses during the applicable period. Cumulative losses incurred over the period limits the Company's ability to consider other subjective evidence such as taxable income for the future. The Company's valuation allowances as of December 31, 2020, were $206 million.

We identified management's determination that it is not more likely than not that sufficient taxable income will be generated in the future to realize some of its deferred tax assets as a critical audit matter because of the significant judgments and estimates management makes related to future taxable income. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our income tax specialists, when performing audit procedures to evaluate the reasonableness of management's estimates of future taxable income.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to estimated future taxable income and the determination of whether it is more likely than not that the deferred tax assets will be realized included the following, among others:

- We tested the effectiveness of controls over the valuation allowance for income taxes, including management's controls over the estimates of future taxable income and the determination of whether it is more likely than not that the deferred tax assets will be realized.
- With the assistance of our income tax specialists, we considered (1) the appropriateness of qualifying tax planning strategies, including that they were prudent, feasible and would more likely than not result in the realization of deferred tax assets and (2) the following sources of management's estimated future taxable income:
  - Estimates of future taxable income
  - Future reversals of existing temporary differences
  - Taxable income in historical periods (where carryback is permitted under the tax law)
- We tested the reasonableness of management's estimates of future taxable income by comparing the estimates to:
  - Historical taxable income
  - Internal communications to management and the Board of Directors
  - Forecasted information included in Company press releases as well as in analyst and industry reports for the Company and certain of its peer companies
- We evaluated whether the taxable income in prior carryback years was of the appropriate character and available under the tax law.
- We evaluated the reasonableness of the methods, assumptions, and judgments used by management to determine whether a valuation allowance was necessary.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 12, 2021

We have served as the Company's auditor since 1984.

HUNTSMAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Millions, Except Share Amounts)

	December 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents(a)	$ 1,593	$ 525
Accounts and notes receivable (net of allowance for doubtful accounts of $26 and $19, respectively), ($198 and $221 pledged as collateral, respectively)(a)	902	940
Accounts receivable from affiliates	8	13
Inventories(a)	848	914
Other current assets	217	155
Current assets held for sale	—	1,208
Total current assets	3,568	3,755
Property, plant and equipment, net(a)	2,505	2,383
Investment in unconsolidated affiliates	373	535
Intangible assets, net	453	197
Goodwill	533	276
Deferred income taxes	288	292
Notes receivable from affiliate	—	34
Operating lease right-of-use assets	445	396
Other noncurrent assets(a)	548	452
Total assets	$ 8,713	$ 8,320
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable(a)	$ 842	$ 765
Accounts payable to affiliates	34	57
Accrued liabilities(a)	458	420
Current portion of debt(a)	593	212
Current operating lease liabilities(a)	52	42
Current liabilities held for sale	—	512
Total current liabilities	1,979	2,008
Long-term debt(a)	1,528	2,177
Deferred income taxes	212	29
Noncurrent operating lease liabilities(a)	411	384
Other noncurrent liabilities(a)	910	898
Total liabilities	5,040	5,496
Commitments and contingencies (Notes 21 and 22)		
Equity		
Huntsman Corporation stockholders' equity:		
Common stock $0.01 par value, 1,200,000,000 shares authorized, 258,520,411 and 257,405,496 shares issued and 220,046,262 and 224,295,868 shares outstanding, respectively	3	3
Additional paid-in capital	4,048	4,008
Treasury stock, 38,477,091 and 33,112,572 shares, respectively	(731)	(635)
Unearned stock-based compensation	(19)	(17)
Retained earnings	1,564	690
Accumulated other comprehensive loss	(1,346)	(1,362)
Total Huntsman Corporation stockholders' equity	3,519	2,687
Noncontrolling interests in subsidiaries	154	137
Total equity	3,673	2,824
Total liabilities and equity	$ 8,713	$ 8,320

(a) At December 31, 2020 and December 31, 2019, respectively, $2 and nil of cash and cash equivalents, $6 and $13 of accounts and notes receivable (net), $38 and $35 of inventories, $167 and $180 of property, plant and equipment (net), $23 and $20 of other noncurrent assets, $119 and $100 of accounts payable, $13 and $10 of accrued liabilities, $47 and $36 of current portion of debt, $5 and $4 of current operating lease liabilities, $3 and $29 of long-term debt, $17 and $11 of noncurrent operating lease and $82 and $87 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheets captions above. See "Note 8. Variable Interest Entities."

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Millions, Except Share and Per Share Amounts)

	Year ended December 31,		
	2020	2019	2018
Revenues:			
Trade sales, services and fees, net	$ 5,903	$ 6,664	$ 7,451
Related party sales	115	133	153
Total revenues	6,018	6,797	7,604
Cost of goods sold	4,918	5,415	5,840
Gross profit	1,100	1,382	1,764
Operating expenses:			
Selling, general and administrative	775	786	789
Research and development	135	137	145
Restructuring, impairment and plant closing costs (credits)	49	(41)	(7)
Merger costs	—	—	2
Gain on sale of India-based DIY business	(247)	—	—
Other operating (income) expense, net	(45)	31	8
Total operating expenses	667	913	937
Operating income	433	469	827
Interest expense, net	(86)	(111)	(115)
Equity in income of investment in unconsolidated affiliates	42	54	55
Fair value adjustments to Venator investment and related loss on disposal	(88)	(18)	(62)
Loss on early extinguishment of debt	—	(23)	(3)
Other income, net	36	20	32
Income from continuing operations before income taxes	337	391	734
Income tax (expense) benefit	(46)	38	(45)
Income from continuing operations	291	429	689
Income (loss) from discontinued operations, net of tax	775	169	(39)
Net income	1,066	598	650
Net income attributable to noncontrolling interests	(32)	(36)	(313)
Net income attributable to Huntsman Corporation	$ 1,034	$ 562	$ 337
Basic income (loss) per share:			
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 1.18	$ 1.72	$ 2.55
Income (loss) from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax	3.51	0.74	(1.13)
Net income attributable to Huntsman Corporation common stockholders	$ 4.69	$ 2.46	$ 1.42
Weighted average shares	220.6	228.9	238.1
Diluted income (loss) per share:			
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 1.17	$ 1.70	$ 2.52
Income (loss) from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax	3.49	0.74	(1.13)
Net income attributable to Huntsman Corporation common stockholders	$ 4.66	$ 2.44	$ 1.39
Weighted average shares	221.9	230.6	241.6
Amounts attributable to Huntsman Corporation common stockholders:			
Income from continuing operations	$ 259	$ 393	$ 608
Income (loss) from discontinued operations, net of tax	775	169	(271)
Net income	$ 1,034	$ 562	$ 337

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Millions)

	Year ended December 31,		
	2020	**2019**	**2018**
Net income	$ 1,066	$ 598	$ 650
Other comprehensive loss, net of tax:			
Foreign currency translations adjustments	41	2	(192)
Pension and other postretirement benefits adjustments	(19)	(37)	(39)
Other, net	—	(1)	(9)
Other comprehensive loss, net of tax	22	(36)	(240)
Comprehensive income	1,088	562	410
Comprehensive income attributable to noncontrolling interests	(38)	(31)	(266)
Comprehensive income attributable to Huntsman Corporation	$ 1,050	$ 531	$ 144

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In Millions, Except Share Amounts)

	Huntsman Corporation Stockholders' Equity								
	Shares Common stock	Common stock	Additional paid-in capital	Treasury stock	Unearned stock-based compensation	Retained earnings	Accumulated other comprehensive loss	Noncontrolling interests in subsidiaries	Total equity
Beginning balance, January 1, 2018	240,213,606	$ 3	$ 3,889	$ (150)	$ (15)	$ 161	$ (1,268)	$ 751	$ 3,371
Cumulative effect of changes in fair value of equity investments	—	—	—	—	—	10	(10)	—	—
Net income	—	—	—	—	—	337	—	313	650
Other comprehensive loss	—	—	—	—	—	—	(198)	(42)	(240)
Issuance of nonvested stock awards	—	—	14	—	(14)	—	—	—	—
Vesting of stock awards	1,135,003	—	11	—	—	—	—	—	11
Recognition of stock-based compensation	—	—	8	—	13	—	—	—	21
Repurchase and cancellation of stock awards	(259,643)	—	—	—	—	(30)	—	—	(30)
Stock options exercised	2,310,663	—	46	—	—	(29)	—	—	17
Treasury stock repurchased	(10,405,457)	—	—	(277)	—	—	—	—	(277)
Disposition of a portion of Venator	—	—	18	—	—	—	—	—	18
Costs of the secondary offering of Venator	—	—	(2)	—	—	—	—	—	(2)
Noncontrolling interest from partial disposal of Venator	—	—	—	—	—	—	—	27	27
Deconsolidation of Venator	—	—	—	—	—	—	160	(751)	(591)
Accrued and unpaid dividends	—	—	—	—	—	(1)	—	—	(1)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(69)	(69)
Dividends declared on common stock ($0.65 per share)	—	—	—	—	—	(156)	—	—	(156)
Balance, December 31, 2018	232,994,172	3	3,984	(427)	(16)	292	(1,316)	229	2,749
Net income	—	—	—	—	—	562	—	36	598
Other comprehensive loss	—	—	—	—	—	—	(46)	10	(36)
Issuance of nonvested stock awards	—	—	17	—	(17)	—	—	—	—
Vesting of stock awards	1,643,368	—	7	—	—	—	—	—	7
Recognition of stock-based compensation	—	—	7	—	16	—	—	—	23
Repurchase and cancellation of stock awards	(488,441)	—	—	—	—	(12)	—	—	(12)
Stock options exercised	246,661	—	4	—	—	(2)	—	—	2
Treasury stock repurchased	(10,099,892)	—	—	(208)	—	—	—	—	(208)
Acquisition of noncontrolling interests, net of tax	—	—	(11)	—	—	—	—	(73)	(84)
Dividends declared to noncontrolling interests	—	—	—	—	—	—	—	(65)	(65)
Dividends declared on common stock ($0.65 per share)	—	—	—	—	—	(150)	—	—	(150)
Balance, December 31, 2019	224,295,868	3	4,008	(635)	(17)	690	(1,362)	137	2,824
Net income	—	—	—	—	—	1,034	—	32	1,066
Other comprehensive loss	—	—	—	—	—	—	16	6	22
Issuance of nonvested stock awards	—	—	18	—	(18)	—	—	—	—
Vesting of stock awards	960,406	—	5	—	—	—	—	—	5
Recognition of stock-based compensation	—	—	7	—	16	—	—	—	23
Repurchase and cancellation of stock awards	(287,247)	—	—	—	—	(8)	—	—	(8)
Stock options exercised	441,754	—	10	—	—	(7)	—	—	3
Treasury stock repurchased	(5,364,519)	—	—	(96)	—	—	—	—	(96)
Dividends declared to noncontrolling interests	—	—	—	—	—	—	—	(21)	(21)
Dividends declared on common stock ($0.65 per share)	—	—	—	—	—	(145)	—	—	(145)
Balance, December 31, 2020	220,046,262	$ 3	$ 4,048	$ (731)	$ (19)	$ 1,564	$ (1,346)	$ 154	$ 3,673

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)

	Year ended December 31,		
	2020	2019	2018
Operating Activities:			
Net income	$ 1,066	$ 598	$ 650
Less: (Income) loss from discontinued operations, net of tax	(775)	(169)	39
Income from continuing operations	291	429	689
Adjustments to reconcile income from continuing operations to net cash provided by operating activities from continuing operations:			
Equity in income of investment in unconsolidated affiliates	(42)	(54)	(55)
Unrealized losses on fair value adjustments to Venator investment and related loss on disposal	88	19	62
Cash received from return on investment in unconsolidated subsidiary	19	24	—
Depreciation and amortization	283	270	255
Noncash lease expense	63	55	—
(Gain) loss on disposal of businesses/assets	(281)	(49)	3
Loss on early extinguishment of debt	—	23	3
Noncash restructuring and impairment charges (credits)	7	3	(22)
Deferred income taxes	172	(93)	(167)
Stock-based compensation	27	29	27
Other, net	8	20	3
Changes in operating assets and liabilities:			
Accounts and notes receivable	100	138	(22)
Inventories	145	77	(80)
Prepaid expenses	(10)	(27)	(9)
Other current assets	(55)	53	59
Other noncurrent assets	(55)	(90)	(41)
Accounts payable	32	21	12
Accrued liabilities	(126)	(50)	44
Taxes paid on Chemical Intermediates Businesses	(231)	—	—
Other noncurrent liabilities	(158)	(142)	(57)
Net cash provided by operating activities from continuing operations	277	656	704
Net cash (used in) provided by operating activities from discontinued operations	(24)	241	503
Net cash provided by operating activities	253	897	1,207
Investing Activities:			
Capital expenditures	(249)	(274)	(251)
Cash received from sale of businesses	2,181	—	—
Cash received from the sale of Venator shares	99	—	—
Acquisition of businesses, net of cash acquired	(650)	—	(366)
Proceeds from sale of assets	75	50	—
Cash received from forward swap contract related to the sale of investment in Venator	—	16	3
Other	6	7	(1)
Net cash provided by (used in) investing activities from continuing operations	1,462	(201)	(615)
Net cash provided by (used in) investing activities from discontinued operations	1	(59)	(358)
Net cash provided by (used in) investing activities	1,463	(260)	(973)

(continued)

HUNTSMAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In Millions)

	Year ended December 31,		
	2020	**2019**	**2018**
Financing Activities:			
Net (repayments) borrowings on revolving loan facilities	$ (203)	$ (89)	$ 125
Repayments of long-term debt	(21)	(676)	(68)
Proceeds from issuance of long-term debt	—	742	—
Repayments of short-term debt	(109)	—	(8)
Borrowings on short-term debt	—	102	6
Repayments of notes payable	(32)	(27)	(29)
Borrowings on note payable	—	37	27
Debt issuance costs paid	—	(8)	(4)
Costs of early extinguishment of debt	—	(21)	—
Dividends paid to common stockholders	(144)	(150)	(156)
Dividends paid to noncontrolling interests	(44)	(41)	(69)
Cash paid for noncontrolling interest	—	(101)	—
Repurchase of common stock	(96)	(208)	(277)
Repurchase and cancellation of stock awards	(8)	(12)	(30)
Proceeds from issuance of common stock	3	2	17
Proceeds from the secondary offering of Venator	—	—	44
Other	(1)	—	(2)
Net cash used in financing activities	(655)	(450)	(424)
Effect of exchange rate changes on cash	7	(2)	(35)
Increase (decrease) in cash, cash equivalents and restricted cash	1,068	185	(225)
Cash, cash equivalents and restricted cash from continuing operations at beginning of period	525	340	481
Cash, cash equivalents and restricted cash from discontinued operations at beginning of period	—	—	238
Deconsolidation of cash, cash equivalents and restricted cash from Venator	—	—	(154)
Cash, cash equivalents and restricted cash at end of period	$ 1,593	$ 525	$ 340
Supplemental cash flow information:			
Cash paid for interest	$ 90	$ 111	$ 163
Cash paid for income taxes	316	100	179

As of December 31, 2020, 2019 and 2018, the amount of capital expenditures in accounts payable was $74 million, $64 million and $66 million, respectively. For the year ended of December 31, 2019, the amounts of cash interest and cash income taxes included in our supplemental cash flow information related to cash paid for interest and cash paid for income taxes that was paid by Venator was $46 million and $38 million, respectively. For the year ended December 31, 2020, the amounts of cash paid for taxes in connection with the sale of the Chemical Intermediates Businesses and the India-based DIY business were $231 million and $26 million, respectively.

See accompanying notes to consolidated financial statements.

1. GENERAL

Definitions

For convenience in this report, the terms "Company," "our" or "we" may be used to refer to Huntsman Corporation and, unless the context otherwise requires, its subsidiaries and predecessors. In this report, "Huntsman International" refers to Huntsman International LLC (our wholly-owned subsidiary) and, unless the context otherwise requires, its subsidiaries; "AAC" refers to Arabian Amines Company, our consolidated manufacturing joint venture with the Zamil Group; "HPS" refers to Huntsman Polyurethanes Shanghai Ltd. (our consolidated splitting joint venture with Shanghai Chlor-Alkali Chemical Company, Ltd); and "SLIC" refers to Shanghai Liengheng Isocyanate Company (our unconsolidated manufacturing joint venture with BASF and three Chinese chemical companies).

In this report, we may use, without definition, the common names of competitors or other industry participants. We may also use the common names or abbreviations for certain chemicals or products. Each capitalized term used without definition in this report has the meaning specified in the Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the Securities and Exchange Commission on February 12, 2021.

Description of Business

We are a global manufacturer of differentiated organic chemical products. We operate in four segments: Polyurethanes, Performance Products, Advanced Materials and Textile Effects. Our products comprise a broad range of chemicals and formulations, which we market globally to a diversified group of consumer and industrial customers. Our products are used in a wide range of applications, including those in the adhesives, aerospace, automotive, construction products, durable and non-durable consumer products, electronics, insulation, medical, packaging, coatings and construction, power generation, refining, synthetic fiber, textile chemicals and dye industries. We are a leading global producer in many of our key product lines, including MDI, amines, maleic anhydride, epoxy-based polymer formulations, textile chemicals and dyes.

Company

Our Company, a Delaware corporation, was formed in 2004 to hold the Huntsman businesses, which were founded by Jon M. Huntsman. Mr. Huntsman founded the predecessor to our Company in 1970 as a small polystyrene plastics packaging company. Since then, we have grown through a series of acquisitions and now own a global portfolio of businesses.

Currently, we operate all of our businesses through Huntsman International, our wholly-owned subsidiary. Huntsman International is a Delaware limited liability company and was formed in 1999.

Recent Developments

COVID-19 Update

The outbreak of the COVID-19 has spread from China to many other countries, including the U.S. In March 2020, the World Health Organization characterized COVID-19 as a pandemic. As of December 31, 2020, there have not been any significant interruptions in our ability to provide our products and support to our customers. However, the COVID-19 pandemic has significantly impacted economic conditions throughout the U.S. and the world, including the markets in which we operate. Demand for our products declined at a rapid pace in the second quarter 2020, which led to a meaningful adverse impact on our revenues and financial results. Although we have experienced improved conditions in most of our core markets in the second half of 2020, there continues to be many uncertainties regarding the impact of the COVID-19 pandemic, including the scope of scientific and health issues, the anticipated duration of the pandemic and the extent of local, regional and worldwide economic, social and political disruption. Given such uncertainties, it is difficult to estimate the magnitude COVID-19 may impact our future business, but we expect any adverse impact to continue for some time.

In response to the impact of COVID-19, we have implemented, and may continue to implement, cost saving initiatives, including:

- suspended merit and general wage increases that customarily would have occurred at the end of the first quarter of 2020;
- implemented a temporary hiring freeze for all non-business critical positions;
- accelerated integration efforts related to the Icynene-Lapolla and CVC Thermoset Specialties acquisitions in order to more expeditiously capture related synergies;

- implemented restructuring programs in our Polyurethanes segment to reorganize our spray polyurethane foam business to better position this business for efficiencies and growth in coming years and to optimize our downstream footprint;
- implemented a restructuring program in our Performance Products segment, primarily related to workforce reductions, in response to the sale of our Chemical Intermediates Businesses to Indorama;
- implemented restructuring programs in our Advanced Materials segment, primarily related to workforce reductions in connection with the CVC Thermoset Specialties Acquisition and the alignment of the segment's commercial organization and optimization of the segment's manufacturing processes; and
- implemented restructuring programs in our Textile Effects segment to rationalize and realign structurally across various functions and certain locations within the segment.

For more information regarding our 2020 restructuring activities, see "Note 13. Restructuring, Impairment and Plant Closing Costs (Credits)."

Redemption of the 2021 Senior Notes

On January 15, 2021, we redeemed in full €445 million (approximately $541 million) in aggregate principal amount of our 2021 Senior Notes at the redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest to, but not including, the redemption date.

Acquisition of Gabriel Performance Products

On January 15, 2021, we completed the acquisition of Gabriel, a North American specialty chemical manufacturer of specialty additives and epoxy curing agents for the coatings, adhesives, sealants and composite end-markets, from funds affiliated with Audax Private Equity in an all-cash transaction of approximately $250 million, subject to customary closing adjustments, funded from available liquidity. The acquired business will be integrated into our Advanced Materials segment.

Sale of Assets at our Basel, Switzerland Site

In November 2020, we entered into a sale and leaseback agreement to sell certain properties in Basel, Switzerland for approximately CHF 67 million (approximately $73 million) and to lease those properties back for five years. This transaction resulted in a pretax gain of approximately CHF 30 million (approximately $33 million).

Sale of India-Based Do-It-Yourself Consumer Adhesives Business

On November 3, 2020, we completed the sale of the India-based DIY business, previously part of our Advanced Materials segment, to Pidilite Industries Ltd. and received cash of approximately $257 million. Under the terms of the agreement, we may receive up to approximately $28 million of additional cash under an earnout within 18 months if the business achieves certain sales revenue targets in line with the DIY business' 2019 performance. In connection with this sale, we recognized a pretax gain of $247 million in the fourth quarter of 2020, which was recorded in gain on sale of India-based DIY business in our consolidated statements of operations.

Sale of Venator Interest

On December 23, 2020, we completed the sale of approximately 42.4 million ordinary shares of Venator to funds advised by SK Capital Partners, LP. We received approximately $99 million in cash, which included $8 million for a 30-month option as described below. In addition to the cash proceeds received from the sale, we achieved immediate cash tax savings of approximately $150 million by offsetting the capital loss on the sale of Venator shares against the capital gain realized on the sale of our Chemical Intermediates Businesses. See "Note 4. Discontinued Operations and Business Dispositions—Separation and Deconsolidation of Venator."

Concurrently with the sale of Venator ordinary shares, we entered into an option agreement, pursuant to which we granted an option to funds advised by SK Capital Partners, LP to purchase the remaining approximate 9.7 million ordinary shares we hold in Venator at $2.15 per share. The option will expire on June 23, 2023 and will not be exercisable so long as such exercise would result in a default or an "Event of Default" under Venator's Term Loan Credit Agreement and Revolving Credit Agreement.

In connection with the 2017 initial public offering of Venator, we recorded a receivable of approximately $34 million related to certain income tax benefits that was reduced upon completion of the sale of Venator shares to SK Capital Partners, LP due to a change of control limitation on specific Venator tax attributes. Accordingly, we wrote off approximately $31 million of this receivable upon completion of the sale of the Venator ordinary shares in December 2020.

Other Significant Developments During 2020

Other significant developments that occurred during 2020 were as follows:

- In May 2020, we completed the CVC Thermoset Specialties Acquisition. For more information, see “Note 3. Business Combinations and Acquisitions—Acquisition of CVC Thermoset Specialties."

- In February 2020, we completed the Icynene-Lapolla Acquisition. For more information, see “Note 3. Business Combinations and Acquisitions—Acquisition of Icynene-Lapolla.”

- In January 2020, we completed the sale of our Chemical Intermediates Businesses to Indorama in a transaction valued at approximately $2 billion, comprised of a cash purchase price of approximately $1.92 billion and the transfer of approximately $72 million in net underfunded pension and other post-employment benefit liabilities. For more information, see “Note 4. Discontinued Operations and Business Dispositions—Sale of Chemical Intermediates Businesses.”

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Carrying Value of Long-Lived Assets

We review long-lived assets and all amortizable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Recoverability is based upon current and anticipated undiscounted cash flows, and we recognize an impairment when such estimated cash flows are less than the carrying value of the asset. Measurement of the amount of impairment, if any, is based upon the difference between carrying value and fair value. Fair value is generally estimated by discounting estimated future cash flows using a discount rate commensurate with the risks involved or selling price of assets held for sale.

Cash and Cash Equivalents

We consider cash in checking accounts and cash in short-term highly liquid investments with original maturities of three months or less at the date of purchase, to be cash and cash equivalents.

Cost of Goods Sold

We classify the costs of manufacturing and distributing our products as cost of goods sold. Manufacturing costs include variable costs, primarily raw materials and energy, and fixed expenses directly associated with production. Manufacturing costs also include, among other things, plant site operating costs and overhead (including depreciation), production planning and logistics costs, repair and maintenance costs, plant site purchasing costs, and engineering and technical support costs. Distribution, freight and warehousing costs are also included in cost of goods sold.

Derivatives and Hedging Activities

All derivatives, whether designated in hedging relationships or not, are recorded on our balance sheets at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and the hedged items are recognized in earnings. If the derivative is designated as a cash flow hedge, changes in the fair value of the derivative are recorded in accumulated other comprehensive loss, to the extent effective, and will be recognized in the income statement when the hedged item affects earnings. Changes in the fair value of the hedge in the net investment of certain international operations are recorded in other comprehensive income (loss), to the extent effective. The effectiveness of a cash flow hedging relationship is established at the inception of the hedge, and after inception we perform effectiveness assessments at least every three months. A derivative designated as a cash flow hedge is determined to be effective if the change in value of the hedge divided by the change in value of the hedged item is within a range of 80% to 125%. Hedge ineffectiveness in a cash flow hedge occurs only if the cumulative gain or loss on the derivative hedging instrument exceeds the cumulative change in the expected future cash flows on the hedged transaction. For a derivative that does not qualify or has not been designated as a hedge, changes in fair value are recognized in earnings.

Environmental Expenditures

Environmental related restoration and remediation costs are recorded as liabilities when site restoration and environmental remediation and clean-up obligations are either known or considered probable and the related costs can be reasonably estimated. Other environmental expenditures that are principally maintenance or preventative in nature are recorded when expended and incurred and are expensed or capitalized as appropriate. See “Note 22. Environmental, Health and Safety Matters.”

Equity Method Investments

We account for our equity investments where we own a non-controlling interest, but exercise significant influence, under the equity method of accounting. Under the equity method of accounting, our original cost of the investment is adjusted for our share of equity in the earnings of the equity investee and reduced by dividends and distributions of capital received, unless the fair value option is elected, in which case the investment balance is marked to fair value each reporting period and the impact of changes in fair value of the equity investment are reported in earnings.

Foreign Currency Translation

The accounts of our operating subsidiaries outside of the U.S., unless they are operating in highly inflationary economic environments, consider the functional currency to be the currency of the economic environment in which they operate. Accordingly, assets and liabilities are translated at rates prevailing at the balance sheet date. Revenues, expenses, gains and losses are translated at a weighted average rate for the period. Cumulative translation adjustments are recorded to equity as a component of accumulated other comprehensive loss.

If a subsidiary operates in an economic environment that is considered to be highly inflationary (100% cumulative inflation over a three-year period), the U.S. dollar is considered to be the functional currency and gains and losses from remeasurement to the U.S. dollar from the local currency are included in the statement of operations. Where a subsidiary's operations are effectively run, managed, financed and contracted in U.S. dollars, such as certain finance subsidiaries outside of the U.S., the U.S. dollar is considered to be the functional currency.

Foreign currency transaction gains and losses are recorded in other operating (income) expense, net in our consolidated statements of operations and were (losses) gains of \$2 million, \$(8) million and \$3 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Income Taxes

We use the asset and liability method of accounting for income taxes. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial and tax reporting purposes. We evaluate deferred tax assets to determine whether it is more likely than not that they will be realized. Valuation allowances are reviewed on a tax jurisdiction basis to analyze whether there is sufficient positive or negative evidence to support a change in judgment about the realizability of the related deferred tax assets for each jurisdiction. These conclusions require significant judgment. In evaluating the objective evidence that historical results provide, we consider the cyclicality of businesses and cumulative income or losses during the applicable period. Cumulative losses incurred over the period limits our ability to consider other subjective evidence such as our projections for the future. Changes in expected future income in applicable jurisdictions could affect the realization of deferred tax assets in those jurisdictions.

On December 22, 2017, the U.S. Tax Reform Act was signed into law. The U.S. Tax Reform Act significantly revised the U.S. corporate income tax regime by, among other things, lowering the U.S. corporate tax rate from 35% to 21%, (effective January 1, 2018), creation of the base erosion anti-abuse tax provision ("BEAT") and a new provision designed to tax global intangible low-taxed income ("GILTI") (effective January 1, 2018) and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries.

In 2017, we booked provisional amounts for the remeasurements of U.S. deferred tax assets and liabilities and the transitional tax on deemed repatriation of deferred foreign income related to the enactment of the U.S. Tax Reform Act. During the remeasurement period in 2018, we recorded a net tax expense of \$32 million. We did not make the election to reclassify the income tax effects of the U.S. Tax Reform Act from accumulated other comprehensive income to retained earnings.

Accounting for uncertainty in income taxes prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The application of income tax law is inherently complex. We are required to determine if an income tax position meets the criteria of more-likely-than-not to be realized based on the merits of the position under tax law, in order to recognize an income tax benefit. This requires us to make significant judgments regarding the merits of income tax positions and the application of income tax law. Additionally, if a tax position meets the recognition criteria of more-likely-than-not we are required to make judgments and apply assumptions to measure the amount of the tax benefits to recognize. These judgments are based on the probability of the amount of tax benefits that would be realized if the tax position was challenged by the taxing authorities. Interpretations and guidance surrounding income tax laws and regulations change over time. As a consequence, changes in assumptions and judgments can materially affect amounts recognized in our consolidated financial statements. See "Note 20. Income Taxes."

Intangible Assets and Goodwill

Intangible assets are stated at cost (fair value at the time of acquisition) and are amortized using the straight-line method over the estimated useful lives or the life of the related agreement as follows:

	In Years
Patents and technology	5 - 30
Trademarks	9 - 30
Licenses and other agreements	5 - 15
Other intangibles	5 - 20

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Goodwill is not subject to any method of amortization, but is tested for impairment annually (at the beginning of the third quarter) and when events and circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. When the fair value is less than the carrying value of the related reporting unit, we are required to reduce the amount of goodwill through a charge to earnings. Fair value is estimated using the market approach, as well as the income approach based on discounted cash flow projections. Goodwill has been assigned to reporting units for purposes of impairment testing.

During 2020, goodwill increased by approximately $259 million due to the addition of our acquired businesses, partially offset by a net decrease of approximately $2 million due to changes in foreign currency exchange rates. See "Note 3. Business Combinations and Acquisitions." During 2019, goodwill decreased by approximately $2 million due to the finalization of the valuation of the assets and liabilities of an acquisition, partially offset by a net increase of approximately $1 million due to changes in foreign currency exchange rates.

Inventories

Inventories are stated at the lower of cost or market, with cost determined using LIFO, first-in first-out, and average costs methods for different components of inventory.

Leases

On January 1, 2019, we adopted the new lease standard using the optional transition method provided under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2018-11, which allowed us to initially apply the amendments of the new lease standard at the adoption date. Upon adoption of the new lease standard, we elected the package of three practical expedient permitted under the transition guidance within the new lease standard, which among other things, allowed us to carry forward the historical lease classification on existing leases at adoption. In addition, we elected the practical expedient related to land easements, which allowed us to carry forward our accounting treatment for land easements on existing agreements. We also elected the hindsight practical expedient to determine the lease term for existing leases.

The determination of whether a contract is or contains a lease is performed at the lease inception date. Lease right-of-use assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term, using incremental borrowing rates as the implicit rates are not readily determinable for our leases. The incremental borrowing rates are determined on a collateralized basis and vary from lease to lease depending on the country where the leased asset exists and the term of the lease arrangement. We combine lease components with non-lease components and account for them as a single lease component for all classes of underlying assets, except for leases of manufacturing and research facilities and administrative offices. For these assets, non-lease components are separated from lease components and accounted for as normal operating expenses. See "Note 9. Leases."

Legal Costs

We expense legal costs, including those legal costs incurred in connection with a loss contingency, as incurred.

Net Income Per Share Attributable to Huntsman Corporation

Basic income per share excludes dilution and is computed by dividing net income attributable to Huntsman Corporation common stockholders by the weighted average number of shares outstanding during the period. Diluted income per share reflects all potential dilutive common shares outstanding during the period and is computed by dividing net income available to Huntsman Corporation common stockholders by the weighted average number of shares outstanding during the period increased by the number of additional shares that would have been outstanding as dilutive securities.

Basic and diluted income per share is determined using the following information (in millions):

	Year ended December 31,		
	2020	2019	2018
Numerator:			
Basic and diluted income from continuing operations:			
Income from continuing operations attributable to Huntsman Corporation	$ 259	$ 393	$ 608
Basic and diluted net income:			
Net income attributable to Huntsman Corporation	$ 1,034	$ 562	$ 337
Denominator:			
Weighted average shares outstanding	220.6	228.9	238.1
Dilutive shares:			
Stock-based awards	1.3	1.7	3.5
Total weighted average shares outstanding, including dilutive shares	221.9	230.6	241.6

Additional stock-based awards of 4.3 million, 3.0 million and 0.8 million weighted average equivalent shares of stock were outstanding during the years ended December 31, 2020, 2019 and 2018, respectively. However, these stock-based awards were not included in the computation of diluted earnings per share for the respective periods mentioned because the effect would be anti-dilutive.

Other Noncurrent Assets

Periodic maintenance and repairs applicable to major units of manufacturing facilities (a "turnaround") are accounted for on the deferral basis by capitalizing the costs of the turnaround and amortizing the costs over the estimated period until the next turnaround.

Principles of Consolidation

Our consolidated financial statements include the accounts of our wholly owned and majority owned subsidiaries and any variable interest entities for which we are the primary beneficiary. All intercompany accounts and transactions have been eliminated.

Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives or lease term as follows:

	In Years
Buildings and equipment	5 - 50
Plant and equipment	3 - 30
Furniture, fixtures and leasehold improvements	5 - 20

Interest expense capitalized as part of plant and equipment was $7 million, $4 million and $4 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Normal maintenance and repairs of plant and equipment are charged to expense as incurred. Renewals, betterments and major repairs that materially extend the useful life of the assets are capitalized, and the assets replaced, if any, are retired.

Revenue Recognition

We generate substantially all of our revenue through product sales in which revenue is recognized at a point in time. We recognize revenue when control of the promised goods is transferred to our customers. Control of goods usually passes to the customer at the time shipment is made. Revenue is measured as the amount that reflects the consideration that we expect to be entitled to in exchange for those goods.

We generate substantially all of our revenues through sales in the open market and long-term supply agreements. We recognize revenue when control of the promised goods is transferred to our customers. Control of goods usually passes to the customer at the time shipment is made. Revenue is measured as the amount that reflects the consideration that we expect to be entitled to in exchange for those goods. Sales, value add, and other taxes we collect concurrent with revenue-producing activities are excluded from revenue. Incidental items that are immaterial in the context of the contract are recognized as expense. We have elected to account for all shipping and handling activities as fulfillment costs. We have also elected to expense commissions when incurred as the amortization period of the commission asset that we would have otherwise recognized is less than one year.

Substantially all of our revenue is generated through product sales in which revenue is recognized at a point in time. At contract inception, we assess the goods and services, if any, promised in our contracts and identify a performance obligation for each promise to transfer to the customer a good or service that is distinct. In substantially all cases, a contract has a single performance obligation to deliver a promised good to the customer. Revenue is recognized when control of the product is transferred to the customer (i.e., when our performance obligation is satisfied), which typically occurs at shipment. Further, in determining whether control has transferred, we consider if there is a present right to payment and legal title, along with risks and rewards of ownership having transferred to the customer.

The amount of consideration we receive and revenue we recognize is based upon the terms stated in the sales contract, which may contain variable consideration such as discounts or rebates. We allocate the transaction price to each distinct product based on their relative standalone selling price. The product price as specified on the purchase order or in the sales contract is considered the standalone selling price as it is an observable input that depicts the price as if sold to a similar customer in similar circumstances. In order to estimate the applicable variable consideration, we use historical and current trend information to estimate the amount of discounts or rebates to which customers are likely to be entitled. Historically, actual discount or rebate adjustments relative to those estimated and included when determining the transaction price have not materially differed. Payment terms vary but are generally less than one year. As our standard payment terms are less than one year, we have elected to not assess whether a contract has a significant financing component. In the normal course of business, we do not accept product returns unless the item is defective as manufactured. We establish provisions for estimated returns based on an analysis of historical experience. See "Note 18. Revenue Recognition."

Securitization of Accounts Receivable

Under our A/R Programs, we grant an undivided interest in certain of our trade receivables to the special purpose entities ("SPE") in the U.S. and EU. This undivided interest serves as security for the issuance of debt. The A/R Programs provide for financing in both U.S. dollars and euros. The amounts outstanding under our A/R Programs are accounted for as secured borrowings. See "Note 15. Debt—Direct and Subsidiary Debt—A/R Programs."

Stock-Based Compensation

We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost, net of estimated forfeitures, will be recognized over the period during which the employee is required to provide services in exchange for the award. See "Note 24. Stock-Based Compensation Plan."

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Pronouncements Adopted During 2020

We adopted the following accounting pronouncements during 2020, which did not have a significant impact on our consolidated financial statements:

- FASB ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments;*
- FASB ASU No. 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Topic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*.
- FASB ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract;* and
- FASB ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.*

Accounting Pronouncements Pending Adoption in Future Periods

The following accounting pronouncement becomes effective subsequent to fiscal year 2020, and we do not expect it to have a significant impact on our consolidated financial statements upon adoption:

- FASB ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope.*

3. BUSINESS COMBINATIONS AND ACQUISITIONS

Acquisition of CVC Thermoset Specialties

On May 18, 2020, we completed the CVC Thermoset Specialties Acquisition, a North American specialty chemical manufacturer serving the industrial composites, adhesives and coatings markets. We acquired the business for $304 million from Emerald Performance Materials LLC, which is majority owned by affiliates of American Securities LLC, in an all-cash transaction funded from available liquidity. The acquired business is being integrated into our Advanced Materials segment. Transaction costs related to this acquisition were approximately $5 million for the year ended December 31, 2020, and were recorded in other operating (income) expense, net in our consolidated statements of operations.

We have accounted for the CVC Thermoset Specialties Acquisition using the acquisition method. As such, we analyzed the fair value of tangible and intangible assets acquired and liabilities assumed. The preliminary allocation of acquisition cost to the assets acquired and liabilities assumed is summarized as follows (dollars in millions):

Fair value of assets acquired and liabilities assumed:	
Cash paid for the CVC Thermoset Specialties Acquisition	$ 304
Accounts receivable	$ 12
Inventories	37
Property, plant and equipment	67
Intangible assets	117
Goodwill	120
Accounts payable	(7)
Accrued liabilities	(1)
Deferred income taxes	(41)
Total fair value of net assets acquired	$ 304

The acquisition cost allocation is preliminary pending final determination of the fair value of assets acquired and liabilities assumed, primarily relating to the final valuation of intangible assets and deferred taxes. As a result of this preliminary valuation of the assets and liabilities, reallocations were made in certain inventory, property, plant and equipment, intangible asset, goodwill and deferred tax balances during the fourth quarter of 2020. Intangible assets acquired included in this preliminary allocation consist primarily of trademarks, trade secrets and customer relationships, which are predominantly being amortized over a period of 20 years. For purposes of this preliminary allocation of fair value, we have assigned any excess of the acquisition cost over the estimated preliminary fair value to goodwill. The estimated goodwill recognized is attributable primarily to projected future profitable growth in our Advanced Materials specialty portfolio and synergies. We expect that none of the estimated goodwill arising from the acquisition will be deductible for income tax purposes. It is possible that material changes to this preliminary allocation of acquisition cost could occur.

The acquired business had revenues and net loss of $43 million and $6 million, respectively, for the period from the date of acquisition to December 31, 2020.

Acquisition of Icynene-Lapolla

On February 20, 2020, we completed the Icynene-Lapolla Acquisition. We acquired the business from an affiliate of FFL Partners, LLC for $353 million in an all-cash transaction funded from available liquidity. The acquired business was integrated into our Polyurethanes segment. Transaction costs related to this acquisition were approximately $14 million for the year ended December 31, 2020, and were recorded in other operating (income) expense, net in our consolidated statements of operations.

We have accounted for the Icynene-Lapolla Acquisition using the acquisition method. As such, we analyzed the fair value of tangible and intangible assets acquired and liabilities assumed. The preliminary allocation of acquisition cost to the assets acquired and liabilities assumed is summarized as follows (dollars in millions):

Fair value of assets acquired and liabilities assumed:	
Cash paid for the Icynene-Lapolla Acquisition	$ 353
Cash	$ 7
Accounts receivable	36
Inventories	32
Prepaid expenses and other current assets	1
Property, plant and equipment	7
Intangible assets	165
Goodwill	139
Other noncurrent assets	3
Accounts payable	(13)
Accrued liabilities	(10)
Deferred income taxes	(14)
Total fair value of net assets acquired	$ 353

The acquisition cost allocation is preliminary pending final determination of the fair value of assets acquired and liabilities assumed, including final valuation of certain liabilities, property, plant and equipment, intangible assets, leases and deferred taxes. Intangible assets acquired included in this preliminary allocation consist primarily of trademarks, trade secrets and customer relationships. The applicable amortization periods are still being assessed. For purposes of this preliminary allocation of fair value, we have assigned any excess of the acquisition cost over the estimated preliminary fair value to goodwill. The estimated goodwill recognized is attributable primarily to projected future profitable growth, penetration into downstream markets and synergies. We expect that none of the estimated goodwill arising from the acquisition will be deductible for income tax purposes. It is possible that material changes to this preliminary allocation of acquisition cost could occur.

The acquired business had revenues and net income of $199 million and $12 million, respectively, for the period from the date of acquisition to December 31, 2020.

Pro Forma Information for Acquisitions Occurring in 2020

If the CVC Thermoset Specialties Acquisition and the Icynene-Lapolla Acquisition were to have occurred on January 1, 2019, the following estimated pro forma revenues, net income and net income attributable to Huntsman Corporation would have been reported (dollars in millions):

	Pro Forma (Unaudited) Year ended December 31,	
	2020	2019
Revenues	$ 6,080	$ 7,140
Net income	1,063	616
Net income attributable to Huntsman Corporation	1,031	580

Acquisition of Remaining Interest in Sasol-Huntsman Joint Venture

On September 30, 2019, we acquired from Sasol, our former joint venture partner, the 50% noncontrolling interest that we did not own in the Sasol-Huntsman maleic anhydride joint venture. We paid Sasol $101 million, which included acquired cash, net of any debt. The purchase price was funded from the 2019 Term Loan. See “Note 15. Debt—Direct and Subsidiary Debt—Term Loan Credit Facility.” In connection with this acquisition, we recorded an adjustment to additional paid-in capital, net of tax, of $11 million. Prior to acquiring the 50% noncontrolling interest that we did not own, we accounted for Sasol-Huntsman as a variable interest entity. See “Note 8. Variable Interest Entities.”

The effects of changes in our ownership interest in Sasol-Huntsman on the equity attributable to Huntsman Corporation is as follows (dollars in millions):

	Year ended December 31,	
	2019	2018
Net income attributable to Huntsman Corporation shareholders	$ 562	$ 337
Decrease in Huntsman Corporation’s paid-in capital for purchase of 50% interest in Sasol-Huntsman	(11)	—
Net transfers to noncontrolling interest	(11)	—
Change from net income attributable to Huntsman Corporation shareholders and transfers to noncontrolling interest	$ 551	$ 337

Acquisition of Demilec

On April 23, 2018, we acquired 100% of the outstanding equity interests of Demilec (USA) Inc. and Demilec Inc. (collectively, “Demilec”) for approximately $353 million, including working capital adjustments, in an all-cash transaction (“Demilec Acquisition”), which was funded from our Prior Credit Facility and our U.S. A/R Program. Demilec is a leading North American manufacturer and distributor of spray polyurethane foam formulations for residential and commercial applications. The acquired business was integrated into our Polyurethanes segment. Transaction costs charged to expense related to this acquisition were approximately $5 million in 2018 and were recorded in other operating (income) expense, net in our consolidated statements of operations. The Demilec Acquisition was aligned with our stated strategy to grow our downstream polyurethanes business and leverage our global platform to expand Demilec’s portfolio of spray polyurethane foam formulations into international markets.

We have accounted for the Demilec Acquisition using the acquisition method. As such, we determined the fair value of tangible and intangible assets acquired and liabilities assumed. The allocation of acquisition cost to the assets acquired and liabilities assumed is summarized as follows (dollars in millions):

Fair value of assets acquired and liabilities assumed:

Cash paid for the Demilec Acquisition	$ 353
Cash	$ 1
Accounts receivable	31
Inventories	23
Prepaid expenses and other current assets	1
Property, plant and equipment	21
Intangible assets	177
Goodwill	140
Accounts payable	(16)
Accrued liabilities	(3)
Deferred income taxes	(22)
Total fair value of net assets acquired	$ 353

Intangible assets acquired consist primarily of trademarks, trade secrets and customer relationships, all of which are being amortized over 15 years. We have assigned any excess of the acquisition cost of the fair values to goodwill. During the third quarter of 2018, we received $4 million related to the settlement of certain purchase price adjustments. The goodwill recognized is attributable primarily to projected future profitable growth, penetration into downstream markets and synergies.

The acquired business had revenues and net income of $142 million and $5 million, respectively, for the period from the date of acquisition to December 31, 2018.

If this acquisition were to have occurred on January 1, 2018, the following estimated pro forma revenues, net income and net income attributable to Huntsman Corporation would have been reported (dollars in millions):

	Pro Forma (Unaudited) Year ended December 31, 2018
Revenues	$ 7,662
Net income	639
Net income attributable to Huntsman Corporation	326

4. DISCONTINUED OPERATIONS AND BUSINESS DISPOSITIONS

Sale of Chemical Intermediates Businesses

On January 3, 2020, we completed the sale of our Chemical Intermediates Businesses to Indorama in a transaction valued at approximately $2 billion, comprised of a cash purchase price of approximately $1.92 billion and the transfer of approximately $72 million in net underfunded pension and other post-employment benefit liabilities. In connection with this sale, we received proceeds of approximately $1.92 billion and recognized a net after-tax gain of $748 million in 2020. Additionally, in connection with this sale, we entered into long-term supply agreements with Indorama for certain raw materials at market prices supplied by our former Chemical Intermediates Businesses. In connection with this sale, we recognized approximately $19 million of income as a result of a liquidation of LIFO inventory.

During the year ended December 31, 2020, we paid $231 million of income taxes with respect to the gain on the sale of our Chemical Intermediates Businesses. With the sale of approximately 42.4 million ordinary shares we held in Venator to SK Capital Partners, LP completed on December 23, 2020, we offset the capital loss on the sale of the Venator shares against the capital gain realized on the sale of our Chemical Intermediates Businesses. For more information on the sale of ordinary shares we hold in Venator to SK Capital Partners, LP, see “Note 1. Recent Developments – Sale of Venator Interest.”

The following table reconciles the carrying amounts of major classes of assets and liabilities of discontinued operations to total assets and liabilities of discontinued operations that were classified as held for sale in our consolidated balance sheets (dollars in millions):

		December 31, 2019
Carrying amounts of major classes of assets held for sale:		
Accounts receivable	$	145
Inventories		105
Property, plant and equipment, net		720
Operating lease right-of-use assets		69
Deferred income taxes		4
Other noncurrent assets		165
Total assets held for sale[(1)]	$	1,208
Carrying amounts of major classes of liabilities held for sale:		
Accounts payable	$	152
Accrued liabilities		26
Current operating lease liabilities		20
Deferred income taxes		135
Noncurrent operating lease liabilities		51
Other noncurrent liabilities		128
Total liabilities held for sale[(1)]	$	512

(1) The assets and liabilities held for sale are classified as current as of December 31, 2019 because the sale of our Chemical Intermediates Businesses was completed on January 3, 2020.

The following table reconciles major line items constituting pretax income of discontinued operations to after-tax income (loss) of discontinued operations as presented in our consolidated statements of operations (dollars in millions):

	Year ended December 31,		
	2020	2019	2018
Major line items constituting pretax income of discontinued operations[(1)]:			
Trade sales, services and fees, net[(2)]	$ 7	$ 1,545	$ 3,923
Cost of goods sold[(2)]	(37)	1,287	2,847
Gain on sale of the Chemical Intermediates Businesses	978	—	—
Other expense items, net that are not major	5	54	332
Income from discontinued operations before income taxes	1,017	204	744
Income tax expense	(242)	(35)	(86)
Loss on disposal	—	—	(427)
Valuation allowance	—	—	(270)
Income (loss) from discontinued operations, net of tax	775	169	(39)
Net income attributable to noncontrolling interests	—	—	(6)
Net income (loss) attributable to discontinued operations	$ 775	$ 169	$ (45)

(1) Discontinued operations primarily include our Chemical Intermediates Businesses for all periods presented. We began accounting for our investment in Venator as an equity method investment on December 3, 2018. Therefore, the summarized financial data only includes the results of Venator applicable to the period from January 1, 2017 through December 2, 2018.

(2) Includes eliminations of trade sales, services and fees, net and cost of sales between continuing operations and discontinued operations.

Separation and Deconsolidation of Venator

In August 2017, we separated our Titanium Dioxide and Performance Additives business and conducted an initial public offering of ordinary shares of Venator. Beginning in December 2018, following a series of public offerings and sales of Venator ordinary shares, our ownership in Venator decreased to approximately 49%, and we began accounting for our remaining interest in Venator as an equity method investment using the fair value option. On December 23, 2020, we completed the sale of approximately 42.4 million ordinary shares of Venator and received approximately $99 million in cash. See "Note 1. General—Recent Developments—Sale of Venator Interest." Subsequent to this sale of ordinary shares of Venator, we no longer account for our current remaining ownership interest in Venator as an equity method investment, but rather as an investment in equity securities that are marked to fair value with changes in fair value reported in earnings. For the years ended December, 2020, 2019 and 2018, we recorded a loss of $55 million, $19 million and $62 million, respectively. The loss of $88 million for the year ended December 31, 2020 primarily includes the marked to fair value adjustment of $43 million for the Venator ordinary shares we hold, a loss of $12 million related to the sale of approximately 42.4 million Venator ordinary shares and a loss of $31 million on the write off of a receivable related to certain income tax benefits that were reduced upon the completion of the sale of Venator shares to SK Capital Partners, LP. These gains and losses were recorded in "Fair value adjustments to Venator investment and related loss on disposal" on our consolidated statements of operations.

Sale of India-Based Do-It-Yourself Consumer Adhesives Business

On November 3, 2020, we completed the sale of the India-based DIY business, previously part of our Advanced Materials segment, to Pidilite Industries Ltd. and received cash of approximately $257 million. Under the terms of the agreement, we may receive up to approximately $28 million of additional cash under an earnout within 18 months if the business achieves certain sales revenue targets in line with the DIY business' 2019 performance. In connection with this sale, we recognized a pretax gain of $247 million in the fourth quarter of 2020, which was recorded in gain on sale of India-based DIY business in our consolidated statements of operations.

5. INVENTORIES

Inventories consisted of the following (dollars in millions):

	December 31,	
	2020	2019
Raw materials and supplies	$ 180	$ 175
Work in progress	44	49
Finished goods	651	718
Total	875	942
LIFO reserves	(27)	(28)
Net inventories	$ 848	$ 914

For December 31, 2020 and 2019, approximately 7% and 9% of inventories were recorded using the LIFO cost method, respectively.

6. PROPERTY, PLANT AND EQUIPMENT

The cost and accumulated depreciation of property, plant and equipment were as follows (dollars in millions):

	December 31,	
	2020	2019
Land	$ 97	$ 103
Buildings	540	605
Plant and equipment	5,039	4,695
Construction in progress	357	285
Total	6,033	5,688
Less accumulated depreciation	(3,528)	(3,305)
Net	$ 2,505	$ 2,383

Depreciation expense for 2020, 2019 and 2018 was $242 million, $245 million and $239 million, respectively.

7. INVESTMENT IN UNCONSOLIDATED AFFILIATES

Our ownership percentage and investment in unconsolidated affiliates were as follows (dollars in millions):

	December 31,	
	2020	2019
Equity Method:		
Venator Materials PLC(1)	$ —	$ 200
BASF Huntsman Shanghai Isocyanate Investment BV (50%)(2)	111	112
Nanjing Jinling Huntsman New Material Co., Ltd. (49%)	229	196
Jurong Ningwu New Material Development Co., Ltd. (30%)	33	27
Total investments	$ 373	$ 535

(1) On December 23, 2020, we completed the sale of approximately 42.4 million ordinary shares of Venator, and we no longer account for our current remaining ownership interest in Venator as an equity method investment, but rather as an investment in equity securities that are marked to fair value with changes in fair value reported in earnings. As of December 31, 2020, our investment in Venator was $32 million and was included in other noncurrent assets on our consolidated balance sheets.

(2) We own 50% of BASF Huntsman Shanghai Isocyanate Investment BV. BASF Huntsman Shanghai Isocyanate Investment BV owns a 70% interest in SLIC, thus giving us an indirect 35% interest in SLIC.

Summarized Financial Information of Unconsolidated Affiliates

Summarized financial information of our unconsolidated affiliates as of December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018 is as follows (dollars in millions):

	December 31,	
	2020	2019
Current assets	$ 1,544	$ 1,439
Non-current assets	2,317	2,436
Current liabilities	574	688
Non-current liabilities	1,804	1,614
Noncontrolling interests	6	7

	Year ended December 31,		
	2020	2019	2018(1)
Revenues	$ 3,544	$ 4,025	$ 2,181
Gross profit	338	454	221
(Loss) income from continuing operations	(2)	99	124
Net (loss) income	(2)	99	124

(1) We began accounting for our investment in Venator as an equity method investment on December 3, 2018 and then as an investment in equity securities on December 23, 2020 and thereafter. Therefore, the summarized financial data only includes information for Venator for the years ended December 31, 2020 and 2019 and the period from December 3, 2018 through December 31, 2018.

8. VARIABLE INTEREST ENTITIES

We evaluate our investments and transactions to identify variable interest entities for which we are the primary beneficiary. We hold a variable interest in the following joint ventures for which we are the primary beneficiary:

- Rubicon LLC is our 50%-owned joint venture with Lanxess that manufactures products for our Polyurethanes and Performance Products segments. The structure of the joint venture is such that the total equity investment at risk is not sufficient to permit the joint venture to finance its activities without additional financial support. By virtue of the operating agreement with this joint venture, we purchase a majority of the output, absorb a majority of the operating costs and provide a majority of the additional funding.

- AAC is our 50%-owned joint venture with Zamil group that manufactures products for our Performance Products segment. As required in the operating agreement governing this joint venture, we purchase all of AAC's production and sell it to our customers. Substantially all of the joint venture's activities are conducted on our behalf.

Sasol-Huntsman was our 50%-owned joint venture with Sasol that owned and operated a maleic anhydride facility in Moers, Germany. On September 30, 2019, we acquired the 50% noncontrolling interest that we did not own in the Sasol-Huntsman. As such, as of September 30, 2019, Sasol-Huntsman became our wholly-owned subsidiary and was no longer accounted for as a variable interest entity.

During the year ended December 31, 2020, there were no changes in our variable interest entities.

Creditors of our variable interest entities have no recourse to our general credit. See “Note 15. Debt—Direct and Subsidiary Debt.” As the primary beneficiary of these variable interest entities at December 31, 2020, the joint ventures’ assets, liabilities and results of operations are included in our consolidated financial statements.

The following table summarizes the carrying amount of our variable interest entities’ assets and liabilities included in our consolidated balance sheets as of December 31, 2020 and 2019 (dollars in millions):

	December 31,	
	2020	2019
Current assets	$ 49	$ 50
Property, plant and equipment, net	167	180
Operating lease right-of-use assets	22	16
Other noncurrent assets	138	132
Deferred income taxes	30	30
Total assets	$ 406	$ 408
Current liabilities	$ 183	$ 151
Long-term debt	3	29
Noncurrent operating lease liabilities	17	11
Other noncurrent liabilities	82	87
Deferred income taxes	1	—
Total liabilities	$ 286	$ 278

The revenues, income from continuing operations before income taxes and net cash provided by operating activities for our variable interest entities are as follows (dollars in millions):

	Year ended December 31,		
	2020	2019(1)	2018
Revenues	$ —	$ 95	$ 154
Income from continuing operations before income taxes	4	17	40
Net cash provided by operating activities	10	81	65

(1) As of September 30, 2019, Sasol-Huntsman was no longer accounted for as a variable interest entity. Therefore, this financial data only includes information for Sasol-Huntsman applicable to the period from January 1, 2019 through September 30, 2019.

9. LEASES

We primarily lease manufacturing and research facilities, administrative offices, land, tanks, railcars and equipment. Leases with an initial term of 12 months or less are not recognized on the balance sheets; we recognize lease expense for these leases on a straight-line basis over the lease term. Our variable lease cost was approximately nil for each of the years ended December 31, 2020 and 2019, respectively. Our leases have remaining lives from one month to 37 years. Certain lease agreements include one or more options to renew, at our discretion, with renewal terms that can extend the lease term by approximately one year to 30 years or more. Renewal and termination options that we are reasonably certain to exercise have been included in the calculation of the lease right-of-use assets and lease liabilities. None of our lease agreements contain material residual value guarantees or material restrictions or covenants.

The components of operating lease expense, cash flows and supplemental noncash information from continuing operations are as follows (dollars in millions):

	Years Ended December 31,	
	2020	2019
Operating lease expense:		
Cost of goods sold	$ 34	$ 35
Selling, general and administrative	26	15
Research and development	6	6
Total operating lease expense(1)(2)	$ 66	$ 56
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 74	$ 53
Supplemental noncash information:		
Leased assets obtained in exchange for new operating lease liabilities	$ 91	$ 416

(1) Total operating lease expense includes short-term lease expense of approximately $3 million and $1 million for the years ended December 31, 2020 and 2019, respectively.
(2) Total operating lease expense for the year ended December 31, 2018 was $55 million.

The weighted-average lease term and discount rate for our operating leases from continuing operations are as follows:

	Years Ended December 31,	
	2020	2019
Weighted-average remaining lease term (in years)	11	11
Weighted-average discount rate	4.0 %	4.1 %

The undiscounted future cash flows of operating lease liabilities from continuing operations as of December 31, 2020 are as follows (dollars in millions):

Year ending December 31,	
2021	$ 68
2022	62
2023	58
2024	55
2025	51
Thereafter	276
Total lease payments	570
Less imputed interest	(107)
Total	$ 463

As of December 31, 2020, we have additional leases, primarily for leases of office and manufacturing facilities and rail cars, that have not yet commenced of approximately $9 million. These leases will commence in 2021 with lease terms of up to seven years.

During November 2020, we entered into a sale and leaseback agreement to sell certain properties in Basel, Switzerland for approximately CHF 67 million (approximately $73 million) and to lease those properties back for five years. This transaction resulted in a gain of approximately CHF 30 million (approximately $33 million).

10. INTANGIBLE ASSETS

The gross carrying amount and accumulated amortization of intangible assets were as follows (dollars in millions):

	December 31, 2020			December 31, 2019		
	Carrying Amount	Accumulated Amortization	Net	Carrying Amount	Accumulated Amortization	Net
Patents, trademarks and technology	$ 316	$ 237	$ 79	$ 314	$ 230	$ 84
Licenses and other agreements	140	61	79	140	48	92
Non-compete agreements	3	2	1	3	2	1
Other intangibles(1)	349	55	294	61	41	20
Total	$ 808	$ 355	$ 453	$ 518	$ 321	$ 197

(1) Includes provisional intangible asset fair values related to the CVC Thermoset Specialties Acquisition and the Icynene-Lapolla Acquisition. For more information, see "Note 3. Business Combinations and Acquisitions."

Amortization expense was $33 million, $16 million and $6 million for the years ended December 31, 2020, 2019 and 2018, respectively

Our estimated future amortization expense for intangible assets over the next five years is as follows (dollars in millions):

Year ending December 31,	
2021	$ 30
2022	34
2023	34
2024	34
2025	34

11. OTHER NONCURRENT ASSETS

Other noncurrent assets consisted of the following (dollars in millions):

	December 31,	
	2020	2019
Capitalized turnaround costs, net	$ 250	$ 223
Investment in Venator	32	—
Catalyst assets, net	27	24
Other	239	205
Total	$ 548	$ 452

Amortization expense of catalyst assets for the years ended December 31, 2020, 2019 and 2018 was $8 million, $9 million and $10 million, respectively.

12. ACCRUED LIABILITIES

Accrued liabilities consisted of the following (dollars in millions):

	December 31,	
	2020	2019
Payroll and related accruals	$ 97	$ 100
Income taxes	73	59
Taxes other than income taxes	56	64
Volume and rebate accruals	55	53
Other miscellaneous accruals	177	144
Total	$ 458	$ 420

13. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (CREDITS)

As of December 31, 2020, 2019 and 2018, accrued restructuring costs by type of cost and initiative consisted of the following (dollars in millions):

	Workforce reductions	Demolition and decommissioning	Non-cancelable lease and contract termination costs	Other restructuring costs	Total
Accrued liabilities as of January 1, 2018	$ 5	$ 2	$ 41	$ 5	$ 53
2018 charges for 2017 and prior initiatives	—	—	2	—	2
2018 charges for 2018 initiatives	5	—	—	10	15
2018 payments for 2017 and prior initiatives	(2)	(1)	(2)	—	(5)
2018 payments for 2018 initiatives	(1)	—	—	(5)	(6)
Reversal of reserves no longer required	(2)	—	(29)	—	(31)
Accrued liabilities as of December 31, 2018	5	1	12	10	28
2019 (credits) charges for 2018 and prior initiatives	2	(1)	2	3	6
2019 charges for 2019 initiatives	7	—	—	1	8
2019 payments for 2018 and prior initiatives	(4)	—	(7)	(9)	(20)
2019 payments for 2019 initiatives	—	—	—	(1)	(1)
Reversal of reserves no longer required	(2)	—	—	(2)	(4)
Accrued liabilities as of December 31, 2019	8	—	7	2	17
2020 charges for 2019 and prior initiatives	—	—	2	3	5
2020 charges for 2020 initiatives	35	—	—	3	38
2020 payments for 2019 and prior initiatives	(5)	—	(7)	(4)	(16)
2020 payments for 2020 initiatives	(10)	—	—	(3)	(13)
Reversal of reserves no longer required	—	—	—	(1)	(1)
Foreign currency effect on liability balance	1	—	—	—	1
Accrued liabilities as of December 31, 2020	$ 29	$ —	$ 2	$ —	$ 31

Details with respect to our reserves for restructuring, impairment and plant closing costs are provided below by segment and initiative (dollars in millions):

	Polyurethanes	Performance Products	Advanced Materials	Textile Effects	Corporate and other	Total
Accrued liabilities as of January 1, 2018	$ 1	$ 1	$ 3	$ 47	$ 1	$ 53
2018 charges (credits) for 2017 and prior initiatives	—	1	—	(4)	5	2
2018 charges for 2018 initiatives	—	2	3	—	10	15
2018 payments for 2017 and prior initiatives	(1)	(1)	—	—	(3)	(5)
2018 payments for 2018 initiatives	—	(1)	—	—	(5)	(6)
Reversal of reserves no longer required	—	(1)	—	(29)	(1)	(31)
Accrued liabilities as of December 31, 2018	—	1	6	14	7	28
2019 charges for 2018 and prior initiatives	—	—	—	2	4	6
2019 charges for 2019 initiatives	—	—	7	—	1	8
2019 payments for 2018 and prior initiatives	—	(1)	(2)	(9)	(8)	(20)
2019 payments for 2019 initiatives	—	—	(1)	—	—	(1)
Reversal of reserves no longer required	—	—	—	(4)	—	(4)
Accrued liabilities as of December 31, 2019	—	—	10	3	4	17
2020 charges (credits) for 2019 and prior initiatives	—	1	(1)	1	4	5
2020 charges for 2020 initiatives	16	4	9	7	2	38
2020 payments for 2019 and prior initiatives	(1)	—	(5)	(2)	(8)	(16)
2020 payments for 2020 initiatives	(3)	(3)	(3)	(2)	(2)	(13)
Reversal of reserves no longer required	—	—	(1)	—	—	(1)
Foreign currency effect on liability balance	—	—	—	1	—	1
Accrued liabilities as of December 31, 2020	$ 12	$ 2	$ 9	$ 8	$ —	$ 31
Current portion of restructuring reserves	$ 12	$ 2	$ 6	$ 6	$ —	$ 26
Long-term portion of restructuring reserves	—	—	3	2	—	5

Details with respect to cash and noncash restructuring charges for the years ended December 31, 2020, 2019 and 2018 by initiative are provided below (dollars in millions):

Cash charges:		
2020 charges for 2019 and prior initiatives	$	5
2020 charges for 2020 initiatives		38
Reversal of reserves no longer required		(1)
Noncash charges:		
Accelerated depreciation		7
Total 2020 restructuring, impairment and plant closing costs	$	49
Cash charges:		
2019 charges for 2018 and prior initiatives	$	6
2019 charges for 2019 initiatives		8
Reversal of reserves no longer required		(4)
Noncash charges:		
Gain on sale of assets		(49)
Other noncash credits		(2)
Total 2019 restructuring, impairment and plant closing costs	$	(41)
Cash charges:		
2018 charges for 2017 and prior initiatives	$	2
2018 charges for 2018 initiatives		15
Noncash charges:		
Reversal of reserves no longer required		(31)
Other noncash charges		7
Total 2018 restructuring, impairment and plant closing costs	$	(7)

2020 Restructuring Activities

Beginning in the second quarter of 2020, our Polyurethanes segment implemented a restructuring program to reorganize its spray polyurethane foam business to better position this business for efficiencies and growth in coming years. In connection with this restructuring program, we recorded restructuring expense of approximately $9 million for the year ended December 31, 2020, primarily related to workforce reductions and accelerated depreciation recorded as restructuring, impairment and plant closing costs. We expect to record additional restructuring expenses of approximately $4 million through 2021.

Beginning in the third quarter of 2020, our Polyurethanes segment implemented a restructuring program to optimize its downstream footprint. In connection with this restructuring program, we recorded restructuring expense of approximately $12 million for the year ended December 31, 2020, and we expect to record further restructuring expenses of between approximately $15 million and $20 million through 2021.

Beginning in the second quarter of 2020, our Performance Products segment implemented a restructuring program, primarily related to workforce reductions, in response to the sale of our Chemical Intermediates Businesses to Indorama. In connection with this restructuring program, we recorded restructuring expense of approximately $4 million for the year ended December 21, 2020.

Beginning in the second quarter of 2020, our Advanced Materials segment implemented restructuring programs, primarily related to workforce reductions and accelerated depreciation in connection with the CVC Thermoset Specialties Acquisition, the alignment of the segment's commercial organization and optimization of the segment's manufacturing processes. In connection with these restructuring programs, we recorded restructuring expense of approximately $10 million for the year ended December 31, 2020.

During 2020, our Textile Effects segment implemented restructuring programs to rationalize and realign structurally across various functions and certain locations within the segment. In connection with these restructuring programs, we recorded restructuring expense of approximately $7 million for the year ended December 31, 2020 related primarily to workforce reductions.

2019 Restructuring Activities

In September 2011, we initiated a restructuring program in our Textile Effects segment to close its production facilities and business support offices in Basel, Switzerland. In July 2019, we sold the production and business support offices in Basel. Accordingly, during the third quarter of 2019, we received proceeds of $49 million related to this sale and recognized a corresponding gain on disposal of assets of $49 million. This gain was recorded as a credit to restructuring, impairment and plant closing costs during the third quarter of 2019.

2018 Restructuring Activities

In 2011, we implemented a significant restructuring of our Textile Effects segment (the "Textile Effects Restructuring Plan"), including the closure of our production facilities and business support offices in Basel, Switzerland. In connection with this plan, we recorded restructuring reserves covering, among other things, a non-cancelable long-term service agreement. In the fourth quarter of 2018, we settled this agreement in exchange for the payment of $10 million, $8 million of which was paid in 2019 and $2 million will be paid in 2023. In connection with this settlement, we reversed the related restructuring reserve and recorded a net credit of $29 million in the fourth quarter of 2018. In addition, during 2018, we recorded a credit of $4 million primarily related to a gain on the sale of land at the Basel, Switzerland site.

Our Corporate and other segment recorded restructuring expense of $15 million in 2018 related to corporate initiatives.

14. OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities consisted of the following (dollars in millions):

	December 31, 2020	December 31, 2019
Pension liabilities	$ 680	$ 650
Other postretirement benefits	59	55
Employee benefit accrual	44	38
Other	127	155
Total	$ 910	$ 898

15. DEBT

Outstanding debt, net of debt issuance costs, of consolidated entities consisted of the following (dollars in millions):

	December 31, 2020	December 31, 2019
Senior Credit Facilities:		
Revolving facility	$ —	$ 40
Amounts outstanding under A/R programs	—	167
Term loan	—	103
Senior notes	2,047	1,963
Variable interest entities	50	65
Other	24	51
Total debt	$ 2,121	$ 2,389
Total current portion of debt	$ 593	$ 212
Long-term portion of debt	1,528	2,177
Total debt	$ 2,121	$ 2,389

Direct and Subsidiary Debt

Substantially all of our debt, including the facilities described below, has been incurred by our subsidiaries (primarily Huntsman International); we are not a guarantor of such subsidiary debt.

Certain of our subsidiaries have third-party debt agreements. These debt agreements contain certain restrictions with regard to dividends, distributions, loans or advances. In certain circumstances, the consent of a third party would be required prior to the transfer of any cash or assets from these subsidiaries to us.

Debt Issuance Costs

We record debt issuance costs related to a debt liability on the balance sheets as a reduction in the face amount of that debt liability. As of December 31, 2020 and 2019, the amount of debt issuance costs directly reducing the debt liability was $9 million and $11 million, respectively. We record the amortization of debt issuance costs as interest expense.

Revolving Credit Facility

On May 21, 2018, we entered into the Revolving Credit Facility. Borrowings under the Revolving Credit Facility will bear interest at the rates specified in the credit agreement governing the Revolving Credit Facility, which will vary based on the type of loan and our debt ratings. Unless earlier terminated, the Revolving Credit Facility will mature in May 2023. We may increase the Revolving Credit Facility commitments up to an additional $500 million, subject to the satisfaction of certain conditions.

In connection with entering into the Revolving Credit Facility, we terminated all commitments and repaid all obligations under our previous $650 million senior secured revolving credit facility. In addition, we recognized a loss of early extinguishment of debt of $3 million. As of December 31, 2020, our Revolving Credit Facility was as follows (dollars in millions):

Facility	Committed Amount	Principal Outstanding	Unamortized Discounts and Debt Issuance Costs	Carrying Value	Interest Rate[(2)]	Maturity
Revolving Credit Facility	$ 1,200	$ —(1)	$ —(1)	$ —(1)	USD LIBOR plus 1.50%	2023

(1) On December 31, 2020, we had an additional $6 million (U.S. dollar equivalents) of letters of credit and bank guarantees issued and outstanding under our Revolving Credit Facility.
(2) Interest rates on borrowings under the Revolving Credit Facility vary based on the type of loan and our debt ratings. The then applicable interest rate as of December 31, 2020 was 1.50% above LIBOR.

Term Loan Credit Facility

On September 24, 2019, we entered into the 2019 Term Loan, pursuant to which we borrowed an aggregate principal amount of €92 million (or $101 million equivalent). We used the net proceeds from the 2019 Term Loan to finance our acquisition of the 50% noncontrolling interest that we did not own in the Sasol-Huntsman maleic anhydride joint venture. On September 22, 2020 we repaid the 2019 Term Loan in full at maturity.

A/R Programs

Our A/R Programs are structured so that we transfer certain of our trade receivables to the U.S. special purpose entity ("U.S. SPE") and the European special purpose entity ("EU SPE") in transactions intended to be true sales or true contributions. The receivables collateralize debt incurred by the U.S. SPE and the EU SPE.

In April 2019, we entered into amendments to the EU A/R Program (the "European Amendment") and the U.S. A/R Program (the "U.S. Amendment"). The European Amendment, among other things, extended the scheduled commitment termination date of the loan facility to April 2022, reduced the facility maximum funding availability from €150 million to €100 million and made certain other amendments. The U.S. Amendment, among other things, extended the scheduled commitment termination date of the loan facility to April 2022 and made certain other amendments.

In December 2019, we entered into amendments to the U.S. A/R Program and the EU A/R Program. The European amendment allowed the removal of pledged obligors related to the Chemical Intermediates Businesses sold to Indorama. The U.S. amendment allowed the removal of pledged obligors related to the Chemical Intermediates Businesses sold to Indorama as well as reduced the maximum funding capacity from $250 million to $150 million upon completion of the sale on January 3, 2020.

In October 2020, we entered into an amendment to the U.S. A/R Program to account for certain internal reorganization activities related to CVC Thermoset Specialties Acquisition.

Information regarding our A/R Programs as of December 31, 2020 was as follows (monetary amounts in millions):

Facility	Maturity	Maximum Funding Availability[(1)]	Amount Outstanding	Interest Rate[(2)]
U.S. A/R Program	April 2022	$ 150	$ —(3)	Applicable rate plus 0.90%
EU A/R Program	April 2022	€ 100 (or approximately $123)	€ —	Applicable rate plus 1.30%

(1) The amount of actual availability under our A/R Programs may be lower based on the level of eligible receivables sold, changes in the credit ratings of our customers, customer concentration levels and certain characteristics of the accounts receivable being transferred, as defined in the applicable agreements.
(2) The applicable rate for our U.S. A/R Program is defined by the lender as USD LIBOR. The applicable rate for our EU A/R Program is either GBP LIBOR, USD LIBOR or EURIBOR.
(3) As of December 31, 2020, we had approximately $4 million (U.S. dollar equivalents) of letters of credit issued and outstanding under our U.S. A/R Program.

As of December 31, 2020 and December 31, 2019, $198 million and $221 million, respectively, of accounts receivable were pledged as collateral under our A/R Programs.

Notes

As of December 31, 2020, we had outstanding the following notes (monetary amounts in millions):

Notes	Maturity	Interest Rate	Amount Outstanding	Unamortized Premiums, Discounts and Debt Issuance Costs
2021 Senior Notes	April 2021	5.125%	€445 (€445 carrying value $(545))	$ —
2022 Senior Notes	November 2022	5.125%	$400 ($399 carrying value)	1
2025 Senior Notes	April 2025	4.250%	€300 (€298 carrying value $(366))	2
2029 Senior Notes	February 2029	4.500%	$750 ($737 carrying value)	13

The 2021, 2022, 2025 and 2029 Senior Notes are general unsecured senior obligations of ours. The indentures impose certain limitations on our ability to, among other things, incur additional indebtedness secured by any principal properties, incur indebtedness of nonguarantor subsidiaries, enter into sale and leaseback transactions with respect to any principal properties and consolidate or merge with or into any other person or lease, sell or transfer all or substantially all of our properties and assets. Upon the occurrence of certain change of control events, holders of the 2021, 2022, 2025 and 2029 Senior Notes will have the right to require that we purchase all or a portion of such holder's notes in cash at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest to the date of repurchase.

On March 13, 2019, we completed a $750 million offering of our 2029 Senior Notes. On March 27, 2019, we applied the net proceeds of the offering of the 2029 Senior Notes to redeem in full $650 million in aggregate principal amount of our 2020 Senior Notes and also paid associated costs and accrued interest of $21 million and $12 million, respectively. In addition, we recognized a loss on early extinguishment of debt of $23 million.

The 2029 Senior Notes bear interest at 4.50% per year, payable semi-annually on May 1 and November 1, and will mature on May 1, 2029. We may redeem the 2029 Senior Notes in whole or in part at any time prior to February 1, 2029 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium and accrued and unpaid interest. We may redeem the 2029 Senior Notes at any time, in whole or from time to time in part, on or after February 1, 2029 at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest.

Redemption of the 2021 Senior Notes

On January 15, 2021, we redeemed in full €445 million (approximately $541 million) in aggregate principal amount of our 2021 Senior Notes at the redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest to, but not including, the redemption date.

Variable Interest Entity Debt

As of December 31, 2020, AAC, our consolidated 50%-owned joint venture, had $50 million outstanding under its loan commitments and debt financing arrangements. As of December 31, 2020, we have $47 million classified as current debt and $3 million as long-term debt on our consolidated balance sheets. We do not guarantee these loan commitments, and AAC is not a guarantor of any of our other debt obligations.

COMPLIANCE WITH COVENANTS

Our Revolving Credit Facility contains a financial covenant regarding the leverage ratio of Huntsman International and its subsidiaries. The Revolving Credit Facility also contains other customary covenants and events of default for credit facilities of this type. Upon an event of default that is not cured or waived within any applicable cure periods, in addition to other remedies that may be available to the lenders, the obligations under the Revolving Credit Facility may be accelerated.

The agreements governing our A/R Programs also contain certain receivable performance metrics. Any material failure to meet the applicable A/R Programs' metrics could lead to an early termination event under the A/R Programs, which could require us to cease our use of such facilities, prohibiting us from additional borrowings against our receivables or, at the discretion of the lenders, requiring that we repay the A/R Programs in full. An early termination event under the A/R Programs would also constitute an event of default under our Revolving Credit Facility, which could require us to pay off the balance of the Revolving Credit Facility in full and could result in the loss of our Revolving Credit Facility.

We believe that we are in compliance with the covenants governing our material debt instruments, including our Revolving Credit Facility, our A/R Programs and our notes.

Maturities

The scheduled maturities of our debt (excluding debt to affiliates) by year as of December 31, 2020 are as follows (dollars in millions):

Year ending December 31,		
2021	$	593
2022		403
2023		1
2024		2
2025		369
Thereafter		753
	$	2,121

16. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

We are exposed to market risks, such as changes in interest rates, foreign exchange rates and commodity prices. From time to time, we enter into transactions, including transactions involving derivative instruments, to manage certain of these exposures. We also hedge our net investment in certain European operations. Changes in the fair value of the hedge in the net investment of certain European operations are recorded in accumulated other comprehensive loss.

Interest Rate Risks

Through our borrowing activities, we are exposed to interest rate risk. Such risk arises due to the structure of our debt portfolio, including the mix of fixed and floating interest rates. Actions taken to reduce interest rate risk include managing the mix and rate characteristics of various interest-bearing liabilities, as well as entering into interest rate derivative instruments.

From time to time, we may purchase interest rate swaps and/or other derivative instruments to reduce the impact of changes in interest rates on our floating-rate exposures. Under interest rate swaps, we agree with other parties to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional principal amount. On January 9, 2019, we entered into a six-year $17 million notional value interest rate hedge with a fixed rate of 2.66%. This swap was designated as a cash flow hedge and the effective portion of the changes in the fair value of the swap was recorded in other comprehensive (loss) income. In November 2019, we terminated this swap and paid $1 million to our counterparties. This $1 million settlement will be amortized from accumulated other comprehensive loss to earnings.

During 2020, there were no other reclassifications from accumulated other comprehensive loss to earnings. The actual amount that will be reclassified to earnings over the next twelve months may vary from this amount due to changing market conditions. We would be exposed to credit losses in the event of nonperformance by a counterparty to our derivative financial instruments. We anticipate, however, that the counterparties will be able to fully satisfy their obligations under the contracts. Market risk arises from changes in interest rates.

Foreign Exchange Rate Risk

Our cash flows and earnings are subject to fluctuations due to exchange rate variation. Our revenues and expenses are denominated in various currencies. We enter into foreign currency derivative instruments to minimize the short-term impact of movements in foreign currency rates. Where practicable, we generally net multicurrency cash balances among our subsidiaries to help reduce exposure to foreign currency exchange rates. Certain other exposures may be managed from time to time through financial market transactions, principally through the purchase of spot or forward foreign exchange contracts (generally with maturities of three months or less). We do not hedge our currency exposures in a manner that would eliminate the effect of changes in exchange rates on our cash flows and earnings. As of December 31, 2020 and 2019, we had approximately $145 million and $135 million, respectively, notional amount (in U.S. dollar equivalents) outstanding in foreign currency contracts with a term of approximately one month.

A portion of our debt is denominated in euros. We also finance certain of our non-U.S. subsidiaries with intercompany loans that are, in many cases, denominated in currencies other than the entities' functional currency. We manage the net foreign currency exposure created by this debt through various means, including cross-currency swaps, the designation of certain intercompany loans as permanent loans because they are not expected to be repaid in the foreseeable future and the designation of certain debt and swaps as net investment hedges.

Foreign currency transaction gains and losses on intercompany loans that are not designated as permanent loans are recorded in earnings. Foreign currency transaction gains and losses on intercompany loans that are designated as permanent loans are recorded in other comprehensive income (loss). From time to time, we review such designation of intercompany loans.

We review our non-U.S. dollar denominated debt and derivative instruments to determine the appropriate amounts designated as hedges. As of December 31, 2020, we have designated approximately €523 million (approximately $641 million) of euro-denominated debt as a hedge of our net investment. For the years ended December 31, 2020, 2019 and 2018, the amounts recognized on the hedge of our net investment were a loss of $66 million, a gain of $14 million and a gain of $35 million, respectively, and were recorded in other comprehensive (loss) income.

Commodity Prices Risk

Inherent in our business is exposure to price changes for several commodities. However, our exposure to changing commodity prices is somewhat limited since the majority of our raw materials are acquired at posted or market related prices, and sales prices for many of our finished products are at market related prices which are largely set on a monthly or quarterly basis in line with industry practice. Consequently, we do not generally hedge our commodity exposures.

17. FAIR VALUE

The fair values of our financial instruments were as follows (dollars in millions):

	December 31, 2020		December 31, 2019	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Non-qualified employee benefit plan investments	$ 26	$ 26	$ 28	$ 28
Option agreement for remaining Venator shares	11	11	—	—
Long-term debt (including current portion)	(2,121)	(2,334)	(2,389)	(2,544)

The carrying amounts reported in the balance sheets of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the immediate or short-term maturity of these financial instruments. Our investment in Venator is marked to fair value, which is obtained through market observable pricing using prevailing market prices (Level 1). Additionally, the estimated fair value of the option agreement related to the remaining ordinary shares we hold in Venator is based on a valuation technique using market observable inputs (Level 2). See "Note 4. Discontinued Operations and Business Dispositions—Separation and Deconsolidation of Venator." The fair values of non-qualified employee benefit plan investments are obtained through market observable pricing using prevailing market prices (Level 1). The estimated fair values of our long-term debt are based on quoted market prices for the identical liability when traded in an active market (Level 1). The fair value estimates presented herein are based on pertinent information available to management as of December 31, 2020 and 2019. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since December 31, 2020, and current estimates of fair value may differ significantly from the amounts presented herein.

During the years ended December 31, 2020 and 2019, there were no instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3), and there were no gains or losses (realized or unrealized) included in earnings for instruments categorized as Level 3 within the fair value hierarchy.

18. REVENUE RECOGNITION

The following table disaggregates our revenue by major source for the years ended December 31, 2020, 2019 and 2018 (dollars in millions):

2020	Polyurethanes	Performance Products	Advanced Materials	Textile Effects	Corporate and Eliminations	Total
Primary Geographic Markets[1]						
U.S. and Canada	$ 1,362	$ 447	$ 217	$ 48	$ (23)	$ 2,051
Europe	961	252	319	98	(1)	1,629
Asia Pacific	997	260	224	360	—	1,841
Rest of world	264	64	79	91	(1)	497
	$ 3,584	$ 1,023	$ 839	$ 597	$ (25)	$ 6,018
Major Product Groupings						
MDI urethanes	$ 3,584					$ 3,584
Differentiated		$ 1,023				1,023
Specialty			$ 746			746
Non-specialty			93			93
Textile chemicals and dyes				$ 597		597
Eliminations					$ (25)	(25)
	$ 3,584	$ 1,023	$ 839	$ 597	$ (25)	$ 6,018

2019	Polyurethanes	Performance Products	Advanced Materials	Textile Effects	Corporate and Eliminations	Total
Primary Geographic Markets[1]						
U.S. and Canada	$ 1,475	$ 531	$ 289	$ 62	$ (64)	$ 2,293
Europe	1,051	316	410	128	(9)	1,896
Asia Pacific	1,078	248	269	446	(2)	2,039
Rest of world	307	63	76	127	(4)	569
	$ 3,911	$ 1,158	$ 1,044	$ 763	$ (79)	$ 6,797
Major Product Groupings						
MDI urethanes	$ 3,911					$ 3,911
Differentiated		$ 1,158				1,158
Specialty			$ 891			891
Non-specialty			153			153
Textile chemicals and dyes				$ 763		763
Eliminations					$ (79)	(79)
	$ 3,911	$ 1,158	$ 1,044	$ 763	$ (79)	$ 6,797

2018	Polyurethanes	Performance Products	Advanced Materials	Textile Effects	Corporate and Eliminations	Total
Primary Geographic Markets(1)						
U.S. and Canada	$ 1,426	$ 586	$ 285	$ 68	$ 122	$ 2,487
Europe	1,277	368	445	135	(16)	2,209
Asia Pacific	1,236	278	301	485	(24)	2,276
Rest of world	343	69	85	136	(1)	632
	$ 4,282	$ 1,301	$ 1,116	$ 824	$ 81	$ 7,604
Major Product Groupings						
MDI urethanes	$ 4,282					$ 4,282
Differentiated		$ 1,301				1,301
Specialty			$ 932			932
Non-specialty			184			184
Textile chemicals and dyes				$ 824		824
Eliminations					$ 81	81
	$ 4,282	$ 1,301	$ 1,116	$ 824	$ 81	$ 7,604

(1) Geographic information for revenues is based upon countries into which product is sold.

19. EMPLOYEE BENEFIT PLANS

Defined Benefit and Other Postretirement Benefit

We provide a trusteed, non contributory defined benefit pension plan (the “Plan”) that covers the majority of our U.S. employees. Effective July 1, 2004, the Plan formula for employees not covered by a collective bargaining agreement was converted to a cash balance design. For represented employees, participation in the cash balance design was subject to the terms of negotiated contracts. For participating employees, benefits accrued under the prior formula were converted to opening cash balance accounts. The cash balance benefit formula provides annual pay credits from 6% to 12% of eligible pay, depending on age and service, plus accrued interest. The conversion to the cash balance plan did not have a significant impact on the accrued benefit liability, the funded status or ongoing pension expense.

Beginning July 1, 2014, the Huntsman Defined Benefit Pension Plan was closed to new non-union entrants and as of April 1, 2015, it was closed to new union entrants. In addition, as of January 1, 2015, Rubicon LLC closed its defined benefit plan to new entrants. Following the closure of these plans, new hires have been provided with a defined contribution plan with a non-discretionary employer contribution of 6% of pay and a company match of up to 4% of pay, for a total company contribution of up to 10% of pay. We also sponsor unfunded postretirement benefit plans other than pensions, which provide medical and life insurance benefits. Effective August 1, 2015, the post retirement benefit plans were closed to new entrants.

Our postretirement benefit plans provide access to two fully insured Medicare Part D plans including prescription drug benefits affected by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the “Act”). We cannot determine whether the medical benefits provided by our postretirement benefit plans are actuarially equivalent to those provided by the Act. We do not collect a subsidy and our net periodic postretirement benefits cost, and related benefit obligation, do not reflect an amount associated with the subsidy. We do not subsidize the premium cost of these plans; the premiums are entirely paid by the retirees.

We sponsor defined benefit plans in a number of countries outside of the U.S. The availability of these plans, and their specific design provisions, are consistent with local competitive practices and regulations.

The following table sets forth the funded status of our plans and the amounts recognized in our consolidated balance sheets at December 31, 2020 and 2019 (dollars in millions):

	Defined Benefit Plans				Other Postretirement Benefit Plans			
	2020		2019		2020		2019	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Change in benefit obligation								
Benefit obligation at beginning of year	$ 1,024	$ 2,377	$ 956	$ 2,157	$ 60	$ —	$ 59	$ —
Service cost	21	31	20	30	1	—	1	—
Interest cost	37	25	41	37	2	—	3	—
Participant contributions	—	6	—	6	2	—	2	—
Plan amendments	—	—	—	(9)	—	—	—	—
Foreign currency exchange rate changes	—	200	—	7	—	—	—	—
Settlements/curtailments/divestitures	(2)	(10)	20	(2)	—	—	1	—
Actuarial (gain) loss	87	116	65	224	9	—	—	—
Benefits paid	(76)	(74)	(78)	(73)	(9)	—	(6)	—
Benefit obligation at end of year	$ 1,091	$ 2,671	$ 1,024	$ 2,377	$ 65	$ —	$ 60	$ —
Change in plan assets								
Fair value of plan assets at beginning of year	$ 790	$ 1,960	$ 697	$ 1,751	$ —	$ —	$ —	$ —
Actual return on plan assets	99	143	107	224	—	—	—	—
Foreign currency exchange rate changes	—	161	—	11	—	—	—	—
Participant contributions	—	6	—	6	2	—	2	—
Settlement/transfers/divestitures	(1)	(11)	19	(2)	—	—	—	—
Company contributions	54	40	45	43	7	—	4	—
Benefits paid	(76)	(74)	(78)	(73)	(9)	—	(6)	—
Fair value of plan assets at end of year	$ 866	$ 2,225	$ 790	$ 1,960	$ —	$ —	$ —	$ —
Funded status								
Fair value of plan assets	$ 866	$ 2,225	$ 790	$ 1,960	$ —	$ —	$ —	$ —
Benefit obligation	1,091	2,671	1,024	2,377	65	—	60	—
Accrued benefit cost	$ (225)	$ (446)	$ (234)	$ (417)	$ (65)	$ —	$ (60)	$ —
Amounts recognized in balance sheet:								
Noncurrent asset	$ —	$ 20	$ —	$ 10	$ —	$ —	$ —	$ —
Current liability	(5)	(6)	(5)	(6)	(6)	—	(5)	—
Noncurrent liability	(220)	(460)	(229)	(421)	(59)	—	(55)	—
Total	$ (225)	$ (446)	$ (234)	$ (417)	$ (65)	$ —	$ (60)	$ —

	Defined Benefit Plans				Other Postretirement Benefit Plans			
	2020		2019		2020		2019	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Amounts recognized in accumulated other comprehensive loss:								
Net actuarial loss	$ 363	$ 874	$ 394	$ 840	$ 26	$ —	$ 20	$ —
Prior service credit	(9)	(27)	(11)	(32)	(25)	—	(33)	—
Total	$ 354	$ 847	$ 383	$ 808	$ 1	$ —	$ (13)	$ —

During 2020, the overall increases in our U.S. pension and other postretirement benefit plan obligations were primarily due to decreases in discount rates. The overall increase in our non-U.S. pension plan obligation was primarily due to decreases in discount rates in Switzerland, Germany, The Netherlands and the U.K., as well as foreign currency exchange rate changes in Switzerland, The Netherlands, Germany and Belgium.

During 2019, the overall increases in our U.S. pension and other postretirement benefit plan obligations were primarily due to decreases in discount rates. The overall increase in our non-U.S. pension plan obligation was primarily due to decreases in discount rates in Switzerland, Germany, The Netherlands and the U.K.

Components of net periodic benefit costs of continuing operations for the years ended December 31, 2020, 2019 and 2018 were as follows (dollars in millions):

	Defined Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2020	2019	2018	2020	2019	2018
Service cost	$ 21	$ 20	$ 23	$ 31	$ 30	$ 32
Interest cost	37	41	39	25	37	37
Expected return on plan assets	(59)	(53)	(54)	(114)	(102)	(109)
Amortization of prior service credit	(2)	(2)	(2)	(5)	(4)	(5)
Amortization of actuarial loss	28	23	31	53	45	38
Settlement loss	—	—	2	—	1	—
Net periodic benefit cost (credit)	$ 25	$ 29	$ 39	$ (10)	$ 7	$ (7)

	Other Postretirement Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2020	2019	2018	2020	2019	2018
Service cost	$ 1	$ 1	$ 2	$ —	$ —	$ —
Interest cost	2	3	2	—	—	—
Amortization of prior service credit	(5)	(5)	(5)	—	—	—
Amortization of actuarial loss	1	1	2	—	—	—
Net periodic benefit (credit) costs	$ (1)	$ —	$ 1	$ —	$ —	$ —

The amounts recognized in net periodic benefit cost and other comprehensive income (loss) as of December 31, 2020, 2019 and 2018 were as follows (dollars in millions):

	Defined Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2020	2019	2018	2020	2019	2018
Current year actuarial loss	$ 40	$ 19	$ 18	$ 87	$ 101	$ 117
Amortization of actuarial loss	(28)	(26)	(34)	(53)	(45)	(38)
Current year prior service (credits) cost	—	—	—	—	(10)	4
Amortization of prior service credit	2	2	2	5	4	5
Settlements	(42)	—	(2)	—	1	—
Total recognized in other comprehensive income (loss)	(28)	(5)	(16)	39	51	88
Amounts related to discontinued operations	17	9	(4)	—	—	—
Total recognized in other comprehensive income (loss) in continuing operations	(11)	4	(20)	39	51	88
Net periodic benefit cost	25	29	39	(10)	7	(7)
Total recognized in net periodic benefit cost and other comprehensive income (loss)	$ 14	$ 33	$ 19	$ 29	$ 58	$ 81

	Other Postretirement Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2020	2019	2018	2020	2019	2018
Current year actuarial loss (gain)	$ 9	$ —	$ (10)	$ —	$ —	$ —
Amortization of actuarial loss	(1)	(1)	(2)	—	—	—
Current year prior service credit	—	—	—	—	—	—
Amortization of prior service credit	5	5	6	—	—	—
Settlements	(1)	—	—	—	—	—
Curtailment (gain) loss	2	—	—	—	—	—
Total recognized in other comprehensive income (loss)	14	4	(6)	—	—	—
Amounts related to discontinued operations	—	(6)	—	—	—	—
Total recognized in other comprehensive income (loss) in continuing operations	14	(2)	(6)	—	—	—
Net periodic benefit cost	(1)	—	1	—	—	—
Total recognized in net periodic benefit cost and other comprehensive income (loss)	$ 13	$ (2)	$ (5)	$ —	$ —	$ —

The following weighted-average assumptions were used to determine the projected benefit obligation at the measurement date and the net periodic pension cost for the year:

	Defined Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2020	2019	2018	2020	2019	2018
Projected benefit obligation						
Discount rate	2.82%	3.59%	4.39%	0.69%	1.07%	1.75%
Rate of compensation increase	4.09%	4.09%	4.10%	2.59%	2.65%	2.95%
Interest credit rate	5.15%	5.15%	5.15%	0.33%	0.49%	1.04%
Net periodic pension cost						
Discount rate	3.59%	4.39%	3.74%	1.07%	1.75%	1.65%
Rate of compensation increase	4.09%	4.07%	4.10%	2.65%	2.64%	3.38%
Expected return on plan assets	7.52%	7.52%	7.52%	5.89%	5.89%	5.88%
Interest credit rate	5.15%	5.15%	5.15%	0.49%	1.04%	0.88%

	Other Postretirement Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2020	2019	2018	2020	2019	2018
Projected benefit obligation						
Discount rate	2.63%	3.46%	4.26%	2.30%	2.90%	3.50%
Net periodic pension cost						
Discount rate	3.46%	4.26%	3.58%	2.90%	3.50%	3.30%

The projected benefit obligation and fair value of plan assets for the defined benefit plans with projected benefit obligations in excess of plan assets as of December 31, 2020 and 2019 were as follows (dollars in millions):

	U.S. plans		Non-U.S. plans	
	2020	2019	2020	2019
Projected benefit obligation in excess of plan assets				
Projected benefit obligation	$ 1,091	$ 1,024	$ 2,017	$ 2,203
Fair value of plan assets	866	790	1,551	1,777

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the defined benefit plans with an accumulated benefit obligation in excess of plan assets as of December 31, 2020 and 2019 were as follows (dollars in millions):

	U.S. plans		Non-U.S. plans	
	2020	2019	2020	2019
Accumulated benefit obligation in excess of plan assets				
Projected benefit obligation	$ 1,091	$ 1,024	$ 1,203	$ 1,066
Accumulated benefit obligation	1,073	1,019	1,116	991
Fair value of plan assets	866	790	746	664

Expected future contributions and benefit payments related to continuing operations are as follows (dollars in millions):

	U.S. Plans		Non-U.S. Plans	
	Defined Benefit Plans	Other Postretirement Benefit Plans	Defined Benefit Plans	Other Postretirement Benefit Plans
2021 expected employer contributions				
To plan trusts	$ 14	$ 6	$ 40	$ —
Expected benefit payments				
2021	59	6	86	—
2022	65	6	87	—
2023	70	5	92	—
2024	66	5	90	—
2025	100	5	92	—
2026 – 2030	316	24	493	—

Our investment strategy with respect to pension assets is to pursue an investment plan that, over the long term, is expected to protect the funded status of the plan, enhance the real purchasing power of plan assets, and not threaten the plan's ability to meet currently committed obligations. Additionally, our investment strategy is to achieve returns on plan assets, subject to a prudent level of portfolio risk. Plan assets are invested in a broad range of investments. These investments are diversified in terms of domestic and international equities, both growth and value funds, including small, mid and large capitalization equities; short-term and long-term debt securities; real estate; and cash and cash equivalents. The investments are further diversified within each asset category. The portfolio diversification provides protection against a single investment or asset category having a disproportionate impact on the aggregate performance of the plan assets.

Our pension plan assets are managed by outside investment managers. The investment managers value our plan assets using quoted market prices, other observable inputs or unobservable inputs. For certain assets, the investment managers obtain third-party appraisals at least annually, which use valuation techniques and inputs specific to the applicable property, market, or geographic location. During 2020, there was a transfer into Level 3 assets of approximately $11 million due to a change in the significance of unobservable inputs for one investment, which is immaterial. This investment is included within the real estate/other category.

We have established target allocations for each asset category. Our pension plan assets are periodically rebalanced based upon our target allocations.

The fair value of plan assets for the pension plans was $3.1 billion and $2.8 billion at December 31, 2020 and 2019, respectively. The following plan assets are measured at fair value on a recurring basis (dollars in millions):

		Fair Value Amounts Using		
Asset category	**December 31, 2020**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
U.S. pension plans:				
Equities	$ 481	$ 315	$ 166	$ —
Fixed income	323	242	81	—
Real estate/other	62	—	—	62
Cash	—	—	—	—
Total U.S. pension plan assets	$ 866	$ 557	$ 247	$ 62
Non-U.S. pension plans:				
Equities	$ 564	$ 229	$ 335	$ —
Fixed income	971	610	361	—
Real estate/other	628	93	459	76
Cash	62	59	3	—
Total Non-U.S. pension plan assets	$ 2,225	$ 991	$ 1,158	$ 76

		Fair Value Amounts Using		
Asset category	**December 31, 2019**	**Quoted prices in active Markets for identical assets (Level 1)**	**Significant other Observable inputs (Level 2)**	**Significant Unobservable inputs (Level 3)**
U.S. pension plans:				
Equities	$ 422	$ 283	$ 139	$ —
Fixed income	301	220	81	—
Real estate/other	67	—	—	67
Cash	—	—	—	—
Total U.S. pension plan assets	$ 790	$ 503	$ 220	$ 67
Non-U.S. pension plans:				
Equities	$ 535	$ 228	$ 307	$ —
Fixed income	847	560	287	—
Real estate/other	505	99	349	57
Cash	73	72	1	—
Total Non-U.S. pension plan assets	$ 1,960	$ 959	$ 944	$ 57

The following table reconciles the beginning and ending balances of plan assets measured at fair value using unobservable inputs (Level 3) (dollars in millions):

	Real Estate/Other	
	Year ended December 31,	
	2020	2019
Fair Value Measurements of Plan Assets Using Significant Unobservable Inputs (Level 3)		
Balance at beginning of period	$ 124	$ 121
Return on pension plan assets	5	4
Purchases, sales and settlements	(2)	(1)
Transfers into (out of) Level 3	11	—
Balance at end of period	$ 138	$ 124

Based upon historical returns, the expectations of our investment committee and outside advisors, the expected long-term rate of return on the pension assets is estimated to be between 5.68% and 7.53%. The asset allocation for our pension plans at December 31, 2020 and 2019 and the target allocation for 2021, by asset category are as follows:

Asset category	Target Allocation 2021	Allocation at December 31, 2020	2019
U.S. pension plans:			
Equities	54%	56%	54%
Fixed income	39%	37%	38%
Real estate/other	4%	7%	8%
Cash	3%	—%	—%
Total U.S. pension plans	100%	100%	100%
Non-U.S. pension plans:			
Equities	26%	25%	27%
Fixed income	48%	44%	43%
Real estate/other	14%	28%	26%
Cash	12%	3%	4%
Total non-U.S. pension plans	100%	100%	100%

Equity securities in our pension plans did not include any direct investments in equity securities of our Company or our affiliates at the end of 2020.

Defined Contribution Plans—U.S.

We had a money purchase pension plan that covered substantially all of our domestic employees who were hired prior to January 1, 2004. Employer contributions were made based on a percentage of employees' earnings (ranging up to 8%). During 2014, we closed this plan to non-union participants, and in 2015, we closed this plan to union associates. We continue to provide equivalent benefits to those who were covered under this plan into their salary deferral account.

We have a salary deferral plan covering substantially all U.S. employees. Plan participants may elect to make voluntary contributions to this plan up to a specified amount of their compensation. We contribute an amount equal to the participant's contribution, not to exceed 4 % of the participant's compensation. For new hires who are not eligible for the cash balance plan, and associates who were covered by the money purchase pension plan prior to its closure, we contribute an additional amount into their salary deferral accounts, not to exceed 6% of the participant's compensation.

Our total combined expense for the above defined contribution plans for each of the years ended December 31, 2020, 2019 and 2018 was $17 million, $17 million and $16 million, respectively.

Defined Contribution Plans—Non-U.S

We have defined contribution plans in a variety of non-U.S. locations.

All UK associates are eligible to participate in the Huntsman UK Pension Plan, a contract-based arrangement with a third party. Company contributions vary by business during a five-year transition period. Plan participants elect to make voluntary contributions to this plan up to a specified amount of their compensation. We contribute a matching amount not to exceed 12% of the participant's salary for new hires and 15% of the participant's salary for all other participants.

Our total combined expense for these defined contribution plans for the years ended December 31, 2020, 2019 and 2018 was $3 million, $4 million and $4 million, respectively, primarily related to the Huntsman UK Pension Plan.

Supplemental Salary Deferral Plan and Supplemental Executive Retirement Plan

The Huntsman Supplemental Savings Plan (the "SSP") is a non-qualified plan covering key management employees and allows participants to defer amounts that would otherwise be paid as compensation. The participant can defer up to 75% of their salary and bonus each year. This plan also provides benefits that would be provided under the Huntsman Salary Deferral Plan if that plan were not subject to legal limits on the amount of contributions that can be allocated to an individual in a single year. The SSP was amended and restated effective as of January 1, 2005 to allow eligible executive employees to comply with Section 409A of the Internal Revenue Code of 1986.

The Huntsman Supplemental Executive Retirement Plan (the "SERP") is an unfunded non-qualified pension plan established to provide certain executive employees with benefits that could not be provided, due to legal limitations, under the Huntsman Defined Benefit Pension Plan, a qualified defined benefit pension plan, and the Huntsman Money Purchase Pension Plan, a qualified money purchase pension plan.

Assets of these plans are included in other noncurrent assets and as of December 31, 2020 and 2019 were $44 million and $39 million, respectively. During each of the years ended December 31, 2020, 2019 and 2018, we expensed a total of $1 million as contributions to the SSP and the SERP.

Stock-Based Incentive Plan

On May 5, 2016, our stockholders approved a new Huntsman Corporation 2016 Stock Incentive Plan (the "2016 Stock Incentive Plan"), which reserved 8.2 million shares for issuance. The Huntsman Corporation Stock Incentive Plan, as amended and restated (the "Prior Plan"), remains in effect for outstanding awards granted pursuant to the Prior Plan, but no further awards may be granted under the Prior Plan. Under the 2016 Stock Incentive Plan, we may grant nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, phantom stock, performance share units and other stock-based awards to our employees, directors and consultants and to employees and consultants of our subsidiaries, provided that incentive stock options may be granted solely to employees. The terms of the grants under both the 2016 Stock Incentive Plan and the Prior Plan are fixed at the grant date. As of December 31, 2020, we had approximately 7 million shares remaining under the 2016 Stock Incentive Plan available for grant. See "Note 24. Stock-Based Compensation Plan."

International Plans

International employees are covered by various post-employment arrangements consistent with local practices and regulations. Such obligations are included in other long-term liabilities in our consolidated balance sheets.

20. INCOME TAXES

The following is a summary of U.S. and non-U.S. provisions for current and deferred income taxes (dollars in millions):

	Year ended December 31,		
	2020	**2019**	**2018**
Income tax expense (benefit):			
U.S.			
Current	$ (216)	$ (17)	$ 57
Deferred	167	(181)	(30)
Non-U.S.			
Current	90	71	153
Deferred	5	89	(135)
Total	$ 46	$ (38)	$ 45

The following schedule reconciles the differences between the U.S. federal income taxes at the U.S. statutory rate to our provision for income taxes (dollars in millions):

	Year ended December 31,		
	2020	2019	2018
Income from continuing operations before income taxes	$ 337	$ 391	$ 734
Expected tax expense at U.S. statutory rate of 21%	$ 71	$ 82	$ 154
Change resulting from:			
State tax expense net of federal benefit	(4)	(3)	(1)
Non-U.S. tax rate differentials	16	9	27
Other non-U.S. tax effects, including nondeductible expenses and other withholding taxes	5	13	8
U.S. Tax Reform Act impact	—	(1)	32
Currency exchange gains/losses(net)	—	(5)	(10)
Venator investment basis difference and fair market value adjustments	—	(199)	18
Tax losses related to Venator investment	—	(18)	—
Non-U.S. income subject to U.S. tax not offset by U.S. foreign tax credits	7	7	16
Tax authority audits and dispute resolutions	1	(6)	5
Share-based compensation excess tax benefits	(1)	(4)	(14)
Change in valuation allowance	(14)	56	(185)
Deferred tax effects of non-U.S. tax rate changes	(2)	36	(2)
Impact of equity method investments	(10)	(13)	(14)
Sale of the India-based DIY business	(35)	—	
Non-U.S. withholding tax on repatriated earnings, net of U.S. foreign tax credits	20	6	11
Other U.S. tax effects, including nondeductible expenses and other credits	(8)	2	—
Total income tax expense (benefit)	$ 46	$ (38)	$ 45

During 2020, 2019 and 2018, the average statutory rate for countries with pre-tax income (in 2020, primarily our operations in China (25% statutory rate), the Netherlands (25% statutory rate), India (25% statutory rate) and Luxembourg (25% statutory rate), was higher than the average statutory rate for countries with pre-tax losses, resulting in a net expense of $16 million, $9 million and $27 million, respectively, as compared to the 21% U.S. statutory rate reflected in the reconciliation above. In certain non-U.S. tax jurisdictions, our U.S. GAAP functional currency is different than the local tax currency. As a result, foreign exchange gains and losses will impact our effective tax rate. For 2020, 2019 and 2018, this resulted in tax benefits of nil, a $5 million and $10 million, respectively.

In 2019, we recorded $199 million of deferred tax assets in connection with our tax basis in our Venator investment being greater than our book basis, which deferred tax asset was partially offset by a valuation allowance of $46 million (for a net tax benefit of $153 million), as further discussed below. Effective January 1, 2019, Switzerland reduced certain conditional income tax rates resulting in a decrease in our net deferred tax assets and a corresponding noncash income tax expense of $32 million for the year ended December 31, 2019.

Under the U.S. Tax Reform Act's global intangible low-taxed income ("GILTI") provision, our non-U.S. operations are generally subject to U.S. tax. We have elected to treat the GILTI as a current-period expense when incurred. The stated purpose of the GILTI rules is to generate additional U.S. tax related to income in non-U.S. jurisdictions which incur less than a blended 13.125% non-U.S. tax rate. Our non-U.S. income is subject to a blended rate greater than 13.125%; however, in practice, the GILTI regulations result in additional tax liability as a result of expense allocations which limit our ability to utilize foreign tax credits against the GILTI inclusion. For 2020, 2019 and 2018 we have incurred $7 million, $7 million and $16 million, respectively, of tax expense resulting from these expense allocations.

In 2017, we booked provisional amounts for the remeasurements of U.S. deferred tax assets and liabilities and the transitional tax on deemed repatriation of deferred foreign income related to the enactment of the U.S. Tax Reform Act. During the remeasurement period in 2018, we recorded a net tax expense of $32 million. We did not make the election to reclassify the income tax effects of the U.S. Tax Reform Act from accumulated other comprehensive income to retained earnings.

The 2020 sale of the India-based DIY business created a global taxable gain different than the gain for U.S. GAAP purposes. Because this transaction was the disposition of a legal entity in India, we paid only India capital gains tax on the transaction. The difference in the global taxation of this transaction and the U.S. GAAP gain at the U.S. statutory tax rate was $35 million.

The components of income (loss) from continuing operations before income taxes were as follows (dollars in millions):

	Year ended December 31,		
	2020	2019	2018
U.S.	$ (231)	$ (106)	$ (38)
Non-U.S.	568	497	772
Total	$ 337	$ 391	$ 734

Components of deferred income tax assets and liabilities were as follows (dollars in millions):

	December 31, 2020	December 31, 2019
Deferred income tax assets:		
Net operating loss carryforwards	$ 258	$ 281
Pension and other employee compensation	184	172
Property, plant and equipment	15	15
Intangible assets	52	56
Basis difference in Venator investment	35	199
Operating leases	111	98
Capital loss carryovers	30	11
Deferred interest	28	19
Other, net	44	42
Total	$ 757	$ 893
Deferred income tax liabilities:		
Property, plant and equipment	$ (249)	$ (218)
Pension and other employee compensation	(4)	(1)
Intangible assets	(72)	(27)
Unrealized currency gains	(14)	(43)
Operating leases	(114)	(102)
Other, net	(22)	(8)
Total	$ (475)	$ (399)
Net deferred tax asset before valuation allowance	$ 282	$ 494
Valuation allowance—net operating losses and other	(206)	(231)
Net deferred tax asset	$ 76	$ 263
Non-current deferred tax asset	288	292
Non-current deferred tax liability	(212)	(29)
Net deferred tax asset	$ 76	$ 263

We evaluate deferred tax assets to determine whether it is more likely than not that they will be realized. Valuation allowances are reviewed each period on a tax jurisdiction by jurisdiction basis to analyze whether there is sufficient positive or negative evidence to support a change in judgment about the realizability of the related deferred tax assets. These conclusions require significant judgment. In evaluating the objective evidence that historical results provide, we consider the cyclicality of businesses and cumulative income or losses during the applicable period. Cumulative losses incurred over the period limits our ability to consider other subjective evidence such as our projections for the future. Our judgments regarding valuation allowances are also influenced by factors outside of business results, including the costs and risks associated with any tax planning idea associated with utilizing a deferred tax asset.

We have gross net operating losses ("NOLs") of $1,037 million ($240 million tax-effected) in various non-U.S. jurisdictions. While the majority of the non-U.S. NOLs have no expiration date, $119 million ($20 million tax-effected) have a limited life (of which $60 million ($9 million tax-effected) are subject to a valuation allowance) and $57 million ($8 million tax-effected) are scheduled to expire in 2021, all of which are subject to a valuation allowance). We had $107 million ($17 million tax-effected) and $111 million ($16 million tax-effected) of NOLs expire unused in 2020 and 2019, respectively, all of which were subject to a valuation allowance.

We have gross U.S. federal NOLs of $71 million ($15 million tax-effected), which were primarily acquired through acquisitions subject to tax change of control limitations. We expect to be able to utilize the all of these NOLs, and therefore they are not subject to a valuation allowance.

Included in the $1,037 million of gross non-U.S. NOLs is $472 million ($118 million tax-effected) attributable to our Luxembourg entities. As of December 31, 2020, due to the uncertainty surrounding the realization of the benefits of these losses, there is a valuation allowance of $63 million against these net tax-effected NOLs of $118 million.

We have $30 million tax-effected U.S. capital loss carryovers generated in 2020. Capital loss carryovers may only be utilized against capital gains and have a 5-year carryforward period. We have placed a full valuation allowance against all of these capital loss carryovers.

During 2019, based on our expectation that our remaining interest in Venator would be sold on or before December 31, 2023, we recorded $153 million of deferred tax benefit relating to the portion of the $199 million tax basis greater than book basis in our Venator investment. We expected to be able to utilize such future capital losses on our Venator investment against capital gains anticipated on the sale of our Chemical Intermediates Businesses. We established a valuation allowance of $46 million on the excess unrealizable built-in capital loss deferred tax asset. We also recognized $18 million of tax benefit relating to realized tax losses on our Venator investment. During 2020, we sold approximately 42.4 million ordinary shares of our remaining interest in Venator, which allowed us to utilize the expected portion of the losses against the gains on the sale of the Chemical Intermediates Businesses. Incremental changes to the deferred tax assets relating to the excess capital loss carryover and excess built-in capital loss in our remaining interest in Venator, as a result of the U.S. GAAP fair value adjustments to the Venator investment and related loss on disposal, are offset by a full valuation allowance.

During 2019, we also established $11 million of valuation allowances on the remaining Australia NOLs that are no longer more-likely-than-not realizable following the sale of the Australia portion of our Chemical Intermediates Businesses.

During 2018, we released valuation allowances of $132 million. We released significant valuation allowances on certain net deferred tax assets in Switzerland based upon the increased and sustained profitability in our Advanced Materials and Textile Effects businesses. Given Switzerland's limited seven-year carryover of NOLs, we expect that some of our NOLs will expire unused. Therefore, we recorded a partial release of the valuation allowance of $80 million in the second quarter of 2018. In addition, based upon the separation of Venator from our U.K. combined group and the increased and sustained profitability in our Polyurethanes business in the U.K., we released significant valuation allowances on certain net deferred tax assets in the U.K. Because the U.K. places limitations on the utilization of certain NOLs and limitations on other deferred tax assets, we recorded a partial valuation allowance release of $15 million in the second quarter of 2018. We also released $24 million of valuation allowances on certain net deferred tax assets in Luxembourg in the third quarter of 2018 as a result of changes in estimated future taxable income resulting from increased intercompany receivables and, therefore, increased income in Luxembourg, our primary treasury center outside of the U.S.

Uncertainties regarding expected future income in certain jurisdictions could affect the realization of deferred tax assets in those jurisdictions and result in additional valuation allowances in future periods, or, in the case of unexpected pre-tax earnings, the release of valuation allowances in future periods.

The following is a summary of changes in the valuation allowance (dollars in millions):

	2020	2019	2018
Valuation allowance as of January 1	$ 231	$ 215	$ 412
Valuation allowance as of December 31	206	231	215
Net decrease (increase)	25	(16)	197
Foreign currency movements	6	—	3
Decrease to deferred tax assets with no impact on operating tax expense, including an offsetting (decrease) increase to valuation allowances	(17)	(40)	(15)
Change in valuation allowance per rate reconciliation	$ 14	$ (56)	$ 185
Components of change in valuation allowance affecting tax expense:			
Pre-tax income and losses in jurisdictions with valuation allowances resulting in no tax expense or benefit	$ 14	$ (133)	$ 53
Releases of valuation allowances in various jurisdictions	—	—	132
Establishments of valuation allowances in various jurisdictions	—	77	—
Change in valuation allowance per rate reconciliation	$ 14	$ (56)	$ 185

The following is a reconciliation of our unrecognized tax benefits (dollars in millions):

	2020	2019
Unrecognized tax benefits as of January 1	$ 28	$ 26
Gross increases and decreases—tax positions taken during a prior period	2	4
Gross increases and decreases—tax positions taken during the current period	1	1
Decreases related to settlements of amounts due to tax authorities	(12)	—
Reductions resulting from the lapse of statutes of limitation	(2)	(4)
Foreign currency movements	(1)	1
Unrecognized tax benefits as of December 31	$ 16	$ 28

As of December 31, 2020 and 2019, the amount of unrecognized tax benefits (not including interest and penalty expense) which, if recognized, would affect the effective tax rate is $16 million and $15 million, respectively.

During 2020, we concluded and settled tax examinations in the U.S. (various states), Thailand and Korea. During 2019, we concluded and settled tax examinations in the U.S. (federal and various states). During 2018, we concluded and settled tax examinations in various jurisdictions, including but not limited to, Egypt and the U.S. (federal and various states).

During 2020, for unrecognized tax benefits that impact tax expense, we recorded a net increase in unrecognized tax benefits with a corresponding income tax expenses (not including interest and penalty expense) of $1 million. During 2019, for unrecognized tax benefits that impacted tax expense, we recorded a net decrease in unrecognized tax benefits with a corresponding income tax benefit (not including interest and penalty expense) of $10 million. During 2018, for unrecognized tax benefits that impact tax expense, we recorded a net increase in unrecognized tax benefits with a corresponding income tax expenses (not including interest and penalty expense) of $5 million.

In accordance with our accounting policy, we continue to recognize interest and penalties accrued related to unrecognized tax benefits in income tax expense.

	Year ended December 31,		
	2020	2019	2018
Interest expense included in tax expense	$ 1	$ 2	$ —
Penalties expense included in tax expense	—	2	—

	December 31,	
	2020	2019
Accrued liability for interest	$ 4	$ 5
Accrued liability for penalties	—	2

We conduct business globally and, as a result, we file income tax returns in U.S. federal, various U.S. state and various non-U.S. jurisdictions. The following table summarizes the tax years that remain subject to examination by major tax jurisdictions:

Tax Jurisdiction	Open Tax Years
Belgium	2018 and later
China	2010 and later
France	2018 and later
Germany	2016 and later
Hong Kong	2014 and later
India	2004 and later
Italy	2015 and later
Japan	2017 and later
Mexico	2014 and later
Spain	2013 and later
Switzerland	2014 and later
The Netherlands	2016 and later
Thailand	2013 and later
United Kingdom	2017 and later
United States federal	2017 and later

Certain of our U.S. and non-U.S. income tax returns are currently under various stages of audit by applicable tax authorities and the amounts ultimately agreed upon in resolution of the issues raised may differ materially from the amounts accrued.

We estimate that it is reasonably possible that certain of our non-U.S. unrecognized tax benefits could change within 12 months of the reporting date with a resulting decrease in the unrecognized tax benefits within a reasonably possible range of $0 million to $2 million. For the 12-month period from the reporting date, we would expect that a decrease in our unrecognized tax benefits would result in a corresponding benefit to our income tax expense.

In connection with the provisions of U.S. Tax Reform, all non-U.S. earnings have generally been subject to U.S. tax and may be repatriated without incurring additional U.S. tax liability. Such repatriation may potentially be subject to limited foreign withholding taxes. We intend to continue to invest most of these earnings indefinitely within the local countries and do not expect to incur any significant additional taxes. There are certain countries where we do intend to repatriate some of our earnings, and we have accrued all withholding taxes for such amounts.

21. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

We have various purchase commitments extending through 2039 for materials, supplies and services entered into in the ordinary course of business. Included in the purchase commitments table below are contracts which require minimum volume purchases that extend beyond one year or are renewable annually and have been renewed for 2020. Certain contracts allow for changes in minimum required purchase volumes in the event of a temporary or permanent shutdown of a facility. To the extent the contract requires a minimum notice period, such notice period has been included in the table below. The contractual purchase prices for substantially all of these contracts are variable based upon market prices, subject to annual negotiations. We have estimated our contractual obligations by using the terms of our current pricing for each contract. We also have a limited number of contracts which require a minimum payment even if no volume is purchased. We believe that all of our purchase obligations will be utilized in our normal operations. We made minimum payments of $2 million, $1 million and nil for the years ended December 31, 2020, 2019 and 2018, respectively, under such take or pay contracts without taking the product.

Total purchase commitments as of December 31, 2020 are as follows (dollars in millions):

Year ending December 31,		
2021	$	1,413
2022		982
2023		818
2024		696
2025		648
Thereafter		1,924
	$	6,481

Legal Matters

We are a party to various proceedings instituted by private plaintiffs, governmental authorities and others arising under provisions of applicable laws, including various environmental, products liability and other laws. Except as otherwise disclosed in this report, we do not believe that the outcome of any of these matters will have a material effect on our financial condition, results of operations or liquidity.

22. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

EHS Capital Expenditures

We may incur future costs for capital improvements and general compliance under environmental, health and safety ("EHS") laws, including costs to acquire, maintain and repair pollution control equipment. For the years ended December 31, 2020, 2019 and 2018, our capital expenditures for EHS matters totaled $28 million, $42 million and $32 million, respectively. Because capital expenditures for these matters are subject to evolving regulatory requirements and depend, in part, on the timing, promulgation and enforcement of specific requirements, our capital expenditures for EHS matters have varied significantly from year to year and we cannot provide assurance that our recent expenditures are indicative of future amounts we may spend related to EHS and other applicable laws.

Environmental Reserves

We have accrued liabilities relating to anticipated environmental cleanup obligations, site reclamation and closure costs and known penalties. Liabilities are recorded when potential liabilities are either known or considered probable and can be reasonably estimated. Our liability estimates are calculated using present value techniques as appropriate and are based upon requirements placed upon us by regulators, available facts, existing technology and past experience. The environmental liabilities do not include amounts recorded as asset retirement obligations. We had accrued $4 million for environmental liabilities for both December 31, 2020 and 2019. Of these amounts, $1 million was classified as accrued liabilities in our consolidated balance sheets for both December 31, 2020 and 2019, and $3 million were classified as other noncurrent liabilities in our consolidated balance sheets for both December 31, 2020 and 2019. In certain cases, our remediation liabilities may be payable over periods of up to 30 years. We may incur losses for environmental remediation in excess of the amounts accrued; however, we are not able to estimate the amount or range of such potential excess.

Environmental Matters

Under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") and similar state laws, a current or former owner or operator of real property in the U.S. may be liable for remediation costs regardless of whether the release or disposal of hazardous substances was in compliance with law at the time it occurred, and a current owner or operator may be liable regardless of whether it owned or operated the facility at the time of the release. Outside the U.S., analogous contaminated property laws, such as those in effect in France and Australia, can hold past owners and/or operators liable for remediation at former facilities. Currently, there are approximately six former facilities or third-party sites in the U.S. for which we have been notified of potential claims against us for cleanup liabilities, including, but not limited to, sites listed under CERCLA. Based on current information and past experiences at other CERCLA sites, we do not expect these third-party claims to have a material impact on our consolidated financial statements.

Under the Resource Conservation and Recovery Act ("RCRA") in the U.S. and similar state laws, we may be required to remediate contamination originating from our properties as a condition to our hazardous waste permit. Some of our manufacturing sites have an extended history of industrial chemical manufacturing and use, including on-site waste disposal. We are aware of soil, groundwater or surface contamination from past operations at some of our sites, and we may find contamination at other sites in the future. For example, our Geismar, Louisiana facility is the subject of ongoing remediation requirements imposed under RCRA. Similar laws exist in a number of locations in which we currently operate, or previously operated, manufacturing facilities, such as Australia, India, France, Hungary and Italy.

North Maybe Canyon Mine Remediation

The North Maybe Canyon Mine site is a CERCLA site and involves a former phosphorous mine near Soda Springs, Idaho, which is believed to have been operated by several companies, including a predecessor company to us. In 2004, the U.S. Forest Service notified us that we are a CERCLA potentially responsible party ("PRP") for contamination originating from the site. In February 2010, we and Wells Cargo (another PRP) agreed to conduct a Remedial Investigation/Feasibility Study of a portion of the site and are currently engaged in that process. At this time, we are unable to reasonably estimate our potential liabilities at this site.

23. HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY

Share Repurchase Program

On February 7, 2018 and on May 3, 2018, our Board of Directors authorized us to repurchase up to an additional $950 million in shares of our common stock in addition to the $50 million remaining under our September 2015 share repurchase authorization. The share repurchase program will be supported by our free cash flow generation. Repurchases may be made through the open market, including through accelerated share repurchase programs, or in privately negotiated transactions, and repurchases may be commenced or suspended from time to time without prior notice. Shares of common stock acquired through the repurchase program are held in treasury at cost. During the first quarter of 2020, we repurchased 5,364,519 shares of our common stock for approximately $96 million, excluding commissions, under the repurchase program. Subsequent to the end of the first quarter of 2020, we suspended share repurchases under our existing share repurchase program in order to enhance our liquidity position in response to COVID-19.

Dividends on Common Stock

The following tables represent dividends on common stock for our Company for the years ended December 31, 2020 and 2019 (dollars in millions, except per share payment amounts):

	2020	
Quarter ended	Per share payment amount	Approximate amount paid
March 31, 2020	$ 0.1625	$ 37
June 30, 2020	0.1625	36
September 30, 2020	0.1625	36
December 31, 2020	0.1625	35

	2019	
Quarter ended	Per share payment amount	Approximate amount paid
March 31, 2019	$ 0.1625	$ 39
June 30, 2019	0.1625	38
September 30, 2019	0.1625	38
December 31, 2019	0.1625	35

24. STOCK-BASED COMPENSATION PLAN

Under the 2016 Stock Incentive Plan, we may grant nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, phantom stock, performance share units and other stock-based awards to our employees, directors and consultants and to employees and consultants of our subsidiaries, provided that incentive stock options may be granted solely to employees. The terms of the grants under both the 2016 Stock Incentive Plan and the Prior Plan are fixed at the grant date. Initially, there were approximately 8.2 million shares available for issuance under the 2016 Stock Incentive Plan. However, the number of shares available for issuance may be adjusted to include any shares surrendered, exchanged, forfeited or settled in cash pursuant to the Prior Plan. As of December 31, 2020, we had approximately 7 million shares remaining under the 2016 Stock Incentive Plan available for grant. Option awards have a maximum contractual term of 10 years and generally must have an exercise price at least equal to the market price of our common stock on the date the option award is granted. Outstanding stock-based awards generally vest over a three-year period.

The compensation cost under the 2016 Stock Incentive Plan and the Prior Plan was as follows (dollars in millions):

	Year ended December 31,		
	2020	2019	2018
Compensation cost	$ 27	$ 29	$ 27

The total income tax benefit recognized in the statement of operations for stock-based compensation arrangements was $4 million, $8 million and $18 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Stock Options

The fair value of each stock option award is estimated on the date of grant using the Black-Scholes valuation model that uses the assumptions noted in the following table. Expected volatilities are based on the historical volatility of our common stock through the grant date. The expected term of options granted was estimated based on the contractual term of the instruments and employees' expected exercise and post-vesting employment termination behavior. The risk-free rate for periods within the contractual life of the option was based on the U.S. Treasury yield curve in effect at the time of grant. The assumptions noted below represent the weighted averages of the assumptions utilized for all stock options granted during the year.

	Year ended December 31,		
	2020	2019	2018
Dividend yield	3.0%	2.9%	1.6%
Expected volatility	53.1%	54.0%	55.2%
Risk-free interest rate	1.4%	2.5%	2.6%
Expected life of stock options granted during the period (in years)	5.9	5.9	5.9

A summary of stock option activity under the 2016 Stock Incentive Plan and the Prior Plan as of December 31, 2020 and changes during the year then ended is presented below:

Option Awards	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
	(in thousands)		(years)	(in millions)
Outstanding at January 1, 2020	5,025	$ 19.08		
Granted	788	21.52		
Exercised	(829)	12.81		
Forfeited	(169)	24.28		
Outstanding at December 31, 2020	4,815	20.37	6.0	$ 26
Exercisable at December 31, 2020	3,371	19.23	4.9	22

The weighted-average grant-date fair value of stock options granted during 2020, 2019 and 2018 was $8.25, $9.27 and $15.20 per option, respectively. As of December 31, 2020, there was $7 million of total unrecognized compensation cost related to nonvested stock option arrangements granted under the 2016 Stock Incentive Plan and the Prior Plan. That cost is expected to be recognized over a weighted-average period of approximately 1.8 years.

During the years ended December 31, 2020, 2019 and 2018, the total intrinsic value of stock options exercised was approximately $9 million, $4 million and $78 million, respectively. Cash received from stock options exercised during the years ended December 31, 2020, 2019 and 2018 was approximately $3 million, $2 million and $17 million, respectively. The cash tax benefit from stock options exercised during the years ended December 31, 2020, 2019 and 2018 was approximately $2 million, $1 million, and $17 million, respectively.

Nonvested Shares

Nonvested shares granted under the 2016 Stock Incentive Plan and the Prior Plan consist of restricted stock and performance share unit awards, which are accounted for as equity awards, and phantom stock, which is accounted for as a liability award because it can be settled in either stock or cash.

The fair value of each performance share unit award is estimated using a Monte Carlo simulation model that uses various assumptions, including an expected volatility rate and a risk-free interest rate. For the years ended December 31, 2020, 2019 and 2018, the weighted-average expected volatility rate was 34.0%, 34.6% and 44.3%, respectively, and the weighted average risk-free interest rate was 1.4%, 2.5% and 2.3%, respectively. For the performance share unit awards granted during the years ended December 31, 2020, 2019 and 2018, the number of shares earned varies based upon the Company achieving certain performance criteria over a three-year performance period. The performance criteria are total stockholder return of our common stock relative to the total stockholder return of a specified industry peer group for the three-year performance periods.

A summary of the status of our nonvested shares as of December 31, 2020 and changes during the year then ended is presented below:

	Equity Awards		Liability Awards	
	Shares (in thousands)	Weighted Average Grant-Date Fair Value	Shares (in thousands)	Weighted Average Grant-Date Fair Value
Nonvested at January 1, 2020	1,640	$ 24.61	427	$ 24.80
Granted	848	21.92	238	21.53
Vested	(577) (1)(2)	25.15	(218)	24.64
Forfeited	(44)	26.44	(36)	23.71
Nonvested at December 31, 2020	1,867	23.18	411	23.08

(1) As of December 31, 2020, a total of 426,856 restricted stock units were vested but not yet issued, of which 37,761 vested during 2020. These shares have not been reflected as vested shares in this table because, in accordance with the restricted stock unit agreements, shares of common stock are not issued for vested restricted stock units until termination of employment.

(2) A total of 174,200 performance share unit awards are reflected in the vested shares in this table, which represents the target number of performance share unit awards for this grant and were included in the balance at December 31, 2019. During the year ended December 31, 2020, an additional 165,489 performance share unit awards with a grant date fair value of $26.99 vested above the target in accordance the performance criteria of these awards.

As of December 31, 2020, there was $23 million of total unrecognized compensation cost related to nonvested share compensation arrangements granted under the Stock Incentive Plan and the Prior Plan. That cost is expected to be recognized over a weighted-average period of approximately 1.8 years. The value of share awards that vested during each of the years ended December 31, 2020, 2019 and 2018 was $24 million.

25. OTHER COMPREHENSIVE (LOSS) INCOME

Other comprehensive loss consisted of the following (dollars in millions):

	Foreign currency translation adjustment(a)	Pension and other postretirement benefits adjustments(b)	Other comprehensive income of unconsolidated affiliates	Other, net	Total	Amounts attributable to noncontrolling interests	Amounts attributable to Huntsman Corporation
Beginning balance, January 1, 2020	$ (369)	$ (1,031)	$ 8	$ 4	$ (1,388)	$ 26	$ (1,362)
Other comprehensive income (loss) before reclassifications, gross	29	(135)	—	—	(106)	(6)	(112)
Tax benefit	12	30	—	—	42	—	42
Amounts reclassified from accumulated other comprehensive loss, gross(c)	—	111	—	—	111	—	111
Tax expense	—	(25)	—	—	(25)	—	(25)
Net current-period other comprehensive income (loss)	41	(19)	—	—	22	(6)	16
Ending balance, December 31, 2020	$ (328)	$ (1,050)	$ 8	$ 4	$ (1,366)	$ 20	$ (1,346)

(a) Amounts are net of tax of $56 and $68 as of December 31, 2020 and January 1, 2020, respectively.

(b) Amounts are net of tax of $153 and $148 as of December 31, 2020 and January 1, 2020, respectively.

(c) See table below for details about these reclassifications.

	Foreign currency translation adjustment(a)	Pension and other postretirement benefits adjustments(b)	Other comprehensive income of unconsolidated affiliates	Other, net	Total	Amounts attributable to noncontrolling interests	Amounts attributable to Huntsman Corporation
Beginning balance, January 1, 2019	$ (371)	$ (994)	$ 8	$ 5	$ (1,352)	$ 36	$ (1,316)
Other comprehensive (loss) income before reclassifications, gross	—	(112)	—	(1)	(113)	5	(108)
Tax benefit	2	25	—	—	27	—	27
Amounts reclassified from accumulated other comprehensive loss, gross(c)	—	62	—	—	62	—	62
Tax expense	—	(12)	—	—	(12)	—	(12)
Net current-period other comprehensive (loss) income	2	(37)	—	(1)	(36)	5	(31)
Acquisition of noncontrolling interest	—	—	—	—	—	(15)	(15)
Ending balance, December 31, 2019	$ (369)	$ (1,031)	$ 8	$ 4	$ (1,388)	$ 26	$ (1,362)

(a) Amounts are net of tax of $68 and $71 as of December 31, 2019 and January 1, 2019, respectively.
(b) Amounts are net of tax of $148 and $135 as of December 31, 2019 and January 1, 2019, respectively.
(c) See table below for details about these reclassifications.

Details about Accumulated Other Comprehensive Loss Components(a):	**Amounts reclassified from accumulated other comprehensive loss Year ended December 31, 2020**	**2019**	**2018**	**Affected line item in where net income is presented**
Amortization of pension and other postretirement benefits:				
Prior service credit	$ (12)	$ (11)	$ (12)	(b)
Settlement loss	43	1	2	
Curtailment gain	(2)	—	—	
Actuarial loss	82	72	87	(b)(c)
	111	62	77	Total before tax
	(25)	(12)	(13)	Income tax expense
Total reclassifications for the period	$ 86	$ 50	$ 64	Net of tax

(a) Pension and other postretirement benefits amounts in parentheses indicate credits on our consolidated statements of operations.
(b) These accumulated other comprehensive loss components are included in the computation of net periodic pension costs. See "Note 19. Employee Benefit Plans."
(c) Amounts contain approximately $5, $7 and $22 of prior service credit and actuarial loss related to discontinued operations for the years ended December 31, 2020, 2019 and 2018, respectively.

Items of other comprehensive income (loss) of our Company and our consolidated affiliates have been recorded net of tax, with the exception of the foreign currency translation adjustments related to subsidiaries with earnings permanently reinvested. The tax effect is determined based upon the jurisdiction where the income or loss was recognized and is net of valuation allowances.

26. RELATED PARTY TRANSACTIONS

Our consolidated financial statements include the following transactions with our affiliates not otherwise disclosed (dollars in millions):

	Year ended December 31,		
	2020	2019	2018
Sales to:			
Unconsolidated affiliates	$ 115	$ 133	$ 153
Inventory purchases from:			
Unconsolidated affiliates	407	434	411

27. OPERATING SEGMENT INFORMATION

We derive our revenues, earnings and cash flows from the manufacture and sale of a wide variety of differentiated and commodity chemical products. We have four operating segments, which are also our reportable segments: Polyurethanes, Performance Products, Advanced Materials and Textile Effects. We have organized our business and derived our operating segments around differences in product lines.

The major products of each reportable operating segment are as follows:

Segment	Products
Polyurethanes	MDI, polyols, TPU and other polyurethane-related products
Performance Products	Specialty amines, ethyleneamines, maleic anhydride and technology licenses
Advanced Materials	Basic liquid and solid epoxy resins; specialty resin compounds; cross-linking, matting and curing agents; epoxy, acrylic and polyurethane-based formulations
Textile Effects	Textile chemicals and dyes

Sales between segments are generally recognized at external market prices and are eliminated in consolidation. We use adjusted EBITDA to measure the financial performance of our global business units and for reporting the results of our operating segments. This measure includes all operating items relating to the businesses. The adjusted EBITDA of operating segments excludes items that principally apply to our Company as a whole. The revenues and adjusted EBITDA for each of our reportable operating segments are as follows (dollars in millions):

	Year ended December 31,		
	2020	2019	2018
Revenues:			
Polyurethanes	$ 3,584	$ 3,911	$ 4,282
Performance Products	1,023	1,158	1,301
Advanced Materials	839	1,044	1,116
Textile Effects	597	763	824
Corporate and eliminations	(25)	(79)	81
Total	$ 6,018	$ 6,797	$ 7,604
Segment adjusted EBITDA(1):			
Polyurethanes	$ 472	$ 548	$ 809
Performance Products	164	168	197
Advanced Materials	130	201	225
Textile Effects	42	84	101
Corporate and other(2)	(161)	(155)	(171)
Total	647	846	1,161
Reconciliation of adjusted EBITDA to net income:			
Interest expense, net—continuing operations	(86)	(111)	(115)
Interest expense, net—discontinued operations	—	—	(36)
Income tax (expense) benefit—continuing operations	(46)	38	(45)
Income tax expense—discontinued operations	(242)	(35)	(86)
Depreciation and amortization—continuing operations	(283)	(270)	(255)
Depreciation and amortization—discontinued operations	—	(61)	(88)
Net income attributable to noncontrolling interests	32	36	313
Other adjustments:			
Business acquisition and integration expenses and purchase accounting inventory adjustments	(31)	(5)	(9)
Merger costs	—	—	(2)
EBITDA from discontinued operations	1,017	265	171
Noncontrolling interest of discontinued operations	—	—	(232)
Fair value adjustments to Venator investment and related loss on disposal	(88)	(18)	(62)
Loss on early extinguishment of debt	—	(23)	(3)
Certain legal and other settlements and related expenses	(5)	(6)	(1)
Gain (loss) on sale of businesses/assets	280	(21)	—
Income from transition services arrangements	7	—	—
Certain nonrecurring information technology project implementation costs	(6)	(4)	—
Amortization of pension and postretirement actuarial losses	(76)	(66)	(67)
Plant incident remediation costs	(2)	(8)	—
Restructuring, impairment and plant closing and transition (costs) credits	(52)	41	6
Net income	$ 1,066	$ 598	$ 650

	Year ended December 31,		
	2020	2019	2018
Depreciation and Amortization:			
Polyurethanes	$ 130	$ 120	$ 108
Performance Products	79	81	78
Advanced Materials	45	36	37
Textile Effects	16	16	16
Corporate and other	13	17	16
Total	$ 283	$ 270	$ 255

	Year ended December 31,		
	2020	2019	2018
Capital Expenditures:			
Polyurethanes	$ 172	$ 185	$ 153
Performance Products	32	32	48
Advanced Materials	21	24	20
Textile Effects	12	22	20
Corporate and other	12	11	10
Total	$ 249	$ 274	$ 251

	December 31,	
	2020	2019
Total Assets:		
Polyurethanes	$ 3,970	$ 3,437
Performance Products	1,062	1,125
Advanced Materials	1,002	774
Textile Effects	481	511
Corporate and other	2,198	1,265
Total	$ 8,713	$ 7,112

	December 31,	
	2020	2019
Goodwill:		
Polyurethanes	$ 312	$ 177
Performance Products	18	16
Advanced Materials	203	83
Total	$ 533	$ 276

(1) We use segment adjusted EBITDA as the measure of each segment's profit or loss. We believe that segment adjusted EBITDA more accurately reflects what the chief operating decision maker uses to make decisions about resources to be allocated to the segments and assess their financial performance. Segment adjusted EBITDA is defined as net income of Huntsman Corporation before interest, income tax, depreciation and amortization, net income attributable to noncontrolling interests and certain Corporate and other items, as well as eliminating the following adjustments: (a) business acquisition and integration expenses and purchase accounting inventory adjustments; (b) merger costs; (c) EBITDA from discontinued operations; (d) noncontrolling interest of discontinued operations; (e) fair value adjustments to Venator investment and related loss on disposal; (f) loss on early extinguishment of debt; (g) certain legal and other settlements and related expenses; (h) gain (loss) on sale of businesses/assets; (i) income from transition services arrangements related to the sale of our Chemical Intermediates Businesses to Indorama; (j) certain nonrecurring information technology project implementation costs; (k) amortization of pension and postretirement actuarial losses; (l) plant incident remediation costs; and (m) restructuring, impairment, plant closing and transition (costs) credits .

(2) Corporate and other includes unallocated corporate overhead, unallocated foreign exchange gains and losses, LIFO inventory valuation reserve adjustments, nonoperating income and expense and gains and losses on the disposition of corporate assets.

	Year ended December 31,		
	2020	2019	2018
Revenues by geographic area[(1)]:			
United States	$ 1,863	$ 2,025	$ 2,136
China	1,115	1,076	1,260
Germany	388	541	537
India	211	319	352
Other nations	2,441	2,836	3,319
Total	$ 6,018	$ 6,797	$ 7,604

	December 31, 2020	December 31, 2019
Long-lived assets[(2)]:		
United States	$ 1,078	$ 970
The Netherlands	368	334
China	251	247
Germany	144	137
Saudi Arabia	143	154
Singapore	90	94
Switzerland	73	106
Other nations	358	341
Total	$ 2,505	$ 2,383

(1) Geographic information for revenues is based upon countries into which product is sold.
(2) Long-lived assets consist of property, plant and equipment, net.

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MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and Holders

Our common stock is listed on the New York Stock Exchange under the symbol "HUN." As of February 1, 2021, there were approximately 76 stockholders of record and the closing price of our common stock on the New York Stock Exchange was $27.08 per share.

Dividends

The payment of dividends is a business decision made by our Board of Directors from time to time based on our earnings, financial position and prospects, and such other considerations as our Board of Directors considers relevant. Accordingly, while management currently expects that the Company will continue to pay the quarterly cash dividend, its dividend practice may change at any time.

Purchases of Equity Securities by the Company

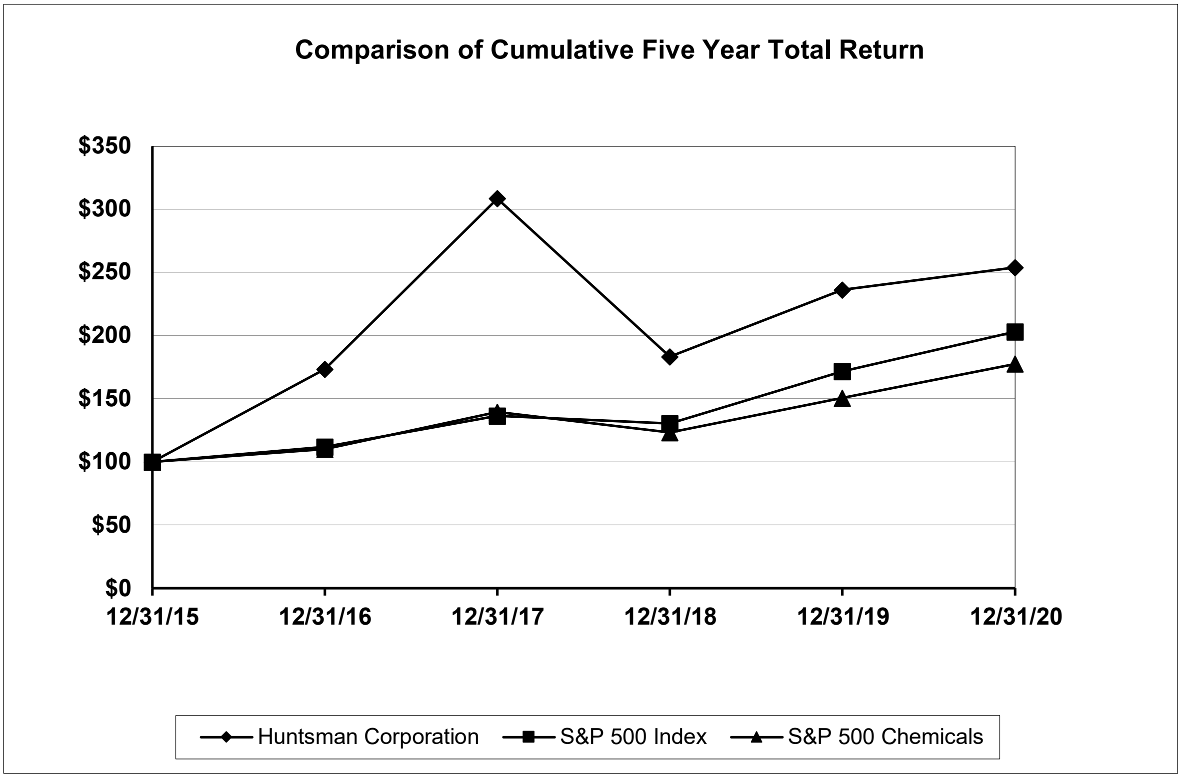
The following table provides information with respect to shares of our common stock that we repurchased as part of our share repurchase program and shares of restricted stock granted under our stock incentive plans that we withheld upon vesting to satisfy our tax withholding obligations during the three months ended December 31, 2020.

	Total number of shares purchased	Average price paid per share(1)	Total number of shares purchased as part of publicly announced plans or programs(2)	Maximum number)or approximate dollar value) of shares that may yet be purchased under the plans or programs(2)
October	—	$ —	—	$ 420,000,000
November	522	24.29	—	420,000,000
December	947	25.14	—	420,000,000
Total	1,469	24.84	—	

(1) Represents net purchase price per share, exclusive of any fees or commissions.

(2) On February 7, 2018 and on May 3, 2018, our Board of Directors authorized our Company to repurchase up to an additional $950 million in shares of our common stock in addition to the $50 million remaining under our September 2015 share repurchase authorization. The share repurchase program will be supported by our free cash flow generation. Repurchases may be made in the open market, including through accelerated share repurchase programs, or in privately negotiated transactions, and repurchases may be commenced or suspended from time to time without prior notice. Shares of common stock acquired through the repurchase program are held in treasury at cost. During the first quarter of 2020, we repurchased 5,364,519 shares of our common stock for approximately $96 million, excluding commissions, under the repurchase program. Subsequent to the end of the first quarter of 2020, we suspended share repurchases under our existing share repurchase program in order to enhance our liquidity position in response to the outbreak of COVID-19.

STOCK PERFORMANCE GRAPH



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HUNTSMAN CORPORATION—DIRECTORS & OFFICERS

BOARD OF DIRECTORS

NAME	PRINCIPAL OCCUPATION
Peter R. Huntsman	Chairman of the Board, President and Chief Executive Officer
Nolan D. Archibald	Former Executive Chairman of Stanley Black & Decker
Mary C. Beckerle	Chief Executive Officer of Huntsman Cancer Institute at the University of Utah
M. Anthony Burns	Chairman Emeritus of Ryder System, Inc.
Sonia Dulá	Former Vice Chairman of Bank of America, Global Corporate and Investment Banking Division
Cynthia L. Egan	Former President of Retirement Plan Services of T. Rowe Price Group
Daniele Ferrari	Former Chief Executive Officer of Versalis S.p.A.
Sir Robert J. Margetts	Former Deputy Chairman, OJSC Uralkali
Jeanne McGovern	Retired Partner, Deloitte & Touche LLP
Wayne A. Reaud	Trial Lawyer
Jan E. Tighe	Retired Vice Admiral of the U.S. Navy

CORPORATE OFFICERS

NAME	TITLE
Peter R. Huntsman	Chairman of the Board, President and Chief Executive Officer
Sean Douglas	Executive Vice President and Chief Financial Officer
David M. Stryker	Executive Vice President, General Counsel and Secretary
Anthony P. Hankins	Division President, Polyurethanes and Chief Executive Officer, Asia-Pacific
Rohit Aggarwal	Division President, Textile Effects
Scott J. Wright	Division President, Advanced Materials
Chuck Hirsch	Senior Vice President, Performance Products
Brittany Benko	Senior Vice President, Environmental, Health & Safety and Manufacturing Excellence
R. Wade Rogers	Senior Vice President, Global Human Resources and Chief Compliance Officer
Twila Day	Vice President and Chief Information Officer
Kevin C. Hardman	Vice President, Tax
Philip M. Lister	Vice President, Corporate Development
Ivan M. Marcuse	Vice President, Investor Relations
Claire Mei	Vice President and Treasurer
Pierre Poukens	Vice President, Internal Audit
Nooshin E. Vaughn	Vice President, Financial Planning and Analysis
Randy W. Wright	Vice President and Controller

HUNTSMAN CORPORATION—CORPORATE INFORMATION

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
Deloitte & Touche LLP

STOCKHOLDER INQUIRIES
Inquiries from stockholders and other interested parties regarding our company are always welcome. Please direct your requests to:

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Email: ir@huntsman.com

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By Regular Mail:
P.O. Box 505000
Louisville, Kentucky 40233 USA

By Overnight Delivery:
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Louisville, Kentucky 40202 USA

STOCK LISTING
Our common stock is listed on the New York Stock Exchange under the symbol HUN.

HUN
LISTED
NYSE

ANNUAL MEETING
The 2021 Annual Meeting of Stockholders will be held virtually on Wednesday, April 28, 2021 at 9:00 a.m., central time.

FORM 10-K AND OTHER REPORTS
Paper copies of Huntsman's (1) Annual Report on Form 10-K, (2) Quarterly Reports on Form 10-Q, and (3) Proxy Statement may be obtained without charge from:

Investor Relations
Huntsman Corporation
10003 Woodloch Forest Drive
The Woodlands, Texas 77380 USA
Tel: +1-281-719-4637

Copies of these reports may also be obtained from the company's Investor Relations website: http://ir.huntsman.com/

FORWARD-LOOKING STATEMENTS
Certain information in this report constitutes 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 statements are based on management's current beliefs and expectations. The forward-looking statements in this report are subject to uncertainty and changes in circumstances and involve risks and uncertainties that may affect the company's operations, markets, products, services, prices and other factors as discussed under the caption "Risk Factors" in the Huntsman companies' filings with the U.S. Securities and Exchange Commission. Significant risks and uncertainties may relate to, but are not limited to, volatile global economic conditions, cyclical and volatile product markets, disruptions in production at manufacturing facilities, reorganization or restructuring of Huntsman's operations, including any delay of, or other negative developments affecting the ability to implement cost reductions, timing of proposed transactions, and manufacturing optimization improvements in Huntsman businesses and realize anticipated cost savings, ability to achieve projected synergies, and other financial, economic, competitive, environmental, political, legal, regulatory and technological factors. The company assumes no obligation to provide revisions to any forward-looking statements should circumstances change, except as otherwise required by applicable laws.

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www.curran-connors.com

HUNTSMAN

Enriching lives through innovation

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