

**Huntsman Corporation**  
**Reconciliation of U.S. GAAP to Non-GAAP Measures**  
**Full Years and Latest Year-to-Date**

	Twelve months ended December 31, 2018				Twelve months ended December 31, 2019				Twelve months ended December 31, 2020				Six months ended June 30, 2021			
	Income		Diluted Income (Loss)	Per Share	Income		Diluted Income (Loss)	Per Share	Income		Diluted Income (Loss)	Per Share	Income		Diluted Income (Loss)	Per Share
	Tax (Expense)	Net Income (Loss)			Tax (Expense)	Net Income (Loss)			Tax Benefit (Expense)	Net Income (Loss)			Tax Benefit (Expense)	Net Income (Loss)		
	EBITDA	Benefit		EBITDA	Benefit		EBITDA	Benefit	EBITDA	Benefit		EBITDA	Benefit		EBITDA	Benefit
<b>Net income</b>	\$ 650		\$ 650	\$ 2.69	\$ 598		\$ 598	\$ 2.59	\$ 1,066		\$ 1,066	\$ 4.80	\$ 272		\$ 272	\$ 1.22
Net income attributable to noncontrolling interests	(313)		(313)	(1.30)	(36)		(36)	(0.16)	(32)		(32)	(0.14)	(33)		(33)	(0.15)
<b>Net income attributable to Huntsman Corporation</b>	337		337	1.39	562		562	2.44	1,034		1,034	4.66	239		239	1.07
Interest expense from continuing operations	115				111				86				37			
Interest expense from discontinued operations <sup>(3)</sup>	36				-				-				-			
Income tax expense (benefit) from continuing operations	45	\$ (45)			(38)	\$ 38			46	\$ (46)			76	\$ (76)		
Income tax expense from discontinued operations <sup>(3)</sup>	86				35				242				-			
Depreciation and amortization from continuing operations	255				270				283				147			
Depreciation and amortization from discontinued operations <sup>(3)</sup>	88				61				-				-			
Business acquisition and integration expenses and purchase accounting inventory adjustments	9	(3)	6	0.02	5	-	5	0.02	31	(6)	25	0.11	14	(2)	12	0.05
EBITDA / Income from discontinued operations, net of tax <sup>(3)</sup>	(171)	N/A	39	0.16	(265)	N/A	(169)	(0.73)	(1,017)	N/A	(775)	(3.49)	(2)	N/A	(2)	(0.01)
Noncontrolling interest of discontinued operations <sup>(3)</sup>	232	N/A	232	0.96	-	N/A	-	-	-	N/A	-	-	-	N/A	-	-
U.S. tax reform impact on tax expense	-	32	32	0.13	-	(1)	(1)	(0.00)	-	-	-	-	-	-	-	-
U.S. tax reform impact on noncontrolling interest	-	N/A	-	-	-	N/A	-	-	-	N/A	-	-	-	N/A	-	-
Significant activities related to deferred tax assets and liabilities	-	(119)	(119)	(0.49)	-	(160)	(160)	(0.69)	-	-	-	-	-	-	-	-
Impact of Switzerland income tax rate change	-	-	-	-	-	32	32	0.14	-	-	-	-	-	-	-	-
(Gain) loss on sale of businesses/assets	-	-	-	-	21	(5)	16	0.07	(280)	31	(249)	(1.12)	(30)	4	(26)	(0.12)
Income from transition services arrangements	-	-	-	-	-	-	-	-	(7)	2	(5)	(0.02)	(4)	1	(3)	(0.01)
Merger costs, net of tax	2	-	2	0.01	-	-	-	-	-	-	-	-	-	-	-	-
Fair value adjustments to Venator Investment and related loss on disposal	62	-	62	0.26	18	-	18	0.08	88	(9)	79	0.36	25	-	25	0.11
Loss on early extinguishment of debt	3	(1)	2	0.01	23	(5)	18	0.08	-	-	-	-	27	(6)	21	0.09
Certain legal and other settlements and related (income) expenses	1	(1)	-	-	6	(1)	5	0.02	5	(1)	4	0.02	10	(3)	7	0.03
Certain non-recurring information technology project implementation costs	-	-	-	-	4	(1)	3	0.01	6	(1)	5	0.02	4	(1)	3	0.01
Amortization of pension and postretirement actuarial losses	67	(13)	54	0.22	66	(16)	50	0.22	76	(17)	59	0.27	43	(10)	33	0.15
Restructuring, impairment and plant closing and transition costs (credits)	(6)	1	(5)	(0.02)	(41)	9	(32)	(0.14)	52	(13)	39	0.18	36	(8)	28	0.13
Plant incident remediation costs	-	-	-	-	8	(2)	6	0.03	2	-	2	0.01	1	-	1	0.00
<b>Adjusted<sup>(4)</sup></b>	<b>\$ 1,161</b>	<b>\$ (149)</b>	<b>\$ 642</b>	<b>\$ 2.66</b>	<b>\$ 846</b>	<b>\$ (112)</b>	<b>\$ 353</b>	<b>\$ 1.53</b>	<b>\$ 647</b>	<b>\$ (60)</b>	<b>\$ 218</b>	<b>\$ 0.98</b>	<b>\$ 623</b>	<b>\$ (101)</b>	<b>\$ 338</b>	<b>\$ 1.52</b>
Adjusted income tax expense <sup>(1)</sup>			\$ 149				\$ 112				\$ 60				\$ 101	
Net income attributable to noncontrolling interests, net of tax			313				36				32				33	
Noncontrolling interest of discontinued operations <sup>(1)(3)</sup>			(232)				-				-				-	
U.S. tax reform impact on noncontrolling interest			-				-				-				-	
<b>Adjusted pre-tax income<sup>(1)</sup></b>			<b>\$ 872</b>				<b>\$ 501</b>				<b>\$ 310</b>				<b>\$ 472</b>	
<b>Adjusted effective tax rate<sup>(4)</sup></b>			17%				22%				19%				21%	
<b>Effective tax rate</b>			6%				(10%)				14%				22%	
<b>Common share information:</b>																
Basic weighted average shares				238.1				228.9				220.6				220.6
Diluted weighted average shares				241.6				230.6				221.9				222.7
Diluted shares for adjusted diluted income per share				241.6				230.6				221.9				222.7
<b>Free cash flow information<sup>(2)</sup></b>																
Net cash provided by (used in) operating activities from continuing operations			\$ 704				\$ 656				\$ 277				\$ (23)	
Capital expenditures from continuing operations			(251)				(274)				(249)				(174)	
<b>Free cash flow from continuing operations</b>			<b>\$ 453</b>				<b>\$ 382</b>				<b>\$ 28</b>				<b>\$ (197)</b>	
Taxes paid on sale of Chemical Intermediates and India-based DIY Businesses			N/A				N/A				257				3	
<b>Adjusted free cash flow from continuing operations<sup>(5)</sup></b>			<b>\$ 453</b>				<b>\$ 382</b>				<b>\$ 285</b>				<b>\$ (194)</b>	
<b>Free cash flow from continuing operations / Adjusted EBITDA<sup>(1)(2)</sup></b>			39%				45%				N/M				N/M	
<b>Adjusted free cash flow from continuing operations / Adjusted EBITDA<sup>(1)(6)</sup></b>			39%				45%				44%				N/M	

N/A = not applicable; N/M = not meaningful  
For footnotes, please see Footnote Explanations page.

**Huntsman Corporation**  
**Reconciliation of U.S. GAAP to Non-GAAP Measures**  
**2019 Quarterly**

	Three months ended March 31, 2019				Three months ended June 30, 2019				Three months ended September 30, 2019				Three months ended December 31, 2019			
	Income		Diluted		Income		Diluted		Income		Diluted		Income		Diluted	
	EBITDA	Tax (Expense) Benefit	Net Income (Loss)	Per Share (Loss)	EBITDA	Tax (Expense) Benefit	Net Income (Loss)	Per Share (Loss)	EBITDA	Tax (Expense) Benefit	Net Income (Loss)	Per Share (Loss)	EBITDA	Tax (Expense) Benefit	Net Income (Loss)	Per Share (Loss)
<b>Net income</b>	\$ 131		\$ 131	\$ 0.56	\$ 118		\$ 118	\$ 0.51	\$ 41		\$ 41	\$ 0.18	\$ 308		\$ 308	\$ 1.36
Net income attributable to noncontrolling interests	(12)		(12)	(0.05)	(8)		(8)	(0.03)	(11)		(11)	(0.05)	(5)		(5)	(0.02)
<b>Net income attributable to Huntsman Corporation</b>	119		119	0.51	110		110	0.47	30		30	0.13	303		303	1.34
Interest expense from continuing operations	30				29				27				25			
Income tax expense (benefit) from continuing operations	45	\$ (45)			38	\$ (38)			30	\$ (30)			(151)	\$ 151		
Income tax expense (benefit) from discontinued operations <sup>(2)</sup>	5				14				25				(9)			
Depreciation and amortization from continuing operations	67				69				65				69			
Depreciation and amortization from discontinued operations <sup>(2)</sup>	23				23				13				2			
Business acquisition and integration expenses and purchase accounting inventory adjustments	1	-	1	-	-	-	-	-	3	(1)	2	0.01	1	1	2	0.01
EBITDA / Income from discontinued operations, net of tax <sup>(2)</sup>	(51)	N/A	(23)	(0.10)	(72)	N/A	(35)	(0.15)	(106)	N/A	(68)	(0.30)	(36)	N/A	(43)	(0.19)
U.S. tax reform impact on tax expense	-	-	-	-	-	3	0.01	-	-	-	-	-	-	(4)	(4)	(0.02)
Significant activities related to deferred tax assets and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	(160)	(160)	(0.71)
Impact of Switzerland income tax rate change	-	32	32	0.14	-	-	-	-	-	-	-	-	-	-	-	-
Loss on sale of businesses/assets	-	-	-	-	-	-	-	-	-	-	-	-	21	(5)	16	0.07
Fair value adjustments to Venator Investment	(76)	-	(76)	(0.32)	18	-	18	0.08	148	-	148	0.65	(72)	-	(72)	(0.32)
Loss on early extinguishment of debt	23	(5)	18	0.08	-	-	-	-	-	-	-	-	-	-	-	-
Certain legal settlements and related expenses	-	-	-	-	-	-	-	-	1	-	1	-	5	(1)	4	0.02
Certain non-recurring information technology project implementation costs	-	-	-	-	-	-	-	-	1	-	1	-	3	(1)	2	0.01
Amortization of pension and postretirement actuarial losses	17	(4)	13	0.06	16	(4)	12	0.05	16	(5)	11	0.05	17	(3)	14	0.06
Restructuring, impairment and plant closing and transition costs (credits)	1	-	1	-	-	-	-	-	(43)	9	(34)	(0.15)	1	-	1	-
Plant incident remediation costs	-	-	-	-	-	-	-	-	5	(1)	4	0.02	3	(1)	2	0.01
<b>Adjusted<sup>(1)</sup></b>	<b>\$ 204</b>	<b>\$ (22)</b>	<b>\$ 85</b>	<b>\$ 0.36</b>	<b>\$ 245</b>	<b>\$ (39)</b>	<b>\$ 108</b>	<b>\$ 0.47</b>	<b>\$ 215</b>	<b>\$ (28)</b>	<b>\$ 95</b>	<b>\$ 0.41</b>	<b>\$ 182</b>	<b>\$ (23)</b>	<b>\$ 65</b>	<b>\$ 0.29</b>
Adjusted income tax expense <sup>(1)</sup>			\$ 22				\$ 39				\$ 28				\$ 23	
Net income attributable to noncontrolling interests, net of tax			12				8				11				5	
<b>Adjusted pre-tax income<sup>(1)</sup></b>			<b>\$ 119</b>				<b>\$ 155</b>				<b>\$ 134</b>				<b>\$ 93</b>	
<b>Adjusted effective tax rate<sup>(4)</sup></b>			18%				25%				21%				25%	
<b>Effective tax rate</b>			29%				31%				N/M				N/M	
<b>Common share information:</b>																
Basic weighted average shares				233.1			230.6					227.4			224.7	
Diluted weighted average shares				235.1			232.1					227.4			226.7	
Diluted shares for adjusted diluted income per share				235.1			232.1					229.0			226.7	
<b>Free cash flow information<sup>(2)</sup></b>																
Net cash (used in) provided by operating activities from continuing operations			\$ (40)				\$ 217				\$ 257				\$ 222	
Capital expenditures from continuing operations			(61)				(57)				(63)				(93)	
<b>Free cash flow from continuing operations</b>			<b>\$ (101)</b>				<b>\$ 160</b>				<b>\$ 194</b>				<b>\$ 129</b>	
Taxes paid on sale of Chemical Intermediates and India-based DIY Businesses			N/A				N/A				N/A				N/A	
<b>Adjusted free cash flow from continuing operations<sup>(3)</sup></b>			<b>\$ (101)</b>				<b>\$ 160</b>				<b>\$ 194</b>				<b>\$ 129</b>	

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**Huntsman Corporation**  
**Reconciliation of U.S. GAAP to Non-GAAP Measures**  
**2020 Quarterly**

	Three months ended March 31, 2020				Three months ended June 30, 2020				Three months ended September 30, 2020				Three months ended December 31, 2020			
	Income		Diluted Income (Loss)	Per Share	Income		Diluted (Loss) Income	Per Share	Income		Diluted Income (Loss)	Per Share	Income		Diluted Income (Loss)	Per Share
	Tax (Expense)	Net Income (Loss)			Tax (Expense)	Net (Loss) Income			Tax (Expense)	Net Income (Loss)			Tax (Expense)	Net Income (Loss)		
	EBITDA	Benefit		EBITDA	Benefit		EBITDA	Benefit		EBITDA	Benefit		EBITDA	Benefit		
<b>Net income (loss)</b>	\$ 708		\$ 708	\$ 3.17	\$ (59)		\$ (59)	\$ (0.27)	\$ 57		\$ 57	\$ 0.26	\$ 360		\$ 360	\$ 1.62
Net income attributable to noncontrolling interests	(3)		(3)	(0.01)	(3)		(3)	(0.01)	(9)		(9)	(0.04)	(17)		(17)	(0.08)
<b>Net income (loss) attributable to Huntsman Corporation</b>	705		705	3.16	(62)		(62)	(0.28)	48		48	0.22	343		343	1.54
Interest expense from continuing operations	18				21				24				23			
Income tax expense (benefit) from continuing operations	7	\$ (7)			(13)	\$ 13			15	\$ (15)			37	\$ (37)		
Income tax expense from discontinued operations <sup>(3)</sup>	238				1				-				3			
Depreciation and amortization from continuing operations	67				69				70				77			
Business acquisition and integration expenses and purchase accounting inventory adjustments	13	(3)	10	0.04	8	-	8	0.04	9	(3)	6	0.03	1	-	1	-
EBITDA / (Income) loss from discontinued operations, net of tax <sup>(3)</sup>	(1,015)	N/A	(777)	(3.48)	(6)	N/A	(5)	(0.02)	-	N/A	-	-	4	N/A	7	0.03
Gain on sale of businesses/assets	(2)	-	(2)	(0.01)	1	-	1	-	-	-	-	-	(279)	31	(248)	(1.12)
Income from transition services arrangements	-	-	-	-	(5)	1	(4)	(0.02)	(1)	-	(1)	(0.00)	(1)	1	-	-
Fair value adjustments to Venator Investment	110	-	110	0.49	(4)	-	(4)	(0.02)	(6)	-	(6)	(0.03)	(12)	(9)	(21)	(0.09)
Certain legal settlements and related expenses	2	-	2	0.01	4	(1)	3	0.01	(4)	1	(3)	(0.01)	3	(1)	2	0.01
Certain non-recurring information technology project implementation costs	1	-	1	-	1	-	1	0.00	1	-	1	-	3	(1)	2	0.01
Amortization of pension and postretirement actuarial losses	18	(4)	14	0.06	19	(4)	15	0.07	20	(4)	16	0.07	19	(5)	14	0.06
Restructuring, impairment and plant closing and transition costs	3	(1)	2	0.01	19	(3)	16	0.07	12	(3)	9	0.04	18	(6)	12	0.05
Plant incident remediation costs	-	-	-	-	1	-	1	0.00	-	-	-	-	1	-	1	0.00
<b>Adjusted<sup>(1)</sup></b>	<b>\$ 165</b>	<b>\$ (15)</b>	<b>\$ 65</b>	<b>\$ 0.29</b>	<b>\$ 54</b>	<b>\$ 6</b>	<b>\$ (30)</b>	<b>\$ (0.14)</b>	<b>\$ 188</b>	<b>\$ (24)</b>	<b>\$ 70</b>	<b>\$ 0.32</b>	<b>\$ 240</b>	<b>\$ (27)</b>	<b>\$ 113</b>	<b>\$ 0.51</b>
Adjusted income tax expense (benefit) <sup>(1)</sup>			\$ 15				\$ (6)				\$ 24				\$ 27	
Net income attributable to noncontrolling interests, net of tax			3				3				9				17	
<b>Adjusted pre-tax income<sup>(1)</sup></b>			<b>\$ 83</b>				<b>\$ (33)</b>				<b>\$ 103</b>				<b>\$ 157</b>	
<b>Adjusted effective tax rate<sup>(4)</sup></b>			18%				18%				23%				17%	
<b>Effective tax rate</b>			(11%)				17%				N/M				9%	
<b>Common share information:</b>																
Basic weighted average shares				223.2				219.7				219.8				220.0
Diluted weighted average shares				223.2				219.7				221.3				222.1
Diluted shares for adjusted diluted income per share				224.5				219.7				221.3				222.1
<b>Free cash flow information<sup>(2)</sup></b>																
Net cash (used in) provided by operating activities from continuing operations			\$ (40)				\$ 85				\$ 65				\$ 167	
Capital expenditures from continuing operations			(61)				(55)				(54)				(79)	
<b>Free cash flow from continuing operations</b>			<b>\$ (101)</b>				<b>\$ 30</b>				<b>\$ 11</b>				<b>\$ 88</b>	
Taxes paid on sale of Chemical Intermediates and India-based DIY Businesses			2				8				178				69	
<b>Adjusted free cash flow from continuing operations<sup>(4)</sup></b>			<b>\$ (99)</b>				<b>\$ 38</b>				<b>\$ 189</b>				<b>\$ 157</b>	

N/A = not applicable

For footnotes, please see Footnote Explanations page.

**Huntsman Corporation**  
**Reconciliation of U.S. GAAP to Non-GAAP Measures**  
**2021 Quarterly**

	Three months ended March 31, 2021				Three months ended June 30, 2021				Six months ended June 30, 2021				
	Income		Diluted Income (Loss)	Per Share	Income		Diluted (Loss) Income	Per Share	Income		Net Income (Loss)	Diluted Income (Loss)	Per Share
	EBITDA	Tax (Expense) Benefit			Net Income (Loss)	EBITDA			Tax (Expense) Benefit	Net (Loss) Income			
In millions, except per share amounts													
<b>Net income (loss)</b>	\$ 100		\$ 100	\$ 0.45	\$ 172		\$ 172	\$ 0.77	\$ 272		\$ 272	\$ 1.22	
Net income attributable to noncontrolling interests	(17)		(17)	(0.08)	(16)		(16)	(0.07)	(33)		(33)	(0.15)	
<b>Net income (loss) attributable to Huntsman Corporation</b>	83		83	0.37	156		156	0.70	239		239	1.07	
Interest expense from continuing operations	19				18				37				
Income tax expense (benefit) from continuing operations	34	\$ (34)			42	\$ (42)			76	\$ (76)			
Income tax expense from discontinued operations <sup>(3)</sup>	-				-				-				
Depreciation and amortization from continuing operations	74				73				147				
Business acquisition and integration expenses and purchase accounting inventory adjustments	9	(2)	7	0.03	5	-	5	0.02	14	(2)	12	0.05	
EBITDA / Income from discontinued operations, net of tax <sup>(3)</sup>	(1)	N/A	(1)	(0.00)	(1)	N/A	(1)	(0.00)	(2)	N/A	(2)	(0.01)	
Gain on sale of businesses/assets	-	-	-	-	(30)	4	(26)	(0.12)	(30)	4	(26)	(0.12)	
Income from transition services arrangements	(1)	-	(1)	(0.00)	(3)	1	(2)	(0.01)	(4)	1	(3)	(0.01)	
Fair value adjustments to Venator Investment	19	-	19	0.09	6	-	6	0.03	25	-	25	0.11	
Loss on early extinguishment of debt	-	-	-	-	27	(6)	21	0.09	27	(6)	21	0.09	
Certain legal settlements and related expenses	2	(1)	1	0.00	8	(2)	6	0.03	10	(3)	7	0.03	
Certain non-recurring information technology project implementation costs	1	-	1	0.00	3	(1)	2	0.01	4	(1)	3	0.01	
Amortization of pension and postretirement actuarial losses	22	(5)	17	0.08	21	(5)	16	0.07	43	(10)	33	0.15	
Restructuring, impairment and plant closing and transition costs	24	(6)	18	0.08	12	(2)	10	0.04	36	(8)	28	0.13	
Plant incident remediation costs	4	(1)	3	0.01	(3)	1	(2)	(0.01)	1	-	1	0.00	
<b>Adjusted<sup>(1)</sup></b>	<b>\$ 289</b>	<b>\$ (49)</b>	<b>\$ 147</b>	<b>\$ 0.66</b>	<b>\$ 334</b>	<b>\$ (52)</b>	<b>\$ 191</b>	<b>\$ 0.86</b>	<b>\$ 623</b>	<b>\$ (101)</b>	<b>\$ 338</b>	<b>\$ 1.52</b>	
Adjusted income tax expense <sup>(1)</sup>			\$ 49				\$ 52				\$ 101		
Net income attributable to noncontrolling interests, net of tax			17				16				33		
<b>Adjusted pre-tax income<sup>(1)</sup></b>			<b>\$ 213</b>				<b>\$ 259</b>				<b>\$ 472</b>		
<b>Adjusted effective tax rate<sup>(4)</sup></b>			23%				20%				21%		
<b>Effective tax rate</b>			26%				20%				22%		
<b>Common share information:</b>													
Basic weighted average shares				220.4				220.9				220.6	
Diluted weighted average shares				222.6				222.9				222.7	
Diluted shares for adjusted diluted income per share				222.6				222.9				222.7	
<b>Free cash flow information<sup>(2)</sup></b>													
Net cash used in operating activities from continuing operations		\$ (16)				\$ (7)				\$ (23)			
Capital expenditures from continuing operations		(98)				(76)				(174)			
<b>Free cash flow from continuing operations</b>		<b>\$ (114)</b>				<b>\$ (83)</b>				<b>\$ (197)</b>			
Taxes paid on sale of Chemical Intermediates and India-based DIY Businesses			N/A				3				3		
<b>Adjusted free cash flow from continuing operations<sup>(4)</sup></b>			<b>\$ (114)</b>				<b>\$ (80)</b>				<b>\$ (194)</b>		

N/A = not applicable

For footnotes, please see Footnote Explanations page.

## Reconciliation of U.S. GAAP to Non-GAAP Measures – Footnote Explanations

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

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

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

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

We do not provide reconciliations for adjusted EBITDA, adjusted net income (loss) or adjusted diluted income (loss) per share 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 amount of certain items, such as, but not limited to, (a) business acquisition and integration expenses and purchase accounting adjustments, (b) merger costs, and (c) certain legal and other settlements and related costs. Each of such adjustments have not yet occurred, are 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.

- (2) 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. Using our updated definition, our free cash flow for the years ended December 31, 2020, 2019, and 2018 were \$28 million, \$382 million, and \$453 million, respectively. Free cash flow is not a defined term under U.S. GAAP, and it should not be inferred that the entire free cash flow amount is available for discretionary expenditures.
- (3) During the third quarter 2019, we entered into an agreement to sell our Chemical Intermediates Businesses. Results from these businesses, including the associated gain on sale, was treated as discontinued operations until the completion of the sale on January 3, 2020.
- (4) We believe adjusted effective tax rate provides improved comparability between periods through the exclusion of certain items that management believes are not indicative of the businesses’ operational profitability and that may obscure underlying business results and trends. In our view, effective tax rate is the performance measure calculated and presented in accordance with U.S. GAAP that is most directly comparable to adjusted effective tax rate.

The reconciliation of historical adjusted effective tax rate and effective tax rate is set forth in Table 4 above. 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 amount of certain items, such as, but not limited to, (a) business acquisition and integration expenses, (b) merger costs, and (c) certain legal and other settlements and related costs. Each of such adjustments has not yet occurred, are 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.

- (5) Net debt is a measure we use to monitor how much debt we have after taking into account our total cash. We use it as an indicator of our overall financial position, and calculate it by taking our total debt, including the current portion, and subtracting total cash.
- (6) Adjusted free cash flow is defined as free cash flow, as described above, adjusted by excluding the taxes paid in connection with the sale of our Chemical Intermediates Businesses and the sale of our India-based DIY business. We believe that adjusted free cash flow provides a useful comparison from period to period because it excludes the impact of cash taxes unrelated to our operations. Additionally, the proceeds received from the sale of our Chemical Intermediates Businesses and the sale of our India-based DIY business were classified as cash provided by investing activities and therefore was not factored into our free cash flow. As result, we believe the adjustment to exclude the taxes paid associated with these transactions provides a meaningful measure of our free cash flow.

**About Huntsman:**

Huntsman Corporation is a publicly traded global manufacturer and marketer of differentiated and specialty chemicals with 2020 revenues of approximately \$6 billion. Our chemical products number in the thousands and are sold worldwide to manufacturers serving a broad and diverse range of consumer and industrial end markets. We operate more than 70 manufacturing, R&D and operations facilities in approximately 30 countries and employ approximately 9,000 associates within our four distinct business divisions. For more information about Huntsman, please visit the company's website at [www.huntsman.com](http://www.huntsman.com).

**Social Media:**

Twitter: [www.twitter.com/Huntsman\\_Corp](https://www.twitter.com/Huntsman_Corp)

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**Forward-Looking Statements:**

*Certain information in this release 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 release 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, 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.*