

Huntsman Corporation

Reconciliation of U.S. GAAP to Non-GAAP Measures

Full Years

	Twelve months ended December 31, 2020				Twelve months ended December 31, 2021				Twelve months ended December 31, 2022			
	Income Tax (Expense)		Net	Diluted Income	Income Tax (Expense)		Net	Diluted Income	Income Tax (Expense)		Net	Diluted Income
	EBITDA	Benefit	Income	Per Share	EBITDA	Benefit	Income	Per Share	EBITDA	Benefit	Income	Per Share
In millions, except per share amounts												
Net income	\$ 1,066		\$ 1,066	\$ 4.80	\$ 1,104		\$ 1,104	\$ 4.99	\$ 523		\$ 523	\$ 2.58
Net income attributable to noncontrolling interests	(32)		(32)	(0.14)	(59)		(59)	(0.27)	(63)		(63)	(0.31)
Net income attributable to Huntsman Corporation	1,034		1,034	4.66	1,045		1,045	4.72	460		460	2.27
Interest expense, net from continuing operations	86				67				62			
Income tax expense from continuing operations	42	\$ (42)			191	\$ (191)			186	\$ (186)		
Income tax expense from discontinued operations ⁽²⁾	246				21				19			
Depreciation and amortization from continuing operations	267				278				281			
Depreciation and amortization from discontinued operations ⁽³⁾	16				18				12			
Business acquisition and integration expenses and purchase accounting inventory adjustments	31	(6)	25	0.11	22	(6)	16	0.07	12	(2)	10	0.05
EBITDA / Income from discontinued operations, net of tax ⁽³⁾	(1,039)	N/A	(777)	(3.50)	(88)	N/A	(49)	(0.22)	(43)	N/A	(12)	(0.06)
Establishment of significant deferred tax asset valuation allowance ⁽²⁾	-	-	-	-	-	-	-	-	-	49	49	0.24
(Income) costs associated with the Albermarle Settlement, net	-	-	-	-	(465)	55	(410)	(1.85)	3	(1)	2	0.01
Gain loss on sale of businesses/assets	(280)	31	(249)	(1.12)	(30)	3	(27)	(0.12)	-	-	-	-
Income from transition services arrangements	(7)	2	(5)	(0.02)	(8)	2	(6)	(0.03)	(2)	-	(2)	(0.01)
Fair value adjustments to Venator investment, net and related loss on disposal	88	(9)	79	0.36	28	-	28	0.13	12	-	12	0.06
Loss on early extinguishment of debt	-	-	-	-	27	(6)	21	0.09	-	-	-	-
Certain legal and other settlements and related expenses	5	(1)	4	0.02	13	(3)	10	0.05	7	(2)	5	0.02
Certain nonrecurring information technology project implementation costs	6	(1)	5	0.02	8	(2)	6	0.03	5	(1)	4	0.02
Amortization of pension and postretirement actuarial losses	64	(14)	50	0.23	74	(16)	58	0.26	49	(11)	38	0.19
Restructuring, impairment and plant closing and transition costs	44	(11)	33	0.15	45	(11)	34	0.15	96	(23)	73	0.36
Plant incident remediation costs (credits)	2	-	2	0.01	-	-	-	-	(4)	1	(3)	(0.01)
Adjusted⁽⁴⁾	\$ 605	\$ (51)	\$ 201	\$ 0.91	\$ 1,246	\$ (175)	\$ 726	\$ 3.28	\$ 1,155	\$ (176)	\$ 636	\$ 3.13
Adjusted income tax expense ⁽¹⁾			\$ 51				\$ 175				\$ 176	
Net income attributable to noncontrolling interests, net of tax			32				59				63	
Adjusted pre-tax income⁽¹⁾			\$ 284				\$ 960				\$ 875	
Adjusted effective tax rate⁽⁴⁾			18%				18%				20%	
Effective tax rate			13%				15%				27%	
Non-GAAP Adjusted EBITDA Margin information:												
Revenue			\$ 5,421				\$ 7,670				\$ 8,023	
Adjusted EBITDA ⁽¹⁾			605				1,246				1,155	
Non-GAAP Adjusted EBITDA Margin			11%				16%				14%	
GAAP Net Income Margin			20%				14%				7%	
Common share information:												
Basic weighted average shares				220.6				219.2				201.0
Diluted weighted average shares				221.9				221.4				203.0
Diluted shares for adjusted diluted income per share				221.9				221.4				203.0
Free cash flow information⁽²⁾												
Net cash provided by operating activities from continuing operations			\$ 231				\$ 915				\$ 892	
Capital expenditures from continuing operations			(237)				(326)				(272)	
Free cash flow from continuing operations⁽⁴⁾			(6)				589				620	
Taxes paid on sale of Chemical Intermediates Businesses and India-based DIY business			257				3				-	
Net cash proceeds from the Albemarle Settlement			-				(333)				(78)	
Adjusted free cash flow from continuing operations⁽⁶⁾			\$ 251				\$ 259				\$ 542	
Free cash flow from continuing operations / Adjusted EBITDA⁽¹⁾⁽²⁾			(1%)				47%				54%	
Adjusted free cash flow from continuing operations / Adjusted EBITDA⁽¹⁾⁽⁶⁾			41%				21%				47%	

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
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			
	EBITDA	Income Tax Expense	Net Income	Diluted Income Per Share	EBITDA	Income Tax Benefit (Expense)	Net Loss	Diluted Loss Per Share	EBITDA	Income Tax Benefit (Expense)	Net Income	Diluted Income Per Share	EBITDA	Income Tax Benefit (Expense)	Net Income	Diluted Income Per Share
<i>In millions, except per share amounts</i>																
Net income (loss)	\$ 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)
Net income (loss) attributable to Huntsman Corporation	705		705	3.16	(62)		(62)	(0.28)	48		48	0.22	343		343	1.54
Interest expense, net from continuing operations	18				21				24				23			
Income tax expense (benefit) from continuing operations	4	\$ (4)			(7)	\$ 7			13	\$ (13)			32	\$ (32)		
Income tax expense (benefit) from discontinued operations ⁽³⁾	241				(5)				2				8			
Depreciation and amortization from continuing operations	64				64				66				73			
Depreciation and amortization from discontinued operations ⁽³⁾	3				5				4				4			
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 ⁽³⁾	(1,030)	N/A	(786)	(3.52)	9	N/A	9	0.04	(5)	N/A	1	-	(13)	N/A	(1)	-
(Gain) loss 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)	-	(1)	1	-	-
Fair value adjustments to Venator investment, net and related loss on disposal	110	-	110	0.49	(4)	-	(4)	(0.02)	(6)	-	(6)	(0.03)	(12)	(9)	(21)	(0.09)
Certain legal and other settlements and related expenses (income)	2	-	2	0.01	4	(1)	3	0.01	(4)	1	(3)	(0.01)	3	(1)	2	0.01
Certain nonrecurring information technology project implementation costs	1	-	1	-	1	-	1	-	1	-	1	-	3	(1)	2	0.01
Amortization of pension and postretirement actuarial losses	15	(3)	12	0.05	16	(3)	13	0.06	17	(5)	12	0.05	16	(3)	13	0.06
Restructuring, impairment and plant closing and transition costs	1	(1)	-	-	11	-	11	0.05	12	(4)	8	0.04	20	(6)	14	0.06
Plant incident remediation costs	-	-	-	-	1	-	1	-	-	-	-	-	1	-	1	-
Adjusted⁽¹⁾	\$ 145	\$ (11)	\$ 52	\$ 0.23	\$ 58	\$ 4	\$ (23)	\$ (0.10)	\$ 180	\$ (24)	\$ 66	\$ 0.30	\$ 222	\$ (20)	\$ 106	\$ 0.48
Adjusted income tax expense (benefit) ⁽¹⁾			\$ 11				\$ (4)				\$ 24				\$ 20	
Net income attributable to noncontrolling interests, net of tax			3				3				9				17	
Adjusted pre-tax income (loss)⁽¹⁾			\$ 66				\$ (24)				\$ 99				\$ 143	
Adjusted effective tax rate⁽⁴⁾			17%				17%				24%				14%	
Effective tax rate			(5%)				12%				N/M				8%	
Non-GAAP Adjusted EBITDA Margin information:																
Revenue			\$ 1,413				\$ 1,145				\$ 1,368				\$ 1,495	
Adjusted EBITDA ⁽¹⁾			145				58				180				222	
Non-GAAP Adjusted EBITDA Margin			10%				5%				13%				15%	
GAAP Net Income Margin			50%				(5%)				4%				24%	
Common share information:																
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
Free cash flow information⁽²⁾																
Net cash (used in) provided by operating activities from continuing operations			\$ (43)				\$ 102				\$ 49				\$ 123	
Capital expenditures from continuing operations			(59)				(53)				(51)				(74)	
Free cash flow from continuing operations⁽²⁾			(102)				49				(2)				49	
Taxes paid on sale of Chemical Intermediates Businesses and India-based DIY business			2				8				178				69	
Adjusted free cash flow from continuing operations⁽⁶⁾			\$ (100)				\$ 57				\$ 176				\$ 118	

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
2021 Quarterly

	Three months ended March 31, 2021				Three months ended June 30, 2021				Three months ended September 30, 2021				Three months ended December 31, 2021			
	Income Tax		Diluted Income		Income Tax (Expense)		Diluted Income		Income Tax		Diluted Income		Income Tax (Expense)		Diluted Income	
In millions, except per share amounts	EBITDA	Expense	Income	Per Share	EBITDA	Benefit	Income	Per Share	EBITDA	Expense	Income	Per Share	EBITDA	Benefit	Income	Per Share
Net income	\$ 100		\$ 100	\$ 0.45	\$ 172		\$ 172	\$ 0.77	\$ 225		\$ 225	\$ 1.02	\$ 607		\$ 607	\$ 2.77
Net income attributable to noncontrolling interests	(17)		(17)	(0.08)	(16)		(16)	(0.07)	(16)		(16)	(0.07)	(10)		(10)	(0.04)
Net income attributable to Huntsman Corporation	83		83	0.37	156		156	0.70	209		209	0.94	597		597	2.73
Interest expense, net from continuing operations	19				18				15				15			
Income tax expense from continuing operations	30	\$ (30)			37	\$ (37)			34	\$ (34)			90	\$ (90)		
Income tax expense from discontinued operations ⁽³⁾	4				5				9				3			
Depreciation and amortization from continuing operations	68				69				68				73			
Depreciation and amortization from discontinued operations ⁽³⁾	6				4				4				4			
Business acquisition and integration expenses and purchase accounting inventory adjustments	9	(2)	7	0.03	5	-	5	0.02	5	(2)	3	0.01	3	(2)	1	-
EBITDA / Income from discontinued operations, net of tax ⁽³⁾	(23)	N/A	(13)	(0.06)	(26)	N/A	(17)	(0.08)	(19)	N/A	(6)	(0.03)	(20)	N/A	(13)	(0.06)
Income associated with the Albermarle Settlement, net	-	-	-	-	-	-	-	-	-	-	-	-	(465)	55	(410)	(1.87)
Gain on sale of businesses/assets	-	-	-	-	(30)	4	(26)	(0.12)	-	-	-	-	-	(1)	(1)	-
Income from transition services arrangements	(1)	-	(1)	-	(3)	1	(2)	(0.01)	(2)	-	(2)	(0.01)	(2)	1	(1)	-
Fair value adjustments to Venator investment, net	19	-	19	0.09	6	-	6	0.03	3	-	3	0.01	-	-	-	-
Loss on early extinguishment of debt	-	-	-	-	27	(6)	21	0.09	-	-	-	-	-	-	-	-
Certain legal and other settlements and related expenses	2	(1)	1	-	8	(2)	6	0.03	-	-	-	-	3	-	3	0.01
Certain nonrecurring information technology project implementation costs	1	-	1	-	3	(1)	2	0.01	2	-	2	0.01	2	(1)	1	-
Amortization of pension and postretirement actuarial losses	19	(4)	15	0.07	18	(5)	13	0.06	19	(4)	15	0.07	18	(3)	15	0.07
Restructuring, impairment and plant closing and transition costs	24	(6)	18	0.08	12	(2)	10	0.04	-	-	-	-	9	(3)	6	0.03
Plant incident remediation costs (credits)	4	(1)	3	0.01	(3)	1	(2)	(0.01)	2	-	2	0.01	(3)	-	(3)	(0.01)
Adjusted⁽¹⁾	\$ 264	\$ (44)	\$ 133	\$ 0.60	\$ 306	\$ (47)	\$ 172	\$ 0.77	\$ 349	\$ (40)	\$ 226	\$ 1.02	\$ 327	\$ (44)	\$ 195	\$ 0.89
Adjusted income tax expense ⁽¹⁾		\$ 44				\$ 47				\$ 40				\$ 44		
Net income attributable to noncontrolling interests, net of tax		17				16				16				10		
Adjusted pre-tax income⁽¹⁾		\$ 194				\$ 235				\$ 282				\$ 249		
Adjusted effective tax rate⁽⁴⁾		23%				20%				14%				18%		
Effective tax rate		26%				19%				13%				13%		
Non-GAAP Adjusted EBITDA Margin information:																
Revenue		\$ 1,644				\$ 1,817				\$ 2,097				\$ 2,112		
Adjusted EBITDA ⁽¹⁾		264				306				349				327		
Non-GAAP Adjusted EBITDA Margin		16%				17%				17%				15%		
GAAP Net Income Margin		6%				9%				11%				29%		
Common share information:																
Basic weighted average shares				220.4			220.9					219.4				216.2
Diluted weighted average shares				222.6			222.9					221.3				219.0
Diluted shares for adjusted diluted income per share				222.6			222.9					221.3				219.0
Free cash flow information⁽²⁾																
Net cash (used in) provided by operating activities from continuing operations		\$ (14)				\$ 17				\$ 179				\$ 733		
Capital expenditures from continuing operations		(94)				(74)				(73)				(85)		
Free cash flow from continuing operations⁽²⁾		(108)				(57)				106				648		
Taxes paid on sale of Chemical Intermediates Businesses and India-based DIY business		-				3				-				-		
Net cash proceeds from the Albermarle Settlement		-				-				-				(333)		
Adjusted free cash flow from continuing operations⁽⁶⁾		\$ (108)				\$ (54)				\$ 106				\$ 315		

N/A = not applicable; N/M = not meaningful
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Huntsman Corporation
Reconciliation of U.S. GAAP to Non-GAAP Measures
2022 Quarterly

	Three months ended March 31, 2022				Three months ended June 30, 2022				Three months ended September 30, 2022				Three months ended December 31, 2022			
	EBITDA	Income Tax Expense	Net Income	Diluted Income Per Share	EBITDA	Income Tax (Expense) Benefit	Net Income	Diluted Income Per Share	EBITDA	Income Tax (Expense) Benefit	Net Income	Diluted Income Per Share	EBITDA	Income Tax (Expense) Benefit	Net Income	Diluted Income Per Share
<i>In millions, except per share amounts</i>																
Net income (loss)	\$ 240		\$ 240	\$ 1.11	\$ 242		\$ 242	\$ 1.17	\$ 115		\$ 115	\$ 0.58	\$ (74)		\$ (74)	\$ (0.39)
Net income attributable to noncontrolling interests	(17)		(17)	(0.08)	(14)		(14)	(0.07)	(15)		(15)	(0.08)	(17)		(17)	(0.09)
Net income (loss) attributable to Huntsman Corporation	223		223	1.04	228		228	1.10	100		100	0.50	(91)		(91)	(0.48)
Interest expense, net from continuing operations	14				16				16				16			
Income tax expense from continuing operations	60	\$ (60)			65	\$ (65)			30	\$ (30)			31	\$ (31)		
Income tax expense from discontinued operations ⁽³⁾	5				2				7				5			
Depreciation and amortization from continuing operations	67				68				72				74			
Depreciation and amortization from discontinued operations ⁽³⁾	4				4				3				1			
Business acquisition and integration expenses and purchase accounting inventory adjustments	6	-	6	0.03	4	(2)	2	0.01	1	(1)	-	-	1	1	2	0.01
EBITDA / (Income) loss from discontinued operations, net of tax ⁽³⁾	(27)	N/A	(18)	(0.08)	(19)	N/A	(13)	(0.06)	(9)	N/A	1	0.01	12	N/A	18	0.10
Establishment of significant deferred tax asset valuation allowance ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	49	49	0.26
Costs associated with the Albermarle Settlement, net	1	-	1	-	1	-	1	-	1	(1)	-	-	-	-	-	-
Loss (gain) on sale of businesses/assets	4	(1)	3	0.01	7	(1)	6	0.03	16	(4)	12	0.06	(27)	6	(21)	(0.11)
Income from transition services arrangements	(1)	-	(1)	-	(1)	-	(1)	-	-	-	-	-	-	-	-	-
Fair value adjustments to Venator investment, net	2	-	2	0.01	-	-	-	-	7	-	7	0.04	3	-	3	0.02
Certain legal and other settlements and related expenses (income)	12	(4)	8	0.04	2	1	3	0.01	1	(1)	-	-	(8)	2	(6)	(0.03)
Certain nonrecurring information technology project implementation costs	2	-	2	0.01	1	(1)	-	-	1	-	1	0.01	1	-	1	0.01
Amortization of pension and postretirement actuarial losses	12	(3)	9	0.04	10	(2)	8	0.04	10	(2)	8	0.04	17	(4)	13	0.07
Restructuring, impairment and plant closing and transition costs	3	(1)	2	0.01	27	(7)	20	0.10	14	(3)	11	0.06	52	(12)	40	0.21
Plant incident remediation (credits) costs	-	-	-	-	(5)	1	(4)	(0.02)	1	-	1	0.01	-	-	-	-
Adjusted⁽¹⁾	<u>\$ 387</u>	<u>\$ (69)</u>	<u>\$ 237</u>	<u>\$ 1.10</u>	<u>\$ 410</u>	<u>\$ (76)</u>	<u>\$ 250</u>	<u>\$ 1.21</u>	<u>\$ 271</u>	<u>\$ (42)</u>	<u>\$ 141</u>	<u>\$ 0.71</u>	<u>\$ 87</u>	<u>\$ 11</u>	<u>\$ 8</u>	<u>\$ 0.04</u>
Adjusted income tax expense (benefit) ⁽¹⁾			\$ 69				\$ 76				\$ 42				\$ (11)	
Net income attributable to noncontrolling interests, net of tax			17				14				15				17	
Adjusted pre-tax income⁽¹⁾			<u>\$ 323</u>				<u>\$ 340</u>				<u>\$ 198</u>				<u>\$ 14</u>	
Adjusted effective tax rate⁽⁴⁾			21%				22%				21%				N/M	
Effective tax rate			21%				22%				21%				N/M	
Non-GAAP Adjusted EBITDA Margin information:																
Revenue			\$ 2,192				\$ 2,170				\$ 2,011				\$ 1,650	
Adjusted EBITDA ⁽¹⁾			387				410				271				87	
Non-GAAP Adjusted EBITDA Margin			18%				19%				13%				5%	
GAAP Net Income Margin			11%				11%				6%				(4%)	
Common share information:																
Basic weighted average shares				212.7				205.2				197.7				188.6
Diluted weighted average shares				215.4				207.0				199.2				188.6
Diluted shares for adjusted diluted income per share				215.4				207.0				199.2				190.3
Free cash flow information⁽²⁾																
Net cash provided by operating activities from continuing operations		\$ 67				\$ 243				\$ 285				\$ 297		
Capital expenditures from continuing operations		(64)				(65)				(57)				(86)		
Free cash flow from continuing operations⁽⁴⁾		<u>3</u>				<u>178</u>				<u>228</u>				<u>211</u>		
Net cash proceeds from the Albermarle Settlement		-				(78)				-				-		
Adjusted free cash flow from continuing operations⁽⁶⁾		<u>\$ 3</u>				<u>\$ 100</u>				<u>\$ 228</u>				<u>\$ 211</u>		

N/A = not applicable; N/M = not meaningful

For footnotes, please see Footnote Explanations page.

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

- (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 and transition costs (credits); and further adjusted for certain other items set forth in the reconciliations of net income (loss) to adjusted EBITDA.

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 interests; (b) amortization of pension and postretirement actuarial losses (gains); (c) restructuring, impairment and plant closing and transition costs (credits); and further adjusted for certain other items set forth in the reconciliations of net income (loss) to adjusted net income (loss). The income tax impacts, if any, of each adjusting item represent a ratable allocation of the total difference between the unadjusted tax expense and the total adjusted tax expense, computed without consideration of any adjusting items using a with and without approach.

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

- (2) Management internally uses free cash flow measure: (a) to evaluate our liquidity, (b) evaluate strategic investments, (c) plan stock buyback and dividend levels and (d) evaluate our ability to incur and service debt. Free cash flow is defined as net cash provided by operating activities less capital expenditures. Free cash flow is not a defined term under U.S. GAAP, and it should not be inferred that the entire free cash flow amount is available for discretionary expenditures.
- (3) During the third quarter 2022, we entered into an agreement to sell our Textile Effects business, which is now reported as discontinued operations for all periods presented in the tables above.
- (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 reconciliations of historical adjusted effective tax rate and effective tax rate is set forth in the tables above. Please see the reconciliations of our net income to adjusted net income in the tables above for details regarding the tax impacts of our non-GAAP adjustments.

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

- (5) During the Fourth quarter 2022, we established a \$49 million significant deferred tax asset valuation allowance in The Netherlands. We eliminated the effect of this significant change in deferred tax asset valuation allowances from our presentation of adjusted net income to allow investors to better compare our ongoing financial performance from period to period.
- (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, the sale of our India-based DIY business and net cash proceeds from the Albemarle Settlement. We believe that adjusted free cash flow provides a useful comparison from period to period because it excludes the impact of significant cash taxes and legal settlements unrelated to our operations. We believe these adjustments provide 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 2022 revenues of approximately \$8 billion. Our chemical products number in the thousands and are sold worldwide to manufacturers serving a broad and diverse range of consumer and industrial end markets. We operate more than 60 manufacturing, R&D and operations facilities in approximately 30 countries and employ approximately 7,000 associates within our three distinct business divisions. For more information about Huntsman, please visit the company's website at www.huntsman.com.

Social Media:

Twitter: www.twitter.com/Huntsman_Corp

Facebook: www.facebook.com/huntsmancorp

LinkedIn: www.linkedin.com/company/huntsman

Forward-Looking Statements:

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, divestitures or strategic transactions, including the review of the Textile Effects Division, business trends and any other information that is not historical information. When used in this press release, the words "estimates," "expects," "anticipates," "likely," "projects," "outlook," "plans," "intends," "believes," "forecasts," or future or conditional verbs, such as "will," "should," "could" or "may," and variations of such words or similar expressions are intended to identify forward-looking statements. These forward-looking statements, including, without limitation, management's examination of historical operating trends and data, are based upon our current expectations and various assumptions and beliefs. In particular, such forward-looking statements are subject to uncertainty and changes in circumstances and involve risks and uncertainties that may affect the Company's operations, markets, products, prices and other factors as discussed in the Company's filings with the Securities and Exchange Commission (the "SEC"). Significant risks and uncertainties may relate to, but are not limited to, increased energy costs in Europe, inflation and resulting monetary tightening in the US, geopolitical instability, ongoing impact of COVID-19 on our operations and financial results, volatile global economic conditions, cyclical and volatile product markets, disruptions in production at manufacturing facilities, timing of proposed transactions including the sale of our Textile Effects business, reorganization or restructuring of the Company's operations, including any delay of, or other negative developments affecting the ability to implement cost reductions and manufacturing optimization improvements in the Company's businesses and to realize anticipated cost savings, and other financial, operational, economic, competitive, environmental, political, legal, regulatory and technological factors. Any forward-looking statement should be considered in light of the risks set forth under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022, which may be supplemented by other risks and uncertainties disclosed in any subsequent reports filed or furnished by the Company from time to time. All forward-looking statements apply only as of the date made. Except as required by law, the Company undertakes no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.