

# The Chemours Company

## Second Quarter 2021 Earnings Presentation

July 30, 2021



# Safe Harbor Statement and Other Matters

This presentation contains forward-looking statements, within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical or current fact. The words "believe," "expect," "will," "anticipate," "plan," "estimate," "target," "project" and similar expressions, among others, generally identify "forward-looking statements," which speak only as of the date such statements were made. These forward-looking statements may address, among other things, the outcome or resolution of any pending or future environmental liabilities, the commencement, outcome or resolution of any regulatory inquiry, investigation or proceeding, the initiation, outcome or settlement of any litigation, changes in environmental regulations in the U.S. or other jurisdictions that affect demand for or adoption of our products, anticipated future operating and financial performance, business plans, prospects, targets, goals and commitments, capital investments and projects, plans for dividends or share repurchases, sufficiency or longevity of intellectual property protection, cost reductions or savings targets, plans to increase profitability and growth, our ability to make acquisitions, integrate acquired businesses or assets into our operations, and achieve anticipated synergies or cost savings, all of which are subject to substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Forward-looking statements are based on certain assumptions and expectations of future events that may not be accurate or realized. These statements are not guarantees of future performance. Forward-looking statements also involve risks and uncertainties that are beyond Chemours' control. In addition, the current COVID-19 pandemic has significantly impacted the national and global economy and commodity and financial markets. The full extent and impact of the pandemic is unknown and to date has included extreme volatility in financial and commodity markets, a significant slowdown in economic activity, and increased predictions of a global recession. The public and private sector response has led to significant restrictions on travel, temporary business closures, quarantines, stock market volatility, and a general reduction in consumer and commercial activity globally. Matters outside our control have affected our business and operations and may or may continue to limit travel of employees to our business units domestically and internationally, adversely affect the health and welfare of our personnel, significantly reduce the demand for our products, hinder our ability to provide goods and services to customers, cause disruptions in our supply chains, adversely affect our business partners or cause other unpredictable events. Additionally, there may be other risks and uncertainties that Chemours is unable to identify at this time or that Chemours does not currently expect to have a material impact on its business. Factors that could cause or contribute to these differences include the risks, uncertainties and other factors discussed in our filings with the U.S. Securities and Exchange Commission, including in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 and in our Annual Report on Form 10-K for the year ended December 31, 2020.

We prepare our financial statements in accordance with Generally Accepted Accounting Principles ("GAAP"). Within this presentation we may make reference to Adjusted Net Income, Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Adjusted Effective Tax Rate, Return on Invested Capital (ROIC) and Net Leverage Ratio which are non-GAAP financial measures. The company includes these non-GAAP financial measures because management believes they are useful to investors in that they provide for greater transparency with respect to supplemental information used by management in its financial and operational decision making. Further information with respect to and reconciliations of such measures to the nearest GAAP measure can be found in the appendix hereto.

Management uses Adjusted Net Income, Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Adjusted Effective Tax Rate, ROIC and Net Leverage Ratio to evaluate the company's performance excluding the impact of certain noncash charges and other special items which we expect to be infrequent in occurrence in order to have comparable financial results to analyze changes in our underlying business from quarter to quarter.

Additional information for investors is available on the company's website at [investors.chemours.com](https://investors.chemours.com).

# Second Quarter 2021 Highlights

Continued build on Q1 momentum to achieve 3rd highest quarterly sales in CC history

Delivered strong operating performance despite supply chain challenges

Executed definitive agreement to sell Mining Solutions business for \$520 million

Expect Adjusted 2021 EBITDA and Adjusted EPS to be in the top-end of guidance ranges

Advanced our Corporate Responsibility Commitments with publication of our 2020 CRC report





# 2020 Corporate Responsibility Commitment Report

Chemistry that's responsible and essential.

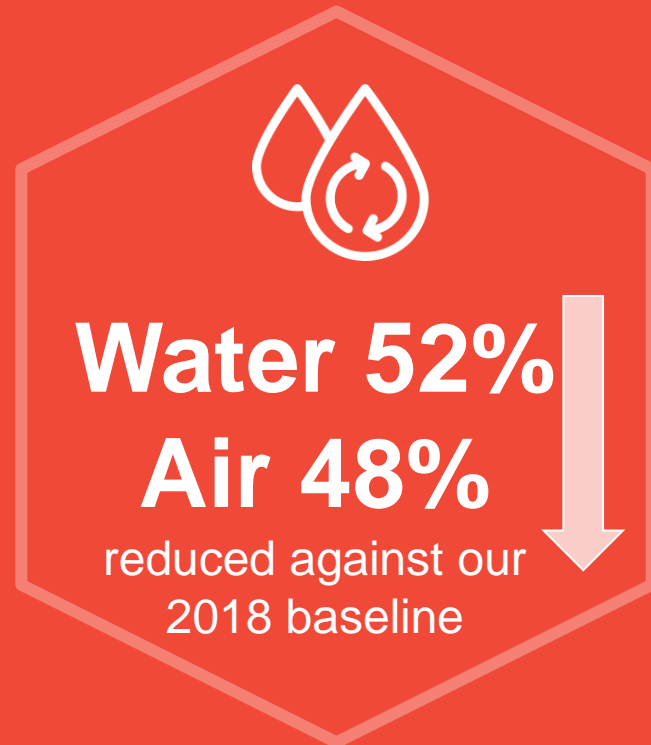




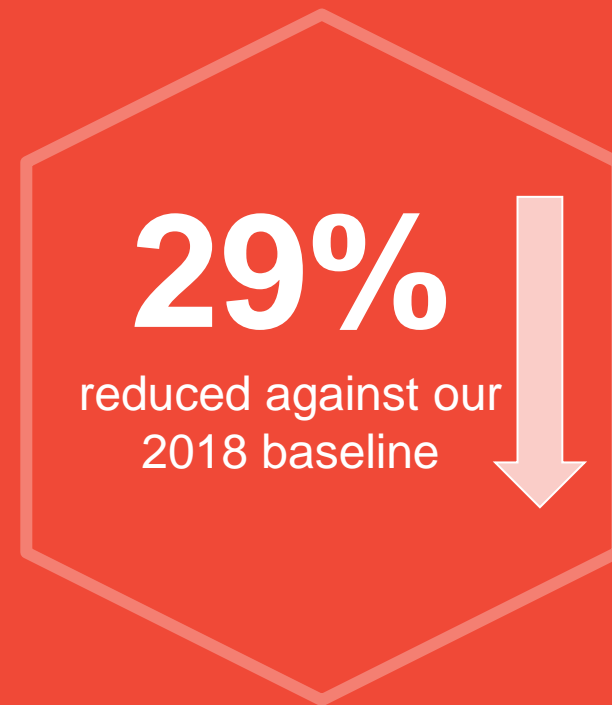
# Progress Against Commitments

## SHARED PLANET

### FOC\* Emissions



### GHG\*\* Emissions



Improved climate goal to absolute 60% reduction of operations-related GHG emissions.

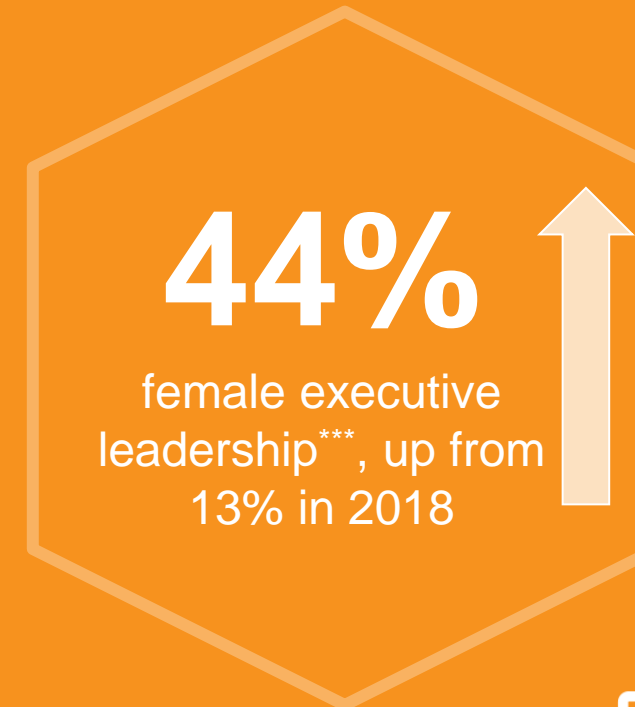
**99.9%**

Launched Louisville project to capture and destroy at least 99% of the HFC-23 process emissions. Scheduled to be completed by the end of 2022.

\*Fluorinated Organic Compound \*\*Greenhouse Gas

## INSPIRED PEOPLE

### Diversity & Inclusion



**19.6%** of all U.S. positions filled with ethnically diverse employees.



Lead partner in establishing the industry-wide Future of STEM Scholars Initiative (FOSSI) to support underrepresented communities pursuing STEM degrees at HBCU's.



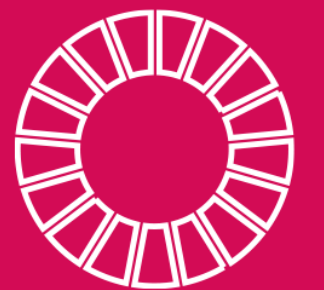
\*\*\* As of July 1, 2021

## EVOLVED PORTFOLIO

### Revenue from UN SDGs



**37.5%** of our revenue makes a specific contribution to the UN SDGs.



**40%** of our portfolio evaluated by EVOLVE 2030.

# Second Quarter 2021 Financial Summary

(\$ in millions unless otherwise noted)

	2Q21	2Q20	Δ Yr/Yr
Net Sales	\$1,655	\$1,093	\$562
Net Income <sup>1</sup>	\$66	\$24	\$42
Adj. Net Income	\$205	\$30	\$175
EPS <sup>2</sup>	\$0.39	\$0.15	\$0.24
Adj. EPS <sup>2</sup>	\$1.20	\$0.18	\$1.02
Adj. EBITDA	\$366	\$166	\$200
Adj. EBITDA Margin (%) <sup>3</sup>	22	15	7
Free Cash Flow <sup>4</sup>	\$189	\$50	\$139

## Year-Over-Year

- Net sales of \$1.7 billion increased 51% vs. the prior-year second quarter, reflecting strength in the recovery and demand momentum from Q1
- GAAP EPS of \$0.39. Adjusted EPS of \$1.20 excludes two charges:
  - \$169 million related to onsite remediation at our Fayetteville site
  - \$25 million associated with settlement of Delaware natural resource damages claims
- Adjusted EBITDA was \$366 million, an increase of \$200 million vs. the prior-year quarter
- Free Cash Flow for the second quarter was \$189 million, a \$139 million improvement vs. the prior-year Free Cash Flow of \$50 million

See reconciliation of Non-GAAP measures in the Appendix

<sup>1</sup> Net Income attributable to The Chemours Company

<sup>2</sup> Calculation based on diluted share count

<sup>3</sup> Defined as Adjusted EBITDA divided by Net Sales

<sup>4</sup> Defined as Cash from Operations minus cash used for PP&E purchases

# Additional Detail on Second Quarter Charges

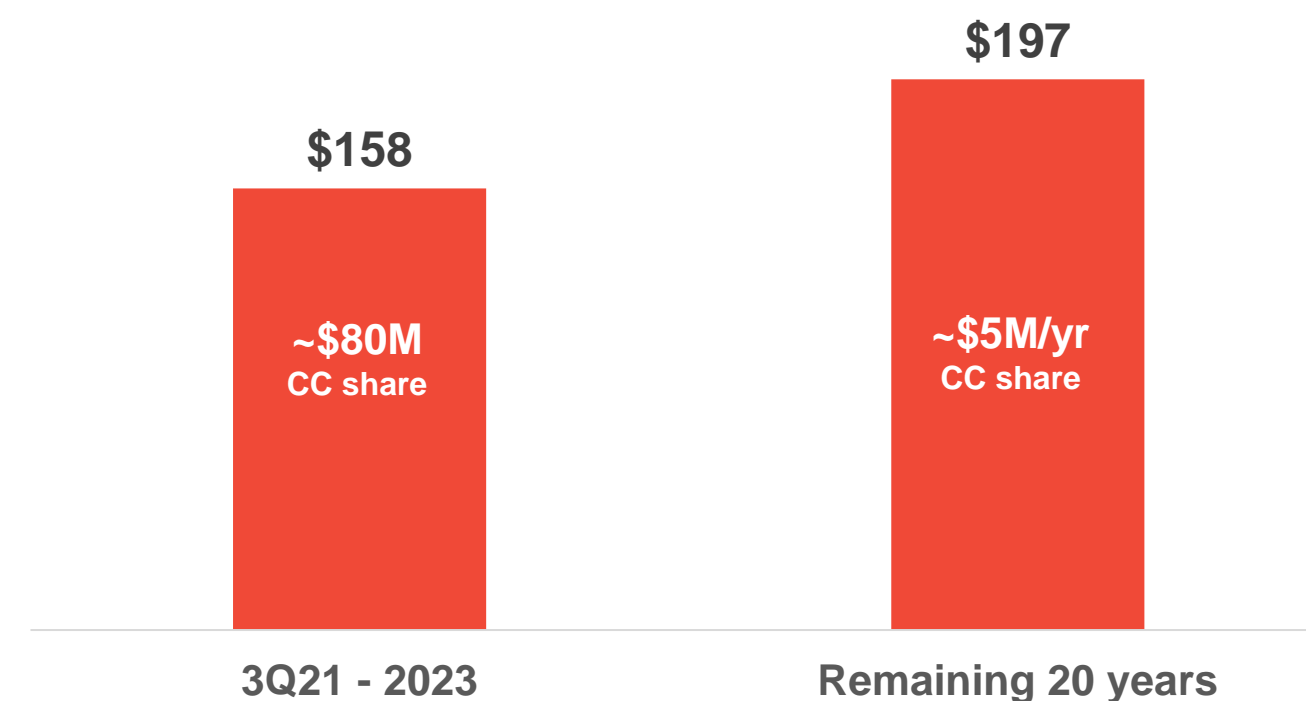
- \$25 million charge associated with settlement of Delaware natural resource damages claims. Cash payment expected in third quarter
- \$169 million change in estimate related to legacy on-site environmental remediation at Fayetteville, added back to arrive at Adjusted EBITDA (details below)

Accruals for Fayetteville legacy environmental remediation<sup>1</sup>

Fayetteville legacy environmental remediation	Q2 charge	Total Accrued <sup>2</sup>	Illustrative FCF timing
Construction of barrier wall	\$49	\$66	3Q21 – 2023
On-site ground and surface water treatment	\$120	\$197	~ 20 years
<b>Total added back to Adj. EBITDA</b>	<b>\$169</b>		
Other on-site and off-site activity	\$12	\$92	~60% through 2023
<b>Total environmental remediation</b>	<b>\$181</b>	<b>\$355</b>	

(\$ in millions)

Illustrative FCF impact of Fayetteville accruals<sup>1</sup>



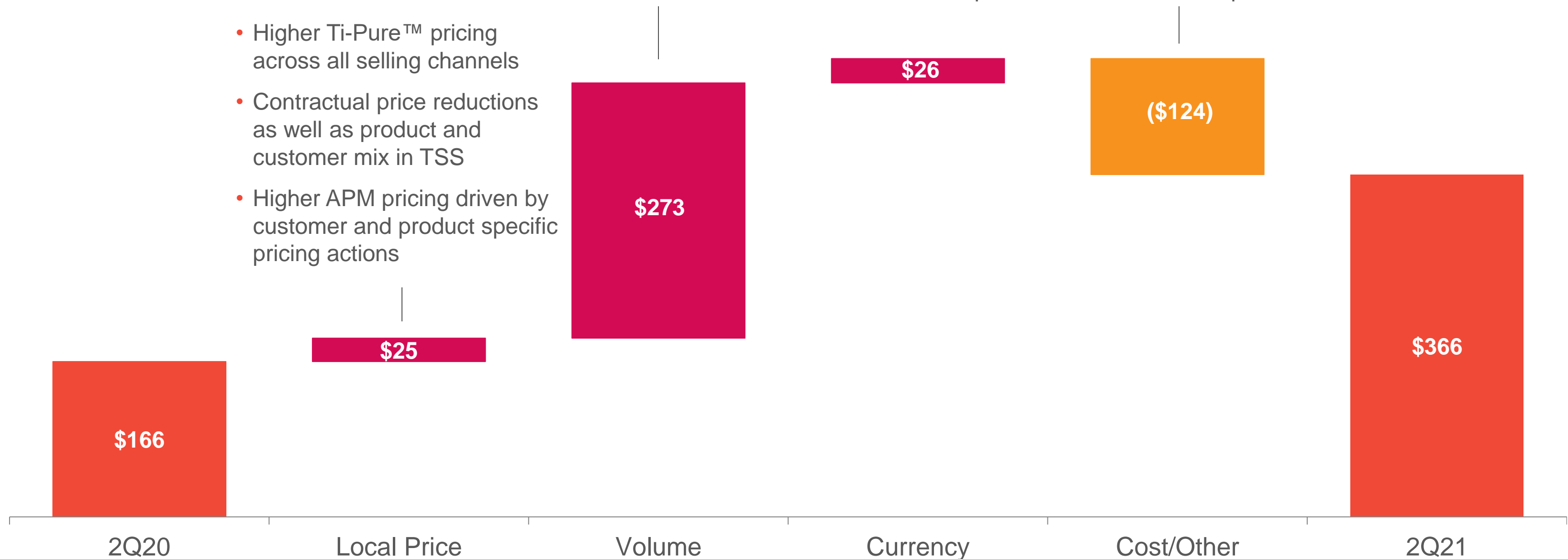
1. Approximately half of which is subject to recovery from DuPont and Corteva under the MOU until the earlier to occur of (1) December 31st 2040 (2) when the aggregate amount of qualified spend is equal to \$4B or (3) a termination in accordance with the terms of the MOU  
 2. As of June 30, 2021

# Adjusted EBITDA Bridge: 2Q21 versus 2Q20

(\$ in millions unless otherwise noted)

- Positive Impact
- Negative Impact

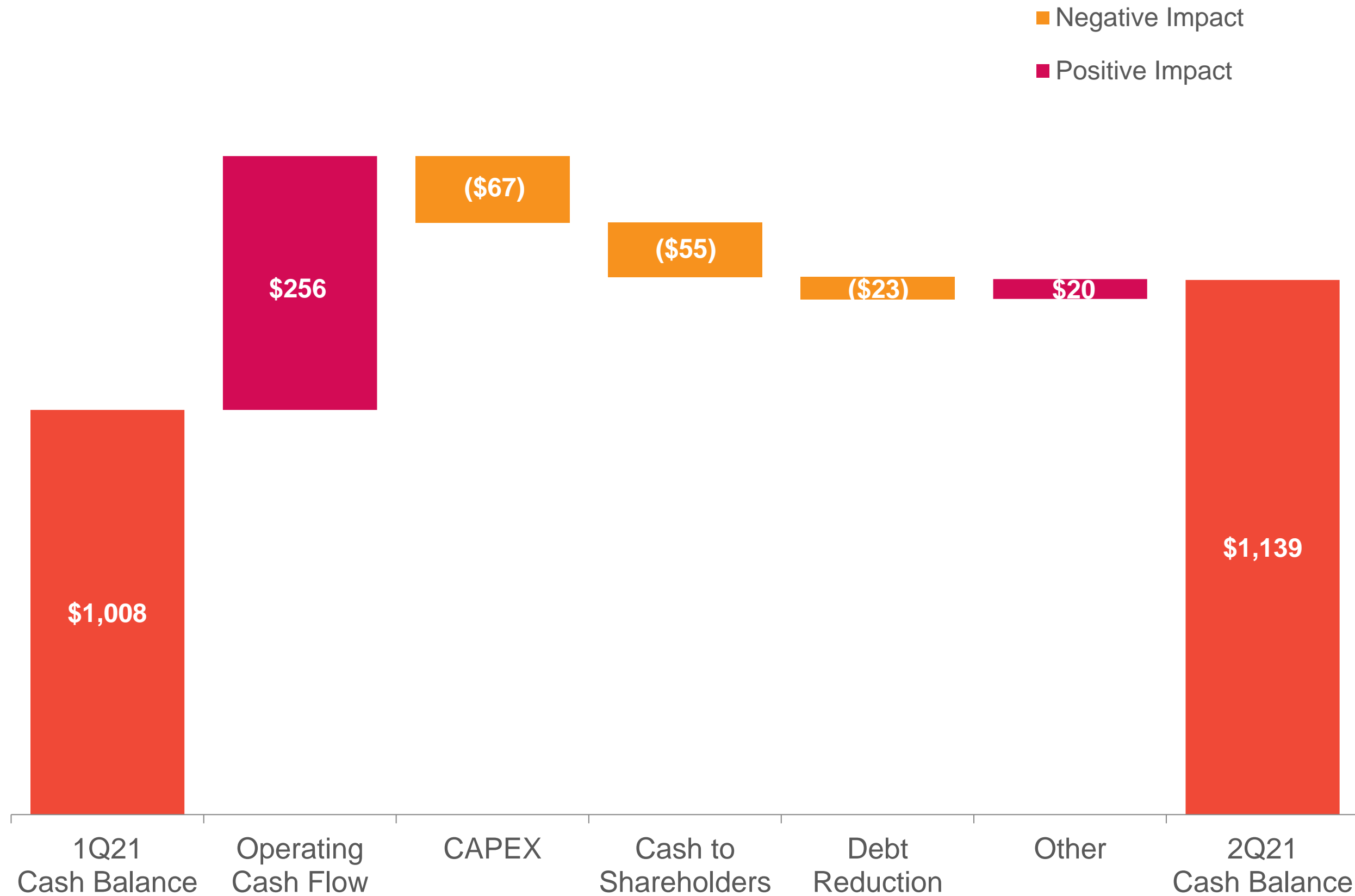
- Higher Ti-Pure™ pigment volumes
- Increased HFO adoption
- APM volume growth across nearly all products and regions
- Higher Ti-Pure™ pricing across all selling channels
- Contractual price reductions as well as product and customer mix in TSS
- Higher APM pricing driven by customer and product specific pricing actions
- Higher operating costs to support demand
- Higher variable costs, primarily due to TiO<sub>2</sub> ore mix and supply chain disruptions
- Higher expense associated with legacy environmental and legal costs, and an increase in performance-related compensation





# Liquidity Position

(\$ in millions unless otherwise noted)



■ Negative Impact

■ Positive Impact

- June 30, 2021 ending cash balance of \$1,139M, up \$131M from prior quarter
- 2Q21 capital expenditures of \$67M
- 2Q21 dividends of \$42M and \$13M share repurchases
- Repurchased \$20M of USD term loans plus \$3M in term loan amortization
- Total Liquidity of ~\$1.8B including revolver availability of \$689M
- Gross debt of \$4.0B, net debt of \$2.9B; net leverage ratio of ~2.6 times on a trailing twelve-month Adjusted EBITDA basis

# Titanium Technologies Business Summary

## Second Quarter Highlights

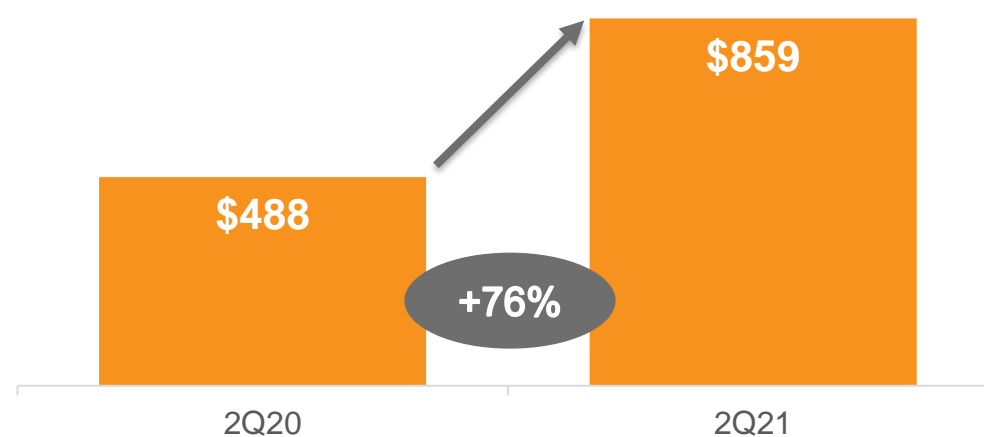
- Delivered strong volume growth; strength across all regions and end-markets
- Improved pricing with positive contribution across all selling channels supported by strong market conditions and contractual increases
- Flexible manufacturing circuit and operational excellence allowed us to support robust customer demand and mitigate logistics and supply chain challenges

## Outlook

- Expecting return to typical seasonal patterns across 2021
- Our relationship with contracted customers is at the core of our TVS strategy; contracted customers realizing benefits of reliable sourcing and predictable pricing
- Focus on meeting increasing customer demand and driving Adjusted EBITDA margin expansion despite supply chain issues

## Second Quarter 2021 Financial Summary (\$ in millions)

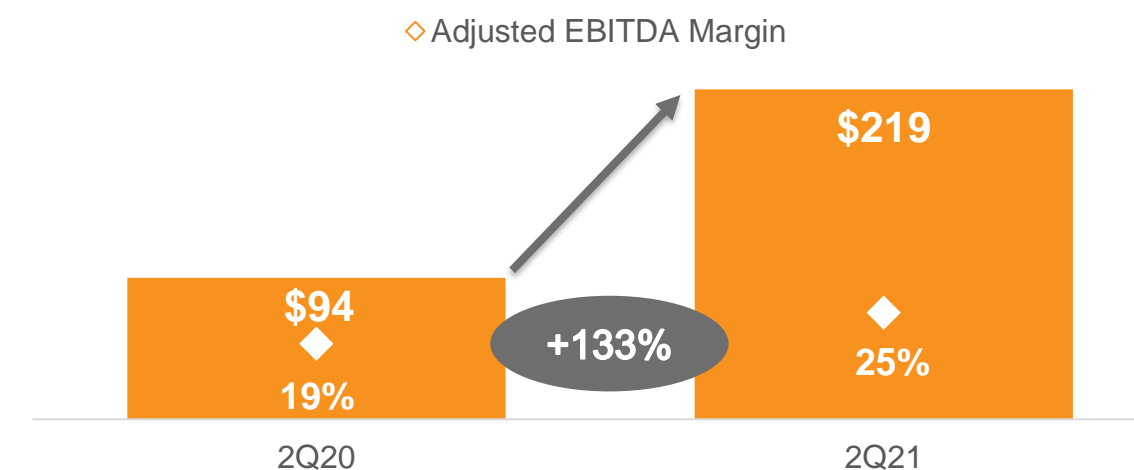
### Quarterly Net Sales



### Sales Drivers

	Yr/Yr % Δ	Q/Q % Δ
Price	5	3
Volume	66	15
Currency	5	1

### Quarterly Adjusted EBITDA



# Thermal & Specialized Solutions Business Summary

## Second Quarter Highlights

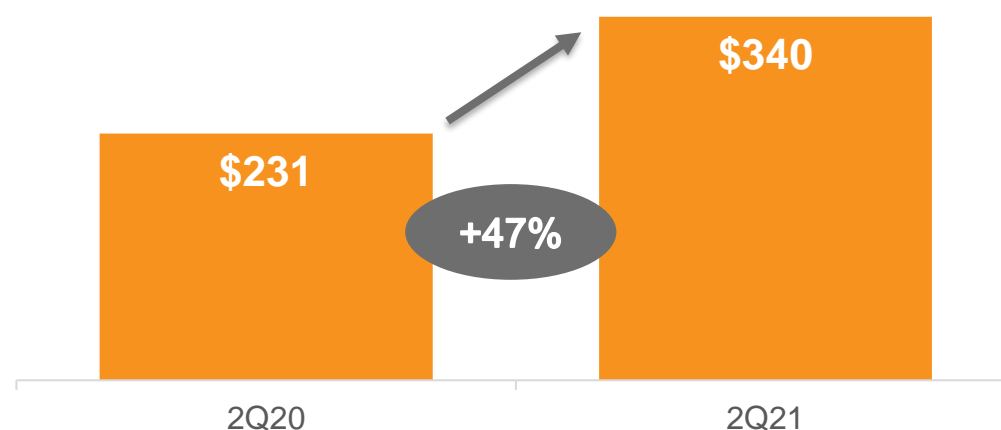
- Sales improvement driven by demand recovery in all markets and all regions partially offset by previously communicated contractual price reductions and product mix
- Continued Opteon™ adoption supported by key partnership announcements
- Benefited from year-over-year auto OEM recovery, which was limited by supply chain shortages

## Outlook

- Expect continued market recovery and typical seasonal patterns in the second half
- Anticipate Adjusted EBITDA margins to remain in the low 30s% through 2021, consistent with expectations
- Well-positioned to support customers through the transition from legacy HFCs to next-generation low GWP solutions, as AIM legislation accelerates U.S. market adoption beginning in 2022

## Second Quarter 2021 Financial Summary (\$ in millions)

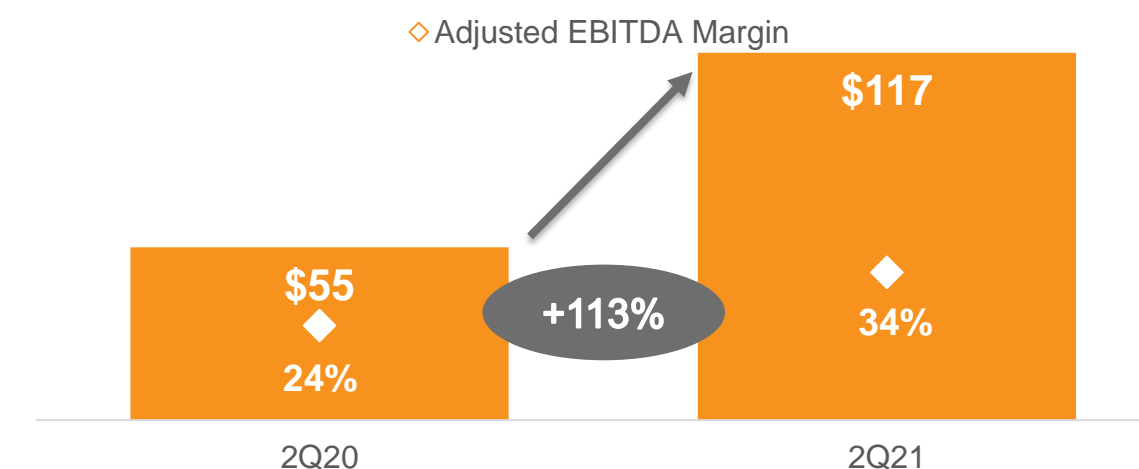
### Quarterly Net Sales



### Sales Drivers

	Yr/Yr % Δ	Q/Q % Δ
Price	(3)	5
Volume	48	7
Currency	2	0

### Quarterly Adjusted EBITDA





# Advanced Performance Materials Business Summary

## Second Quarter Highlights

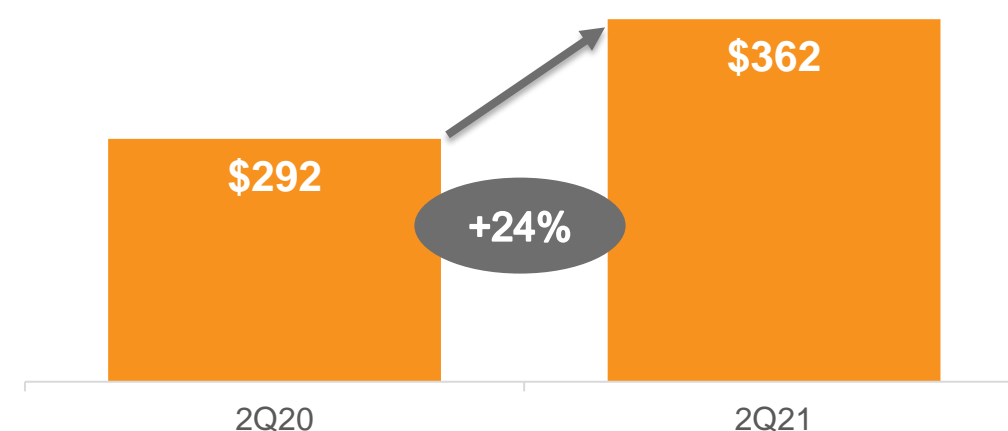
- Continued momentum from Q1; delivered highest quarterly segment sales and Adjusted EBITDA in Chemours history
- Strong year-over-year and sequential volume growth driven across nearly all markets and regions
- Logistics and raw material availability challenged ability to meet demand
- Sequential Adjusted EBITDA growth highlights the segment's high operating leverage

## Outlook

- Anticipate strong customer demand to continue throughout 2021 led by Electronics/Communications, Industrial and Transportation
- Raw material availability may challenge ability to exceed 2Q sales levels
- Focus on customer and product specific actions to drive pricing
- Expect full-year EBITDA margins to be in the high-teens

## Second Quarter 2021 Financial Summary (\$ in millions)

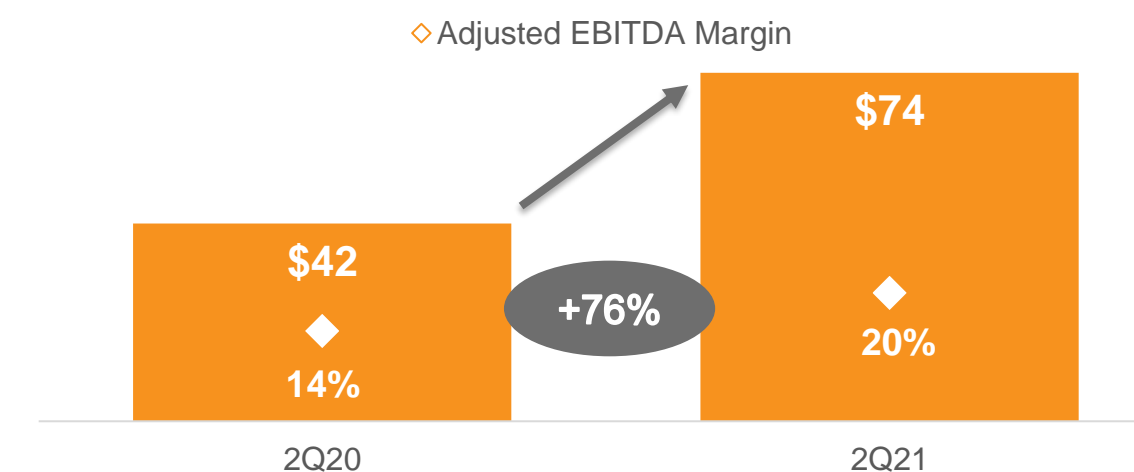
### Quarterly Net Sales



### Sales Drivers

	Yr/Yr % Δ	Q/Q % Δ
Price	1	0
Volume	19	9
Currency	4	0

### Quarterly Adjusted EBITDA



# Chemical Solutions Business Summary

## Second Quarter Highlights

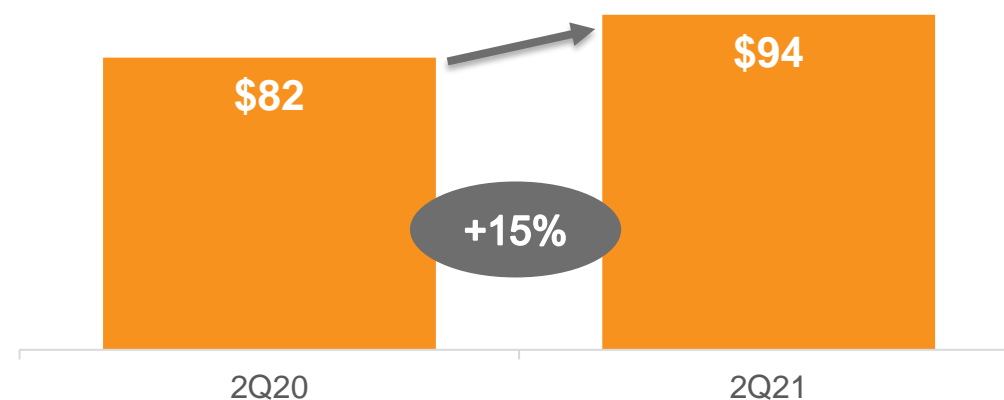
- Delivered solid results behind rising demand across both Mining Solutions and PC&I
- Sodium cyanide remained in sold out position through Q2 based on continued demand strength
- Market trends continue to be favorable for Glycolic Acid with carrier availability impacting distribution timing
- Entered into a definitive agreement to sell Mining Solutions business for \$520 million to Draslovka Holding a.s.

## Outlook

- Continued momentum in Mining Solutions with steady improvement in gold mining environment
- Expect strong Glycolic Acid market demand

## Second Quarter 2021 Financial Summary (\$ in millions)

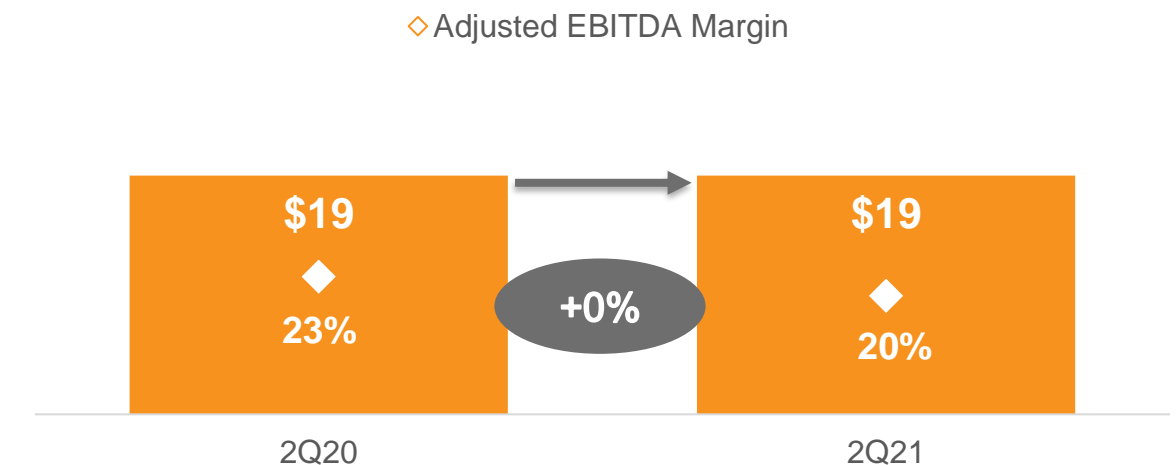
### Quarterly Net Sales



### Sales Drivers

	Yr/Yr % Δ	Q/Q % Δ
Price	6	6
Volume	26	19
Currency	0	0
Other / Portfolio <sup>1</sup>	(17)	(1)

### Quarterly Adjusted EBITDA



<sup>1</sup> Other / Portfolio represents the exit from the Aniline business, which occurred in the fourth quarter of 2020

# 2021 Guidance Update – Adjusted EBITDA & EPS to Top End of Range

**Adjusted EBITDA** **\$1.10 - \$1.25 Billion**  
Up 34% from 2020 at the mid-point

**Adjusted EPS** **~\$2.84 - \$3.56**  
Up ~\$1.22/share from 2020 at the mid-point

**Free Cash Flow** **>\$450 Million**  
Unchanged

**Capex** **~\$350 Million**  
Unchanged

**Cash to Shareholders** **The majority of our free cash**

## Key Factors and Assumptions<sup>1</sup>

- Expect improving global economic activity; mindful of uncertainty created by recent COVID-19 trends
- Volume in our Titanium Technologies segment expected to remain strong as we continue to create value for all stakeholders through the TVS strategy
- Continued adoption of Opteon™ refrigerants in mobile and stationary applications
- Strong APM demand across all end-markets in 2H21
- Focus on operating discipline and cost management





# The Chemours Company

## Appendix



# Segment Net Sales and Adjusted EBITDA (Unaudited)

(\$ in millions)

	Three Months Ended		Three Months Ended
	June 30,		March 31,
	2021	2020	2021
<b>SEGMENT NET SALES</b>			
Titanium Technologies	\$ 859	\$ 488	\$ 723
Thermal & Specialized Solutions	340	231	304
Advanced Performance Materials	362	292	333
Chemical Solutions	94	82	76
Total Company	<u>\$ 1,655</u>	<u>\$ 1,093</u>	<u>\$ 1,436</u>
<b>SEGMENT ADJUSTED EBITDA</b>			
Titanium Technologies	\$ 219	\$ 94	\$ 169
Thermal & Specialized Solutions	117	55	93
Advanced Performance Materials	74	42	51
Chemical Solutions	19	19	10
Corporate and Other	(63)	(44)	(55)
Total Company	<u>\$ 366</u>	<u>\$ 166</u>	<u>\$ 268</u>
<b>SEGMENT ADJUSTED EBITDA MARGIN</b>			
Titanium Technologies	25%	19%	23%
Thermal & Specialized Solutions	34%	24%	31%
Advanced Performance Materials	20%	14%	15%
Chemical Solutions	20%	23%	13%
Corporate and Other	—	—	—
Total Company	<u>22%</u>	<u>15%</u>	<u>19%</u>

# GAAP Net Income Attributable to Chemours to Adjusted Net Income, Adjusted EBITDA, and Adjusted EPS Reconciliations (Unaudited)

(\$ in millions except per share amounts)

	Three Months Ended				Three Months Ended	
	June 30,				March 31,	
	2021		2020		2021	
	\$ amounts	\$ per share*	\$ amounts	\$ per share*	\$ amounts	\$ per share*
<b>Net income attributable to Chemours</b>	\$ 66	\$ 0.39	\$ 24	\$ 0.15	\$ 96	\$ 0.57
Non-operating pension and other post-retirement employee benefit income	(2)	(0.01)	(1)	(0.01)	(1)	(0.01)
Exchange (gains) losses, net	(3)	(0.02)	(6)	(0.04)	8	0.05
Restructuring, asset-related, and other charges	5	0.03	17	0.10	(5)	(0.03)
Gain on sales of assets and businesses	(2)	(0.01)	—	—	—	—
Natural disasters and catastrophic events	3	0.02	—	—	16	0.09
Transaction costs	—	—	—	—	4	0.02
Legal and environmental charges	195	1.15	1	0.01	13	0.08
Adjustments made to income taxes	(10)	(0.06)	(2)	(0.01)	—	—
Benefit from income taxes relating to reconciling items	(47)	(0.28)	(3)	(0.02)	(11)	(0.07)
<b>Adjusted Net Income</b>	<b>\$ 205</b>	<b>\$ 1.20</b>	<b>\$ 30</b>	<b>\$ 0.18</b>	<b>\$ 120</b>	<b>\$ 0.71</b>
Interest expense, net	47		53		49	
Depreciation and amortization	79		82		83	
All remaining provision for income taxes	35		1		16	
<b>Adjusted EBITDA</b>	<b>\$ 366</b>		<b>\$ 166</b>		<b>\$ 268</b>	
Weighted-average number of common shares outstanding - basic	166,168,550		164,648,103		165,652,778	
Weighted-average number of common shares outstanding - diluted	170,158,003		165,413,941		169,050,322	
Basic earnings per share of common stock	\$ 0.40		\$ 0.15		\$ 0.58	
Diluted earnings per share of common stock	0.39		0.15		0.57	
Adjusted basic earnings per share of common stock	1.23		0.18		0.72	
Adjusted diluted earnings per share of common stock	1.20		0.18		0.71	

\* Note: \$ per share columns may not sum due to rounding.



# Return on Invested Capital (ROIC) (Unaudited)

(\$ in millions)

Adjusted EBITDA (1)  
 Less: Depreciation and amortization (1)  
**Adjusted EBIT**

		Twelve months Ended June 30,	
		2021	2020
\$	1,090	\$	898
	(321)		(315)
\$	<u>769</u>	\$	<u>583</u>

(\$ in millions)

Total debt  
 Total equity  
 Less: Cash and cash equivalents  
**Invested capital, net**  
 Average invested capital (2)

		As of June 30,	
		2021	2020
\$	3,989	\$	4,346
	900		659
	(1,139)		(1,031)
\$	<u>3,750</u>	\$	<u>3,974</u>
\$	3,834	\$	4,116

**Return on Invested Capital**

20%

14%

(1) Reconciliations of net income (loss) attributable to Chemours to Adjusted EBITDA are provided on a quarterly basis. See the above table for the reconciliation of net income (loss) attributable to Chemours to Adjusted EBITDA.

(2) Average invested capital is based on a five-quarter trailing average of invested capital, net.



# Free Cash Flows Reconciliations (Unaudited)

(\$ in millions)

	Three Months Ended		
	June 30,		March 31,
	2021	2020	2021
Cash flows provided by operating activities	\$ 256	\$ 111	\$ 39
Less: Purchases of property, plant, and equipment	(67)	(61)	(60)
<b>Free Cash Flows</b>	<b>\$ 189</b>	<b>\$ 50</b>	<b>\$ (21)</b>



# Net Leverage Ratio (Unaudited)

(\$ in millions)

Total debt principal

Less: Cash and cash equivalents

**Total debt principal, net**

	As of June 30,	
	2021	2020
\$	4,020	\$ 4,380
	(1,139)	(1,031)
\$	<u>2,881</u>	<u>\$ 3,349</u>

(\$ in millions)

**Adjusted EBITDA (1)**

	Twelve months Ended June 30,	
	2021	2020
\$	1,090	\$ 898

**Net Leverage Ratio**

2.6

3.7

(1) Reconciliations of net income (loss) attributable to Chemours to Adjusted EBITDA are provided on a quarterly basis. See the above table for the reconciliation of net income (loss) attributable to Chemours to Adjusted EBITDA.



# Estimated GAAP Net Income Attributable to Chemours to Adjusted Net Income, Adjusted EBITDA and Adjusted EPS Reconciliation (Unaudited)

(\$ in millions except per share amounts)

	(Estimated)	
	Year Ended December 31, 2021	
	Low	High
<b>Net income attributable to Chemours</b>	\$ 429	\$ 552
Restructuring, transaction, and other costs	50	50
<b>Adjusted Net Income</b>	<b>479</b>	<b>602</b>
Interest expense, net	191	191
Depreciation and amortization	325	325
All remaining provision for income taxes	105	132
<b>Adjusted EBITDA</b>	<b>\$ 1,100</b>	<b>\$ 1,250</b>
Weighted-average number of common shares outstanding - basic (1)	165.7	165.7
Dilutive effect of the Company's employee compensation plans (1,2)	3.2	3.2
Weighted-average number of common shares outstanding - diluted (1,2)	168.9	168.9
Basic earnings per share of common stock	\$ 2.59	\$ 3.33
Diluted earnings per share of common stock (2)	2.54	3.27
Adjusted basic earnings per share of common stock	2.89	3.63
Adjusted diluted earnings per share of common stock (2)	2.84	3.56

(1) The Company's estimates for the weighted-average number of common shares outstanding - basic and diluted reflect results for the three months ended March 31, 2021, which are carried forward for the projection period.

(2) Diluted earnings per share is calculated using net income available to common shareholders divided by diluted weighted-average common shares outstanding during each period, which includes unvested restricted shares. Diluted earnings per share considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an anti-dilutive effect.

The Company's estimates reflect its current visibility and expectations of market factors; including, but not limited to: currency movements, titanium dioxide prices, and end-market demand. Actual results could differ materially from the current estimates due to market factors and unknown or uncertain other factors, such as the impact of currency movements on the Company's results, including exchange gains and losses, impacts of new accounting pronouncements, cost savings actions that may be taken in the future, in addition to employee benefit activity with respect to the Company's foreign pension plans, including settlements or curtailments.





# Estimated GAAP Cash Flows Provided by Operating Activities to Free Cash Flow Reconciliations (Unaudited)

(\$ in millions unless otherwise noted)

	(Estimated) Year Ended December 31, 2021
Cash provided by operating activities	\$ >800
Less: Purchases of property, plant, and equipment	~(350)
<b>Free Cash Flows</b>	<b>\$ &gt;450</b>

The Company's estimates reflect its current visibility and expectations of market factors; including, but not limited to: currency movements, titanium dioxide prices, and end-market demand. Actual results could differ materially from the current estimates due to market factors and unknown or uncertain other factors, such as the impact of currency movements on the Company's results, including exchange gains and losses, impacts of new accounting pronouncements, cost savings actions that may be taken in the future, in addition to employee benefit activity with respect to the Company's foreign pension plans, including settlements or curtailments.



# The Chemours Company

