



# Chemours 3Q 2022 Earnings Presentation

October 25, 2022



# Safe Harbor Statement and Other Matters

This presentation contains 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, 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 for our segments individually and our company as a whole, business plans, prospects, targets, goals and commitments, capital investments and projects and target capital expenditures, 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, which has had and we expect will continue to have a negative impact on our financial results. The full extent and impact of the pandemic is still being determined and to date has included significant volatility in financial and commodity markets and a severe disruption in economic activity. The public and private sector response has led to travel restrictions, temporary business closures, quarantines, stock market volatility, and interruptions in consumer and commercial activity globally. Matters outside our control have affected our business and operations and may or may continue to hinder our ability to provide goods and services to customers, cause disruptions in our supply chains, adversely affect our business partners, significantly reduce the demand for our products, adversely affect the health and welfare of our personnel 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 September 30, 2022 and in our Annual Report on Form 10-K for the year ended December 31, 2021. Chemours assumes no obligation to revise or update any forward-looking statement for any reason, except as required by law.

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.

# Third Quarter 2022 Highlights

**Delivered third consecutive quarter of Record Net Sales and Adjusted EBITDA in APM**

**Maintained strong momentum in TSS with Record third quarter Net Sales and Adjusted EBITDA**

**Announced strategic investments in H<sub>2</sub> - including Nafion™ expansion and BWT-FUMATECH JV**

**Repurchased \$79 million of stock in 3Q – cumulatively retired 15%<sup>(1)</sup> of shares since spin**

**On track to deliver Adjusted EBITDA of \$1,400 million to \$1,450 million, and FCF >\$575M**

# Third Quarter 2022 Financial Summary

(\$ in millions unless otherwise noted)

	3Q22	3Q21	Δ Yr/Yr
Net Sales	\$1,777	\$1,680	\$97
Net Income <sup>1</sup>	\$240	\$214	\$26
Adj. Net Income	\$196	\$214	\$(18)
EPS <sup>2</sup>	\$1.52	\$1.27	\$0.25
Adj. EPS <sup>3</sup>	\$1.24	\$1.27	\$(0.03)
Adj. EBITDA	\$363	\$372	\$(9)
Adj. EBITDA Margin (%) <sup>4</sup>	20%	22%	(200) Bps
Free Cash Flow <sup>5</sup>	\$229	\$244	\$(15)
Pre-Tax ROIC (%) <sup>6</sup>	34%	25%	+900 bps

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

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

<sup>3</sup> Adjusted EPS excludes restructuring, gain/loss on sale, legal and environmental charges as well as other items – see Appendix for full details

<sup>4</sup> Defined as Adjusted EBITDA divided by Net Sales

<sup>5</sup> Defined as Cash from Operations minus cash used for PP&E purchases

<sup>6</sup> Defined as Adjusted EBITDA less depreciation & amortization on a trailing twelve-month basis divided by average invested capital over the last five quarters

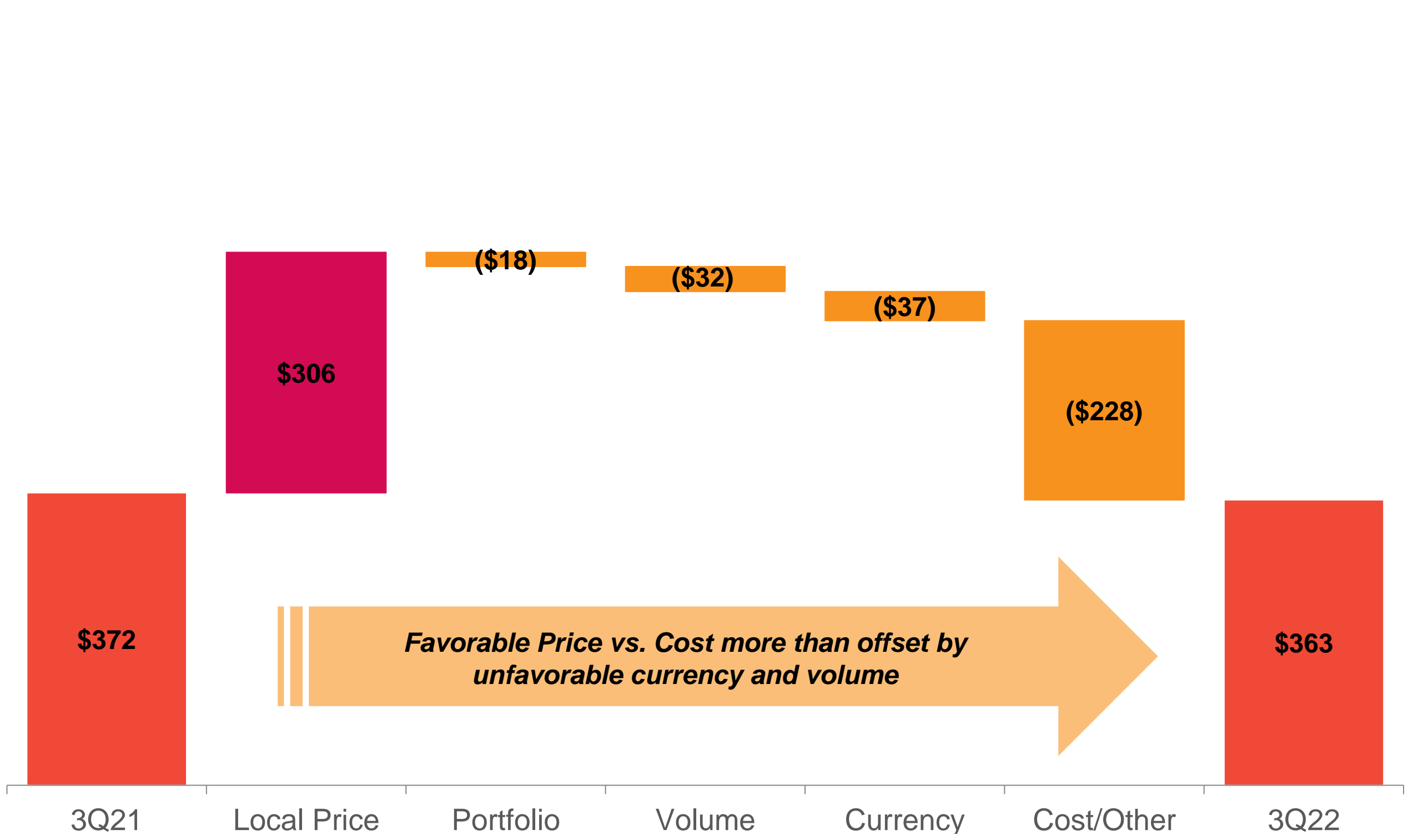
## Year-Over-Year

- Net Sales up 6% to \$1.8 billion reflecting TSS and APM segment strength, partially offset by TT demand weakness
- GAAP EPS of \$1.52 up \$0.25 and Adjusted EPS of \$1.24 down \$(0.03)<sup>3</sup>
- Adjusted EBITDA of \$363 million, down (2)% year-over-year, driven by decrease in sales volume at TT due to softer demand in Europe and Asia, as well currency impacts resulting from strong US dollar exchange rates
- Margin declined (200) bps to 20% from prior-year due to higher raw material, energy and logistics costs
- Free Cash Flow was \$229 million, a (6)% decrease vs. the prior-year, reflecting resilient cash generation



# Adjusted EBITDA Bridge: 3Q22 versus 3Q21

(\$ in millions unless otherwise noted)

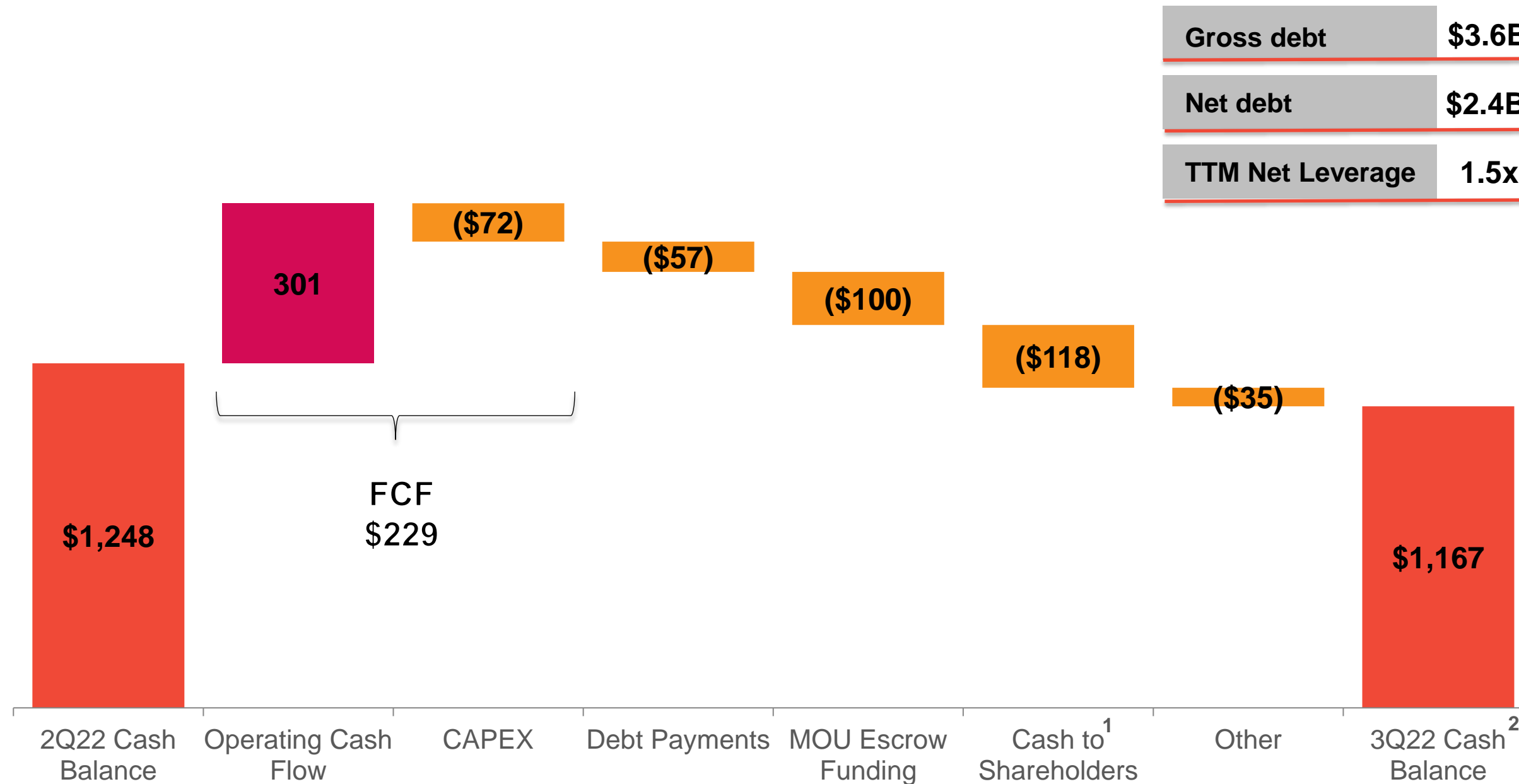


See reconciliation of Non-GAAP measures in the Appendix

- Strong price gains driven by pricing adjustments to contracted book, larger proportion of sales in high value end markets and steady value growth
- Portfolio change, driven by the sale of our mining solutions business, was a headwind of \$18 million dollars
- FX was a (10)% headwind over the prior year quarter, primarily driven by stronger USD. Expected to continue into 4Q
- Rising variable costs due to raw material cost inflation and supply chain issues

# Liquidity Position

(\$ in millions unless otherwise noted)



- Sept 30, 2022 ending cash balance of \$1,167 million
- Q3'22 Operating Cash Flow generation of \$301 million
- Debt payments of \$57 million, including \$53 million in repurchases of senior unsecured notes
- Funded \$100<sup>3</sup> million escrow payment as per the MOU agreement
- Distributed \$118 million of cash to shareholders including \$39 million in dividends and \$79 million in share repurchases
- Other – includes \$32 million of currency impacts largely driven by impact of stronger USD
- Total Liquidity of ~\$2.0 billion<sup>4</sup>

See reconciliation of Non-GAAP measures in the Appendix

<sup>1</sup> Excludes \$10 million in repurchases that were executed but not settled until after September 30, 2022 close

<sup>2</sup> Cash balances exclude \$201 million of restricted cash on Chemours Balance Sheet related to the escrow account under MOU

<sup>3</sup> Pursuant to MOU, future annual escrow payments of \$50 million to be made through 2028, starting Sept. 30, 2023

<sup>4</sup> Including revolver availability of ~\$0.8 billion, net of letters of credit

# Titanium Technologies Business Summary

## Third Quarter Highlights

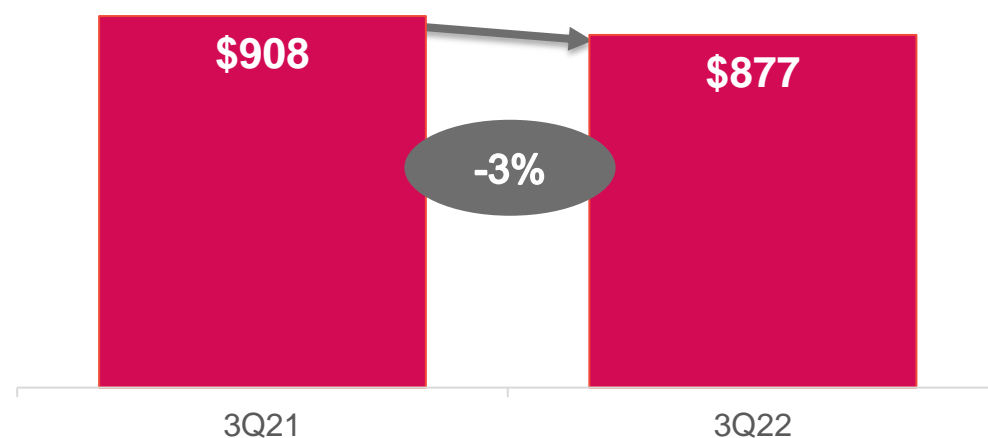
- Net Sales decrease vs prior-year driven by lower volume in Europe and Asia and unfavorable currency translation, partially offset by contractual price changes
- Adjusted EBITDA decline vs prior-year driven by cost outpacing price due to elevated ore and other raw material costs, and lower volumes
- Margin decline (y-o-y and q-o-q), driven by higher raw material, energy and logistics costs as well as lower sales volume

## Outlook

- Challenging demand outlook in 4Q, with volume impact greater than seasonal norms
- Persistent raw material and input cost headwinds
- Capacity and cost actions consistent with demand environment
- Our close connection with our contracted customers makes us better prepared to meet their demand requirements in all parts of the cycle

## Third Quarter 2022 Financial Summary (\$ in millions)

### Quarterly Net Sales

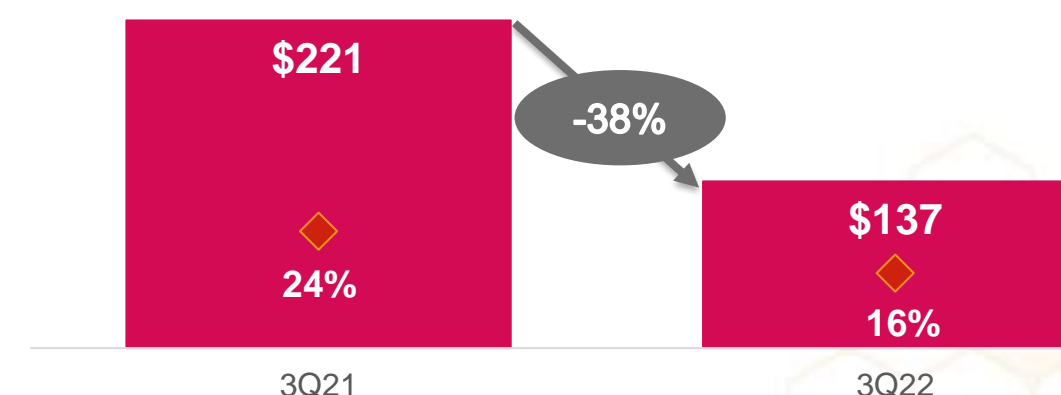


### Sales Drivers

	Yr/Yr % Δ	Q/Q % Δ
Price	16	0
Volume	(16)	(8%)
Currency	(3)	(1)

### Quarterly Adjusted EBITDA

◆ Adjusted EBITDA Margin



See reconciliation of Non-GAAP measures in the Appendix. Note that, beginning in 2022, the Company changed its methodology used to allocate certain corporate function expenses to the operating segments, and as such historical Adjusted EBITDA has been recast.

# Thermal & Specialized Solutions Business Summary

## Third Quarter Highlights

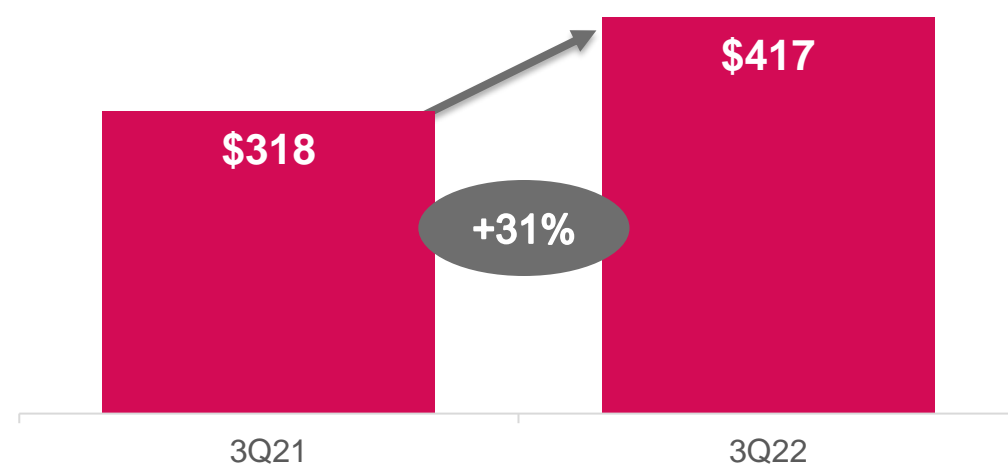
- Net Sales increase vs prior-year due to strong pricing in most markets driven by market/regulatory dynamics and value-based pricing growth across the refrigerants portfolio
- Adjusted EBITDA increase vs prior-year due to refrigerant pricing and higher volumes driven by increased Opteon™ adoption across all end market solutions and regions
- Margin expansion driven by higher volume, mix and value-based pricing, partially offset by impact of rising energy, raw material, and logistics costs

## Outlook

- Normal seasonal demand in 4Q as Northern Hemisphere exits the summer months
- Anticipate impact of higher raw material costs in comparison to the same period last year
- Continue to invest in growth initiatives to meet future global demand for low-GWP solutions

## Third Quarter 2022 Financial Summary (\$ in millions)

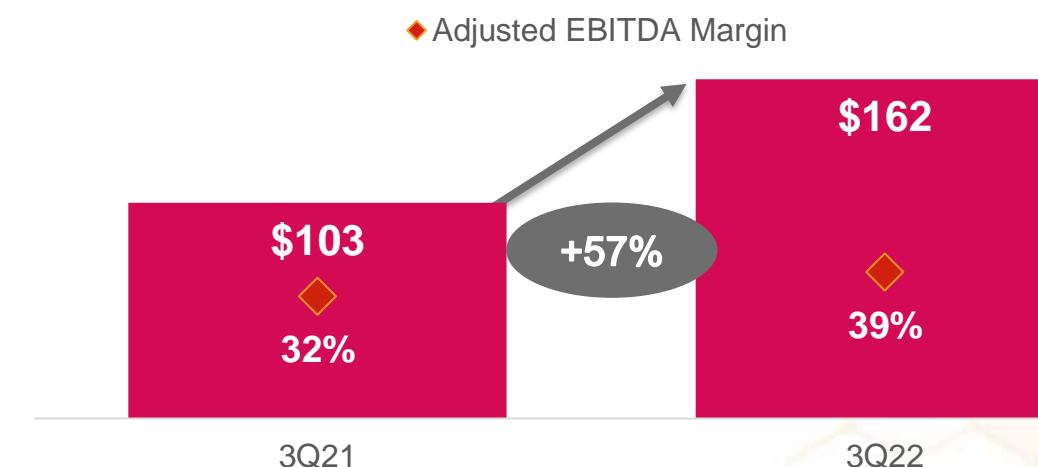
### Quarterly Net Sales



### Sales Drivers

	Yr/Yr % Δ	Q/Q % Δ
Price	25	(3)
Volume	8	(16)
Currency	(2)	(0)

### Quarterly Adjusted EBITDA



See reconciliation of Non-GAAP measures in the Appendix. Note that, beginning in 2022, the Company changed its methodology used to allocate certain corporate function expenses to the operating segments, and as such historical Adjusted EBITDA has been recast.



# Advanced Performance Materials Business Summary

## Third Quarter Highlights

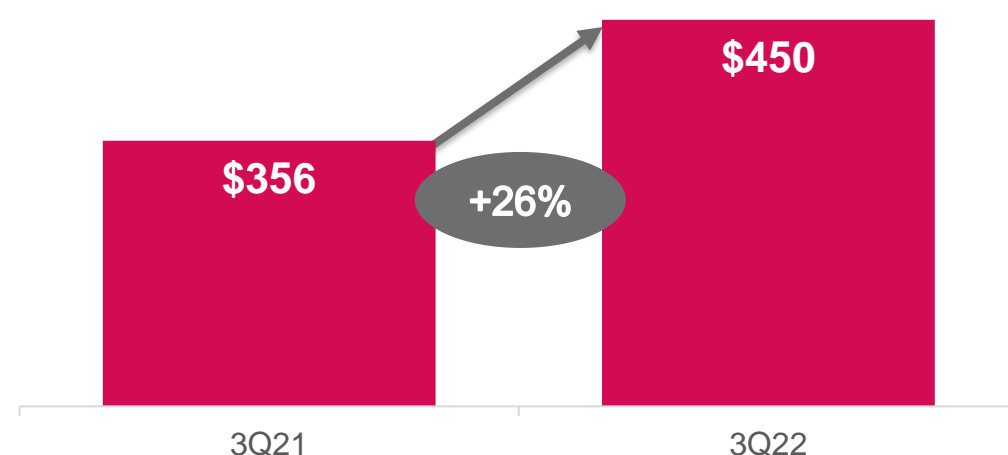
- Net Sales increase vs prior-year due to strong pricing driven by increasing sales in high-value end-markets and customer level pricing actions to offset increased raw material and energy costs
- Adjusted EBITDA increase vs prior-year due to steady pricing actions, mix enrichment, and higher volume, partially offset by escalating raw material costs
- Margin increase vs prior-year due to strong operating leverage, partially offset by raw material and energy costs

## Outlook

- Maintain focus on driving growth in end-markets with long-term secular trends in advanced electronics and clean energy including – semicon, H<sub>2</sub>, and electronics
- Anticipate sequential Margin erosion in 4Q as high input and European energy costs catch-up with pricing actions instituted throughout the year

## Third Quarter 2022 Financial Summary (\$ in millions)

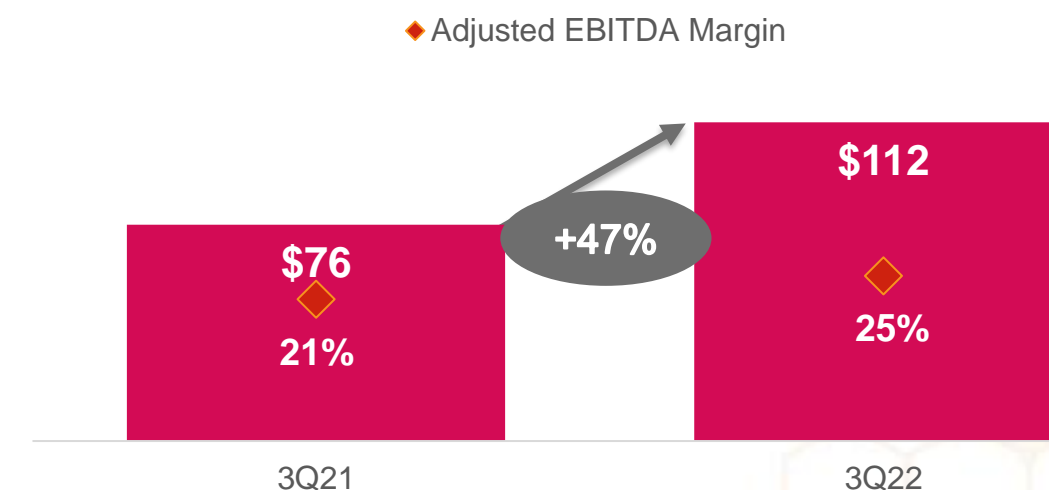
### Quarterly Net Sales



### Sales Drivers

	Yr/Yr % Δ	Q/Q % Δ
Price	23	4
Volume	9	10
Currency	(6)	(2)

### Quarterly Adjusted EBITDA



See reconciliation of Non-GAAP measures in the Appendix. Note that, beginning in 2022, the Company changed its methodology used to allocate certain corporate function expenses to the operating segments, and as such historical Adjusted EBITDA has been recast.

# APM Driving Secular Growth with Green Hydrogen Investments



## Advancing Innovation & Capacity

- Planned \$200M investment for capacity expansion to enable the growth of our customers and partners
- Advancing innovation for Nafion™ platform for clean energy and e-mobility transitions

## Enhancing Collaboration

- Announced a joint venture with BWT FUMATECH Mobility GmbH to accelerate fuel cell membrane technology development in mobility applications
- Focused on our strategic partners/customers to enable the Hydrogen Economy realization, including participation in ARCH2 Hydrogen Hub

## Industry Leadership

- Nafion™ is at the core of the Hydrogen Economy and created the category of ion exchange materials
- Chemours has a fully integrated supply chain to support rapid advancement in technology

# 2022 Guidance

Adjusted  
EBITDA

**\$1.40-\$1.45 Billion**

Up 9% vs. FY 2021 results at the mid-Point

Adjusted  
EPS

**\$4.74-\$5.00**

Free  
Cash Flow

**>\$575 Million**

Includes 2022 projected CAPEX of ~\$350 million

Cash to  
Shareholders

**The majority of our FCF**

Returned \$468 million to shareholders YTD as of September 30, 2022, including \$351 million of share repurchases

## Key Factors and Assumptions in Outlook anticipates continued:

- Demand strength in APM, TSS with pre-COVID seasonal patterns across the portfolio
- Economic deterioration in Europe and Asia impacting TT; demand conditions neither improve nor worsen
- Raw material input cost escalation and high energy costs in Europe
- Stronger USD relative to other currencies impacting all segments

See reconciliation of Non-GAAP measures in the Appendix

<sup>1</sup> Subject to risks, uncertainties and assumptions, all of which are described in our public filings and safe harbor statement

# Our Priorities for Creating Shareholder Value

Improve TT earnings through the cycle while growing with strategic customers

Drive secular growth in TSS and APM behind class leading products and innovative chemistry

Continue to manage and resolve legacy liabilities consistent with Chemours/DD/CTVA MOU

Return the majority of the Free Cash Flow we generate to our shareholders





**Chemours™**

# Segment Net Sales and Adjusted EBITDA (Unaudited)

(\$ in millions)

	Three Months Ended		Three Months Ended
	September 30,		June 30,
	2022	2021	2022
<b>SEGMENT NET SALES</b>			
Titanium Technologies	\$ 877	\$ 908	\$ 968
Thermal & Specialized Solutions	417	318	518
Advanced Performance Materials	450	356	401
Other Segment	33	98	28
Total Company	<u>\$ 1,777</u>	<u>\$ 1,680</u>	<u>\$ 1,915</u>
<b>SEGMENT ADJUSTED EBITDA</b>			
Titanium Technologies	\$ 137	\$ 221	\$ 216
Thermal & Specialized Solutions	162	103	213
Advanced Performance Materials	112	76	107
Other Segment	3	14	(2)
Corporate and Other	(51)	(42)	(59)
Total Company	<u>\$ 363</u>	<u>\$ 372</u>	<u>\$ 475</u>
<b>SEGMENT ADJUSTED EBITDA MARGIN</b>			
Titanium Technologies	16%	24%	22%
Thermal & Specialized Solutions	39%	32%	41%
Advanced Performance Materials	25%	21%	27%
Other Segment	9%	14%	-7%
Corporate and Other	—	—	—
Total Company	<u>20%</u>	<u>22%</u>	<u>25%</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	
	September 30,				June 30,	
	2022		2021		2022	
	\$ amounts	\$ per share*	\$ amounts	\$ per share*	\$ amounts	\$ per share*
<b>Net income attributable to Chemours</b>	\$ 240	\$ 1.52	\$ 214	\$ 1.27	\$ 201	\$ 1.26
Non-operating pension and other post-retirement employee benefit income	(1)	(0.01)	(2)	(0.01)	(2)	(0.01)
Exchange (gains) losses, net	(13)	(0.08)	(3)	(0.02)	3	0.02
Restructuring, asset-related, and other charges	(2)	(0.01)	3	0.02	—	—
(Gain) loss on extinguishment of debt	(7)	(0.04)	20	0.12	—	—
Gain on sales of assets and businesses, net	—	—	(1)	(0.01)	(26)	(0.16)
Transaction costs	—	—	2	0.01	—	—
Qualified spend recovery	(14)	(0.09)	(12)	(0.07)	(13)	(0.08)
Legal and environmental charges	(12)	(0.08)	11	0.07	170	1.06
Adjustments made to income taxes	(3)	(0.02)	(14)	(0.08)	(2)	(0.01)
Provision for (benefit from) income taxes relating to reconciling items	8	0.05	(4)	(0.02)	(29)	(0.18)
<b>Adjusted Net Income</b>	<b>\$ 196</b>	<b>\$ 1.24</b>	<b>\$ 214</b>	<b>\$ 1.27</b>	<b>\$ 302</b>	<b>\$ 1.89</b>
Interest expense, net	41		45		40	
Depreciation and amortization	72		78		72	
All remaining provision for income taxes	54		35		61	
<b>Adjusted EBITDA</b>	<b>\$ 363</b>		<b>\$ 372</b>		<b>\$ 475</b>	
Weighted-average number of common shares outstanding - basic	155,376,422		165,113,024		156,224,802	
Weighted-average number of common shares outstanding - diluted	157,850,122		168,954,694		159,667,213	
Basic earnings per share of common stock	\$ 1.54		\$ 1.30		\$ 1.29	
Diluted earnings per share of common stock	1.52		1.27		1.26	
Adjusted basic earnings per share of common stock	1.26		1.30		1.93	
Adjusted diluted earnings per share of common stock	1.24		1.27		1.89	

# Free Cash Flow Reconciliations (Unaudited)

(\$ in millions)

	Three Months Ended				Nine Months Ended	
	September 30,		June 30,		September 30,	
	2022	2021	2022	2022	2021	
Cash flows provided by operating activities	\$ 301	\$ 311	\$ 291	\$ 594	\$ 606	
Less: Purchases of property, plant, and equipment	(72)	(67)	(62)	(240)	(194)	
<b>Free Cash Flows</b>	<b>\$ 229</b>	<b>\$ 244</b>	<b>\$ 229</b>	<b>\$ 354</b>	<b>\$ 412</b>	



# Net Leverage Ratio (Unaudited)

(\$ in millions)

Total debt principal  
Less: Cash and cash equivalents  
**Total debt principal, net**

		As of September 30,	
		2022	2021
\$	3,562	\$	3,890
	(1,167)		(1,031)
\$	<u>2,395</u>	\$	<u>2,859</u>

(\$ in millions)

**Adjusted EBITDA (1)**

		Twelve Months Ended September 30,	
		2022	2021
\$	1,548	\$	1,252

**Net Leverage Ratio**

1.5x

2.3x

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

# Return on Invested Capital (ROIC) (Unaudited)

(\$ in millions)

	Twelve Months Ended September 30,	
	2022	2021
Adjusted EBITDA (1)	\$ 1,548	\$ 1,252
Less: Depreciation and amortization	(294)	(320)
<b>Adjusted EBIT</b>	<b>\$ 1,254</b>	<b>\$ 932</b>

(\$ in millions)

	As of September 30,	
	2022	2021
Total debt, net (2)	\$ 3,534	\$ 3,854
Total equity	1,285	999
Less: Cash and cash equivalents	(1,167)	(1,031)
<b>Invested capital, net</b>	<b>\$ 3,652</b>	<b>\$ 3,822</b>
Average invested capital (3)	\$ 3,648	\$ 3,804
<b>Return on Invested Capital</b>	<b>34%</b>	<b>25%</b>

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

(2) Total debt principal minus unamortized issue discounts of \$4 and \$6 and debt issuance costs of \$24 and \$30 at September 30, 2022 and 2021, respectively

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

# 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, 2022	
	Low	High
<b>Net income attributable to Chemours</b>	\$ 691	\$ 732
Restructuring, transaction, and other costs, net (1)	62	62
<b>Adjusted Net Income</b>	753	794
Interest expense, net	170	170
Depreciation and amortization	300	300
All remaining provision for income taxes	177	186
<b>Adjusted EBITDA</b>	\$ 1,400	\$ 1,450
Weighted-average number of common shares outstanding - basic (2)	155.6	155.6
Dilutive effect of the Company's employee compensation plans (3)	3.2	3.2
Weighted-average number of common shares outstanding - diluted	158.8	158.8
Basic earnings per share of common stock	\$ 4.44	\$ 4.70
Diluted earnings per share of common stock (4)	4.35	4.61
Adjusted basic earnings per share of common stock	4.84	5.10
Adjusted diluted earnings per share of common stock (4)	4.74	5.00

(1) Restructuring, transaction, and other costs, net includes the net provision for (benefit from) income taxes relating to reconciling items and adjustments made to income taxes for the removal of certain discrete income tax impacts.

(2) The Company's estimates for the weighted-average number of common shares outstanding - basic reflect results for the nine months ended September 30, 2022, which are carried forward for the projection period.

(3) The Company's estimates for the dilutive effect of the Company's employee compensation plans reflect the dilutive effect for the nine months ended September 30, 2022, which is carried forward for the projection period.

(4) 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 based on market factors, such as currency movements, macro-economic factors, and end-market demand. Actual results could differ materially from these current estimates.

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

(\$ in millions)

	(Estimated) Year Ended December 31, 2022
Cash provided by operating activities	\$ >925
Less: Purchases of property, plant, and equipment	~(350)
<b>Free Cash Flows</b>	<b>\$ &gt;575</b>

The Company's estimates reflect its current visibility and expectations based on market factors, such as currency movements, macro-economic factors, and end-market demand. Actual results could differ materially from these current estimates.





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