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The Chemours Co. (CC)

Q4 2025 Earnings Call

CORPORATE PARTICIPANTS

Brandon Ontjes

Vice President & Head-Strategy & Investor Relations, The Chemours Co.

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

Shane W. Hostetter

Chief Financial Officer & Senior Vice President, The Chemours Co.

OTHER PARTICIPANTS

Peter Osterland

Analyst, Truist Securities, Inc.

John Roberts

Analyst, Mizuho Securities USA LLC

Arun Viswanathan

Analyst, RBC Capital Markets LLC

Duffy Fischer

Analyst, Goldman Sachs & Co. LLC

James Cannon

Analyst, UBS Securities LLC

Hassan I. Ahmed

Analyst, Alembic Global Advisors LLC

Caleb Boehnlein

Analyst, BMO Capital Markets Corp.

Vincent Stephen Andrews

Analyst, Morgan Stanley & Co. LLC

Jeffrey J. Zekauskas

Analyst, JPMorgan Securities LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good morning. My name is Carmen, and I'll be your conference operator today. I would like to welcome everyone to The Chemours Company Fourth Quarter 2025 Results Conference Call. Currently, all participants are in a listen-only mode. A question-and-answer session will follow the conclusion of the prepared remarks. I would like to remind everyone that this conference call is being recorded.

I will now like to hand the conference over to Brandon Ontjes, Vice President, Head of Strategy and Investor Relations for Chemours. You may begin your conference.

Brandon Ontjes

Vice President & Head-Strategy & Investor Relations, The Chemours Co.

Good morning, everybody. Welcome to The Chemours Company's fourth quarter 2025 earnings conference call. I'm joined today by Denise Dignam, Chemours' President and Chief executive Officer; and our Senior Vice President and Chief Financial Officer, Shane Hostetter.

Before we start, I would like to remind you that comments made on this call, as well as in the supplemental information provided on our website, contains forward-looking statements that involve risks and uncertainties as described in Chemours' SEC filings. These forward-looking statements are not guarantees of future performance and are based on certain assumptions and expectations of future events that may not be realized. Actual results may differ, and Chemours undertakes no duty to update any forward-looking statements as a result of future developments or new information.

During the course of this call, we'll refer to certain non-GAAP financial measures that we believe are useful to investors evaluating the company's performance. A reconciliation of non-GAAP terms and adjustments is included in our press release issued yesterday evening. Additionally, we posted our earnings presentation on our website yesterday evening as well.

With that, I will turn the call over to Denise Dignam.

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

Thank you, Brandon, and thank you everyone for joining us. During today's call, I will begin by discussing a few recent developments across Chemours in addition to highlights from our recent performance. I will then turn it over to Shane, who will provide details around our outlook for the first quarter of 2026 and key drivers for the full year ahead. Finally, I will provide updates on our meaningful progress against our Pathway to Thrive strategy before taking your questions.

First, as we shared in January, we have reached an agreement to sell our Kuan Yin site. Since the shutdown of our titanium dioxide operations at this facility in 2023, we've been actively decommissioning the site and preparing to sell the remaining property. I'm happy to report that the estimated net proceeds of \$300 million we expect to receive from the landfill will make a significant impact in reducing our outstanding debt and support our continued progress towards lowering our target net leverage below 3 times. I'm proud of our team's effort to get us to this point.

Additionally, I want to welcome Mike Foley as the New Business President of TT. In joining Chemours, Mike brings extensive leadership experience in the chemicals industry, running multiple business units with experience centered on operational excellence. As an established leader, I'm confident that Mike will continue to drive improvements in our titanium dioxide business, staying true to our value based commercial strategy, strengthening reliability across our asset base and advancing our long-term cost position initiatives.

Turning to our fourth quarter results. We are pleased with the robust cash flow generated and the ability to drive sales performance within our expectations. Net sales met expectations largely due to TSS achieving record sales driven by continued strong Opteon adoption and consistent commercial performance across all divisions. We posted solid earnings overall, however, for the APM business, due to near-term end market weakness, we shifted our focus to promote cash flow as the quarter progressed, resulting in certain non-cash charges and the sale of certain products to reduce inventory levels. These decisions enabled us to make meaningful steps towards driving cash flow while setting a foundation for improved earnings as we get deeper into 2026.

While these incremental costs resulted in us just missing the low end of our earnings range, we are pleased with our ability to generate strong quarterly free cash flow of \$92 million, which we believe is more reflective of Chemours' longer-term cash generation potential to drive value for our shareholders.

With this background, I'd like to provide some additional context on our business level performance. Our TSS business reported a fourth quarter record for Opteon sales with double-digit growth of 37% compared to the prior year quarter in line with our expectations. Overall, TSS is top line increase was primarily due to higher pricing and moderate volume increases supported by a favorable mix for Opteon Refrigerant blends driven by the US AIM Act's residential HVAC equipment transition and opportunistic sales for certain Freon Refrigerants.

This could not have been achieved without the TSS team's excellent commercial execution, which resulted in new sales opportunities and efficient use of our quota allowances. TSS had record annual sales in 2025, despite a year with subdued shift HVAC units in the residential stationary OEM market. Additionally, these efforts led to overall annual Opteon Refrigerant growth of 56%, making up 75% of total refrigerant sales in 2025, up from 56% the year before. TSS' top line success helped to drive annual adjusted EBITDA margins of 32%, up from 31% in the prior year, despite additional costs of approximately \$22 million in liquid cooling and next-generation refrigerants R&D investment over the same period.

Moving to TT. In the fourth quarter, the TT team had strong execution with our top line performance results coming in line with our expectations and our adjusted EBITDA remaining ahead due to stabilized pricing and cost performance. While we continue to operate in a more tepid global market, experiencing volume seasonality in certain key markets, we have maintained a strong result in implementing our pricing efforts across all key end markets.

To these efforts, and our pricing announcement in December, we experienced pricing stability between the third and fourth quarter, laying the groundwork for continued pricing strength in 2026. We are confident in our conviction of our value-based commercial strategy and remain resolute in this approach.

Our overall objective to drive improved operational and longer term cost performance remains unchanged. Consistent with that, we shared in the third quarter, we have calibrated our production expectations to be more closely aligned with anticipated market conditions, and we continue to challenge what we can control, including improvements on all our costs while continuing to prioritize cash flow generation in the business.

As part of our recent strategic portfolio management initiatives for TT, we commenced a restructuring of our mining operations in early January, including the temporary idling of one of our mines in North Florida and transitioning to a third-party earthmoving contractor. This revised approach will support our overall cost efforts and promote improved cash generation.

Shifting over to APM. While our cash flow driven changes weighed on our earnings results this quarter, the decisions we made strengthened our cash generation, even as we navigated headwinds in certain cyclically sensitive end markets, notably in auto and industrial construction, which we believe will stabilize as we get into early next year. Entering the first quarter of 2026, the APM business in Performance Solutions observed a strengthening order book, particularly within the semiconductor sector, which shows preliminary signs of recovery. Additionally, growth was noted in data center materials and other key end markets.

In January, Washington Works, a key manufacturing facility, experienced a disruption that necessitated a temporary shutdown, limiting our capacity. This event was traced to equipment affected by a local utility service outage in August, which is integral to our fluoropolymer supply chain and involves complex chemical processing technology. Although operations have now resumed, the unplanned outage coincided with challenging winter weather, resulting in delays to the restart.

Our strategy has always included additional work on these assets planned for Q1 of 2027. Despite less than ideal earlier timing, these efforts are critical to ensuring long-term reliability and establishing operational stability to meet improving demand for APM's Performance Solutions products.

Lastly, I would like to briefly address corporate level performance, which demonstrated a significant decrease in expenses compared to the same quarter last year. This cost reduction reflects ongoing effort in expense management and underscores the progress achieved through our operational excellence pillar as part of the Pathway to Thrive strategy.

With that, I'll turn it over to Shane to walk through our first quarter outlook and key drivers for the full year 2026.

Shane W. Hostetter

Chief Financial Officer & Senior Vice President, The Chemours Co.

Thank you, Denise, and good morning, everyone. As we shared in the earnings materials available on our investor website, I now would like to discuss our expectations for the first quarter and factors that will drive our business as we look ahead.

Beginning with TSS. For the first quarter, we project net sales to rise sequentially in the mid-20s to 30% range, primarily attributable to favorable seasonal trends and continued growth in Opteon Refrigerants, where we are also forecasting a sequential increase of 30% to 40% in the first quarter. This sustained double-digit Opteon Refrigerant expansion is expected to be driven by the continued regulatory adoption associated with government mandates under the US AIM Act. Adjusted EBITDA for TSS is also anticipated to grow sequentially, ranging from \$170 million to \$185 million, also driven by seasonality and the continued transition to our Opteon stationary refrigerants.

As we look beyond the first quarter, we expect year-over-year double-digit growth for Opteon Refrigerants to continue into the second quarter of 2026, but will then begin to normalize to more typical seasonal patterns in the second half of the year as year-over-year comparison points will reflect the regulatory driven market demand we saw in late 2025. Additionally, we believe that pricing strength stemming from favorable pricing mix for Opteon blends and opportunistic pricing in Freon Refrigerants will continue into 2026. Also, we expect benefits from cost

out efforts throughout 2026, including our recent Corpus Christi capacity expansion, which will be partially offset by increased raw material costs, primarily due to R32, a key component of our stationary refrigerants.

Overall, we anticipate that the confluence of these factors will underpin strong sales and earnings growth for TSS in 2026, with consistent overall margins compared to that of 2025.

For our TT business, we expect sequential net sales to decrease in the low to mid-single digits percentage range in the first quarter. In our recent reporting, we split out our mineral sales from our TiO₂ pigment sales to provide greater visibility in line with recent strategic decisions. In the first quarter, we anticipate that our mineral sales will be down 60% sequentially, driven by sales timing and the impacts from the recent changes in mining efforts, while our TiO₂ pigment sales are expected to be down in the low single digits.

The slight anticipated decline in TiO₂ pigment sales during the first quarter is due to weaker seasonal volumes in non-Western markets, which will offset the volume increases we expect in Western markets, supported by our global pricing efforts as highlighted in the previous quarter across all of our regions. Our global pricing improvement is driven by our pricing announcement in December of last year, which we have seen signs of strong adoption globally as we continue to demonstrate our value-based commercial strategy within our TT segment. It is our expectation that, overall, average global pricing for TiO₂ pigment should be generally in line with the prior year quarter.

For the first quarter, we expect TT's adjusted EBITDA to be between breakeven and \$5 million. This low level of EBITDA is due to the timing of mineral sales, paired with an additional approximately \$17 million of net cost we expect in the quarter tied to inventory and ore mix as well as overall impacts from low plant utilization. The combined force of these near-term impacts is expected to result in higher net costs of the quarter. However, TT is positioned to grow earnings and cash flow during the year.

Beyond the first quarter, we see a year where our top line will be driven by positive TiO₂ pricing trends across regions and stabilized volumes in Western markets, followed by non-Western markets as the year progresses. For pricing, we've already seen expected increases start to take form through stabilized Q4 pricing, which has reflected growth into 2026. Our portfolio and operational initiatives will continue to drive improved earnings as the year progresses, with a clear realization of important cost savings efforts becoming more visible further underpinned by improved cash generation.

Now, for our APM business. In the first quarter, we expect net sales to decrease in the high-teens percentage range sequentially, due to sustained market weakness combined with customer timing and constraints from the Washington Works outage. Adjusted EBITDA is projected to range from breakeven to \$5 million, primarily due to the previously referenced outage at the Washington Works facility. This outage is expected to result in a negative impact of \$20 million to \$25 million for the quarter, with most of this effect attributable to restricted sales associated with the facilities interruption. As Denise noted earlier, the plant has returned to normal operations and will be a key contributor to the improved earnings we anticipate in APM throughout the rest of 2026.

Specifically, we see a return to more profitable quarters for APM after the first quarter of 2026, with progressively improved sales and earnings as we move further into the year. While the overall top line will include lower net sales due to closure of the Advanced Materials SPS Capstone line in 2025, we plan to replace those lost sales with an increase of specialty focused performance solutions products with higher bottom line contributions. Although we are facing constraints from our outage, demand remains strong in the semiconductor and data center end markets, which are driving current and anticipated sales growth of our Performance Solutions

products. These are sectors where we see tremendous in-roads for APM's chemistry to help enable the growth and adoption of artificial intelligence across global economies.

While we expect some negative cost effects to carry over slightly into our second quarter, we plan to counter these through increased operations at our Washington Works site and the increased realization of existing and continued cost reduction efforts as production improves. While the year did not begin as we had planned, we are confident that APM will finish strong in 2026 as we work to recover lost volume, run our plant circuit at elevated levels and continue to drive commercial and operational excellence. Through these initiatives, we anticipate adjusted EBITDA to be slightly higher than 2025 levels, while cash generation will see meaningful improvement.

On a consolidated basis, we anticipate our first quarter net sales to increase in the range of 3% to 5% sequentially, with consolidated adjusted EBITDA expected to range between \$120 million to \$150 million. Also, we anticipate corporate expenses to range between \$45 million and \$50 million. Our capital expenditures for the first quarter expect to be in the range of \$50 million with free cash flow reflecting a use of cash not to exceed \$100 million.

For the full year 2026, at a consolidated level, we anticipate overall net sales growth to be between 3% and 5% and adjusted EBITDA to range from \$800 million to \$900 million, primarily driven by increased TSS and APM Performance Solutions demand, expected pricing strength in TT and further benefits of more pronounced cost realizations in TT and APM throughout the year. Additionally, we expect capital expenditures to be between \$275 million and \$325 million, with free cash flow conversion to be above 25% supported by improved earnings and working capital improvements that we expect to realize as the year progresses.

As we advance into 2026, we remain committed to executing our Pathway to Thrive strategy and are focused on prioritizing a platform of robust cash flow generation annually going forward via various initiatives across all areas of the company. We view these cash flow efforts to be based in driving clear performance goals across our cash conversion cycle, which we are already seeing take [ph] form (00:18:37). These initiatives will take time to fully implement, but we believe improved cash generation in 2026 serves as a starting point where we anticipate further free cash flow expansion in the future.

Through these efforts, coupled with approximately \$300 million in net proceeds from the sale of our Kuan Yin facility, which will be used to reduce our debt, we anticipate our net leverage ratio to be below 4 times adjusted EBITDA by the end of 2026. This is a key milestone that further positions us to achieve our long-term objective of a net leverage ratio below 3 times adjusted EBITDA across economic cycles.

Given these perspectives on the first quarter and full year 2026, I'd like to now hand the call back over to Denise to share her thoughts and perspectives on our strategic execution under Pathway to Thrive.

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

Thank you, Shane. As we look ahead to 2026, it is important to build upon the substantial strategic progress achieved in 2025. Our Pathway to Thrive strategy remains central to how we make decisions, allocate capital and conduct our business operations. And I believe our team has demonstrated notable success in delivering results across every pillar of the strategy.

Starting with operational excellence. We continue to advance disciplined work in driving, cost out and making meaningful step change improvements in how we operate. We fulfilled our commitments for 2025, delivering at least \$125 million of gross controllable cost savings. While these efforts have been more visible at the corporate

level and through SG&A, we believe that this work will become more clear as operational levels improve primarily across our TT and APM businesses this year.

In the case of TSS, our focus on operational excellence and controllable cost improvements has been concentrated around the completion of capacity expansion efforts at Corpus Christi. This expansion represented a sizable capital investment made in late 2024 and has established a foundation for TSS to further vertically integrate and reduce reliance on third-party YF purchases. While this has provided benefits in 2025, over time, this will provide a substantial cost upside for TSS and support for increased customer demand in connection with the global low GWP transition.

More recently, we formally rolled out the Chemours Business System, which we've established to embed Lean principles to reduce waste and drive increased productivity across the organization. Our team is energized by this effort, which we are already actioning across our manufacturing circuit.

Our enabling growth pillar is where we continue to demonstrate the strength of our market positions and the value of our innovation. As we've shared, TSS delivered another great year, breaking quarterly records as adoption of our Opteon Refrigerants decelerates. We also made meaningful progress towards commercializing our two-phase liquid cooling solution, including the qualification of our fluid by Samsung Electronics and the start of a manufacturing agreement with Navin Fluorine, where we are targeting initial commercial production in the third quarter of 2026.

Our liquid cooling and next-generation refrigerant growth opportunities reflect important ventures, serving as long-term growth opportunities where we look to continue to invest at a rate of roughly \$5 million per quarter. These ongoing investments also contribute to expanding our overall presence in high-value data center and semiconductor end markets, where we are experiencing sustained growth and continued order book strength in APM's Performance Solutions products, particularly in high purity PFA sales. Furthermore, we anticipate that TSS' double-digit data center growth achieved in 2025 will persist and serve as a catalyst for increased refrigerant sales.

Across our businesses, we are sharpening commercial effectiveness and investing selectively where our differentiators position us to win and support long-term growth.

Turning to portfolio management, we made decisive progress across the portfolio to drive significant economic value to Chemours. Outside of the Kuan Yin site sale and the restructuring of mining efforts in our TT business, we continue to advance our European asset review, which will extend into 2027. After completing the APM SPS Capstone business exit in 2025, we are now announcing the closure of our Villers-Saint-Paul site in France, originally intended for additional hydrogen development. This decision aligns our industrial operations with current market demand.

Moving now to the significant progress made under our strengthening the long-term pillar, which includes reaching a proposed judicial consent order with the State of New Jersey. This milestone provides greater clarity for our stakeholders and reflects our continued commitment to advancing measurable progress in resolving legacy liabilities in close partnership with our MoU partners. With responsible manufacturing at the center of how we deliver essential chemistry, we also reported strong progress against our 2030 Corporate Responsibility Commitment goals.

At the same time, independent government level assessments, including from the EU Industry, Research and Energy Committee and the U.S. Department of War, reinforced the essential role fluoropolymers and f-gases play across critical industries.

Building on Shane's remarks, our recent efforts have positioned us to generate more cash with our previous working capital headwinds clearly behind us. Going forward, we aim to grow earnings, improve free cash flow conversion and continue deleveraging. As we close out 2025 and look ahead to our opportunities in front of us, I want to emphasize that Chemours is focused on executing with discipline across every pillar of Pathway to Thrive, and we believe by remaining dedicated to doing the hard work now, will provide strong returns to our shareholders through long-term, stable value creation.

The progress we've made gives me great confidence in our trajectory. I want to thank our employees for the focus, resilience and commitment they have demonstrated throughout 2025. With the talent, technology and portfolio we have today, and the clarity of strategy guiding us and confident in our ability to deliver for customers, communities and shareholders in 2026 and beyond. Thank you for your continued support.

With that, I'd like to open the line for your questions.

QUESTION AND ANSWER SECTION

Operator: Thank you so much. [Operator Instructions] Our first question comes from Pete Osterland with Truist Securities. Please proceed.

Peter Osterland

Analyst, Truist Securities, Inc.

Q

Hey, good morning. Thanks for taking the questions. I just wanted to start on the TT segment. Could you share some more detail on the assumptions for TiO2 volume growth that are embedded in your 2026 guidance? What do you expect the global industry to grow volumes at this year and how would you expect your volume growth to compare to the industry average?

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

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Sure. Hi, Peter. Thanks for the question. I would say our outlook is that demand is stable and there's not major demand triggers. Our outlook is really based on and we announced a price increase in December. We've seen, I'll say, strong yield of that price increase. We talk about flat pricing from Q3 to Q4, flat year-over-year pricing as we head into Q1. We feel really good about that. So that's kind of how we see progressing stabilize demand with our pricing power.

Peter Osterland

Analyst, Truist Securities, Inc.

Q

Great. Thanks. And then just switching gears, I just wanted to follow up on your comments on your legacy liabilities. Do you have line of sight for meaningful progress towards resolving what you have left during 2026? Any key items or dates to be watching out for this year that you could share?

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

Sure. We've made significant progress in the fourth – our fourth pillar, strengthening the long-term. And we're really proud of the work that was done in – with New Jersey really kind of a laid framework for how – hopefully you can see how we're going to progress going forward. The two other areas where we're focused and continuing to make progress in our West Virginia facility as well as in North Carolina. So, I would expect to hear additional information relative to those facilities as we progress the year.

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Peter Osterland

Analyst, Truist Securities, Inc.

Great. Thanks very much.

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Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

Thank you.

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Operator: Thank you. Our next question comes from the line of John Roberts with Mizuho. Please proceed.

John Roberts

Analyst, Mizuho Securities USA LLC

Thank you. It seems like there are a lot of mix effects running through the APM segment. Maybe you could peel apart some of the different end markets there to let us know how much some are down and where some of the strength is?

Q

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

Yeah. Thanks, John. I mean, as I said in my prepared comments, things like auto, industrial, production, those things are down or flat. But there's a real opportunity in our Performance Solutions portfolio of products. If you think about PFA and the expansion that we did in our Teflon product line, there's a lot of demand related to the AI search and the build out of data centers, which is also building out the semicon and all the demand for additional memory that those chips will need. So it's really, I would say, in that area, really a pull of that from the AI side.

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John Roberts

Analyst, Mizuho Securities USA LLC

And my understanding is there's still some more maintenance to be done in 2027 on Washington Works. Why not pull all of the 2027 maintenance into whatever downtime you've got here in the March quarter of 2026?

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Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

Yeah, actually – thanks for the question. All of the – we have regular turnarounds. So that's something that is – that happens every three years at our sites. So we had already had that plan for the beginning of next year. We actually pulled all the maintenance related to the situation, the disruption in January forward. So we've actually taken scope out of that turnaround. There's still more work to do. It's just a regular turnaround. But yeah, we have pulled that forward. And really our decision was we wanted to have really reliable operations and to make sure we did not – that particular issue that hit us last summer, did not continue to pull us down. We really wanted to make

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sure we had stable operations. So I would call it more of the turnaround, more of a tune up versus significant maintenance work that that would drive stability.

John Roberts

Analyst, Mizuho Securities USA LLC

Thank you.

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Operator: One moment for our next question. It comes from Arun Viswanathan with RBC Capital Markets. Please proceed.

Arun Viswanathan

Analyst, RBC Capital Markets LLC

Great. Thanks for taking my question. Hope you guys are well. I guess my first question is just on the Q1 and the full year guide. So the midpoint for Q1 is \$135 million. It looks like the full year midpoint is \$850 million. Maybe you can just talk a little bit about how – what are some of the bridge items as you move into Q2? I imagine obviously there is seasonality for both TSS and TiO₂, that's pretty pronounced in Q2 and Q3. But I guess I'm just curious what, else we should think about? There were some disruptions that had last year and the middle of the year as well. Obviously, is it your assumption that those don't repeat. Maybe just to understand how you plan to see that uplift from, say, the \$135 million to maybe a \$200 million number or so for the middle of the year. Thanks.

Q

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

Thanks, Arun. Yeah, we have we have full confidence in our full year guide. As I said in the prepared comments, we expect earnings growth in all three of our businesses. I'm going to turn it over to Shane to give you a bit of the walk.

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Shane W. Hostetter

Chief Financial Officer & Senior Vice President, The Chemours Co.

Hey, Arun. So specific to kind of you've got the midpoints right in Q1 and year end guides, and then really – as we look to Q2, right, just thinking through what happened in Q1, we are looking at low ranges of 0% to 5% in TT and APM that is inclusive of some what I'll call unusual items. Specific to APM, we had the Washington Works outage of roughly \$20 million to \$25 million of an impact. And then for TT, we had roughly \$17 million of inventory and really mix areas around the ore.

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So, as you think about that, with the midpoint of the guide in the first quarter, the \$40 million in addition to that one-time items going into next year or going to said quarter, is a good start off. Then as you pointed out, it's really seasonality. It's really strength in our refrigerants and Opteon business. It's getting the price in effect that Denise had earlier talked about in TT and continuing that momentum as well as pricing over TSS. And we're going to continue to control what we can control across each one of our businesses and getting cost out across that side which is going to progress as the year goes on as well.

Arun Viswanathan

Analyst, RBC Capital Markets LLC

Okay. Great. Thanks for that. And then as a follow up, just on the free cash flow, you noted that obviously your teams did a lot of good work in Q4 to harvest some of that, especially in APM. Could you just maybe walk us through? I guess, Denise, you may have mentioned that \$92 million is more reflective of the quarterly run rate of

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cash flow generation. So is it also – the implication is that you feel comfortable that free cash flow could eclipse \$300 million or \$350 million as you go through the year? Thanks.

Shane W. Hostetter

Chief Financial Officer & Senior Vice President, The Chemours Co.

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Yeah. Arun, why don't I take that one? First of all, very proud of the team and what we've done in Q4 and in the year, driving free cash flow over our high end of the range. As we look ahead, Denise talked about the normalization, thinking through what the cash generation capabilities of this business are. We're really thinking that as reflective of the full year.

As you probably know, right, we are seasonal as it relates to working capital. And I mentioned in my script that in Q1, we don't anticipate over \$100 million of outflow, but we do anticipate an outflow in Q1 given working capital seasonality. But for the full year, we wholeheartedly stand by that above 25% free cash flow guide, and we feel comfortable in attaining that. So really excited for the capabilities of the team and really driving through cash conversion through unlocking further working capital and really hitting the mark on earnings to generate that cash flow in 2026.

Arun Viswanathan

Analyst, RBC Capital Markets LLC

Q

Thanks a lot.

Operator: Thank you. Our next question comes from the line of Duffy Fischer with Goldman Sachs. Please proceed.

Duffy Fischer

Analyst, Goldman Sachs & Co. LLC

Q

Yeah, good morning, guys. First question is just on TT. Can you walk through the three geographies that have some antidumping activities going on India, Brazil and Europe? And just what have you seen in those areas already from those antidumping actions? And what do you think there's still left on the come for the Western players?

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

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Hey, Duffy. Thanks for the question. I mean, we see that there is – we're seeing benefits from the antidumping duties. If you look at Brazil, we see, really high duties, really good market for us out of our Mexico facility. So, really feel very good about that. India, I'm sure you know, there's been a little bit of back and forth, but we're confident that those duties are going to come back, but it's just a process that has to come through. We've seen in Europe that obviously we've had some uplift in Europe. There has been some currency changes since this dumping went in, which give some benefit to Chinese producers. But it's not anything that is going to dramatically change our view of Europe.

Duffy Fischer

Analyst, Goldman Sachs & Co. LLC

Q

Fair enough. And then jumping to TSS. Can you walk us through what impact has kind of the bringing online of Corpus Christi been, either increased costs? Is this ramping? And then what's left as far as benefit as that plant fully fills out?

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

A

Yeah. So what we talked about in – before with TSS is that it was going to be a two-year ramp. So, you could see last year, we talked about improvement in margin that comes from cost out as well as price. So we saw some improvement last year. The second half of that facility will be ramping up this year. So we'll continue to see improvement there. The technology we have is the lowest cost technology in the world. So we feel really good about the tailwinds that we're going to get from that facility.

Duffy Fischer

Analyst, Goldman Sachs & Co. LLC

Q

Great. Thank you, guys.

Operator: Thank you so much. Our next question comes from the line of Josh Spector with UBS. Please proceed.

James Cannon

Analyst, UBS Securities LLC

Q

Hey, guys. I'm James Cannon on for Josh. I wanted to touch back on the ore mix impact that's flowing through in TT this quarter. I know there's some noise around some legacy purchase contracts, and I was wondering, I think the last one of those continues to run through, I think this year or next year. Is any of that something that we should be modeling continuing or is it something that should be contained in the first quarter?

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

A

Yeah, I would say that for the first quarter, the change in ore mix was really related to the winter interruption and the need to consume higher grade ore. Definitely, as you've said, we have two contracts, longstanding contracts that were unfavorable. One is completed. One is finished, and we're working through the second contract right now. We have laser focus on our input cost in the TT business. So you will continue to see that improving over the year.

We also talked about our restructuring that we've done in our mines in – by taking down one mine. It's all aimed towards lowering our input costs. One of the primary costs that go into our plants and actually a competitive advantage for us.

James Cannon

Analyst, UBS Securities LLC

Q

Okay. Got it. And then on the – just to follow up on the Freon side. It seemed like you called out some opportunistic sales that drove a pretty solid sequential in the quarter. My math gets me to a first quarter guide that has continued growth there. Can you just talk through what you expect on that side of the business without the transition happening this year and no step downs as far as I'm aware?

Shane W. Hostetter

Chief Financial Officer & Senior Vice President, The Chemours Co.

A

Yeah. Thanks for the question. Pretty happy with some of the tailwinds we saw in the fourth quarter related to Freon business. As we look ahead in my script, I mentioned, really thinking through the tailwinds of pricing around

both Opteon and Freon. And we can look at 2026 and see that continuing. So we're really proud of both the execution on the Opteon side and Freon side in 2025. And we'll continue to execute and grow in both next year.

James Cannon

Analyst, UBS Securities LLC

Q

Great. Thank you.

Operator: Thank you. Our next question comes from the line of Hassan Ahmed with Alembic Global Advisors. Please proceed.

Hassan I. Ahmed

Analyst, Alembic Global Advisors LLC

Q

Good morning, Denise and Shane. Just wanted to revisit some of the questions asked earlier on TT. Particularly as it pertains to you guys as volumes, you obviously reported volume declines in Q4 and the volumes aren't looking that great for Q1 as well. And I'm just trying to sort of think through the anti-dumping duty side of things, the four countries/ regions in particular, where those anti-dumping measures have been announced? I mean, if I sit there and think through, for lack of a better way of putting it, the volume that is up for grab, it's around 800,000 tons, right. So, I mean, what is baked into that \$800 million to \$900 million EBITDA guidance that you guys have given in terms of any potential anti-dumping related market share gains for you?

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

A

Yeah, Hassan, thanks for the question. When you think about us in TT for the year, we're really focused on executing on our price increase. And I know you're smart and you can figure it out, kind of put the pieces of the puzzle together. We are really focused on our pricing. Our pricing was a global price increase. All regions, there's no mix impact. So while we talk about the duties and they clearly have been helpful, we are really focused on delivering value and creating value for this business through our pricing efforts.

Hassan I. Ahmed

Analyst, Alembic Global Advisors LLC

Q

But I mean, just any sort of guidance in terms of the market may typically grows at 2% to 3%? I mean, will you be in line with the market? Will you be better than the market in terms of volume growth?

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

A

Yeah. We are projecting a stable market. I don't think anyone sees any big reason to expect significant growth. Again, we're focused on value and our pricing and with stable volumes. Maybe I kind of take it up a level, too. I talked about seeing growth in our businesses throughout the year. We're super proud of what we've accomplished with our TSS business. We are coming off a record quarter, a record year, strong foundation. If you look at what we've been able to do, we have a leading market position with OEMs and the aftermarket. And we're really close to our customers. And we are very, very well positioned for growth this year in TSS. Additionally, as we talked about with APM, so we look at the AI trend, we also see great opportunity for growth there as well.

Hassan I. Ahmed

Analyst, Alembic Global Advisors LLC

Q

Understood. And as a follow up, Denise, if you don't mind. Just sticking to the TT side of things. I mean a lot of folks, you guys included, had talked about 1.1 million tons of capacity rationalizations since 2023. Are you guys still comfortable with that figure? And what are you guys seeing in terms of potential rationalizations in China on the back of anti-involution?

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

A

Yeah, I mean, we're so confident in that. I mean, those announcements were made. They're all public and we feel confident in that. As far as additional with anti-involution, we really can't speak to that at this point. We don't that we've seen much more than that.

Hassan I. Ahmed

Analyst, Alembic Global Advisors LLC

Q

Thank you so much, Denise.

Operator: Thank you. One moment for our next question, comes from the line of John McNulty with BMO Capital Markets. Please proceed.

Caleb Boehnlein

Analyst, BMO Capital Markets Corp.

Q

Hey, good morning. This is Caleb on for John. I was just hoping you could provide a little bit more color on what would get you to the high-end of your range and the low-end of your range for the full year?

Shane W. Hostetter

Chief Financial Officer & Senior Vice President, The Chemours Co.

A

Sure. Thanks, Caleb. As I think about the range of possibilities here, I think it really depends upon couple of things. The high end, depending upon market, evolution how the actual economic [ph] returns (00:44:10) comes, if there's further rate cuts, for instance, and that really has impacts on the overall market. I would say the other parts on the high-end is really just overall cost out and thinking through where the net inflation and cost improvements go on that side. I would say then finally would be really continued execution on the pricing side and broader adoption across the businesses.

I would say on the low end of the range, continue to thinking through the cost inputs and thinking through if there's additional costs that we're not seeing right now, as we kind of evolve throughout the year. I would stay on the opposite side of what I just said, if there's less price receptivity going through there. And then I would say on the other area is that there's any thoughts around volume depression on adoption on that side.

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

A

Yeah. Maybe I'll just add on to that. I think we're focused on the things we can control. So I would say, the market would be the – really a key variable in that.

Caleb Boehnlein

Analyst, BMO Capital Markets Corp.

Q

Okay, that's helpful. And then for TSS, over the past couple of years, you've seen the benefit of the AIM Act and then the A2L transition. Going forward, how do you see the growth algorithm for that business kind of playing out,

and especially relative to your previous commentary for like mid to high single digit sales growth over the longer term?

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

A

Yeah, thanks for that question. So I would say coming into the first part of this year, we still see significant growth from the HFO transition, whether it's additional units, the mix of HFC versus HFO units that gets sold as well as replenishing inventory that was drawn down in the fourth quarter. So we see that through the first half of the year.

One thing to keep in mind is this is a pretty depressed market when it comes to the residential segment. So, we see as new units are put on and as the housing market picks up. We see substantial growth there. So we will continue to grow in line with the residential segment. But the other areas to focus on our growth in data centers and chillers and some of the other spaces where we participate.

Caleb Boehnlein

Analyst, BMO Capital Markets Corp.

Q

Okay. Thanks for the color.

Operator: Thank you. Our next question comes from the line of Vincent Andrews with Morgan Stanley. Please proceed.

Vincent Stephen Andrews

Analyst, Morgan Stanley & Co. LLC

Q

Thank you and good morning. I just kind of want to follow up on that a little bit. Could you talk about what your residential HVAC customers are doing? It seems like they're reducing production for various reasons. Is that's leading to a destock from you? And can you help us understand how of that mix – how much of your mix that is now versus other parts of the TSS business, whether it's data centers or aftermarket? And how much those are going to contribute this year volumetrically?

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

A

Yeah. Thanks for the question, Vincent. Yeah, I mean, first of all, I want to say that we have – hopefully, we've established a lot of credibility in this business to this point. And what we see going forward kind of laid out what we thought was and what we believe is going to happen as we enter this year. So we do see our customers – actually, inventory was drawn down in the fourth quarter. So we do see some of that coming back in the first half of the year as well as the HFO – the HFC, the HFO transition of the mix of what gets sold to customers. You also see on that the aftermarket that comes with those installations. So we see solid growth, especially we'll talk about the first half, very, double digit growth for the space.

Vincent Stephen Andrews

Analyst, Morgan Stanley & Co. LLC

Q

Okay. And Shane, if I could ask you on the cash flow. The target to do at least 25% conversion this year. What are the things that are inhibiting you in 2026 from doing better than that, from getting up to say 40% or 50% conversion? I noticed there were some line items for full year 2025, whether it was an inventory build or your payables went down a couple hundred million dollars. And also, fair amount of movement in accrued liabilities and other liabilities, which I know was below the working capital line. But maybe you can just help us reconcile some

of the important lines on the cash flow statement this year? And what's going to help you year-over-year and what's going to inhibit you?

Shane W. Hostetter

Chief Financial Officer & Senior Vice President, The Chemours Co.

A

Yeah. Thanks, Vincent. First, we put out let's say at least 25%. And I really feel comfortable with that. And we will obviously strive to be more than 25% as we go forward into 2026. Specific to the areas that I will keep in mind, it's story a lot, it's around inventory and getting DIOs improved. We do – earlier, there was a question around contracts in TT that, are going to wane through the year. Unfortunately, that is a headwind coming into the year because that is mandated high-grade ore that we have to fight against. But we feel very confident, even though we will have additional ore put on, that throughout each one of the businesses will have inventory reductions outside of that.

So I think the inventory is a big story. I think navigating, as you just mentioned, other areas around cash conversion and driving up DPO as well as being efficient on the collections is certainly areas that we'll focus on. And then coming forward, I really feel that the CapEx in this company is going to increase year-over-year. But that's really around, we talked about planned maintenance activities or TARs in the year. So that is going to kind of impact our free cash flow in a given year compared to last year as well. So all in all, I think really the story here is we'll control what we control. We really feel confident in that 25% number, really will drive ahead to get it even more into the year.

Operator: Thank you. One moment for our next question. It comes from Jeff Zekauskas with JPMorgan. Please proceed.

Jeffrey J. Zekauskas

Analyst, JPMorgan Securities LLC

Q

Thanks very much. In the titanium dioxide segment, actually your revenues in North America and in Europe were flat to up. The issue was in Asia, where for the year, your revenues went from roughly \$660 million to \$465 million. So you're down 30% in Asia. What happened in Asia? And where is that business going?

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

A

Yeah. So, I mean, as we've talked about, our strategy is we're focusing on the fair trade markets. And there's been in India, in particular – so I mean, that was a trend that was happening for us as we...

Jeffrey J. Zekauskas

Analyst, JPMorgan Securities LLC

Q

Sure.

Denise M. Dignam

President & Chief Executive Officer & Director, The Chemours Co.

A

...move towards the fair trade market. And India, there was a pullback on the tariffs. So as I said, we're confident it's going to come through. But I'll say it's temporary.

Jeffrey J. Zekauskas

Analyst, JPMorgan Securities LLC

Q

Okay. So secondly, there's a focus on free cash flow generation. And basically, if you look at Chemours from, I don't know, 2019, your inventories used to be \$1.1 billion and now they're \$1.6 billion. And even this year they're up 7%. And your revenues over that from 2019 to 2025 were up about 5%. Inventories were up 50%. What's all that inventory? Is it titanium dioxide? Is it something else? Why do your inventories keep growing? And what can you do about it?

Shane W. Hostetter

Chief Financial Officer & Senior Vice President, The Chemours Co.

A

Thanks for the question, Jeff. I think certainly – obviously that we are carrying more inventory than we need right now and we will own that. When you look at back to 2019, as you mentioned, we're different business right now as we think about TSS, with Corpus Christi up and running and other areas. So you can't really look at past trends. But I own up to the fact that their inventory is an area that we are concerned to reduce.

Certainly, as I mentioned, earlier on the call, we have contracts to take or pay contracts with a high ore that's areas that we don't necessarily need, but we can use so that some of that, that's put on there. But I would say across each one of the businesses that we're carrying too much inventory and we have stretch goals in 2026 and beyond to get it back to more normalized levels on that area.

Jeffrey J. Zekauskas

Analyst, JPMorgan Securities LLC

Q

Right. Thanks very much.

Operator: Thank you. So we have reached the end of our Q&A session. Thank you for joining The Chemours' fourth quarter 2025 results conference call. You may now disconnect.

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