



# The Chemours Company

## Quarterly Financial Information

August 2, 2019



### Safe Harbor Statement

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 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, and our outlook for net sales, Adjusted EBITDA, Adjusted EPS, Free Cash Flow, and Return on Invested Capital, 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. 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 Annual Report on Form 10-K for the year ended December 31, 2017. Chemours assumes no obligation to revise or update any forward-looking statement for any reason, except as required by law.

### Non-GAAP Financial Measures

We prepare our financial statements in accordance with Generally Accepted Accounting Principles ("GAAP"). Within this presentation, we may make reference to Adjusted Net Income (Loss), Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, 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.

Management uses Adjusted Net Income (Loss), Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, 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.

Accordingly, the company believes the presentation of these non-GAAP financial measures, when used in conjunction with GAAP financial measures, is a useful financial analysis tool that can assist investors in assessing the company's operating performance and underlying prospects. This analysis should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. This analysis, as well as the other information in this press release, should be read in conjunction with the company's financial statements and footnotes contained in the documents that the company files with the U.S. Securities and Exchange Commission. The non-GAAP financial measures used by the company in this press release may be different from the methods used by other companies. For more information on the non-GAAP financial measures, please refer to the attached schedules or the table, "Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures" and materials posted to the company's website at [investors.chemours.com](http://investors.chemours.com).



CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)  
(Dollars in millions, except per share amounts)

	YTD 2019	2Q19	1Q19	Full Year* 2018	4Q18	3Q18	2Q18	1Q18	Full Year* 2017	4Q17	3Q17	2Q17	1Q17
Net sales	\$ 2,784	\$ 1,408	\$ 1,376	\$ 6,638	\$ 1,464	\$ 1,628	\$ 1,816	\$ 1,730	\$ 6,183	\$ 1,575	\$ 1,584	\$ 1,588	\$ 1,437
Cost of goods sold	2,165	1,085	1,080	4,667	1,064	1,151	1,259	1,193	4,438	1,090	1,119	1,150	1,081
Gross profit	619	323	296	1,971	400	477	557	537	1,745	485	465	438	356
Selling, general, and administrative expense	292	136	156	657	190	163	161	143	626	165	153	164	150
Research and development expense	41	19	22	82	22	20	20	20	81	20	20	21	19
Restructuring, asset-related, and other charges	15	7	8	49	17	12	10	10	57	26	8	6	12
Total other operating expenses	348	162	186	788	229	195	191	173	764	211	181	191	181
Equity in earnings of affiliates	16	8	8	43	11	10	10	12	33	7	9	10	7
Interest expense, net	(103)	(52)	(51)	(195)	(48)	(47)	(48)	(52)	(214)	(54)	(55)	(54)	(51)
Loss on extinguishment of debt	-	-	-	(38)	-	-	(38)	-	(1)	-	-	(1)	-
Other income, net	55	16	40	162	48	24	33	57	113	37	12	23	42
Income before income taxes	239	133	107	1,155	182	269	323	381	912	264	250	225	173
Provision for (benefit from) income taxes	50	37	13	159	40	(6)	41	84	165	36	43	64	22
Net income (loss)	189	96	94	996	142	275	282	297	747	228	207	161	151
Less: Net income attributable to non-controlling interests	-	-	-	1	-	-	1	-	1	-	-	-	1
Net income attributable to Chemours	\$ 189	\$ 96	\$ 94	\$ 995	\$ 142	\$ 275	\$ 281	\$ 297	\$ 746	\$ 228	\$ 207	\$ 161	\$ 150
<b>Per share data</b>													
Basic earnings per share of common stock	\$ 1.14	\$ 0.58	\$ 0.56	\$ 5.62	\$ 0.83	\$ 1.56	\$ 1.58	\$ 1.63	\$ 4.04	\$ 1.23	\$ 1.12	\$ 0.87	\$ 0.82
Diluted earnings per share of common stock	1.12	0.57	0.55	5.45	0.81	1.51	1.53	1.58	3.91	1.19	1.08	0.84	0.79
Dividends per share of common stock	0.50	0.25	0.25	0.67	0.25	0.25	0.17	-	0.29	0.20	0.03	0.03	0.03

\* Note: Individual quarters may not sum to full year amounts due to rounding. Certain prior period amounts have been reclassified to conform to the current period presentation.



**CONSOLIDATED BALANCE SHEETS**  
(Dollars in millions, except per share amounts)

	June 30, 2019	December 31, 2018
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 630	\$ 1,201
Accounts and notes receivable, net	879	861
Inventories	1,250	1,147
Prepaid expenses and other	73	84
Total current assets	<u>2,832</u>	<u>3,293</u>
Property, plant, and equipment	9,259	8,992
Less: Accumulated depreciation	<u>(5,768)</u>	<u>(5,701)</u>
Property, plant, and equipment, net	<u>3,491</u>	<u>3,291</u>
Operating lease right-of-use assets	322	—
Goodwill and other intangible assets, net	178	181
Investments in affiliates	177	160
Other assets	433	437
<b>Total assets</b>	<u><u>\$ 7,433</u></u>	<u><u>\$ 7,362</u></u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 956	\$ 1,137
Current maturities of long-term debt	18	13
Other accrued liabilities	474	559
Total current liabilities	<u>1,448</u>	<u>1,709</u>
Long-term debt, net	4,190	3,959
Operating lease liabilities	265	—
Deferred income taxes	214	217
Other liabilities	487	457
Total liabilities	<u>6,604</u>	<u>6,342</u>
Commitments and contingent liabilities		
<b>Equity</b>		
Common stock (par value \$0.01 per share; 810,000,000 shares authorized)	2	2
Treasury stock at cost	(1,072)	(750)
Additional paid-in capital	853	860
Retained earnings (accumulated deficit)	1,571	1,466
Accumulated other comprehensive loss	<u>(531)</u>	<u>(564)</u>
Total Chemours stockholders' equity	<u>823</u>	<u>1,014</u>
Non-controlling interests	<u>6</u>	<u>6</u>
Total equity	<u>829</u>	<u>1,020</u>
<b>Total liabilities and equity</b>	<u><u>\$ 7,433</u></u>	<u><u>\$ 7,362</u></u>



**SEGMENT NET SALES (UNAUDITED)**  
(Dollars in millions)

	YTD 2019	2019	1Q19	Full Year* 2018	4Q18	3Q18	2Q18	1Q18	Full Year* 2017	4Q17	3Q17	2Q17	1Q17
Fluoroproducts	\$ 1,398	\$ 711	\$ 687	\$ 2,862	\$ 649	\$ 682	\$ 801	\$ 732	\$ 2,654	\$ 656	\$ 637	\$ 710	\$ 652
Chemical Solutions	264	130	134	602	149	155	153	144	571	134	148	149	139
Titanium Technologies	1,122	567	555	3,174	666	791	862	854	2,958	785	799	729	646
<b>TOTAL CHEMOURS</b>	<b>\$ 2,784</b>	<b>\$ 1,408</b>	<b>\$ 1,376</b>	<b>\$ 6,638</b>	<b>\$ 1,464</b>	<b>\$ 1,628</b>	<b>\$ 1,816</b>	<b>\$ 1,730</b>	<b>\$ 6,183</b>	<b>\$ 1,575</b>	<b>\$ 1,584</b>	<b>\$ 1,588</b>	<b>\$ 1,437</b>

**SEGMENT ADJUSTED EBITDA (UNAUDITED)**  
(Dollars in millions)

	YTD 2019	2019	1Q19	Full Year* 2018	4Q18	3Q18	2Q18	1Q18	Full Year* 2017	4Q17	3Q17	2Q17	1Q17
Fluoroproducts	\$ 339	\$ 180	\$ 159	\$ 783	\$ 164	\$ 182	\$ 230	\$ 206	\$ 669	\$ 159	\$ 158	\$ 197	\$ 155
Chemical Solutions	31	16	15	64	14	24	16	11	57	20	18	7	12
Titanium Technologies	253	127	126	1,055	199	268	295	294	862	261	249	193	159
Corporate and Other	(78)	(40)	(38)	(162)	(36)	(39)	(44)	(43)	(166)	(46)	(44)	(36)	(41)
<b>TOTAL CHEMOURS</b>	<b>\$ 545</b>	<b>\$ 283</b>	<b>\$ 262</b>	<b>\$ 1,740</b>	<b>\$ 341</b>	<b>\$ 435</b>	<b>\$ 497</b>	<b>\$ 468</b>	<b>\$ 1,422</b>	<b>\$ 394</b>	<b>\$ 381</b>	<b>\$ 361</b>	<b>\$ 285</b>

**SEGMENT ADJUSTED EBITDA MARGIN (UNAUDITED)**

	YTD 2019	2019	1Q19	Full Year* 2018	4Q18	3Q18	2Q18	1Q18	Full Year* 2017	4Q17	3Q17	2Q17	1Q17
Fluoroproducts	24.2%	25.3%	23.1%	27.4%	25.3%	26.7%	28.7%	28.1%	25.2%	24.2%	24.8%	27.7%	23.8%
Chemical Solutions	11.7%	12.3%	11.2%	10.6%	9.4%	15.5%	10.5%	7.6%	10.0%	14.9%	12.2%	4.7%	8.6%
Titanium Technologies	22.5%	22.4%	22.7%	33.2%	29.9%	33.9%	34.2%	34.4%	29.1%	33.2%	31.2%	26.5%	24.6%
Corporate and Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>TOTAL CHEMOURS</b>	<b>19.6%</b>	<b>20.1%</b>	<b>19.0%</b>	<b>26.2%</b>	<b>23.3%</b>	<b>26.7%</b>	<b>27.4%</b>	<b>27.1%</b>	<b>23.0%</b>	<b>25.0%</b>	<b>24.1%</b>	<b>22.7%</b>	<b>19.8%</b>

\* Note: Individual quarters may not sum to full year amounts due to rounding.



SEGMENT NET ASSETS  
(Dollars in millions)

	Full Year 2018	Full Year 2017
Fluoroproducts	\$ 2,309	\$ 1,842
Chemical Solutions	506	460
Titanium Technologies	1,487	1,785
Corporate and Other	<u>(3,282)</u>	<u>(3,222)</u>
<b>TOTAL CHEMOURS</b>	<b><u>\$ 1,020</u></b>	<b><u>\$ 865</u></b>



RECONCILIATION OF NON-GAAP MEASURES (UNAUDITED)

(Dollars in millions, except per share amounts)

RECONCILIATION OF NET INCOME (LOSS) ATTRIBUTABLE TO CHEMOURS TO ADJUSTED NET INCOME AND ADJUSTED EBITDA

	YTD 2019	2Q19	1Q19	Full Year* 2018	4Q18	3Q18	2Q18	1Q18	Full Year* 2017	4Q17	3Q17	2Q17	1Q17
Net income (loss) attributable to Chemours	\$ 189	\$ 96	\$ 94	\$ 995	\$ 142	\$ 275	\$ 281	\$ 297	\$ 746	\$ 228	\$ 207	\$ 161	\$ 150
Non-operating pension and other post-retirement employee benefit income	(6)	(3)	(3)	(27)	(9)	(4)	(7)	(7)	(34)	(10)	(7)	(10)	(8)
Exchange (gains) losses, net	3	9	(6)	(1)	(5)	6	(2)	—	(3)	—	4	(2)	(5)
Restructuring, asset-related, and other charges	15	7	8	49	18	12	10	10	57	26	8	6	12
Loss (gain) on extinguishment of debt	—	—	—	38	—	—	38	—	1	—	—	1	—
(Gain) loss on sales of assets or businesses	(2)	(2)	—	(45)	—	—	(3)	(42)	(22)	(8)	—	2	(16)
Transaction costs	1	1	—	9	—	—	9	—	3	—	1	2	—
Legal charges	38	8	29	82	36	33	9	4	9	—	3	2	3
Other charges	—	—	—	1	1	1	1	—	12	—	5	10	4
Adjustments made to income taxes	1	7	(5)	(41)	13	(41)	(8)	(5)	(25)	(3)	(11)	(3)	(10)
Benefit from income taxes relating to reconciling items	(11)	(3)	(8)	(26)	(11)	(11)	(14)	9	(14)	(4)	(7)	(5)	1
<b>Adjusted Net Income</b>	<b>228</b>	<b>120</b>	<b>109</b>	<b>1,034</b>	<b>185</b>	<b>271</b>	<b>314</b>	<b>266</b>	<b>730</b>	<b>229</b>	<b>203</b>	<b>164</b>	<b>131</b>
Net income attributable to non-controlling interests	—	—	—	1	—	—	1	—	1	—	—	—	1
Interest expense, net	103	52	51	195	47	47	48	52	214	54	55	54	51
Depreciation and amortization	154	78	76	284	71	71	71	70	273	69	62	71	71
All remaining provision for income taxes	60	33	26	226	38	46	63	80	204	42	61	72	31
<b>Adjusted EBITDA</b>	<b>\$ 545</b>	<b>\$ 283</b>	<b>\$ 262</b>	<b>\$ 1,740</b>	<b>\$ 341</b>	<b>\$ 435</b>	<b>\$ 497</b>	<b>\$ 468</b>	<b>\$ 1,422</b>	<b>\$ 394</b>	<b>\$ 381</b>	<b>\$ 361</b>	<b>\$ 285</b>
Adjusted basic earnings per share of common stock	\$ 1.38	\$ 0.73	\$ 0.65	\$ 5.85	\$ 1.08	\$ 1.54	\$ 1.77	\$ 1.46	\$ 3.95	\$ 1.23	\$ 1.09	\$ 0.89	\$ 0.72
Adjusted diluted earnings per share of common stock	1.35	0.72	0.63	5.67	1.05	1.49	1.71	1.41	3.82	1.19	1.06	0.86	0.70

\* Note: Individual quarters may not sum to full year amounts due to rounding. Certain prior period amounts have been reclassified to conform to the current period presentation.

RECONCILIATION OF FREE CASH FLOWS

	YTD 2019	2Q19	1Q19	Full Year* 2018	4Q18	3Q18	2Q18	1Q18	Full Year* 2017	4Q17	3Q17	2Q17	1Q17
Cash (used for) provided by operating activities	\$ (38)	\$ 7	\$ (44)	\$ 1,140	\$ 259	\$ 342	\$ 343	\$ 196	\$ 640	\$ 303	\$ 112	\$ 184	\$ 41
Less: Purchases of property, plant, and equipment	(257)	(124)	(133)	(498)	(154)	(116)	(126)	(102)	(411)	(165)	(108)	(69)	(69)
<b>Free Cash Flows</b>	<b>\$ (295)</b>	<b>\$ (117)</b>	<b>\$ (177)</b>	<b>\$ 642</b>	<b>\$ 105</b>	<b>\$ 226</b>	<b>\$ 217</b>	<b>\$ 94</b>	<b>\$ 229</b>	<b>\$ 138</b>	<b>\$ 4</b>	<b>\$ 115</b>	<b>\$ (28)</b>

\* Note: Individual quarters may not sum to full year amounts due to rounding.



**ADJUSTED NET INCOME AND ADJUSTED EBITDA RECONCILING ITEMS BY FINANCIAL STATEMENT LINE ITEM (UNAUDITED)**  
(Dollars in millions)

Reconciling Items	Statements of Operations Categories (1)	Six Months Ended June 30, 2019				Six Months Ended June 30, 2018			
		Total	COGS	SG&A	Other	Total	COGS	SG&A	Other
Non-operating pension and other post-retirement employee benefit income	Other income, net	\$ (6)	\$ —	\$ —	\$ (6)	\$ (14)	\$ —	\$ —	\$ (14)
Exchange (gains) losses, net	Other income, net	3	—	—	3	(2)	—	—	(2)
Restructuring, asset-related, and other charges	Restructuring	15	—	—	15	20	—	—	20
Loss (gain) on extinguishment of debt	Loss (gain) on extinguishment of debt	—	—	—	—	38	—	—	38
(Gain) loss on sales of assets or businesses	Other income, net	(2)	—	—	(2)	(45)	—	—	(45)
Transaction costs	SG&A	1	—	1	—	9	—	9	—
Legal charges	COGS / SG&A	38	16	22	—	14	—	14	—
Adjustments made to income taxes	Provision for (benefit from) income taxes	1	—	—	1	(13)	—	—	(13)
Benefit from income taxes relating to reconciling items	Provision for (benefit from) income taxes	(11)	—	—	(11)	(5)	—	—	(5)
<b>Total Adjusted Net Income reconciling items</b>		<b>39</b>	<b>16</b>	<b>23</b>	<b>—</b>	<b>2</b>	<b>—</b>	<b>23</b>	<b>(21)</b>
Net income attributable to non-controlling interests	NCI	—	—	—	—	1	—	—	1
Interest expense, net	Interest expense, net	103	—	—	103	100	—	—	100
Depreciation and amortization	COGS / SG&A	154	141	13	—	141	127	14	—
All remaining provision for income taxes	Provision for (benefit from) income taxes	60	—	—	60	143	—	—	143
<b>Total Adjusted EBITDA reconciling items</b>		<b>\$ 356</b>	<b>\$ 157</b>	<b>\$ 36</b>	<b>\$ 163</b>	<b>\$ 387</b>	<b>\$ 127</b>	<b>\$ 37</b>	<b>\$ 223</b>

(1) Abbreviated Statements of Operations Categories represent the following financial statement line items in the statements of operations:

- COGS - Cost of goods sold
- SG&A - Selling, general, and administrative expense
- Restructuring - Restructuring, asset-related, and other charges
- NCI - Net income attributable to non-controlling interests





**RETURN ON INVESTED CAPITAL RECONCILIATION (UNAUDITED)**  
(Dollars in millions)

	Period Ended	
	June 30, 2019	June 30, 2018
Adjusted EBITDA	\$ 1,321	\$ 1,740
Less: Depreciation and amortization	(296)	(273)
<b>Adjusted EBIT</b>	<b>1,025</b>	<b>1,467</b>
Total debt	4,208	3,973
Total equity	829	1,025
Less: Cash and cash equivalents	(630)	(1,217)
<b>Invested capital, net</b>	<b>\$ 4,407</b>	<b>\$ 3,781</b>
Average invested capital (1)	\$ 3,989	\$ 3,481
<b>Return on Invested Capital</b>	<b>25.7%</b>	<b>42.1%</b>

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