



# Thermal & Specialized Solutions Investor Deep Dive

May 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 March 31, 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.

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

# A Pathway to Significant Shareholder Value Creation

Improve TT earnings through the cycle while growing with strategic customers

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

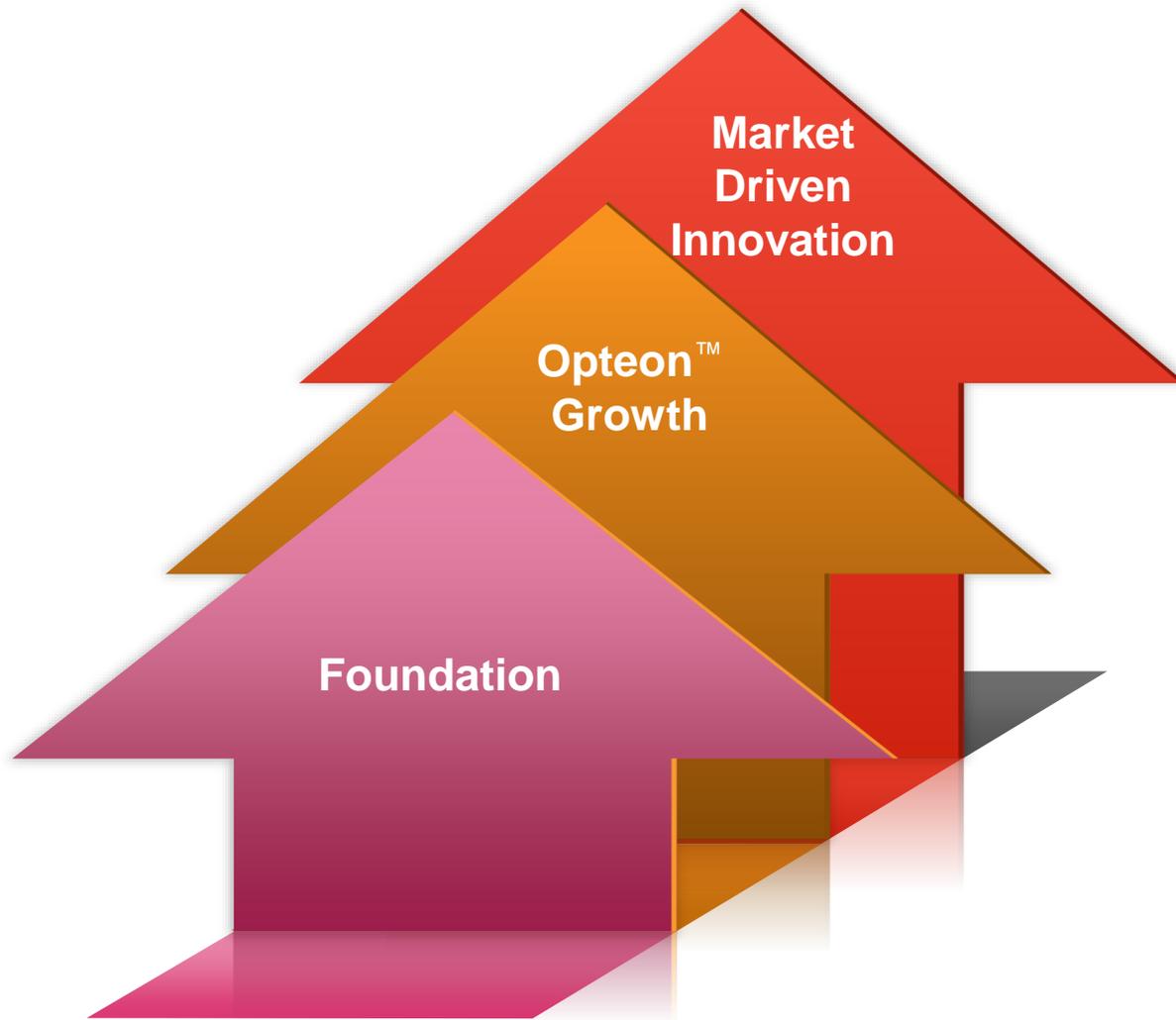
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Continue to manage and resolve legacy liabilities consistent with Chemours/DD/CTVA MOU

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

# What You'll Hear Today



## Market Driven Innovation

Innovation is aligned with market needs and megatrends to enable a more sustainable future through a focused approach integrating Product Innovation, Strong IP, Regulatory Expertise, and Manufacturing Strength

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## Opteon™ Growth

Growth of Opteon™ low GWP products will continue for at least a decade driven by Regulatory trends

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## Foundation

### *Position of Strength*

Thermal & Specialized Solutions (TSS) is a highly profitable, growing business with strong cash generation

### *Critical Products*

Offerings from TSS are crucial for safety and quality of life across multiple segments, and provide solutions that address global climate objectives

# Thermal & Specialized Solutions at a Glance

#1  
or #2

Across a diverse range of HFO applications

325M  
ton CO<sub>2</sub>e

Eliminated by 2025 due to Opteon™ low GWP products

35%

Adj. EBITDA margin (TTM)<sup>1</sup> across portfolio

\$1.4B

Net Sales (TTM)<sup>1</sup>

\$0.5B

Adj. EBITDA (TTM)<sup>1</sup>



**Leverage:** Industry-leading business with high returns and strong cash generation



**Growth:** Opteon™ low global warming potential products adoption and new application development



**Organizational Excellence:** Strong team with industry leading capabilities

**ESG:** Committed to being in the vanguard of a new era of responsible chemistry

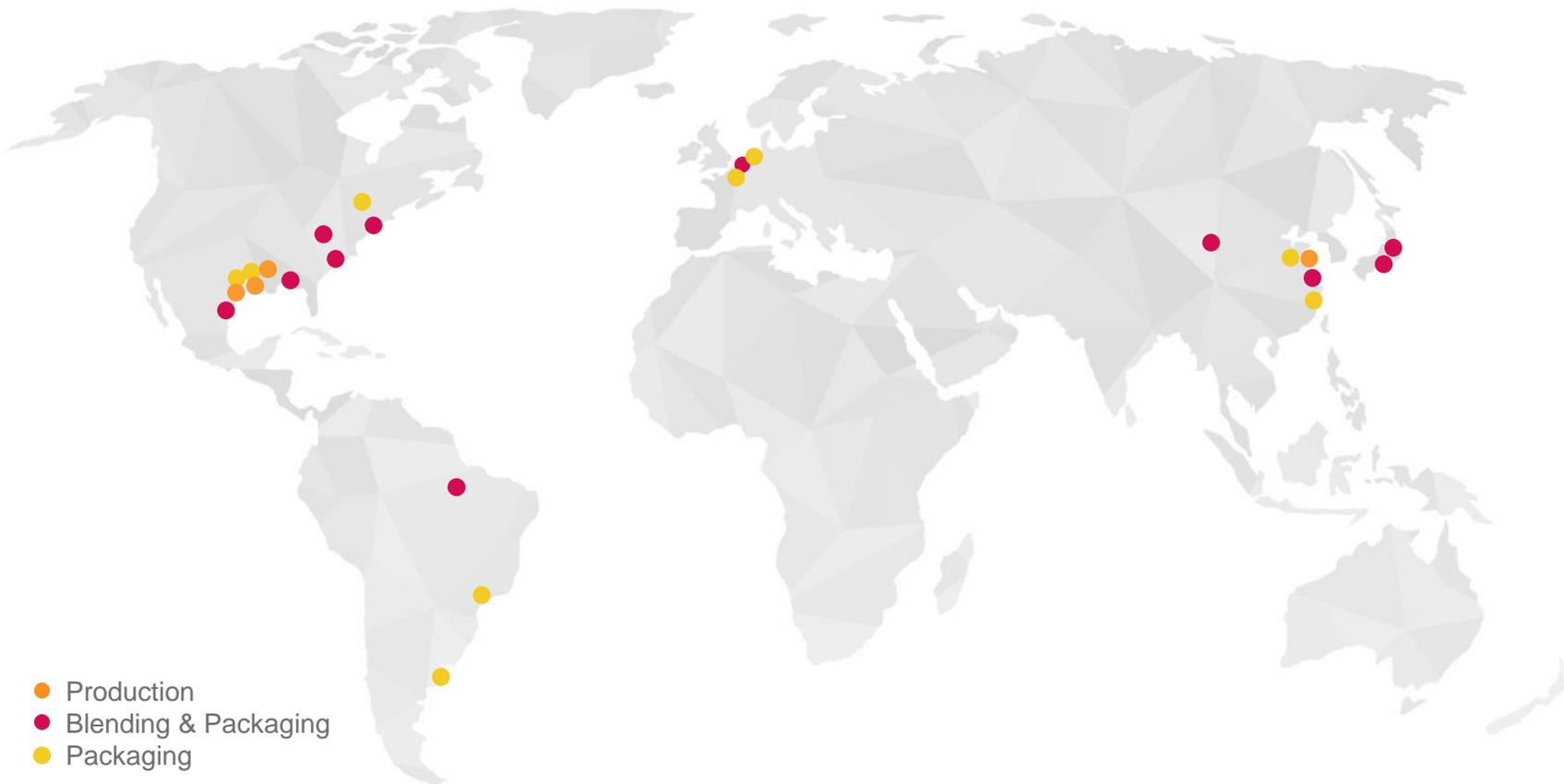
**Innovation:** Long-term growth aligned to megatrends and market-driven innovation

## TSS Financial Framework

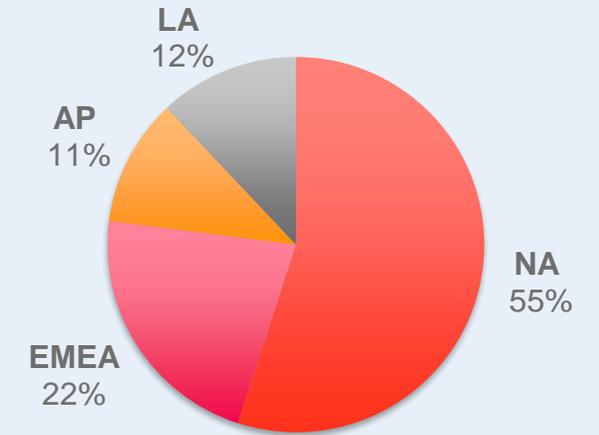
- A decade of MSD-HSD % revenue growth
- Adjusted EBITDA margin of > 30% while investing in innovation & capacity

# Supplying the World with a Global Footprint

Global provider of refrigerants, propellants, foam-blowing agents, and specialty fluids



## TTM Regional Sales<sup>1</sup>



Global Manufacturing Network positioned to respond to customer needs, based on evolving market conditions



Mobile air conditioning



Air conditioning



Foam-blowing agents



Chillers

# Market Leader in Diverse Applications



Commercial refrigeration



Fire suppression

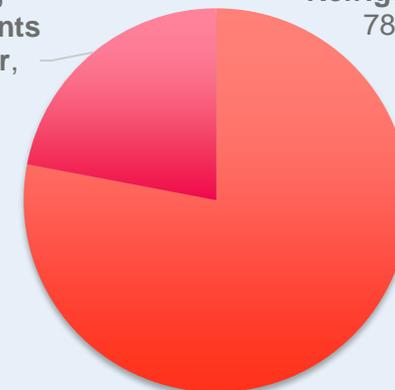
Propellants



## TTM Market Sales<sup>1</sup>

Foam,  
Propellants  
& Other,  
22%

Refrigerants  
78%



# TSS Roadmap

## Vision

Create a better future through Thermal & Specialized Solutions, which enable advanced technologies, via customer focus, technical expertise, and product innovation



## Strategy

Continue as a leading thermal solutions provider through selective innovation, partnerships, and sustainable solutions



## Execution

Driving a performance-based organization that strives for focus, simplicity, collaboration, and customer focus

### TSS Financial Framework

- A decade of MSD-HSD % revenue growth
- Adjusted EBITDA margin of > 30% while investing in innovation & capacity



# The Framework for Growth



## PHASE 1: First Wave (2015–2020)

### DRIVERS

- EU MAC Directive
- EU F-Gas
- US CAFE Standards
- R22 Phase-out

### APPLICATIONS

- Mobile AC OEMs (EU, US, Japan, Korea)
- Commercial Refrigeration

## PHASE 2: Expansion (2020–2024)

### DRIVERS

- US AIM Act
- EU F-Gas
- Kigali Amendment

### APPLICATIONS

- Mobile AC OEM (EU, US, Japan, Korea, China, and developing countries)
- Mobile AC After-Market
- Heat Pumps and Chillers
- Commercial Refrigeration
- AC

## PHASE 3: Mass Adoption (2025–2030+)

### MEGATRENDS

- Climate Impact & Circular Economy
- Decarbonization & Electrification
- Increased Connectivity & Data
- Growing Middle Class & Urbanization

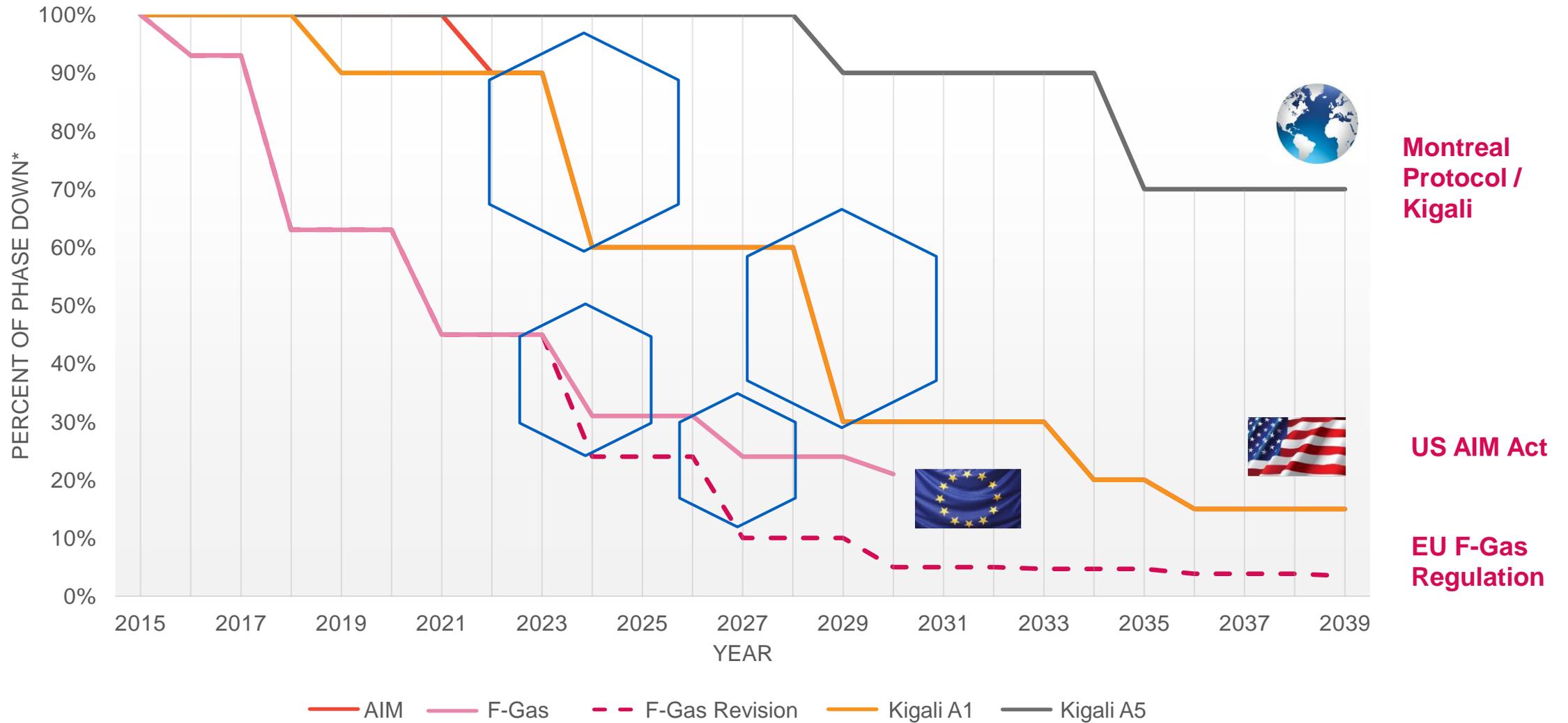


# Global Addressable Market

Market Segment	Total Addressable Market (2026)	2021–2026 Growth (CAGR)	% of Market Converted to Low GWP by 2026
Mobile Air Conditioning	MKT: ~\$2.4B	MKT ~6%	GLOBAL: ~50%
Stationary Commercial Refrigeration	MKT: ~\$2.2B	MKT ~10%	GLOBAL: ~50%
Stationary Air Conditioning & Heat Pumps	MKT: ~\$3.5B	MKT ~11%	GLOBAL: ~30%
Stationary Chillers for A/C & Heat Pump	MKT: ~\$1.5B	MKT ~10%	GLOBAL: ~25%
Foam Blowing Agents	MKT: ~\$1.9B	MKT ~6%	GLOBAL: ~50%

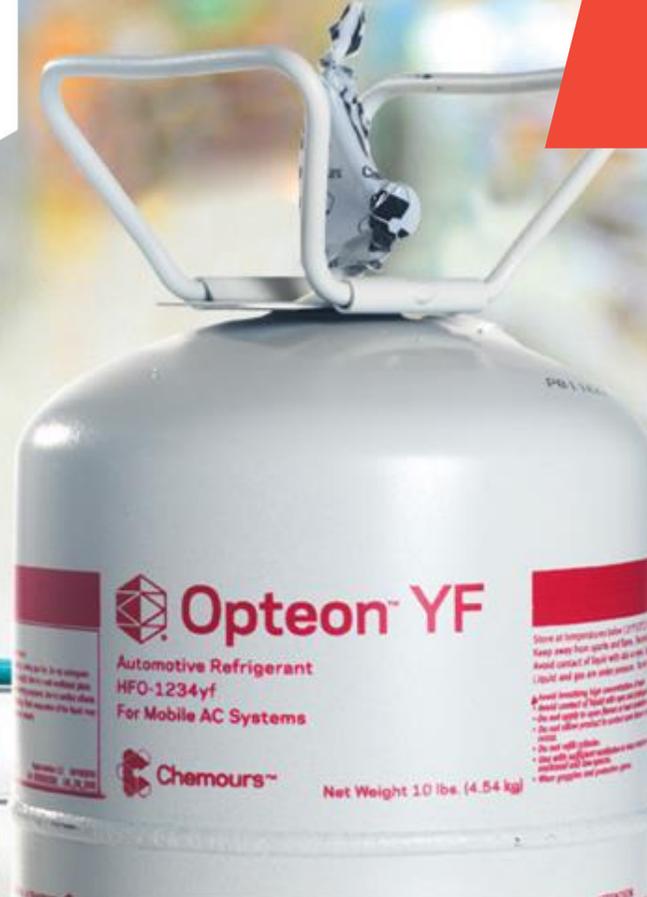


# Regulatory Trends Accelerating Opteon™ Adoption



# A Robust Portfolio with IP Runway

Robust international patent portfolio; no single patent will significantly affect our market position. Patent portfolio continues to grow to cover existing and new product pipeline. Robust IP position into the late 2020s and 2030s. Chemours will continue to enforce its IP.



# Market-Driven Innovation: Megatrends and Growth Platforms

Market-driven needs, shaping future opportunities for thermal management solutions



Decarbonization & Electrification



Increased Connectivity & Data



Growing Middle Class & Urbanization



Climate Impact & Circular Economy

UN Sustainable Development Goals



# Enabling improved EV performance: Via thermal management



Addressable  
Market  
CAGR 2025-2030:

33%

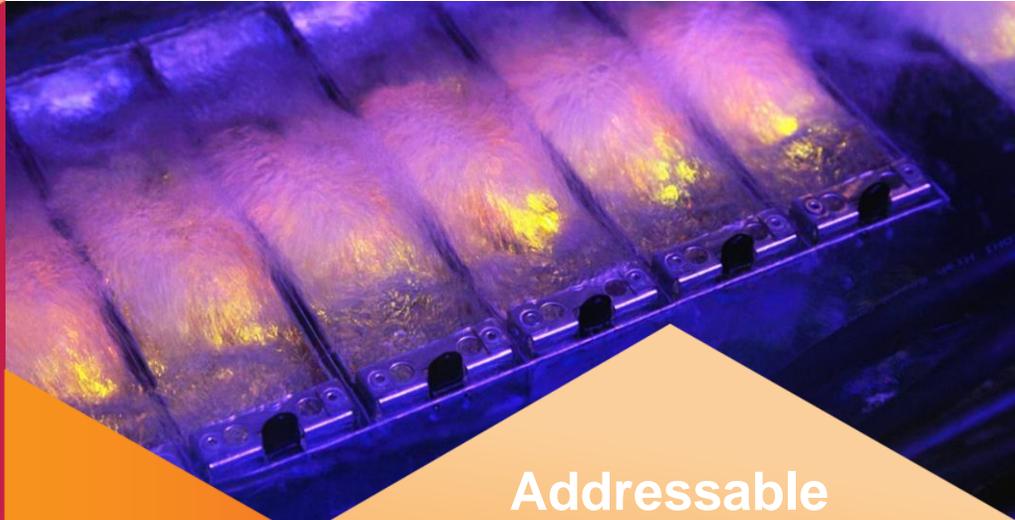
## How we fit:

- Chemours HFO refrigerants are being used for Electrical Vehicles and their innovative heat pump systems
- Enables OEMs to optimize their system design, lower production costs, and improve their driving range, beyond just enhancing the cabin comfort

## How we win:

- Opteon™ R-1234yf is a preferred low GWP solution in the automotive industry
- By 2025, it is expected that heat pump adoption in BEVs will exceed 50%
- Our Opteon™ products enable the heat pump to operate
- Our thermal management solutions will be critical to EV innovation enhancing EV infrastructure efficiency and performance

# Winning the Future of Data Centers: Immersion Cooling



Addressable  
Market  
CAGR 2025-2030:

15%

## How we fit:

- Developed immersion cooling fluids with superior dielectric and heat transfer properties using our proprietary technology
- Enable a best-in-class data center power utilization efficiency of less than 1.05 using an ultra-low GWP fluid

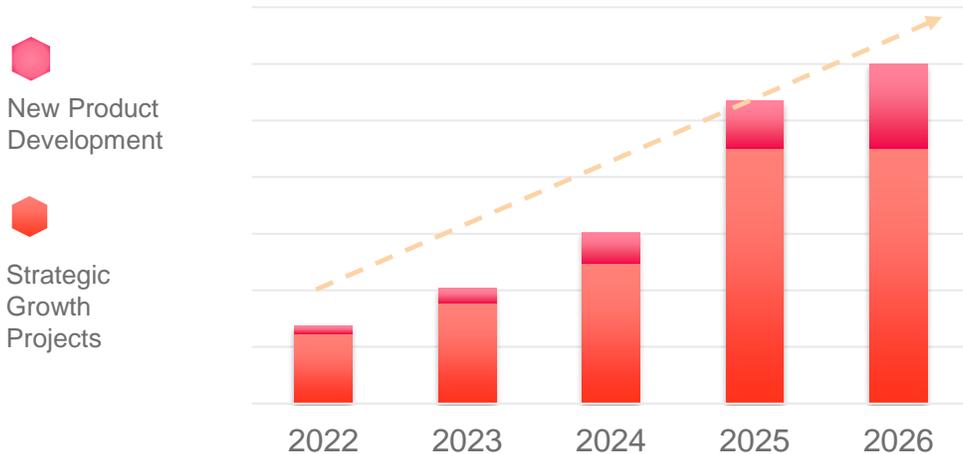
## How we win:

- Data Centers are highly energy intensive with over 40% of that going to cooling of the IT equipment
- Adoption of immersion cooling, can reduce energy use by 40% and water consumption by 99%, and all in a space 60% smaller
- Our solutions will be integral to all aspects of this growth market

# Winning the Future of Thermal Management: Sustainable Solutions



## Market-Driven Innovation Revenue Growth



Illustrative Potential

## How we fit:

- Our technology, world-class manufacturing and research facilities enable safe, cost-effective development of sustainable solutions
- Enable new solutions and shape the future of thermal management to meet the needs of the industries we serve

## How we win:

- Invest in market-driven innovation and establishing value-chain partnerships to develop solutions
- Expertise to solve industry needs driven by decarbonization, electrification, increased connectivity, urbanization, and climate change

# Why Chemours Thermal & Specialized Solutions?

**Leverage:** Industry-leading business with high returns and strong cash generation

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**ESG:** Committed to being in the vanguard of a new era of responsible chemistry

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**Growth:** Opteon™ low global warming potential products adoption and new application development

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**Innovation:** Long-term growth aligned to megatrends and market-driven innovation

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**Organizational Excellence:** Strong team with industry leading capabilities

## TSS Financial Framework

- A decade of MSD-HSD % revenue growth
- Adjusted EBITDA margin of > 30% while investing in innovation & capacity



# Appendix



# Segment Net Sales and Adjusted EBITDA (unaudited)

(\$ in millions)

	Twelve Months Ended March 31,		Year Ended
	2022	2021	December 31, 2021
<b>SEGMENT NET SALES</b>			
Titanium Technologies	\$ 3,560	\$ 2,514	\$ 3,355
Thermal & Specialized Solutions	1,378	1,100	1,257
Advanced Performance Materials	1,449	1,144	1,397
Other Segment	287	341	336
Total Company	<u>\$ 6,674</u>	<u>\$ 5,099</u>	<u>\$ 6,345</u>
<b>SEGMENT ADJUSTED EBITDA</b>			
Titanium Technologies	\$ 839	\$ 538	\$ 799
Thermal & Specialized Solutions	487	355	401
Advanced Performance Materials	314	132	284
Other Segment	39	68	49
Corporate and Other	(231)	(203)	(220)
Total Company	<u>\$ 1,448</u>	<u>\$ 890</u>	<u>\$ 1,313</u>
<b>SEGMENT ADJUSTED EBITDA MARGIN</b>			
Titanium Technologies	24%	21%	24%
Thermal & Specialized Solutions	35%	32%	32%
Advanced Performance Materials	22%	12%	20%
Other Segment	14%	20%	15%
Corporate and Other	—	—	—
Total Company	<u>22%</u>	<u>17%</u>	<u>21%</u>

# GAAP Income (loss) Before Income Taxes to Adjusted EBITDA Reconciliation (unaudited)

(\$ in millions)

	Twelve Months Ended March 31,	
	2022	2021
<b>Income before income taxes</b>	\$ 857	\$ 204
Interest expense, net	176	205
Depreciation and amortization	307	324
Non-operating pension and other post-retirement employee benefit income	(7)	(2)
Exchange (gains) losses, net	(11)	9
Restructuring, asset-related, and other charges	27	64
Natural disasters and catastrophic events	5	16
Loss on extinguishment of debt	21	22
Gain on sales of assets and businesses	(117)	(8)
Transaction costs	(1)	4
Qualified spend recovery	(34)	—
Legal and environmental charges	225	52
<b>Adjusted EBITDA</b>	<b>\$ 1,448</b>	<b>\$ 890</b>