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# The Chemours Co. (CC)

Q1 2026 Earnings Call

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### **Denise M. Dignam**

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

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### **Shane W. Hostetter**

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### **Fabian Jimenez**

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### **John P. McNulty**

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### **Hassan I. Ahmed**

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Good morning. My name is Michelle, and I will be your conference operator today. I would like to welcome everyone to the Chemours Company First Quarter 2026 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 would 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.

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### Brandon Ontjes

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

Good morning, everybody. Welcome to the Chemours Company's First Quarter 2026 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, contain 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 will 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.

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### 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 highlights from our recent performance before turning it over to Shane, who will provide details around our outlook for the second quarter of 2026 and some commentary on the remainder of the year. Finally, I will provide updates on our meaningful progress against our Pathway to Thrive strategy and current view of our operating environment before taking your questions.

We started 2026 with strong results, delivering a first quarter that was well above earnings expectations and showcased the strength of Chemours' disciplined execution and strategic focus across the company. Both Thermal & Specialized Solutions and Titanium Technologies delivered standout performances, with TSS not only achieving another quarter of double-digit year-over-year growth in Opteon Refrigerants, but also excelling in quota execution and capturing additional opportunities in Freon Refrigerants through sharp market focus and agile commercial execution. TT also exceeded our earnings expectations, driven by global pricing actions, strong

commercial discipline across all regions and customer segments, and continued operational focus. In Advanced Performance Materials, the business worked to quickly stabilize operations following the Washington Works outage and has seen strength in our Performance Solutions order book, especially in high-value data center and semiconductor markets.

Adding to the strong performance and aligning with our efforts to improve our balance sheet, we completed the sale of nearly all of our Kuan Yin properties ahead of schedule and promptly used the available proceeds to pay down a meaningful portion of our near-term debt, further strengthening our balance sheet and enhancing Chemours' financial flexibility as we look ahead. We remain on track to complete the sale of the remaining parcel of the land in 2026 which should provide an incremental \$60 million of gross proceeds. This development followed the \$700 million refinancing completed in March of our 2027 unsecured notes and a portion of our 2028 unsecured notes, extending these maturities out to 2034 and increasing our balance sheet flexibility.

Let me expand a bit further on the quarter's business activities. Our TSS business delivered a record first quarter, with continued strength in both Freon and Opteon Refrigerants, driving double-digit year-over-year growth. Net sales for TSS increased 22% versus the prior year quarter, largely driven by higher pricing, stronger volume growth, and a favorable product mix across refrigerant markets. Pricing benefited from automotive aftermarket Freon Refrigerant sales in North America and Opteon blends, while overall volume growth was supported by seasonal strength.

These top line results translated into record adjusted EBITDA for TSS in the quarter, with margins expanding to 33%, reflecting strong pricing realization for Freon and an improved Opteon blend mix. While higher input costs, particularly R32, created some offset, these results underscore the power of our commercial execution and disciplined quota management. Sequentially, net sales increased 28%, consistent with the typical seasonal ramp we see across refrigerants and pricing strength in certain products.

For our TT business in the first quarter, the team executed well amid a challenging market environment. We experienced continued global stability and observed solid seasonal demand improvements in North America and Europe. However, lower volumes and less favorable product mix in certain non-Western markets offset these schemes, resulting in reduced global volumes overall compared to the prior quarter. While volumes trended down sequentially, net sales finished within our expectations due to disciplined global pricing execution. Notably, adjusted EBITDA exceeded our expectations, driven by our pricing actions, along with strong cost management and our focus on operational excellence.

In line with our efforts to improve security of supply and input optimization, we've signed a long-term chlorine supply contract with Olin to service our DeLisle site starting in 2028. This agreement ensures a reliable supply at value-accretive economics, strengthening DeLisle's global competitiveness and supporting our operational excellence focus under Pathway to Thrive. It also reinforces Chemours' commitment to being one of the lowest cost chloride TiO<sub>2</sub> producers worldwide. While we had previously announced our intention to pursue an onsite chlorine facility at our DeLisle site with a third party, in March, the supply agreement terminated, and we will not be proceeding with this project.

As we look ahead, our team remains agile and responsive to ongoing market changes and economic uncertainty. We continue to keep our manufacturing operations flexible, modifying production levels to meet shifting demand. Our pricing strategy is firmly in place as exemplified in our recent price increase communication, first in December, and continued on April 1 across all key end markets. These announcements demonstrate our ability to adjust prices while consistently delivering outstanding and dependable service and quality. The first quarter's results, with pricing up 3% sequentially, reflect the initial impact of implementing these price changes, alongside

our progress in operational reliability, which strengthens our ability to respond effectively to shifts in market demand.

APM results in the first quarter reflected both operational and portfolio-related headwinds, with net sales down year-over-year due primarily to lower volumes. Overall, first quarter sales were constrained by the Washington Works outage and the prior closure of the Advanced Materials SPS Capstone line. These factors provided a difficult comparison to last year, and the outage weighed meaningfully on sales and incremental costs, resulting in a \$25 million headwind in adjusted EBITDA. While our first quarter performance was not what we believe the business is capable of, with these discrete events now behind us today, APM is building a more effective and efficient foundation for coming quarters. Notably, our Performance Solutions order book is seeing particular strength in high-value markets, positioning APM for continued improvement as we move through 2026. Separately, our corporate-level performance also showed a significant decrease in expenses compared to the same quarter last year, largely due to lower costs associated with legacy litigation activities. We remain focused on balancing the timely execution of global corporate initiatives with appropriate cash expenditures.

With that, I'll turn it over to Shane to walk through our outlook for the quarter ahead and provide thoughts on what remains for 2026.

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## Shane W. Hostetter

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

Thank you, Denise, and good morning, everyone. As shared in the earnings materials available on our investor website, I now would like to discuss our expectations for the second quarter and provide some updates on our business as we look ahead.

Beginning with TSS. For the second quarter, we project net sales to rise sequentially in the low to mid-teens percent range, primarily attributable to favorable seasonal trends related to the cooling season in the Northern Hemisphere. It is worth noting that some demand and associated sales, having about a \$10 million impact on adjusted EBITDA, was pulled forward into the first quarter due to timing, which modestly tempers the sequential progression we would have otherwise expected and added strength to our first quarter TSS performance. Despite this, pull forward, the seasonal uplift we anticipate for TSS will be underpinned by strength across our Opteon and Freon refrigerant channels. Adjusted EBITDA for TSS is also expected to grow sequentially, ranging from \$210 million to \$225 million, primarily driven by seasonality, as well as specific opportunities our commercial team is capturing in the Freon aftermarket and continue to transition to Opteon Refrigerants.

In the first quarter and into the second, weakness in residential demand was more pronounced than anticipated. This softer demand has been largely driven by a slower start to the referenced cooling season, which has delayed equipment installations and associated aftermarket activity, and is consistent with what we are hearing more broadly across the residential HVAC value chain. Specific to expectations in the first quarter and into the second quarter, overall aftermarket demand has slowed as new equipment demand has decelerated into distribution networks, an important leading indicator for downstream demand. Looking to the full year, we continue to expect year-over-year growth in the business, supported by our strong market position, regulatory tailwinds and overall pricing strength. However, we remain appropriately cautious on residential demand signals.

One other important factor to consider is that TSS is a quota-driven business. Our company can drive differentiated values with disciplined execution and allocating our available quota to the most attractive pockets of demand. While we do not expect the same year-over-year double-digit top line growth for the remainder of 2026 as comparisons begin to reflect the regulatory-driven adoption under the US AIM Act that drove robust demand in late 2025, we remain bullish on the opportunity ahead as we allocate our quota to achieve optimal profitability.

Overall, demand across our Opteon channels, together with continued momentum in the Freon automotive aftermarket, supports the growth profile and consistent margins we outlined last quarter.

For our TT business, we expect sequential net sales to increase in the mid to high-teens percentage range in the second quarter, driven by a more favorable seasonal comparison and related pricing actions. This improvement is supported by increased mineral sales following first quarter timing dynamics related to our mining restructure, as well as some strength we are seeing in our TiO<sub>2</sub> pigment sales amid actively developing global market conditions.

Our guide to the second quarter anticipates the initial effects of the price increase on April 1, as well as the continuing effects from pricing increases announced in December. These adjustments are being applied across our key end markets as contracts allow. Although global geopolitical events continue to affect supply chains and impacts the worldwide TiO<sub>2</sub> market, both directly and indirectly, we are confident that our TT business is strategically positioned to take advantage of emerging opportunities.

Aligned with the current market environment and the improved agility of our operational circuit, for the second quarter, we expect TT's adjusted EBITDA to range between \$40 million and \$50 million. Although geopolitical outcomes remain uncertain and the related market impact is unclear, recent enhancements to our operating circuit and improved visibility of order patterns support the second quarter earnings [ph] growth (00:22:39). As the year develops, consistent with prior messaging, we are controlling what we can control, and we intend to stay true to our commercial strategy, which will be supported by robust pricing efforts that will continue based on our assessment of market conditions. We remain resolute in our belief that this strategy positions our TT business for success, regardless of market and demand conditions.

Now, for our APM business. For the second quarter, we anticipate net sales to increase within the low to high 30% range on a sequential basis, primarily due to the resumption of normal operations at the Washington Works facility. Adjusted EBITDA is forecasted to be between \$12 million and \$18 million. While sequential growth in EBITDA is expected, earnings remain below targeted levels as cost pressures and volume limitations related to the Washington Works downtime experienced in the first quarter continues to weigh on second quarter profitability. Although we are facing outage-related concerns, our APM order velocity has reached a level that has not been experienced in the past several years.

Within our Performance Solutions portfolio, demand remains strong in the semiconductor and data center end markets, which are driving orders for our Performance Solutions products. These sectors are tied to growing and sustainable demand for APM's products and are areas where Chemours is uniquely positioned to serve these markets. In addition to our higher value end market activity, our Advanced Materials portfolio is also experiencing strong order levels. While the industrial end markets that Advanced Materials generally serve remain weak, our commercial team is seeing signs of destocking for specialty materials that may have been overbought in prior years. While the impact of these demand tailwinds is limited in our second quarter outlook, we see direct pathways to achieve significant second half strength, while the macroeconomic environment remains tepid.

On a consolidated basis, we anticipate our second quarter net sales to increase in the range of 15% to 20% sequentially, with consolidated adjusted EBITDA expected to range between \$220 million to \$250 million. Also, we anticipate corporate expenses to range between \$45 million and \$50 million. Our capital expenditures for the second quarter are expected to be in the range of \$50 million, with free cash flow generation of at least \$100 million. In connection with the strong free cash flow we anticipate for the second quarter, we expect to realize interest expense savings in the quarter as we reduce our debt by approximately \$160 million in April. Also, we remain committed to enhancing our balance sheet flexibility, including the \$700 million refinancing completed in March, which builds on the close to \$2 billion of near-term debt we have addressed since the fourth quarter of

2025. We are proud of these efforts which strengthen our balance sheet and enhance financial flexibility, key enablers of our Pathway to Thrive strategy.

Turning to the full year, despite a mixed global operating environment that includes challenging commercial end markets and overall raw material and other cost inflation, we still expect our full year consolidated net sales, adjusted EBITDA and capital expenditure forecast to align with our previous guidance. Full year free cash flow conversion is now expected to be above 20%, slightly lower than our prior guide, driven by Kuan Yin land sale tax implications which impact free cash flow. That said, the earlier than anticipated closure of the majority of the Kuan Yin parcels positions Chemours to immediately begin to delever as we pay down approximately \$150 million of our outstanding euro term loan B [indiscernible] (00:26:33).

As we close the final Kuan Yin land parcel and repatriate the remaining proceeds expected this year, we intend to use those proceeds to continue redeeming future debt maturities. This positive development, paired with our diligent cash management activities, provides us with confidence towards achieving our liquidity objective of net leverage below 3 times adjusted EBITDA. For 2026, we now anticipate our net leverage ratio will be below 3.8 times adjusted EBITDA by the end of the year. Additionally, our efforts will provide approximately \$9 million in interest expense savings for the company going forward annually by year end after the referenced repayment in April.

Overall, we started the year out well. And looking ahead, we see strong pricing momentum in TT, robust refrigerant demand, and operational reliability improvement across our sites, which gives us confidence to deliver a step-up performance in the second half of the year, enabling us to deliver on our full year guide. Also, we remain front-footed on our assessment of operational and commercial impacts stemming from geopolitical considerations around the globe to ensure we address inflation ahead of any financial impact, as well as addressing any potential opportunities as they present themselves. We have the right team in place and a strong understanding of our customer base to achieve the goals and outlook we have laid out for the current year.

Given these perspectives on the second quarter and remaining year, I'd like to now hand the call back over to Denise to share her closing thoughts and perspectives.

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## Denise M. Dignam

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

Thank you, Shane. As I look across our first quarter performance, we continue to see clear progress against our Pathway to Thrive strategy, which remains the foundation for how we operate, allocate capital and create long-term value. We remain on track and are seeing tangible accomplishments across all pillars, including improved operational reliability, disciplined cost execution, targeted growth investments, continued portfolio improvements, and efforts to de-risk our balance sheet aimed at strengthening the business over time.

Our teams are performing effectively across all Pathway to Thrive pillars. In the area of operational excellence, we continue to integrate the Chemours Business System to implement lean principles, ensuring a high standard of consistency, reliability and cost efficiency. Although CBS was implemented earlier this year, we are already observing positive outcomes

For enabling growth, our focus remains on areas that set us apart and provide clear market advantages. This is evidenced by ongoing momentum in Opteon Refrigerants, increased engagement within high value end markets across TSS and APM, and continued efforts to drive value through recent pricing strategies. For portfolio management, paired with our disciplined capital allocation approach, we've improved our balance sheet with the nearly completed Kuan Yin land sale and existing cash reserves enabling a reduction in debt that will continue

through the year. We are dedicated to aggressively reducing our leverage while making steady progress in our strengthening the long-term pillar where we are progressively working to reduce our exposure to legacy matters. These efforts highlight our focus on de-risking Chemours to ensure our ability to secure our future in exciting, high-value end markets and opportunities.

And taking a broader view of Chemours, we are closely monitoring the ongoing conflict in the Middle East and the resulting volatility across energy markets and global chemical supply chains, which is adding uncertainty to the broader macro environment with the potential to weigh on demand, particularly in more impacted regions. To this, we are focused on actively working to mitigate cost headwinds through core price and other pricing mechanisms. As sulfur markets tighten due to this conflict, sulfate-based TiO<sub>2</sub> producers are seeing tangible cost inflation, creating potential opportunities for those positioned to respond. Chemours has decades of leadership in the titanium dioxide market with deep technical, commercial and regional expertise. As conditions evolve and potential tailwinds emerge, we are applying that experience with discipline, remaining selective and deliberate as we monitor the macro environment and act accordingly.

In parallel, we are taking a disciplined approach to risk management across the enterprise, prioritizing cost control, supply chain resilience and capital allocation to ensure flexibility in this more uncertain macro environment. We believe that our positioning, considering these market dynamics, could provide opportunities for Chemours as we move into the second half.

Before we move to questions, I want to thank our employees around the world for their continued focus, resilience and commitment. Their execution and adaptability are central to our performance and our progress against Pathway to Thrive. I'd also like to thank our customers for their ongoing partnership and trust as we support their needs across critical end markets. With a strong start to the year, the right strategic actions underway, and a proven ability to execute through uncertainty, Chemours is well positioned to deliver on our commitment and drive sustained value creation for all of our stakeholders as 2026 progresses.

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

## QUESTION AND ANSWER SECTION

**Operator:** Thank you. [Operator Instructions] Our first question is going to come from the line of Joshua Spector with UBS. Your line is open. Please go ahead.

**Joshua Spector**

*Analyst, UBS Securities LLC*

Q

Yeah. Hi. Good morning. I wanted to ask just on TSS, and specifically in first quarter, when you're talking about some of the benefits from the pricing step-up in the Freon products into the auto aftermarket, I was wondering if you can characterize that. Was that more of a step-up in some contract type structure? Or is that more of a tightening of the legacy refrigerant market? And did you expect that, I guess, when you gave your guidance earlier in the year?

**Denise M. Dignam**

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

A

[indiscernible] (00:33:11) question, Josh. Yeah. From Freon, first of all, we, as a business are always looking to optimize our EBITDA per quota. So, we do see strength in the auto aftermarket, but we are uniquely positioned when it comes to the auto aftermarket. We have one of two domestic suppliers of 134A versus other foreign suppliers. We also have a great quota position. And then also, there are some constraints for other suppliers that are stemming from EPA regulated phase down of a key raw material that goes into the process of TCE. So, we see this as very sticky. I would say, going into the quarter, we did anticipate strength going in, maybe not as high as it turned out to be, but we certainly expect that to continue.

**Joshua Spector**

*Analyst, UBS Securities LLC*

Q

Okay. Thanks for that. And I guess just sticking with TSS and thinking about 2Q, I think your comments clearly say you expect weaker resi OEM. I think that's the interpretation. So, you're being somewhat conservative there. Does that help your view on margins in the quarter? And I guess there's just a bunch of moving parts now with costs moving up, you trying to get pricing, and generally, just trying to understand kind of the margin cadence you'd expect as either OEM comes back into the mix or some other factors maybe help on the cost side as you go further through the year. Thank you.

**Denise M. Dignam**

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

A

We always talk about the TSS business to be around the 30% margin or higher, in the low 30s. So, that's kind of where we are. When I think about equipment installations in 2026, we're really around – the projection is around 7.5 million units, which is really low, and we expect that to grow as there's more optimism around housing and expecting more around the 9 million unit on a longer-term basis. We see a lot of strength in our aftermarket positioning and see a lot of growth that's coming from that, so we anticipate around Opteon still a really good growth year for us.

**Shane W. Hostetter**

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

A

Hey, Josh, just to add too, I mean, you mentioned about the Q2 guide and a little bit of [ph] weakness (00:35:34). I do want to emphasize, in the script, we talked about a \$10 million adjusted EBITDA impact that was pulled into

the first quarter. Our commercial team did great executing at the last part of the quarter and we shifted about \$10 million of EBITDA into the first quarter. So, if you normalize the Q2 for that \$10 million, I think you would see more seasonal trends.

**Joshua Spector***Analyst, UBS Securities LLC*

Q

Thank you.

**Operator:** Thank you. And one moment for our next question. Our next question is going to come from the line of John Roberts with Mizuho. Your line is open. Please go ahead.

**Fabian Jimenez***Analyst, Mizuho Securities USA LLC*

Q

Good morning. This is Fabian Jimenez on for John. Question on APM. With the Washington Works outage and your closure of SPS Capstone line, what should we expect to see in terms of a sustainable earnings power of the segment? And also, what's the timing of this ramp?

**Denise M. Dignam***President, Chief Executive Officer & Director, The Chemours Co.*

A

Thanks for the question. Yeah. We expect the APM business to be in the \$30 million to \$40 million EBITDA range, and we definitely expect getting back to that range in the back half of the year. We have a really strong order book. When you look at our Performance Solutions portfolio, really centered around semiconductor growth and data center. So, you'll start to see that as we get into the back half.

**Fabian Jimenez***Analyst, Mizuho Securities USA LLC*

Q

Thank you. And switching gears here, on Corpus Christi, can you share what your playbook is if the city declares a level 1 water emergency? What levers can you pull here potentially?

**Denise M. Dignam***President, Chief Executive Officer & Director, The Chemours Co.*

A

Thanks for the question. Hey, this is something that has been on our radar for the better part of two years. So, we've been very proactive. We actually – right now, there's a potential for a 25% curtailment, which is potentially announced for the fourth quarter. That is already dialed into our outlook, so we do not see any hiccups from that. And we also have a very, very robust supply chain. So, if it came to other knobs, we have other partners that we work with that we can supply our customers.

**Fabian Jimenez***Analyst, Mizuho Securities USA LLC*

Q

Thank you.

**Operator:** Thank you. And one moment for our next question. Our next question comes from the line of John McNulty with BMO. Your line is open. Please go ahead.

**John P. McNulty**

*Analyst, BMO Capital Markets Corp.*

Q

Yeah. Good morning. Thanks for taking my question. So, wanted to dig into one of the points that you were bringing up toward the end around some of the sulfur-related impact on other parts of the TiO<sub>2</sub>, I guess, producer market. Because of sulfur constraints, we've seen some really significant price hikes from a lot of the Chinese producers. I guess, how do you think about your playbook as you push through the rest of this year in terms of either going after price and kind of working underneath that higher pricing umbrella that some of some of your competitors are pushing, or going after the volumes that may be left on the table because you don't have to necessarily raise price quite as much? I guess, how are you thinking about that from a playbook perspective? And can you speak to your ability to address some of the international markets that are starting to see some of that really aggressive pricing pushing through?

**Denise M. Dignam**

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

A

Great. Our playbook is, as we've talked about before, where our strategy is around gaining share in fair trade regions, but along with that is also profitability and prioritizing price. So, we came out in December ahead of any disruption with the Iran war and started raising prices, and we're successful. As you can see, going into the first quarter, our pricing is up 3%. So, we're going to continue as we see opportunities to raise price. So, we already made an announcement for a price increase of the same order of magnitude in April. One thing, just to say, is we have great flexibility in our contracting around driving pricing. So, I would say we're going to continue around – our playbook is continuing around driving our share in the fair trade market, but also prioritizing profitability and raising prices. It's clear with sulfur costs increasing, there is an opportunity to go back in history. As sulfur costs increase, there's a one-for-one correlation to what happens in the cost curve of sulfate producers.

**Shane W. Hostetter**

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

A

I will just add, too, John, I mean, if market disruptions occur and there's volume opportunities, you might remember in the third quarter last year, we talked about bringing capacity down about 10% to 20% just to align with where we thought demand was going to be. We have flexible operating circuits that we could bring that back up to address that as well.

**Denise M. Dignam**

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

A

Yeah. And even in the first quarter, we saw volumes increasing over what we had expected, we're able to respond.

**John P. McNulty**

*Analyst, BMO Capital Markets Corp.*

Q

Got it. Okay. No, helpful. And then I guess, can you just give us an update on your 2-PIC? I think NTT was doing some heavy trials on you. I think you've also got some potential capacity coming up later on this year. I guess, can you give us an update as to how that's progressing?

**Denise M. Dignam**

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

A

So, yeah, we're excited about, towards the end of the year, we're going to have the capacity that comes on. And we're going to be using it to sample customers as well as refining our process technology for future scale-up. So,

when it comes to NTT, the 12-month field trial using our fluid was successful. There were no signs of fluid or equipment degradation. There were over 200 prospective customers and partners that have seen the fluid in action. So, we're going to continue working with NTT through 2028 and really continue to expand the visibility of that technology.

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**John P. McNulty**

*Analyst, BMO Capital Markets Corp.*



Great. Thanks very much for the color.

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**Operator:** Thank you. And one moment for our next question. Our next question comes from the line of Hassan Ahmed with Alembic Global Advisors. Your line is open. Please go ahead.

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**Hassan I. Ahmed**

*Analyst, Alembic Global Advisors LLC*



Good morning, Denise and Shane. Question around your Q2, as well as full year guidance. I mean, if I sort of take a look at what you guys have guided to, I mean, you're guiding to a first half EBITDA of around \$404 million. And if I compare that to what that means or implies for the back half of the year, it's essentially a range of \$396 million to \$496 million. So, I'm just trying to sort of figure out that bridge to the higher end of that EBITDA range. I mean, what gets us to that incremental, call it, almost \$100 million on the higher end side of things, I mean, particularly factoring in seasonality and the like?

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**Denise M. Dignam**

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



Thanks for the question, Hassan. I'll just start by saying, coming into 2026, we were very optimistic on growth 2025 to 2026 and we remain very optimistic on that growth. When you think about pricing, we have very strong pricing. When you think about volumes, we see very stable volumes, and our cost actions are really working. So, we feel good about the growth year-over-year, but I'm going to turn it over to Shane to get into more of the specifics around your question.

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**Shane W. Hostetter**

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



Yeah. Thanks for the question, Hassan. So, certainly, as you just put the math to it, it looks as if we're back-end weighted. But you have to remember, we started out the year really slow in APM with Washington Works outages. We mentioned \$25 million in the first quarter, and then we also had some expense come through, as well as constraints on overall sales, into the second quarter as well. That normalized for the second half. It's a good runway to get to that balance.

I would say outside of that, right, we talked a bit about TT. We really are looking at strong pricing and some tailwinds according from that side. Denise mentioned the strong adoption in December, and we just announced in April as well. So, on the backs of a lot of these efforts and controlling what we control, as well as operating – and then also APM had a really good order book. I mentioned in the script, the best we've seen in several years. So, we feel very confident with this guide. And as we think about opportunities within TiO<sub>2</sub>, I think there's upside here from tailwinds as well.

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**Hassan I. Ahmed**

*Analyst, Alembic Global Advisors LLC*



Very helpful. And as a follow-up, on the TT side of things, I mean, I know you guys commented on sulfuric acid and some of the price increases we've seen over there. I mean, as you take a look – so the question really is around, where cost curves sit today and also sort of how that impacts the rationalization that we were seeing leading into some of these sort of sulfuric acid price moves. I mean, if I've run my numbers correctly, some of the sort of latest rounds of price hikes in TiO<sub>2</sub> that we've seen, it just seems barely cover the higher sort of costs coming out of higher sulfuric acid prices and the like. So, I mean, the state of affairs for TiO<sub>2</sub> cost curve-wise was pretty dire, even prior to this run-up in sulfuric acid prices. So, I mean, where are the cost curves today? Are a large chunk of the producers still losing money despite these price hikes? And how does that impact sort of rationalization, particularly in China, on a go-forward basis?

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**Denise M. Dignam**

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

A

Yeah. Thanks for the question. I mean, first of all, let's just go back to what our strategy is, and it's really to be low-cost chloride producer globally, and we continue on that path. We don't have any sulfate production, so we are very much on the left side of the cost curve. Clearly, for sulfate producers, they're moving to the right. Depending on how much sulfur increases, that's how far they're going to the right. Can I say what kind of decisions they're going to make around their capacity? No. But what I can say is we are clearly focused on our strategy of gaining share in the fair trade markets, continuing our advocacy and being reliable suppliers to our customers.

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**Hassan I. Ahmed**

*Analyst, Alembic Global Advisors LLC*

Q

Very helpful. Thank you so much.

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**Operator:** Thank you. And one moment for our next question. Our next question comes from the line of Arun Viswanathan with RBC Capital Markets. Your line is open. Please go ahead.

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**Arun Viswanathan**

*Analyst, RBC Capital Markets LLC*

Q

Great. Thanks for taking my question. Congrats on the results here. So, I guess I just wanted to follow up on the last point. So, for TT, I think you're guiding to about \$40 million to \$50 million for Q2 EBITDA. How does that evolve as you kind of move through the year? Are there any discrete items like cost reductions or maybe something on the – or supply side that would lift that in Q3? Or is it going to be mainly dependent on demand? Thanks.

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**Denise M. Dignam**

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

A

Yeah. I would say that we definitely see improvement as we go through the year, and I would point to two primary factors. We are not fielding any volume upside into our outlook, it's really pricing and continuing our cost outwork, which we definitely see evidence every – and we saw it in the first quarter, we see it coming through the rest of the year.

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**Arun Viswanathan**

*Analyst, RBC Capital Markets LLC*

Q

Okay. Thanks for that. And another question on TSS, I guess, if I could. When you think about the last year and you did have a pretty big step-up because of the step-down in the quota, how are you seeing growth play out this

year in TSS in absence of that? Do you still have a strong backlog that's trying to catch up to prior orders? And also, maybe if you could comment on the pricing environment and the mix environment. Will you be selling any more Freon? And would that affect the mix in a positive or negative way? Or is that destocking all done? Thanks.

**Denise M. Dignam**

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

A

Great, thanks. Thanks for that. Yeah. So, as it evolves, as we've said, first of all, we still expect year-over-year growth in Opteon and in TSS. As we get to the second half of the year, you're going to see more of a slowdown, as we've talked about, because of the transition. But we see a lot of upside in the aftermarket as new equipment gets installed, and we have a really, really strong position in the aftermarket. When you think about Freon, as I said earlier, we see stickiness in our pricing and in our volumes because of our position in the auto aftermarket. So, we feel very optimistic about the growth and our position for the rest of the year.

**Shane W. Hostetter**

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

A

And as it relates to the margins, Arun, talked about a 30-plus margins in this business and we feel very confident with that. Seasonally, Q2, Q3 tend to be the seasonally the strongest margins and we anticipate such again.

**Arun Viswanathan**

*Analyst, RBC Capital Markets LLC*

Q

Thanks.

**Operator:** Thank you. And one moment for our next question. Our next question comes from the line of Pete Osterland with Truist Securities. Your line is open. Please go ahead.

**Peter Osterland**

*Analyst, Truist Securities, Inc.*

Q

Hey. Good morning. Thanks for taking the questions. Just wanted to start on TT. So, you called out the lower TiO2 sales in North America in the first quarter. Looks like sales were down 12% year-over-year in the region. Was that a reflection of underlying market demand, I guess, or anything to note from a customer inventory perspective? And just going forward over the next couple of quarters, what's your outlook for the North American market?

**Denise M. Dignam**

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

A

Yeah. I mean, going into – actually, coming into the year, we had projected the volume. Actually we – and particularly in North America than we had anticipated. As we go into second quarter, we definitely see a step-up with the [ph] coating (00:50:28) season.

**Peter Osterland**

*Analyst, Truist Securities, Inc.*

Q

Okay. Thanks. And then, just as a clarification on your free cash flow guidance being lowered to 20% from 25%. Does that represent anything other than the tax outflow from the Kuan Yin proceeds? I guess, any other cash headwinds that you haven't previously incorporated?

**Shane W. Hostetter**

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

A

Hey. Thanks, Pete. Yeah, appreciate you bringing this up. As you mentioned, yeah, this is really just specific to the Kuan Yin land sale. We had taxes that are forecasted to be in operating cash flow, whereas the Kuan Yin proceeds are going to be outside of free cash flow. So, it's really just a presentation models. But I will make sure to emphasize that 20% is a floor, right? We're confident in really generating upside here and we'll continue to focus on that free cash flow generation of this company.

**Peter Osterland**

*Analyst, Truist Securities, Inc.*

Q

Great. Thanks very much.

**Operator:** Thank you. And one moment for our next question. Our next question comes from the line of Duffy Fischer with Goldman Sachs. Your line is open. Please go ahead.

**Duffy Fischer**

*Analyst, Goldman Sachs & Co. LLC*

Q

Yeah. Good morning. Question on the new chlorine contract. One, is it more of a cost plus or is it a market minus-type contract? And then two, if you look at it versus what you've paid over the last two or three years, is it a meaningful cost advantage for you when that rolls through?

**Denise M. Dignam**

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

A

Yeah. Thanks for the question, Duffy. Yeah. We can't talk about specifics of the contractual terms, but all I can say is this provides secure, reliable supply of chlorine at a very attractive rate. It secures our competitive position and it is very aligned with our drive to the left side of the cost curve.

**Duffy Fischer**

*Analyst, Goldman Sachs & Co. LLC*

Q

Okay. And then, on the Q1 slide deck, you called out \$17 million of kind of onetime impacts that you thought were going to happen in TT. With that quarter now done, did it come in at \$17 million? Was it higher? Was it lower? Did some of that get pushed into Q2? Can you just talk about that?

**Shane W. Hostetter**

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

A

Yeah. Thanks, Duffy. Yeah, appreciate you bringing that up. That was really related to some more mix items within the cold season at some of our plants. I would say the \$17 million we saw come through. However, we did have some onetime benefits that came through as well. So, we had less than the \$17 million that we saw come through, but not too much of a quantum less.

**Duffy Fischer**

*Analyst, Goldman Sachs & Co. LLC*

Q

Great. Thank you. Thanks.

**Operator:** Thank you. And one moment for our next question. Our next question comes from the line of Laurence Alexander with Jefferies. Your line is open. Please go ahead.

**Daniel Rizzo**

*Analyst, Jefferies LLC*

Q

Hi. Good morning. This is Dan Rizzo on for Laurence. You mentioned the Freon is sticky. When you say sticky, is it for this year where it's some sort of restock? Or is it like a multiyear growth story? And I guess, more importantly, can it provide some tailwind when the Opteon adoption kind of slows a little bit?

**Denise M. Dignam**

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

A

I'm sorry. Can you ask the second part of the question again?

**Daniel Rizzo**

*Analyst, Jefferies LLC*

Q

Well, I was wondering if Freon is going to be a multiyear growth story. Because, I mean, Opteon is still very strong, it will eventually peter out – not peter out, but it'll slow to a more, I guess, longer pace and I was wondering if Freon could kind of augment that.

**Denise M. Dignam**

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

A

Yeah. I mean, we see a multiyear trajectory around Freon's strength. So, as we said, the way we run this business is managing our quota and getting the best margins for our TiO2 equivalent. As I said, we have a very advantaged position in the US relative to this product and we have a good quota position and our process is not impacted by some of the EPA actions. So, definitely see this persisting.

**Daniel Rizzo**

*Analyst, Jefferies LLC*

Q

And is the demand, I mean – and maybe a simple question, but is the demand coming almost entirely from auto aftermarket or are there other factors or other areas contributing?

**Denise M. Dignam**

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

A

Yeah. It's really auto aftermarket. And I would say, if you look at even the trajectory of like ICE vehicles, there's a long tail for that. So, that's how you can kind of think about that Freon sales.

**Daniel Rizzo**

*Analyst, Jefferies LLC*

Q

[ph] Thanks (00:54:56).

**Operator:** Thank you. And one moment for our next question. Our last question will come from the line of Vincent Andrews with Morgan Stanley. Your line is open. Please go ahead.

**Vincent Stephen Andrews**

*Analyst, Morgan Stanley & Co. LLC*

Q

Thank you, and good morning. Just wondering if you could comment a little bit on the TiO2 market and what you think the impact to the market, as well as to you, will be from the restarts of the Venator assets. I guess there's one in Italy that's restarting, and then LB seems to have gotten approval for the one in the United Kingdom, though it's not clear exactly when that might restart. I know Europe is not necessarily the biggest market for you, but what do you think it'll do to the market and how will you play around that?

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**Denise M. Dignam**

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

A

Yeah. I mean, I think – thanks for the question. I think there's definitely will be a small impact. We'll see how those assets start up. They definitely need some work to get started, so I think if anything, we would start seeing something maybe next year. But we feel, especially around just the UK asset, there's going to be – I would say our biggest concern there is, can that asset be used for pull-through of other Chinese volume? And we see the risk of that low. We have a lot of trade advocacy going on, making sure there's no circumvention of anti-dumping tariffs, and also really strengthening – working with authorities to strengthen the rules of origin definition. So, I would just say, it's really not something that we see as a big impact. These are also very high cost to operate facilities.

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**Vincent Stephen Andrews**

*Analyst, Morgan Stanley & Co. LLC*

Q

Okay. And then, Shane, if I could just follow up on the cash flow. The fourth quarter, when you put out the 25% number, you obviously had announced the sale of the land. At the time, did you just think there was going to be a way to not incur taxes on that, and then that didn't play out? Or just, what happened there?

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**Shane W. Hostetter**

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

A

Yeah. Thanks, appreciate the question. I'd say, as we announced that, I think we were fine-tuning the overall distribution plan out of Taiwan. We are going to carry with it. That said, we've announced net proceeds of \$290 million here way ahead of time, right, as well as we're seeing net-net probably more than we expected. We said net roughly around \$300 million. I would say net, we're roughly in the \$310 million range. So, yes, the original 25% did not take into account that tax item, but it was more presentation. We anticipated that net item being kind of netted with the Kuan Yin proceeds instead of being presented in operating cash flow.

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**Vincent Stephen Andrews**

*Analyst, Morgan Stanley & Co. LLC*

Q

Okay. That's very clear. Thank you very much.

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**Operator:** Thank you. And I'm showing no further questions at this time. Ladies and gentlemen, this will conclude today's question-and-answer session, as well as today's conference call. Thank you for participating, and you may now disconnect. Everyone, have a great day.

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