

Fourth Quarter and Full Year 2020 Conference Call

Tronox Holdings plc

February 18, 2021

Safe Harbor Statement and Non-U.S. GAAP Financial Terms

Cautionary Statement about Forward-Looking Statements

Statements in this presentation that are not historical are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance including the effects of the COVID-19 pandemic and anticipated synergies based on our growth and other strategies, anticipated completion of extensions and upgrades to our mining and operations, and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance, actual synergies, or achievements to differ materially from the results, level of activity, performance, anticipated synergies or achievements expressed or implied by the forward-looking statements. Significant risks and uncertainties may relate to, but are not limited to, business and market disruptions related to the COVID-19 pandemic, market conditions and price volatility for titanium dioxide, zircon and other feedstock materials, as well as global and regional economic downturns, including as a result of the COVID-19 pandemic, that adversely affect the demand for our end-use products; disruptions in production at our mining and manufacturing facilities; and other financial, economic, competitive, environmental, political, legal and regulatory factors. These and other risk factors are discussed in the Company's filings with the Securities and Exchange Commission (SEC).

Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can management assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance, synergies or achievements. Neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Unless otherwise required by applicable laws, we undertake no obligation to update or revise any forward-looking statements, whether because of new information or future developments.

Use of Non-GAAP Information

To provide investors and others with additional information regarding the financial results of Tronox Holdings plc, we have disclosed in this presentation certain non-U.S. GAAP operating performance measures of EBITDA, Adjusted EBITDA, Adjusted EBITDA margin and Adjusted net loss attributable to Tronox, including its presentation on a per share basis, and a non-U.S. GAAP liquidity measure of Free Cash Flow. These non-U.S. GAAP financial measures are a supplement to and not a substitute for or superior to, the Company's results presented in accordance with U.S. GAAP. The non-U.S. GAAP financial measures presented by the Company may be different from non-U.S. GAAP financial measures presented by other companies. Specifically, the Company believes the non-U.S. GAAP information provides useful measures to investors regarding the Company's financial performance by excluding certain costs and expenses that the Company believes are not indicative of its core operating results. The presentation of these non-U.S. GAAP financial measures is not meant to be considered in isolation or as a substitute for results or guidance prepared and presented in accordance with U.S. GAAP. A reconciliation of the non-U.S. GAAP financial measures to U.S. GAAP results is included herein.

Unaudited Pro Forma Financial Information

On April 10, 2019, we announced the completion of the acquisition of the TiO₂ business of Cristal which impacts the comparability of the reported results for the fourth quarter of 2020 compared to the fourth quarter of 2019. Since Tronox and Cristal have combined their respective businesses effective with the merger date of April 10, 2019, the four and twelve months ended December 31, 2020 reflect the results of the combined business, while the four and twelve months ended December 31, 2019 reflect the results of the combined business from April 10, 2019. To assist with a discussion of the fourth quarter and year end 2020 and the fourth quarter and year end 2019 results on a comparable basis, certain supplemental unaudited pro forma income statement and Adjusted EBITDA information is provided on a consolidated basis and is referred to as "pro forma information." The pro forma information has been prepared on a basis consistent with Article 11 of Regulation S-X, assuming the merger and merger-related divestitures of Cristal's North American TiO₂ business and the 8120 paper laminate grade had been consummated on January 1, 2018. In preparing this pro forma information, the historical financial information has been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the business combination and other transactions presented herein, such as the merger-related divestitures, (ii) factually supportable, and (iii) expected to have a continuing impact on the combined entity's consolidated results. The pro forma information is based on management's assumptions and is presented for illustrative purposes and does not purport to represent what the results of operations would actually have been if the business combination and merger-related divestitures had occurred as of the dates indicated or what the results would be for any future periods. Also, the pro forma information does not include the impact of any revenue, cost or other operating synergies in the periods prior to the acquisition that may result from the business combination or any related restructuring costs.

2020 in Review

Our focus has been on three priorities:

- 1 The safety, health and well-being of our employees and their families
→ *Achieved record safety year for both legacy Tronox and Cristal*
- 2 Operating safely in all respects while managing our ongoing operations
→ *Designated as essential; reliable operations for our customers*
- 3 Protecting, preserving, and strengthening our business and laying the foundation for the future
→ *Focus on sustainability*
→ *Launching high-return capital projects to reduce operating costs*



Fourth Quarter and Full Year 2020 Highlights

Recovery continues across all products, end markets, and geographies

- Fourth quarter revenue above expectations; Adjusted EBITDA well above guidance issued on Q3 2020 earnings call
- Q4 2020 revenue increased 16 percent sequentially driven volume improvements across all products
- Adjusted EBITDA margin returned to 1H 2020 levels driven by increased zircon sales, synergies, and favorable FX rates
- Total synergies of \$243 million through December 31, 2020
 - Well in excess of the \$220 million run rate synergy target anticipated by FY2022 set at Tronox's 2019 Investor Day
 - \$193 million in EBITDA, above target issued in Q3 2020
- FY2020 Free Cash Flow of \$160 million
- \$3.3 billion year end debt balance; \$300 million discretionary debt repayment to be made by the end of Q1 2021
 - Remain committed to deleveraging and reducing our gross debt to \$2.5 billion and our net leverage to 2.0x – 3.0x by 2023

Pro Forma Summary Financials	Q4 '20	Q4 '19	% Δ YoY	2020	2019	% Δ YoY
Revenue	\$ 783	\$ 693	13%	\$ 2,758	\$ 3,008	(8%)
Net Income from Continuing Operations	57	1	n/m	995	41	n/m
EPS	0.31	(0.03)	n/m	6.69	0.12	n/m
Adjusted Diluted EPS	0.19	0.07	171%	0.56	0.39	44%
Adjusted EBITDA	204	156	31%	668	681	(2%)
Adjusted EBITDA Margin %	26%	23%	3 pts	24%	23%	1 pt

Note: All figures are pro forma and are in US\$ in millions unless otherwise noted. See appendix reconciliations for non-GAAP financial measures.

Commercial Performance

USD millions	4Q20	4Q19	YoY % Δ	3Q20	QoQ % Δ
Revenue	\$ 783	\$ 693	13%	\$ 675	16%
TiO ₂	587	544	8%	543	8%
Zircon	94	71	32%	56	68%
Feedstock & Other	102	78	31%	76	34%

	YoY % Δ		QoQ % Δ	
	Volume	Price	Volume	Price
TiO ₂	8%	0%	8%	0%
Local Currency	n/a	(2%)	n/a	0%
Zircon	48%	(10%)	70%	(2%)

- Revenue increased 13% YoY and 16% QoQ, driven by continuing demand recovery throughout the quarter across all products, end markets & geographies
- TiO₂ volumes increased 8% led by a continued recovery in Latin America
- TiO₂ average selling prices remained level
- Zircon volumes increased 48% YoY and 70% QoQ driven primarily by demand recovery in China and some benefit from shipment timing compared to Q3
- Feedstock and other products sales increased 31% YoY and 34% QoQ due to improved pig iron volumes
 - Mandated CP slag sales concluded in Q4 2020 per the FTC consent order – Tronox intends to consume this CP slag volume internally going forward

4Q20 vs 4Q19 Revenue



4Q20 vs 3Q20 Revenue



Note: All figures US\$ in millions unless otherwise noted.

Operational Performance

USD millions	4Q20	4Q19	YoY % Δ	3Q20	QoQ % Δ
Adjusted EBITDA	\$ 204	\$ 156	31%	\$ 148	38%
Adjusted EBITDA margin	26%	23%	3 pts	22%	4 pts

- Improved volumes, synergies, and favorable FX rates led to higher Adjusted EBITDA relative to Q4 2019, partially offset by increased production costs
- Improved volumes, reduced production costs, and synergies led to higher Adjusted EBITDA relative to Q3 2020, partially offset by unfavorable FX rates
 - Lower pigment idle facility charges¹ QoQ benefited production costs
- Other includes \$4 million of reimbursement from claims related to the Ginkgo concentrator failure we inherited as part of the Cristal transaction
- \$31 million in incremental synergies reflected in EBITDA YoY



Mineral Sands Operations in South Africa

4Q20 vs 4Q19 Adjusted EBITDA



4Q20 vs 3Q20 Adjusted EBITDA



Note: All figures US\$ in millions unless otherwise noted. See appendix reconciliations for non-GAAP financial measures.

1) Relates to charges taken when facilities are operated at rates significantly below budget.

Tronox Exceeded Run Rate Synergy Target Set at Investor Day

Achieved Two Years Ahead of Schedule, With Additional Incremental Synergies in the Pipeline

Projected Synergies At Investor Day (2019)

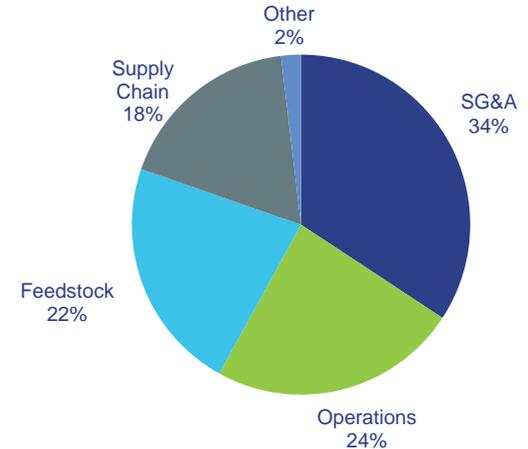


Total Actual Synergies Achieved

USD millions



2020 EBITDA Synergy Breakout



Key 2021 Capital Projects

Project newTRON

- Multi-year, global digital transformation strategy project
- Will enhance benefits of vertical integration and further reduce low-integrated cost per ton
- Estimated capital expenditures of ~\$75 million in each of 2021 and 2022
- \$150–\$200 per ton in annual run rate benefits across the enterprise anticipated by the end of 2023
- Project expected to generate returns starting in 2021
- Cost reduction opportunities of an incremental ~\$150 per ton in second phase of newTRON

Atlas Campaspe

- Australia mining project replacing existing Snapper / Ginkgo mines in 2022
- Abundant in natural rutile, high value zircon production, high grade ilmenite suitable for synthetic rutile or slag processing
- Estimated capital expenditures of ~\$75 million in each of 2021 and 2022 for mine developments
- Investment in sustaining Tronox's internalization of chloride feedstock supports continued \$200–300+ per ton savings relative to average high grade feedstock price

Continue advancement of Tronox's vertically integrated strategy expected to enhance position as a leading TiO₂ producer and the industry leader in financial performance

Tronox's Financial Position Remains Strong

Liquidity and Capital Resources

<i>(US\$ in millions)</i>	Dec. 31, 2020
Cash and cash equivalents	\$ 619
Available under:	
ABL Facility	285
Standard Credit Facility	68
Emirates Revolver	50
SABB Facility	19
Total	\$ 1,041

- Cash is well distributed across regions – no trapped cash
- Excludes \$29 million of restricted cash, of which \$18 million was released as a break fee in January 2021 related to TTI

Balance Sheet as of December 31, 2020

- Total debt of \$3.3 billion, net debt of \$2.7 billion; Trailing Twelve Month net leverage of 4.1x
- No financial covenants on term loans or bonds

Debt Maturity Schedule (US\$ in millions)



Capital Expenditures and Free Cash Flow

- Capital expenditures in the fourth quarter were \$66 million; depreciation, depletion and amortization expense was \$85 million
 - FY2020 capital expenditures totaled \$195 million
- Free cash flow for the fourth quarter was \$133 million and for FY2020 was \$160 million
 - Improvements in EBITDA, inventory levels, and accounts payable, partially offset by increased capital spending resulted in improved fourth quarter free cash flow

Note: See appendix reconciliations for non-GAAP financial measures.

Outlook

- Q1 2021 outlook:
 - Strong sales trends from Q4 2020 expected to continue
 - TiO₂ sales volumes expected to increase 11-15 percent sequentially from global demand strength in Q1
 - Q1 2021 Adjusted EBITDA outlook of \$200-\$210 million
 - Expect Q1 2021 headwinds from FX primarily South African Rand & Australian Dollar
- TiO₂ market sensitivities for Tronox's business:
 - We expect an EBITDA margin of approximately 25-30 percent on incremental TiO₂ volumes
 - For Tronox, \$100 per ton move in TiO₂ price is approximately equivalent to ~\$90 million in EBITDA on an annualized basis
- FY 2021 Estimated Uses of Cash:
 - Net Cash Interest Expense: ~\$160-170 million
 - Cash Taxes: ~\$20-40 million
 - Capital Expenditures: ~\$350 million
 - Pension Contributions – net: less than \$10 million
- We do not expect working capital to be a use of cash and are currently managing it to be a source of cash
- High return internal investments and debt paydown remain highest capital priorities
- Increased annualized dividend from \$0.28 per share to \$0.32 per share, equivalent to a 14 percent increase, effective when the normal Q1 2021 dividend is expected to be declared during the quarter

Leveraging vertically integrated business model to produce safe, quality, low-cost, sustainable tons for our customers and deliver results for our stakeholders

Note: See appendix reconciliations for non-GAAP financial measures. For the Company's guidance with respect to first quarter 2021 Adjusted EBITDA, we are not able to provide without unreasonable effort the most directly comparable GAAP financial measure, or reconciliation to such GAAP financial measure, because certain items that impact such measures are uncertain, out of the Company's control or cannot be reasonably predicted.

We Remain Committed to Our Strategy



Q&A Session

Appendix



Consolidated Statements of Operations (U.S. GAAP)

TRONOX HOLDINGS PLC
 CONSOLIDATED STATEMENTS OF OPERATIONS (U.S. GAAP)
 (UNAUDITED)
 (Millions of U.S. dollars, except share and per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net sales	\$ 783	\$ 693	\$ 2,758	\$ 2,642
Cost of goods sold	605	545	2,137	2,159
Contract loss	-	-	-	19
Gross profit	178	148	621	464
Selling, general and administrative expenses	84	95	347	347
Restructuring	-	9	3	22
Income from operations	94	44	271	95
Interest expense	(49)	(47)	(189)	(201)
Interest income	2	2	8	18
Loss on extinguishment of debt	(2)	(1)	(2)	(3)
Other income (expense), net	7	1	26	3
Income (loss) from continuing operations before income taxes	52	(1)	114	(88)
Income tax benefit (provision)	5	(4)	881	(14)
Net income (loss) from continuing operations	57	(5)	995	(102)
Net income from discontinued operations, net of tax	-	-	-	5
Net income (loss)	57	(5)	995	(97)
Net income attributable to noncontrolling interest	12	(5)	26	12
Net income (loss) attributable to Tronox Holdings plc	\$ 45	\$ -	\$ 969	\$ (109)
Net income (loss) per share, basic:				
Continuing operations	\$ 0.31	\$ -	\$ 6.76	\$ (0.81)
Discontinued operations	\$ -	\$ -	\$ -	\$ 0.03
Net income (loss) per share, basic	\$ 0.31	\$ -	\$ 6.76	\$ (0.78)
Net income (loss) per share, diluted:				
Continuing operations	\$ 0.31	\$ -	\$ 6.69	\$ (0.81)
Discontinued operations	\$ -	\$ -	\$ -	\$ 0.03
Net income (loss) per share, diluted	\$ 0.31	\$ -	\$ 6.69	\$ (0.78)
Weighted average shares outstanding, basic (in thousands)	143,621	141,923	143,355	139,859
Weighted average shares outstanding, diluted (in thousands)	147,254	141,923	144,906	139,859
Other Operating Data:				
Capital expenditures	66	58	195	198
Depreciation, depletion and amortization expense	85	75	304	280

Reconciliation of Non-U.S. GAAP Financial Measures

TRONOX HOLDINGS PLC
RECONCILIATION OF NON-U.S. GAAP FINANCIAL MEASURES
(UNAUDITED)
(Millions of U.S. dollars, except share and per share data)

RECONCILIATION OF NET INCOME (LOSS) FROM CONTINUING OPERATIONS
ATTRIBUTABLE TO TRONOX HOLDINGS PLC (U.S. GAAP)
TO ADJUSTED NET INCOME FROM CONTINUING OPERATIONS
ATTRIBUTABLE TO TRONOX HOLDINGS PLC (NON-U.S. GAAP)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net income (loss) attributable to Tronox Holdings plc (U.S. GAAP)	\$ 45	\$ -	\$ 969	\$ (109)
Net income from discontinued operations, net of tax (U.S. GAAP)	-	-	-	5
Net income (loss) from continuing operations attributable to Tronox Holdings plc (U.S. GAAP)	\$ 45	\$ -	\$ 969	\$ (114)
Inventory step-up (a)	-	2	-	91
Contract loss (b)	-	-	-	14
Transaction costs (c)	4	3	14	32
Restructuring (d)	-	8	3	21
Integration costs (e)	-	8	10	16
Loss on extinguishment of debt (f)	2	1	2	3
Pension settlement and curtailment gains (g)	(2)	(1)	(2)	(1)
Insurance proceeds (h)	(8)	-	(11)	-
Other (i)	2	-	4	-
Tax valuation allowance (j)	(10)	-	(903)	-
Charge for capital gains tax payment to Exaro (k)	-	(2)	-	4
Income tax expense - deferred tax assets (l)	(5)	-	(5)	-
Adjusted net income from continuing operations attributable to Tronox Holdings plc (non-U.S. GAAP) (1)(2)	<u>\$ 28</u>	<u>\$ 19</u>	<u>\$ 81</u>	<u>\$ 66</u>
Diluted net income (loss) per share from continuing operations (U.S. GAAP)	\$ 0.31	\$ -	\$ 6.69	\$ (0.81)
Inventory step-up, per share	-	0.01	-	0.65
Contract loss, per share	-	-	-	0.10
Transaction costs, per share	0.03	0.02	0.10	0.23
Restructuring, per share	-	0.06	0.02	0.15
Integration costs, per share	-	0.06	0.07	0.11
Loss on extinguishment of debt, per share	0.01	0.01	0.01	0.02
Pension settlement and curtailment gains, per share	(0.01)	(0.01)	(0.01)	(0.01)
Insurance proceeds, per share	(0.05)	-	(0.08)	-
Other, per share	0.01	-	0.03	-
Tax valuation allowance, per share	(0.07)	-	(6.24)	-
Charge for capital gains tax payment to Exaro, per share	-	(0.01)	-	0.03
Income tax expense - deferred tax assets, per share	(0.04)	-	(0.03)	-
Diluted adjusted net income per share from continuing operations attributable to Tronox Holdings plc (non-U.S. GAAP)	<u>\$ 0.19</u>	<u>\$ 0.14</u>	<u>\$ 0.56</u>	<u>\$ 0.47</u>
Weighted average shares outstanding, diluted (in thousands)	147,254	143,124	144,906	140,961

(a) Represents a net-of-tax charge related to the recognition of a step-up in value of inventories as a result of purchase accounting.

(b) Represents a net-of-tax charge for the estimated losses we expect to incur under the supply agreement with Venator which was recorded in "Contract loss" in our Consolidated Statements of Operations.

(c) Represents transaction costs primarily associated with the Cristal Transaction in 2019 and TTI Transaction in 2020 which were recorded in "Selling, general and administrative expenses" in the unaudited Consolidated Statements of Operations.

(d) Represents amounts for employee-related costs, including severance, net of tax.

(e) Represents integration costs associated with the Cristal acquisition after the acquisition which were recorded in "Selling, general and administrative expenses" in the unaudited Consolidated Statements of Operations, net of tax.

(f) 2020 amount represents a voluntary prepayment made on the Term Loan Facility. 2019 amounts represent the loss in connection with the modification of the Wells Fargo Revolver and termination of the ABSA Revolver and a voluntary prepayment made on the Term Loan Facility.

(g) 2020 amount represents a curtailment gain due to the freezing of plan benefits partially offset by pension settlements. 2019 amount represents settlement gain related to the U.S. Pension Plan (acquired as part of the Cristal Transaction).

(h) 2020 amount represents reimbursement from claims related to the Ginkgo concentrator failure we inherited as a part of the Cristal Transaction.

(i) Represents other activity not representative of ongoing operations of the Company.

(j) Represents the following items: i) the reversal of the tax valuation allowance of \$908 million (\$895 million in the third quarter of 2020, \$14 million in the fourth quarter of 2020) associated with unlimited lived deferred tax assets within our U.S. jurisdiction, ii) the reversal of the tax valuation allowance of \$6 million attributable to our operating subsidiary in Brazil, net of minority interest, during the fourth quarter of 2020 iii) a full valuation allowance of \$2 million established against the deferred tax assets within our Saudi Arabia jurisdiction during the second quarter of 2020, and iv) a full valuation allowance of \$10 million established against the deferred tax assets within our UK jurisdiction during the fourth quarter of 2020.

(k) Represents the expected payment to Exaro for capital gains tax on the disposal of its ordinary shares in Tronox Holding plc included in "Other expense, net" in the unaudited Consolidated Statements of Operations.

(l) Represents a charge to tax expense for the impact on deferred tax assets from a change in tax rates in a foreign tax jurisdiction.

(1) Only the restructuring, integration costs, inventory step-up and contract loss amounts have been tax impacted. No income tax impacts have been given to other items as they were recorded in jurisdictions with full valuation allowances.

(2) While no previously reported quarter-to-date figures were impacted, during the preparation of the fourth quarter results, it was identified that certain clerical errors occurred in compilation of the nine months ended September 30, 2020 figures. These items impacted both Adjusted net income attributable to Tronox Holdings plc (non-U.S. GAAP) and related per share data for only the nine-month period ended September 30, 2020 included in third quarter earnings released filed on form 8-k on October 29, 2020. Subsequent to correcting these items, Adjusted net income attributable to Tronox Holdings plc (non-U.S. GAAP) and related per share data for the nine months ended September 30, 2020 is \$53 million and \$0.37 respectively.

Consolidated Balance Sheets

TRONOX HOLDINGS PLC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(Millions of U.S. dollars, except share and per share data)

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 619	\$ 302
Restricted cash	29	9
Accounts receivable (net of allowance of \$5 in 2020 and \$5 in 2019)	540	482
Inventories, net	1,137	1,131
Prepaid and other assets	200	143
Income taxes receivable	4	6
Total current assets	2,529	2,073
Noncurrent Assets		
Property, plant and equipment, net	1,759	1,762
Mineral leaseholds, net	803	852
Intangible assets, net	201	208
Lease right of use assets, net	81	101
Deferred tax assets	1,020	110
Other long-term assets	175	162
Total assets	\$ 6,568	\$ 5,268
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 356	\$ 342
Accrued liabilities	350	283
Short-term lease liabilities	39	38
Long-term debt due within one year	58	38
Income taxes payable	2	1
Total current liabilities	805	702
Noncurrent Liabilities		
Long-term debt, net	\$ 3,263	\$ 2,988
Pension and postretirement healthcare benefits	146	160
Asset retirement obligations	157	142
Environmental liabilities	67	65
Long-term lease liabilities	41	62
Deferred tax liabilities	176	184
Other long-term liabilities	42	49
Total liabilities	4,697	4,352
Commitments and Contingencies		
Shareholders' Equity		
Tronox Holdings plc ordinary shares, par value \$0.01 — 143,557,479 shares issued and outstanding at December 31, 2020 and 141,900,459 shares issued and outstanding at December 31, 2019	1	1
Capital in excess of par value	1,873	1,846
Retained Earnings (accumulated deficit)	434	(493)
Accumulated other comprehensive loss	(610)	(606)
Total Tronox Holdings plc shareholders' equity	1,698	748
Noncontrolling interest	173	168
Total equity	1,871	916
Total liabilities and equity	\$ 6,568	\$ 5,268

Consolidated Statements of Cash Flows

TRONOX HOLDINGS PLC
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 (UNAUDITED)
 (Millions of U.S. dollars)

	Year Ended December 31,	
	2020	2019
Cash Flows from Operating Activities:		
Net (loss) income	\$ 995	\$ (97)
Net income (loss) from discontinued operations, net of tax	-	5
Net (loss) income from continuing operations	\$ 995	\$ (102)
Adjustments to reconcile net (loss) income from continuing operations to net cash provided by operating activities, continuing operations:		
Depreciation, depletion and amortization	304	280
Deferred income taxes	(899)	(9)
Share-based compensation expense	30	32
Amortization of deferred debt issuance costs and discount on debt	10	8
Loss on extinguishment of debt	2	3
Contract loss	-	19
Impairment loss	-	-
Acquired inventory step-up recognized in earnings	-	98
Other non-cash affecting net income (loss)	65	25
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net	(49)	78
(Increase) decrease in inventories, net	(21)	(59)
(Increase) decrease in prepaid and other assets	(29)	20
Increase (decrease) in accounts payable and accrued liabilities	17	67
Net changes in income tax payables and receivables	(2)	(13)
Changes in other non-current assets and liabilities	(68)	(35)
Cash provided by operating activities – continuing operations	<u>355</u>	<u>412</u>
Cash Flows from Investing Activities:		
Capital expenditures	(195)	(198)
Cristal Acquisition	-	(1,675)
Proceeds from sale of Ashtabula	-	701
Insurance proceeds	1	10
Proceeds from sale of businesses	-	-
Loans	(36)	(25)
Proceeds from the sale of assets	1	2
Cash used in investing activities – continuing operations	<u>(229)</u>	<u>(1,185)</u>
Cash Flows from Financing Activities:		
Repayments of short-term debt	(13)	0
Repayments of long-term debt	(233)	(387)
Proceeds from short-term debt	13	-
Proceeds from long-term debt	500	222
Repurchase of common stock	-	(288)
Acquisition of noncontrolling interest	-	(148)
Debt issuance costs	(10)	(4)
Call premium paid	-	-
Dividends paid	(40)	(27)
Restricted stock and performance-based shares settled in cash for taxes	(3)	(6)
Proceeds from the exercise of warrants and options	-	-
Cash provided by (used in) financing activities – continuing operations	<u>214</u>	<u>(638)</u>
Discontinued Operations:		
Cash provided by operating activities	-	29
Cash used in investing activities	-	(1)
Net cash flows provided by discontinued operations	<u>-</u>	<u>28</u>
Effects of exchange rate changes on cash and cash equivalents and restricted cash	<u>(3)</u>	<u>(2)</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	<u>337</u>	<u>(1,385)</u>
Cash and cash equivalents and restricted cash at beginning of period	<u>311</u>	<u>1,696</u>
Cash and cash equivalents and restricted cash at end of period - continuing operations	<u>\$ 648</u>	<u>\$ 311</u>

Reconciliation of Net (Loss) Income to EBITDA and Adjusted EBITDA (NON-U.S. GAAP)

TRONOX HOLDINGS PLC
 RECONCILIATION OF NET INCOME (LOSS) TO EBITDA AND ADJUSTED EBITDA (NON-U.S. GAAP)
 (UNAUDITED)
 (Millions of U.S. dollars)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net income (loss) (U.S. GAAP)	\$ 57	\$ (5)	\$ 995	\$ (97)
Income from discontinued operations, net of tax (U.S. GAAP)	-	-	-	5
Net income (loss) from continuing operations (U.S. GAAP)	\$ 57	\$ (5)	\$ 995	\$ (102)
Interest expense	49	47	189	201
Interest income	(2)	(2)	(8)	(18)
Income tax provision (benefit)	(5)	4	(881)	14
Depreciation, depletion and amortization expense	85	75	304	280
EBITDA (non-U.S. GAAP)	184	119	599	375
Inventory step-up (a)	-	3	-	98
Contract loss (b)	-	-	-	19
Share-based compensation (c)	11	8	30	32
Transaction costs (d)	4	3	14	32
Restructuring (e)	-	9	3	22
Integration costs (f)	-	8	10	16
Loss on extinguishment of debt (g)	2	1	2	3
Foreign currency remeasurement (h)	6	(1)	(4)	(6)
Pension settlement and curtailment gains (i)	(2)	(1)	(2)	(1)
Charge for capital gains tax payment to Exxaro (j)	-	(2)	-	4
Insurance proceeds (k)	(8)	-	(11)	-
Other items (l)	7	9	27	21
Adjusted EBITDA (non-U.S. GAAP)	\$ 204	\$ 156	\$ 668	\$ 615

(a) 2019 amount represents a pre-tax charge related to the recognition of a step-up in value of inventories as a result of purchase accounting.

(b) 2019 amount represents a pre-tax charge for the estimated losses we expect to incur under the supply agreement with Venator.

(c) Represents non-cash share-based compensation.

(d) 2020 and 2019 amounts represent transaction costs associated with the TTI Transaction and Cristal Transaction, respectively, which were recorded in "Selling, general and administrative expenses" in the unaudited Consolidated Statements of Operations.

(e) Represents amounts for employee-related costs, including severance.

(f) Represents integration costs associated with the Cristal acquisition after the acquisition which were recorded in "Selling, general and administrative expenses" in the unaudited Consolidated Statements of Operations.

(g) 2020 amount represents the loss in connection with the voluntary prepayment of our Term Loan Facility. 2019 amount represents the loss in connection with the modification of the Wells Fargo Revolver and termination of the ABSA Revolver and a voluntary prepayment on our Term Loan Facility.

(h) Represents realized and unrealized gains and losses associated with foreign currency remeasurement related to third-party and intercompany receivables and liabilities denominated in a currency other than the functional currency of the entity holding them, which are included in "Other income (expense), net" in the unaudited Consolidated Statements of Operations.

(i) 2020 amount represents a curtailment gain due to the freezing of plan benefits partially offset by pension settlements. 2019 amount represents settlement gain related to the U.S. Pension Plan (acquired as part of the Cristal Transaction).

(j) 2019 amount represents the payment owed to Exxaro for capital gains tax on the disposal of its ordinary shares in Tronox Holdings plc included in and "Other income (expense), net" in the unaudited Consolidated Statements of Operations.

(k) 2020 amount represents reimbursement from claims related to the Ginkgo concentrator failure we inherited as a part of the Cristal Transaction.

(l) Includes noncash pension and postretirement costs, asset write-offs, accretion expense and other items included in "Selling general and administrative expenses", "Cost of goods sold" and "Other income (expense), net" in the unaudited Consolidated Statements of Operations.

Free Cash Flow (NON-U.S. GAAP)

TRONOX HOLDINGS PLC
FREE CASH FLOW (NON-U.S. GAAP)
(UNAUDITED)
(Millions of U.S. dollars)

The following table reconciles cash used in operating activities to free cash flow for the year ended December 31, 2020:

	Consolidated
Cash provided by operating activities - continuing operations	\$ 355
Capital expenditures	<u>(195)</u>
Free cash flow (non-U.S. GAAP)	<u>\$ 160</u>

Pro Forma Consolidated Statements of Operations (U.S. GAAP)

TRONOX HOLDINGS PLC
 PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (U.S. GAAP)
 (UNAUDITED)
 (Millions of U.S. dollars, except share and per share data)

	Proforma amounts		Proforma amounts	
	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net sales	\$ 783	\$ 693	\$ 2,758	\$ 3,008
Cost of goods sold	605	542	2,137	2,364
Gross profit	178	151	621	644
Selling, general and administrative expenses	84	92	347	354
Restructuring	-	9	3	22
Income from operations	94	50	271	268
Interest expense	(49)	(47)	(189)	(207)
Interest income	2	2	8	12
Loss on extinguishment of debt	(2)	(1)	(2)	(3)
Other expense, net	7	1	26	2
Income from continuing operations before income taxes	52	5	114	72
Income tax benefit (provision)	5	(4)	881	(31)
Net income from continuing operations	57	1	995	41
Net income attributable to noncontrolling interest	12	5	26	23
Net income from continuing operations attributable to Tronox Holdings plc	\$ 45	\$ (4)	\$ 969	\$ 18
Net income from continuing operations per share, diluted	\$ 0.31	\$ (0.03)	\$ 6.69	\$ 0.12
Weighted average shares outstanding, diluted (in thousands)	147,254	141,923	144,906	151,153

Reconciliation of Pro Forma Net Income from Continuing Operations attributable to Tronox Holdings plc (U.S. GAAP) to Adjusted Net Income from Continuing Operations attributable to Tronox Holdings plc (NON-U.S. GAAP)

TRONOX HOLDINGS PLC
PRO FORMA RECONCILIATION OF NON-U.S. GAAP FINANCIAL MEASURES
(UNAUDITED)

(Millions of U.S. dollars, except share and per share data)

RECONCILIATION OF PRO FORMA NET INCOME FROM CONTINUING OPERATIONS
ATTRIBUTABLE TO TRONOX HOLDINGS PLC (U.S. GAAP)
TO ADJUSTED NET INCOME FROM CONTINUING OPERATIONS
ATTRIBUTABLE TO TRONOX HOLDINGS PLC (NON-U.S. GAAP)

	Proforma amounts		Proforma amounts	
	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net income from continuing operations attributable to Tronox Holdings plc (U.S. GAAP)	\$ 45	\$ (4)	\$ 969	\$ 18
Transaction costs	4	-	14	-
Restructuring	-	8	3	21
Integration costs	-	8	10	16
Loss on extinguishment of debt	2	1	2	3
Pension settlement and curtailment gains	(2)	(1)	(2)	(1)
Insurance proceeds	(8)	-	(11)	-
Other	2	-	4	-
Tax valuation allowance	(10)	-	(903)	-
Income tax expense - deferred tax assets	(5)	-	(5)	-
Charge for capital gains tax payment to Exaro	-	(2)	-	4
Adjusted net income attributable to Tronox Holdings plc (non-U.S. GAAP)	<u>\$ 28</u>	<u>\$ 10</u>	<u>\$ 81</u>	<u>\$ 61</u>
Diluted net income per share from continuing operations (U.S. GAAP)	\$ 0.31	\$ (0.03)	\$ 6.69	\$ 0.12
Transaction costs, per share	0.03	-	0.10	-
Restructuring, per share	-	0.06	0.02	0.13
Integration costs, per share	-	0.06	0.07	0.10
Loss on extinguishment of debt, per share	0.01	0.01	0.01	0.02
Pension settlement and curtailment gains, per share	(0.01)	(0.01)	(0.01)	(0.01)
Insurance proceeds, per share	(0.05)	-	(0.08)	-
Other, per share	0.01	-	0.03	-
Tax valuation allowance, per share	(0.07)	-	(6.24)	-
Income tax expense - deferred tax assets, per share	(0.04)	-	(0.03)	-
Charge for capital gains tax payment to Exaro, per share	-	(0.02)	-	0.03
Diluted adjusted net income per share attributable to Tronox Holdings plc (non-U.S. GAAP)	<u>\$ 0.19</u>	<u>\$ 0.07</u>	<u>\$ 0.56</u>	<u>\$ 0.39</u>
Weighted average shares outstanding, diluted (in thousands)	147,254	143,124	144,906	151,153

Pro Forma Reconciliation of Net Income from Continuing Operations to EBITDA and Adjusted EBITDA (non-U.S. GAAP)

TRONOX HOLDINGS PLC
PRO FORMA RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA (NON-U.S. GAAP)
(UNAUDITED)
(Millions of U.S. dollars)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net income from continuing operations (U.S. GAAP)	\$ 57	\$ 1	\$ 995	\$ 41
Interest expense	49	47	189	207
Interest income	(2)	(2)	(8)	(12)
Income tax provision (benefit)	(5)	4	(881)	31
Depreciation, depletion and amortization expense	85	75	304	323
EBITDA (non-U.S. GAAP)	<u>184</u>	<u>125</u>	<u>599</u>	<u>590</u>
Inventory step-up	-	-	-	-
Share-based compensation	11	8	30	32
Transaction costs	4	-	14	-
Restructuring	-	9	3	22
Integration costs	-	8	10	16
Loss on extinguishment of debt	2	1	2	3
Foreign currency remeasurement	6	(1)	(4)	(6)
Pension settlement and curtailment gains	(2)	(1)	(2)	(1)
Charge for capital gains tax payment to Exxaro	-	(2)	-	4
Insurance proceeds	(8)	-	(11)	-
Other items	7	9	27	21
Adjusted EBITDA (non-U.S. GAAP)	<u>\$ 204</u>	<u>\$ 156</u>	<u>\$ 668</u>	<u>\$ 681</u>