

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-Q

(Mark One)



QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023

OR ☐

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

1-35573

(Commission file number)

TRONOX HOLDINGS PLC

(Exact Name of Registrant as Specified in its Charter)

England and Wales

(State or other jurisdiction of incorporation or organization)

**263 Tresser Boulevard, Suite 1100
Stamford, Connecticut 06901**

98-1467236

(I.R.S. Employer Identification No.)

**Laporte Road, Stallingborough
Grimsby, North East Lincolnshire, DN40 2PR
United Kingdom**

Registrant's telephone number, including area code: (203) 705-3800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

Ordinary Shares, par value \$0.01 per share

New York Stock Exchange

Trading Symbol: TROX

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 20, 2023, the Registrant had 156,793,755 ordinary shares outstanding.

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Item 1. Financial Statements (Unaudited)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales	\$ 662	\$ 895	\$ 2,164	\$ 2,805
Cost of goods sold	568	663	1,780	2,078
Gross profit	94	232	384	727
Selling, general and administrative expenses	62	69	206	220
Venator settlement	—	—	—	85
Income from operations	32	163	178	422
Interest expense	(42)	(32)	(113)	(92)
Interest income	4	2	10	6
Loss on extinguishment of debt	—	—	—	(21)
Other income, net	—	8	6	12
(Loss) income before income taxes	(6)	141	81	327
Income tax (provision) benefit	(8)	(18)	(339)	187
Net (loss) income	(14)	123	(258)	514
Net income attributable to noncontrolling interest	—	2	2	2
Net (loss) income attributable to Tronox Holdings plc	\$ (14)	\$ 121	\$ (260)	\$ 512
(Loss) Earnings per share:				
Basic	\$ (0.09)	\$ 0.78	\$ (1.66)	\$ 3.30
Diluted	\$ (0.09)	\$ 0.77	\$ (1.66)	\$ 3.23
Weighted average shares outstanding, basic (in thousands)	156,816	154,548	156,260	155,027
Weighted average shares outstanding, diluted (in thousands)	156,816	156,948	156,260	158,201

See accompanying notes to unaudited condensed consolidated financial statements.

TRONOX HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited)
(Millions of U.S. dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net (loss) income	\$ (14)	\$ 123	\$ (258)	\$ 514
Other comprehensive income (loss):				
Foreign currency translation adjustments	(27)	(122)	(70)	(175)
Pension and postretirement plans:				
Amortization of unrecognized actuarial loss, (net of tax benefit of nil and less than \$1 million in the three months ended September 30, 2023 and 2022, and net of tax benefit of nil and \$1 million in the nine months ended September 30, 2023 and 2022, respectively)	—	1	—	2
Total pension and postretirement gain	—	1	—	2
Realized losses (gains) on derivatives reclassified from accumulated other comprehensive loss to the Condensed Consolidated Statement of Operations (net of tax benefit of less than \$1 million and net tax expense of less than \$1 million in the three months ended September 30, 2023 and 2022, respectively and net of tax benefit of \$3 million and net of tax expense of \$1 million in the nine months ended September 30, 2023 and 2022)	(1)	(1)	3	(23)
Unrealized gains on derivative financial instruments, (net of tax benefit of less than \$1 million for the three months ended September 30, 2023 and a net of tax benefit of \$1 million for the three months ended September 30, 2022, and a net tax benefit of \$1 million for the nine months ended September 30, 2023 and a net tax expense of \$3 million for the nine month ended September 30, 2022) - See Note 12	8	7	11	50
Other comprehensive loss	(20)	(115)	(56)	(146)
Total comprehensive (loss) income	(34)	8	(314)	368
Comprehensive (loss) income attributable to noncontrolling interest:				
Net income	—	2	2	2
Foreign currency translation adjustments	(2)	(2)	3	1
Comprehensive (loss) income attributable to noncontrolling interest	(2)	—	5	3
Comprehensive (loss) income attributable to Tronox Holdings plc	\$ (32)	\$ 8	\$ (319)	\$ 365

See accompanying notes to unaudited condensed consolidated financial statements.

TRONOX HOLDINGS PLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Millions of U.S. dollars, except share and per share data)

	September 30, 2023	December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 246	\$ 164
Accounts receivable (net of allowance for credit losses of \$3 million and \$4 million as of September 30, 2023 and December 31, 2022, respectively)	286	377
Inventories, net	1,422	1,278
Prepaid and other assets	175	135
Income taxes receivable	3	6
Total current assets	2,132	1,960
Noncurrent Assets		
Property, plant and equipment, net	1,770	1,830
Mineral leaseholds, net	655	701
Intangible assets, net	245	250
Lease right of use assets, net	131	136
Deferred tax assets	923	1,233
Other long-term assets	184	196
Total assets	\$ 6,040	\$ 6,306
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 370	\$ 486
Accrued liabilities	199	252
Short-term lease liabilities	20	20
Short-term debt	17	50
Long-term debt due within one year	26	24
Income taxes payable	11	18
Total current liabilities	643	850
Noncurrent Liabilities		
Long-term debt, net	2,788	2,464
Pension and postretirement healthcare benefits	90	89
Asset retirement obligations	155	153
Environmental liabilities	47	51
Long-term lease liabilities	104	110
Deferred tax liabilities	143	153
Other long-term liabilities	34	33
Total liabilities	4,004	3,903
Commitments and Contingencies - Note 15		
Shareholders' Equity		
Tronox Holdings plc ordinary shares, par value \$0.01 — 156,793,755 shares issued and outstanding at September 30, 2023 and 154,496,923 shares issued and outstanding at December 31, 2022	2	2
Capital in excess of par value	2,058	2,043
Retained earnings	760	1,080
Accumulated other comprehensive loss	(827)	(768)
Total Tronox Holdings plc shareholders' equity	1,993	2,357
Noncontrolling interest	43	46
Total equity	2,036	2,403
Total liabilities and equity	\$ 6,040	\$ 6,306

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Nine Months Ended September 30,	
	2023	2022
Cash Flows from Operating Activities:		
Net (loss) income	\$ (258)	\$ 514
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation, depletion and amortization	206	201
Deferred income taxes	314	(241)
Share-based compensation expense	15	21
Amortization of deferred debt issuance costs and discount on debt	6	6
Loss on extinguishment of debt	—	21
Other non-cash items affecting net (loss) income	34	51
Changes in assets and liabilities:		
Decrease in accounts receivable, net of allowance for credit losses	84	7
Increase in inventories, net	(141)	(151)
Decrease in prepaid and other assets	5	16
Decrease in accounts payable and accrued liabilities	(154)	(55)
Net changes in income tax payables and receivables	(5)	17
Changes in other non-current assets and liabilities	(32)	(49)
Cash provided by operating activities	<u>74</u>	<u>358</u>
Cash Flows from Investing Activities:		
Capital expenditures	(202)	(314)
Proceeds from sale of assets	<u>3</u>	<u>3</u>
Cash used in investing activities	<u>(199)</u>	<u>(311)</u>
Cash Flows from Financing Activities:		
Repayments of short-term debt	(136)	(24)
Repayments of long-term debt	(13)	(511)
Proceeds from long-term debt	347	396
Proceeds from short-term debt	81	87
Repurchase of common stock	—	(50)
Call premiums paid	—	(18)
Debt issuance costs	(3)	(4)
Dividends paid	(69)	(60)
Cash provided by (used in) financing activities	<u>207</u>	<u>(184)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>—</u>	<u>(4)</u>
Net increase (decrease) in cash and cash equivalents	82	(141)
Cash and cash equivalents at beginning of period	164	232
Cash and cash equivalents at end of period	<u>\$ 246</u>	<u>\$ 91</u>
Supplemental cash flow information:		
Interest paid, net	<u>\$ 113</u>	<u>\$ 99</u>
Income taxes paid	<u>\$ 29</u>	<u>\$ 37</u>

See accompanying notes to unaudited condensed consolidated financial statements.

TRONOX HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Millions of U.S. dollars, except for shares)

For the nine months ended September 30, 2023

	Tronox Holdings plc Ordinary Shares (in thousands)	Tronox Holdings plc Ordinary Shares (Amount)	Capital in Excess of par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Tronox Holdings plc Shareholders' Equity	Non-controlling Interest	Total Equity
Balance at December 31, 2022	154,497	\$ 2	\$ 2,043	\$ 1,080	\$ (768)	\$ 2,357	\$ 46	\$ 2,403
Net income	—	—	—	23	—	23	2	25
Other comprehensive (loss) income	—	—	—	—	(17)	(17)	2	(15)
Share-based compensation	2,221	—	6	—	—	6	—	6
Shares cancelled	(1)	—	—	—	—	—	—	—
Ordinary share dividends (\$0.125 per share)	—	—	—	(20)	—	(20)	—	(20)
Balance at March 31, 2023	156,717	\$ 2	\$ 2,049	\$ 1,083	\$ (785)	\$ 2,349	\$ 50	\$ 2,399
Net loss	—	—	—	(269)	—	(269)	—	(269)
Other comprehensive (loss) income	—	—	—	—	(24)	(24)	3	(21)
Share-based compensation	92	—	5	—	—	5	—	5
Shares cancelled	(22)	—	—	—	—	—	—	—
Minority interest dividend	—	—	—	—	—	—	(8)	(8)
Ordinary share dividends (\$0.125 per share)	—	—	—	(20)	—	(20)	—	(20)
Balance at June 30, 2023	156,787	\$ 2	\$ 2,054	\$ 794	\$ (809)	\$ 2,041	\$ 45	\$ 2,086
Net loss	—	—	—	(14)	—	(14)	—	(14)
Other comprehensive loss	—	—	—	—	(18)	(18)	(2)	(20)
Share-based compensation	7	—	4	—	—	4	—	4
Ordinary share dividends (\$0.125 per share)	—	—	—	(20)	—	(20)	—	(20)
Balance at September 30, 2023	156,794	\$ 2	\$ 2,058	\$ 760	\$ (827)	\$ 1,993	\$ 43	\$ 2,036

See accompanying notes to unaudited condensed consolidated financial statements.

TRONOX HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)
(Unaudited)
(Millions of U.S. dollars, except for shares)

For the nine months ended September 30, 2022

	Tronox Holdings plc Ordinary Shares (in thousands)	Tronox Holdings plc Ordinary Shares (Amount)	Capital in Excess of par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Tronox Holdings plc Shareholders' Equity	Non-controlling Interest	Total Equity
Balance at December 31, 2021	153,935	\$ 2	\$ 2,067	\$ 663	\$ (738)	\$ 1,994	\$ 48	\$ 2,042
Net income	—	—	—	16	—	16	—	16
Other comprehensive income	—	—	—	—	101	101	8	109
Share-based compensation	3,254	—	7	—	—	7	—	7
Shares cancelled	(9)	—	—	—	—	—	—	—
Options exercised	3	—	—	—	—	—	—	—
Shares repurchased and cancelled	(1,386)	—	(25)	—	—	(25)	—	(25)
Ordinary share dividends (\$0.125 per share)	—	—	—	(20)	—	(20)	—	(20)
Balance at March 31, 2022	155,797	\$ 2	\$ 2,049	\$ 659	\$ (637)	\$ 2,073	\$ 56	\$ 2,129
Net income	—	—	—	375	—	375	—	375
Other comprehensive loss	—	—	—	—	(135)	(135)	(5)	(140)
Share-based compensation	91	—	7	—	—	7	—	7
Shares cancelled	(8)	—	—	—	—	—	—	—
Shares repurchased and cancelled	(1,458)	—	(25)	—	—	(25)	—	(25)
Options exercised	11	—	—	—	—	—	—	—
Ordinary share dividends (\$0.125 per share)	—	—	—	(20)	—	(20)	—	(20)
Balance at June 30, 2022	154,433	\$ 2	\$ 2,031	\$ 1,014	\$ (772)	\$ 2,275	\$ 51	\$ 2,326
Net income	—	—	—	121	—	121	2	123
Other comprehensive loss	—	—	—	—	(113)	(113)	(2)	(115)
Share-based compensation	28	—	7	—	—	7	—	7
Ordinary share dividends (\$0.125 per share)	—	—	—	(19)	—	(19)	—	(19)
Balance at September 30, 2022	154,461	\$ 2	\$ 2,038	\$ 1,116	\$ (885)	\$ 2,271	\$ 51	\$ 2,322

See accompanying notes to unaudited condensed consolidated financial statements.

TRONOX HOLDINGS PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

1. The Company

Tronox Holdings plc (referred to herein as "Tronox", the "Company", "we", "us", or "our") operates titanium-bearing mineral sand mines and beneficiation operations in Australia and South Africa to produce feedstock materials that can be processed into TiO₂ for pigment, high purity titanium chemicals, including titanium tetrachloride, and Ultrafine© titanium dioxide used in certain specialty applications. Our strategy is to be vertically integrated and produce enough feedstock materials to be as self-sufficient as possible in the production of TiO₂ at our nine TiO₂ pigment facilities located in the United States, Australia, Brazil, UK, France, the Netherlands, China and the Kingdom of Saudi Arabia ("KSA"). We believe that vertical integration is the best way to achieve our ultimate goal of delivering low cost, high-quality pigment to our coatings and other TiO₂ customers throughout the world. The mining, beneficiation and smelting of titanium bearing mineral sands creates meaningful quantities of zircon, pig iron and the rare-earth bearing mineral, monazite, which we also supply to customers around the world.

We are a public limited company listed on the New York Stock Exchange and are registered under the laws of England and Wales.

Basis of Presentation

The accompanying condensed consolidated financial statements are unaudited and have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission regarding interim financial reporting. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2022.

In management's opinion, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, considered necessary for a fair statement of its financial position as of September 30, 2023, and its results of operations for the three and nine months ended September 30, 2023 and 2022. Our unaudited condensed consolidated financial statements include the accounts of all majority-owned subsidiary companies. All intercompany balances and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the manner and presentation in the current period.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. It is at least reasonably possible that the effect on the financial statements of a change in estimate due to one or more future confirming events could have a material effect on the financial statements, including, among other things, any potential impacts on the economy as a result of macroeconomic conditions, inflationary pressures, political instability, and supply chain disruptions.

Recently Issued Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform Financial Reporting". This amendment is elective in nature. Amongst other aspects, this standard provides for practical expedients and exceptions to current accounting standards that reference a rate which is expected to be dissolved (e.g., London Interbank Offered Rate "LIBOR") as it relates to hedge accounting, contract modifications and other transactions that reference this rate, subject to meeting certain criteria. The standard is effective for all entities as of March 12, 2020 through December 31, 2022. In December 2022, the FASB issued ASU 2022-06, which defers the sunset date of ASC 848, Reference Rate Reform, from December 31, 2022 to December 31, 2024. ASU 2022-06 is effective immediately for all entities.

We completed an internal assessment to identify items that were impacted as a result of the dissolution of LIBOR. Based upon this assessment, we determined that this change was most impactful to our intercompany debt agreements and interest

rate swap agreements. Upon conversion of these benchmark rates, we elected the practical expedients allowed under this standard which resulted in an immaterial impact to the financial statements. In addition, during the nine months ended September 30, 2023, we elected to utilize certain exemptions allowed by this pronouncement as it relates to our interest rate swap transactions. Refer to Note 12 for further details.

2. Revenue

We recognize revenue at a point in time when the customer obtains control of the promised products. For most transactions this occurs when products are shipped from our manufacturing facilities or at a later point when control of the products transfers to the customer at a specified destination or time.

Contract assets represent our rights to consideration in exchange for products that have transferred to a customer when the right is conditional on situations other than the passage of time. For products that we have transferred to our customers, our rights to the consideration are typically unconditional and only the passage of time is required before payments become due. These unconditional rights are recorded as "Accounts receivable" in the unaudited Condensed Consolidated Balance Sheets. As of September 30, 2023, and December 31, 2022, we did not have any material contract asset balances.

Contract liabilities represent our obligations to transfer products to a customer for which we have received consideration from the customer. From time to time, we may receive advance payment from our customers that is accounted for as deferred revenue. Deferred revenue is earned when control of the product transfers to the customer, which is typically within a short period of time from when we received the advanced payment. Contract liability balances as of both September 30, 2023 and December 31, 2022 were less than \$1 million. Contract liability balances were reported as "Accounts payable" in the unaudited Condensed Consolidated Balance Sheets. All material contract liabilities as of December 31, 2022 were recognized as revenue in "Net sales" in the unaudited Condensed Consolidated Statements of Operations during the first quarter of 2023.

Disaggregation of Revenue

We operate under one operating and reportable segment, Tronox. We disaggregate our revenue from contracts with customers by product type and geographic area. We believe this level of disaggregation appropriately depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors and reflects how our business is managed.

Net sales to external customers by geographic areas where our customers are located were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
North America	\$ 191	\$ 228	\$ 584	\$ 628
South and Central America	37	73	119	213
Europe, Middle-East and Africa	256	331	858	1,069
Asia Pacific	178	263	603	895
Total net sales	\$ 662	\$ 895	\$ 2,164	\$ 2,805

Net sales from external customers for each similar type of product were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
TiO ₂	\$ 558	\$ 673	\$ 1,729	\$ 2,215
Zircon	33	128	200	346
Other products	71	94	235	244
Total net sales	\$ 662	\$ 895	\$ 2,164	\$ 2,805

Other products mainly include pig iron, TiCl₄ and other mining products.

During the nine months ended September 30, 2023 and 2022, our ten largest third-party customers represented 37% and 30%, respectively, of our consolidated net sales. During the nine months ended September 30, 2023 and 2022, no single customer accounted for 10% of our consolidated net sales.

3. Income Taxes

Our operations are conducted through various subsidiaries in a number of countries throughout the world. We have provided for income taxes based upon the tax laws and rates in the countries in which operations are conducted and income is earned.

Income before income taxes is comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Income tax (provision) benefit	\$ (8)	\$ (18)	\$ (339)	\$ 187
(Loss) income before income taxes	\$ (6)	\$ 141	\$ 81	\$ 327
Effective tax rate	(133)%	13 %	419 %	(57)%

Tronox Holdings plc, a U.K. public limited company is the parent company for the business group, and the statutory tax rate in the U.K. at both September 30, 2023 and 2022 was 25% and 19%, respectively. The statutory rate in the U.K. changed to 25% effective April 1, 2023 and a weighted average of 23.5% will be applied for the full year 2023. The effective tax rates for both the three and nine months ended September 30, 2023 and 2022 are impacted by a variety of factors including income and losses in jurisdictions with valuation allowances, non-taxable income and expense items, prior year accruals, and our jurisdictional mix of income at tax rates different than the U.K. statutory rate.

At each reporting date, we perform an analysis to determine the likelihood of realizing our deferred tax assets and whether any valuation allowances are required. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income (including the reversals of deferred tax liabilities) during the periods in which those deferred tax assets will become deductible. Our analysis takes into consideration all available positive and negative evidence, including prior operating results, the nature and reason for any losses, our forecast of future taxable income, utilization of tax planning strategies, and the dates on which any deferred tax assets are expected to expire. These assumptions and estimates require a significant amount of judgment and are made based on current and projected circumstances and conditions.

During the nine months ended September 30, 2023, we identified negative evidence concerning our ability to realize some of our Australia group deferred tax assets. This evidence primarily relates to losses being generated during the current year and there is uncertainty regarding the region's ability to generate income in the near term. After weighing all the positive and negative evidence, we determined that it is more likely than not that the Australia deferred tax assets may not be realized. As a result, we recorded a \$293 million non-cash charge to tax expense for the nine months ended September 30, 2023. In the future, if we determine that it is more likely than not that we will be able to realize all or a portion of our deferred tax assets, the valuation allowance will be reduced, and we will record a benefit to earnings.

The Company currently has no uncertain tax positions recorded. We believe that we have made adequate provisions for income taxes that may be payable with respect to years open for examination or currently under examination. With regard to years under examination, the ultimate outcome is not presently known and, accordingly, adjustments to our provisions may be necessary and/or reclassifications of noncurrent tax liabilities to current may occur in the future.

4. Income Per Share

The computation of basic and diluted income per share for the periods indicated is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Numerator - Basic and Diluted:				
Net (loss) income	\$ (14)	\$ 123	\$ (258)	\$ 514
Less: Net income attributable to noncontrolling interest	—	2	2	2
Net (loss) income available to ordinary shares	<u>\$ (14)</u>	<u>\$ 121</u>	<u>\$ (260)</u>	<u>\$ 512</u>
Denominator - Basic and Diluted:				
Weighted-average ordinary shares, basic (in thousands)	<u>156,816</u>	<u>154,548</u>	<u>156,260</u>	<u>155,027</u>
Weighted-average ordinary shares, diluted (in thousands)	<u>156,816</u>	<u>156,948</u>	<u>156,260</u>	<u>158,201</u>
Basic net (loss) income per ordinary share	<u>\$ (0.09)</u>	<u>\$ 0.78</u>	<u>\$ (1.66)</u>	<u>\$ 3.30</u>
Diluted net (loss) income per ordinary share	<u>\$ (0.09)</u>	<u>\$ 0.77</u>	<u>\$ (1.66)</u>	<u>\$ 3.23</u>

Net (loss) income per ordinary share amounts were calculated from exact, not rounded net (loss) income and share information. Anti-dilutive shares not recognized in the diluted net income per share calculation for the three and nine months ended September 30, 2023 and 2022 were as follows:

	Shares			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Options	236,945	518,934	236,945	518,934
Restricted share units	1,648,311	1,333,723	2,520,412	1,330,971

5. Accounts Receivable Securitization Program

On March 15, 2022, the Company entered into an accounts receivable securitization program ("Securitization Facility") with a financial institution ("Purchaser"), through our wholly owned special purpose bankruptcy-remote subsidiary Tronox Securitization LLC ("SPE"). In November 2022, the Securitization Facility was amended (the "First Amendment") to include receivable generated by our wholly-owned Australian operating subsidiaries Tronox Pigment Pty Ltd., Tronox Pigment Bunbury Ltd. and Tronox Mining Australia Ltd.

In June 2023, the Company entered into an additional amendment (the "Second Amendment") to further include receivables generated by our wholly-owned European operating subsidiaries Tronox Pigment Holland BV and Tronox Pigment UK Limited. Neither the facility limit nor the program term were changed as a result of the Second Amendment, which remain at \$200 million and November 2025, respectively. As a result of the Second Amendment, during the nine months ended September 30, 2023, we incurred \$1 million of transaction costs, which are recorded in "Other income, net" in our unaudited Condensed Consolidated Statement of Operations.

As the Company does not maintain effective control over the sold receivables, we derecognize the sold receivables from our unaudited Condensed Consolidated Balance Sheet and classify the cash proceeds as source of cash from operating activities in our unaudited Condensed Consolidated Statement of Cash Flows.

The program is structured on a revolving basis under which cash collections from receivables are used to fund additional purchases of receivables at 100% face value, not to exceed the facility limit. As of September 30, 2023 and December 31, 2022, the total value of accounts receivables sold under the Securitization Facility and derecognized from the Company's

unaudited Condensed Consolidated Balance Sheet was \$200 million and \$123 million, respectively. Additionally, at September 30, 2023 and December 31, 2022, we retained approximately \$123 million and \$69 million of unsold receivables which we pledged as collateral for the sold receivables.

The following table sets forth a summary of the receivables sold and fees incurred under the program during the related periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cash proceeds from collections reinvested in the program	\$ 238	\$ 103	\$ 582	\$ 239
Incremental accounts receivables sold	238	103	659	314
Fees incurred ¹	3	1	8	1

¹ Fees due to the Purchaser relate to monthly utilization of the Securitization Facility and are recorded in "Other income, net" in our unaudited Condensed Consolidated Statement of Operations.

6. Inventories, Net

Inventories, net consisted of the following:

	September 30, 2023	December 31, 2022
Raw materials	\$ 327	\$ 261
Work-in-process	174	125
Finished goods, net	679	641
Materials and supplies, net	242	251
Inventories, net	<u>\$ 1,422</u>	<u>\$ 1,278</u>

Materials and supplies, net consists of processing chemicals, maintenance supplies and spare parts, which will be consumed directly and indirectly in the production of our products.

At September 30, 2023 and December 31, 2022, inventory obsolescence reserves primarily for materials and supplies were \$44 million and \$42 million, respectively. Reserves for lower of cost or market and net realizable value were \$41 million and \$27 million at September 30, 2023 and December 31, 2022, respectively.

7. Property, Plant and Equipment, Net

Property, plant and equipment, net of accumulated depreciation, consisted of the following:

	September 30, 2023	December 31, 2022
Land and land improvements	\$ 235	\$ 226
Buildings	395	390
Machinery and equipment	2,462	2,330
Construction-in-progress	267	370
Other	59	62
Subtotal	<u>3,418</u>	<u>3,378</u>
Less: accumulated depreciation	<u>(1,648)</u>	<u>(1,548)</u>
Property, plant and equipment, net	<u>\$ 1,770</u>	<u>\$ 1,830</u>

Substantially all of the property, plant and equipment, net is pledged as collateral for our debt. See Note 11.

The table below summarizes depreciation expense related to property, plant and equipment for the periods presented, recorded in the specific line items in our unaudited Condensed Consolidated Statements of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cost of goods sold	\$ 52	\$ 50	\$ 158	\$ 152
Selling, general and administrative expenses	1	1	3	3
Total	<u>\$ 53</u>	<u>\$ 51</u>	<u>\$ 161</u>	<u>\$ 155</u>

8. Mineral Leaseholds, Net

Mineral leaseholds, net of accumulated depletion, consisted of the following:

	September 30, 2023	December 31, 2022
Mineral leaseholds	\$ 1,249	\$ 1,282
Less: accumulated depletion	(594)	(581)
Mineral leaseholds, net	<u>\$ 655</u>	<u>\$ 701</u>

Depletion expense relating to mineral leaseholds recorded in "Cost of goods sold" in the unaudited Condensed Consolidated Statements of Operations was \$7 million and \$8 million during the three months ended September 30, 2023 and 2022, respectively. Depletion expense relating to mineral leaseholds recorded in "Cost of goods sold" in the unaudited Condensed Consolidated Statements of Operations was \$22 million and \$23 million during the nine months ended September 30, 2023 and 2022, respectively.

9. Intangible Assets, Net

Intangible assets, net of accumulated amortization, consisted of the following:

	September 30, 2023			December 31, 2022		
	Gross Cost	Accumulated Amortization	Net Carrying Amount	Gross Cost	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 291	\$ (245)	\$ 46	\$ 291	\$ (231)	\$ 60
TiO ₂ technology	93	(42)	51	93	(37)	56
Internal-use software and other	196	(48)	148	179	(45)	134
Intangible assets, net	<u>\$ 580</u>	<u>\$ (335)</u>	<u>\$ 245</u>	<u>\$ 563</u>	<u>\$ (313)</u>	<u>\$ 250</u>

As of September 30, 2023 and December 31, 2022, internal-use software included approximately \$121 million and \$106 million, respectively, of capitalized software costs which are not being amortized as the software is not ready for its intended use.

The table below summarizes amortization expense related to intangible assets for the periods presented, recorded in the specific line items in our unaudited Condensed Consolidated Statements of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cost of goods sold	\$ 1	\$ 1	\$ 3	\$ 1
Selling, general and administrative expenses	6	6	20	22
Total	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 23</u>	<u>\$ 23</u>

Estimated future amortization expense related to intangible assets is \$7 million for the remainder of 2023, \$43 million for 2024, \$43 million for 2025, \$25 million for 2026, \$23 million for 2027 and \$104 million thereafter.

10. Balance Sheet and Cash Flow Supplemental Information

Accrued liabilities consisted of the following:

	September 30, 2023	December 31, 2022
Employee-related costs and benefits	\$ 110	\$ 107
Related party payables	2	15
Interest	4	15
Sales rebates	30	37
Taxes other than income taxes	7	13
Asset retirement obligations	9	8
Other accrued liabilities	37	57
Accrued liabilities	<u>\$ 199</u>	<u>\$ 252</u>

Additional supplemental cash flow information for the nine months ended September 30, 2023 and 2022 and as of September 30, 2023 and December 31, 2022 is as follows:

	Nine Months Ended September 30, 2023	2022
Supplemental non cash information:		
Operating activities - Chloride slag inventory purchases made from AMIC	<u>\$ 27</u>	<u>\$ —</u>
Operating activities - MGT sales made to AMIC	<u>\$ 5</u>	<u>\$ 2</u>
Investing activities - In-kind receipt of AMIC loan repayment	<u>\$ 27</u>	<u>\$ —</u>
Financing activities - Initial commercial insurance premium financing agreement	<u>\$ 18</u>	<u>\$ 21</u>
Financing activities - Repayment of MGT loan	<u>\$ 5</u>	<u>\$ 2</u>
	September 30, 2023	December 31, 2022
Capital expenditures acquired but not yet paid	<u>\$ 38</u>	<u>\$ 72</u>

11. Debt

Long-Term Debt

Long-term debt, net of an unamortized discount and debt issuance costs, consisted of the following:

	Original Principal	Annual Interest Rate	Maturity Date	September 30, 2023	December 31, 2022
Term Loan Facility, net of unamortized discount ⁽¹⁾	1,300	Variable	3/11/2028	\$ 898	\$ 898
2022 Term Loan Facility, net of unamortized discount ⁽¹⁾	400	Variable	4/4/2029	391	393
2023 Term Loan Facility, net of unamortized discount ⁽¹⁾	350	Variable	8/16/2028	347	—
Senior Notes due 2029	1,075	4.625 %	3/15/2029	1,075	1,075
Standard Bank Term Loan Facility ⁽¹⁾	98	Variable	11/11/2026	64	77
Australian Government Loan, net of unamortized discount	N/A	N/A	12/31/2036	1	1
MGT Loan ⁽²⁾	36	Variable	Variable	27	30
Finance leases				42	47
Long-term debt				2,845	2,521
Less: Long-term debt due within one year				(26)	(24)
Debt issuance costs				(31)	(33)
Long-term debt, net				\$ 2,788	\$ 2,464

(1) The average effective interest rate on the Term Loan Facility (including the impacts of the interest rate swaps), the 2022 Term Loan Facility, the 2023 Term Loan Facility, and the Standard Bank Term Loan Facility was 6.0%, 8.6%, 9.3% and 10.2%, respectively, during the nine months ended September 30, 2023. The average effective interest rate on the Term Loan Facility (including the impacts of the interest rate swaps), the 2022 Term Loan Facility and Standard Bank Term Loan Facility was 4.7%, 5.1% and 6.8%, respectively, during the nine months ended September 30, 2022.

(2) The MGT loan is a related party debt facility. The average effective interest rate on the MGT loan was 6.0% and 4.0% during the nine months ended September 30, 2023 and September 30, 2022, respectively.

Term Loan Facility

In June 2023, in anticipation of Reference Rate Reform, we amended our interest rate terms of the Term Loan Facility from LIBOR to SOFR pursuant to the loan agreement. The Term Loan Facility bears interest at either the base rate or the SOFR rate, in each case plus an applicable margin. Based on our first lien net leverage ratio pursuant to the Term Loan Facility agreement, the applicable margin under the Term Loan Facility as of September 30, 2023 was 2.50%.

2022 Term Loan Facility

On April 4, 2022, Tronox Finance LLC (the "Borrower"), the Borrower's indirect parent company, Tronox Holdings plc (the "Company"), certain of the Company's subsidiaries, the incremental term lender party thereto, and HSBC Bank USA, National Association, as Administrative Agent and Collateral Agent, entered into Amendment No. 1 to the Amended and Restated First Lien Credit Agreement (the "2022 Amendment"). The 2022 Amendment provides the Borrower with a new seven-year incremental term loan facility (the "2022 Term Loan Facility" and, the loans thereunder, the "2022 Incremental Term Loans") under its credit agreement in an aggregate initial principal amount of \$400 million. The proceeds of the 2022 Term Loan Facility were used on April 1, 2022, along with cash on hand, to redeem all outstanding 6.5% Senior Secured Notes due 2025 and to pay transaction related costs and expenses. As a result of this transaction, we recognized

approximately \$21 million, including a call premium of \$18 million, in "Loss on extinguishment of debt" on the unaudited Consolidated Statement of Operations for the nine months ended September 30, 2022.

The 2022 Incremental Term Loans bear interest, at the Borrower's option, at either the base or the SOFR rate, in each case plus an applicable margin. The applicable margin in respect of the 2022 Incremental Term Loans is 2.25% per annum, for base rate loans, or 3.25% per annum, for SOFR rate loans. The 2022 Incremental Term Loans have an interest rate floor of 0.50%. As of September 30, 2023, the applicable margin under the 2022 Term Loan Facility was 3.25%.

2023 Term Loan Facility

On August 16, 2023, the Borrower, the Company, certain of the Company's subsidiaries, the incremental term lender party thereto and HSBC Bank USA, National Association, as Administrative Agent and Collateral Agent, entered into Amendment No. 3 to the Amended and Restated First Lien Credit Agreement (the "2023 Amendment"). The 2023 Amendment provides the Borrower with a new five-year incremental term loan facility ("the 2023 Term Loan Facility" and, the loans thereunder, the "2023 Incremental Term Loans") under its credit agreement in an aggregate initial principal amount of \$350 million. The proceeds of the 2023 Term Loan Facility were used to repay \$159 million of then-outstanding borrowings under the Company's existing revolving credit facilities and to enhance available liquidity for upcoming capital expenditures.

The 2023 Incremental Term Loans bear interest, at the Borrower's option, at either the base or the SOFR rate, in each case plus an applicable margin. The applicable margin in respect of the 2023 Incremental Term Loans is 2.50% per annum for base rate loans, or 3.50% per annum for SOFR rate loans. The 2023 Incremental Term Loans have an interest rate floor of 0.50%. As of September 30, 2023 the applicable margin under the 2023 Term Loan Facility was 3.50%.

Short-Term Debt

Emirates Revolver

In June 2023, Tronox Pigment UK Limited, as borrower, and Tronox Holdings plc, as guarantor, entered into a new revolving credit facility with Emirates NBD PJSC ("Emirates") which replaced the existing revolving credit facility with Emirates. The new Emirates revolving credit facility is secured by inventory of Tronox Pigment UK Limited and will mature in June 2024. The facility limit is 50 million Pound Sterling (approximately \$61 million at the September 30, 2023 exchange rate) and can be drawn in either Pound Sterling, Euro or US Dollar. Under the terms of the revolver, for U.S. dollar borrowings, the interest rate is SOFR plus 1.75%, for Euro borrowings, the interest rate is Euribor plus 1.75% and for Pound Sterling borrowings, the interest rate is SONIA plus 1.75%. During the nine months ended September 30, 2023, we drew down 35 million Pound Sterling (approximately \$43 million at the September 30, 2023 exchange rate) and fully repaid the outstanding amount as of September 30, 2023.

SABB Facility

During the nine months ended September 30, 2023, we drew down SAR 16 million (approximately \$4 million at the September 30, 2023 exchange rate) under the SABB Facility for general corporate purposes and fully repaid the outstanding amount as of September 30, 2023.

Cash Flow Revolver

During the nine months ended September 30, 2023, we drew down an incremental \$115 million for general corporate purposes, which together with \$30 million in draw-downs at December 31, 2022, were fully repaid as of September 30, 2023.

Standard Bank Revolving Credit Facility

During the nine months ended September 30, 2023, we drew down ZAR 650 million (approximately \$34 million at the September 30, 2023 exchange rate) under the Standard Bank Revolving Credit Facility for general corporate purposes and fully repaid the outstanding amount at September 30, 2023.

Insurance premium financing

In August 2023, the Company entered into a \$27 million insurance premium financing agreement with a third-party financing company. The financing balance requires a 33% down payment and will be repaid in monthly installments over 9 months at

a 8% fixed annual interest rate. As of September 30, 2023, the financing balance was \$17 million and is recorded in "Short-term debt" in the Condensed Consolidated Balance Sheet.

Debt Covenants

As of September 30, 2023, we are in compliance with all financial covenants in our debt facilities.

12. Derivative Financial Instruments

Derivatives recorded on the Condensed Consolidated Balance Sheets:

The following table is a summary of the fair value of derivatives outstanding at September 30, 2023 and December 31, 2022:

	Fair Value			
	September 30, 2023		December 31, 2022	
	Assets(a)	Accrued Liabilities	Assets(a)	Accrued Liabilities
Derivatives Designated as Cash Flow Hedges				
Interest Rate Swaps	\$ 44	\$ —	\$ 30	\$ —
Natural Gas Hedges	\$ —	\$ 1	\$ 1	\$ 2
Total Hedges	\$ 44	\$ 1	\$ 31	\$ 2
Derivatives Not Designated as Cash Flow Hedges				
Currency Contracts	\$ —	\$ 2	\$ 1	\$ —
Total Derivatives	\$ 44	\$ 3	\$ 32	\$ 2

(a) At September 30, 2023 and December 31, 2022, current assets of \$44 million and \$32 million, respectively, are recorded in prepaid and other current assets on the Condensed Consolidated Balance Sheets.

Derivatives' Impact on the Condensed Consolidated Statement of Operations:

The following table summarizes the impact of the Company's derivatives on the unaudited Condensed Consolidated Statement of Operations:

	Amount of Pre-Tax Gain (Loss) Recognized in Earnings			Amount of Pre-Tax Gain (Loss) Recognized in Earnings		
	Revenue	Cost of Goods Sold	Other Income, net	Revenue	Cost of Goods Sold	Other Income, net
	Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
Derivatives Not Designated as Hedging Instruments						
Currency Contracts	\$ —	\$ —	\$ 2	\$ —	\$ —	\$ (13)
Derivatives Designated as Hedging Instruments						
Currency Contracts	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Natural Gas Hedges	\$ —	\$ (1)	\$ —	\$ —	\$ 2	\$ —
Total Derivatives	\$ —	\$ (1)	\$ 2	\$ —	\$ 2	\$ (13)

Amount of Pre-Tax Gain (Loss) Recognized in Earnings					Amount of Pre-Tax Gain (Loss) Recognized in Earnings				
Revenue		Cost of Goods Sold		Other Income, net	Revenue		Cost of Goods Sold		Other Income, net
Nine Months Ended September 30, 2023					Nine Months Ended September 30, 2022				
Hedging Instruments									
\$	—	\$	—	\$	(2)	\$	—	\$	—
Derivatives Not Designated as Hedging Instruments									
\$	—	\$	(4)	\$	—	\$	5	\$	14
\$	—	\$	(4)	\$	—	\$	—	\$	4
\$	—	\$	(8)	\$	(2)	\$	5	\$	18

Interest Rate Risk

During the second quarter of 2019, we entered into three interest-rate swap agreements with an aggregate notional value of \$750 million, representing a portion of our Term Loan Facility, which effectively converted the variable rate to a fixed rate for that portion of the loan. The agreements were to expire in September 2024.

On March 27, 2023, the Company entered into amendments to two of our existing interest rate swap agreements with the counterparty banks. As a result of these amendments, the Company terminated two of our existing interest rate swap contracts which were indexed to LIBOR with an aggregate notional value of \$500 million which had maturity dates of September 2024. At the time of these amendments, the Company determined that the interest payments hedged are still probable to occur, therefore, the gains accumulated of \$11 million on the interest rate swaps prior to the amendments are being amortized into interest expense through September 22, 2024, the original maturity of the interest rate swap agreements.

We simultaneously entered into two SOFR-indexed forward starting interest rate swaps with the same counterparty banks with no change to the aggregate notional value. The forward starting swaps became effective in June 2023 and will mature in March 2028 which is aligned with the maturity date of the Term Loan Facility. Indexing forward starting swaps to SOFR also ensured that the reference rates in our hedge instruments are now aligned with the interest rate terms of the Term Loan Facility which also changed from LIBOR to SOFR in June 2023 in anticipation of Reference Rate Reform and pursuant to the loan agreement. We elected to apply the hedge accounting expedients in ASC Topic 848, *Reference Rate Reform on Financial Reporting* related to the following: 1) the assertion that the future forecasted transaction is still probable of occurring despite reference rate changes and 2) the assumption that the index of the future hedged transactions will match the index of the corresponding hedge instruments for the assessment of effectiveness.

Additionally, on March 27, 2023, the Company entered into a new interest rate swap with a \$200 million notional value which matures in March 2028 and effectively converts the variable rate to a fixed rate for that portion of the 2022 Term Loan Facility.

On May 17, 2023, the Company entered into an agreement with the counterparty bank to amend the remaining \$250 million notional of the three original interest rate swap contracts of \$750 million aggregate notional value. As a result of this amendment, the Company changed the rate indexed in the contract from LIBOR to SOFR, effective June 30, 2023 in anticipation of the Reference Rate Reform and to align the index rate in this contract to that in the Term Loan Facility, as described above. This amendment did not change the notional value and the expiration date of this contract, which is set to expire in September 2024. We completed a hedge effectiveness test as a result of this amendment and determined that this hedge instrument continues to be highly effective, enabling us to continue to apply hedge accounting over the remaining term of this hedge relationship.

As of September 30, 2023, the Company maintains a total of \$950 million of interest rate swaps with the objective in using the interest-rate swap agreements to add stability to interest expense and to manage the Company's exposure to interest rate movements. These interest rate swaps have been designated as cash flow hedges and involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

Fair value gains or losses on these cash flow hedges are recorded in accumulated other comprehensive loss and are subsequently reclassified into interest expense in the same periods during which the hedged transactions affect earnings. At September 30, 2023 and December 31, 2022, the net unrealized gain of \$42 million and the unrealized gain of \$30 million, respectively, was recorded in "Accumulated other comprehensive loss" on the unaudited Condensed Consolidated Balance Sheet. For the three and nine months ended September 30, 2023, the amounts recorded in interest expense related to the interest-rate swap agreements were \$8 million and \$18 million, respectively, of which \$2 million for each period was reclassified from "Accumulated other comprehensive loss" to interest expense. For the three and nine months ended September 30, 2022, the net amounts recorded in interest expense related to the interest-rate swap agreements less than \$1 million and \$7 million, respectively.

Foreign Currency Risk

From time to time, we enter into foreign currency contracts used to hedge forecasted third party non-functional currency sales for our South African subsidiaries and forecasted non-functional currency cost of goods sold for our Australian subsidiaries. Historically, we have used a combination of zero-cost collars or forward contracts to reduce the exposure. These foreign currency contracts are designated as cash flow hedges. Changes to the fair value of these foreign currency contracts are recorded as a component of other comprehensive (loss) income, if these contracts remain highly effective, and are recognized in net sales or costs of goods sold in the period in which the forecasted transaction affects earnings or are recognized in other income, net when the transactions are no longer probable of occurring.

As of September 30, 2023, we had no outstanding amounts to reduce the exposure of our Australian subsidiaries' cost of sales to fluctuations in currency rates or to reduce the exposure of our South African subsidiaries' third party sales to fluctuations in currency rates. At December 31, 2022, there was an unrealized net loss of \$4 million recorded in "Accumulated other comprehensive loss" on the unaudited Condensed Consolidated Balance Sheet, which was fully recognized in earnings during the nine months ended September 30, 2023.

From time to time, we enter into foreign currency contracts for the South African Rand, Australian Dollar, Euro, Pound Sterling, and Saudi Riyal to reduce exposure of our subsidiaries' balance sheet accounts not denominated in our subsidiaries' functional currency to fluctuations in foreign currency exchange rates. Historically, we have used forward contracts to reduce the exposure. For accounting purposes, these foreign currency contracts are not considered hedges. The change in fair value associated with these contracts is recorded in "Other expense, net" within the unaudited Condensed Consolidated Statement of Operations and partially offsets the change in value of third party and intercompany-related receivables not denominated in the functional currency of the subsidiary. At September 30, 2023, there was (i) 496 million South African Rand (or approximately \$26 million at September 30, 2023 exchange rate), (ii) 202 million Australian dollars (or approximately \$130 million at the September 30, 2023 exchange rate), (iii) 11 million Pound Sterling (or approximately \$14 million at the September 30, 2023 exchange rate), (iv) 47 million Euro (or approximately \$50 million at the September 30, 2023 exchange rate), and (v) 51 million Saudi Riyal (or approximately \$14 million at the September 30, 2023 exchange rate) of notional amounts of outstanding foreign currency contracts. At December 31, 2022, there was (i) 1.2 billion South African Rand (or approximately \$64 million at the September 30, 2023 exchange rate), (ii) 197 million Australian dollars (or approximately \$127 million at the September 30, 2023 exchange rate), (iii) 20 million Pound Sterling (or approximately \$24 million at the September 30, 2023 exchange rate), and (iv) 44 million Euro (or approximately \$47 million at the September 30, 2023 exchange rate) of notional amounts of outstanding foreign currency contracts.

13. Fair Value

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The accounting standards also have established a fair value hierarchy, which prioritizes the inputs to valuation techniques used in measuring fair value into three broad levels as follows:

Level 1 -Quoted prices in active markets for identical assets or liabilities

Level 2 -Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly

Level 3 -Unobservable inputs based on the Company's own assumptions

Our debt is recorded at historical amounts. The following table presents the fair value of our debt and derivative contracts at both September 30, 2023 and December 31, 2022:

	September 30, 2023		December 31, 2022	
	Asset	Liability	Asset	Liability
Term Loan Facility	—	888	—	876
2022 Term Loan Facility	—	390	—	388
2023 Term Loan Facility	—	347	—	—
Standard Bank Term Loan Facility	—	64	—	77
Senior Notes due 2029	—	868	—	893
Australian Government Loan	—	1	—	1
MGT Loan	—	27	—	30
Interest rate swaps	44	—	30	—
Natural gas hedges	—	1	1	2
Foreign currency contracts	—	2	1	—

We determined the fair value of the Term Loan Facility, the 2022 Term Loan Facility, the 2023 Term Loan Facility, and the Senior Notes due 2029 using quoted market prices, which under the fair value hierarchy is a Level 1 input. We determined the fair value of the Standard Bank Term Loan Facility utilizing transactions in the listed markets for identical or similar liabilities, which under the fair value hierarchy is a Level 2 input. The fair value of the Australian Government Loan and MGT Loan is based on the contracted amount which is a Level 2 input.

We determined the fair value of the foreign currency contracts, natural gas hedges and the interest rate swaps using inputs other than quoted prices in active markets that are observable either directly or indirectly. The fair value hierarchy for the foreign currency contracts, natural gas hedges and interest rate swaps is a Level 2 input.

The carrying value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities and short-term debt approximate fair value due to the short-term nature of these items.

14. Asset Retirement Obligations

Asset retirement obligations consist primarily of rehabilitation and restoration costs, landfill capping costs, decommissioning costs, and closure and post-closure costs. Activities related to asset retirement obligations were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Beginning balance	\$ 161	\$ 147	\$ 161	\$ 149
Additions	1	1	4	1
Accretion expense	4	3	11	10
Remeasurement/translation	(5)	(9)	(7)	(14)
Other, including change in estimates	5	4	2	4
Settlements/payments	(2)	(3)	(7)	(7)
Balance, September 30,	<u>\$ 164</u>	<u>\$ 143</u>	<u>\$ 164</u>	<u>\$ 143</u>

	September 30, 2023	December 31, 2022
Current portion included in “Accrued liabilities”	\$ 9	\$ 8
Noncurrent portion included in “Asset retirement obligations”	155	153
Asset retirement obligations	<u>\$ 164</u>	<u>\$ 161</u>

15. Commitments and Contingencies

Purchase and Capital Commitments—Includes obligations for purchase requirements of process chemicals, supplies, utilities and services entered into in the ordinary course of business. At September 30, 2023, purchase commitments were \$111 million for the remainder of 2023, \$171 million for 2024, \$155 million for 2025, \$154 million for 2026, \$153 million for 2027, and \$1,529 million thereafter.

Letters of Credit—At September 30, 2023, we had outstanding letters of credit and bank guarantees of \$108 million, of which \$70 million were letters of credit, of which \$50 million is related to the sale of Hawkins Point as discussed below, and \$38 million were bank guarantees. Amounts for performance bonds were not material.

Environmental Matters—It is our policy to record appropriate liabilities for environmental matters when remedial efforts are probable and the costs can be reasonably estimated. Such liabilities are based on our best estimate of the undiscounted future costs required to complete the remedial work. The recorded liabilities are adjusted periodically as remediation efforts progress or as additional technical, regulatory or legal information becomes available. Given the uncertainties regarding the status of laws, regulations, enforcement policies, the impact of other potentially responsible parties, technology and information related to individual sites, we do not believe it is possible to develop an estimate of the range of reasonably possible environmental loss in excess of our recorded liabilities. We expect to fund expenditures for these matters from operating cash flows. The timing of cash expenditures depends principally on the timing of remedial investigations and feasibility studies, regulatory approval of cleanup projects, remedial techniques to be utilized and agreements with other parties. Included in these environmental matters is the following:

Hawkins Point Plant. Residual waste mud, known as Batch Attack Mud, and a spent sulfuric waste stream were deposited in an onsite repository (the “Batch Attack Lagoon”) at a former TiO₂ manufacturing site, Hawkins Point Plant in Baltimore, Maryland, operated by Cristal USA, Inc. from 1954 until 2011. We assumed responsibility for remediation of the Hawkins Point Plant when we acquired the TiO₂ business of Cristal in April 2019. On December 21, 2022, we sold the Hawkins Point Plant to the Maryland Port Administration (“MPA”), a state agency controlled by the Maryland Department of Transportation. Pursuant to the terms of the transaction, MPA became the lead party in developing and implementing appropriate measures to address, treat, control, and mitigate the environmental conditions at the property under the regulatory oversight of the Maryland Department of the Environment (“MPE”). Under MPA ownership, the Hawkins Point Plant will be utilized for storage and beneficial reuse of dredged material from the Port of Baltimore. In exchange for transferring ownership of the site to MPA, Tronox has agreed to make scheduled, annual payments to MPA which together with scheduled, annual contributions from MPA will be used to remediate the property. The sale of the property to MPA did not have a material impact to the Consolidated Statement of Operations. As of September 30, 2023, we have a provision of \$42 million included in “Environmental liabilities” in our Condensed Consolidated Balance Sheet for the Hawkins Point Plant consistent with the accounting policy described above.

Other Matters—We are subject to a number of other lawsuits, investigations and disputes (some of which involve substantial amounts claimed) arising out of the conduct of our business, including matters relating to commercial transactions, prior acquisitions and divestitures, including our acquisition of Cristal, employee benefit plans, intellectual property, and environmental, health and safety matters. We recognize a liability for any contingency that is probable of occurrence and reasonably estimable. We continually assess the likelihood of adverse judgments of outcomes in these matters, as well as potential ranges of possible losses (taking into consideration any insurance recoveries), based on a careful analysis of each matter with the assistance of outside legal counsel and, if applicable, other experts. Included in these other matters are the following:

UK Health and Safety Matter. In April 2023, we received a summons from the UK Health and Safety Executive (HSE) alleging non-compliance with UK health and safety legislation at the Stallingborough pigment plant resulting from an incident involving a contractor in August 2021. We also received notice that HSE is investigating another incident which occurred in August 2022 at the same plant involving an employee. With regard to the summons, in June 2023, Tronox Pigment UK Limited, the entity which owns the Stallingborough plant, pled guilty to the allegation. The sentencing hearing to determine monetary penalties occurred in September 2023. At such hearing, the judge imposed a monetary penalty in the amount of £207,681, inclusive of costs. We do not believe this matter will have a material adverse effect on our business, financial condition and results of operations. With regard to the notice of investigation into the second incident, the timing for an enforcement action, if any, is uncertain but based on our current understanding we also do not believe this matter will have a material adverse effect on our business, financial condition and results of operations.

Venator Materials plc v. Tronox Limited. In May 2019, Venator Materials plc (“Venator”) filed an action in the Superior Court of the State of Delaware alleging among other things that we owed Venator a \$75 million “Break Fee” pursuant to the terms of a preliminary agreement dated July 14, 2018 (the “Exclusivity Agreement”). The Exclusivity Agreement required, among other things, Tronox and Venator to use their respective best efforts to negotiate a definitive agreement to sell the entirety of the National Titanium Dioxide Company Limited’s (“Cristal’s”) North American operations to Venator if a divestiture of all or a substantial part of these operations were required to secure the approval of the Federal Trade Commission for us to complete our acquisition of Cristal’s TiO₂ business. In June 2019, we denied Venator’s claims and counterclaimed against Venator seeking to recover \$400 million in damages from Venator that we suffered as a result of Venator’s breaches of the Exclusivity Agreement. Specifically, we alleged, among other things, that Venator’s failure to use best efforts constituted a material breach of the Exclusivity Agreement and directly resulted in and caused us to sell Cristal’s North American operations to an alternative buyer for \$701 million, \$400 million less than the price Venator had agreed to in the Exclusivity Agreement. On April 6, 2022, the Judge presiding over the case in the Superior Court of the State of Delaware delivered a directed verdict in favor of Venator without allowing the jury to deliberate. The Company determined not to appeal the Judge’s verdict, and as such, on April 18, 2022, the Company and Venator entered into a settlement agreement whereby the Company paid \$85 million, inclusive of interest, on April 25, 2022. As a result, we recorded the charge within “Venator settlement” on the unaudited Condensed Consolidated Statement of Operations for the nine months ended September 30, 2022.

Western Australia Stamp Duty Matter. In May 2018, we lodged a pre-transaction determination request for a stamp duty exemption with the Western Australia Office of State Revenue (the “WA OSR”) in connection with our re-domicile transaction (the “Re-Domicile Transaction”). The WA OSR subsequently granted our request for an exemption in June 2018 on a preliminary basis. Immediately following the consummation of the Re-Domicile Transaction, we filed a confirmation request for the stamp duty exemption with the WA OSR. Following this confirmation request, we exchanged numerous communications with the WA OSR addressing questions raised and stating our position. In July 2021, the WA OSR informed us that they have reviewed their technical position on the applicability of the stamp duty exemption and have determined that such an exemption is disallowed. On April 8, 2022, the Company lodged an appeal of the WA OSR's decision with the Western Australia State Administrative Tribunal. On March 3, 2023, the WA OSR officially granted us the stamp duty exemption in connection with the Re-Domicile Transaction, and as such, the Tribunal proceeding was withdrawn.

16. Accumulated Other Comprehensive Loss Attributable to Tronox Holdings plc and Other Equity Items

The tables below present changes in accumulated other comprehensive loss by component for the three months ended September 30, 2023 and 2022.

	Cumulative Translation Adjustment	Pension Liability Adjustment	Unrealized Gains (Losses) on Hedges	Total
Balance, July 1, 2023	\$ (758)	\$ (78)	\$ 27	\$ (809)
Other comprehensive (loss) income	(25)	—	8	(17)
Amounts reclassified from accumulated other comprehensive loss	—	—	(1)	(1)
Balance, September 30, 2023	<u>\$ (783)</u>	<u>\$ (78)</u>	<u>\$ 34</u>	<u>\$ (827)</u>

	Cumulative Translation Adjustment	Pension Liability Adjustment	Unrealized Gains (Losses) on Hedges	Total
Balance, July 1, 2022	\$ (684)	\$ (99)	\$ 11	\$ (772)
Other comprehensive loss	(120)	—	7	(113)
Amounts reclassified from accumulated other comprehensive loss	—	1	(1)	—
Balance, September 30, 2022	<u>\$ (804)</u>	<u>\$ (98)</u>	<u>\$ 17</u>	<u>\$ (885)</u>

The tables below present changes in accumulated other comprehensive loss by component for the nine months ended September 30, 2023 and 2022.

	Cumulative Translation Adjustment	Pension Liability Adjustment	Unrealized Gains (Losses) on Hedges	Total
Balance, January 1, 2023	\$ (710)	\$ (78)	\$ 20	\$ (768)
Other comprehensive (loss) income	(73)	—	11	(62)
Amounts reclassified from accumulated other comprehensive loss	—	—	3	3
Balance, September 30, 2023	<u>\$ (783)</u>	<u>\$ (78)</u>	<u>\$ 34</u>	<u>\$ (827)</u>

	Cumulative Translation Adjustment	Pension Liability Adjustment	Unrealized Gains (Losses) on Hedges	Total
Balance, January 1, 2022	\$ (628)	\$ (100)	\$ (10)	\$ (738)
Other comprehensive (loss) income	(176)	—	50	(126)
Amounts reclassified from accumulated other comprehensive loss	—	2	(23)	(21)
Balance, September 30, 2022	<u>\$ (804)</u>	<u>\$ (98)</u>	<u>\$ 17</u>	<u>\$ (885)</u>

Repurchase of Common Stock

On November 9, 2021, the Company's Board of Directors authorized the repurchase of up to \$300 million of the Company's stock through February 2024. During the three and nine months ended September 30, 2023, we made no repurchases of the Company's stock. Under the authorization from our Board of Directors, we have approximately \$251 million available for additional repurchases through February 2024.

17. Share-Based Compensation

Restricted Share Units ("RSUs")

2023 Grant - During the nine months ended September 30, 2023, the Company granted both time-based and performance-based awards to certain members of management. A total of 870,403 of time-based awards were granted to management which will vest ratably over a three-year period ending March 5, 2026. A total of 90,088 of time-based awards were granted to non-employee members of the Board which will vest in May 2024. A total of 870,404 of performance-based awards were granted, of which 435,202 of the awards vest based on a relative Total Shareholder Return ("TSR") calculation and 435,202 of the awards vest based on certain performance metrics of the Company. The non-TSR performance-based awards vest on March 5, 2026 based on the actual 2025 annual return on invested capital (ROIC). Similar to the Company's historical TSR awards granted in prior years, the TSR awards vest based on the Company's three-year TSR versus the peer group performance levels. Given these terms, the TSR metric is considered a market condition for which we used a Monte Carlo simulation to determine the weighted average grant date fair value of \$22.43. The following weighted average assumptions were utilized to value the TSR grants:

	2023
Dividend yield	— %
Expected historical volatility	67.1 %
Risk free interest rate	4.47 %
Expected life (in years)	3

The unrecognized compensation cost associated with all unvested awards at September 30, 2023 was \$35 million, adjusted for estimated forfeitures, which is expected to be recognized over a weighted-average period of approximately 2 years.

During the three months ended September 30, 2023 and 2022, we recorded \$4 million and \$7 million, respectively, of stock compensation expense. During the nine months ended September 30, 2023 and 2022, we recorded \$15 million and \$21 million of stock compensation expense, respectively.

18. Pension and Other Postretirement Healthcare Benefits

The components of net periodic cost associated with our U.S. and foreign pension plans recognized in the unaudited Condensed Consolidated Statements of Operations were as follows:

	Pensions		Pensions	
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net periodic cost:				
Service cost	\$ —	\$ 1	\$ 2	\$ 3
Interest cost	5	4	13	11
Expected return on plan assets	(5)	(6)	(15)	(18)
Net amortization of actuarial loss and prior service credit	—	1	—	3
Total net periodic cost	\$ —	\$ —	\$ —	\$ (1)

The components of net periodic cost associated with our postretirement healthcare plans recognized in the unaudited Condensed Consolidated Statements of Operations were as follows:

	Other Postretirement Benefit Plans		Other Postretirement Benefit Plans	
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net periodic cost:				
Interest cost	—	1	1	2
Total net periodic cost	\$ —	\$ 1	\$ 1	\$ 2

During the nine months ended September 30, 2023, the Company made contributions to its pension plans of \$3 million. The Company expects to make approximately \$5 million of pension contributions for the remainder of 2023.

For the three months ended September 30, 2023 and 2022, we contributed \$1 million and \$1 million, respectively, to the Netherlands Multiemployer Plan, which was primarily recognized in “Cost of goods sold” in the unaudited Condensed Consolidated Statement of Operations. For the nine months ended September 30, 2023 and 2022, we contributed \$4 million and \$4 million, respectively, to the Netherlands Multiemployer Plan, which was primarily recognized in “Cost of goods sold” in the unaudited Condensed Consolidated Statement of Operations.

19. Related Parties

Tasnee / Cristal

At September 30, 2023, Cristal International Holdings B.V. (formerly known as Cristal Inorganic Chemical Netherlands Cooperatief W.A.), a subsidiary of Tasnee, continues to own 37,580,000 shares of Tronox, or a 24% ownership interest.

On May 9, 2018, we entered into an Option Agreement with AMIC which is owned equally by Tasnee and Cristal. Under the terms of the Option Agreement, AMIC granted us an option (the “Option”) to acquire 90% of a special purpose vehicle (the “SPV”), to which AMIC’s ownership in a titanium slag smelter facility (the “Slagger”) in The Jazan City for Primary and Downstream Industries in KSA will be contributed together with \$322 million of AMIC indebtedness (the “AMIC Debt”). The AMIC Debt would remain outstanding debt of the SPV upon exercise of the Option. The Option may be exercised if the Slagger achieves certain production criteria related to sustained quality and tonnage of slag produced (the “Option Criteria”). Likewise, AMIC may require us to acquire the Slagger on the same terms if the Option Criteria are satisfied. Furthermore, pursuant to the Option Agreement and during its term, we agreed to lend AMIC and, upon the creation of the SPV, the SPV, up to \$125 million for capital expenditures and operational expenses intended to facilitate the start-up of the Slagger (the “Tronox Loans”). At September 30, 2023 and December 31, 2022, the outstanding Tronox Loans principal was \$102 million and \$125 million, respectively. The loan principal, together with related accrued interest of \$14 million and \$13 million at

September 30, 2023 and December 31, 2022, respectively, is recorded within "Other long-term assets" on the unaudited Condensed Consolidated Balance Sheet. For the three months ended September 30, 2023 and September 30, 2022, Tronox recorded \$23 million and \$20 million, respectively, for feedstock material acquired from the Slagger. For the nine months ended September 30, 2023 and September 30, 2022, the corresponding Slagger feedstock acquired was \$102 million and \$43 million, respectively. The feedstock acquired is subsequently recorded in "Cost of goods sold" on the unaudited Condensed Consolidated Statement of Operations. At September 30, 2023 and December 31, 2022, amounts due related to Slagger feedstock acquired was \$1 million and \$14 million, respectively, which are recorded within "Accrued liabilities" on the unaudited Condensed Consolidated Balance Sheet.

On May 13, 2020, we amended the Option Agreement (the "First Amendment") with AMIC to address circumstances in which the Option Criteria cannot be satisfied. Pursuant to the First Amendment, Tronox has the right to acquire the SPV in exchange for (i) our forgiveness of the Tronox Loans principal and accrued interest thereon, and (ii) the SPV's assumption of \$36 million of indebtedness plus accrued interest thereon lent by AMIC to the SPV. Under the First Amendment, the SPV would not assume any of the AMIC Debt.

On May 10, 2023, AMIC and Tronox further amended the Option Agreement (the "Second Amendment"). In the Second Amendment the parties acknowledged that the Option expired on May 10, 2023 without being exercised but agreed to continue negotiating until September 30, 2023 (the "Renegotiation Period") as to whether, and under what circumstances, Tronox may acquire the Slagger. In addition, the parties agreed that until September 30, 2023 all chloride slag produced by the Slagger will be delivered to Tronox as repayment in-kind of the Tronox Loans at a price based on a widely published index for feedstock less a nominal discount as set forth in the Second Amendment. The Renegotiation Period has now been extended until November 1, 2023. For the three months ended September 30, 2023, in-kind repayments of the Tronox Loans began and totaled \$27 million. Full repayment of the Tronox Loans is required by January 2025 in either cash or in-kind through chloride slag deliveries. During the Renegotiation Period the Technical Services Agreement remains in effect to enable Tronox's continued support to AMIC regarding the Jazan smelter complex. During July 2023, we also entered into an agreement with AMIC to act as their sales agent with regard to sales of slag fines to customers outside of the Kingdom of Saudi Arabia for an agreed upon commission fee to be paid.

Under the terms of the Technical Services Agreement, which we originally entered into with AMIC on March 15, 2018 and subsequently amended on May 13, 2020 and May 10, 2023, we provide project management support services for the Slagger. Under this amended arrangement, AMIC and its consultants are still responsible for engineering and construction of the Slagger while we provide technical advice and project management services including supervision and management of third party consultants intended to satisfy the Option Criteria. As compensation for these services, Tronox receives a management fee, which is subject to certain success incentives if and when the Slagger achieves the Option Criteria. Tronox recorded management fees of \$2 million in "Other income, net" within the unaudited Condensed Consolidated Statement of Operations for the three months ended both September 30, 2023 and September 30, 2022. For the nine months ended both September 30, 2023 and September 30, 2022, corresponding management fees were \$6 million. Tronox recorded remaining technical support fees received under the Technical Services Agreement for the three months ended both September 30, 2023 and September 30, 2022 of less than \$1 million. Such fees are recorded in "Selling, general and administrative expenses" on the unaudited Consolidated Statement of Operations. Corresponding amounts for the nine months ended both September 30, 2023 and September 30, 2022 were \$1 million. At September 30, 2023 and December 31, 2022, Tronox had a receivable due from AMIC related to the management fee and other technical support fees of \$2 million and \$2 million, respectively, that is recorded within "Prepaid and other assets" on the unaudited Condensed Consolidated Balance Sheet.

At both September 30, 2023 and December 31, 2022, Tronox had a receivable due from Tasnee of \$2 million which related primarily to pre-acquisition period tax matters in process with certain tax authorities which are reimbursable from Tasnee. This amount was recorded within "Other long-term assets" and "Prepaid and other assets" on the unaudited Condensed Consolidated Balance Sheet at September 30, 2023 and December 31, 2022, respectively.

On December 29, 2019, we entered into an agreement with Cristal to acquire certain assets co-located at our Yanbu facility which produces metal grade TiCl_4 ("MGT"). Consideration for the acquisition is the assumption by Tronox of a \$36 million note payable to Cristal (the "MGT Loan"). MGT is used at a titanium "sponge" plant facility, 65% of the ownership interests of which are held by Advanced Metal Industries Cluster and Toho Titanium Metal Co. Ltd ("ATTM"), a joint venture between AMIC and Toho Titanium Company Ltd. ATTM uses the TiCl_4 , which we supply by pipeline, for the production of titanium sponge, a precursor material used in the production of titanium metal.

On December 17, 2020 we completed the MGT transaction. Repayment of the \$36 million note payable is based on a fixed U.S. dollar amount per metric ton quantity of MGT delivered by us to ATTM over time and therefore the ultimate maturity date is variable in nature. If ATTM fails to purchase MGT from us under certain contractually agreed upon conditions, then at our election we may terminate the MGT supply agreement with ATTM and we will no longer owe any amount under the loan agreement with Cristal. We currently estimate the ultimate maturity to be between approximately five and six years, subject to actual future MGT production levels. The interest rate on the note payable is based on the SAIBOR plus a premium. At September 30, 2023 and December 31, 2022, the outstanding balance of the note payable was \$27 million and \$30 million, respectively, of which \$7 million and \$7 million, respectively, was expected to be paid within the next twelve months. The note payable is recorded within "Long-term debt, net" and "Long-term debt due within one year" on the Consolidated Balance Sheet. During the three months ended both September 30, 2023 and September 30, 2022, Tronox recorded interest expense of less than \$1 million related to the MGT Loan, which is recorded in "Interest expense" on the Consolidated Statement of Operations. Corresponding amounts for the nine months ended both September 30, 2023 and September 30, 2022 were \$1 million. During the three months ended September 30, 2023 and September 30, 2022, Tronox recorded \$2 million and \$1 million, respectively, for MGT Loan repayments to Cristal which are recorded within "Net sales" on the unaudited Condensed Consolidated Statement of Operation. Corresponding MGT Loan repayments for the nine months ended September 30, 2023 and September 30, 2022 were \$5 million and \$2 million, respectively.

As a result of these transactions that we entered into related to the MGT assets, Tronox recorded \$1 million and \$1 million for purchase of chlorine gas from ATTM for the three months ended September 30, 2023 and September 30, 2022, respectively, and such amounts are subsequently recorded in "Cost of goods sold" on the unaudited Condensed Consolidated Statement of Operations. Corresponding amounts purchased for the nine months ended both September 30, 2023 and September 30, 2022 were \$3 million. The amount due to ATTM at both September 30, 2023 and December 31, 2022, for the purchase of chlorine gas was \$1 million, which is recorded within "Accrued liabilities" on the unaudited Condensed Consolidated Balance Sheet. During the three months ended September 30, 2023 and September 30, 2022, Tronox recorded \$11 million and \$8 million, respectively, for MGT sales made to ATTM. Corresponding amounts for the nine months ended September 30, 2023 and September 30, 2022 were \$34 million and \$19 million, respectively. The MGT sales are recorded in "Net sales" on the unaudited Condensed Consolidated Statement of Operations. At September 30, 2023 and December 31, 2022, Tronox had a receivable from ATTM of \$7 million and \$6 million, respectively, from MGT sales that is recorded within "Prepaid and other assets" on the unaudited Condensed Consolidated Balance Sheet.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with Tronox Holdings plc's unaudited condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2022. This discussion and other sections in this Quarterly Report on Form 10-Q contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties, and actual results could differ materially from those discussed in the forward-looking statements as a result of numerous factors. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements also can be identified by words such as "future", "anticipates", "believes", "estimates", "expects", "intends", "plans", "predicts", "will", "would", "could", "can", "may", and similar terms.

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains certain financial measures, in particular the presentation of earnings before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA, which are not presented in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). We are presenting these non-U.S. GAAP financial measures because we believe they provide us and readers of this Form 10-Q with additional insight into our operational performance relative to earlier periods and relative to our competitors. We do not intend for these non-U.S. GAAP financial measures to be a substitute for any U.S. GAAP financial information. Readers of these statements should use these non-U.S. GAAP financial measures only in conjunction with the comparable U.S. GAAP financial measures. A reconciliation of net income to EBITDA and Adjusted EBITDA is also provided herein.

Overview

Tronox Holdings plc (referred to herein as "Tronox", the "Company", "we", "us", or "our") operates titanium-bearing mineral sand mines and beneficiation operations in Australia and South Africa to produce feedstock materials that can be processed into TiO₂ for pigment, high purity titanium chemicals, including titanium tetrachloride, and Ultrafine© titanium dioxide used in certain specialty applications. Our strategy is to be vertically integrated and produce enough feedstock materials to be as self-sufficient as possible in the production of TiO₂ at our nine TiO₂ pigment facilities located in the United States, Australia, Brazil, UK, France, the Netherlands, China and the Kingdom of Saudi Arabia ("KSA"). We believe that vertical integration is the best way to achieve our ultimate goal of delivering low cost, high-quality pigment to our coatings and other TiO₂ customers throughout the world. The mining, beneficiation and smelting of titanium bearing mineral sands creates meaningful quantities of zircon, pig iron and the rare-earth bearing mineral, monazite, which we also supply to customers around the world.

We are a public limited company listed on the New York Stock Exchange and are registered under the laws of England and Wales.

Business Environment

The following discussion includes trends and factors that may affect future operating results:

Third quarter revenue decreased 26% compared to the prior year, driven by lower sales volumes and lower selling prices of TiO₂, zircon, and pig iron. For the third quarter of 2023 as compared to the third quarter of 2022, TiO₂ volumes declined 14% across all regions and TiO₂ average selling prices declined 5%, partially offset by a 2% favorable exchange rate impact. Zircon volumes declined 71% and average selling prices declined 3%. Revenue from other products decreased 24% from the third quarter of 2022 to the third quarter of 2023 primarily due to both lower sales volumes and lower average selling prices of pig iron, partially offset by higher sales of rare earths elements. Gross profit decreased for the third quarter of 2023 as compared to the third quarter of 2022 due to the unfavorable impact of sales volumes, unfavorable impact of selling prices and product mix as well as higher production costs and commodity costs. These unfavorable impacts were partially offset by favorable impacts of foreign currency on costs.

Sequentially, revenue decreased 17% in the third quarter of 2023 compared to the second quarter of 2023 primarily due to lower sales volumes and lower selling prices of TiO₂, Zircon and pig iron. TiO₂ volumes decreased 5% and average selling price decreased 4% in the third quarter of 2023 as compared to the second quarter of 2023. Revenue from Zircon decreased 65% sequentially driven by a decrease of 61% in sales volumes and a 4% decrease in average selling prices. Other product

revenues decreased 19% from the second quarter of 2023 to the third quarter of 2023 mainly due to lower sales volumes and lower average selling prices of pig iron, partially offset by higher sales of rare earth elements. Gross profit decreased from the second quarter of 2023 to the third quarter of 2023 primarily due to lower sales volumes as well as lower average selling prices of TiO₂, Zircon and pig iron. These amounts were partially offset by favorable impacts of foreign currency on costs.

As of September 30, 2023, our total available liquidity was \$726 million, including \$246 million in cash and cash equivalents and \$480 million available under revolving credit agreements. As of September 30, 2023, our total debt was \$2.8 billion and net debt to trailing-twelve month Adjusted EBITDA was 4.8x with approximately 64% of our interest rates fixed through 2028. The Company has no financial covenants on its term loan or bonds and only one springing financial covenant on its Cash Flow Revolver, which we do not expect to be triggered based on our current scenario planning. Refer to Note 11 of notes to condensed consolidated financial statements for further details.

Condensed Consolidated Results of Operations

Three Months Ended September 30, 2023 compared to the Three Months Ended September 30, 2022

	Three Months Ended September 30,		
	2023	2022	Variance
Net sales	\$ 662	\$ 895	\$ (233)
Cost of goods sold	568	663	(95)
Gross profit	94	232	(138)
Gross Margin	14.2 %	25.9 %	(11.7) pts
Selling, general and administrative expenses	62	69	(7)
Venator settlement	—	—	—
Income from operations	32	163	(131)
Interest expense	(42)	(32)	(10)
Interest income	4	2	2
Loss on extinguishment of debt	—	—	—
Other income, net	—	8	(8)
(Loss) income before income taxes	(6)	141	(147)
Income tax (provision) benefit	(8)	(18)	10
Net (loss) income	\$ (14)	\$ 123	\$ (137)
Effective tax rate	(133)%	13 %	
EBITDA ⁽¹⁾	\$ 99	\$ 237	\$ (138)
Adjusted EBITDA ⁽¹⁾	\$ 116	\$ 247	\$ (131)
Adjusted EBITDA as % of Net Sales	17.5 %	27.6 %	(10.1) pts

(1) EBITDA and Adjusted EBITDA are Non-U.S. GAAP financial measures. Please refer to the “Non-U.S. GAAP Financial Measures” section of this Management’s Discussion and Analysis of Financial Condition and Results of Operations for a discussion of these measures and a reconciliation of these measures to Net income from operations.

Net sales of \$662 million for the three months ended September 30, 2023 decreased by 26%, compared to \$895 million for the same period in 2022. The decrease is primarily due to lower sales volumes of TiO₂ and Zircon.

Net sales by type of product for the three months ended September 30, 2023 and 2022 were as follows:

	Three Months Ended September 30,			
	2023	2022	Variance	Percentage
TiO ₂	\$ 558	\$ 673	\$ (115)	(17)%
Zircon	33	128	(95)	(74)%
Other products	71	94	(23)	(24)%
Total net sales	<u>\$ 662</u>	<u>\$ 895</u>	<u>\$ (233)</u>	<u>(26)%</u>

For the three months ended September 30, 2023, TiO₂ revenue was lower by 17% or \$115 million compared to the prior year quarter primarily due to a decrease of \$90 million in sales volumes and a decrease of \$36 million in average selling prices. Foreign currency positively impacted TiO₂ revenue by \$11 million primarily due to the strengthening of the Euro. Zircon revenue decreased \$95 million primarily due to a 71% decrease in sales volumes and 3% decrease in average selling prices. Other products revenues decreased \$23 million from the year-ago quarter primarily due to a decrease in sales volumes of both pig iron and rare earths elements.

Gross profit of \$94 million was 14.2% of net sales compared to 25.9% of net sales in the year-ago quarter. The decrease in gross margin is primarily due to:

- the net unfavorable impact of 7 points due to product mix and higher production and commodity costs,
- the unfavorable impact of 2 points due to increased cost structures and idle facility charges, partially offset by
- the net favorable impact of 3 points due to changes in foreign exchange rates, primarily as a result of the South African Rand and Australian dollar.
- the unfavorable impact of 6 points primarily due to a decrease in TiO₂ and Zircon selling prices.

Selling, general and administrative expenses decreased by \$7 million or 10% during the three months ended September 30, 2023 compared to the same period of the prior year primarily driven by a \$3 million decrease in employee costs. The remaining net decrease was driven by individually immaterial amounts.

Income from operations for the three months ended September 30, 2023 was \$32 million compared to \$163 million in the prior year period. The decrease of \$131 million was primarily due to the lower sales volumes and selling prices of TiO₂ and Zircon as well as higher production costs and unfavorable product mix partially offset by lower SG&A expenses as discussed above.

Adjusted EBITDA as a percentage of net sales was 17.5% for the three months ended September 30, 2023 as compared to 27.6% from the prior year primarily due to the lower gross margin as a result of higher production costs and unfavorable product mix as well as lower selling price as discussed above.

Interest expense for the three months ended September 30, 2023 increased by \$10 million compared to the same period of 2022 primarily due to the increase in the effective interest rates on our long-term debt facilities and higher average outstanding debt balances on our short-term debt facilities period over period.

Other income, net for the three months ended September 30, 2023 primarily consisted of approximately \$1 million of net realized and unrealized foreign currency gains and approximately \$2 million associated with the monthly technical service fee relating to the Jazan slagge we receive from AMIC offset by other individually immaterial amounts totaling approximately \$3 million.

We have established a full valuation allowance related to the total net deferred tax assets in Australia, and we continue to maintain full valuation allowances related to the total net deferred tax assets in Switzerland and the United Kingdom. The provisions for income taxes associated with these jurisdictions include no tax benefits with respect to losses incurred and tax expense only to the extent of current tax payments. Additionally, we have valuation allowances against other specific tax assets.

The effective tax rate was (133)% and 13% for the three months ended September 30, 2023 and 2022, respectively. The effective tax rates for the three months ended September 30, 2023 and 2022 are impacted by a variety of factors including income and losses in jurisdictions with valuation allowances, non-taxable income and expense items, prior year accruals, and our jurisdictional mix of income at tax rates different than the U.K. statutory rate.

Nine Months Ended September 30, 2023 compared to the Nine Months Ended September 30, 2022

	Nine Months Ended September 30,		
	2023	2022	Variance
Net sales	\$ 2,164	\$ 2,805	\$ (641)
Cost of goods sold	1,780	2,078	(298)
Gross profit	384	727	(343)
Gross Margin	17.7 %	25.9 %	(8.2) pt
Selling, general and administrative expenses	206	220	(14)
Venator settlement	—	85	(85)
Income from operations	178	422	(244)
Interest expense	(113)	(92)	(21)
Interest income	10	6	4
Loss on extinguishment of debt	—	(21)	21
Other income, net	6	12	(6)
Income before income taxes	81	327	(246)
Income tax (provision) benefit	(339)	187	526
Net (loss) income	\$ (258)	\$ 514	\$ (772)
Effective tax rate	419 %	(57)%	
EBITDA (1)	\$ 390	\$ 614	\$ (224)
Adjusted EBITDA (1)	\$ 430	\$ 762	\$ (332)
Adjusted EBITDA as % of Net Sales	19.9 %	27.2 %	(7.3) pt

(1) EBITDA and Adjusted EBITDA are Non-U.S. GAAP financial measures. Please refer to the “Non-U.S. GAAP Financial Measures” section of this Management’s Discussion and Analysis of Financial Condition and Results of Operations for a discussion of these measures and a reconciliation of these measures to Net income from operations.

Net sales of \$2,164 million for the nine months ended September 30, 2023 decreased by 23% compared to \$2,805 million for the same period in 2022. The decrease is primarily due to decreases in sales volumes of both TiO₂ and Zircon.

Net sales by type of product for the nine months ended September 30, 2023 and 2022 were as follows:

	Nine Months Ended September 30,			
	2023	2022	Variance	Percentage
TiO ₂	\$ 1,729	\$ 2,215	\$ (486)	(22)%
Zircon	200	346	(146)	(42)%
Other products	235	244	(9)	(4)%
Total net sales	\$ 2,164	\$ 2,805	\$ (641)	(23)%

For the nine months ended September 30, 2023, TiO₂ revenue was lower by 22% or \$486 million compared to the prior year period. TiO₂ revenue decreased primarily due to a decrease of \$481 million in sales volumes and a decrease of \$12 million in average selling prices. Foreign currency positively impacted TiO₂ revenue by \$7 million due to the strengthening of the Euro. Zircon revenues decreased \$146 million primarily due to a 46% decrease in sales volumes partially offset by a 3% increase in average selling prices. Other products revenues decreased \$9 million primarily due to decrease in sales volumes of both pig iron and rare earths elements.

Gross margin of \$384 million was 17.7% of net sales compared to 25.9% of net sales in the year-ago period. The decrease in gross margin is primarily due to:

- the net unfavorable impact of 8 points due to product mix and higher production and commodity costs,
- the unfavorable impact of 2 points due to increased cost structures and idle facility charges, partially offset by
- the net favorable impact of 3 points due to changes in foreign exchange rates, primarily due to the South African Rand and Australian dollar, and
- the unfavorable impact of 1 point primarily due to a decrease in TiO₂ and Zircon selling prices.

Selling, general and administrative expenses decreased by \$14 million or 6% during the nine months ended September 30, 2023 compared to the same period of the prior year primarily driven by a \$5 million decrease in employee costs, \$2 million decrease in travel and entertainment expenses and lower amortization cost of \$2 million. The remaining net decrease was driven by individually immaterial amounts.

Income from operations for the nine months ended September 30, 2023 was \$178 million compared to income from operations of \$422 million in the prior year period. The decrease of \$244 million was primarily due to the Venator settlement of \$85 million in the prior year period, lower sales volumes and selling price of TiO₂ and Zircon as well as the higher production costs and unfavorable product mix partially offset lower SG&A expenses as discussed above.

Adjusted EBITDA as a percentage of net sales was 19.9% for the nine months ended September 30, 2023, a decrease of 7.3 points from 27.2% in the prior year. The lower gross margin as a result of higher production costs and unfavorable product mix as well as lower selling price as discussed above were the primary drivers of the year-over-year decrease in Adjusted EBITDA percentage.

Interest expense for the nine months ended September 30, 2023 increased by \$21 million compared to the same period of 2022 primarily due to the increase in the effective interest rates on our long-term debt facilities and higher average outstanding debt balances on our short-term debt facilities period over period.

Other income, net for the nine months ended September 30, 2023 primarily consisted of approximately \$7 million of net realized and unrealized foreign currency gains and approximately \$6 million associated with the monthly technical service fee relating to the Jazan slagge we receive from AMIC partially offset by individually immaterial amounts totaling \$7 million.

We have established a full valuation allowance related to the total net deferred tax assets in Australia, and we continue to maintain full valuation allowances related to the total net deferred tax assets in Switzerland and the United Kingdom. The provisions for income taxes associated with these jurisdictions include no tax benefits with respect to losses incurred and tax expense only to the extent of current tax payments. Additionally, we have valuation allowances against other specific tax assets.

The effective tax rate was 419% and (57)% for the nine months ended September 30, 2023 and 2022, respectively. The effective tax rates for the nine months ended September 30, 2023 and 2022 are impacted by a variety of factors including income and losses in jurisdictions with valuation allowances, non-taxable income and expense items, prior year accruals, and our jurisdictional mix of income at tax rates different than the U.K. statutory rate. The effective tax rate for the nine months ended September 30, 2023 was significantly impacted by the \$293 million deferred tax expense from the recording of additional valuation allowance in Australia. Refer to Note 3 for additional information relating to these valuation allowance movements.

Other Comprehensive Loss

Other comprehensive loss was \$20 million in the three months ended September 30, 2023 as compared to other comprehensive loss of \$115 million in the three months ended September 30, 2022. The change is primarily due to the unfavorable foreign currency translation adjustments of \$27 million in the three months ended September 30, 2023 as compared to unfavorable foreign currency translation adjustments of \$122 million in the prior year period. In addition, we recognized a net gain on derivative instruments of \$7 million in the three months ended September 30, 2023 as compared to a net gain on derivative instruments of \$6 million in the prior year period.

Other comprehensive loss was \$56 million in the nine months ended September 30, 2023 as compared to other comprehensive loss of \$146 million in the nine months ended September 30, 2022. The change is primarily due to the unfavorable foreign currency translation adjustments of \$70 million in the nine months ended September 30, 2023 as compared to the unfavorable foreign currency translation adjustments of \$175 million in the prior year period. In addition, we recognized a net gain on derivative instruments of \$14 million in the nine months ended September 30, 2023 as compared to a net gain on derivative instruments of \$27 million in the prior year period.

Liquidity and Capital Resources

The following table presents our liquidity as of September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
	(Millions of U.S. dollars)	
Cash and cash equivalents	\$ 246	\$ 164
Available under the Cash Flow Revolver	343	300
Available under the Standard Credit Facility	53	59
Available under the Emirates Revolver	61	60
Available under the SABB Facility	17	19
Available under the Bank Itau Facility	\$ 6	\$ 6
Total	\$ 726	\$ 608

Historically, we have funded our operations and met our commitments through cash generated by operations, issuance of unsecured notes, bank financings and borrowings under lines of credit. In the next twelve months, we expect that our operations will provide sufficient cash for our operating expenses, capital expenditures, interest payments and debt repayments, however, if necessary, we have the ability to borrow under our short-term credit facilities (see Note 11 of notes to consolidated financial statements). This is predicated on our achieving our forecast which could be negatively impacted by items outside of our control, including, among other things, macroeconomic conditions, inflationary pressures, political instability including the ongoing Russia and Ukraine conflict and any expansion of such conflict, and supply chain disruptions. If negative events occur in the future, we may need to reduce our capital spend, cut back on operating costs and other items within our control to maintain adequate liquidity.

Working capital (calculated as current assets less current liabilities) was \$1.5 billion at September 30, 2023 and \$1.1 billion at December 31, 2022.

As of September 30, 2023, the non-guarantor subsidiaries of our Senior Notes due 2029 represented approximately 17% of our total consolidated liabilities and approximately 38% of our total consolidated assets. For both the three and nine months ended September 30, 2023, the non-guarantor subsidiaries of our Senior Notes due 2029 represented approximately 40% and

42%, respectively, of our total consolidated net sales. For the three and nine months ended September 30, 2023, the non-guarantor subsidiaries of our Senior Notes due 2029 represented approximately 44% and 53%, respectively, of our consolidated EBITDA (as such term is defined in the 2029 Indenture). In addition, as of September 30, 2023, our non-guarantor subsidiaries had \$667 million of total consolidated liabilities (including trade payables but excluding intercompany liabilities), all of which would have been structurally senior to the 2029 Notes. See Note 11 of notes to unaudited condensed consolidated financial statements.

At September 30, 2023, we had outstanding letters of credit and bank guarantees of \$108 million. See Note 15 of notes to unaudited condensed consolidated financial statements.

Principal factors that could affect our ability to obtain cash from external sources include (i) debt covenants that limit our total borrowing capacity; (ii) increasing interest rates applicable to our floating rate debt; (iii) increasing demands from third parties for financial assurance or credit enhancement; (iv) credit rating downgrades, which could limit our access to additional debt; (v) a decrease in the market price of our common stock and debt obligations; and (vi) volatility in public debt and equity markets.

During the three months ended September 30, 2023, our credit rating with Moody's remained unchanged at Ba3 stable outlook. Our Standard & Poor's rating also remained the same at B plus (+) but the outlook was changed on August 7, 2023 from positive to stable. See Note 11 of notes to unaudited condensed consolidated financial statements.

Cash and Cash Equivalents

We consider all investments with original maturities of three months or less to be cash equivalents. As of September 30, 2023, our cash and cash equivalents were invested in money market funds and we also receive earnings credits for some balances left in our bank operating accounts. We maintain cash and cash equivalents in bank deposit and money market accounts that may exceed federally insured limits. The financial institutions where our cash and cash equivalents are held are highly rated and geographically dispersed, and we have a policy to limit the amount of credit exposure with any one institution. We have not experienced any losses in such accounts and believe we are not exposed to significant credit risk.

The use of our cash includes payment of our operating expenses, capital expenditures, servicing our interest and debt repayment obligations, cash taxes, making pension contributions and making quarterly dividend payments. Going forward, we expect to continue to invest in our businesses through cost reduction, as well as growth and vertical integration-related capital expenditures including projects such as new TRON and various mine development projects, continued reductions in our debt, continued dividends and share repurchases.

Repatriation of Cash

At September 30, 2023, we held \$246 million in cash and cash equivalents in these respective jurisdictions: \$30 million in Europe, \$112 million in the United States, \$29 million in Australia, \$19 million in Brazil, \$37 million in South Africa, \$8 million in Saudi Arabia, and \$11 million in China. Our credit facilities limit transfers of funds from subsidiaries in the United States to certain foreign subsidiaries.

At September 30, 2023, Tronox Holdings plc had foreign subsidiaries with undistributed earnings. Although we would not be subject to income tax on these earnings, we have asserted that amounts in specific jurisdictions are indefinitely reinvested outside of the parent's taxing jurisdictions. These amounts could be subject to withholding tax if distributed, but the Company has made no provision for tax related to these undistributed earnings. The Company has removed its assertion that earnings in China are indefinitely reinvested, and the withholding tax accruals for potential repatriations from that jurisdiction are now reflected in the effective tax rate.

Stock Repurchases

On November 9, 2021, the Company's Board of Directors authorized the repurchase of up to \$300 million of the Company's stock through February 2024. During the three and nine months ended September 30, 2023, we made no repurchases of the Company's stock. Under the authorization from our Board of Directors, we have approximately \$251 million available for additional repurchases through February 2024.

Debt Obligations

At of September 30, 2023, we have no principal balance outstanding on any of our short-term debt facilities. Refer to Note 11 for further details.

At September 30, 2023 and December 31, 2022, our long-term debt, net of unamortized discount and debt issuance costs was \$2.8 billion and \$2.5 billion, respectively. At September 30, 2023 and December 31, 2022, our net debt (the excess of our debt over cash and cash equivalents) was \$2.6 billion and \$2.4 billion, respectively. See Note 11 of notes to unaudited condensed consolidated financial statements.

Off-Balance Sheet Arrangements

On March 15, 2022, the Company entered into an accounts receivable securitization program (“Securitization Facility”) with a financial institution, through our wholly owned special purpose bankruptcy-remote subsidiary, Tronox Securitization LLC (“SPE”). The Securitization Facility permitted the SPE to sell accounts receivable up to \$75 million.

In November 2022, the Company amended the receivable purchase agreement to expand the program to include receivables generated by its wholly-owned Australian operating subsidiaries, Tronox Pigment Pty Ltd., Tronox Pigment Bunbury Ltd. and Tronox Mining Australia Ltd. which increased the facility limit to \$200 million and to extend the program term to November 2025.

In June 2023, the Company entered into an additional amendment (the “Second Amendment”) to further include receivables generated by our wholly-owned European operating subsidiaries Tronox Pigment Holland BV and Tronox Pigment UK Limited. Neither the facility limit nor the program term were changed as result of the Second Amendment, and remain at \$200 million and November 2025, respectively.

See “Note 5 – Accounts Receivable Securitization Program” in notes to unaudited condensed consolidated financial statements for further details regarding this off-balance sheet program.

Cash Flows

The following table presents cash flow for the periods indicated:

	Nine Months Ended September 30,	
	2023	2022
	(Millions of U.S. dollars)	
Cash provided by operating activities	\$ 74	\$ 358
Cash used in investing activities	(199)	(311)
Cash provided by (used in) financing activities	207	(184)
Effects of exchange rate changes on cash and cash equivalents	—	(4)
Net increase (decrease) in cash and cash equivalents	\$ 82	\$ (141)

Cash Flows provided by Operating Activities — Cash provided by operating activities of \$74 million is primarily driven by \$317 million of net loss adjusted for non-cash items offset by a net cash outflow of \$243 million related to changes in assets and liabilities. The following table provides our net cash provided by operating activities for the nine months ended

September 30, 2023 and 2022:

	Nine Months Ended September 30,	
	2023	2022
	(Millions of U.S. dollars)	
Net loss (income)	\$ (258)	\$ 514
Adjustments for non-cash items	575	59
Income related cash generation	317	573
Net change in assets and liabilities	(243)	(215)
Cash provided by operating activities	\$ 74	\$ 358

Net cash from operating activities decreased by \$284 million year-over-year from net cash provided by operations of \$358 million in the prior year to net cash provided by operating activities of \$74 million during the current year. This decrease was generated primarily due to a use of cash for working capital items of \$211 million due to higher working capital needs including increased inventories including purchases of Jazan slag and lower accounts payable in the current year as compared to cash used from working capital items of \$166 million in the prior year.

Cash Flows used in Investing Activities — Net cash used in investing activities for the nine months ended September 30, 2023 was \$199 million as compared to \$311 million for the same period in 2022 primarily due to lower capital expenditures of \$202 million during the current year as compared to \$314 million in the prior year as the development of the Atlas Campaspe mine was completed in the nine months ended September 30, 2023.

Cash Flows provided by (used in) Financing Activities — Net cash provided by financing activities during the nine months ended September 30, 2023 was \$207 million as compared to cash used in financing activities of \$184 million for the nine months ended September 30, 2022. The nine months ended September 30, 2023 was primarily comprised of the proceeds from the 2023 Term Loan Facility of \$347 million partially offset by \$69 million used to pay dividends and \$55 million of total repayments offset by draw downs on several of our short-term debt facilities for general corporate purposes. The nine months ended September 30, 2022 was primarily comprised of the early redemption of the 6.5% Senior Secured Notes due 2025 of \$500 million and a related call premium paid of \$18 million. These repayments were offset by net proceeds from the new 2022 Term Loan Facility of \$396 million. We also drew down \$85 million on our Cash Flow Revolver and subsequently repaid \$20 million in the prior year period. Additionally, in the prior year period, \$50 million was used in the repurchase of the Company's stock as part of our previously announced share repurchase program and \$60 million was used to pay dividends.

Contractual Obligations

The following table sets forth information relating to our contractual obligations as of September 30, 2023:

	Contractual Obligation Payments Due by Year ⁽³⁾⁽⁴⁾				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(Millions of U.S. dollars)				
Long-term debt, net and lease financing (including interest) ⁽¹⁾	\$ 3,749	221	406	1,610	1,512
Purchase obligations ⁽²⁾	2,273	239	313	400	1,321
Operating leases	225	31	43	31	120
Asset retirement obligations and environmental liabilities ⁽⁵⁾	430	21	41	48	320
Total	\$ 6,677	512	803	2,089	3,273

(1) We calculated the Term Loan Facility interest at a LIBOR plus a margin of 2.50%, the 2022 Term Loan Facility at a SOFR plus a margin of 3.25% and the 2023 Term Loan Facility at a SOFR plus a margin of 3.50%. See Note 11 of notes to our unaudited condensed consolidated financial statements.

- (2) Includes obligations for purchase requirements of process chemicals, supplies, utilities and services. We have various purchase commitments for materials, supplies, and services entered into in the ordinary course of business. Included in the purchase commitments table above are contracts, which require minimum volume purchases that extend beyond one year or are renewable annually and have been renewed for 2023. Certain contracts allow for changes in minimum required purchase volumes in the event of a temporary or permanent shutdown of a facility. We believe that all of our purchase obligations will be utilized in our normal operations.
- (3) The table excludes contingent obligations, as well as any possible payments for uncertain tax positions given the inability to estimate the possible amounts and timing of any such payments.
- (4) The table excludes commitments pertaining to our pension and other postretirement obligations.
- (5) Asset retirement obligations and environmental liabilities are shown at the undiscounted and uninflated values.

Non-U.S. GAAP Financial Measures

EBITDA, Adjusted EBITDA, Adjusted net income attributable to Tronox and Diluted adjusted net income per share attributable to Tronox, which are used by management to measure performance, are not presented in accordance with U.S. GAAP. We define EBITDA as net income excluding the impact of income taxes, interest expense, interest income and depreciation, depletion and amortization. We define Adjusted EBITDA as EBITDA excluding the impact of nonrecurring items such as restructuring charges, gain or loss on debt extinguishments, impairment charges, gains or losses on sale of assets, acquisition-related transaction costs and pension settlements and curtailment gains or losses. Adjusted EBITDA also excludes non-cash items such as share-based compensation costs, pension and postretirement costs, and realized and unrealized foreign currency remeasurement gains and losses. We define Adjusted net income attributable to Tronox as net (loss) income attributable to Tronox excluding the impact of nonrecurring items which are the Company believes are not indicative of its core operating results such as restructuring charges, gain or loss on debt extinguishments, impairment charges, gains or losses on sale of assets, acquisition-related transaction costs and pension settlements and curtailment gains or losses. We define Diluted adjusted net income per share attributable to Tronox as Diluted net (loss) income per share excluding the impact of nonrecurring items which are the Company believes are not indicative of its core operating results such as restructuring charges, gain or loss on debt extinguishments, impairment charges, gains or losses on sale of assets, acquisition-related transaction costs and pension settlements and curtailment gains or losses.

Management believes that EBITDA, Adjusted EBITDA, Adjusted net income attributable to Tronox and Diluted adjusted net income per share attributable to Tronox are useful to investors, as it is commonly used in the industry as a means of evaluating operating performance. We do not intend for these non-U.S. GAAP financial measures to be a substitute for any U.S. GAAP financial information. Readers of these statements should use these non-U.S. GAAP financial measures only in conjunction with the comparable U.S. GAAP financial measures. Since other companies may calculate EBITDA, Adjusted EBITDA, Adjusted net income attributable to Tronox and Diluted adjusted net income per share attributable to Tronox differently than we do, EBITDA, Adjusted EBITDA, Adjusted net income attributable to Tronox and Diluted adjusted net income per share attributable to Tronox, as presented herein, may not be comparable to similarly titled measures reported by other companies. Management believes these non-U.S. GAAP financial measures:

- reflect our ongoing business in a manner that allows for meaningful period-to-period comparison and analysis of trends in our business, as they exclude income and expense that are not reflective of ongoing operating results;
- provide useful information in understanding and evaluating our operating results and comparing financial results across periods; and
- provide a normalized view of our operating performance by excluding items that are either noncash or infrequently occurring.

These non-U.S. GAAP measures are the primary measures management uses for planning and budgeting processes, and to monitor and evaluate financial and operating results. In addition, Adjusted EBITDA is a factor in evaluating management's performance when determining incentive compensation.

The following table reconciles net (loss) income to EBITDA and Adjusted EBITDA for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Millions of U.S. dollars)			
Net (loss) income (U.S. GAAP)	\$ (14)	\$ 123	\$ (258)	\$ 514
Interest expense	42	32	113	92
Interest income	(4)	(2)	(10)	(6)
Income tax provision (benefit)	8	18	339	(187)
Depreciation, depletion and amortization expense	67	66	206	201
EBITDA (non-U.S. GAAP)	99	237	390	614
Share-based compensation (a)	4	7	15	21
Venator settlement (b)	—	—	—	85
Loss on extinguishment of debt (c)	—	—	—	21
Foreign currency remeasurement (d)	(1)	(5)	(7)	(1)
Other items (e)	14	8	32	22
Adjusted EBITDA (non-U.S. GAAP)	\$ 116	\$ 247	\$ 430	\$ 762

(a) Represents non-cash share-based compensation. See Note 17 of notes to unaudited condensed consolidated financial statements.

(b) Represents breakage fee including interest associated with the Venator settlement which were recorded in "Venator settlement" in the unaudited Condensed Consolidated Statements of Operations.

(c) 2022 amount represents the loss in connection with the redemption of the 6.5% Senior Secured Notes and the issuance of a new term loan which closed in April 2022.

(d) 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, net" in the unaudited Condensed Consolidated Statements of Operations.

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

The following table reconciles Net (loss) income attributable to Tronox to Adjusted net income attributable to Tronox for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Millions of U.S. dollars)		(Millions of U.S. dollars)	
Net (loss) income attributable to Tronox Holdings plc (U.S. GAAP)	\$ (14)	\$ 121	\$ (260)	\$ 512
Venator settlement (a)	—	—	—	85
Loss on extinguishment of debt (b)	—	—	—	21
Income tax expense - deferred tax assets (c)	—	1	—	(7)
Tax valuation allowance (d)	—	(16)	293	(278)
Other (e)	2	2	3	5
Adjusted net (loss) income attributable to Tronox Holdings plc (non-U.S. GAAP) (1)	\$ (12)	\$ 108	\$ 36	\$ 338
Diluted (loss) net income per share (U.S. GAAP)	\$ (0.09)	\$ 0.77	\$ (1.66)	\$ 3.23
Venator settlement, per share	—	—	—	0.54
Loss on extinguishment of debt, per share	—	—	—	0.13
Income tax expense - deferred tax assets, per share	—	0.01	—	(0.04)
Tax valuation allowance, per share	—	(0.10)	1.87	(1.76)
Other, per share	0.01	0.02	0.02	0.03
Diluted adjusted net (loss) income per share attributable to Tronox Holdings plc (non-U.S. GAAP) (2)	\$ (0.08)	\$ 0.69	\$ 0.23	\$ 2.13
Weighted average shares outstanding, diluted (in thousands)	156,816	156,948	157,053	158,201

(a) Represents the breakage fee including interest associated with the Venator settlement which were recorded in "Venator settlement" in the Consolidated Statements of Operations.

(b) 2022 amount represents the loss in connection with the redemption of the 6.5% Senior Secured Notes and the issuance of a new term loan which closed in April 2022.

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

(d) Represents changes within the Company's Australian deferred tax assets' valuation allowance.

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

(1) No income tax impacts have been given to any item as they were recorded in jurisdictions with full valuation allowances.

(2) Diluted adjusted net (loss) income per share attributable to Tronox Holdings plc was calculated from exact, not rounded Adjusted net (loss) income attributable to Tronox Holdings plc and share information.

Recent Accounting Pronouncements

See Note 1 of notes to unaudited condensed consolidated financial statements for recently issued accounting pronouncements.

Environmental Matters

We are subject to a broad array of international, federal, state, and local laws and regulations relating to safety, pollution, protection of the environment, and the generation, storage, handling, transportation, treatment, disposal, and remediation of hazardous substances and waste materials. In the ordinary course of business, we are subject to frequent environmental inspections and monitoring, and occasional investigations by governmental enforcement authorities. Under these laws, we are or may be required to obtain or maintain permits or licenses in connection with our operations. In addition, under these laws, we are or may be required to remove or mitigate the effects on the environment of the disposal or release of chemical, petroleum, low-level radioactive and other substances at our facilities. We may incur future costs for capital improvements and general compliance under environmental, health, and safety laws, including costs to acquire, maintain, and repair pollution control equipment. Environmental laws and regulations are becoming increasingly stringent, and compliance costs are significant and will continue to be significant in the foreseeable future. There can be no assurance that such laws and regulations or any environmental law or regulation enacted in the future is not likely to have a material effect on our business. We believe we are in compliance with applicable environmental rules and regulations in all material respects.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various market, credit, operational, and liquidity risks in the normal course of business, which are discussed below. We manage these risks through normal operating and financing activities and, when appropriate, with derivative instruments. We do not invest in derivative instruments for speculative purposes, but historically have entered into, and may enter into, derivative instruments for hedging purposes in order to reduce the exposure to fluctuations in interest rates, natural gas prices and exchange rates.

Market Risk

A substantial portion of our products and raw materials are commodities that reprice as market supply and demand fundamentals change. Accordingly, product margins and the level of our profitability tend to vary with changes in the business cycle. Our TiO₂ prices may do so in the near term as ore prices and pigment prices are expected to fluctuate over the next few years. We try to protect against such instability through various business strategies. These include provisions in sales contracts allowing us to pass on higher raw material costs through timely price increases and formula price contracts to transfer or share commodity price risk, enter into fixed purchase commitments to eliminate volatility in commodity purchases, as well as using varying contract term lengths and selling to a diverse mix of customers by geography and industry to reap the benefits of a diverse portfolio.

Credit Risk

Credit risk is the risk that a borrower or a counterparty will fail to meet their obligations. A significant portion of our liquidity is concentrated in trade accounts receivable that arise from sales of our products to customers. In the case of TiO₂, the high level of industry concentration has the potential to impact our overall exposure to credit risk, either positively or negatively, in that our customers may be similarly affected by changes in economic, industry or other conditions. We have significant exposure to credit risk in industries that are affected by cyclical economic fluctuations. We perform ongoing credit evaluations of our customers from time to time, as deemed appropriate, to mitigate credit risk but generally do not require collateral. Our contracts typically enable us to tighten credit terms if we perceive additional credit risk; however, historic losses due to write offs of bad debt have been insignificant. In addition, due to our international operations, we are subject to potential trade restrictions and sovereign risk in certain countries in which we operate. We maintain allowances for potential credit losses based on specific customer review and current financial conditions. During the nine months ended September 30, 2023 and 2022, our ten largest third-party customers represented 37% and 30%, respectively, of our consolidated net sales. During the nine months ended September 30, 2023 and 2022, no single customer accounted for 10% of our consolidated net sales.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will impact our financial results. We are exposed to interest rate risk on our floating rate debt, the Term Loan Facility, the 2022 Term Loan Facility, the 2023 Term Loan Facility, Standard Bank Term Loan Facility, and Cash Flow Revolver, Standard Bank Revolver, Emirates Revolver and SABB Credit Facility balances. Using a sensitivity analysis as of September 30, 2023, a hypothetical 1% increase in interest rates would result in a net decrease to pre-tax income of approximately \$7 million on an annualized basis. This is due to the fact that earnings on our floating rate financial assets of \$130 million at September 30, 2023 would increase by the full 1%, offsetting the impact of a 1% increase in interest expense on our floating rate debt of approximately \$786 million.

During 2019, we entered into three interest-rate swap agreements for a portion of our previous Term Loan Facility, which effectively converted the variable rate to a fixed rate for a portion of the loan. The agreements were to expire in September 2024.

On March 27, 2023, the Company entered into amendments with two of our existing interest rate swap agreements with the counterparty banks. As a result of these amendments, the Company terminated two of our existing interest rate swap contracts which were indexed to LIBOR with an aggregate notional value of \$500 million which had maturity dates of September 2024. At the time of these amendments, the Company determined that the interest payments hedged are still probable to occur, therefore, the gains accumulated of \$11 million on the interest rate swaps prior to the amendments are being amortized into interest expense through September 22, 2024, the original maturity of the interest rate swap agreements.

We simultaneously entered into two SOFR-indexed forward starting interest rate swaps with the same counterparty banks with no change to the aggregate notional value. The forward starting swaps will be effective from June 2023 and will mature in March 2028 which will align with the maturity date of the Term Loan Facility. Indexing forward starting swaps to SOFR will also ensure that the reference rates in our hedge instruments will align with the interest rate terms of the Term Loan Facility which is expected to change from LIBOR to SOFR effective June 30, 2023 in anticipation of Reference Rate Reform and pursuant to the loan agreement. We elected to apply the hedge accounting expedients in ASC Topic 848, *Reference Rate Reform on Financial Reporting* related to the following: 1) the assertion that the future forecasted transaction is still probable of occurring despite reference rate changes and 2) the assumption that the index of the future hedged transactions will match the index of the corresponding hedge instruments for the assessment of effectiveness.

Additionally, on March 27, 2023, the Company entered into a new interest rate swap with a \$200 million notional value which matures in March 2028 and effectively converts the variable rate to a fixed rate for that portion of the 2022 Term Loan Facility.

On May 17, 2023, the Company entered into an agreement with the counterparty bank to amend the remaining \$250 million notional of the three original interest rate swap contracts of \$750 million aggregate notional value. As a result of this amendment, the Company changed the rate indexed in the contract from LIBOR to SOFR, effective June 30, 2023 in anticipation of the Reference Rate Reform and to align the index rate in this contract to that in the Term Loan Facility, as described above. This amendment did not change the notional value and the expiration date of this contract, which is set to expire in September 2024. We completed a hedge effectiveness test as a result of this amendment and determined that this hedge instrument continues to be highly effective, enabling us to continue to apply hedge accounting over the remaining term of this hedge relationship.

As of September 30, 2023, the Company maintains a total of \$950 million of interest rate swaps with the objective in using the interest-rate swap agreements to add stability to interest expense and to manage the Company's exposure to interest rate movements. These interest rate swaps have been designated as cash flow hedges and involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. The Company's objectives in using the interest rate swap agreements are to add stability to interest expense and to manage its exposure to interest rate movements.

Currency Risk

Currency risk arises from the possibility that fluctuations in foreign exchange rates will impact our balance sheets due to the translation of our assets and liabilities denominated in foreign currencies, as well as our earnings due to the translation of certain of our subsidiaries' statements of income from local currencies to U.S. dollars, as well as due to remeasurement of assets and liabilities denominated in currencies other than a subsidiary's functional currency. We manufacture and market our products in a number of countries throughout the world and, as a result, are exposed to changes in foreign currency exchange rates, particularly in Australia, Brazil, China, South Africa, the Netherlands and the United Kingdom. The exposure is most prevalent in South Africa and Australia as the majority of revenues are earned in U.S. dollars while expenses are primarily incurred in local currencies. Since we are exposed to movements in the South African Rand, the Australian Dollar, the Euro and the Pound Sterling versus the U.S. dollar, we may enter into forward contracts to buy and sell foreign currencies as "economic hedges" for these foreign currency transactions.

We periodically enter into foreign currency contracts used to hedge non-functional currency sales for our South African subsidiaries and forecasted non-functional currency cost of goods sold for our Australian subsidiaries. These foreign currency contracts are designated as cash flow hedges. Changes to the fair value of these foreign currency contracts are recorded as a component of other comprehensive (loss) income to the extent such contracts are effective, and are recognized in net sales or costs of goods sold in the period in which the forecasted transaction affects earnings or the transactions are no longer probable of occurring. As of September 30, 2023, we had no outstanding amounts to reduce the exposure of our Australian subsidiaries' cost of sales to fluctuations in currency rates or to reduce the exposure of our South African subsidiaries' third party sales to fluctuations in currency rates. During the nine months ended September 30, 2023, the deferred loss of \$4 million recorded in "Accumulated other comprehensive loss" on the unaudited Condensed Consolidated Balance Sheet at December 31, 2022 was fully recognized in earnings. Refer to Note 12 in notes to unaudited condensed consolidated financial statements.

From time to time, we enter into foreign currency contracts for the South African Rand, Australian Dollar, Euro, Pound Sterling, and Saudi Riyal to reduce exposure of our subsidiaries' balance sheet accounts not denominated in our subsidiaries' functional currency to fluctuations in foreign currency exchange rates. Historically, we have used forward contracts to reduce the exposure. For accounting purposes, these foreign currency contracts are not considered hedges. The change in fair value associated with these contracts is recorded in "Other expense, net" within the unaudited Condensed Consolidated Statement of Operations and partially offsets the change in value of third party and intercompany-related receivables not denominated in the functional currency of the subsidiary. At September 30, 2023, there was (i) 496 million South African Rand (or approximately \$26 million at September 30, 2023 exchange rate), (ii) 202 million Australian dollars (or approximately \$130 million at the September 30, 2023 exchange rate), (iii) 11 million Pound Sterling (or approximately \$14 million at the September 30, 2023 exchange rate), (iv) 47 million Euro (or approximately \$50 million at the September 30, 2023 exchange rate), and (v) 51 million Saudi Riyal (or approximately \$14 million at the September 30, 2023 exchange rate) of notional amounts of outstanding foreign currency contracts. At December 31, 2022, there was (i) 1.2 billion South African Rand (or approximately \$64 million at the September 30, 2023 exchange rate), (ii) 197 million Australian dollars (or approximately \$127 million at the September 30, 2023 exchange rate), (iii) 20 million Pound Sterling (or approximately \$24 million at the September 30, 2023 exchange rate), and (iv) 44 million Euro (or approximately \$47 million at the September 30, 2023 exchange rate) of notional amounts outstanding foreign currency contracts.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision of and with the participation of Tronox's management, including our co-CEOs and CFO, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) (the "Exchange Act"), as of September 30, 2023, the end of the period covered by this report. Based on that evaluation, we have concluded that the Company's disclosure controls and procedures were effective as of that date. Tronox's disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by Tronox in the reports that it files or submits under the Exchange Act is accumulated and communicated to Tronox's management, including Tronox's principal executive and principal financial officers, or other persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on that evaluation, we have concluded that the Company's disclosure controls and procedures were effective as of that date.

An evaluation of our internal control over financial reporting was also performed to determine whether any changes have occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Changes in Internal Control over Financial Reporting

We are currently undergoing a multi-year IT-enabled transformation program that includes increased automation of both operational and financial systems, including the global enterprise risk management program, through new and upgraded systems, technology and processes. As part of such transformation program, during the third quarter of 2022, we implemented upgrades to our financial systems and platforms in certain regions. The full implementation is expected to occur in phases over a number of years. As the phased implementation of this system occurs, we expect certain changes to our processes and procedures which, in turn, will result in changes to our internal control over financial reporting.

While we expect this transformation program to strengthen our internal financial controls, management will continue to evaluate and monitor our internal controls as processes and procedures in each of the affected areas evolve.

Other than as discussed above, during the quarter ended September 30, 2023, there were no other changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Information required by this item is incorporated herein by reference to the section captioned “Notes to Consolidated Financial Statements, Note 15 - Commitments and Contingencies” of this Form 10-Q.

SEC regulations require us to disclose certain information about administrative or judicial proceedings to which a governmental authority is party arising under federal, state or local environmental provisions if we reasonably believe that such proceedings may result in monetary sanctions above a stated threshold. Pursuant to the SEC regulations, the Company uses a threshold of \$1 million or more for purposes of determining whether disclosure of any such proceedings is required.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed under “Risk Factors” included in our Annual Report on Form 10-K and any subsequent filings thereto with the SEC. The risks described herein or in the Form 10-K and any subsequent filings thereto with the SEC are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. There have been no material changes from the risk factors disclosed under the heading “Risk Factors” in our Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table provides information with respect to purchases of our shares of common stock, \$0.01 par value per share, during the three months ended September 30, 2023.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publically Announced Plans or Programs ⁽¹⁾	Approximate Dollar Value That May Yet Be Purchased Under the Program ⁽²⁾
				\$ 250,536,235
July 1, 2023 through July 31, 2023	—	\$ —	—	\$ 250,536,235
August 1, 2023 through August 31, 2023	—	\$ —	—	\$ 250,536,235
September 1, 2023 through September 30, 2023	—	\$ —	—	\$ 250,536,235
Totals	—	\$ —	—	\$ 250,536,235

(1) On November 9, 2021, the Company announced that the Company's Board of Directors had authorized the repurchase of up to \$300 million of the Company's ordinary shares, \$0.01 par value per share (the "ordinary shares"), through February 2024.

(2) Amounts reflect the remaining dollar value of shares that may be purchased under the stock repurchase program described above.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

During the three months ended September 30, 2023, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) had any contact, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act for any "non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits

Exhibit No.	
10.1	Amendment No. 3 to Amended and Restated Credit Agreement, dated as of August 16, 2023, by and among the Company, Tronox Finance LLC, certain of the Company's subsidiaries, the incremental term lenders party thereto, and HSBC Bank USA, National Association, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed on August 16, 2023).
31.1	Rule 13a-14(a) Certification of John Romano. (furnished herewith)
31.2	Rule 13a-14(a) Certification of Jean-Francois Turgeon. (furnished herewith)
31.3	Rule 13a-14(a) Certification of D. John Srivisal. (furnished herewith)
32.1	Section 1350 Certification for John Romano. (furnished herewith)
32.2	Section 1350 Certification for Jean-Francois Turgeon. (furnished herewith)
32.3	Section 1350 Certification for D. John Srivisal. (furnished herewith)
101	The following financial statements from Tronox Holdings plc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Statements of Operations, (ii) Condensed Consolidated Balance Sheets, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Changes in Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) the Notes to Condensed Consolidated Financial Statements.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. (furnished herewith)
101.SCH	Inline XBRL Taxonomy Extension Schema Document. (furnished herewith)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document. (furnished herewith)
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document. (furnished herewith)
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document. (furnished herewith)
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document. (furnished herewith)
104	The cover page from the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2023, which has been formatted in Inline XBRL and contained in Exhibit 101.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date:
October 26, 2023

TRONOX HOLDINGS PLC (Registrant)

By: /s/ D. John Srivisal
Name: D. John Srivisal
Title: Senior Vice President, Chief Financial Officer

By: /s/ Jonathan P. Flood
Name: Jonathan P. Flood
Title: Vice President, Controller and Principal Accounting Officer

SECTION 302 CERTIFICATION

I, John Romano, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 of Tronox Holdings plc (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

/s/ John Romano

John Romano

Co-Chief Executive Officer

SECTION 302 CERTIFICATION

I, Jean-Francois Turgeon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 of Tronox Holdings plc (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

/s/ Jean-Francois Turgeon

Jean-Francois Turgeon

Co-Chief Executive Officer

SECTION 302 CERTIFICATION

I, D. John Srivisal, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 of Tronox Holdings plc (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal

Date: October 26, 2023

/s/ D. John Srivisal

D. John Srivisal

control over financial reporting. Senior Vice President and Chief Financial Officer

**WRITTEN STATEMENT OF CHIEF EXECUTIVE OFFICER
FURNISHED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (18 USC. SECTION 1350)
AND FOR THE PURPOSE OF COMPLYING WITH RULE 13a-14(b)
OF THE SECURITIES EXCHANGE ACT OF 1934**

October 26, 2023

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Tronox Holdings plc (the “Registrant”) hereby certifies that the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ John Romano

John Romano

Co-Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

**WRITTEN STATEMENT OF CHIEF EXECUTIVE OFFICER
FURNISHED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (18 USC. SECTION 1350)
AND FOR THE PURPOSE OF COMPLYING WITH RULE 13a-14(b)
OF THE SECURITIES EXCHANGE ACT OF 1934**

October 26, 2023

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Tronox Holdings plc (the “Registrant”) hereby certifies that the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Jean-Francois Turgeon

Jean-Francois Turgeon

Co-Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

**WRITTEN STATEMENT OF PRINCIPAL FINANCIAL OFFICER
FURNISHED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (18 USC. SECTION 1350)
AND FOR THE PURPOSE OF COMPLYING WITH RULE 13a-14(b)
OF THE SECURITIES EXCHANGE ACT OF 1934**

October 26, 2023

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Tronox Holdings plc (the “Registrant”) hereby certifies that the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ D. John Srivisal

D. John Srivisal

Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.