Fourth Quarter and Full Year 2023 Conference Call

Tronox Holdings plc

February 16, 2024

Presenters



John Romano

Co-Chief Executive Officer



Jean-Francois Turgeon

Co-Chief Executive Officer



John Srivisal

Senior Vice President,
Chief Financial Officer

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

Cautionary Statement about Forward-Looking Statements

Statements in this presentation that are not historical are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance, our operating utilization rates, anticipated completion of extensions and upgrades to our mining operations, anticipated trends in our business and industry, anticipated costs, benefits and timing of capital projects including planned mining expansions, the Company's anticipated capital allocation strategy including future capital expenditures, and our sustainability goals, commitments and programs. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance, actual costs, benefits and timing of capital projects, or achievements to differ materially from the results, level of activity, performance, anticipated costs, benefits and timing of capital projects, or achievements expressed or implied by the forward-looking statements. Significant risks and uncertainties may relate to, but are not limited to, macroeconomic conditions; inflationary pressures and energy costs; currency movements; political instability, including the ongoing conflicts in Eastern Europe and the Middle East and any expansion of such conflicts, and other geopolitical events; supply chain disruptions; market conditions and price volatility for titanium dioxide, zircon and other feedstock materials, as well as global and regional economic downturns, that adversely affect the demand for our end-use products; disruptions in production at our mining and manufacturing facilities; and other financial, economic, competitive, environmental, political, legal and regulatory factors. These and other risk factors are discussed in the Company's filings with the Securities and Exchange Commission.

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

Use of Non-GAAP Information

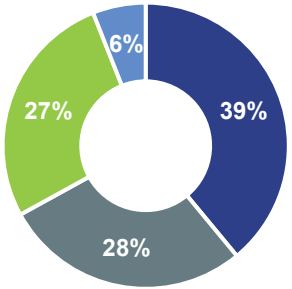
To provide investors and others with additional information regarding the financial results of Tronox Holdings plc, we have disclosed in this presentation certain non-U.S. GAAP operating performance measures of EBITDA, Adjusted EBITDA, Adjusted EBITDA margin and Adjusted net income attributable to Tronox on a per share basis, and a non-U.S. GAAP liquidity measure of Free Cash Flow. These non-U.S. GAAP financial measures are a supplement to and not a substitute for or superior to, the Company's results presented in accordance with U.S. GAAP. The non-U.S. GAAP financial measures presented by the Company may be different from non-U.S. GAAP financial measures presented by other companies. Specifically, the Company believes the non-U.S. GAAP information provides useful measures to investors regarding the Company's financial performance by excluding certain costs and expenses that the Company believes are not indicative of its core operating results. The presentation of these non-U.S. GAAP financial measures is not meant to be considered in isolation or as a substitute for results or guidance prepared and presented in accordance with U.S. GAAP. A reconciliation of the non-U.S. GAAP financial measures to U.S. GAAP results is included herein. For the Company's guidance with respect to first quarter 2024 non-U.S. GAAP financial measures, the Company is not able to provide without unreasonable effort the most directly comparable GAAP financial measure, or reconciliation to such GAAP financial measure, because certain items that impact such measures are uncertain, out of the Company's control or cannot be reasonably predicted.

Tronox – A Diversified, Vertically Integrated Titanium Industry Leader

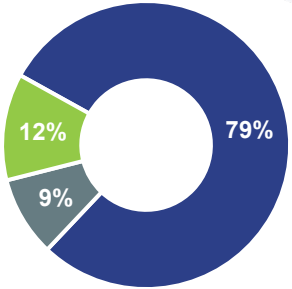
TROX	$2.9B	$524M	85%	~6,500	~1,200
NYSE	2023 Revenue	2023 Adj. EBITDA	Feedstock Integration[1]	Global Employees	Customers

- Vertically integrated mining and inorganic chemical company
- Diverse, well-balanced global footprint aligned with our customer base
- 9 pigment plants, 6 mines, 5 upgrading facilities on 6 continents
- Formed through a combination of strategic, transformational transactions
  - 2005 spin-off from Kerr-McGee Corporation
  - 2012 acquisition of mineral sands business of Exxaro Resources
  - April 2019 acquisition of the TiO_2 business of The National Titanium Dioxide Company Limited of Saudi Arabia ("Cristal") from Tasnee

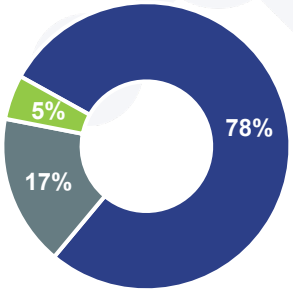
Sales by Region[2]



Sales by Product[2]



TiO_2 Sales Volume by End Use Market[1]



1) At 100% effective capacity. 2) Sales split for FY2023.

Key Messages from Q4 2023

- Fourth quarter top-line performance of $686M relatively in-line with expectations
- Other product revenue of $110M significantly higher due to pig iron sales, as well as opportunistic sales of ilmenite and a portion of the rare earths tailings deposit in South Africa
- Adjusted EBITDA of $94M was below expectations primarily due to a delayed restart by our steam supplier at Botlek and higher costs from unanticipated downtime stemming from running at lower rates
  - Supplier outage did not disrupt our ability to fulfill customer demand due to advantaged global asset footprint
  - Expect to recover at least $15M in insurance proceeds in 2024
- Generated free cash flow of $51M, above expectations
- Balance sheet and liquidity position remain strong



Sustainability Update



SOLA Group solar field in South Africa

- Solar project in South Africa with the independent power producer SOLA Group continues to progress; first power expected in the coming months
  - One of South Africa's largest solar installations that will bring power to a country experiencing daily rolling blackouts
  - Enabled through a long-term PPA[1] with SOLA (no capital from Tronox)
  - Expected to reduce Tronox's GhG emissions intensity by 13%[2]
- Additional renewable power projects underway in South Africa and Australia
  - Low carbon power and energy efficiency projects are the most meaningful contributors to achieving our 2030 GhG targets
- Continuing significant work across our sites to explore alternative uses for waste to external landfills
  - Alternative uses for waste include use in cement, road base, bricks and water treatment chemicals in addition to exploring opportunities to extract valuable minerals and metals from waste (e.g. rare earths, scandium, vanadium)

1. *Power Purchase Agreement.*
2. *Versus 2019 baseline.*

Fourth Quarter 2023 Financial Highlights

Delivered free cash flow of $51 million

- Revenue increased 6% from Q4 2022 driven by higher sales from TiO_2 and other products
- Income from operations of $8M; Net loss attributable to Tronox of $56M
- Effective tax rate of 75%
- Adjusted diluted loss per share of $0.38
- Adjusted EBITDA of $94M; Adjusted EBITDA margin of 13.7%
- Capital expenditures of $59M; Free cash flow of $51M

	Q4 '23	Q4 '22	YoY % Δ	Q3 '23	QoQ % Δ
Revenue	$ 686	$ 649	*6%*	$ 662	*4%*
Income from Operations	$ 8	$ 36	*(78)%*	$ 32	*(75)%*
Net (Loss) Attributable to Tronox	$(56)	$ (15)	*n/m*	$ (14)	*n/m*
GAAP Diluted (Loss) per share	$(0.36)	$ (0.09)	*n/m*	$ (0.09)	*n/m*
Adjusted Diluted (Loss) per share	$(0.38)	$ (0.17)	*n/m*	$ (0.08)	*n/m*
Adjusted EBITDA	$ 94	$ 113	*(17)%*	$ 116	*(19)%*
Adj. EBITDA Margin %	*13.7%*	*17.4%*	*(370)bps*	*17.5%*	*(380)bps*
Free Cash Flow	$51	$126	*(60)%*	$(37)	*n/m*

Note: All figures are US$ in millions unless otherwise noted. Percentage calculations may differ due to rounding. See appendix reconciliations for non-GAAP financial measures.

Commercial Performance

TiO_2 and other product sales drove sales increases versus the prior year

Price

- TiO_2 pricing was weaker in select regions, mainly Asia Pacific and South America
- Zircon pricing driven by some regional pricing adjustments

Volume

- TiO_2 volumes saw more seasonality in North America, while disruptions in the red sea delayed some shipments
- Zircon volumes continued to recover in Q4 from July 2023 trough
- Pig iron volumes improved QoQ, although weaker YoY due to softer end market demand overall
- Other sales also increased on opportunistic sales of ilmenite and a portion of our rare earths tailings deposit in South Africa

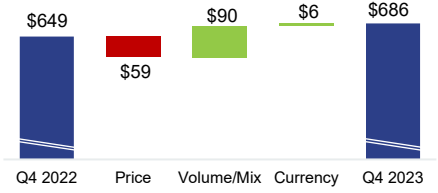
Currency

- EUR/USD FX movements drove a tailwind to revenue YoY

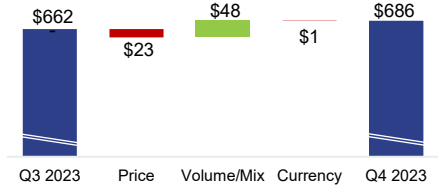
	Q4 '23	Q4 '22	YoY % Δ	Q3 '23	QoQ % Δ
Revenue	$ 686	$ 649	*6%*	$ 662	*4%*
TiO_2	519	478	*9%*	558	*(7)%*
Zircon	57	91	*(37)%*	33	*73%*
Other Products	110	80	*38%*	71	*55%*

	YoY % Δ			QoQ % Δ		
	Volume/Mix	Price	FX	Volume/Mix	Price	FX
TiO_2	14%	(6)%	1%	(5)%	(1)%	(1)%
Zircon	(26)%	(11)%	-%	82%	(9)%	-%

YoY: Q4'23 vs Q4'22 Revenue



QoQ: Q4'23 vs Q3'23 Revenue



Note: All figures are US$ in millions unless otherwise noted. Comparisons are year-over-year unless otherwise stated. Bridge amounts may not add across due to rounding.

Operational Performance

Lower operating rates in Q4 2023 drove higher operating costs

Production Costs

- YoY: Increase of $12M included $10M of higher costs associated with lower absorption and higher input costs, and $18M of lower of cost or market (“LCM”) and idle facility charges due to lower production rates; partially offset by an improvement of $18M of mining costs
- QoQ: Increase of $40M included $16M of higher costs associated with lower absorption and higher input costs, $12M of LCM & idle facility charges due to lower production levels, and $9M of higher mining costs

Freight

- Favorable rate decreases drove lower cost per ton expense

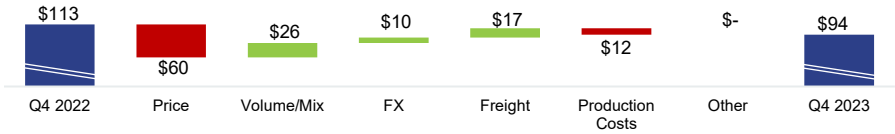
Currency

- Tailwinds primarily driven by favorable movements in the ZAR, AUD, and GBP

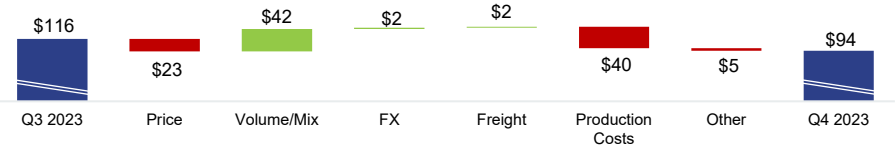
Note: All figures are US$ in millions unless otherwise noted. See appendix reconciliations for non-GAAP financial measures. Comparisons are year-over-year unless otherwise stated. Bridge amounts may not add across due to rounding.

	Q4 ’23	Q4 ’22	YoY % Δ	Q3 ’23	QoQ % Δ
Adjusted EBITDA	$ 94	$ 113	*(17)%*	$ 116	*(19)%*
Adjusted EBITDA margin	13.7%	17.4%	*(370) bps*	17.5%	*(380) bps*

YoY: Q4’23 vs Q4’22 Adjusted EBITDA



QoQ: Q4’23 vs Q3’23 Adjusted EBITDA



Liquidity, Capital Expenditures & Free Cash Flow

Balance sheet remains strong

- **Total debt at the end of Q4 2023 was $2.8B; 4.9x net leverage on TTM basis**
  - Q4 2023 weighted average interest rate of 6.17%
  - We maintain interest rate swaps such that ~73% of our interest rates are fixed through 2024 and ~64% are fixed from 2024 through 2028
  - No financial covenants on term loan or bonds

Debt Maturity Schedule (US$ in millions)

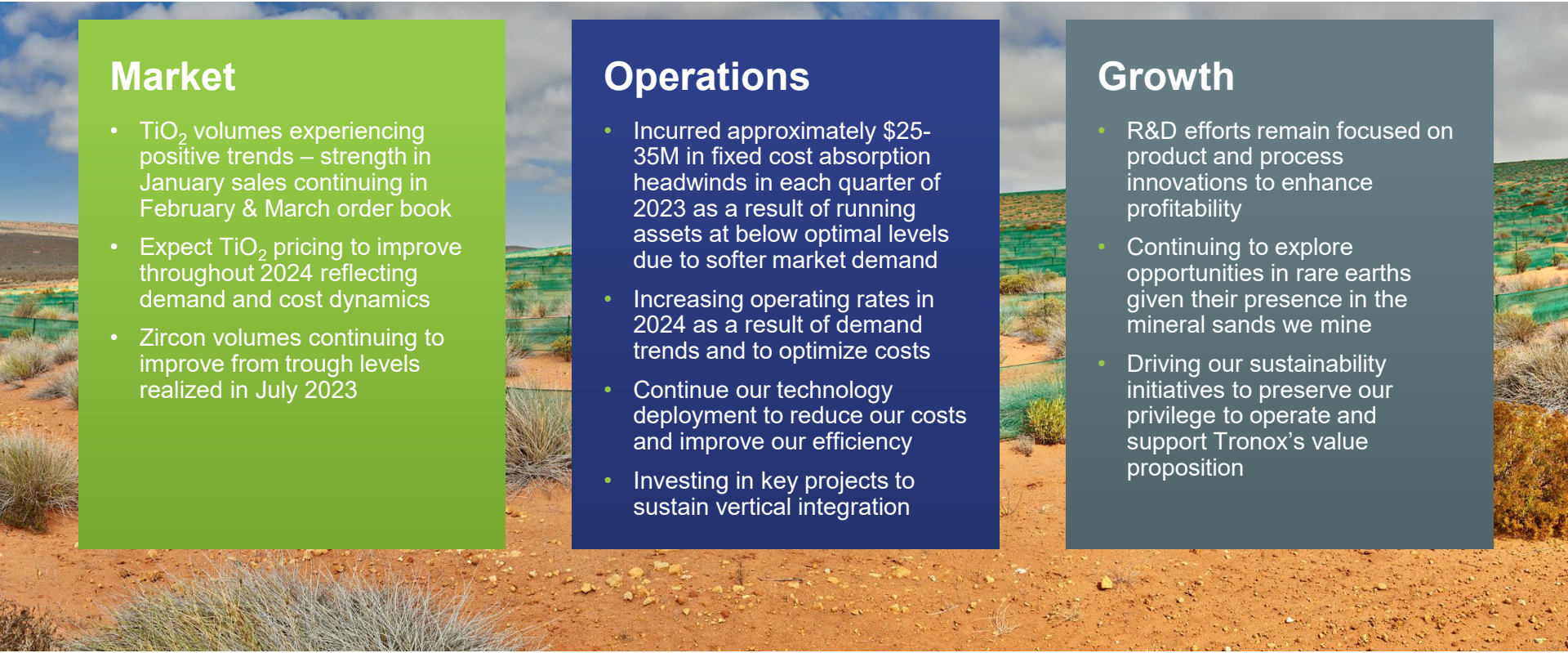


Note: Excludes finance leases of $43M, MGT Loan of $25M and Australian Government Loan of $1M.

- **Total available liquidity of $761M as of Dec 31, 2023**
  - Includes $273M in cash and cash equivalents
  - Cash is well distributed across regions – no trapped cash
- **Invested $59M in the business in CapEx in Q4**
  - ~65% in maintenance & safety capital
  - ~35% in strategic growth projects
- **Returned $20M to shareholders in the form of dividend payments in Q4**
  - Dividend of $0.50 per share on an annualized basis

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

Looking to the Year Ahead



Market

- TiO_2 volumes experiencing positive trends – strength in January sales continuing in February & March order book
- Expect TiO_2 pricing to improve throughout 2024 reflecting demand and cost dynamics
- Zircon volumes continuing to improve from trough levels realized in July 2023

Operations

- Incurred approximately $25-35M in fixed cost absorption headwinds in each quarter of 2023 as a result of running assets at below optimal levels due to softer market demand
- Increasing operating rates in 2024 as a result of demand trends and to optimize costs
- Continue our technology deployment to reduce our costs and improve our efficiency
- Investing in key projects to sustain vertical integration

Growth

- R&D efforts remain focused on product and process innovations to enhance profitability
- Continuing to explore opportunities in rare earths given their presence in the mineral sands we mine
- Driving our sustainability initiatives to preserve our privilege to operate and support Tronox's value proposition

Key Capital Projects to Sustain Vertical Integration

Fairbreeze Expansion Project



Life of mine finished products: ~4,700kt ilmenite, ~610kt zircon, and ~325kt rutile

Namakwa East OFS Project



Life of mine finished products: ~6,480kt ilmenite, ~935kt zircon, and ~490kt rutile

- South African mining projects replacing existing mines reaching end of life
- Projects were delayed in 2023 to preserve cash given lower market demand
- Investment maintains $300+ per ton advantage relative to market pricing for feedstock
- Total estimated capital expenditures across both projects of ~$130 million in 2024
- Each project expected to generate IRRs in excess of 30%
- Continued advancement of Tronox's vertically integrated strategy expected to enhance position as a leading TiO_2 producer and the industry leader in financial performance

Outlook

	Q4 2023A	Q1 2024E
Adjusted EBITDA	$94M	$100-120M
Adj. EBITDA Margin %	*13.7%*	*mid-teens*

Q1 2024 Commentary

- Assume Q1 2024 TiO_2 volumes increase approximately 12-16% compared to Q4 2023
  - February and March order books are tracking above strong January sales
- Expect zircon volumes to increase approximately 15-30% compared to Q4 2023
- Adjusted EBITDA expected to be $100-120 million in Q1 2024

Full Year Uses of Cash	FY 2024E
Net Cash Interest Expense	~$145M
Net Cash Taxes	<$10M
Capital Expenditures	~$395M

Full Year 2024 Commentary

- Expect working capital for the full year to be a tailwind
- Cash taxes, most of which have historically been paid in South Africa, will be minimal in 2024 as the capital expenditures planned for our mining expansion projects are deductible expenses
- Expect to be free cash flow positive

Note: See appendix reconciliations for non-GAAP financial measures. For the Company's guidance with respect to first quarter 2024 non-GAAP financial measures, we are not able to provide without unreasonable effort the most directly comparable GAAP financial measure, or reconciliation to such GAAP financial measure, because certain items that impact such measures are uncertain, out of the Company's control or cannot be reasonably predicted.

Q&A Session

Appendix



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Full Year 2023 Financial Highlights

- Revenue declined 17% from 2022 driven by lower TiO_2 and zircon sales
- Income from operations of $186M; Net loss attributable to Tronox of $316M
- Effective tax rate of 741%
- Adjusted Diluted Loss per share of $0.15
- Adjusted EBITDA of $524M; Adjusted EBITDA margin of 18.4%
- Capital expenditures of $261M; Free cash flow a use of $77M

	2023	2022	YoY % Δ
Revenue	$ 2,850	$ 3,454	*(17)%*
Income from Operations	$ 186	$ 458	*(59)%*
Net (Loss) Income	$ (316)	$ 497	*n/m*
GAAP Diluted (Loss) Earnings Per Share	$ (2.02)	$ 3.16	*n/m*
Adjusted Diluted (Loss) Earnings Per Share	$ (0.15)	$ 1.98	*n/m*
Adjusted EBITDA	$ 524	$ 875	*(40)%*
Adj. EBITDA Margin %	*18.4%*	*25.3%*	*(690)bps*
Free Cash Flow	$ (77)	$ 170	*n/m*

Note: All figures are US$ in millions unless otherwise noted. Percentage calculations may differ due to rounding. See appendix reconciliations for non-GAAP financial measures.

Consolidated Statements of Operations (U.S. GAAP)

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

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net sales	$ 686	$ 649	$ 2,850	$ 3,454
Cost of goods sold	608	544	2,388	2,622
Gross profit	78	105	462	832
Selling, general and administrative expenses	70	69	276	289
Venator settlement	—	—	—	85
Income from operations	8	36	186	458
Interest expense	(45)	(33)	(158)	(125)
Interest income	8	3	18	9
Loss on extinguishment of debt	—	—	—	(21)
Other (expense) income, net	(3)	(25)	3	(13)
(Loss) Income before income taxes	(32)	(19)	49	308
Income tax (provision) benefit	(24)	5	(363)	192
Net (loss) income	(56)	(14)	(314)	500
Net income attributable to noncontrolling interest	—	1	2	3
Net (loss) income attributable to Tronox Holdings plc	$ (56)	$ (15)	$ (316)	$ 497
(Loss) Earnings per share:				
Basic	$ (0.36)	$ (0.09)	$ (2.02)	$ 3.21
Diluted	$ (0.36)	$ (0.09)	$ (2.02)	$ 3.16
Weighted average shares outstanding, basic (in thousands)	156,818	154,526	156,397	154,867
Weighted average shares outstanding, diluted (in thousands)	156,818	154,526	156,397	157,110
Other Operating Data:				
Capital expenditures	59	114	261	428
Depreciation, depletion and amortization expense	69	68	275	269

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Reconciliation of Non-U.S. GAAP Financial Measures

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

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

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net (loss) income attributable to Tronox Holdings plc (U.S. GAAP)	$ (56)	$ (15)	$ (316)	$ 497
Venator settlement (a)	—	—	—	85
Loss on extinguishment of debt (b)	—	—	—	21
Pension settlement loss (c)	—	15	—	15
Other (d)	(4)	(8)	(1)	(3)
Withholding tax accrued (e)	—	4	—	4
Tax valuation allowance (f)	—	(23)	293	(301)
Income tax expense - deferred tax assets (g)	—	—	—	(7)
Adjusted net (loss) income attributable to Tronox Holdings plc (non-U.S. GAAP) (1)(2)	$ (60)	$ (27)	$ (24)	$ 311
Diluted net (loss) income per share (U.S. GAAP)	$ (0.36)	$ (0.09)	$ (2.02)	$ 3.16
Venator settlement, per share	—	—	—	0.54
Loss on extinguishment of debt, per share	—	—	—	0.13
Pension settlement loss, per share	—	0.10	—	0.09
Other, per share	(0.03)	(0.05)	(0.01)	(0.02)
Withholding tax accrued, per share	—	0.03	—	0.03
Tax valuation allowance, per share	—	(0.15)	1.88	(1.92)
Income tax expense - deferred tax assets, per share	—	—	—	(0.04)
Diluted adjusted net (loss) income per share attributable to Tronox Holdings plc (non-U.S. GAAP)	$ (0.38)	$ (0.17)	$ (0.15)	$ 1.98
Weighted average shares outstanding, diluted (in thousands)	156,818	154,526	156,397	157,110

(a) Represents the breakage fee including interest associated with the Venator settlement which were recorded in "Venator settlement" in the unaudited 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 non-cash pension settlement loss due to the settling of low-dollar valued amounts in our U.S. Qualified Plan.
(d) Represents other activity not representative of the ongoing operations of the Company.
(e) Represents potential withholding tax due to the Chinese government for historic distributable income generated.
(f) Represents changes primarily within the Company's Australian deferred tax assets' valuation allowance.
(g) Represents a charge to tax expense for the impact on deferred tax assets from a change in tax rates in a foreign tax jurisdiction.

(1) Only the pension settlement loss amount and certain other items have been tax impacted. No income tax impacts have been given to other items as they were recorded in jurisdictions with full
(2) Diluted adjusted net (loss) income per share attributable to Tronox Holdings plc was calculated from exact, not rounded Adjusted net income attributable to Tronox Holdings plc and share

TRONOX

Consolidated Balance Sheets

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

	December 31, 2023	December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 273	$ 164
Restricted cash	—	—
Accounts receivable (net of allowance of $3 in 2023 and $4 in 2022)	290	377
Inventories, net	1,421	1,278
Prepaid and other assets	141	135
Income taxes receivable	10	6
Total current assets	2,135	1,960
Noncurrent Assets		
Property, plant and equipment, net	1,835	1,830
Mineral leaseholds, net	654	701
Intangible assets, net	243	250
Lease right of use assets, net	132	136
Deferred tax assets	917	1,233
Other long-term assets	218	196
Total assets	$ 6,134	$ 6,306
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 461	$ 486
Accrued liabilities	230	252
Short-term lease liabilities	24	20
Short-term debt	11	50
Long-term debt due within one year	27	24
Income taxes payable	—	18
Total current liabilities	753	850
Noncurrent Liabilities		
Long-term debt, net	$ 2,786	$ 2,464
Pension and postretirement healthcare benefits	104	89
Asset retirement obligations	172	153
Environmental liabilities	48	51
Long-term lease liabilities	103	110
Deferred tax liabilities	149	153
Other long-term liabilities	39	33
Total liabilities	4,154	3,903
Commitments and Contingencies		
Shareholders' Equity		
Tronox Holdings plc ordinary shares, par value $0.01 — 156,793,755 shares issued and outstanding at December 31, 2023 and 154,496,923 shares issued and outstanding at December 31, 2022	2	2
Capital in excess of par value	2,064	2,043
Retained Earnings	684	1,080
Accumulated other comprehensive loss	(814)	(768)
Total Tronox Holdings plc shareholders' equity	1,936	2,357
Noncontrolling interest	44	46
Total equity	1,980	2,403
Total liabilities and equity	$ 6,134	$ 6,306

Consolidated Statements of Cash Flows

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

	Year Ended December 31, 2023	2022
Cash Flows from Operating Activities:		
Net (loss) income	$ (314)	$ 500
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation, depletion and amortization	275	269
Deferred income taxes	330	(261)
Share-based compensation expense	21	26
Amortization of deferred debt issuance costs and discount on debt	9	8
Loss on extinguishment of debt	-	21
Other non-cash affecting net (loss) income	37	50
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable, net	84	233
(Increase) decrease in inventories, net	(151)	(255)
Decrease in prepaid and other assets	37	47
(Decrease) increase in accounts payable and accrued liabilities	(84)	(5)
Net changes in income tax payables and receivables	(24)	5
Changes in other non-current assets and liabilities	(36)	(40)
Cash provided by operating activities	184	598
Cash Flows from Investing Activities:		
Capital expenditures	(261)	(428)
Insurance proceeds	-	-
Proceeds from the sale of assets	6	13
Cash used in investing activities	(255)	(415)
Cash Flows from Financing Activities:		
Repayments of short-term debt	(148)	(113)
Repayments of long-term debt	(17)	(516)
Proceeds from short-term debt	86	142
Proceeds from long-term debt	347	396
Repurchase of common stock	-	(50)
Debt issuance costs	(3)	(4)
Call premium paid	-	(18)
Dividends paid	(89)	(87)
Restricted stock and performance-based shares settled in cash for taxes	-	-
Proceeds from the exercise of stock options	-	-
Cash provided by (used in) financing activities	176	(250)
Effects of exchange rate changes on cash and cash equivalents and restricted cash	4	(1)
Net increase (decrease) in cash and cash equivalents and restricted cash	109	(68)
Cash and cash equivalents and restricted cash at beginning of period	164	232
Cash and cash equivalents and restricted cash at end of period	$ 273	$ 164

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

TRONOX HOLDINGS PLC

RECONCILIATION OF NET (LOSS) INCOME TO EBITDA AND ADJUSTED EBITDA, ADJUSTED EBITDA AS A % OF NET SALES AND NET DEBT TO TRAILING-TWELVE MONTH ADJUSTED EBITDA (NON-U.S. GAAP)
(UNAUDITED)
(Millions of U.S. dollars)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net (loss) income (U.S. GAAP)	$ (56)	$ (14)	$ (314)	$ 500
Interest expense	45	33	158	125
Interest income	(8)	(3)	(18)	(9)
Income tax provision (benefit)	24	(5)	363	(192)
Depreciation, depletion and amortization expense	69	68	275	269
EBITDA (non-U.S. GAAP)	74	79	464	693
Share-based compensation (a)	6	5	21	26
Venator settlement (b)	—	—	—	85
Loss on extinguishment of debt (c)	—	—	—	21
Foreign currency remeasurement (d)	1	4	(6)	3
Pension settlement loss (e)	—	20	—	20
Accretion expense and other adjustments to asset retirement obligations and environmental liabilities (f)	8	5	22	19
Accounts receivable securitization program costs (g)	3	3	12	3
Other items (h)	2	(3)	11	5
Adjusted EBITDA (non-U.S. GAAP)	$ 94	$ 113	$ 524	$ 875

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net sales	$ 686	$ 649	$ 2,850	$ 3,454
Net (loss) income (U.S. GAAP)	$ (56)	$ (14)	$ (314)	$ 500
Net (loss) income (U.S. GAAP) as a % of Net sales	(8.2)%	(2.2)%	(11.0)%	14.5 %
Adjusted EBITDA (non-U.S. GAAP) (see above) as a % of Net sales	13.7 %	17.4 %	18.4 %	25.3 %

	December 31,	
	2023	2022
Long-term debt, net	$ 2,786	$ 2,464
Short-term debt	11	50
Long-term debt due within one year	27	24
(Less) Cash and cash equivalents	(273)	(164)
Net debt	$ 2,551	$ 2,374
Adjusted EBITDA (non-U.S. GAAP) (see above)	524	875
Net debt to trailing-twelve month Adjusted EBITDA (non-U.S. GAAP) (see above)	4.9 x	2.7 x

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

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

(e) Represents a non-cash pension settlement loss due to the settling of low-dollar valued amounts in our U.S. Qualified Plan.

(f) Primarily represents accretion expense and other noncash adjustments to asset retirement obligations and environmental liabilities.

(g) Primarily represents expenses associated with the Company's accounts receivable securitization program which is used as a source of liquidity in the Company's overall capital structure.

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

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

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

The following table reconciles cash provided by operating activities to free cash flow for the three months and year ended December 31, 2023:

	Year Ended December 31, 2023	Nine Months Ended September 30, 2023	Three Months Ended December 31, 2023
Cash provided by operating activities	$ 184	$ 74	$ 110
Capital expenditures	(261)	(202)	(59)
Free cash flow (non-U.S. GAAP)	$ (77)	$ (128)	$ 51

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