Second Quarter 2024 Conference Call

Tronox Holdings plc

August 2, 2024

Presenters



John Romano

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

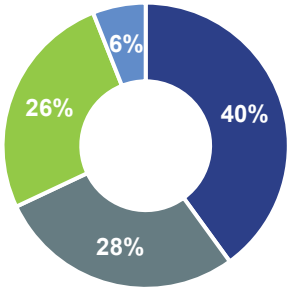
To provide investors and others with additional information regarding the financial results of Tronox Holdings plc, we have disclosed in this presentation certain non-U.S. GAAP operating performance measures of EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income attributable to Tronox, including its presentation on a per share basis, a non-U.S. GAAP liquidity measure of Free Cash Flow and net leverage ratio on a trailing twelve-month basis. 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 and operational 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 third 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

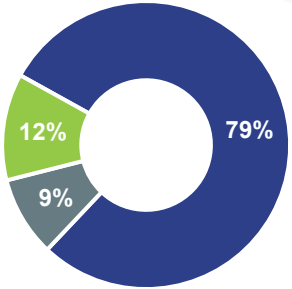
TROX	$2.9B	$524M	85%	~6,500	~1,200
NYSE	2023 Revenue	2023 Adj. EBITDA	Feedstock Integration[1]	Global Employees	Customers

- 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

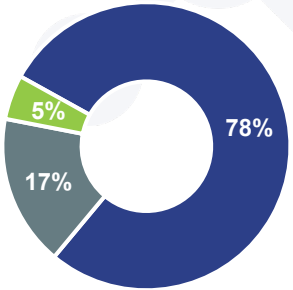
Sales by Region[2]



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 the Quarter

Performance consistent with previous guidance

- TiO_2 volumes continued recovery improved 8% QoQ within guided range of 7-10%
  - Demand increased in all regions in line with normal seasonal trends
- Zircon volumes relatively flat to prior quarter
  - End of quarter bulk shipment rolled tons into Q3 due to shipping delays
- TiO_2 and zircon pricing each improved versus prior quarter by 1%, in-line with expectations, partially offset by unfavorable mix
- Adjusted EBITDA of $161M (guidance of $160-180M) and margin of ~20%
  - Q2 utilization rates were lower than targeted driven by short-term challenges relating to the asset ramp up, resulting in higher costs than forecasted in the quarter and Adjusted EBITDA at the low end of the range
- Free cash flow for the quarter was $84M
- 2023 Sustainability report published this week



2023 Sustainability Report Goals & Targets

ACHIEVE NET ZERO BY 2050



2050[1]
NET ZERO
Reduce Scope 1 and 2 GHG emissions intensity

2030
50% reduction

2025
25% reduction

REDUCE SCOPE 3 EMISSIONS IN OUR SUPPLY CHAIN



2030[2]
16% reduction in upstream Scope 3 GHG emissions intensity

2025
9% reduction

ZERO WASTE TO EXTERNAL DEDICATED LANDFILLS



2050
Zero Waste
Reduce absolute waste to external dedicated landfills

2030
25% reduction

2025
15% reduction

ACHIEVE ZERO HARM BY BUILDING CAPACITY IN OUR PEOPLE, PLANTS AND PROCESSES

Zero

injuries | incidents | harm

FOSTER AND BUILD A WORKPLACE THAT REFLECTS THE COMMUNITIES IN WHICH WE OPERATE

Improve

GENDER BALANCE AND DIVERSITY
of our workforce, leadership, and succession planning

[1] *Versus 2019 baseline*
[2] *Versus 2021 baseline. Tronox added Scope 3 emissions intensity reduction goals in its 2022 report and will expand and refine this goal as we gain better understanding of our suppliers' emissions and reduction plans*

Second Quarter 2024 Financial Highlights

- Revenue increase primarily driven by higher sales volumes from TiO_2
- Income from operations of $76M; Net income attributable to Tronox of $16M
- Tax expense of $45M due to $16M valuation allowance taken for Brazil and losses in jurisdictions where we have pre-existing valuation allowances
- Adjusted diluted income per share of $0.07
- Adjusted EBITDA of $161M; Adjusted EBITDA margin of ~20%
- Capital expenditures of $76M
- Generated free cash flow of $84M

	Q2 '24	Q2 '23	*YoY % Δ*	Q1 '24	*QoQ % Δ*
Revenue	$ 820	$ 794	*3%*	$ 774	*6%*
Income from Operations	$ 76	$ 84	*(10)%*	$ 41	*85%*
Net Income (Loss) Attributable to Tronox	$ 16	$(269)	*n/m*	$(9)	*n/m*
GAAP Diluted Income (Loss) per share	$0.10	$(1.72)	*n/m*	$(0.06)	*n/m*
Adjusted Diluted Income (Loss) per share	$0.07	$ 0.16	*(56)%*	$(0.05)	*n/m*
Adjusted EBITDA	$ 161	$ 168	*(4)%*	$ 131	*23%*
Adj. EBITDA Margin %	*19.6%*	*21.2%*	*(160)bps*	*16.9%*	*270bps*
Free Cash Flow	$ 84	$ 81	*4%*	$(105)	*n/m*

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.

Commercial Performance

Sales volumes continued recovery from 2023 levels

Price/Mix

- TiO_2 pricing improved 1% QoQ, partially offset by unfavorable mix impact
  - Higher pricing increases in regions where prices declined more significantly in recent years
- Zircon pricing improved 1% QoQ

Volume

- TiO_2 volumes improved 16% YoY and 8% QoQ
  - In line with normal seasonal patterns
- Zircon volumes remained consistent, with the base level of demand persisting
  - QoQ impacted by timing of bulk shipments

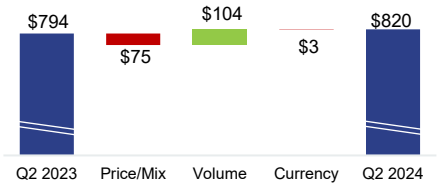
Currency

- Headwinds primarily from the EUR

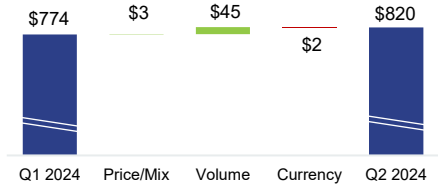
	Q2 '24	Q2 '23	YoY % Δ	Q1 '24	QoQ % Δ
Revenue	$ 820	$ 794	*3%*	$ 774	*6%*
TiO_2	653	611	*7%*	605	*8%*
Zircon	85	95	*(11)%*	88	*(3)%*
Other Products	82	88	*(7)%*	81	*1%*

	YoY % Δ			QoQ % Δ		
	Volume	Price/Mix	FX	Volume	Price/Mix	FX
TiO_2	16%	(8)%	(1)%	8%	0%	0%
Zircon	4%	(15)%	-	(4)%	1%	-

YoY: Q2'24 vs Q2'23 Revenue



QoQ: Q2'24 vs Q1'24 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

Improved fixed cost absorption and lower input costs drove lower production costs YoY

Production Costs

- YoY: Improvement of $37M mainly driven by improved fixed cost absorption and lower input costs
- QoQ: Improvement of $20M mainly driven by $26M in lower fixed costs absorption, partly offset by a net $6M of increased lower of cost or market charges and idle facility charges taken in Q2

Freight

- Continue to see rate decreases driving lower cost per ton expense compared to the prior year

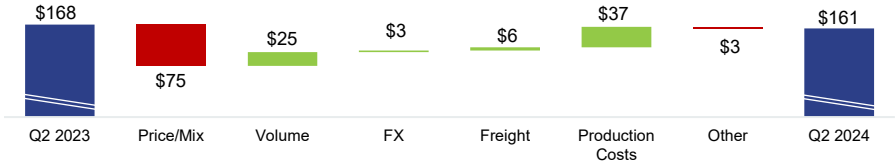
Currency

- QoQ headwinds primarily driven by unfavorable movements in the ZAR and AUD

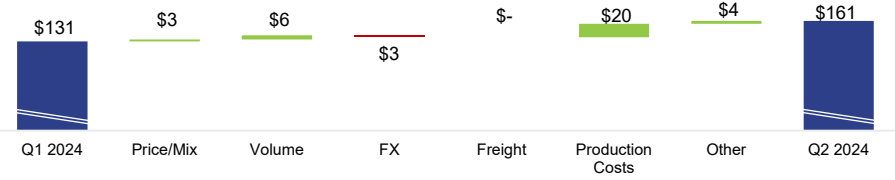
Note: All figures are US$ in millions unless otherwise noted. See appendix reconciliations for non-GAAP financial measures. Comparisons are year-over-year unless otherwise stated. Bridge amounts may not add across due to rounding.

	Q2 '24	Q2 '23	YoY % Δ	Q1 '24	QoQ % Δ
Adjusted EBITDA	$ 161	$ 168	*(4)%*	$ 131	*23%*
Adjusted EBITDA margin	*19.6%*	*21.2%*	*(160) bps*	*16.9%*	*270 bps*

YoY: Q2'24 vs Q2'23 Adjusted EBITDA



QoQ: Q2'24 vs Q1'24 Adjusted EBITDA

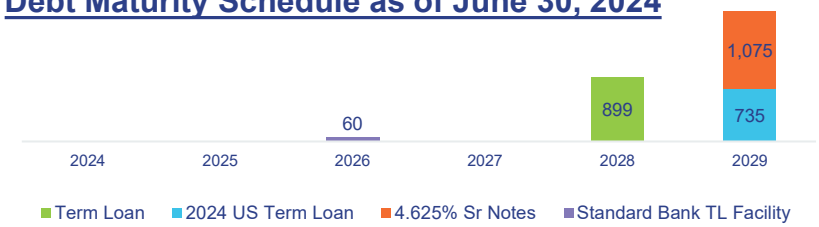


Liquidity, Capital Expenditures & Free Cash Flow

Balance sheet remains strong

- **Total debt at the end of Q2 2024 remained $2.8B; 5.2x net leverage on TTM basis**
  - Q2 2024 weighted average interest rate of 5.99%
  - 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 as of June 30, 2024

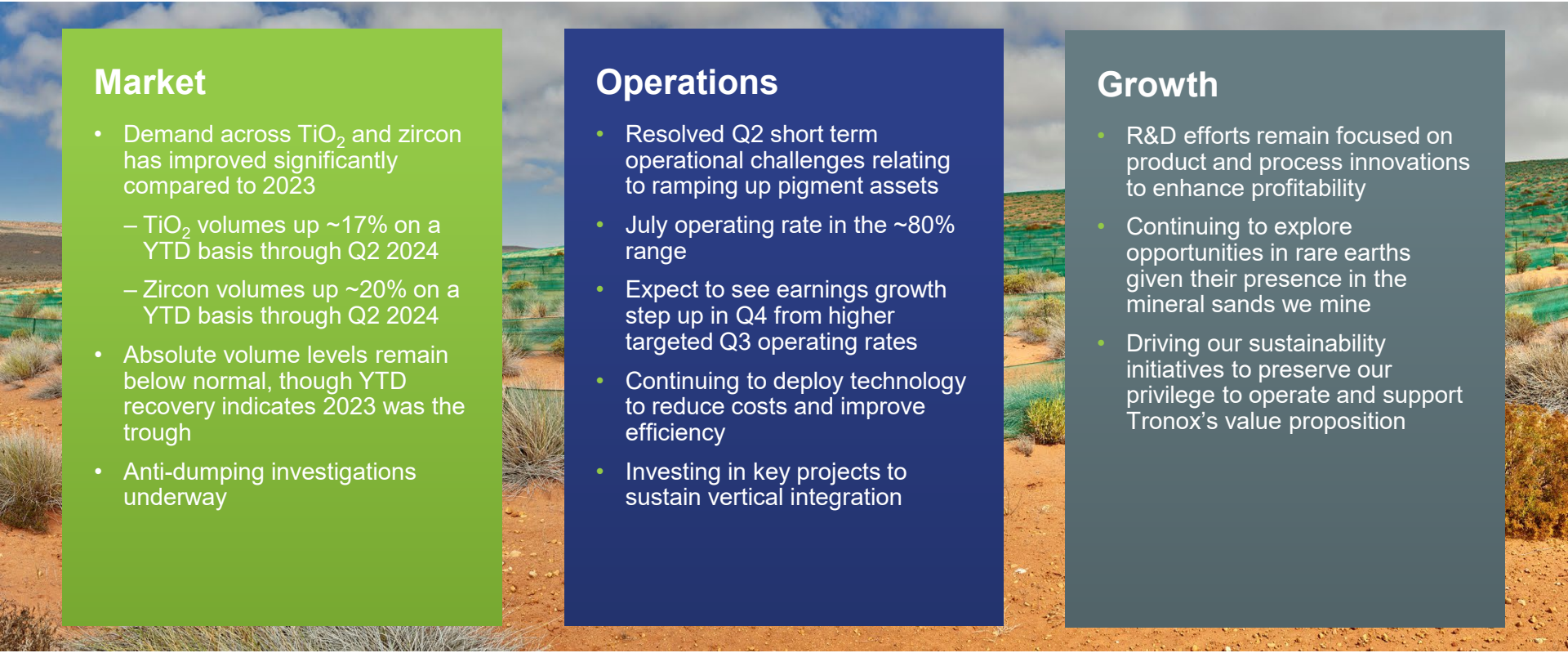


Note: Excludes finance leases of $42M, MGT Loan of $22M and Australian Government Loan of $1M.

- **Total available liquidity of $680M as of June 30, 2024**
  - Includes $201M in cash and cash equivalents
  - Cash is well distributed across regions – no trapped cash
- **Invested $76M in the business in CapEx in Q2**
  - ~40% in maintenance & safety capital
  - ~60% in strategic growth projects
- **Working Capital was a source of $39M in Q2 2024**
  - Driven by increase in accounts payable typical of Q2 activity
- **Returned $41M to shareholders in the form of dividend payments in Q2**
  - Dividend of $0.50 per share on an annualized basis
  - Two dividend payments paid out in Q2 2024

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

2024 From Tronox's View



Market

- Demand across TiO_2 and zircon has improved significantly compared to 2023
  - TiO_2 volumes up ~17% on a YTD basis through Q2 2024
  - Zircon volumes up ~20% on a YTD basis through Q2 2024
- Absolute volume levels remain below normal, though YTD recovery indicates 2023 was the trough
- Anti-dumping investigations underway

Operations

- Resolved Q2 short term operational challenges relating to ramping up pigment assets
- July operating rate in the ~80% range
- Expect to see earnings growth step up in Q4 from higher targeted Q3 operating rates
- Continuing to deploy technology to reduce costs and improve 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

Outlook

	Q1 '24A	Q2 '24A	Q3 '24E
TiO_2 Volume QoQ / YoY	18% / 18%	8% / 16%	↓2-4% / ↑high-teens
Zircon Volume QoQ / YoY	54% / 43%	(4)% / 4%	Relatively flat / ↑160%
Adjusted EBITDA	$131M	$161M	$145-165M
Adj. EBITDA Margin %	*16.9%*	*19.6%*	*High-teens range*

Q3 2024 Commentary

- Expect TiO_2 volume to remain in-line with normal seasonal patterns and zircon demand to remain relatively stable
- Higher cost pigment tons manufactured in Q2 will result in lower profitability as they are sold in Q3
- Range assumes headwinds sequentially from the higher cost tons and exchange rate impacts

Full Year Uses of Cash	FY 2024E
Net Cash Interest Expense	~$140M
Net Cash Taxes	<$10M
Working Capital	Source of cash
Capital Expenditures	~$395M

Full Year 2024 Commentary

- Working capital release expected to be a slight source of cash, driven by anticipated market trends
- 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 for FY 2024

Note: See appendix reconciliations for non-GAAP financial measures. For the Company's guidance with respect to third 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.

2024 Capital Allocation Priorities

Our capital allocation strategy remains unchanged

1. Investing in projects that are critical to furthering our strategy and driving value from our vertically integrated portfolio
2. Bolstering our liquidity and as the market recovers, resume debt paydown
3. Maintaining the dividend
4. Continue to evaluate strategic high-growth opportunities as they arise

Q&A Session

Appendix



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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 ~$130M 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**

Consolidated Statements of Operations (U.S. GAAP)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales	$ 820	$ 794	$ 1,594	$ 1,502
Cost of goods sold	670	637	1,324	1,212
Gross profit	150	157	270	290
Selling, general and administrative expenses	74	73	153	144
Income from operations	76	84	117	146
Interest expense	(42)	(38)	(84)	(71)
Interest income	2	3	6	6
Other income, net	19	4	18	6
Income before income taxes	55	53	57	87
Income tax provision	(45)	(322)	(56)	(331)
Net income (loss)	10	(269)	1	(244)
Net (loss) income attributable to noncontrolling interest	(6)	—	(6)	2
Net income (loss) attributable to Tronox Holdings plc	$ 16	$ (269)	$ 7	$ (246)
Earnings (loss) per share:				
Basic	$ 0.10	$ (1.72)	$ 0.04	$ (1.58)
Diluted	$ 0.10	$ (1.72)	$ 0.04	$ (1.58)
Weighted average shares outstanding, basic (in thousands)	158,117	156,780	157,730	155,986
Weighted average shares outstanding, diluted (in thousands)	159,288	156,780	158,902	155,986
Other Operating Data:				
Capital expenditures	76	55	152	148
Depreciation, depletion and amortization expense	72	68	144	139

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss) attributable to Tronox Holdings plc (U.S. GAAP)	$ 16	$ (269)	$ 7	$ (246)
Sale of royalty interest (a)	(21)	—	(21)	—
Tax valuation allowance (b)	16	293	16	293
Other (c)	1	—	2	1
Adjusted net income attributable to Tronox Holdings plc (non-U.S. GAAP) (1)	$ 12	$ 24	$ 4	$ 48
Diluted net income (loss) per share (U.S. GAAP)	$ 0.10	$ (1.72)	$ 0.04	$ (1.58)
Sale of royalty interest, per share	(0.14)	—	(0.13)	—
Tax valuation allowance, per share	0.10	1.87	0.10	1.87
Other, per share	0.01	—	0.01	0.01
Diluted adjusted net income per share attributable to Tronox Holdings plc (non-U.S. GAAP) (2)	$ 0.07	$ 0.16	$ 0.02	$ 0.31
Weighted average shares outstanding, diluted (in thousands)	159,288	157,159	158,902	157,059

(1) Only the sale of royalty interest and certain other items have been tax impacted whereas certain other items were not tax impacted as they were recorded in jurisdictions with full valuation allowances.

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

(a) Represents the sale of a royalty interest in certain Canadian mineral properties, net of associated transaction costs included in "Other income, net" in the unaudited Condensed Consolidated Statements of Operations.

(b) 2024 amount represents the establishment of a full valuation allowance against the deferred tax assets within our Brazilian jurisdiction. 2023 amount represents the establishment of a full valuation allowance against the deferred tax assets within our Australian jurisdiction.

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

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Consolidated Balance Sheets

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

	June 30, 2024	December 31, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 201	$ 273
Accounts receivable (net of allowance for credit losses of $5 million and $3 million as of June 30, 2024 and December 31, 2023, respectively)	382	290
Inventories, net	1,424	1,421
Prepaid and other assets	210	141
Income taxes receivable	9	10
Total current assets	2,226	2,135
Noncurrent Assets		
Property, plant and equipment, net	1,841	1,835
Mineral leaseholds, net	639	654
Intangible assets, net	246	243
Lease right of use assets, net	130	132
Deferred tax assets	888	917
Other long-term assets	126	218
Total assets	$ 6,096	$ 6,134
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 457	$ 461
Accrued liabilities	243	230
Short-term lease liabilities	20	24
Short-term debt	—	11
Long-term debt due within one year	26	27
Total current liabilities	746	753
Noncurrent Liabilities		
Long-term debt, net	2,781	2,786
Pension and postretirement healthcare benefits	101	104
Asset retirement obligations	182	172
Environmental liabilities	47	48
Long-term lease liabilities	103	103
Deferred tax liabilities	171	149
Other long-term liabilities	34	39
Total liabilities	4,165	4,154
Commitments and Contingencies		
Shareholders' Equity		
Tronox Holdings plc ordinary shares, par value $0.01 — 157,912,468 shares issued and outstanding at June 30, 2024 and 156,793,755 shares issued and outstanding at December 31, 2023	2	2
Capital in excess of par value	2,074	2,064
Retained earnings	651	684
Accumulated other comprehensive loss	(829)	(814)
Total Tronox Holdings plc shareholders' equity	1,898	1,936
Noncontrolling interest	33	44
Total equity	1,931	1,980
Total liabilities and equity	$ 6,096	$ 6,134

TRONOX

Consolidated Statements of Cash Flows

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

	Six Months Ended June 30, 2024	2023
Cash Flows from Operating Activities:		
Net income (loss)	$ 1	$ (244)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	144	139
Deferred income taxes	46	310
Share-based compensation expense	10	11
Amortization of deferred debt issuance costs and discount on debt	5	4
Other non-cash items affecting net income (loss)	13	26
Changes in assets and liabilities:		
Increase in accounts receivable, net of allowance for credit losses	(97)	(1)
Decrease (increase) in inventories, net	8	(131)
Decrease in prepaid and other assets	10	9
Increase (decrease) in accounts payable and accrued liabilities	13	(43)
Net changes in income tax payables and receivables	(2)	(4)
Changes in other non-current assets and liabilities	(20)	(19)
Cash provided by operating activities	131	57
Cash Flows from Investing Activities:		
Capital expenditures	(152)	(148)
Proceeds from sale of assets	16	3
Cash used in investing activities	(136)	(145)
Cash Flows from Financing Activities:		
Repayments of short-term debt	(11)	(50)
Repayments of long-term debt	(9)	(9)
Proceeds from short-term debt	-	201
Debt issuance costs	(2)	-
Dividends paid	(41)	(50)
Cash (used in) provided by financing activities	(63)	92
Effects of exchange rate changes on cash and cash equivalents	(4)	(1)
Net (decrease) increase in cash and cash equivalents	(72)	3
Cash and cash equivalents at beginning of period	273	164
Cash and cash equivalents at end of period	$ 201	$ 167

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

TRONOX HOLDINGS PLC

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

(UNAUDITED)

(Millions of U.S. dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss) (U.S. GAAP)	$ 10	$ (269)	1	(244)
Interest expense	42	38	84	71
Interest income	(2)	(3)	(6)	(6)
Income tax provision	45	322	56	331
Depreciation, depletion and amortization expense	72	68	144	139
EBITDA (non-U.S. GAAP)	167	156	279	291
Share-based compensation (a)	4	5	10	11
Accretion expense and other adjustments to asset retirement obligations and environmental liabilities (b)	7	6	14	8
Accounts receivable securitization program (c)	4	3	7	5
Foreign currency remeasurement (d)	4	(5)	2	(6)
Sale of royalty interest (e)	(28)	—	(28)	—
Other items (f)	3	3	8	5
Adjusted EBITDA (non-U.S. GAAP)	$ 161	$ 168	$ 292	$ 314

	Three Months Ended June 30,	
	2024	2023
Net sales	$ 820	$ 794
Net income (loss) (U.S. GAAP)	$ 10	$ (269)
Net income (loss) (U.S. GAAP) as a % of Net sales	1.2 %	(33.9)%
Adjusted EBITDA (non-U.S. GAAP) (see above) as a % of Net sales	19.6 %	21.2 %

	June 30, 2024	December 31, 2023
Long-term debt, net	$ 2,781	$ 2,786
Short-term debt	—	11
Long-term debt due within one year	26	27
(Less) Cash and cash equivalents	(201)	(273)
Net debt	$ 2,606	$ 2,551
Trailing-twelve month Adjusted EBITDA (non-U.S. GAAP)	$ 502	$ 524
Net debt to trailing-twelve month Adjusted EBITDA (non-U.S. GAAP) (see above)	5.2x	4.9x

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

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

(c) 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.

(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) Represents the sale of a royalty interest in certain Canadian mineral properties, net of associated transaction costs included in "Other income, net" in the unaudited Condensed Consolidated Statements of Operations.

(f) Includes noncash pension and postretirement costs, asset write-offs 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.

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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 used in operating activities to free cash flow for the three and six months ended June 30, 2024:

	Six Months Ended June 30, 2024	Three Months Ended March 31, 2024	Three Months Ended June 30, 2024
Cash used in operating activities	$ 131	$ (29)	$ 160
Capital expenditures	(152)	(76)	(76)
Free cash flow (non-U.S. GAAP)	$ (21)	$ (105)	$ 84

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

TRONOX HOLDINGS PLC

RECONCILIATION OF TRAILING TWELVE MONTH NET (LOSS) INCOME TO EBITDA AND ADJUSTED EBITDA (NON-U.S. GAAP)

(UNAUDITED)

(Millions of U.S. dollars)

	Three Months Ended				Trailing Twelve Month Adjusted EBITDA
	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	
Net (loss) income (U.S. GAAP)	$ (14)	$ (56)	$ (9)	$ 10	$ (69)
Interest expense	42	45	42	42	171
Interest income	(4)	(8)	(4)	(2)	(18)
Income tax provision	8	24	11	45	88
Depreciation, depletion and amortization expense	67	69	72	72	280
EBITDA (non-U.S. GAAP)	99	74	112	167	452
Share-based compensation (a)	4	6	6	4	20
Foreign currency remeasurement (b)	(1)	1	(2)	4	2
Accretion expense and other adjustments to asset retirement obligations and environmental liabilities (c)	6	8	7	7	28
Accounts receivable securitization program (d)	4	3	3	4	14
Sale of royalty interest (e)	—	—	—	(28)	(28)
Other items (f)	4	2	5	3	14
Adjusted EBITDA (non-U.S. GAAP)	$ 116	$ 94	$ 131	$ 161	$ 502

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

(b) 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.

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

(d) 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.

(e) Represents the sale of a royalty interest in certain Canadian mineral properties, net of associated transaction costs included in "Other income, net" in the unaudited Condensed Consolidated Statements of Operations.

(f) 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 income, net” in the unaudited Condensed Consolidated Statements of Operations.

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