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Tronox Holdings Plc (TROX)

Q4 2025 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, ladies and gentlemen, and welcome to Tronox Holdings Q4 2025 Earnings Call. Note that all participants are in a listen-only mode. Following the presentation, we will conduct a question-and-answer session. [Operator Instructions] Also note that this call is being recorded on Thursday, February 19, 2026.

And I would like to turn the conference over to Jennifer Guenther, Chief Sustainability Officer, Head of Investor Relations and External Affairs. Please go ahead.

Jennifer Guenther

Chief Sustainability Officer & Head-Investor Relations & External Affairs, Tronox Holdings Plc

Thank you and welcome to our fourth quarter and full year 2025 conference call and webcast. Turning to slide 2, on our call today are John Romano, Chief Executive Officer; and John Srivisal, Senior Vice President and Chief Financial Officer. We will be using slides as we move through today's call. You can access the presentation on our website at investor.tronox.com.

Moving to slide 3. A friendly reminder that comments made on this call and the information provided in our presentation and on our website include certain statements that are forward-looking and subject to various risks and uncertainties, including but not limited to the specific factors summarized in our SEC filings. This information represents our best judgment based on what we know today. However, actual results may vary based on these risks and uncertainties. The company undertakes no obligation to update or revise any forward-looking statements.

During the conference call, we will refer to certain non-US GAAP financial terms that we use in the management of our business and believe are useful to investors in evaluating the company's performance. Reconciliations to their nearest US GAAP terms are provided in our earnings release and in the appendix of the accompanying presentation. Additionally, please note that all financial comparisons made during the call are on a year-over-year basis unless otherwise noted.

It is now my pleasure to turn the call over to John Romano. John?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

Thanks, Jennifer, and good morning, everyone. We'll begin this morning on slide 4 with some key messages from the quarter and the full year. Tronox delivered a stronger finish to 2025 than anticipated by remaining focused on the things we can control and influence. Safety continues to be one of our core values and remains our number one priority across the company. In a year marked by challenges, volatility, and inevitable distractions, maintaining that focus has never been more important. Despite that environment, I'm pleased to report that in 2025 we delivered our best safety performance in more than a decade, achieving our lowest injury overall injury rate for the period. This is a reflection of our team's disciplined due diligence and unwavering commitment to keeping one another safe.

From a financial perspective, we concluded the year with stronger volumes than anticipated and executed on actions to drive cash flow and improve our long-term cost position. TiO2 volumes in the fourth quarter reached their highest point of the year, a pattern that was previously only observed during the COVID period in 2020. This

notable trend underscores how antidumping duties have positively influenced the relative markets. Our gains in India and other protected regions show increased market share and suggest a structural change in the global TiO₂ trade flows.

As anticipated, TiO₂ prices were lower in the quarter, and mix was an incremental headwind due to higher sales in Asia. However, we are now implementing price increases that are beginning to show results in the first quarter. Early indications are positive momentum. And with a shift toward higher price regions, market dynamics are gradually moving in a favorable direction. Zircon volumes concluded the year positively supported by customers restocking and resuming normal buying patterns. Zircon pricing was a headwind in the quarter, compounded by unfavorable mix. That being said, we've announced price increases and are optimistic that they will be implemented in the second quarter.

From an operational standpoint, we maintained a disciplined approach to cash preservation and inventory management. While certain measures impacted EBITDA for the quarter, they reinforce working capital discipline, resulting in \$53 million of free cash flow, a notable achievement given the challenging environment. We also executed on an opportunistic \$400 million senior secured note offering in September, proactively increasing liquidity.

In addition, we took the necessary actions on our footprint to position the business for the long-term, including announcing the closures of two of our pigment plants. The decision to close the Fuzhou plant in China, as announced last month, was driven by prolonged market downturn, weak domestic demand, overcapacity, and unsustainable pricing levels in China. Combined with the Botlek closure, which we announced in March of last year, these actions streamline our footprint and improve our cost structure over the long-term while ensuring we can continue to reliably serve customers through a more efficient global network. We thank our Botlek and Fuzhou our teams for their unwavering commitment to safety and their contributions as they have made to Tronox over the years.

Transitioning to our sustainable cost improvement program, we continued to make significant progress. We exited 2025 with more than \$90 million of run rate savings, 3 times our original target; and we remain on pace for the high end of our \$125 million to \$175 million run rate target at the exit of 2026. We're now tracking more than 2,000 initiatives, more than 500 of them are already delivering savings and another 250 are moving to the planning and execution stage.

The largest benefits came from fixed cost reductions, including the work we've actioned across labor, contractors, and outside services, along with SG&A reductions that came in ahead of plan. These savings are helping us offset a number of headwinds this year and continue to structurally lower our cost for the long-term. We also reached key milestones on our mining projects in South Africa last year.

We commenced mining at Fairbreeze and began the commissioning at East OFS. We also advanced our rare earth strategy with the announcement in December of the conditional non-binding financing with EFA and EXIM Bank for the building out of a cracking and leaching facility in Australia. We are progressing our work on definitive feasibility study and continue to evaluate adding refining capacity to the value chain.

As we look ahead, we're cautiously optimistic and that optimism is grounded in facts and execution. Market dynamics are starting to change. TiO₂ prices are improving as a result of price increase announcements that are starting to take effect in first quarter, and we expect favorable mix benefit from selling more into higher priced regions. At the same time, our actions on inventory cost and portfolio rationalization are designed to counterbalance near-term headwinds and support cash generation. As pricing and costs improve from actions

already underway, I expect free cash flow to be positive in 2026. Taken together, these developments position us for a step-change in earnings power as the market fundamentals continue to improve.

I'll speak in 2026 in more detail later in the call, but for now I'll turn the call over to John for a review of our financials from 2025 in more detail. John?

D. John Srivisal

Senior Vice President & Chief Financial Officer, Tronox Holdings Plc

Thank you, John. Turning to slide 5. For the full year 2025, we generated revenue of \$2.9 billion. The year-over-year decline was driven by an unfavorable pricing and mix and lower volumes in both TiO₂ and zircon. Loss from operations was \$253 million and net loss attributable to Tronox was \$470 million. These results include \$233 million of restructuring and other charges, net of taxes, primarily related to the closures of Botlek and Fuzhou. While our loss before tax was \$458 million, our tax expense was \$15 million, primarily driven by not recognizing tax benefits in jurisdictions with losses.

Adjusted diluted earnings per share was a loss of \$1.50. Adjusted EBITDA was \$336 million. And our adjusted EBITDA margin was 11.6%. Free cash flow for the year was a use of \$281 million, including \$341 million of capital expenditures. Since we covered our key fourth quarter figures in the January 2026 pre-release, I won't spend time on the financial overview, but will instead move to the next slide to review the highlights on our commercial performance.

As John mentioned, volumes were stronger than anticipated across both TiO₂ and zircon, partially offset by continued pricing and mix headwinds. Sequentially, TiO₂ revenues increased 5%, driven by a 9% increase in volumes, partially offset by a 4% decline in price, including mix. Volumes exceeded our guidance of up 3% to 5%, reflecting continued market share gains in India, Latin America, and the Middle East, supported by antidumping measures. North America and Europe were lower, consistent with normal fourth quarter demand patterns.

Pricing was in line with expectations, down 2%, and mix accounted for an additional 2% headwind primarily due to stronger growth in regions with lower margins and seasonally lower demand in our higher margin markets. Zircon revenues increased 32% sequentially, driven by a 42% increase in volumes. This exceeded our guidance of 15% to 20%. Zircon price was down 7% quarter-to-quarter, or 10% total including mix. Revenue from other products increased 10% compared to the prior year, mainly driven by higher pig iron volumes. Sequentially, revenue from other products decreased 17% due to higher sales of heavy mineral concentrate tailings in the third quarter.

Turning the next slide, I will now review our operating performance for the quarter. Our adjusted EBITDA of \$57 million represented a 56% decline year-on-year as a result of unfavorable pricing, including mix, higher production costs, and higher freight costs, partially offset by the increase in sales volumes, exchange rate tailwinds, and SG&A savings. Year-on-year production costs were higher by \$39 million as a result of actions taken to improve cash generation. These actions were deliberate and temporary.

[indiscernible] (00:10:07) pigment and mining operating rates, idling assets, and additional downtime at Stallingborough drove unfavorable fixed cost absorption and higher idle and LCM charges. These were partially offset by savings from our cost improvement program, as John outlined earlier. Sequentially, adjusted EBITDA declined 23%. Unfavorable pricing, including mix, was partially offset by improved production costs, favorable sales volumes, and lower freight costs.

Turning the next slide. We ended the year with total debt at \$3.2 billion and net debt of \$3 billion. Our weighted average interest rate in Q4 was approximately 6%, and we maintain swaps such that approximately 77% of our

interest rates are fixed through 2028. Importantly, our next significant debt maturity is not until 2029. We do not have any financial covenants on our term loans or bonds. We have one springing financial covenant on our US revolver that we do not expect to trigger.

Liquidity as of December 31 increased to \$674 million including \$199 million in cash and cash equivalents that are well distributed across the globe that we are able to move around with little to no frictional cost. Working capital was a use of approximately \$26 million for the year, excluding \$76 million of restructuring payments related to the closure of our Botlek site. Fourth quarter working capital was a source of \$133 million, excluding \$19 million of restructuring payments, exceeding our expectations. This was driven by targeted working capital initiatives, including reducing inventory levels. This discipline around working capital will continue into 2026.

Our capital expenditures totaled \$341 million for the year with approximately 60% allocated to maintenance and safety and 40% almost exclusively dedicated to the mining extensions in South Africa to sustain our integrated cost advantage. We returned \$48 million to shareholders in the form of dividends paid in 2025. And as a reminder, Q1 is typically a seasonal use of cash due to timing of payments and a seasonal build of working capital. However, I remain confident in our ability to generate positive free cash flow for the full year 2026.

With that, I'll hand it back to John to review our capital allocation priorities. John?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

Thanks, John. Turning to slide 9, our capital allocation priorities remain unchanged and focused on cash generation. We continue investing to maintain our assets, our vertical integration, and projects critical to furthering our strategy, including rare earths. With Fairbreeze and East OFS mining spend largely behind us, we're able to reduce our capital expenditure further in 2026.

While we have some catch-up capital from delayed projects in 2025, we expect CapEx to be approximately \$260 million in the year. We continue to focus on preserving liquidity and we have plenty of liquidity to manage the business during market fluctuations. As the market recovers, we will resume debt paydown, targeting long-term net leverage of less than 3 times. We will do that the same way we navigated this downturn: by staying focused on what we can control and influence, reinforcing the business through cost reduction and cash improvement actions. While prioritizing cash as a near term trade-off to EBITDA, these actions strengthen the foundation of the company.

With that, I'd like to turn to our 2026 guidance and walk through the cash assumptions that will drive performance this year. Turning to slide 10. For the first quarter of 2026, we expect TiO₂ volumes to be relatively flat sequentially on the back of a very strong fourth quarter. We're experiencing growth in all regions with the exception of Asia, predominantly influenced by India, our second largest market. This is due to customers shifting a portion of their volumes back to China following the temporary halt of the collection of duties in late December following a court ruling. We expect this to be a short-term event as we believe there will be a favorable resolution on duties in the coming weeks, which would shift volumes back to local and Western suppliers, including Tronox.

We also expect TiO₂ pricing to be up approximately 2% to 4% sequentially, reflecting the price increases that went into effect at the beginning of the year and the continued shift in mix towards higher value regions. We expect zircon volumes to mirror the solid performance we had in the fourth quarter. Zircon pricing has stabilized in Q1 and we are optimistic that the price increases we've announced for Q2 will be implemented.

As we stated earlier, we are focused on generating cash while balancing the impact to EBITDA. We made decisions to keep the west mine down and one of our furnaces down longer than originally planned, and we also dialed back some production in Australia on the mining side of our business. These decisions reduce near-term EBITDA, but they're focused on our goal of improving working capital and generating positive free cash flow. We're also managing FX volatility on the Australian dollar and South African rand. At the current rates this translates to a \$10 million headwind in Q1 versus Q4 average rates, which has been factored into our guide.

As we've done in the past, we are actively evaluating opportunities to utilize financial hedges to manage that volatility. Partially offsetting these pressures are the savings from our sustainable cost improvement plan, which continues to gain traction and will build through the year. Taking all of this into consideration, we expect Q1 2026 EBITDA to be in the range of \$55 million to \$65 million.

Incorporated in our positive free cash flow guide for the year are the following assumptions on cash: net cash interest of approximately \$185 million, net cash taxes of less than \$10 million, capital expenditures of approximately \$260 million, and we expect working capital to be a source of cash in excess of \$100 million.

Turning to slide 11. From a broader perspective, our first quarter guidance does not fully reflect the underlying earnings potential of our business. In recent quarters, we've implemented several initiatives to enhance our cost structure, streamline operations, optimize mix, and enable improved pricing. As these measures are realized in our P&L we will generate significant benefits and establish a solid foundation for earnings growth as the recovery progresses. We believe we are at an inflection point for both TiO₂ and zircon price.

Additionally, we've outlined a number of actions we've taken over the last year to prioritize cash generation that are temporarily reducing EBITDA. One notable example is how reduced asset utilization affects absorption. As these headwinds subside and as the market continues to recover, we will realize an improvement in our cost structure.

As the most geographically diverse TiO₂ producer, Tronox is well-positioned to capitalize on the opportunity created by the rebalancing of the market, evidenced by the effect of antidumping duties and supply rationalizations in the industry. These factors establish the foundation for a meaningful step-change in earnings potential.

Turning to next slide, I'll provide a brief update on our rare earths initiative. We continued to advance our rare earths strategy during the quarter, reflecting our objective to move further downstream into separated rare earth oxides over time while maintaining capital discipline. We made meaningful progress toward a definitive feasibility study and are evaluating development pathways to prioritize returns and limit incremental leverage on our balance sheet.

Concurrently, we are engaging widely with stakeholders, including potential customers, partners, and funding sources to identify the most viable and responsible path forward. Our approach remains dedicated to generating long-term shareholder value and balancing strategic opportunities with prudent financial management. We believe that our rare earths presents a promising growth platform for Tronox, leveraging our existing mining footprint and expertise in hydro-metallurgical and chemical operations.

That will conclude the prepared remarks. I'll now move to the Q&A portion of the call. So I hand the call back over to the operator to facilitate. Operator?

QUESTION AND ANSWER SECTION

Operator: Thank you, sir. Ladies and gentlemen, [Operator Instructions] Thank you. First question will be from Josh Spector at UBS. Please go ahead.

Joshua Spector

Analyst, UBS Securities LLC

Q

Yeah. Hi. Good morning, guys. So I want to ask, if I go through your free cash flow guidance, I guess to get to breakeven, you probably need about \$350 million in EBITDA roughly. I guess, one, is that how you're thinking about it? And, two, just given where you're starting in 1Q and some of the timing lags that it takes on some of the mining costs to flow through with the lower utilizations, how do you see yourself getting to that level from here?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Yes. So maybe, Josh, thanks for the question. I'll start and I'll let John add some color. So, again, we provided a guide for the year. We haven't provided guidance for the full year. You can get to that math. So we're not providing a guide because there's still lots of variables with regards to how we're running the business. Our costs are going to be – a lot of our costs are going to be depended upon how long we keep the assets down.

On the last call, I made reference that we were going to keep our assets down and focus on cash until we got a couple of good quarters under our belt and we felt confident that the recovery was underway and we got another quarter. So, we're still progressing in that direction. But we have made some decisions to pull back on one of our furnaces a little bit longer. We've made some other decisions on mining. But, again, we're targeting \$100 million of working capital improvement and John can add some more color on...

D. John Srivisal

Senior Vice President & Chief Financial Officer, Tronox Holdings Plc

A

And I think obviously, from looking at where we guided Q1 to the rest of the year, we do see [indiscernible] (00:20:19) EBITDA expanding to get to that positive kind of free cash flow, if not more significant and that – some of that will be driven by earnings. As John mentioned, we do see the sustainable cost improvement program, which we've only seen about \$10 million or so in 2025 hitting, but that was a run rate at the end of the year of \$90 million. So we would expect to see that benefit flow throughout the year.

Additionally, as you know, we did shutdown Botlek and Fuzhou and as we see our sites, just volumes even being flat, we'll see that cost come through from a fixed cost leverage improvement throughout the year. And obviously we're focused on controlling our costs throughout the year as well. So, we do see a path to higher earnings in the second half of the year and obviously a big driver of that is price. As John mentioned, we are seeing an inflection point in both TiO₂ and zircon Q1, Q2. So that will help us as we move across the year.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

And, Josh, we referenced that I think even in the last call. On the Zircon side of the business, we had a lot of customers that were starting to get back to normal buying patterns and we saw that actually reflected in our sales in the fourth quarter. We're seeing that in the first quarter of this year. We talked about a price increase so that we have some confidence in. But both on zircon and on TiO₂, to get a price increase in the first quarter is I'd say not

normal. So, we're cautiously optimistic that the momentum we're seeing on price is going to continue to translate into additional momentum next year.

The price increases on TiO2 we've announced everywhere. So globally there's been announcements made. And, again, the implementation on those increases would be different in every region. But we feel pretty confident right now with cautious optimism that we're starting to see that recovery that we talked about last quarter.

Joshua Spector

Analyst, UBS Securities LLC

Q

Great. And if I could just follow up quickly, just on the cost side. So sequentially in fourth quarter, your production costs were actually a slight positive. I think in your answer then you talked about taking down some additional furnaces. I guess, if we look at your production cost bridge into the first quarter, is that a positive because of some of the cost actions, or is that a negative because of some of the mining actions? What should we expect there?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Let me make one quick comment and then I'll let John answer that. So we didn't take down an additional furnace. We've made a decision to keep one of the furnaces down longer than what we had originally planned. So now we're planning to keep that furnace down until mid-year. And, again, we've taken some other actions on the mining side of the business. We pulled back some of our mining production in Australia. The west mine in South Africa is now down. So, I just want to be clear, it's more mining, not necessarily on the smelting side. John?

D. John Srivisal

Senior Vice President & Chief Financial Officer, Tronox Holdings Plc

A

Yeah, no, but we do expect improvement in our operations from Q4 to Q1, a pretty significant improvement. And as we mentioned Stallingborough was down in Q4. It's up and running pretty well in Q1. So we'll see some benefit and just overall see more efficiencies and improvement throughout our portfolio. I think the one thing, if you're looking at Q4 to Q1 bridge [ph] item, I would (00:23:44) direct you to currency. So, if you look at the average rates that were in Q4 versus Q1, as we mentioned, looking at spot rates, that's about a \$10 million hurt from Q4 to Q1.

Joshua Spector

Analyst, UBS Securities LLC

Q

Okay. Got it. Thank you both.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Thank you.

Operator: Next question is from Dave Begleiter at Deutsche Bank.

David Begleiter

Analyst, Deutsche Bank Securities, Inc.

Q

Thank you. Good morning. John and John, just to go back to the prior question, looking at the [indiscernible] (00:24:13) bridge elements for this year, sustainable cost improvement and the mining cost, what are the tailwinds, the actual tailwinds you're expecting now in 2026 versus 2025 for those two bridge items for this year?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Yeah. So, I'll start on the continuous cost improvement program. Again, John kind of gave some indication on how much of that continuous cost improvement actually resulted in EBITDA in 2025. But the run rate that we have starting in the year is significantly higher than that, \$90 million when our target was \$25 million to \$35 million initially. And, again, we've got very good visibility into the projects that we're working on to continue that work. A lot of it's been fixed cost, but there's a lot of work going on across the entire company and we feel confident that this \$125 million to \$175 million target will be at the high end of that range.

There are things that are continuing to, I guess, be headwinds against that. John talked about the work that we're doing to actually offset some of the FX issues, right. So, we will be looking at hedging, but right now, that's a headwind in the first quarter. There's also, again, the cost associated with running the assets at lower rates that are a headwind. John, you want to add...

D. John Srivisal

Senior Vice President & Chief Financial Officer, Tronox Holdings Plc

A

Yeah, no, I think, David, if you recall, we did shut down Botlek in the first part of the year in first quarter, as well as Fuzhou, which we've announced early this year. But by bringing down those plants, obviously – you know our chain is pretty leverageable and integrated. And so, we were able to ramp up our other facilities. And so, that's providing a good cost improvement year-over-year from that fixed cost leverage.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

And I'd say – we made this comment last time I think on the call when we start thinking about when does the industry typically start to get pricing leverage. Those two plants that are down, we've actually kept a lot of the customers from where we were selling them. So, we're north of 85% capacity utilization now and normally when the industry gets there – I can't speak to the industry, I can speak to where we are – you start to get leverage on price. So running our pigment business at lower rates – we've talked about what that impact is on EBITDA. It's not as significant on the mining side, and the pigment business is running at much higher rates.

David Begleiter

Analyst, Deutsche Bank Securities, Inc.

Q

Understood. And just on rare earth, I know there have been some meetings over the last few weeks on establishing maybe a framework for some pricing support in the US for these minerals, which could be what you need to move forward with refinery. What's happened from your perspective and what's potential for this pricing support going forward? Thank you.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Yeah. That was I think a very positive result where it's not only the pricing support, but it's the Vault [Project Vault] that was announced. So, the strategic stockpiling. There's still some work to be done on getting finalized on what that actually will look like, and that will come with time. But we're also – to be clear, we're working in multiple jurisdictions on our rare earth opportunity. We've got assets in Australia, in the US, so we're working across a lot of jurisdictions to try to come up with what is the best opportunity for Tronox.

We're engaging with partners. We've talked about EXIM and EFA around the potential financing that we can have to fund [indiscernible] (00:27:49) leaching and cracking facility in Australia. But we're making very good progress.

I'm not at liberty to talk about who those partners are at this particular stage because we've got non-disclosure agreements, but we're making good progress. We're staffing up that group. And we do feel that this is an opportunity that we're going to turn into another, I'd say, pillar of our strategy on the long-term.

David Begleiter

Analyst, Deutsche Bank Securities, Inc.

Q

Thank you.

Operator: Next question will be from Duffy Fischer at Goldman Sachs.

Duffy Fischer

Analyst, Goldman Sachs & Co. LLC

Q

Hi. Good morning. You mentioned that the pigment level your operating rates are north of 85%. What's the plan on the mining operations this year? What operating rate do you think you'll run out there? And then relative to the benefit that you get from purchasing or you've always kind of talked about a couple of hundred dollars there, how much lower will that be this year because of that lower operating rate in mining?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Sure. So I'll start [ph] that one (00:28:51), Duffy. We've typically said \$200 to \$400 a ton advantage of vertical integration on feedstock. And I'd say we're on the lower end of that range right now. We have four furnaces in South Africa and we're running three. That's our kiln that we have in Australia we're continuing to run that capacity. We've pulled back on our mining operations. Again, we don't need as much ilmenite to feed four furnaces when we're only running three.

So we will make the decision to start the west mine back up, increase our capacity in Australia, again, when we feel confident that the positive momentum that we're seeing now turns into more of a solid recovery. And I would say that from the standpoint of where we are as far as vertical integration, I think we're still – the power of the vertical integration is still something that we believe in, but our objective this year is to generate free cash flow. And all the actions that we're taking right now are to bring our working capital down. And the closer we get to capacity on the TiO₂ side, we're going to need some of that feedstock. But right now what we're doing with the slag that we're producing is drawing down the inventory.

We're drawing down the ilmenite inventory. We're drawing down zircon inventory. And quite frankly, on the zircon side of the equation, our inventory is getting to the point where it's tight. So, as we start to think about how we're allocating volumes and we talk a little bit about price increase opportunities in zircon, a lot of that is being driven by the market from our perspective it's starting to tighten up that's going to give us an opportunity to have more confidence in those price increases in Q2.

Duffy Fischer

Analyst, Goldman Sachs & Co. LLC

Q

Great. Thanks. And then maybe just two quick ones on cash flow. If you get to your positive free cash flow this year, how would that look first half versus second half? I'm assuming you'll eat capital – or working capital in the first half and be free cash flow negative, and then release in the second half. But roughly how big a delta will that be Q1 to Q2? And then what's the run rate spend on the rare earths project currently?

D. John Srivisal

Senior Vice President & Chief Financial Officer, Tronox Holdings Plc

A

Yeah. So, if you look at our working capital and free cash flow progression across the quarters, we expect this year Q1 to be roughly the size and scope of what we would have done in the past several years. So, pretty significant use of it. And then we do claw back going across the year. And so significant use – most of the use if not all of the use in Q1, and then free cash flow positive for the rest of the year.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Again, on the rare earths, I mean, again, you look at our capital projection for this year, \$260 million, which is significantly lower than it was last year. There is not a lot of CapEx at this particular stage that's in that forecast. So, again, we're looking at a variety of different funding sources for that. We're working on the definitive feasibility study. We've added some people into that group to continue to progress that work forward. But as of right now, there's not a significant amount of capital on that rare earth piece yet.

Duffy Fischer

Analyst, Goldman Sachs & Co. LLC

Q

Great. Thank you, guys.

Operator: Thank you. Next question is from Jeff Zekauskas at JPMorgan. Please go ahead.

Jeffrey J. Zekauskas

Analyst, JPMorgan Securities LLC

Q

Thanks very much. Can you remind us what the volume change was in TiO2 for the year for Tronox? Were you down about a couple of percent? And in that context, did the global TiO2 industry contract a little bit in 2025? And if it did, by how much, in your opinion?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Yeah. Thanks, Jeff. Your estimates on volumes 2024 and 2025 are pretty close. And I would say probably the market was somewhat similar to that. Again, it was I'd say maybe a little bit more of a tale of what happened in the first and second quarter versus what happened in the third and fourth quarter. And again in the fourth quarter, we saw a significant increase. I think we were targeting 3% to 5% increase in volumes. We were up 9%. A significant amount of that was actually coming from volumes that came in Asia, predominantly in India. And a lot of that came from a shift in market share as a result of the antidumping duties.

So, we picked up volume in the Middle East, specifically in Saudi Arabia. We picked up volume in Brazil. And we picked up volume in India. And I made reference on the call about the shift in the first quarter. So, in the fourth quarter, the duties were stayed, but they were still being collected. In the middle of December, a court ruling came which eliminated the requirement for those duties to be collected. So now you've got a shift of customers in India that are starting to buy more from China. We're still selling in India, but the volume between Q4 and Q1 is down. But we would expect that the antidumping duties are going to be reinstated. And once that happens, we'll see that shift back to local producers, Western producers, including Tronox.

Jeffrey J. Zekauskas

Analyst, JPMorgan Securities LLC

Q

Okay. You've spoken of TiO2 prices as being at an inflection point. And when you look at the global coatings industry in Europe, China, and the United States, it doesn't seem as though there is much volume growth. Maybe it's up a tiny bit or down a tiny bit or flat. So, what is it that makes us at an inflection point in TiO2, given the soft demand background?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Well, I think one thing you've got to reference is that, since 2023, you've had 1.1 million tons of capacity go away. So any movement towards a regular buying pattern where people were driving down inventories created a significant shift. Then you've got the antidumping duties, which are also helping that. So I wouldn't disagree with you that there hasn't been a significant move in demand. A lot of this has been structural shifts based on a lot of the proactive work that we've been doing as an industry to try to get the business in a profitable place.

That being said, when we look into the first quarter, we're seeing volume growth in every region except Asia, specifically India, as I just mentioned. And we're starting to see coating season which is normalized. And, again, I made this point on the last call. If you think about the duty affected areas at the peak of exports from China into those areas – so Europe, Brazil, India, and Saudi Arabia – that's about 800,000 tons of exports from China. And again, I made this comment last time, use the US as a proxy when the Trump 301 tariffs went into place back in 2019, you have a 900,000 tons per year market where only 20,000 tons of TiO2 is being exported from China.

So I'm not assuming it's going to go to that. But if you think about let's just say there's half of that volume, half of that 800,000 tons gets distributed to other suppliers, it's reasonable to assume that we would get at least 25% of that. So, it's 100,000 tons, and at that rate, we're sold out. We're selling more than we're making with our new footprint. And we redistributed our products so that we can continue to service the customers that came out of Botlek, probably not so much in China, because we exited that market because it just wasn't profitable.

Jeffrey J. Zekauskas

Analyst, JPMorgan Securities LLC

Q

Okay. Great. Thank you very much.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Thank you.

Operator: Next question will be from John McNulty at BMO Capital Markets. Please go ahead.

Caleb Boehnlein

Analyst, BMO Capital Markets Corp.

Q

Hey. Good morning. This is Caleb on for John. So I have a couple quick follow-ups. So, I think it was Josh's question earlier, the production cost quarter-over-quarter. Do you expect that benefit to grow sequentially throughout the year, or did I kind of like misconstrue what you were saying earlier?

D. John Srivisal

Senior Vice President & Chief Financial Officer, Tronox Holdings Plc

A

Yeah. I think, so some of it related to some improvements in our operating sites which were challenged in Q4. I think, as we've mentioned to Stallingborough's perspective, so we do see our sites operating at a decent clip in

Q1. So shouldn't see a huge increase from operating well at higher rates. We are ramping up some plants a bit more, so you'll see some of that. But a big driver is the sustainable cost improvement program that we'll see get larger throughout the year.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

So from Q4 to Q1, it had a lot to do with the higher costs rolling into our balance sheet from the outages that we had. But when you think about it on the TiO2 basis, I'm not going to share our budget with you, but our costs were relatively flat throughout the year, with the forecast that we currently have with running our mining operations at lower rates in the first half of the year than we are in the second half of the year, if we start to ramp up in the second half of the year, costs will go down on the mining side of the business.

Caleb Boehnlein

Analyst, BMO Capital Markets Corp.

Q

Got you. Okay. That's helpful. And then what exactly are you thinking for the base case for US and the Chinese housing market for this year? That's embedded in kind of your free cash flow guide for the year?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Yeah. Look, it's a great question. And I know a lot of the customers that we sell to are companies that you follow. I think a lot of it in the US is going to depend on interest rates. So, what I can say is that our volumes that we're forecasting right now for the year do not assume a significant swing up on the construction side of the business.

Volumes are being driven a lot by the activities that were put in place for the structural shift on antidumping. There is some growth. We're seeing seasonal improvement in Europe and in North America this year, similar to what we saw last year in the first quarter. And last year in the first quarter, we had a pretty good bump up in our sales. The reason it's not bumping up this quarter is because we're coming off of a very strong fourth quarter.

So, there's been a lot of investment in Germany. Germany spending a lot of time trying to figure out how they can re-engage that economy. So we're hopeful that the economy is going to pick up and we'll see a swing in the construction market. But we're not planning on that being a crutch to lean on all year long.

Caleb Boehnlein

Analyst, BMO Capital Markets Corp.

Q

Okay. That's helpful. Thank you. I'll turn it over.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Thank you.

Operator: Next question will be from Peter Osterland at Truist Securities. Please go ahead.

Peter Osterland

Analyst, Truist Securities, Inc.

Q

Hey. Good morning. Thanks for taking the questions. For TiO₂, what are dynamics around mix that you're expecting in the first quarter? On a year-over-year basis, is mix expected to be a headwind? And what are the major drivers there? Thank you.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Well, Q4 to Q1, mix will be a tailwind on price. So as I mentioned, Asia was – we saw a lot more in Asia and there were some lower margin sales in Asia in the fourth quarter. India sales in the first quarter are down for reasons that I explained. And we're seeing a seasonal build in Europe and in the US, which typically yields higher margins. So, when I reference first quarter, we're implementing price increases. We estimate those price increases to be 2% to 4%, that's a mix between actual price increases and the positive mix that we're getting from selling into higher-priced markets.

Peter Osterland

Analyst, Truist Securities, Inc.

Q

Very helpful. Thank you. And then just as a follow-up, on the potential for higher zircon pricing beginning in the second quarter, could you just size approximately the price increase that you're targeting? And are you seeing market dynamics that are favorable enough to potentially support continued price recovery beyond the second quarter?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

So, we're negotiating with a lot of different customers. I can't provide you with specifics on price, but I can say that I've got a high level of confidence based on what we're seeing right now that the increases that we're working on for Q2 will start to be implemented. And if the market continues to be tight – and again, I made reference that our volumes or our inventories getting lower, we had a strong fourth quarter again. First quarter is going to be a mirror image of that. So I would expect that the industry is going to continue to get tight.

We're also starting to see buying patterns from customers where they had destocked, they're restocking and back to normal buying patterns and we have seen, I think on the last call I said we'd started to see some positives on the zircon side of the business everywhere except China. Now we're starting to see some positive moves on the Chinese consumption. So, it's a bit early for me to give you an annual guide, but I have confidence that, for lots of reasons, price momentum will continue beyond Q2. But that's still a bit early to call that definitively.

Peter Osterland

Analyst, Truist Securities, Inc.

Q

Great. Thanks a lot.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Thank you.

Operator: Next question will be from Frank Mitsch at Fermium Research. Please go ahead.

Frank J. Mitsch

Analyst, Fermium Research

Q

Hey. Good morning, John. Listen, I mean, when I see something like 13% volume growth at the same time the price is down 8%. Macro 101 suggests that there's a price war breaking out and people are using price to grab volumes. You've been outlining why that's not the case. But what are you seeing on behalf of the industry as a whole? You're announcing price increases. It takes two to tango. Is there some resolve in the industry, you believe, and some price discipline, given that we're at pretty low profitability levels? Any color there would be very helpful.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Yeah. It's a great question, Frank. Thanks. Again, I can't speak to everybody. What I can tell you is what I hear in the industry, and that's everybody is announcing price increases. So we aren't on an island. And, again, for us to be getting traction on prices, others need to be pushing. China has made some announcements. Question is, will they implement those price increases?

There's other things that are going on as well. I mean, we talk a lot about antidumping. I mean, there's some activity going on to try to increase those duties in Europe but the reality is profitability in the industry when you look at the third, fourth quarter EBITDA announcements by the publicly-traded companies, there wasn't a lot of EBITDA there. And I can't presuppose what's going to happen when other announcements happen. But I think the industry needs to get back to a profitable place.

So part of it has to do with profitability, but at the end of the day, there has to be – to your point, it does take two to tango and you can't be on an island. I do believe that the industry is moving towards price increases. I can't speak to exactly what that will look like, but I do think that based on what we're hearing, we're not the only one announcing increases.

[indiscernible] (00:45:11)

D. John Srivisal

Senior Vice President & Chief Financial Officer, Tronox Holdings Plc

A

[ph] And I'd say (00:45:12) one contributing factor that with respect to our Chinese competitors is sulfur prices have gone up significantly. If you take a look at where they were since mid – at mid-2025, they're up 70%. So they are facing a big headwind on raw material costs.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Yeah. I think it's a good point because it's not just Chinese, it's anybody that makes TiO₂ on the sulfate base, so it's all the European sulfate producers. And John made that point it's up 70% since July of last year. Since the beginning of 2025, it's up 160%. And that's not sustainable. It has a lot to do with the Ukraine-Russia war, but there's lots of reasons why prices need to move. But the point you made is the most valid one, Frank, and that is it all depends on how the competition work, and I can't speak exactly to that other than we're not the only one announcing increases.

Frank J. Mitsch

Analyst, Fermium Research

Q

That's very helpful color. And I appreciate the breakouts on slides 6 and 7 in terms of in terms of what drove sales and what drove EBITDA. What jumped out at me was volumes sequentially increasing \$56 million on the top line,

but \$2 million on the bottom line sequentially. I was wondering if you could speak to the incremental margins on volume growth and what your expectations are there?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Great question. And, again, a lot of that has to do with a lot of the sales that we had – or a lot of the sales growth we had in the fourth quarter. I would say the variance between the 3% to 5% guide that we had and the that we actually achieved had a lot to do with where we sold it and a lot of that was in Asia. A significant portion of it was in India. Again, we're still competing with the Chinese over there, so it had a lot to do with where we're selling. So when we think about the volumes shifting in the first quarter, it's shifting away from those markets. And that's why part of our margin improvement in the first quarter is being driven by mix and that's regional mix in addition to price increases.

Frank J. Mitsch

Analyst, Fermium Research

Q

Terrific. Thanks so much.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Thank you, Frank.

Operator: Next question will be from Vincent Andrews at Morgan Stanley. Please go ahead.

Justin Pellegrino

Analyst, Morgan Stanley & Co. LLC

Q

Good morning. This is Justin Pellegrino on for Vincent. I was just hoping you could describe the next process in kind of the antidumping duties story here. What's the approach to take share from other Western suppliers for share that had originally been ceded to the Chinese? And then, are there any other markets that you're watching for potential antidumping duty measures in the future? Thank you.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Yeah. I'll start with the last question. And I would say anywhere where there's TiO₂ production, there's probably work underway to look at antidumping. I can't go into any specifics, and this is a shifting tide. And as I mentioned before, in Asia, China's largely saturated that market. But there's other areas where TiO₂ is produced and there's a work underway in every one of those regions on antidumping.

Could you restate your first part of the question again. Sorry. Make sure I answer that one?

Justin Pellegrino

Analyst, Morgan Stanley & Co. LLC

Q

Absolutely. I was just kind of curious as we've seen these antidumping duties put in place, now that they're largely in place, what's the approach to take share from other Western suppliers that was originally share that was ceded to the Chinese? Is that largely a price dynamic, or are there other competitive actions that you can take to try and gain share?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

From other Western suppliers, I would say the majority of what we're doing with antidumping is actually taking share from China. So, again, when we think about our marketing plan, there's areas that are strategic for us and we'll continue to grow in those markets. But antidumping is largely going to be a structural shift where we're taking the share that [indiscernible] (00:49:20) that we basically lost to China as they were dumping. Not to say that we don't compete with all the other Western suppliers; we do. But antidumping isn't really driving an opportunity for us to go out and do anything other than recapture share that the Chinese actually had taken based off of very low dumping prices.

Justin Pellegrino

Analyst, Morgan Stanley & Co. LLC

Q

Thank you.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Thank you.

Operator: Next question will be from Roger Spitz, Bank of America. Please go ahead.

Roger Spitz

Analyst, BofA Securities, Inc.

Q

Thank you very much and good morning. And maybe you said it and I missed it, but if you exclude – for TiO2 price for Q4 on a year-over-year basis or sequential basis, if you exclude the regional mix, which was an adverse mix, what was TiO2 pricing? Was it essentially flat?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

It was down 2% and that...

[indiscernible] (00:50:12)

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

...forecasted.

Roger Spitz

Analyst, BofA Securities, Inc.

Q

Okay.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Yeah. The other 2% was mix.

Roger Spitz

Analyst, BofA Securities, Inc.

Q

Okay. And the Stallingborough downtime, did you provide an EBITDA impact in Q4 from that?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

About \$11 million.

Roger Spitz

Analyst, BofA Securities, Inc.

Q

Got it. And lastly for me, have you or can you say what is the total fixed cost savings of having shut Botlek and Fuzhou on an annual basis?

D. John Srivisal

Senior Vice President & Chief Financial Officer, Tronox Holdings Plc

A

Yeah. So, as we've – for Botlek's perspective, we've mentioned that longer-term our fixed cost leverage would be about \$30 million of savings. And then Fuzhou would be about \$50 million on savings.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

And just to be clear, maybe on that Stallingborough comment, that outage is behind us.

Roger Spitz

Analyst, BofA Securities, Inc.

Q

It's all – yes, got it. Thank you very much for your time.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Thank you.

Operator: Next question will be from John Robert at Mizuho. Please go ahead. Please go ahead, Mr. Robert.

John Roberts

Analyst, Mizuho Securities USA LLC

Q

Sorry, I was on mute. Should we think about normal seasonal sequential volumes after the March quarter? It's obviously been pretty volatile and unusual seasonality in the last couple of quarters. But is that in your mind kind of when we normalize again?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Yeah. I would say even in the fourth quarter, when you look – I mean, the first quarter when we think about seasonal volumes, I made a reference that you look at Europe and North America that Q4 to Q1 growth is pretty similar to what we saw last year. And that was an uptick, And we're forecasting normal seasonal growth. But to the extent we see more of a pickup in demand and it's not just a structural shift, then you could get a bit of a

higher bump on that. But I think a lot of that's going to depend on the housing market and what happens with interest rates. But short answer is, yes, we'd see more of a normal shift in seasonal demand.

John Roberts

Analyst, Mizuho Securities USA LLC

Q

And could you share any updated thoughts on the proposed China acquisition of the idled UK TiO2 plant?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

I can tell you that there's a lot of work going on there, there was an article that came out earlier this week. CMA is obviously investigating that. I think on the last call we said that it's not a slam dunk. That's still a work in progress. And I can't give you clear visibility on what's going to happen there, but there's a lot of I'd say activity going on around that acquisition, and there's been no decision on how that's going to be concluded yet.

John Roberts

Analyst, Mizuho Securities USA LLC

Q

Thank you.

Operator: Next question comes from Aaron Rosenthal at JPMorgan Chase. Please go ahead.

Aaron Rosenthal

Analyst, JPMorgan Securities LLC

Q

Hey. Good morning. Thanks for the call. Is your definition of cash flow that's being referenced both on the call and in the slides defined as cash from ops plus CapEx; or is there an adjusted cash flow definition that we should think about? And on same front, what are your expected cash restructuring charges this year?

D. John Srivisal

Senior Vice President & Chief Financial Officer, Tronox Holdings Plc

A

Yeah, no, that's correct. It's free cash flow after – basically before the dividend and other debt movements. And then from a restructuring charge perspective, the vast majority of the Botlek restructuring charges were hit in 2025. So, we do see a significant reduction, just about \$6 million left there. And then, China, we expect about \$15 million or so of restructuring charges related to that. So overall, over a \$50 million improvement on a cash basis year-over-year.

Aaron Rosenthal

Analyst, JPMorgan Securities LLC

Q

Okay. Great. And then just looking at liquidity and thinking about the cash flow bridge. So, 1Q cash burn, that make sense. 2Q, maybe flattish. And then implied 2H cash generation. But as we think about effective liquidity pro forma at 3/31 or into the second quarter, it seems like it'll be very light and with very little margin of error. Are you entertaining any additional sources of liquidity in the near-term? Equity's up a lot [ph] lately (00:54:37)...

D. John Srivisal

Senior Vice President & Chief Financial Officer, Tronox Holdings Plc

A

Yeah, so...

Aaron Rosenthal

Analyst, JPMorgan Securities LLC

Q

...secured bonds are at par. The market loves [indiscernible] (00:54:40). It seems like right now it'd be a very opportunistic time.

D. John Srivisal

Senior Vice President & Chief Financial Officer, Tronox Holdings Plc

A

Yeah. So we've ended the year with \$674 million of liquidity. So, we believe that is a strong and sufficient amount of liquidity [ph] to lever or to (00:54:54) manage through any cycle. We said in the past that we can operate as low as \$200 million or so of liquidity. We like to go into Q1 with over \$300 million as that is the biggest use for us. So we're more than double the position of even being comfortable at the – in a reasonable range. And so we're just focused running the business, managing – pulling levers that we can. But as we expect to generate significant amount of free cash flow in the rest of the year after Q1, we think we're in a solid position.

Aaron Rosenthal

Analyst, JPMorgan Securities LLC

Q

Great. And if I could sneak maybe one more in. I think beyond the primary cash flow revolver, there's a handful of other smaller facilities. I think there's one that was up for renewal. I think it was maybe \$50 million or \$60 million in 2026. Is the expectation that you are going to renew and extend that?

D. John Srivisal

Senior Vice President & Chief Financial Officer, Tronox Holdings Plc

A

Yes, we normally get those renewed every year. We have a couple of facilities, the UK and Saudi, that we get renewed.

Aaron Rosenthal

Analyst, JPMorgan Securities LLC

Q

Great. Thank you.

Operator: Next question will be from Hassan Ahmed at Alembic Global. Please go ahead.

Hassan I. Ahmed

Analyst, Alembic Global Advisors LLC

Q

Good morning, John. John, obviously a lot of comments made about volume growth in 2026 year-on-year and then obviously expecting a positive titanium dioxide sort of pricing inflection. So just wanted to sort of bring all of those factors together and seek some clarification. Look, I mean, my understanding is – and correct me if I'm wrong – that you guys obviously had a very strong Q4 volume-wise, right. So even if the market does not demand-wise grow that much this year, just for Tronox in particular, the sort of market share gains from antidumping and the like should put you in a very decent position to show meaningful volume growth year-on-year. So first part of that question is, is that fair to assume? And then obviously restocking and maybe growth in the market would just be gravy from a volume perspective.

And then alongside that, on the pricing side of things, it just seems that towards the end of last year, pricing got a bit sloppy. You had a bankruptcy out in England. There were this chatter about inventory being sold at below market pricing and the like. So, a combination of maybe the absence of that and a lot of folks not making EBITDA, is that really what's driving your confidence in terms of getting pricing in Q1 and beyond?

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Thanks, Hassan. I think I'll start with your first part of your question, and you're exactly right. We're not forecasting a tremendous amount of demand growth. It has a lot to do with the restructuring of the business. And, again, I made that reference [indiscernible] (00:57:59) if China keeps half the exports that they were exporting at the peak, and we get 25% of that 400,000 tons for us, and very quickly we're sold out. To the extent market demand improves, then that's going to be additional volume us. So we're not banking on a significant recovery, although as I mentioned last quarter, the market will recover. I can't specify exactly but we're starting to see seasonal trends that will lend itself towards supporting that. So agree with everything you said from a demand perspective.

On the pricing side of the equation, I would agree with you as well. There were a lot of reasons why pricing should not have gone down in the fourth quarter. It did. We're starting to not only announce increases. We're implementing them in the first quarter. And kind of going back of the question Frank had earlier, you can't do that if you're an island. If you're the only one raising pricing and there's a supply/demand that's out of balance, then it's hard to do that. So, I would agree with that. And again, you start to think about the recovery, the recovery is going to be an inflection that will be a bit different because there is a lot of Western supply that's just not there anymore because it's permanently closed.

Every single Western supplier has closed plants. We've closed two. And one supplier doesn't even exist anymore. And it wasn't like they weren't a good supplier. So I would agree with everything that you said. And if the market picks up and interest rates start to move and housing moves in the right direction, that will only be a catalyst for higher pricing.

Hassan I. Ahmed

Analyst, Alembic Global Advisors LLC

Q

Very helpful. And as a follow-up, obviously everything pointing towards 2026 certainly being a better year than 2025. And hopefully things cycling up there on after. I mean, with that said, where do we stand in terms of rationalization? I know you talked about it in prior calls, even on this call that 1.1 million ton figure of sort of capacity shutdowns since 2023. I mean, with this sort of improving backdrop, I mean, what are your thoughts about further rationalizations, particularly as they pertain to China? I keep sort of thinking through at least 20 facilities in China being less than 50,000 tons. So how does the whole sort of anti-involution thing play in? And further rationalization happen if indeed the environment is getting a bit better.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Yeah. It's another good question. The closure of our Fuzhou plant was not an easy decision and it wasn't as if it was low on the profitability wheel in China. We don't get subsidized, but it's a great question. I would have thought capacity would have closed already. And to the extent these antidumping initiatives continue to expand, as we believe they will outside the regions they're already implemented in, you're going to have to see some kind of rationalization.

And again, is it going to be in China? Will it be outside of China? I think there could be a mixture of both. I can't tell you how long sulfur prices are going to be up, but that is a significant headwind in the industry right now. Price is up in, 12 months, almost 160%. That's not sustainable. It takes about 1.3 tons of sulfur to make a ton of pigment. So, you do the math, it's a lot of money.

So, I would expect, if the market continues to recover quickly, maybe you won't see as much. If it takes a bit longer to recover, you might see more rationalization. And China is still kind of an unknown. I would have expected more capacity to come out already.

Hassan I. Ahmed

Analyst, Alembic Global Advisors LLC

Q

Very helpful, John. Thank you so much.

John D. Romano

Chief Executive Officer & Director, Tronox Holdings Plc

A

Thank you.

Operator: Ladies and gentlemen, this concludes the question-and-answer portion as well as our conference call for today. We would like to thank you for attending and ask that you please disconnect your lines. Enjoy the rest of your day.

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