Chemours™

The Chemours Company Reports Fourth Quarter and Full Year 2016 Results
Transformation Plan Delivering Earnings Improvement and Reduction in Net Leverage

Fourth Quarter 2016 Highlights

- Net Sales of $1.3 billion
- Net Loss of $230 million, or ($1.26) per diluted share, including pre-tax items such as: PFOA settlement charge of $335 million, impairment charges of $13 million and additional restructuring costs of $11 million
- Adjusted EBITDA of $239 million
- Adjusted Net Income of $15 million, or $0.08 per diluted share, including ~$50 million tax valuation allowance

Full Year 2016 Highlights

- Net Sales of $5.4 billion
- Net Income of $7 million, or $0.04 per diluted share, including pre-tax items such as: gain on asset sales of $254 million, PFOA settlement charge of $335 million, impairment charges of $119 million and restructuring costs of $51 million
- Adjusted EBITDA of $822 million
- Adjusted Net Income of $187 million, or $1.02 per diluted share, including ~$50 million tax valuation allowance

Other Highlights

- Reduced costs by approximately $200 million in 2016 through transformation initiatives
- Improved cash from operating activities by ~$412 million in 2016
- Retired $385 million of long-term debt through December 31, 2016
- Net debt of $2.6 billion, ~3.3 times net debt-to-EBITDA

Wilmington, Del., February 15, 2017 – The Chemours Company (Chemours) (NYSE: CC), a global chemistry company with leading market positions in titanium technologies, fluoroproducts and chemical solutions, today announced financial results for the fourth quarter and full-year 2016.

Chemours President and CEO Mark Vergnano said, “2016 was about transformation; our five-point transformation plan delivered results on all fronts – cost reductions, portfolio rationalization, growth opportunities, focused capital investments and cultural change. We achieved our $200 million cost reduction target, and generated substantial proceeds from asset sales. At the same time, we optimized our TiO_2 manufacturing capabilities and capitalized on the Opteon™ refrigerant growth opportunity. In addition, the recent agreement with DuPont mitigates the uncertainty around potential outcomes of the PFOA multi-district litigation. Between our strong business performance and the recent PFOA settlement, we significantly improved our earnings and liquidity profile, and strengthened the company by reducing debt and addressing a key contingent liability – all good results for our shareholders.”

Fourth quarter net sales were $1.3 billion, a decrease of 3 percent from $1.4 billion in the prior-year quarter, primarily due to portfolio changes. Fourth quarter net loss was $230 million, or ($1.26) per diluted share, versus a net loss of $86 million, or ($0.48) per diluted share in the prior-year quarter. The net loss in 2016 was primarily due to a PFOA settlement charge of $335 million recorded in the quarter. Adjusted EBITDA for the fourth quarter was $239 million versus $132 million in the prior-year quarter. Fourth quarter results were driven by improved average prices in Titanium Technologies, increased Opteon™ adoption, and continued progress on cost reductions that were partially offset by the impact of portfolio changes within Chemical Solutions.

Sequentially, sales declined 5 percent to $1.3 billion in the fourth quarter. Fourth quarter net loss was $230 million, or ($1.26) per diluted share, which included the $335 million PFOA settlement charge, versus the third quarter net income of $204 million or $1.11 per diluted share, which included a $169 million gain on asset sales. The sales decline was driven by lower seasonal volumes in Titanium Technologies, a decline in base refrigerant volumes due to quotas, and the effects of divestitures within Chemical Solutions. Fourth quarter Adjusted EBITDA was $239 million versus $268 million in the third quarter of 2016. The decline was primarily related to the seasonal demand reductions in Titanium Technologies and Fluoroproducts along with the impact from Chemical Solutions portfolio changes.

Full-year 2016 net sales were $5.4 billion, a decrease of 6 percent from $5.7 billion in 2015, primarily due to the impact of divestitures and a lower average price year-over-year in Titanium Technologies. Net income for the year was $7 million, or $0.04 per diluted share, versus net loss of $90 million, or ($0.50) per diluted share in the prior year. Net income in 2016 reflected improved business performance partially offset by the $335 million PFOA accrual related to the multi-district litigation (MDL) settlement, which was recorded in the fourth quarter. Adjusted EBITDA for 2016 was $822 million versus $573 million in the prior year, an increase of 43 percent. The increase was largely driven by strong Opteon™ growth and benefits from cost reductions despite portfolio changes and lower year-over-year average price of TiO_2.

Titanium Technologies

In the fourth quarter, Titanium Technologies segment sales were $623 million, a 6 percent increase versus the prior-year quarter. Improved year-over-year global average TiO_2 pricing increased net sales by 8 percent. Lower year-over-year volume within other derivative products reduced sales by 2 percent, while TiO_2 volume was flat versus last year's fourth quarter. Segment Adjusted EBITDA was $157 million, which more than doubled over the prior-year quarter. Benefits of lower raw materials and cost savings and price increases drove the improvement in Adjusted EBITDA.

Sequentially, sales were relatively flat versus the third quarter of 2016 while Adjusted EBITDA increased $13 million, or 9 percent. Volume declined 3 percent, in line with typical seasonal trends, which was offset by improvement in price. The higher Adjusted EBITDA was primarily due to global average price increases and better utilization resulting in lower costs.

Annually, Titanium Technologies sales were $2.4 billion, a 1 percent decline, driven by 3 percent lower average annual price versus the prior year. Segment Adjusted EBITDA for 2016 was $466 million, up 43 percent in comparison to the prior year. Cost reductions and higher volumes more than offset the lower average pricing for the year.

Fluoroproducts

Fluoroproducts segment sales in the fourth quarter were $569 million, an increase of 10 percent versus the prior-year quarter. Strong demand for Opteon™ refrigerants was somewhat offset by lower prices and unfavorable mix within fluoropolymers, as well as the timing of base refrigerant quota sales earlier in the year. Segment Adjusted EBITDA was $111 million, a 39 percent improvement versus the prior-year quarter. The continued ramp up of Opteon™ refrigerants demand more than offset unfavorable pricing and mix within fluoropolymers.

Sequentially, sales and Adjusted EBITDA declined 4 percent and 22 percent, respectively, versus the third quarter of 2016. Continued strength in sales of Opteon™ refrigerants was offset by timing of base refrigerant sales as well as the effects of normal seasonality.

For the 2016 fiscal year, Fluoroproducts sales improved 1 percent to $2.3 billion on increased volume of Opteon™ refrigerants and fluoropolymers. Unfavorable pricing and mix due to competitive pricing pressure within fluoropolymers products as well as lower volume in base refrigerants driven by phase downs partially offset the improvement in volume. Segment Adjusted EBITDA for 2016 was $445 million, up 48 percent versus the prior year as a result of increasing adoption of Opteon™ technology and cost reductions.

Chemical Solutions

In the fourth quarter, Chemical Solutions segment sales were $130 million, a 49 percent decline versus the prior-year quarter. Lower sales were driven by portfolio changes executed throughout the year, including the sale and shutdown of certain businesses. Segment Adjusted EBITDA was $9 million, $7 million below the prior-year quarter, primarily due to the impact of portfolio actions.

Sequentially, sales decreased $52 million versus the third quarter of 2016, primarily due to the impact of portfolio changes. Adjusted EBITDA was flat on lower costs as a result of transformation plan activities, which offset the loss of earnings due to portfolio changes.

Chemical Solutions sales were $772 million in 2016 versus $1.1 billion in the previous year as a result of portfolio impacts and the effect of lower raw materials costs on pass-through contractual prices. Segment Adjusted EBITDA was $39 million, an improvement of 34 percent versus 2015 as a result of transformation plan cost reductions and lower raw material pricing.

Corporate and Other

In connection to the global settlement in principle of the Ohio PFOA MDL by DuPont, DuPont and Chemours agreed to each pay $335.35 million of the $670.7 million global settlement amount. Both companies also agreed to a sharing of potential future PFOA costs not covered by the global settlement during each of the five years following the effectiveness of the settlement.

Corporate and Other represented a negative $38 million of Adjusted EBITDA. The $335 million PFOA settlement charge was excluded from Corporate and Other. However, it is reflected in Selling, General and Administrative Expense. Outside of the accrued PFOA costs, higher expenses were primarily related to increased legal costs and performance-related compensation adjustments incurred in the quarter. For the fiscal year, Corporate and Other represented a negative $128 million of Adjusted EBITDA versus a negative $82 million in the prior year.

The company received a net cash tax refund of $4 million in the quarter and made net cash tax payments of $50 million for the full year. The company expects its cash tax rate to be in the mid- to high-teens on a percentage basis for the full-year 2017, taking into consideration the company's anticipated geographic mix of earnings and the impact of Chemical Solutions portfolio changes during the year.

Liquidity

As of December 31, 2016, consolidated debt was $3.5 billion. Debt, net of cash, was $2.6 billion, resulting in a 2016 net debt-to-EBITDA ratio of approximately 3.3 times. Cash balances were $902 million at December 31, 2016. During 2016, the company retired approximately $385 million of long-term debt, expected to result in approximately $20 million of savings annually from lower interest obligations.

Operating cash flow for the fourth quarter was $269 million, versus $302 million in the previous year quarter. Free Cash Flow for the fourth quarter was $166 million, down $9 million versus the previous-year quarter. Working capital[1] performance for the full-year improved by $176 million, primarily driven by inventory reductions. The full-year Free Cash Flow improvement of $593 million was due to higher cash from operations and lower capital spending versus 2015.

[1]*Excluding the impact of the $335 PFOA settlement charge*

Outlook
"We are very proud of what we have achieved so far with our Five-Point Transformation Plan as our roadmap," Vergnano commented. "We completed our strategic review of the Chemical Solutions portfolio, delivered approximately $200 million in structural cost savings this year, and are targeting an additional $150 million of cost savings."

Vergnano added, "We expect transformation plan savings, an improving pricing environment for TiO_2 and increased Opteon™ refrigerants adoption to remain drivers of our growth. We recognize we have some headwinds in our Fluoroproducts segment and will need to offset the EBITDA lost from our divestitures. With these factors in mind, we expect to generate greater than $1 billion in Adjusted EBITDA in 2017, deliver positive free cash flow, and achieve our net leverage target of less than 3 times. We have begun the year with solid momentum and believe that Chemours is well positioned for the future."

Conference Call
As previously announced, Chemours will hold a conference call and webcast on Thursday, February 16, 2017 at 8:30 AM EDT. The webcast and additional presentation materials can be accessed by visiting the *Events & Presentations* page of Chemours' investor website: investors.chemours.com. A webcast replay of the conference call will be available on the Chemours' investor website.

About The Chemours Company
The Chemours Company (NYSE: CC) helps create a colorful, capable and cleaner world through the power of chemistry. Chemours is a global leader in titanium technologies, fluoroproducts and chemical solutions, providing its customers with solutions in a wide range of industries with market-defining products, application expertise and chemistry-based innovations. Chemours ingredients are found in plastics and coatings, refrigeration and air conditioning, mining and oil refining operations and general industrial manufacturing. Our flagship products include prominent brands such as Teflon™, Ti-Pure™, Krytox™, Viton™, Opteon™, Freon™ and Nafion™. Chemours has approximately 7,000 employees and 26 manufacturing sites serving approximately 4,000 customers in North America, Latin America, Asia-Pacific and Europe. Chemours is headquartered in Wilmington, Delaware and is listed on the NYSE under the symbol CC. For more information please visit chemours.com.

Non-GAAP Financial Measures

We prepare our financial statements in accordance with Generally Accepted Accounting Principles ("GAAP"). Within this press release, we make reference to Adjusted Net Income (Loss), Adjusted Diluted Income (Loss) per share and Adjusted EBITDA and Free Cash Flow, which are non-GAAP financial measures. Free Cash Flow is defined as Cash from Operations minus cash used for PP&E purchases. The company includes these non-GAAP financial measures because management believes they are useful to investors in that they provide for greater transparency with respect to supplemental information used by management in its financial and operational decision making.

Management uses Adjusted Net Income (Loss), Adjusted Diluted Income (Loss) per share, Adjusted EBITDA and Free Cash Flow to evaluate the company's performance excluding the impact of certain non-cash charges and other special items which we expect to be infrequent in occurrence in order to have comparable financial results to analyze changes in our underlying business from quarter to quarter.

Accordingly, the company believes the presentation of these non-GAAP financial measures, when used in conjunction with GAAP financial measures, is a useful financial analysis tool that can assist investors in assessing the company's operating performance and underlying prospects. This analysis should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. This analysis, as well as the other information in this press release, should be read in conjunction with the company's financial statements and footnotes contained in the documents that the company files with the U.S. Securities and Exchange Commission. The non-GAAP financial measures used by the company in this press release may be different from the methods used by other companies. For more information on the non-GAAP financial measures, please refer to the attached schedules or the table, "Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures" and materials posted to the website at investors.chemours.com.

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Forward-Looking Statements

This press release contains forward-looking statements, within the meaning of the federal securities laws, that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. The words “believe,” “expect,” “anticipate,” “plan,” “estimate,” “target,” “project” and similar expressions, among others, generally identify “forward-looking statements,” which speak only as of the date the statements were made. These forward-looking statements address, among other things, our agreement with DuPont relating to the Settlement, resolution of environmental liabilities, litigation and other contingencies, anticipated future operating and financial performance, business plans and prospects, transformation plans, cost savings targets, plans to increase profitability and our outlook for Adjusted EBITDA, free cash flow and target net leverage that are subject to substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Forward-looking statements are based on certain assumptions and expectations of future events which may not be accurate or realized. Forward-looking statements also involve risks and uncertainties, many of which are beyond Chemours’ control. Additionally, there may be other risks and uncertainties that Chemours is unable to identify at this time or that Chemours does not currently expect to have a material impact on its business. Factors that could cause or contribute to these differences include: whether the Settlement becomes effective; the outcome of any pending or future litigation related to PFOA; the performance by DuPont of its obligations under the Settlement; the terms of any final agreement between Chemours and DuPont relating to the Settlement; and other risks, uncertainties and other factors discussed in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2015. Chemours assumes no obligation to revise or update any forward-looking statement for any reason, except as required by law.

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