

Chemours Co  
Form 10-Q/A  
August 07, 2015  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q/A  
(Amendment No. 1)

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

For the quarterly period ended June 30, 2015

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

Commission File Number 001-36794

The Chemours Company  
(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or other Jurisdiction of  
Incorporation or Organization)

1007 Market Street, Wilmington, Delaware 19899

(Address of Principal Executive Offices)

46-4845564

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

(302) 773-1000

(Registrant's Telephone Number)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that registrant was required to submit and post such files.) Yes  No

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

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller reporting company

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

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The Registrant had 180,966,833 shares of common stock, \$0.01 par value, outstanding at August 3, 2015.

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EXPLANATORY NOTE

This amended Form 10-Q report for the period ended June 30, 2015 is being filed to add the signature of Mark E. Newman, the Company's Chief Financial Officer, to the signature page of the report. In addition, we have updated the title of Mark P. Vergnano, the Company's Chief Executive Officer, in Exhibit 31.1. No other changes have been made to the June 30, 2015 Form 10-Q report filed on August 6, 2015.

Except for the corrected signature page and Exhibit 31.1, this Amendment No. 1 does not amend any other information set forth in the Form 10-Q. This Amendment No. 1 speaks as of the original filing date, does not reflect any events that may have occurred subsequent to the original filing date, and does not modify or update in any way any disclosures made in the Form 10-Q. Additionally, in connection with the filing of this Amendment No. 1, the Company is including new certifications of the Company's Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).

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## PART I. FINANCIAL INFORMATION

## Item 1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## The Chemours Company

## Interim Consolidated Statements of Operations (Unaudited)

(Dollars in millions, except per share)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Net sales	\$1,508	\$1,682	\$2,871	\$3,251
Cost of goods sold	1,282	1,311	2,393	2,551
Gross profit	226	371	478	700
Selling, general and administrative expense	157	183	324	356
Research and development expense	27	40	50	77
Employee separation and asset related charges, net	61	20	61	21
Total expenses	245	243	435	454
Equity in earnings of affiliates	8	7	11	12
Interest expense	(28	) —	(28	) —
Other income, net	21	20	14	29
(Loss) income before income taxes	(18	) 155	40	287
Provision for income taxes	—	39	15	73
Net (loss) income	(18	) 116	25	214
Less: Net income attributable to noncontrolling interests	—	—	—	—
Net (loss) income attributable to Chemours	\$(18	) \$116	\$25	\$214

## Per share data

Pro forma basic and diluted (loss) earnings per share <sup>1</sup>	\$(0.10	) \$0.64	\$0.14	\$1.18
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<sup>1</sup> On July 1, 2015, E. I. du Pont de Nemours and Company distributed 180,996,833 shares of Chemours' common stock to holders of its common stock. The computation of basic and diluted (loss) earnings per common share for all periods was calculated using the shares distributed on July 1, 2015.

See accompanying Notes to the Interim Consolidated Financial Statements.

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The Chemours Company  
Interim Consolidated Statements of Comprehensive (Loss) Income (Unaudited)  
(Dollars in millions)

	Three Months Ended June 30,					
	2015			2014		
	Pre-Tax	Tax	After-Tax	Pre-Tax	Tax	After-Tax
Net (loss) income	\$(18 )	\$—	\$(18 )	\$155	\$(39 )	\$116
Other comprehensive loss:						
Cumulative translation adjustments	(28 )	—	(28 )	—	—	—
Pension benefit plans, net:						
Net gain	—	—	—	—	—	—
Effect of foreign exchange rates	(9 )	2	(7 )	—	—	—
Reclassifications to net income:						
Amortization of prior service cost	1	—	1	—	—	—
Amortization of loss	3	—	3	—	—	—
Pension benefit plans, net	(5 )	2	(3 )	—	—	—
Other comprehensive loss	(33 )	2	(31 )	—	—	—
Comprehensive (loss) income	(51 )	2	(49 )	155	(39 )	116
Less: Comprehensive income (loss) attributable to noncontrolling interests	—	—	—	—	—	—
Comprehensive (loss) income attributable to Chemours	\$(51 )	\$2	\$(49 )	\$155	\$(39 )	\$116

	Six Months Ended June 30,					
	2015			2014		
	Pre-Tax	Tax	After-Tax	Pre-Tax	Tax	After-Tax
Net income	\$40	\$(15 )	\$25	\$287	\$(73 )	\$214
Other comprehensive loss:						
Cumulative translation adjustments	(234 )	—	(234 )	—	—	—
Pension benefit plans, net:						
Net gain	3	(1 )	2	—	—	—
Effect of foreign exchange rates	23	(6 )	17	—	—	—
Reclassifications to net income:						
Amortization of prior service cost	2	—	2	—	—	—
Amortization of loss	7	(1 )	6	—	—	—
Pension benefit plans, net	35	(8 )	27	—	—	—
Other comprehensive loss	(199 )	(8 )	(207 )	—	—	—
Comprehensive (loss) income	(159 )	(23 )	(182 )	287	(73 )	214
Less: Comprehensive income (loss) attributable to noncontrolling interests	—	—	—	—	—	—
Comprehensive (loss) income attributable to Chemours	\$(159 )	\$(23 )	\$(182 )	\$287	\$(73 )	\$214

See accompanying Notes to the Interim Consolidated Financial Statements.



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The Chemours Company  
Interim Consolidated Balance Sheets  
(Dollars in millions)

	June 30, 2015 (Unaudited)	December 31, 2014
Assets		
Current assets:		
Cash	\$247	\$—
Accounts and notes receivable - trade, net	1,038	846
Inventories	1,054	1,052
Prepaid expenses and other	105	43
Deferred income taxes	39	21
Total current assets	2,483	1,962
Property, plant and equipment	9,435	9,282
Less: Accumulated depreciation	(6,057)	(5,974)
Net property, plant and equipment	3,378	3,308
Goodwill	196	198
Intangible assets, net	12	11
Investments in affiliates	145	124
Other assets	471	375
Total assets	\$6,685	\$5,978
Liabilities and DuPont Company Net Investment		
Current liabilities:		
Accounts payable	\$919	\$1,046
Current maturities of long-term debt	16	—
Deferred income taxes	26	9
Dividend payable	100	—
Other accrued liabilities	380	352
Total current liabilities	1,441	1,407
Long-term debt	3,927	—
Other liabilities	485	464
Deferred income taxes	427	434
Total liabilities	6,280	2,305
Commitments and contingent liabilities		
DuPont Company Net Investment		
DuPont Company Net Investment	836	3,650
Accumulated other comprehensive (loss) income	(435)	19
Total DuPont Company Net Investment	401	3,669
Noncontrolling interests	4	4
Total DuPont Company Net Investment and noncontrolling interests	405	3,673
Total liabilities, DuPont Company Net Investment and noncontrolling interests	\$6,685	\$5,978

See accompanying Notes to the Interim Consolidated Financial Statements.



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The Chemours Company  
 Interim Consolidated Statements of DuPont Company Net Investment (Unaudited)  
 Six Months Ended June 30, 2015 and 2014  
 (Dollars in millions)

	DuPont Company Net Investment	Accumulated other comprehensive income (loss)	Noncontrolling Interests	Total	
Balance at January 1, 2014	\$3,195	\$19	\$3	\$3,217	
Net income	214	—	—	214	
Net transfers from DuPont	431	—	—	431	
Balance at June 30, 2014	\$3,840	\$19	\$3	\$3,862	
Balance at January 1, 2015	\$3,650	\$19	\$4	\$3,673	
Net income	25	—	—	25	
Establishment of pension plans, net and related accumulated other comprehensive income (loss)	357	(247	) —	110	
Foreign currency translation adjustment	—	(234	) —	(234	)
Pension, net of tax benefit of \$8	—	27	—	27	
Dividend declared	(100	) —	—	(100	)
Non-cash debt exchange	(507	) —	—	(507	)
Cash provided at separation by DuPont	247	—	—	247	
Net transfers to DuPont	(2,836	) —	—	(2,836	)
Balance at June 30, 2015	\$836	\$(435	) \$4	\$405	

See accompanying Notes to the Interim Consolidated Financial Statements.

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The Chemours Company  
Interim Consolidated Statements of Cash Flows (Unaudited)  
(Dollars in millions)

	Six Months Ended June 30,	
	2015	2014
Operating activities		
Net income	\$25	\$214
Adjustments to reconcile net income to cash used for operating activities:		
Depreciation and amortization	131	128
Other operating charges and credits, net	27	(1 )
Equity in earnings of affiliates, net of dividends received of \$0 and \$1	(11 )	(11 )
Deferred tax benefit	(31 )	(8 )
Increase in operating assets:		
Accounts and notes receivable - trade, net	(205 )	(197 )
Inventories and other operating assets	(68 )	(25 )
Decrease in operating liabilities:		
Accounts payable and other operating liabilities	(101 )	(329 )
Cash used for operating activities	(233 )	(229 )
Investing activities		
Purchases of property, plant and equipment	(287 )	(231 )
Proceeds from sales of assets, net	8	29
Foreign exchange contract settlements	(12 )	—
Investment in affiliates	(32 )	—
Cash used for investing activities	(323 )	(202 )
Financing activities		
Proceeds from issuance of debt, net	3,490	—
Debt issuance costs	(77 )	—
Cash provided at separation by DuPont	247	—
Net transfers (to) from DuPont	(2,857 )	431
Cash provided by financing activities	803	431
Increase in cash	\$247	\$—
Cash at beginning of period	—	—
Cash at end of period	\$247	\$—
SUPPLEMENTAL DISCLOSURE OF SIGNIFICANT NON-CASH INVESTING ACTIVITIES:		
Change in property, plant and equipment included in accounts payable	\$(35 )	\$8

See accompanying Notes to the Interim Consolidated Financial Statements.

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The Chemours Company

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollars in millions, except per share)

Note 1. Background and Description of the Business

The Chemours Company delivers customized solutions with a wide range of industrial and specialty chemical products for markets including plastics and coatings, refrigeration and air conditioning, general industrial, mining and oil refining. Principal products include titanium dioxide, refrigerants, industrial fluoropolymer resins, sodium cyanide, sulfuric acid and aniline. Chemours consists of three reportable segments: Titanium Technologies, Fluoroproducts and Chemical Solutions.

Chemours is globally operated with manufacturing facilities, sales centers, administrative offices and warehouses located throughout the world. Chemours' operations are primarily located in the United States (U.S.), Canada, Mexico, Brazil, the Netherlands, Belgium, China, Taiwan, Japan, Switzerland, Singapore, Hong Kong, India, the United Kingdom, France and Sweden. As of June 30, 2015, Chemours consists of 40 production facilities globally, six dedicated to Titanium Technologies, 20 dedicated to Fluoroproducts, 12 dedicated to Chemical Solutions and two that support multiple Chemours segments. At three of these sites, shared as of June 30, 2015 with other DuPont businesses, DuPont will continue its own manufacturing operations after separation, as well as contract manufacture for Chemours for the products currently produced by the Fluoroproducts segment at these sites.

Effective prior to the opening of trading on the New York Stock Exchange (NYSE) on July 1, 2015 (the Distribution Date), DuPont completed the previously announced separation of the businesses comprising DuPont's Performance Chemicals reporting segment, and certain other assets and liabilities, into Chemours, a separate and distinct public company. The separation was completed by way of a distribution of all of the then outstanding shares of common stock of Chemours through a dividend in kind of Chemours' common stock (par value \$0.01) to holders of DuPont common stock (par value \$0.30) as of the close of business on June 23, 2015 (the Record Date) (the transaction referred to herein as the distribution).

On the Distribution Date, each holder of DuPont's common stock received one share of Chemours' common stock for every five shares of DuPont's common stock held on the Record Date. The spin-off was completed pursuant to a Separation Agreement and other agreements with DuPont related to the spin-off, including an Employee Matters Agreement, a Tax Matters Agreement, a Transition Services Agreement and an Intellectual Property Cross-License Agreement, each of which was filed as an exhibit to our Current Report on Form 8-K, filed with the U.S. Securities and Exchange Commission (SEC) on July 1, 2015. These agreements govern the relationship among Chemours and DuPont following the spin-off and provide for the allocation of various assets, liabilities, rights and obligations. These agreements also include arrangements for transition services to be provided by DuPont to Chemours. For a discussion of each agreement, see the section entitled "Certain Relationships and Related Party Transactions — Agreements with DuPont Related to the Spin-Off" in our Information Statement included in our Registration Statement on Form 10, as amended, filed with the SEC on June 5, 2015 (Registration Statement).

The Registration Statement was declared effective by the SEC on June 17, 2015, and Chemours' common stock began "regular-way" trading on the NYSE on July 1, 2015 under the symbol CC.

Unless the context otherwise requires, references in these Notes to the Consolidated Financial Statements to "we," "us," "our," "Chemours" and the "Company" refer to The Chemours Company and its consolidated subsidiaries after giving