

Albemarle Corporation

Benchmark Week 2020 - Lithium: The Keynotes

December 10, 2020



Forward-Looking Statements

Some of the information presented in this presentation including, without limitation, statements with respect to product development, market trends, price, expected growth and earnings, demand for our products, capital projects, tax rates, stock repurchases, dividends, cash flow generation, economic trends, outlook, and all other information relating to matters that are not historical facts may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the views expressed.

Factors that could cause actual results to differ materially from the outlook expressed or implied in any forward-looking statement include, without limitation: changes in economic and business conditions; changes in financial and operating performance of our major customers and industries and markets served by us; the timing of orders received from customers; the gain or loss of significant customers; competition from other manufacturers; changes in the demand for our products or the end-user markets in which our products are sold; limitations or prohibitions on the manufacture and sale of our products; availability of raw materials; increases in the cost of raw materials and energy, and our ability to pass through such increases to our customers; changes in our markets in general; fluctuations in foreign currencies; changes in laws and government regulation impacting our operations or our products; the occurrence of regulatory proceedings, claims or litigation; the occurrence of cyber-security breaches, terrorist attacks, industrial accidents, natural disasters or climate change; hazards associated with chemicals manufacturing; the inability to maintain current levels of product or premises liability insurance or the denial of such coverage; political unrest affecting the global economy, including adverse effects from terrorism or hostilities; political instability affecting our manufacturing operations or joint ventures; changes in accounting standards; the inability to achieve results from our global manufacturing cost reduction initiatives as well as our ongoing continuous improvement and rationalization programs; changes in the jurisdictional mix of our earnings and changes in tax laws and rates; changes in monetary policies, inflation or interest rates that may impact our ability to raise capital or increase our cost of funds, impact the performance of our pension fund investments and increase our pension expense and funding obligations; volatility and uncertainties in the debt and equity markets; technology or intellectual property infringement, including cyber-security breaches, and other innovation risks; decisions we may make in the future; the ability to successfully execute, operate and integrate acquisitions and divestitures; uncertainties as to the duration and impact of the coronavirus (COVID-19) pandemic; and the other factors detailed from time to time in the reports we file with the SEC, including those described under “Risk Factors” in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. These forward-looking statements speak only as of the date of this presentation. We assume no obligation to provide any revisions to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

Non-GAAP Financial Measures

It should be noted that Adjusted net income attributable to Albemarle Corporation ("Adjusted earnings"), Adjusted diluted earnings per share attributable to Albemarle Corporation, Adjusted effective income tax rates, segment operating profit, segment income, pro-forma net sales, net sales excluding the impact of foreign exchange translation ("ex FX"), EBITDA, Adj. EBITDA, Adj. EBITDA by operating segment, EBITDA margin, Adj. EBITDA margin, pro-forma Adj. EBITDA, pro-forma Adj. EBITDA margin, Adj. EBITDA excluding the impact of foreign exchange translation ("ex FX"), Adj. EBITDA margin excluding the impact of foreign exchange translation ("ex FX"), net debt to Adj. EBITDA, gross debt to Adj. EBITDA, free cash flow, and Adjusted free cash flow are financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States, or GAAP. These measures are presented here to provide additional useful measurements to review our operations, provide transparency to investors and enable period-to-period comparability of financial performance. The Company's chief operating decision maker uses these measures to assess the ongoing performance of the Company and its segments, as well as for business and enterprise planning purposes.

A description of these and other non-GAAP financial measures that we use to evaluate our operations and financial performance, and reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP, can be found in the Appendix to this presentation. The Company does not provide a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP, as the Company is unable to estimate significant non-recurring or unusual items without unreasonable effort. The amounts and timing of these items are uncertain and could be material to the Company's results calculated in accordance with GAAP.

Albemarle Lithium Powers the Potential of Electric Mobility

Broad range of products with leading positions in lithium hydroxide, lithium carbonate, metal, and organometallics

Vertically integrated with access to brine and spodumene that are among the largest and most concentrated globally¹

Focused on driving low-cost operations, sustainable production, and disciplined capital expansion that will provide strong returns

Lithium industry demand to reach 1 million MT LCE by 2025, 20%+ CAGR driven by EV penetration in new vehicle sales²



¹ Resource & Reserve Data According to Roskill: Lithium Outlook to 2028. ² **Lithium Intensity of Energy Storage Demand:** 0.95, 0.76, and 0.78 kg LCE/kWh in 2018, 2019, and 2025, respectively; calculated from demand model output of total lithium demand (total real consumption and YOY inventory change), which accounts for lithium consumption of different technologies and applications. **New Car Sales:** 95, 89, and 102 million in 2018, 2019, and 2025, respectively

Part of Albemarle, A Diversified Specialty Chemicals Company

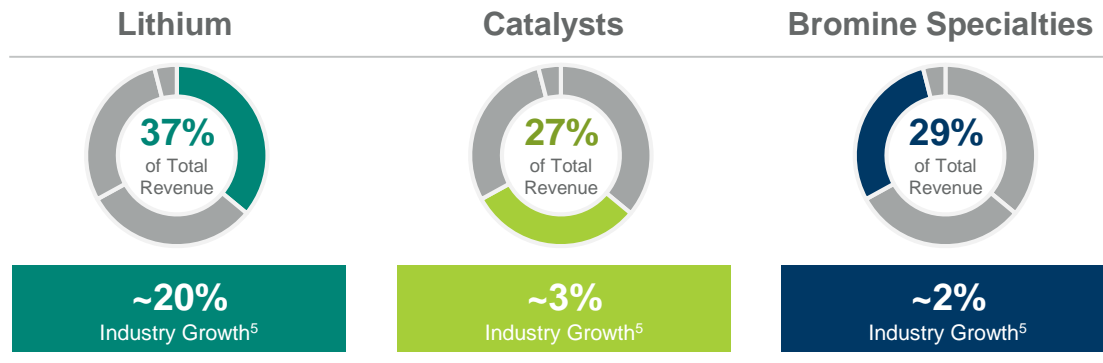
KEY STATS

Founded	1887 132 years
Global Employees ¹	~5,600
Countries	~75
Dividend Payout Ratio ²	42%

FINANCIAL HIGHLIGHTS³

Net Sales	\$3.2B
Net Income ⁴	\$382M
Adj. EBITDA	\$892M
Adj. EBITDA Margin	28%

BUSINESS OVERVIEW



PORTFOLIO STRATEGY

- Invest in growth of lithium
- Optimize the earnings and cash generation of Catalysts and Bromine
- Build upon our operational discipline and optimized cost structure
- Actively and continuously assess our portfolio
- Maintain a disciplined approach to capital allocation while preserving financial flexibility

Albemarle Lithium

Financials | TTM

\$1.2B

Net Sales

\$411M

Adj. EBITDA¹

34%

Adj. EBITDA Margin¹

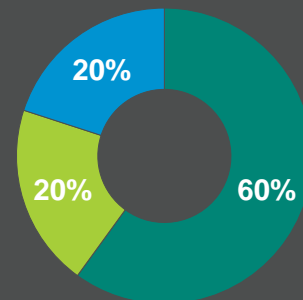
Segment Characteristics

- Access to three of the largest, highest grade resources in the world
- Vertically integrated from natural resource to specialty performance products
- Extraction and specialty chemicals expertise
- High-quality product portfolio / low-cost position
- A leader in Hydroxide, Carbonate, Lithium Metal, and Organometallics

Business Environment

- Strong long-term demand growth expected
- Highly dynamic, emerging supply chain
- Public policy accelerating e-mobility / renewables
- Battery cost declining + performance improving = need for higher-quality lithium and innovation
- Security of supply essential to underwrite global auto OEM investment in vehicle electrification

Applications



- Energy Storage**
EVs, Grid, Phones, Wearables
- Industrial**
Glass, Grease, Aerospace
- Specialties**
Synthetic Rubber, Pharma, Ag

Well-Positioned Leader in a High-Growth Industry

World-Class Natural Resources with Potential for >4X Expansion



SALAR DE ATACAMA, CHILE



GREENBUSHES, AUSTRALIA



SILVER PEAK, NV, USA



WODGINA, AUSTRALIA



ANTOFALLA, ARGENTINA



KINGS MOUNTAIN, NC, USA

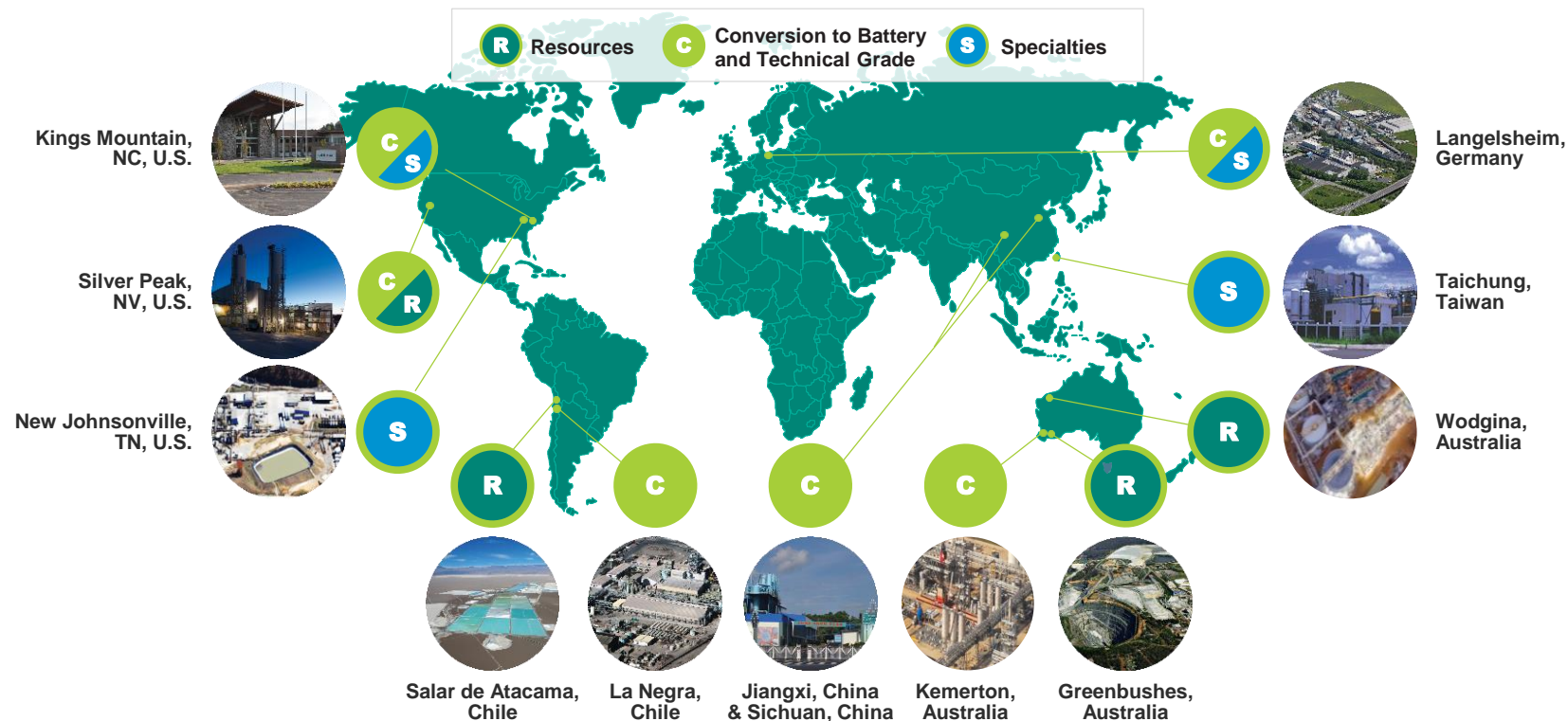


MAGNOLIA, AR USA *

- ✓ Geographically Diverse
- ✓ High Quality
- ✓ Large Scale
- ✓ Low Cost



Integrated Global Footprint for Lithium Chemical Conversion



Production of 100+ Products Makes Albemarle one of the Most Capable & Diverse Lithium Companies

The Story of 2020: What Happened to Lithium Demand?



- We expect demand to contract slightly
- Yet, year-to-date EV sales through October are up 25% – stimulus efforts are positively impacting demand rebound
- Lithium supply growth expected to lag EV rebound due to high channel stocks
- 2021 IHS forecast reflects an increase in EV production – over 2M vehicles

**Despite the Challenges of 2020 –
The Lithium Industry is on Track for 1M MT LCE in 2025**

Market Pricing Has Created a Challenge for Economic Supply

- Decrease in market pricing has created a challenge for economic supply
- 2020 spot market pricing has moved below marginal cash costs – suppliers have reduced supply and deferred projects
- While we're seeing a significant pick-up in demand, lithium projects are costly and timely to bring online
- Sustainable production is now a customer requirement; localized supply chain is becoming a trend

**A Cautionary Sign to the EV Supply Chain –
Pricing Must Improve to Incentivize Required Investment**

Supply Requirements 2020 - 2025

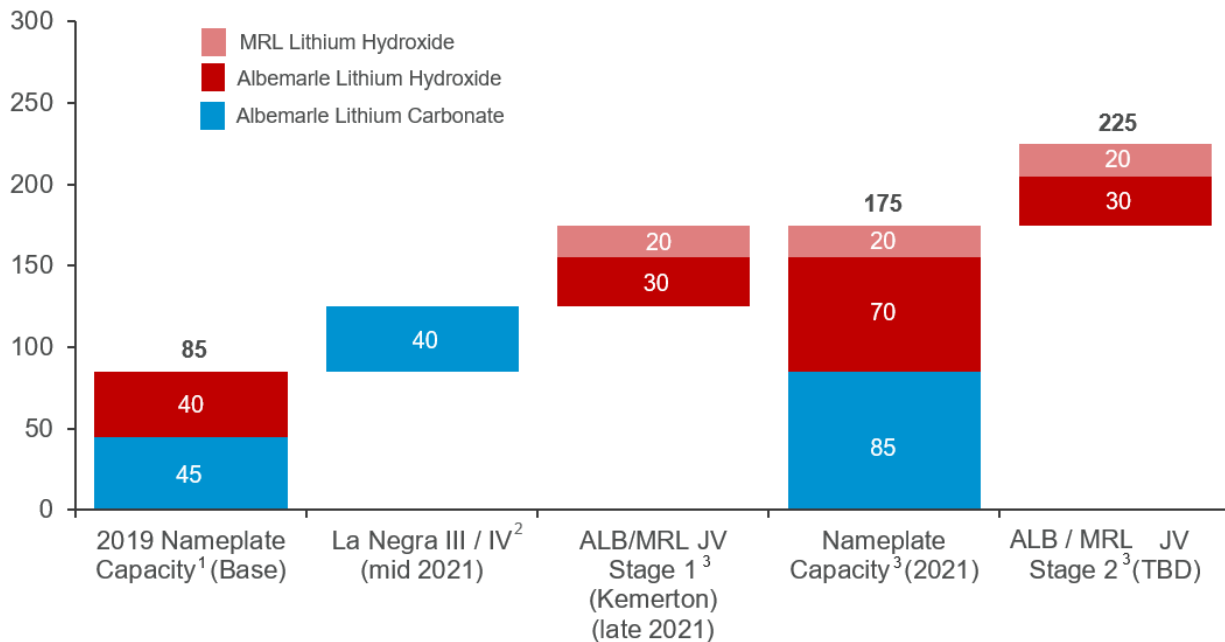
Double
conversion
capacity over
the next 5 years
– **700ktpa LCE**

Investment in
the order of
~\$10B

Albemarle Has Disciplined Approach to Delivering Needed Capacity

Albemarle's current plan only utilizes ~60% of available resource capacity

All figures in kT LCE and represent estimates of lithium nameplate conversion capacity



Key Conversion Capacity Considerations

- Proven processes, standardized designs
- Continuous improvement, debottlenecking
- Product capacity mix by end of 2021 – anticipated:
 - 49% Lithium Carbonate
 - 51% Lithium Hydroxide
- Geographic capacity mix by end of 2021 - anticipated:
 - 46% Latin America
 - 28% Australia
 - 23% China
 - 3% U.S.
- Evaluation of U.S. and E.U. footprint underway

Leverage Low-cost Resources and Invest Against Long-term Commitments Made by Our Customers



Appendix A

Non-GAAP Reconciliations and Supplemental Information

Adjusted EBITDA - Continuing Operations (*twelve months ended*)

	Twelve Months Ended				
(\$ in thousands)	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020
Net income attributable to Albemarle Corporation	\$ 572,433	\$ 533,228	\$ 506,863	\$ 438,289	\$ 381,520
Depreciation and amortization	206,905	213,484	217,895	222,788	226,980
Non-recurring and other unusual items (excluding items associated with interest expense)	64,683	117,243	126,793	124,715	127,915
Interest and financing expenses	47,866	57,695	61,994	68,245	76,364
Income tax expense	104,462	88,161	69,089	54,109	59,421
Non-operating pension and OPEB items	10,071	26,970	24,645	22,426	20,076
Adjusted EBITDA	\$ 1,006,420	\$ 1,036,781	\$ 1,007,279	\$ 930,572	\$ 892,276
Net Sales	\$ 3,518,562	\$ 3,589,427	\$ 3,496,208	\$ 3,375,205	\$ 3,242,326
Adjusted EBITDA Margin	29 %	29 %	29 %	28 %	28 %

Adjusted EBITDA - by Segment *(twelve months ended)*

(\$ in thousands)	Twelve Months Ended				
	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020
Lithium					
Net income attributable to Albemarle Corporation	\$ 424,881	\$ 341,766	\$ 301,837	\$ 250,572	\$ 217,538
Depreciation and amortization	95,102	99,424	102,729	106,862	110,337
Non-recurring and other unusual items	9,384	83,744	83,389	83,278	83,167
Adjusted EBITDA	529,367	524,934	487,955	440,712	411,042
Net Sales	1,288,678	1,358,170	1,303,102	1,262,066	1,197,326
Adjusted EBITDA Margin	41 %	39 %	37 %	35 %	34 %
Bromine Specialties					
Net income attributable to Albemarle Corporation	\$ 271,653	\$ 279,945	\$ 284,130	\$ 275,206	\$ 266,530
Depreciation and amortization	46,143	47,611	48,091	48,724	49,176
Non-recurring and other unusual items	1,142	901	901	901	(241)
Adjusted EBITDA	318,938	328,457	333,122	324,831	315,465
Net Sales	999,863	1,004,216	986,756	964,102	945,028
Adjusted EBITDA Margin	32 %	33 %	34 %	34 %	33 %
Catalysts					
Net income attributable to Albemarle Corporation	\$ 214,894	\$ 219,686	\$ 206,719	\$ 163,297	\$ 134,128
Depreciation and amortization	49,492	50,144	50,510	49,834	49,893
Non-recurring and other unusual items	8,277	794	794	794	794
Adjusted EBITDA	272,663	270,624	258,023	213,925	184,815
Net Sales	1,084,027	1,061,817	1,017,376	948,128	884,701
Adjusted EBITDA Margin	25 %	25 %	25 %	23 %	21 %



www.albemarle.com