

Albemarle Corporation

Investor Presentation

Goldman Sachs Chemicals

Intensity Days Conference

March 24th, 2020



Forward-Looking Statements

Some of the information presented in this presentation including, without limitation, information related to outlook and guidance, conversion capacity, production volumes, joint ventures, market trends, pricing, expected growth, earnings and demand for our products, tax rates, dividends, cash flow generation, capital projects, electric vehicle demand, economic trends 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 actions, proceedings, claims or litigation; the occurrence of cyber-security breaches, terrorist attacks, industrial accidents, natural disasters or climate change; the inability to maintain current levels of product or premises liability insurance or the denial of such coverage; regulatory approvals and the satisfaction of other closing conditions with respect to pending acquisitions; 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 the coronavirus (COVID-19) pandemic may have; 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.

An Industry Leader with Significant Opportunity Ahead

01 Industry-leading, competitively advantaged positions across our portfolio, which we believe will expand in the future

02 Strong secular trends support long-term growth

03 Focus on product quality, talent, low-cost operations, and effective management of our resources and assets

04 Product offerings are key enablers to a more sustainable world, and we are embedding sustainability into strategic decision making

05 Financial flexibility and balance sheet strength with significant free cash flow generation on the horizon

Diversified Portfolio with Above-Market Margin

KEY STATS

Founded	1887 132 years
Global Employees ¹	~5,600
Countries	~75
Dividend Payout Ratio ²	27%

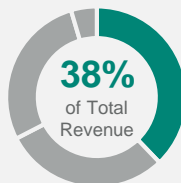
FINANCIAL HIGHLIGHTS³

Net Sales	\$3.6B
Net Income ⁴	\$533M
Adj. EBITDA	\$1,037M
Adj. EBITDA Margin	29%

BUSINESS OVERVIEW

Making the World Safe and Sustainable by Powering the Potential of People

Lithium



39%
Adj. EBITDA Margin⁵

~20%
Industry Growth⁶

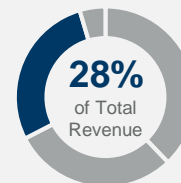
Catalysts



25%
Adj. EBITDA Margin⁵

~3%
Industry Growth⁶

Bromine Specialties



33%
Adj. EBITDA Margin⁵

~2%
Industry Growth⁶

REVENUE BY GEOGRAPHY

26%
North America

23%
EMEA

50%
Asia (13% in China)

1%
RoW

Coronavirus Update

As of March 23, 2020

Business Area	Current Assessment
General	<ul style="list-style-type: none">• To date, sites are operating without a material impact• Actively managing situation to protect employees and communities; established protocols for site entries; suspended all non-essential travel (international & local); work from home in many locations for non-essential personnel• Expecting Q1/20 EBITDA to be down around 25% YoY; FY 2020 guidance to be updated as situation unfolds• Actively monitoring our balance sheet to maintain financial flexibility
Lithium	<ul style="list-style-type: none">• Chinese production assets are back at full capacity• Continuing to monitor potential impacts due to logistics disruption• Global EV production impacted temporarily due to reduced OEM auto production• Position in auto OEM supply chains may delay the impact on our business• Managing delays in capital purchases from China for Kemerton project
Bromine Specialties	<ul style="list-style-type: none">• Limited impact on order pattern and backlog• Continued logistics issues from shortage of drivers and equipment
Catalysts	<ul style="list-style-type: none">• Incrementally lower FCC volumes due to reduction in fuel demand; starting to observe refineries pushing out HPC turnarounds• Monitoring supply of raw materials from China; we have sufficient inventory into Q2

Exploring options to accelerate cost saving initiative; planning for various economic scenarios well underway

Lithium Snapshot

Financials | TTM 2019

\$1.4B

Net Sales

\$525M

Adj. EBITDA¹

39%

Adj. EBITDA Margin¹

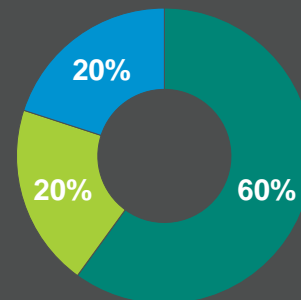
Segment Characteristics

- Leading market positions in Hydroxide, Carbonate, Lithium Metal, and Organometallics
- Mining and specialty chemicals capability
- Vertically integrated from natural resource to specialty performance products
- High-quality product portfolio / low-cost position

Business Environment

- Volume growth driven by energy storage
- 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 to Remain a Market Leader as Growth Continues

Lithium Strategy: Strong Foundation / Resilient to Market Dynamics

Manage World's Best Resources

- Spodumene capacity: 270 kTa LCE
- Brine capacity: 110 kTa LCE
- Sustainable resource management
- Geographically diverse
- High concentrations and low cost

Expand Capacity with Discipline

- Reduced capital intensity
- Build to meet market demand
- Strong return economics

Drive Cost and Operational Excellence

- Lean, low-cost manufacturing
- One world-class global standard
- Leader in quality, reliability, and sustainability

Sustain Premium Value Proposition

- Long-term customer partnerships
- Differentiated customer offerings
- Innovative lithium materials

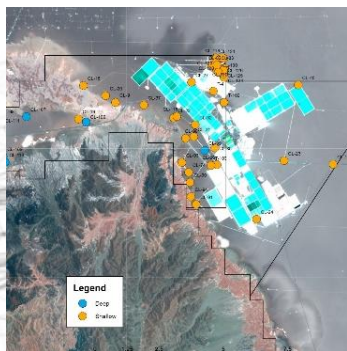
Our Strategy is Guided by the Albemarle Values and Rooted in Safety and Sustainability

Technology Innovation: Spanning from Minerals to Market

Resources

Hydrogeology

Protect Environment &
Sustain Resource



Conversion



Extraction

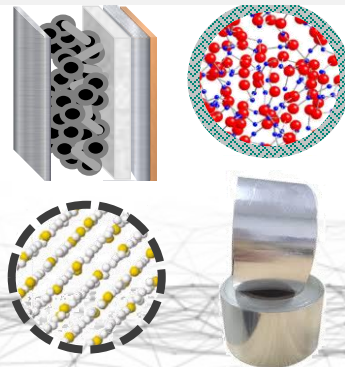
Maximize Lithium
Recovery & Purity

Process Chemistry

Optimize Utilization &
Tailor Product Quality



Derivatization



Advanced Materials

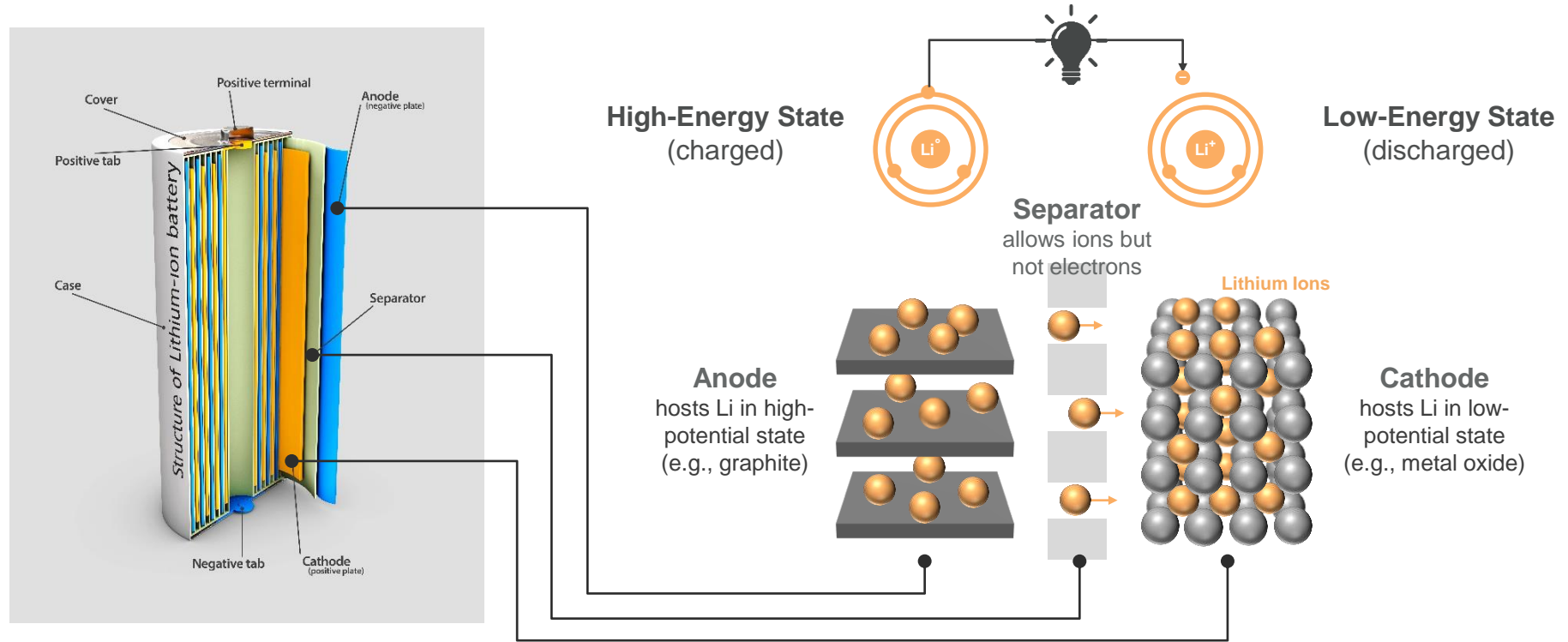
Create Customer Solutions &
Performance Differentiation

Data Science

Link Technical Potential to Economic Impact

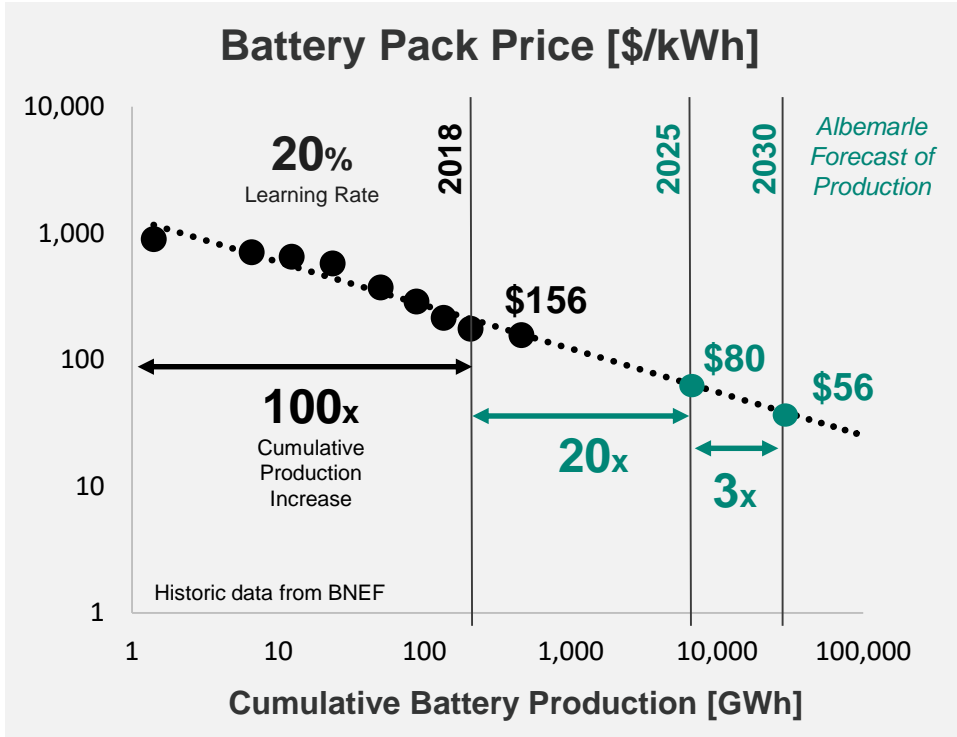
Extending Our Technology Differentiation

Lithium-ion Battery - Reversible Storage of Electrical Energy



The Lithium Atom - Core Enabler Across All Lithium Battery Types

Continued Lithium Ion Battery Improvement Expected & Planned



\$100 / kWh Tipping Point

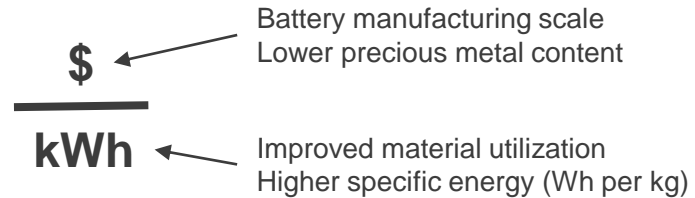
EVs broadly reach purchase price parity vs ICE before 2025



Internal Combustion Engine Drivetrain



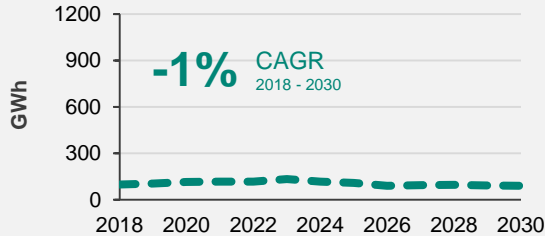
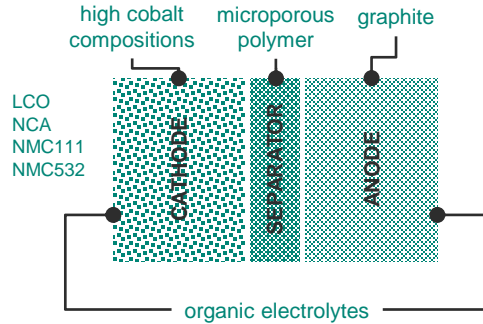
Electric Drivetrain



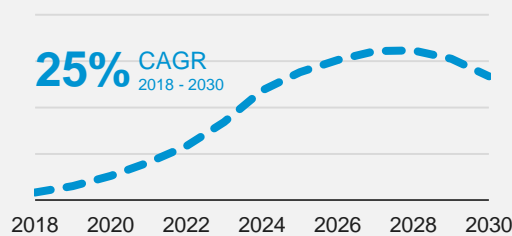
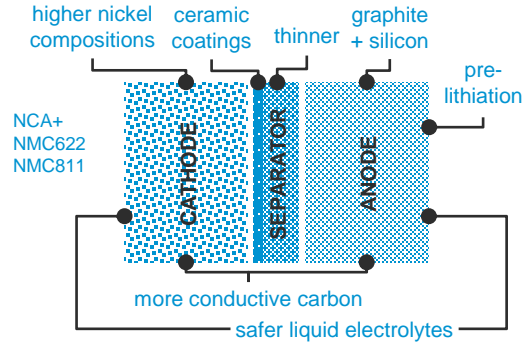
EV Purchase Price Parity within 2-3 Years – Increased Focus on Material Performance

Lithium Battery Technology Progression - Safer, Higher Energy, Faster Charge

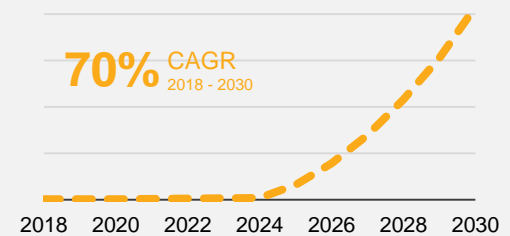
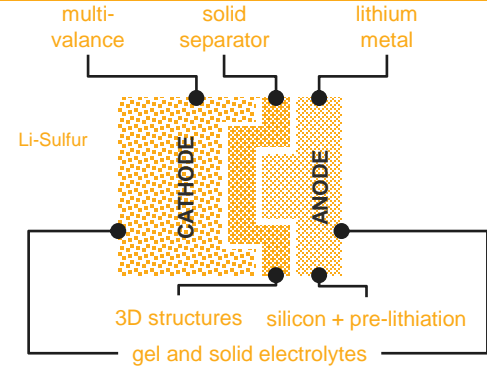
Legacy



Advanced



Next Frontier



Higher Performance Materials Helping Drive Market Expansion

Lithium Ion Battery Performance Map

Legacy

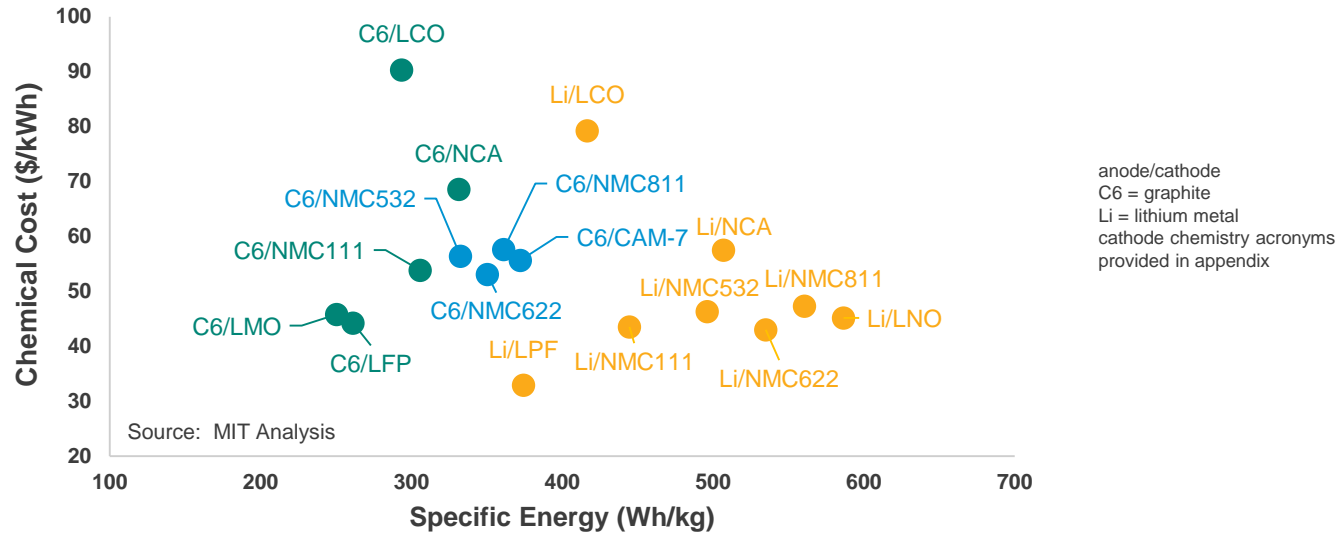
Mature Commercial
established technology

Advanced

Early Commercial & Pipeline
significant investment today

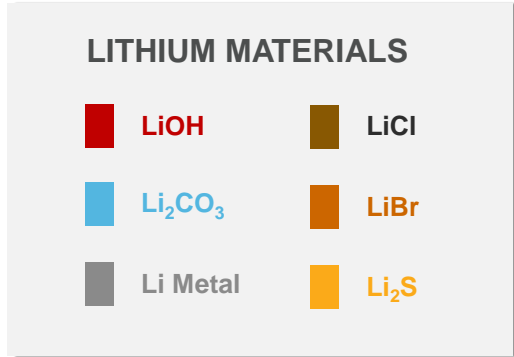
Next Frontier

Breakthrough Potential
accelerating intensity

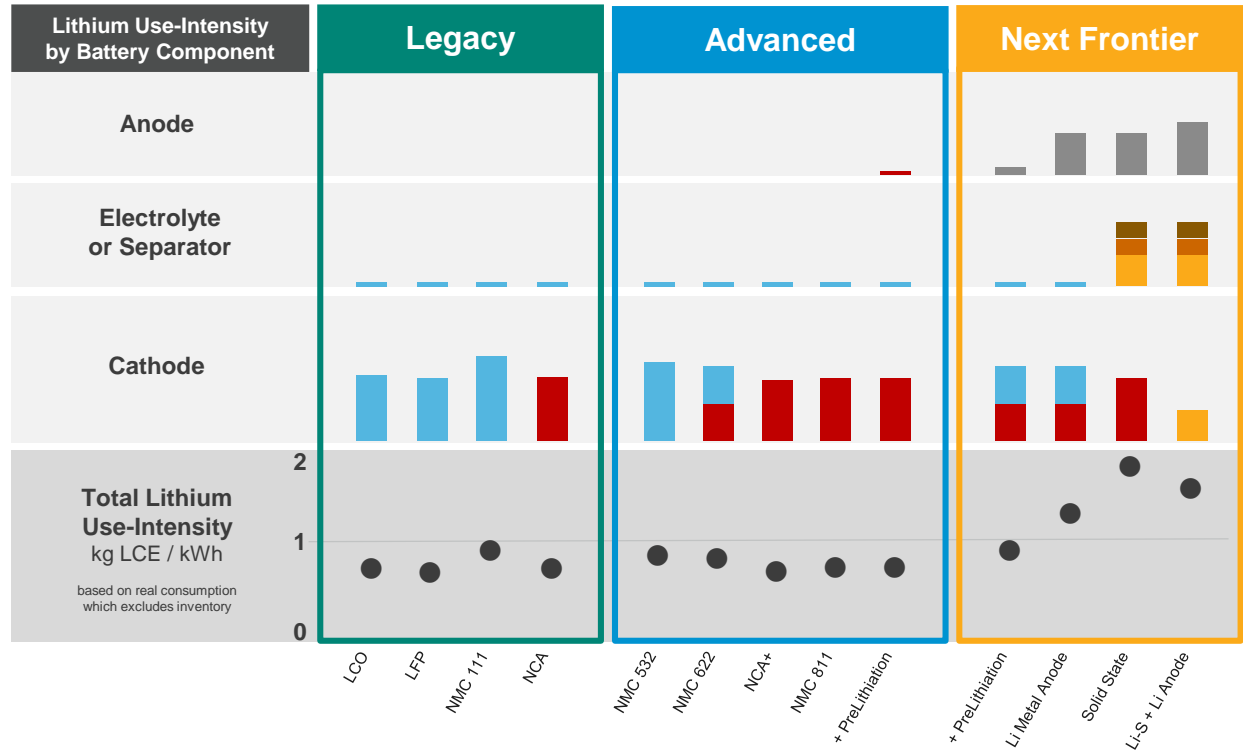


Near-Term Focus on Advanced Pipeline – Next Frontier Breakout Potential

Lithium Use Evolves with Battery Technology Progression



First principle chemical models used to estimate lithium use by battery cell component and by technology (today and future)



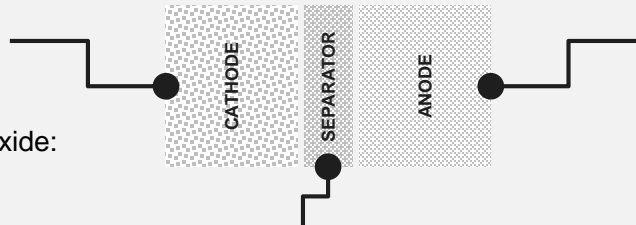
Lithium Material Innovation Underpinning Advancements in Battery Performance

Albemarle Innovation on Both Sides of the Battery

Cathode Advancements

Lithium Carbonate and Lithium Hydroxide:

- Increased quality and purity
- Tuned particle size and morphology



• LiBOB electrolyte additive¹

• Lithium Sulfide precursors for solid separators

Anode Advancements

- Novel pre-lithiation chemistry
- Revolutionary Lithium Metal anodes

Advanced: Pre-Lithiation Agents

Under Utilization
of Cathode

Full Cathode
Utilization



+10-20%

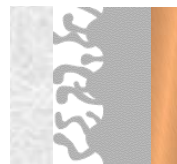
Energy Density Wh/kg

5-10%

Cost Savings \$/kWh

Next Frontier: Lithium Metal Anodes

Metal Dendrites
Upon Cycling



Cycling Stable
Interfaces



+100%

Energy Density Wh/kg

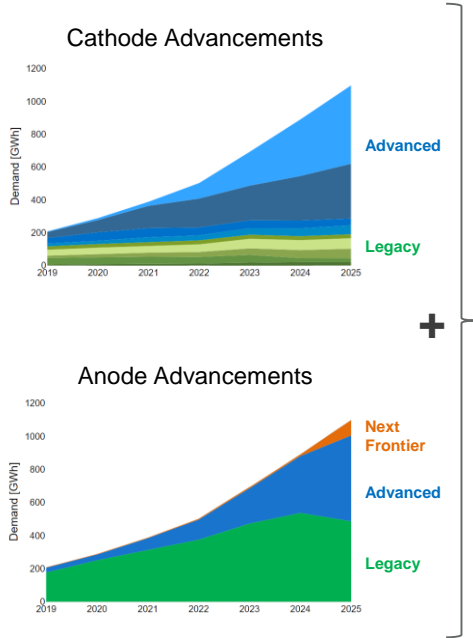
50%

Cost Savings \$/kWh

Albemarle Technology Enabling New Levels of Performance

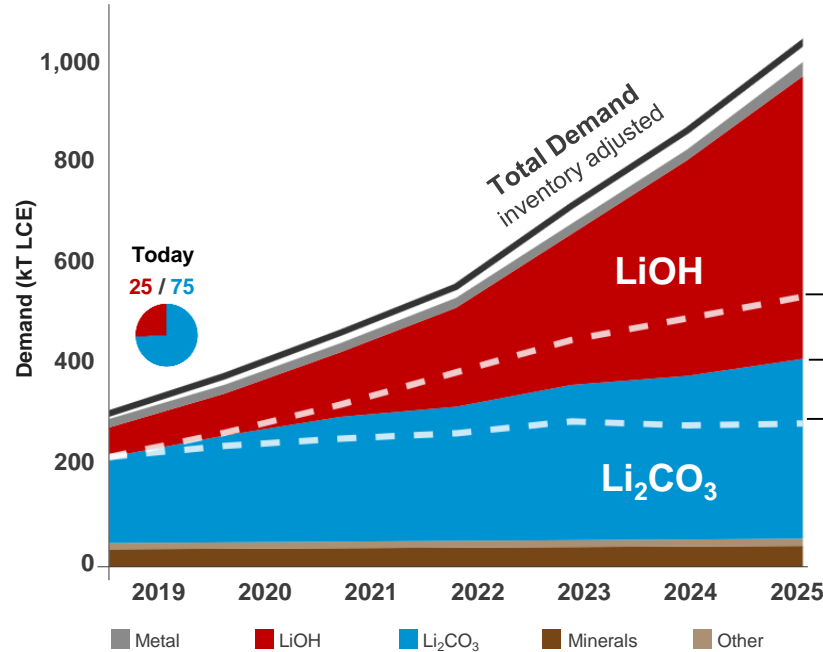
Lithium Product Demand Mapped to Technology Forecast

Technology Forecast



Source Data: IHS, Roskill, B3, Avicenne, BNEF, BMI, Albemarle analysis.

Product Forecast



Technology Scenarios

cathode & anode advancements

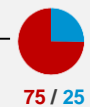
Delayed
Technology
Maturation



Base Case



Accelerated
Technology
Maturation






Albemarle Sees Product Mix Shift to Hydroxide – Requires Carbonate & Hydroxide Production Flexibility

Lithium: Our Growth Engine

Key Takeaways

- **Broadest range** of resources, manufacturing capabilities, products, and customer relationships in the Lithium industry
- Global Lithium demand is on track to reach **1 million MT LCE by 2025**, a 20%+ CAGR driven by EV penetration of new car sales
- We anticipate that the **current excess supply will diminish** in the mid-term as demand increases, particularly for hydroxide
- Projected growth in lithium demand cannot be met without leveraging **the largest and most highly concentrated resources in the world**, and we have access to the Top 3
- **Disciplined plan** to build battery grade conversion capacity that provides attractive returns to meet the significant growth demand from our customers

	ENERGY STORAGE	INDUSTRIAL	SPECIALTIES
5-YEAR OUTLOOK			
BUSINESS ENVIRONMENT	<ul style="list-style-type: none">• Pricing environment expected to improve as supply becomes more balanced in the mid-term; expected strong EV growth over next 5 years• Volume driven by capacity additions in a rapidly growing market	<ul style="list-style-type: none">• Remains a GDP market and prices driven by Energy Storage	<ul style="list-style-type: none">• Pricing based on value in use• Growth above GDP due to favorable macro-economics trend of aging population
MARKET ASSUMPTIONS	Accelerating adoption of EVs driven by China and Europe	GDP Industrial Growth	GDP+ growth driven largely by pharma and niche automotive applications

Appendix A

Non-GAAP Reconciliations and
Supplemental Information



EBITDA - by Segment *(twelve months ended Dec 31)*

(\$ in thousands)

Year ended December 31, 2019:

	Lithium	Bromine Specialties	Catalysts	Reportable Segments Total	All Other	Corporate	Consolidated Total
Net income (loss) attributable to Albemarle Corporation	\$ 341,767	\$ 279,945	\$ 219,686	\$ 841,398	\$ 41,188	\$ (349,358)	\$ 533,228
Depreciation and amortization	99,424	47,611	50,144	197,179	8,440	7,865	213,484
Non-recurring and other unusual items (excluding items associated with interest expense)	83,743	901	794	85,438	—	31,805	117,243
Interest and financing expenses	—	—	—	—	—	57,695	57,695
Income tax expense	—	—	—	—	—	88,161	88,161
Non-operating pension and OPEB items	—	—	—	—	—	26,970	26,970
Adjusted EBITDA	\$ 524,934	\$ 328,457	\$ 270,624	\$ 1,124,015	\$ 49,628	\$ (136,862)	\$ 1,036,781

Year ended December 31, 2018:

Net income (loss) attributable to Albemarle Corporation	\$ 428,212	\$ 246,509	\$ 445,604	\$ 1,120,325	\$ 6,018	\$ (432,781)	\$ 693,562
Depreciation and amortization	95,193	41,607	49,131	185,931	8,073	6,694	200,698
Non-recurring and other unusual items	7,368	—	(210,428)	(203,060)	—	112,948	(90,112)
Interest and financing expenses	—	—	—	—	—	52,405	52,405
Income tax expense	—	—	—	—	—	144,826	144,826
Non-operating pension and OPEB items	—	—	—	—	—	5,285	5,285
Adjusted EBITDA	\$ 530,773	\$ 288,116	\$ 284,307	\$ 1,103,196	\$ 14,091	\$ (110,623)	\$ 1,006,664
Pro-forma: Net impact of adjusted EBITDA from divested business	—	—	(10,872)	(10,872)	—	—	(10,872)
Pro-forma adjusted EBITDA	\$ 530,773	\$ 288,116	\$ 273,435	\$ 1,092,324	\$ 14,091	\$ (110,623)	\$ 995,792

See above for a reconciliation of adjusted EBITDA on a segment basis, the non-GAAP financial measure, to net income attributable to Albemarle Corporation ("earnings"), the most directly comparable financial measure calculated and reporting in accordance with GAAP.

EBITDA - Margin by Segment (twelve months ended Dec 31)

(\$ in thousands)

Year ended December 31, 2019:

	Lithium	Bromine Specialties	Catalysts	Reportable Segments Total	All Other	Consolidated Total
Net sales	\$ 1,358,170	\$ 1,004,216	\$ 1,061,817	\$ 3,424,203	\$ 165,224	\$ 3,589,427
Net income (loss) attributable to Albemarle Corporation	25.2%	27.9%	20.7%	24.6%	24.9%	14.9%
Depreciation and amortization	7.3%	4.7%	4.7%	5.8%	5.1%	5.9%
Non-recurring and other unusual items (excluding items associated with interest expense)	6.2%	0.1%	0.1%	2.5%	—%	3.3%
Interest and financing expenses	—%	—%	—%	—%	—%	1.6%
Income tax expense	—%	—%	—%	—%	—%	2.5%
Non-operating pension and OPEB items	—%	—%	—%	—%	—%	0.8%
Adjusted EBITDA Margin	38.7%	32.7%	25.5%	32.8%	30.0%	28.9%

Year ended December 31, 2018:

Net sales	\$ 1,228,171	\$ 917,880	\$ 1,101,554	\$ 3,247,605	\$ 127,186	\$ 3,374,950
Net income (loss) attributable to Albemarle Corporation	34.9%	26.9%	40.5%	34.5%	4.7%	20.6%
Depreciation and amortization	7.8%	4.5%	4.5%	5.7%	6.3%	5.9%
Non-recurring and other unusual items	0.6%	—%	(19.1)%	(6.3)%	—%	(2.7)%
Interest and financing expenses	—%	—%	—%	—%	—%	1.5%
Income tax expense	—%	—%	—%	—%	—%	4.3%
Non-operating pension and OPEB items	—%	—%	—%	—%	—%	0.2%
Adjusted EBITDA Margin	43.2%	31.4%	25.8%	34.0%	11.1%	29.8%

See above for adjusted EBITDA margin, a non-GAAP financial measure defined as adjusted EBITDA divided by net sales. See previous slide for the related reconciliation of adjusted EBITDA on a segment basis, the non-GAAP financial measure, to net income attributable to Albemarle Corporation ("earnings"), the most directly comparable financial measure calculated and reporting in accordance with GAAP.

Consolidated Total includes net sales from Corporate (not shown) of \$159 in the twelve months ended December 31, 2018.

Adjusted EBITDA supplemental¹

(\$ in thousands)

	Twelve Months Ended	Three Months Ended			
	Dec 31, 2019	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Adjusted EBITDA	\$ 1,036,781	\$ 294,663	\$ 254,351	\$ 261,900	\$ 225,867
Net income attributable to noncontrolling interests	71,129	15,852	16,548	20,772	17,957
Equity in net income of unconsolidated investments (net of tax)	(129,568)	(22,841)	(33,236)	(38,310)	(35,181)
Dividends received from unconsolidated investments	71,746	8,764	2,691	57,257	3,034
Consolidated EBITDA	\$ 1,050,088	\$ 296,438	\$ 240,354	\$ 301,619	\$ 211,677
Total Long Term Debt (as reported)	\$ 3,050,257				
Off balance sheet obligations and other	82,300				
Consolidated Funded Debt	\$ 3,132,557				
Less Cash	613,110				
Consolidated Funded Net Debt	\$ 2,519,447				
Consolidated Funded Debt to Consolidated EBITDA Ratio	3.0				
Consolidated Funded Net Debt to Consolidated EBITDA Ratio	2.4				

¹ This supplemental is for net-debt-to-adjusted EBITDA ratio based on the bank covenant definition.



www.albemarle.com