

# Albemarle Corporation Third Quarter 2021 Earnings

Conference Call/Webcast  
Thursday, November 4, 2021  
9:00am ET



# Forward-Looking Statements –

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Some of the information presented in this presentation, the conference call and discussions that follow, 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, guidance, 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; 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 most recent Annual Report on Form 10-K and any subsequently filed 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

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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, adjusted EBITDA, adjusted EBITDA by operating segment, EBITDA margin, adjusted EBITDA margin, pro-forma adjusted EBITDA, pro-forma adjusted EBITDA margin, adjusted EBITDA ex FX, adjusted EBITDA margin ex FX, net debt to adjusted EBITDA, and gross debt to adjusted EBITDA 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 makers use 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.

# Recent Accomplishments Support Long-term Growth

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Q3 2021 net sales \$831M, up 11% Y/Y; adj. EBITDA \$218M, up 1% Y/Y

Excluding FCS, Q3 2021 net sales up 19% Y/Y; adj. EBITDA up 14% Y/Y

Increased FY 2021 guidance based on strong Q3 performance

Announced acquisition agreement including a lithium conversion plant designed to produce up to 25,000 mtpa with the potential to expand to 50,000 mtpa

Announced agreements for strategic investments in China with plans to build two lithium hydroxide conversion plants, each initially targeting 50,000 mtpa

MARBL to restart operations at its Wodgina Lithium Mine; production expected to begin in Q3 2022

# Well-Positioned to Drive Sustainable Growth

	2021 OBJECTIVES	Updates
<b>Grow Profitably</b>	<ul style="list-style-type: none"> <li>Complete LAN III/IV (mid-2021) and KEM I/II (late 2021)</li> <li>Investment decisions on new expansion projects in Lithium and Bromine</li> </ul>	<ul style="list-style-type: none"> <li>✓ LAN III/IV construction complete</li> <li>✓ Completion of KEM I YE '21; KEM II H2 '22</li> <li>✓ Announced new Li expansion projects</li> <li>✓ New U.S. bromine brine well complete</li> <li>✓ JBC tetrabrom debottleneck project complete</li> </ul>
<b>Maximize Productivity</b>	<ul style="list-style-type: none"> <li>Achieve \$75M productivity improvements versus 2020<sup>1</sup></li> <li>Preserve margins with best-in-class cost discipline and continuous improvement</li> <li>Build project execution expertise to accelerate highest return growth projects</li> </ul>	<ul style="list-style-type: none"> <li>✓ Productivity objectives on track</li> <li>✓ Launched Albemarle Way of Excellence (AWE), our focused operating model</li> </ul>
<b>Invest with Discipline</b>	<ul style="list-style-type: none"> <li>Align growth with commercial agreements to support economic returns</li> <li>Continue to actively evaluate portfolio; complete FCS divestiture</li> <li>Maintain Investment Grade credit rating and support our dividend</li> </ul>	<ul style="list-style-type: none"> <li>✓ FCS divestiture closed June 1, 2021</li> <li>• Catalysts strategic review underway</li> <li>✓ Investment Grade rating intact</li> <li>✓ 27<sup>th</sup> consecutive year of a dividend increase</li> </ul>
<b>Advance Sustainability</b>	<ul style="list-style-type: none"> <li>Set near-term sustainability targets; explore science-based target options</li> <li>Partner with automotive OEMs to enable sustainable supply chains</li> </ul>	<ul style="list-style-type: none"> <li>✓ Initial sustainability targets set</li> <li>✓ Sustainability objectives on track</li> <li>✓ First CDP report submitted Aug 2021</li> <li>✓ First lithium company to become IRMA member</li> </ul>

# Delivering Wave 2 Lithium Expansions in 2022

## La Negra III / IV

- Conversion of low-cost, high-quality Chilean brine
- 40ktpa nameplate capacity – lithium carbonate
- 100% owned and 100% marketed by ALB
- Achieved first production October 2021; progressing qualification process; first sales expected in H1 2022

Salar de Atacama

La Negra

## Kemerton I / II

- Conversion of low-cost, high-quality Australian spodumene
- 50ktpa nameplate capacity – lithium hydroxide
- 60% owned and 100% marketed by ALB
- Prioritizing Kemerton I to mitigate risks related to labor shortages and pandemic-related travel restrictions in Western Australia
- Kemerton I: construction completion expected by YE 2021; first sales expected in H2 2022
- Kemerton II: construction completion now expected in H2 2022; first sales expected in 2023

Greenbushes (JV)

Kemerton (JV)

● Resource  
● Conversion

# Progressing Wave 3 Conversion Capacity Expansions

## Agreement to Acquire Guangxi Tianyuan New Energy Materials:

- Conversion plant designed to produce 25ktpa LCE (**Qinzhou**)
- Potential to expand to 50ktpa
- In commissioning; first sales expected H2 2022

**Wodgina restart; expected to begin producing spodumene concentrate in Q3 2022**

## Investment agreements for two sites in China:

- Yangtze River Chemical Industrial Park (**Zhangjiagang**) and Sichuan Pengshan Economic Development Park (**Meishan**)
- Initial plan to build 50ktpa LiOH conversion plants at each site

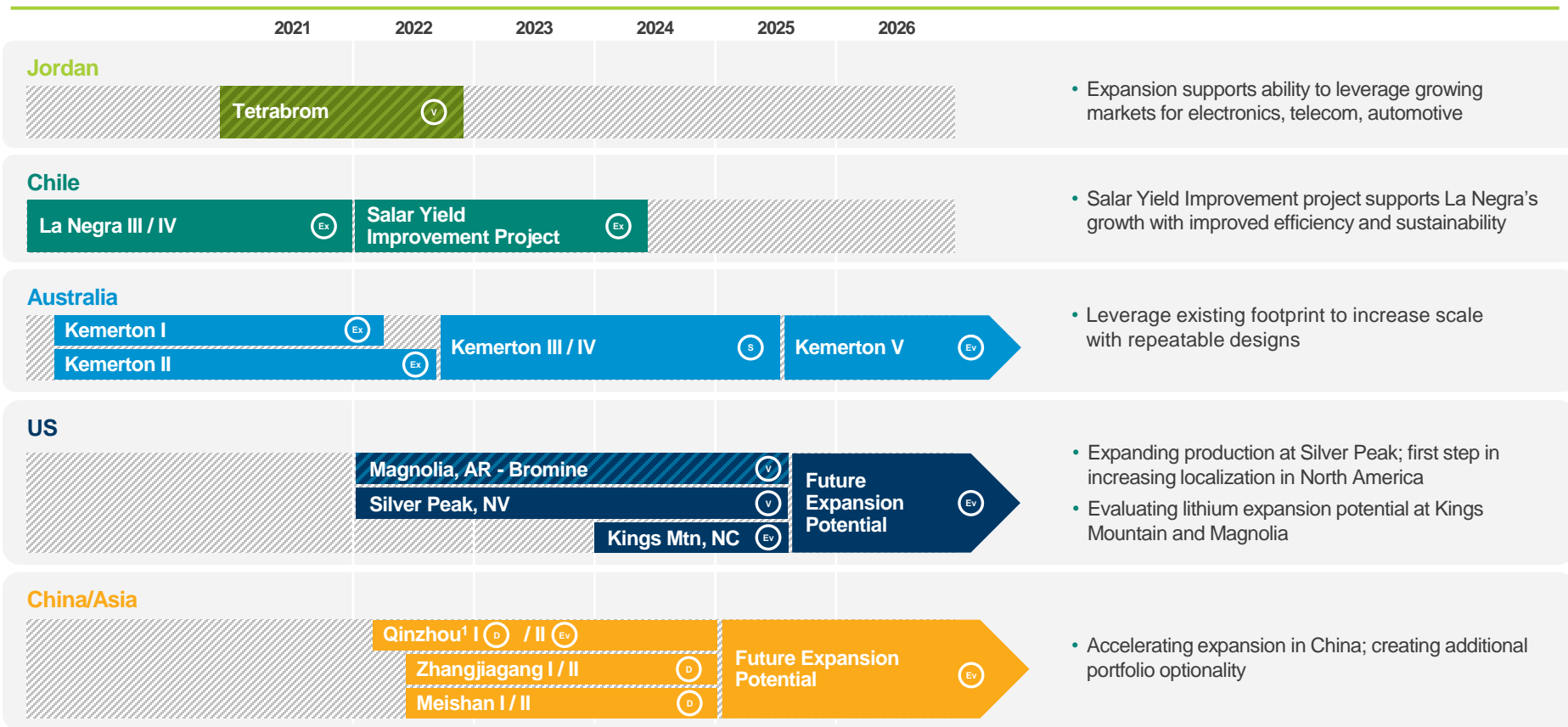
## Alignment with long-term strategy:

- ✓ Acquisition accelerates conversion capacity growth
- ✓ Expansion potential and improved optionality
- ✓ Increasing conversion capacity to leverage world-class resources
- ✓ Investments in low-cost jurisdictions reduce capital intensity and improve returns

## Australia/Asia Resource & Conversion



# Global Project Pipeline Offers Diversity, Scale & Optionality

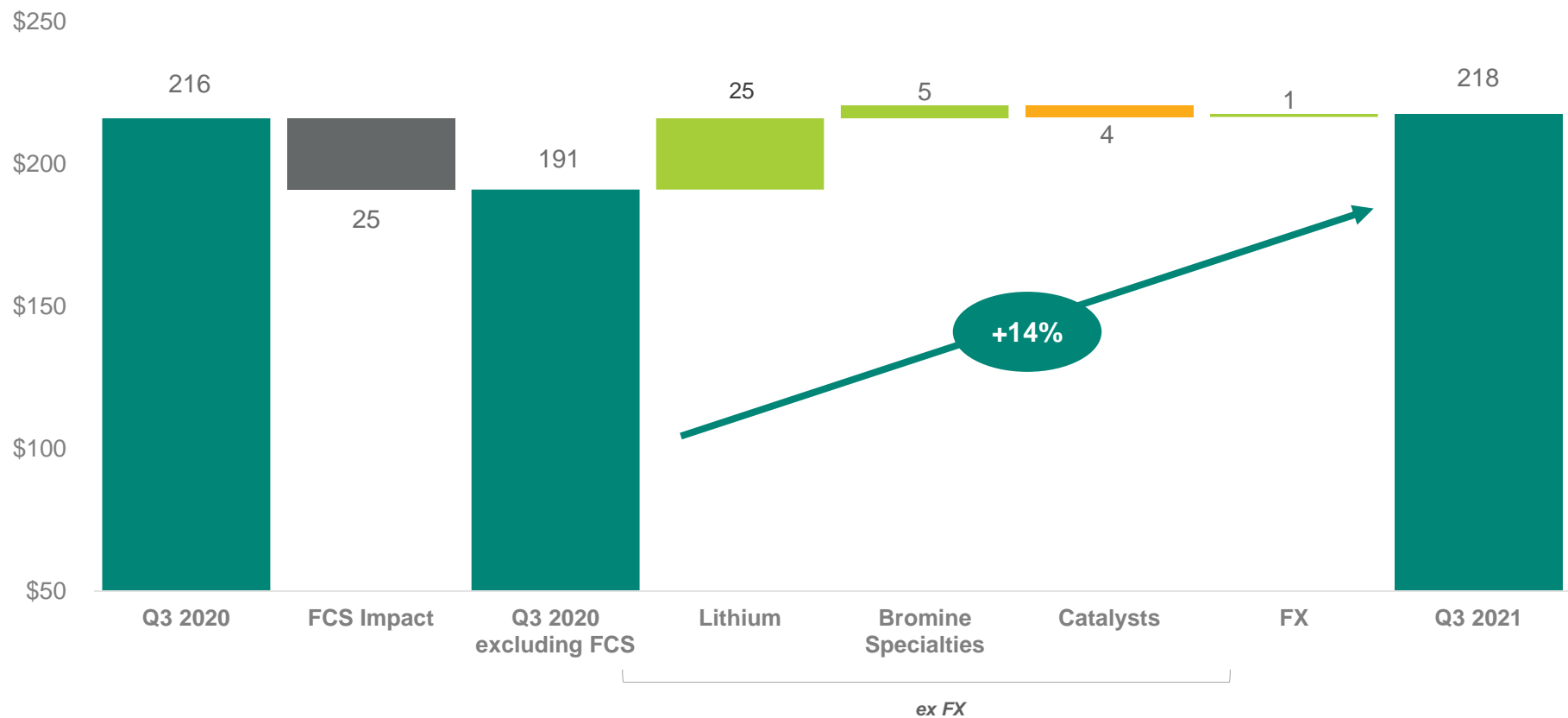




# Q3 2021 Financial Summary

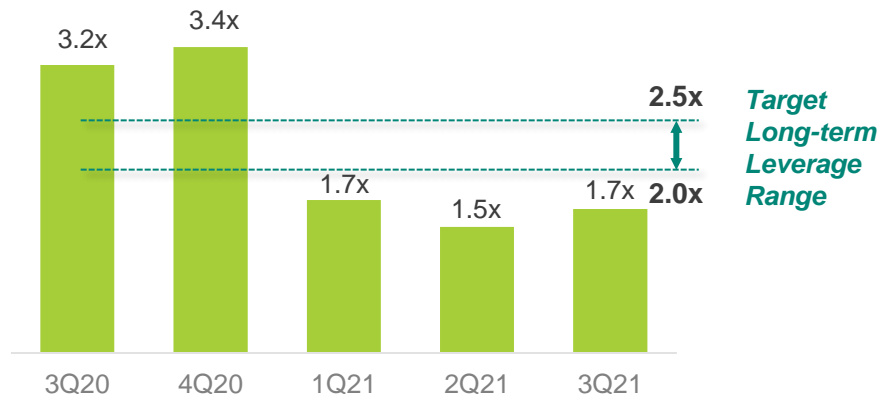
<i>(in millions, except per share amounts)</i>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>Variance</b>
<b>Net Sales</b>	\$831	\$747	<b>11%</b>
<b>Net income attributable to Albemarle Corporation</b>	\$(393)	\$98	-500%
<b>Adjusted EBITDA</b>	\$218	\$216	<b>1%</b>
<b>Adjusted EBITDA Margin</b>	26%	29%	
<b>Diluted EPS<sup>1</sup></b>	\$(3.36)	\$0.92	465%
<b>Non-operating pension and OPEB items</b>	(0.04)	(0.02)	
<b>Non-recurring and other unusual items<sup>2</sup></b>	4.42	0.19	
<b>Adjusted Diluted EPS<sup>3</sup></b>	\$1.05	\$1.09	<b>-4%</b>

# Q3 2021 Adjusted EBITDA Bridge



# Financial Flexibility to Execute Growth Strategy

## Net Debt to Adjusted EBITDA<sup>1</sup>



## Selected Financial Metrics







(\$ in millions)

(as of 9/30/2021)

Dividends Paid (TTM)	\$173
Dividend Growth (TTM Y/Y)	8.45%
Cash Balance	\$595
Gross Debt <sup>2</sup>	\$2,022

- Increased annual dividend for 27<sup>th</sup> consecutive year
- Intend to retain target long-term leverage ratio range of 2.0x – 2.5x

# Raising Full-Year 2021 Guidance

	FY 2021 Guidance
Net Sales	\$3.3B – \$3.4B 
Adj. EBITDA	\$830M – \$860M 
Adj. EBITDA Margin	~25 % 
Adj. Diluted EPS	\$3.85 – \$4.15 
Net Cash from Operations	\$550M - \$650M 
Capital Expenditures	\$925M – \$975M 

All businesses contributed to improved 2021 Guidance:

- Lithium and Bromine: Stronger pricing due to tight market conditions
- Catalyst: Higher-than-expected joint venture income
- Corporate: Lower costs

# FY 2021: Improved Outlook Across our Businesses

As of November 4, 2021



- Lithium FY 2021 adj. EBITDA expected to be up mid- to high-teens Y/Y, up from previous guidance
- FY 2021 volume growth expected to be up mid-teens Y/Y due primarily to higher tolling volumes
- Average realized pricing expected to increase sequentially during the year, flat to slightly up on Y/Y basis
- Higher costs related to project start-ups and tolling, partially offset by productivity improvements



- Catalysts FY 2021 adj. EBITDA expected to be down 20% - 25% Y/Y, an improvement from previous guidance owing to higher-than-expected equity income
- FY 2021 overall outlook primarily impacted by the U.S. Gulf Coast winter storm headwinds, product mix, and a change in customer order patterns during Q1
- Markets improving but volumes not expected to return to pre-pandemic levels before late '22 or '23



- Bromine FY 2021 adj. EBITDA expected to be up low double digits Y/Y, up from previous guidance
- Continued economic recovery and strength in flame retardants; benefiting from diverse end-markets
- Volumes constrained due to sold out conditions and lack of inventory
- Cost savings and higher pricing expected to partially offset higher freight and raw material costs

# Clear Strategy to Accelerate Profitable Growth and Advance Sustainability



Enhancing strategy execution and long-term value creating with **focused operating model** – the Albemarle Way of Excellence (AWE)

**Disciplined capital allocation** priorities: accelerate profitable growth, maintain financial flexibility, and support shareholder returns

**Significant growth expected by 2026:** ~\$6-7B in revenue (>2x 2021); ~\$2-3B in adj. EBITDA (>3x 2021); ~\$2B in net cash from operations (>3x 2021)

Committed to **industry-leading sustainability** performance; partnering with our customers to make the world safer, more sustainable and environmentally sound

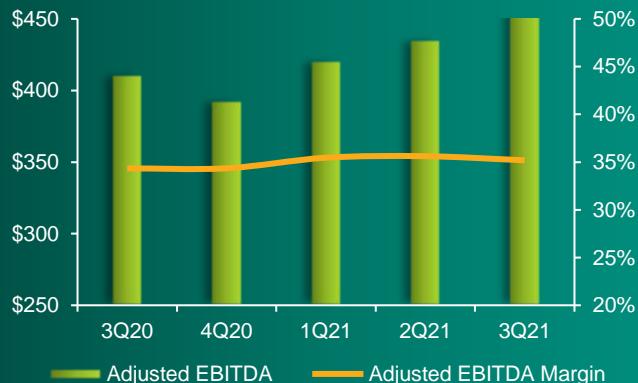
# Lithium Overview

As of November 4, 2021

## Q3 2021 PERFORMANCE

(\$M)	Q3 2021	ΔQ3 2020
Net Sales	\$359	35%
Net Sales ex FX <sup>1</sup>	\$354	33%
Adj. EBITDA	\$125	28%
Adj. EBITDA ex FX <sup>1</sup>	\$123	26%
Adj. EBITDA Margin	35%	-190 bps
Adj. EBITDA Margin ex FX <sup>1</sup>	36%	-211 bps

## HISTORICAL TREND (TTM)



## YoY Q3 Performance Drivers

- Net sales increased 35% (price<sup>3</sup> +5%, volume +30%); adjusted EBITDA up 28%
- Adjusted EBITDA benefited from higher net sales and higher volumes at Talison JV
- Sales volumes increased primarily due to tolling production to help meet growing customer demand
- Further volume growth constrained by lack of inventory as customer orders were pulled forward into the first half of the year

## FY 2021 Outlook

- FY 2021 adjusted EBITDA expected to be up mid- to high-teens Y/Y
- Volumes expected to increase mid-teens Y/Y driven primarily by tolling
- Average realized pricing expected to improve sequentially due to tightening market conditions, and full-year pricing will be flat to slightly up overall compared to 2020
- Higher costs related to project start-ups and tolling, partially offset by productivity improvements; FY 2021 average margin expected to remain below 35%

## Drivers/Sensitivities

- Energy storage (~60% of Li sales<sup>2</sup>): Primary driver - EV sales in Europe and China
  - Potential 1 to 2 quarter lag behind EV production
- Specialties and TG (~40% of Li sales<sup>2</sup>): Primary driver - consumer spending and industrial production - less than 1 quarter lag

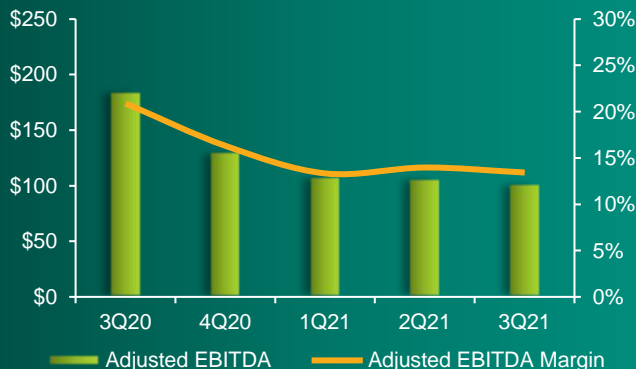
# Catalysts Overview

As of November 4, 2021

## Q3 2021 PERFORMANCE

(\$M)	Q3 2021	ΔQ3 2020
Net Sales	\$194	-2%
Net Sales ex FX <sup>1</sup>	\$193	-3%
Adj. EBITDA	\$33	-13%
Adj. EBITDA ex FX <sup>1</sup>	\$33	-12%
Adj. EBITDA Margin	17%	-201 bps
Adj. EBITDA Margin ex FX <sup>1</sup>	17%	-183 bps

## HISTORICAL TREND (TTM)



Note: Numbers may not reconcile due to rounding.

<sup>1</sup> Net of FX impacts. <sup>2</sup> Sales based on historical average. <sup>3</sup> Includes FX impact.

## YoY Q3 Performance Drivers

- Net sales down 2% (price<sup>3</sup> -1%, volume -1%); adjusted EBITDA down 13%
- Adjusted EBITDA impacted by higher costs and lower sales, partially offset by higher-than-expected equity income
- Higher raw materials and freight costs continued to impact margins

## FY 2021 Outlook

- FY 2021 adjusted EBITDA expected to decline by 20-25% Y/Y; improved from previous guidance due to higher-than-expected equity income
- Outlook impacted by winter storm headwinds, product mix, and a previously announced change in customer order patterns during Q1
- Market conditions improving, but volumes are not expected to return to pre-pandemic levels before late 2022 or 2023

## Drivers/Sensitivities

- FCC (~ 50% of sales<sup>2</sup>): Primary drivers - miles driven/transportation fuel consumption
- HPC (~ 30% of sales<sup>2</sup>): Primary drivers - environmental sulfur regulations and miles driven/transportation fuel consumption
- PCS (~ 20% of sales<sup>2</sup>): Primary drivers - plastic and polyurethane demand



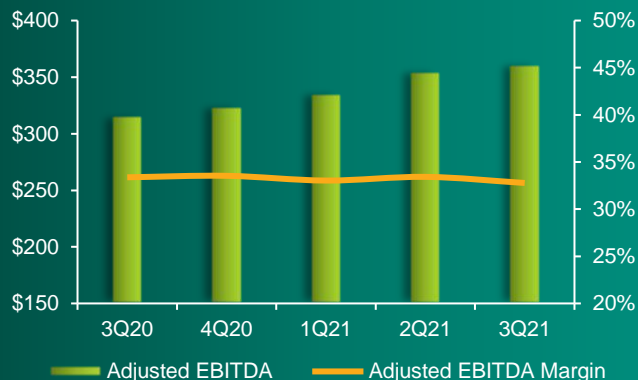
# Bromine Specialties Overview

As of November 4, 2021

## Q3 2021 PERFORMANCE

(\$M)	Q3 2021	ΔQ3 2020
Net Sales	\$278	17%
Net Sales ex FX <sup>1</sup>	\$276	16%
Adj. EBITDA	\$86	8%
Adj. EBITDA ex FX <sup>1</sup>	\$84	6%
Adj. EBITDA Margin	31%	-253 bps
Adj. EBITDA Margin ex FX <sup>1</sup>	31%	-296 bps

## HISTORICAL TREND (TTM)



## YoY Q3 Performance Drivers

- Net sales up 17% (price<sup>3</sup> +17%, volume +0%); adjusted EBITDA up 8%
- Favorable pricing driven by robust demand and tight market conditions
- Increase in net sales partially offset by higher costs for raw materials and freight
- Force majeure declaration by chlorine supplier limited ability to capitalize on demand strength and increased brine production capacity

## FY 2021 Outlook

- Expect FY 2021 adjusted EBITDA up low double digits Y/Y, an improvement from previous guidance; chlorine supply is stabilizing but subject to availability
- Continued economic recovery and strength in flame retardants; benefitting from diverse end-markets
- Sold out conditions for the remainder of the year with no inventory
- On-going cost savings and higher pricing help offset higher freight and raw materials

## Drivers/Sensitivities

- GDP plus business - electronics, automotive, construction, appliances
- Flame retardants (~60% of sales<sup>2</sup>): Primary driver - consumer spending, digitization, electrification
- Oilfield (<10% of sales<sup>2</sup>): Primary driver - oil price
  - Deep water and off-shore drilling
- ~1 to 3 quarter lag in supply chain

Note: Numbers may not reconcile due to rounding.

<sup>1</sup> Net of FX impacts. <sup>2</sup> Sales based on historical average. <sup>3</sup> Includes FX impact.

# Q4 2021 Investor Relations Events

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Date	Event – All Virtual
November 8	Oppenheimer Fireside Chat
November 10	Baird Global Industrial Conference
December 1	Citi Basic Materials Virtual Conference
December 9	Deutsche Bank Lithium and Battery Supply Chain Conference

**Meredith Bandy**

VP, Investor Relations & Sustainability  
meredith.bandy@albemarle.com  
+1 980.999.5168

**David Burke**

Director, Investor Relations  
david.burke@albemarle.com  
+1 980.299.5533

**Katie Pyfer**

Manager, Investor Relations  
katheryne.pyfer@albemarle.com  
+1 980.299.5590

# Appendix

## Non-GAAP Reconciliations

# Definitions of Non-GAAP Measures

NON-GAAP MEASURE	DESCRIPTION
<b>Adjusted Net Income</b>	Net income attributable to Albemarle Corporation before non-recurring, other unusual and non-operating pension and OPEB.
<b>Pro-forma Adjusted Net Income</b>	Net income attributable to Albemarle Corporation before non-recurring, other unusual and non-operating pension and OPEB items, and the net impact of the divested business.
<b>Adjusted Diluted EPS</b>	Diluted EPS before non-recurring, other unusual and non-operating pension and OPEB.
<b>Pro-forma Adjusted Diluted EPS</b>	Diluted EPS before non-recurring, other unusual and non-operating pension and OPEB items, and the net impact of the divested business.
<b>EBITDA</b>	Net income attributable to Albemarle Corporation before interest and financing expenses, income taxes, and depreciation and amortization.
<b>Adjusted EBITDA</b>	EBITDA before non-recurring, other unusual and non-operating pension and OPEB.
<b>Pro-forma Adjusted EBITDA</b>	Adjusted EBITDA before the net impact of EBITDA of the divested business.
<b>Pro-forma Net Sales</b>	Net Sales before the impact of Net Sales from the divested business.
<b>Adjusted Effective Income Tax Rate</b>	Reported effective income tax rate before the tax impact of non-recurring, other unusual and non-operating pension and OPEB items.

# Adjusted Net Income

(\$ in thousands)	Three Months Ended September 30,	
	2021	2020
Net (loss) income attributable to Albemarle Corporation	\$ (392,781)	\$ 98,301
Add back:		
Non-operating pension and OPEB items (net of tax)	(4,271)	(2,294)
Non-recurring and other unusual items (net of tax)	520,392	20,278
Adjusted net income attributable to Albemarle Corporation	\$ 123,340	\$ 116,285
Adjusted diluted earnings per share	\$ 1.05	\$ 1.09
Weighted-average common shares outstanding – diluted	117,685	106,873

See above for a reconciliation of adjusted net income, the non-GAAP financial measures, to Net income attributable to Albemarle Corporation, the most directly comparable financial measure calculated and reported in accordance with GAAP.

# EBITDA and Adjusted EBITDA

	Three Months Ended September 30,	
	2021	2020
<i>(\$ in thousands)</i>		
Net (loss) income attributable to Albemarle Corporation	\$ (392,781)	\$ 98,301
Add back:		
Interest and financing expenses	5,136	19,227
Income tax expense	(114,670)	30,653
Depreciation and amortization	62,082	58,679
<b>EBITDA</b>	<b>(440,233)</b>	<b>206,860</b>
Non-operating pension and OPEB items	(5,471)	(2,901)
Non-recurring and other unusual items	663,273	12,096
<b>Adjusted EBITDA</b>	<b>\$ 217,569</b>	<b>\$ 216,055</b>
Net impact of adjusted EBITDA from divested business	—	(21,791)
<b>Adjusted EBITDA excluding impact from divested business</b>	<b>\$ 217,569</b>	<b>\$ 194,264</b>
<b>Net sales</b>	<b>\$ 830,566</b>	<b>\$ 746,868</b>
Net impact of net sales from divested business	—	(42,195)
<b>Net sales excluding impact from divested business</b>	<b>\$ 830,566</b>	<b>\$ 704,673</b>
EBITDA margin	(53.0)%	27.7 %
Adjusted EBITDA margin	26.2 %	28.9 %
Adjusted EBITDA margin excluding impact from divested businesses	26.2 %	27.6 %

See above for a reconciliation of EBITDA, adjusted EBITDA and the non-GAAP financial measures, to Net income attributable to Albemarle Corporation, the most directly comparable financial measure calculated and reported in accordance with GAAP.

# Adjusted EBITDA – by Segment *(three months ended)*

(\$ in thousands)	Lithium	Bromine Specialties	Catalysts	Reportable Segments Total	All Other	Corporate	Consolidated Total
<b>Three months ended September 30, 2021</b>							
Net income (loss) attributable to Albemarle Corporation	\$ 92,449	\$ 73,409	\$ 20,039	\$ 185,897	\$ —	\$ (578,678)	\$ (392,781)
Depreciation and amortization	34,256	12,603	13,064	59,923	—	2,159	62,082
Non-recurring and other unusual items	(1,289)	—	—	(1,289)	—	664,562	663,273
Interest and financing expenses	—	—	—	—	—	5,136	5,136
Income tax expense	—	—	—	—	—	(114,670)	(114,670)
Non-operating pension and OPEB items	—	—	—	—	—	(5,471)	(5,471)
<b>Adjusted EBITDA</b>	<b>\$ 125,416</b>	<b>\$ 86,012</b>	<b>\$ 33,103</b>	<b>\$ 244,531</b>	<b>\$ —</b>	<b>\$ (26,962)</b>	<b>\$ 217,569</b>
<b>Three months ended September 30, 2020</b>							
Net income (loss) attributable to Albemarle Corporation	\$ 69,102	\$ 66,548	\$ 25,176	\$ 160,826	\$ 22,798	\$ (85,323)	\$ 98,301
Depreciation and amortization	28,687	12,900	12,658	54,245	2,187	2,247	58,679
Non-recurring and other unusual items	—	—	—	—	—	12,096	12,096
Interest and financing expenses	—	—	—	—	—	19,227	19,227
Income tax expense	—	—	—	—	—	30,653	30,653
Non-operating pension and OPEB items	—	—	—	—	—	(2,901)	(2,901)
<b>Adjusted EBITDA</b>	<b>\$ 97,789</b>	<b>\$ 79,448</b>	<b>\$ 37,834</b>	<b>\$ 215,071</b>	<b>\$ 24,985</b>	<b>\$ (24,001)</b>	<b>\$ 216,055</b>
Net impact of adjusted EBITDA from divested business	—	—	—	—	(21,791)	—	(21,791)
<b>Adjusted EBITDA excluding impact from divested business</b>	<b>\$ 97,789</b>	<b>\$ 79,448</b>	<b>\$ 37,834</b>	<b>\$ 215,071</b>	<b>\$ 3,194</b>	<b>\$ (24,001)</b>	<b>\$ 194,264</b>

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.

# Adjusted EBITDA – Margin by Segment *(three months ended)*

(\$ in thousands)	Lithium	Bromine Specialties	Catalysts	Reportable Segments Total	All Other	Consolidated Total
<b>Three months ended September 30, 2021</b>						
Net sales	\$ 359,229	\$ 277,783	\$ 193,554	\$ 830,566		\$ 830,566
Pro-forma: Net impact of net sales from divested business	—	—	—	—		—
Pro-forma net sales	\$ 359,229	\$ 277,783	\$ 193,554	\$ 830,566		\$ 830,566
Net income (loss) attributable to Albemarle Corporation	25.7 %	26.4 %	10.4 %	22.4 %		(47.3)%
Depreciation and amortization	9.5 %	4.5 %	6.7 %	7.2 %		7.5 %
Non-recurring and other unusual items	(0.4)%	— %	— %	(0.2)%		79.9 %
Interest and financing expenses	— %	— %	— %	— %		0.6 %
Income tax expense	— %	— %	— %	— %		(13.8)%
Non-operating pension and OPEB items	— %	— %	— %	— %		(0.7)%
<b>Adjusted EBITDA Margin</b>	<b>34.9 %</b>	<b>31.0 %</b>	<b>17.1 %</b>	<b>29.4 %</b>		<b>26.2 %</b>
<b>Three months ended September 30, 2020</b>						
Net sales	\$ 265,646	\$ 237,193	\$ 197,919	\$ 700,758	\$ 46,110	\$ 746,868
Net impact of net sales from divested business	—	—	—	—	(42,195)	(42,195)
Net sales excluding impact from divested business	\$ 265,646	\$ 237,193	\$ 197,919	\$ 700,758	\$ 3,915	\$ 704,673
Net income (loss) attributable to Albemarle Corporation	26.0 %	28.1 %	12.7 %	23.0 %	49.4 %	13.2 %
Depreciation and amortization	10.8 %	5.4 %	6.4 %	7.7 %	4.7 %	7.9 %
Non-recurring and other unusual items	— %	— %	— %	— %	— %	1.6 %
Interest and financing expenses	— %	— %	— %	— %	— %	2.6 %
Income tax expense	— %	— %	— %	— %	— %	4.1 %
Non-operating pension and OPEB items	— %	— %	— %	— %	— %	(0.4)%
<b>Adjusted EBITDA Margin</b>	<b>36.8 %</b>	<b>33.5 %</b>	<b>19.1 %</b>	<b>30.7 %</b>	<b>54.2 %</b>	<b>28.9 %</b>
<b>Adjusted EBITDA margin excluding impact from divested businesses</b>	<b>36.8 %</b>	<b>33.5 %</b>	<b>19.1 %</b>	<b>30.7 %</b>	<b>81.6 %</b>	<b>27.6 %</b>

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.



# Adjusted EBITDA – by Segment *(twelve months ended)*

(\$ in thousands)	Twelve Months Ended				
	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021	Sep 30, 2021
<b>Lithium</b>					
Net income attributable to Albemarle Corporation	\$ 217,538	\$ 277,711	\$ 294,843	\$ 303,398	\$ 326,745
Depreciation and amortization	110,337	112,854	119,263	124,262	129,831
Non-recurring and other unusual items	83,167	2,528	6,786	8,137	6,848
Adjusted EBITDA	411,042	393,093	420,892	435,797	463,424
Net Sales	1,197,326	1,144,778	1,186,936	1,223,548	1,317,131
Adjusted EBITDA Margin	34 %	34 %	35 %	36 %	35 %
<b>Bromine Specialties</b>					
Net income attributable to Albemarle Corporation	\$ 266,530	\$ 274,495	\$ 284,943	\$ 304,399	\$ 311,260
Depreciation and amortization	49,176	50,310	51,240	51,389	51,092
Non-recurring and other unusual items	(241)	(1,200)	(1,200)	(1,200)	(1,200)
Adjusted EBITDA	315,465	323,605	334,983	354,588	361,152
Net Sales	945,028	964,962	1,013,817	1,060,786	1,101,376
Adjusted EBITDA Margin	33 %	34 %	33 %	33 %	33 %
<b>Catalysts</b>					
Net income attributable to Albemarle Corporation	\$ 134,128	\$ 80,149	\$ 58,173	\$ 55,917	\$ 50,780
Depreciation and amortization	49,893	49,985	49,918	50,561	50,967
Non-recurring and other unusual items	794	—	—	—	—
Adjusted EBITDA	184,815	130,134	108,091	106,478	101,747
Net Sales	884,701	797,914	810,950	762,241	757,876
Adjusted EBITDA Margin	21 %	16 %	13 %	14 %	13 %

# Adjusted EBITDA supplemental<sup>1</sup>

(\$ in thousands)

	Twelve Months Ended	Three Months Ended			
	Sep 30, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
<b>Adjusted EBITDA</b>	<b>\$ 863,376</b>	<b>\$ 217,569</b>	<b>\$ 194,628</b>	<b>\$ 230,054</b>	<b>\$ 221,125</b>
Adjusted EBITDA of divested businesses	(44,866)	—	(6,990)	(21,425)	(16,451)
Net income attributable to noncontrolling interests	79,519	18,348	21,608	22,021	17,542
Equity in net income of unconsolidated investments (net of tax)	(105,864)	(27,706)	(17,998)	(16,511)	(43,649)
Dividends received from unconsolidated investments	70,226	15,954	22,470	4,950	26,852
<b>Consolidated EBITDA</b>	<b>\$ 862,391</b>	<b>\$ 224,165</b>	<b>\$ 213,718</b>	<b>\$ 219,089</b>	<b>\$ 205,419</b>
<b>Total Long Term Debt (as reported)</b>	<b>\$ 2,022,098</b>				
Off balance sheet obligations and other	81,800				
<b>Consolidated Funded Debt</b>	<b>\$ 2,103,898</b>				
Less Cash	595,049				
<b>Consolidated Funded Net Debt</b>	<b>\$ 1,508,849</b>				
<b>Consolidated Funded Debt to Consolidated EBITDA Ratio</b>	<b>2.4</b>				
<b>Consolidated Funded Net Debt to Consolidated EBITDA Ratio</b>	<b>1.7</b>				

# Diluted EPS

	Three Months Ended	
	September 30,	
	2021	2020
Diluted earnings per share attributable to Albemarle Corporation	\$ (3.36)	\$ 0.92
Add back:		
Non-operating pension and OPEB items (net of tax)	(0.04)	(0.02)
Non-recurring and other unusual items (net of tax)		
Restructuring and other	—	0.02
Acquisition and integration related costs	0.01	0.04
Gain on sale of business	0.01	—
Legal accrual	4.29	—
Other	0.02	0.02
Discrete tax items	0.09	0.11
Total non-recurring and other unusual items	4.42	0.19
Adjusted diluted earnings per share <sup>1</sup>	\$ 1.05	\$ 1.09
Diluted Shares	116,965	106,873

# Effective Tax Rate

<i>(\$ in thousands)</i>	(Loss) income before income taxes and equity in net income of unconsolidated investments	Income tax (benefit) expense	Effective income tax rate
<b>Three months ended September 30, 2021</b>			
As reported	\$ (516,809)	\$ (114,670)	22.2 %
Non-recurring, other unusual and non-operating pension and OPEB items	657,802	141,681	
As adjusted	\$ 140,993	\$ 27,011	19.2 %
<b>Three months ended September 30, 2020</b>			
As reported	\$ 121,544	\$ 30,653	25.2 %
Non-recurring, other unusual and non-operating pension and OPEB items	9,195	(8,789)	
As adjusted	\$ 130,739	\$ 21,864	16.7 %

See above for a reconciliation of the adjusted effective income tax rate, the non-GAAP financial measure, to the effective income tax rate, the most directly comparable financial measure calculated and reporting in accordance with GAAP.

# Equity Income and Noncontrolling Interest

	Three Months Ended September 30,			
	2021		2020	
	Equity Income	Noncontrolling Interest	Equity Income	Noncontrolling Interest
(\$ in thousands)				
Lithium	\$ 21,664	\$ —	\$ 19,756	\$ —
Bromine Specialties	—	(18,354)	—	(18,750)
Catalysts	10,768	—	705	—
Corporate	(4,726)	6	5,693	6
Total Company	\$ 27,706	\$ (18,348)	\$ 26,154	\$ (18,744)

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