

Albemarle

Q4 2021 Earnings

Conference Call/Webcast
Thursday, February 17, 2021
9:00am ET



Forward-Looking Statements

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

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.

Strategic Focus and Effective Response to Challenges

FY 2021 net sales

\$3.3B

in-line with
previous outlook

+11%

Y/Y²

FY 2021 adj. EBITDA¹

\$871M

exceeded the high-end
of previous outlook

+13%

Y/Y²

**Improved
FY 2022 outlook**

based on our ability to
capitalize on favorable
market conditions for
lithium and bromine

2022 adj. EBITDA^{1,2}

+35-55%

Y/Y

La Negra III/IV is in commercial qualification

Kemerton I is mechanically complete;
construction team now dedicated to Kemerton II

Signed non-binding letter agreement to explore
expanding the MARBL JV to increase optionality
and reduce risk

Met & Exceeded Strategic Objectives

2021 OBJECTIVES

UPDATES

Grow Profitably

- Complete LAN III/IV (mid-2021) and KEM I/II (late 2021)
- Investment decisions on new expansion projects in Lithium and Bromine

- ✓ LAN III/IV and KEM I construction complete
- ✗ KEM II on track for completion in H2 2022
- ✓ Announced new Li expansion projects
- ✓ New U.S. bromine brine well complete
- ✓ JBC tetrabrom debottleneck project complete

Maximize Productivity

- Achieve \$75M productivity improvements versus 2020¹
- Preserve margins with best-in-class cost discipline and continuous improvement
- Build project execution expertise to accelerate highest return growth projects

- ✓ Productivity objectives on track
- ✓ Launched Albemarle Way of Excellence (AWE), our focused operating model

Invest with Discipline

- Align growth with commercial agreements to support economic returns
- Continue to actively evaluate portfolio; complete FCS divestiture
- Maintain Investment Grade credit rating and support our dividend

- ✓ FCS divestiture closed June 1, 2021
- ✓ Catalysts strategic review underway
- ✓ Investment Grade rating intact
- ✓ 27th consecutive year of a dividend increase

Advance Sustainability

- Set near-term sustainability targets; explore science-based target options
- Partner with automotive OEMs to enable sustainable supply chains

- ✓ Initial sustainability targets set
- ✓ Sustainability objectives on track
- ✓ First CDP report submitted Aug 2021
- ✓ First lithium company to become IRMA member

Our Focus on Sustainability Has Earned Recognition

UN Global
Compact
Signatory

New
in 2021



Materiality
Assessment
Aligned to UN SDGs

New
in 2021



CDP Reporting:
Climate and
Water

New
in 2021



Upgraded by
Sustainalytics

New
in 2021



6th
Straight
Year



4th
Straight
Year



3rd
Straight
Year

2022
AMERICA'S MOST
RESPONSIBLE
COMPANIES

Newsweek

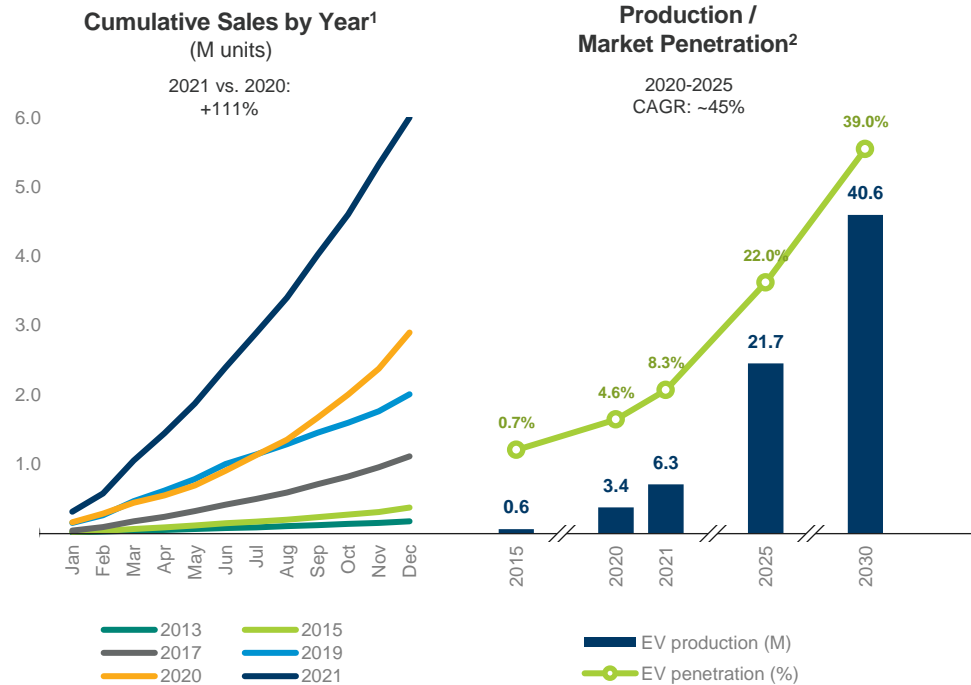
3rd
Straight
Year



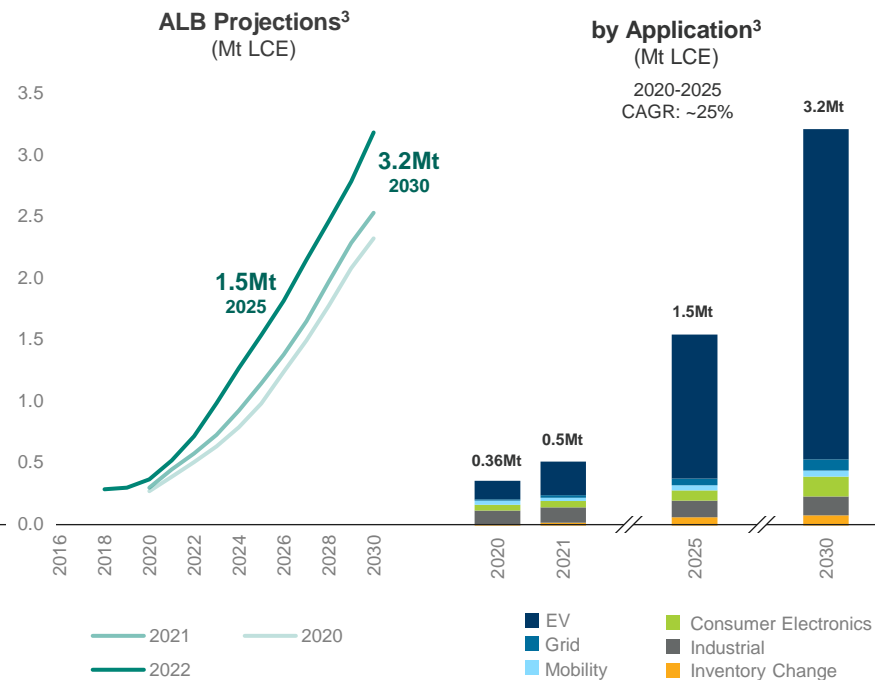
+70% increase in sustainability capital spending (2022E Y/Y)

Pressure From Auto Industry to Accelerate Lithium Supply Growth

Global EV



Lithium Demand



Lithium demand acceleration driven by EVs

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 Q2 2022

La Negra

Salar de Atacama

Kemerton I / II

- Conversion of low-cost, high-quality Australian spodumene
- 50ktpa nameplate capacity – lithium hydroxide
- 60% owned and 100% marketed by ALB
- Kemerton I: mechanically complete, commissioning has begun; first sales expected in H2 2022
- Kemerton II: mechanical completion expected in H2 2022; first sales expected in 2023

Kemerton (JV)

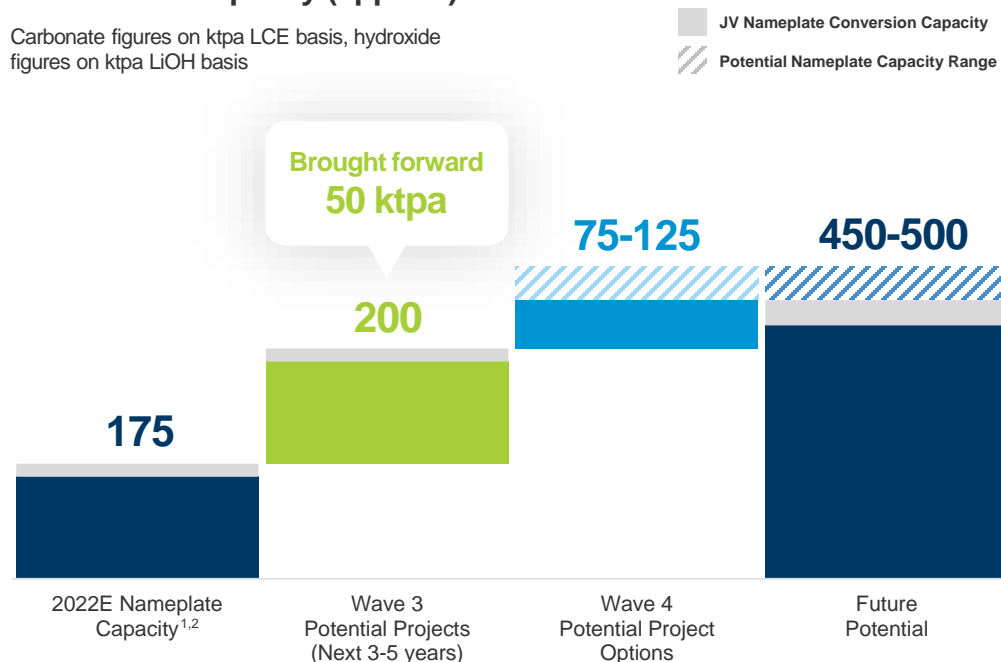
Greenbushes (JV)

● Resource
● Conversion

Wave 3 Projects Defined and Accelerated to Meet Customer Needs

Estimated Lithium Nameplate Conversion Capacity (approx.)

Carbonate figures on ktpa LCE basis, hydroxide figures on ktpa LiOH basis



Wave 3 Projects (3-5 years)

- Qinzhou, China (acquisition)
- Meishan, China
- Zhangjiagang, China
- Kemerton, Australia (III & IV)
- Silver Peak, Nevada

Wave 4 Potential Projects

- Kings Mountain, NC
- NAEU Conversion Facility
- Kemerton, Australia (V)
- Opportunities in Asia
- Magnolia, AR

Planned expansions more than double capacity

Wave 3 Projects Well-Aligned with Long-term Growth Strategy

Qinzhou acquisition expected to close H1 2022:

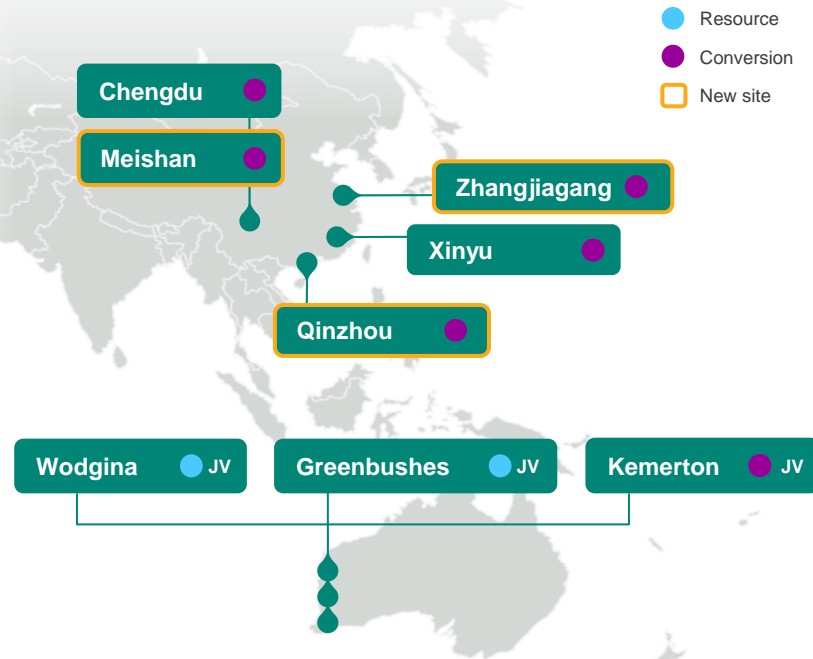
- Conversion plant designed to produce 25ktpa LCE
- Potential to expand to 50ktpa
- Currently tolling to assist with commissioning process; first sales expected H2 2022
- Acquisition accelerates conversion capacity growth

Wodgina restart is well advanced; expect to begin producing spodumene concentrate in Q2 2022

Breaking ground on two 50ktpa LiOH conversion plants in China:

- Construction expected to start in H1 2022 for Meishan and late 2022 for Zhangjiagang
- Mechanical completion expected by YE 2024
- Expansion potential and improved optionality

Australia/Asia Resource & Conversion



Investments in low-cost jurisdictions reduce capital intensity and improve returns

Leveraging Bromine Capital Project Excellence to Capture Growth

Expansions driven by new product innovation, process development, and application testing facility in Baton Rouge, LA

- +10% of annual revenue anticipated to be generated from new products by 2025
- First commercial sales of SAYTEX ALERO™ achieved; scaling production in 2022

Brine resource in Magnolia, AR feeds the production facility and offers opportunities for expansion

- Completed resource expansion in 2021 to support increased production in 2022, with additional planned expansion in 2022

Brine resource in Safi, Jordan supplies highly concentrated bromine stream to our JV conversion facility

- Continuing tetrabrom expansions with Debottleneck Phase 1 completed in 2021; Phase 2 expected completion in 2H 2022



Integrated resource and production facilities maximize product flexibility and profitability

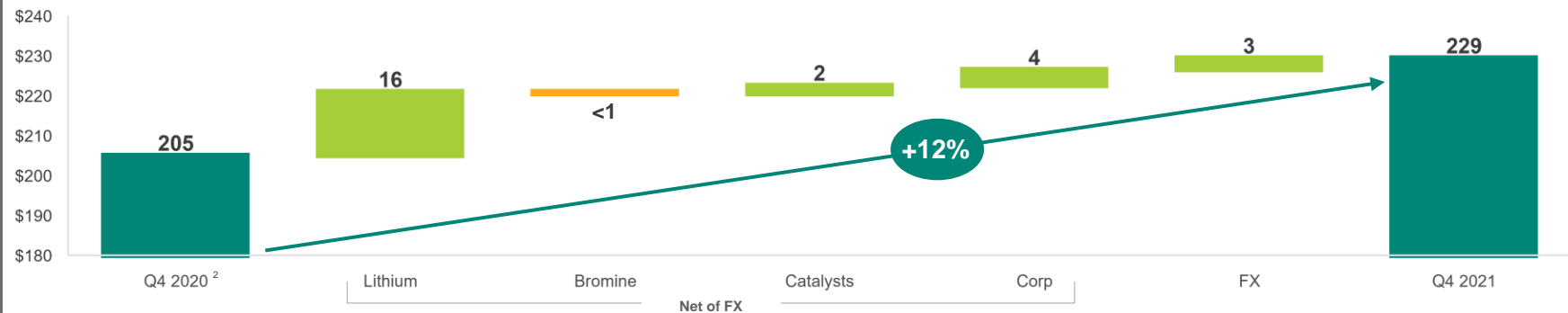
Q4 and FY 2021 Financial Summary

(in millions, except per share amounts)

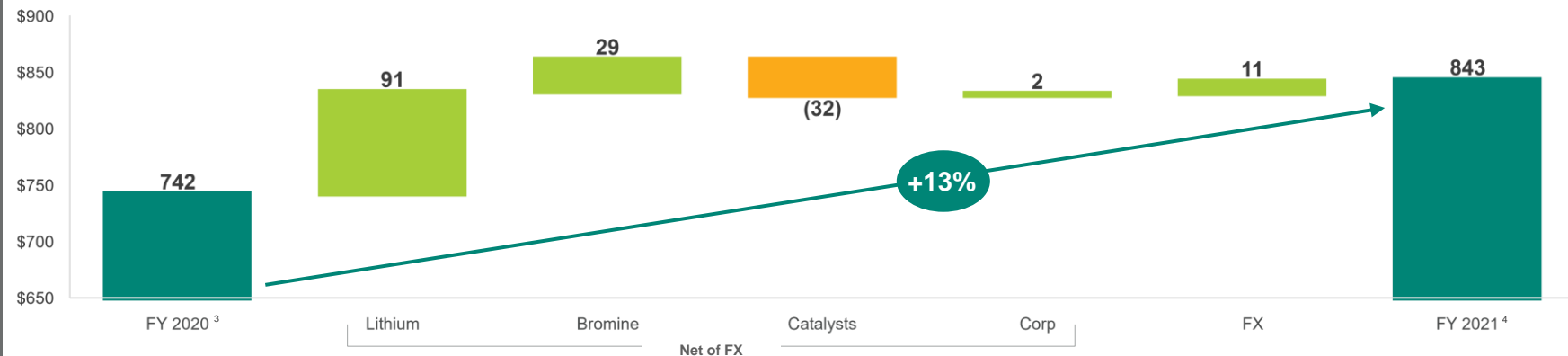
	Q4 2021	Q4 2020	Variance	FY 2021	FY 2020	Variance
Net Sales	\$894	\$879	+2%	\$3,328	\$3,129	+6%
Net income attributable to Albemarle Corporation	-\$4	\$85	-105%	\$124	\$376	-67%
Adjusted EBITDA¹	\$229	\$221	+3%	\$871	\$819	+6%
Adjusted EBITDA Margin¹	26%	25%		26%	26%	
Diluted EPS	-\$0.03	\$0.79	-104%	\$1.06	\$3.52	-70%
Non-operating pension and OPEB items	-0.41	0.35		-0.52	0.29	
Non-recurring and other unusual items	1.45	0.03		3.50	0.31	
Adjusted Diluted EPS¹	\$1.01	\$1.17	-14%	\$4.04	\$4.12	-2%

2021 Adjusted EBITDA¹ Bridge (\$ in millions)

Q4



FY



2022 Guidance vs 2021

As of February 17, 2022

	FY 2021	FY 2022 Guidance	2022 Guidance vs FY 2021 ²
Net Sales	\$3.3B	\$4.2B – \$4.5B	+30% to +40%
Adj. EBITDA¹	\$871M	\$1.15B – \$1.3B	+35% to +55%
Adj. EBITDA Margin¹	26.2%	27% – 29%	
Adj. Diluted EPS¹	\$4.04	\$5.65 – \$6.65	
Net Cash from Operations	\$344M	\$400M – \$500M	
Capital Expenditures	\$954M	\$1.3B – \$1.5B	

Additional Inputs for 2022: Depreciation and Amortization \$340M - \$370M; Adjusted effective tax rate 19%-21%; Corporate costs \$115M - \$125M; Interest and financing expenses \$55M - \$60M; Weighted-average common shares outstanding – diluted 117.7M.

Expect healthy double digit adj. EBITDA growth in all quarters

- Q1 expected to be strongest adj. EBITDA quarter of the year
- All three GBU's benefit in Q1 from increased pricing ahead of inflation
- Lithium Q1 benefits from strong Talison JV shipments and a one-time Wodgina spodumene sale; going forward, higher spodumene transfer pricing increases Talison equity income included in adj. EBITDA on an after-tax basis

FY 2022: Strong Outlook Across Our Businesses

As of February 17, 2022



- Lithium FY 2022 adj. EBITDA expected to be up 65%-85% Y/Y, improved from previous outlook
- FY 2022 volume growth expected to be up 20-30% Y/Y due primarily to new capacity coming online from La Negra, Kemerton, and China, as well as efficiency improvements and tolling
- Average realized pricing expected to be up 40%-45% Y/Y on strong market conditions and implementation of variable price structures on long-term contracts

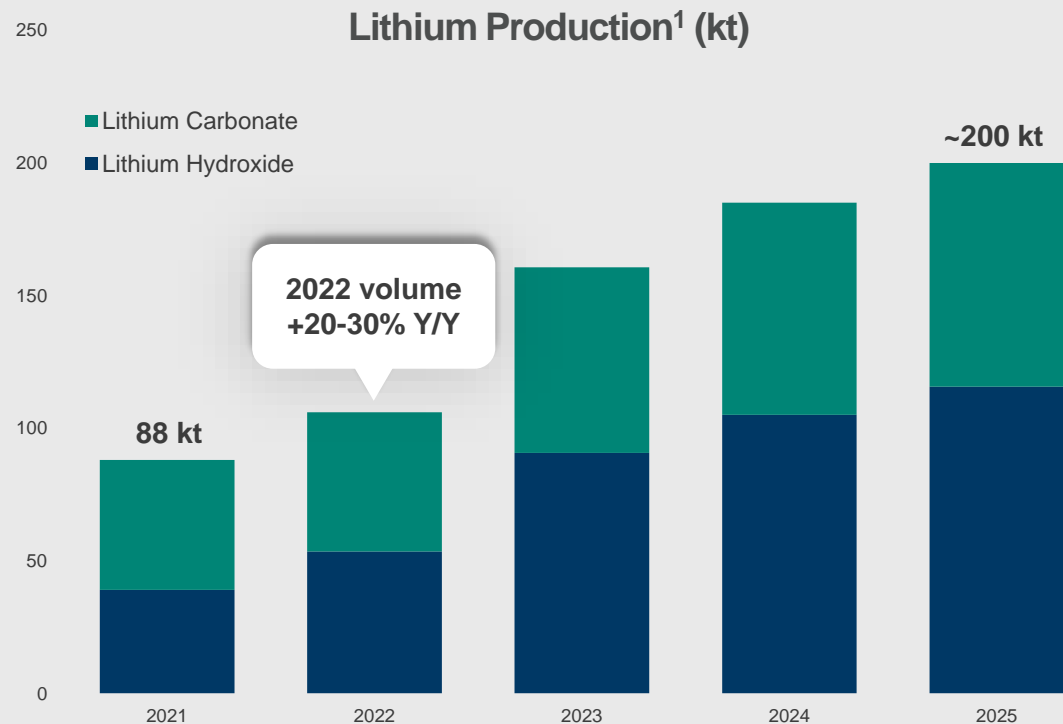


- Catalysts FY 2022 adj. EBITDA expected to be up 5%-15% Y/Y, below previous outlook in part due to higher input costs, particularly for natural gas
- FY 2022 volumes expected to grow across all segments with overall refining market improvement and as travel lock-down conditions abate
- Pricing expect to also increase to offset inflationary pressures in freight and input costs
- Maintain expectation that volumes will return to pre-pandemic levels in late 2022 or 2023



- Bromine FY 2022 adj. EBITDA expected to be up 5-10% Y/Y, slightly above previous outlook
- Continued economic recovery and strength in flame retardants anticipated; benefit from end-markets diversity and macro trends such as digitalization and electrification
- FY 2022 volume is expected to increase following successful execution of growth projects in 2021
- Cost savings and higher pricing expected to partially offset higher freight and raw material costs

Production Expected to Reach Full 200ktpa Capacity by H1 2025



- Ramp includes Kings Mountain, Silver Peak, Xinyu, Chengdu, La Negra, Qinzhou, and Kemerton production
- Excludes potential production from China greenfields
- La Negra production includes I/II/III/IV and Salar Yield Improvement Project
- Kemerton I/II production included as 100% of ALB/MRL JV (60% ownership, 100% marketing rights)
- Sales volumes would include a further 10ktpa of technical-grade lithium concentrate plus tolling volumes

Prioritizing Capital Allocation to Support Growth Strategy

	Invest to Grow Profitably	Portfolio Management	Maintain Financial Flexibility	Dividends	Limited Share Repurchases
Objectives	<ul style="list-style-type: none"> Strategically grow lithium and bromine capacity to leverage low-cost resources Maintain capital discipline and operational excellence 	<ul style="list-style-type: none"> Actively assess portfolio; reinvest proceeds Bolt-on acquisitions to accelerate growth at attractive returns Build and maintain our top-tier resource base 	<ul style="list-style-type: none"> Committed to Investment Grade rating Strong balance sheet offers optionality to fund growth 	<ul style="list-style-type: none"> Continue to support our dividend 	<ul style="list-style-type: none"> Limited cash flow available for repurchase as we invest in growth
2021 Results	<ul style="list-style-type: none"> \$954M 2021A CAPEX Announced two Lithium greenfield sites in China 	<ul style="list-style-type: none"> \$570M FCS sale Initiated strategic review of Catalysts GBU 	<ul style="list-style-type: none"> 2.3x Net Debt to Adj. EBTIDA¹ \$1.5B equity issuance Extended and upsized Delayed Draw Term Loan 	<ul style="list-style-type: none"> 27 years of consecutive dividend increases 1.3% increase in 2021 	<ul style="list-style-type: none"> No repurchases
2022 Focus	<ul style="list-style-type: none"> \$1.3B - \$1.5B 2022E CAPEX 	<ul style="list-style-type: none"> \$200M Qinzhou acquisition expected to close 1H 2022 Finalize Catalysts strategic review 	<ul style="list-style-type: none"> Long-term Net Debt to Adj. EBITDA target of 2.0x - 2.5x 	<ul style="list-style-type: none"> Ongoing dividends 	<ul style="list-style-type: none"> No repurchases expected

Well-Positioned to Drive Sustainable Growth

2022 OBJECTIVES

Grow Profitably

- Complete Wave 2 expansions & Qinzhou acquisition; year-end lithium nameplate capacity 200ktpa
- Achieve 50% capacity in new plants within 1 year of start-up
- Increase 2022 adjusted EBITDA by 35% to 55% versus 2021

Maximize Productivity

- Achieve procurement cost benefit of \$80M on a run rate basis
- Improve total company adj. EBITDA margin to 27-29% from 26.2%
- Complete 100% of key milestones on manufacturing excellence improvement plans

Invest with Discipline

- Continue to actively evaluate Lithium acquisition opportunities
- Complete Catalysts strategic review
- Maintain Investment Grade credit rating and support our dividend

Advance Sustainability

- Progress towards long-term GHG and freshwater targets; set 2 additional sustainability targets
- Complete IRMA site assessments and close gaps to IRMA 50 or better
- Complete Scope 3 greenhouse gas assessment

Lithium Overview

Y/Y Q4 Performance Drivers

- Net sales up 13% (price³ +18%, volume -5%); adjusted EBITDA up 13%
- Adjusted EBITDA benefited from favorable pricing
- Sales volumes decreased primarily related to the timing of shipments and a more even distribution of customer demand through the year

FY 2022 Outlook

- FY 2022 adj. EBITDA expected to be up 65%-85% Y/Y, up from previous outlook
- FY 2022 volume growth expected to be up 20%-30% Y/Y due to new capacity coming online from LAN, KEM, and China, plus efficiency improvements and tolling
- Average realized pricing expected to increase 40%-45% Y/Y on strong market conditions and implementation of variable price structures on long-term contracts

Drivers/Sensitivities

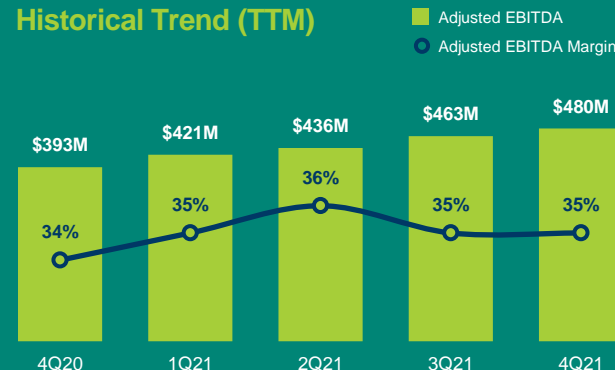
- Energy storage (~60% of Li sales²): Primary driver - EV sales in Europe and China
 - Potential 1 to 2 quarter lag behind EV production
- Specialties and TG (~40% of Li sales²): Primary driver - consumer spending and industrial production - less than 1 quarter lag

As of February 17, 2022

Q4 2021 Performance

(in millions)	Q4 2021	Y/Y
Net Sales	\$405	13%
Net Sales ex FX ¹	\$404	13%
Adj. EBITDA ⁴	\$138	13%
Adj. EBITDA ex FX ¹	\$138	13%
Adj. EBITDA Margin ⁴	34%	+10 bps
Adj. EBITDA Margin ex FX ¹	34%	+15 bps

Historical Trend (TTM)



Catalysts Overview

Y/Y Q4 Performance Drivers

- Net sales up 2% (price³ +3%, volume -1%); adjusted EBITDA up 24%
- Adjusted EBITDA impacted by increased sales, partially offset by cost pressures
- Higher input costs (especially natural gas) continued to significantly impact margins

FY 2022 Outlook

- Catalysts FY 2022 adj. EBITDA expected to be up 5% - 15% Y/Y, below previous outlook in part due to higher input costs, particularly for natural gas
- FY 2022 volumes expected to grow across all segments with overall refining market improvement and as travel lock-down conditions abate
- Pricing expect to also increase to offset inflationary pressures in freight and input costs
- Maintain expectation that volumes will return to pre-pandemic levels in late 2022-2023

Drivers/Sensitivities

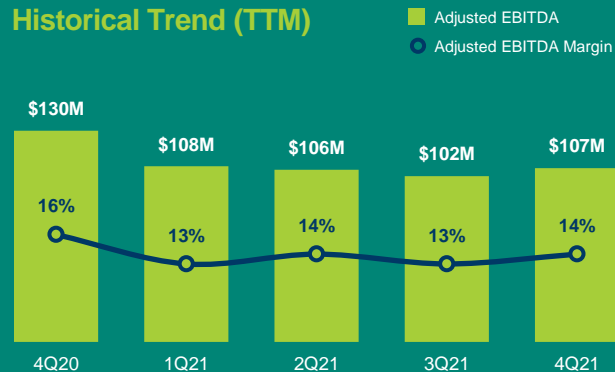
- FCC (~ 50% of sales²): Primary drivers - miles driven/transportation fuel consumption
- HPC (~ 30% of sales²): Primary drivers - environmental sulfur regulations and miles driven/transportation fuel consumption
- PCS (~ 20% of sales²): Primary drivers - plastic and polyurethane demand

As of February 17, 2022

Q4 2021 Performance

(in millions)	Q4 2021	Y/Y
Net Sales	\$199	2%
Net Sales ex FX ¹	\$200	2%
Adj. EBITDA ⁴	\$27	24%
Adj. EBITDA ex FX ¹	\$26	16%
Adj. EBITDA Margin ⁴	14%	+242 bps
Adj. EBITDA Margin ex FX ¹	13%	+155 bps

Historical Trend (TTM)



Bromine Overview

Y/Y Q4 Performance Drivers

- Net sales up 10% (price³ +16%, volume -6%); adjusted EBITDA flat Y/Y
- 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 2022 Outlook

- FY 2022 adj. EBITDA expected to be up 5%-10% Y/Y, in line with previous outlook
- Continued economic recovery and strength in flame retardants anticipated; benefit from end-markets diversity and macro trends such as digitalization and electrification
- FY 2022 volume is expected to increase following our successful execution of growth projects in 2021
- Cost savings and higher pricing expected to partially offset higher freight and raw material costs

Drivers/Sensitivities

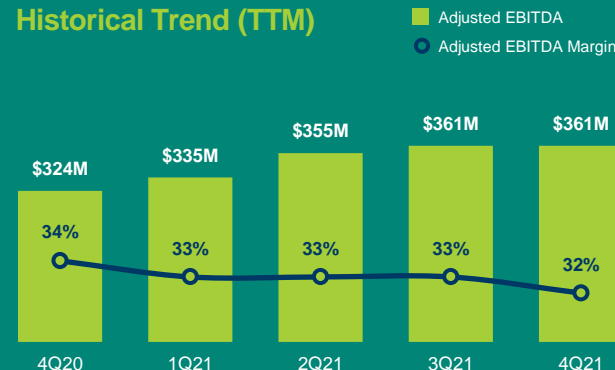
- GDP plus business - electronics, automotive, construction, appliances
- Flame retardants (~60% of sales²): Primary driver - digitization, electrification

As of February 17, 2022

Q4 2021 Performance

(in millions)	Q4 2021	Y/Y
Net Sales	\$290	10%
Net Sales ex FX ¹	\$290	10%
Adj. EBITDA ⁴	\$87	-1%
Adj. EBITDA ex FX ¹	\$87	-1%
Adj. EBITDA Margin ⁴	30%	-326 bps
Adj. EBITDA Margin ex FX ¹	30%	-326 bps

Historical Trend (TTM)



Q1 2022 Investor Relations Events



February 22-23

Baird Sustainability Conference



March 8-9

RBC Chemical and Packaging Conference



March 15-17

JPM Aviation, Transportation & Industrials Conference



March 29-31

Spring NDR

Meredith Bandy, CFA

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, PhD

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

Appendix

Non-GAAP Reconciliations

Definitions of Non-GAAP Measures

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

Adjusted Net Income

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
<i>(\$ in thousands)</i>				
Net (loss) income attributable to Albemarle Corporation	\$ (3,824)	\$ 84,635	\$ 123,672	\$ 375,764
Add back:				
Non-operating pension and OPEB items (net of tax)	(47,848)	37,572	(60,659)	30,668
Non-recurring and other unusual items (net of tax)	170,180	3,409	407,337	33,087
Adjusted net income attributable to Albemarle Corporation	118,508	125,616	470,350	439,519
Adjusted diluted earnings per share	\$ 1.01	\$ 1.17	\$ 4.04	\$ 4.12
Weighted-average common shares outstanding – diluted	116,999	107,312	116,536	106,808

EBITDA and Adjusted EBITDA

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
<i>(\$ in thousands)</i>				
Net (loss) income attributable to Albemarle Corporation	\$ (3,824)	\$ 84,635	\$ 123,672	\$ 375,764
Add back:				
Interest and financing expenses	5,306	19,152	61,476	73,116
Income tax expense (benefit)	15,024	(10,101)	29,446	54,425
Depreciation and amortization	68,235	61,770	254,000	231,984
EBITDA	84,741	155,456	468,594	735,289
Non-operating pension and OPEB items	(62,407)	49,372	(78,814)	40,668
Non-recurring and other unusual items (excluding items associated with interest expense)	206,389	16,297	481,194	42,781
Adjusted EBITDA	\$ 228,723	\$ 221,125	\$ 870,974	\$ 818,738
Net impact of adjusted EBITDA from divested businesses	—	(16,451)	(28,415)	(76,325)
Adjusted EBITDA excluding impact from divested business	\$ 228,723	\$ 204,674	\$ 842,559	\$ 742,413
Net sales	\$ 894,204	\$ 879,147	\$ 3,327,957	\$ 3,128,909
Net impact of net sales from divested businesses	—	(54,447)	(65,648)	(201,311)
Net sales excluding impact from divested business	\$ 894,204	\$ 824,700	\$ 3,262,309	\$ 2,927,598
EBITDA margin	9.5 %	17.7 %	14.1 %	23.5 %
Adjusted EBITDA margin	25.6 %	25.2 %	26.2 %	26.2 %
Adjusted EBITDA margin excluding impact from divested businesses	25.6 %	24.8 %	25.8 %	25.4 %

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

(\$ in thousands)	Lithium	Bromine	Catalysts	Reportable Segments Total	All Other	Corporate	Consolidated Total
Three months ended December 31, 2021:							
Net income (loss) attributable to Albemarle Corporation	\$ (45,049)	\$ 73,831	\$ 13,952	\$ 42,734	\$ —	\$ (46,558)	\$ (3,824)
Depreciation and amortization	39,213	13,553	13,295	66,061	—	2,174	68,235
Non-recurring and other unusual items	144,081	—	—	144,081	—	62,308	206,389
Interest and financing expenses	—	—	—	—	—	5,306	5,306
Income tax benefit	—	—	—	—	—	15,024	15,024
Non-operating pension and OPEB items	—	—	—	—	—	(62,407)	(62,407)
Adjusted EBITDA	\$ 138,245	\$ 87,384	\$ 27,247	\$ 252,876	\$ —	\$ (24,153)	\$ 228,723
Three months ended December 31, 2020:							
Net income (loss) attributable to Albemarle Corporation	\$ 89,331	\$ 75,590	\$ 9,379	\$ 174,300	\$ 16,254	\$ (105,919)	\$ 84,635
Depreciation and amortization	30,272	13,464	12,674	56,410	2,160	3,200	61,770
Non-recurring and other unusual items	2,528	(1,200)	—	1,328	—	14,969	16,297
Interest and financing expenses	—	—	—	—	—	19,152	19,152
Income tax benefit	—	—	—	—	—	(10,101)	(10,101)
Non-operating pension and OPEB items	—	—	—	—	—	49,372	49,372
Adjusted EBITDA	\$ 122,131	\$ 87,854	\$ 22,053	\$ 232,038	\$ 18,414	\$ (29,327)	\$ 221,125
Net impact of adjusted EBITDA from divested business	—	—	—	—	(16,451)	—	(16,451)
Adjusted EBITDA excluding impact from divested business	\$ 122,131	\$ 87,854	\$ 22,053	\$ 232,038	\$ 1,963	\$ (29,327)	\$ 204,674

Adjusted EBITDA - Margin by Segment (*three months ended December 31*)

(\$ in thousands)	Lithium	Bromine	Catalysts	Reportable Segments Total	All Other	Consolidated Total
Three months ended December 31, 2021:						
Net sales	\$ 404,745	\$ 290,365	\$ 199,094	\$ 894,204		\$ 894,204
Net income (loss) attributable to Albemarle Corporation	(11.1) %	25.4 %	7.0 %	4.8 %		0.9 %
Depreciation and amortization	9.7 %	4.7 %	6.7 %	7.4 %		7.6 %
Non-recurring and other unusual items	35.6 %	— %	— %	16.1 %		21.8 %
Interest and financing expenses	— %	— %	— %	— %		0.6 %
Income tax benefit	— %	— %	— %	— %		1.7 %
Non-operating pension and OPEB items	— %	— %	— %	— %		(7.0) %
Adjusted EBITDA Margin	34.2 %	30.1 %	13.7 %	28.3 %		25.6 %
Three months ended December 31, 2020:						
Net sales	\$ 358,592	\$ 263,398	\$ 195,735	\$ 817,725	\$ 61,422	\$ 879,147
Net income (loss) attributable to Albemarle Corporation	24.9 %	28.7 %	4.8 %	21.3 %	26.5 %	9.6 %
Depreciation and amortization	8.4 %	5.1 %	6.5 %	6.9 %	3.5 %	7.0 %
Non-recurring and other unusual items	0.7 %	(0.5) %	— %	0.2 %	— %	1.9 %
Interest and financing expenses	— %	— %	— %	— %	— %	2.2 %
Income tax benefit	— %	— %	— %	— %	— %	(1.1) %
Non-operating pension and OPEB items	— %	— %	— %	— %	— %	5.6 %
Adjusted EBITDA Margin	34.1 %	33.4 %	11.3 %	28.4 %	30.0 %	25.2 %
Adjusted EBITDA margin excluding impact from divested businesses	34.1 %	33.4 %	11.3 %	28.4 %	28.1 %	24.8 %

Adjusted EBITDA - (twelve months ended)

(\$ in thousands)	Twelve Months Ended				
	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
Net income attributable to Albemarle Corporation	\$ 123,672	\$ 212,131	\$ 703,213	\$ 364,237	\$ 375,764
Depreciation and amortization	254,000	247,535	244,132	240,550	231,984
Non-recurring and other unusual items (excluding items associated with interest expense)	481,194	291,102	(360,075)	51,326	42,781
Interest and financing expenses	61,476	75,322	89,413	100,113	73,116
Income tax expense	29,446	4,321	149,644	58,090	54,425
Non-operating pension and OPEB items	(78,814)	32,965	35,535	38,111	40,668
Adjusted EBITDA	\$ 870,974	\$ 863,376	\$ 861,862	\$ 852,427	\$ 818,738
Net impact of adjusted EBITDA from divested businesses	(28,415)	(44,866)	(66,657)	(78,568)	(76,325)
Adjusted EBITDA excluding impact from divested business	\$ 842,559	\$ 818,510	\$ 795,205	\$ 773,859	\$ 742,413
Net sales	\$ 3,327,957	\$ 3,312,900	\$ 3,229,202	\$ 3,219,355	\$ 3,128,909
Net impact of net sales from divested business	(65,648)	(120,095)	(162,290)	(189,506)	(201,311)
Net sales excluding impact from divested business	\$ 3,262,309	\$ 3,192,805	\$ 3,066,912	\$ 3,029,849	\$ 2,927,598
Adjusted EBITDA margin excluding impact from divested businesses	26 %	26 %	26 %	26 %	25 %

See above for a reconciliation of adjusted EBITDA and pro-forma adjusted EBITDA, 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 *(twelve months ended)*

(\$ in thousands)	Twelve Months Ended				
	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
Lithium					
Net income attributable to Albemarle Corporation	\$ 192,365	\$ 326,745	\$ 303,398	\$ 294,843	\$ 277,711
Depreciation and amortization	138,772	129,831	124,262	119,263	112,854
Non-recurring and other unusual items	148,401	6,848	8,137	6,786	2,528
Adjusted EBITDA	479,538	463,424	435,797	420,892	393,093
Net sales	1,363,284	1,317,131	1,223,548	1,186,936	1,144,778
Adjusted EBITDA Margin	35 %	35 %	36 %	35 %	34 %
Bromine					
Net income attributable to Albemarle Corporation	\$ 309,501	\$ 311,260	\$ 304,399	\$ 284,943	\$ 274,495
Depreciation and amortization	51,181	51,092	51,389	51,240	50,310
Non-recurring and other unusual items	—	(1,200)	(1,200)	(1,200)	(1,200)
Adjusted EBITDA	360,682	361,152	354,588	334,983	323,605
Net sales	1,128,343	1,101,376	1,060,786	1,013,817	964,962
Adjusted EBITDA Margin	32 %	33 %	33 %	33 %	34 %
Catalysts					
Net income attributable to Albemarle Corporation	\$ 55,353	\$ 50,780	\$ 55,917	\$ 58,173	\$ 80,149
Depreciation and amortization	51,588	50,967	50,561	49,918	49,985
Non-recurring and other unusual items	—	—	—	—	—
Adjusted EBITDA	106,941	101,747	106,478	108,091	130,134
Net sales	761,235	757,876	762,241	810,950	797,914
Adjusted EBITDA Margin	14 %	13 %	14 %	13 %	16 %

Adjusted EBITDA supplemental¹

(\$ in thousands)

	Twelve Months Ended	Three Months Ended			
	Dec 31, 2021	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021
Adjusted EBITDA	\$ 870,974	\$ 228,723	\$ 217,569	\$ 194,628	\$ 230,054
Adjusted EBITDA of divested businesses	(28,415)	—	—	(6,990)	(21,425)
Net income attributable to noncontrolling interests	76,270	14,293	18,348	21,608	22,021
Equity in net income of unconsolidated investments (net of tax)	(95,770)	(33,555)	(27,706)	(17,998)	(16,511)
Dividends received from unconsolidated investments	78,391	35,017	15,954	22,470	4,950
Consolidated EBITDA	\$ 901,450	\$ 244,478	\$ 224,165	\$ 213,718	\$ 219,089
Total Long Term Debt (as reported)	\$ 2,394,239				
Off balance sheet obligations and other	81,200				
Consolidated Funded Debt	\$ 2,475,439				
Less Cash	439,272				
Consolidated Funded Net Debt	\$ 2,036,167				
Consolidated Funded Debt to Consolidated EBITDA Ratio	2.7				
Consolidated Funded Net Debt to Consolidated EBITDA Ratio	2.3				

Diluted EPS

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Diluted loss earnings per share	\$ (0.03)	\$ 0.79	\$ 1.06	\$ 3.52
Add back:				
Non-operating pension and OPEB items (net of tax)	(0.41)	0.35	(0.52)	0.29
Non-recurring and other unusual items (net of tax)				
Restructuring and other	—	0.08	0.02	0.15
Acquisition and integration related costs	0.05	0.02	0.06	0.13
Albemarle Foundation contribution	—	—	0.13	—
Loss (gain) on sale of business/interest in properties, net	1.13	—	(1.70)	—
Legacy Rockwood legal matter	0.03	—	4.36	—
Loss on extinguishment of debt	—	—	0.20	—
Indemnification adjustments	0.34	—	0.34	—
Other	0.19	0.06	0.34	0.07
Discrete tax items	(0.29)	(0.13)	(0.25)	(0.04)
Total non-recurring and other unusual items	1.45	0.03	3.50	0.31
Adjusted diluted earnings per share ¹	\$ 1.01	\$ 1.17	\$ 4.04	\$ 4.12

Effective Tax Rate

(\$ in thousands)	(Loss) income before income taxes and equity in net income of unconsolidated investments	Income tax expense (benefit)	Effective income tax rate
Three months ended December 31, 2021:			
As reported	\$ (8,062)	\$ 15,024	(186.4)%
Non-recurring, other unusual and non-operating pension and OPEB items	143,982	21,650	
As adjusted	\$ 135,920	\$ 36,674	27.0 %
Three months ended December 31, 2020:			
As reported	\$ 48,427	\$ (10,101)	(20.9)%
Non-recurring, other unusual and non-operating pension and OPEB items	65,669	24,688	
As adjusted	\$ 114,096	\$ 14,587	12.8 %
Year ended December 31, 2021:			
As reported	\$ 133,618	\$ 29,446	22.0 %
Non-recurring, other unusual and non-operating pension and OPEB items	431,327	84,649	
As adjusted	\$ 564,945	\$ 114,095	20.2 %
Year ended December 31, 2020:			
As reported	\$ 373,519	\$ 54,425	14.6 %
Non-recurring, other unusual and non-operating pension and OPEB items	83,770	19,694	
As adjusted	\$ 457,289	\$ 74,119	16.2 %

Equity Income and Noncontrolling Interest

	Three Months Ended December 31,				Year Ended December 31,			
	2021		2020		2021		2020	
	Equity Income	Noncontrolling Interest	Equity Income	Noncontrolling Interest	Equity Income	Noncontrolling Interest	Equity Income	Noncontrolling Interest
(\$ in thousands)								
Lithium	\$ 29,803	\$ —	\$ 30,264	\$ —	\$ 83,094	\$ —	\$ 96,155	\$ —
Bromine Specialties	—	(14,422)	—	(17,524)	—	(76,373)	—	(70,853)
Catalysts	3,138	—	2,435	—	20,498	—	15,809	—
Corporate	614	129	10,950	(18)	(7,822)	103	15,557	2
Total Company	\$ 33,555	\$ (14,293)	\$ 43,649	\$ (17,542)	\$ 95,770	\$ (76,270)	\$ 127,521	\$ (70,851)

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