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# Albemarle Investor Presentation

## J.P. Morgan Industrials Conference

# Forward-Looking Statements

Some of the information presented in this presentation 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.

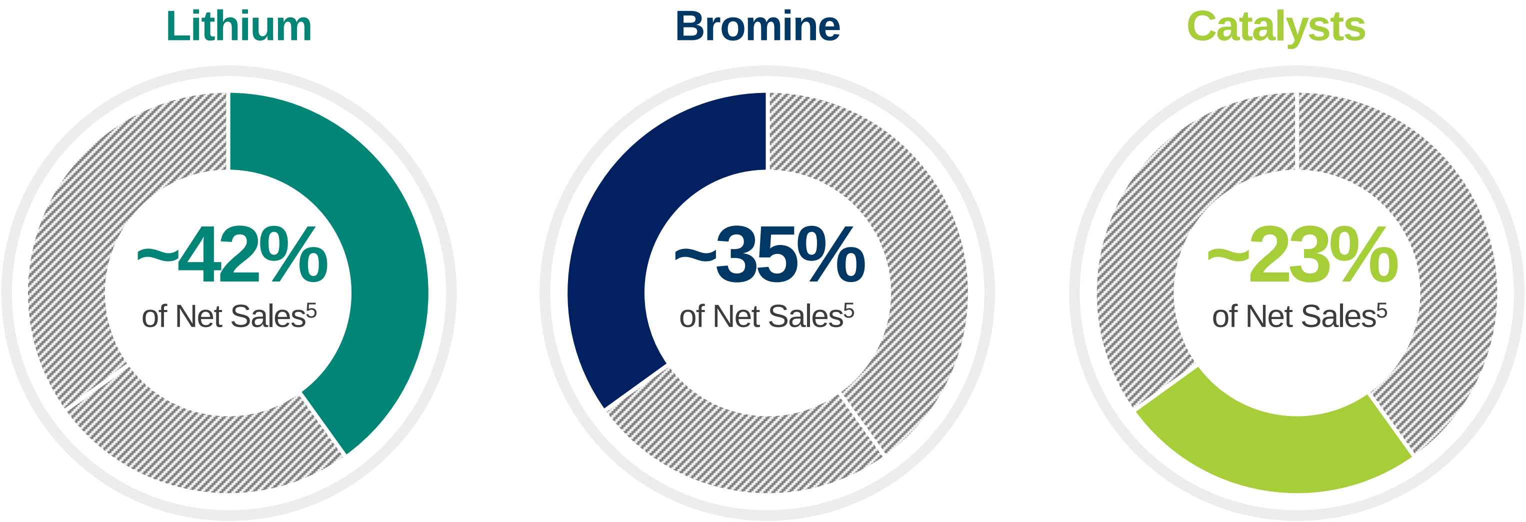
# Diverse Portfolio Generating Significant Cash

| | |
|---|---|
| Global Employees[1] | ~6,000 |
| Countries[1] | ~75 |
| Dividend Increases | 28th consecutive year |

## Financial Highlights[2]

| | |
|---|---|
| Net Sales | $3.3B |
| Net Income[3] | $124M |
| Adj. EBITDA[4] | $871M |
| Adj. EBITDA Margin[4] | 26% |

## Business Overview




**A global market leader** with durable competitive advantages

Track record of **strong financial and operational performance**

**Significant growth** expected by 2026 (Adj. EBITDA >3x 2021E)

Clear strategy to **accelerate profitable growth** and **advance sustainability**

[1] As of December 31, 2021. [2] Trailing twelve months ended December 31, 2021. [3] Attributable to Albemarle Corporation. Includes an after-tax gain of $332M related to the sale of the FCS business and an accrual of $505M after tax related to the settlement with Huntsman. [4] Non-GAAP measure. See Appendix for definition and reconciliations of historical measures to most directly comparable GAAP measure. [5] Total net sales used to calculate percentage excludes divested FCS business.



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# Global Footprint[1] – Strong Presence in Major Markets


**Business Unit:**

- Lithium
- Bromine
- Catalyst

- = Production
- = Resource
- = Conversion
- S = Specialties
- JV = Joint Venture

[1]Map is representative of Albemarle's global reach; not inclusive of all the company's sites. See appendix for list of significant production facilities operated by us and our affiliates.
[2]Qinzhou represents announced acquisition of Guangxi Tianyuan New Energy Materials expected to close Q2 2022.
[3]Greenfield investments, construction starting in H1 2022 for Meishan and late 2022 for Zhangjiagang.



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# Solid 2021: Exceeded Expectations, Progressed Expansion Plans

FY 2021 net sales

**$3.3B**

**+11%**

Y/Y[2]

FY 2021 adj. EBITDA[1]

**$871M**

**+13%**

Y/Y[2]

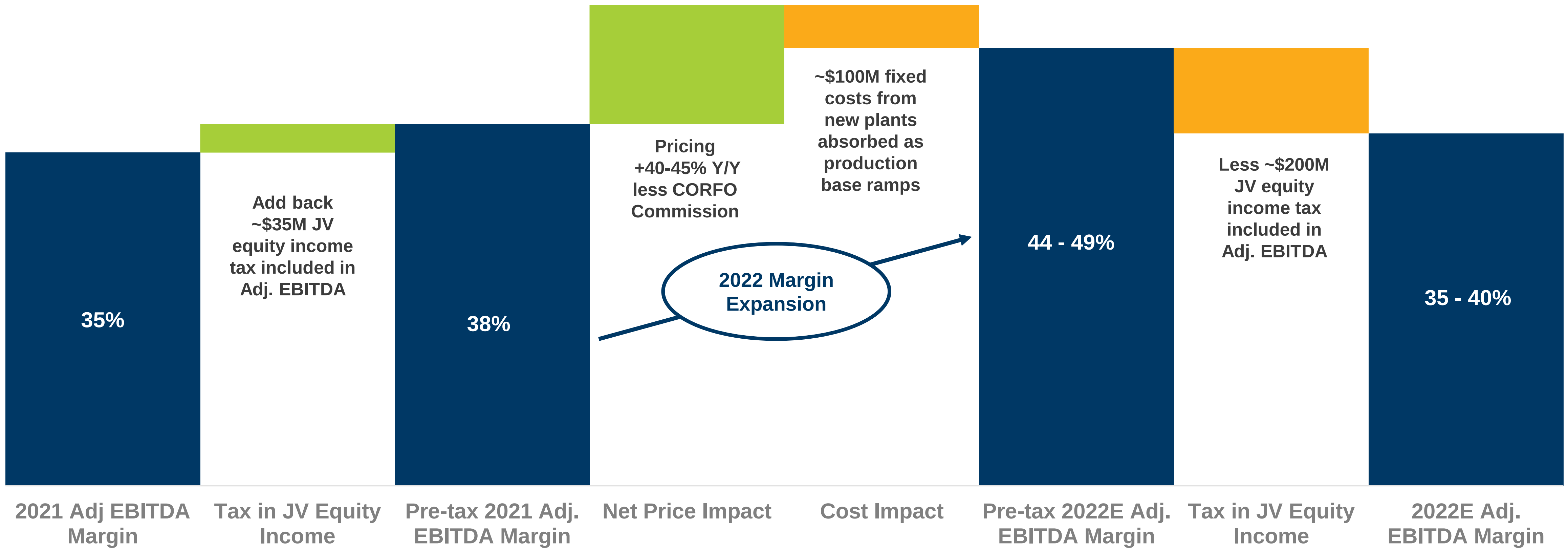
## Project Updates:

- 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

**Results driven by momentum shift in H2 2021 expected to continue into 2022**

[1] See appendix for non-GAAP reconciliations. [2] Excluding FY2020 FCS net sales of $201M and adjusted EBITDA of $76M and excluding FY2021 FCS net sales of $66M and adjusted EBITDA of $28M

# Lithium EBITDA Margin[1] at or Above Mid-cycle Expectations




**Vertical integration supports margins; "paying ourselves" higher spodumene transfer pricing**

[1] See appendix for non-GAAP reconciliations

# Potential Upside to Pricing if Current Conditions Persist


### Battery Grade Revenues

- 10% spot (moves with China spot pricing, no lag)
- Up to 50% referenced to FM / BMI / other indices (~3 – 6 months lag, floors and ceilings in place, specifics vary by contract)
- ~40% fixed (~avg. 2–3-year contracts)

### Technical Grade Revenues

- Majority short-term / spot
- 3-6-month lag

### Specialty Grade Revenues

- ~100% value in use
- Typically, annual contracts

## Commitment to LTAs is Unchanged

- 70%+ of battery grade sales on multi-year commitments to support aggressive expansion
- Minimum returns of >1X WACC at trough pricing; >2X WACC at mid-cycle
- Staggered contract expirations to reduce potential volatility

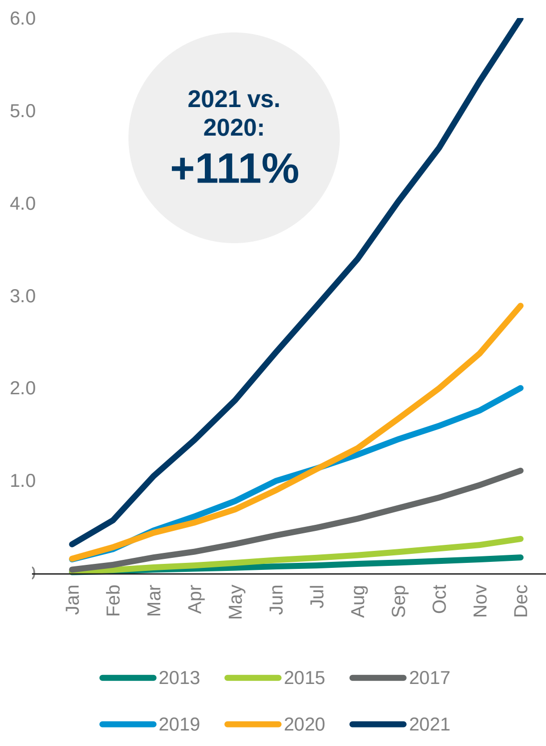
## Contracting Approach is Evolving

- Strategically segmenting customers by key requirement (Price, Perf. Security) and by position in value chain (OEM vs. Battery vs. Cathode)
- Product offering varies by segment in terms of price, contract duration, value added services, etc.
- Moving fixed pricing mechanisms to predominantly index-referenced pricing; moving floors higher

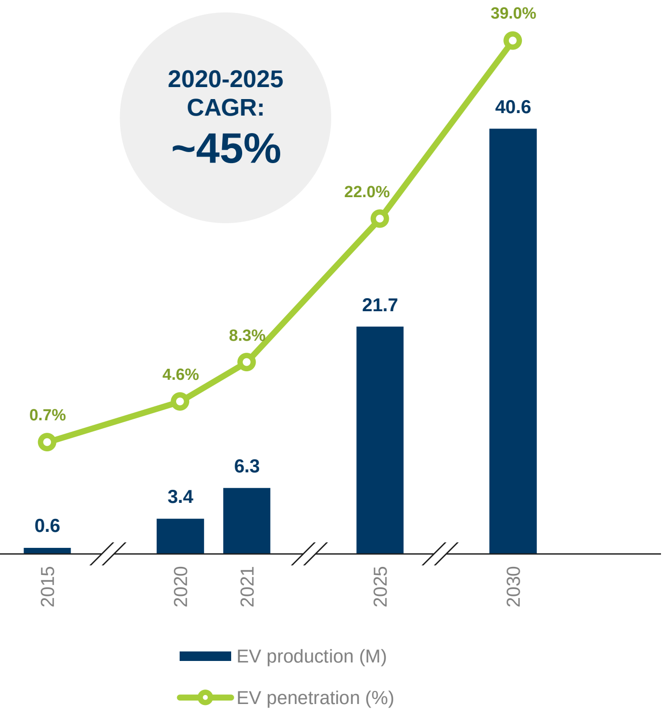
# Accelerating Lithium Supply Growth

## Global EV

### Cumulative Sales by Year[1]
(M units)

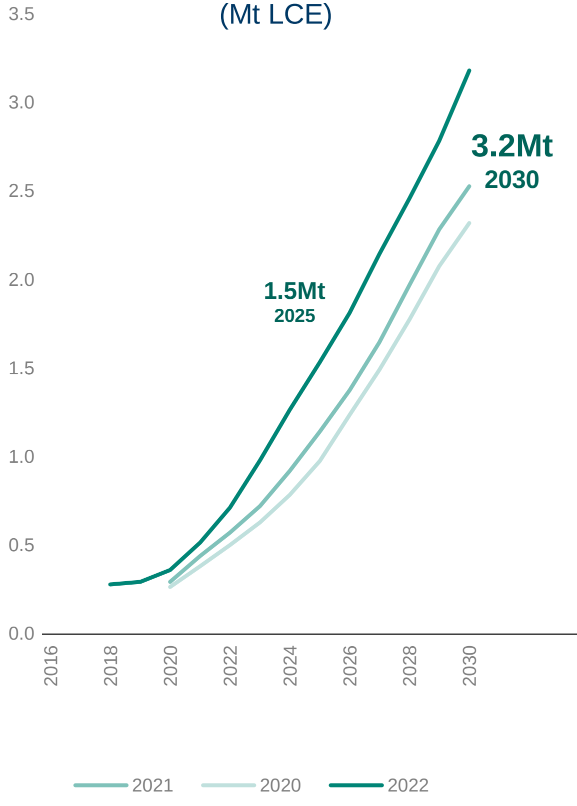



### Production / Market Penetration[2]

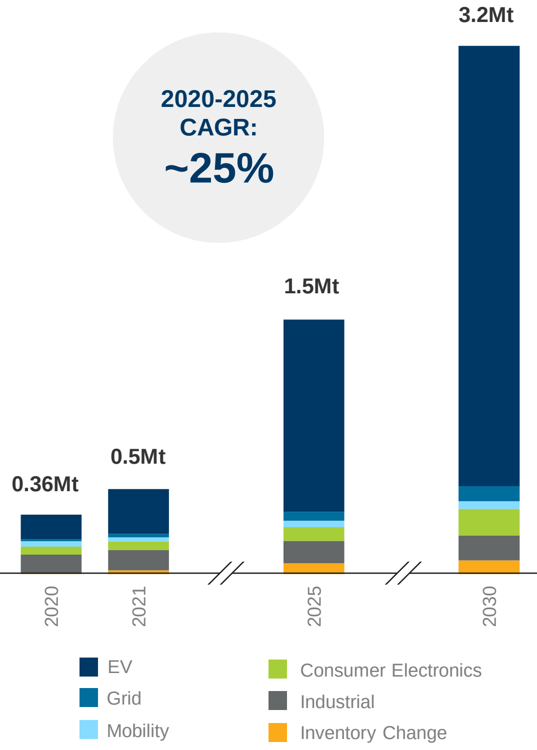



## Lithium Demand

### ALB Projections[3]
(Mt LCE)




### by Application[3]
(Mt LCE)




**Lithium demand acceleration driven by EVs**





[1] Marklines data as of 1/25/2022. [2] 2 IHS Markit, Global Production based Alternative Propulsion Forecast, December 2021. [3] Albemarle analysis

# Well-Positioned to Drive Sustainable Growth

2022 OBJECTIVES

| | |
|---|---|
| **Grow Profitably** | • Complete Wave 2 expansions (YE 2022 lithium capacity 175ktpa)<br>• Achieve 50% capacity in new plants within 1 year of start-up<br>• Increase 2022 adjusted EBITDA by 35% to 55% versus 2021 |
| **Maximize Productivity** | • Achieve procurement cost benefit of $80M on a run rate basis<br>• Improve total company adj. EBITDA margin to 27-29% from 26.2%<br>• Complete 100% of key milestones on manufacturing excellence improvement plans |
| **Invest with Discipline** | • Continue to actively evaluate Lithium acquisition opportunities<br>• Complete Catalysts strategic review<br>• Maintain Investment Grade credit rating and support our dividend |
| **Advance Sustainability** | • Progress towards long-term GHG and freshwater targets; set 2 additional sustainability targets<br>• Complete IRMA site assessments and close gaps to IRMA 50 or better<br>• Complete Scope 3 greenhouse gas assessment |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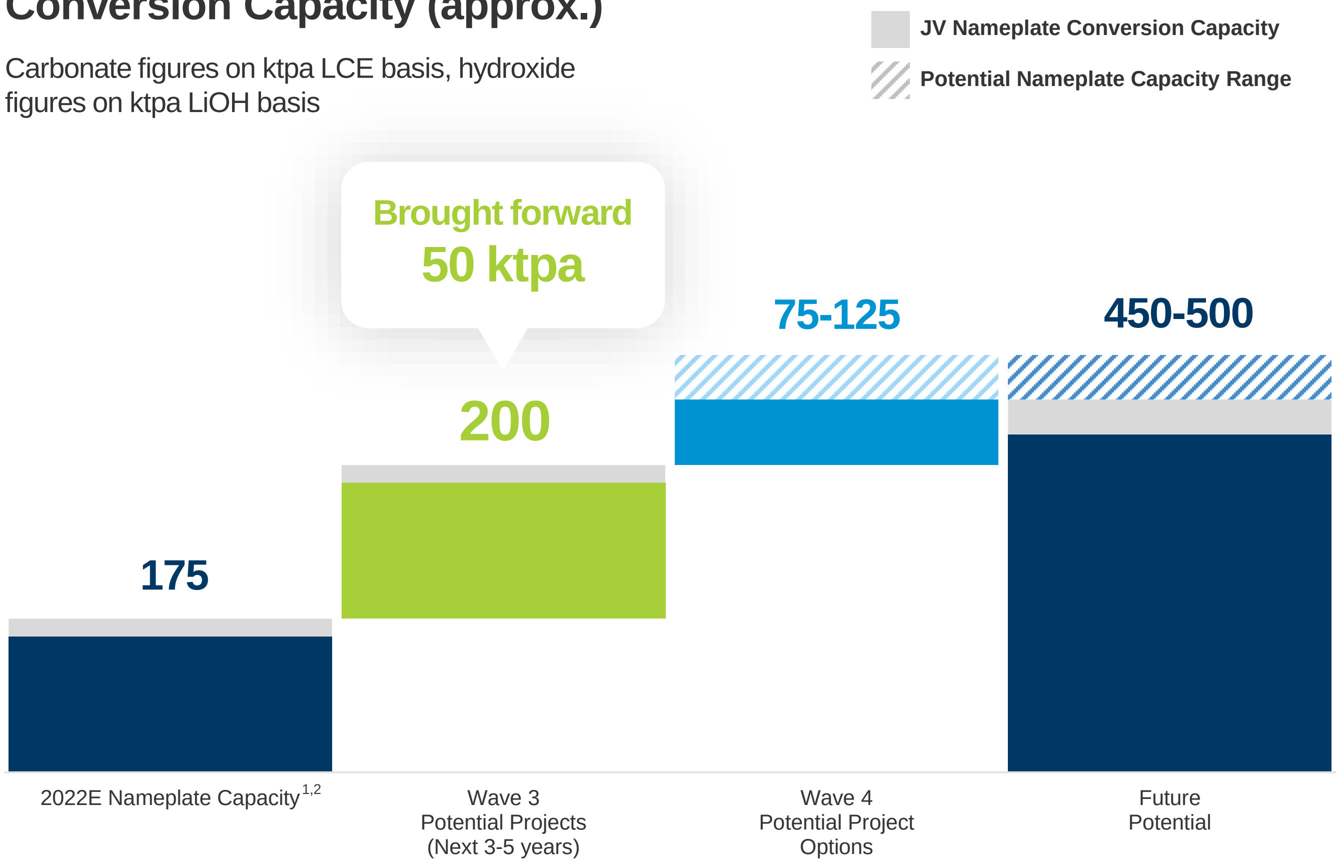
# Wave 3 Projects Defined and Accelerated to Meet Customer Needs

## 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
- NA/EU Conversion Facility
- Kemerton, Australia (V)
- Opportunities in Asia
- Magnolia, AR

**Planned expansions more than double capacity**



[1] Conversion capacity does not include 10 ktpa of technical-grade lithium concentrate. Includes ALB/MRL JV (60% ownership, 100% marketing rights).
[2] Full nameplate capacity at La Negra III/IV requires completion of Salar Yield Improvement Project.

# Strategic Execution and the Albemarle Way of Excellence (AWE)

## Purpose

Making the world safe and sustainable by **powering potential**

## Values

Care • Curiosity • Courage • Collaboration
Humility • Integrity • Transparency

## Strategy

Grow • Maximize • Invest • Sustain

**Operating Model:**
How We Execute & Accelerate Our Strategy

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# Prioritizing Capital Allocation to Support Growth Strategy

| Invest to Grow Profitably | Portfolio Management | Maintain Financial Flexibility | Dividends | Limited Share Repurchases |
|---|---|---|---|---|
| • Strategically grow lithium and bromine capacity to leverage low-cost resources<br>• Maintain capital discipline and operational excellence | • Actively assess portfolio; reinvest proceeds<br>• Bolt-on acquisitions to accelerate growth at attractive returns<br>• Build and maintain our top-tier resource base | • Committed to Investment Grade rating<br>• Strong balance sheet offers optionality to fund growth | • Continue to support our dividend | • Limited cash flow available for repurchase as we invest in growth |
| • $1.3B - $1.5B 2022E CAPEX | • $200M Qinzhou acquisition expected to close 1H 2022<br>• Finalize Catalysts strategic review | • Long-term Net Debt to Adj. EBITDA target of 2.0x - 2.5x | • Ongoing dividends | • No repurchases expected |

[1] See appendix for non-GAAP reconciliations.

# Our Initial Environmental Targets

**Next two years** → **2030** → **2050**

**Build** the infrastructure to assess, measure and track progress toward these targets, while evolving our thinking and goal setting over time

**Reduce**
- the carbon-intensity of our Catalysts and Bromine businesses by a combined 35% by 2030, in line with science-based targets
- the intensity of freshwater usage by 25% by 2030 in areas of high and extremely high water-risk[1]

**Grow** our Lithium business in a carbon-intensity neutral manner through 2030

**Achieve** net zero carbon emissions by 2050

**Initial targets for GHG emissions and freshwater; additional targets to follow**

[1] As defined by the World Resources Institute (WRI), includes our operations in Chile and Jordan.

# Accelerating Growth to Meet Increasing Customer Demand


**A global market leader** with durable competitive advantages

Track record of **strong financial and operational performance**

**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)

Enhance strategy execution and create long-term stakeholder value with focused operating model – **Albemarle Way of Excellence (AWE)**

Clear strategy to **accelerate profitable growth and advance sustainability**

# Investor Relations Contacts


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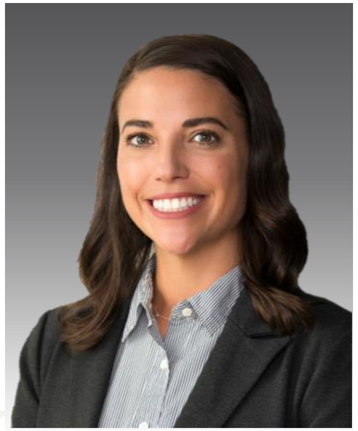

# Appendix: Non-GAAP Reconciliations

# 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 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 , 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*)

| | Twelve Months Ended | | | | |
|---|---|---|---|---|---|
| *($ in thousands)* | **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 % |



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

# Adjusted EBITDA supplemental[1]

| *($ 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** | | | | |

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

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