

Albemarle Corporation Second Quarter 2021 Earnings

Conference Call/Webcast
Thursday, August 5, 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.

Recent Accomplishments Support Long-term Growth

Q2 2021 net sales \$774M, up 1% Y/Y; adj. EBITDA \$195M, up 5% Y/Y

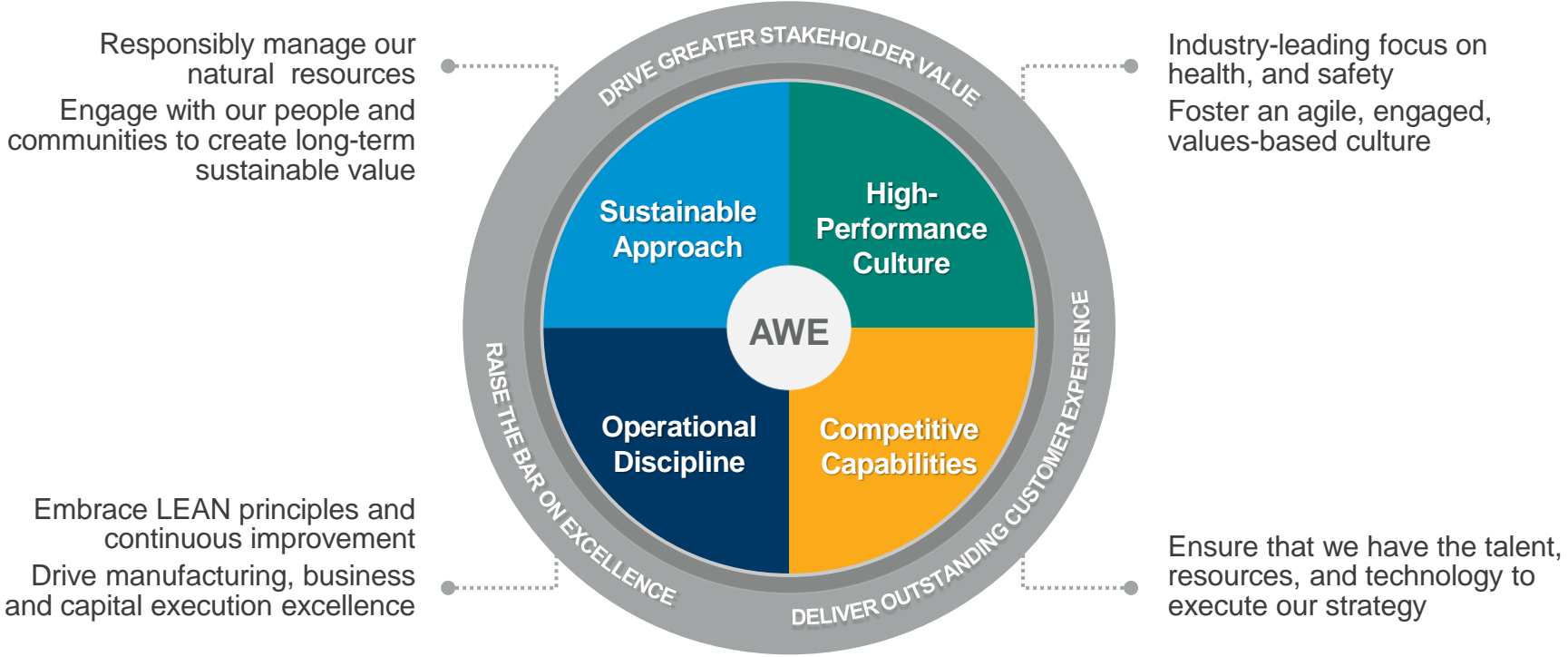
Pro forma adjusted for the sale of FCS, Q2 2021 net sales up 5% Y/Y; adj. EBITDA up 13% Y/Y

FY 2021 guidance revised; updated to reflect the sale of FCS (closed June 1, 2021)

La Negra III/IV in commissioning phase, commercial production expected in H1 2022

Implementing new operating model – Albemarle Way of Excellence (AWE)

Operating Model | The Albemarle Way of Excellence (AWE)



Framework to Execute — and Ultimately Accelerate – Our Growth Strategy

On Track to Deliver Wave 2 Commercial Volume 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
- **Construction complete**, progressing ~6-month commissioning and qualification process; commercial production expected in H1 2022

Kemerton I / II



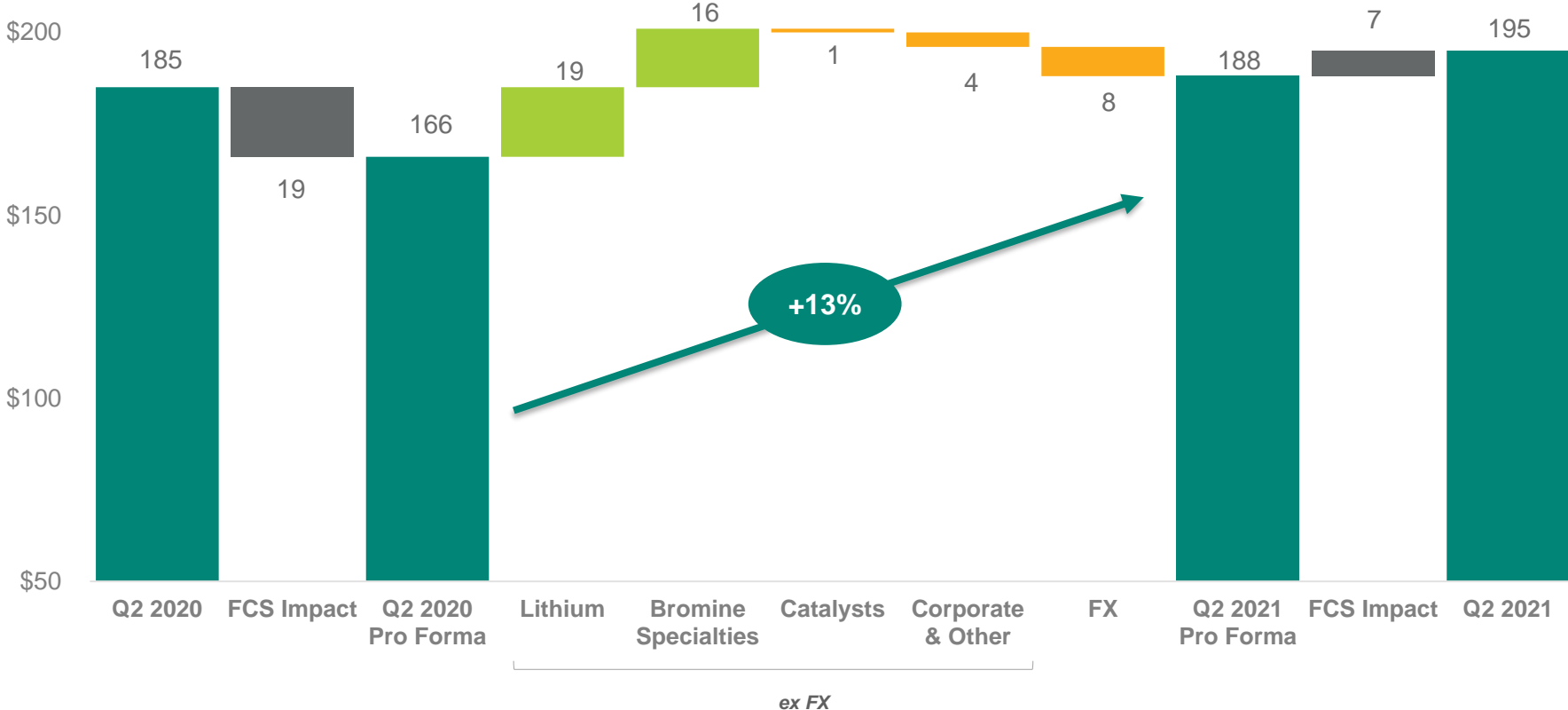
- Conversion of **low-cost, high-quality Australian spodumene**
- **50ktpa** nameplate capacity – **lithium hydroxide**
- 60% owned and 100% marketed by ALB
- **Prioritizing Kemerton I to mitigate risks** related to labor shortages and COVID-19-related travel restrictions in Western Australia
- Kemerton I: **on track** for completion by YE 2021, commercial **production mid-2022**
- Kemerton II: Construction completion expected by end of Q1 2022; commercial **production in H2 2022**

Q2 2021 Financial Summary

(in millions, except per share amounts)

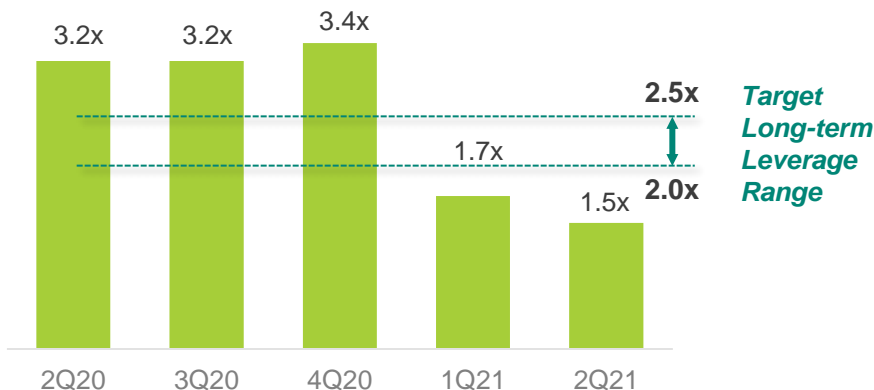
	Q2 2021	Q2 2020	Variance
Net Sales	\$774	\$764	1%
Net income attributable to Albemarle Corporation	\$425	\$86	396%
Adjusted EBITDA	\$195	\$185	5%
Adjusted EBITDA Margin	25%	24%	
Diluted EPS	\$3.62	\$0.80	353%
Non-operating pension and OPEB items	(0.04)	(0.02)	
Non-recurring and other unusual items¹	(2.69)	0.07	
Adjusted Diluted EPS	\$0.89	\$0.86	4%

Q2 2021 Adjusted EBITDA Bridge



Financial Flexibility to Execute Growth Strategy

Net Debt to Adjusted EBITDA¹



Selected Financial Metrics







(\$ in millions)

(as of 6/30/2021)

Dividends Paid (TTM)	\$169
Dividend Growth (TTM Y/Y)	6.8%
Cash Balance	\$824
Gross Debt ²	\$2,044

- Higher adjusted EBITDA and proceeds from the FCS sale has improved leverage ratio
- Increased annual dividend for 27th consecutive year
- Intend to retain target long-term leverage ratio range of 2.0x – 2.5x

FY 2021 Guidance Revised; Updated for FCS Sale

	Revised 2021 Guidance	FCS Impact ¹ Jun 1 – Dec 31, 2021	Pro Forma Revised 2021 Guidance
Net Sales	\$3.3 - \$3.4B 	\$95 - \$105M	\$3.2 - \$3.3B
Adj. EBITDA	\$810 - \$860M 	\$35 - \$45M	\$775 - \$815M
Adj. EBITDA Margin	24% - 25% 		24% - 25%
Adj. Diluted EPS	\$3.60 - \$4.00 	\$0.25 - \$0.30	\$3.35 - \$3.70
Net Cash from Operations	\$590 - \$690M 	\$40 - \$45M	\$550 - \$650M
Capital Expenditures	\$850 - \$950M 	\$4 - \$8M	\$850 - \$950M

Additional revised inputs for 2021: depreciation and amortization \$260M - \$280M; adjusted effective tax rate 16.0%-17.0%; Corporate costs \$115M - \$125M; interest and financing expenses \$35M-45M; weighted-average common shares outstanding – diluted 117.4M.

FY 2021: Outlook for Lithium Improves

As of August 4, 2021



- Lithium FY 2021 adj. EBITDA expected to be up 10-15% Y/Y, above previous guidance
- FY 2021 volume growth expected to be in the mid-teens Y/Y due to higher volumes
- Average realized pricing expected to increase sequentially during the year, but to be flat on Y/Y basis
- Higher costs related to project start-ups, partially offset by productivity improvements



- Catalysts FY 2021 adj. EBITDA expected to be down 30 - 40% Y/Y, market conditions improving
- FY 2021 outlook impacted primarily due to the U.S. Gulf Coast winter storm headwinds, product mix
- As previously announced, refining catalyst volumes down Y/Y due to a change in customer order patterns in North America



- Bromine FY 2021 adj. EBITDA expected to be up mid-single digits Y/Y, down from previous outlook related to a force majeure declaration by our chlorine supplier in the U.S.
- Continued economic recovery and strength in flame retardants; benefitting from diverse end-markets
- Lingering effects of U.S. Gulf Coast winter storm – limited excess production capacity, inventories
- Cost savings and higher pricing partially offset higher freight and raw material costs

Well-Positioned to Drive Sustainable Growth

	2021 OBJECTIVES	Updates
Grow Profitably	<ul style="list-style-type: none">• Complete LAN III/IV (mid-2021) and KEM I/II (late 2021)• Investment decisions on new expansion projects in Lithium and Bromine	<ul style="list-style-type: none">✓ LAN III/IV construction complete• KEM I on track; KEM II end of Q1 2022 – COVID-19 & labor related delays✓ Progressing add'l expansion projects
Maximize Productivity	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">✓ All productivity objectives on track
Invest with Discipline	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">✓ FCS divestiture closed June 1, 2021✓ Investment Grade rating intact; S&P upgrade to BBB Stable (April 2021)✓ 27 consecutive years of dividend increases
Advance Sustainability	<ul style="list-style-type: none">• Set near-term sustainability targets; explore science-based target options• Partner with automotive OEMs to enable sustainable supply chains	<ul style="list-style-type: none">✓ Initial sustainability targets set✓ Sustainability objectives on track

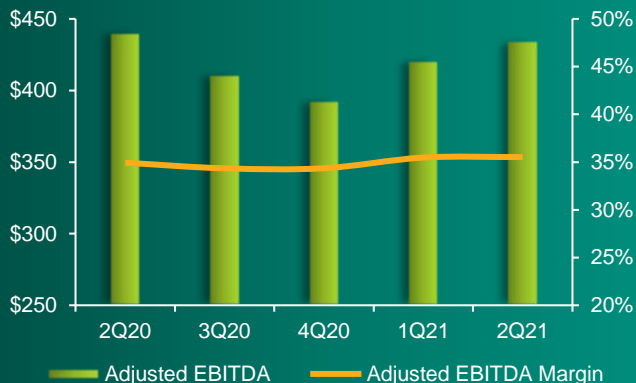
Lithium Overview

As of August 4, 2021

Q2 2021 PERFORMANCE

(\$M)	Q2 2021	ΔQ2 2020
Net Sales	\$320	13%
Net Sales ex FX ¹	\$313	10%
Adj. EBITDA	\$109	16%
Adj. EBITDA ex FX ¹	\$114	20%
Adj. EBITDA Margin	34%	84 bps
Adj. EBITDA Margin ex FX ¹	36%	310 bps

HISTORICAL TREND (TTM)



Note: Numbers may not reconcile due to rounding.

¹ Net of FX impacts. ² Sales based on historical average.

YoY Q2 Performance Drivers

- Net sales up 13% (price -4%, volume +17%); adjusted EBITDA up 16%
- Stronger volumes as customers accelerated orders, drew down inventory to meet demand, plus initial delivery of tolling volumes
- Strong operating cash flow generation on accelerated demand

FY 2021 Outlook

- FY 2021 adjusted EBITDA expected to be up 10-15% Y/Y, above previous outlook
- Average realized pricing expected to improve sequentially due to tightening market conditions, but flat overall compared to 2020
- Volumes are expected to increase mid-teens Y/Y due to North American plant restarts, productivity improvements, tolling
- Higher costs related to project start-ups and tolling, partially offset by efficiency improvements; FY 2021 average margin expected to remain below 35%

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

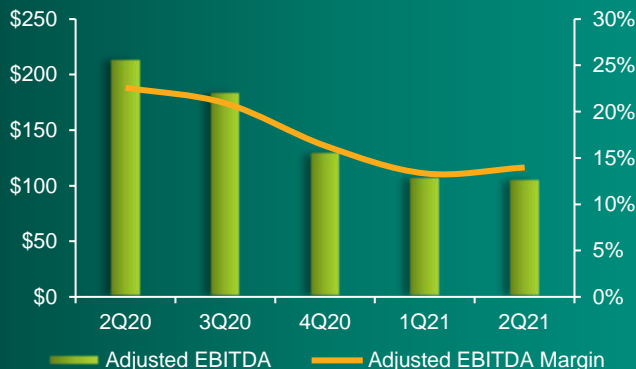
Catalysts Overview

As of August 4, 2021

Q2 2021 PERFORMANCE

(\$M)	Q2 2021	ΔQ2 2020
Net Sales	\$148	-25%
Net Sales ex FX ¹	\$147	-26%
Adj. EBITDA	\$21	-7%
Adj. EBITDA ex FX ¹	\$22	-2%
Adj. EBITDA Margin	14%	271 bps
Adj. EBITDA Margin ex FX ¹	15%	364 bps

HISTORICAL TREND (TTM)



Note: Numbers may not reconcile due to rounding.

¹ Net of FX impacts.

YoY Q2 Performance Drivers

- Net sales down 25% (price 0%, volume -25%); adjusted EBITDA down 7%
- CFT volume down Y/Y due to timing; FCC volume down slightly Y/Y
- Previous year Q2 results were understated by \$12 million to adjust for incorrect cost of goods sold for inventory values in Q1 2020
- Strong PCS results, driven by favorable product mix

FY 2021 Outlook

- FY 2021 adj. EBITDA anticipated to be down 30 - 40% Y/Y, market conditions improving
- FY 2021 outlook impacted by winter storm headwinds, product mix
- Refining catalyst volumes down Y/Y due to a previously announced change in customer order patterns in North America
- Volumes are not expected to return to pre-pandemic levels before late 2022 or 2023

Drivers/Sensitivities

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

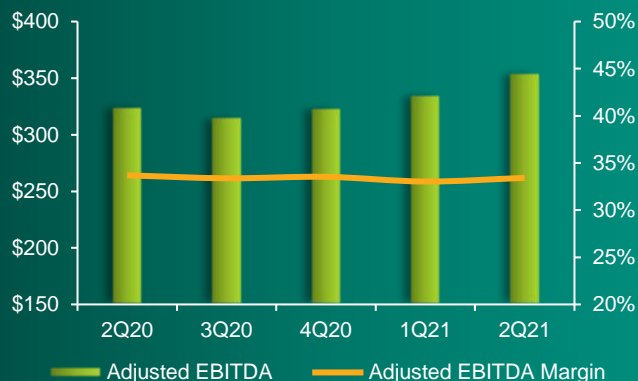
Bromine Specialties Overview

As of August 4, 2021

Q2 2021 PERFORMANCE

(\$M)	Q2 2021	ΔQ2 2020
Net Sales	\$280	20%
Net Sales ex FX ¹	\$276	19%
Adj. EBITDA	\$93	27%
Adj. EBITDA ex FX ¹	\$89	22%
Adj. EBITDA Margin	33%	174 bps
Adj. EBITDA Margin ex FX ¹	32%	98 bps

HISTORICAL TREND (TTM)



Note: Numbers may not reconcile due to rounding.

¹ Net of FX impacts. ² Based on historical average.

YoY Q2 Performance Drivers

- Net sales up 20% (price +9%, volume +11%); adjusted EBITDA up 27%
- Robust market demand across majority of product portfolio
- Additional draw down of inventory during the quarter to meet strong customer demand
- Impact of U.S. Gulf Coast winter storm on logistics/supply chain continued

FY 2021 Outlook

- Expect FY 2021 adjusted EBITDA up mid-single digits Y/Y; down from previous outlook primarily related to a force majeure declaration by our chlorine supplier in the U.S.
- Continued economic recovery and strength in flame retardants; benefitting from diverse end-markets
- Lingering effects of U.S. Gulf Coast winter storm – sold out, no excess 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 sales²): Primary driver - consumer spending / GDP
- Oilfield (<10% of sales²): Primary driver - oil price
 - Deep water and off-shore drilling
- ~1 to 3 quarter lag in supply chain

Upcoming Investor Events

Third Quarter 2021 Investor Relations Events

Date	Event – All Virtual
September 10 th	Investor Day
September 13 th – 15 th	Non-deal Roadshow

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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 Net Income

(\$ in thousands)	Three Months Ended June 30,	
	2021	2020
Net income attributable to Albemarle Corporation	\$ 424,600	\$ 85,624
Add back:		
Non-operating pension and OPEB items (net of tax)	(4,273)	(2,299)
Non-recurring and other unusual items (net of tax)	(315,996)	7,907
Adjusted net income attributable to Albemarle Corporation	\$ 104,331	\$ 91,232
Adjusted diluted earnings per share	\$ 0.89	\$ 0.86
Weighted-average common shares outstanding – diluted	117,436	106,535

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	
	June 30,	
	2021	2020
<i>(\$ in thousands)</i>		
Net income attributable to Albemarle Corporation	\$ 424,600	\$ 85,624
Add back:		
Interest and financing expenses	7,152	17,852
Income tax expense	106,985	15,431
Depreciation and amortization	61,423	57,841
EBITDA	600,160	176,748
Non-operating pension and OPEB items	(5,471)	(2,895)
Non-recurring and other unusual items	(400,061)	11,340
Adjusted EBITDA	\$ 194,628	\$ 185,193
Pro-forma: Net impact of adjusted EBITDA from divested business	(6,990)	(18,901)
Pro-forma adjusted EBITDA	\$ 187,638	\$ 166,292
Net sales	\$ 773,896	\$ 764,049
Pro-forma: Net impact of net sales from divested business	(21,191)	(48,407)
Pro-forma net sales	\$ 752,705	\$ 715,642
EBITDA margin	77.6 %	23.1 %
Adjusted EBITDA margin	25.1 %	24.2 %
Pro-forma adjusted EBITDA margin	24.9 %	23.2 %

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
Three months ended June 30, 2021							
Net income (loss) attributable to Albemarle Corporation	\$ 74,593	\$ 80,148	\$ 8,446	\$ 163,187	\$ 7,972	\$ 253,441	\$ 424,600
Depreciation and amortization	33,497	12,498	12,718	58,713	407	2,303	61,423
Non-recurring and other unusual items	1,351	—	—	1,351	—	(401,412)	(400,061)
Interest and financing expenses	—	—	—	—	—	7,152	7,152
Income tax expense	—	—	—	—	—	106,985	106,985
Non-operating pension and OPEB items	—	—	—	—	—	(5,471)	(5,471)
Adjusted EBITDA	\$ 109,441	\$ 92,646	\$ 21,164	\$ 223,251	\$ 8,379	\$ (37,002)	\$ 194,628
Pro-forma: Net impact of adjusted EBITDA from divested business	—	—	—	—	(6,990)	—	(6,990)
Pro-forma adjusted EBITDA	\$ 109,441	\$ 92,646	\$ 21,164	\$ 223,251	\$ 1,389	\$ (37,002)	\$ 187,638
Three months ended June 30, 2020							
Net income (loss) attributable to Albemarle Corporation	\$ 66,038	\$ 60,692	\$ 10,702	\$ 137,432	\$ 16,425	\$ (68,233)	\$ 85,624
Depreciation and amortization	28,498	12,349	12,075	52,922	2,173	2,746	57,841
Non-recurring and other unusual items	—	—	—	—	—	11,340	11,340
Interest and financing expenses	—	—	—	—	—	17,852	17,852
Income tax expense	—	—	—	—	—	15,431	15,431
Non-operating pension and OPEB items	—	—	—	—	—	(2,895)	(2,895)
Adjusted EBITDA	\$ 94,536	\$ 73,041	\$ 22,777	\$ 190,354	\$ 18,598	\$ (23,759)	\$ 185,193
Pro-forma: Net impact of adjusted EBITDA from divested business	—	—	—	—	(18,901)	—	(18,901)
Pro-forma adjusted EBITDA	\$ 94,536	\$ 73,041	\$ 22,777	\$ 190,354	\$ (303)	\$ (23,759)	\$ 166,292

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
Three months ended June 30, 2021						
Net sales	\$ 320,334	\$ 279,748	\$ 148,344	\$ 748,426	\$ 25,470	\$ 773,896
Pro-forma: Net impact of net sales from divested business	—	—	—	—	(21,191)	(21,191)
Pro-forma net sales	\$ 320,334	\$ 279,748	\$ 148,344	\$ 748,426	\$ 4,279	\$ 752,705
Net income (loss) attributable to Albemarle Corporation	23.3 %	28.7 %	5.7 %	21.8 %	31.3 %	54.9 %
Depreciation and amortization	10.5 %	4.5 %	8.6 %	7.8 %	1.6 %	7.9 %
Non-recurring and other unusual items	0.4 %	— %	— %	0.2 %	— %	(51.7)%
Interest and financing expenses	— %	— %	— %	— %	— %	0.9 %
Income tax expense	— %	— %	— %	— %	— %	13.8 %
Non-operating pension and OPEB items	— %	— %	— %	— %	— %	(0.7)%
Adjusted EBITDA Margin	34.2 %	33.1 %	14.3 %	29.8 %	32.9 %	25.1 %
Pro-forma Adjusted EBITDA Margin	34.2 %	33.1 %	14.3 %	29.8 %	32.5 %	24.9 %
Three months ended June 30, 2020						
Net sales	\$ 283,722	\$ 232,779	\$ 197,053	\$ 713,554	\$ 50,495	\$ 764,049
Pro-forma: Net impact of net sales from divested business	—	—	—	—	(48,407)	(48,407)
Pro-forma net sales	\$ 283,722	\$ 232,779	\$ 197,053	\$ 713,554	\$ 2,088	\$ 715,642
Net income (loss) attributable to Albemarle Corporation	23.3 %	26.1 %	5.4 %	19.3 %	32.5 %	11.2 %
Depreciation and amortization	10.0 %	5.3 %	6.1 %	7.4 %	4.3 %	7.6 %
Non-recurring and other unusual items	— %	— %	— %	— %	— %	1.5 %
Interest and financing expenses	— %	— %	— %	— %	— %	2.3 %
Income tax expense	— %	— %	— %	— %	— %	2.0 %
Non-operating pension and OPEB items	— %	— %	— %	— %	— %	(0.4)%
Adjusted EBITDA Margin	33.3 %	31.4 %	11.6 %	26.7 %	36.8 %	24.2 %
Pro-forma Adjusted EBITDA Margin	33.3 %	31.4 %	11.6 %	26.7 %	(14.5)%	23.2 %

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				
	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021
Lithium					
Net income attributable to Albemarle Corporation	\$ 250,572	\$ 217,538	\$ 277,711	\$ 299,101	\$ 307,656
Depreciation and amortization	106,862	110,337	112,854	119,263	124,262
Non-recurring and other unusual items	83,278	83,167	2,528	2,528	2,528
Adjusted EBITDA	440,712	411,042	393,093	420,892	434,446
Net Sales	1,262,066	1,197,326	1,144,778	1,186,936	1,223,548
Adjusted EBITDA Margin	35 %	34 %	34 %	35 %	36 %
Bromine Specialties					
Net income attributable to Albemarle Corporation	\$ 275,206	\$ 266,530	\$ 274,495	\$ 284,943	\$ 304,399
Depreciation and amortization	48,724	49,176	50,310	51,240	51,389
Non-recurring and other unusual items	901	(241)	(1,200)	(1,200)	(1,200)
Adjusted EBITDA	324,831	315,465	323,605	334,983	354,588
Net Sales	964,102	945,028	964,962	1,013,817	1,060,786
Adjusted EBITDA Margin	34 %	33 %	34 %	33 %	33 %
Catalysts					
Net income attributable to Albemarle Corporation	\$ 163,297	\$ 134,128	\$ 80,149	\$ 58,173	\$ 55,917
Depreciation and amortization	49,834	49,893	49,985	49,918	50,561
Non-recurring and other unusual items	794	794	—	—	—
Adjusted EBITDA	213,925	184,815	130,134	108,091	106,478
Net Sales	948,128	884,701	797,914	810,950	762,241
Adjusted EBITDA Margin	23 %	21 %	16 %	13 %	14 %

Adjusted EBITDA supplemental¹

(\$ in thousands)

	Twelve Months Ended	Three Months Ended			
	Jun 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020
Adjusted EBITDA	\$ 861,862	\$ 194,628	\$ 230,054	\$ 221,125	\$ 216,055
Adjusted EBITDA of divested businesses	(66,657)	(6,990)	(21,425)	(16,451)	(21,791)
Net income attributable to noncontrolling interests	79,915	21,608	22,021	17,542	18,744
Equity in net income of unconsolidated investments (net of tax)	(104,312)	(17,998)	(16,511)	(43,649)	(26,154)
Dividends received from unconsolidated investments	107,547	27,420	4,950	26,852	48,325
Consolidated EBITDA	\$ 878,355	\$ 218,668	\$ 219,089	\$ 205,419	\$ 235,179
Total Long Term Debt (as reported)	\$ 2,044,417				
Off balance sheet obligations and other	87,700				
Consolidated Funded Debt	\$ 2,132,117				
Less Cash	823,572				
Consolidated Funded Net Debt	\$ 1,308,545				
Consolidated Funded Debt to Consolidated EBITDA Ratio	2.4				
Consolidated Funded Net Debt to Consolidated EBITDA Ratio	1.5				

Diluted EPS

	Three Months Ended	
	June 30,	
	2021	2020
Diluted earnings per share attributable to Albemarle Corporation	\$ 3.62	\$ 0.80
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	—	0.04
Acquisition and integration related costs	0.01	0.04
Albemarle Foundation contribution	0.13	—
Gain on sale of business	(2.82)	—
Loss on extinguishment of debt	0.01	—
Other	0.04	(0.01)
Discrete tax items	(0.06)	—
Total non-recurring and other unusual items	(2.69)	0.07
Adjusted diluted earnings per share ¹	\$ 0.89	\$ 0.86
Diluted Shares	117,436	106,535

Effective Tax Rate

<i>(\$ in thousands)</i>	Income before income taxes and equity in net income of unconsolidated investments	Income tax expense	Effective income tax rate
Three months ended June 30, 2021			
As reported	\$ 535,195	\$ 106,985	20.0 %
Non-recurring, other unusual and non-operating pension and OPEB items	(404,383)	(84,114)	
As adjusted	\$ 130,812	\$ 22,871	17.5 %
Three months ended June 30, 2020			
As reported	\$ 88,075	\$ 15,431	17.5 %
Non-recurring, other unusual and non-operating pension and OPEB items	8,445	2,837	
As adjusted	\$ 96,520	\$ 18,268	18.9 %

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 June 30,			
	2021		2020	
	Equity Income	Noncontrolling Interest	Equity Income	Noncontrolling Interest
<i>(\$ in thousands)</i>				
Lithium	\$ 15,607	\$ —	\$ 12,628	\$ —
Bromine Specialties	—	(21,627)	—	(18,146)
Catalysts	3,939	—	7,007	—
Corporate	(1,548)	19	11,479	12
Total Company	\$ 17,998	\$ (21,608)	\$ 31,114	\$ (18,134)

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