

Albemarle Corporation Third Quarter 2020 Earnings

Conference Call/Webcast

Thursday, November 5, 2020

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 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 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 Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. These forward-looking statements speak only as of the date of this presentation. We assume no obligation to provide any revisions to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

Non-GAAP Financial Measures

It should be noted that Adjusted net income attributable to Albemarle Corporation (“Adjusted earnings”), Adjusted diluted earnings per share attributable to Albemarle Corporation, Adjusted effective income tax rates, segment operating profit, segment income, pro-forma net sales, net sales excluding the impact of foreign exchange translation (“ex FX”), EBITDA, Adj. EBITDA, Adj. EBITDA by operating segment, EBITDA margin, Adj. EBITDA margin, pro-forma Adj. EBITDA, pro-forma Adj. EBITDA margin, Adj. EBITDA excluding the impact of foreign exchange translation (“ex FX”), Adj. EBITDA margin excluding the impact of foreign exchange translation (“ex FX”), net debt to Adj. EBITDA, gross debt to Adj. EBITDA, free cash flow, and Adjusted free cash flow are financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States, or GAAP. These measures are presented here to provide additional useful measurements to review our operations, provide transparency to investors and enable period-to-period comparability of financial performance. The Company’s chief operating decision maker uses these measures to assess the ongoing performance of the Company and its segments, as well as for business and enterprise planning purposes.

A description of these and other non-GAAP financial measures that we use to evaluate our operations and financial performance, and reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP, can be found in the Appendix to this presentation. The Company does not provide a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP, as the Company is unable to estimate significant non-recurring or unusual items without unreasonable effort. The amounts and timing of these items are uncertain and could be material to the Company’s results calculated in accordance with GAAP.

Taking Action to Position Albemarle for the Present and the Future

01

Our priority is to protect the health and well-being of employees, customers and communities; sites able to operate without a material impact; building flexibility into our workplace

02

Q3 2020 net income of \$98M or \$0.92 per diluted share; adjusted EBITDA of \$216M

03

FY 2020 net sales expected to be approximately \$3.1B at the mid-point of outlook; EBITDA expected to be \$780M - \$810M

04

Sustainable cost reduction program delivering better-than-expected savings of ~\$80M in 2020 for a run-rate of more than \$120M by year-end 2021

05

Our long-term strategy and capital allocation priorities remain the same: to invest in Lithium growth using cash flows from our entire enterprise, while maintaining our dividend and investment grade credit rating

A Sustainable Approach to Managing Our World-Class Assets

Albemarle released Sustainability Report on 2019 activities



SASB compliant, GRI-referenced



More than 50% of the Albemarle revenue comes from products with a positive impact on reduction of GHG-emissions or an increase of resource efficiency



Published Global Labor Policy, consistent with ILO conventions, and Human Rights Policy, consistent with UN Guiding Principles



Published Global Community Relations and Indigenous Peoples Policy aligned with the UN Declaration on the Rights of Indigenous Peoples



Passive solar energy represents 78% of our total energy consumption – used for the concentration of lithium containing brines

Growth Capital Projects On Track for 2021 Completion

La Negra III / IV



New thermal evaporator significantly reduces fresh water intensity

- Conversion of low-cost, high-quality Chilean brine
- 40ktpa LCE nameplate capacity – lithium carbonate
- 100% owned and 100% marketed by ALB
- Construction expected to complete mid-2021
- ~6 month commissioning and qualification process
- First sales expected 2022

Kemerton



Kemerton site progress as of October 2020

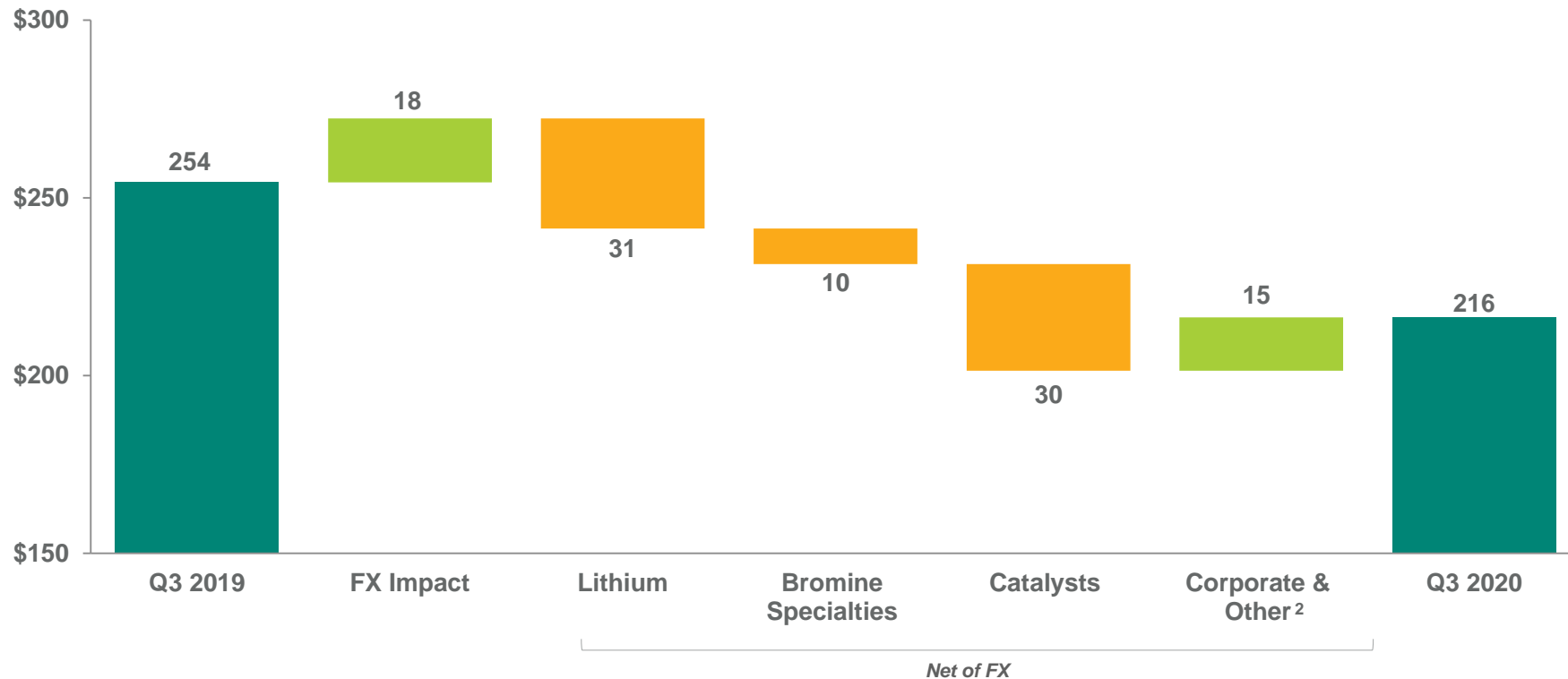
- Conversion of low-cost, high-quality Australian spodumene
- 50ktpa LCE nameplate capacity – lithium hydroxide
- 60% owned and 100% marketed by ALB
- Construction expected to complete late 2021
- ~6 month commissioning and qualification process
- First sales expected 2022

Q3 2020 Financial Summary

<i>(in millions, except per share amounts)</i>	Q3 2020	Q3 2019	Variance
Net Sales	\$747	\$880	-15%
Net Income Attributable to Albemarle Corporation	\$98	\$155	-37%
Adjusted EBITDA	\$216	\$254	-15%
Adjusted EBITDA Margin	29%	29%	
Diluted EPS	\$0.92	\$1.46	-37%
Non-operating Pension and OPEB items	(0.02)	(0.01)	
Non-recurring and Other Unusual Items	0.19	0.08	
Adjusted Diluted EPS	\$1.09	\$1.53	-29%

Q3 2020 Adjusted EBITDA¹ Bridge

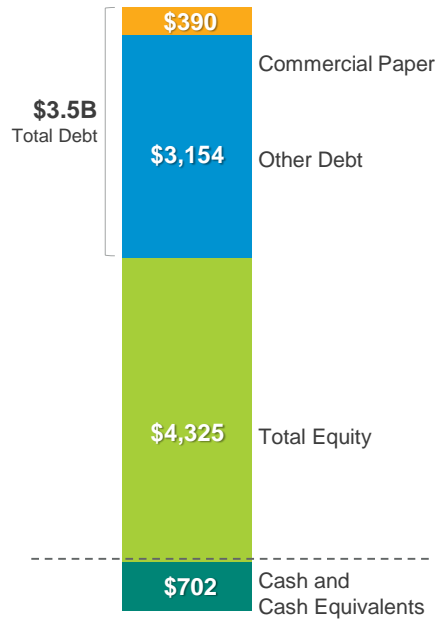
(\$ in millions)



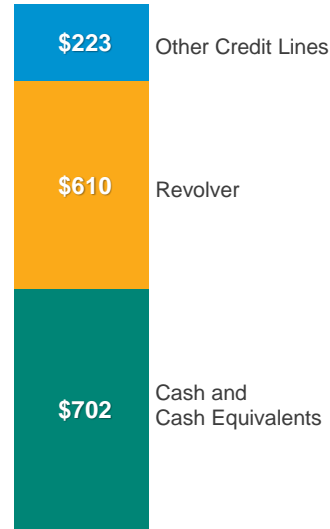
¹ Note: Bridge numbers may not reconcile due to rounding. ² Corporate and Other includes Fine Chemistry Services (FCS).

Strong Financial Position and Ample Liquidity (As of 9/30/20, \$M)

CAPITAL STRUCTURE



TOTAL LIQUIDITY: \$1.5B



DEBT MATURITY TIMELINE



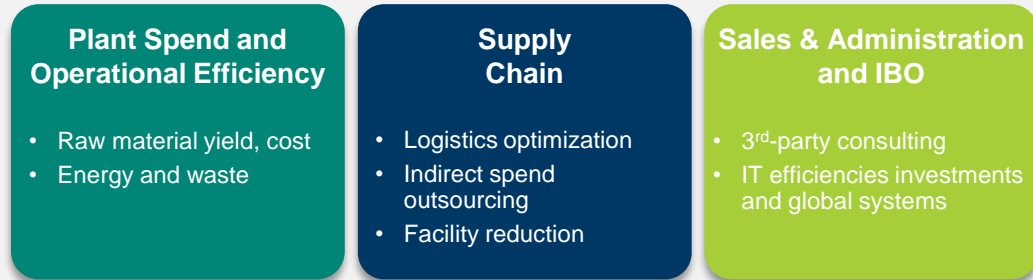
- \$702M cash and cash equivalents
- Repaid \$250M drawn on revolver
- Net debt to adjusted EBITDA is 3.2x
- Weighted average interest of 2.4%
- Working capital typically averages ~25% of net sales; extending vendor payment terms; drawing down inventories
- Expect to repay 2021 debt maturities assuming continued economic recovery and cash inflows from divestitures
- Working with our banks on a delayed draw term loan to backstop 2021 debt maturities
- Debt markets remain open, attractive interest rates

Committed to Maintaining Investment Grade Credit Rating

Savings Initiatives Ahead of Plan

- Sustainable cost savings ahead of plan – ~\$80M in 2020; \$120M+ run rate by YE 2021
 - Ahead of previous estimates for \$50 to \$70M in 2020; \$100+ run rate by YE 2021
- On-going short-term cash management actions save ~\$25 to \$40M per quarter
- FY 2020 CAPEX spending of \$850 to \$900M, capital projects remain on track

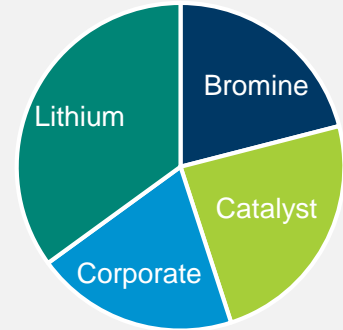
Sustainable Cost Savings Initiatives



Total Expected Cost Savings by Business Unit

~\$80M
(in 2020)

\$120M+
(run rate YE 2021)



Leveraging Culture of Operational Excellence to Enhance Our Low-cost Position

Q4 2020 and Full Year 2020 Guidance

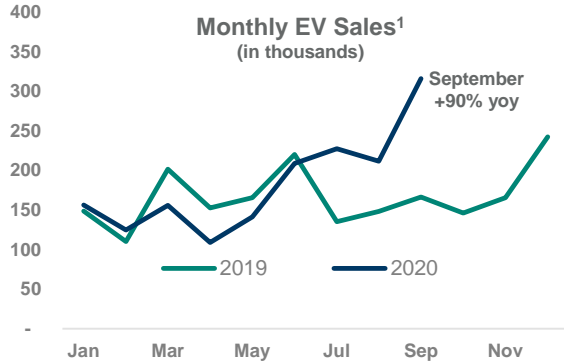
As of November 4, 2020

	Q4 2020 Guidance	FY 2020 Guidance
Net Sales	\$830M – \$880M	\$3.05B – \$3.15B
Adj. EBITDA	\$185M – \$215M	\$780M – \$810M
Adj. EBITDA Margin		25% – 26%
Adj. Diluted EPS		\$3.80 – \$4.15
Net Cash from Operations		\$660M – \$710M
Capital Expenditures		\$850M – \$900M

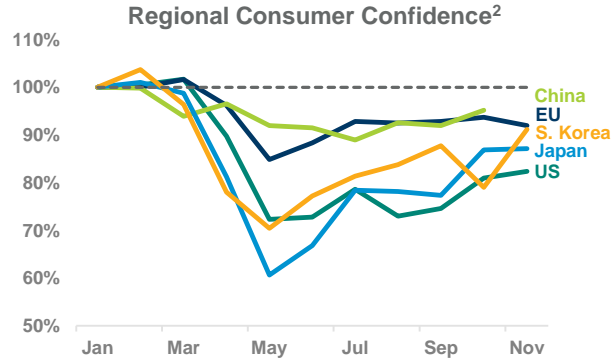
FY 2021 Outlook Expected to be Updated with Q4 2020 Results

End Markets Rebounding, Visibility Remains Challenging

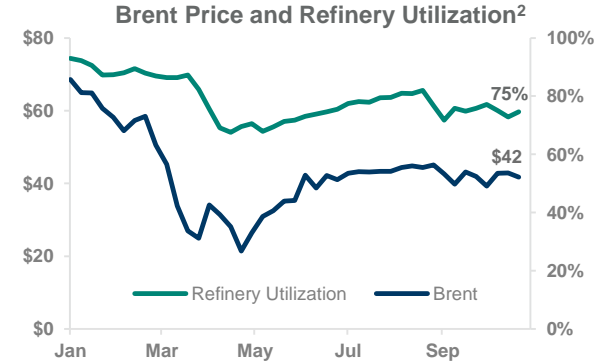
Lithium



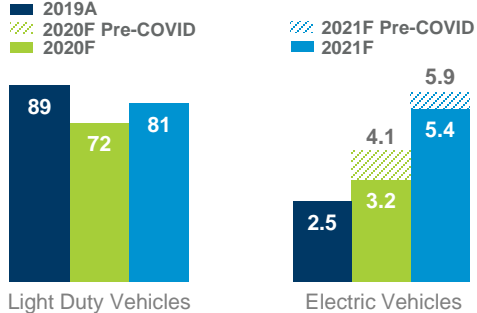
Bromine



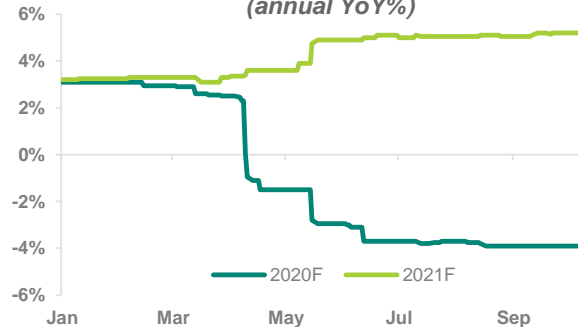
Catalysts



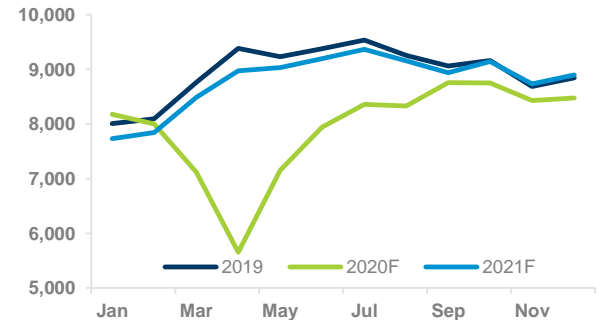
IHS Markit Global Auto Production³ (in millions)



Global GDP Survey Median² (annual YoY%)






US Miles Driven⁴ (in millions miles per day)



2021 Directional Guidance vs 2020

As of November 4, 2020

Business Unit	FY21 vs FY20	Business Environment
Lithium		<ul style="list-style-type: none">• Volumes are expected to be flat year-over-year as plants are effectively sold out given volume constraints• Price expected to be down slightly year-over-year, primarily due to lower average realized pricing for carbonate and technical grade products; discussions with battery grade customers are in process
Bromine Specialties		<ul style="list-style-type: none">• Expecting results to improve slightly assuming continued economic recovery and on-going saving initiatives
Catalysts		<ul style="list-style-type: none">• Expecting results to improve from very low levels seen in FY 2020, but remain well below pre-COVID demand levels assuming a slow recovery of refining capacity utilization and margins

All GBUs are expected to benefit from continued sustainable cost savings, offset by headwinds related to the reversal of some short-term cash management actions

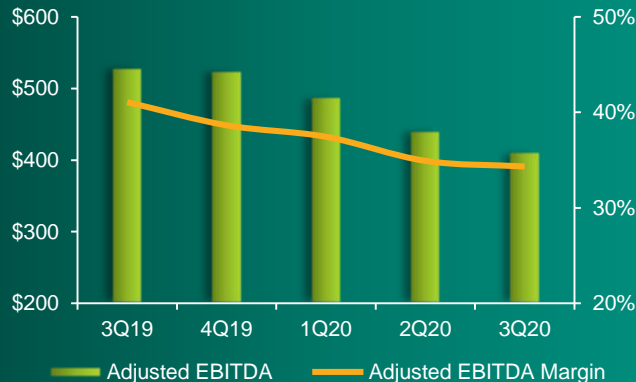
Lithium Overview

As of November 4, 2020

Q3 2020 PERFORMANCE

(\$M)	Q3 2020	ΔQ3 2019
Net Sales	\$266	-20%
Net Sales ex FX ¹	\$265	-20%
Adj. EBITDA	\$98	-23%
Adj. EBITDA ex FX ¹	\$96	-24%
Adj. EBITDA Margin	37%	(177) bps
Adj. EBITDA Margin ex FX ¹	36%	(223) Bps

HISTORICAL TREND (TTM)



Note: Numbers may not reconcile due to rounding.

¹ Net of FX impacts.

YoY Q3 Performance Drivers

- Net sales down 20% (price -17%, volume -3%) and adjusted EBITDA down 23%
- Lower pricing reflects previously agreed contract price adjustments, lower market prices
- Adjusted EBITDA unfavorably impacted predominantly by lower net sales as well as lower Talison equity income, partially offset by cost savings initiatives

Outlook

- Q4 2020: adjusted EBITDA expected to be up 10%-20% sequentially as customers meet planned volume commitments for FY 2020
- High inventories across global supply chain continue to pressure market pricing
- FY 2021: volumes are expected to be relatively flat given near-term volume constraints; pricing is expected to be down slightly, primarily due to lower average realized pricing for carbonate and technical grade products; discussions with battery grade customers are in process
- LT growth story intact based on recent rebounds in EV production and sales, increased grid storage demand

Drivers/Sensitivities

- Energy storage (~60% of Li sales): Primary driver - EV sales in Europe and China
 - Potentially 1 to 2 quarter lag behind EV production; high inventory of lithium levels are prolonging the lag
- Specialties and TG (~40% of Li sales): Primary driver - consumer spending and industrial production
 - Less than 1 quarter lag

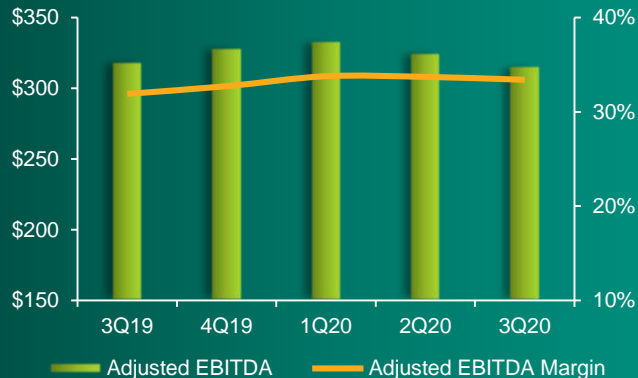
Bromine Specialties Overview

As of November 4, 2020

Q3 2020 PERFORMANCE

(\$M)	Q3 2020	ΔQ3 2019
Net Sales	\$237	-7%
Net Sales ex FX ¹	\$236	-8%
Adj. EBITDA	\$79	-11%
Adj. EBITDA ex FX ¹	\$79	-11%
Adj. EBITDA Margin	33%	(116) bps
Adj. EBITDA Margin ex FX ¹	33%	(118) bps

HISTORICAL TREND (TTM)



Note: Numbers may not reconcile due to rounding.

¹ Net of FX impacts. ² Based on historical average

YoY Q3 Performance Drivers

- Net sales down 7% (volume -5%, price -2%) and adjusted EBITDA down 11%
- Revenue and adjusted EBITDA decrease mainly driven by lower volume predominantly due to the COVID-19 pandemic
- Volume reductions partially offset by cost savings initiatives

Outlook

- Q4 2020: adjusted EBITDA expected to be similar to Q3 2020
- Stabilization in electronics and building & construction helps offset weakness in other end use markets.
- FY 2021: results expected to improve slightly assuming continued economic recovery and on-going saving initiatives

Drivers/Sensitivities

- GDP driven business - electronics, automotive, construction, appliances
- Flame retardants (~ 50% of sales): 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

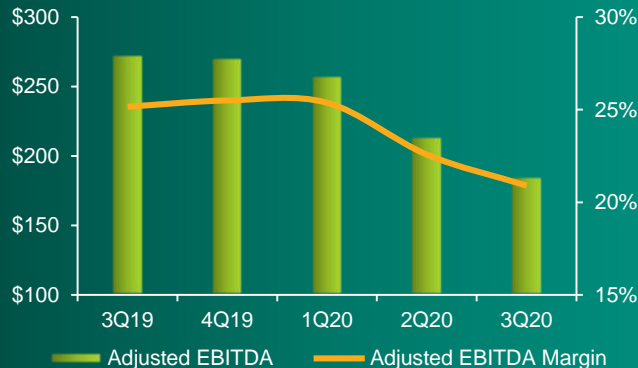
Catalysts Overview

As of November 4, 2020

Q3 2020 PERFORMANCE

(\$M)	Q3 2020	ΔQ3 2019
Net Sales	\$198	-24%
Net Sales ex FX ¹	\$196	-25%
Adj. EBITDA	\$38	-43%
Adj. EBITDA ex FX ¹	\$37	-45%
Adj. EBITDA Margin	19%	(650) bps
Adj. EBITDA Margin ex FX ¹	19%	(677) bps

HISTORICAL TREND (TTM)



Note: Numbers may not reconcile due to rounding.

¹ Net of FX impacts. ² Sales based on a 5-year average excluding PCS

YoY Q3 Performance Drivers

- Net sales down 24% (volume -23%, price -1%) and adjusted EBITDA down 43%
- FCC volume down from lower transportation fuel consumption related to travel restrictions
- HPC volume down due to softness related to lower oil prices and reduced fuel demand as well as some normal lumpiness in shipments

Outlook

- Q4 2020: Adjusted EBITDA expected to be down 20% to 30% sequentially due to HPC volumes and mix; FCC demand continues to recover; HPC demand tends to be lumpier and is also expected to continue to be negatively impacted as refiners defer spending into 2021 and 2022
- FY 2021: We expect results to continue to improve from very low levels seen in FY 2020, but remain well below pre-COVID demand levels assuming a slow recovery of refining capacity utilization and margins

Drivers/Sensitivities

- FCC (~ 60% of sales²): Primary drivers - miles driven/transportation fuel consumption
 - Very little lag time with changes in fuel consumption
- HPC (~ 40% of sales²): Primary driver - environmental sulfur regulations and miles driven/transportation fuel consumption

Our Strategy Has Not Changed, But The Focus Is Different

Sustainable Approach	Grow	<p>Invest in growth and be a leader in the lithium industry</p> <p>Become best in class in the deployment of lithium conversion capital</p>	<ul style="list-style-type: none"> Lithium demand has been pushed out by COVID approximately one year, but the long term outlook is intact Deploy capital for lithium conversion as market grows; match capacity to demand
	Maximize	<p>Optimize the earnings and cash of Bromine and Catalysts</p> <p>Build an excellence agenda across the enterprise and optimize the cost structure</p>	<ul style="list-style-type: none"> Generate cash, maintain margins, invest in high-return projects to improve productivity and sustainability Leverage best in class digital platform for the operational agenda Focus on operational discipline to drive productivity in the business: manufacturing excellence, business excellence, project excellence
	Assess	<p>Actively and continuously assess our portfolio</p>	<ul style="list-style-type: none"> Continue to refine the portfolio Divestures of PCS and FCS are progressing
	Invest	<p>Maintain a disciplined approach to capital allocation while preserving financial flexibility</p>	<ul style="list-style-type: none"> Disciplined approach to capital investment Maintain Investment Grade credit rating and support the dividend

Capital Allocation Priorities

		Adapting to Current Environment
01	Fund the Dividend <ul style="list-style-type: none"> • 26th year of consecutive dividend increases • Targeting long-term median specialty chemical payout ratio 	Committed to shareholder returns
02	Maintain Financial Flexibility <ul style="list-style-type: none"> • Maintain investment grade rating • Long-term net debt to adj. EBITDA target: 2.0x - 2.5x 	Committed to investment grade credit rating
03	Invest to Grow Profitably <ul style="list-style-type: none"> • Strategically grow lithium capacity • Accelerate productivity projects • Build or buy conversion 	Delaying capital expenditures; 2020E capital expenditures of \$850-\$900M
04	Growth via M&A and / or JVs <ul style="list-style-type: none"> • Improved capital efficiency • Low-cost resources and operations 	Disciplined approach to investment opportunities
05	Repurchase Shares <ul style="list-style-type: none"> • Return excess cash to shareholders • Board authorization up to 7M additional shares 	Authorization remains in place; no near-term planned buybacks

Upcoming Investor Events

Fourth Quarter 2020 Investor Relations Events

Date	Event – All Virtual
Nov 10 th	Baird Global Industrials Conference
Nov 17 th	Deutsche Bank Lithium Supply Chain & Energy Storage
Dec 1 st	Citi Basic Materials Conference
Dec 8 th	Boston Investor Meetings

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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

<i>(\$ in thousands)</i>	Three Months Ended September 30,	
	2020	2019
Net income attributable to Albemarle Corporation	\$ 98,301	\$ 155,070
Add back:		
Non-operating pension and OPEB items (net of tax)	(2,294)	(543)
Non-recurring and other unusual items (net of tax)	20,278	8,497
Adjusted net income attributable to Albemarle Corporation	\$ 116,285	\$ 163,024
Adjusted diluted earnings per share	\$ 1.09	\$ 1.53
Weighted-average common shares outstanding – diluted	106,873	106,299

EBITDA and Adjusted EBITDA

	Three Months Ended September 30,	
	2020	2019
(\$ in thousands)		
Net income attributable to Albemarle Corporation	\$ 98,301	\$ 155,070
Add back:		
Interest and financing expenses	19,227	11,108
Income tax expense	30,653	25,341
Depreciation and amortization	58,679	54,487
EBITDA	206,860	246,006
Non-operating pension and OPEB items	(2,901)	(551)
Non-recurring and other unusual items	12,096	8,896
Adjusted EBITDA	216,055	254,351
Net sales	\$ 746,868	\$ 879,747
EBITDA margin	27.7 %	28.0 %
Adjusted EBITDA margin	28.9 %	28.9 %

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

<i>(\$ in thousands)</i>	Lithium	Bromine Specialties	Catalysts	Reportable Segments Total	All Other	Corporate	Consolidated Total
Three months ended September 30, 2020							
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)
Adjusted EBITDA	\$ 97,789	\$ 79,448	\$ 37,834	\$ 215,071	\$ 24,985	\$ (24,001)	\$ 216,055
Three months ended September 30, 2019							
Net income (loss) attributable to Albemarle Corporation	\$ 102,136	\$ 75,224	\$ 54,345	\$ 231,705	\$ 8,305	\$ (84,940)	\$ 155,070
Depreciation and amortization	25,212	12,448	12,599	50,259	2,143	2,085	54,487
Non-recurring and other unusual items	111	1,142	—	1,253	—	7,643	8,896
Interest and financing expenses	—	—	—	—	—	11,108	11,108
Income tax expense	—	—	—	—	—	25,341	25,341
Non-operating pension and OPEB items	—	—	—	—	—	(551)	(551)
Adjusted EBITDA	\$ 127,459	\$ 88,814	\$ 66,944	\$ 283,217	\$ 10,448	\$ (39,314)	\$ 254,351

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

(\$ in thousands)

	Lithium	Bromine Specialties	Catalysts	Reportable Segments Total	All Other	Consolidated Total
Three months ended September 30, 2020						
Net sales	\$ 265,646	\$ 237,193	\$ 197,919	\$ 700,758	\$ 46,110	\$ 746,868
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) %
Adjusted EBITDA Margin	36.8 %	33.5 %	19.1 %	30.7 %	54.2 %	28.9 %
Three months ended September 30, 2019						
Net sales	\$ 330,386	\$ 256,267	\$ 261,346	\$ 847,999	\$ 31,748	\$ 879,747
Net income (loss) attributable to Albemarle Corporation	30.9 %	29.4 %	20.8 %	27.3 %	26.2 %	17.6 %
Depreciation and amortization	7.6 %	4.9 %	4.8 %	5.9 %	6.8 %	6.2 %
Non-recurring and other unusual items	— %	0.4 %	— %	0.1 %	— %	1.0 %
Interest and financing expenses	— %	— %	— %	— %	— %	1.3 %
Income tax expense	— %	— %	— %	— %	— %	2.9 %
Non-operating pension and OPEB items	— %	— %	— %	— %	— %	(0.1) %
Adjusted EBITDA Margin	38.6 %	34.7 %	25.6 %	33.4 %	32.9 %	28.9 %

Adjusted EBITDA - Continuing Operations *(twelve months ended)*

	Twelve Months Ended				
<i>(\$ in thousands)</i>	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020
Net income attributable to Albemarle Corporation	\$ 572,433	\$ 533,228	\$ 506,863	\$ 438,289	\$ 381,520
Depreciation and amortization	206,905	213,484	217,895	222,788	226,980
Non-recurring and other unusual items (excluding items associated with interest expense)	64,683	117,243	126,793	124,715	127,915
Interest and financing expenses	47,866	57,695	61,994	68,245	76,364
Income tax expense	104,462	88,161	69,089	54,109	59,421
Non-operating pension and OPEB items	10,071	26,970	24,645	22,426	20,076
Adjusted EBITDA	\$ 1,006,420	\$ 1,036,781	\$ 1,007,279	\$ 930,572	\$ 892,276
Net Sales	\$ 3,518,562	\$ 3,589,427	\$ 3,496,208	\$ 3,375,205	\$ 3,242,326
Adjusted EBITDA Margin	29 %	29 %	29 %	28 %	28 %

Adjusted EBITDA - by Segment *(twelve months ended)*

(\$ in thousands)	Twelve Months Ended				
	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020
Lithium					
Net income attributable to Albemarle Corporation	\$ 424,881	\$ 341,766	\$ 301,837	\$ 250,572	\$ 217,538
Depreciation and amortization	95,102	99,424	102,729	106,862	110,337
Non-recurring and other unusual items	9,384	83,744	83,389	83,278	83,167
Adjusted EBITDA	529,367	524,934	487,955	440,712	411,042
Net Sales	1,288,678	1,358,170	1,303,102	1,262,066	1,197,326
Adjusted EBITDA Margin	41 %	39 %	37 %	35 %	34 %
Bromine Specialties					
Net income attributable to Albemarle Corporation	\$ 271,653	\$ 279,945	\$ 284,130	\$ 275,206	\$ 266,530
Depreciation and amortization	46,143	47,611	48,091	48,724	49,176
Non-recurring and other unusual items	1,142	901	901	901	(241)
Adjusted EBITDA	318,938	328,457	333,122	324,831	315,465
Net Sales	999,863	1,004,216	986,756	964,102	945,028
Adjusted EBITDA Margin	32 %	33 %	34 %	34 %	33 %
Catalysts					
Net income attributable to Albemarle Corporation	\$ 214,894	\$ 219,686	\$ 206,719	\$ 163,297	\$ 134,128
Depreciation and amortization	49,492	50,144	50,510	49,834	49,893
Non-recurring and other unusual items	8,277	794	794	794	794
Adjusted EBITDA	272,663	270,624	258,023	213,925	184,815
Net Sales	1,084,027	1,061,817	1,017,376	948,128	884,701
Adjusted EBITDA Margin	25 %	25 %	25 %	23 %	21 %

Adjusted EBITDA supplemental¹

(\$ in thousands)

	Twelve Months Ended		Three Months Ended		
	Sep 30, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Adjusted EBITDA	\$ 892,276	\$ 216,055	\$ 185,193	\$ 196,365	\$ 294,663
Net income attributable to noncontrolling interests	69,161	18,744	18,134	16,431	15,852
Equity in net income of unconsolidated investments (net of tax)	(106,713)	(26,154)	(31,114)	(26,604)	(22,841)
Dividends received from unconsolidated investments	70,073	48,325	12,984	—	8,764
Consolidated EBITDA	\$ 924,797	\$ 256,970	\$ 185,197	\$ 186,192	\$ 296,438
Total Long Term Debt (as reported)	\$ 3,544,320				
Off balance sheet obligations and other	91,000				
Consolidated Funded Debt	\$ 3,635,320				
Less Cash	702,073				
Consolidated Funded Net Debt	\$ 2,933,247				
Consolidated Funded Debt to Consolidated EBITDA Ratio		3.9			
Consolidated Funded Net Debt to Consolidated EBITDA Ratio		3.2			

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

Diluted EPS

	Three Months Ended	
	September 30,	
	2020	2019
Diluted earnings per share attributable to Albemarle Corporation	\$ 0.92	\$ 1.46
Add back:		
Non-operating pension and OPEB items (net of tax)	(0.02)	(0.01)
Non-recurring and other unusual items (net of tax)		
Restructuring and other	0.02	—
Acquisition and integration related costs	0.04	0.03
Other	0.02	0.05
Discrete tax items	0.11	—
Total non-recurring and other unusual items	0.19	0.08
Adjusted diluted earnings per share ¹	\$ 1.09	\$ 1.53

Effective Tax Rate

(\$ in thousands)

	Income before income taxes and equity in net income of unconsolidated investments	Income tax expense	Effective income tax rate
Three months ended September 30, 2020			
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 %
Three months ended September 30, 2019			
As reported	\$ 163,723	\$ 25,341	15.5 %
Non-recurring, other unusual and non-operating pension and OPEB items	8,345	391	
As adjusted	\$ 172,068	\$ 25,732	15.0 %

Equity Income and Noncontrolling Interest

	Three Months Ended September 30,			
	2020		2019	
	Equity Income	Noncontrolling Interest	Equity Income	Noncontrolling Interest
<i>(\$ in thousands)</i>				
Lithium	\$ 19,756	\$ —	\$ 35,543	\$ —
Bromine Specialties	—	(18,750)	—	(16,492)
Catalysts	705	—	1,633	—
Corporate	5,693	6	(3,940)	(56)
Total Company	\$ 26,154	\$ (18,744)	\$ 33,236	\$ (16,548)

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