

Albemarle Corporation Fourth Quarter 2020 Earnings

Conference Call/Webcast

Thursday, February 18, 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 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.

Recent Accomplishments Support Long-term Growth



Generated Q4/20 Net Sales of \$879M and Adj. EBITDA of \$221M, above previous outlook

FY 2021 Net Sales of \$3.2 – \$3.3B and Adj. EBITDA of \$810 – \$860M, expected to improve YoY

Completed \$1.5B equity raise to accelerate high-return growth projects

Clear Strategy Drives Sustainable Growth

Grow Profitably

- Pursue profitable growth to align with customer demand
 - Build capabilities to accelerate lower capital intensity, higher return projects
-

Maximize Productivity

- Optimize earnings and cash flow generation across all of our businesses
 - Drive productivity through operational discipline
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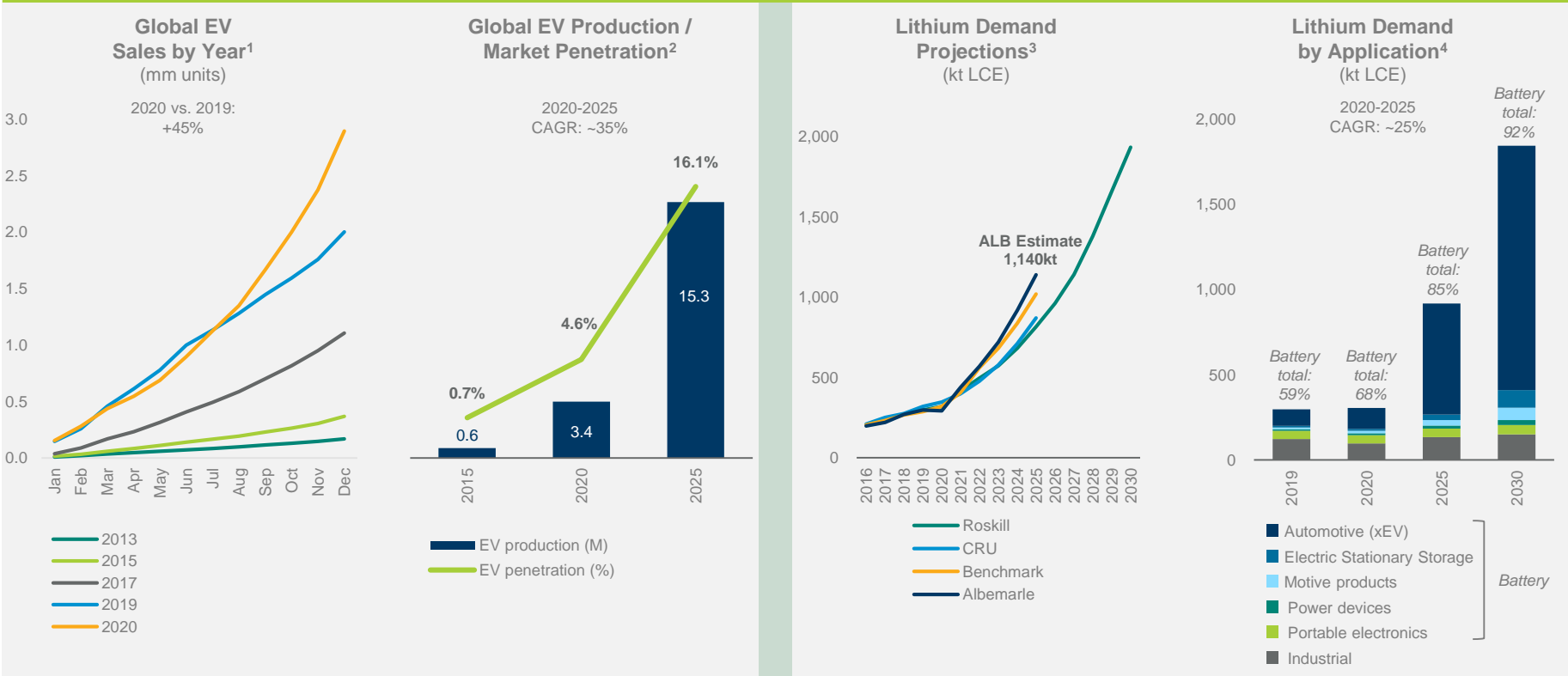
Invest with Discipline

- Focus investment capital on highest-return opportunities
 - Generate shareholder value through continual portfolio assessment; buy vs build
 - Maintain Investment Grade credit rating and support our dividend
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Advance Sustainability

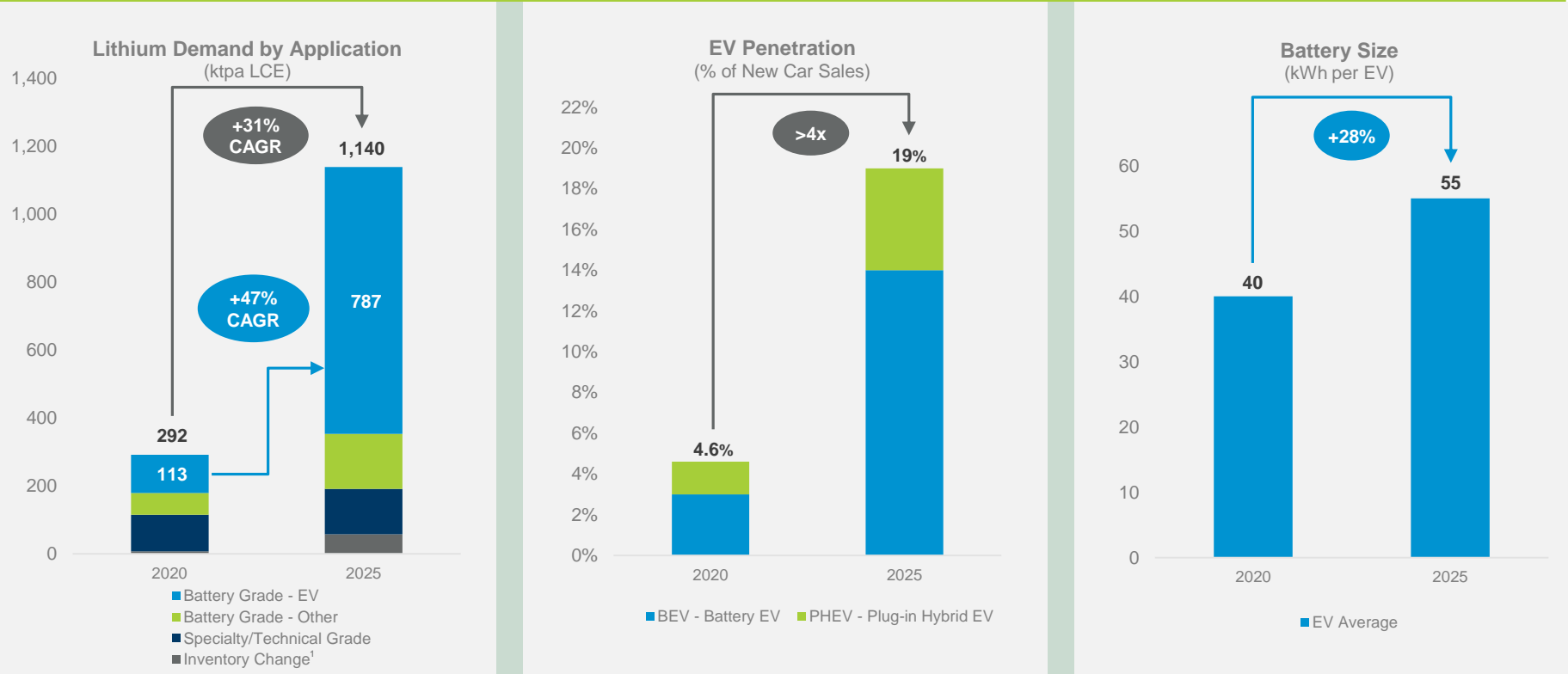
- Continue to implement and improve ESG performance across all of our businesses
- Enable our customers sustainability ambitions

Strong Lithium Demand Driven by EVs



EV Producers Require Accelerated Lithium Supply Growth

Albemarle Lithium Demand Forecast Revised Upwards

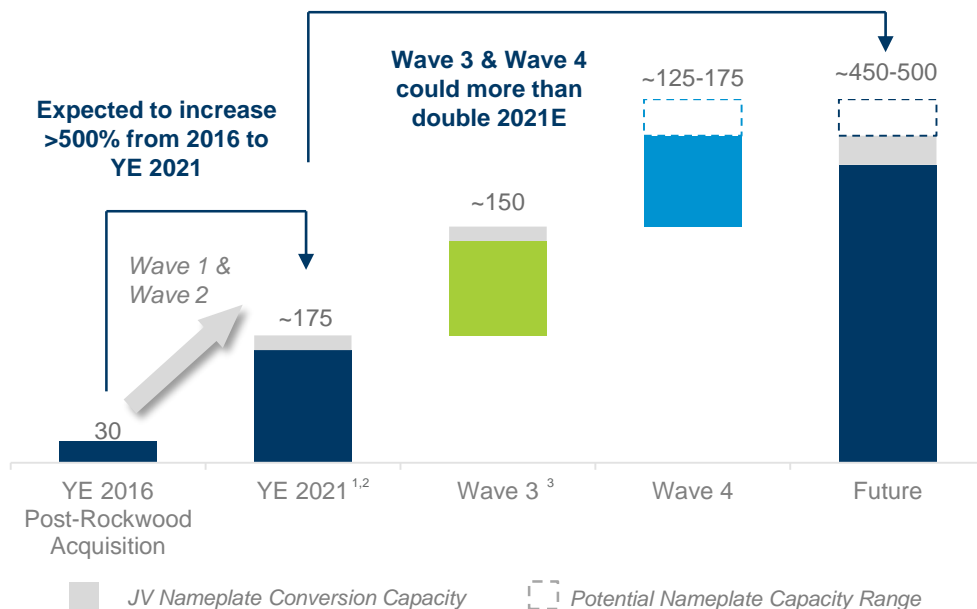


Albemarle FY 2025 Lithium Demand Forecast Revised Upward +14%

Investing to Align Capacity with Market Demand

Estimated Lithium Nameplate Conversion Capacity

Figures on ktpa LCE, 100% basis



Wave 3 Potential Projects (3-5 years)

~\$1.5B CapEx

- China (MARBL)
- Silver Peak, Nevada
- China Greenfield
- Kemerton, Australia (III & IV)

Wave 4 Potential Project Options

Funded with Enhanced FCF

- Carbonate to Hydroxide
- Kemerton, Australia (V)
- Opportunities in Asia
- Kings Mountain, NC

New Capital Allocation Plan Enables Us to Enhance Utilization of Our Resource Base

Conversion Facilities 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 nameplate capacity – lithium carbonate
- 100% owned and 100% marketed by ALB
- Construction expected to be completed mid-2021, followed by ~6 month commissioning and qualification process

Kemerton I / II



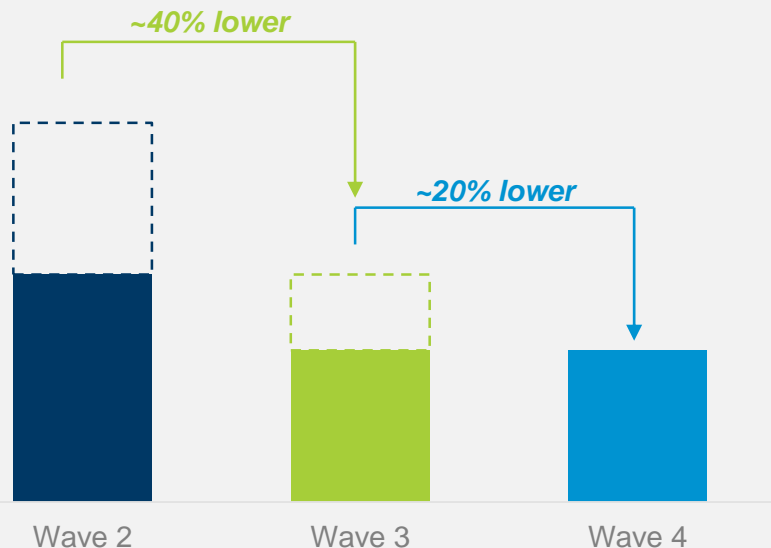
Kemerton site progress as of December 2020

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

Wave 2 Projects Add Significant Lithium Sales Beginning 2022

Reduced Capital Intensity to Achieve Higher Returns

Illustrative Lithium Capital Intensity Range (Cost/kg)



Expected Key Drivers of Cost Reduction

- ✓ Leverage expertise in large-scale project construction
- ✓ Take advantage of brownfield economics
- ✓ Projects in lower-cost jurisdictions (e.g., China)

Investment Focus – Predominantly Lithium

- Major lithium expansions – focused on conversion assets
- US-based Bromine expansion
- Projects expected to generate >2x WACC at mid-cycle pricing; minimum of >1x WACC at trough pricing

Disciplined Project Execution Driving Strong Investment Returns

Executed Plans During Challenges of 2020

WHAT WE SAID IN 2019¹

2020 ACCOMPLISHMENTS

Grow Profitably

Continued operational excellence initiatives across our organization
Capital projects on track for 2021 completion
Lithium volumes projected to be up slightly

- ✓ Ongoing
- ✓ On track
- ✓ FY down slightly; Q4 up YoY

Maximize Productivity

Achieve \$50M cost reduction in 2020
Generate FCF in Bromine and Catalysts
Position for FCF positive target in 2021

- ✓ Achieved \$80M
- ✓ Complete
- ✓ Accelerating growth; deferring FCF target

Invest with Discipline

Continue to actively evaluate portfolio; complete FCS/PCS divestitures
26th consecutive year of dividend growth; maintained Investment Grade credit rating
~70% of capital spend in Lithium; evaluating buy vs build conversion options

- ✓ Ongoing
- ✓ Complete
- ✓ Ongoing

Advance Sustainability

Established baseline
Standardized reporting and metrics; long-term target setting

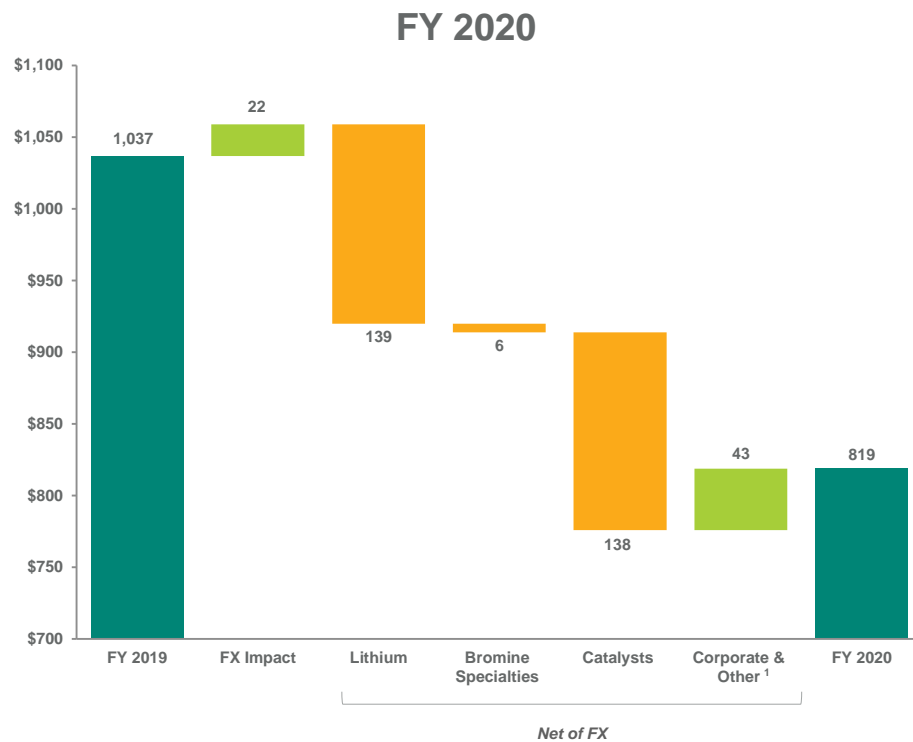
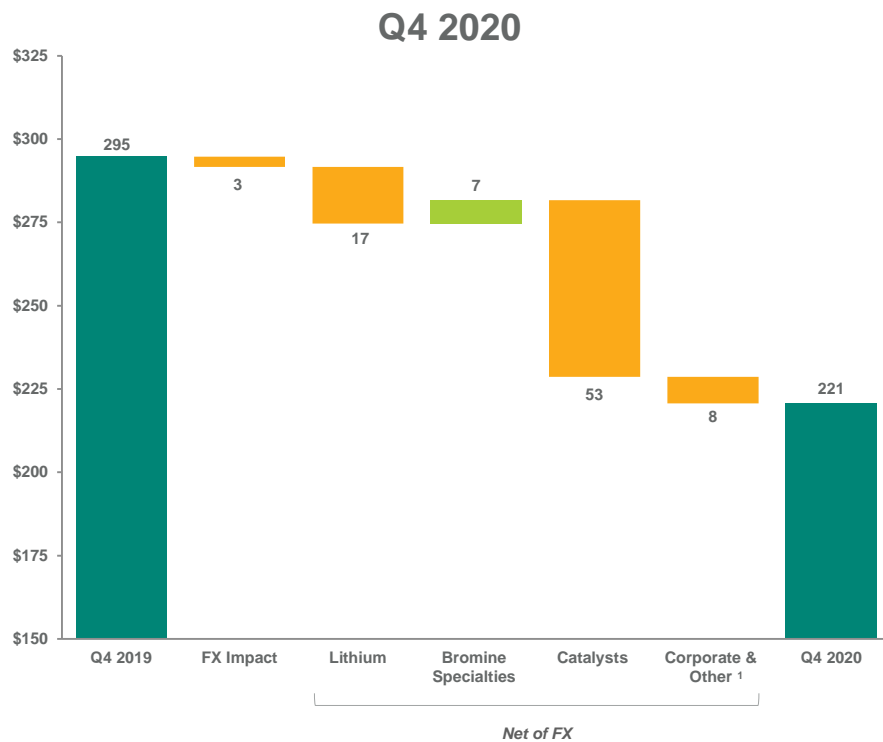
- ✓ Complete
- ✓ Ongoing

Fourth Quarter and Full Year 2020 Financial Summary

(in millions, except per share amounts)

	Q4 2020	Q4 2019	Variance	FY 2020	FY 2019	Variance
Net Sales	\$879	\$993	-11%	\$3,129	\$3,589	-13%
Net income attributable to Albemarle Corporation	\$85	\$90	-6%	\$376	\$533	-30%
Adjusted EBITDA	\$221	\$295	-25%	\$819	\$1,037	-21%
Adjusted EBITDA Margin	25%	30%		26%	29%	
Diluted EPS	\$0.79	\$0.85	-7%	\$3.52	\$5.02	-30%
Non-operating pension and OPEB items	0.35	0.19		0.29	0.18	
Non-recurring and other unusual items	0.03	0.69		0.31	0.85	
Adjusted Diluted EPS	\$1.17	\$1.73	-32%	\$4.12	\$6.04	-32%

2020 Adjusted EBITDA¹ Bridge (\$ in millions)



Prioritizing Capital Allocation to Support Growth Strategy

Invest to Grow Profitably

- Prioritize investment in growth
- Strategically grow lithium capacity – near-term focus on conversion
- Focus on capital discipline and operational excellence

Limited Share Repurchases

- Limited cash flow available for repurchase in near term as we invest in growth



Maintain Financial Flexibility

- Committed to Investment Grade rating
- Intention to retain long-term Net Debt to Adj. EBITDA target of 2.0x - 2.5x

Grow Dividend

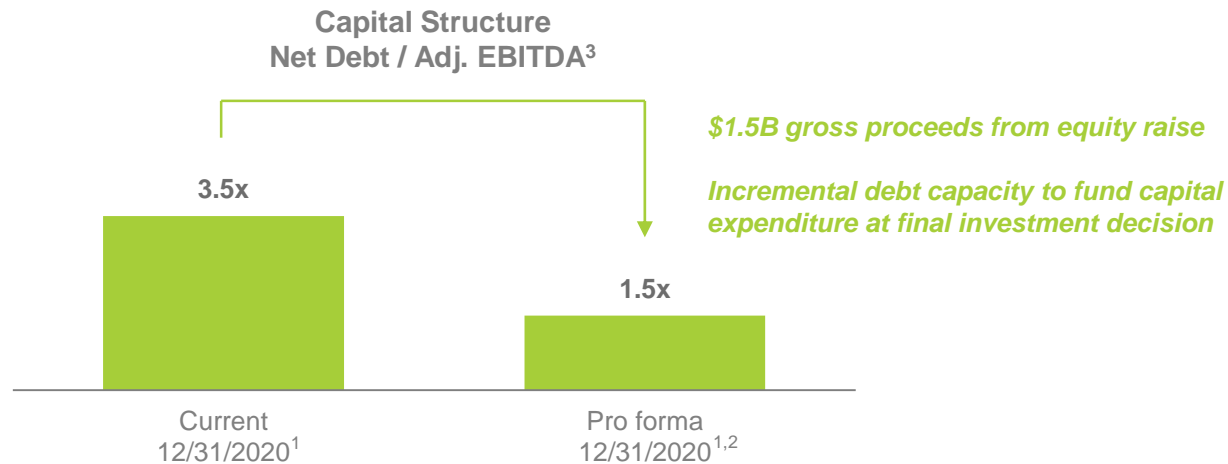
- 26 years of consecutive dividend increases

Growth via M&A and / or JVs

- Disciplined approach to investment opportunities
- Improved capital efficiency
- Low-cost resources and operations

Committed to Driving Shareholder Value Over the Long Term

Capital Raised for Growth Projects



Use of Proceeds

- Utilize cash and debt capacity to fund projects at final investment decision
- Short-term: debt pay-down to provide flexibility for future investment; reduce interest expense and cash drag

Commentary

- Pro forma² net debt of ~\$1.3B, Net Debt / Adj. EBITDA³ 1.5x; estimated annual run rate interest savings of \$22 million
- Intend to retain covenant flexibility with ample liquidity of ~\$2.4B
- Intend to retain target long-term leverage range of 2.0x – 2.5x

Committed to Maintaining Investment Grade Credit Rating and Dividend

2021 Guidance vs 2020

As of February 17, 2021

	FY 2020	FY 2021 Guidance	2021 Guidance vs FY 2020
Net Sales	\$3.1B	\$3.2B – \$3.3B	+3% to +6%
Adj. EBITDA	\$819M	\$810M – \$860M	-1% to +5%
Adj. EBITDA Margin	26.2%	25% – 26%	
Adj. Diluted EPS	\$4.12	\$3.25 – \$3.65	
Net Cash from Operations	\$799M	\$475M – \$575M	
Capital Expenditures	\$850M	\$850M – \$950M	

Additional Inputs for 2021: Depreciation and Amortization \$265M - \$285M; Adjusted effective tax rate 18.5%-19.5%; Corporate costs \$110M - \$120M; interest and financing expenses \$60M - \$65M; Weighted-average common shares outstanding – diluted 117.5M.

Expected 2021 Business Environment vs. 2020

As of February 17, 2021



- Volumes up slightly due to North American restarts, efficiency improvements
- Prices down, primarily due to anticipated lower average pricing for carbonate and technical grade
- Higher costs related to project start-ups, partially offset by efficiency improvements
- Revenues to be back-half weighted



- Total Catalysts results to be flat year-over-year, with PCS improving over 2020 levels
- Lower refining catalyst volumes due to a recent change in customer order patterns in North America
- Q1 expected to be the strongest quarter of the year



- Expecting results to improve modestly assuming continued economic recovery
- On-going saving initiatives offset inflation

Well-Positioned to Drive Sustainable Growth

2021 OBJECTIVES

Grow Profitably

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

Maximize Productivity

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

Invest with Discipline

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

Advance Sustainability

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

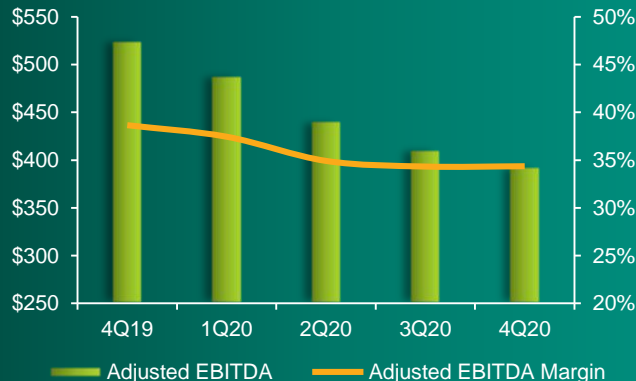
Lithium Overview

As of February 17, 2021

Q4 2020 PERFORMANCE

(\$M)	Q4 2020	ΔQ4 2019
Net Sales	\$359	-13%
Net Sales ex FX ¹	\$356	-14%
Adj. EBITDA	\$122	-13%
Adj. EBITDA ex FX ¹	\$123	-12%
Adj. EBITDA Margin	34%	(1) bps
Adj. EBITDA Margin ex FX ¹	35%	45 bps

HISTORICAL TREND (TTM)



Note: Numbers may not reconcile due to rounding.

¹ Net of FX impacts.

YoY Q4 Performance Drivers

- Net sales down 13% (price -20%, volume 7%); adjusted EBITDA down 13%
- Lower pricing due to contract price adjustments agreed in late 2019
- Stronger volumes as customers held to contract commitments
- Lower net sales partially offset by cost savings initiatives

FY 2021 Outlook

- Higher volumes (North American restarts and efficiency improvements) offset slightly lower pricing (anticipated lower average realized pricing for carbonate and technical grade products)
- Higher lithium costs related to project start-ups partially offset by efficiency improvements
- Revenues expected to be back-half weighted, Q1 2021 expected to be lowest quarter
- LT growth story intact based on recent rebounds in EV production and sales

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

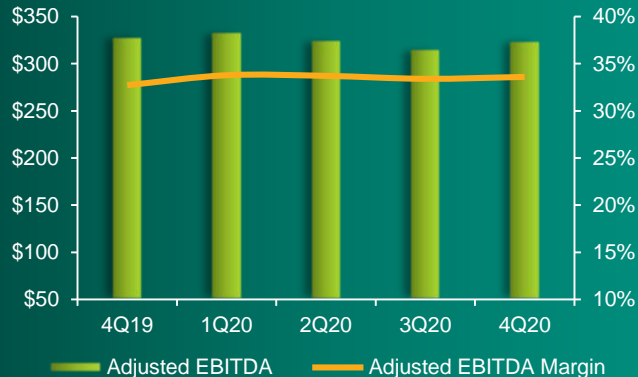
Bromine Specialties Overview

As of February 17, 2021

Q4 2020 PERFORMANCE

(\$M)	Q4 2020	ΔQ4 2019
Net Sales	\$263	8%
Net Sales ex FX ¹	\$262	8%
Adj. EBITDA	\$88	10%
Adj. EBITDA ex FX ¹	\$86	8%
Adj. EBITDA Margin	33%	61 bps
Adj. EBITDA Margin ex FX ¹	33%	18 bps

HISTORICAL TREND (TTM)



Note: Numbers may not reconcile due to rounding.

¹ Net of FX impacts. ² Based on historical average

YoY Q4 Performance Drivers

- Net sales up 8% (volume 4%, price 4%); adjusted EBITDA up 10%
- Continued sequential demand improvement from Q3; benefit of short-term supply-demand imbalances
- Lower raw material costs were favorable to margins

FY 2021 Outlook

- Expecting results to improve modestly assuming continued economic recovery
- On-going saving initiatives offset inflation
- New technology trends like 5G, EVs, Internet of Things (IoT), and autonomous cars drive growth opportunities

Drivers/Sensitivities

- GDP driven business - electronics, automotive, construction, appliances
- Flame retardants (~60% 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

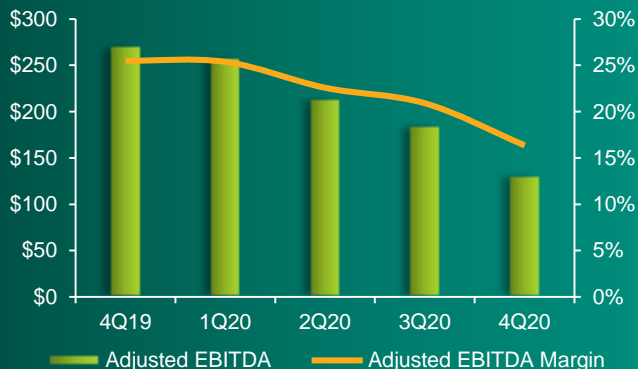
Catalysts Overview

As of February 17, 2021

Q4 2020 PERFORMANCE

(\$M)	Q4 2020	ΔQ4 2019
Net Sales	\$196	-31%
Net Sales ex FX ¹	\$194	-31%
Adj. EBITDA	\$22	-71%
Adj. EBITDA ex FX ¹	\$24	-69%
Adj. EBITDA Margin	11%	(1,589) bps
Adj. EBITDA Margin ex FX ¹	12%	(1,491) 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 Q4 Performance Drivers

- Net sales down 31% (volume -31%, price 0%); adjusted EBITDA down 71%
- Continue to see refinery capacity taken offline in order to balance supply and demand
- FCC volume down from lower transportation fuel consumption and travel restrictions
- HPC volume down due to reduced fuel demand and normal lumpiness in shipments compared to a strong Q4/19

FY 2021 Outlook

- Total Catalysts results to be flat year-over-year, with PCS improving over 2020 levels
- Lower refining catalysts volumes resulting from a recent change in customer order patterns in North America
- Q1 is expected to be the strongest quarter of the year
- Results are not expected to return to pre-COVID pandemic levels before late FY 2022 or FY 2023

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

Upcoming Investor Events

First Quarter 2021 Investor Relations Events

Date	Event – All Virtual
Mar 23 rd	Goldman Sachs New Orleans Chemical Intensity Days
Mar 24 th	Spring Roadshow

Meredith Bandy

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

David Burke

Director, Investor Relations
david.burke@albemarle.com
+1 917.618.2651

Jeffrey Nakayama

Manager, Investor Relations
jeffrey.nakayama@albemarle.com
+1 980.299.5614

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 December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net income attributable to Albemarle Corporation	\$ 84,635	\$ 90,391	\$ 375,764	\$ 533,228
Add back:				
Non-operating pension and OPEB items (net of tax)	37,572	20,453	30,668	18,648
Non-recurring and other unusual items (net of tax)	3,409	73,430	33,087	90,669
Adjusted net income attributable to Albemarle Corporation	125,616	184,274	439,519	642,545
Adjusted diluted earnings per share	\$ 1.17	\$ 1.73	\$ 4.12	\$ 6.04
Weighted-average common shares outstanding – diluted	107,312	106,314	106,808	106,321

EBITDA and Adjusted EBITDA

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
<i>(\$ in thousands)</i>				
Net income attributable to Albemarle Corporation	\$ 84,635	\$ 90,391	\$ 375,764	\$ 533,228
Add back:				
Interest and financing expenses	19,152	22,400	73,116	57,695
Income tax (benefit) expense	(10,101)	(5,105)	54,425	88,161
Depreciation and amortization	61,770	56,766	231,984	213,484
EBITDA	155,456	164,452	735,289	892,568
Non-operating pension and OPEB items	49,372	28,780	40,668	26,970
Non-recurring and other unusual items (excluding items associated with interest expense)	16,297	101,431	42,781	117,243
Adjusted EBITDA	\$ 221,125	\$ 294,663	\$ 818,738	\$ 1,036,781
Net sales	\$ 879,147	\$ 992,564	\$ 3,128,909	\$ 3,589,427
EBITDA margin	17.7 %	16.6 %	23.5 %	24.9 %
Adjusted EBITDA margin	25.2 %	29.7 %	26.2 %	28.9 %

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

(\$ in thousands)

	Lithium	Bromine Specialties	Catalysts	Reportable Segments Total	All Other	Corporate	Consolidated Total
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
Three months ended December 31, 2019:							
Net income (loss) attributable to Albemarle Corporation	\$ 29,158	\$ 67,625	\$ 63,358	\$ 160,141	\$ 18,559	\$ (88,309)	\$ 90,391
Depreciation and amortization	27,755	12,330	12,582	52,667	2,138	1,961	56,766
Non-recurring and other unusual items (excluding items associated with interest expense)	83,167	(241)	794	83,720	—	17,711	101,431
Interest and financing expenses	—	—	—	—	—	22,400	22,400
Income tax benefit	—	—	—	—	—	(5,105)	(5,105)
Non-operating pension and OPEB items	—	—	—	—	—	28,780	28,780
Adjusted EBITDA	\$ 140,080	\$ 79,714	\$ 76,734	\$ 296,528	\$ 20,697	\$ (22,562)	\$ 294,663

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

(\$ in thousands)

	Lithium	Bromine Specialties	Catalysts	Reportable Segments Total	All Other	Consolidated Total
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 %
Three months ended December 31, 2019:						
Net sales	\$ 411,140	\$ 243,464	\$ 282,522	\$ 937,126	\$ 55,438	\$ 992,564
Net income (loss) attributable to Albemarle Corporation	7.1 %	27.8 %	22.4 %	17.1 %	33.5 %	9.1 %
Depreciation and amortization	6.8 %	5.1 %	4.5 %	5.6 %	3.9 %	5.7 %
Non-recurring and other unusual items (excluding items associated with interest expense)	20.2 %	(0.1)%	0.3 %	8.9 %	— %	10.2 %
Interest and financing expenses	— %	— %	— %	— %	— %	2.3 %
Income tax benefit	— %	— %	— %	— %	— %	(0.5)%
Non-operating pension and OPEB items	— %	— %	— %	— %	— %	2.9 %
Adjusted EBITDA Margin	34.1 %	32.7 %	27.2 %	31.6 %	37.3 %	29.7 %

Adjusted EBITDA – (twelve months ended)

(\$ in thousands)	Twelve Months Ended				
	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Net income attributable to Albemarle Corporation	\$ 375,764	\$ 381,520	\$ 438,289	\$ 506,863	\$ 533,228
Depreciation and amortization	231,984	226,980	222,788	217,895	213,484
Non-recurring and other unusual items (excluding items associated with interest expense)	42,781	127,915	124,715	126,793	117,243
Interest and financing expenses	73,116	76,364	68,245	61,994	57,695
Income tax expense	54,425	59,421	54,109	69,089	88,161
Non-operating pension and OPEB items	40,668	20,076	22,426	24,645	26,970
Adjusted EBITDA	\$ 818,738	\$ 892,276	\$ 930,572	\$ 1,007,279	\$ 1,036,781
Net Sales	\$ 3,128,909	\$ 3,242,326	\$ 3,375,205	\$ 3,496,208	\$ 3,589,427
Adjusted EBITDA Margin	26 %	28 %	28 %	29 %	29 %

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

(\$ in thousands)	Twelve Months Ended				
	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Lithium					
Net income attributable to Albemarle Corporation	\$ 277,711	\$ 217,538	\$ 250,572	\$ 301,837	\$ 341,766
Depreciation and amortization	112,854	110,337	106,862	102,729	99,424
Non-recurring and other unusual items	2,528	83,167	83,278	83,389	83,744
Adjusted EBITDA	393,093	411,042	440,712	487,955	524,934
Net sales	1,144,778	1,197,326	1,262,066	1,303,102	1,358,170
Adjusted EBITDA Margin	34 %	34 %	35 %	37 %	39 %
Bromine Specialties					
Net income attributable to Albemarle Corporation	\$ 274,495	\$ 266,530	\$ 275,206	\$ 284,130	\$ 279,945
Depreciation and amortization	50,310	49,176	48,724	48,091	47,611
Non-recurring and other unusual items	(1,200)	(241)	901	901	901
Adjusted EBITDA	323,605	315,465	324,831	333,122	328,457
Net sales	964,962	945,028	964,102	986,756	1,004,216
Adjusted EBITDA Margin	34 %	33 %	34 %	34 %	33 %
Catalysts					
Net income attributable to Albemarle Corporation	\$ 80,149	\$ 134,128	\$ 163,297	\$ 206,719	\$ 219,686
Depreciation and amortization	49,985	49,893	49,834	50,510	50,144
Non-recurring and other unusual items	—	794	794	794	794
Adjusted EBITDA	130,134	184,815	213,925	258,023	270,624
Net sales	797,914	884,701	948,128	1,017,376	1,061,817
Adjusted EBITDA Margin	16 %	21 %	23 %	25 %	25 %

Adjusted EBITDA supplemental¹

(\$ in thousands)

	Twelve Months Ended	Three Months Ended			
	Dec 31, 2020	Dec 31, 2020	September 30, 2020	Jun 30, 2020	Mar 31, 2020
Adjusted EBITDA	\$ 818,738	\$ 221,125	\$ 216,055	\$ 185,193	\$ 196,365
Net income attributable to noncontrolling interests	70,851	17,542	18,744	18,134	16,431
Equity in net income of unconsolidated investments (net of tax)	(127,521)	(43,649)	(26,154)	(31,114)	(26,604)
Dividends received from unconsolidated investments	88,161	26,852	48,325	12,984	—
Consolidated EBITDA	\$ 850,229	\$ 221,870	\$ 256,970	\$ 185,197	\$ 186,192
Total Long Term Debt (as reported)	\$ 3,572,058				
Off balance sheet obligations and other	93,100				
Consolidated Funded Debt	\$ 3,665,158				
Less Cash	746,724				
Consolidated Funded Net Debt	\$ 2,918,434				
Consolidated Funded Debt to Consolidated EBITDA Ratio	4.3				
Consolidated Funded Net Debt to Consolidated EBITDA Ratio	3.4				

Diluted EPS

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Diluted earnings per share	\$ 0.79	\$ 0.85	\$ 3.52	\$ 5.02
Add back:				
Non-operating pension and OPEB items (net of tax)	0.35	0.19	0.29	0.18
Non-recurring and other unusual items (net of tax)				
Restructuring and other	0.08	—	0.15	0.05
Acquisition and integration related costs	0.02	0.05	0.13	0.15
Gain on sale of property	—	(0.02)	—	(0.10)
Stamp duty	—	0.61	—	0.61
Windfield tax settlement	—	0.16	—	0.16
Loss on extinguishment of debt	—	0.04	—	0.04
Other	0.06	0.13	0.07	0.20
Discrete tax items	(0.13)	(0.28)	(0.04)	(0.26)
Total non-recurring and other unusual items	0.03	0.69	0.31	0.85
Adjusted diluted earnings per share ¹	\$ 1.17	\$ 1.73	\$ 4.12	\$ 6.04

Effective Tax Rate

<i>(\$ in thousands)</i>	Income before income taxes and equity in net income of unconsolidated investments	Income tax (benefit) expense	Effective income tax rate
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 %
Three months ended December 31, 2019:			
As reported	\$ 78,297	\$ (5,105)	(6.5)%
Non-recurring, other unusual and non-operating pension and OPEB items	117,748	41,157	
As adjusted	\$ 196,045	\$ 36,052	18.4 %
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 %
Year ended December 31, 2019:			
As reported	\$ 562,950	\$ 88,161	15.7 %
Non-recurring, other unusual and non-operating pension and OPEB items	131,750	39,725	
As adjusted	\$ 694,700	\$ 127,886	18.4 %

Equity Income and Noncontrolling Interest

(\$ in thousands)	Three Months Ended December 31,				Year Ended December 31,			
	2020		2019		2020		2019	
	Equity Income	Noncontrolling Interest	Equity Income	Noncontrolling Interest	Equity Income	Noncontrolling Interest	Equity Income	Noncontrolling Interest
Lithium	\$ 30,264	\$ —	\$ 10,711	\$ —	\$ 96,155	\$ —	\$ 107,827	\$ —
Bromine Specialties	—	(17,524)	—	(15,901)	—	(70,853)	—	(71,107)
Catalysts	2,435	—	7,733	—	15,809	—	21,284	—
Corporate	10,950	(18)	4,397	49	15,557	2	457	(22)
Total Company	\$ 43,649	\$ (17,542)	\$ 22,841	\$ (15,852)	\$ 127,521	\$ (70,851)	\$ 129,568	\$ (71,129)

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