



Q2 2024 Earnings

August 1, 2024
8:00am ET

Forward-Looking Statements

This presentation, conference call and discussions that follow contain statements concerning our expectations, anticipations and beliefs regarding the future, which constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are based on assumptions that we have made as of the date hereof and are subject to known and unknown risks and uncertainties, often contain words such as “anticipate,” “believe,” “estimate,” “expect,” “guidance,” “intend,” “may,” “outlook,” “scenario,” “should,” “would,” and “will”. Forward-looking statements may include statements regarding: our 2024 company and segment outlooks, including expected market pricing of lithium and spodumene and other underlying assumptions and outlook considerations; expected capital expenditure amounts and the corresponding impact on cash flow; market pricing of lithium carbonate equivalent and spodumene; plans and expectations regarding other projects and activities, cost reductions, asset actions, and accounting charges, and all other information relating to matters that are not historical facts. Factors that could cause Albemarle’s actual results to differ materially from the outlook expressed or implied in any forward-looking statement include: changes in economic and business conditions; financial and operating performance of customers; timing and magnitude of customer orders; fluctuations in lithium market prices; production volume shortfalls; increased competition; changes in product demand; availability and cost of raw materials and energy; technological change and development; fluctuations in foreign currencies; changes in laws and government regulation; regulatory actions, proceedings, claims or litigation; cyber-security breaches, terrorist attacks, industrial accidents or natural disasters; political unrest; changes in inflation or interest rates; volatility in the debt and equity markets; acquisition and divestiture transactions; timing and success of projects; performance of Albemarle’s partners in joint ventures and other projects; changes in credit ratings; and the other factors detailed from time to time in the reports Albemarle files with the SEC, including those described under “Risk Factors” in Albemarle’s most recent Annual Report on Form 10-K and any subsequently filed Quarterly Reports on Form 10-Q, which are filed with the SEC and available on the investor section of Albemarle’s website (investors.albemarle.com) and on the SEC’s website at www.sec.gov. These forward-looking statements speak only as of the date of this presentation. Albemarle assumes 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 Measures

It should be noted that adjusted net income attributable to Albemarle Corporation common shareholders, adjusted diluted earnings per share attributable to common shareholders (“EPS”), non-operating pension and other post-employment benefit (“OPEB”) items per diluted share, non-recurring and other unusual items per diluted share, adjusted effective income tax rates, EBITDA, adjusted EBITDA (on a consolidated basis), EBITDA margin and adjusted EBITDA margin are financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States, or GAAP. These non-GAAP measures should not be considered as alternatives to net income attributable to Albemarle Corporation (“earnings”) or other comparable measures calculated and reported in accordance with GAAP. These measures are presented here to provide additional useful measurements to review the company’s 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 other non-GAAP financial measures that Albemarle uses to evaluate its 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 on the press release announcing the results discussed in this presentation, which is available on Albemarle’s website at <https://investors.albemarle.com>. 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.

Strengthening our competitive position, enhancing our financial flexibility, and positioning us for the market today and tomorrow

Solid progress demonstrated by Q2 results:

- Q2 2024 net sales of \$1.4B, with Energy Storage volume growth of 37% Y/Y
- Adj. EBITDA¹ of \$386M, up Q/Q across all three businesses
- Cash from ops. of \$363M, an increase of \$289M Y/Y; oper. cash conversion of 94%²
- Net debt to adjusted EBITDA of 2.1x, well below Q2 covenant maximum of 5.0x³

Maintained FY 2024 total company outlook considerations; notably, the \$15/kg lithium price scenario is expected to apply even assuming lower July pricing holds for the remainder of the year

Ongoing actions to maintain our competitive position, including:

- Delivered more than \$150M in Q2 restructuring and productivity benefits; on track to exceed FY 2024E targets by 50%
- Initiating comprehensive review of cost and operating structure to maintain competitive position, beginning with immediate asset actions at Kemerton

¹ See appendix for non-GAAP reconciliations; as of 2024, adjusted EBITDA definition includes Albemarle's share of the pre-tax earnings of the Talison joint venture

² Defined as Operating Cash Flow divided by Adj. EBITDA

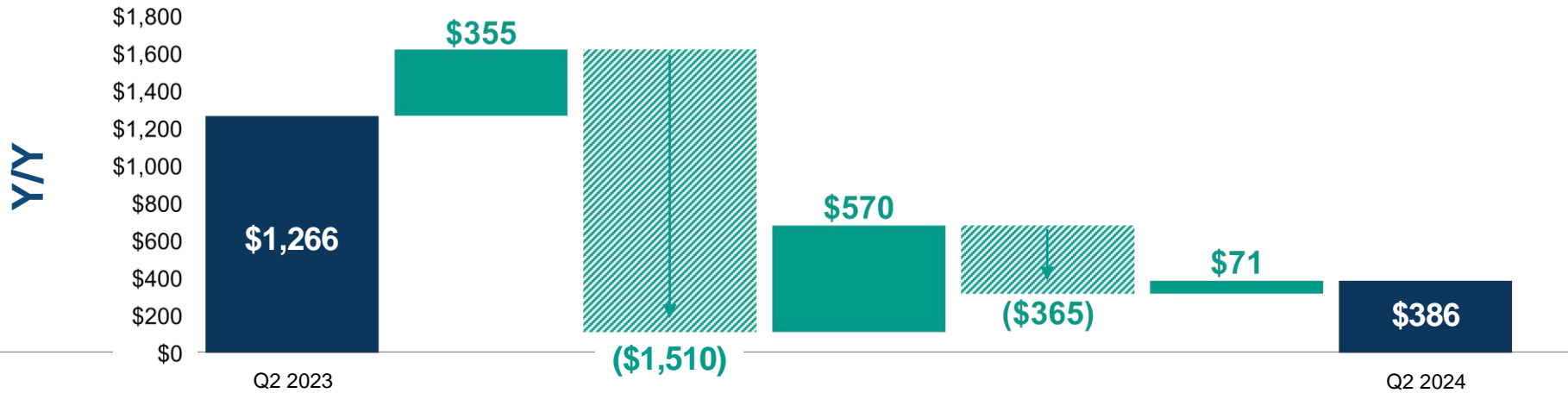
³ Under bank covenant definition of amended credit agreement as of 2024, see Appendix

Q2 2024 Financial Summary

(in millions, except per share amounts)

	Q2 2024	Q2 2023	Variance
Net Sales	\$1,430	\$2,370	-40%
Net (Loss) Income Attributable to Albemarle Corporation	(\$188)	\$650	NM
Adjusted EBITDA¹	\$386	\$1,266	-69%
Adjusted EBITDA Margin¹	27%	53%	-2600 bps
Diluted EPS Attributable to Common Shareholders²	(\$1.96)	\$5.52	NM
Non-Recurring and Other Unusual Items	\$1.99	\$1.81	NM
Adjusted Diluted EPS Attributable to Common Shareholders^{1,2}	\$0.04	\$7.33	-100%

Q2 Y/Y and Sequential Adjusted EBITDA¹ Bridge (\$ in millions)



Q2 2024 vs 2023

- Higher sales volumes (+31%) more than offset by lower prices and reduced equity earnings due to soft market fundamentals, particularly in the lithium value chain



Q2 vs Q1 2024

- Adj. EBITDA up sequentially +33%
- Higher sales volumes across all businesses
- Higher equity income from increased Talison JV sales volumes
- Productivity offset by FX

Maintaining Total Company 2024E Outlook Considerations¹

Observed Lithium Market Price Scenarios: (US\$/kg LCE)²

	Recent pricing \$12-15	Q4 2023 avg. \$20	H2 2023 avg. \$25
Net Sales	\$5.5B - \$6.2B	\$6.1B - \$6.8B	\$6.9B - \$7.6B
Adj. EBITDA^{3, 4}	\$0.9B - \$1.2B	\$1.6B - \$1.8B	\$2.3B - \$2.6B
Adj. Effective Tax Rate	-5% ←————→ 27%		
Weighted-avg. Common Shares Outstanding (Diluted)⁵	~118M	~118M	135M - 139M

The \$15/kg scenario is expected to apply even assuming lower July market prices persist for the balance of the year due to:

- Enterprise-wide cost improvements
- Strong volume growth, including Energy Storage volumes due to project ramps and spodumene sales
- Higher shipments from Talison JV
- Energy Storage contract performance

¹ As of July 31, 2024

² Price represents blend of relevant market indices for the periods referenced

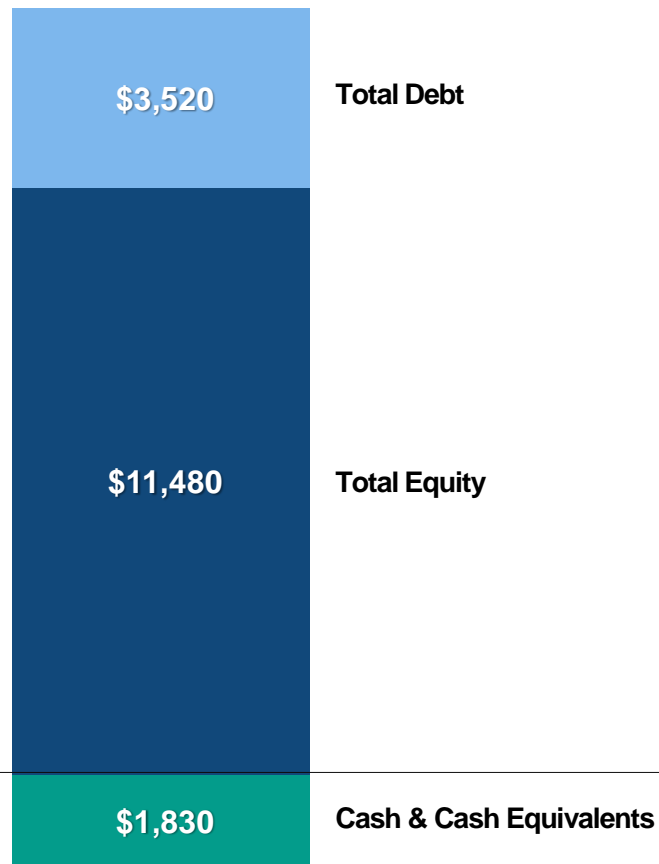
³ Presented under updated adjusted EBITDA definition as of 2024 for comparative purposes. See appendix for FY 2023 non-GAAP reconciliations

⁴ The company does not provide the GAAP measures of net income, gross margin, or diluted earnings per share on a forward-looking basis, or a reconciliation of adjusted EBITDA or adjusted diluted earnings per share to such measure, respectively, because it is unable to estimate significant non-recurring or unusual items without unreasonable effort. See "Non-GAAP Measures" for more information

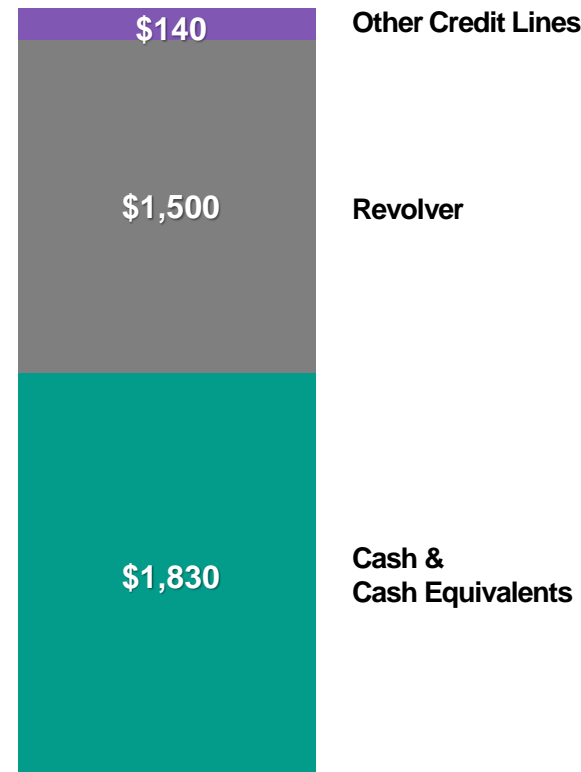
⁵ Each quarter, Albemarle will report the more dilutive of either: 1) adding the underlying shares in the mandatory to the share count or 2) reducing Albemarle's net income to common shareholders by the mandatory dividend. The 20-day volume-weighted average common share price will be used in determining the underlying shares to be added to the share count.

Our Financial and Operational Actions Have Provided the Flexibility to Navigate Dynamic Business Conditions

Capital Structure



Total Liquidity: \$3.5B



- ~\$1.8B of cash & cash equivalents¹
- Full commercial paper capacity available for liquidity (\$1.5B)
- Q2 2024 net debt to adjusted EBITDA was 2.1x² versus a covenant maximum of 5.0x
- Amended financial covenants in revolving credit facility in early 2024; covenant limit rises to 5.5x in Q3 2024, normalizing to 3.5x in 2H 2025²
- Established A/R factoring program to provide additional liquidity (currently untapped)
- Long-term debt has weighted average interest rate of 3.6% (100% fixed); no major maturities due until late-2025

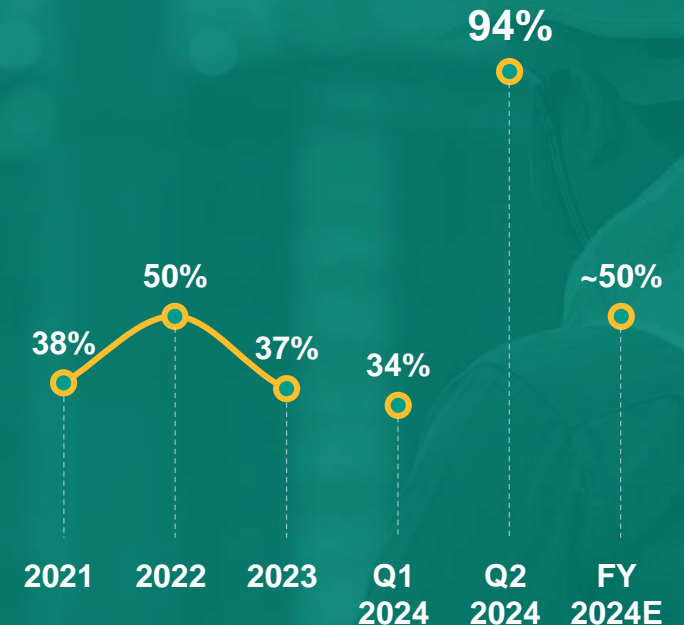
¹ As of 6/30/2024

² Under bank covenant definition of amended credit agreement as of 2024, see Appendix

Improved Operating Cash Flow Considerations

- Cash conversion in 2024 now expected to be ~50%, at the high end of historical average¹
- Q2 operating cash flow conversion of 94% due to higher Talison dividends
- Improvements to operating cash flow driven by:
 1. Higher Talison dividend, primarily driven by higher Talison sales
 2. Working capital improvements, including inventory management
 3. Lower net interest expenses versus previous outlook with repayment of commercial paper
- Construction and ramping of growth projects, Talison capital spend expected to remain near-term headwinds to cash conversion

Operating Cash Flow Conversion



Operational discipline and cash management focus resulting in expected improvement in cash conversion



Q2 2024 Earnings

Initiating *Comprehensive* *Review of Our* **Cost and Operating** **Structure**

Near-Term Market Conditions Remain Dynamic, Requiring Operational Agility

Dynamic Market Conditions

Demand

- **EV registrations** +22% Y/Y YTD¹; strong growth in China partly offset by slower expansion in U.S. and W. Europe
- **Western demand** has continued to weaken; reduced project commitments to build supply chains in the West
- **PHEVs** stronger, moderating battery size growth
- **Cathode technology** forecasts continue to shift more toward carbonate-based LFP
- **Battery costs** nearing \$100/kWh pack average, supporting EV affordability

Supply

- **Overcapacity** of Chinese conversion; many non-integrated producers likely unprofitable, integrated producers likely under pressure

Pricing

- **Prices** still well below incentive pricing required for Western greenfield lithium projects

Increasing Geopolitical Uncertainty

Global landscape

- **Elections** in >60 countries + EU
- **Escalating trade tensions**; higher tariffs
- **On-going conflicts** in Ukraine and the Middle East

Western supply chain

- **IRA benefits** have not flowed to upstream players (e.g., anode and cathode manufacturers and battery materials suppliers)
- **Final U.S. Department of Energy Foreign Entity of Concern (FEOC) rule** significantly restricts Albemarle's Australian product eligibility

Long-term outlook remains strong; positioning to navigate through cycle and meet long-term customer needs

Long-Term Lithium Demand Drivers Remain Intact

Demand

- Projected lithium demand CAGR of 15-20% from 2024 to 2030
- Battery technology evolving for both carbonate- and hydroxide-based chemistries, as well as advanced electrolytes and anodes
- Lithium remains critical to the energy transition

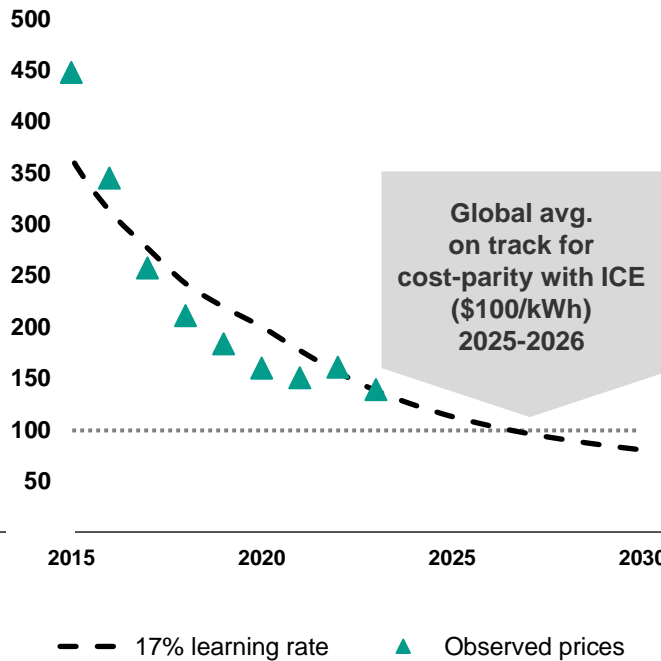
Supply

- Recent reductions to lithium investments and expansions may create mid-term supply risk

Lithium-ion Battery Pack Price¹

(\$/kilowatt-hour, real 2023)

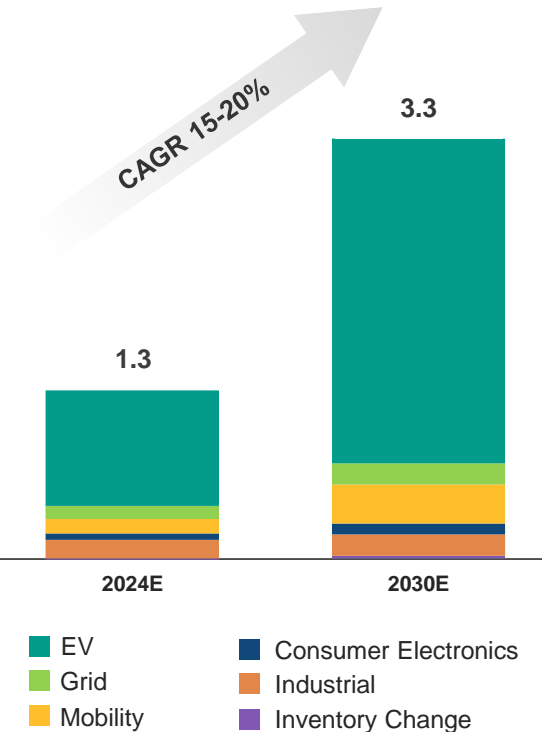
2015-2030



Lithium Demand by Application²

(MMt LCE)

2024-2030



Long-term secular growth intact: lithium market demand expected to increase 2.5x from 2024 to 2030

Taking Further Actions to Maintain Long-Term Competitive Position

	Optimizing Conversion Network	Improving Costs and Efficiency	Reducing Capital Expenditures	Enhancing Financial Flexibility
Previously Announced Actions	<ul style="list-style-type: none"> ✓ Ramping in-flight projects to deliver cash and organic growth ✓ Ability to shift Specialties production volumes to support highest demand markets 	<ul style="list-style-type: none"> ✓ In January, announced proactive measures to re-phase growth investments, optimize cost structure, unlock cash flow 	<ul style="list-style-type: none"> ✓ Re-phased capex to maintain growth while preserving cash ✓ Reduced sustaining capex ✓ FY 2024E capex decrease of \$300M - \$400M Y/Y 	<ul style="list-style-type: none"> ✓ \$2.3B preferred stock offering to fortify balance sheet ✓ Amended credit agreement to navigate near-term dynamics ✓ Established A/R factoring program
Announced Today	<ul style="list-style-type: none"> ✓ Placing Kemerton 2 into care and maintenance ✓ Delivered first commercial sales from Meishan, ahead of schedule ✓ Focusing commercialization efforts at Kemerton 1 	<ul style="list-style-type: none"> ✓ Initiating comprehensive review of cost and operating structure ✓ On track to exceed targeted productivity and restructuring improvements by 50% 	<ul style="list-style-type: none"> ✓ Stopping Kemerton 3, saving \$200-300M of capital over the next ~18 months 	<ul style="list-style-type: none"> ✓ Raising FY 2024E cash conversion expectation to ~50%
Future Actions Available	<ul style="list-style-type: none"> □ Maximize value of world-class resources □ Flexibility to adjust product mix through conversion network □ Faster ramp of new assets 	<ul style="list-style-type: none"> □ Accelerate existing productivity programs □ Take action following comprehensive review 	<ul style="list-style-type: none"> □ Further reduce capital intensity □ High return, fast payback projects to debottleneck and/or lower costs 	<ul style="list-style-type: none"> □ Expansion of A/R factoring program □ Ongoing working capital reductions

Announcing Asset and Cost Actions to Enhance Competitiveness

Additional cost and cash opportunities from comprehensive review to be provided in Q3 earnings

Optimizing our Global Conversion Network

Project Developments

Adjusting Australian LiOH Conversion Footprint

Focusing on optimizing and ramping Kemerton 1

- **Kemerton 2** to be idled and placed in care and maintenance
- **Kemerton 3** construction to be stopped
- **Kemerton 4** construction remains stopped

Leveraging High Quality Resource Base

Ramping production of high-quality low cost, Chilean carbonate

- **Salar Yield Improvement Project** achieved 50% operating rate milestone, ramping to nameplate capacity

Qinzhou ramping on-schedule to nameplate capacity

Meishan achieved first commercial sales, ahead of schedule

Flexible Global Portfolio of Conversion Assets

Extensive tolling network provides additional flexibility in terms of both operations and product mix

Greater ability to pivot across both **carbonate and hydroxide products** as market develops and matures

Globally diverse portfolio with access to all major markets

Shifting market underscores need for globally diversified conversion with product flexibility

Building a Culture of Continuous Improvement



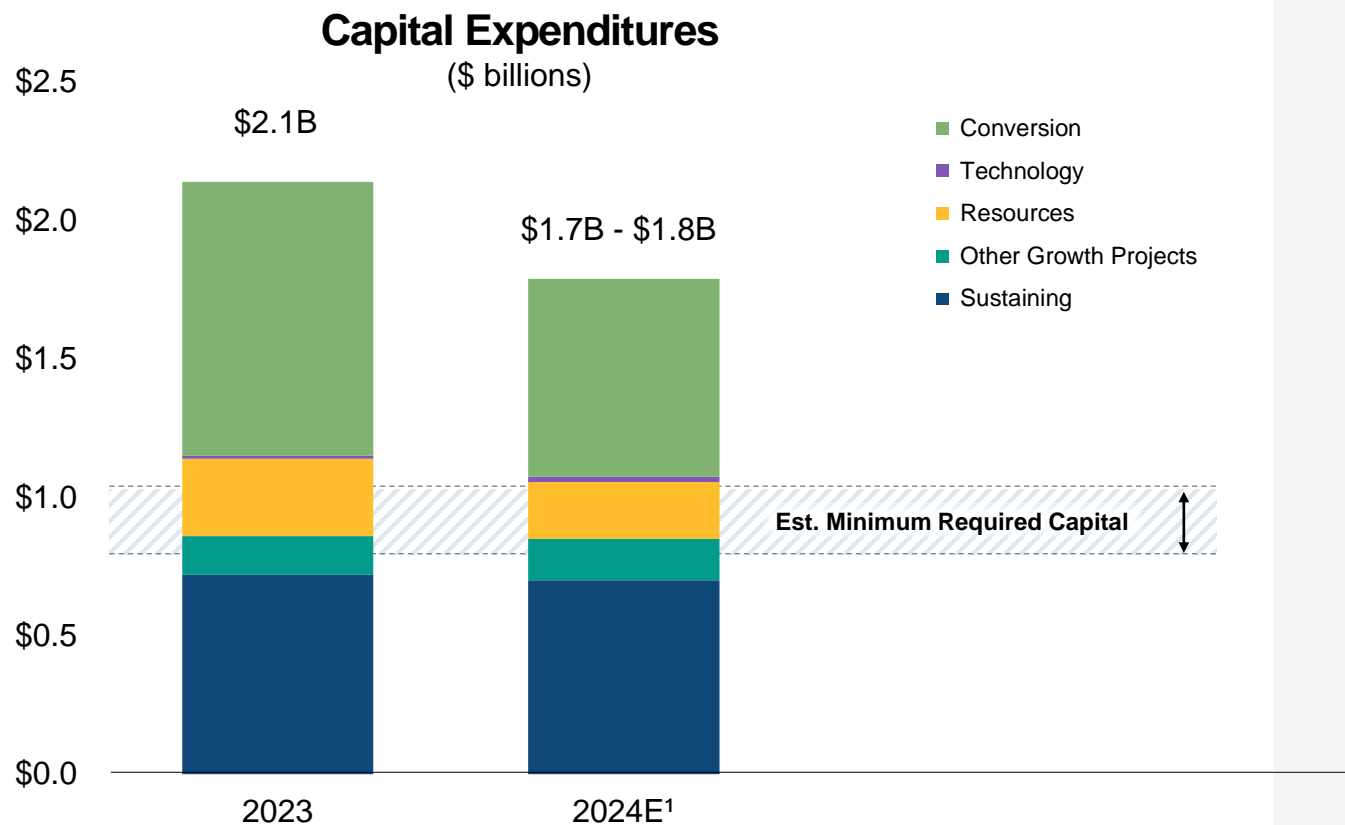
Restructuring & Productivity - delivered more than \$150M in benefits in Q2; on track to exceed initial targets by 50%:

- **Manufacturing** (\$80M target) - Yield, rate, and availability improvements at La Negra, Qinzhou, and Xinyu
- **Procurement** (\$150M target) - Capture of lower cost for key raw materials and logistics, specifically ocean and road freight
- **Back-Office** (\$50M target) - Restructuring cost savings, reduced third party spend

Continuing to leverage our operating model – the Albemarle Way of Excellence

- Accelerate existing productivity programs

Potential Further Reductions in Capital Expenditures Going Forward



FY 2024E capital expenditures include:

- Continuing critical health, safety, environmental and site maintenance projects
- Commissioning the Meishan, China lithium conversion facility
- Completing ramp at Kemerton 1, Australia lithium conversion facility, placing Kemerton 2 in care and maintenance, and bringing Kemerton 3 and 4 construction to full stop, plus Kemerton 3 and 4 spending to-date
- Modest spending for permitting, community engagement at Kings Mountain

Evaluating additional levers to further cut capital expenditures:

- Complete or stop existing projects
- Phase capital to maintain world-class resources
- Reduce long-term capital intensity

Lowering capital-intensity levels while maintaining long-term competitive position and optionality



Q2 2024 Earnings

**Maintaining Our
Competitive Position
*and Driving Long-term
Value Creation***

Albemarle's Strategic Framework

Albemarle leads the world in transforming essential resources into the critical ingredients for modern living with people and planet in mind.

Defining Our Performance Ambition

Lead with Impact

Purpose-Driven Growth

Partner of Choice

Stakeholder Value

Providing Essential Elements to Critical Impact Areas



Mobility



Energy



Connectivity



Health

Resilient Competitive Strengths to Navigate Market Conditions

World-Class
Resources

Leading Process
Chemistry

High-Impact
Innovation

Customer-
Centricity

People & Planet
Steward

Harnessing Our Resilient Competitive Strengths to Navigate Market Conditions

1 World-Class Resources >

- Diverse global portfolio of world-class resources, with vertical integration
- Access to multiple large-scale, high-grade lithium and bromine resources

2 Leading Process Chemistry >

- Deep technical and operational know-how to transform essential resources
- Key to achieving productivity improvements – safely and sustainably

3 High-Impact Innovation >


- Advanced solutions tailored to customer and market needs
- Research, testing and piloting facilities in US and EU

4 Customer-Centricity >

- Reliable and trusted partner with global expertise and local experience
- Partnerships to facilitate innovation and mutual growth

5 People & Planet Steward >

- Responsible corporate citizen focused on sustainability, community engagement, and industry-leading best practices



Strengthening our competitive position, enhancing our financial flexibility, and positioning us for the market today and tomorrow

Solid Q2 results, including Adj. EBITDA¹ of \$386M, up Q/Q across all three businesses; cash from ops. of \$363M, an increase of \$289M Y/Y

Maintaining FY 2024 total company outlook considerations due in part to enterprise-wide cost improvements, higher volumes project ramps, and contract performance

Taking proactive steps to preserve long-term growth and **maintain competitive position** through cycle

Capitalizing on **long-term secular growth opportunities** supporting the clean energy transition and enhanced mobility, connectivity, and health

A global leader with durable competitive strengths, including world-class assets, process chemistry expertise, deep innovation capabilities, a customer-centric market approach and responsible stewardship

Q3 2024 Investor Relations Events



Sep 4

Jefferies Industrials Conference



Sep 5

UBS Global Materials Conference



Sep 9-12

US NDR



Sep 24

Oppenheimer Sustainability Summit

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The image features a low-angle shot of several modern skyscrapers with glass facades and balconies, partially obscured by lush green trees. The scene is bright and clear, suggesting a sunny day. Overlaid on this background is the Albemarle logo, which consists of three white, stylized, upward-pointing triangles of varying heights, followed by the word "Albemarle" in a white, classic serif typeface.

 Albemarle



Appendix

Specialties, Ketjen and Corporate Outlook Considerations

<i>Segments</i>	FY 2024E as of July 31, 2024	Change vs Previous Outlook
Specialties Net Sales	\$1.3B – \$1.5B	—
Specialties Adj. EBITDA	\$210M – \$260M	▼ Higher logistics costs
Ketjen Net Sales	\$1.0B – \$1.2B	—
Ketjen Adj. EBITDA	\$130M – \$150M	—
<i>Other Corporate</i>		
Capital Expenditures	\$1.7B – \$1.8B	▲ Narrowed range; timing of capex spend
Depreciation and Amortization	\$580M – \$630M	▼ Narrowed toward low-end
Corporate Costs (Excl. FX)	\$60M – \$90M	▼ Productivity, fav. interest income
Interest and Financing Expenses	\$140M – \$170M	▼ Repayment of CP

Energy Storage Market Price Scenarios, FY 2024E¹

Avg Lithium Market Price (US\$/kg LCE)²

Recent pricing
\$12-15

Q4 2023 avg.
\$20

H2 2023 avg.
\$25

	Recent pricing \$12-15	Q4 2023 avg. \$20	H2 2023 avg. \$25
Net Sales	\$3.2B - \$3.4B	\$3.8B - \$4.1B	\$4.5B - \$4.9B
Adj. EBITDA^{3, 4}	\$0.7B - \$0.8B	\$1.3B - \$1.5B	\$2.0B - \$2.3B
Equity Income⁵	\$0.8B - \$0.9B	\$0.9B - \$1.0B	\$1.0B - \$1.2B
Adj. EBITDA Margin^{3, 4}	22% - 24%	34% - 37%	44% - 47%

FY 2024E Assumptions:

Energy Storage ranges based on projected volume increase of

10 to 20%
Y/Y in 2024

Current Energy Storage contract book¹

Spodumene market pricing averages 10% of LCE price; all other costs are constant

Full Talison sales volumes for the second half of the calendar year

¹ As of July 31, 2024

² Price represents blend of relevant Asia and China market indices for the periods referenced.

³ Presented under updated adjusted EBITDA definition as of 2024 for comparative purposes. See appendix for FY 2023 non-GAAP reconciliations.

⁴ The company does not provide the GAAP measures of net income, gross margin, or diluted earnings per share on a forward-looking basis, or a reconciliation of adjusted EBITDA or adjusted diluted earnings per share to such measure, respectively, because it is unable to estimate significant non-recurring or unusual items without unreasonable effort. See "Non-GAAP Measures" for more information.

⁵ Equity in net income of unconsolidated investments (net of tax), included in adjusted EBITDA on a pre-tax basis.

2024 Commentary by Segment¹

ENERGY STORAGE

- Q2 sales volumes of 53 kT LCE
- ~2/3 of 2024E salts volumes sold on index referenced, variable priced contracts; average 2-5 years duration; typically 3-month lag, some with floors and ceilings, specifics vary by contract
- ~1/3 of 2024E salts volumes sold on short-term purchase agreements
- Volume growth trending towards the high end of the 10-20% Y/Y range, driven by timing of project ramps and spodumene sales; Y/Y volume comps expected to get more difficult throughout the year with steady project ramps and vs 2023 seasonality
- All else equal, Energy Storage margins expected to trough in Q3 and improve in Q4, as flow through of lower cost spodumene offsets new facility ramp costs

SPECIALTIES

- Continued softness in consumer electronics; stronger demand in other Specialties end-markets, including oilfield services, agriculture, and pharmaceuticals
- Specialties adj. EBITDA outlook decreased to \$210 to \$260 million, due to higher costs related to shipping and raw material sourcing challenges in the Middle East, as well as a freeze event at Magnolia
- Net sales and adj. EBITDA weighted towards 2H 2024 on expectation of sequential improvement with modest end market recovery
- Improved pricing in bromine specialties partially offset by lower pricing in lithium specialties

KETJEN

- Higher sales revenue across all business segments driven by improved product mix and pricing
- Adjusted EBITDA expected to increase in 2024 primarily due to higher revenue, lower input costs and successful execution of turnaround plans

Definitions of Non-GAAP Measures

NON-GAAP MEASURE	DESCRIPTION
Adjusted Net Income Attributable to Common Shareholders	Net income after mandatory convertible preferred stock dividends before non-recurring, other unusual and non-operating pension and OPEB.
Adjusted Diluted EPS Attributable to Common Shareholders	Diluted EPS before non-recurring, other unusual and non-operating pension and OPEB.
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.
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.

2024 Adj. EBITDA Definition

	Year ended December 31, 2023	
	As Reported	As Adjusted - 2024 Definition
Net income attributable to Albemarle Corporation	\$ 1,573,476	\$ 1,573,476
Depreciation and amortization	429,944	429,944
Interest and financing expenses	116,072	116,072
Income tax expense	430,277	430,277
Proportionate share of Windfield Holdings income tax expense		779,703
Gain on sale of business/interest in properties, net	(71,190)	(71,190)
Acquisition and integration related costs	26,767	26,767
Goodwill impairment	6,765	6,765
Non-operating pension and OPEB items	(7,971)	(7,971)
Mark-to-market gain on public equity securities	44,732	44,732
Legal accrual	218,510	218,510
Other	(1,097)	(1,097)
Total adjusted EBITDA	\$ 2,766,285	\$ 3,545,988

Adjusted Net Income

	Three Months Ended June 30,	
	2024	2023
<i>(\$ in thousands)</i>		
Net (loss) income attributable to Albemarle Corporation	\$ (188,198)	\$ 650,043
Add back:		
Non-operating pension and OPEB items (net of tax)	(336)	381
Non-recurring and other unusual items (net of tax)	234,498	213,194
Adjusted net income attributable to Albemarle Corporation	45,964	863,618
Mandatory convertible preferred stock dividends	(41,688)	—
Adjusted net income attributable to Albemarle Corporation common shareholders	<u>\$ 4,276</u>	<u>\$ 863,618</u>
Adjusted diluted earnings per share attributable to Albemarle Corporation common shareholders	<u>\$ 0.04</u>	<u>\$ 7.33</u>
Adjusted weighted -average common shares outstanding – diluted	117,703	117,769

EBITDA and Adjusted EBITDA

	Three Months Ended June 30,				Year Ended December 31,	
	2024		2023		2023	
	\$	% of net sales	\$	% of net sales	\$	% of net sales
<i>(\$ in thousands)</i>						
Net income attributable to Albemarle Corporation	\$ (188,198)	(13.2)%	\$ 650,043	27.4 %	\$ 1,573,476	16.4 %
Add back:						
Interest and financing expenses	35,187	2.5 %	25,577	1.1 %	116,072	1.2 %
Income tax (benefit) expense	(30,660)	(2.1)%	42,987	1.8 %	430,277	4.5 %
Depreciation and amortization	138,279	9.7 %	93,085	3.9 %	429,944	4.5 %
EBITDA	(45,392)	(3.2)%	811,692	34.2 %	2,549,769	26.5 %
Proportionate share of Windfield Holdings income tax expense	119,780	8.4 %	233,976	9.9 %	779,703	8.1 %
Non-operating pension and OPEB items	(337)	— %	612	— %	(7,971)	(0.1)%
Non-recurring and other unusual items	312,309	21.8 %	219,962	9.3 %	224,487	2.3 %
Adjusted EBITDA	<u>\$ 386,360</u>	<u>27.0 %</u>	<u>\$ 1,266,242</u>	<u>53.4 %</u>	<u>\$ 3,545,988</u>	<u>36.9 %</u>
Net sales	\$ 1,430,385		\$ 2,370,190		\$ 9,617,203	

Adjusted EBITDA – Continuing Operations (twelve months ended)

(\$ in thousands)	Twelve Months Ended				
	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
Net income attributable to Albemarle Corporation	\$ 3,918,283	\$ 3,323,601	\$ 1,573,476	\$ 337,344	\$ (500,897)
Depreciation and amortization	343,630	371,362	429,944	466,424	511,618
Proportionate share of Windfield Holdings income tax expense	646,109	737,753	779,702	687,406	573,211
Non-recurring and other unusual items (excluding items associated with interest expense)	198,217	228,689	224,487	316,385	113,792
Interest and financing expenses	106,084	105,725	116,072	127,264	136,874
Income tax expense	540,990	335,501	430,277	149,593	75,946
Non-operating pension and OPEB items	(45,501)	(39,854)	(7,971)	(8,897)	(9,846)
Adjusted EBITDA	5,707,812	5,062,777	3,545,987	2,075,519	900,698
Lower of cost or net realizable value (LCM)	—	—	604,099	604,099	604,099
Adjusted EBITDA, excluding LCM	\$ 5,707,812	\$ 5,062,777	\$ 4,150,086	\$ 2,679,618	\$ 1,504,797
Net sales	\$ 9,663,225	\$ 9,882,016	\$ 9,617,203	\$ 8,397,687	\$ 7,457,882
Adjusted EBITDA margin, excluding LCM	59 %	51 %	43 %	32 %	20 %

Adjusted EBITDA supplemental¹

(\$ in thousands)

	Twelve Months Ended	Three Months Ended			
	Jun 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
Adjusted EBITDA	\$ 1,195,637	\$ 386,360	\$ 291,236	\$ (134,931)	\$ 652,972
Equity in net income of non - Windfield Holdings unconsolidated investments (net of tax)	(22,200)	(7,883)	(7,821)	(2,121)	(4,375)
Dividends received from non -Windfield Holdings unconsolidated investments	23,699	9,470	1,756	5,287	7,186
Consolidated Windfield-Adjusted EBITDA	<u>\$ 1,197,136</u>	<u>\$ 387,947</u>	<u>\$ 285,171</u>	<u>\$ (131,765)</u>	<u>\$ 655,783</u>
Total ALB Long Term Debt (as reported)	\$ 3,522,717				
49% Windfield Holdings debt	628,104				
Off balance sheet obligations and other	201,700				
Consolidated Windfield-Adjusted Funded Debt	<u>\$ 4,352,521</u>				
Less Cash	1,830,227				
Less 49% Windfield Holdings cash	18,197				
Consolidated Windfield-Adjusted Funded Net Debt	<u>\$ 2,504,097</u>				
Consolidated Leverage Ratio		2.1			

Diluted EPS

	Three Months Ended	
	June 30,	
	2024	2023
Diluted (loss) earnings per share attributable to Albemarle Corporation common shareholders	\$ (1.96)	\$ 5.52
Add back:		
Non-operating pension and OPEB items (net of tax)	—	—
Non-recurring and other unusual items (net of tax)		
Restructuring and other	0.02	0.05
Acquisition and integration related costs	0.01	0.04
Capital project asset write -off	1.82	—
Loss (gain) in fair value of public equity securities	0.12	(0.10)
Legal accrual	—	1.82
Other	(0.03)	0.02
Tax related items	0.05	(0.02)
Total non -recurring and other unusual items	1.99	1.81
Adjusted diluted earnings per share attributable to common shareholders ¹	<u>\$ 0.04</u>	<u>\$ 7.33</u>
Adjusted weighted -average common shares outstanding - diluted	117,703	117,769

Effective Tax Rate

(\$ in thousands)

	(Loss) Income before income taxes and equity in net income of unconsolidated investments	Income tax (benefit) expense	Effective income tax rate
Three months ended June 30, 2024			
As reported	\$ (494,132)	\$ (30,660)	6.2 %
Non-recurring, other unusual and non -operating pension and OPEB items	311,972	77,810	
As adjusted	<u>\$ (182,160)</u>	<u>\$ 47,150</u>	(25.9)%
Three months ended June 30, 2023			
As reported	\$ 168,375	\$ 42,987	25.5 %
Non-recurring, other unusual and non -operating pension and OPEB items	220,574	6,999	
As adjusted	<u>\$ 388,949</u>	<u>\$ 49,986</u>	12.9 %

Equity Income and Noncontrolling Interest

	Three Months Ended June 30,			
	2024		2023	
	Equity Income	Noncontrolling Interest	Equity Income	Noncontrolling Interest
<i>(\$ in thousands)</i>				
Energy Storage	\$ 276,037	\$ —	\$ 543,798	\$ —
Specialties	—	(11,890)	—	(26,354)
Ketjen	7,883	—	5,108	—
Corporate	2,958	286	2,145	(42)
Total Company	\$ 286,878	\$ (11,604)	\$ 551,051	\$ (26,396)

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