

Albemarle Corporation First Quarter 2018 Earnings and Non-GAAP Reconciliations

Conference Call/Webcast

Thursday, May 10th, 2018

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, changes in productivity, market trends, price, expected growth and earnings, demand for our products, input costs, expansion projects, tax rates, stock repurchases, dividends, cash flow generation, costs and cost synergies, portfolio diversification, 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; 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, which is posted in the Investors section of our website at www.albemarle.com, under “Non-GAAP Reconciliations” under “Financials.” 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.

Key Messages

1Q18 year-over-year profit growth driven by 38% Lithium sales growth

Completed sale of Polyolefin Catalyst & Components for \$416 million on April 3, 2018

Intent to buy back \$250 million in shares via Accelerated Share Repurchase Program

Wave I lithium expansion projects remain on schedule

2018 Lithium growth on track, improved outlook in Bromine Specialties offset by reduced outlook of Curatives business in Catalysts due to force majeure on key raw material

First Quarter 2018 Financial Highlights

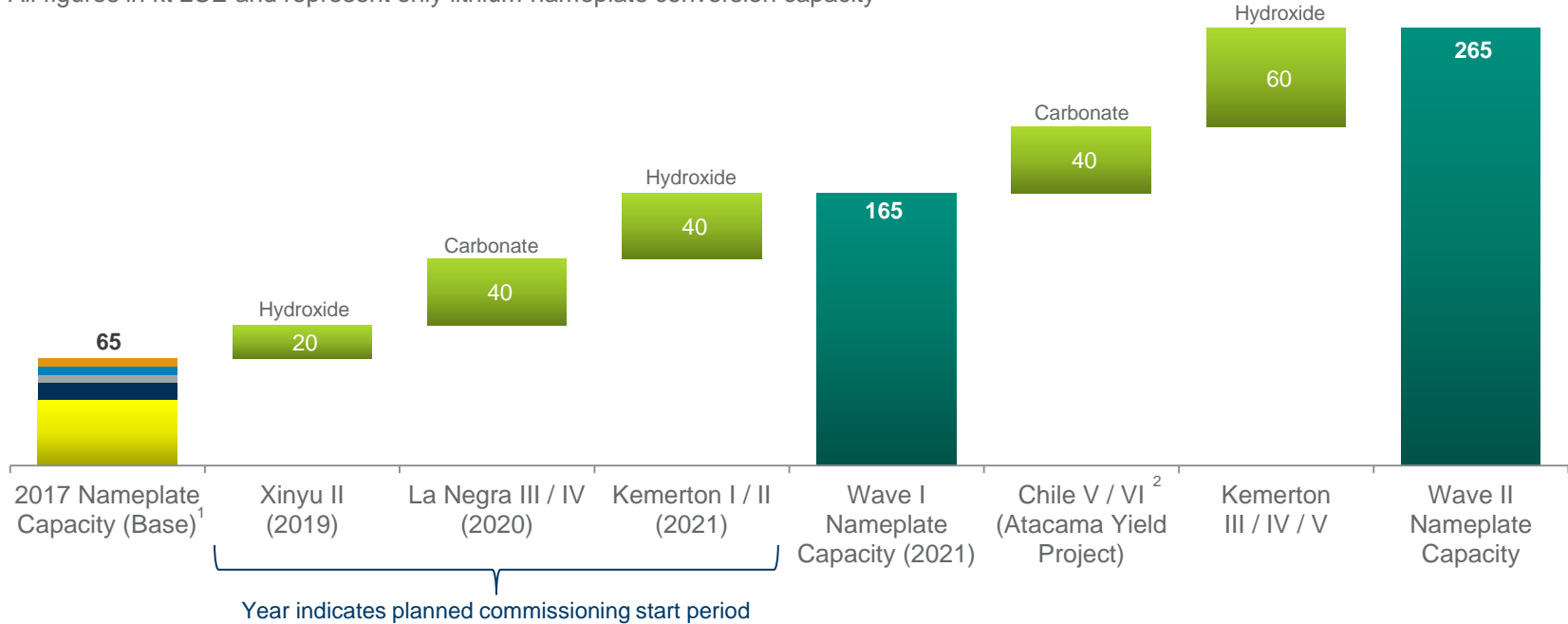
	Q1 2018 Results	vs Prior Year
Net Sales	\$822 million	+14%
Adjusted EBITDA ¹	\$249 million	+18%
Adjusted Diluted EPS ¹	\$1.30	+24%

Growth driven by volume and price growth in Lithium, lower corporate costs and favorable currency impact

¹ Non-GAAP measure. See Non-GAAP reconciliations in Appendix.

Expanding Lithium Conversion Capacity in High Quality Resources

All figures in kt LCE and represent only lithium nameplate conversion capacity



Ramping as needed to meet demand of existing customers with ability to reduce spend rate based on 5-year outlook

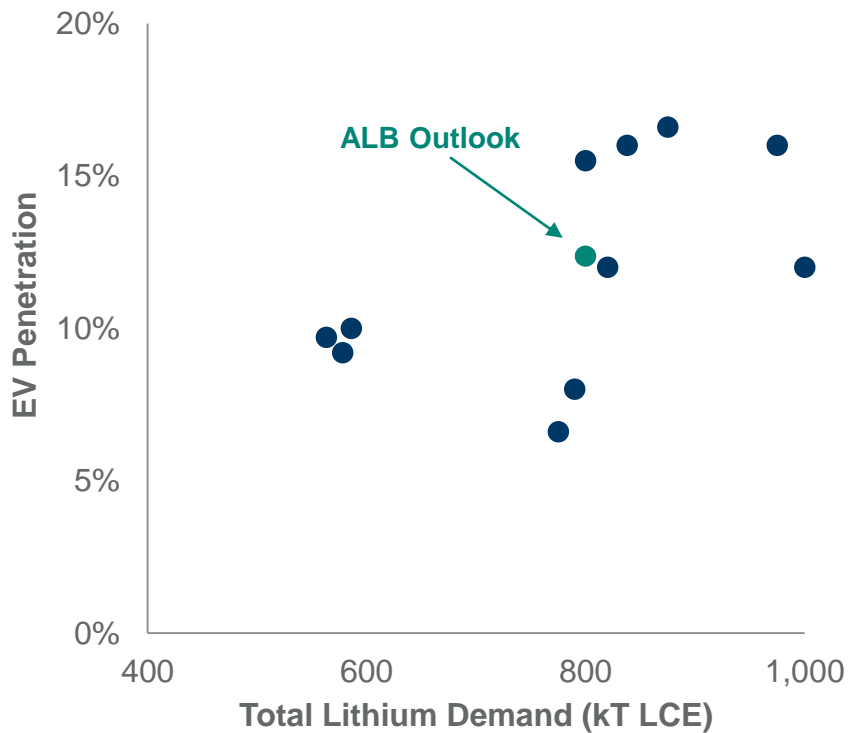
NOTE: This slide contains the same data that was presented in March 2018 investor presentation with updated project nomenclature as capacity additions are in 20 kt LCE increments.

¹Conversion capacity does not include approximately 10 kt LCE of technical grade spodumene to non-battery applications.

²Conversion site for Atacama Yield Project volume will be in Chile but specific city/location not yet determined.

Lithium Demand Outlook – Thoughtful & Comprehensive Approach

2025 EV and Lithium Outlook¹



Demand Buildup by Application

Applications	2017 Demand	'17 – '25 CAGR	2025 Demand
Transportation	50	35%	550
Consumer Electronics ²	60	8%	110
All Other/Industrial	110	3 – 4%	140
Total	220	~18%	800

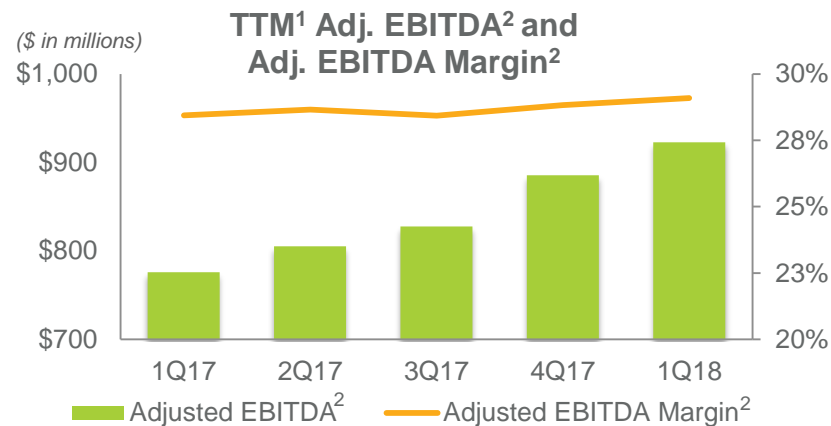
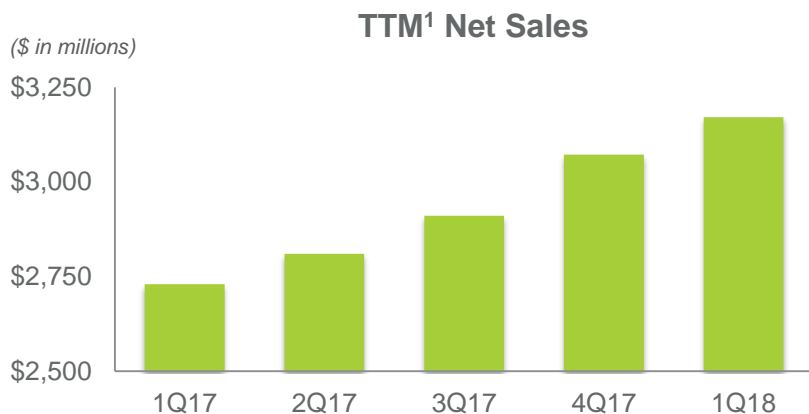
2025 Transportation Demand Buildup	% of Light Vehicles Sold	Vehicle Count (million)	Battery Size (KWh per Vehicle)	Lithium Demand (kT LCE)
BEV	6.7%	7.4	51	360
PHEV	5.6%	6.2	13	80
HEV	45%	50	0.6	30
e-buses, e-trucks, & other	N/A	<1	96	80
Total Transportation				550

- Lithium Content: 0.85 kg LCE/kWh for cathode; 0.10 kg LCE/kWh electrolyte
- Penetration figures based on 110 million light vehicles sold in 2025

¹Includes estimates from Roskill, BMO Capital Markets, Citi Investment Research, Deutsche Bank, Goldman Sachs, Instine|Numora (America), Morgan Stanley, UBS, Oppenheimer, SQM, and FMC. Estimates are same data points that were presented in March 2018 investor presentation.

²Includes 20 kT LCE in grid storage (ESS) volume

Segment Quarterly Highlights



Core Business Performance - First Quarter 2018

Lithium – \$131M Adj. EBITDA², up 31% YoY; 44% Adj. EBITDA² margin

Bromine Specialties – \$70M Adj. EBITDA²; 31% Adj. EBITDA² margin

Catalysts – \$68M Adj. EBITDA²; 26% Adj. EBITDA² margin

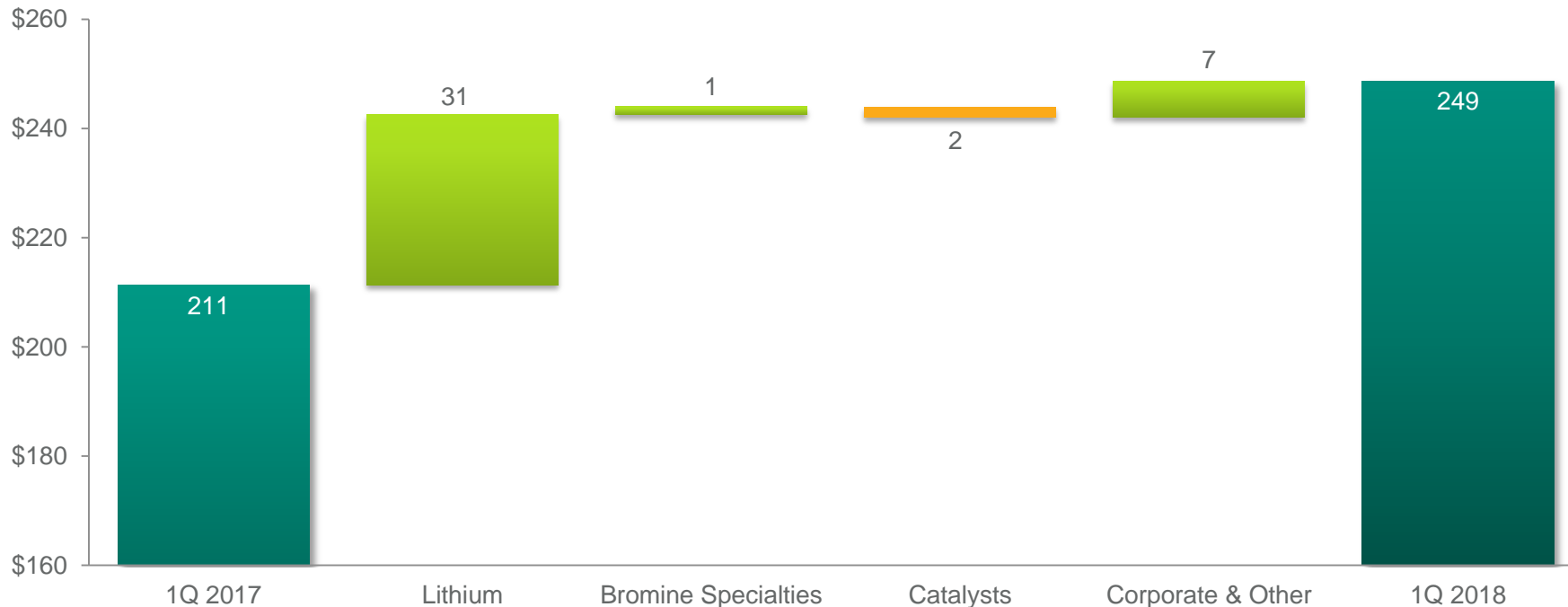
¹Trailing Twelve Months.

²Non-GAAP measure. See Non-GAAP reconciliations in Appendix.

First Quarter 2018 Adjusted EBITDA¹ Bridge

Q1 2018: Adjusted EBITDA¹ growth of \$37 million, 18% yoy

(\$ in millions)



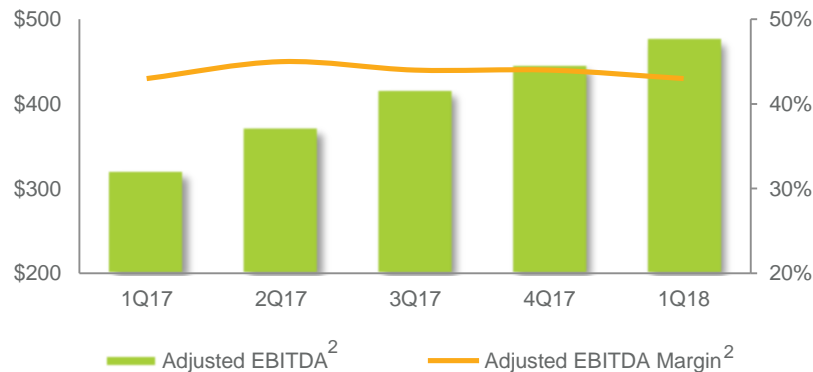
¹ Non-GAAP measure. See Non-GAAP reconciliations in Appendix. Bridge numbers may not reconcile due to rounding.

Lithium

Q1 2018 Performance

(\$ in millions)	Q1 2018	Q1 2017	Δ
Net Sales	\$298	\$216	38%
Net Sales ex FX ¹	\$287		33%
Adj. EBITDA²	\$131	\$100	31%
Adj. EBITDA ex FX ¹	\$130		30%
Adj. EBITDA Margin²	44%	46%	(222 bps)
Adj. EBITDA Margin ex FX ¹	45%		(106 bps)

Historical Trend (TTM)



Performance Drivers

- Q1 2018 Lithium net sales growth, excluding currency impacts¹, driven by volume (19%) and pricing (14%)
- Continue to see strong demand across the lithium portfolio – assets operating at high rates

¹Non-GAAP measure. Favorable FX impact on Q1 2018 Net Sales and Adj. EBITDA of \$11M and \$1M, respectively.

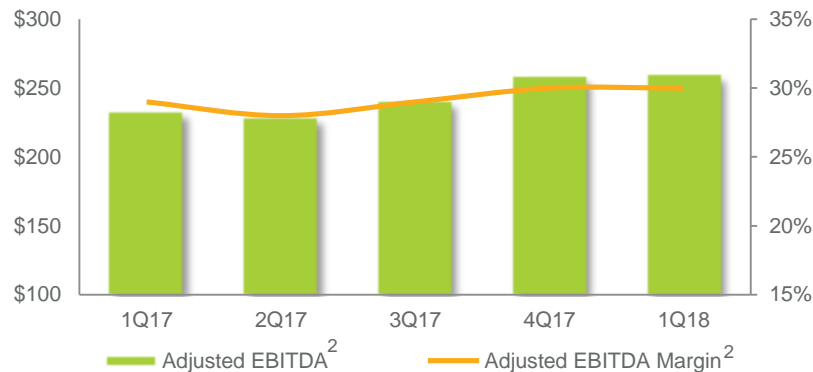
²Non-GAAP measure. See Non-GAAP reconciliations in Appendix.

Bromine Specialties

Q1 2018 Performance

(\$ in millions)	Q1 2018	Q1 2017	Δ
Net Sales	\$226	\$219	3%
Net Sales ex FX ¹	\$221		1%
Adj. EBITDA²	\$70	\$68	2%
Adj. EBITDA ex FX ¹	\$66		(3%)
Adj. EBITDA Margin²	31%	31%	(24 bps)
Adj. EBITDA Margin ex FX ¹	30%		(137 bps)

Historical Trend (TTM)



Performance Drivers

- Solid demand for flame retardants and moderate price increases drive strong top line results
- Q1 2018 margins remained favorable despite bromine production constraints and raw material headwinds

¹Non-GAAP measure. Favorable FX impact on Q1 2018 Net Sales and Adj. EBITDA of \$4M and \$4M, respectively.

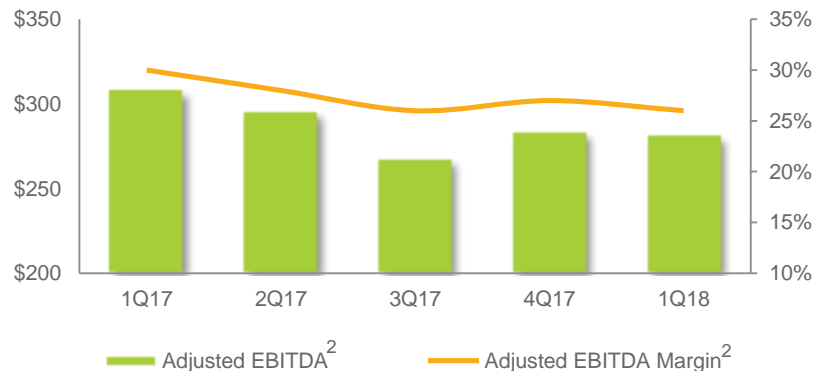
²Non-GAAP measure. See Non-GAAP reconciliations in Appendix.

Catalysts

Q1 2018 Performance

(\$ in millions)	Q1 2018	Q1 2017	Δ
Net Sales	\$261	\$254	3%
Net Sales ex FX ¹	\$256		1%
Adj. EBITDA²	\$68	\$70	(3%)
Adj. EBITDA ex FX ¹	\$69		(2%)
Adj. EBITDA Margin²	26%	28%	(149 bps)
Adj. EBITDA Margin ex FX ¹	27%		(71 bps)

Historical Trend (TTM)



Performance Drivers

- Quarter benefitted from higher volume (2%) and price (2%) in FCC catalysts
- Unfavorable mix in HPC catalysts, higher input costs and raw material shortage in Curatives led to decline vs 1Q 2017
- Completed sale of Polyolefin Catalysts and Components business for \$416 million on April 3, 2018; business contributed \$11 million in adjusted EBITDA² to Catalysts GBU in 1Q 2018

¹Non-GAAP measure. Favorable/(unfavorable) FX impact on Q1 2018 Net Sales and Adj. EBITDA of \$5M and (\$1M), respectively.

²Non-GAAP measure. See Non-GAAP reconciliations in Appendix.

Cash Flow and Net Debt

Three Months Ended March 31

(\$ in millions)

	<u>2018</u>	<u>2017</u>
Net Cash from Operations	\$122	\$83
Less: Capital Expenditures	(132)	(54)
Add Back: Pension Contributions	4	3
Free Cash Flow¹	(\$6)	\$32
Acquisition, integration, restructuring costs	2	45
Adjusted Free Cash Flow¹	(\$4)	\$77

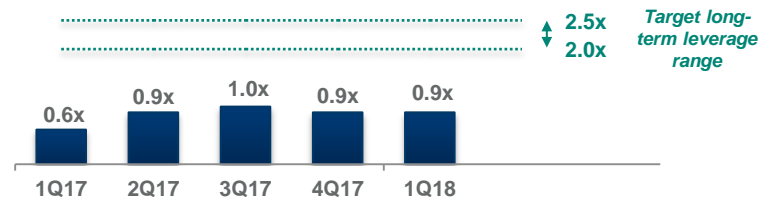
Selected Financial Metrics

(\$ in millions)

(as of 03/31/2018)

Dividends Paid:	\$35
Dividend Growth (Y/Y)²:	5%
Cash Balance:	\$692
Gross Debt³:	\$1,476
Net Debt to Adj. EBITDA⁴:	0.9x

Net Debt to Adj. EBITDA⁴









¹Non-GAAP measure. See Non-GAAP reconciliations in Appendix.

²Represents annual increase in dividend per share.

³Excludes JV debt not guaranteed by Company.

⁴Gross Debt to Adj. EBITDA and Net Debt to Adj. EBITDA ratios are based on the bank covenant definition. See appendix for reconciliations.

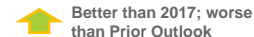
Full Year 2018 Business Guidance vs 2017

GBU	Prior Outlook	Updated Outlook	Business Environment
Lithium			<ul style="list-style-type: none"> FY 2018 Adj. EBITDA¹ expected to increase by greater than 20% compared to 2017 Expect 1H 2018 to be similar to 2H 2018; 3Q 2018 possibly lower than 4Q due to La Negra expansion tie-in Favorable outlook driven by strong volume and price improvements, primarily in battery grade product portfolio
Bromine Specialties			<ul style="list-style-type: none"> FY 2018 Adj. EBITDA¹ expected to be up low-to-mid single-digit vs prior year Improved outlook driven by solid demand for flame retardants partially offset by higher raw material and freight costs
Catalysts ²			<ul style="list-style-type: none"> FY 2018 Adj. EBITDA¹ expected to increase mid-single-digit vs prior year² driven by higher volume, favorable product mix and higher pricing in FCC Outlook reduced due to raw material shortage in Curatives product line, potentially up to \$10 million unfavorable impact to Adj. EBITDA¹ in FY2018

FY 2018 Adjusted EPS¹ Guidance Update: \$5.10 – \$5.40 per share

¹Non-GAAP measure.

²Guidance provided on pro forma basis to include the first quarter of 2018 and exclude the final nine months of 2017 financial contribution of Polyolefin Catalysts & Components business, which closed April 3, 2018.



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Appendix

Non-GAAP Reconciliations and
Supplemental Information

Adjusted Net Income Attributable to Albemarle Corporation

	Three Months Ended	
	March 31,	
	2018	2017
<i>(\$ in thousands)</i>		
Net income attributable to Albemarle Corporation	\$ 131,760	\$ 51,213
Add back:		
Non-operating pension and OPEB items (net of tax)	(1,866)	(810)
Non-recurring and other unusual items (net of tax)	15,319	68,605
Adjusted net income attributable to Albemarle Corporation	145,213	119,008
Adjusted diluted earnings per share	\$ 1.30	\$ 1.05
Weighted-average common shares outstanding – diluted	111,867	113,289

See above for a reconciliation of adjusted net income, the non-GAAP financial measures, to Net income attributable to Albemarle Corporation, the most directly comparable financial measure calculated and reported in accordance with GAAP. Adjusted earnings is defined as earnings before the non-recurring, other unusual and non-operating pension and OPEB items as listed above.

EBITDA and Adjusted EBITDA

	Three Months Ended	
	March 31,	
	2018	2017
<i>(\$ in thousands)</i>		
Net income attributable to Albemarle Corporation	\$ 131,760	\$ 51,213
Add back:		
Interest and financing expenses	13,538	68,513
Income tax expense	20,361	11,971
Depreciation and amortization	50,330	45,070
EBITDA	215,989	176,767
Non-operating pension and OPEB items	(2,197)	(1,063)
Non-recurring and other unusual items (excluding items associated with interest expense)	34,926	35,672
Adjusted EBITDA	\$ 248,718	\$ 211,376
Net sales	\$ 821,629	\$ 722,063
EBITDA margin	26.3%	24.5%
Adjusted EBITDA margin	30.3%	29.3%

See above for a reconciliation of EBITDA and adjusted EBITDA, the non-GAAP financial measures, to Net income attributable to Albemarle Corporation, the most directly comparable financial measure calculated and reported in accordance with GAAP. EBITDA is defined as Net income attributable to Albemarle Corporation before interest and financing expenses, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA and the non-recurring, other unusual and non-operating pension and OPEB items listed above.

Adjusted EBITDA - by Segment *(three months ended March 31)*

(\$ in thousands)

	Lithium	Bromine Specialties	Catalysts	Reportable Segments Total	All Other	Corporate	Consolidated Total
Three months ended March 31, 2018:							
Net income (loss) attributable to Albemarle Corporation	\$ 108,334	\$ 59,536	\$ 55,660	\$ 223,530	\$ 1,760	\$ (93,530)	\$ 131,760
Depreciation and amortization	24,065	10,433	12,170	46,668	2,102	1,560	50,330
Non-recurring and other unusual items	(1,385)	—	—	(1,385)	—	36,311	34,926
Interest and financing expenses	—	—	—	—	—	13,538	13,538
Income tax expense	—	—	—	—	—	20,361	20,361
Non-operating pension and OPEB items	—	—	—	—	—	(2,197)	(2,197)
Adjusted EBITDA	\$ 131,014	\$ 69,969	\$ 67,830	\$ 268,813	\$ 3,862	\$ (23,957)	\$ 248,718

See above for a reconciliation of adjusted EBITDA on a segment basis, the non-GAAP financial measure, to Net income attributable to Albemarle Corporation (“earnings”), the most directly comparable financial measure calculated and reporting in accordance with GAAP. EBITDA is defined as earnings before interest and financing expenses, income taxes, and depreciation and amortization. Adjusted EBITDA is defined as EBITDA and the non-recurring, other unusual and non-operating pension and OPEB items as listed above.

Adjusted EBITDA - Margin by Segment *(three months ended March 31)*

(\$ in thousands)

	Lithium	Bromine Specialties	Catalysts	Reportable Segments Total	All Other	Consolidated Total
Three months ended March 31, 2018:						
Net sales	\$ 298,032	\$ 225,639	\$ 260,717	\$ 784,388	\$ 37,165	\$ 821,629
Net income (loss) attributable to Albemarle Corporation	36.3%	26.4%	21.3%	28.5%	4.7%	16.0%
Depreciation and amortization	8.1%	4.6%	4.7%	5.9%	5.7%	6.1%
Non-recurring and other unusual items	(0.5)%	—%	—%	(0.2)%	—%	4.3%
Interest and financing expenses	—%	—%	—%	—%	—%	1.7%
Income tax expense	—%	—%	—%	—%	—%	2.5%
Non-operating pension and OPEB items	—%	—%	—%	—%	—%	(0.3)%
Adjusted EBITDA Margin	44.0%	31.0%	26.0%	34.3%	10.4%	30.3%

See above for adjusted EBITDA margin, a non-GAAP financial measure defined as adjusted EBITDA divided by net sales. See slide 19 for the related reconciliation of adjusted EBITDA on a segment basis, the non-GAAP financial measure, to Net income attributable to Albemarle Corporation (“earnings”), the most directly comparable financial measure calculated and reporting in accordance with GAAP.

Consolidated Total includes net sales from Corporate (not shown) of \$76 and \$666 in the three months ended March 31, 2018 and 2017, respectively.

Adjusted EBITDA - Continuing Operations (twelve months ended)

(\$ in thousands)	Twelve Months Ended				
	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
Continuing Operations					
Net income attributable to Albemarle Corporation	\$ 466,702	\$ 884,856	\$ 875,306	\$ 54,850	\$ 135,397
Depreciation and amortization	192,436	191,853	193,774	196,928	202,188
Non-recurring and other unusual items (excluding items associated with interest expense)	77,103	88,866	89,214	102,660	101,914
Interest and financing expenses	118,580	117,370	117,216	115,350	60,375
Income tax expense	82,749	82,223	88,324	431,817	440,207
Income from discontinued operations (net of tax)	(184,819)	(583,159)	(559,974)	—	—
Non-operating pension and OPEB items	24,809	24,021	23,224	(16,125)	(17,259)
Adjusted EBITDA	\$ 777,560	\$ 806,030	\$ 827,084	\$ 885,480	\$ 922,822
Pro-forma: Net impact of adjusted EBITDA from divested businesses	(1,346)	(761)	525	—	—
Pro-forma Adjusted EBITDA	\$ 776,214	\$ 805,269	\$ 827,609	\$ 885,480	\$ 922,822
Net Sales	\$ 2,742,055	\$ 2,809,986	\$ 2,910,842	\$ 3,071,976	\$ 3,171,542
Pro-forma: Net impact of adjusted EBITDA from divested businesses	(12,435)	470	—	—	—
Pro-forma Net Sales	\$ 2,729,620	\$ 2,810,456	\$ 2,910,842	\$ 3,071,976	\$ 3,171,542
Pro-forma Adjusted EBITDA Margin	28%	29%	28%	29%	29%

See above for a reconciliation of adjusted EBITDA, and pro-forma adjusted EBITDA, the non-GAAP financial measures, to Net income attributable to Albemarle Corporation, the most directly comparable financial measure calculated and reported in accordance with GAAP. EBITDA is defined as Net income attributable to Albemarle Corporation before interest and financing expenses, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before discontinued operations and the non-recurring, other unusual and non-operating pension and OPEB items as listed below. Pro-forma adjusted EBITDA is defined as adjusted EBITDA before the net impact of EBITDA from divested businesses.

See above for a reconciliation of pro-forma net sales, the non-GAAP financial measure, to net sales, the most directly comparable financial measure calculated and reported in accordance with GAAP. Pro-forma net sales is defined as net sales before the net impact of net sales from divested businesses.

Adjusted EBITDA - by Segment (twelve months ended)

(\$ in thousands)	Twelve Months Ended				
	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
Lithium					
Net income attributable to Albemarle Corporation	\$ 232,120	\$ 271,810	\$ 314,707	\$ 342,992	\$ 373,712
Depreciation and amortization	86,439	85,882	86,409	87,879	92,879
Non-recurring and other unusual items	3,173	15,094	15,977	15,781	11,223
Adjusted EBITDA	321,732	372,786	417,093	446,652	477,814
Net Sales	748,521	834,629	937,461	1,018,885	1,100,688
Adjusted EBITDA Margin	43%	45%	44%	44%	43%
Bromine Specialties					
Net income attributable to Albemarle Corporation	\$ 194,205	\$ 189,197	\$ 201,336	\$ 218,839	\$ 219,681
Depreciation and amortization	39,601	40,122	40,112	40,062	40,701
Adjusted EBITDA	233,806	229,319	241,448	258,901	260,382
Net Sales	815,063	812,145	830,572	855,143	861,591
Adjusted EBITDA Margin	29%	28%	29%	30%	30%
Catalysts					
Net income attributable to Albemarle Corporation	\$ 257,087	\$ 243,858	\$ 216,405	\$ 230,665	\$ 229,359
Depreciation and amortization	51,557	52,105	53,160	54,468	53,855
Non-recurring and other unusual items	—	—	(1,250)	(1,250)	(1,250)
Adjusted EBITDA	308,644	295,963	268,315	283,883	281,964
Net Sales	1,034,867	1,039,470	1,019,593	1,067,572	1,074,731
Adjusted EBITDA Margin	30%	28%	26%	27%	26%

See above for a reconciliation of adjusted EBITDA on a segment basis, the non-GAAP financial measure, to Net income attributable to Albemarle Corporation ("earnings"), the most directly comparable financial measure calculated and reporting in accordance with GAAP. EBITDA is defined as earnings before interest and financing expenses, income taxes, and depreciation and amortization. Adjusted EBITDA is defined as EBITDA before the non-recurring, other unusual and non-operating pension and OPEB items as listed above.

EBITDA supplemental¹

(\$ in thousands)

	Twelve Months Ended	Three Months Ended			
	Mar 31, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017
Adjusted EBITDA	\$ 922,822	\$ 248,718	\$ 245,780	\$ 209,383	\$ 218,941
Net income attributable to noncontrolling interests	40,339	7,165	11,295	11,523	10,356
Equity in net income of unconsolidated investments (net of tax)	(83,993)	(20,677)	(29,224)	(19,044)	(15,048)
Dividends received from unconsolidated investments	62,297	25,462	27,486	3,446	5,903
Consolidated EBITDA	\$ 941,465	\$ 260,668	\$ 255,337	\$ 205,308	\$ 220,152
Total Long Term Debt (as reported)	\$ 1,476,068				
Off balance sheet obligations and other	58,900				
Consolidated Funded Debt	\$ 1,534,968				
Less Cash	692,188				
Consolidated Funded Net Debt	\$ 842,780				
Consolidated Funded Debt to Consolidated EBITDA Ratio	1.6				
Consolidated Funded Net Debt to Consolidated EBITDA Ratio	0.9				

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

Diluted EPS

	Three Months Ended	
	March 31,	
	2018	2017
Diluted earnings per share attributable to Albemarle Corporation	\$ 1.18	\$ 0.45
Add back:		
Non-operating pension and OPEB items (net of tax)	(0.02)	(0.01)
Non-recurring and other unusual items (net of tax)		
Utilization of inventory markup	—	0.08
Restructuring and other, net	—	0.09
Acquisition and integration related costs	0.02	0.11
Gain on acquisition	—	(0.05)
Loss on extinguishment of debt	—	0.34
Legal accrual	0.12	—
Other	0.11	0.03
Discrete tax items	(0.11)	0.01
Total non-recurring and other unusual items	0.14	0.61
Adjusted diluted earnings per share ¹	\$ 1.30	\$ 1.05

¹Totals may not add due to rounding

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 March 31, 2018:			
As reported	\$ 138,609	\$ 20,361	14.7%
Non-recurring, other unusual and non-operating pension and OPEB items	32,729	19,276	
As adjusted	<u>\$ 171,338</u>	<u>\$ 39,637</u>	23.1%
Three months ended March 31, 2017:			
As reported	\$ 53,457	\$ 11,971	22.4%
Non-recurring, other unusual and non-operating pension and OPEB items	87,410	19,615	
As adjusted	<u>\$ 140,867</u>	<u>\$ 31,586</u>	22.4%

See above for a reconciliation of the adjusted effective income tax rate, the non-GAAP financial measure, to the effective income tax rate, the most directly comparable financial measure calculated and reporting in accordance with GAAP.

Equity Income and Noncontrolling Interest

	Three Months Ended March 31,			
	2018		2017	
	Equity Income	Noncontrolling Interest	Equity Income	Noncontrolling Interest
<i>(\$ in thousands)</i>				
Lithium	\$ 16,190	\$ —	\$ 14,257	\$ —
Bromine Specialties	—	(7,149)	—	(11,424)
Catalysts	4,487	—	6,914	—
Corporate	—	(16)	—	(20)
Total Company	\$ 20,677	\$ (7,165)	\$ 21,171	\$ (11,444)

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