

Albemarle Corporation

Investor Presentation and
Non-GAAP Reconciliations

September 2019



Forward-Looking Statements

Some of the information presented in this presentation, the earnings conference call and discussions that follow, including, without limitation, information related to outlook and guidance, conversion capacity, production volumes, proposed joint ventures, market trends, pricing, expected growth, earnings and demand for our products, tax rates, dividends, cash flow generation, capital projects, electric vehicle demand, economic trends and all other information relating to matters that are not historical facts may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the views expressed.

Factors that could cause actual results to differ materially from the outlook expressed or implied in any forward-looking statement include, without limitation: changes in economic and business conditions; changes in financial and operating performance of our major customers and industries and markets served by us; the timing of orders received from customers; the gain or loss of significant customers; competition from other manufacturers; changes in the demand for our products or the end-user markets in which our products are sold; limitations or prohibitions on the manufacture and sale of our products; availability of raw materials; increases in the cost of raw materials and energy, and our ability to pass through such increases to our customers; changes in our markets in general; fluctuations in foreign currencies; changes in laws and government regulation impacting our operations or our products; the occurrence of regulatory actions, proceedings, claims or litigation; the occurrence of cyber-security breaches, terrorist attacks, industrial accidents, natural disasters or climate change; the inability to maintain current levels of product or premises liability insurance or the denial of such coverage; regulatory approvals and the satisfaction of other closing conditions with respect to pending acquisitions; 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. 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.

Albemarle Snapshot

Founded	1887
Global Employees	~5,600
Countries ¹	~100
Dividend Yield ²	2.3%
Market Cap ³	\$6.7B

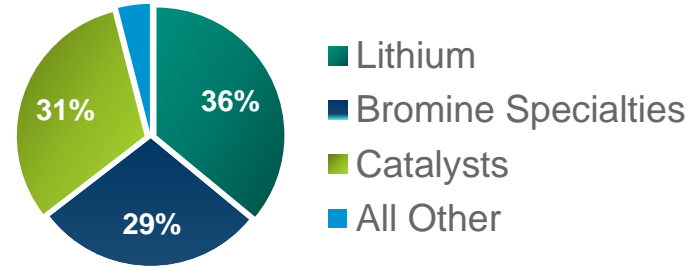
Financial Highlights

Twelve Months Ended June 30, 2019

Net Sales	\$3.4B
Net Income ⁴	\$547M
Adj. EBITDA	\$987M
Adj. EBITDA Margin	29%

Net Sales by Segment

Twelve Months Ended June 30, 2019



*Making the world safe and sustainable
by powering the potential of people*







¹Based on destinations of FY2018 product sales.

²\$63.22 closing price as of Aug 22nd, 2019; annualized dividend of \$1.47 per share announced February 26, 2019.

³\$63.22 closing price as of Aug 22nd, 2019; 105,971 million diluted shares outstanding as of June 30, 2019.

⁴Attributable to Albemarle Corporation.

Leadership Across Businesses Is Driven By Core Strengths

	Lithium	Bromine Specialties	Catalysts
Global Ranking	#1	#2	#2
Adj. EBITDA ¹	\$516M	\$309M	\$268M
Adj. EBITDA Margin ¹	42%	32%	25%
Key Competitors	 	 	 
Advantages	Globally Diversified, Low Cost Resources; Leading Processing and Application Expertise; Customer Relationships	Globally Diversified, Low Cost Resources; Integrated Product Portfolio	Leading Technology and Application Expertise; Product Stewardship; Customer Relationships

Albemarle 2019 Lithium Key Messages

2019 Lithium **demand is on track**; EV sales up 39% and average battery size up 30% YTD¹
Inventory built in 2018 expected to **be worked off** in 2020

Lithium market demand outlook continues to be **1,000 kt LCE by 2025**

Reduce conversion capacity by approximately 125 kt LCE and capital expenditures by approximately \$1.5 billion over the next 5 years

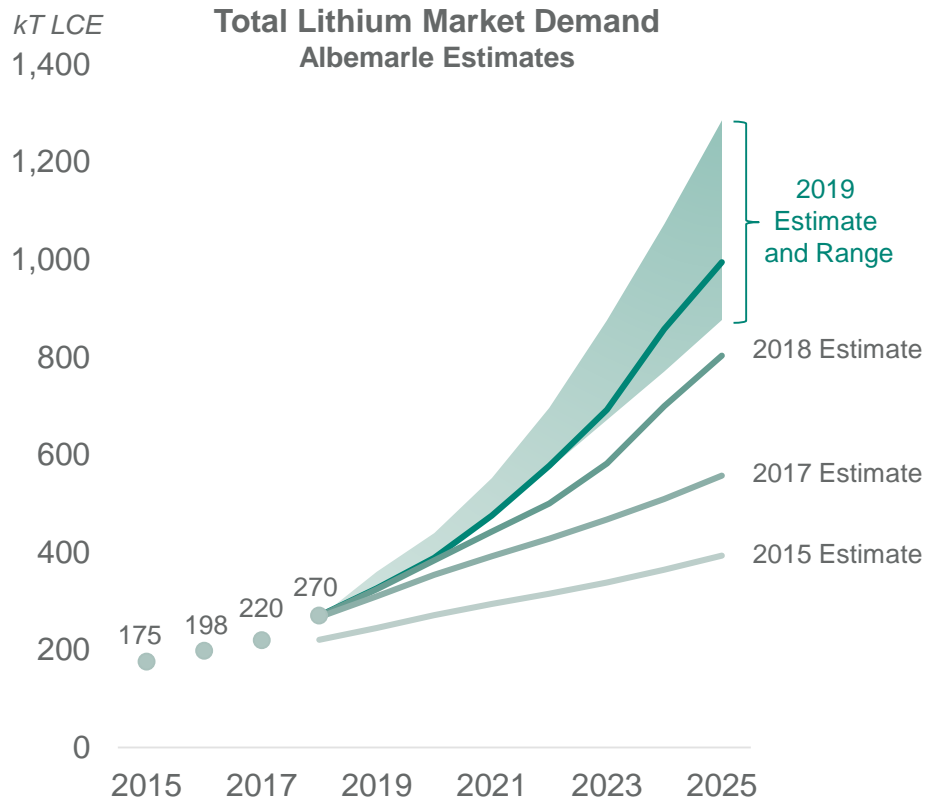
Continue to expect conversion capacity to be 175 kt LCE by 2023, allowing Albemarle to meet current customer commitments

Albemarle to be **free cash flow** positive in 2021

Energy Storage Continues to Drive Lithium Demand

Demand by Application (kT LCE)		2018 Estimate	'18 – '25 CAGR	2025 Forecast
Electric Vehicles BEV & PHEV	Energy Storage	70	36%	610
Other Mobility e-buses, e-trucks & other		25	22%	100
Consumer Electronics		45	10%	90
Grid Storage (ESS)		10	29%	60
All Other/Industrial		120	2%	140
Total Lithium Demand		270	21%	1,000

Electric Vehicle Demand Buildup		2018 Estimate	2025 Forecast
EV Penetration % of New Car Sales	PHEV	0.5%	6.0%
	BEV	1.5%	8.5%
	All EVs	2.0%	15%
Battery Size kWh per EV	PHEV	12	14
	BEV	44	60
	Average	32	41
Lithium Demand kT LCE	PHEV	9	85
	BEV	61	525
	Total	70	610



Lithium Intensity: 0.95 and 0.93 kg LCE/kWh in 2018 and 2025, respectively; New Car Sales: 95 and 109 million in 2018 and 2025, respectively

Recent Lithium Mining and Conversion Delays

Pilbara Minerals: Lowered 3Q 2019 volume guidance, ended strategic partner process and slowed expansion plan¹

ALiTa Resources: Announced default on loan due to mine plan & market conditions^{2, 3}

Galaxy Resources: Ended formal strategic partnership process for Sal de Vida⁴

SQM: Shifts completion of expansion to 120 kTa LCE from 2H 2020 to 2H 2021⁵

Nemaska: Indicating higher financing for CAPEX and OPEX⁶

¹http://www.pilbaraminerals.com.au/site/PDF/2474_0/UpdateonPartneringProcessandRevisedStage2

²<https://www.allianceminerals.com.au/wp-content/uploads/2019/08/02134868.pdf>

³<https://www.allianceminerals.com.au/wp-content/uploads/2019/07/02126193.pdf>

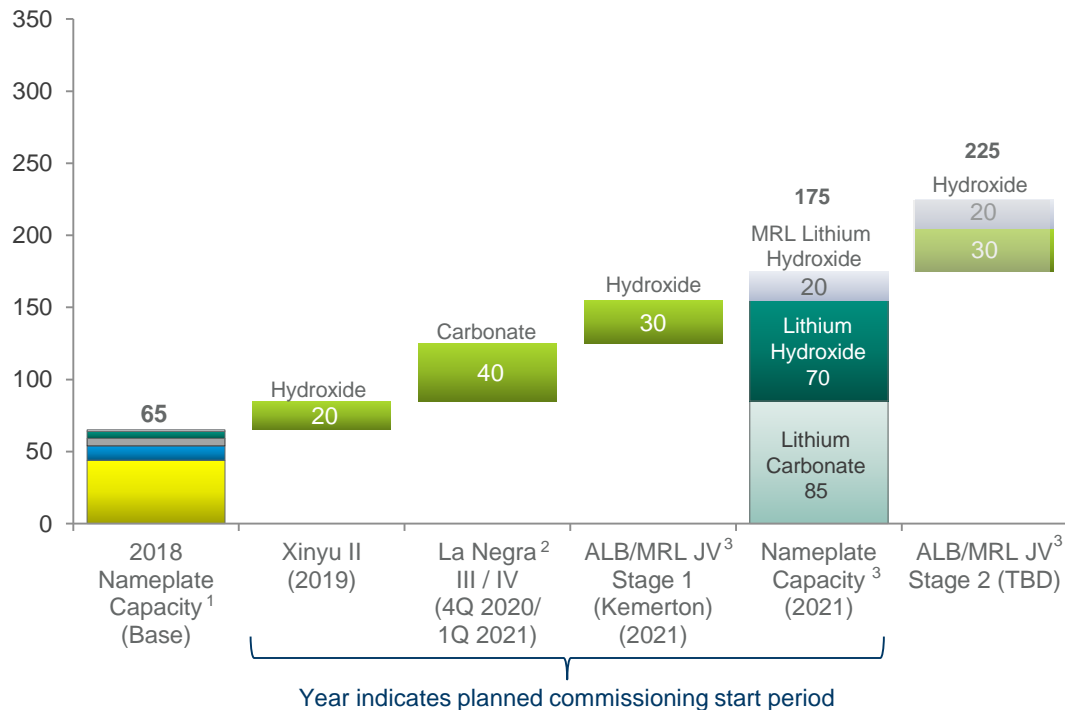
⁴<http://www.gxy.com/announcements-1/sal-de-vida-update-1>

⁵http://s1.q4cdn.com/793210788/files/doc_news/2019/May/PR_1Q19_ing_FINAL.pdf

⁶<https://www.nemaskalithium.com/en/investors/press-releases/2019/53f0e3be-0d29-475e-b37f-7090e58ede31/>

Current Conversion Capacity Plan

All figures in kt LCE and represent estimates of lithium nameplate conversion capacity



Changes vs Q1 2019

- Reduce conversion capacity by approximately 125 kt LCE and capital expenditures by approximately \$1.5 billion over the next 5 years.
 - Kemerton I & II contributed to ALB/MRL JV (50 kt LCE)
 - Decision not to build at Wodgina site (50 kt LCE)
 - Decision not to build Kemerton III-V (75 kt LCE)
 - Reflects potential build or buy of additional 50 kt LCE in the ALB/MRL JV, with lower capital intensity, if market dynamics indicate such capacity is needed.

Sufficient, high quality resources to feed future capacity expansions

Albemarle/MRL Joint Venture

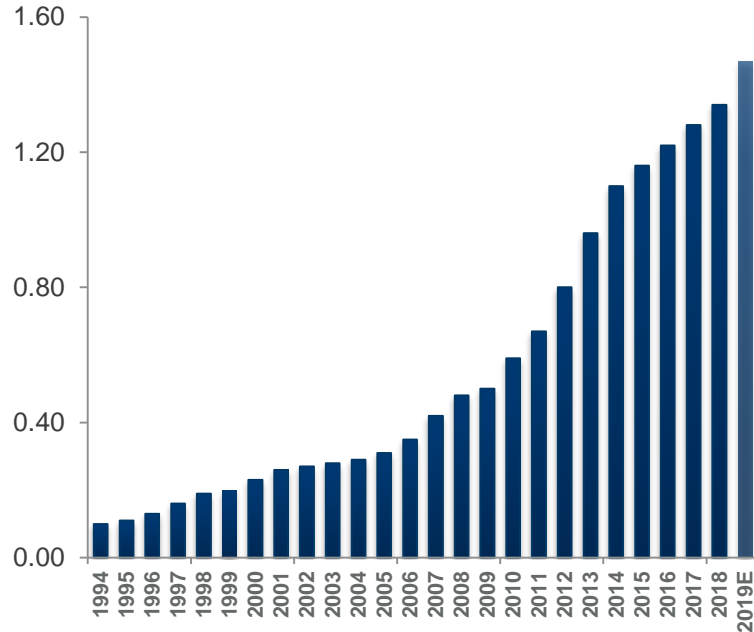
	Structure ¹
Ownership (mine and conversion)	ALB - 60% / MRL - 40%
Payment	ALB pays \$820M at closing and contributes Kemerton (50,000 MT) to JV. ALB will not build third train now at Kemerton.
Conversion Capacity	Kemerton (50,000 MT) (2021 expected start-up) and another 50,000 MT timing and location to-be-determined. Capital expenditures for phase II shared 60:40.
Spodumene Sales	ALB and MRL to determine Wodgina mine output at close of JV
LiOH Sales	ALB to market 100%

Expected to close in 2H 2019

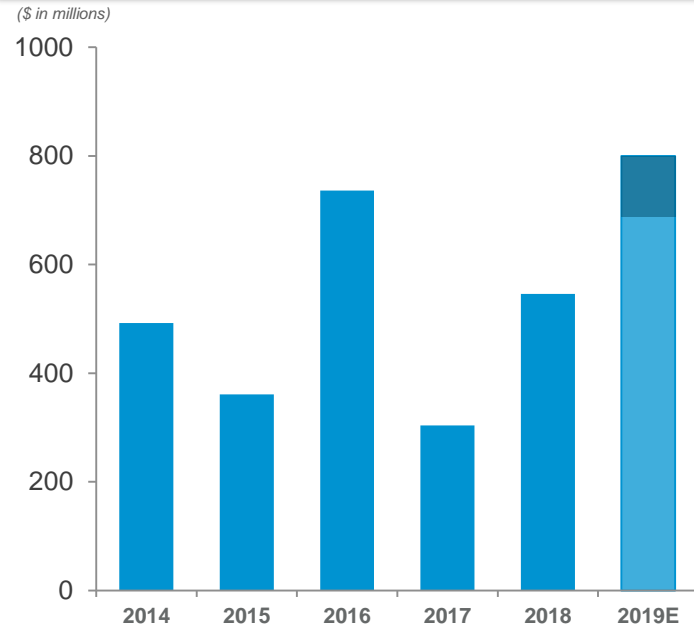
Newly announced deal structure allows JV to enter Lithium Hydroxide market more quickly

Dividends and Cash from Operations

Dividends per Share



Net Cash from Operations



Committed to increasing dividends and strong cash flow

Disciplined Capital Allocation Strategy – Our Priorities

Invest for Growth, Maintain Flexibility and Deliver Shareholder Value

Invest for Growth in High Return Projects

- Strategically grow Lithium
- Build or Buy

Free Cash Flow

- Positive by 2021

Disciplined M&A Strategy

- Must support or accelerate our strategy

Maintain Investment Grade Rating

- Long-term Net Debt to Adjusted EBITDA¹ Target: 2.0x – 2.5x

Fund Dividend Growth

- Increase dividend annually: 25 consecutive years since going public in 1994

Repurchase Shares

- When excess balance sheet capability available

Albemarle Is Well Positioned to Maximize Long-Term Shareholder Value Creation

- 1 Actively managing our portfolios to a more focused and growth-oriented portfolio underpinned by energy efficiency macro drivers to drive shareholder value
- 2 Clear strategy with the people, cash generation and resources necessary to execute the strategy
- 3 Experienced and focused management team with clear deliverables
- 4 Strong balance sheet and disciplined approach to capital allocation with increased focus on free cash flow

Appendix A

Non-GAAP Reconciliations and
Supplemental Information

Adjusted EBITDA - (twelve months ended)

(\$ in thousands)

	Twelve Months Ended				
	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019
Net income attributable to Albemarle Corporation	\$ 334,525	\$ 345,600	\$ 693,562	\$ 695,371	\$ 547,108
Depreciation and amortization	203,540	203,352	200,698	199,651	202,125
Non-recurring and other unusual items	(113,484)	(109,373)	(90,112)	(131,540)	67,457
Interest and financing expenses	59,093	56,289	52,405	51,453	49,746
Income tax expense	497,179	511,851	144,826	161,979	112,288
Non-operating pension and OPEB items	(18,410)	(19,577)	5,285	6,899	8,427
Adjusted EBITDA	\$ 962,443	\$ 988,142	\$ 1,006,664	\$ 983,813	\$ 987,151
Pro-forma: Net impact of adjusted EBITDA from divested businesses	(31,521)	(21,028)	(10,872)	—	—
Pro-forma Adjusted EBITDA	\$ 930,922	\$ 967,114	\$ 995,792	\$ 983,813	\$ 987,151
Net Sales	\$ 3,288,158	\$ 3,311,040	\$ 3,374,950	\$ 3,385,385	\$ 3,416,563
Pro-forma: Net impact of Net Sales from divested business	(80,282)	(53,306)	(27,082)	—	—
Pro-forma Net Sales	\$ 3,207,876	\$ 3,257,734	\$ 3,347,868	\$ 3,385,385	\$ 3,416,563
Pro-forma Adjusted EBITDA Margin	29%	30%	30%	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.

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.