



Albemarle Announces Further Improved Full-Year 2022 Guidance

May 23, 2022

Enhancement reflects additional lithium contract renegotiations

CHARLOTTE, N.C., May 23, 2022 /PRNewswire/ -- [Albemarle Corporation](#) (NYSE: ALB), a leader in the global specialty chemicals industry, today announced improved full-year 2022 guidance primarily due to the completion of additional lithium contract renegotiations following the company's Q1 2022 earnings release on May 4, 2022.



"Over the past 12 months, we've made significant progress in renegotiating more variable-priced contracts with our lithium customers. Implementation of these contracts is a key driver of the expected year-over-year improvement in our financial results," said Albemarle CEO Kent Masters. "We now expect full-year 2022 adjusted EBITDA to be up more than 160% from prior year based on favorable market dynamics for our Lithium and Bromine businesses. Both businesses are critical for transitioning to greener energy and advancing electrification and digitalization."

Full-year 2022 corporate financial results reflect additional index-referenced, variable-price contracts for battery grade lithium sales. Higher net cash from operations guidance incorporates higher earnings partially offset by increased working capital. Outlook for the Bromine and Catalysts businesses remains unchanged.

	Previously Revised FY 2022 Guidance	Further Revised FY 2022 Guidance
Net sales	\$5.2 - \$5.6 billion	\$5.8 - \$6.2 billion
Adjusted EBITDA	\$1.7 - \$2.0 billion	\$2.2 - \$2.5 billion
Adjusted EBITDA Margin	33% - 36%	38% - 40%
Adjusted Diluted EPS	\$9.25 - \$12.25	\$12.30 - \$15.00
Net Cash from Operations	\$500 - \$800 million	\$550 - \$850 million
Capital Expenditures	\$1.3 - \$1.5 billion	\$1.3 - \$1.5 billion

Lithium adjusted EBITDA for the full year 2022 is now expected to grow approximately 300% year over year, up from previous outlook. Average realized pricing is now expected to be up approximately 140% year over year resulting from the implementation of index-referenced, variable-price contracts and increased market pricing. Full-year 2022 volume is expected to be up 20-30% year over year primarily due to new capacity coming online (unchanged from previous outlook).

Revised Lithium outlook assumes the company's updated second-quarter 2022 realized selling price remains constant for the remainder of the year. There is potential upside if market pricing remains at historically strong levels or if current fixed contract renegotiations result in additional index-referenced, variable-price contracts. There is potential downside in the event of a material correction in lithium market pricing or potential volume shortfalls (e.g., delays in acquisitions or expansion projects).

Investor Conferences

Albemarle regularly attends investor relations events as listed on our website. As previously announced, Kent Masters, chief executive officer, and Scott Tozier, chief financial officer, will present at the 2022 Jefferies Renewable Energy Conference in London on May 24, 2022, at 11:00 am ET. The presentation materials and webcast will be accessible at the time of the event through the Events and Presentations page on Albemarle's website at <http://investors.albemarle.com>. A webcast replay will be posted to the company's website immediately following the conclusion of the event.

About Albemarle

Albemarle Corporation (NYSE: ALB) is a global specialty chemicals company with leading positions in lithium, bromine and catalysts. We think beyond business as usual to power the potential of companies in many of the world's largest and most critical industries, such as energy, electronics, and transportation. We actively pursue a sustainable approach to managing our diverse global footprint of world-class resources. In conjunction with our highly experienced and talented global teams, our deep-seated values, and our collaborative customer relationships, we create value-added and performance-based solutions that enable a safer and more sustainable future.

We regularly post information to www.albemarle.com, including notification of events, news, financial performance, investor presentations and webcasts, non-GAAP reconciliations, SEC filings and other information regarding our company, its businesses, and the markets it serves.

Forward-Looking Statements

Some of the information presented in this press release, the conference call and discussions that follow, including, without limitation, statements with respect to 2022 outlook, information related to the timing of active and proposed projects, production capacity, committed volumes, pricing, financial flexibility, expected growth, anticipated return on opportunities, earnings and demand for its products, productivity improvements, tax rates, stock repurchases, dividends, cash flow generation, costs and cost synergies, capital projects, future acquisition and divestiture transactions including statements with respect to timing, expected benefits from proposed transactions and market and 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 Albemarle's 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 its major customers and industries and markets served by it; the timing of orders received from customers; the gain or loss of significant customers; market correction in lithium market pricing, which would negatively impact our revenues and profitability due to our increased use of index-referenced, variable-priced contracts for battery grade lithium sales; changes with respect to contract renegotiations; potential production volume shortfalls; competition from other manufacturers; changes in the demand for its products or the end-user markets in which its products are sold; limitations or prohibitions on the manufacture and sale of its products; availability of raw materials; increases in the cost of raw materials and energy, and its ability to pass through such increases to its customers; technological change and development, changes in its markets in general; fluctuations in foreign currencies; changes in laws and government regulation impacting its operations or its products; the occurrence of regulatory actions, proceedings, claims or litigation (including with respect to the U.S. Foreign Corrupt Practices Act and foreign anti-corruption laws); the occurrence of cyber-security breaches, terrorist attacks, industrial accidents or natural disasters, the effect of climate change, including any regulatory changes to which it might be subject; hazards associated with chemicals manufacturing; the inability to maintain current levels of insurance, including 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 its global manufacturing cost reduction initiatives as well as its ongoing continuous improvement and rationalization programs; changes in the jurisdictional mix of its earnings and changes in tax laws and rates or interpretation; changes in monetary policies, inflation or interest rates that may impact its ability to raise capital or increase its cost of funds, impact the performance of its pension fund investments and increase its 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 it may make in the future; future acquisition and divestiture transactions, including the ability to successfully execute, operate and integrate acquisitions and divestitures and incurring additional indebtedness; continuing uncertainties as to the duration and impact of the coronavirus (COVID-19) pandemic; 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 any subsequently filed Quarterly Reports on Form 10-Q. These forward-looking statements speak only as of the date of this press release. 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.

Additional Information

It should be noted that adjusted EBITDA, adjusted EBITDA margin and adjusted diluted earnings per share 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.

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.

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