

Albemarle

Q1 2022 Earnings

Conference Call/Webcast
Thursday, May 5, 2022
9:00am ET



Forward-Looking Statements

Some of the information presented in this press release, the conference call and discussions that follow, including, without limitation, 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, market and economic trends, statements with respect to 2022 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 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; 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.

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, adjusted EBITDA, adjusted EBITDA by operating segment, EBITDA margin, adjusted EBITDA margin, pro-forma adjusted EBITDA, pro-forma adjusted EBITDA margin, adjusted EBITDA ex FX, adjusted EBITDA margin ex FX, net debt to adjusted EBITDA, and gross debt to adjusted EBITDA 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 makers use 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.

Strategic Focus and Effective Response to Challenges

Q1 2022 net sales

\$1.1B

+44%
vs prior year²

Q1 2022 adj. EBITDA¹

\$432M

+107%
vs prior year²

Raising FY 2022 outlook

to reflect continued strength in Lithium and Bromine end markets

2022 adj. EBITDA

+100-140%
vs prior year²

MARBL JV accelerated the start of the second train at the Wodgina Lithium Mine in Australia

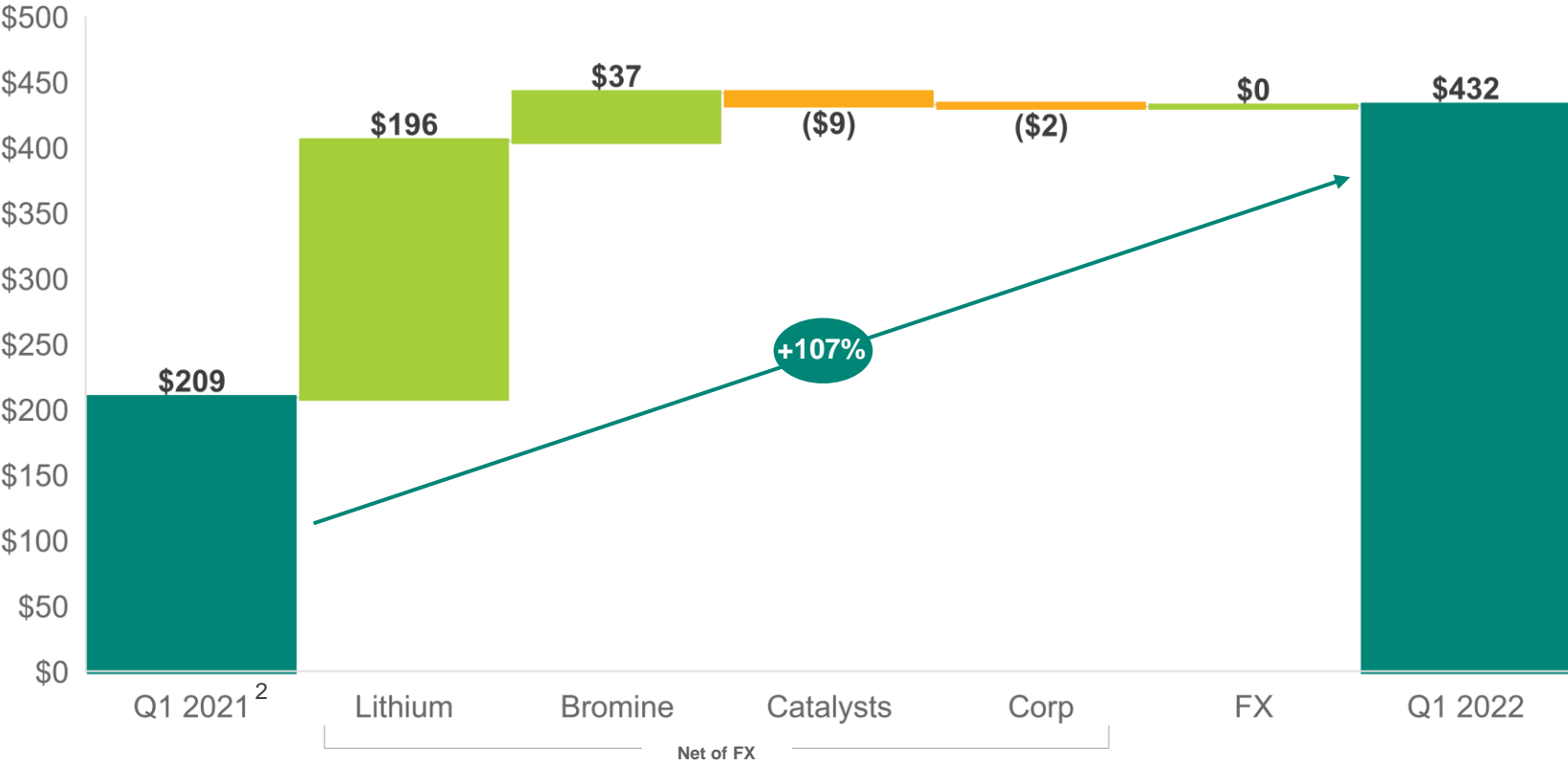
2021 Sustainability Report to be published June 2;
Sustainability webcast on June 28

Q1 2022 Financial Summary

(in millions, except per share amounts)

	Q1 2022	Q1 2021 ²	Variance
Net Sales	\$1,128	\$829	+36%
Net income attributable to Albemarle Corporation	\$253	\$96	165%
Adjusted EBITDA¹	\$432	\$230	+88%
Adjusted EBITDA Margin¹	38%	28%	
Diluted EPS	\$2.15	\$0.84	156%
Non-operating pension and OPEB items	-0.04	-0.04	
Non-recurring and other unusual items	0.26	0.29	
Adjusted Diluted EPS¹	\$2.38	\$1.10	116%

Q1 2022 Adjusted EBITDA¹ Bridge (\$ in millions)



Raising 2022 Guidance to Reflect Lithium Pricing Momentum

As of May 4, 2022

	FY 2021	Previous FY 2022 Guidance	Revised FY 2022 Guidance	2022 Revised Guidance vs FY 2021 ²
Net Sales	\$3.3B	\$4.2B – \$4.5B	\$5.2B – \$5.6B	+60 to +70%
Adj. EBITDA	\$871M ¹	\$1.15B – \$1.3B	\$1.7B – \$2.0B	+100 to +140%
Adj. EBITDA Margin	26.2% ¹	27 – 29%	33 – 36%	+700 to +1,000bps
Adj. Diluted EPS	\$4.04 ¹	\$5.65 – \$6.65	\$9.25 – \$12.25	+130 to +200%
Net Cash from Operations	\$344M	\$400M – \$500M	\$500M – \$800M	+45 to +135%
Capital Expenditures	\$954M	\$1.3B – \$1.5B	\$1.3B – \$1.5B	

Other Inputs for 2022: Depreciation and Amortization \$310M - \$340M; Adjusted effective tax rate 18%-20%; Corporate costs \$115M - \$120M; Interest and financing expenses \$110M - \$130M; Weighted-average common shares outstanding – diluted 117.7M.

FY 2022: Improved Outlook for Lithium and Bromine



- Lithium FY 2022 adj. EBITDA expected to be +200-225% Y/Y, up from previous outlook
- Average realized pricing now expected to be up ~100% Y/Y on the implementation of index-referenced variable price contracts and increased market pricing
- FY 2022 volume expected to be up 20-30% Y/Y (unchanged) primarily due to new capacity coming online
- Revised outlook reflects higher market prices and assumes Q2 realized selling price remains constant for remainder of the year
- Potential upside if market pricing remains at historically strong levels or if current contract renegotiations result in additional index-referenced, variable pricing; potential downside with a material correction in lithium market pricing or potential volume shortfalls (e.g., delays in acquisitions or expansion projects)

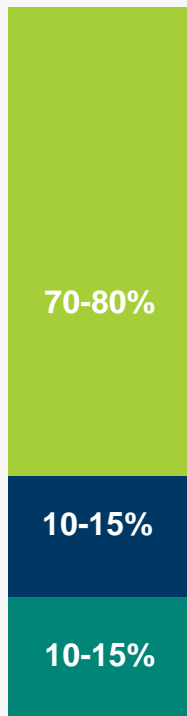


- Bromine FY 2022 adj. EBITDA is expected to be up 15-20% Y/Y, above previous outlook primarily due to higher pricing
- FY 2022 volume is expected to increase Y/Y following successful execution of growth projects in 2021
- Continued strength in fire safety markets; benefit from end-markets diversity and macrotrends such as digitalization and electrification



- Catalysts FY 2022 adj. EBITDA expected to be flat to down 65% Y/Y, below previous outlook due to higher input costs, particularly for natural gas in Europe
- Potential to offset higher costs with price increases or cost pass-throughs

Lithium Revenue Mix Updated for Current Market Prices



2022E Revenues¹

Battery Grade Revenues

- ~20% spot (at the time of purchase order)
- ~50% index-referenced variable price (~3-6 month lag effect, floors and ceilings in place, specifics vary by contract)
- ~30% fixed contracts with price openers (~avg. 2-3-year in length)

Technical Grade Revenues

- Similar contracts to battery grade

Specialty Grade Revenues

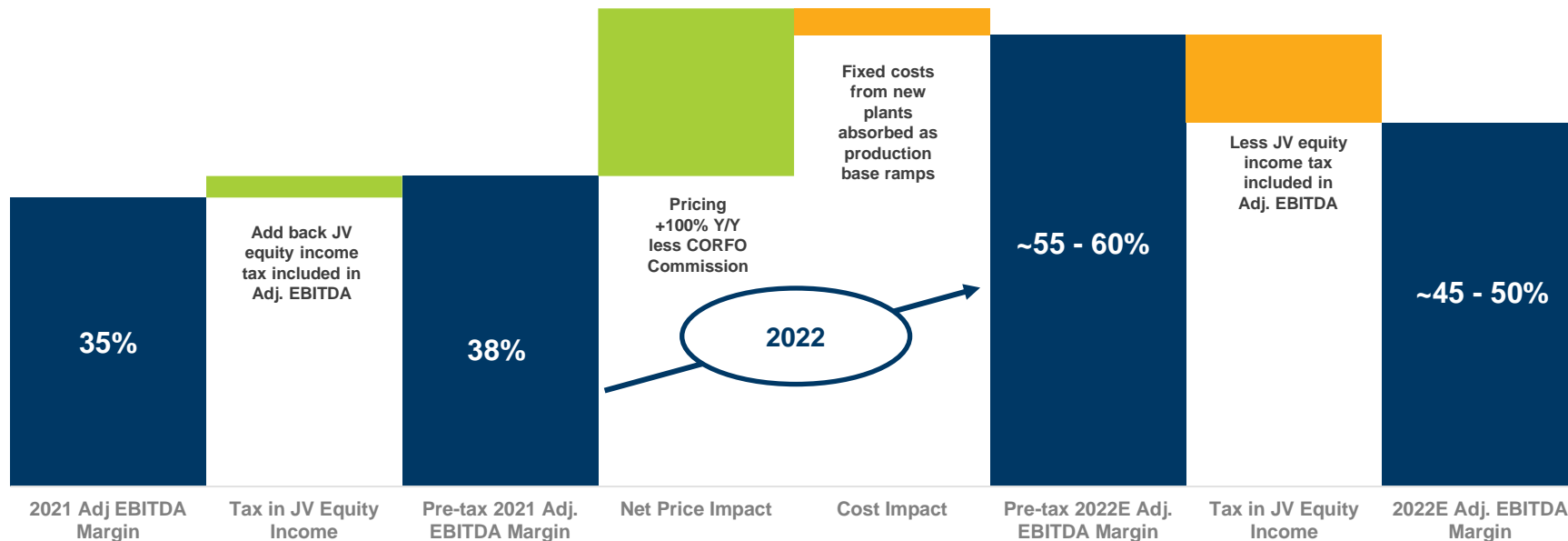
- ~100% value in use
- Typically, annual contracts

Contracting Approach Continues to Evolve

- Strategically segmenting customers by key requirement (Price, Performance, Security) and position in value chain (OEM vs. Battery vs. Cathode)
- Product offering varies by segment in terms of price, contract duration, value added services, etc.
- Moving fixed pricing mechanisms to predominantly index-referenced pricing; moving floors higher - negotiations continue to progress
- Revenue split varies with market price and contract changes
- Changes since prior quarter reflect higher market pricing

Potential upside with further contract renegotiations

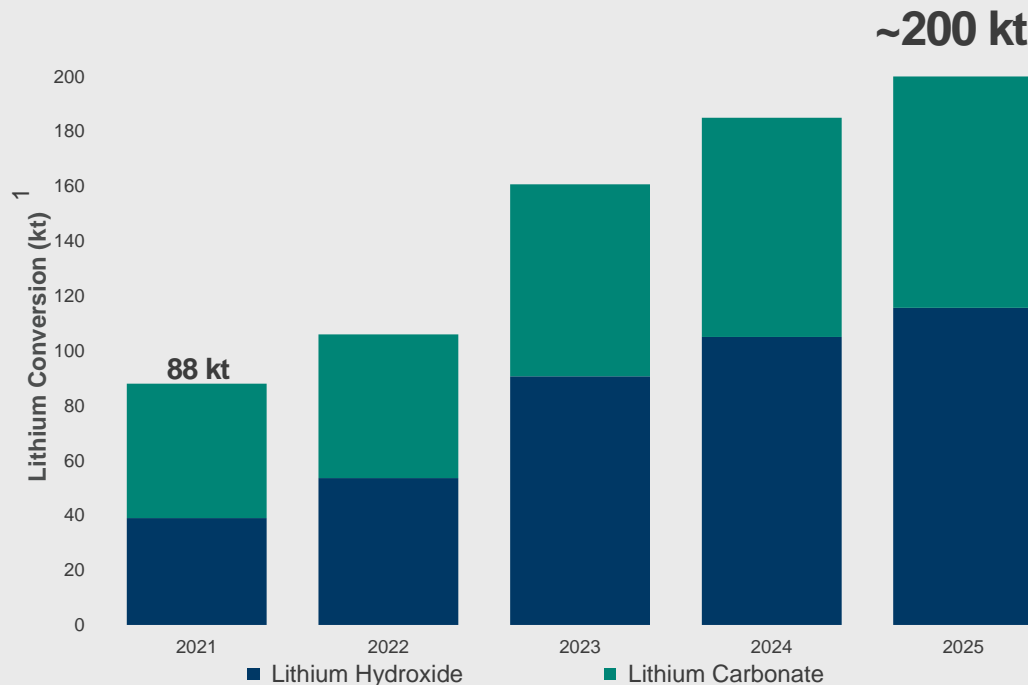
FY Lithium EBITDA Margin¹ At or Above Mid-cycle Expectations



Vertical integration supports margins; “paying ourselves” higher spodumene prices

Lithium Conversion Expected to Be > 200ktpa in 2025

Ramp of Current Facilities & Facilities Under Construction²

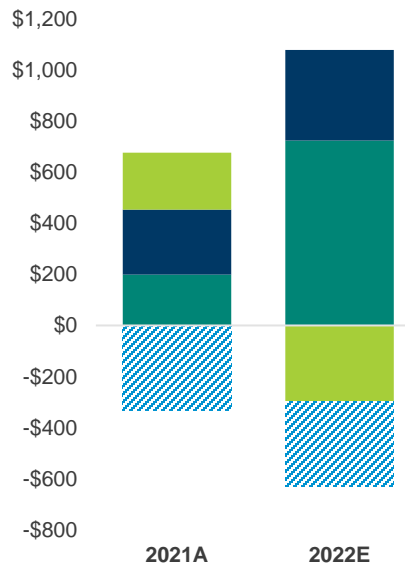


Additional upside opportunities include:

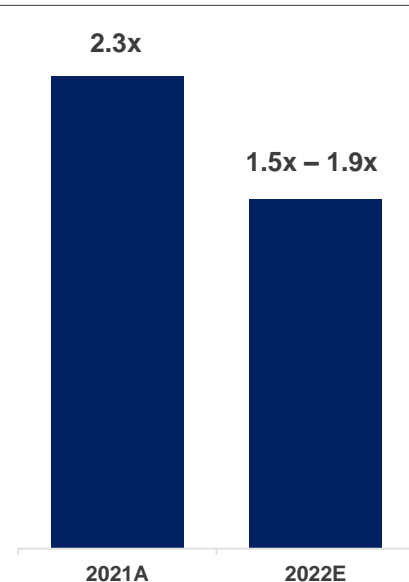
- Technical-grade spodumene sales (10 ktpa)
- Tolling volumes (0-20 ktpa)
- Additional conversion assets (e.g., Meishan greenfield)

Strong Financial Position and Ample Liquidity (As of 3/31/22, \$M)

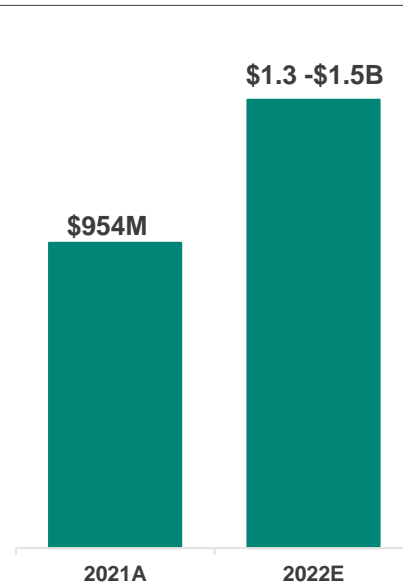
NET CASH FROM OPERATIONS (\$M)



LEVERAGE¹ (x)



CAPITAL EXPENDITURES (\$M)



- \$463M cash and cash equivalents²
- Net debt to adjusted EBITDA is 1.9x²
- Target long-term average leverage ratio of 2.0x to 2.5x; able to exceed if needed, given expected EBITDA growth
- Weighted average interest of 2.6%²
- Working capital typically averages ~25% of net sales
- Debt markets remain open, attractive interest rates

Committed to maintaining Investment Grade credit rating

Expansions Support Long-term Growth Strategy

Expanding global lithium conversion capacity...

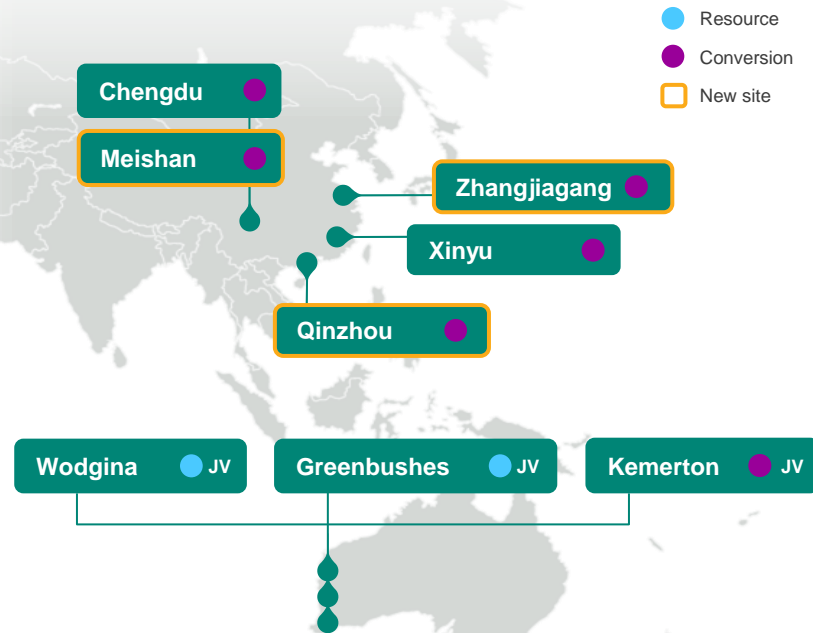
- **Qinzhou** acquisition expected to close H2 2022; designed to produce 25ktpa LCE with expansion potential
- **Kemerton I** in commissioning; expected to achieve first product in May
- **Kemerton II** on track for mechanical completion in H2 2022
- **Meishan** construction underway; mechanical completion expected by YE 2024; 50ktpa LiOH capacity with expansion potential
- **Zhangjiagang** in the engineering phase; exploring options to produce Carbonate or Hydroxide

...To leverage world-class spodumene resources

- **Wodgina** restart is well advanced; Trains 1 and 2 are expected to start-up in May and July, respectively
- **Greenbushes** CGP2 continues to ramp; construction of CGP3 expected to begin in mid-2022

Ability to toll or sell excess spodumene

Australia/Asia Resource & Conversion



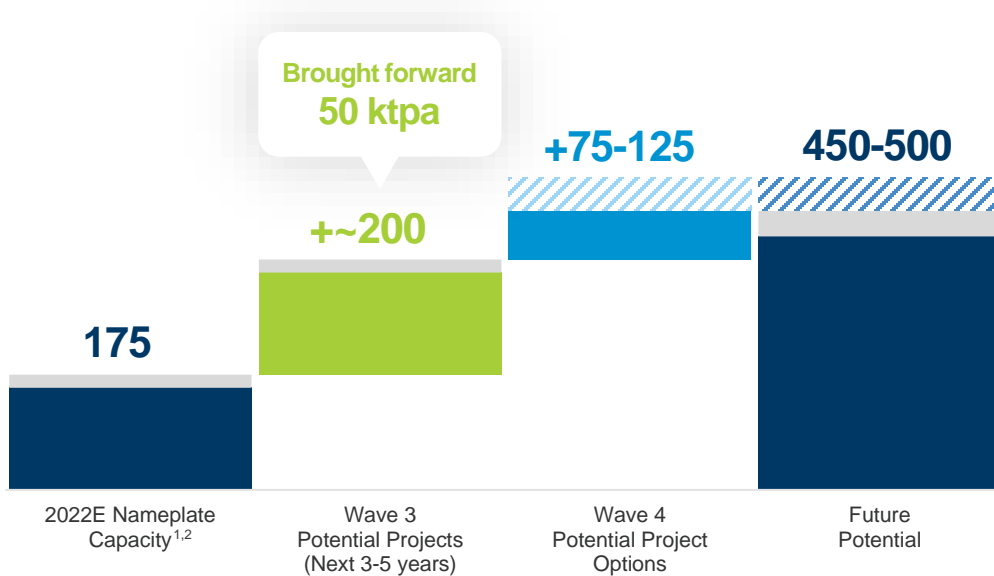
Full vertical integration from lithium resource to conversion is a competitive advantage

Global Lithium Projects Accelerated to Meet Customer Needs

Estimated Lithium Nameplate Conversion Capacity (approx.)

Carbonate figures on ktpa LCE basis, hydroxide figures on ktpa LiOH basis

■ JV Nameplate Conversion Capacity
 ▨ Potential Nameplate Capacity Range



Wave 3 Projects (3-5 years)

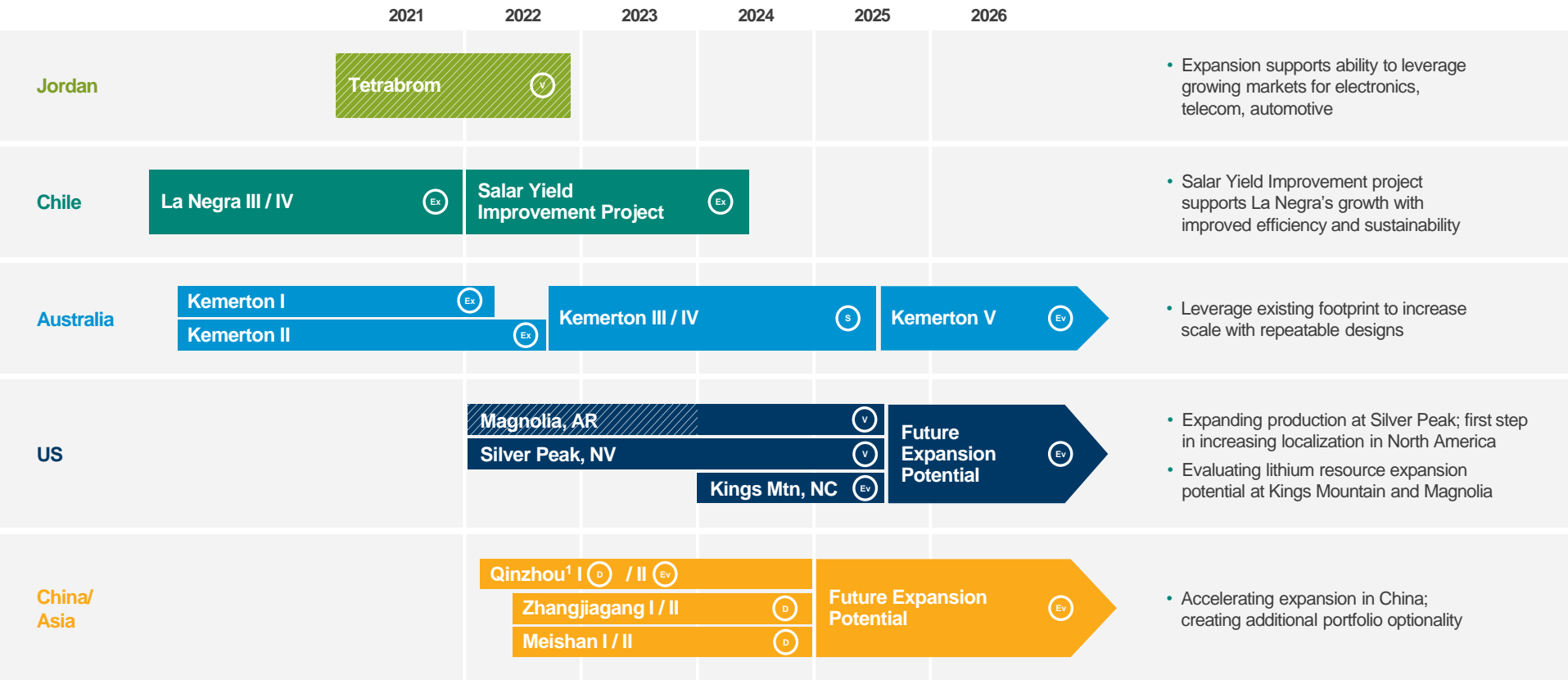
- Silver Peak, Nevada
- Qinzhou, China (acquisition)
- Meishan, China
- Zhangjiagang, China
- Kemerton, Australia (III & IV)

Wave 4 Potential Projects




- Kings Mountain, NC Resource
- NAEU Conversion Facility
- Kemerton, Australia (V)
- Opportunities in Asia
- Magnolia, AR Resource

Planned expansions could more than double capacity

Global Project Pipeline Offers Diversity, Scale & Optionality



Committed to Industry-leading Sustainability Performance

	New in 2021 Sustainability Report	Next Steps
 Natural Resource Management	<ul style="list-style-type: none">• Report progress on existing GHG & freshwater targets• Initial Scope 3 GHG assessment• First Lithium product Life Cycle Assessments (LCAs)	<ul style="list-style-type: none">• Full (scored) CDP disclosure in 2022• TCFD to be completed this year, publish in 2023• Additional LCAs for all GBUs• Complete IRMA 3rd party assessment at Salar de Atacama
 People, Workplace & Community	<ul style="list-style-type: none">• Diversity targets defined• Updated Government & Community Relations structure and strategy	<ul style="list-style-type: none">• Evaluating additional ESG metric for executive compensation
 Sustainable Shareholder Value	<ul style="list-style-type: none">• Board oversight aligns with sustainability framework• Updated global supply chain structure and strategy	<ul style="list-style-type: none">• Incorporating ESG into ERM• Updated global tax transparency framework

Albemarle 2021 Sustainability Report expected to be launched on June 2; Webcast on June 28

Lithium Overview

Y/Y Q1 Performance Drivers

- Net sales up 97% (price³ +66%, volume +31%); adjusted EBITDA up 190%
- Increased sales due to higher pricing and the benefit of a one-time sale of spodumene from the initial start of Wodgina
- Adjusted EBITDA benefited from favorable pricing from contract renegotiations as well as the sale of lower cost inventory

FY 2022 Outlook

- FY 2022 adj. EBITDA expected to be +200-225% Y/Y, up from previous outlook as average realized pricing is now expected to be approximately double Y/Y resulting from the renegotiated index-reference variable price contracts and increased market pricing
- FY 2022 volume expected to up +20-30% Y/Y (unchanged) primarily due to new capacity coming online
- Revised outlook assumes Q2 realized selling price is constant for remainder of the year
- Potential upside if market pricing remains strong or if current contract renegotiations result in additional index-referenced, variable pricing; potential downside with a material correction in lithium market pricing or potential volume shortfalls (e.g., delays in acquisitions or expansion projects)

Drivers/Sensitivities

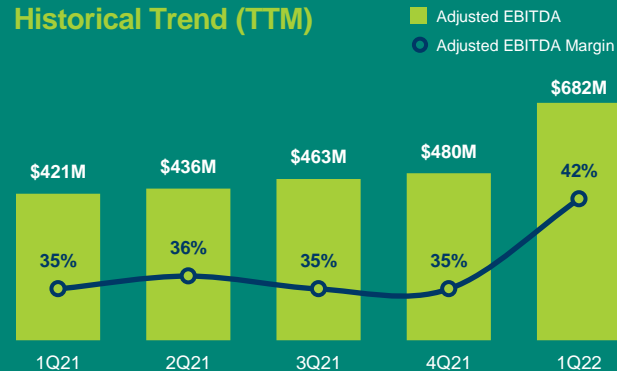
- Energy storage (~70% of Li sales²): Primary driver - EV sales in Europe and China
- Specialties & TG (~30% of Li sales²): Primary driver - consumer spending & industrial production

As of May 4, 2022

Q1 2022 Performance

(in millions)	Q1 2022	Y/Y
Net Sales	\$550	97%
Net Sales ex FX ¹	\$554	99%
Adj. EBITDA ⁴	\$309	190%
Adj. EBITDA ex FX ^{1,4}	\$303	185%
Adj. EBITDA Margin ⁴	56%	+1,793 bps
Adj. EBITDA Margin ex FX ^{1,4}	55%	+1,649 bps

Historical Trend (TTM)



Bromine Overview

Y/Y Q1 Performance Drivers

- Net sales up 28% (price³ +25%, volume +3%); adjusted EBITDA up 37%
- Favorable pricing driven by robust demand and tight market conditions
- Increase in net sales partially offset by higher costs for raw materials and freight

FY 2022 Outlook

- Bromine FY 2022 adj. EBITDA is expected to be up 15-20% Y/Y, above previous outlook primarily due to higher pricing
- FY 2022 volume is expected to increase Y/Y following successful execution of growth projects in 2021
- Continued strength in fire safety markets; benefit from end-markets diversity and macro trends such as digitalization and electrification

Drivers/Sensitivities

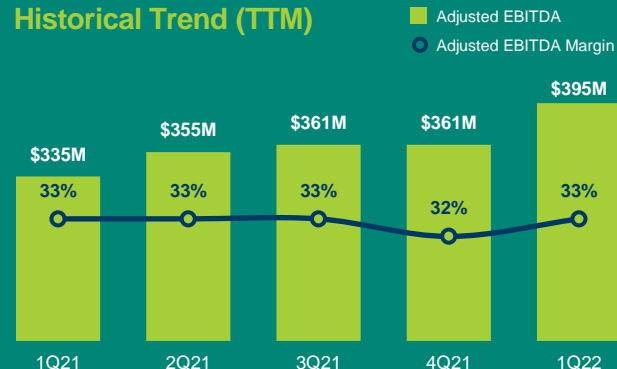
- GDP plus business - electronics, automotive, construction, appliances
- Flame retardants (~60% of sales²): Primary driver - digitization, electrification

As of May 4, 2022

Q1 2022 Performance

(in millions)	Q1 2022	Y/Y
Net Sales	\$360	28%
Net Sales ex FX ¹	\$362	29%
Adj. EBITDA ⁴	\$129	37%
Adj. EBITDA ex FX ^{1,4}	\$131	39%
Adj. EBITDA Margin ⁴	36%	219 bps
Adj. EBITDA Margin ex FX ^{1,4}	36%	255 bps

Historical Trend (TTM)



Catalysts Overview

Y/Y Q1 Performance Drivers

- Net sales slightly down -1% (price³ +1%, volume -2%); adjusted EBITDA down -34%
- Adjusted EBITDA declined as sales were offset by cost pressures from increasing natural gas prices

FY 2022 Outlook

- Catalysts FY 2022 adj. EBITDA expected to be flat to down 65% Y/Y, below previous outlook due to higher input costs, particularly for natural gas in Europe
- Potential to offset with price increases or cost pass-throughs

Drivers/Sensitivities

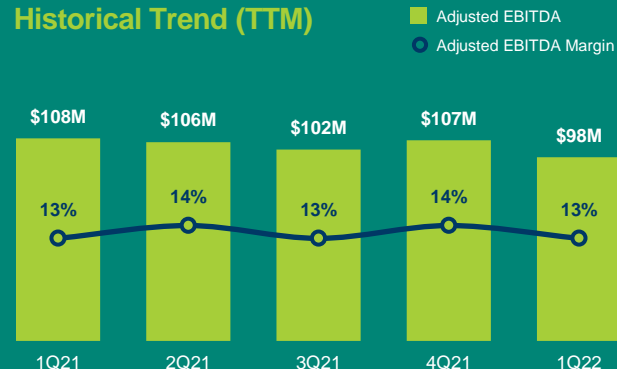
- FCC (~ 50% of sales²): Primary drivers - miles driven/transportation fuel consumption
- HPC (~ 30% of sales²): Primary drivers - environmental sulfur regulations and miles driven/transportation fuel consumption
- PCS (~ 20% of sales²): Primary drivers - plastic and polyurethane demand

As of May 4, 2022

Q1 2022 Performance

(in millions)	Q1 2022	Y/Y
Net Sales	\$218	-1%
Net Sales ex FX ¹	\$221	-0.3%
Adj. EBITDA ⁴	\$17	-34%
Adj. EBITDA ex FX ^{1,4}	\$17	-33%
Adj. EBITDA Margin ⁴	8%	-354 bps
Adj. EBITDA Margin ex FX ^{1,4}	8%	-362 bps

Historical Trend (TTM)



Q2 2022 Investor Relations Events



May 5-6

Q2 2022 Earnings



May 10-12

Goldman Sachs Industrials Conference



May 24-25

Jefferies Renewable Energy Conference



May 25-27

European Investor Meetings Hosted by BMO



June 1-2

Loop Capital Markets Investor Conference



June 28-30

Sustainability Report Launch Webcast & Investor Meetings

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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 March 31,	
	2022	2021
Net income attributable to Albemarle Corporation	\$ 253,383	\$ 95,677
Add back:		
Non-operating pension and OPEB items (net of tax)	(4,139)	(4,267)
Non-recurring and other unusual items (net of tax)	30,903	32,761
Adjusted net income attributable to Albemarle Corporation	\$ 280,147	\$ 124,171
Adjusted diluted earnings per share	\$ 2.38	\$ 1.10
Weighted-average common shares outstanding – diluted	117,653	113,330

EBITDA and Adjusted EBITDA

	Three Months Ended	
	March 31,	
	2022	2021
<i>(\$ in thousands)</i>		
Net income attributable to Albemarle Corporation	\$ 253,383	\$ 95,677
Add back:		
Interest and financing expenses	27,834	43,882
Income tax expense	80,530	22,107
Depreciation and amortization	66,574	62,260
EBITDA	428,321	223,926
Non-operating pension and OPEB items	(5,280)	(5,465)
Non-recurring and other unusual items	8,889	11,593
Adjusted EBITDA	\$ 431,930	\$ 230,054
Net impact of adjusted EBITDA from divested business	—	(21,791)
Adjusted EBITDA excluding impact from divested business	\$ 431,930	\$ 208,263
Net sales	\$ 1,127,728	\$ 829,291
Net impact of net sales from divested business	—	(42,195)
Net sales excluding impact from divested business	\$ 1,127,728	\$ 787,096
EBITDA margin	38.0 %	27.0 %
Adjusted EBITDA margin	38.3 %	27.7 %
Adjusted EBITDA margin excluding impact from divested businesses	38.3 %	26.5 %

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

<i>(\$ in thousands)</i>	Lithium	Bromine	Catalysts	Reportable Segments Total	All Other	Corporate	Consolidated Total
Three months ended March 31, 2022							
Net income (loss) attributable to Albemarle Corporation	\$ 261,689	\$ 116,561	\$ 3,989	\$ 382,239	\$ —	\$ (128,856)	\$ 253,383
Depreciation and amortization	38,526	12,673	12,921	64,120	—	2,454	66,574
Non-recurring and other unusual items	8,400	—	—	8,400	—	489	8,889
Interest and financing expenses	—	—	—	—	—	27,834	27,834
Income tax expense	—	—	—	—	—	80,530	80,530
Non-operating pension and OPEB items	—	—	—	—	—	(5,280)	(5,280)
Adjusted EBITDA	\$ 308,615	\$ 129,234	\$ 16,910	\$ 454,759	\$ —	\$ (22,829)	\$ 431,930
Three months ended March 31, 2021							
Net income (loss) attributable to Albemarle Corporation	\$ 74,630	\$ 82,113	\$ 12,916	\$ 169,659	\$ 20,016	\$ (93,998)	\$ 95,677
Depreciation and amortization	31,806	12,527	12,511	56,844	1,463	3,953	62,260
Non-recurring and other unusual items	—	—	—	—	—	11,593	11,593
Interest and financing expenses	—	—	—	—	—	43,882	43,882
Income tax expense	—	—	—	—	—	22,107	22,107
Non-operating pension and OPEB items	—	—	—	—	—	(5,465)	(5,465)
Adjusted EBITDA	\$ 106,436	\$ 94,640	\$ 25,427	\$ 226,503	\$ 21,479	\$ (17,928)	\$ 230,054
Net impact of adjusted EBITDA from divested business	—	—	—	—	(21,791)	—	(21,791)
Adjusted EBITDA excluding impact from divested business	\$ 106,436	\$ 94,640	\$ 25,427	\$ 226,503	\$ (312)	\$ (17,928)	\$ 208,263

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

(\$ in thousands)

	Lithium	Bromine	Catalysts	Reportable Segments Total	All Other	Consolidated Total
Three months ended March 31, 2022						
Net sales	\$ 550,272	\$ 359,579	\$ 217,877	\$ 1,127,728		\$ 1,127,728
Net income (loss) attributable to Albemarle Corporation	47.6 %	32.4 %	1.8 %	33.9 %		22.5 %
Depreciation and amortization	7.0 %	3.5 %	5.9 %	5.7 %		5.9 %
Non-recurring and other unusual items	1.5 %	— %	— %	0.7 %		0.8 %
Interest and financing expenses	— %	— %	— %	— %		2.5 %
Income tax expense	— %	— %	— %	— %		7.1 %
Non-operating pension and OPEB items	— %	— %	— %	— %		(0.5)%
Adjusted EBITDA Margin	56.1 %	35.9 %	7.8 %	40.3 %		38.3 %
Three months ended March 31, 2021						
Net sales	\$ 278,976	\$ 280,447	\$ 220,243	\$ 779,666	\$ 49,625	\$ 829,291
Net impact of net sales from divested business	—	—	—	—	(42,195)	(42,195)
Net sales excluding impact from divested business	\$ 278,976	\$ 280,447	\$ 220,243	\$ 779,666	\$ 7,430	\$ 787,096
Net income (loss) attributable to Albemarle Corporation	26.8 %	29.3 %	5.9 %	21.8 %	40.3 %	11.5 %
Depreciation and amortization	11.4 %	4.5 %	5.7 %	7.3 %	2.9 %	7.5 %
Non-recurring and other unusual items	— %	— %	— %	— %	— %	1.4 %
Interest and financing expenses	— %	— %	— %	— %	— %	5.3 %
Income tax expense	— %	— %	— %	— %	— %	2.7 %
Non-operating pension and OPEB items	— %	— %	— %	— %	— %	(0.7)%
Adjusted EBITDA Margin	38.2 %	33.7 %	11.5 %	29.1 %	43.3 %	27.7 %
Adjusted EBITDA margin excluding impact from divested businesses	38.2 %	33.7 %	11.5 %	29.1 %	(4.2)%	26.5 %

Adjusted EBITDA - (twelve months ended)

(\$ in thousands)	Twelve Months Ended				
	Mar 31, 2021	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021	Mar 31, 2022
Net income attributable to Albemarle Corporation	\$ 364,237	\$ 703,213	\$ 212,131	\$ 123,672	\$ 281,378
Depreciation and amortization	240,550	244,132	247,535	254,000	258,314
Non-recurring and other unusual items (excluding items associated with interest expense)	51,326	(360,075)	291,102	481,194	478,490
Interest and financing expenses	100,113	89,413	75,322	61,476	45,428
Income tax expense	58,090	149,644	4,321	29,446	87,869
Non-operating pension and OPEB items	38,111	35,535	32,965	(78,814)	(78,629)
Adjusted EBITDA	\$ 852,427	\$ 861,862	\$ 863,376	\$ 870,974	\$ 1,072,850
Net impact of adjusted EBITDA from divested businesses	(78,568)	(66,657)	(44,866)	(28,415)	(6,990)
Adjusted EBITDA excluding impact from divested business	\$ 773,859	\$ 795,205	\$ 818,510	\$ 842,559	\$ 1,065,860
Net sales	\$ 3,219,355	\$ 3,229,202	\$ 3,312,900	\$ 3,327,957	\$ 3,626,394
Net impact of net sales from divested business	(189,506)	(162,290)	(120,095)	(65,648)	(21,191)
Net sales excluding impact from divested business	\$ 3,029,849	\$ 3,066,912	\$ 3,192,805	\$ 3,262,309	\$ 3,605,203
Adjusted EBITDA margin excluding impact from divested businesses	26 %	26 %	26 %	26 %	30 %

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.

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

(\$ in thousands)	Twelve Months Ended				
	Mar 31, 2021	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021	Mar 31, 2022
Lithium					
Net income attributable to Albemarle Corporation	\$ 294,843	\$ 303,398	\$ 326,745	\$ 192,365	\$ 383,682
Depreciation and amortization	119,263	124,262	129,831	138,772	145,492
Non-recurring and other unusual items	6,786	8,137	6,848	148,401	152,543
Adjusted EBITDA	420,892	435,797	463,424	479,538	681,717
Net Sales	1,186,936	1,223,548	1,317,131	1,363,284	1,634,580
Adjusted EBITDA Margin	35 %	36 %	35 %	35 %	42 %
Bromine					
Net income attributable to Albemarle Corporation	\$ 284,943	\$ 304,399	\$ 311,260	\$ 309,501	\$ 343,949
Depreciation and amortization	51,240	51,389	51,092	51,181	51,327
Non-recurring and other unusual items	(1,200)	(1,200)	(1,200)	—	—
Adjusted EBITDA	334,983	354,588	361,152	360,682	395,276
Net Sales	1,013,817	1,060,786	1,101,376	1,128,343	1,207,475
Adjusted EBITDA Margin	33 %	33 %	33 %	32 %	33 %
Catalysts					
Net income attributable to Albemarle Corporation	\$ 58,173	\$ 55,917	\$ 50,780	\$ 55,353	\$ 46,426
Depreciation and amortization	49,918	50,561	50,967	51,588	51,998
Adjusted EBITDA	108,091	106,478	101,747	106,941	98,424
Net Sales	810,950	762,241	757,876	761,235	758,869
Adjusted EBITDA Margin	13 %	14 %	13 %	14 %	13 %

Adjusted EBITDA supplemental¹

(\$ in thousands)

	Twelve Months Ended	Three Months Ended			
	Mar 31, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Adjusted EBITDA	\$ 1,072,850	\$ 431,930	\$ 228,723	\$ 217,569	\$ 194,628
Adjusted EBITDA of divested businesses	(6,990)	—	—	—	(6,990)
Net income attributable to noncontrolling interests	82,413	28,164	14,293	18,348	21,608
Equity in net income of unconsolidated investments (net of tax)	(141,695)	(62,436)	(33,555)	(27,706)	(17,998)
Dividends received from unconsolidated investments	112,609	39,168	35,017	15,954	22,470
Consolidated EBITDA	\$ 1,119,187	\$ 436,826	\$ 244,478	\$ 224,165	\$ 213,718
Total Long Term Debt (as reported)	\$ 2,489,491				
Off balance sheet obligations and other	86,300				
Consolidated Funded Debt	\$ 2,575,791				
Less Cash	463,325				
Consolidated Funded Net Debt	\$ 2,112,466				
Consolidated Funded Debt to Consolidated EBITDA Ratio		2.3			
Consolidated Funded Net Debt to Consolidated EBITDA Ratio		1.9			

Diluted EPS

	Three Months Ended	
	March 31,	
	2022	2021
Diluted earnings per share attributable to Albemarle Corporation	\$ 2.15	\$ 0.84
Add back:		
Non-operating pension and OPEB items (net of tax)	(0.04)	(0.04)
Non-recurring and other unusual items (net of tax)		
Acquisition and integration related costs	0.01	0.02
Loss on sale of interest in properties	0.07	—
Loss on extinguishment of debt	—	0.20
Other	(0.01)	0.06
Tax related items	0.19	0.01
Total non-recurring and other unusual items	0.26	0.29
Adjusted diluted earnings per share ¹	\$ 2.38	\$ 1.10
Diluted Shares	117,653	113,330

Effective Tax Rate

(\$ in thousands)

	Income before income taxes and equity in net income of unconsolidated investments	Income tax (benefit) expense	Effective income tax rate
Three months ended March 31, 2022			
As reported	\$ 299,641	\$ 80,530	26.9 %
Non-recurring, other unusual and non-operating pension and OPEB items	3,609	(23,155)	
As adjusted	\$ 303,250	\$ 57,375	18.9 %
Three months ended March 31, 2021			
As reported	\$ 123,294	\$ 22,107	17.9 %
Non-recurring, other unusual and non-operating pension and OPEB items	33,926	5,432	
As adjusted	\$ 157,220	\$ 27,539	17.5 %

Equity Income and Noncontrolling Interest

	Three Months Ended March 31,			
	2022		2021	
	Equity Income	Noncontrolling Interest	Equity Income	Noncontrolling Interest
<i>(\$ in thousands)</i>				
Lithium	\$ 61,874	\$ —	\$ 16,020	\$ —
Bromine	—	(28,219)	—	(21,970)
Catalysts	5,044	—	2,653	—
Corporate	(4,482)	55	(2,162)	(51)
Total Company	\$ 62,436	\$ (28,164)	\$ 16,511	\$ (22,021)

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