



SQM

Second Quarter 2017 Earnings Presentation



► Important Notice

Statements in this presentation concerning the Company's business outlook or future economic performances, anticipated profitability, revenues, expenses, or other financial items, anticipated cost synergies and product or service line growth, together with other statements that are not historical facts, are "forward-looking statements" as that term is defined under Federal Securities Laws.

Any forward-looking statements are estimates, reflecting the best judgment of SQM based on currently available information and involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those stated in such statements.

Risks, uncertainties, and factors that could affect the accuracy of such forward-looking statements are identified in the public filing made with the Securities and Exchange Commission, and forward-looking statements should be considered in light of those factors.

► Natural Resources and Experience

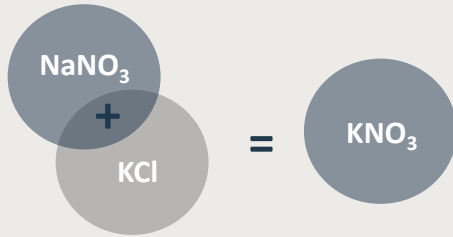
High-quality reserves → low-cost operations

Caliche Ore

- ✓ Caliche ore is only found in Chile
- ✓ The world's largest deposits of **nitrates and iodine**
- ✓ Proprietary mining rights pursuant to exploitation concessions

Salar Brines

- ✓ High concentrations of **potassium and lithium**
- ✓ High evaporation rates
- ✓ Production rights are pursuant to a lease agreement with CORFO until 2030
- ✓ Technology and experience to efficiently operate



- ✓ Sustainable Operations in the North of Chile.

- ✓ Sodium nitrate + Potassium chloride = Potassium nitrate + (Sodium chloride)
- ✓ Know How – Exploration, Process and Logistics



► SQM at a Glance

World Leader in Specialty Businesses: Potassium Nitrate, Iodine, Lithium & Solar Salts

✓ Financial Profile

- ✓ Revenue LTM⁽¹⁾: US\$2.1 billion
- ✓ EBITDA⁽²⁾ LTM: US\$853 million
- ✓ EBITDA Margin LTM: ~ 41%

(1) LTM: Twelve months ended June 30, 2017

(2) EBITDA: gross profit – SGA + depreciation & amortization

✓ Healthy Credit Metrics

- ✓ NFD/EBITDA: .40
- ✓ Moody's: Baa1
- ✓ Standard and Poor's: BBB

FERTILIZERS

Potassium

Specialty Plant
Nutrients

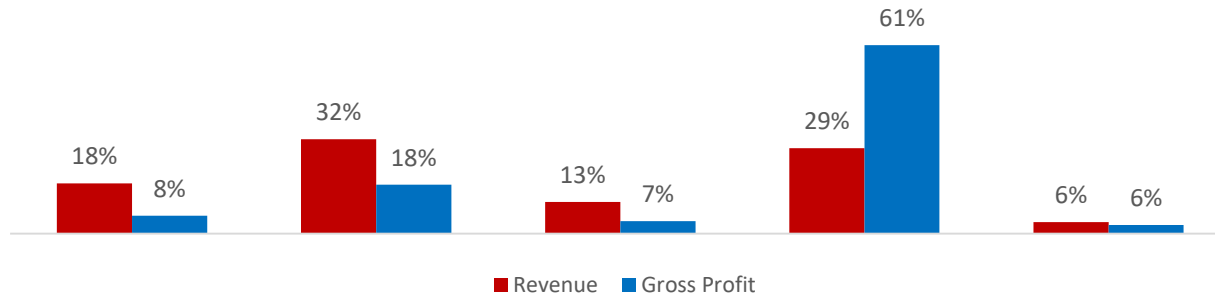
SPECIALTY CHEMICALS

Iodine &
Derivatives

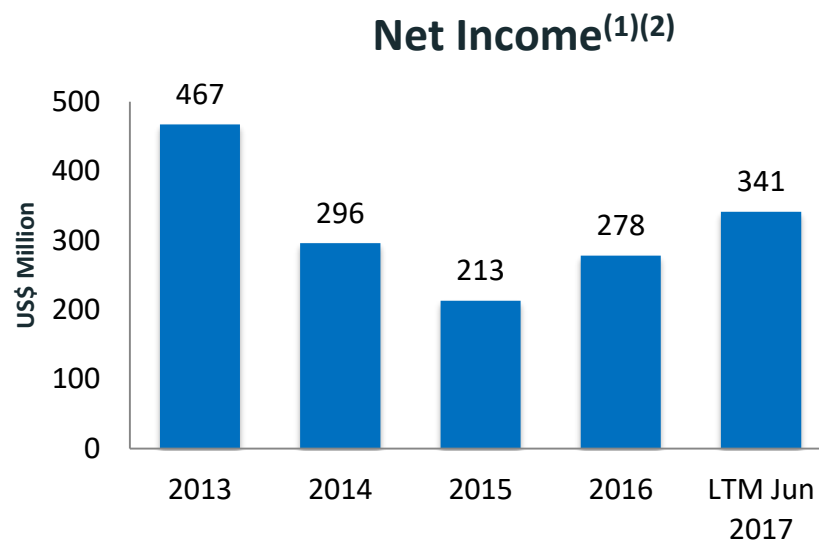
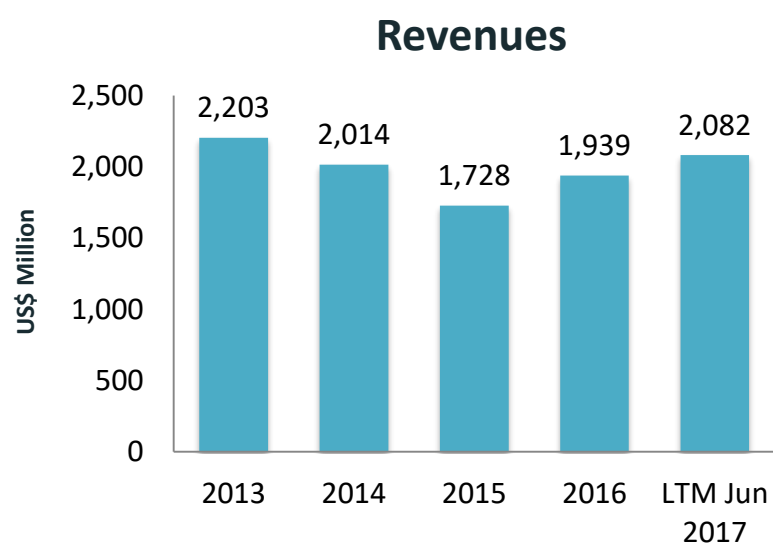
Lithium &
Derivatives

Industrial
Chemicals

Contribution to Revenue vs. Gross Profit
1H2017



► Results



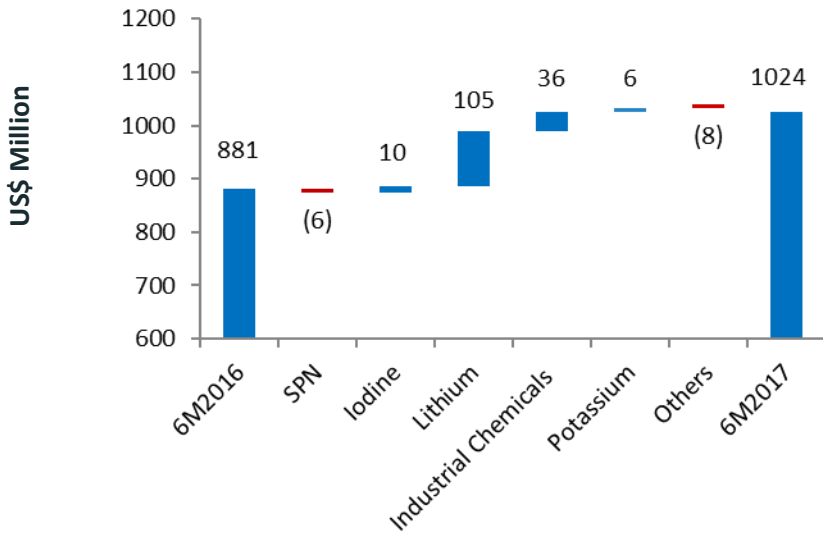
- ✓ Higher sales volumes in all business lines in 1H2017 and continued high lithium prices resulted in EBITDA of US\$853 million for the past 12 months and US\$433 million for the first half of the year.

(1) Net income for 2016 includes one-time charge of US\$32.8 million related to stopping of our train that used to run between Coya Sur and Tocopilla, and provision for the payments of US\$30.5 million to DOJ and SEC.

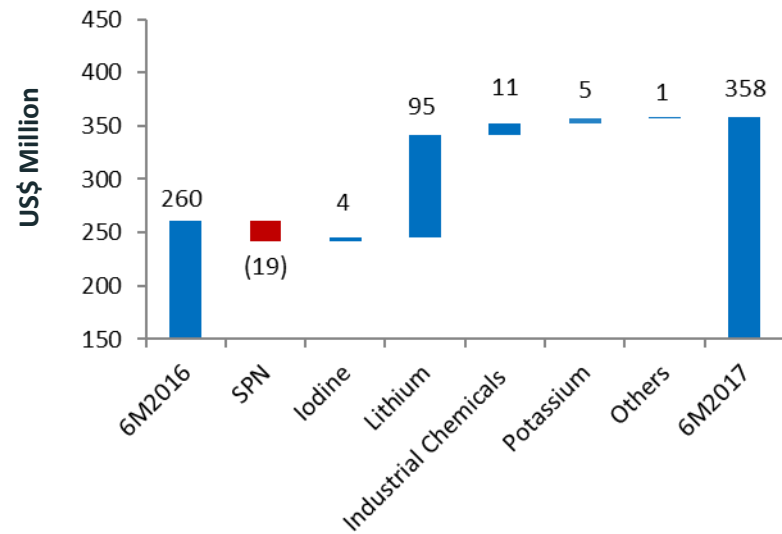
(2) Net Income for 2015 includes a charge of US\$57.7 million for impairment related to the closure of Pedro de Valdivia plant

► Results

Revenue Contribution 6M2017/6M2016



Gross Profit Contribution 6M2017/6M2016



	SPN	Iodine	Lithium	I. Chem.	Potassium
P	↓	↓	↑	↓	↑
Q	↑	↑	↑	↑	↑

✓ Impact of higher volumes outweighs lower prices in Iodine and IQ business lines.
Prices increased in lithium and potassium business lines.

► Market Outlook

- ✓ Potassium Market: Average price showed slight increase in 1H2017 compared to 1H2016, flat prices for the rest of 2017. Demand growth in 2017 ~2 million MT to over 60 million MT/year
- ✓ Potassium Nitrate: Increased demand and decreased supply resulted in the strongest sales volumes during 1H2017. Prices remain relatively flat
- ✓ Iodine Market: Sales volumes grew 34% in 1H2017 compared to 1H2016. We expect total sales volumes for 2017 to be more than 12k MT. Prices stabilized at US\$20/kg
- ✓ Lithium Market: Strong market growth (~14%) expected in 2017, we expect slightly higher prices in 2H2017. Demand could surpass 500k MT by 2025
- ✓ Solar Salts: Higher sales volumes expected in 2017 of ~ 90K MT/year

► Capital Expenditures & Investments

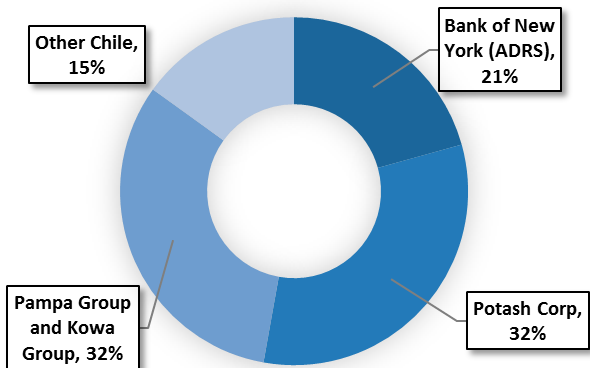
- ✓ Historical maintenance CAPEX ~US\$100 million

Growth Plans

- ✓ **2016-2018:** Lithium Hydroxide Expansion to 13.5k MT: ~US\$30 million
- ✓ **2017-2018:** Potassium Nitrate Expansion to 1.5m MT: ~US\$100 million
- ✓ **2017-2018:** Lithium Carbonate Expansion to 63k MT: ~US\$50 million
- ✓ **2017-2018:** Iodine capacity expansion to 14k MT: ~US\$30 million
- ✓ **2016-2019** (first stage 25k MT): Caucharí project in Argentina - ~US\$425 million + ~US\$250 million (pre VAT) for stages I and II, respectively. (50/50 JV: SQM will be responsible for 50% of the investment). ~US\$100 million to be invested in 2017.
- ✓ **2017-2022:** Mt. Holland project in Australia (50/50 JV, 40k MT) ~US\$110 million initial stage, total investment TBD

► Other Relevant Topics

Ownership Structure⁽¹⁾



SQM Business Opportunities

- ✓ Strong demand growth in lithium market. Lithium carbonate production expansion to 63k MT/year
- ✓ JV to develop Caucharí-Olaroz lithium project, 25k MT/year 1st stage
- ✓ JV to develop Mt. Holland (Australia) lithium project, 40k MT/ year dual lithium hydroxide & carbonate plant
- ✓ Potassium nitrate capacity expansion: positioned to supply growing solar salts and water soluble fertilizer markets
- ✓ Iodine capacity expansion to 14k MT/year

Dividends & Dividend Policy⁽²⁾

Total Dividend paid in 2016 ~US\$400 million, 1H2017 - US\$103 million. Payment announced in Sep2017 – US\$101 million

2017 Net Income distribution in 3 interim & 1 final dividend

	100%	80%	60%
(a) $\frac{\text{cash+other current financial assets}}{\text{current financial liabilities}} \geq$	2.5	2.0	1.5
(b) $\frac{\text{total liabilities}}{\text{total equity}} \leq$	1.1	1.2	1.3

If none of the above parameters is met: 50% of 2017 Net Income

(1) As of June 30, 2017

(2) Please see full dividend policy on our website at <http://ir.sqm.com/English/investor-relation/default.aspx>



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