

# CORPORATE PRESENTATION

## First Quarter 2020 Results



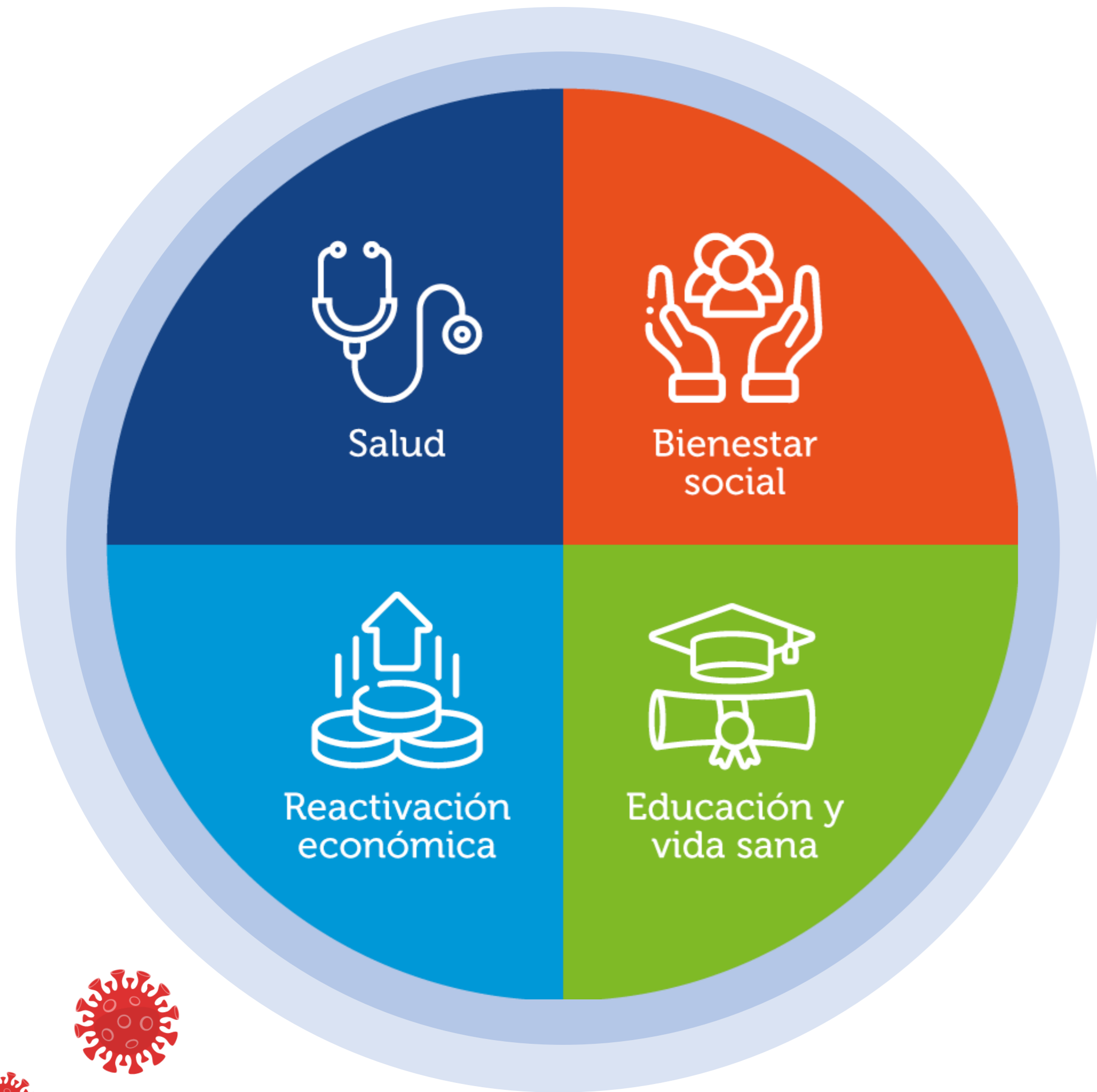
## CUSTOMARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

SQM (NYSE: SQM, Santiago Stock Exchange: SQM-A, SQM-B) is a global company engaged in strategic industries for human development, such as health, food, clean energy and the technology that moves the world.

This presentation and the material within the presentation, is meant to be given in conjunction with an oral presentation and should not be taken out of context. Statements in this presentation concerning SQM's business outlook, future economic performance, 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 the U.S. Private Securities Litigation Reform Act of 1995.

Any forward-looking statements are estimates, reflecting the best judgment of SQM management based on currently available information and involve a number of risks, uncertainties and other factors that are outside SQM's control 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 SQM's public filing made with the U.S. Securities and Exchange Commission, specifically SQM's most recent annual report on Form 20-F. All forward-looking statements are based on information available to SQM on the date hereof and SQM assumes no obligation to update such statements whether as a result of new information, future developments or otherwise, except as required by law.



- 1
**Health:** Supporting the strengthening and response capacity of local health units.
- 2
**Social well-being:** Providing family food baskets, personal protection equipment and preventive information, mainly to the highest risk groups such as the elderly and disabled.
- 3
**Economic recovery:** Continuing to support local small businesses that have seen their sales decline through Cowork El Puerto, the Atrévete y Embárcate competitive fund and in collaboration with other private companies,.
- 4
**Education and healthy lifestyle:** Adapting our educational programs to distance learning, such as "Vilti Semann-UCN Virtual Pedagogical Laboratory", "I Learn with You at Home" from the educational foundation Choshuenco, and "Family Gardens" from the Mr. Barber foundation. Providing inclusive online sports classes with the Miradas Compartidas foundation.

# SQM at a Glance: Business line Overview

KEY FIGURES<sup>1</sup>



## LITHIUM AND DERIVATIVES

- ~15% Market Share<sup>1</sup>
- Volume: 43 kMT
- Revenues: US\$416 mm



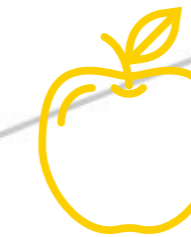
## SPECIALTY PLANTS NUTRITION

- ~51% Market Share<sup>1</sup>
- Volume: 1,020 kMT
- Revenues: US\$704 mm



## IODINE AND DERIVATIVES

- ~34% Market Share<sup>1</sup>
- Volume: 12.0 kMT
- Revenues: US\$373 mm



## POTASSIUM

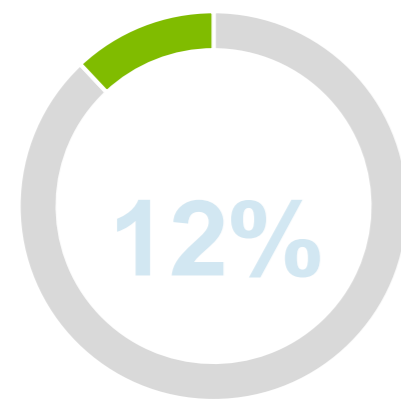
- <1% Market Share<sup>1</sup>
- Volume: 603 kMT
- Revenues: US\$211 mm



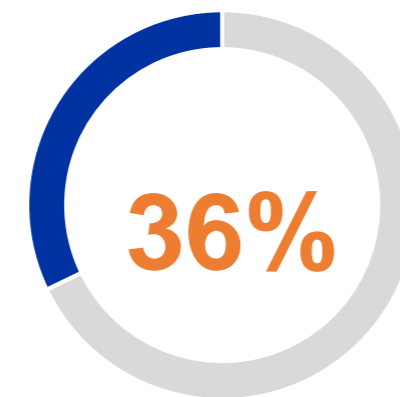
## INDUSTRIAL CHEMICALS

- ~41% Market Share<sup>1</sup>
- Volume: 121 kMT
- Revenues: US\$93 mm

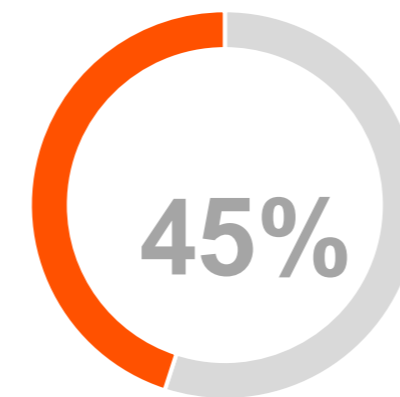
% GROSS PROFIT<sup>2</sup>



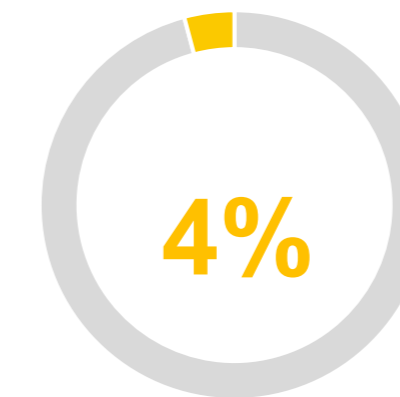
## LITHIUM AND DERIVATIVES



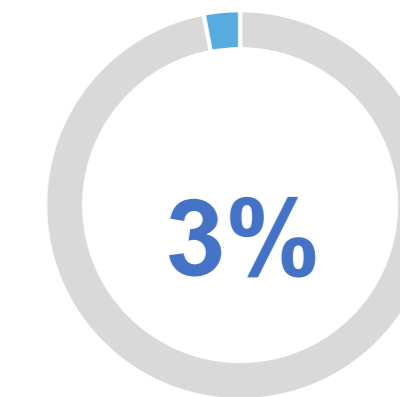
## SPECIALTY PLANTS NUTRITION



## IODINE AND DERIVATIVES



## POTASSIUM



## INDUSTRIAL CHEMICALS

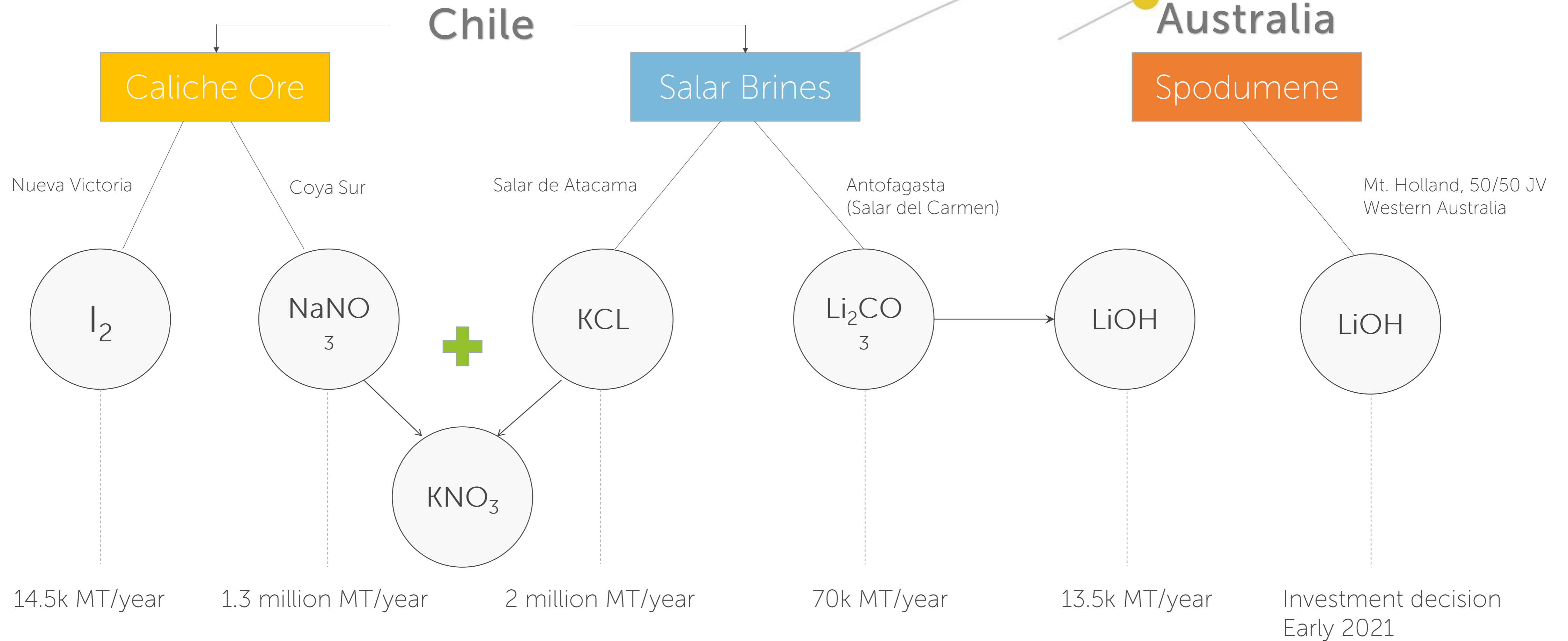
LTM Revenues: US\$1.8 billion | LTM Adjusted EBITDA<sup>3</sup>: US\$609 million | LTM Adjusted EBITDA Margin<sup>3</sup> : 33%

NFD/EBITDA: 1.3 | Moody's: Baa1 | Standard and Poor's: BBB+

<sup>1</sup> Volume and Revenue figures for the twelve months ended March 31, 2020. Market share as of December 31, 2019. Market share percentages have been developed by us using internal and external sources and reflect our best current estimates, which have not been confirmed by independent sources.

<sup>2</sup> Contribution to gross profit for the three months ended March 31, 2020.

<sup>3</sup> Adjusted EBITDA = gross profit - administrative expenses + depreciation and amortization. Adjusted EBITDA margin = Adjusted EBITDA/revenues.



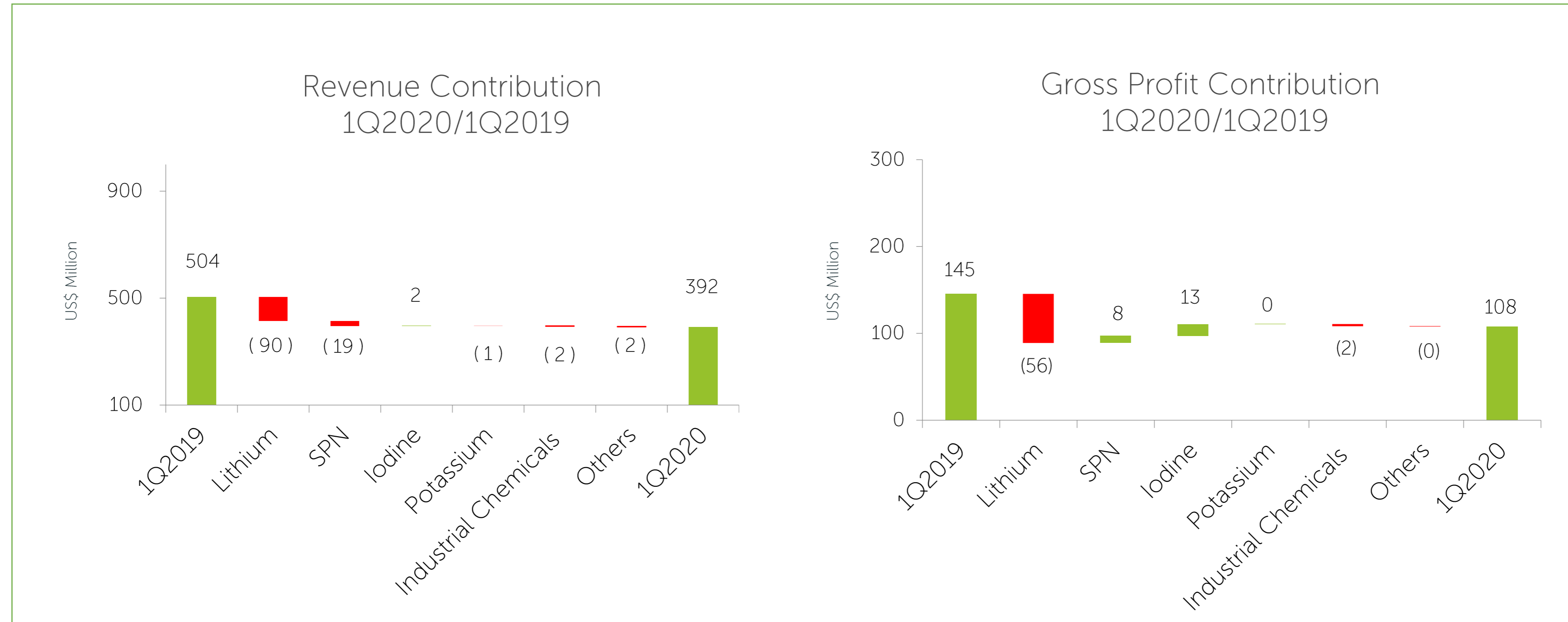
# Review of First Quarter 2020 Results

US\$ million	1Q2020	1Q2019	2020/2019
Revenues	392.0	504.2	-22.3%
Net Income	45.0	80.5	-44.1%
Adjusted EBITDA <sup>1</sup>	132.9	169.2	-21.4%
Adjusted EBITDA Margin <sup>1</sup>	33.9%	33.6%	1.0%
Earnings per share	0.17	0.31	-44.1%

- Focusing on wellbeing and health of our employees, their families and communities
- Continuing operating at full capacity
- Postponing non-essential maintenance and capex programs to keep to minimum the number of workers at our sites
- Maintaining Adj. EBITDA margins despite lower sales volumes and lower lithium prices

(1) Adj. EBITDA = Profit for the Year + Depreciation and Amortization Expenses + Finance Costs + Income Tax - Other income - Other gains (losses) - Share of Profit of associates and joint ventures accounted for using the equity method + Other expenses by function + Net impairment gains on reversal (losses) of financial assets - Finance income - Currency differences. Adj. EBITDA Margin = Adj. EBITDA / Revenues.

# Review of First Quarter 2020 Results

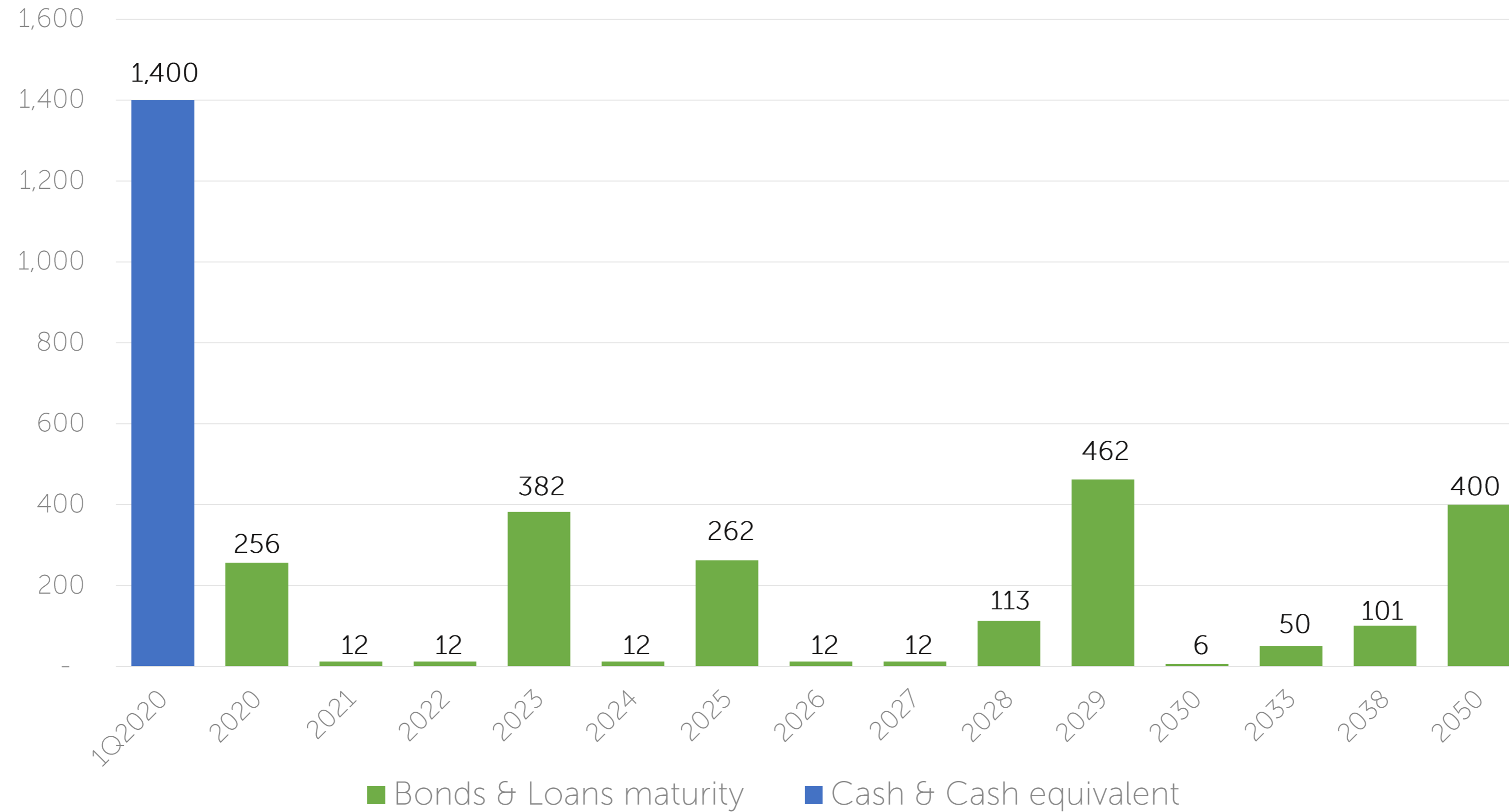


## 1Q2020 vs 1Q2019 Business line performance comparison

- Lithium: average price down ~48%, sales volumes down ~19%
- SPN: average price down ~2%, sales volumes down ~9%
- Iodine: average price up ~27%, sales volumes down ~20%
- Potassium: average price down ~5%, sales volumes up ~2%
- Industrial chemicals: average price down ~2%, sales volumes down ~12%

# Liquidity and Maturities

Cash and Maturity debt profile as of March 31, 2020  
(US\$ million)<sup>1</sup>



Net Financial Debt / Adj. EBITDA<sup>2</sup> – 1.32x  
 Liquidity – 3.24x  
 Leverage – 1.39x

<sup>1</sup> In April 2020, a 144A bond maturity of US\$250 million was paid.

<sup>2</sup> Adj. EBITDA = Profit for the Year + Depreciation and Amortization Expenses + Finance Costs + Income Tax – Other income – Other gains (losses) – Share of Profit of associates and joint ventures accounted for using the equity method + Other expenses by function + Net impairment gains on reversal (losses) of financial assets – Finance income – Currency differences. Adj. EBITDA Margin = Adj. EBITDA / Revenues.



In light of Covid-19, significant uncertainty and difficult to predict the future supply and demand of all markets. Sales volumes and average prices we previously estimated for all of our business lines may vary.

## Specialty Plant Nutrients & Potassium Chloride

- Market: Fertilizer markets deemed essential
- SQM: Significant KCL sales volumes in South America. Higher sales volumes expected sales in 2020 compared to 2019
- SQM: Important  $\text{KNO}_3$  sales in Mexico and USA

## Industrial Chemicals

- Market: A 50MW parabolic CSP plant with 7.5 hours of indirect storage requires ~30k MT of solar salts
- SQM: Sales volumes ~400k MT between 2020-2022, ~150k MT in 2020 (shipment started in Q2)



## Lithium

- Market: Demand growth impacted; market size could be similar to 2019
- SQM: Lower average prices in 2020 vs 2019. Sales volumes could be higher in remaining quarters of 2020 compared to Q1 (8.6k MT)

## Iodine

- Market: Growth led by X-ray contrast, LCD, pharmaceutical industry
- SQM: Prices Q12020 reached ~US\$35/kg. Lower sales volumes expected in 2020 compared to 2019

# Responsible management of natural resources

## Highlights

- ✓ SQM is working on almost quadrupling lithium production without extracting more brine from the Salar de Atacama.
- ✓ Significant capacity increase in nitrates and iodine will include development of a sea water project for 900 l/s of total capacity.
- ✓ We have implemented ongoing protection, monitoring and control plans to help protect the environment.



**Environmental management systems**

AT ALL PRODUCTION SITES



**100%**

OF WATER TREATED IN SQM SEWAGE TREATMENT PLANTS IS REINCORPORATED INTO ITS PRODUCTION PROCESSES



**95.8%**

OF THE ENERGY REQUIRED FOR OUR OPERATIONS IS SOLAR



**58%**

OF THE INDUSTRIAL WASTE GENERATED IS RECYCLED BY THE COMPANY



SUPPORTING OUR NEIGHBORS



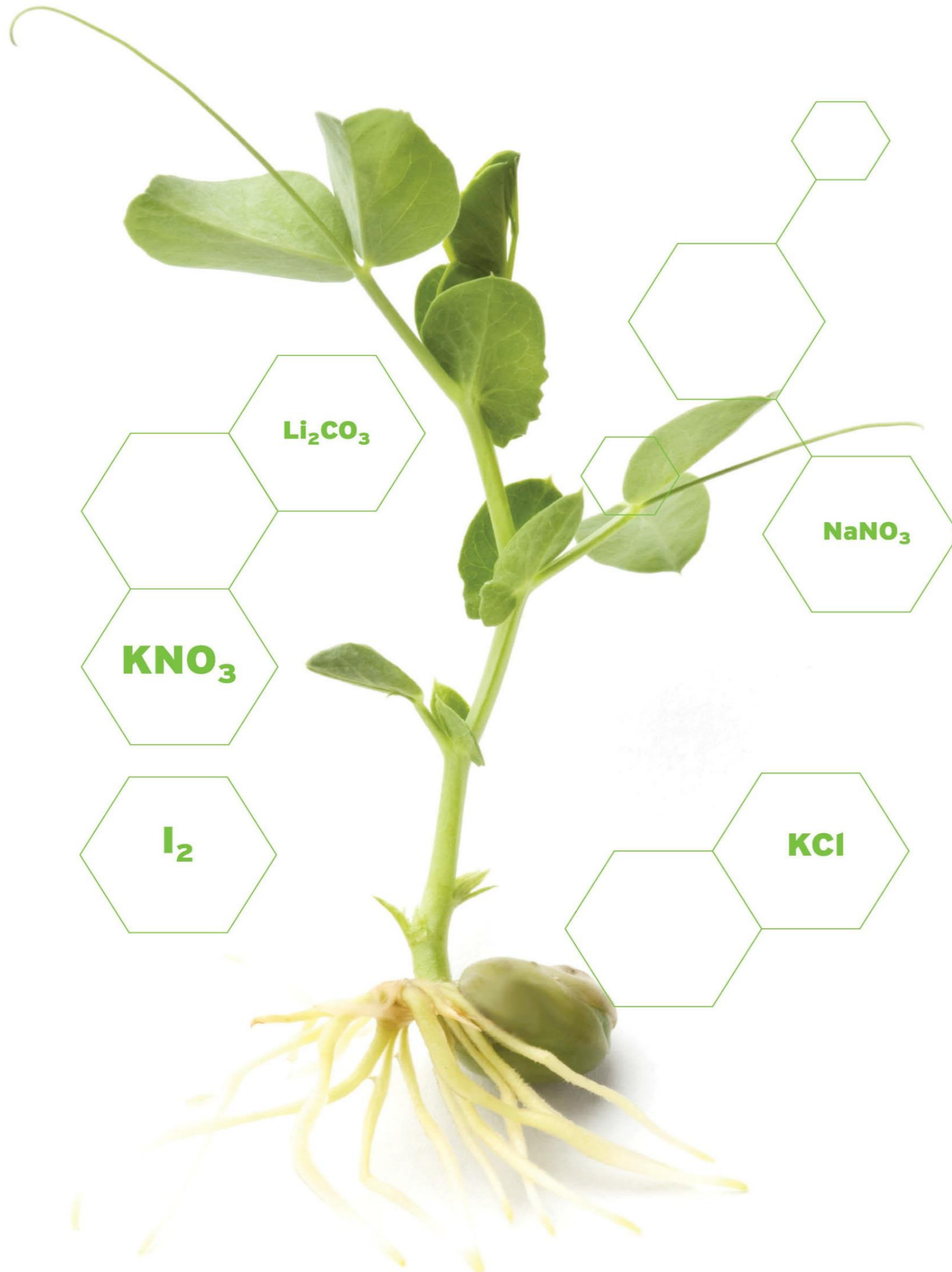
1,700 STUDENTS IN MATH ASSISTANCE PROGRAM

OVER 2,000 HOURS OF VOLUNTEER WORK



Solutions  
for human  
progress

## CAPEX: Sustainable organic growth and M&A



Adjusted<sup>1</sup> CAPEX 2020: ~US\$350 million

Historical Maintenance CAPEX: ~US\$100 million

Annual D&A expenses: ~US\$220 million

Ongoing projects:

Lithium Carbonate Expansion 70k to 120k MT to be completed in 2H2021

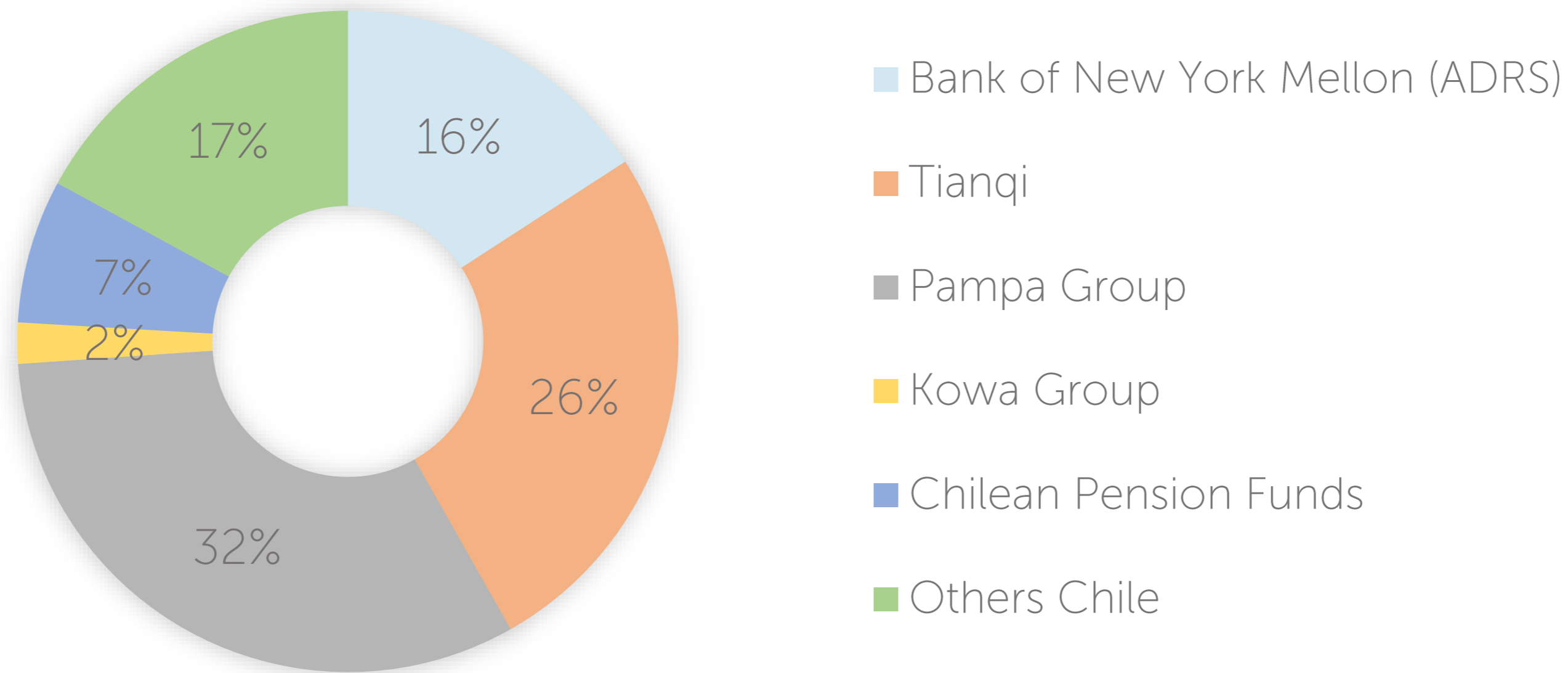
Lithium Hydroxide Expansion 13.5k to 21.5k MT to be completed in 2H2021

Nitrates and Iodine capacity expansions, including sea water pipeline

<sup>1</sup> Due to preventive measures against the spread of COVID-19, non-essential maintenance and investment projects have been postponed resulting in approximately US\$100 million in 2020 CAPEX reduction vs. previously announced amount.

# CAPEX: Sustainable organic growth and M&A

Ownership Structure<sup>1</sup>



Dividend Policy<sup>2</sup>

Dividend Payout (% of Net Income)	100%	80%	60%
$\frac{\text{Current Assets}}{\text{Current Financial Liabilities}} \geq$	2.5	2.0	1.5
$\frac{\text{Liabilities} - \text{Cash} - \text{Other Current Fin. Assets}}{\text{Equity}} \leq$	0.8	0.9	1.0

If none of the above parameters are met, dividend payout would be 50% of 2020 net income

<sup>1</sup>According to the Shareholder Registry as of March 31, 2020  
<sup>2</sup>Please see the full version on our website at [www.sqm.com](http://www.sqm.com)

## Payments<sup>1</sup>

Li <sub>2</sub> CO <sub>3</sub>		LiOH	
US\$/MT	% <sup>2</sup>	US\$/MT	% <sup>2</sup>
< 4,000	6.80	< 5,000	6.80
4,000 – 5,000	8.00	5,000 – 6,000	8.00
5,000 – 6,000	10.00	6,000 – 7,000	10.00
6,000 – 7,000	17.00	7,000 – 10,000	17.00
7,000 – 10,000	25.00	10,000 – 12,000	25.00
> 10,000	40.00	> 12,000	40.00

## Example

Lithium Average Price, US\$/MT	12,000	10,000	8,000
Lease Fee	% US\$/MT	% US\$/MT	% US\$/MT
Since April 10, 2018			
Li <sub>2</sub> CO <sub>3</sub>	18.1% 2,172	13.7% 1,372	10.9% 872
LiOH	12.8% 1,530	10.3% 1,030	8.6% 690
Original Agreement <sup>3</sup>			
Li <sub>2</sub> CO <sub>3</sub> , LiOH	6.8% 816	6.8% 680	6.8% 544

Source: Company.  
 (1) Effective as of April 10, 2018.  
 (2) % of final sale price  
 (3) % of FOB price

## Production Allowance

- Total production quota until 2030: 349,553 MT of LME
- Total in LCE: ~2.2 million MT

## Contribution to the Development & Communities

- Annual contribution of ~ US\$11-19 million for R&D efforts
- Annual contribution of ~ US\$10-15 million to neighboring communities of the Salar de Atacama
- Annual contribution of 1.7% of SQM Salar's sales per year to regional development

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