



# **CORPORATE PRESENTATION**

**March 2022**



## 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 release contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: “anticipate,” “plan,” “believe,” “estimate,” “expect,” “strategy,” “should,” “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements we make concerning the Company’s capital expenditures, financing sources, Sustainable Development Plan, business outlook, future economic performance, anticipated profitability, revenues, expenses, or other financial items, anticipated cost synergies and product or service line growth.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are estimates that reflect the best judgment of SQM management based on currently available information. Because forward-looking statements relate to the future, they involve a number of risks, uncertainties and other factors that are outside of our control and could cause actual results to differ materially from those stated in such statements, including our ability to successfully implement the Sustainable Development Plan. Therefore, you should not rely on any of these forward-looking statements. Readers are referred to the documents filed by SQM with the United States Securities and Exchange Commission, specifically the most recent annual report on Form 20-F, which identifies other important risk factors that could cause actual results to differ from those contained in the forward-looking statements. 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.

# Our commitment to Sustainability



Continental water reduction  
40% by 2030 and 65% by 2040.



Brine extraction reduction  
Reduce brine extraction by 50% by 2030.



Emissions reduction  
Carbon neutral in the lithium, potassium chloride and iodine products by 2030, and in all of our products by 2040.



Waste reduction  
50% by 2025



# Recent Achievements

- **Member of the** United Nations Global Compact, Global Battery Alliance, DJSI Chile y DJSI MILA Pacific Alliance. During the third quarter we submitted our first disclosure report under **CDP Climate change** guidance and started external audit under **IRMA**.
- In recent months, our environmental management system in our Port at Tocopilla was certified under **ISO 14,001**. We are working to certify in our Carmen Lithium facilities, Salar de Atacama and in Coya Sur during this year. Additionally, we are making progress in certifying our Occupational Health and Safety Management System under **ISO 45,001**.
- As part of **Race to Zero** initiative and our aim to reduce our logistics carbon footprint, we have established an ambitious agenda to develop high tonnage transportation via **electric trucks**. This agenda considers several pilots in 2022 of different trucks that will perform tests in our operations.



# SQM at a Glance: Business line Overview

**KEY FIGURES<sup>1</sup>**



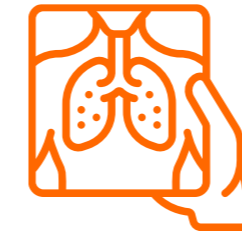
## LITHIUM AND DERIVATIVES

- ~19% Market Share<sup>1</sup>
- Volume: 101 kMT
- Revenues: US\$936 mm



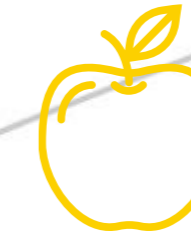
## SPECIALTY PLANTS NUTRITION

- ~51% Market Share<sup>1</sup>
- Volume: 1,155 kMT
- Revenues: US\$909 mm



## IODINE AND DERIVATIVES

- ~31% Market Share<sup>1</sup>
- Volume: 12 kMT
- Revenues: US\$438 mm



## POTASSIUM

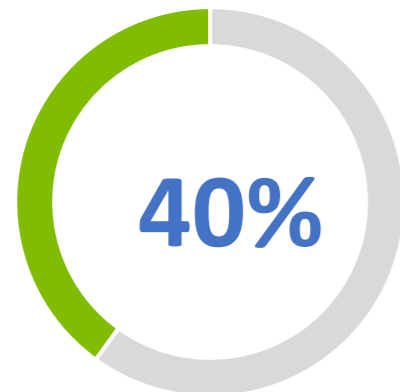
- ~1% Market Share<sup>1</sup>
- Volume: 893 kMT
- Revenues: US\$417 mm



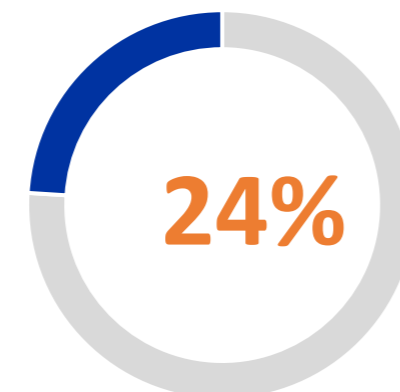
## INDUSTRIAL CHEMICALS

- ~71% Market Share<sup>1 2</sup>
- Volume: 175 kMT
- Revenues: US\$132 mm

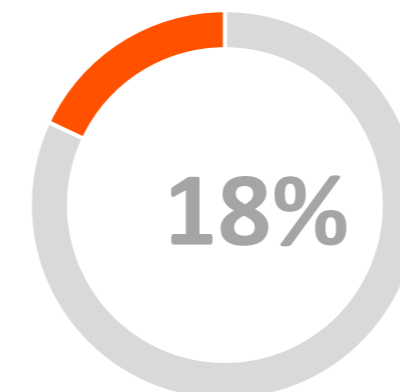
**% GROSS PROFIT<sup>3</sup>**



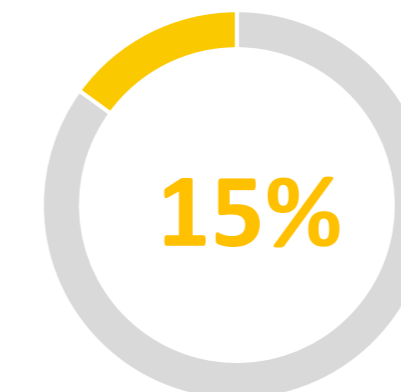
## LITHIUM AND DERIVATIVES



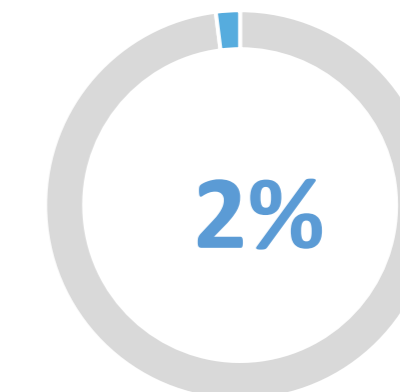
## SPECIALTY PLANTS NUTRITION



## IODINE AND DERIVATIVES



## POTASSIUM



## INDUSTRIAL CHEMICALS

**2021FY Revenues: US\$2.7 billion | 2021FY Adjusted EBITDA<sup>4</sup>: US\$1.2 billion | 2021FY Adjusted EBITDA Margin<sup>4</sup> : 41%**

**NFD/Adjusted EBITDA: 0.2x | Moody's: Baa1 | Standard and Poor's: BBB+**

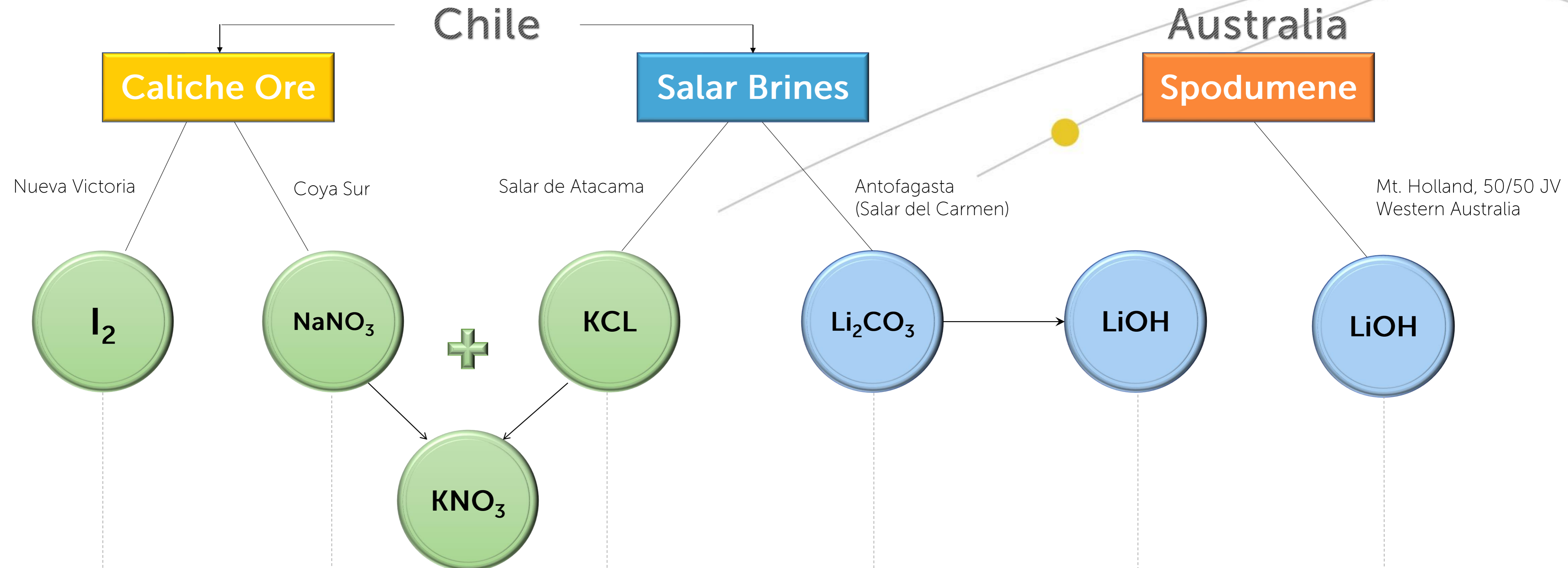
<sup>1</sup> Market share percentages have been developed by us using internal and external sources and reflect our best current estimates, which have not been confirmed by independent sources.

<sup>2</sup> Market share in the industrial potassium nitrate market as of December 31, 2021.

<sup>3</sup> Contribution to gross profit for the twelve months ended December 31, 2021.

<sup>4</sup> Adjusted EBITDA = gross profit - administrative expenses + depreciation and amortization. Adjusted EBITDA margin = Adjusted EBITDA/revenues.

# SQM at a Glance: Products & Capacities



| Expected Capacity: | I <sub>2</sub> | NaNO <sub>3</sub>   | KNO <sub>3</sub> | KCL               | Li <sub>2</sub> CO <sub>3</sub> | LiOH          | LiOH        |
|--------------------|----------------|---------------------|------------------|-------------------|---------------------------------|---------------|-------------|
| 2022               | 14.5k MT/year  | 1.3 million MT/year |                  | 2 million MT/year | 120k MT/year                    | 21.5k MT/year |             |
| 2023               | +1k MT/year    |                     |                  |                   | 180k MT/year                    | 30k MT/year   |             |
| 2024               | +2.5 MT/year   |                     |                  |                   | 210k MT/year                    | 40k MT/year   | 50k MT/year |

| US\$ million                              | 4Q2021       | 4Q2020      | 2021/2020   |
|---|--------------|-------------|-------------|
| <b>Revenue</b>                            | <b>1,084</b> | <b>514</b>  | <b>111%</b> |
| Lithium                                   | 453          | 137         | 231%        |
| SPN                                       | 268          | 179         | 50%         |
| Iodine                                    | 110          | 72          | 53%         |
| Potassium                                 | 209          | 66          | 214%        |
| Industrial Chemicals                      | 38           | 53          | -29%        |
| Other                                     | 7            | 6           | 12%         |
| <b>Gross Profit</b>                       | <b>543</b>   | <b>133</b>  | <b>310%</b> |
| <b>Net Income</b>                         | <b>322</b>   | <b>67</b>   |             |
| <b>Adjusted EBITDA<sup>1</sup></b>        | <b>560</b>   | <b>146</b>  | <b>283%</b> |
| <b>Adjusted EBITDA Margin<sup>1</sup></b> | <b>52%</b>   | <b>28%</b>  |             |
| <b>Earnings per share<sup>2</sup></b>     | <b>1.13</b>  | <b>0.25</b> |             |

## Key drivers:

- Higher sales volumes in lithium, iodine and potassium business lines in 4Q21 vs 4Q20.
- Significantly higher average prices in all of our business lines in 4Q21 when compared to 4Q20, with over 150% higher average prices in lithium and potassium business lines, and almost 40% higher average prices in SPN business line.
- Lower sales volumes of solar salts resulted in a decrease of 4Q21 vs 4Q20 revenues for Industrial Chemicals business line.

(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.

(2) The earnings per share for the fourth quarter 2020 were calculated with 263,196,524 shares while earnings per share for the fourth quarter 2021 were calculated with 285,638,456, following a capital increase which we completed during April 2021.

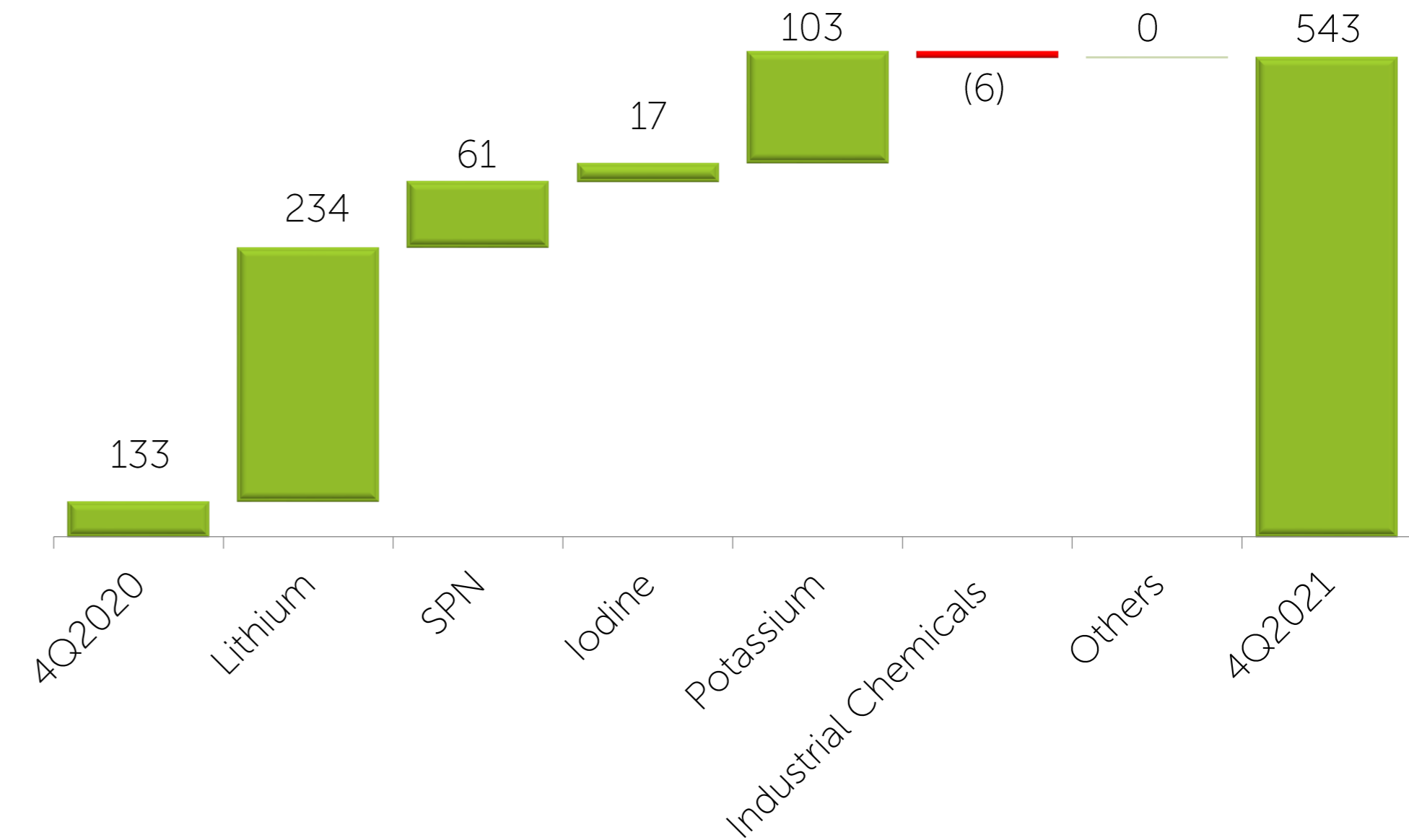
# 4Q2021 vs 4Q2020 Business line performance comparison

## Price vs Sales Volumes Variations

| Variations           | Average Price | Sales Volumes |
|----------------------|---------------|---------------|
| Lithium              | ↑ 174%        | ↑ ~21%        |
| Iodine               | ↑ ~13%        | ↑ ~35%        |
| SPN                  | ↑ ~39%        | ↑ ~8%         |
| Industrial Chemicals | ↑ ~16%        | ↓ ~39%        |
| Potassium            | ↑ ~153%       | ↑ ~25%        |

## Gross Profit Contribution 4Q2021/4Q2020

US\$ million





## Global Lithium Chemical Market

- Lithium market demand growth:
  - ~ 55% in 2021
  - ~ 30% in 2022
- Strong demand growth and tight supply are pushing prices to levels not seen before.
- We expect market to grow at least 30% in 2022 and we believe it could reach 1 million metric tons earlier than previously anticipated.

## SQM lithium 2022

- Expected sales volumes of ~140,000 tons for 2022.
- 2022 sales contracts: 20% contracted at fix or variable price with ceiling, 50% contracted at variable price and 30% not contracted.



## Global Iodine Market

- Significant market demand recovery with ~12% growth in 2021. We expect the market to grow approximately 1% in 2022.
- Market remains tight with increased pressure on prices

## SQM Iodine & Derivatives

- 2021 and 2022 sales volumes to be similar.
- Average prices could further increase in 2022 from levels seen during 4Q2021.
- We are working on iodine capacity expansions, which will let us add additional 1,000 metric tons in the beginning of 2023, followed by another 2,500 metric tons in 2024.



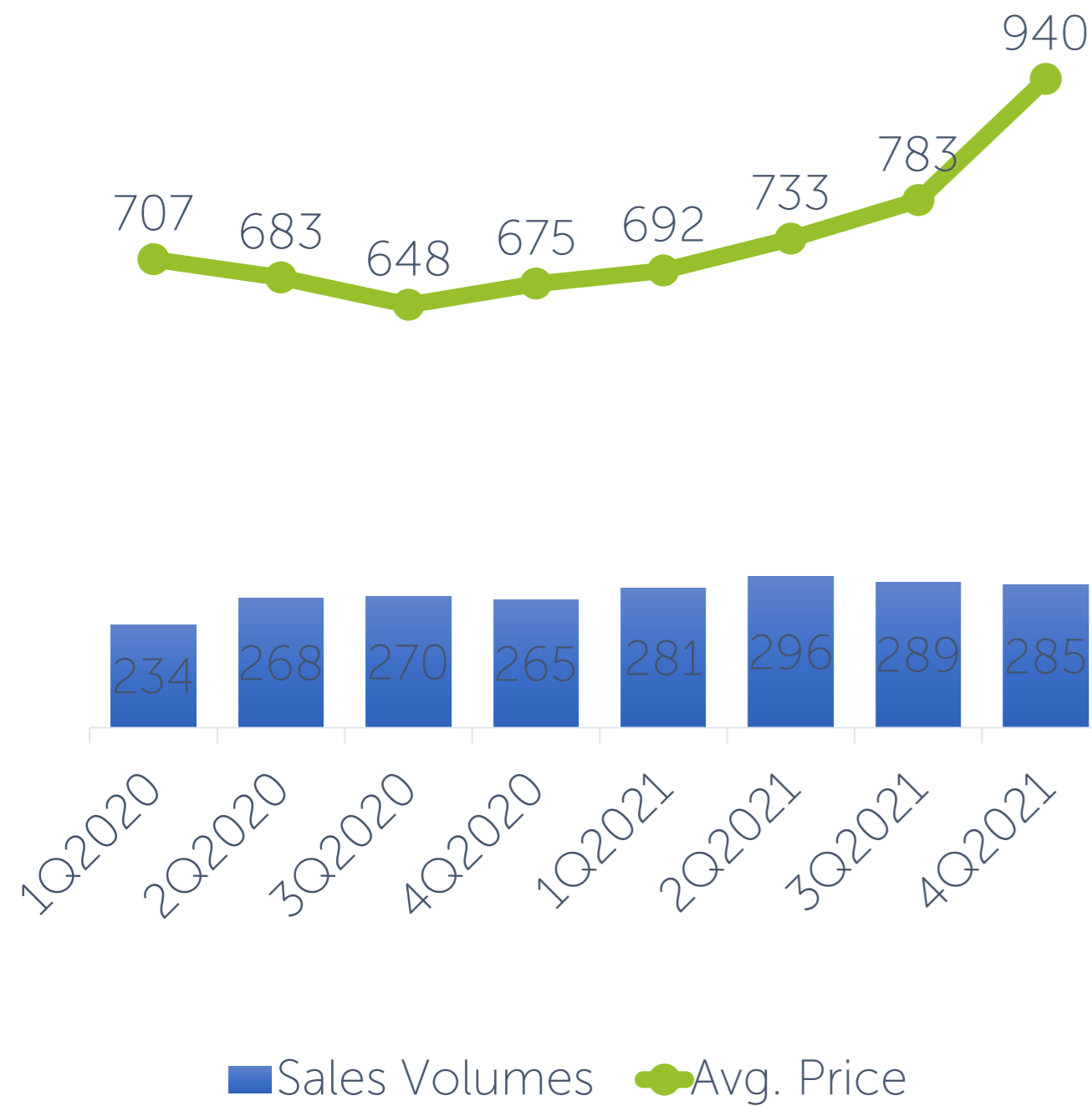
## Global KNO<sub>3</sub> & Potash Market

- A shortage of potash and potassium-based fertilizers globally led to a significant price increase for potassium-based products during 2021.
- Due to current macroeconomic factors, it is difficult to estimate the overall potassium and KNO<sub>3</sub> market growth this year.

## SQM SPN & Potassium

- Expect similar 2021 and 2022 sales volumes in SPN business line
- Potassium chloride and potassium sulfate sales volumes could reach 750,000 metric tons.
- Higher average prices in 2022 expected.

SPN Quarterly Sales Volumes (kMT) & Average Price (US\$/MT)

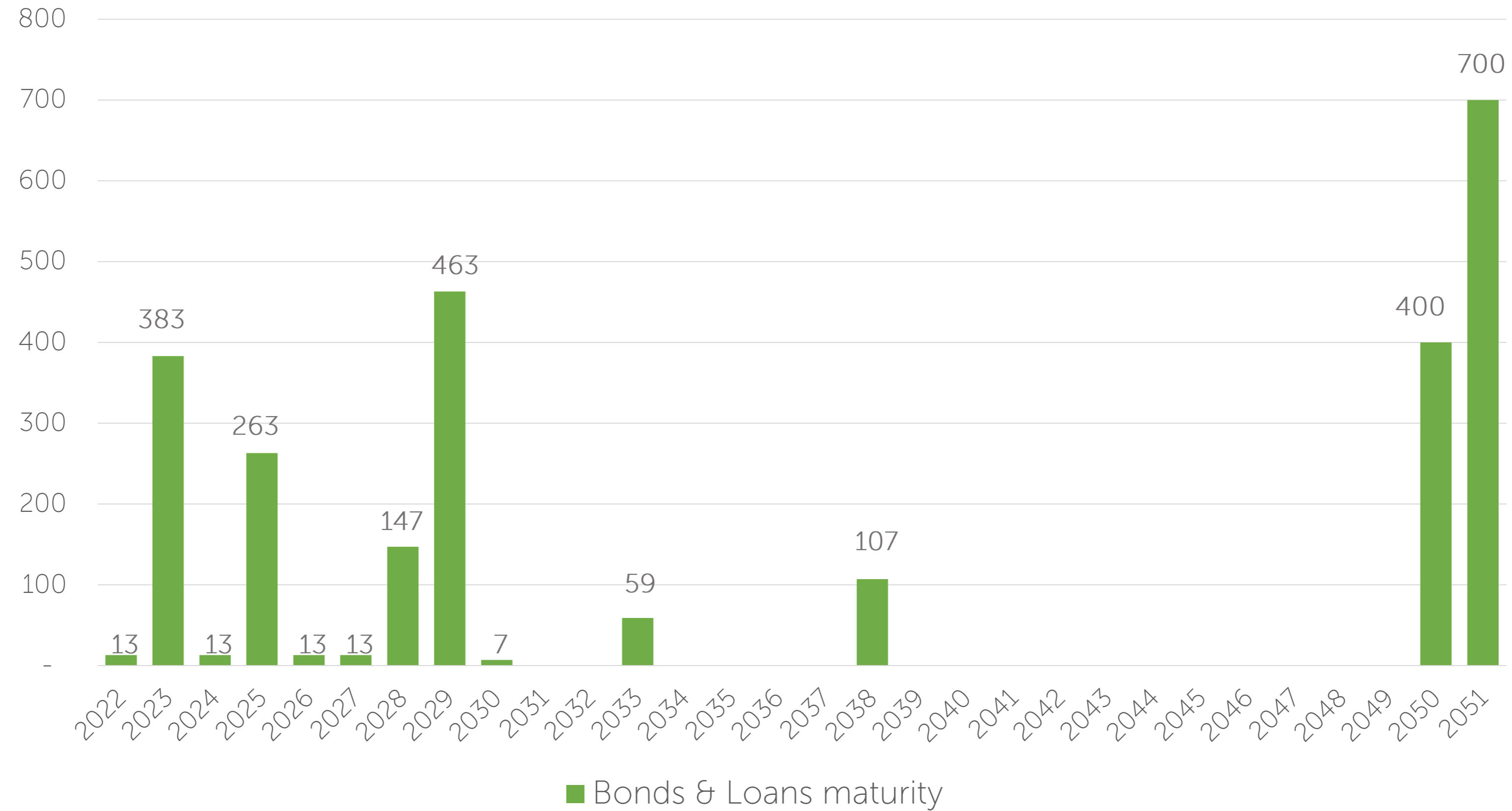


Potassium Quarterly Sales Volumes (kMT) & Average Price (US\$/MT)



# Debt Maturities

Maturity debt profile as of December 31, 2021  
(US\$ million)



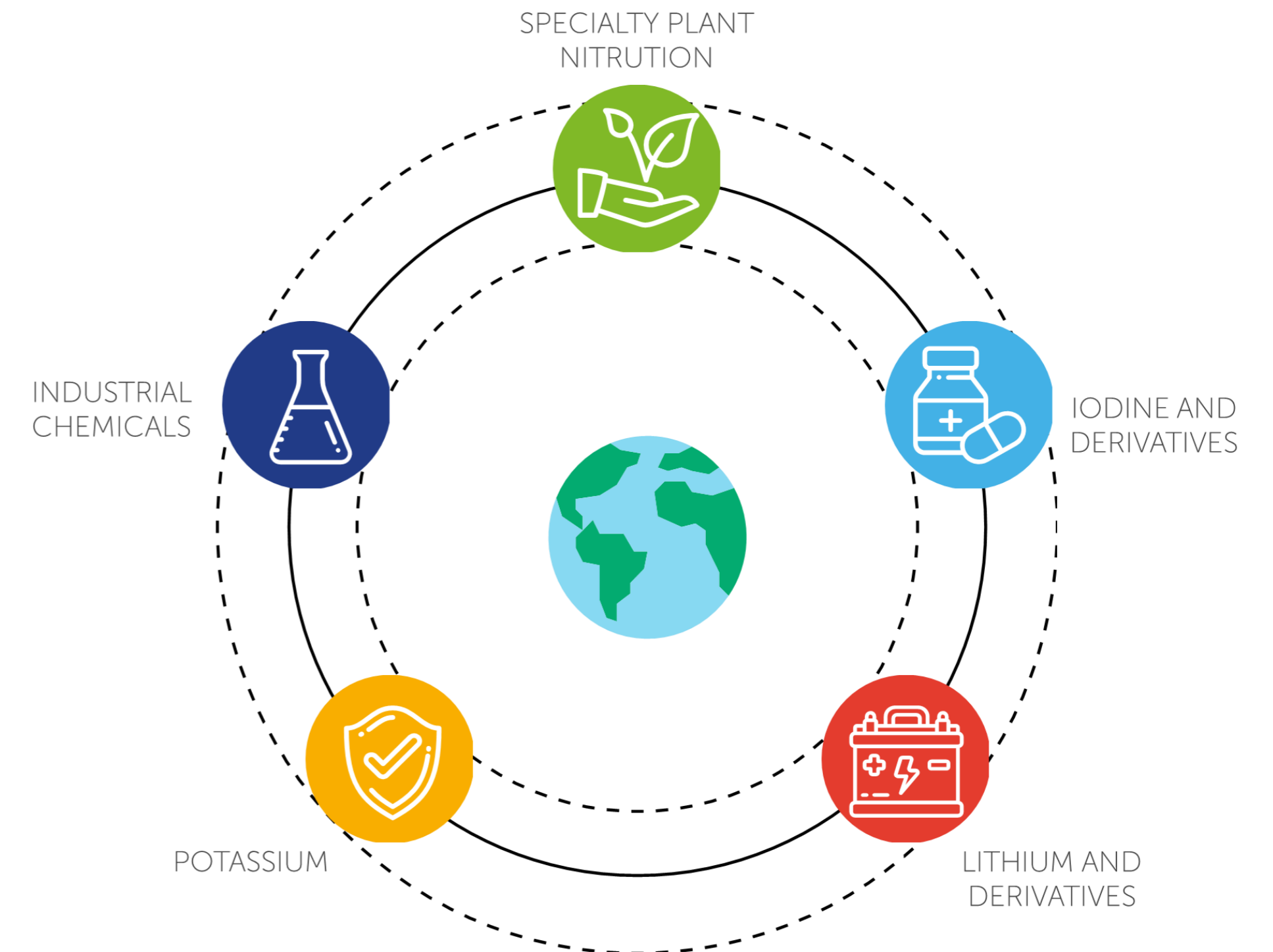
Net Financial Debt / Adj. EBITDA<sup>1</sup> – 0.2x  
 Liquidity – 4.6x  
 Net Financial Debt / Equity – 0.1x

<sup>1</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.

## Projects in development 2022-2024:

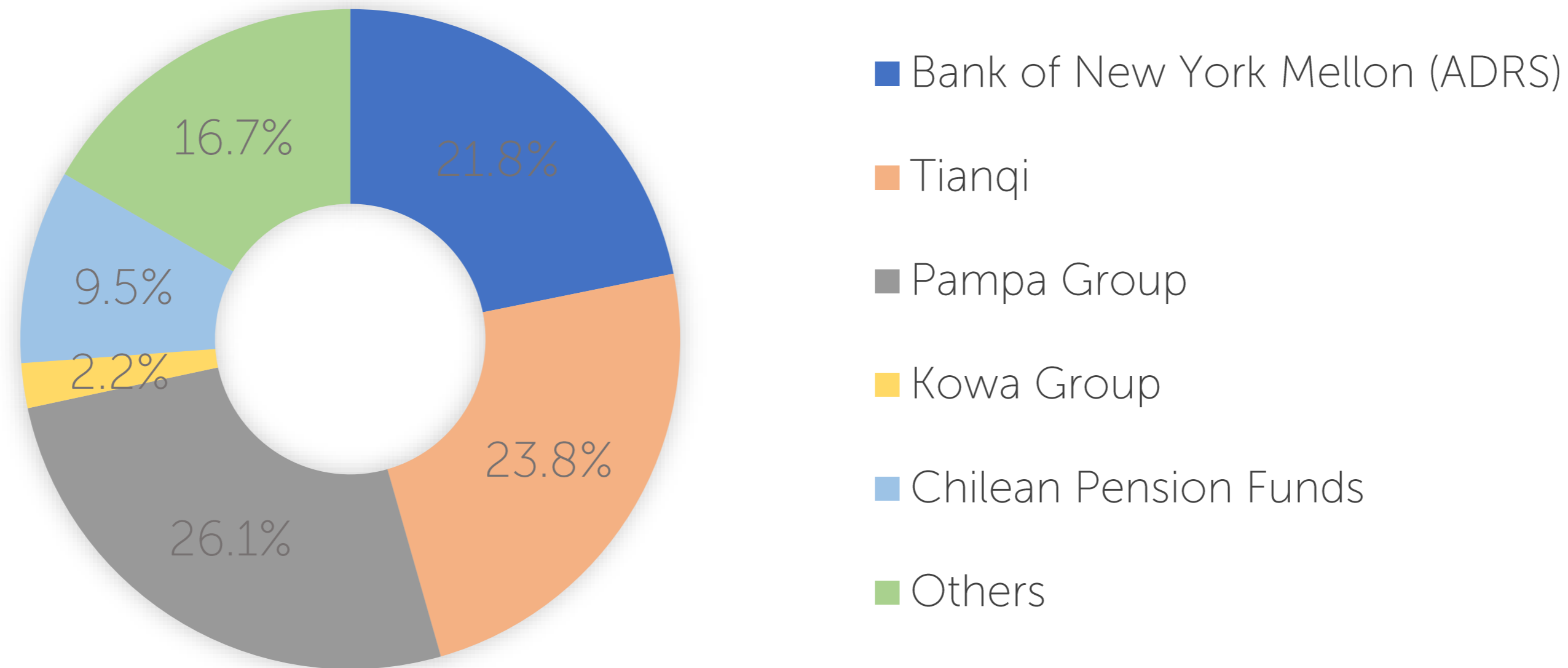
- Mt. Holland project, total CAPEX of ~US\$700 million
- Carmen Lithium Plant expansions to reach 210,000 MT and 40,000 MT of lithium carbonate and lithium hydroxide capacity, respectively, total CAPEX of ~US\$250 million
- Pampa Orcoma project to add 2,500 MT of iodine capacity and 320,000 MT of nitrates salts

2022 total CAPEX: ~US\$900 million



# Ownership & Dividends

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  |
| $\frac{\text{Liabilities} - \text{Cash} - \text{Other Current Fin. Assets}}{\text{Equity}} \leq$ | 0.85 | 0.95 | 1.05 |

If none of the above parameters are met, dividend payout would be 50% of 2021 net income

<sup>1</sup>According to the Shareholder Registry as of December 31, 2021

<sup>2</sup>Please see the full version on our website at [www.sqm.com](http://www.sqm.com)

# Agreement with CORFO

## Payments<sup>1</sup>

| Li <sub>2</sub> CO <sub>3</sub> |                | LiOH            |                | KCL       |                |
|---------------------------------|----------------|-----------------|----------------|-----------|----------------|
| US\$/MT                         | % <sup>2</sup> | US\$/MT         | % <sup>2</sup> | US\$/MT   | % <sup>2</sup> |
| < 4,000                         | 6.8            | < 5,000         | 6.8            | <300      | 3.0            |
| 4,000 – 5,000                   | 8.0            | 5,000 – 6,000   | 8.0            | 300 – 400 | 7.0            |
| 5,000 – 6,000                   | 10.0           | 6,000 – 7,000   | 10.0           | 400 – 500 | 10.0           |
| 6,000 – 7,000                   | 17.0           | 7,000 – 10,000  | 17.0           | 500 – 600 | 15.0           |
| 7,000 – 10,000                  | 25.0           | 10,000 – 12,000 | 25.0           | >600      | 20.0           |
| > 10,000                        | 40.0           | > 12,000        | 40.0           |           |                |

## Example

| Lithium Average Price, US\$/MT  | \$25,000 |         | \$20,000 |         | \$15,000 |         |
|---------------------------------|----------|---------|----------|---------|----------|---------|
| Total Lease Fee Paid            | %        | US\$/MT | %        | US\$/MT | %        | US\$/MT |
| Li <sub>2</sub> CO <sub>3</sub> | 29.5%    | \$7,372 | 26.9%    | \$5,372 | 22.5%    | \$3,372 |
| LiOH                            | 26.9%    | \$6,730 | 23.7%    | \$4,730 | 18.2%    | \$2,730 |
| Potassium Price, US\$/MT        | \$700    |         | \$500    |         | \$400    |         |
| Total Lease Fee Paid            | %        | US\$/MT | %        | US\$/MT | %        | US\$/MT |
| KCL                             | 8.7%     | \$61    | 5.2%     | \$26    | 4.0%     | \$16    |

## 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

- Gerardo Illanes:  
CFO  
[gerardo.illanes@sqm.com](mailto:gerardo.illanes@sqm.com)
- Kelly O'Brien:  
Head of Investor Relations  
[kelly.obrien@sqm.com](mailto:kelly.obrien@sqm.com)
- Irina Axenova:  
Investor Relations  
[irina.axenova@sqm.com](mailto:irina.axenova@sqm.com)



## Contact information

