



SQM

THIRD QUARTER 2017 RESULTS



# Important Notice

## SQM

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.

# SQM at a Glance

Revenue LTM<sup>1</sup>: US\$2.1 billion | EBITDA LTM: US\$892 million | EBITDA Margin LTM: ~ 42%

NFD/EBITDA: .3 | Moody's: Baa1 | Standard and Poor's: BBB

## FERTILIZERS



Potassium



Specialty Plant Nutrients

## SPECIALTY CHEMICALS



Iodine & Derivatives

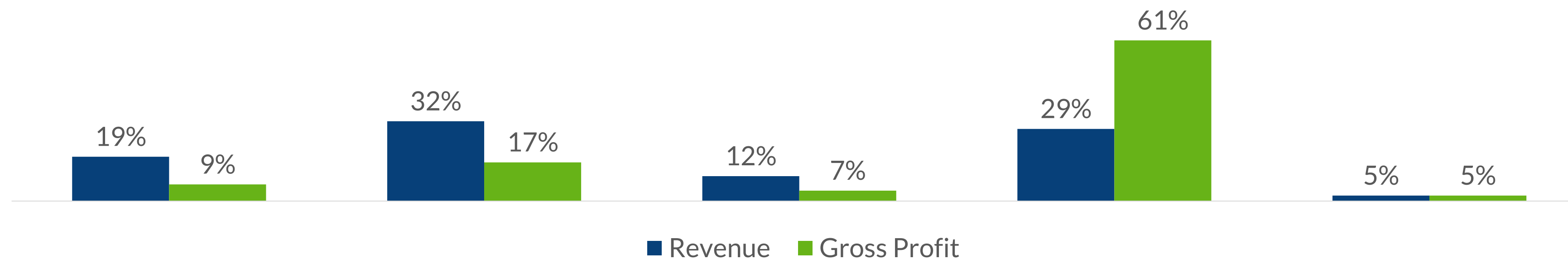


Lithium & Derivatives



Industrial Chemicals

### Contribution to Revenue vs. Gross Profit 9M2017<sup>2</sup>

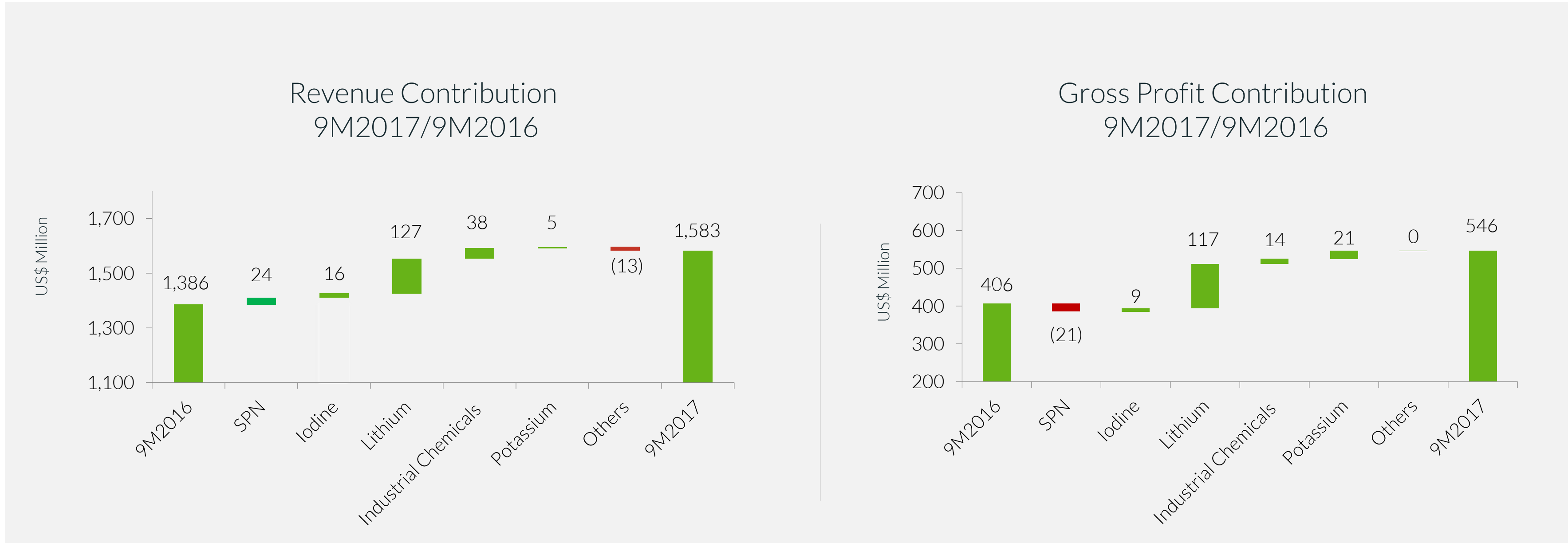


<sup>1</sup> Twelve months ended September 30, 2017

<sup>2</sup> Excluding "Others"

# Review of Results

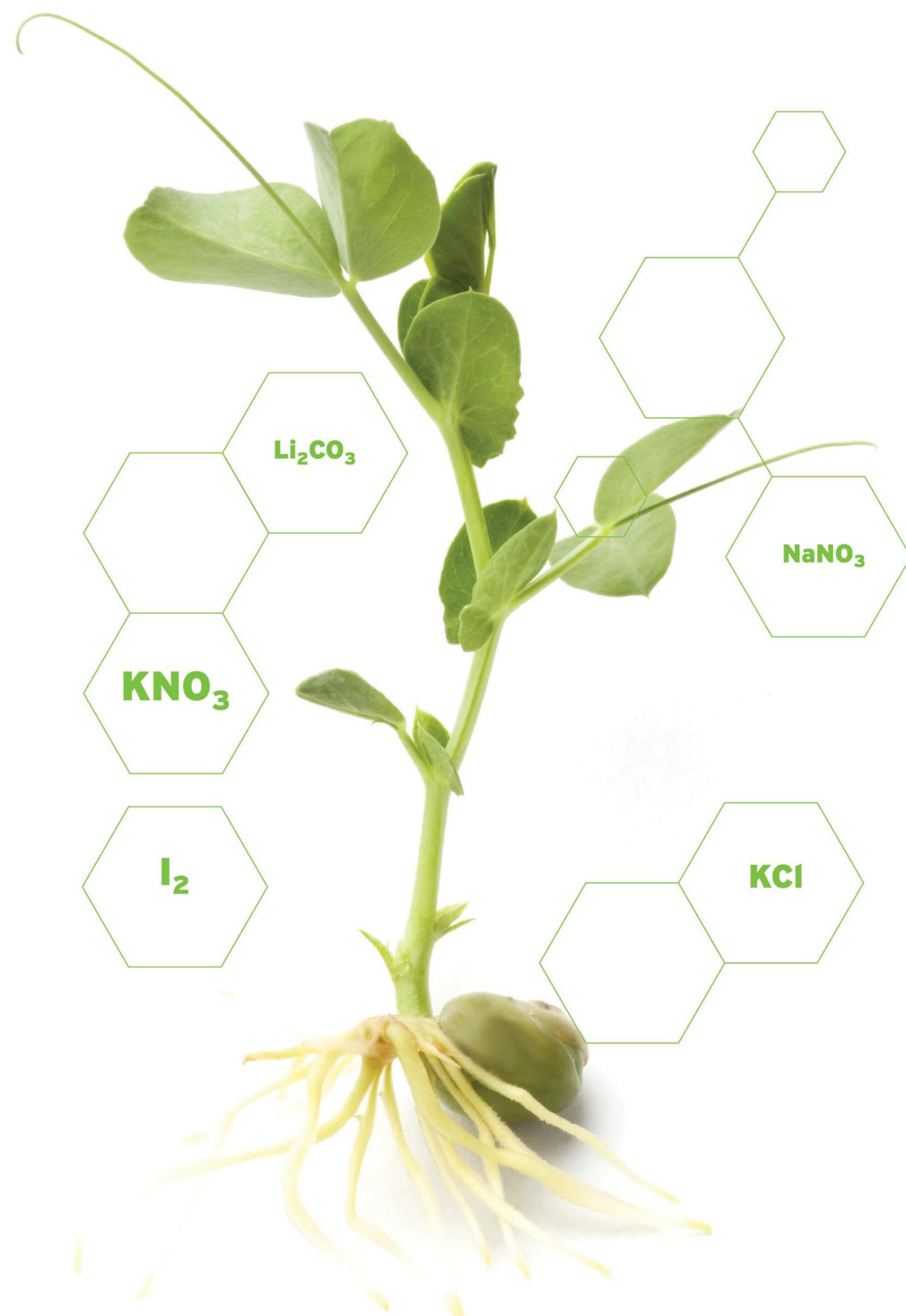
	SPN	Iodine	Lithium	I.Chem.	Potassium
P	↓	↓	↑	↓	↑
Q	↑	↑	↑	↑	↓



Impact of higher volumes outweighs lower prices in iodine and industrial chemical business lines. Prices increased in lithium and potassium business lines.

# Market Outlook

- **Lithium Market:** Strong market growth (~14%) in 2017, prices have continued to increase and we expect higher prices in 4Q2017. Demand could surpass 500k MT by 2025, driven by increased EVs penetration.
- **Iodine Market:** Increased sales volumes in 2017 (~15%) with total sales volumes for 2017 to be more than 12k MT. Prices stabilized at US\$20/kg and have been showing a slight recovery during 3Q2017.
- **Potassium Nitrate:** Increased demand and decreased supply resulted in the strongest sales volumes during first nine months of 2017. Prices remain relatively flat.
- **Potassium Market:** Average price showed slight increase in 9M2017 compared to 9M2016, flat prices for the rest of 2017. Demand is expected to reach ~63 million MT/year in 2017.
- **Solar Salts:** Higher sales volumes expected in 2017 of ~ 90K MT/year



# Capex

**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

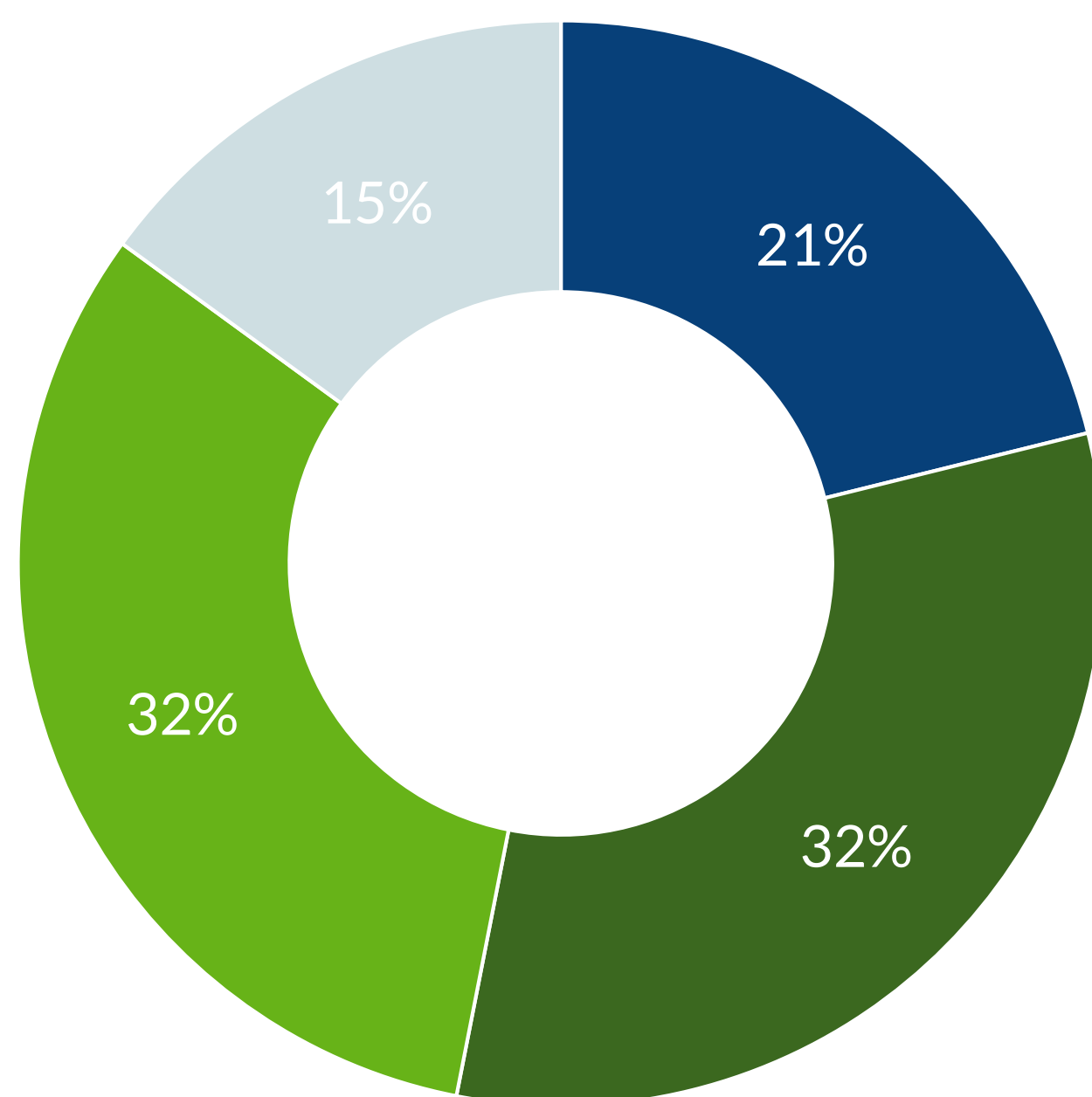
**2016-2019** (first stage 25k MT): Chaucharí - Olaroz project in Argentina - ~US\$425 million + ~US\$250 million (pre VAT) for stages I and II, respectively. (50/50 JV: SQM will be responsible for 50% of the investment).

**2017-2022:** Mt. Holland project in Australia (50/50 JV, 40k MT) ~US\$110 million initial stage, total investment TBD

**Historical Maintenance CAPEX:** ~US\$100 million

# Other Relevant Topics

## Ownership Structure<sup>1</sup>



- Bank of New York (ADRS)
- Potash Corp
- Pampa Group and Kowa Group
- Other Chile

## Dividend Policy<sup>2</sup>

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

<sup>1</sup>As of September 30, 2017

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



# SQM

## CONTACT INFORMATION:

- Gerardo Illanes: VP of Finance  
[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)