



# SQM

November 2016

Third Quarter Earnings Presentation / 2016



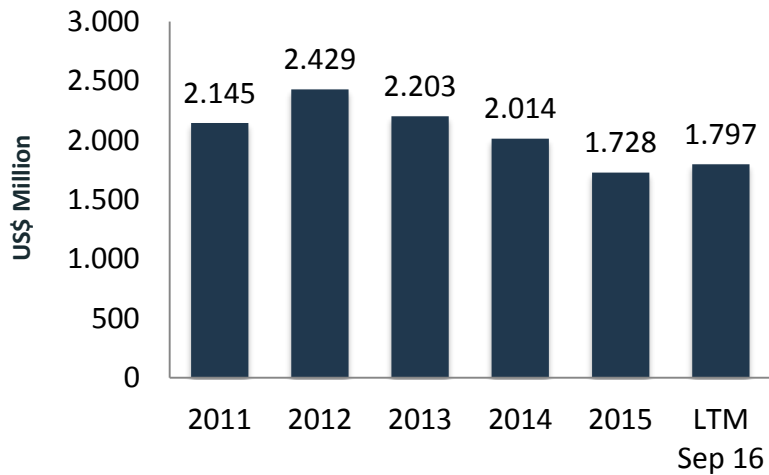
## ► Important Notice

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.

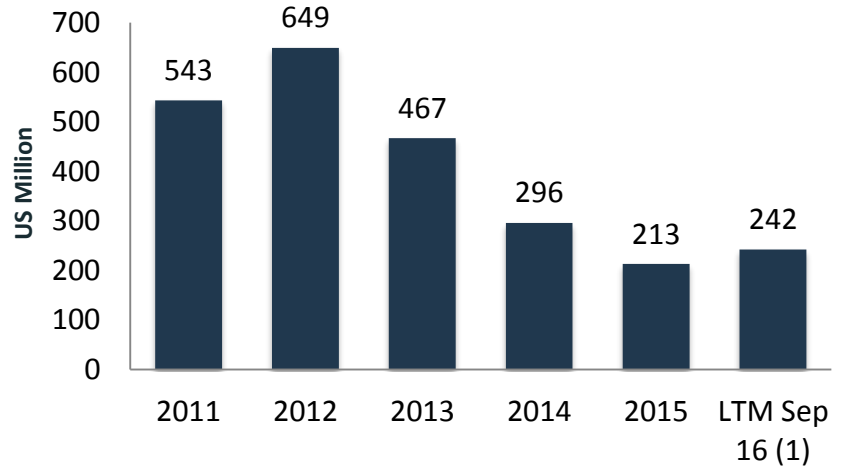
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## Revenues



## Net Income



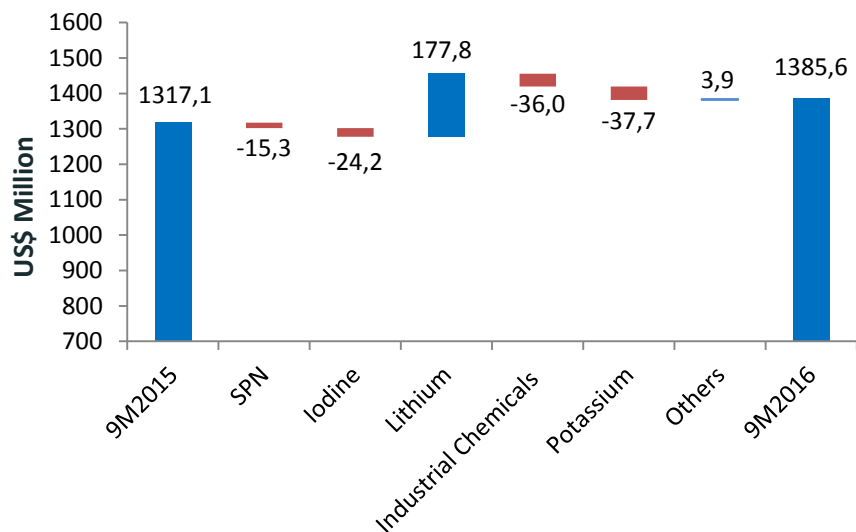
- ✓ Higher sales volumes in 2016 help to stabilize revenues, but lower fertilizer and iodine prices put margins under pressure
- ✓ Significantly higher volumes and prices in lithium business

(1) Net income for LTM September 2016 includes one-time charge of US\$32.8 million related to stopping of our train that runs between Coya Sur and Tocopilla

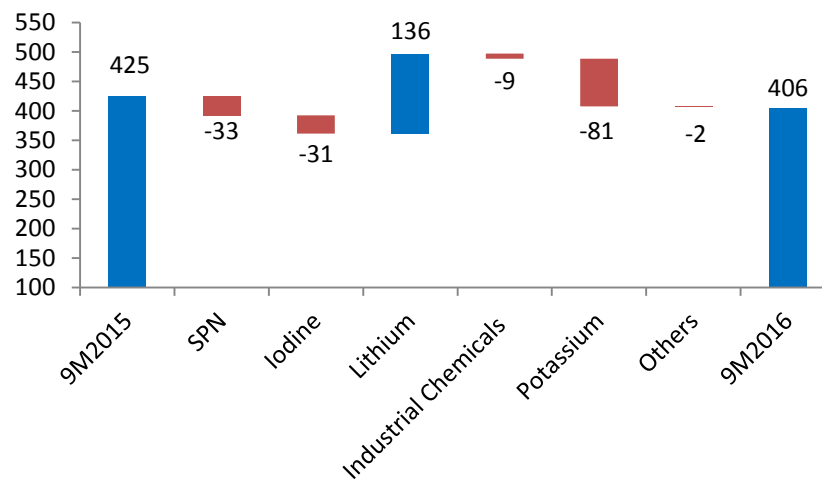


# Results

## Revenue Contribution 9M2016/9M2015



## Gross Profit Contribution 9M2016/9M2015



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

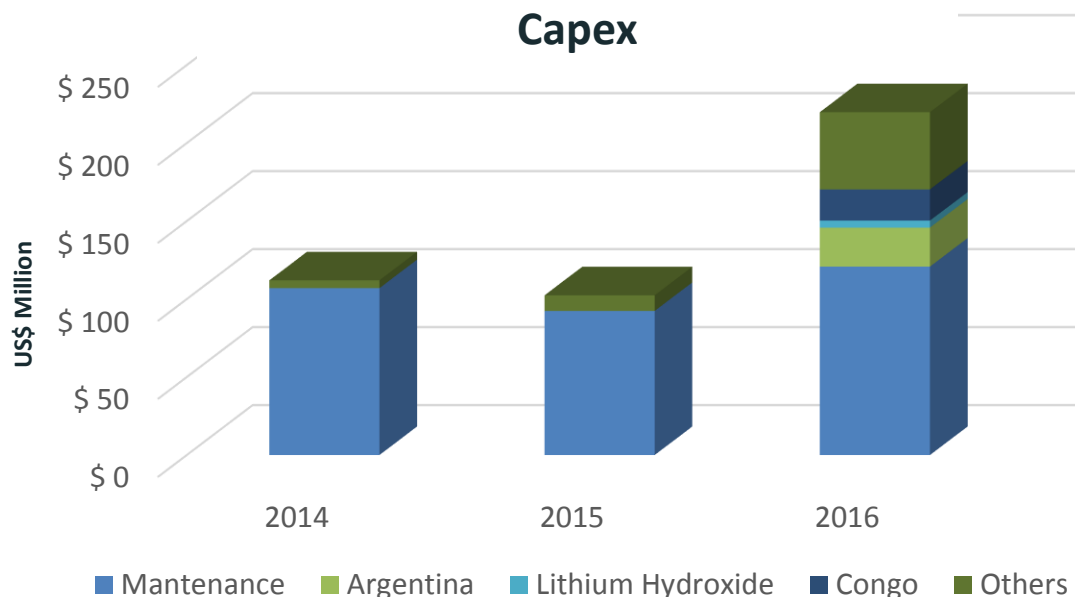
✓ Impact of lower pricing outweighs higher volumes in most business lines



## ▶ Market Outlook

- ✓ Potash Market: Some slight price recovery currently, following closure of contracts between larger producers and China
- ✓ Potassium Nitrate: Growth in water soluble segment; prices under pressure
- ✓ Iodine Market: Demand growth ~2% in 2016; prices remain under pressure
- ✓ Lithium Market: Strong market growth (~12-13%) and higher prices. Growth going forward 8-10%
- ✓ Solar Salts: Most 2016 sales volumes to be delayed to 2017

## ▶ Capital Expenditures



✓ Historical maintenance Capex ~US\$100 million

### Growth Plans

- ✓ **2016:** ~US\$20 investment in Elemental Minerals
- ✓ **2016-2017:** Lithium Hydroxide Expansion: ~US\$30 million
- ✓ **2016-2018:** Potassium Nitrate Expansion: ~US\$140 million
- ✓ **2016-2019 (first stage):** 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 capex)



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