



## Third Quarter Earnings Conference Call

**Santiago, Chile, November 23, 2018** –Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM; Santiago Stock Exchange: SQM-B, SQM-A) held a conference call to discuss the third quarter 2018 results, which were published on November 21, 2018. The following items were discussed by executive management as part of the conference call:

We posted our results for the third quarter; our net income reached US\$83.5 million. This is a decrease compared to the same period last year, and as anticipated, was mainly due to lower lithium sales volumes from production and logistics issues in Chile.

As mentioned in the press release published last night, the first stage of our major lithium expansion is allowing us to increase lithium capacity in Chile by almost 50%. This project was planned with a quick time frame and a very low capex. The ramp-up of the overhaul and expansion of the lithium carbonate plant has confronted difficulties. This has led to production short falls, and impacted our sales volumes in the third quarter. We continue to work diligently and are advancing towards a solution for these production issues. We will solve these problems, and we will reach the 70,000 MT/year name plate capacity in the near term. We believe fourth quarter sales volumes will be significantly higher than the third quarter, but less than originally expected, letting us reach approximately 45,000 MT this year. The lithium hydroxide expansion is ramping up as planned without issues. Lithium costs in the third quarter were impacted by higher rent payments to CORFO, fixed costs being distributed over less sales volumes and a slight increase in the production costs.

The markets in which we participate remain strong. We reiterate that 2018 lithium market demand is exceeding expectations, and believe it will surpass 25% growth this year. Along with this stronger demand, various lithium projects have seen delays in recent months. These two factors have contributed to flat prices in the third quarter when compared to the previous quarter of this year. In the iodine market, prices increased to almost US\$25/kg in the third quarter, exceeding expectations, and we are on track to report record sales volumes for the year. Finally, in the potassium nitrate market, we believe market growth will surpass 6% this year, this was reflected in our strong sales volumes reported for the first nine months of the year. Higher sales volumes in potassium nitrate, which uses potassium chloride as a raw material, combined with a focus on lithium production in the Salar de Atacama will impact potassium chloride sales volumes in the short term, which could be around 200-300k MT.



## About SQM

SQM's business strategy is to be a global company, with people committed to excellence, dedicated to the extraction of minerals and selectively integrated in the production and sale of products for the industries essential for human development (e.g. food, health, technology). This strategy was built on the following five principles:

- ensure availability of key resources required to support current goals and medium and long-term growth of the business;
- consolidate a culture of lean operations (M1 excellence) through the entire organization, including operations, sales and support areas;
- significantly increase nitrate sales in all its applications and ensure consistency with iodine commercial strategy;
- maximize the margins of each business line through appropriate pricing strategy;
- successfully develop and implement all lithium expansion projects of the Company, acquire more lithium and potassium assets to generate a competitive portfolio.

These principles are based on the following key concepts:

- strengthen the organizational structure to support the development of the Company's strategic plan, focusing on the development of critical capabilities and the application of the corporate values of Excellence, Integrity and Safety;
- develop a robust risk control and mitigation process to actively manage business risk;
- improve our stakeholder management to establish links with the community and communicate to Chile and worldwide our contribution to industries essential for human development.

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## Cautionary Note Regarding Forward-Looking Statements

This news 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 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. 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 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.