



SQM

May 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.

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.



1

INVESTMENT
HIGHLIGHTS



► SQM at a Glance

World Leader in Specialty Businesses: Potassium Nitrate, Iodine, Lithium & Solar Salts

✓ Financial Profile

- ✓ Revenue LTM⁽¹⁾ : US\$ 1.7 billion
- ✓ EBITDA⁽²⁾ LTM : US\$ 703 million
- ✓ EBITDA Margin LTM : ~ 41%

(1) LTM: Twelve months ended March 31, 2016
 (2) EBITDA: gross profit – SGA + depreciation & amortization

✓ Healthy Credit Metrics

- ✓ Debt/Equity Ratio: .93
- ✓ NFD/EBITDA LTM .71
- ✓ Moody's: Baa1
- ✓ Standard and Poor's BBB

FERTILIZERS



Potassium



Specialty Plant
Nutrients



Iodine &
Derivatives



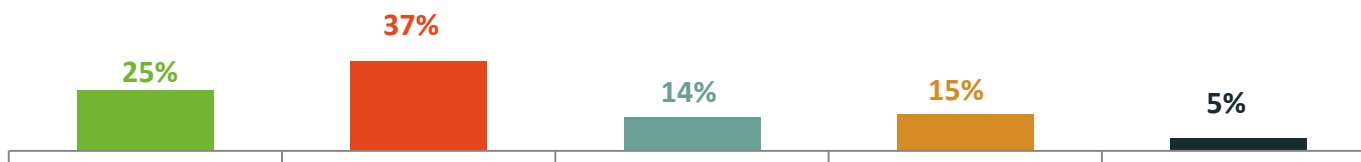
Lithium &
Derivatives



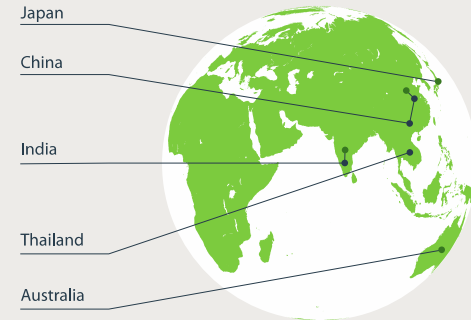
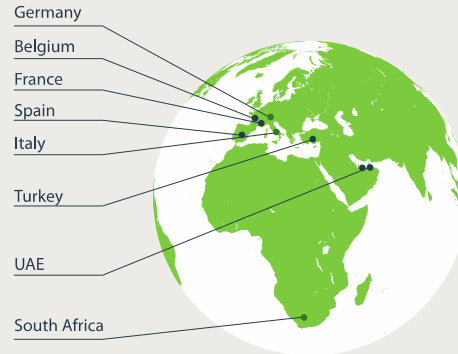
Industrial
Chemicals

SPECIALTY CHEMICALS

Contribution to Revenue LTM



► Diverse Operations



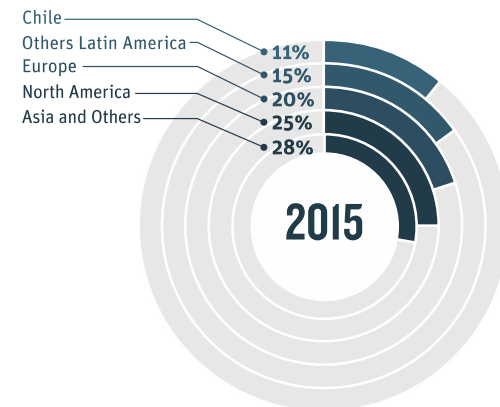
110

Sales to thousands of customers in over 110 countries.

20

Offices and commercial representation

Sales Distribution



- ✓ Sales diversified by industry and region
- ✓ No customer represents more than 4% of sales

► Unique and Abundant Natural Resources

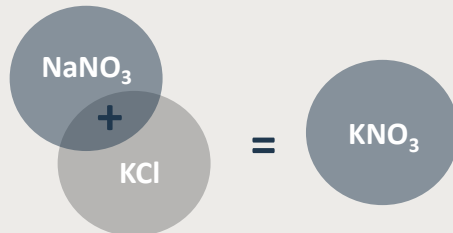
High-quality reserves → low-cost operations

Caliche Ore

- ✓ Caliche ore is only found in Chile
- ✓ The world's largest deposits of **nitrates and iodine**
- ✓ Proprietary mining rights pursuant to exploitation concessions

Salar Brines

- ✓ Low processing costs due to its high concentrations of **potassium and lithium**
- ✓ High evaporation rates
- ✓ Production rights are pursuant to a lease agreement with CORFO until 2030



Sodium nitrate + Potassium chloride = Potassium nitrate + (Sodium chloride)



- ✓ Sustainable Operations in the North of Chile.

2

Business Lines





<3%

2015 Market Share⁽¹⁾

1.312k^{MT}

LTM⁽²⁾ Sales Volumes

US\$
427mm

LTM Revenues

19%

Contribution to LTM
Gross Profit

Potassium Chloride: Industry Dynamics

- ✓ Potassium chloride is the most commonly used potassium-based fertilizer. Sold all over the world
- ✓ 2015 global demand: ~57-58 million MT⁽¹⁾
- ✓ 2016 est. global demand: ~58-60 million MT⁽¹⁾
- ✓ Major players in Belarus, Canada, and Russia
- ✓ Weaker pricing environment 2015-2016

SQM Highlights

- ✓ Low-cost producer of potassium chloride
- ✓ Brazil remains the most important market for SQM MOP sales
- ✓ Flexibility to produce potassium chloride, potassium sulfate, and potassium nitrate depending on market needs
- ✓ Effective capacity ~ 2.0 million MT
- ✓ Higher sales volumes expected for 2016

(1) SQM estimates

(2) LTM: Twelve months ended March 31, 2016



47%

2015 KNO₃ Market Share⁽¹⁾

834k^{MT}

LTM Sales Volumes^{(2) (3)}

US\$
649mm

LTM Revenues

36%

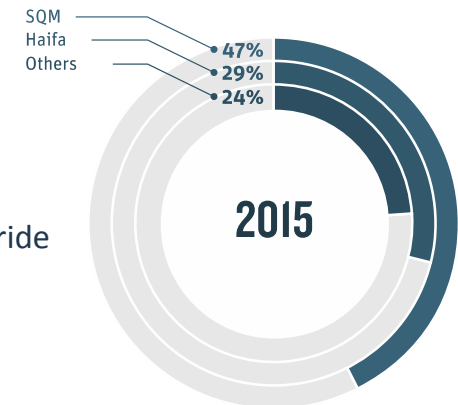
Contribution to LTM
Gross Profit

Industry Dynamics

- ✓ Potassium nitrate (KNO₃) provides unique benefits: Chlorine-free, water soluble, and fast absorption.
- ✓ Demand drivers: Higher cost of land, water scarcity, increased demand for higher quality crops
- ✓ 2015 global potassium nitrate demand: ~1 million MT⁽¹⁾
- ✓ Expected demand growth in 2016 (soluble segment): >5%⁽¹⁾

SQM Highlights

- ✓ Access to reserves of potassium and nitrate
- ✓ Developed distribution network and diverse customer base
- ✓ Lower price elasticity relative to potassium chloride
- ✓ Focus on water soluble segment



(1) SQM estimates

(2) LTM: Twelve months ended March 31, 2016

(3) SPN sales volumes include KNO₃ and other specialty fertilizers



26%

2015 Market Share⁽¹⁾

9.2k^{MT}

LTM⁽²⁾ Sales Volumes

US\$
247mm

LTM Revenues

12%

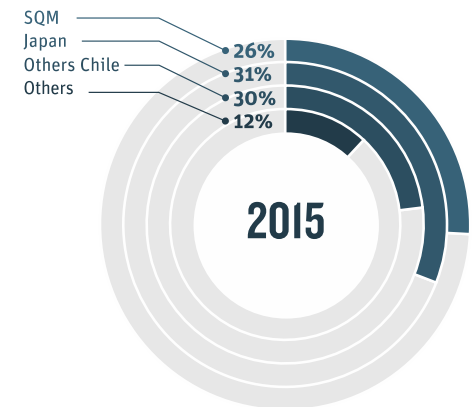
Contribution to LTM
Gross Profit

Industry Dynamics

- ✓ Main uses: X-ray contrast media, LCD, pharmaceuticals and sanitizers
- ✓ Global demand: CAGR of ~3% for the period 2004-2015⁽¹⁾
- ✓ Expected global demand 2016: ~34,000 MT⁽¹⁾
- ✓ Limited sources of iodine worldwide:
 - ✓ Chile 56% (SQM 26%)
 - ✓ Japan (including recycling) 31%
 - ✓ Total recycling 18%

SQM Highlights

- ✓ Low-cost producer
- ✓ Developed distribution and sales network
- ✓ Effective capacity ~10,000 MT per year
- ✓ Prices have been decreasing. Lower average prices expected in 2016.



(1) SQM estimates
(2) LTM: Twelve months ended March 31, 2016



26%

2015 Market Share⁽¹⁾

41k^{MT}

LTM⁽²⁾ Sales Volumes

US\$
253mm

LTM Revenues

26%

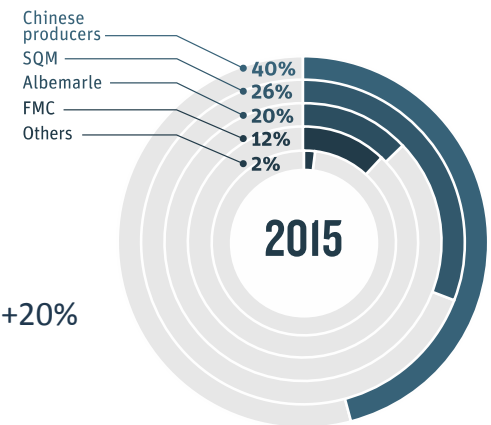
Contribution to LTM
Gross Profit

Industry Dynamics

- ✓ Main uses: batteries, lubricant, glass, pharmaceuticals. Future potential related to batteries for e-cars.
- ✓ 2015 global lithium chemicals demand: 155K MT⁽¹⁾.
- ✓ Demand growth of ~10% expected in 2016⁽¹⁾.
- ✓ Expect new supply in 2016

SQM Highlights

- ✓ Leading lithium chemicals producer in the world and lowest cost producer⁽¹⁾.
- ✓ Produce lithium carbonate, lithium hydroxide, and lithium chloride.
- ✓ Current lithium carbonate plant capacity: 48,000 MT/year
- ✓ Higher sales volumes expected in 2016: +20%
- ✓ Minera Exar JV in Argentina:
 - ✓ Total capacity 40,000 MT/year
 - ✓ Estimated capex US\$500-600 million
 - ✓ Start production by 2019



(1) SQM estimates
(2) LTM: Twelve months ended March 31, 2016



114k^{MT}

LTM⁽¹⁾ Sales Volumes

US\$
90mm

LTM Revenues

4%

Contribution to LTM
Gross Profit

Industry Dynamics

- ✓ Various traditional uses for industrial nitrates related to glass, metal treatment, water treatment, and explosives
- ✓ **Solar Salts:**
 - ✓ Intl. Energy Association expects installed capacity of concentrated Solar Power (CSP) to double by 2020, and supply 20% of the world electricity by 2050.
 - ✓ 50 MW → approximately 30,000 MT of solar salts
 - ✓ Projects being developed globally

SQM Highlights

- ✓ Operational flexibility with certain industrial sodium and potassium nitrate products
- ✓ **Solar Salts:**
 - ✓ SQM produces both potassium nitrate and sodium nitrate, the two raw materials in solar salt production
 - ✓ Expecting higher sales of solar salts in 2016: >70,000 MT

(1) LTM: Twelve months ended March 31, 2016

3

Other Information



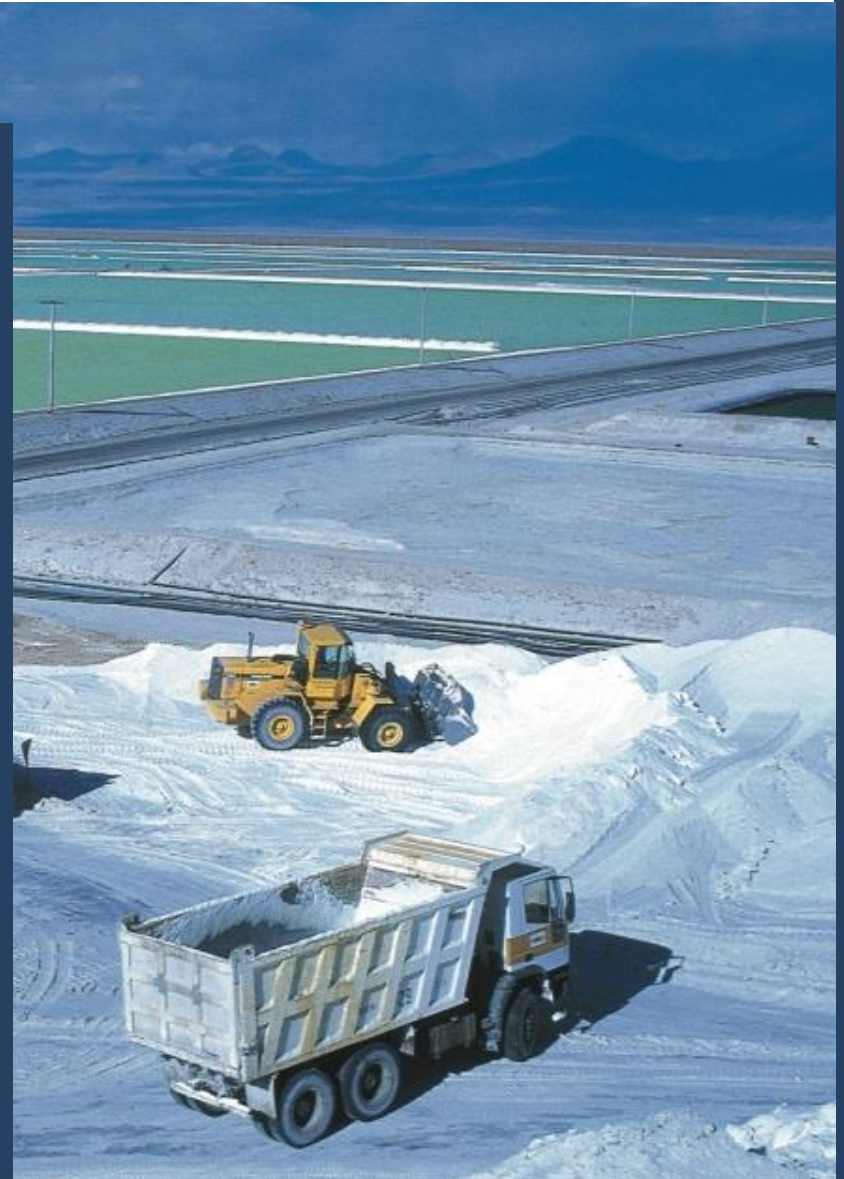
► Capital Expenditure Program

Capital Expenditures 2015:

Capital expenditure reached approximately US\$111 million, primarily related to:

- ✓ Optimization of the potassium nitrate facilities
- ✓ Increasing iodine and nitrate production in Nueva Victoria
- ✓ Exploration and construction of new wells at Salar de Atacama
- ✓ Maintenance across all production units in order to ensure fulfillment of production targets, as well as improvements at port of Tocopilla.

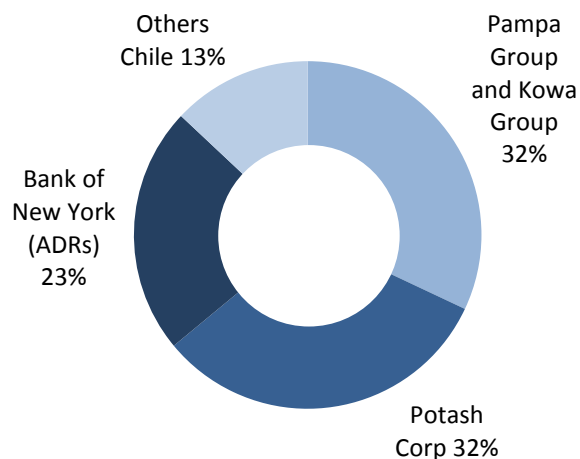
Capital Expenditures 2016: US\$150 million⁽¹⁾



(1) Excluding Minera Exar joint venture

► Other Relevant Topics

Ownership Structure⁽¹⁾



Other Considerations

- ✓ Market conditions
 - ✓ Iodine prices
 - ✓ Potash prices
- ✓ Arbitration with CORFO
- ✓ Class action lawsuit

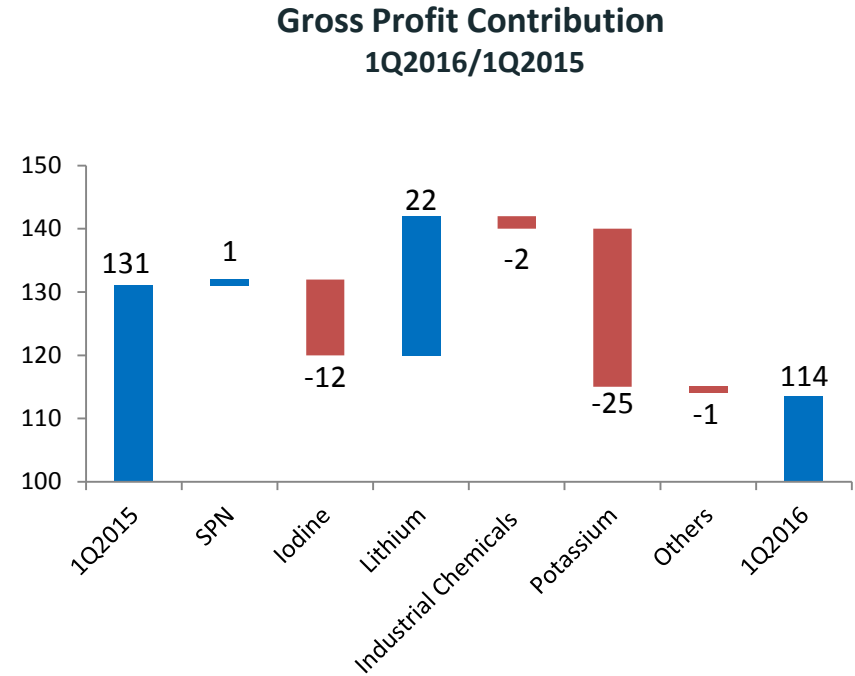
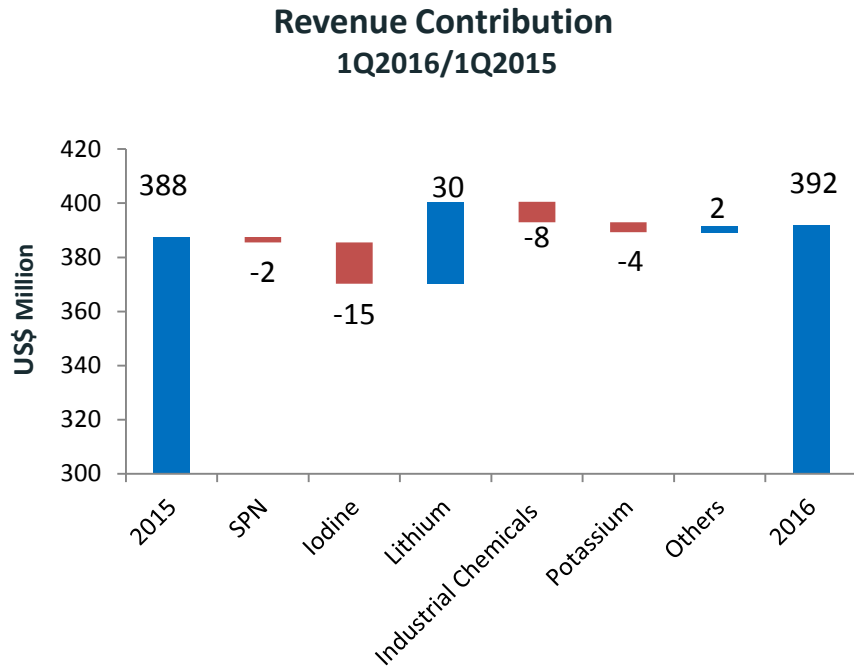
Dividends

- ✓ Dividend policy for 2016: 50% of net income
- ✓ Special dividend paid in May 2016: US\$150 million

SQM Business Opportunities

- ✓ JV to develop lithium operations in Argentina
- ✓ Strong demand growth in lithium market → higher volumes and prices
- ✓ Use of SQM's nitrates in the solar energy power generation known as thermal storage material. Increased sales volumes expected 2016 and beyond
- ✓ Water soluble market growth in SPN
- ✓ Strong cost position
- ✓ Strong balance sheet

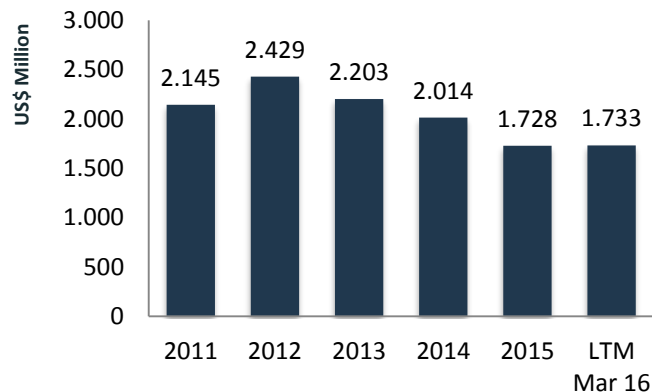
► First Quarter 2016 Results



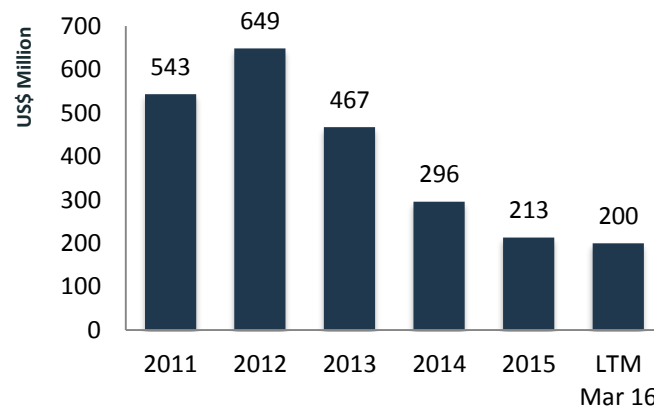
- ✓ Lower prices in iodine and potassium businesses
- ✓ Volume recovery in 2016 helps to stabilize revenues, but margins under pressure

► Financial Performance

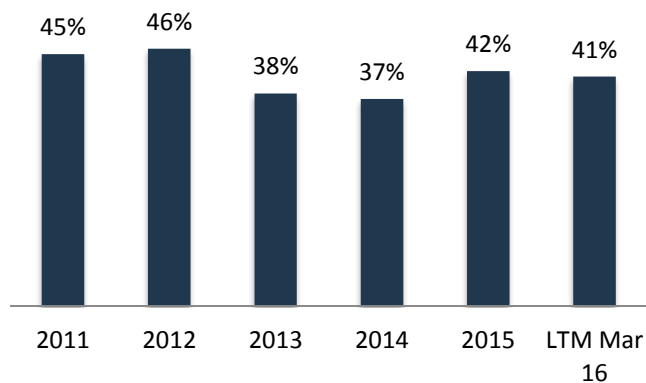
Revenues



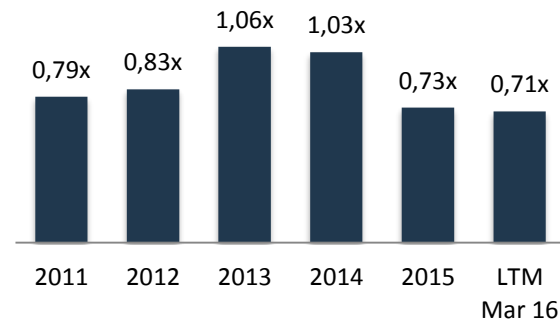
Net Income⁽¹⁾



EBITDA⁽²⁾/Revenues



NFD⁽³⁾/EBITDA



(1) Net income for 2015 and LTM March 2016 includes one-time charge of US\$57.7 million related to restructuring iodine and nitrates facilities

(2) EBITDA: Gross Profit – administrative expenses + depreciation & amortization

(3) Net Financial Debt: interest bearing debt net of cash and cash equivalents, considering the effects of derivatives

► Investment Highlights





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