



Highlights

- SQM reported net income⁽¹⁾ for the six months ended June 30, 2019 of US\$150.7 million.
- Earnings per share totaled US\$0.57 for the first half of 2019, lower than the US\$0.94 reported for the first half of 2018.
- Revenues for the first half of 2019 were US\$998.4 million, 13.7% lower than revenues for the first half of 2018.
- SQM will hold a conference call to discuss these results on Thursday, August 22, at 12:00am ET (12:00pm Chile time).

Participant Dial-In (Toll Free): 1-855-238-1018

Participant International Dial-In: 1-412-542-4107

Webcast: <https://services.choruscall.com/links/sqm190822.html>

- SQM will hold an Investor Day in New York on September 10, 2019. Ricardo Ramos, Pablo Altimiras and Gerardo Illanes will present.

Santiago, Chile. August 21, 2019.- Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM; Santiago Stock Exchange: SQM-B, SQM-A) reported earnings today for the six months ended June 30, 2019 of US\$150.7 million (US\$0.57 per share), a decrease from US\$247.7 million (US\$0.94 per share), representing a 39.1% decrease compared to the earnings reported for the six months ended June 30, 2018. Gross profit⁽²⁾ reached US\$288.0 million (28.8% of revenues) for the six months ended June 30, 2019, lower than US\$417.1 million (36.0% of revenues) recorded for the six months ended June 30, 2018. Revenues totaled US\$998.4 million for the six months ended June 30, 2019, representing a decrease of 13.7% compared to US\$1,157.4 million reported for the six months ended June 30, 2018.

The Company also announced earnings for the second quarter of 2019, reporting net income of US\$70.2 million (US\$0.27 per share) compared to US\$133.9 million (US\$0.51 per share) for the second quarter 2018. Gross profit for the second quarter 2019 reached US\$142.5 million; lower than the US\$224.4 million recorded for the second quarter 2018. Revenues totaled US\$494.1 million, a decrease of approximately 22.6% compared to the second quarter 2018, when revenues amounted to US\$638.7 million.

SQM's Chief Executive Officer, Ricardo Ramos, stated: "We reported earnings for the six months ended June 30, 2019 of US\$150.7 million. The second quarter results were mainly impacted by lower lithium sale prices, partly compensated by higher lithium sales volumes, lower potassium chloride volumes, and the lack of solar salt sales during the second quarter. These factors were partially offset by higher iodine prices. We have seen lithium supply growing more than demand over the past few quarters, putting pressure on prices. We sold higher sales volumes in the second quarter and expect to sell higher volumes in the second

half of the year as we prepare for a 30% to 40% increase in sales volumes next year, which will help us recover some of the market share lost in previous years.”

“We are expecting higher sales volumes in the potassium chloride business line this year than previously anticipated, reaching close to 600,000 metric tons, this implies significantly higher sales volumes during the second half of the year. Additionally, our sales volumes could grow in the future as we get back to the brine extraction levels that we had at the beginning of last year. We still expect the solar salt sales volumes this year of between 45,000 and 50,000 metric tons, while for the upcoming years these volumes should grow significantly as we will be supplying a major project in the Middle East that will require approximately 400,000 metric tons of product between 2020 and 2022.”

Finally, he closed by saying, “The margins in the iodine business line are becoming more attractive as prices are up almost 20% when compared to last year. We expect prices to continue on this upward trend as the market remains tight.”

Segment Analysis

Lithium and Derivatives

Revenues from the lithium and derivatives business line totaled US\$293.6 million during the six months ended June 30, 2019, a decrease of 15.7% compared to US\$348.2 million recorded for the six months ended June 30, 2018.

Revenues for lithium and derivatives during the second quarter 2019 decreased 24.7% compared to the second quarter 2018. Total revenues amounted to US\$138.5 million during the second quarter of 2019, compared to US\$183.9 million in the second quarter of 2018.

Lithium and Derivatives Sales Volumes and Revenues:

| | | 6M2019 | 6M2018 | 2019/2018 | |
|----------------------------------|--------|--------|--------|-----------|------|
| Lithium and Derivatives | Th. MT | 22.8 | 21.1 | 1.7 | 8% |
| Lithium and Derivatives Revenues | MUS\$ | 293.6 | 348.2 | -54.6 | -16% |

| | | 2Q2019 | 2Q2018 | 2019/2018 | |
|----------------------------------|--------|--------|--------|-----------|------|
| Lithium and Derivatives | Th. MT | 12.1 | 11.1 | 1.0 | 9% |
| Lithium and Derivatives Revenues | MUS\$ | 138.5 | 183.9 | -45.4 | -25% |

During the second quarter 2019, our sales volumes increased over 14% compared to the first quarter 2019, reaching an accumulated amount of 22,800 metric tons. We are forecasting sales volumes to surpass these levels during the second half of the year, when we are expecting to see volume growth of 5-10%, as we prepare to increase our sales volumes by at least 30% in 2020 compared to 2019.

Average prices were lower as a result of increased sales volumes in China during the second quarter, where the market price was lower due to different quality and grades of products offered to this market.

We continue to believe that supply will outpace demand growth during 2019, given that part of the growth expected during the second half could be delayed. This new supply entering the market will continue to have an impact on prices, and we believe that our realized average prices could reach approximately US\$10,000 per metric tons during the third quarter of this year.

We are currently working on our lithium carbonate expansion project in Chile to produce 120,000 metric tons per year. We believe this expansion will be completed during the second half of 2021, with a capex of approximately US\$280 million. We are also expanding our lithium hydroxide capacity in Chile to 29,500 metric tons which should be completed in 2021; the expected capex for this project is US\$100 million. Finally, we continue to work with Kidman and Wesfarmers on the Mt. Holland project in Western Australia. We look

forward to completing the feasibility study during the very beginning of 2020; at that point we will have more details surrounding the capex, costs, and timing of the project.

Gross profit⁽³⁾ for the Lithium and Derivatives segment accounted for approximately 42% of SQM's consolidated gross profit for the six months ended June 30, 2019.

Specialty Plant Nutrition (SPN)

Revenues from the Specialty Plant Nutrition business line for the six months ended June 30, 2019 totaled US\$383.8 million, lower than the US\$412.4 million reported for the six months ended June 30, 2018.

Second quarter 2019 revenues reached US\$199.3 million, lower than the US\$224.6 million reported in the second quarter 2018.

Specialty Plant Nutrition Sales Volumes and Revenues:

| | | 6M2019 | 6M2018 | 2019/2018 | |
|---|--------|--------------|--------------|--------------|-------------|
| Specialty Plant Nutrition Total | | | | | |
| Volumes | Th. MT | 535.5 | 556.1 | -20.6 | -4% |
| Sodium Nitrate | Th. MT | 15.0 | 14.2 | 0.8 | 6% |
| Potassium Nitrate and Sodium | | | | | |
| Potassium Nitrate | Th. MT | 349.4 | 374.3 | -24.8 | -7% |
| Specialty Blends | Th. MT | 92.7 | 95.9 | -3.2 | -3% |
| Other specialty plant nutrients (*) | Th. MT | 78.3 | 71.7 | 6.6 | 9% |
| Specialty Plant Nutrition Revenues | MUS\$ | 383.8 | 412.4 | -28.6 | -7% |
| Specialty Plant Nutrition Total | | | | | |
| Volumes | Th. MT | 279.7 | 309.6 | -29.9 | -10% |
| Sodium Nitrate | Th. MT | 5.5 | 5.7 | -0.2 | -3% |
| Potassium Nitrate and Sodium | | | | | |
| Potassium Nitrate | Th. MT | 183.5 | 211.1 | -27.6 | -13% |
| Specialty Blends | Th. MT | 49.9 | 56.3 | -6.3 | -11% |
| Other specialty plant nutrients (*) | Th. MT | 40.7 | 36.5 | 4.3 | 12% |
| Specialty Plant Nutrition Revenues | MUS\$ | 199.3 | 224.6 | -25.3 | -11% |

*Includes trading of other specialty fertilizers.

Our revenues in this business line were almost 7% lower than revenues seen during the six months ended June 30, 2018. Prices and sales volumes decreased as a result of increased supply from major competitors. We believe that potassium nitrate market will grow approximately 4% in 2019.

SPN **gross profit** accounted for approximately 26% of SQM's consolidated gross profit for the six months ended June 30, 2019.

Iodine and Derivatives

Revenues from sales of iodine and derivatives during the six months ended June 30, 2019 totaled US\$186.1 million, an increase of 16.2% compared to US\$160.2 million reported for the six months ended June 30, 2018.

Iodine and derivatives revenues for the second quarter 2019 amounted to US\$90.3 million, an increase of 5.6% compared to US\$85.5 million recorded during the second quarter 2018.

Iodine and Derivative Sales Volumes and Revenues:

| | | 6M2019 | 6M2018 | 2019/2018 | |
|---------------------------------|--------|--------|--------|-----------|-----|
| Iodine and Derivatives | Th. MT | 6.7 | 6.8 | -0.1 | -2% |
| Iodine and Derivatives Revenues | MUS\$ | 186.1 | 160.2 | 25.9 | 16% |

| | | 2Q2019 | 2Q2018 | 2019/2018 | |
|---------------------------------|--------|--------|--------|-----------|------|
| Iodine and Derivatives | Th. MT | 3.2 | 3.6 | -0.4 | -11% |
| Iodine and Derivatives Revenues | MUS\$ | 90.3 | 85.5 | 4.8 | 6% |

Higher iodine revenues reported during the first half of the 2019 were related to higher prices, up approximately 18% when compared to the same period last year. This pricing trend may continue over the upcoming quarters as we see a tighter market and limited supply. We believe our sale volumes this year could be similar or slightly lower than the volumes reported in 2018.

We believe the iodine market will grow approximately 2-3% in 2019.

Gross profit for the Iodine and Derivatives segment accounted for approximately 24% of SQM's consolidated gross profit for the six months ended June 30, 2019.

Potassium: Potassium Chloride & Potassium Sulfate (MOP & SOP)

Potassium chloride and potassium sulfate revenues for the six months ended June 30, 2019 totaled US\$88.5 million, a 36.7% decrease compared to the six months ended June 30, 2018, when revenues amounted to US\$139.9 million.

Potassium chloride and potassium sulfate revenues decreased 49.3% in the second quarter of 2019, reaching US\$44.4 million, compared to US\$87.6 million for the second quarter of 2018.

Potassium Chloride & Potassium Sulfate Sales Volumes and Revenues:

| | | 6M2019 | 6M2018 | 2019/2018 | |
|---|--------|--------|--------|-----------|------|
| Potassium Chloride and Potassium Sulfate | Th. MT | 241.0 | 453.1 | -212.0 | -47% |
| Potassium Chloride and Potassium Sulfate Revenues | MUS\$ | 88.5 | 139.9 | -51.3 | -37% |

| | | 2Q2019 | 2Q2018 | 2019/2018 | |
|---|--------|--------|--------|-----------|------|
| Potassium Chloride and Potassium Sulfate | Th. MT | 116.5 | 290.1 | -173.6 | -60% |
| Potassium Chloride and Potassium Sulfate Revenues | MUS\$ | 44.4 | 87.6 | -43.2 | -49% |

The decrease in revenues related to the potassium chloride and potassium sulfate business line was related to lower sales volumes. As part of our broader strategy we are focusing our production efforts in the Salar de Atacama on increasing lithium yields. We believe that sales volumes for 2019 could reach almost 600,000 MT. Going forward, our sales volumes could grow as we increase our brine extraction in the Salar de Atacama to the originally approved levels.

Average prices during the second quarter surpassed US\$381 per metric ton, an increase of approximately 26% compared to the same period last year. However, given higher inventories in China and changes in product mix, our average price could be lower in the second half of the year compared to the first half.

Gross profit for potassium chloride and potassium sulfate accounted for approximately 4% of SQM's consolidated gross profit for the six months ended June 30, 2019.

Industrial Chemicals

Industrial chemicals revenues for the six months ended June 30, 2019 reached US\$30.9 million, 58.9% lower than US\$75.1 million recorded for the six months ended June 30, 2018.

Revenues for the second quarter of 2019 totaled US\$13.9 million, a decrease of 69.6% compared to the revenue figures for second quarter of 2018 of US\$45.7 million.

Industrial Chemicals Sales Volumes and Revenues:

| | | 6M2019 | 6M2018 | 2019/2018 | |
|-------------------------------|--------|--------|--------|-----------|------|
| Industrial Nitrates | Th. MT | 38.9 | 92.6 | -53.7 | -58% |
| Industrial Chemicals Revenues | MUS\$ | 30.9 | 75.1 | -44.3 | -59% |

| | | 2Q2019 | 2Q2018 | 2019/2018 | |
|-------------------------------|--------|--------|--------|-----------|------|
| Industrial Nitrates | Th. MT | 17.8 | 56.2 | -38.4 | -68% |
| Industrial Chemicals Revenues | MUS\$ | 13.9 | 45.7 | -31.8 | -70% |

Our lower revenues in this business line were a result of significantly lower sales volumes, which is related to lower solar salt sales volumes in the first half 2019. We believe we will sell approximately 45,000-50,000 metric tons of solar salts during 2019, which will be reported during the fourth quarter of the year.

For the upcoming years, our sales volumes should be significantly higher as we will be supplying a very large concentrated solar power plant project in the Middle East. The project will require over 400.000 metric tons of solar salts to be delivered over three years starting 2020, with the majority of sales volumes between 2020-2021.

Gross profit for the Industrial Chemicals segment accounted for approximately 3% of SQM's consolidated gross profit for the six months ended June 30, 2019.

Other Commodity Fertilizers & Other Income

Revenues from sales of other commodity fertilizers and other income reached US\$15.5 million for the six months ended June 30, 2019, a decrease compared to US\$21.6 million for the six months ended June 30, 2018.

Financial Information

Cost of Goods Sold

Cost of goods sold, excluding depreciation, amounted to US\$610.3 million for the six months ended June 30, 2019, a decrease of 2.0% compared to US\$622.9 million for the same period in 2018.

Administrative Expenses

Administrative expenses totaled US\$55.5 million (5.6% of revenues) for the six months ended June 30, 2019, compared to US\$56.3 million (4.9% of revenues) for the six months ended June 30, 2018.

Financial Indicators

Net Financial Expenses

Net financial expenses for the six months ended June 30, 2019 were US\$26.1 million, compared to US\$17.7 million for the six months ended June 30, 2018.

Income Tax Expense

For the six months ended June 30, 2019, the income tax expense reached US\$58.5 million, representing an effective tax rate of 27.9%, compared to an income tax expense of US\$96.2 million during the six months ended June 30, 2018. The Chilean corporate tax rate was 27.0% in 2019 and 2018.

Adjusted EBITDA⁽⁴⁾

Adjusted EBITDA for the six months ended June 30, 2019 was US\$332.6 million (Adjusted EBITDA margin of 33.3%), compared to US\$478.2 million (Adjusted EBITDA margin of 41.3%) for the six months ended June 30, 2018.

Notes:

1. Net income refers to the comprehensive income attributable to controlling interests.
2. Gross profit corresponds to consolidated revenues less total costs, including depreciation and amortization and excluding administrative expenses.
3. A significant portion of SQM's costs of goods sold are costs related to common productive processes (mining, crushing, leaching, etc.) which are distributed among the different final products. To estimate gross profit by business line in both periods covered by this report, the Company employed similar criteria on the allocation of common costs to the different business areas. This gross profit distribution should be used only as a general and approximated reference of the margins by business line
4. Adjusted EBITDA = gross profit - administrative expenses + depreciation and amortization. Adjusted EBITDA margin = Adjusted EBITDA/revenues.

Balance Sheet

| <i>(US\$ Millions)</i> | <i>As of Jun. 30,</i> 2019 | <i>As of Dec. 31,</i> 2018 |
|---|-------------------------------|-------------------------------|
| Total Current Assets | 2,767.7 | 2,399.6 |
| Cash and cash equivalents | 799.8 | 556.1 |
| Other current financial assets | 417.8 | 312.7 |
| Accounts receivable (1) | 494.1 | 509.4 |
| Inventory | 952.8 | 913.7 |
| Others | 103.2 | 107.7 |
| Total Non-current Assets | 1,948.3 | 1,868.5 |
| Other non-current financial assets | 25.7 | 17.1 |
| Investments in related companies | 114.3 | 111.5 |
| Property, plant and equipment | 1,534.6 | 1,454.8 |
| Other Non-current Assets | 273.6 | 285.0 |
| Total Assets | 4,716.0 | 4,268.1 |
| Total Current Liabilities | 989.9 | 555.7 |
| Short-term debt | 508.8 | 23.6 |
| Others | 481.1 | 532.1 |
| Total Long-Term Liabilities | 1,588.8 | 1,574.6 |
| Long-term debt | 1,335.9 | 1,330.4 |
| Others | 252.8 | 244.2 |
| Shareholders' Equity before Minority Interest | 2,089.2 | 2,085.5 |
| Minority Interest | 48.2 | 52.3 |
| Total Shareholders' Equity | 2,137.4 | 2,137.8 |
| Total Liabilities & Shareholders' Equity | 4,716.0 | 4,268.1 |
| Liquidity (2) | 2.8 | 4.3 |

(1) Accounts receivable + accounts receivable from related companies

(2) Current assets / current liabilities

| Income Statement | | | | |
|--|----------------------------|----------------|--|----------------|
| <i>(US\$ Millions)</i> | <i>For the 2nd quarter</i> | | <i>For the six months ended Jun. 30,</i> | |
| | 2019 | 2018 | 2019 | 2018 |
| Revenues | 494.1 | 638.7 | 998.4 | 1,157.4 |
| Lithium and Lithium Derivatives | 138.5 | 183.9 | 293.6 | 348.2 |
| Specialty Plant Nutrition (1) | 199.3 | 224.6 | 383.8 | 412.4 |
| Iodine and Iodine Derivatives | 90.3 | 85.5 | 186.1 | 160.2 |
| Potassium Chloride & Potassium Sulfate | 44.4 | 87.6 | 88.5 | 139.9 |
| Industrial Chemicals | 13.9 | 45.7 | 30.9 | 75.1 |
| Other Income | 7.7 | 11.3 | 15.5 | 21.6 |
| Cost of Goods Sold | (301.7) | (354.2) | (610.3) | (622.9) |
| Depreciation and Amortization | (49.9) | (60.2) | (100.1) | (117.4) |
| Gross Profit | 142.5 | 224.4 | 288.0 | 417.1 |
| Administrative Expenses | (29.0) | (31.1) | (55.5) | (56.3) |
| Financial Expenses | (20.2) | (15.6) | (38.6) | (28.4) |
| Financial Income | 6.5 | 6.0 | 12.4 | 10.7 |
| Exchange Difference | 0.3 | (0.1) | 4.1 | (0.6) |
| Other | (3.2) | (1.0) | (0.8) | 1.2 |
| Income Before Taxes | 96.8 | 182.5 | 209.7 | 343.7 |
| Income Tax | (26.6) | (48.9) | (58.5) | (96.2) |
| Net Income before minority interest | 70.2 | 133.7 | 151.2 | 247.6 |
| Minority Interest | (0.0) | 0.2 | (0.5) | 0.1 |
| Net Income | 70.2 | 133.9 | 150.7 | 247.7 |
| Net Income per Share (US\$) | 0.27 | 0.51 | 0.57 | 0.94 |

(1) Includes other specialty fertilizers

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, except as required by law.