

Risk Factors Comparison 2024-02-15 to 2023-02-15 Form: 10-K

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The following is a summary of some of the principal risks that could adversely affect our business, financial condition or results of operations. This summary should be read together with the more detailed description of each risk contained below.

Risks Related to Our Business

- Our substantial international operations subject us to risks of doing business in foreign countries, which could adversely affect our business, financial condition and results of operations.
- Our inability to secure key raw materials, or to pass through increases in costs and expenses for other raw materials and energy, on a timely basis or at all, including due to climate change, could have an adverse effect on the margins of our products and our results of operations.
- Competition within our industry may place downward pressure on the prices and margins of our products and may adversely affect our businesses and results of operations.
- Our research and development efforts may not succeed in addressing changes in our customers' needs, and our competitors may develop more effective or successful products.
- The development of non-lithium battery technologies could adversely affect us.
- Downturns in our customers' industries, many of which are cyclical, could adversely affect our sales and profitability.
- Our results are subject to fluctuation because of irregularities in the demand for our HPC catalysts and certain of our agrichemicals.

Regulation, or the threat of regulation, of some of our products could have an adverse effect on our sales and profitability.

Albemarle Corporation and Subsidiaries

- We could be subject to damages based on claims brought against us by our customers or lose customers as a result of the failure of our products to meet certain quality specifications.
- Our business is subject to hazards common to chemical and natural resource extraction businesses, any of which could injure our employees or other persons, damage our facilities or other properties, interrupt our production and adversely affect our reputation and results of operations.
- Our business could be adversely affected by environmental, health and safety laws and regulations.
- We may be subject to indemnity claims and liable for other payments relating to properties or businesses we have divested.
- We could be adversely affected by violations of the U. S. Foreign Corrupt Practices Act and similar foreign anti-corruption laws, and in the past have paid fines in order to resolve self-reported potential violations of such laws.
- We are subject to extensive foreign government regulation that can negatively impact our business.
- Our inability to protect our intellectual property rights, or being accused of infringing on intellectual property rights of third parties, could have a material adverse effect on our business, financial condition and results of operations.
- Our inability to acquire or develop additional lithium reserves that are economically viable could have a material adverse effect on our future profitability.
- There is risk to the growth of lithium markets.
- Demand and market prices for lithium will greatly affect the value of our investment in our lithium resources and our revenues and profitability generally.
- If we are unable to retain key personnel or attract new skilled personnel, it could have an adverse effect on our business.
- Some of our employees are unionized, represented by works councils or are employed subject to local laws that are less favorable to employers than the laws of the U. S.
- Our joint ventures may not operate according to their business plans if our partners fail to fulfill their obligations, which may adversely affect our results of operations and may force us to dedicate additional resources to these joint ventures.

Risks Related to Our Financial Condition

- Our required capital expenditures can be complex, may experience delays or other difficulties, and the costs may exceed our estimates.
- We will need a significant amount of cash to service our indebtedness and our ability to generate cash depends on many factors beyond our control.
- Because a significant portion of our operations is conducted through our subsidiaries and joint ventures, our ability to service our debt may be dependent on our receipt of distributions or other payments from our subsidiaries and joint ventures.
- Restrictive covenants in our debt instruments may adversely affect our business.
- Changes in credit ratings issued by nationally recognized statistical rating organizations could adversely affect our cost of financing, the market price of our securities and our debt service obligations.
- We are exposed to fluctuations in currency exchange rates, which may adversely affect our operating results and net income.
- Significant or prolonged periods of higher interest rates may have an adverse effect on our results of operations, financial condition and cash flows.
- Inflationary trends in the price of our input costs, such as raw materials, transportation and energy, could adversely affect our business and financial results.
- Changes in, or the interpretation of, tax legislation or rates throughout the world could materially impact our results.
- Future events may impact our deferred tax asset position and U. S. deferred federal income taxes on undistributed earnings of international affiliates that are considered to be indefinitely reinvested.
- Our business and financial results may be adversely affected by various legal and regulatory proceedings.
- Although our pension plans currently meet minimum funding requirements, events could occur that would require us to make significant contributions to the plans and reduce the cash available for our business.
- We may not be able to consummate future acquisitions or integrate acquisitions into our business, which could result in unanticipated expenses and losses.
- We may continue to expand our business through acquisitions and we may incur additional indebtedness, including indebtedness related to acquisitions.
- If our goodwill, intangible assets or long-lived assets become impaired, we may be required to record a significant charge to earnings.

General Risk Factors

- Adverse conditions in the economy, and volatility and disruption of financial markets can negatively impact our customers, suppliers and other business partners and therefore have a material adverse effect on our business and results of operations.
- Our business and operations could suffer in the event of cybersecurity breaches, information technology system failures, or network disruptions.
- The occurrence or threat of extraordinary events, including domestic and international terrorist attacks, may disrupt our operations and decrease

demand for our products. • National or international disputes, political instability, terrorism war or armed hostilities, could impact our results of operations. • Natural disasters or other unanticipated catastrophes could impact our operations and could have a material adverse effect on our results of operations, financial position, and cash flows. • Our insurance may not fully cover all potential exposures. • We may be exposed to certain regulatory and financial risks related to climate change. • Failure to meet environmental, social and governance (“ ESG ”) expectations or standards or achieve our ESG goals could adversely affect our business, results of operations, financial condition, or stock price.

You should consider carefully the following risks when reading the information, including the financial information, contained in this Annual Report on Form 10-K. ~~Risks Related to Our Business Our substantial international operations subject us to risks of doing business in foreign countries, which could adversely affect our business, financial condition and results of operations.~~ We conduct a substantial portion of our business outside the U. S., with approximately ~~88~~**90** % of our **net** sales to foreign countries. We operate and / or sell our products to customers in approximately 70 countries. We currently have many production, research and development and administrative facilities as well as sales offices located outside the U. S., as detailed in Item 2. Properties. Accordingly, our business is subject to risks related to the differing legal, political, social and regulatory requirements and economic conditions of many jurisdictions. Risks inherent in international operations include the following: