



# Albemarle Corporation (ALB)

Updated May 22<sup>nd</sup>, 2026, by Nathan Parsh

## Key Metrics

<b>Current Price:</b>	\$172	<b>5 Year Annual Expected Total Return:</b>	12.5%	<b>Market Cap:</b>	\$20 B
<b>Fair Value Price:</b>	\$209	<b>5 Year Growth Estimate:</b>	7.5%	<b>Ex-Dividend Date:</b>	06/12/26
<b>% Fair Value:</b>	82%	<b>5 Year Valuation Multiple Estimate:</b>	4.0%	<b>Dividend Payment Date:</b>	07/01/26
<b>Dividend Yield:</b>	0.9%	<b>5 Year Price Target</b>	\$300	<b>Years Of Dividend Growth:</b>	29
<b>Dividend Risk Score:</b>	A	<b>Sector:</b>	Materials	<b>Rating:</b>	Buy

Albemarle is the largest producer of lithium and second largest producer of bromine in the world. The two products account for nearly two-thirds of annual sales. Albemarle produces lithium from its salt brine deposits in the U.S. and Chile. The company has two joint ventures in Australia that also produce lithium. Albemarle's Chile assets offer a very low-cost source of lithium. The company operates in nearly 100 countries. The company is composed of the following segments: Energy Storage and Specialties. Albemarle produces annual sales of more than \$6 billion.

On July 16<sup>th</sup>, 2024, Albemarle increased its quarterly dividend 1.3% to \$0.405.

On March 2<sup>nd</sup>, 2026, Albemarle completed the sale of a 51% stake in Ketjen to private equity firm KPS Capital Partners.

On May 6<sup>th</sup>, 2026, Albemarle reported first quarter results for the period ending March 31<sup>st</sup>, 2026. For the quarter, revenue grew 32.4% to \$1.43 billion, which beat estimates by \$110 million. Adjusted earnings-per-share of \$2.95 compared very favorably to -\$0.18 in the prior year and was \$1.64 above expectations.

Quarterly results benefited from higher volumes and pricing. Average prices for lithium were ~\$10 per kg in 2025, but this is expected to be closer to \$20 per kg in 2026. For the quarter, revenue for Energy Storage surged 69.9% to \$891.2 million as pricing was up 51% and volume increased 14%. Revenues for Specialties grew 11.7% to \$358.4 million as volume climbed 7% and pricing was up 2%. The divestiture of Ketjen reduced net sales by 4%.

Albemarle is now expected to earn \$11.62 per share in 2026, up from \$6.96 previously. This would be a significant increase from the prior year, if achieved.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$5.68	\$3.90	\$5.50	\$6.04	\$4.12	\$4.05	\$22.84	\$22.25	-\$2.34	-\$0.79	<b>\$11.62</b>	<b>\$16.68</b>
<b>DPS</b>	\$1.22	\$1.27	\$1.33	\$1.47	\$1.54	\$1.56	\$1.58	\$1.60	\$1.61	\$1.62	<b>\$1.62</b>	<b>\$2.33</b>
<b>Shares<sup>1</sup></b>	113	111	106	106	106	117	118	117	118	118	<b>118</b>	<b>118</b>

Albemarle has experienced very erratic earnings-per-share performance over the last decade. Albemarle has experienced steep drops in profitability or outright losses in several other years (2012, 2014, 2017, 2020, 2024, and 2025). Results were weak in 2025, but expectations are much improved for the current year. Earnings-per-share have fluctuated greatly over the last five years. Higher demand following a recovery from the COVID-19 pandemic allowed for outsized growth in 2022, but estimates have fallen sharply since due to lower prices for lithium. The company also saw a 19% decrease in earnings-per-share during the last recession, before making a new high in 2010. We reaffirm our earnings growth outlook of 7.5% as we note the company's leadership positions in the areas of lithium and bromine.

Albemarle has increased its dividend for 29 consecutive years, an impressive feat given the cyclical nature of the business. Dividends have grown by an average rate of 3.2% over the last ten years. We note that the company has now distributed or announced the same dividend amount for eight consecutive quarters, but the streak is intact due to the timing of increases.

<sup>1</sup> In millions of shares

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## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
<b>Avg. P/E</b>	13.0	29.5	15.6	14.4	25.1	57.7	9.5	9.5	---	---	<b>14.8</b>	<b>18.0</b>
<b>Avg. Yld.</b>	1.7%	1.1%	1.3%	2.0%	1.7%	0.7%	0.7%	1.1%	1.9%	1.1%	<b>0.9%</b>	<b>0.8%</b>

Shares of Albemarle have declined \$2, or 1.1%, since our February 18<sup>th</sup>, 2026, report. Based on the current share price and our earnings estimates, the stock has a price-to-earnings ratio of 14.8. Albemarle has traded with an average price-to-earnings ratio of almost 22.0 over the last decade. We reaffirm our target valuation of 18 times as we balance the quality of the company and its leadership position in its industry with the volatile nature of the business. If the stock were to trade with our target P/E by 2031, then valuation would add 4.0% to annual returns over this period.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

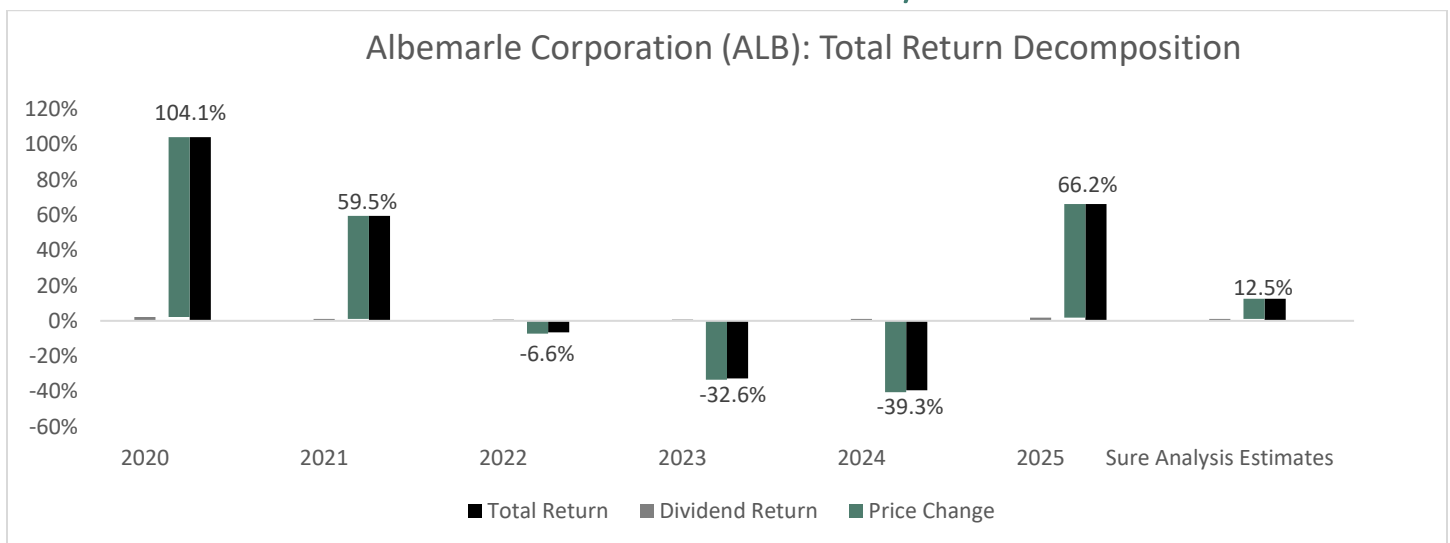
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>Payout</b>	21%	33%	21%	24%	37%	39%	7%	7%	---	---	<b>14%</b>	<b>14%</b>

Albemarle's earnings-per-share declined almost 20% from 2008 to 2009. The company has also had wild swings in profitability in recent years. Therefore, the company cannot be considered recession-proof. A key competitive advantage of Albemarle is that it ranks as the largest producer of lithium in the world. The metal is used in batteries for electric cars, pharmaceuticals, airplanes, mining, and other applications. Albemarle is also a top producer of Bromine, which is used in the electronics, construction, and automotive industries. The company possesses a size and scale that competitors will struggle to match.

## Final Thoughts & Recommendation

After first quarter earnings, Albemarle is now projected to produce a return of 12.5% annually through 2031, up from our prior estimate of 1.8%. This expected return is based on earnings growth of 7.5%, a starting yield of 0.9%, and a tailwind from multiple expansion. Albemarle can be a volatile name as seen by results over the last decade and the swings in performance from quarter-to-quarter. Still, the company is a leader in its industry and lithium pricing is expected to rebound this year. We have raised our five-year price target \$120 to \$300 due to earnings estimates for the year. We now rate shares of the company as a buy due to projected returns. It should be noted again that the stock is best for those with a strong risk tolerance.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenue</b>	2,677	3,072	3,375	3,589	3,129	3,328	7,320	9,617	5,378	5,143
<b>Gross Profit</b>	971	1,123	1,221	1,259	996	1,008	3,086	1,201	60	672
<b>Gross Margin</b>	36.3%	36.6%	36.2%	35.1%	31.8%	30.3%	42.2%	12.5%	1.1%	13.1%
<b>SG&amp;A Exp.</b>	380	450	446	533	430	441	524	919	618	550
<b>D&amp;A Exp.</b>	226	197	201	213	232	254	301	430	589	659
<b>Operating Profit</b>	510	623	724	685	526	533	2,501	241	(636)	94
<b>Operating Margin</b>	19.0%	20.3%	21.5%	19.1%	16.8%	16.0%	34.2%	2.5%	-11.8%	1.8%
<b>Net Profit</b>	479	99	739	604	447	200	2,815	1,671	(1,135)	(465)
<b>Net Margin</b>	17.9%	3.2%	21.9%	16.8%	14.3%	6.0%	38.5%	17.4%	-21.1%	-9.0%
<b>Free Cash Flow</b>	537	(14)	(154)	(132)	(52)	(609)	646	(824)	(993)	692
<b>Income Tax</b>	96	432	145	88	54	29	391	430	87	157

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	8,161	7,751	7,582	9,861	10,451	10,974	15,457	18,271	16,610	16,374
<b>Cash &amp; Equivalents</b>	2,270	1,137	555	613	747	439	1,499	890	1,192	1,618
<b>Accounts Receivable</b>	486	534	606	613	531	557	1,191	1,213	742	594
<b>Inventories</b>	450	593	701	769	750	813	2,076	2,161	1,503	1,179
<b>Goodwill &amp; Int. Ass.</b>	1,895	2,032	1,953	1,933	2,015	1,907	1,905	1,892	1,813	1,714
<b>Total Liabilities</b>	4,219	3,933	3,823	5,767	5,982	5,169	7,266	8,606	6,410	6,593
<b>Accounts Payable</b>	282	419	523	574	483	648	2,052	2,088	944	914
<b>Long-Term Debt</b>	2,369	1,837	1,705	3,165	3,689	2,521	3,316	4,280	3,616	3,297
<b>Shareholder's Equity</b>	3,795	3,675	3,585	3,932	4,268	5,625	7,983	9,412	7,726	7,298
<b>LTD/E Ratio</b>	0.62	0.50	0.48	0.81	0.87	0.45	0.42	0.46	0.37	0.35

## Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Return on Assets</b>	5.4%	1.3%	9.6%	6.9%	4.4%	1.9%	21.3%	9.9%	-6.5%	-2.8%
<b>Return on Equity</b>	13.0%	2.6%	19.5%	15.4%	10.4%	3.9%	40.2%	18.7%	-11.4%	-4.7%
<b>ROIC</b>	7.1%	1.7%	13.3%	9.5%	5.8%	2.4%	28.3%	13.1%	-8.2%	-3.5%
<b>Shares Out.</b>	113	111	106	106	106	117	118	117	118	118
<b>Revenue/Share</b>	23.64	27.34	30.83	33.76	29.29	28.56	62.14	81.66	45.76	43.71
<b>FCF/Share</b>	4.74	(0.12)	(1.41)	(1.25)	(0.48)	(5.23)	5.49	(7.00)	(8.45)	5.89

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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