Albemarle Corporation (ALB)

Updated August 26th, 2026, by Nathan Parsh

Key Metrics

Current Price:	$133	**5 Year Annual Expected Total Return:**	18.3%	**Market Cap:**	$15.7 B
Fair Value Price:	$208	**5 Year Growth Estimate:**	7.5%	**Ex-Dividend Date:**	09/11/26
% Fair Value:	64%	**5 Year Valuation Multiple Estimate:**	9.3%	**Dividend Payment Date:**	10/01/26
Dividend Yield:	1.2%	**5 Year Price Target**	$298	**Years Of Dividend Growth:**	30
Dividend Risk Score:	A	**Sector:**	Materials	**Rating:**	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 March 2nd, 2026, Albemarle completed the sale of a 51% stake in Ketjen to private equity firm KPS Capital Partners.

On July 21st, 2026, Albemarle increased its quarterly dividend 1.2% to $0.41, the company's first increase since Q4 2024. Due to the timing of payments, Albemarle has paid an increasing dividend for 30 consecutive years.

On August 5th, 2026, Albemarle announced second quarter results for the period ending June 30th, 2026. For the quarter, revenue grew 30.8% to $1.7 billion, which beat estimates by $70 million. Adjusted earnings-per-share of $3.75 compared very favorably to $0.11 in the prior year and was $0.51 more than expected.

Quarterly results once again 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 grew 77.9% to $1.28 billion as pricing was up 60.5% and volume increased 11.0%. Revenues for Specialties improved 20.5% to $423.5 million as volume increased 8.0% and pricing added 11.0%.

Albemarle is now expected to earn $11.54 per share in 2026, compared to $11.62 and $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
EPS	$5.68	$3.90	$5.50	$6.04	$4.12	$4.05	$22.84	$22.25	-$2.34	-$0.79	***$11.54***	***$16.57***
DPS	$1.22	$1.27	$1.33	$1.47	$1.54	$1.56	$1.58	$1.60	$1.61	$1.62	***$1.64***	***$2.35***
Shares[1]	113	111	106	106	106	117	118	117	118	118	***118***	***118***

Albemarle has experienced very erratic earnings-per-share performance over the last decade. Albemarle has experienced steep drops in profitability or outright loses 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 30 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.

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[1] In millions of shares

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	13.0	29.5	15.6	14.4	25.1	57.7	9.5	9.5	---	---	***11.5***	***18.0***
Avg. Yld.	1.7%	1.1%	1.3%	2.0%	1.7%	0.7%	0.7%	1.1%	1.9%	1.1%	***1.2%***	***0.8%***

Shares of Albemarle have declined $39, or 22.7%, since our May 22nd, 2026, report. Based on the current share price and our earnings estimates, the stock has a price-to-earnings ratio of 11.5. 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 9.3% to annual returns over this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

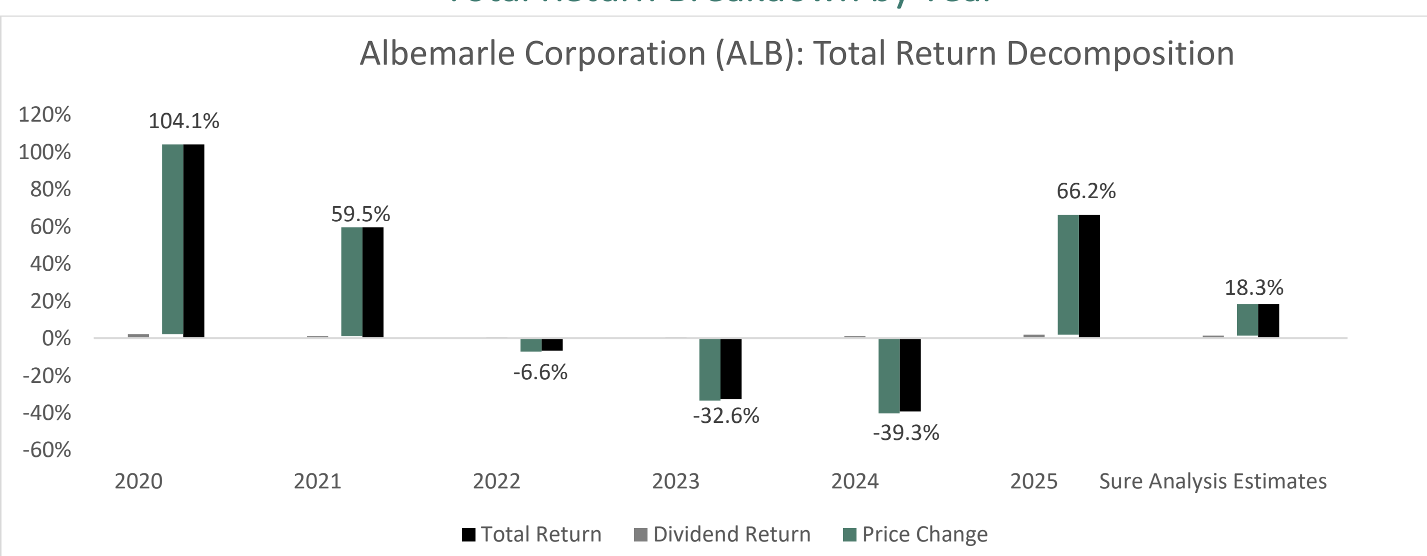
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	21%	33%	21%	24%	37%	39%	7%	7%	---	---	***14%***	***14%***

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

Following second quarter earnings, Albemarle is now projected to produce a return of 18.3% annually through 2031, up from our prior estimate of 12.5%. This expected return is based on earnings growth of 7.5%, a starting yield of 1.2%, and a high single-digit 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 lowered our five-year price target $2 to $298 due to earnings estimates for the year, but we continue to rate shares of the company as a buy due to projected returns and a strong dividend risk score. It should be noted again that the stock is best for those with a strong risk tolerance.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

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

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	8,161	7,751	7,582	9,861	10,451	10,974	15,457	18,271	16,610	16,374
Cash & Equivalents	2,270	1,137	555	613	747	439	1,499	890	1,192	1,618
Accounts Receivable	486	534	606	613	531	557	1,191	1,213	742	594
Inventories	450	593	701	769	750	813	2,076	2,161	1,503	1,179
Goodwill & Int. Ass.	1,895	2,032	1,953	1,933	2,015	1,907	1,905	1,892	1,813	1,714
Total Liabilities	4,219	3,933	3,823	5,767	5,982	5,169	7,266	8,606	6,410	6,593
Accounts Payable	282	419	523	574	483	648	2,052	2,088	944	914
Long-Term Debt	2,369	1,837	1,705	3,165	3,689	2,521	3,316	4,280	3,616	3,297
Shareholder's Equity	3,795	3,675	3,585	3,932	4,268	5,625	7,983	9,412	7,726	7,298
LTD/E Ratio	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
Return on Assets	5.4%	1.3%	9.6%	6.9%	4.4%	1.9%	21.3%	9.9%	-6.5%	-2.8%
Return on Equity	13.0%	2.6%	19.5%	15.4%	10.4%	3.9%	40.2%	18.7%	-11.4%	-4.7%
ROIC	7.1%	1.7%	13.3%	9.5%	5.8%	2.4%	28.3%	13.1%	-8.2%	-3.5%
Shares Out.	113	111	106	106	106	117	118	117	118	118
Revenue/Share	23.64	27.34	30.83	33.76	29.29	28.56	62.14	81.66	45.76	43.71
FCF/Share	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.