

Fiscal 2025 First-Quarter Business Update

// February 10, 2025

COMPASS MINERALS

Forward-Looking Statements and Other Disclaimers

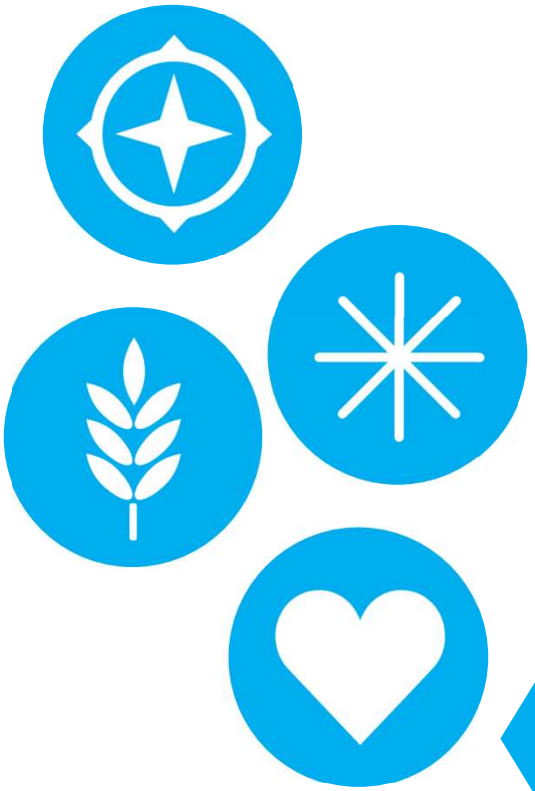


This presentation may contain forward-looking statements, including, without limitation, statements about reduction of salt inventory volumes, improvement in Plant Nutrition costs, cash generation capability, the future of Fortress, including ongoing discussions with the USFS, the company's ability to meet or exceed its plan for January or the remainder of fiscal 2025, SOP prices, and the company's outlook for 2025, including its expectations regarding sales volumes, revenue, Adjusted EBITDA, depreciation, depletion, and amortization, interest expense, tax rates, and capital expenditures. Forward-looking statements are those that predict or describe future events or trends and that do not relate solely to historical matters. The company uses words such as "may," "would," "could," "should," "will," "likely," "expect," "anticipate," "believe," "intend," "plan," "forecast," "outlook," "project," "estimate" and similar expressions suggesting future outcomes or events to identify forward-looking statements or forward-looking information. These statements are based on the company's current expectations and involve risks and uncertainties that could cause the company's actual results to differ materially. The differences could be caused by a number of factors, including without limitation (i) weather conditions, (ii) inflation, the cost and availability of transportation for the distribution of the company's products and foreign exchange rates, (iii) pressure on prices and impact from competitive products, (iv) any inability by the company to successfully implement its strategic priorities or its cost-saving or enterprise optimization initiatives, and (v) the risk that the company may not realize the expected financial or other benefits from its ownership of Fortress North America. For further information on these and other risks and uncertainties that may affect the company's business, see the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the company's Amended Annual Report on Form 10-K for the period ended Sept. 30, 2024, and its Quarterly Report on Form 10-Q for the quarter ended Dec. 31, 2024, filed or to be filed with the SEC, as well as the company's other SEC filings. The company undertakes no obligation to update any forward-looking statements made in this press release to reflect future events or developments, except as required by law. Because it is not possible to predict or identify all such factors, this list cannot be considered a complete set of all potential risks or uncertainties.

Fiscal 2025
First-Quarter Results



Fiscal 2025 First-Quarter Performance Overview



- Net loss for the first quarter of fiscal 2025 of $23.6 million, compared to a net loss of $75.3 million in the first quarter of fiscal 2024
- Total company adjusted EBITDA for the first quarter of fiscal 2025 of $32.1 million, down from $62.2 million in the prior year (which included contribution from Fortress)
- Company progressing on reducing North American highway deicing inventory volumes, with volumes down 10% year over year as of Dec. 31, 2024
- Plant Nutrition results mixed with improvements in sales volumes and cost structure being offset by weaker product pricing
- Liquidity of $126.3 million as of Dec. 31, 2024

[1] Adjusted EBITDA is a non-GAAP financial measure. See appendix for reconciliation to net income (loss), the most directly comparable GAAP financial measure.

Fiscal 2025 First-Quarter Consolidated Results

1Q25 Adjusted EBITDA[1]

(in millions)

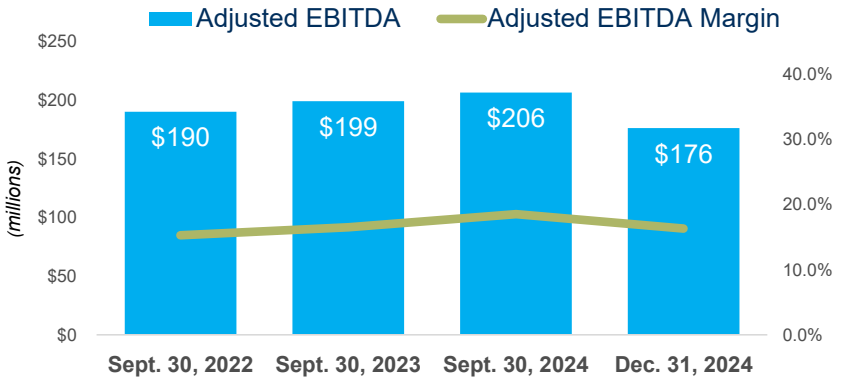


Consolidated Results	1Q25
Revenue (y-o-y)	-10%
Adjusted EBITDA[1] (y-o-y)	-48%
Adjusted EBITDA[1] margin	10.4%

First-Quarter Fiscal 2025 Summary

- **Slow start to winter weather in October and November contributed to softer 1Q25 Salt segment results**
- **Plant Nutrition saw mixed results with weaker pricing offsetting improvements in sales volumes and cost structure**
- **Corporate and Other segment included adjusted EBITDA contribution of more than $10 million from Fortress in prior year; adjusting for Fortress, segment results were consistent between periods**

Historical TTM Adjusted EBITDA[1] and Margin



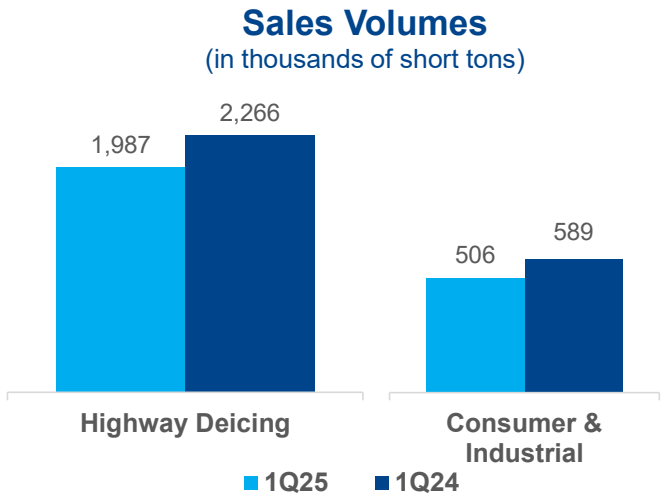
[1] Adjusted EBITDA from continuing operations is a non-GAAP financial measure. See appendix for reconciliation to operating earnings, the most directly comparable GAAP financial measure.

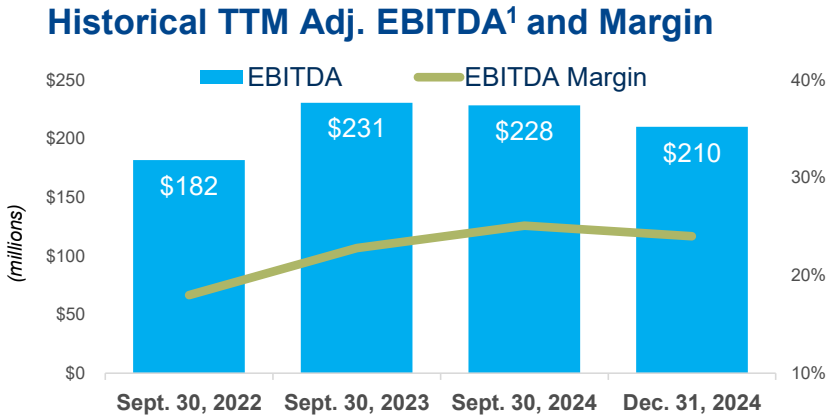
Fiscal 2025 First-Quarter Salt Results

($ in millions)	1Q25	1Q24	%Δ
Revenue	$242.2	$274.3	-11.7%
Adj. EBITDA[1]	$47.8	$66.1	-27.7%
Adj. EBITDA[1] margin	19.7%	24.1%	-4.4 pts
Average price per ton	$97/ton	$96/ton	1%

First-Quarter Fiscal 2025 Summary

- **Slow start to winter weather in October and November contributed to softer 1Q25 segment results; total segment volumes down 13% year over year**
- **Salt segment average selling price up 1% year over year, with pricing up 6% for C&I and highway deicing down 1%**
- **Net revenue per ton, which reflects distribution costs, increased 3% year over year**
- **Adjusted EBITDA[1] per ton declined 17% year over year, which is consistent with company expectations and reflects the increase in production costs associated with the Goderich production curtailment in 2024**
- **North American highway deicing inventory volumes were down 10% year over year**





[1] Non-GAAP financial measure. See appendix for reconciliation to operating earnings, the most directly comparable GAAP financial measure.

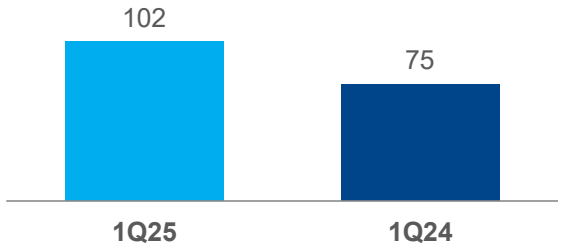
Fiscal 2025 First-Quarter Plant Nutrition Results

($ in millions)	1Q25	1Q24	%Δ
Revenue	$61.4	$49.7	23.5%
Adj. EBITDA[1]	$4.4	$7.2	-38.9%
Adj. EBITDA[1] margin	7.2%	14.5%	-7.3pts
Average price per ton	$603/ton	$660/ton	-9%

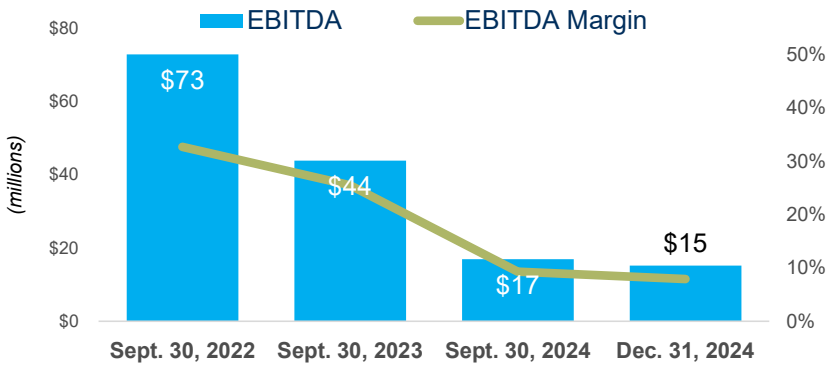
First-Quarter Fiscal 2025 Summary

- **Sales price declined 9% year over year, reflecting pricing pressure on potash pricing in the global marketplace**
- **Sales volumes improved 36% year over year, to 102 thousand tons of sales in the quarter**
- **Cost structure is beginning to reflect the company's efforts to improve the operations at the Ogden facility; more work to be done but initial steps are positive**
- **Plant Nutrition adjusted EBITDA[1] down to $4.4 million from $7.2 million year over year**

Sales Volumes
(in thousands of short tons)



Historical TTM Adj. EBITDA[1] and Margin

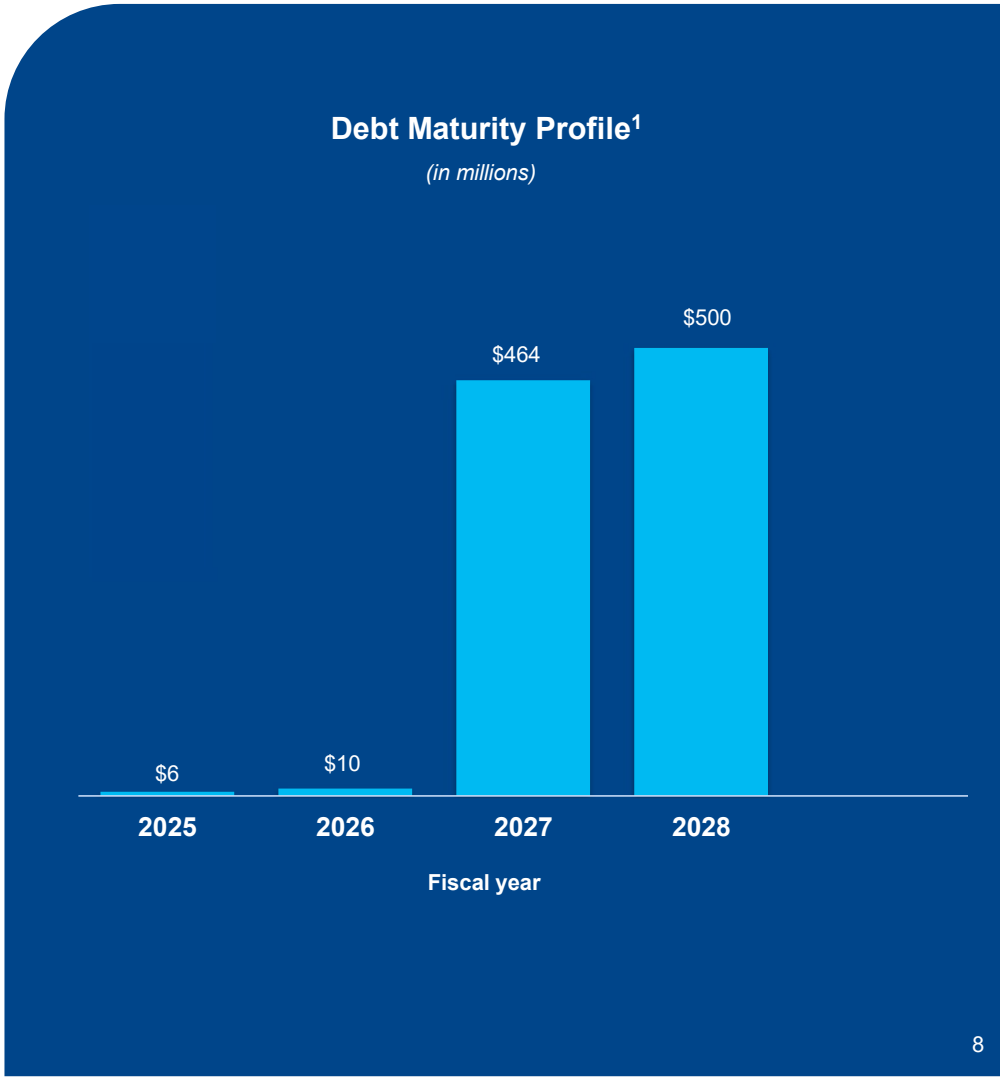


[1] Non-GAAP financial measure. See appendix for reconciliation to operating earnings, the most directly comparable GAAP financial measure.

Charting a Prudent Financial Path Forward

- **Strong liquidity & attractive debt maturity profile**
  - $126.3 million in liquidity as of Dec. 31, 2024 comprised of $45.8 million in cash and $80.5 million available under revolving credit
  - No significant maturities until late in fiscal 2027

- **Expect to refinance debt stack in first half of 2025 to align structure with Back-to-Basics strategy**



[1] As of Dec. 31, 2024.



Outlook & Guidance

Salt and Plant Nutrition Outlook and Guidance

Salt

Long-Term Attributes

- Resilient, recession-resistant demand profile
- Difficult to replicate asset base with important logistical advantages
  - New mine development rarely economically feasible
  - Convenient access to water transportation
  - Extensive depot network
- Attractive markets
  - Highway deicing in North America and the U.K.
  - Consumer and industrial in North America

Fiscal 2025 Salt Guidance

	2025 Range	
Highway Deicing volumes *(thousands of tons)*	7,600	8,500
Consumer and industrial volumes *(thousands of tons)*	1,800	1,950
FY25 Total Volumes *(thousands of tons)*	9,400	10,450
FY25 Revenue *(in millions)*	$900	$1,000
FY25 Adj. EBITDA *(in millions)*	$205	$230

Plant Nutrition

Long-Term Attributes

- Largest producer of SOP in the Western Hemisphere
- Unique solar evaporation asset in Ogden, Utah, provides competitive advantages
  - Well positioned to serve specialty crops, particularly on the west coast of U.S.
  - Strategic forward-deploy warehouse network
- Attractive markets
  - High-value and chloride-sensitive crops in North America
  - Diversified end markets insulated from the volatility of commodity row crops in North America

Fiscal 2025 Plant Nutrition Guidance

	2025 Range	
FY25 Volumes *(thousands of tons)*	295	315
FY25 Revenue *(in millions)*	$180	$200
FY25 EBITDA *(in millions)*	$17	$24

Consolidated Guidance Summary

	2025 Adj. EBITDA Range (in millions)	
Salt	$205	$230
Plant Nutrition	17	24
Corporate[1]	(70)	(61)
TOTAL	$152	$193

	2025 Capital Expenditure Range (in millions)	
TOTAL	$75	$85

Other Consolidated Modeling Information (in millions of dollars unless otherwise noted)	2025 Range	
Interest expense, net of interest income	$67	$72
Depreciation, depletion and amortization	$105	$115
Effective tax rate (excl. valuation allowance and impairments)[2]	0%	5%





[1] Includes financial contribution of DeepStore as well as $3 to $5 million in cash expenses related to Fortress.
[2] Guidance for the 2025 effective income tax rate reflects the income mix by country with income recognized in foreign jurisdictions offset by losses recognized in the U.S., for which a valuation allowance is expected to be recorded against the U.S. tax benefit carryforward.

Appendix



Special Items

Special Items Impacting Three Months Ended Dec. 31, 2024
(unaudited, in millions, except per share data)

Item Description	Segment	Line Item	Amount	Tax Effect[1]	After Tax	EPS Impact
Product recall costs	Salt	Product cost and Other operating expense	$0.9	$(0.2)	$0.7	$0.02
Total			$0.9	$(0.2)	$0.7	$0.02

Special Items Impacting Three Months Ended Dec. 31, 2023
(unaudited, in millions, except per share data)

Item Description	Segment	Line Item	Amount	Tax Effect[1]	After Tax	EPS Impact
Restructuring charges[2]	Corporate and Other	Other operating expense	$2.5	$---	$2.5	$0.06
Restructuring charges[2]	Plant Nutrition	Other operating expense	1.1	---	1.1	0.02
Impairments	Corporate and Other	Loss on impairments	74.8	---	74.8	1.82
Total			$78.4	$---	$78.4	$1.90

[1] There were no substantial income tax benefits related to these items given the U.S. valuation allowances on deferred tax assets. Applicable product recall costs reflect an impact from Canadian taxes.
[2] Restructuring charges do not include certain reductions in stock-based compensation associated with forfeitures stemming from the restructuring activities.

Reconciliation of Non-GAAP Information

Reconciliation for Adjusted Operating Earnings (Loss) *(unaudited, in millions)*	*Three months ended Dec. 31,*	
	2024	2023
Operating earnings (loss)	$ 0.5	$ (53.6)
Product recall costs[1]	0.9	---
Restructuring charges[2]	---	3.6
Loss on impairments[2]	---	74.8
Adjusted operating earnings	$ 1.4	$ 24.8
Sales	307.2	341.7
Operating margin	0.2%	(15.7)%
Adjusted operating margin	0.5%	7.3%

[1] The company recognized costs related to a recall related to food-grade salt produced at its Goderich Plant.
[2] In connection with the termination of the company's lithium development project, the company incurred severance and related charges for a reduction in workforce and a loss on impairment of long-lived assets, which were determined to be no longer probable of recovery.

Reconciliation of Non-GAAP Information

Reconciliation for Adjusted Net (Loss) Earnings *(unaudited, in millions)*	*Three months ended Dec. 31,*	
	2024	2023
Net loss	$ (23.6)	$ (75.3)
Product recall costs[1]	0.9	---
Restructuring charges[2]	---	3.6
Loss on impairments[2]	---	74.8
Income tax effect	(0.2)	---
Adjusted net (loss) earnings	$ (22.9)	$ 3.1
Diluted net loss per common share	$ (0.57)	$ (1.83)
Adjusted net (loss) earnings per diluted share	$ (0.55)	$ 0.07
Weighted-average common shares outstanding (in thousands):		
Diluted	41,441	41,205

[1] The company recognized costs related to a recall related to food-grade salt produced at its Goderich Plant. Charges for the three months ended Dec. 31, 2024 were $0.9 million ($0.7 million net of tax).
[2] In connection with the termination of the company's lithium development project, the company incurred severance and related charges for a reduction in workforce and a loss on impairment of long-lived assets, which were determined to be no longer probably of recovery.

Reconciliation of Non-GAAP Information

Reconciliation for EBITDA and Adjusted EBITDA *(unaudited, in millions)*	*Three months ended Dec. 31,*	
	2024	2023
Net loss	$ (23.6)	$ (75.3)
Interest expense	16.9	15.9
Income tax expense	9.7	3.6
Depreciation, depletion and amortization	26.8	25.5
EBITDA	$ 29.8	$ (30.3)
Adjustments to EBITDA:		
Stock-based compensation – non-cash	3.9	11.9
Interest income	(0.4)	(0.4)
(Gain) loss on foreign exchange	(5.2)	1.9
Product recall costs[1]	0.9	---
Restructuring charges[2]	---	3.6
Loss on impairments[2]	---	74.8
Other expense, net	3.1	0.7
Adjusted EBITDA	$ 32.1	$ 62.2

[1] The company recognized costs related to a recall related to food-grade salt produced at its Goderich Plant.
[2] In connection with the termination of the company's lithium development project, the company incurred severance and related charges for a reduction in workforce and a loss on impairment of long-lived assets, which were determined to be no longer probable of recovery.

Salt Segment Performance

Salt Segment Performance *(in millions, except for sales volumes and prices per short ton)*	*Three months ended Dec. 31,*	
	2024	2023
Sales	$ 242.2	$ 274.3
Operating earnings	$ 29.4	$ 50.9
Operating margin	12.1%	18.6%
Adjusted operating earnings[1]	$ 30.3	$ 50.9
Adjusted operating margin[1]	12.5%	18.6%
EBITDA[1]	$ 46.9	$ 66.1
EBITDA[1] margin	19.4%	24.1%
Adjusted EBITDA[1]	$ 47.8	$ 66.1
Adjusted EBITDA margin[1]	19.7%	24.1%
Sales volumes (in thousands of tons):		
Highway deicing	1,987	2,266
Consumer and industrial	506	589
Total Salt	2,493	2,855
Average sales price (per ton):		
Highway deicing	$ 69.50	$ 70.36
Consumer and industrial	$ 205.74	$ 194.94
Total Salt	$ 97.16	$ 96.08

[1] Non-GAAP financial measure. Reconciliations follow in these tables.

Salt Reconciliation of Non-GAAP Information

Reconciliation for Salt Segment Adjusted Operating Earnings *(unaudited, in millions)*	*Three months ended Dec. 31,*	
	2024	2023
Reported GAAP segment operating earnings	$ 29.4	$ 50.9
Provision for product recall costs[1]	0.9	---
Segment adjusted operating earnings	$ 30.3	$ 50.9
Segment sales	242.2	274.3
Segment operating margin	12.1%	18.6%
Segment adjusted operating margin	12.5%	18.6%

Reconciliation for Salt Segment EBITDA and Adjusted EBITDA *(unaudited, in millions)*	*Three months ended Dec. 31,*	
	2024	2023
Reported GAAP segment operating earnings	$ 29.4	$ 50.9
Depreciation, depletion and amortization	17.5	15.2
Segment EBITDA	$ 46.9	$ 66.1
Provision for product recall costs[1]	0.9	---
Segment adjusted EBITDA	$ 47.8	$ 66.1
Segment sales	242.2	274.3
Segment EBITDA margin	19.4%	24.1%
Segment adjusted EBITDA margin	19.7%	24.1%

[1] The company incurred costs related to a product recall.

Plant Nutrition Segment Performance

Plant Nutrition Segment Performance *(in millions, except for sales volumes and prices per short ton)*	*Three months ended Dec. 31,*	
	2024	2023
Sales	$ 61.4	$ 49.7
Operating loss	$ (3.1)	$ (2.3)
Operating margin	(5.0)%	(4.6)%
Adjusted operating loss[1]	$ (3.1)	$ (1.2)
Adjusted operating margin[1]	(5.0)%	(2.4)%
EBITDA[1]	$ 4.4	$ 6.1
EBITDA[1] margin	7.2%	12.3%
Adjusted EBITDA[1]	$ 4.4	$ 7.2
Adjusted EBITDA margin[1]	7.2%	14.5%
Sales volumes (in thousands of tons):	102	75
Average sales price (per ton):	$ 602.86	$ 660.41

[1] Non-GAAP financial measure. Reconciliations follow in these tables.

Plant Nutrition Reconciliation of Non-GAAP Information

Reconciliation for Plant Nutrition Segment Adjusted Operating Loss *(unaudited, in millions)*	*Three months ended Dec. 31,*	
	2024	2023
Reported GAAP segment operating loss	$ (3.1)	$ (2.3)
Restructuring charges[1]	---	1.1
Segment adjusted operating loss	$ (3.1)	$ (1.2)
Segment sales	61.4	49.7
Segment operating margin	(5.0)%	(4.6)%
Segment adjusted operating margin	(5.0)%	(2.4)%

Reconciliation for Plant Nutrition Segment EBITDA and Adjusted EBITDA *(unaudited, in millions)*	*Three months ended Dec. 31,*	
	2024	2023
Reported GAAP segment operating loss	$ (3.1)	$ (2.3)
Depreciation, depletion and amortization	7.5	8.4
Segment EBITDA	$ 4.4	$ 6.1
Restructuring charges[1]	---	1.1
Segment adjusted EBITDA	$ 4.4	$ 7.2
Segment sales	61.4	49.7
Segment EBITDA margin	7.2%	12.3%
Segment adjusted EBITDA margin	7.2%	14.5%

[1] The company incurred severance and related charges related to a reduction of its workforce.