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## **Company Overview**

March, 2016

# Forward-looking Statements



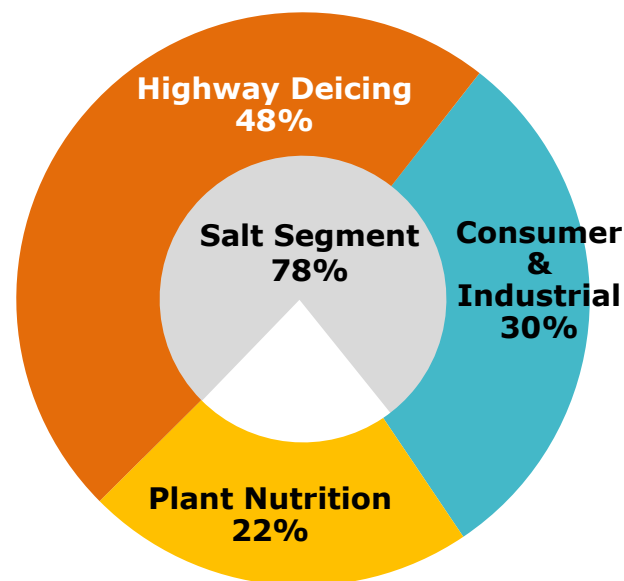
This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We use words such as “may,” “would,” “could,” “should,” “will,” “likely,” “expect,” “anticipate,” “believe,” “intend,” “plan,” “forecast,” “outlook,” “project,” “estimate” 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 as of the date of our last update, February 9, 2016, 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 weather conditions, pressure on prices and impact from competitive products, any inability by us to fund necessary capital expenditures, foreign exchange rates, and the cost and availability of transportation for the distribution of our products. For further information on these and other risks and uncertainties that may affect our business, see the “Risk Factors” sections of our Annual Report on Form 10-K for the year ended December 31, 2015. The company undertakes no obligation to update any forward-looking statements made in this press release to reflect future events or developments. 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.

# A Leader in Strong, Diverse Markets with Unique Asset Base

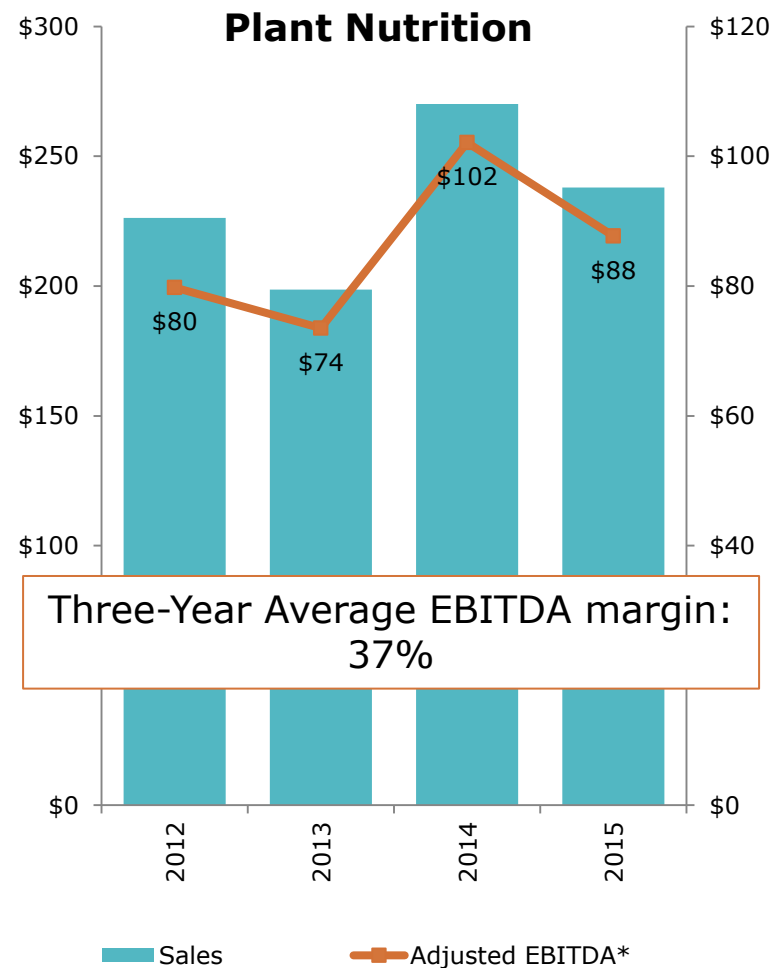
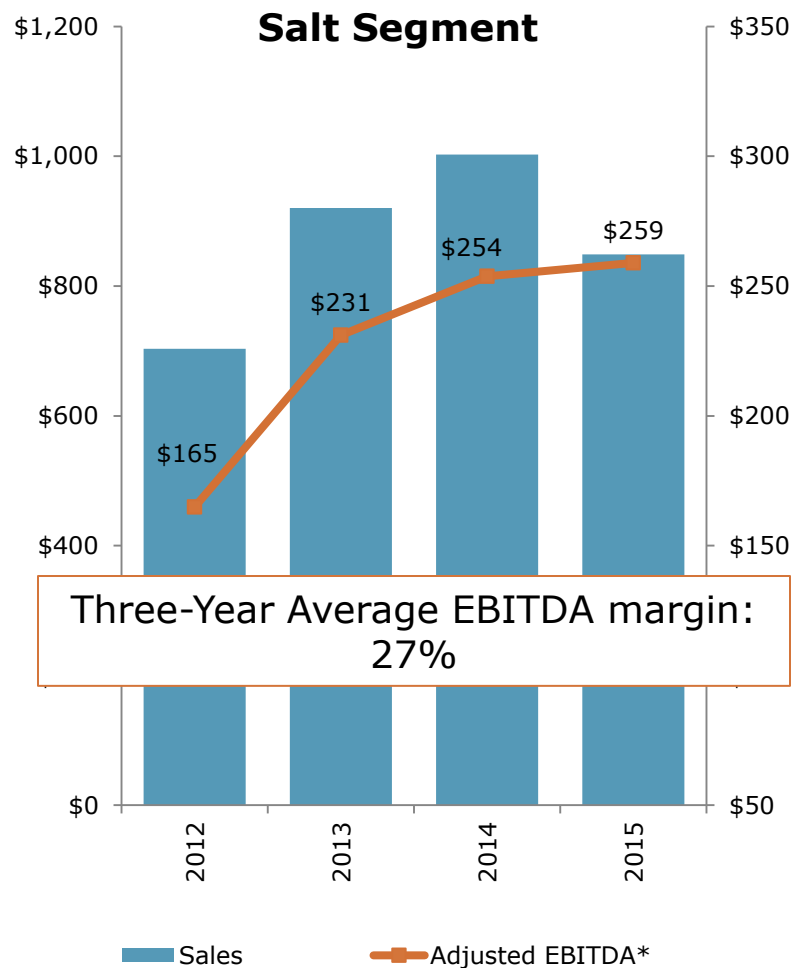


- A leading supplier of deicing mineral products in North America and the U.K.
  - Advantaged rock salt mining assets in Canada and the U.K.
- A key producer of high-quality salt for consumers and industry throughout North America
- The leading sulfate of potash (SOP) specialty fertilizer producer in the Western Hemisphere
  - One of three low-cost solar pond facilities in the world
- A growing micronutrient business based on patented technology
- Largest producer of magnesium chloride in North America

**2015 Sales = \$1.1 Billion**



# Strong Earnings History in Both Segments



# The Investment Case



## ATTRACTIVE BUSINESS ATTRIBUTES

Essential, non-discretionary products

Recession-resistant demand

Not subject to geopolitical risk

Long-term balanced FX exposure



## GENERATING

Consistent earnings growth

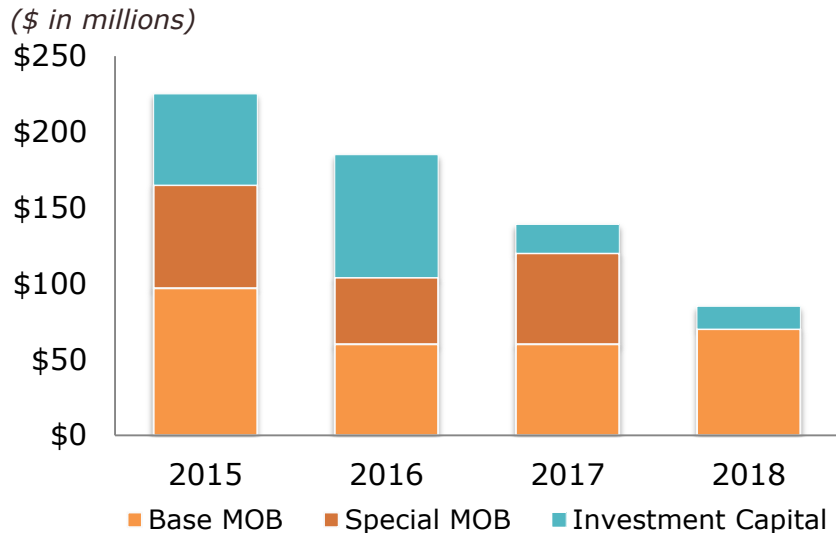
Robust cash flow from operations

Healthy returns for shareholders

# Executing Capital Projects at Lower Spending Levels



## Updated 2015-2018 Capital Spending Totals = \$630 million



- Updated capital spending plan at least \$100 million less than previous plan
  - More efficient execution
  - Project thriftiness
  - Modest foreign exchange benefits

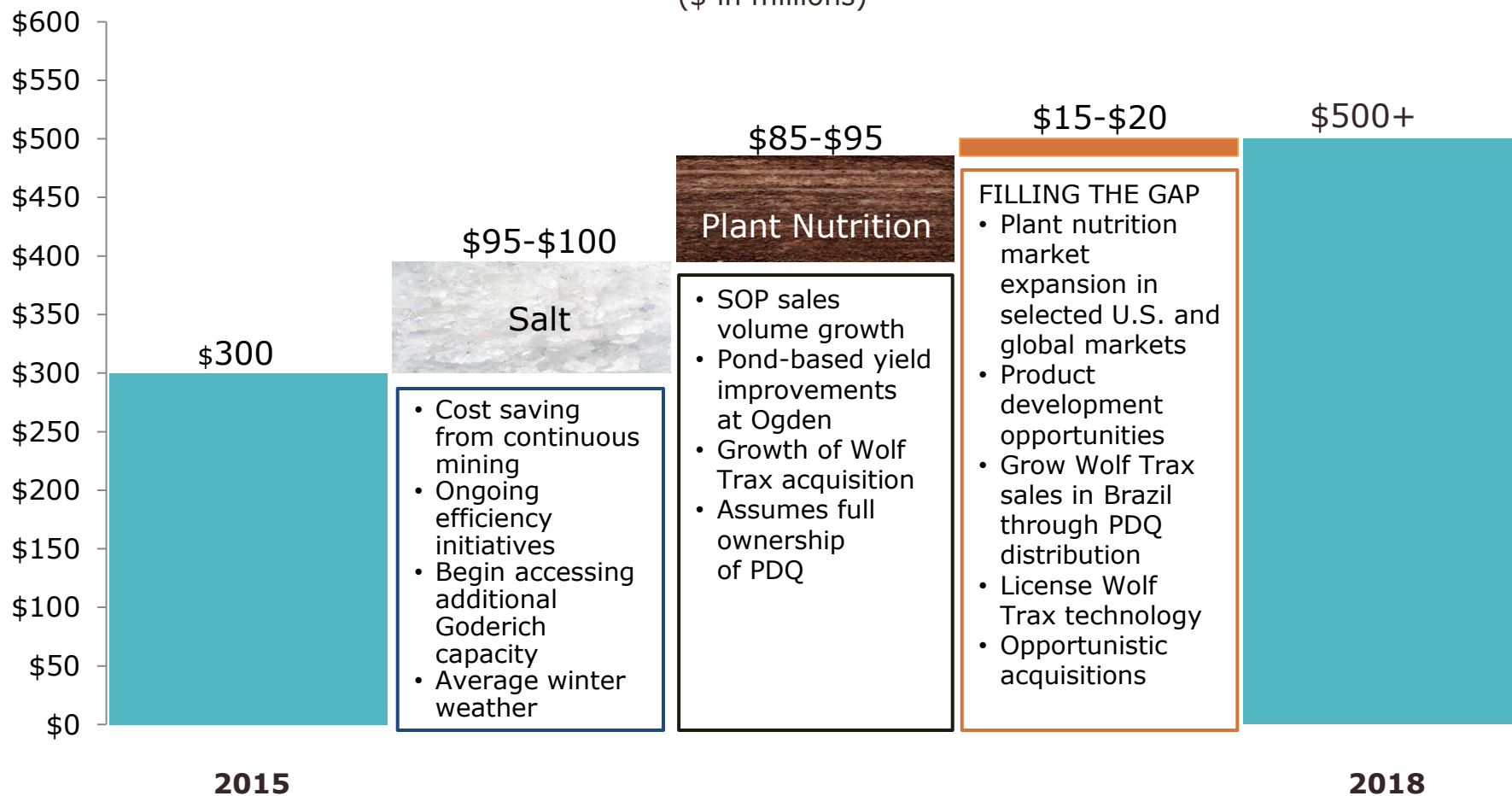
## Major Capital Projects On Track to Drive Growth

Investment	Cost	Completion Timing	Percent Complete
Goderich shaft relining (Special MOB)			
Ogden plant projects (Special MOB)			
Ogden plant expansion (Investment capital)			
Goderich continuous mining (Investment capital)			

# Executing the Path to \$500+ Million EBITDA



## Adjusted EBITDA Target\* (\$ in millions)



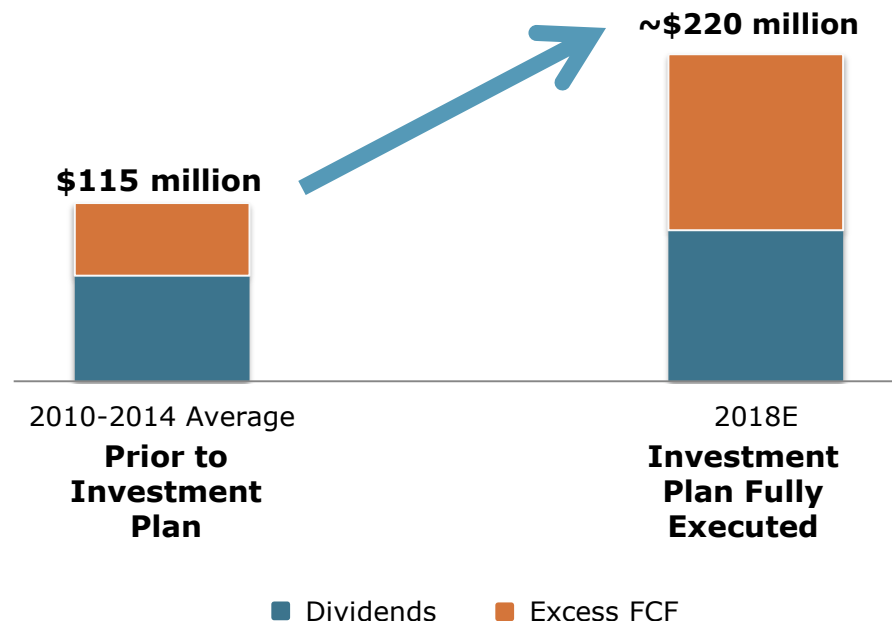
\*Non-GAAP measure. See appendix for reconciliation.

# Positioned to Generate Cash at Double the Historical Rate



- Remain on track to double EBITDA by 2018
- Capital spending expected to be at normalized levels in 2018
- Free cash flow expected to expand significantly beginning in 2017 and beyond
  - Organic growth
  - Opportunistic acquisitions
  - Returns to shareholders

## Growing Free Cash Flow\*



\*Free Cash Flow defined as cash flow from operations minus capital expenditures



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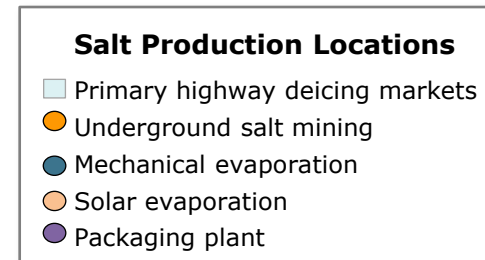
## **SALT SEGMENT**

Resilient Cash Generator

# Our Salt Business



- Highway deicing = ~ 60% of segment revenue
  - Rock salt and other deicers sold to municipal, county and state/provincial governments
  - Rock Salt sold to chemical customers
  - Magnesium chloride for dust control and liquid deicing
  - Long-term price growth of 3% to 4% and volume growth of 1% to 2%
  - Supply and demand essentially balanced in an average winter
- Consumer and industrial = ~ 40% of segment revenue
  - A broad range of non-seasonal packaged and bulk products
    - Water conditioning
    - Animal nutrition
    - Many industrial applications including food
  - Packaged deicers
    - Basic, blended and premium products



# Salt Demand Drivers

## HIGHWAY DEICING

## CONSUMER & INDUSTRIAL



### SAFETY

Governments' emphasis on safe roadways and bare pavement policies

Budget issues are offset by safety requirements\*



### SERVICE

Citizens' demand for high service levels\*

As traffic increases, deicing needs increase

No significant cost-effective alternatives



### COMMERCE

Roads closed due to snow and ice result in lost wages, revenues and sales taxes for governments\*



### WEATHER

Drives seasonal fluctuations

Can create positive and negative next-season impact



### GDP GROWTH

The primary drivers of all consumer and industrial salt growth

The influence of population and GDP vary by product and end use



### POPULATION GROWTH

Livestock count plays a role

\* SIS International Study 2012

\*\* IHS Global Insight Study

# Unique Characteristics of the North American Highway Deicing Business



- Price reflects unique, government-directed selling process that sets prices during the summer for the upcoming winter season
  - Each government issues a Request for Quotation (RFQ) for blind, sealed bids
  - RFQs are typically issued between April and October
  - Each government's RFQ specifies a volume or volume range, a bid due date and a bid open date
  - Creates a transparent process
  - Contract is awarded to the lowest bidder
  - Contract is for a 12-month period, sometimes longer
- "Demand vs. pricing" characteristics similar to U.S. aggregates industry

## Illustration of a Government Bid Request

Delivery Location	Requested Quantity	Guaranteed Minimum Purchase	Required Delivery Capability	Percentage Range
Dover	2,000	1,700	2,300	85% - 115%
Fairview	6,500	5,200	7,800	80% - 120%
Hudson	350	262.5	455	75% - 130%

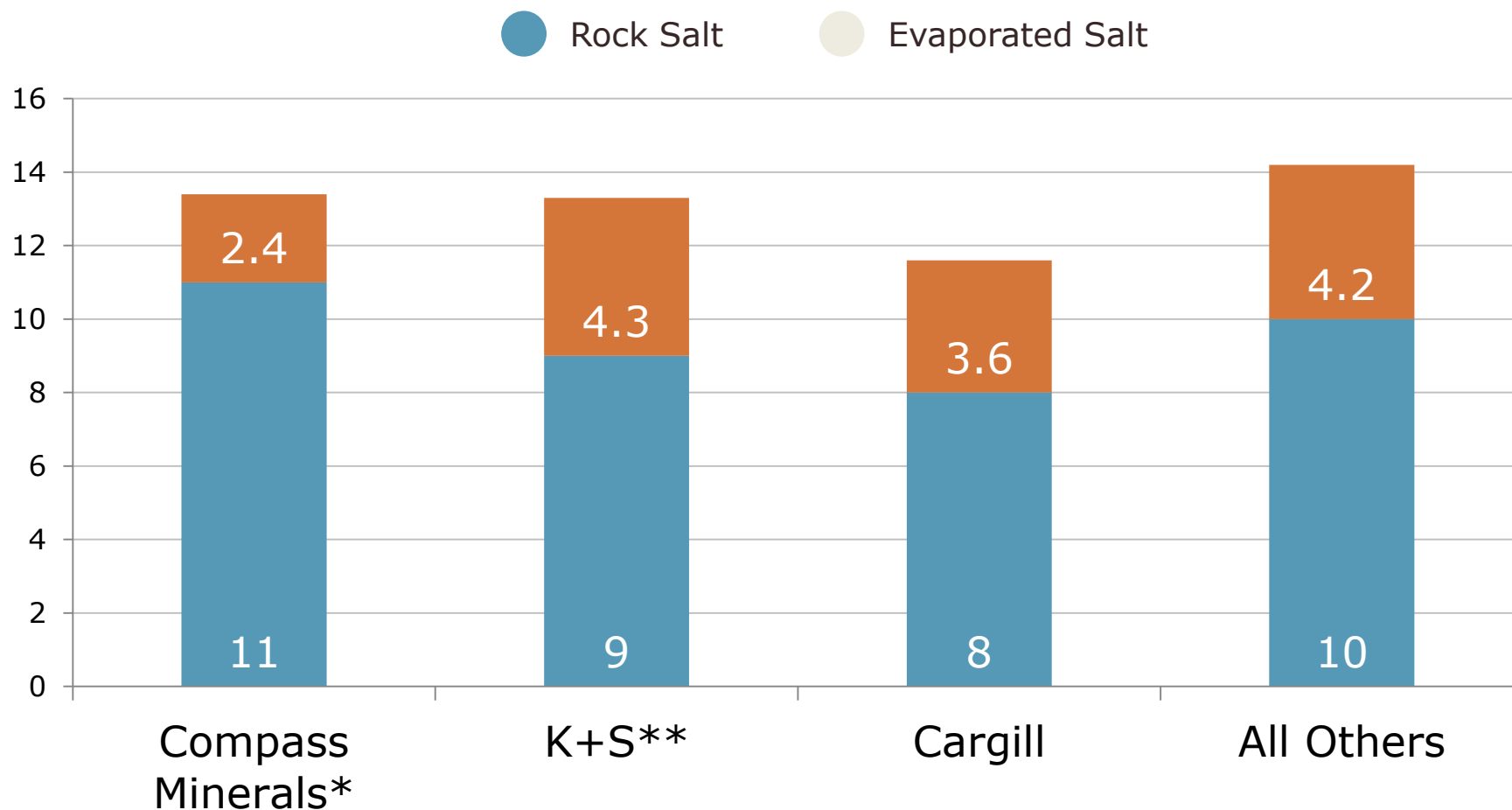
## Illustration of a Government Bid Award

Delivery Location	Requested Quantity	Illustration of Winning Bid*	Illustration of Bid Winner*
Dover	2,000	\$50.00	Competitor A
Fairview	6,500	\$53.50	Competitor C
Hudson	350	\$51.00	Competitor B

# Strong Position in a Competitive Industry



North American salt production in millions of tons

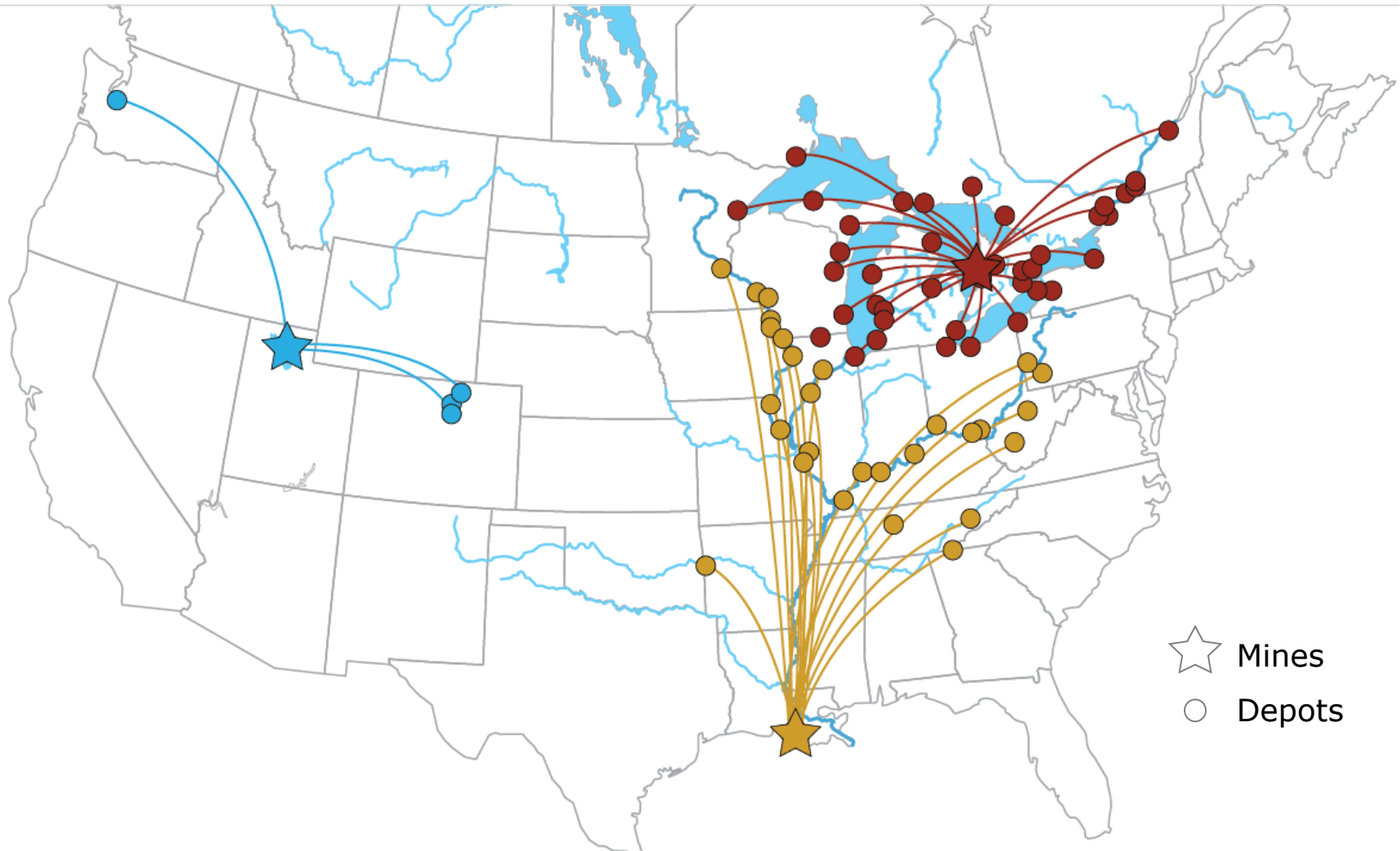


SOURCE: Roskill Information Services and company estimates

\* Reflects Goderich mine at 8.0 million tons of current capacity, not its 9.0 million-ton potential capacity.

\*\* Also imports salt from South America and the Bahamas

# Logistics is a Competitive Strength



# Our Strengths



## Superior Assets

- Geology of rock salt mines enables production efficiencies
- High-quality, low-cost salt and  $\text{MgCl}_2$  assets

## Logistical Advantages

- Convenient access to water transportation
- Deep-water port at Goderich
- Extensive depot network

## Insulated Markets

- Transportation costs limit imports
- Significant barriers to entry

## Strong Deicing Portfolio

- Vertically integrated raw-materials for specialty products
- Low-cost rock salt advantage in packaged deicing products

# Investing in Goderich for Long-Term Strength and Efficiency



- \$150 million shaft relining project underway
- Additional \$70 - \$80 million investment in continuous mining
- Will allow mining up to 9 million tons annually and reduce mining costs by ~\$30 million beginning in 2018

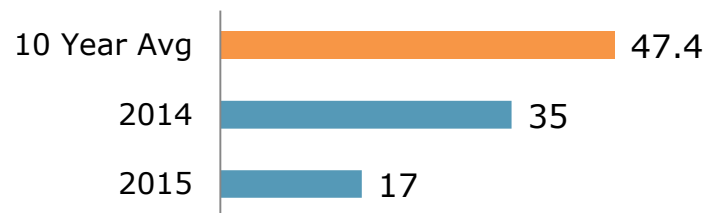


# Salt: Near-Record Earnings in 2015 Despite Extremely Mild Winter in 4Q

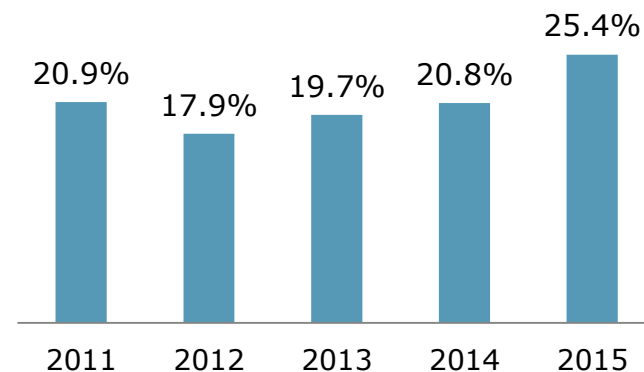


- Mildest fourth quarter since the 2012-2013 winter
  - Snow events were 36% below the 10-year average
  - Warm temperatures compounded the negative impact from lack of snow
  - Weakest December on record for Compass Minerals highway deicing sales volume
- Strong improvements in operating earnings despite negative weather impact – best full year margins since 2009
  - Strong pricing and freight-logical bid season results couple with lower fuel prices
  - Reduced impact of imported salt in 2015
  - Commercial initiatives driving higher-margin sales across the segment
  - Better production rates at mines in 2014 and 2015

## 4th Quarter Snow Events\*



## Adjusted Operating Margin\*\*



\* The number of snow events in 11 cities in Compass Minerals' primary North American deicing region compared with the 10-year average number of snow events, which is the mean number of snow events for the periods ended in the 2014-2015 season. For more information, please see the Investor Resources section of the company's investor relations site at [www.compassminerals.com](http://www.compassminerals.com)

\*\*Excludes impacts of 2011 Goderich tornado on earnings. See appendix for reconciliations.



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## **PLANT NUTRITION**

Well-positioned Specialty Product Portfolio

# Our Specialty Plant Nutrition Business



## Sulfate of Potash



- Natural, organic-approved SOP from the Great Salt Lake
  - Environmentally friendly, low-cost solar evaporation
  - Able to extend production capacity with purchased potassium
  - Targets high-value specialty crops
  - Dual nutrient with organic forms available
  - Primarily marketed in North America
- Highest purity SOP in the industry produced in Saskatchewan
  - Agricultural grades, industrial uses, food and pharmaceuticals

## Micronutrients and Blends



- Wolf Trax acquired in 2014 to provide additional growth opportunities in micronutrients
  - Applied to more crops and geographies
  - Strong margin profile based on unique application technology

# Compass Minerals' Plant Nutrition Products Address Favorable Market Trends



**Demand for  
higher yields  
and quality**



**More  
sophisticated  
growing  
techniques**



**Grower and  
dealer desire  
for  
convenience**



**Water quality  
and scarcity  
issues**

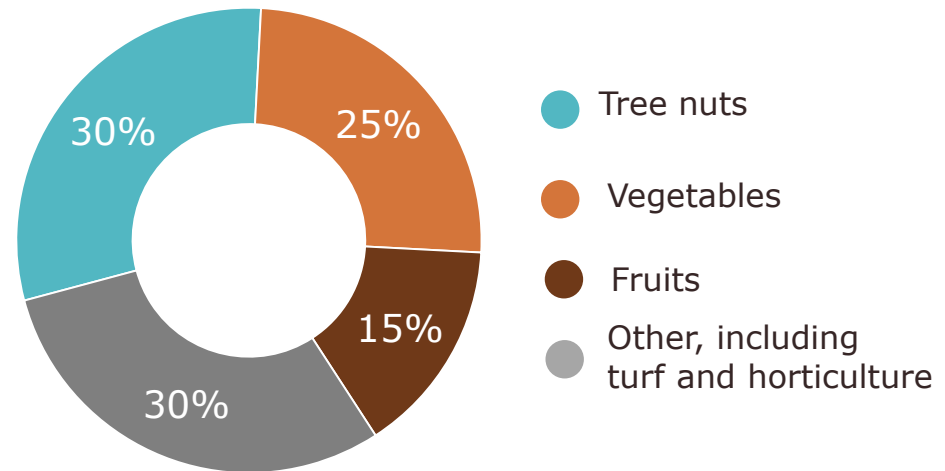


# SOP: A Premium Potassium for High-Value Crops

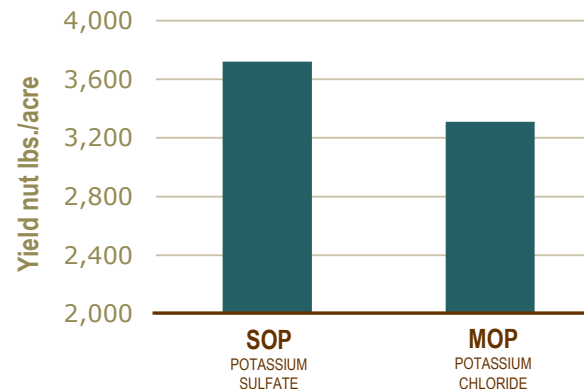


- High potassium content
- Nutrients readily available for the plant
- Very low chloride content
- Strong value proposition for premium crop growers
  - Value to grower can vary by crop's sensitivity to chloride
- Represents about 10% of global potash industry

## North American SOP Consumption



## K Source Yield Study Almond Field Day 2010 UC-Davis



**Almonds** fertilized with SOP returned **\$688 more per acre** than those fertilized with MOP

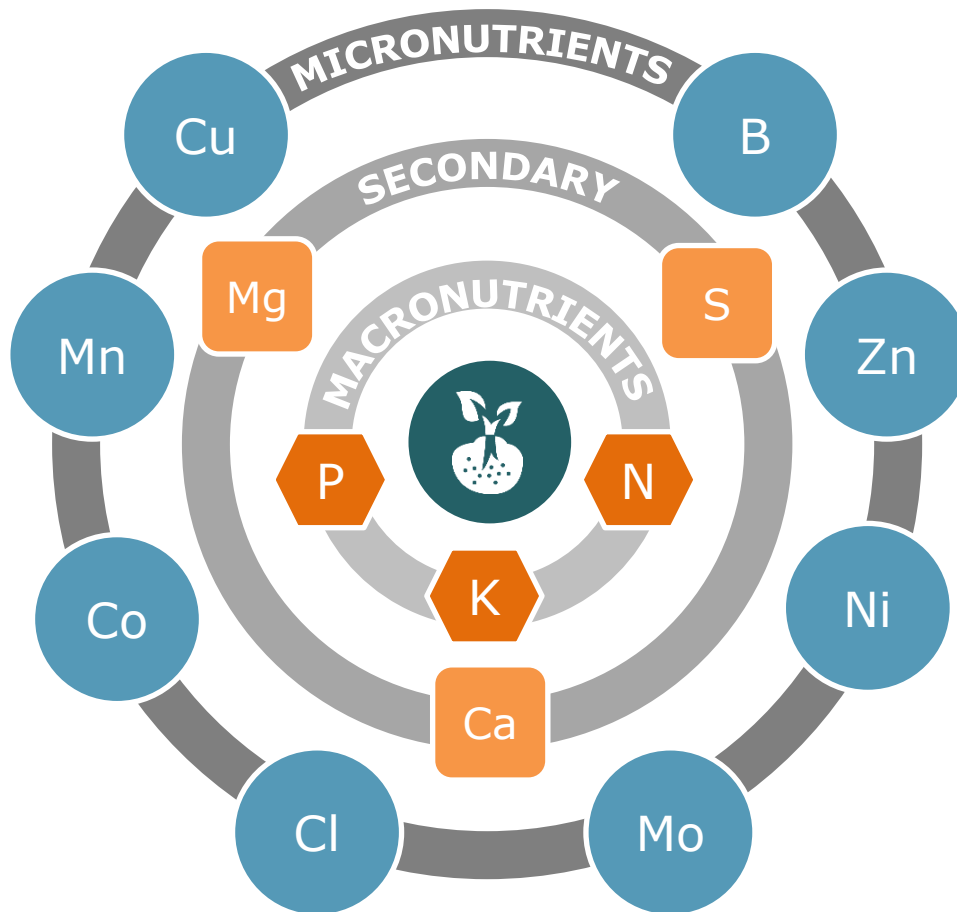
# Strong Position in Domestic Market



- Only North American SOP producer
- Historically provide 70% to 80% of North American demand
  - Logistically favorable to key high-value specialty crop markets
- Import competition from Europe and South America
  - Can vary depending upon currency, fuel costs and the price of MOP
  - About 50% of global production uses high-cost chemical conversion process that begins with KCl



# Micronutrients: Key Elements for Plant Health



- Essential minerals that maximize the health of all crops
- Micronutrients promote:
  - Stronger, larger roots
  - More consistent early-stage growth
  - Better stress tolerance
  - Enhanced color and flowering
- Highly fragmented market
- Expected to grow at a 9% CAGR through 2017\* in North America
- Wolf Trax® brand products coat and adhere to other inputs
  - DDP® formulation provides even distribution and enhanced uptake of micronutrients

\* Source: Markets and Markets

# Meeting Strong Market Demand

- Increasing annual SOP production by ~150,000 tons to ~550,000 at Ogden, Utah facility
- Estimated cost \$80 - \$90 million
- Tons will be available in 2017
- Sourcing KCl for incremental production
  - Enhances stability of supply to the market and reduces weather risk
  - Most efficient means of increasing capacity in the North American market
  - Expected to reduce per-unit production costs
- Compaction capacity will match production capability



# Plant Nutrition: Working to Overcome Broad Sector Pressure



## Agriculture Market Conditions

Broad ag market weakness slows purchase decisions. Farm incomes at 13-year lows

Strong dollar is weakening demand for U.S. ag exports and increasing attractiveness of U.S. market for SOP imports

Standard potash (MOP) pricing down 25%\* since 4Q14

## Impact on Compass Minerals

Impacts all ag inputs including sulfate of potash (SOP) and micronutrients

2015 imports of SOP estimated to be up 30% from prior year

Increasing potential for product substitution between MOP and SOP for less chloride-sensitive crops

\*MOP delivered price to Midwest, U.S., as reported by Integer.

# Executing on Strategic Plan

- Strengthen assets to ensure safe, profitable production for years to come
- Improve our execution to achieve cost leadership and margin improvement
- Drive growth through organic initiatives and strategic acquisitions



Superior Shareholder Returns





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## APPENDIX

- Produquímica Investment Overview
- Wolf Trax Overview
- Recap of Growth Strategies
- Reconciliation of non-GAAP measures

# Strategic Investment in Leading Brazilian Specialty Plant Nutrition Company



- Acquiring 35% stake in Produquímica Industria e Comercio S.A. for R\$452.4 million (approximately US\$115.9 million)\*
- Agreement includes path to ownership
- Expected to be accretive in first year
- Represents a key step in Compass Minerals' Plant Nutrition growth strategy
- Fundamental to acquisition portion of Compass Minerals \$500+ million EBITDA growth target
- Provides entry into one of the largest agriculture markets in the world

## Produquímica Snapshot 2015E

Headquarters	Sao Paulo, Brazil
Manufacturing Facilities	10
Employees	1,400
Revenue	R\$1 billion
EBITDA	R\$180 million
2011-2015E Net Revenue CAGR	14%
2011-2015E EBITDA* CAGR	19%

*\*Earnings before interest, taxes, depreciation and amortization.*

*\*As of today's exchange rate. Final consideration subject to customary post-closing adjustments.*

# Attractive Partner in Brazil with Strong Business Platform



- Leading specialty plant nutrition company in Brazil
  - 50 years of history and experience
- Solution-based products targeting all major crops in Brazil
  - Full menu of products that provides a complete solution to growers' plant nutrition needs
- Six plant nutrition manufacturing facilities with growth capacity
- Robust distribution network with deep customer relationships
- Strong innovation capabilities
  - More than 30 R&D staff with 30% of revenues from recent product launches
- Growing specialty chemicals business
  - Manufactures water treatment products and process chemicals serving a wide range of industries

## Agriculture Products

- 70% of Revenue
- 2011-2015 Revenue CAGR of 13%

Foliar and Seed Nutrition

Biostimulants and Adjuvants

Specialty Soluble Nutrients

Controlled-Release Blends

Animal Nutrition

## Specialty Chemical Products

- 30% of Revenue
- 2011-2015 Revenue CAGR of 14%

Water Treatment

Process Chemicals

# Wolf Trax Upclose: A Platform for Crop Nutrition Innovation



- Wolf Trax® brand products coat and adhere to other inputs
  - DDP® formulation provides even distribution and enhanced uptake of micronutrients
- Strong value proposition to the grower and the retailer
  - Less micronutrient per acre required
  - Unique formulations allow for 'prescription' micronutrient applications
  - Significant reduction in storage space and expense
- Growth supported by global research and product development
- NuTrax P+ introduced in 2014 to provide a DDP phosphate plus micronutrients blend
  - Attractive in environmentally sensitive farming areas



TYPICAL MICRONUTRIENT PLACEMENT



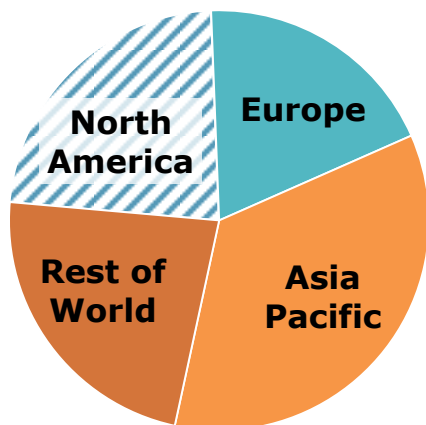
DDP® MICRONUTRIENTS ARE MORE AVAILABLE TO ROOT SYSTEMS

# Micronutrient Market Offers Ample Opportunity for Growth

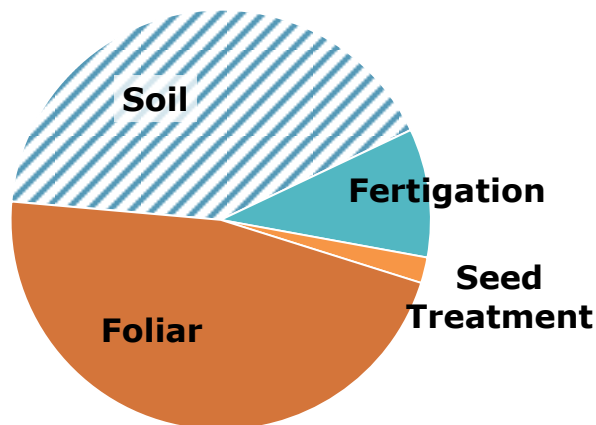
- Expand market reach within and beyond North America
- Expand into liquid and foliar products
- Bring Wolf Trax technology to additional crops
- Develop and introduce new products

## \$4+ Billion Micronutrient Market\*

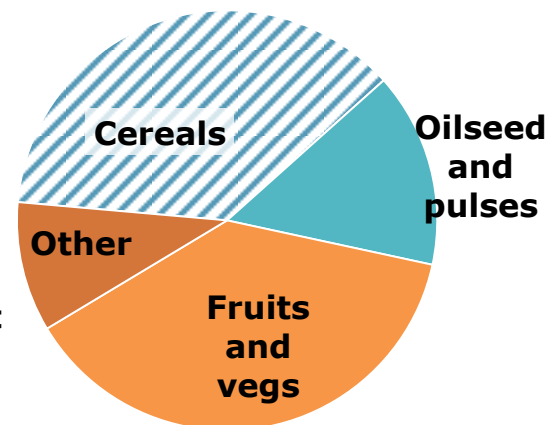
**By Geography**



**By Application**



**By Crop**



Current Compass Minerals micronutrient strength

\* Source: Markets and Markets

# Strategies for Growth



## Salt Segment

- Access 1 millions tons of additional capacity at Goderich
  - Will begin to use as market conditions warrant
- Increase market share judiciously
  - Focus on cost advantaged regions
  - Added greenfield packaging facilities to improve existing packaged deicing footprint
    - Buffalo, N.Y., facility operational in January 2015
- Improve cost performance
  - Expanding use of continuous miners and automation in North American mines

## Plant Nutrition Segment

- Grow our sales volumes
  - Increased SOP capacity beginning in 2017
  - Expanding micronutrient product offerings
    - Recently introduced phosphorus-based DDP product
    - More products in the pipeline
- Improve production costs at Ogden, Utah facility
- Increase Wolf Trax product demand in new markets
- Further acquisitions

*\* Non-GAAP measures. See appendix for reconciliations.*

# Reconciliation of Non-GAAP Information



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## Reconciliation for EBITDA and Adjusted EBITDA (unaudited) (in millions)

Twelve months ended  
December 31, 2015

Net earnings	\$ 159.2
Interest expense	21.5
Income tax expense	55.3
Depreciation, depletion and amortization	78.3
EBITDA	\$ 314.3
Adjustments to EBITDA:	
Other (income) expense <sup>(1)</sup>	(14.6)
Adjusted EBITDA	\$ 299.7

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(1) Primarily includes interest income and foreign exchange gains and losses.

# Reconciliation of Non-GAAP Information



Reconciliation for Salt Segment EBITDA and Adjusted EBITDA (unaudited)			
(in millions)			
	Twelve months ended December 31,		
	2013	2014	2014
Segment operating earnings	\$ 181.3	\$ 291.6	\$ 215.2
Depreciation, depletion and amortization	45.1	44.6	43.9
Segment EBITDA	\$ 226.4	\$ 336.2	\$ 259.1
Adjustments to EBITDA:			
Estimated cost of legal ruling <sup>(1)</sup>	4.7	-	-
Gain from insurance settlement <sup>(2)</sup>		(82.3)	-
Adjusted segment EBITDA	\$ 231.1	\$ 253.9	\$ 259.1

- (1) In 2013 the company recorded a reserve of \$4.7 million related to a ruling against the company from a 2010 labor issue.
- (2) In the third quarter of 2014, the company reported a gain from an insurance settlement relating to damage sustained by the company as a result of a tornado that struck the company's rock salt mine and evaporated-salt plant in Goderich, Ontario.

# Reconciliation of Non-GAAP Information



Reconciliation for Plant Nutrition Segment EBITDA (unaudited)			
(in millions)			
	Twelve months ended December 31,		
	2013	2014	2014
Segment operating earnings	\$ 58.7	\$ 74.8	\$ 57.9
Depreciation, depletion and amortization	23.8	27.3	29.8
EBITDA	\$ 82.5	\$ 102.1	\$ 87.7
Adjustments to EBITDA:			
Gain from insurance settlement	(9.0)		
Adjusted Segment EBITDA	\$ 73.5	\$ 102.1	\$ 87.7

- (1) In 2013, the company reported a \$9.0 million gain from an insurance settlement resulting from a 2010 brine loss at the company's Ogden, Utah, solar-pond facility.