



PROSPERITY THROUGH INVESTMENT



## FIRST QUARTER 2016 BUSINESS UPDATE

APRIL 25, 2016

# FORWARD-LOOKING STATEMENTS



*Certain statements in this presentation, including without limitation the company's or management's beliefs, expectations or opinions and statements about the expectations about its long-term growth, the highway deicing bid season, free cash flow, savings, SOP prices, earnings growth and its outlook for the second quarter of 2016 and full-year 2016, including expectations earnings per share ("EPS"), volumes, average selling prices, operating earnings margin, corporate and other expense, interest expense, capital expenditures and tax rates, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that predict or describe future events or trends and that do not relate solely to historical matters. 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 and involve risks and uncertainties that could cause the company's actual results to differ materially. These risks, uncertainties and factors include, but are not limited to: (i) weather conditions, (ii) pressure on prices and impact from competitive products, (iii) any inability by us to fund necessary capital expenditures, (iv) foreign exchange rates, and (v) 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 presentation 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.*

# Near-term Challenges Reduced Sales and Earnings



- Weak revenue drove lower earnings
  - Mild winter weather and lower year-over-year plant nutrition demand reduced sales volumes
  - Lower average selling prices in both segments, as expected
- Seventh consecutive quarter of year-over-year salt margin improvement
  - Successful 2015-2016 highway deicing bid season resulted in increased commitments in profitable geographies
- Plant nutrition business beginning to stabilize, performing as expected
- Executing projects that should drive long-term growth

CMP Consolidated Results (Dollars in millions)	First Quarter	
	2016	2015
Sales	\$346	\$393
Operating earnings	\$74	\$85
Operating earnings margin	22%	22%
Adjusted EBITDA*	\$95	\$104
Adjusted EBITDA* margin	27%	26%
Earnings per diluted share	\$1.46	\$1.79

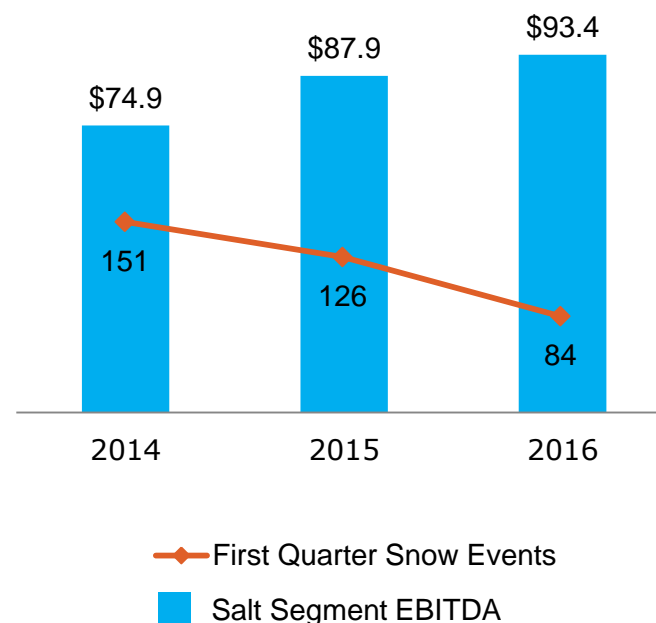
*\*Earnings before interest, taxes, depreciation and amortization, adjusted for special items. This is a non-GAAP measure. See appendix for reconciliations.*

# Salt: Strong Profitability Despite Very Mild Winter Weather



- Successful bid strategy and other commercial initiatives drove earnings growth
  - Operating earnings increased 7% from 1Q15
- Now focused on maintaining profitable highway deicing footprint following mild winter
  - Little snow and mild temperatures reduced demand
    - North American snow events 38% below the 10-year average for 2015-2016 winter; warm temperatures throughout season
    - Extremely mild in the U.K.
  - Higher customer deicing inventories likely to negatively impact the highway deicing bid season for 2016-2017
  - Actions taken to align production and inventory with expected demand
- Remain centered on profit optimization

1<sup>st</sup> Quarter Salt Segment EBITDA\* and Snow Events\*\*  
(\$ in millions)



\*Non-GAAP measure. See Appendix for reconciliations.

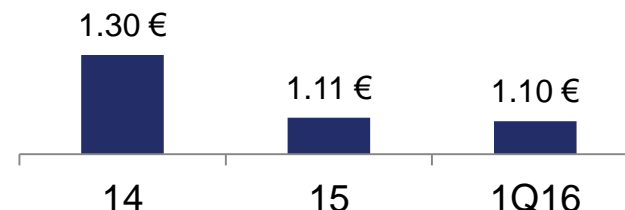
\*\* The number of snow events in 11 cities in Compass Minerals' primary North American deicing region compared with the 10-year average number of snow events, which is the mean number of snow events for the periods ended in the 2014-2015 season. For more information, please see the Investor Resources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

# Plant Nutrition: Performing as Expected in a Challenging Agricultural Market

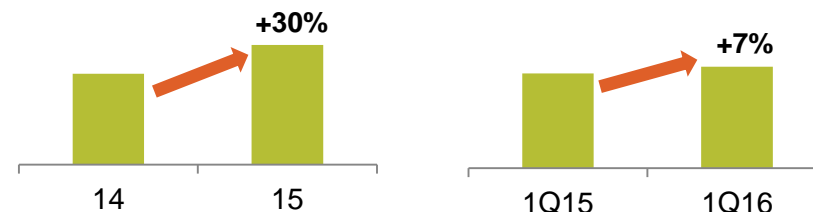


- Headwinds beginning to abate
  - Euro/US\$ rate has stabilized
  - SOP import growth has slowed
  - First-quarter price action appears to be stimulating demand
- Potassium+ SOP inventory well-positioned in market to serve spring demand
- Produquímica performing well in Brazil
- MOP price outlook remains uncertain

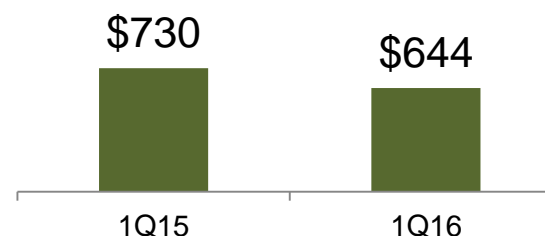
### Euro/US\$ Rate



### SOP Imports into North America



### Compass Minerals' SOP Price Per Ton

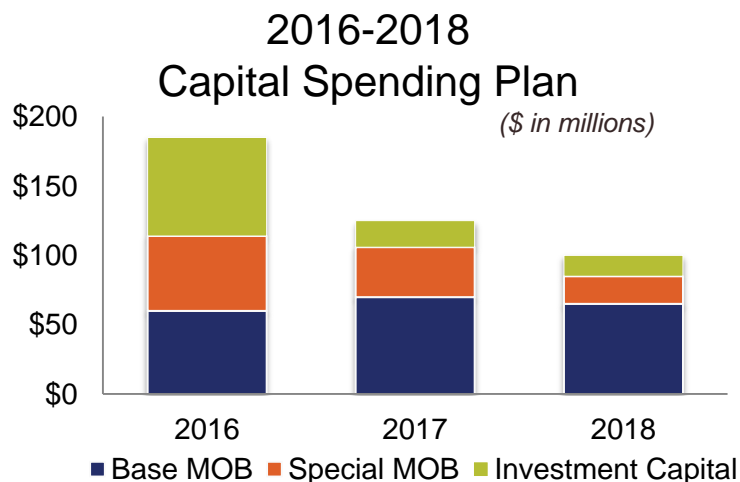


# Major CapEx Projects on Track; Significant Cash Flow Expansion Expected in 2018

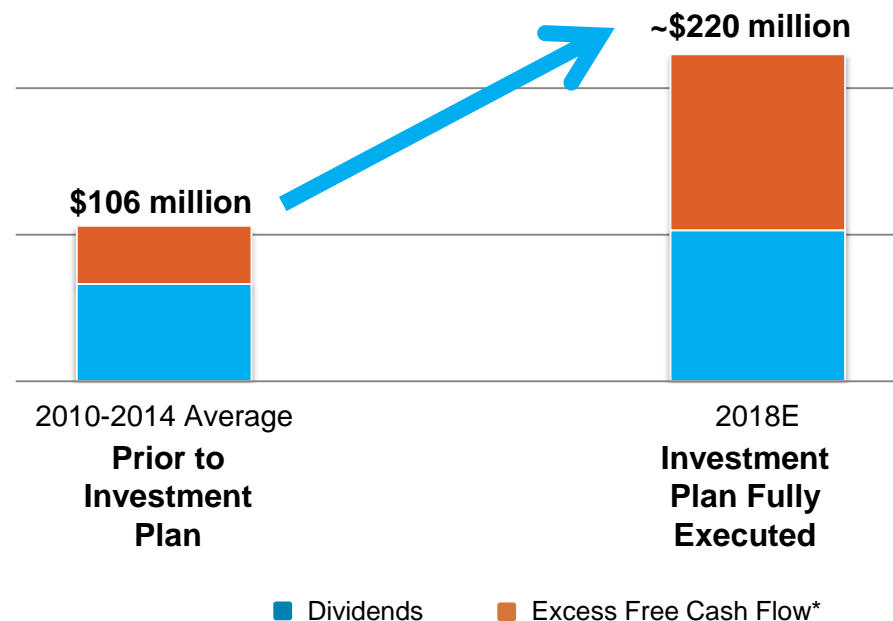


## Major Capital Projects on Track to Drive Growth

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)	●	●	●



## Free Cash Flow\* Expectations



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



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# SEGMENT RESULTS & OUTLOOK



# Salt Segment Earnings Increase Despite Mild Winter Weather

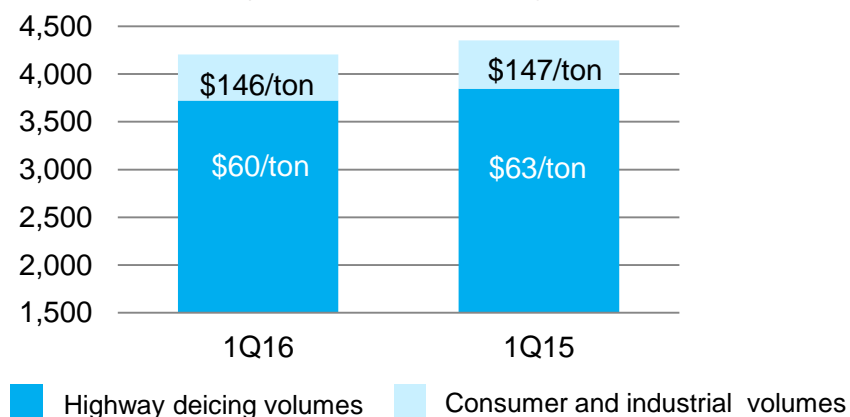


- Only slight year-over-year decline in sales volumes as strong bid season results offset impact of very mild weather
- Pricing decline due to lower highway deicing contract prices
- Segment operating earnings and EBITDA\* margins up 4 percentage points vs. 1Q15
  - Shipping and handling costs lower due to freight-logical highway deicing contracts and lower fuel costs
  - Negligible impact from imported salt cost

Salt Segment Results	1Q16	1Q15	%Δ
Revenue	\$292	\$317	-8%
Operating earnings	\$83	\$77	+7%
Operating earnings margin	28%	24%	+4 pts
EBITDA*	\$93	\$88	+6%
EBITDA* margin	32%	28%	+4 pts

## Salt Segment Price and Volume

(volumes in thousands)



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



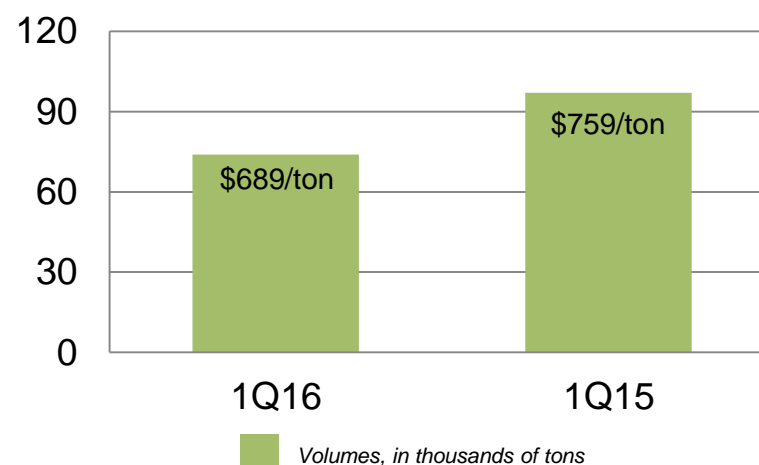
# Plant Nutrition: Market Stabilizing at Lower Price & Volume Levels



- Demand beginning to ramp up for spring season applications, but well below prior year
- Pricing action taken to address lower demand and increased SOP imports
  - SOP only price = \$644 vs. \$730 in 1Q15 and \$703 in 4Q15
  - Increased in-market inventory to provide superior service levels versus imported SOP
- Lower EBITDA\* driven by lower sales volumes and price realignment, combined with higher production costs
  - Expect per-unit costs to decline throughout remainder of 2016

Plant Nutrition Segment Results (Dollars in millions, except per-ton data)	1Q16	1Q15	%Δ
Revenue	\$51	\$74	-31%
Operating earnings	\$5	\$21	-75%
Operating earnings margin	10%	28%	-18 pts
EBITDA*	\$13	\$28	-53%
EBITDA* margin	26%	38%	-12 pts

## Plant Nutrition Segment Price and Volume



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

# 2016 Overview



## Corporate

- Initiated restructuring in 1Q which resulted in a \$3.2 million charge related to elimination of approximately 150 positions
  - Majority of reductions relate to continuous mining investment at Goderich, Ontario
  - Actions expected to generate savings this year, ramping up to annualized savings of \$15 million by end of 2017
- Completed refinancing of secured credit facilities in mid-April including \$400 million term loan and a \$300 million revolver
  - Expected to increase flexibility and reduce interest expense going forward

## Salt Business

- Upcoming highway deicing bid season in North America just getting underway
  - Volumes likely to be pressured by mild winter and customer inventory levels
- Lower production levels expected to offset other cost improvements
- Consumer and industrial business stable with improved pricing in many product categories

## Plant Nutrition

- SOP and micronutrient demand remains contingent on improvement in the wider crop input market
- Per-unit costs expected to improve
- Produquímica business performing well

# 2Q & Full-Year 2016 Outlook Summary



## 2016 OUTLOOK: FULL YEAR EPS – \$3.25 to \$3.65

Salt Segment	2Q16	vs. 1H16 prior guidance	Commentary
Volumes	1.3 to 1.7 million tons	↓	- Impact of mild winter weather
Average Selling Price (per ton)	\$76 to \$78	✓	
Operating Earnings Margin	13% to 14.5%	↓	- Reflects impact of lower 1H16 production levels on per-unit costs
Plant Nutrition Segment	2Q16	vs. 1H16 prior guidance	Commentary
Volumes	90,000 to 100,000 tons	✓	- Spring application season underway
Average Selling Price (per ton)	\$640 to \$660	✓	- SOP price seems to be stabilizing
Operating Earnings Margin	13.5% to 15.5%	✓	- Costs improving as expected
Corporate	FY16		
Corporate and Other Expense	~\$56 million	Capital Expenditures	\$175 to \$190 million
Interest Expense	~\$25 million	Effective Tax Rate	~28%

# MAKING PROGRESS AGAINST NEAR-TERM HEADWINDS; POISED FOR LONG-TERM GROWTH



- Strong first-quarter salt segment results despite mild weather with underlying margin performance very robust
- SOP environment more benign
  - Euro/US\$ relationship and imports stabilized
  - Aggressive pricing actions taken in the market
  - MOP substitution risk remains
- Capital investment projects are on track to support earnings growth



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# APPENDIX

# Reconciliation of Non-GAAP Information



Reconciliation for EBITDA and Adjusted EBITDA (unaudited)		
(in millions)		
	Three months ended March 31,	
	2016	2015
Net earnings	\$ 49.7	\$ 60.6
Interest expense	5.8	5.4
Income tax expense	20.0	22.2
Depreciation, depletion and amortization	19.9	19.1
EBITDA	\$ 95.4	\$ 107.3
Adjustments to EBITDA		
Other (income) expense <sup>(1)</sup>	(0.8)	(3.5)
Adjusted EBITDA	\$ 94.6	\$ 103.8

(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)			
	Three months ended March 31,		
	2016	2015	2014
Salt segment GAAP operating earnings	\$ 82.7	\$ 77.0	\$ 63.5
Depreciation, depletion and amortization	10.7	10.9	11.4
Salt segment EBITDA	\$ 93.4	\$ 87.9	\$ 74.9

Reconciliation for Plant Nutrition Segment EBITDA (unaudited) (in millions)		
	Three months ended March 31,	
	2016	2015
Plant nutrition segment GAAP operating earnings	\$ 5.3	\$ 20.8
Depreciation, depletion and amortization	7.9	7.0
Plant nutrition segment EBITDA	\$ 13.2	\$ 27.8

# Reconciliation of Non-GAAP Information



Reconciliation for Free Cash Flow (unaudited) (in millions)					
	2014	2013	Full Year ended December 31, 2012	2011	2010
GAAP cash flow from operations	\$ 242.9	\$ 238.3	\$ 151.7	\$ 252.3	\$ 241.2
Capital expenditures	125.2	122.7	130.9	107.4	112.1
Free Cash Flow	\$ 117.7	\$ 115.6	\$ 20.8	\$ 144.9	\$ 129.1