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# COMPASS MINERALS THIRD QUARTER BUSINESS UPDATE

OCTOBER 30, 2017

# FORWARD-LOOKING STATEMENTS



*Certain statements in this presentation, including without limitation statements about the company's savings initiatives and cost reductions; capital projects, including commission and completion timing; sales expectations, including delays; ability to execute go-to-market strategy; growth in sales channel, ability to strengthen its foundation, increase balance between business and drive margin improvement, organic growth and innovation; cash flow; leverage; ability to achieve greater earnings, value-creating opportunities, debt reduction, ratings improvement, maintain dividend and sustain assets; operating earnings and margin growth; its outlook for the fourth quarter of 2017 and full-year 2017, including expectations regarding earnings per share ("EPS"), volumes, average selling prices, operating earnings margin, corporate and other expense, interest expense, depreciation, depletion and amortization, 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. The differences could be caused by a number of factors, including without limitation (i) weather conditions, (ii) pressure on prices and impact from competitive products, (iii) any inability by the company to fund necessary capital expenditures or successfully implement any capital projects, (iv) foreign exchange rates and the cost and availability of transportation for the distribution of the company's products, (v) the ability to successfully integrate acquired businesses, and (vi) any inability by the company to successfully implement its restructuring plan. 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 Annual Report on Form 10-K for the year ended December 31, 2016 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017, June 30, 2017 and September 30, 2017, filed or to be filed with the SEC. 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.*

# STRONG THIRD QUARTER EARNINGS GROWTH FROM ADDITION OF PLANT NUTRITION SOUTH AMERICA



- Addition of Plant Nutrition South America drove significant year-over-year growth
  - Revenue increased 62%
  - Adjusted operating earnings\* increased 83%
  - Adjusted EBITDA\* increased 68%
- Cost savings initiatives on track; expected to deliver ~\$10 million in savings in 2017 and ~\$20 million in ongoing savings in 2018
  - Have realized year-to-date savings of \$7.9 million
- Special items in the quarter included a tax benefit of \$13 million due to release of valuation allowances related to deferred tax assets and a \$4.3 million restructuring charge

CMP Consolidated Results (Dollars in millions)	Third Quarter	
	2017	2016
Sales	\$291	\$180
Operating earnings	\$31	\$20
Operating earnings margin	11%	11%
Adjusted operating earnings*	\$36	\$20
Adjusted operating earnings* margin	12%	11%
Adjusted EBITDA*	\$69	\$41
Adjusted EBITDA* margin	24%	23%
Net earnings per diluted share	\$0.94	\$0.27
Net earnings per diluted share, excluding special items*	\$0.65	\$0.27

\*Earnings, earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted for special items (adjusted EBITDA), adjusted operating earnings and net earnings per diluted share, excluding special items are non-GAAP measures. See appendix for reconciliations.

# SALT: MODEST DECLINE IN HIGHWAY DEICING BID RESULTS; CAPITAL PROJECTS ON TRACK



- Annual North American highway deicing bid season complete
  - Compass Minerals' awarded bid volumes and average selling prices down ~3% from prior year
- Major capital projects remain on track at Goderich
  - Last continuous mining system currently being commissioned
  - Shaft relining expected to be complete late 2018
- Production at Goderich fully restored after partial ceiling fall



## Plant Nutrition North America

- Stable SOP and micronutrient market conditions in North America
  - Some 3Q17 sales delayed to 4Q17 due to hurricane activity in Florida
- Executing go-to-market strategy focused on innovation to meet evolving agronomic needs
  - Building resources in innovation and commercialization
  - Completed U.S. launch of liquid micronutrient products developed in Brazil



INJECTION



FERTIGATION



FOLIAR

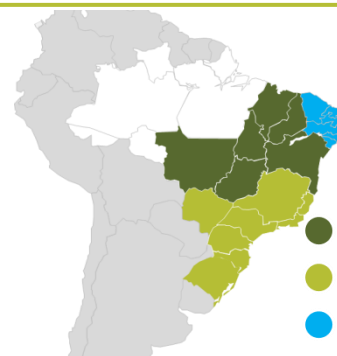


PROACQUA™

## Plant Nutrition South America

- Near-term headwinds from delayed planting season in Brazil
- Creates compressed selling season for crop inputs
- Demand for innovative specialty nutrients remains strong
- Continued growth in the direct-to-grower sales channel expected to drive margin improvement

Compass Minerals' key sales regions in Brazil



- ~ 80% direct-to-grower sales
- ~ 50% direct-to-grower sales
- Chemical solutions sales

# MAKING PROGRESS ON KEY STRATEGY ELEMENTS



## Strengthen our foundation

- Major capital investments in key assets nearing completion

## Increase balance between businesses

- Addition of Produquímica drove percent of total revenue from plant nutrition businesses up to 43% YTD17 vs. 20% YTD16

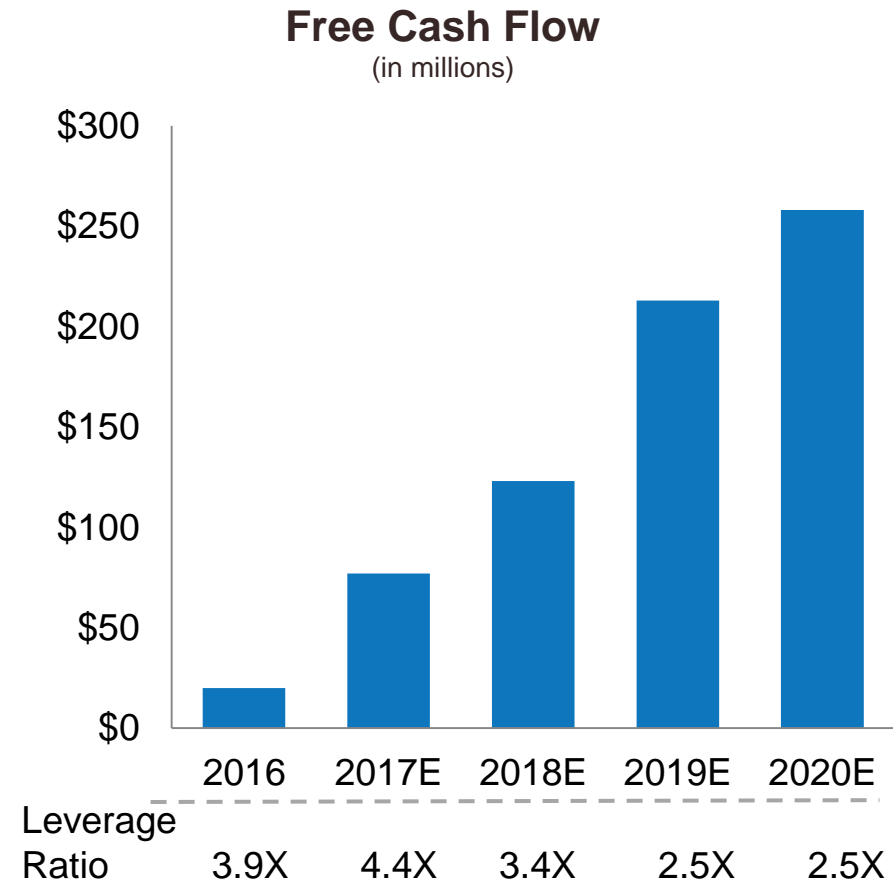
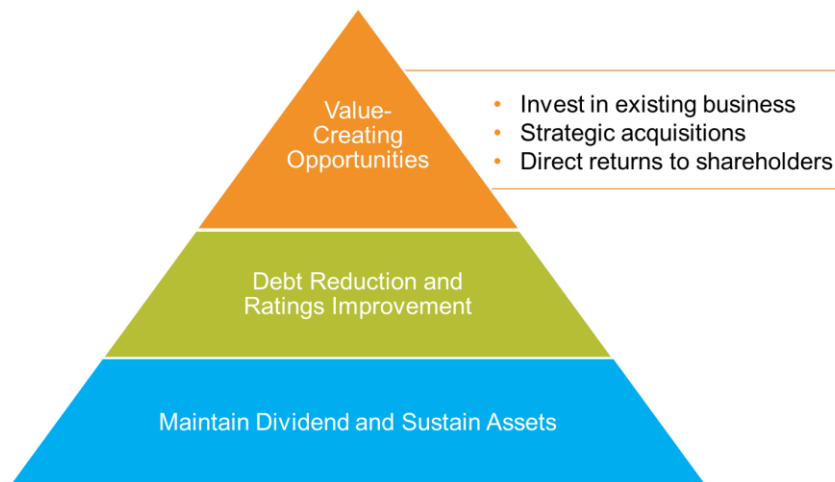
## Drive margin improvement, organic growth and innovation

- Cost savings plan offsetting near-term challenges
- 22 new plant nutrition products launched so far in 2017 in North and South America combined

# CASH FLOW AND LEVERAGE IMPROVEMENTS EXPECTED



- Cash flow generation increasing despite headwinds
- Expect to return to targeted leverage ratio by 2019
- Positioning company to achieve greater earnings from a more balanced business





## SEGMENT RESULTS & OUTLOOK

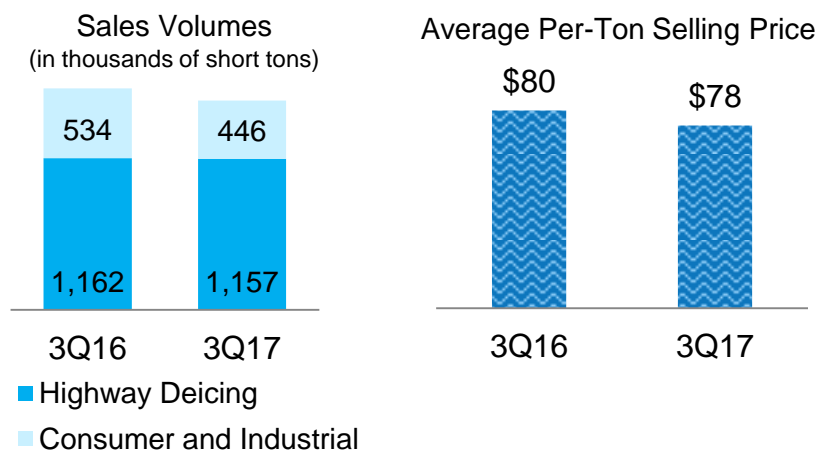


# LOWER VOLUMES AND INCREASED LOGISTICS COSTS REDUCE 3Q17 SALT RESULTS



- Salt segment revenue declined 8% from 3Q16 results
  - Sales volumes down 5%
  - Average selling price down 3%
- Consumer and industrial product sales pressured by lower pre-season demand for packaged deicing products
  - Sales volumes dropped 16% from prior year
- Operating earnings and margin percentage pressured by lower sales volumes, increased logistics and depreciation cost
  - \$2 million restructuring cost in 3Q17
  - Adjusted EBITDA\* margins unchanged vs prior year

Salt Segment Results (\$ in millions)	3Q17	3Q16	%Δ
Revenue	\$125	\$136	-8%
Operating earnings	\$23	\$30	-23%
Operating earnings margin	18%	22%	-4 pts
Adjusted operating* earnings	\$25	\$30	-16%
Adjusted operating earnings* margin	20%	22%	-2 pts
Adjusted EBITDA*	\$38	\$42	10%
Adjusted EBITDA* margin	31%	31%	-



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

# PLANT NUTRITION NORTH AMERICA: IMPROVED MARGIN PERFORMANCE

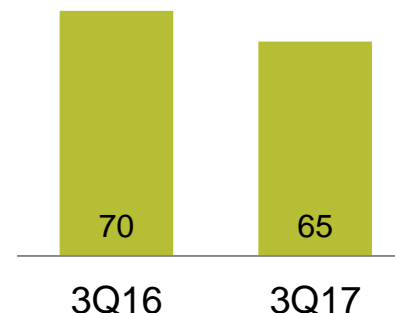


- Third-quarter 2017 revenue decreased 3% year-over-year
  - Average selling prices increased 6% due to increased micronutrient sales and modest increase in SOP price
  - Sales volumes declined 7%
    - Impacted by hurricane activity in Southeastern U.S.
- Price and product mix improvements in 3Q17 drove adjusted operating earnings\* growth, year-over-year
  - Increased sales of micronutrients improved overall product sales mix
  - \$1.2 million in restructuring costs incurred in 3Q17

Plant Nutrition North America Segment Results (\$ in millions)	3Q17	3Q16	%Δ
Revenue	\$40	\$42	-5%
Operating earnings	\$2.3	\$2.5	-8%
Operating margin	6%	6%	-
Adjusted operating* earnings	\$3.5	\$2.5	+40%
Adjusted operating* margin	9%	6%	+3 pts
Adjusted EBITDA*	\$13	\$11	+18%
Adjusted EBITDA* margin	32%	26%	+6 pts

## Plant Nutrition North America

Sales Volumes  
(in thousands of short tons)



Average Per-Ton  
Selling Price



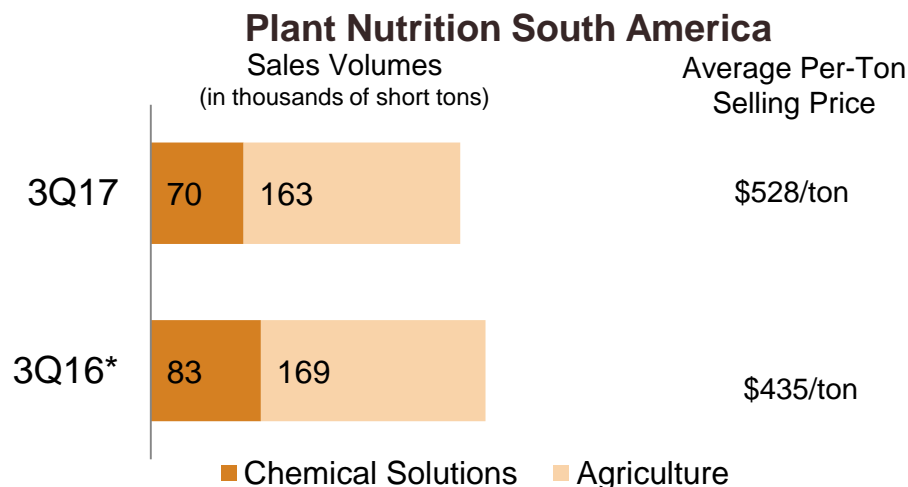
\*Non-GAAP measures. See appendix for reconciliations.

# SLOW START TO SELLING SEASON PRESSURED PLANT NUTRITION SOUTH AMERICA RESULTS



- Revenue up vs. 3Q16 due to FX changes
  - Revenue essentially flat vs. prior year in local currency
    - Increased pricing partially offset declines in sales volumes
    - Excluding changes in FX rate, average sales price increased 7%
- Agriculture sales volume 4% below prior year as sales into B-to-B channel have lagged
  - Stronger B-to-C sales expected to partially offset this weakness
- Chemical solutions sales down due to mix shift to lower volume-higher priced products and lower sales to oil and gas industry
- Operating margin pressured by final purchase accounting adjustments to depreciation and cost impact of lower sales volumes

Plant Nutrition South America Segment Results (\$ in millions)			
	3Q17	3Q16*	%Δ
Revenue	\$123	\$110	+11%
Operating earnings	\$21	\$22	-5%
Operating margin	17%	20%	-1 pts
EBITDA**	\$29	\$27	+7%
EBITDA** margin	24%	24%	-
US\$-to-BRL average period rate	\$3.19	\$3.59	



\*3Q16 results are unaudited, pro forma amounts for the historical results of Produquímica. These amounts assume Compass Minerals acquired Produquímica on January 1, 2016, and include the effects of acquisition accounting for those periods.

\*\*Non-GAAP measure. See reconciliation section of presentation.

# CURRENT 2017 OUTLOOK SUMMARY



## 2017 OUTLOOK: FULL YEAR EPS – \$2.50 to \$2.80

Salt Segment	4Q17	FY17
Volumes	3.6 million to 4 million tons	10.6 million to 11 million tons
Average Selling Price (per ton)	\$73 to \$75	
Operating Earnings Margin	21% to 23%	
Plant Nutrition North America Segment		
Volumes	100,000 to 120,000 tons	320,000 to 340,000 tons
Average Selling Price (per ton)	\$660 to \$690	
Operating Earnings Margin	13% to 15%	
Plant Nutrition South America Segment		
Volumes	230,000 to 280,000 tons	750,000 to 800,000 tons
Average Selling Price (per ton)	\$525 to \$575	
Operating Earnings Margin	18% to 20%	
Corporate		
Corporate and Other Expense		~\$58 million
Interest Expense		~\$56 million
Depreciation, depletion and amortization		~\$122 million
Capital Expenditures		\$120 million to \$130 million
Effective Tax Rate (excluding special items)		~14%

# KEY TAKE-AWAYS FOR FOURTH QUARTER 2017



## **Salt**

- Bid season complete with modest declines in price and volume
- Goderich operations restored and continuous mining installation expected to be completed by year-end

## **Plant Nutrition North America**

- Hurricane activity delayed sales to Southeast U.S.; too early to determine if the storms will result in lost sales for the full year
- Operating earnings and margin growth expected in 4Q17 compared to prior year

## **Plant Nutrition South America**

- Expect shift in sales from 3Q17 to 4Q17 due to late plantings in Brazil
  - Compressed sales season may result in lost sales

## **Corporate**

- Continue to expect about \$10 million in cost reductions in 2017 from cost savings plan
- Tax rate for full year dropping to 14%



## APPENDIX

# RECONCILIATION OF NON-GAAP INFORMATION



Reconciliation for EBITDA and Adjusted EBITDA (unaudited)		
(in millions)		
	Three months ended September 30,	
	2017	2016
Net earnings (loss)	\$ 32.0	\$ 9.1
Interest expense	13.5	5.4
Income tax expense (benefit)	(12.5)	3.1
Depreciation, depletion and amortization	32.7	21.8
EBITDA	\$ 65.7	\$ 39.4
Adjustments to EBITDA		
Restructuring charges	4.3	
Other expense (income), net <sup>(1)</sup>	(1.2)	1.5
Adjusted EBITDA	\$ 68.8	\$ 40.9

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

Reconciliation for Adjusted Operating Earnings (unaudited)		
(in millions)		
	Three months ended September 30,	
	2017	2016
Operating earnings	\$ 31.4	\$ 19.5
Restructuring charges	4.3	-
Adjusted operating earnings	\$ 35.7	\$ 19.5
Sales	290.7	179.6
Adjusted operating margin	12.3%	10.9%

# RECONCILIATION OF NON-GAAP INFORMATION



Reconciliation for Net Earnings Per Diluted Share, Excluding Special Items (Unaudited, per-diluted-share data)		
	Three months ended September 30,	
	2017	2016
Net earnings per diluted share	\$ 0.94	\$ 0.27
Release of tax-related valuation allowances	(0.38)	-
Restructuring charges	0.09	-
Net earnings excluding special items	\$0.65	\$0.27

Special Items Impacting the Three Months ended September 30, 2017 (unaudited, in millions, except share data)						
Item description	Segment	Line item	Amount	Tax effect	After tax	EPS impact
Tax benefit of releasing certain deferred tax asset valuation allowances	Corporate & other	Income tax benefit	\$13.0	N/A	\$13.0	\$0.38
Restructuring charges	Corporate & other	SG&A	(1.1)	0.4	(0.7)	(0.02)
Restructuring charges	Salt	COGS and SG&A	(2.0)	0.7	(1.3)	(0.04)
Restructuring charges	Plant Nutrition North America	COGS and SG&A	(1.2)	0.2	(1.0)	(0.03)
<b>Totals</b>			<b>\$8.7</b>	<b>\$1.3</b>	<b>\$10.0</b>	<b>\$0.29</b>



# RECONCILIATION OF NON-GAAP INFORMATION



Reconciliation for Salt Segment Adjusted Operating Earnings(unaudited)		
(in millions)		
	Three months ended September 30,	
	2017	2016
Segment GAAP operating earnings	\$ 22.5	\$ 30.0
Restructuring charges	2.0	-
Adjusted segment operating earnings	\$ 24.5	\$ 30.0
Segment sales	124.7	135.7
Adjusted segment operating margin	19.6%	22.1%
Reconciliation for Salt Segment EBITDA (unaudited)		
(in millions)		
	Three months ended September 30,	
	2017	2016
Segment GAAP operating earnings	\$ 22.5	\$ 30.0
Depreciation, depletion and amortization	13.5	12.2
Segment EBITDA	\$ 36.0	\$ 42.2
Restructuring charges	2.0	-
Adjusted segment EBITDA	\$ 38.0	\$ 42.2
Segment sales	124.7	135.7
Segment EBITDA margin	30.5%	31.1%

# RECONCILIATION OF NON-GAAP INFORMATION



## Reconciliation for Plant Nutrition North America Adjusted Operating Earnings

(unaudited, in millions)

	Three months ended September 30,	
	2017	2016
Segment GAAP operating earnings	\$ 2.3	\$ 2.5
Restructuring charges	1.2	-
Adjusted segment operating earnings	\$ 3.5	\$ 2.5
Segment sales	40.3	41.5
Adjusted segment operating margin	8.7%	6.0%

## Reconciliation for Plant Nutrition North America Segment EBITDA and Adjusted EBITDA

(unaudited, in millions)

	Three months ended September 30,	
	2017	2016
Segment GAAP operating earnings	\$ 2.3	\$ 2.5
Depreciation, depletion and amortization	9.2	8.3
Segment EBITDA	\$ 11.5	\$ 10.8
Restructuring charges	1.2	-
Adjusted segment EBITDA	\$ 12.7	\$ 10.8
Segment sales	40.3	41.5
Segment EBITDA margin	31.5%	26.0%

# RECONCILIATION OF NON-GAAP INFORMATION



Reconciliation for Plant Nutrition South America Segment EBITDA (unaudited)	
(in millions)	
	Three months ended September 30, 2017
Segment GAAP operating earnings	\$ 21.4
Depreciation, depletion and amortization	7.5
Earnings in Equity method investee	0.4
Segment EBITDA	\$ 29.3
Segment sales	123.2
Segment EBITDA margin	23.8%

Note: Pro forma results for the second quarter of 2016 for this segment are on following page.

# PRO FORMA QUARTERLY 2016 PLANT NUTRITION SOUTH AMERICA RESULTS\*



	Three months ended				
(US\$, in millions except foreign exchange rate)	March 31, 2016	June 30, 2016	Sept. 30, 2016	Dec. 31, 2016	FY 2016
Segment sales	\$ 61.3	\$ 71.8	\$ 110.1	\$ 113.5	\$ 356.8
Sales excluding shipping and handling	57.8	68.1	104.9	108.1	338.1
Operating earnings	2.9	6.1	21.7	8.0	38.7
Operating margin	4.7%	8.5%	19.7%	7.0%	10.8%
Adjusted operating earnings**	2.9	6.1	21.7	16.4	47.1
Adjusted operating margin**	4.7%	8.5%	19.7%	14.4%	13.2%
EBITDA**	7.4	10.8	26.3	13.0	57.5
EBITDA margin**	12.1%	15.0%	23.9%	11.5%	16.1%
Adjusted EBITDA**	7.7	11.1	26.6	21.7	67.1
Adjusted EBITDA margin**	12.5%	15.5%	24.2%	19.1%	18.8%
Sales volumes (in thousands of tons)					
Agriculture	67	101	169	122	459
Chemical solutions	88	86	83	72	329
Total sales volume	155	187	252	194	788
Average selling price (per ton)					
Agriculture	\$555	\$474	\$518	\$713	\$566
Chemical solutions	\$272	\$281	\$269	\$372	\$295
Total Plant Nutrition South America	\$394	\$385	\$436	\$587	\$453
Assumed US\$-to-R\$ per quarter	3.59	3.59	3.59	3.27	3.54

\*Three months ended March 31, June 30 and September 30, 2016, are unaudited, pro forma amounts for the historical results of Produquímica. These amounts assume Compass Minerals acquired Produquímica on January 1, 2016, and include the effects of acquisition accounting for those periods.

\*\*Non-GAAP measure.

# RECONCILIATION OF NON-GAAP INFORMATION: PLANT NUTRITION SOUTH AMERICA



Reconciliation for Plant Nutrition South America EBITDA and Adjusted EBITDA (unaudited) <sup>(1)</sup> (in millions)				
	Three months ended			
	March 31, 2016	June 30, 2016	Sept. 30, 2016	Dec. 31, 2016
Segment GAAP operating earnings	\$ 2.9	\$ 6.1	\$ 21.7	\$ 8.0
Depreciation, depletion and amortization	4.5	4.7	4.6	5.0
Segment EBITDA	\$ 7.4	\$ 10.8	\$ 26.3	\$ 13.0
Earnings in equity method investee	0.3	0.3	0.3	0.3
Business acquisition-related items <sup>(2)</sup>	-	-	-	8.4
Adjusted segment EBITDA	\$ 7.7	\$ 11.1	\$ 26.6	\$ 21.7
Segment sales	61.3	71.8	110.1	113.5
Adjusted segment EBITDA margin	12.6%	15.5%	24.2%	19.1%

(1) Three months ended March 31, June 30 and September 30, 2016, are unaudited, pro forma amounts for the historical results of Produquímica. These amounts assume Compass Minerals acquired Produquímica on January 1, 2016, and include the effects of acquisition accounting for those periods.

(2) Primarily includes additional expense recognized from the sale of finished goods inventory, which had its cost basis increased to fair value as a result of the acquisition of Produquímica.