

CHEMICAL & MINING CO OF CHILE INC
Form 6-K
May 24, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934

For the month of May, 2018.

Commission File Number 33-65728

CHEMICAL AND MINING COMPANY OF CHILE INC.

(Translation of registrant's name into English)

El Trovador 4285, Santiago, Chile (562) 2425-2000

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F: ☒ Form 40-F: ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Santiago, Chile. May 24, 2018.- Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM; Santiago Stock Exchange: SQM-B, SQM-A) held a conference call to discuss the first quarter 2018 results, which were published on May 23, 2018. The following items were discussed by executive management as part of the conference call:

We posted our results for the first three months of the year; our net income reached US\$114 million, an increase of over 10% when compared to the same period last year.

Our strong results were led by higher prices across all our business lines, which offset lower sales volumes in all business lines except potassium nitrate. To highlight a few, iodine prices increased compared to last year, reaching US\$23/kg, and average lithium prices, exceeding expectations, surpassed US\$16.4/kg.

Over the past two years, we have been selling more lithium than our nameplate capacity pressuring our production and logistics, thus reducing inventories. As a result of this, we reported lower sales volumes of lithium during the first quarter. These lower sales volumes will not impact our 2018 expectations of approximately 55,000 MT, about 10% higher than amounts reported last year.

The price pressure in the lithium market is a result of growing demand, which is expected to reach almost 260,000 MT this year, a 20% increase over last year. Given this, and long-term lithium expectations, we announced plans to increase our lithium production in Chile from 48,000 MT/year (our current capacity) to 180,000 MT/year. This capacity is planned in three stages, with a total capex of approximately US\$525 million. In the past, the market has consistently underestimated lithium demand growth, and the industry has failed to grow supply accordingly. We have been a major player in the lithium market for over 20 years, and as always, remain very diligent in assessing the market and its needs. Our production and development teams have been able to expand lithium capacity in the past in a very efficient way. By executing this plan, we will have the capacity and flexibility to respond to market growth. The low capex per ton, and our very strong financial position, makes this an attractive investment.

In the nitrates market, we are on track to reach 1.5 million tons of capacity this year. We expect to process about 10-15% more caliche ore this year in Nueva Victoria as part of this major project. As the largest player in this market, about 50% market share, we will work to have the permits and engineering ready to further expand our capacity if the market demands it.

There are a lot of exciting things happening at SQM, and I look forward to working hard to maximize long term value for all our stakeholders.

About SQM

SQM's business strategy is to be a global company, with people committed to excellence, dedicated to the extraction of minerals and selectively integrated in the production and sale of products for the industries essential for human development (e.g. food, health, technology). This strategy was built on the following five principles:

- ensure availability of key resources required to support current goals and medium and long-term growth of the business;
- consolidate a culture of lean operations (M1 excellence) through the entire organization, including operations, sales and support areas;
 - significantly increase nitrate sales in all its applications and ensure consistency with iodine commercial strategy;
 - maximize the margins of each business line through appropriate pricing strategy;
- successfully develop and implement all lithium expansion projects of the Company, acquire more lithium and potassium assets to generate a competitive portfolio.

These principles are based on the following key concepts:

- strengthen the organizational structure to supports the development of the Company's strategic plan, focusing on the development of critical capabilities and the application of the corporate values of Excellence, Integrity and Safety;
 - develop a robust risk control and mitigation process to actively manage business risk;
- improve our stakeholder management to establish links with the community and communicate to Chile and worldwide our contribution to industries essential for human development.

For further information, contact:

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Cautionary Note Regarding Forward-Looking Statements

This news release contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: “anticipate,” “plan,” “believe,” “estimate,” “expect,” “strategy,” “should,” “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements we make concerning the Company’s business outlook, future economic performance, anticipated profitability, revenues, expenses, or other financial items, anticipated cost synergies and product or service line growth.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are estimates that reflect the best judgment of SQM management based on currently available information. Because forward-looking statements relate to the future, they involve a number of risks, uncertainties and other factors that are outside of our control and could cause actual results to differ materially from those stated in such statements. Therefore, you should not rely on any of these forward-looking statements. Readers are referred to the documents filed by SQM with the United States Securities and Exchange Commission, specifically the most recent annual report on Form 20-F, which identifies important risk factors that could cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements are based on information available to SQM on the date hereof and SQM assumes no obligation to update such statements, whether as a result of new information, future developments or otherwise.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHEMICAL AND MINING COMPANY OF CHILE INC.

(Registrant)

Date: May 24, 2018 /s/ Ricardo Ramos

By: Ricardo Ramos

CFO & Vice-President of Development

Persons who are to respond to the collection of information contained SEC 1815 (04-09) in this form are not required to respond unless the form displays currently valid OMB control number.