



SECOND QUARTER 2020 **RESULTS**

## Alpek Posts U.S. \$74M in EBITDA (U.S. \$149M in Comparable EBITDA excl. RMCF)

*Strong fundamentals: Increase in Polyester margins and record-setting pace for volume*

Monterrey, Mexico - July 16, 2020 – Alpek, S.A.B. de C.V. (BMV: ALPEK), a leading petrochemical company in the Americas, announced today its second quarter 2020 results (2Q20).

### Quarterly Highlights

- Increased Comparable EBITDA, excluding Raw Material Carry-forward (“RMCF”) effect (+1% QoQ)
- Polyester margins increase of +13% QoQ; not surpassing record highs seen in 2018 and 2019
- Volume remains at record-setting pace (+4% YTD), but lower vs. 1Q20 historic highs (-6% QoQ)
- Negative effect from Inventory Adjustment (-U.S. \$42 million) and RMCF (-U.S. \$39 million) expected to partially revert in 3Q20 as Crude, Paraxylene (“Px”) & Propylene prices reached historical lows in April but increased in June
- Focused on Free Cash Flow by improving Net Debt (-31% YoY) and Net Working Capital (+U.S. \$ 127 million YTD), while lowering CAPEX (-61% YTD)
- U.S. \$81.6 million Dividend payment suspended, yet Board of Directors authorized to review decision later in year
- Strong liquidity as cash balance improved to U.S. \$610 million and U.S. \$1.4 billion in total credit lines maintained
- Positive market fundamentals expected in 2H20 as Alpek continues executing its strategic growth plan

### 2Q20 Key Metrics

(in U.S.\$ million, except for volume figures)

	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Volume (ktons)</b>	<b>1,109</b>	<b>1,184</b>	<b>1,121</b>	<b>(6)</b>	<b>(1)</b>	<b>2,293</b>	<b>2,208</b>	<b>4</b>
Polyester	933	967	887	(4)	5	1,900	1,744	9
Plastics & Chemicals	176	217	234	(19)	(25)	393	463	(15)
<b>Revenues</b>	<b>1,175</b>	<b>1,433</b>	<b>1,643</b>	<b>(18)</b>	<b>(28)</b>	<b>2,608</b>	<b>3,286</b>	<b>(21)</b>
Polyester	925	1,094	1,242	(15)	(25)	2,020	2,481	(19)
Plastics & Chemicals	221	300	375	(26)	(41)	521	751	(31)
<b>EBITDA</b>	<b>74</b>	<b>111</b>	<b>161</b>	<b>(33)</b>	<b>(54)</b>	<b>185</b>	<b>301</b>	<b>(39)</b>
Polyester	33	58	96	(43)	(65)	91	176	(48)
Plastics & Chemicals	40	49	61	(17)	(34)	89	115	(22)
<b>Comparable EBITDA</b>	<b>110</b>	<b>127</b>	<b>189</b>	<b>(13)</b>	<b>(42)</b>	<b>238</b>	<b>337</b>	<b>(29)</b>
Polyester	63	74	123	(15)	(49)	137	207	(34)
Plastics & Chemicals	46	50	62	(7)	(25)	96	120	(20)
<b>Comparable EBITDA excl. RMCF</b>	<b>149</b>	<b>147</b>	<b>217</b>	<b>1</b>	<b>(31)</b>	<b>296</b>	<b>384</b>	<b>(23)</b>
<b>Net Income (Controlling Interest)</b>	<b>6</b>	<b>(19)</b>	<b>56</b>	<b>130</b>	<b>(89)</b>	<b>(14)</b>	<b>83</b>	<b>(116)</b>
<b>CAPEX</b>	<b>27</b>	<b>15</b>	<b>38</b>	<b>82</b>	<b>(28)</b>	<b>42</b>	<b>106</b>	<b>(61)</b>
<b>Net Debt</b>	<b>1,428</b>	<b>1,436</b>	<b>2,084</b>	<b>(1)</b>	<b>(31)</b>			
<b>Net Debt / EBITDA*</b>	<b>1.9</b>	<b>1.7</b>	<b>2.2</b>					

\*Times: last 12 months

## Message from the CEO

*“I must first thank the more than 6,000 Alpek employees who continue performing their day-to-day duties diligently, allowing us to make essential products that are required in people’s everyday lives, such as packaging for food and beverage products, as well as feedstocks for the medical supplies used in fighting the COVID-19 outbreak. I could not be prouder of our team.”*

*“Amid the ongoing pandemic, Alpek’s business fundamentals have continued to be strong. Excluding temporary effects from raw material pricing, Alpek exceeded its Comparable EBITDA performance versus last quarter as margins in both P&C and Polyester increased, while volume from the Polyester segment remained on a record-setting pace. As such, the company has been able to continue executing its strategy focused on capital-efficient investments.”*



José de Jesús Valdez  
Chief Executive Officer

## COVID-19

Alpek has continued to prioritize the safety and well-being of its employees, while serving the needs of various essential industries. Through the continued use of preventive measures, such as home-office work for many of our employees, as well as health checkpoints, and protective gear at all our sites, Alpek has been able to operate without major interruptions.

The effects of COVID-19 in 2Q20 have remained similar to those experienced since its onset in 1Q20. It includes continued demand weakness for refined products. Reduced price of spot Brent crude oil to as low as U.S. \$24/bbl, brought U.S. reference paraxylene (“Px”) prices to U.S. \$562/ton in April, before an OPEC production cut agreement helped revert the trend, allowing those prices to increase to U.S. \$40/bbl & U.S. \$628/ton, respectively by the end of the quarter.

The implemented social distancing measures have caused consumers to avoid public spaces and interact in new ways. For one, they rely more heavily on purchases of PET-packaged food & beverages for in-home consumption. As such, demand has remained resilient, and even as Asian PTA/PET producers have overcome production interruptions from 1Q20, the average integrated Asian polyester margins have increased by 13% to U.S. \$310/ton.

## Outlook & Strategy

Three key elements have emerged as Alpek continues to successfully navigate the uncertainty caused by COVID-19: 1) the strong demand resiliency for our products and markets, 2) greater emphasis on hygiene and safety, which support the use of products such as PET, Polypropylene, and Specialty Chemicals, and 3) the importance of increasing recycling rates for these products.

Alpek's 5-year growth strategy reflects these recent market changes and is comprised by three pillars:

- Strengthen the Core Business:** Alpek continuously strives to optimize operations and maximize returns from its existing business and processes. Key catalysts include a transformative global cost reduction initiative that began this quarter, and investing in infrastructure to produce higher-value products such as Propylene-Ethylene Copolymers. Additionally, we will review the company's existing footprint to serve customers through the lowest-cost production sites and most efficient delivery networks, and expect to successfully recover U.S. \$160 million in guaranteed debt once the courts conclude the M&G Mexico bankruptcy process (*concurso mercantil*).
- Foster a Circular Economy:** Alpek is committed to helping its customers meet their self-imposed minimum rPET content targets. As such, our key catalysts include investing in equipping our virgin PET facilities with flake-to-pellet transformation capabilities, a capital-efficient way to produce rPET in our major customers' preferred format; continue promoting higher recycling rates through active participation in The Recycling Partnership and other associations; and developing biodegradable alternatives for products in Alpek's portfolio such as Polypropylene and EPS.
- Strategic & Focused Growth:** Alpek continuously analyzes opportunities to expand its business in a manner that is both selective as well as financially prudent. Key opportunities currently being analyzed include the monetization of recent product innovations such as our bio-fertilizer; a CO<sub>2</sub> recovery and purification plant; and the value maximization of our Corpus Christi Polymers ("CCP") joint venture, through optimal capital expenditure.

Year-to-date results are evidence of stronger-than-expected Polyester & P&C margins, as well as a record-setting pace for total volume. Looking towards the second half of the year, PET margins may normalize as Asian production fully returns, and PP margins could decline in line with expectations, as new capacity comes online in North America. However, we also expect Polyester volume to remain high, a recovery in construction volumes for the P&C segment, and for the current increase in Px & PP prices to result in a positive inventory adjustment and RMCF effect in 2H20. Alpek's outlook remains positive as the industry continues its transition into a post-COVID environment. However, several elements remain in flux, and therefore the company will be providing updated Guidance as soon as reliable estimates are available.

## Financial Results

### EBITDA

(in U.S.\$ million)

	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Reported EBITDA</b>	<b>74</b>	<b>111</b>	<b>161</b>	<b>(33)</b>	<b>(54)</b>	<b>185</b>	<b>301</b>	<b>(39)</b>
Inventories	42	17	27	155	55	59	46	28
Others	(6)	-	1	(100)	(907)	(6)	(10)	36
<b>Comparable EBITDA</b>	<b>110</b>	<b>127</b>	<b>189</b>	<b>(13)</b>	<b>(42)</b>	<b>238</b>	<b>337</b>	<b>(29)</b>
Raw Material Carry-forward	39	20	28	95	39	59	47	25
<b>Comparable EBITDA excl. RMCF</b>	<b>149</b>	<b>147</b>	<b>217</b>	<b>1</b>	<b>(31)</b>	<b>296</b>	<b>384</b>	<b>(23)</b>

**Comparable EBITDA excluding Raw Material Carry-forward** improved to U.S. \$149 million, 1% higher than the figure for 1Q20, as a 13% increase in Polyester margins more than offset the total volume decrease of 6%. This figure best reflects Alpek's quarterly results as it is largely based on the evolution of business fundamentals, such as volume and margins, and excludes the temporary effects resulting from raw material pricing changes.

**Comparable EBITDA** reached U.S. \$110 million, 13% lower than 1Q20; most of the decrease stems from a larger Raw Material Carry-forward effect during 2Q20. This figure still excludes a U.S. \$42 million inventory loss, which is a temporary non-cash effect. It also excludes a one-time U.S. \$6 million net gain related to an insurance payout resulting from fire that took place at the Altamira PTA facility in 3Q18.

**Reported EBITDA** was U.S. \$74 million, a 33% decline versus 2Q20 figures, and was largely due to the greater inventory loss in the quarter.


**INCOME STATEMENT**

(in U.S.\$ million)

	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Total Revenues</b>	<b>1,175</b>	<b>1,433</b>	<b>1,643</b>	<b>(18)</b>	<b>(28)</b>	<b>2,608</b>	<b>3,286</b>	<b>(21)</b>
Gross Profit	69	118	155	(41)	(56)	187	293	(36)
Operating expenses and others	(47)	(60)	(45)	22	(4)	(107)	(94)	(14)
<b>Operating Income</b>	<b>22</b>	<b>57</b>	<b>110</b>	<b>(61)</b>	<b>(80)</b>	<b>80</b>	<b>200</b>	<b>(60)</b>
Financial cost, net	5	(88)	(19)	105	126	(83)	(41)	(104)
Share of losses of associates	(4)	3	-	(246)	(100)	(1)	-	(100)
Income tax	(8)	12	(22)	(172)	62	3	(49)	107
<b>Consolidated Net Income</b>	<b>15</b>	<b>(16)</b>	<b>69</b>	<b>190</b>	<b>(79)</b>	<b>(2)</b>	<b>109</b>	<b>(102)</b>
Controlling interest	6	(19)	56	130	(89)	(14)	83	(116)

**Revenues** for the second quarter totaled U.S. \$1,175 million, 18% lower than revenues for 1Q20. Average consolidated prices for 2Q20 were down 12% since 1Q20, mainly driven by the impact of lower feedstock prices on finished goods, determined as a cost-plus formula.

**Net Income attributable to Controlling Interest** for the second quarter of 2020 was U.S. \$6 million, compared to a loss of U.S. \$19 million in 1Q20. This improvement was due to lower operating expenses and a positive financial cost versus last quarter.

## CASH FLOW

(in U.S.\$ million)

	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
EBITDA	74	111	161	(33)	(54)	185	301	(39)
Net Working Capital & Others	27	100	90	(73)	(70)	127	66	92
CAPEX	(27)	(15)	(38)	(82)	28	(42)	(106)	61
Financial Expenses	(25)	(26)	(32)	4	22	(51)	(63)	19
Income Tax	(37)	(64)	(60)	41	37	(101)	(90)	(13)
Dividends	-	(163)	(2)	100	100	(163)	(181)	10
Payment to affiliated companies	-	-	8	48	(100)	-	8	(100)
Other Sources / Uses	(4)	(49)	(12)	92	68	(53)	(187)	72
<b>Decrease (Increase) in Net Debt</b>	<b>8</b>	<b>(106)</b>	<b>116</b>	<b>108</b>	<b>(93)</b>	<b>(98)</b>	<b>(252)</b>	<b>61</b>

**Net Working Capital (NWC)** improved by U.S. \$27 million, supported by lower oil and feedstock prices, internal efforts to reduce inventory levels, and improvements to supplier and customer credit terms. At the end of 2Q20, the company has a recovery of U.S. \$127 million in NWC.

**CAPEX** totaled U.S. \$27 million during the quarter, and U.S. \$42 million to date in 2020. This figure is far lower than our expectations. Most funds have been related to normal maintenance CAPEX and used for minor asset replacements.

During the quarter, Alpek held a Shareholders' Meeting where the Board of Directors suspended a previously approved **Dividend** of U.S. \$81.6 million due to uncertainty from COVID-19. However, it is important to mention that the Board of Directors was also authorized by shareholders to review this payment later in the year and that the decision was not based on the company's performance or liquidity, but as in response to the volatile operating environment.

## NET DEBT & LEVERAGE

(in U.S.\$ million)

	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)
<b>Net Debt</b>	<b>1,428</b>	<b>1,436</b>	<b>2,084</b>	<b>(1)</b>	<b>(31)</b>
EBITDA (LTM)	735	821	944	(11)	(22)
Net Debt / EBITDA (LTM)	1.9	1.7	2.2		

**Consolidated Net Debt** as of June 30, 2020 was U.S. \$1.428 billion, down 1% QoQ and 31% YoY. Net Debt decreased by U.S. \$8 million during 2Q20 as a result of suspending our planned dividend and lower tax payments. As of June 30, 2020, Gross Debt reached U.S. \$2.038 billion and Cash rose to U.S. \$610 million. Financial ratios as of quarter-end were: Net Debt to EBITDA of 1.9x and Interest Coverage of 6.9x. The increase to Leverage was due to lower LTM EBITDA, despite an improvement to Net Debt levels.

## Results by Business Segment: Polyester

(Purified Terephthalic Acid (PTA), Polyethylene Terephthalate (PET), rPET, Polyester fibers – 77% of Alpek's Net Sales)

### Quarterly Highlights

- Polyester volume was 5% higher YoY due to increased contractual volume and higher demand given the emphasis on hygiene and safety, but down 4% QoQ as volume normalized versus 1Q20 record highs
- Integrated Asian polyester margins improved by 13% QoQ due to a more favorable supply and demand balance
- Polyester Comparable EBITDA excluding RMCF increased by 9% QoQ as margin improvement offset volume decline
- Polyester EBITDA of U.S. \$33 million (-43% QoQ) as negative inventory effect (U.S. \$36 million) and raw material carry-forward (U.S. \$39 million) increased during 2Q20, due to historically low crude oil and Px prices in April 2020

KEY METRICS - POLYESTER (in U.S.\$ million, except volume)	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
Volume (ktons)	933	967	887	(4)	5	1,900	1,744	9
Revenues	925	1,094	1,242	(15)	(25)	2,020	2,481	(19)
<b>Reported EBITDA</b>	<b>33</b>	<b>58</b>	<b>96</b>	<b>(43)</b>	<b>(65)</b>	<b>91</b>	<b>176</b>	<b>(48)</b>
Inventories	36	16	26	131	37	52	41	27
Others	(6)	-	1	(100)	(898)	(6)	(10)	37
<b>Comparable EBITDA</b>	<b>63</b>	<b>74</b>	<b>123</b>	<b>(15)</b>	<b>(49)</b>	<b>137</b>	<b>207</b>	<b>(34)</b>
Raw Material Carry-forward	39	20	28	95	39	59	47	25
<b>Comparable EBITDA excl. RMCF</b>	<b>102</b>	<b>94</b>	<b>151</b>	<b>9</b>	<b>(33)</b>	<b>196</b>	<b>254</b>	<b>(23)</b>

Excluding extraordinary effects and temporary effects from raw material price changes, **Polyester Comparable EBITDA excluding RMCF** reached U.S. \$102 million during the quarter, exceeding QoQ figures by 9%. This was due to 13% higher polyester margins, but lower volume. This figure was down 33% on a YoY basis given record Polyester margins experienced during 2Q19.

As a result of the decline in prices of Brent Crude oil, U.S. reference paraxylene (“Px”) average prices declined 33%. This price reduction resulted in a non-cash **inventory loss** of U.S. \$36 million in 2Q20 and a negative **raw material carry-forward** effect of U.S. \$39 million. However, the crude oil and Px price increase towards the end of 2Q20 suggests a potential for both effects be positive in the third quarter.

Excluding only inventory losses and a U.S. \$6 million net gain related to an insurance payout resulting from the 3Q18 fire at the Altamira PTA facility, 2Q20 **Polyester Comparable EBITDA** reached U.S. \$63 million, down 15% QoQ due to the large raw material carry-forward effect.

**Polyester Reported EBITDA** was U.S. \$33 million in the quarter, down 43% QoQ as this figure includes inventory losses, raw material carry-forward, and other non-recurring effects.



## Results by Business Segment: Plastics & Chemicals (P&C)

(Polypropylene (PP), Expandable Polystyrene (EPS), Caprolactam (CPL), Other products – 21% of Alpek's Net Sales)

### Quarterly Highlights

- P&C volume was 19% and 25% lower QoQ and YoY, respectively, due to the COVID-19 related slow-down in Construction segment demand for EPS during April
- P&C margin strength continues as new PP capacity in NA has been delayed due to COVID-19, and EPS margins improved due to styrene prices decline
- P&C Comparable EBITDA was U.S. \$46 million, a decrease of 7% QoQ, as EPS volume decrease was not fully offset by higher EPS margins
- P&C Reported EBITDA of U.S. \$40 million, including a negative inventory effect of U.S. \$6 million as Propylene prices declined to their lowest levels in 11 years

KEY METRICS - P&C (in U.S.\$ million, except volume)	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
Volume (ktons)	176	217	234	(19)	(25)	393	463	(15)
Revenues	221	300	375	(26)	(41)	521	751	(31)
<b>Reported EBITDA</b>	<b>40</b>	<b>49</b>	<b>61</b>	<b>(17)</b>	<b>(34)</b>	<b>89</b>	<b>115</b>	<b>(22)</b>
Inventories	6	1	1	574	529	7	5	38
Others	-	-	-	-	-	-	-	-
<b>Comparable EBITDA</b>	<b>46</b>	<b>50</b>	<b>62</b>	<b>(7)</b>	<b>(25)</b>	<b>96</b>	<b>120</b>	<b>(20)</b>

**P&C Reported EBITDA** was U.S. \$40 million in the quarter, down 17% QoQ, as EPS volume during April declined due to lower demand from the construction segment, mainly in Mexico. However, EPS volumes rebounded in June, suggesting the start of a recovery in the construction segment.

Propylene prices declined by 16% QoQ to historical lows, generating an inventory loss of U.S. \$6 million for the quarter. However, prices for propylene began to increase in June, suggesting a positive inventory adjustment effect in 3Q20.

**P&C Comparable EBITDA** was U.S. \$46 million, 7% lower QoQ when adjusted for the inventory losses and extraordinary effects.

## About Alpek

Alpek is a leading petrochemical company operating two business segments: “Polyester” (PTA, PET, rPET, and polyester fibers), and “Plastics & Chemicals” (polypropylene, expandable polystyrene, caprolactam, and other specialty & industrial chemicals). Alpek is a leading producer of PTA and PET worldwide, one of the largest rPET producers in the Americas, the largest expandable polystyrene manufacturer in the Americas, and the only producer of polypropylene and caprolactam in Mexico.

## Note on Forward Looking Statements

This release contains forward-looking information based on numerous variables and assumptions that are inherently uncertain. They involve judgments with respect to, among other things, future economic, competitive and financial market conditions and future business decisions, all of which are difficult or impossible to predict accurately. Accordingly, results could vary from those set forth in this release. The report presents unaudited financial information based on International Financial Reporting Standards (IFRS). Figures are stated in nominal Mexican pesos (\$) and in current U.S. Dollars (U.S. \$), as indicated. Where applicable, peso amounts were translated into U.S. Dollars using the average exchange rate of the months during which operations were recorded. Financial ratios are calculated in U.S. Dollars. Due to the rounding up of figures, small differences may occur when calculating percent changes from one period to the other.

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**Appendix A – Additional Financial Information**

TABLE 1   PRICE CHANGES (%)	QoQ (%)	YoY (%)	Ch. (%)
<b>Polyester</b>			
Avg. Ps. prices	3	(13)	(16)
Avg. U.S. \$ prices	(12)	(29)	(25)
<b>Plastics &amp; Chemicals</b>			
Avg. Ps. prices	6	(5)	(10)
Avg. U.S. \$ prices	(9)	(22)	(20)
<b>Total</b>			
Avg. Ps. prices	3	(12)	(17)
Avg. U.S. \$ prices	(12)	(28)	(26)

TABLE 2   REVENUES	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Total Revenues</b>								
Ps. million	27,448	28,522	31,425	(4)	(13)	55,970	62,992	(11)
U.S. \$ million	1,175	1,433	1,643	(18)	(28)	2,608	3,286	(21)
<b>Domestic Revenues</b>								
Ps. million	7,581	8,037	9,036	(6)	(16)	15,618	17,812	(12)
U.S. \$ million	324	405	472	(20)	(31)	729	929	(22)
<b>Foreign Revenues</b>								
Ps. millions	19,867	20,485	22,389	(3)	(11)	40,352	45,180	(11)
U.S. \$ million	851	1,028	1,171	(17)	(27)	1,879	2,357	(20)
Foreign / Total (%)	72	72	71			72	72	

TABLE 3   OP. INCOME AND EBITDA	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Operating Income</b>								
Ps. million	483	1,151	2,099	(58)	(77)	1,634	3,821	(57)
U.S. \$ million	22	57	110	(61)	(80)	80	200	(60)
<b>EBITDA</b>								
Ps. million	1,700	2,205	3,077	(23)	(45)	3,905	5,761	(32)
U.S. \$ million	74	111	161	(33)	(54)	185	301	(39)

TABLE 4   COMPARABLE EBITDA	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>EBITDA</b>								
Ps. million	1,700	2,205	3,077	(23)	(45)	3,905	5,761	(32)
U.S. \$ million	74	111	161	(33)	(54)	185	301	(39)
<b>Adjustments*</b>								
Ps. million	867	337	541	158	60	1,203	694	73
U.S. \$ million	36	17	28	117	28	53	36	46
<b>Comparable EBITDA</b>								
Ps. million	2,567	2,541	3,619	1	(29)	5,108	6,455	(21)
U.S. \$ million	110	127	189	(13)	(42)	238	337	(29)

\*Adjustments: Inventory and non-operating, one-time (gains) losses

TABLE 5   IFRS 16 EFFECT (in U.S.\$ million)	2Q20	1Q20	YTD20
<b>Income Statement</b>			
Amortization	11	12	23
Financial Expense	2	3	5
<b>Balance Sheet</b>			
Assets- Right of use	160	169	
Liabilities			
Short term lease	38	46	
Long term lease	121	121	
<b>Net Debt</b>	3	5	8

TABLE 6   FINANCIAL COST, NET (in U.S.\$ million)	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
Financial Expenses	(31)	(32)	(35)	3	12	(62)	(69)	10
Financial Income	11	8	9	30	14	19	19	2
<b>Net Financial Expenses</b>	(20)	(23)	(25)	15	22	(43)	(51)	15
Fx Gains (Losses)	24	(65)	7	138	260	(40)	10	(518)
<b>Financial Cost, Net</b>	5	(88)	(19)	105	126	(83)	(41)	(104)

TABLE 7   NET INCOME (in U.S.\$ million, except as noted)	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
Consolidated Net Income	15	(16)	69	190	(79)	(2)	109	(102)
Non-Controlling Interest	9	3	14	181	(36)	12	26	(55)
<b>Controlling Interest</b>	6	(19)	56	130	(89)	(14)	83	(116)
Earnings per Share (U.S. \$)	0.00	(0.01)	0.03	130	(89)	(0.01)	0.04	(116)
<b>Avg. Outstanding Shares (million)*</b>	2,112	2,115	2,118			2,113	2,118	

\* The same number of equivalent shares are considered in the periods presented

<b>TABLE 8   STATEMENT OF FINANCIAL POSITION &amp; FINANCIAL RATIOS</b> (in U.S.\$ million)	<b>2Q20</b>	<b>1Q20</b>	<b>2Q19</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
<b>Assets</b>					
Cash and cash equivalents	610	570	287	7	113
Trade accounts receivable	462	574	703	(20)	(34)
Inventories	808	898	987	(10)	(18)
Other current assets	336	314	346	7	(3)
<b>Total current assets</b>	<b>2,217</b>	<b>2,356</b>	<b>2,323</b>	<b>(6)</b>	<b>(5)</b>
Investment in associates and others	436	441	448	(1)	(3)
Property, plant and equipment, net	1,862	1,876	2,443	(1)	(24)
Goodwill and intangible assets, net	189	193	217	(2)	(13)
Other non-current assets	588	604	577	(3)	2
<b>Total assets</b>	<b>5,290</b>	<b>5,470</b>	<b>6,009</b>	<b>(3)</b>	<b>(12)</b>
<b>Liabilities &amp; stockholders' equity</b>					
Debt	237	189	592	25	(60)
Suppliers	647	819	833	(21)	(22)
Other current liabilities	327	487	333	(33)	(2)
<b>Total current liabilities</b>	<b>1,211</b>	<b>1,496</b>	<b>1,757</b>	<b>(19)</b>	<b>(31)</b>
Debt (include debt issuance costs)	1,635	1,642	1,603	-	2
Employees' benefits	55	55	58	1	(6)
Other long-term benefits	429	431	473	-	(9)
<b>Total liabilities</b>	<b>3,331</b>	<b>3,623</b>	<b>3,891</b>	<b>(8)</b>	<b>(14)</b>
Total stockholders' equity	1,959	1,847	2,117	6	(7)
Total liabilities & stockholders' equity	5,290	5,470	6,009	(3)	(12)
Net Debt	1,428	1,436	2,084	(1)	(31)
Net Debt / EBITDA*	1.9	1.7	2.2		
Interest Coverage*	6.9	7.3	8.1		

\* Times: last 12 months

## Polyester

TABLE 9   REVENUES	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Total Revenues</b>								
Ps. million	21,635	21,795	23,749	(1)	(9)	43,430	47,573	(9)
U.S. \$ million	925	1,094	1,242	(15)	(25)	2,020	2,481	(19)
<b>Domestic Revenues</b>								
Ps. million	3,816	4,020	4,035	(5)	(5)	7,836	8,019	(2)
U.S. \$ million	163	202	211	(19)	(23)	365	418	(13)
<b>Foreign Revenues</b>								
Ps. million	17,819	17,775	19,715	-	(10)	35,594	39,553	(10)
U.S. \$ million	762	892	1,031	(15)	(26)	1,655	2,063	(20)
Foreign / Total (%)	82	82	83			82	83	

TABLE 10   OP. INCOME AND EBITDA	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Operating Income</b>								
Ps. million	(205)	336	1,064	(161)	(119)	131	1,831	(93)
U.S. \$ million	(7)	17	56	(142)	(113)	10	96	(90)
<b>EBITDA</b>								
Ps. million	739	1,151	1,830	(36)	(60)	1,891	3,370	(44)
U.S. \$ million	33	58	96	(43)	(65)	91	176	(48)

TABLE 11   COMPARABLE EBITDA	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>EBITDA</b>								
Ps. million	739	1,151	1,830	(36)	(60)	1,891	3,370	(44)
U.S. \$ million	33	58	96	(43)	(65)	91	176	(48)
<b>Adjustments*</b>								
Ps. million	727	324	523	125	39	1,050	596	76
U.S. \$ million	30	16	27	90	10	46	31	47
<b>Comparable EBITDA</b>								
Ps. million	1,466	1,475	2,352	(1)	(38)	2,941	3,966	(26)
U.S. \$ million	63	74	123	(15)	(49)	137	207	(34)

\*Adjustments: Inventory and non-operating, one-time (gains) losses

## Plastics &amp; Chemicals

TABLE 12   REVENUES	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Total Revenues</b>								
Ps. million	5,147	5,964	7,168	(14)	(28)	11,111	14,397	(23)
U.S. \$ million	221	300	375	(26)	(41)	521	751	(31)
<b>Domestic Revenues</b>								
Ps. million	3,124	3,348	4,553	(7)	(31)	6,472	8,866	(27)
U.S. \$ million	134	169	238	(21)	(44)	303	462	(34)
<b>Foreign Revenues</b>								
Ps. million	2,022	2,616	2,616	(23)	(23)	4,639	5,531	(16)
U.S. \$ million	87	131	137	(33)	(36)	218	289	(24)
Foreign / Total (%)	39	44	36			42	38	

TABLE 13   OP. INCOME AND EBITDA	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Operating Income</b>								
Ps. million	669	748	954	(11)	(30)	1,417	1,806	(22)
U.S. \$ million	29	37	50	(22)	(43)	65	94	(31)
<b>EBITDA</b>								
Ps. million	943	987	1,166	(5)	(19)	1,930	2,206	(13)
U.S. \$ million	40	49	61	(17)	(34)	89	115	(22)

TABLE 14   COMPARABLE EBITDA	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>EBITDA</b>								
Ps. million	943	987	1,166	(5)	(19)	1,930	2,206	(13)
U.S. \$ million	40	49	61	(17)	(34)	89	115	(22)
<b>Adjustments*</b>								
Ps. million	140	13	18	983	663	153	98	56
U.S. \$ million	6	1	1	566	522	7	5	37
<b>Comparable EBITDA</b>								
Ps. Million	1,083	1,000	1,185	8	(9)	2,083	2,304	(10)
U.S. \$ million	46	50	62	(7)	(25)	96	120	(20)

\*Adjustments: Inventory and non-operating, one-time (gains) losses

## Appendix B – Financial Statements

 ALPEK, S.A.B. DE C.V. and Subsidiaries  
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Jun-20	Mar-20	Jun-19	QoQ (%)	YoY (%)
(in millions of Mexican Pesos)					
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	13,829	13,197	5,493	5	152
Restricted cash	194	199	3	(3)	7,110
Trade accounts receivable	10,602	13,497	13,470	(21)	(21)
Other accounts and notes receivable	6,424	6,260	5,535	3	16
Inventories	18,570	21,107	18,923	(12)	(2)
Other current assets	1,304	1,128	1,102	16	18
<b>Total current assets</b>	<b>50,923</b>	<b>55,388</b>	<b>44,526</b>	<b>(8)</b>	<b>14</b>
Investment in associates and others	10,006	10,379	8,593	(4)	16
Property, plant and equipment, net	42,774	44,108	46,824	(3)	(9)
Goodwill and intangible assets	4,331	4,532	4,166	(4)	4
Other non-current assets	13,495	14,210	11,068	(5)	22
<b>Total assets</b>	<b>121,529</b>	<b>128,617</b>	<b>115,177</b>	<b>(6)</b>	<b>6</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Debt	5,440	4,450	11,341	22	(52)
Suppliers	14,858	19,263	15,963	(23)	(7)
Other current liabilities	7,522	11,457	6,375	(34)	18
<b>Total current liabilities</b>	<b>27,820</b>	<b>35,170</b>	<b>33,679</b>	<b>(21)</b>	<b>(17)</b>
<b>NON-CURRENT LIABILITIES:</b>					
Debt (include debt issuance cost)	37,569	38,598	30,733	(3)	22
Deferred income taxes	4,883	4,926	4,562	(1)	7
Other non-current liabilities	4,979	5,204	4,497	(4)	11
Employees' benefits	1,268	1,290	1,121	(2)	13
<b>Total liabilities</b>	<b>76,519</b>	<b>85,188</b>	<b>74,592</b>	<b>(10)</b>	<b>3</b>
<b>STOCKHOLDERS' EQUITY:</b>					
Controlling interest:					
Capital stock	6,035	6,035	6,050	-	-
Share premium	9,025	9,025	9,098	-	(1)
<b>Contributed capital</b>	<b>15,060</b>	<b>15,060</b>	<b>15,148</b>	-	<b>(1)</b>
Earned surplus	24,515	23,017	20,729	7	18
<b>Total controlling interest</b>	<b>39,575</b>	<b>38,077</b>	<b>35,877</b>	<b>4</b>	<b>10</b>
Non-controlling interest	5,435	5,352	4,708	2	15
<b>Total stockholders' equity</b>	<b>45,010</b>	<b>43,429</b>	<b>40,585</b>	<b>4</b>	<b>11</b>
<b>Total liabilities and stockholders' equity</b>	<b>121,529</b>	<b>128,617</b>	<b>115,177</b>	<b>(6)</b>	<b>6</b>



**ALPEK, S.A.B. DE C.V. and Subsidiaries**  
**CONSOLIDATED STATEMENT OF INCOME**

	2Q20	1Q20	2Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
(in millions of Mexican Pesos)								
Revenues	27,448	28,522	31,425	(4)	(13)	55,970	62,992	(11)
Domestic	7,581	8,037	9,036	(6)	(16)	15,618	17,812	(12)
Export	19,867	20,485	22,389	(3)	(11)	40,352	45,180	(11)
Cost of sales	(25,864)	(26,175)	(28,460)	1	9	(52,039)	(53,370)	9
Gross profit	1,584	2,347	2,965	(33)	(47)	3,931	5,622	(30)
Operating expenses and others	(1,101)	(1,196)	(866)	8	(27)	(2,297)	(1,801)	(28)
Operating income	483	1,151	2,099	(58)	(77)	1,634	3,821	(57)
Financial result, net	114	(1,883)	(354)	106	132	(1,769)	(784)	(126)
Equity in income of associates and joint ventures	(90)	59	(1)	(251)	(12,297)	(31)	(4)	(553)
Income before taxes	507	(673)	1,744	175	(71)	(166)	3,033	(105)
Income taxes	(182)	270	(420)	(167)	57	88	(944)	109
<b>Consolidated net income</b>	<b>325</b>	<b>(403)</b>	<b>1,324</b>	<b>181</b>	<b>(75)</b>	<b>(78)</b>	<b>2,089</b>	<b>(104)</b>
<b>Income attributable to Controlling interest</b>	<b>121</b>	<b>(453)</b>	<b>1,064</b>	<b>127</b>	<b>(89)</b>	<b>(332)</b>	<b>1,581</b>	<b>(121)</b>
<b>Income attributable to Non-controlling interest</b>	<b>204</b>	<b>50</b>	<b>260</b>	<b>305</b>	<b>(22)</b>	<b>254</b>	<b>508</b>	<b>(50)</b>