



Earnings Presentation

1st Quarter 2020

Disclaimer

This presentation contains, or may be deemed to contain, “forward-looking statements”. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The future results of Alpek, S.A.B. de C.V. and its subsidiaries may differ from the results expressed in, or implied by the forward-looking statements set out herein, possibly to a material degree.



1Q20 Highlights

Achieved **better-than-expected results** vs. Guidance amid volatile environment

COVID-19 has **not impacted** our operations as **our products are considered essential** for Food / Beverage / CPG packaging, as well as medical supplies

Reported EBITDA of U.S. \$111 million / **U.S. \$127 million Comparable EBITDA**

Paid U.S. \$143 million dividend related to Cogeneration sale & **approved U.S. \$82 million dividend** in our Annual Shareholders Meeting

Alpek maintains strong financial position as **Leverage is 1.7x** Net Debt to EBITDA

Announced **extension to Corpus Christi Polymers (CCP) pre-construction period** & **reduced CAPEX** needs by U.S. **\$45 million** in 2020



COVID-19

Alpek posted better-than-expected 1Q results amid volatile environment

Industry Impact

- **Lower crude oil demand** in Asia resulted in **decreases to Crude Oil & Paraxylene (Px) prices**
- **Polyester margins strengthened** vs. 4Q19 as lower PTA/PET output from Asia reduced supply in 1Q20
- Mexican Peso and Brazilian Real **depreciated** during 1Q20



1Q20 Effects on Alpek

- **No adverse effect** to Alpek's **business continuity** from COVID-19
- **Alpek's businesses deemed essential** (food & beverage packaging, CPG, medical supplies & general chemicals)
- **Polyester and polypropylene** results favored by **improved volumes and margins**
- **US\$36M non-cash Inventory Loss** and negative **Raw Material Carry-Forward effect**
- **Two employees** in USA have COVID-19



Company Reaction

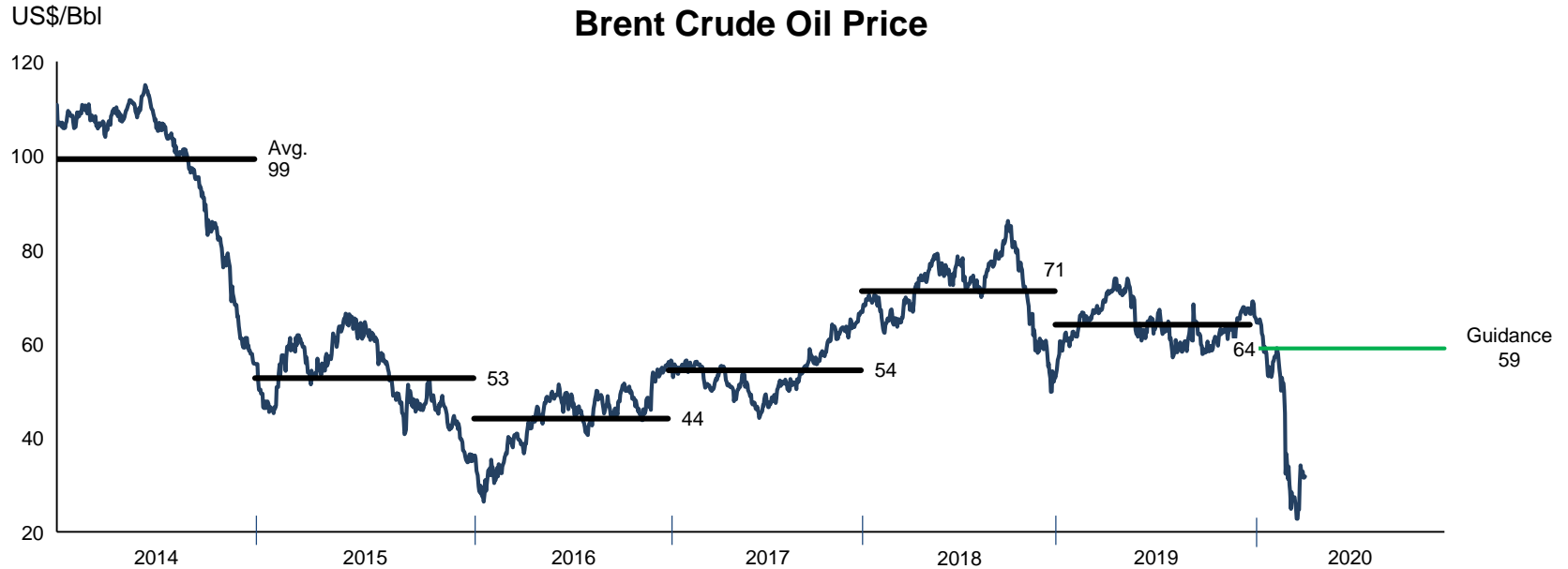
- **Increased hygiene measures & home office** to protect employees' health
- **Guarantee PET production** to customers given high demand
- Focus on financial stability results in **FCF US\$181M better than expectations**
- **Cash balance improved by US\$240M** by drawing committed long / short-term credit lines

Volatility surrounding COVID-19 makes it difficult to predict feedstock prices, demand and margins / 2020 Guidance has been withdrawn until Alpek can provide reliable estimates



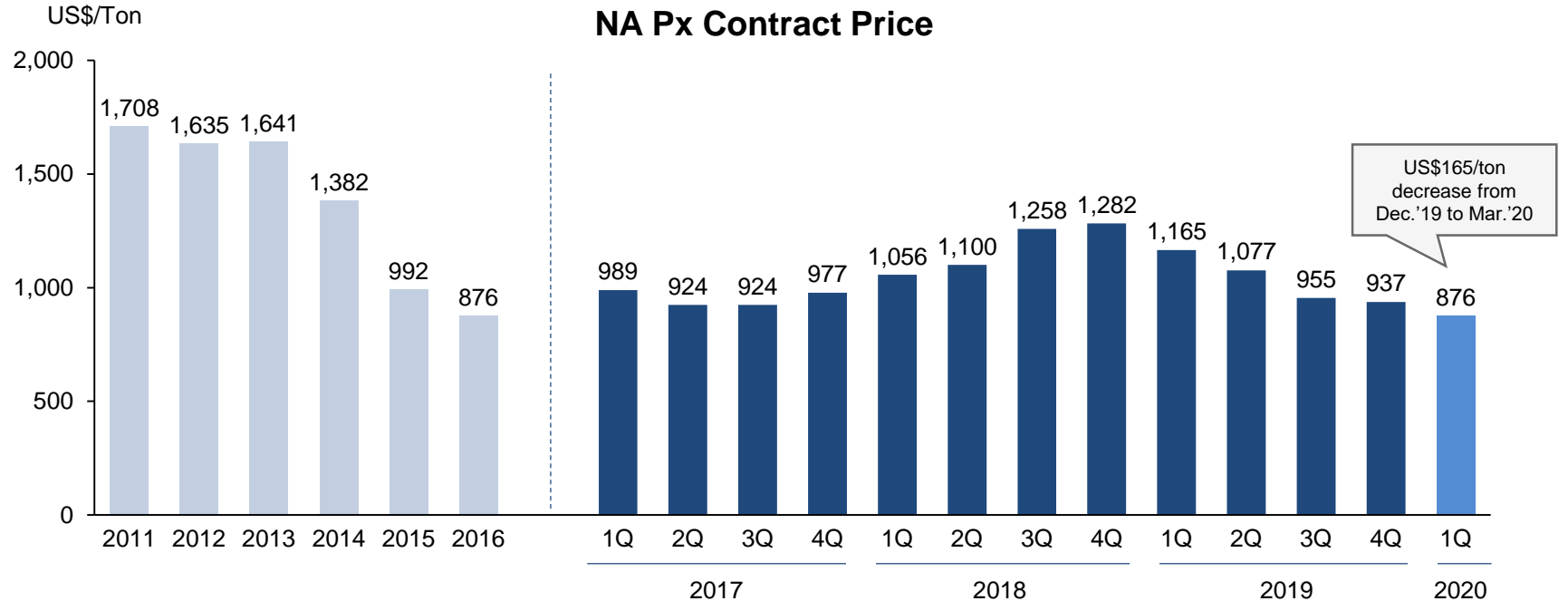
Relevant References: Crude Oil

Price reduction from demand reduction & no agreement to reduce output in 1Q20



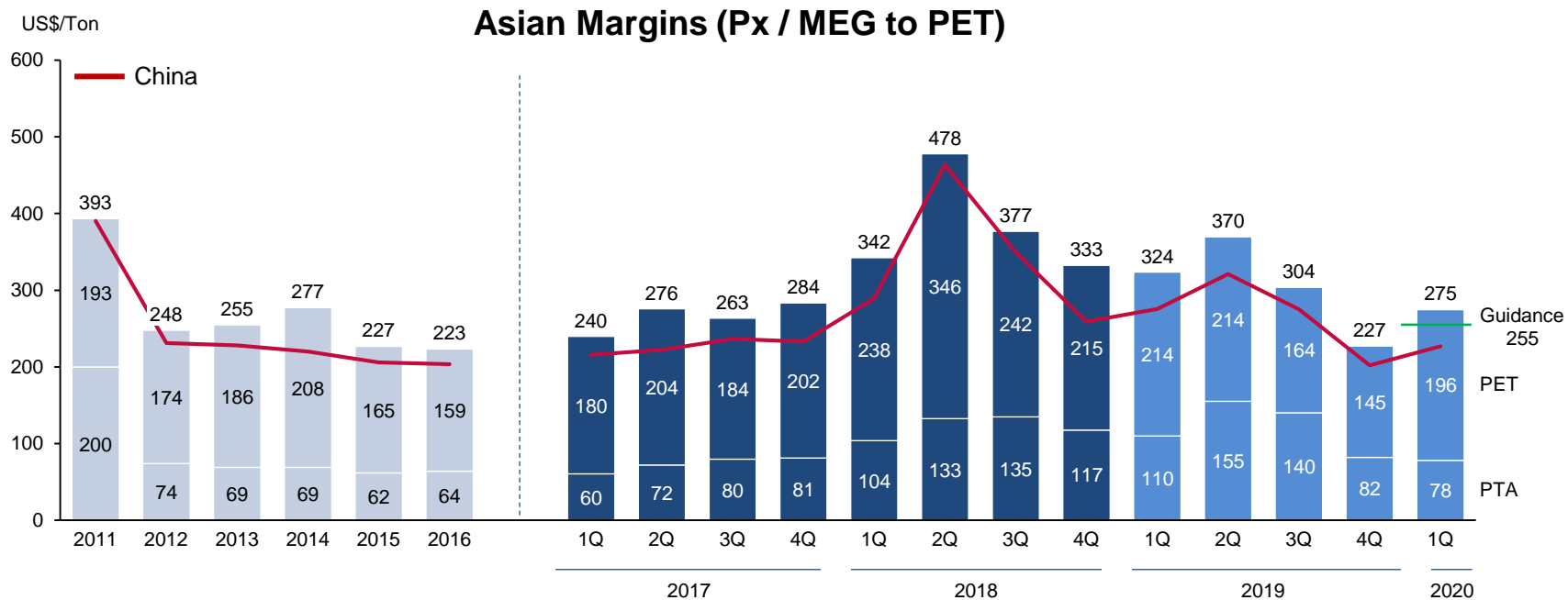
Relevant References: Paraxylene

Px prices also fell in 1Q20 following their correlation with Crude Oil



Relevant References: Integrated PET Margins

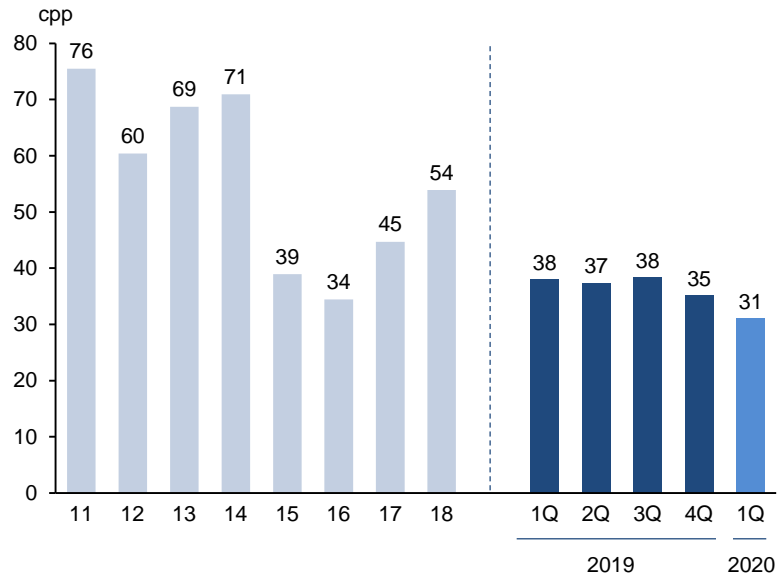
Margins have already risen above Guidance levels in low-demand quarter



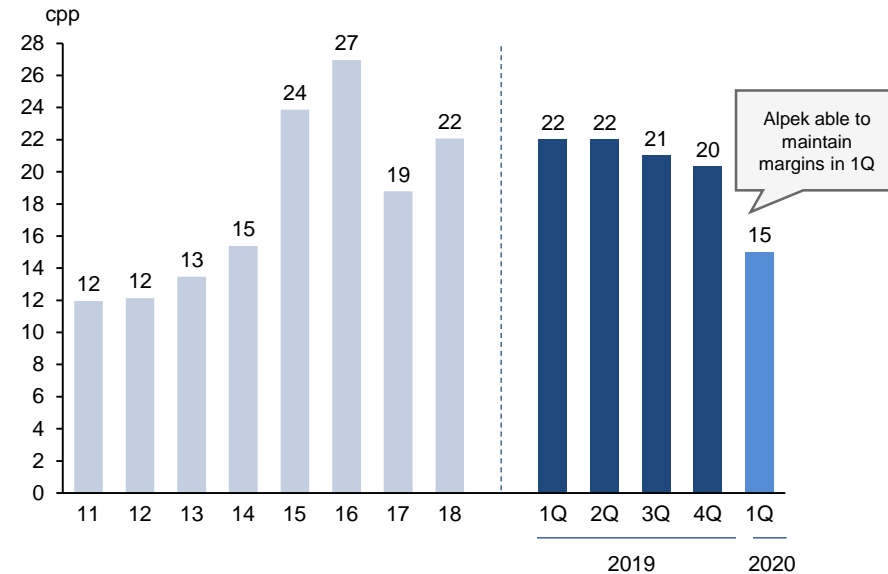
Relevant References: Propylene & Polypropylene

Decrease in both PGP contract prices & industry PP margins in 1Q20

NA Propylene Contract Price (PGP)

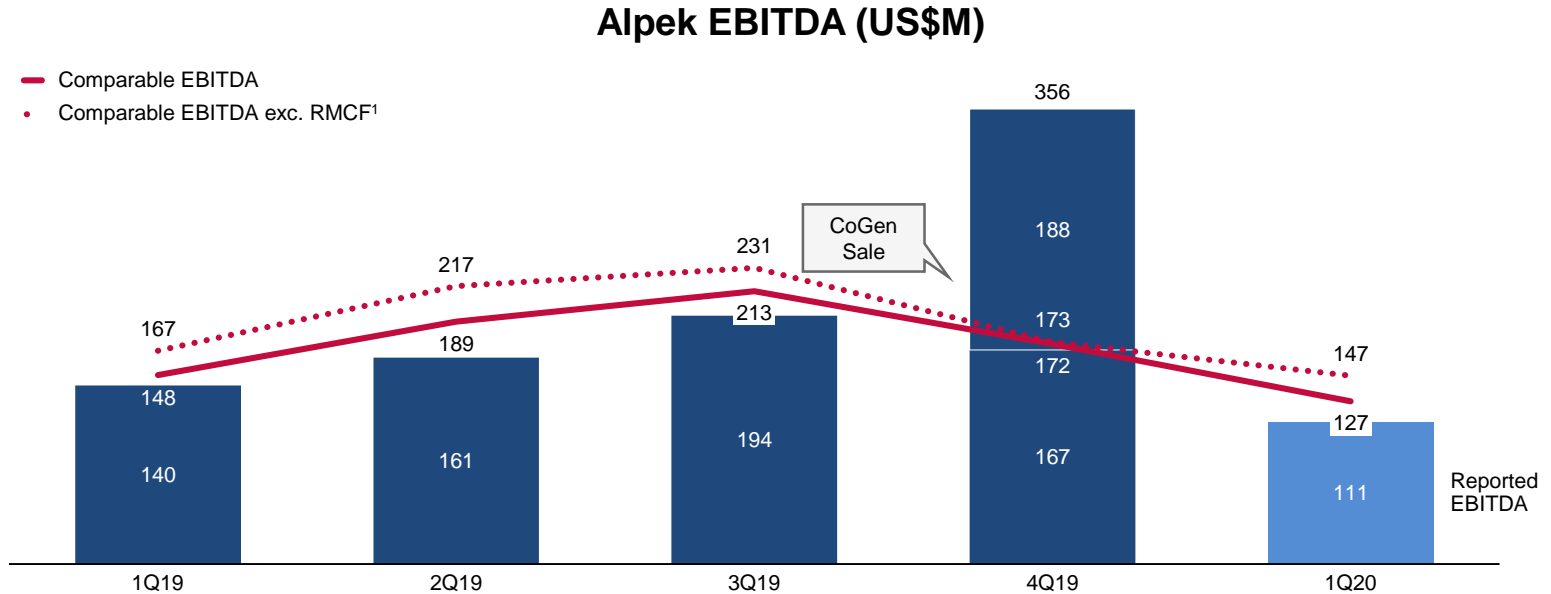


NA Polypropylene Margin (PP to PGP)



EBITDA Comparison

Lower EBITDA QoQ from lower contract margins & lack of Cogen operations



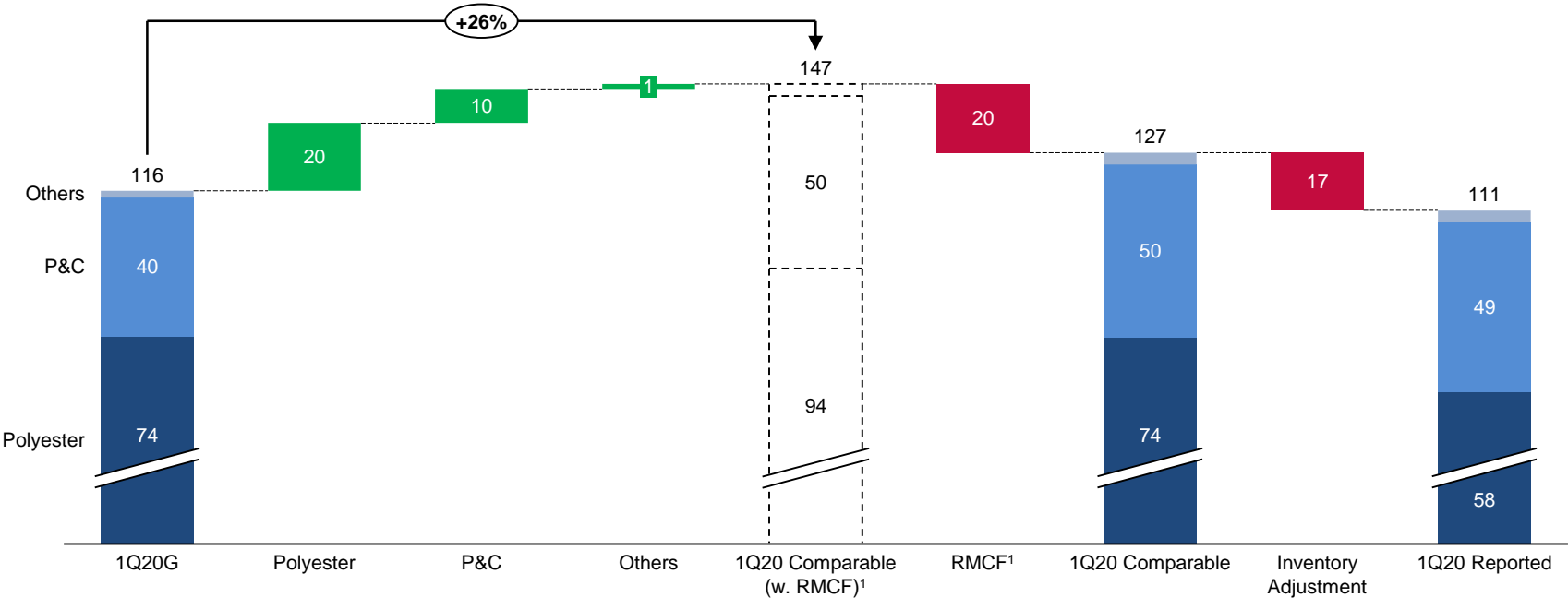
(1) Raw Material Carry-Forward



EBITDA Breakdown

Both Polyester and P&C exceeded Comparable 1Q EBITDA Guidance (exc. RMCF)

Alpek 1Q20 EBITDA vs. Guidance (US\$M)



(1) Raw Material Carry-Forward



Raw Material Carry Forward Effect (RMCF¹) Breakdown

Smaller YoY & QoQ difference in EBITDA when excluding extraordinary effects

US\$M	2020	2019		Delta	
	1T	1T	4T	1T	4T
Reported EBITDA	111	140	167	(29)	(57)
Inventory Adjustment	(17)	(19)	(6)	2	(11)
Others	-	11	1	(11)	(1)
Comparable EBITDA	127	148	172	(20)	(45)
Raw Material Carry-Forward	(20)	(19)	(2)	(1)	(18)
Comparable EBITDA + Raw Material Carry-Forward	147	167	173	(20)	(26)

(1) Raw Material Carry-Forward: Effect on margin generated from price change to raw materials between purchase vs. actual consumption. Positive or negative depending on price change

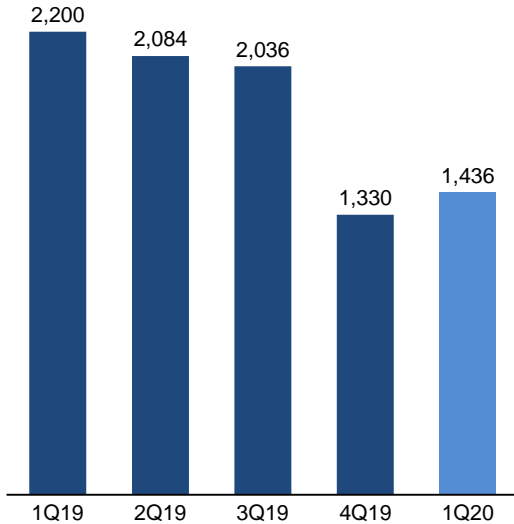
(2) Excludes Cogeneration sale



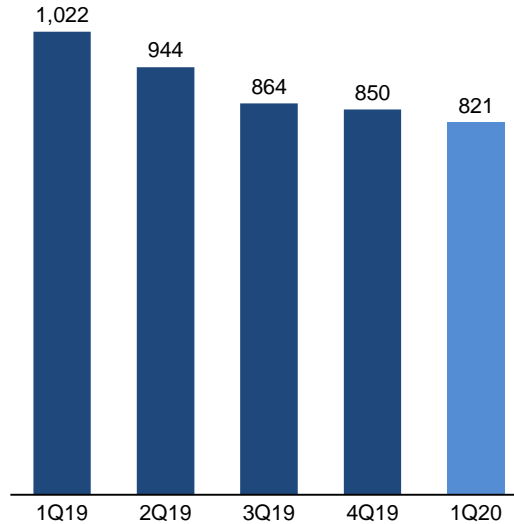
Leverage

Alpek maintains low leverage despite payment of dividend from Cogen sale

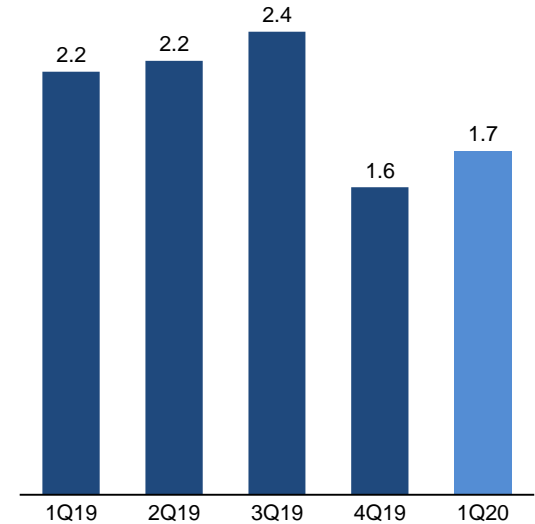
Net Debt (US\$M)



LTM EBITDA (US\$M)



Net Debt/EBITDA (Times)



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