



**FOURTH QUARTER 2020
EARNINGS WEBCAST**

Today's Speakers



José de Jesús Valdez
CEO



José Carlos Pons
CFO



Alejandro Elizondo
IRO

A person in a black wetsuit is seen from behind, holding a light blue surfboard under their arm. They are standing in shallow ocean water, and a large splash of white water is visible around their legs. The background shows a calm sea and a distant shoreline under a bright sky. A large, light blue diagonal graphic element is overlaid on the right side of the image.

Topics for Today's Webcast

- I. COVID-19 Update**
- II. Financial Performance**
- III. Strategic Projects**
- IV. Our Approach to ESG**
- V. 2021 Guidance**

COVID-19 Update



Feedstock Prices

- Lower Crude output & rising demand for refined products led to higher Crude Oil & Px prices
- Positive Inventory Adjustment and RMCF effects during 4Q20



Polyester Margins

- Integrated PET Margins remain at normalized levels & annualized margins above Guidance



Demand

- Record volume for any 4th quarter driven by favorable changes to consumer behavior
- Increased P&C volume due to e-Commerce & use of EPS for COVID-19 test & vaccine transportation



Operations

- Alpek finished 2020 without COVID-19 related interruptions to its operations
- Safety measures for employees at plants and home-office continued to be successful



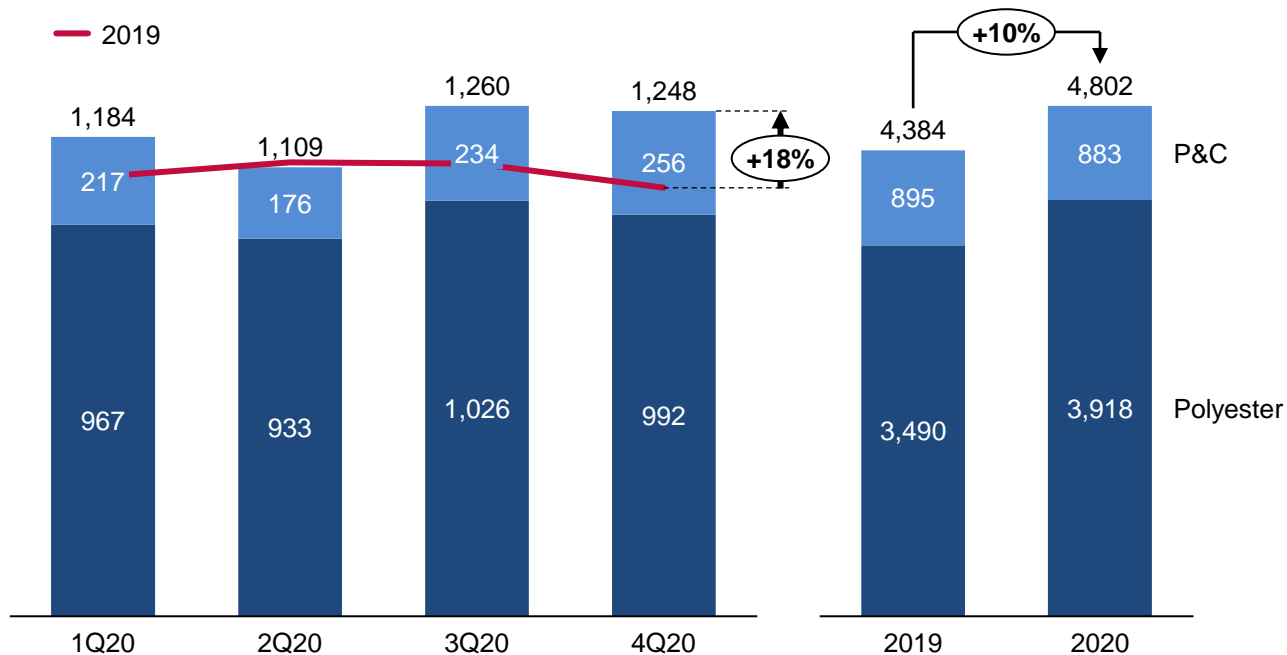
2020 Financial Highlights

- Record **high overall volume** (+10% vs 2019) as a result of resilient PET demand from food & beverage packaging & strong EPS demand from increased e-commerce
- Strong performance continued in 4Q20 with Comparable EBITDA excl. RMCF of US\$151 million (-2% QoQ) from **stronger PP margins**, **resilient volume** and **normalized PET margins**
- 2020 Comparable EBITDA excl. RMCF of **US\$601 million** exceeded original Guidance (+16%)
- **Strong Free Cash Flow** generation of US\$350 million for 2020 from optimization of NWC and CAPEX, resulting in **debt reduction** to US\$1,185 million and **Net Leverage of 2.1x**
- Recovered **US\$40 million** in debt from M&G Mexico with remaining **US\$120 million** expected over next 4 years
- Reported EBITDA includes a one-time **non-cash gain** on business combination (Wilton site) of **US\$35 million**



Volume Evolution

Alpek Sales Volume (KTon)

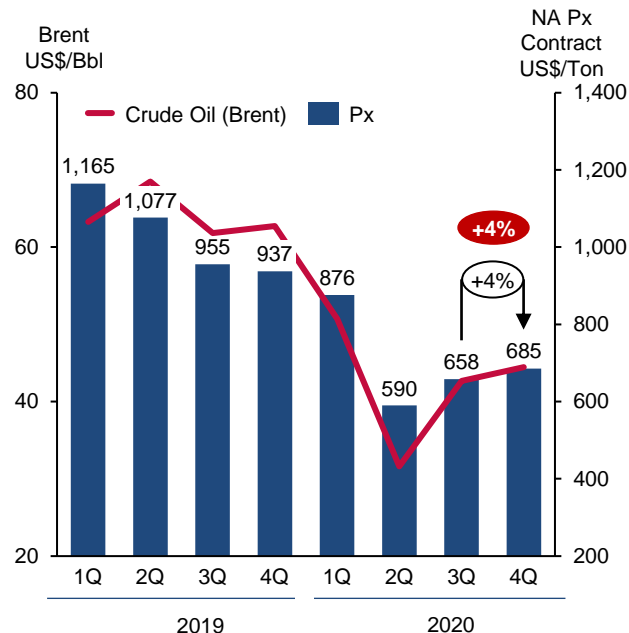


- PET volume remained at high levels as changes to consumer behavior continue favoring hygiene and safety
- P&C volume increased mainly from higher demand in e-commerce & acquisition of NOVA's Expandable Styrenics business (flat QoQ excl. NOVA)

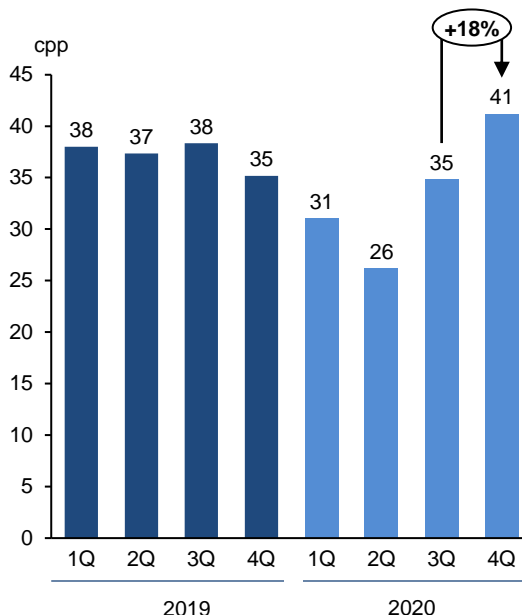


Feedstock Costs

Crude Oil and Paraxylene



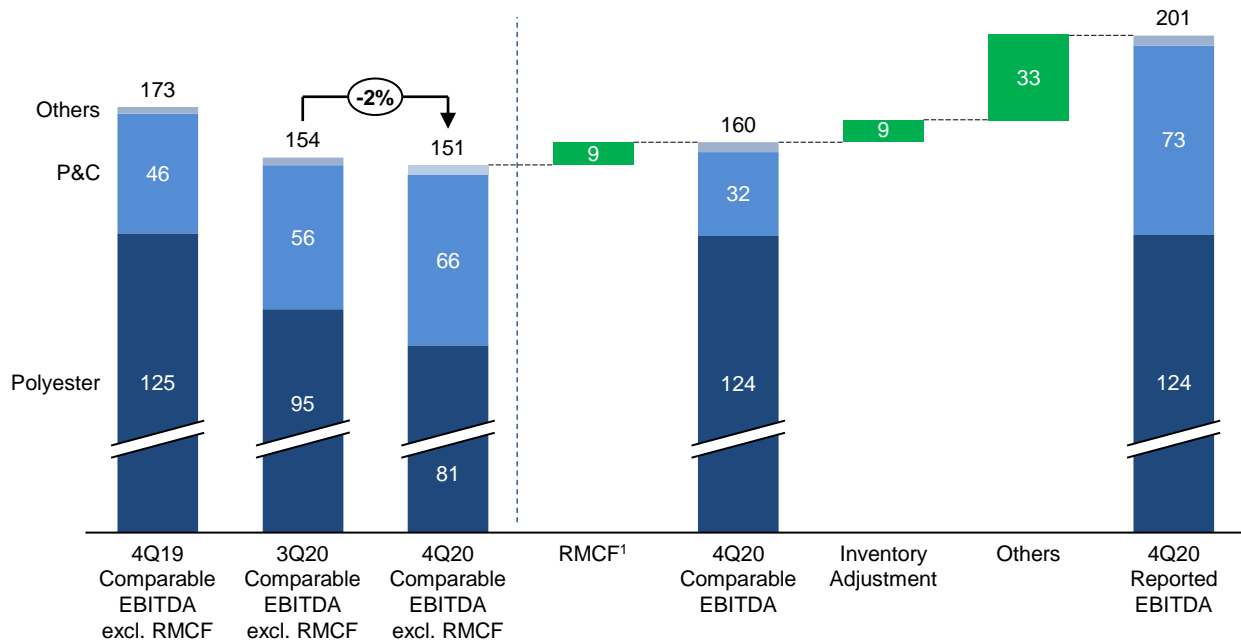
NA Propylene Contract Price



- Crude oil price increased as its output was lower & demand for refined products (gasoline, diesel & jet fuel) climbed
- Paraxylene price rose in line with Crude Price increase (+4%)
- Strong increase to Propylene prices (+18%) as PDH & Refinery outages in USGC, as well as strong PP demand, limited supply during 4Q

EBITDA Breakdown

4Q20 EBITDA (US\$M)

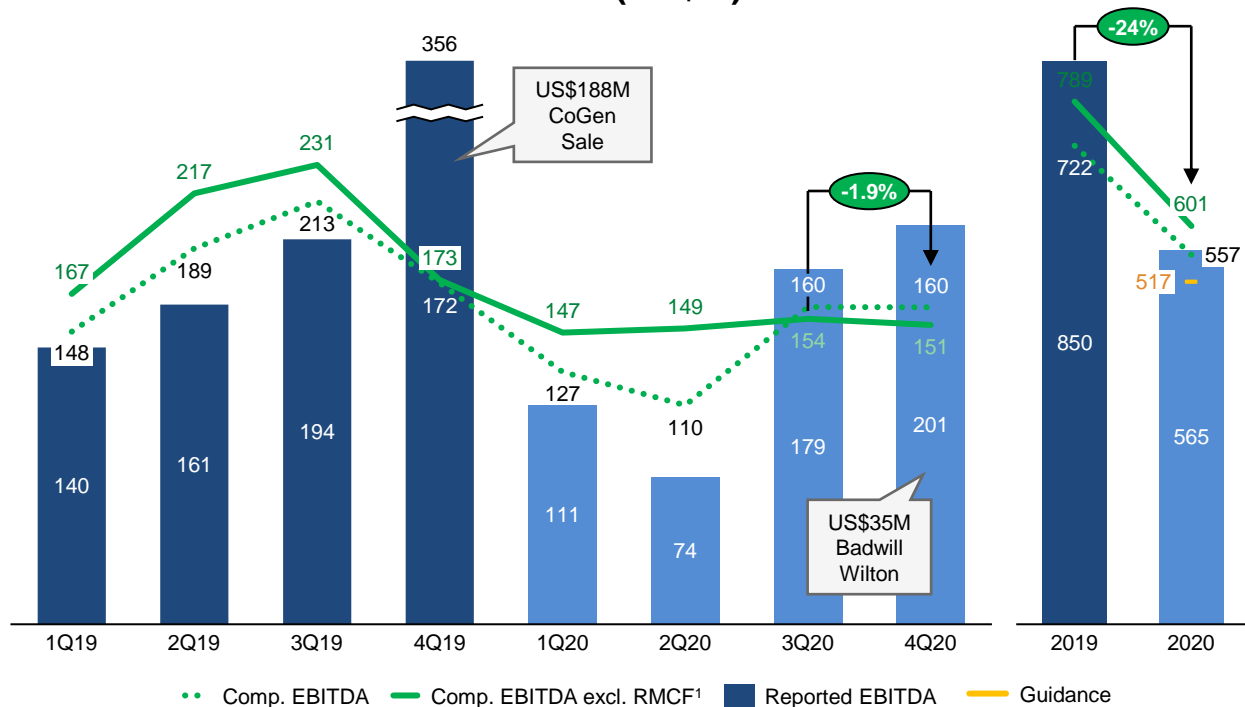


- High volume from strong PET & EPS demand
- Polyester Comp. EBITDA excl. RMCF of US\$81M (-15% QoQ) from slightly lower PET volume & margins
- Positive RMCF & Inventory Adjustment effects from Px and Propylene price increases
- P&C Comp. EBITDA of US\$66M (+18% QoQ) from strong PP margins and resilient volume
- One-time US\$35M gain from business combination (Wilton)



EBITDA Evolution

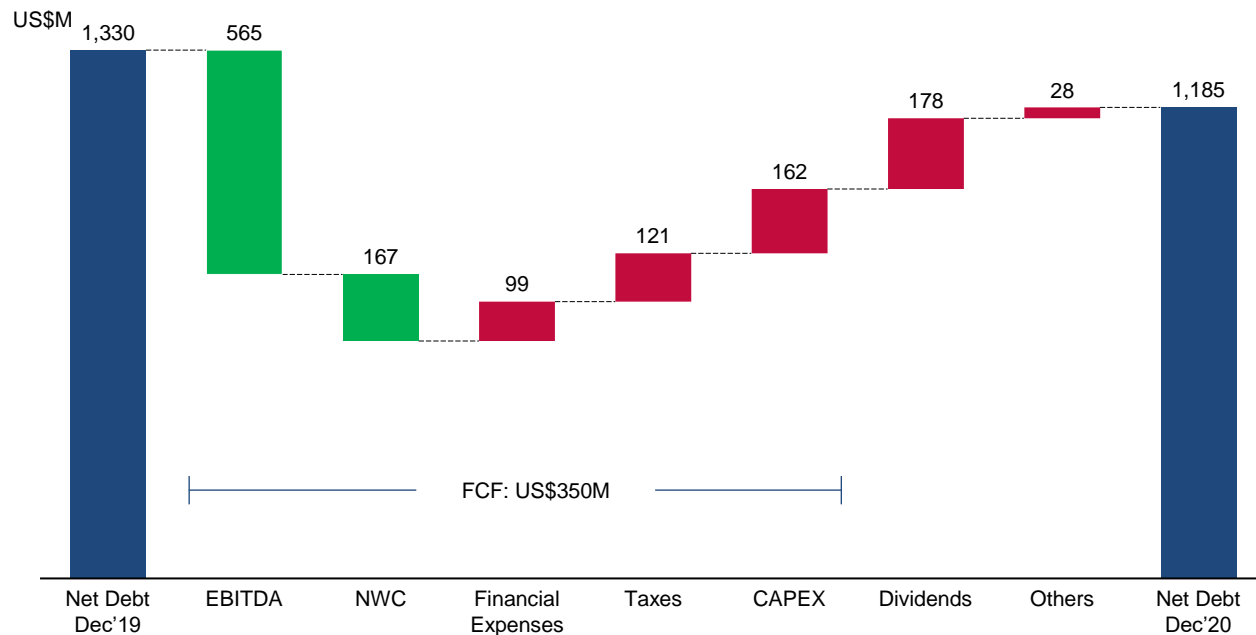
EBITDA (US\$M)



- Strong 4Q20 Comparable EBITDA of US\$151M (-2% QoQ) due to resilient volume and better-than-expected margins for PP and EPS
- 2020 Comparable EBITDA excluding RMCF¹ of US\$601M, 16% higher than Guidance
- Reported EBITDA down 34% vs. 2019 which was benefited by US\$188 million sale of Cogeneration assets



Free Cash Flow Generation

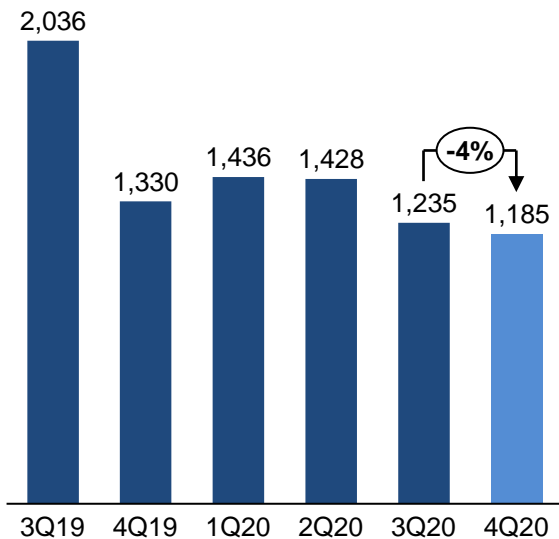


- Financial stability and strong liquidity maintained throughout 2020
- Ended 2020 with FCF of US\$350M (+US\$392M vs. Guidance)
- NWC +US\$167M year-to-date (+US\$258M vs. Guidance)
- CAPEX of US\$162M (-40% vs 2019 & -US\$115M vs. Guidance)
- Recovered first payment from M&G Mexico's guaranteed debt (US\$40M)

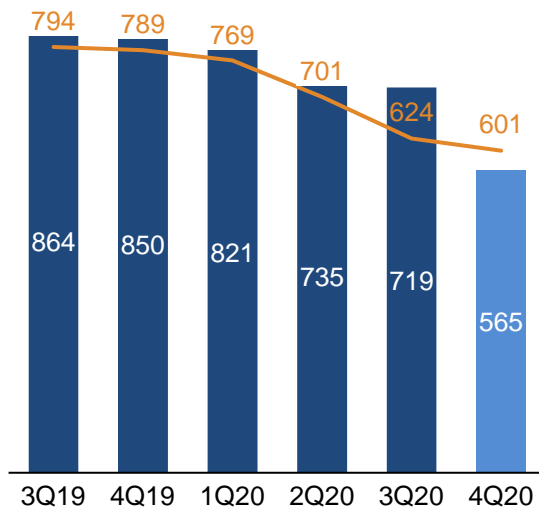


Net Debt & Leverage

Net Debt (US\$M)

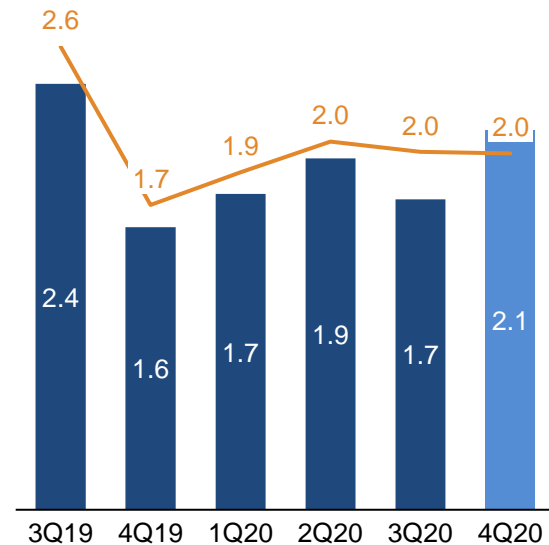


LTM EBITDA (US\$M)



— Comp. EBITDA excl. RMCF

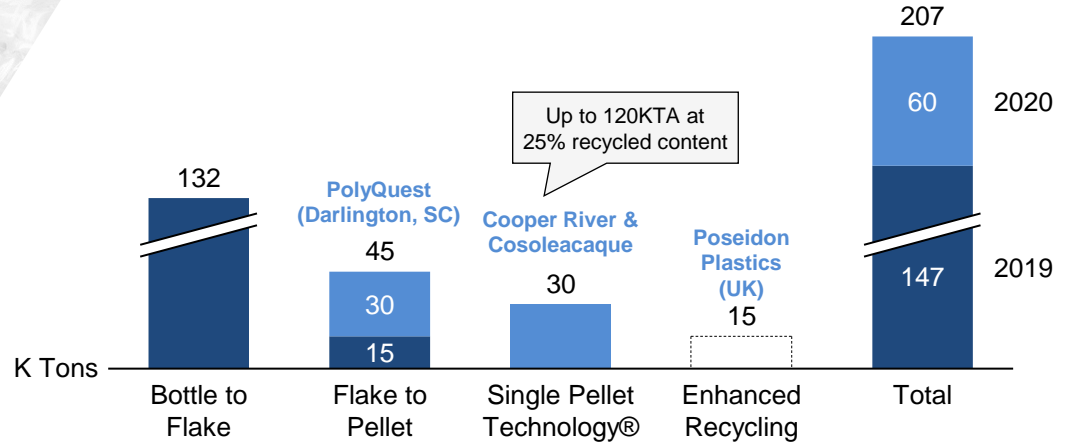
Net Debt/EBITDA (Times)



— Net Debt / Comp. EBITDA



Growth in rPET Capabilities



Strengthen Core Business

- ✓ Value-added Products
- ✓ Footprint Optimization



Foster Circular Economy

- ✓ rPET Leadership
- ✓ Recycling Promotion
- ✓ Sustainable Product Portfolio

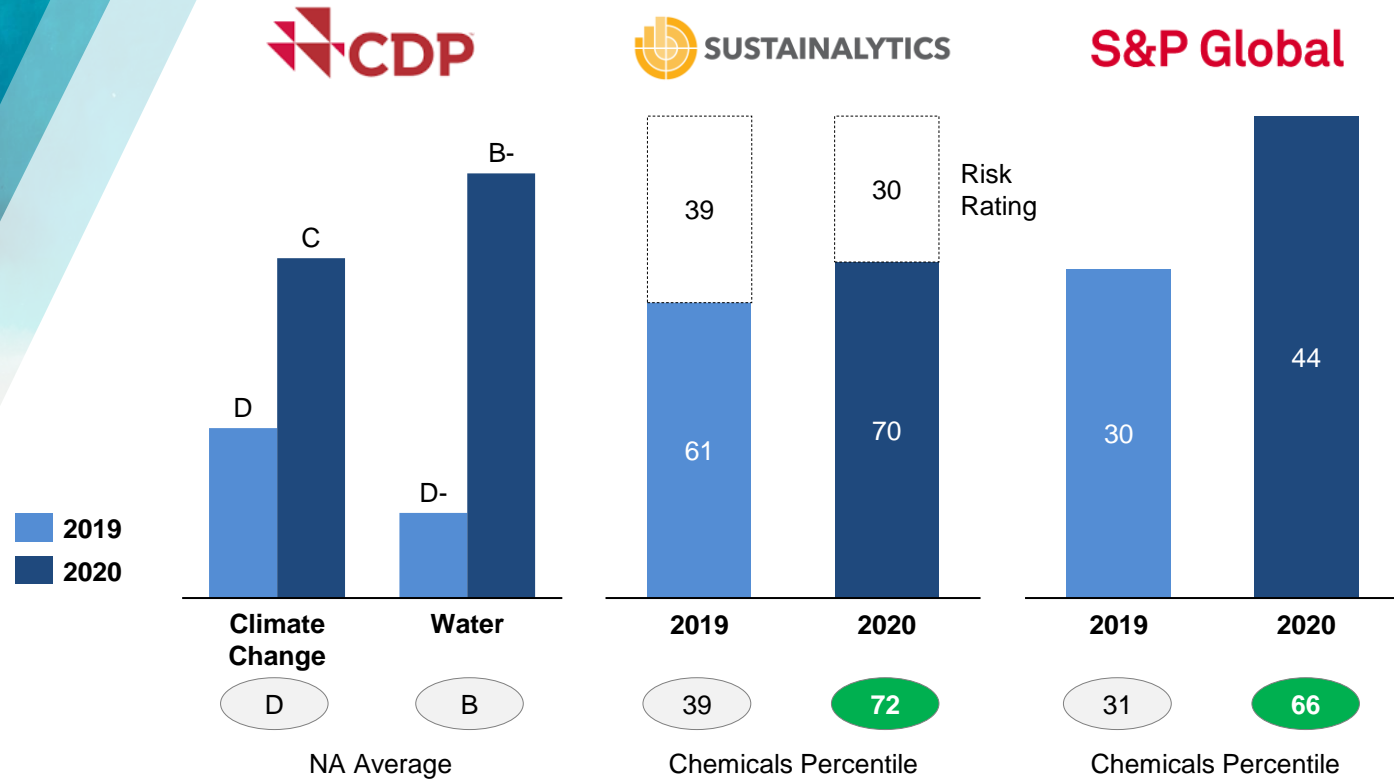


Strategic & Focused Growth

- ✓ Value Chain Integration



Sharp improvement to ESG ratings



2021 Guidance & Key Assumptions

			2021G	2020	Ch. %
Market	Crude Oil	US\$/Bbl	48.2	42.4	14
	Asia PTA/PET Margin	US\$/Ton	245	269	(9)
	MXN / USD (Avg.)	MXN	21.1	21.5	(2)
Financials	Volume	Kton	5,121	4,802	7
	Comparable EBITDA ¹	US\$M	561	601	(7)
	Net Sales	US\$M	5,633	5,326	6
	CAPEX	US\$M	210	162	30

5% increase
excluding
NOVA EPS

(1) Comparable EBITDA excl. RMCF



Q&A



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CEO



José Carlos Pons
CFO






 alpek
APPENDIX

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.



Growth Strategy

		Growth Catalysts	Details / Description
Strengthen Core Business		<ul style="list-style-type: none"> • Global Cost Improvement • Value-added Products • FCF Generation • Footprint Optimization 	<ul style="list-style-type: none"> • Zero Based Budgeting & process innovation (Mainly Operations, Logistics & SG&A) • Shift to products with higher margins & barriers to entry (Copolymers, Grey EPS) • Reductions to CAPEX & NWC / Recovery of M&G Mexico debt • Ensure global production is performed in optimal sites & logistic networks
Foster Circular Economy		<ul style="list-style-type: none"> • rPET Leadership • Recycling Promotion • Sustainable Product Portfolio 	<ul style="list-style-type: none"> • Lead rPET supply in Americas through capital-effective investment • Secure PET Bale & Flake supply / Equip vPET plants with single-pellet technology • Active lobbying for circular economy via associations & The Recycling Partnership • Develop sustainable alternatives for all our products (Biodegradable EPS & PP, etc.)
Strategic & Focused Growth		<ul style="list-style-type: none"> • Value Chain Integration • Product Innovation • Maximize CCP Value 	<ul style="list-style-type: none"> • Grow capacity selectively & integrate into value chain (EPS, Px) • New products & business lines (Biovento, Natural Gas Commercialization, CO₂, PLA) • Optimize project timing & minimize CAPEX



Raw Material Carry-forward Effect (RMCF) Breakdown

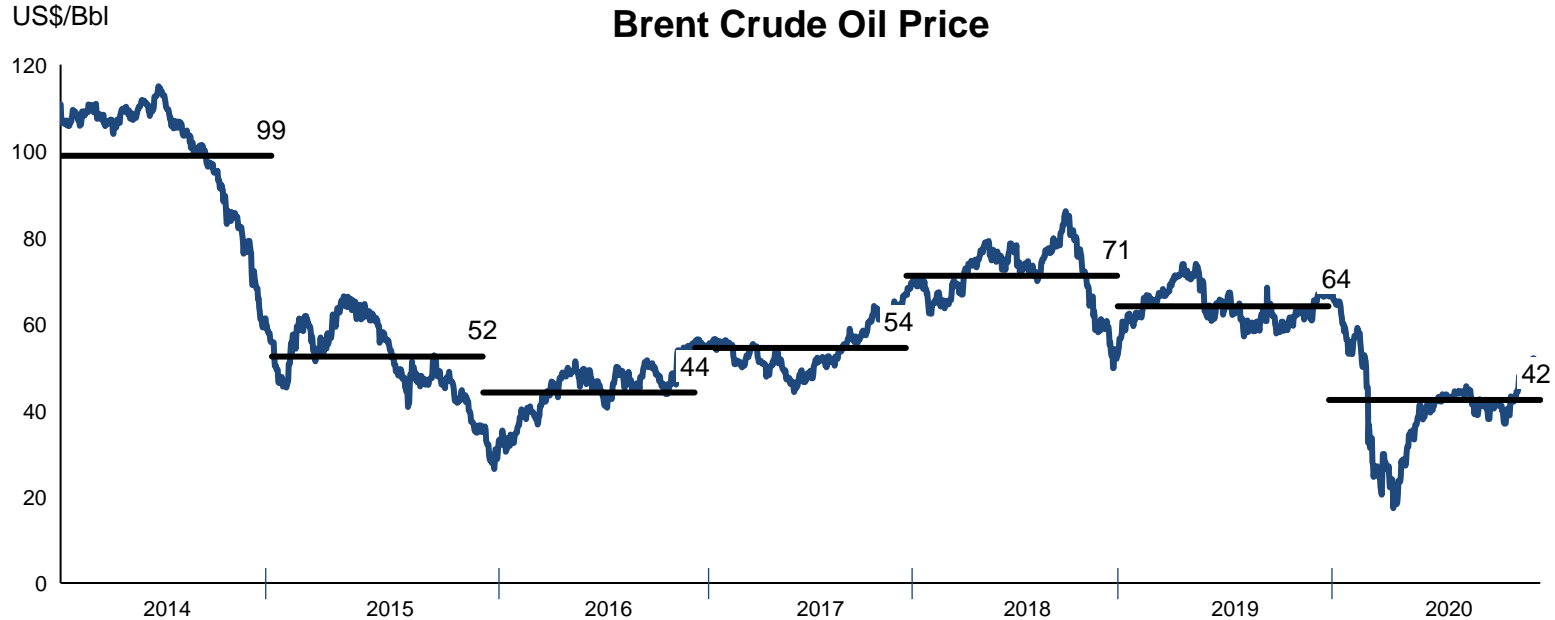
	2020					2019					Delta				
M dls	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	4Q	YTD
Reported EBITDA	111	74	179	201	565	140	161	194	167	662¹	(29)	(87)	(15)	34	(97)
Inventory Adjustment	(17)	(42)	16	9	(35)	(19)	(27)	(16)	(6)	(68)	2	(15)	32	14	34
Others	0	6	3	33	42	11	(1)	(3)	1	9	(11)	7	6	31	34
Comparable EBITDA	127	110	160	160	557	148	189	213	172	722	(20)	(79)	(53)	(12)	(165)
Raw Material Carry-Forward	(20)	(39)	6	9	(44)	(19)	(28)	(18)	(2)	(67)	(1)	(11)	24	10	23
Comparable EBITDA + RMCF	147	149	154	151	601	167	217	231	173	789	(20)	(68)	(78)	(23)	(188)

(1) Excludes Cogeneration Sale



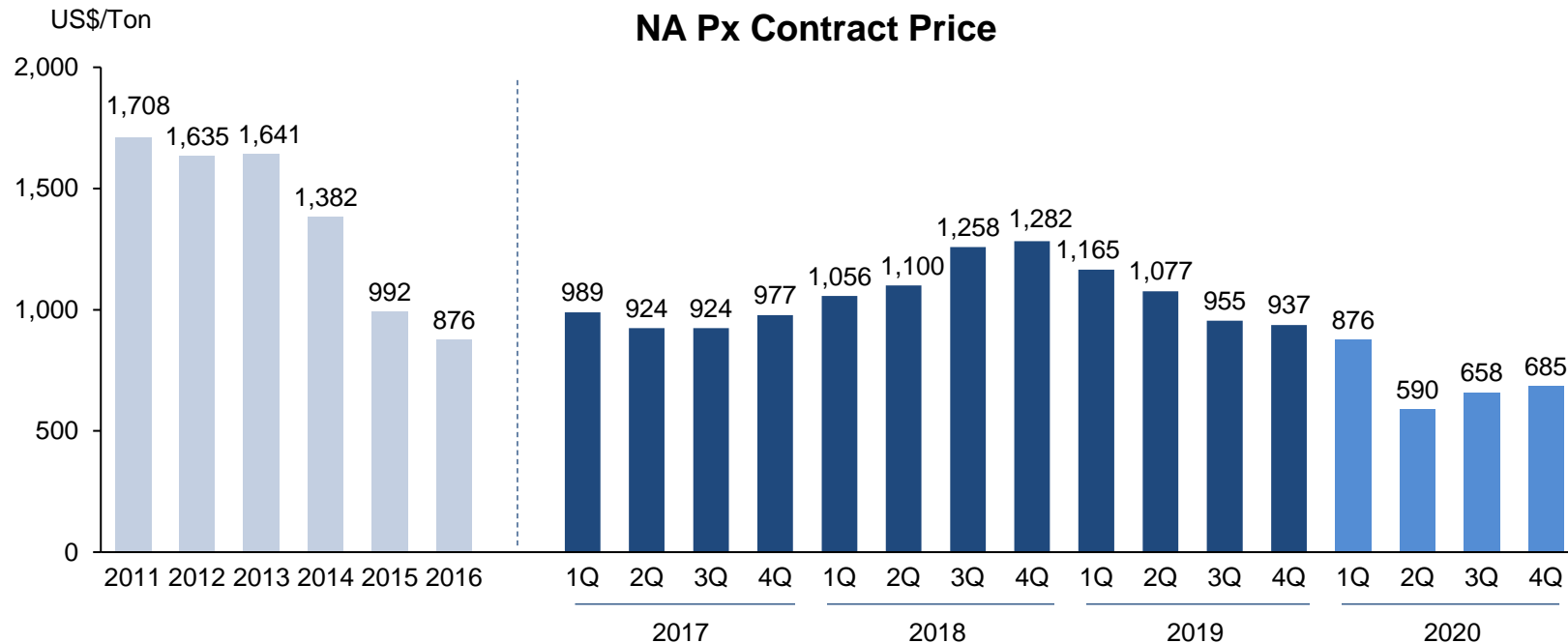
Relevant References: Crude Oil

Price increased during 4Q20 as demand for refined products rose



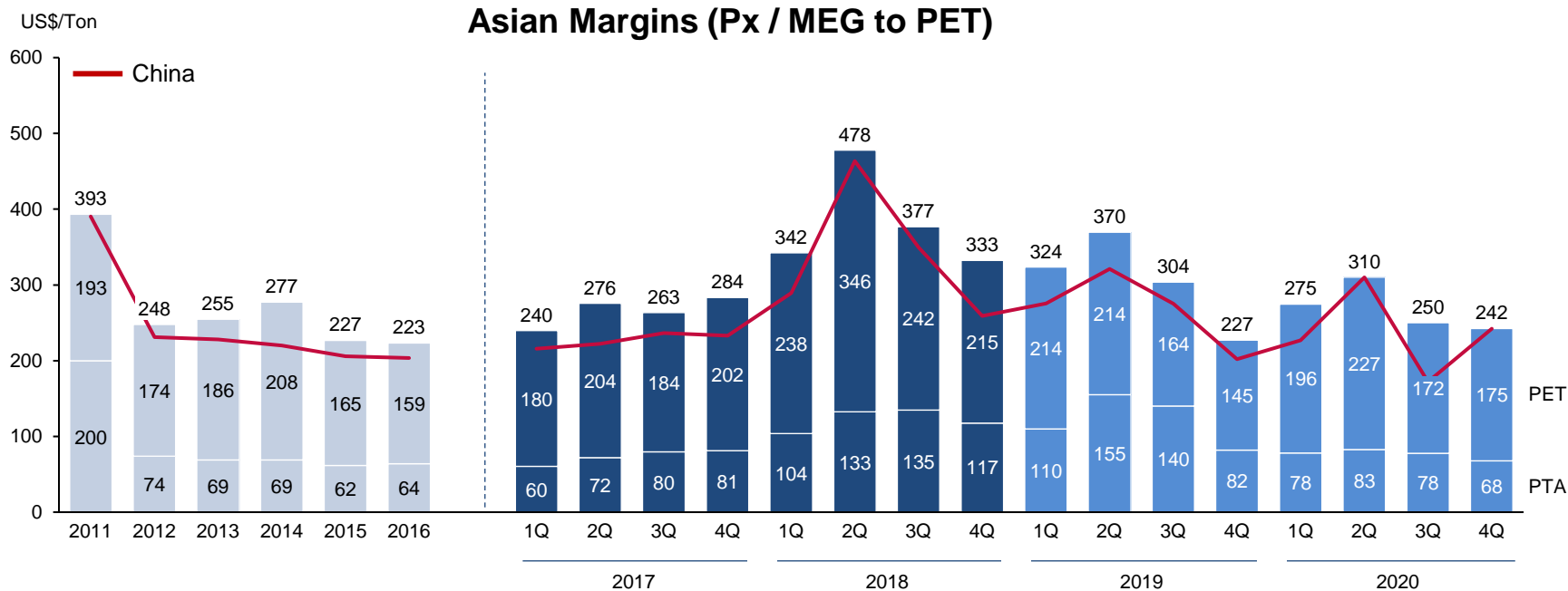
Relevant References: Paraxylene

Px prices increased by 4% in line with Crude Oil



Integrated PET Margins

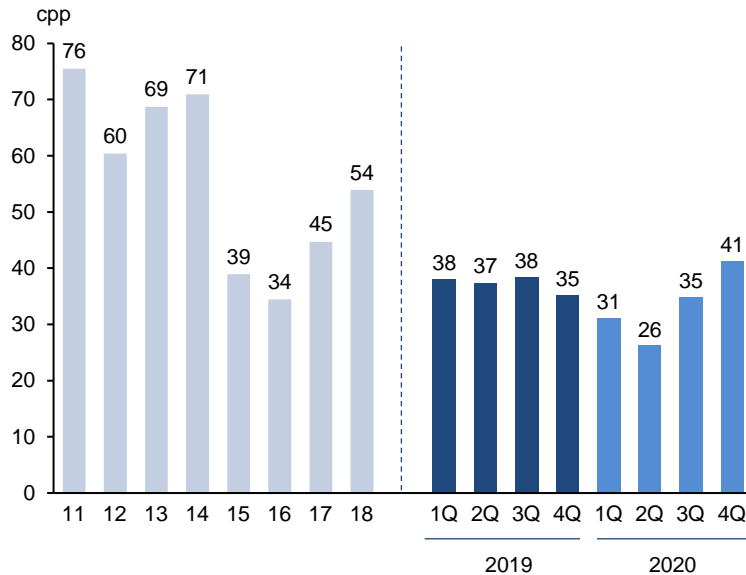
4Q20 margins normalized (-3% QoQ) / Annual margins above Guidance



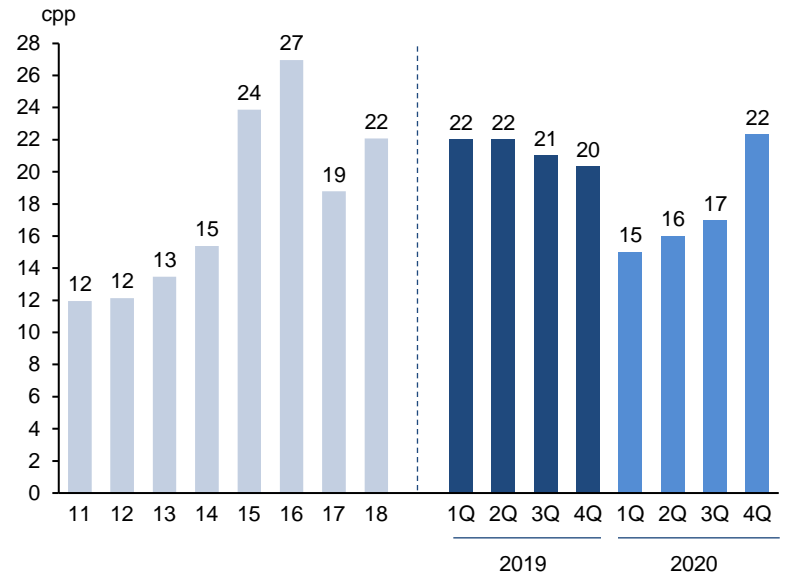
Relevant References: Propylene & Polypropylene

Increase in both PGP contract prices and PP margins

NA Propylene Contract Price (PGP)



NA Polypropylene Margin (PP to PGP)



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- 9 Years at Alfa/Alpek
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- Previously held roles in Human Capital, Talent & Culture at Alfa and Axtel
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