



FOURTH QUARTER 2021

EARNINGS WEBCAST

TODAY'S SPEAKERS



JOSÉ DE JESÚS VALDEZ
CEO



JOSÉ CARLOS PONS
CFO



ALEJANDRO ELIZONDO
IRO



TOPICS FOR TODAY'S WEBCAST

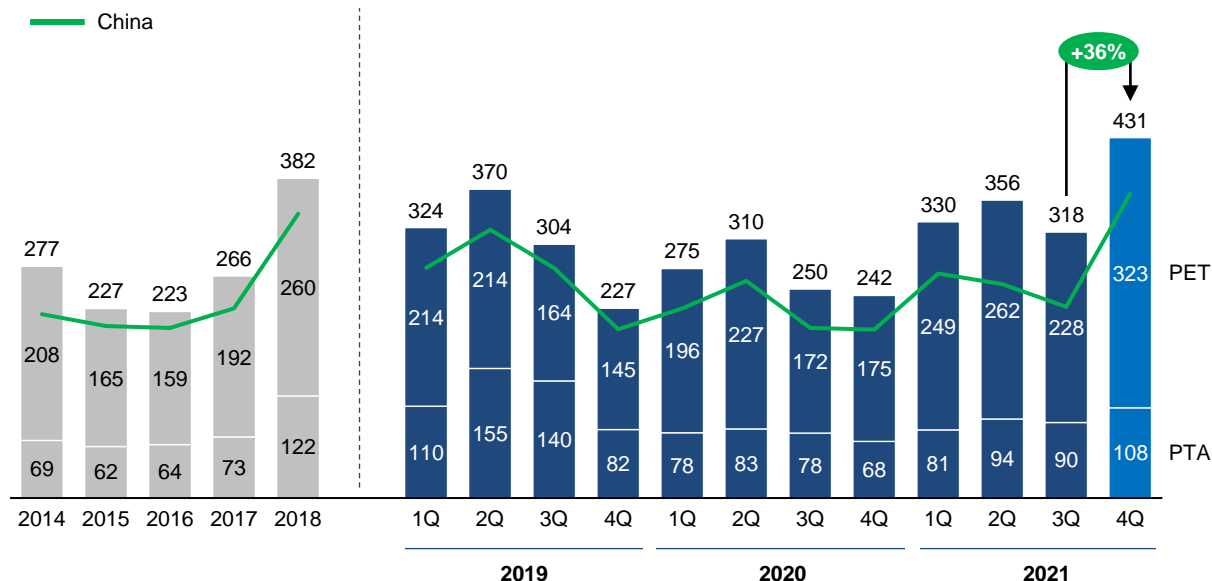
- I. Financial Performance
- II. Octal Acquisition
- III. 2022 Guidance



INTEGRATED PET MARGINS

Chinese & Asian reference margins increased sharply during 4Q21

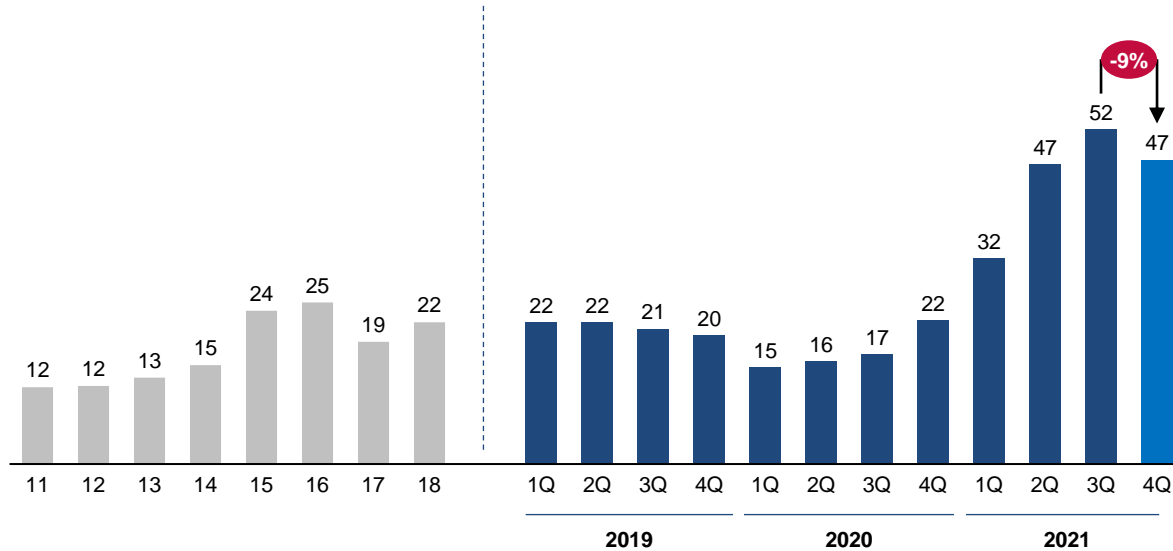
Asian Margins | Px / MEG to PET (US\$/Ton)



- Chinese reference margins increased (+US\$136/Ton) as power rationing affected local PET production
- Asian reference margins rose in line with Chinese margins in 4Q21
- Asia-China spread narrowed to US\$67/Ton due to pricing lag

POLYPROPYLENE MARGINS

NA Polypropylene Margins | PP to PGP (cpp)



- Reference margins returned to 2Q21 closing levels as expected
- Limited PP supply & high Asian marine freight costs keep margins high
- New supply/demand balance expected to result in higher mid-cycle margins



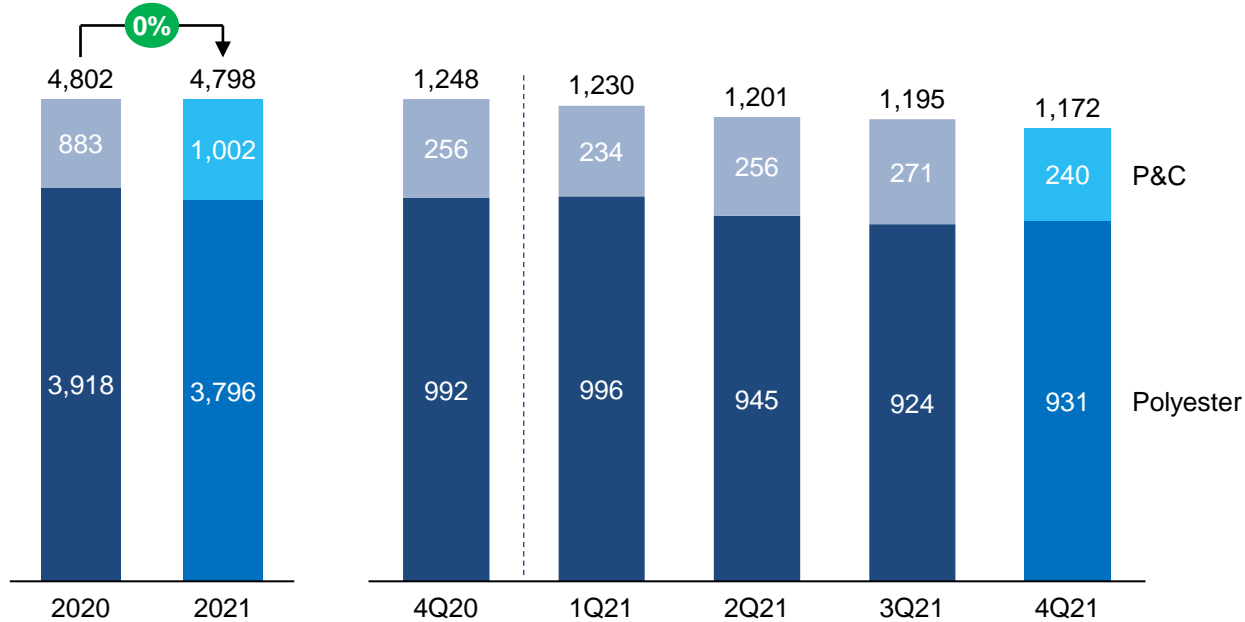
4Q21 FINANCIAL HIGHLIGHTS

- Strong fourth quarter **volume** of **1.2M tons** and **record-matching** annual volume of **4.8M tons**
- **Record-high Comparable EBITDA of US\$300M** (+28% QoQ) based on rising reference Polyester & EPS margins
- **Record-high Annual Comparable EBITDA of US\$962M** from strong volume & record margins
- **Leverage reduced to 1.1x** & **Cash improved to US\$513M** despite **Dividend payment of US\$56M**
- **Recovered US\$8M** in **debt** from M&G Mexico's 1st & 2nd lien in the quarter



VOLUME EVOLUTION

Annual & Quarterly Sales Volume (Kton)

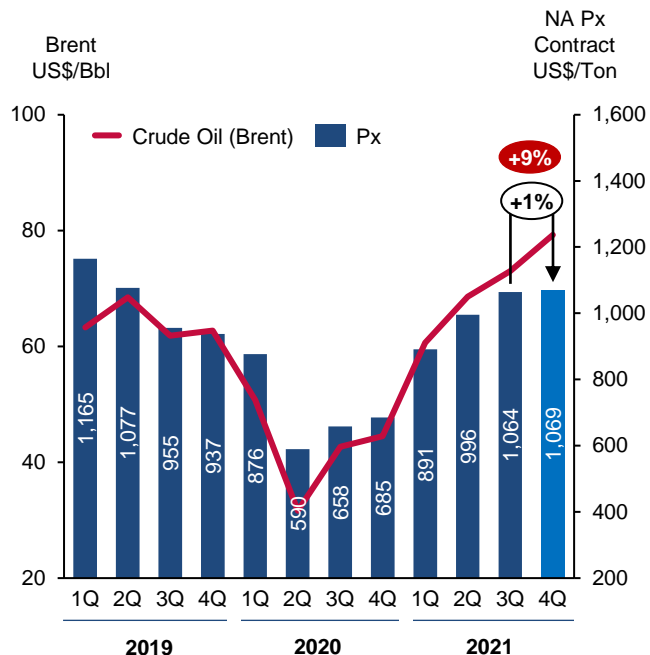


- Strong demand continues across all product categories
- High quarterly volume during 4Q21 supported record-matching annual volume
- Quarterly Polyester volume up 1% as weather-related effects subsided
- Quarterly P&C volume decreased 11% as expected due to planned maintenance for EPS site in USA

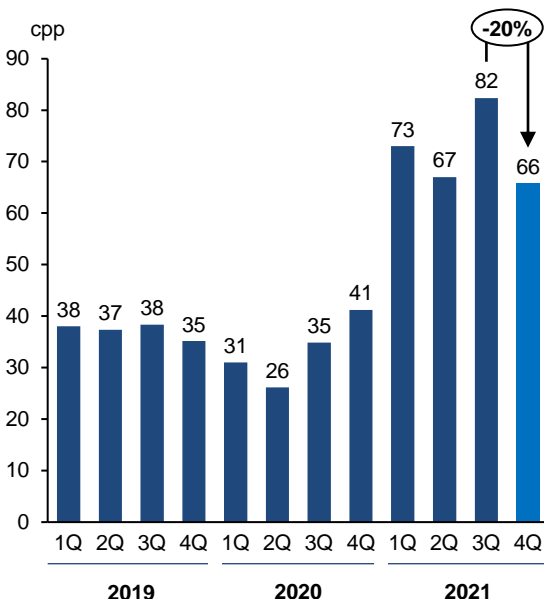


FEEDSTOCK COSTS

Crude Oil & Paraxylene



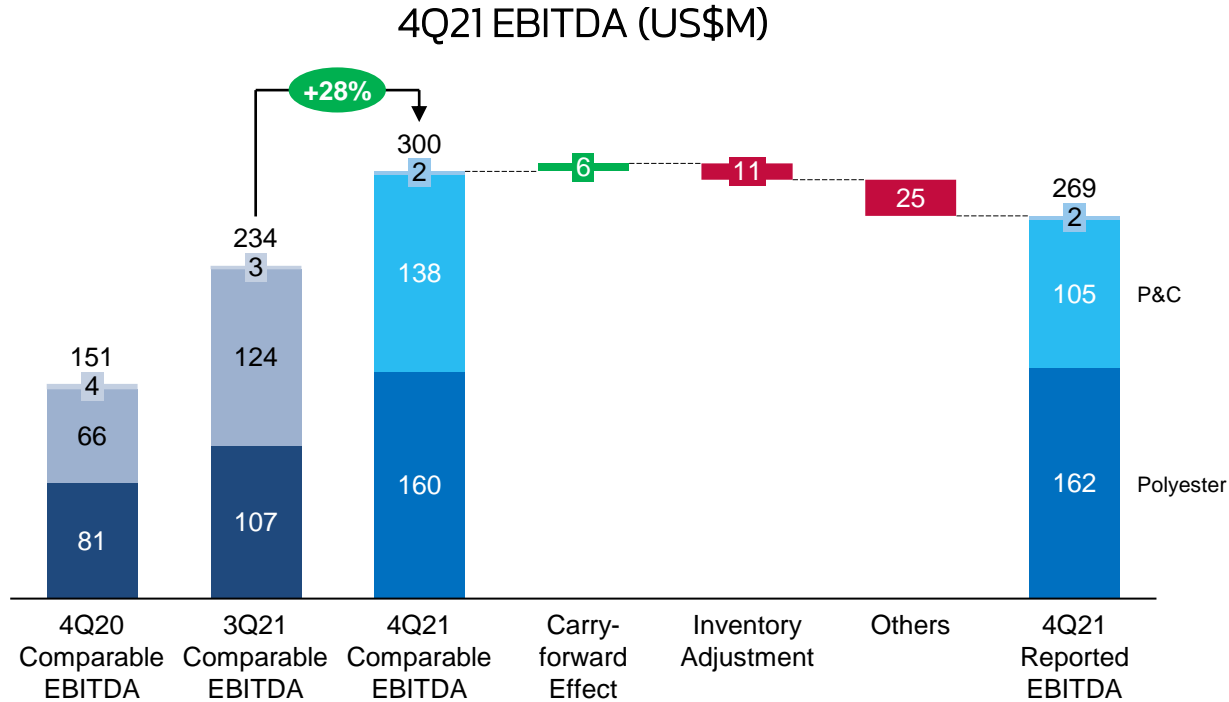
NA Propylene Contract Price



- Brent crude oil price increased (+9% QoQ) due to continued strength in the economy
- Paraxylene price rose (+1% QoQ) in line with crude oil price increase but with a contraction in margins
- Decrease in quarterly Propylene prices (-20% QoQ) to align with import parity pricing



EBITDA BREAKDOWN

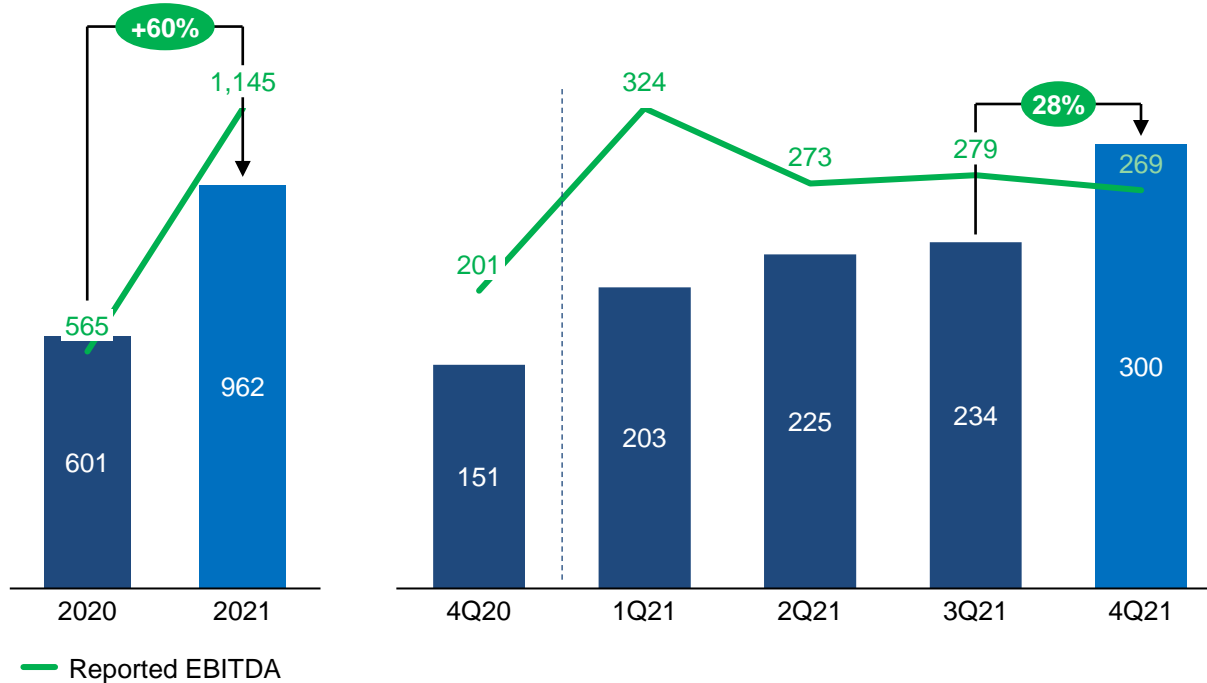


- Record Comparable EBITDA of US\$300M (+28% QoQ)
- Record Polyester Comparable EBITDA for a 4Q of US\$160M (+49% QoQ) as reference margins strengthened
- Record P&C Comparable EBITDA of US\$138M (+11% QoQ) as EPS margins strengthened & PP margins remained strong
- One-time costs associated with CPL & Fibers footprint optimization



EBITDA EVOLUTION

Annual & Quarterly Comparable EBITDA (US\$M)

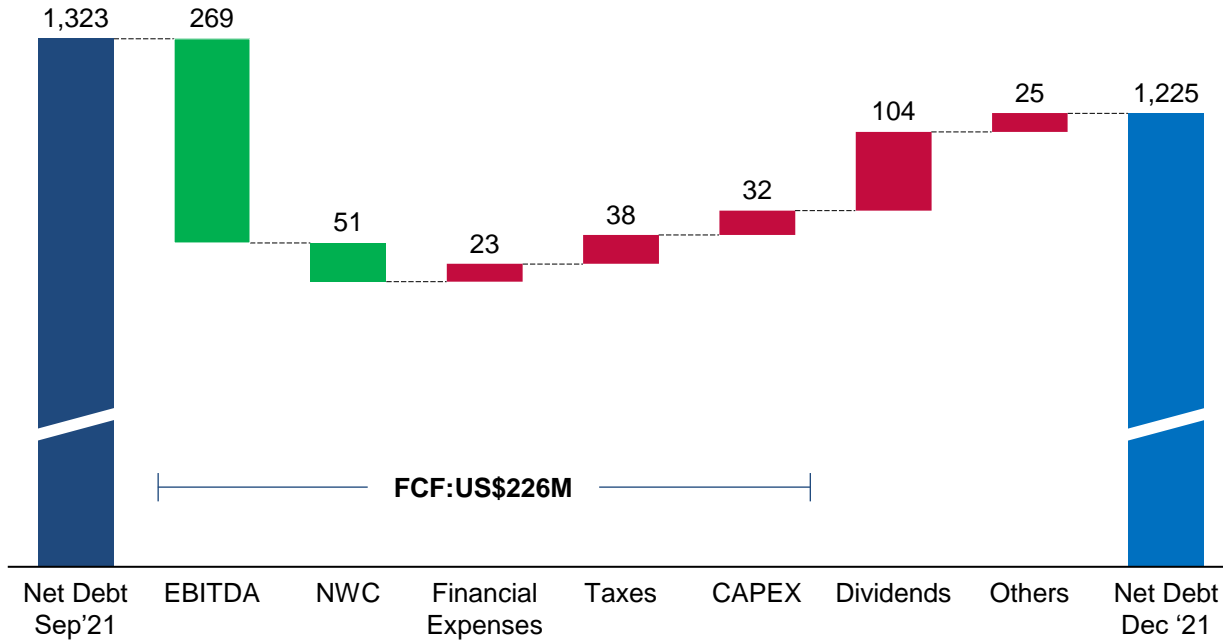


- Record Annual Comparable EBITDA of US\$962M (+60% YoY) from better-than-expected margins across all key products
- Record Annual Reported EBITDA of US\$1,145M up (+103% YoY) due to better Comparable EBITDA, Inventory gains & positive Carry-forward effect



FREE CASH FLOW GENERATION

Quarterly Free Cash Flow (US\$M)

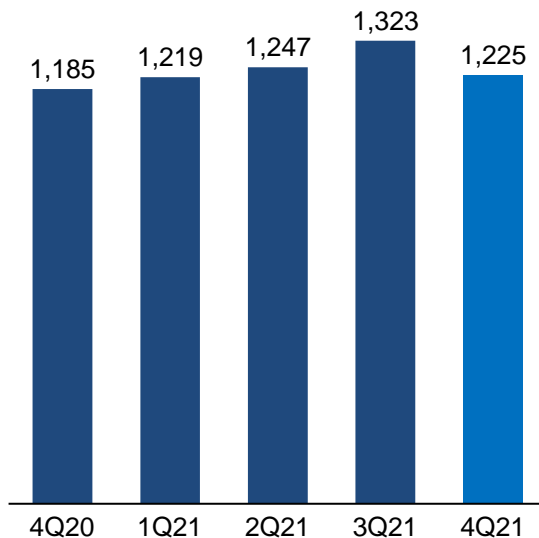


- Free Cash Flow of US\$226M in 4Q21 due to strong EBITDA
- Reduction in Net Working Capital from lower raw material prices
- Extraordinary Dividend payment of US\$56M to shareholders in 4Q
- Low 4Q CAPEX of US\$32M helped meet Guidance despite CarbonLITE acquisition

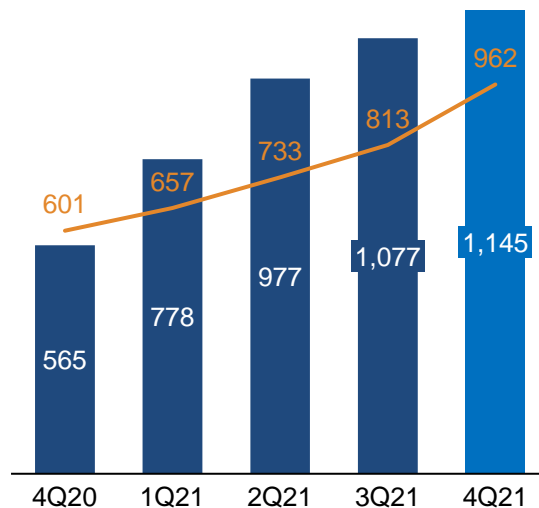


NET DEBT & LEVERAGE

Net Debt (US\$M)

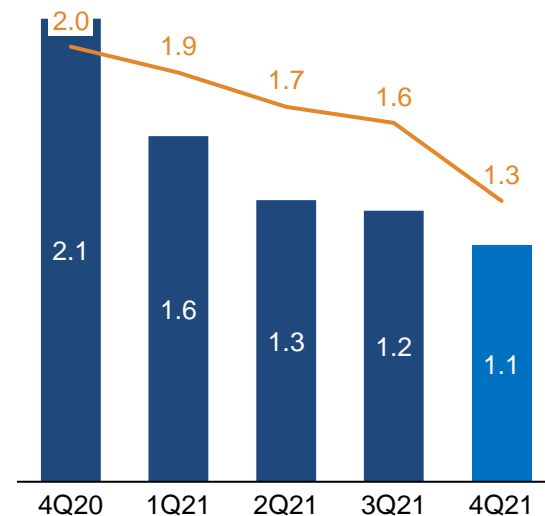


LTM EBITDA (US\$M)



— Comp. EBITDA

Net Debt/EBITDA (Times)



— Net Debt / Comp. EBITDA



STANDARD & POOR'S (S&P) CREDIT RATING UPGRADE

- Based on improvement to [Business Risk profile](#)
- Complemented by [strong financial results](#) in 2021
- Alpek [committed](#) to its investment-grade rating

MOODY's

Rating Baa3
Outlook Stable

Fitch
Ratings

BBB-
Stable

S&P Global
Ratings

BBB-
Stable



ALPEK SIGNS AGREEMENT TO ACQUIRE OCTAL

- High-value PET sheet business segment with strong growth prospects
- Attractive acquisition multiple leveraging strong financial stability
- Proprietary technology with lowest cost & carbon footprint
- Increased PET recycling capacity to meet 2025 circularity goals
- Increased PET resin capacity to meet its customers' increased demand



Strengthen
Core Business



Capture ESG-related
opportunities



Strategic &
Focused Growth





OCTAL: ATTRACTIVE MULTIPLE & ACCRETIVE VALUE

US\$620M Purchase price for Octal

US\$135M Material EBITDA¹ increase accretive since year one & before synergies

4.6x EV/EBITDA multiple² is highly attractive & below industry comparables

<1.6x Leverage³ after acquisition remains low given strong results

1) Based on LTM EBITDA as of September 30, 2021

2) Based on purchase Price & 3Q21 LTM OCTAL EBITDA

3) Proforma based on 2021 Reported EBITDA & US\$620M acquisition price

2022 GUIDANCE & KEY ASSUMPTIONS

MARKET

		2022 Guidance	2021	Change (% vs. '21)
Crude Oil	US\$/Bbl	81	70	16
Asia PTA/PET Margin	US\$/Ton	315	359	(12)
MXN / USD (Avg.)	MXN	21.3	20.3	5

Plus normalization,
back to higher
NA – Asia PET
Spread

FINANCIALS

Volume	Kton	5,000	4,798	4
Comparable EBITDA ¹	US\$M	1,031	962	7
Net Sales	US\$M	8,500	7,697	10
CAPEX	US\$M	830	227	266

(1) Excludes inventory adjustments and carry-forward effects





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CEO



JOSÉ CARLOS PONS

CFO



EXTRAORDINARY EFFECTS BREAKDOWN

	2021				
M dls	1Q	2Q	3Q	4Q	YTD
Reported EBITDA	324	273	279	269	1,145
<i>Inventory Adjustment</i>	(63)	(18)	(22)	11	(92)
<i>Carry-forward</i>	(58)	(29)	(21)	(6)	(114)
<i>Others</i>	0	(1)	(1)	25	23
Comparable EBITDA	203	225	234	300	962

2020				
1Q	2Q	3Q	4Q	YTD
111	74	179	201	565
17	42	(16)	(9)	35
20	39	(6)	(9)	44
0	(6)	(3)	(33)	(42)
147	149	154	151	601

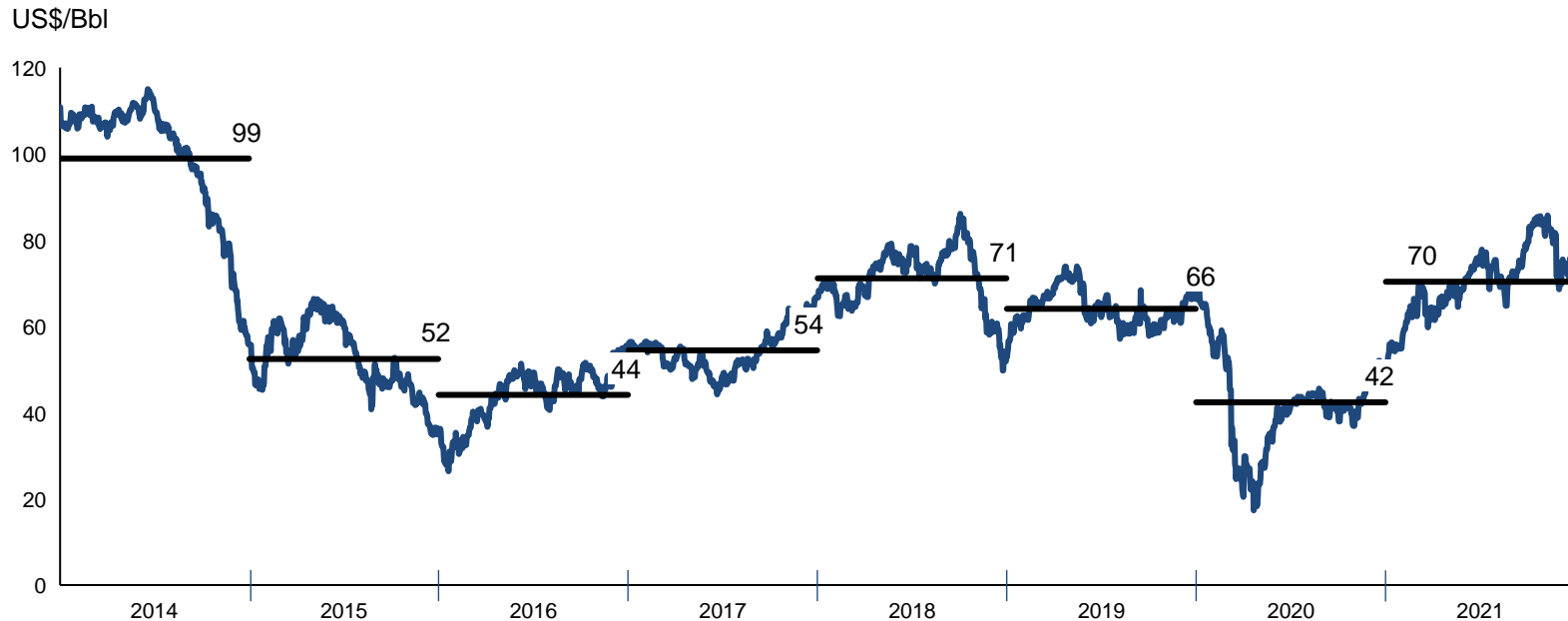
Delta				
1Q	2Q	3Q	4Q	YTD
214	199	100	68	581
(80)	(60)	(7)	20	(126)
(78)	(68)	(15)	3	(158)
0	5	2	58	65
56	76	80	149	361



RELEVANT REFERENCES | CRUDE OIL

Price increased as demand for refined products remains strong & supply reduced

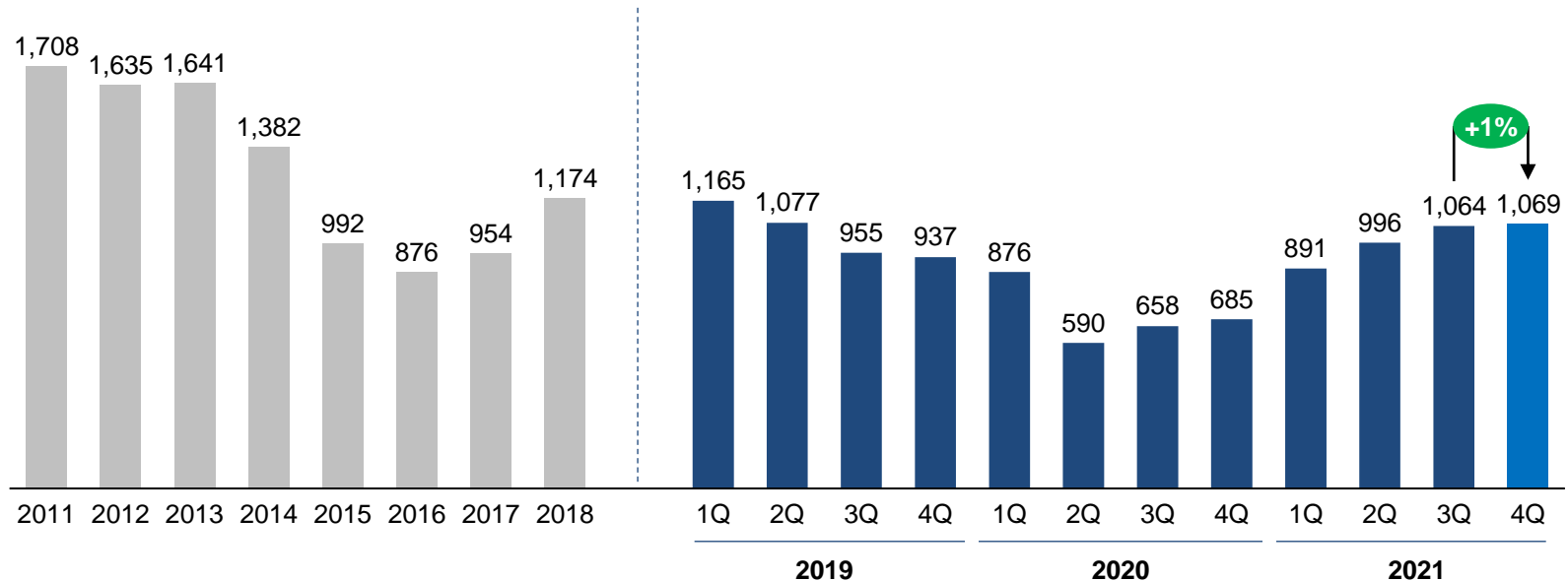
Brent Crude Oil Price



RELEVANT REFERENCES | PARAXYLENE

Px prices increased (+1%) in line with Crude Oil

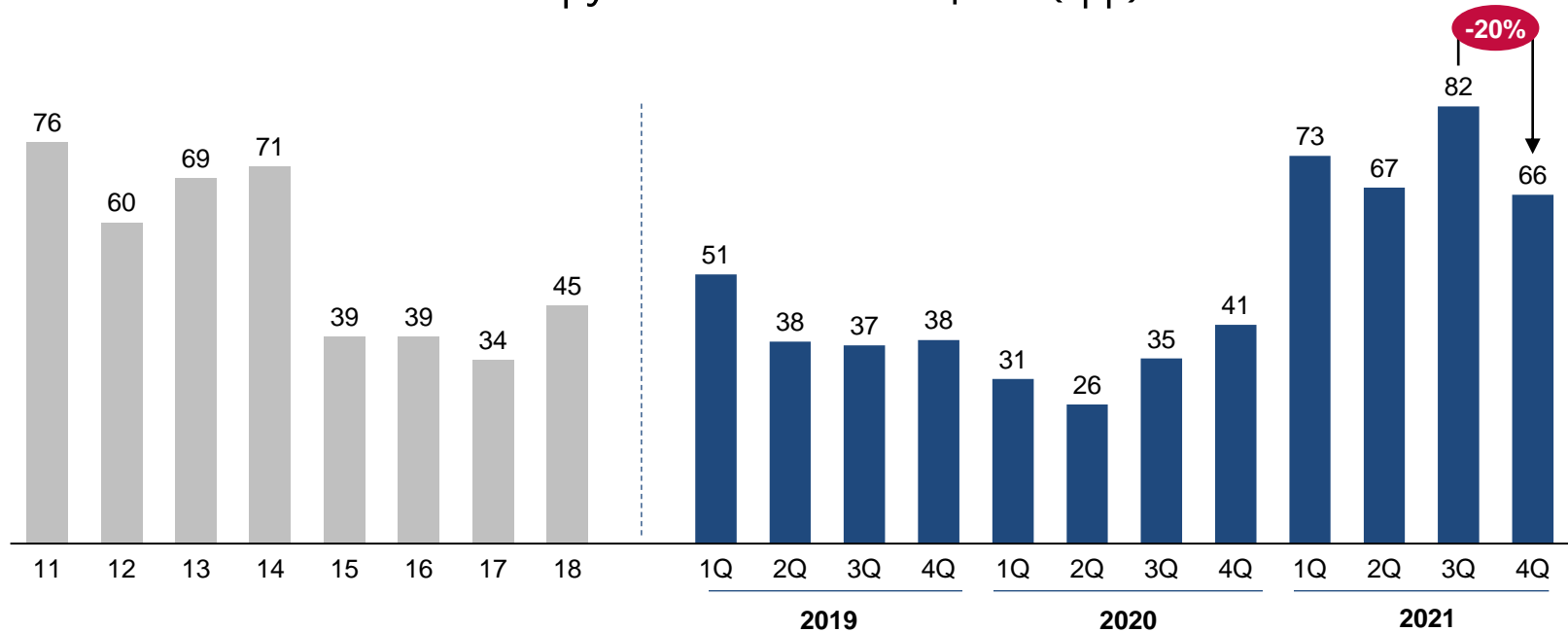
NA Px Contract Price (US\$/Ton)



RELEVANT REFERENCES | PROPYLENE

Propylene contract prices starting normalization in 4Q21

NA Propylene Contract Price | PGP (cpp)



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