



SECOND QUARTER 2022

EARNINGS WEBCAST

TODAY'S SPEAKERS



JOSÉ DE JESÚS VALDEZ
CEO



JOSÉ CARLOS PONS
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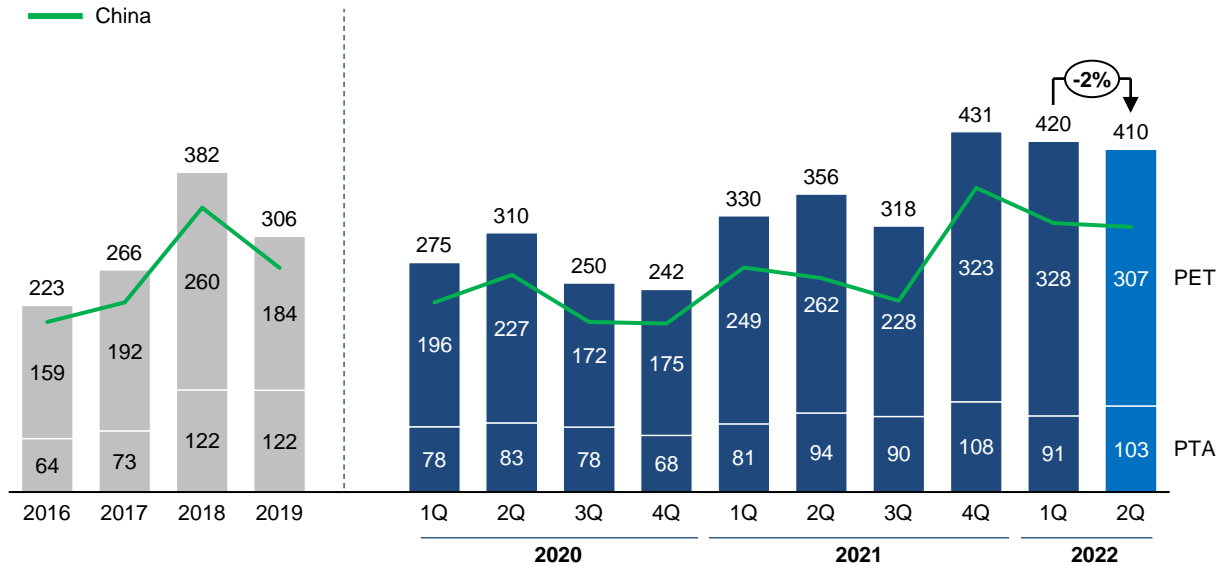
TOPICS FOR TODAY'S WEBCAST

- I. Financial Performance
- II. OCTAL PET Business
- III. Corpus Christi Polymers
- IV. SBTi Approval
- V. 2022 Revised Guidance

INTEGRATED PET MARGINS

Asian Margins | Px / MEG to PET

(US\$/Ton)



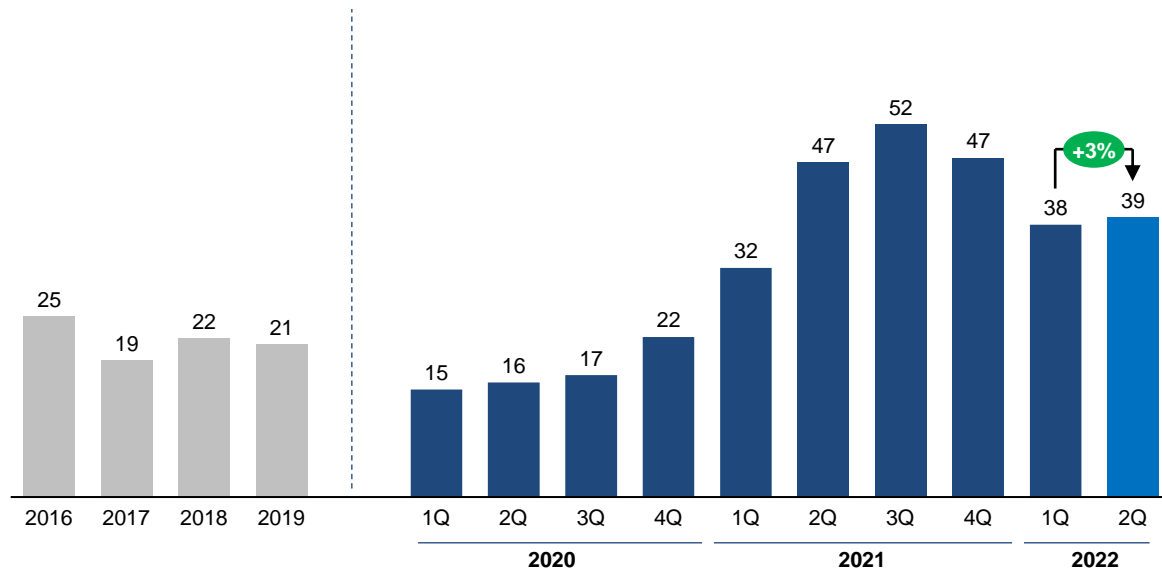
- Asian reference margins averaged US\$410/Ton in 2Q22, higher than expected for this quarter
- Asia-China spread decreased slightly to US\$93/Ton as marine freight costs have started to gradually decline



POLYPROPYLENE MARGINS

NA Polypropylene Margins | PP to PGP

(cpp)



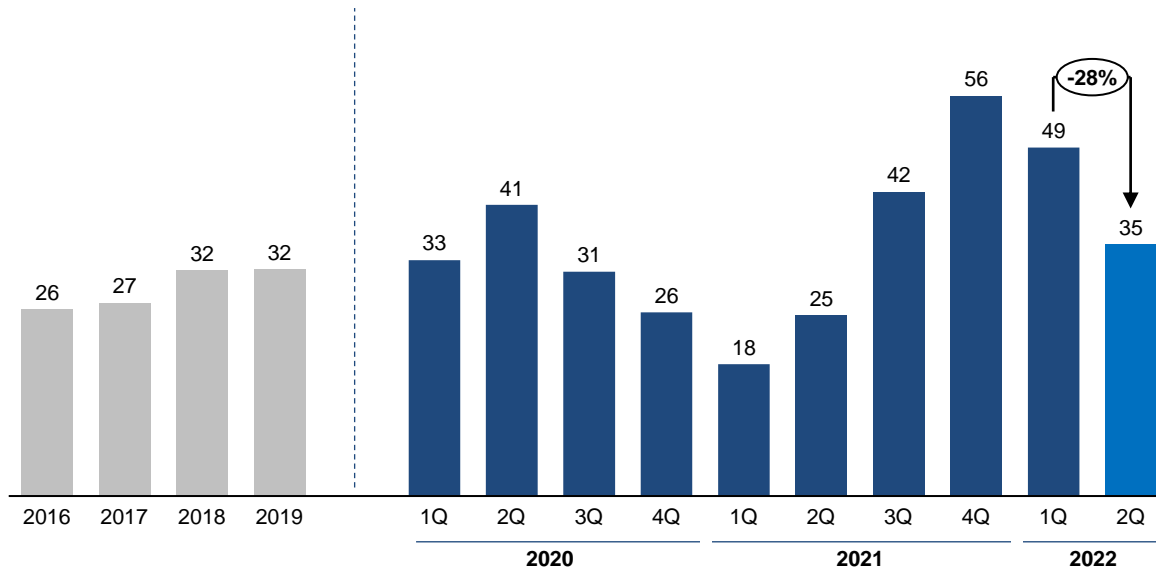
- PP reference margins increased by 3%, as demand for polypropylene remained high
- Increase in margins due to tight market conditions



EPS MARGINS

NA EPS Margin | EPS to Styrene

(cpp)



- EPS reference margins decreased (-28% QoQ) in 2Q22 due to an increase in raw material prices
- Despite the decline, EPS margins remain at strong levels

2Q22 FINANCIAL HIGHLIGHTS

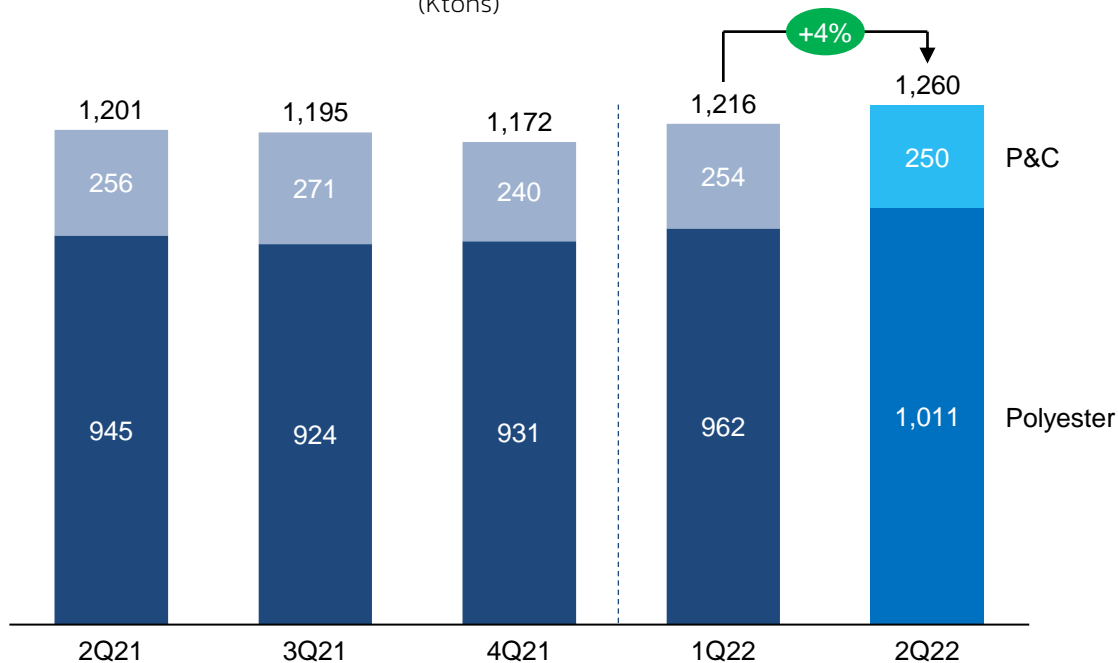
- High quarter **volume** of **1.26M tons (+4% QoQ)** due to solid demand & incremental volume from OCTAL
- **Record-high Comparable EBITDA of US\$369M (+11% QoQ)** due to higher-than-expected reference margins
- **Leverage increased to 1.2x** as a result of OCTAL acquisition while **Cash balance** increased to **US\$562M**
- **Comparable EBITDA Guidance** revised to **US\$1,475 million (+18%)** based on strong 1H22 results & OCTAL expected performance
- Concluded **OCTAL** acquisition earlier than expected, becoming leading PET Sheet producer



VOLUME EVOLUTION

Quarterly Sales Volume

(Ktons)

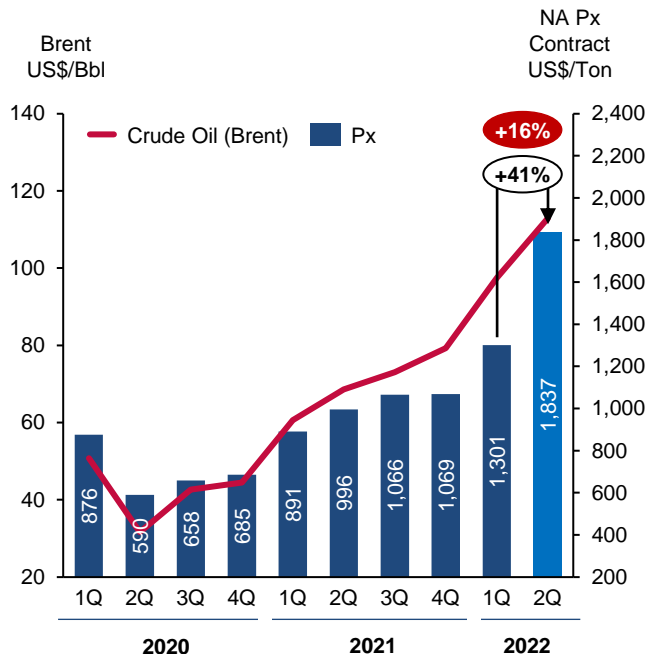


- Overall quarterly volume increased 4% QoQ due to solid demand and incremental volume from OCTAL
- Polyester volume was 5% higher QoQ due to OCTAL integration
- P&C volume decreased 2% QoQ as the increase in EPS was offset by a decline in PP Volume

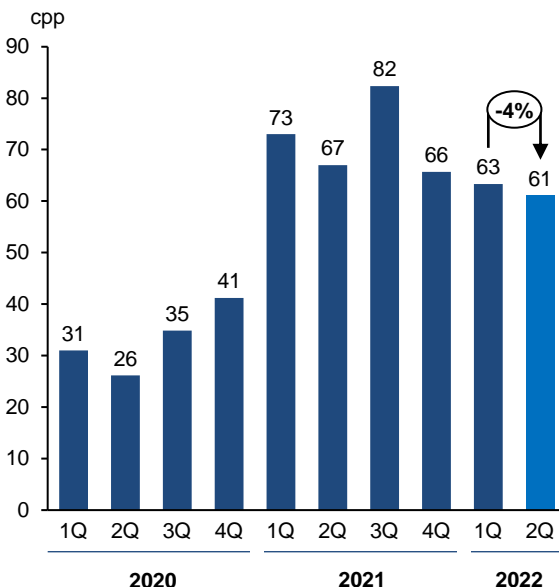


FEEDSTOCK COSTS

Crude Oil & Paraxylene



NA Propylene Contract Price

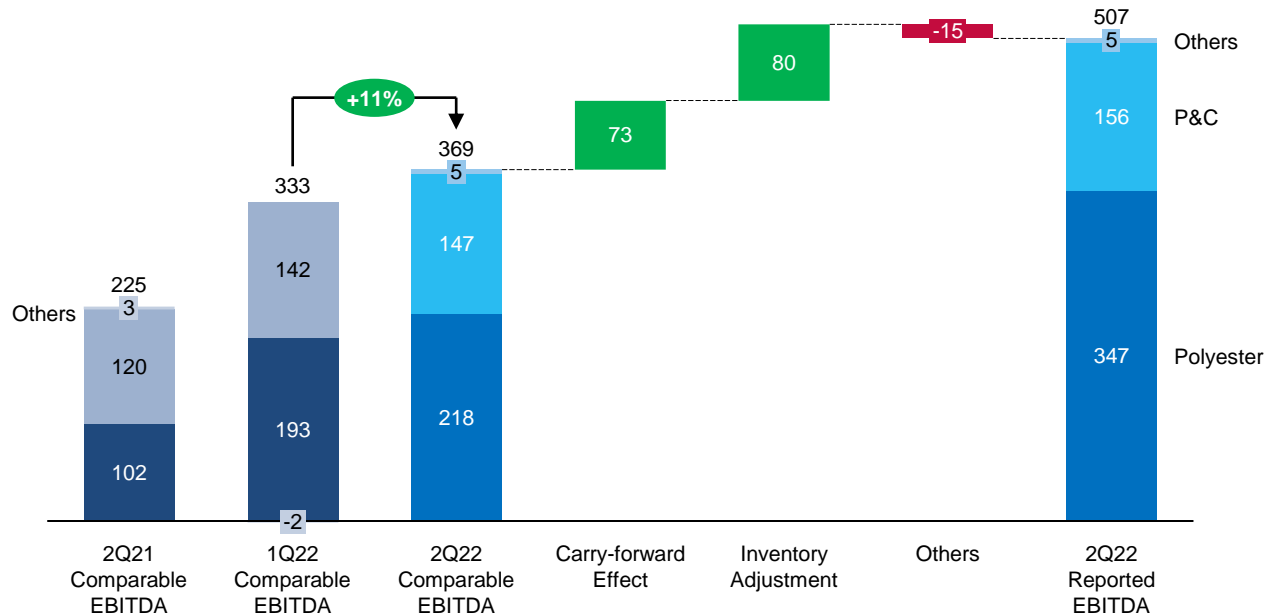


- Brent crude oil price increased (+16% QoQ) due to sustained inflationary pressures
- Paraxylene price rose (+41% QoQ) much greater than crude oil
- Slight decrease in quarterly propylene prices (-4% QoQ)



EBITDA BREAKDOWN

2Q22 EBITDA (US\$M)

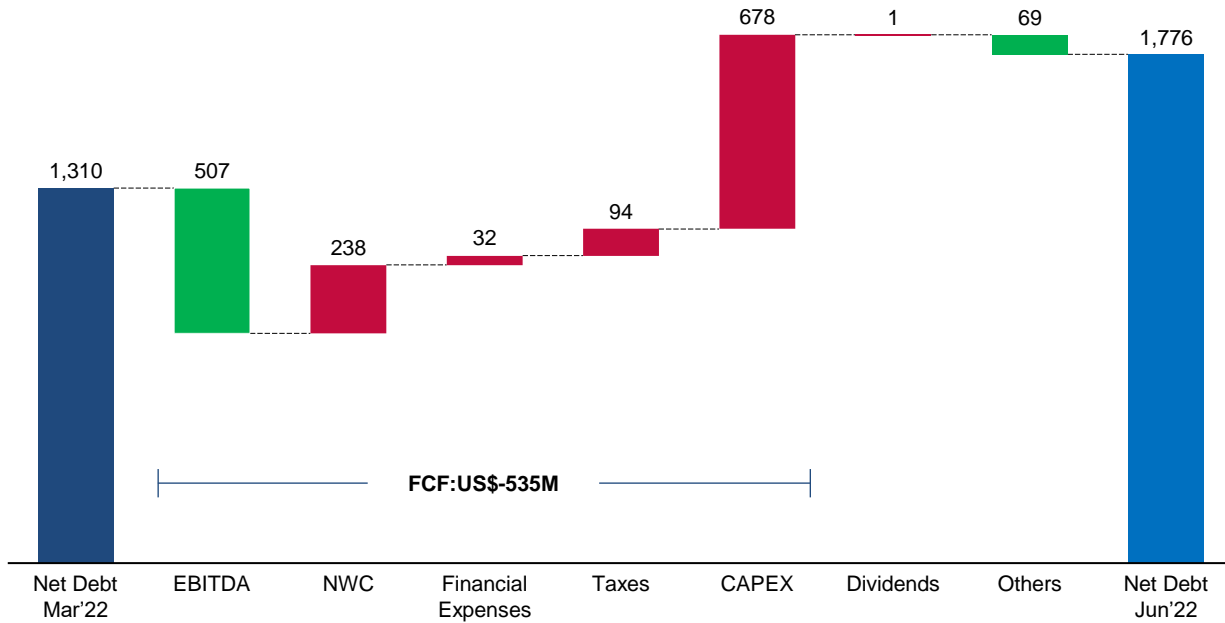


- Record Comparable EBITDA of US\$369M (+11% QoQ)
- Record Polyester Comparable EBITDA of US\$218M (+13% QoQ) from strong margins and volume
- Record P&C Comparable EBITDA of US\$147M (+3% QoQ) due mostly to an increase in PP reference margins
- Combined inventory adjustment & carry-forward effect of US\$153M as crude oil and paraxylene prices increased



FREE CASH FLOW GENERATION

Quarterly Free Cash Flow (US\$M)

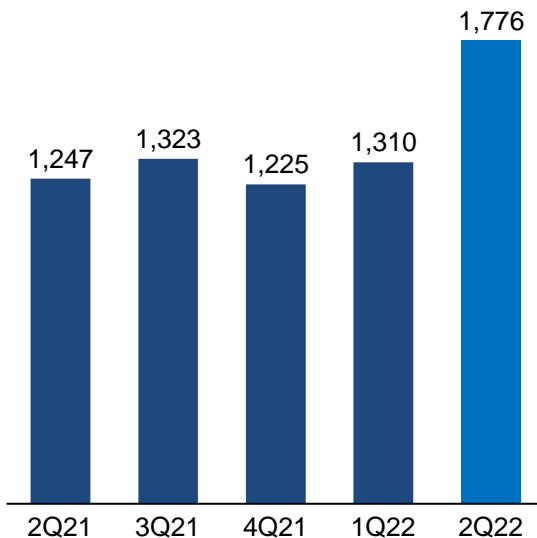


- Free Cash Flow of US-\$535M in 2Q22 due to high CAPEX from the OCTAL acquisition
- Increase in Net Working Capital from higher raw material prices

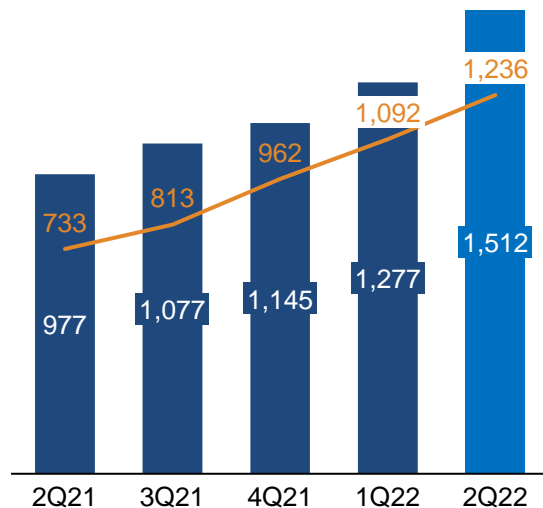


NET DEBT & LEVERAGE

Net Debt (US\$M)

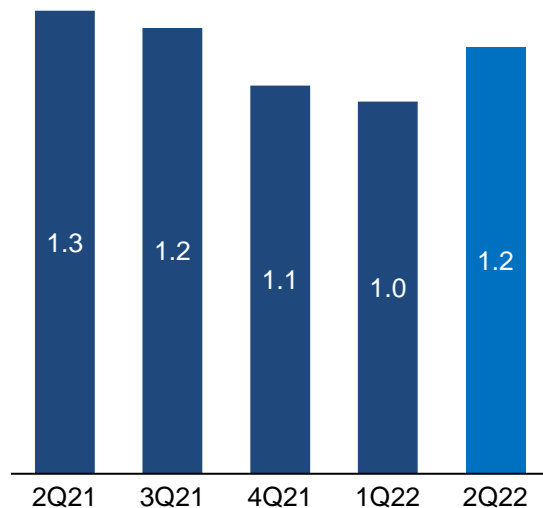


LTM EBITDA (US\$M)



— Comp. EBITDA

Net Debt/EBITDA (Times)



ALPEK ACQUIRES OCTAL

- Incorporating high-value PET sheet business into its portfolio with expected **growth** of **6%** in the next years
- Proprietary **DPET® technology** with the **lowest conversion cost and carbon footprint** in the industry
- **Three** manufacturing sites in **Oman, Saudi Arabia & USA**



PET Sheet |
Recycled PET Sheet

Capacity:
Country:

400 Ktons | 33 Ktons
Oman | USA



PET resin

576 Ktons
Oman



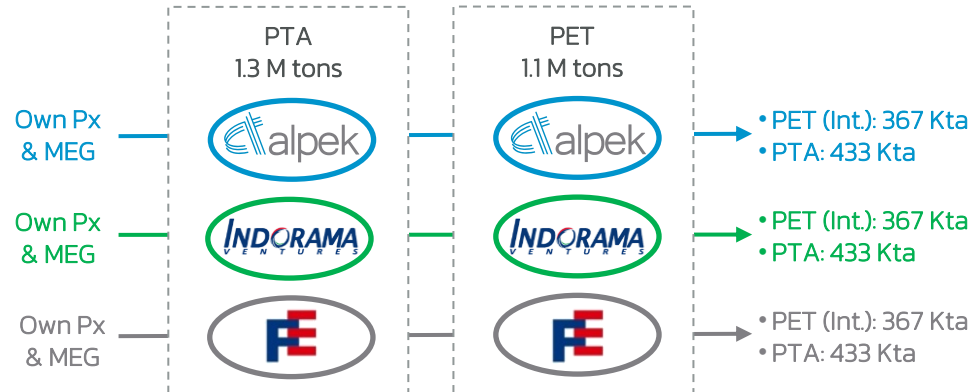
Thermoform
Packaging

11 Ktons
Saudi Arabia



CCP RESUMES CONSTRUCTION

- Restarting construction in **August 2022**, completion estimated by **early 2025**
- CCP expects to have the most competitive state-of-the-art site in the Americas
- Strategic location facilitates **competitive raw material procurement** and distribution cost



THE SBTi APPROVES ALPEK'S EMISSIONS REDUCTION TARGET

Reaffirms the Company's commitment to **combat climate change**

Alpek commits to **reduce**:

1

Absolute scope 1 and 2 GHG emissions by 27.5% by 2030 from a 2019 base year

2

Scope 3 emissions by 13.5% within the same time frame



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Alpek's emissions reduction target is well-aligned with the Paris Agreement

2022 REVISED GUIDANCE & KEY ASSUMPTIONS

			Revised '22 Guidance	Previous '22 Guidance	2021	Change (% vs. '21)
MARKET	Crude Oil	US\$/Bbl	100	100	70	43
	Asia PTA/PET Margin	US\$/Ton	370	355	359	3
	MXN / USD (Avg.)	MXN	21.3	21.3	20.3	5
FINANCIALS	Volume	Ktons	5,000	5,000	4,798	4
	Comparable EBITDA ¹	US\$M	1,475	1,250	962	53
	Reported EBITDA	US\$M	1,600	1,365	1,145	40

(1) Excludes inventory adjustments and carry-forward effects.
EBITDA includes estimates for OCTAL business.





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CEO



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 alpek
APPENDIX

EXTRAORDINARY EFFECTS BREAKDOWN

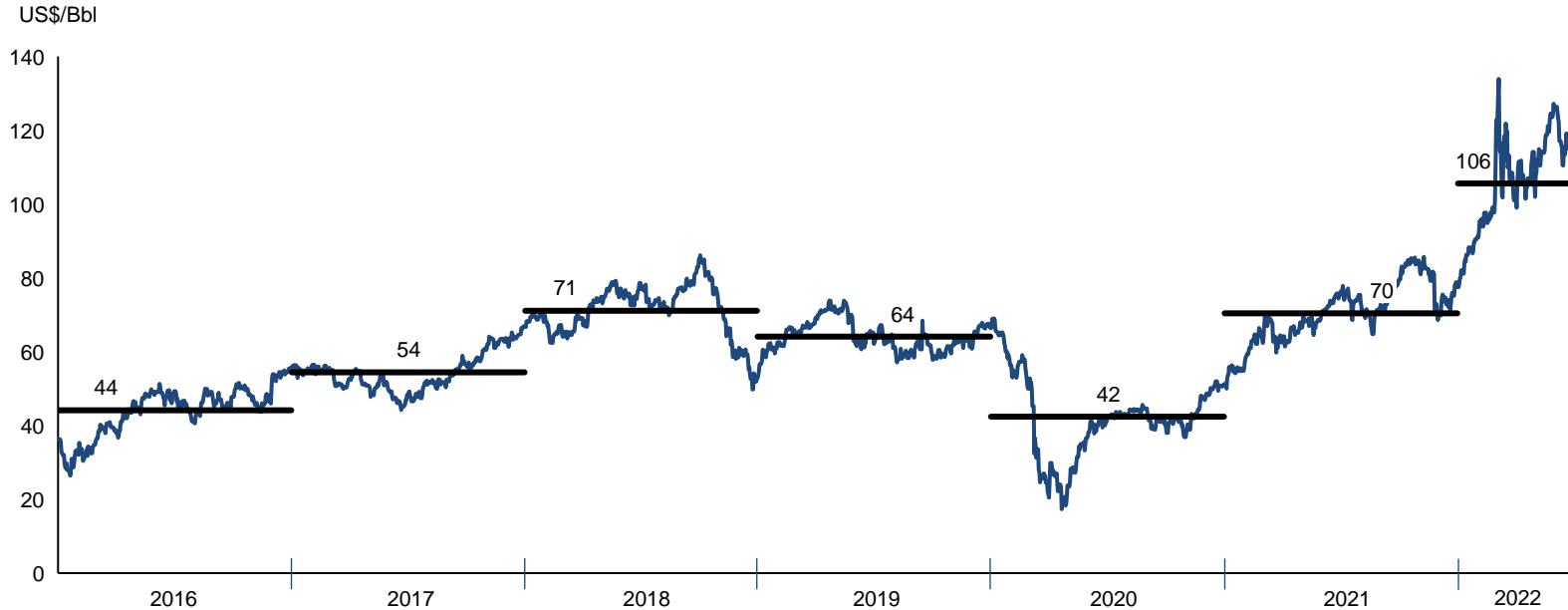
	2022			2021			Delta		
M dls	1Q	2Q	YTD	1Q	2Q	YTD	1Q	2Q	YTD
Reported EBITDA	456	507	964	324	273	597	132	234	366
Inventory Adjustment	(63)	(80)	(144)	(63)	(18)	(81)	(0)	(63)	(63)
Carry-forward	(66)	(73)	(139)	(58)	(29)	(87)	(8)	(43)	(51)
Others	6	15	20	0	(1)	(1)	6	16	21
Comparable EBITDA	333	369	702	203	225	429	130	144	274



RELEVANT REFERENCES | CRUDE OIL

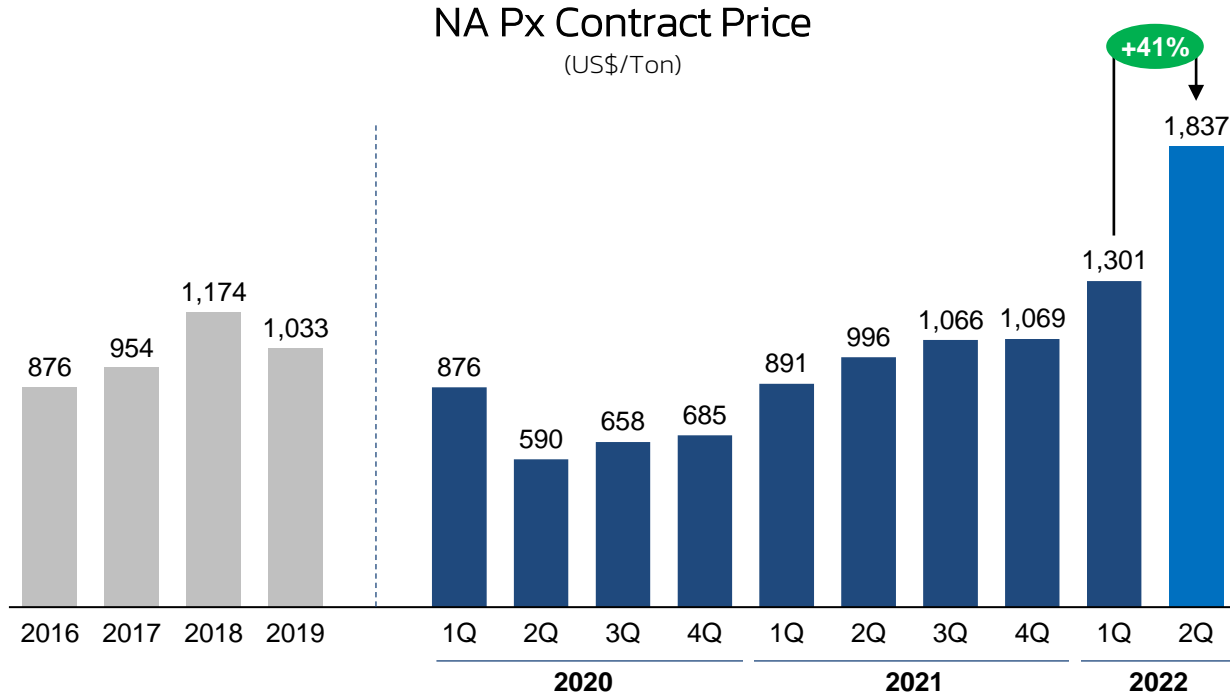
Price increased as a result of sustained inflationary pressures

Brent Crude Oil Price



RELEVANT REFERENCES | PARAXYLENE

Px prices increased 41%, much greater than Crude Oil

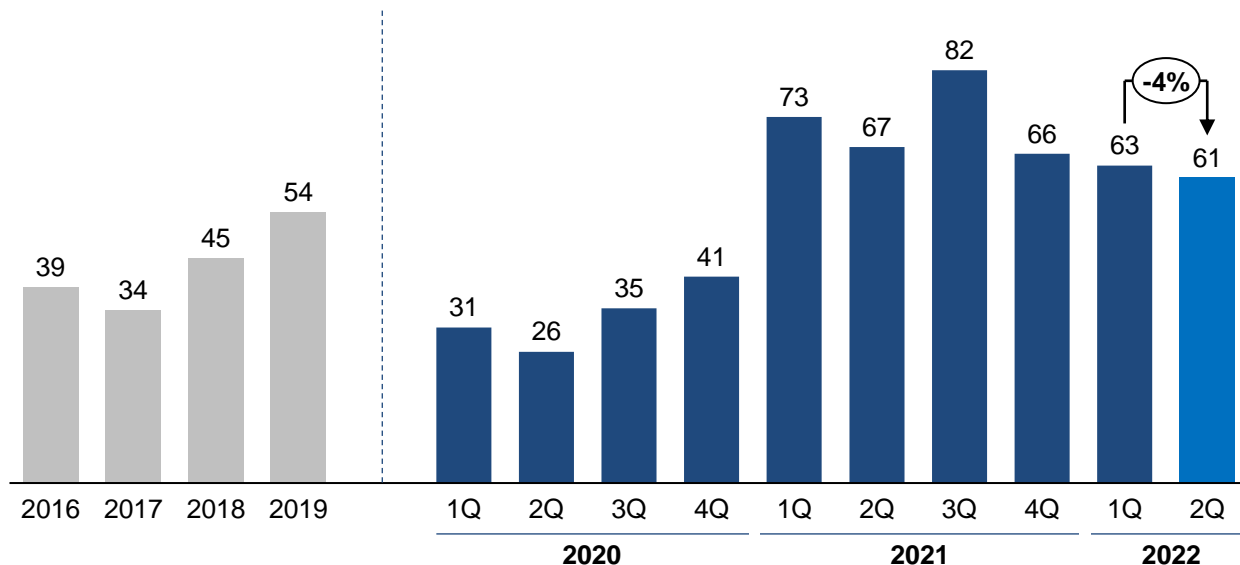


RELEVANT REFERENCES | PROPYLENE

Slight decrease in Propylene contract prices

NA Propylene Contract Price | PGP

(cpp)

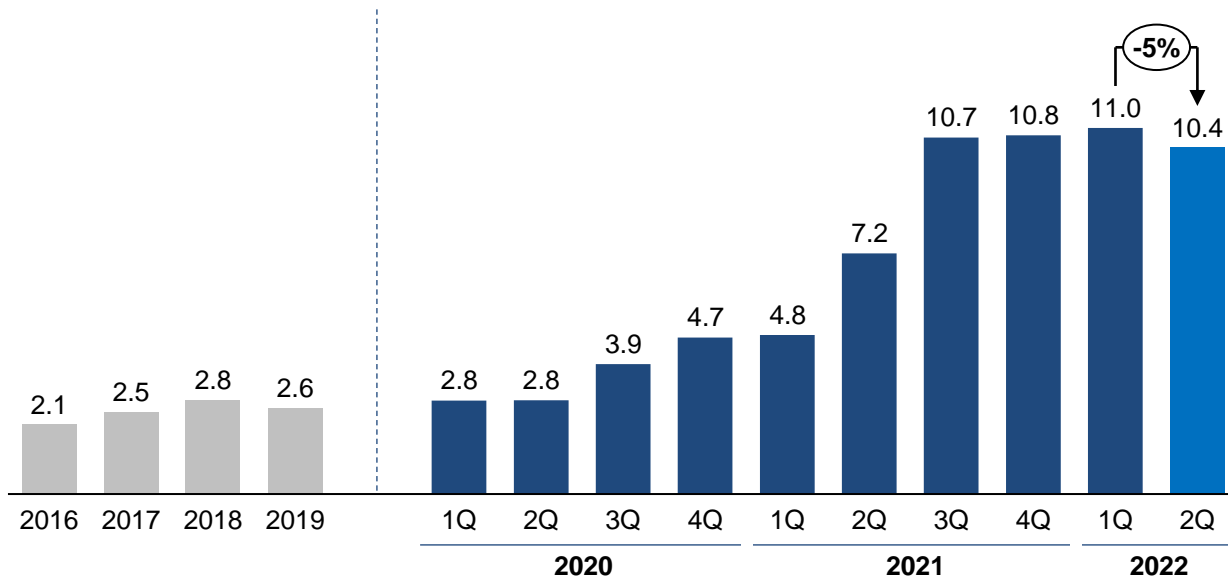


OCEAN FREIGHT PRICES

Remain under pressure, although starting to gradually decline

Asia – USA Spot Ocean Freight Rate

(US\$/K/Container)



Note: Prices based on 20-foot containers with 24-ton capacity from Shanghai to U.S. East Coast.



FOR ADDITIONAL INFORMATION

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- Alpek IRO / Corporate Finance / ESG Director since 2022
- Previously held roles as VP of Administration & Strategic Planning at Indelpro, Commercial Technology Manager at Alpek Polyester
- BA in Business from UDEM and an MBA from Wharton School of Business



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