



FOURTH QUARTER 2022

EARNINGS WEBCAST

TODAY'S SPEAKERS



JOSÉ DE JESÚS VALDEZ
CEO



JOSÉ CARLOS PONS
CFO



ANTÓN FERNÁNDEZ
IRO

JORGE P. YOUNG CERECEDO

Years of experience: 30+

Relevant Roles:

- President at Alpek Polyester
- President of PET and Staple Fibers
- Executive VP At Alpek Polyester – PET Resins
- VP Planning & Finance at Alpek

Education:

- MBA from Wharton School of Business
- B.S. in Chemical Engineering from ITESM





TOPICS FOR TODAY'S WEBCAST

- I. ESG Progress
- II. Financial Performance
- III. 2023 Guidance

2022 REVIEW

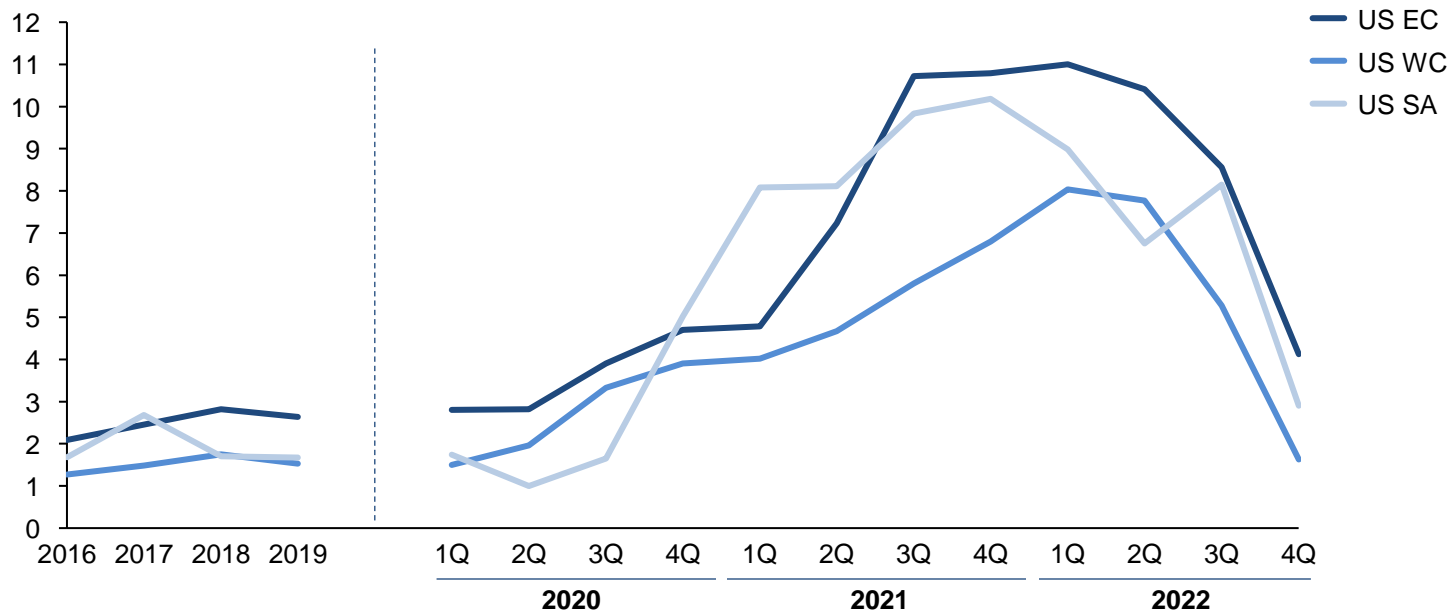


OCEAN FREIGHT PRICES

Starting to decline to previous levels

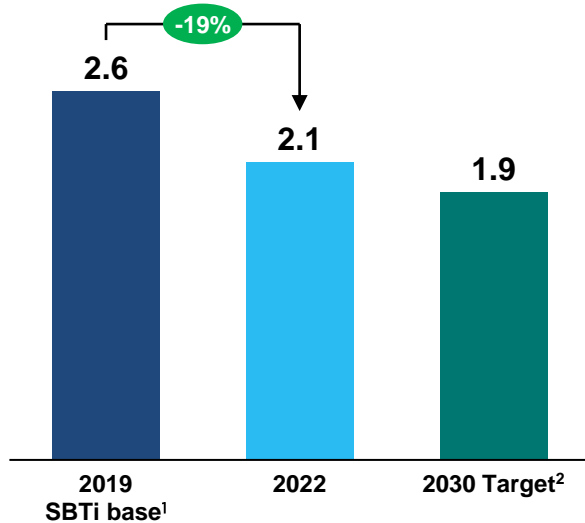
Asia – Americas Spot Ocean Freight Rate

(US\$/K/Container)



ALPEK MADE IMPROVEMENTS IN ESG DURING 2022

SBTi CO₂ Scope 1 & 2 Emissions
(Million Tons)



B Rating in
Climate Change



Top decile in
Chemicals Industry

S&P Global

25th percentile in
Chemicals Industry



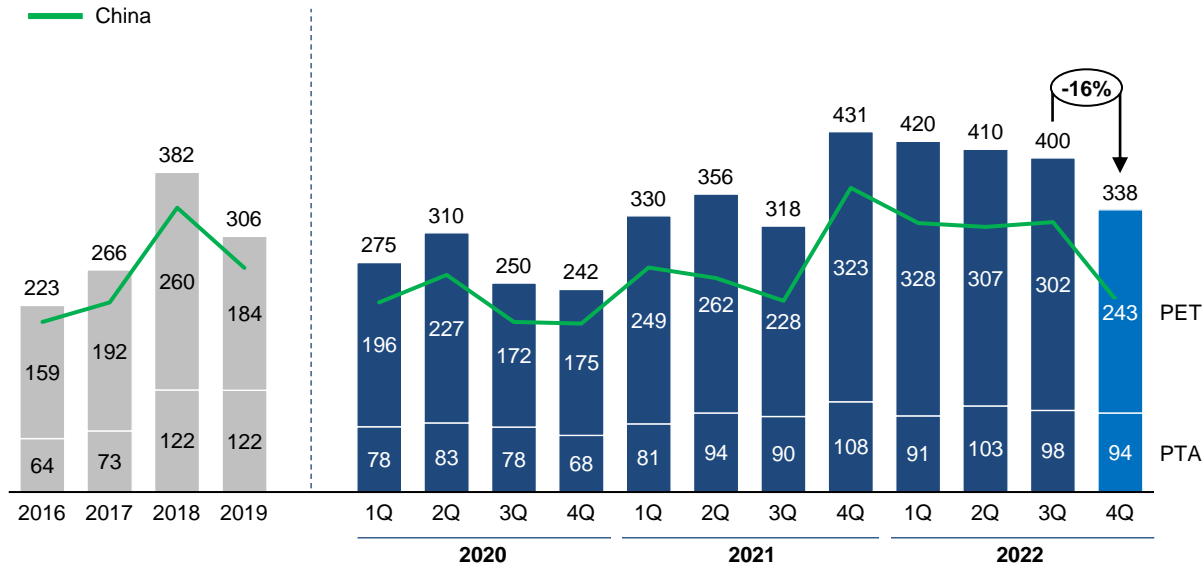
(1) Figures do not include emissions from recently acquired OCTAL.

(2) Considers 27.5% CO₂ reduction.



INTEGRATED PET REFERENCE MARGINS

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

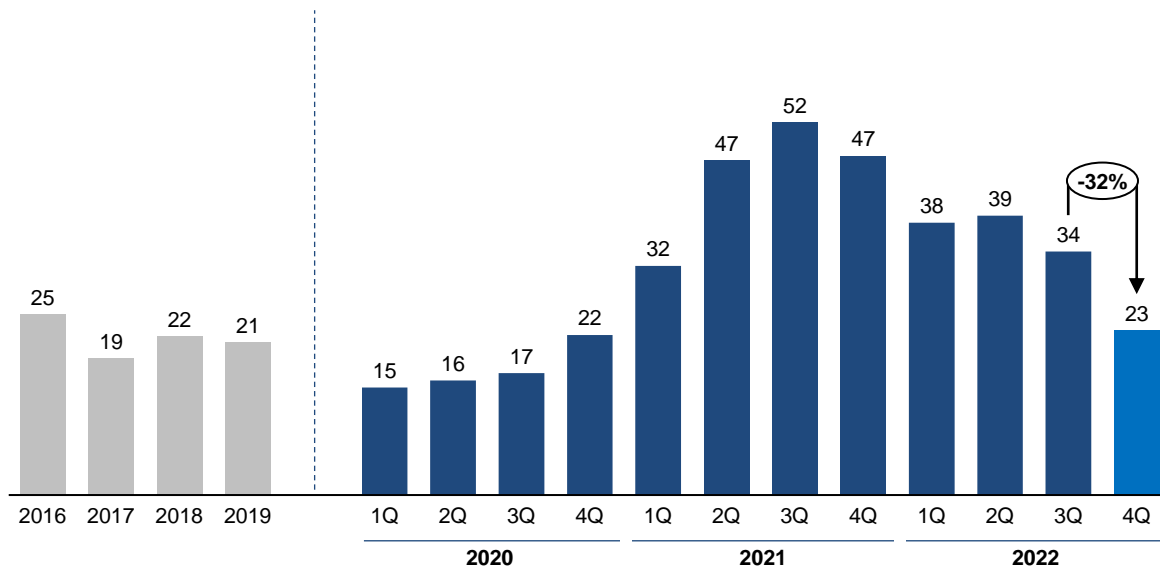


- Asian reference margins averaged US\$338/Ton (-16% QoQ)
- Asia-China spread increased to US\$114/Ton

POLYPROPYLENE REFERENCE MARGINS

NA Polypropylene Margins | PP to PGP

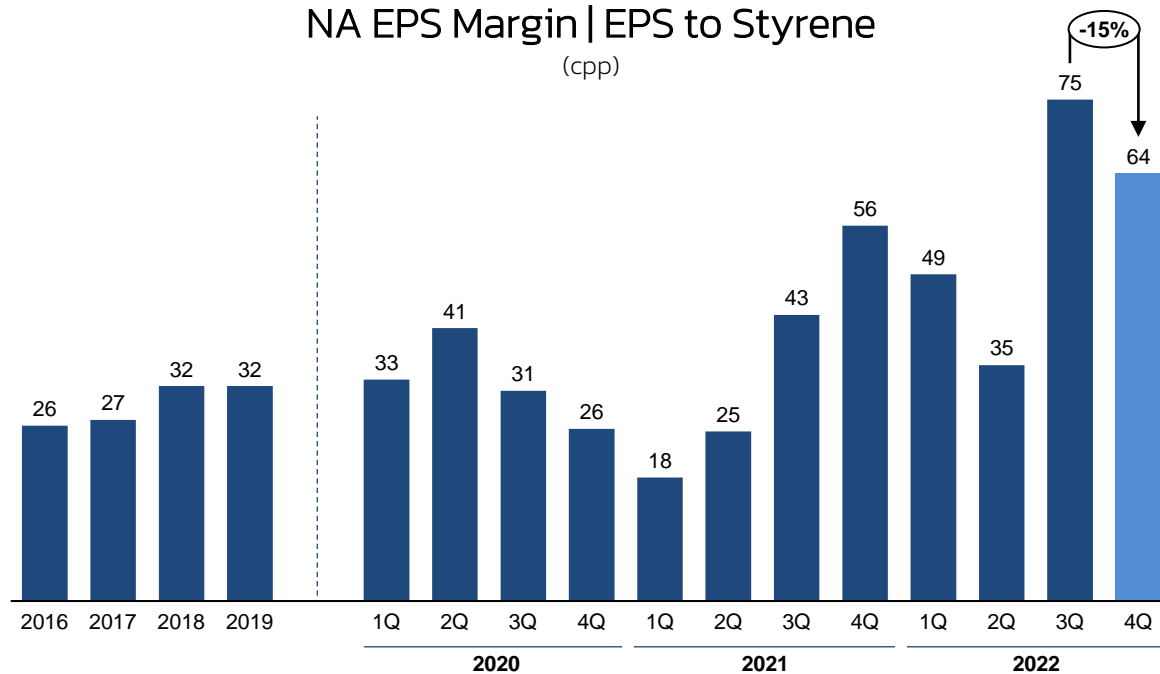
(cpp)



- PP reference margins decreased to 23 cpp (-32% QoQ) from added capacity and weakening demand



EPS REFERENCE MARGINS



- EPS reference margins decreased to 64 cpp (-15% QoQ) in 4Q22
- EPS reference margins remain at high levels



4Q22 FINANCIAL HIGHLIGHTS

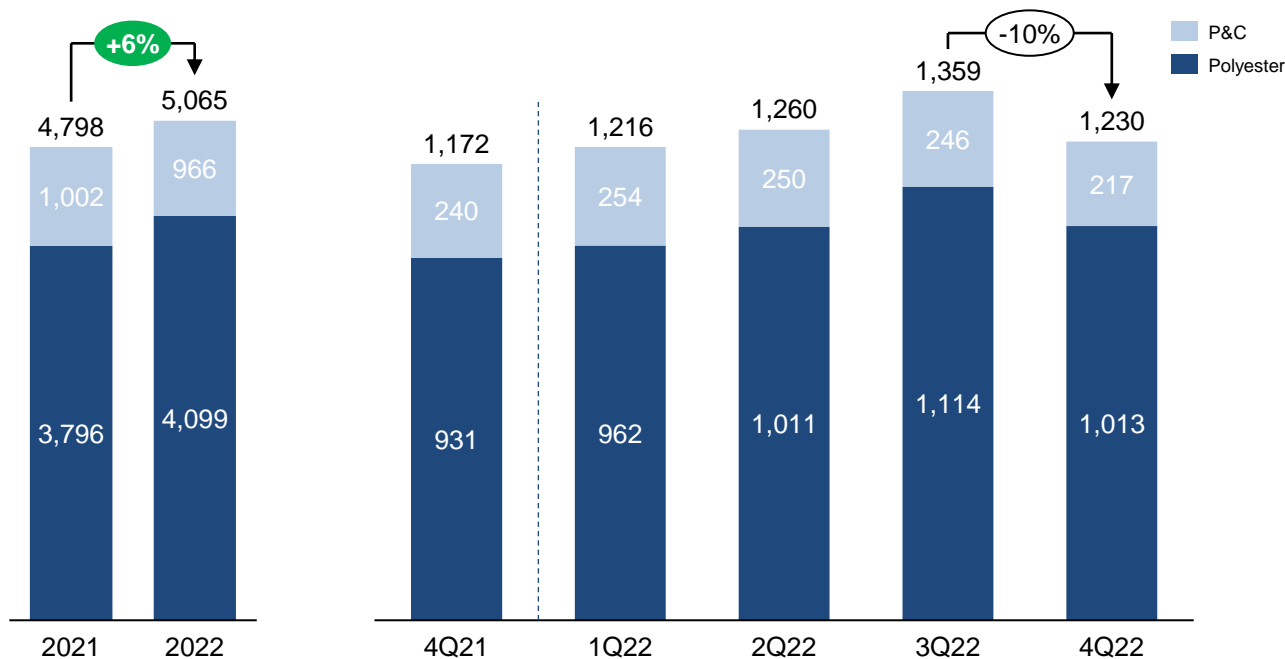
- Annual **volume** record reaching **5.07 million tons**
- Quarterly **Comparable EBITDA of US\$270 million** mainly due to normalizing reference margins for all products
- **Record high** Annual **Comparable EBITDA of US\$1,396 million** (+45% YoY)
- Recovered **US\$3.5 million** in guaranteed debt from **M&G Mexico, US\$26 million** for the year
- Concluded year with **Leverage** at **1.3x**
- **Extraordinary Dividend payment** of **US\$196 million** to Shareholders in the quarter and a **total dividend** of **US\$372 million** in the year. Payment of **US\$94 million** towards an outstanding bond



VOLUME EVOLUTION

Annual & Quarterly Sales Volume

(Ktons)

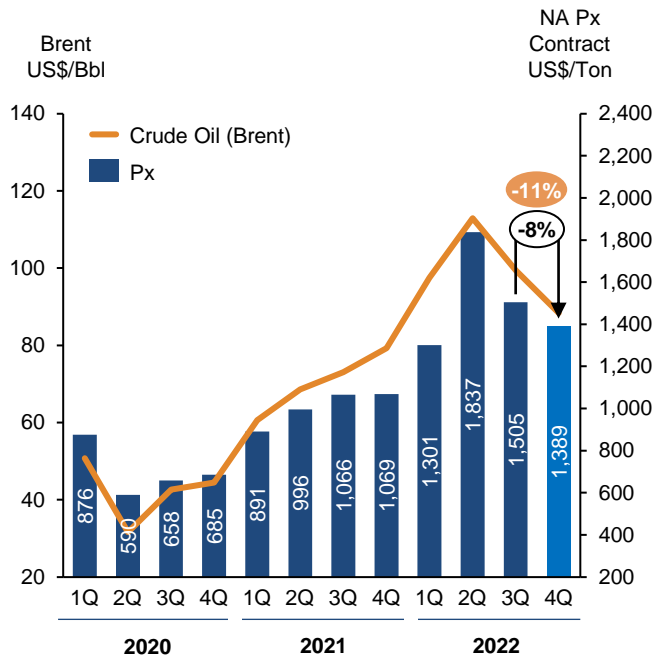


- Overall quarterly volume of 1.23 million tons (-10% QoQ)
- Polyester volume of 1.01 million tons (-9% QoQ) amid typical seasonality effects, PET demand and Brazil facility maintenance
- P&C volume of 217 thousand tons (-12% QoQ) due mostly to seasonality and additional PP supply in the region

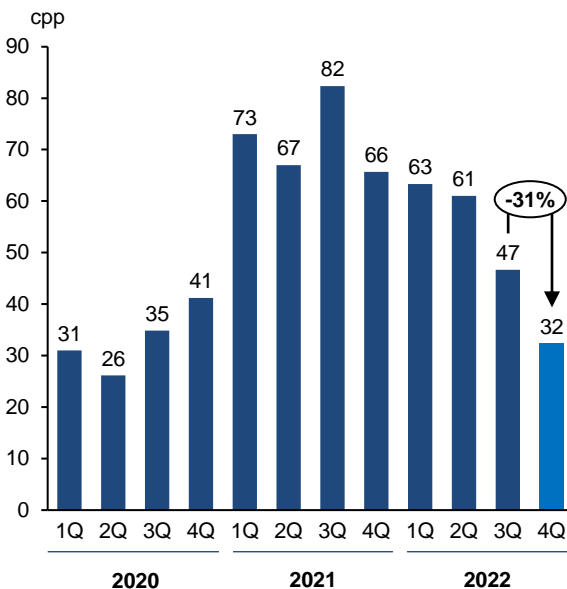


FEEDSTOCK COSTS

Crude Oil & Paraxylene



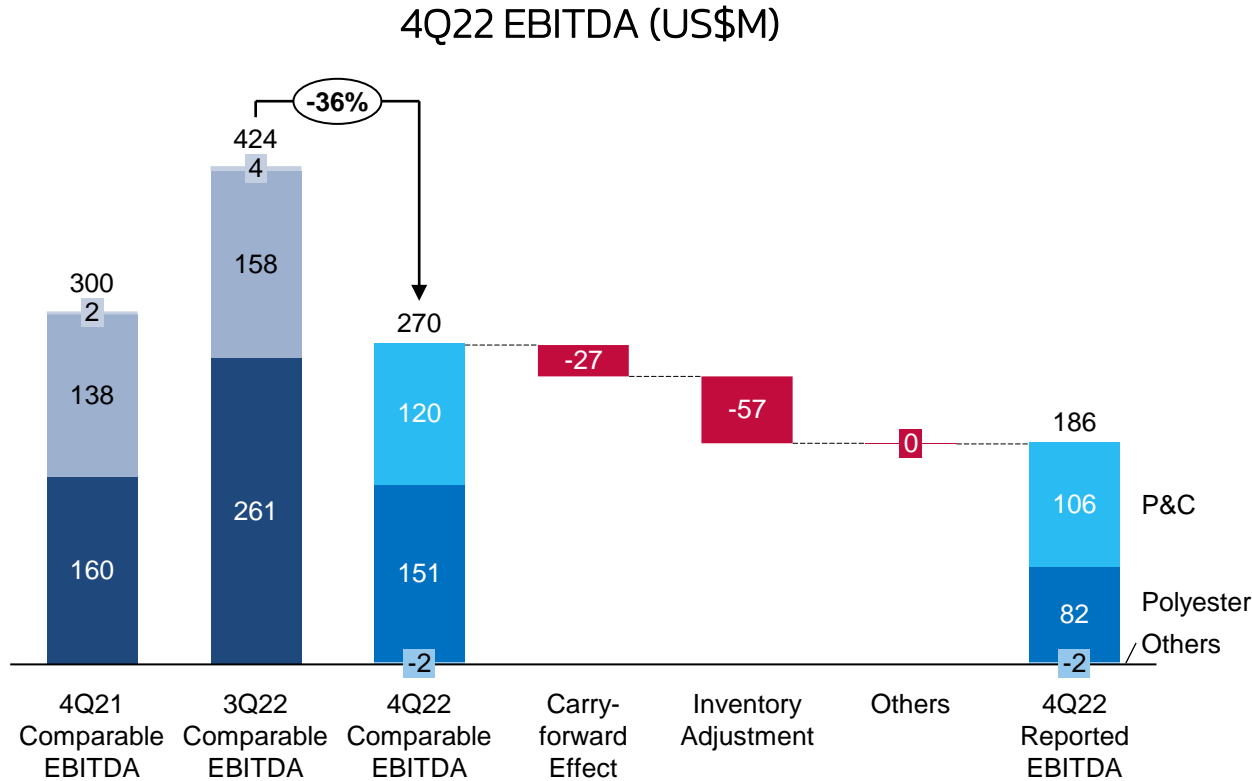
NA Propylene Contract Price



- Brent crude oil price decreased to an average US\$88 dollars per barrel (-11% QoQ)
- Paraxylene price decreased (-8% QoQ) in line with crude oil
- Propylene prices declined to an average of 32 cpp (-31% QoQ)



EBITDA BREAKDOWN

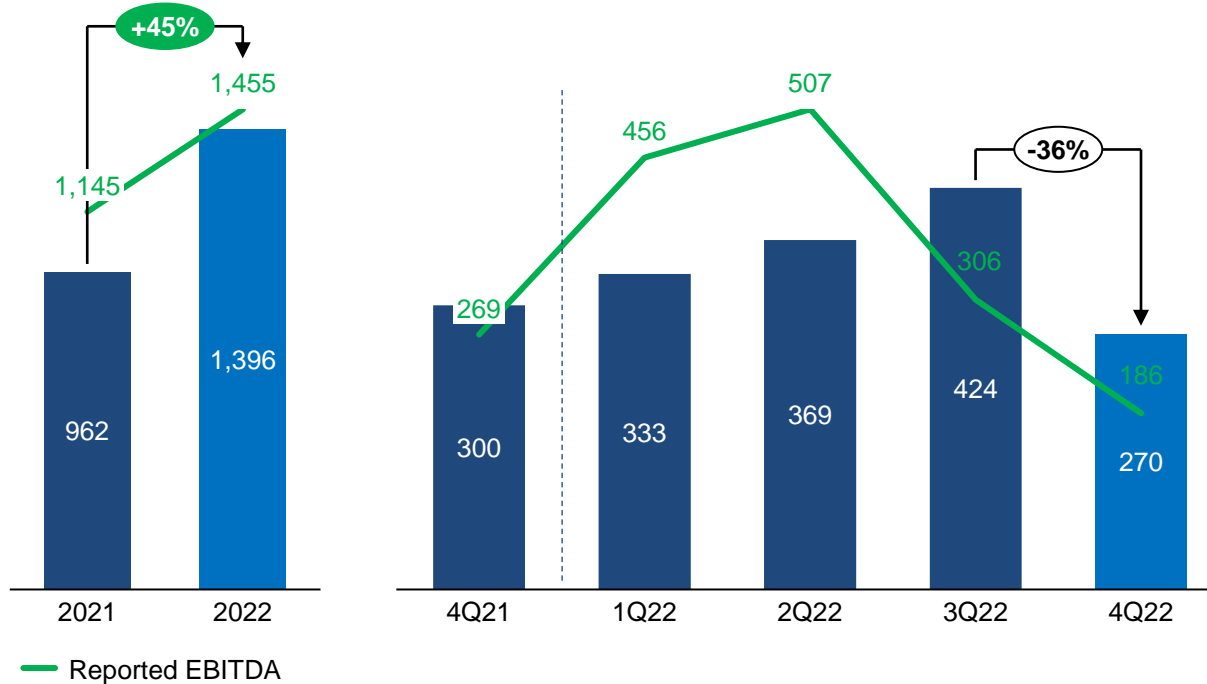


- Comparable EBITDA of US\$270 million (-36% QoQ)
- Reported EBITDA of US\$186 million (-39% QoQ)
- Combined inventory adjustment & carry-forward effect of US-\$84 million
- Polyester Comparable EBITDA of US\$151 million (-42% QoQ)
- P&C Comparable EBITDA of US\$120 million (-24% QoQ)



EBITDA EVOLUTION

Annual & Quarterly Comparable EBITDA (US\$M)

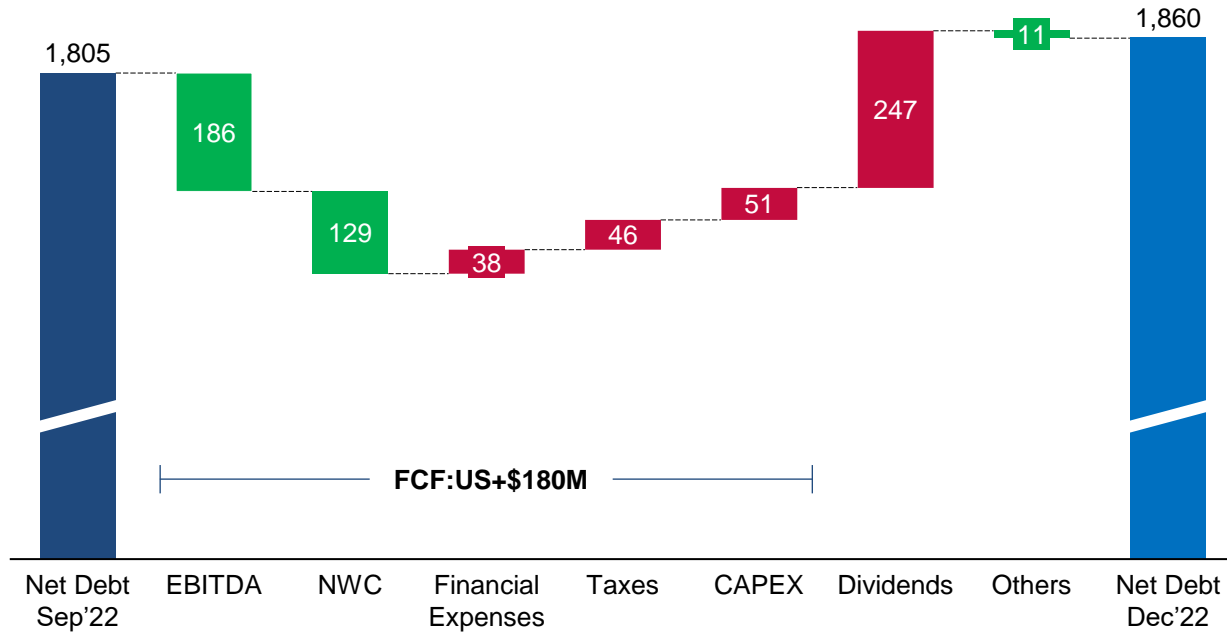


- Record Annual Comparable EBITDA of US\$1,396 million (+45% YoY)
- Record Annual Reported EBITDA of US\$1,455 million up (+27% YoY) from Inventory gains & positive Carry-forward effects



FREE CASH FLOW GENERATION

Quarterly Free Cash Flow (US\$M)

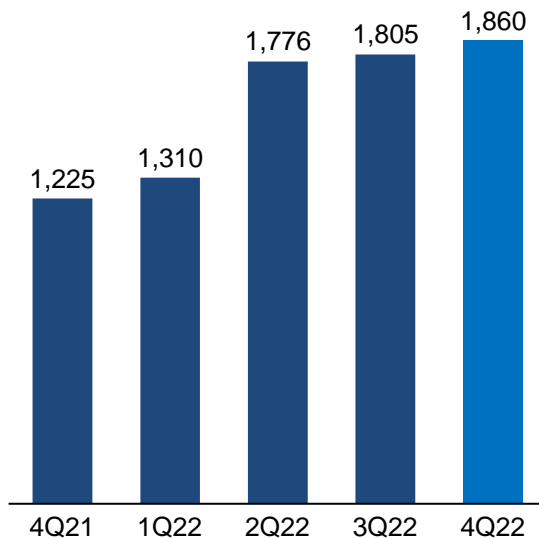


- NWC reduced by US\$129 million as raw material prices began to decline
- CAPEX totaled US\$51 million mainly allocated towards maintenance and a portion for CCP construction
- Positive Free Cash Flow of US\$180 million in 4Q22

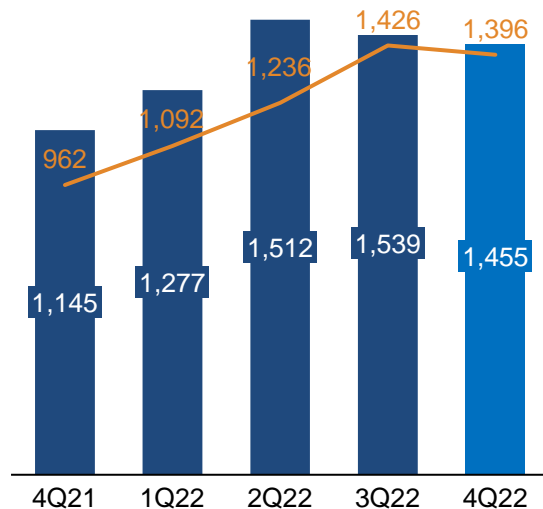


NET DEBT & LEVERAGE

Net Debt (US\$M)

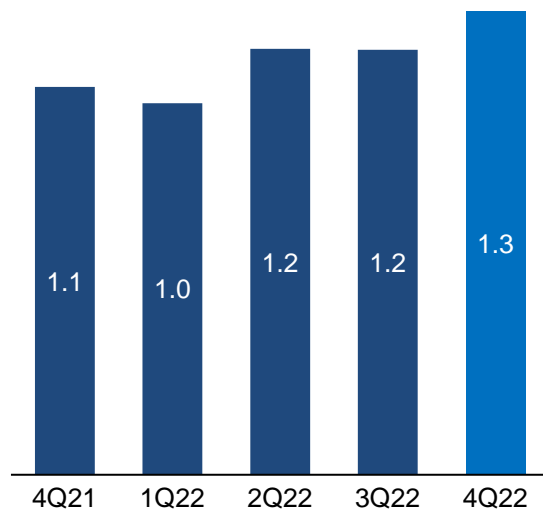


LTM EBITDA (US\$M)



— Comp. EBITDA

Net Debt/EBITDA (Times)



2023 GUIDANCE & KEY ASSUMPTIONS

MARKET

		2023 Guidance	2022	Change (% vs. '22)
Crude Oil	US\$/Bbl	90	100	(10)
Asia PTA/PET Margin	US\$/Ton	320	392	(18)

FINANCIALS

Volume	Ktons	4,900	5,065	(3)
Comparable EBITDA ¹	US\$M	920	1,396	(34)
Net Sales	US\$M	9,170	10,555	(13)
CAPEX	US\$M	445	862	(48)

(1) Excludes inventory adjustments and carry-forward effects



Q&A



JOSÉ DE JESÚS VALDEZ
CEO



JORGE YOUNG
INCOMING CEO



JOSÉ CARLOS PONS
CFO



 alpek
APPENDIX

EXTRAORDINARY EFFECTS BREAKDOWN

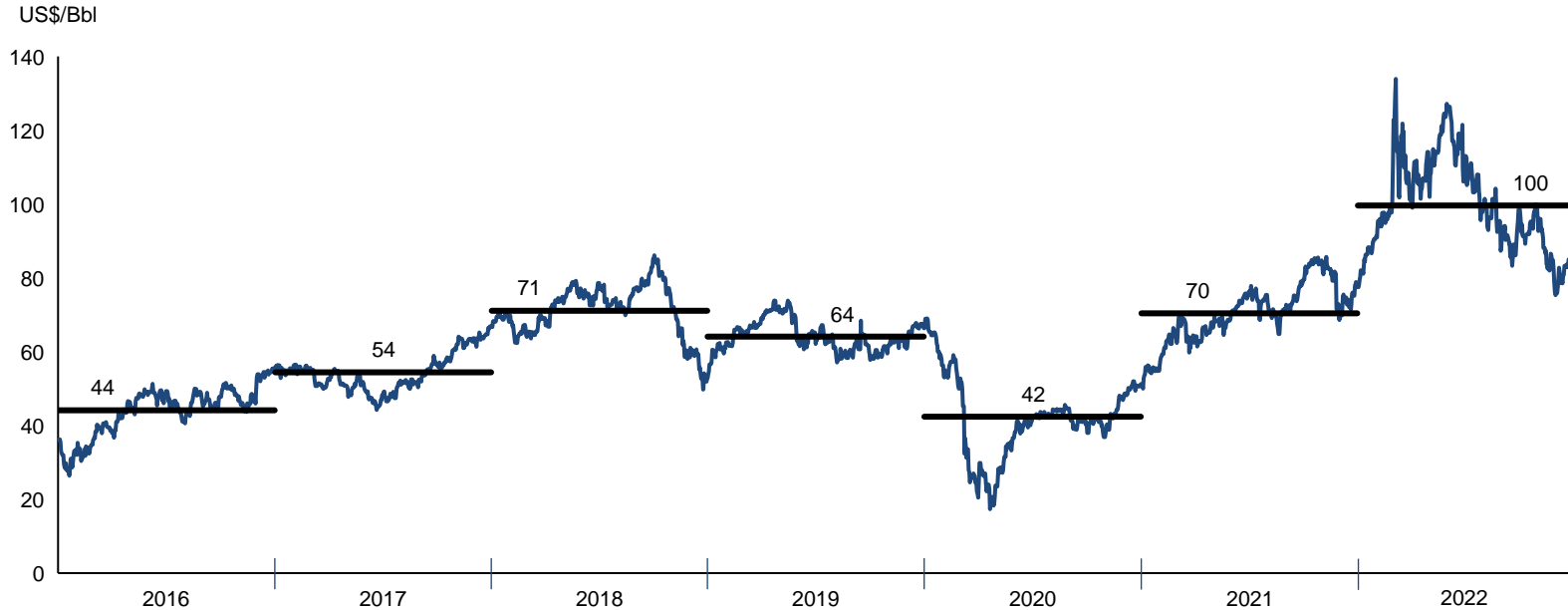
	2022					2021					Delta				
US\$M	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	4Q	YTD
Reported EBITDA	456	507	306	186	1,455	324	273	279	269	1,145	132	234	27	(83)	310
Inventory Adjustment	(63)	(80)	70	57	(17)	(63)	(18)	(22)	11	(92)	–	(63)	92	45	74
Carry-forward	(66)	(73)	46	27	(66)	(58)	(29)	(21)	(6)	(114)	(8)	(43)	67	32	49
Others	6	15	2	–	23	–	(1)	(1)	25	23	6	16	3	(25)	–
Comparable EBITDA	333	369	424	270	1,396	203	225	234	300	962	130	144	190	(30)	433



RELEVANT REFERENCES | CRUDE OIL

Prices declined due to tighter macroeconomic environment

Brent Crude Oil Price

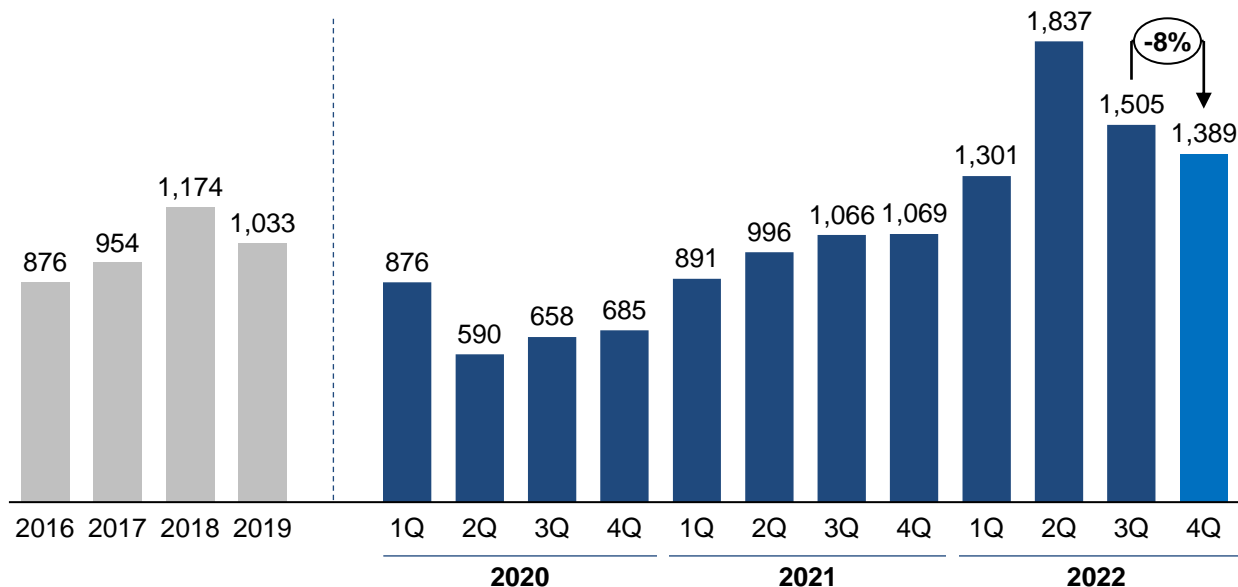


RELEVANT REFERENCES | PARAXYLENE

Px prices decreased by 8%, in line with Crude Oil

NA Px Contract Price

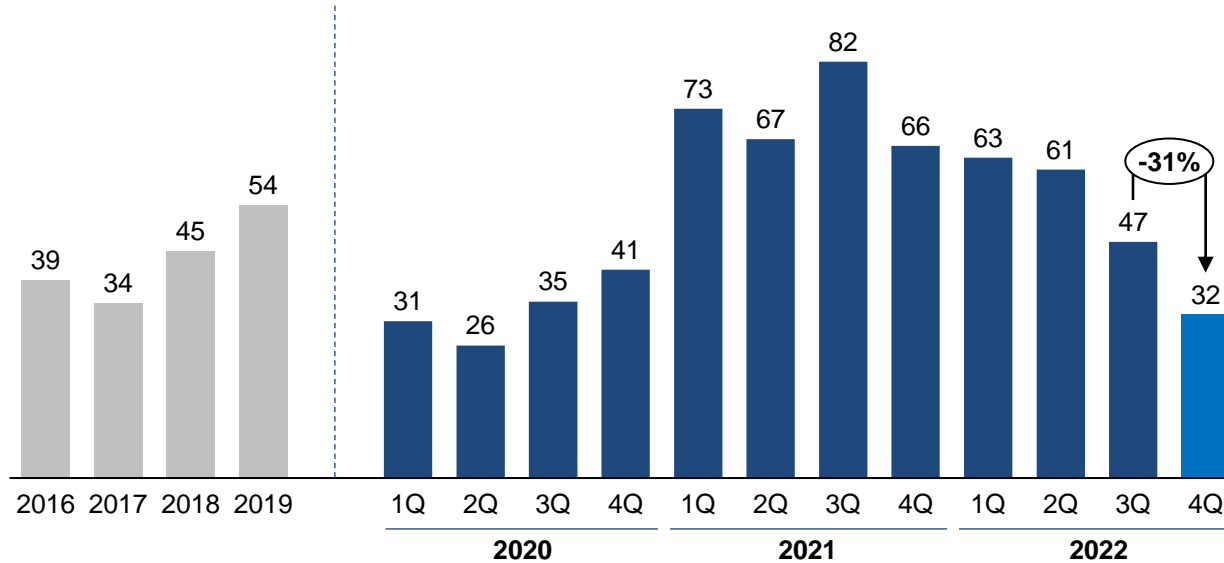
(US\$/Ton)



RELEVANT REFERENCES | PROPYLENE

Started to decline gradually as demand weakened

NA Propylene Contract Price | PGP
(cpp)



FOR ADDITIONAL INFORMATION

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IRO

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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



**ALEJANDRA
BUSTAMANTE**
IR Manager

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- 11 Years at Alfa/Alpek
- Alpek IR Manager since 2019
- Previously held roles in Human Capital, Talent & Culture at Alfa and Axtel
- BA in International Relations from ITESM

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