



# **INSTITUTIONAL PRESENTATION**

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**FEBRUARY 2025**





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## **ALPEK AT A GLANCE**

STRATEGY AND COMPETITIVENESS

FINANCIAL RESULTS

ESG PROGRESS

QUARTERLY UPDATES

THE CASE FOR PET

APPENDIX

# ALPEK HOLDS LEADING POSITIONS ACROSS TWO MAIN SEGMENTS

Revenues for 2024 resulted in \$7.5B USD

**66%**

Of Sales

## POLYESTER



**PET Resin**

**#1**

*PET Resin  
& Recycled PET  
Americas*



**PET Sheet**

**#1**

*PTA  
Americas*



**Recycled PET**

**#1**

*PET Sheet  
Americas*

## PLASTICS & CHEMICALS

**34%**

Of Sales



**EPS**

**#1**

*EPS  
Americas*



**Natural Gas Trading**

**#1**

*Natural Gas  
Trader  
Mexico*



**Polypropylene**

**ONLY**

*Producer of PP  
Mexico*



**Industrial Chemicals**

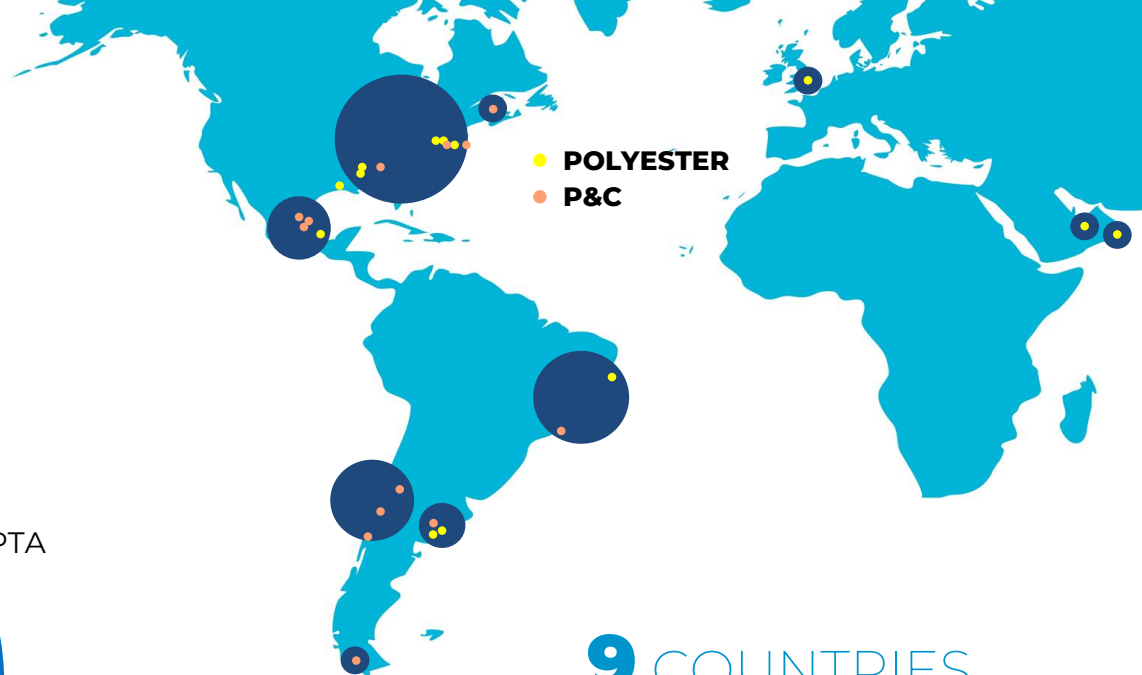
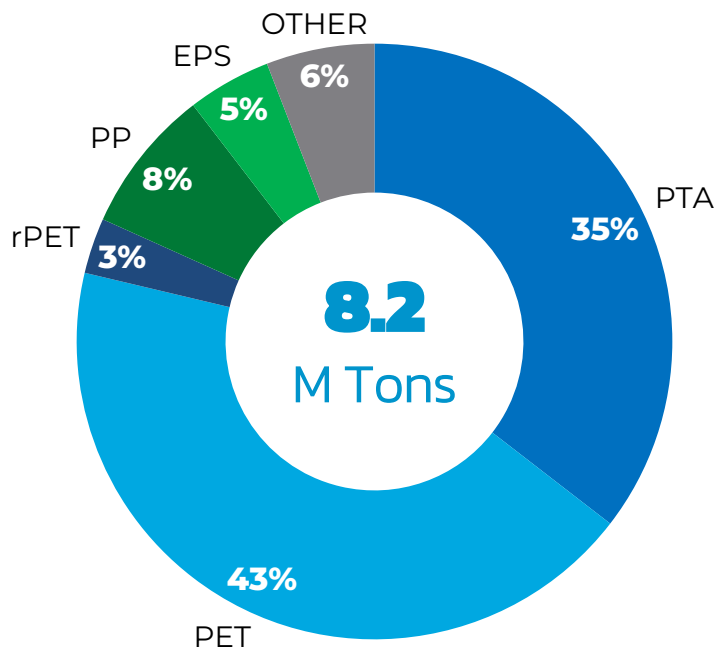
**#1**

*Surfactants  
Mexico*



# OUR GLOBAL FOOTPRINT

## CAPACITY BY PRODUCT



**9** COUNTRIES

**34** PLANTS

**+5,500** EMPLOYEES  
WORLDWIDE





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# INVESTMENT THESIS

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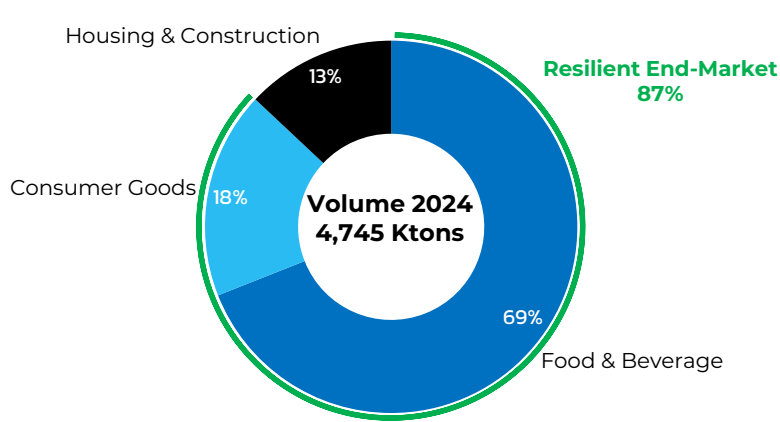
- **Leadership** positions in **attractive markets** in the Americas
- Focus on **efficiency, low costs, quality & service**
- **Cyclical** businesses, with high potential for cash flow generation
- **Achieving growth** and **dividend** payments, maintaining solid financial strength and **investment grade**
- **Experienced management** to navigate **industry cycles**
- Commitment and **progress** on **ESG**



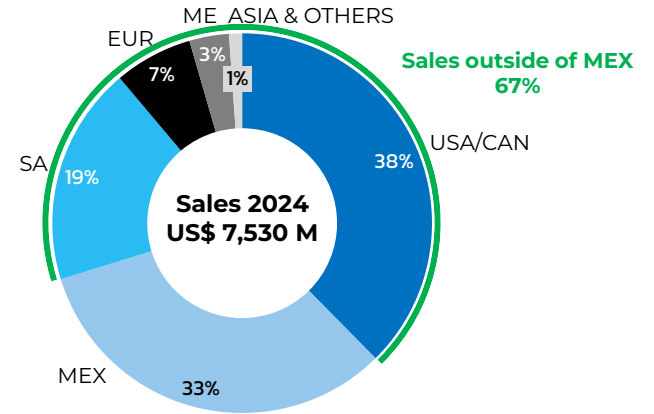
# RESILIENT END-MARKETS ACCOUNT FOR 89% OF VOLUME

95% of sales are dollar-based

## Volume by Industry 2024



## Sales Geography 2024



### Food



### Beverage



### Personal Care



### Home Products

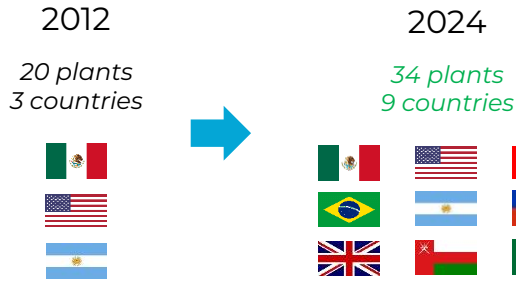


Sample End Users by Industry

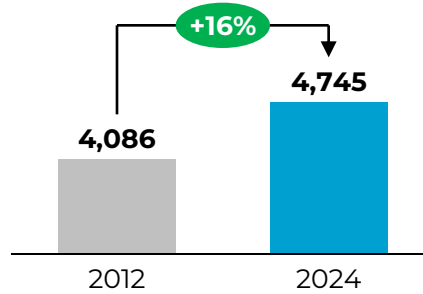


# GROWTH THROUGH KEY STRATEGIC ACQUISITIONS

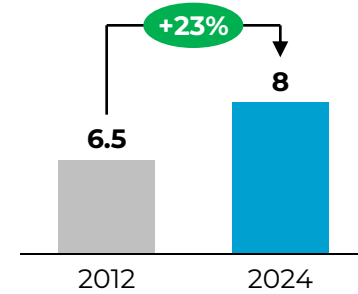
## OPERATIONS



## SALES VOLUME (KTONS)



## TOTAL CAPACITY (MTONS)



2012



IPO (BMV)

2015-2016



Styrenics acquisition (North & South America)

2018



Polyester acquisition (Brazil)

2019



PET acquisition (UK)  
rPET acquisition (USA)

2020



Styrenics acquisition (USA)

2021



rPET acquisition (USA)

2022



PET resin & sheet acquisition (ME/USA)





# LONG-TERM STRATEGY BASED ON 3 KEY PILLARS

## 1 STRENGTHEN CORE BUSINESS



### Global Cost Improvement

Drive competitiveness by optimizing efficiency, leveraging scale and enhancing processes



### Value-added Products

Shift to products with higher margins & barriers to entry



### Footprint Optimization

Ensure global production grows across optimal sites & logistic networks

## 2 CAPTURE ESG-RELATED OPPORTUNITIES



### Foster Product Circularity

Improve our sustainable solutions portfolio with a focus on mechanical and chemical recycling and biodegradable products



### Value-Creation in CO2 Emissions Reduction

Pursue opportunities & participate in new markets associated with reaching carbon neutrality before 2050

## GROWTH CATALYSTS

## 3 STRATEGIC & FOCUSED GROWTH



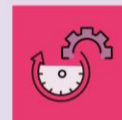
### Value Chain Integration

Expand capacity strategically & integrate into the value chain



### Product Innovation

Develop and grow new products & business lines (Natural Gas commercialization, Biovento®)



### M&A Opportunities

Seize opportunistic growth focused on synergies and geographic diversification

# MANAGEMENT WITH 25+ YEARS AVERAGE EXPERIENCE

Clear strategy & culture of empowerment ensure efficient operations



**Jorge Young**  
CEO (34)



**José Carlos Pons**  
CFO (27)



**Teresa Quintero**  
CHRO (14)



**Alejandro Llovera**  
President  
Polyester (39)



**Alejandro Alanis**  
President  
Polypropylene (25)



**Andreas Plettner**  
President  
EPS (25)



**David Coindreau**  
President  
Chemicals (18)



**Roberto Blanco**  
President  
Natural Gas (21)



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STRATEGY & COMPETITIVENESS

## **FINANCIAL RESULTS**

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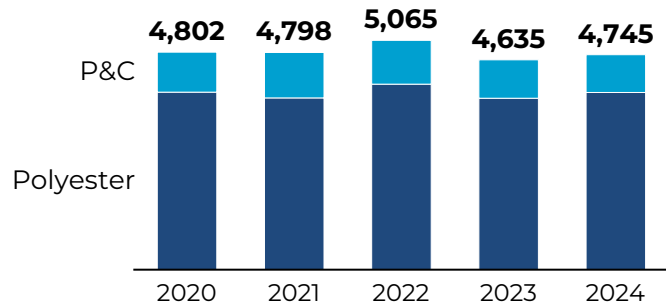
## 2024 HIGHLIGHTS

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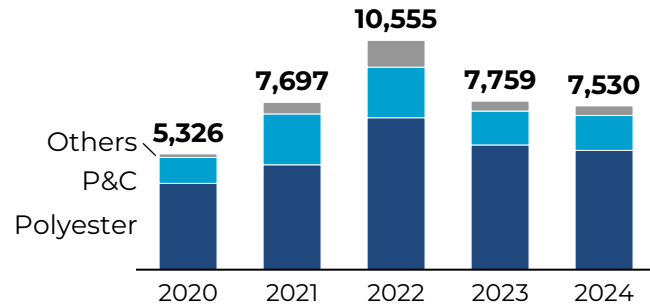
- ✓ Annual Comparable EBITDA **\$699 M** (+17% Original Guidance)
- ✓ Volume reached **4.7 M tons**; (+2% YoY) driven by stable demand across segments
- ✓ **\$75 M** in Cost Savings following strategy to enhance long-term competitiveness
- ✓ CAPEX **\$121 M** (-19% Revised Guidance)
- ✓ Successful deleveraging strategy led to **2.9x ratio**; progressing towards target of 2.5x
- ✓ Dividend yield of **9% after 132 M payment**

# FINANCIAL RESULTS

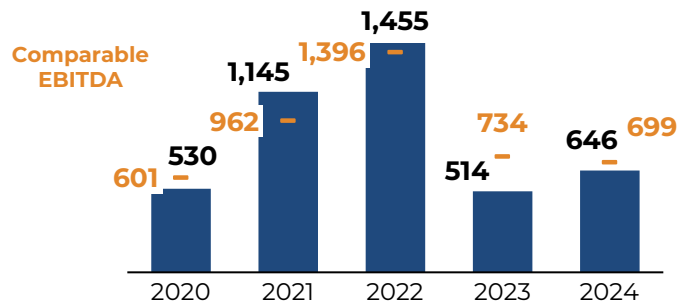
## Sales Volume (KTon)



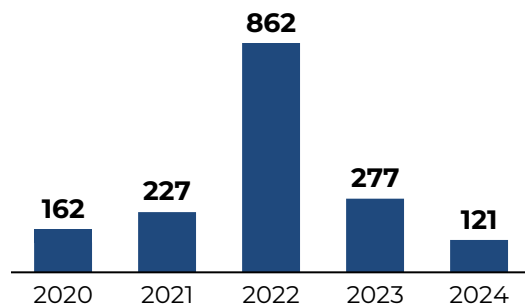
## Revenues (US\$M)



## Reported EBITDA (US\$M)

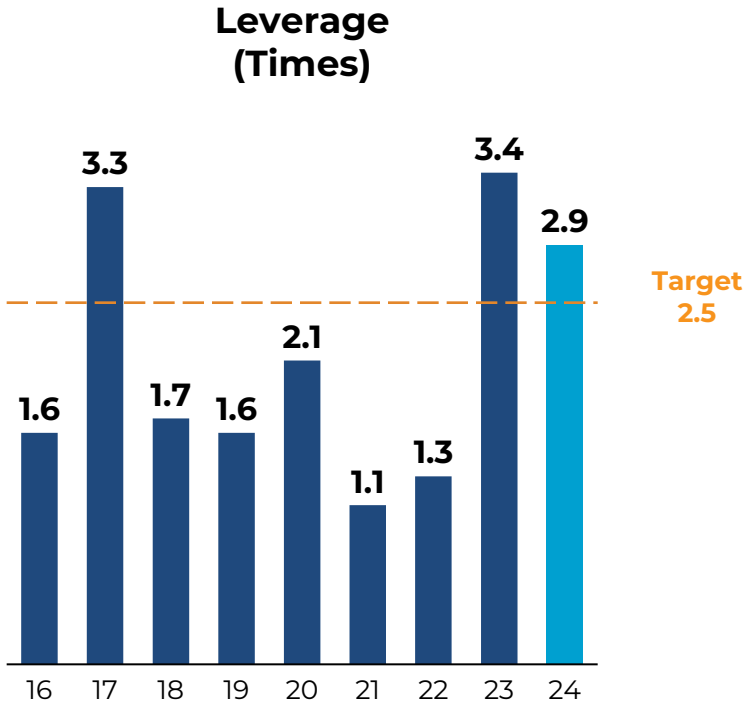
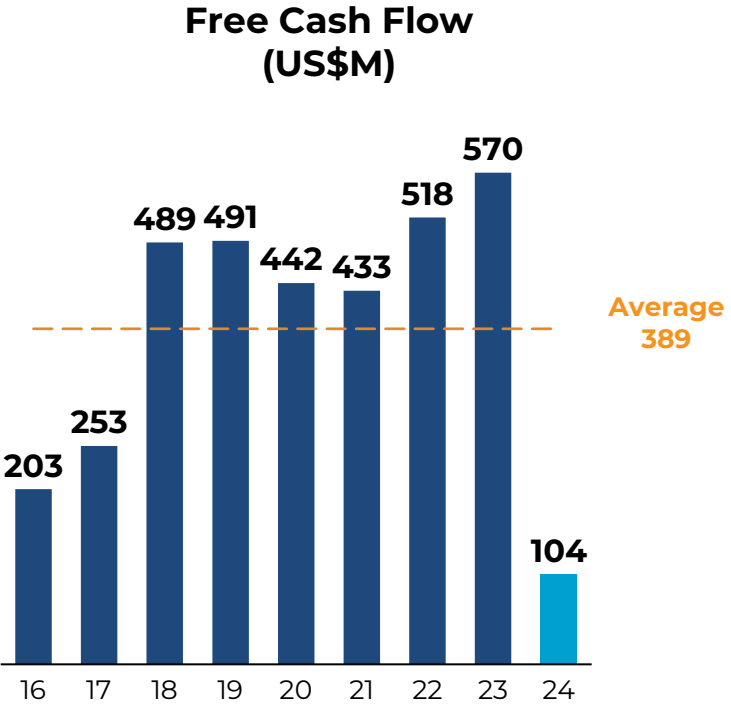


## CAPEX (US\$M)

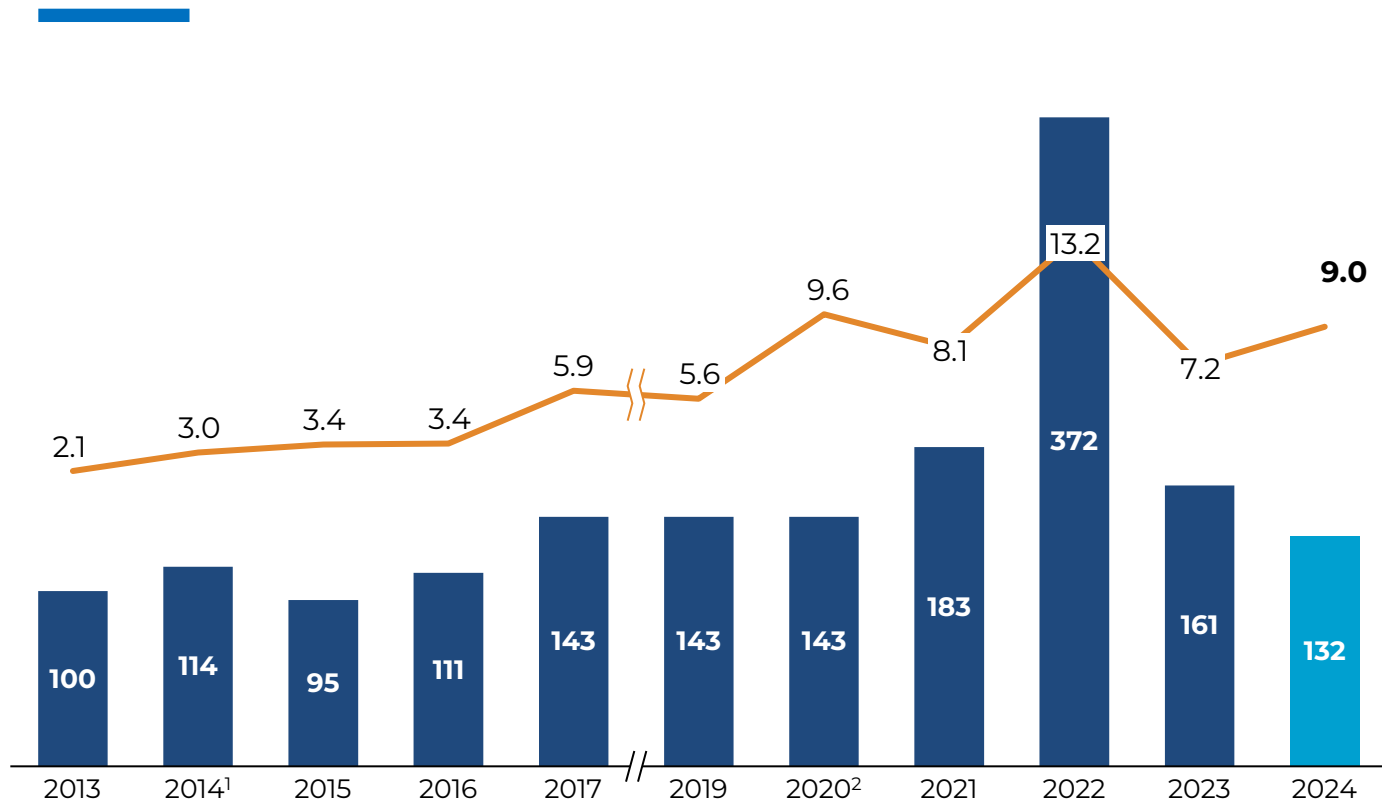




# FREE CASH FLOW GENERATION



# DIVIDENDS



**US\$1,500M**  
delivered to  
Shareholders

**6.5%**  
average  
dividend yield

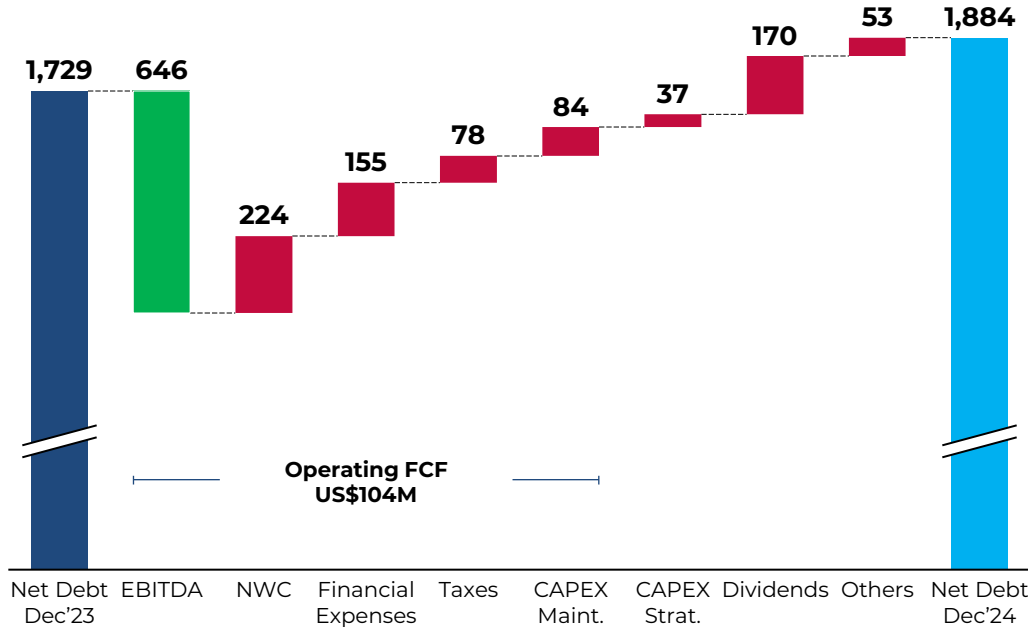
**US\$150M**  
average  
dividend payment

(1) Paid in December 2013

(2) Showing US\$143M Dividend in 2020 (Compensated lack of dividend in 2018)

# FREE CASH FLOW GENERATION

## FCF 2024 (US\$M)



### NWC

Primarily driven by higher volumes.

**-\$224**

### CAPEX

Mainly from scheduled maintenance, 40% lower than original Guidance figure

**\$121**

### DIVIDENDS

Dividend to Shareholders of \$132M in September

**\$170**

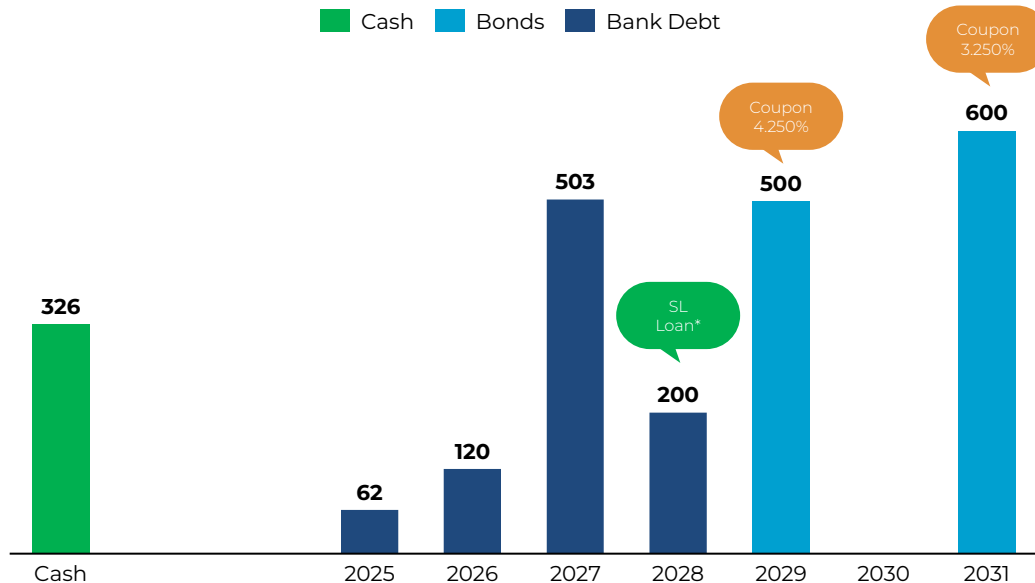
(YTD US\$M)

ND / EBITDA **3.4**

**2.9**

# HEALTHY BALANCE SHEET

## Consolidated Debt Profile (Dec. 2024) (US\$M)



**4.1 YEARS OF DEBT MATURITY**

Solid Credit Ratings

	RATING:	OUTLOOK:
MOODY'S	Baa3	Stable
Fitch Ratings	BBB-	Stable
S&P Global Ratings	BBB-	Stable

Net Debt: US\$1,884M

Gross Debt: US\$2,210M

Available Comm. Credit Lines US\$587M

Note: \*First sustainability-linked loan.  
100% of Debt denominated in USD



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## **ESG PROGRESS**

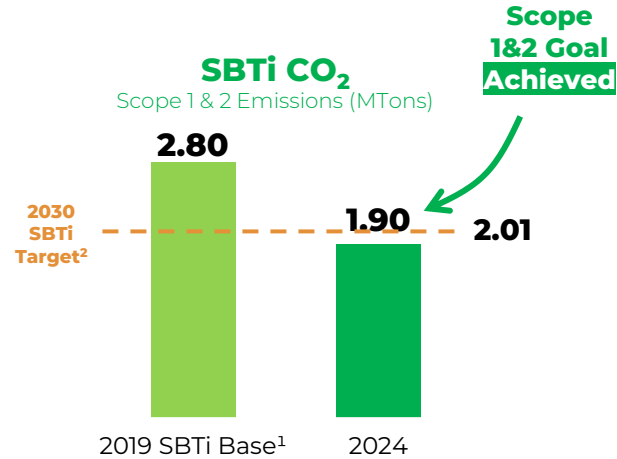
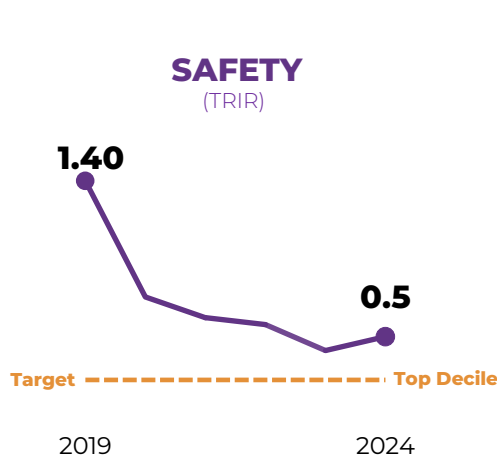
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# CONTINUED PROGRESS TOWARDS OUR MAIN ESG TARGETS



## 0 Accidents

Across 10 Plants

## +4 Years

Without Accidents in PP Business

## 32%

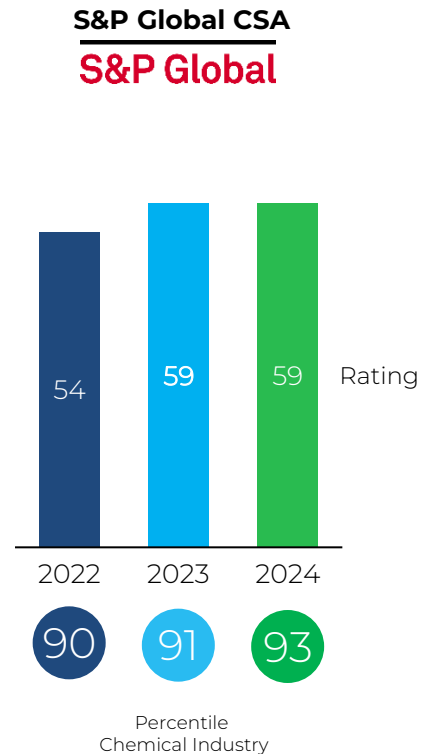
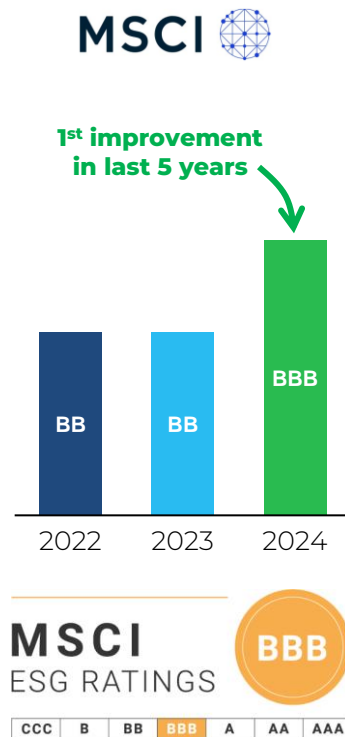
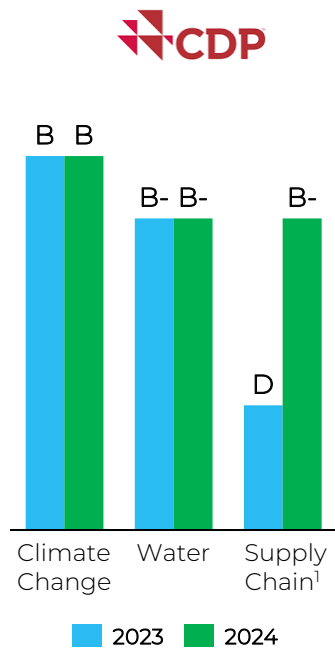
CO<sub>2</sub> Emissions Reduction

## 40%

of our electricity consumption comes from carbon-free energy

(1) Figures include Octal emissions  
(2) Considers 27.5% CO<sub>2</sub> reduction

# IMPROVEMENT IN OUR ESG RATINGS



(1) Change from 2022 to 2023

# BIOVENTO®: ALPEK'S ORGANIC FERTILIZER

## Organic fertilizer produced with microorganisms

### 5 QUALITY PROPERTIES:

1. Turns nitrogen in the air into nutrients that plants easily absorb
2. Increases crop production by 25% on average and quality with fast-assimilating nitrogen (100% yield)
3. Focused on the organic foods market
4. Outstanding performance in customer fields
5. Certificate approved to use for safety in cropping regulations

*Biovento® received all necessary government approvals to begin commercialization in 2024*





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# ALPEK IS PREPARED TO CAPITALIZE ON THE UPSIDE

Our focus remains on solidifying our financial position

## HEADWINDS

- Continuation of industry conditions
- Slower than expected margin recovery
- Economic downturn
  
- N/A

## BASE

- Global overcapacity
- Low margin environment
- Stable demand
  
- Normalized levels for Ocean Freights

## TAILWINDS

- + Accelerated capacity rationalization
- + Improvement in fair trade measures or market recovery
- + Boost in demand supported by a change in consumer trends, regulations and/or trade measures
  
- + Higher levels driven by geopolitical issues



# 2025 GUIDANCE

	METRICS	UNITS	2025 GUIDANCE	2024	CHANGE (VS. 2024)
MARKET	Asia PTA/PET Margin	US\$/Ton	270	297	<b>-9%</b>
	China PTA/PET Margin	US\$/Ton	160	159	<b>+1%</b>
	Polypropylene Margin	cpp	14	15	<b>-7%</b>
FINANCIALS	Volume	Mtons	4.8	4.7	<b>+2%</b>
	Comparable EBITDA <sup>1</sup>	US\$M	625	699	<b>-11%</b>
	CAPEX	US\$M	150	121	<b>+25%</b>
	Net Sales	US\$B	7.80	7.53	<b>+4%</b>

(1) Excludes inventory adjustments and carry-forward effects

# COST REDUCTION INITIATIVES

## Priorities

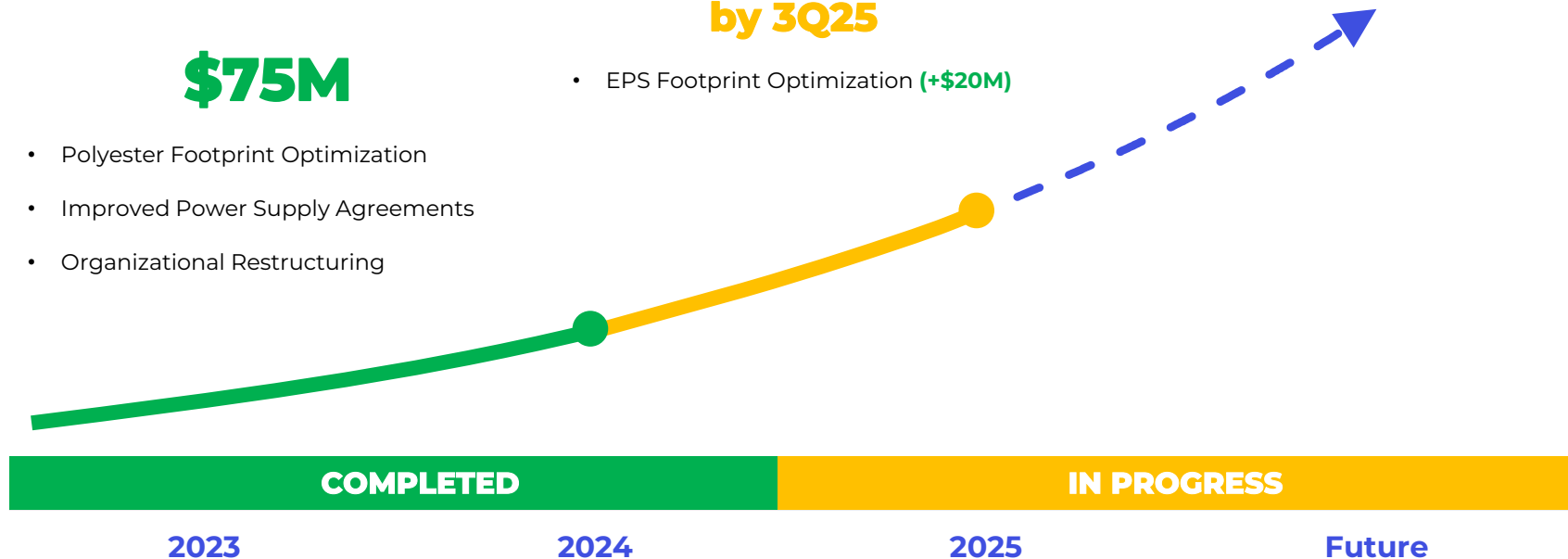
- Improving operative performance
- Reducing fixed & variable costs
- Optimizing footprint

**\$75M**

- Polyester Footprint Optimization
- Improved Power Supply Agreements
- Organizational Restructuring

**\$100M  
by 3Q25**

- EPS Footprint Optimization (+\$20M)



Note: Cost savings calculated on a run-rate annualized basis.

# BEAVER VALLEY FACILITY SHUTDOWN

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- Ceased operations in the BV Facility located in Monaca, Pennsylvania in January 2025.
- Site had an installed capacity of **123,000 tons** of EPS, 2% of Alpek's total assets.
- **Production will be transferred** to other sites in NA.
- Part of our Footprint Optimization efforts. This will enable the Company to capture **\$20 million in additional** savings on a run-rate basis.





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# IT'S IMPORTANT TO KNOW: NOT ALL PLASTICS ARE THE SAME



PET is #1 for a reason

- 1 100% RECYCLABLE
- 2 RECYCLED AT HIGH RATES
- 3 ONLY PLASTIC THAT CAN BE REMADE BACK TO ITS ORIGINAL PURPOSE

HOWEVER, THEY ALL GET BUNDLED TOGETHER,  
**SO LET'S BUILD THE CASE FOR PET!**



# SO MUCH MORE THAN JUST BOTTLES

PET IS A BIG PART OF OUR LIVES AND IS PRESENT  
IN MANY OF THE THINGS WE USE EVERY DAY

You can easily identify PET products, just look for the !

WATER BOTTLES



PERSONAL CARE  
PACKAGING



SAFETY GOGGLES



SODA BOTTLES



JACKETS



FRUIT PACKAGING



SPORT SHIRTS



JUICE BOTTLES



FOOD PACKAGING



ANTIBACTERIAL GEL BOTTLES

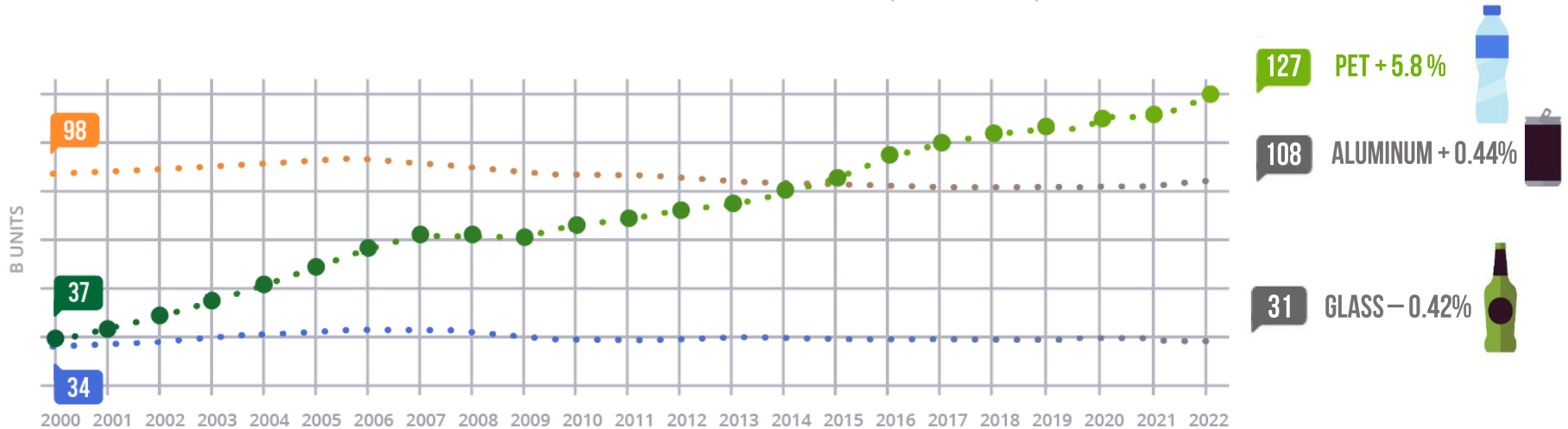


FACEMASKS



# THE LEADING BEVERAGE PACKAGING MATERIAL, CAGR OF 5.8% SINCE 2000

BEVERAGE PACKAGING INDUSTRY UNITS BY SUSTRATE (B UNITS )



127 PET + 5.8% 

108 ALUMINUM + 0.44% 

31 GLASS - 0.42% 



# PET'S CARBON FOOTPRINT IS 80% LOWER THAN GLASS OR ALUMINUM

WHICH MAKES IT THE RIGHT CHOICE  
FOR THE ENVIRONMENT (YES, REALLY)

*Let's put it into  
perspective»*



37 gr. CO<sub>2</sub>  
**1.0X**



182 gr. CO<sub>2</sub>  
**4.9X**



187 gr. CO<sub>2</sub>  
**5.1X**



CARBON FOOTPRINT OVER LIFECYCLE, PER 355 ML. BOTTLE.

# PET'S CARBON FOOTPRINT IS 80% LOWER THAN GLASS OR ALUMINUM

WHICH MAKES IT THE RIGHT CHOICE  
FOR THE ENVIRONMENT (YES, REALLY)

*Let's put it into  
perspective»*



10 gr. CO<sub>2</sub>  
**1.0X**



31 gr. CO<sub>2</sub>  
**3.0X**



90 gr. CO<sub>2</sub>  
**9.0X**



...THAT GETS EVEN BIGGER WHEN USING RECYCLED MATERIALS!

CARBON FOOTPRINT OVER LIFECYCLE, PER 355 ML. BOTTLE.

# JUST THINK ABOUT THE TEMPERATURE NEEDED TO PRODUCE PET VS. ALUMINUM OR GLASS:

GLASS IS MADE AT TEMPERATURES HOTTER THAN LAVA.

2,800°F



1,200°F



ALUMINUM IS MADE AT A TEMPERATURE HOTTER THAN THE SURFACE OF VENUS.

PET IS MADE AT THE SAME TEMPERATURE NEEDED TO MAKE A NICE SLICE OF PIZZA.

480°F





The CO<sub>2</sub> emissions generated by  
**1 PERSON** flying from NYC to San Francisco

is equal to that from recycling **29,600** PET bottles

ENOUGH TO ENJOY A DRINK WITH EVERY ONE OF  
YOUR MEALS FOR **THE NEXT 30 YEARS**



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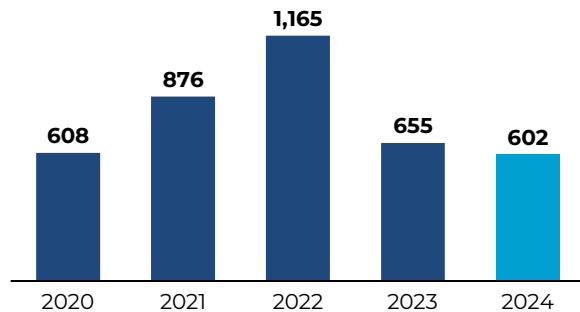
THE CASE FOR PET



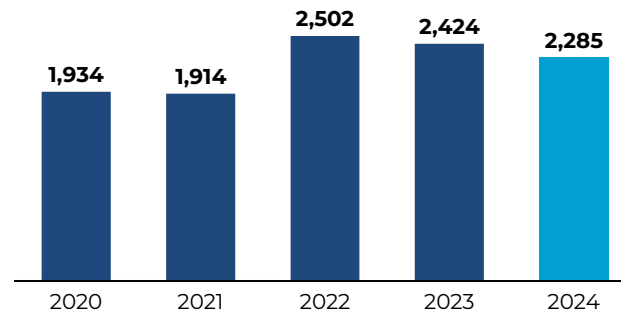
**APPENDIX**

# BALANCE SHEET ACCOUNTS

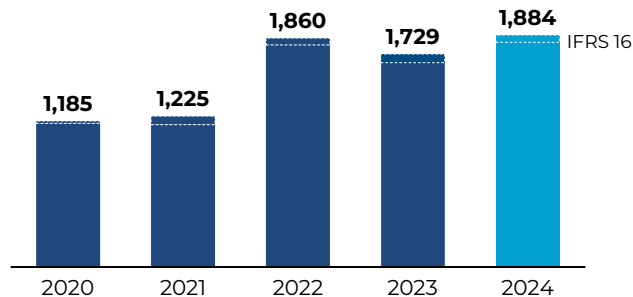
## Net Working Capital (US\$M)



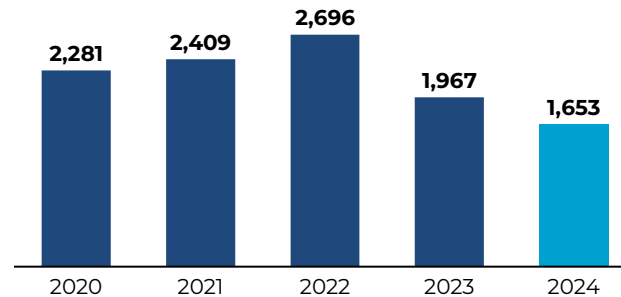
## Property, Plant and Equipment (US\$M)



## Net Debt (US\$M)

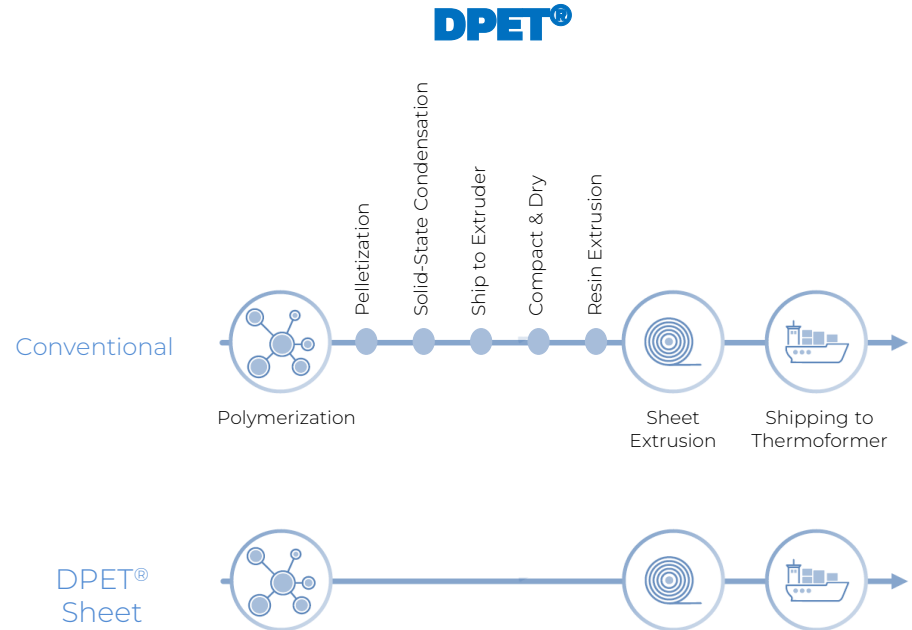


## Stockholders' Equity (US\$M)



# STATE-OF-THE-ART TECHNOLOGY

Low-cost production & Patents



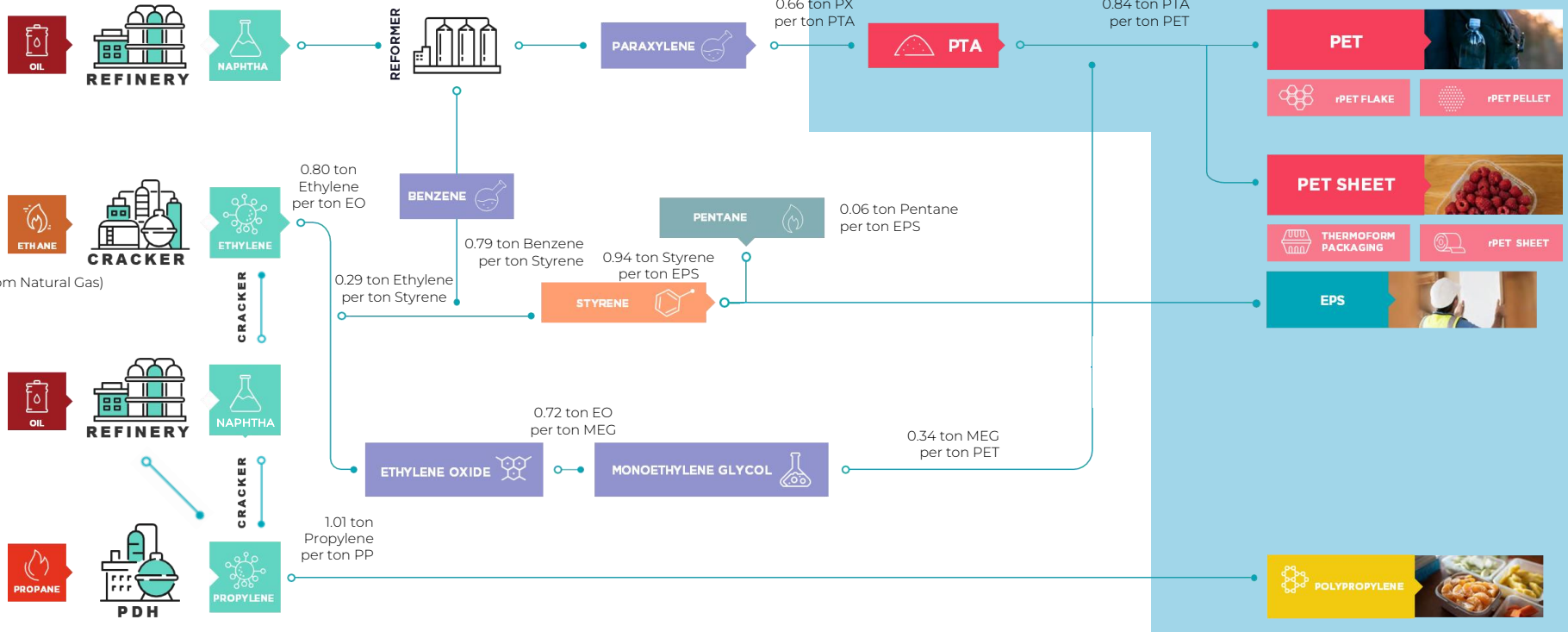


# OUR GLOBAL FOOTPRINT

Country	Site	PTA	PET		rPET			PP	EPS	Other
			Resin	Sheet	Flake	Pellet	SPT			
Mexico (2,790)	Altamira	1,000						640	240	
	Cosoleacaque	610	185				15			
	Lerma									100
USA (2,409)	Fayetteville, NC		170		64					
	Columbia, SC	640	725							
	Bay St. Louis, MS		430				15			
	Richmond, IN				66	31				
	Darlington, SC					26				
	Painesville, OH								45	
	Cincinnati, OH			33						
Canada (144)	Reading, PA				115	49				
	Montreal		144							
Argentina (246)	Zárate		190							
	Pacheco				22	15				
	General Lagos								19	
Brazil (1,136)	Guaratingueta								46	
	Ipojuca	640	450							
Chile (28)	Santiago									5
	Puerto Montt									2
	Punta Arenas									1
	Concon								20	
Oman (1,072)	Salalah		576	400		48	48			
Saudi Arabia (11)	Riyadh									11
UK (220)	Wilton		220							
<b>Capacity Kta:</b>		<b>2,890</b>	<b>3,090</b>	<b>433</b>	<b>268</b>	<b>169</b>	<b>78</b>	<b>640</b>	<b>493</b>	<b>119</b>

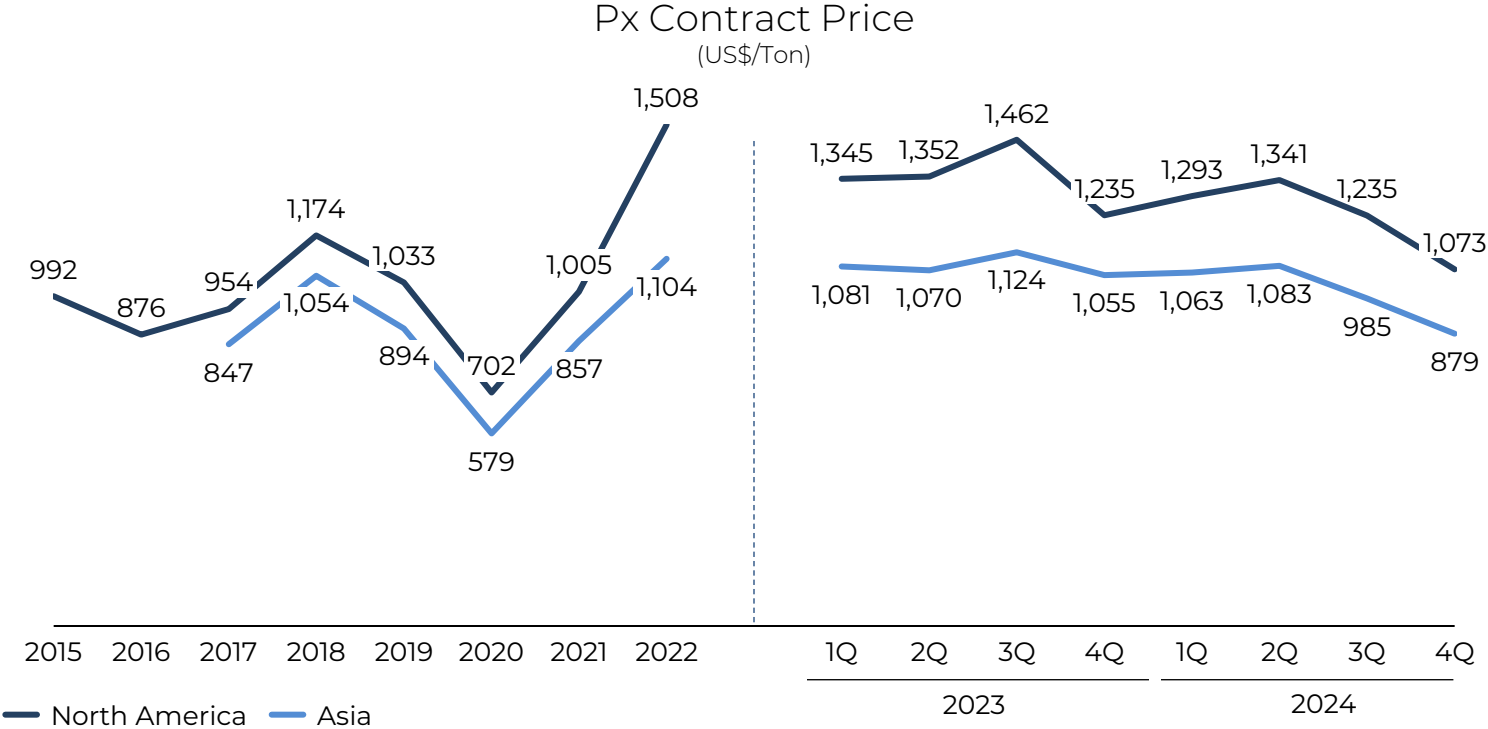
Note: rPET flake capacity modified in 2021 to reflect inputs / totals may reflect rounding.  
Kta: Thousand tons per year Source: Alpek estimates

# OUR VALUE CHAIN



# RELEVANT REFERENCES | PARAXYLENE

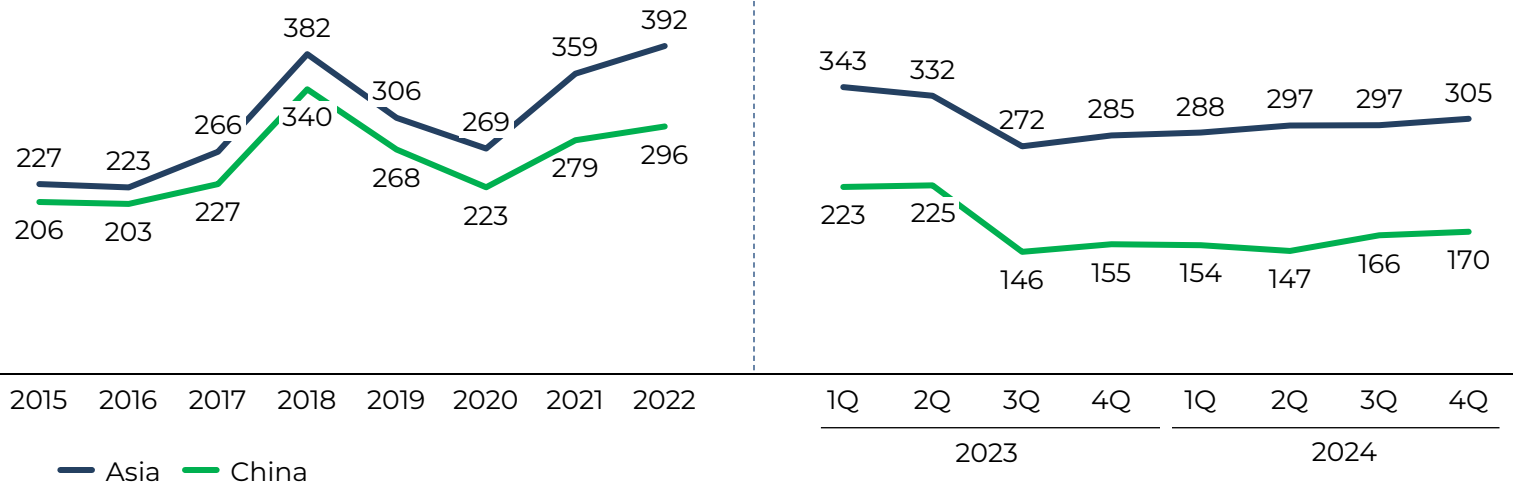
Px disconnection decreased to \$194 per ton



# RELEVANT REFERENCES | INTEGRATED PET MARGINS

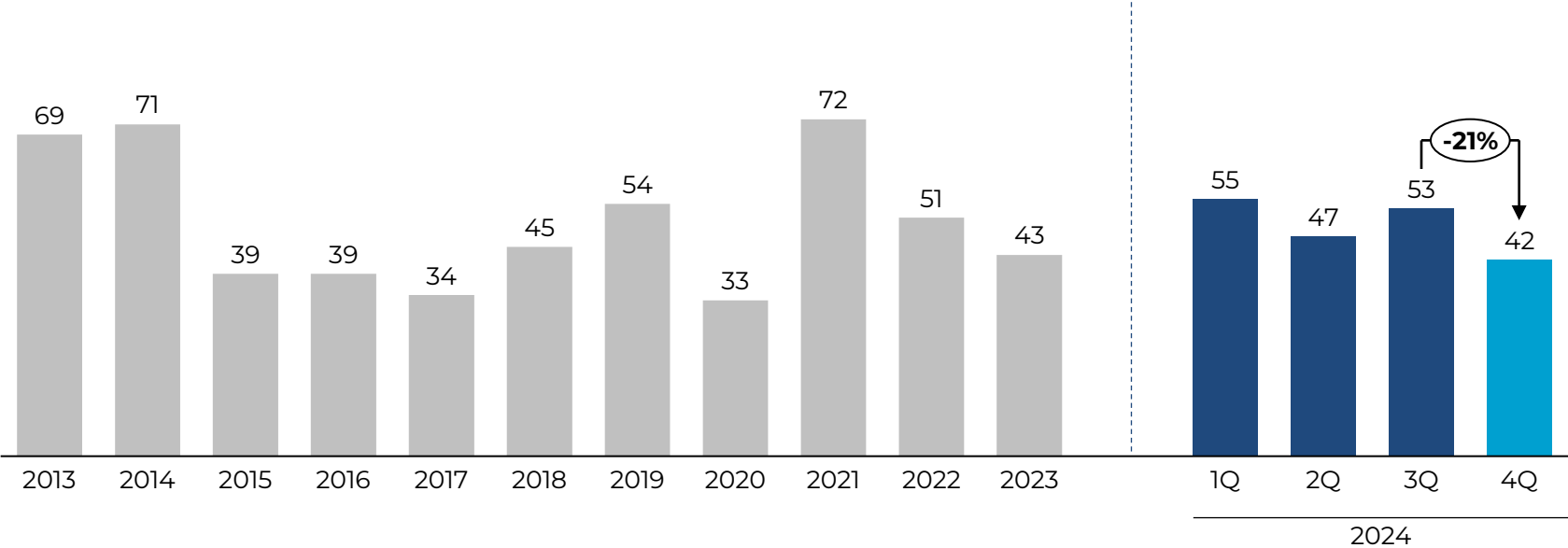
Stability throughout 2024

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



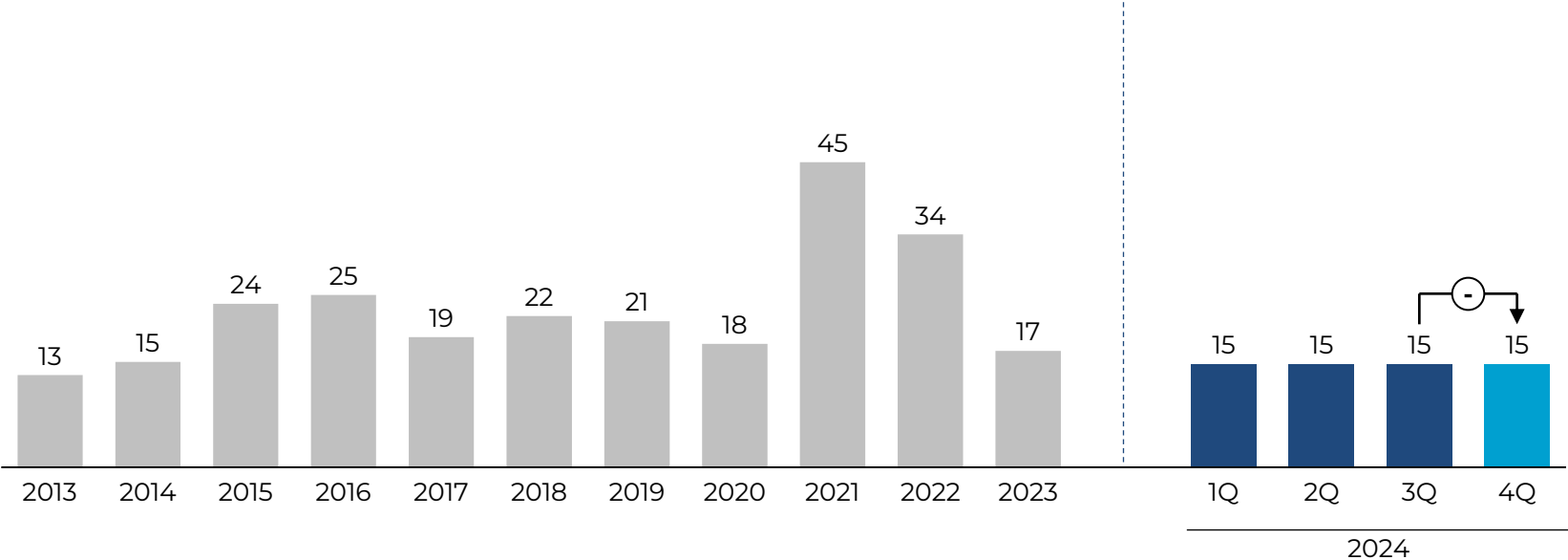
# RELEVANT REFERENCES | PROPYLENE

NA Propylene Contract Price | PGP  
(cpp)



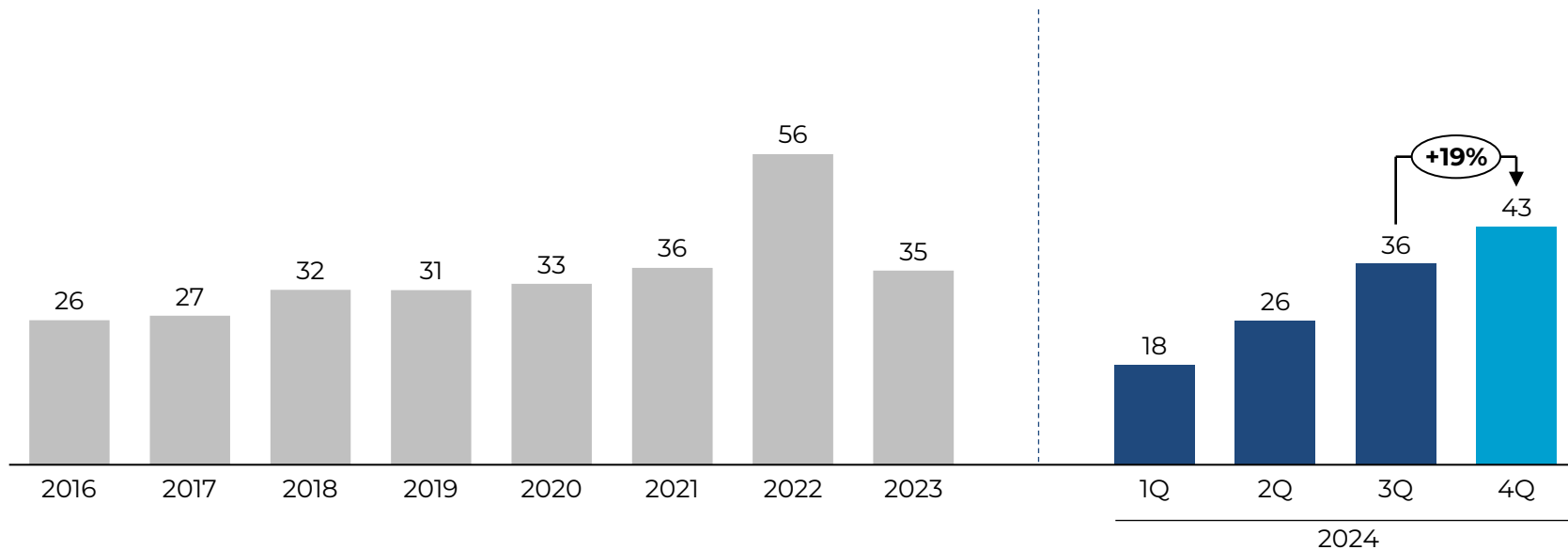
# RELEVANT REFERENCES | POLYPROPYLENE MARGINS

NA Polypropylene Margins | PP to PGP  
(cpp)



# RELEVANT REFERENCES | EPS REFERENCE MARGINS

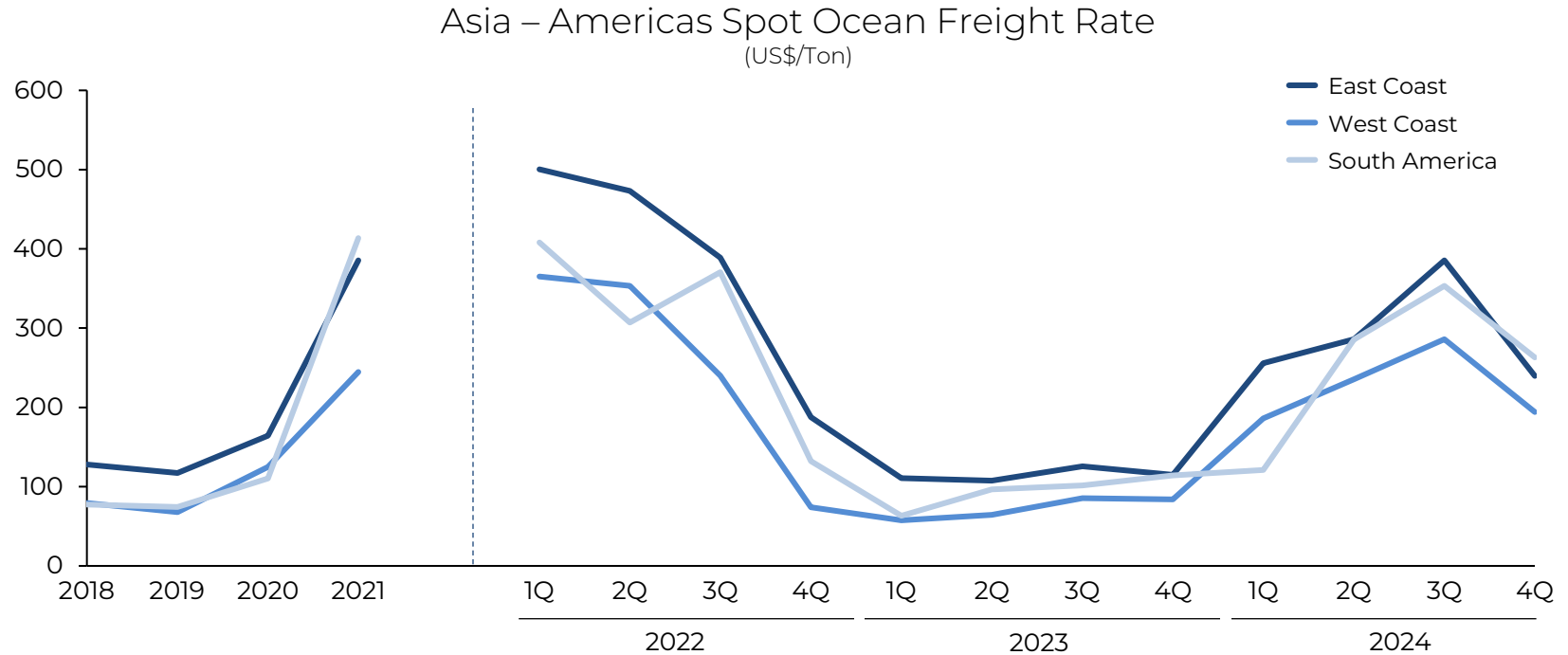
NA EPS Margin | EPS to Styrene  
(cpp)





# OCEAN FREIGHT PRICES

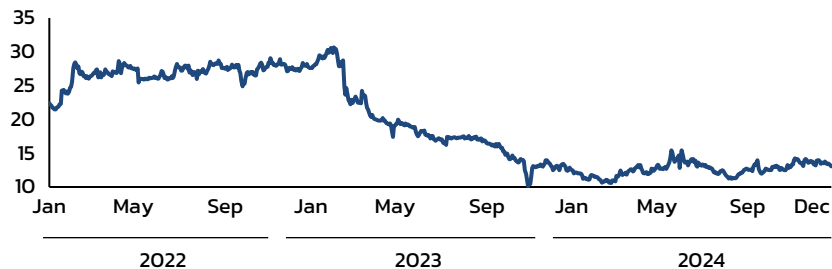
Trending back to historical levels



Source: SCFI, prices based on 20-foot containers with 24-ton capacity from Shanghai to U.S. East Coast, West Coast & South America

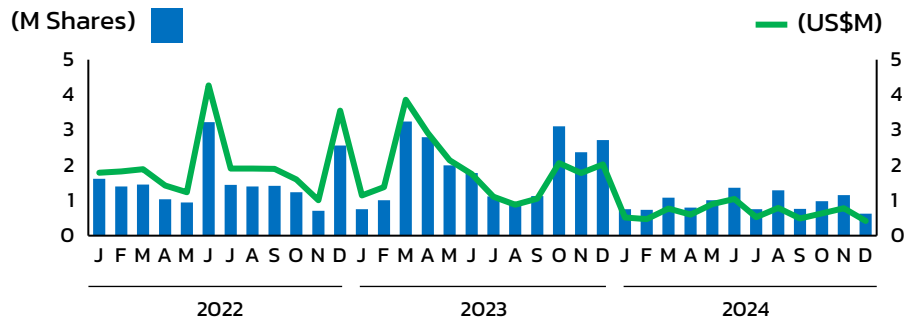
# STOCK HIGHLIGHTS (BMV: ALPEK)

## Daily Stock Price (MXN)



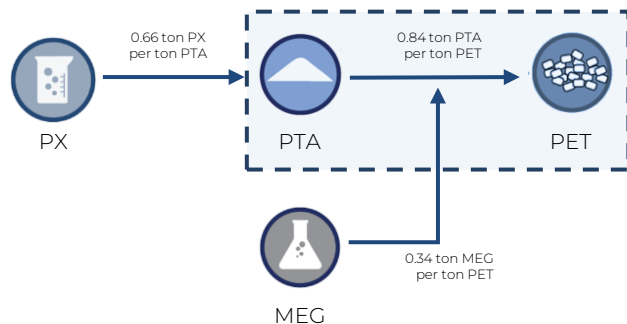
Valuation	2021	2022	2023	2024
Market Cap. (US\$M)	2,282	2,810	2,208	1,456
Net Debt (US\$M)	1,225	1,860	1,729	1,884
EBITDA LTM (US\$M)	1,145	1,455	514	646
Enterprise Value / EBITDA	3.3	3.4	8.2	5.6
Price / Earnings	4.5	3.6	-3.8	-755.5
Price per Share (MXN)	21.92	26.84	18.61	12.64
Exchange Rate (MXN/USD)	20.28	20.13	17.77	18.30

## Daily Average Traded Shares & Value (M Shares)



# HOW TO: INTEGRATED PET REFERENCE MARGINS

Methodology based on public information (Bloomberg)



Product Bloomberg Ticker	Unit	Price (Illustrative)
<b>PET</b> MERSPENA Index	US\$ / PET ton	<b>890</b>
<b>PTA</b> PTI Comdty	US\$ / PTA ton	<b>710</b>
<b>Px</b> MATXSSEA Index	US\$ / Px ton	<b>785</b>
<b>MEG</b> POLIMESE Index	US\$ / MEG ton	<b>610</b>

## Three-Step Guide

$$\text{PET Margin} = \text{PET Price} - (\text{Yield}_{\text{PET from PTA}} * \text{PTA Price}) - (\text{Yield}_{\text{PET from MEG}} * \text{MEG Price})$$

1

<b>86</b>	<b>890</b>	<b>0.84</b>	<b>710</b>	<b>0.34</b>	<b>610</b>
US\$ / PET ton	US\$ / PET ton	PTA ton / PET ton	US\$ / PTA ton	MEG ton / PET ton	US\$ / MEG ton

$$\text{PTA Margin} = \text{PTA Price} - (\text{Yield}_{\text{PTA from Px}} * \text{Px Price})$$

2

<b>192</b>	<b>710</b>	<b>0.66</b>	<b>785</b>
US\$ / PTA ton	US\$ / PTA ton	Px ton / PTA ton	US\$ / Px ton

$$\text{PET Int. Margin} = \text{PET Margin} + (\text{Yield}_{\text{PET from PTA}} * \text{PTA Margin})$$

3

<b>247</b>	<b>86</b>	<b>0.84</b>	<b>192</b>
US\$ / PET ton	US\$ / PET ton	PTA ton / PET ton	US\$ / PTA ton

## One-Step Shortcut

$$\text{PET Int. Margin} = \text{PET Price} - (\text{Yield}_{\text{PET from PTA}} * \text{Yield}_{\text{PTA from Px}} * \text{Px Price}) - (\text{Yield}_{\text{PET from MEG}} * \text{MEG Price})$$

<b>247</b>	<b>890</b>	<b>0.84</b>	<b>0.66</b>	<b>785</b>	<b>0.34</b>	<b>610</b>
US\$ / PET ton	US\$ / PET ton	PTA ton / PET ton	Px ton / PTA ton	US\$ / Px ton	PET ton / MEG ton	US\$ / MEG ton

Key:

Ref. Price

Yield

Result

# CONTACT US FOR ADDITIONAL INFORMATION



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# FOURTH QUARTER 2024

Institutional Presentation

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**FEBRUARY 2025**