



**THIRD QUARTER 2021**

CORPORATE PRESENTATION



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## **ALPEK AT A GLANCE**

*KEY INVESTMENT HIGHLIGHTS*

*RECENT FINANCIAL RESULTS*

*ESG AT A GLANCE*

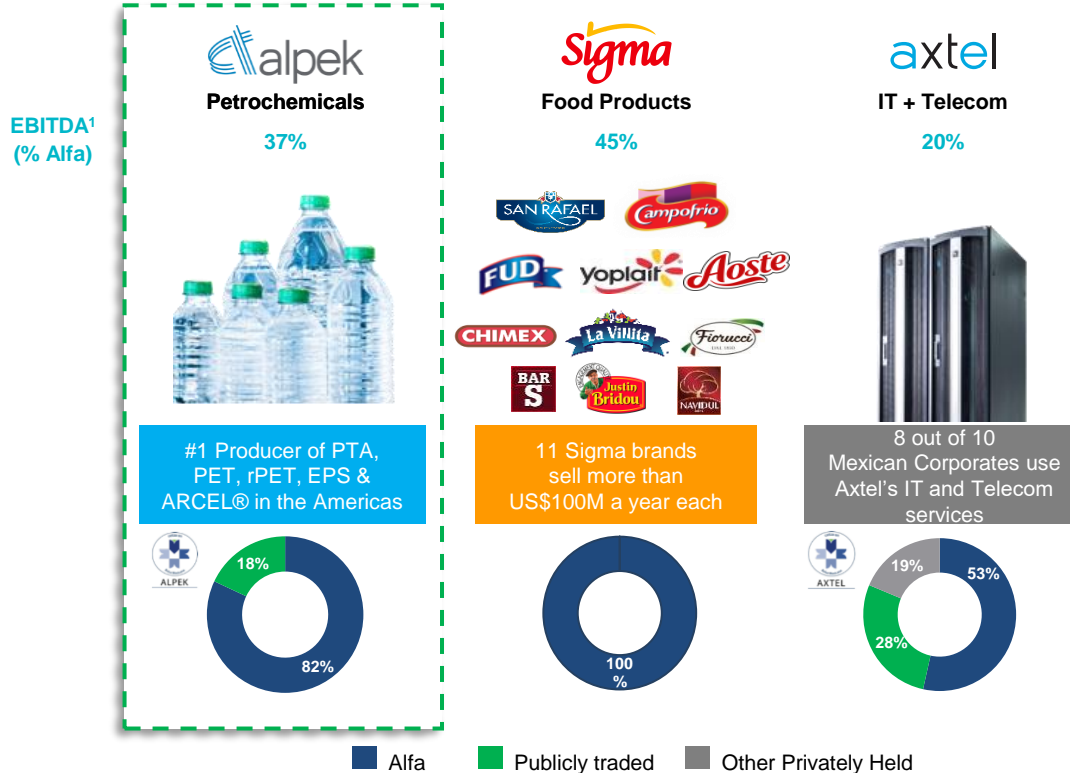
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# ALPEK IS A LARGE COMPONENT OF ALFA'S PORTFOLIO OF COMPANIES

Alfa posted US\$12.3B in Revenues & US\$1.5B in EBITDA<sup>1</sup>



(1) Nemak has discontinued operations. Figures as of December 31, 2020  
Source: Alpek



# ALPEK IS ONE OF THE LARGEST PETCHEMS IN THE AMERICAS

Strong portfolio of resilient products across two main segments

'20 Revenues<sup>1</sup>:

US\$5.3B

'20 Comparable  
EBITDA<sup>1</sup>:

US\$601M

Dec. '20 Net Debt /  
Reported EBITDA<sup>1</sup>:

2.1x

Polyester (75% Sales)<sup>2</sup>

Plastics & Chemicals (22% Sales)<sup>2</sup>

PTA, PET  
& rPET

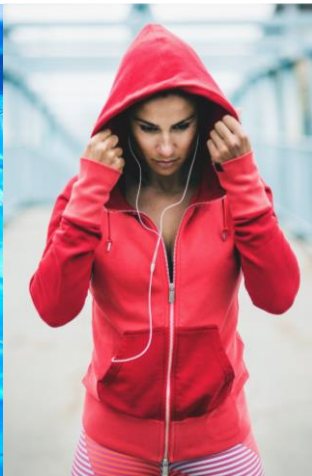
Polyester  
Fibers

Polypropylene  
(PP)

Expandable Styrenics  
(EPS & ARCEL®)

Caprolactam  
(CPL)

Specialty Chemicals  
& Fertilizers



(1) Figures for the year ended December 31, 2020;

(2) Sales revenue for the year ended December 31, 2020; additional 3% represented by other small business

Source: Alpek

# OUR FOOTPRINT NOW SPANS 32 PLANTS ACROSS 7 COUNTRIES

Over 8.2 million tons and more than 6,300 employees worldwide

## Installed capacity breakdown (Kta)

Country	Site	PTA	PET	rPET							CPL	Other	
				Flake	Pellet	SPT	Fibers	PP	EPS	Arcel			
Mexico (3,395 Kta)	Monterrey						160						
	Altamira	1,000							640	240			
	Salamanca										85	360	
	Cosoleacaque	610	185			15							
USA (2,829 Kta)	Lerma											100	
	Fayetteville, NC		170	64									
	Charleston, SC		170			15	150						
	Columbia, SC	640	725										
	Bay St. Louis, MS		430										
	Richmond, IN			66									
	Darlington, SC					31							
	Monaca, PA								123	36			
Canada (144 Kta)	Painesville, OH								45				
	Reading, PA			115	49								
Argentina (246 Kta)	Montreal		144										
	Zárate		190										
Brazil (1,226 Kta)	Pacheco			22	15								
	General Lagos								19				
Chile (28 Kta)	Guaratingueta								46				
	Ipojuca	640	450				90						
United Kingdom (350 Kta)	Santiago											5	
	Puerto Montt											2	
	Punta Arenas											1	
	Concon							20					
	Wilton		350										
<b>Total Capacity: 8,220 Kta</b>		<b>2,890</b>	<b>2,814</b>	<b>268</b>	<b>95</b>	<b>31</b>	<b>400</b>	<b>640</b>	<b>493</b>	<b>36</b>	<b>85</b>	<b>468</b>	



- Polyester
- P&C

Note: rPET flake capacity modified in 2Q21 to reflect inputs / totals may reflect rounding.  
Kta: Thousand tons per year  
Source: Alpek estimates





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# INVESTMENT HIGHLIGHTS

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- 
- A hand is shown holding a clear plastic water bottle with a blue cap. The bottle is partially filled with water. The background is slightly blurred, showing what appears to be a person's arm and hand. The overall scene is brightly lit, suggesting an indoor setting.
- 1 Market leadership positions across all our products in the Americas
  - 2 Consumer-oriented product portfolio reduces exposure to volatility
  - 3 Proven track record of growth across all parts of the cycle
  - 4 State-of-the-art technology resulting in low-cost position
  - 5 Clear strategy & catalysts executed by experienced management team
  - 6 Strong ESG efforts have captured opportunities from Circular Economy

# ALPEK HOLDS LEADING INDUSTRY POSITIONS FOR ALL ITS PRODUCTS

## Polyester Industry Position<sup>1</sup> by Product



## P&C Industry Position<sup>1</sup> by Product



(1) Industry position is based on installed capacity and reflects market position as of December 31, 2020. (2) Polyester Staple Fiber (excluding filaments)  
Source: PCI and Alpek estimates

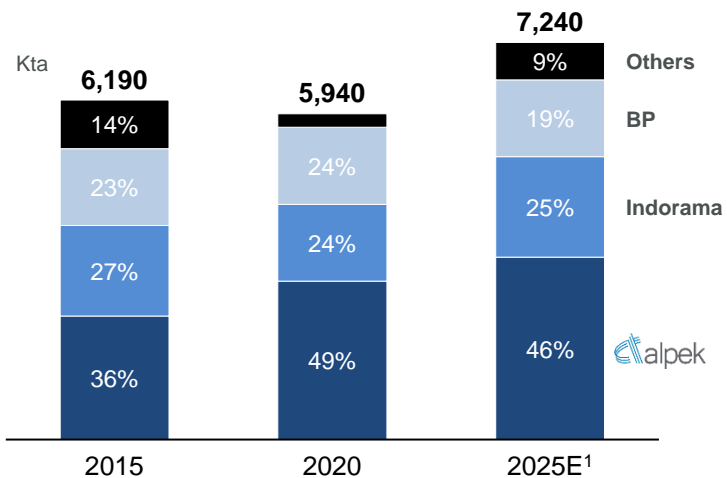




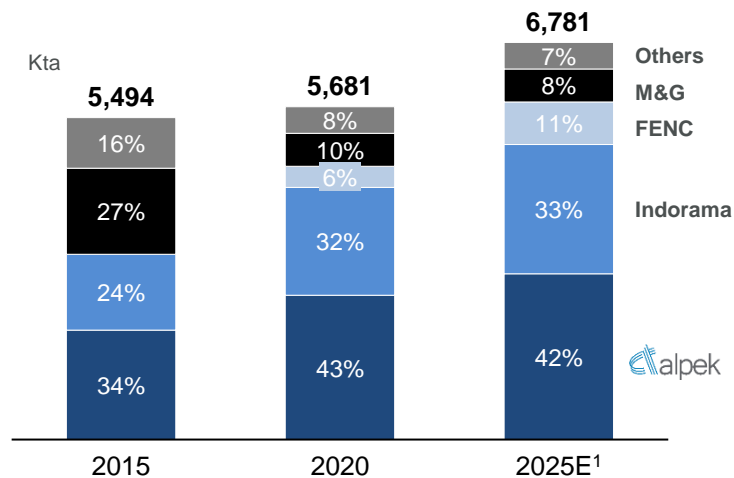
# ALPEK IS THE LARGEST PTA-PET PRODUCER IN AMERICAS

Market has consolidated & become increasingly organized over time

## The Americas PTA Capacity Share (%)



## The Americas PET Capacity Share (%)



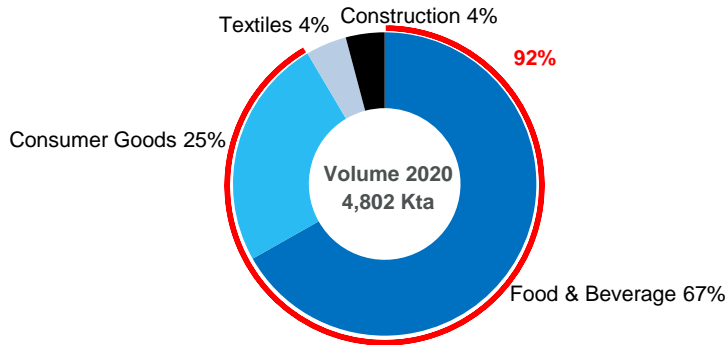
(1) Includes CC Polymers  
Source: Alpek & Wood Mackenzie



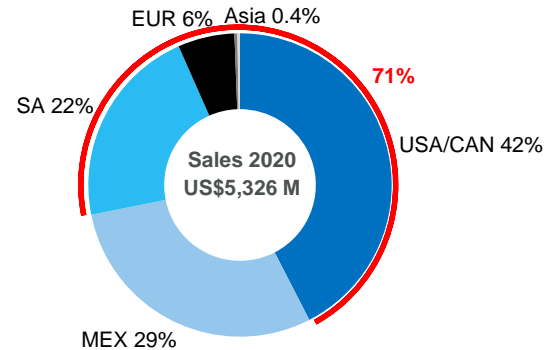
# RESILIENT END-MARKETS ACCOUNT FOR 92% OF VOLUME

97% of Alpek's sales are dollar based

## Volume by Industry 2020<sup>1</sup>



## Sales Geography 2020<sup>1</sup>



## Sample End Users by Industry



(1) Volume and sales breakdown for data for the year ended December 31, 2020.

Kta: Thousand tons per year

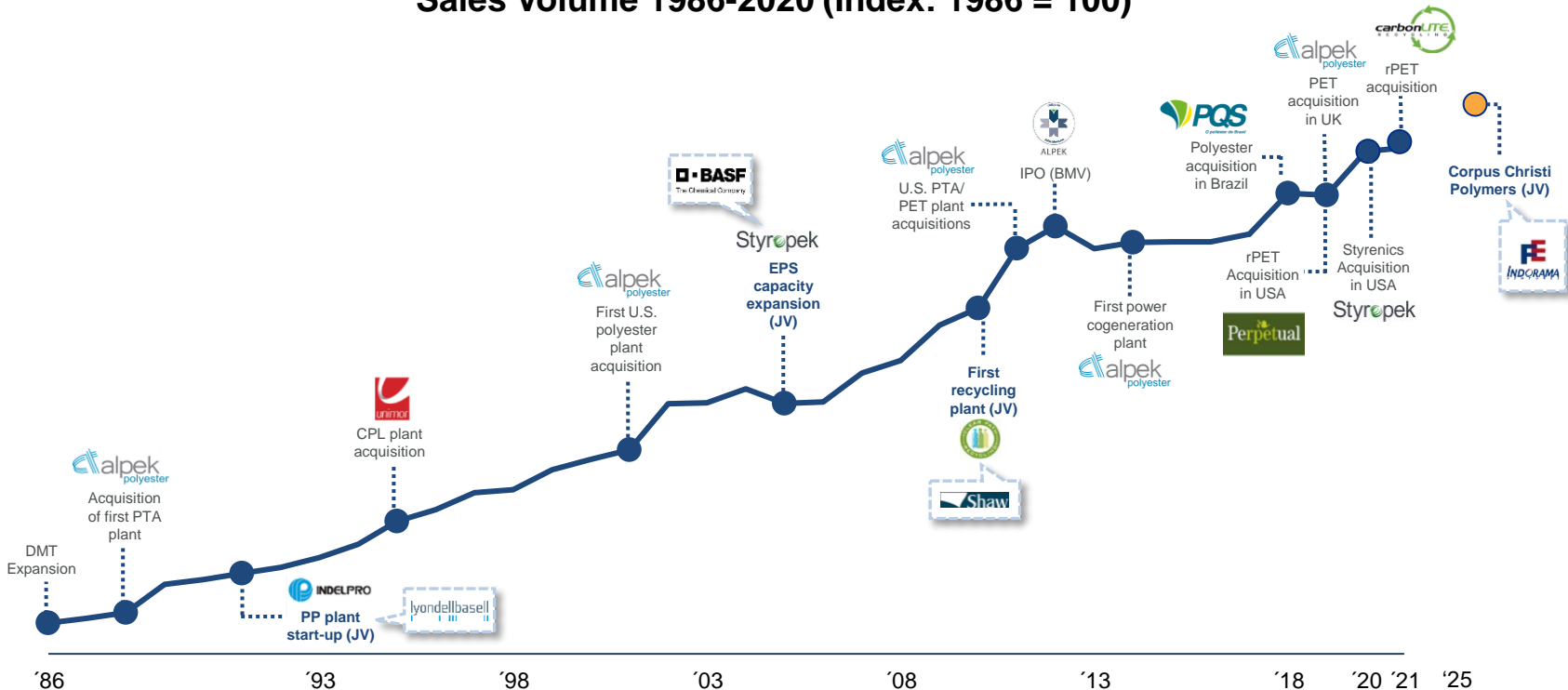
Source: Alpek



# ALPEK HAS CONTINUED GROWING AT 8.6% CAGR SINCE 1986

Constant growth at different points of the industry cycle

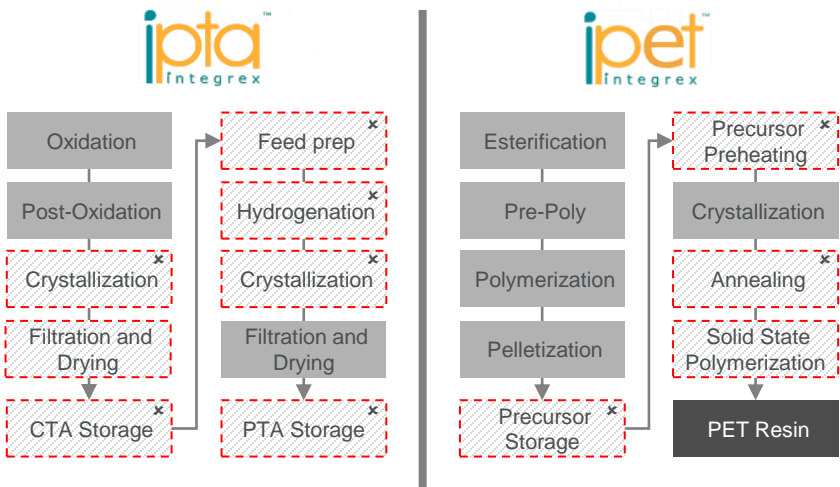
## Sales Volume 1986-2020 (Index: 1986 = 100)



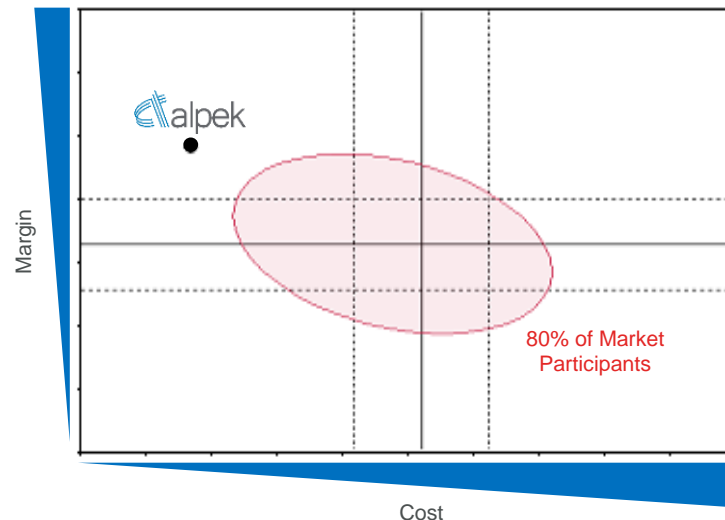
# STATE-OF-THE-ART TECH, STRATEGICALLY LOCATED ASSETS & LOW-COST LOGISTICS YIELD LOW-COST POSITION IN INDUSTRY

Continuous investment in own technology has improved Alpek's cost position (i.e. IntegRex)

 Steps eliminated with IntegRex®



World scale production facilities make Alpek the low-cost producer in The Americas (i.e. PP)



# LONG-TERM STRATEGY IS BASED AROUND 3 KEY PILLARS

## STRENGTHEN CORE BUSINESS

GROWTH CATALYSTS

### Global Cost Improvement

Zero-Based Budgeting & process innovation  
(Mainly Operations, Logistics & SG&A)

### Value-added Products

Shift to products with higher margins &  
barriers to entry (PET, Copolymers and others)

### FCF Generation

Reductions to CAPEX & NWC / Recover M&G  
Mexico debt

### Footprint Optimization

Ensure global production grows across  
optimal sites & logistic networks

## Foster Product Circularity

Increase PET bottle recycling capacity to 300  
thousand annual metric tons by 2025 and  
develop chemical recycling solutions &  
biodegradable alternatives for EPS & PP

## Opportunities from Reducing CO<sub>2</sub> Emissions

Reduce emissions by 27.5% by 2030 and reach  
carbon neutrality by 2050 through energy  
reduction projects, migrating energy contracts  
to renewables & developing offsetting projects  
(i.e. CO<sub>2</sub> capture)

GROWTH CATALYSTS

## CAPTURE ESG-RELATED OPPORTUNITIES

## STRATEGIC & FOCUSED GROWTH

GROWTH CATALYSTS

### Value Chain Integration

Grow capacity selectively &  
integrate into value chain (Px, EPS)

### Product Innovation

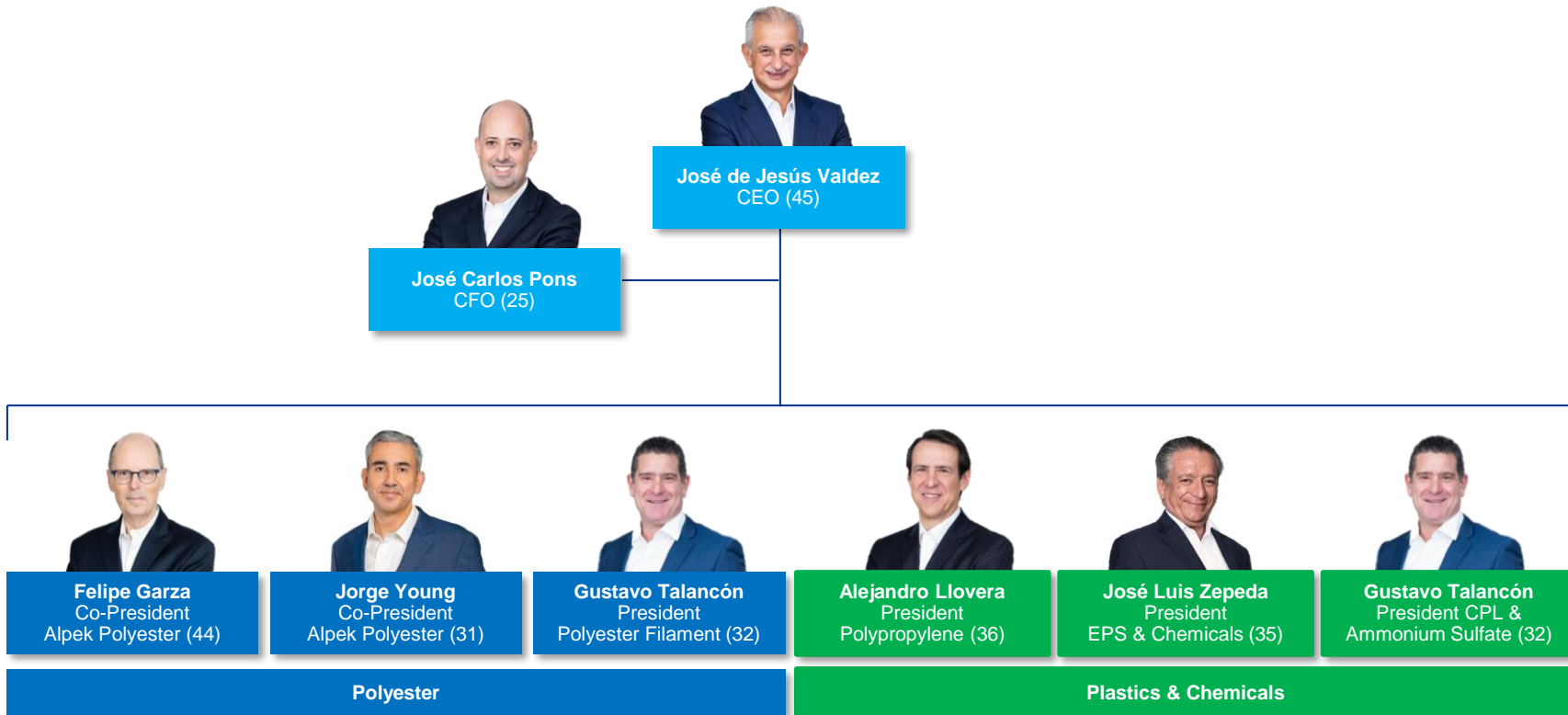
New products & business lines  
(Natural Gas Commercialization,  
Biovento, PLA & others)

### Maximize Value from CCP

Optimize project timing & minimize  
CAPEX

# MGMT. WITH 30+ YEARS AVERAGE EXPERIENCE IN PETCHEM

Clear strategy & culture of empowerment ensure efficient operations





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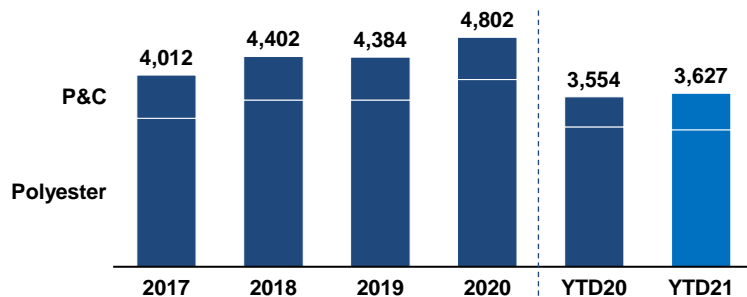
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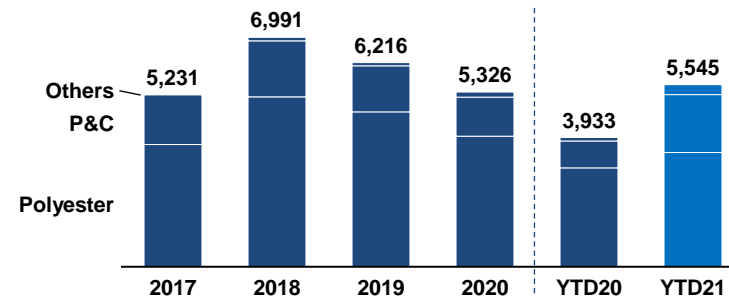
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# RECENT FINANCIAL RESULTS

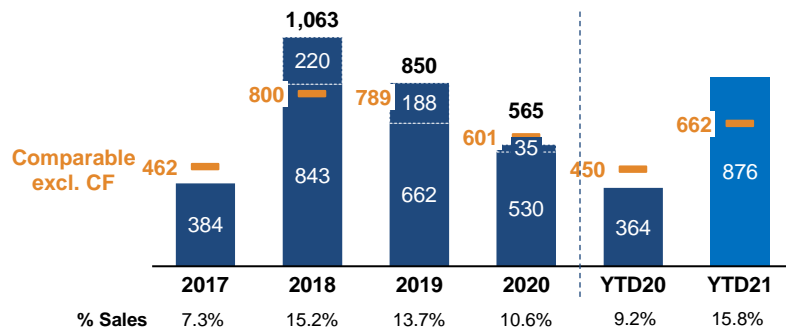
## Sales Volume (KTon)



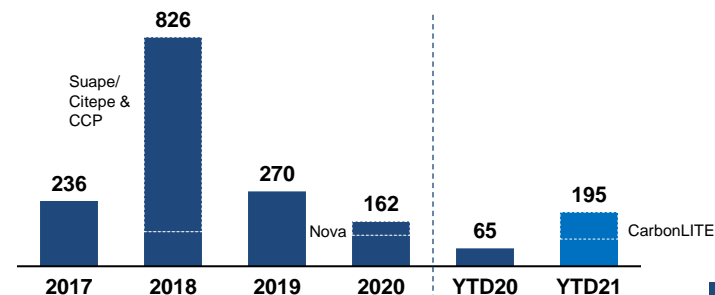
## Revenues (US\$M)



## Reported EBITDA (US\$M)

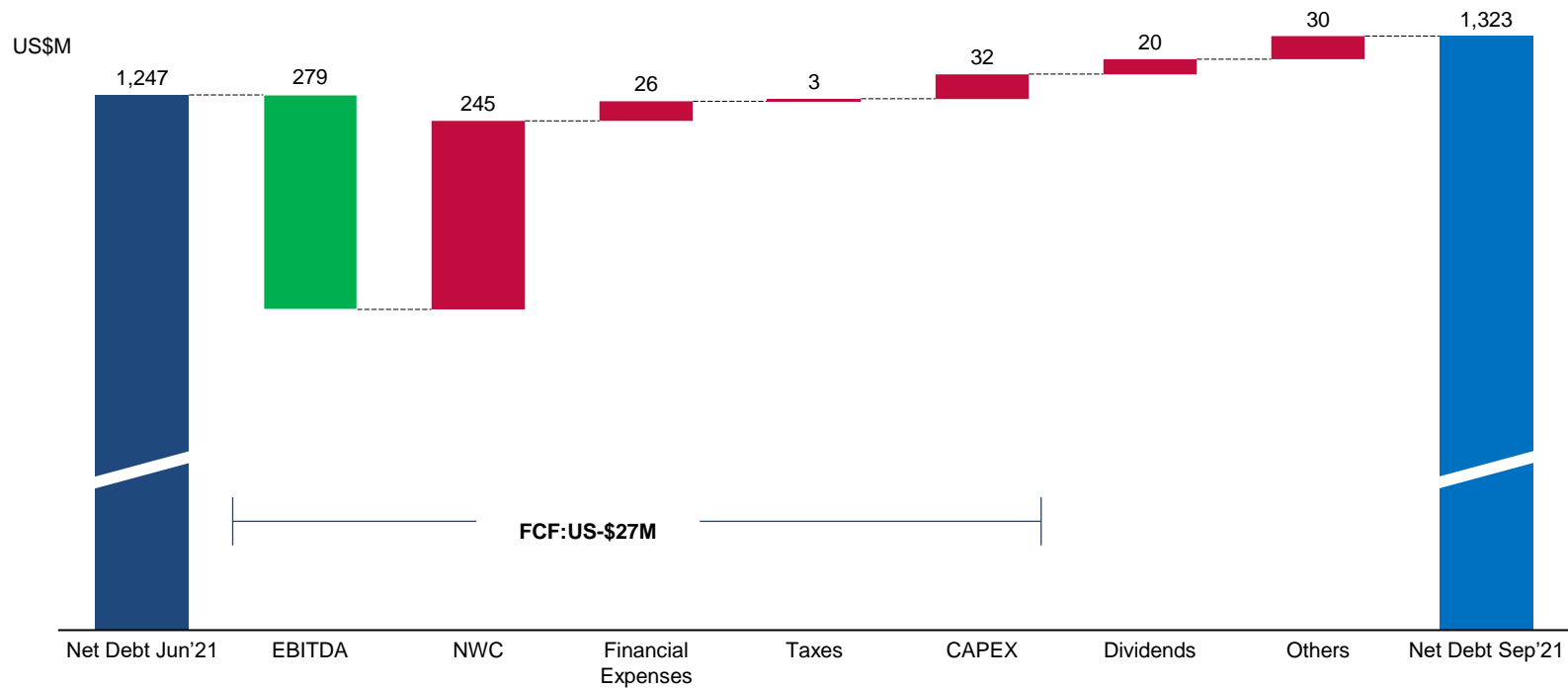


## CAPEX (US\$M)

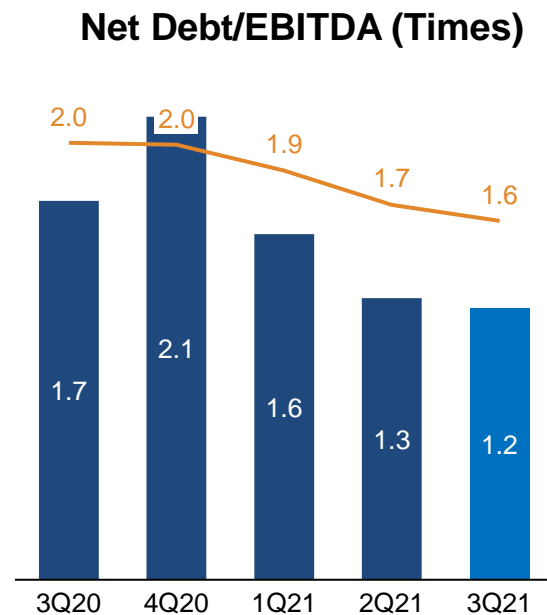
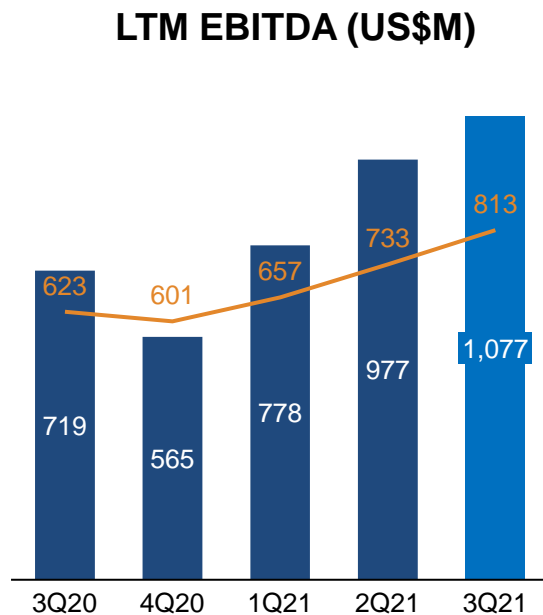
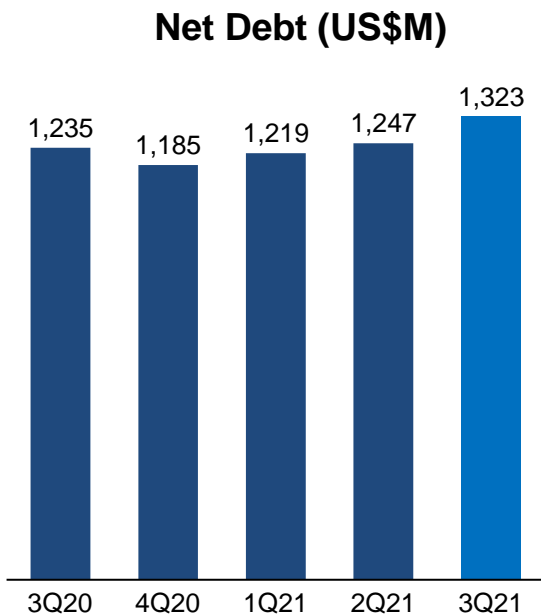




# FREE CASH FLOW GENERATION



# NET DEBT & LEVERAGE



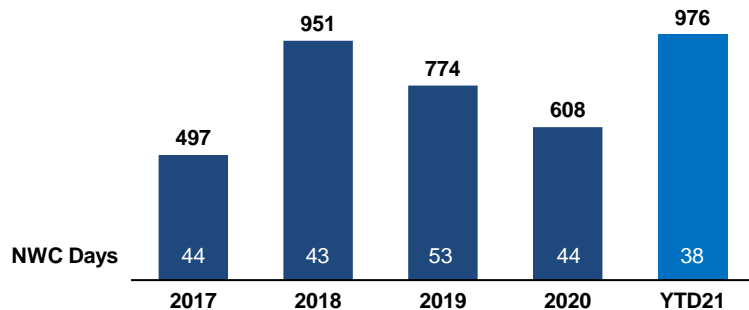
— Comp. EBITDA

— Net Debt / Comp. EBITDA

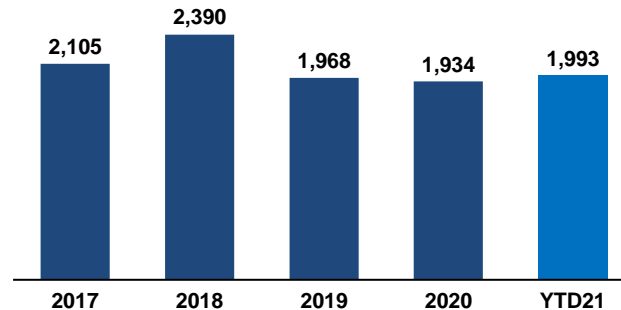


# BALANCE SHEET ACCOUNTS

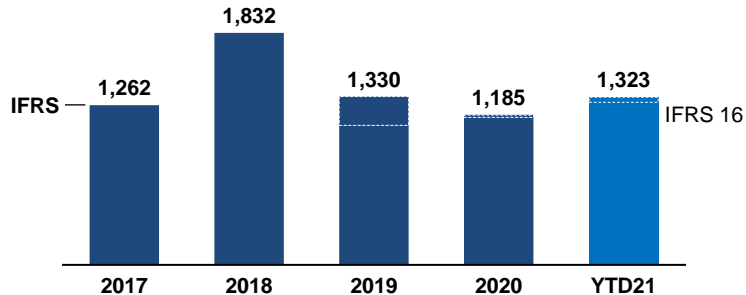
## Net Working Capital<sup>1</sup> (US\$M)



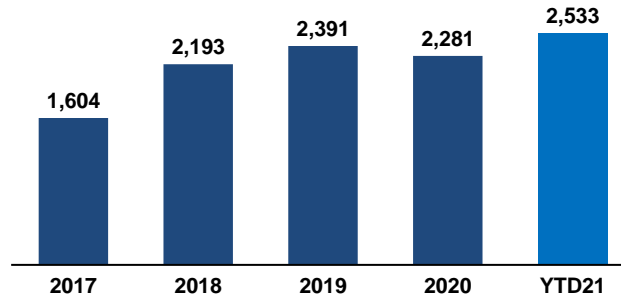
## Property, Plant and Equipment (US\$M)



## Net Debt<sup>2</sup> (US\$M)



## Stockholders' Equity (US\$M)



(1) Net Working Capital = Accounts receivable + Other accounts receivable + Inventories - Suppliers - Other accounts payable and accrued expenses

(2) Net Debt = Bank loans and notes payable + Current portion of long-term debt + Long term debt - Cash

Source: Alpek estimates

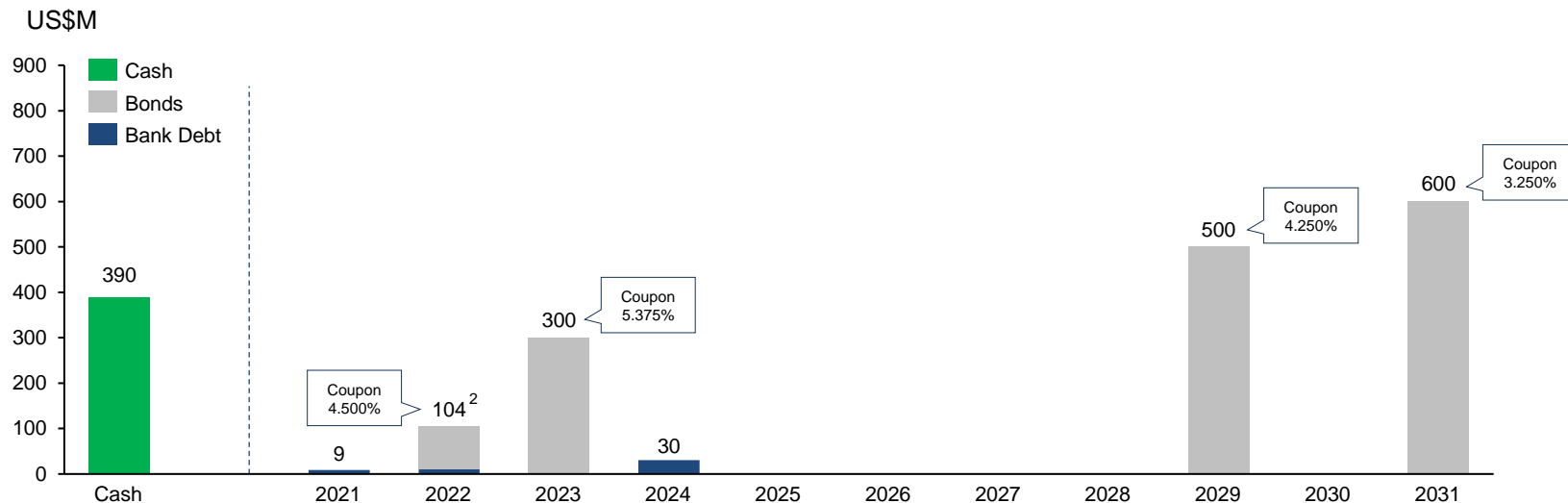


# DEBT PROFILE

100% of Debt denominated in USD<sup>1</sup> / Debt average life @ 6.8 years<sup>1</sup>

<b>Net Debt:</b>	<b>US\$1,323M</b>	<b>Gross Debt:</b>	<b>US\$1,713M</b>	<b>Available Comm. Credit Lines</b>	<b>US\$630M</b>
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## Consolidated Debt Profile<sup>1</sup> (Sep. 2021)

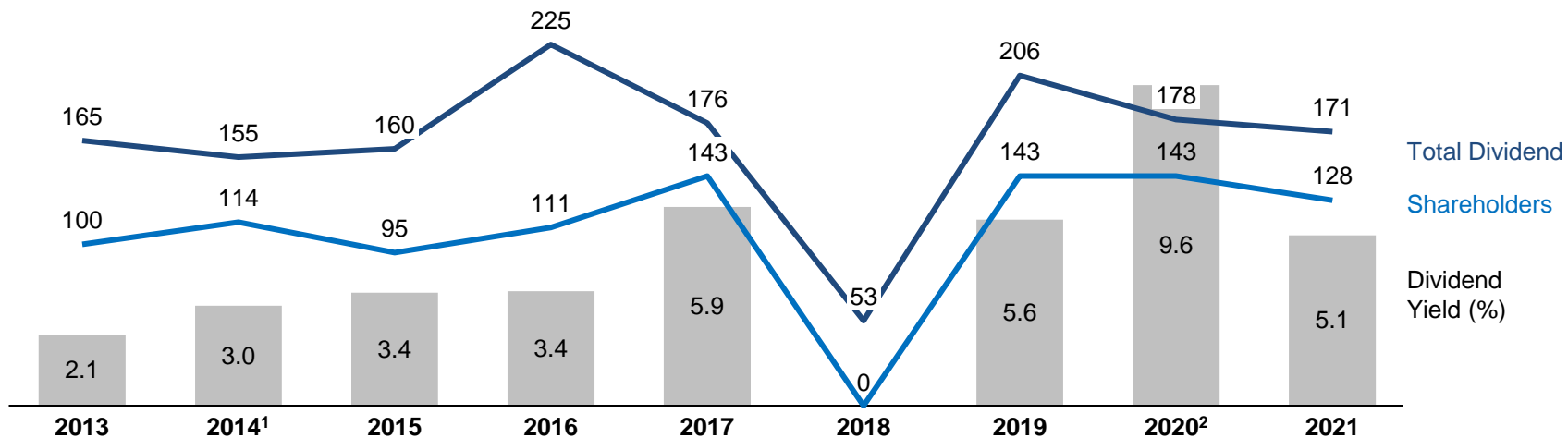


(1) Excludes leases, documents and accrued interests  
(2) Includes US\$94M Bond and US\$10M Short-term Bank Debt



# DIVIDENDS

## Alpek Dividends (US\$M)



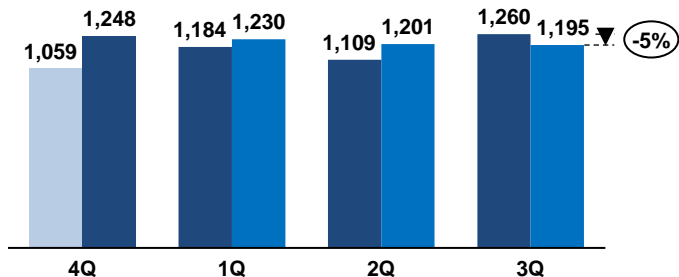
(1) Paid in December 2013

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

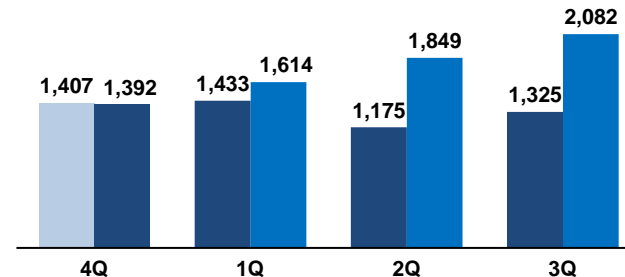


# RESULTS BY QUARTER

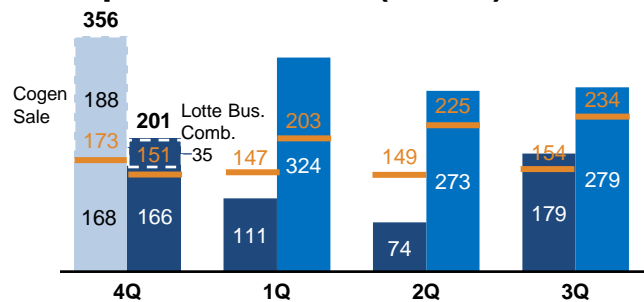
## Sales Volume (KTon)



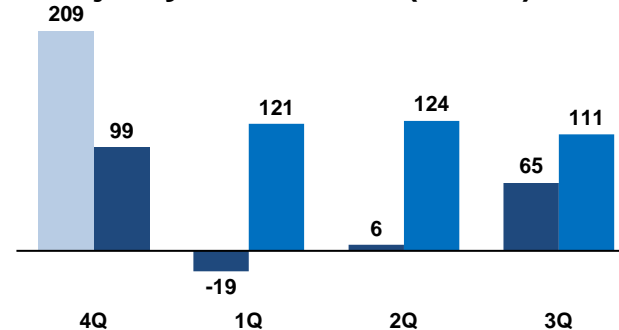
## Revenues (US\$M)



## Reported EBITDA (US\$M)



## Majority Net Income (US\$M)

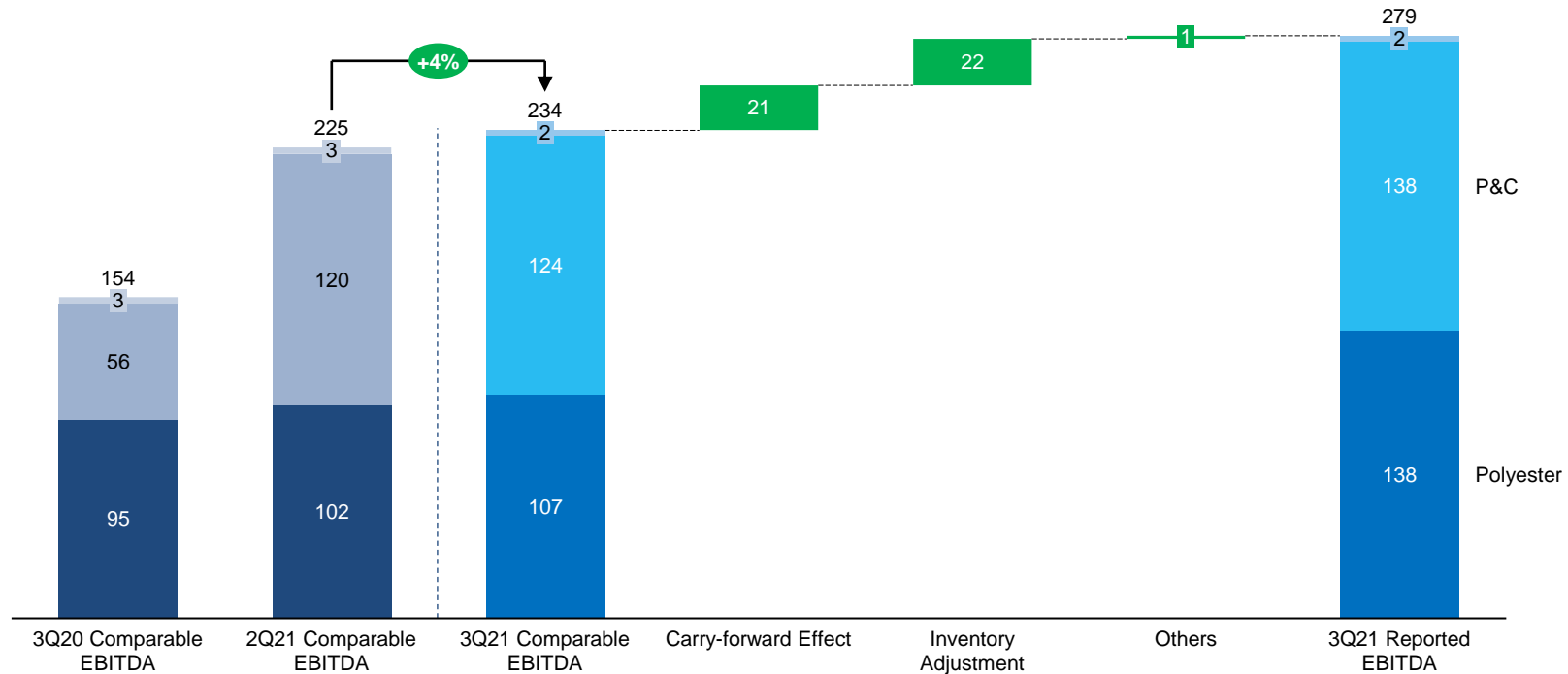


■ 2019   
 ■ 2020   
 ■ 2021   
 — Comparable EBITDA



# EBITDA BREAKDOWN

## 3Q21 EBITDA (US\$M)



# BREAKDOWN OF EXTRAORDINARY EFFECTS

M dls	2021				2020				Delta			
	1Q	2Q	3Q	YTD	1Q	2Q	3Q	YTD	1Q	2Q	3Q	YTD
Reported EBITDA	324	273	279	876	111	74	179	364	214	199	100	513
Inventory Adjustment	(63)	(18)	(22)	(103)	17	42	(16)	43	(80)	(60)	(7)	(147)
Carry-forward effect	(58)	(29)	(21)	(109)	20	39	(6)	52	(78)	(68)	(15)	(161)
Others	0	(1)	(1)	(2)	0	(6)	(3)	(9)	0	5	2	7
Comparable EBITDA	203	225	234	662	147	149	154	450	56	76	80	212





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# PROJECT EVERGREEN | ESG MODEL

## LEAD WITH EMPATHY

- OCCUPATIONAL SAFETY
- DIVERSITY, EQUITY & INCLUSION (DEI)
- COMMUNITY ENGAGEMENT

## EMBRACE CHANGE

- INNOVATION
- ACTIVE ESG RISK MANAGEMENT
- SUSTAINABLE CORPORATE GOVERNANCE

## GROW RESPONSIBLY

- CIRCULARITY
- CYBERSECURITY
- POLLUTION
- RELATIONSHIP WITH CUSTOMERS & SUPPLIERS

## MAXIMIZE RESOURCE EFFICIENCY

- CARBON EMISSIONS & ECO-EFFICIENCY
- WATER MANAGEMENT

*We empower our people to create value for our company and communities*

*We actively monitor our changing environment and find new ways to tackle emerging problems*


*We rely increasingly on sustainable business practices across our entire value chain to create value for our shareholders*

*We strive to minimize any adverse effects from our products and processes*

# PROJECT EVERGREEN | MAIN TARGETS & ACTION PLAN

## A. CIRCULARITY

### WHY IT MATTERS

 Our planet's resources are finite. Improperly disposed goods end up in oceans and landfills. It is our responsibility to make sure our products are fully integrated into the circular economy.

### OUR TARGET

PET: "Alpek plans to increase its PET bottle recycling capacity to 300 thousand annual metric tons by 2025 to meet its customers' recycled content needs."

PP: "Alpek will leverage its partnerships to develop chemical recycling solutions for Polypropylene and increase its share of Copolymers, employed in long-term usage applications."


EPS: "Alpek will focus on long-term usage applications for EPS, develop biodegradable alternatives for the F&B market, and work on making chemical recycling viable."

### WHAT WE'RE DOING

- Continue growing post-industrial (EPS/PP) and post-consumer (PET) waste recycling capacities
- Evaluate technology for chemical recycling & biodegradability (All)

## B. CARBON EMISSIONS + ECO-EFFICIENCY

### WHY IT MATTERS

 Increased energy consumption and reliance on fossil-based fuels have resulted in a global warming effect. We share in the responsibility to help limit temperature increases by 2030.

### OUR TARGET


"Alpek is committed to The Paris Agreement. We are targeting an SBT-certified Scope 1 and 2 emissions reduction of 27.5% by 2030 (2019 base), reaching carbon neutrality by 2050, and will begin measuring our Scope 3 emissions."

### WHAT WE'RE DOING

- Migrate energy contracts to renewables
- Find more CO<sub>2</sub> reduction projects at BUs
- Evaluate CO<sub>2</sub> offsetting technologies
- Include CO<sub>2</sub> shadow pricing in valuation
- Request Suppliers' Scope 3 emissions

## C. OCCUPATIONAL SAFETY

### WHY IT MATTERS

 Our people are our most important asset. Ensuring their safety and well-being will always be our first priority.

### OUR TARGET

"Alpek plans to reach a Total Recordable Incident Rate (TRIR) for its employees and contractors in the top decile of its industry, though its goal remains to achieve zero accidents every single day."

### WHAT WE'RE DOING

- Increase reporting of incidents & near-misses at C-Suite level
- Seek safety improvement projects via internal teams, expert audits or new technologies

# PROJECT EVERGREEN | ADDITIONAL TARGETS

## WATER MANAGEMENT

*"Alpek is closely monitoring its water consumption intensities, particularly in water-stressed areas, and carrying out opportunities to reduce them."*

## CYBERSECURITY

*"Alpek is committed to securing its information and guaranteeing the continuity of its business by maintaining state-of-the-art cybersecurity systems, employee training, and incident response capabilities."*

## DIVERSITY, EQUITY AND INCLUSION

*"Alpek is committed to further diversifying its workforce through more equitable hiring, retention and development strategies"*

## POLLUTION

*"Alpek is committed to enforcing and exceeding all regulatory requirements on pollution. We are constantly looking for new ways to reduce post-industrial waste, wastewater discharge, and air pollutants from our products and processes."*

## RELATIONSHIP WITH CUSTOMERS & SUPPLIERS

*"Alpek will work with its customers and suppliers in an effort to actively identify ESG-related risks and the corrective actions needed to make our entire value chain more sustainable"*

## COMMUNITY ENGAGEMENT

*"Alpek cares about all its local communities and is committed to investing its time and profits on activities that contribute to our neighbors' safety, education, access to services, and quality of life."*

## INNOVATION

*"Alpek's innovation efforts will be focused on improving its current products and processes, while discovering more environmentally friendly alternatives for both."*

## ACTIVE ESG RISK MGMT.

*"Alpek will continue to reinforce its Governance practices and organization so it may reach the various targets set for each of its ESG Material Issues"*

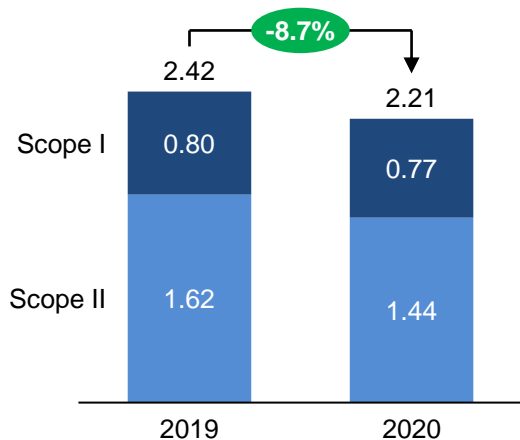
## SUSTAINABLE CORPORATE GOVERNANCE

*"Alpek is committed to further improving the composition and effectiveness of its Board by increasing the frequency ESG topics & metrics are reviewed, as well as enhancing the diversity and experience of its members"*

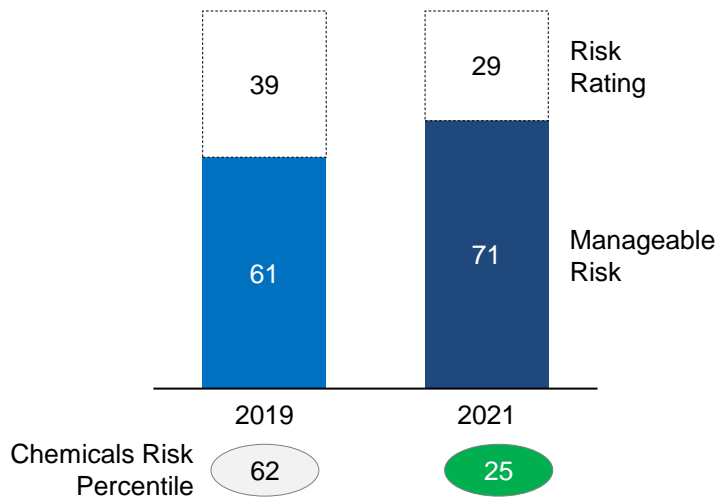


# ALPEK WITH STRONG IMPROVEMENT ON ESG PERFORMANCE & SCORES

## CO<sub>2</sub> Emissions (M Tons)



## SUSTAINALYTICS ESG Ratings



## Recent Recognitions

**Added to** S&P Dow Jones Indices  **Bolsa Mexicana**  
A Division of S&P Global Grupo BMV

**Total Mexico ESG Index**

**3** *Best ESG in its segment*  
 according to **Institutional Investor**





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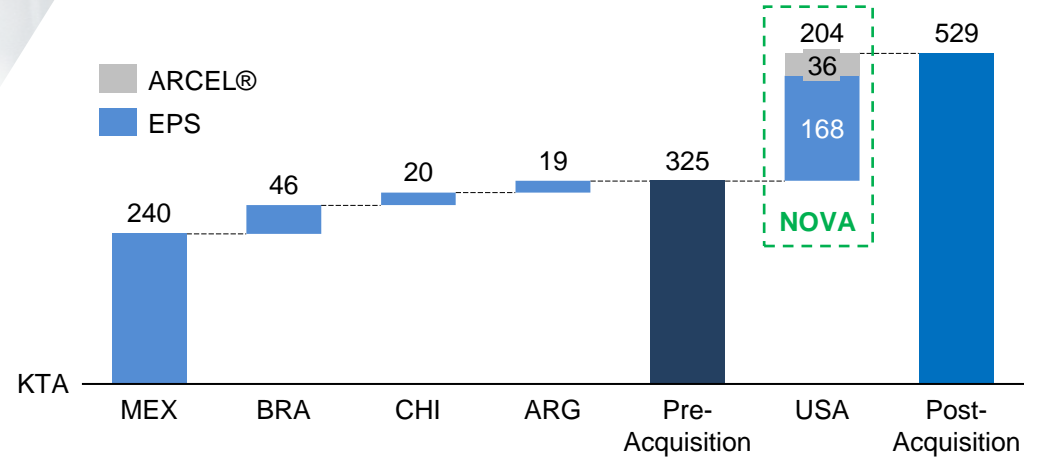
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# NOVA CHEMICALS' EXPANDABLE STYRENICS BUSINESS PURCHASE



## Strengthen Core Business

- ✓ Global Cost Improvement
- ✓ Value-added Products
- ✓ Footprint Optimization



## Foster Circular Economy

- ✓ Sustainable Product Portfolio

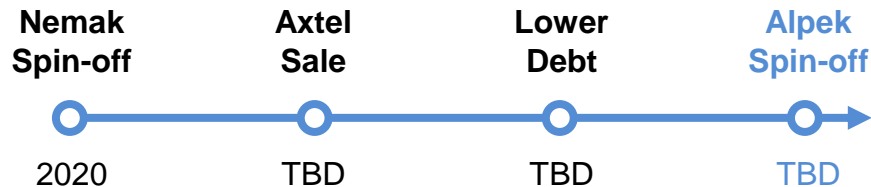


## Strategic & Focused Growth

- ✓ Value Chain Integration
- ✓ Product Innovation



# ALFA'S UNLOCKING VALUE INITIATIVE



## Alpek's Transition Plan

- Spin-off not expected in 2021
- Working on becoming fully independent from ALFA's corporate services

## Potential Impact & Benefits

- No impact expected to Alpek's SG&A
- Possibility for more shares to be publicly traded, thus increasing share liquidity
- Strengthened Governance practices

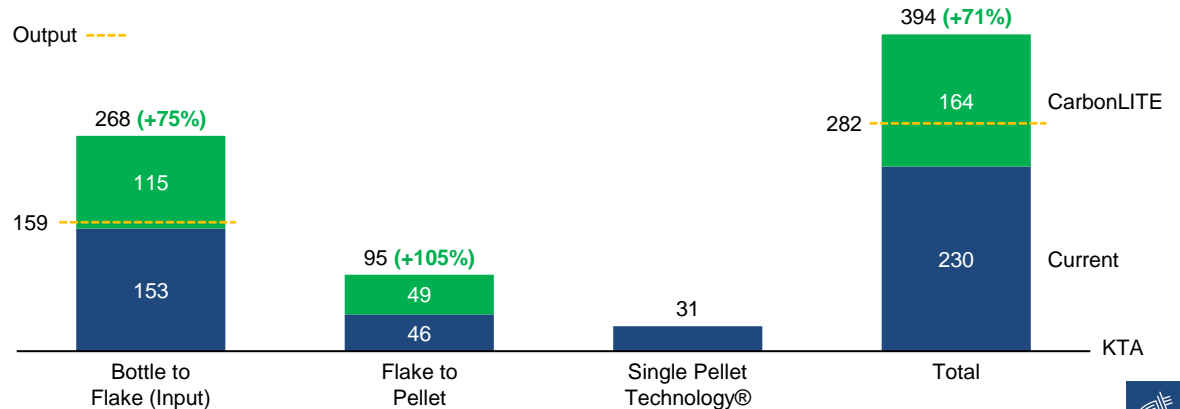




# ALPEK ACQUIRES CARBONLITE'S RPET FACILITY

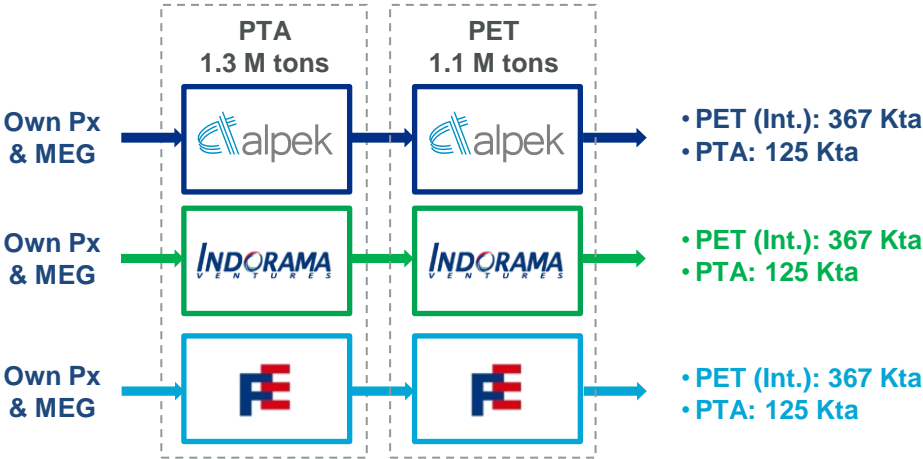
World's largest integrated bottle-to-bottle recycling site

- Reaffirming Alpek's position as **largest rPET recycler** in The Americas
- **Achieves goal** of supplying customers **25% recycled content** by 2025
- **Brand-new assets** and state-of-the-art technology
- Winning bid of **US\$96M** on a debt-free basis / Partially included in Guidance
- Strategically located asset in Reading, PA, USA to start-up operations in **3Q21**



# CCP UPDATE

- **Pre-construction** period extended through end of **2021**
- **Stronger PET demand** in NA **supportive** of project
- Focused on **minimizing CAPEX** & **optimizing timing**
- **Front-loading engineering** work & analyzing all options





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*KEY INVESTMENT HIGHLIGHTS*

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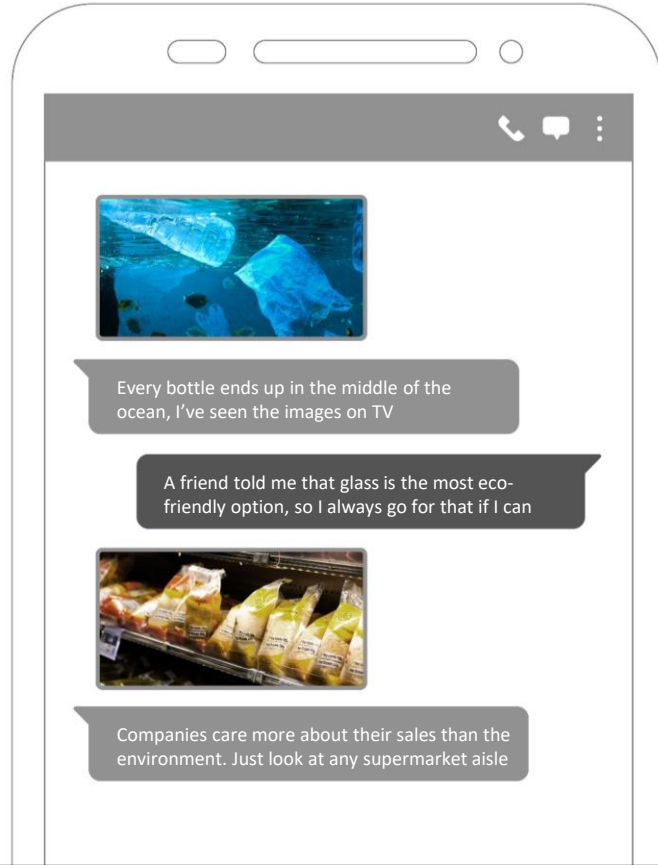
*ESG AT A GLANCE*

*RELEVANT EVENTS*

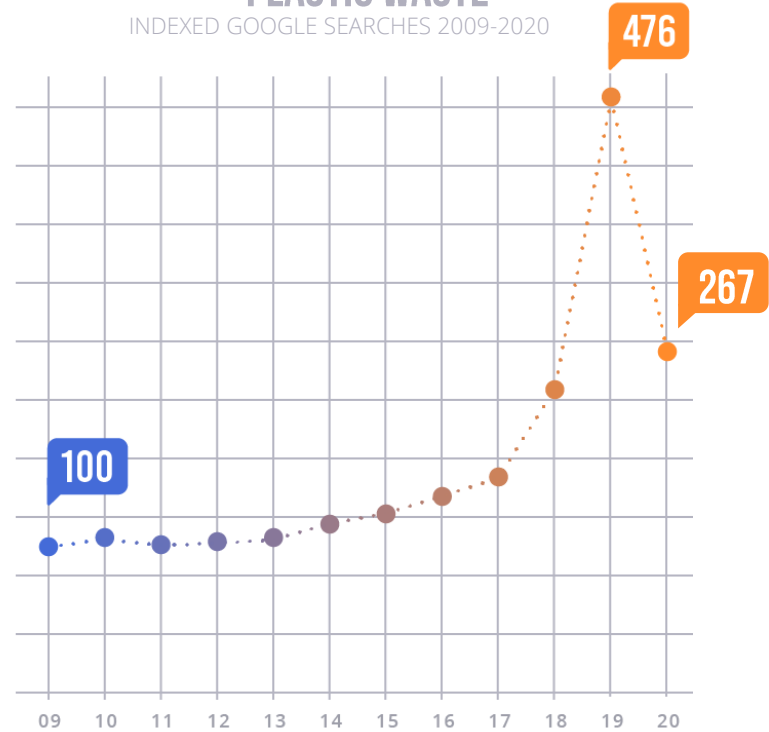
**THE CASE FOR PET**

*APPENDIX*

# PEOPLE ARE TALKING ABOUT PLASTICS:



PLASTIC WASTE  
INDEXED GOOGLE SEARCHES 2009-2020



# 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!**



Although Alpek plays an important role as the largest producer and recycler of PET in the Americas, we're not the only ones involved in its lifecycle.

So rather than hearing it from us, we'd like to introduce you to some people that can better explain ***The Case for PET*** based on how it touches their lives every day.

**These are their stories.**



## «PET is simply a better product»

For a while now, we wanted to sell more of our berries in the local supermarkets, but packaging was a problem. We used carton but there were a lot of disadvantages, for example if the package got too wet, like from the humidity in the supermarket refrigerators, it would lose its resistance or leave our berries exposed to mold. Also, since it's not transparent, it was hard to highlight the quality of our product.

Last year though, we started working with PET packaging and things are looking up. The package is nice and resistant, but is also much cheaper! We are using the savings in other parts of the business to keep growing, but I'm not going to lie, I've also used it for other things like computers for my kids homeschool and kept a couple of dollars in my pocket at the end of the day.



FRANCISCO MACÍAS

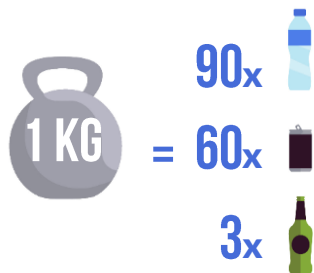
5th-generation berry farmer  
California, USA



# PET'S UNIQUE TRAITS MAKE IT A BETTER PRODUCT

## USES LESS MATERIAL

With the same kilogram of material, you get:



## MOST CONVENIENT AND HYGIENIC

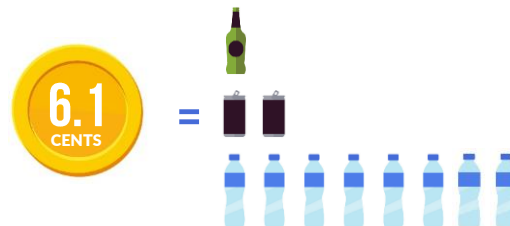
BPA & Phthalate free, as well as the only widely available individually packaged resealable option.



THIS IS WHAT  
PET BRINGS  
TO THE TABLE

## THE LOW COST OPTION

For the cost needed to produce 1 glass bottle, you can produce up to 8 PET bottles.



## SHATTER RESISTANT

Unlike glass and aluminum, PET can be transported with minimal protection as it is more resistant to damage.







## «PET keeps me safe»

The current health emergency caused by the Coronavirus has taught us many things about our life and ourselves in a very short period of time. Something I didn't expect to learn was the importance of PET for us, as doctors and patients. To me PET was just the water bottle I used when running, but it turns out that it's also present in many other things, starting with the safety goggles and facemask I must wear at work.

It's odd how something like a virus we can't even see showed us how vulnerable we really are. Today I trust the PET in those goggles and facemask to get home safely and be with my two daughters and husband. Obviously, we were not expecting this pandemic, but PET helped us face it head-on.



DR. KRISTEN GIORDANO

Currently fighting Covid-19  
Toronto, CAN



# 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



ANTIBACTERIAL GEL BOTTLES



FACEMASKS



FOOD PACKAGING





## «*Educating towards smarter choices*»

From my perspective there have never been more options in terms of the products we consume every day. I go to the supermarket and for just one thing, let's say orange juice, there are like 3 different packaging options: PET, glass and cardboard.

My job is to encourage my students by exploring the current problems we face. After doing a ton of research, I've found that the general misconceptions around PET's sustainability are wrong. It is fully recyclable and recycled at the same rates as its alternatives and made without hazardous materials. More importantly, I have the responsibility to teach my kids to dispose whichever juice bottle they choose, to ensure it gets back to them another day.



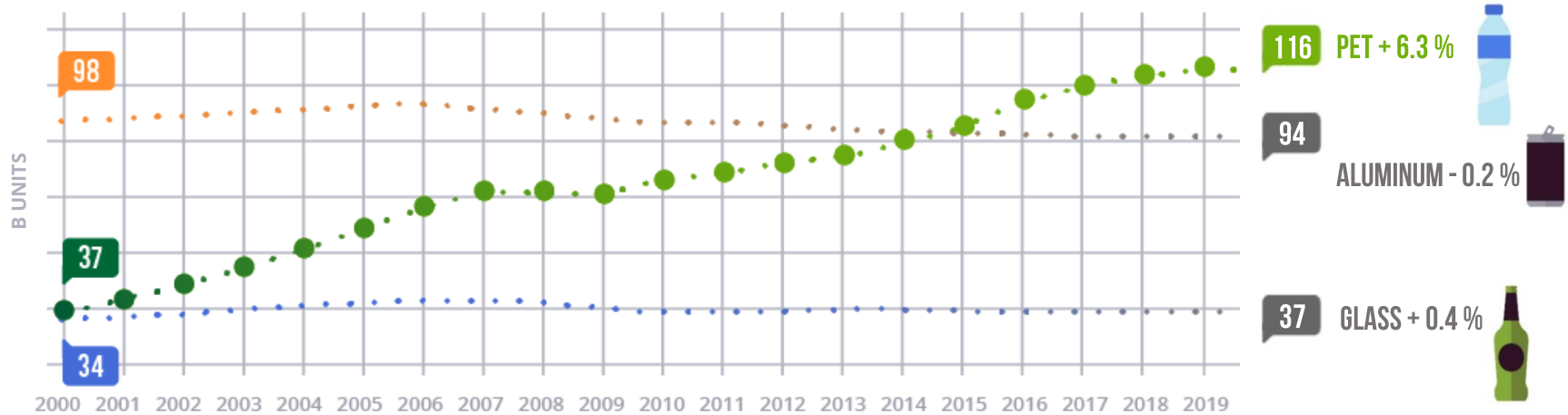
PETER EVANS

Elementary school teacher  
Manchester, UK

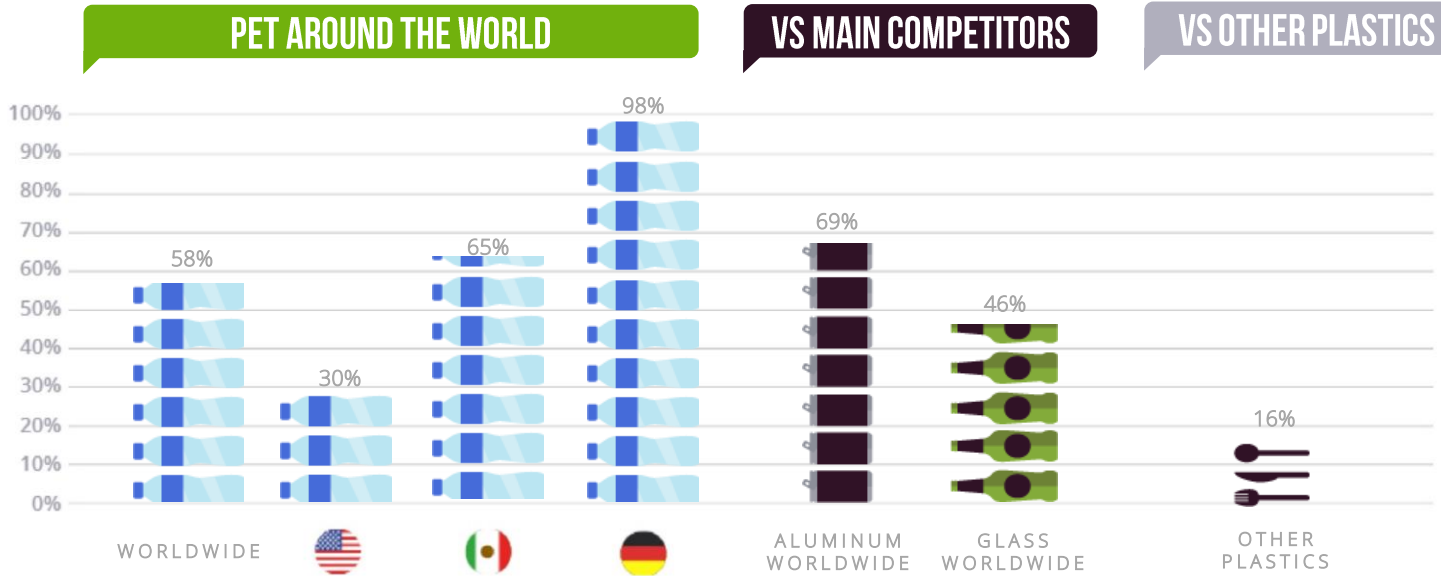


# PET HAS BECOME THE MOST WIDELY USED BEVERAGE PACKAGING MATERIAL

BEVERAGE PACKAGING INDUSTRY UNITS BY SUSTRATE (B UNITS ) 2000-2019



# PET IS HIGHLY RECYCLED AND STILL HAS ROOM TO GROW



**BUT CAN'T DO IT WITHOUT OUR HELP!**



# «We should think about the big picture»

I think society has focused on solving the waste problem, and we definitely need to solve that, but we shouldn't lose sight of the real problem facing our generation: climate change. Said differently, if all we do is recycle more, does that mean we are doing less harm to the environment?

More and more people are doing their part, choosing fully recyclable materials, putting garbage in the right place, and starting action in their communities, but I think that we should also start questioning corporations about everything that happens before and after we as consumers make our choice. Fixing the amount of carbon emissions generated to make the green glass bottle my sparkling water comes in, and how much more will be released when it's recycled, now that's big picture stuff.



OLIVIA TURELLA

College student  
Sao Paulo, BR



# 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.

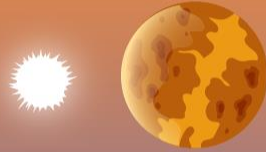


# JUST THINK ABOUT THE TEMPERATURE NEEDED TO PRODUCE PET VS. ALUMINUM OR GLASS:



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

**480°F**



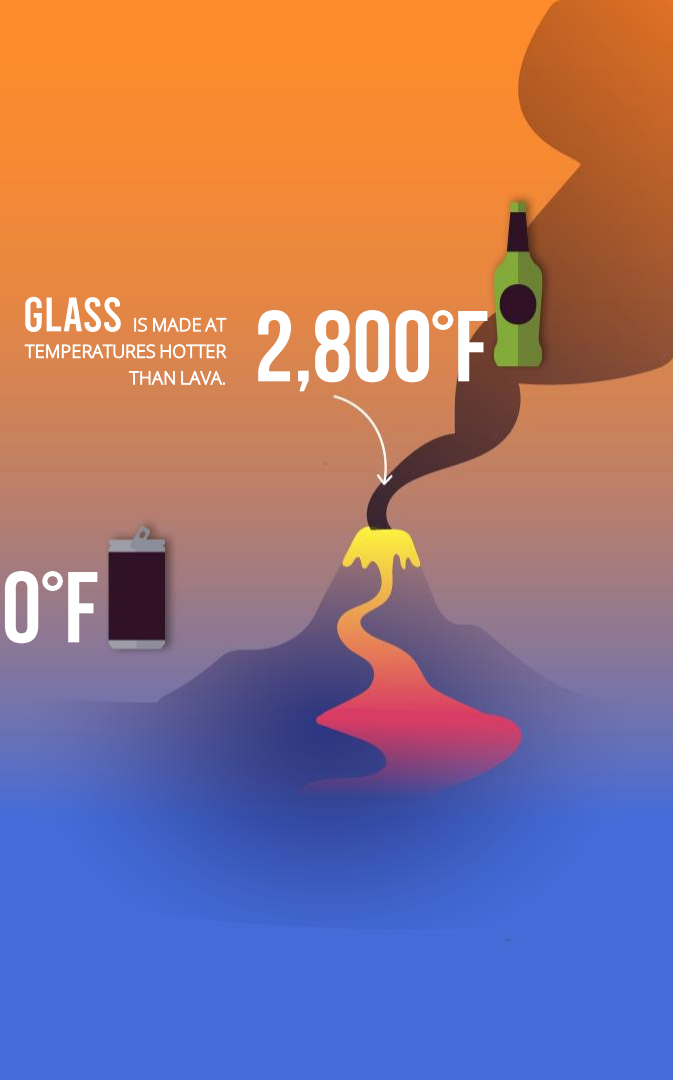
**ALUMINUM** IS MADE AT A TEMPERATURE HOTTER THAN THE SURFACE OF VENUS.

**1,200°F**



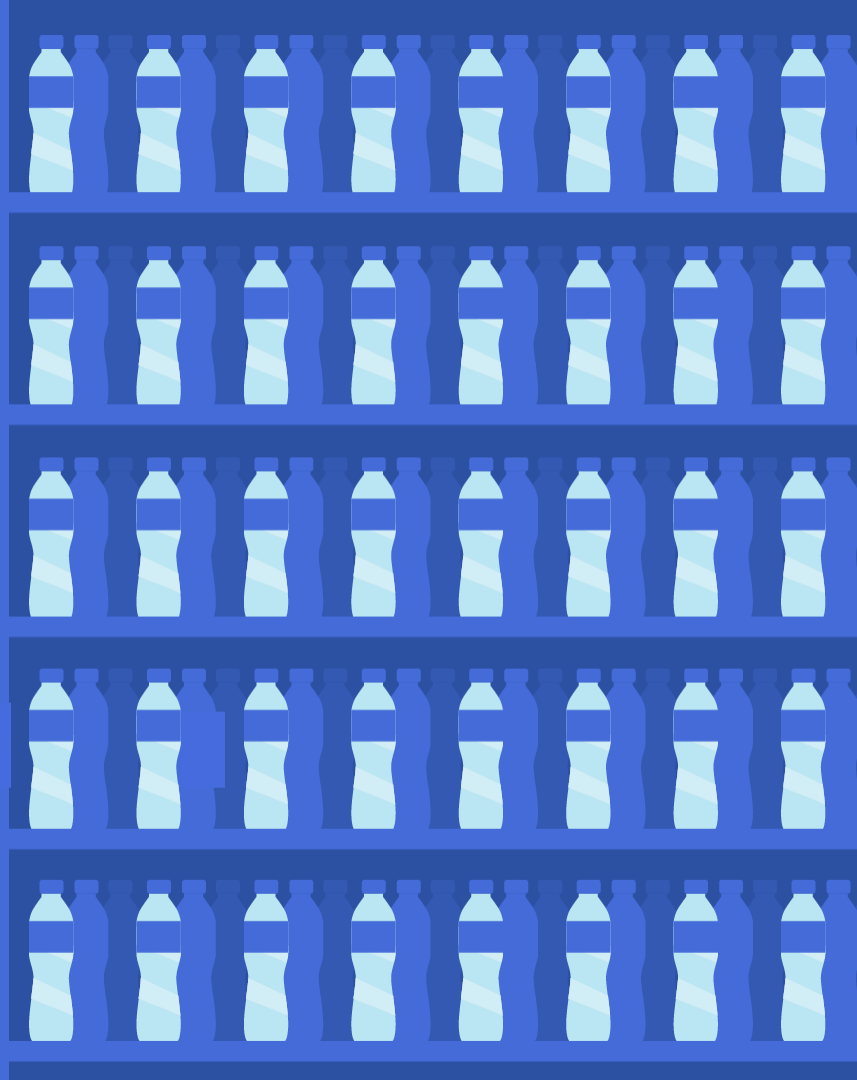
**GLASS** IS MADE AT TEMPERATURES HOTTER THAN LAVA.

**2,800°F**



Think back to the last time you had a burger...

**What if I told you, you could wash it down with 300  
BOTTLES OF WATER and still NOT MATCH THE CO<sub>2</sub>  
USED TO MAKE THAT BURGER?**





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**



## «PET is my livelihood»

I know it might not sound very attractive, but my job is to find and separate PET from the rest of your garbage. Why? Because certain people are willing to pay me good money for it. There are collection points all around my city, they buy the PET from me, and then they sell that material to a recycling plant. I guess it's good business for them too, because they never stop coming for more and more PET.

I tend to focus on PET because contrary to glass and aluminum, I can find it easily, separate it without much risk, and carry it since it's so light and compactable. I definitely don't miss getting tetanus shots.

My work allows me to put food on the table for my family and send my children to school, so I'm very proud of it. It also gives me great pleasure to see the streets clean, knowing that in some way, my effort contributed to achieving that.



EULALIO RAMÍREZ

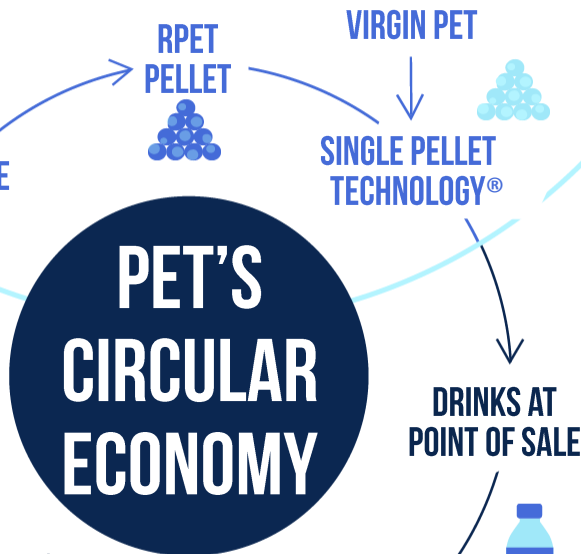
Garbage collector for 17 years  
Ciudad de México, MX



# EVERYONE HAS A ROLE TO PLAY



- Increase Recycled PET production
- Meet bottlers' needs
- Improve Recycled PET technology



## GOVERNMENT

- Promote recycling
- Promote use of lower CO<sub>2</sub> products



## WASTE MANAGEMENT

- Grow gathering network
- Improve PET separation
- Improve bale quality



## BOTTLERS

- Use higher rPET content
- Design for higher recyclability
- Willingness to source rPET



## RETAILERS

- Promote and offer recyclable products
- Offer recycle solutions at their locations



## CONSUMERS

- Consume responsibly
- Recycle everything
- Separate trash properly



## «We have a clear goal»

I have proudly been part of Alpek for the last 4 years. Sometimes I'm questioned by my family about my work because they've heard negative stories surrounding plastics. But I know that PET is unlike any other plastic. I'm convinced that for us to achieve a true change in our society, the first thing we need is real information, so I actually see these discussions and questions as opportunities to share the data I have.

I recently had the chance to log-in to a Webcast where Pepe Valdez, Alpek's CEO, talked about the company's five-year strategy. It was very focused on increasing the amount of rPET we make, and helping meet our customers' goals. These type of things make me proud to be part of the Alpek family.



DEBORA ESPECHE

Lab Analyst at Ecopek (Alpek rPET)  
Pacheco, ARG





# Alpek is leading the way

Today we already recycle  
**5 BILLION BOTTLES**  
each year

And we're aiming to reach  
**15 BILLION BOTTLES**  
**BY 2025!**

To get there, among other initiatives, Alpek has joined associations such as  to develop more trash gathering infrastructure in major US Cities.

# SO YOU'RE NOT CARBON NEUTRAL? DON'T WORRY. EVERY LITTLE CHOICE MATTERS.



- 1. Recycle!** As much as you can, and not just PET, but every product you come across.
- 2. Promote the use of fully recyclable materials in any** place: your home, your work and even in your favorite coffee shop.
- 3. Share your newfound knowledge about PET and recycling,** to speed up our progress towards a truly sustainable future.





## **INDEX**

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*ALPEK AT A GLANCE*

*KEY INVESTMENT HIGHLIGHTS*

*RECENT FINANCIAL RESULTS*

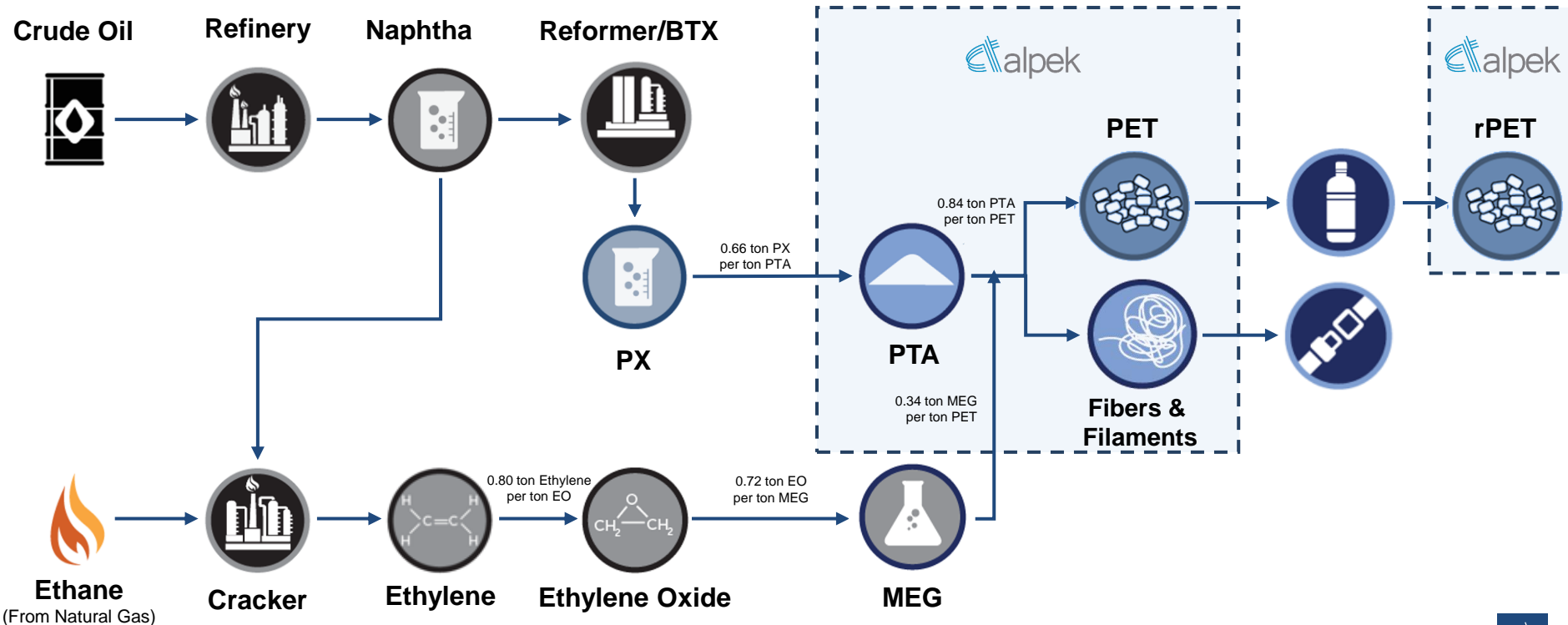
*ESG AT A GLANCE*

*RELEVANT EVENTS*

*THE CASE FOR PET*

## **APPENDIX**

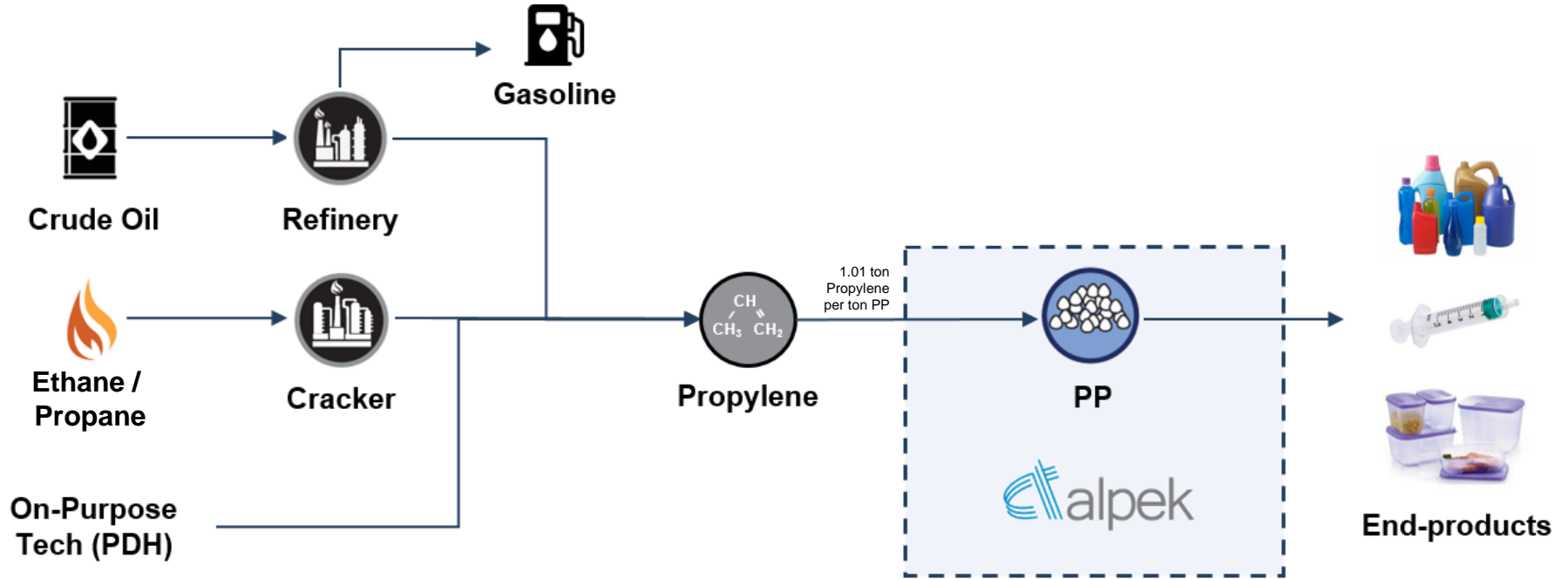
# POLYESTER VALUE CHAIN



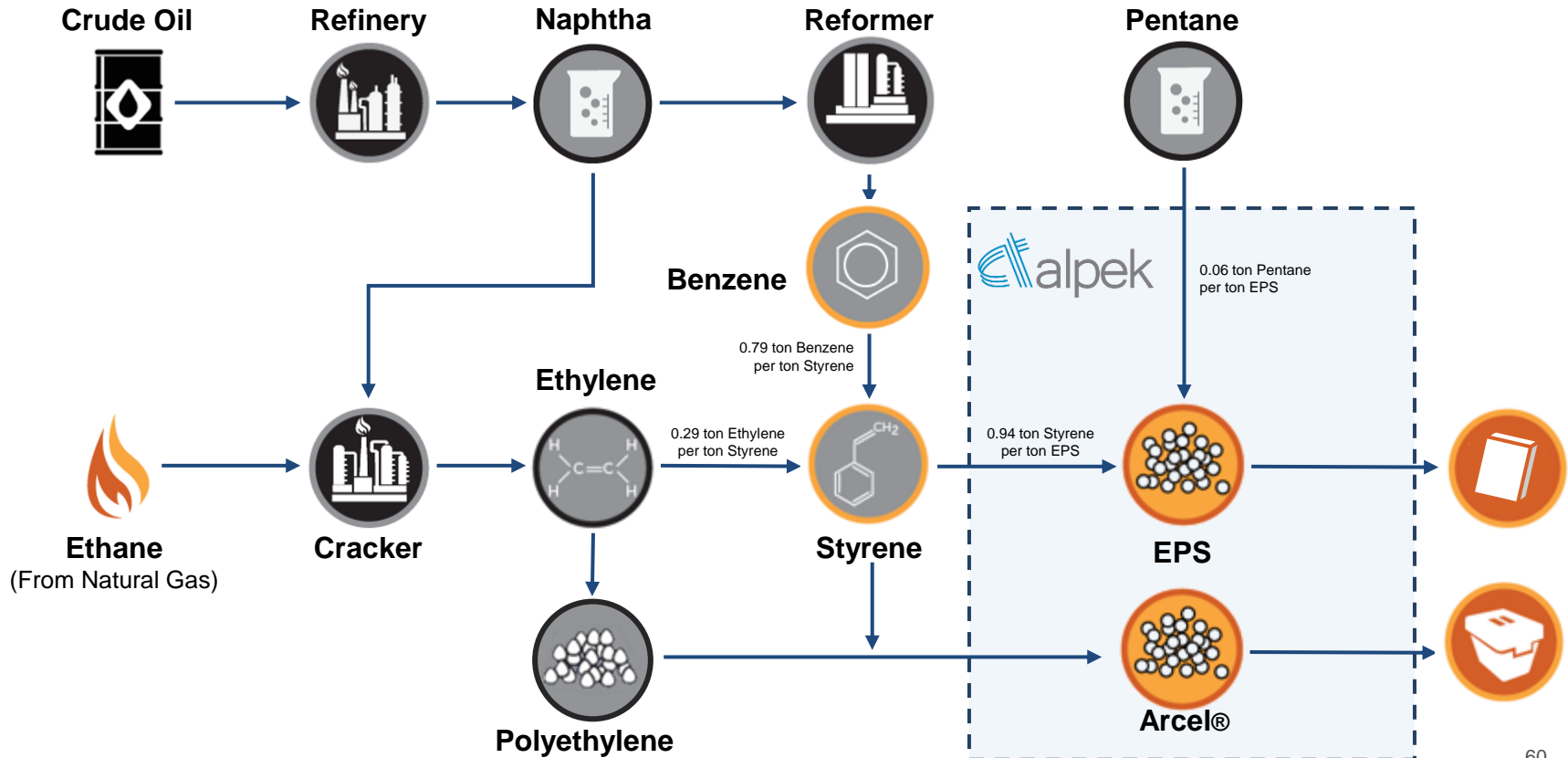
Source: Alpek, Nexant



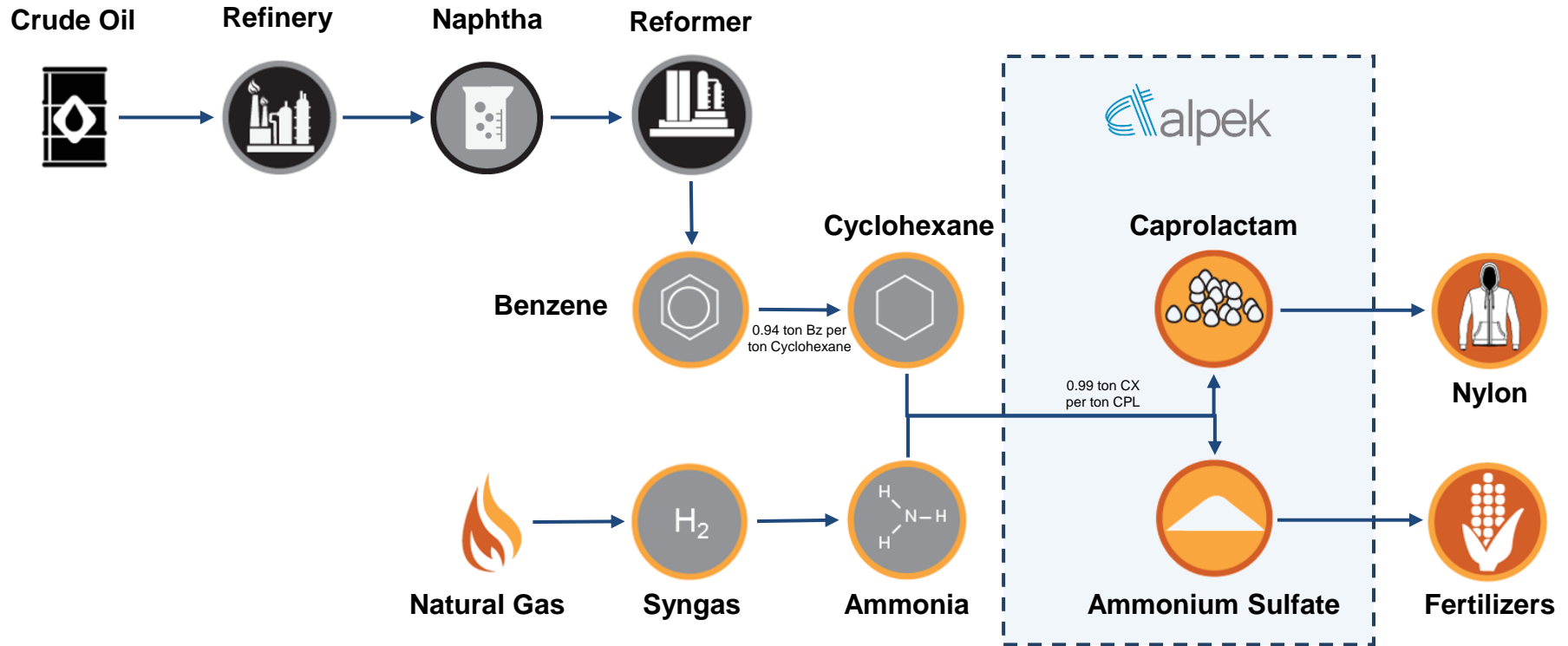
# POLYPROPYLENE (PP) VALUE CHAIN



# EXPANDABLE STYRENICS (EPS & ARCEL®) VALUE CHAIN



# CAPROLACTAM (CPL) VALUE CHAIN



# LATEST QUARTER RESULTS

## Results and Key Metrics

	3Q21	2Q21	3Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
<b>Volume<sup>1</sup> (ktons)</b>	<b>1,195</b>	<b>1,201</b>	<b>1,260</b>	<b>(1)</b>	<b>(5)</b>	<b>3,627</b>	<b>3,554</b>	<b>2</b>
Polyester	924	945	1,026	(2)	(10)	2,865	2,927	(2)
Plastics & Chemicals	271	256	234	6	16	762	627	21
<b>Production (ktons)</b>	<b>1,565</b>	<b>1,526</b>	<b>1,608</b>	<b>3</b>	<b>(3)</b>	<b>4,712</b>	<b>4,779</b>	<b>(1)</b>
Polyester	1,285	1,240	1,337	4	(4)	3,871	3,996	(3)
Plastics & Chemicals	281	286	271	(2)	4	841	782	8
<b>Revenues</b>	<b>2,082</b>	<b>1,849</b>	<b>1,325</b>	<b>13</b>	<b>57</b>	<b>5,545</b>	<b>3,933</b>	<b>41</b>
Polyester	1,228	1,183	990	4	24	3,480	3,009	16
Plastics & Chemicals	682	610	297	12	130	1,763	818	116
<b>EBITDA</b>	<b>279</b>	<b>273</b>	<b>179</b>	<b>2</b>	<b>56</b>	<b>876</b>	<b>364</b>	<b>141</b>
Polyester	138	134	109	3	27	456	200	128
Plastics & Chemicals	138	136	67	2	108	398	156	155
Others	2	3	3	(22)	(20)	22	7	203
<b>Comparable EBITDA<sup>2</sup></b>	<b>234</b>	<b>225</b>	<b>154</b>	<b>4</b>	<b>52</b>	<b>662</b>	<b>450</b>	<b>47</b>
Polyester	107	102	95	5	12	299	291	3
Plastics & Chemicals	124	120	56	4	123	342	152	125
Others	3	3	3	(22)	(20)	22	7	203
<b>Net Income (Controlling Interest)</b>	<b>111</b>	<b>124</b>	<b>65</b>	<b>(10)</b>	<b>71</b>	<b>356</b>	<b>51</b>	<b>594</b>
<b>CAPEX</b>	<b>32</b>	<b>132</b>	<b>23</b>	<b>(76)</b>	<b>39</b>	<b>195</b>	<b>65</b>	<b>200</b>
<b>Net Debt</b>	<b>1,323</b>	<b>1,247</b>	<b>1,235</b>	<b>6</b>	<b>7</b>			
<b>Net Debt / EBITDA<sup>3</sup></b>	<b>1.2</b>	<b>1.3</b>	<b>1.7</b>					

(1) Excludes intracompany sales (2) Excludes inventories, carry-forward effects, and non-operating, one-time (gains) losses (3) Times: last 12 months



# LATEST QUARTER RESULTS

## Cash Flow

	3Q21	2Q21	3Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
EBITDA	279	273	179	2	56	876	364	141
Net Working Capital & Others	(245)	6	56	(4,539)	(535)	(432)	183	(336)
CAPEX	(32)	(132)	(23)	76	(39)	(195)	(65)	(200)
Financial Expenses	(26)	(25)	(25)	(4)	(3)	(117)	(76)	(54)
Income Tax	(3)	(32)	4	91	(168)	(79)	(97)	19
Dividends	(20)	(128)	-	85	(100)	(171)	(163)	(4)
Payment to affiliated companies	(2)	-	-	(100)	(100)	(3)	-	(100)
Other Sources / Uses	(27)	11	2	(354)	(1,353)	(19)	(50)	63
<b>Decrease (Increase) in Net Debt</b>	<b>(76)</b>	<b>(28)</b>	<b>193</b>	<b>(173)</b>	<b>(139)</b>	<b>(138)</b>	<b>95</b>	<b>(245)</b>

## Net Income

	3Q21	2Q21	3Q20	QoQ (%)	YoY (%)	YTD21	YTD20	Ch. (%)
Consolidated Net Income	142	159	80	(10)	78	454	78	481
Non-Controlling Interest	31	35	15	(11)	109	98	27	265
<b>Controlling Interest</b>	<b>111</b>	<b>124</b>	<b>65</b>	<b>(10)</b>	<b>71</b>	<b>356</b>	<b>51</b>	<b>594</b>
Earnings per Share (U.S. \$)	0.05	0.06	0.03	(10)	71	0.17	0.02	594
<b>Avg. Outstanding Shares (million)*</b>	<b>2,111</b>	<b>2,112</b>	<b>2,112</b>	<b>-</b>	<b>-</b>	<b>2,112</b>	<b>2,113</b>	<b>-</b>

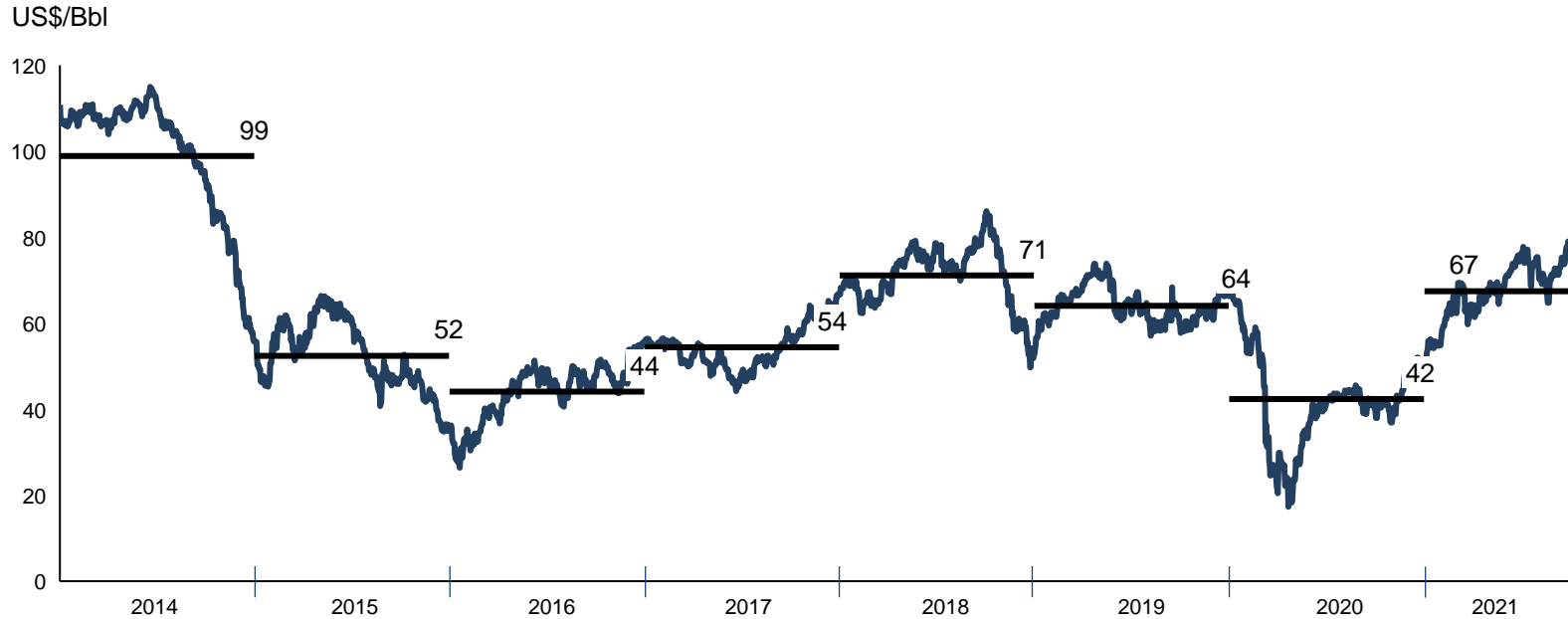
\* The same number of equivalent shares are considered in the periods presented



# RELEVANT REFERENCES: CRUDE OIL

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

## Brent Crude Oil Price

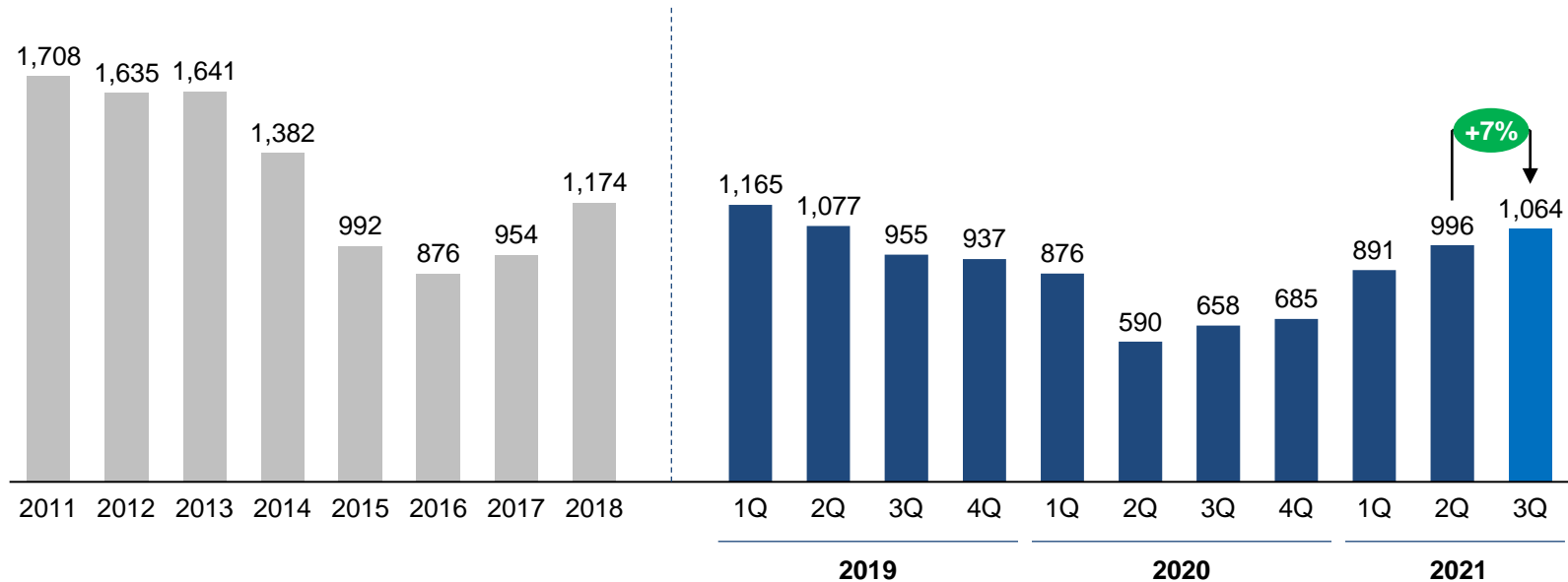




# RELEVANT REFERENCES: PARAXYLENE

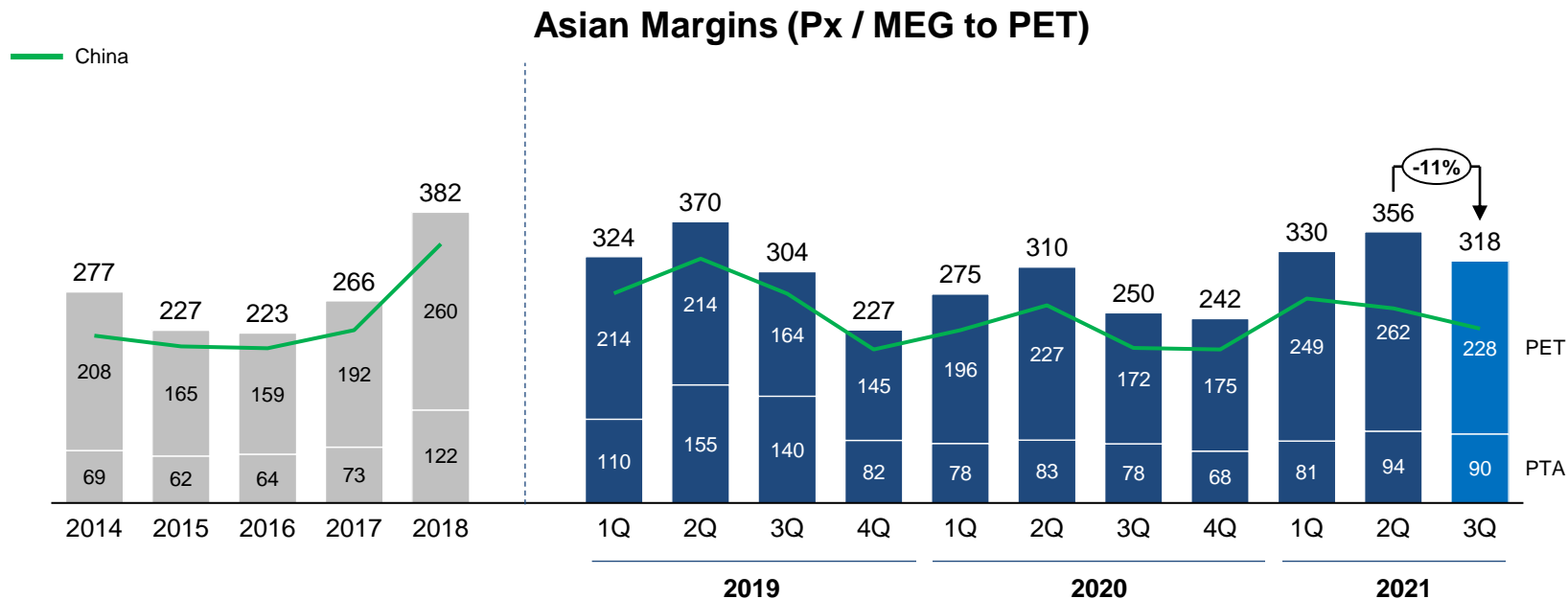
Px prices increased by 7% largely in line with Crude Oil price (+6%)

## NA Px Contract Price



# RELEVANT REFERENCES: INTEGRATED PET MARGINS

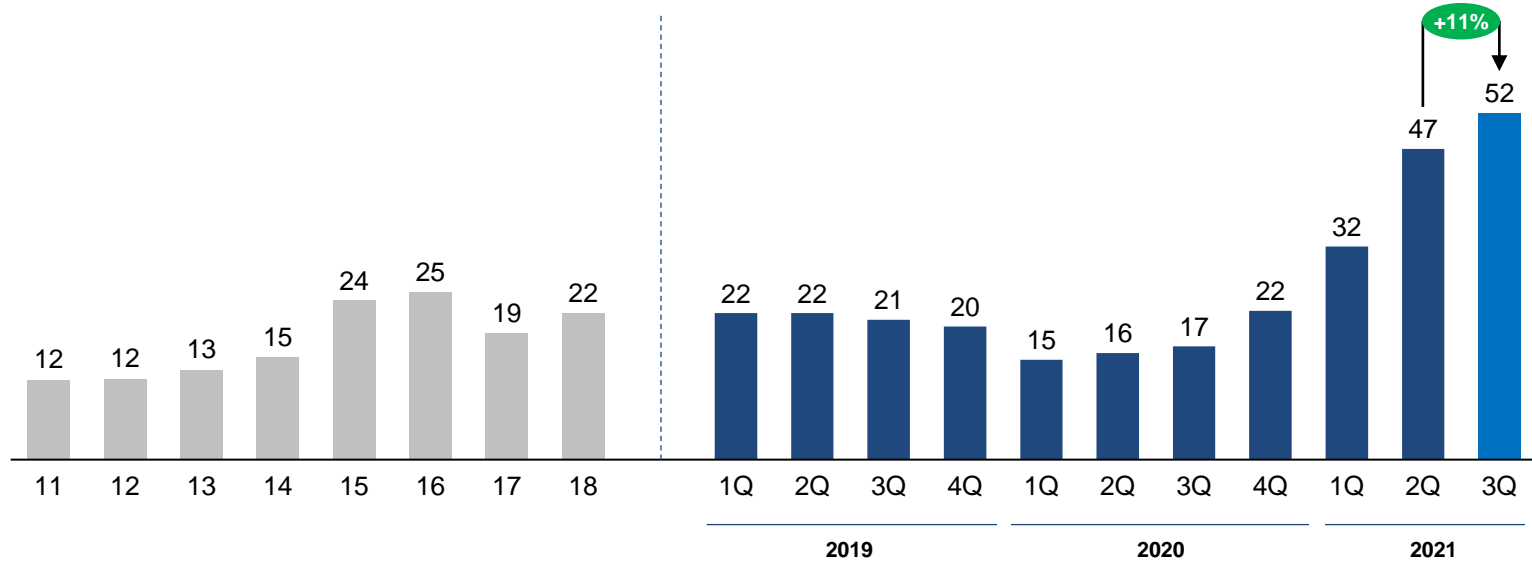
Margins remain at 2Q21 closing levels / Asia-China spread has widened



# RELEVANT REFERENCES: POLYPROPYLENE MARGINS

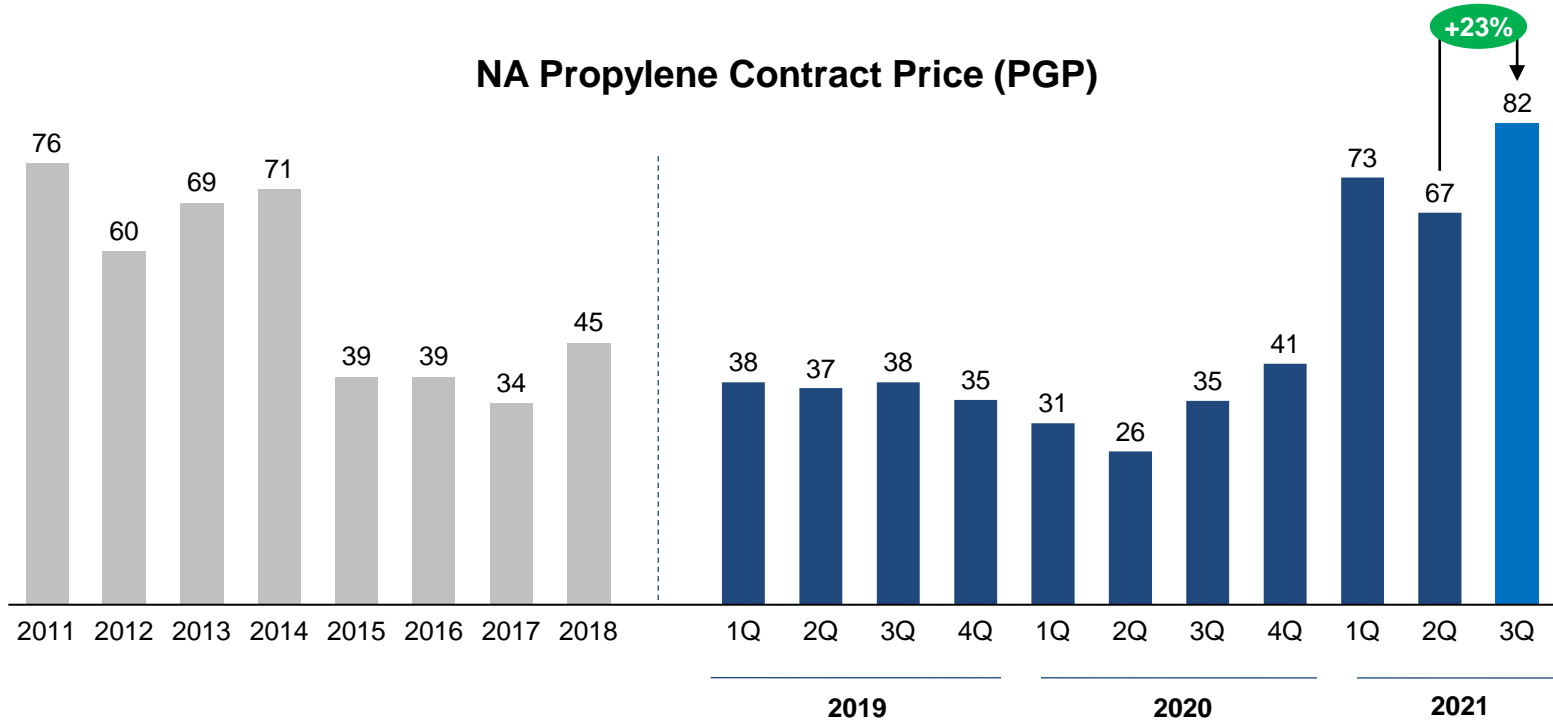
Record high reference margins

## NA Polypropylene Margin (PP to PGP)



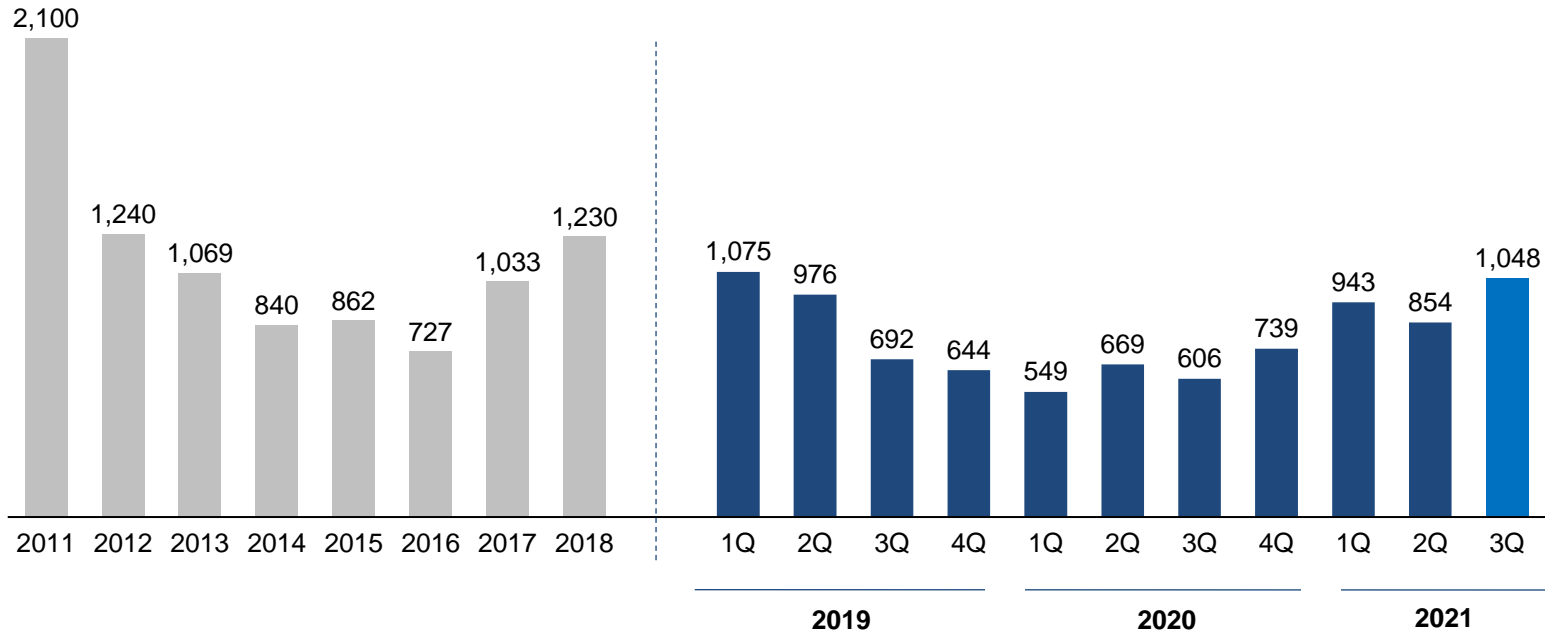
# RELEVANT REFERENCES: PROPYLENE

PGP contract prices have remained high as Hurricane Ida impacted inventory levels



# RELEVANT REFERENCES: CAPROLACTAM

## Asian Caprolactam to NA Benzene Spread (Contract)

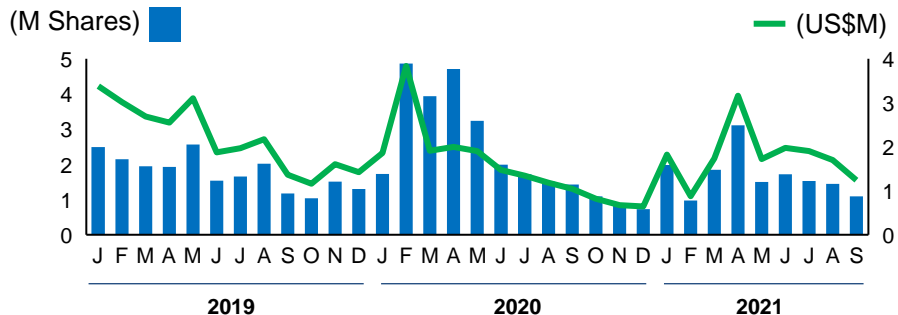


# STOCK HIGHLIGHTS (BMV: ALPEK)

## Daily Stock Price (MXN)



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



Valuation	2018	2019	2020	3Q21
Market Cap. (US\$B)	3,040	2,571	1,543	2,517
Net Debt (US\$M)	1,832	1,330	1,185	1,323
EBITDA LTM (US\$M)	1,063	850	565	1,077
<b>Enterprise Value / EBITDA</b>	<b>4.8</b>	<b>4.9</b>	<b>5.3</b>	<b>3.9</b>
<b>Price / Earnings</b>	<b>4.0</b>	<b>6.6</b>	<b>7.9</b>	<b>4.4</b>
<i>Price per Share (MXN)</i>	<i>27.61</i>	<i>23.40</i>	<i>15.70</i>	<i>23.86</i>
<i>Exchange Rate (MXN/USD)</i>	<i>19.24</i>	<i>19.26</i>	<i>21.49</i>	<i>20.01</i>



# ALPEK'S INVESTOR RELATIONS TEAM

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**Alejandro  
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*IRO*

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- 10 Years at Alfa/Alpek
- Previously held roles as Director of Logistics & Procurement at Indelpro, Director of Energy Markets at Alfa, and Project Leader at The Boston Consulting Group
- BS in Industrial Engineering from Cornell University and MBA from Stanford Graduate School of Business



**Alejandra  
Bustamante**  
*IR Manager*

*abustamante@alpek.com*

- 9 Years at Alfa/Alpek
- Previously held roles in Human Capital, Talent & Culture at Alfa and Axtel
- BA in International Relations from ITESM



# DISCLAIMER

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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.







**THIRD QUARTER 2021**

CORPORATE PRESENTATION