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Q2 2023 Earnings Call

July 27, 2023

Safe Harbor

In addition to historical information, this presentation contains "forward-looking" statements that reflect management's expectations for the future. The words "anticipate," "believe," "expect," "hope," "have the intention of," "might," "plan," "should" and similar expressions generally indicate comments on expectations. The final results may be materially different from current expectations due to several factors, which include, but are not limited to, global and local changes in politics, the economy, business, competition, market and regulatory factors, cyclical trends in relevant sectors; as well as other factors that are highlighted under the title "Risk Factors" in the annual report submitted by Orbia to the Mexican National Banking and Securities Commission (CNBV). The forward-looking statements included herein represent Orbia's views as of the date of this presentation. Orbia undertakes no obligation to revise or update publicly any forward-looking statement for any reason unless required by law.

Q2 2023 Overview

01

Orbia had a challenging second quarter due to weak demand and pricing and slowed building and construction market activity across certain regions

02

Orbia generated strong operating cash flow in the quarter and maintains a strong liquidity position

03

Despite the difficult current environment, Orbia's long-term fundamentals remain intact

Revenue

\$2.2B

Down 18% YoY

Slowdown in Polymer Solutions, Building and Infrastructure, Precision Agriculture and Connectivity Solutions due to slowdown in demand vs strong prior year; partially offset by strong pricing in Fluorinated Solutions

EBITDA

\$444M

Down 27% YoY

Softening demand across certain markets, particularly in Polymer Solutions, Building and Infrastructure, and Precision Agriculture, partially offset by higher profitability in Connectivity Solutions and Fluorinated Solutions

EBITDA Margin

20.4%

Down 250 bps

Softening demand and lower profitability in Polymer Solutions, Building and Infrastructure and Precision Agriculture

Operating Cash Flow

\$217M

Up 62% YoY

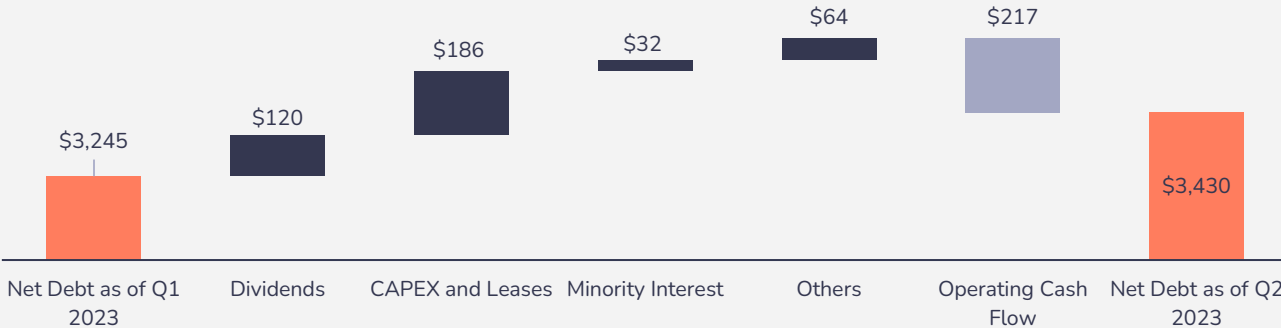
Effective management of working capital and lower taxes paid, partly offset by lower EBITDA

Continued challenges in the second quarter

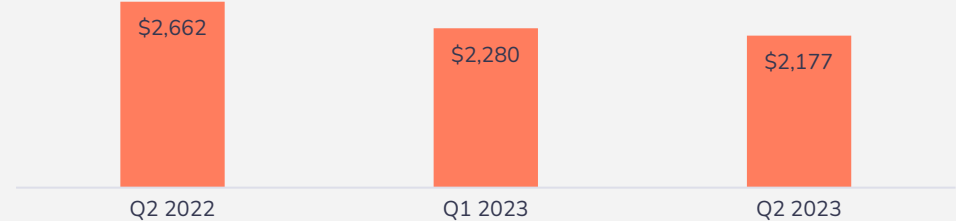
Q2 2023 Highlights

- **Capital expenditures of \$162M**, up 48%, reflecting ongoing maintenance spending and investments to support our growth initiatives
- **Free cash flow of \$30M**, up by \$41M resulting from effective working capital management and lower taxes paid, partly offset by lower EBITDA and higher CAPEX
- Orbia **added ~\$30M of debt** resulting in a **net change in debt of \$29M**
- Orbia **paid \$120M in dividends** during the quarter as the first and second installments of the ordinary dividend approved at the Annual Shareholders Meeting held on March

Disciplined Capital Deployment Maintaining Moderate Debt Levels



Sales (\$M)



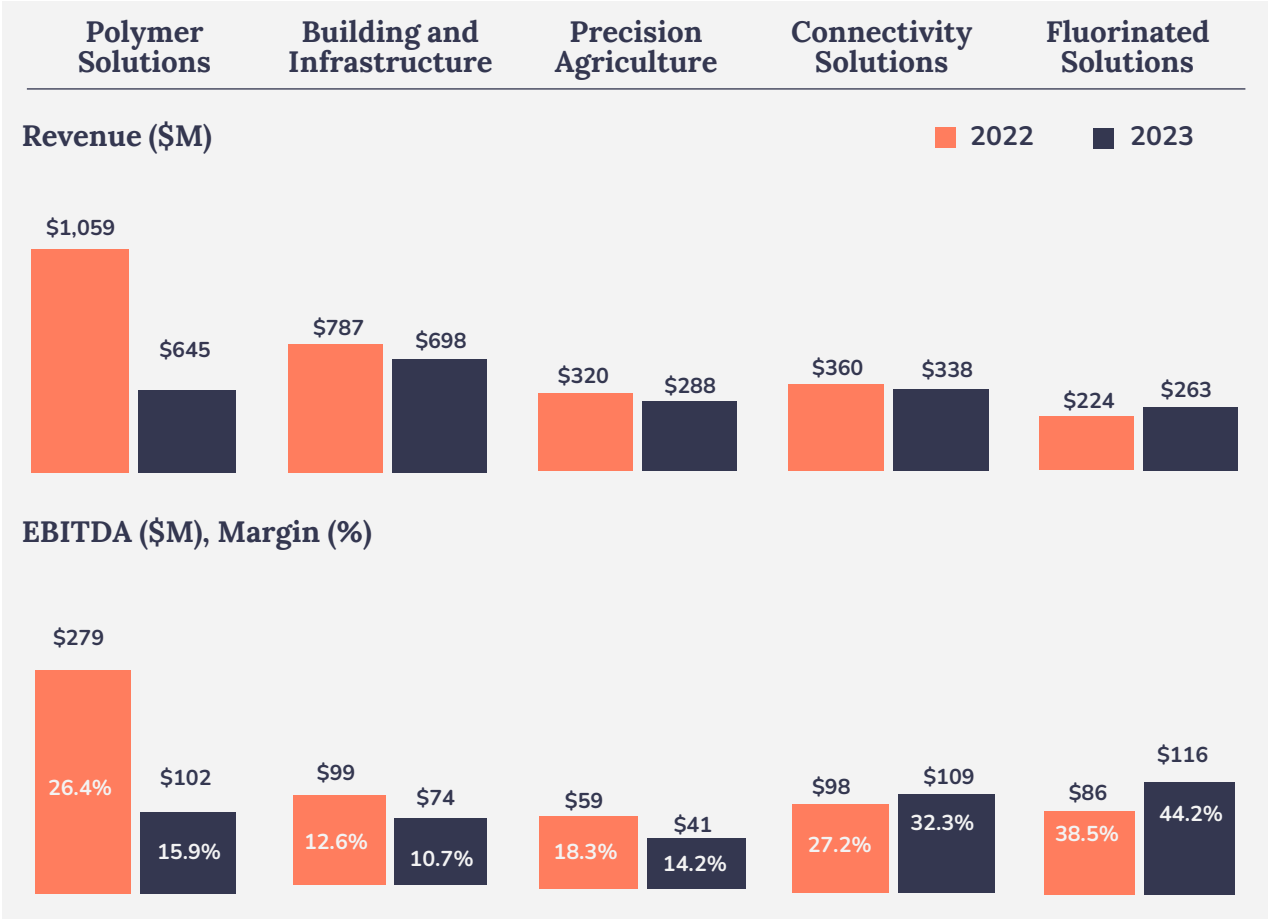
EBITDA (\$M), Margin (%)



Operating Cash Flow (\$M)



Polymer Solutions, Building and Infrastructure and Precision Agriculture decline partly offset by Fluorinated Solutions and Connectivity Solutions



Polymer Solutions

- Lower prices in general purpose PVC and lower volumes reflecting weaker demand and a raw material shortage
- EBITDA decline due to lower prices and volumes, partly offset by lower raw material costs and improvement in derivatives

Building and Infrastructure

- Lower volumes, particularly in Europe, and lower prices in certain markets within Latin America and Asia
- EBITDA decline due to lower volumes and prices, and one-time costs

Precision Agriculture

- Lower revenues due to demand slowdown in US, Europe and Africa, reflecting weaker economic and climate conditions, partially offset by strength in China, India, and Turkey
- EBITDA decline due to lower demand, and impacts from hyperinflation in Turkey and FX changes

Connectivity Solutions

- Lower revenues due to lower demand, partially offset by strong prices
- Higher EBITDA due to strong pricing and stabilization of raw material costs

Fluorinated Solutions

- Higher revenues due to strong pricing across portfolio, combined with higher volumes
- Higher EBITDA due to strong pricing offsetting unfavorable FX changes and strategic investments

2023 Guidance and Market Outlook

2023 Guidance

EBITDA ~\$1.65B

CAPEX¹ \$550M – \$650M

Effective Tax Rate 44% – 47%

Polymer Solutions

- Pricing for general purpose PVC is expected to recover slightly but remain at low levels; pricing for specialty PVC is expected to remain stable at current levels
- Chlorine prices are expected to decrease but remain at historically strong levels; caustic soda prices have decreased significantly from Q1 highs

Building & Infrastructure

- We expect difficult market conditions to continue in Europe as Western Europe continues to be weak, but we see some stabilization in Central and Eastern Europe
- Focused on cost management and progressing the integration of Bow and Vectus acquisitions to deliver expected results

Precision Agriculture

- We expect a sequential slowdown in Q3 due to seasonality and an uptick in Q4 as farmers get ready for the next season
- Focused on progressing our growth initiatives across extensive crops, services, greenhouse projects and digital farming

Connectivity Solutions

- We expect a temporary slowdown in demand in North America partly due to a time lag associated with the roll out of US government funding of \$42Bn for broadband access. Fiber deployments in the US expected to pick up in 2024
- We continue to expand our production capacity in order to meet the market requirements and capture growing demand

Fluorinated Solutions

- Demand and pricing are expected to be generally stable in line with normal seasonal patterns for the rest of the year
- We see increasing interest in our next generations refrigerant gases and medical propellants, while our projects to manufacture lithium-ion battery materials in the US are on track

Q&A





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Orbia is a company driven by a shared purpose: to advance life around the world. The five Orbia business groups have a collective focus on expanding access to health and wellness, reinventing the future of cities and homes, ensuring food and water security, connecting communities to information and accelerating a circular economy with basic and advanced materials, specialty products and innovative solutions.