



Polymer  
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Connectivity  
Solutions

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Materials

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# Q2 2024 Earnings Call

Thursday, July 25, 2024

# 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 2024 Overview

- 01** Orbia delivered sequential improvement across all business groups. Demand and pricing conditions in certain markets where Orbia participates have remained weak, especially in parts of Europe.
- 02** Despite near-term headwinds, long-term fundamentals remain strong. The Company continues to take proactive steps to control costs and maximize efficiency across the businesses.
- 03** Orbia is well positioned to benefit as markets recover and to continue to create value for shareholders.

## Revenue

**\$2.0B**

**Down 9% YoY**

Volumes were up or flat in most businesses, but more than offset by lower prices and unfavorable product mix.

## EBITDA

**\$334M**

**Down 25% YoY**

Driven by lower revenues. EBITDA includes \$13M of non-operating costs in the quarter.

## EBITDA Margin

**16.9%**

**Down 352bps**

Due to an unfavorable product mix in CS and F&EM, partially offset by operational efficiencies.

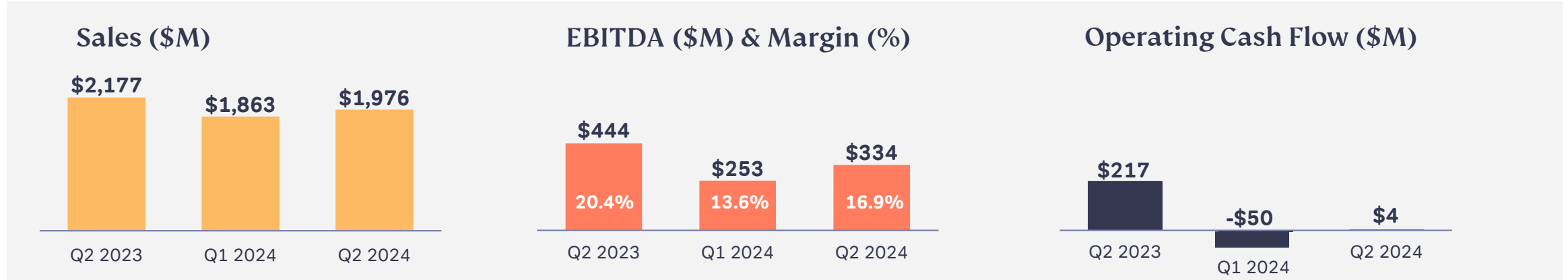
## Operating Cash Flow

**\$4M**

**Down \$212M YoY**

Driven by lower EBITDA, the use of cash for working capital, reductions in accruals and FX impacts.

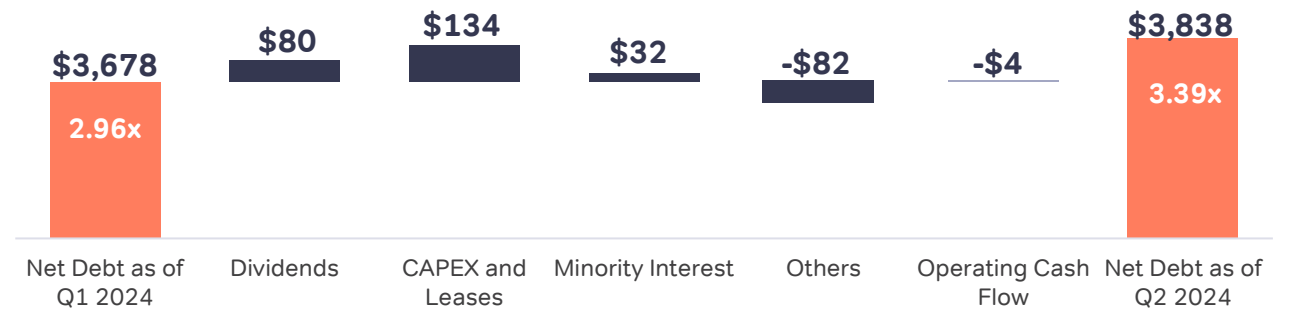
# Delivered sequential improvement amidst a slower than expected market recovery.



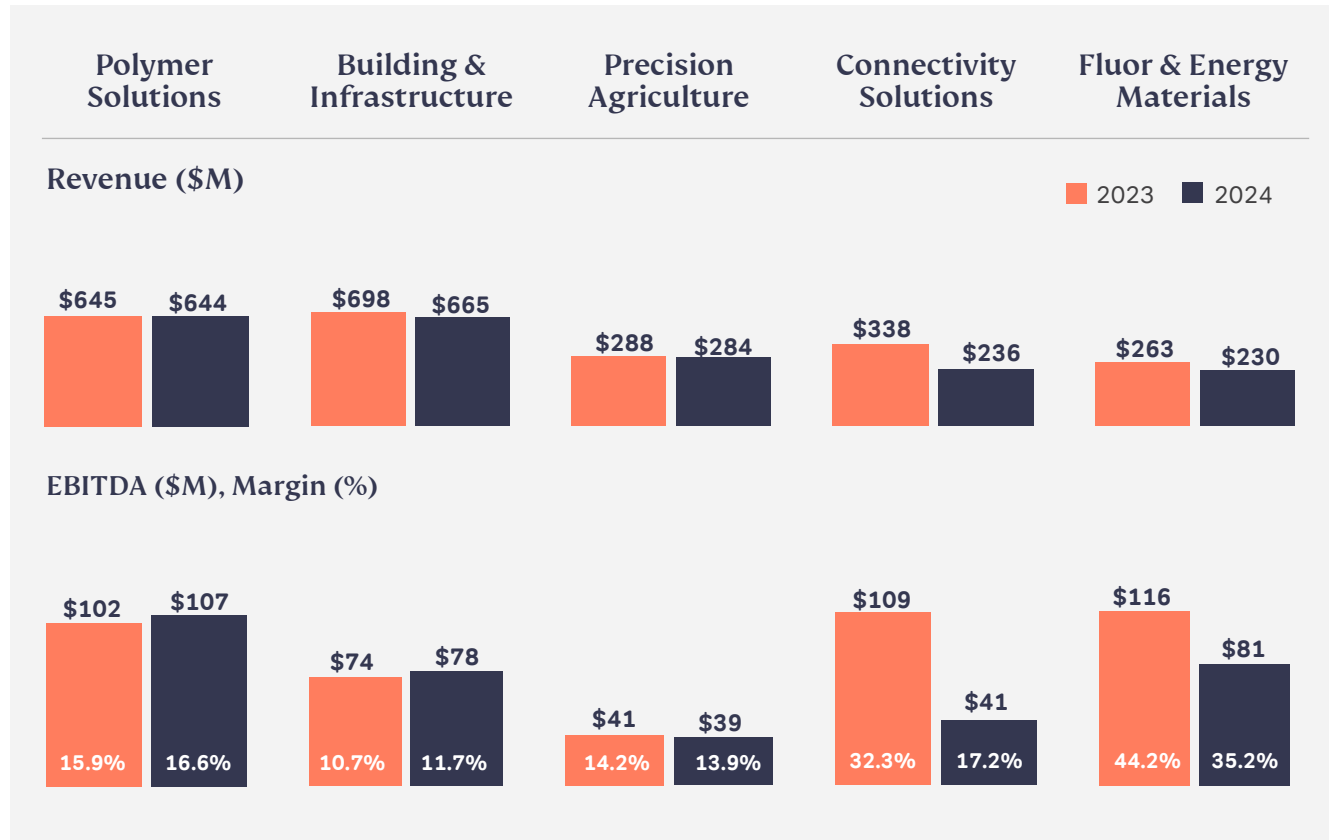
## Q2 2024 Highlights

- Capital expenditures of \$107M, down 34% including maintenance and targeted investments to support the Company's growth initiatives.
- Orbia paid \$80M in dividends which consisted of the first and second installments of the \$160M ordinary dividend approved at the Annual Shareholder Meeting held on April 9, 2024.
- Net debt-to-EBITDA ratio increased from 2.96x to 3.39x compared to previous quarter, primarily due to lower cash balance and lower cumulative 12-month EBITDA.

## Disciplined capital deployment managing debt levels.



# Results declined compared to strong results last year. Sequential improvement achieved across all Businesses.



### Polymer Solutions

- Revenues were flat supported by higher volumes but offset by lower prices across the portfolio. EBITDA increased YoY driven by higher volumes, the continued recovery of the compounds business and strict cost control measures.

### Building & Infrastructure

- Lower revenues due to continued market challenges in certain parts of Europe and Latin America. Higher EBITDA driven by operational cost optimization, partially offset by an unfavorable product mix.

### Precision Agriculture

- Lower revenues due to soft activity levels in Turkey, the U.S. and India, partially offset by higher revenues in China, Middle East and Africa. EBITDA decreased on lower revenues, partly offset by cost saving efforts.

### Connectivity Solutions

- Revenues declined on lower volumes, an unfavorable mix and weaker prices compared to the strong levels the previous year. EBITDA declined on lower revenues and less absorption of fixed costs, partially offset by lower input costs and benefits from cost savings initiatives.

### Fluor & Energy Materials

- Revenues decreased on lower refrigerant volumes due to a quota phase-down in the U.S. and Europe and high customer inventory levels in the U.S. The decline in EBITDA was due to lower refrigerant volumes, partially offset by cost optimization measures.

# 2024 Guidance and Market Outlook

**EBITDA**

**~\$1.3B**

**CAPEX**

**\$500M – \$540M**

**Net Debt to EBITDA**

**2.70x – 2.85x**

**Effective Tax Rate**

**29% – 32%<sup>1</sup>**

## Polymer Solutions

- We expect our end markets to remain relatively flat throughout the second half of the year.
- Orbia will continue to focus on maximizing volumes, optimizing production with a focus on profitability and strict control of expenses.

## Building & Infrastructure

- We expect an improvement in the second half of the year supported by a gradual recovery in parts of EMEA and Latin America and continued benefits from optimizing operational costs.
- Focus remains on delivering cost efficiencies, growing the profitability from new geographies and introducing new products.

## Precision Agriculture

- Market conditions are expected to remain flat in most geographies due to the prevailing interest rate environment and low crop prices.
- The business will continue to implement strategies to grow its market penetration in extensive crops, focus on cost management and optimizing operations.

## Connectivity Solutions

- The sequential recovery in volumes is expected to continue during the second half of the year.
- Also, the initial distribution of U.S. government funds for fiber deployment is expected towards the latter part of the year.

## Fluor & Energy Materials

- Focused on maximizing production and optimizing value across the chain.
- Pricing is expected to remain stable.
- The business will continue to focus on cost management and optimizing operations.

1. Excluding the impact of inflation and foreign exchange rate changes in Mexico



# 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 well-being, reinventing the future of cities and homes, ensuring food, water and sanitation security, connecting communities to information and enabling the energy transition with basic and advanced materials, specialty products and innovative solutions.