

## Orbia Announces Second Quarter 2024 Financial Results

**Mexico City, July 24, 2024** – Orbia Advance Corporation, S.A.B. de C.V. (BMV: ORBIA\*) (“the Company” or “Orbia”) today released unaudited results for second quarter of 2024.

Orbia delivered revenues and EBITDA of \$2.0 billion and \$334 million, respectively, for the second quarter of 2024. EBITDA included \$13 million of non-operating charges. The EBITDA was \$110 million below the prior year, which included a strong result of \$444 million. Demand and pricing conditions across certain markets where Orbia participates have remained weak, especially in parts of Europe. The year-over-year decline in EBITDA was primarily driven by Connectivity Solutions and Fluor & Energy Materials, which had strong results during the same quarter of last year. Second quarter results were also impacted by temporary water challenges in Mexico in the Polymer Solutions business group. The Company continued to work on improving operational efficiency and is well positioned to benefit as markets recover.

### Q2 2024 Financial Highlights

*(All metrics are compared to Q2 2023 unless otherwise noted)*

- Net revenues of \$2.0 billion decreased 9%, driven by lower sales in Connectivity Solutions, Building & Infrastructure and Fluor & Energy Materials.
- EBITDA of \$334 million decreased 25%, primarily driven by Connectivity Solutions and Fluor & Energy Materials.
- Operating Cash Flow of \$4 million decreased by \$212 million driven by lower EBITDA and a use of cash for working capital.

“Our second quarter results delivered significant sequential improvement across all business groups, highlighting Orbia’s resilience despite ongoing market challenges in certain regions. Based on recent market dynamics, we maintain cautious optimism for continued improvement in business conditions during the remainder of the year. We remain focused on cash generation, supported by commercial and financial discipline while also driving operational efficiencies. These efforts position us favorably for future growth. We are confident we will deliver on our long-term strategic growth projects and will fulfill our commitment to generate sustainable shareholder value.” said Sameer Bharadwaj, CEO of Orbia.

**Q2 2024 Consolidated Financial Information<sup>1</sup>**  
*(All metrics are compared to Q2 2023 unless otherwise noted)*

mm US\$	Second Quarter		
	2024	2023	%Var
Net sales	1,976	2,177	-9%
Cost of sales	1,474	1,541	-4%
Selling, general and administrative expenses	329	342	-4%
Operating income	173	297	-42%
EBITDA	334	444	-25%
EBITDA margin	16.9%	20.4%	-352 bps
Financial cost	35	132	-73%
Earnings before taxes	139	161	-13%
Income tax	(85)	129	N/A
Consolidated net income	224	32	611%
Net majority income	195	8	2309%
Operating cash inflow (outflow)	4	217	-98%
Capital expenditures	(107)	(162)	-34%
Free cash inflow (outflow)	(130)	30	N/A
Net debt	3,838	3,430	12%

**Net revenues** of \$1,976 million decreased 9%.

The decrease in revenues for the quarter was driven by an unfavorable mix and lower pricing in Connectivity Solutions, lower resin prices which translate into lower selling prices in Building & Infrastructure and lower volume of higher value refrigerants in Fluor & Energy Materials. These factors offset volumes increases year over year in all businesses except Connectivity Solutions.

1. Unless noted otherwise, all figures in this release are derived from the Consolidated Financial Statements of the Company as of June 30, 2024 and are prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting" of the International Financial Reporting Standards (IFRS), which have been published in the Bolsa Mexicana de Valores (BMV). See Notes and Definitions at the end of this release for further explanation of terms used herein.

**Cost of goods sold** of \$1,474 million decreased 4% due primarily to lower raw material costs and reduced operating costs.

**Selling, general and administrative expenses** of \$329 million decreased 4%. As a percentage of sales, SG&A increased 94 basis points to 16.6%.

Year to date, the Company has reduced manufacturing and SG&A costs by \$35 million compared to last year through business optimization efforts.

**EBITDA** of \$334 million decreased 25%, while EBITDA margin contracted 352 basis points to 16.9%.

The decrease in EBITDA and EBITDA margin was due to lower revenues and an unfavorable product mix in Connectivity Solutions and Fluor & Energy Materials compared to the previous year.

**Financial costs** of \$35 million decreased by \$97 million year-over-year. The decrease in financial costs was largely driven by foreign exchange impacts from the depreciation of the Mexican Peso. This was partially offset by lower interest income earned on cash balances and higher interest expenses.

An **Income Tax Benefit** of \$85 million was recognized for the quarter. The effective tax rate for the quarter was negative 61% compared to a rate of 80% for the same quarter in the prior year. The change in the effective tax rate was primarily due the depreciation of the Mexican Peso against the U.S. Dollar. Excluding the impact of the Mexican Peso depreciation in the quarter, the effective tax rate was 22%.

**Net income to majority shareholders** of \$195 million increased by \$187 million from the previous year quarter. The increase was driven by lower income tax and financial costs.

**Operating cash flow** of \$4 million decreased \$212 million while the free cash flow of negative \$130 million decreased by \$160 million.

The decreases in operating cash flow and free cash flow were driven by lower EBITDA and investment in working capital.

**Net debt** of \$3,838 million includes total debt of \$4,635 million, less cash and cash equivalents of \$797 million. The Company's net debt-to-EBITDA ratio increased from 2.96x to 3.39x compared to the previous quarter, driven by reductions in the cash balance and in the cumulative trailing 12-month EBITDA.

## Q2 Revenues by Region

*(All metrics are compared to Q2 2023 unless otherwise noted)*

mm US\$ Region	Second Quarter			
	2024	2023	% Var	% Revenue
North America	728	858	-15%	37%
Europe	582	673	-14%	29%
South America	387	390	-1%	20%
Asia	217	196	11%	11%
Africa and others	62	60	2%	3%
<b>Total</b>	<b>1,976</b>	<b>2,177</b>	<b>-9%</b>	<b>100%</b>

## Q2 Financial Performance by Business Group

(All metrics are compared to Q2 2023 unless otherwise noted)

### Polymer Solutions (Vestolit and Alphagary), 31% of Revenues

Orbia's Polymer Solutions business group (commercial brands Vestolit and Alphagary) focus on general purpose and specialty PVC resins (polyvinyl chloride), PVC and zero-halogen specialty compounds with a wide variety of applications in everyday products for everyday life, from pipes and cables to household appliances and medical devices. The business group supplies Orbia's downstream businesses and a global customer base.

mm US\$	Second Quarter		
	2024	2023	% Var
<b>Polymer Solutions</b>			
Total sales*	644	645	0%
Operating income	39	38	2%
EBITDA	107	102	4%

\*Intercompany sales were \$51 million and \$46 million in Q2 24 and Q2 23, respectively.

Revenues of \$644 million were flat year over year. EBITDA of \$107 million increased 4% compared to last year and EBITDA margin increased 68 basis points to 16.6%.

Revenue was flat year-over-year, driven by higher volumes, which were offset by lower prices across the product portfolio, especially in derivatives. Volumes increased despite the temporary shutdown at the Company's Altamira 1 facility because of the water drought in the Northeast of Mexico, which has now been resolved.

EBITDA increased year-over-year driven by lower raw material costs and growth in the U.S. and U.K. wire and cable markets in the compounds business. The improved margin was due to the lower raw material costs as well as to benefits from optimizing production and controlling spending.

### Building & Infrastructure (Wavin), 32% of Revenues

Orbia's Building & Infrastructure business group (commercial brand Wavin) is redefining today's pipes and fittings industry by creating solutions that last longer and perform better, all with less installation labor required. The business group benefits from supply chain integration with the Polymer Solutions business group, a customer base spanning three continents, and investments in sustainable, resilient technologies for water and indoor climate management.

mm US\$	Second Quarter		
	2024	2023	% Var
<b>Building &amp; Infrastructure</b>			
Total sales	665	698	-5%
Operating income	42	42	0%
EBITDA	78	74	4%

Revenues of \$665 million decreased 5% year-over-year. EBITDA of \$78 million increased 4% and EBITDA margin increased 102 basis points to 11.7%.

The decrease in revenues was primarily driven by continued weak volume activity in certain parts of Europe and Latin America. Revenues were also impacted by lower resin prices and unfavorable product mix.

EBITDA and EBITDA margin increased driven by operational costs optimization, which was partially offset by an unfavorable product mix.

#### Precision Agriculture (Netafim), 14% of Revenues

*Orbia's Precision Agriculture business group's (commercial brand Netafim) leading-edge irrigation systems, services and digital farming technologies enable stakeholders to achieve significantly higher and better-quality yields while using less water, fertilizer and other inputs. By helping farmers worldwide grow more with less, the business group is contributing to feeding the planet efficiently and sustainably.*

mm US\$	Second Quarter		
	2024	2023	% Var
<b>Precision Agriculture</b>			
Total sales	284	288	-2%
Operating income	13	15	-15%
EBITDA	39	41	-3%

Revenues of \$284 million decreased 2% year-over-year. EBITDA of \$39 million decreased by \$2 million and EBITDA margin decreased from 14.2% to 13.9%.

Revenues were lower due to soft activity levels in Turkey, the U.S. and India, partially offset by higher revenues in China, Middle East and Africa.

EBITDA declined because of lower revenues partly offset by cost saving efforts.

### Connectivity Solutions (Dura-Line), 12% of Revenues

Orbia's Connectivity Solutions business group (commercial brand Dura-Line) produces more than 500 million meters of essential and innovative connectivity infrastructure per year to bring a world's worth of information everywhere. The business group produces telecommunications conduit, cable-in-conduit and other HDPE products and solutions that create physical pathways for fiber and other network technologies connecting cities, homes and people.

mm US\$	Second Quarter		
Connectivity Solutions	2024	2023	% Var
Total sales	236	338	-30%
Operating income	29	100	-71%
EBITDA	41	109	-63%

Revenues of \$236 million decreased 30% year-over-year. EBITDA of \$41 million decreased by 63% and EBITDA margin decreased from 32.3% to 17.2%.

Revenues declined due to lower volumes, an unfavorable mix of products sold, and weaker prices compared to the high levels achieved during last year. The decrease in volumes was caused by a combination of the ongoing high interest rate environment as well as customers reducing excess levels of inventory in the supply chain.

EBITDA decreased due to lower revenues and less absorption of fixed costs. This was partly offset by lower input costs and the continued benefits of cost management measures.

### Fluor & Energy Materials (Koura), 11% of Revenues

Orbia's newly renamed Fluor & Energy Materials business group (commercial brand Koura) provides fluorine and downstream products that support modern, efficient living. The business group owns and operates the world's largest fluorspar mine and produces intermediates, refrigerants and propellants used in automotive, infrastructure, semiconductor, health, medicine, climate control, food cold chain, energy storage, computing and telecommunications applications.

mm US\$	Second Quarter		
Fluor & Energy Materials	2024	2023	% Var
Total sales	230	263	-13%
Operating income	64	102	-37%
EBITDA	81	116	-30%

Revenues of \$230 million decreased 13%. EBITDA of \$81 million decreased 30% and EBITDA margin decreased 893 basis points to 35.2%.

Revenues for the quarter decreased year-over-year driven primarily by lower refrigerant volumes due to a quota phase-down in the U.S. and Europe and high customer inventory levels in the U.S.

EBITDA decreased compared to last year due to the lower volumes of refrigerant gases, which were partially offset by cost control measures.

## Balance Sheet, Liquidity and Capital Allocation

Orbia's net debt-to-EBITDA ratio increased from 2.96x to 3.39x from previous quarter due to a reduction in the cumulative trailing 12-month EBITDA. At the end of the second quarter the Company had cash on hand of approximately \$800 million.

During the quarter Orbia increased debt by approximately \$26 million before currency adjustments.

Working capital increased by \$56 million during the quarter compared to a decrease of \$41 million in the prior-year quarter. This increase was partially driven by a reduction in trade payables in Polymer Solutions as a result of the temporary shutdown at the Company's Altamira 1 facility. Capital expenditures of \$107 million decreased 34% year-over-year and included ongoing maintenance spending and investments to support the Company's growth initiatives. The reduction in capital expenditures year over year reflects the Company's initiatives to actively manage cash.

During the quarter, Orbia returned \$80 million to shareholders, consisting of the first and second installments of the ordinary dividend approved at the Annual Shareholders Meeting held on April 9, 2024.

## 2024 Outlook

The Company remains cautious about an economic recovery later this year as some headwinds persist. Interest rates are staying high for longer delaying demand recovery, despite strong long-term fundamentals. Additionally, government infrastructure fund deployment has been slower than anticipated. Considering these factors and building upon the Company's positive sequential momentum, the current full-year 2024 EBITDA guidance is approximately \$1.3B. Adapting to market conditions, the capital expenditures are expected to be in the range of \$500 million to \$540 million, including both maintenance spending and targeted strategic growth investments. The effective tax rate guidance for the year is 29% to 32%<sup>2</sup>. Orbia expects that by the end of the year the net debt-to-EBITDA ratio will decrease to between 2.70x and 2.85x.

The Company remains committed to commercial excellence, fiscal responsibility, operational efficiency, and continuous business optimization, strengthening its position to benefit as market conditions improve.

---

<sup>2</sup> Excluding the impact of inflation and foreign exchange rate changes in Mexico.

## Conference Call Details

Orbia will host a conference call to discuss Q2 results on July 25, 2024, at 9:00 AM Central Time (CT; Mexico City)/11:00 AM Eastern Time (ET; New York). To access the call, please dial 001-855-817-7630 (Mexico), 1-888-339-0721 (United States) or 1-412-317-5247 (International).

Participants may pre-register for the conference call [here](#).

The live webcast can be accessed [here](#).

A recording of the webcast will be posted several hours after the call is completed on Orbia's [website](#).

For all company news, please visit [www.orbia.com/this-is-orbia/newsroom](http://www.orbia.com/this-is-orbia/newsroom).



## Consolidated Income Statement

mm US\$	Second Quarter			January - June		
	2024	2023	%	2024	2023	%
Net sales	1,976	2,177	-9%	3,839	4,457	-14%
Cost of sales	1,474	1,541	-4%	2,905	3,162	-8%
<b>Gross profit</b>	<b>502</b>	<b>635</b>	<b>-21%</b>	<b>934</b>	<b>1,295</b>	<b>-28%</b>
Selling, general and administrative expenses	329	342	-4%	655	678	-3%
<b>Operating income</b>	<b>173</b>	<b>297</b>	<b>-42%</b>	<b>279</b>	<b>621</b>	<b>-55%</b>
Financial cost	35	132	-73%	174	233	-26%
Equity income from associated entities	1	(0)	N/A	2	0	1521%
Impairment expense	-	4	N/A	-	4	N/A
<b>Income from continuing operations before income tax</b>	<b>139</b>	<b>161</b>	<b>-13%</b>	<b>107</b>	<b>384</b>	<b>-72%</b>
Income tax	(85)	129	N/A	(70)	272	N/A
<b>Consolidated net income</b>	<b>224</b>	<b>32</b>	<b>611%</b>	<b>177</b>	<b>112</b>	<b>58%</b>
Minority stockholders	29	23	23%	56	49	14%
<b>Majority Net income</b>	<b>195</b>	<b>8</b>	<b>2309%</b>	<b>121</b>	<b>63</b>	<b>92%</b>
<b>EBITDA</b>	<b>334</b>	<b>444</b>	<b>-25%</b>	<b>587</b>	<b>913</b>	<b>-36%</b>

## Consolidated Balance Sheet

mm US\$			
	June 2024	Dec 2023	June 2023
<b>Total assets</b>	<b>11,214</b>	<b>11,552</b>	<b>11,707</b>
<b>Current assets</b>	<b>3,800</b>	<b>4,170</b>	<b>4,499</b>
Cash and temporary investments	797	1,456	1,283
Receivables	1,733	1,461	1,470
Inventories	1,186	1,200	1,238
Others current assets	84	53	508
<b>Non current assets</b>	<b>7,414</b>	<b>7,382</b>	<b>7,208</b>
Property, plant and equipment, net	3,316	3,370	3,261
Right of use fixed assets, net	476	469	361
Intangible assets and goodwill	3,069	3,148	3,130
Long-term assets	553	395	456
<b>Total liabilities</b>	<b>8,156</b>	<b>8,334</b>	<b>8,476</b>
<b>Current liabilities</b>	<b>2,515</b>	<b>2,537</b>	<b>3,305</b>
Current portion of long-term debt	317	466	890
Suppliers	1,191	1,228	1,273
Short-term leaseings	118	106	94
Other current liabilities	889	737	1,047
<b>Non current liabilities</b>	<b>5,641</b>	<b>5,797</b>	<b>5,171</b>
Long-term debt	4,318	4,420	3,823
Long-term employee benefits	134	139	137
Long-term deferred tax liabilities	335	359	372
Long-term leaseings	376	383	276
Other long-term liabilities	478	496	563
<b>Consolidated shareholders' equity</b>	<b>3,058</b>	<b>3,218</b>	<b>3,231</b>
Minority shareholders' equity	601	604	637
<b>Majority shareholders' equity</b>	<b>2,457</b>	<b>2,614</b>	<b>2,594</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>11,214</b>	<b>11,552</b>	<b>11,707</b>

## Cash Flow Statement

mm US\$	Second Quarter			January - June		
	2024	2023	% Var	2024	2023	% Var
EBITDA	334	444	-25%	587	913	-36%
Taxes paid, net	(48)	(160)	-70%	(94)	(224)	-58%
Net interest / bank commissions	(92)	(72)	27%	(156)	(146)	7%
Change in trade working capital	(56)	41	N/A	(249)	(140)	77%
Others (other assets - provisions, Net)	(98)	(55)	78%	(89)	(74)	21%
CTA and FX	(36)	18	N/A	(45)	54	N/A
<b>Operating cash inflow (outflow)</b>	<b>4</b>	<b>217</b>	<b>-98%</b>	<b>(46)</b>	<b>383</b>	<b>N/A</b>
Capital expenditures	(107)	(162)	-34%	(239)	(304)	-21%
Leasing payments	(27)	(24)	11%	(46)	(48)	-4%
<b>Free cash inflow (outflow)</b>	<b>(130)</b>	<b>30</b>	<b>N/A</b>	<b>(331)</b>	<b>31</b>	<b>N/A</b>
Dividends to shareholders	(80)	(120)	-33%	(80)	(120)	-33%
Buy-back shares program	-	6	N/A	-	8	N/A
Debt	26	29	-11%	(147)	(99)	49%
Minority interest payments	(32)	(32)	0%	(59)	(63)	-7%
Mergers & acquisitions	(0)	(8)	-97%	(0)	(8)	-97%
Financial instruments and others	(37)	(7)	413%	(42)	(14)	205%
<b>Net change in cash</b>	<b>(253)</b>	<b>(101)</b>	<b>151%</b>	<b>(659)</b>	<b>(264)</b>	<b>150%</b>
Initial cash balance	1,050	1,384	-24%	1,456	1,546	-6%
<b>Cash balance</b>	<b>797</b>	<b>1,283</b>	<b>-38%</b>	<b>797</b>	<b>1,283</b>	<b>-38%</b>

## Notes and Definitions

The results contained in this release have been prepared in accordance with International Financial Reporting Standards (“NIIF” or “IFRS”) with U.S. Dollars as the reporting currency. Figures are presented in millions, unless specified otherwise.

Figures and percentages have been rounded and may not add up.

## About Orbia

Orbia Advance Corporation, S.A.B. de C.V. (BMV: ORBIA\*) is a company driven by a shared purpose: to advance life around the world. Orbia operates in the Polymer Solutions (Vestolit and Alphagary), Building & Infrastructure (Wavin), Precision Agriculture (Netafim), Connectivity Solutions (Dura-Line) and Fluor & Energy Materials (Koura) sectors. 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. Orbia has a global team of over 24,000 employees, commercial activities in more than 100 countries and operations in over 50, with global headquarters in Boston, Mexico City, Amsterdam and Tel Aviv. The company generated \$8.2 billion in revenue in 2023. To learn more, visit: [orbias.com](https://www.orbia.com)

## Prospective Information

In addition to historical information, this press release 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 forward-looking statements included in this press release are subject to a number of material risks and uncertainties, and our results may be materially different from current expectations due to factors, which include, but are not limited to, global and local changes in politics, economic factors, business, competition, market and regulatory factors, cyclical trends in relevant sectors as well as other factors affecting our operations, markets, products, services and prices that are highlighted under the title “Risk Factors” in the annual report submitted by Orbia to the Mexican National Banking and Securities Commission (CNBV) and available on our website at <https://www.orbia.com/investor-relations/financial-reports/annual-reports-and-filings/>. The forward-looking statements included herein represent Orbia’s views as of the date of this press release. Orbia undertakes no obligation to revise or update publicly any forward-looking statement for any reason unless required by law.”

Orbia has implemented a Code of Ethics that helps define our obligations to and relationships with our employees, clients, suppliers, and others. Orbia’s Code of Ethics is available for consultation at the following link: [http://www.Orbia.com/Codigo\\_de\\_etica.html](http://www.Orbia.com/Codigo_de_etica.html). Additionally, according to the terms contained in the Mexican Securities Exchange Act No 42, the Orbia Audit Committee has established a “hotline” system permitting any person who is aware of a failure to adhere to applicable operational and accounting records guidelines, internal controls or the Code of Ethics, whether by the Company itself or any of its controlled subsidiaries, to file a complaint (including anonymously). This system is operated by an independent third-party service provider. The system may be accessed via telephone in Mexico, via internet at [www.ethics.orbia.com](http://www.ethics.orbia.com) or via email at [ethics@orbias.com](mailto:ethics@orbias.com). Orbia’s Audit Committee has oversight responsibility for ensuring that all such complaints are appropriately investigated and resolved.