



THIRD QUARTER 2020 **RESULTS**

## Alpek Posts U.S. \$179M in EBITDA (U.S. \$154M in Comparable EBITDA excl. RMCF)

Reaching highest quarterly volume in its history for 2<sup>nd</sup> time in 2020

Monterrey, Mexico – October 21, 2020 – Alpek, S.A.B. de C.V. (BMV: ALPEK), a leading petrochemical company in the Americas, announced today its third quarter 2020 results (3Q20).

### Quarterly Highlights

- Record high volume of 1,260 thousand tons (+14% QoQ) as a result of strong PET demand & fast recovery in P&C
- Comparable EBITDA excl. RMCF improved to U.S. \$154 million (+3% QoQ) due to high volume & record low costs
- Strong Free Cash Flow generation of U.S \$309 million year-to-date from optimization of NWC and CAPEX, resulting in debt reduction to U.S. \$1,235 million and Net Leverage of 1.7x
- M&G Mexico's restructuring finalized, resulting in U.S. \$160 million in guaranteed debt recovered over next 5 years with approximately U.S. \$50 million expected in 2020

### 3Q20 Key Metrics

(in U.S.\$ million, except for volume figures)

	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Volume (ktons)</b>	<b>1,260</b>	<b>1,109</b>	<b>1,118</b>	<b>14</b>	<b>13</b>	<b>3,554</b>	<b>3,325</b>	<b>7</b>
Polyester	1,026	933	895	10	15	2,927	2,639	11
Plastics & Chemicals	234	176	223	33	5	627	686	(9)
<b>Revenues</b>	<b>1,325</b>	<b>1,175</b>	<b>1,523</b>	<b>13</b>	<b>(13)</b>	<b>3,933</b>	<b>4,809</b>	<b>(18)</b>
Polyester	990	925	1,162	7	(15)	3,009	3,643	(17)
Plastics & Chemicals	297	221	345	34	(14)	818	1,096	(25)
<b>EBITDA</b>	<b>179</b>	<b>74</b>	<b>194</b>	<b>140</b>	<b>(8)</b>	<b>364</b>	<b>495</b>	<b>(27)</b>
Polyester	109	33	129	228	(16)	200	305	(34)
Plastics & Chemicals	67	40	60	65	11	156	175	(11)
<b>Comparable EBITDA</b>	<b>160</b>	<b>110</b>	<b>213</b>	<b>45</b>	<b>(25)</b>	<b>398</b>	<b>550</b>	<b>(28)</b>
Polyester	101	63	144	60	(30)	238	351	(32)
Plastics & Chemicals	56	46	65	20	(14)	152	184	(18)
<b>Comparable EBITDA excl. RMCF</b>	<b>154</b>	<b>149</b>	<b>231</b>	<b>3</b>	<b>(34)</b>	<b>450</b>	<b>615</b>	<b>(27)</b>
<b>Net Income (Controlling Interest)</b>	<b>65</b>	<b>6</b>	<b>50</b>	<b>999</b>	<b>29</b>	<b>51</b>	<b>133</b>	<b>(61)</b>
<b>CAPEX</b>	<b>23</b>	<b>27</b>	<b>49</b>	<b>(14)</b>	<b>(53)</b>	<b>65</b>	<b>155</b>	<b>(58)</b>
<b>Net Debt</b>	<b>1,235</b>	<b>1,428</b>	<b>2,036</b>	<b>(14)</b>	<b>(39)</b>			
<b>Net Debt / EBITDA*</b>	<b>1.7</b>	<b>1.9</b>	<b>2.4</b>					

\*Times: last 12 months

## Message from the CEO

*“Amid the continuing COVID-19 environment, Alpek has been able to sustain operations without interruptions, and reach its strongest quarter, in terms of Comparable EBITDA, during this year. The Company also set a record for overall volume, as PET demand has grown, and as P&C demand from the Construction and Automotive industries has recovered quickly.*

*With the worst of the pandemic hopefully behind us, I would like to take a moment to review the most important reflections it has provided us. Firstly, Alpek reaffirmed its commitment to employee safety, as well as its long-term strategy, the sustainability of its products, and its solid financial standing. Secondly, the demand resiliency for Alpek’s products has never been higher, as evidenced not only by our record volume but also by new consumer behavior patterns we are witnessing, which demonstrate a stronger preference for PET. We are confident that these elements will continue to drive Alpek’s performance and positive outlook.”*



José de Jesús Valdez  
Chief Executive Officer

## COVID-19

Alpek prioritizes the safety and well-being of its employees, while serving the needs of various essential industries. As such, we’ve been able to continue operating without interruptions by relying on preventive measures, which proved to be successful for us, such as home-office work for many of our employees, as well as health checkpoints, and the use of protective gear at all our sites.

During 3Q20, we saw the initial effects of COVID-19 on the overall business environment begin to subside. Demand for refined products rose, with average spot Brent crude oil increasing to U.S. \$43 per barrel, 35% higher than in last quarter. However, as demand for Asian Polyester Fibers has not fully recovered, average U.S. reference paraxylene (“Px”) prices increased by only 12% versus 2Q20. Demand from the Construction and Automotive industries across the Americas, which purchase EPS and PP, has quickly recovered to pre-COVID-19 levels. Finally, U.S. Propylene prices spiked to an average of U.S. \$0.35 per pound, a 33% increase given lower supply from refineries and Propane Dehydrogenation units (“PDHs”).

Social distancing measures will be eventually relaxed, and consumers will return to public spaces, however, we believe that long-term consumer behavior could change permanently. The heightened importance of safety and hygiene will continue to lead us towards the increased use of plastics like PET and Polypropylene in food and beverage packaging, substituting alternatives like open beverage containers, which involve more person-to-person contact. These changes signify an important trend, which we will continue monitoring going forward, but there is no doubt that its potential lasting effect on demand will be positive for Alpek.

## M&G Mexico

The financial restructuring agreement between M&G Polímeros México, S.A. de C.V. (“M&G Mexico”) and most of its creditors was approved by the Mexican bankruptcy court on September 4, 2020. This approval concluded the pre-agreed bankruptcy proceedings initiated by M&G Mexico and its creditors in February 2019.

Under the agreement, Alpek expects to recover U.S. \$160 million in guaranteed debt plus interest, related to its first and second liens with M&G Mexico, over the next five years, with U.S. \$50 million expected as early as the end of 2020. Alpek will also continue supplying the PTA needed by M&G Mexico’s PET facility. This will both ensure stable operations at M&G Mexico as Alpek recovers its debt, as well as a steady offtake for our PTA site in Altamira.

## ALFA’s Unlocking Value Initiative & Alpek’s Transition Plan

On July 31, ALFA announced its intention to spin-off its ownership share in Nemark S.A.B. de C.V. (“Nemark”) as part of an overall strategy to unlock value at the conglomerate level. As part of its strategy, ALFA also communicated its plans to potentially spin-off its stake in Alpek at some point in the future. As such, Alpek has begun working on a transition plan that would allow it to become fully independent from the remaining corporate services provided by ALFA. It is important to note that we do not expect this event to occur in the short term, and that any cost savings or incremental expenses would not have a significant impact on Alpek’s already small SG&A. Though the spin-off mechanism has not been defined, a potential benefit would be the possibility that more of Alpek shares would be publicly traded, thus increasing the Company’s Free Float, and enhancing share liquidity.

## Outlook

For the coming quarter, Alpek envisions a continuation of the solid business fundamentals which have shaped 2020 performance. Volume for both segments is expected to remain at a record-setting pace, affected only by the normal demand seasonality that is characteristic of the fourth quarter. A demand increase in the Asian Fibers industry could also result in improved Polyester margins, as well as a positive Inventory and RMCF effect from increasing Px and PTA prices.

Our solid financial position will be preserved, as the Company does not expect significant Net Working Capital increases. Cash will decrease to figures more in line with historical operating levels, and CAPEX will remain in line with expenditure figures to date.

In terms of annual Guidance, Alpek will not be issuing updated 2020 figures for EBITDA and margins at this time; however Comparable EBITDA, excluding RMCF, of U.S. \$450 million year to date, is well on pace to surpass the original Guidance figures.

## Financial Results

### EBITDA

(in U.S.\$ million)

	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Reported EBITDA</b>	<b>179</b>	<b>74</b>	<b>194</b>	<b>140</b>	<b>(8)</b>	<b>364</b>	<b>495</b>	<b>(27)</b>
Inventories	(16)	42	16	(137)	(196)	43	63	(31)
Others	(3)	(6)	3	52	(215)	(9)	(7)	(29)
<b>Comparable EBITDA</b>	<b>160</b>	<b>110</b>	<b>213</b>	<b>45</b>	<b>(25)</b>	<b>398</b>	<b>550</b>	<b>(28)</b>
Raw Material Carry-forward	(6)	39	18	(116)	(133)	52	65	(19)
<b>Comparable EBITDA excl. RMCF</b>	<b>154</b>	<b>149</b>	<b>231</b>	<b>3</b>	<b>(34)</b>	<b>450</b>	<b>615</b>	<b>(27)</b>

**Comparable EBITDA excluding Raw Material Carry-forward** improved to U.S. \$154 million, 3% higher than in 2Q20, as the 14% increase in total volume more than offset a 19% decrease in Polyester margins. This figure best explains Alpek's quarterly results as it is largely based on the evolution of business fundamentals, such as volume and margins. The figure excludes the temporary effects of Inventory Adjustment and RMCF, which result from fluctuations in raw material pricing and tend to net out to zero over the long-term.

**Comparable EBITDA** reached U.S. \$160 million, 45% higher than in 2Q20. Most of the increase stems from a positive Raw Material Carry-forward effect of U.S. \$6 million during 3Q20, versus a negative one of U.S. \$39 million for 2Q20.

**Reported EBITDA** was U.S. \$179 million, a 140% increase versus 2Q20 figures, which was largely due to a positive inventory effect of U.S. \$16 million during the quarter and a one-time U.S. \$3 million net gain related to a one-time sale of excess carbon credits and other items.


**INCOME STATEMENT**

(in U.S.\$ million)

	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Total Revenues</b>	<b>1,325</b>	<b>1,175</b>	<b>1,523</b>	<b>13</b>	<b>(13)</b>	<b>3,933</b>	<b>4,809</b>	<b>(18)</b>
Gross Profit	180	69	213	161	(15)	367	507	(27)
Operating expenses and others	(57)	(47)	(74)	(22)	23	(164)	(168)	2
<b>Operating Income</b>	<b>123</b>	<b>22</b>	<b>139</b>	<b>457</b>	<b>(11)</b>	<b>203</b>	<b>339</b>	<b>(40)</b>
Financial cost, net	(16)	5	(59)	(446)	72	(100)	(100)	-
Share of losses of associates	(1)	(4)	-	87	(48)	(2)	(1)	(197)
Income tax	(27)	(8)	(16)	(217)	(63)	(23)	(66)	64
<b>Consolidated Net Income</b>	<b>80</b>	<b>15</b>	<b>63</b>	<b>446</b>	<b>26</b>	<b>78</b>	<b>172</b>	<b>(55)</b>
Controlling interest	65	6	50	999	29	51	133	(61)

**Revenues** for the third quarter totaled U.S. \$1,325 million, 13% higher than in 2Q20. Record high consolidated volumes more than offset a slight decrease in average consolidated prices for 3Q20.

**Net Income attributable to Controlling Interest** for the third quarter of 2020 was U.S. \$65 million, compared to U.S. \$6 million in 2Q20. This improvement was due to sharply higher operating income.

## CASH FLOW

(in U.S.\$ million)

	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
EBITDA	179	74	194	140	(8)	364	495	(27)
Net Working Capital & Others	56	27	(2)	110	3,308	183	64	184
CAPEX	(23)	(27)	(49)	14	53	(65)	(155)	58
Financial Expenses	(25)	(25)	(34)	1	27	(76)	(97)	22
Income Tax	4	(37)	(25)	111	116	(97)	(115)	16
Dividends	-	-	-	-	-	(163)	(181)	10
Payment to affiliated companies	-	-	2	-	(100)	-	10	(100)
Other Sources / Uses	2	(4)	(37)	157	106	(50)	(225)	78
<b>Decrease (Increase) in Net Debt</b>	<b>193</b>	<b>8</b>	<b>48</b>	<b>2,289</b>	<b>301</b>	<b>95</b>	<b>(204)</b>	<b>147</b>

**Net Working Capital (NWC)** further improved by U.S. \$56 million, supported by efforts to reduce inventory levels and improvements to supplier / customer credit terms. Alpek has a recovery of U.S. \$183 million in NWC year-to-date.

**CAPEX** totaled U.S. \$23 million during the quarter, reaching only U.S. \$65 million so far in 2020. Alpek continues to execute on its long-term strategy while exercising financial discipline. Expenditures have been mainly focused on maintenance CAPEX and used for minor asset replacements.

**Income Tax** during 3Q20 was U.S. \$4 million, as Alpek recovered U.S. \$22 million from its 2019 fiscal year.

## NET DEBT & LEVERAGE

(in U.S.\$ million)

	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)
<b>Net Debt</b>	<b>1,235</b>	<b>1,428</b>	<b>2,036</b>	<b>(14)</b>	<b>(39)</b>
EBITDA (LTM)	719	735	864	(2)	(17)
Net Debt / EBITDA (LTM)	1.7	1.9	2.4		

**Consolidated Net Debt** as of September 30, 2020 was U.S. \$1.235 billion, down 14% QoQ and 39% YoY. Net Debt decreased by U.S. \$193 million during 3Q20 as a result of strong EBITDA, NWC, and CAPEX optimization. Gross Debt reached U.S. \$1.754 billion, and Cash declined to U.S. \$519 million, as the Company begins returning to Cash levels more in line with its historical averages. Financial ratios as of quarter-end were: Net Debt to EBITDA of 1.7x and Interest Coverage of 7.0x, with the decrease to Leverage due to the improvement of Net Debt levels.

## Results by Business Segment: Polyester

(Purified Terephthalic Acid (PTA), Polyethylene Terephthalate (PET), rPET, Polyester fibers – 76% of Alpek's Net Sales)

### Quarterly Highlights

- Record high Polyester volume (+10% QoQ) continues at record-setting annual pace (+11% YTD)
- Integrated polyester margins normalized (-19% QoQ) while annualized margins remain above Guidance
- Record low production costs across Polyester sites given high plant operating rates and low feedstock costs
- Polyester Comparable EBITDA excl. RMCF of U.S. \$95 million (-7% QoQ) as record volume was offset by lower margins
- Polyester Reported EBITDA of U.S. \$109 million (+228% QoQ) due to a positive inventory adjustment effect (U.S. \$5 million) and raw material carry-forward (U.S. \$6 million) versus the negative impacts from the previous quarter

KEY METRICS - POLYESTER (in U.S.\$ million, except volume)	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
Volume (ktons)	<b>1,026</b>	<b>933</b>	<b>895</b>	<b>10</b>	<b>15</b>	<b>2,927</b>	<b>2,639</b>	<b>11</b>
Revenues	990	925	1,162	7	(15)	3,009	3,643	(17)
<b>Reported EBITDA</b>	<b>109</b>	<b>33</b>	<b>129</b>	<b>228</b>	<b>(16)</b>	<b>200</b>	<b>305</b>	<b>(34)</b>
Inventories	(5)	36	13	(113)	(137)	47	54	(11)
Others	(3)	(6)	2	51	(235)	(9)	(8)	(22)
<b>Comparable EBITDA</b>	<b>101</b>	<b>63</b>	<b>144</b>	<b>60</b>	<b>(30)</b>	<b>238</b>	<b>351</b>	<b>(32)</b>
Raw Material Carry-forward	(6)	39	18	(116)	(133)	52	65	(19)
<b>Comparable EBITDA excl. RMCF</b>	<b>95</b>	<b>102</b>	<b>163</b>	<b>(7)</b>	<b>(42)</b>	<b>291</b>	<b>417</b>	<b>(30)</b>

**Polyester Volume** set a new quarterly record at 1,026 thousand tons, 15% higher YoY. The Company also is on record-setting annual pace, currently +11% YTD. This volume increase was largely due to stronger PET demand from a heightened focus on safety and hygiene, and was achieved despite an interruption to USGC mono-ethylene glycol (“MEG”) supply created by Hurricane Sally in September, which was mitigated via imports from other sources.

**Polyester Comparable EBITDA excluding RMCF** reached U.S. \$95 million during the quarter, a 7% decrease QoQ. This was due to 19% lower polyester margins, despite higher volume. This figure was also down 42% YoY given record Polyester margins experienced during 3Q19.

As a result of the increase in Brent Crude oil price, average U.S. reference paraxylene (“Px”) prices increased by 12% QoQ. This resulted in a non-cash **inventory gain** of U.S. \$5 million and a positive **RMCF** effect of U.S. \$6 million in 3Q20.

Excluding only inventory gains and a U.S. \$3 million net gain related to the sale of excess carbon credits and other items, 3Q20 **Polyester Comparable EBITDA** reached U.S. \$101 million, up 60% QoQ as **raw material carry-forward** was U.S. +\$6 million, versus U.S. -\$39 million in 2Q20.

**Polyester Reported EBITDA** was U.S. \$109 million in the quarter, up 228% QoQ as this figure reflects a positive inventory adjustment and raw material carry-forward effect of U.S. +\$11 million versus a corresponding U.S. -\$75 million during last quarter from the same raw material price changes.



## Results by Business Segment: Plastics & Chemicals (P&C)

(Polypropylene (PP), Expandable Polystyrene (EPS), Caprolactam (CPL), Other products – 21% of Alpek's Net Sales)

### Quarterly Highlights

- P&C volume increased (+33% QoQ / 5% YoY) due to a quick recovery of the Construction and Automotive industries
- PP margins strengthened (+6% QoQ) despite start-up of new supply in NA, as capacity was added in orderly manner
- P&C Comparable EBITDA was U.S. \$56 million, (+20% QoQ), due to higher volumes and margins
- P&C Reported EBITDA of U.S. \$67 million (+65% QoQ) including a positive inventory effect of U.S. \$11 million
- Propylene prices increased by 33% during the quarter, due to limited supply caused by refinery and PDH outages

KEY METRICS - P&C (in U.S.\$ million, except volume)	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
Volume (ktons)	<b>234</b>	<b>176</b>	<b>223</b>	<b>33</b>	<b>5</b>	<b>627</b>	<b>686</b>	<b>(9)</b>
Revenues	297	221	345	34	(14)	818	1,096	(25)
<b>Reported EBITDA</b>	<b>67</b>	<b>40</b>	<b>60</b>	<b>65</b>	<b>11</b>	<b>156</b>	<b>175</b>	<b>(11)</b>
Inventories	(11)	6	4	(280)	(390)	(4)	9	(145)
Others	-	-	-	-	-	-	-	-
<b>Comparable EBITDA</b>	<b>56</b>	<b>46</b>	<b>65</b>	<b>20</b>	<b>(14)</b>	<b>152</b>	<b>184</b>	<b>(18)</b>

**P&C Volume** was 234 thousand tons, up 33% QoQ and 5% YoY. Alpek posted its highest EPS volume for any month during September, due to the resiliency of the Packaging segment and the swift recovery of the Construction industry across the Americas. Meanwhile, polypropylene volume also recovered from 2Q20 lows as demand from the Automotive industry has also normalized.

**P&C Reported EBITDA** was U.S. \$67 million in the quarter, up 65% QoQ and 11% YoY, as both volume and margins rose.

Propylene prices increased 33% this quarter, due to limited supply from refineries and PDH units in North America at the start of 3Q20, resulting in an inventory gain of U.S. \$11 million.

**P&C Comparable EBITDA** was U.S. \$56 million, 20% higher QoQ when adjusted for the inventory gains and extraordinary effects.

## About Alpek

Alpek is a leading petrochemical company operating two business segments: “Polyester” (PTA, PET, rPET, and polyester fibers), and “Plastics & Chemicals” (polypropylene, expandable polystyrene, caprolactam, and other specialty & industrial chemicals). Alpek is a leading producer of PTA and PET worldwide, one of the largest rPET producers in the Americas, the largest expandable polystyrene manufacturer in the Americas, and the only producer of polypropylene and caprolactam in Mexico.

## Note on Forward Looking Statements

This release contains forward-looking information based on numerous variables and assumptions that are inherently uncertain. They involve judgments with respect to, among other things, future economic, competitive and financial market conditions and future business decisions, all of which are difficult or impossible to predict accurately. Accordingly, results could vary from those set forth in this release. The report presents unaudited financial information based on International Financial Reporting Standards (IFRS). Figures are stated in nominal Mexican pesos (\$) and in current U.S. Dollars (U.S. \$), as indicated. Where applicable, peso amounts were translated into U.S. Dollars using the average exchange rate of the months during which operations were recorded. Financial ratios are calculated in U.S. Dollars. Due to the rounding up of figures, small differences may occur when calculating percent changes from one period to the other.

## Investor Relations Contact Information

Alejandro Elizondo, Investor Relations Officer  
Alejandra Bustamante, Investor Relations Manager  
+52 (818) 748-1146  
[ir@alpek.com](mailto:ir@alpek.com)  
[www.alpek.com](http://www.alpek.com)

**Appendix A – Additional Financial Information**

TABLE 1   PRICE CHANGES (%)	QoQ (%)	YoY (%)	Ch. (%)
<b>Polyester</b>			
Avg. Ps. Prices	(8)	(15)	(16)
Avg. U.S. \$ prices	(3)	(26)	(26)
<b>Plastics &amp; Chemicals</b>			
Avg. Ps. Prices	(4)	(7)	(16)
Avg. U.S. \$ prices	1	(18)	(25)
<b>Total</b>			
Avg. Ps. Prices	(6)	(12)	(16)
Avg. U.S. \$ prices	(1)	(23)	(26)

TABLE 2   REVENUES	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Total Revenues</b>								
Ps. Million	29,310	27,448	29,560	7	(1)	85,280	92,552	(8)
U.S. \$ Million	1,325	1,175	1,523	13	(13)	3,933	4,809	(18)
<b>Domestic Revenues</b>								
Ps. Million	8,457	7,581	8,943	12	(5)	24,075	26,755	(10)
U.S. \$ million	382	324	461	18	(17)	1,112	1,390	(20)
<b>Foreign Revenues</b>								
Ps. Millions	20,853	19,867	20,617	5	1	61,205	65,797	(7)
U.S. \$ million	943	851	1,062	11	(11)	2,822	3,419	(17)
Foreign / Total (%)	71	72	70			72	71	

TABLE 3   OP. INCOME AND EBITDA	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Operating Income</b>								
Ps. Million	2,735	483	2,706	467	1	4,369	6,527	(33)
U.S. \$ million	123	22	139	457	(11)	203	339	(40)
<b>EBITDA</b>								
Ps. Million	3,958	1,700	3,771	133	5	7,863	9,532	(18)
U.S. \$ million	179	74	194	140	(8)	364	495	(27)

TABLE 4   COMPARABLE EBITDA	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>EBITDA</b>								
Ps. Million	3,958	1,700	3,771	133	5	7,863	9,532	(18)
U.S. \$ million	179	74	194	140	(8)	364	495	(27)
<b>Adjustments*</b>								
Ps. Million	(421)	867	367	(149)	(215)	782	1,062	(26)
U.S. \$ million	(19)	36	19	(152)	(199)	34	55	(38)
<b>Comparable EBITDA</b>								
Ps. Million	3,536	2,567	4,139	38	(15)	8,645	10,594	(18)
U.S. \$ million	160	110	213	45	(25)	398	550	(28)

\*Adjustments: Inventory and non-operating, one-time (gains) losses

TABLE 5   IFRS 16 EFFECT (in U.S.\$ million)	3Q20	2Q20	1Q20	YTD20
<b>Income Statement</b>				
Amortization	11	11	12	34
Financial Expense	2	2	3	7
<b>Balance Sheet</b>				
Assets- Right of use	152	160	169	
<b>Liabilities</b>				
Short term lease	36	38	46	
Long term lease	115	121	121	
<b>Net Debt</b>	4	3	5	11

TABLE 6   FINANCIAL COST, NET (in U.S.\$ million)	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
Financial Expenses	(28)	(31)	(39)	9	29	(90)	(109)	17
Financial Income	4	11	10	(65)	(62)	23	29	(20)
<b>Net Financial Expenses</b>	(24)	(20)	(29)	(22)	18	(67)	(80)	16
Fx Gains (Losses)	8	24	(30)	(69)	125	(33)	(20)	(61)
<b>Financial Cost, Net</b>	(16)	5	(59)	(446)	72	(100)	(100)	-

TABLE 7   NET INCOME (in U.S.\$ million, except as noted)	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
Consolidated Net Income	80	15	63	446	26	78	172	(55)
Non-Controlling Interest	15	9	13	72	17	27	39	(32)
<b>Controlling Interest</b>	65	6	50	999	29	51	133	(61)
Earnings per Share (U.S. \$)	0.03	0.00	0.02	999	29	0.02	0.06	(61)
<b>Avg. Outstanding Shares (million)*</b>	2,112	2,112	2,117			2,113	2,118	

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

<b>TABLE 8   STATEMENT OF FINANCIAL POSITION &amp; FINANCIAL RATIOS</b> (in U.S.\$ million)	<b>3Q20</b>	<b>2Q20</b>	<b>3Q19</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
<b>Assets</b>					
Cash and cash equivalents	519	610	309	(15)	68
Trade accounts receivable	495	462	597	7	(17)
Inventories	778	808	914	(4)	(15)
Other current assets	324	336	407	(4)	(20)
<b>Total current assets</b>	<b>2,117</b>	<b>2,217</b>	<b>2,226</b>	<b>(4)</b>	<b>(5)</b>
Investment in associates and others	435	436	454	-	(4)
Property, plant and equipment, net	1,849	1,862	2,410	(1)	(23)
Goodwill and intangible assets, net	184	189	211	(2)	(13)
Other non-current assets	525	588	601	(11)	(13)
<b>Total assets</b>	<b>5,111</b>	<b>5,290</b>	<b>5,903</b>	<b>(3)</b>	<b>(13)</b>
<b>Liabilities &amp; stockholders' equity</b>					
Debt	109	237	115	(54)	(5)
Suppliers	698	647	713	8	(2)
Other current liabilities	286	327	412	(13)	(31)
<b>Total current liabilities</b>	<b>1,093</b>	<b>1,211</b>	<b>1,239</b>	<b>(10)</b>	<b>(12)</b>
Debt (include debt issuance costs)	1,485	1,635	2,041	(9)	(27)
Employees' benefits	56	55	58	1	(5)
Other long-term benefits	424	429	438	(1)	(3)
<b>Total liabilities</b>	<b>3,058</b>	<b>3,331</b>	<b>3,777</b>	<b>(8)</b>	<b>(19)</b>
Total stockholders' equity	2,052	1,959	2,125	5	(3)
Total liabilities & stockholders' equity	5,111	5,290	5,903	(3)	(13)
Net Debt	1,235	1,428	2,036	(14)	(39)
Net Debt / EBITDA*	1.7	1.9	2.4		
Interest Coverage*	7.0	6.9	7.8		

\* Times: last 12 months

## Polyester

TABLE 9   REVENUES	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Total Revenues</b>								
Ps. Million	21,901	21,635	22,553	1	(3)	65,331	70,126	(7)
U.S. \$ million	990	925	1,162	7	(15)	3,009	3,643	(17)
<b>Domestic Revenues</b>								
Ps. Million	3,889	3,816	4,561	2	(15)	11,726	12,580	(7)
U.S. \$ million	176	163	235	8	(25)	541	653	(17)
<b>Foreign Revenues</b>								
Ps. Million	18,011	17,819	17,992	1	-	53,605	57,545	(7)
U.S. \$ million	814	762	927	7	(12)	2,469	2,990	(17)
Foreign / Total (%)	82	82	80			82	82	

TABLE 10   OP. INCOME AND EBITDA	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Operating Income</b>								
Ps. Million	1,456	(205)	1,675	811	(13)	1,588	3,506	(55)
U.S. \$ million	66	(7)	86	1,000	(24)	76	182	(58)
<b>EBITDA</b>								
Ps. Million	2,409	739	2,516	226	(4)	4,300	5,886	(27)
U.S. \$ million	109	33	129	228	(16)	200	305	(34)

TABLE 11   COMPARABLE EBITDA	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>EBITDA</b>								
Ps. Million	2,409	739	2,516	226	(4)	4,300	5,886	(27)
U.S. \$ million	109	33	129	228	(16)	200	305	(34)
<b>Adjustments*</b>								
Ps. Million	(170)	727	287	(123)	(159)	880	883	-
U.S. \$ million	(8)	30	15	(126)	(152)	38	46	(17)
<b>Comparable EBITDA</b>								
Ps. million	2,239	1,466	2,803	53	(20)	5,179	6,769	(23)
U.S. \$ million	101	63	144	60	(30)	238	351	(32)

\*Adjustments: Inventory and non-operating, one-time (gains) losses

## Plastics &amp; Chemicals

TABLE 12   REVENUES	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Total Revenues</b>								
Ps. million	6,552	5,147	6,693	27	(2)	17,662	21,091	(16)
U.S. \$ million	297	221	345	34	(14)	818	1,096	(25)
<b>Domestic Revenues</b>								
Ps. million	3,724	3,124	4,202	19	(11)	10,196	13,069	(22)
U.S. \$ million	169	134	217	26	(22)	472	679	(31)
<b>Foreign Revenues</b>								
Ps. million	2,827	2,022	2,491	40	14	7,466	8,022	(7)
U.S. \$ million	128	87	128	47	-	346	417	(17)
Foreign / Total (%)	43	39	37			42	38	

TABLE 13   OP. INCOME AND EBITDA	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>Operating Income</b>								
Ps. million	1,211	669	951	81	27	2,628	2,757	(5)
U.S. \$ million	54	29	49	91	11	120	143	(16)
<b>EBITDA</b>								
Ps. million	1,481	943	1,173	57	26	3,411	3,380	1
U.S. \$ million	67	40	60	65	11	156	175	(11)

TABLE 14   COMPARABLE EBITDA	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
<b>EBITDA</b>								
Ps. million	1,481	943	1,173	57	26	3,411	3,380	1
U.S. \$ million	67	40	60	65	11	156	175	(11)
<b>Adjustments*</b>								
Ps. million	(251)	140	81	(279)	(410)	(98)	179	(155)
U.S. \$ million	(11)	6	4	(281)	(363)	(4)	9	(143)
<b>Comparable EBITDA</b>								
Ps. Million	1,230	1,083	1,254	14	(2)	3,313	3,559	(7)
U.S. \$ million	56	46	65	20	(14)	152	184	(18)

\*Adjustments: Inventory and non-operating, one-time (gains) losses

## Appendix B – Financial Statements

 ALPEK, S.A.B. DE C.V. and Subsidiaries  
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Sep-20	Jun-20	Sep-19	QoQ (%)	YoY (%)
(in millions of Mexican Pesos)					
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	11,602	13,829	6,069	(16)	91
Restricted cash	58	194	3	(70)	1,681
Trade accounts receivable	11,125	10,602	11,714	5	(5)
Other accounts and notes receivable	6,036	6,424	6,630	(6)	(9)
Inventories	17,476	18,570	17,945	(6)	(3)
Other current assets	1,248	1,304	1,353	(4)	(8)
<b>Total current assets</b>	<b>47,545</b>	<b>50,923</b>	<b>43,714</b>	<b>(7)</b>	<b>9</b>
<b>NON-CURRENT ASSETS:</b>					
Investment in associates and others	9,772	10,006	8,919	(2)	10
Property, plant and equipment, net	41,517	42,774	47,322	(3)	(12)
Goodwill and intangible assets	4,138	4,331	4,138	(4)	-
Other non-current assets	11,796	13,495	11,811	(13)	-
<b>Total assets</b>	<b>114,768</b>	<b>121,529</b>	<b>115,904</b>	<b>(6)</b>	<b>(1)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Debt	2,457	5,440	2,253	(55)	9
Suppliers	15,675	14,858	14,001	5	12
Other current liabilities	6,415	7,522	8,082	(15)	(21)
<b>Total current liabilities</b>	<b>24,547</b>	<b>27,820</b>	<b>24,336</b>	<b>(12)</b>	<b>1</b>
<b>NON-CURRENT LIABILITIES:</b>					
Debt (include debt issuance cost)	33,357	37,569	40,083	(11)	(17)
Deferred income taxes	4,745	4,883	3,873	(3)	23
Other non-current liabilities	4,785	4,979	4,736	(4)	1
Employees' benefits	1,248	1,268	1,143	(2)	9
<b>Total liabilities</b>	<b>68,682</b>	<b>76,519</b>	<b>74,171</b>	<b>(10)</b>	<b>(7)</b>
<b>STOCKHOLDERS' EQUITY:</b>					
Controlling interest:					
Capital stock	6,035	6,035	6,047	-	-
Share premium	9,025	9,025	9,077	-	(1)
<b>Contributed capital</b>	<b>15,060</b>	<b>15,060</b>	<b>15,124</b>	-	-
Earned surplus	25,372	24,515	21,522	3	18
<b>Total controlling interest</b>	<b>40,432</b>	<b>39,575</b>	<b>36,646</b>	<b>2</b>	<b>10</b>
Non-controlling interest	5,654	5,435	5,087	4	11
<b>Total stockholders' equity</b>	<b>46,086</b>	<b>45,010</b>	<b>41,733</b>	<b>2</b>	<b>10</b>
<b>Total liabilities and stockholders' equity</b>	<b>114,768</b>	<b>121,529</b>	<b>115,904</b>	<b>(6)</b>	<b>(1)</b>



**ALPEK, S.A.B. DE C.V. and Subsidiaries**  
**CONSOLIDATED STATEMENT OF INCOME**

	3Q20	2Q20	3Q19	QoQ (%)	YoY (%)	YTD20	YTD19	Ch. (%)
(in millions of Mexican Pesos)								
Revenues	29,310	27,448	29,560	7	(1)	85,280	92,552	(8)
Domestic	8,457	7,581	8,943	12	(5)	24,075	26,755	(10)
Export	20,853	19,867	20,617	5	1	61,205	65,797	(7)
Cost of sales	(25,316)	(25,864)	(25,417)	2	0	(77,355)	(82,786)	7
Gross profit	3,994	1,584	4,143	152	(4)	7,925	9,766	(19)
Operating expenses and others	(1,259)	(1,101)	(1,437)	(14)	12	(3,556)	(3,239)	(10)
Operating income	2,735	483	2,706	467	1	4,369	6,527	(33)
Financial result, net	(355)	114	(1,157)	(413)	69	(2,124)	(1,941)	(9)
Equity in income of associates and joint ventures	(11)	(90)	(7)	87	(69)	(42)	(11)	(260)
Income before taxes	2,369	507	1,542	367	54	2,203	4,575	(52)
Income taxes	(597)	(182)	(316)	(227)	(89)	(509)	(1,260)	60
<b>Consolidated net income</b>	<b>1,772</b>	<b>325</b>	<b>1,226</b>	<b>445</b>	<b>45</b>	<b>1,694</b>	<b>3,315</b>	<b>(49)</b>
<b>Income attributable to Controlling interest</b>	<b>1,436</b>	<b>121</b>	<b>976</b>	<b>1,091</b>	<b>47</b>	<b>1,103</b>	<b>2,557</b>	<b>(57)</b>
<b>Income attributable to Non-controlling interest</b>	<b>336</b>	<b>204</b>	<b>250</b>	<b>65</b>	<b>34</b>	<b>591</b>	<b>758</b>	<b>(22)</b>