

Orbia Announces Fourth Quarter and Full-Year 2022 Financial Results

Mexico City, February 22, 2023 – Orbia Advance Corporation, S.A.B. de C.V. (BMV: ORBIA*) (“the Company” or “Orbia”) today released unaudited results for the fourth quarter and full year of 2022.

Orbia delivered solid results for 2022 and exceeded the upper end of its annual EBITDA guidance, which accounted for ongoing impacts from macroeconomic challenges and lower year-over-year revenue and profitability. For both the quarter and the year, Orbia generated strong cash flow and maintained a strong balance sheet, demonstrating resilience in its businesses and robust long-term fundamentals.

Q4 2022 Financial Highlights

(All metrics are compared to Q4 2021 unless otherwise noted)

- Net revenues of \$2.1 billion decreased 10%, with lower sales in Polymer Solutions, Building and Infrastructure and Precision Agriculture.
- EBITDA of \$308 million decreased 39%, driven by higher input costs, lower volumes in certain segments and currency headwinds, partially offset by higher profitability in Connectivity Solutions. EBITDA included one-time charges of \$32 million in the quarter.
- Net majority income of negative \$36 million was driven by lower EBITDA and an impairment charge.
- Free cash flow of \$308 million increased by \$4 million, reflecting effective working capital management, which offset lower EBITDA and increases in capital expenditures.

Full-Year 2022 Financial Highlights

(All metrics are compared to FY 2021 unless otherwise noted)

- Net revenues of \$9.6 billion increased 10%, with higher sales in Connectivity Solutions, Fluorinated Solutions and Polymer Solutions, especially during the first half of the year, partially offset by lower sales in Precision Agriculture.
- EBITDA of \$1.91 billion decreased 7%, driven by higher input costs, lower volumes in certain segments and currency headwinds, partially offset by higher profitability in Connectivity Solutions and Fluorinated Solutions. Full-year EBITDA included one-time charges of approximately \$42 million.
- Net majority income of \$567 million decreased 14%, driven by lower EBITDA, partially offset by lower financial costs.
- Free cash flow of \$466 million decreased 19%, reflecting lower EBITDA and increases in taxes paid and capital expenditures, partially offset by effective working capital management.
- Cash returned to shareholders was \$442 million, with dividends and share buybacks of \$299 million and \$142 million, respectively.
- Leverage ratio (net debt-to-EBITDA) increased to 1.65x, due to an increase in borrowings during the year and the reduction in EBITDA.

“2022 was a challenging year for us and the world at large, marked by the war in Ukraine, inflation, rising interest rates and waves of pandemic-related shutdowns that continue to impact our lives and work. I would like to thank the Orbia team for their dedication to delivering value for our shareholders while delivering on our purpose to advance life around the world,” said Sameer Bharadwaj, CEO of Orbia.

Bharadwaj continued, “Challenging times have offered us opportunities to strengthen our business fundamentals, pursue vertical integration and synergies between our businesses and seed strategic partnerships for sustained value creation. In 2022, we maintained our focus on disciplined capital allocation and invested in the differentiation of our portfolio, as we detailed at our Investor Day in May. For example,

1. Starting in third quarter 2022, Data Communications business will be referred to as Connectivity Solutions.

in our Fluorinated Solutions business, we took significant steps to deepen our presence in the lithium-ion battery supply chain in North America with an agreement to establish a joint venture with Solvay to produce PVDF, an essential lithium-ion battery binder and separator coating. In addition, we secured a U.S. Department of Energy grant to build the first U.S. manufacturing plant for the electrolyte salt LiPF6 and entered into a related technology licensing agreement with Kanto Denka.

Concluded Bharadwaj, “We have continued to make strides when it comes to our aspiration to be a global leader in sustainable solutions in 2022. We remain committed to this going forward as we take advantage of organic growth opportunities. We look forward to serving our customers and addressing the world’s toughest challenges in 2023 and beyond.”

Q4 and Full-Year 2022 Consolidated Financial Information¹ (All metrics are compared to Q4 and FY 2021 unless otherwise noted)

mm US\$	Fourth Quarter			January - December		
	2022	2021	%Var.	2022	2021	%Var.
Financial Highlights						
Net sales	2,100	2,339	-10%	9,648	8,783	10%
Selling, general and administrative expenses	349	332	5%	1,241	1,178	5%
Operating income	160	345	-54%	1,328	1,449	-8%
EBITDA	308	504	-39%	1,909	2,047	-7%
EBITDA margin	14.6%	21.5%	-689 bps	19.8%	23.3%	-352 bps
Financial cost	(54)	86	N/A	160	297	-46%
Earnings before taxes	80	259	-69%	1,034	1,154	-10%
Income tax	101	109	-7%	369	381	-3%
Consolidated net income (loss)	(21)	151	N/A	665	772	-14%
Net majority income	(36)	126	N/A	567	657	-14%
Operating cash flow	555	450	23%	1,107	982	13%
Capital expenditures	(221)	(122)	82%	(549)	(311)	77%
Free cash flow	308	304	1%	466	572	-19%
Net debt	3,149	2,738	15%	3,149	2,738	15%

Net revenues of \$2,100 million in the fourth quarter decreased 10%. For the full-year 2022, net revenues of \$9,648 million increased 10%.

The decrease in revenues for the quarter was driven mainly by decreases in Polymer Solutions, Building and Infrastructure, and Precision Agriculture, primarily due to a slowdown in demand from a very strong prior year period, driven by COVID lockdowns in China, weaker end markets in the context of the current

¹Unless noted otherwise, all figures in this release are derived from the Consolidated Financial Statements of the Company as of December 31, 2022 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.](#)

macroeconomic environment and the devaluation of major currencies. For the full year, revenues increased across all businesses, except for Precision Agriculture. Primary drivers of the year-over-year increase included strong PVC pricing in the Polymer Solutions businesses, particularly during the first half of the year; strong demand in Connectivity Solutions and improved pricing across the Fluorinated Solutions product portfolio.

Cost of goods sold of \$1,591 million in the fourth quarter decreased 4%. For the full year, cost of goods sold of \$7,079 million increased 15%.

The decrease in cost of goods sold for the quarter was driven primarily by lower volumes. For the full year, the increase was primarily due to inflationary pressures leading to higher raw material, energy, freight and labor costs.

Selling, general and administrative expenses of \$349 million in the fourth quarter increased 5%. As a percentage of sales, SG&A increased approximately 240 basis points to 16.6%. For the full year, selling, general and administrative expenses of \$1,241 million increased 5%. As a percentage of sales, SG&A decreased approximately 55 basis points to 12.9%.

The increase in selling, general and administrative expenses was primarily due to inflation impacts and to continued investment in executing the Company's growth strategy.

EBITDA of \$308 million in the quarter decreased 39% from a very strong prior year level, while EBITDA margin decreased approximately 690 basis points to 14.6%. For the full year, EBITDA of \$1,909 million decreased 7%, while EBITDA margin decreased approximately 350 basis points to 19.8%. Excluding one-time items, EBITDA was \$340 million in the quarter and \$1,951 for the full year, representing decreases of 35% and 6%, respectively. EBITDA margin excluding one-time items was 16.2% in the quarter and 20.2% for the full year, a reduction of approximately 610 basis points and 310 basis points, respectively.

The decrease in EBITDA and EBITDA margin was due to softening demand across certain markets in the second half of the year, coupled with higher input costs, particularly in Polymer Solutions, Building and Infrastructure, and Precision Agriculture. The decrease in the quarter was partially offset by higher profitability in Connectivity Solutions. For the full year, the decrease was partially offset by higher profitability in Connectivity Solutions, as well as in Fluorinated Solutions.

Financial costs of negative \$54 million in the quarter decreased by \$140 million from \$86 million last year. For the full year, financial costs of \$160 million decreased by \$137 million from \$297 million last year.

The decrease in financial costs was largely driven by adjustments in the valuation of put options and one-time charges, where 2022 included a net \$111 million benefit from lower valuations and the prior year included a charge of \$23 million associated with higher valuations. The lower valuations in 2022 were driven by higher discount rates as interest rates have risen, while the 2021 valuation increase was associated with higher results of the underlying businesses. The decrease in financing costs related to put options and other one-time items was partly offset by higher charges during the year related to foreign exchange, particularly from devaluations of the Euro and British Pound.

Taxes of \$101 million for the quarter decreased 7%. The effective tax rate for the quarter was 126.4%, which is an increase of approximately 8,450 basis points compared to the same period last year. For the full year, taxes of \$369 million decreased 3%, and the effective tax rate was 35.6%, which is an increase of 258 basis points compared to last year.

For the quarter, the increase in the effective tax rate was driven by one-time items, including a non-deductible impairment of goodwill of \$136 million that significantly lowered earnings before taxes. This impairment was due to a higher discount rate used in the impairment analysis, caused by increases in interest rates during the year. The increase in the effective tax rate was also due to the strengthening of the Mexican Peso and additional reserves for uncertain tax positions, partially offset by the release of valuation allowances and non-taxable option revaluation. For the full year, the increase in the effective tax rate was primarily driven by the one-time items mentioned above.

Net income to majority shareholders of negative \$36 million in the quarter decreased by \$162 million, largely due to the decrease in EBITDA and the one-time items noted above. For the full year, net income to majority shareholders of \$567 million decreased 14%, also driven by the aforementioned decrease in EBITDA and one-time items. Excluding one-time items, net income to majority shareholders was \$139 million for the quarter and for the full year was \$742 million.

Operating cash flow of \$555 million in the quarter increased 23% while **free cash flow** of \$308 million increased by \$4 million. For the full year, operating cash flow of \$1,107 million increased 13% while free cash flow of \$466 million decreased 19%.

During the quarter, cash generated from effective management of working capital was partially offset by lower EBITDA and higher capital expenditures. For the full year, the increase in operating cash flow was offset by higher capital expenditures.

Net debt of \$3,149 million was comprised of total debt of \$4,696 million, less cash and cash equivalents of \$1,546 million. The Company's net debt-to-EBITDA ratio increased from 1.34x to 1.65x year-over-year, driven by an increase in debt during the year, as well as the decrease in EBITDA year-over-year.

Q4 and Full-Year 2022 Revenues by Region

(All metrics are compared to Q4 and FY 2021 unless otherwise noted)

mm US\$	Fourth Quarter			
Region	2022	2021	% Var. Prev Year	% Revenue
North America	840	815	3%	40%
Europe	644	777	-17%	31%
South America	368	512	-28%	18%
Asia	196	154	27%	9%
Africa and others	53	81	-35%	3%
Total	2,100	2,339	-10%	100%

mm US\$	January - December			
Region	2022	2021	% Var. Prev Year	% Revenue
North America	3,606	2,905	24%	37%
Europe	3,050	3,036	0%	32%
South America	1,922	1,942	-1%	20%
Asia	812	651	25%	8%
Africa and others	258	250	3%	3%
Total	9,648	8,783	10%	100%

Q4 and Full-Year 2022 Financial Performance by Business Group

(All metrics are compared to Q4 and FY 2021 unless otherwise noted)

Polymer Solutions (Vestolit and Alphagary), 38% of Revenues

Orbia's Polymer Solutions business group and businesses Vestolit and Alphagary focus on General Purpose and Specialty PVC resins (polyvinyl chloride) and 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 to medical devices. The business group supplies Orbia's downstream businesses and a global customer base.

mm US\$	Fourth Quarter			January - December		
	2022	2021	%Var.	2022	2021	%Var.
Polymer Solutions						
Total sales*	735	999	-26%	3,696	3,438	7%
Operating income	37	252	-85%	549	876	-37%
EBITDA	101	320	-69%	804	1,134	-29%

*Intercompany sales were \$33 million and \$94 million in 4Q22 and 4Q21, respectively.

Full year intercompany sales were \$232 million and \$322 million in 2022 and 2021, respectively.

Q4 revenues of \$735 million decreased 26% and full-year revenues of \$3,696 million increased 7%. Q4 EBITDA of \$101 million decreased 69% and EBITDA margin decreased approximately 1,835 basis points to 13.7%, while full-year EBITDA of \$804 million decreased 29% and EBITDA margin decreased 1,125 basis points to 21.8%.

The decrease in revenues for the quarter was driven primarily by lower volumes reflecting softening demand and lower prices in General Purpose PVC due to increased product availability as a result of high industry operating rates to capture profitability in the Chlor-Alkali segment, partially offset by higher prices in Specialty PVC, Chlorine and Caustic Soda. For the full year, the increase in revenues was driven primarily by strong prices during the first half of the year, as well as the high performance of the Specialty PVC and Chlor-Alkali businesses over the course of the year.

Q4 and full-year EBITDA decreased year-over-year in General Purpose PVC resins, due to lower prices and volumes and higher feedstock and energy costs, particularly in Europe. This was partly offset by strong pricing in Specialty PVC and Chlor-Alkali businesses.

Building and Infrastructure (Wavin), 30% of Revenues

Orbia's Building and Infrastructure business group and business 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\$	Fourth Quarter			January - December		
	2022	2021	%Var.	2022	2021	%Var.
Building & Infrastructure						
Total sales	661	702	-6%	2,926	2,922	0%
Operating income	12	44	-73%	193	283	-32%
EBITDA	47	82	-43%	321	424	-24%

Q4 revenues of \$661 million decreased 6% and full year revenues of \$2,926 were relatively flat. Q4 EBITDA of \$47 million decreased 43% and EBITDA margin decreased approximately 460 basis points to 7.1%, while full-year EBITDA of \$321 decreased 24% and EBITDA margin decreased approximately 355 basis points to 11.0%. Excluding one-time items due to restructuring costs and hyperinflationary effects from Turkey,

EBITDA for the quarter was \$55 million and EBITDA margin for the quarter was 8.4%, reflecting a decrease of approximately 330 basis points. For the full year, EBITDA excluding one-time items was \$330 million and EBITDA margin was 11.3% reflecting a decrease of approximately 320 basis points.

The decrease in revenues for the quarter was mainly driven by lower volumes, particularly in Europe from an inflationary cost environment and demand volatility, and Brazil, from political volatility as well as the impact of currency devaluation.

Q4 and full-year EBITDA declined year-over-year reflecting the decrease in volumes and continued input cost increases, particularly in Europe.

Precision Agriculture (Netafim), 11% of Revenues

Orbia's Precision Agriculture business group and business Netafim's 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\$	Fourth Quarter			January - December		
	2022	2021	%Var.	2022	2021	%Var.
Precision Agriculture						
Total sales	229	266	-14%	1,085	1,126	-4%
Operating income	(29)	(18)	65%	19	46	-58%
Operating income excluding one-offs	(4)	1	N/A	45	72	-38%
Reported EBITDA	(4)	10	N/A	119	146	-18%
EBITDA excluding one-offs	12	29	-58%	144	172	-16%

Q4 revenues of \$229 million decreased 14% and full year revenues of \$1,085 million decreased 4%. Q4 EBITDA of \$(4) million decreased by \$14 million, while full-year EBITDA of \$119 million decreased 18%, with EBITDA margin decreasing approximately 195 basis points to 11.0%. Excluding one-time items due to a hyperinflation adjustment, a one-time legal settlement and corporate fee allocations that were not charged in the past but that will be included going forward, EBITDA for the quarter was \$12 million and EBITDA margin for the quarter was 5.2%, reflecting a decrease of approximately 560 basis points. For the full year, EBITDA excluding one-time items was \$144 million and EBITDA margin was 13.3% reflecting a decrease of approximately 195 basis points.

The decrease in revenues was driven by a slowdown in demand in most markets and currency devaluation, partially offset by strength in Latin America and Turkey. The slowdown in Europe was directly related to economic weakness relating to the war in Ukraine and high energy costs affecting key market segments, especially the greenhouses business. The slowdown in demand in Q4 was also a result of continued destocking in the customer value chain after an inventory build-up in the first half of the year.

Q4 EBITDA decreased year-over-year, reflecting lower demand, unfavorable product mix, currency devaluation and the one-time expenses mentioned above. For the full year, EBITDA decreased due to lower demand, unfavorable product mix, currency devaluation, and one-time expenses.

Connectivity Solutions (Dura-Line), 14% of Revenues

Orbia's Connectivity Solutions business group, Dura-Line, produces more than 500 million meters of essential and innovative 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\$	Fourth Quarter			January - December		
	2022	2021	%Var.	2022	2021	%Var.
Connectivity Solutions						
Total sales	317	297	7%	1,370	994	38%
Operating income	76	33	134%	321	102	214%
EBITDA	84	41	108%	357	134	167%

Q4 revenues of \$317 million increased 7% and full year revenues of \$1,370 million increased 38%. Q4 EBITDA of \$84 million increased 108% and EBITDA margin increased approximately 1,305 basis points to 26.7%, while full-year EBITDA of \$357 million increased 167% and EBITDA margin increased approximately 1,260 basis points to 26.1%. Excluding one-time items due to restructuring costs, EBITDA for the quarter was \$95 million and EBITDA margin for the quarter was 30.1% reflecting an increase of approximately 1,650 basis points. For the full year, EBITDA was \$368 million and EBITDA margin was 26.9%, reflecting an increase of approximately 1,340 basis points.

Q4 and full-year revenues increased year-over-year supported by investments in production capacity along with growing demand for fiber infrastructure.

Q4 and full-year EBITDA also increased year-over-year, driven by higher revenues combined with a stabilization of material costs.

Fluorinated Solutions (Koura), 9% of Revenues

Orbia's Fluorinated Solutions business group and business 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\$	Fourth Quarter			January - December		
	2022	2021	%Var.	2022	2021	%Var.
Fluorinated Solutions						
Total sales	201	198	2%	852	744	15%
Operating income	51	52	-2%	248	183	36%
EBITDA	65	67	-3%	305	244	25%

Q4 revenues of \$201 million increased 2% and full-year revenues of \$852 million increased 15%. Q4 EBITDA of \$65 million decreased 3% and EBITDA margin decreased approximately 155 basis points to 32.1%, while full-year EBITDA of \$305 million increased 25% and EBITDA margin increased approximately 295 basis points to 35.8%.

Revenues for the quarter reflected strong pricing across the product portfolio particularly in refrigerants, partially offset by lower volumes. For the full year, revenues increased due to strong pricing despite lower volumes, especially during the first half of the year.

Q4 EBITDA and EBITDA margin decreased slightly due to higher input costs and accelerating strategic investments, partly offset by strong pricing across the product portfolio. The increase in EBITDA for the full year was driven by revenue growth and strong pricing, which helped offset lower volumes and higher input and logistics costs.

Balance Sheet, Liquidity and Capital Allocation

Orbia continued to maintain a strong balance sheet. The net debt-to-EBITDA ratio increased from 1.34x to 1.65x year-over-year due to an increase in borrowings during the year and the reduction in EBITDA.

During the quarter, Orbia added approximately \$500 million of borrowings, which is reflected as new debt in the Company's cash flow statement. The proceeds from these borrowings are intended to be used for the retirement of short-term debt due in early 2023, funding of growth initiatives and general business purposes.

Working capital decreased by \$289 million during the quarter, primarily reflecting lower selling prices and proactive management, but increased by \$33 million during the year. Capital expenditures of \$221 million during the quarter increased 82% year-over-year and increased 77% for the full year to \$549 million, including ongoing maintenance spending and investments to support the Company's growth initiatives.

During the quarter Orbia paid \$75 million as the fourth installment of the ordinary and extraordinary dividend approved at the Annual Shareholders Meeting held on April 1, 2022. For the full year, the Company returned \$442 million to shareholders, consisting of \$299 million of dividends and \$142 million of share buybacks.

2023 Outlook

Broad market uncertainty, including impacts of monetary tightening, exchange rate volatility, inflationary challenges and the war in Ukraine continue to impact the global environment, all of which make near-term forecasting challenging. That said and assuming no significant or unexpected disruptions, Orbia is a resilient company.

We have had a good start to the year across all businesses. While it's early in the year to give definitive ranges, based on where we are, we anticipate a flat to mid-single digit percentage revenue decline and EBITDA of \$1.65 billion or higher for 2023. We will refine our guidance as the year progresses. Orbia is also expecting capital expenditures in the range of \$600 million to \$700 million for 2023, including \$300 million to \$350 million of maintenance spending and \$300 million to \$350 million of growth-related investments, depending on the underlying economic environment. The effective tax rate for the year is expected to be between 29% and 32%.

For each of Orbia's businesses The Company is assuming the following:

- **Polymer Solutions**: We expect the PVC market to improve over the course of 2023 as China reopens and construction markets worldwide stabilize. We have seen general purpose PVC prices rebound from the bottom in the start of 2023, and ultimately, we expect general purpose PVC prices to settle above pre-pandemic levels. We continue to believe that the industry supply/demand balance will remain tight for the long-term.
- **Building and Infrastructure**: We expect inflationary cost pressures through the first half of the year, with conditions improving in the second half. Energy costs in key European countries have come down below pre-war levels but uncertainty remains. We will continue to manage margins and to focus on driving a higher-value sales mix in the business.
- **Precision Agriculture**: We expect demand for precision irrigation products to strengthen over the course of the year, supported by continued investment in technologies that address water shortages worldwide.
- **Connectivity Solutions**: We expect continued growth throughout the year, supported by favorable market conditions and continued investments in incremental capacity.

- **Fluorinated Solutions:** We expect improvements in revenue and profitability across the product portfolio, aligned with market strengthening and new regulations, partly offset by incremental costs to invest in long-term growth initiatives.

Looking forward, the Company's management is confident that the continued execution of Orbia's strategy—supported by vertical integration, investments in organic growth and selective bolt-on acquisitions—will generate sustainable and profitable growth in line with the targets communicated during Orbia's Investor Day in May 2022.

The Company's Board of Directors has approved and intends to recommend to its shareholders for their approval at Orbia's next Annual General Meeting of Shareholders, (i) an aggregate ordinary dividend payment of \$240 million payable in four quarterly installments in 2023, (ii) authorization to cancel up to 105 million shares held in treasury, and (iii) authorization to establish a fund for the repurchase of shares for an amount equal to the total balance of the Company's net profits as of December 31, 2022 and including those withheld from previous years, in the understanding that the acquisition and placement of the applicable shares of the Company will be made by the Company through the Mexican Stock Exchange (Bolsa Mexicana de Valores, S.A.B. de C.V.).

Conference Call Details

Orbia will host a conference call to discuss Q4 and Full Year 2022 results on February 23, 2023, at 9:00 am Central Time (CT; Mexico City)/10:00 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.

Consolidated Income Statement

mm US\$	Fourth Quarter			January - December		
	2022	2021	%	2022	2021	%
Income Statement						
Net sales	2,100	2,339	-10%	9,648	8,783	10%
Cost of sales	1,591	1,661	-4%	7,079	6,156	15%
Gross profit	509	678	-25%	2,569	2,627	-2%
Selling, general and administrative expenses	349	332	5%	1,241	1,178	5%
Operating income (loss)	160	345	-54%	1,328	1,449	-8%
Financial cost	(54)	86	N/A	160	297	-46%
Equity in income of associated entity	1	(0)	N/A	3	1	80%
Impairment expense	136	-	N/A	136	-	N/A
Income (loss) from continuing operations before income tax	80	259	-69%	1,034	1,154	-10%
Income tax	101	109	-7%	369	381	-3%
Income (loss) from continuing operations	(21)	151	N/A	666	773	-14%
Discontinued operations	-	(0)	-100%	(1)	(0)	N/A
Consolidated net income (loss)	(21)	151	N/A	665	772	-14%
Minority stockholders	15	25	-40%	99	115	-14%
Majority Net income (loss)	(36)	126	N/A	567	657	-14%
EBITDA	308	504	-39%	1,909	2,047	-7%

Orbia is a company
driven by a shared purpose:
to advance life around the world.

V vestolit

alphagary

wavin

NETAFIM

dura-line

koura

orbia
Advancing life together



Consolidated Balance Sheet

	mm US\$	
Balance sheet	Dec 2022	Dec 2021
Total assets	11,624	10,587
Current assets	4,584	3,724
Cash and temporary investments	1,546	782
Receivables	1,229	1,370
Inventories	1,320	1,292
Others current assets	489	282
Non current assets	7,040	6,862
Property, plant and equipment, net	3,170	3,051
Right of use fixed assets, net	358	346
Intangible assets and goodwill	3,105	3,130
Long-term assets	408	335
Total liabilities	8,301	7,182
Current liabilities	3,045	2,643
Current portion of long-term debt	760	240
Suppliers	1,279	1,505
Short-term leasings	84	86
Other current liabilities	923	812
Non current liabilities	5,256	4,539
Long-term debt	3,936	3,280
Long-term employee benefits	137	221
Long-term deferred tax liabilities	373	318
Long-term leasings	285	281
Other long-term liabilities	525	440
Consolidated shareholders' equity	3,324	3,404
Minority shareholders' equity	655	668
Majority shareholders' equity	2,668	2,737
Total liabilities & shareholders' equity	11,624	10,587

Cash Flow Statement

mm US\$	Fourth Quarter			January - December		
	2022	2021	%Var.	2022	2021	% Var.
EBITDA	308	504	-39%	1,909	2,047	-7%
Taxes paid, net	(70)	(85)	-18%	(504)	(278)	81%
Net interest / bank commissions	(48)	(32)	51%	(205)	(252)	-19%
Change in trade working capital	289	92	215%	(33)	(479)	-93%
Others (other assets - provisions, Net)	16	1	1446%	(38)	10	N/A
CTA and FX	61	(30)	N/A	(21)	(67)	-69%
Operating cash flow	555	450	23%	1,107	982	13%
Capital expenditures	(221)	(122)	82%	(549)	(311)	77%
Leasing payments	(26)	(24)	10%	(92)	(98)	-7%
Free cash flow	308	304	1%	466	572	-19%
<i>FCF conversion (%)</i>	<i>100.0%</i>	<i>60.3%</i>	<i>0%</i>	<i>24.4%</i>	<i>28.0%</i>	
Dividends to shareholders	(75)	(49)	53%	(299)	(199)	50%
Buy-back shares program	(0)	(97)	-100%	(142)	(166)	-14%
New debt (paid)	465	15	3103%	1,135	(122)	N/A
Minority interest payments	(36)	(34)	5%	(141)	(138)	2%
Mergers & acquisitions	(8)	(11)	-33%	(225)	(48)	366%
Financial instruments and others	(4)	0	N/A	(28)	8	N/A
Net change in cash	649	127	412%	765	(94)	N/A
Initial cash balance	897	655	37%	782	875	-11%
Cash balance	1,546	782	98%	1,546	782	98%

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 is a company driven by a shared purpose: to advance life around the world. Orbia operates in the Polymer Solutions (Vestolit and Alphagary), Building and Infrastructure (Wavin), Precision Agriculture (Netafim), Connectivity Solutions (Dura-Line) and Fluorinated Solutions (Koura) sectors. 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. Orbia has a global team of over 23,000 employees, commercial activities in more than 110 countries and operations in over 50, with global headquarters in Boston, Mexico City, Amsterdam and Tel Aviv. The company generated \$8.8 billion in revenue in 2021. 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. 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 or via email at ethics@orbias.com. Orbia’s Audit Committee has oversight responsibility for ensuring that all such complaints are appropriately investigated and resolved.