



Q4 and Full Year 2022 Earnings Call

February 23, 2023

Safe Harbor

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

Q4 and Full Year 2022 Overview

01

Another challenging quarter due to ongoing macroeconomic challenges, inflation, rising interest rates, increased input costs, effects from the war in Ukraine, the energy crisis in Europe, and unfavorable currency translation

02

Orbia continues to demonstrate resilience in its businesses and maintains a strong balance sheet and robust long-term fundamentals

03

Despite the difficult environment, Orbia continued to execute on its long-term strategy for value creation, as outlined at our Investor Day in May

Revenue

Q4 \$2.1B and FY \$9.6B

Q4 down 10% and FY up 10%
YoY

Slowdown in Polymer Solutions, Building and Infrastructure and Precision Agriculture and FX devaluation for Q4; strong PVC pricing during 1H22, high demand in Connectivity Solutions and improved pricing in Fluorinated Solutions for the FY

EBITDA Margin

Q4 14.6% and FY 19.8%

Q4 down 690 bps and FY down 350 bps YoY

Higher input costs particularly in Polymer Solutions, Building and Infrastructure and Precision Agriculture

EBITDA

Q4 \$308M and FY \$1.91B

Q4 down 39% and FY down 7%
YoY

Softening demand across certain markets in 2H22, coupled with higher input costs, particularly in Polymer Solutions, Building and Infrastructure, and Precision Agriculture, partially offset by higher profitability in Connectivity Solutions and Fluorinated Solutions

Free Cash Flow

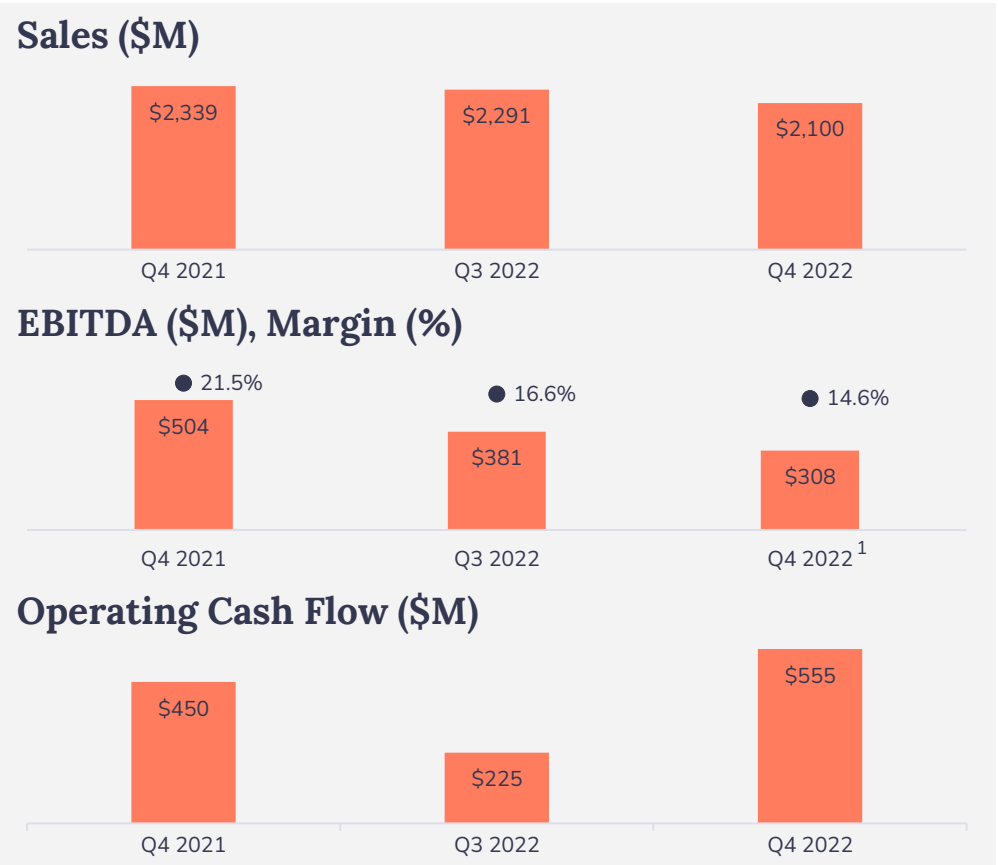
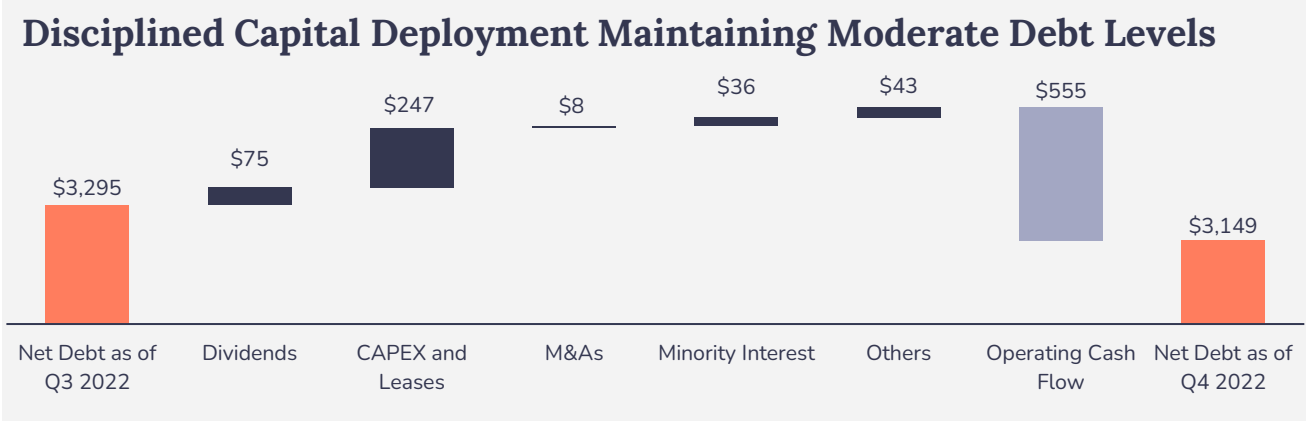
Q4 \$308M and FY \$466M

Q4 ~flat and FY down 19% YoY

Reflected effective management of working capital, offset by lower EBITDA and higher CAPEX

Challenging Quarter but Building on Strong Annual Results

- ### Q4 2022 Highlights
- **Capital expenditures of \$221M**, up 82%, reflecting ongoing maintenance spending and investments to support our growth initiatives, particularly in Connectivity Solutions and Building and Infrastructure
 - **Free cash flow of \$308M**, up 1% resulting from effective management of working capital, partially offset by lower EBITDA and higher CAPEX
 - **Orbia added ~\$411M of net debt**
 - **Paid \$75M in dividends** reflecting the fourth installment of the ordinary and extraordinary 2022 dividends



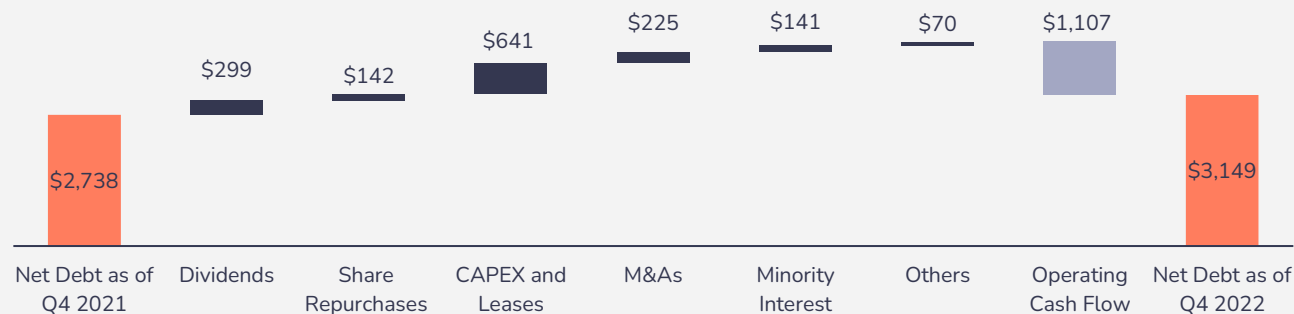
1. Excluding one-time charges, EBITDA for Q4 was \$340 million, with an EBITDA margin of 16.2%.

Strong Results for the Year

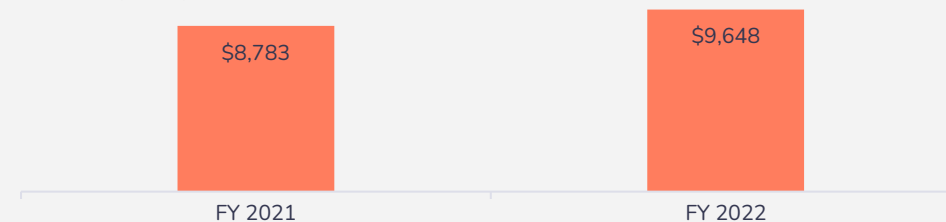
FY 2022 Highlights

- **Capital expenditures of \$549M**, up 77%, reflecting ongoing maintenance spending and investments to support our growth initiatives, with significant increases in Building and Infrastructure, Fluorinated Solutions and Connectivity Solutions
- **Free cash flow of \$466M**, down 19% affected by higher CAPEX and higher taxes paid, partially offset by effective working capital management
- **Orbia added ~\$1,135M of borrowings**
- **Paid \$299M in dividends** related to both ordinary and extraordinary 2022 dividends approved at the Annual Shareholders Meeting held on April 1, 2022. **Completed \$142M in share buy-backs**

Disciplined Capital Deployment Maintaining Moderate Debt Levels



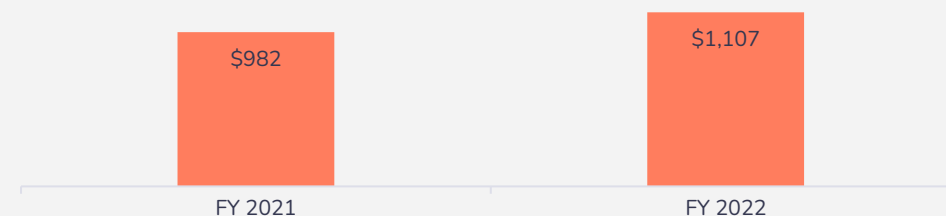
Sales (\$M)



EBITDA (\$M), Margin (%)

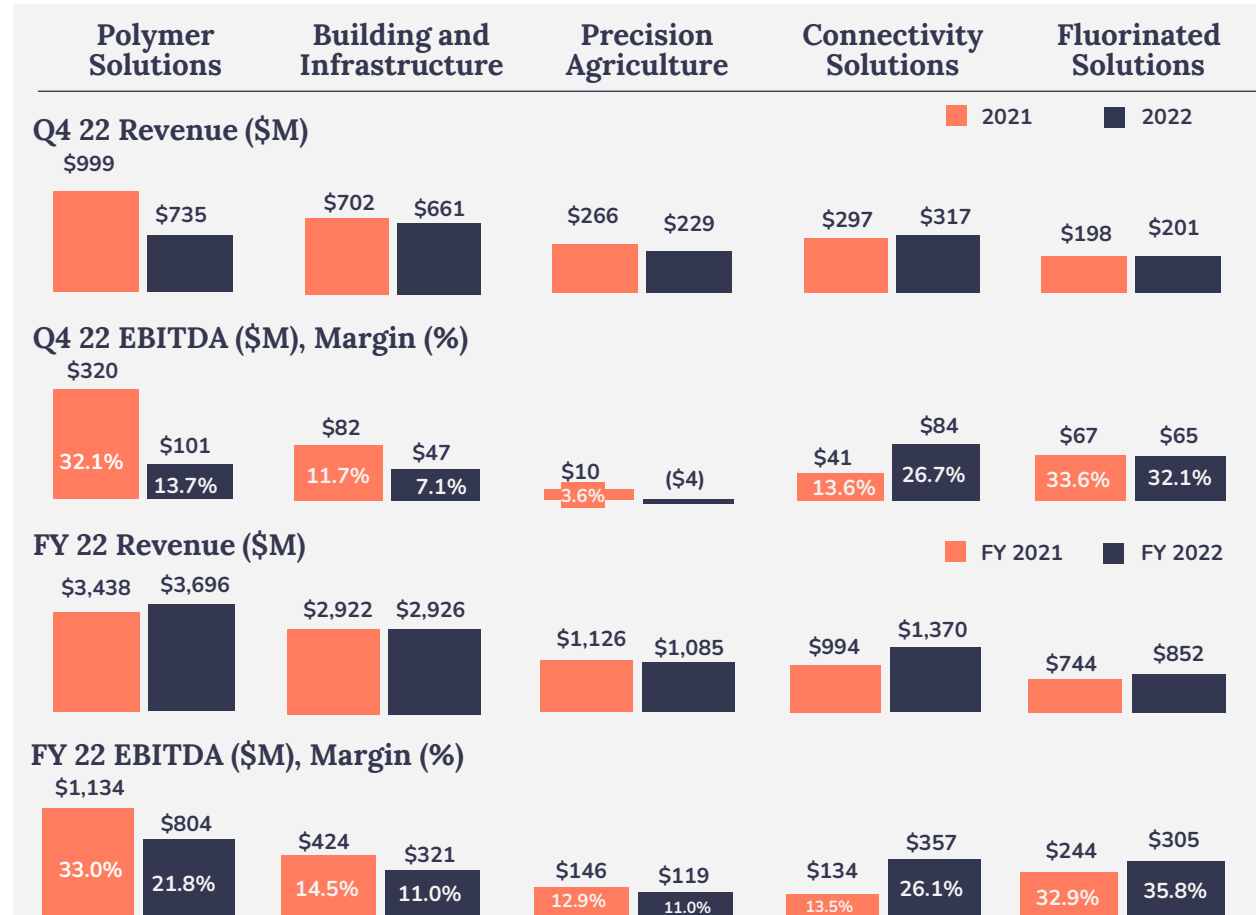


Operating Cash Flow (\$M)



1. Excluding one-time charges, EBITDA for FY 2022 was \$1.95 billion, while EBITDA margin was 20.2%.

Maintaining Resilience Through Integration



Polymer Solutions

- Strong prices during the first half of the year, but lower prices and volumes in General Purpose PVC during the second half, partially offset by high performance of Specialty PVC and Chlor-Alkali businesses
- EBITDA decline in Q4 and FY due to lower volumes and higher feedstock costs, mainly in Europe

Building and Infrastructure

- Lower revenue in Q4 driven by lower volumes, particularly in Europe, due to inflation and demand volatility, and in Brazil due to political volatility, as well as currency devaluation
- EBITDA decline in Q4 and FY due to volume decrease, continued input cost increases, particularly in Europe and currency depreciation
- One-time impacts of \$8m and \$9m for Q4 and FY respectively, related to restructuring costs and hyperinflationary effects in Turkey

Precision Agriculture

- Lower revenue in Q4 due to demand slowdown in most markets and currency devaluation, partially offset by strength in LatAm and Turkey
- EBITDA decline in Q4 and FY due to lower demand, unfavorable product mix, and currency devaluation
- One-time impacts of \$16m and \$25m for Q4 and FY respectively, due to hyperinflation in Turkey, a legal settlement and newly included corporate service allocations

Connectivity Solutions

- Higher revenue in Q4 and FY supported by investments in production capacity along with growing demand for fiber infrastructure
- Strong EBITDA due to increased revenues and stabilization of raw material costs
- One-time impacts of \$11m for both Q4 and FY respectively, due to restructuring costs

Fluorinated Solutions

- Revenues growth due to strong pricing across product portfolio, which helped offset lower volumes and higher input and logistics costs during the year, as well as costs associated with strategic investments during the quarter

Executing Against Our Plan

Polymer Solutions

- Optimizing PVC production volumes and maximizing Chlor-Alkali production to take advantage of the positive market environment for those products; working on minimizing variable and fixed costs to help offset input cost increases

Building and Infrastructure

- Focus on productivity, operating efficiencies and cost optimization through footprint rationalizations; successful integrations of Vectus and Bow Plumbing to capture synergies and expand our reach; and continued growth of climate solutions offerings

Precision Agriculture

- Maximizing operating efficiencies and optimizing costs; implementing growth projects in target geographies to support market demand including extensive crops and irrigation services

Connectivity Solutions

- Expanding our capacity to support growth in fiber optic infrastructure and networks; adoption of advanced product offerings and completed integration of Biarri Networks to extend into end-to-end connectivity services

Fluorinated Solutions

- Maximizing value from existing assets and investing in downstream value creation, including low carbon footprint refrigerants and propellants, and lithium-ion batteries materials



Progressing Sustainability Initiatives Across Our Businesses



Sustainability Targets

- In 2022, the Science Based Targets initiative (SBTi) validated our near-term targets to reduce scope 1, 2 and 3 greenhouse gas emissions by 2030

Sustainability Recognition

- In recognition of our ethical practices and continuous focus on sustainable performance, in 2022, we were upgraded from B to BB in our MSCI ratings and from medium to low risk in Sustainalytics, and we received an EcoVadis gold medal

Embedding Sustainability into our Solutions

- Our Precision Agriculture business debuted the first-ever carbon credit program for drip-irrigated rice
- The program seeks to drastically reduce methane emissions from rice cultivation to nearly zero

Introducing 2023 Guidance and Assumptions

2023 Guidance

EBITDA >\$1.65B

CAPEX¹ \$600M – \$700M

Effective Tax Rate 29% – 32%

Polymer Solutions

- We expect the PVC market to improve over the course of 2023 as China reopens and construction markets stabilize
- Ultimately, we expect General Purpose PVC prices to settle above pre-pandemic levels

Building & Infrastructure

- We expect inflationary and energy cost pressures through the first half of the year, with conditions improving in the second half
- The business will continue to manage margins and to focus on driving a higher-value sales mix

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 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 strategic growth initiatives

1. Includes \$300 million to \$350 million of maintenance spending and \$300 million to \$350 million of growth-related investments.

Q&A





V vestolit

alphagary

wavin

NETAFIM

dura·line

koura

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