



Polymer
Solutions

Building &
Infrastructure

Precision
Agriculture

Connectivity
Solutions

Fluor & Energy
Materials

Q4 2023 Earnings Call

February 22, 2024



Safe Harbor

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

Q4 and Full Year 2023 Overview

01 Orbia's performance was driven by a weak market environment in construction, infrastructure and capital investments due to the impact of prolonged high global interest rates as well as global effects of lower industrial and construction activity in China.

02 Orbia maintained a strong balance sheet and liquidity position, and robust long-term fundamentals.

03 Despite ongoing challenges, Orbia firmly believes in the long-term fundamentals of its strategy and continues to advance towards its objectives.

Revenue
Q4 \$1.8B and FY \$8.2B

Q4 down 16%
and FY down 15% YoY

Lower volumes on a planned plant turnaround in Polymer Solutions, weaker demand in B&I, and lower prices in Connectivity Solutions, partially offset by higher sales in Fluor & Energy Materials

EBITDA Margin
Q4 12.8% and FY 17.8%

Q4 down 189 bps
and FY down 199 bps YoY
Lower prices and softer demand across most markets

EBITDA
Q4 \$226M and FY \$1.46B

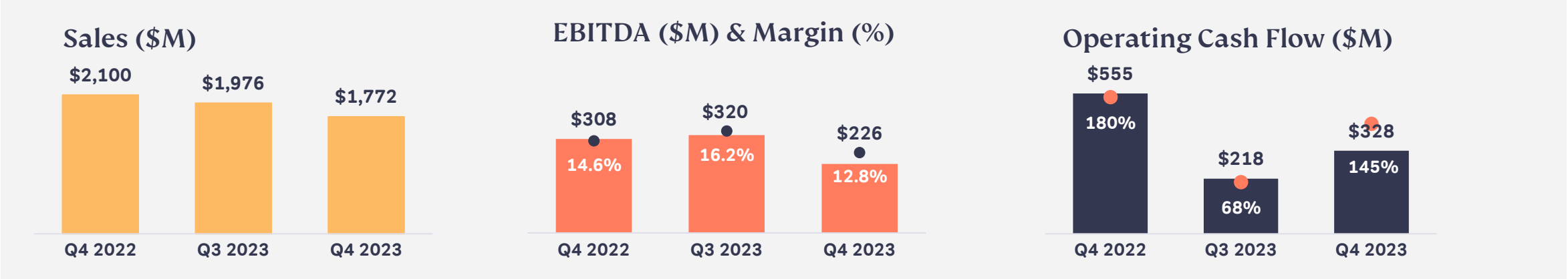
Q4 down 27%
and FY down 24% YoY

Lower prices and softer demand across most markets, particularly in Polymer Solutions, Building & Infrastructure and Connectivity Solutions businesses, partially offset by higher profitability in Fluor & Energy Materials

Operating Cash Flow
Q4 \$328M and FY \$931M

Q4 down 41%
and FY down 16% YoY
Operating cash flow conversion of 145% for the quarter and 64% for the year, reflecting effective management of working capital

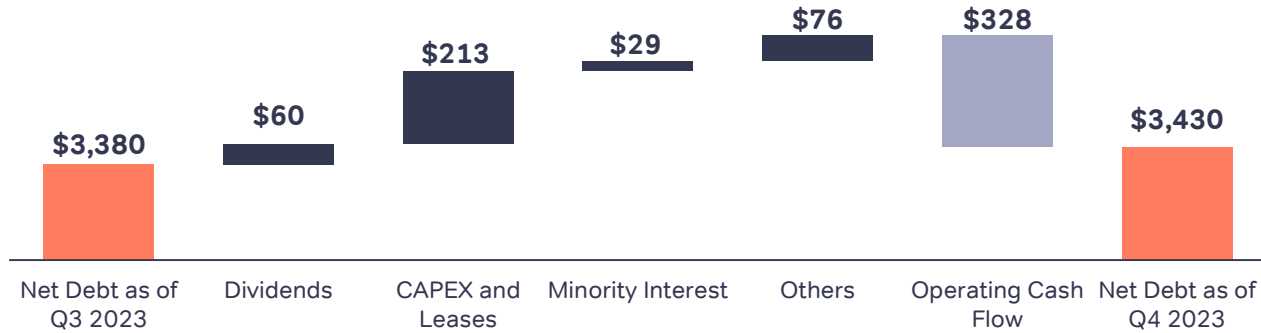
Challenging quarter with positive operating cash flow performance.



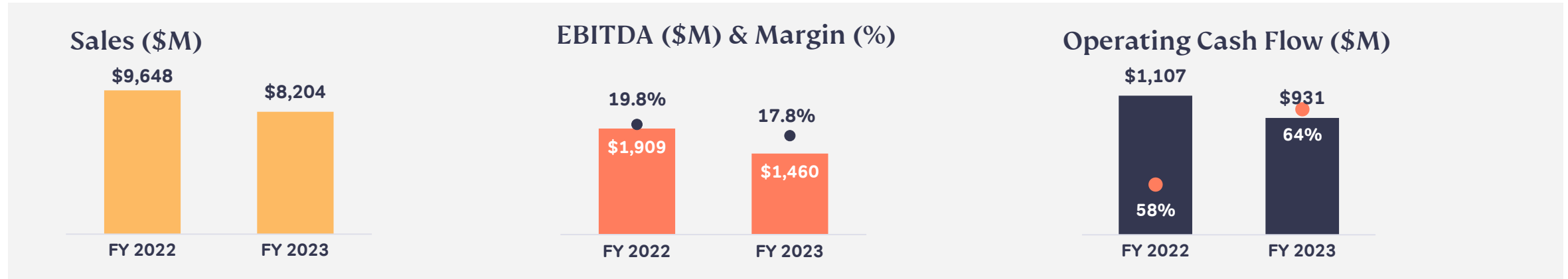
Q4 2023 Highlights

- Capital expenditures of \$188M, down 15%, reflecting ongoing maintenance spending and investments to support our growth initiatives.
- **Operating cash flow of \$328M**, down by \$227M resulting from lower EBITDA and higher interests paid.
- Orbia repaid **\$31M of debt**.
- Orbia paid **\$60M in dividends** during the quarter as the fourth installment of the ordinary dividend approved at the Annual Shareholders Meeting held in March.

Disciplined capital deployment, maintaining moderate debt levels.



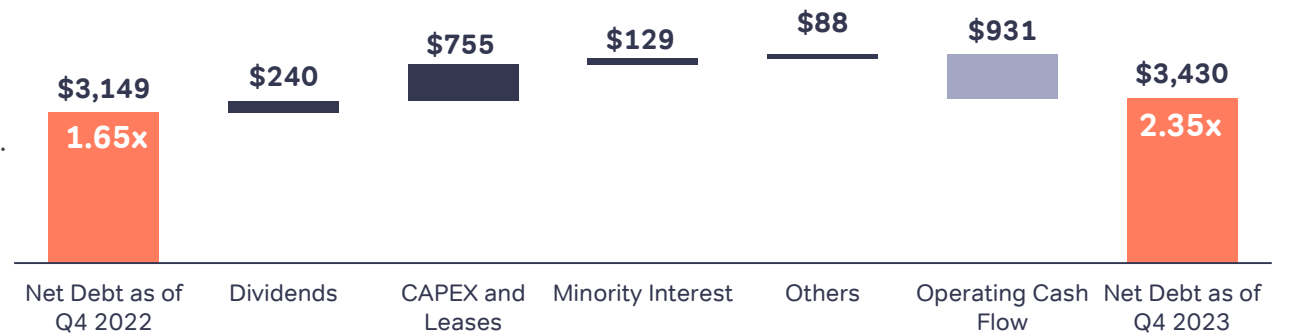
Despite weaker volumes and prices, maintained a strong balance sheet.



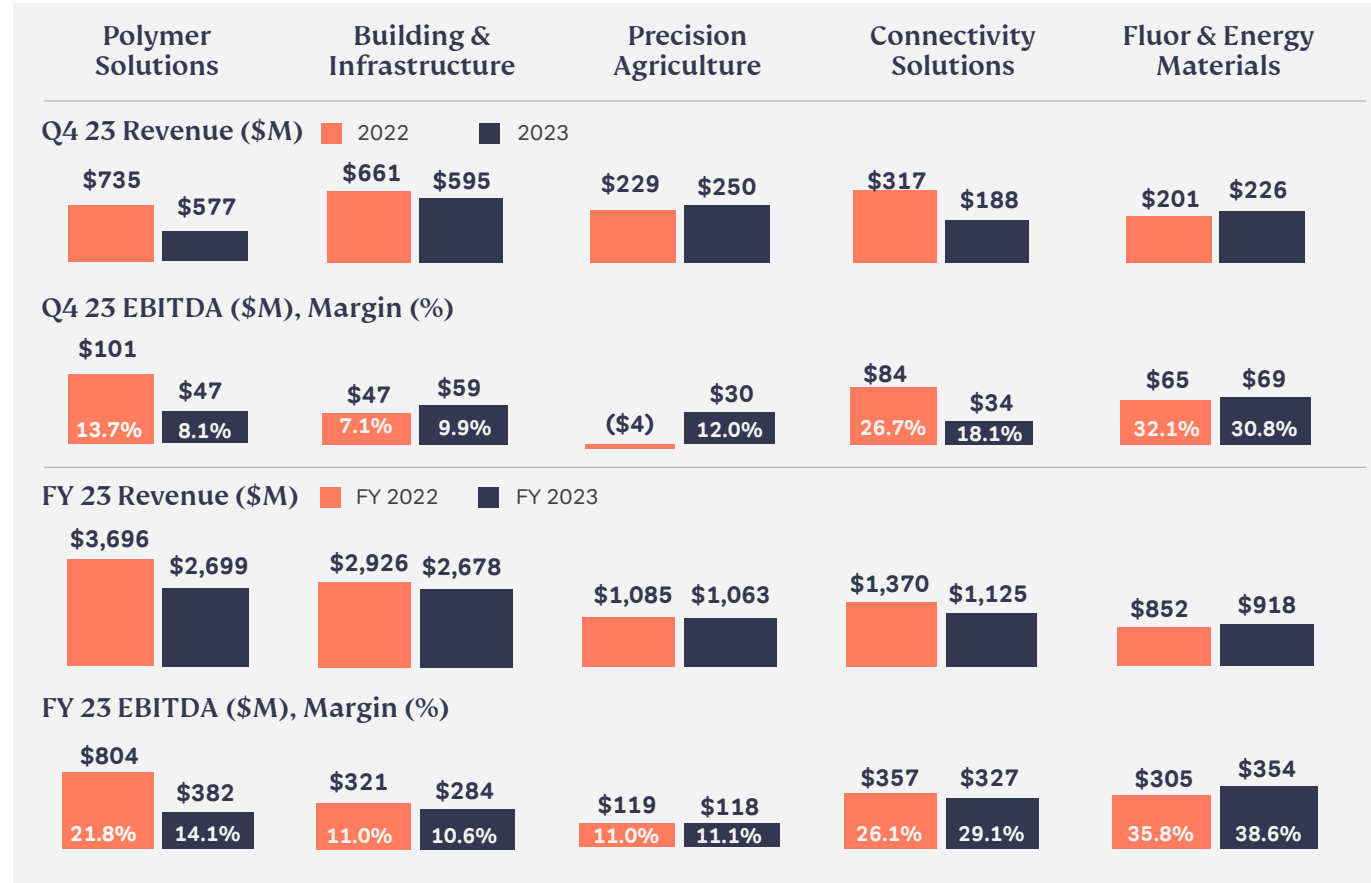
FY 2023 Highlights

- Capital expenditures of \$658M, up 20%, reflecting ongoing maintenance spending and investments to support our growth initiatives.
- **Operating Cash Flow of \$931M**, down 16% affected by lower EBITDA, partially offset by effective working capital management and lower taxes paid.
- Orbia added **\$281M of net debt** resulting from a **change in gross debt of \$190M**, primarily due to the appreciation of the Mexican Peso
- Orbia **paid \$240M in dividends** during the year as approved at the Annual Shareholders Meeting held on March.

Disciplined capital deployment, maintaining moderate debt levels.



Increase in Fluor & Energy Materials, offset by decrease in other businesses.



Polymer Solutions

- Decrease in revenues was driven primarily by lower volumes and prices due to weaker demand, raw material supply shortage in the Americas and the shortages from the multiannual turnaround at the ethylene joint venture.
- EBITDA decreased year-over-year driven by lower PVC and caustic soda volume and prices, expenses related to strategic growth projects and currency fluctuations.

Building & Infrastructure

- The decrease in revenues was primarily driven by lower demand across EMEA, partially offset by volume improvements in Latin America, Asia, and North America.
- EBITDA decline explained by lower volumes, and one-time costs related to business optimization.

Precision Agriculture

- Decrease in Revenues was driven by a slowdown in demand in Europe and Africa and the impact of extreme weather conditions in the U.S.A., partially offset by strengthening positions in other global markets.
- EBITDA remained relatively flat.

Connectivity Solutions

- Revenues were lower due to lower demand driven by higher interest rates and slower economic activity delaying customers' projects as well as excess inventory in the supply chain.
- The decrease in EBITDA was driven by a slowdown in demand in the second half, coupled with lower prices, as well as lower absorption of fixed costs, partly offset by favorable material costs and cost optimization.

Fluor & Energy Materials

- Revenues increased year-over-year reflecting strong pricing across the product portfolio combined with higher volumes.
- EBITDA increased year-over-year due to disciplined pricing across the portfolio.

2023 Highlights across our sustainability pillars

3-pillar strategy allows us to operate and grow sustainably.



Low-Impact & Resilient Operations

- In 2023, we increased renewable energy consumption by 52% year over year and reduced our scope 1 & 2 emissions by 28% compared to baseline, making progress towards our 2030 commitments of 47% reduction.



Sustainable Solutions

- Additionally, we surpassed our commitment to the Sustainability Linked Bond framework by 25%, decreasing SOx emissions by 85%.



Impactful Ventures

- Recognition from well-known third parties in 2023 continued to be encouraging:
 - We maintained our position in the Dow Jones Sustainability Indices.
 - We were upgraded by MSCI for the second consecutive year, for our sustainability performance, improved our Sustainalytics rating and earned a gold medal from EcoVadis.

Through our operations, solutions and investments we aspire to maximize our positive impact and help our customers do the same.



2024 Outlook

Polymer Solutions	<ul style="list-style-type: none"> We expect marginal improvement driven mainly by a recovery in PVC volume, which will be partially offset by low caustic soda prices. 	<ul style="list-style-type: none"> Similar challenging market environment to continue with slow housing demand and oversupplied export markets, but trending upwards in the second half of the year as interest rates begin to decline.
Building & Infrastructure	<ul style="list-style-type: none"> We expect continued challenges across EMEA, partially mitigated by expected improvement of inflationary conditions driving interest costs down. 	<ul style="list-style-type: none"> We expect to benefit from stable raw material prices and growth from geographies where we are targeting strategic initiatives, such as Asia and North America.
Connectivity Solutions	<ul style="list-style-type: none"> Market buying patterns have returned to pre-pandemic levels and excess inventory has largely been consumed by customers. 	<ul style="list-style-type: none"> Fiber deployment expected to accelerate in the second half of 2024 and into 2025 as the U.S. federal BEAD program funds are deployed and from private investment as interest rates begin to decline.
Precision Agriculture	<ul style="list-style-type: none"> We expect improvement in demand in EMEA throughout the year, while China and India are expected to continue showing strong demand. 	<ul style="list-style-type: none"> We will continue to focus on developing growth initiatives, cross business integration and further penetration in extensive crops.
Fluor & Energy Materials	<ul style="list-style-type: none"> We expect lower volumes as a result of quota step-down in certain regions. We will continue to maximize value realized from our existing products and applications, new refrigerants and medical propellants. 	<ul style="list-style-type: none"> In addition, we will maintain control on spending and capital investments, only dedicating resources to critical initiatives.

Q&A





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