



orbia 

# Q1 2022 Earnings Call

April 28, 2022

# 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.

# Solid Start to the Year with Double-Digit Growth in Revenue and EBITDA

**01** Orbia delivered another solid quarter, starting the year on a high note.

**02** Robust financial results, supported by our diversified and integrated portfolio, offset the impact of ongoing macro pressures, such as raw material cost increases, supply chain disruptions, and energy costs and commercial choices stemming from the invasion of Ukraine by Russia.

**03** Strong balance sheet enables investments in organic growth, innovation, geographic expansion and bolt-on acquisitions.

**Strong Performance Underpinned by Consistent Execution**

## Q1 2022 Financial Highlights

**Revenue**

**\$2.6B**

**Up 36% YoY**

Reflected higher sales across all businesses, driven by higher prices and robust demand.

**EBITDA**

**\$611M**

**Up 35% YoY**

Due to higher sales and higher profitability, particularly in Polymer Solutions and Data Communications.

**EBITDA Margin**

**23.5%**

**Flat YoY**

Due to higher pricing offsetting higher input costs.

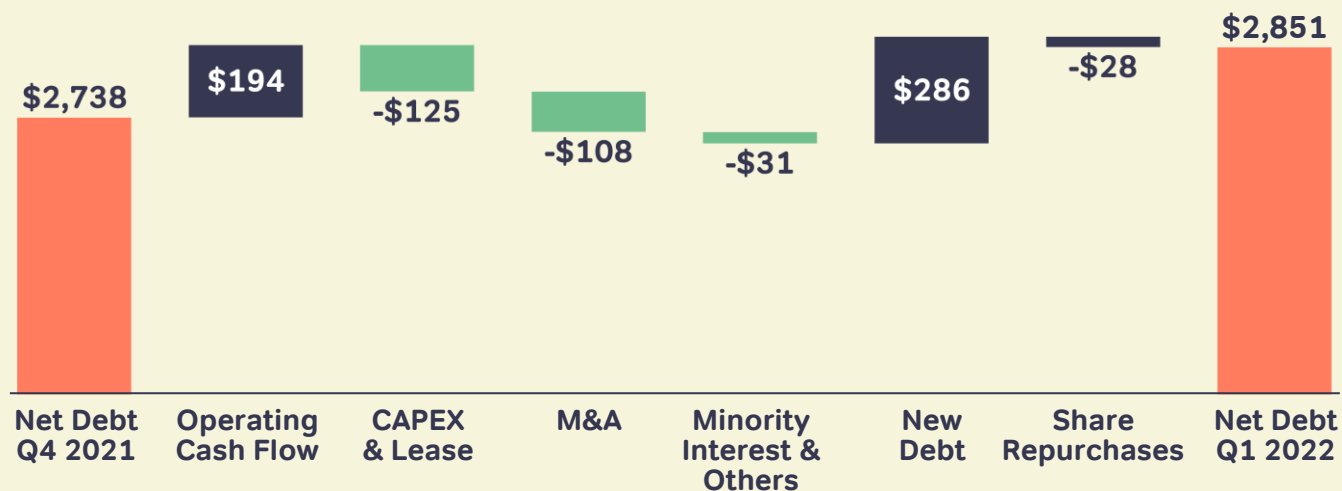
**Free Cash Flow**

**\$68M**

Reflected strong EBITDA performance partly offset by increased working capital and capital expenditures.

# Strong Financial Performance

## Disciplined capital deployment maintaining lower net debt levels (\$M)



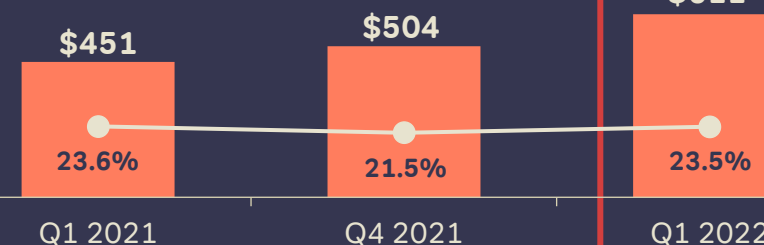
## Q1 2022 Highlights

- **Strong operating cash flow of \$194M**, including an increase in working capital reflecting higher receivables from revenue increases
- **Capital expenditures of \$110M**, up 106% compared to a lower base last year, as COVID-19 restrictions prevented us from executing certain projects in early 2021
- **Free cash flow of \$68M** from higher EBITDA, partially offset by increased working capital due to higher receivable balances associated with increased volumes and prices
- During the quarter **Orbia drew down \$150 million from its revolver credit facility and \$100 million from a short-term loan in Mexican pesos** which is reflected as new debt of \$286 million
- **Paid \$108M** in mergers and acquisitions reflecting the Vectus transaction

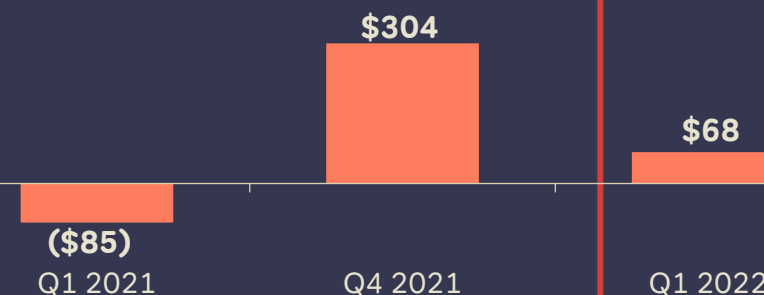
## Sales (\$M)



## EBITDA (\$M), Margin (%)

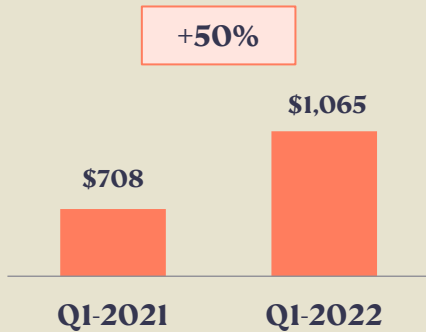


## Free Cash Flow (\$M)

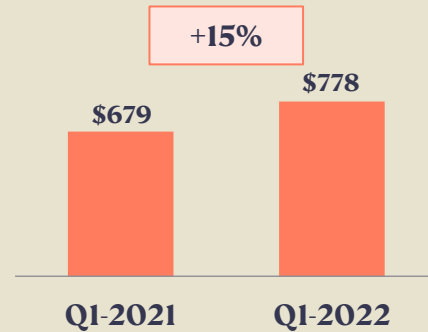


# Solid Performance Throughout the Quarter Primarily Driven by Strong Results in Polymer Solutions and Data Communications Businesses

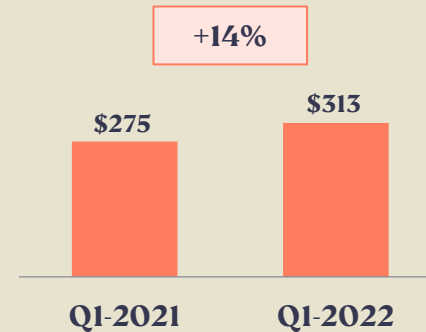
## Polymer Solutions



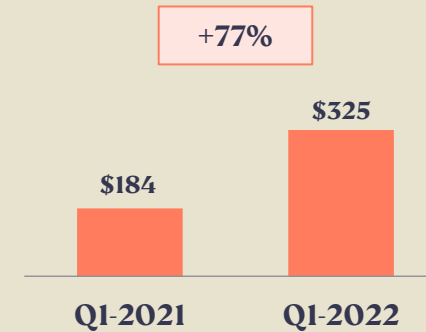
## Building & Infrastructure



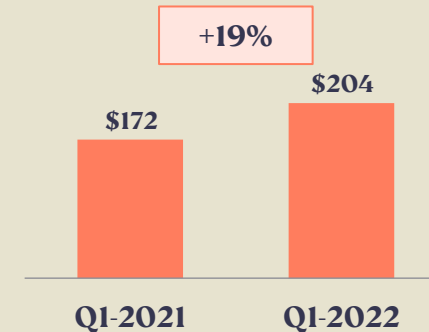
## Precision Agriculture



## Data Communications

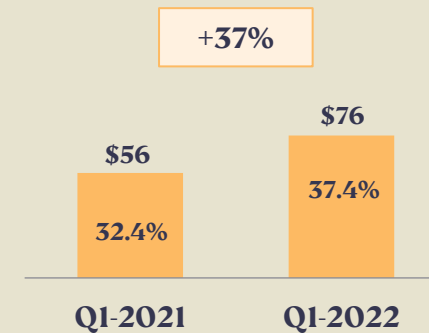
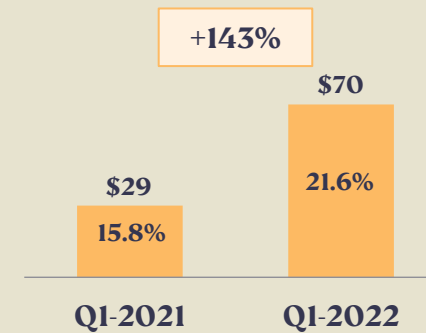
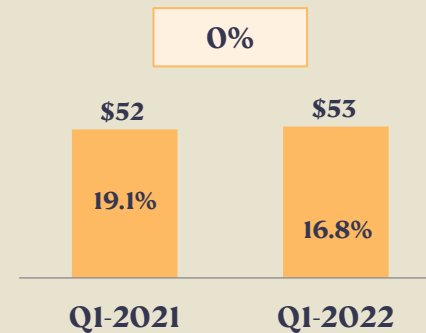
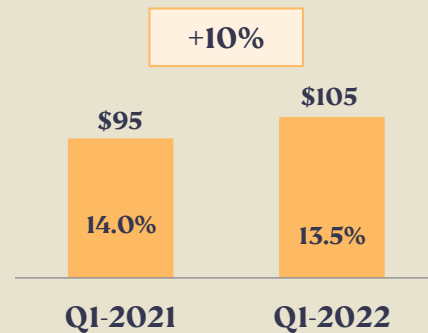
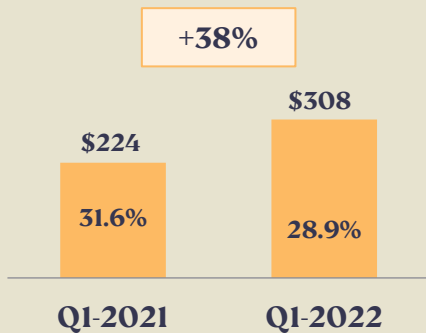


## Fluorinated Solutions



First Quarter Revenues (\$M)

First Quarter EBITDA (\$M) & Margin (%)



- PVC price leverage, resulting from tight supply/demand balance and robust demand in the construction industry. The EBITDA margin percent was lower as higher costs were not fully recovered through pricing

- Continued strong demand and pricing; EBITDA reflected effective price management and a mix shift to value-added products, although input cost increases impacted the profitability of the business

- Growing demand across most markets, including some improvement in India. EBITDA continued to reflect high raw material and transportation costs which have not yet been fully reflected in selling prices

- Strong revenue and EBITDA performance was driven by robust growth, primarily in North America, combined with more favorable pricing and input cost stabilization

- Growth in revenues reflected improved product mix and pricing across all product lines, especially in refrigerants. EBITDA was driven by favorable pricing and product mix, partially offset by higher input costs



# Continued Focus and Positive Trend on Sustainability

- 01** Orbia strengthened its reporting suite by providing a companion 2021 ESG Databook, which provides a data-driven view of their ESG performance.
- 02** Orbia's improved performance has also been recognized by external parties as we were upgraded by key raters MSCI and Sustainalytics.
- 03** Orbia has set a new target to reduce our environmental footprint across the value chain (Scope 3<sup>1</sup>) by 30% by 2030. With this aggressive target we position ourselves as one of the very few companies worldwide to have this commitment.



# Full Year 2022 Outlook and Global Business Assumptions and Trends

	2022 Guidance
<b>Revenue</b>	Moderate increase
<b>EBITDA Range</b>	Increased from \$1.60B – \$1.75B to \$1.75B – \$1.90B
<b>Effective Tax Rate</b>	Between 29% and 32%
<b>CAPEX</b> (Includes incremental, high-return, growth-related projects but excludes potential larger growth investments)	\$350M – \$450M



# 2022 Investor Day

## Save the Date

Tuesday, May 17<sup>th</sup>

9:00 am – 1:00 pm (Eastern Time)

Boston, MA

Register for the webcast here:

[registration](#)





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