



Second Quarter 2018 Earnings Conference Call

Mexichem.

Forward-Looking Statements

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" on the annual report submitted by Mexichem to the Mexican National Banking and Securities Commission (CNBV).

The forward-looking statements included herein represent Mexichem's views as of the date of this press release. Mexichem undertakes no obligation to revise or update publicly any forward-looking statement for any reason unless required by law."


Mexichem has implemented a Code of Ethics that rules its relationships with its employees, clients, suppliers and general groups. Mexichem's Code of Ethics is available for consulting in the following link:

http://www.mexichem.com/Codigo_de_etica.html.

Additionally, according to the terms contained in the Securities Exchange Act No 42, Mexichem Audit Committee established a mechanism of contact, which allows that any person that knows the un-fulfilment of operational and accounting records guidelines and lack of internal controls of the Code of Ethics, from the Company itself or from the subsidiaries that this controls, file a complaint which is anonymously guaranteed. The whistleblower program is facilitated by a third party. The telephone number in Mexico is 01-800-062-12-03.

The website is: <http://www.ethic-line.com/mexichem> and contact e-mail is: mexichem@ethic-line.com.

Mexichem's Audit Committee will be notified of all complaints for immediate investigation.

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- Opening Remarks
 - Business Highlights
 - Financial Highlights
 - Closing Remarks

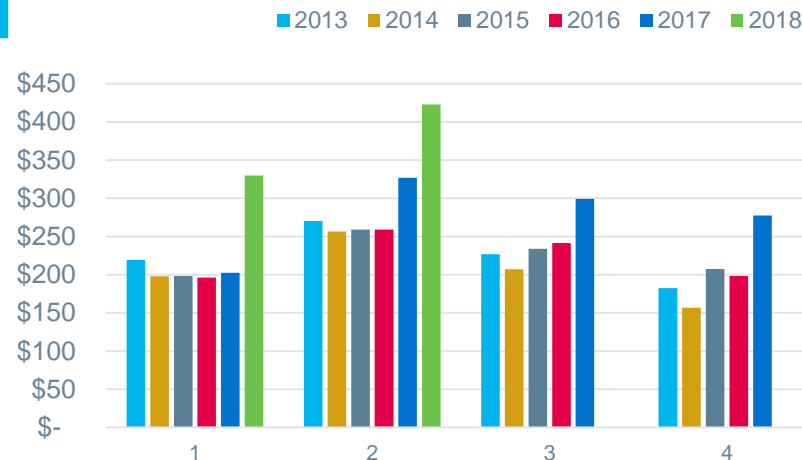
Brief Summary of Results

1

mm US\$	Second Quarter		
Selected Financial Results	2018	2017	%Var.
Net sales	1,968	1,463	35%
Operating income	317	224	42%
EBITDA	423	327	29%
EBITDA margin	21.5%	22.3%	-84 bps
Net majority income	162	67	142%
Cash Flow before dividends	150	76	97%
Free cash flow	88	50	76%

2

EBITDA by Quarter (US mm)



3

Quarter	Sales			EBITDA		
mm US\$	2Q17	2Q18	%Var.	2Q17	2Q18	%Var.
Vinyl	571	642	12%	141	161	14%
Fluent	770	1,144	49%	124	180	45%
Fluor	179	230	28%	73	105	44%
Eliminations/ Holding	(57)	(48)	-16%	(11)	(23)	109%
Mexichem Consolidated	1,463	1,968	35%	327	423	29%







Mr. Ran Maidan
CEO & President of Netafim

We Have Created The World's First Agricultural Brain

Based on 50 Years of Agricultural and Hydraulic Knowledge, NetBeat™ is the World's First Automated Precision Irrigation System



NetBeat™ combines real-time data with Dynamic Crop Models™



to personalize irrigation programs and optimize yields



while minimizing water and resource use





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Yerden Isıtma Sistemleri



Sentio ile kontrol sende!

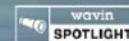
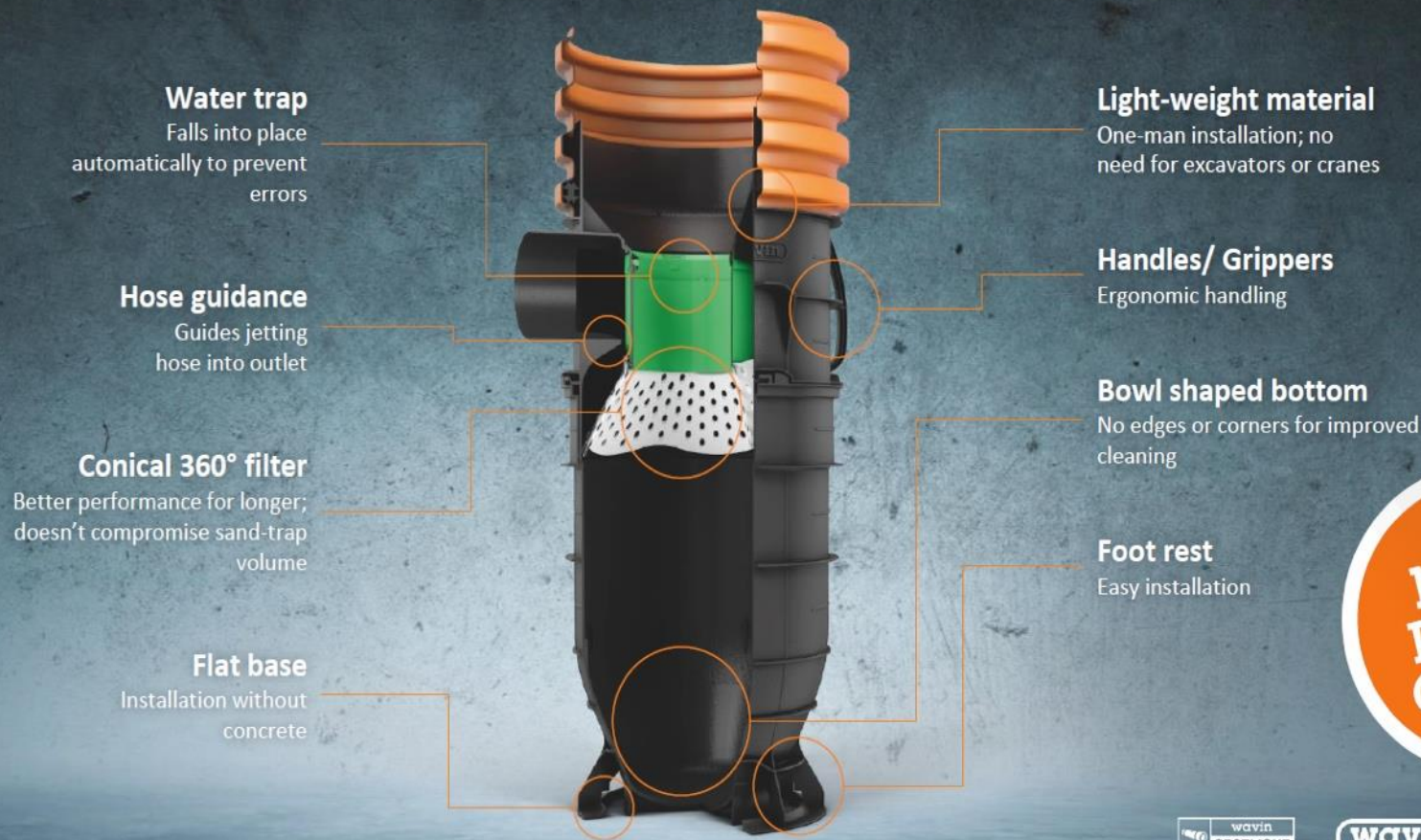


Nerede olursanız olun Sentio akıllı telefon uygulaması ile konfor şartlarınızı siz belirleyin.

- ✓ Komple sistem çözümü
- ✓ Tasarım desteği
- ✓ Taleplere göre farklı paket opsiyonları



Packed with innovative features for robust performance:





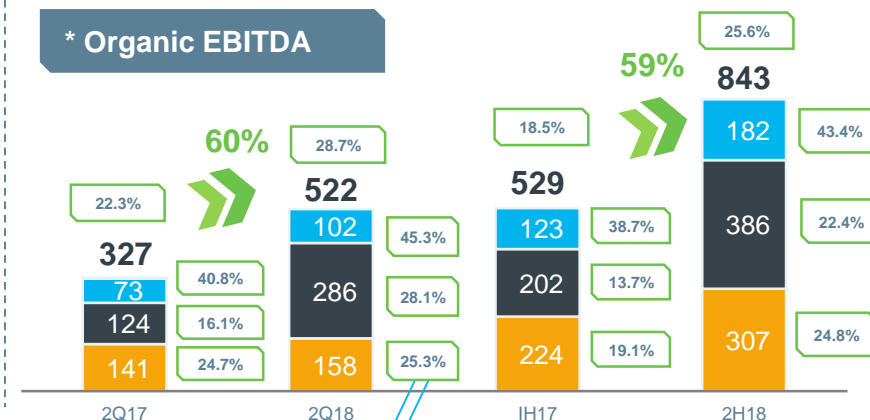
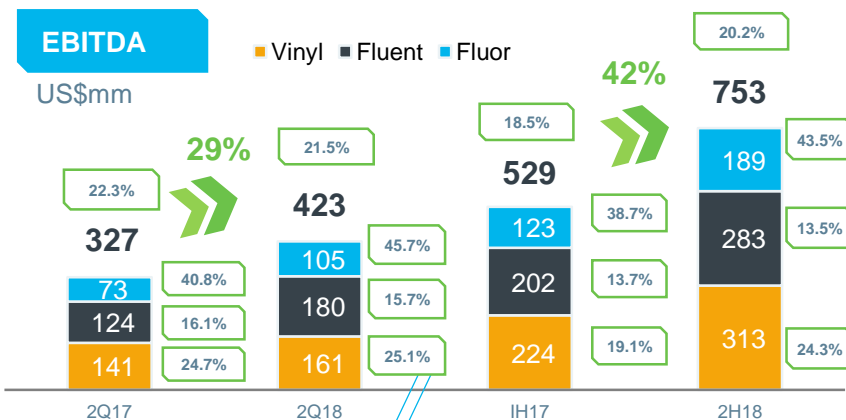
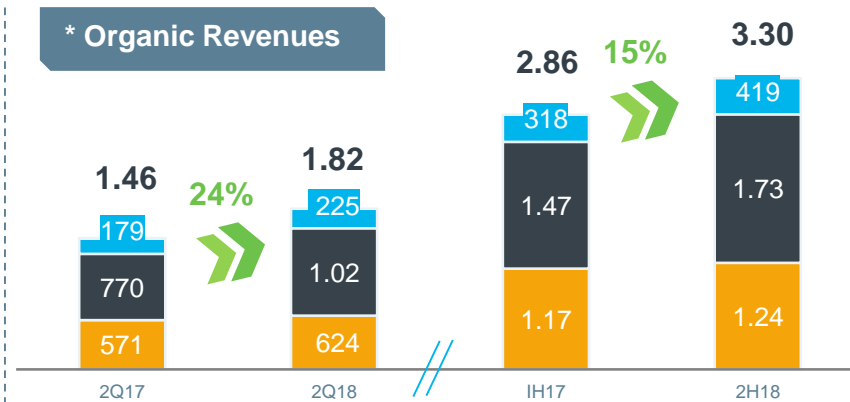
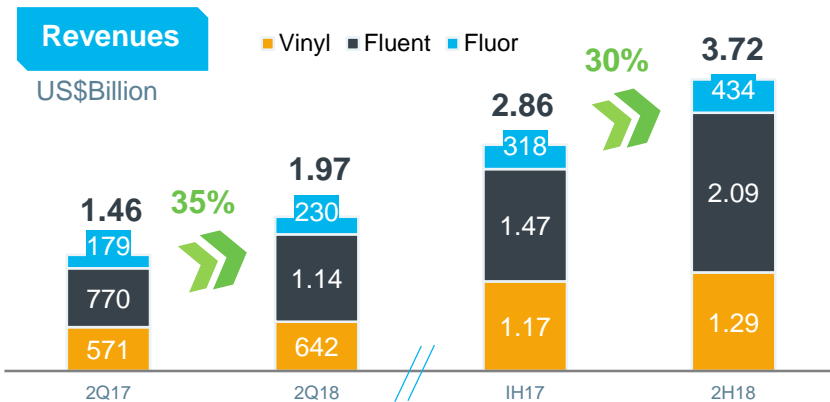






Strong Performance by Business Group

X% EBITDA margin



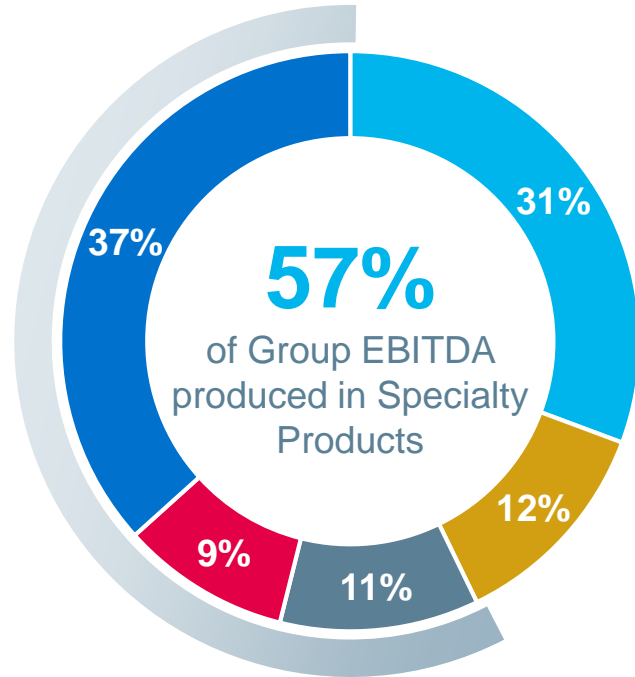
Note: Breakdowns consider figures before eliminations. Total figures consider eliminations.

Organic Revenues: Exclude: i) Netafim's results and ii) FX translation effect.

Organic EBITDA: Exclude: i) CADE and Netafim Ltd. Acquisition related expenses, ii) Brazil tax legal settlement benefit and iii) the same items mentioned in organic revenues

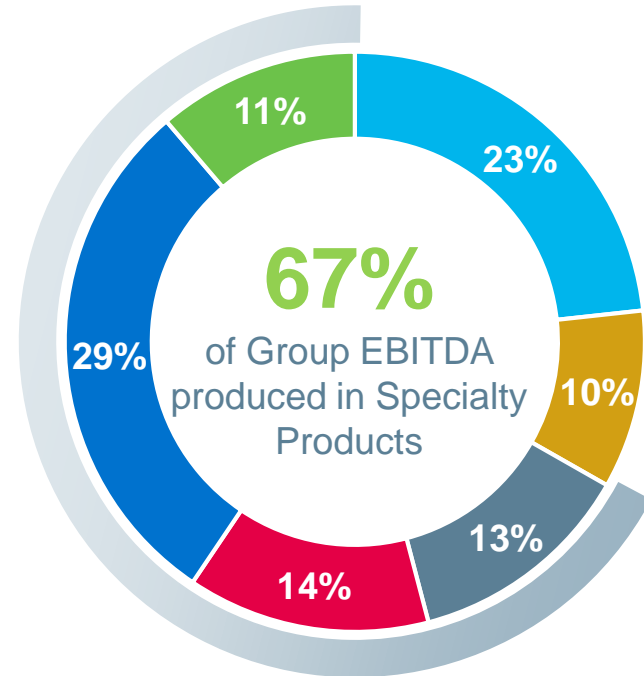
EBITDA Evolution

EBITDA 2Q'17



- Resins, Derivatives and PMV
- Specialty Resins and Compounds
- Fluent
- Upstream
- Downstream

EBITDA 2Q'18



- Resins, Derivatives and PMV
- Specialty Resins and Compounds
- Fluent
- Upstream
- Downstream
- Netafim

Strong Cash Generation Despite Seasonality

mm US\$	Second Quarter			January - June		
	2018	2017	%Var.	2018	2017	% Var.
EBITDA	423	327	29%	753	529	42%
Taxes paid	(78)	(40)	95%	(132)	(70)	89%
Net interest paid	(49)	(36)	36%	(94)	(72)	31%
Bank commissions	(11)	(8)	38%	(22)	(13)	69%
Exchange rate gains (losses)	(22)	(16)	38%	(32)	(12)	167%
Change in trade working capital ^{(1) (2)}	(44)	(91)	-52%	(261)	(233)	12%
Operating cash flow before capex	219	135	62%	212	129	64%
CAPEX (Organic)	(65)	(46)	41%	(126)	(95)	33%
CAPEX (Total JV)	(5)	(24)	-79%	(11)	(86)	-87%
CAPEX JV (OXY share)	-	11	-100%	-	39	-100%
NET CAPEX JV	(5)	(13)	-62%	(11)	(47)	-77%
Total CAPEX (organic & JV)	(70)	(60)	17%	(136)	(142)	-4%
Cash flow before dividends	150	76	97%	76	(12)	N/A
Shareholders' dividend	(62)	(26)	138%	(136)	(53)	157%
Free cash flow	88	50	76%	(60)	(65)	-8%
PMV's insurance A/R	268	-		268	-	
Free cash flow after Insurance	355	50	610%	207	(65)	N/A

1) PMV's insurance A/R is not included in trade working capital calculation.

2) Trade working capital variation (Jun 18 vs Dec 17) includes Netafim's proforma results for comparative purposes.

Investment Grade Rating and Balance Sheet Strength

	Last Twelve Months	
	Jun 2018	Dec 2017
Net Debt USD million	2,748	1,356
Net Debt/EBITDA 12 M	1.98x	1.23x
Interest coverage	6.21x	5.67x

Net debt USD includes \$0.6 million of letters of credit with maturities of more than 180 days that for covenant purposes are considered gross debt, although they are not booked in the accounting debt.

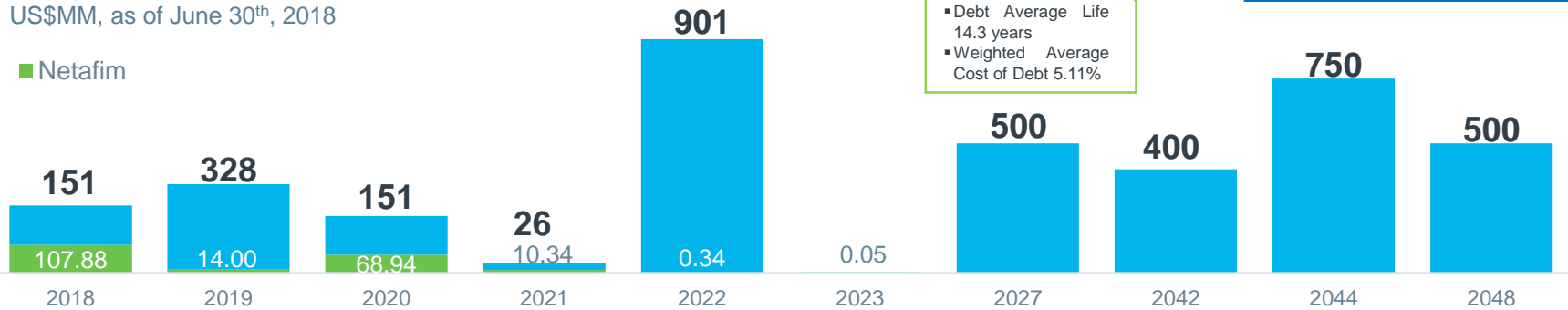
Manageable Debt Profile & Long-Term Maturity Profile

Investment Grade
 Fitch Ratings BBB
 S&P BBB-
 Moody's Baa3

Long-Term Debt Schedule

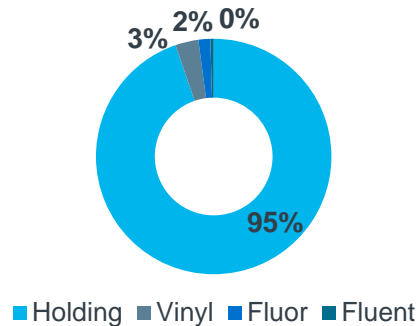
US\$MM, as of June 30th, 2018

■ Netafim



Most Debt at Hold Co Level

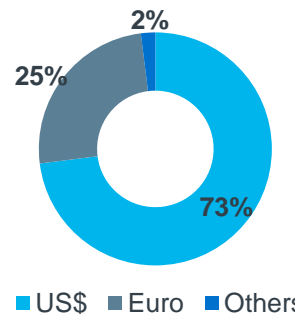
Debt by Division (2Q18)



Source: Company filings

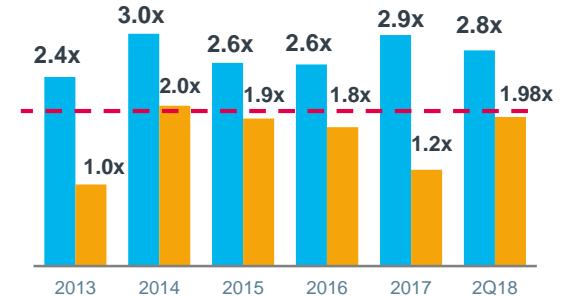
Alignment of Debt to Revenue Currency

Debt by Currency (Swapped, 2Q18)



US\$1.5B revolving credit facility
 (100% available)

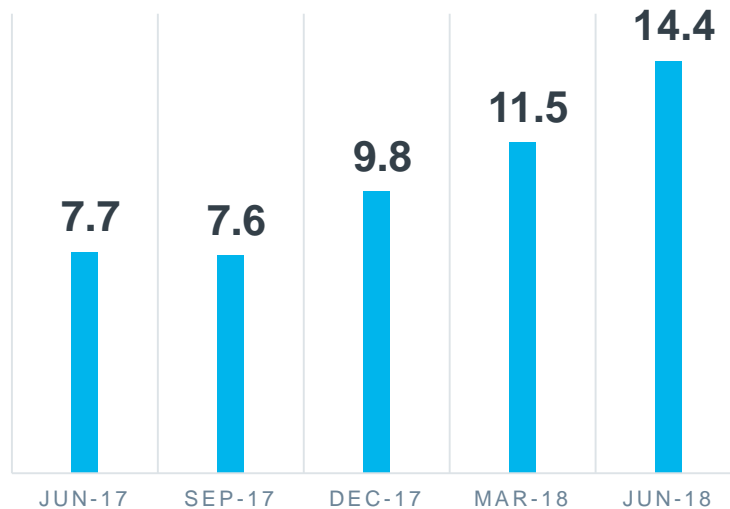
Conservative Leverage Ratios



Profitability

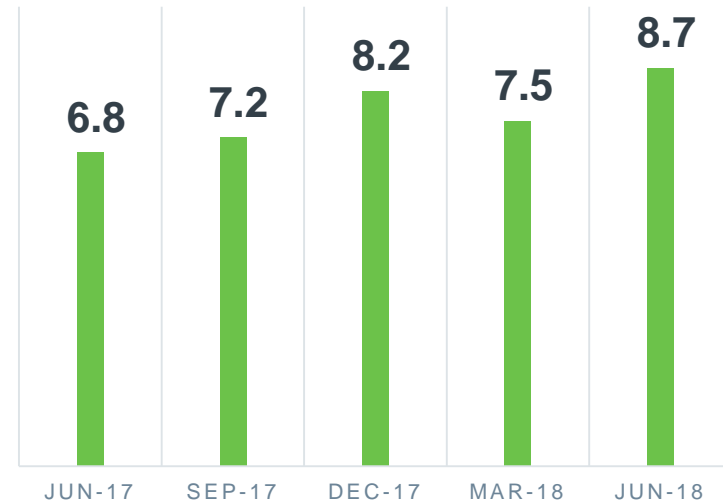
ROE (%)

Mexichem Group



ROIC (%)

Mexichem Group

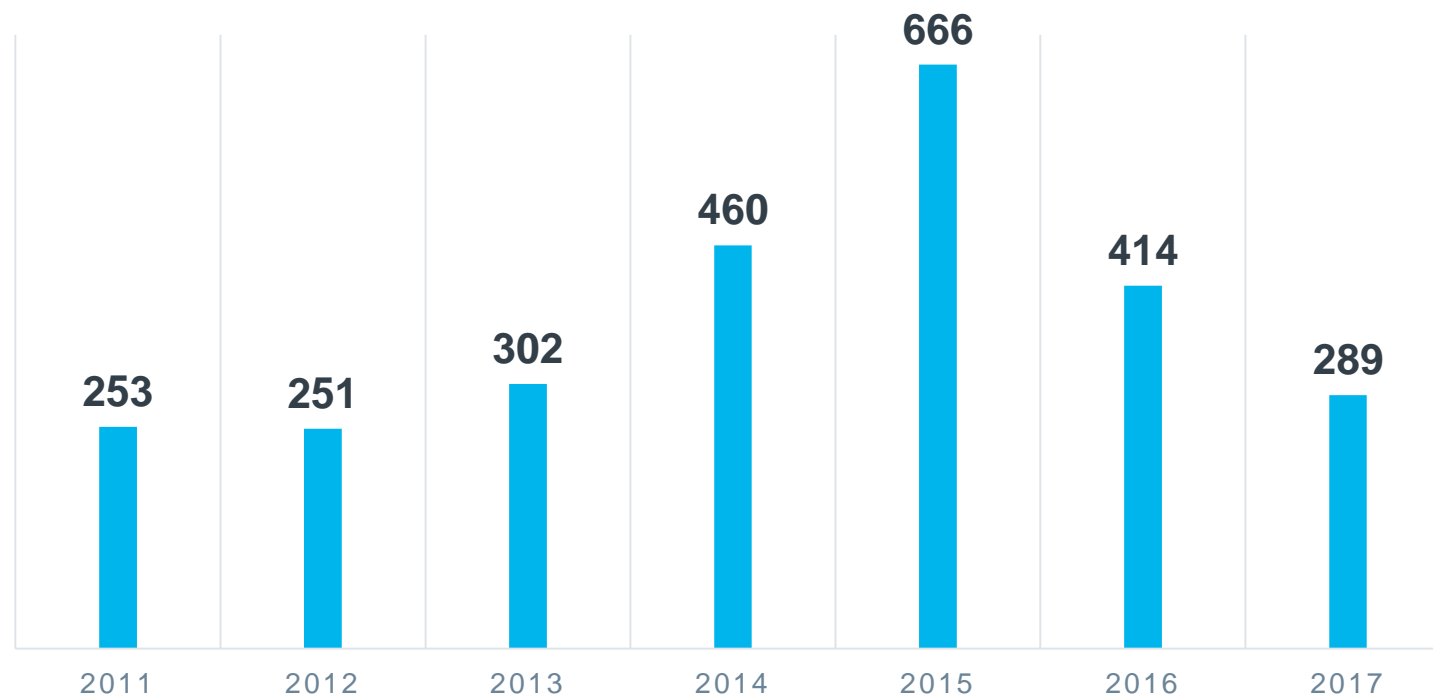


ROE: Income from continuing operations / Adjusted Average Equity from continuing operations

ROIC: Adjusted NOPAT for continuing operations/Adjusted Equity from continuing operations + Liabilities with cost – Cash.
Income from continuing operations and NOPAT (EBIT-taxes) consider trailing twelve months.

Ending a Capital Cycle (in USD terms)

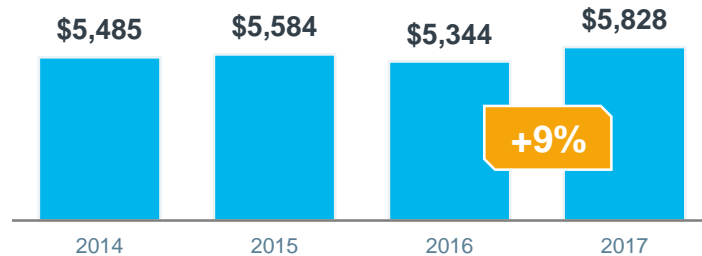
Capex



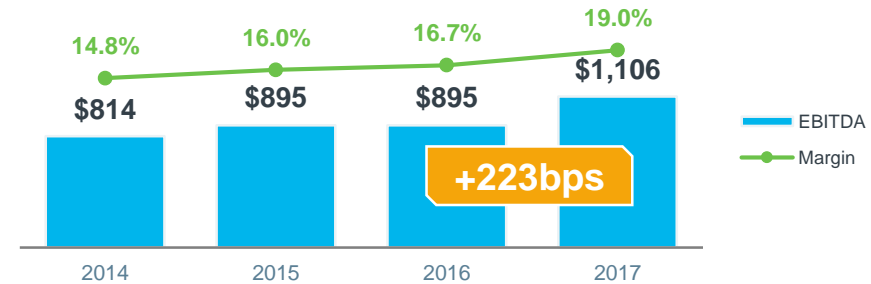
In 2017 We Achieved Record Results and Expect Another Year of Strong Growth in 2018

- In 2017 we met high-end of EBITDA guidance range
- **For 2018 we expect an EBITDA growth to be between 25%-30%**

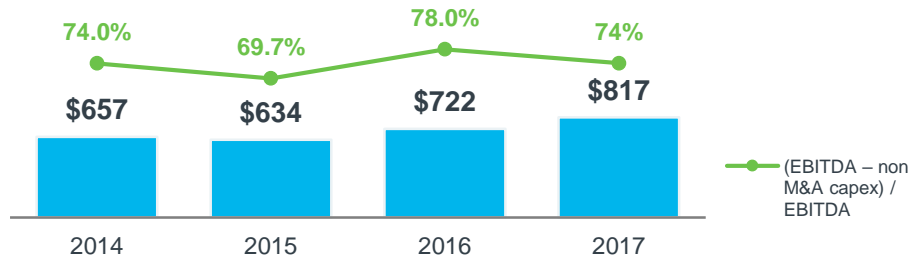
Revenue (\$mm)



Adj EBITDA (\$mm) and Margin (%)



EBITDA¹ – non-M&A capex (\$mm) and Conversion (%)²



- Our cash conversión is above 70%
- In 2017 **FCF increased 123%** from \$90m to \$201m



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