

BRASKEM IDESA

1Q23

May 2023

Braskem Idesa 

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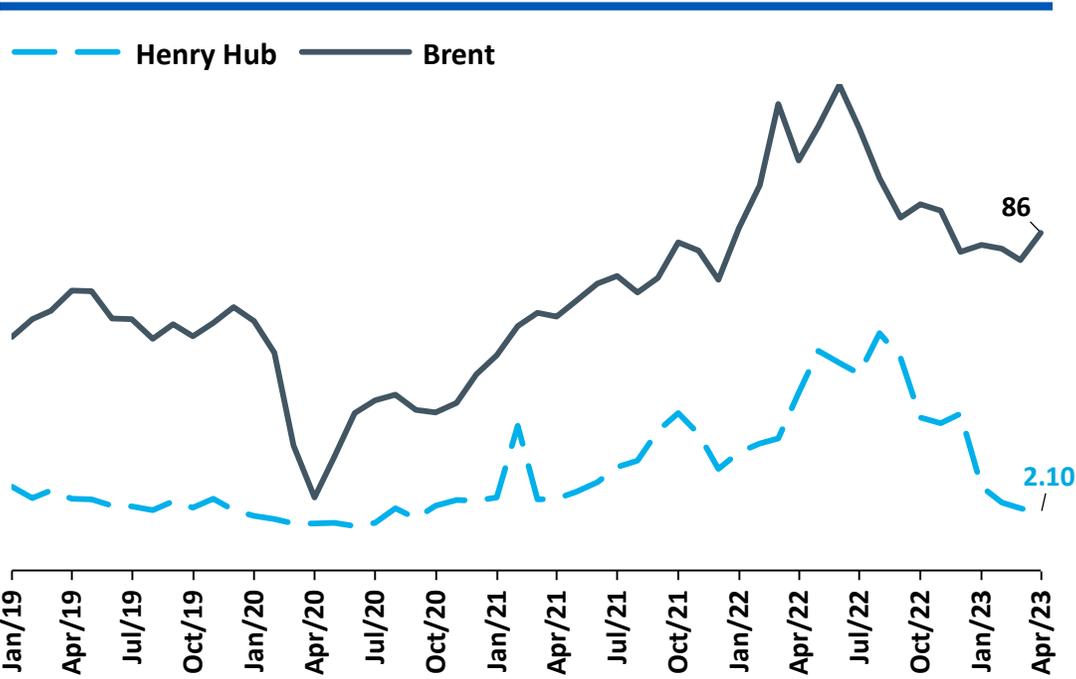


MARKET INFORMATION

FEEDSTOCK SCENARIO

Energetics - Natural Gas and Oil*

US\$/t, US\$/MMBtu

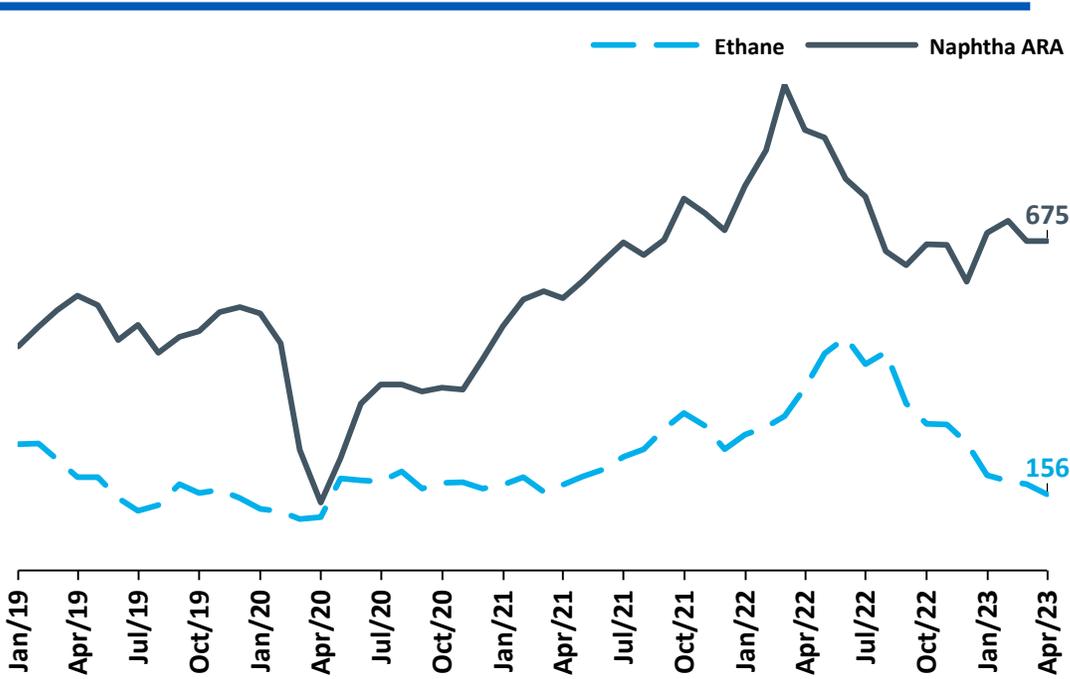


*Source: External Consulting Data

Natural gas prices have been falling since the beginning of 2023, given milder temperatures and inventory levels

Feedstock Prices - Ethane and Naphtha*

US\$/t

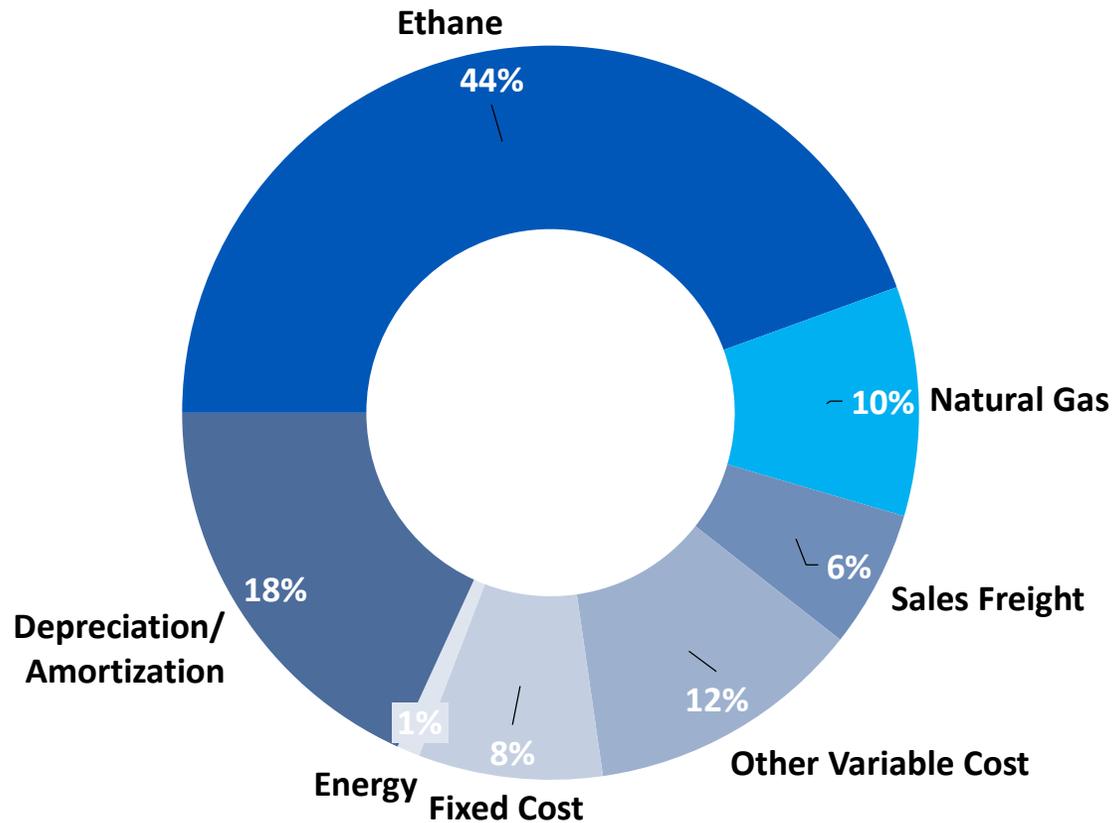


The competitive gap between naphtha and ethane is widening, now at ~500US\$/t as market dynamics shift



OVERALL COST

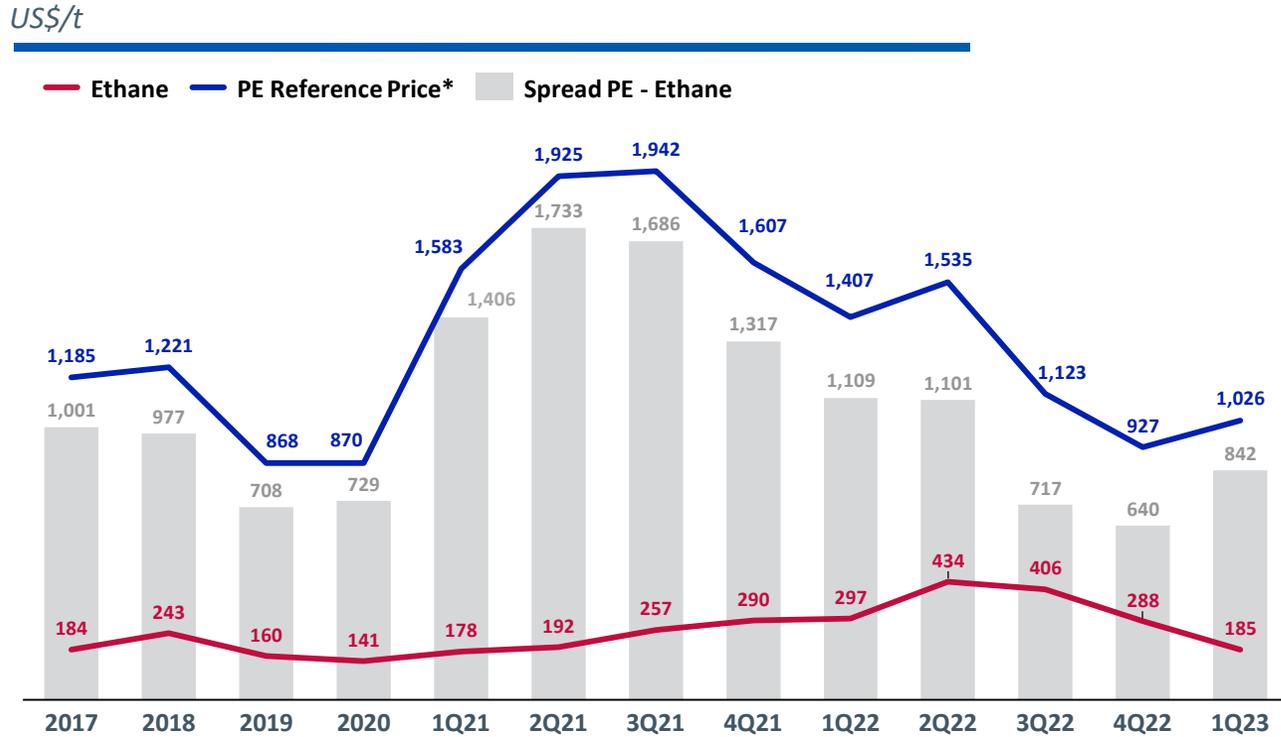
▶ COGS 1Q23 %



- During 1Q23, **Braskem Idesa posted US\$ 231 million in COGS**, a 9% decrease compared to US\$253 million in 4Q22.
- Decreased Ethane and Natural Gas prices, along with prioritizing Pemex supply reduced overall costs.

PETROCHEMICAL MARKET OUTLOOK

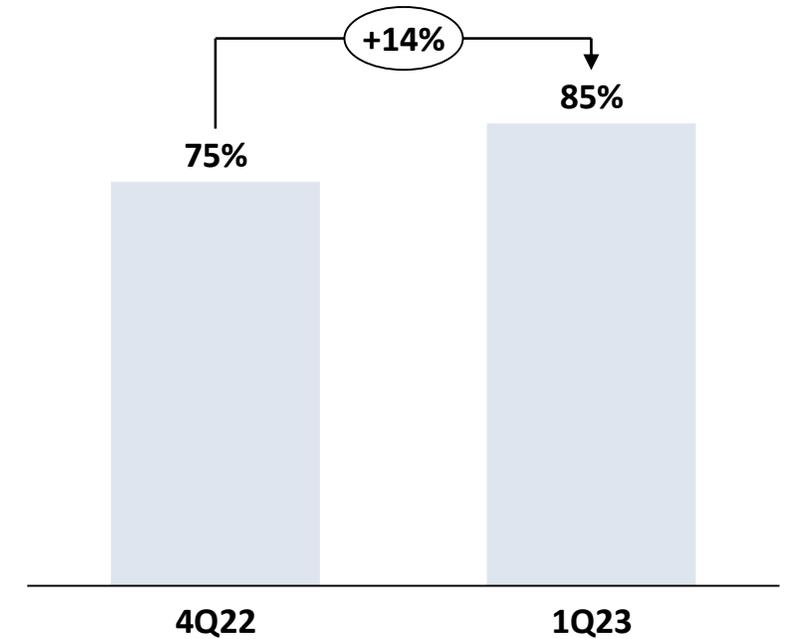
► Polyethylene Spread



Source: BI analysis based on external consulting data
 *Price Reference of Braskem Idesa production capacity mix

Higher PE prices and **lower feedstock prices have supported the recovery of the spread in 1Q23**

Operating Rates NAM %



Operating Rates in NAM supported PE prices during 1Q23 **and are now returning to normal levels**

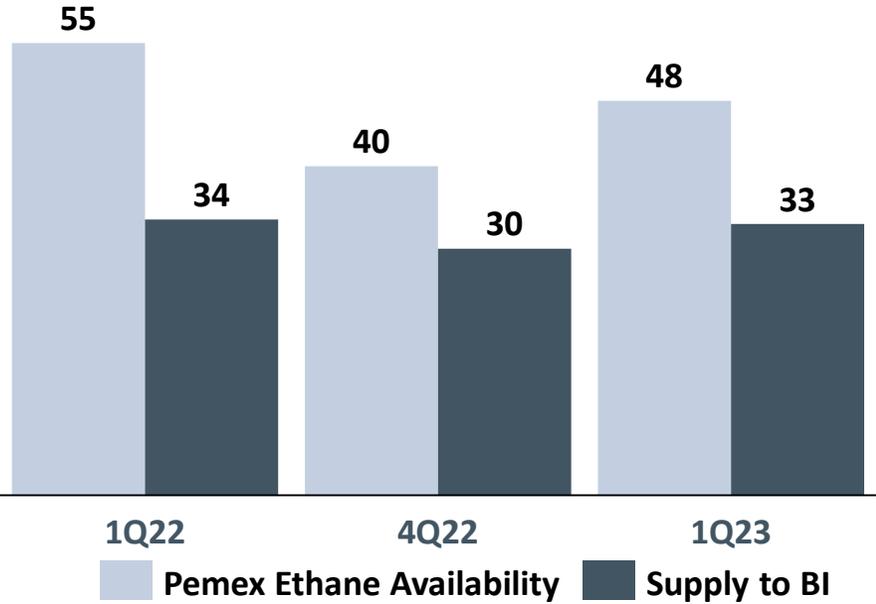
OPERATING PERFORMANCE



FEEDSTOCK AVAILABILITY AND SUPPLY

▶ PEMEX Total Ethane Availability* per quarter

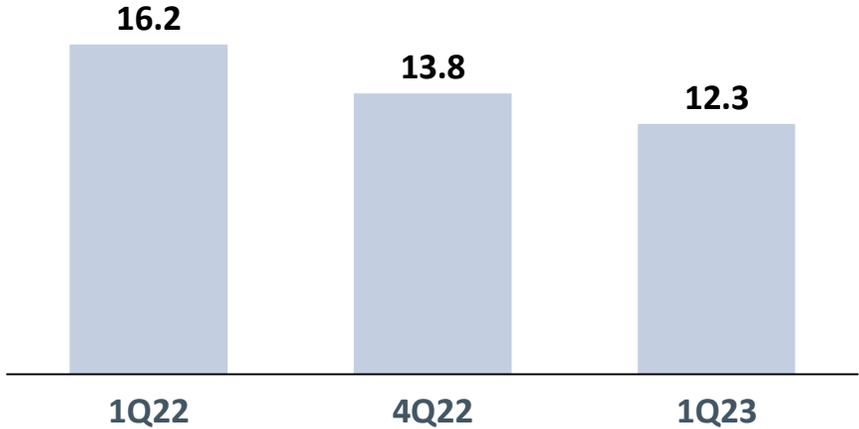
kbpd



PEMEX Ethane supply to BI increased to **33 kbpd**, representing **73% of BI's total ethane supply**.

▶ Fast Track Performance – Imported Ethane

kbpd



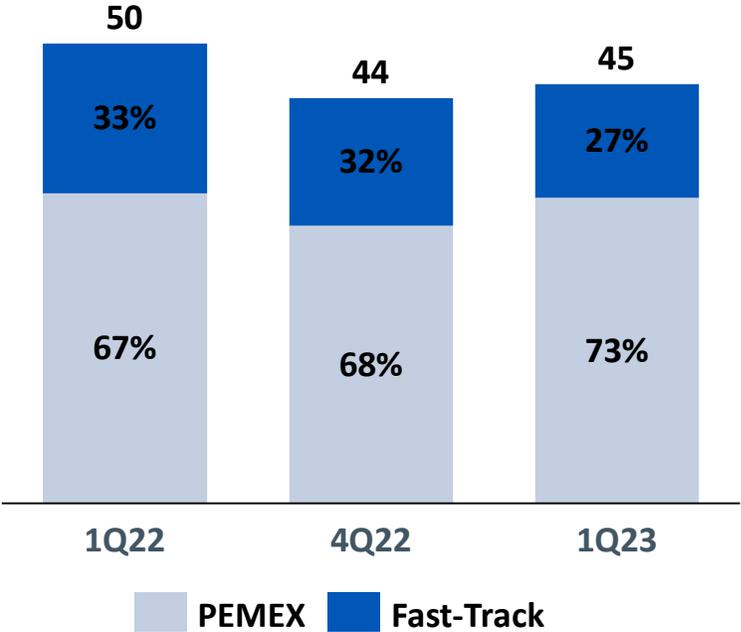
Fast-Track complemented local supply, it was **adjusted to market conditions by begin of the quarter**, with a ramp up during March.

*Source: PEMEX

PRODUCTION AND UTILIZATION RATE

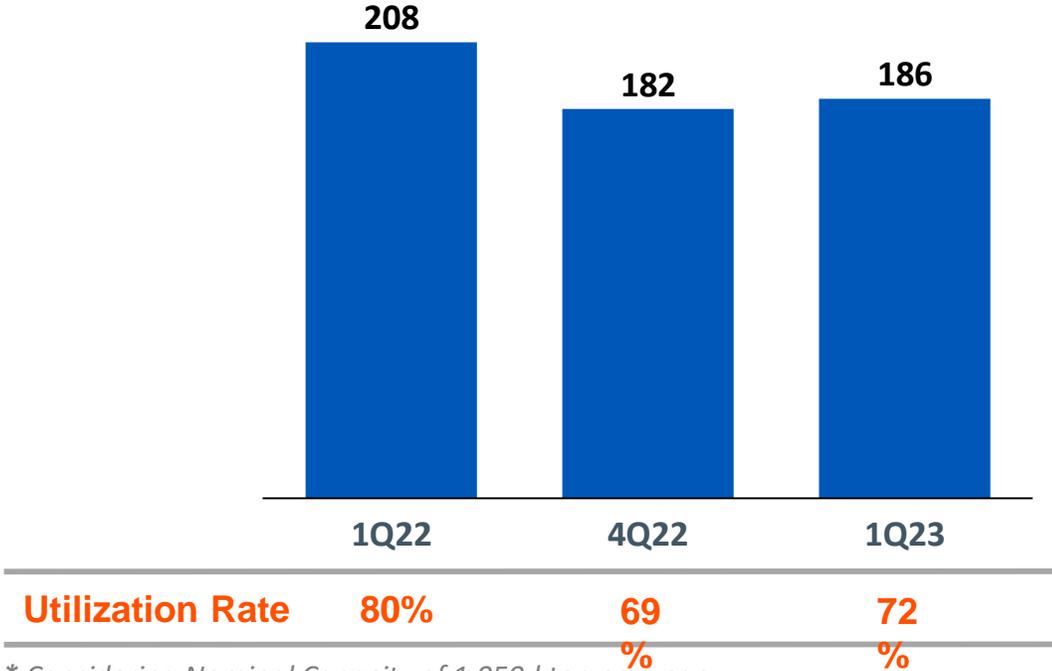
▶ Total Ethane Supply Per Quarter

kbpd



▶ PE Production & Utilization Rate*

kton



* Considering Nominal Capacity of 1,050 kton per year

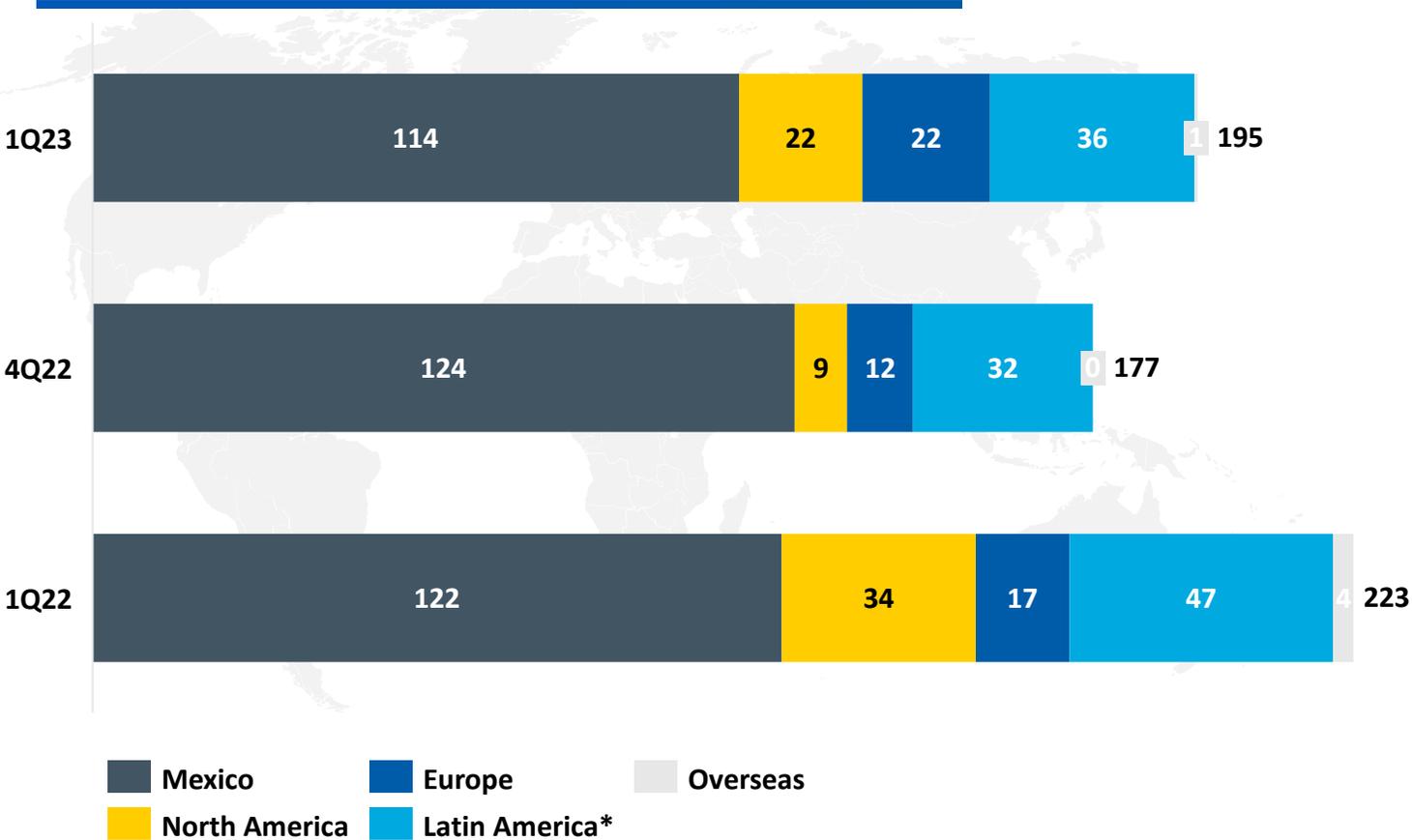
Imported supply was used as is intended **to complement Pemex's supply and maximize margins**

The utilization increase of 3 p.p. compared to 4Q22 given additional supply during the quarter

COMMERCIAL PERFORMANCE

▶ PE Sales by Region

hton



- Total PE sales volume reached 195kt and was benefited by **higher PE demand and improved product availability.**
- Export volumes increased compared to 4Q22, with North America and Europe sales leading overall growth.

*Latin America includes Caribbean, Central and South America

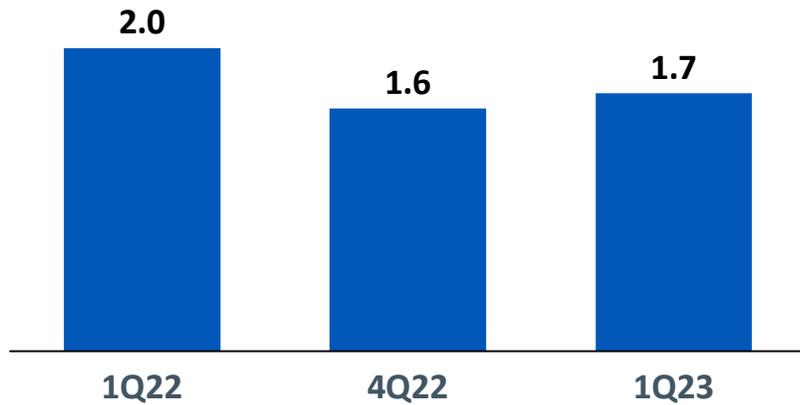


SUSTAINABLE GROWTH & INVESTMENTS

CLIMATE CHANGE

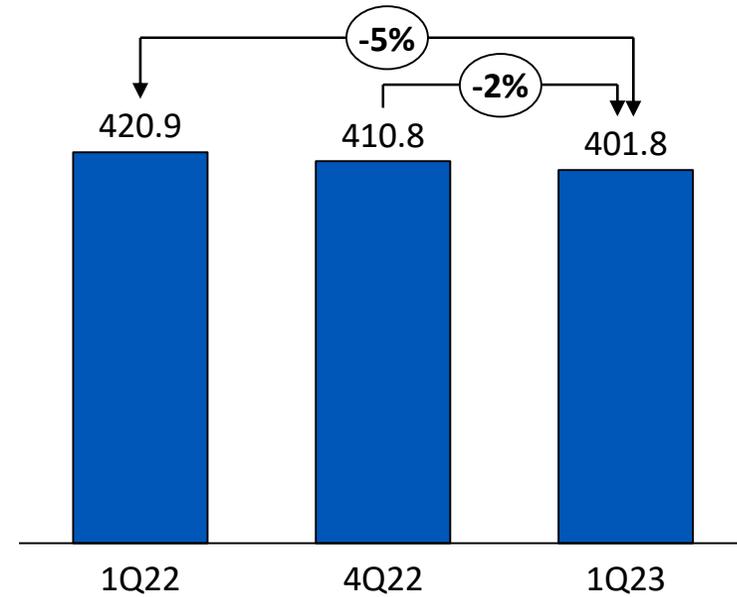
▶ Post-Consumer Recycled (PCR) Resin Sales

kt



▶ CO2e Emissions

kton



“Blue Member” recertification by ANIPAC and CIATEQ in the quarter for its participation in the “Cero Perdida de Pellets” program

Projects implemented in the previous quarter are resulting in reduction of CO2 emissions

STRATEGIC PROJECTS



ETHANE IMPORT TERMINAL

- ▶ **Project description: Construction of an ethane import terminal to fulfill 100% of Braskem Idesa's supply needs**
 - ▶ CAPEX: ~US\$ 446 million
 - ▶ Project Progress: 36%
 - ▶ Construction Licenses and Land Purchase: Completed
 - ▶ Start-up: 2024e
 - ▶ In March, TQPM held a groundbreaking ceremony in Coatzacoalcos, Veracruz.

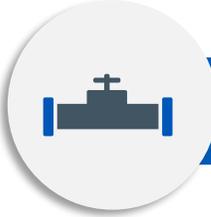




ETHANE IMPORT TERMINAL



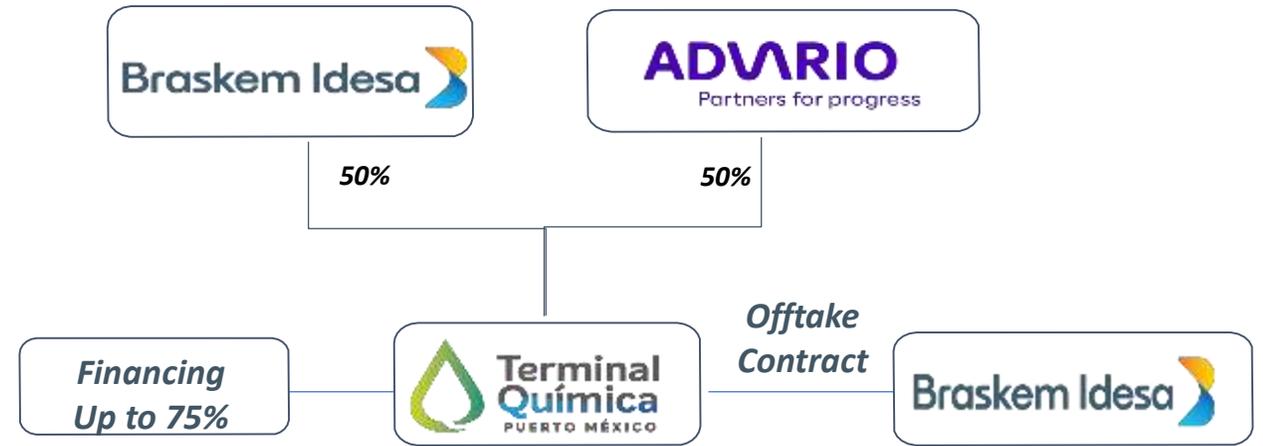
STRATEGIC PROJECTS



ETHANE IMPORT TERMINAL

In March 2023, conditions were met for the closing of partnership agreement with Advario.

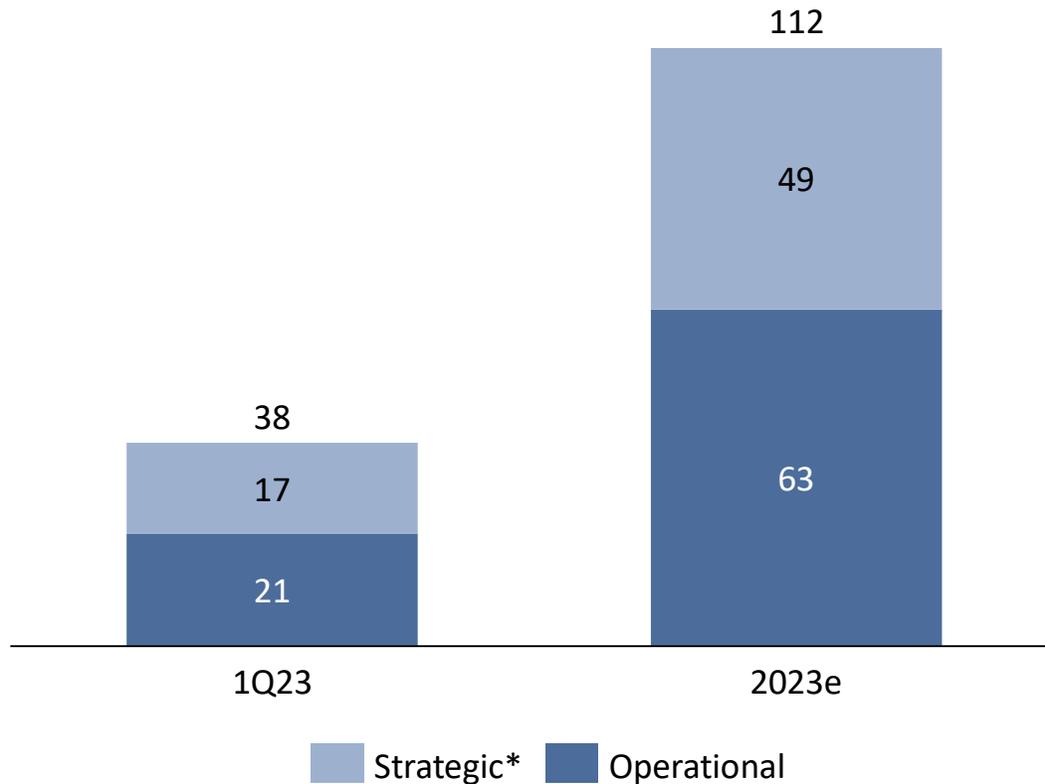
- Advario retroactively paid US\$ 56 million to BI
- The company is currently in negotiations with financial institutions to finance up to 75% of the total investment (Capex + capitalized interest)
- Targeting to close financing and disburse in 3Q23.



CAPEX

▶ Investments

US \$ MM



*1Q23 Strategic CAPEX considers net contributions from BI to TQPM.

*2023 Strategic CAPEX considers the amount disbursed by Braskem Idesa for TQPM.

- Braskem Idesa's total investments in 1Q23 were US\$ 38 million.
- In 2024, Braskem Idesa will have its first **major maintenance, called a Turnaround**. This year, ~US\$ 18 million will be invested.
- **The estimated total investment for 2023 is US\$ 112 million**, for operational efficiency projects and continued TQPM construction.

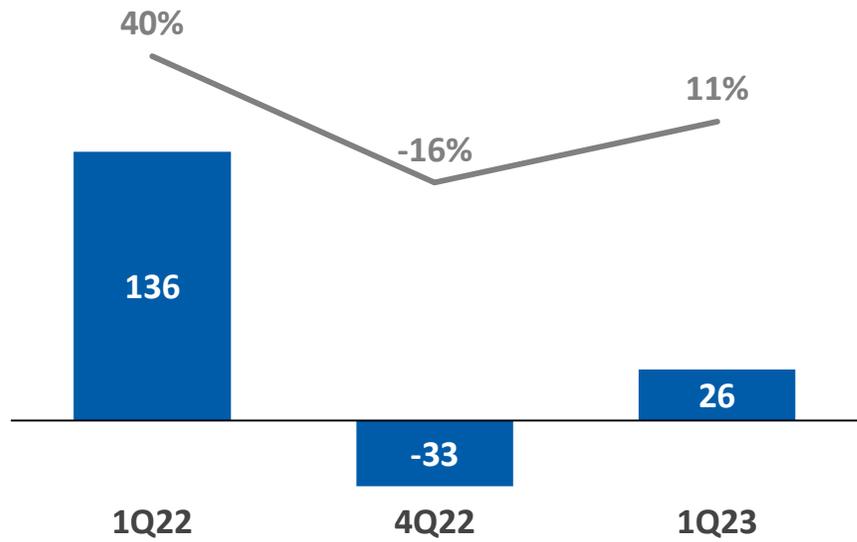
FINANCIAL RESULTS & RATIOS

FINANCIAL RESULTS AND PROFITABILITY

EBITDA

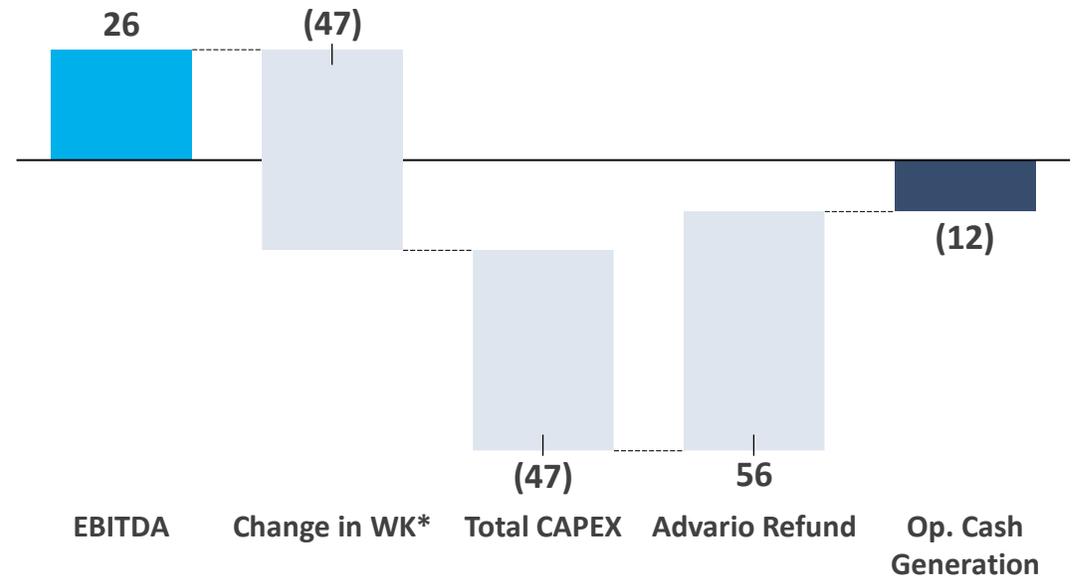
US\$ MM

— EBITDA Mg (%) ■ EBITDA



Free Cash Flow 1Q23

US\$ MM



*Inventories, payables, working capital facilities and receivables operational working capital variation.

Cash Balance

393

422

35

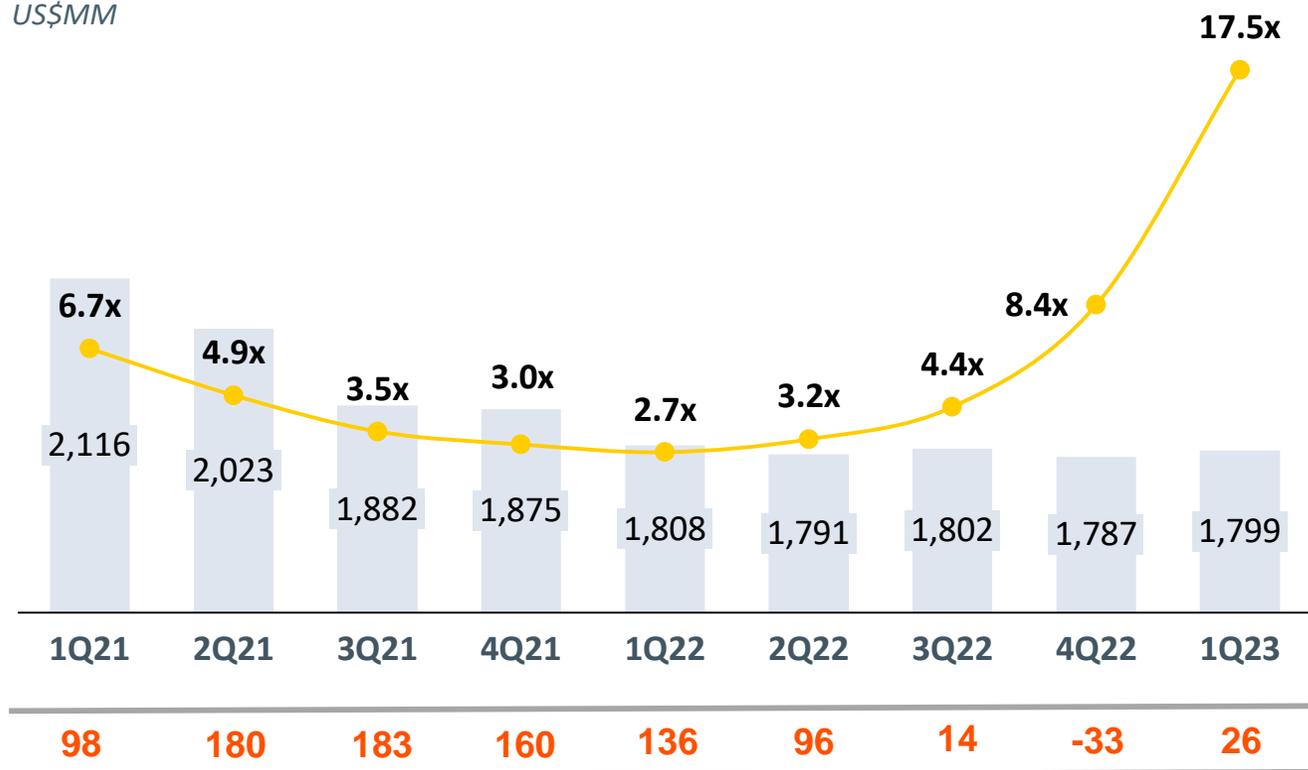
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EBITDA generation in the quarter was benefited by **increased spreads** and **lower COGS**

DELEVERAGING AND RATIOS

▶ Net Debt & Net Debt/ EBITDA

US\$MM



● Net Debt/EBITDA ■ Net Debt ■ EBITDA

Rating	
S&P Global	B+ Negative Outlook
FitchRatings	BB- Negative Outlook

Fitch Ratings Report highlighted BI's:

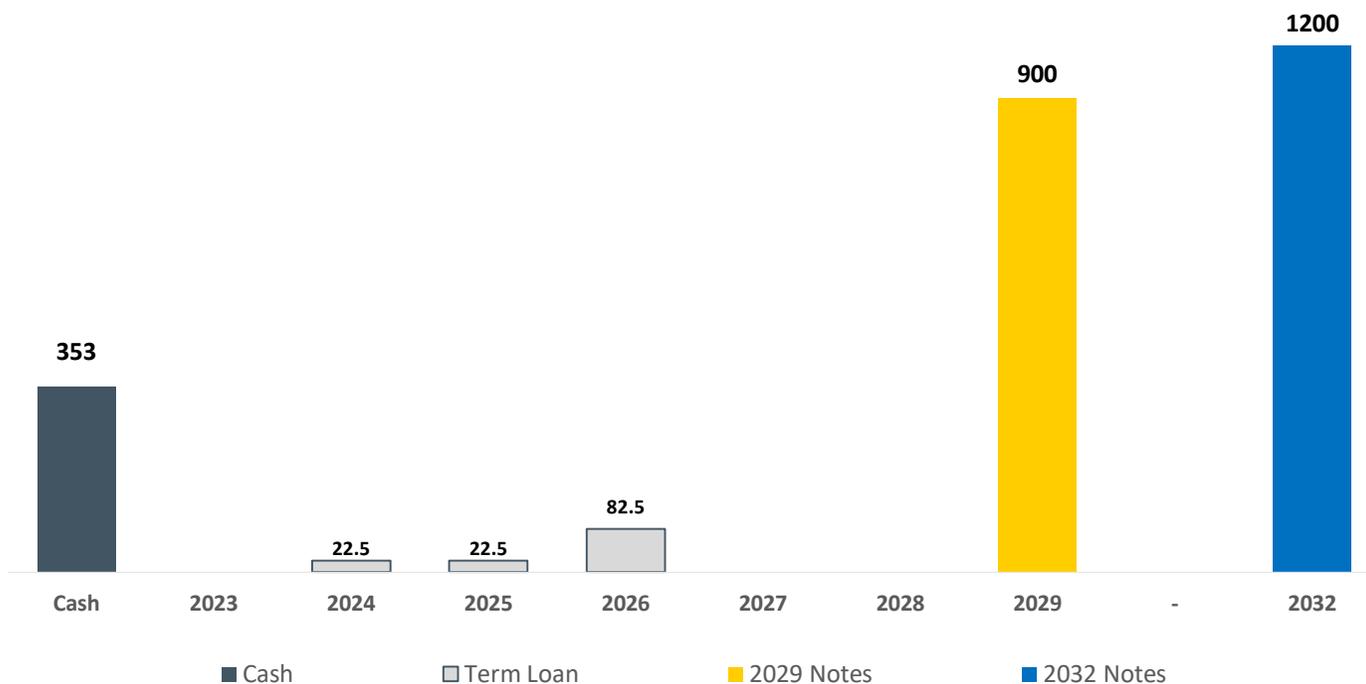
- Strong market share in the Mexican market
- Low-cost and efficient ethane operations
- Leverage is a point of attention

LTM EBITDA increased the Company's leverage in 2022, which persisted into 1Q23

DEBT PROFILE

▶ Debt Profile as of March 2023

US\$MM



- Average debt life of **7.6 years** with **93% of the debt maturing after 2029**
- The Company maintains its **solid liquidity position of US\$353 million**
- Weighted average debt cost of **FX var + 7.3%**
- **Usual covenants and conditions**

*Cash position of the Company includes the DSRA of ~US\$ 80 million

2023 PRIORITIES

PRIORITIES 2023

STRATEGIC PILLARS



FEEDSTOCK SUPPLY



*Maximize the national ethane supply
Optimize ethane imports to complement*



COMMERCIAL STRATEGY



Increase Mexican market share and allocate products in other profitable regions through BI's flexibility



STRATEGIC PROJECTS



Continue with the progress and construction of the ethane import terminal and conclude its project finance



FINANCIAL DISCIPLINE



Preserve the liquidity and assess the expenditures to maintain the financial health



SUSTAINABILITY



*Intensify actions in recycling and sales of PCR
Reduce the Company's carbon footprint through proven procedures and the implementation of new technologies*

Q&A SESSION



Investor Relations

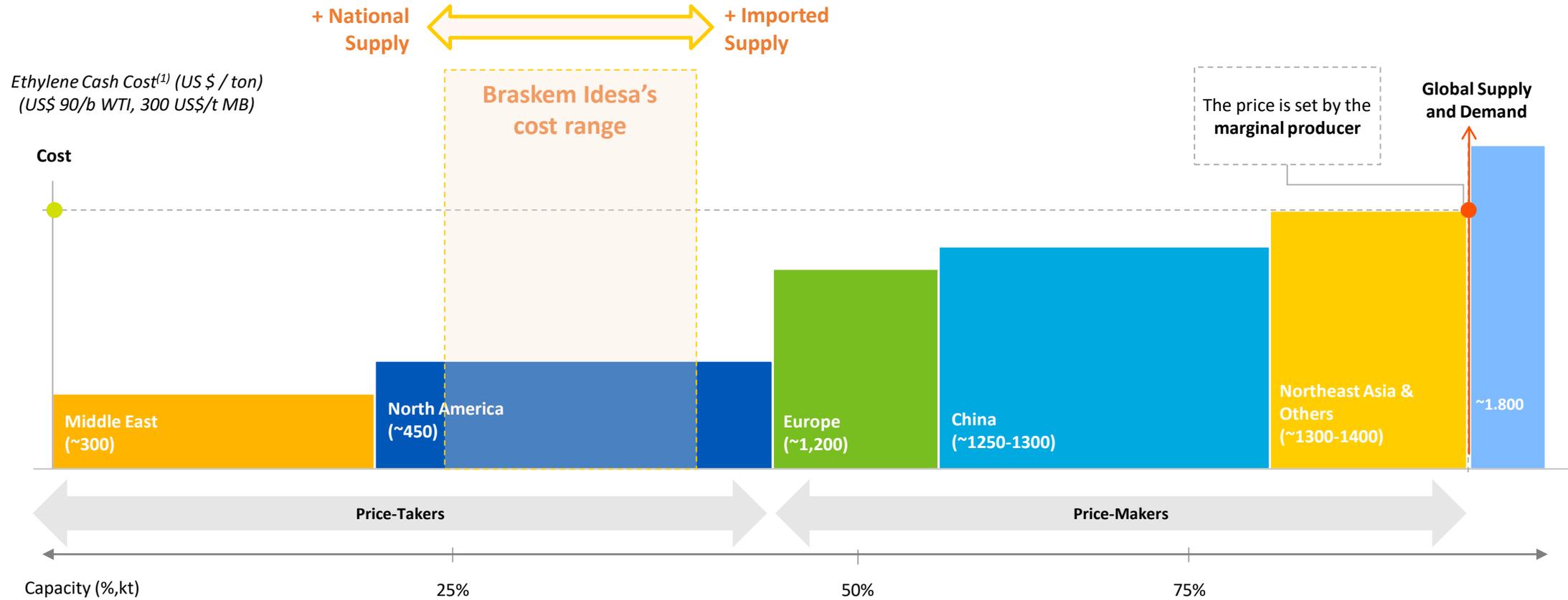
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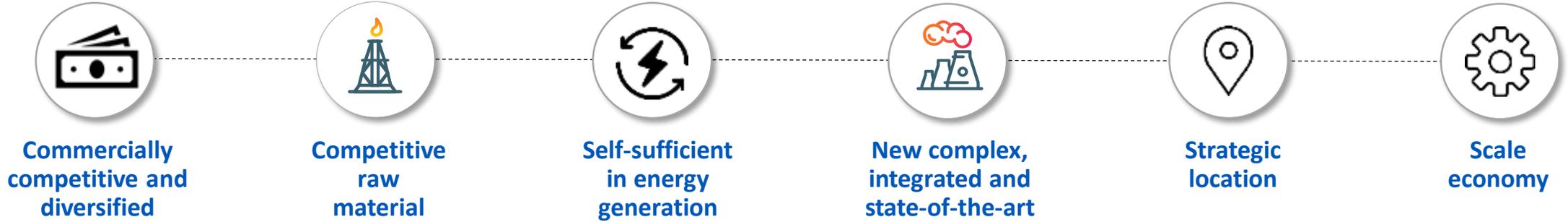
Braskem Idesa 

COMPETITIVENESS

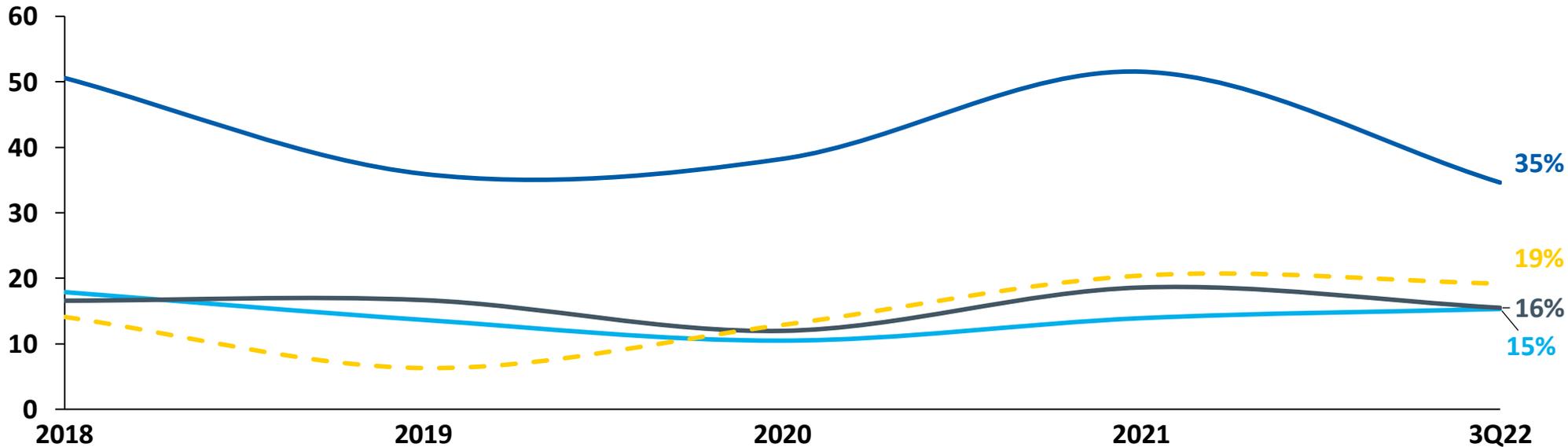


Notes: Analysis based on external consulting data

COMPETITIVENESS



EBITDA Margin (%)



Braskem Idesa

DOW

lyondellbasell

alpek

Braskem Idesa