

## ALPEK (BUY, PT \$25.50)

### Flash: Acquires CarbonLite recycling facility

ALPEK informed that it has acquired CarbonLite LLC's PET recycling and pelletizing facility in Reading, Pennsylvania, US. The transaction represented an investment of US\$96 million (~4% of the company's market value), with no debt, and subject to customary conditions precedent.

CarbonLite's Reading site is completely outfitted with brand new equipment, including state-of-the-art curbside bottle handling, wash lines and a solid-state polymerizer, which enables production of food-grade pellet which is needed for bottle-to-bottle recycling. The site has a bottle-to-flake and flake-to-pellet capacity of 115,000 tons and 49,000 tons, respectively, making it the largest integrated rPET facility in the Americas. The site is expected to conclude its commissioning process and begin production ramp-up in 3Q21.

**POSITIVE implication:** We consider this to be favorable news for Alpek, since it not only adds around ~40% to the current installed capacity of rPET to 394,000 tons, but also reaffirms Alpek as the largest PET recycler in the Americas and achieves the goal of supplying customers with 25% rPET content by 2025. Likewise, this strategy is aligned with the Company's long-term strategic growth plan pillar of fostering a Circular Economy. We reiterate our BUY recommendation, in light of an environment that continues to be favorable, hand in hand with long-term shareholder value creation strategies.

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## Certification of Analysts.

We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo, Eridani Ruibal Ortega and Juan Barbier Arizmendi, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

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	<b>Reference</b>
<b>BUY</b>	<i>When the share expected performance is greater than the MEXBOL estimated performance.</i>
<b>HOLD</b>	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
<b>SELL</b>	<i>When the share expected performance is lower than the MEXBOL estimated performance.</i>

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## History of PT and ratings

Stock	Date	Rating	PT
ALPEK	20/04/2021	BUY	\$25.50
ALPEK	18/02/2020	HOLD	\$19.00
ALPEK	20/01/2020	Under Review	Under Review

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