

ALPEK (HOLD, PT2020 \$19.00)

Flash: M&G Mexico restructuring plan approved

On Friday, September 4, Alpek announced the final approval of the financial restructuring agreement of M&G Polímeros México, which will conclude the bankruptcy procedure initiated in the first quarter of 2019. In this way, Alpek will begin the recovery of US\$160 million of guaranteed debt, equivalent to ~13% of the net debt reported in 2Q20 (US\$1,190 million), in a 5-year period starting at the end of the current year.

Positive Implication: We believe that the relevant aspect of this news is that a favorable agreement has finally been achieved for all parties. Alpek will continue to supply the required PTA for M&G Mexico's PET plant, thus ensuring both the stability of M&G Mexico's operations during the recovery of Alpek's debt, and a steady sale of PTA for the Altamira plant. With this agreement, Alpek will continue to strengthen its financial position, and will be able to continue with its strategy focused on strategic growth and promotion of a circular economy, investing in infrastructure and equipment of PET facilities.

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Certification of Analysts.

We, Gabriel Casillas Olivera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Tania Abdul Massih Jacobo, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Valentin III Mendoza Balderas, 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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HOLD	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
SELL	<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	02/18/2020	HOLD	\$19.00
ALPEK	01/20/2020	Under Review	Under Review
ALPEK	07/17/2019	BUY	\$30.00

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