

# ALPEK

Quarterly Report

April 22, 2021

## Outstanding margins. Raises 2021 guidance

- Alpek confirmed a solid recovery, which was even slightly better than our estimates. Record volumes and margins in Polyester and PP were supported by favorable environmental dynamics
- Given the strength in results and a much more favorable outlook, the company increased its 2021 guidance by 28% to a US\$750 million EBITDA (US\$675 on a comparable basis) vs. US\$561 million previously
- After adjusting 2021 perspective, we raise our price target to MXN 25.50, implying a 2021e FV/EBITDA of 5.3x (6.0x on a comparable basis and similar to the L12m average). We reiterate BUY

**Favorable dynamics that should be welcomed by the market.** Alpek posted a solid quarter, even slightly better than our already optimistic estimates, with a 15.1% y/y advance in revenues to MXN 32.8 billion and in EBITDA by 199.1% to MXN 6.6 billion (vs. our estimate of MXN 6.1 billion). This led to a 12.4pp y/y increase in the respective margin to an outstanding 20.1%. The result was supported by a positive inventory adjustment and a raw material carryforward effect of MXN 2.5 billion (US\$121 million) due to the increase in Brent crude oil and paraxylene prices, mainly. Nevertheless, even on a comparable basis, the result was very favorable, showing EBITDA of MXN 4.3 billion (+40.1% y/y) due to: (1) higher Polyester margins underpinned by strong demand in Asia; (2) the solid EPS performance from the acquisition of Nova Chemicals' styrenics business; and (3) the extraordinary benefits in PP margins and natural gas marketing from the impact of the polar vortex on the US East Coast, which benefited the company. Volumes continued at record levels, both in Polyester (+3% y/y) and in Plastics and Chemicals (+8% y/y). The financial structure improved considerably to levels of 1.5x ND/EBITDA vs. 2.0x previously. Meanwhile, FV/EBITDA multiple lowered to 4.6x vs. 6.1x prior.

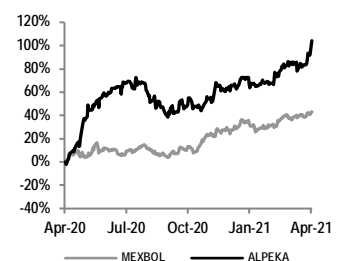
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### BUY

Current Price	\$20.97
PT	\$25.50
Dividend	
Dividend (%)	
Upside Potential	21.6%
Max - Min LTM (\$)	20.8.-9.80
Market Cap (US\$m)	2,197.2
Shares outstanding (m)	2,112
Float	17.9%
Daily Turnover (\$m)	38.3
<b>Valuation Metrics LTM *</b>	
FV/EBITDA Adj	4.6x
P/E	7.4x
MSCI ESG Rating*	N.A.

### Relative performance to MEXBOL LTM



#### Financial statements

MXN, Million	2019	2020	2021E	2022E
Revenues	119,685	113,989	117,130	116,478
Operating Income	12,361	7,493	11,352	8,765
Adjusted EBITDA	16,395	11,993	15,225	12,725
EBITDA Margin	13.70%	10.52%	13.00%	10.92%
Net Income	6,605	3,123	5,517	3,048
Net margin	5.52%	2.74%	4.71%	2.62%
<b>Total Assets</b>	<b>102,794</b>	<b>106,353</b>	<b>109,415</b>	<b>114,331</b>
Cash	7,059	10,144	11,262	9,990
<b>Total Liabilities</b>	<b>57,736</b>	<b>60,840</b>	<b>59,684</b>	<b>62,854</b>
Debt	32,710	33,729	32,193	32,712
Common Equity	45,058	45,512	47,445	49,192

Source: Banorte

#### Valuation and financial metrics

	2019	2020	2021E	2022E
FV/EBITDA	4.6x	6.1x	4.7x	5.8x
P/E	6.7x	14.2x	8.1x	14.6x
P/BV	1.1x	1.1x	1.0x	1.0x
ROE	16.3%	7.7%	12.6%	6.8%
ROA	6.4%	2.9%	5.0%	2.7%
EBITDA/ Interest exp	11.9x	6.1x	7.3x	6.3x
Net Debt/EBITDA	1.6x	2.0x	1.4x	1.8x
Debt/Equity	0.7x	0.7x	0.7x	0.7x

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## ALPEK – 1Q21 Results

MXN, Millions

Concept	1Q20	1Q21	Var %	1Q21e	Diff % vs Estim.
Revenue	28,522	32,830	15.1%	30,469	7.7%
Operating Income	1,151	5,546	381.7%	5,091	8.9%
Ebitda	2,205	6,594	199.1%	6,057	8.9%
Net Income	-453	2,452	N.A.	2,704	-9.3%
<b>margins</b>					
Operating Margin	4.0%	16.9%	12.9pp	16.7%	0.2pp
Ebitda Margin	7.7%	20.1%	12.4pp	19.9%	0.2pp
Net Margin	-1.6%	7.5%	9.1pp	8.9%	-1.4pp
EPS	-\$0.21	\$1.16	N.A.	\$1.28	-9.3%

### Income Statement (Millions)

Year	2020	2020	2021	Var%	Var%
Quarter	1	4	1	y/y	q/q
<b>Net Revenue</b>	<b>28,522.3</b>	<b>28,709.0</b>	<b>32,829.8</b>	<b>15.1%</b>	<b>14.4%</b>
Cost of goods sold	26,174.7	24,928.4	26,041.9	-0.5%	4.5%
Gross profit	2,347.6	3,780.6	6,787.9	189.1%	79.5%
General expenses	1,196.3	656.5	1,242.4	3.9%	89.3%
<b>Operating Income</b>	<b>1,151.3</b>	<b>3,124.1</b>	<b>5,545.5</b>	<b>381.7%</b>	<b>77.5%</b>
<b>Operating Margin</b>	<b>4.0%</b>	<b>10.9%</b>	<b>16.9%</b>	<b>12.9pp</b>	<b>6.0pp</b>
Depreciation	1,053.5	994.3	1,044.5	-0.9%	5.1%
<b>EBITDA</b>	<b>2,205.0</b>	<b>4,131.0</b>	<b>6,594.1</b>	<b>199.1%</b>	<b>59.6%</b>
<b>EBITDA Margin</b>	<b>7.7%</b>	<b>14.4%</b>	<b>20.1%</b>	<b>12.4pp</b>	<b>5.7pp</b>
<b>Interest income (expense) net</b>	<b>(1,882.6)</b>	<b>39.3</b>	<b>(1,531.1)</b>	<b>-18.7%</b>	<b>N.A.</b>
Interest expense	477.8	442.0	1,294.6	170.9%	192.9%
Interest income	35.7	27.3	28.9	-19.1%	6.1%
Exchange Income (loss)	(22.8)	(98.7)	(45.4)	99.1%	-54.1%
Unconsolidated subsidiaries	(1,417.7)	552.9	(220.0)	-84.5%	N.A.
Unconsolidated subsidiaries	58.8	(43.3)	5.2	-91.2%	N.A.
<b>Net Income before taxes</b>	<b>(672.6)</b>	<b>3,120.1</b>	<b>4,019.6</b>	<b>N.A.</b>	<b>28.8%</b>
Provision for Income taxes	(270.0)	692.7	930.0	N.A.	34.3%
Discontinued Operations					
<b>Consolidated Net Income</b>	<b>(402.6)</b>	<b>2,427.4</b>	<b>3,089.6</b>	<b>N.A.</b>	<b>27.3%</b>
Minorities	50.5	407.8	637.4	>500%	56.3%
<b>Net Income</b>	<b>(453.0)</b>	<b>2,019.6</b>	<b>2,452.2</b>	<b>N.A.</b>	<b>21.4%</b>
<b>Net Margin</b>	<b>-1.6%</b>	<b>7.0%</b>	<b>7.5%</b>	<b>9.1pp</b>	<b>0.4pp</b>
<b>EPS</b>	<b>(0.214)</b>	<b>0.954</b>	<b>1.158</b>	<b>N.A.</b>	<b>21.4%</b>

### Balance Sheet (MXN, million)

<b>Total Current Assets</b>	<b>55,388.2</b>	<b>45,548.8</b>	<b>52,482.6</b>	<b>-5.2%</b>	<b>15.2%</b>
Cash & Short Term Investments	13,197.4	10,144.5	10,180.3	-22.9%	0.4%
<b>Long Term Assets</b>	<b>73,229.2</b>	<b>60,803.9</b>	<b>62,230.5</b>	<b>-15.0%</b>	<b>2.3%</b>
Property, Plant & Equipment (Net)	44,108.1	38,578.9	39,133.2	-11.3%	1.4%
Intangible Assets (Net)	4,062.2	3,237.8	3,256.1	-19.8%	0.6%
<b>Total Assets</b>	<b>128,617.4</b>	<b>106,352.7</b>	<b>114,713.1</b>	<b>-10.8%</b>	<b>7.9%</b>
<b>Current Liabilities</b>	<b>35,170.0</b>	<b>21,351.5</b>	<b>26,856.9</b>	<b>-23.6%</b>	<b>25.8%</b>
Short Term Debt	8,651.7	1,226.4	1,422.5	-83.6%	16.0%
Accounts Payable	24,782.5	19,543.9	24,701.0	-0.3%	26.4%
<b>Long Term Liabilities</b>	<b>50,018.8</b>	<b>39,488.9</b>	<b>41,307.7</b>	<b>-17.4%</b>	<b>4.6%</b>
Long Term Debt	41,514.7	32,502.4	33,706.4	-18.8%	3.7%
<b>Total Liabilities</b>	<b>85,188.8</b>	<b>60,840.4</b>	<b>68,164.7</b>	<b>-20.0%</b>	<b>12.0%</b>
Common Stock	43,428.7	45,512.2	46,548.5	7.2%	2.3%
Minorities	5,352.0	5,126.6	5,469.6	2.2%	6.7%
<b>Total Equity</b>	<b>38,076.6</b>	<b>40,385.6</b>	<b>41,078.8</b>	<b>7.9%</b>	<b>1.7%</b>
<b>Liabilities &amp; Equity</b>	<b>128,617.4</b>	<b>106,352.7</b>	<b>114,713.1</b>	<b>-10.8%</b>	<b>7.9%</b>
<b>Net Debt</b>	<b>36,968.9</b>	<b>23,584.3</b>	<b>24,948.6</b>	<b>-32.5%</b>	<b>5.8%</b>

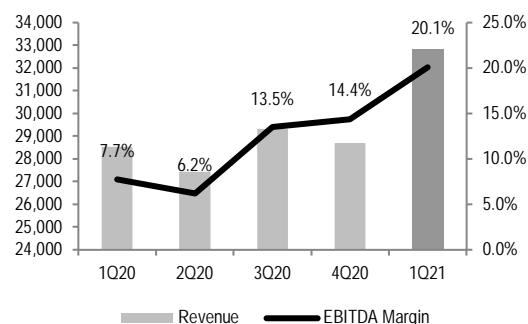
### Cash Flow

Cash Flow from Operating Activities	12,765.6	14,575.6	1,819.1
Cash Flow from Investing Activities	10,948.2	(2,088.1)	(332.2)
Cash Flow from Financing Activities	(17,700.9)	(6,030.3)	(1,584.4)
<b>Increase (decrease) in cash</b>	<b>3,247.6</b>	<b>3,816.0</b>	<b>(97.5)</b>

Source: Banorte, MSE

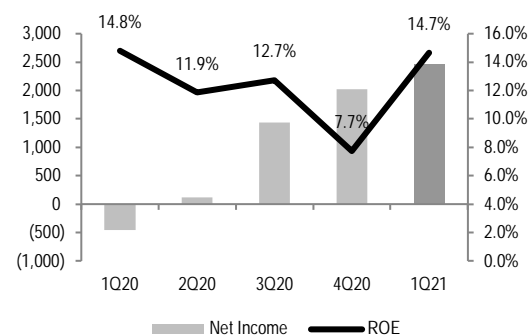
## Revenue & EBITDA Margin

MXN, million



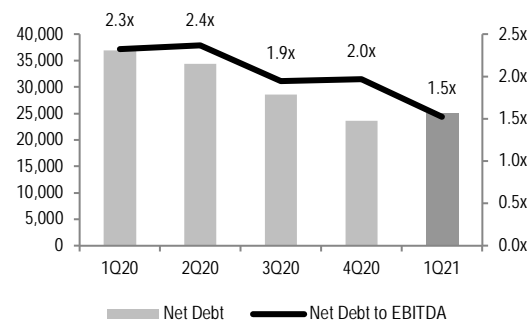
## Net Income & ROE

MXN, million



## Net Debt & Net Debt to EBITDA

MXN, million



## Results by Business Segment

### Polyester

MXN, Million

	1Q20	Margin	4Q20	Margin	1Q21	Margin	% y/y	% q/q
Revenue	21,795	100.0%	19,949	100.0%	21,742	100.0%	-0.2%	9.0%
EBITDA	1,151	5.3%	2,542	12.7%	3,748	17.2%	225.6%	47.4%
EBITDA*	1,883	8.6%	1,717	8.6%	1,815	8.3%	-3.6%	5.7%

\* Inventory and non – operating (non – recurring) gains/losses are not included

Source: Alpek

### Plastics and Chemicals

MXN, Million

	1Q20	Margin	4Q20	Margin	1Q21	Margin	% y/y	% q/q
Revenue	5,964	100.0%	7,687	100.0%	9,589	100.0%	60.8%	24.7%
EBITDA	987	16.5%	1,509	19.6%	2,509	26.2%	154.2%	66.3%
EBITDA*	1,000	16.8%	1,365	17.8%	1,981	20.7%	98.1%	45.1%

\* Inventory and non – operating (non – recurring) gains/losses are not included

Source: Alpek

**Adjusting 2021 outlook after an upside in 2021 guidance of 28%.** The company's results showed that the dynamics in the environment have been more favorable than expected, leading to a faster-than-expected recovery. Based on the above, Alpek improved its 2021 guidance, where it now anticipates EBITDA of US\$750 million, which would represent a 33% y/y increase and on a comparable basis, excluding extraordinary items and adjustments for raw material and inventory carryforwards, of US\$675 million (+12% y/y) vs. the previous guidance of US\$561 million. The higher outlook is supported by: (1) in the Polyester segment, on increased demand and high integrated margins from Asia (US\$285 per ton vs. US\$245 prior), which are expected to continue in 2021, although they could normalize towards the second half of the year; and (2) in Plastics & Chemicals expecting the positive effect of the polar vortex on polypropylene margins to extend into 2Q21. Based on the above, and after incorporating the company's results and new guidance into our model, our 2021 estimates assume revenues of MXN 117.1 billion (US\$5.7 billion vs. US\$5.6 billion previously, +7.4% y/y) and EBITDA of MXN 15.2 billion (US\$744 million vs. US\$579 million before, +31.7% y/y), which would represent increases of 2.8% and 26.9%, respectively. In our estimates we have incorporated the [recent adjustments made to the FX rate trajectory](#) by the Fixed Income and FX Strategy area now anticipating a 2021 close at MXN 20.20 vs. MXN 19.80 previously. The highlight of 2021 is that we anticipate continued resilience in volumes supported by the new dynamics observed in the wake of the pandemic and the acquisition of [Nova Chemicals' styrenics](#) business in October 2020. As such, we assume volume growth of ~3.0% y/y, while anticipating much greater stability in raw material prices. On the margin side, on a consolidated basis we anticipate a 250bp increase (vs. previous 10bp decrease) in EBITDA margin to 13.0%. We expect the company to continue with maintenance operations and strategic projects such as the recently formed alliance with Contour Global to jointly develop a carbon dioxide capture and liquefaction plant, expecting to reach a final investment decision by the end of 3Q21.

**Valuation.** After adjusting our estimates and valuation model, we raise our target price for Alpek shares from MXN 22.00 to MXN 25.50, which represents a 2021e FV/EBITDA multiple of 5.3x (6.0x on a comparable basis and similar to the LTM average), above the current multiple of 4.6x, but below the median of comparable companies in North America of 7.2x. In our view, the current valuation level does not reflect the resilience of the business under the environment, the financial strength and prospects of the company. The potential yield offered by our price target above current levels is 21.6%, therefore we reiterate our BUY recommendation.

Our target price has been calculated through a discounted cash flow valuation model, using a discount rate (WACC) of 9.5%, which assumes a cost of capital of 12.6%, a risk-free rate of 6.9% (estimated 10-year Mexican bond), a 0.95 beta and a market risk premium of 6.0%. The average cost of debt is 7.5%, and the debt/equity ratio is 42.0%. For terminal value (perpetuity), we are considering an FV/EBITDA multiple of 7.0x, below the median of comparable companies of 7.3x according to Bloomberg consensus.

#### Discounted Cash Flow Model

MXN, million	2021e	2022e	2023e	2024e	2025e	2026e	2027e	Perpet.
(+) EBITDA	15,225	12,725	13,170	13,631	14,108	14,602	15,113	
(-) Change in Working Capital	(837)	(875)	(790)	(818)	(846)	(876)	(907)	
(-) Capex	(5,940)	(6,270)	(6,584)	(6,913)	(7,258)	(7,621)	(8,002)	
(-) Taxes	(2,716)	(1,656)	(1,976)	(2,045)	(2,116)	(2,190)	(2,267)	
(=) Free Cash Flow	5,732	3,924	3,821	3,856	3,887	3,914	3,937	
(+) Perpetuity	0	0	0	0	0	0	0	109,494
(=) Total Cash Flow	5,732	3,924	3,821	3,856	3,887	3,914	3,937	109,494

		YE21	
Risk-Free Rate (RF)	6.9%	(+) Present Value of Cash Flow s	17,176
Spread 10-year Mexico vs US		(+) Present Value of Perpetuity	57,967
Equity Risk premium (RP)	6.0%	= Firm Value	75,142
Beta	0.95	(+) Other investments	
CAPM	12.60%	(-) Net Debt	(20,931)
Debt Cost	7.50%	(-) Minorities	
Tax rate	30%	(-) Equity value	54,211
Net Cost of Debt	5.25%	Shares Outstanding	2,118
Debt / Capitalization	42.0%	Price Target \$	25.60
WACC	9.51%		
Terminal Value	7.0x		

Source: Banorte Estimates

## Relative Valuation

ISSUER	PRICE	Market Cap (US\$MM)	Enterprise Value (US\$MM)	P/BV	P/E	P/E 2021E	P/E 2022E	FV/EBITDA	FV/EBITDA 2021E	FV/EBITDA 2022E	DIVIDEND YIELD
<b>AMERICA</b>											
LYONDELLBASELL INDU-CL A	USD 104.36	34,889	50,046	6.6x	17.5x	8.6x	9.1x	15.0x	7.2x	7.6x	4.0%
EASTMAN CHEMICAL CO	USD 112.21	15,318	20,636		18.4x	14.2x	13.2x	14.9x	10.0x	9.6x	2.5%
BRASKEM SA-PREF A	BRL 51.96	7,405	14,282				11.6x	19.8x	4.7x	6.0x	
ORBIA ADVANCE CORP SAB DE CV	P\$ 53.48	5,622	10,051		27.3x	16.8x	14.8x	14.8x	7.3x	7.1x	3.7%
	<i>Average</i>	14,952	22,148	6.6x	16.6x	11.4x	11.3x	13.9x	7.3x	7.6x	3.4%
	<i>Median</i>	11,362	17,459	6.6x	17.5x	11.4x	11.5x	15.0x	7.2x	7.3x	3.7%
<b>EUROPA &amp; ASIA</b>											
BASF SE	€ 71.32	78,790	98,886	3.2x		15.8x	15.1x	12.7x	8.7x	8.4x	4.6%
FORMOSA PLASTICS CORP	TWD 109.50	24,803	23,263	2.1x	19.7x	16.3x	16.0x	26.1x	15.8x	17.9x	2.2%
NAN YA PLASTICS CORP	TWD 91.10	25,709	27,880	2.1x	17.0x	17.7x	16.9x	20.6x	15.2x	16.4x	2.6%
FORMOSA CHEMICALS & FIBRE	TWD 94.80	19,772	20,273	1.6x	28.4x	17.7x	18.6x	17.6x	12.9x	14.7x	2.6%
PETRONAS CHEMICALS GROUP BHD	MYR 7.85	15,258	13,080	2.1x	39.2x	19.9x	18.0x	14.5x	10.1x	9.3x	1.5%
SOLVAY SA	€ 103.60	13,193	18,495			15.5x	13.1x	9.1x	7.5x	7.0x	3.6%
mitsubishi chemical holdings	JPY 840.00	11,699	33,944	41.9x			10.9x	17.1x	11.9x	7.8x	
sumitomo chemical co ltd	JPY 576.00	8,817	21,925	3.8x		29.9x	10.7x	8.2x	9.0x	7.4x	2.1%
INDORAMA VENTURES PCL	THB 45.25	8,118	14,558	3.2x	156.2x	19.4x	16.5x	15.6x	10.5x	9.8x	1.5%
SINOPEC SHANGHAI PETROCHE-A	CNY 3.65	5,012	4,540	1.4x	63.0x	12.1x	11.7x		6.5x	6.1x	
LANXESS AG	€ 60.52	6,366	9,435	3.9x	5.9x	15.1x	12.6x	10.9x	8.2x	7.2x	1.7%
MITSUI CHEMICALS INC	JPY 3,590.00	6,792	10,523	1.3x	16.0x	14.3x	11.1x	8.1x	7.5x	6.4x	2.8%
sumitomo seika chemicals co	JPY 4,155.00	537	485	0.8x							2.4%
	<i>Average</i>	17,297	22,868	5.6x	43.2x	17.6x	14.3x	14.6x	10.3x	9.9x	2.5%
	<i>Median</i>	11,699	18,495	2.1x	24.0x	16.3x	14.1x	14.5x	9.6x	8.1x	2.4%
<b>GLOBAL</b>											
	<i>Average</i>	16,745	22,699	5.7x	35.9x	16.3x	13.5x	14.4x	9.5x	9.2x	3.0%
	<i>Median</i>	11,699	18,495	2.1x	18.4x	15.6x	12.8x	14.9x	8.9x	7.7x	3.1%
<b>ALPEK SA DE CV</b>	<b>Ps 20.75</b>	<b>2,194</b>	<b>3,627</b>		<b>13.9x</b>	<b>11.4x</b>	<b>11.4x</b>	<b>6.0x</b>	<b>5.6x</b>	<b>5.7x</b>	<b>5.9%</b>

Source: Bloomberg

## 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, Valentín III Mendoza Balderas, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalia 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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Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte Ixe and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

## Last-twelve-month activities of the business areas.

Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

## Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

## Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

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The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

## Guide for investment recommendations.

	<i>Reference</i>
<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>

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

## Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

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## Historical PT and Rating

Stock	Date	Rating	PT
ALPEK	April 20, 2021	BUY	\$25.50
ALPEK	February 11, 2021	BUY	\$22.00
ALPEK	February 18, 2020	HOLD	\$19.00
ALPEK	January 20, 2020	Under Review	Under Review

## MSCI ESG Rating scale

CCC	B	BB	BBB	A	AA	AAA
LAGGARD			AVERAGE		LEADER	

\*The MSCI ESG Rating is an indicator that evaluates companies in Environment, Society and Governance (ESG) metrics.

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