



**Cydsa**



# **CORPORATE PRESENTATION**

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# CONTENT



**BUSINESS DESCRIPTION**



**CURRENT ENVIRONMENT**



**INVESTMENTS FOR  
COMPETITIVENESS AND GROWTH**



**PROCESSING AND UNDERGROUND  
STORAGE OF HYDROCARBONS**



**FINANCIAL PERFORMANCE**



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# BUSINESS DESCRIPTION

Cydsa was established in 1945, in Monterrey, Nuevo León, Mexico.

Listed in the Mexican Stock Exchange since 1973, Cydsa incorporates more than 20 subsidiaries located in 9 cities and serves customers in more than 15 countries.

Cydsa's Chairman and CEO is Mr. Tomas Gonzalez Sada.



# BUSINESS DESCRIPTION



## CHEMICALS MANUFACTURING AND SPECIALTIES

**Salt for  
Household  
Consumption  
and Industrial  
Applications**

**Chlorine, Caustic  
Soda and Related  
Specialties**

**Refrigerant Gases  
Manufacturing and  
Commercialization**

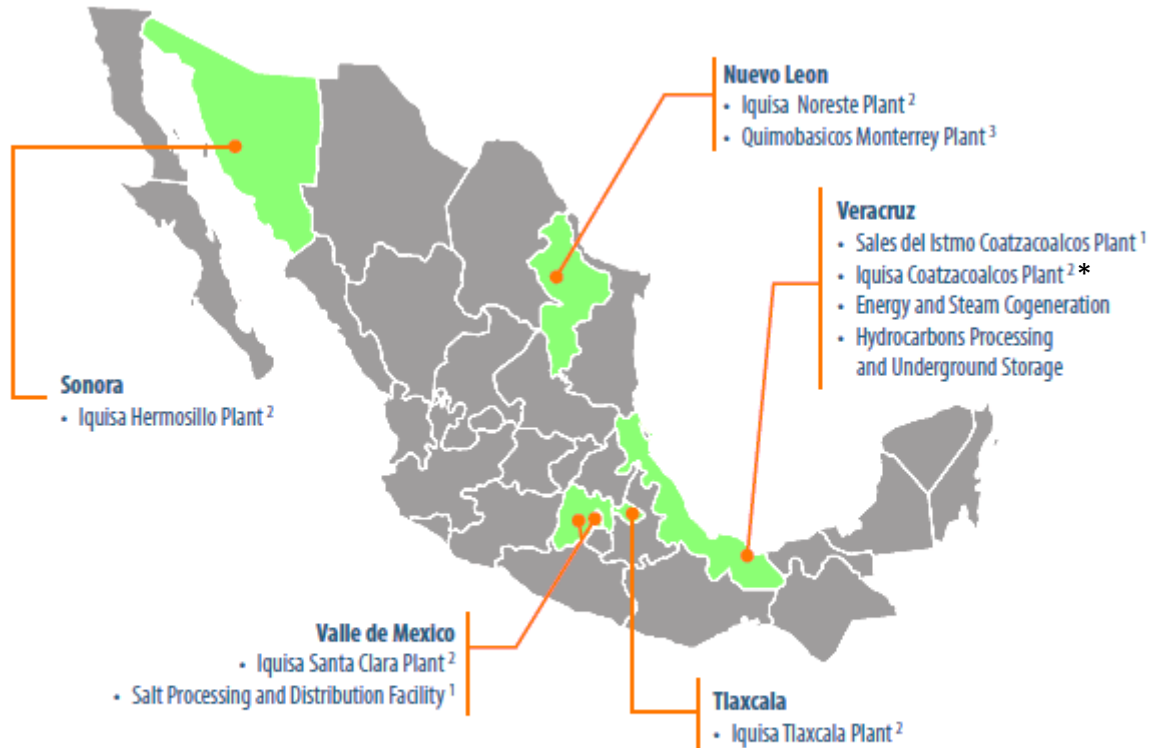


## ENERGY PROCESSING AND LOGISTICS

**Electricity and  
Steam  
Cogeneration**

**Hydrocarbons  
Processing and  
Underground  
Storage**

# BUSINESS DESCRIPTION

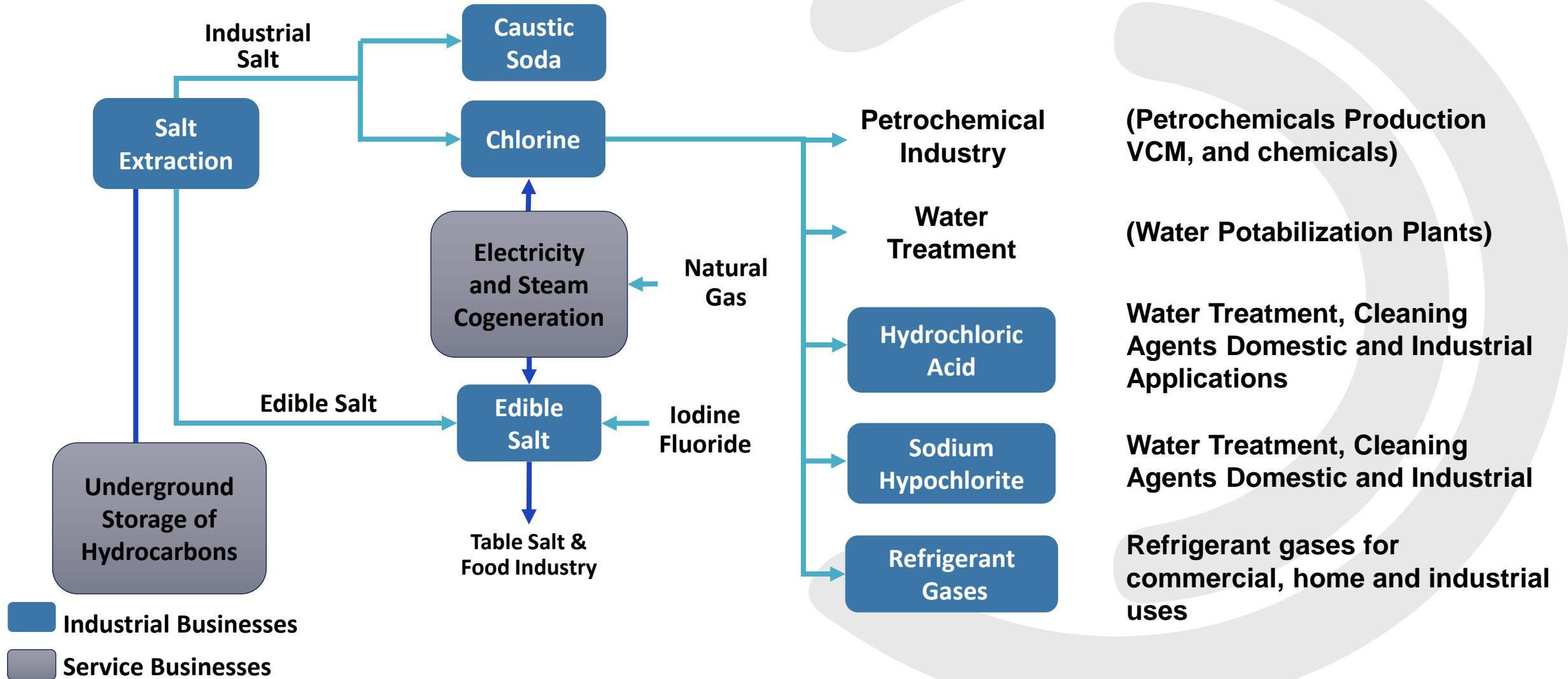


1. Salt for Household Consumption.
2. Chlorine, Caustic Soda and Related Specialties.
3. Refrigerant Gases Manufacturing and Comercialization.

**CYDSA CURRENTLY HAS PLANTS LOCATED ALL ACROSS MEXICO**

\* New Chlorine-Caustic Soda Plant using membrane technology under construction since January 2021.

# BUSINESS DESCRIPTION



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# RESILIENT DURING PANDEMIC

On March 30, 2020, the Government of Mexico, through the Ministry of Health, decreed a Health Emergency in Mexico, due to the pandemic of COVID-19.



All Cydsa businesses were classified by the Authority as Essential Economic Activities. Other non-essential economic activities were suspended.

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# INVESTMENTS FOR COMPETITIVENESS AND GROWTH

The Competitiveness and Growth Investment Program, approved by the Board of Directors, required outlays of more than **US\$800 million dollars between 2010 and 2021.**



# INVESTMENTS FOR COMPETITIVENESS AND GROWTH

## 2010-2021 by business



**SALT**

**US\$140 million**

- SALT CAPACITY EXPANSION
- NEW WELLS
- DISTRIBUTION CENTER



**CHLORINE-CAUSTIC SODA**

**US\$130 million**

- CHLORINE, CAUSTIC SODA AND CHEMICAL SPECIALTIES
- IQUISA
- NORESTE PLANT



**COGENERATION**

**US\$150 million**

- 2 PLANTS OF COGENERATION OF ELECTRICITY AND STEAM
- PLANTS



**UNDERGROUND STORAGE OF HYDROCARBONS**

**US\$200 million**

- LP GAS STORAGE CAVERN

# INVESTMENTS FOR COMPETITIVENESS AND GROWTH

## Current Investments by business



### SALT

- ADDITIONAL WELL
- INDUSTRIAL SALT WAREHOUSE
- DISTRIBUTION CENTER



### CHLORINE-CAUSTIC SODA

- NEW MEMBRANE PLANT IN COATZACOALCOS
- WATER TREATMENT PLANT AND HYDROGEN BOILER IN IQUISA SANTA CLARA



### COGENERATION

- IMPROVEMENTS FOR STABILIZATION, AND COOLING SYSTEM TO INCREASE CAPACITY, IN BOTH PLANTS.



### UNDERGROUND STORAGE OF HYDROCARBONS

- 3 CAVERNS POTENTIALLY FOR NATURAL GAS (207, 208 AND 209).
- INFRASTRUCTURE IN THE AREA OF THE CAVERNS.

# INDUSTRIAL SALT WAREHOUSE AND EDIBLE SALT DISTRIBUTION CENTER

1



- ✓ Able to store up to 9 days of stock.
- ✓ Eliminate the rent of external warehouses.
- ✓ Optimize logistics costs (freight).
- ✓ Savings of 1.5 MM USD per year.

# EDIBLE SALT DISTRIBUTION CENTER

1



# NEW CHLORINE-CAUSTIC SODA PLANT



2

- ✓ The New Chlorine-Caustic Soda Plant with Membrane Technology will replace the current Mercury Technology plant.



# NEW CHLORINE-CAUSTIC SODA PLANT

2



✓ Benefits from the UN-GEF (United Nations Global Environmental Facility).

# SANTA CLARA WATER TREATMENT PLANT

2



- ✓ This plant will provide benefits by using treated water instead of drinking water equivalent to approximately the yearly consumption of 790 families.

# COGENERATION PLANTS

3

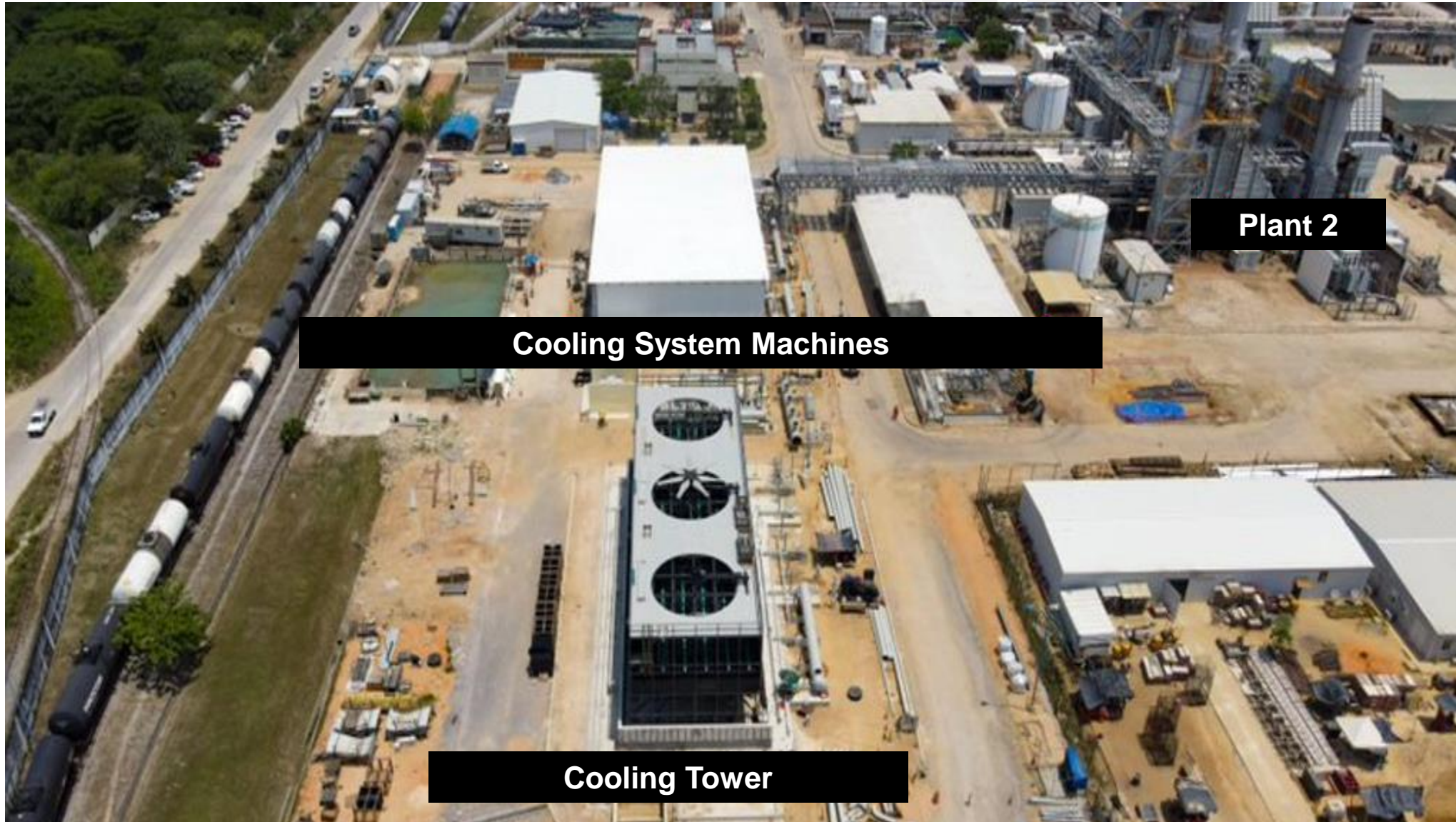


**Plant 2 (April 2016)**

**Plant 1 (April 2014)**

# COGENERATION PLANTS

3

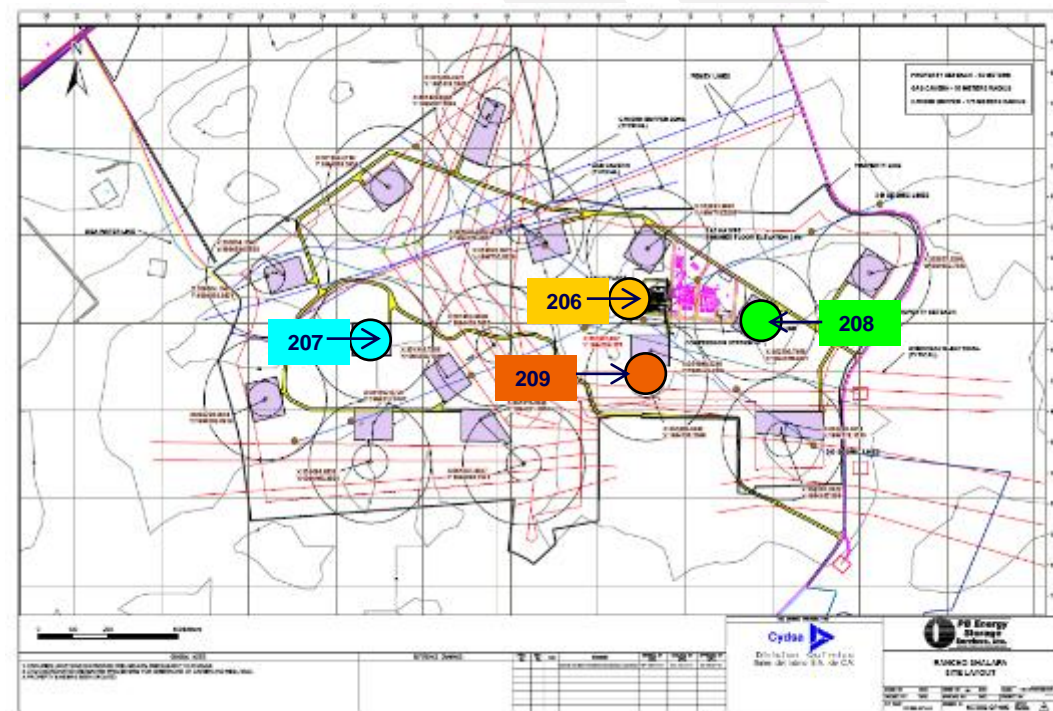


✓ **Cooling System:** to increase capacity up to 62 MW each cogeneration plant.

# UNDERGROUND STORAGE OF HYDROCARBONS

4

- ✓ **Cavern 206** started operations on November 16, 2017.
- ✓ Cydsa has developed **3 additional caverns** designed for Underground Storage of Hydrocarbons (**207, 208 y 209**).
- ✓ Within the 226 hectares of Cydsa, specialists have **identified locations for 10 additional caverns** for Storage of **Natural Gas** or any other hydrocarbon.



(226 Hectares)

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**FINANCIAL PERFORMANCE**



# PROCESSING AND UNDERGROUND STORAGE OF HYDROCARBONS



The **Processing and Underground Storage of LPG** started operations in November, 2017. This project required an investment of around **200 million dollars.**

# UNDERGROUND STORAGE OF HYDROCARBONS

In November 2014, CYDSA signed a **contract with Pemex** to develop this **pioneer project in Mexico and Latin America** to store **Liquefied Petroleum Gas (LP Gas)** in a **saline cavern**.

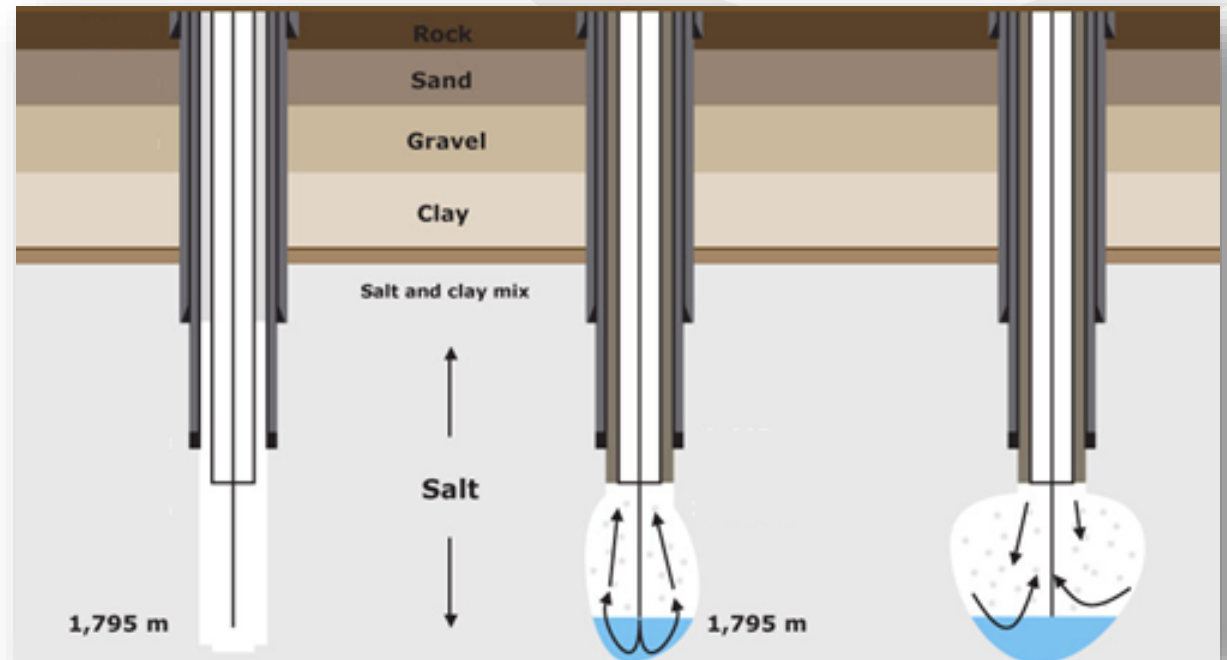
Phase 1  
Drilling &  
Equipment



Phase 2  
Brine Flow



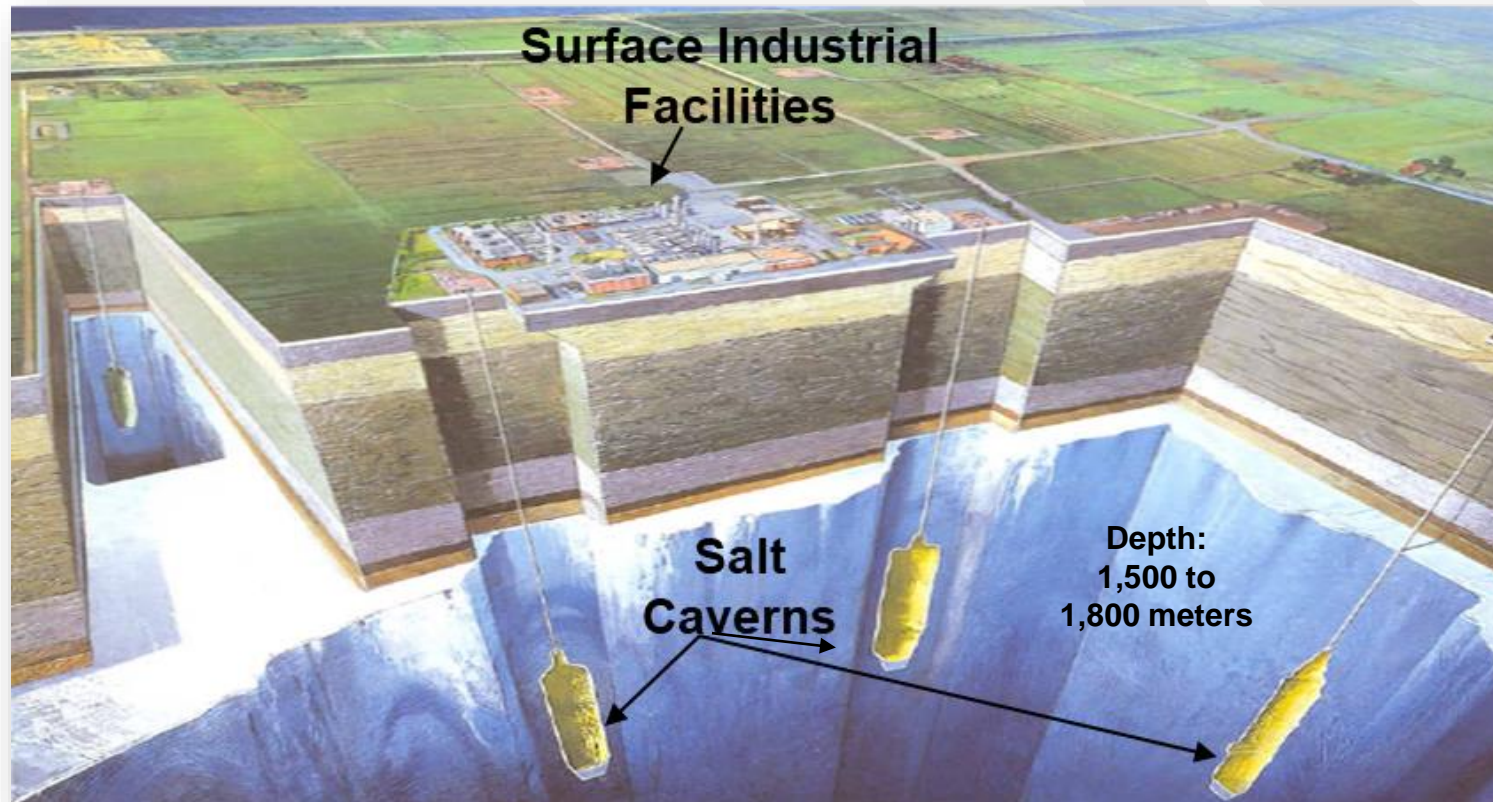
Phase 3  
Above-ground  
Equipment





# UNDERGROUND STORAGE OF HYDROCARBONS

## TYPICAL INDUSTRIAL PARK FOR UNDERGROUND STORAGE



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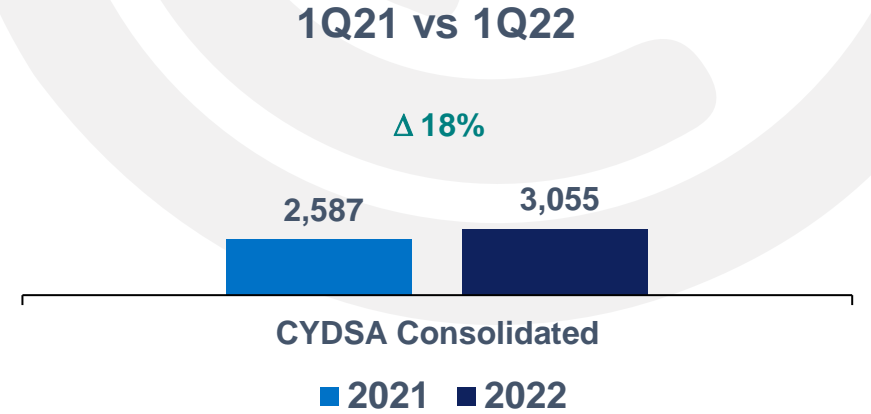
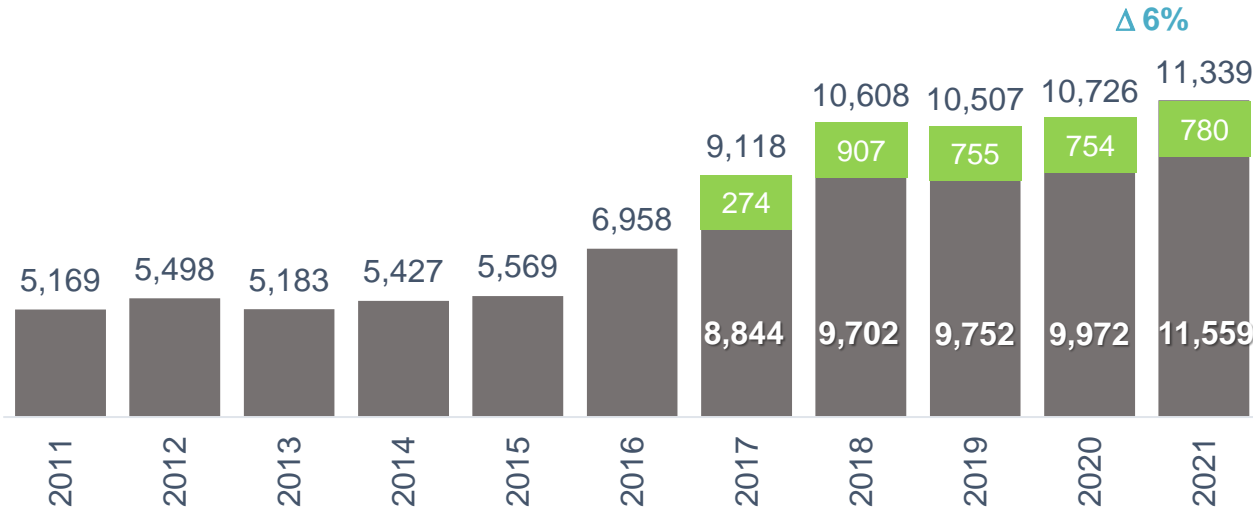
**FINANCIAL PERFORMANCE**



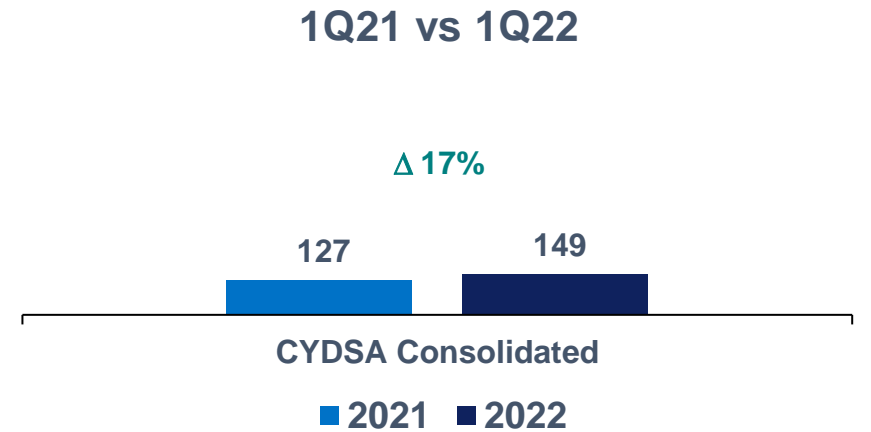
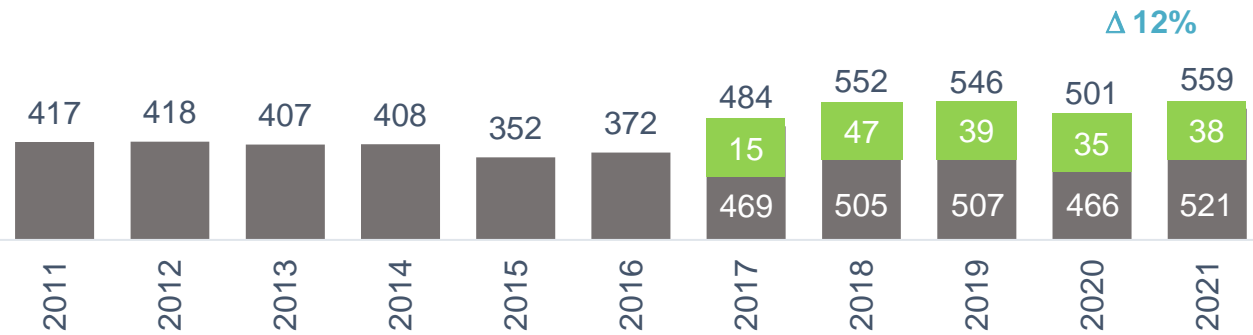
# FINANCIAL PERFORMANCE

## Sales

Millions of Pesos



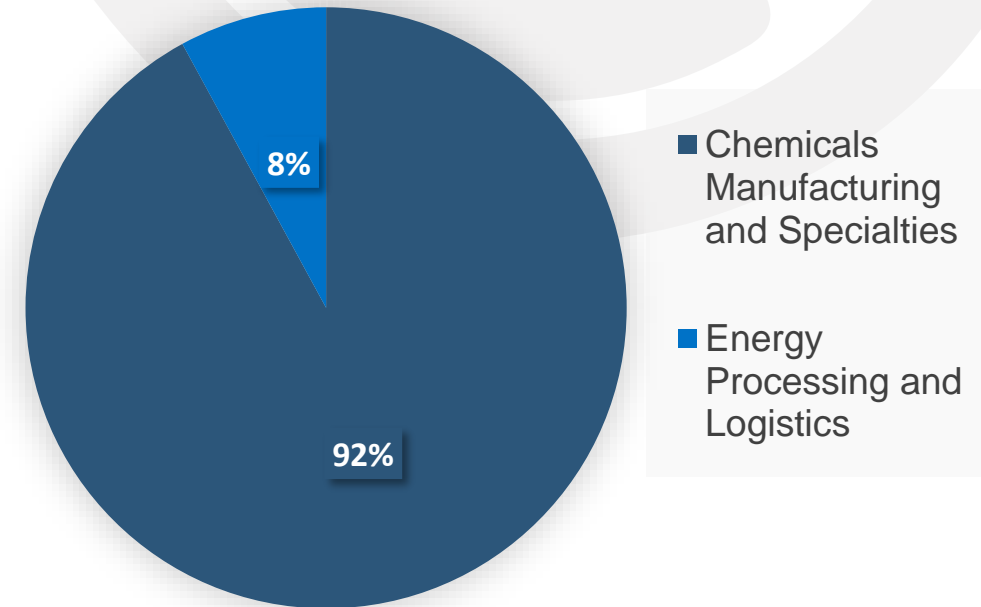
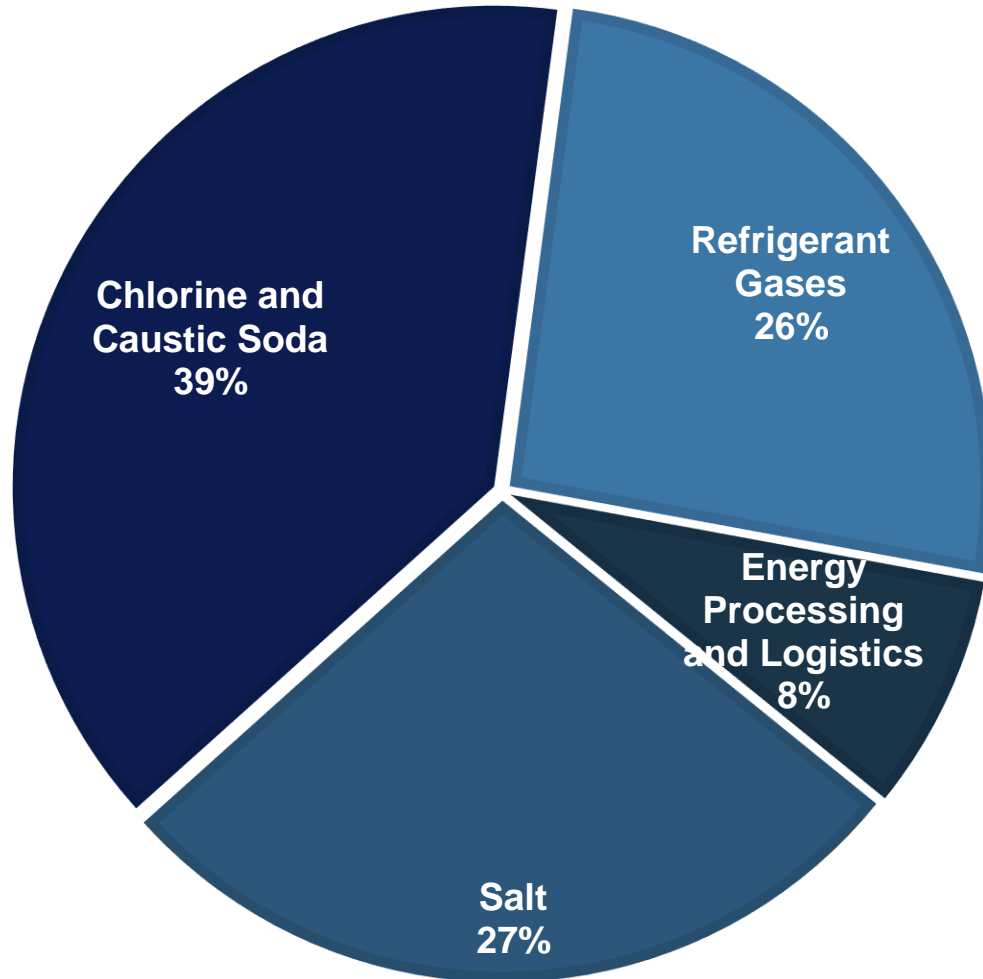
In Dollar Terms



■ Restricted Group  
■ Unrestricted Subsidiaries

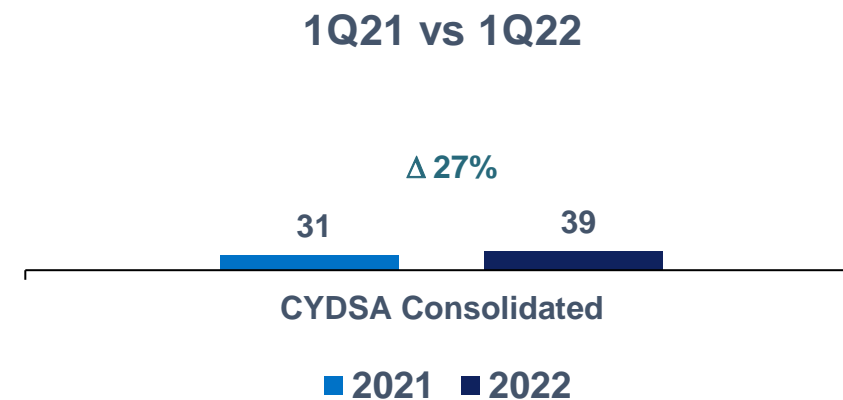
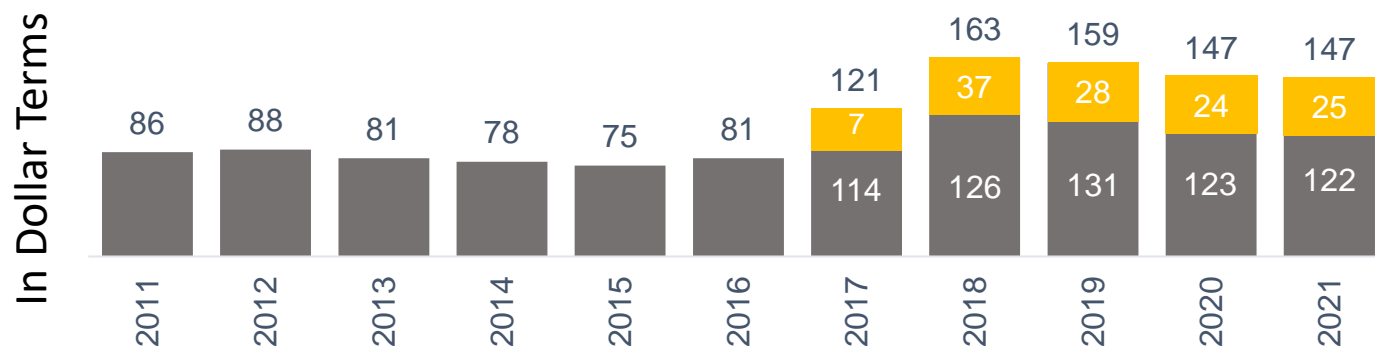
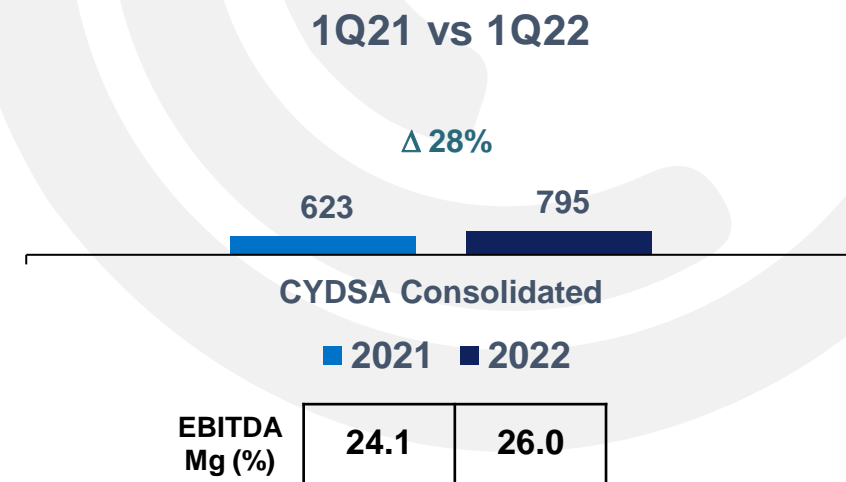
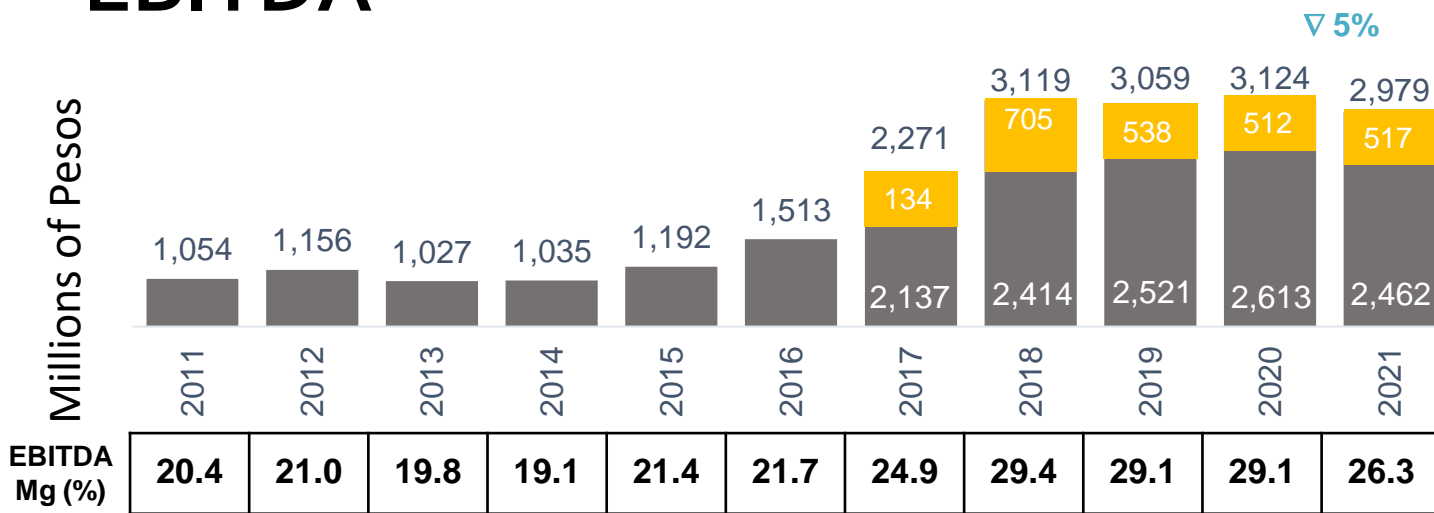
# FINANCIAL PERFORMANCE

## Sales Breakdown



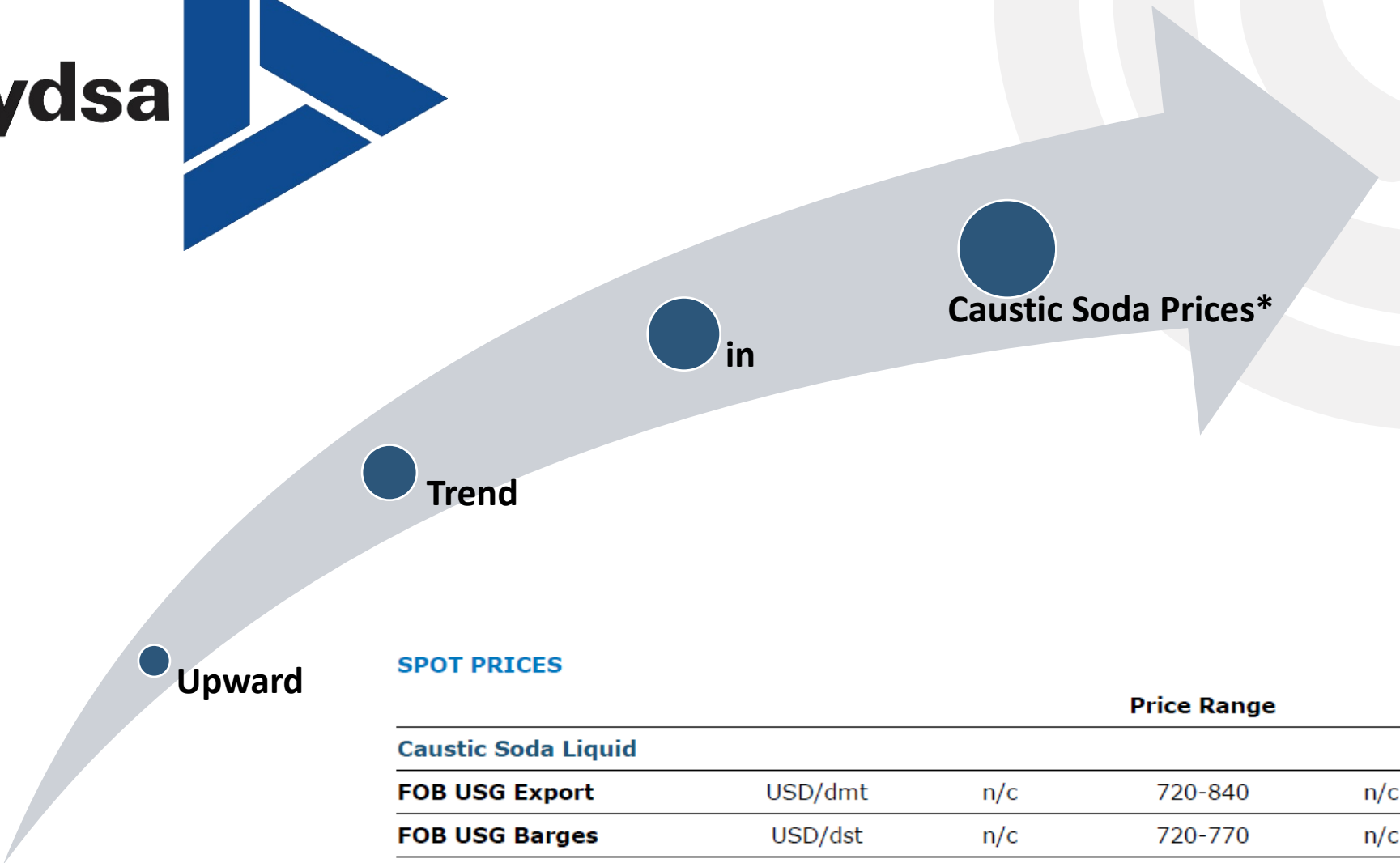
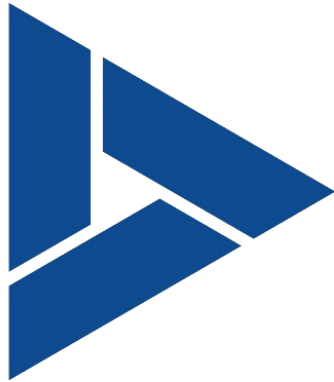
# FINANCIAL PERFORMANCE

## EBITDA



■ Restricted Group  
■ Unrestricted Subsidiaries

# Cydsa



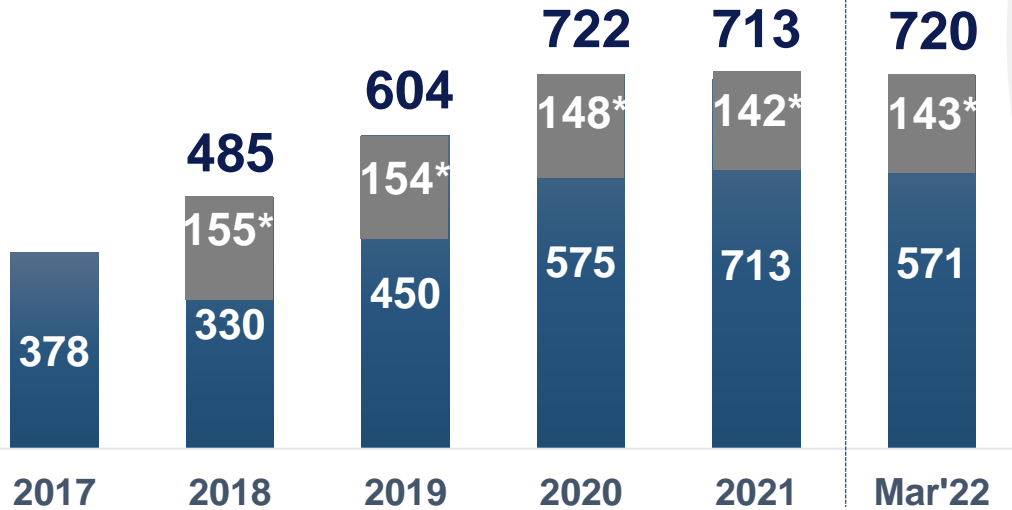
### SPOT PRICES

			Price Range	Four Weeks Ago	
<b>Caustic Soda Liquid</b>					
<b>FOB USG Export</b>	USD/dmt	n/c	720-840	n/c	680-800
<b>FOB USG Barges</b>	USD/dst	n/c	720-770	n/c	710-740

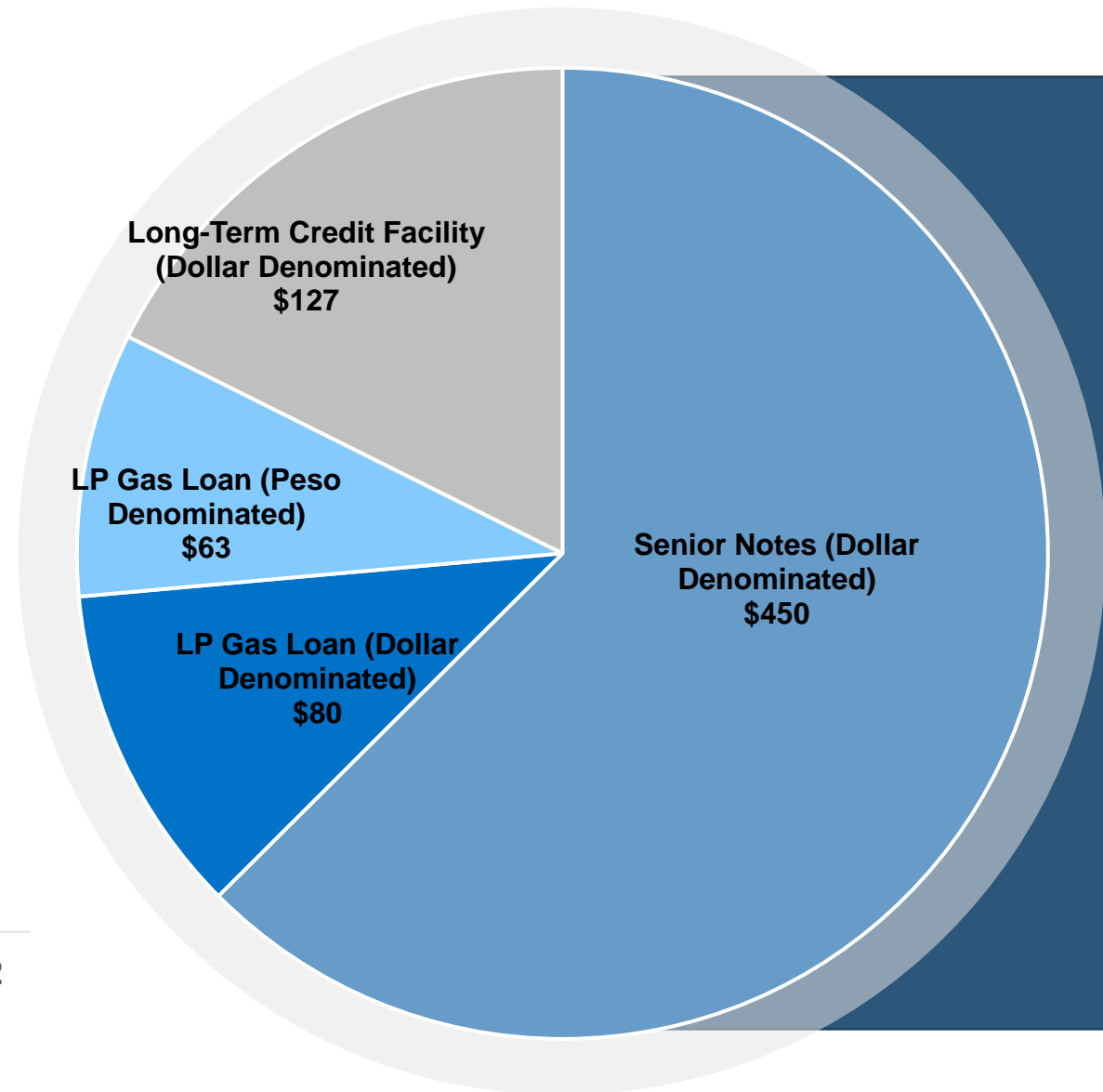
\* According to ICIS and IHS publications.

# FINANCIAL PERFORMANCE

**Total Debt  
(Millions of Dollars)**



**Debt by Currency  
As of March 31, 2022**



91% is Dollar denominated

# US\$450MM NOTES DUE 2027

On October 4, 2017 CYDSA issued Debt Instruments in the form of **Senior Notes** in international markets for **US\$330 million**, maturing on **October 4, 2027**.

On December, 2019 CYDSA re-opened the **Senior Notes** and issued an **additional amount of US\$120 million**.

**Rating: BB**  
**Outlook: Stable**

**S&P Global Ratings**

*S&P affirmed Cydsa's Rating in November, 2021. The perspective was changed from Negative to Stable.*

**Rating: BB +**  
**Outlook: Stable**

**Fitch Ratings**

*Fitch affirmed Cydsa's Rating in January, 2022.*

In order to improve the financial profile of the Company, Cydsa completed a repurchase process of Senior Notes for **US\$48.2 million**.



**... US\$401.8MM NOTES OUTSTANDING**



# NEW 2022 CREDIT FACILITY

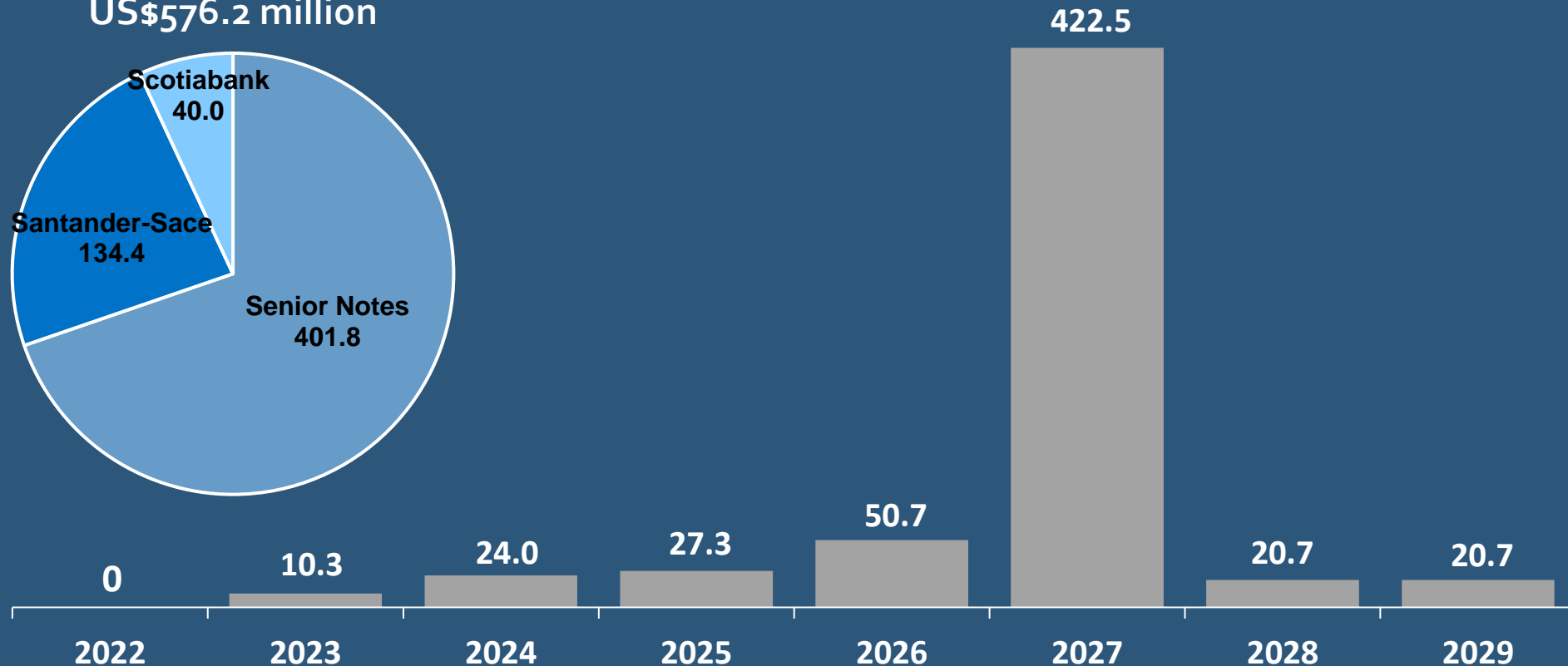
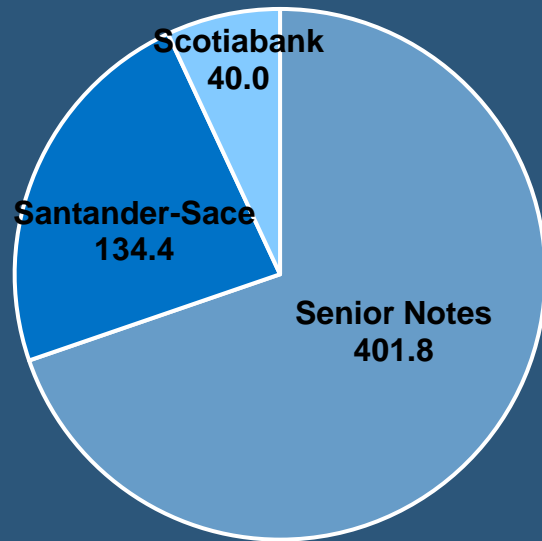
## SANTANDER-SACE

- On December 22, 2021, CYDSA contracted a new Credit Facility in the amount of **US\$134.4 million, 8-year term and a two-year grace period**, maturing on December 22, 2029.
- **Santander Bank** is the creditor bank in this Loan, which is also **guaranteed by SACE, the Italian Agency of Export Credit** (Servizi Assicurativi del Commercio Estero Depositi e Prestiti).
- **The proceeds of this loan were applied to:**
  - **The anticipated payment of the full outstanding balance** of the Syndicated Revolving Credit Facility, amounting 2,484 million pesos; and,
  - US\$7.5 mm were withdrawn and applied to **the senior notes repurchase.**

# RESTRICTED GROUP DEBT MATURITY SCHEDULE

As of March 31, 2022  
Proforma May 2022  
(millions of dollars)

Restricted Group Total Debt  
US\$576.2 million



# FINANCIAL INDICATORS

## CYDSA CONSOLIDATED

Indicator	Dec 2021	Mar 2022
Bank debt * / Shareholders' equity	1.41x	1.41x
Book value per share (Pesos)	16.65	16.30
Stock price (Pesos)	14.93	13.60
Market Cap (millions of Pesos)	8,958	8,160
Debt / EBITDA *	4.84x	4.59x
Net Debt / EBITDA *	3.37x	3.38x

\* Includes non-recourse debt.

- ✓ **Profitability** benefited from surge in caustic soda prices.
- ✓ **Resilient** during the Pandemic.
- ✓ **Strong** Operating Performance.
- ✓ **Healthy** EBITDA margins.
- ✓ **No short-term** debt maturities.
- ✓ **Strong** Cash Position.

**Cydsa**





**Cydsa**



<http://www.cydsa.com/>