



kuo



Corporate Presentation

2Q21

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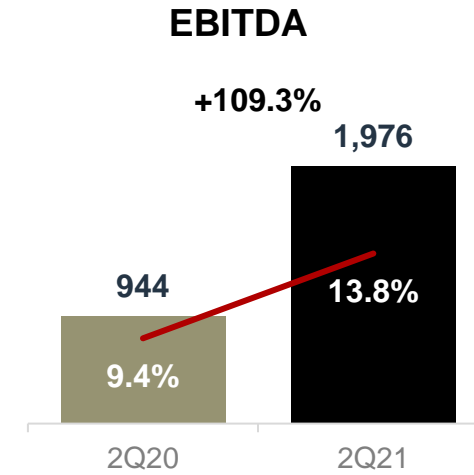
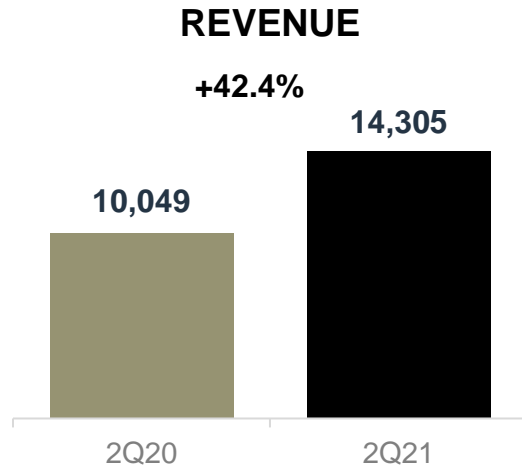
FINANCIAL HIGHLIGHTS



01.

2Q21 Results

KUO



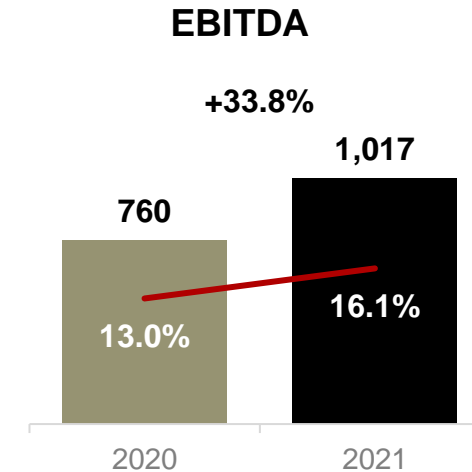
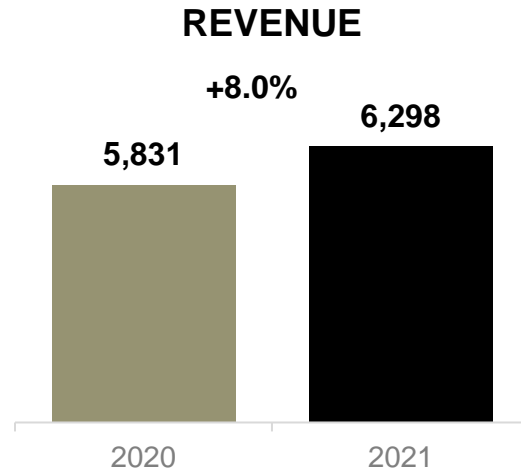
58% EXPORTS

■ 2Q20 ■ 2Q21



2Q21 Highlights

CONSUMER



PORK MEAT



- Improved domestic prices & volume
- Better price mix
- Continued export growth
- Third installment of insurance recovery (USD 22 MM)
- Reconstruction of processing plant according to plan (4Q21)
- Uptrend in raw material prices

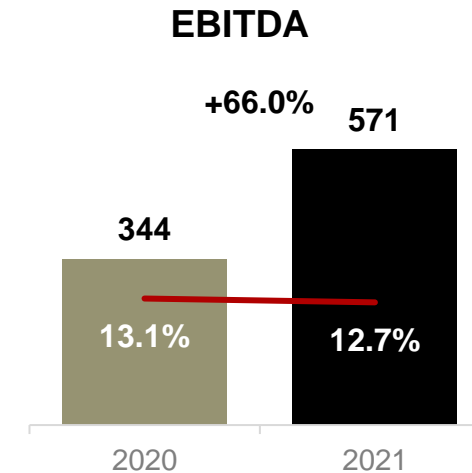
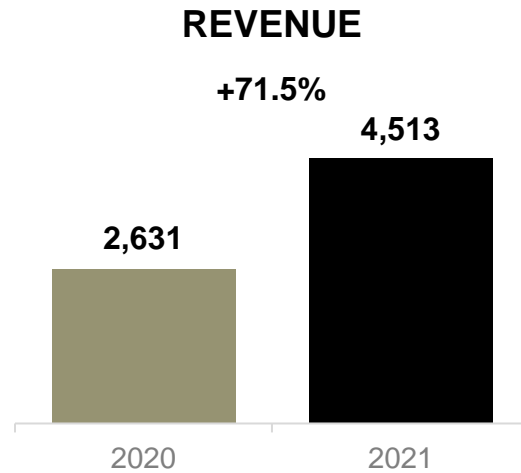


HDF

- US: Food Service segment recovery
- US: positive trend in salsas
- Mexico: lower volume due to strong demand in 2Q20 per COVID-19 outbreak
- Uptrend in raw material prices

2Q21 Highlights

CHEMICAL



SYNTHETIC RUBBER

- Increased volume in applications for tires, adhesives & roofing
- Improved prices & margins
- Continued recovery of tire industry
- Higher butadiene prices
- Operating efficiencies
- Disruption in supply chains affecting times, logistic and transport costs

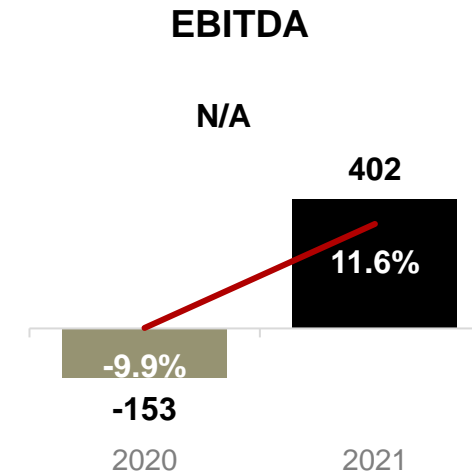
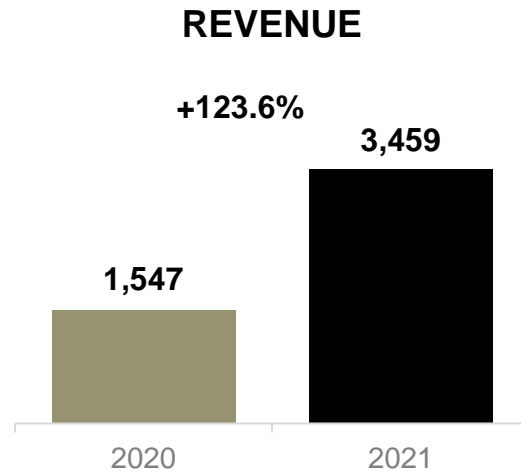


POLYMERS

- Increased sales in electronic segments
- Improved prices & margins
- Improved chemical distribution performance
- Higher styrene prices
- Decrease in “single-use” applications in portfolio
- Operating efficiencies
- Disruption in supply chains affecting times, logistic and transport costs

2Q21 Highlights

AUTOMOTIVE



TREMEC TRANSMISSIONS

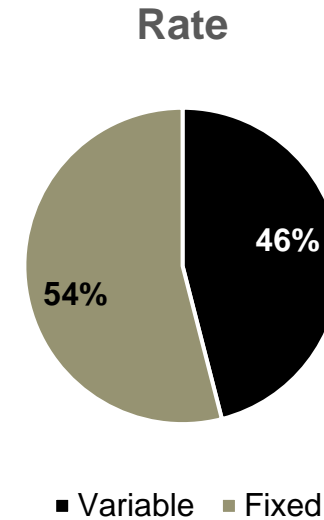
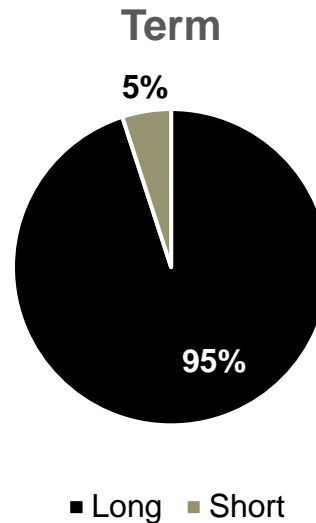
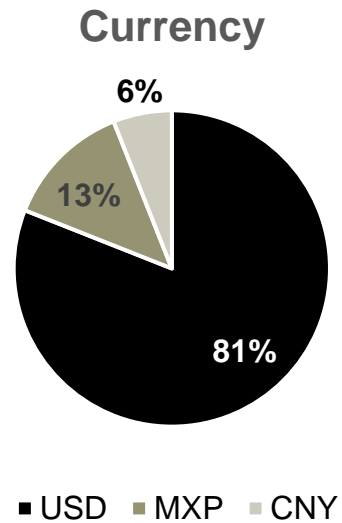
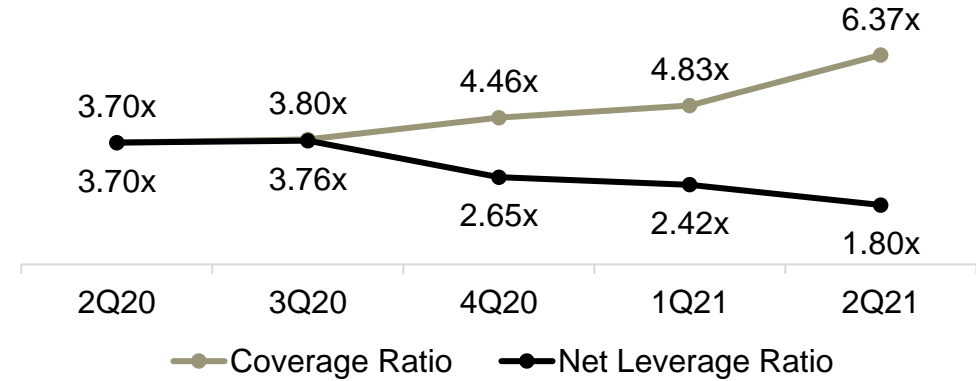
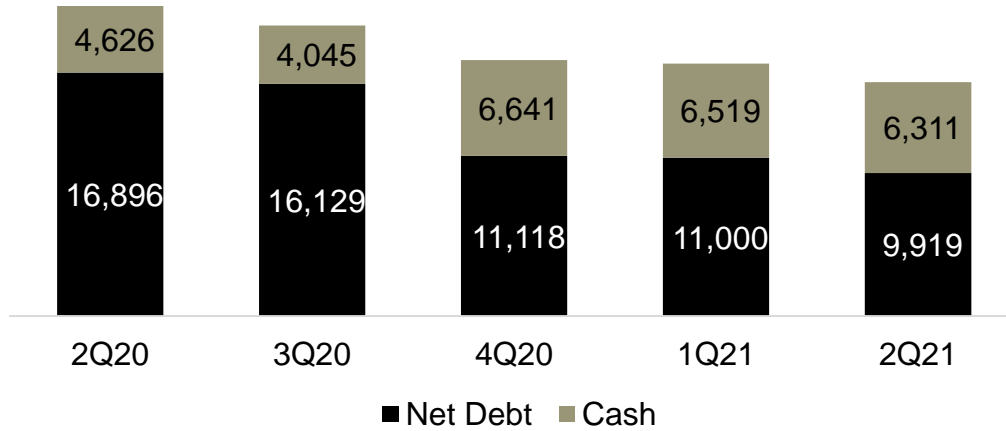
- Higher DCT's sales
- Higher transmissions sales
- Higher components' demand
- Improved sales mix
- Lower operating expenses, improved absorption
- Semiconductors' shortage
- Supply chain disruptions



AFTERMARKET

- Increased sales & prices
- Higher sales of brakes, engine and power train parts
- Lower operating expenses, improved absorption
- Supply chain disruptions

Financial Ratios 2Q21



2021 Tailwinds/ Headwinds



02.

Consumer

TAILWINDS

HEADWINDS

PORK MEAT



- Growth in strategic channels:
 - Exports (mainly China & Japan)
 - Maxicarne stores
- Higher mix price (increased domestic prices)
- Opening of new processing plant 4Q21
- Full insurance recovery

- Increased raw materials' prices
- Risk of African Swine Fever entering America

HDF



- US: Recovery of Food Service Segment
- US: increase market share in salsas and guacamole categories
- Mexico: Price increases
- Mexico: Consolidation of General Mills distribution business

- Increased raw materials' prices

Chemical

TAILWINDS

SYNTHETIC RUBBER

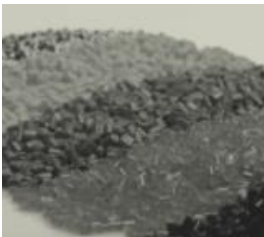


- Higher volume in all applications
- More coverage in Europe
- US: higher demand in roofing and road infrastructure
- Continued tire industry recovery
- Expansion of Alpargatas' contract, new applications

HEADWINDS

- Supply chain disruptions, affecting times, logistic and transport costs
- Increased prices & availability in some inputs

POLYMERS



- Higher volume in higher margin applications
- Improved chemical distribution segment
- Reshaping to exit single use applications
- Focus on export market
- Strengthening of circular economy

- Supply chain disruptions, affecting times, logistic and transport costs
- Increased prices & availability in some inputs

Automotive

TAILWINDS

HEADWINDS

TRANSMISSIONS



- Additional DCT volume
- Additional transmissions' volume
- Higher components' volume
- Operating efficiencies

- Semiconductor's shortage
- Supply chain disruptions, affecting times, logistic and transport costs
- Increased prices & availability of some inputs

AFTERMARKET



- Growth in domestic vehicle fleet
- Increased market share in gaskets and brakes' lines
- Growth in export market
- Higher inventory turnover

- Supply chain disruptions, affecting times, logistic and transport costs
- Increased prices & availability of some inputs

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