



# Creating a Unique Surfactants Portfolio Connected by Chemistry

7<sup>th</sup> April 2022



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**Please note that this presentation has been normalized for the Lake Charles, Louisiana Ethylene Cracker (IVOL) till end of 2021. Starting late July 2021 IVOL was under commissioning and started up in November 2021. In order to make a fair assessment and analysis of our operating assets, management feels it appropriate to move IVOL P&L values below EBITDA as extraordinary items including historical periods till end of 2021.**

## Key leaders joining today



**DK Agarwal**

CEO & CFO of Indorama  
Ventures



**Alastair Port**

Executive President of IOD



**Joao Parolin**

CEO of IOD South America



**Joel Saltzman**

CEO of IOD North America

# IVL IOD + Oxiteno | Creating an industry leader in Surfactants



- Largest Surfactants producer in LATAM
- Integrated into EO and Natural Fatty Alcohols
- Strong innovation and close customer relationships
- Sustainable solutions focused with 35% of products containing renewable ingredients



- Extends technology & end markets
- Integrates into natural based feedstocks and accelerates innovation engine
- Expands geographical presence
- Will leverage IOD's operational excellence and large asset base



- Enterprise value of US\$1.3B and 6.1x<sup>1</sup> EV/EBITDA on 2021 results
- Total synergies of ~\$100M targeted
- Fully financed by free cash flows, working capital assets, interest-bearing debts, and deferred payment of US\$150M to 2Q24

Note: (1) Adjusted based on IVL accounting methodology by reversing catalyst amortization to below EBITDA and excluding working capital true up on completion.

# Oxiteno | The leading LATAM Surfactants solutions provider with access to bio-based feedstocks

## Business Overview



- #1 Surfactants producer in LATAM
- Sole producer of EO in South America
- Sole producer of Natural Fatty Alcohols in LATAM



- Serves highly attractive emerging markets



- HVA products, attractive end-markets including crop solutions, HPC and coatings



- High degree of customer intimacy



- Best-in-class R&D capabilities
- Robust sustainable product innovation unit



COMA from new products



New colleagues



Target synergies

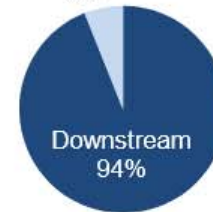


R&D and Tech. Centers

Note: (1) Adjusted based on IVL accounting methodology by reversing catalyst amortization to below EBITDA.  
Source: Oxiteno Management, IVL Analysis

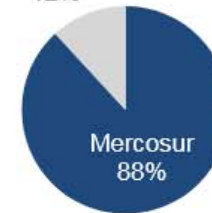
## 2021 Business Split

Intermediates (EG)  
6%



COMA by Product

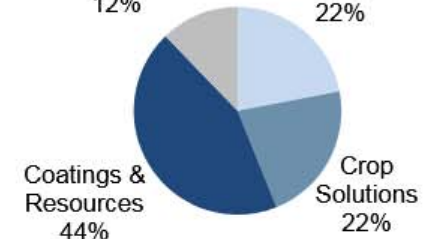
NAM  
12%



Revenue by Geography

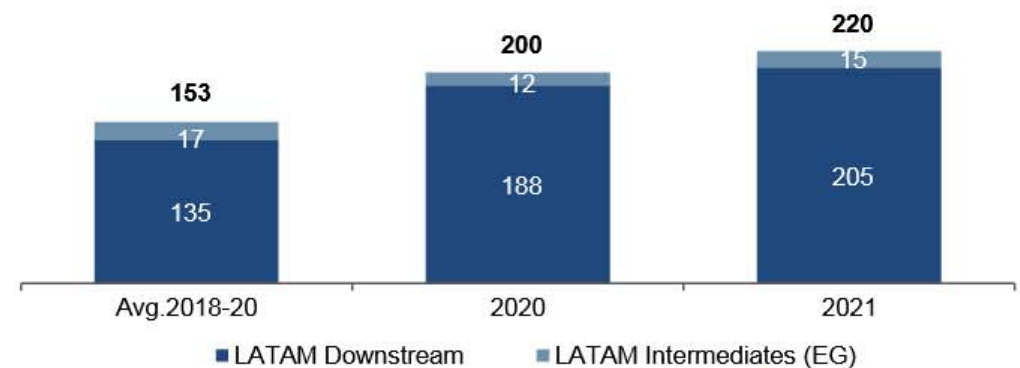
Intermediates  
12%

HPC  
22%



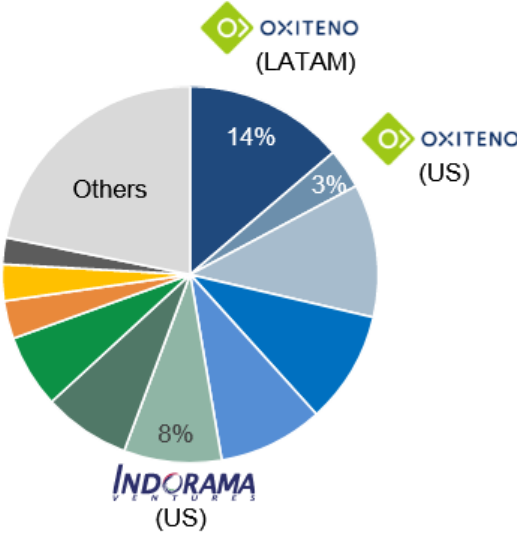
Revenue by End Market

## LATAM EBITDA<sup>1</sup> (\$M)

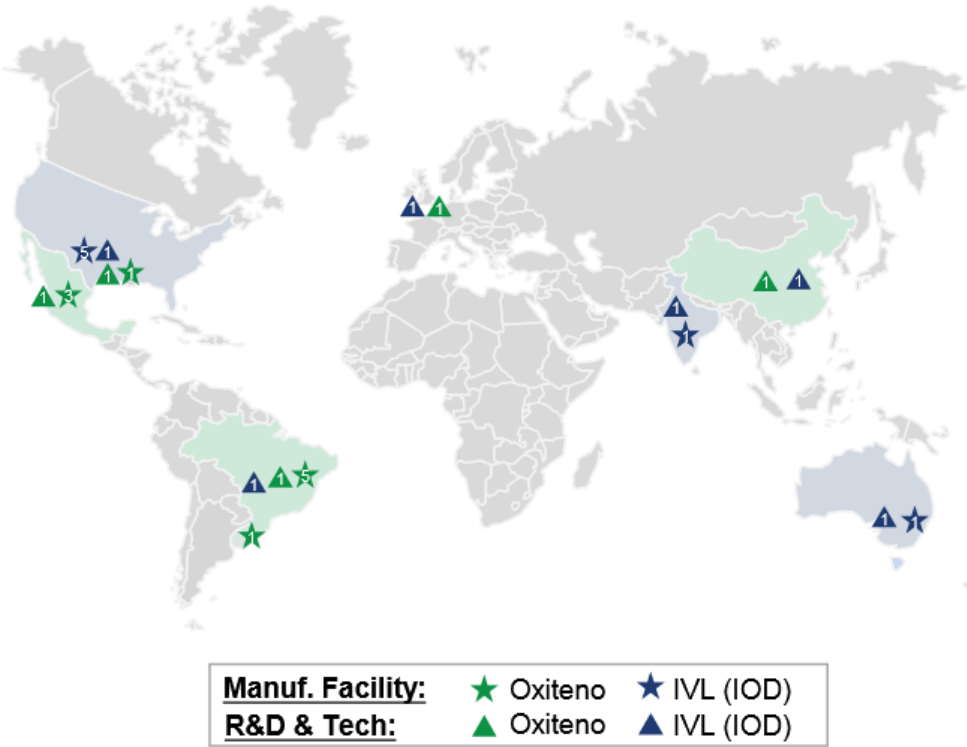


# The combination creates unique proposition for customers

## Americas Nonionic Surfactants Capacity<sup>1</sup>



## IVL IOD + Oxiteno Int. Downstream Footprint<sup>2</sup>

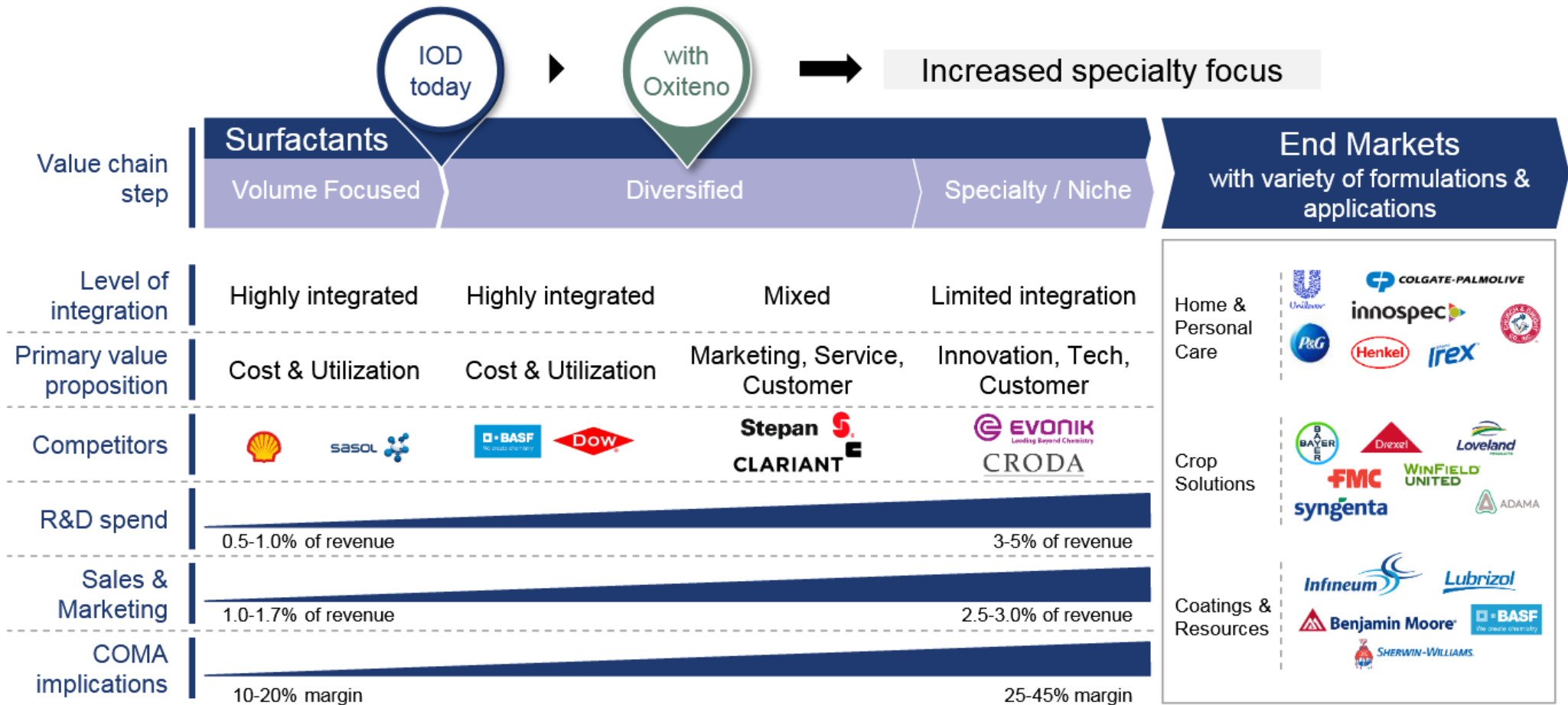


## Combined Int. Downstream Overview

- \$2.7B Revenue<sup>2</sup>**
- 18 Industrial Units**  
NA, SA, and APAC
- 11 R&D & Tech Centers**  
NA, SA, Europe, and APAC
- 1,000+ Products Sold**

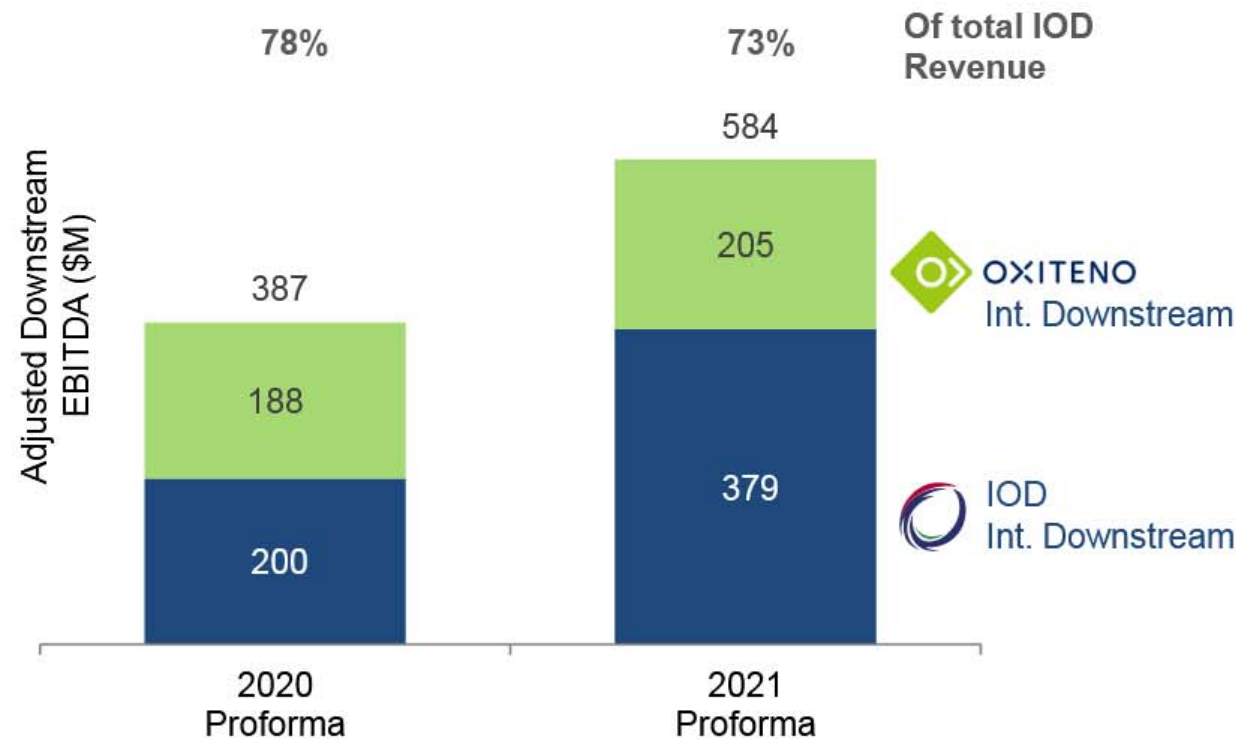
Note: (1) As of 2021, includes ethoxylates and PEG; (2) Combined Downstream 2021 revenue includes Surfactants, PO/PG, EOA, LAB, Purified EO and others; Oxiteno financials exclude Pasadena  
 Source: Woodmac, Oxiteno Management, IML Analysis

# Oxiteno means significant leap forward towards specialty surfactants



# Oxiteno meaningfully increases the Surfactants portfolio, including strong capabilities to support the combined IOD business

## Oxiteno increases Int. Downstream<sup>1</sup> EBITDA



## Oxiteno brings strong HVA capabilities to IOD



**Customer-centric** application development and technical services



Robust and rigorously managed **innovation pipeline**



Well established **product management** function and **pricing practices**



Sophisticated **customer segmentation** methodology

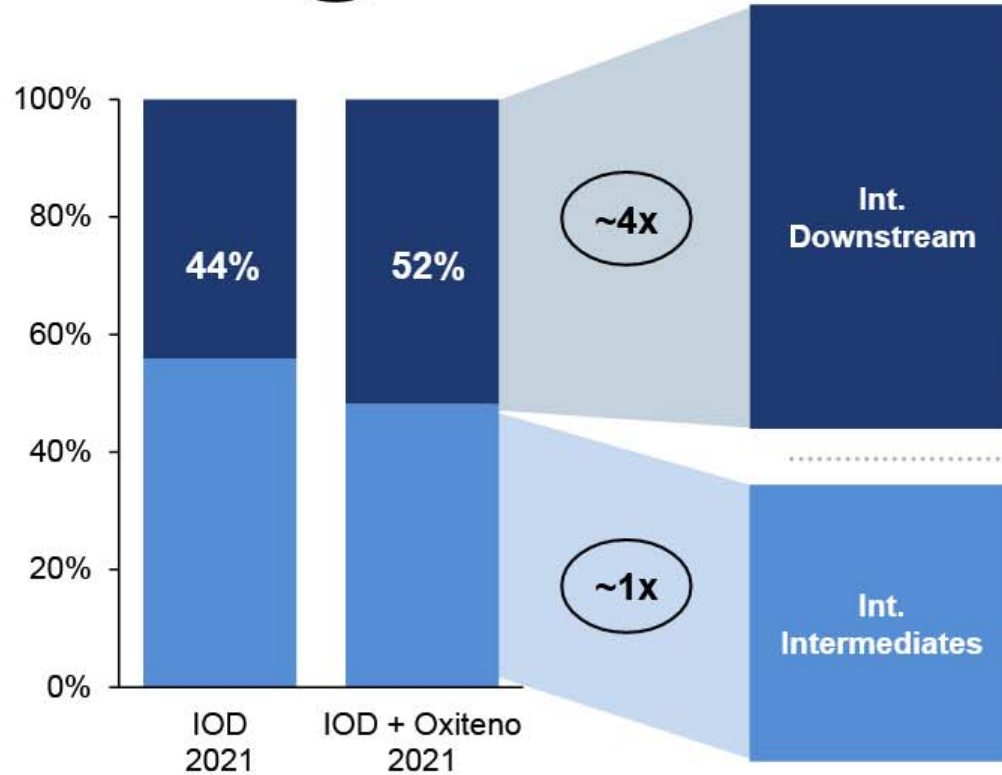
Note: (1) IOD Int. Downstream includes Surfactants, PO/PG, EOA, LAB, Purified EO and others; ethylene (Upstream) allocated to Downstream and Intermediates portfolio based on consumptions to reflect integrated performance; Oxiteno Int. Downstream includes Surfactants, Purified EO, EOA, Oleochemicals, Solvents, exclude Pasadena financials  
Source: IVL Analysis, Oxiteno Management



# Oxiteno increases the portion of the portfolio delivering higher relative margins and extends IOD's reach to more downstream applications

## IOD Portfolio<sup>(1)</sup>

% of 2021 volume ○ Relative COMA vs MEG



## Exemplary End-Uses



### Laundry Detergents & Surface Cleaners

Surfactants improve cleaning and reduce water & energy usage



### Crop Additives

EOAs provides building blocks for insecticides and herbicides



### Dispersants

Surfactants control application of insecticides and herbicides



### Coatings

Surfactants are emulsifiers for high-performance coatings



### Corrosion Inhibitors & Lube Additives

EOA and LAB help increase lifetime of equipment



### PET Fibers & Bottles

MEG used to produce PET for synthetic fibers and plastic bottles



### Gasoline Additive

MTBE can be used as blend for cleaner combustion

Note: (1) Int. Downstream includes Surfactants, PO/PG, EO/LAB, Purified EO and others; Int. Intermediates includes MEG and MTBE; ethylene (Upstream) allocated to Downstream and Intermediates portfolio based on consumptions to reflect integrated performance, Oxiteno financials excludes Pasadena  
Source: IVL Analysis, Oxiteno Management

# Strong synergy levers identified, accelerated through pre-close Clean Team approach

## Revenue Synergies

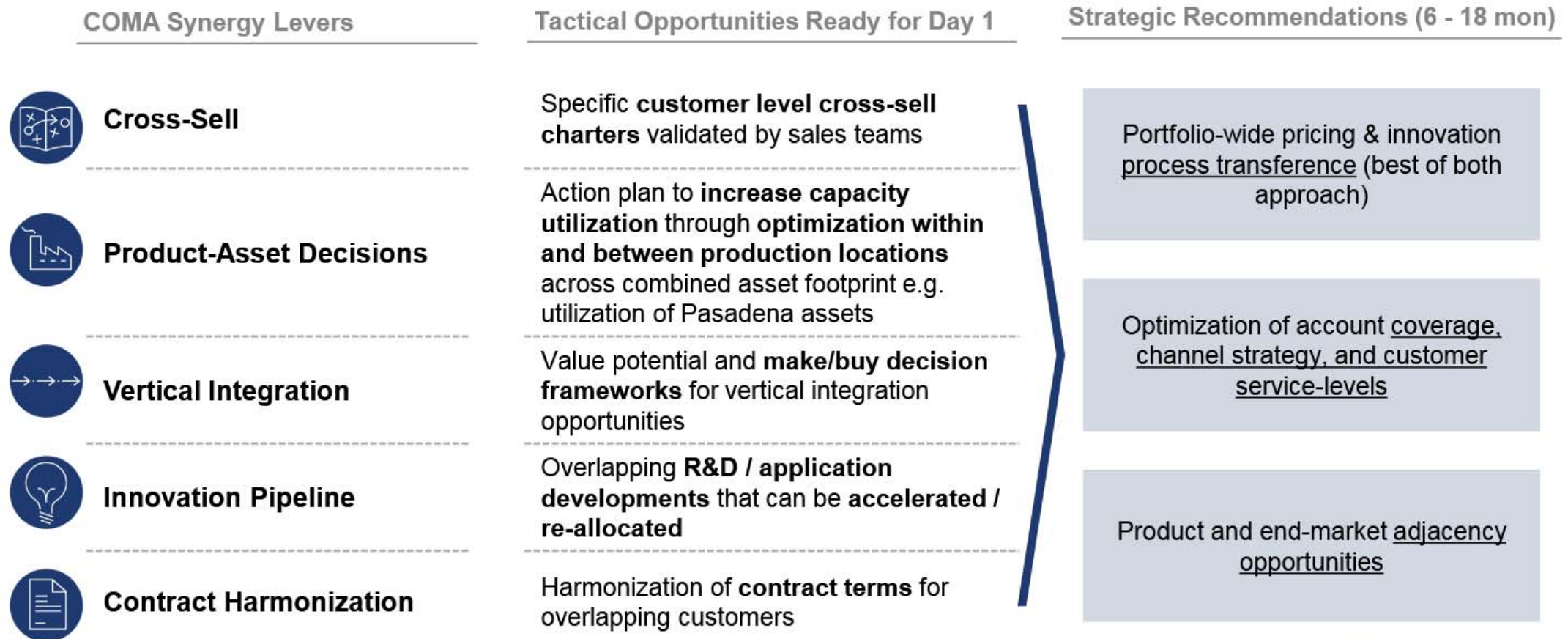
-  **Cross-Sell**  
Identify the most attractive opportunities to expand across customer base
-  **Product-Asset Decisions**  
Examine combined asset capabilities and portfolios to unlock value
-  **Vertical Integration**  
Identify where molecules can be consumed captively / further formulated downstream
-  **Innovation Pipeline**  
Leverage unified R&D to accelerate into sustainable solutions & high growth offerings
-  **Contract Harmonization**  
Identify harmonization / improvement opportunities for shared customers

## Cost Synergies

-  **Direct Procurement**  
Leverage combined procurement best practices and raw material volume
-  **Indirect Procurement**  
Replicate IOD Indirect Procurement initiatives across combined portfolio assets
-  **SG&A (excl. R&D)**  
Focused fixed cost review and leverage IVL support services infrastructure
-  **Operations**  
Instill best practices to drive best-in-class operations spend & advance digital maturity
-  **Supply Chain Optimization**  
Optimize combined footprint to improve customer centricity

Project Olympus – well-tested processes and tools to ensure delivery of **\$100M of synergies**

# Working through a Clean Team, we have built more tactical initiatives as well as strategic opportunities to drive commercial value levers



# Proactive in pre-close planning for successful integration and accelerate value creation

- ✔ Organization for executive levels completed with reporting structure identified
- ✔ Day 1 through 100+ functional integration maps developed (with strong coordination of 150+ people)
- ✔ Revenue synergy roadmap developed through a Clean Team to accelerate value recognition
- ✔ Identified manufacturing asset optimization opportunities through Clean Team

# Oxiteno positions IOD Int. Downstream as a Surfactants industry leader and expands IVL sustainability and innovation platforms



## Value addition to IOD

- ⊕ Increases footprint diversification to 40% outside the US
- ⊕ Increases IOD Core EBITDA by 58% through market expansion, technology, and portfolio
- ⊕ Enhances market backed innovation model, expanding the pipeline by 2.5x

## Value addition to IVL

- ⊕ Revenue growth of \$1.2B at 19% EBITDA Margin
- ⊕ Enhances IVL Core EBITDA by 13% from \$1.7B
- ⊕ Adds sustainable product innovation, with ~35% of Oxiteno products containing renewable ingredients

Note: Based on 2021 financials, Oxiteno financials exclude Pasadena.  
Source: IVL Analysis

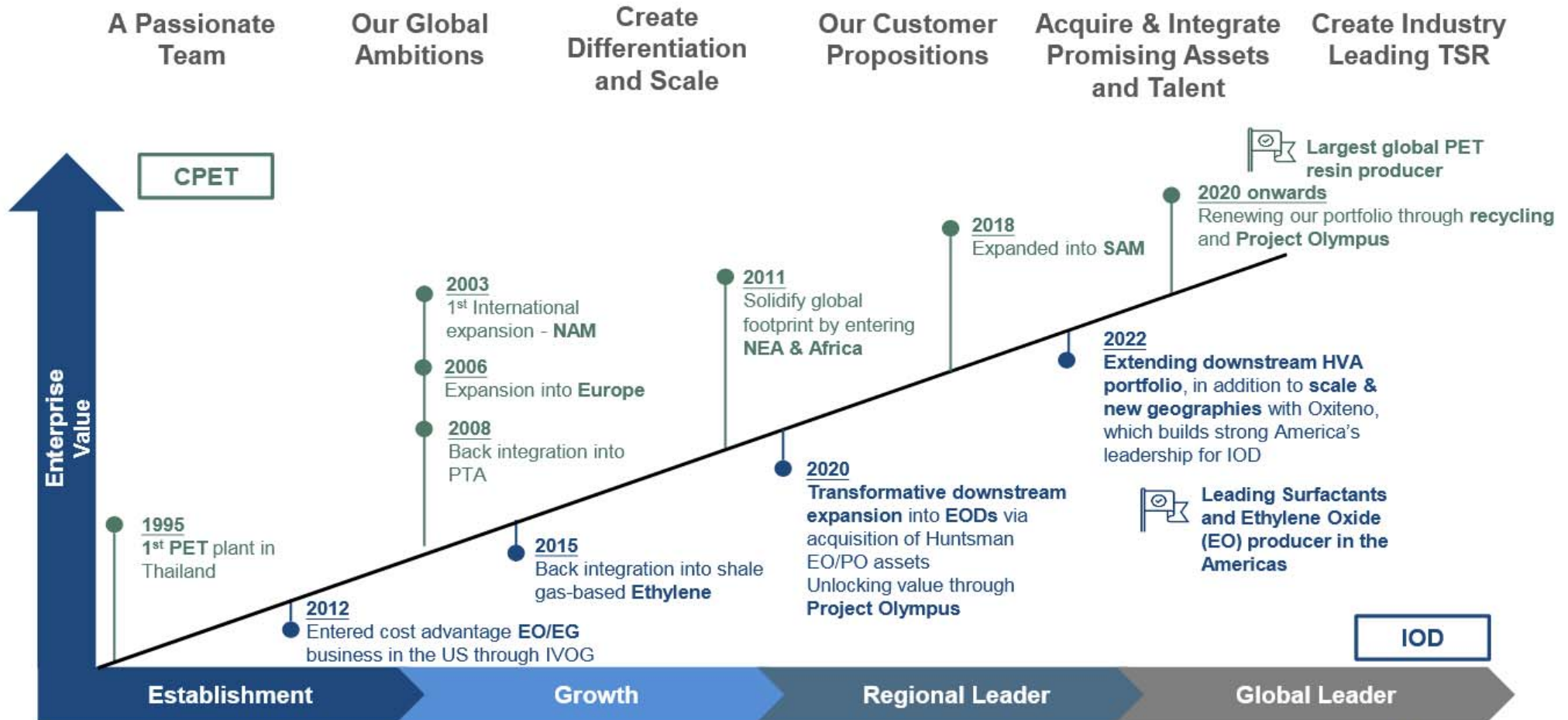


***“Reimagining  
Chemistry Together  
to Create  
A Better World”***

Thank You

# Appendix

# IVL's repeatable growth playbook to continue building IOD into a global leader in sustainable surfactants



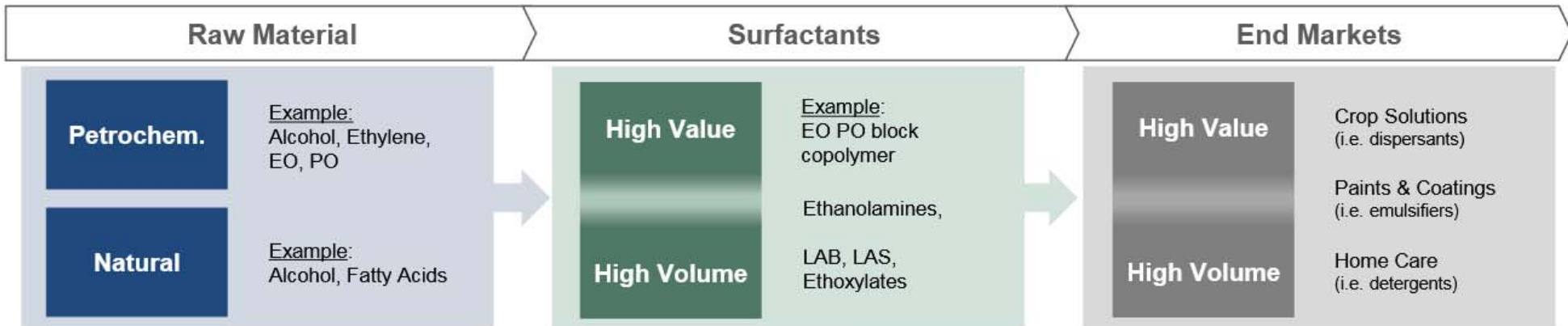
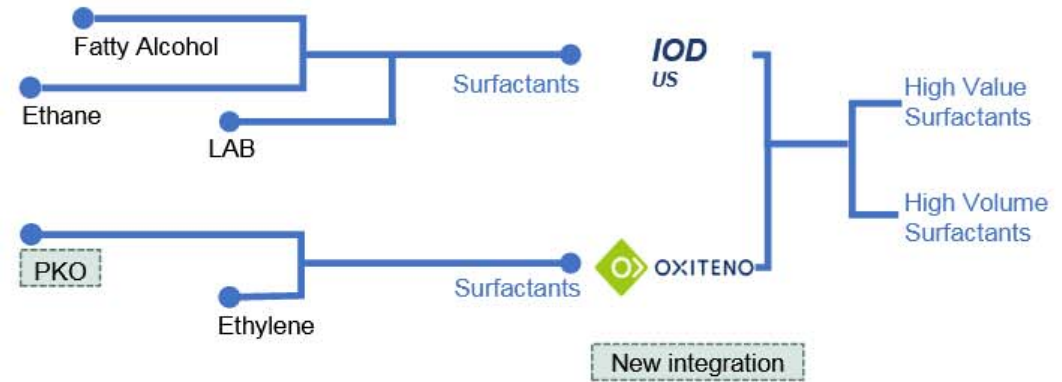


# Combination creates an integrated portfolio serving both high volume and high value Surfactants market

## IVL IOD Winning Formula

|   |  |
|---|--|
| <b>Vertical integration</b>                             | Earnings resiliency through raw material cost advantage  |
| <b>Balanced portfolio</b>                               | Enhanced proportion of high value add to integrated volume business, creating unique competitiveness |
| <b>Increasing volume and margins through innovation</b> | Tailored go-to-market model<br>Enhance innovation engine and global capability                       |

## Oxiteno enhances value chain integration for IOD



Source: IVL Analysis

# IOD Downstream vertical serves attractive, high-growth end markets



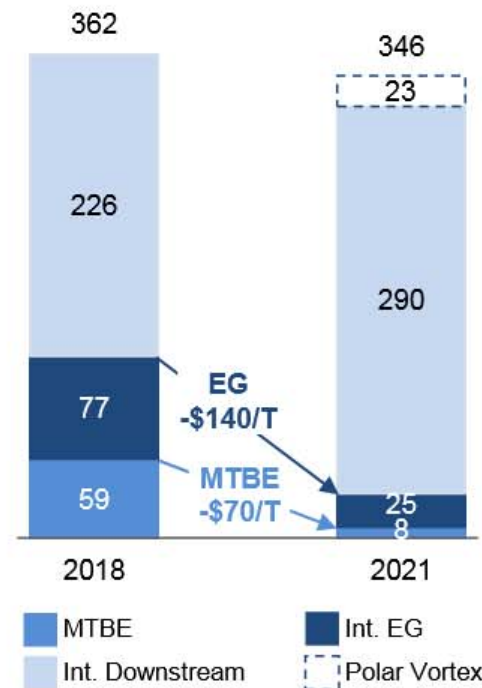
|                                    | Home & Personal Care   | Coatings & Resources   | Crop Solutions   |
|------------------------------------|--|--|--|
| <b>Market Size<sup>1</sup></b>     | \$23.1B (51% of total surf market)   | \$3.6B (8% of total surf market)   | \$1.3B (4% of total surf market)   |
| <b>Expected Growth<sup>2</sup></b> | 4%   | 4%   | 3%   |
| <b>Key Drivers/ Trend</b>          | <ul style="list-style-type: none"> <li>Population growth and increased hygiene awareness after Covid</li> <li>E-commerce drives focus on compact packaging and formulations</li> <li>Increasing demand/expectation for 'free from' &amp; naturally derived products</li> </ul> | <ul style="list-style-type: none"> <li>Architectural water-based coatings additives projected as fastest growing technology</li> <li>Long-term trends moving towards renewables given shift in transportation energy matrix</li> </ul> | <ul style="list-style-type: none"> <li>Global population growth requires higher crop yield in meeting food demand</li> <li>Growth in herbicide resistant seeds signaling constant need for innovation</li> </ul> |
| <b>Customers</b>                   |  |  |  |

Note: 2018 global surfactants market size; 2. CAGR 18-24  
Source: IHS

IVOX Int. Downstream performance improved on the back of market tailwind and Project Olympus delivery.  
 Int. Intermediate suffered from market downturn but partially mitigated through Project Olympus

### IVOX performed better vs industry...

#### IVOX Core EBITDA (\$M)



#### US Int. MEG Spreads<sup>1</sup> (\$/T)

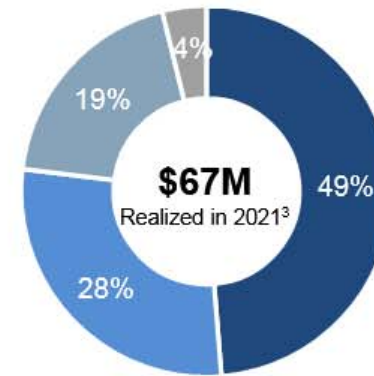


#### US MTBE Spreads<sup>2</sup> (\$/T)



### Benefitting from Project Olympus delivery

#### Project Olympus 2021



Target Delivery  
**\$169M by 2023**

#### Operational Excellence

- Yield improvement
- Asset utilization

#### Procurement & Supply Chain

- Logistics savings
- Direct procurement
- Energy & Utilities cost savings
- Maintenance

#### Sales Excellence

- Commercial excellence

#### Organize for Performance

- Fixed cost
- Digitalization

Note: (1) US Int. MEG spread = ICIS MEG ASP - (0.58 x 0.422 x 22.046 x IHS US Ethane price (cpg)); (2) US MTBE Spreads = Platts US MTBE - (IHS US N-Butane in cpg + 0.35\*IHS US Spot Methanol in cpg)\*3.55;  
 (3) Excluding IVOL  
 Source: IVL Analysis

# Harness the combined North American asset footprint to its full potential

## Combined IOD & Oxiteno NAM Footprint



Note: EO/PO pull through based on estimated volume (55% EO pull through & 25% PO pull through)  
 Source: IVL analysis, Oxiteno management

### Value Creation in Marketing

- Leverage Oxiteno's & IVL's portfolio through each other's commercial access in North America, Europe and APAC
- Leverage techno-commercial setup across the globe

### Asset Footprint Network Capabilities

- Leverage the power of 4 + 4 = 8 manufacturing assets in Mexico and USA to establish best possible combination of Volume and Value based product footprint
- With captive feedstocks from PNO to Oxiteno USA, develop PO led product portfolio and benefit from EO supply
- Improve Oxiteno USA's production reliability and maintenance standards benchmarking to IVL IOD sites
- Leverage on combined R&D capabilities to fully utilize the 8 assets
- Combined best practices

### Operational Excellence

- Optimize supply chain cost by leveraging feedstock and product movement across assets and markets
- Optimize variable cost by leveraging purchasing through combined scale
- Leverage IVL's ongoing transformation program