

“A Global Distributor’s view on the Plastic Market”

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Plastics | Chemicals

AGENDA

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2 PRE-COVID PLASTICS MARKET OVERVIEW

3 PLASTICS MANUFACTURING

4 COVID-19 IMPACT

5 WHAT TO EXPECT GOING FORWARD

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CORPORATE OVERVIEW



Servicing

+5K End Users

Sales in over 110 countries



Global Sales (MT)

+2MM

Plastics

+1MM

Chemicals



Global Workforce

+850

Professionals

56

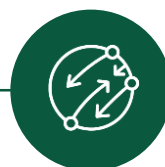
Offices



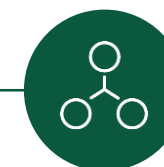
Serving the Petrochemical Industry

42 Years

Founded in 1978



Logistics ISO Certified



Headquarters

Houston, Texas

OUR FOOTPRINT IN THE AMERICAS

- Pan-American sales coverage
 - 77 Salespeople
 - Local personnel in all highest the consumption countries
- Technical service and support across the region
 - Houston, Mexico, Brazil, Colombia, Chile.
- Local logistics and admin support throughout region
 - Supported by HQ (Houston) and VBS (Mumbai)
 - 117 Warehouses throughout the region
 - All communication in local languages
- Poly Packaging (Houston, Texas)
 - Packaging, storage and export warehouse



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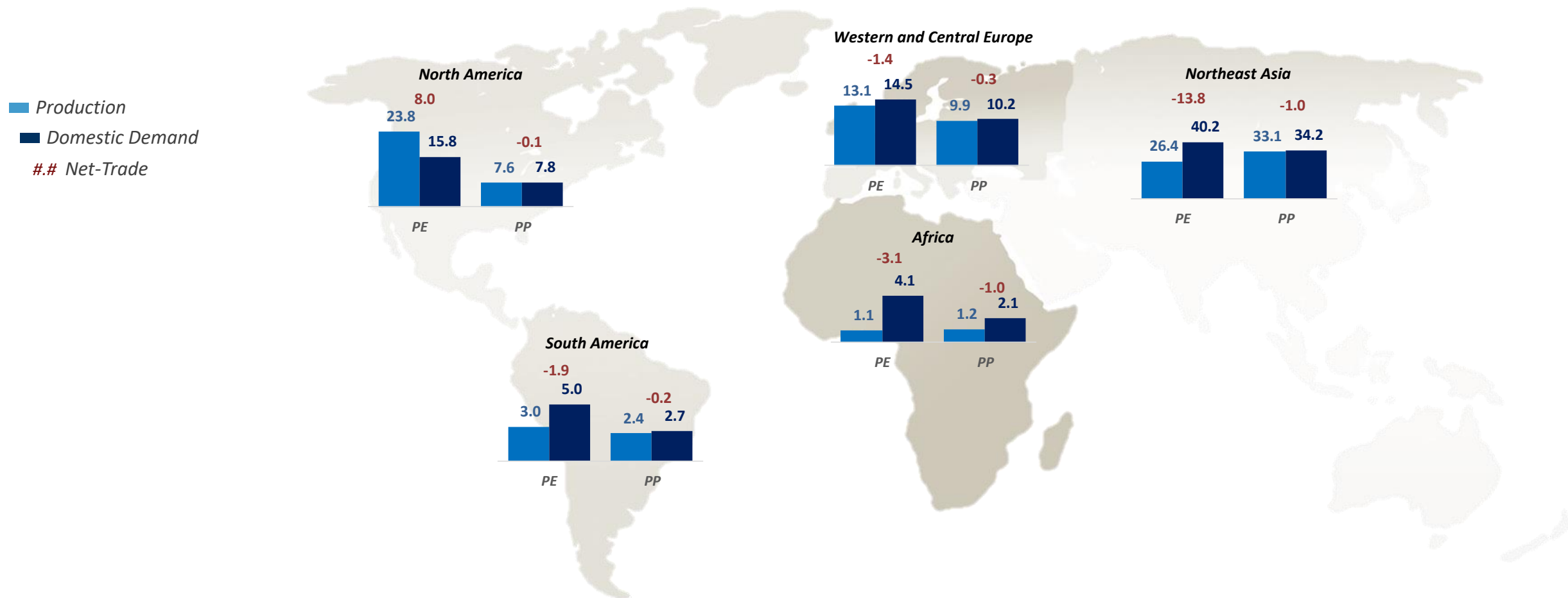
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BALANCE OF PLASTIC PER REGION 2019

Production and Demand per region

Data in million metric tons



PRE COVID-19 EXPECTATION FOR 2020

- 🔭 Global oversupply in PP and PE
- 🔭 PE export increase from North America
- 🔭 Automotive demand under pressure
- 🔭 Conservative demand growth expectation
- 🔭 Shifting global trade flows



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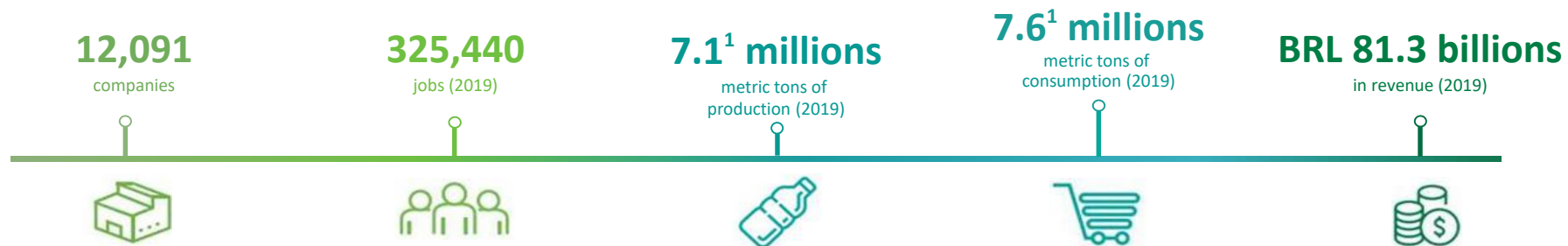
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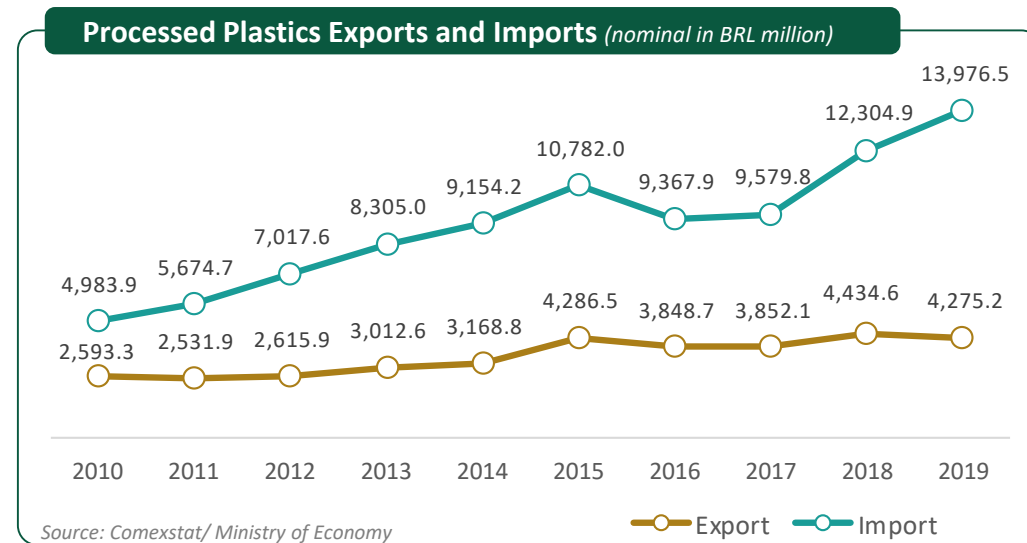
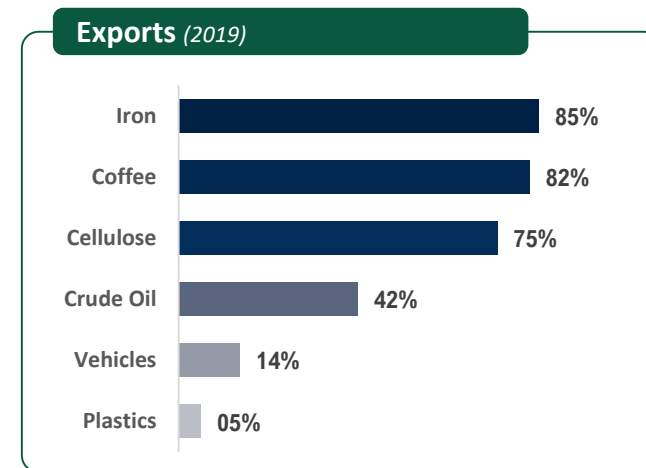
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BRAZILIAN PLASTICS MANUFACTURING AND EXPORTS



Source: Portal RAIS e Caged e Comexstat/ Ministry of Economy, Monthly Industrial Research – Physical Production and Annual Manufacturing Research - Companies/IBGE, Preparation: ABIPLAST.
¹ A ABIPLAST revised its physical production and apparent consumption figures including recycling data (2018), as well as expanding the information on engineering plastics. More details in Profile 2019.



Source: Comexstat/ Ministry of Economy

- Regional leader in technology
- Imports 2.3 times higher than exports
- Export represents low percent of industry activity
- Exporting can be easier than marketing locally

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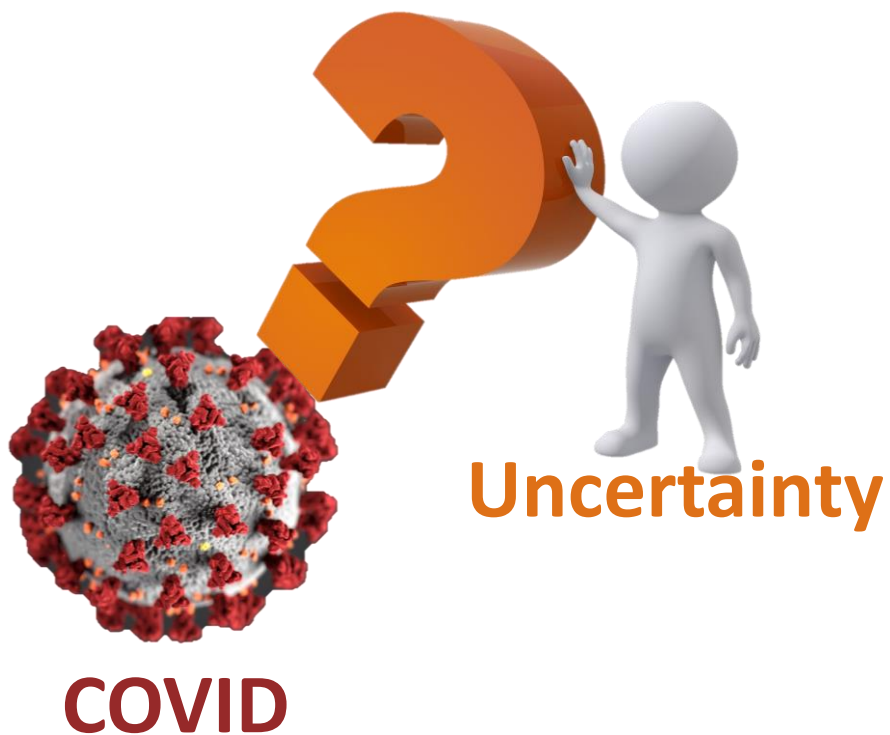
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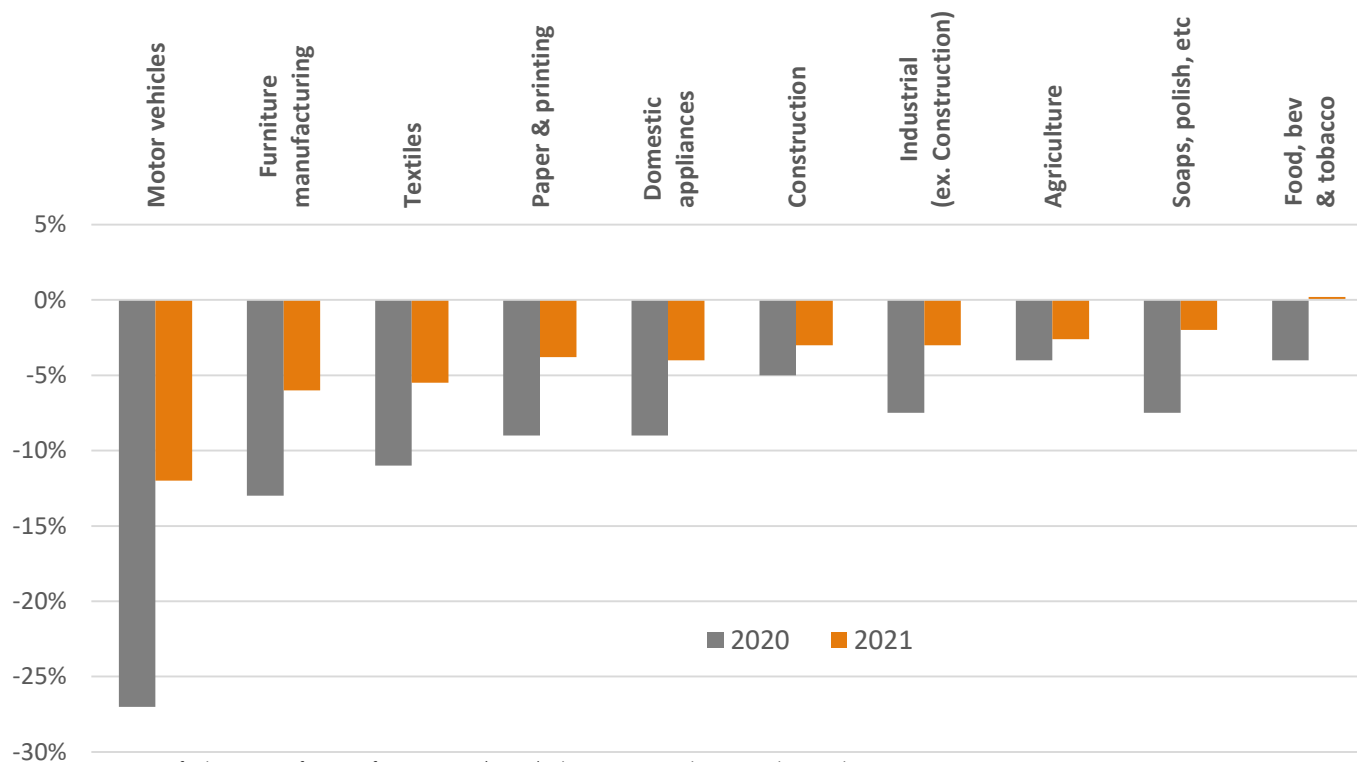
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COVID-19 IMPACT



Production

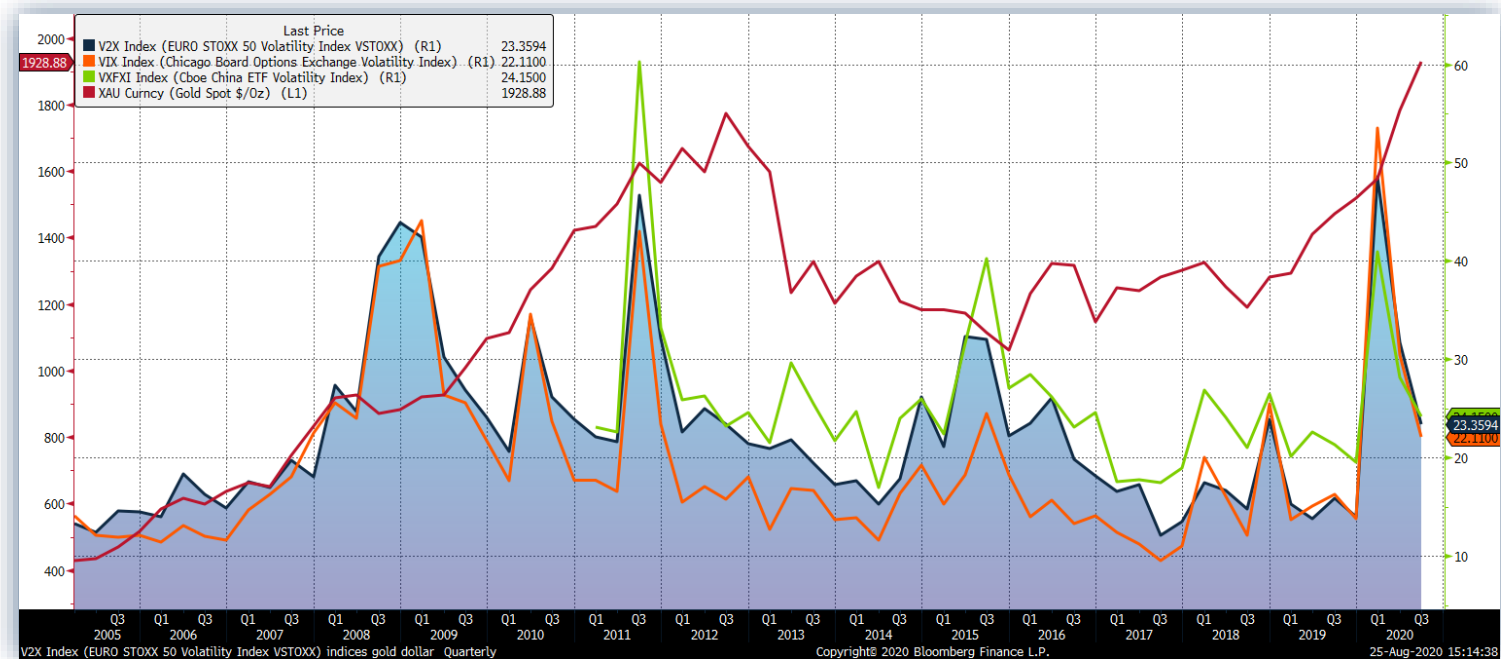
Downgrade to production forecast by sector from Dec-19 to Apr-20



Source: Oxford Economics forecasts for NAFTA, EU (inc UK), China, Japan, South Korea, India, Brazil, Russia.
The numbers represent the % downgrade to the production forecasts from each sector between 3 December 2019 and 23 April 2020

COVID-19 IMPACT

- Uncertainty and volatility at historical highest in many regions
- Different impacts in the market depending on the region and segment
 - Supply shortage vs Lower production rates
 - Food packaging and Hygiene vs Automotive and Industrial
 - Challenging logistics environment
- First wave aftermath different by region
 - China displaying sustained strong demand
 - European demand hasn't picked up since summer break
 - Unusual spot trade flows



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FUTURE OF PLASTICS MARKET



? What is the future of the new projects for PE and PP?

? What is the impact on indirect channels market share?

? What is going to be the direct impact of the liquidity crises in the PE PP supply chain?

? What will be the impact of digitalization acceleration on Plastics business?

? How long will it take for the aggregate demand to recover?

? Is the automotive industry coming back to sustainable level soon?

? Covid-19 showed the benefits of plastics, how can the industry leverage this?

? Is the future post-Covid-19 more plastic?

THANK YOU



Over **850** employees
56 offices
in more than **35** countries
with sales in excess of **110** countries

over **40**
years of experience
and success



One of the **world's largest** plastics and chemicals marketing and distribution companies