

Methanex Investor Presentation

February 2020



Forward-looking statements & non-GAAP measures

Information contained in these materials or presented orally on the earnings conference call, either in prepared remarks or in response to questions, contains forward-looking statements. Actual results could differ materially from those contemplated by the forward-looking statements. For more information, we direct you to our 2018 Annual MD&A and our fourth quarter 2019 MD&A, as well as slide 31 of this presentation.

This presentation also contains certain non-GAAP financial measures that do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. For more information regarding these non-GAAP measures, please see our 2018 Annual MD&A and our fourth quarter 2019 MD&A.

All amounts are shown in US dollars except where otherwise stated.

Investment opportunity



1. Global methanol leader

Global methanol leader with leading market share, global production footprint and integrated global supply chain



2. Positive long-term industry outlook

Steady demand growth outlook with industry capacity additions needed to meet growing demand



3. Strong cash flow generation and shareholder returns

Solid cash generation capability at a wide range of methanol prices

Assets well positioned on industry cost curve to be competitive through all points in the methanol price cycle

Returned \$1.9 billion to shareholders through dividends and buybacks since January 1, 2013



4. Growth potential

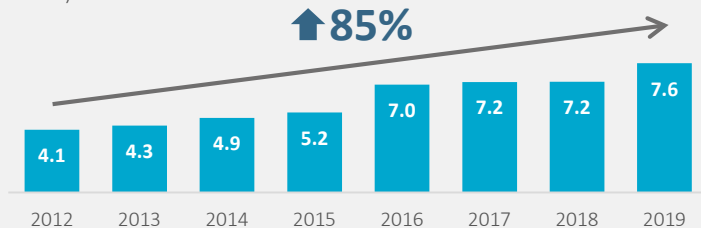
Unique low capital cost growth opportunities in Louisiana to profitably increase production capacity



Growing production with a clear focus on shareholders

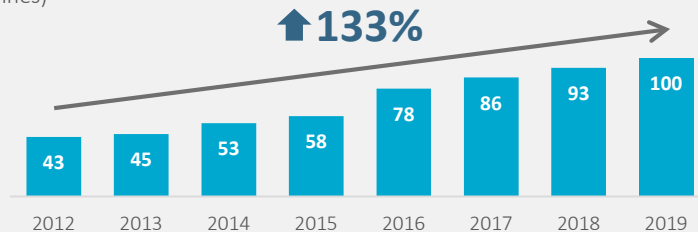
Production

(M tonnes)



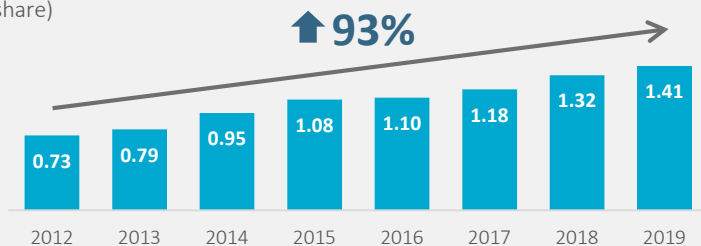
Production per thousand shares

(tonnes)



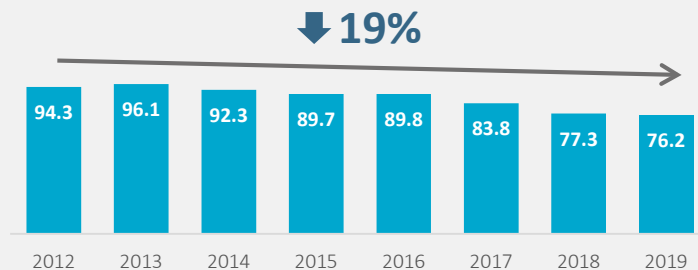
Annual dividend

(\$/share)



Shares outstanding

(M)



Methanex is the world's largest producer and supplier of methanol



Over 9 million
tonnes of
operating
capacity



6 manufacturing
sites



Integrated global
supply chain and
distribution
network



Wholly-owned
Waterfront
Shipping
subsidiary



Committed to
Responsible
Care®



Approximately
1,545 team
members globally



**Integrated global
capabilities enable clear
competitive advantage of
quality, reliable supply**

Methanol is an essential ingredient in modern life

Traditional Chemical Market

Essential ingredient used in countless industrial and consumer products
Over 50% of global demand



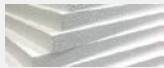
Roof panels



Adhesives



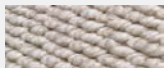
Lumber



Insulation



Paint



Carpet



Plastics



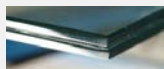
Particle boards



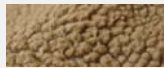
Refrigerants



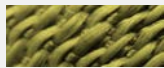
Sportswear



Safety glass laminate



Fleece fabrics



Synthetic fibres



Solvents



Upholstery



Windshield washer fluid

Clean and Economic Alternative Fuel

Represents a growing demand segment for methanol
Close to 50% of global demand



Methanol-to-olefins (MTO)



Methyl tert-butyl ether (MTBE)



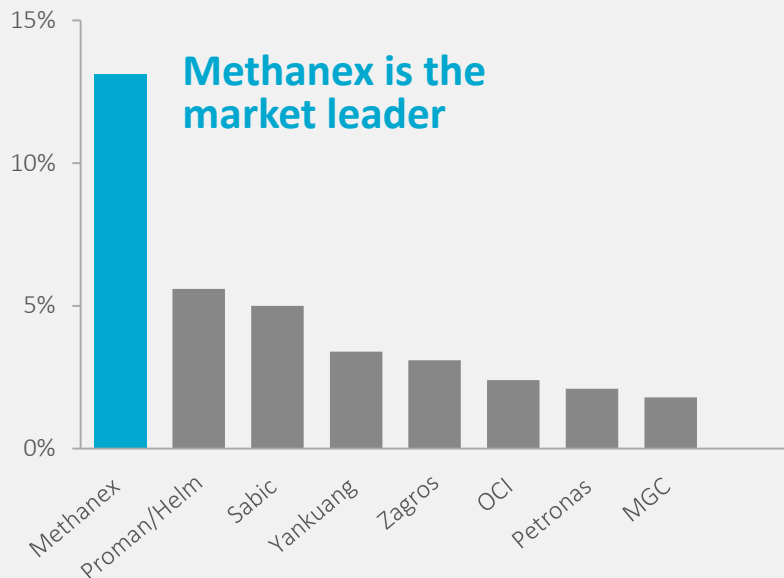
Fuel applications

Global methanol leader, positive long-term industry outlook



Industry leadership is core to our strategy and track record

Estimated industry market share



Scale and flexibility to meet customer needs creates shareholder value

- Strong customers that are leaders in their industry
- Ability to reduce costs for customers and Methanex
- Improved industry structure: new market development, product stewardship and advocacy

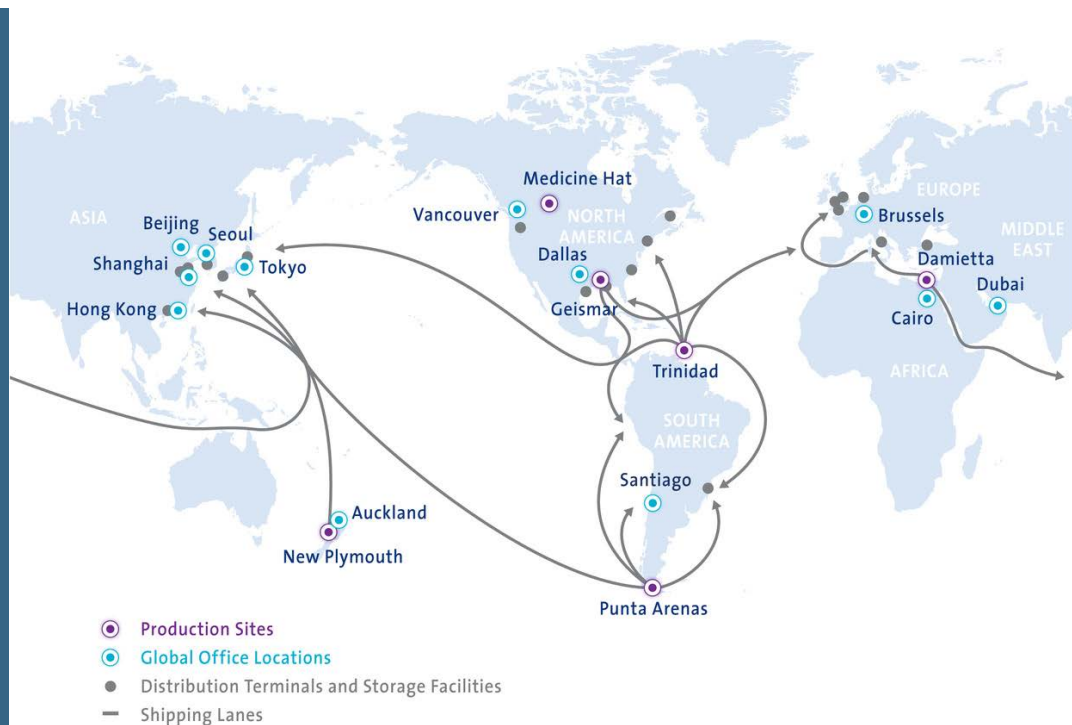
We continually enhance this key value driver by growing our production as the market grows

- ~13% global market share – double that of our next competitor
- Unique global position as the only supplier with well-established production and sales in all major regions

Clear competitive advantage from integrated global capabilities

Investing in industry-leading, secure, reliable supply from a global network of plants is a fundamental driver of long-term results

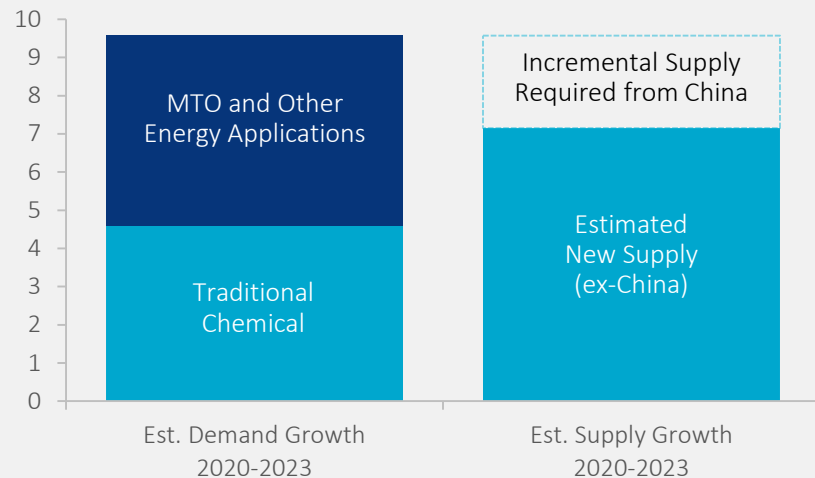
- Network of production sites to supply every major global market
- Fleet of dedicated ocean vessels
- Extensive integrated global supply chain and distribution network
- “Local” customer service



Industry capacity additions needed to keep up with demand

Outlook for 2020-2023

(M tonnes)



Industry demand forecasted to increase by ~10 million tonnes (3-4% CAGR) from 2020 and 2023

- Traditional demand expected to grow similarly to GDP and industrial production rates
- Two new MTO plants (3.6 million tonnes) expected to come online in the medium term
- Other energy-related applications represent significant upside potential for long-term demand

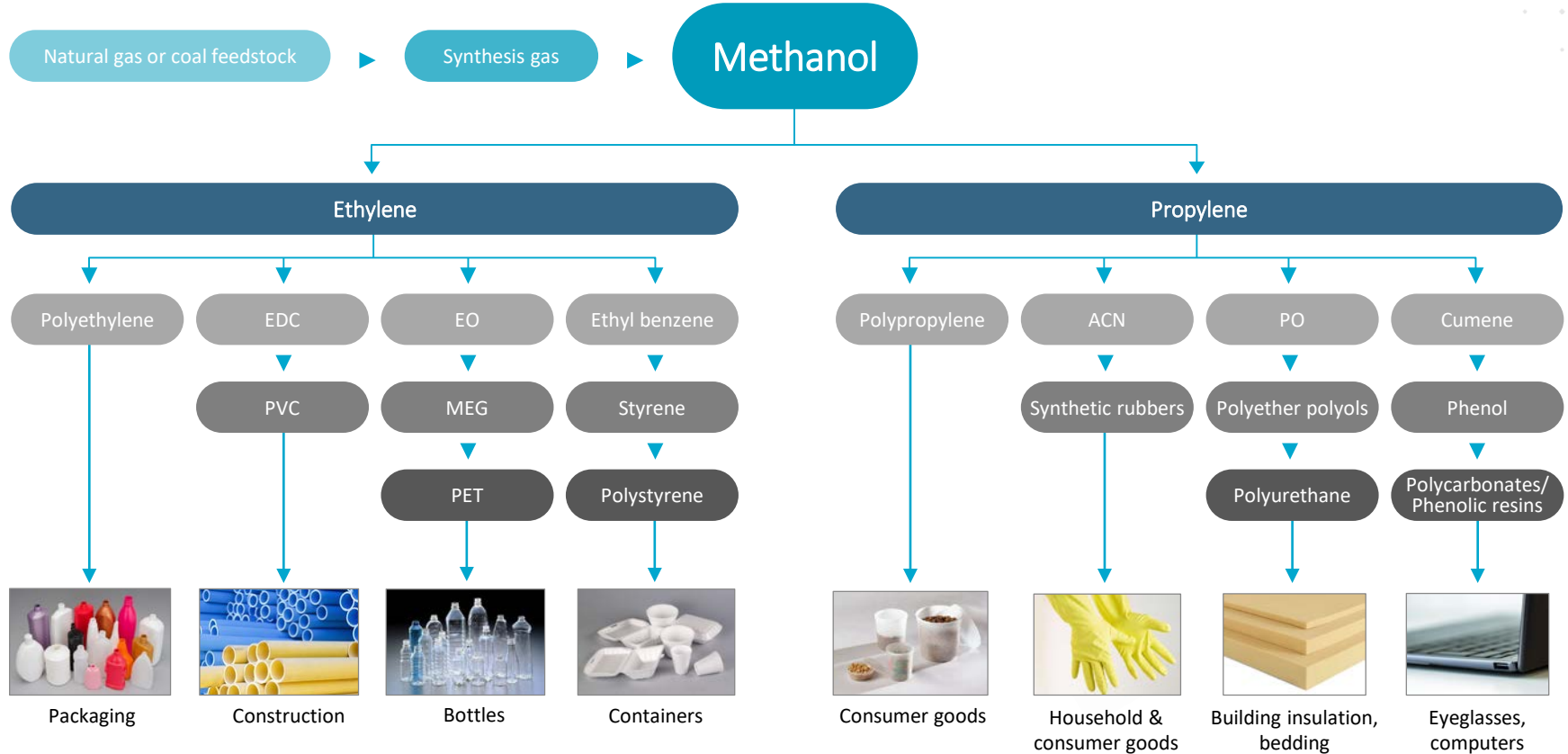
Industry supply needs 1-2 new world scale plants per year to meet forecasted demand

- Typical project delays and industry planned/unplanned outages can impact supply/demand balance

Source: IHS Chemical Supply and Demand Fall 2019 Update

IHS' incremental supply includes new capacity additions forecasted to start-up in 2020-2023 and operating rates forecasted for existing and new capacities. New large-scale capacity additions included in IHS' forecast include: N. America (Yuhuang 1.7M, Geismar 3.18M), Trinidad (CCGL 1.0M), Iran (Bushehr 1.7M), and China (5.3M) net of expected supply rationalizations.

Methanol-to-olefin (MTO) producers typically have an integrated value chain



Methanol is a clean-burning alternative fuel



Marine Fuel

- Regulations (IMO 2020) lead towards cleaner-burning fuels
- Methanol is a clean-burning fuel that meets regulations and is cost competitive over the cycle
- Approximately 40% of Waterfront Shipping's fleet is able to run on methanol



Vehicle Fuel

- Methanol is an affordable gasoline substitute in China
- Reduces emissions when blended with or substituted for gasoline
- Several other countries are at the assessment or near-commercial stage for low-level methanol fuel blending



Power Source

- Methanol is used as an alternative to coal for industrial boilers and kilns to reduce emissions
- Currently represents approximately two million tons of demand

Represents significant upside potential for long-term demand

Challenges to growth in the methanol industry

Estimated internal rate of return

Natural gas \$/mmbtu	Realized methanol price \$/tonne		
	\$300	\$350	\$400
\$5.00	---	2%	8%
\$4.00	0%	6%	11%
\$3.00	5%	9%	13%
\$2.00	8%	12%	16%

Building a methanol plant has a significant capital cost

- US Gulf Coast stand-alone greenfield project (~\$1,100/tonne) requires a long-term methanol price of \$400/tonne to meet Methanex's return target

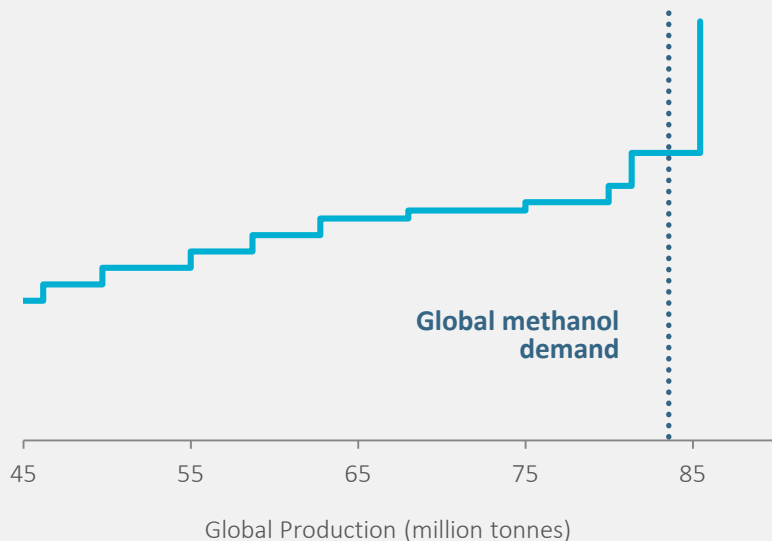
Industry often sees project delays/cancellations

- Inability to secure necessary financing and permits
- Inability to access credit worthy customers and secure sales contracts across global markets
- Lack of marketing and logistics capabilities to get product to market
- Lack of market knowledge and expertise in industry

Methanex is well positioned on the global industry cost curve

Illustrative methanol industry cost curve

(\$/tonne)




- Methanex plants are competitive across a wide range of methanol prices – we estimate that our assets are positioned on the low-to-mid portion of the industry cost curve
- Flat portion of cost curve provides price support in a low energy price environment
- Industry has high cost operators and responds quickly to periods of excess supply or demand
- Steep high end of cost curve reflects high cost coal and natural gas-based production in China
- Other higher cost regions are Russia, Europe, India, and South America

Methanex annual production capacity

Plant	Production capacity (000s tonnes)		# of plants (2020)	Gas supply	Supply chain
	Current potential ¹	Future potential ²			
New Zealand	1,900	2,430	3	Multiple medium-to long-term physical contracts	Asia Pacific
Geismar	2,000	4,000	2	Physical contract, financial hedges and open position	North America and other major markets around the globe
Trinidad (Mx share)	1,700	2,000	2	Physical contracts	Asia and other major markets around the globe
Chile	1,300	1,720	2	Multiple short-to-medium term contracts	Latin America and other major markets around the globe
Egypt (Mx share)	630	630	1	Long-term contract	Egypt and Europe
Medicine Hat	600	600	1	Physical contract, physical hedges	Western Canada and US
Total	8,130	11,380	11		

¹ Current potential = reflects New Zealand operating rate of 85% (1.9 million tonnes), Trinidad operating rate of 85% (1.7 million tonnes) and Chile operating rate of 75% (1.3 million tonnes). We cannot predict actual gas restrictions at these plants.

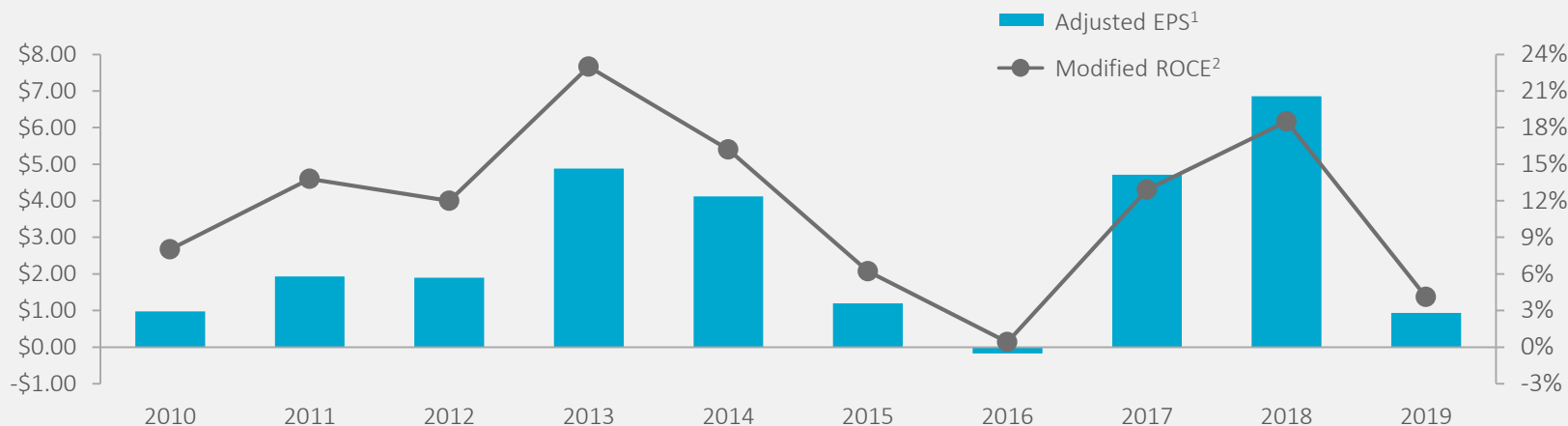
² Includes full nameplate capacity for existing plants plus future incremental capacity from Geismar debottleneck (0.2 million tonnes) and Geismar 3 project (1.8 million tonnes).



**Strong cash flow
generation at a wide
range of methanol prices**

Financial results

Adjusted EPS and Modified ROCE



Average Modified ROCE of 12% over last 10 years.

¹ Adjusted EPS = Adjusted net income per common share attributable to Methanex shareholders (excludes the after-tax mark-to-market impact of share-based compensation and the impact of certain items associated with specific identified events)

² Modified ROCE = Adjusted net income before finance costs (after-tax) divided by average productive capital employed. Average productive capital employed is the sum of average total assets (excluding plants under construction) less the average of current non-interest-bearing liabilities.

³ Adjusted net income and Adjusted net income per common share are non-GAAP measures - for more information regarding non-GAAP measures, please see our 2018 Annual MD&A

Valuation considerations

Average Realized Price	Annual operating capacity ¹					
	Current potential (8.1 million tonnes) ²			Future potential (11.4 million tonnes) ³		
	Adjusted EBITDA capability ⁴	Free cash flow capability ⁵	Free cash flow yield ⁶	Adjusted EBITDA capability ⁴	Free cash flow capability ⁵	Free cash flow yield ⁶
\$275	600	175	7%	800	350	13%
\$300	750	300	11%	1,125	600	23%
\$350	1,050	525	20%	1,525	925	35%
\$400	1,375	800	30%	1,975	1,275	48%

- Our cost structure per tonne continues to benefit from significant leverage on our fixed costs as production increases
- Our cost structure has increased in the near-term primarily due to the impact of the International Maritime Organization's 2020 regulations on sulphur emissions
- We have also made modest investments in people, workplaces and systems to support our growing production footprint

¹ Methanex interest (63.1% Atlas, 50% Egypt)

² Refer to slide 15 (footnote 1)

³ Refer to slide 15 (footnote 2)

⁴ Adjusted EBITDA reflects Methanex's proportionate ownership interest and assumes plants operate at full production rates except where indicated.

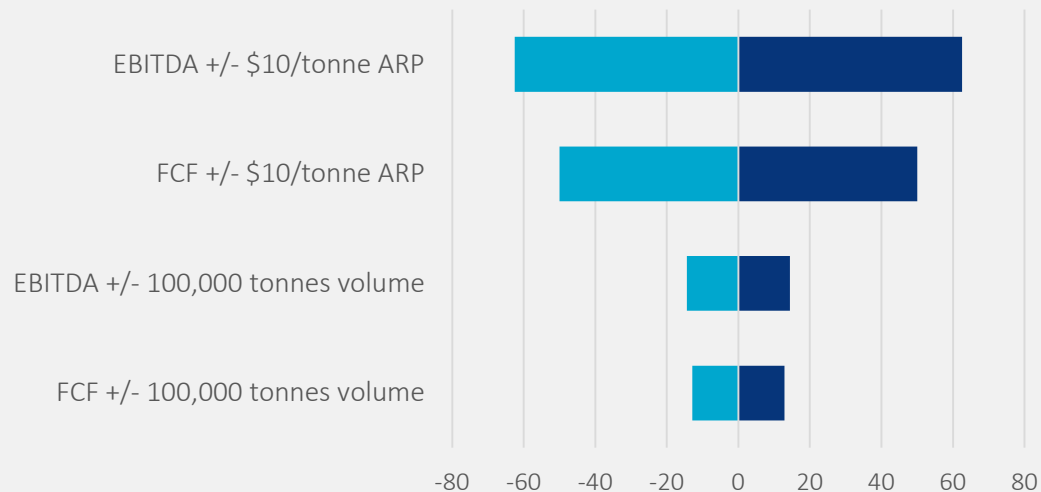
⁵ After cash interest, debt service, maintenance capital of approximately \$120 million, cash taxes and other cash payments.

⁶ Based on 76 million shares outstanding as of 12/31/2019 and share price of US\$35/share.

Valuation considerations (continued)

Estimated sensitivities

(\$Millions)



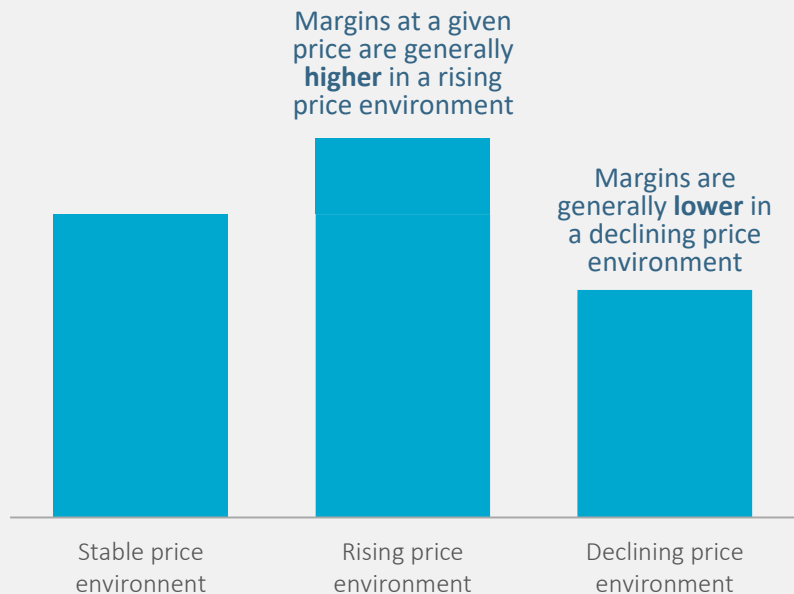
Sensitivities versus run-rate of:

- Average realized price: \$350/tonne
- Volume: 8.1 million tonnes
- Adjusted EBITDA capability: \$1.1 billion
- Free cash flow capability: \$525 million

Short-term earnings can be impacted by various factors

Illustrative impact on earnings

(\$/tonne)



Different factors can impact our earnings on a quarter-on-quarter basis but are less impactful over the long-term

- Difference between posted and realized prices can vary:
 - Higher prices can reduce/narrow our discount rate
 - Lower prices can increase/widen our discount rate
- FIFO inventory accounting can impact cost of sales:
 - Cost of sales can decrease in a rising price environment
 - Cost of sales can increase in a falling price environment
- Shipment timing can result in a short-term inventory build or draw position
- Planned/unplanned outages can impact logistics costs as we move product globally to serve our customers



Highly disciplined approach to capital allocation



Balanced approach to capital allocation

1

ESSENTIAL

Debt service

Maintenance

- \$120 million annual interest expense
- \$35 million debt payments (MX share)
- Next maturity - \$250 million, March 2022
- \$150 million maintenance capex (2020)

2

PROFITABLE GROWTH

Low-cost growth opportunities

- Disciplined capital investment decisions based on strict project return criteria
- Focus on opportunities Louisiana (Geismar 1 & 2 debottleneck project and Geismar 3 project)

3

SHAREHOLDER RETURNS

Dividends

Share buybacks

- Meaningful, sustainable, growing dividend
- Currently \$0.36/share per quarter (approx. \$110M in 2019)
- Committed to return excess cash via share buybacks

Unique near-term low capital cost growth opportunities

CHILE GROWTH OPPORTUNITY

Increase production to full operating rates with additional gas supply (add 420k tonnes)

- Restarted idle Chile IV facility in late 2018; completed Chile I refurbishment in 2019
- Working with gas suppliers to secure sufficient gas to support full two-plant operation (annual production of 1.7M tonnes)
 - Currently, sufficient gas for up to 75% of two-plant operation (annual production up to 1.3M tonnes)
 - Signed longer-term gas agreement for approximately 25% of a two-plant operation through end of 2025

GEISMAR 1 AND 2 OPTIMIZATION

Increase production capacity by 10% (add 200k tonnes)

- Debottlenecking opportunities at our Geismar 1 & 2 facilities with very low capital cost

Geismar 3 project has significant capital and operating cost advantages

Project overview

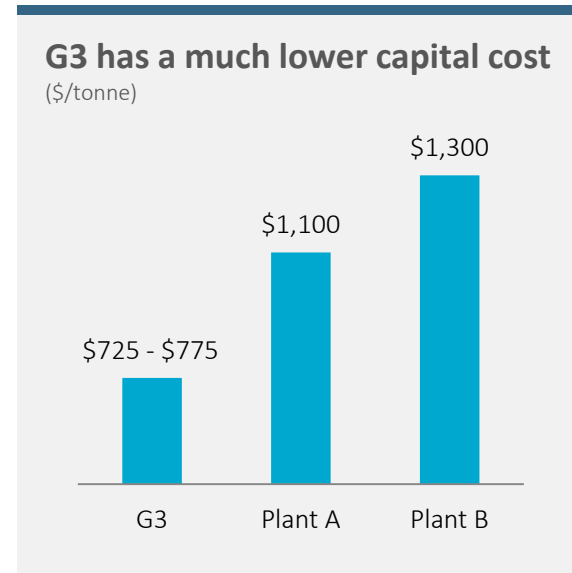
- Size: 1.8 million tonnes per year
- Location: Geismar, Louisiana; adjacent to existing G1 and G2 facilities
- Estimated capital cost: \$1.3 billion to \$1.4 billion
- Schedule: commenced August 2019, operational H2 2022

Three distinct advantages vs. US Gulf greenfield projects

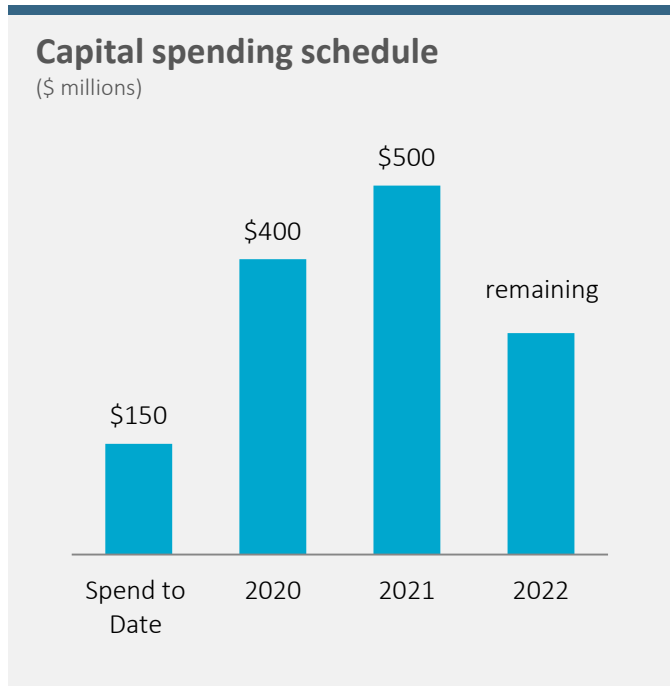
- No primary reformer required*: significant capital cost savings

* Utilizes excess hydrogen from G1 and G2 in place of primary reformer

- Brownfield site: shared piperack capacity, control rooms, storage tanks, etc.
- Well-situated industrial park: nearby oxygen supply, utilities, marine terminal



Flexible financing plan for Geismar 3 project



Funding

- \$1.1 billion of undrawn credit available
 - \$800 million construction credit facility
 - \$300 million revolving credit facility

Partnership search underway

- Engaged investment banker to support process
- Strategic partner preferred and others will also be considered
- Until agreement is reached, we will continue to develop G3 on our own

Geismar 3 progress on track

Project de-risking factors

- Front End Engineering Design (FEED) has provided a well-defined project scope and high confidence in capital cost estimate
- A significant portion of costs for the project have been fixed and healthy contingency in place to cover remaining risk
- Leverage experience from G1/G2 project and experience at same site
- Fully permitted
- Timing of project has avoided peak construction in area which enables better availability of labour, materials, etc.



January 6, 2020: G3 site clearing adjacent to storage tanks

Meaningful shareholder returns while significantly growing production

Metric	January 1, 2013	December 31, 2019	% change
Number of plants in operation	7	11	57%
Production (M tonnes)	4.1	7.6	85%
Shares outstanding (M)	94.3	76.2	(19%)
Production per thousand shares	43	100	133%
Annual dividend per share	\$0.73	\$1.41	93%
Adjusted EBITDA generation capability ¹ (M)			
@ \$300 / tonne	\$400	\$750	88%
@ \$350 / tonne	\$600	\$1,050	75%
@ \$400 / tonne	\$800	\$1,375	72%
Total capital (growth, restarts, and maintenance) spent (B) – <i>since January 1, 2013 and including G3 spending to date</i>		\$2.4	
Return of capital (B) – <i>since January 1, 2013</i>		<u>\$1.9</u>	
Dividends		\$0.7	
Share buybacks		\$1.2	

Consistent track record of returning excess cash to shareholders

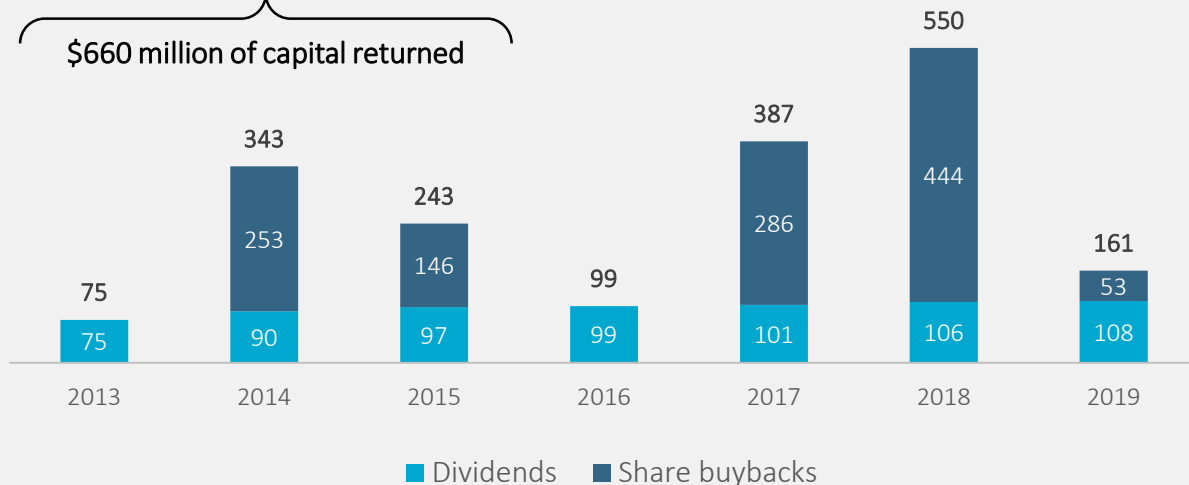
Dividends and share buybacks

(\$ millions)

~\$1.9 billion of capital returned to shareholders (Jan 1, 2013 to Dec 31, 2019)

G1 & G2 builds

\$660 million of capital returned



- During the development of G1 and G2, we continued to return significant capital to shareholders
- Since January 1, 2013, we have invested over \$2.4 billion in capital expenditures and grew from 7 to 11 plants in operation, with production increasing from 4.1 to 7.6 million tonnes
- Increased dividend by 9% in 2019

Strong financial position and liquidity

Liquidity as at Q4-19

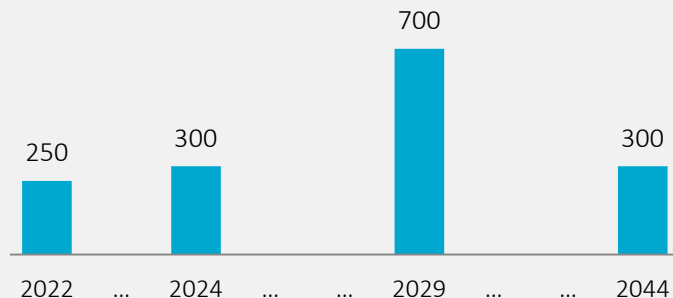
Cash (MX share) ¹	\$428
Revolving credit facility	\$300
Construction credit facility	\$800

Capital structure as at Q4-19

Total shareholders' equity	\$1,332
Net debt ¹	\$1,224
Net debt/capitalization	48%
Net debt/enterprise value ²	31%

Balanced debt maturity schedule

(\$millions)



Rating agency perspective

- Target investment grade metrics over cycle
- ~3.0x debt/EBITDA is long-term measure
- Ratio typically calculated over a cycle
- Moody's Baa3 | S&P BB+ | Fitch BBB-

¹ Includes Methanex proportionate share of cash and debt

² Based on share price of US\$35/share

Summary

- Global industry leader with competitive assets
- Solid franchise value that is difficult to replicate
- Global marketing, supply chain and shipping network
- Strong financial position
- Strong cash generation at a wide range of methanol prices
- Low capital cost growth potential in Louisiana
- Dividends / share buybacks

Committed to return excess cash to shareholders

Forward-looking information

This presentation, our Fourth Quarter 2019 Management's Discussion and Analysis ("MD&A") as well as comments made during the Fourth Quarter 2019 Investor Conference call contain forward-looking statements with respect to us and our industry. These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. Statements that include the words "believes," "expects," "may," "will," "should," "potential," "estimates," "anticipates," "aim," "goal," "targets" or other comparable terminology and similar statements of a future or forward-looking nature identify forward-looking statements.

More particularly and without limitation, any statements regarding the following are forward-looking statements: expected demand for methanol and its derivatives; expected new methanol supply or restart of idled capacity and timing for start-up of the same; expected shutdowns (either temporary or permanent) or restarts of existing methanol supply (including our own facilities), including, without limitation, the timing and length of planned maintenance outages; expected methanol and energy prices; expected levels of methanol purchases from traders or other third parties; expected levels, timing and availability of economically priced natural gas supply to each of our plants; capital committed by third parties towards future natural gas exploration and development in the vicinity of our plants; our expected capital expenditures; anticipated operating rates of our plants; expected operating costs, including natural gas feedstock costs and logistics costs; expected tax rates or resolutions to tax disputes; expected cash flows, earnings capability and share price; availability of committed credit facilities and other financing; our ability to meet covenants or obtain or continue to obtain waivers associated with our long-term debt obligations, including, without limitation, the Egypt limited recourse debt facilities that have conditions associated with the payment of cash or other distributions and the finalization of certain land title registrations and related mortgages which require actions by Egyptian governmental entities; expected impact on our results of operations in Egypt or our financial condition as a consequence of actions taken or inaction by Egyptian governmental entities; our shareholder distribution strategy and anticipated distributions to shareholders; commercial viability and timing of, or our ability to execute future projects, plant restarts, capacity expansions, plant relocations or other business initiatives or opportunities, including our Geismar 3 Project; our financial strength and ability to meet future financial commitments; expected global or regional economic activity (including industrial production levels); expected outcomes of litigation or other disputes, claims and assessments; and expected actions of governments, governmental agencies, gas suppliers, courts, tribunals or other third parties.

We believe that we have a reasonable basis for making such forward-looking statements. The forward-looking statements in this document are based on our experience, our perception of trends, current conditions and expected future developments as well as other factors. Certain material factors or assumptions were applied in drawing the conclusions or making the forecasts or projections that are included in these forward-looking statements, including, without limitation, future expectations and assumptions concerning the following: the supply of, demand for and price of methanol, methanol derivatives, natural gas, coal, oil and oil derivatives; our ability to procure natural gas feedstock on commercially acceptable terms; operating rates of our facilities; receipt or issuance of third-party consents or approvals, including, without limitation, governmental registrations of land title and related mortgages in Egypt and governmental approvals related to rights to purchase natural gas; the establishment of new fuel standards; operating costs, including natural gas feedstock and logistics costs, capital costs, tax rates, cash flows, foreign exchange rates and interest rates; the availability of committed credit facilities and other financing; timing of completion and cost of our Geismar 3 Project; global and regional economic activity (including industrial production levels); absence of a material negative impact from major natural disasters; absence of a material negative impact from changes in laws or regulations; absence of a material negative impact from political instability in the countries in which we operate; and enforcement of contractual arrangements and ability to perform contractual obligations by customers, natural gas and other suppliers and other third parties.

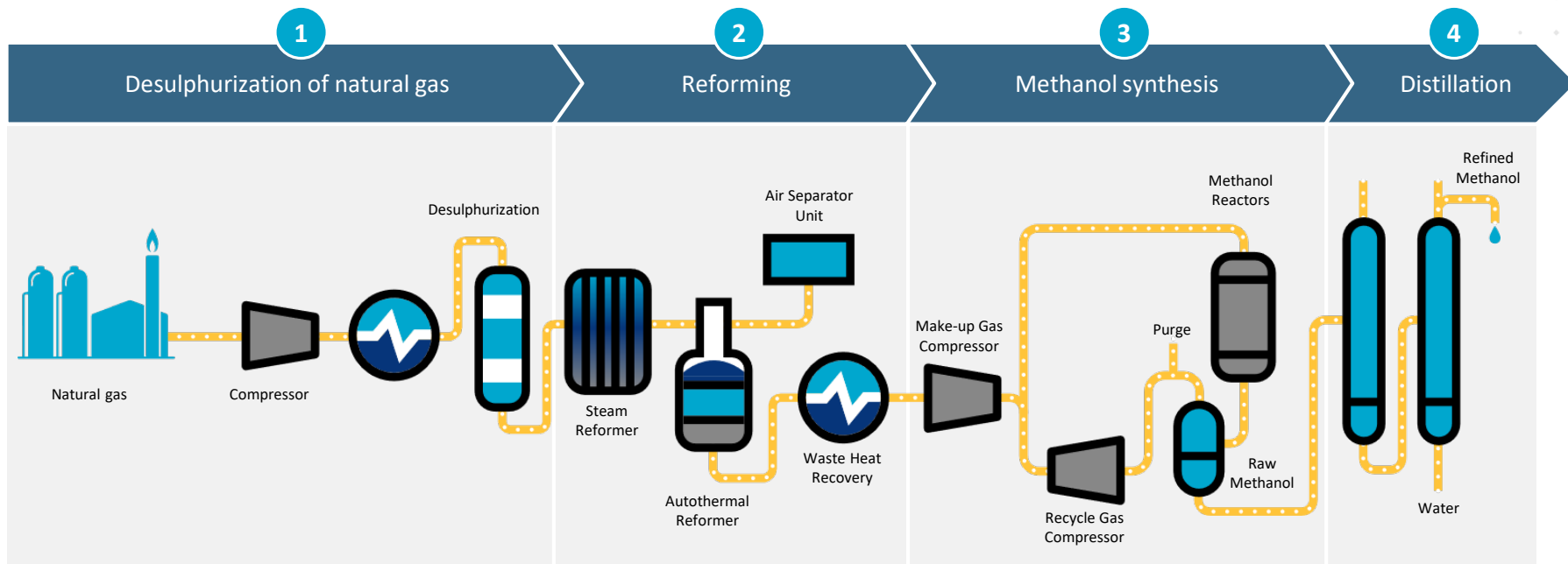
However, forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. The risks and uncertainties primarily include those attendant with producing and marketing methanol and successfully carrying out major capital expenditure projects in various jurisdictions, including, without limitation: conditions in the methanol and other industries including fluctuations in the supply, demand and price for methanol and its derivatives, including demand for methanol for energy uses; the price of natural gas, coal, oil and oil derivatives; our ability to obtain natural gas feedstock on commercially acceptable terms to underpin current operations and future production growth opportunities; the ability to carry out corporate initiatives and strategies; actions of competitors, suppliers and financial institutions; conditions within the natural gas delivery systems that may prevent delivery of our natural gas supply requirements; our ability to meet timeline and budget targets for our Geismar 3 Project, including cost pressures arising from labour costs; competing demand for natural gas, especially with respect to domestic needs for gas and electricity in Chile and Egypt; actions of governments and governmental authorities, including, without limitation, implementation of policies or other measures that could impact the supply of or demand for methanol or its derivatives; changes in laws or regulations; import or export restrictions, anti-dumping measures, increases in duties, taxes and government royalties and other actions by governments that may adversely affect our operations or existing contractual arrangements; world-wide economic conditions; and other risks described in our 2018 Annual Management's Discussion and Analysis and our Fourth Quarter 2019 Management's Discussion and Analysis.

Having in mind these and other factors, investors and other readers are cautioned not to place undue reliance on forward-looking statements. They are not a substitute for the exercise of one's own due diligence and judgment. The outcomes implied by forward-looking statements may not occur and we do not undertake to update forward-looking statements except as required by applicable securities laws.

Appendix

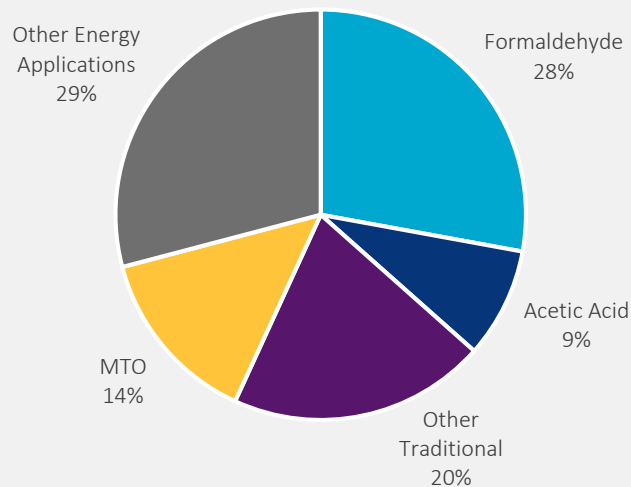


Methanol production process

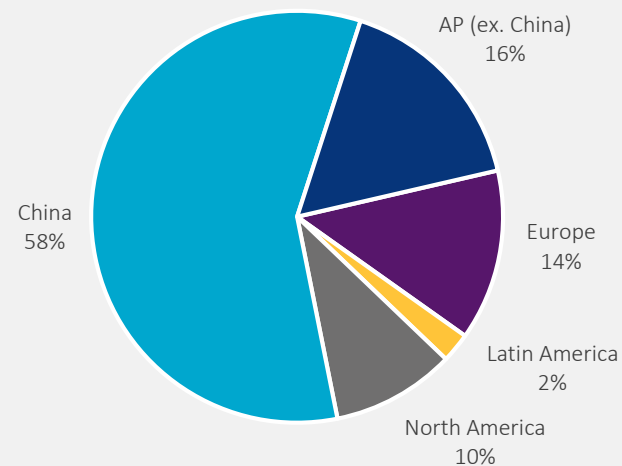


Global methanol industry demand

By application



By region



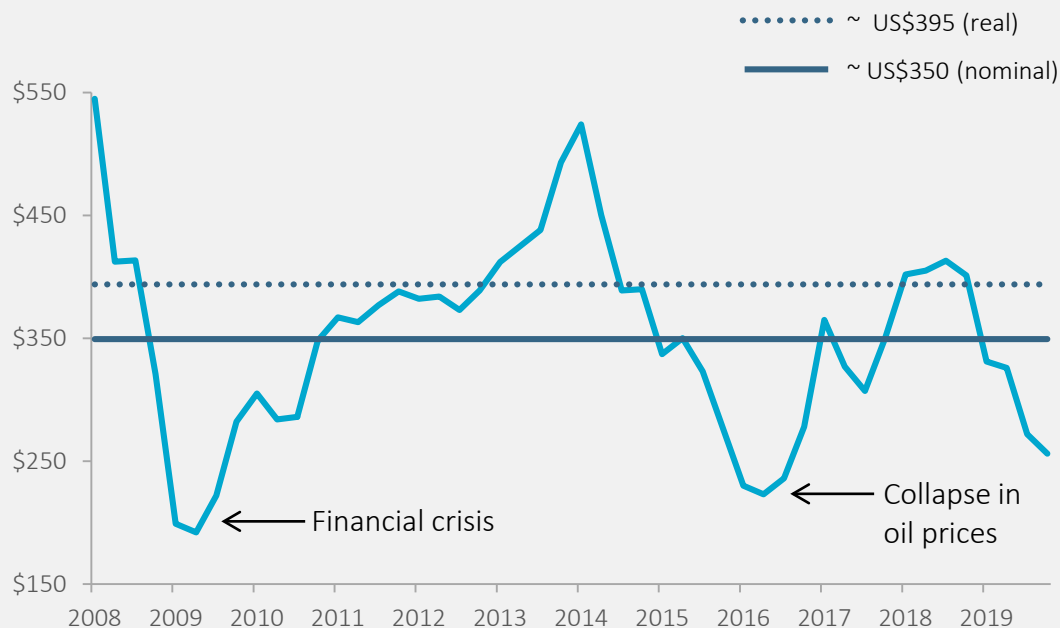
Methanol consumers

- Concentrated consumer base
 - 30% of global demand from top 20 consumers
- Main consumers are large, global chemical and China MTO companies:
 - Celanese, BP, Momenive, Sanjiang, Sailboat, etc.
- Methanex supplies primarily traditional chemical derivative customers who value:
 - Security of supply
 - Global presence
 - Quality product



Methanex historical realized pricing

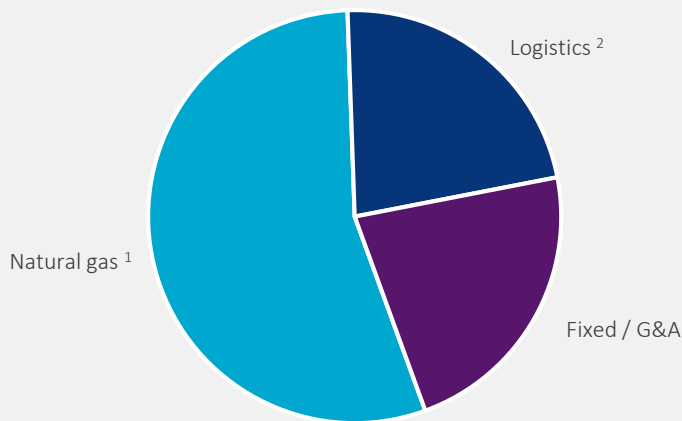
Average realized price per tonne



- Methanex posts reference prices:
 - Monthly in North America and Asia
 - Quarterly in Europe
- Realized pricing is lower than posted reference prices due to customer discounts and other factors

Methanex cost structure

Representative operating cost distribution



Natural gas

- Flexible price structure:
 - North America: ~75% of natural gas requirements under long-term fixed price contract or financial hedge
 - Rest of world: natural gas price varies based on methanol prices to allow assets to be competitive across price cycle

Logistics

- Fleet of ~30 leased and owned vessels supplemented with short-term COA vessels and spot vessel shipments
- Integrated supply chain allows benefit of back-haul shipments
- Network of owned and leased terminals worldwide
- Various in-region logistics capabilities including tanker, barge, rail, truck and pipeline

Fixed manufacturing and G&A costs

- Primarily people costs (approx. 1,545 employees)

¹ Based on \$400/tonne average realized methanol price. Natural gas prices vary with methanol pricing.

² Logistics costs vary based on oil/bunker fuel prices.

Methanex is committed to Responsible Care®

- The Responsible Care® Ethic and Principles for Sustainability is a United Nations recognized sustainability initiative adopted by the global chemical industry
- At Methanex, Responsible Care® is the foundation of everything we do and a key element of our global culture:



Community
safety



Employee health
and safety



Environmental
protection



Product
stewardship



Social
responsibility



Best-in-class corporate governance

BOARD COMPOSITION

- 11 of 12 Independent directors (92%)
- Separate chair and CEO
- All Committee members are independent
- Diversity policy and 33% of directors are female
- Active Board renewal process, average tenure is seven years and average age is 62 years old
- Diverse skills matrix

CORPORATE GOVERNANCE

- Strong risk and strategy oversight
- Annual Board, Committee and director evaluations
- Board orientation and education
- Code of business conduct
- In camera sessions at every Board and Committee meeting

DIRECTOR COMPENSATION

- Required director equity ownership of 3x total annual retainer
- Prohibition on hedging
- Not eligible for stock options

SHAREHOLDER RIGHTS

- Annual election of directors
- Individual director elections
- Director majority voting policy
- Annual “Say-on-Pay”

Management alignment

- Executive shareholding requirements:
 - CEO - 5 times salary in Methanex shares or share units
 - Senior executives (5 members) – 3x salary
 - Other senior management (~60 employees) – 1x salary guideline
- Short-term incentive linked to ROCE (return on capital employed)
- Long-term incentive targets:
 - Stock options and share appreciation rights
 - Performance share units
 - Payout linked to relative total shareholder return and 3-year average ROCE
 - “...Management does well when shareholders do well!”



Thank you

Investor Relations

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