



# Q4-14 Financial Results

January 28, 2015



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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 2013 annual MD&A and fourth quarter 2014 MD&A, as well as the last slide 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 2013 annual MD&A and our fourth quarter 2014 MD&A.

# Q4-14 Industry Highlights

- Demand grew modestly in Q4, led by chemical demand
- Steep oil price decline impacted methanol affordability for some energy applications
  - Reduced demand for DME, Methanol-to-Propylene (MTP) and Methanol-to-Gasoline (MTG)
- Traditional chemical demand buoyant, particularly outside China
  - Solid European traditional demand growth
  - Strong North American economy (notably housing and auto) boosted demand
- Despite rapid decline in China spot prices, Q4 industry supply was steady
  - Most high cost natural gas supply in China is shut down; modest rationalization of higher-cost China coal-based supply
- Contract prices relatively stable through Q4, and have moved lower in Q1 '15

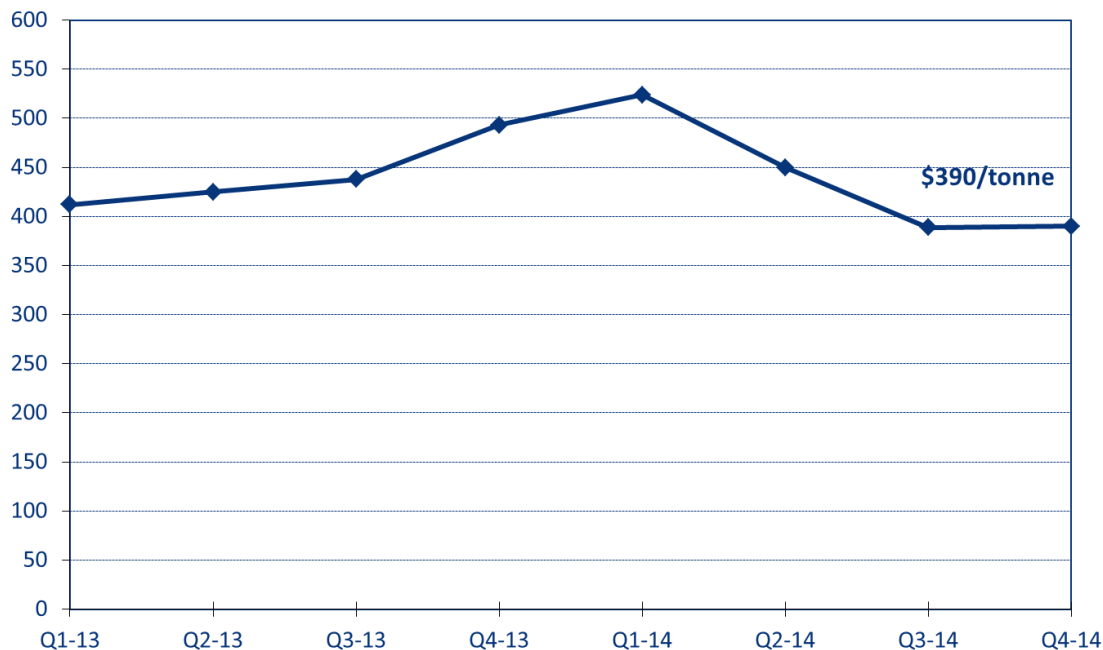
# Q4-14 Company Highlights



- Higher Adjusted EBITDA and Earnings vs. Q3
  - Adjusted EBITDA \$150 MM (Q3 \$137MM); Adjusted Net Income \$80 MM (Q3 \$66 MM)
- Geismar 1 completed on schedule and producing methanol
  - Excellent progress on Geismar 2, targeted for late Q1 2016 start-up
- \$600 million in new bonds (\$300 million 30-year, \$300 million 10-year)
  - Investment grade status allowed first time access to 30-year debt market
- Renewed and extended \$400 million revolving credit facility to 2019
- Returned over \$100 million in cash in Q4; over \$340 million in 2014
  - \$23 million in dividends; 1.6 million shares repurchased for \$84 million in Q4. Increased normal course issuer bid by 3.8 million shares (expires May 5, 2016)
- Secured roughly 80% of Medicine Hat gas requirements from April 2015 to the end of 2016 at approximately \$3.00/mmbtu

# Q4-14 Methanol Price

Methanex Average Realized Price (US\$/tonne)



Methanex non-Discounted Regional Posted Prices<sup>1</sup>

(US\$ per tonne)	Feb 2015	Jan 2015	Dec 2014	Nov 2014	Oct 2014
United States	415	449	475	499	482
Europe <sup>2</sup>	430	430	450	450	450
Asia	315	355	415	435	435

<sup>1</sup> Discounts from our posted prices are offered to customers

<sup>2</sup> €354 for Q1 2015 (Q4 2014 - €354) converted to USD

- Average realized price flat at \$390/tonne in Q4 versus \$389/tonne in Q3
- Average contract prices moving lower in Q1, 2015

# Q4-14 Financial & Operational Results



<u>Sales Volumes (000's of tonnes)</u>	<u>Q4-14</u>	<u>Q3-14</u>
Methanex Produced Methanol <sup>1</sup>	1,249	1,258
Purchased Methanol	694	694
Commission Sales	248	191
Total	2,191	2,143
Average realized price (\$/tonne)	390	389
Adjusted EBITDA <sup>2</sup> (\$millions)	150	137
Adjusted net income per common share <sup>2</sup>	\$ 0.85	\$ 0.69
Diluted net income per common share	\$ 1.11	\$ 0.54

<sup>1</sup> Methanex Produced Methanol sales volume includes volume produced under tolling arrangement

<sup>2</sup> Non-GAAP measure attributable to Methanex shareholders reflecting Methanex's proportionate interest in its Egypt and Atlas joint ventures. Please refer to our Q4-14 MD&A for further information.

- Relatively flat produced sales volume and realized price versus Q3
- Higher Adjusted EBITDA helped by better margins in a stable price environment

# Q4-14 Production

<i>(000's of tonnes)</i>	<u>2014</u>	<u>2013</u>	<u>Q4-14</u>	<u>Q3-14</u>	<u>Q4-13</u>
New Zealand	2,196	1,419	542	595	400
Trinidad (Atlas, 63.1% interest)	907	971	233	234	268
Trinidad (Titan)	664	651	127	185	173
Egypt (Methanex interest <sup>1</sup> )	416	623	128	50	159
Medicine Hat	505	476	115	130	86
Chile <sup>2</sup>	165	204	62	10	108
<b>Total</b>	<b>4,853</b>	<b>4,344</b>	<b>1,207</b>	<b>1,204</b>	<b>1,194</b>

<sup>1</sup> Methanex's share of the Egypt facility's production was 60% prior to December 9, 2013 and 50% thereafter.

<sup>2</sup> Chile production includes volumes produced under tolling arrangement

- Higher production in 2014 versus 2013 reflects 2013 expansions in New Zealand and Medicine Hat

# Q4-14 Production

- Chile produced 62,000 tonnes in Q4 after restarting in Q3
- Egypt production improved versus Q3 (81% operating rate versus Q3 32%)
  - Plant was idled for a significant portion of Q3, resumed operations in August
- New Zealand 53,000 tonnes lower versus Q3
  - 5 day pipeline inspection; unplanned plant outage
- Trinidad operations lower in Q4 (72% combined operating rate)
  - Production interruptions at both plants due to state-wide electricity outage and some mechanical issues
  - Q4 gas curtailments were lower than in Q3 2014
- Medicine Hat operating rate of 82%, impacted by unplanned outage and ongoing mechanical issues
- Higher production expected in Q1, 2015



# Summary

- Geismar 1 operation poised to generate solid cash flows
- Methanol pricing declining in response to lower oil environment; modest high cost supply rationalization to date
- Strong balance sheet and liquidity to meet financial commitments
- Delivering on commitment to return excess cash to shareholders

# Forward-looking Statements



## FORWARD-LOOKING INFORMATION WARNING

This Presentation, the Fourth Quarter 2014 Management's Discussion and Analysis ("MD&A") and comments made during the Fourth Quarter 2014 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" 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 that require action by Egyptian governmental entities, expected impact on our results of operations in Egypt or our financial condition as a consequence of civil unrest or actions taken or inaction by the Government of Egypt and its agencies, 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 the planned relocation of idle Chile methanol plants to Geismar, Louisiana, 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, government 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 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 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 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, the 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, satisfaction of conditions precedent contained in the natural gas supply agreement for Geismar 1, and other risks described in our 2013 Annual Management's Discussion and Analysis and this Fourth Quarter 2014 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.