

METHANEX CORP  
Form 6-K  
July 26, 2017  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE MONTH OF JULY 2017

METHANEX CORPORATION  
(Registrant's name)

SUITE 1800, 200 BURRARD STREET, VANCOUVER, BC V6C 3M1 CANADA  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82

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Methanex Corporation  
1800 - 200 Burrard St.  
NEWS RELEASE Vancouver, BC Canada V6C 3M1  
Investor Relations: (604) 661-2600  
www.methanex.com

For immediate release

July 26, 2017

## METHANEX REPORTS SECOND QUARTER 2017 EARNINGS

VANCOUVER, BRITISH COLUMBIA - For the second quarter of 2017, Methanex (TSX:MX) (NASDAQ:MEOH) reported net income attributable to Methanex shareholders of \$84 million (\$0.89 per common share on a diluted basis) compared to net income of \$132 million (\$1.46 per common share on a diluted basis) in the first quarter of 2017. Adjusted EBITDA for the second quarter of 2017 was \$174 million and Adjusted net income was \$74 million (\$0.85 per common share). This compares with Adjusted EBITDA of \$267 million and Adjusted net income of \$140 million (\$1.56 per common share) for the first quarter of 2017.

John Floren, President and CEO of Methanex commented, "The lower Adjusted EBITDA and earnings in the second quarter reflects primarily the decline in methanol prices we saw during the quarter. Our average realized methanol price decreased \$38 per tonne in the quarter to \$327 per tonne, which compares to \$365 per tonne realized in the first quarter of 2017. Sales of produced methanol in the second quarter were 1.79 million tonnes, relatively unchanged compared to the first quarter. Heading into the third quarter, we are encouraged to see some stability in global methanol prices."

"During the quarter we returned \$141 million to shareholders through dividends and share repurchases. To date we have repurchased 3,755,000 common shares for approximately \$168 million since commencement of our normal course issuer bid on March 13, 2017. We announced today that the Board of Directors approved an amendment to the normal course issuer bid which increases the number of common shares that may be purchased from 4,492,141 to 6,152,358 common shares, representing 10% of the public float at the time of the announcement of the bid and the maximum number of common shares that may be purchased under this bid. The increased bid illustrates the Company's commitment to return excess cash to shareholders."

"We continue to be optimistic that our underutilized 1.7 million tonne Chile facilities represent a very low capital cost growth opportunity for Methanex due to the significant progress in developing natural gas reserves in the area. We have low capital and financing requirements in the medium term, and we have the ability to generate significant free cash flow at a wide range of methanol prices. With \$361 million of cash on hand at the end of the second quarter, a revolving credit facility, a robust balance sheet, and strong cash generation capability, we believe we are well positioned to meet our financial commitments, pursue our near-term growth opportunities in Chile and deliver on our commitment to return excess cash to shareholders through dividends and share repurchases," Floren said.

### FURTHER INFORMATION

The information set forth in this news release summarizes Methanex's key financial and operational data for the second quarter of 2017. It is not a complete source of information for readers and is not in any way a substitute for reading the second quarter 2017 Management's Discussion and Analysis ("MD&A") dated July 26, 2017 and the unaudited condensed consolidated interim financial statements for the period ended June 30, 2017, both of which are available from the Investor Relations section of our website at [www.methanex.com](http://www.methanex.com). The MD&A and the unaudited condensed consolidated interim financial statements for the period ended June 30, 2017 are also available on the Canadian Securities Administrators' SEDAR website at [www.sedar.com](http://www.sedar.com) and on the United States Securities and Exchange Commission's EDGAR website at [www.sec.gov](http://www.sec.gov).



## FINANCIAL AND OPERATIONAL DATA

(\$ millions except per share amounts and where noted)	Three Months Ended			Six Months Ended	
	Jun 30 2017	Mar 31 2017	Jun 30 2016	Jun 30 2017	Jun 30 2016
Production (thousands of tonnes) (attributable to Methanex shareholders)	1,614	1,866	1,770	3,480	3,409
Sales volume (thousands of tonnes)					
Methanex-produced methanol	1,790	1,756	1,689	3,546	3,218
Purchased methanol	387	512	533	899	955
Commission sales	297	304	140	601	308
Total sales volume <sup>1</sup>	2,474	2,572	2,362	5,046	4,481
Methanex average non-discounted posted price (\$ per tonne) <sup>2</sup>	398	437	260	418	266
Average realized price (\$ per tonne) <sup>3</sup>	327	365	223	347	227
Revenue	669	810	468	1,480	903
Adjusted revenue	716	832	496	1,548	946
Adjusted EBITDA	174	267	38	441	74
Cash flows from operating activities	250	221	34	470	104
Adjusted net income (loss)	74	140	(31)	214	(55)
Net income (loss) (attributable to Methanex shareholders)	84	132	(3)	216	(26)
Adjusted net income (loss) per common share	0.85	1.56	(0.34)	2.40	(0.62)
Basic net income (loss) per common share	0.96	1.47	(0.03)	2.43	(0.29)
Diluted net income (loss) per common share	0.89	1.46	(0.08)	2.39	(0.34)
Common share information (millions of shares)					
Weighted average number of common shares	88	90	90	89	90
Diluted weighted average number of common shares	88	90	90	89	90
Number of common shares outstanding, end of period	87	89	90	87	90

Methanex-produced methanol represents our equity share of volume produced at our facilities and excludes volume marketed on a commission basis related to the 36.9% of the Atlas facility and 50% of the Egypt facility that we do not own. Methanex-produced methanol includes any volume produced by Chile using natural gas supplied from Argentina under a tolling arrangement ("Tolling Volume"). There has been no Tolling Volume produced since the fourth quarter of 2015.

Methanex average non-discounted posted price represents the average of our non-discounted posted prices in North America, Europe and Asia Pacific weighted by sales volume. Current and historical pricing information is available at [www.methanex.com](http://www.methanex.com).

Average realized price is calculated as revenue, excluding commissions earned and the Egypt non-controlling interest share of revenue, but including an amount representing our share of Atlas revenue, divided by the total sales volume of Methanex-produced and purchased methanol, but excluding Tolling Volume.

A reconciliation from net income (loss) attributable to Methanex shareholders to Adjusted net income (loss) and the calculation of Adjusted net income (loss) per common share is as follows:

(\$ millions except number of shares and per share amounts)	Three Months Ended			Six Months Ended	
	Jun 30 2017	Mar 31 2017	Jun 30 2016	Jun 30 2017	Jun 30 2016
Net income (loss) (attributable to Methanex shareholders)	\$84	\$ 132	\$(3 )	\$216	\$(26 )
Mark-to-market impact of share-based compensation, net of tax	(10 )	8	(7 )	(2 )	(8 )
Argentina gas settlement, net of tax	—	—	(21 )	—	(21 )
Adjusted net income (loss)	\$74	\$ 140	\$(31 )	\$214	\$(55 )
Diluted weighted average shares outstanding (millions)	88	90	90	89	90
Adjusted net income (loss) per common share	\$0.85	\$ 1.56	\$(0.34)	\$2.40	\$(0.62)

We recorded net income attributable to Methanex shareholders of \$84 million during the second quarter of 2017 compared to net income of \$132 million in the first quarter of 2017. The decrease in earnings is primarily due to a decrease in our average realized methanol price during the second quarter. Our average realized price decreased to \$327 per tonne for the second quarter of 2017 from \$365 per tonne for the first quarter of 2017.

We recorded Adjusted EBITDA of \$174 million for the second quarter of 2017 compared with \$267 million for the first quarter of 2017. Adjusted net income was \$74 million for the second quarter of 2017 compared to Adjusted net income of \$140 million for the first quarter of 2017.

Total sales volume for the second quarter of 2017 was 2,474,000 tonnes compared with 2,572,000 tonnes for the first quarter of 2017. Sales of Methanex-produced methanol were 1,790,000 tonnes in the second quarter of 2017 compared with 1,756,000 tonnes in the first quarter of 2017.

Cash flows from operating activities in the second quarter of 2017 were \$250 million compared with \$221 million for the first quarter of 2017, an increase of \$29 million. Cash flows from operating activities in the quarter increased despite a decrease in Adjusted EBITDA primarily as a result of a reduction in non-cash working capital.

Our planned capital expenditures directed towards maintenance, turnarounds and catalyst changes for operations, including our 63.1% share of Atlas and 50% of Egypt, is currently estimated to be approximately \$40 million to the end of 2017.

We announced today that the Board of Directors approved an amendment to the normal course issuer bid which increases the number of common shares that may be purchased from 4,492,141 to 6,152,358 common shares, representing 10% of the public float at the time of the announcement of the bid and the maximum number of common shares that may be purchased under this bid. To date we have repurchased 3,755,000 common shares under the current bid for approximately \$168 million.

During the second quarter of 2017 we paid a \$0.30 per common share dividend to shareholders for a total of \$26 million.

## PRODUCTION HIGHLIGHTS

(thousands of tonnes)	Q2 2017 Operating Capacity <sup>1</sup>	Q1 2017 Production	Q2 2016 Production	YTD Q2 2017 Production	YTD Q2 2016 Production
New Zealand <sup>2</sup>	608	350	533	883	1,086
Geismar (USA)	500	437	493	930	1,010
Trinidad (Methanex interest) <sup>3</sup>	500	449	396	845	730
Egypt (50% interest)	158	159	159	318	128
Medicine Hat (Canada)	150	159	118	277	282
Chile <sup>4</sup>	220	60	167	227	173
	2,136	1,614	1,866	3,480	3,409

Operating capacity includes only those facilities which are currently capable of operating, but excludes any portion of an asset that is underutilized due to a lack of natural gas feedstock over a prolonged period of time. Our current annual operating capacity is 8.5 million tonnes, including 0.9 million tonnes related to our Chile operations. The

<sup>1</sup> operating capacity of our production facilities may be higher than original nameplate capacity as, over time, these figures have been adjusted to reflect ongoing operating efficiencies at these facilities. Actual production for a facility in any given year may be higher or lower than operating capacity due to a number of factors, including natural gas composition or the age of the facility's catalyst.

<sup>2</sup> The operating capacity of New Zealand is made up of the two Motunui facilities and the Waitara Valley facility.

<sup>3</sup> The operating capacity of Trinidad is made up of the Titan (100% interest) and Atlas (63.1% interest) facilities.

<sup>4</sup> The production capacity of our Chile I and IV facilities is 1.7 million tonnes annually assuming access to natural gas feedstock.

Key production and operational highlights during the second quarter include:

New Zealand production was 350,000 tonnes, impacted mainly as a result of a planned turnaround at the Motunui 1 facility.

Geismar production was 437,000 tonnes, impacted by planned maintenance activities.

Trinidad production was 449,000 tonnes. We continue to experience gas curtailments in Trinidad with gas availability in the second quarter of 2017 at improved levels compared to the first quarter of 2017.

Egypt production was 159,000 tonnes (Methanex share). The plant continued to run at high rates in the quarter.

Medicine Hat production was 159,000 tonnes. The plant was shut down for repairs for part of the first quarter of 2017 and since restart has operated at high rates.

Chile production was 60,000 tonnes, produced using only natural gas supply from Chile. Production was impacted by lower gas deliveries during the southern hemisphere winter months and a mechanical issue.

#### CONFERENCE CALL

A conference call is scheduled for July 27, 2017 at 12:00 noon ET (9:00 am PT) to review these second quarter results. To access the call, dial the conferencing operator ten minutes prior to the start of the call at (416) 340-2216, or toll free at (800) 273-9672. A simultaneous audio-only webcast of the conference call can be accessed from our website at [www.methanex.com](http://www.methanex.com). A playback version of the conference call will be available until August 10, 2017 at (905) 694-9451, or toll free at (800) 408-3053. The passcode for the playback version is 2610963#. The webcast will be available on our website for two weeks following the call.

#### ABOUT METHANEX

Methanex is a Vancouver-based, publicly traded company and is the world's largest producer and supplier of methanol to major international markets. Methanex shares are listed for trading on the Toronto Stock Exchange in Canada under the trading symbol "MX" and on the NASDAQ Global Market in the United States under the trading symbol "MEOH".

#### FORWARD-LOOKING INFORMATION WARNING

This second quarter 2017 press release contains forward-looking statements with respect to us and the chemical industry. By its nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond the Company's control. Readers are cautioned that undue reliance should not be placed on forward-looking information as actual results may vary materially from the forward-looking information. Methanex does not undertake to update, correct or revise any forward-looking information as a result of any new information, future events or otherwise, except as may be required by applicable law. Refer to Forward-Looking Information Warning in the second quarter 2017 Management's Discussion and Analysis for more information which is available from the Investor Relations section of our website at [www.methanex.com](http://www.methanex.com), the Canadian Securities Administrators' SEDAR website at [www.sedar.com](http://www.sedar.com) and on the United States Securities and Exchange Commission's EDGAR website at [www.sec.gov](http://www.sec.gov).

#### NON-GAAP MEASURES

The Company has used the terms Adjusted EBITDA, Adjusted net income (loss), Adjusted net income (loss) per common share, Adjusted revenue, and operating income throughout this document. These items are non-GAAP measures that do not have any standardized meaning prescribed by GAAP. These measures represent the amounts that are attributable to Methanex Corporation shareholders and are calculated by excluding the mark-to-market impact of share-based compensation as a result of changes in our share price and the impact of certain items associated with specific identified events. Refer to Additional Information - Supplemental Non-GAAP measures on page 12 of the Company's MD&A for the period ended June 30, 2017 for reconciliations to the most comparable GAAP measures. Unless otherwise indicated, the financial information presented in this release is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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For further information, contact:

Sandra Daycock  
Director, Investor Relations  
Methanex Corporation  
604-661-2600

Management's Discussion and Analysis for the Three and Six Months Ended June 30, 2017	Share Information Methanex Corporation's common shares are listed for trading on the Toronto Stock Exchange under the symbol MX and on the Nasdaq Global Market under the symbol MEOH.	Investor Information All financial reports, news releases and corporate information can be accessed on our website at <a href="http://www.methanex.com">www.methanex.com</a> .
At July 26, 2017 the Company had 86,124,058 common shares issued and outstanding and stock options exercisable for 2,002,622 additional common shares.	Transfer Agents & Registrars CST Trust Company 320 Bay Street Toronto, Ontario Canada M5H 4A6 Toll free in North America: 1-800-387-0825	Contact Information Methanex Investor Relations 1800 - 200 Burrard Street Vancouver, BC Canada V6C 3M1 E-mail: <a href="mailto:invest@methanex.com">invest@methanex.com</a> Methanex Toll-Free: 1-800-661-8851

## SECOND QUARTER MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

Except where otherwise noted, all currency amounts are stated in United States dollars.

### FINANCIAL AND OPERATIONAL HIGHLIGHTS

A reconciliation from net income (loss) attributable to Methanex shareholders to Adjusted net income (loss) and the calculation of Adjusted net income (loss) per common share is as follows:

(\$ millions except number of shares and per share amounts)	Three Months Ended			Six Months Ended	
	Jun 30 2017	Mar 31 2017	Jun 30 2016	Jun 30 2017	Jun 30 2016
Net income (loss) (attributable to Methanex shareholders)	\$84	\$ 132	\$(3 )	\$216	\$(26 )
Mark-to-market impact of share-based compensation, net of tax	(10 )	8	(7 )	(2 )	(8 )
Argentina gas settlement, net of tax	—	—	(21 )	—	(21 )
Adjusted net income (loss) <sup>1</sup>	\$74	\$ 140	\$(31 )	\$214	\$(55 )
Diluted weighted average shares outstanding (millions)	88	90	90	89	90
Adjusted net income (loss) per common share <sup>1</sup>	\$0.85	\$ 1.56	\$(0.34)	\$2.40	\$(0.62)

The Company has used the terms Adjusted EBITDA, Adjusted net income (loss), Adjusted net income (loss) per common share, Adjusted revenue, and operating income throughout this document. These items are non-GAAP measures that do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Refer to Additional Information - Supplemental Non-GAAP Measures on page 12 of the MD&A for reconciliations to the most comparable GAAP measures.

We recorded net income attributable to Methanex shareholders of \$84 million during the second quarter of 2017 compared to net income of \$132 million in the first quarter of 2017. The decrease in earnings is primarily due to a decrease in our average realized methanol price during the second quarter. Our average realized price decreased to \$327 per tonne for the second quarter of 2017 from \$365 per tonne for the first quarter of 2017.

We recorded Adjusted EBITDA of \$174 million for the second quarter of 2017 compared with \$267 million for the first quarter of 2017. Adjusted net income was \$74 million for the second quarter of 2017 compared to Adjusted net income of \$140 million for the first quarter of 2017.

Production for the second quarter of 2017 was 1,614,000 tonnes compared with 1,866,000 tonnes for the first quarter of 2017. Refer to the Production Summary section on page 3 of the MD&A.

Total sales volume for the second quarter of 2017 was 2,474,000 tonnes compared with 2,572,000 tonnes for the first quarter of 2017. Sales of Methanex-produced methanol were 1,790,000 tonnes in the second quarter of 2017 compared with 1,756,000 tonnes in the first quarter of 2017.



We announced today that the Board of Directors approved an amendment to the normal course issuer bid which increases the number of common shares that may be purchased from 4,492,141 to 6,152,358 common shares, representing 10% of the public float at the time of the announcement of the bid and the maximum number of common shares that may be purchased under this bid. To date we have repurchased 3,755,000 common shares under the current bid for approximately \$168 million.

METHANEX CORPORATION 2017 SECOND QUARTER PAGE 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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During the second quarter of 2017 we paid a \$0.30 per common share dividend to shareholders for a total of \$26 million.

This Second Quarter 2017 Management's Discussion and Analysis dated July 26, 2017 for Methanex Corporation ("the Company") should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the period ended June 30, 2017 as well as the 2016 Annual Consolidated Financial Statements and MD&A included in the Methanex 2016 Annual Report. Unless otherwise indicated, the financial information presented in this interim report is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Methanex 2016 Annual Report and additional information relating to Methanex is available on our website at [www.methanex.com](http://www.methanex.com), the Canadian Securities Administrators' SEDAR website at [www.sedar.com](http://www.sedar.com) and on the United States Securities and Exchange Commission's EDGAR website at [www.sec.gov](http://www.sec.gov).

#### FINANCIAL AND OPERATIONAL DATA

(\$ millions except per share amounts and where noted)	Three Months Ended			Six Months Ended	
	Jun 30 2017	Mar 31 2017	Jun 30 2016	Jun 30 2017	Jun 30 2016
Production (thousands of tonnes) (attributable to Methanex shareholders)	1,614	1,866	1,770	3,480	3,409
Sales volume (thousands of tonnes)					
Methanex-produced methanol	1,790	1,756	1,689	3,546	3,218
Purchased methanol	387	512	533	899	955
Commission sales	297	304	140	601	308
Total sales volume <sup>1</sup>	2,474	2,572	2,362	5,046	4,481
Methanex average non-discounted posted price (\$ per tonne) <sup>2</sup>	398	437	260	418	266
Average realized price (\$ per tonne) <sup>3</sup>	327	365	223	347	227
Revenue	669	810	468	1,480	903
Adjusted revenue	716	832	496	1,548	946
Adjusted EBITDA	174	267	38	441	74
Cash flows from operating activities	250	221	34	470	104
Adjusted net income (loss)	74	140	(31)	214	(55)
Net income (loss) (attributable to Methanex shareholders)	84	132	(3)	216	(26)
Adjusted net income (loss) per common share	0.85	1.56	(0.34)	2.40	(0.62)
Basic net income (loss) per common share	0.96	1.47	(0.03)	2.43	(0.29)
Diluted net income (loss) per common share	0.89	1.46	(0.08)	2.39	(0.34)
Common share information (millions of shares)					
Weighted average number of common shares	88	90	90	89	90
Diluted weighted average number of common shares	88	90	90	89	90
Number of common shares outstanding, end of period	87	89	90	87	90

Methanex-produced methanol represents our equity share of volume produced at our facilities and excludes volume marketed on a commission basis related to the 36.9% of the Atlas facility and 50% of the Egypt facility that we do not own. Methanex-produced methanol includes any volume produced by Chile using natural gas supplied from Argentina under a tolling arrangement ("Tolling Volume"). There has been no Tolling Volume produced since the fourth quarter of 2015.

Methanex average non-discounted posted price represents the average of our non-discounted posted prices in North America, Europe and Asia Pacific weighted by sales volume. Current and historical pricing information is available at [www.methanex.com](http://www.methanex.com).

Average realized price is calculated as revenue, excluding commissions earned and the Egypt non-controlling<sup>3</sup> interest share of revenue, but including an amount representing our share of Atlas revenue, divided by the total sales volume of Methanex-produced and purchased methanol, but excluding Tolling Volume.

METHANEX CORPORATION 2017 SECOND QUARTER PAGE 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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## PRODUCTION SUMMARY

(thousands of tonnes)	Q2 2017 Operating Capacity <sup>1</sup>	Q1 2017 Production	Q2 2016 Production	YTD Q2 2017 Production	YTD Q2 2016 Production
New Zealand <sup>2</sup>	608	350	533	883	1,086
Geismar (USA)	500	437	493	930	1,010
Trinidad (Methanex interest) <sup>3</sup>	500	449	396	845	730
Egypt (50% interest)	158	159	159	318	128
Medicine Hat (Canada)	150	159	118	277	282
Chile <sup>4</sup>	220	60	167	227	173
	2,136	1,614	1,866	3,480	3,409

Operating capacity includes only those facilities which are currently capable of operating, but excludes any portion of an asset that is underutilized due to a lack of natural gas feedstock over a prolonged period of time. Our current annual operating capacity is 8.5 million tonnes, including 0.9 million tonnes related to our Chile operations. The

<sup>1</sup> operating capacity of our production facilities may be higher than original nameplate capacity as, over time, these figures have been adjusted to reflect ongoing operating efficiencies at these facilities. Actual production for a facility in any given year may be higher or lower than operating capacity due to a number of factors, including natural gas composition or the age of the facility's catalyst.

<sup>2</sup> The operating capacity of New Zealand is made up of the two Motunui facilities and the Waitara Valley facility (refer to the New Zealand section below).

<sup>3</sup> The operating capacity of Trinidad is made up of the Titan (100% interest) and Atlas (63.1% interest) facilities (refer to the Trinidad section below).

<sup>4</sup> The production capacity of our Chile I and IV facilities is 1.7 million tonnes annually assuming access to natural gas feedstock.

## New Zealand

The New Zealand facilities produced 350,000 tonnes of methanol in the second quarter of 2017 compared with 533,000 tonnes in the first quarter of 2017. During the second quarter of 2017 production was impacted mainly as a result of a planned turnaround at the Motunui 1 facility. The New Zealand facilities are capable of producing up to 2.4 million tonnes annually, depending on natural gas composition.

## United States

The Geismar facilities produced 437,000 tonnes during the second quarter of 2017 compared to 493,000 tonnes during the first quarter of 2017. Lower production in the second quarter of 2017 as compared to the first quarter of 2017 was a result of planned maintenance activities undertaken at both of the Geismar plants. Maintenance activities were completed at Geismar 1 in May and at Geismar 2 in mid-July 2017.

## Trinidad

The Trinidad facilities produced 449,000 tonnes (Methanex interest) in the second quarter of 2017 compared with 396,000 tonnes (Methanex interest) in the first quarter of 2017. We continue to experience gas curtailments in Trinidad with gas availability in the second quarter of 2017 at improved levels compared to the first quarter of 2017.

## Egypt

The Egypt facility produced 318,000 tonnes (Methanex share - 159,000 tonnes) in the second quarter of 2017 compared to 318,000 tonnes (Methanex share - 159,000 tonnes) in the first quarter of 2017. The plant continued to run at high rates in the quarter.

The Egypt facility has experienced periodic natural gas supply restrictions since mid-2012. Gas deliveries in 2017 have improved significantly compared to 2016. We are optimistic that the strong efforts by Egyptian governmental entities to fast-track existing and new upstream gas supply in Egypt are leading to improved gas deliveries and an improved outlook for gas deliveries in the medium term.



#### Canada

The Medicine Hat facility produced 159,000 tonnes during the second quarter of 2017 compared with 118,000 tonnes during the first quarter of 2017. The plant was shut down for repairs for part of the first quarter of 2017 and since restart has operated at high rates.

#### Chile

The Chile facility produced 60,000 tonnes during the second quarter of 2017, produced using only natural gas supplies from Chile, compared to 167,000 tonnes during the first quarter of 2017. Lower gas deliveries during the southern hemisphere winter months and a mechanical issue at the plant resulted in lower production during the second quarter of 2017. Based on our current view of gas availability in Chile, we believe that there is sufficient gas for us to continue to operate through the remainder of the southern hemisphere winter at reduced rates.

The future of our Chile operations is primarily dependent on the level of natural gas exploration and development in southern Chile and our ability to secure a sustainable natural gas supply to our facilities on economic terms from Chile and Argentina. We continue to be optimistic that our underutilized 1.7 million tonne Chile facilities represent a very low capital cost growth opportunity for Methanex due to the significant progress in developing natural gas reserves in the area.

#### FINANCIAL RESULTS

For the second quarter of 2017, we reported net income attributable to Methanex shareholders of \$84 million (\$0.89 per common share on a diluted basis) compared with net income attributable to Methanex shareholders for the first quarter of 2017 of \$132 million (\$1.46 per common share on a diluted basis).

For the second quarter of 2017, we recorded Adjusted EBITDA of \$174 million and Adjusted net income of \$74 million (\$0.85 per common share). This compares with Adjusted EBITDA of \$267 million and Adjusted net income of \$140 million (\$1.56 per common share) for the first quarter of 2017.

We calculate Adjusted EBITDA and Adjusted net income (loss) by including amounts related to our equity share of the Atlas facility (63.1% interest) and by excluding the non-controlling interests' share, the mark-to-market impact of share-based compensation as a result of changes in our share price and the impact of certain items associated with specific identified events. Refer to Additional Information - Supplemental Non-GAAP Measures on page 12 of the MD&A for a further discussion on how we calculate these measures. Our analysis of depreciation and amortization, finance costs, finance income and other expenses, and income taxes is consistent with the presentation of our consolidated statements of income and excludes amounts related to Atlas.

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We review our financial results by analyzing changes in Adjusted EBITDA, mark-to-market impact of share-based compensation, depreciation and amortization, finance costs, finance income and other expenses, and income taxes. A summary of our consolidated statements of income (loss) is as follows:

(\$ millions)	Three Months Ended			Six Months Ended	
	Jun 30 2017	Mar 31 2017	Jun 30 2016	Jun 30 2017	Jun 30 2016
Consolidated statements of income (loss):					
Revenue	\$669	\$810	\$468	\$1,480	\$903
Cost of sales and operating expenses	(502)	(559)	(430)	(1,062)	(834)
Mark-to-market impact of share-based compensation	(12)	10	(8)	(2)	(9)
Adjusted EBITDA (attributable to associate)	41	34	13	75	21
Amounts excluded from Adjusted EBITDA attributable to non-controlling interests	(22)	(28)	(5)	(50)	(7)
Adjusted EBITDA (attributable to Methanex shareholders)	174	267	38	441	74
Mark-to-market impact of share-based compensation				12	