

**alfa**

# **Unlocking Value**

Axtel spin-off proposal

June 27, 2022



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## Highlights – Axtel spin-off proposal

- Proposal to **transfer ALFA’s share ownership of Axtel to ALFA Shareholders** via spin-off
- Spin-off intended to unlock ALFA’s and its Subsidiaries’ **high underlying value potential**
- ALFA’s stake in Axtel to be **spun-off into new, publicly traded entity** in BMV (“Controladora Axtel”)
- ALFA shareholders would receive **one share of Controladora Axtel** for each ALFA share
- **Axtel is a leading provider** of managed information and communications technology services
- **No changes to Axtel’s listing** as a result of ALFA’s spin-off of “Controladora Axtel”
- Extraordinary Shareholders’ Meeting to **approve the proposal on July 12, 2022**

# ALFA developed a diversified portfolio of businesses with leading industry positions



#1 in the production of PTA, PET and EPS in the Americas



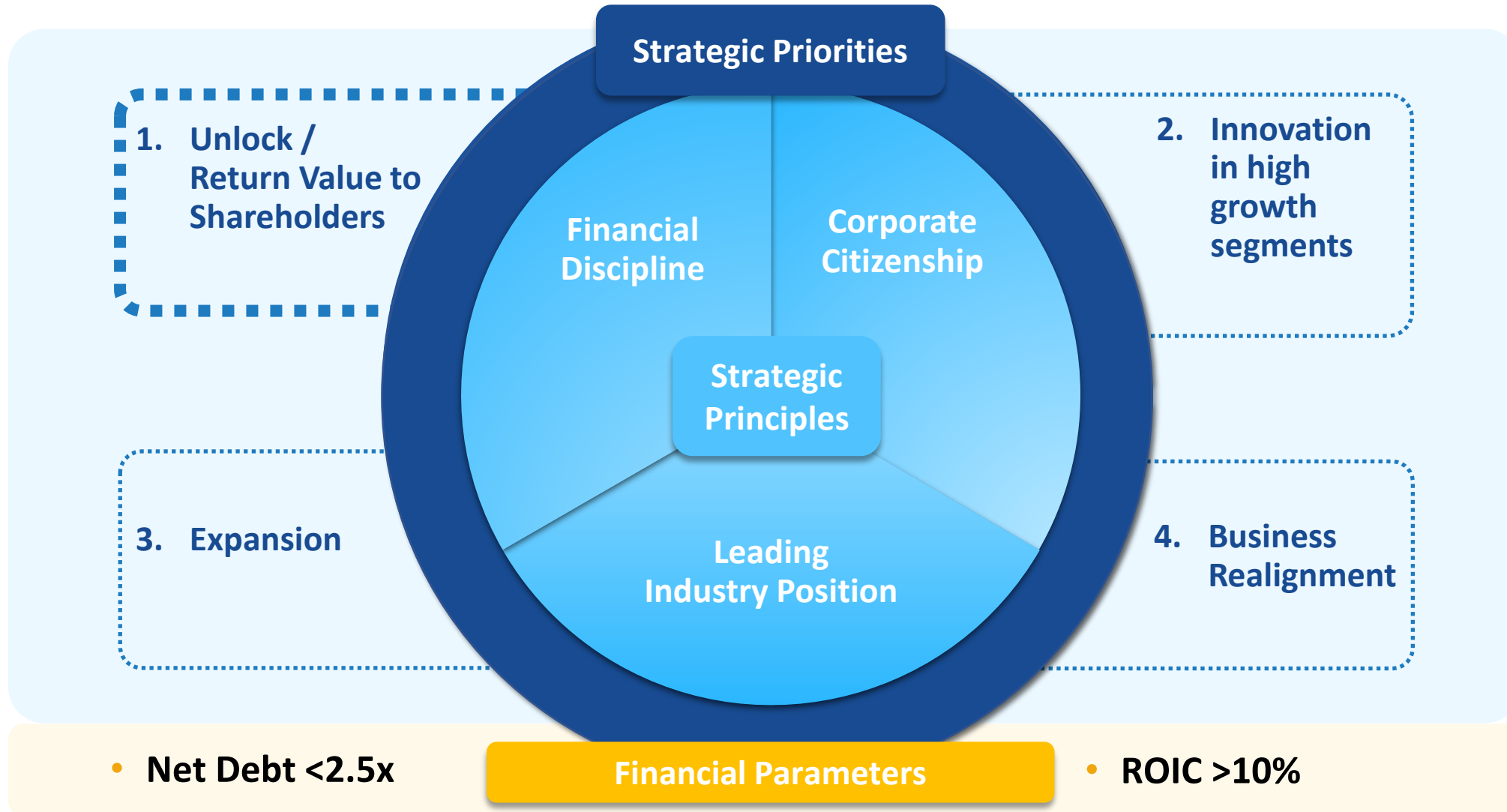
Leading brands across regions, categories and consumer segments



8 out of 10 Mexican Corporates use Axtel's IT and Telecom services



# “Unlocking Value” initiative among ALFA’s top strategic priorities








# “Unlocking Value” initiative advancing on 3 key directives



- **Gradual and orderly** transformation process
- Focus on **transfer of value** to shareholders
- **Balanced approach** – Unlocking Value / Dividends / Buybacks

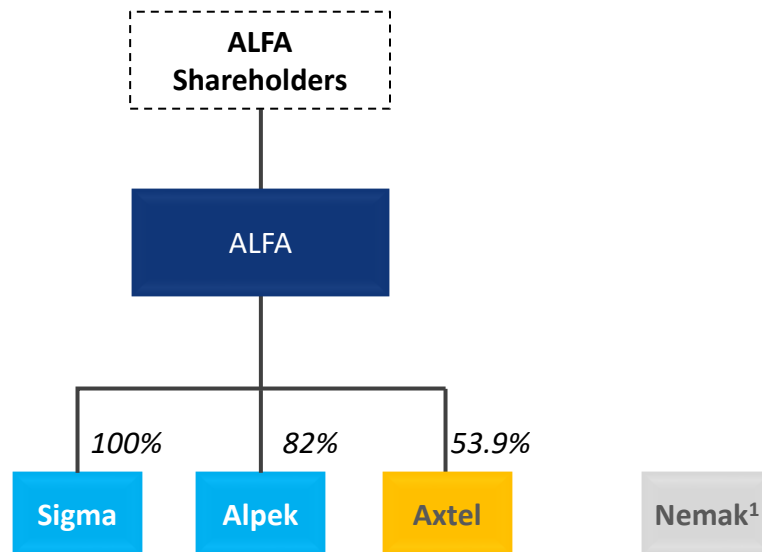
# “Unlocking Value” initiative – sample developments



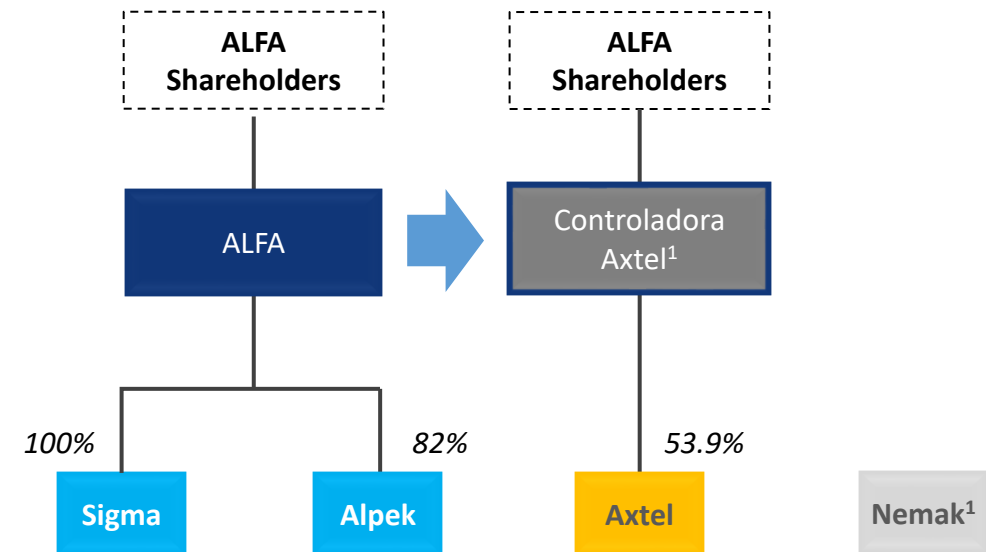
Business	Sample developments	Strengthen the Balance Sheet	Enhance independence	Strengthen the businesses
	<p>Consistent improvement since 4Q20 in consolidated Net Debt/EBITDA ratio</p> <p>Transition of shared service capabilities; 18% Corporate headcount reduction in 2021</p>	✓	✓	
	Octal acquisition			✓
	New sources of revenue being developed by “Growth” business unit (e.g. Plant-based)			✓
	<b><i>Spin-off proposal</i></b>		✓	
	First independent business; spun-off in 2020		✓	

# Axtel to become second independent business

### ALFA Corporate Structure (Current)



### ALFA Corporate Structure (with Axtel spin-off)



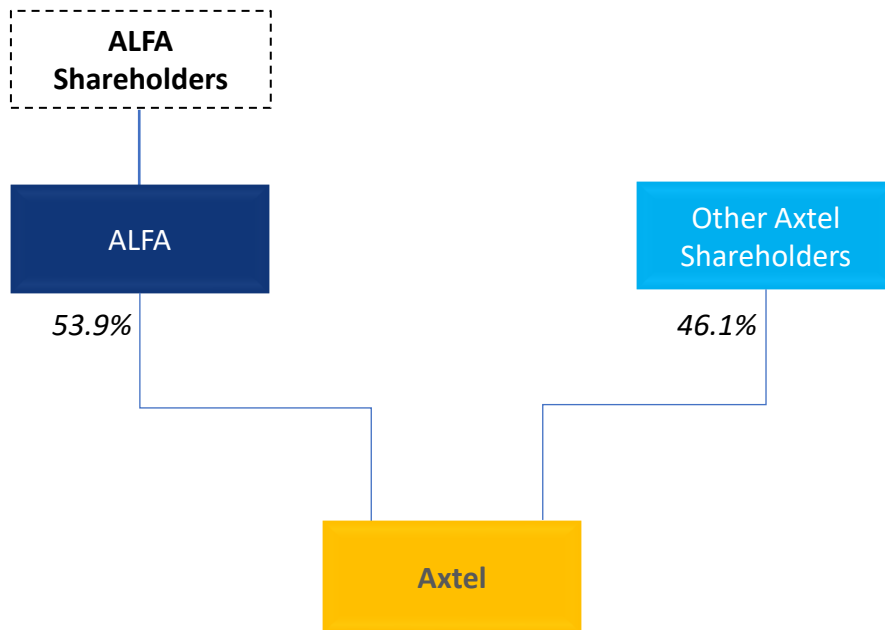
1. ALFA's entire share ownership in Nemak was distributed to ALFA shareholders on December 2020.



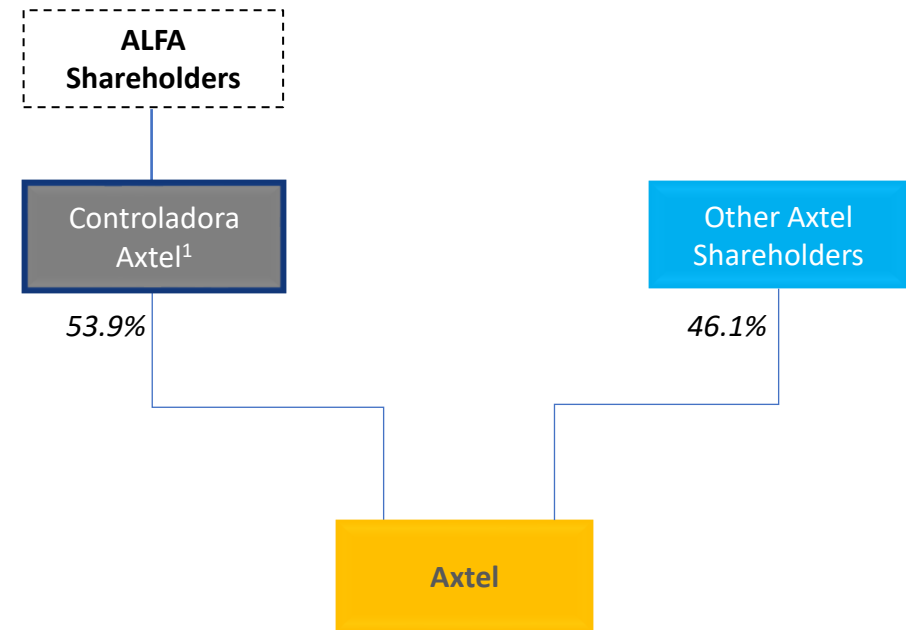
# Axtel shareholder structure – before and after proposed spin-off



### Axtel Shareholder Structure (Current)

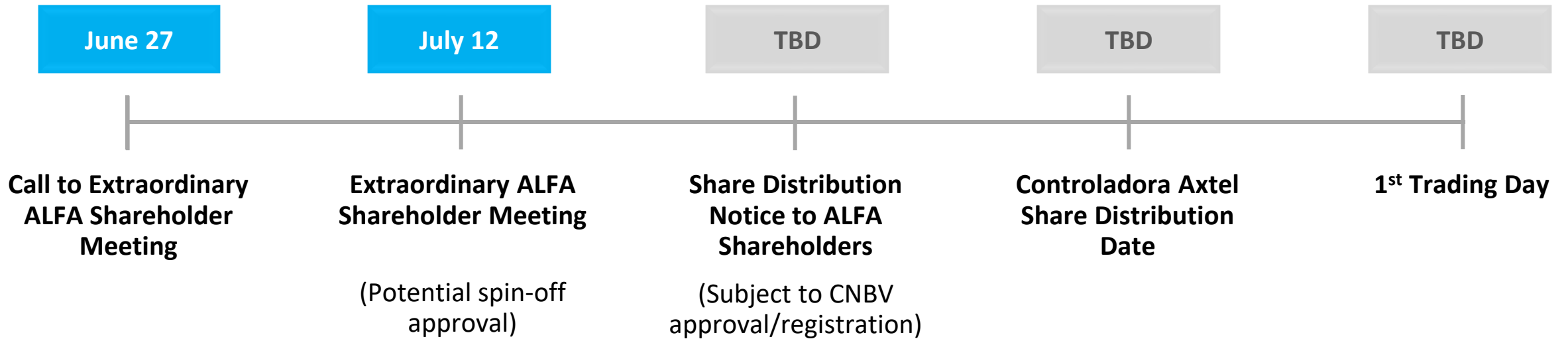


### Axtel Shareholder Structure (After spin-off)



1. New, publicly traded entity listed in the Mexican Bolsa (BMV)

# Important Dates – Proposed Axtel spin-off



*Nemak spin-off timeline (For reference)*



# Axtel is a leading provider of managed information and communications technology services



- 8 out of 10 Mexican Corporates use Axtel's services
- Two business units: Service and Infrastructure
- 25 years being leader in Digital Transformation
- Leading neutral infrastructure operator in MX
  - 47,300 km fiber optic network
- First virtual mobile operator in MX
- Strong innovation capabilities



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