

ALFA reports 2Q23 EBITDA of US \$360 million with Axtel as Discontinued Operations

2Q23 HIGHLIGHTS

<p>ALFA</p>	<ul style="list-style-type: none"> ▶ 2Q23 Comparable EBITDA of US \$425 million as better-than-expected results at Sigma partially offset a significant decline in Alpek ▶ Successfully executed the Axtel spin-off; corporate portfolio streamlined down to Sigma and Alpek ▶ Full-year EBITDA Guidance adjusted down 5% to reflect a downward revision by Alpek and an upward revision by Sigma
<p>Sigma</p>	<ul style="list-style-type: none"> ▶ Record-high quarterly Revenue and EBITDA in 2Q23 ▶ Better-than-expected results in the Americas driven by solid demand, favorable raw material cost trends, Foodservice, and the appreciation of the Mexican peso ▶ Guidance revised up supported by year-to-date results and positive outlook: Revenue US \$8.6 billion and EBITDA US \$880 million
<p>Alpek</p>	<ul style="list-style-type: none"> ▶ 2Q23 Revenue and Comparable EBITDA down 27% and 46% year-on-year, respectively ▶ A challenging feedstock price environment, the normalization of ocean freight rates, and lower industry reference margins impacted performance ▶ 2023 Comparable EBITDA Guidance revised down to US \$770 million
<p>Axtel (Discontinued Operations)</p>	<ul style="list-style-type: none"> ▶ <i>Accounting for Axtel as a Discontinued Operation in ALFA's financial statements ended on May 29, 2023 as a result of the spin-off</i> ▶ <i>Please refer to Axtel's 2Q23 Earnings Report for the analysis of full quarterly and accumulated operating figures (see Appendix)</i>

Message from ALFA's President

"We achieved another important milestone of our transformation process with the listing of Controladora Axtel on the Mexican Stock Exchange during the second quarter. Regarding our operations, ALFA's 2Q23 consolidated results benefitted from a better-than-expected performance at Sigma which partially offsets a decline in Alpek.

By completing the Axtel spin-off, ALFA has streamlined its portfolio of core businesses down to Sigma and Alpek. In addition, shareholders have gained autonomy through independent ownership positions in Nemark and Axtel.

We remain focused on moving ahead in the most efficient manner while ensuring a strong financial position for ALFA, Sigma and Alpek. Higher EBITDA generation from Sigma is key to continue building upon our orderly transformation process. In addition, ALFA's valuable assets and solid cashflow generation present various opportunities to reduce debt over time, which is also crucial.

ALFA's consolidated 2Q23 Revenue was down 10% and Comparable EBITDA decreased 20% year over year due to weak results at Alpek. Besides the anticipated normalization in ocean freight rates and decrease in global reference margins, Alpek faced a challenging feedstock price environment; marked by a significant paraxylene price disconnection (North America vs Asia) that has weighed on Polyester volume.

Sigma posted solid performance and announced important developments. 2Q23 Revenue increased 15% year over year and Comparable EBITDA was up 33%, boosted by better-than-expected results in Mexico and the United States. Our food business successfully capitalized on solid demand in the Americas, easing raw material cost pressures and a much stronger Mexican peso.

In Europe, Sigma undertook a major restructure of its administrative functions amid higher raw material cost pressures and soft volume trends. The expected benefits from this initiative include cost savings, higher accountability and greater organizational alignment to accelerate the recovery in this region.

During the second quarter, Sigma also executed its second acquisition year to date in the United States; a majority stake in Los Altos Foods ("Los Altos"). Los Altos' portfolio of authentic Hispanic cheese products and production capacity in the West Coast offer a unique opportunity to reinforce Sigma's presence in the rapidly growing multicultural U.S. consumer market.

In addition, Sigma advanced on the ESG front by obtaining approval for its near-term greenhouse gas emissions reduction targets from the Science Based Targets initiative (SBTi). ALFA now contributes towards a more sustainable future through SBTi-approved decarbonization targets at its two remaining core businesses: Alpek and Sigma.

Looking to the remainder of the year, ALFA's 2023 guidance was revised to reflect adjustments at Alpek and Sigma. Annual consolidated Revenues and EBITDA estimations were lowered to US \$16.431 billion and US \$1.530 billion, respectively.

Our petrochemical business reduced its full-year Comparable EBITDA guidance to US \$770 million amid a more challenging feedstock price environment that has weighed on volume and margins. In addition, Alpek estimates an annual impact of US \$110 million from extraordinary items.

On the upside, demand, raw material costs and the appreciation of the Mexican peso are trending more favorably for Sigma. Therefore, 2023 EBITDA guidance in our food business increased to US \$880 million.

Sigma and Alpek maintain solid financial positions as ALFA remains disciplined in its methodic approach to complete the final stage of the transformation process. I want to extend a special thanks to all our team members for their continued hard work throughout the quarter towards achieving our goals.”

All the best,

Álvaro Fernández

Important note on changes to ALFA's Consolidated Financial Statements

ALFA's shareholders approved to spin-off ALFA's share ownership of Axtel into a new, listed entity called "Controladora Axtel" on July 12, 2022. The shares of "Controladora Axtel" were distributed to ALFA shareholders and began trading on the Mexican Stock Exchange on May 29, 2023. In accordance with International Financial Reporting Standards (IFRS), Axtel meets the definition of a "Discontinued Operation" for purposes of ALFA's Consolidated Financial Statements. "Discontinued Operations" are the net results of an entity that is either being held for disposal or which has already been disposed of.

The changes in ALFA's Consolidated Financial Statements are as follows:

- ▼ The Consolidated Statement of Financial Position presents Axtel's assets as "Current assets from discontinued operations" and its liabilities as "Current liabilities from discontinued operations" at the close of 1Q23 and 2Q22. At the close of 2Q23, all items are eliminated. Prior periods are not restated.
- ▼ The Consolidated Statement of Income presents Axtel's net revenues and expenses as a single line item "Profit (loss) from discontinued operations" as follows:
 - 2Q22: accumulated figures for the three months ended June 30, 2022
 - 1Q23: accumulated figures for the three months ended March 31, 2023
 - 2Q23: accumulated figures for the one month and 29 days ended May 29, 2023
 - 2022: accumulated figures for the six months ended June 30, 2022
 - 2023: accumulated figures for the four months and 29 days ended May 29, 2023
- ▼ The Change in Net Debt presents Axtel's net inflows and outflows as a single line item "Decrease (Increase) in Net Debt from discontinued operations" as follows:
 - 2Q22: accumulated figures for the six months ended June 30, 2022
 - 1Q23: no figures presented related to Axtel
 - 2Q23: no figures presented related to Axtel
- ▼ The Change in Net Debt also presents Axtel's Net Debt balance as "Net Debt from discontinued operations" at the close of 3Q22. Prior periods are not restated and subsequent periods (2Q23, 1Q23 and 4Q22) do not present figures related to Axtel.

SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	2Q23	1Q23	2Q22	Ch.% vs. 1Q23	Ch.% vs. 2Q22	2023	2022	Ch. %
ALFA & Subs with Axtel as Discontinued Operations								
ALFA Revenues	4,221	4,085	4,709	3	(10)	8,306	8,778	(5)
Alpek	2,050	2,062	2,815	(1)	(27)	4,112	5,147	(20)
Sigma	2,143	1,991	1,870	8	15	4,134	3,582	15
ALFA EBITDA¹	360	376	672	(4)	(46)	736	1,282	(43)
Alpek	148	187	507	(21)	(71)	335	964	(65)
Sigma	217	192	172	13	26	409	333	23
ALFA Comparable EBITDA²	425	396	534	7	(20)	821	1,020	(20)
Alpek	201	207	369	(3)	(46)	408	702	(42)
Sigma	229	192	172	19	33	421	333	26
Majority Net Income³	9	(14)	243	161	(96)	(6)	453	(101)
CAPEX & Acquisitions⁴	196	86	572	129	(66)	282	648	(57)
ALFA Net Debt⁵	4,994	5,049	5,406	(1)	(8)	4,994	5,406	(8)
Alpek	1,879	2,082	1,776	(10)	6	1,879	1,776	6
Sigma	2,012	1,840	1,772	9	14	2,012	1,772	14
ALFA Net Debt/EBITDA ⁶	3.3	2.7	2.2					
ALFA Interest Coverage ⁷	4.1	5.3	7.6					
Axtel (as Discontinued Operations)⁸								
Revenues	95	145	125	(34)	(24)	240	248	(3)
EBITDA	25	28	34	(11)	(26)	53	68	(22)
CAPEX & Acquisitions	0	0	0	-	-	0	0	-
Net Debt	0	0	0	-	-	0	0	-

1 EBITDA= Operating Income + depreciation and amortization + impairment of assets

2 Comparable EBITDA = Operating Income + depreciation and amortization + impairment of assets + extraordinary items

3 Majority Net Income includes Majority Net Income from Discontinued Operations (Axtel)

4 Figure includes divestments

5 Net Debt adjusted for Discontinued Operations (Axtel) at the close of 3Q22; previous periods unchanged

6 Times. LTM= Last 12 months. Ratio calculated with Discontinued Operations for all periods

7 Times. LTM= Last 12 months. Interest Coverage= EBITDA/Net Financial Expenses with Discontinued Operations for all periods

8 Please refer to Axtel's 2Q23 Earnings Report for the analysis of full quarterly and accumulated operating figures. See "Appendix - 2Q23 Reports of Listed Businesses" (pg. 40)

2Q23 EARNINGS CALL INFORMATION

Date: Thursday, July 27, 2023

Time: 2:00 p.m. EDT (NY) / 12:00 p.m. CST (CDMX)

Registration: https://us02web.zoom.us/webinar/register/WN_59gRyIRJRp-Jg_OM90B55w

Replay: <https://www.alfa.com.mx/en/events/>

About ALFA

ALFA is comprised mainly of two leading businesses with global operations: Sigma, a leading multinational food company, focused on the production, marketing and distribution of quality foods through recognized brands in Mexico, Europe, United States and Latin America. Alpek, one of the world's leading producers of polyester (PTA, PET, rPET and fibers), and the leader in the Mexican market for polypropylene (PP) and expandable polystyrene (EPS). In 2022, ALFA reported revenues of Ps. 363,864 million (US \$18.1 billion), and EBITDA of Ps. 42,020 million (US \$2.1 billion). ALFA's shares are quoted on the Mexican Stock Exchange and on Latibex, the market for Latin American shares of the Madrid Stock Exchange. For more information, please visit www.alfa.com.mx

Disclaimer

This release may contain forward-looking information based on numerous variables and assumptions that are inherently uncertain. They involve judgments with respect to, among other things, future economic, competitive and financial market conditions and future business decisions, all of which are difficult or impossible to predict accurately. Accordingly, future results could vary from those set forth in this release. The report presents unaudited financial information. Figures are presented in Mexican Pesos or US dollars, as indicated. Where applicable, Peso amounts were translated into US dollars using the average exchange rate of the months during which the operations were recorded. Financial ratios are calculated in US dollars. Due to the rounding up of figures, small differences may occur when calculating percent changes from one period to the other.