

3Q23

Earnings Presentation

October 2023

The Alfa logo consists of the word "alfa" in a white, lowercase, sans-serif font. A small yellow triangle is positioned at the top right of the letter "a". The logo is set against a dark blue background with a pattern of concentric, curved lines that create a sense of depth and motion.

alfa



Safe Harbor

This presentation contains 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 are likely to vary from those set forth in this presentation. Copyright © 2023 ALFA, S.A.B. de C.V. All rights reserved. Reproduction and distribution is forbidden without the prior written consent of ALFA, S.A.B. de C.V.



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 2Q22. At the close of 2Q23, all Axtel figures were eliminated. Subsequent periods do not include Axtel figures. 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:
 - 3Q22: accumulated figures for the three months ended September 30, 2022
 - 2Q23: accumulated figures for the one month and 29 days ended May 29, 2023
 - 3Q23: no figures presented related to Axtel
 - 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:
 - 3Q22: accumulated figures for the three months ended September 30, 2022
 - 2Q23: no figures presented related to Axtel
 - 3Q23: no figures presented related to Axtel
 - 2022: accumulated figures for the nine months ended September 30, 2022
 - 2023: 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 (3Q23, 2Q23, 1Q23 and 4Q22) do not present figures related to Axtel.

- **Initiated succession plans for its Chairman of the Board position; pending final Shareholder approval**
 - Armando Garza Sada stepping down in 1Q24 and will remain in the Board
 - Álvaro Fernández Garza appointed to become Chairman and will maintain current President position
- **ALFA's 3Q23 Revenues and EBITDA down y-o-y; outstanding growth at Sigma vs significant decline at Alpek**
 - Sigma: Record-high quarterly Volume, Revenues and EBITDA
 - Alpek: Persistent industry/macro headwinds, including low reference margins in PET and EPS
- **Progress on ALFA's transformational efforts**
 - Initiated succession plans for Senior Counsel position - further simplification of corporate structure
 - Sigma EBITDA growth enhances ALFA's financial flexibility in final phase of transformational process
 - Alpek maintains a solid stand-alone financial position supported by cash-maximizing efforts
 - ALFA actively seeking to accelerate debt reduction at the Parent level

Initiated succession plans for its Chairman of the Board position



Armando Garza Sada
Chairman of the Board

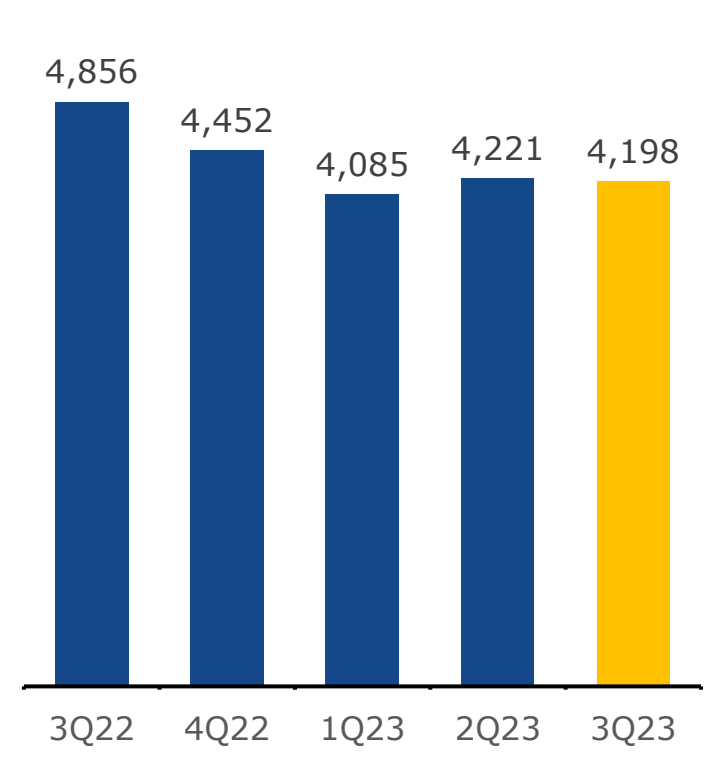
Álvaro Fernández Garza
President

- **Plan approved by Board of Directors on Sept. 26, 2023**
 - To be presented for final Shareholder approval in 1Q24
- **Armando will step down from current Chairman position**
 - Will remain on the Board
- **Álvaro appointed Chairman**
 - Will retain position as President

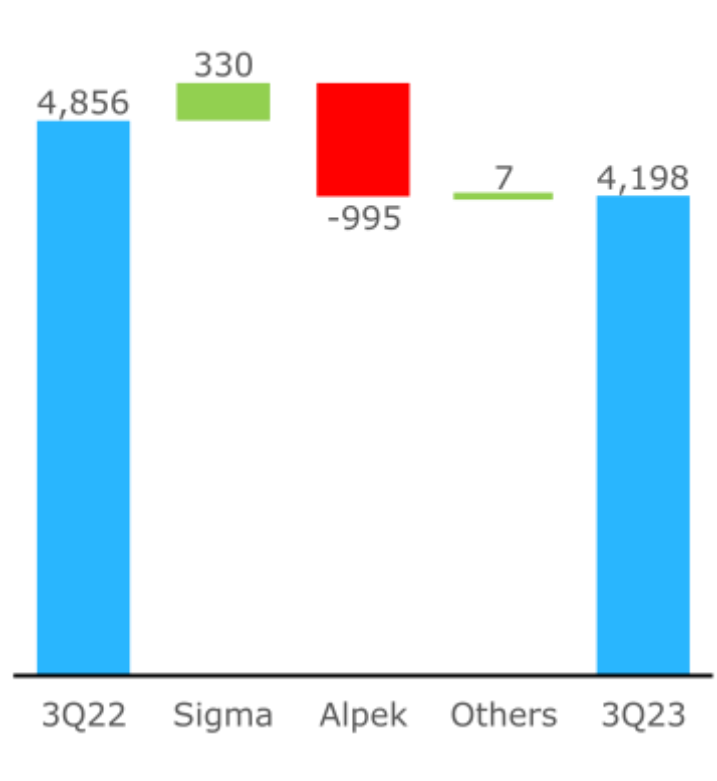
3Q23 Revenues were lower year-on-year as growth in Sigma was offset by a decrease at Alpek

ALFA & Subs*

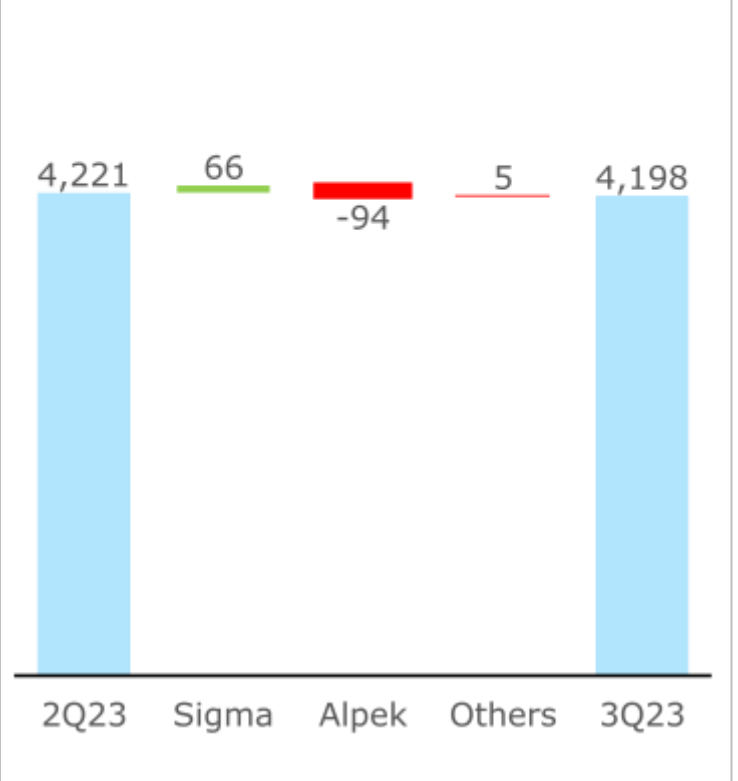
Revenues
(US \$ Million)



Revenues 3Q23 vs 3Q22
(US \$ Million)



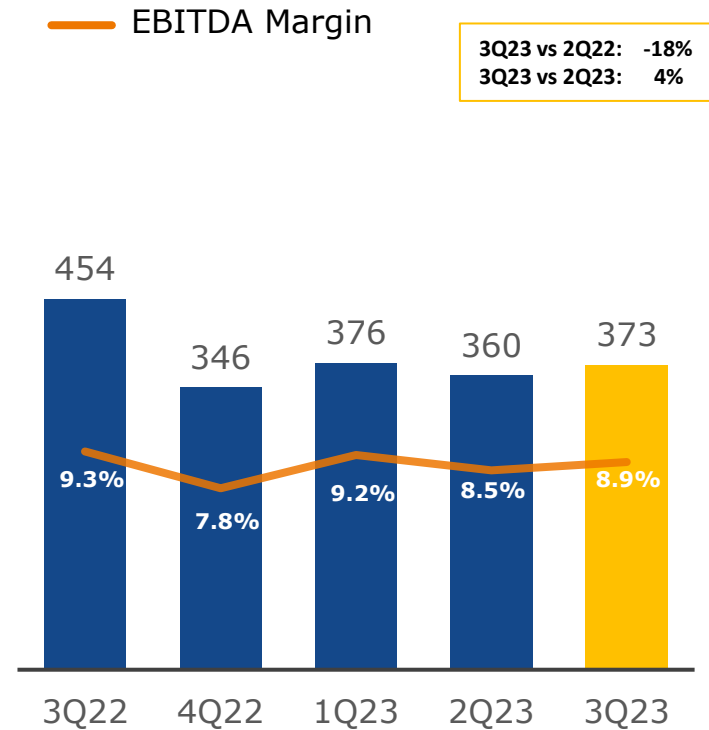
Revenues 3Q23 vs 2Q23
(US \$ Million)



*Axtel reported as discontinued operations from 3Q22 to 2Q23. No figures presented related to Axtel in 3Q23.

ALFA & Subs*

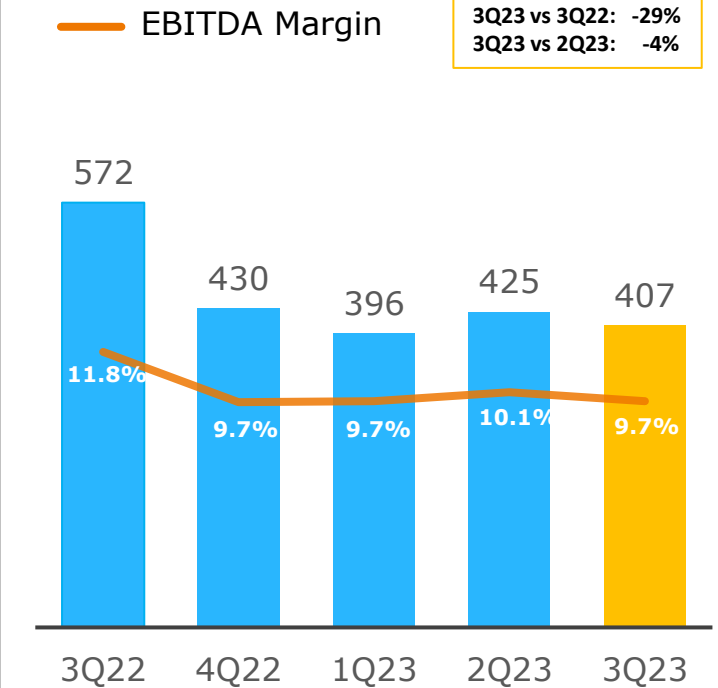
Reported EBITDA (US \$ Million)



Extraordinary Items (US \$ Million)

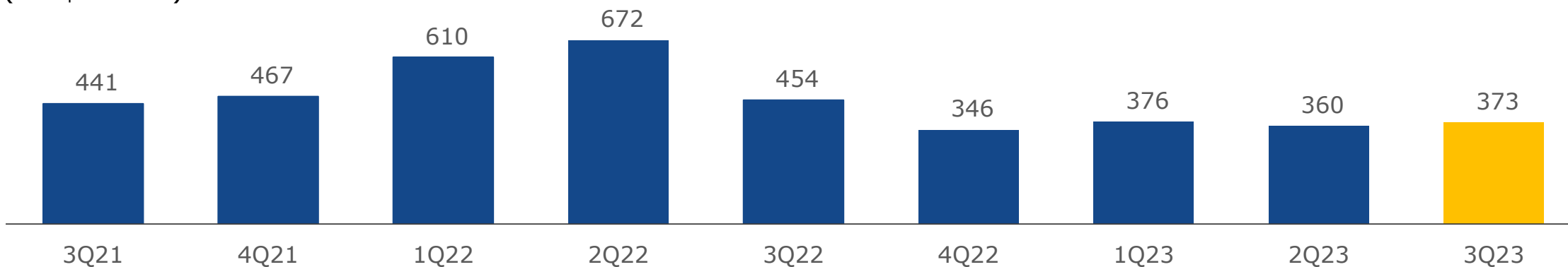
	3Q22	4Q22	1Q23	2Q23	3Q23
ALPEK	(118)	(84)	(20)	(53)	(34)
SIGMA	-	-	-	(12)	-
TOTAL	(118)	(84)	(20)	(65)	(34)

Comparable EBITDA (US \$ Million)

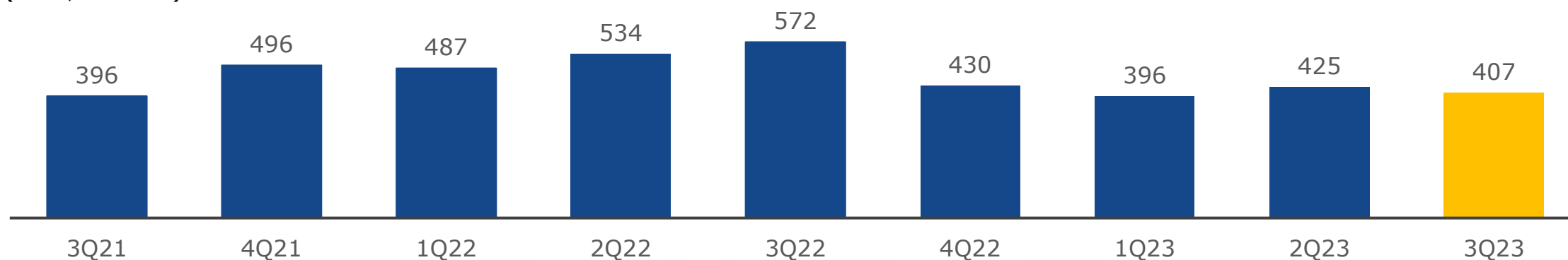


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Reported EBITDA*
(US \$ Million)



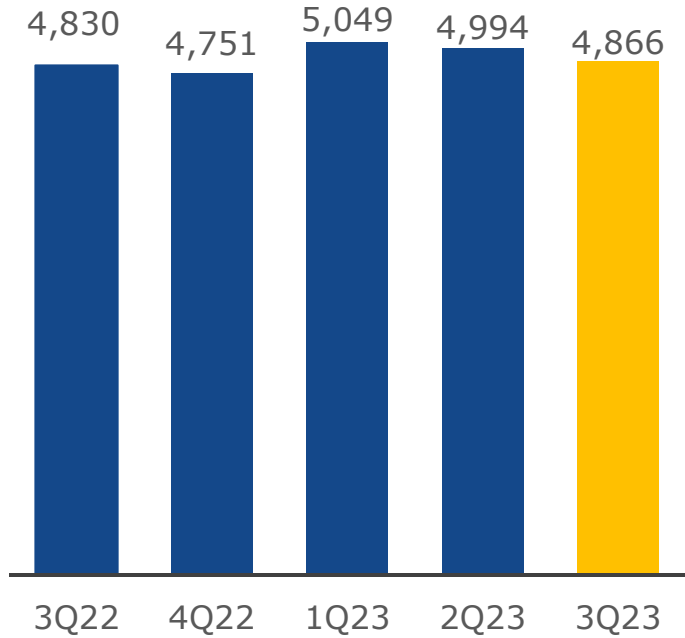
Comparable EBITDA*
(US \$ Million)



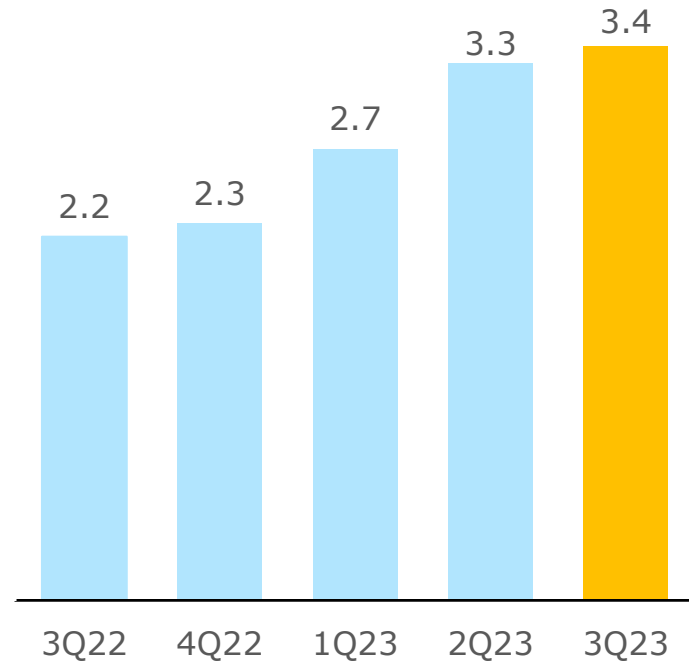
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ALFA & Subs*

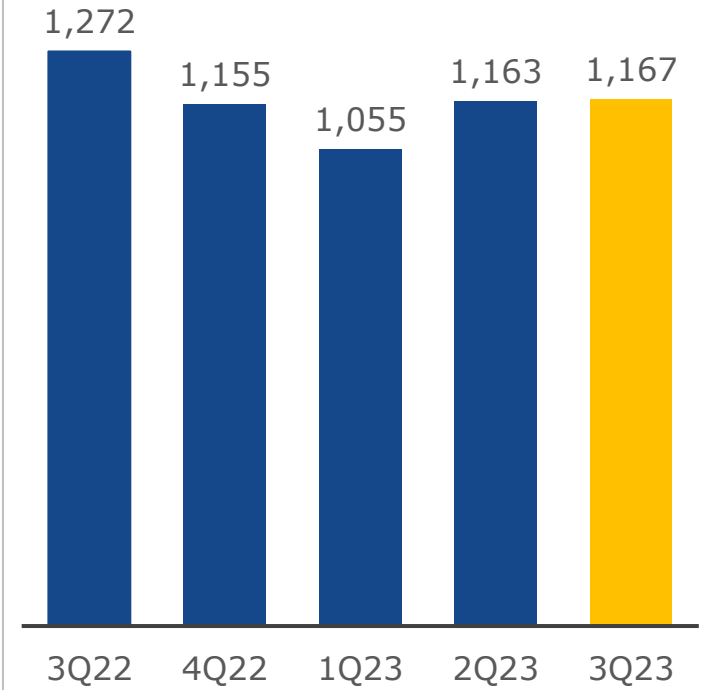
ALFA Net Debt
(US \$ Million)



Net Leverage Ratio
(Net Debt/EBITDA)



Cash
(US \$ Million)



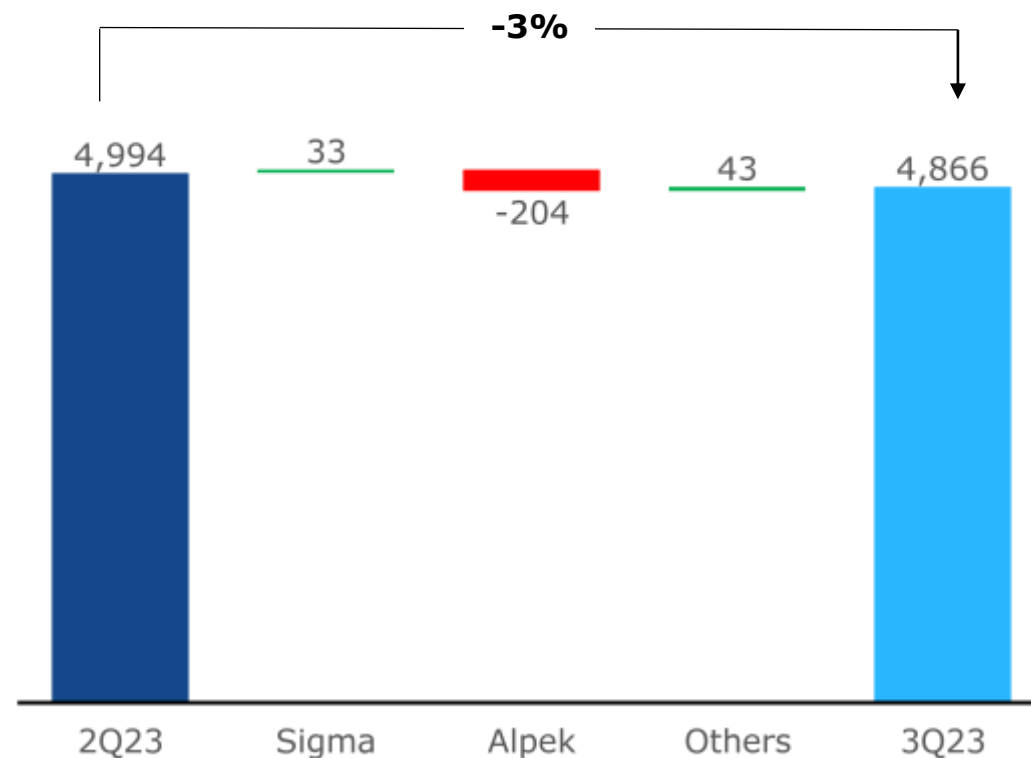
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ALFA Consolidated

Change in Net Debt
(US \$ Million)

	3Q23
EBITDA	373
Net Working Capital (NWC)	112
Capital Expenditures & Acq. (Capex)	(96)
Net Financial Expenses	(104)
Taxes	(95)
Dividends	(15)
Other Sources (Uses)	(48)
Decrease (Increase) in Net Debt	127

Change in Net Debt 2Q23 vs 3Q23
(US \$ Million)





Carlos Jiménez Barrera
 Chief Legal, Audit
 & Institutional Relations Director

- **Succession process at Legal, Audit and Institutional Relations Department, headed by Carlos Jiménez**
- **Carlos will leave his current Senior Management position**
 - Distinguished 45-year career at ALFA
 - Valuable counsel and guidance in key corporate processes
 - Will remain as Secretary of the Boards of ALFA and Subs
- **Transition includes reorganization of functions; furthering corporate simplification**
 - Oversight of Legal department transferred to Eduardo Escalante (CFO)
 - Carlos Argüelles joined ALFA as Legal Director on August 1, 2023; more than 20 years of legal experience

ALFA Chairman and Senior Executives

1Q20 (pre-transformation)

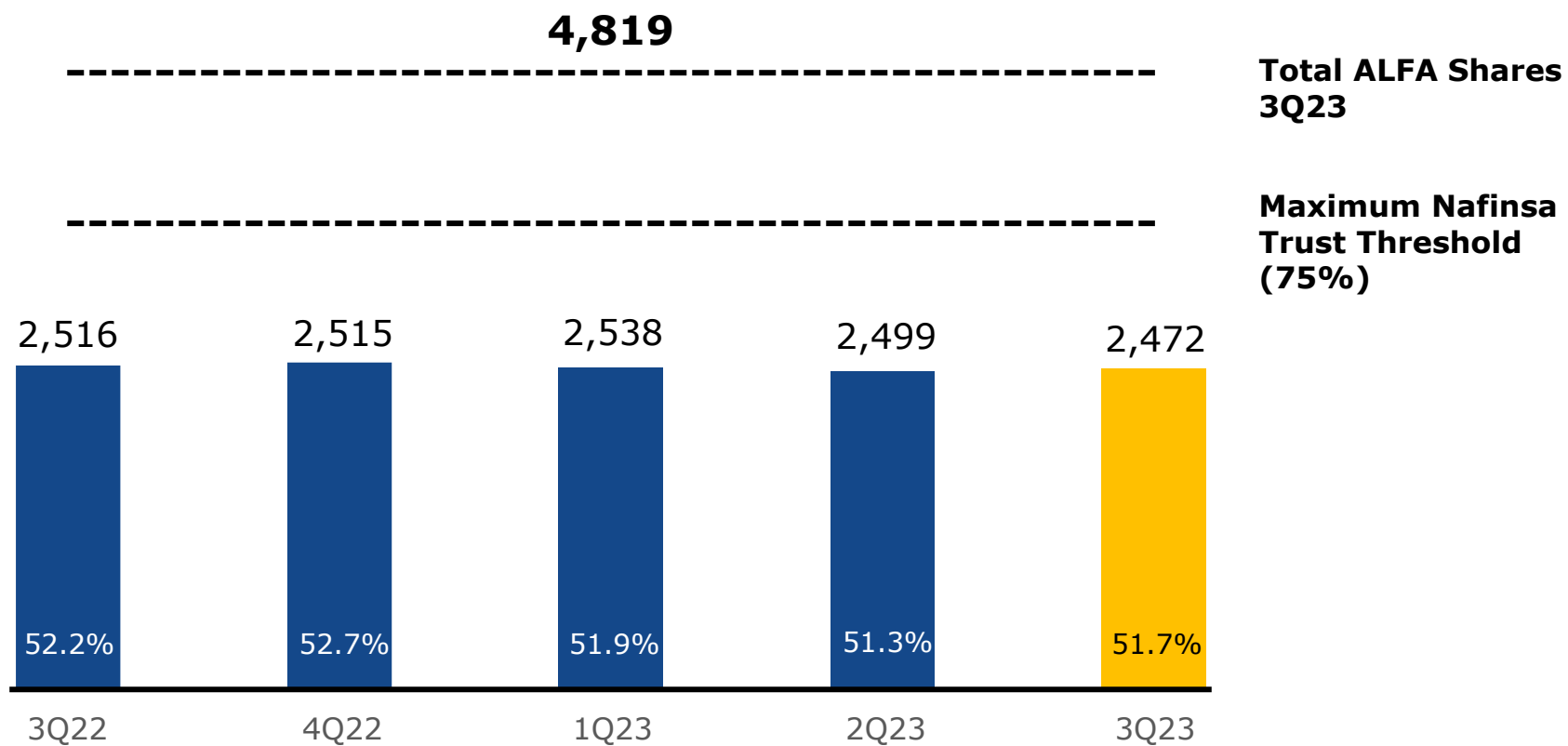
- **Armando Garza** – Chairman of the Board
- **Álvaro Fernández** – President
- **Eduardo Escalante** – CFO
- **Rodrigo Fernández** – Sigma CEO
- **José de Jesús Valdez** – Alpek CEO
- **Armando Tamez** – Nematik CEO
- **Rolando Zubirán** – Axtel CEO
- **Carlos Jiménez** – Senior VP Legal
- **Paulino Rodríguez** – Senior VP Human Capital

3Q23 (post-succession plans)

- **Álvaro Fernández** – Chairman¹ & President
- **Eduardo Escalante** – CFO, Human Capital, Legal
- **Rodrigo Fernández** – Sigma CEO
- **Jorge Young** – Alpek CEO

1. Succession plan to be presented for final Shareholder approval in 1Q24

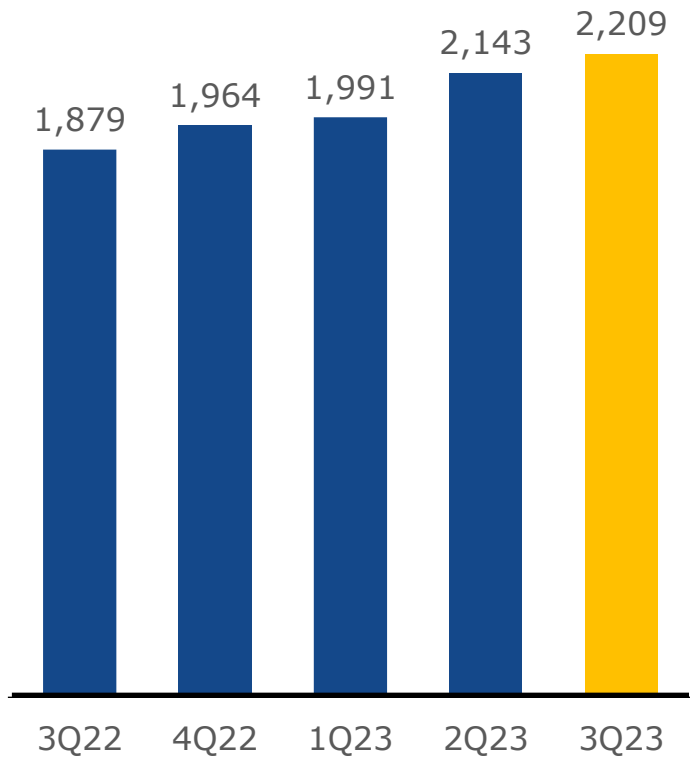
ALFA Foreign Ownership
(Millions of shares)



- Record quarterly consolidated Volume and Revenues. Tenth consecutive quarter of year-on-year Revenue growth
- Record quarterly EBITDA, up 68% year-on-year, boosted by double-digit growth in all regions
- Sustained improvement of Net Debt to EBITDA Ratio; 2.5 times at the close of 3Q23 vs 2.8 times in 2Q23

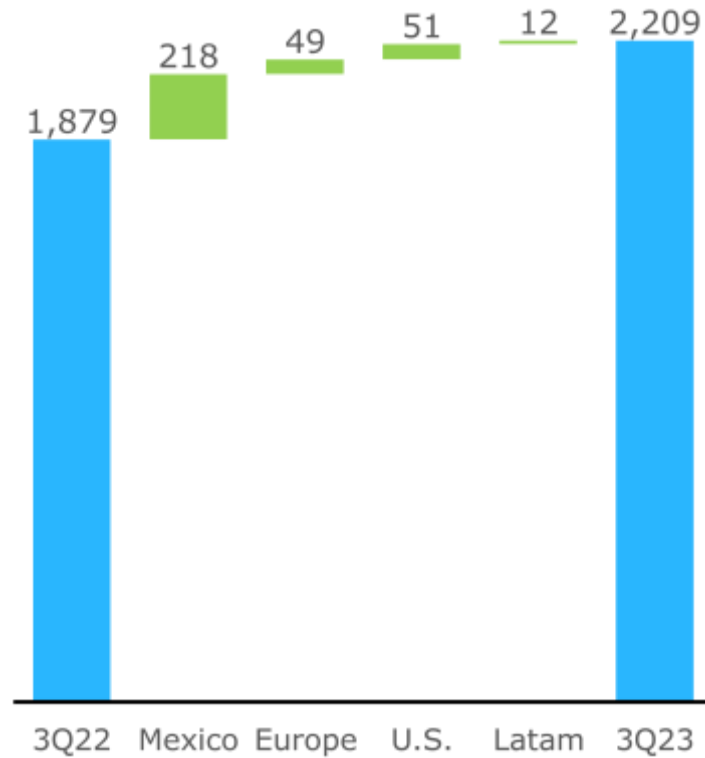
Revenues

(US \$ Million)



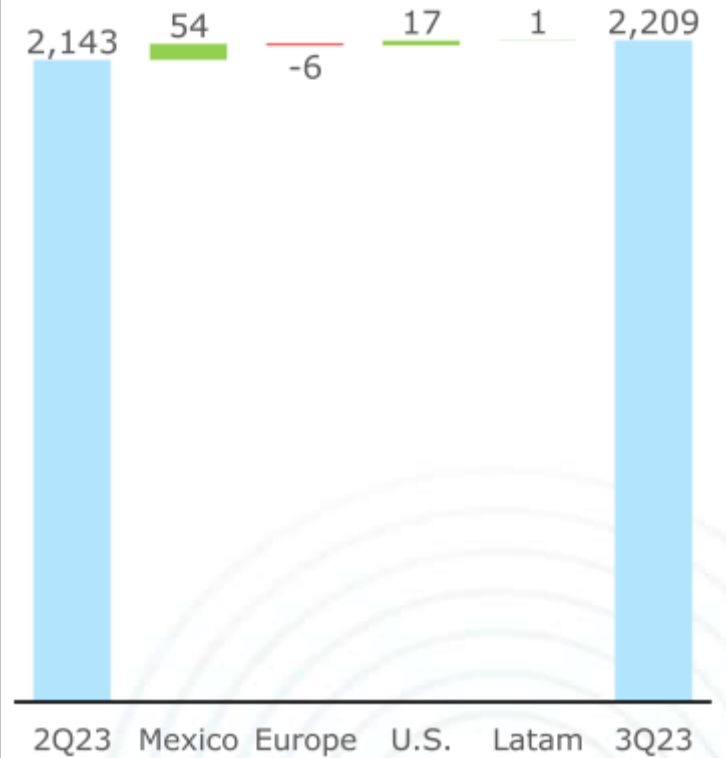
Revenues 3Q23 vs 3Q22

(US \$ Million)

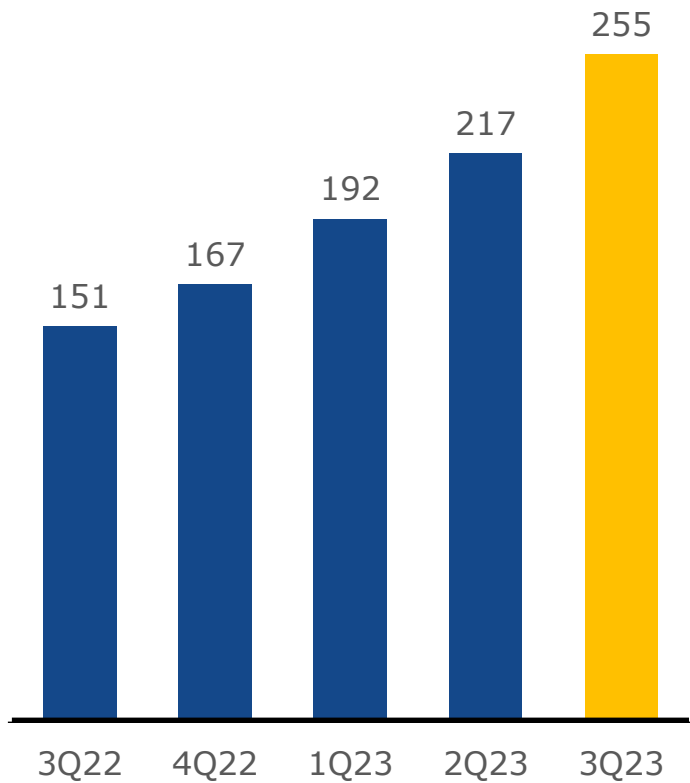


Revenues 3Q23 vs 2Q23

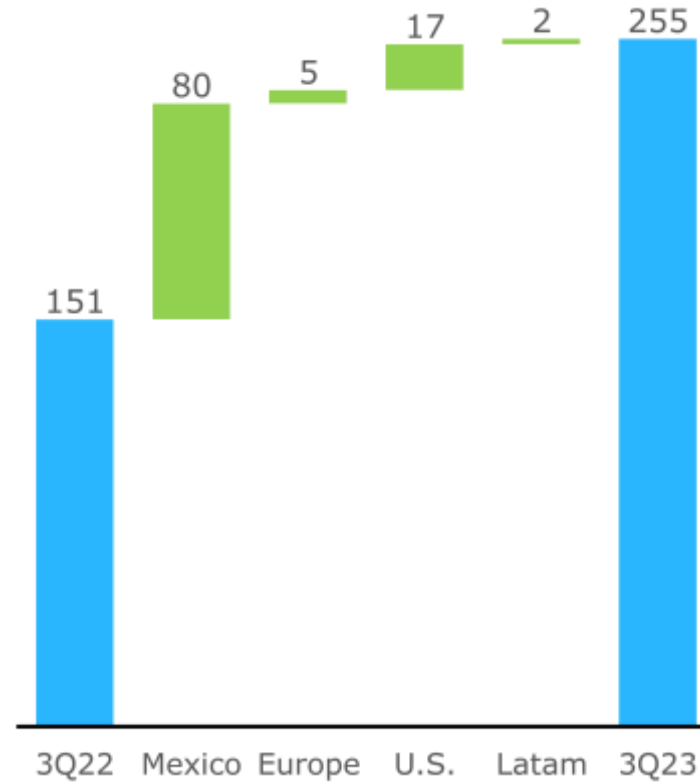
(US \$ Million)



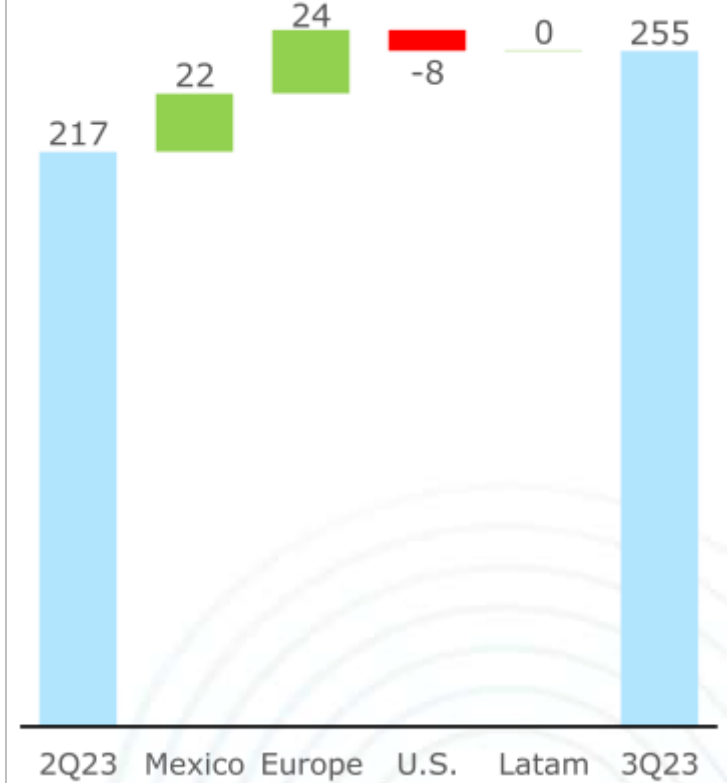
EBITDA
(US \$ Million)



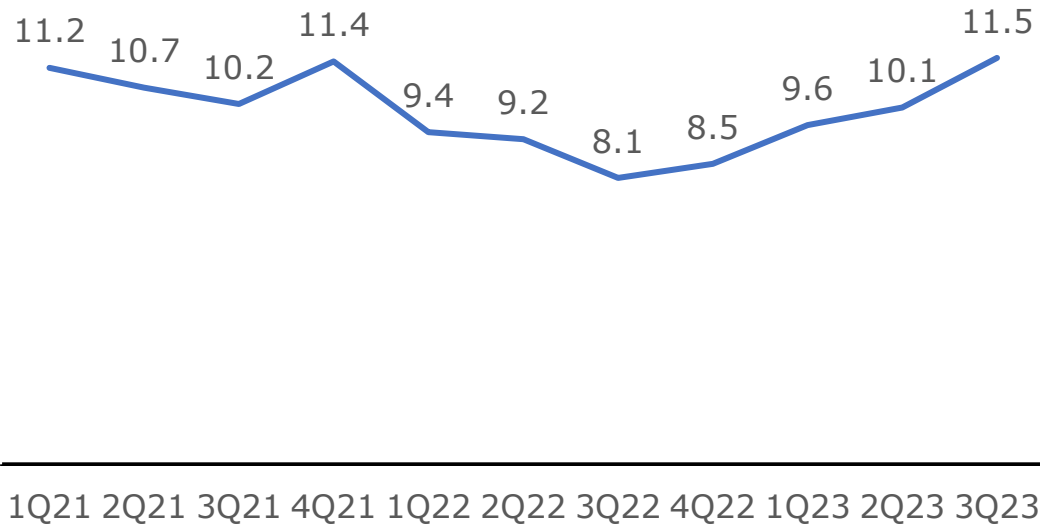
EBITDA 3Q23 vs 3Q22
(US \$ Million)



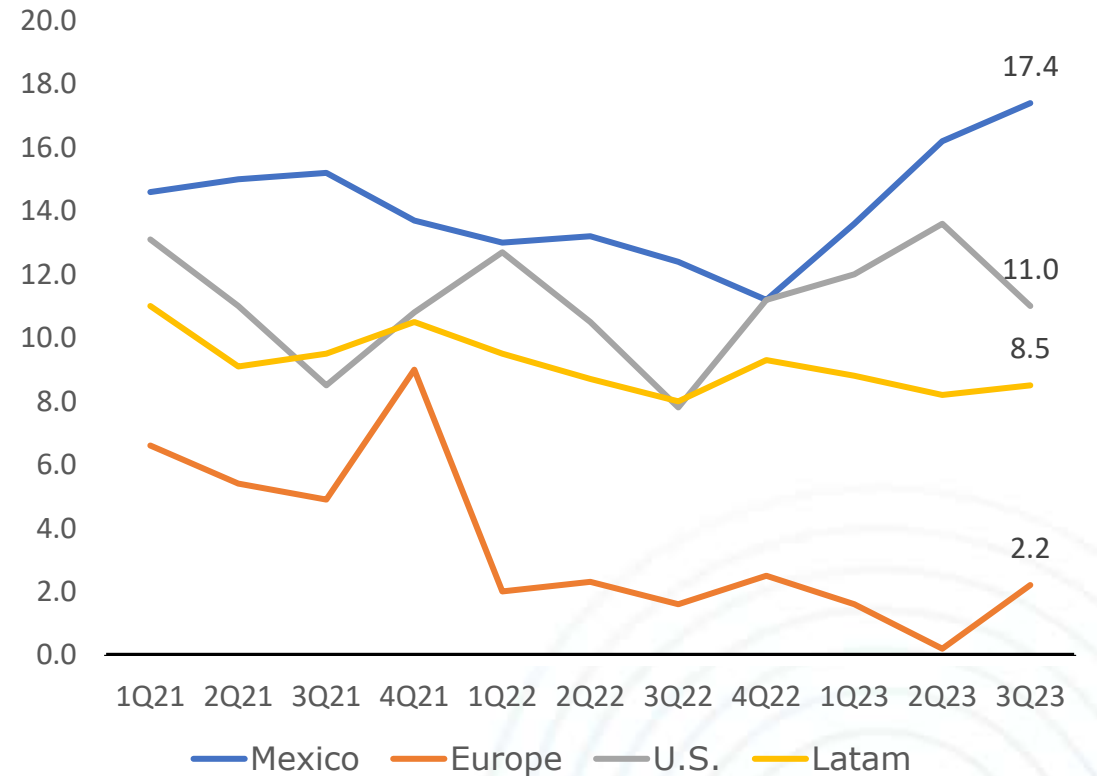
EBITDA 3Q23 vs 2Q23
(US \$ Million)



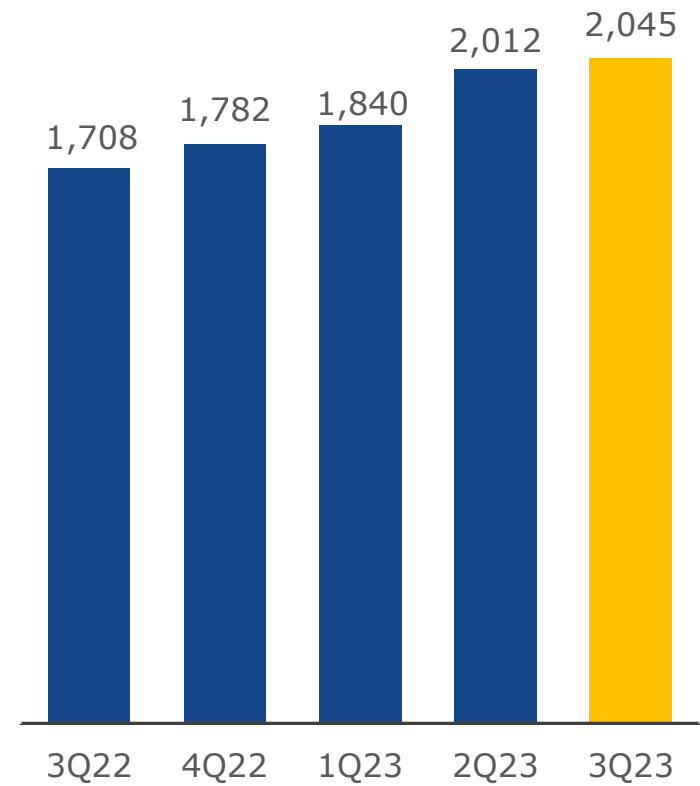
EBITDA Margin (%)



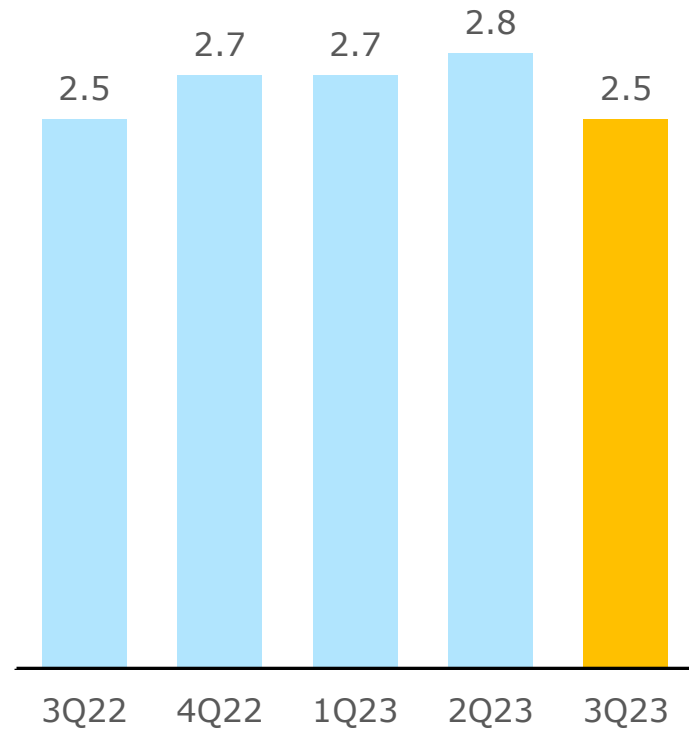
EBITDA Margin By Region (%)



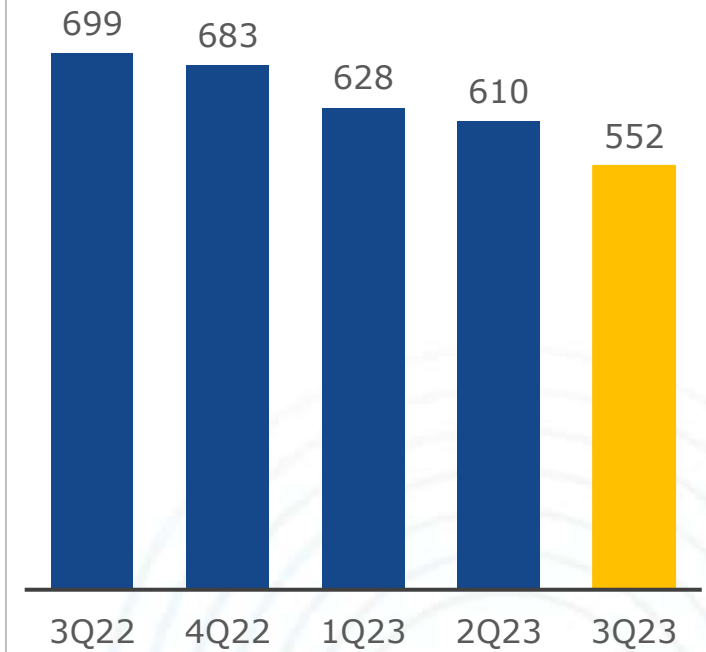
Net Debt
(US \$ Million)



Net Leverage Ratio
(Net Debt/EBITDA)

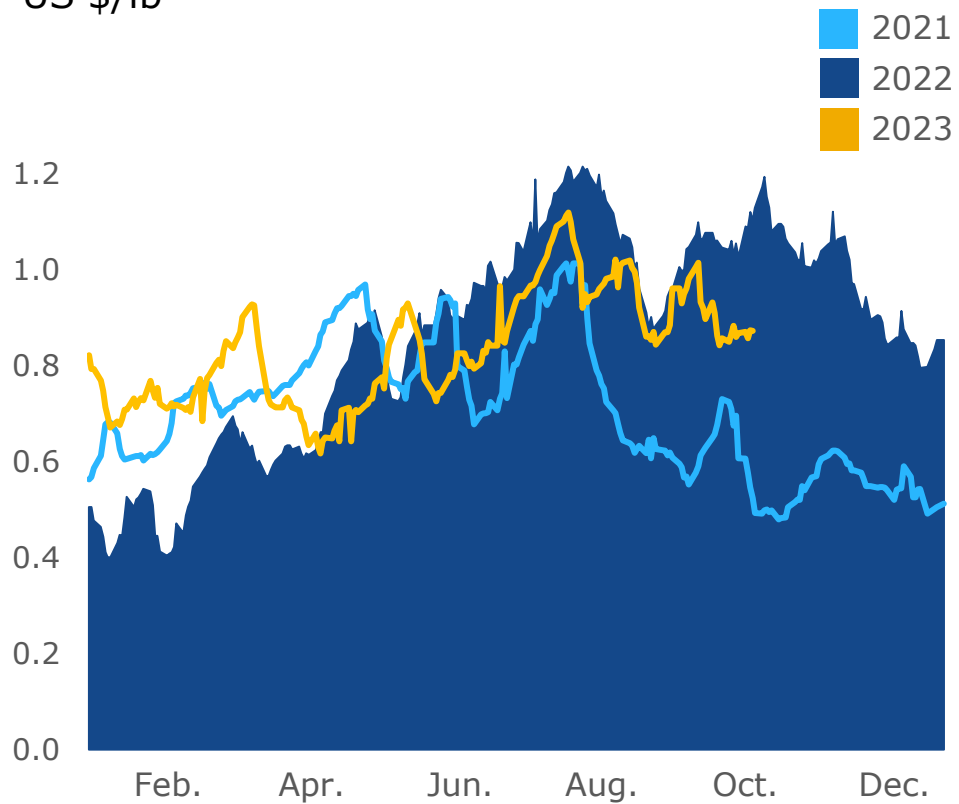


Cash
(US \$ Million)



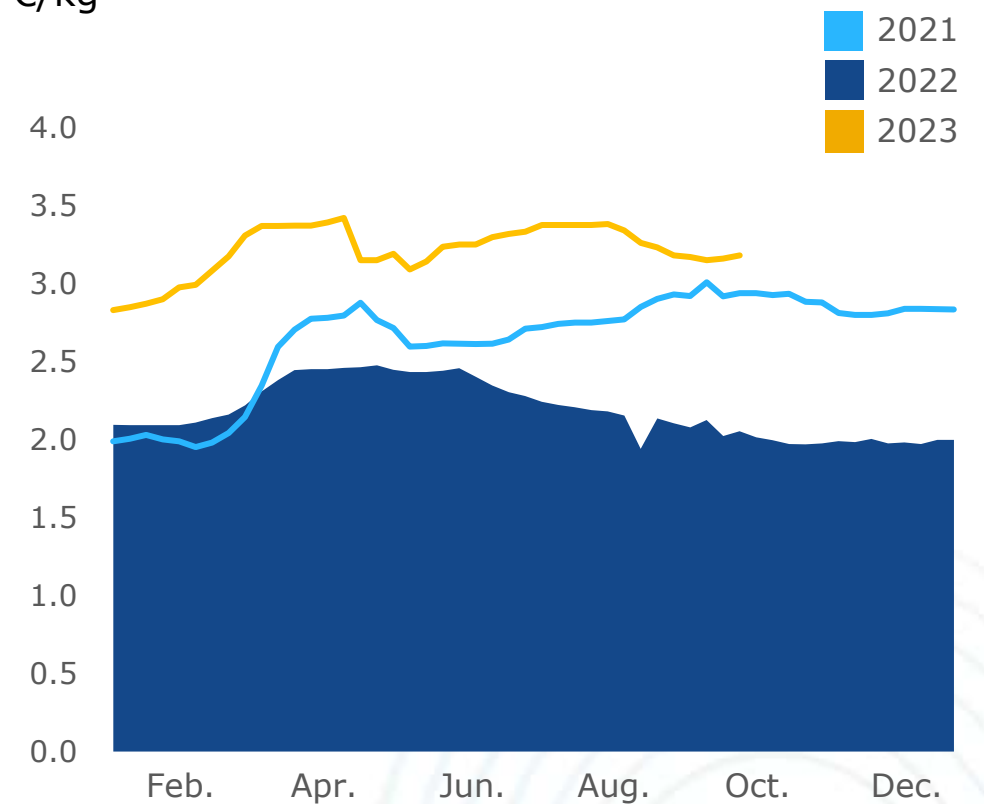
Pork Ham Price in U.S.

US \$/lb



Pork Ham Price in Europe

€/kg



Key Highlights

Optimization of Sigma´s footprint in Europe

- Divested all operations in line with comprehensive plan to improve results by focusing in core European markets

ESG –NextGenerationEU granted funds to Sigma

- EUR €3 million granted to Sigma’s operations in Portugal
- Funds will be used in sustainability projects at the Rio Maior plant to reduce its emissions by 40%

Tastech by Sigma® 4th generation pilots

- 15 startups from 9 countries were selected to run pilots throughout Sigma’s regions

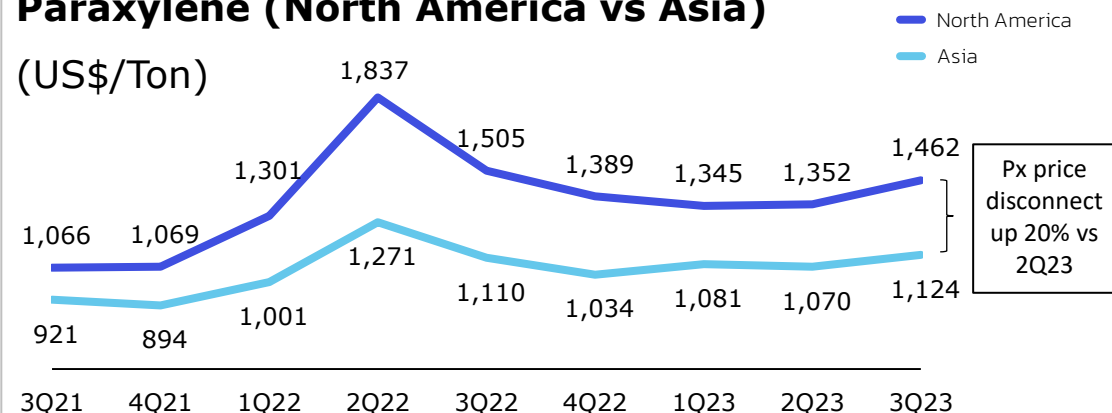


3Q23 Highlights

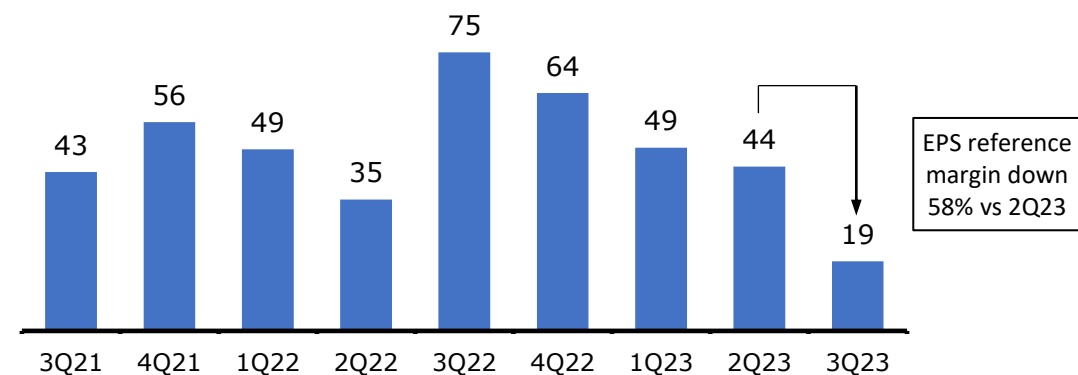
- 3Q23 Revenues and Comparable EBITDA down 34% and 62% year-on-year, respectively
- Asian reference PET margins decreased 18% q-o-q, and reference EPS margins declined 58% vs 2Q23
- Announced shutdown of filament site in Monterrey; and CCP paused construction of PTA-PET plant in Corpus Christi, TX
- Robust free cash flow generation: Net Debt down US \$204 million in 3Q23, supported by optimizations in Net Working Capital and Capex

Paraxylene (North America vs Asia)

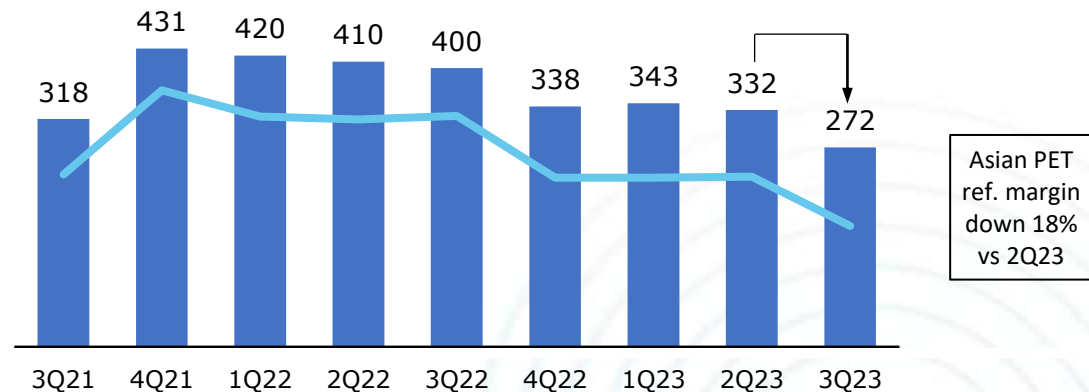
(US\$/Ton)



North America EPS reference margins (US cent/pound)



Asian Margins Px/MEG to PET (US \$ / Ton)





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