

# alfa

## EARNINGS REPORT

### Third Quarter 2023 (3Q23)

**Monterrey, N.L., Mexico, October 23, 2023.**

**ALFA, S.A.B. de C.V. (BMV: ALFAA) ("ALFA")**, a company that has developed leading businesses with global operations, announced today its unaudited results for the third quarter of 2023 ("3Q23"). All figures have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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ALFA

## 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.

## ALFA reports 3Q23 EBITDA of US \$373 million

### 3Q23 HIGHLIGHTS

<b>ALFA</b>	<ul style="list-style-type: none"> <li>▶ Initiated succession plans for its Chairman of the Board position</li> <li>▶ Outstanding quarterly EBITDA growth at Sigma partially offsets a significant decline at Alpek</li> <li>▶ Consolidated Net Debt of US \$4.866 billion, down US \$127 million versus 2Q23. Net leverage ratio of 3.4 times; Alpek 2.6x and Sigma 2.5x</li> </ul>
<b>Sigma</b>	<ul style="list-style-type: none"> <li>▶ Record-high quarterly Revenue and EBITDA boosted by growth across all regions</li> <li>▶ Solid volume growth in Mexico and the United States; strong Foodservice channel contribution; and encouraging turnaround in Europe</li> <li>▶ Completed milestone to enhance profitability in Europe by divesting all operations in Italy</li> </ul>
<b>Alpek</b>	<ul style="list-style-type: none"> <li>▶ 3Q23 Revenue and Comparable EBITDA down 34% and 62% year-on-year, respectively</li> <li>▶ Robust free cash flow generation: Net Debt down US \$204 million in 3Q23, supported by optimizations in Net Working Capital and Capex</li> <li>▶ Asian reference Polyester margins decreased 18%, and reference Expandable Polystyrene margins declined 58% quarter-on-quarter</li> <li>▶ Announced the shutdown of its filament site in Monterrey, Mexico; plant constructed in 1962</li> <li>▶ Alpek and its joint venture partners at Corpus Christi Polymers paused construction of their integrated PTA-PET plant in Corpus Christi, TX; will assess options</li> </ul>

# Earnings Report

## Third Quarter 2023 (3Q23)



### SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022	Ch. %
				2Q23	3Q22			
<b>ALFA &amp; Subs</b>								
<b>ALFA Revenues</b>	<b>4,198</b>	<b>4,221</b>	<b>4,856</b>	<b>(1)</b>	<b>(14)</b>	<b>12,504</b>	<b>13,633</b>	<b>(8)</b>
Alpek	1,956	2,050	2,951	(5)	(34)	6,068	8,098	(25)
Sigma	2,209	2,143	1,879	3	18	6,343	5,461	16
<b>ALFA EBITDA<sup>1</sup></b>	<b>373</b>	<b>360</b>	<b>454</b>	<b>4</b>	<b>(18)</b>	<b>1,109</b>	<b>1,736</b>	<b>(36)</b>
Alpek	126	148	306	(15)	(59)	461	1,270	(64)
Sigma	255	217	151	17	68	664	484	37
<b>ALFA Comparable EBITDA<sup>2</sup></b>	<b>407</b>	<b>425</b>	<b>572</b>	<b>(4)</b>	<b>(29)</b>	<b>1,228</b>	<b>1,592</b>	<b>(23)</b>
Alpek	160	201	424	(21)	(62)	568	1,126	(50)
Sigma	255	229	151	11	68	676	485	40
<b>Majority Net Income<sup>3</sup></b>	<b>(49)</b>	<b>4</b>	<b>141</b>	<b>-</b>	<b>(134)</b>	<b>(58)</b>	<b>594</b>	<b>(110)</b>
<b>CAPEX &amp; Acquisitions<sup>4</sup></b>	<b>96</b>	<b>196</b>	<b>149</b>	<b>(51)</b>	<b>(36)</b>	<b>378</b>	<b>972</b>	<b>(61)</b>
<b>ALFA Net Debt</b>	<b>4,866</b>	<b>4,994</b>	<b>4,830</b>	<b>(3)</b>	<b>1</b>			
Alpek	1,675	1,879	1,805	(11)	(7)			
Sigma	2,045	2,012	1,708	2	20			
ALFA Net Debt/EBITDA <sup>5</sup>	3.4	3.3	2.2					
ALFA Interest Coverage <sup>6</sup>	3.7	4.1	7.3					

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 Includes divestments

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

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



## Contents

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**Message from ALFA's President**

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**Consolidated Financial Results ALFA**  
(BMV: ALFAA)



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**Results by Business**

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**Sigma** – Food Products



**Alpek** (BMV: ALPEKA) – Petrochemicals



**Axtel** (BMV: AXTELCPO) – IT & Telecom

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**Tables**

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**Financial Statements**

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**Appendix – Alpek 3Q23 Results Report**

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## Message from ALFA's President

"During the third quarter, ALFA advanced with succession plans for its Chairman of the Board and Senior Counsel positions, ensuring the orderly transition of duties and the ongoing simplification of the corporate structure. In addition, Sigma and Alpek executed key initiatives to accelerate operating efficiencies.

ALFA's consolidated 3Q23 Revenues were down 14% year-over-year, while EBITDA was 18% lower. This reflects a decline at Alpek that was partially offset by outstanding performance at Sigma.

Alpek has been facing lower reference margins for Polyester, Polypropylene, and most recently for Expandable Polystyrene (EPS). Additionally, normalized ocean freight rates and higher-than-usual Paraxylene prices in North America versus Asia continue to weigh on domestic Polyester producers.

Actions to streamline Alpek's operations included the shutdown in the third quarter of a textile and industrial fiber production facility located in Monterrey, Mexico. Furthermore, Alpek and its joint venture partners paused construction of an integrated PTA-PET plant in Corpus Christi, Texas, primarily due to inflationary pressures on construction and labor costs. Options are being assessed by the partners to determine the best path forward.

For Sigma, all-time high results across Mexico, the U.S., and LatAm led to record quarterly Revenues and EBITDA. The company continued to capitalize on solid demand in the Americas, favorable cost trends of certain raw materials, and a stronger-than-expected U.S. dollar/peso exchange rate.

Moreover, Sigma Europe's 3Q23 EBITDA was up 52% year-over-year. This marks the highest EBITDA figure year-to-date in the region, and a turnaround following the loss reported in 2Q23. Sigma completed an important part of its comprehensive plan to boost European profitability by divesting all operations in Italy.

Sigma's robust financial performance is fundamental for completion of ALFA's transformation, as its incremental EBITDA continues to enhance the group's financial flexibility in the final phase of the process. Alpek has maintained a solid balance sheet despite the year-over-year decrease in EBITDA, supported by operating efficiency and cash-maximizing initiatives. Importantly, ALFA is actively seeking to accelerate debt reduction at the Parent level to ensure an investment-grade financial position following a potential Alpek spin-off.

During the third quarter, ALFA announced the start of the succession process of its Chairman of the Board. The plan was approved by the Board of Directors and will be presented to ALFA shareholders for final approval at the General Annual Ordinary Shareholders' Meeting, to be held in the first quarter of 2024.

At that time, Armando Garza Sada will step down from his current position and will remain on the Board. Per the proposed succession plan, I will be appointed Chairman of the Board and will retain my current position as President of the Company.

ALFA also announced this quarter the start of a succession process in the Legal, Audit, and Institutional Relations Department, currently headed by Carlos Jiménez Barrera. Following a distinguished 45-year career at ALFA, Carlos will leave his current senior management position. As part of the reorganization, oversight of this department is being transferred to Eduardo Escalante, ALFA's CFO.

Carlos' counsel and guidance have been very valuable in corporate processes that were key to the evolution of ALFA over the years. We are grateful for his service and pleased that he will continue contributing his expertise as Secretary of the Boards of ALFA and its subsidiaries.

In conclusion, although Alpek has faced unexpected challenges this year, the company has a proven track record of effectively navigating complex industry and macro conditions. Sigma, meanwhile, has again posted record quarterly results, providing a solid foundation for ALFA's ongoing transformation process.

I am proud of our team, and I remain confident in the successful execution of our vision for the Company. I would like to thank ALFA, Sigma and Alpek employees worldwide for their continued hard work, and our shareholders for their support."

All the best,

Álvaro Fernández

## ALFA (BMV: ALFAA) Consolidated Financial Results

### INCOME STATEMENT (US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022	Ch. %
				2Q23	3Q22			
Total Revenues	4,198	4,221	4,856	(1)	(14)	12,504	13,633	(8)
Gross Profit	848	808	811	5	5	2,412	2,795	(14)
Operating expenses and others	(745)	(562)	(472)	(33)	(58)	(1,855)	(1,388)	(34)
Operating income (loss)	103	246	339	(58)	(70)	557	1,407	(60)
Financial cost, net	(183)	(126)	(113)	(45)	(62)	(396)	(263)	(51)
Share of losses of associates	(1)	0	0	(606)	-	(1)	1	(144)
Income Tax	35	(98)	(38)	136	193	(179)	(332)	46
Profit (loss) from continuing operations	(46)	23	188	(304)	(125)	(18)	813	(102)
Profit (loss) from discontinued operations <sup>1</sup>	0	(2)	(6)	101	100	9	(12)	180
Consolidated net income (loss)	(46)	21	182	(325)	(125)	(9)	801	(101)
Controlling Interest	(49)	4	141	-	(134)	(58)	594	(110)
EBITDA	373	360	454	4	(18)	1,109	1,736	(36)
EBITDA/Revenues (%)	8.9	8.5	9.3			8.9	12.7	

<sup>1</sup> Breakdown of Profit (loss) from Discontinued Operations shown on Table 10

**Total Revenues** in 3Q23 were US \$4.198 billion, down 14% year-on-year as growth in Sigma was offset by a decrease in Alpek. Sigma revenues increased 18% versus 3Q22 driven by growth across all its regions. In contrast, Alpek sales decreased 34% year-on-year and were 5% lower versus 2Q23 due to a decline in average prices and volume. Accumulated Revenues were US \$12.504 billion, down 8% when compared to the first nine months of 2022 as a 25% decline in Alpek was partially offset by a 16% increase in Sigma (see Table 2).

**EBITDA** in 3Q23 was US \$373 million, down 18% versus US \$454 million in 3Q22. This reflects a 68% year-over-year increase at Sigma and a 59% year-over-year decline at Alpek. Third quarter consolidated EBITDA includes a net negative impact of US -\$34 million from extraordinary items related to Alpek; primarily comprised of non-recurring costs associated with the shutdown of a textile and filament site in Monterrey, Mexico as well as hyperinflation in Argentina. For reference, consolidated 3Q22 EBITDA included a net negative impact of US -\$118 million from extraordinary items mainly associated with declining crude oil and feedstock prices at Alpek. Accumulated EBITDA in the first nine months of 2023 was US \$1.109 billion, down 36% year-on-year.

Adjusting for extraordinary items in all periods, **Comparable EBITDA** was US \$407 million, US \$425 million and US \$572 million in 3Q23, 2Q23 and 3Q22, respectively. Comparable 3Q23 EBITDA was down 29% year-on-year as a 68% increase at Sigma partially offsets a 62% decline at Alpek. Comparable EBITDA at Alpek was negatively impacted by lower reference margins and lower volume amid higher petrochemical feedstock costs in the Americas, particularly for Polyester and EPS. In contrast, the increase in Sigma was boosted by outstanding growth in Mexico (+77%), the United States (+61%) and Europe (+52%). Accumulated Comparable EBITDA in the first nine months of 2023 was US \$1.228 billion, down 23% versus the same period in 2022 (see Tables 3, 4 and 5).



**Operating Income** was US \$103 million, down 70% versus US \$339 million in 3Q22, as a result of the decrease in EBITDA explained above along with asset impairments from Sigma and Alpek totaling US \$145 million during the third quarter. Sigma recognized a US \$120 million impairment associated with the sale of its operations in Italy, and Alpek posted a US \$25 million impairment resulting from its plant shutdown in Monterrey, Mexico. Accumulated Operating Income was US \$557 million, versus US \$1.407 billion in the first nine months of 2022. Accumulated Operating Income in the first nine months of 2023 includes US \$192 million in aggregate asset impairments from Sigma and Alpek. As a reminder, Alpek recognized an asset impairment of US \$47 million associated with the shutdown of its Cooper River site in 1Q23 (see Table 3).

**Comprehensive Financing Expense (CFE)** was US \$183 million, up from US \$113 million in 3Q22, driven by higher interest rates as well as higher foreign exchange losses resulting from the quarter-on-quarter depreciation of the Mexican peso versus the U.S. dollar. The associated net impact of currency forward contracts also contributed to the increase in foreign exchange losses. Accumulated CFE in the first nine months of 2023 was US \$396 million, up 62% versus the same period last year as a result of higher financial expenses and foreign exchange effect (see Table 6).

**Controlling Interest Net Loss** was US \$49 million in 3Q23 compared to a gain of US \$141 million in 3Q22. The year-on-year decline in absolute terms was primarily due to the decrease in EBITDA explained above. In addition, asset impairments and higher CFE were partially offset by an Income Tax credit. Accumulated Controlling Interest Net Loss was US \$58 million, versus a Controlling Interest Net Income of US \$594 million in the first nine months of 2022. Year to date, lower EBITDA, asset impairments and higher CFE, were partially offset by lower Income Taxes (see Table 7).

# Earnings Report

## Third Quarter 2023 (3Q23)



### CHANGE IN NET DEBT (US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022	Ch. %
				2Q23	3Q22			
EBITDA	373	360	454	4	(18)	1,109	1,736	(36)
Net Working Capital	112	302	(100)	(63)	212	283	(672)	142
Capital Expenditures & Acquisitions	(96)	(196)	(149)	(51)	(36)	(378)	(972)	(61)
Net Financial Expenses	(104)	(100)	(93)	(4)	(12)	(298)	(245)	(21)
Taxes	(95)	(188)	(93)	50	(2)	(439)	(340)	(29)
Dividends	(15)	0	(34)	-	56	(166)	(301)	45
Other Sources (Uses)	(50)	(122)	22	(59)	(327)	(225)	70	(421)
Decrease (increase) in Net Debt from discontinued operations <sup>1</sup>	0	0	3	-	(100)	0	4	(100)
Net Debt from discontinued operations - Axtel	0	0	566	-	(100)	0	566	(100)
<b>Decrease (Increase) in Net Debt</b>	<b>127</b>	<b>56</b>	<b>576</b>	<b>129</b>	<b>(78)</b>	<b>(115)</b>	<b>(153)</b>	<b>25</b>
<i>Net Debt</i>	<i>4,866</i>	<i>4,994</i>	<i>4,830</i>	<i>(3)</i>	<i>1</i>	<i>4,866</i>	<i>4,830</i>	<i>1</i>

<sup>1</sup> Breakdown of Decrease (Increase) in Net Debt from discontinued operations shown on Table 11.

**Net Debt** was US \$4.866 billion at the close of 3Q23, up 1% year-on-year and down 3% versus 2Q23. On an absolute basis, consolidated ALFA Net Debt decreased US \$127 million from US \$4.994 billion at the close of 2Q23. The quarter-on-quarter decrease in Net Debt reflects a recovery of US \$112 million in Net Working Capital, driven by Alpek. Year-to-date, EBITDA has been complemented by a recovery of US \$283 million in Net Working Capital which contributed to mitigate growth in Net Debt.

As of September 30, 2023, Cash totaled US \$1.167 billion and ALFA and its Subsidiaries had US \$1.982 billion in available Committed Credit Lines.

Financial ratios at the close of 3Q23 were: Net Debt to EBITDA of 3.4 times and Interest Coverage of 3.7 times, compared with 2.2 and 7.3 times in 3Q22, respectively (see Table 8). Net Debt to EBITDA ratios at Sigma and Alpek were 2.5 and 2.6 times, respectively, at the end of September 2023.

**Net Working Capital** reflected a recovery of US \$112 million during 3Q23 driven by Alpek. Optimizations in inventory management and other improvements contributed to the Net Working Capital reduction in the petrochemical business. During the first nine months of 2023, Net Working Capital posted a recovery of US \$283 million also driven by Alpek.

**Capital Expenditures & Acquisitions (Capex)** totaled US \$96 million in 3Q23 mainly driven by planned investments in maintenance and operating asset replacements. Sigma accounted for 62% of the consolidated amount. Accumulated Capex was US \$378 million versus US \$972 million in the first nine months of 2022, which included the acquisition of PET sheet and resin business in 2Q22.

**Dividends** of US \$15 million in 3Q23 correspond to dividends paid to minority shareholders at the subsidiary level. Accumulated Dividends were US \$166 million versus US \$366 million in the first nine months of 2022. Accumulated Dividends to ALFA shareholders were US \$96 million, paid in 1Q23.

### RECENT DEVELOPMENTS – ALFA

#### Chairman of the Board Succession

- ▶ ALFA announced the start of the succession process of its Chairman of the Board of Directors, Armando Garza Sada (“Armando”)
- ▶ The Board of Directors approved, on September 26, 2023, the succession plan proposed by the Corporate Practices Committee
- ▶ The succession plan will be presented to ALFA shareholders for final approval at the General Annual Shareholders’ Meeting, to be held in 1Q24
- ▶ At that time, Armando will step down from his current position and will continue as a member of the Board
- ▶ Per the proposal, Álvaro Fernández Garza will be appointed Chairman of the Board and will retain his position as President of the Company

#### Senior Counsel Succession

- ▶ ALFA announced that it is transitioning its Legal, Audit, and Institutional Relations Department, currently headed by Carlos Jiménez Barrera (“Carlos”)
- ▶ Carlos will leave his current senior management position and will remain in his role as Secretary of the Boards of Directors of ALFA and its subsidiaries
- ▶ In line with ALFA’s corporate simplification and as implemented in previous senior management successions, oversight of the Legal, Audit, and Institutional Relations Department is being transferred to Eduardo Escalante Castillo (“Eduardo”), ALFA’s CFO
- ▶ As of August 1, 2023, Carlos Argüelles González (“Carlos Argüelles”) joined ALFA as Legal Director, reporting to Eduardo
- ▶ Carlos Argüelles has more than 20 years of legal experience. He has a Law Degree from the Universidad de Monterrey, and a Master’s Degree in Corporate Law (LL.M.) from the University of New York. He is also a member of the Mexican Bar, College of Attorneys, and the International Bar Association (IBA).

<p><b>Unlocking Value – Corporate Simplification</b></p>	<ul style="list-style-type: none"> <li>▶ Transformation to unlock ALFA’s fair value potential by efficiently simplifying its corporate structure</li> <li>▶ Orderly transition towards independent business units (vs. conglomerate)</li> <li>▶ Transfer autonomy to ALFA shareholders (e.g., Axtel and Nemark spin-offs)</li> <li>▶ Corporate structure simplification; expenses down 70% since 2019</li> <li>▶ Commitment to maintain strong financial position at ALFA and Subsidiaries throughout transformation</li> <li>▶ Streamlined portfolio of core businesses down to Sigma and Alpek</li> <li>▶ Final phase involves potential Alpek spin-off</li> <li>▶ Key elements include: i) Sigma EBITDA, ii) Alpek’s share price, and iii) ALFA’s corporate level debt</li> <li>▶ Solid standalone leverage ratio at Alpek despite lower EBITDA</li> <li>▶ Stronger-than-expected Sigma standalone financial metrics</li> <li>▶ ALFA actively seeking debt reduction alternatives to ensure financial position of ALFA + Sigma upon separation of Alpek</li> </ul>
<p><b>NAFINSA Trust (“NT”)</b></p>	<ul style="list-style-type: none"> <li>▶ Based on figures provided by Nacional Financiera, S.N.C., the number of ALFA shares held by foreign investors on September 30, 2023 were 2,490,349,016</li> <li>▶ Equivalent to 51.68% of ALFA shares outstanding</li> <li>▶ The maximum authorized NT threshold is 75% of the representative shares of ALFA’s capital stock</li> </ul>
<p><b>Share Repurchase Program</b></p>	<ul style="list-style-type: none"> <li>▶ No shares were repurchased during 3Q23</li> <li>▶ No shares were repurchased and held in Treasury after share cancellation approved in March 2023</li> </ul>

<b>Credit Ratings</b>	<p><b>S&amp;P Global Ratings</b> – revised August 31, 2023</p> <ul style="list-style-type: none"><li>Revised ALFA’s outlook to Stable from Positive</li><li>Affirmed “BBB-” long-term issuer credit rating; affirmed the “BB+” senior unsecured foreign currency rating</li></ul> <p><b>Fitch Ratings</b> – unchanged since March 1, 2023</p> <ul style="list-style-type: none"><li>Affirmed Long-Term Foreign and Local Currency Issuer Default Ratings (IDRs) at “BBB-” and Stable outlook</li></ul> <p><b>Moody’s</b> – unchanged since October 5, 2022</p> <ul style="list-style-type: none"><li>“Baa3” senior unsecured rating and Stable outlook</li></ul>
<b>Quiet Period</b>	<ul style="list-style-type: none"><li>ALFA enters into a Quiet Period seven days prior to the close of each quarter</li><li>4Q23 Quiet Period will begin on December 22, 2023</li></ul>

## Results by Business

### Sigma – FOOD PRODUCTS

53% of ALFA's Revenues in 3Q23



#### 3Q23 HIGHLIGHTS

<b>Sigma Consolidated</b>	<ul style="list-style-type: none"> <li>▶ Record quarterly consolidated Volume and Revenues. Tenth consecutive quarter of year-on-year Revenue growth</li> <li>▶ Record quarterly EBITDA, up 68% year-on-year, boosted by double-digit growth in all regions</li> <li>▶ Sustained improvement of Net Debt to EBITDA Ratio; 2.5 times at the close of 3Q23 vs 2.8 times in 2Q23</li> </ul>
<b>Mexico</b>	<ul style="list-style-type: none"> <li>▶ Record quarterly Revenue and EBITDA, driven by solid demand, Foodservice Channel results, and the appreciation of the Mexican peso</li> <li>▶ All-time high quarterly volume boosted by growth across all categories and channels</li> <li>▶ 3Q23 Foodservice Channel Revenue and EBITDA up 30% and 42% year-over-year, respectively</li> </ul>
<b>Europe</b>	<ul style="list-style-type: none"> <li>▶ Quarterly Revenue up 9% year-over-year driven by pricing actions to mitigate sustained inflationary pressures</li> <li>▶ Divested all operations in Italy to optimize Sigma's footprint and enhance profitability in the region</li> <li>▶ Quarterly EBITDA growth versus 3Q22 was driven by improving results on the Fresh Meats business and the divestiture of Italy</li> </ul>
<b>U.S.</b>	<ul style="list-style-type: none"> <li>▶ Record quarterly Volume and Revenue, up 8% and 14% year-over-year, respectively</li> <li>▶ 3Q23 EBITDA up 61%, primarily driven by Hispanic Brands and the Los Altos acquisition</li> <li>▶ Ramp-up of new production lines at the recently acquired Iowa plant, and completion of the 100-day post-merger integration of Los Altos Foods, with better-than-expected results</li> </ul>
<b>Latam</b>	<ul style="list-style-type: none"> <li>▶ All-time high third quarter Revenue and EBITDA, mainly driven by improvements in Costa Rica and Ecuador</li> </ul>

# Earnings Report

## Third Quarter 2023 (3Q23)



### SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022	Ch. %
				2Q23	3Q22			
<b>Volume (ktons)</b>	<b>456</b>	<b>448</b>	<b>439</b>	<b>2</b>	<b>4</b>	<b>1,331</b>	<b>1,308</b>	<b>2</b>
Mexico	242	235	221	3	10	702	657	7
Europe	97	97	108	(1)	(11)	290	321	(10)
United States	91	90	84	1	8	262	254	3
Latam	26	25	26	3	2	77	77	0
<b>Revenues</b>	<b>2,209</b>	<b>2,143</b>	<b>1,879</b>	<b>3</b>	<b>18</b>	<b>6,343</b>	<b>5,461</b>	<b>16</b>
Mexico	1,058	1,005	840	5	26	3,006	2,419	24
Europe	598	604	549	(1)	9	1,760	1,603	10
United States	406	389	355	4	14	1,141	1,046	9
Latam	147	146	135	1	9	435	393	11
<b>EBITDA</b>	<b>255</b>	<b>217</b>	<b>151</b>	<b>17</b>	<b>68</b>	<b>664</b>	<b>484</b>	<b>37</b>
Mexico	184	163	104	13	77	476	311	53
Europe	13	(11)	9	(224)	52	12	32	(63)
United States	45	53	28	(16)	61	139	107	29
Latam	12	12	11	5	16	37	34	8
<b>Capex &amp; Acquisitions</b>	<b>58</b>	<b>128</b>	<b>59</b>	<b>(55)</b>	<b>(2)</b>	<b>218</b>	<b>163</b>	<b>34</b>
<b>Net Debt</b>	<b>2,045</b>	<b>2,012</b>	<b>1,708</b>	<b>2</b>	<b>20</b>			
Net Debt / LTM* EBITDA	2.5	2.8	2.5					
LTM* Interest Coverage <sup>1</sup>	5.7	5.6	5.9					

\* Times. LTM = Last 12 months

<sup>1</sup> Interest Coverage = EBITDA/Net Financial Expenses

## Message from Sigma's President

"3Q23 was another exceptional quarter for Sigma, as we achieved record quarterly Revenues and EBITDA of US \$2.2 billion and US \$255 million, respectively. These figures resulted from year-over-year growth across all regions.

In Mexico, the strong performance was driven by solid volume growth coming from the consumers' increasing preference for our products, as well as the expansion in the Foodservice Channel. In addition, we continued to benefit from a strong Mexican peso during the quarter.

U.S. operations also performed remarkably well during the quarter. Volume grew by 8% year-over-year driven primarily by our Hispanic based business. We continue advancing with initiatives to increase capacity in the region. During the quarter, we began the ramp-up of our new production lines at the recently acquired Iowa plant. Additionally, we finalized the 100-day post-merger integration of Los Altos Foods, which has yielded better-than-expected results for our growing cheese category.

In Europe, the food sector continues to face headwinds. However, we continue implementing structural measures to capture operational efficiencies. In addition to the major restructure of administrative functions that took place in the previous quarter, during the third quarter we divested our operations in Italy to optimize our European footprint. This marked an important step that is in line with our comprehensive plan to enhance profitability by focusing on core markets in the region.

We position the consumer at the center of everything we do. Through extensive research in countries across all our regions involving 14,000+ consumer touchpoints, by focusing on understanding their needs and translating these insights into value propositions, we have established a framework to assist our local teams to identify and prioritize opportunities tied to moments of consumption. By placing emphasis on a cultural shift towards consumer-centricity and fostering knowledge-sharing platforms, we are building stronger connections with our audience through the flavors they cherish and the brands they love.

We are encouraged by our record performance in the Americas alongside improving results in Europe. With these developments in mind, I am pleased to share that we are on track to deliver our ambitious 2023 revised EBITDA guidance. These achievements derive not only from our ability to capitalize on favorable industry conditions, but also from the implementation of operational efficiencies. I would like to extend my deepest gratitude to all our employees. It is their dedication, hard work, and unwavering commitment that drives our success.

We appreciate your continued support."

Rodrigo Fernández



# Earnings Report

## Third Quarter 2023 (3Q23)

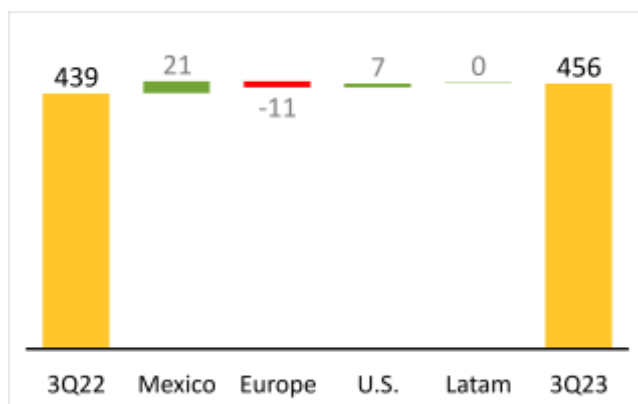


### INCOME STATEMENT (US \$ MILLION)

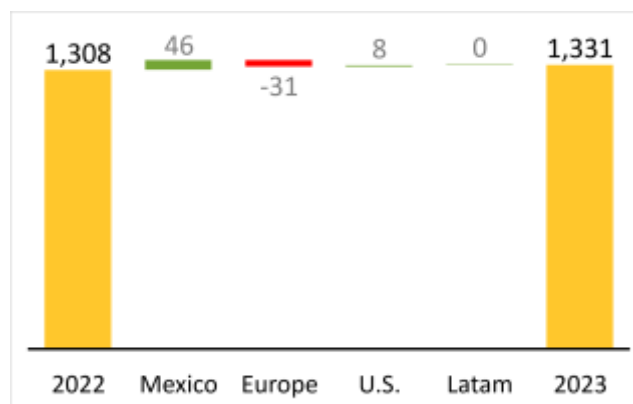
	3Q23	2Q23	3Q22	(% ) 3Q23 vs		2023	2022	Ch. %
				2Q23	3Q22			
Total Revenues	2,209	2,143	1,879	3	18	6,343	5,461	16
Gross Profit	680	643	464	6	47	1,878	1,410	33
Operating expenses and others	(601)	(480)	(362)	25	66	(1,498)	(1,081)	39
Operating income (loss)	79	163	101	(51)	(22)	380	329	15
Financial cost, net	(83)	(103)	(23)	(20)	258	(256)	(87)	192
Share of losses of associates	0	0	0	-	-	0	0	-
Income Tax	(34)	(64)	(34)	(47)	(1)	(172)	(135)	27
Consolidated net income (loss)	(37)	(4)	44	-	(185)	(47)	107	(144)
EBITDA	255	217	151	17	68	664	484	37
EBITDA/Revenues (%)	11.5	10.1	8.1			10.5	8.9	

**Volume** was 456 ktons in 3Q23, up 4% year-on-year, as growth of 10% in Mexico, 8% in the U.S. and 2% in Latam more than offset a decrease in Europe of 11% mainly reflecting the Italy divestiture. Foodservice Channel volume increased by 10% year-on-year. Adjusting for Foodservice results, quarterly volume increased by 3% versus 3Q22.

#### 3Q23 Volume (k Tons)



#### YTD Volume (k Tons)



**Average prices** increased 13% versus 3Q22. In local currencies, prices increased 2% year-on-year, mainly driven by a 13% price increase in Europe to mitigate higher costs of raw materials and other inputs. Moreover, peso-denominated average prices in Mexico decreased 3% year-over-year, amid lower raw material cost pressures. Consolidated average prices remained flat in local currencies when compared to 2Q23.

**Revenues** were US \$2.2 billion in 3Q23, up 18% year-over-year, driven by an increase in volume, higher average prices, and the appreciation of the Mexican peso vs the U.S. dollar. In local currency, 3Q23 Revenues were up 6% driven by growth across all regions (Mexico +6%, Europe +1%, the U.S. +14%, and Latam +5%) (see Table 13). As a reference, Foodservice Channel Revenues increased 18% year-on-year.



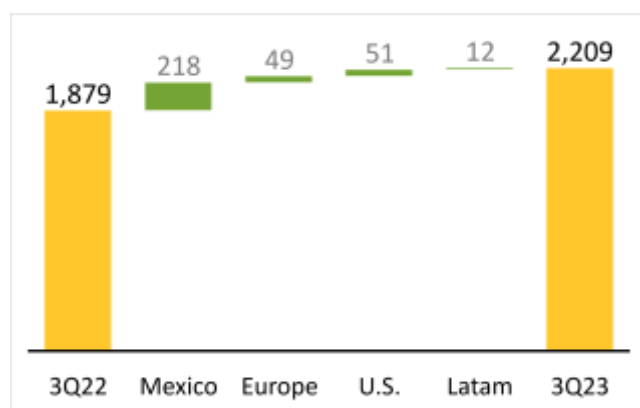
# Earnings Report

## Third Quarter 2023 (3Q23)

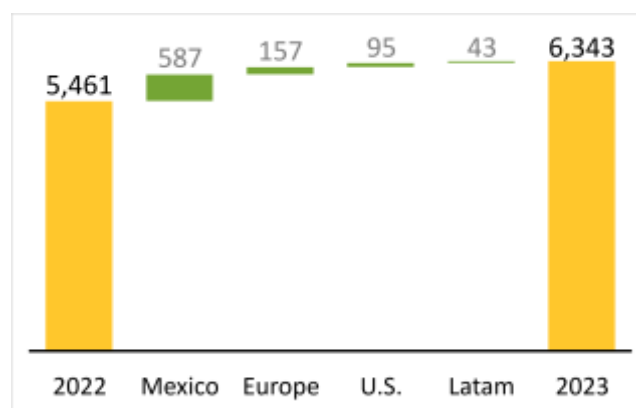


Accumulated revenues during the nine months ended September 30, 2023 were US \$6.3 billion, 16% higher year-on-year. In local currency, accumulated Revenues rose by 9% versus the same period in 2022.

**3Q23 Revenue (US \$ MILLION)**



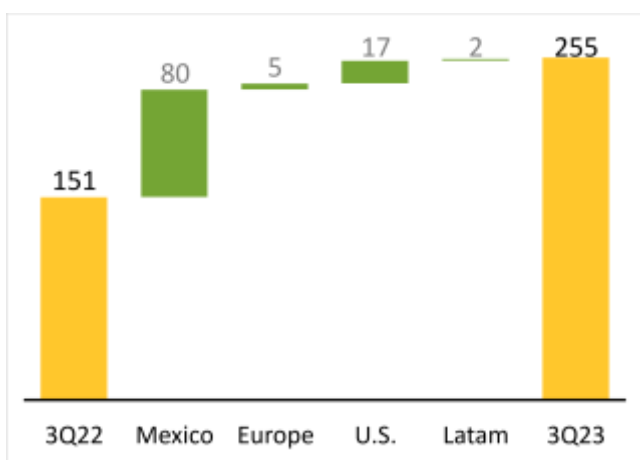
**YTD Revenue (US \$ MILLION)**



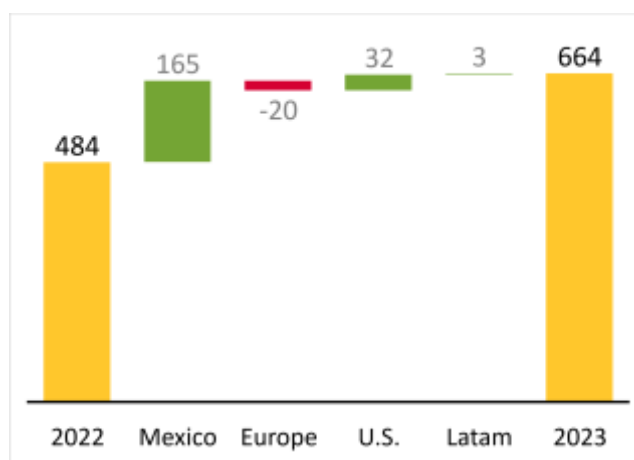
**EBITDA** was US \$255 million in the third quarter of 2023, up 68% year-on-year, boosted by high growth in all regions. Quarterly EBITDA benefited from strong foreign exchange rates and favorable raw material cost trends in the Americas. Adjusting for the Foodservice channel, 3Q23 EBITDA increased by 73% year-over-year. In local currency, quarterly EBITDA was up 48% versus the same period last year.

Accumulated EBITDA was US \$664 million, up 37% year-on-year. EBITDA margin during the nine months ended September 30, 2023 was 10.5% up from 8.9% during the same period in 2022. Margin recovery in the Americas more than offset lower margin in Europe due to inflationary pressures and lower volume. In local currency, accumulated EBITDA was up 24% year-on-year.

**3Q23 EBITDA (US \$ MILLION)**



**YTD EBITDA (US \$ MILLION)**



# Earnings Report

## Third Quarter 2023 (3Q23)



**Operating Income** was US \$79 million in 3Q23, down 22% when compared to US \$101 million in 3Q22, as the double-digit increase in EBITDA was more than offset by a US \$120 million asset impairment related to the divestment of all operations in Italy (see Recent Developments – Italy Divestiture). Accumulated Operating Income was US \$380 million, 15% higher year-on-year.

**Comprehensive Financing Expense (CFE)** was US \$83 million, up from US \$23 million in 3Q22, primarily resulting from higher foreign exchange losses related to the impact of currency forward contracts amid a stronger-than-expected exchange rate of the Mexican peso against the U.S. dollar and higher interest rates. Accumulated CFE was US \$256 million, up from US \$87 million year-on-year, also primarily due to higher foreign exchange losses.

**Net Loss** was US \$37 million in 3Q23 mainly due to the asset impairment of US \$120 million related to the divestment of all operations in Italy. Net loss for the nine months ended September 30, 2023 was US \$47 million, compared to a net profit of US \$107 million during the same period in 2022, as higher CFE and the Italian asset impairment more than offset incremental EBITDA.

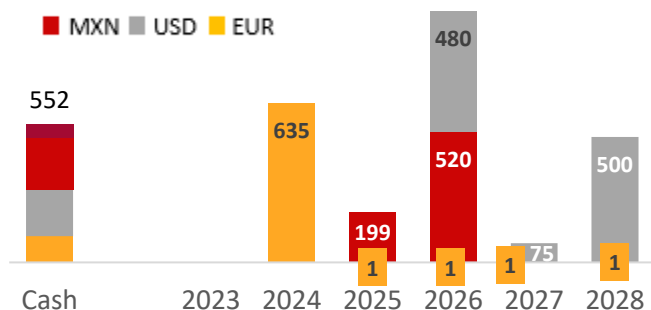
### CHANGE IN NET DEBT (US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 vs		2023	2022	Ch. %
				2Q23	3Q22			
EBITDA	255	217	151	17	68	664	484	37
Net Working Capital	(86)	31	11	(380)	(915)	(112)	(106)	5
Capital Expenditures & Acquisitions	(58)	(128)	(59)	(55)	(2)	(218)	(163)	34
Net Financial Expenses	(35)	(35)	(31)	0	13	(99)	(86)	14
Taxes	(45)	(81)	(23)	(44)	95	(212)	(93)	127
Dividends	0	(75)	0	(100)	-	(75)	(76)	(1)
Other Sources (Uses)	(64)	(100)	16	(36)	(504)	(209)	25	-
<b>Decrease (Increase) in Net Debt</b>	<b>(33)</b>	<b>(172)</b>	<b>64</b>	<b>(81)</b>	<b>(152)</b>	<b>(263)</b>	<b>(16)</b>	<b>-</b>

**Net Debt** was US \$2.045 billion, up US \$33 million versus 2Q23. The quarter-on-quarter increase was mainly driven by net working capital investment, which is explained below. Net Debt increased US \$263 million during the nine months ended September 30, 2023 mainly due to higher taxes and Capex, which included the acquisition of Los Altos Foods and the packaged meats production facility in Iowa.

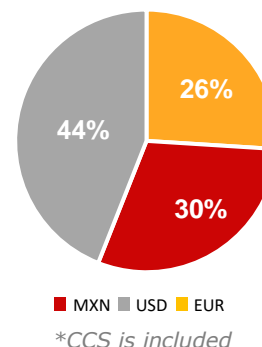
Cash totaled US \$552 million in 3Q23, US \$147 million lower than 3Q22, and US \$57 million lower compared to 2Q23. Approximately 55% of cash was held in dollars and euros. Financial ratios at the end of the quarter were: Net Debt to EBITDA of 2.5 times and Interest Coverage of 5.7 times (see Table 16).

### Debt Maturity (US \$ MILLION)



\*US \$520 million MXN-USD Cross Currency Swap (CCS) agreements for 2026. Does not include US \$186 million mainly from financial leases, notes payables, and accrued interest.

### Debt Currency Mix\*



**Net Working Capital (NWC)** investment was US \$86 million during 3Q23 mainly due to Europe. Accumulated Net Working Capital investment was US \$112 million as a recovery of inventories in Mexico was offset by investments in other regions.

**Capital Expenditures & Acquisitions (Capex)** totaled US \$58 million during the quarter, 2% lower than in 3Q22. Approximately 84% of Capex was maintenance-related, while the remainder was invested in strategic projects. Accumulated Capex was US \$218 million, up 34% year-on-year.

**No Dividends** were paid during the third quarter. Accumulated 2023 dividends totaled US \$75 million.

## INDUSTRY COMMENTS - SIGMA

### Consumer confidence and retail sales

During 3Q23, the average consumer confidence in Mexico (as per INEGI<sup>1</sup>) was 46.6 points, up 5.6 points year-on-year and up 1.9 points sequentially. By the end of the quarter, the inflation rate dropped to 4.6%, a significant decrease against the 8.5% rate for 3Q22. Same-store-sales (as per ANTAD<sup>2</sup>) during August 2023 were down 3.1% year-on-year.

Foodservice and Convenience channel sales in Mexico grew, reflecting higher out-of-home consumption. Additionally, data released by the Mexican tourism authorities (DATATUR<sup>3</sup>) for August 2023 posted a year-over-year increase of 4.2% in the average hotel occupancy rate, as well as a 4.4% increase in domestic tourist arrivals.

<sup>1</sup> Instituto Nacional de Estadística y Geografía - National Statistics and Geography Institute

<sup>2</sup> Asociación Nacional de Tiendas de Autoservicio y Departamentales - National Association of Supermarkets and Department Stores

<sup>3</sup> DataTur - Sistema Nacional de Información Estadística del Sector Turismo de México

# Earnings Report

## Third Quarter 2023 (3Q23)



In the United States, the average consumer confidence level reported by The Conference Board was 108.6, up 6 points year-on-year and 3 points higher versus 2Q23. The inflation rate was 3.7% at the close of the quarter. Adjusted Food & Beverage Retail Sales reported by the U.S. Census Bureau during the quarter, rose 3% on average year-on-year.

As of September 2023, the European Commission reported that the average consumer confidence level was negative 16.3 points, an improvement from negative 27 points when compared to the same period last year. According to Eurostat, Food Retail Sales fell 3% on average year-on-year and remained flat sequentially. During September, the inflation rate in Europe was 4.3%.

### Exchange Rate

When compared against the U.S. dollar, the average 3Q23 exchange rate for the Mexican peso appreciated 16%, and the euro appreciated 8% year-on-year. Furthermore, Sigma's Latam currency mix (outside Mexico) experienced a net appreciation effect of approximately 7% year-on-year versus the U.S. dollar.

	3Q23	2Q23	3Q22	(% ) 3Q23 vs		2023	2022	Ch. %
				2Q23	3Q22			
Mexico - MXN/USD Avg	17.06	17.72	20.24	(4)	(16)	17.83	20.27	(12)
Mexico - MXN/USD EOP	17.62	17.07	20.31	3	(13)	17.62	20.31	(13)
EU - USD/EUR Avg	1.09	1.09	1.01	-	8	1.08	1.07	2
EU - USD/EUR EOP	1.06	1.09	0.98	(3)	8	1.06	0.98	8
Dominican Rep. - DOP/USD Avg	56.57	54.69	53.98	3	5	55.81	55.06	1
Dominican Rep. - DOP/USD EOP	56.82	54.95	53.48	3	6	56.82	53.48	6
Peru - PEN/USD Avg	3.69	3.69	3.90	-	(6)	3.74	3.82	(2)
Peru - PEN/USD EOP	3.79	3.63	3.98	4	(5)	3.79	3.98	(5)
Costa Rica - CRC/USD Avg	545.08	541.15	660.87	1	(18)	549.11	662.12	(17)
Costa Rica - CRC/USD EOP	537.18	543.69	628.66	(1)	(15)	537.18	628.66	(15)

*Revenues from the Dominican Republic, Peru, Costa Rica and Ecuador represented more than 81% of Latam Revenues. Ecuador is a dollarized economy; therefore, no exchange rate is included above.*

### Raw Materials

U.S. pork ham prices decreased 9% year-on-year due to higher-than-expected pork production. However, prices increased 22%, sequentially, driven by higher export demand from Mexico and production seasonality. Meanwhile, trimming prices decreased 13% when compared to 3Q22 and increased 42% sequentially, due in part to higher demand in 3Q23.

In Europe, average quarterly pork ham, shoulder, and lean hog prices increased 16%, 23%, and 28%, respectively, versus 3Q22. On a sequential basis, prices were flat for pork ham, increased 1% for shoulder, and decreased 2% for lean hog. Pork price increases were mainly due to lower production, as producers cut back on supply due to weak profitability in 2022 amid the effects of the Russia-Ukraine conflict, among others.

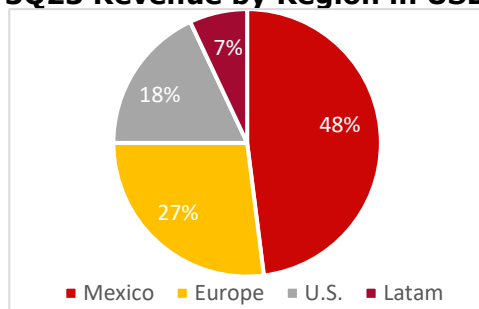


Regarding poultry in the U.S., average turkey breast prices were down 61% when compared to 3Q22 and 13% lower on a sequential basis, resulting from higher production and soft demand caused by exceptionally high prices throughout 2022. Turkey thigh prices decreased 39% year-on-year and 15% sequentially. Meanwhile, average chicken prices were down 20% year-on-year and 11% versus 2Q23, as production increased driven by seasonality and cold storage inventories grew amid slower demand.

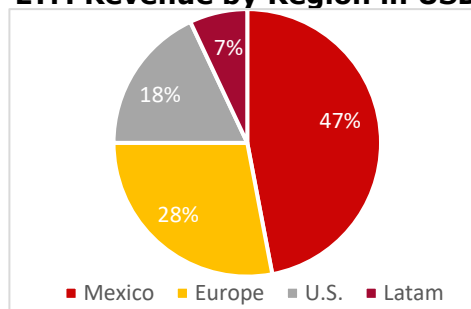
### RESULTS BY REGION - SIGMA

During 3Q23, Mexico accounted for 48% of total revenues; while Europe represented 27%; the U.S. 18%; and Latam 7%. As a percentage of last twelve-month (LTM) Revenues, these figures were 47%, 28%, 18%, and 7%, respectively.

**3Q23 Revenue by Region in USD**



**LTM Revenue by Region in USD**



#### **Mexico:**

In local currency, 3Q23 Revenues increased 6% year-on-year, boosted by solid demand across all channels and product categories, resulting in an all-time high quarterly volume. Prices decreased 3% year-over-year and 2% sequentially, amid lower raw material cost pressures. 3Q23 Foodservice Channel Revenues rose by 10% year-over-year, driven by solid volume growth from new and existing customers. Excluding Foodservice results, peso-denominated 3Q23 Revenues increased by 5.5% versus 3Q22.

In pesos, Mexico posted a 49% year-on-year EBITDA increase. Incremental volume and cost benefits contributed to EBITDA growth. Foodservice channel EBITDA increased 20% year-on-year. Excluding Foodservice results, quarterly EBITDA improved 55% year-on-year.

Accumulated Revenues and EBITDA in local currency were 9% and 34% higher than the same period of 2022, respectively. Results were driven by solid demand, cost benefits and a positive Foodservice Channel performance.

#### **Europe:**

3Q23 Revenues in euros were up 1% year-on-year, driven by a 13% increase in average prices. Volume was 11% lower versus 3Q22 due to the divestment of operations in Italy as well as lower production in the Fresh Meats business. Adjusting for the Italy divestiture, Comparable 3Q23 Volume decreased 7% and Revenues grew 6% year-on-year. As a reference, Packaged Meats account for approximately 84% of European Revenues and Fresh Meats the remainder.

In local currency, European EBITDA was up 41% year-on-year, reflecting the benefit from the Italy divestment and improving results on the Fresh Meats business.

Accumulated Revenues in euros during the nine months ended September 30, 2023 were 8% higher and EBITDA was 62% lower year-on-year. Year-to-date results reflect the non-recurring restructure expense recognized in 2Q23 as well as sustained inflationary pressures in meat raw material costs and the operational reduction of our Fresh Meats business.

### **United States:**

Quarterly Revenues were 14% higher versus 3Q22, mainly driven by record volume boosted by the Hispanic Brands segment and the Los Altos Foods acquisition. Revenue management initiatives also contributed to this result. Adjusting for Los Altos Foods, Comparable 3Q23 Revenues grew 7% year-on-year.

3Q23 EBITDA was up 61% versus 3Q22, driven by Hispanic and Mainstream Brands, as well as Los Altos. EBITDA also benefited from favorable raw material cost trends that offset a lower contribution from European Brands. Adjusting for Los Altos Foods, Comparable 3Q23 EBITDA grew 52% year-on-year.

Accumulated Revenue and EBITDA were up 9% and 29% year-over-year, respectively. The results for the nine months ended September 30, 2023 were mainly driven by the Hispanic and Mainstream Brands.

### **Latam:**

In local currencies, quarterly Revenues were up 5% year-on-year as average prices increased 3% and volume was up 2%. Adjusting for the Foodservice channel, Revenue increased 8% versus 3Q22.

Quarterly EBITDA in local currency increased 11% versus 3Q22, as favorable results in Costa Rica, Dominican Republic, and Ecuador more than offset subpar performance in Peru and some countries in Central America. Adjusting for Foodservice Results, EBITDA increased 5% versus 3Q22.

Currency-neutral accumulated Revenues and EBITDA were up 7% and 2% year-over-year, respectively. Results during the nine months ended September 30, 2023 were driven by higher prices and steady demand when compared to the same period of 2022.

### RECENT DEVELOPMENTS – SIGMA

<b>Italy Divestiture</b>	<ul style="list-style-type: none"> <li>▶ Divested all operations in Italy during 3Q23</li> <li>▶ Recognized an asset impairment of US \$120 million</li> <li>▶ Transaction in line with comprehensive plan to improve results by focusing in core European markets</li> <li>▶ Benefits include optimizing Sigma’s footprint and enhancing profitability in the region immediately</li> <li>▶ Sigma maintains ownership of the Fiorucci Brand in U.S. and other countries</li> </ul>
<b>Credit Ratings</b>	<p><b>S&amp;P Ratings</b></p> <ul style="list-style-type: none"> <li>▶ Revised Sigma’s long-term international issuer credit rating to “BBB-” with stable outlook (rating capped at parent company level; Sigma’s stand-alone credit rating is “BBB”)</li> <li>▶ Long term national issuer credit rating affirmed at “mxAA+”</li> </ul>
<b>Sustainability</b>	<p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>▶ <i>NextGenerationEU</i> granted EUR €3 million to Sigma’s operations in Portugal</li> <li>▶ Funds will be used in sustainability projects at the Rio Maior plant to reduce its emissions by 40%</li> <li>▶ Projects involve higher consumption of renewable energy and natural refrigerants</li> </ul>
<b>Growth</b>	<ul style="list-style-type: none"> <li>▶ Tastech by Sigma®: 15 startups from 9 countries were selected to run pilots throughout Sigma’s regions</li> <li>▶ Snacking: Reached 30,000+ points of sale across Mexico, U.S. and Europe</li> <li>▶ Plant-based: Launched Better Balance® products in Mexican retail stores</li> </ul>
<b>Financial Hedging</b>	<ul style="list-style-type: none"> <li>▶ As of September 2023, currency forward contracts totaled US \$651 million with an average exchange rate of \$19.12 MXN/USD, sufficient to cover Sigma’s U.S. dollar needs for the next 8 to 12 months</li> </ul>

(See “Financial Statements” for Sigma’s 3Q23 Balance Sheet and Income Statement)



### Alpek (BMV: ALPEKA) – PETROCHEMICALS



47% of ALFA's revenues in 3Q23

#### SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 vs		2023	2022	Ch. %
				2Q23	3Q22			
<b>Volume (ktons)</b>	<b>1,177</b>	<b>1,197</b>	<b>1,359</b>	<b>(2)</b>	<b>(13)</b>	<b>3,535</b>	<b>3,835</b>	<b>(8)</b>
Polyester	955	984	1,114	(3)	(14)	2,878	3,087	(7)
Plastics & Chemicals	222	213	246	4	(10)	657	749	(12)
<b>Revenues</b>	<b>1,956</b>	<b>2,050</b>	<b>2,951</b>	<b>(5)</b>	<b>(34)</b>	<b>6,068</b>	<b>8,098</b>	<b>(25)</b>
Polyester	1,483	1,532	2,022	(3)	(27)	4,504	5,361	(16)
Plastics & Chemicals	372	409	607	(9)	(39)	1,214	1,880	(35)
Others	101	109	323	(7)	(69)	350	858	(59)
<b>EBITDA</b>	<b>126</b>	<b>148</b>	<b>306</b>	<b>(15)</b>	<b>(59)</b>	<b>461</b>	<b>1,270</b>	<b>(64)</b>
Polyester	79	90	170	(13)	(54)	260	804	(68)
Plastics & Chemicals	43	55	132	(21)	(67)	197	458	(57)
Others	4	3	4	20	(10)	4	7	(45)
<b>Comparable EBITDA<sup>1</sup></b>	<b>160</b>	<b>201</b>	<b>424</b>	<b>(21)</b>	<b>(62)</b>	<b>568</b>	<b>1,126</b>	<b>(50)</b>
Polyester	114	127	261	(11)	(56)	374	672	(44)
Plastics & Chemicals	42	70	158	(40)	(74)	189	447	(58)
Others	4	3	4	20	(10)	4	7	(45)
<b>Capex &amp; Acquisitions<sup>2</sup></b>	<b>38</b>	<b>75</b>	<b>93</b>	<b>(49)</b>	<b>(59)</b>	<b>165</b>	<b>811</b>	<b>(80)</b>
<b>Net Debt</b>	<b>1,675</b>	<b>1,879</b>	<b>1,805</b>	<b>(11)</b>	<b>(7)</b>			
Net Debt / LTM EBITDA <sup>*</sup>	2.6	2.3	1.2					
LTM Interest Coverage <sup>3*</sup>	4.1	5.3	13.7					

\* Times. LTM= Last 12 months

1 Excludes extraordinary items

2 Figure includes divestments

3 Interest Coverage= EBITDA/Net Financial Expenses

**Volume** was 1,177 ktons, down 13% versus 3Q22 and 2% lower quarter-on-quarter. Polyester volume was 14% lower year-on-year and down 3% quarter-on-quarter, due mainly to imports from Asia and soft demand in the Americas. Moreover, the Plastics & Chemicals (P&C) segment was down 10% when compared to 3Q22, amid a slowdown in the U.S. construction sector. In contrast, P&C volume increased 4% quarter on quarter driven mainly by seasonality in Polypropylene (PP). Accumulated Volume was 3,535 ktons, down 8% versus the nine months ended September 30, 2022 as both business segments decreased against record figures.

**Revenues** totaled US \$1.956 billion in 3Q23, down 34% versus 3Q22 and 5% lower quarter-on-quarter mainly due to lower consolidated average prices. Accumulated Revenues were US \$6.068 billion, down 25% versus the first nine months of 2022, resulting from a 19% reduction in average prices and an 8% decrease in volume.

**EBITDA** was US \$126 million in 3Q23, down 59% versus 3Q22 and 15% lower quarter-on-quarter. EBITDA includes a net negative impact of US -\$34 million from extraordinary items including shutdown costs for the filament facility and hyperinflation in Argentina. For reference, 3Q22 EBITDA included a net negative impact of US -\$118 million from extraordinary items associated with declining crude oil and feedstock prices. Accumulated EBITDA for the first nine months of 2023 was US \$461 million, down 64% versus the same period of 2022 amid a decrease in reference margins and volume.

**Comparable EBITDA** was US \$160 million, down 62% versus 3Q22 and 21% lower quarter-on-quarter, reflecting lower volume and reference margins. In addition to the year-over-year decrease in industry reference margins, domestic petrochemical producers are being impacted by higher-than-usual feedstock prices in North America versus Asia; mainly Paraxylene used to produce Polyester, and Styrene used to produce Expandable Polystyrene (EPS). Accumulated Comparable EBITDA in the first nine months of 2023 was US \$568 million, down 50% versus a historically high figure for the same period in 2022.

**Capital Expenditures & Acquisitions (Capex)** totaled US \$38 million in 3Q23, mainly allocated to maintenance and the integrated PTA-PET site in Corpus Christi, Texas. For reference, Alpek and its joint venture partners announced their decision to pause construction of the Corpus Christi plant on September 27, 2023. Accumulated Capex was US \$165 million, down 80% versus first nine months of 2022, which included the acquisition of the PET sheet and resin business in 2Q22.

**Net Debt** was US \$1.675 billion, down 7% and 11% when compared with 3Q22 and 2Q23, respectively. On an absolute basis, Net Debt decreased US \$185 million versus year-end 2022. A recovery of US \$432 million in Net Working Capital during the first nine months of 2023 contributed to the accumulated reduction in Net Debt.

**Cash** at the close of the third quarter was US \$522 million, including restricted cash. 3Q23 financial ratios were: Net Debt to EBITDA of 2.6 times and Interest Coverage of 4.1 times.

### RECENT DEVELOPMENTS - ALPEK

<p><b>Paused construction of Corpus Christi plant</b></p>	<ul style="list-style-type: none"> <li>▶ Corpus Christi Polymers (“CCP”) decided to temporarily pause construction of its integrated PTA-PET plant in Corpus Christi, Texas</li> <li>▶ Construction and labor costs have risen and surpassed original estimates</li> <li>▶ The joint venture partners at CCP will assess options to optimize the project’s costs and timeline</li> <li>▶ The site will be properly preserved to resume construction in the future</li> </ul>
<p><b>Filament facility shutdown</b></p>	<ul style="list-style-type: none"> <li>▶ Facility built in 1962 in Monterrey, Mexico</li> <li>▶ Installed capacity of 100,000 tons of polymer and filament</li> <li>▶ Minimal contribution to Alpek’s total EBITDA in recent years</li> <li>▶ Recognized asset impairment of US \$25 million, plus one-time shutdown expenses of US \$18 million</li> </ul>
<p><b>US \$200 million sustainability-linked loan</b></p>	<ul style="list-style-type: none"> <li>▶ Successful refinancing of the outstanding balance from the 2023 bond due in August with bank debt that includes a US \$200 million Sustainability-Linked Loan maturing in 2028</li> <li>▶ First transaction with an ESG component, reiterating its commitment and progress in ESG strategy</li> <li>▶ Loan incorporates a pricing mechanism that incentivizes improvement in two of the Company’s key ESG Targets:             <ul style="list-style-type: none"> <li>• Reduction in Carbon emissions - Scopes 1, 2 and 3</li> <li>• Reduction in Incident Rate for its employees and contractors</li> </ul> </li> <li>▶ Pricing mechanism strengthens efforts to achieve net zero emissions and contributes towards reaching the top decile in Occupational Safety in its industry</li> </ul>
<p><b>Credit Ratings</b></p>	<p><b>Fitch Ratings</b> – revised October 16, 2023</p> <ul style="list-style-type: none"> <li>▶ Revised Alpek’s outlook to Stable from Positive</li> <li>▶ Affirmed Long-Term Foreign and Local Currency Issuer Default Ratings (IDRs) at “BBB-”</li> </ul> <p><b>Moody’s</b> – revised September 26, 2023</p> <ul style="list-style-type: none"> <li>▶ Revised Alpek’s outlook to Stable from Positive</li> <li>▶ Affirmed Long-term “Baa3” issuer credit rating</li> </ul>

(See “Appendix – 3Q23 Reports of Listed Businesses” for Alpek’s complete 3Q23 Earnings Report)

### **Axtel (BMV: AXTELCPO) – IT & TELECOM**

axtel



In accordance with International Financial Reporting Standards (IFRS), ALFA's Consolidated Results must account for Axtel as Discontinued Operations due to the spin-off of this business.

Additional details related to the effects of discontinued operations on ALFA's consolidated results are available in Tables 9, 10 and 11.

It is important to note that accounting for Axtel as a Discontinued Operation in ALFA's financial statements ended on May 29, 2023.

Please refer to Axtel's 3Q23 Earnings Report for the analysis of full quarterly and accumulated operating figures.

**3Q23 EARNINGS CALL INFORMATION**

Date: Tuesday, October 24, 2023

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

Registration: [https://us02web.zoom.us/webinar/register/WN\\_hYTMJSNBQQOALo09I3LHVg](https://us02web.zoom.us/webinar/register/WN_hYTMJSNBQQOALo09I3LHVg)

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

### **About ALFA**

ALFA is comprised mainly of two businesses with global operations: Sigma, a leading multinational food company, focuses on the production, marketing, and distribution of quality foods through recognized brands in Mexico, Europe, the United States, and Latin America. Alpek is one of the world's top producers of Polyester (PTA, PET, PET sheet and rPET), 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](http://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 U.S. dollars, as indicated. Where applicable, peso amounts were translated into U.S. dollars using the average exchange rate of the months during which the operations were recorded. Financial ratios are calculated in U.S. dollars. Due to the rounding up of figures, small differences may occur when calculating percent changes from one period to the other.

## Tables

### ALFA

Table 1 | VOLUME AND PRICE CHANGES (%)

	3Q23 vs.		2023 vs.
	2Q23	3Q22	2022
Total Volume	(0.4)	(7.7)	(4.6)
Domestic Volume	1.2	(6.0)	(8.5)
Foreign Volume	(1.4)	(8.8)	(1.9)
Avg. Ps. \$ Prices	(3.9)	(21.0)	(15.5)
Avg. US \$ Prices	(0.1)	(6.3)	(3.9)

Table 2 | REVENUES

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022	Ch.%
				2Q23	3Q22			
<b>Total Revenues</b>								
Ps. \$ Millions	71,606	74,788	98,289	(4)	(27)	222,768	276,166	(19)
US \$ Millions	4,198	4,221	4,856	(1)	(14)	12,504	13,633	(8)
<b>Domestic Revenues</b>								
Ps. \$ Millions	28,880	29,073	37,501	(1)	(23)	88,184	110,103	(20)
US \$ Millions	1,693	1,641	1,853	3	(9)	4,950	5,436	(9)
<b>Foreign Revenues</b>								
Ps. \$ Millions	42,726	45,715	60,788	(7)	(30)	134,584	166,063	(19)
US \$ Millions	2,505	2,580	3,003	(3)	(17)	7,553	8,198	(8)
Foreign / Total (%)	60	61	62			60	60	

Table 3 | OPERATING INCOME AND EBITDA

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022	Ch.%
				2Q23	3Q22			
<b>Operating Income</b>								
Ps. \$ Millions	1,757	4,378	6,884	(60)	(74)	10,051	28,527	(65)
US \$ Millions	103	246	339	(58)	(70)	557	1,407	(60)
<b>EBITDA</b>								
Ps. \$ Millions	6,364	6,398	9,211	(1)	(31)	19,794	35,198	(44)
US \$ Millions	373	360	454	4	(18)	1,109	1,736	(36)
<b>EBITDA/Revenues (%)*</b>	8.9	8.5	9.3			8.9	12.7	

\*US dollar denominated EBITDA margin

Table 4 | EXTRAORDINARY ITEMS (US \$ MILLION)

Company	Extraordinary item	3Q23	2Q23	3Q22	2023	2022
Alpek	Inventory gain (loss)	0	(32)	(70)	(33)	74
	Carry forward gain (loss)	(1)	(8)	(46)	(9)	93
	Others	(33)	(13)	(2)	(65)	(22)
	<b>Total Alpek</b>	<b>(34)</b>	<b>(53)</b>	<b>(118)</b>	<b>(107)</b>	<b>144</b>
Sigma	Organizational restructure	-	(12)	-	(12)	-
	<b>Total Sigma</b>	<b>-</b>	<b>(12)</b>	<b>-</b>	<b>(12)</b>	<b>-</b>
<b>ALFA</b>	<b>Total effect on EBITDA</b>	<b>(34)</b>	<b>(65)</b>	<b>(118)</b>	<b>(119)</b>	<b>144</b>

Table 5 | COMPARABLE EBITDA (US \$ MILLION)

Company	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022	Ch. %
				2Q23	3Q22			
<b>ALFA</b>	<b>407</b>	<b>425</b>	<b>572</b>	<b>(4)</b>	<b>(29)</b>	<b>1,228</b>	<b>1,592</b>	<b>(23)</b>
Alpek	160	201	424	(21)	(62)	568	1,126	(50)
Sigma	255	229	151	11	68	676	485	40
Newpek	0	1	1	(92)	(91)	0	1	(73)
ALFA EBITDA/Revenues (%)	9.7	10.1	11.8			9.8	11.7	

Table 6 | COMPREHENSIVE FINANCING INCOME / EXPENSE (US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022	Ch. %
				2Q23	3Q22			
Financial Expenses	(134)	(123)	(102)	(9)	(31)	(369)	(271)	(36)
Financial Income	28	22	15	30	93	65	35	87
Net Financial Expenses	(106)	(101)	(88)	(5)	(21)	(304)	(236)	(29)
Exchange Rate Gains (Losses)	(77)	(25)	(25)	(208)	(204)	(92)	(27)	(240)
Capitalized Comp. Fin. Expense	0	0	0	-	-	0	0	-
Comprehensive Financing Expense	(183)	(126)	(113)	(45)	(62)	(396)	(263)	(51)
Avg. Cost of Borrowed Funds (%)	5.9	5.5	5.2			5.9	4.9	



# Earnings Report

## Third Quarter 2023 (3Q23)



Table 7 | NET INCOME (US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 %		2023	2022	Ch.%
				2Q23	3Q22			
Consolidated Net Income (Loss)	(46)	21	182	(325)	(125)	(9)	801	(101)
Minority Interest	2	16	41	(85)	(94)	50	207	(76)
Majority Net Income (Loss)	(49)	4	141	-	(134)	(58)	594	(110)
Per Share (US dollars)	(0.01)	0.00	0.03	-	(135)	(0.01)	0.12	(110)
Avg. Outstanding Shares (Millions)	4,819	4,819	4,834			4,819	4,873	

Table 8 | STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.	
				2Q23	3Q22
<b>Assets</b>					
Cash and cash equivalents	1,147	1,143	1,237	-	(7)
Trade accounts receivable	1,202	1,225	1,667	(2)	(28)
Inventories	2,338	2,616	2,820	(11)	(17)
Current assets from discontinued operations	0	0	1,067	-	(100)
Other current assets	843	821	735	4	16
<b>Total current assets</b>	<b>5,529</b>	<b>5,804</b>	<b>7,526</b>	<b>(5)</b>	<b>(27)</b>
Investment in associates and others	555	552	468	-	18
Property, plant and equipment, net	4,250	4,395	4,161	(3)	2
Goodwill and intangible assets, net	1,915	1,979	1,784	(3)	7
Other non-current assets	646	599	608	8	6
<b>Total assets</b>	<b>12,896</b>	<b>13,329</b>	<b>14,547</b>	<b>(3)</b>	<b>(12)</b>
<b>Liabilities &amp; stockholders' equity</b>					
Debt	702	1,174	620	(40)	13
Suppliers	2,477	2,594	2,945	(5)	(16)
Current liabilities from discontinued operations	0	0	849	-	-
Other current liabilities	1,220	1,310	1,096	(7)	11
<b>Total current liabilities</b>	<b>4,399</b>	<b>5,078</b>	<b>5,510</b>	<b>(13)</b>	<b>(20)</b>
Debt (include debt issuance cost)	4,954	4,588	5,171	8	(4)
Employees' benefits	199	198	147	1	35
Other long-term liabilities	732	773	784	(5)	(7)
<b>Total liabilities</b>	<b>10,285</b>	<b>10,637</b>	<b>11,612</b>	<b>(3)</b>	<b>(12)</b>
<b>Total stockholders' equity</b>	<b>2,611</b>	<b>2,692</b>	<b>2,935</b>	<b>(3)</b>	<b>(11)</b>
<b>Total liabilities &amp; stockholders' equity</b>	<b>12,896</b>	<b>13,329</b>	<b>14,547</b>	<b>(3)</b>	<b>(12)</b>
Net Debt	4,866	4,994	4,830	(3)	1
Net Debt/EBITDA*	3.4	3.3	2.2		
Interest Coverage*	3.7	4.1	7.3		

\* Times. LTM=Last 12 months

# Earnings Report

## Third Quarter 2023 (3Q23)



Table 9 | STATEMENT OF FINANCIAL POSITION DISCONTINUED OPERATIONS – AXTEL (US \$ MILLION)

	3Q23	2Q23	3Q22
Current assets	0	0	239
Non-Current assets	0	0	828
<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>1,067</b>
Current liabilities	0	0	171
Non-Current liabilities	0	0	679
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>849</b>

Table 10 | INCOME STATEMENT DISCONTINUED OPERATIONS – AXTEL (US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022	Ch.%
				2Q23	3Q22			
Total Revenues	0	95	133	(100)	(100)	240	381	(37)
Gross Profit	0	49	71	(100)	(100)	121	192	(37)
Operating expenses and others	<b>0</b>	<b>(45)</b>	<b>(67)</b>	<b>100</b>	<b>100</b>	<b>(115)</b>	<b>(190)</b>	<b>39</b>
EBITDA	0	25	38	(100)	(100)	53	105	(50)
Operating income (loss)	0	4	4	(100)	(100)	(1)	2	(150)
Financial cost, net	<b>0</b>	<b>(1)</b>	<b>(15)</b>	<b>100</b>	<b>100</b>	<b>20</b>	<b>(26)</b>	<b>177</b>
Income Tax	0	(6)	5	100	(100)	(11)	13	(185)
<b>Net Profit (loss)</b>	<b>0</b>	<b>(2)</b>	<b>(6)</b>	<b>101</b>	<b>100</b>	<b>9</b>	<b>(12)</b>	<b>180</b>

\*2Q23 accumulated figures for the one month and 29 days ended May 29, 2023 and 2022 accumulated figures for the four months and 29 days ended May 29, 2023

Table 11 | CHANGE IN NET DEBT DISCONTINUED OPERATIONS – AXTEL (US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022 <sup>1</sup>	Ch.%
				2Q23	3Q22			
EBITDA	0	0	38	-	(100)	0	105	(100)
Net Working Capital	0	0	(21)	-	100	0	(22)	100
Capital expenditures & Acquisitions	0	0	(14)	-	100	0	(46)	100
Net Financial Expenses	0	0	(12)	-	100	0	(37)	100
Taxes	0	0	0	-	-	0	0	-
Other Sources / Uses	0	0	12	-	(100)	0	4	(100)
<b>Decrease (Increase) in Net Debt</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>-</b>	<b>(100)</b>	<b>0</b>	<b>4</b>	<b>129</b>

<sup>1</sup>2022 figures are presented at the close of September 2022, when Axtel was reclassified as Discontinued Operations

### Sigma

Table 12 | SIGMA - VOLUME AND PRICE CHANGES (%)

	3Q23 vs.		2023 vs.
	2Q23	3Q22	2022
Total Volume	1.7	3.8	1.8
Avg. Ps. \$ Prices	(2.4)	(4.5)	0.2
Avg. US \$ Prices	1.3	13.3	14.2

Table 13 | SIGMA – REVENUES AND EBITDA IN LOCAL CURRENCY

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022	Ch.%
				2Q23	3Q22			
<b>Revenues</b>								
Mexico (Ps. \$ Millions)	18,054	17,811	17,001	1	6	53,483	49,001	9
Europe (€ Millions)	553	560	549	(1)	1	1,732	1,603	8
United States (US \$ Millions)	406	389	355	4	14	1,141	1,046	9
Latam (US \$ Millions Eq <sup>1</sup> )	142	140	135	2	5	418	393	7
<b>EBITDA</b>								
Mexico (Ps. \$ Millions)	3,143	2,894	2,106	9	49	8,434	6,301	34
Europe (€ Millions)	12	(12)	9	(207)	41	12	32	(62)
United States (US \$ Millions)	45	53	28	(16)	61	139	107	29
Latam (US \$ Millions Eq <sup>1</sup> )	12	11	11	7	11	35	34	2

<sup>1</sup>US \$ Million equivalent= 3Q23 and 2Q23 financial results in each country are converted into US Dollars at the 3Q22 average exchange rate for each local currency. 2023 accumulated amounts are converted into US Dollars at the 2022 accumulated average exchange rate.

Table 14 | SIGMA - OPERATING INCOME

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022	Ch.%
				2Q23	3Q22			
<b>Operating Income</b>								
Ps. \$ Millions	1,364	2,883	2,052	(53)	(34)	6,830	6,676	2
US \$ Millions	79	163	101	(51)	(22)	380	329	15

# Earnings Report

## Third Quarter 2023 (3Q23)



Table 15 | SIGMA - COMPREHENSIVE FINANCING INCOME / EXPENSE  
(US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.		2023	2022	Ch.%
				2Q23	3Q22			
Financial Expenses	(52)	(45)	(32)	13	61	(131)	(96)	37
Financial Income	7	5	4	31	59	17	10	73
Net Financial Expenses	(45)	(41)	(28)	11	62	(114)	(86)	33
Exchange Rate Gains (Losses)	(38)	(62)	5	(40)	(879)	(141)	(1)	-
Capitalized Comp. Fin. Expense	0	0	0	-	-	0	0	-
Comprehensive Financing Expense	(83)	(103)	(23)	(20)	258	(256)	(87)	192
Avg. Cost of Borrowed Funds (%)	5.7	5.3	4.7			5.3	4.6	

Table 16 | SIGMA - STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS  
(US \$ MILLION)

	3Q23	2Q23	3Q22	(% ) 3Q23 vs.	
				2Q23	3Q22
<b>Assets</b>					
Cash and cash equivalents	552	609	699	(9)	(21)
Trade accounts receivable	379	365	297	4	27
Inventories	945	1,033	943	(8)	-
Other current assets	360	337	304	7	19
<b>Total current assets</b>	<b>2,236</b>	<b>2,344</b>	<b>2,242</b>	<b>(5)</b>	<b>-</b>
Investment in associates and others	7	8	7	(14)	(1)
Property, plant and equipment, net	1,618	1,704	1,466	(5)	10
Goodwill and intangible assets, net	1,487	1,537	1,322	(3)	12
Other non-current assets	158	159	138	(1)	14
<b>Total assets</b>	<b>5,505</b>	<b>5,752</b>	<b>5,176</b>	<b>(4)</b>	<b>6</b>
<b>Liabilities &amp; stockholders' equity</b>					
Debt	692	745	60	(7)	1,046
Suppliers	1,064	1,157	1,074	(8)	(1)
Other current liabilities	690	698	484	(1)	43
<b>Total current liabilities</b>	<b>2,446</b>	<b>2,600</b>	<b>1,619</b>	<b>(6)</b>	<b>51</b>
Debt (include debt issuance cost)	1,895	1,903	2,335	-	(19)
Employees' benefits	94	91	66	3	42
Other long-term liabilities	184	220	247	(16)	(25)
<b>Total liabilities</b>	<b>4,620</b>	<b>4,814</b>	<b>4,267</b>	<b>(4)</b>	<b>8</b>
<b>Total stockholders' equity</b>	<b>886</b>	<b>938</b>	<b>909</b>	<b>(6)</b>	<b>(3)</b>
<b>Total liabilities &amp; stockholders' equity</b>	<b>5,505</b>	<b>5,752</b>	<b>5,176</b>	<b>(4)</b>	<b>6</b>
Net Debt	2,045	2,012	1,708	2	20
Net Debt/EBITDA*	2.5	2.8	2.5		
Interest Coverage*	5.7	5.6	5.9		

\* Times. LTM=Last 12 months



## Financial Statements

### ALFA, S.A.B. de C.V. and Subsidiaries

#### BALANCE SHEET

Information in millions of Nominal Mexican Pesos

ASSETS	Sep 23	Jun 23	Sep 22	(% ) Sep 23 vs.	
				Jun 23	Sep 22
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	20,217	19,516	25,109	4	(19)
Trade accounts receivable	21,170	20,911	33,857	1	(37)
Other accounts and notes receivable	5,206	4,850	3,767	7	38
Inventories	41,192	44,653	57,260	(8)	(28)
Current assets from discontinued operations	0	0	21,662	(100)	(100)
Other current assets	9,639	9,160	11,161	5	(14)
<b>Total current assets</b>	<b>97,424</b>	<b>99,090</b>	<b>152,816</b>	<b>(2)</b>	<b>(36)</b>
Investments in associates and joint ventures	9,772	9,428	9,512	4	3
Property, Plant and equipment	74,890	75,030	84,495	-	(11)
Intangible assets	33,742	33,777	36,224	-	(7)
Other non-current assets	11,386	10,223	12,336	11	(8)
<b>Total assets</b>	<b>227,214</b>	<b>227,548</b>	<b>295,383</b>	<b>-</b>	<b>(23)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Current portion of long-term debt	12,073	17,598	9,231	(31)	31
Bank loans and notes payable	290	2,442	3,350	(88)	(91)
Suppliers	43,650	44,293	59,802	(1)	(27)
Current liabilities from discontinued operations	0	0	17,242	(100)	(100)
Other current liabilities	21,502	22,365	22,263	(4)	(3)
<b>Total current liabilities</b>	<b>77,514</b>	<b>86,698</b>	<b>111,888</b>	<b>(11)</b>	<b>(31)</b>
<b>LONG-TERM LIABILITIES:</b>					
Long-term debt	87,291	78,319	104,997	11	(17)
Deferred income taxes	6,012	6,143	8,657	(2)	(31)
Other liabilities	6,888	7,051	7,269	(2)	(5)
Estimated liabilities for seniority premiums and pension plans	3,503	3,377	2,981	4	18
<b>Total liabilities</b>	<b>181,209</b>	<b>181,588</b>	<b>235,792</b>	<b>-</b>	<b>(23)</b>
<b>STOCKHOLDERS' EQUITY:</b>					
Controlling interest:					
Capital stock	152	152	169	-	(10)
Earned surplus	33,576	33,682	41,934	-	(20)
Total controlling interest	33,728	33,834	42,104	-	(20)
Total Non-controlling interest	12,270	12,126	17,488	1	(30)
<b>Total stockholders' equity</b>	<b>46,005</b>	<b>45,960</b>	<b>59,591</b>	<b>-</b>	<b>(23)</b>
<b>Total liabilities and stockholders' equity</b>	<b>227,214</b>	<b>227,548</b>	<b>295,383</b>	<b>-</b>	<b>(23)</b>
Current ratio	1.3	1.1	1.4		
Debt to equity	3.9	3.9	3.9		

## ALFA, S.A.B. de C.V. and Subsidiaries

### INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	3Q23	2Q23	3Q22	3Q23 vs. (%)	
				2Q23	3Q22
Net sales	71,606	74,788	98,289	(4)	(27)
Domestic	28,880	29,073	37,501	(1)	(23)
Export	42,726	45,715	60,788	(7)	(30)
Cost of sales	(57,138)	(60,456)	(81,858)	5	30
<b>Gross profit</b>	<b>14,467</b>	<b>14,332</b>	<b>16,431</b>	<b>1</b>	<b>(12)</b>
Operating expenses and others	(12,711)	(9,954)	(9,546)	(28)	(33)
Operating income	1,757	4,378	6,884	(60)	(74)
Comprehensive financing expense, net	(3,125)	(2,239)	(2,291)	(40)	(36)
Equity in income (loss) of associates	(17)	(3)	2	(467)	(950)
Income before the following provision	(1,386)	2,137	4,595	(165)	(130)
Provisions for:					
Income tax	622	(1,723)	(770)	136	181
Profit (loss) from continuing operations	(763)	414	3,825	(284)	(120)
Profit (loss) from discontinued operations	0	(39)	(128)	100	100
<b>Consolidated net income</b>	<b>(763)</b>	<b>375</b>	<b>3,697</b>	<b>(303)</b>	<b>(121)</b>
<b>Income (loss) corresponding to minority interest</b>	<b>40</b>	<b>288</b>	<b>826</b>	<b>(86)</b>	<b>(95)</b>
<b>Net income (loss) corresponding to majority interest</b>	<b>(803)</b>	<b>87</b>	<b>2,870</b>	<b>-</b>	<b>(128)</b>
EBITDA	6,364	6,398	9,211	(1)	(31)
Interest coverage*	3.7	4.2	7.3		

\* Times. LTM=Last Twelve Months

### Sigma Alimentos, S.A. de C.V. and Subsidiaries

#### BALANCE SHEET

Information in millions of Nominal Mexican Pesos

(%) Sep 23 vs.

ASSETS	Sep 23	Jun 23	Sep 22	Jun 23	Sep 22
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	9,724	10,396	14,188	(6)	(31)
Restricted cash	7	7	7	-	-
Customers, net	6,680	6,238	6,040	7	11
Income tax recoverable	550	393	438	40	26
Inventories	16,652	17,628	19,138	(6)	(13)
Other current assets	5,790	5,360	5,724	8	1
<b>Total current assets</b>	<b>39,402</b>	<b>40,022</b>	<b>45,534</b>	<b>(2)</b>	<b>(13)</b>
Property, plant and equipment, net	28,513	29,086	29,772	(2)	(4)
Intangible assets, net	13,733	13,812	14,534	(1)	(6)
Goodwill	12,461	12,429	12,308	-	1
Deferred income tax	2,236	2,480	2,118	(10)	6
Investments in associates and joint ventures	118	133	137	(12)	(14)
Other non-current assets	540	234	691	131	(22)
<b>Total non-current assets</b>	<b>57,601</b>	<b>58,175</b>	<b>59,560</b>	<b>(1)</b>	<b>(3)</b>
<b>Total assets</b>	<b>97,003</b>	<b>98,197</b>	<b>105,094</b>	<b>(1)</b>	<b>(8)</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Current debt	11,770	12,209	612	(4)	-
Notes payables	427	513	615	(17)	(31)
Suppliers	18,744	19,757	21,806	(5)	(14)
Income tax payable	1,902	1,926	581	(1)	227
Provisions	181	257	66	(29)	174
Other current liabilities	10,078	9,732	9,186	4	10
<b>Total current liabilities</b>	<b>43,103</b>	<b>44,394</b>	<b>32,866</b>	<b>(3)</b>	<b>31</b>
<b>NON-CURRENT LIABILITIES:</b>					
Non-current debt	31,107	30,232	45,642	3	(32)
Notes payables	2,290	2,251	1,782	2	29
Deferred income taxes	3,020	3,236	3,853	(7)	(22)
Employees benefits	1,654	1,561	1,343	6	23
Provisions	7	66	73	(90)	(91)
Income tax payable	0	0	1,049	-	(100)
Other non-current liabilities	217	447	35	(51)	518
<b>Total non-current liabilities</b>	<b>38,295</b>	<b>37,793</b>	<b>53,777</b>	<b>1</b>	<b>(29)</b>
<b>Total liabilities</b>	<b>81,397</b>	<b>82,187</b>	<b>86,644</b>	<b>(1)</b>	<b>(6)</b>
<b>STOCKHOLDERS' EQUITY:</b>					
Total controlling interest:	15,544	15,952	18,450	(3)	(16)
Total non-controlling interest:	62	58	0	8	-
<b>Total stockholders' equity</b>	<b>15,606</b>	<b>16,010</b>	<b>18,450</b>	<b>(3)</b>	<b>(15)</b>
<b>Total liabilities and stockholders' equity</b>	<b>97,003</b>	<b>98,197</b>	<b>105,094</b>	<b>(1)</b>	<b>(8)</b>

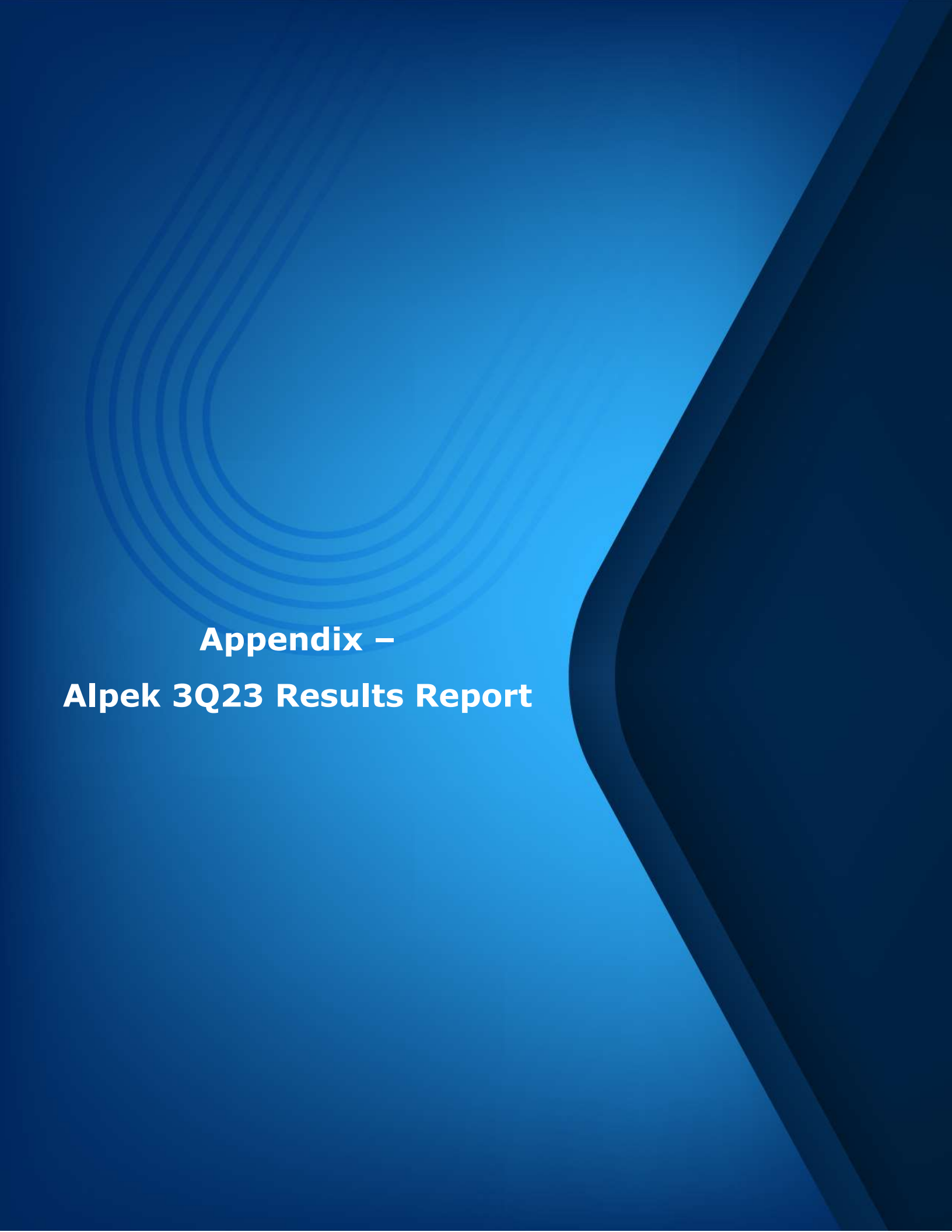
## Sigma Alimentos, S.A. de C.V. and Subsidiaries

### INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	3Q23	2Q23	3Q22	3Q23 vs. (%)	
				2Q23	3Q22
Revenue	37,676	37,959	38,025	(1)	(1)
Cost of sales	(26,072)	(26,568)	(28,643)	(2)	(9)
<b>Gross profit</b>	<b>11,604</b>	<b>11,392</b>	<b>9,382</b>	<b>2</b>	<b>24</b>
Selling expenses	(6,355)	(6,434)	(5,831)	(1)	9
Administrative expenses	(1,872)	(1,907)	(1,518)	(2)	23
Other income (expenses), net	(2,013)	(167)	18	-	-
Operating profit	1,364	2,883	2,052	(53)	(34)
Comprehensive financial expenses, net	(1,403)	(1,812)	(466)	(23)	201
Equity in income (loss) of associates	0	0	0	-	-
Profit before income tax	(39)	1,071	1,586	(104)	(102)
Provisions for:					
Income tax	(579)	(1,135)	(695)	(49)	(17)
<b>Net consolidated profit</b>	<b>(618)</b>	<b>(64)</b>	<b>891</b>	<b>868</b>	<b>(169)</b>
<b>Non-controlling interest</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>13</b>	<b>-</b>
<b>Controlling interest</b>	<b>(619)</b>	<b>(65)</b>	<b>891</b>	<b>851</b>	<b>(169)</b>





**Appendix –  
Alpek 3Q23 Results Report**



THIRD QUARTER **2023 RESULTS**

## Alpek Posts Comparable EBITDA of U.S. \$160M (Reported EBITDA of U.S. \$126M)

Monterrey, Mexico – October 23, 2023 – Alpek, S.A.B. de C.V. announced today its third quarter 2023 (3Q23) results.

### QUARTERLY HIGHLIGHTS

- Volume decreased to 1,177 ktons (-2% QoQ), due partially to continued influence from Asian imports particularly for the Polyester segment
- Comparable EBITDA of U.S. \$160 million (-21% QoQ), due to lower reference margins and higher feedstocks costs in the Americas, particularly for PET and EPS
- Robust operating free cash flow in the quarter of U.S. \$221 million and of U.S. \$407 million YTD, as efforts to optimize working capital, Capex and other elements continue to yield strong results
- As part of its continuous effort to streamline its footprint, Alpek decided to shut down its filament facility located in Monterrey, Mexico
- The CCP Board has decided to temporarily pause construction of its PTA-PET plant in Corpus Christi, Texas

### 3Q23 KEY METRICS

(U.S.\$ million, except for volume and production figures)

	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
<b>Volume<sup>1</sup> (ktons)</b>	<b>1,177</b>	<b>1,197</b>	<b>1,359</b>	<b>(2)</b>	<b>(13)</b>	<b>3,535</b>	<b>3,835</b>	<b>(8)</b>
Polyester	955	984	1,114	(3)	(14)	2,878	3,087	(7)
Plastics & Chemicals	222	213	246	4	(10)	657	749	(12)
<b>Production (ktons)</b>	<b>1,385</b>	<b>1,393</b>	<b>1,470</b>	<b>(1)</b>	<b>(6)</b>	<b>4,159</b>	<b>4,694</b>	<b>(11)</b>
Polyester	1,189	1,184	1,240	-	(4)	3,545	3,951	(10)
Plastics & Chemicals	196	209	230	(6)	(15)	614	743	(17)
<b>Revenues</b>	<b>1,956</b>	<b>2,050</b>	<b>2,951</b>	<b>(5)</b>	<b>(34)</b>	<b>6,068</b>	<b>8,098</b>	<b>(25)</b>
Polyester	1,483	1,532	2,022	(3)	(27)	4,504	5,361	(16)
Plastics & Chemicals	372	409	607	(9)	(39)	1,214	1,880	(35)
Others	101	109	323	(7)	(69)	350	858	(59)
<b>Reported EBITDA</b>	<b>126</b>	<b>148</b>	<b>306</b>	<b>(15)</b>	<b>(59)</b>	<b>461</b>	<b>1,270</b>	<b>(64)</b>
Polyester	79	90	170	(13)	(54)	260	804	(68)
Plastics & Chemicals	43	55	132	(21)	(67)	197	458	(57)
Others	4	3	4	20	(10)	4	7	(45)
<b>Comparable EBITDA<sup>2</sup></b>	<b>160</b>	<b>201</b>	<b>424</b>	<b>(21)</b>	<b>(62)</b>	<b>568</b>	<b>1,126</b>	<b>(50)</b>
Polyester	114	127	261	(11)	(56)	374	672	(44)
Plastics & Chemicals	42	70	158	(40)	(74)	189	447	(58)
Others	4	3	4	20	(10)	4	7	(45)
<b>Net Income (Controlling Interest)</b>	<b>(26)</b>	<b>31</b>	<b>110</b>	<b>(184)</b>	<b>(123)</b>	<b>(1)</b>	<b>642</b>	<b>(100)</b>
<b>CAPEX</b>	<b>38</b>	<b>75</b>	<b>93</b>	<b>(49)</b>	<b>(59)</b>	<b>165</b>	<b>811</b>	<b>(80)</b>
<b>Net Debt</b>	<b>1,675</b>	<b>1,879</b>	<b>1,805</b>	<b>(11)</b>	<b>(7)</b>			
<b>Net Debt / EBITDA<sup>3</sup></b>	<b>2.6</b>	<b>2.3</b>	<b>1.2</b>					

(1) Excludes intracompany sales (2) Excludes inventories, carry-forward effects, and non-operating, one-time (gains) losses (3) Times: last 12 months

## MESSAGE FROM OUR CEO

*"I would like to highlight that Alpek once again was able to significantly improve Free Cash Flow generation primarily from optimizations in Net Working Capital.*

*During the third quarter, the macroeconomic environment elements that have been present throughout the year remain with China's economy impacting the petrochemical industry. This has led to decreasing reference margins and extended influence of Asian imports in the Americas, mainly for PET and EPS. Meanwhile, regional market demand remains soft as inflation and interest rates have deterred consumers particularly for EPS.*

*As part of our strategy to mitigate these effects, we are focusing on maintaining our competitiveness and financial strength. With this in mind, we made two challenging decisions: first, we opted to shut down our filament site in Monterrey and second, Alpek along with its CCP joint venture partners, has decided to temporarily pause construction of the project as the rise in costs have surpassed original estimates.*

*For the remainder of the year, we expect volumes to remain in line with Guidance and a gradual recovery in reference margins for several of our products."*



Jorge Young  
**CEO**

### Overview

During the third quarter, Alpek was affected by the current macroeconomic environment, particularly in China. In the petrochemical industry, U.S. average reference Paraxylene prices increased by 8% versus the previous quarter to an average of U.S. \$1,462 per ton and the disconnection between North American and Asian prices increased by 20%, to an average of U.S. \$339 per ton. In P&C, reference Propylene prices started the quarter at U.S. \$0.35 per pound yet closed at U.S. \$0.39 per pound.

Asian integrated Polyester reference margins decreased to an average of U.S. \$272 per ton for the quarter, 18% lower than in 2Q23. For Polypropylene, North American reference margins have stabilized at an average of U.S. \$0.17 per pound remaining flat quarter-on-quarter. Meanwhile, North American EPS reference margins declined reaching an average of U.S. \$0.19 per pound (-58% QoQ).

## **Filament Facility Shutdown**

In August, the Company announced the shutdown of its textile and industrial fiber production facility (“filament”) located in Monterrey, Mexico. The site, which was built in 1962, had an installed capacity of 100,000 tons of polymer and filament, and represented a minimal contribution to Alpek’s total EBITDA in recent years.

The current production oversupply experienced globally within the filament industry, among other factors, has significantly lowered the profitability outlook of this business. Since the Company does not expect that this situation will change in the near future, the decision to discontinue operations at such facility was made, and production will not be substituted. Alpek continuously seeks opportunities for value creation by streamlining operations to meet the demands of the competitive markets it serves and maintains its commitment to preserving overall financial strength.

## **CCP**

In September, the joint venture partners of Corpus Christi Polymers (“CCP”) announced their decision to temporarily pause construction of their integrated PTA-PET plant in Texas as, due to high inflationary rates, construction and labor costs have surpassed original expectations. Consequently, the CCP Board has decided to further assess options to optimize the project’s costs and timeline. The site will be properly preserved so that construction may resume at a later date and the Company remains committed to maximizing its value.

## FINANCIAL RESULTS

### EBITDA

(U.S.\$ million)

	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
<b>Reported EBITDA</b>	<b>126</b>	<b>148</b>	<b>306</b>	<b>(15)</b>	<b>(59)</b>	<b>461</b>	<b>1,270</b>	<b>(64)</b>
Inventory Adjustment	-	32	70	(101)	(100)	33	(74)	145
Carry-forward effect	1	8	46	(88)	(98)	9	(93)	110
Others	33	13	2	161	1,789	65	22	192
<b>Comparable EBITDA</b>	<b>160</b>	<b>201</b>	<b>424</b>	<b>(21)</b>	<b>(62)</b>	<b>568</b>	<b>1,126</b>	<b>(50)</b>

**Comparable EBITDA** of U.S. \$160 million, down 21% versus 2Q23, mainly due to lower reference margins and higher feedstock costs in the Americas particularly for PET and EPS.

**Reported EBITDA** of U.S. \$126 million, 15% lower quarter-on-quarter, mainly due to the one-time impact of the filament facility shutdown costs and a non-cash hyperinflation effect in Argentina.

### INCOME STATEMENT

(U.S.\$ million)

	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
<b>Total Revenues</b>	<b>1,956</b>	<b>2,050</b>	<b>2,951</b>	<b>(5)</b>	<b>(34)</b>	<b>6,068</b>	<b>8,098</b>	<b>(25)</b>
Gross Profit	157	156	338	-	(54)	506	1,361	(63)
Operating expenses and others	(123)	(73)	(95)	(68)	(30)	(314)	(260)	(21)
<b>Operating Income</b>	<b>33</b>	<b>83</b>	<b>243</b>	<b>(60)</b>	<b>(86)</b>	<b>192</b>	<b>1,102</b>	<b>(83)</b>
Financial cost, net	(64)	(15)	(61)	(329)	(6)	(99)	(121)	18
Share of losses of associates	(1)	(1)	(1)	(35)	(117)	(3)	(2)	(81)
Income tax	13	(25)	(50)	153	126	(48)	(244)	80
<b>Consolidated Net Income (loss)</b>	<b>(19)</b>	<b>42</b>	<b>132</b>	<b>(145)</b>	<b>(114)</b>	<b>42</b>	<b>735</b>	<b>(94)</b>
Controlling interest	(26)	31	110	(184)	(123)	(1)	642	(100)
Earnings per Share	(0.01)	0.01	0.05	(184)	(123)	0.00	0.30	(100)
<b>Avg. Outstanding Shares (million)*</b>	<b>2,107</b>	<b>2,107</b>	<b>2,107</b>	-	-	<b>2,107</b>	<b>2,108</b>	-

\*The same number of equivalent shares are considered in the periods presented

**Revenues** reached U.S. \$1.96 billion in 3Q23, 5% lower than in 2Q23, due primarily to lower overall average prices.

**Operating Income** of U.S. \$33 million, including a U.S. \$25 million asset impairment from the filament plant shutdown.

**Net loss attributable to the Controlling Interest** for the third quarter of 2023 was U.S. \$26 million due to an exchange rate conversion effect and the filament facility shutdown costs.

## CASH FLOW

(U.S.\$ million)

	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
EBITDA	126	148	306	(15)	(59)	461	1,270	(64)
Net Working Capital & Others	214	284	(111)	(25)	293	432	(542)	180
CAPEX	(38)	(75)	(93)	49	59	(165)	(811)	80
Financial Expenses	(46)	(45)	(39)	(3)	(19)	(132)	(101)	(31)
Income Tax	(35)	(97)	(69)	64	50	(188)	(237)	21
Dividends	(15)	-	(34)	(100)	56	(200)	(247)	19
Payment to affiliated companies	1	(3)	-	116	100	(3)	-	(100)
Other Sources / Uses	(2)	(9)	12	76	(118)	(20)	90	(122)
<b>Decrease (Increase) in Net Debt</b>	<b>204</b>	<b>203</b>	<b>(28)</b>	<b>-</b>	<b>820</b>	<b>185</b>	<b>(579)</b>	<b>132</b>

**Net Working Capital (NWC)** improved by U.S. \$214 million mainly through optimizations in inventory management.

**CAPEX** for the quarter totaled U.S. \$38 million, primarily allocated towards maintenance and to a lesser extent for CCP plant construction.

**Income Tax** during 3Q23 was U.S. \$35 million, 64% lower than the previous quarter.

## NET DEBT & LEVERAGE

(U.S.\$ million)

	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)
<b>Net Debt</b>	<b>1,675</b>	<b>1,879</b>	<b>1,805</b>	<b>(11)</b>	<b>(7)</b>
EBITDA (LTM)	646	827	1,539	(22)	(58)
Net Debt / EBITDA (LTM)	2.6	2.3	1.2		

**Consolidated Net Debt** as of September 30, 2023 was U.S. \$1.67 billion, down 11% QoQ. Gross Debt was U.S. \$2.20 billion and Cash increased to U.S. \$522 million, including restricted cash. Financial ratios for the quarter were: Net Debt to EBITDA of 2.6x and Interest Coverage of 4.1x.

## RESULTS BY BUSINESS SEGMENT: POLYESTER

(Purified Terephthalic Acid (PTA), Polyethylene Terephthalate (PET), rPET – 76% of Alpek's Net Sales)

### QUARTERLY HIGHLIGHTS

- Volume of 955 ktons (-3% QoQ), mainly due to Asian imports in the Americas
- Polyester Comparable EBITDA of U.S. \$114 million (-11% QoQ), due to lower Asian and Chinese PET reference margins
- Polyester Reported EBITDA of U.S. \$79 million (-13% QoQ), which includes various extraordinary effects

KEY METRICS – POLYESTER (U.S.\$ million, except volume and production)	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
<b>Volume (ktons)</b>	<b>955</b>	<b>984</b>	<b>1,114</b>	<b>(3)</b>	<b>(14)</b>	<b>2,878</b>	<b>3,087</b>	<b>(7)</b>
Production (ktons)	1,189	1,184	1,240	-	(4)	3,545	3,951	(10)
Revenues	1,483	1,532	2,022	(3)	(27)	4,504	5,361	(16)
<b>Reported EBITDA</b>	<b>79</b>	<b>90</b>	<b>170</b>	<b>(13)</b>	<b>(54)</b>	<b>260</b>	<b>804</b>	<b>(68)</b>
Inventories	(1)	20	55	(105)	(102)	36	(86)	142
Carry-forward effect	6	4	35	28	(84)	17	(74)	123
Others	31	12	2	149	1,652	62	27	129
<b>Comparable EBITDA</b>	<b>114</b>	<b>127</b>	<b>261</b>	<b>(11)</b>	<b>(56)</b>	<b>374</b>	<b>672</b>	<b>(44)</b>

**Polyester Volume** was 955 ktons in 3Q23, (-3% QoQ) as Asian imports entered the Americas market which is also experiencing soft demand, leading to a continued competitive environment.

**Polyester Comparable EBITDA** reached U.S. \$114 million, 11% lower quarter-on-quarter. Asian integrated Polyester reference margins decreased to an average of U.S. \$272 per ton (-18% QoQ). Moreover, Chinese integrated Polyester reference margins averaged U.S. \$146 per ton (-35% QoQ).

**Polyester Reported EBITDA** was U.S. \$79 million (-13% QoQ), due to -U.S. \$18 million from the filament site shutdown, a hyperinflation effect in Argentina, and to a lesser degree from a combined negative carry-forward and inventory effect.



## RESULTS BY BUSINESS SEGMENT: PLASTICS & CHEMICALS (P&C)

(Polypropylene (PP), Expandable Polystyrene (EPS), Other products – 19% of Alpek's Net Sales)

### QUARTERLY HIGHLIGHTS

- Volume of 222 ktons (+4% QoQ), due mainly from an improvement in Polypropylene demand from seasonality
- P&C Comparable EBITDA of U.S. \$42 million (-40% QoQ) mostly from lower reference margins in EPS
- Reported EBITDA of U.S. \$43 million (-21% QoQ) including negative inventory and positive carry forward effects

KEY METRICS – P&C (U.S.\$ million, except volume and production)	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
<b>Volume (ktons)</b>	<b>222</b>	<b>213</b>	<b>246</b>	<b>4</b>	<b>(10)</b>	<b>657</b>	<b>749</b>	<b>(12)</b>
Production (ktons)	196	209	230	(6)	(15)	614	743	(17)
Revenues	372	409	607	(9)	(39)	1,214	1,880	(35)
<b>Reported EBITDA</b>	<b>43</b>	<b>55</b>	<b>132</b>	<b>(21)</b>	<b>(67)</b>	<b>197</b>	<b>458</b>	<b>(57)</b>
Inventories	1	11	15	(93)	(94)	(3)	12	(122)
Carry-forward effect	(5)	4	11	(219)	(142)	(8)	(19)	57
Others	2	-	-	575	100	3	(5)	161
<b>Comparable EBITDA</b>	<b>42</b>	<b>70</b>	<b>158</b>	<b>(40)</b>	<b>(74)</b>	<b>189</b>	<b>447</b>	<b>(58)</b>

**P&C Volume** was 222 ktons, up 4% QoQ, mainly from a sequential improvement in PP demand due to seasonality offsetting a continuation of softer EPS demand from a sluggish construction industry, particularly in the U.S.A.

**P&C Comparable EBITDA** was U.S. \$42 million, down 40% when compared to 2Q23 as reference margins have decreased for EPS and although North American PP reference margins have remained flat at 17 cents per pound, reference Propylene prices started the quarter at U.S. \$0.35 per pound yet closed at U.S. \$0.39 per pound. Meanwhile, competitive imports entering the region continue to impact North American EPS reference margins, decreasing by 58% quarter-on-quarter and averaging U.S. \$0.19 per pound.

**P&C Reported EBITDA** was U.S. \$43 million, (-21% QoQ), from a combined positive carry forward and inventory effects as propylene prices declined (-10% QoQ) and styrene prices increased (+11% QoQ).

## ABOUT ALPEK

Alpek is a leading petrochemical company operating two business segments: “Polyester” (PTA, PET, and rPET), and “Plastics & Chemicals” (polypropylene, expandable styrenics, and other specialty and industrial chemicals). Alpek is a leading producer of PTA, PET Resin and PET Sheet worldwide, a leading rPET producer in the Americas, the third-largest expandable polystyrene manufacturer worldwide, and the only producer of polypropylene in Mexico.

## NOTE ON FORWARD LOOKING STATEMENTS

This release 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, results could vary from those set forth in this release. The report presents unaudited financial information based on International Financial Reporting Standards (IFRS). Figures are stated in nominal Mexican pesos (\$) and in current U.S. dollars (U.S. \$), as indicated. Where applicable, peso amounts were translated into U.S. dollars using the average exchange rate of the months during which operations were recorded. Financial ratios are calculated in U.S. dollars. Due to the rounding up of figures, small differences may occur when calculating percent changes from one period to the other.

## INVESTOR RELATIONS CONTACT INFORMATION

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## WEBCAST DETAILS

Tuesday October 24<sup>th</sup> at 9:30 am CST | 11:30 am ET  
[Zoom Webcast Registration](#)

**APPENDIX A – ADDITIONAL FINANCIAL INFORMATION**

<b>TABLE 1   PRICE CHANGES (%)</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>	<b>Ch. (%)</b>
<b>Polyester</b>			
Avg. Ps. Prices	(4)	(28)	(21)
Avg. U.S. \$ Prices	-	(14)	(10)
<b>Plastics &amp; Chemicals</b>			
Avg. Ps. Prices	(16)	(43)	(35)
Avg. U.S. \$ Prices	(13)	(32)	(26)
<b>Total</b>			
Avg. Ps. Prices	(7)	(36)	(28)
Avg. U.S. \$ Prices	(3)	(23)	(19)

<b>TABLE 2   REVENUES</b>	<b>3Q23</b>	<b>2Q23</b>	<b>3Q22</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>	<b>YTD23</b>	<b>YTD22</b>	<b>Ch. (%)</b>
<b>Total Revenues</b>								
Ps. Million	33,368	36,330	59,750	(8)	(44)	108,272	164,024	(34)
U.S. \$ Million	1,956	2,050	2,951	(5)	(34)	6,068	8,098	(25)
<b>Domestic Revenues</b>								
Ps. Million	10,308	10,807	20,045	(5)	(49)	33,172	59,773	(45)
U.S. \$ Million	604	610	990	(1)	(39)	1,858	2,951	(37)
<b>Foreign Revenues</b>								
Ps. Million	23,060	25,523	39,705	(10)	(42)	75,100	104,251	(28)
U.S. \$ Million	1,352	1,440	1,961	(6)	(31)	4,210	5,147	(18)
Foreign / Total (%)	69	70	66			69	64	

<b>TABLE 3   OP. INCOME</b>	<b>3Q23</b>	<b>2Q23</b>	<b>3Q22</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>	<b>YTD23</b>	<b>YTD22</b>	<b>Ch. (%)</b>
<b>Operating Income</b>								
Ps. Million	565	1,484	4,943	(62)	(89)	3,487	22,347	(84)
U.S. \$ Million	33	83	243	(60)	(86)	192	1,102	(83)

TABLE 4   COMPARABLE EBITDA	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
<b>Reported EBITDA</b>								
Ps. Million	2,143	2,642	6,217	(19)	(66)	8,290	25,751	(68)
U.S. \$ Million	126	148	306	(15)	(59)	461	1,270	(64)
<b>Adjustments*</b>								
Ps. Million	580	921	2,367	(37)	(76)	1,871	(2,958)	163
U.S. \$ Million	34	53	118	(36)	(71)	107	(144)	174
<b>Comparable EBITDA</b>								
Ps. Million	2,723	3,562	8,584	(24)	(68)	10,160	22,793	(55)
U.S. \$ Million	160	201	424	(21)	(62)	568	1,126	(50)

\*Inventory adjustments, carry-forward effects, and non-operating, one-time (gains) losses

TABLE 5   FINANCIAL COST, NET (U.S.\$ million)	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
Financial Expenses	(59)	(55)	(45)	(7)	(31)	(166)	(113)	(47)
Financial Income	20	13	13	47	46	42	30	38
<b>Net Financial Expenses</b>	<b>(40)</b>	<b>(42)</b>	<b>(32)</b>	<b>6</b>	<b>(25)</b>	<b>(124)</b>	<b>(83)</b>	<b>(50)</b>
Fx Gains (Losses)	(25)	27	(29)	(191)	15	25	(39)	164
<b>Financial Cost, Net</b>	<b>(64)</b>	<b>(15)</b>	<b>(61)</b>	<b>(329)</b>	<b>(6)</b>	<b>(99)</b>	<b>(121)</b>	<b>18</b>

<b>TABLE 6   STATEMENT OF FINANCIAL POSITION &amp; FINANCIAL RATIOS</b> (U.S.\$ million)	<b>3Q23</b>	<b>2Q23</b>	<b>3Q22</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
<b>Assets</b>					
Cash and cash equivalents	503	417	479	21	5
Trade accounts receivable	794	833	1,348	(5)	(41)
Inventories	1,373	1,564	1,861	(12)	(26)
Other current assets	345	359	303	(4)	14
<b>Total current assets</b>	<b>3,016</b>	<b>3,173</b>	<b>3,992</b>	<b>(5)</b>	<b>(24)</b>
Investment in associates and others	546	543	464	1	18
Property, plant and equipment, net	2,432	2,488	2,517	(2)	(3)
Goodwill and intangible assets, net	211	217	155	(3)	36
Other non-current assets	542	542	531	-	2
<b>Total assets</b>	<b>6,748</b>	<b>6,963</b>	<b>7,659</b>	<b>(3)</b>	<b>(12)</b>
<b>Liabilities and stockholders' equity</b>					
Debt	26	487	460	(95)	(94)
Suppliers	1,375	1,397	1,840	(2)	(25)
Other current liabilities	313	346	389	(10)	(20)
<b>Total current liabilities</b>	<b>1,714</b>	<b>2,230</b>	<b>2,689</b>	<b>(23)</b>	<b>(36)</b>
Debt (include debt issuance costs)	1,959	1,609	1,632	22	20
Employees' benefits	56	58	48	(3)	16
Other long-term benefits	396	402	437	(1)	(9)
<b>Total liabilities</b>	<b>4,126</b>	<b>4,299</b>	<b>4,806</b>	<b>(4)</b>	<b>(14)</b>
Total stockholders' equity	2,622	2,664	2,853	(2)	(8)
Total liabilities and stockholders' equity	6,748	6,963	7,659	(3)	(12)
Net Debt	1,675	1,879	1,805		
Net Debt / EBITDA*	2.6	2.3	1.2		
Interest Coverage*	4.1	5.3	13.7		

\* Times: last 12 months

**POLYESTER**

TABLE 7   REVENUES	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
<b>Total Revenues</b>								
Ps. Million	25,295	27,156	40,938	(7)	(38)	80,309	108,590	(26)
U.S. \$ Million	1,483	1,532	2,022	(3)	(27)	4,504	5,361	(16)
<b>Domestic Revenues</b>								
Ps. Million	5,356	5,633	7,885	(5)	(32)	16,487	23,591	(30)
U.S. \$ Million	314	318	389	(1)	(19)	926	1,164	(20)
<b>Foreign Revenues</b>								
Ps. Million	19,939	21,522	33,053	(7)	(40)	63,821	84,999	(25)
U.S. \$ Million	1,169	1,214	1,632	(4)	(28)	3,579	4,197	(15)
Foreign / Total (%)	79	79	81			79	78	

TABLE 8   OP. INCOME	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
<b>Operating Income</b>								
Ps. Million	(11)	687	2,419	(102)	(100)	533	13,599	(96)
U.S. \$ Million	-	38	118	(101)	(100)	29	671	(96)

TABLE 9   COMPARABLE EBITDA	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
<b>Reported EBITDA</b>								
Ps. Million	1,340	1,618	3,455	(17)	(61)	4,660	16,307	(71)
U.S. \$ Million	79	90	170	(13)	(54)	260	804	(68)
<b>Adjustments*</b>								
Ps. Million	605	643	1,839	(6)	(67)	2,033	(2,712)	175
U.S. \$ Million	35	37	91	(5)	(61)	115	(132)	187
<b>Comparable EBITDA</b>								
Ps. Million	1,945	2,261	5,294	(14)	(63)	6,693	13,595	(51)
U.S. \$ Million	114	127	261	(11)	(56)	374	672	(44)

\*Inventory adjustments, carry-forward effects, and non-operating, one-time (gains) losses

**PLASTICS & CHEMICALS**

TABLE 10   REVENUES	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
<b>Total Revenues</b>								
Ps. Million	6,343	7,253	12,280	(13)	(48)	21,687	38,093	(43)
U.S. \$ Million	372	409	607	(9)	(39)	1,214	1,880	(35)
<b>Domestic Revenues</b>								
Ps. Million	3,170	3,503	5,686	(10)	(44)	10,900	18,992	(43)
U.S. \$ Million	186	198	281	(6)	(34)	610	937	(35)
<b>Foreign Revenues</b>								
Ps. Million	3,174	3,750	6,594	(15)	(52)	10,788	19,102	(44)
U.S. \$ Million	186	212	326	(12)	(43)	604	943	(36)
Foreign / Total (%)	50	52	54			50	50	

TABLE 11   OP. INCOME	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
<b>Operating Income</b>								
Ps. Million	516	746	2,440	(31)	(79)	2,896	8,604	(66)
U.S. \$ Million	30	42	120	(28)	(75)	159	424	(62)

TABLE 12   COMPARABLE EBITDA	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
<b>Reported EBITDA</b>								
Ps. Million	740	970	2,678	(24)	(72)	3,566	9,299	(62)
U.S. \$ Million	43	55	132	(21)	(67)	197	458	(57)
<b>Adjustments*</b>								
Ps. Million	(26)	278	528	(109)	(105)	(162)	(246)	34
U.S. \$ Million	(1)	16	26	(109)	(106)	(8)	(12)	32
<b>Comparable EBITDA</b>								
Ps. Million	715	1,248	3,206	(43)	(78)	3,404	9,054	(62)
U.S. \$ Million	42	70	158	(40)	(74)	189	447	(58)

\*Inventory adjustments, carry-forward effects, and non-operating, one-time (gains) losses

**APPENDIX B – FINANCIAL STATEMENTS**
**ALPEK, S.A.B. DE C.V. and Subsidiaries  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Sep-23	Jun-23	Sep-22	QoQ (%)	YoY (%)
(Millions of Mexican pesos)					
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	8,859	7,111	9,001	25	(2)
Restricted cash	9	8	719	3	(99)
Trade accounts receivable	13,995	14,222	27,379	(2)	(49)
Other accounts and notes receivable	4,528	4,867	4,240	(7)	7
Inventories	24,194	26,696	37,791	(9)	(36)
Other current assets	1,551	1,268	1,922	22	(19)
<b>Total current assets</b>	<b>53,136</b>	<b>54,172</b>	<b>81,052</b>	<b>(2)</b>	<b>(34)</b>
<b>NON-CURRENT ASSETS:</b>					
Restricted cash	328	318	-	3	100
Investment in associates and others	9,623	9,271	9,427	4	2
Property, plant and equipment, net	42,858	42,472	51,114	1	(16)
Goodwill and intangible assets	3,721	3,712	3,148	-	18
Other non-current assets	9,230	8,928	10,778	3	(14)
<b>Total assets</b>	<b>118,896</b>	<b>118,873</b>	<b>155,519</b>	<b>-</b>	<b>(24)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Debt	456	8,316	9,339	(95)	(95)
Suppliers	24,234	23,849	37,363	2	(35)
Other current liabilities	5,509	5,911	7,902	(7)	(30)
<b>Total current liabilities</b>	<b>30,199</b>	<b>38,076</b>	<b>54,604</b>	<b>(21)</b>	<b>(45)</b>
<b>NON-CURRENT LIABILITIES:</b>					
Debt (includes debt issuance cost)	34,521	27,468	33,130	26	4
Deferred income taxes	2,609	2,546	4,364	2	(40)
Other non-current liabilities	4,370	4,314	4,505	1	(3)
Employee benefits	992	988	983	-	1
<b>Total liabilities</b>	<b>72,691</b>	<b>73,392</b>	<b>97,586</b>	<b>(1)</b>	<b>(26)</b>
<b>STOCKHOLDERS' EQUITY:</b>					
Controlling interest:					
Capital stock	6,020	6,020	6,020	-	-
Share premium	8,911	8,911	8,908	-	-
<b>Contributed capital</b>	<b>14,931</b>	<b>14,931</b>	<b>14,928</b>	<b>-</b>	<b>-</b>
Earned surplus	26,385	25,678	36,751	3	(28)
<b>Total controlling interest</b>	<b>41,316</b>	<b>40,609</b>	<b>51,679</b>	<b>2</b>	<b>(20)</b>
Non-controlling interest	4,889	4,872	6,254	-	(22)
<b>Total stockholders' equity</b>	<b>46,205</b>	<b>45,481</b>	<b>57,933</b>	<b>2</b>	<b>(20)</b>
<b>Total liabilities and stockholders' equity</b>	<b>118,896</b>	<b>118,873</b>	<b>155,519</b>	<b>-</b>	<b>(24)</b>



**ALPEK, S.A.B. DE C.V. and Subsidiaries**  
**CONSOLIDATED STATEMENT OF INCOME**

	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	YTD23	YTD22	Ch. (%)
(millions of Mexican pesos)								
Revenues	33,368	36,330	59,750	(8)	(44)	108,272	164,024	(34)
Domestic	10,308	10,807	20,045	(5)	(49)	33,172	59,773	(45)
Export	23,060	25,523	39,705	(10)	(42)	75,100	104,251	(28)
Cost of sales	(30,691)	(33,544)	(52,890)	9	42	(99,209)	(136,417)	27
<b>Gross profit</b>	<b>2,677</b>	<b>2,786</b>	<b>6,860</b>	<b>(4)</b>	<b>(61)</b>	<b>9,063</b>	<b>27,607</b>	<b>(67)</b>
Operating expenses and others	(2,112)	(1,302)	(1,917)	(62)	(10)	(5,576)	(5,260)	(6)
<b>Operating income</b>	<b>565</b>	<b>1,484</b>	<b>4,943</b>	<b>(62)</b>	<b>(89)</b>	<b>3,487</b>	<b>22,347</b>	<b>(84)</b>
Financial result, net	(1,097)	(270)	(1,233)	(306)	11	(1,743)	(2,461)	29
Equity in income of associates and joint ventures	(23)	(17)	(14)	(27)	(80)	(56)	(36)	(59)
<b>Income before taxes</b>	<b>(555)</b>	<b>1,197</b>	<b>3,696</b>	<b>(146)</b>	<b>(115)</b>	<b>1,688</b>	<b>19,850</b>	<b>(91)</b>
Income taxes	230	(437)	(1,006)	153	123	(889)	(4,960)	82
<b>Consolidated net income (loss)</b>	<b>(325)</b>	<b>760</b>	<b>2,690</b>	<b>(143)</b>	<b>(112)</b>	<b>799</b>	<b>14,890</b>	<b>(95)</b>
<b>Income (loss) attributable to Controlling interest</b>	<b>(439)</b>	<b>555</b>	<b>2,245</b>	<b>(179)</b>	<b>(120)</b>	<b>25</b>	<b>13,001</b>	<b>(100)</b>
<b>Income (loss) attributable to Non-controlling interest</b>	<b>114</b>	<b>205</b>	<b>445</b>	<b>(43)</b>	<b>(74)</b>	<b>774</b>	<b>1,889</b>	<b>(59)</b>