

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

### 3Q23 HIGHLIGHTS

<p><b>ALFA</b></p>	<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>
<p><b>Sigma</b></p>	<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>
<p><b>Alpek</b></p>	<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>

## 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

### 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	159	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

## 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.

### 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\\_hYTMJSNBQQOALoO9I3LHVg](https://us02web.zoom.us/webinar/register/WN_hYTMJSNBQQOALoO9I3LHVg)

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.