



# EARNINGS REPORT

Fourth Quarter 2023 (4Q23)

**Monterrey, N.L., Mexico, February 20, 2024.**

**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 fourth quarter of 2023 ("4Q23"). All figures have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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## 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 2022. At the close of 2023, all Axtel figures were eliminated. Prior periods are not restated.
- ▼ The Consolidated Statement of Income presents Axtel's net revenues and expenses as a single line item "Profit (loss) from discontinued operations" as follows:
  - 4Q22: accumulated figures for the three months ended December 31, 2022
  - 3Q23: no figures presented related to Axtel
  - 4Q23: no figures presented related to Axtel
  - 2022: accumulated figures for the 12 months of 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:
  - 4Q22: no figures presented related to Axtel
  - 3Q23: no figures presented related to Axtel
  - 4Q23: no figures presented related to Axtel
  - 2022: accumulated figures for the six months and 12 days ended July 12, 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 (4Q23, 3Q23, 2Q23, 1Q23 and 4Q22) do not present figures related to Axtel.

## ALFA reports 4Q23 EBITDA of US \$282 million and 2023 EBITDA of US \$1.4 billion

### 4Q23 / 2023 HIGHLIGHTS

<p><b>ALFA</b></p>	<ul style="list-style-type: none"> <li>▶ ALFA positioned for final phase of transformation: refinanced parent-level debt, further simplified corporate structure, lowered dividends and suspended share buybacks during 2023</li> <li>▶ Outstanding performance at Sigma partially offsets a decline at Alpek amid major shift in petrochemical industry conditions during the year</li> <li>▶ 2023 Consolidated Results include impairment charges of US \$756 million associated with four key optimization initiatives at Alpek and Sigma</li> <li>▶ Consolidated Net Leverage ratio of 3.5 times; Alpek 3.4x and Sigma 2.3x</li> </ul>
<p><b>Sigma</b></p>	<ul style="list-style-type: none"> <li>▶ Record fourth quarter results contributed to all-time high Volume, Revenue and EBITDA in 2023</li> <li>▶ Key drivers include volume growth across all channels in Mexico and strong performance in the Hispanic-based business in the U.S.</li> <li>▶ Improvement in Europe driven by structural changes: 4Q23 EBITDA up 89% and margin expanded by 200+ basis points y-o-y</li> <li>▶ Lowest annual net leverage ratio in eight years (2.3x) supported by strong EBITDA growth</li> </ul>
<p><b>Alpek</b></p>	<ul style="list-style-type: none"> <li>▶ Actively engaged in initiatives to reduce costs and to maximize cash flow</li> <li>▶ 4Q23 Revenue, Comparable EBITDA and EBITDA down 31%, 38% and 71% year-on-year, respectively</li> <li>▶ Net Debt down 7% y-o-y supported by cash optimization initiatives reflected in Net Working Capital recovery and Capex reduction</li> <li>▶ Sequential improvement in various petrochemical industry references: Asian polyester margins up 5%</li> <li>▶ Impact from hyperinflation in Argentina amplified by a spike in exchange rate at year end</li> <li>▶ Impairment charges totaled US \$633 million in 2023, related to the pause in construction at the Corpus Christi site, as well as the shutdown of operations in Cooper River, United States and in Monterrey, Mexico</li> </ul>

# Earnings Report

## Fourth Quarter 2023 (4Q23)



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

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.		2023	2022	Ch. %
				3Q23	4Q22			
<b>ALFA &amp; Subs</b>								
<b>ALFA Revenues</b>	<b>3,885</b>	<b>4,198</b>	<b>4,452</b>	<b>(7)</b>	<b>(13)</b>	<b>16,388</b>	<b>18,085</b>	<b>(9)</b>
Alpek	1,691	1,956	2,457	(14)	(31)	7,759	10,555	(26)
Sigma	2,161	2,209	1,964	(2)	10	8,505	7,425	15
<b>ALFA EBITDA<sup>1</sup></b>	<b>282</b>	<b>373</b>	<b>346</b>	<b>(25)</b>	<b>(19)</b>	<b>1,391</b>	<b>2,082</b>	<b>(33)</b>
Alpek	53	126	186	(58)	(71)	514	1,455	(65)
Sigma	229	255	167	(10)	37	893	652	37
<b>ALFA Comparable EBITDA<sup>2</sup></b>	<b>395</b>	<b>407</b>	<b>430</b>	<b>(3)</b>	<b>(8)</b>	<b>1,623</b>	<b>2,022</b>	<b>(20)</b>
Alpek	167	160	270	5	(38)	734	1,396	(47)
Sigma	229	255	167	(10)	37	905	652	39
<b>Majority Net Income<sup>3</sup></b>	<b>(652)</b>	<b>(49)</b>	<b>(17)</b>	<b>-</b>	<b>-</b>	<b>(711)</b>	<b>578</b>	<b>(223)</b>
<b>CAPEX &amp; Acquisitions<sup>4</sup></b>	<b>192</b>	<b>96</b>	<b>139</b>	<b>100</b>	<b>38</b>	<b>569</b>	<b>1,111</b>	<b>(49)</b>
<b>ALFA Net Debt</b>	<b>4,919</b>	<b>4,866</b>	<b>4,751</b>	<b>1</b>	<b>4</b>	<b>4,919</b>	<b>4,751</b>	<b>4</b>
Alpek	1,729	1,675	1,860	3	(7)	1,729	1,860	(7)
Sigma	2,025	2,045	1,782	(1)	14	2,025	1,782	14
ALFA Net Debt/EBITDA <sup>5</sup>	3.5	3.4	2.3					
ALFA Interest Coverage <sup>6</sup>	3.5	3.7	6.4					

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

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(BMV: ALFAA)



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## Message from ALFA's President

"2023 was an important year as ALFA advanced towards the final phase of its transformation. Progress was highlighted by further corporate simplification, greater self-sufficiency at the subsidiaries, disciplined capital allocation and effective liability management which enhances flexibility for required debt reduction.

Regarding operations, our two business units had contrasting performance, with Sigma delivering record figures and Alpek posting lower-than-expected results amid a major shift in petrochemical industry conditions throughout the year.

As a result, ALFA's 2023 Revenue was down 8% and EBITDA was 34% lower versus 2022. Sigma's annual Revenues and EBITDA were up 15% and 37% year-on-year, respectively, while Alpek's Revenues were down 24% and EBITDA declined 65%.

Our petrochemical business faced lower reference margins, normalized ocean freight rates and price disparities in key raw materials between North America and Asia. In addition, Alpek's fourth quarter results were impacted by hyperinflation in its Argentine operations as the currency exchange rate and inflation spiked at the close of the year.

To overcome these challenges, Alpek focused on reinforcing cost competitiveness and optimizing free cash flow. As previously disclosed, difficult footprint rationalization decisions were carried out resulting in two plant closures that provide significant cost savings. Alpek also achieved a substantial recovery in Net Working Capital and rationalized Capex by US \$168 million versus its initial Guidance.

Pausing the construction of the integrated PTA-PET plant in Corpus Christi, Texas, was among the Capex rationalization initiatives announced earlier due to a significant increase in capital requirements. In accordance with IFRS, Alpek recognized an impairment on its investment in the joint venture at the close of the year. Regardless of the accounting treatment, Alpek will continue to work with its partners to determine the best long-term actions.

Alpek is closely following market developments as it navigates these extraordinary industry conditions. An encouraging sign was a 5% sequential recovery in Asian reference polyester margins during the fourth quarter. Also noteworthy, Alpek's 4Q23 Comparable EBITDA was US \$167 million, up 5% quarter on quarter.

Sigma has been the standout performer all year, with financial results further fueled by record fourth quarter Volume, Revenues and EBITDA. Revenues achieved 11 consecutive quarters of year-on-year growth, and 4Q23 EBITDA benefitted from consistent improvement in European operations, which were up 89% year-on-year.

For the full year, key drivers of Sigma's extraordinary performance include Mexico's volume growth across all channels along with a favorable exchange rate. Also, better-than-expected results in the U.S. supported by robust growth in Hispanic products.

Sigma's 37% year-on-year increase in 2023 EBITDA drove its leverage ratio (Net Debt to EBITDA) down to 2.3x; the lowest level in eight years. This metric plays a crucial role as ALFA prepares to complete its transformation.

ALFA is actively seeking to accelerate debt reduction at the Parent level to ensure a strong financial position of the combined ALFA/Sigma entity in anticipation to a potential Alpek spin-off. Therefore in 2023, a significant portion of ALFA's debt was refinanced with multiple bank loans that are prepayable at any time; dividends were reduced; and share buybacks were suspended.

Additionally, Corporate expenses declined 41% year-on-year as simplification efforts move forward. Several senior corporate roles have been consolidated through orderly succession processes and many centralized services have been transferred to the operating units.

Looking ahead, ALFA will focus on selective asset monetization to reduce debt and finalize its transformation. Sigma anticipates a steady outlook, and Alpek expects to continue facing a slow recovery against the current petrochemical industry backdrop.

We look forward to celebrating ALFA's 50th Anniversary in 2024. I am truly honored and proud to look back and see ALFA's legacy as a reliable business partner and responsible corporate citizen reflected across leading businesses that have or will become fully independent. I would like to thank all the ALFA employees and other stakeholders for their support as we continue to navigate a complex macro environment, drive further growth and complete the final steps of the transformation process."

All the best,

**Álvaro Fernández**

## ALFA (BMV: ALFAA) Consolidated Financial Results

### INCOME STATEMENT (US \$ MILLION)

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.		2023	2022	Ch. %
				3Q23	4Q22			
Total Revenues	3,885	4,198	4,452	(7)	(13)	16,388	18,085	(9)
Gross Profit	721	848	676	(15)	7	3,134	3,470	(10)
Operating expenses and others	(1,130)	(745)	(475)	(52)	(138)	(2,985)	(1,863)	(60)
Operating income (loss)	(408)	103	201	(498)	(303)	149	1,608	(91)
Financial cost, net	(182)	(183)	(112)	-	(63)	(578)	(375)	(54)
Share of losses of associates	(7)	(1)	0	(618)	-	(8)	1	(769)
Income Tax	(162)	35	(85)	(560)	(92)	(341)	(417)	18
Profit (loss) from continuing operations	(760)	(46)	4	-	-	(778)	817	(195)
Profit (loss) from discontinued operations <sup>1</sup>	0	0	6	(100)	(100)	9	(6)	255
Consolidated net income (loss)	(760)	(46)	10	-	-	(769)	811	(195)
Controlling Interest	(652)	(49)	(17)	-	-	(711)	578	(223)
EBITDA	282	373	346	(25)	(19)	1,391	2,082	(33)
EBITDA/Revenues (%)	7.2	8.9	7.8			8.5	11.5	

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

**Total Revenues** in 4Q23 were US \$3.885 billion, down 13% year-on-year as growth in Sigma was offset by a decrease in Alpek. Sigma revenues increased 10% versus 4Q22 driven by growth across all its regions. In contrast, Alpek revenues decreased 31% year-on-year and were 14% lower versus 3Q23 due primarily to a decline in average prices and volume, as well as the impact from the abrupt depreciation of the Argentinian Peso in December.

Accumulated Revenues were US \$16.388 billion, down 9% when compared to the same period of 2022 as a 26% decline in Alpek was partially offset by a 15% increase in Sigma (see Table 2).

**EBITDA** in 4Q23 was US \$282 million, down 19% versus US \$346 million in 4Q22. This reflects a 37% year-on-year increase at Sigma and a 71% year-on-year decline at Alpek. Fourth quarter consolidated EBITDA includes a negative impact of US -\$114 million from extraordinary items related to Alpek; primarily associated with the non-cash effect of hyperinflation in Argentina. For reference, consolidated 4Q22 EBITDA included a net negative impact of US -\$84 million from extraordinary items mainly associated with declining crude oil and feedstock prices at Alpek.

EBITDA in 2023 was US \$1.391 billion, down 33% year-on-year, resulting from a 65% decrease in Alpek partially offset by a 37% increase in Sigma. Extraordinary items had a negative impact of US -\$233 million in 2023 versus a US \$60 million benefit in 2022 (see Tables 3, 4 and 5).



Adjusting for extraordinary items in all periods, **Comparable EBITDA** was US \$395 million, US \$407 million and US \$430 million in 4Q23, 3Q23 and 4Q22, respectively. Comparable 4Q23 EBITDA was down 8% year-on-year as a 37% increase at Sigma partially offsets a 38% decline at Alpek. Comparable EBITDA at Alpek was negatively impacted by lower reference margins and lower Volume. In contrast, the increase in Sigma was boosted by outstanding growth in Mexico (+49%) and Europe (+89%).

Comparable EBITDA in 2023 was US \$1.623 billion, down 20% versus 2022, resulting from a 47% decline in Alpek and a 39% increase in Sigma (see Tables 3, 4 and 5).

**Operating Loss** was US \$408 million in 4Q23 as a result of a US \$557 million impairment at Alpek. The previously disclosed pause in construction of the integrated PTA-PET plant in Corpus Christi, Texas prompted Alpek to recognize an impairment in accordance with IFRS.

Accumulated Operating Income was US \$149 million, versus US \$1.608 billion in 2022. Operating Income in 2023 was impacted by impairment charges of US \$756 million related to the pause in construction of the integrated PTA-PET site in Corpus Christi and the shutdown of two Alpek plants in the United States and Mexico, as well as Sigma's operations in Italy (see Table 3).

**Comprehensive Financing Expense (CFE)** was US \$182 million, up from US \$112 million in 4Q22, driven primarily by higher foreign exchange losses resulting from the net impact of currency forward contracts at Sigma due to the appreciation of the Mexican peso.

Accumulated CFE in 2023 was US \$578 million, up 54% versus the same period of the prior year mainly due to foreign exchange losses associated with currency forward contracts at Sigma, as well as higher financial expenses at ALFA, Alpek and Sigma (see Table 6).

**Controlling Interest Net Loss** was US \$652 million in 4Q23 compared to US \$17 million in 4Q22. The year-on-year decline in absolute terms was primarily due to the impairment of Alpek's investment in the Corpus Christi site plus the impact associated with hyperinflation in Argentina. The decline was also attributed to lower EBITDA, combined with increases in CFE and Income Tax.

Accumulated Controlling Interest Net Loss was US \$711 million, versus a Controlling Interest Net Income of US \$578 million in 2022. Asset impairments at Alpek and Sigma, lower EBITDA in Alpek, and higher consolidated CFE contributed to the decline, as described above (see Table 7).

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

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.		2023	2022	Ch.%
				3Q23	4Q22			
EBITDA	282	373	346	(25)	(19)	1,391	2,082	(33)
Net Working Capital	174	112	186	55	(14)	458	(486)	197
Capital Expenditures & Acquisitions	(192)	(96)	(139)	100	38	(569)	(1,111)	(49)
Net Financial Expenses	(105)	(104)	(85)	(1)	(24)	(403)	(330)	(22)
Taxes	(153)	(95)	(78)	(61)	(96)	(592)	(418)	(41)
Dividends	(15)	(15)	(82)	1	82	(181)	(383)	53
Other Sources (Uses)	(44)	(50)	(69)	(12)	(36)	(271)	1	-
Decrease (increase) in Net Debt from discontinued operations <sup>1</sup>	0	0	0	-	-	0	4	(100)
Net Debt from discontinued operations - Axtel	0	0	0	-	-	0	566	(100)
<b>Decrease (Increase) in Net Debt</b>	<b>(53)</b>	<b>127</b>	<b>79</b>	<b>(141)</b>	<b>(167)</b>	<b>(167)</b>	<b>(75)</b>	<b>(125)</b>
<i>Net Debt</i>	<i>4,919</i>	<i>4,866</i>	<i>4,751</i>	<i>1</i>	<i>4</i>	<i>4,919</i>	<i>4,751</i>	<i>4</i>

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

**Net Debt** was US \$4.919 billion at the close of 4Q23, up 4% year-on-year and up 1% versus 3Q23. On an absolute basis, consolidated ALFA Net Debt increased US \$168 million from US \$4.751 billion at the close of 4Q22. The year-on-year increase in Net Debt reflects growth in Sigma that was partially offset by a US \$131 million reduction in Alpek. A significant recovery in Net Working Capital, combined with reduced Capex and lower dividends contributed to mitigate the decline in EBITDA, higher financial expenses, higher taxes and the impact of currency forward contracts at Sigma.

As of December 31, 2023, Cash totaled US \$1.188 billion and ALFA and its Subsidiaries had US \$2.023 billion in available Committed Credit Lines. Financial ratios at the close of 4Q23 were: Net Debt to EBITDA of 3.5 times and Interest Coverage of 3.5 times, compared with 2.3 and 6.4 times in 4Q22, respectively (see Table 8). Net Debt to EBITDA ratios at Sigma and Alpek were 2.3 and 3.4 times, respectively, at the end of December 2023.

**Net Working Capital** posted a recovery of US \$174 million during 4Q23 driven by Alpek and Sigma. Lower petrochemical feedstock prices, optimizations in inventory management, seasonality and other improvements contributed to the Net Working Capital reduction at the close of the year. The Net Working Capital recovery of US \$458 million in 2023 was driven by Alpek.

**Capital Expenditures & Acquisitions (Capex)** totaled US \$192 million in 4Q23 mainly driven by planned investments in maintenance and operating asset replacements. Capex also includes investments by Alpek in the Corpus Christi JV for payment of outstanding accounts payable, and a US \$28 million earn-out payment associated with the PET sheet and resin business acquisition. Alpek accounted for 58% of the consolidated amount.

Accumulated Capex was US \$569 million versus US \$1.111 billion in 2022, which included the acquisition of the PET sheet and resin business in 2Q22.

**Dividends** of US \$15 million in 4Q23 correspond to dividends paid to minority shareholders at the subsidiary level. Accumulated Dividends were US \$181 million versus US \$383 million in 2022. Accumulated Dividends to ALFA shareholders were US \$96 million versus US \$196 million paid in 2022.

### RECENT DEVELOPMENTS – ALFA

<p><b>Unlocking Value – Corporate Simplification</b></p>	<ul style="list-style-type: none"> <li>▼ Transformation to unlock ALFA’s fair value potential by simplifying its corporate structure</li> <li>▼ Orderly transition towards independent business units (vs. conglomerate)</li> <li>▼ Progress to date:             <ul style="list-style-type: none"> <li>– Nemak spin-off (2020)</li> <li>– Axtel spin-off (2023)</li> <li>– Corporate expenses down 80% vs 2019 (2023)</li> <li>– Gained flexibility to reduce debt via Bond refinancing with prepayable bank loans (2023)</li> </ul> </li> <li>▼ Next steps:             <ol style="list-style-type: none"> <li>1. Selective asset monetization</li> <li>2. Debt reduction and liability management</li> <li>3. Shareholder approval to spin-off Alpek</li> <li>4. Spin-off ALFA share ownership in Alpek</li> </ol> </li> <li>▼ Key elements:             <ul style="list-style-type: none"> <li>– Sigma EBITDA</li> <li>– Debt level at ALFA and Sigma</li> </ul> </li> <li>▼ ALFA actively seeking debt reduction alternatives to ensure strong financial position of combined ALFA-Sigma entity upon the eventual 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 December 31, 2023 were 2,470,325,965</li> <li>▼ Equivalent to 51.26% 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 in 2023</li> </ul>

<p><b>Credit Ratings</b></p>	<p><b>S&amp;P Global Ratings</b> – updated 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 Issuer Default Ratings (IDRs) at “BBB-” and Stable outlook</li> </ul> <p><b>Moody’s</b> – updated November 30, 2023</p> <ul style="list-style-type: none"> <li>▶ Affirmed “Baa3” senior unsecured rating and Stable outlook</li> </ul>
<p><b>Quiet Period</b></p>	<ul style="list-style-type: none"> <li>▶ ALFA enters into a Quiet Period seven days prior to the close of each quarter</li> <li>▶ 1Q24 Quiet Period will begin on March 22, 2024</li> </ul>
<p><b>2024 Guidance</b></p>	<ul style="list-style-type: none"> <li>▶ To be released on February 21, 2024 before the market opens</li> </ul>

## Results by Business

### Sigma – FOOD PRODUCTS



56% of ALFA's Revenues in 4Q23

#### 4Q23 / 2023 HIGHLIGHTS

<p><b>Sigma Consolidated</b></p>	<ul style="list-style-type: none"> <li>▶ All-time high annual consolidated Volume, Revenues and EBITDA</li> <li>▶ Eleventh consecutive quarter of year-on-year Revenue growth supported by record fourth quarter Volume</li> <li>▶ 4Q23 EBITDA up 37% year-on-year, driven by Mexico and Europe</li> <li>▶ Sustained improvement of Net Debt to EBITDA Ratio; 2.3 times at the close of 4Q23 vs 2.7 times in 4Q22</li> </ul>
<p><b>Mexico</b></p>	<ul style="list-style-type: none"> <li>▶ Record annual and fourth quarter Revenue and EBITDA, supported by strong demand across all categories and channels</li> </ul>
<p><b>Europe</b></p>	<ul style="list-style-type: none"> <li>▶ 4Q23 Revenue up 3% year-on-year as pricing actions to mitigate inflationary pressures were partially offset by product mix and lower Volume</li> <li>▶ Quarterly EBITDA growth of 89% versus 4Q22 driven mainly by improvement in the Fresh Meats business and benefits following the Italy divestment</li> </ul>
<p><b>U.S.</b></p>	<ul style="list-style-type: none"> <li>▶ All-time high annual Volume, Revenues and EBITDA driven by Hispanic Brands and the successful integration of Los Altos Foods</li> <li>▶ Record fourth quarter Volume and Revenue, up 1% and 10% year-on-year, respectively</li> </ul>
<p><b>Latam</b></p>	<ul style="list-style-type: none"> <li>▶ All-time high annual Revenues and EBITDA driven by growth in Costa Rica and the Dominican Republic</li> <li>▶ Record fourth quarter Revenues, driven by volume growth in Costa Rica and Ecuador</li> </ul>

# Earnings Report

## Fourth Quarter 2023 (4Q23)



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

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.		2023	2022	Ch. %
				3Q23	4Q22			
<b>Volume (ktons)</b>	<b>443</b>	<b>456</b>	<b>432</b>	<b>(3)</b>	<b>2</b>	<b>1,773</b>	<b>1,740</b>	<b>2</b>
Mexico	240	242	223	(1)	8	943	880	7
Europe	95	97	104	(2)	(9)	384	425	(10)
United States	81	91	79	(11)	1	342	333	3
Latam	27	26	26	4	3	104	103	1
<b>Revenues</b>	<b>2,161</b>	<b>2,209</b>	<b>1,964</b>	<b>(2)</b>	<b>10</b>	<b>8,505</b>	<b>7,425</b>	<b>15</b>
Mexico	1,039	1,058	902	(2)	15	4,045	3,321	22
Europe	593	598	574	(1)	3	2,354	2,178	8
United States	377	406	343	(7)	10	1,518	1,388	9
Latam	153	147	145	4	5	588	538	9
<b>EBITDA</b>	<b>229</b>	<b>255</b>	<b>167</b>	<b>(10)</b>	<b>37</b>	<b>893</b>	<b>652</b>	<b>37</b>
Mexico	151	184	101	(18)	49	627	412	52
Europe	27	13	14	100	89	38	46	(16)
United States	37	45	38	(16)	(2)	176	146	21
Latam	14	12	14	11	3	51	48	7
<b>Capex &amp; Acquisitions</b>	<b>74</b>	<b>58</b>	<b>86</b>	<b>27</b>	<b>(15)</b>	<b>293</b>	<b>250</b>	<b>18</b>
<b>Net Debt</b>	<b>2,025</b>	<b>2,045</b>	<b>1,782</b>	<b>(1)</b>	<b>14</b>			
Net Debt / LTM* EBITDA	2.3	2.5	2.7					
LTM* Interest Coverage <sup>1</sup>	5.9	5.7	5.5					

\* Times. LTM = Last 12 months

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

## Message from Sigma's President

"I am pleased to report that Sigma has reaffirmed its growth trajectory, achieving its 11<sup>th</sup> consecutive quarter of year-on-year sales growth, while setting new records in annual consolidated Volume, Sales, and EBITDA. Additionally, we surpassed the revised EBITDA guidance, reaching US \$893 million.

The robust performance of Mexico throughout the year was fueled by volume growth across all channels, along with a strong Mexican Peso. This, together with the solid U.S. results that included the strong performance of the Hispanic based business, have been key drivers.

During the fourth quarter, EBITDA in the European operations posted a significant year-on-year improvement. Certain headwinds for the food sector persist in the region, but we are beginning to see the benefits of the structural changes that were carried out throughout the year, such as the comprehensive administrative restructure as well as the divestiture of our operations in Italy.

Our Growth Business Unit continues making solid strides towards the new global categories that we aim to develop. In Mexico, this year we expanded the distribution of plant-based products to the retail channel; in Spain, we solidified our leadership position in vegan franks; and in the US, we advanced with our Better Balance<sup>®</sup> market launch in the foodservice channel.

On the ESG front, we maintained steady progress throughout the year. In the last quarter, our S&P Global CSA Score was publicly disclosed for the first time, showcasing a year-on-year improvement and securing a position above the industry average. This milestone reflects our commitment to integrate ESG criteria into everyday decision making.

As we turn our sights to 2024, we anticipate a positive outlook. We expect to maintain our strong performance in the Americas and gradually improve in our European operations. We approach the future with a balanced perspective, prepared to capitalize on the opportunities and overcome the challenges that may arise.

I would like to express my appreciation for the tireless efforts of the Sigma team, whose dedication has been the cornerstone of our accomplishments.

Thank you for your interest in Sigma."

Rodrigo Fernández



### INCOME STATEMENT (US \$ MILLION)

	4Q23	3Q23	4Q22	(% ) 4Q23 vs		2023	2022	Ch. %
				3Q23	4Q22			
Total Revenues	2,161	2,209	1,964	(2)	10	8,505	7,425	15
Gross Profit	643	680	495	(5)	30	2,521	1,905	32
Operating expenses and others	(473)	(601)	(395)	(21)	20	(1,971)	(1,476)	34
Operating income (loss)	170	79	100	115	71	551	429	28
Financial cost, net	(129)	(83)	(82)	56	57	(385)	(169)	127
Share of losses of associates	0	0	(0)	-	(663)	0	(0)	(663)
Income Tax	(64)	(34)	(26)	88	149	(236)	(161)	46
Consolidated net income (loss)	(23)	(37)	(8)	(39)	179	(70)	98	(171)
<i>EBITDA</i>	<i>229</i>	<i>255</i>	<i>167</i>	<i>(10)</i>	<i>37</i>	<i>893</i>	<i>652</i>	<i>37</i>
<i>EBITDA/Revenues (%)</i>	<i>10.6</i>	<i>11.5</i>	<i>8.5</i>			<i>10.5</i>	<i>8.8</i>	

**Volume** was 443 ktons in 4Q23, up 2% year-on-year, as growth of 8% in Mexico, 1% in the U.S. and 3% in Latam more than offset a 9% decrease in Europe mainly due to 3Q23 divestiture of the Italian operations. Separately, the Foodservice Channel volume increased by 11% year-on-year. Full year volume was 1,773 ktons, up 2% when compared to the same period of 2022, driven primarily by strong demand in Mexico.

**Average prices** increased 7% versus 4Q22. In local currencies, quarterly prices remained flat year-on-year, as high-single-digit increases in Europe and U.S. were offset by decreases in Mexico. Peso-denominated average prices in Mexico decreased 5% versus 4Q22, reflecting lower raw material cost pressures. Full year average prices increased 12% in US Dollars and 5% in local currencies, driven primarily by price actions in Europe amid sustained inflationary pressures.

**Revenues** were US \$2.161 billion in 4Q23, up 10% year-on-year, driven by the previously mentioned volume increase, and the strong Mexican peso vs the US Dollar. In local currencies, quarterly Revenues were up 3% driven by growth in the U.S. (+10%), Mexico (+3%), and Latam (+2%) (see Table 13).

Full year Revenues were US \$8.505 billion, 15% higher year-on-year. In local currencies, Accumulated Revenues rose by 7% versus the same period in 2022 driven by growth across all regions.

**EBITDA** was US \$229 million in the fourth quarter of 2023, up 37% year-on-year, driven by high growth in Mexico and Europe. Quarterly EBITDA continued to benefit from strong foreign exchange rates vs the US Dollar and favorable raw material cost trends in the Americas. In local currency, quarterly EBITDA was up 27% versus the same period last year.

Full year EBITDA was US \$893 million, up 37% year-on-year. This was mainly driven by solid results in the Americas, which more than offset a 16% decrease in Europe that was attributable to inflationary pressures, among others. 2023 EBITDA margin was 10.5%, up from 8.8% in 2022. In local currencies, full year EBITDA was up 25% year-on-year.

**Operating Income** was US \$170 million in 4Q23, up 71% when compared to US \$100 million in 4Q22, driven by the increase in EBITDA explained above. Full year Operating Income was US \$551 million in 2023, 28% higher year-on-year, as strong EBITDA growth more than offsets an asset impairment charge in Italy during 3Q23.

**Comprehensive Financing Expense (CFE)** was US \$129 million, up from US \$82 million in 4Q22, 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 US dollar. Higher interest rates combined with a higher Net Debt balance year-on-year also contributed to the increase in 4Q23. Full year CFE was US \$385 million, up from US \$169 million in 2022, primarily due to higher foreign exchange losses.

**Net Loss** of US \$23 million in 4Q23, widened when compared with a loss of US \$8 million in 4Q22 mainly due to the higher CFE mentioned above, as well as higher taxes resulting from the growth in Operating Income and taxable gains associated with the appreciation of the Mexican peso. Full year net loss was US \$70 million, compared to the US \$98 million net profit in 2022, as higher CFE, the Italian asset impairment and higher taxes more than offset incremental EBITDA.

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

	4Q23	3Q23	4Q22	(% ) 4Q23 vs		2023	2022	Ch. %
				3Q23	4Q22			
EBITDA	229	255	167	(10)	37	893	652	37
Net Working Capital	66	(86)	35	(177)	89	(46)	(72)	(36)
Capital Expenditures & Acquisitions	(74)	(58)	(86)	27	(15)	(293)	(250)	18
Net Financial Expenses	(37)	(35)	(27)	5	36	(135)	(114)	19
Taxes	(94)	(45)	(23)	107	308	(306)	(116)	163
Dividends	0	0	(75)	-	(100)	(75)	(152)	(50)
Other Sources (Uses)	(71)	(64)	(65)	8	6	(279)	(40)	-
<b>Decrease (Increase) in Net Debt</b>	<b>20</b>	<b>(33)</b>	<b>(75)</b>	<b>(161)</b>	<b>(127)</b>	<b>(242)</b>	<b>(91)</b>	<b>166</b>

**Net Debt** was US \$2.025 billion, down US \$20 million versus 3Q23. The quarter-on-quarter decrease was mainly driven by net working capital recovery, as explained below. Net Debt increased US \$242 million annually, mainly due to higher taxes, the impact of currency forward contracts and the increase in Capex and acquisitions described below.

**Cash** totaled US \$626 million in 4Q23, up US \$74 million when compared to 3Q23 and US \$57 million lower than 4Q22. Approximately 70% of cash was held in US dollars and euros. Financial ratios at the end of the quarter were: Net Debt to EBITDA of 2.3 times and Interest Coverage of 5.9 times. The net leverage at the end of 2023 represents the lowest level in eight years (see Table 16).

**Net Working Capital (NWC)** reflected a recovery of US \$66 million during 4Q23 driven by lower NWC across all regions. The full year Net Working Capital investment was US \$46 million as inventory optimizations were more than offset by investments in receivables and the reduction in suppliers.

**Capital Expenditures & Acquisitions (Capex)** totaled US \$74 million during the quarter, 15% lower than 4Q22. Approximately 66% of Capex was maintenance-related and the remainder was invested in strategic projects. Full year Capex was US \$293 million, up 18% year-on-year, which included the acquisition of Los Altos Foods and the packaged meats production facility in Iowa.

Full year **Dividends** totaled US \$75 million. No Dividends were paid during 4Q23.

## INDUSTRY COMMENTS - SIGMA

### Consumer confidence and retail sales

Throughout 4Q23, the average consumer confidence in Mexico (as per INEGI<sup>1</sup>) was 46.7 points, up 4.6 points year-on-year. By year-end, the inflation rate had dropped to 4.7%, a significant decrease against the 8.0% rate for the end of 2022. Same-store-sales (as per ANTAD<sup>2</sup>) during December 2023 increased 5.2% 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 November 2023 posted a year-on-year increase of 3.1% in the average hotel occupancy rate, as well as a 5.8% increase in domestic tourist arrivals.

In the United States, the average consumer confidence level reported by The Conference Board was 103.0, down 1 point year-on-year and 6 points higher versus 3Q23. The inflation rate was 3.4% as of December 2023. Adjusted Food & Beverage Retail Sales reported by the U.S. Census Bureau during the quarter rose 1% on average year-on-year.

As of December 2023, the European Commission reported that the average consumer confidence level was negative 16.7 points, an improvement from negative 22.0 points when compared to the same period last year. According to Eurostat, Food Retail Sales fell 1% on average year-on-year and remained flat sequentially. During December, the inflation rate in Europe was 2.9%.

<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

### Exchange Rate

When compared against the US dollar, the average 4Q23 exchange rate for the Mexican peso appreciated 11%, and the euro appreciated 5% year-on-year. Furthermore, Sigma's Latam currency mix (outside Mexico) experienced a net appreciation effect of approximately 4% year-on-year versus the US dollar.

	4Q23	3Q23	4Q22	(% ) 4Q23 vs		2023	2022	Ch. %
				3Q23	4Q22			
Mexico - MXN/USD Avg	17.58	17.06	19.70	3	(11)	17.77	20.13	(12)
Mexico - MXN/USD EOP	16.89	17.62	19.36	(4)	(13)	16.89	19.36	(13)
EU - USD/EUR Avg	1.07	1.09	1.02	(1)	5	1.08	1.05	2
EU - USD/EUR EOP	1.10	1.06	1.07	4	4	1.10	1.07	4
Costa Rica - CRC/USD Avg	534.05	545.08	612.25	(2)	(13)	545.36	649.68	(16)
Costa Rica - CRC/USD EOP	523.02	537.18	592.09	(3)	(12)	523.02	592.09	(12)
Dominican Rep. - DOP/USD Avg	57.33	56.57	54.58	1	5	56.19	54.94	2
Dominican Rep. - DOP/USD EOP	58.13	56.82	56.19	2	3	58.13	56.19	3
Peru - PEN/USD Avg	3.79	3.69	3.92	3	(3)	3.5	3.85	(3)
Peru - PEN/USD EOP	3.71	3.79	3.81	(2)	(3)	3.71	3.81	(3)

*Revenues from Costa Rica, the Dominican Republic, Peru, 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 during 4Q23 decreased 15% year-on-year and 14% sequentially, due to higher pork production serving domestic demand and record exports to Mexico. At the same time, trimming prices decreased 24% when compared to 4Q22 and were 36% lower sequentially, mainly due to increased production and seasonality.

In Europe, average quarterly pork ham, shoulder, and lean hog prices increased 4%, 13%, and 12%, respectively, versus 4Q22. On a sequential basis, prices were down 10% for pork ham, 5% for shoulder, and 15% for lean hog. Pork price year-on-year increases were mainly due to lower production amid soft export demand and subpar profitability.

With respect to U.S. poultry prices, average turkey breast prices were down 61% when compared to 4Q22 and down 1% on a sequential basis. Demand for turkey breast remains weak following exceptionally high prices throughout 2022. Turkey thigh quarterly prices decreased 37% year-on-year but were up 3% sequentially as avian flu cases had a slight impact on supply in 4Q23. Average chicken prices were down 9% year-on-year and 3% lower versus 3Q23, resulting from a mix of higher production and soft demand.

### RESULTS BY REGION - SIGMA

During 4Q23, Mexico accounted for 48% of total revenues; while Europe represented 27%; the U.S. 18%; and Latam 7%. As a percentage of full year 2023 Revenues, these figures were 47%, 28%, 18%, and 7%, respectively.

#### **Mexico**

In local currency, 4Q23 Revenues increased 3% year-on-year, driven by record fourth quarter volume reflecting strong demand across all channels and product categories. Prices were down 5% year-on-year as raw material cost pressures eased. 4Q23 Foodservice Channel Revenues rose by 7% year-on-year, driven by solid volume growth from new and existing customers. Excluding Foodservice results, peso-denominated 4Q23 Revenues increased by 2% versus 4Q22.

In pesos, 4Q23 EBITDA increased 34% year-on-year driven by higher volume and cost benefits. Similarly, Foodservice channel EBITDA increased 37% versus 4Q22.

Full year Revenues and EBITDA in local currency were 7% 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**

4Q23 Revenues in euros were down 2% year-on-year, as a 7% increase in average prices was more than offset by product mix and a 9% volume decrease mainly due to the divestment of operations in Italy. Adjusting for the Italy divestiture, comparable 4Q23 Volume decreased 3% and Revenues grew 5% year-on-year.

In local currency, 4Q23 EBITDA was up 82% year-on-year, driven by an improvement in the Fresh Meats business, as well as the benefit following the divestment of all operations in Italy. As a reference, Packaged Meats account for approximately 85% of European Revenues and Fresh Meats the remainder.

Revenues in 2023 in euros were 5% higher and EBITDA was 16% lower year-on-year. The improvement in the Fresh Meats business and the benefits following the Italy divestment were more than offset by inflationary pressures in meat raw material costs, as well as the non-recurring restructure expense recognized in 2Q23.

#### **United States**

Quarterly Revenues were 10% higher versus 4Q22, mainly driven by the Hispanic Brands segment and the Los Altos Foods acquisition. Revenue management initiatives also contributed to this positive result. Adjusting for the effect of Los Altos Foods, comparable 4Q23 Revenues grew 2% year-on-year.

4Q23 EBITDA was down 2% versus 4Q22, as a positive performance of Hispanic Brands and Los Altos Foods was more than offset by subpar results of European and Mainstream Brands.

Full year Revenue and EBITDA were up 9% and 21% year-on-year, respectively. Annual results were mainly driven by a strong performance of Hispanic Brands, the successful integration of Los Altos Foods, and a consistent solid margin of Mainstream Brands. Adjusting for the Los Altos Foods acquisition, comparable annual Revenues increased 4% year-on-year.

### **Latam**

In local currencies, quarterly Revenues were up 2% year-on-year as a 3% volume increase more than offset a 1% average price decline. Adjusting for the Foodservice channel, Revenue increased 4% versus 4Q22.

Quarterly EBITDA in local currencies was flat year-on-year, as favorable results in Costa Rica were offset by subpar performance in the Foodservice channel, and in Peru and Ecuador.

Currency-neutral annual Revenues and EBITDA were up 5% and 1% year-on-year, respectively, driven by growth in Costa Rica and the Dominican Republic.

### RECENT DEVELOPMENTS – SIGMA

<b>Credit Ratings</b>	<p><b>Moody’s Local Rating (New)</b></p> <ul style="list-style-type: none"> <li>Long term national issuer credit rating issued at “AAA.mx” with Stable Outlook (January 2024)</li> </ul> <p><b>Fitch Rating</b></p> <ul style="list-style-type: none"> <li>Affirmed Sigma’s “BBB” and “AAA(mex)” credit ratings. Outlooks are Stable (February 2024)</li> </ul>
<b>2024 Euro Bond refinancing</b>	<ul style="list-style-type: none"> <li>Sigma paid its Euro Senior Notes due 2024 (February 2024)</li> <li>The total outstanding principal amount of €600 million was paid at maturity with funds from four bilateral, long-term bank loans</li> <li>This transaction strengthens Sigma’s financial position by extending its average debt maturity to 3.1 years from 2.2 years</li> </ul>
<b>Mexican local Bond program</b>	<ul style="list-style-type: none"> <li>Engaged in establishing a long-term revolving peso-bonds program (January 2024)</li> <li>A potential issuance under this program would mark Sigma’s return to the local bond market after 15 years, and complement the company’s sources of funding in pesos</li> </ul>
<b>Sustainability</b>	<p><b>CO<sub>2</sub> Emissions</b></p> <ul style="list-style-type: none"> <li>Sigma’s emissions calculation for 2019 was verified by Carbon Trust, a third party, in compliance with ISO-14064-3</li> </ul> <p><b>Ratings</b></p> <ul style="list-style-type: none"> <li>Improvement year-on-year of S&amp;P Global CSA scores to 42 points in 2023 up from 35 in 2022. This is the first time that Sigma’s score is made public</li> <li>CDP: Maintained “B” score for Climate Change and Water, above the average industry score of “C”</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>713 new products launched during 2023</li> <li>1,950+ new products launched in the last 36 months, which represented 10% of Sigma consolidated Revenues in 2023</li> </ul>
<b>Growth Business Unit</b>	<ul style="list-style-type: none"> <li>Began collaborating with Chunk Foods, a market leader in the plant-based segment, to develop the first premium plant-based whole cut meats in Mexico</li> </ul>
<b>Financial Hedging</b>	<ul style="list-style-type: none"> <li>As of December 2023, currency forward contracts totaled US \$613 million with an average exchange rate of \$18.45 MXN/USD, sufficient to cover Sigma’s US dollar needs for the next 6 to 8 months</li> </ul>

(See “Financial Statements” for Sigma’s 4Q23 Balance Sheet and Income Statement)

# Earnings Report

## Fourth Quarter 2023 (4Q23)



### Alpek (BMV: ALPEKA) – PETROCHEMICALS



44% of ALFA's revenues in 4Q23

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

	4Q23	3Q23	4Q22	(% ) 4Q23 vs		2023	2022	Ch. %
				3Q23	4Q22			
<b>Volume (ktons)</b>	<b>1,100</b>	<b>1,177</b>	<b>1,230</b>	<b>(7)</b>	<b>(11)</b>	<b>4,635</b>	<b>5,065</b>	<b>(8)</b>
Polyester	907	955	1,013	(5)	(10)	3,785	4,099	(8)
Plastics & Chemicals	193	222	217	(13)	(11)	849	966	(12)
<b>Revenues</b>	<b>1,691</b>	<b>1,956</b>	<b>2,457</b>	<b>(14)</b>	<b>(31)</b>	<b>7,759</b>	<b>10,555</b>	<b>(26)</b>
Polyester	1,235	1,483	1,630	(17)	(24)	5,739	6,991	(18)
Plastics & Chemicals	342	372	442	(8)	(23)	1,556	2,321	(33)
Others	115	101	385	13	(70)	465	1,243	(63)
<b>EBITDA</b>	<b>53</b>	<b>126</b>	<b>186</b>	<b>(58)</b>	<b>(71)</b>	<b>514</b>	<b>1,455</b>	<b>(65)</b>
Polyester	21	79	82	(73)	(74)	281	886	(68)
Plastics & Chemicals	31	43	106	(29)	(71)	228	564	(60)
Others	2	4	(2)	(59)	189	5	5	-
<b>Comparable EBITDA<sup>1</sup></b>	<b>167</b>	<b>160</b>	<b>270</b>	<b>5</b>	<b>(38)</b>	<b>734</b>	<b>1,396</b>	<b>(47)</b>
Polyester	122	114	151	7	(19)	497	823	(40)
Plastics & Chemicals	43	42	120	3	(64)	232	567	(59)
Others	2	4	(2)	(59)	189	5	5	-
<b>Capex &amp; Acquisitions<sup>2</sup></b>	<b>112</b>	<b>38</b>	<b>51</b>	<b>192</b>	<b>121</b>	<b>277</b>	<b>862</b>	<b>(68)</b>
<b>Net Debt</b>	<b>1,729</b>	<b>1,675</b>	<b>1,860</b>	<b>3</b>	<b>(7)</b>			
Net Debt / LTM EBITDA*	3.4	2.6	1.3					
LTM Interest Coverage <sup>3*</sup>	3.4	4.1	11.4					

\* Times. LTM= Last 12 months

1 Excludes extraordinary items

2 Figure includes divestments

3 Interest Coverage= EBITDA/Net Financial Expenses

**Volume** of 1,100 ktons was down 11% versus 4Q22 and 7% lower quarter-on-quarter. Polyester volume was 10% lower year-on-year and down 5% quarter-on-quarter, due mainly to a continued competitive environment. Moreover, the Plastics & Chemicals (P&C) segment was down 11% versus 4Q22 and 13% lower quarter-on-quarter, reflecting softer demand, particularly for Polypropylene (PP) as well as scheduled plant maintenance and seasonality. Accumulated Volume was 4,635 ktons, down 8% year-on-year attributed to declines in both business segments from record levels reached in 2022.

**Revenues** totaled US \$1.691 billion in 4Q23, down 31% versus 4Q22 and 14% lower quarter-on-quarter mainly due to lower overall average prices and lower volume. In accordance with IFRS, Alpek's 4Q23 revenues were also impacted by the abrupt depreciation of the Argentinian Peso in December which resulted in a foreign exchange translation effect.





Accumulated Revenues were US \$7.759 billion, down 26% versus 2022, resulting from a 20% reduction in average prices and an 8% decrease in consolidated volume.

**EBITDA** was US \$53 million in 4Q23, down 71% versus 4Q22 and 58% lower quarter-on-quarter. EBITDA includes a net negative impact of US -\$114 million from extraordinary items primarily associated with the non-cash effect of hyperinflation in Argentina. For comparison, 4Q22 EBITDA included a net negative impact of US -\$84 million from extraordinary items mainly associated with declining feedstock prices. Accumulated 2023 EBITDA was US \$514 million, down 65% versus 2022 due to extraordinary effects, as well as a decrease in reference margins and volume.

**Comparable EBITDA** was US \$167 million, down 38% versus 4Q22 and 5% higher quarter-on-quarter, amid a sequential improvement in PET and EPS reference margins. Accumulated Comparable EBITDA in 2023 was US \$734 million, down 47% versus a record high reported in 2022, reflecting more competitive markets and lower reference margins.

**Capital Expenditures & Acquisitions (Capex)** totaled US \$112 million in 4Q23, mainly allocated towards scheduled maintenance, investment by Alpek for accounts payable related to the Corpus Christi site, and a US \$28 million earn-out payment associated with PET sheet and resin business acquisition. Accumulated Capex was US \$277 million, down 68% versus 2022, which included the acquisition of the PET sheet and resin business in 2Q22. Alpek's cash optimization efforts throughout 2023 resulted in Capex rationalization of US \$168 million versus its initial Guidance.

**Net Debt** was US \$1.729 billion, down 7% and 3% higher when compared with 4Q22 and 3Q23, respectively. On an absolute basis, Net Debt decreased US \$131 million versus year-end 2022. A recovery in Net Working Capital in 2023 contributed to the accumulated reduction in Net Debt. 4Q23 financial ratios were: Net Debt to EBITDA of 3.4 times and Interest Coverage of 3.4 times. Alpek is committed to reducing its leverage ratio towards the internal threshold of 2.5 times Net Debt to EBITDA.

**Cash** at the close of the fourth quarter was US \$457 million, including restricted cash.

### RECENT DEVELOPMENTS - ALPEK

<p style="text-align: center;"><b>2023 Initiatives and Achievements</b></p>	<ul style="list-style-type: none"> <li>▶ Throughout 2023, undertook a number of initiatives to control fixed and variable costs and to maximize cash flow</li> <li>▶ <b>Footprint optimization</b> <ul style="list-style-type: none"> <li>- Closure of PET Resin operations at Cooper River, NC (1Q23)</li> <li>- Closure of filament operations in Monterrey, Mexico (3Q23)</li> <li>- US \$40 million in expected annual run-rate savings</li> </ul> </li> <li>▶ <b>Cost competitiveness</b> <ul style="list-style-type: none"> <li>- Organizational restructure at Polyester business</li> <li>- Improved power supply agreements</li> <li>- Systems efficiency &amp; centralization</li> </ul> </li> <li>▶ <b>Capex prioritization</b> <ul style="list-style-type: none"> <li>- Full year CAPEX below 2023 Guidance; US -\$168 million or 38%</li> </ul> </li> <li>▶ <b>Competitiveness Focus</b> <ul style="list-style-type: none"> <li>- Shifted sales to regions with higher demand to enhance profitability</li> <li>- Continued to optimize and diversify raw material sourcing</li> </ul> </li> <li>▶ <b>Net Working Capital</b> <ul style="list-style-type: none"> <li>- Substantial reduction in Net Working Capital during 2023</li> <li>- Initiatives include: inventory optimization, supply chain management, and operational discipline</li> </ul> </li> <li>▶ <b>Balance Sheet</b> <ul style="list-style-type: none"> <li>- Net Debt down US \$131 million, 7% lower year-on-year</li> <li>- Successfully refinanced 2023 Bond</li> <li>- Obtained US \$200 million Sustainability-Linked Loan due 2028</li> </ul> </li> </ul>
<p style="text-align: center;"><b>Sustainability</b></p>	<ul style="list-style-type: none"> <li>▶ 27% reduction in its Total Recordable Incident Rate in 2023</li> <li>▶ 27% reduction in CO<sub>2</sub> emissions compared to its 2019 baseline</li> <li>▶ Developed six new products from recycled and biobased materials</li> <li>▶ Pledged to uphold the Women’s Empowerment Principles from the United Nations Global Compact and UN Women</li> </ul>

(See "Appendix – 4Q23 Reports of Listed Businesses" for Alpek’s complete 4Q23 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 4Q23 Earnings Report for the analysis of full quarterly and accumulated operating figures.

#### 4Q23 EARNINGS CALL INFORMATION

Date: Wednesday, February 21, 2024

Time: 1:00 p.m. EST (NY) / 12:00 p.m. CST (CDMX)

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

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 2023, ALFA reported revenues of Ps. 291,207 million (US \$16.4 billion), and EBITDA of Ps. 24,783 million (US \$1.4 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 (%)

	4Q23 vs.		2023 vs.
	3Q23	4Q22	2022
Total Volume	(5.2)	(6.1)	(4.9)
Domestic Volume	(4.7)	(5.8)	(7.8)
Foreign Volume	(5.5)	(6.2)	(3.0)
Avg. Ps. \$ Prices	0.8	(16.9)	(15.8)
Avg. US \$ Prices	(2.4)	(7.1)	(4.7)

Table 2 | REVENUES

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.		2023	2022	Ch.%
				3Q23	4Q22			
<b>Total Revenues</b>								
Ps. \$ Millions	68,440	71,606	87,698	(4)	(22)	291,207	363,864	(20)
US \$ Millions	3,885	4,198	4,452	(7)	(13)	16,388	18,085	(9)
<b>Domestic Revenues</b>								
Ps. \$ Millions	28,526	28,880	33,087	(1)	(14)	116,710	143,190	(18)
US \$ Millions	1,623	1,693	1,680	(4)	(3)	6,573	7,115	(8)
<b>Foreign Revenues</b>								
Ps. \$ Millions	39,913	42,726	54,611	(7)	(27)	174,497	220,675	(21)
US \$ Millions	2,262	2,505	2,772	(10)	(18)	9,816	10,970	(11)
Foreign / Total (%)	58	60	62			60	61	

Table 3 | OPERATING INCOME AND EBITDA

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.		2023	2022	Ch.%
				3Q23	4Q22			
<b>Operating Income</b>								
Ps. \$ Millions	(6,938)	1,757	3,976	(495)	(274)	3,113	32,504	(90)
US \$ Millions	(408)	103	201	(498)	(303)	149	1,608	(91)
<b>EBITDA</b>								
Ps. \$ Millions	4,990	6,364	6,822	(22)	(27)	24,783	42,020	(41)
US \$ Millions	282	373	346	(25)	(19)	1,391	2,082	(33)
<b>EBITDA/Revenues (%)*</b>	7.2	8.9	7.8			8.5	11.5	

\*US dollar denominated EBITDA margin

Table 4 | EXTRAORDINARY ITEMS (US \$ MILLION)

Company	Extraordinary item	4Q23	3Q23	4Q22	2023	2022
Alpek	Inventory gain (loss)	(15)	0	(57)	(48)	17
	Carry forward gain (loss)	(16)	(1)	(27)	(25)	66
	Others	(82)	(33)	(0)	(147)	(23)
	<b>Total Alpek</b>	<b>(114)</b>	<b>(34)</b>	<b>(84)</b>	<b>(221)</b>	<b>60</b>
Sigma	Organizational restructure	0	0	0	(12)	0
	<b>Total Sigma</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(12)</b>	<b>0</b>
<b>ALFA</b>	<b>Total effect on EBITDA</b>	<b>(114)</b>	<b>(34)</b>	<b>(84)</b>	<b>(233)</b>	<b>60</b>

Table 5 | COMPARABLE EBITDA (US \$ MILLION)

Company	4Q23	3Q23	4Q22	(% ) 4Q23 vs.		2023	2022	Ch.%
				3Q23	4Q22			
<b>ALFA</b>	<b>395</b>	<b>407</b>	<b>430</b>	<b>(3)</b>	<b>(8)</b>	<b>1,623</b>	<b>2,022</b>	<b>(20)</b>
Alpek	167	160	270	5	(38)	734	1,396	(47)
Sigma	229	255	167	(10)	37	905	652	39
Newpek	(1)	0	(2)	-	(29)	(2)	(1)	150
ALFA EBITDA/Revenues (%)	10.2	9.7	9.7			9.9	14.8	

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

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.		2023	2022	Ch.%
				3Q23	4Q22			
Financial Expenses	(128)	(134)	(109)	5	(18)	(497)	(379)	(31)
Financial Income	39	28	21	39	84	104	56	86
Net Financial Expenses	(89)	(106)	(87)	16	(1)	(393)	(323)	(21)
Exchange Rate Gains (Losses)	(94)	(77)	(25)	(21)	(278)	(186)	(52)	(258)
Capitalized Comp. Fin. Expense	0	0	0	-	-	0	0	-
Comprehensive Financing Expense	(182)	(183)	(112)	-	(63)	(578)	(375)	(54)
Avg. Cost of Borrowed Funds (%)	5.8	5.9	5.1			5.7	4.9	

Table 7 | NET INCOME (US \$ MILLION)

	4Q23	3Q23	4Q22	(% ) 4Q23 %		2023	2022	Ch.%
				3Q23	4Q22			
Consolidated Net Income (Loss)	(760)	(46)	10	-	-	(769)	811	(195)
Minority Interest	(108)	2	27	-	(507)	(58)	233	(125)
Majority Net Income (Loss)	(652)	(49)	(17)	-	-	(711)	578	(223)
Per Share (US dollars)	(0.14)	(0.01)	(0.00)	-	-	(0.15)	0.12	(224)
Avg. Outstanding Shares (Millions)	4,819	4,819	4,859			4,819	4,859	

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

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.	
				3Q23	4Q22
<b>Assets</b>					
Cash and cash equivalents	1,169	1,147	1,127	2	4
Trade accounts receivable	1,180	1,202	1,296	(2)	(9)
Inventories	2,356	2,338	2,712	1	(13)
Current assets from discontinued operations	0	0	1,074	-	(100)
Other current assets	695	843	865	(17)	(20)
<b>Total current assets</b>	<b>5,400</b>	<b>5,529</b>	<b>7,073</b>	<b>(2)</b>	<b>(24)</b>
Investment in associates and others	28	555	482	(95)	(94)
Property, plant and equipment, net	4,415	4,250	4,265	4	4
Goodwill and intangible assets, net	1,965	1,915	1,867	3	5
Other non-current assets	565	646	539	(13)	5
<b>Total assets</b>	<b>12,374</b>	<b>12,896</b>	<b>14,227</b>	<b>(4)</b>	<b>(13)</b>
<b>Liabilities &amp; stockholders' equity</b>					
Debt	734	702	454	5	62
Suppliers	2,761	2,477	2,675	11	3
Current liabilities from discontinued operations	0	0	838	-	(100)
Other current liabilities	1,048	1,220	1,187	(14)	(12)
<b>Total current liabilities</b>	<b>4,543</b>	<b>4,399</b>	<b>5,154</b>	<b>3</b>	<b>(12)</b>
Debt (include debt issuance cost)	4,966	4,954	5,141	-	(3)
Employees' benefits	227	199	190	14	20
Other long-term liabilities	758	732	757	4	-
<b>Total liabilities</b>	<b>10,493</b>	<b>10,285</b>	<b>11,242</b>	<b>2</b>	<b>(7)</b>
<b>Total stockholders' equity</b>	<b>1,880</b>	<b>2,611</b>	<b>2,985</b>	<b>(28)</b>	<b>(37)</b>
<b>Total liabilities &amp; stockholders' equity</b>	<b>12,374</b>	<b>12,896</b>	<b>14,227</b>	<b>(4)</b>	<b>(13)</b>
Net Debt	4,919	4,866	4,751	1	4
Net Debt/EBITDA*	3.5	3.4	2.3		
Interest Coverage*	3.5	3.7	6.4		

\* Times. LTM=Last 12 months



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

	4Q23	3Q23	4Q22
Current assets	0	0	226
Non-Current assets	0	0	848
<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>1,074</b>
Current liabilities	0	0	168
Non-Current liabilities	0	0	670
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>838</b>

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

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.		2023	2022	Ch.%
				3Q23	4Q22			
Total Revenues	0	0	132	-	(100)	240	514	(53)
Gross Profit	0	0	70	-	(100)	121	261	(54)
Operating expenses and others	<b>0</b>	<b>0</b>	<b>(66)</b>	-	<b>100</b>	<b>(115)</b>	<b>(261)</b>	<b>56</b>
EBITDA	0	0	39	-	(100)	53	145	(63)
Operating income (loss)	0	0	4	-	(100)	(1)	5	(120)
Financial cost, net	<b>0</b>	<b>0</b>	<b>13</b>	-	<b>(100)</b>	<b>20</b>	<b>(13)</b>	<b>254</b>
Income Tax	0	0	(12)	-	100	(11)	2	(650)
<b>Net Profit (loss)</b>	<b>0</b>	<b>0</b>	<b>6</b>	-	<b>(100)</b>	<b>9</b>	<b>(6)</b>	<b>250</b>

\*2023 accumulated figures for the four months and 29 days ended May 29, 2023

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

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

	4Q23 vs.		2023 vs.
	3Q23	4Q22	2022
Total Volume	(2.8)	2.4	1.9
Avg. Ps. \$ Prices	3.8	(4.1)	(0.9)
Avg. US \$ Prices	0.7	7.4	12.4

Table 13 | SIGMA – REVENUES AND EBITDA IN LOCAL CURRENCY

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.		2023	2022	Ch.%
				3Q23	4Q22			
<b>Revenues</b>								
Mexico (Ps. \$ Millions)	18,247	18,052	17,758	1	3	71,727	66,756	7
Europe (€ Millions)	552	549	568	1	(2)	2,179	2,069	5
United States (US \$ Millions)	377	406	343	(7)	10	1,518	1,388	9
Latam (US \$ Millions Eq <sup>1</sup> )	147	141	145	4	1	567	538	5
<b>EBITDA</b>								
Mexico (Ps. \$ Millions)	2,661	3,144	1,992	(15)	34	11,096	8,293	34
Europe (€ Millions)	25	12	14	102	82	36	42	(16)
United States (US \$ Millions)	37	45	38	(16)	(2)	176	146	21
Latam (US \$ Millions Eq <sup>1</sup> )	13	12	13	8	-	48	49	(2)

<sup>1</sup>US \$ Million equivalent= 4Q23 and 3Q23 financial results in each country are converted into US Dollars at the 4Q22 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

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.		2023	2022	Ch.%
				3Q23	4Q22			
<b>Operating Income</b>								
Ps. \$ Millions	2,997	1,364	1,964	120	53	9,827	8,640	14
US \$ Millions	170	79	100	115	71	551	429	28

# Earnings Report

## Fourth Quarter 2023 (4Q23)



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

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.		2023	2022	Ch.%
				3Q23	4Q22			
Financial Expenses	(46)	(52)	(40)	(12)	15	(177)	(136)	30
Financial Income	8	7	8	23	(1)	25	18	39
Net Financial Expenses	(37)	(45)	(31)	(17)	19	(152)	(118)	29
Exchange Rate Gains (Losses)	(91)	(38)	(51)	144	81	(233)	(52)	349
Capitalized Comp. Fin. Expense	0	0	0	-	-	0	0	-
Comprehensive Financing Expense	(129)	(83)	(82)	56	57	(385)	(169)	127
Avg. Cost of Borrowed Funds (%)	5.7	5.7	4.8			5.4	4.6	

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

	4Q23	3Q23	4Q22	(% ) 4Q23 vs.	
				3Q23	4Q22
<b>Assets</b>					
Cash and cash equivalents	625	552	682	13	(8)
Trade accounts receivable	413	379	318	9	30
Inventories	956	945	945	1	1
Other current assets	239	360	354	(34)	(33)
<b>Total current assets</b>	<b>2,233</b>	<b>2,236</b>	<b>2,300</b>	<b>-</b>	<b>(3)</b>
Investment in associates and others	4	7	7	(46)	(51)
Property, plant and equipment, net	1,782	1,618	1,578	10	13
Goodwill and intangible assets, net	1,545	1,487	1,407	4	10
Other non-current assets	178	158	134	13	32
<b>Total assets</b>	<b>5,741</b>	<b>5,505</b>	<b>5,426</b>	<b>4</b>	<b>6</b>
<b>Liabilities &amp; stockholders' equity</b>					
Debt	756	692	61	9	-
Suppliers	1,265	1,064	1,169	19	8
Other current liabilities	542	690	567	(22)	(4)
<b>Total current liabilities</b>	<b>2,562</b>	<b>2,446</b>	<b>1,797</b>	<b>5</b>	<b>43</b>
Debt (include debt issuance cost)	1,889	1,895	2,396	-	(21)
Employees' benefits	107	94	88	14	23
Other long-term liabilities	226	184	219	23	3
<b>Total liabilities</b>	<b>4,785</b>	<b>4,620</b>	<b>4,500</b>	<b>4</b>	<b>6</b>
<b>Total stockholders' equity</b>	<b>956</b>	<b>886</b>	<b>926</b>	<b>8</b>	<b>3</b>
<b>Total liabilities &amp; stockholders' equity</b>	<b>5,741</b>	<b>5,505</b>	<b>5,426</b>	<b>4</b>	<b>6</b>
Net Debt	2,025	2,045	1,782	(1)	14
Net Debt/EBITDA*	2.3	2.5	2.7		
Interest Coverage*	5.9	5.7	5.5		

\* 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	Dec 23	Sep 23	Dec 22	(% ) Dec 23 vs.	
				Sep 23	Dec 22
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	19,745	20,217	21,813	(2)	(9)
Trade accounts receivable	19,930	21,170	25,092	(6)	(21)
Other accounts and notes receivable	4,259	5,206	4,641	(18)	(8)
Inventories	39,807	41,192	52,507	(3)	(24)
Current assets from discontinued operations	0	0	20,790	-	(100)
Other current assets	7,485	9,639	12,103	(22)	(38)
<b>Total current assets</b>	<b>91,226</b>	<b>97,424</b>	<b>136,946</b>	<b>(6)</b>	<b>(33)</b>
Investments in associates and joint ventures	478	9,772	9,335	(95)	(95)
Property, Plant and equipment	74,579	74,890	82,577	-	(10)
Intangible assets	33,198	33,742	36,149	(2)	(8)
Other non-current assets	9,551	11,386	10,440	(16)	(9)
<b>Total assets</b>	<b>209,032</b>	<b>227,214</b>	<b>275,447</b>	<b>(8)</b>	<b>(24)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Current portion of long-term debt	12,015	12,073	7,064	-	70
Bank loans and notes payable	380	290	1,721	31	(78)
Suppliers	46,648	43,650	51,799	7	(10)
Current liabilities from discontinued operations	0	0	16,233	-	(100)
Other current liabilities	17,699	21,502	22,974	(18)	(23)
<b>Total current liabilities</b>	<b>76,741</b>	<b>77,514</b>	<b>99,790</b>	<b>(1)</b>	<b>(23)</b>
<b>LONG-TERM LIABILITIES:</b>					
Long-term debt	83,888	87,291	99,537	(4)	(16)
Deferred income taxes	5,861	6,012	8,105	(3)	(28)
Other liabilities	6,943	6,888	6,556	1	6
Estimated liabilities for seniority premiums and pension plans	3,835	3,503	3,671	9	4
<b>Total liabilities</b>	<b>177,268</b>	<b>181,209</b>	<b>217,659</b>	<b>(2)</b>	<b>(19)</b>
<b>STOCKHOLDERS' EQUITY:</b>					
Controlling interest:					
Capital stock	152	152	170	-	(11)
Earned surplus	21,931	33,576	41,771	(35)	(47)
Total controlling interest	22,083	33,728	41,941	(35)	(47)
Total Non-controlling interest	9,681	12,270	15,847	(21)	(39)
<b>Total stockholders' equity</b>	<b>31,764</b>	<b>46,005</b>	<b>57,788</b>	<b>(31)</b>	<b>(45)</b>
<b>Total liabilities and stockholders' equity</b>	<b>209,032</b>	<b>227,214</b>	<b>275,447</b>	<b>(8)</b>	<b>(24)</b>
Current ratio	1.2	1.3	1.4		
Debt to equity	5.6	3.9	3.7		

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

### INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	4Q23	3Q23	4Q22	4Q23 vs. (%)	
				3Q23	4Q22
Net sales	68,440	71,606	87,698	(4)	(22)
Domestic	28,526	28,880	33,087	(1)	(14)
Export	39,913	42,726	54,611	(7)	(27)
Cost of sales	(55,719)	(57,138)	(74,378)	2	25
<b>Gross profit</b>	<b>12,721</b>	<b>14,467</b>	<b>13,321</b>	<b>(12)</b>	<b>(5)</b>
Operating expenses and others	(19,658)	(12,711)	(9,344)	(55)	(110)
Operating income	(6,938)	1,757	3,976	(495)	(274)
Comprehensive financing expense, net	(3,222)	(3,125)	(2,211)	(3)	(46)
Equity in income (loss) of associates	(126)	(17)	(5)	(641)	-
Income before the following provision	(10,285)	(1,386)	1,761	(642)	(684)
Provisions for:					
Income tax	(2,857)	622	(1,680)	(559)	(70)
Profit (loss) from continuing operations	(13,142)	(763)	81	-	-
Profit (loss) from discontinued operations	0	0	114	(100)	(100)
<b>Consolidated net income</b>	<b>(13,142)</b>	<b>(763)</b>	<b>195</b>	<b>-</b>	<b>-</b>
<b>Income (loss) corresponding to minority interest</b>	<b>(1,860)</b>	<b>40</b>	<b>526</b>	<b>-</b>	<b>(454)</b>
<b>Net income (loss) corresponding to majority interest</b>	<b>(11,282)</b>	<b>(803)</b>	<b>(332)</b>	<b>-</b>	<b>-</b>
EBITDA	4,990	6,364	6,822	(22)	(27)
Interest coverage*	3.6	3.7	6.5		

\* Times. LTM=Last Twelve Months

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

#### BALANCE SHEET

Information in millions of Nominal Mexican Pesos

(%) Dec 23 vs.

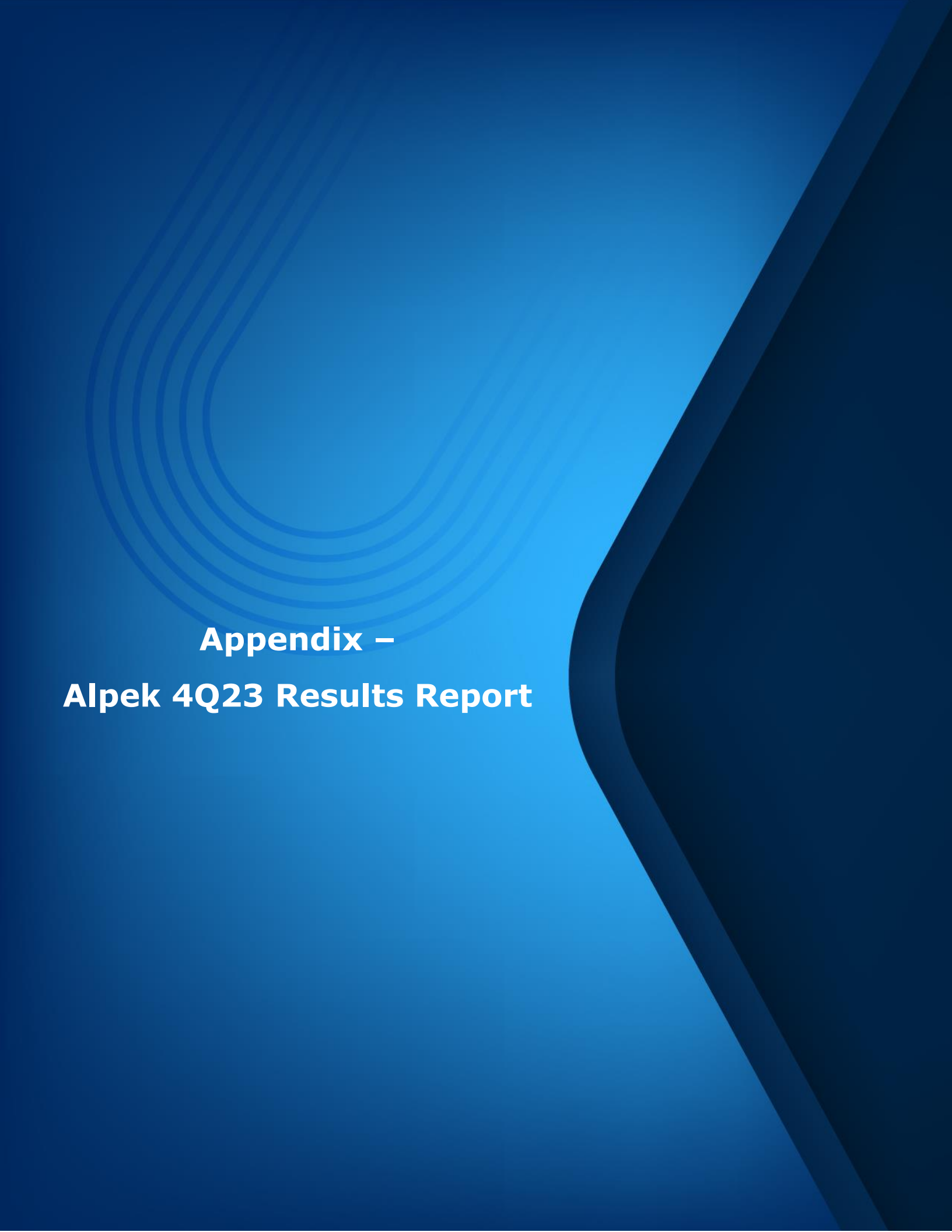
ASSETS	Dec 23	Sep 23	Dec 22	Sep 23	Dec 22
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	10,563	9,724	13,208	9	(20)
Restricted cash	7	7	7	-	-
Customers, net	6,981	6,680	6,165	5	13
Income tax recoverable	314	550	741	(43)	(58)
Inventories	16,142	16,652	18,303	(3)	(12)
Other current assets	3,712	5,790	6,109	(36)	(39)
<b>Total current assets</b>	<b>37,718</b>	<b>39,402</b>	<b>44,532</b>	<b>(4)</b>	<b>(15)</b>
Property, plant and equipment, net	30,103	28,513	30,548	6	(1)
Intangible assets, net	14,500	13,733	14,635	6	(1)
Goodwill	11,603	12,461	12,600	(7)	(8)
Deferred income tax	2,601	2,236	1,895	16	37
Investments in associates and joint ventures	61	118	143	(48)	(57)
Other non-current assets	399	540	700	(26)	(43)
<b>Total non-current assets</b>	<b>59,266</b>	<b>57,601</b>	<b>60,520</b>	<b>3</b>	<b>(2)</b>
<b>Total assets</b>	<b>96,984</b>	<b>97,003</b>	<b>105,053</b>	<b>-</b>	<b>(8)</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Current debt	12,249	11,770	590	4	-
Notes payables	522	427	585	22	(11)
Suppliers	21,362	18,744	22,640	14	(6)
Income tax payable	1,597	1,902	1,970	(16)	(19)
Provisions	185	181	63	2	194
Other current liabilities	7,371	10,078	8,945	(27)	(18)
<b>Total current liabilities</b>	<b>43,286</b>	<b>43,103</b>	<b>34,793</b>	<b>-</b>	<b>24</b>
<b>NON-CURRENT LIABILITIES:</b>					
Non-current debt	29,550	31,107	44,755	(5)	(34)
Notes payables	2,358	2,290	1,644	3	43
Deferred income taxes	3,394	3,020	3,852	12	(12)
Employees benefits	1,813	1,654	1,696	10	7
Provisions	7	7	76	8	(91)
Income tax payable	0	0	0	-	-
Other non-current liabilities	421	217	316	94	33
<b>Total non-current liabilities</b>	<b>37,544</b>	<b>38,295</b>	<b>52,337</b>	<b>(2)</b>	<b>(28)</b>
<b>Total liabilities</b>	<b>80,830</b>	<b>81,397</b>	<b>87,130</b>	<b>(1)</b>	<b>(7)</b>
<b>STOCKHOLDERS' EQUITY:</b>					
Total controlling interest:	16,102	15,544	17,914	4	(10)
Total non-controlling interest:	52	62	8	(17)	512
<b>Total stockholders' equity</b>	<b>16,154</b>	<b>15,606</b>	<b>17,922</b>	<b>4</b>	<b>(10)</b>
<b>Total liabilities and stockholders' equity</b>	<b>96,984</b>	<b>97,003</b>	<b>105,053</b>	<b>-</b>	<b>(8)</b>

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

### INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	4Q23	3Q23	4Q22	4Q23 vs. (%)	
				3Q23	4Q22
Revenue	37,985	37,676	38,674	1	(2)
Cost of sales	(26,672)	(26,072)	(28,936)	2	(8)
<b>Gross profit</b>	<b>11,314</b>	<b>11,604</b>	<b>9,738</b>	<b>(3)</b>	<b>16</b>
Selling expenses	(6,595)	(6,355)	(5,864)	4	12
Administrative expenses	(2,013)	(1,872)	(1,638)	8	23
Other income (expenses), net	291	(2,013)	(272)	(114)	(207)
Operating profit	2,997	1,364	1,964	120	53
Comprehensive financial expenses, net	(2,254)	(1,403)	(1,617)	61	39
Equity in income (loss) of associates	3	0	(1)	-	(605)
Profit before income tax	746	(39)	347	-	115
Provisions for:					
Income tax	(1,114)	(579)	(513)	93	117
<b>Net consolidated profit</b>	<b>(368)</b>	<b>(618)</b>	<b>(166)</b>	<b>(40)</b>	<b>122</b>
<b>Non-controlling interest</b>	<b>2</b>	<b>1</b>	<b>(0)</b>	<b>41</b>	<b>-</b>
<b>Controlling interest</b>	<b>(370)</b>	<b>(619)</b>	<b>(166)</b>	<b>(40)</b>	<b>123</b>



**Appendix –  
Alpek 4Q23 Results Report**





FOURTH QUARTER **2023 RESULTS**

## Alpek Posts Comparable EBITDA of U.S. \$167M (Reported EBITDA of U.S. \$53M)

*Realized Sequential Increase in Comparable EBITDA Despite Dynamic Operating Environment*

Monterrey, Mexico – February 20, 2024 – Alpek, S.A.B. de C.V. reported today its fourth quarter 2023 results.

### 4Q23 & 2023 HIGHLIGHTS

(U.S.\$ million and comparable to 3Q23, unless otherwise noted)

- Volume decreased by 7% to 1,100 ktons due to continued influence from imports, seasonality, and scheduled maintenance
- Comparable EBITDA increased 5% to \$167 million which includes a mild recovery in reference margins for PET and EPS
- Free Cash Flow of \$408 million for the full year was supported by an improvement in net working capital which includes successful inventory management, and a reduction in CAPEX
- Cost structure improvement initiatives expected to yield at least \$75 million in annualized run-rate savings

### 4Q23 KEY METRICS

(U.S.\$ million, unless otherwise noted)

	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Volume<sup>1</sup> (ktons)</b>	<b>1,100</b>	<b>1,177</b>	<b>1,230</b>	<b>(7)</b>	<b>(11)</b>	<b>4,635</b>	<b>5,065</b>	<b>(8)</b>
Polyester	907	955	1,013	(5)	(10)	3,785	4,099	(8)
Plastics & Chemicals	193	222	217	(13)	(11)	849	966	(12)
<b>Production (ktons)</b>	<b>1,339</b>	<b>1,385</b>	<b>1,557</b>	<b>(3)</b>	<b>(14)</b>	<b>5,498</b>	<b>6,251</b>	<b>(12)</b>
Polyester	1,150	1,189	1,330	(3)	(14)	4,694	5,281	(11)
Plastics & Chemicals	189	196	227	(3)	(17)	804	970	(17)
<b>Revenues</b>	<b>1,691</b>	<b>1,956</b>	<b>2,457</b>	<b>(14)</b>	<b>(31)</b>	<b>7,759</b>	<b>10,555</b>	<b>(26)</b>
Polyester	1,235	1,483	1,630	(17)	(24)	5,739	6,991	(18)
Plastics & Chemicals	342	372	442	(8)	(23)	1,556	2,321	(33)
Others	115	101	385	13	(70)	465	1,243	(63)
<b>Reported EBITDA</b>	<b>53</b>	<b>126</b>	<b>186</b>	<b>(58)</b>	<b>(71)</b>	<b>514</b>	<b>1,455</b>	<b>(65)</b>
Polyester	21	79	82	(73)	(74)	281	886	(68)
Plastics & Chemicals	31	43	106	(29)	(71)	228	564	(60)
Others	2	4	(2)	(59)	189	5	5	-
<b>Comparable EBITDA<sup>2</sup></b>	<b>167</b>	<b>160</b>	<b>270</b>	<b>5</b>	<b>(38)</b>	<b>734</b>	<b>1,396</b>	<b>(47)</b>
Polyester	122	114	151	7	(19)	497	823	(40)
Plastics & Chemicals	43	42	120	3	(64)	232	567	(59)
Others	2	4	(2)	(59)	189	5	5	-
<b>Net (Loss) Income (Cont. Int.)</b>	<b>(635)</b>	<b>(26)</b>	<b>37</b>	<b>(2,377)</b>	<b>(1,805)</b>	<b>(636)</b>	<b>679</b>	<b>(194)</b>
<b>CAPEX</b>	<b>112</b>	<b>38</b>	<b>51</b>	<b>192</b>	<b>121</b>	<b>277</b>	<b>862</b>	<b>(68)</b>
<b>Net Debt</b>	<b>1,729</b>	<b>1,675</b>	<b>1,860</b>	<b>3</b>	<b>(7)</b>			
<b>Net Debt / EBITDA<sup>3</sup></b>	<b>3.4</b>	<b>2.6</b>	<b>1.3</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

*“The petrochemical industry continued to face headwinds throughout the fourth quarter, amid continued economic softness in China, destocking, regional demand slowdown, and global oversupply in our markets. Alpek has remained focused on mitigating the continued impacts of the challenging macroeconomic environment through decisive actions and rigorous cost control.*

*During the fourth quarter, we continued to implement initiatives aimed at maintaining our financial and operational strength. We meaningfully improved our net working capital and realized a significant total reduction for the full year through inventory optimization, supply chain management, and broader operational rigor. Our financial discipline enabled us to generate substantial free cash flow of \$408 million for the full year while returning value to Shareholders through our dividend payment. Additionally, we are on track to achieving our ESG targets, particularly reducing CO<sub>2</sub> emissions by 27% this year, incorporating carbon-free energy at more facilities, and our steadfast commitment to safe operations resulted in a Total Recordable Incident Rate that improved by 27% compared to the prior year, putting us well within reach of our goal to achieve an industry top-decile TRIR.*

*As we look ahead to 2024, we recognize that challenging market conditions are likely to continue, but we see reasons to be cautiously optimistic. Reference margins for PET and EPS began to improve toward the end of 2023, and we anticipate that recovery to gradually take hold. We expect that economic conditions and demand will slowly improve throughout the year, leading to a degree of market normalization. As we navigate this environment, Alpek will continue to diligently control costs while investing strategically to be in the best possible position as the market recovers.*

*Finally, I would like to thank our employees for their dedication and perseverance throughout 2023. I look forward to seeing what we will accomplish together in 2024.”*

### Overview

*(U.S.\$ and comparable to 3Q23, unless otherwise noted)*

During the fourth quarter, challenging global market conditions continued to impact the petrochemical industry. U.S. average reference Paraxylene prices decreased by 16% to an average of \$1,235 per ton. The spread between North American and Asian prices favorably decreased by 47%, to an average of \$179 per ton. This spread is lower than the previous quarter, but still higher than historical averages. In the Plastics & Chemicals segment, average Propylene reference prices rose to \$0.46 per pound (+28%), while average reference Styrene prices were \$0.47 per pound (-12%).

Asian integrated Polyester reference margins increased to an average of \$285 per ton for the quarter (+5%), while average Chinese reference margins increased to \$155 per ton (+6%). For Polypropylene, North American reference margins remain at an average of \$0.17 per pound (flat). North American EPS reference margins increased to an average of \$0.27 per pound (+45%).



Jorge Young  
**CEO**

## 2023 Initiatives and Achievements

Throughout 2023, the Company undertook a number of initiatives to control fixed and variable costs and drive improved top line growth.

*Footprint Optimization* – During the first quarter, Alpek announced the halt of PET Resin operations at the Cooper River site in South Carolina and all production was transferred to other facilities. During the third quarter, Alpek announced the closure of its filament facility in Monterrey, Mexico. These efforts are expected to deliver more than \$40 million in annual run-rate savings.

*Cost Competitiveness* – During the quarter, the Company started the implementation of an organizational restructuring which includes, among other actions, a headcount reduction mainly at its Polyester business to be carried over into the first half of 2024. Furthermore, there is a strong focus on operational efficiency through investments in integration and standardization of new systems. Finally, during the quarter, Alpek signed power supply agreements with more competitive rates at various facilities. These actions combined are anticipated to result in annual run-rate savings of approximately \$35 million.

*CAPEX Prioritization* – In the third quarter, Alpek announced that the Corpus Christi Polymers (“CCP”) joint venture paused construction at its integrated PTA-PET plant in Texas. Persistent high inflationary rates resulted in material and labor costs that exceeded original expectations. The decision significantly contributed to the Company achieving full year CAPEX that was 38% below its original guidance for 2023. The joint venture is in the process of developing an optimized plan for the project.

*Net Working Capital* – Alpek delivered a 244% year-over-year improvement in Net Working Capital. This significant accomplishment was achieved through inventory optimization, supply chain management, and operational discipline initiatives.

*Balance Sheet* – In the third quarter, Alpek successfully refinanced its outstanding August 2023 bond, partly through a \$200 million Sustainability-Linked Loan that will mature in 2028. This not only furthered the Company’s goal of strengthening its balance sheet, but also contributed to its ESG goals. For the full year, the company reduced its debt level by 7%.

*ESG* – Alpek made considerable progress on its goals and strategy throughout the year. The Company remains unwaveringly committed to Occupational Safety and achieved a 27% reduction in its Total Recordable Incident Rate in 2023. Moreover, 15 of our sites had zero recordable incidents during 2023. Alpek also achieved a 27% reduction in CO<sub>2</sub> emissions compared to its 2019 baseline as it works toward meeting its 2030 Scope 1 and 2 Science-Based Targets initiative (SBTi) emissions goals. Additionally, the Company developed six new products from recycled and biobased materials and received approvals to launch its new biofertilizer, Biovento®. Finally, Alpek remains committed to gender equality, and in 2023, pledged to uphold the Women’s Empowerment Principles from the United Nations Global Compact and UN Women.

**2024 Outlook**

2023 was a challenging year due to the rapidly changing industry landscape. In 2024, Alpek anticipates persistent market headwinds to impact the petrochemical industry, particularly with Chinese reference margins expected to remain at low levels due to overcapacity. However, the Company expects a gradual improvement throughout the year.

The Company will disclose full Volume, Comparable EBITDA, and CAPEX guidance tomorrow as well as review the underlying assumptions for feedstock prices, which will be discussed in detail during the 4Q23 Webcast.

## FINANCIAL RESULTS

### EBITDA

(U.S.\$ million, unless otherwise noted)

	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Reported EBITDA</b>	<b>53</b>	<b>126</b>	<b>186</b>	<b>(58)</b>	<b>(71)</b>	<b>514</b>	<b>1,455</b>	<b>(65)</b>
Inventory Adjustment	15	-	57	5,695	(74)	48	(17)	387
Carry-forward effect	16	1	27	1,572	(38)	25	(66)	139
Others	82	33	-	149	16,635	147	23	549
<b>Comparable EBITDA</b>	<b>167</b>	<b>160</b>	<b>270</b>	<b>5</b>	<b>(38)</b>	<b>734</b>	<b>1,396</b>	<b>(47)</b>

**Comparable EBITDA** was \$167 million (+5% QoQ), to some extent due to higher PET and EPS reference margins offsetting higher feedstock costs for Polypropylene. Full-year Comparable EBITDA was \$734 million (-47% YoY), driven by more competitive markets and lower reference margins.

**Reported EBITDA** was \$53 million (-58% QoQ). This figure includes a non-cash effect derived from re-expressing full-year Argentina results under IFRS hyperinflation accounting, which was present throughout the year, with a greater impact in December, as there was also a significant domestic currency devaluation and, to a lesser extent, negative inventory adjustment and carry-forward effects. Looking ahead, we anticipate no further material impacts from hyperinflation, as we plan to transition to U.S. dollars as our functional currency in Argentina in 2024. For the full year, Reported EBITDA was \$514 million (-65% YoY), mainly from a decrease in reference margins and partially due to extraordinary effects.

## INCOME STATEMENT

(U.S.\$ million, unless otherwise noted)

	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Total Revenues</b>	<b>1,691</b>	<b>1,956</b>	<b>2,457</b>	<b>(14)</b>	<b>(31)</b>	<b>7,759</b>	<b>10,555</b>	<b>(26)</b>
Gross Profit	68	157	173	(57)	(61)	574	1,534	(63)
Operating expenses and others	(646)	(123)	(63)	(424)	(933)	(960)	(322)	(198)
<b>Operating (loss) Income</b>	<b>(578)</b>	<b>33</b>	<b>110</b>	<b>(1,827)</b>	<b>(624)</b>	<b>(386)</b>	<b>1,212</b>	<b>(132)</b>
Financial cost, net	(51)	(64)	(27)	20	(90)	(151)	(148)	(2)
Share of losses of associates	(8)	(1)	(2)	(523)	(419)	(12)	(3)	(244)
Income tax	9	13	(28)	(31)	133	(39)	(272)	86
<b>Consolidated Net (loss) Income</b>	<b>(629)</b>	<b>(19)</b>	<b>54</b>	<b>(3,229)</b>	<b>(1,261)</b>	<b>(587)</b>	<b>789</b>	<b>(174)</b>
Controlling interest	(635)	(26)	37	(2,377)	(1,805)	(636)	679	(194)
Earnings per Share (U.S. \$)	(0.30)	(0.01)	0.02	(2,376)	(1,085)	(0.30)	0.32	(194)
<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** were \$1.69 billion (-14% QoQ), primarily due to lower overall average prices. For the full year, Revenues were \$7.6 billion (-26%) as a result of lower feedstock prices, reduced consolidated volume, and hyperinflation effects.

**Operating loss** was \$578 million, largely due to a non-cash impairment charge related to CCP of \$557 million. Accumulated Operating Loss for the year was \$386 million due to a combined lower gross profit from global oversupply, lower reference margins, and incremental operating expenses from impairments.

**Net loss attributable to the Controlling Interest** was \$635 million, mainly due to the Operating Loss. For the full year, Net Loss attributable to the Controlling Interest totaled \$636 million compared to the Controlling Interest of \$679 million in 2022, a decrease of 194%.

## CASH FLOW

(U.S.\$ million and comparable to 3Q23, unless otherwise noted)

	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
EBITDA	53	126	186	(58)	(71)	514	1,455	(65)
Net Working Capital & Others	163	214	129	(24)	26	596	(413)	244
CAPEX	(112)	(38)	(51)	(192)	(121)	(277)	(862)	68
Financial Expenses	(46)	(46)	(38)	(1)	(23)	(179)	(139)	(29)
Income Tax	(57)	(35)	(46)	(66)	(24)	(246)	(283)	13
Dividends	(15)	(15)	(247)	1	94	(215)	(494)	57
Payment to affiliated companies	(1)	1	0	(236)	-	(4)	0	-
Other Sources / Uses	(39)	(2)	11	(1,692)	(411)	(59)	101	(158)
<b>Decrease (Increase) in Net Debt</b>	<b>(54)</b>	<b>204</b>	<b>(55)</b>	<b>(126)</b>	<b>2</b>	<b>131</b>	<b>(634)</b>	<b>121</b>

**Net Working Capital (NWC)** of \$163 million, with the improvement mainly attributable to additional inventory optimization. For the full year, NWC of \$596 million was supported by lower raw material prices and proactive inventory management.

**CAPEX** of \$112 million comprised scheduled maintenance, payment for costs already incurred for the construction of CCP, and a \$28 million earn-out payment from the Octal acquisition. Accumulated CAPEX for the year was \$277 million, 38% below the initial 2023 guidance of \$445 million.

**Income Tax** was \$57 million (+66%). For the full year, Income Tax was \$246 million (-13% YoY).

For the year, Alpek paid **dividends** totaling \$215 million. The dividend yield was 7.2%.

## NET DEBT & LEVERAGE

(U.S.\$ million and comparable to 3Q23, unless otherwise noted)

	4Q23	3Q23	4Q22	2023	2022
<b>Net Debt</b>	<b>1,729</b>	<b>1,675</b>	<b>1,860</b>	<b>3</b>	<b>(7)</b>
EBITDA (LTM)	514	646	1,455	(21)	(65)
Net Debt / EBITDA (LTM)	3.4	2.6	1.3		

As of December 31, 2023, **Consolidated Net Debt** was \$1.73 billion, up 3% and down 7% YoY. Gross Debt was \$2.19 billion and Cash was \$457 million, including restricted cash. For 4Q23, Net Debt to EBITDA was 3.4x and Interest Coverage was 3.4x. Alpek remains committed to reducing its leverage ratio to below 2.5x.



## RESULTS BY BUSINESS SEGMENT: POLYESTER

(Purified Terephthalic Acid (PTA), Polyethylene Terephthalate (PET), rPET – 73% of Alpek's Net Sales)

### QUARTERLY HIGHLIGHTS

(U.S.\$ million and comparable to 3Q23, unless otherwise noted)

- Volume decreased to 907 ktons (-5%) amid a competitive market and typical seasonality effects
- Average Asian PET reference margins rose to \$285 per ton (+5%) and average Chinese PET reference margins increased to \$155 per ton (+6%) as there seems to be some temporary capacity rationing
- Polyester Comparable EBITDA was \$122 million (+7%), due to higher PET reference margins and lower feedstock costs
- Polyester Reported EBITDA decreased to \$21 million (-73%), driven by a combination of negative carry-forward, inventory, and hyperinflation effects

KEY METRICS – POLYESTER (U.S.\$ million, except volume and production)	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Volume (ktons)</b>	<b>907</b>	<b>955</b>	<b>1,013</b>	<b>(5)</b>	<b>(10)</b>	<b>3,785</b>	<b>4,099</b>	<b>(8)</b>
Production (ktons)	1,150	1,189	1,330	(3)	(14)	4,694	5,281	(11)
Revenues	1,235	1,483	1,630	(17)	(24)	5,739	6,991	(18)
<b>Reported EBITDA</b>	<b>21</b>	<b>79</b>	<b>82</b>	<b>(73)</b>	<b>(74)</b>	<b>281</b>	<b>886</b>	<b>(68)</b>
Inventories	9	(1)	42	955	(78)	45	(43)	204
Carry-forward effect	17	6	23	199	(25)	34	(51)	167
Others	75	31	5	145	1,462	137	32	331
<b>Comparable EBITDA</b>	<b>122</b>	<b>114</b>	<b>151</b>	<b>7</b>	<b>(19)</b>	<b>497</b>	<b>823</b>	<b>(40)</b>

**Polyester Volume** was 907 ktons in 4Q23 (-5% QoQ), driven by softening PET demand due to seasonality, particularly for bottle and packaging segments, and a continued competitive environment.

**Polyester Comparable EBITDA** reached \$122 million (+7% QoQ) as the Paraxylene price difference between North America and Asia decreased to an average of \$179 per ton (-47% QoQ) and PET reference margins were higher. Annual Comparable EBITDA totaled \$497 million (-40% YoY), impacted by imports and extraordinary effects.

Average U.S. reference Paraxylene prices declined by 16% QoQ, which resulted in a non-cash inventory loss of \$9 million and a negative carry-forward effect of \$17 million in 4Q23. For the full year, inventory loss totaled \$45 million with a negative carry-forward effect of \$34 million.

**Polyester Reported EBITDA** was \$21 million (-73% QoQ) due to a combination of negative carry-forward, inventory management, and hyperinflation effects. Full year Reported EBITDA was \$281 million (-68% YoY).

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

(Polypropylene (PP), Expandable Polystyrene (EPS), Other products – 20% of Alpek's Net Sales)

### QUARTERLY HIGHLIGHTS

(U.S.\$ million and comparable to 3Q23, unless otherwise noted)

- Volume decreased to 193 ktons (-13%), driven by softer demand levels amid seasonality and high supply in North America, particularly for Polypropylene
- P&C Comparable EBITDA was \$43 million (+3%), as a recovery in EPS reference margins offset seasonality
- Reported EBITDA declined to \$31 million (-29%) due to negative inventory and carry-forward effects

KEY METRICS – P&C (U.S.\$ million, except volume and production)	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Volume (ktons)</b>	<b>193</b>	<b>222</b>	<b>217</b>	<b>(13)</b>	<b>(11)</b>	<b>849</b>	<b>966</b>	<b>(12)</b>
Production (ktons)	189	196	227	(3)	(17)	804	970	(17)
Revenues	342	372	442	(8)	(23)	1,556	2,321	(33)
<b>Reported EBITDA</b>	<b>31</b>	<b>43</b>	<b>106</b>	<b>(29)</b>	<b>(71)</b>	<b>228</b>	<b>564</b>	<b>(60)</b>
Inventories	6	1	15	559	(62)	3	27	(89)
Carry-forward effect	(1)	(5)	4	88	(114)	(9)	(15)	41
Others	7	2	(4)	209	271	10	(9)	213
<b>Comparable EBITDA</b>	<b>43</b>	<b>42</b>	<b>120</b>	<b>3</b>	<b>(64)</b>	<b>232</b>	<b>567</b>	<b>(59)</b>

**P&C Volume** was 193 ktons in 4Q23 (-13% QoQ), driven by seasonality, scheduled maintenance, and supply dynamics in the region, particularly for the Polypropylene segment.

**P&C Comparable EBITDA** was \$43 million (+3% QoQ), primarily due to reduced demand, offset by a 45% QoQ increase in North America EPS reference margins. Annual Comparable EBITDA totaled \$232 million (-59% YoY), as a result of lower EPS and Polypropylene reference margins, which were impacted by competitive imports for EPS, and more supply in the North American region for PP.

**P&C Reported EBITDA** was \$31 million (-29% QoQ, -71% YoY), driven by a non-cash hyperinflation extraordinary effect combined with positive carry-forward and inventory impacts as propylene prices increased (+28% QoQ) and styrene prices decreased (-12% 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

Wednesday February 21<sup>st</sup> at 9:30 am CT | 10:30 am ET  
[Zoom Webcast Registration](#)

**APPENDIX A – ADDITIONAL FINANCIAL INFORMATION**

TABLE 1   PRICE CHANGES (%)	QoQ (%)	YoY (%)	Ch. (%)
<b>Polyester</b>			
Avg. Ps. Prices	(9)	(24)	(21)
Avg. U.S. \$ Prices	(12)	(15)	(11)
<b>Plastics &amp; Chemicals</b>			
Avg. Ps. Prices	9	(22)	(33)
Avg. U.S. \$ Prices	6	(13)	(24)
<b>Total</b>			
Avg. Ps. Prices	(4)	(31)	(29)
Avg. U.S. \$ Prices	(7)	(23)	(20)

TABLE 2   REVENUES	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Total Revenues</b>								
Ps. Million	29,887	33,368	48,411	(10)	(38)	138,159	212,435	(35)
U.S. \$ Million	1,691	1,956	2,457	(14)	(31)	7,759	10,555	(26)
<b>Domestic Revenues</b>								
Ps. Million	9,731	10,308	14,751	(6)	(34)	42,903	74,524	(42)
U.S. \$ Million	553	604	748	(9)	(26)	2,411	3,700	(35)
<b>Foreign Revenues</b>								
Ps. Million	20,156	23,060	33,660	(13)	(40)	95,256	137,911	(31)
U.S. \$ Million	1,138	1,352	1,708	(16)	(33)	5,348	6,855	(22)
Foreign / Total (%)	67	69	70			69	65	

TABLE 3   OP. INCOME	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Operating (Loss) Income</b>								
Ps. Million	(9,924)	565	2,192	(1,856)	(553)	(6,437)	24,539	(126)
U.S. \$ Million	(578)	33	110	(1,827)	(624)	(386)	1,212	(132)

TABLE 4   COMPARABLE EBITDA	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Reported EBITDA</b>								
Ps. Million	970	2,143	3,673	(55)	(74)	9,260	29,424	(69)
U.S. \$ Million	53	126	186	(58)	(71)	514	1,455	(65)
<b>Adjustments*</b>								
Ps. Million	1,961	580	1,650	238	19	3,831	(1,308)	393
U.S. \$ Million	114	34	84	237	35	221	(60)	469
<b>Comparable EBITDA</b>								
Ps. Million	2,931	2,723	5,323	8	(45)	13,092	28,116	(53)
U.S. \$ Million	167	160	270	5	(38)	734	1,396	(47)

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

TABLE 5   FINANCIAL COST, NET (U.S.\$ million)	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
Financial Expenses	(58)	(59)	(48)	2	(22)	(224)	(161)	(40)
Financial Income	33	20	16	68	109	75	46	62
<b>Net Financial Expenses</b>	<b>(25)</b>	<b>(40)</b>	<b>(32)</b>	<b>36</b>	<b>21</b>	<b>(149)</b>	<b>(114)</b>	<b>(31)</b>
Fx Gains (Losses)	(26)	(25)	5	(7)	(653)	(1)	(34)	96
<b>Financial Cost, Net</b>	<b>(51)</b>	<b>(64)</b>	<b>(27)</b>	<b>20</b>	<b>(90)</b>	<b>(151)</b>	<b>(148)</b>	<b>(2)</b>

<b>TABLE 6   STATEMENT OF FINANCIAL POSITION &amp; FINANCIAL RATIOS</b> (U.S.\$ million)	<b>4Q23</b>	<b>3Q23</b>	<b>4Q22</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>
<b>Assets</b>					
Cash and cash equivalents	438	503	336	(13)	30
Trade accounts receivable	740	794	940	(7)	(21)
Inventories	1,381	1,373	1,751	1	(21)
Other current assets	343	345	301	(1)	13
<b>Total current assets</b>	<b>2,902</b>	<b>3,016</b>	<b>3,327</b>	<b>(4)</b>	<b>(13)</b>
Investment in associates and others	18	546	476	(97)	(96)
Property, plant and equipment, net	2,424	2,432	2,502	-	(3)
Goodwill and intangible assets, net	207	211	229	(2)	(9)
Other non-current assets	527	542	532	3	(1)
<b>Total assets</b>	<b>6,078</b>	<b>6,748</b>	<b>7,067</b>	<b>(10)</b>	<b>(14)</b>
<b>Liabilities and stockholders' equity</b>					
Debt	41	26	398	58	(90)
Suppliers	1,459	1,375	1,472	6	(1)
Other current liabilities	271	313	400	(13)	(32)
<b>Total current liabilities</b>	<b>1,771</b>	<b>1,714</b>	<b>2,270</b>	<b>3</b>	<b>(22)</b>
Debt (include debt issuance costs)	1,933	1,959	1,620	(1)	19
Employees' benefits	52	56	53	(7)	(2)
Other long-term benefits	356	396	428	(10)	(17)
<b>Total liabilities</b>	<b>4,112</b>	<b>4,126</b>	<b>4,371</b>	<b>-</b>	<b>(6)</b>
Total stockholders' equity	1,967	2,622	2,696	(25)	(27)
Total liabilities and stockholders' equity	6,078	6,748	7,067	(10)	(14)
Net Debt	1,729	1,675	1,860		
Net Debt / EBITDA*	3.4	2.6	1.3		
Interest Coverage*	3.4	4.1	11.4		

\* Times: last 12 months

**POLYESTER**

TABLE 7   REVENUES	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Total Revenues</b>								
Ps. Million	21,845	25,295	32,127	(14)	(32)	102,154	140,717	(27)
U.S. \$ Million	1,235	1,483	1,630	(17)	(24)	5,739	6,991	(18)
<b>Domestic Revenues</b>								
Ps. Million	4,720	5,356	6,350	(12)	(26)	21,208	29,941	(29)
U.S. \$ Million	268	314	322	(15)	(17)	1,194	1,487	(20)
<b>Foreign Revenues</b>								
Ps. Million	17,125	19,939	25,777	(14)	(34)	80,946	110,776	(27)
U.S. \$ Million	967	1,169	1,308	(17)	(26)	4,545	5,504	(17)
Foreign / Total (%)	78	79	80			79	79	

TABLE 8   OP. INCOME (LOSS)	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Operating (Loss) Income</b>								
Ps. Million	(10,273)	(11)	366	(91,777)	(2,904)	(9,740)	13,966	(170)
U.S. \$ Million	(598)	-	18	-	(3,412)	(569)	689	(183)

TABLE 9   COMPARABLE EBITDA	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Reported EBITDA</b>								
Ps. Million	402	1,340	1,616	(70)	(75)	5,062	17,923	(72)
U.S. \$ Million	21	79	82	(73)	(74)	281	886	(68)
<b>Adjustments*</b>								
Ps. Million	1,748	605	1,366	189	28	3,781	(1,346)	381
U.S. \$ Million	101	35	70	188	46	216	(63)	444
<b>Comparable EBITDA</b>								
Ps. Million	2,149	1,945	2,982	10	(28)	8,842	16,577	(47)
U.S. \$ Million	122	114	151	7	(19)	497	823	(40)

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

**PLASTICS & CHEMICALS**

TABLE 10   REVENUES	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Total Revenues</b>								
Ps. Million	6,022	6,343	8,711	(5)	(31)	27,709	46,804	(41)
U.S. \$ Million	342	372	442	(8)	(23)	1,556	2,321	(33)
<b>Domestic Revenues</b>								
Ps. Million	3,040	3,170	4,122	(4)	(26)	13,940	23,114	(40)
U.S. \$ Million	173	186	209	(7)	(17)	782	1,146	(32)
<b>Foreign Revenues</b>								
Ps. Million	2,981	3,174	4,589	(6)	(35)	13,769	23,690	(42)
U.S. \$ Million	169	186	233	(9)	(27)	773	1,175	(34)
Foreign / Total (%)	49	50	53			50	51	

TABLE 11   OP. INCOME (LOSS)	4Q23	2Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Operating (Loss) Income</b>								
Ps. Million	325	516	1,860	(37)	(83)	3,220	10,464	(69)
U.S. \$ Million	18	30	94	(39)	(80)	178	518	(66)

TABLE 12   COMPARABLE EBITDA	4Q23	4Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
<b>Reported EBITDA</b>								
Ps. Million	542	740	2,091	(27)	(74)	4,108	11,391	(64)
U.S. \$ Million	31	43	106	(29)	(71)	228	564	(60)
<b>Adjustments*</b>								
Ps. Million	213	(26)	284	933	(25)	51	38	33
U.S. \$ Million	12	(1)	14	937	(14)	5	3	54
<b>Comparable EBITDA</b>								
Ps. Million	755	715	2,375	6	(68)	4,159	11,429	(64)
U.S. \$ Million	43	42	120	3	(64)	232	567	(59)

\*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**

	Dec-23	Sep-23	Dec-22	QoQ (%)	YoY (%)
(Millions of Mexican pesos)					
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	7,391	8,859	6,319	(17)	17
Restricted cash	8	9	193	(4)	(96)
Trade accounts receivable	12,507	13,995	18,846	(11)	(34)
Other accounts and notes receivable	4,511	4,528	3,906	-	15
Inventories	23,322	24,194	33,893	(4)	(31)
Other current assets	1,285	1,551	1,268	(17)	1
<b>Total current assets</b>	<b>49,024</b>	<b>53,136</b>	<b>64,425</b>	<b>(8)</b>	<b>(24)</b>
<b>NON-CURRENT ASSETS:</b>					
Restricted cash	314	328	360	(4)	(13)
Investment in associates and others	310	9,623	9,210	(97)	(97)
Property, plant and equipment, net	40,952	42,858	48,451	(4)	(15)
Goodwill and intangible assets	3,494	3,721	4,425	(6)	(21)
Other non-current assets	8,590	9,230	9,948	(7)	(14)
<b>Total assets</b>	<b>102,684</b>	<b>118,896</b>	<b>136,819</b>	<b>(14)</b>	<b>(25)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Debt	689	456	7,712	51	(91)
Suppliers	24,650	24,234	28,493	2	(13)
Other current liabilities	4,572	5,509	7,737	(17)	(41)
<b>Total current liabilities</b>	<b>29,911</b>	<b>30,199</b>	<b>43,942</b>	<b>(1)</b>	<b>(32)</b>
<b>NON-CURRENT LIABILITIES:</b>					
Debt (includes debt issuance cost)	32,648	34,521	31,369	(5)	4
Deferred income taxes	2,024	2,609	3,845	(22)	(47)
Other non-current liabilities	3,999	4,370	4,444	(8)	(10)
Employee benefits	880	992	1,025	(11)	(14)
<b>Total liabilities</b>	<b>69,462</b>	<b>72,691</b>	<b>84,625</b>	<b>(4)</b>	<b>(18)</b>
<b>STOCKHOLDERS' EQUITY:</b>					
Controlling interest:					
Capital stock	6,019	6,020	6,021	-	-
Share premium	8,909	8,911	8,917	-	-
<b>Contributed capital</b>	<b>14,928</b>	<b>14,931</b>	<b>14,938</b>	-	-
Earned surplus	13,764	26,385	31,965	(48)	(57)
<b>Total controlling interest</b>	<b>28,692</b>	<b>41,316</b>	<b>46,903</b>	<b>(31)</b>	<b>(39)</b>
Non-controlling interest	4,530	4,889	5,291	(7)	(14)
<b>Total stockholders' equity</b>	<b>33,222</b>	<b>46,205</b>	<b>52,194</b>	<b>(28)</b>	<b>(36)</b>
<b>Total liabilities and stockholders' equity</b>	<b>102,684</b>	<b>118,896</b>	<b>136,819</b>	<b>(14)</b>	<b>(25)</b>

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

	4Q23	3Q23	4Q22	QoQ (%)	YoY (%)	2023	2022	Ch. (%)
(millions of Mexican pesos)								
Revenues	29,887	33,368	48,411	(10)	(38)	138,159	212,435	(35)
Domestic	9,731	10,308	14,751	(6)	(34)	42,903	74,524	(42)
Export	20,156	23,060	33,660	(13)	(40)	95,256	137,911	(31)
Cost of sales	(28,654)	(30,691)	(44,984)	7	36	(127,863)	(181,401)	30
<b>Gross profit</b>	<b>1,233</b>	<b>2,677</b>	<b>3,427</b>	<b>(54)</b>	<b>(64)</b>	<b>10,296</b>	<b>31,034</b>	<b>(67)</b>
Operating expenses and others	(11,157)	(2,112)	(1,235)	(428)	(803)	(16,733)	(6,495)	(158)
<b>Operating (loss) income</b>	<b>(9,924)</b>	<b>565</b>	<b>2,192</b>	<b>(1,856)</b>	<b>(553)</b>	<b>(6,437)</b>	<b>24,539</b>	<b>(126)</b>
Financial result, net	(925)	(1,097)	(536)	16	(73)	(2,668)	(2,997)	11
Equity in income of associates and joint ventures	(145)	(23)	(31)	(531)	(354)	(201)	(67)	(199)
<b>(Loss) income before taxes</b>	<b>(10,994)</b>	<b>(555)</b>	<b>1,625</b>	<b>(1,882)</b>	<b>(777)</b>	<b>(9,306)</b>	<b>21,475</b>	<b>(143)</b>
Income taxes	162	230	(549)	(30)	130	(727)	(5,509)	87
<b>Consolidated net (loss) income</b>	<b>(10,832)</b>	<b>(325)</b>	<b>1,076</b>	<b>(3,230)</b>	<b>(1,107)</b>	<b>(10,033)</b>	<b>15,966</b>	<b>(163)</b>
<b>(Loss) income attributable to Controlling interest</b>	<b>(10,939)</b>	<b>(439)</b>	<b>743</b>	<b>(2,387)</b>	<b>(1,573)</b>	<b>(10,914)</b>	<b>13,744</b>	<b>(179)</b>
<b>Income attributable to Non-controlling interest</b>	<b>107</b>	<b>114</b>	<b>333</b>	<b>(6)</b>	<b>(68)</b>	<b>881</b>	<b>2,222</b>	<b>(60)</b>