

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

4Q23 / 2023 HIGHLIGHTS

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

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

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.

SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	4Q23	3Q23	4Q22	(%) 4Q23 vs.		2023	2022	Ch. %
				3Q23	4Q22			
ALFA & Subs								
ALFA Revenues	3,885	4,198	4,452	(7)	(13)	16,388	18,085	(9)
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
ALFA EBITDA¹	282	373	346	(25)	(19)	1,391	2,082	(33)
Alpek	53	126	186	(58)	(71)	514	1,455	(65)
Sigma	229	255	167	(10)	37	893	652	37
ALFA Comparable EBITDA²	395	407	430	(3)	(8)	1,623	2,022	(20)
Alpek	167	160	270	5	(38)	734	1,396	(47)
Sigma	229	255	167	(10)	37	905	652	39
Majority Net Income³	(652)	(49)	(17)	-	-	(711)	578	(223)
CAPEX & Acquisitions⁴	192	96	139	100	38	569	1,111	(49)
ALFA Net Debt	4,919	4,866	4,751	1	4	4,919	4,751	4
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 ⁵	3.5	3.4	2.3					
ALFA Interest Coverage ⁶	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

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

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

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.