



1Q20

Earnings Presentation

April 16, 2020



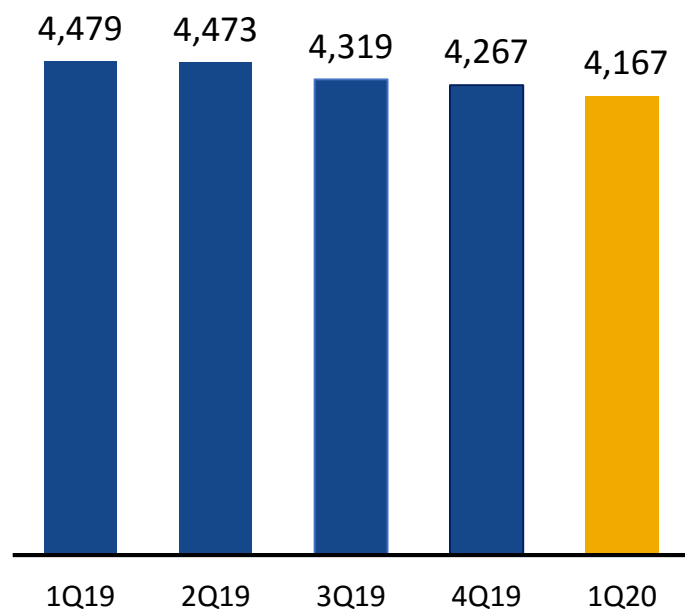
Safe Harbor

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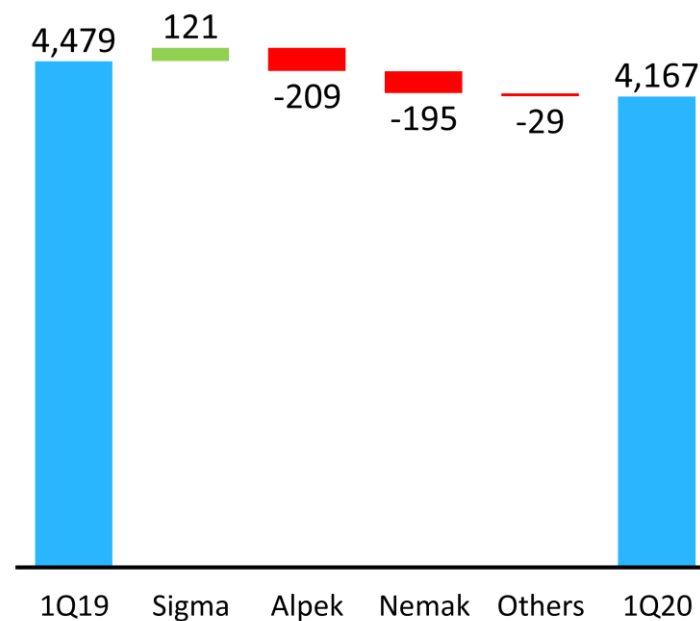
- Focus on **Safety** and **Business Continuity** amid COVID-19
- **Cash balance of US \$2.3 billion**, up US \$923 million vs 4Q19; **Net Debt / EBITDA of 2.7 times**
- Adapting to rapidly changing industry conditions; providing **essential goods and services**
- **Alpek, Sigma and Axtel operating at full capacity amid increased demand**
- All businesses implementing **cost reduction initiatives** and capturing other cash flow benefits
- **2020 Guidance withdrawn**; results trending ahead of expectations before COVID-19

Revenues reflect the effect of lower feedstock prices in Alpek, lower volume in Nemak, and Axtel's recent divestments

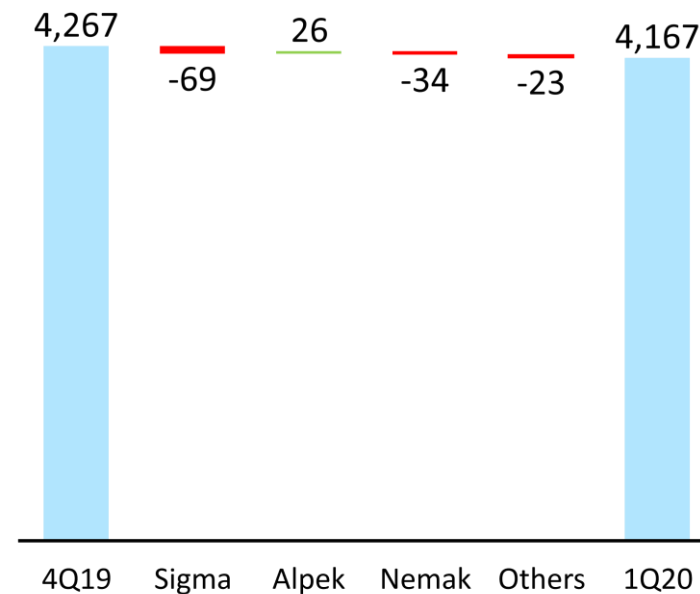
**Revenues
(US \$ Million)**



**1Q20 vs 1Q19
(US \$ Million)**



**1Q20 vs 4Q19
(US \$ Million)**

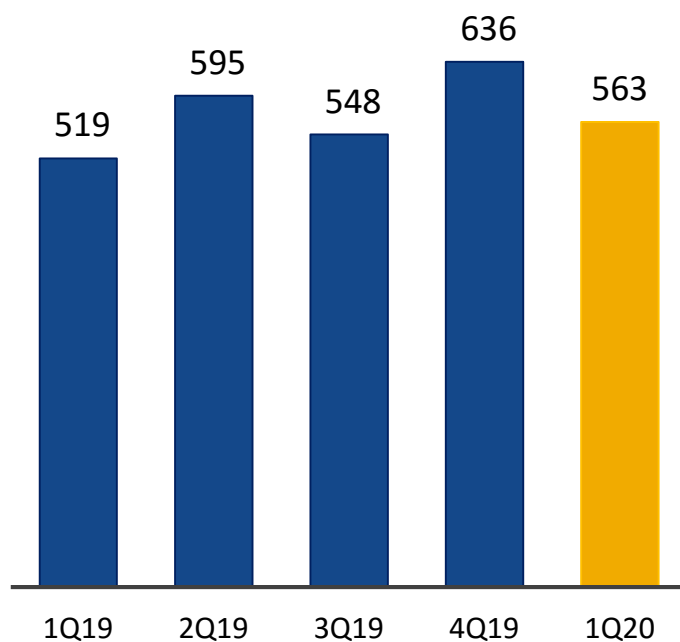


1Q20 EBITDA of US \$563 million, including a US \$91 million net gain from extraordinary items; Comparable EBITDA of US \$473 million



Reported EBITDA (US \$ Million)

1Q20 vs 1Q19: 8%
1Q20 vs 4Q19: -11%

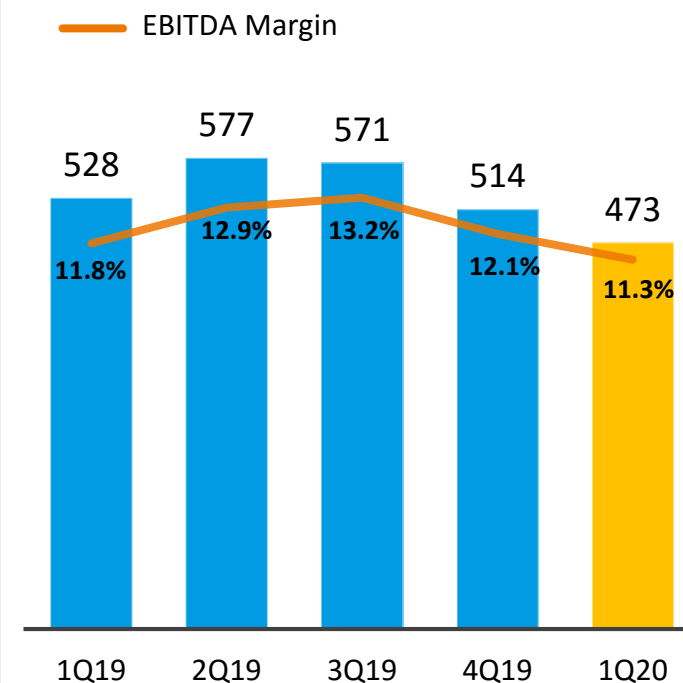


Extraordinary Items

	1Q19	2Q19	3Q19	4Q19	1Q20
ALPEK	(8)	(28)	(19)	184	(17)
SIGMA	-	-	-	-	-
NEMAK	-	8	-	-	-
AXTEL	-	39	-	(4)	107
NEWPEK	(1)	(1)	(4)	(58)	-
TOTAL	(8)	18	(23)	122	91

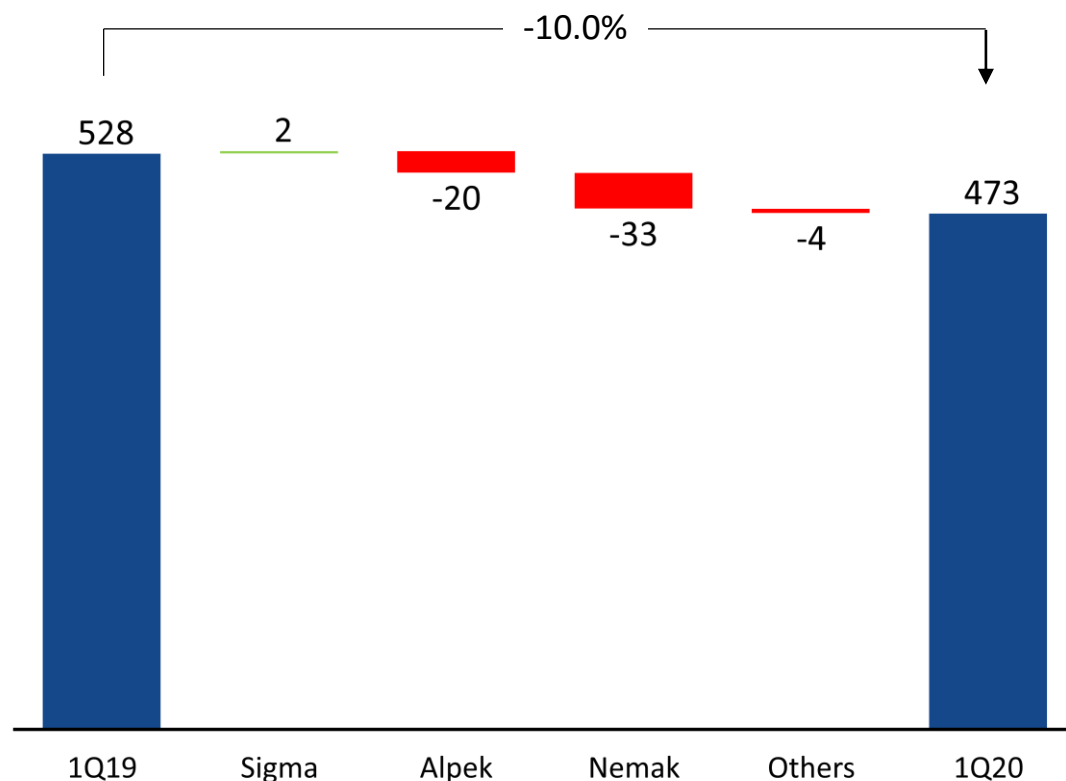
Comparable EBITDA (US \$ Million)

1Q20 vs 1Q19: -10%
1Q20 vs 4Q19: -8%

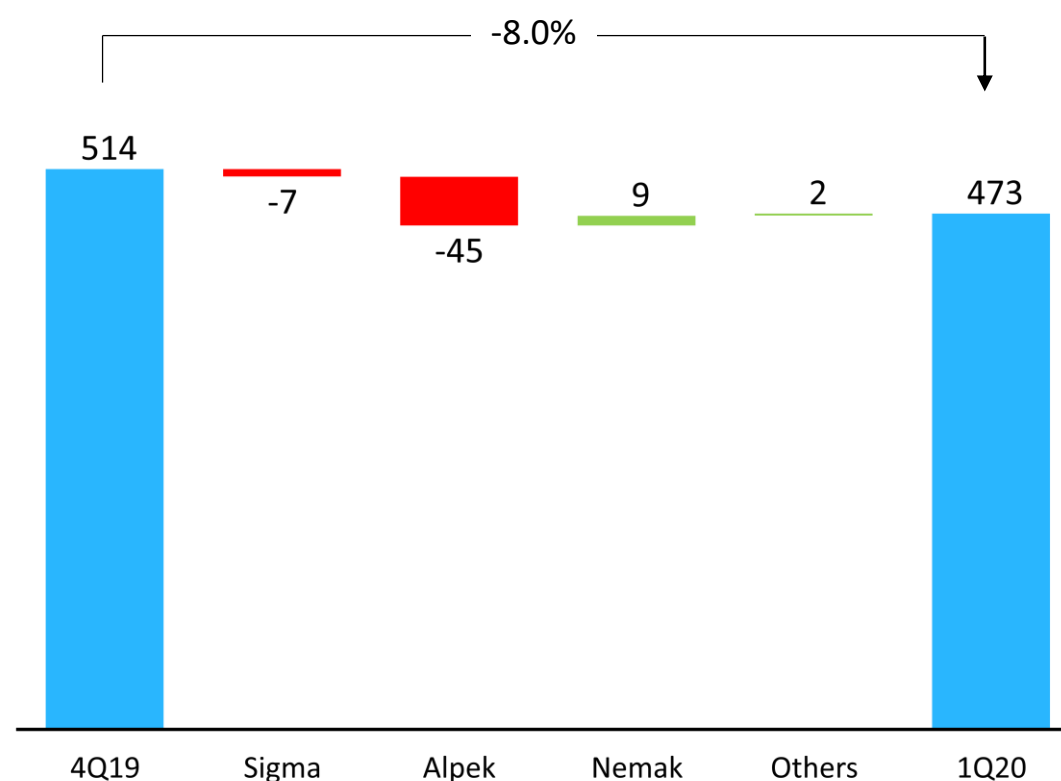


1Q20 Comparable EBITDA down 10% versus 1Q19 due lower volume in Nemak and lower polyester margins in Alpek

Comparable EBITDA 1Q20 vs 1Q19
(US \$ Million)



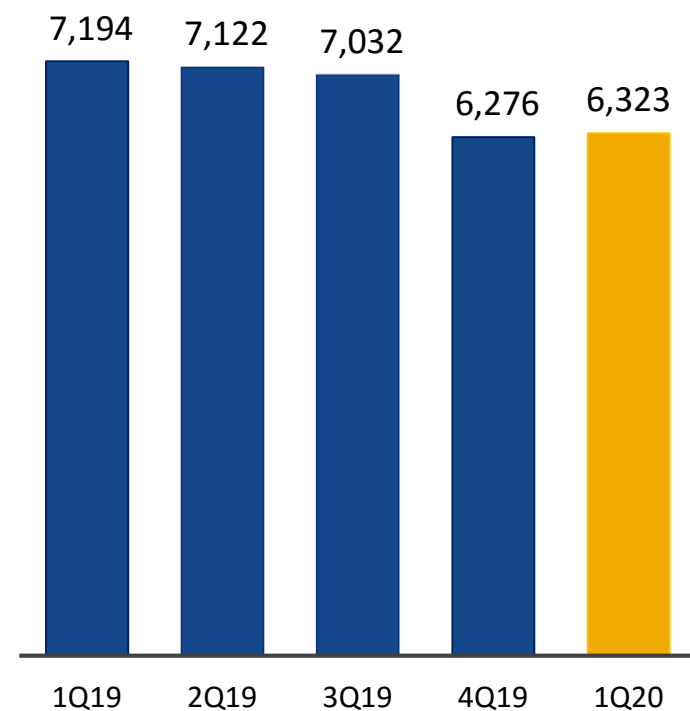
Comparable EBITDA 1Q20 vs 4Q19
(US \$ Million)



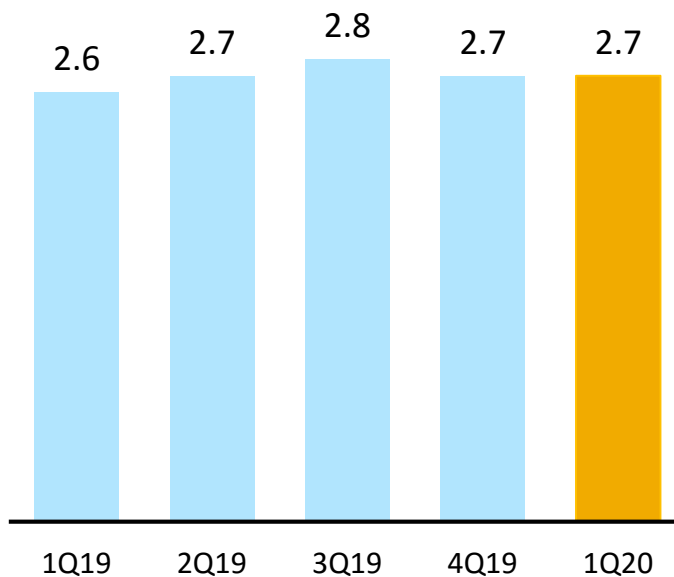
ALFA Net Debt down versus 1Q19 supported by non-core asset monetizations and solid operating cash generation



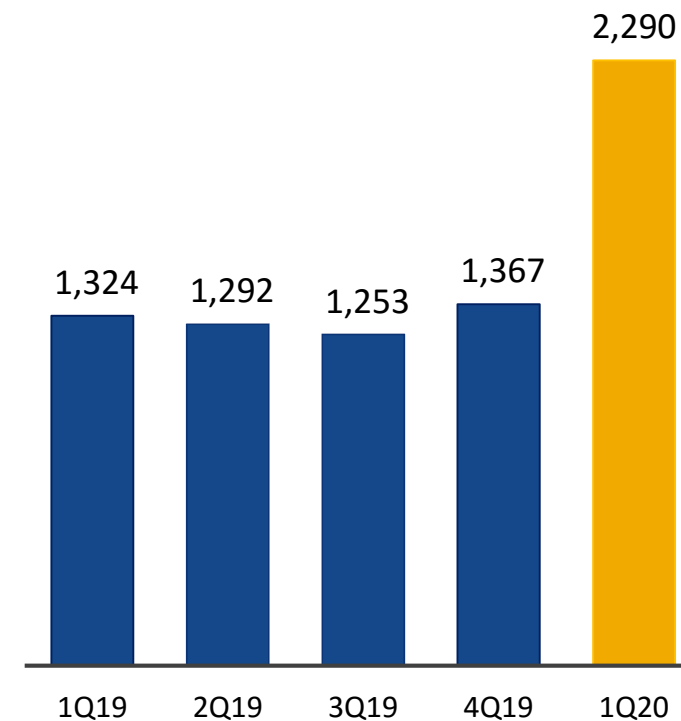
ALFA Net Debt
(US \$ Million)



Leverage Ratio
(Net Debt/EBITDA)



Cash
(US \$ Million)



Safety

- Top priority - safety of our employees, customers, suppliers and community
- Increased hygiene/sanitization protocols
- Reduction of on-site personnel
- Physical distancing
- Travel restrictions
- Closely monitoring health and government agency recommendations





Business Continuity

- Preserve continuity and long-term sustainability
- Task forces coordinating immediate response
- Providing essential goods/services: food, packaging, IT
- Protecting our employees' jobs
- Contributing to our communities

- Maximize liquidity
- Reassess plan to obtain US\$300 million in savings and cash flow benefits
 - Reduce costs and expenses – including Executive salary reductions
 - CAPEX deferral (e.g. Corpus Christi)
 - Working capital optimization
- Board review of previously approved dividends at Nemak and Alpek
- Defer temporarily non-core asset divestments

Key underlying drivers by business amid COVID-19

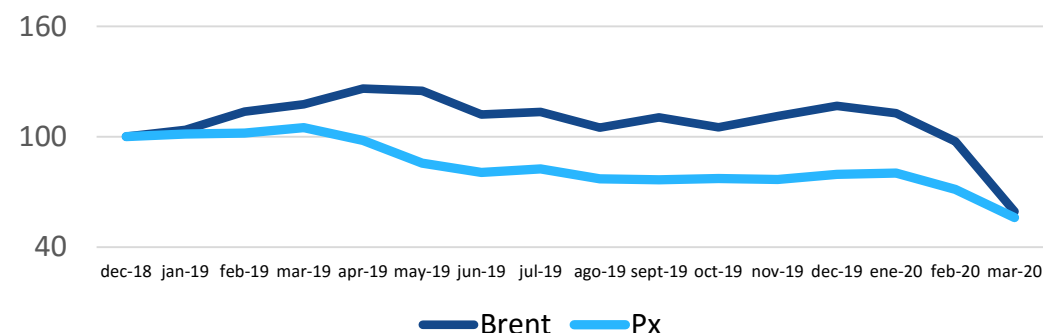


Business	Pros	Cons
	<ul style="list-style-type: none"> Higher than expected reference margins (Asia) and demand FX benefit on MXN & BRL costs 	<ul style="list-style-type: none"> Temporary profitability impact due to oil and feedstock price decline (Brent: -19% vs. 4Q19)
	<ul style="list-style-type: none"> Volume growth in all regions Lower pork prices (Pork Ham US: -21% vs. 4Q19) 	<ul style="list-style-type: none"> Lower profitability (ex-USA) due to USD strength
	<ul style="list-style-type: none"> FX benefit on MXN costs Cost reduction and Operating efficiencies 	<ul style="list-style-type: none"> Lower volume due to OEM production rate reductions
	<ul style="list-style-type: none"> Incremental demand for services due to higher virtual collaboration 	<ul style="list-style-type: none"> Lower profitability due to MXN depreciation

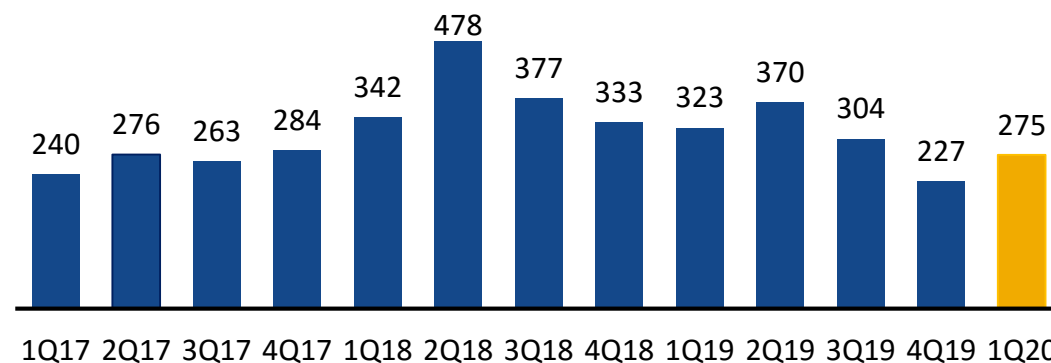
1Q20 Highlights

- Providing essential materials for beverage/food packaging and medical supplies
- Cash US \$570 million, up US \$184 million vs 4Q19
- Net Debt/EBITDA of 1.7 times
- Extended Corpus Christi Polymers pre-construction period through the end of 2020

Paraxylene vs Brent Crude Oil Price (Base=100)



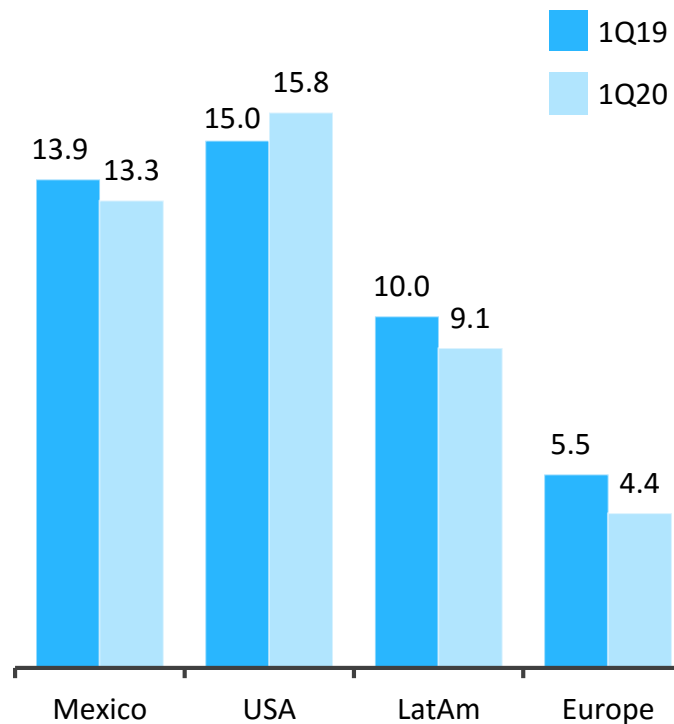
Margin: Asia PET to Px/MEG (US \$ / Ton)



1Q20 Highlights

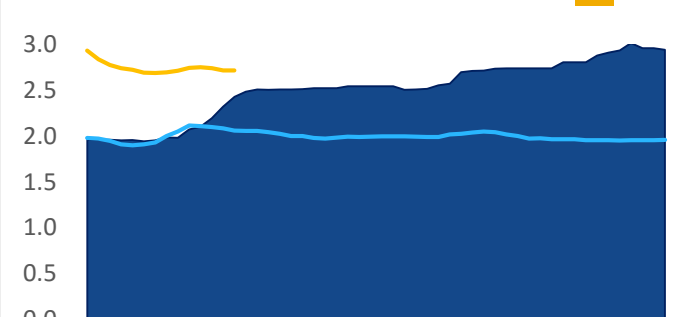
- Higher sales volume in all regions
- Cash US \$718 million; up US \$201 million vs 4Q19
- Net Debt/EBITDA of 2.9 times
- Foodservice distribution channel impacted hotel/restaurant closures amid COVID-19 (approx. 12% of Sigma sales)

EBITDA Margin By Region

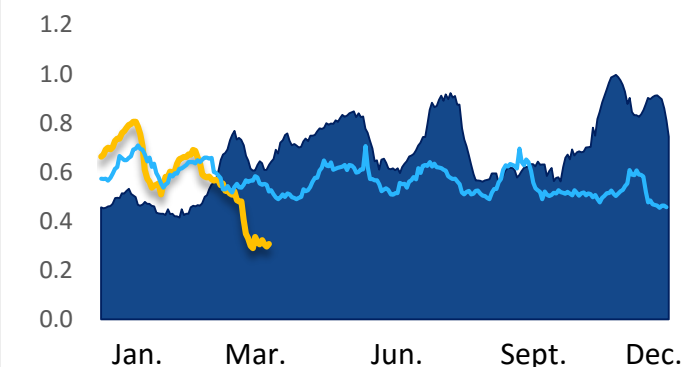


Pork Ham Price

Europe (€/kg)



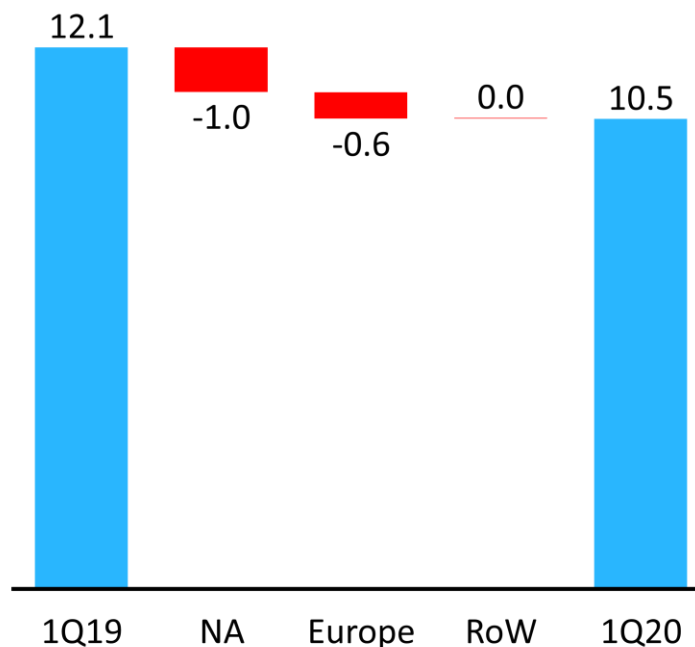
U.S. (\$/lb)



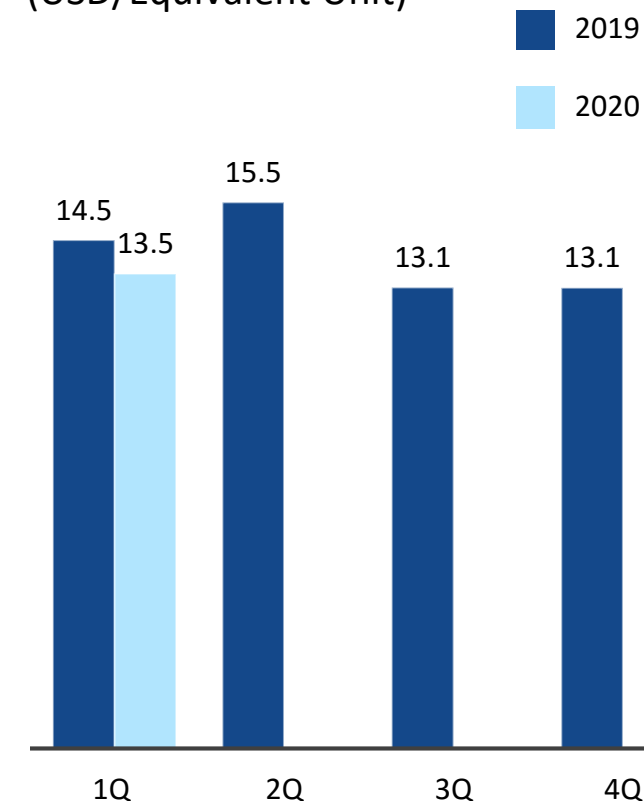
1Q20 Highlights

- Temporarily ceased operations at certain plants due to shutdowns amid COVID-19
- Successfully restarted production in China (February)
- Intensified efforts to optimize costs and expenses, including Executive salary reductions
- Cash US \$785 million; up US \$458 million vs 4Q19
- Net Debt/EBITDA of 2.1 times

Volume 1Q20 vs 1Q19 (Million Equivalent Units)



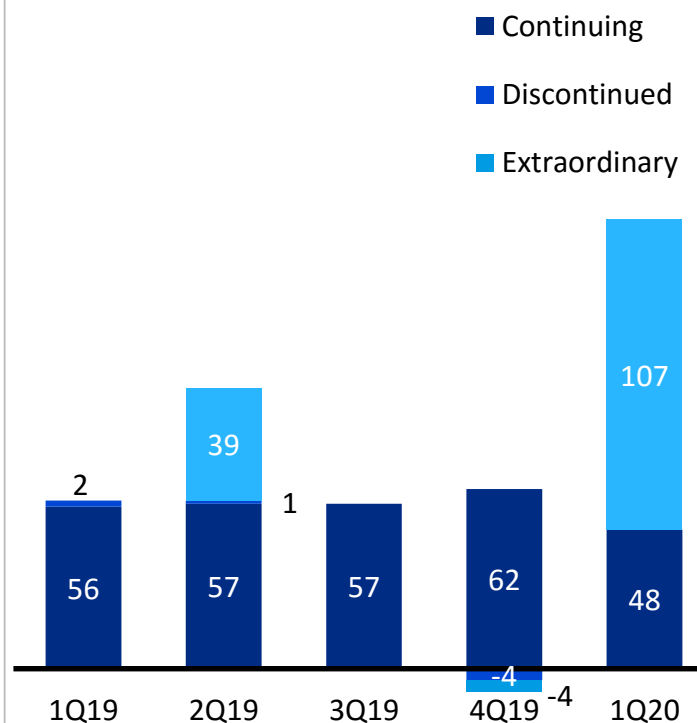
EBITDA per Equivalent Unit (USD/Equivalent Unit)



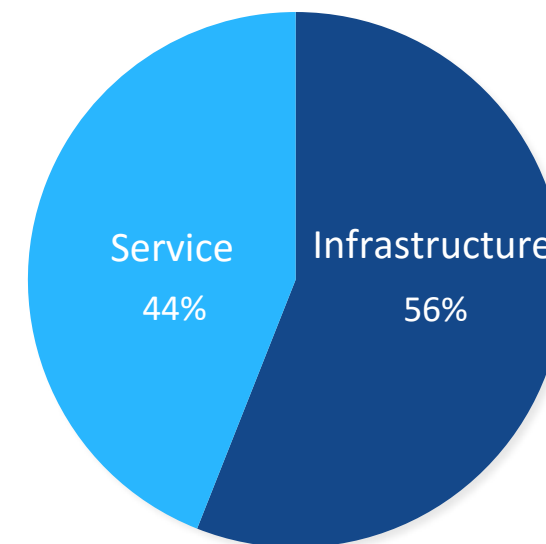
1Q20 Highlights

- Providing essential connectivity, cybersecurity and cloud services, among others
- Cash US \$104 million; up US \$58 million vs 4Q19
- Net Debt/EBITDA of 1.6 times
- Received US \$175 million payment for the sale of three Data Centers
- Defer temporarily Infrastructure Unit sale process

EBITDA (US \$ Million)



Continuing EBITDA by Business Unit (Total 1Q20: US \$48 million)





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