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EARNINGS REPORT

Third Quarter 2019 (3Q19)

Monterrey, N.L., Mexico, October 17, 2019.

ALFA, S.A.B. de C.V. (BMV: ALFAA) (ALFA), a leading holding company that manages a diversified portfolio of subsidiaries with global operations, announced today its unaudited results for the third quarter of 2019 ("3Q19"). All figures have been prepared in accordance with International Financial Reporting Standards

ALFA reports 3Q19 EBITDA of US \$548 million

3Q19 HIGHLIGHTS

ALFA	<ul style="list-style-type: none"> 3Q19 EBITDA on track with full-year Guidance Net Debt down vs. 2Q19 supported by solid operating cash generation
Alpek	<ul style="list-style-type: none"> Sustained sequential EBITDA improvement; highest quarterly EBITDA year-to-date in 3Q19
Sigma	<ul style="list-style-type: none"> 3Q19 EBITDA growth year-on-year driven by strong results in Mexico, U.S. and LatAm Europe posted significant quarter-on-quarter EBITDA margin expansion
Nemak	<ul style="list-style-type: none"> 3Q19 Sales and EBITDA reflect this year's anticipated volume decrease; stable EBITDA / Eq. Unit
Axtel	<ul style="list-style-type: none"> Signed strategic agreement with Equinix for US \$175 million

SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	3Q19	2Q19	3Q18	Ch. % vs. 2Q19	Ch. % vs. 3Q18	YTD '19	YTD '18	Ch. %
ALFA Revenues	4,319	4,473	4,950	(3)	(13)	13,271	14,363	(8)
Alpek	1,523	1,643	1,941	(7)	(22)	4,809	5,232	(8)
Sigma	1,632	1,609	1,601	1	2	4,758	4,740	-
Nemak	963	1,011	1,152	(5)	(16)	3,076	3,626	(15)
Axtel	165	166	202	(1)	(18)	504	600	(16)
Newpek	16	20	27	(21)	(42)	58	85	(32)
ALFA EBITDA¹	548	595	666	(8)	(18)	1,661	1,971	(16)
Alpek	194	161	274	20	(29)	495	694	(29)
Sigma	182	179	180	1	1	527	510	3
Nemak	139	174	160	(20)	(13)	487	563	(13)
Axtel	57	97	69	(41)	(18)	211	216	(2)
Newpek	(11)	(6)	(2)	(96)	(498)	(25)	15	(268)
Majority Net Income	60	95	72	(37)	(17)	220	445	(50)
CAPEX & Acquisitions²	204	180	198	13	3	595	1,053	(43)
Net Debt	7,032	7,122	6,901	(1)	2	7,032	6,901	2
Net Debt/LTM EBITDA*	2.8	2.7	2.7					
LTM Interest Coverage*	5.8	6.0	5.2					

* Times. LTM = Last 12 months

1 EBITDA = Operating Income + depreciation and amortization + impairment of assets.

2 Gross amount; does not include divestments



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Axtel (BMV: AXTELCPO) – IT & Telecom

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Message from ALFA's President

"ALFA's third quarter 2019 was marked by relevant value-enhancing events as well as accumulated consolidated EBITDA reaching US \$1.661 billion, tracking in line with full-year guidance.

At the individual companies and driving total EBITDA results, Alpek and Sigma posted the highest quarterly EBITDA year-to-date. In particular, Sigma reported higher EBITDA year-over-year and quarter-on-quarter supported by efforts on multiple fronts to mitigate the impact of higher pork prices due to the African Swine Fever (ASF).

Nemak's results were in line with expectations which anticipated lower volume as in previous quarters, plus a seasonality effect associated with the usual production slowdown during summer. Ongoing operating efficiency efforts have allowed Nemak to sustain its EBITDA per equivalent unit despite the year-to-date decrease in volume.

Axtel continued to post better-than-expected results driven mainly by operating efficiencies. Beginning this quarter, Axtel's report will include a breakdown between "Service" and "Infrastructure" results as the Company transitions to operate under these two specialized business units.

Noteworthy events this quarter include, the payment of a second installment to complete ALFA's US \$202 million dividend approved for 2019. This year's record payout underscores our view of dollar-denominated cash dividends as a fundamental part of ALFA's value proposition to Shareholders. Over the last decade, dollar-denominated dividends have grown at a 16% compounded annual rate supported by our diversified portfolio of cash-generating businesses and financial discipline.

Additionally, this year we have cancelled US \$165 million in shares and repurchased US \$28 million through our buyback program. The aggregate benefit to shareholders from the dividends plus the share cancellation and buybacks totaled US \$395 million by quarter end.

At the subsidiary level, a key 3Q19 event was Alpek's start of commercial operations at its Altamira cogeneration power plant. This was an important milestone in the ongoing process to finalize the sale of its two cogeneration power plants in Mexico.

Alpek also issued a 10-year, US \$500 million bond in the international markets. The Company achieved the lowest coupon rate (4.25%) in its history and extended its average debt maturity to 4.9 years from 2.7 years. This underlines the importance for ALFA to continue supporting its subsidiaries' direct access to capital markets to minimize cost of capital.

Axtel delivered one of the main value-enhancing initiatives planned for 2019 with the signing of a strategic agreement with Equinix, Inc. for US \$175 million to enhance its information technology (IT) and cloud solutions. Net proceeds from this transaction will be used to further strengthen Axtel's balance sheet and improve return on invested capital. Together with the sale of its Mass Market business, this is the third transaction completed by Axtel over the last twelve months for an aggregate amount of US \$470 million.

For Sigma, succession was a key event this quarter. Rodrigo Fernández assumed his new position as President on August 1st, replacing Mario Paez who retired after a very successful 45-year career at Sigma and ALFA. Like most of our top 125 executives, Rodrigo has a 20+ year career with us and has held various senior leadership positions at Sigma. I look forward to working closely with Rodrigo and his team to build upon Sigma's multinational operations and leading brands.

Additionally, Sigma created "Global Snacking", a new business unit that will work across geographies and together with central areas, leveraging the Company's innovation and commercial capabilities to boost its protein-based snack category.

Sigma has also been very active in terms of product innovation. Year-to-date, the Company has launched more than 200 new products that were developed through its innovation platform. This is a core capability that we are keen on enhancing further. Sigma's innovation platform has a pipeline of approximately 700 projects and its developments account for 11% of accumulated sales in 2019.

In sum, we are pleased with the progress of our business year-to-date. This was the second consecutive quarter that Consolidated Net Debt was down sequentially, and we anticipate this trend to continue supported by strong cash flow generation coupled with proceeds from the ongoing monetization of non-core assets. Moreover, ALFA, Alpek, Sigma, Nemark, and Axtel are all on track to achieve 2019 EBITDA guidance supported by in-line third quarter operating and financial results."

Álvaro Fernández

ALFA (BMV: ALFAA) Consolidated Financial Results

INCOME STATEMENT (US \$ MILLIONS)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD '19	YTD '18	Ch. %
				2Q19	3Q18			
Total Revenues	4,319	4,473	4,950	(3)	(13)	13,271	14,363	(8)
Gross Profit	891	842	988	6	(10)	2,557	2,967	(14)
Operating expenses and others	(616)	(505)	(586)	(22)	(5)	(1,687)	(1,751)	4
EBITDA	548	595	666	(8)	(18)	1,661	1,971	(16)
Operating income	275	336	402	(18)	(32)	870	1,216	(28)
Financial cost, net	(161)	(121)	(133)	(32)	(20)	(376)	(316)	(19)
Share of losses of associates	(1)	0	2	(122)	(153)	2	7	(77)
Income Tax	(48)	(80)	(168)	40	71	(204)	(329)	38
Consolidated net income	65	135	103	(52)	(37)	291	578	(50)
Controlling Interest	60	95	72	(37)	(17)	220	445	(50)
EBITDA/Revenues (%)	12.7	13.3	13.5			12.5	13.7	

Total Revenues were US \$4.319 billion, down 13% when compared to 3Q18 mainly due to lower feedstock prices in Alpek and lower volume in Nemark. Also, Axtel and Newpek revenue was impacted by recent divestments in the Mass Market business (Mexico) and the sale of the Wilcox field (U.S.), respectively. By contrast, Sigma's revenue was up 2% in the quarter supported by higher volume and prices. Accumulated Revenues were US \$13.271 billion, down 8% versus 2018 also due primarily to Nemark and Alpek. Year-to-date, 67% of consolidated ALFA revenues were derived from outside Mexico, also known as "Foreign Sales" (see table 2).

EBITDA was US \$548 million, including a US \$23 million net loss from extraordinary items primarily in Alpek. Conversely, 3Q18 EBITDA benefitted from a US \$46 million net gain in extraordinary items (see table 4). Adjusting for these items, Comparable ALFA EBITDA was US \$571 million, US \$576 million and US \$620 million in 3Q19, 2Q19 and 3Q18, respectively.

3Q19 Comparable ALFA EBITDA was down 8% versus 3Q18 primarily due to the anticipated impact from lower volume in Nemark, as well as lower reference margins and feedstock prices in Alpek. Sigma was the only business to post year-on-year Comparable EBITDA growth in 3Q19 driven by solid results in the U.S., Mexico, and LatAm.

Accumulated Comparable ALFA EBITDA was US \$1.674 billion, down 10% compared to the US \$1.869 billion in 2018 as growth in Sigma was more than offset mainly by Alpek and Nemark. Year-to-date EBITDA includes a US \$79 million benefit associated with the adoption of a new accounting standard for leases (IFRS16) beginning in January 2019 (see tables 3, 4, 5 and 6).

Operating Income totaled US \$275 million, down from US \$402 million in 3Q18 reflecting the decrease in EBITDA explained above. Accumulated Operating Income was US \$870 million, down 28% compared to US \$1.216 billion in 2018 (see tables 3, 4, 5 and 6).

Comprehensive Financing Expense of US \$161 million, up from US \$133 million in 3Q18 due to a higher non-cash foreign exchange loss. Accumulated Comprehensive Financing Expense was US \$376 million, up 19% compared to the US \$316 million in 2018 which benefited from a US \$49 million non-cash foreign exchange gain (see table 7). 3Q19 and year-to-date Net Financial Expenses were down versus 2018.

Controlling Interest Net Income was US \$60 million, compared to US \$72 million in 3Q18 as the decrease in Operating Income was partially offset by lower Income Tax. Accumulated Controlling Interest Net Income was US \$220 million, down 50% versus 2018 primarily due to lower Operating Income (see table 8).

CHANGE IN NET DEBT (US \$ MILLIONS)

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD '19	YTD '18	Ch. %
				2Q19	3Q18			
EBITDA	548	595	666	(8)	(18)	1,661	1,971	(16)
Net Working Capital	73	31	(132)	132	155	(104)	(590)	82
Capital Expenditures & Acquisitions	(204)	(180)	(198)	(13)	(3)	(595)	(1,053)	43
Net Financial Expenses	(120)	(114)	(116)	(5)	(3)	(348)	(381)	9
Taxes	(83)	(233)	(86)	64	3	(392)	(317)	(24)
Dividends	(108)	(10)	(10)	(980)	(980)	(280)	(218)	(28)
Other Sources / Uses	(16)	(17)	(11)	6	(220)	(431)	(13)	-
Decrease (Increase) in Net Debt	90	72	113	25	(20)	(489)	(601)	4

Net Debt was US \$7.032 billion at the close of 3Q19, up 2% and down 1% versus 3Q18 and 2Q19, respectively. On an absolute basis, consolidated ALFA Net Debt increased US \$489 million from year-end 2018 primarily due to a US \$463 million impact from the adoption of a new accounting standard for leases (IFRS16) beginning in January 2019. Even with ALFA's US \$101 million dividend payment in 3Q19, Consolidated Net Debt decreased US \$90 million versus 2Q19 supported by solid operating cash generation. As of September 30, 2019, Gross Debt was US \$8.285 billion, and Cash totaled US \$1.253 billion. Financial ratios at the close of 3Q19 were: Net Debt to EBITDA 2.8 times and Interest Coverage 5.8 times, compared with 2.7 times and 5.2 times, respectively in 3Q18 (see tables 6 and 9).

Net Working Capital contributed US \$73 million to the decrease in Consolidated Net Debt versus 2Q19 primarily due to a significant recovery in Nemark. Investment in Net Working Capital at the close of 3Q19 was US \$104 million, largely driven by Sigma.

Capital Expenditures (CAPEX) & Acquisitions was US \$204 million in 3Q19 as all businesses continued their planned investments. Accumulated CAPEX totaled US \$595 million.

Dividends correspond to the second installment of US \$101 million paid in September to complete the US \$202 million dividend for 2019, as approved by ALFA's Shareholders. 3Q19 dividends also include US \$8 million paid to minority shareholders at the subsidiary level. Accumulated Dividends totaled US \$280 million.

RECENT DEVELOPMENTS - ALFA

Share Repurchase Program	<ul style="list-style-type: none"> • 29.8 million shares repurchased at the close of 3Q19 (~US \$28 million) • Maximum amount approved for share repurchases: \$5,800 million Pesos (~US \$300 million)
Meeting with Sell-side Analysts	<ul style="list-style-type: none"> • ALFA hosted a meeting with all its sell-side analysts in Mexico City • Álvaro Fernández (President) highlighted: <ul style="list-style-type: none"> ○ Sigma's innovation capabilities ○ The advantages of PET vs other plastics, aluminum and glass ○ Potential for Nemak in electric vehicles and structural components
2019 Guidance	<ul style="list-style-type: none"> • ALFA reaffirms 2019 Guidance; US \$2.429 billion EBITDA

Results by Business

Alpek (BMV: ALPEKA) – Petrochemicals

35% of ALFA's revenues in 3Q19



SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD '19	YTD '18	Ch. %
				2Q19	3Q18			
Volume (ktons)	1,118	1,121	1,174	-	(5)	3,325	3,341	-
Polyester	895	887	941	1	(5)	2,639	2,639	-
Plastic & Chemicals	223	234	233	(5)	(5)	686	702	(2)
Revenues	1,523	1,643	1,941	(7)	(22)	4,809	5,232	(8)
Polyester	1,162	1,242	1,450	(6)	(20)	3,643	3,879	(6)
Plastic & Chemicals	345	375	451	(8)	(24)	1,096	1,313	(17)
EBITDA	194	161	274	20	(29)	495	694	(29)
Polyester	129	96	198	35	(35)	305	472	(35)
Plastic & Chemicals	60	61	76	(1)	(21)	175	224	(22)
CAPEX & Acquisitions¹	49	38	37	31	34	155	564	(72)
Net Debt	2,036	2,084	1,603	(2)	27	2,036	1,603	27
Net Debt / LTM EBITDA*	2.4	2.2	1.9					
LTM Interest Coverage*	7.8	8.1	7.8					

* Times. LTM = Last 12 months

¹ Gross amount; does not include divestments

Volume was 1,118 ktons, down 5% versus 3Q18 as a result of lower volume in the Polyester and Plastics & Chemicals segments, which benefited last year from an upswing in demand amid rising feedstock prices. Accumulated volume was flat compared to the first nine months of 2018 as a result of incremental volume from the Suape/Citepe acquisition integrated in May 2018.

Revenues for 3Q19 totaled US \$1.523 billion, down 22% year-on-year primarily due to an 18% drop in average consolidated prices which reflect a similar decline in feedstock prices. Accumulated Revenues were US \$4.809 billion, 8% lower versus the same period last year, also due to the impact of lower feedstock prices.

EBITDA was US \$194 million, including a US \$16 million non-cash inventory loss and a US \$3 million net loss from non-recurring legal fees/expenses and others. Adjusting for these items, Alpek’s Comparable 3Q19 EBITDA was US \$213 million, down 9% when compared with 3Q18 which benefited from higher reference margins and feedstock prices. However, Comparable 3Q19 EBITDA increased 13% versus 2Q19 driven mainly by the Polyester segment. Accumulated EBITDA as of September 30, 2019 was US \$495 million and accumulated Comparable EBITDA totaled US \$550 million, down 29% and 12%, respectively, versus record results in the first nine months of 2018.

Capital expenditures (CAPEX) & Acquisitions was US \$49 million in 3Q19, compared to US \$37 million in 3Q18. Most of these funds were invested in the 350 MW Altamira cogeneration power plant. Accumulated Capex as of September 30, 2019 totaled US \$155 million, down 72% when compared to the same period in 2018 which included the Suape/Citepe acquisition.

Net Debt was US \$2.036 billion, up 27% and down 2% when compared with 3Q18 and 2Q19, respectively. On an absolute basis, 3Q19 Net Debt increased US \$204 million year-to-date mainly due to a US \$215 million impact from the adoption of a new accounting standard for leases (IFRS16) beginning in January 2019. Net Debt decreased US \$48 million versus 2Q19 supported by solid operating cash generation. Moreover, Alpek successfully issued a 10-year, U.S. \$500 million bond with a 4.25% annual coupon. Proceeds were used primarily to refinance short term debt and extend average debt maturity to 4.9 years from 2.7 years. Financial ratios at the close of 3Q19 were: Net Debt to EBITDA 2.4 times and Interest Coverage 7.8 times.

RECENT DEVELOPMENTS - ALPEK

Bond Issuance	<ul style="list-style-type: none"> Alpek issued US \$500 million bonds in the international market The notes are due in 2029 and have a 4.25% annual coupon Net proceeds used primarily to pre-pay short term debt Average debt maturity extended to 4.9 years from 2.7 years
Sustainability	<ul style="list-style-type: none"> Joined “The Recycling Partnership” in support of increasing residential recycling and awareness This initiative and Alpek’s recycled-PET capacity increase reaffirm its commitment towards a circular economy
Cogeneration Power Plants	<ul style="list-style-type: none"> Started Commercial operations at Altamira Cogeneration plant Alpek has now met all the regulatory requirements needed for the sale of its two power cogeneration plants Sale of two cogeneration power plants expected to close by year-end

(See “Appendix – 3Q19 Reports of Listed Businesses” for Alpek’s complete 3Q19 Earnings Report)

Sigma – Food Products

38% of ALFA's revenues in 3Q19



SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD `19	YTD `18	Ch. %
				2Q19	3Q18			
Revenues	1,632	1,609	1,601	1	2	4,758	4,740	-
Mexico	678	678	668	-	1	2,009	1,951	3
Europe	573	550	568	4	1	1,632	1,686	(3)
United States	261	262	248	(1)	5	762	752	1
LatAm	120	119	117	1	2	354	351	1
EBITDA	182	179	180	1	1	527	510	3
Mexico	99	103	97	(4)	2	293	270	9
Europe	37	23	45	57	(18)	88	120	(27)
United States	35	41	27	(15)	27	112	92	22
LatAm	11	11	10	(3)	9	34	29	19
CAPEX & Acquisitions¹	55	31	41	79	32	111	107	4
Net Debt	2,040	2,050	1,932	-	6	2,040	1,932	6
Net Debt / LTM EBITDA*	2.9	2.9	2.7					
LTM Interest Coverage*	6.0	6.2	5.3					

* Times. LTM = Last 12 months

¹ Gross amount; does not include divestments

Revenues amounted to US \$1.632 billion, an increase of 2% when compared to 3Q18. On a currency neutral basis, revenues were up 5% year-on-year. During 3Q19, revenues in local currencies increased 4% in Mexico, 5% in Europe, 5% in the U.S. and 3% in LatAm, when compared to 3Q18. Accumulated Revenues were US \$4.758 billion, flat when compared to the same period in 2018 (see table 12).

EBITDA was US \$182 million, up 1% year on year. Adjusting for an extraordinary, non-cash net gain of US \$6 million in 3Q18, Comparable EBITDA increased 4% driven by higher margins in the U.S., Mexico and LatAm. On a currency neutral basis, Sigma's 3Q19 Comparable EBITDA was up 7% year-over-year. Accumulated EBITDA was US \$527 million, up 3% versus the first nine months of 2018 (see table 13).

Capital expenditures (CAPEX) & Acquisitions totaled US \$55 million, utilized mainly for maintenance and expansion projects across all regions. Accumulated Capex was US \$111 million, up 4% versus the same period in 2018.

Net Debt was US \$2.040 billion, up 6% when compared to 3Q18 and flat versus 2Q19. On an absolute basis, Sigma's Net Debt increased US \$181 million year-to-date due to a US \$119 million impact from the adoption of IFRS16 beginning in January 2019, as well as seasonality and higher raw material inventories as part of the strategy to mitigate the impact of the African Swine Fever (ASF) on its results. Year-on-year, Sigma's Net Debt increased US \$108 million which includes the US \$119 impact from IFRS16. Financial ratios at the end of 3Q19 were Net Debt to EBITDA of 2.9 times and Interest Coverage of 6.0 times (see table 14).

INDUSTRY COMMENTS - SIGMA

During 3Q19, food retail sales slightly increased in all regions where Sigma operates, while consumer confidence presented mixed results. In Mexico, the average consumer confidence index reported by National Institute for Statistics and Geography (INEGI) increased 2% when compared to 3Q18, but decreased 3% vs 2Q19. Additionally, same-store-sales reported by the National Association of Supermarkets and Department Stores (ANTAD) were up 3% year-on-year in nominal Pesos.

In the U.S., the average consumer confidence index reported by The Conference Board decreased 1% year-on-year, whereas food retail sales reported by the U.S. Census Bureau increased 4% year-on-year.

In Europe, according to the European Commission, the average consumer confidence index worsened from negative 5.1 in 3Q18 to negative 6.7 during 3Q19. By contrast, food retail sales according to Eurostat increased 1% year-on-year.

Key raw material prices were higher during the quarter in all regions. In Europe, prices for pork cuts continued to be affected by ASF during 3Q19. As a result, the prices of pork shoulder and pork ham increased 33% and 30% versus 3Q18, respectively. However, when compared to 2Q19, pork shoulder and pork ham increased 6% and 4%, respectively.

In the Americas, pork ham price increased 21% when compared to 3Q18, also due to ASF. In regards of poultry prices, turkey thigh, turkey breast and chicken were 19%, 5% and 2% higher year-on-year, respectively.

RESULTS BY REGION - SIGMA

During 3Q19, sales in Mexico accounted for 42% of the quarter's total, while Europe represented 35%, the U.S. 16%, and Latin America 7%.

Mexico Peso-denominated 3Q19 sales and EBITDA increased 4% year-on-year, driven by higher average prices as well as the lifting of import tariffs on U.S. pork and cheese products which reduced pressure on raw material prices.

Europe 3Q19 sales and EBITDA in euros increased 5% and decreased 15% year-on-year, respectively. Adjusting for an extraordinary, non-cash net gain in 3Q18, Comparable Europe EBITDA in euros decreased 3% versus the same period last year reflecting higher costs associated with ASF. When compared to 2Q19, EBITDA margin in Europe improved more than 200 basis points driven mainly by higher average prices.

United States 3Q19 sales and EBITDA increased 5% and 27% year-on-year, respectively, driven by higher average prices. Additionally, the performance of the mainstream and Hispanic businesses showed solid results during the quarter.

LatAm 3Q19 sales in local currencies increased 3% year-on-year. EBITDA in local currencies increased 10% in 3Q19 when compared to the same period last year, supported by margin expansion in all countries, specifically Costa Rica and Dominican Republic.

RECENT DEVELOPMENTS - SIGMA

New President	<ul style="list-style-type: none"> Rodrigo Fernández assumed his new position as Sigma’s President on August 1st. During his 21-year career at Sigma, Rodrigo has served as COO, CEO of Sigma Americas, CFO and Central Marketing Officer, among others. He holds a B.A. in Economics from the University of Virginia and an MBA from the Wharton School of the University of Pennsylvania
New Business Unit – “Global Snacking”	<ul style="list-style-type: none"> Sigma created a new “Global Snacking” business unit that will work across geographies and together with central areas to boost its protein-based snack category In 2018, the snacking category represented 3% of Sigma sales in 2018
Innovation	<ul style="list-style-type: none"> Products developed through Sigma’s innovation platform represented 11% of accumulated sales in 2019 Year-to-date, Sigma has launched more than 200 new products Currently, its innovation platform has a pipeline of approximately 700 new products
Raw Material Hedges	<ul style="list-style-type: none"> Sigma continued its financial program to partially hedge its pork needs with lean hog future contracts that mature from November 2019 to April 2020
Financial Hedges	<ul style="list-style-type: none"> Sigma unwound its Cross-Currency Swaps that hedge its December 2019 Bond, and \$30 million out of the \$250 million hedge for its 2026 Bond At the close of 3Q19, forward contracts to cover the U.S. dollar needs for the Mexican operations amount to US \$415 million, equivalent to approximately six months of U.S. dollar needs

(See “Financial Statements” for Sigma’s 3Q19 Balance Sheet and Income Statement)

Nemak (BMV: NEMAKA) – Aluminum Autoparts

22% of ALFA's revenues in 3Q19



SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD '19	YTD '18	Ch. %
				2Q19	3Q18			
Volume (Million Equivalent Units)	10.6	11.2	12.3	(5)	(14)	33.8	38.5	(12)
North America	6.3	6.5	7.5	(3)	(16)	19.9	22.8	(13)
Europe	3.3	3.7	3.4	(11)	(3)	11.0	11.8	(7)
Rest of World	1.0	1.0	1.4	-	(29)	2.9	3.9	(26)
Revenues	963	1,011	1,152	(5)	(16)	3,076	3,626	(15)
North America	555	557	666	-	(17)	1,724	2,029	(15)
Europe	323	368	372	(12)	(13)	1,091	1,254	(13)
Rest of World	85	87	114	(2)	(25)	261	344	(24)
EBITDA	139	174	160	(20)	(13)	487	563	(13)
North America	91	100	104	(9)	(13)	299	354	(16)
Europe	39	59	48	(34)	(19)	165	186	(11)
Rest of World	9	16	7	(44)	29	24	22	9
CAPEX & Acquisitions¹	74	76	72	(2)	2	246	271	(25)
Net Debt	1,221	1,297	1,304	(6)	(6)	1,221	1,297	(6)
Net Debt / LTM EBITDA*	1.9	1.9	1.8					
LTM Interest Coverage*	9.3	10.0	8.4					

* Times. LTM = Last 12 months

¹ Gross amount; does not include divestments

Volume was 10.6 million equivalent units, down 14% when compared to 3Q18, mainly explained by: i) North America (NA) – impacted by a less favorable product mix, lower exports to China, and lower production among Detroit 3 customers; ii) Rest of the World – primarily due to a reduction in Ford light-vehicle sales in China, and iii) Europe – lower sales to Jaguar Land Rover.

Revenues totaled US \$963 million, down 16% year-over-year, mainly due to the decrease in volume as well as lower aluminum prices. Accumulated Revenues were US \$3.076 billion, down 15% compared to the same period in 2018.

EBITDA was US \$139 million, down 13% versus 3Q18, as lower volume, the depreciation of the Euro against the U.S. dollar and the planned closure in Canada more than offset the benefit of operating efficiencies. However, EBITDA per equivalent unit was US \$13.1, up 1% versus 3Q18 supported by operating efficiency initiatives implemented to mitigate the impact of the volume decrease.

Accumulated EBITDA as of September 30, 2019 was US \$487, down 13% versus the first nine months of 2018 amid softer industry conditions and lower demand from certain OEM customers.

Capital expenditures (CAPEX) & Acquisitions totaled US \$74 million primarily to support new product launches in all regions. Accumulated CAPEX was US \$246 million, 9% lower than the same period in the prior year.

Net Debt at the end of 3Q19 totaled US \$1.221 billion, down 6% versus both 3Q18 and 2Q19. On an absolute basis, Nemak’s Net Debt decreased US \$30 million year-to-date as a US \$81 million impact from the adoption of a new accounting standard for leases (IFRS16) beginning in January 2019, which was more than offset by solid operating cash flow generation. Financial ratios at the close of 3Q19 were: Net Debt to EBITDA 1.9 times and Interest Coverage 9.3 times.

RECENT DEVELOPMENTS - NEMAK

New Contracts	<ul style="list-style-type: none"> New contracts year-to-date worth a total of US \$650 million in annual revenues, approximately 40% of which represents incremental business, primarily to produce cylinder heads, engine blocks, and EV components
Industry Recognition	<ul style="list-style-type: none"> Selected as a finalist for the 2019 Automotive News PACE™ Awards for its use of proprietary casting technology to produce highly integrated electric motor housings Winners will be announced in March 2020
Structural Components and Electric Vehicle (SC/EV) Applications	<ul style="list-style-type: none"> Launched series production of complex assembled battery housings in Europe Total SC/EV order book reached US \$640 million in annual revenues, versus US \$1 billion target by 2022 SC/EV sales prospects worth approximately US \$1.8 billion at the close of 3Q19
ESG initiatives	<ul style="list-style-type: none"> Selected to join the Dow Jones Sustainability MILA Pacific Alliance Index and the London Stock Exchange’s FTSE4Good Index Series These indexes recognize companies with leading economic, social, and environmental practices globally

(See “Appendix - 3Q19 Reports of Listed Businesses” for Nemak’s complete 3Q19 Earnings Report)

Axtel (BMV: AXTELCPO) – IT & Telecom

4% of ALFA's revenues in 3Q19




SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD '19	YTD '18	Ch. %
				2Q19	3Q18			
Revenues	165	166	202	(1)	(18)	504	600	(16)
Enterprise	136	138	134	(1)	1	411	398	3
Government	28	23	31	22	(12)	78	92	(16)
Mass Market	2	5	36	(60)	(95)	15	110	(86)
EBITDA	57	97	69	(41)	(18)	211	216	(2)
CAPEX & Acquisitions¹	20	22	37	(7)	(46)	62	80	(23)
Net Debt	765	764	1,027	-	(25)	765	1,027	(25)
Net Debt / LTM EBITDA*	1.8	1.8	3.5					
LTM Interest Coverage*	5.2	4.9	3.0					

* Times. LTM = Last 12 months

¹ Gross amount; does not include divestments

Revenues totaled US \$165 million, down 18% year-on-year mainly reflecting the sale of the Mass Market business. Adjusting for this effect, Axtel's comparable 3Q19 sales were down 1% versus 3Q18 as a 1% increase in the Enterprise segment was more than offset by lower sales in the Government segment. Accumulated Revenues were US \$504 million, down 16% compared to the same period last year. Adjusting for the sale of the Mass Market business, accumulated revenues were flat versus 2018.

EBITDA was US \$57 million, down 18% year on year primarily due to the discontinued Mass Market operations. Adjusting for the contribution of discontinued operations in 3Q18, 3Q19 EBITDA was up 4% year-over-year. Accumulated EBITDA as of September 30, 2019 was US \$211 million, including a US \$39 million gain from the sale of the Mass Market business in 2Q19 plus a US \$2 million contribution from discontinued operations. Adjusting for extraordinary items and discontinued operations, Comparable accumulated EBITDA was US \$170 million, up 6% versus the first nine months of 2018.

Capital expenditures (CAPEX) & Acquisitions totaled US \$20 million in 3Q19, down 46% when compared to 3Q18. CAPEX was mainly utilized to provide Enterprise customers with last mile access solutions (fiber optic and radio) and managed equipment, and to expand the capacity of Axtel's Telecom services' network. Accumulated CAPEX was US \$62 million, down 23% when compared with same period in the prior year.

Net Debt was US \$765 million, down 25% when compared to 3Q18, and flat when compared to 2Q19. On an absolute basis, Axtel's Net Debt increased US \$79 million year-to-date, which includes a US \$32 million impact from the adoption of the new accounting standard for leases (IFRS16) beginning in January 2019. Financial ratios at the close of 3Q19 were: Net Debt to EBITDA of 1.8 times and Interest Coverage of 5.2 times.

RECENT DEVELOPMENTS - AXTEL

<p>Data Center Monetization</p>	<ul style="list-style-type: none"> • Entered strategic agreement with Equinix for US \$175 million, who will acquire from Axtel three Data Centers located in Monterrey and Queretaro • Closing of the transaction pending regulatory approval, expected by 1Q20 • Net proceeds will be used to further strengthen Axtel’s financial position • This agreement will also enable Axtel to sell Equinix services globally, complementing its solutions offerings
<p>Functional Separation into two Business Units</p>	<ul style="list-style-type: none"> • Axtel started operating under two specialized business units: <ul style="list-style-type: none"> ○ <u>Infrastructure Business</u>: Owns the majority of Axtel’s assets, including the fiber network. Provides connectivity and internet to wholesale operators and Axtel’s Service Business (Alestra) ○ <u>Service Business (Alestra)</u>: Provides managed telecom and IT solutions to Enterprise and Government customers • Separation expected to improve operations and unlock Shareholder value through maximizing infrastructure utilization • Axtel provided the breakdown of its two specialized business units for the first time in its 3Q19 Earnings Report

(See “Appendix - 3Q19 Reports of Listed Businesses” for Axtel’s complete 3Q19 Earnings Report)

Newpek – Oil & Gas

Less than 1% of ALFA's revenues in 3Q19



SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD '19	YTD '18	Ch. %
				2Q19	3Q18			
Volume (MBOEPD)¹	5.4	5.4	7.5	1	(28)	5.6	8.4	(33)
Liquid & others (%)	55	56	64			56	67	
Revenues	16	20	27	(21)	(42)	58	85	(32)
Mexico	10	14	15	(27)	(34)	42	41	2
Foreign	5	6	11	(5)	(52)	17	45	(63)
EBITDA	(11)	(6)	(2)	(96)	(498)	(25)	15	(268)
CAPEX & Acquisitions²	5	0	8	-	(40)	7	1	530
Net Debt	(15)	(11)	18	(36)	(187)	(15)	18	(187)

¹ Thousand Barrels of Oil Equivalents Per Day

² Gross amount; does not include divestments

Volume averaged 5.4 thousand barrels of oil equivalents per day (MBOEPD) during 3Q19, down 28% versus 3Q18 primarily due to last year's divestments in the Wilcox field, along with the natural decline in oil well productivity (see table 15).

Revenues were US \$16 million, down 42% year-on-year mainly due to lower volume and lower prices. Accumulated Revenues were US \$58 million, down 32% compared to the same period in 2018 reflecting lower volume (see table 15).

EBITDA loss of US \$11 million, including a non-cash provision of US \$4 million associated to a lower recovery expectation of past expenses pursuant to its Integrated Exploration and Production Contract (CIEP) service contracts in Veracruz. Adjusting for this item, Comparable 3Q19 EBITDA was a loss of US \$7 million, versus a loss of US \$2 million in 3Q18, primarily due to lower production and prices in the U.S.

Accumulated EBITDA was a loss of US \$25 million, compared to a profit of US \$15 million for the same period of 2018, which benefitted from a US \$13 million gain associated to the partial sale of the EFS in 1Q18. (see tables 4, 5 and 16).

Capital Expenditures (CAPEX) & Acquisitions was US \$5 million during 2Q19 as drilling resumed in the EFS.

Net Debt negative US \$15 million at the end of the quarter (see table 17).

INDUSTRY COMMENTS - NEWPEK

Hydrocarbon prices, on average, were lower during 3Q19 compared to 3Q18, showing a downward trend that recovered moderately at the end of the quarter. West Texas Intermediate (WTI) oil averaged US \$56.4 per barrel, down 19% compared to 3Q18. Henry Hub natural gas price averaged US \$2.4 per million British Thermal Unit (MMBTU), also 19% lower than the previous year. Throughout the quarter, gas prices continued a descending trend, reaching a low of US \$2.0 per MMBTU in the beginning of August, and then rebounded to a high of \$2.76 in mid-September. However, at the close of 3Q19, the Henry Hub natural gas price was US \$2.37 per MMBTU.

Saudi Aramco facilities were attacked on September 14th, affecting the production of 5.7 million barrels of oil per day or roughly 5% of total world oil production. The next day, WTI prices closed with a gain of US \$7.9 per barrel but as production was restored to pre-attack levels by September 25th, price gains were reverted.

The U.S. rig count decreased 12% compared to 3Q18, with crude rigs accounting for most of the decline. However, productivity per rig increased compared to last year. Even though natural gas inventory levels ended the quarter at 89 billion cubic feet (Bcf) below the 5-year-average, this quarter's natural gas storage figures recovered in comparison to 3Q18 due to an increase in production.

RESULTS BY REGION - NEWPEK

United States producing wells totaled 544 at the EFS in South Texas, down from 555 wells in production at the end of 3Q18. Additionally, Newpek has 34 wells producing in the Edwards formation in South Texas, where the company has a 20% working interest. Production in the U.S. averaged 2.2 MBOEPD during 3Q19, down 44% from 3Q18, due to the sale of the Wilcox field in 2018, along with the natural decline in well productivity. Liquids and oil represented 55% of the total volume for the quarter, down from 64% from a year ago.

Mexico production averaged 3.2 MBOEPD during 3Q19, a 7% decrease from 3Q18. The San Andrés field represented 68% of the total production for the quarter, essentially flat year-on-year. There were 128 wells in production in Mexico at quarter's end, down 4% from the 134 wells in production at the end of 3Q18.

RECENT DEVELOPMENTS - NEWPEK

Resumed drilling in the EFS	<ul style="list-style-type: none">Reactivated drilling for the first time since 2017; 4 net new wells connected to sales during 3Q19New wells were connected to sales in less time, required lower capex, and achieved higher initial production than previous ones
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(See "Tables" for more comprehensive analysis of Newpek's 3Q19 financial results)

3Q19 EARNINGS CALL INFORMATION

Date: Friday, October 18, 2019
Time: 1:00 p.m. EDT (NY) / 12:00 p.m. CDT (CDMX)
By Phone: United States: +1-877-451-6152
International: +1-201-389-0879
Mexico: 800-522-0034
Conference ID: 13695067
Webcast: <http://public.viavid.com/index.php?id=136310>
Replay: <https://www.alfa.com.mx/RI/conference.htm>

About ALFA

ALFA is a holding company that manages a diversified portfolio of subsidiaries with global operations: Alpek, one of the world's largest producers of polyester (PTA, PET and fibers), and the leader in the Mexican market for polypropylene, expandable polystyrene (EPS) and caprolactam. Sigma, a leading multinational food company, focused on the production, marketing and distribution of quality foods through recognized brands in Mexico, Europe, United States and Latin America. Nematik, a leading provider of innovative lightweighting solutions for the global automotive industry, specializing in the development and manufacturing of aluminum components for powertrain, structural components and for electric vehicles. Axtel, a provider of Information Technology and Communication services for the enterprise and government segments in Mexico. Newpek, an oil and gas exploration and production company with operations in Mexico and the United States. In 2018, ALFA reported revenues of Ps. 366,432 million (US \$19.1 billion), and EBITDA of Ps. 55,178 million (US \$2.9 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, results could vary from those set forth in this release. The report presents unaudited financial information. Figures are presented in Mexican Pesos or US Dollars, as indicated. Where applicable, Peso amounts were translated into US Dollars using the average exchange rate of the months during which the operations were recorded. Financial ratios are calculated in US 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 (%)

	3Q19 vs.		YTD '19 vs. YTD '18
	2Q19	3Q18	
Total Volume	(0.4)	(2.4)	(0.3)
Domestic Volume	1.7	1.8	2.5
Foreign Volume	(2.5)	(6.3)	(3.0)
Avg. Ps. Prices	(1.6)	(8.6)	(6.3)
Avg. US \$ Prices	(3.1)	(10.7)	(7.3)

Table 2 | REVENUES

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD '19	YTD '18	Ch.%
				2Q19	3Q18			
Total Revenues								
Ps. Millions	83,842	85,538	93,940	(2)	(11)	255,469	273,528	(7)
US \$ Millions	4,319	4,473	4,950	(3)	(13)	13,271	14,363	(8)
Domestic Revenues								
Ps. Millions	28,255	27,907	30,559	1	(8)	83,698	88,486	(5)
US \$ Millions	1,456	1,459	1,611	-	(10)	4,348	4,648	(6)
Foreign Revenues								
Ps. Millions	55,587	57,630	63,381	(4)	(12)	171,771	185,042	(7)
US \$ Millions	2,863	3,014	3,340	(5)	(14)	8,923	9,715	(8)
Foreign / Total (%)	66	67	67			67	68	

Table 3 | OPERATING INCOME AND EBITDA

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD '19	YTD '18	Ch.%
				2Q19	3Q18			
Operating Income								
Ps. Millions	5,346	6,431	7,627	(17)	(30)	16,741	23,205	(28)
US \$ Millions	275	336	402	(18)	(32)	870	1,216	(28)
EBITDA								
Ps. Millions	10,643	11,368	12,638	(6)	(16)	31,993	37,555	(15)
US \$ Millions	548	595	666	(8)	(18)	1,661	1,971	(16)
EBITDA/Revenues (%)*	12.7	13.3	13.5			12.5	13.7	

*US Dollar denominated EBITDA margin



Table 4 | EXTRAORDINARY ITEMS (US \$ Millions)

Company	Extraordinary item	3Q19	2Q19	3Q18	YTD 19	YTD 18
Alpek	Inventory gain (loss)	(16)	(27)	33	(63)	69
	Insurance gain - Altamira fire			9	11	9
	Fixed Asset sale gain					3
	Legal fees/expenses & others	(3)	(1)	(1)	(3)	(10)
	Total Alpek	(19)	(28)	40	(55)	72
Sigma	Caroli acquisition gain			10		10
	European plant closure provision charge			(4)		(4)
	Total Sigma			6		6
Axtel	Tower sale gain					12
	Mass Market sale gain		39		39	
	Total Axtel		39		39	12
Nemak	Tax dispute resolution		8		8	
	Total Nemak		8		8	
Newpek	EFS Sale gain					13
	Mexico expense recovery provision	(4)			(4)	
	Total Newpek	(4)			(4)	13
Total effect on EBITDA		(23)	19	46	(13)	102

Table 5 | COMPARABLE EBITDA (US \$ Millions)

Company	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD `19	YTD `18	Ch.%
				2Q19	3Q18			
ALFA	571	576	620	(1)	(8)	1,674	1,869	(10)
Alpek	213	189	234	13	(9)	550	622	(12)
Sigma	182	179	174	1	4	527	504	4
Nemak	139	166	160	(16)	(13)	479	563	(15)
Axtel	57	58	69	(2)	(18)	173	204	(15)
Newpek	(7)	(6)	(2)	(21)	(268)	(21)	2	-
ALFA EBITDA/Revenues (%)	13.2	12.9	12.5			12.6	13.0	

Table 6 | EFFECT OF IFRS 16 (US \$ Millions)

	1Q19	2Q19	3Q19	4Q19	YTD 2019
Income Statement					
Depreciation & Amortization	24	25	29	-	79
Financial Expense	6	6	8	-	20
Balance Sheet					
Assets - Right of use	374	366	384	-	384
Liabilities					
Short term lease	91	94	111	-	111
Long term lease	280	271	320	-	320
Net Debt*	388	20	55	-	463

*Initial balance plus new leases

Table 7 | COMPREHENSIVE FINANCING INCOME / EXPENSE (US \$ Millions)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD '19	YTD '18	Ch. %
				2Q19	3Q18			
Financial Expenses	(129)	(126)	(129)	(2)	-	(386)	(416)	7
Financial Income	17	23	11	(27)	59	57	36	58
Net Financial Expenses	(112)	(103)	(118)	(9)	5	(329)	(380)	13
Exchange Rate Gains (Losses)	(50)	(23)	(21)	(117)	(145)	(58)	49	(219)
Capitalized Comp. Fin. Expense	1	4	5	(69)	(74)	10	15	(32)
Comprehensive Financing Expense	(161)	(121)	(133)	(32)	(20)	(376)	(316)	(19)
Avg. Cost of Borrowed Funds (%)	4.8	4.6	5.0			4.8	5.4	

Table 8 | NET INCOME (US \$ Millions)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD '19	YTD '18	Ch. %
				2Q19	3Q18			
Consolidated Net Income (Loss)	65	135	103	(52)	(37)	291	578	(50)
Minority Interest	5	40	31	(86)	(82)	71	134	(47)
Majority Net Income (Loss)	60	95	72	(37)	(17)	220	445	(50)
Per Share (US Dollars)	0.01	0.02	0.01	(37)	(16)	0.04	0.09	(50)
Avg. Outstanding Shares (Millions)	5,033	5,042	5,055			5,043	5,055	

Table 9 | SELECTED BALANCE SHEET INFORMATION & FINANCIAL RATIOS (US \$ Millions)

	3Q19	2Q19	3Q18
Assets	18,164	18,799	18,853
Liabilities	13,388	13,841	14,057
Stockholders' Equity	4,777	4,957	4,796
Majority Equity	3,559	3,705	3,600
Net Debt	7,032	7,122	6,901
Net Debt/EBITDA*	2.8	2.7	2.7
Interest Coverage*	5.8	6.0	5.2

* Times: LTM= Last 12 months

Table 10 | STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (US \$ Millions)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.	
				2Q19	3Q18
Assets					
Cash and cash equivalents	1,212	1,217	1,143	-	6
Trade accounts receivable	1,292	1,505	1,808	(14)	(29)
Inventories	2,379	2,517	2,556	(5)	(7)
Other current assets	951	894	887	6	7
Total current assets	5,834	6,133	6,394	(5)	(9)
Investment in associates and others	488	507	147	(4)	231
Property, plant and equipment, net	7,573	7,800	8,074	(3)	(6)
Goodwill and intangible assets, net	2,923	2,982	2,804	(2)	4
Other non-current assets	1,347	1,377	1,434	(2)	(6)
Total assets	18,164	18,799	18,853	(3)	(4)
Liabilities & stockholders' equity					
Debt	716	1,303	604	(45)	18
Suppliers	2,725	2,932	3,177	(7)	(14)
Other current liabilities	1,393	1,340	1,288	4	8
Total current liabilities	4,834	5,575	5,069	(13)	(5)
Debt (include debt issuance cost)	7,181	6,872	7,491	4	(4)
Employees' benefits	262	260	271	1	(3)
Other long term liabilities	1,111	1,134	1,226	(2)	(9)
Total liabilities	13,388	13,841	14,057	(3)	(5)
Total stockholders' equity	4,777	4,957	4,796	(4)	-
Total liabilities & stockholders' equity	18,164	18,799	18,853	(3)	(4)
Net Debt	7,032	7,122	6,901	(1)	2
Net Debt/EBITDA*	2.8	2.7	2.7		
Interest Coverage*	5.8	6.0	5.2		

* Times. LTM=Last 12 months

SIGMA

Table 11 | SIGMA - VOLUME AND PRICE CHANGES (%)

	3Q19 vs.		YTD '19 vs. YTD '18
	2Q19	3Q18	
Total Volume	0.8	1.1	(0.5)
Avg. Ps. Prices	2.1	3.2	2.0
Avg. US \$ Prices	0.6	0.9	0.8

Table 12 | SIGMA - REVENUES

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD '19	YTD '18	Ch.%
				2Q19	3Q18			
Total Revenues								
Ps. Millions	31,688	30,776	30,384	3	4	91,610	90,249	2
US \$ Millions	1,632	1,609	1,601	1	2	4,758	4,740	-
Domestic Revenues								
Ps. Millions	13,389	12,966	12,682	3	6	38,900	37,136	5
US \$ Millions	690	678	668	2	3	2,021	1,951	4
Foreign Revenues								
Ps. Millions	18,299	17,810	17,701	3	3	52,710	53,113	(1)
US \$ Millions	942	931	933	1	1	2,737	2,789	(2)
Foreign / Total (%)	58	58	58			58	59	

Table 13 | SIGMA - OPERATING INCOME AND EBITDA

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD '19	YTD '18	Ch.%
				2Q19	3Q18			
Operating Income								
Ps. Millions	2,424	2,354	2,433	3	-	6,872	6,668	3
US \$ Millions	125	123	128	1	(3)	357	350	2
EBITDA								
Ps. Millions	3,525	3,425	3,412	3	3	10,144	9,706	5
US \$ Millions	182	179	180	1	1	527	510	3

Table 14 | SIGMA - SELECTED BALANCE SHEET INFORMATION & FINANCIAL RATIOS (US \$ Millions)

	3Q19	2Q19	3Q18
Assets	5,038	5,155	5,185
Liabilities	4,212	4,263	4,215
Stockholders' Equity	826	892	970
Majority Equity	798	863	936
Net Debt	2,040	2,050	1,932
Net Debt/EBITDA*	2.9	2.9	2.7
Interest Coverage*	6.0	6.2	5.3

* Times. LTM= Last 12 months

NEWPEK

Table 15 | NEWPEK - REVENUES

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD `19	YTD `18	Ch.%
				2Q19	3Q18			
Volume (MBOEPD)¹	5.4	5.4	7.4	1	(28)	5.6	8.4	(33)
Liquid & others (%)	55	56	64			56	67	
Total Revenues								
Ps. Millions	306	379	511	(19)	(40)	1,126	1,622	(31)
US \$ Millions	16	20	27	(21)	(42)	58	85	(32)
Domestic Revenues								
Ps. Millions	199	269	293	(26)	(32)	804	773	4
US \$ Millions	10	14	15	(27)	(34)	42	41	2
Foreign Revenues								
Ps. Millions	107	110	218	(3)	(51)	322	849	(62)
US \$ Millions	5	6	11	(5)	(52)	17	45	(63)
Foreign / Total (%)	35	29	43			29	52	

¹ Thousand of Barrels of Oil Equivalent Per Day

Table 16 | NEWPEK - OPERATING INCOME AND EBITDA

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD `19	YTD `18	Ch.%
				2Q19	3Q18			
Operating Income								
Ps. Millions	(247)	(174)	(133)	(42)	(86)	(645)	2	-
US \$ Millions	(13)	(9)	(7)	(39)	(81)	(33)	0	-
EBITDA								
Ps. Millions	(220)	(111)	(36)	(99)	(514)	(490)	282	(274)
US \$ Millions	(11)	(6)	(2)	(96)	(498)	(25)	15	(268)

Table 17 | NEWPEK - SELECTED BALANCE SHEET INFORMATION & FINANCIAL RATIOS (US \$ Millions)

	3Q19	2Q19	3Q18
Assets	641	636	700
Liabilities	261	241	336
Stockholders' Equity	380	395	364
Net Debt	(15)	(11)	18
Net Debt/EBITDA*	1.6	33.7	1.0
Interest Coverage*	1.0	-	(4.7)

* 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

	Sep 19	Jun 19	Sep 18	(% Sep 19 vs.)	
				Jun 19	Sep 18
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	23,798	23,330	21,494	2	11
Trade accounts receivable	25,375	28,851	34,007	(12)	(25)
Other accounts and notes receivable	6,375	9,082	5,024	(30)	27
Inventories	46,720	48,241	48,092	(3)	(3)
Other current assets	12,294	8,059	11,662	53	5
Total current assets	114,562	117,563	120,279	(3)	(5)
Investments in associates and joint ventures	9,574	9,727	2,774	(2)	245
Property, Plant and equipment	148,709	149,513	151,881	(1)	(2)
Intangible assets	57,388	57,153	52,741	-	9
Other non-current assets	26,442	26,389	26,985	-	(2)
Total assets	356,675	360,345	354,660	(1)	1
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current portion of long-term debt	7,750	7,449	841	4	822
Bank loans and notes payable	6,300	17,525	10,520	(64)	(40)
Suppliers	53,510	56,211	59,759	(5)	(10)
Other current liabilities	27,353	25,685	24,231	6	13
Total current liabilities	94,913	106,870	95,351	(11)	-
LONG-TERM LIABILITIES:					
Long-term debt	140,999	131,727	140,929	7	-
Deferred income taxes	11,824	12,521	12,245	(6)	(3)
Other liabilities	9,999	9,217	10,822	8	(8)
Estimated liabilities for pension plans	5,146	4,984	5,100	3	1
Total liabilities	262,881	265,319	264,447	(1)	(1)
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	209	210	211	-	(1)
Earned surplus	69,674	70,802	67,509	(2)	3
Total controlling interest	69,883	71,012	67,720	(2)	3
Total Non-controlling interest	23,911	24,015	22,494	-	6
Total stockholders' equity	93,794	95,026	90,214	(1)	4
Total liabilities and stockholders' equity	356,675	360,345	354,660	(1)	1
Current ratio	1.2	1.1	1.3		
Debt to equity	2.8	2.8	2.9		

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

INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	3Q19	2Q19	3Q18	YTD '19	YTD '18	3Q19 vs. (%)	
						2Q19	3Q18
Net sales	83,842	85,538	93,940	255,469	273,528	(2)	(11)
Domestic	28,255	27,907	30,559	83,698	88,486	1	(8)
Export	55,587	57,630	63,381	171,771	185,042	(4)	(12)
Cost of sales	(66,531)	(69,445)	(75,193)	(206,223)	(216,980)	4	12
Gross profit	17,311	16,092	18,747	49,247	56,549	8	(8)
Operating expenses and others	(11,965)	(9,662)	(11,120)	(32,506)	(33,344)	(24)	(8)
Operating income	5,346	6,431	7,627	16,741	23,205	(17)	(30)
Comprehensive financing expense, net	(3,122)	(2,324)	(2,527)	(7,263)	(6,019)	(34)	(24)
Equity in income (loss) of associates	(18)	(8)	33	31	136	(125)	(155)
Income before the following provision	2,205	4,099	5,133	9,509	17,322	(46)	(57)
Provisions for:							
Income tax	(932)	(1,526)	(3,187)	(3,910)	(6,265)	39	71
Consolidated net income	1,273	2,573	1,945	5,599	11,056	(51)	(35)
Income (loss) corresponding to minority interest	107	756	588	1,352	2,558	(86)	(82)
Net income (loss) corresponding to majority interest	1,166	1,817	1,358	4,246	8,499	(36)	(14)
EBITDA	10,643	11,368	12,638	31,993	37,555	(6)	(16)
Interest coverage*	5.8	6.0	5.2	5.8	5.2		

* Times. LTM=Last Twelve Months

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

BALANCE SHEET

Information in millions of Nominal Mexican Pesos

Assets	Sep 19	Jun 19	Sep 18	(% Sep 19 vs.)	
				Jun 19	Sep 18
CURRENT ASSETS:					
Cash and cash equivalents	10,136	9,780	10,603	4	(4)
Restricted cash	12	23	51	(49)	(77)
Customers, net	4,835	5,316	4,941	(9)	(2)
Income tax recoverable	331	346	336	(4)	(2)
Inventories	16,692	16,212	14,831	3	13
Other current assets	3,087	2,788	2,809	11	10
Total current assets	35,093	34,465	33,570	2	5
Property, plant and equipment, net	32,213	32,612	32,969	(1)	(2)
Intangible assets, net	15,749	15,659	15,453	1	2
Goodwill	12,987	13,161	12,941	(1)	-
Deferred income tax	1,987	2,246	2,238	(12)	(11)
Investments in associates and joint ventures	348	97	103	259	238
Other non-current assets	544	580	263	(6)	107
Total non-current assets	63,829	64,356	63,966	(1)	-
Total assets	98,922	98,821	97,536	-	1
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current debt	5,742	5,390	652	7	781
Notes payables	601	572	82	5	633
Suppliers	19,882	20,153	18,248	(1)	9
Income tax payable	1,663	1,605	1,889	4	(12)
Provisions	86	105	189	(18)	(55)
Other current liabilities	5,730	5,565	5,546	3	3
Total current liabilities	33,705	33,390	26,606	1	27
NON-CURRENT LIABILITIES:					
Non-current debt	41,738	41,244	45,688	1	(9)
Notes payables	1,816	1,565	250	16	626
Deferred income taxes	3,365	3,488	3,474	(4)	(3)
Employees benefits	1,460	1,407	1,404	4	4
Provisions	71	75	96	(6)	(26)
Income tax payable	513	509	1,277	1	(60)
Other non-current liabilities	41	41	500	-	(92)
Total non-current liabilities	49,005	48,328	52,688	1	(7)
Total liabilities	82,710	81,718	79,294	1	4
STOCKHOLDERS' EQUITY:					
Total controlling interest:	15,670	16,544	17,607	(5)	(11)
Total non-controlling interest:	542	559	635	(3)	(15)
Total stockholders' equity	16,212	17,103	18,242	(5)	(11)
Total liabilities and stockholders' equity	98,922	98,821	97,536	-	1

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

INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	3Q19	2Q19	3Q18	YTD '19	YTD '18	3Q19 vs. (%)	
						2Q19	3Q18
Revenue	31,688	30,776	30,384	91,610	90,249	3	4
Cost of sales	(22,779)	(22,137)	(21,815)	(65,717)	(64,916)	3	4
Gross profit	8,909	8,639	8,569	25,893	25,333	3	4
Selling expenses	(5,131)	(5,090)	(4,974)	(15,135)	(14,882)	1	3
Administrative expenses	(1,396)	(1,259)	(1,314)	(4,037)	(4,044)	11	6
Other income (expenses), net	42	64	153	152	262	(35)	(73)
Operating profit	2,424	2,354	2,433	6,872	6,668	3	-
Comprehensive financial expenses, net	(495)	(975)	(531)	(2,043)	(1,452)	(49)	(7)
Equity in income (loss) of associates	(0)	(1)	17	(2)	16	(32)	(103)
Profit before income tax	1,928	1,378	1,918	4,827	5,233	40	1
Provisions for:					-		
Income tax	(660)	(609)	(1,293)	(1,996)	(2,410)	9	(49)
Net consolidated profit	1,268	769	626	2,830	2,823	65	103
Non-controlling interest	(7)	(1)	11	(19)	(2)	568	(160)
Controlling interest	1,275	770	614	2,849	2,825	65	108

Appendix - Listed Business Reports

Alpek (BMV: ALPEKAA) – Petrochemicals

Nemak (BMV: NEMAKA) – Aluminum Autoparts

Axtel (BMV: AXTELCPO) – IT & Telecom

Monterrey, Mexico. October 17, 2019 – Alpek, S.A.B. de C.V. (BMV: ALPEK)

Alpek 3Q19 Reported EBITDA of U.S. \$194 million (U.S. \$213 million Comp. EBITDA)

Selected Financial Information

(U.S. \$ Millions)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch.%
				2Q19	3Q18			
Total Volume (ktons)	1,118	1,121	1,174	-	(5)	3,325	3,341	-
Polyester	895	887	941	1	(5)	2,639	2,639	-
Plastics & Chemicals	223	234	233	(5)	(5)	686	702	(2)
Consolidated Revenues	1,523	1,643	1,941	(7)	(22)	4,809	5,232	(8)
Polyester	1,162	1,242	1,450	(6)	(20)	3,643	3,879	(6)
Plastics & Chemicals	345	375	451	(8)	(24)	1,096	1,313	(17)
Consolidated EBITDA	194	161	274	20	(29)	495	694	(29)
Polyester	129	96	198	35	(35)	305	472	(35)
Plastics & Chemicals	60	61	76	(1)	(21)	175	224	(22)
Profit Attributable to Controlling Interest	50	56	80	(10)	(37)	133	304	(56)
CAPEX and Acquisitions	49	38	37	31	34	155	564	(72)
Net Debt	2,036	2,084	1,603	(2)	27			
Net Debt/LTM EBITDA ⁽¹⁾	2.4	2.2	1.9					
Interest Coverage ⁽¹⁾	7.8	8.1	7.8					

(1) Times: Last 12 months

Operating & Financial Highlights (3Q19)

Alpek	<ul style="list-style-type: none"> 3Q19 Comparable EBITDA of U.S. \$213 million (+13% qoq and -9% yoy) Issued U.S. \$500 million bond (4.25% coupon) improving average debt maturity to 4.9 years Started operations at Altamira Cogeneration plant. Sale expected to be completed in 4Q19
Polyester	<ul style="list-style-type: none"> 3Q19 Comparable Polyester EBITDA of U.S. \$144 million (+17% qoq and -11% yoy) Reference polyester margin of U.S. \$304 per ton, above guidance (U.S. \$300 per ton) U.S. Px price fell to U.S. \$955 per ton in 3Q19, resulting in a smaller inventory loss vs. 2Q19
Plastics & Chemicals (P&C)	<ul style="list-style-type: none"> 3Q19 Comparable P&C EBITDA of U.S. \$65 million (+4% qoq and -12% yoy) P&C EBITDA mainly driven by strong and sustained Polypropylene (“PP”) results

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.

Message from the CEO

Alpek's third quarter 2019 Consolidated EBITDA was U.S. \$194 million, driven mainly by improved results from the Polyester segment versus last quarter. Reference polyester margins remained above Guidance throughout 3Q19, as volume increased slightly over the same period. Though paraxylene ("Px") price continued to fall, it did so at a slower rate throughout 3Q19 versus 2Q19, resulting in a lower non-cash inventory loss and negative raw material carry-forward effect ("RMCF"). The Plastics & Chemicals ("P&C") segment continued to post better-than-expected results based on both strong margins and solid demand. The net result of these effects was reflected in a quarterly Consolidated EBITDA increase of U.S. \$33 million.

Average Brent crude oil price declined from U.S. \$68 per barrel in 2Q19 to U.S. \$62 per barrel during 3Q19. Consequently, average U.S. reference Px price also contracted over the same time frame from U.S. \$1,077 per ton to U.S. \$955 per ton. This feedstock price reduction resulted in a U.S. \$16 million non-cash inventory loss for 3Q19, and a U.S. \$63 million non-cash inventory loss year-to-date. Px price appears to have recently stabilized at this lower level. Regarding P&C, propylene costs have remained relatively low with only a 3% quarter-on-quarter increase. Excluding inventory losses and other non-recurring items, Alpek's 3Q19 and YTD19 Comparable EBITDA was U.S. \$213 million and U.S. \$550 million, respectively.

Polyester segment EBITDA was U.S. \$129 million in 3Q19, including a U.S. \$13 million non-cash inventory loss and a U.S. \$2 million net loss from other non-recurring items. Adjusting for these effects, 3Q19 Comparable Polyester EBITDA was U.S. \$144 million, up 17% but down 11% when compared to 2Q19 and 3Q18, respectively. The increase versus 2Q19 was largely attributed to a smaller raw material carry-forward effect, while the drop versus 3Q18 is largely due to higher polyester margins at that time.

Plastics & Chemicals ("P&C") EBITDA was U.S. \$60 million in 3Q19. Adjusting for non-cash inventory losses of U.S. \$4 million, Comparable P&C EBITDA was U.S. \$65 million, up 4% quarter-on-quarter and down 12% year-on-year. P&C EBITDA generation continued to exceed expectations this quarter, largely supported by strong margins from the Polypropylene ("PP") segment, which offset sub-par caprolactam margins and performance during 3Q19. On a year-on-year basis, P&C Comparable EBITDA was down due to lower industry margins.

The decline in Px prices generated a U.S. \$18 million negative raw material carry-forward effect during 3Q19, and U.S. \$65 million year-to-date. Excluding this effect, and essentially considering a scenario with flat raw material prices, Alpek's 3Q19 and YTD19 Comparable EBITDA would have reached U.S. \$231 million and U.S. \$615 million, respectively.

On the investment front, 3Q19 Capex totaled U.S. \$49 million, mostly from the 350 MW Altamira cogeneration power plant and minor asset replacements. On September 10th, Alpek reported that it had met all regulatory requirements to officially start operations at the Altamira cogeneration facility. With this asset now under operation and generating income, the sale of the two power plants is expected to conclude before year-end.

As of quarter-end, 3Q19 Net Debt totaled U.S. \$2.036 billion and the leverage ratio (Net Debt to LTM EBITDA) was 2.4 times; up from 1.7 times at the close of 4Q18. Net debt decreased by U.S. \$48 million in 3Q19 driven by stronger cash flow generation, however LTM EBITDA dropped, as 3Q18 results, which benefitted from extraordinary polyester margins, were phased out of LTM figures. During the quarter, Alpek successfully issued a 10-year U.S. \$500 million bond at a coupon of 4.25%, a record low for the company. The proceeds were used to refinance short-term debt and extend average debt maturity from 2.7 to 4.9 years.

During 3Q19, Alpek also joined The Recycling Partnership (“TRP”), a non-profit organization focused on improving and widening recycling efforts in the United States via curbside collection and awareness programs. Through our participation in TRP, as well as our recent acquisitions in the recycled PET (“rPET”) market, Alpek continues to show its unwavering commitment towards the promotion of a circular economy for PET.

Alpek’s year-to-date Comparable EBITDA reflects strong operational performance across both segments. Better-than-expected reference margins for Polyester and P&C, as well as a lessening raw material carry-forward effect, have contributed to a second consecutive quarter with EBITDA improvement. During 4Q19, Alpek will focus its efforts on closing the sale of its cogeneration assets. Consequently, we reaffirm our 2019 EBITDA Guidance.

Results by Business Segment

Polyester

(Purified Terephthalic Acid (PTA), Polyethylene Terephthalate (PET), Polyester fibers – 75% of Alpek's Net Sales)

Third quarter 2019 Polyester revenue was down 6% quarter-on-quarter as the slight volume increase was offset by lower average prices. 3Q19 revenue was down 20% year-on-year mainly due to lower volume and feedstock prices versus 3Q18. Average 3Q19 polyester prices decreased 7% and 16% when compared to 2Q19 and 3Q18.

Polyester volume was 895 Ktons in 3Q19, up 1% but down 5% when compared to 2Q19 and 3Q18, respectively. The variation versus 3Q18 was mainly due to better-than-expected demand, which was a positive driver last year. On a year-to-date basis, Polyester volume has remained flat versus the same period in 2018.

3Q19 segment EBITDA was U.S. \$129 million, including a U.S. \$13 million non-cash inventory loss and a U.S. \$2 million net loss from other non-recurring items, as were legal fees and expenses. Adjusting for these concepts, 3Q19 Comparable Polyester EBITDA was U.S. \$144 million, up 17% but down 11% when compared to 2Q19 and 3Q18, respectively. 3Q19 Comparable EBITDA results also include a negative raw material carry-forward effect of U.S. \$18 million. However, this impact lessened in 3Q19, and we expect this trend to continue over the following months.

Plastics & Chemicals (P&C)

(Polypropylene (PP), Expandable Polystyrene (EPS), Caprolactam (CPL), Other products – 23% of Alpek's Net Sales)

3Q19 P&C revenue was down 8% and 24% quarter-on-quarter and year-on-year, respectively, as a result of lower volume and average prices. 3Q19 average P&C prices were down 3% and 20% when compared to those of 2Q19 and 3Q18, reflecting lower prices for feedstocks such as propylene and styrene.

Quarterly P&C volume decreased 5%, when compared to both 2Q19 and 3Q18. This reduction mainly derives from lower sales of caprolactam and commercialization of industrial chemicals. However, it is important to note that, while this commercialization impacts volume, its contribution towards EBITDA is relatively small. At the end of 3Q19, year-to-date P&C volume was down 2% versus 2018 for the same reasons.

Segment EBITDA was U.S. \$60 million in 3Q19, including a U.S. \$4 million non-cash inventory loss. Adjusting for the inventory loss, 3Q19 Comparable P&C EBITDA was U.S. \$65 million, up 4% quarter-on-quarter but down 12% when compared to 3Q18. The variation versus 2Q19 is mainly derived from improved PP performance, while subpar Caprolactam results explain the gap versus 3Q18.

Consolidated Financial Results

Net Sales: Net Sales for the third quarter totaled U.S. \$1.523 billion, 7% and 22% lower when compared to 2Q19 and 3Q18, respectively. 3Q19 average consolidated prices were down 7% and 18% quarter-on-quarter and year-on-year, mainly driven by lower feedstock prices. Accumulated net sales as of September 30, 2019 totaled U.S. \$4.809 billion, 8% lower versus the same period last year.

EBITDA: 3Q19 EBITDA was U.S. \$194 million, including a U.S. \$16 million non-cash inventory loss and a U.S. \$3 million net loss from other non-recurring items. Adjusting for these items, Comparable Consolidated EBITDA was U.S. \$213 million, versus U.S. \$189 million and U.S. \$234 million in 2Q19 and 3Q18, respectively. As of September 30, 2019, accumulated Consolidated EBITDA was U.S. \$495 million and accumulated Comparable EBITDA totaled U.S. \$550 million.

Profit (Loss) Attributable to Controlling Interest: Profit Attributable to Controlling Interest for the third quarter of 2019 was U.S. \$50 million, compared to U.S. \$56 million in 2Q19 and U.S. \$80 million in 3Q18. 3Q19 Profit Attributable to Controlling Interest decreased versus 2Q19 as a result of a higher financial cost. Accumulated Profit Attributable to Controlling Interest as of September 30, 2019 was U.S. \$133 million, down 56% when compared to the same period in 2018.

Capital Expenditures and Acquisitions (Capex): 3Q19 Capex was U.S. \$49 million, compared to U.S. \$38 million and U.S. \$37 million in 2Q19 and 3Q18, respectively. Most of these funds were invested in the 350 MW Altamira cogeneration power plant, and minor asset replacements. Accumulated Capex as of September 30, 2019 totaled U.S. \$155 million, down 72% when compared to the same period in 2018.

Net Debt: Consolidated Net Debt as of September 30, 2019 was U.S. \$2.036 billion, down 2% quarter-on-quarter but up 27% year-on-year. Net Debt decreased U.S. \$48 million during 3Q19 driven by stronger cash flow generation. As of September 30, 2019, Gross Debt was U.S. \$2.345 billion and Cash totaled U.S. \$309 million. Financial ratios at quarter-end 3Q19 were: Net Debt to EBITDA of 2.4 times and Interest Coverage of 7.8 times.

Appendix A - Tables

TABLE 1 | VOLUME (KTONS)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch. %
				2Q19	3Q18			
Total Volume	1,118	1,121	1,174	-	(5)	3,325	3,341	-
Polyester	895	887	941	1	(5)	2,639	2,639	-
Plastics and Chemicals	223	234	233	(5)	(5)	686	702	(2)

TABLE 2 | PRICE CHANGES (%)

	(%) 3Q19 vs.		YTD19 vs.
	2Q19	3Q18	YTD18
Polyester			
Avg. Ps. Prices	(6)	(14)	(5)
Avg. U.S. \$ Prices	(7)	(16)	(6)
Plastics and Chemicals			
Avg. Ps. Prices	(2)	(18)	(14)
Avg. U.S. \$ Prices	(3)	(20)	(15)
Total			
Avg. Ps. Prices	(6)	(16)	(7)
Avg. U.S. \$ Prices	(7)	(18)	(8)

TABLE 3 | INCOME STATEMENT (U.S. \$ Millions)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch. %
				2Q19	3Q18			
Total Revenues	1,523	1,643	1,941	(7)	(22)	4,809	5,232	(8)
Gross Profit	213	155	288	37	(26)	507	756	(33)
Operating expenses and others	(74)	(45)	(56)	(63)	(32)	(168)	(179)	6
Operating income	139	110	232	27	(40)	339	578	(41)
Financial cost, net	(59)	(19)	(81)	(220)	27	(100)	(96)	(4)
Income Tax	(16)	(22)	(50)	26	67	(66)	(119)	45
Consolidated net income	63	69	101	(9)	(37)	172	362	(52)
Controlling Interest	50	56	80	(10)	(37)	133	304	(56)

TABLE 4 | REVENUES

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch. %
				2Q19	3Q18			
Total Revenues								
Ps. Millions	29,560	31,425	36,833	(6)	(20)	92,552	99,721	(7)
U.S. \$ Millions	1,523	1,643	1,941	(7)	(22)	4,809	5,232	(8)
Domestic Revenues								
Ps. Millions	8,943	9,036	10,609	(1)	(16)	26,755	30,094	(11)
U.S. \$ Millions	461	472	559	(2)	(18)	1,390	1,580	(12)
Foreign Revenues								
Ps. Millions	20,617	22,389	26,224	(8)	(21)	65,797	69,627	(5)
U.S. \$ Millions	1,062	1,171	1,382	(9)	(23)	3,419	3,653	(6)
Foreign / Total (%)	70	71	71			71	70	

TABLE 5 | OPERATING INCOME AND EBITDA

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch. %
				2Q19	3Q18			
Operating Income								
Ps. Millions	2,706	2,099	4,407	29	(39)	6,527	11,035	(41)
U.S. \$ Millions	139	110	232	27	(40)	339	578	(41)
EBITDA								
Ps. Millions	3,771	3,077	5,200	23	(27)	9,532	13,252	(28)
U.S. \$ Millions	194	161	274	20	(29)	495	694	(29)

TABLE 6 | COMPARABLE EBITDA

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch. %
				2Q19	3Q18			
EBITDA								
Ps. Millions	3,771	3,077	5,200	23	(27)	9,532	13,252	(28)
U.S. \$ Millions	194	161	274	20	(29)	495	694	(29)
Adjustments*								
Ps. Millions	367	541	(762)	(32)	148	1,062	(1,373)	177
U.S. \$ Millions	19	28	(40)	(33)	147	55	(72)	177
Comparable EBITDA								
Ps. Millions	4,139	3,619	4,437	14	(7)	10,594	11,880	(11)
U.S. \$ Millions	213	189	234	13	(9)	550	622	(12)

*Adjustments: Inventory and non-operating, one-time (gains) losses

TABLE 7 | FINANCIAL COST, NET (U.S. \$ Millions)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch.%
				2Q19	3Q18			
Financial Expenses	(39)	(35)	(33)	(13)	(20)	(109)	(84)	(29)
Financial Income	10	9	5	6	103	29	15	92
Net Financial Expenses	(29)	(25)	(28)	(16)	(5)	(80)	(70)	(15)
Fx Gains (Losses)	(30)	7	(53)	(541)	44	(20)	(27)	24
Financial Cost, Net	(59)	(19)	(81)	(220)	27	(100)	(96)	(4)

TABLE 8 | NET INCOME (U.S. \$ Millions)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch.%
				2Q19	3Q18			
Consolidated Net Income	63	69	101	(9)	(37)	172	362	(52)
Non-Controlling Interest	13	14	21	(5)	(38)	39	58	(32)
Controlling Interest	50	56	80	(10)	(37)	133	304	(56)
Earnings per Share (U.S. Dollars)	0.02	0.03	0.04	(10)	(37)	0.06	0.14	(56)
Avg. Outstanding Shares (Millions)*	2,117	2,118	2,117			2,118	2,117	

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

TABLE 9 | CASH FLOW (U.S. \$ Millions)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch.%
				2Q19	3Q18			
EBITDA	194	161	274	20	(29)	495	694	(29)
Net Working Capital & Others	(2)	90	(125)	(102)	99	64	(275)	123
Capital Expenditures & Acq.	(49)	(38)	(37)	(31)	(34)	(155)	(564)	72
Financial Expenses	(34)	(32)	(30)	(6)	(14)	(97)	(79)	(24)
Income tax	(25)	(60)	(34)	58	27	(115)	(75)	(53)
Dividends	-	(2)	-	99	(61)	(181)	(28)	(537)
Payment to affiliated companies	2	8	-	(82)	100	10	10	(7)
Other Sources / Uses	(37)	(12)	(14)	(215)	(172)	(225)	(24)	(843)
Decrease (Increase) in Net Debt	48	116	34	(59)	42	(204)	(341)	40

TABLE 10 | STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (U.S. \$ Millions)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.	
				2Q19	3Q18
Assets					
Cash and cash equivalents	309	287	229	8	35
Trade accounts receivable	597	703	942	(15)	(37)
Inventories	914	987	1,042	(7)	(12)
Other current assets	407	346	271	17	50
Total current assets	2,226	2,323	2,483	(4)	(10)
Investment in associates and others	454	448	97	1	367
Property, plant and equipment, net	2,410	2,443	2,453	(1)	(2)
Goodwill and intangible assets, net	211	217	208	(3)	1
Other non-current assets	601	577	488	4	23
Total assets	5,903	6,009	5,730	(2)	3
Liabilities & stockholders' equity					
Debt	115	592	280	(81)	(59)
Suppliers	713	833	1,094	(14)	(35)
Other current liabilities	412	333	285	24	44
Total current liabilities	1,239	1,757	1,659	(29)	(25)
Debt (include debt issuance cost)	2,041	1,603	1,547	28	33
Employees' benefits	58	58	54	-	8
Other long-term liabilities	438	473	631	(7)	(31)
Total liabilities	3,777	3,891	3,891	(3)	(3)
Total stockholders' equity	2,125	2,117	1,839	-	16
Total liabilities & stockholders' equity	5,903	6,009	5,730	(2)	3
Net Debt	2,036	2,084	1,603	(2)	27
Net Debt/EBITDA*	2.4	2.2	1.9		
Interest Coverage*	7.8	8.1	7.8		

* Times: last 12 months

Polyester

TABLE 11 | REVENUES

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch. %
				2Q19	3Q18			
Total Revenues								
P.s. Millions	22,553	23,749	27,510	(5)	(18)	70,126	73,936	(5)
U.S. \$ Millions	1,162	1,242	1,450	(6)	(20)	3,643	3,879	(6)
Domestic Revenues								
P.s. Millions	4,561	4,035	5,275	13	(14)	12,580	14,536	(13)
U.S. \$ Millions	235	211	278	11	(15)	653	763	(14)
Foreign Revenues								
P.s. Millions	17,992	19,715	22,235	(9)	(19)	57,545	59,399	(3)
U.S. \$ Millions	927	1,031	1,172	(10)	(21)	2,990	3,115	(4)
Foreign / Total (%)	80	83	81			82	80	

TABLE 12 | OPERATING INCOME AND EBITDA

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch. %
				2Q19	3Q18			
Operating Income								
P.s. Millions	1,675	1,064	3,117	57	(46)	3,506	7,222	(51)
U.S. \$ Millions	86	56	164	54	(48)	182	378	(52)
EBITDA								
P.s. Millions	2,516	1,830	3,768	38	(33)	5,886	9,018	(35)
U.S. \$ Millions	129	96	198	35	(35)	305	472	(35)

TABLE 13 | COMPARABLE EBITDA

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch. %
				2Q19	3Q18			
EBITDA								
P.s. Millions	2,516	1,830	3,768	38	(33)	5,886	9,018	(35)
U.S. \$ Millions	129	96	198	35	(35)	305	472	(35)
Adjustments*								
P.s. Millions	287	523	(706)	(45)	141	883	(1,241)	171
U.S. \$ Millions	15	27	(37)	(46)	140	46	(65)	170
Comparable EBITDA								
P.s. Millions	2,803	2,352	3,062	19	(8)	6,769	7,776	(13)
U.S. \$ Millions	144	123	161	17	(11)	351	407	(14)

*Adjustments: Inventory and non-operating, one-time (gains) losses

Plastics & Chemicals

TABLE 14 | REVENUES

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch. %
				2Q19	3Q18			
Total Revenues								
Ps. Millions	6,693	7,168	8,559	(7)	(22)	21,091	25,015	(16)
U.S. \$ Millions	345	375	451	(8)	(24)	1,096	1,313	(17)
Domestic Revenues								
Ps. Millions	4,202	4,553	5,253	(8)	(20)	13,069	15,476	(16)
U.S. \$ Millions	217	238	277	(9)	(22)	679	812	(16)
Foreign Revenues								
Ps. Millions	2,491	2,616	3,307	(5)	(25)	8,022	9,540	(16)
U.S. \$ Millions	128	137	174	(6)	(26)	417	501	(17)
Foreign / Total (%)	37	36	39			38	38	

TABLE 15 | OPERATING INCOME AND EBITDA

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch. %
				2Q19	3Q18			
Operating Income								
Ps. Millions	951	954	1,306	-	(27)	2,757	3,854	(28)
U.S. \$ Millions	49	50	69	(2)	(29)	143	202	(29)
EBITDA								
Ps. Millions	1,173	1,166	1,448	1	(19)	3,380	4,275	(21)
U.S. \$ Millions	60	61	76	(1)	(21)	175	224	(22)

TABLE 16 | COMPARABLE EBITDA

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD19	YTD18	Ch. %
				2Q19	3Q18			
EBITDA								
Ps. Millions	1,173	1,166	1,448	1	(19)	3,380	4,275	(21)
U.S. \$ Millions	60	61	76	(1)	(21)	175	224	(22)
Adjustments*								
Ps. Millions	81	18	(57)	340	243	179	(131)	236
U.S. \$ Millions	4	1	(3)	328	243	9	(6)	244
Comparable EBITDA								
Ps. Millions	1,254	1,185	1,391	6	(10)	3,559	4,144	(14)
U.S. \$ Millions	65	62	73	4	(12)	184	218	(15)

*Adjustments: Inventory and non-operating, one-time (gains) losses

Appendix B – Financial Statements

ALPEK, S.A.B. DE C.V. and Subsidiaries

STATEMENT OF FINANCIAL POSITION

Information in Millions of Mexican Pesos

(%) Sep-19 vs.

	Sep-19	Jun-19	Sep-18	Jun-19	Sep-18
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	6,069	5,493	4,299	10	41
Restricted cash	3	3	3	-	-
Trade accounts receivable	11,714	13,470	17,713	(13)	(34)
Other accounts and notes receivable	6,630	5,535	3,232	20	105
Inventories	17,945	18,923	19,602	(5)	(8)
Other current assets	1,353	1,102	1,860	23	(27)
Total current assets	43,714	44,526	46,709	(2)	(6)
Investment in associates and others	8,919	8,593	1,828	4	388
Property, plant and equipment, net	47,322	46,824	46,150	1	3
Goodwill and intangible assets	4,138	4,166	3,922	(1)	6
Other non-current assets	11,811	11,068	9,183	7	29
Total assets	115,904	115,177	107,792	1	8
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Debt	2,253	11,341	5,263	(80)	(57)
Suppliers	14,001	15,963	20,574	(12)	(32)
Other current liabilities	8,082	6,375	5,366	27	51
Total current liabilities	24,336	33,679	31,203	(28)	(22)
NON-CURRENT LIABILITIES:					
Debt (include debt issuance cost)	40,083	30,733	29,106	30	38
Deferred income taxes	3,873	4,562	4,382	(15)	(12)
Other non-current liabilities	4,736	4,497	7,486	5	(37)
Employees' benefits	1,143	1,121	1,012	2	13
Total liabilities	74,171	74,592	73,189	(1)	1
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	6,047	6,050	6,052	-	-
Share premium	9,077	9,098	9,071	-	-
Contributed capital	15,124	15,148	15,123	-	-
Earned surplus	21,522	20,729	14,391	4	50
Total controlling interest	36,646	35,877	29,514	2	24
Non-controlling interest	5,087	4,708	5,089	8	-
Total stockholders' equity	41,733	40,585	34,603	3	21
Total liabilities and stockholders' equity	115,904	115,177	107,792	1	8

ALPEK, S.A.B. DE C.V. and Subsidiaries

STATEMENT OF INCOME

Information in Millions of Mexican Pesos

	3Q19	2Q19	3Q18	(%) 3Q19 vs		YTD19	YTD18	(%) YTD19 vs YTD18
				2Q19	3Q18			
Revenues	29,560	31,425	36,833	(6)	(20)	92,552	99,721	(7)
Domestic	8,943	9,036	10,609	(1)	(16)	26,755	30,094	(11)
Export	20,617	22,389	26,224	(8)	(21)	65,797	69,627	(6)
Cost of sales	(25,417)	(28,460)	(31,365)	11	19	(82,786)	(85,273)	3
Gross profit	4,143	2,965	5,468	40	(24)	9,766	14,448	(32)
Operating expenses and others	(1,437)	(866)	(1,061)	(66)	(36)	(3,239)	(3,413)	5
Operating income	2,706	2,099	4,407	29	(39)	6,527	11,035	(41)
Financial result, net	(1,157)	(354)	(1,548)	(227)	25	(1,941)	(1,849)	(5)
Equity in income of associates and joint ventures	(7)	(1)	2	(879)	(428)	(11)	(7)	(58)
Income before taxes	1,542	1,744	2,861	(12)	(46)	4,575	9,179	(50)
Income taxes	(316)	(420)	(950)	25	67	(1,260)	(2,255)	44
Consolidated net income	1,226	1,324	1,911	(7)	(36)	3,315	6,924	(52)
Profit attributable to Controlling interest	976	1,064	1,516	(8)	(36)	2,557	5,818	(56)
Profit attributable to Non-controlling interest	250	260	395	(4)	(37)	758	1,106	(32)

Nemak reports 3Q19 EBITDA of US\$139 million

Monterrey, Mexico. October 17, 2019. - Nemak, S.A.B. de C.V. ("Nemak", or "the Company") (BMV: NEMAK), a leading provider of innovative lightweighting solutions for the global automotive industry, announced today its operational and financial results for the third quarter of 2019 ("3Q19"). A summary of the key performance indicators is presented below:

Key Figures

	Third Quarter			Nine months		
	2019	2018	Δ%	2019	2018	Δ%
Volume (M. Equivalent units)	10.6	12.3	(13.8)	33.8	38.5	(12.2)
Revenues	963	1,152	(16.4)	3,076	3,626	(15.2)
EBITDA ¹	139	160	(13.1)	487	563	(13.5)
CAPEX	74	72	NA ²	246	271	NA ²

US\$ Millions, except Volume

(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash Charges

(2) NA = Not applicable

Nemak sold 10.6 million equivalent units during 3Q19, down 13.8% year-on-year ("y-o-y"), largely due to a less favorable product mix in North America and softer customer production in China. Revenue was down 16.4% y-o-y, mainly affected by lower volume and aluminum prices.

3Q19 EBITDA was US\$139 million, a 13.1% y-o-y decrease. This variation followed a lower volume, unfavorable exchange rate effects, and non-recurring expenses associated with a planned facility closure in North America; these factors were partially offset by the achievement of further operational efficiencies.

Capital expenditures amounted to US\$74 million, as the Company continued investing to ramp up production associated with new contracts. As of September 30, 2019, Net Debt amounted to US\$1,221 million, down 6.4% y-o-y. Nemak's financial ratios were: Net Debt to last-twelve-months ("LTM") EBITDA, 1.9 times; Interest Coverage, 9.3 times.

Message from the CEO

We finished the quarter in line with our expectations, leveraging efficiency initiatives to mitigate the negative effects of lower volume on our results. These efforts focused on driving optimization of our shop-floor operations across all regions. Notwithstanding increased volatility in most of the markets we serve, we remain on track to meet our 2019 Guidance.

Likewise, we made further inroads in the ramp-up of our structural and EV components business. We harnessed our technological capabilities—including design engineering, casting, and joining & assembly—to initiate series production of complex battery housings for plug-in hybrid electric applications in Europe. Moreover, seeking to reinforce our product portfolio, we won new contracts to supply parts for pure-electric pick-up trucks and vans for a global OEM. In this regard, we look forward to continuing our efforts to capitalize on our pipeline of sales prospects in this fast-growing segment during the coming months.

Automotive Industry

	Millions of Units		
	Third Quarter		
	2019	2018	% Var.
U.S. Vehicle Sales SAAR ⁽¹⁾	17.1	17.0	0.6
North America Vehicle Production ⁽²⁾	4.1	4.0	2.5
North America Nemak Customer Production ⁽²⁾	2.8	2.9	(3.4)
Europe Vehicle Sales SAAR ⁽¹⁾⁽²⁾	20.6	20.7	(0.5)
Europe Vehicle Production ⁽²⁾	4.2	4.2	0.0
Europe Nemak Customer Production ⁽²⁾	2.9	2.9	0.0

(1) SAAR = Seasonally Adjusted Annual Rate
 (2) Source: IHS Markit and Nemak estimates

In the quarter, SAAR for U.S. vehicle sales was 17.1 million units, 0.6% higher y-o-y supported by continued favorable economic conditions. Although vehicle production was up 2.5% for North America as a whole, it declined at a similar rate among Nemak customers due mainly to the phase-out of certain vehicle platforms.

In Europe, 3Q19 sales were basically flat as effects of a softer overall macroeconomic environment offset the benefit of a favorable base of comparison, as the implementation of new emissions testing standards weighed on this market over the same period last year. In turn, vehicle production remained unchanged y-o-y.

Recent Developments

- During the third quarter, Nemak won new contracts worth a total of US\$240 million in annual revenue, primarily to produce cylinder heads, engine blocks, and EV components.
- Nemak was selected to join the Dow Jones Sustainability MILA Pacific Alliance Index, as well as the London Stock Exchange's FTSE4Good Index Series, based on expert reviews of its economic, social, and environmental practices.
- Nemak was named finalist for the 2019 Automotive News PACE™ Awards for its use of proprietary casting technology to produce highly integrated electric motor housings. Winners will be announced in March 2020.



Financial Results Summary

	Third Quarter			Nine months		
	2019	2018	Δ%	2019	2018	Δ%
Volume (M. Equivalent units)	10.6	12.3	(13.8)	33.8	38.5	(12.2)
Revenues	963	1,152	(16.4)	3,076	3,626	(15.2)
Operating Income	43	69	(37.7)	224	312	(28.2)
EBITDA ¹	139	160	(13.1)	487	563	(13.5)
EBITDA ¹ / Eq. Unit	13.1	13.0	0.8	14.4	14.6	(1.4)
Net Income	(2)	49	NA	99	142	(30.3)
CAPEX	74	72	NA ²	246	271	NA ²
Net Debt ³	1,221	1,304	(6.4)			

US\$ Millions, except Volume and EBITDA / Eq. Unit

(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash Charges

(2) NA = Not applicable

(3) Net Debt = Total Debt - Total Cash

3Q19 total volume decreased 13.8% y-o-y, with North America and Rest of World accounting for most of this variation. In North America, volume was down mainly due to a less favorable product mix, lower exports to China, and less production among Detroit 3 customers; and, in Rest of World, the main factor was a reduction in Ford light-vehicle sales in China. Meanwhile, Europe volume was down on lower sales to Jaguar Land Rover.

Turning to Revenue, lower volume and aluminum prices drove a 16.4% y-o-y decrease in 3Q19.

Regarding Operating Income, the Company reported a 37.7% y-o-y decrease in 3Q19 mainly due to non-recurring effects derived from the planned closure of its plant in Windsor, Canada; lower revenue; and the impact of the depreciation of the euro against the U.S. dollar, which more than offset the benefit of operating efficiencies. In turn, EBITDA was 13.1% lower y-o-y as this measure excludes the asset impairment associated with the above-mentioned plant closure. Meanwhile, 3Q19 EBITDA per equivalent unit was US\$13.1, 0.8% higher than the US\$13.0 reported on the same quarter last year. Nemak's 3Q19 Net Income was down mainly on the same factors affecting Operating Income as described above, finishing at negative US\$2 million.

Capital expenditures amounted to US\$74 million in 3Q19, continuing with investments to support new product launches in all regions.

As of September 30, 2019, Nemak reported a Net Debt of US\$1.2 billion. Financial ratios were: Net Debt to LTM EBITDA, 1.9 times; and Interest Coverage, 9.3 times. These ratios compared to 1.8 and 8.4 times, respectively, as of quarter-end 3Q18.



Regional Results

North America

In 3Q19, revenue was down 16.7% y-o-y, mostly related to lower volume and aluminum prices. 3Q19 EBITDA declined by 12.5% y-o-y, attributable to a combination of lower volume and non-recurring expenses associated with the wind-down of manufacturing operations in Windsor, Canada.

Europe

3Q19 revenue decreased 13.2% y-o-y, mainly due to lower volume and negative currency effects, as well as lower aluminum prices. 3Q19 EBITDA was 18.8% lower y-o-y mainly due to the reduction in volume, the depreciation of the euro against the U.S. dollar, and severance costs.

Rest of the World

In 3Q19, revenue decreased by 25.4% y-o-y, mainly due to lower sales to Ford China. 3Q19 EBITDA was US\$9 million, slightly higher than the same period last year as operational efficiencies more than offset effects of lower volume.



Methodology for presentation of results

The report presents unaudited financial information. Figures are in Mexican pesos or U.S. dollars, as indicated. For income statement items, peso amounts were translated into dollars using the average exchange rate of the months during which the operations were recorded. For balance sheet items, peso amounts were translated into dollars using the end-of-period exchange rate. Financial ratios were calculated in dollars. Due to rounding, minor differences may occur when calculating percent changes from one period to another.

Conference call information

Nemak's Third Quarter 2019 Conference Call will be held on Friday, October 18, 2019, 11:30 a.m. Eastern Time (10:30 a.m. Mexico City Time). To participate in the conference call, please dial: Domestic U.S.: (877) 407-0784; International: 1-201-689-8560; Mexico Toll Free: 01 800 522 0034. The conference call will be webcast live through streaming audio. If you are unable to participate, the conference call audio and script will be available on Nemak's website. For more information, please visit investors.nemak.com

Forward-looking statements

This report may contain certain forward-looking statements concerning Nemak's future performance that should be considered as good faith estimates made by the Company. These forward-looking statements reflect management's expectations and are based upon currently available data and analysis. Actual results are subject to future events and uncertainties, which could materially impact Nemak's actual performance and results.

About Nemak

Nemak is a leading provider of innovative lightweighting solutions for the global automotive industry, specializing in the development and manufacturing of aluminum components for powertrain and body structure applications. In 2018, it generated revenue of US\$4.7 billion. For more information about Nemak, visit <http://www.nemak.com>

Three pages of tables to follow



Nemak
Income Statement
Millions of Dollars

	For the third quarter of:					For the nine months of:				
	2019	% of rev.	2018	% of rev.	% Var.	2019	% of rev.	2018	% of rev.	% Var.
Volume (million equivalent units)	10.6		12.3		(13.8)	33.8		38.5		(12.2)
Total revenues	963	100.0	1,152	100.0	(16.4)	3,076	100.0	3,626	100.0	(15.2)
Gross profit	145	15.1	140	12.2	3.6	461	15.0	544	15.0	(15.3)
Sales & administrative expenses	(69)	(7.2)	(80)	(6.9)	(13.8)	(212)	(6.9)	(240)	(6.6)	(11.7)
Other income (expenses) net	(33)	(3.4)	9	0.8	NA	(25)	(0.8)	8	0.2	NA
Operating Income	43	4.5	69	6.0	(37.7)	224	7.3	312	8.6	(28.2)
Interest Expenses	(23)	(2.4)	(19)	(1.6)	21.1	(64)	(2.1)	(81)	(2.2)	(21.0)
Interest Income	2	0.2	1	0.1	NA	12	0.4	5	0.1	NA
Foreign exchange gain (loss)	(2)	(0.2)	21	1.8	NA	(4)	(0.1)	(26)	(0.7)	(84.6)
Financing expenses net	(23)	(2.4)	3	0.3	NA	(56)	(1.8)	(102)	(2.8)	(45.1)
Participation in associates results	1	0.1	0	0.0	0.0	2	0.1	7	0.2	(71.4)
Income Tax	(23)	(2.4)	(23)	(2.0)	0.0	(71)	(2.3)	(75)	(2.1)	(5.3)
Net Income	(2)	(0.2)	49	4.3	NA	99	3.2	142	3.9	(30.3)

	2019	% of rev.	2018	% of rev.	% Var.	2019	% of rev.	2018	% of rev.	% Var.
Operating Income	43	4.5	69	6.0	(37.7)	224	7.3	312	8.6	(28.2)
Depreciation, Amortization & Other Non-Cash items	96	10.0	91	7.9	5.5	263	8.6	251	6.9	4.8
EBITDA ¹	139	14.4	160	13.9	(13.1)	487	15.8	563	15.5	(13.5)
CAPEX	74	7.7	72	6.3	NA ²	246	8.0	271	7.5	NA ²

(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash items
(2) Not applicable

Nemak
Balance Sheet
Millions of Dollars

Assets	Sep-19	Dec-18	% Var
Cash and cash equivalents	246	181	35.9
Accounts receivable	387	521	(25.7)
Inventories	589	636	(7.4)
Other current assets	54	55	(1.8)
Total current assets	1,276	1,392	(8.3)
Investments in shares	20	37	(45.9)
Property, plant and equipment, net	2,553	2,623	(2.7)
Other assets	744	685	8.6
Total assets	4,593	4,738	(3.1)

Liabilities & stockholders' equity	Sep-19	Dec-18	% Var
Bank loans	97	78	24.4
Current maturities of long-term debt	63	47	34.0
Interest payable	7	17	(58.8)
Operating liabilities	1,094	1,206	(9.3)
Total current liabilities	1,261	1,349	(6.5)
Long-term debt	1,323	1,339	(1.2)
Labor liabilities	67	63	6.3
Other long term-liabilities	160	153	4.6
Total liabilities	2,812	2,904	(3.2)
Total stockholders' equity	1,781	1,834	(2.9)
Total liabilities & stockholders' equity	4,593	4,738	(3.1)



Nemak Regional Results

Millions of Dollars

Volume (million equivalent units)	For the third quarter of:			For the nine months of:		
	2019	2018	% Var.	2019	2018	% Var.
North America	6.3	7.5	(16.0)	19.9	22.8	(12.7)
Europe	3.3	3.4	(2.9)	11.0	11.8	(6.8)
Rest of World	1.0	1.4	(28.6)	2.9	3.9	(25.6)
Total	10.6	12.3	(13.8)	33.8	38.5	(12.2)

Total Revenues*	For the third quarter of:			For the nine months of:		
	2019	2018	% Var.	2019	2018	% Var.
North America	555	666	(16.7)	1,724	2,029	(15.0)
Europe	323	372	(13.2)	1,091	1,254	(13.0)
Rest of World	85	114	(25.4)	261	344	(24.1)
Total	963	1,152	(16.4)	3,076	3,626	(15.2)

EBITDA ¹	For the third quarter of:			For the nine months of:		
	2019	2018	% Var.	2019	2018	% Var.
North America	91	104	(12.5)	299	355	(15.8)
Europe	39	48	(18.8)	165	186	(11.3)
Rest of World	9	7	28.6	24	22	9.1
Total	139	160	(13.1)	487	563	(13.5)

EBITDA ¹ Margin in %	For the third quarter of:			For the nine months of:		
	2019	2018	% Var.	2019	2018	% Var.
North America	16%	16%	5.0	17%	17%	(0.9)
Europe	12%	13%	(6.4)	15%	15%	2.0
Rest of World	11%	6%	72.4	9%	6%	43.8
Total	14%	14%	3.9	16%	16%	2.0

EBITDA ¹ USD/Equivalent units	For the third quarter of:			For the nine months of:		
	2019	2018	% Var.	2019	2018	% Var.
North America	14.4	13.9	4.2	15.0	15.6	(3.5)
Europe	11.8	14.1	(16.3)	15.0	15.8	(4.8)
Rest of World	9.0	5.0	80.0	8.3	5.6	46.7
Total	13.1	13.0	0.8	14.4	14.6	(1.4)

(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash items

* To external customers



EARNINGS REPORT

Third Quarter 2019 (3Q19)



Monterrey, Mexico, October 17, 2019. - Axtel, S.A.B. de C.V. (BMV: AXTELCPO) ("Axtel" or "the Company"), a Mexican Information and Communications Technology company, announced today its unaudited results for the third quarter of 2019 ("3Q19").

Axtel reports 3Q19 EBITDA of US \$57 million (Ps. 1,111 million)

SELECTED FINANCIAL INFORMATION

(IN MILLIONS)

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD'19	YTD'18	YTD Δ (%)
				2Q19	3Q18			
Revenues (Ps.)	3,167	3,092	3,140	2	1	9,406	9,342	1
US \$	163	162	165	1	(1)	489	491	(0)
EBITDA (Ps.) ¹	1,111	1,094	1,045	2	6	3,279	3,296	(1)
US \$	57	57	55	(0)	4	170	173	(2)
Net (loss) Income (Ps.)	(351)	409	(542)	--	35	(20)	(147)	87
US \$	(18)	22	(29)	--	37	(1)	(8)	93
CAPEX (Ps.) ²	396	418	576	(5)	(31)	1,190	1,140	4
US \$	20	22	30	(7)	(33)	62	60	3
Net Debt (US \$)	765	764	1,027	0	(25)			
Net Debt / LTM EBITDA*	3.4	3.4	3.5					
LTM Interest Coverage*	3.2	3.2	3.0					
Adjusted Revenues (Ps.) ³	3,202	3,178	3,829	1	(16)	9,702	11,430	(15)
US \$	165	166	202	(1)	(18)	504	600	(16)
Adjusted EBITDA (Ps.) ³	1,105	1,848	1,311	(40)	(16)	4,064	4,106	(1)
US \$	57	97	69	(41)	(18)	211	216	(2)

* Times. LTM = Last twelve months. See page 7 for ratio calculation details.

1) EBITDA = Operating income + depreciation & amortization + impairment of assets.

2) Gross amount; does not include divestments.

3) Axtel's results reflect the Mass Market business as discontinued operations. ALFA, however, consolidates both continuing and discontinued operations. For a complete reconciliation of revenues and EBITDA, see tables 7 and 8.

3Q19 HIGHLIGHTS

Results

- In line with 2019 guidance, third quarter EBITDA increased 6% year-over-year, mainly driven by a 3% increase in Enterprise segment revenues and improved EBITDA margins due to operating efficiencies as a result of digitalization initiatives.

Data Center Agreement

- Axtel entered into an agreement with Equinix, to enhance its colocation, interconnection and cloud solutions. The transaction remains subject to customary closing conditions, including regulatory approval.
- Upon closing, Equinix will acquire a majority interest of a new entity including the operations and assets of three Axtel data centers, valued at US \$175 million. Axtel will retain a minority ownership.
- Under a Joint Marketing agreement, Alestra will work with Equinix to develop marketing opportunities across each party's portfolio of related IT, data center and network solutions.

Functional Separation

- To maximize its infrastructure and capture market opportunities, the Company started operating under two specialized business units.
 - Infrastructure business unit, as a neutral operator, will provide fiber-based connectivity services to wholesale customers, capturing opportunities from the increasing demand for bandwidth.
 - Alestra, the service business unit, will continue playing an important role in helping enterprise and government segment customers become more productive through digitalization by providing IT and managed Telecom solutions.

Focused Strategy and Deleveraging

- With the monetization of towers in 2017 and mass market segment in 2018, Axtel has been able to focus its strategy on its core enterprise and government segments, while strengthening its capital structure.
- Upon closing the data center transaction, Axtel will take another step on its business strategy with the ultimate goal of creating value for its shareholders.



MESSAGE FROM AXTEL'S CEO

"We are closing nine months of positive results for the Company. Enterprise and wholesale revenue reported a 3% growth in 3Q19, contributing to the nine-month period growth of 4%. This is a favorable result, given that our industry segment is growing slightly above 1% and the Mexican economy below 1%. Our government segment performance remains below expectations; third-quarter results were better than the two previous quarters, although there is still no clear visibility of recurring projects going forward. EBITDA increased 6% in 3Q19, largely due to the automation or robotization of more than 40 processes created from the digital transformation within the Company. In Axtel, we are embracing digital innovation as a new internal administrative and operational model, and also helping customers evolve from traditional to digital businesses through our ICT solutions.

Regarding strategic achievements, the data center agreement with Equinix will allow us to continue offering colocation and interconnection services as important elements of multi-cloud and ICT solutions in Mexico and now worldwide. This represents an important value creation transaction in terms of valuation and business opportunities for Axtel and Equinix. We expect to close this transaction early next year, once regulatory approval is obtained.

Also, very remarkable is the beginning of the functional separation of Axtel in two business units. Focusing on maximizing opportunities for our infrastructure is key to capture the demand for connectivity from operators who are needing more fiber-based bandwidth in proximity to points of consumption, due to further adoption of streaming, Internet of Things and continuous 4G and, eventually, 5G rollouts, among others. Moreover, Alestra, our service business unit for enterprise and government customers, will focus on the development of the new generation of digital services and will continue integrating and managing networks, clouds, systems and cybersecurity perimeters under the highest standards of service and quality.

The towers sale in 2017, divestment of the mass market segment in 2018, as well as the data center agreement and functional separation in 2019, have strengthened our position as a leading provider of managed telecom and IT services for the enterprise, wholesale and government segments. Additionally, we have significantly improved our capital structure, regaining the required flexibility to continue strengthening our competitive position and creating value for our customers, shareholders, employees and community."

Rolando Zubirán

TOTAL REVENUES

Total revenues were US \$163 million in 3Q19, down 1% when compared to 3Q18. In pesos, revenues increased 1%, mainly due to a 3% increase in the enterprise segment, mitigated by a 10% decrease in the government segment (see table 1).

ENTERPRISE SEGMENT (83% of Axtel's LTM revenues)

Enterprise segment revenues totaled US \$136 million in 3Q19, 1% higher than the year-earlier quarter. In pesos, revenues reached Ps. 2,632 million, up 3% due to increases in IT services and non-recurrent Telecom revenues (see table 2).

TELECOM revenues reached Ps. 2,295 million in 3Q19, a 3% increase year-over-year, mainly due to a 12% increase in *managed networks* explained by strong increases in *managed* and *collaboration* services due to the Mass Market divestment transition service agreement and to infrastructure-based revenues related to a fiber connectivity contract. Additionally, *data and internet* revenues increased 3%. These increases were softened by a 13% decrease in *voice* revenues, due to secular declines in fix-to-mobile and long distance revenues.

IT revenues reached Ps. 338 million in 3Q19, up 5% when compared to 3Q18, mainly due to a 42% increase in *managed application* services and a 13% growth in *system integration solutions*, both due to new contracts with existing customers.

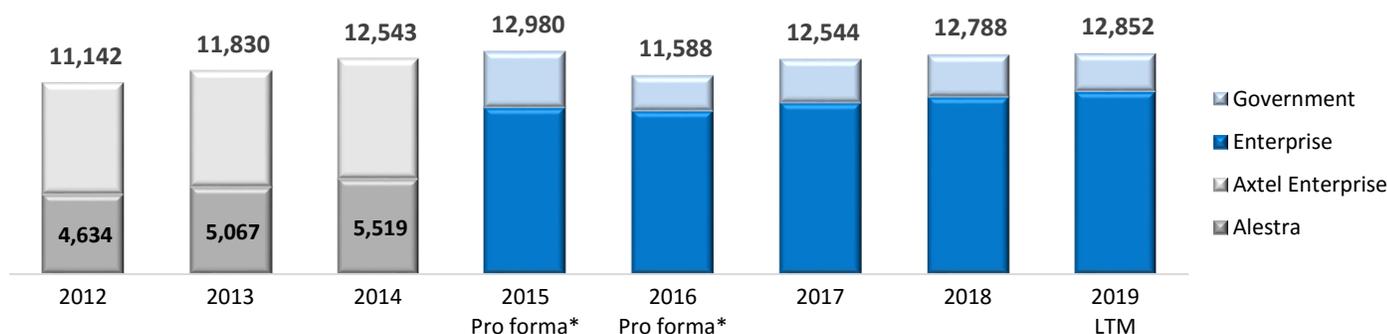
GOVERNMENT SEGMENT (17% of Axtel's LTM revenues)

Government segment revenues amounted US \$28 million in 3Q19, a sequential improvement when compared to 1Q19 and 2Q19, however down 12% when compared to 3Q18. In pesos, revenues totaled Ps. 535 million, down 10% year over year, where recurrent revenues decreased 3%, while there were no non-recurrent revenues in the quarter (see table 3).

TELECOM revenues reached Ps. 283 million in 3Q19, a 3% decrease compared to 3Q18, due to declines in *voice* and *managed networks* revenues associated to a slowdown in non-recurrent revenues, partially mitigated by an increase in *data and internet* revenues.

IT revenues reached Ps. 252 million in 3Q19, down 16% when compared to 3Q18. Good performance in *managed applications* and *system integration* related to a new contract with a federal entity were offset by strong decreases in *security services* revenues mainly due to the termination of a major security contract by the end of 2018.

EVOLUTION (IN MILLION PS.)



* Pro forma figures include both Axtel and Alestra results as of the beginning of each year.

GROSS PROFIT

Gross profit is defined as revenues minus cost of revenues. For 3Q19, gross profit was US \$121 million, down 4% compared to 3Q18.

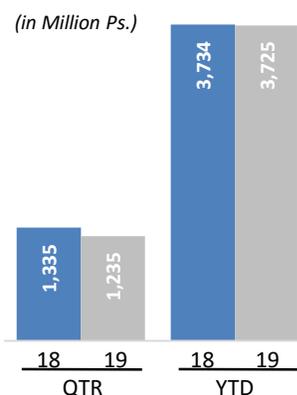
In pesos, gross profit totaled Ps. 2,346 million, a 1% decrease versus 3Q18, associated to the increase in lower margin non-recurrent enterprise revenues.



OPERATING AND OTHER EXPENSES

Total expenses reached US \$64 million in the 3Q19, a 10% decrease compared to 3Q18.

In pesos, total expenses reached Ps. 1,235 million, down 8% compared to 3Q18, due to reduction in personnel and maintenance expenses resulting from digital innovation initiatives and a Ps. 68 million benefit from the new accounting standard for long term leases (IFRS16).



EBITDA

EBITDA totaled US \$57 million in 3Q19, a 4% increase compared to US \$55 million in 3Q18.

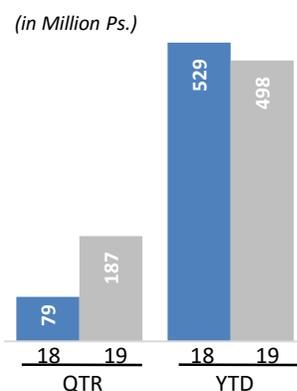
In pesos, EBITDA reached Ps. 1,111 million, a 6% increase year-over-year. EBITDA margin increased from 33.3% in 3Q18 to 35.1% in 3Q19, largely driven by digitalization initiatives which have contributed to a reduction in expenses.



OPERATING INCOME

In the 3Q19, operating income totaled US \$10 million, 132% higher than the same quarter of last year.

In pesos, 3Q19 operating income totaled Ps. 187 million, a 136% increase compared to 3Q18, mainly due to the increase in EBITDA previously described and a 4% decline in depreciation and amortization.



COMPREHENSIVE FINANCING RESULT

The comprehensive financing cost reached US \$33 million in 3Q19. In pesos, financing cost for 3Q19 totaled Ps. 645 million, a 33% increase compared to 3Q18, mostly explained by a Ps. 311 million FX loss during 3Q19 resulting from a 2% depreciation of the Mexican peso against the US dollar. Net interest expenses declined 24% from 3Q19 to 3Q18 mainly due to partial prepayments of bank facilities for Ps. 4,350 million in December 2018 and Ps. 550 million in May 2019 (see table 5).

NET DEBT

At the end of the third quarter 2019, net debt was US \$765 million, down 25% or US \$262 million, in comparison with 3Q18, comprised of a US \$254 million decrease in debt, a US \$13 million non-cash decrease in debt caused by a 4% depreciation of the Mexican peso year-over-year and a US \$5 million decrease in cash.

Total debt reduction of US \$254 million year-over-year is explained by (i) a US \$260 million decrease related to the partial prepayments of the Syndicated Bank facility; (ii) a US \$25 million decrease in other loans and financial leases; (iii) a US \$1 million decrease in accrued interests; and (iv) a US \$32 million increase related to the new accounting standard for long term leases (IFRS16).

As of the end of the 3Q19, the cash balance totaled US \$39 million or Ps. 768 million, compared to US \$44 million or Ps. 822 million a year ago. The cash balance at the end of the 3Q18 included US \$9 million restricted cash.

Financial ratios at the close of 3Q19 were: Net Debt to EBITDA of 3.4 times and Interest Coverage of 3.2 times (see table 6).

CAPITAL EXPENDITURES (CAPEX)

Capital investments totaled US \$20 million in the 3Q19, a 33% decline compared to 3Q18. Most of investments were in infrastructure to provide enterprise customers with last mile access solutions (fiber optic and radio) and managed equipment; as well as to expand the capacity of Axtel's Telecom services' network.

FUNCTIONAL SEPARATION

Axtel results are separated internally into two business units: infrastructure and services.

SELECTED FINANCIAL INFORMATION BY BUSINESS UNIT

(IN MILLIONS)

	YTD'19				YTD'18				YTD Δ (%)		
	TOTAL	Infr.	Services	Elim.	TOTAL	Infr.	Services	Elim.	TOTAL	Infr.	Services
Revenues (Ps.)	9,406	4,489	7,527	(2,610)	9,342	4,320	7,623	(2,601)	1	4	(1)
US \$	489	233	391	(136)	491	227	400	(137)	(0)	3	(2)
Cont. Mg. (Ps.)	7,004	3,486	3,518	--	7,030	3,265	3,765	--	(0)	7	(7)
US \$	364	181	183	--	369	172	198	--	(2)	5	(8)
Expenses (Ps.)	(3,725)	(1,791)	(1,934)	--	(3,734)	(1,688)	(2,046)	--	0	(6)	5
US \$	(193)	(93)	(100)	--	(197)	(89)	(108)	--	2	(5)	7
EBITDA (Ps.)	3,279	1,695	1,584	--	3,296	1,577	1,719	--	(1)	8	(8)
US \$	170	88	82	--	173	83	90	--	(2)	6	(9)
EBITDA Mg. (%)	34.9%	37.8%	21.0%		35.3%	36.5%	22.6%				

* Note: Figures include eliminations of intercompany (Infrastructure and Service business units) revenues and costs.

INFRASTRUCTURE BUSINESS UNIT (52% of Axtel's YTD EBITDA)

REVENUES totaled US \$233 million YTD 2019, a 3% increase compared to 2018 period. In pesos, revenues increased 4% YTD 2019 vs 2018, mainly due to a strong increase in *IP transit* services and growth in *spectrum*, *fiber-to-the tower (FTTT)* and *colocation* services.

Revenues coming from Alestra Service Unit represented 54% of total Infrastructure Business Unit revenues.

EBITDA reached US \$88 million YTD 2019, up 6% compared to YTD 2018, or 8% in pesos, due to the increase in revenues and contribution margins

SERVICES BUSINESS UNIT ("ALESTRA") (48% of Axtel's YTD EBITDA)

REVENUES totaled US \$391 million YTD 2019, a 2% decline compared to 2018 period. In pesos, revenues decrease 1% as a 4% increase in Enterprise Segment was mitigated by a 15% decline in Government Segment revenues.

ENTERPRISE revenues increased 4% YTD 2019 vs YTD 2018. Telecom revenues increased 3%, due to 7% and 8% increases in *data and internet* and *managed network* solutions, respectively, which were partially mitigated by a 10% decline in *voice* revenues. IT services posted an 11% increase, due to positive performance from *system integration*, *managed applications*, *security* and *cloud* services.

GOVERNMENT revenues declined 15% YTD 2019 vs 2018, largely due to a 27% decline in IT revenues, mainly driven by a strong decline in *security* services related to the termination of a major security contract in the 2018 period, and in *system integration* revenues. Telecom revenues declined 1%, as positive performance from *data and internet* was mitigated by a decline in *voice* revenues.

EBITDA reached US \$82 million YTD 2019, down 9% compared to 2018. In pesos, EBITDA declined 8%, due to a decline in contribution margins and partially compensated by a 5% decline in expenses.

OTHER INFORMATION

- The report presents unaudited financial information based on International Financial Reporting Standards (IFRS). Figures are presented in Mexican Pesos (Ps.) or US Dollars (US \$), as indicated. Where applicable, Peso amounts were translated into US Dollars using the average exchange rate of the months during which the operations were recorded.
- This report 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, results could vary from those set forth in this release.
- Net Debt / EBITDA ratio: means net debt translated into US Dollars using the end-of-period exchange rate divided by LTM EBITDA translated into US Dollars using the average exchange rate for each month during which the operations were recorded. Net debt means total debt (including accrued interests) minus cash (including restricted cash).
- Interest coverage ratio: means the ratio of LTM EBITDA to interest expense (net of interest income), both translated into US Dollars using the average exchange rate for each month during which the operations were recorded. Interest expense calculated pro forma for debt prepayments.
- To reduce exposure to exchange rate risk, Axtel maintains exchange rate forward transactions for an outstanding amount of US \$26 million as of 3Q19, at an average exchange rate of 19.99 MXN/USD, where Axtel buys USD and sells MXN. These FX FWD transactions hedge the 2024 Senior Notes' coupon payment due November 2019 and partial, USD-denominated Capex requirements up to December 2019. Additionally, Axtel maintains an interest rate swap ("IRS") for Ps. 3,380 million, maturing in December 2022, where Axtel pays 8.355% and receives TIEE28d.
- Subject to market conditions, the Company's liquidity position and its contractual obligations, from time to time, the Company may acquire or divest its own shares and/or its Senior Notes, as well as enter into or unwind financial instruments whose underlying is related to the performance of its shares.

ABOUT AXTEL

Axtel is a Mexican Information and Communication Technology Company that serves the enterprise and government segments with a robust portfolio of IT and Telecommunications solutions. With a network infrastructure of 39 thousand kilometers of fiber, Axtel enables organizations to be more productive through innovation.

As of February 15, 2016, Axtel is a subsidiary of ALFA, which owns 52.8% of its equity.

Axtel adhered to the UN Global Compact in 2011, the world's largest social responsibility initiative. It is part of the IPC Sustentable of the Mexican Stock Exchange since 2013 and has received recognition from CEMEFI as a Socially Responsible Company since 2008.

Axtel shares, represented by Ordinary Participation Certificates, or CPOs, trade on the Mexican Stock Market under the symbol "AXTELCPO" since 2005.

Axtel's Investor Relations Center: axtelcorp.mx
Enterprise and Government services website: alestra.mx

Appendix A – Tables

TABLE 1 | REVENUES BY SEGMENT
(IN MILLIONS)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD'19	YTD'18	YTD Δ (%)
				2Q19	3Q18			
ENTERPRISE (Ps.)	2,632	2,645	2,548	(0)	3	7,904	7,581	4
<i>US \$</i>	136	138	134	(2)	1	411	398	3
GOVERNMENT (Ps.)	535	446	592	20	(10)	1,502	1,762	(15)
<i>US \$</i>	28	23	31	18	(12)	78	92	(16)
TOTAL (Ps.)	3,167	3,092	3,140	2	1	9,406	9,342	1
<i>US \$</i>	163	162	165	1	(1)	489	491	(0)
<i>Recurrent (Ps.)</i>	3,004	2,961	3,084	1	(3)	8,984	9,021	(0)
<i>Non recurrent (Ps.)</i>	164	131	56	25	192	422	322	31

TABLE 2 | ENTERPRISE SEGMENT REVENUES
(IN MILLIONS)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD'19	YTD'18	YTD Δ (%)
				2Q19	3Q18			
TELECOM (Ps.)	2,295	2,318	2,226	(1)	3	6,910	6,662	4
<i>Voice</i>	411	488	475	(16)	(13)	1,330	1,521	(13)
<i>Data and Internet</i>	923	903	895	2	3	2,717	2,624	4
<i>Managed Networks</i>	961	928	856	4	12	2,862	2,516	14
IT (Ps.)	338	327	322	3	5	994	919	8
TOTAL ENTERPRISE (Ps.)	2,632	2,645	2,548	(0)	3	7,904	7,581	4
<i>US \$</i>	136	138	134	(2)	1	411	398	3
<i>Recurrent (Ps.)</i>	2,461	2,516	2,526	(2)	(3)	7,477	7,465	0
<i>Non recurrent (Ps.)</i>	171	129	22	33	688	427	115	270

TABLE 3 | GOVERNMENT SEGMENT REVENUES
(IN MILLIONS)

	3Q19	2Q19	3Q18	(%) 3Q19 vs.		YTD'19	YTD'18	YTD Δ (%)
				2Q19	3Q18			
TELECOM (Ps.)	283	234	293	21	(3)	816	823	(1)
<i>Voice</i>	27	24	37	12	(26)	81	113	(28)
<i>Data and Internet</i>	96	49	69	97	39	224	203	10
<i>Managed Networks</i>	160	161	187	(1)	(15)	511	507	1
IT (Ps.)	252	212	299	19	(16)	686	938	(27)
TOTAL GOVERNMENT (Ps.)	535	446	592	20	(10)	1,502	1,762	(15)
<i>US \$</i>	28	23	31	18	(12)	78	92	(16)
<i>Recurrent (Ps.)</i>	542	444	558	22	(3)	1,507	1,555	(3)
<i>Non recurrent (Ps.)</i>	(7)	2	34	--	--	(4)	206	--

Appendix A – Tables

TABLE 4 | OPERATING INCOME AND EBITDA
(IN MILLIONS)

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD'19	YTD'18	YTD Δ (%)
				2Q19	3Q18			
Operating Income (Ps.)	187	184	79	1	136	498	529	(6)
US \$	10	10	4	(0)	132	26	28	(6)
EBITDA (Ps.)	1,111	1,094	1,045	2	6	3,279	3,296	(1)
US \$	57	57	55	(0)	4	170	173	(2)
Adjustments* (Ps.)	0	0	0	--	--	0	(225)	--
US \$	0	0	0	--	--	0	(12)	--
Comparable EBITDA (Ps.)	1,111	1,094	1,045	2	6	3,279	3,071	7
US \$	57	57	55	(0)	4	170	161	6

* Adjustments include one-time (gains) losses, such as the tower sale.

TABLE 5 | COMPREHENSIVE FINANCING RESULT
(IN MILLIONS)

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD'19	YTD'18	YTD Δ (%)
				2Q19	3Q18			
Net interest expense	(351)	(352)	(463)	0	24	(1,068)	(1,329)	20
FX gain (loss), net	(311)	21	(12)	--	(2,445)	(131)	666	--
Ch. FV of Fin. Instruments	17	(2)	(10)	--	--	(15)	(2)	(590)
Total (Ps.)	(645)	(333)	(485)	(93)	(33)	(1,214)	(665)	(83)
US \$	(33)	(17)	(26)	(90)	(28)	(63)	(35)	(78)

TABLE 6 | NET DEBT AND FINANCIAL RATIOS
(US \$ MILLIONS)

	3Q19	2Q19	3Q18	(% 3Q19 vs.)	
				2Q19	3Q18
Senior Notes 2024	500	500	500	0	0
Syndicated bank facilities	67	69	331	(2)	(80)
Long-term bank loan	166	170	173	(2)	(4)
Other loans + leases	57	61	51	(7)	11
Accrued interests	14	6	16	128	(8)
Total Debt	805	807	1,071	(0)	(25)
% US \$ denominated debt	64%	64%	48%		
(-) Cash and cash eq.	(39)	(43)	(44)	8	10
Net Debt	765	764	1,027	0	(25)
Net Debt / LTM EBITDA*	3.4	3.4	3.5		
LTM Interest Coverage*	3.2	3.2	3.0		

* Times. LTM = Last twelve months. See page 7 for calculation details.

Appendix B – Discontinued Operations | Mass Market Segment

Axtel's results reflect the Mass Market business as discontinued operations. ALFA, however, consolidates both continuing and discontinued operations, as follows:

TABLE 7 | DISCONTINUED OPERATIONS – REVENUE RECONCILIATION

(IN MILLIONS)

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD'19	YTD'18	YTD Δ (%)
				2Q19	3Q18			
Revenues	3,167	3,092	3,140	2	1	9,406	9,342	1
Revenues from Disc. Op.	35	86	689	(60)	(95)	297	2,088	(86)
Adjusted Revenues (Ps.)¹	3,202	3,178	3,829	1	(16)	9,702	11,430	(15)
<i>US \$</i>	165	166	202	(1)	(18)	504	600	(16)

1) As consolidated by ALFA

TABLE 8 | DISCONTINUED OPERATIONS – EBITDA RECONCILIATION

(IN MILLIONS)

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD'19	YTD'18	YTD Δ (%)
				2Q19	3Q18			
EBITDA (Ps.)	1,111	1,094	1,045	2	6	3,279	3,296	(1)
<i>US \$</i>	57	57	55	(0)	4	170	173	(2)
EBITDA Discontinued Op. (Ps.)	(6)	754	266	--	--	785	810	(3)
<i>US \$</i>	(0)	39	14	--	--	41	43	(3)
Adjusted EBITDA (Ps.)¹	1,105	1,848	1,311	(40)	(16)	4,064	4,106	(1)
<i>US \$</i>	57	97	69	(41)	(18)	211	216	(2)
Adjustments (Ps.)²								
Tower Sale	0	0	0	--	--	0	(225)	--
FTTx Sale	0	(741)	0	--	--	(741)	0	--
Comparable Adj. EBITDA (Ps.)	1,105	1,106	1,311	(0)	(16)	3,322	3,881	(14)
<i>US \$</i>	57	58	69	(2)	(18)	173	204	(15)

1) As consolidated by ALFA

2) Adjustments include one-time (gains) losses

Appendix C – Financial Statements

Axtel, S.A.B. de C.V. and Subsidiaries

Unaudited Consolidated Balance Sheet

(IN MILLION PESOS)

	3Q19	2Q19	3Q18	(% 3Q19 vs. 2Q19 3Q18)	
ASSETS					
CURRENT ASSETS					
Cash and equivalents	768	722	652	6	18
Accounts receivable	2,862	3,047	3,024	(6)	(5)
Related parties	37	63	41	(42)	(10)
Refundable taxes and other acc. rec.	780	709	986	10	(21)
Advances to suppliers	560	584	653	(4)	(14)
Inventories	119	141	296	(16)	(60)
Financial Instruments	0	1	0	--	--
Financial Instruments (ZSC)	87	70	162	24	(47)
Total current assets	5,211	5,337	5,813	(2)	(10)
NON CURRENT ASSETS					
Restricted cash	0	97	171	--	--
Property, plant and equipment, net	14,643	15,076	18,277	(3)	(20)
Long-term accounts receivable	0	0	9	--	--
Intangible assets, net	1,683	1,772	1,413	(5)	19
Deferred income taxes	3,028	2,837	3,566	7	(15)
Investment shares associated co.	295	295	157	(0)	87
Other assets	440	449	400	(2)	10
Total non current assets	20,089	20,526	23,993	(2)	(16)
TOTAL ASSETS	25,300	25,863	29,806	(2)	(15)
LIABILITIES & STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Account payable & Accrued expenses	3,099	3,370	3,482	(8)	(11)
Accrued Interest	276	121	294	129	(6)
Short-term debt	0	0	0	--	--
Current portion of long-term debt	502	529	488	(5)	3
Taxes payable	34	16	39	106	(13)
Financial Instruments	34	25	26	33	31
Deferred Revenue	264	444	279	(41)	(6)
Provisions	144	168	21	(14)	572
Other accounts payable	1,157	1,305	3,045	(11)	(62)
Total current liabilities	5,510	5,978	7,675	(8)	(28)
LONG-TERM LIABILITIES					
Long-term debt	14,854	14,632	19,139	2	(22)
Employee Benefits	654	617	646	6	1
Derivative Financial Instruments	124	82	41	50	201
Other LT liabilities	704	704	3	0	>1,000
Total long-term debt	16,336	16,035	19,829	2	(18)
TOTAL LIABILITIES	21,846	22,013	27,505	(1)	(21)
STOCKHOLDERS' EQUITY					
Capital stock	464	464	464	0	(0)
Additional paid-in capital	0	0	160	--	--
Reserve for repurchase of shares	100	112	0	(10)	--
Cumulative earnings (losses)	2,890	3,274	1,678	(12)	72
TOTAL STOCKHOLDERS' EQUITY	3,454	3,850	2,302	(10)	50
TOTAL LIABILITIES AND EQUITY	25,300	25,863	29,806	(2)	(15)

Appendix C – Financial Statements

Axtel, S.A.B. de C.V. and Subsidiaries

Unaudited Consolidated Income Statement

(IN MILLION PESOS)

	3Q19	2Q19	3Q18	(% 3Q19 vs.)		YTD'19	YTD'18	YTD
				2Q19	3Q18			Δ (%)
Total Revenues	3,167	3,092	3,140	2	1	9,406	9,342	1
Cost of sales and services	(822)	(766)	(759)	(7)	(8)	(2,402)	(2,312)	(4)
Gross Profit	2,346	2,326	2,381	1	(1)	7,004	7,030	(0)
Operating expenses	(1,263)	(1,232)	(1,349)	(2)	6	(3,751)	(3,964)	5
Other income (expenses), net	28	0	13	>1,000	111	27	231	(88)
Depr., amort. & impairment assets	(924)	(910)	(966)	(2)	4	(2,781)	(2,767)	(1)
Operating income (loss)	187	184	79	1	136	498	529	(6)
Comprehensive financing result, net	(645)	(333)	(485)	(93)	(33)	(1,214)	(665)	(83)
Equity in results of associated company	0	(0)	0	--	--	0	0	--
Income (loss) before income taxes	(458)	(149)	(406)	(207)	(13)	(717)	(135)	(429)
Income taxes	140	65	(191)	114	--	243	(201)	--
Discontinued Operations	(33)	493	55	--	--	454	189	140
Net Income (Loss)	(351)	409	(542)	--	35	(20)	(147)	87