

2Q23

Earnings Presentation

July 2023

The Alfa logo consists of the word "alfa" in a white, lowercase, sans-serif font. A small yellow triangle is positioned at the top right of the letter "a". The logo is set against a dark blue background with a pattern of concentric, curved lines that create a sense of depth and motion.

alfa



Safe Harbor

This presentation 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, future results are likely to vary from those set forth in this presentation. Copyright © 2023 ALFA, S.A.B. de C.V. All rights reserved. Reproduction and distribution is forbidden without the prior written consent of ALFA, S.A.B. de C.V.



Important note on changes to ALFA's Consolidated Financial Statements

ALFA's shareholders approved to spin-off ALFA's share ownership of Axtel into a new, listed entity called "Controladora Axtel" on July 12, 2022. The shares of "Controladora Axtel" were distributed to ALFA shareholders and began trading on the Mexican Bolsa on May 29, 2023. In accordance with International Financial Reporting Standards (IFRS), Axtel meets the definition of a "Discontinued Operation" for purposes of ALFA's Consolidated Financial Statements. "Discontinued Operations" are the net results of an entity that is either being held for disposal or which has already been disposed of.

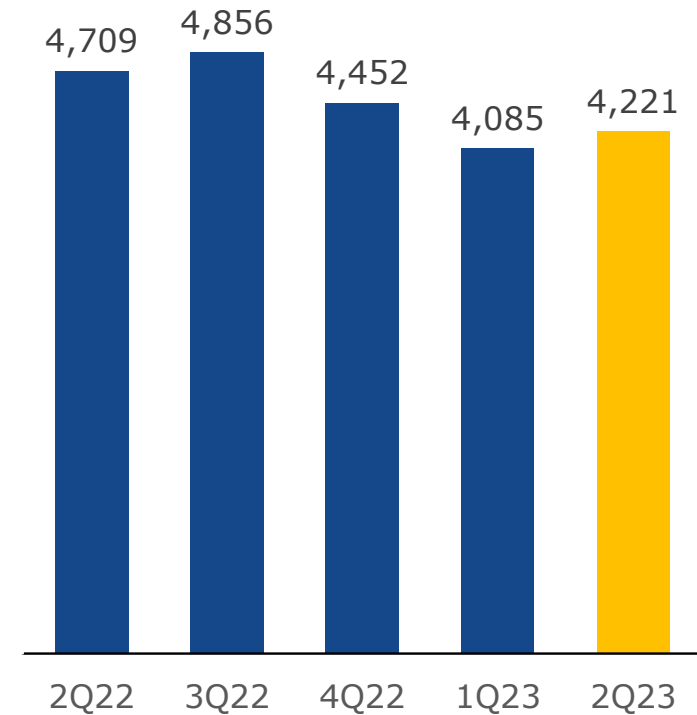
The changes in ALFA's Consolidated Financial Statements are as follows:

- The Consolidated Statement of Financial Position presents Axtel's assets as "Current assets from discontinued operations" and its liabilities as "Current liabilities from discontinued operations" at the close of 1Q23 and 2Q22. At the close of 2Q23, all items are eliminated. Prior periods are not restated.
- The Consolidated Statement of Income presents Axtel's net revenues and expenses as a single line item "Profit (loss) from discontinued operations" as follows:
 - 2Q22: accumulated figures for the three months ended June 30, 2022
 - 1Q23: accumulated figures for the three months ended March 31, 2023
 - 2Q23: accumulated figures for the one month and 29 days ended May 29, 2023
 - 2022: accumulated figures for the six months ended June 30, 2022
 - 2023: accumulated figures for the four months and 29 days ended May 29, 2023
- The Change in Net Debt presents Axtel's net inflows and outflows as a single line item "Decrease (Increase) in Net Debt from discontinued operations" as follows:
 - 2Q22: accumulated figures for the six months ended June 30, 2022
 - 1Q23: no figures presented related to Axtel
 - 2Q23: no figures presented related to Axtel
- The Change in Net Debt also presents Axtel's Net Debt balance as "Net Debt from discontinued operations" at the close of 3Q22. Prior periods are not restated and subsequent periods (2Q23, 1Q23 and 4Q22) do not present figures related to Axtel.

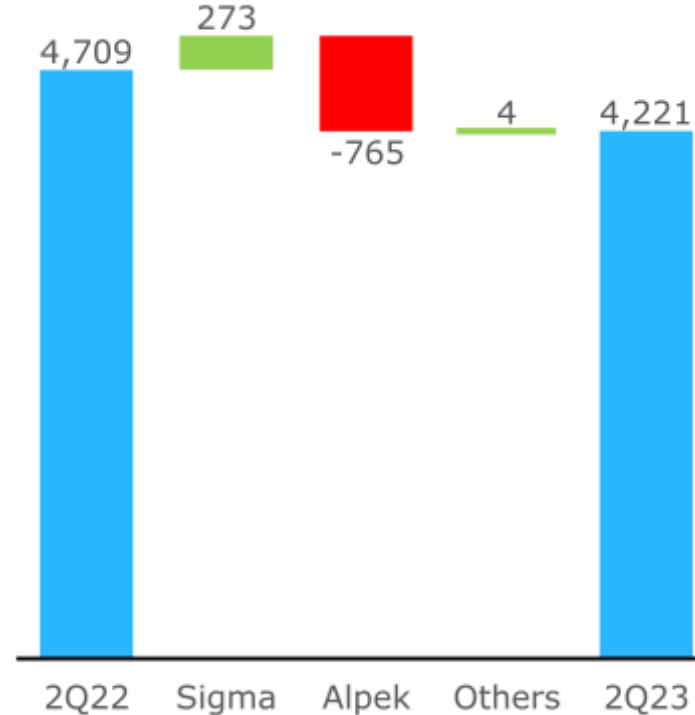
- **Consolidated 2Q23 results impacted by lower-than-expected results at Alpek**
 - Alpek: Challenging feedstock price environment, in addition to expected headwinds
 - Sigma: Record-high quarterly Revenues and EBITDA
- **Progress on ALFA's transformational efforts**
 - Successfully executed the Axtel spin-off
 - Shareholders gained autonomy through individual ownership positions in ALFA, Nematik and Axtel
- **ALFA's 2023 Guidance updated to reflect adjustments at Alpek and Sigma vs previous estimations**
 - Revenues: US \$16.431 billion **-6%** (Alpek: US \$7.700 billion **-16%**, Sigma: US \$8.600 billion **+6%**)
 - EBITDA: US \$1.530 billion **-5%** (Alpek: US \$660 million **-28%**, Sigma: US \$880 million **+25%**)
 - Comp. EBITDA: US \$1.652 billion **+2%** (Alpek: US \$770 million **-16%**, Sigma: US \$892 million **+27%**)
 - Capex: US \$547 million **-12%** (Alpek: US \$300 million **-10%**, Sigma: US \$240 million **-14%**)

ALFA & Subs*

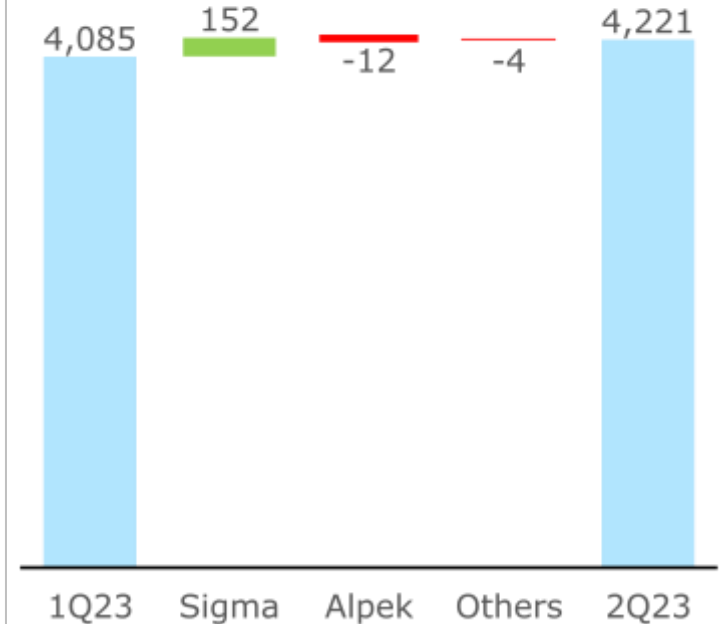
Revenues
(US \$ Million)



Revenues 2Q23 vs 2Q22
(US \$ Million)



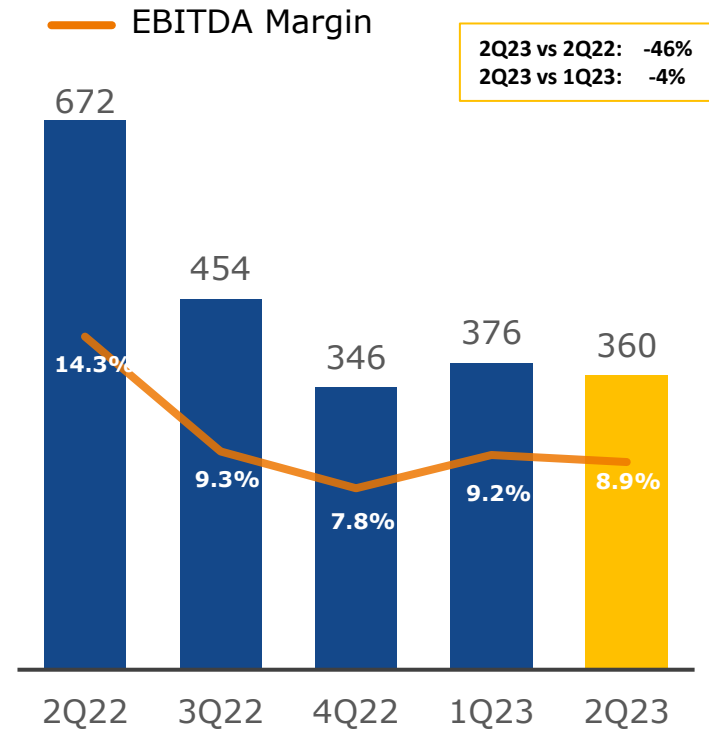
Revenues 2Q23 vs 1Q23
(US \$ Million)



*Axtel reported as discontinued operations in all quarters.

ALFA & Subs*

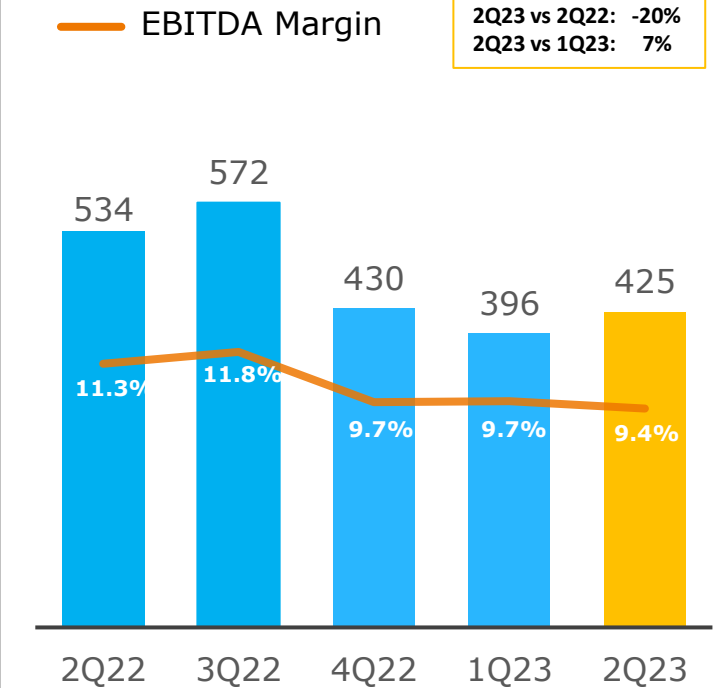
Reported EBITDA (US \$ Million)



Extraordinary Items (US \$ Million)

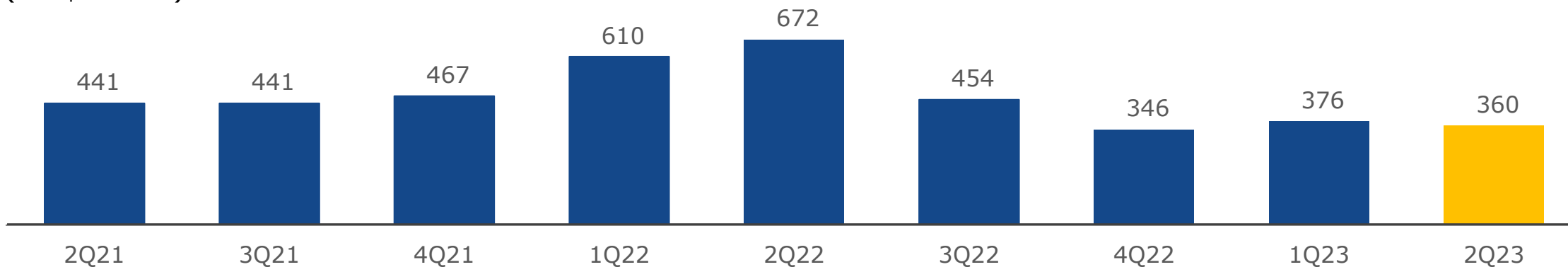
	2Q22	3Q22	4Q22	1Q23	2Q23
ALPEK	138	(118)	(84)	(20)	(53)
SIGMA	-	-	-	-	(12)
TOTAL	138	(118)	(84)	(20)	(65)

Comparable EBITDA (US \$ Million)

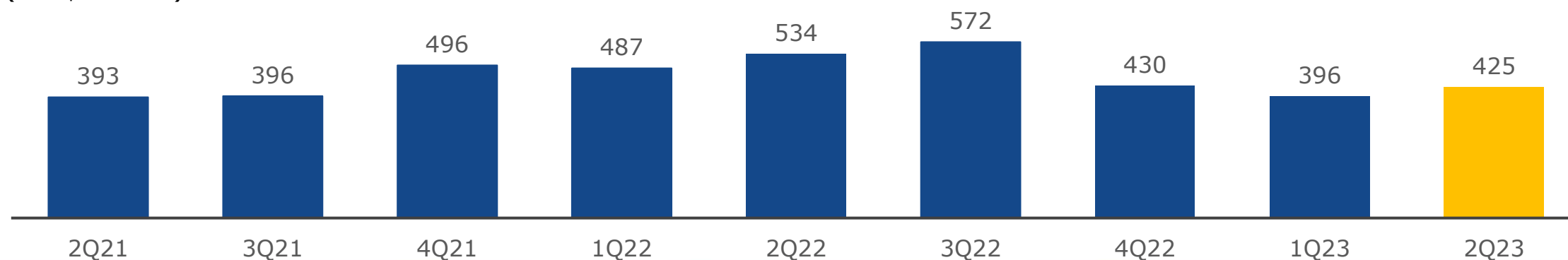


*Axtel reported as discontinued operations in all quarters.

Reported EBITDA*
(US \$ Million)



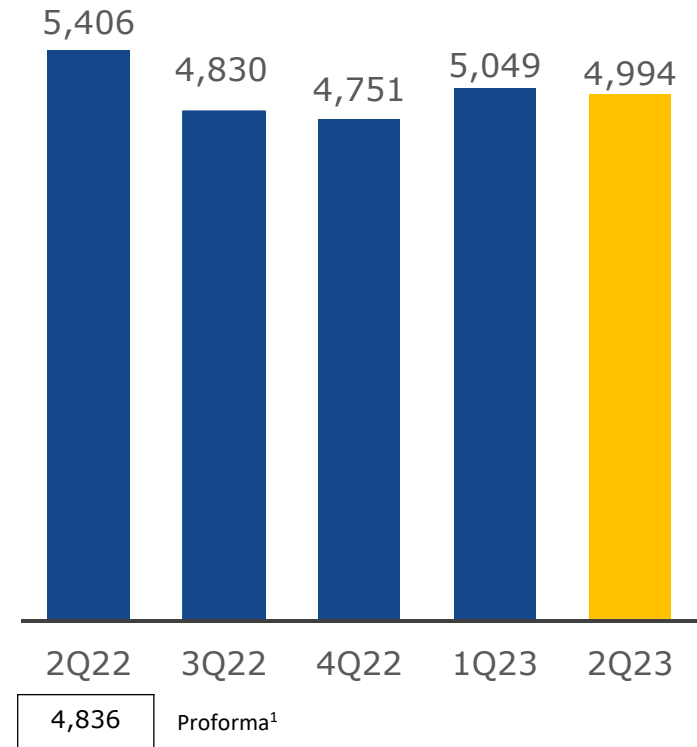
Comparable EBITDA*
(US \$ Million)



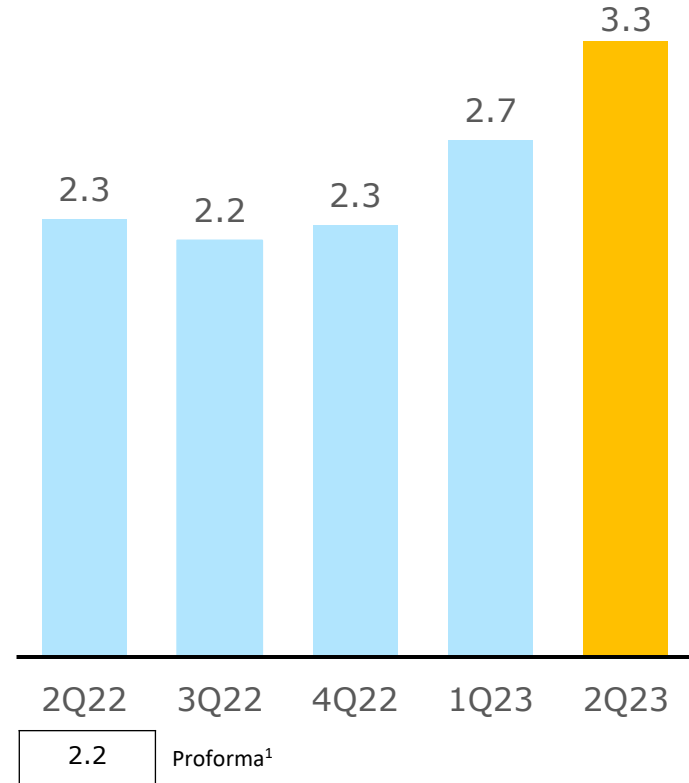
*Axtel reported as discontinued operations in 2021, 2022 and 2023

ALFA & Subs*

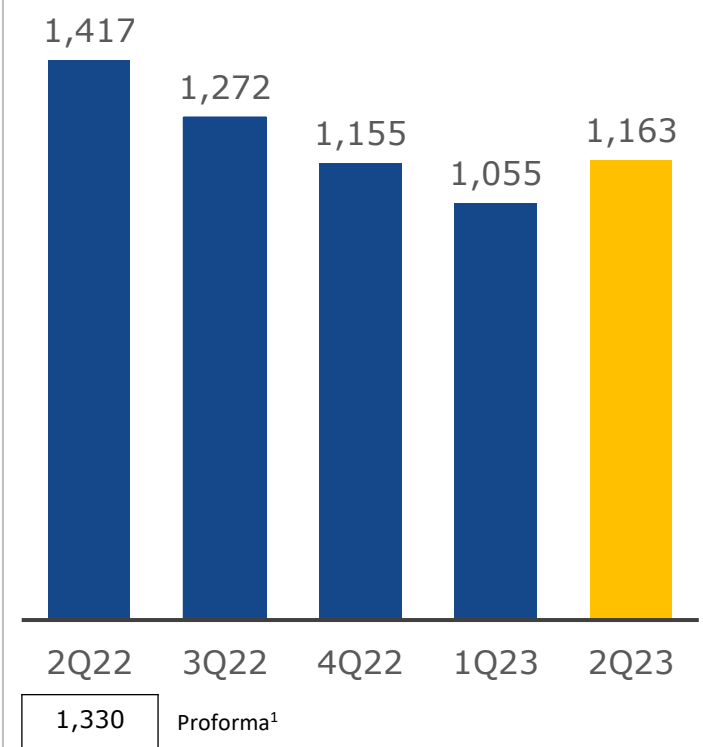
ALFA Net Debt
(US \$ Million)



Net Leverage Ratio
(Net Debt/EBITDA)



Cash
(US \$ Million)



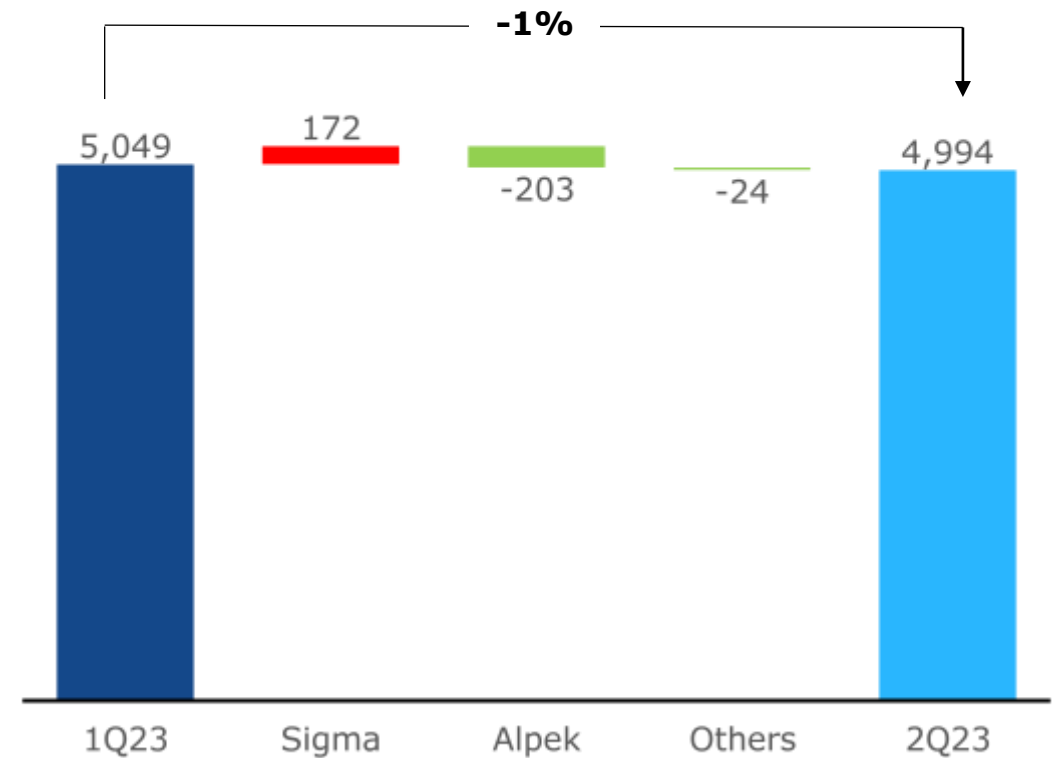
*Axtel reported as discontinued operations in 3Q22, 4Q22, 1Q23 and 2Q23. Prior periods are not restated in accordance with IFRS
1. Proforma figures with Axtel presented as discontinued operations in prior periods

ALFA & Subs*

Change in Net Debt
(US \$ Million)

	2Q23
EBITDA	360
Net Working Capital (NWC)	302
Capital Expenditures & Acq. (Capex)	(196)
Net Financial Expenses	(100)
Taxes	(188)
Dividends	0
Other Sources (Uses)	(121)
Decrease (Increase) in Net Debt	56

Change in Net Debt 1Q23 vs 2Q23
(US \$ Million)



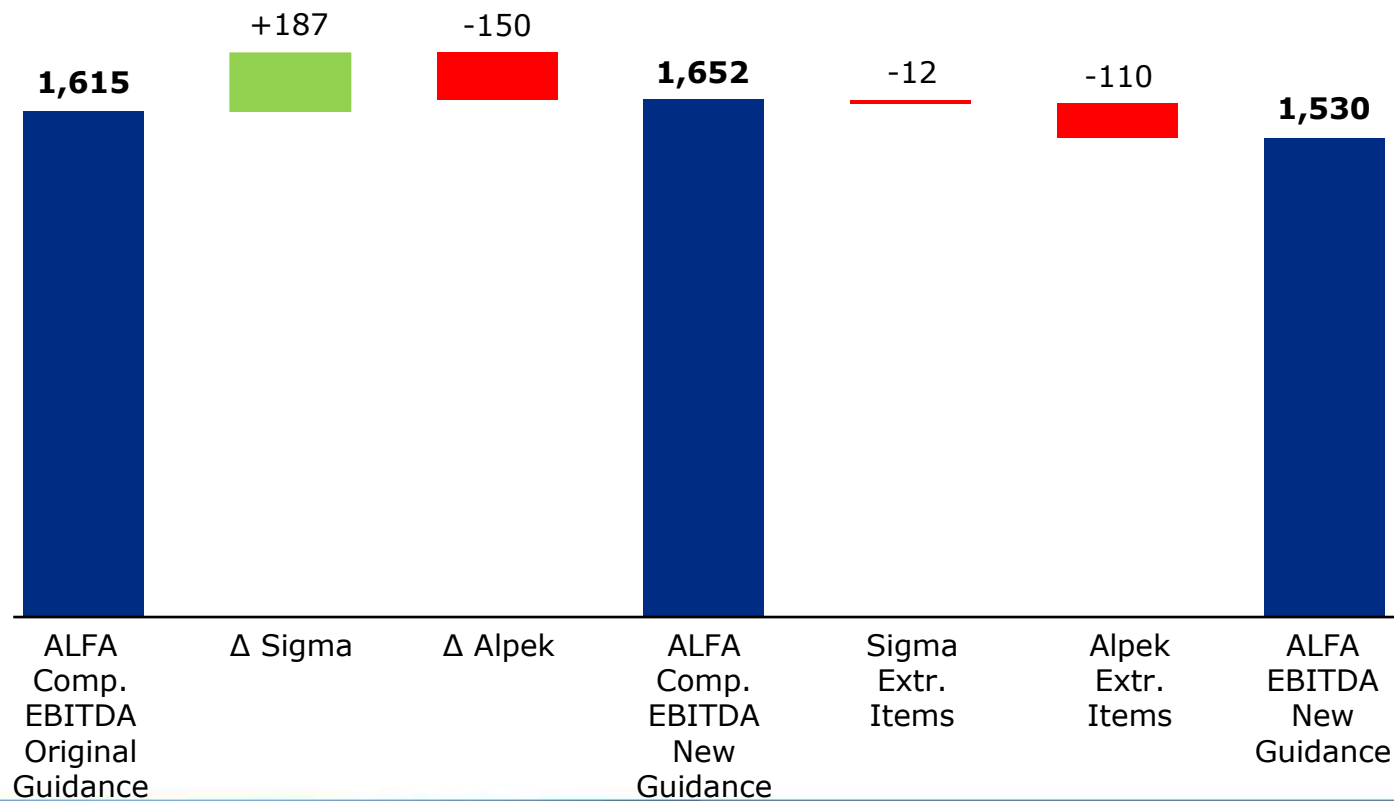
*Axtel reported as discontinued operations in all quarters.

2023 EBITDA Guidance (Original vs New)

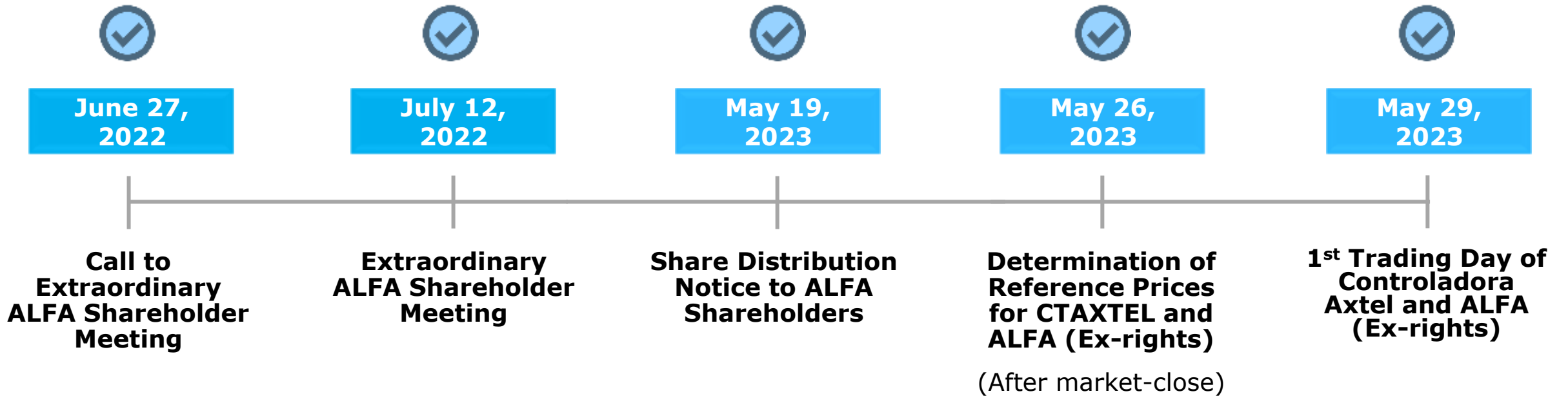
(US \$ Millions)

2023 Consolidated Guidance

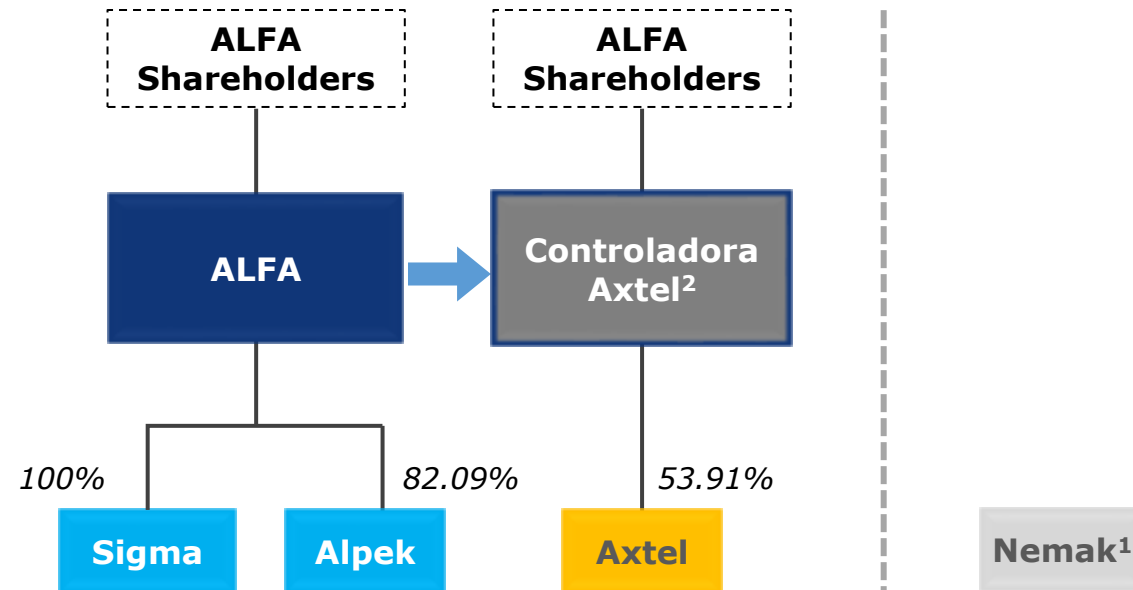
(US \$ Millions)	New	Previous
Comparable EBITDA	1,652	1,615
EBITDA¹	1,530	1,615
Revenues	16,431	17,401
Capex	547	622



1 - Includes impact of US \$122 million from extraordinary items in Alpek and Sigma
 2 - Does not include acquisitions

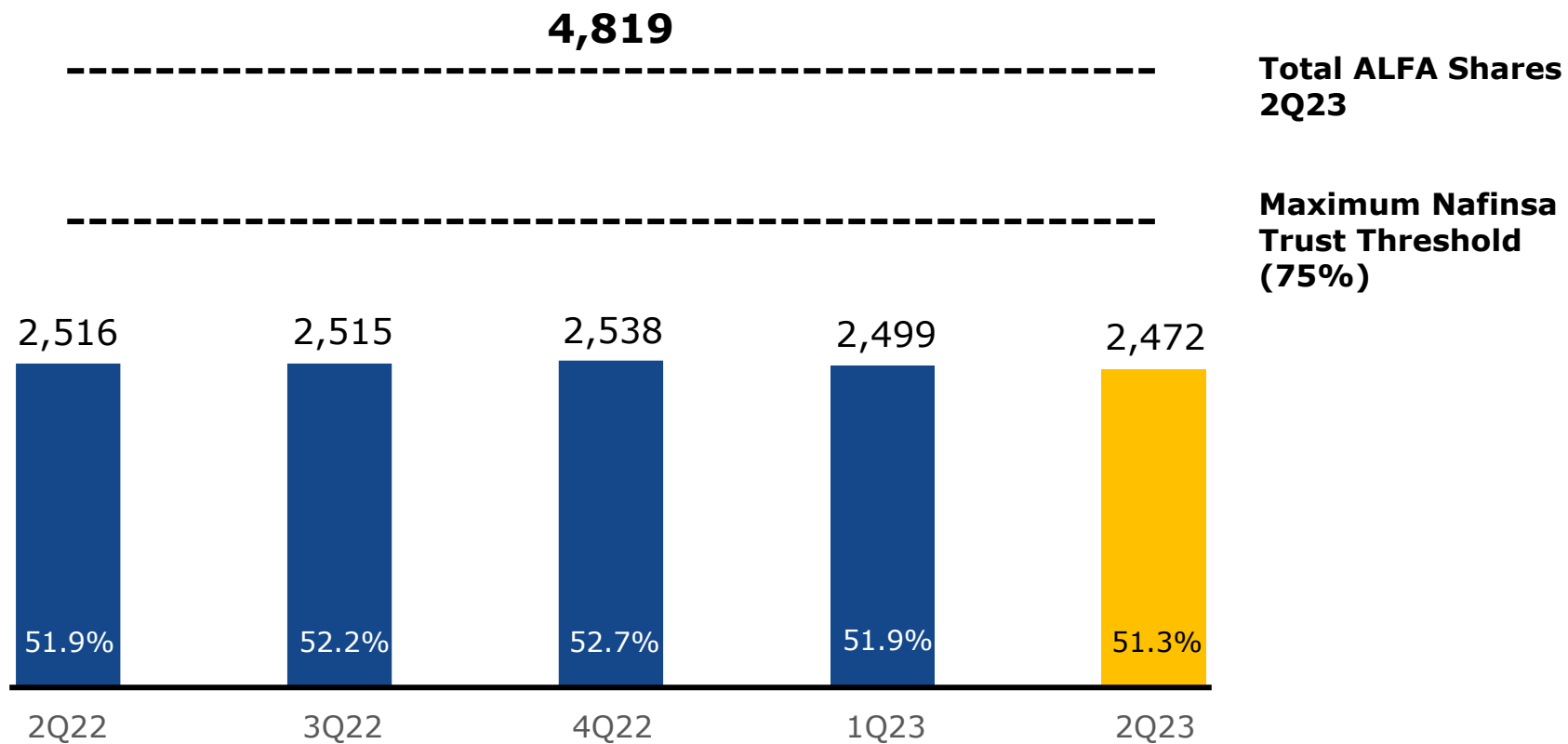


ALFA Corporate Structure (After spin-off)



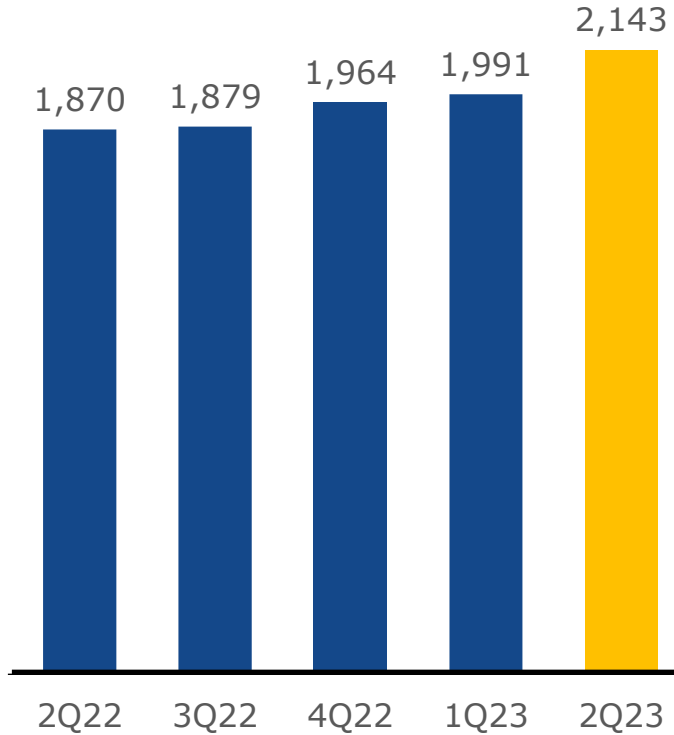
1. ALFA's entire share ownership in Nemak was distributed to ALFA shareholders on December 2020.
 2. New publicly listed entity in the BMV

ALFA Foreign Ownership
(Millions of shares)

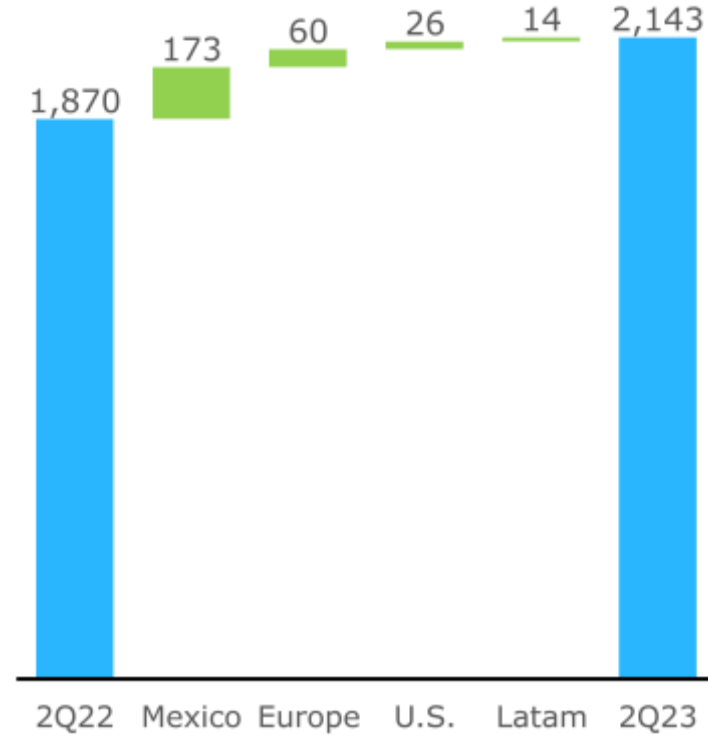


- Record quarterly Revenue of US \$2.143 billion driven by growth in all regions. Ninth consecutive quarter of year-over-year growth
- Record quarterly EBITDA, up 26% year-on-year, boosted by solid results in Mexico and the U.S.
- 2023 EBITDA guidance revised up 25% to US \$880 million driven by a strong performance in the Americas

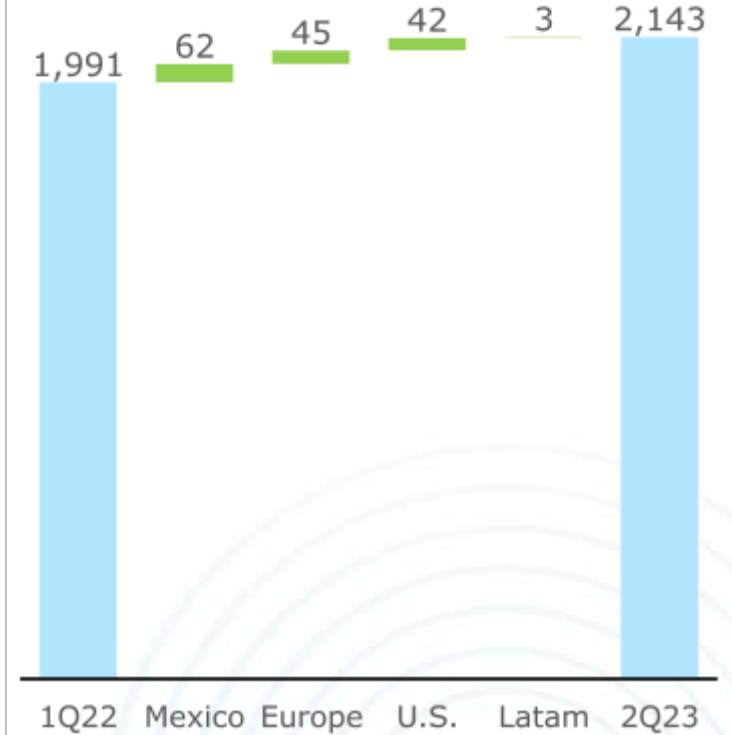
Revenues
(US \$ Million)



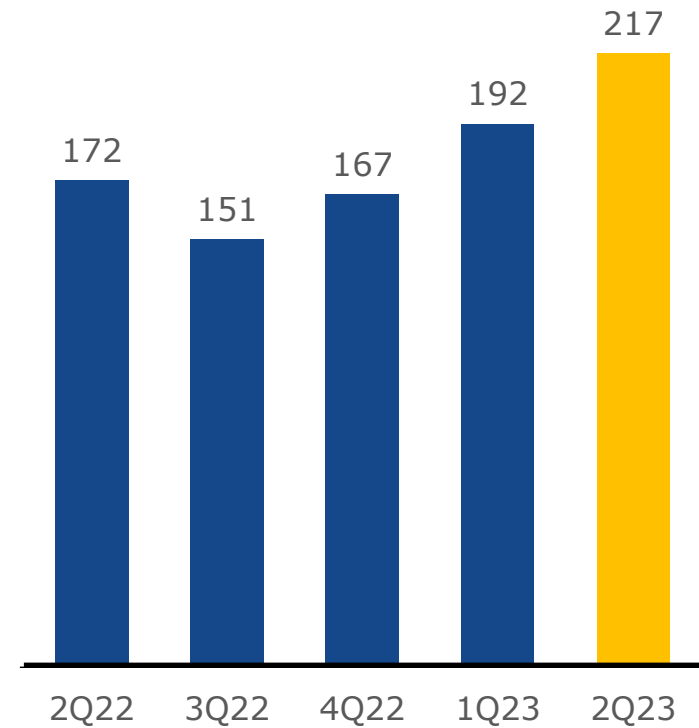
Revenues 2Q23 vs 2Q22
(US \$ Million)



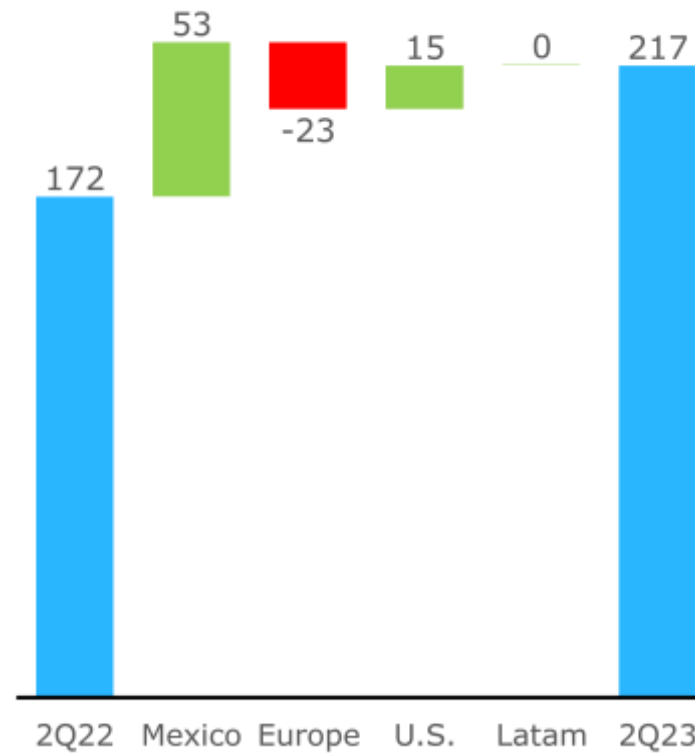
Revenues 2Q23 vs 1Q23
(US \$ Million)



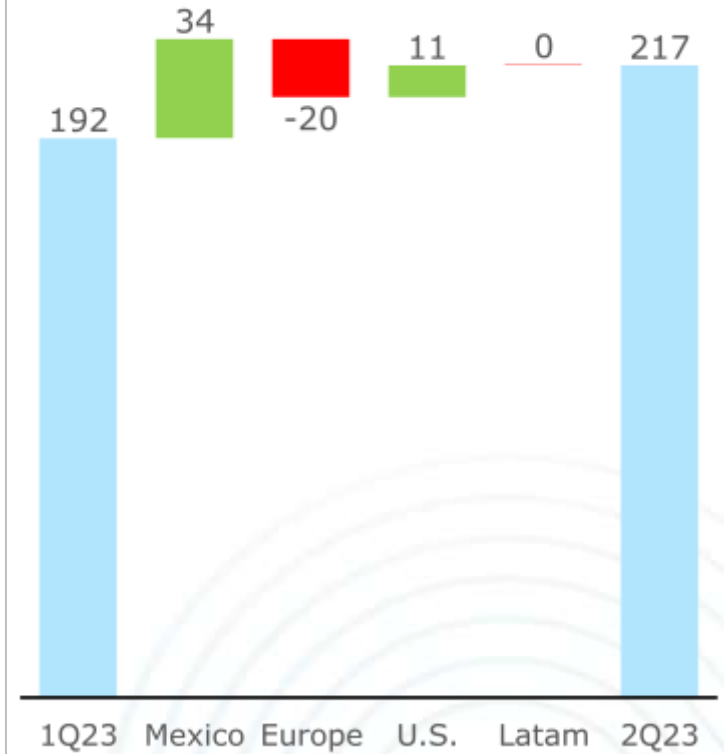
EBITDA
(US \$ Million)



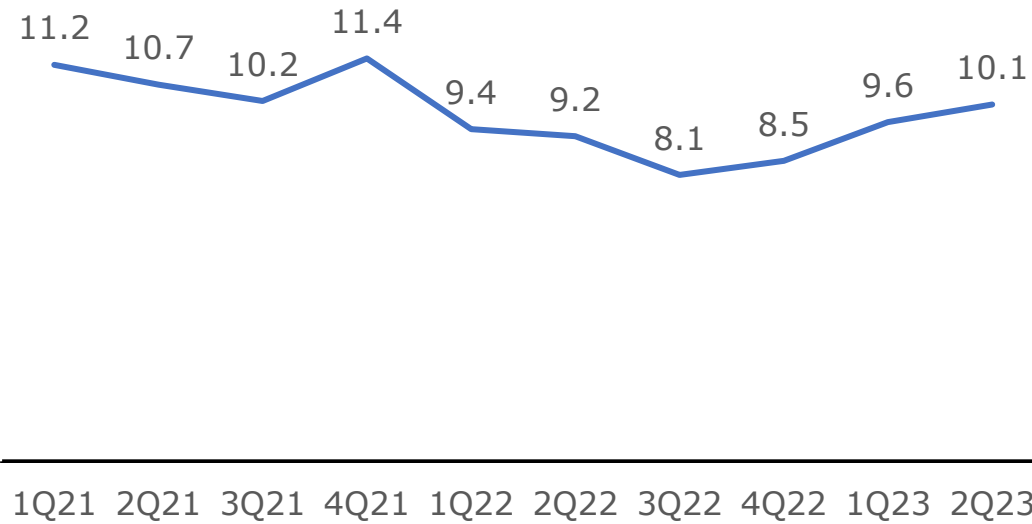
EBITDA 2Q23 vs 2Q22
(US \$ Million)



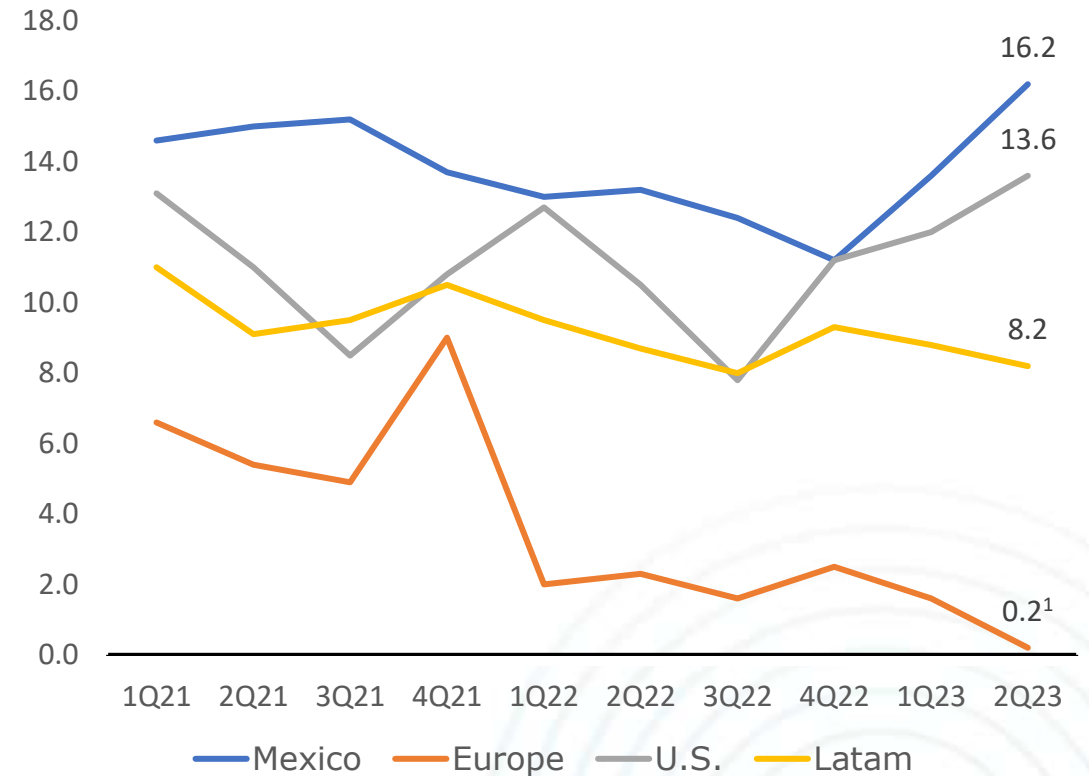
EBITDA 2Q23 vs 1Q23
(US \$ Million)



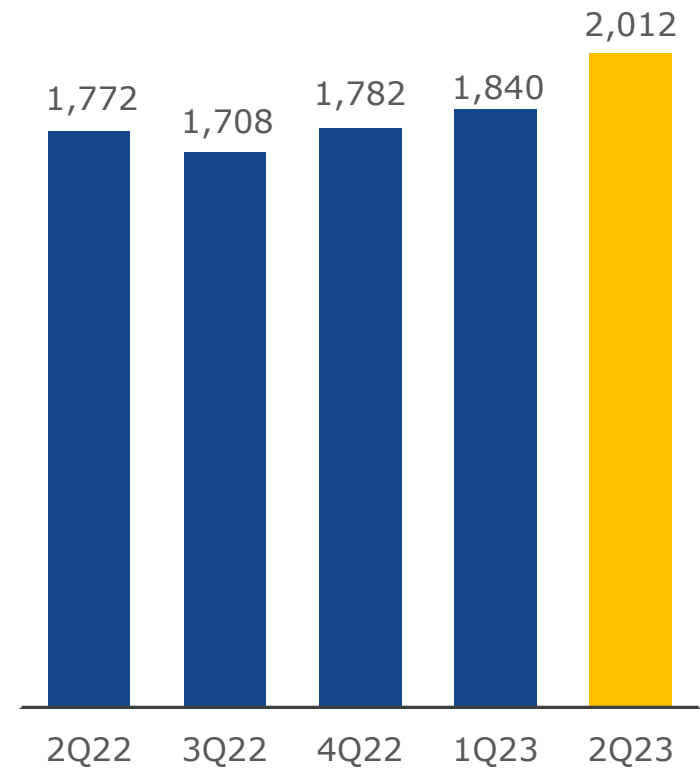
EBITDA Margin (%)



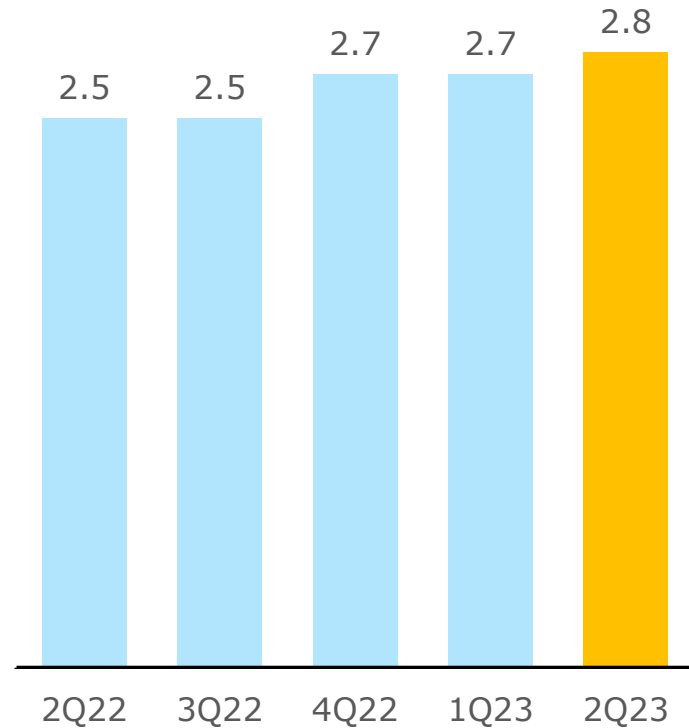
EBITDA Margin By Region (%)



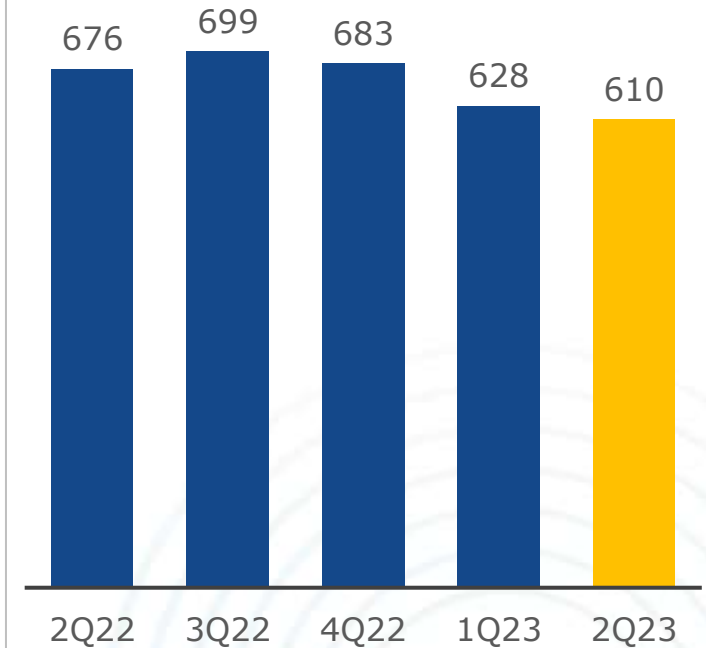
Net Debt
(US \$ Million)



Net Leverage Ratio
(Net Debt/EBITDA)

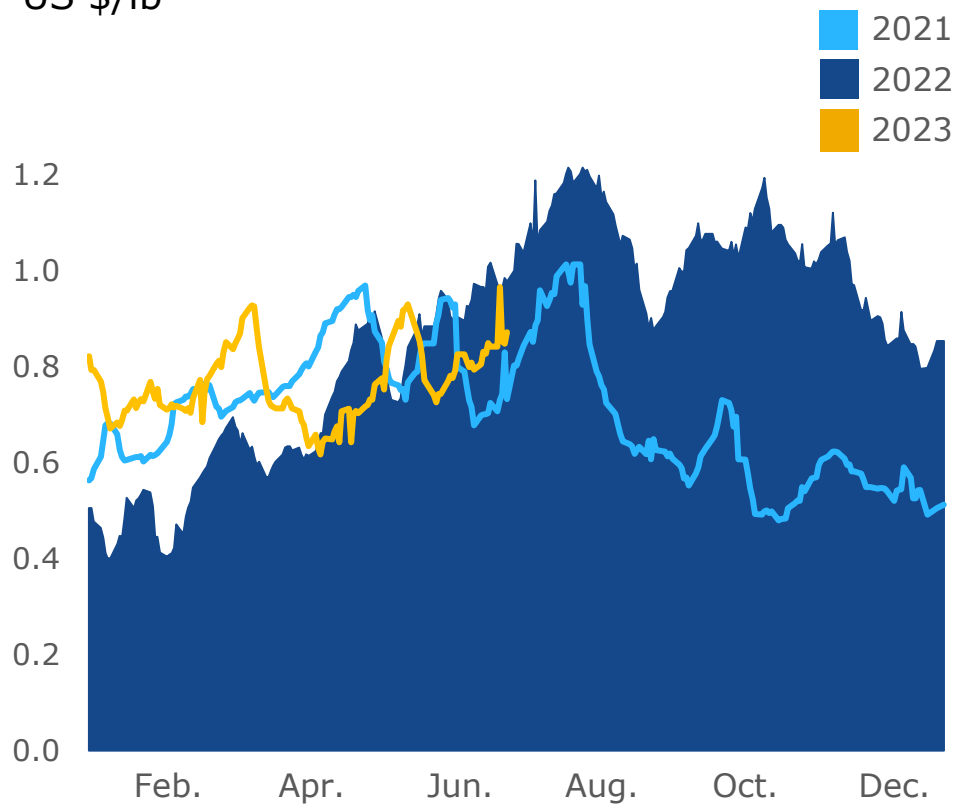


Cash
(US \$ Million)



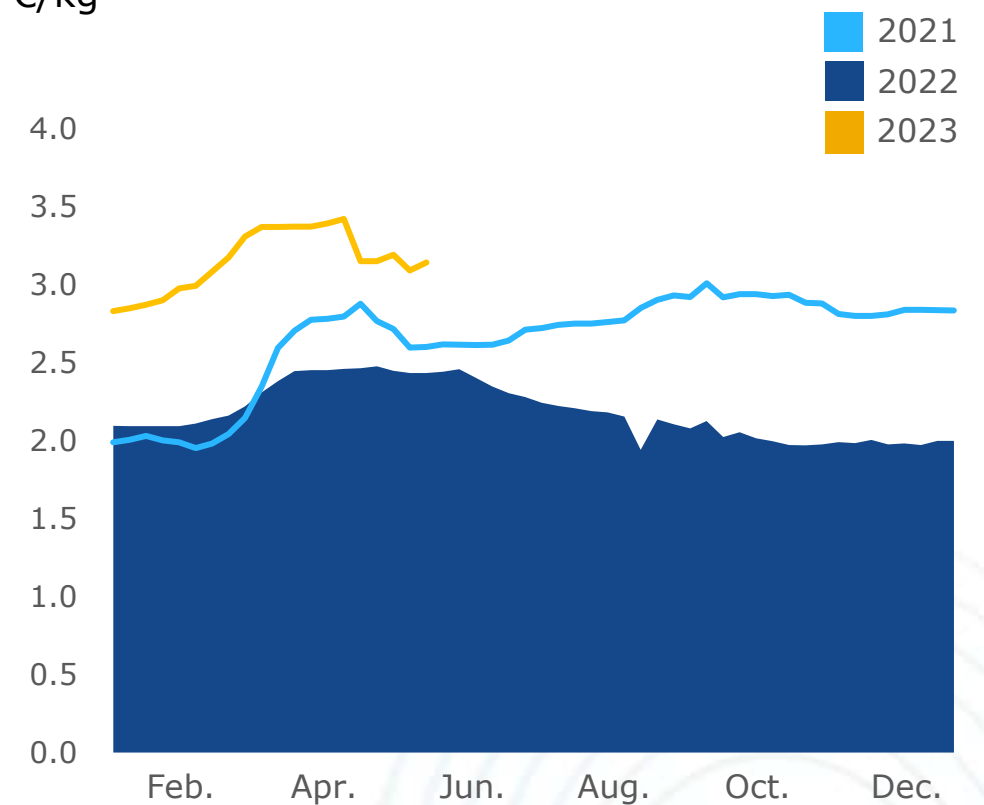
Pork Ham Price in U.S.

US \$/lb



Pork Ham Price in Europe

€/kg



Key Highlights

Completed two acquisitions in the USA

- Acquisition of majority stake in Los Altos Foods, producer of Hispanic cheese products, strategically located on the West Coast
- Completed the purchase of the production plant in Mt. Pleasant, Iowa, that will produce lunchmeats for the Bar-S® and FUD® brands

Snacking



- Global brand officially launched in Spain, Mexico, the U.S. and France

ESG – Emission targets approved by SBTi*

- Scope 1 and 2: absolute GHG emissions reduction of 20% by 2027
- Scope 3: absolute GHG emissions reduction of 9.8% by 2027

Published 2022 Sustainability Report ([link](#))



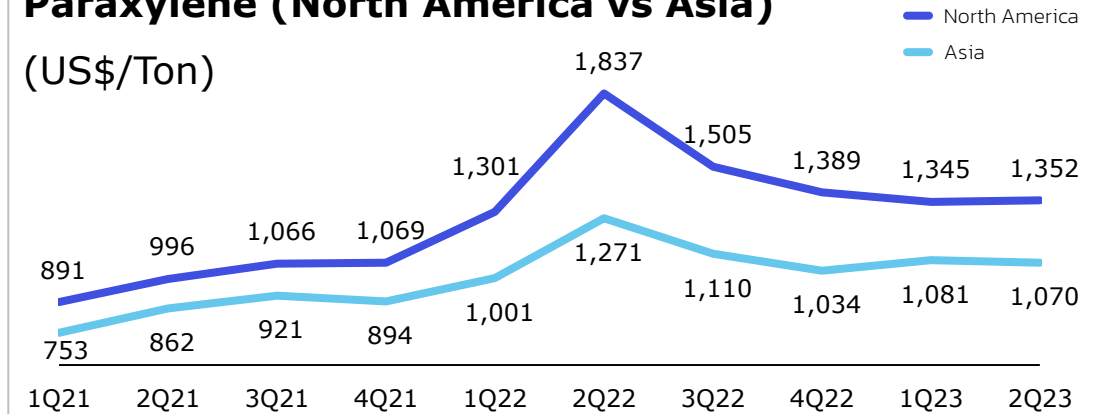
* SBTi – Science Based Target Initiative

2Q23 Highlights

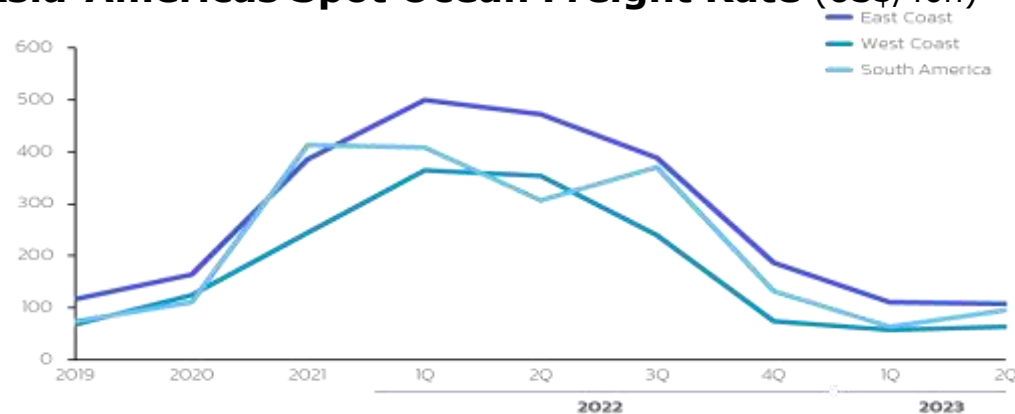
- 2Q23 Revenues and Comparable EBITDA down 27% and 46% year-on-year, respectively
- Challenging feedstock price environment marked by higher Px prices in North America versus Asia
- Normalized ocean freight rates and higher influence from weaker Chinese reference margins

Paraxylene (North America vs Asia)

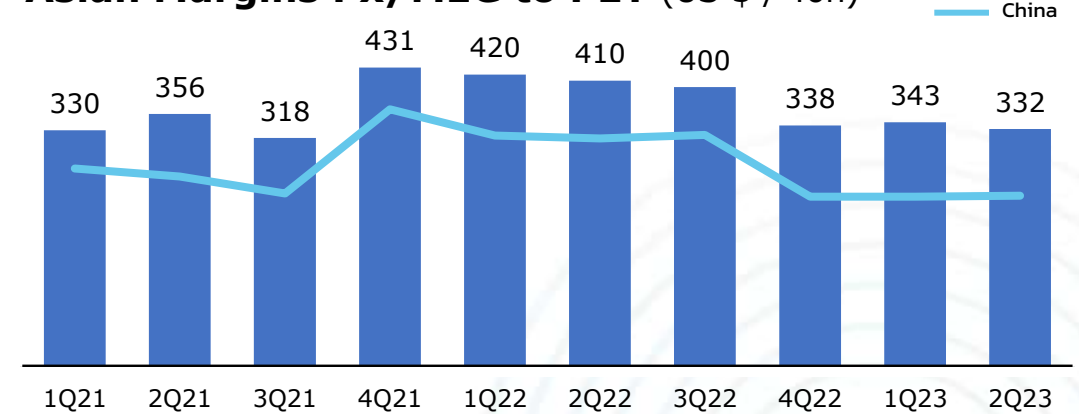
(US\$/Ton)



Asia-Americas Spot Ocean Freight Rate (US\$/Ton)



Asian Margins Px/MEG to PET (US \$ / Ton)





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