



# Guidance 2020

February 13, 2020

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, results are likely to vary from those set forth in this presentation. Copyright © 2020 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.

			2019	2020e
GDP	Mexico	%	-0.1	1.2
	United States	%	2.1	1.7
	Eurozone	%	1.2	1.0
Energy	Brent Oil	\$/bbl	64	59
Exchange rate	Peso	MXN/USD (Av.)	19.26	20.20
	Euro	USD/EUR (Av.)	1.12	1.11

- All businesses actively engaged in efficiency initiatives to mitigate headwinds
- Consolidated sales reflect lower prices in Alpek and lower volume in Nemak
- EBITDA reflects:
  - Lower polyester and polypropylene margins (Alpek)
  - Soft auto industry conditions (Nemak)
  - Raw material price pressure due to ASF (Sigma)
- Consolidated CAPEX to remain above US \$900 million
  - Investments in efficiencies, high-growth businesses and expansion
  - Expected to enhance demonstrated EBITDA generation capacity in the upcycle

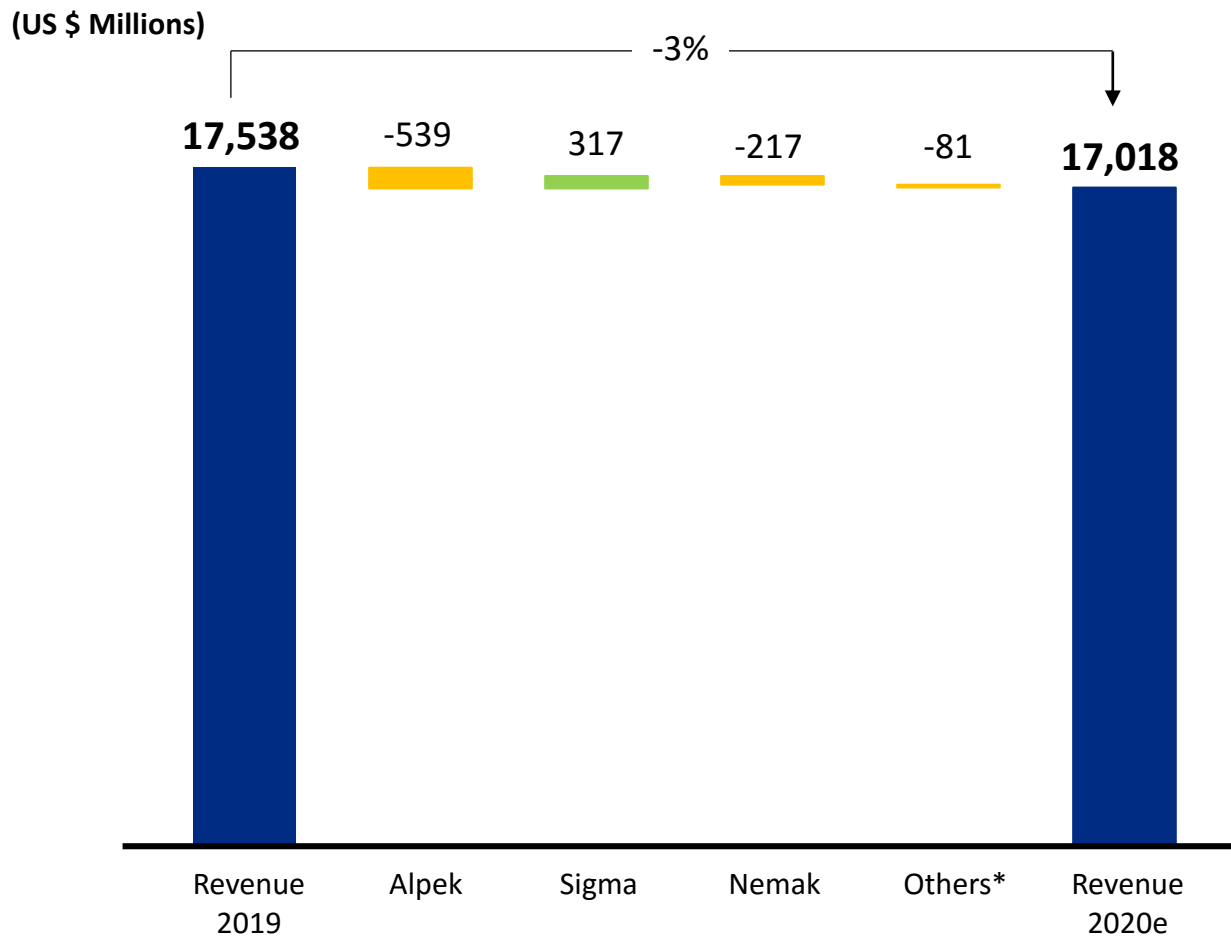
(US \$ Millions)	Revenues		EBITDA		CAPEX	
	2019	2020e	2019	2020e	2019 <sup>A</sup>	2020e
<b>ALFA</b>	<b>17,538</b>	<b>17,018</b>	<b>2,298</b>	<b>2,027</b>	<b>920</b>	<b>902</b>
Alpek	6,216	5,677	850	547 <sup>B</sup>	270	277
Sigma	6,463	6,780	703	650	186	180
Nemak	4,017	3,800	621	565	344	290
Axtel	680	638	265	322 <sup>C</sup>	94	129
Newpek	76	33	-91	-7	14	14

A. CAPEX for 2019 includes acquisitions

B. Includes a US \$30 million gain from U.K. plant acquisition announced in 4Q19

C. Includes a US \$107 million gain from the sale of 3 Data Centers announced in 4Q19

# ALFA Guidance 2020 – Revenue

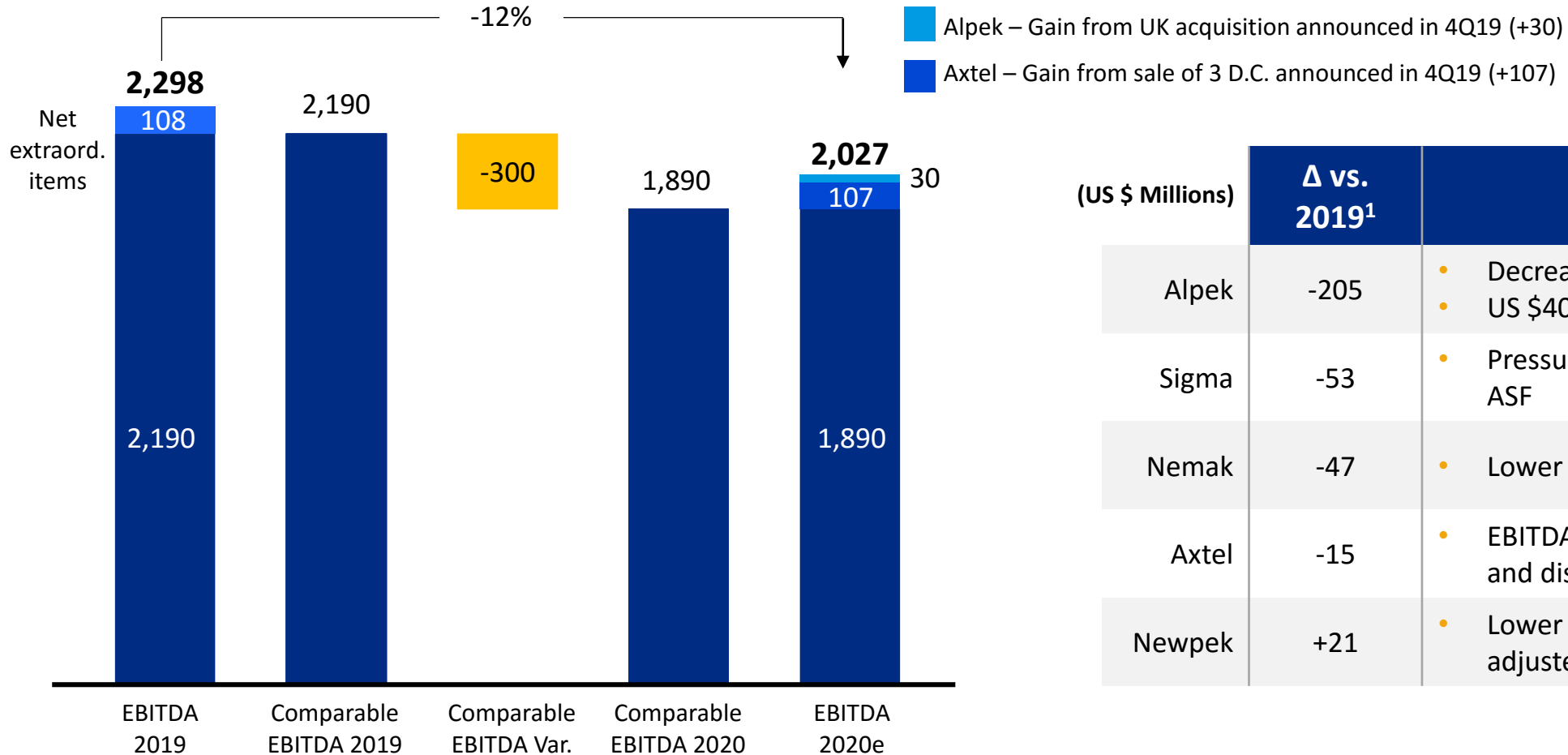


(US \$ Millions)	Δ vs. 2019	Key Assumptions
Alpek	-539	<ul style="list-style-type: none"> <li>Volume up 6% vs. 2019</li> <li>Lower oil and feedstock prices</li> </ul>
Sigma	+317	<ul style="list-style-type: none"> <li>Sales up in all regions driven by price and volume</li> </ul>
Nemak	-217	<ul style="list-style-type: none"> <li>Volume down 5% vs. 2019</li> </ul>
Axtel	-42	<ul style="list-style-type: none"> <li>Sales up 3% adjusting for currency and discontinued operations</li> </ul>
Newpek	-43	<ul style="list-style-type: none"> <li>Lower production and prices</li> </ul>

\*Axtel, Newpek and other businesses

# ALFA Guidance 2020 - EBITDA

(US \$ Millions)

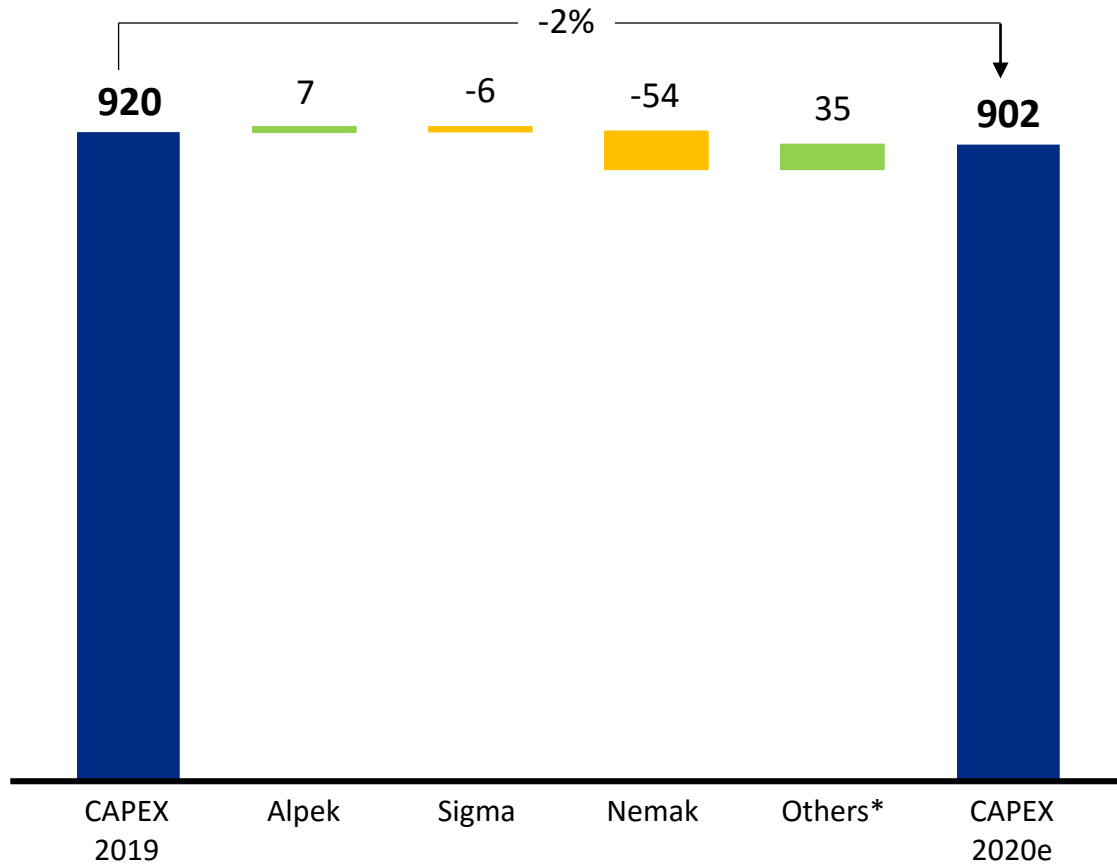


(US \$ Millions)	Δ vs. 2019 <sup>1</sup>	Key Assumptions
Alpek	-205	<ul style="list-style-type: none"> <li>Decrease in polyester and PP margins</li> <li>US \$40 million less due to Cogen sale</li> </ul>
Sigma	-53	<ul style="list-style-type: none"> <li>Pressure on raw material costs due to ASF</li> </ul>
Nemak	-47	<ul style="list-style-type: none"> <li>Lower volume (soft industry conditions)</li> </ul>
Axtel	-15	<ul style="list-style-type: none"> <li>EBITDA up 2% adjusting for currency and discontinued operations</li> </ul>
Newpek	+21	<ul style="list-style-type: none"> <li>Lower comparable loss vs. 2019 due to adjusted cost structure</li> </ul>

<sup>1</sup>Comparable 2019 vs. Comparable 2020e

# ALFA Guidance 2020 - CAPEX

(US \$ Millions)



(US \$ Millions)	Δ vs. 2019	Key Assumptions
Alpek	+7	<ul style="list-style-type: none"> <li>Expand PET recycling capacity</li> </ul>
Sigma	-6	<ul style="list-style-type: none"> <li>Investments across all regions</li> </ul>
Nemak	-54	<ul style="list-style-type: none"> <li>Support product launches in e-mobility and structural applications</li> </ul>
Axtel	+35	<ul style="list-style-type: none"> <li>Frequency renovation and expand infrastructure capabilities</li> </ul>
Newpek	0	<ul style="list-style-type: none"> <li>Focus on Mexican operations</li> </ul>

\*Axtel, Newpek and other businesses





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