



4Q19

Earnings Presentation

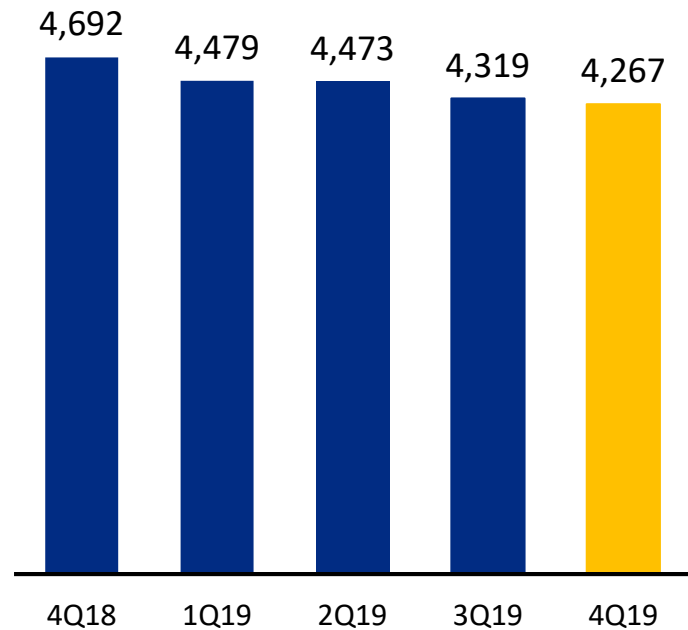
February 12, 2020

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.

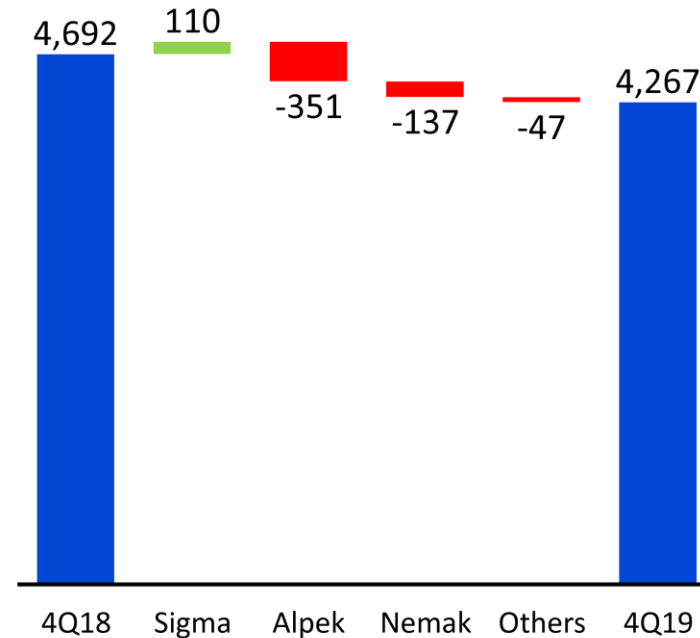
- 4Q19 EBITDA of US \$636 million; highest quarterly figure in 2019
- 2019 adjusted EBITDA of US \$2.4 billion; generally in line with Guidance
- Net Debt decreased US \$267 million vs. 2018; down US \$757 million excluding IFRS16
- Completed monetization of non-core assets; totaling US \$1.3 billion between 4Q18 and 4Q19
- Total benefit to shareholders of US \$404 million in 2019
 - US \$202 million dividend + US \$165 million cancelled shares + US \$37 million repurchased shares

Revenues reflect lower feedstock prices in Alpek and lower volume in Nemak

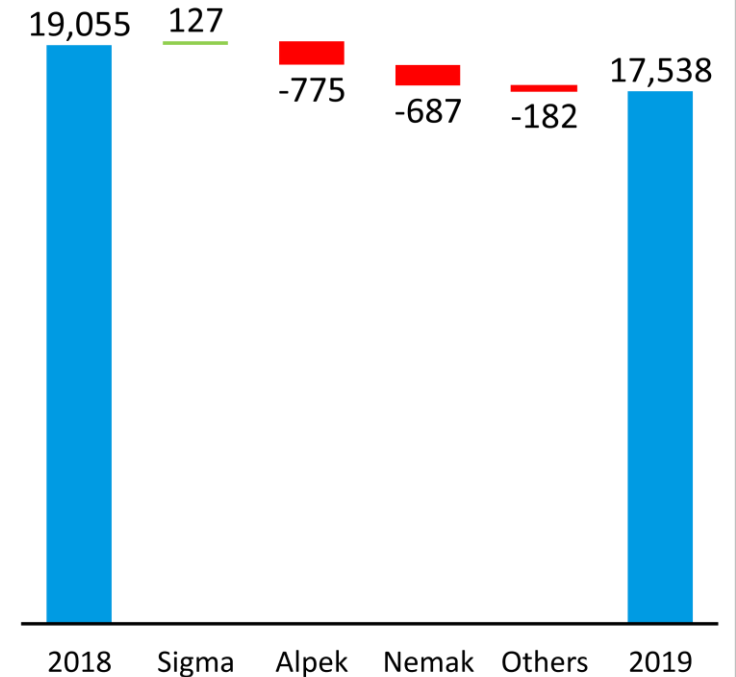
**Revenues
(US \$ Million)**



**4Q19 vs 4Q18
(US \$ Million)**

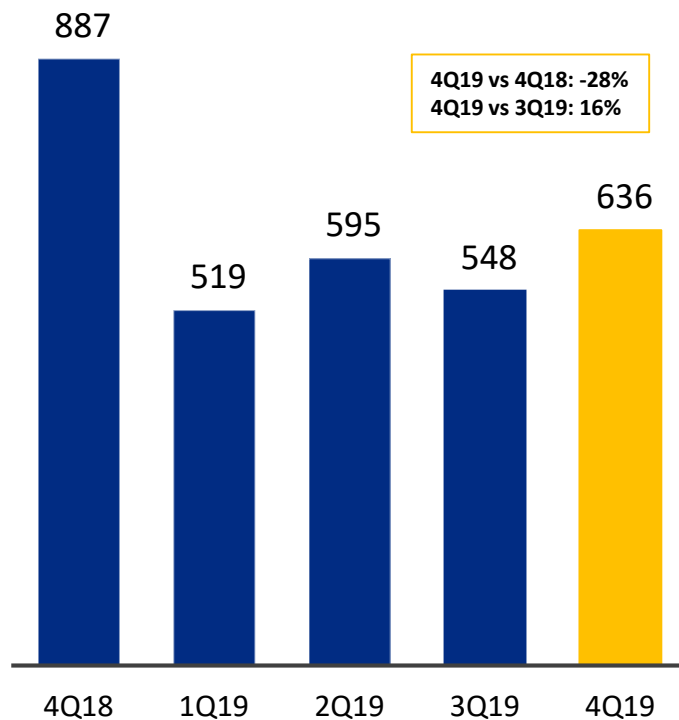


**2019 vs 2018
(US \$ Million)**



4Q19 EBITDA benefited from extraordinary items; full year in line with guidance

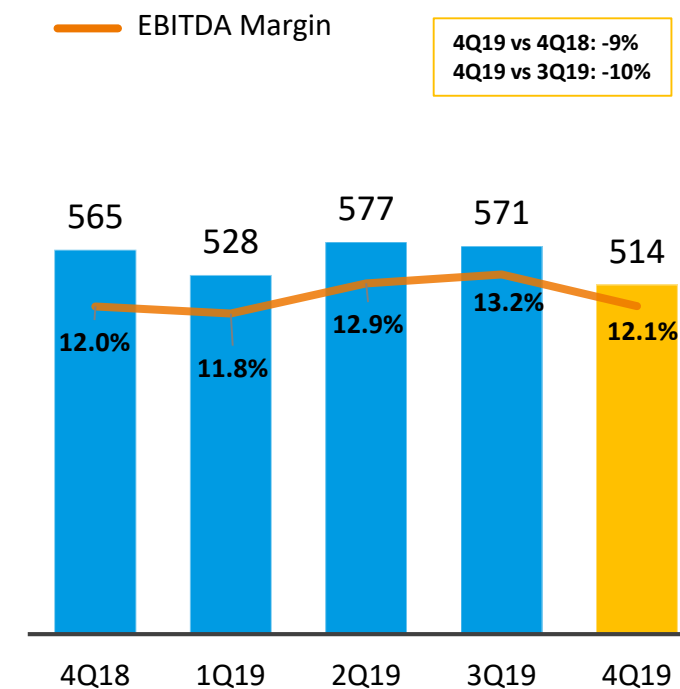
Reported EBITDA (US \$ Million)



Extraordinary Items

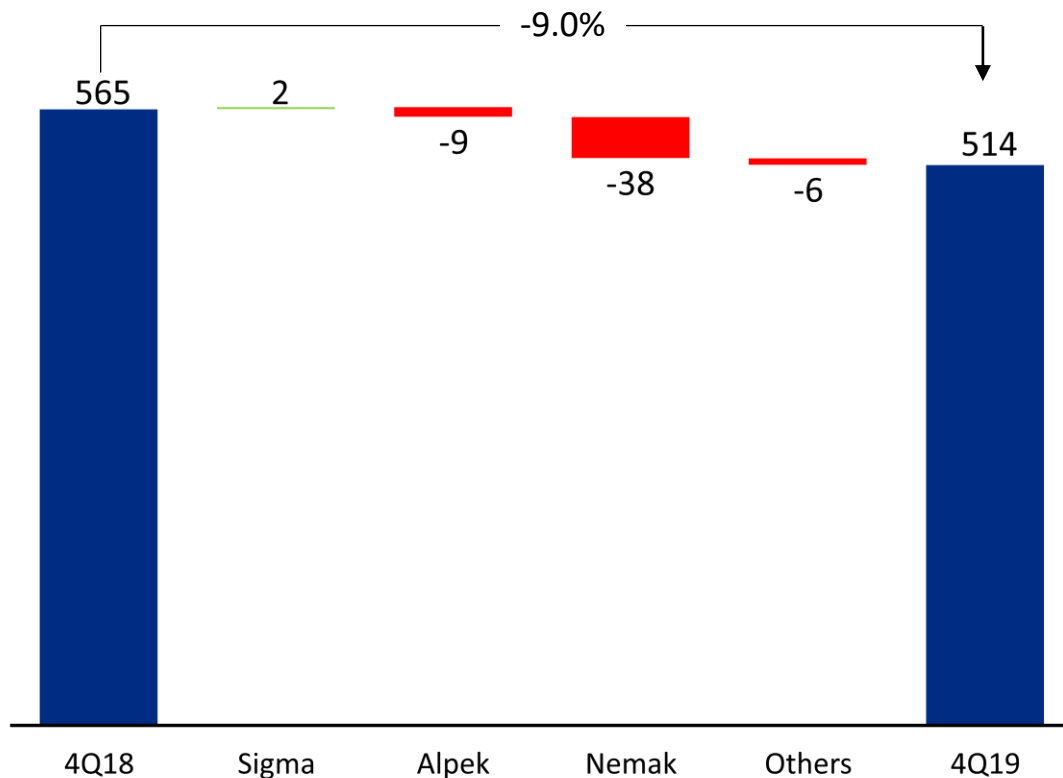
	4Q18	1Q19	2Q19	3Q19	4Q19
ALPEK	188	(8)	(28)	(19)	184
SIGMA	-	-	-	-	-
NEMAK	-	-	8	-	-
AXTEL	139	-	39	-	(4)
NEWPEK	22	(1)	(1)	(4)	(58)
TOTAL	322	(8)	18	(23)	122

Comparable EBITDA (US \$ Million)

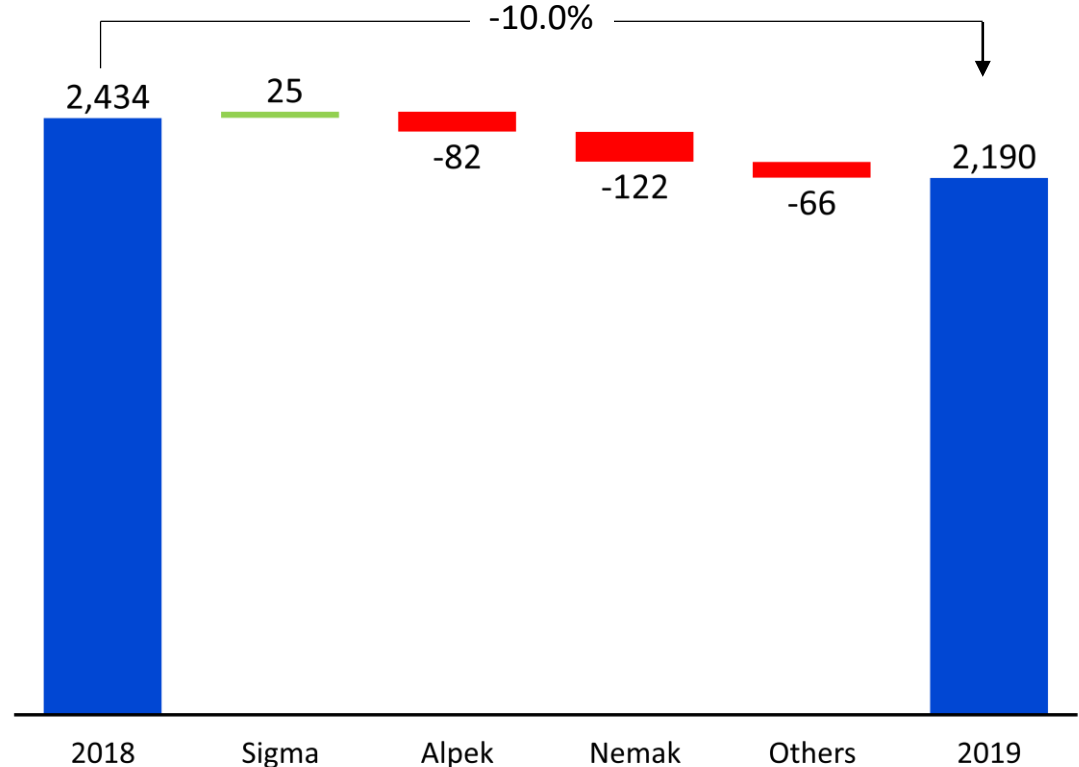


4Q19 Comparable EBITDA down y-o-y due primarily to Nemak amid GM strike

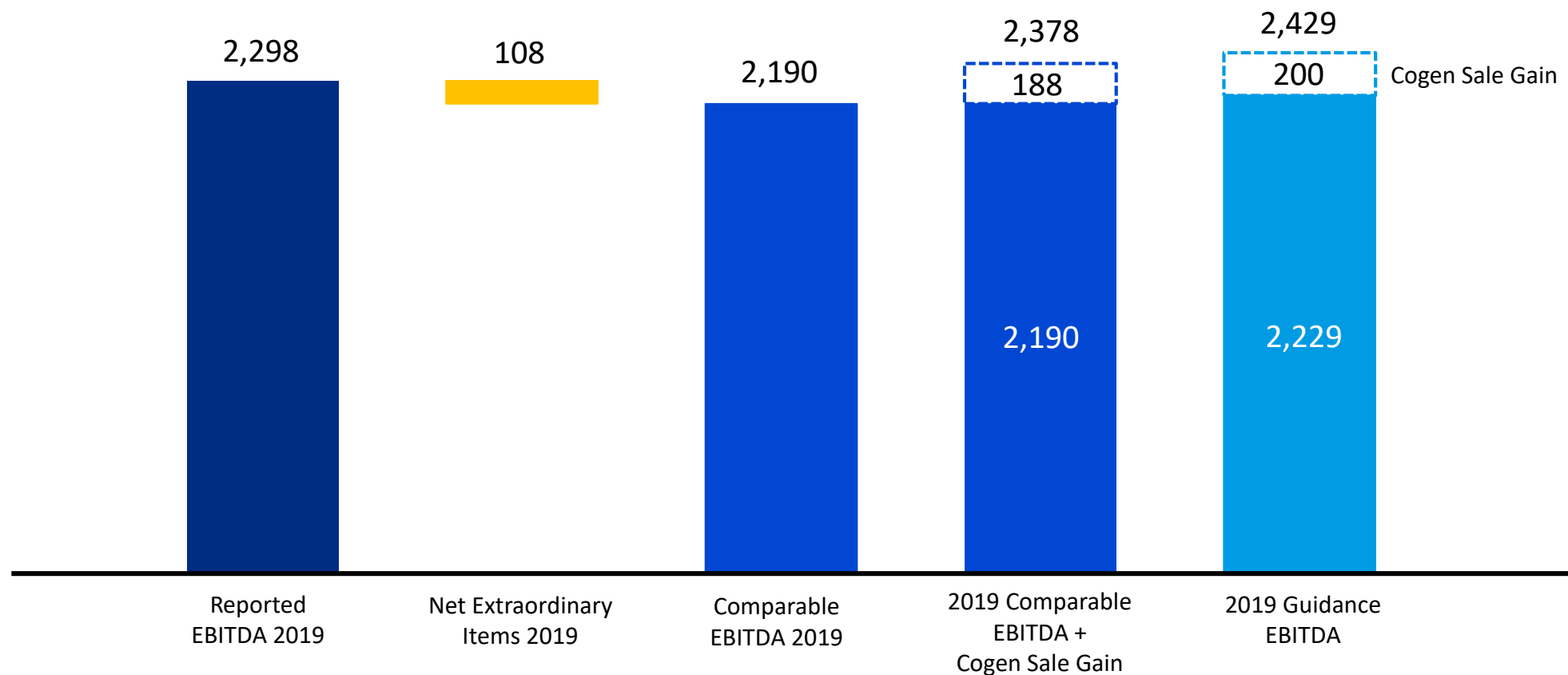
Comparable EBITDA 4Q19 vs 4Q18
(US \$ Million)



Comparable EBITDA 2019 vs 2018
(US \$ Million)

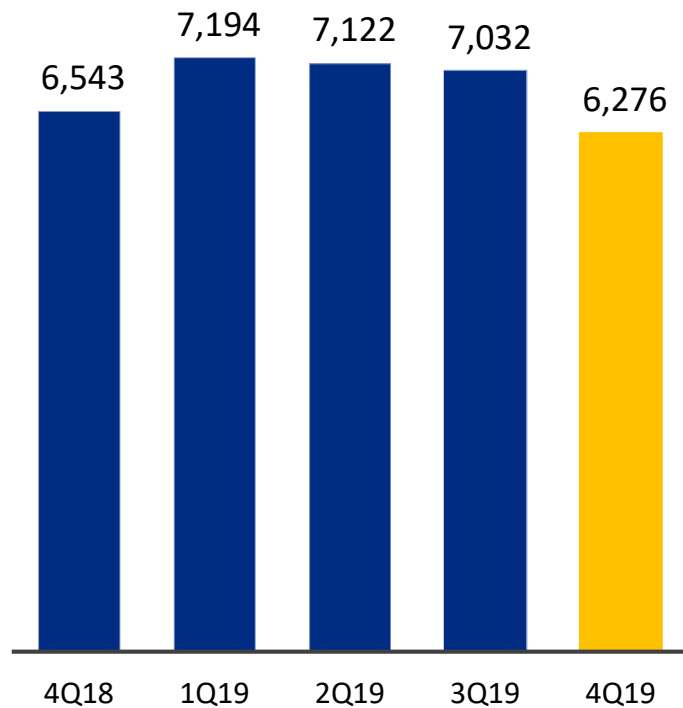


ALFA's Comparable EBITDA generally in line with 2019 Guidance

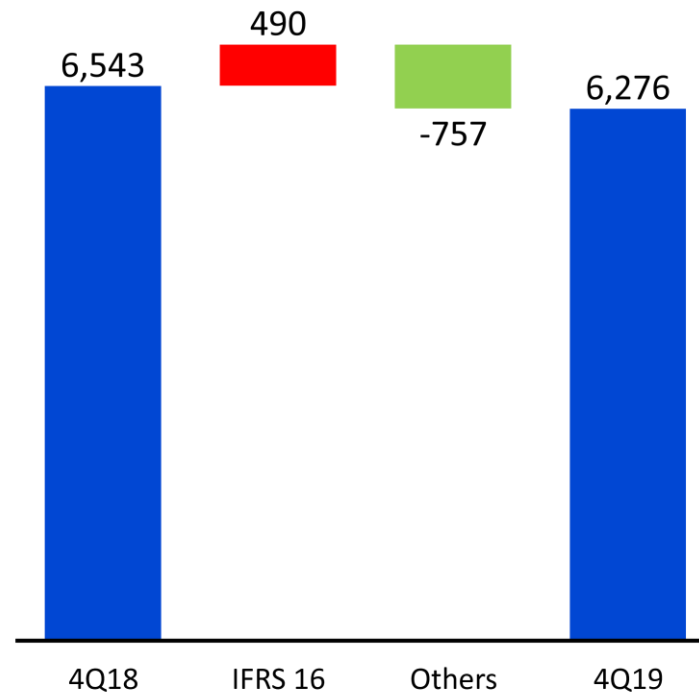


ALFA Net Debt down vs. 3Q19 and 4Q18 supported non-core asset monetizations and solid operating cash generation

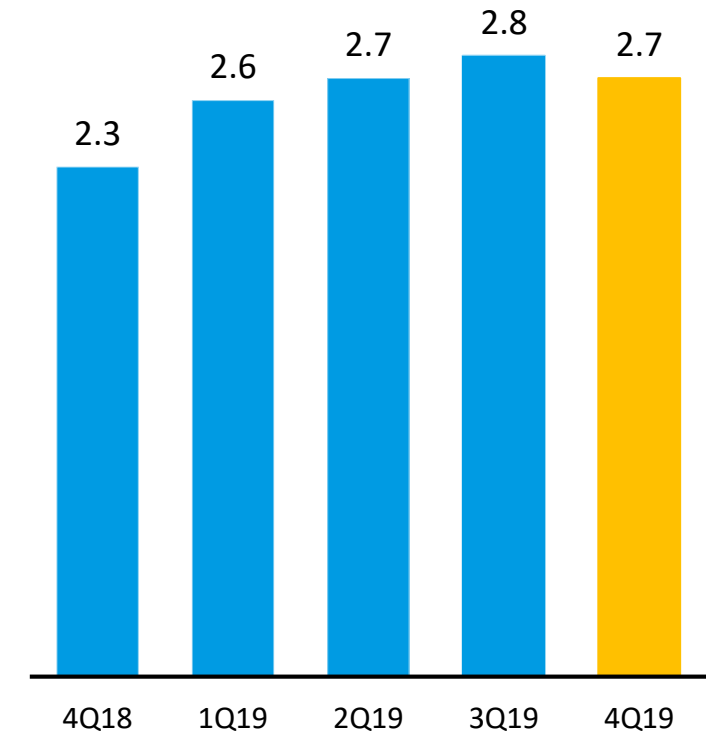
**ALFA Net Debt
(US \$ Million)**



**Net Debt 4Q19 vs 4Q18
(US \$ Million)**



**Leverage Ratio
(Net Debt/EBITDA)**



Progress on value-enhancing initiatives to further strengthen balance sheet and increase return on invested capital



Petrochemicals

- Finalized the sale of two cogeneration power plants for US \$801 million



IT & Telecom

- Monetized three Data Centers in a strategic agreement with Equinix for US \$175 million
- Began to operate under two specialized business units: Infrastructure and Services
- Ongoing process with financial advisors to evaluate strategic alternatives



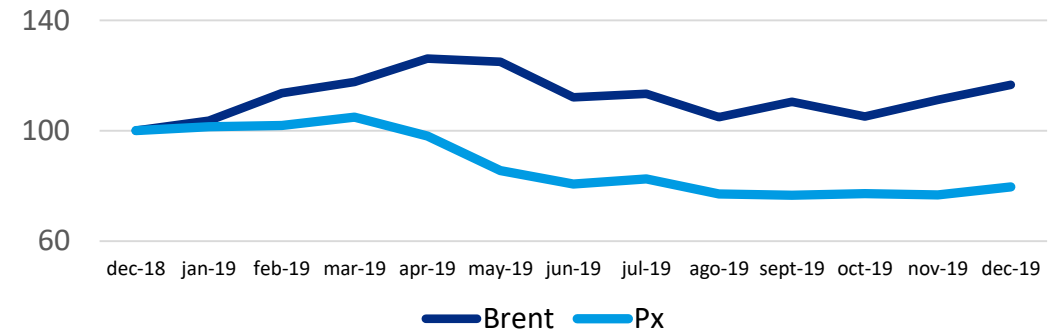
Oil & Gas

- Evaluating strategic alternatives for assets outside of Mexico

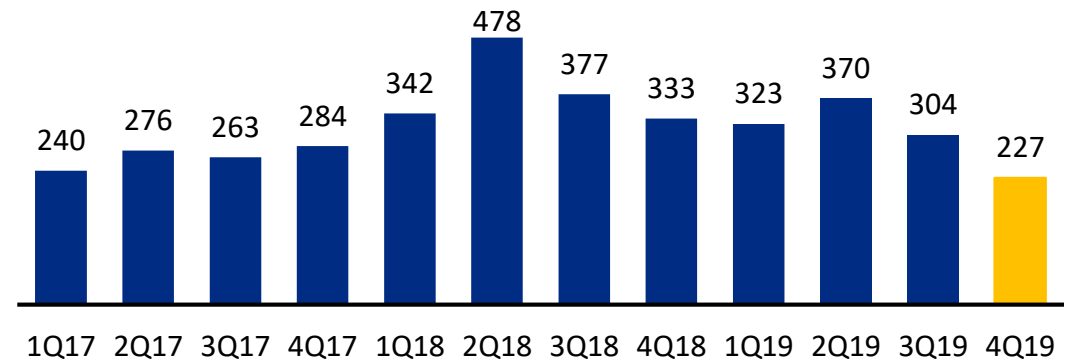
4Q19 Highlights

- Highest quarterly EBITDA year-to-date in 4Q19
- Sold the cogeneration plants for U.S. \$801 million, paid down debt, leverage at 1.6x EBITDA
- Acquired 350 kton PET facility in Wilton, UK; only PET producer in the UK, first plant outside America
- Paraxylene price disconnection vs. crude oil due to new capacity in China
- Asian reference polyester margins decreased below expectations; recovered in January
- Paid an extraordinary dividend of US \$143 million in January 2020

Paraxylene vs Brent Crude Oil Price (Base=100)



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





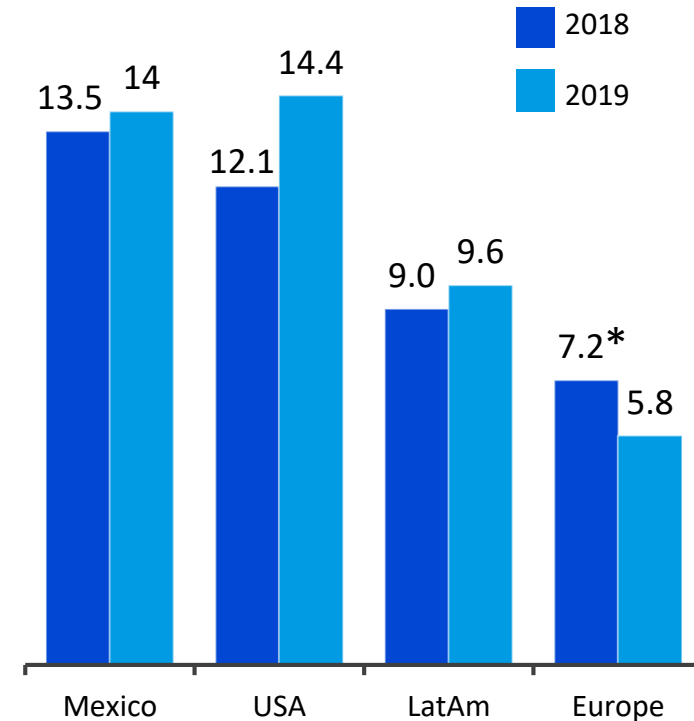
Sigma posted solid results throughout the year, despite raw material prices pressure



4Q19 Highlights

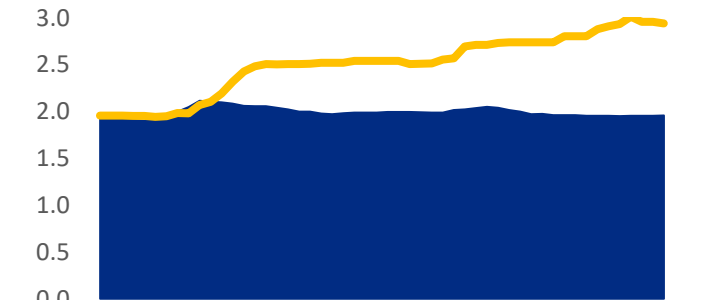
- EBITDA up y-o-y in 4Q19 and 2019 driven primarily by the U.S. and Mex.
- Higher EBITDA margin y-o-y in Mexico, U.S. and LatAm despite ASF
- Launched +270 products through its innovation platform in 2019
- Launched “*Tastech by Sigma*”, its first worldwide acceleration program to collaborate with high-impact startups and scaleups

EBITDA Margin By Region

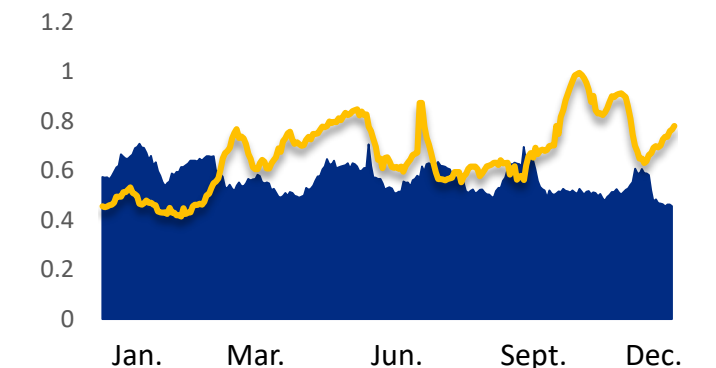


Pork Ham Price

Europe (€/kg)



U.S. (\$/lb)

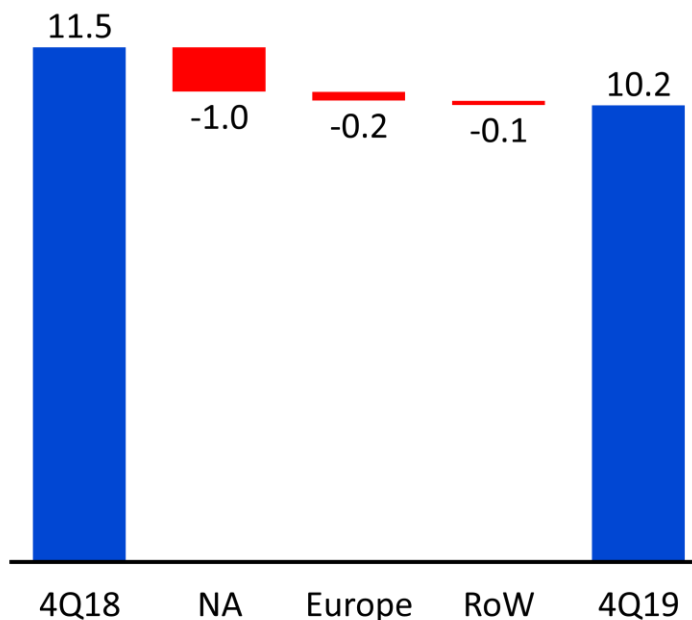


* Excluding a net extraordinary gain of US \$6 million in 3Q18 (Reported EBITDA Margin: 7.9)

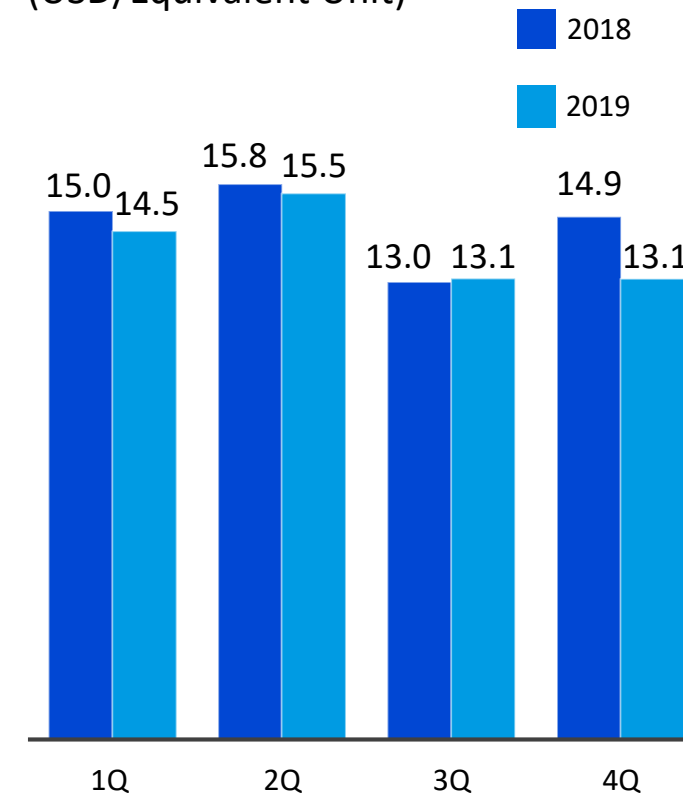
4Q19 Highlights

- 4Q19 Volume impacted by:
 - GM strike in the US
 - Phase-out of production of certain models among Detroit customers
 - Lower OEM prod. in Europe and China
- 2019 EBITDA in line with expectations
- Supplied EV/SC components for 16 vehicles of 6 customers worldwide
- Completed construction of facility in NA dedicated to the production of e-mobility applications

Volume 4Q19 vs 4Q18 (Million Equivalent Units)



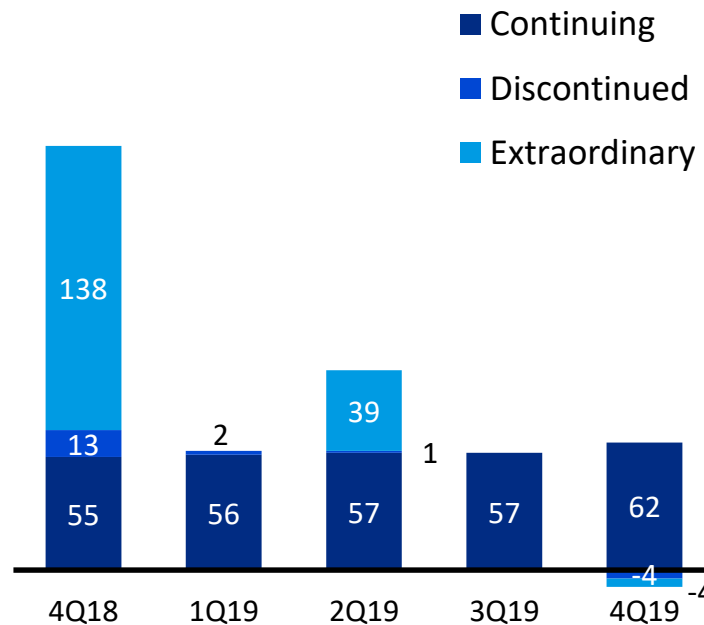
EBITDA per Equivalent Unit (USD/Equivalent Unit)



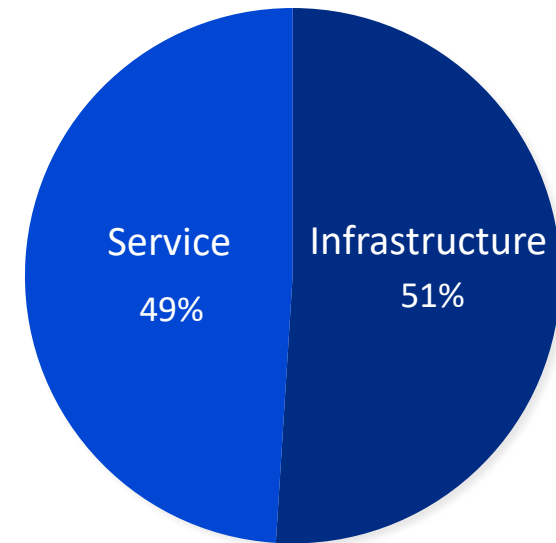
4Q19 Highlights

- Better than expected EBITDA driven by operating efficiencies
- Monetized 3 data centers in strategic agreement with Equinix for US \$175 million
- 2019 EBITDA was US \$232 million, up 7% versus 2018 (adjusting for discount. ops. & ext. items)
- Started operations under two specialized business units: Services and Infrastructure

EBITDA (US \$ Million)



Continuing EBITDA by Business Unit (Total 2019: US \$232 million)





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