



# Unlocking Value

July 31, 2020



## Safe Harbor

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## Highlights

- ALFA's stake in Nemak to be spun-off into new, publicly traded entity in BMV ("Nemak Holding")
  - One share in Nemak Holding per ALFA share
- Transferring optionality / autonomy to Shareholders
- Capturing value from leading / independent BU
- Maintain financial discipline and strong corporate governance; management unchanged
- Gradual and orderly transition process
- Subject to customary approvals

## Financial Rationale

- Unlock value – valuation gap vs business' fundamentals
  - ALFA vs Sum of the Parts
  - ALFA Businesses vs Global Peers
- Cash flow continuity
  - Maintain Alpek and Sigma dividends
  - Axtel strategic alternatives
  - Newpek divestment
  - Corporate cost reduction

# ALFA has developed a portfolio of leading and independent businesses



Petrochemicals



#1 in the production of PTA, PET and EPS in the Americas



Food Products



11 Sigma brands sell more than US \$100 Million a year each



Aluminum Autoparts



1 out every 4 new cars sold in the world contains at least one Nematik product



IT + Telecom



8 out of 10 Mexican Corporates use Axtel's IT and Telecom services



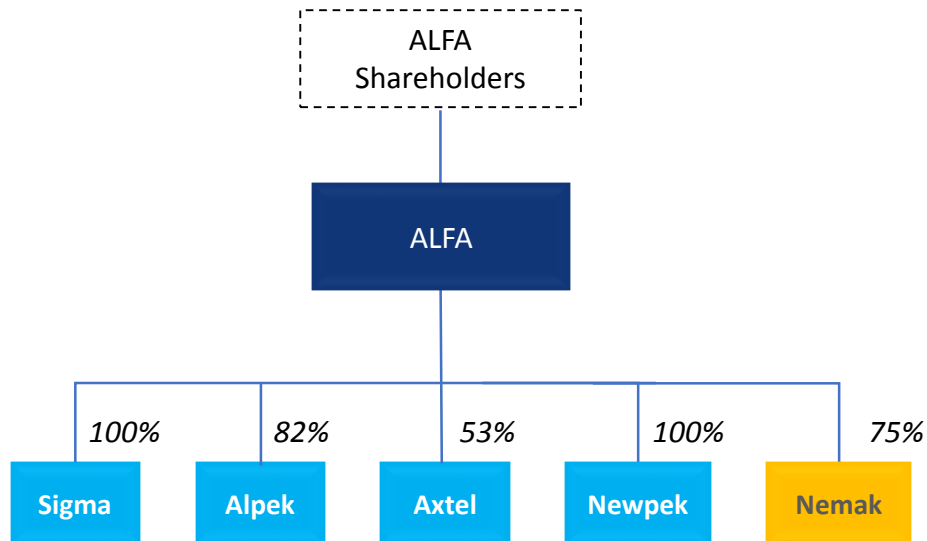
Oil & Gas



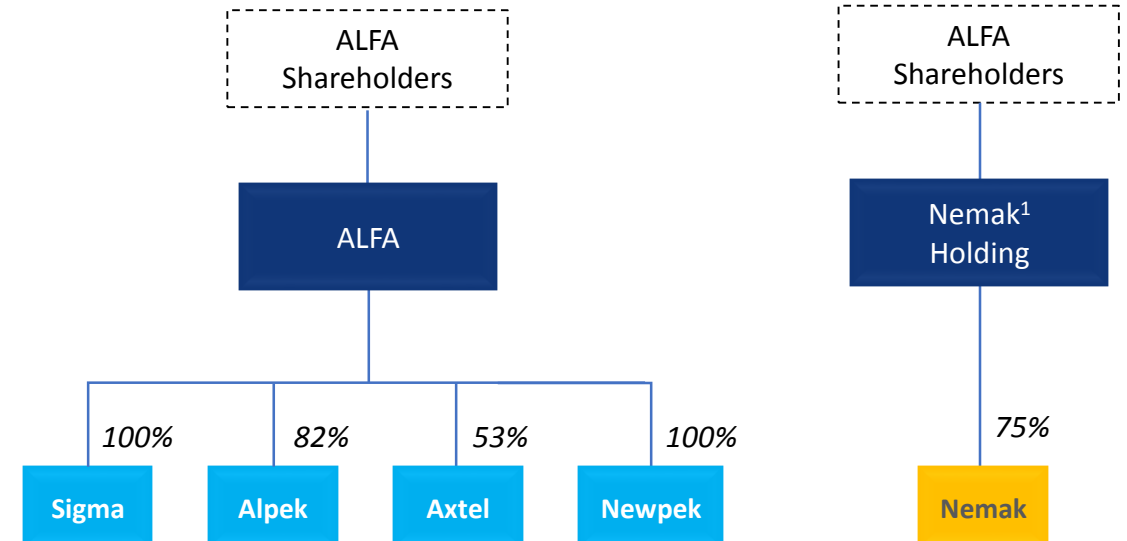
686 production wells operated by Newpek in U.S. and Mexico



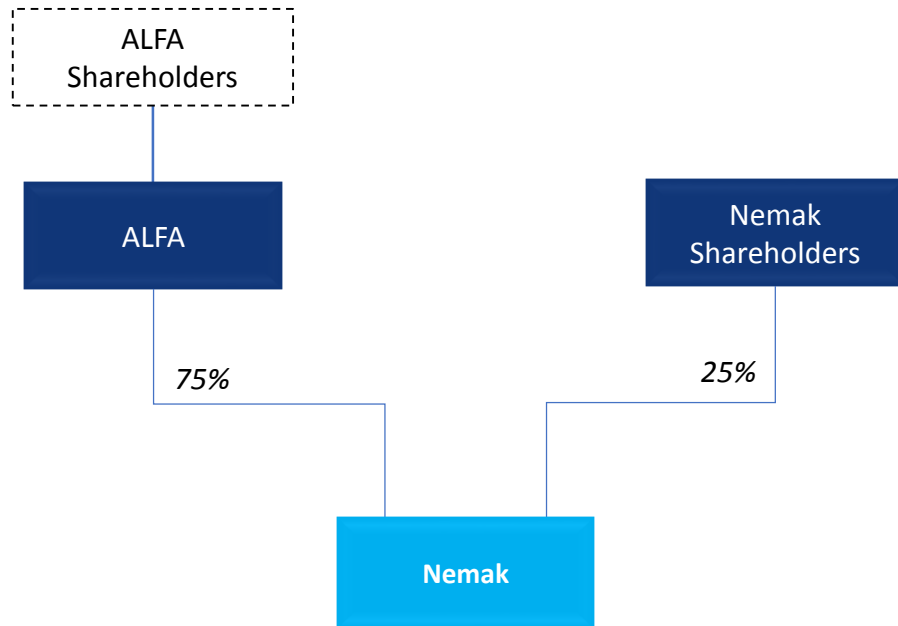
## Current ALFA structure



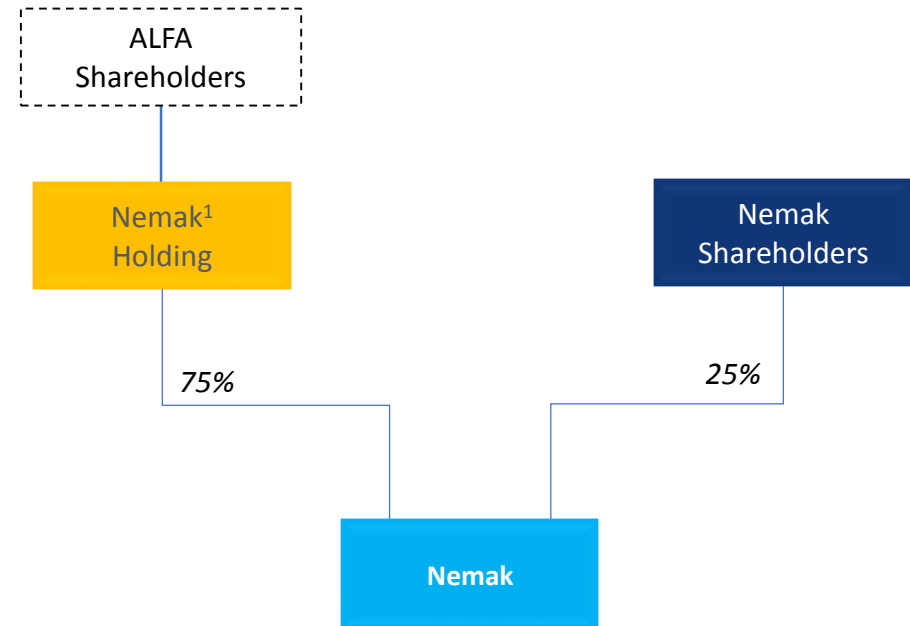
## Proforma ALFA structure (Post Nematik spin-off)



## Current Nemak Shareholder Structure



## Proforma Nemak Shareholder Structure (Post Nemak spin-off)





- Leading provider of innovative lightweighting solutions for the global automotive industry
- Diversified product portfolio spanning powertrain, structural, and e-mobility applications
- Sole supplier in ~90% of sales
- 1 in 4 new vehicles sold contains a Nemak component
- Nemak supplies ~650 out of ~1,300 vehicle nameplates worldwide
- Net Debt to EBITDA < 2.0x from 2014-2019



- Global footprint with facilities near customer sites
- High value-added operations support margins
- Awarded new business for ~US \$830 M in structural & EV components
- Leading provider of battery housings for the European and North American markets
- Flexibility to adapt business across economic cycles
- Recovery underway in global automotive industry







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