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EARNINGS REPORT

First Quarter 2020 (1Q20)

Monterrey, N.L., Mexico, April 16, 2020.

ALFA, S.A.B. de C.V. (BMV: ALFAA) (ALFA), a holding company that manages a diversified portfolio of leading subsidiaries with global operations, announced today its unaudited results for the first quarter of 2020 ("1Q20"). All figures have been prepared in accordance with International Financial Reporting Standards ("IFRS").

ALFA reports 1Q20 EBITDA of US \$563 million

1Q20 HIGHLIGHTS

ALFA	<ul style="list-style-type: none"> Focus on Safety and Business Continuity amid COVID-19; Cash US \$2.3 billion 2020 Guidance withdrawn; results trending ahead of expectations before COVID-19
Alpek	<ul style="list-style-type: none"> Providing essential materials for beverage/food packaging and medical supplies Rising Asian reference polyester margins partially offset drop in oil/feedstock prices
Sigma	<ul style="list-style-type: none"> Higher sales volume in all regions Lower raw material prices q-o-q partially offset impact from MXN depreciation
Nemak	<ul style="list-style-type: none"> Temporarily ceased operations at certain plants; successfully restarted production in China Solid financial position; Cash US \$785 million and Net Debt/EBITDA of 2.1 times
Axtel	<ul style="list-style-type: none"> Providing essential connectivity, cybersecurity and cloud services, among others Received US \$175 million payment for the previously announced sale of three Data Centers

SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	1Q20	4Q19	1Q19	Ch. % vs. 4Q19	Ch. % vs. 1Q19
ALFA Revenues	4,167	4,267	4,479	(2)	(7)
Alpek	1,433	1,407	1,642	2	(13)
Sigma	1,637	1,706	1,516	(4)	8
Nemak	907	941	1,102	(4)	(18)
Axtel	157	176	173	(11)	(9)
Newpek	16	18	23	(10)	(29)
ALFA EBITDA¹	563	636	519	(11)	9
Alpek	111	356	140	(69)	(21)
Sigma	169	176	166	(4)	1
Nemak	142	133	175	7	(19)
Axtel	156	53	58	192	169
Newpek	(6)	(65)	(8)	92	33
Majority Net Income	170	80	66	112	159
CAPEX & Acquisitions²	180	325	212	(45)	(15)
Net Debt	6,323	6,276	7,194	1	(12)
Net Debt/LTM EBITDA [*]	2.7	2.7	2.6		
LTM Interest Coverage ^{*3}	5.3	5.2	5.7		

* Times. LTM = Last 12 months; 1 EBITDA = Operating Income + depreciation and amortization + impairment of assets. 2 Gross amount; does not include divestments. 3 Interest Coverage = EBITDA/Net Financial Expenses



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Message from ALFA's President

"We are living through an unprecedented event that has impacted the global community and changed many aspects of our daily lives. Governments, companies and individuals worldwide are fighting against COVID-19 amid a growing number of cases. In addition to its effect on health, the virus is significantly affecting economic activities around the world.

ALFA is adapting to rapidly changing industry conditions; providing essential goods and services in these trying times, supported by talented and dedicated teams at all levels and by a solid financial position.

We are focusing our efforts on Safety and Business Continuity. Safety is our top priority as we reinforce health and safety standards in all our operations to protect the well-being of our employees, customers, suppliers and communities.

Actions undertaken to ensure this include: increased hygiene and sanitization protocols, reduction of on-site personnel via virtual collaboration, physical distancing and travel restrictions. ALFA also seeks to maintain close contact with stakeholders in all regions, including health and government agencies, to identify and implement additional actions in support of worldwide efforts to minimize the transmission of the virus.

It is also crucial that we preserve the continuity and long-term sustainability of our operations; protecting our employee's jobs, serving our customers responsibly and looking for ways to contribute to our communities in the fight against COVID-19.

Business continuity task forces are in place at the Local, Subsidiary and Corporate levels; closely monitoring this situation and coordinating our response to the immediate challenges posed by rapidly changing conditions. We are working with stakeholders in all our value chains to adapt our operations accordingly. Alpek, Sigma and Axtel are focused on operating to the full extent of their capacities amid increased demand for food, packaging materials, medical supplies and telecommunication services.

In contrast, the auto industry is being impacted by light-vehicle production cuts and temporary shutdowns amid emergency declarations issued in Mexico and other countries. As a result, Nemark has also temporarily ceased operations at certain plants and production lines.

ALFA and all its Subsidiaries are implementing cost reduction initiatives and capturing other cash flow benefits such as deferral of capital expenditures and working capital optimization. ALFA's Chairman of the Board and I have decided to voluntarily reduce our salaries by 30% during 2Q20 to complement other cost saving initiatives. We will also formalize a voluntary salary reduction program by which ALFA's Corporate employees will have full discretion to contribute a portion of their compensation to: i) fund special programs in support of our communities and/or, ii) enhance cost savings under this new operating environment.

Each of our subsidiaries is working on company-specific initiatives and programs. In particular, Nemark has taken several additional steps to reduce costs and expenses, including broader salary reductions for Executives and reduced working hours for salaried employees, among others.

In addition, the previously approved dividends at Nemark and Alpek will be subject to a thorough review by their Boards to provide Shareholders an updated recommendation considering the current market conditions. The implementation of updated recommendations would be subject to Shareholder approval.

We are facing an uncertain global macro environment, characterized so far by a significant drop in commodity prices, FX volatility, rising unemployment and demand distortions. It is important to note that the impact to our results from some of these variables is partially offset by the positive effect from others. However, it is difficult to forecast the future repercussions of COVID-19 based on information available currently. Therefore, we are withdrawing our 2020 guidance and expect to revisit this as soon as a reliable estimate can be determined.

ALFA and all its Subsidiaries reported a solid financial position at the end of 1Q20. The Company's consolidated Cash balance of US \$2.3 billion is comparable to the EBITDA generated in 2019, and is larger than the aggregate amount of consolidated Debt maturities over the next three years. Furthermore, Net Debt to EBITDA was 2.7 times, flat versus 4Q19.

Our total cash position increased US \$923 million when compared to 4Q19 as we strengthened liquidity by drawing down a portion of available credit facilities to enhance our financial flexibility. Also, Axtel received the proceeds from the sale of its Data Centers during the first quarter.

Furthermore, 1Q20 results were generally trending ahead of expectations before the impact from COVID-19. Consolidated EBITDA was US \$563 million, including a US \$107 million one-time gain from the sale of Axtel's Data Centers.

Looking ahead, ALFA and its Subsidiaries will continue to ensure the highest safety standards and focus on business continuity. I am confident that we are taking the right actions to protect the well-being of our employees, to serve our customers responsibly and to contribute in the global fight against COVID-19. Our long-term growth plans and strategic initiatives remain unchanged, but the immediate focus of the entire organization is on managing through and overcoming these challenging times.

I thank every member of our teams for their hard work and dedication in order to maintain essential food supply at Sigma; essential materials for food & beverage packaging and medical supplies at Alpek; essential connectivity for virtual collaboration at Axtel; and to rapidly adjust operations at Nemark. I also extend my appreciation to our customers, suppliers and partners who have all come together to address this situation.

Let me end by expressing my best wishes to you and to your families to stay safe and healthy."

Álvaro Fernández

ALFA (BMV: ALFAA) Consolidated Financial Results

INCOME STATEMENT (US \$ MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Total Revenues	4,167	4,267	4,479	(2)	(7)
Gross Profit	780	765	824	2	(5)
Operating expenses and others	(465)	(410)	(566)	(13)	18
EBITDA	563	636	519	(11)	9
Operating income	315	354	258	(11)	22
Financial cost, net	(291)	(88)	(95)	(229)	(208)
Share of losses of associates	2	(16)	3	110	(46)
Income Tax	149	(87)	(76)	272	298
Consolidated net income	175	163	91	7	92
Controlling Interest	170	80	66	112	159
EBITDA/Revenues (%)	13.5	14.9	11.6		

Total Revenues were US \$4.167 billion, down 7% when compared to 1Q19 mainly due to the effect of lower feedstock prices in Alpek, lower volume in Nemark, and Axtel's recent divestments (e.g. Mass Market business and Data Centers). By contrast, Sigma's revenue was up 8% in the quarter driven by higher volume and average prices in all regions. Year-to-date, 67% of consolidated ALFA revenues were derived from outside Mexico, also known as "Foreign Sales" (see table 2).

EBITDA was US \$563 million, up 9% year-on-year. 1Q20 EBITDA includes a US \$91 million net gain from extraordinary items comprised of a US \$107 million one-time gain from the sale of Axtel's Data Centers and a non-cash inventory loss of US \$17 million at Alpek. Adjusting for extraordinary items in all periods, Comparable ALFA EBITDA was US \$473 million, US \$514 million and US \$528 million in 1Q20, 4Q19 and 1Q19, respectively.

1Q20 Comparable ALFA EBITDA was down 10% versus 1Q19 as growth in Sigma was more than offset primarily by lower EBITDA in Nemark and Alpek amid temporary shutdowns affecting the global auto industry and an unfavorable drop in oil and feedstock prices.

Additionally, 1Q20 EBITDA includes a US \$31 million benefit associated with leases recognized under the IFRS16 accounting standard, compared to a US \$24 million benefit in 1Q19 (see tables 3, 4, 5 and 6).

Operating Income totaled US \$315 million, up from US \$258 million in 1Q19 reflecting the increase in EBITDA explained above (see table 3).

Comprehensive Financing Expense (CFE) of US \$291 million, was up from US \$95 million in 1Q19. It is important to note that 1Q20 CFE includes a US \$178 million exchange rate loss caused by the recent depreciation of the Mexican Peso, among other currencies (see table 7).

Controlling Interest Net Income was US \$170 million, compared to US \$66 million in 1Q19 as the increase in Comprehensive Financing Expense was more than offset by an Income Tax benefit resulting from a gain in Deferred Taxes associated with the depreciation of the Mexican Peso (see table 8).

CHANGE IN NET DEBT (US \$ MILLIONS)

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
EBITDA	563	636	519	(11)	8
Net Working Capital	(55)	128	(208)	(143)	74
Capital Expenditures & Acquisitions	(180)	(325)	(212)	45	15
Net Financial Expenses	(113)	(116)	(114)	2	1
Taxes	(203)	(90)	(76)	(127)	(166)
Dividends	(133)	(43)	(162)	(209)	18
Other Sources / Uses	74	566	(398)	(87)	119
Decrease (Increase) in Net Debt	(47)	756	(651)	(106)	93

Net Debt was US \$6.323 billion at the close of 1Q20, down 12% versus 1Q19 and up 1% versus 4Q19. On an absolute basis, consolidated ALFA Net Debt increased US \$47 million from year-end 2019. It is important to note that Taxes was the largest cash outflow this quarter due to annual obligations which were paid in 1Q20 totaling US \$146 million.

As of March 31, 2020, Net Debt included US \$413 million in leases recognized under the IFRS16 accounting standard. Cash totaled US \$2.290 billion at the end of the first quarter, up \$923 million versus 4Q19 as ALFA and its Subsidiaries reinforced liquidity by drawing down a portion of available credit lines. ALFA's Cash balance is comparable to the EBITDA generated in 2019, and is larger than the aggregate amount of consolidated Debt maturities over the next three years. Financial ratios at the close of 1Q20 were: Net Debt to EBITDA 2.7 times and Interest Coverage 5.3 times, compared with 2.6 and 5.7 times, respectively in 1Q19 (see tables 6 and 9).

Net Working Capital was US \$55 million as a recovery at Alpek, supported by lower oil and feedstock prices, was more than offset by the seasonal investment at Sigma as well as smaller investments from other Subsidiaries.

Capital Expenditures (CAPEX) & Acquisitions was US \$180 million in 1Q20, down 15% and 45% versus 1Q19 and 4Q19, respectively. Planned investments are subject to review for potential deferral or reduction as part of the actions taken to mitigate the impact from COVID-19.

Dividends correspond to the dividend paid to ALFA Shareholders in the beginning of March 2020, as approved at ALFA's Annual Shareholders' Meeting, plus dividends paid to minority shareholders at Alpek.

RECENT DEVELOPMENTS - ALFA

<p>COVID-19</p>	<ul style="list-style-type: none"> • ALFA focused on Safety and Business Continuity amid COVID-19 <ul style="list-style-type: none"> - Ensure the highest health/safety standards to protect the well-being of employees, customers, suppliers and community - Preserve the continuity and long-term sustainability of our businesses • Safety <ul style="list-style-type: none"> - Increased hygiene and sanitization protocols - Reduction of on-site personnel - Physical distancing - Travel restrictions - Closely monitoring health and government agency recommendations • Business Continuity <ul style="list-style-type: none"> - Task forces coordinating immediate response to adapt operations - Serving our customers responsibly – providing essential goods / services - Protecting our employees’ jobs - Contributing to our communities • Strong financial position and financial flexibility <ul style="list-style-type: none"> - Maximize liquidity - Reduce costs and expenses - Defer certain CAPEX in all subsidiaries - Optimize working capital - Board review of previously approved dividends at Nemark and Alpek - Defer temporarily non-core asset divestments
<p>Share Repurchase Program</p>	<ul style="list-style-type: none"> • 35.3 million shares were repurchased in 1Q20 (~US \$13 million) • Cautiously continue exercising opportunistic share buybacks
<p>ALFA Day</p>	<ul style="list-style-type: none"> • Event postponed in Mexico City and New York due to COVID-19 • Intention to host ALFA Day later this year
<p>2020 Guidance</p>	<ul style="list-style-type: none"> • 2020 Guidance withdrawn • Unable to determine COVID-19 impact with information available currently • Updated Guidance to be provided as soon as reliable estimate can be determined
<p>Annual Shareholder Meeting</p>	<ul style="list-style-type: none"> • Approved dividend of US \$2 cents per share, equivalent to US \$100 million • Maximum amount of Ps \$5,800 million (~US \$240 million) for share re-purchases • Presented plan to obtain US \$300 million in cost savings and cash flow benefits 2020 • Presented plan to obtain US \$1.2 billion from sale of non-strategic assets (18 months)

Results by Business



Alpek (BMV: ALPEKA) – Petrochemicals

35% of ALFA's revenues in 1Q20

SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Volume (ktons)	1,184	1,059	1,087	12	9
Polyester	967	851	857	14	13
Plastic & Chemicals	217	208	230	4	(6)
Revenues	1,433	1,407	1,642	2	(13)
Polyester	1,094	1,075	1,239	2	(12)
Plastic & Chemicals	300	311	376	4	(20)
EBITDA	111	356	140	(69)	(21)
Polyester	58	122	80	(52)	(27)
Plastic & Chemicals	49	42	54	15	(10)
Cogeneration Plants' Sale	0	188	0	(100)	-
CAPEX & Acquisitions¹	15	115	69	(87)	(79)
Net Debt	1,436	1,330	2,200	8	(35)
Net Debt / LTM EBITDA*	1.7	1.6	2.2		
LTM Interest Coverage ²	7.3	7.2	8.8		

* Times. LTM = Last 12 months. 1 Gross amount; does not include divestments. 2 Interest Coverage = EBITDA/Net Financial Expenses

Volume was 1,184 ktons, up 9% versus 1Q19 driven by the Polyester segment which benefitted from strong organic growth supported by robust PET demand as well as the recent acquisition of the PET plant in the U.K. By contrast, the Plastics & Chemicals segment posted lower volume as a slight increase in polypropylene was more than offset by a decrease in Caprolactam and industrial chemical sales.

Revenues totaled US \$1.433 billion in 1Q20, down 13% year-on-year as the increase in volume was more than offset by a 20% decrease in average consolidated prices resulting from the recent drop in oil and feedstock prices.

EBITDA was US \$111 million, including a US \$17 million non-cash inventory loss. Adjusting for extraordinary items, Alpek's Comparable 1Q20 EBITDA was US \$127 million, down 14% when compared to 1Q19 which benefitted from higher polyester and polypropylene margins, among others.

Capital expenditures (CAPEX) & Acquisitions were US \$15 million in 1Q20, compared to US \$69 million in 1Q19. Most of these funds were used for minor asset replacements. Planned investments are subject to review for potential deferral or reduction as part of the actions taken to mitigate the impact from COVID-19.

Net Debt was US \$1.436 billion, down 35% and up 8% when compared with 1Q19 and 4Q19, respectively. On an absolute basis, 1Q20 Net Debt increased US \$106 million versus 4Q19 as a result of dividends and annual tax obligations which were paid in 1Q20.

As of March 31, 2020, Net Debt included US \$167 million in leases recognized under the IFRS 16 accounting standard. Cash totaled US \$570 million at the end of the first quarter, up \$184 million versus 4Q19 as Alpek reinforced its liquidity by drawing down a portion of available credit lines. Financial ratios at the end of 1Q20 were Net Debt to EBITDA of 1.7 times and Interest Coverage of 7.3 times.

RECENT DEVELOPMENTS - ALPEK

COVID-19	<ul style="list-style-type: none"> • Safety and business continuity <ul style="list-style-type: none"> - Protocols – additional hygiene practices, safety gear, health checkpoints, travel restrictions, and enforced home-office wherever possible - Operations update – Supplying materials for essential industries - Financial position highlights – Alpek maintains strong leverage of 1.7 times Net Debt/EBITDA - Cost reduction and cash benefits – Alpek focused on protecting Free Cash Flow through lower CAPEX, improved Net Working Capital and reasonable dividends • Product benefits / characteristics <ul style="list-style-type: none"> - Materials used to produce essential goods (syringes, face masks, medical gowns and packaging for water, food and virus tests) - Hygiene, safety and convenience among PET packaging benefits during this time
Corpus Christi Polymers	<ul style="list-style-type: none"> • Extended pre-construction period • 2020 CAPEX contributions of US \$45 million postponed
Annual Shareholder Meeting	<ul style="list-style-type: none"> • Approved dividend of US \$81.6 million • Share buyback program approved; amount extended to Ps \$2,000 million
2020 Guidance	<ul style="list-style-type: none"> • 2020 Guidance withdrawn • Unable to determine COVID-19 impact with information available currently • Key variables include oil/feedstock prices, reference margins, demand and FX volatility • Updated Guidance to be provided as soon as reliable estimate can be determined

(See “Appendix – 1Q20 Reports of Listed Businesses” for Alpek’s complete 1Q20 Earnings Report)

Sigma – Food Products

39% of ALFA's revenues in 1Q20



SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Revenues	1,637	1,706	1,516	(4)	8
Mexico	679	716	653	(5)	4
Europe	572	624	509	(8)	12
United States	268	244	239	10	12
LatAm	118	122	116	(4)	2
EBITDA	169	176	166	(4)	1
Mexico	90	89	91	2	(1)
Europe	25	43	28	(42)	(9)
United States	42	33	36	29	18
LatAm	11	12	12	(7)	(8)
CAPEX & Acquisitions¹	23	76	26	(69)	(10)
Net Debt	2,037	1,994	2,020	2	1
Net Debt / LTM EBITDA*	2.9	2.8	2.9		
LTM Interest Coverage* ²	5.9	6.2	5.3		

* Times. LTM = Last 12 months. 1 Gross amount; does not include divestments. 2 Interest Coverage = EBITDA/Net Financial Expenses

Revenues amounted to US \$1.637 billion, up 8% when compared to 1Q19. On a currency neutral basis, sales were up 10% year-on-year. The result was mainly driven by higher sales volume and higher average prices across all regions. During 1Q20, revenues in local currencies increased 7% in Mexico, 15% in Europe, 12% in the U.S. and 3% in Latin America, all versus 1Q19 (see table 12).

EBITDA was US \$169 million, up 1% year-on-year. On a currency neutral basis, 1Q20 EBITDA was 4% higher versus 1Q19. This result was driven by a solid performance in the U.S., which was further augmented by higher sales volume during March as a result of consumers' preparations for the preventive lockdown related to COVID-19 (see table 13).

Capital expenditures (CAPEX) & Acquisitions totaled US \$23 million in 1Q20, mainly for maintenance and expansion projects across all regions. Planned investments are subject to review for potential deferral as part of the actions taken to mitigate the effects of COVID-19.

Net Debt was US \$2.037 billion, up 1% and 2% when compared to 1Q19 and 4Q19, respectively. On an absolute basis, Sigma's Net Debt increased US \$43 million year-to-date as operating cash flow was offset by the seasonal investment in Net Working Capital and tax obligations which were paid in 1Q20.

As of March 31, 2020, Net Debt included US \$114 million in leases recognized under the IFRS 16 accounting standard. Cash totaled US \$718 million at the end of the first quarter, up US \$201 million versus 4Q19 as Sigma reinforced its liquidity by drawing down a portion of available credit lines. Financial ratios at the end of 1Q20 were Net Debt to EBITDA of 2.9 times and Interest Coverage of 5.9 times (see table 14).

INDUSTRY COMMENTS - SIGMA

During 1Q20, food retail sales were higher across all regions where Sigma operates due to increased purchases in preparation for the preventive COVID-19 lockdown. However, consumer confidence showed mixed results due to the effects of this virus on the global economy.

In Mexico, the average consumer confidence indicator reported by INEGI (Instituto Nacional de Estadística y Geografía – National Institute for Statistics and Geography) was 8% and 2% lower when compared to 1Q19 and 4Q19, respectively. By contrast, same-store-sales reported by the National Association of Supermarkets and Department Stores (ANTAD) increased 5.8% year-on-year in nominal Mexican Pesos.

In the U.S., the average consumer confidence index reported by The Conference Board in 1Q20 increased 2% year-on-year; however, it started to decrease in March due to the impact of COVID-19 on the economy. In contrast, food retail sales reported by the U.S. Census Bureau were 3% higher when compared to 1Q19.

In Europe, the average consumer confidence index reported by the European Commission decreased from negative 7.0 in 1Q19 to negative 8.8 in 1Q20. Similar to the other regions, food retail sales, according to Eurostat, increased 2% year-on-year.

During 1Q20, key raw material prices started to decrease versus 4Q19, while still being above last year levels. In Europe, pork shoulder and pork ham prices decreased 4% and 2%, respectively, when compared to 4Q19. Nonetheless, year-on-year, prices for pork shoulder and pork ham were up 47% and 35%, respectively.

In the Americas, price for pork ham in this region continued above last year price, being 19% higher versus 1Q19, but 21% lower in comparison to last quarter due to higher inventories in the market. Regarding poultry prices, on a year-over-year basis, turkey thigh increased 22%, turkey breast decreased 14% and chicken remained flat. When compared to 4Q19, turkey breast and turkey thigh prices were 12% and 4% lower, respectively, while chicken prices remained unchanged.

By the end of 1Q20, the exchange rate presented significant volatility due to the COVID-19 contingency and its potential impact on the global economy. In March, the Mexican Peso depreciated 14% year-on-year, affecting dollarized costs in Mexico.

RESULTS BY REGION - SIGMA

During 1Q20, 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 1Q20 sales and EBITDA were up 7% and 3% year-on-year, respectively, supported by higher prices and sales volume in retail channels. By contrast, the Foodservice distribution channel posted lower sales in March as a result of temporary hotel and restaurant closures to prevent the spread of COVID-19.

Europe 1Q20 sales in Euros increased 15% year-on-year driven by higher volume and prices. 1Q20 EBITDA in Euros decreased 7% year-on-year, mainly driven by higher raw material costs due to the African Swine Fever (ASF) outbreak that has impacted pork prices beginning in March 2019.

United States 1Q20 sales and EBITDA increased 12% and 18%, respectively when compared to 1Q19, driven by solid results across all business segments. Moreover, purchases related to COVID-19 during March further boosted the results.

LatAm 1Q20 sales in local currencies increased 3% year-on-year. By contrast, EBITDA in local currencies decreased 8% versus 1Q19, partly due to lower sales volume in the Foodservice distribution channel.

RECENT DEVELOPMENTS - SIGMA

<p>COVID-19</p>	<p>Global and regional task forces working on the following workstreams:</p> <ul style="list-style-type: none"> • Safety <ul style="list-style-type: none"> - Strict health & safety protocols to prevent the spread of the virus among employees • Business continuity <ul style="list-style-type: none"> - As of today, all production plants and distribution centers are operating - Sigma's supply chain has not presented disruptions • Liquidity <ul style="list-style-type: none"> - Strong cash position of US \$718 million <ul style="list-style-type: none"> ▪ Prudent liquidity management – Sigma disbursed US \$305 million in short term loans - Comfortable debt profile – next long-term maturity in 2024 - Financial Discipline (Cost, Expenses & CAPEX) - Working capital optimization • Consumption <ul style="list-style-type: none"> - Higher demand across all regions due to consumers' purchases for "shelter in place" orders • Foodservice distribution channel – approximately 12% of total sales • Sales decreased since March mainly due to hotel and restaurant temporary closures • Potential sales migration to core business – from eating out to eating at home
<p>2020 Guidance</p>	<ul style="list-style-type: none"> • 2020 Guidance has been withdrawn due to the uncertainty of COVID-19 implications • COVID-19 has impacted raw material prices, exchange rates, Foodservice sales, among others • Updated Guidance to be provided as soon as reliable estimate can be determined
<p>Financial Hedges</p>	<ul style="list-style-type: none"> • At the end of 1Q20, forward contracts to cover the U.S. dollar needs for the Mexican operations amount to US \$240 million @19.50 MXN/USD, equivalent to approximately four months of U.S. dollar needs • Sigma maintains the Cross-Currency Swap that covers US \$220 million of its bond maturing in 2026 @18.24 MXN/USD, with an interest rate of 8.89%

(See "Financial Statements" for Sigma's 1Q20 Balance Sheet and Income Statement)

Nemak (BMV: NEMAKA) – Aluminum Autoparts

22% of ALFA's revenues in 1Q20



SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Volume (Million Equivalent Units)	10.5	10.2	12.1	3	(13)
North America	6.1	5.9	7.1	3	(14)
Europe	3.4	3.3	4.0	3	(14)
Rest of World	1.0	1.0	1.0	-	(4)
Revenues	907	941	1,102	(4)	(18)
North America	508	490	614	4	(17)
Europe	323	339	400	(5)	(19)
Rest of World	76	112	88	(32)	(14)
EBITDA	142	133	175	7	(19)
North America	91	68	109	34	(17)
Europe	46	56	67	(18)	(31)
Rest of World	5	9	(1)	(44)	-
CAPEX & Acquisitions¹	97	97	96	-	1
Net Debt	1,210	1,206	1,305	-	(7)
Net Debt / LTM EBITDA*	2.1	1.9	1.8		
LTM Interest Coverage* ²	8.1	8.6	9.4		

* Times. LTM = Last 12 months. 1 Gross amount; does not include divestments. 2 Interest Coverage = EBITDA/Net Financial Expenses

Volume was 10.5 million equivalent units, down 13% when compared to 1Q19, largely attributed to the abrupt slowdown in light-vehicle production amid COVID-19. In North America, the main factors were the continued phase-out of certain models among Detroit 3 customers along with an overall industry slowdown caused by COVID-19. Light-vehicle production was also impacted in Europe by COVID-19, which in turn weighed on Nemak's volume. In Rest of World, volume was down mainly due to lower sales in China, where Nemak managed a temporary shutdown followed by a gradual relaunch of production starting in February.

Revenues totaled US \$907 million in 1Q20, down 18% year-over-year, resulting from lower volume and aluminum prices.

EBITDA was US \$142 million, down 19% versus 1Q19, primarily due to lower volume. EBITDA per equivalent unit was US \$13.5, down 7% year-over-year, as Nemak intensified efforts to optimize costs and expenses amid uncertainty over customer production schedules caused by COVID-19.

Capital expenditures (CAPEX) & Acquisitions totaled US \$97 million primarily to support new product launches in all regions. Planned investments are subject to review for potential deferral or reduction as part of the actions taken to mitigate the effects of COVID-19.

Net Debt totaled US \$1.210 billion at the close of 1Q20, down 7% versus 1Q19 and flat when compared to 4Q19. As of March 31, 2020, Net Debt included US \$93 million in leases recognized under the IFRS 16 accounting standard.

Cash totaled US \$785 million at the end of the first quarter, up US \$458 million versus 4Q19 as Nemak reinforced its liquidity by drawing down a portion of available credit lines. Financial ratios at the end of 1Q20 were Net Debt to EBITDA of 2.1 times and Interest Coverage of 8.1 times.

RECENT DEVELOPMENTS - NEMAK

COVID-19	<ul style="list-style-type: none"> • Safeguard employee wellbeing and ensure business continuity <ul style="list-style-type: none"> - Protocols – checkpoint screenings, facility disinfection, and physical distancing, among others - Operations update – Targeted further optimization of costs, expenses, and cash flow in face of decreased customer production. Measures included CAPEX and working capital reductions and temporary idling of facilities - Financial position highlights – US \$785 million in cash and cash equivalents at quarter-end • Leveraged 3D printing and other manufacturing technologies to help increase health system capacity in Mexico
Annual Shareholder Meeting	<ul style="list-style-type: none"> • Approved cash dividend of US \$0.0164 per share, equivalent to ~US \$50 million, to be subject to review considering current market conditions • Maximum amount of Ps \$2,500 million for share buybacks in 2020 remains unchanged
2020 Guidance	<ul style="list-style-type: none"> • Withdrawal of 2020 Guidance due to uncertainty over the scope and duration of customer production stoppages associated with the pandemic
New Contracts	<ul style="list-style-type: none"> • New contracts in 1Q20 worth a total of approximately US \$190 million in annual revenue, 90 percent of which represents incremental business, primarily to produce cylinder heads, engine blocks, and parts for structural and EV components
Structural and Electric Vehicle (SC/EV) Components	<ul style="list-style-type: none"> • Awarded business worth approximately US \$70 million in annual revenue to supply battery housings for plug-in hybrid applications of a European OEM • Total order book in this segment to-date grew to approximately US \$820 million or 82% of the US \$1 billion target for 2022

(See “Appendix - 1Q20 Reports of Listed Businesses” for Nemak’s complete 1Q20 Earnings Report)

Axtel (BMV: AXTELCPO) – IT & Telecom

4% of ALFA's revenues in 1Q20

axtel



SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Revenues	157	176	173	(11)	(9)
Services – Enterprise	102	103	104	(1)	(2)
Services – Government	27	34	27	(21)	(1)
Infrastructure	59	69	64	(14)	(7)
Eliminations	(31)	(31)	(31)	1	1
Mass Market	0	0	9	(100)	(100)
EBITDA	156	53	58	192	169
CAPEX & Acquisitions¹	36	30	20	20	82
Net Debt	586	750	795	(22)	(26)
Net Debt / LTM EBITDA*	1.6	2.8	2.0		
LTM Interest Coverage ²	5.0	3.6	4.4		

* Times. LTM = Last 12 months. 1 Gross amount; does not include divestments. 2 Interest Coverage = EBITDA/Net Financial Expenses

Revenues totaled US \$157 million, down 9% year-on-year mainly reflecting the sale of the Mass Market business and the Data Center transaction. Adjusting for these effects, Axtel's comparable 1Q20 sales were down 2% versus 1Q19 reflecting the depreciation of the Mexican Peso. On a currency neutral basis, Axtel's comparable 1Q20 revenues increased 1% driven by growth in the Services business unit.

EBITDA was US \$156 million, up 169% year-on-year, including a US \$107 million one-time gain from the previously announced sale of Axtel's Data Centers. Adjusting for extraordinary items and the contribution of recently sold businesses, 1Q20 EBITDA was US \$48 million, down 9% year-over-year or down 7% on a currency neutral basis as higher EBITDA in the Infrastructure unit was more than offset by a decrease in the Services unit.

Capital expenditures (CAPEX) & Acquisitions totaled US \$36 million in 1Q20, up 82% when compared to 1Q19. CAPEX & Acquisitions in the first quarter of 2020 include an extraordinary investment of US \$19 million related to the renewal of spectrum frequencies.

Net Debt was US \$586 million at the close of 1Q20, down 26% and 22% when compared to 1Q19 and 4Q19, respectively. On an absolute basis, Axtel's Net Debt decreased US \$164 million year-to-date as the Company obtained the proceeds from the sale of three Data Centers. As of March 31, 2020, Net Debt included US \$35 million in leases recognized under the IFRS16 accounting standard.

Cash totaled US \$104 million at the end of the first quarter, up \$58 million versus 4Q19. Financial ratios at the close of 1Q20 were: Net Debt to EBITDA of 1.6 times and Interest Coverage of 5.0 times.

RECENT DEVELOPMENTS - AXTEL

<p>COVID-19</p>	<ul style="list-style-type: none"> • Safety and business continuity <ul style="list-style-type: none"> - 85% of Axtel employees are working in home office scheme - Travel restrictions - Limited access to Axtel’s premises to contractors and external personnel - Internal awareness campaign, enforced sanitization and contagion prevention measures - Alestra Fest 2020 events in Monterrey and Guadalajara postponed • Products <ul style="list-style-type: none"> - Critical services include connectivity, network access, cybersecurity perimeters, collaboration services and cloud solutions, among others - Over 300 enterprise customers have requested to increase their dedicated internet access capacities to cope with current circumstances - Together with its technological partners, Axtel is implementing special offers for collaboration and secured, remote access services for clients • Solid liquidity <ul style="list-style-type: none"> - Cash balance of US \$91 million, plus US \$13 million in escrow until January next year - US \$50 million committed credit line facility – US \$48 million undrawn
<p>Annual Shareholder Meeting</p>	<ul style="list-style-type: none"> • Maximum share buyback program approved for Ps \$400 million
<p>2020 Guidance</p>	<ul style="list-style-type: none"> • Axtel is withdrawing its revenues, EBITDA and capital expenditures guidance for 2020 given the uncertainty COVID-19 is inflicting on the global economy, including Mexico • Updated 2020 guidance will be provided as soon as macroeconomic conditions become less volatile • Axtel’s capital expenditures will be limited to US \$20 to 25 million in maintenance and update of network operations; US \$20 million in the renewal of spectrum frequencies paid already in February; and strictly controlled, success-based investments
<p>Monetization Infrastructure</p>	<ul style="list-style-type: none"> • In 1Q20, Axtel started a competitive process to attract investments proposals for the Infrastructure Unit and the Company • Due to COVID-19 crisis, process has been deferred until market conditions are appropriate

(See “Appendix - 1Q20 Reports of Listed Businesses” for Axtel’s complete 1Q20 Earnings Report)

Newpek – Oil & Gas



Less than 1% of ALFA's revenues in 1Q20

SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Volume (MBOEPD)¹	6.3	6.3	5.7	1	11
Liquid & others (%)	62	56	55		
Revenues	16	18	23	(10)	(29)
Mexico	8	11	17	(26)	(55)
Foreign	8	7	5	13	52
EBITDA	(6)	(65)	(8)	92	33
CAPEX & Acquisitions²	6	8	1	(25)	507
Net Debt	(6)	(7)	(20)	6	68

1 Thousand Barrels of Oil Equivalents Per Day. 2 Gross amount; does not include divestments

Volume averaged 6.3 thousand barrels of oil equivalents per day (MBOEPD) during 1Q20, up 11% versus 1Q19 primarily due to new production from the Eagle Ford Shale (EFS) (see table 15).

Revenues were US \$16 million in 1Q20, down 29% year-on-year mainly due to lower prices (see table 15).

EBITDA was a loss of US \$6 million in 1Q20, mainly due to lower prices, versus a loss of US \$8 million in 1Q19, which included a non-cash provision associated with lower production outlook for 2019 (see table 16).

Capital Expenditures (CAPEX) & Acquisitions was US \$6 million during 1Q20 as drilling resumed in the EFS. Planned investments are subject to review for potential deferral or reduction as part of the actions taken to mitigate the impacts of COVID-19.

Net Debt negative US \$6 million at the end of the quarter (see table 17).

INDUSTRY COMMENTS - NEWPEK

Crude oil prices fell to 17-year lows during 1Q20 due to COVID-19 and production increase threats from Saudi Arabia and Russia. West Texas Intermediate (WTI) oil was down 16% compared to 1Q19, averaging US \$46 per barrel. As contingency measures to prevent the spread of COVID-19 started throughout the world, crude prices began falling and fell even further after OPEC+ members decided to increase crude oil output instead of coming to a production cut agreement last March 6th, pulling WTI down to a low of US \$22 per barrel.

The U.S. rig count decreased 28% compared to 1Q19, with crude rigs accounting for most of the decline. On the other side, productivity per rig continued to increase, which brought US production to 13.0 million barrels of oil per day (MMbpd) during the quarter, a 0.8 MMbpd increase compared to last year.

Henry Hub natural gas price averaged US \$1.9 per million British Thermal Unit (MMBTU) in 1Q20, 35% lower year over year. Henry Hub showed a downward trend during the quarter as winter in the Northern Hemisphere turned warmer than expected and the safety measures against COVID-19 slowed down industrial and commercial activities in the US. Natural gas inventories were 1.96 Tcf at the end of the extraction season, up 77% in comparison to 2019.

RESULTS BY REGION - NEWPEK

United States producing wells totaled 557 at the EFS in South Texas, versus 547 wells in production at the end of 1Q19. 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 3.9 MBOEPD during 1Q20, up 55% from 1Q19, due to the reactivation of the development of the EFS. Liquids and oil represented 62% of the total volume for the quarter, up from 55% from a year ago.

Mexico production averaged 2.4 MBOEPD during 1Q20, a 24% decrease from 1Q19. The San Andrés field represented 62% of the total production for the quarter, essentially flat year-on-year. There were 117 wells in production in Mexico at quarter's end, up 8% from the 109 wells in production at the end of 1Q19.

RECENT DEVELOPMENTS - NEWPEK

COVID-19	<ul style="list-style-type: none"> • Safety and business continuity <ul style="list-style-type: none"> - The Mexican Government designated the Oil and Gas industry as “Essential”. Operations in the field have continued uninterrupted - Employees, vendors, and contractors have been trained and provided with special equipment to ensure their safety
2020 Guidance	<ul style="list-style-type: none"> • 2020 Guidance withdrawn • Unable to determine COVID-19 impact with information available at this time • Updated Guidance to be provided as soon as reliable estimate can be determined
Progressive drilling in the EFS	<ul style="list-style-type: none"> • 4 net new wells connected to sales during 1Q20 • New wells were connected to sales in less time, required lower capex, and achieved higher initial production than previous ones
Divestment	<ul style="list-style-type: none"> • Actively pursuing options to divest assets outside Mexico

(See “Tables” for more comprehensive analysis of Newpek’s 1Q20 financial results)

1Q20 EARNINGS CALL INFORMATION

Date: Friday, April 17, 2020
Time: 1:00 p.m. EST (NY) / 12:00 p.m. CST (CDMX)
By Phone: United States: +1-877-451-6152
International: +1-201-389-0879
Mexico: 800-522-0034
Conference ID: 13701368
Webcast: <http://public.viavid.com/index.php?id=138909>
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 2019, ALFA reported revenues of Ps. 337,750 million (US \$17.5 billion), and EBITDA of Ps. 44,280 million (US \$2.3 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. These uncertainties include, but are not limited to, risks related to the impact of the COVID-19 global pandemic, such as the scope and duration of the outbreak, government actions and restrictive measures implemented in response, availability of workers and contractors due to illness and stay at home orders, supply chain disruptions and other impacts to the business, or on the Company's ability to execute business continuity plans, as a result thereof. 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 (%)

	1Q20 vs.		YTD '20 vs. YTD '19
	4Q19	1Q19	
Total Volume	5.4	4.4	4.4
Domestic Volume	2.9	7.4	7.4
Foreign Volume	8.0	1.4	1.4
Avg. Ps. Prices	(4.6)	(8.0)	(8.0)
Avg. US \$ Prices	(7.3)	(10.9)	(10.9)

Table 2 | REVENUES

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Total Revenues					
Ps. Millions	82,691	82,281	86,090	-	(4)
US \$ Millions	4,167	4,267	4,479	(2)	(7)
Domestic Revenues					
Ps. Millions	26,973	27,262	27,536	(1)	(2)
US \$ Millions	1,363	1,414	1,433	(4)	(5)
Foreign Revenues					
Ps. Millions	55,718	55,018	58,554	1	(5)
US \$ Millions	2,804	2,853	3,046	(2)	(8)
Foreign / Total (%)	67	67	68	1	(1)

Table 3 | OPERATING INCOME AND EBITDA

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Operating Income					
Ps. Millions	6,191	6,853	4,964	(10)	25
US \$ Millions	315	354	258	(11)	22
EBITDA					
Ps. Millions	11,100	12,287	9,982	(10)	11
US \$ Millions	563	636	519	(11)	9
EBITDA/Revenues (%)*	13.5	14.9	11.6	(9)	17

*US Dollar denominated EBITDA margin

Table 4 | EXTRAORDINARY ITEMS (US \$ Millions)

Company	Extraordinary item	1Q20	4Q19	1Q19	YTD' 20	YTD' 19
Alpek	Inventory gain (loss)	(17)	(6)	(19)	(17)	(19)
	Insurance gain - Altamira fire			11		11
	Cogeneration sale gain		188			
	Legal fees/expenses & others		1			
	Total Alpek	(17)	184	(8)	(17)	(8)
Axtel	Data Center sale to Equinix	107			107	
	One-time expenses of disc. ops. termination		(4)			
	Total Axtel	107	(4)		107	
Newpek	Mexico expense recovery provision		(3)	(1)		(1)
	U.S. deficiencies provision		(54)			
	Total Newpek		(58)	(1)		(1)
Total effect on EBITDA		91	122	(8)	91	(8)

Table 5 | COMPARABLE EBITDA (US \$ Millions)

Company	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
ALFA	473	514	528	(8)	(10)
Alpek	128	172	148	(26)	(14)
Sigma	169	176	166	(4)	1
Nemak	142	133	175	7	(19)
Axtel	49	57	58	(15)	(16)
Newpek	(6)	(8)	(8)	30	29
ALFA EBITDA/Revenues (%)	11.3	12.1	11.8		

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

	1Q20	2Q20	3Q20	4Q20	YTD 2020
Income Statement					
Depreciation & Amortization	31	-	-	-	31
Financial Expense	6	-	-	-	6
Balance Sheet					
Assets - Right of use	396	-	-	-	396
Liabilities					
Short term lease	112	-	-	-	112
Long term lease	301	-	-	-	301
Net Debt*	23	-	-	-	23

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

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Financial Expenses	(126)	(131)	(130)	4	3
Financial Income	13	18	17	(24)	(20)
Net Financial Expenses	(113)	(114)	(113)	1	-
Exchange Rate Gains (Losses)	(178)	23	14	(872)	-
Capitalized Comp. Fin. Expense	0	2	5	(89)	(95)
Comprehensive Financing Expense	(291)	(88)	(95)	(229)	(208)
Avg. Cost of Borrowed Funds (%)	5.0	5.2	4.7		

Table 8 | NET INCOME (US \$ Millions)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Consolidated Net Income (Loss)	175	163	91	7	92
Minority Interest	5	83	25	(94)	(80)
Majority Net Income (Loss)	170	80	66	112	159
Per Share (US Dollars)	0.03	0.02	0.01	113	160
Avg. Outstanding Shares (Millions)	5,010	5,019	5,054		

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

	1Q20	4Q19	1Q19
Assets	18,153	18,026	18,811
Liabilities	13,811	12,989	13,906
Stockholders' Equity	4,342	5,037	4,905
Majority Equity	3,278	3,808	3,685
Net Debt	6,323	6,276	7,194
Net Debt/EBITDA*	2.7	2.7	2.6
Interest Coverage*	5.3	5.2	5.7

* Times: LTM= Last 12 months

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

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Assets					
Cash and cash equivalents ¹	2,252	1,337	1,250	68	80
Trade accounts receivable	1,177	1,238	1,524	(5)	(23)
Inventories	2,376	2,432	2,508	(2)	(5)
Other current assets	842	1,023	914	(18)	(8)
Total current assets	6,646	6,030	6,196	10	7
Investment in associates and others	471	487	506	(20)	(23)
Property, plant and equipment, net	6,669	7,147	7,779	(7)	(14)
Goodwill and intangible assets, net	2,886	3,035	2,989	(5)	(3)
Other non-current assets	1,481	1,328	1,341	12	11
Total assets	18,153	18,026	18,811	1	(3)
Liabilities & stockholders' equity					
Debt	1,054	227	1,261	432	(4)
Suppliers	2,937	2,944	2,934	-	-
Other current liabilities	1,437	1,496	1,401	(11)	(5)
Total current liabilities	5,428	4,667	5,596	17	(2)
Debt (include debt issuance cost)	7,095	6,916	6,864	6	7
Employees' benefits	257	309	252	(17)	2
Other long term liabilities	1,031	1,097	1,195	(33)	(39)
Total liabilities	13,811	12,989	13,906	6	(1)
Total stockholders' equity	4,342	5,037	4,905	(14)	(11)
Total liabilities & stockholders' equity	18,153	18,026	18,811	1	(3)
Net Debt	6,323	6,276	7,194	1	(12)
Net Debt/EBITDA*	2.7	2.7	2.6		
Interest Coverage*	5.3	5.2	5.7		

* Times. LTM=Last 12 months. 1 does not include restricted cash.

SIGMA

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

	1Q20 vs.		YTD '20 vs. YTD '19
	4Q19	1Q19	
Total Volume	(0.2)	4.1	4.1
Avg. Ps. Prices	(0.7)	7.4	7.4
Avg. US \$ Prices	(3.8)	3.7	3.7

Table 12 | SIGMA - REVENUES

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Total Revenues					
Ps. Millions	32,569	32,888	29,146	(1)	12
US \$ Millions	1,637	1,706	1,516	(4)	8
Domestic Revenues					
Ps. Millions	13,394	13,575	12,544	(1)	7
US \$ Millions	678	704	653	(4)	4
Foreign Revenues					
Ps. Millions	19,175	19,313	16,602	(1)	16
US \$ Millions	960	1,002	864	(4)	11
Foreign / Total (%)	59	59	57		

Table 13 | SIGMA - OPERATING INCOME AND EBITDA

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Operating Income					
Ps. Millions	2,282	2,276	2,094	-	9
US \$ Millions	114	118	109	(4)	4
EBITDA					
Ps. Millions	3,375	3,399	3,195	(1)	6
US \$ Millions	169	176	166	(4)	1

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

	1Q20	4Q19	1Q19
Assets	5,388	5,250	5,056
Liabilities	4,439	4,337	4,228
Stockholders' Equity	949	913	828
Majority Equity	949	913	799
Net Debt	2,037	1,994	2,020
Net Debt/EBITDA*	2.9	2.8	2.9
Interest Coverage*	5.9	6.2	5.3

* Times. LTM= Last 12 months

NEWPEK

Table 15 | NEWPEK - REVENUES

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Volume (MBOEPD)¹	6.3	6.3	5.7	1	11
Liquid & others (%)	62	56	55		
Total Revenues					
Ps. Millions	317	346	441	c (9)	(28)
US \$ Millions	16	18	23	(10)	(29)
Domestic Revenues					
Ps. Millions	154	204	335	(25)	(54)
US \$ Millions	8	11	17	(26)	(55)
Foreign Revenues					
Ps. Millions	163	142	106	15	54
US \$ Millions	8	7	5	13	52
Foreign / Total (%)	51	41	24		

¹Thousand of Barrels of Oil Equivalent Per Day

Table 16 | NEWPEK - OPERATING INCOME AND EBITDA

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Operating Income					
Ps. Millions	(153)	(1,332)	(223)	89	32
US \$ Millions	(8)	(69)	(12)	89	35
EBITDA					
Ps. Millions	(112)	(1,255)	(159)	91	29
US \$ Millions	(6)	(65)	(8)	92	33

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

	1Q20	4Q19	1Q19
Assets	560	661	627
Liabilities	314	313	248
Stockholders' Equity	246	348	379
Net Debt	(6)	(7)	(20)
Net Debt/EBITDA*	0.1	0.1	(3.1)
Interest Coverage*	7.4	7.6	(1.1)

* 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

	Mar 20	Dec 19	Mar 19	(% Mar 20 vs.)	
				Dec 19	Mar 19
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	52,945	25,195	24,233	110	118
Trade accounts receivable	27,671	23,323	29,533	19	(6)
Other accounts and notes receivable	7,156	5,753	6,301	24	14
Inventories	55,854	45,826	48,602	22	15
Other current assets	12,645	13,531	11,408	(7)	11
Total current assets	156,271	113,628	120,077	38	30
Investments in associates and joint ventures	11,071	9,178	9,815	21	13
Property, Plant and equipment	156,807	134,695	150,744	16	4
Intangible assets	67,845	57,186	57,930	19	17
Other non-current assets	34,818	25,022	25,978	39	34
Total assets	426,812	339,709	364,544	26	17
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current portion of long-term debt	4,028	2,293	6,159	76	(35)
Bank loans and notes payable	20,758	1,990	18,285	943	14
Suppliers	69,055	55,479	56,851	24	21
Other current liabilities	33,788	28,184	27,143	20	24
Total current liabilities	127,629	87,946	108,437	45	18
LONG-TERM LIABILITIES:					
Long-term debt	166,828	130,337	133,019	28	25
Deferred income taxes	13,670	10,913	12,566	25	9
Other liabilities	10,567	9,763	10,584	8	-
Estimated liabilities for pension plans	6,034	5,824	4,891	4	23
Total liabilities	324,728	244,783	269,497	33	20
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	207	209	210	(1)	(1)
Earned surplus	76,861	71,553	71,197	7	8
Total controlling interest	77,068	71,762	71,408	7	8
Total Non-controlling interest	25,016	23,164	23,639	8	6
Total stockholders' equity	102,084	94,926	95,046	8	7
Total liabilities and stockholders' equity	426,812	339,709	364,544	26	17
Current ratio	1.2	1.3	1.1		
Debt to equity	3.2	2.6	2.8		

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

INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	1Q20	4Q19	1Q19	1Q20 vs. (%)	
				4Q19	1Q19
Net sales	82,691	82,281	86,090	-	(4)
Domestic	26,973	27,262	27,536	(1)	(2)
Export	55,718	55,018	58,554	1	(5)
Cost of sales	(67,184)	(67,526)	(70,246)	1	4
Gross profit	15,506	14,755	15,844	5	(2)
Operating expenses and others	(9,316)	(7,902)	(10,879)	(18)	14
Operating income	6,191	6,853	4,964	(10)	25
Comprehensive financing expense, net	(6,051)	(1,709)	(1,817)	(254)	(233)
Equity in income (loss) of associates	37	(302)	57	112	(35)
Income before the following provision	177	4,842	3,205	(96)	(94)
Provisions for:					
Income tax	3,249	(1,676)	(1,452)	294	324
Consolidated net income	3,426	3,166	1,752	8	96
Income (loss) corresponding to minority interest	(50)	1,606	489	(103)	(110)
Net income (loss) corresponding to majority interest	3,476	1,560	1,263	123	175
EBITDA	11,100	12,287	9,982	(10)	11
Interest coverage*	5.3	5.2	5.8		

* Times. LTM=Last Twelve Months

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

BALANCE SHEET

Information in millions of Nominal Mexican Pesos

Assets	Mar 20	Dec 19	Mar 19	(% Mar 20 vs.)	
				Dec 19	Mar 19
CURRENT ASSETS:					
Cash and cash equivalents	16,801	9,730	10,454	73	61
Restricted cash	14	11	12	25	18
Customers, net	6,071	5,365	4,984	13	22
Income tax recoverable	490	407	505	20	(3)
Inventories	20,664	16,245	14,735	27	40
Other current assets	4,487	3,024	2,759	48	63
Total current assets	48,527	34,782	33,449	40	45
Property, plant and equipment, net	36,681	32,306	32,690	14	12
Intangible assets, net	18,961	15,701	15,931	21	19
Goodwill	15,802	12,865	13,129	23	20
Deferred income tax	4,173	2,678	2,094	56	99
Investments in associates and joint ventures	123	107	101	14	21
Other non-current assets	2,417	489	587	394	312
Total non-current assets	78,157	64,147	64,532	22	21
Total assets	126,684	98,929	97,981	28	29
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current debt	7,640	576	5,700	1,227	34
Notes payables	728	535	587	36	24
Suppliers	26,020	21,521	18,752	21	39
Income tax payable	506	1,739	1,527	(71)	(67)
Provisions	121	102	126	19	(4)
Other current liabilities	6,722	5,332	5,137	26	31
Total current liabilities	41,738	29,805	31,829	40	31
NON-CURRENT LIABILITIES:					
Non-current debt	53,848	44,083	41,717	22	29
Notes payables	2,227	1,875	1,767	19	26
Deferred income taxes	4,375	3,524	3,489	24	25
Employees benefits	1,717	1,771	1,375	(3)	25
Provisions	94	83	73	14	29
Income tax payable	370	556	1,633	(33)	(77)
Other non-current liabilities	4	31	50	(88)	(92)
Total non-current liabilities	62,634	51,923	50,104	21	25
Total liabilities	104,372	81,728	81,933	28	27
STOCKHOLDERS' EQUITY:					
Total controlling interest:	22,312	17,201	15,491	30	44
Total non-controlling interest:	0	0	557	-	(100)
Total stockholders' equity	22,312	17,201	16,048	30	39
Total liabilities and stockholders' equity	126,684	98,929	97,981	28	29

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

INCOME STATEMENT

	1Q20	4Q19	1Q19	1Q20 vs. (%)	
				4Q19	1Q19
Revenue	32,569	32,888	29,146	(1)	12
Cost of sales	(23,596)	(23,953)	(20,801)	(1)	13
Gross profit	8,974	8,935	8,345	0	8
Selling expenses	(5,259)	(5,200)	(4,914)	1	7
Administrative expenses	(1,473)	(1,436)	(1,383)	3	7
Other income (expenses), net	40	(24)	46	(272)	(12)
Operating profit	2,282	2,276	2,094	0	9
Comprehensive financial expenses, net	35	(586)	(573)	(106)	(106)
Equity in income (loss) of associates	(0)	12	(1)	(101)	(83)
Profit before income tax	2,317	1,702	1,521	36	52
Provisions for:					
Income tax	677	(981)	(727)	(169)	(193)
Net consolidated profit	2,994	721	793	315	278
Non-controlling interest	-	6	(11)	(100)	(100)
Controlling interest	2,994	715	804	319	272

Appendix - Listed Business Reports

Alpek (BMV: ALPEKAA) – Petrochemicals

Nemak (BMV: NEMAKA) – Aluminum Autoparts

Axtel (BMV: AXTELCPO) – IT & Telecom

Monterrey, Mexico. April 16, 2020 – Alpek, S.A.B. de C.V. (BMV: ALPEK)

Alpek 1Q20 Reported EBITDA of U.S. \$111 million (U.S. \$127 million Comp. EBITDA)

Selected Financial Information

(U.S. \$ Millions)

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Total Volume (ktons)	1,184	1,059	1,087	12	9
Polyester	967	851	857	14	13
Plastics & Chemicals	217	208	230	4	(6)
Consolidated Revenues	1,433	1,407	1,642	2	(13)
Polyester	1,094	1,075	1,239	2	(12)
Plastics & Chemicals	300	311	376	(4)	(20)
Consolidated EBITDA	111	356	140	(69)	(21)
Polyester	58	122	80	(52)	(27)
Plastics & Chemicals	49	42	54	15	(10)
Cogeneration Plants' Sale	-	188	-	(100)	-
Profit Attributable to Controlling Interest	(19)	209	27	(109)	(172)
CAPEX and Acquisitions	15	115	69	(87)	(79)
Net Debt	1,436	1,330	2,200	8	(35)
Net Debt / EBITDA ⁽¹⁾	1.7	1.6	2.2		
Interest Coverage ⁽¹⁾	7.3	7.2	8.8		

(1) Times: Last 12 months

Operating & Financial Highlights (1Q20)

Alpek	<ul style="list-style-type: none"> 1Q20 Comparable EBITDA of U.S. \$127 million (-26% qoq and -14% yoy) Volume of 1.18 million tons in 1Q20 sets record for any quarter in company history Corpus Christi Polymers pre-construction phase extended through end of 2020 Free cash flow U.S. \$181 million better than expected, mainly from lower Capex & NWC
Polyester	<ul style="list-style-type: none"> 1Q20 Comparable Polyester EBITDA of U.S. \$74 million (-40% qoq and -12% yoy), including a U.S. \$16 million non-cash inventory loss 1Q20 Reference polyester margins of U.S. \$275 per ton, above guidance U.S. Px price fell 18% in 1Q20, resulting in inventory loss & raw material carry-forward effect
Plastics & Chemicals (P&C)	<ul style="list-style-type: none"> 1Q20 Comparable P&C EBITDA of U.S. \$50 million (+8% qoq and -15% yoy) P&C EBITDA mainly driven by better than expected Polypropylene ("PP") results
COVID-19	<ul style="list-style-type: none"> Operations were unaffected as Alpek is providing raw materials for essential industries Impact from COVID-19 includes Paraxylene ("Px") price drop & Polyester margin increase 2020 Guidance withdrawn due to volatility & until Alpek is able to provide reliable estimate

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 achieved better-than-expected results across both its business segments in 1Q20, amid a volatile economic & feedstock price environment largely caused by the effects of the outbreak of Coronavirus (“COVID-19”). The first cases of COVID-19 were reported during late 2019 in China, where strict measures taken over the next months, aimed at reducing the virus from spreading, impacted the operation of refineries and polyester producers in the region. Regarding our industry, these unplanned production cuts resulted in:

- Feedstock Price Reduction – As demand for crude oil in Asia was reduced due to the slow-down in refinery activity, coupled with the lack of an agreement to reduce global production during 1Q20, average spot Brent crude oil declined by 49% throughout the quarter. As a result, U.S. reference paraxylene (“Px”) prices also decreased accordingly by 18% over the same period.
- Polyester Margin Improvement – Lower output from Polyester producers in Asia, combined with a resilient global demand for polyester end-products, resulted in an increase of integrated Asian polyester margins of 21% in the first quarter.

Our first priority is toward the safety and well-being of our employees. As such, Alpek has taken preventive measures including additional hygiene practices, protective gear, health checkpoints, travel restrictions, and enforced home-office wherever possible.

From an operational perspective, the company produces raw materials for recession-resilient industries, including food & beverage packaging, consumer goods, and medical supplies. These industries have all been declared as essential activities in the countries where we have production sites, have continued their operations uninterrupted, and some customers have even requested higher volume than we expected.

Alpek has also responded to the effects of COVID-19 through prudent financial decisions in 1Q20. The company reaffirms its focus on financial stability by: Reducing Capex through initiatives such as extending the pre-construction period of Corpus Christi Polymers (“CCP”), reducing net working capital through better inventory, supplier, and customer management, as well as decreeing a lower dividend better-in-line with expected EBITDA. Additionally, the Company has enhanced its cash balance for the next months by drawing on available committed credit lines.

Notwithstanding the effects caused by COVID-19, Alpek posted a first quarter 2020 Consolidated EBITDA of U.S. \$111 million. In addition to strong Polyester margins and volume, results were also supported by strong performance from Plastics & Chemicals (“P&C”). Excluding inventory losses, Alpek’s 1Q20 Comparable EBITDA was U.S. \$127 million.

The strong reduction to Px prices observed during 1Q20 also generated a negative raw material carry-forward effect of U.S. \$20 million in the same period. Comparable EBITDA excluding for this effect would have reached U.S. \$147 million in 1Q20, significantly exceeding 2020 Guidance, and only 15% and 12% lower than figures in 4Q19 and 1Q19, respectively.

In addition to the previously discussed reduction to crude oil and Px prices, average U.S. propylene (“PGP”) and styrene contract prices also declined by 12% and 19% during the first quarter, respectively. These price reductions resulted in a non-cash inventory loss of U.S. \$17 million in 1Q20.

1Q20 Polyester segment EBITDA was U.S. \$58 million, including a U.S. \$16 million non-cash inventory loss. Adjusting for this effect, 1Q20 Comparable Polyester EBITDA was U.S. \$74 million, in line with Guidance, but down 40% and 12% when compared to 4Q19 and 1Q19, respectively. These variations are primarily attributed to lower margins for contractual volume, non-recurring income from the operation of cogeneration plants in 2019, and a negative raw material carry-forward effect, which were partially offset by stronger volume.

Plastics & Chemicals segment EBITDA was U.S. \$49 million in 1Q20. Adjusting for non-cash inventory losses of U.S. \$1 million, Comparable P&C EBITDA was U.S. \$50 million, up 8% quarter-on-quarter and down 15% year on year. The quarter-on-quarter increase is mainly attributed to strong Polypropylene (“PP”) performance, while the decrease versus last year is due to higher PP and Expandable Polystyrene (“EPS”) margins at the time.

On the investment front, Capex totaled only U.S. \$15 million during the quarter, with most funds used for minor asset replacements. On March 18th, Alpek announced that Corpus Christi Polymers had extended its pre-construction period through the end of 2020 and, therefore, the Company would not need to make the U.S. \$45 million capital contribution it had included in its Guidance.

During 1Q20, Alpek paid out a dividend of U.S. \$143.2 million related to the sale of its Cogeneration assets approved during an extraordinary Shareholders’ Meeting held on January 20th. It also approved a dividend of U.S. \$81.6 million during its Annual Shareholders’ Meeting on February 27th, currently planned to be paid out on June 1st, 2020, but subject to be reviewed by the Board of Directors in light of current market conditions.

Alpek’s financial position continues to reflect the strength achieved since year-end 2019. As of 1Q20, Net Debt totaled U.S. \$1.436 billion, lower than expected as free cash flow was U.S. \$181 million higher than expectations, mainly from reductions to Capex and net working capital. Leverage ratio (Net Debt to LTM EBITDA) was 1.7 times, up from 1.6 times, but down from 2.2 times at the close of 4Q19 and 1Q19, respectively.

Overall 1Q20 Comparable EBITDA figures reflect stronger-than-expected Polyester & Polypropylene margins, record quarterly volume, and favorable exchange rates which reduced SG&A. The results are even stronger if excluding negative raw material carry-forward effects. While the company’s 1Q results are on track to meet Guidance figures, Alpek recognizes the volatility surrounding COVID-19 makes it difficult to predict feedstock prices, demand, and margins over the upcoming months. As such, the company is withdrawing its 2020 Guidance as it better understands this changing environment. Updated Guidance will be provided as soon as a reliable estimate can be determined.

Results by Business Segment

Polyester

(Purified Terephthalic Acid (PTA), Polyethylene Terephthalate (PET), rPET, Polyester fibers – 76% of Alpek's Net Sales)

First quarter 2020 Polyester revenue was up 2% quarter-on-quarter as higher volume more than offset a decline in average prices. 1Q20 revenue was down 12% year-on-year mainly due to lower feedstock prices versus 1Q19. Average 1Q20 polyester prices decreased 10% and 22% when compared to 4Q19 and 1Q19, respectively.

Polyester volume was 967 Ktons in 1Q20, up 14% and 13% when compared to 4Q19 and 1Q19, respectively. This figure represents a record for Alpek in any quarter, with the increase in volume mainly due to strong PET demand and our recent acquisition of a PET plant in the UK.

1Q20 segment EBITDA was U.S. \$58 million, including a U.S. \$16 million non-cash inventory loss. Adjusting for this item, 1Q20 Comparable Polyester EBITDA was U.S. \$74 million, down 40% and 12% when compared to 4Q19 and 1Q19, respectively. Comparable Polyester EBITDA, excluding the negative raw material carry-forward effect of U.S. \$20 million in the quarter, would have been U.S. \$94 million, and significantly higher than Guidance.

Plastics & Chemicals (P&C)

(Polypropylene (PP), Expandable Polystyrene (EPS), Caprolactam (CPL), Other products – 22% of Alpek's Net Sales)

1Q20 P&C revenue was down 4% and 20% quarter-on-quarter and year-on-year, respectively, mainly as a result of lower average prices. 1Q20 average P&C prices were down 7% and 16% when compared to those of 4Q19 and 1Q19, respectively, reflecting lower prices for feedstocks such as propylene and styrene.

Quarterly P&C volume increased 4% and decreased 6%, when compared to 4Q19 and 1Q19, respectively. The increase versus 4Q19 was mainly driven by polypropylene while the decrease versus 1Q19 was due to lower Caprolactam ("CPL") and Industrial Chemical sales.

Segment EBITDA was U.S. \$49 million in 1Q20, including a U.S. \$1 million non-cash inventory loss. Adjusting for the inventory loss, 1Q20 Comparable P&C EBITDA was U.S. \$50 million, up 8% quarter-on-quarter and down 15% year-on-year. The increase versus last quarter was driven by better than expected results from PP, while the difference versus 1Q19 was due to higher PP and Expandable Polystyrene ("EPS") margins at the time.

Consolidated Financial Results

Net Sales: Net Sales for the first quarter totaled U.S. \$1.433 billion, 2% higher than 4Q19, but 13% lower than 1Q19. 1Q20 average consolidated prices were down 9% and 20% quarter-on-quarter and year-on-year, mainly driven by lower feedstock prices.

EBITDA: 1Q20 Consolidated EBITDA was U.S. \$111 million, including a U.S. \$17 million non-cash inventory loss. Adjusting for this item, Comparable Consolidated EBITDA was U.S. \$127 million, versus U.S. \$172 million and U.S. \$148 million in 4Q19 and 1Q19, respectively.

Profit (Loss) Attributable to Controlling Interest: Loss Attributable to Controlling Interest for the first quarter of 2020 was U.S. \$19 million, compared to the profit of U.S. \$209 million in 4Q19 and U.S. \$27 million in 1Q19.

Capital Expenditures and Acquisitions (Capex): 1Q20 Capex was U.S. \$15 million, compared to U.S. \$115 million and U.S. \$69 million in 4Q19 and 1Q19, respectively. Most of these funds were used for minor asset replacements.

Net Debt: Consolidated Net Debt as of March 31, 2020 was U.S. \$1.436 billion. The figure was better than expected, up 8% and down 35% quarter-on-quarter and year-on-year, respectively. Net Debt increased by U.S. \$106 million during 1Q20 as a result of dividend and tax payments. As of March 31, 2020, Gross Debt was U.S. \$2.006 billion and Cash was increased to U.S. \$570 million by drawing on U.S. \$240 million in committed short and long-term credit lines. Financial ratios as of quarter-end were: Net Debt to EBITDA of 1.7 times and Interest Coverage of 7.3 times.

Appendix A - Tables

TABLE 1 | VOLUME (KTONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Total Volume	1,184	1,059	1,087	12	9
Polyester	967	851	857	14	13
Plastics and Chemicals	217	208	230	4	(6)

TABLE 2 | PRICE CHANGES (%)

	(% 1Q20 vs.)	
	4Q19	1Q19
Polyester		
Avg. Ps. Prices	(8)	(19)
Avg. U.S. \$ Prices	(10)	(22)
Plastics and Chemicals		
Avg. Ps. Prices	(5)	(13)
Avg. U.S. \$ Prices	(7)	(16)
Total		
Avg. Ps. Prices	(6)	(17)
Avg. U.S. \$ Prices	(9)	(20)

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

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Total Revenues	1,433	1,407	1,642	2	(13)
Gross Profit	118	168	138	(30)	(15)
Operating expenses and others	(60)	134	(49)	(145)	(24)
Operating income	57	302	90	(81)	(36)
Financial cost, net	(88)	(36)	(22)	(145)	(295)
Share of losses of associates	3	(16)	-	117	100
Income Tax	12	(33)	(27)	136	143
Consolidated net income	(16)	218	40	(107)	(141)
Controlling Interest	(19)	209	27	(109)	(172)

TABLE 4 | REVENUES

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Total Revenues					
Ps. Millions	28,522	27,133	31,567	5	(10)
U.S. \$ Millions	1,433	1,407	1,642	2	(13)
Domestic Revenues					
Ps. Millions	8,037	7,837	8,776	3	(8)
U.S. \$ Millions	405	406	457	-	(11)
Foreign Revenues					
Ps. Millions	20,485	19,296	22,791	6	(10)
U.S. \$ Millions	1,028	1,001	1,186	3	(13)
Foreign / Total (%)	72	71	72		

TABLE 5 | OPERATING INCOME AND EBITDA

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Operating Income					
Ps. Millions	1,151	5,834	1,722	(80)	(33)
U.S. \$ Millions	57	302	90	(81)	(36)
EBITDA					
Ps. Millions	2,205	6,863	2,684	(68)	(18)
U.S. \$ Millions	111	356	140	(69)	(21)

TABLE 6 | COMPARABLE EBITDA

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
EBITDA					
Ps. Millions	2,205	6,863	2,684	(68)	(18)
U.S. \$ Millions	111	356	140	(69)	(21)
Adjustments*					
Ps. Millions	337	(3,546)	153	109	120
U.S. \$ Millions	17	(184)	8	109	109
Comparable EBITDA					
Ps. Millions	2,541	3,317	2,837	(23)	(10)
U.S. \$ Millions	127	172	148	(26)	(14)

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

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

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Financial Expenses	(32)	(42)	(34)	25	8
Financial Income	8	16	9	(48)	(10)
Net Financial Expenses	(23)	(26)	(25)	11	7
Fx Gains (Losses)	(65)	(10)	3	(569)	(2,372)
Financial Cost, Net	(88)	(36)	(22)	(145)	(295)

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

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Consolidated Net Income	(16)	218	40	(107)	(141)
Non-Controlling Interest	3	8	13	(63)	(76)
Controlling Interest	(19)	209	27	(109)	(172)
Earnings per Share (U.S. Dollars)	(0.01)	0.10	0.01	(109)	(172)
Avg. Outstanding Shares (Millions)*	2,115	2,116	2,118		

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

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

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
EBITDA	111	356	140	(69)	(21)
Net Working Capital & Others	100	(67)	(24)	249	520
Capital Expenditures & Acq.	(15)	(115)	(69)	87	79
Financial Expenses	(26)	(39)	(31)	32	16
Income tax	(64)	(29)	(30)	(120)	(111)
Dividends	(163)	(25)	(179)	(553)	9
Other Sources / Uses	(49)	625	(176)	(108)	72
Decrease (Increase) in Net Debt	(106)	706	(369)	(115)	71

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

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Assets					
Cash and cash equivalents	570	386	230	48	148
Trade accounts receivable	574	545	699	5	(18)
Inventories	898	953	1,064	(6)	(16)
Other current assets	314	428	356	(27)	(12)
Total current assets	2,356	2,312	2,348	2	-
Investment in associates and others	441	438	448	1	(1)
Property, plant and equipment, net	1,876	1,968	2,430	(5)	(23)
Goodwill and intangible assets, net	193	201	221	(4)	(13)
Other non-current assets	604	536	595	13	2
Total assets	5,470	5,455	6,042	-	(9)
Liabilities & stockholders' equity					
Debt	189	38	692	404	(73)
Suppliers	819	693	871	18	(6)
Other current liabilities	487	348	314	40	55
Total current liabilities	1,496	1,078	1,878	39	(20)
Debt (include debt issuance cost)	1,642	1,491	1,560	10	5
Employees' benefits	55	58	57	(5)	(3)
Other long-term liabilities	431	436	476	(1)	(9)
Total liabilities	3,623	3,064	3,970	18	(9)
Total stockholders' equity	1,847	2,391	2,072	(23)	(11)
Total liabilities & stockholders' equity	5,470	5,455	6,042	-	(9)
Net Debt	1,436	1,330	2,200	8	(35)
Net Debt/EBITDA*	1.7	1.6	2.2		
Interest Coverage*	7.3	7.2	8.8		

* Times: last 12 months

Polyester

TABLE 11 | REVENUES

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Total Revenues					
Ps. Millions	21,795	20,731	23,823	5	(9)
U.S. \$ Millions	1,094	1,075	1,239	2	(12)
Domestic Revenues					
Ps. Millions	4,020	3,895	3,985	3	1
U.S. \$ Millions	202	202	207	-	(3)
Foreign Revenues					
Ps. Millions	17,775	16,836	19,838	6	(10)
U.S. \$ Millions	892	873	1,032	2	(14)
Foreign / Total (%)	82	81	83		

TABLE 12 | OPERATING INCOME AND EBITDA

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Operating Income					
Ps. Millions	336	1,526	767	(78)	(56)
U.S. \$ Millions	17	79	40	(78)	(57)
EBITDA					
Ps. Millions	1,151	2,349	1,541	(51)	(25)
U.S. \$ Millions	58	122	80	(52)	(27)

TABLE 13 | COMPARABLE EBITDA

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
EBITDA					
Ps. Millions	1,151	2,349	1,541	(51)	(25)
U.S. \$ Millions	58	122	80	(52)	(27)
Adjustments*					
Ps. Millions	324	18	74	1,654	340
U.S. \$ Millions	16	1	4	1,546	309
Comparable EBITDA					
Ps. Millions	1,475	2,368	1,614	(38)	(9)
U.S. \$ Millions	74	123	84	(40)	(12)

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

Plastics & Chemicals

TABLE 14 | REVENUES

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Total Revenues					
Ps. Millions	5,964	6,006	7,229	(1)	(18)
U.S. \$ Millions	300	311	376	(4)	(20)
Domestic Revenues					
Ps. Millions	3,348	3,568	4,313	(6)	(22)
U.S. \$ Millions	169	185	224	(9)	(25)
Foreign Revenues					
Ps. Millions	2,616	2,438	2,916	7	(10)
U.S. \$ Millions	131	126	152	4	(14)
Foreign / Total (%)	44	41	40		

TABLE 15 | OPERATING INCOME AND EBITDA

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
Operating Income					
Ps. Millions	748	611	853	22	(12)
U.S. \$ Millions	37	32	44	16	(17)
EBITDA					
Ps. Millions	987	819	1,040	21	(5)
U.S. \$ Millions	49	42	54	15	(10)

TABLE 16 | COMPARABLE EBITDA

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
EBITDA					
Ps. Millions	987	819	1,040	21	(5)
U.S. \$ Millions	49	42	54	15	(10)
Adjustments*					
Ps. Millions	13	70	80	(81)	(84)
U.S. \$ Millions	1	4	4	(75)	(78)
Comparable EBITDA					
Ps. Millions	1,000	888	1,120	13	(11)
U.S. \$ Millions	50	46	58	8	(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

(%) Mar-20 vs.

	Mar-20	Dec-19	Mar-19	Dec-19	Mar-19
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	13,197	7,059	4,447	87	197
Restricted cash	199	216	3	(8)	7,209
Trade accounts receivable	13,497	10,265	13,551	31	-
Other accounts and notes receivable	6,260	5,658	5,722	11	9
Inventories	21,107	17,966	20,610	17	2
Other current assets	1,128	2,411	1,168	(53)	(3)
Total current assets	55,388	43,575	45,501	27	22
Investment in associates and others	10,379	8,246	8,683	26	20
Property, plant and equipment, net	44,108	37,082	47,095	19	(6)
Goodwill and intangible assets	4,532	3,783	4,274	20	6
Other non-current assets	14,210	10,108	11,532	41	23
Total assets	128,617	102,794	117,085	25	10
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Debt	4,450	707	13,420	529	(67)
Suppliers	19,263	13,064	16,883	47	14
Other current liabilities	11,457	6,550	6,083	75	88
Total current liabilities	35,170	20,321	36,386	73	(3)
NON-CURRENT LIABILITIES:					
Debt (include debt issuance cost)	38,598	28,103	30,228	37	28
Deferred income taxes	4,926	3,926	4,657	25	6
Other non-current liabilities	5,204	4,294	4,564	21	14
Employees' benefits	1,290	1,092	1,101	18	17
Total liabilities	85,188	57,736	79,936	48	11
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	6,035	6,045	6,052	-	-
Share premium	9,025	9,059	9,106	-	(1)
Contributed capital	15,060	15,104	15,158	-	(1)
Earned surplus	23,017	25,376	20,449	(9)	13
Total controlling interest	38,077	40,480	35,607	(6)	7
Non-controlling interest	5,352	4,578	4,542	17	18
Total stockholders' equity	43,429	45,058	40,149	(4)	8
Total liabilities and stockholders' equity	128,617	102,794	117,085	25	10

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

STATEMENT OF INCOME

Information in Millions of Mexican Pesos

	1Q20	4Q19	1Q19	(% 1Q20 vs	
				4Q19	1Q19
Revenues	28,522	27,133	31,567	5	(10)
Domestic	8,037	7,837	8,776	3	(8)
Export	20,485	19,296	22,791	6	(10)
Cost of sales	(26,175)	(23,883)	(28,910)	(10)	9
Gross profit	2,347	3,250	2,657	(28)	(12)
Operating expenses and others	(1,196)	2,584	(935)	(146)	(28)
Operating income	1,151	5,834	1,722	(80)	(33)
Financial result, net	(1,883)	(693)	(429)	(172)	(339)
Equity in income of associates and joint ventures	59	(303)	(3)	119	1,635
Income before taxes	(673)	4,838	1,290	(114)	(152)
Income taxes	270	(628)	(525)	143	151
Consolidated net income (loss)	(403)	4,210	765	(110)	(153)
Profit (loss) attributable to Controlling interest	(453)	4,047	517	(111)	(188)
Profit (loss) attributable to Non-controlling interest	50	163	248	(69)	(80)

Nemak reports 1Q20 EBITDA of US\$142 million

Monterrey, Mexico. April 16, 2020. - 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 first quarter of 2020 ("1Q20"). What follows is a summary of the key figures:

Key Figures

	First Quarter		
	2020	2019	Δ%
Volume (M. Equivalent units)	10.5	12.1	(13.1)
Revenues	907	1,102	(17.7)
EBITDA ¹	142	175	(18.9)
CAPEX	97	96	NA ²

US\$ Millions, except Volume

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

(2) NA = Not applicable

Nemak sold 10.5 million equivalent units ("MEU") during 1Q20, down 13.1% year-on-year ("y-o-y"), mainly on effects of a slowdown in light-vehicle production related to the recent COVID-19 outbreak. Revenue in the period amounted to US\$907 million, down 17.7% y-o-y on lower volume and aluminum prices.

1Q20 EBITDA was US\$142 million, an 18.9% y-o-y decrease largely attributed to lower volume.

Capital expenditures amounted to US\$97 million during 1Q20. The Company invested primarily to ramp up production associated with new contracts, while advancing plans to reduce capex over the remainder of the year. As of March 31, 2020, Net Debt amounted to US\$1,210 million, down 7.3% y-o-y. Nemak's financial ratios were as follows: Net Debt to last-twelve-months ("LTM") EBITDA of 2.1 times; Interest Coverage of 8.1 times.

Message from the CEO

During the quarter, we implemented a series of measures to protect the wellbeing of our people and adapt our business to effects of the COVID-19 pandemic. Our experience at our operation in China, where we managed a temporary shutdown followed by a gradual relaunch of production starting in February, has proven instrumental to our efforts to respond to the spread of the virus in other regions. I am deeply proud of the commitment and resilience demonstrated by our people during these challenging times.

Notwithstanding the effects of the abrupt slowdown in global light-vehicle sales and production on our volume, we successfully harnessed operational efficiencies to make strides towards achieving our cost-reduction objectives. In particular, our efforts in this regard yielded benefits in Rest of World and North America, partially offsetting the impact of the above-mentioned headwinds. At the same time, we made further inroads in strategy execution, growing our order book in e-mobility and structural applications to approximately US\$820 million in annual revenue on the back of new



business to supply battery housings for plug-in hybrid applications of a European OEM. Total contract wins across product lines amounted to approximately US\$190 million in annual revenue.

Given continued uncertainty over the scope and duration of customer production stoppages associated with the pandemic, we continue to intensify efforts to conserve cash and lower costs and expenses. These include the implementation of capex and working capital reductions, flexible production schemes, and temporary idling of certain facilities, among others. Additionally, we are making the following update to our plans for the year:

- **Withdrawal of 2020 Guidance:** We will provide updated figures as soon as reliable estimates can be determined.
- **Review of 2020 dividends:** Previously scheduled dividend payments to be subject to a thorough review by Nemak's Board to provide Shareholders an updated recommendation considering the current market conditions. The implementation of updated recommendations would be subject to Shareholder approval.

We will share further details on our 1Q20 Conference Call. I am confident that the above-mentioned measures will help us to weather this extraordinary period and emerge as a stronger Nemak.

Automotive Industry

	Millions of Units		
	First Quarter		
	2020	2019	% Var.
U.S. Vehicle Sales SAAR ⁽¹⁾	15.0	16.9	(11.2)
North America Vehicle Production ⁽²⁾	3.7	4.2	(11.9)
North America Nemak Customer Production ⁽²⁾	2.5	2.9	(13.8)
Europe Vehicle Sales SAAR ⁽¹⁾⁽²⁾	17.2	19.4	(11.3)
Europe Vehicle Production ⁽²⁾	4.4	5.6	(21.4)
Europe Nemak Customer Production ⁽²⁾	2.9	3.7	(21.6)

(1) SAAR = Seasonally Adjusted Annual Rate

(2) Source: IHS Markit and Nemak estimates

In the quarter, SAAR for U.S. light-vehicle sales reached 15.0 million units, 11.2% lower y-o-y, mainly due to less favorable economic conditions brought on by the COVID-19 outbreak. Light-vehicle production in North America decreased 11.9%, as automakers scaled down production in late March seeking to minimize virus transmission.

In Europe, 1Q20 sales decreased 11.3% compared to the same period last year, largely as a result of the slowdown in economic activity linked to the spread of COVID-19 in the region. Light-vehicle production posted a 21.4% y-o-y reduction, explained largely by temporary production stoppages carried out by automakers during March to address the rapidly evolving pandemic.

Recent Developments

- During 1Q20, Nemak won contracts worth a total of approximately US\$190 million in annual revenue breaking down as follows: US\$80 million to produce e-mobility and structural applications, and US\$110 million to produce powertrain applications.



- In support of COVID-19 contingency efforts, leveraged 3-D printing and other manufacturing technologies to help increase health system capacity in Mexico.

Financial Results Summary

	First Quarter		
	2020	2019	Δ%
Volume (M. Equivalent units)	10.5	12.1	(13.1)
Revenues	907	1,102	(17.7)
Operating Income	65	91	(28.6)
EBITDA ¹	142	175	(18.9)
EBITDA ¹ / Eq. Unit	13.5	14.5	(6.9)
Net Income	(14)	58	NA
CAPEX	97	96	NA ²
Net Debt ³	1,210	1,305	(7.3)

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

1Q20 total volume decreased 13.1% y-o-y, largely attributed to light-vehicle production cuts among certain OEM customers. In North America, the main factors were the continued phase-out of certain models among Detroit 3 customers along with an overall industry slowdown fueled by the COVID-19 pandemic. Likewise, OEM light-vehicle production in Europe decreased on the spread of the virus, which in turn weighed on Nemak's volume. In Rest of World, volume was down on lower sales in China, where the Company stopped production for part of February due to the outbreak.

Turning to Revenue, lower volume and aluminum prices drove a 17.7% y-o-y reduction in 1Q20.

During the period, EBITDA decreased 18.9% y-o-y mainly due to lower volume. 1Q20 EBITDA per equivalent unit was US\$13.5, down 6.9% y-o-y. Operating Income decreased US\$65 million driven by the same factors affecting EBITDA. In turn, 1Q20 Net Income was down on the same factors described above coupled with non-cash foreign exchange losses associated with the depreciation of the Mexican peso against the U.S. dollar.

Capital expenditures amounted to US\$97 million in 1Q20, comprised mainly of investments aimed at supporting new product launches.

As of March 31, 2020, Nemak reported Net Debt in the amount of US\$1.2 billion. Financial ratios were: Net Debt to LTM EBITDA, 2.1 times; and Interest Coverage, 8.1 times. These ratios compared to 1.8 and 9.4 times, respectively, as of quarter-end 1Q19.

Regional Results

North America

In 1Q20, revenue was down 17.3% y-o-y, mostly related to lower volume and aluminum prices. 1Q20 EBITDA declined by 16.7% y-o-y on volume effects.



Europe

1Q20 revenue decreased 19.3% y-o-y, mainly due to lower volume and aluminum prices. In 1Q20, EBITDA was 31% lower, mostly given by the combined impact of volume and the depreciation of the euro against the U.S. dollar.

Rest of the World

In 1Q20, revenue finished down 13.6% y-o-y on volume headwinds linked to industry contraction from the spread of the virus in Asia. 1Q20 EBITDA was US\$5 million, higher than the same period last year, as the combined benefit of an improved mix in Brazil and efficiency initiatives more than compensated for the impact of lower volume in China.

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 First Quarter 2020 Conference Call will be held on Friday, April 17, 2020, 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, e-mobility, and structural applications. In 2019, it generated revenue of US\$4.0 billion. For more information about Nemak, visit <http://www.nemak.com>

Four pages of tables to follow



Nemak
Income Statement
Millions of Dollars

For the first quarter of:

	2020	% of rev.	2019	% of rev.	% Var.
Volume (million equivalent units)	10.5		12.1		(13.1)
Total revenues	907	100.0	1,102	100.0	(17.7)
Gross profit	138	15.2	165	15.0	(16.4)
Sales & administrative expenses	(76)	(8.4)	(74)	(6.7)	2.7
Other income (expenses) net	2	0.2	0	0.0	0.0
Operating Income	65	7.2	91	8.3	(28.6)
Interest Expenses	(20)	(2.2)	(21)	(1.9)	(4.8)
Interest Income	1	0.1	1	0.1	0.0
Foreign exchange gain (loss)	(52)	(5.7)	5	0.5	NA
Financing expenses net	(71)	(7.8)	(15)	(1.4)	373.3
Participation in associates results	1	0.1	2	0.2	(50.0)
Income Tax	(7)	(0.8)	(21)	(1.9)	(66.7)
Net Income	(14)	(1.5)	58	5.3	NA

	2020	% of rev.	2019	% of rev.	% Var.
Operating Income	65	7.2	91	8.3	(28.6)
Depreciation, Amortization & Other Non-Cash items	77	8.5	84	7.6	(8.3)
EBITDA ¹	142	15.7	175	15.9	(18.9)
CAPEX	97	10.7	96	8.7	NA ²

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

(2) Not applicable



Nemak
Balance Sheet
Millions of Dollars

Assets	Mar-20	Dec-19	% Var
Cash and cash equivalents	772	312	147.4
Accounts receivable	331	417	(20.6)
Inventories	577	591	(2.4)
Other current assets	23	27	(14.8)
Total current assets	1,703	1,348	26.3
Investments in shares	24	33	(27.3)
Property, plant and equipment, net	2,519	2,554	(1.4)
Other assets	798	774	3.1
Total assets	5,043	4,709	7.1
Liabilities & stockholders' equity	Mar-20	Dec-19	% Var
Bank loans	452	104	334.6
Current maturities of long-term debt	23	21	9.5
Interest payable	6	17	(64.7)
Operating liabilities	1,147	1,203	(4.7)
Total current liabilities	1,628	1,344	21.1
Long-term debt	1,499	1,375	9.0
Labor liabilities	67	75	(10.7)
Other long term-liabilities	165	114	44.7
Total liabilities	3,359	2,908	15.5
Total stockholders' equity	1,684	1,801	(6.5)
Total liabilities & stockholders' equity	5,043	4,709	7.1



Nemak Regional Results
Millions of Dollars

	For the first quarter of:		
Volume (million equivalent units)	2020	2019	% Var.
North America	6.1	7.1	(13.9)
Europe	3.4	4.0	(14.0)
Rest of World	1.0	1.0	(4.0)
Total	10.5	12.1	(13.1)
Total Revenues*	2020	2019	% Var.
North America	508	614	(17.3)
Europe	323	400	(19.3)
Rest of World	76	88	(13.6)
Total	907	1,102	(17.7)
EBITDA ¹	2020	2019	% Var.
North America	91	109	(16.7)
Europe	46	67	(31.0)
Rest of World	5	(1)	NA
Total	142	175	(18.9)
EBITDA ¹ Margin in %	2020	2019	% Var.
North America	18%	18%	0.6
Europe	14%	17%	(14.6)
Rest of World	7%	-1%	NA
Total	16%	16%	(1.4)
EBITDA ¹ USD/Equivalent units	2020	2019	% Var.
North America	14.9	15.4	(3.3)
Europe	13.4	16.9	(20.8)
Rest of World	5.2	(1.4)	NA
Total	13.5	14.5	(6.9)

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



Nemak
Income Statement
Millions of Pesos

For the first quarter of:

	2020	% of rev.	2019	% of rev.	% Var.
Volume (million equivalent units)	10.5		12.1		(13.1)
Total revenues	17,841	100.0	21,183	100.0	(15.8)
Gross profit	2,732	15.3	3,169	15.0	(13.8)
Sales & administrative expenses	(1,492)	(8.4)	(1,429)	(6.7)	4.4
Other income (expenses) net	39	0.2	4	0.0	875.0
Operating Income	1,279	7.2	1,744	8.2	(26.7)
Interest Expenses	(405)	(2.3)	(401)	(1.9)	1.0
Interest Income	11	0.1	28	0.1	(60.7)
Foreign exchange gain (loss)	(1,068)	(6.0)	106	0.5	NA
Financing expenses net	(1,462)	(8.2)	(267)	(1.3)	447.6
Participation in associates results	10	0.1	43	0.2	(76.7)
Income Tax	(130)	(0.7)	(398)	(1.9)	(67.3)
Net Income	(303)	(1.7)	1,122	5.3	NA

	2020	% of rev.	2019	% of rev.	% Var.
Operating Income	1,279	7.2	1,744	8.2	(26.7)
Depreciation, Amortization & Other Non-Cash items	1,535	8.6	1,618	7.6	(5.1)
EBITDA ¹	2,814	15.8	3,362	15.9	(16.3)
CAPEX	1,939	10.9	1,848	8.7	NA ²

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

(2) Not applicable

Nemak
Balance Sheet
Millions of Pesos

Assets	Mar-20	Dec-19	% Var
Cash and cash equivalents	18,154	5,883	208.6
Accounts receivable	7,776	7,860	(1.1)
Inventories	13,564	11,146	21.7
Other current assets	549	514	6.8
Total current assets	40,044	25,403	57.6
Investments in shares	554	615	(9.9)
Property, plant and equipment, net	59,216	48,140	23.0
Other assets	18,765	14,586	28.7
Total assets	118,580	88,744	33.6

Liabilities & stockholders' equity	Mar-20	Dec-19	% Var
Bank loans	10,619	1,955	443.2
Current maturities of long-term debt	538	394	36.5
Interest payable	151	320	(52.8)
Operating liabilities	26,959	22,664	19.0
Total current liabilities	38,267	25,332	51.1
Long-term debt	35,246	25,921	36.0
Labor liabilities	1,571	1,407	11.7
Other long term-liabilities	3,891	2,140	81.8
Total liabilities	78,975	54,800	44.1
Total stockholders' equity	39,605	33,943	16.7
Total liabilities & stockholders' equity	118,580	88,744	33.6



EARNINGS REPORT

First Quarter 2020 (1Q20)



Monterrey, Mexico, April 16, 2020. - 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 first quarter of 2020 ("1Q20").

Axtel reports 1Q20 EBITDA of US \$156 million (Ps. 2,974 million)

SELECTED FINANCIAL INFORMATION

(IN MILLIONS)

	1Q20	4Q19	1Q19	(%) 1Q20 vs.		YTD'20	YTD'19	YTD
				4Q19	1Q19			Δ (%)
Revenues (Ps.)	3,106	3,378	3,147	(8)	(1)	3,106	3,147	(1)
US \$	157	175	164	(10)	(4)	157	164	(4)
EBITDA (Ps.) ¹	2,974	1,187	1,074	151	177	2,974	1,074	177
US \$	156	62	56	153	178	156	56	178
Net Income (loss) (Ps.)	599	6	(77)	>1,000	--	599	(77)	--
US \$	42	0	(4)	>1,000	--	42	(4)	--
CAPEX (Ps.) ²	686	572	377	20	82	686	377	82
US \$	36	30	20	20	82	36	20	82
Net Debt (US \$)	586	750	795	(22)	(26)			
Net Debt / LTM EBITDA *	1.8	3.2	3.5					
LTM Interest Coverage *	5.3	3.3	3.0					
Adjusted Revenues (Ps.) ³	3,106	3,384	3,323	(8)	(7)	3,106	3,323	(7)
US \$	157	176	173	(11)	(9)	157	173	(9)
Adjusted EBITDA (Ps.) ³	2,974	1,028	1,112	189	168	2,974	1,112	168
US \$	156	53	58	192	169	156	58	169

* 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 for year 2019 reflect the mass market business as discontinued operations. ALFA, however, consolidated both continuing and discontinued operations. For a complete reconciliation of revenues and EBITDA, see Appendix B, Tables 9 and 10.

1Q20 HIGHLIGHTS

COVID-19

- The COVID-19 outbreak has led to changes in Axtel's operations prioritizing the safety and wellbeing of its employees, customers and community, as well as ensuring its business continuity.
 - 85% of Axtel employees are working under home office scheme.
- Over 300 enterprise customers have requested to increase their dedicated internet access capacities to cope with current circumstances.

Liquidity

- Axtel has entered the COVID-19 crisis with US \$104 million in cash; including US \$13 million held in escrow until December 2020 or January next year. Approximately 80% of cash-on-hand is maintained in US dollars.
- Additionally, Axtel has US \$50 million in a committed credit facility – US \$48 million undrawn.

Guidance

- Axtel is withdrawing its revenues, EBITDA and capital expenditures guidance for 2020 given the uncertainty COVID-19 is inflicting on the global economy, including Mexico. Updated 2020 guidance will be provided as soon as macroeconomic conditions become less volatile.
- Axtel's capital expenditures will be limited to US \$20 to 25 million in maintenance and update of network operations; US \$20 million in the renewal of spectrum frequencies paid already in February; and strictly controlled, success-based investments.

Data Center Agreement

- During the quarter, Axtel announced the closing and funding of the strategic agreement with Equinix Inc., including the divestment of three data centers. Valuation for this transaction represented US \$175 million. Proceeds, excluding funds in escrow and related expenses, have been used to prepay debt and other liabilities and US \$60 million remain in Axtel's cash balance.

MESSAGE FROM AXTEL'S CEO

"Since early March, in preparation for the imminent impact of COVID-19 in Mexico, we started acting with three top priorities in mind; the safety and wellbeing of all Axtel employees, the needs and support to our customer base and the continuity of our business and operations. We were able to achieve a smooth remote-operation transition, where approximately 85% of our employees are working from home, due to our Business Continuity plans, ongoing digitalization initiatives and timely preparedness to provide secured, efficient remote access to all collaborators.

COVID-19 outbreak has changed the way people and organizations interact with one another and thus, has led to an increase demand from our customers for our products that support remote and virtual interactions, such as connectivity, network access, cybersecurity perimeters and cloud solutions, among others. We have responded to hundreds of enterprise customers' requests to increase their internet access capacities to cope with current circumstances and, together with our technological partners, are implementing special offers for collaboration and secured remote access services.

Axtel maintains a healthy customer base; where more than 55% belong to the group of companies with "essential" or critical functions that have continued operating during the lockdown period in Mexico. Revenues coming from highly impacted industries by COVID-19 represent only 13% of revenues.

We closed the quarter with a good liquidity position; with US \$91 million of cash plus US \$48 million available under our committed line of credit. At the end of March, we recorded a net leverage ratio of 2.7x and an average life for our debt of 4.8 years; with no relevant maturities until the last quarter of 2024. Concerning capital expenditures, we are investing only in maintenance and update of network operations and the renewal of spectrum frequencies, which was paid in February. Investments beyond these two categories are success-based and strictly controlled. Furthermore, we have proactively engaged with our top strategic vendors to re-define conditions for dollar-denominated equipment and services given the volatile current exchange-rate conditions.

Since the beginning of this year, our commercial and operating areas have been formally working as two units, infrastructure and services, with significant collaboration between them. We are moving forward in our plan to achieve a physical separation of the two business units as soon as this contingency ends. At the beginning of the quarter, we started a competitive process to attract investment proposals and evaluate strategic alternatives for the Infrastructure Business Unit and for the Company, receiving significant interest from strategic and financial investors. However, we have decided to suspend such process until market conditions are appropriate.

We will continue focused on the wellbeing of our employees, the needs of our clients, community and the business continuity of our operations during these critical months. We believe that concentrating on these objectives at this moment, will result in a strong Axtel at the time the pandemic ceases and economic conditions start to turn around."

Rolando Zubirán

In January 2020, Axtel executed the strategic agreement and divestment of three data centers. For comparison purposes, pro forma information adjusting the results of 2019 is included in the report. See Appendix C – Tables 11 – 13.

REVENUES – Business Units

	1Q20	4Q19	1Q19	(% 1Q20 vs.)		YTD'20	YTD'19	YTD Δ (%)
				4Q19	1Q19			
SERVICES (Ps.)	2,552	2,650	2,524	(4)	1	2,552	2,524	1
US \$	129	137	131	(6)	(2)	129	131	(2)
Enterprise (Ps.)	2,016	1,993	2,003	1	1	2,016	2,003	1
US \$	102	103	104	(1)	(2)	102	104	(2)
Government (Ps.)	537	657	521	(18)	3	537	521	3
US \$	27	34	27	(21)	(1)	27	27	(1)
INFRASTRUCTURE (Ps.)	1,168	1,332	1,227	(12)	(5)	1,168	1,227	(5)
US \$	59	69	64	(14)	(7)	59	64	(7)
ELIMINATIONS (Ps.) *	(615)	(604)	(604)	(2)	(2)	(615)	(604)	(2)
US \$	(31)	(31)	(31)	1	1	(31)	(31)	1
TOTAL REVENUES (Ps.)	3,106	3,378	3,147	(8)	(1)	3,106	3,147	(1)
US \$	157	175	164	(10)	(4)	157	164	(4)

* For consolidation purposes, revenues of Infrastructure Unit coming from Services Unit (Alestra) are presented as "eliminations".
Note: For a reconciliation of revenues by business segments (enterprise and government), as reported in 2019, see Table 5.

Total revenues were US \$157 million in 1Q20, down 4% when compared to 1Q19. In pesos, revenues decreased 1%; however, pro forma for the data centers transaction, revenues increased 1% due to a 1% increase in the Services Business Unit. (See Table 11).

INFRASTRUCTURE BUSINESS UNIT

Revenues totaled US \$59 million in 1Q20, a 7% decrease compared to 1Q19. In pesos, revenues declined 5%; however, pro forma for the data centers transaction, revenues remained flat. (See Table 11).

Revenues coming from Alestra Services Unit represented 53% of total Infrastructure Business Unit revenues.

SERVICES BUSINESS UNIT ("ALESTRA")

Revenues totaled US \$129 million in 1Q20, a 2% decline compared to 1Q19. In pesos, revenues increased 1%, due to 1% and 3% increases in the Enterprise and Government segments, respectively.

ENTERPRISE SEGMENT (79% of Services Unit YTD revenues)

Enterprise segment revenues totaled US \$102 million in 1Q20. In pesos, revenues reached Ps. 2,016 million, a 1% increase compared to the previous year, as a 16% increase in IT revenues was mitigated by a 2% decline in Telecom revenues. (See Table 1).

TELECOM revenues reached Ps. 1,711 million in 1Q20, a 2% decrease year-over-year, mainly due to a 5% decline in *managed networks* revenues due to a decline in VPN solutions, and a 7% decrease in *voice* revenues due to continued declines in fix-to-mobile and long distance revenues. These declines were partially mitigated by one-time revenue recognition of equipment component under IFRS-15 and an 18% increase in *collaboration* solutions.

IT revenues reached Ps. 305 million in 1Q20, up 16% when compared to 1Q19, mainly due to a 24% increase in *cloud* and 32% increase in *cybersecurity* solutions.

REVENUES – Business Units

SERVICES BUSINESS UNIT (“ALESTRA”) (cont’d)

GOVERNMENT SEGMENT (21% of Services Unit YTD revenues)

Government segment revenues amounted US \$27 million in 1Q20. In pesos, revenues totaled Ps. 537 million, up 3% year over year, due to a 34% increase in IT revenues, partially mitigated by a 20% decline in Telecom revenues. (See Table 2).

TELECOM revenues reached Ps. 239 million in 1Q20, a 20% decrease year over year, mainly due to a 43% decline in *managed networks* revenues due to the termination of VPN services contracts during the year, partially mitigated by increases in *data* and *collaboration* solutions.

IT revenues reached Ps. 298 million in 1Q20, up 34% when compared to 1Q19, mainly due to an increase in *system integration* solutions related to a non-recurrent project with a federal entity.

GROSS PROFIT

Gross profit is defined as revenues minus cost of revenues. For 1Q20, gross profit was US \$111 million. In pesos, gross profit totaled Ps. 2,197 million, down 6% compared to 1Q19, or a 2% decrease versus 1Q19 pro forma.

SERVICES UNIT gross profit amounted to Ps. 1,099 million, down 8% compared to the year-earlier quarter, mainly due to an increase in low-margin non-recurrent revenues that compensated the decline in higher-margin, recurrent-revenues.

INFRASTRUCTURE UNIT gross profit amounted to Ps. 1,097 million. Despite the flat revenues, gross profit increased 5% compared to the year-earlier quarter pro forma, due to an increase in gross margins.

OPERATING EXPENSES AND OTHER INCOME (EXPENSES)

Operating expenses reached US \$63 million in 1Q20. In pesos, operating expenses remained flat; however, pro forma for the data center transaction, expenses increased 3%.

SERVICES UNIT operating expenses increased 7% compared to 1Q19, due to increases in personnel and rents. This increase is attributable to the accounting benefit of sales commissions under IFRS-15 in 1Q19 and inflation-indexed adjustments to personnel, rents and certain maintenance contracts.

INFRASTRUCTURE UNIT operating expenses declined 8% compared to 1Q19, or a 2% decrease pro forma, due to efficiencies in maintenance expenses.

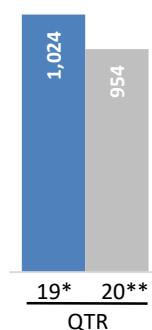
Other income reached Ps. 2,028 million during 1Q20, which includes a Ps. 2,021 million (US \$107 million) gain from the divestment of the data centers.

EBITDA

EBITDA totaled US \$156 million in 1Q20. In pesos, EBITDA reached Ps. 2,974 million, a 177% increase compared to Ps. 1,074 million in 1Q19. 1Q20 figure includes Ps. 2,021 million for the gain of the data centers divestment. Adjusting for this item, EBITDA reached Ps. 954 million, an 11% decrease or 7% decrease to pro forma 1Q19. (See Table 12).

EBITDA margin decreased from 33.2% in 1Q19 pro forma to 30.7% in 1Q20, mainly driven by the margin contraction and higher expenses in Services Business Unit.

(in Million Ps.)

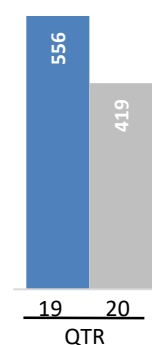


* Pro forma data center transaction.
** Adjusted for data center divestment.

SERVICES UNIT (44% of Axtel's YTD EBITDA)

Services Business Unit EBITDA amount to US \$21 million in 1Q20. In pesos, EBITDA reached Ps. 419 million, a 25% decrease year-over-year, due to the decline in gross profit margins and increase in operating expenses previously described.

(in Million Ps.)

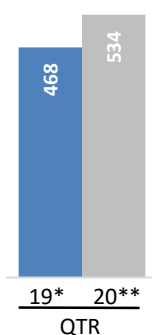


INFRASTRUCTURE UNIT (56% of Axtel's YTD EBITDA)

Infrastructure Unit EBITDA reached US \$134 million in 1Q20, including US \$107 million from the data center divestment in January 2020.

In pesos, Infrastructure Unit EBITDA reached Ps. 2,555 million. Without the data center divestment gain, EBITDA reached Ps. 534 million, a 14% increase year-over-year compared to Ps. 468 million pro forma in 2019.

(in Million Ps.)



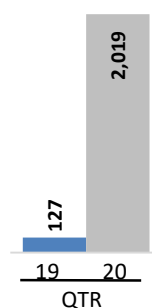
* Pro forma data center transaction.
** Adjusted for data center divestment.

OPERATING INCOME

In the 1Q20, operating income totaled US \$107 million, including the data centers divestment gain.

In pesos, 1Q20 operating income totaled Ps. 2,019 million, compared to Ps. 127 million in 1Q19. This increase is mainly driven by the data center divestment gain in 1Q20.

(in Million Ps.)



COMPREHENSIVE FINANCING RESULT

The comprehensive financing cost reached US \$110 million in 1Q20 or Ps. 2,355 million, compared to Ps. 236 million in 1Q19. The increase in cost is mostly explained by a Ps. 1,993 million FX loss during 1Q20 resulting from a 20% depreciation of the Mexican peso against the US dollar, compared to a Ps. 159 million FX gain in 1Q19 resulting from a 2% appreciation of the peso. Net interest expenses declined 3% from 1Q19 to 1Q20, mainly due to reductions in bank debt and other liabilities resulting from payments of Ps. 550 million in May 2019 and Ps. 1,320 million in February 2020. (See Table 7).

NET DEBT

For 1Q20, net debt was US \$586 million, down 26% or US \$209 million in comparison with 1Q19; comprised of a US \$117 million decrease in debt, a US \$38 million non-cash decrease in debt caused by an 18% depreciation of the Mexican peso year over year and a US \$54 million increase in cash.

Total debt reduction of US \$117 million year-over-year is explained by i) a US \$81 million decrease related to the full prepayment of the Syndicated Bank facility; ii) a US \$13 million decrease due to the prepayment of a short-term loan; iii) a US \$13 million decrease in other loans and financial leases; iv) a US \$12 million decrease related to the new accounting standard for long term leases (IFRS 16) and v) a US \$2 million increase in accrued interests.

As of 1Q20, cash balance totaled US \$104 million (Ps. 2,448 million), which includes US \$13 million of restricted cash and US \$60 million from remaining proceeds from the data centers transaction. Cash in 1Q19 totaled US \$50 million (Ps. 977 million), which included US \$5 million of restricted cash.

Financial ratios for the first quarter of 2020 were: Net Debt to EBITDA of 1.8 times and Interest Coverage of 5.3 times. (See Table 8).

CAPITAL EXPENDITURES (CAPEX)

Capital investments totaled US \$36 million in 1Q20, compared to US \$20 million in 1Q19. Capex in the first quarter of 2020 includes an extraordinary investment of US \$19 million related to the renovation of spectrum frequencies, without this extraordinary item, Capex reached US \$17 million, a 15% decline compared to 1Q19.

Additionally, first quarter 2020 Capex figure of US \$36 million, excludes a US \$167 million benefit from the data center divestment.

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.
- “Pro forma”: In January 2020, Axtel executed the strategic agreement and divestment of three data centers. For comparison purposes, pro forma information adjusting the results of 2019 is included in the report. See Appendix C – Tables 11 – 13.
- 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 exchange rate risk exposure for the 2024 Senior Notes’ coupon payment due May 2020, Axtel maintains an exchange rate forward transaction for an outstanding amount of US \$16 million, at an exchange rate of 19.66 MXN/USD, where Axtel buys USD and sells MXN. Additionally, Axtel maintains an interest rate swap (“IRS”) for Ps. 3,380 million, maturing in December 2022, where Axtel pays 8.355% and receives TIIE 28d.
- 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 40,600 km 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 | SERVICES BUSINESS UNIT REVENUES - ENTERPRISE SEGMENT

(IN MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)		YTD'20	YTD'19	YTD Δ (%)
				4Q19	1Q19			
TELECOM (Ps.)	1,711	1,714	1,740	(0)	(2)	1,711	1,740	(2)
<i>Voice</i>	377	412	405	(8)	(7)	377	405	(7)
<i>Data and Internet</i>	685	695	676	(1)	1	685	676	1
<i>Managed Networks</i>	648	607	658	7	(2)	648	658	(2)
IT (Ps.)	305	279	263	9	16	305	263	16
TOTAL ENTERPRISE (Ps.)	2,016	1,993	2,003	1	1	2,016	2,003	1
<i>US \$</i>	102	103	104	(1)	(2)	102	104	(2)
<i>Recurrent (Ps.)</i>	1,869	1,876	1,920	(0)	(3)	1,869	1,920	(3)
<i>Non recurrent (Ps.)</i>	147	118	83	25	76	147	83	76

TABLE 2 | SERVICES BUSINESS UNIT REVENUES - GOVERNMENT SEGMENT

(IN MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)		YTD'20	YTD'19	YTD Δ (%)
				4Q19	1Q19			
TELECOM (Ps.)	239	257	298	(7)	(20)	239	298	(20)
<i>Voice</i>	24	32	30	(23)	(18)	24	30	(18)
<i>Data and Internet</i>	94	103	79	(9)	19	94	79	19
<i>Managed Networks</i>	121	122	189	(1)	(36)	121	189	(36)
IT (Ps.)	298	400	222	(26)	34	298	222	34
TOTAL GOVERNMENT (Ps.)	537	657	521	(18)	3	537	521	3
<i>US \$</i>	27	34	27	(21)	(1)	27	27	(1)
<i>Recurrent (Ps.)</i>	435	509	528	(15)	(18)	435	528	(18)
<i>Non recurrent (Ps.)</i>	102	147	(8)	(31)	--	102	(8)	--

TABLE 3 | INFRASTRUCTURE BUSINESS UNIT REVENUES

(IN MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)		YTD'20	YTD'19	YTD Δ (%)
				4Q19	1Q19			
TOTAL INFRASTRUCTURE (Ps.)	1,168	1,332	1,227	(12)	(5)	1,168	1,227	(5)
<i>US \$</i>	59	69	64	(14)	(7)	59	64	(7)
ELIMINATIONS (Ps.) *	(615)	(604)	(604)	(2)	(2)	(615)	(604)	(2)
<i>US \$</i>	(31)	(31)	(31)	1	1	(31)	(31)	1

* For consolidation purposes, revenues coming from Services Unit (Alestra) are presented as "eliminations".
Note: See Table 11 for pro forma figures.

Appendix A – Tables

TABLE 4 | 2019 and YTD 2020 REVENUES BY BUSINESS UNIT
(IN MILLIONS)

	1Q19	2Q19	3Q19	4Q19	2019	1Q20
SERVICES UNIT (Ps.)	2,524	2,481	2,523	2,650	10,177	2,552
<i>US \$</i>	131	130	130	137	528	129
ENTERPRISE (Ps.)	2,003	2,034	1,988	1,993	8,018	2,016
<i>US \$</i>	104	106	102	103	416	102
GOVERNMENT (Ps.)	521	446	535	657	2,159	537
<i>US \$</i>	27	23	28	34	112	27
INFRASTRUCTURE UNIT (Ps.)	1,227	1,215	1,248	1,332	5,021	1,168
<i>US \$</i>	64	64	64	69	261	59
Eliminations (Ps.)	(604)	(604)	(604)	(604)	(2,414)	(615)
<i>US \$</i>	(31)	(32)	(31)	(31)	(125)	(31)
TOTAL (Ps.)	3,147	3,092	3,167	3,378	12,784	3,106
<i>US\$</i>	164	162	163	175	664	157

TABLE 5 | 2019 AND YTD 2020 REVENUES BY SEGMENT (AS REPORTED in 2019)
(IN MILLIONS)

	1Q19	2Q19	3Q19	4Q19	2019	1Q20
ENTERPRISE (Ps.)	2,626	2,645	2,632	2,721	10,625	2,569
<i>US \$</i>	137	138	136	141	552	130
GOVERNMENT (Ps.)	521	446	535	657	2,159	537
<i>US \$</i>	27	23	28	34	112	27
TOTAL (Ps.)	3,147	3,092	3,167	3,378	12,784	3,106
<i>US\$</i>	164	162	163	175	664	157

Appendix A – Tables

TABLE 6 | OPERATING INCOME AND EBITDA
(IN MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)		YTD'20	YTD'19	YTD Δ (%)
				4Q19	1Q19			
Operating Income (Ps.)	2,019	276	127	631	>1,000	2,019	127	>1,000
US \$	107	14	7	645	>1,000	107	7	>1,000
EBITDA (Ps.)	2,974	1,187	1,074	151	177	2,974	1,074	177
US \$	156	62	56	153	178	156	56	178
Adjustments* (Ps.)	(2,021)	0	0	--	--	(2,021)	0	--
US \$	(107)	0	0	--	--	(107)	0	--
Comparable EBITDA (Ps.)	954	1,187	1,074	(20)	(11)	954	1,074	(11)
US \$	48	62	56	(22)	(14)	48	56	(14)
Services Unit (Ps.)	419	514	556	(18)	(25)	419	556	(25)
Infrastructure Unit (Ps.)	534	673	518	(21)	3	534	518	3

* Adjustments include one-time (gains) losses, such as the Data Center divestment.
Note: See Table 12 for pro forma EBITDA figures.

TABLE 7 | COMPREHENSIVE FINANCING RESULT
(IN MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)		YTD'20	YTD'19	YTD Δ (%)
				4Q19	1Q19			
Net interest expense	(356)	(340)	(366)	(5)	3	(356)	(366)	3
FX gain (loss), net	(1,993)	421	159	--	--	(1,993)	159	--
Ch. FV of Fin. Instruments	(6)	6	(30)	--	79	(6)	(30)	79
Total (Ps.)	(2,355)	87	(236)	--	(897)	(2,355)	(236)	(897)
US \$	(110)	5	(12)	--	(798)	(110)	(12)	(798)

TABLE 8 | NET DEBT AND FINANCIAL RATIOS
(US \$ MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)	
				4Q19	1Q19
Senior Notes 2024	500	500	500	(0)	0
Syndicated bank facility	0	70	96	--	--
Long-term bank loan	139	173	168	(20)	(18)
Other loans + leases	37	46	66	(19)	(43)
Accrued interests	14	6	14	129	(6)
Total Debt	690	795	845	(13)	(18)
% US \$ denominated debt	74%	64%	62%		
(-) Cash and cash eq.	(104)	(46)	(50)	(129)	(106)
Net Debt	586	750	795	(22)	(26)
Net Debt / LTM EBITDA*	1.8	3.2	3.5		
LTM Interest Coverage*	5.3	3.3	3.0		

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

Appendix B – Discontinued Operations | Mass Market Segment

Axtel's 2019 results reflect the divested mass market business as discontinued operations. ALFA, however, consolidated both continuing and discontinued operations, as follows:

TABLE 9 | DISCONTINUED OPERATIONS – REVENUE RECONCILIATION

(IN MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)		YTD'20	YTD'19	YTD Δ (%)
				4Q19	1Q19			
Revenues	3,106	3,378	3,147	(8)	(1)	3,106	3,147	(1)
Revenues from Disc. Op.	-	6	176	--	--	-	176	--
Adjusted Revenues (Ps.)¹	3,106	3,384	3,323	(8)	(7)	3,106	3,323	(7)
<i>US \$</i>	157	176	173	(11)	(9)	157	173	(9)

1) As consolidated by ALFA.

TABLE 10 | DISCONTINUED OPERATIONS – EBITDA RECONCILIATION

(IN MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)		YTD'20	YTD'19	YTD Δ (%)
				4Q19	1Q19			
EBITDA (Ps.)	2,974	1,187	1,074	151	177	2,974	1,074	177
<i>US \$</i>	156	62	56	153	178	156	56	178
EBITDA Discontinued Op. (Ps.)	-	(159)	37	--	--	-	37	--
<i>US \$</i>	-	(8)	2	--	--	-	2	--
Adjusted EBITDA (Ps.)¹	2,974	1,028	1,112	189	168	2,974	1,112	168
<i>US \$</i>	156	53	58	192	169	156	58	169
Adjustments (Ps.)²								
Data Center Sale	(2,021)	-	-	--	--	(2,021)	-	--
Expense Termination Disc. Op.	-	86	-	--	--	-	-	--
Comparable Adj. EBITDA (Ps.)	954	1,114	1,112	(14)	(14)	954	1,112	(14)
<i>US \$</i>	48	58	58	(16)	(17)	48	58	(17)

1) As consolidated by ALFA.

2) Adjustments include one-time (gains) losses.

Appendix C – Pro Forma Figures for Data Centers Transaction

In January 2020, Axtel executed the strategic agreement and divestment of three data centers. For comparison purposes, results for 2019 are adjusted for this transaction (“pro forma”).

TABLE 11 | PRO FORMA REVENUES – DATA CENTER TRANSACTION

(IN MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)		YTD'20	YTD'19	YTD Δ (%)
				4Q19	1Q19			
SERVICES (Ps.)	2,552	2,650	2,524	(4)	1	2,552	2,524	1
US \$	129	137	131	(6)	(2)	129	131	(2)
Enterprise (Ps.)	2,016	1,993	2,003	1	1	2,016	2,003	1
US \$	102	103	104	(1)	(2)	102	104	(2)
Government (Ps.)	537	657	521	(18)	3	537	521	3
US \$	27	34	27	(21)	(1)	27	27	(1)
INFRASTRUCTURE (Ps.)	1,168	1,264	1,165	(8)	0	1,168	1,165	0
US \$	59	66	61	(10)	(3)	59	61	(3)
ELIMINATIONS (Ps.) *	(615)	(604)	(604)	(2)	(2)	(615)	(604)	(2)
US \$	(31)	(31)	(31)	1	1	(31)	(31)	1
TOTAL REVENUES (Ps.)	3,106	3,311	3,086	(6)	1	3,106	3,086	1
US \$	157	172	161	(9)	(2)	157	161	(2)

* For consolidation purposes, revenues coming from Services Unit (Alestra) are presented as “eliminations”.

TABLE 12 | PRO FORMA EBITDA – DATA CENTER TRANSACTION

(IN MILLIONS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)		YTD'20	YTD'19	YTD Δ (%)
				4Q19	1Q19			
EBITDA (Ps.)	2,974	1,111	1,024	168	191	2,974	1,024	191
US \$	156	58	53	170	192	156	53	192
Adjustments* (Ps.)	(2,021)	0	0	--	--	(2,021)	0	--
US \$	(107)	0	0	--	--	(107)	0	--
Comparable EBITDA (Ps.)	954	1,111	1,024	(14)	(7)	954	1,024	(7)
US \$	48	58	53	(16)	(9)	48	53	(9)
Services Unit (Ps.)	419	514	556	(18)	(25)	419	556	(25)
Infrastructure Unit (Ps.)	534	597	468	(10)	14	534	468	14

* Adjustments include one-time (gains) losses, such as the Data Center divestment.

TABLE 13 | 2019 PRO FORMA REVENUES AND EBITDA – DATA CENTER TRANSACTION

(IN MILLIONS)

	1Q19	2Q19	3Q19	4Q19	2019
REVENUES (Ps.)	3,086	3,029	3,103	3,311	12,528
US \$	161	158	160	172	651
Services Unit (Ps.)	2,524	2,481	2,523	2,650	10,177
Infrastructure Unit (Ps.)	1,165	1,152	1,184	1,264	4,765
Eliminations (Ps.) *	(604)	(604)	(604)	(604)	(2,414)
EBITDA (Ps.)	1,024	1,044	1,057	1,111	4,236
US \$	53	55	54	58	220
Services Unit (Ps.)	556	573	536	514	2,179
Infrastructure Unit (Ps.)	468	472	521	597	2,057

* For consolidation purposes, revenues coming from Services Unit (Alestra) are presented as “eliminations”.

Appendix D – Financial Statements

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

Unaudited Consolidated Balance Sheet

(IN MILLION PESOS)

	1Q20	4Q19	1Q19	(%) 1Q20 vs.	
				4Q19	1Q19
ASSETS					
CURRENT ASSETS					
Cash and equivalents	2,132	858	882	149	142
Restricted cash	316	-	-	--	--
Accounts receivable	2,631	2,426	3,084	8	(15)
Related parties	40	23	64	71	(37)
Refundable taxes and other acc. rec.	877	895	973	(2)	(10)
Advances to suppliers	626	521	558	20	12
Inventories	122	94	144	30	(15)
Financial Instruments	63	-	-	--	--
Financial Instruments (ZSC)	87	93	100	(7)	(13)
Assets classified as held for sale	-	1,125	324	--	--
Total current assets	6,894	6,035	6,127	14	13
NON CURRENT ASSETS					
Restricted cash	-	-	95	--	--
Property, plant and equipment, net	12,493	12,964	15,678	(4)	(20)
Long-term accounts receivable	-	-	-	--	--
Intangible assets, net	1,917	1,714	1,893	12	1
Deferred income taxes	3,853	2,876	2,962	34	30
Investment shares associated co.	295	295	295	-	(0)
Derivative financial instruments	-	-	-	--	--
Other assets	457	447	421	2	9
Total non current assets	19,014	18,296	21,344	4	(11)
TOTAL ASSETS	25,908	24,331	27,471	6	(6)
LIABILITIES & STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Account payable & Accrued expenses	3,394	2,898	3,429	17	(1)
Accrued Interest	320	112	281	186	14
Short-term debt	-	-	-	--	--
Current portion of long-term debt	458	472	559	(3)	(18)
Taxes payable	16	22	3	(28)	438
Financial Instruments	89	52	100	71	(11)
Deferred Revenue	191	153	607	25	(69)
Provisions	232	220	270	5	(14)
Other accounts payable	963	1,249	2,764	(23)	(65)
Total current liabilities	5,663	5,178	8,012	9	(29)
LONG-TERM LIABILITIES					
Long-term debt	15,302	14,251	15,344	7	(0)
Employee Benefits	700	695	609	1	15
Derivative Financial Instruments	97	92	36	6	167
Other LT liabilities	153	704	1	(78)	>1,000
Total long-term debt	16,253	15,742	15,991	3	2
TOTAL LIABILITIES	21,916	20,920	24,003	5	(9)
STOCKHOLDERS' EQUITY					
Capital stock	464	464	464	-	-
Additional paid-in capital	-	-	-	--	--
Reserve for repurchase of shares	396	93	150	324	164
Cumulative earnings (losses)	3,131	2,853	2,854	10	10
TOTAL STOCKHOLDERS' EQUITY	3,991	3,411	3,468	17	15
TOTAL LIABILITIES AND EQUITY	25,908	24,331	27,471	6	(6)

Appendix D – Financial Statements

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

Unaudited Consolidated Income Statement

(IN MILLION PESOS)

	1Q20	4Q19	1Q19	(% 1Q20 vs.)		YTD'20	YTD'19	YTD Δ (%)
				4Q19	1Q19			
Total Revenues	3,106	3,378	3,147	(8)	(1)	3,106	3,147	(1)
Cost of sales and services	(910)	(951)	(815)	4	(12)	(910)	(815)	(12)
Gross Profit	2,197	2,427	2,332	(9)	(6)	2,197	2,332	(6)
Operating expenses	(1,250)	(1,263)	(1,256)	1	0	(1,250)	(1,256)	0
Other income (expenses), net	2,028	23	(2)	>1,000	--	2,028	(2)	--
Depr., amort. & impairment assets	(956)	(911)	(948)	(5)	(1)	(956)	(948)	(1)
Operating income	2,019	276	127	631	>1,000	2,019	127	>1,000
Comprehensive financing result, net	(2,355)	87	(236)	--	(897)	(2,355)	(236)	(897)
Equity in results of associated company	-	(0)	-	--	--	-	-	--
Income (loss) before income taxes	(337)	363	(110)	--	(207)	(337)	(110)	(207)
Income taxes	936	(228)	38	--	>1,000	936	38	>1,000
Discontinued Operations	-	(130)	(6)	--	--	-	(6)	--
Net Income (Loss)	599	6	(77)	>1,000	--	599	(77)	--