



EARNINGS REPORT

First Quarter 2023 (1Q23)

Monterrey, N.L., Mexico, April 25, 2023.

ALFA, S.A.B. de C.V. (BMV: ALFAA) ("ALFA"), a company that has developed leading businesses with global operations, announced today its unaudited results for the first quarter of 2023 ("1Q23"). All figures have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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ALFA

Important note on changes to ALFA's Consolidated Financial Statements

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

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

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

ALFA reports 1Q23 EBITDA of US \$376 million with Axtel as Discontinued Operations

1Q23 HIGHLIGHTS

<p>ALFA</p>	<ul style="list-style-type: none"> ▶ 1Q23 Comparable EBITDA of US \$396 million, tracking in line with full year Guidance, supported by strong start at Sigma and expected normalization of industry references at Alpek ▶ Successfully executed full redemption of US \$500 million Senior Notes due 2024. ALFA gained flexibility for future debt payments ▶ Paid US \$96 million cash dividend as approved at Annual Shareholders' meeting ▶ Reached advanced stage in required registration process to spin-off Axtel; ALFA actively engaged to complete this important milestone
<p>Sigma</p>	<ul style="list-style-type: none"> ▶ Record high quarterly revenue, up 16% year on year driven by growth across all regions ▶ Better-than-expected results in Mexico driven by solid demand, price momentum, Foodservice channel results, and a strong Peso ▶ Euro-denominated revenue up 16% driven primarily by price actions to mitigate ongoing inflationary pressures in raw materials and other inputs
<p>Alpek</p>	<ul style="list-style-type: none"> ▶ Normalization of relevant references such as lower ocean freight rates impacted performance vs. historically high figures in 1Q22, as expected ▶ Enhanced composition of its Board with appointment of 3 new members; increased women participation and number of independent members ▶ Shutdown of PET operations at Cooper River site; estimates annual savings of US \$20 million by transferring production to other facilities
<p>Axtel (Discontinued Operations)</p>	<ul style="list-style-type: none"> ▶ Revenue up 18% year-on-year driven by growth across all segments and a stronger than expected Mexican Peso. ▶ Comparable EBITDA of US \$40 million, up 13% year-on-year driven by solid Revenue growth ▶ Streamlined operations based on a new operating and commercial model; recognized a one-time reorganization charge of US \$10 million

Earnings Report

First Quarter 2023 (1Q23)



SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	1Q23	4Q22	1Q22	Ch.% vs. 4Q22	Ch.% vs. 1Q22
ALFA & Subs with Axtel as Discontinued Operations					
ALFA Revenues	4,085	4,452	4,069	(8)	-
Alpek	2,062	2,457	2,332	(16)	(12)
Sigma	1,991	1,964	1,711	1	16
ALFA EBITDA¹	376	346	610	9	(38)
Alpek	187	186	456	1	(59)
Sigma	192	167	161	15	19
ALFA Comparable EBITDA	396	430	487	(8)	(19)
Alpek	207	270	333	(23)	(38)
Sigma	192	167	161	15	19
Majority Net Income²	(14)	(17)	210	15	(107)
CAPEX & Acquisitions³	86	139	76	(38)	13
ALFA Net Debt⁴	5,049	4,751	4,906	6	3
Alpek	2,082	1,860	1,310	12	59
Sigma	1,840	1,782	1,795	3	3
ALFA Net Debt/EBITDA ⁵	2.7	2.3	2.2		
ALFA Interest Coverage ⁶	5.3	6.4	7.0		
Axtel (as Discontinued Operations)					
Revenues	145	132	122	10	19
EBITDA	28	39	34	(28)	(17)
CAPEX & Acquisitions	0	0	16	-	(100)
Net Debt	0	0	585	-	(100)

1 EBITDA = Operating Income + depreciation and amortization + impairment of assets

2 Majority Net Income includes Majority Net Income from Discontinued Operations (Axtel)

3 Figure includes divestments

4 Net Debt adjusted for Discontinued Operations (Axtel) at the close of 3Q22; previous periods unchanged

5 Times. LTM = Last 12 months. Ratio calculated with Discontinued Operations for all periods

6 Times. LTM = Last 12 months. Interest Coverage = EBITDA/Net Financial Expenses with Discontinued Operations for all periods

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Appendix – 1Q23 Reports of Listed Business

Message from ALFA's President

"ALFA's transformational efforts advanced and first quarter 2023 results were in line with consolidated full year guidance driven by growth in Sigma.

Sigma started the year strongly with Sales and EBITDA up 16% and 19%, respectively, versus 1Q22. This marks the eighth consecutive quarter of year-over-year revenue growth driven by effective price actions and resilient demand. Operations in the Americas posted solid performance supported by robust Foodservice channel results and a stronger-than-expected Mexican peso.

Higher reference ocean freight rates were among the temporary tailwinds that Alpek effectively capitalized for two years before a sudden normalization in 4Q22. As expected, the current normalized levels in relevant industry metrics weighed on Alpek's year-over-year performance. Volume, Sales and Comparable EBITDA were down 5%, 12% and 38%, respectively, versus historically high figures in 1Q22.

ALFA has achieved a profound transformation since the announcement of its plan in 2020. Most importantly, we have a firm commitment and a solid position to complete the final stage of this orderly process. We will remain disciplined in our methodical approach to unlock the Company's fair value potential by efficiently simplifying its corporate structure. Our focus is on finalizing the Axtel spin-off and on finding the most efficient path ahead.

Each step forward is subject to ensuring a strong financial position at the consolidated and individual subsidiary levels. Therefore, it is crucial for Sigma to continue growing and further improve its leverage ratio.

The process also requires reducing debt at the Corporate level with a flexible time horizon. ALFA's valuable assets and solid cashflow generation present various opportunities to reach our goal through organic and inorganic means over time.

During the first quarter, we successfully put in place a more efficient basis for the required debt reduction. ALFA completed the redemption of its US \$500 million Senior Notes due in 2024. We gained full flexibility in terms of the size and timing of future debt payments by funding this transaction with multiple long-term bank loans that are prepayable at any time.

We look forward to completing the Axtel spin-off as ALFA is actively engaged with the Mexican Securities and Banking Commission, and other relevant parties, to fulfill this important milestone shortly. "Controladora Axtel" reached an advanced stage of the required registration process prior to the listing and distribution of its shares to ALFA shareholders.

Our Annual Shareholders' meeting was held on March 9, 2023 where the shareholders approved a cash dividend of US \$2 cents per share, equivalent to approximately US \$96 million. ALFA intends to make a second dividend payment before year-end. The Board of Directors will determine the potential dividend's feasibility as part of its regular capital allocation analysis during the year.

Flexibility related to the size and timing of dividend payments is aligned with ALFA's balanced approach towards capital allocation, which includes dividends, capex, debt reduction and share buybacks. We will continue complementing our transformational efforts by maintaining a disciplined transfer of value to shareholders in the short term.

Other related proposals that were approved at our Annual meeting included the cancellation of 90.4 million shares, equivalent to 1.8% of shares at the end of 2022, and a maximum amount of Ps \$5,800 million (US \$320 million) for share buybacks during 2023.

Relevant ESG developments during 1Q23 include Alpek enhancing the composition of its Board through the appointment of 3 new Directors, including 2 independent members. As of March 2023, the Alpek Board is comprised of 9 independent Directors and women participation increased to 21%.

Moreover, CDP raised Sigma's score in "Supplier Engagement" to A- from B-, reflecting initiatives carried out by the Company to increase awareness and participation across its value chain.

Sigma will publish its individual 2022 Sustainability report shortly. Highlights for 2022 include Environmental gains such as reduction in carbon emissions and water usage. On the Social front, Sigma Mexico signed the UN Women Empowerment Principles. Also, a dedicated Advisory Board with a high degree of diversity and independence enhanced Sigma's Governance since 2Q22.

ALFA, Alpek and Axtel published their respective, integrated 2022 sustainability reports; available on each company's website. We cordially invite you to learn more on how ALFA and its individual businesses contribute towards a more sustainable future.

I would like to thank the entire ALFA team for their hard work to kick-off the year strongly, and our shareholders for their continued support."

All the best,

Álvaro Fernández

ALFA (BMV: ALFAA) Consolidated Financial Results

INCOME STATEMENT (US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
Total Revenues	4,085	4,452	4,069	(8)	-
Gross Profit	757	676	951	12	(20)
Operating expenses and others	(548)	(475)	(443)	(16)	(24)
Operating income (loss)	208	201	507	4	(59)
Financial cost, net	(87)	(112)	(75)	23	(16)
Share of losses of associates	1	0	1	309	(38)
Income Tax	(117)	(85)	(145)	(38)	19
Profit (loss) from continuing operations	5	4	289	33	(98)
Profit (loss) from discontinued operations ¹	11	6	3	102	243
Consolidated net income (loss)	17	10	292	73	(94)
Controlling Interest	(14)	(17)	210	15	(107)
EBITDA	376	346	610	9	(38)
EBITDA/Revenues (%)	9.2	7.8	15.0		

¹ Breakdown of Profit (loss) from Discontinued Operations shown on Table 10

Total Revenues in 1Q23 were US \$4.085 billion, flat year-on-year as growth in Sigma was offset by a decrease in Alpek. Sigma revenues increased 16% versus 1Q22 driven by solid growth across all its regions. In contrast, Alpek sales were 12% lower year-over-year primarily due to lower average prices and volume in its Plastics & Chemicals segment (see Table 2).

EBITDA in 1Q23 was US \$376 million, down 38% versus a historically high figure in 1Q22 as a 19% increase in Sigma was more than offset by a 59% decline at Alpek. First quarter EBITDA includes a negative impact of US \$20 million from extraordinary items related to Alpek; primarily non-recurring costs associated with the shutdown of PET resin operations at its Cooper River site (see "Footprint Optimization" in Alpek's Recent Developments section; pg. 25). For reference, 1Q22 EBITDA included a net gain of US \$123 million from extraordinary items associated with rising crude oil and feedstock prices at Alpek.

Adjusting for extraordinary items in all periods, **Comparable EBITDA** was US \$396 million, US \$430 million and US \$487 million in 1Q23, 4Q22 and 1Q22, respectively. Comparable 1Q23 ALFA EBITDA was down 19% year-on-year resulting from a 38% reduction at Alpek that was partially offset by a 19% increase from Sigma. Alpek's year-on-year decline reflects lower volume, the normalization of polypropylene and expandable polystyrene margins, and the decrease in reference ocean freight rates which affect import parity pricing (see Tables 3, 4 and 5).

Operating Income was US \$208 million, down 59% versus 1Q22, reflecting the decrease in EBITDA explained above as well as an asset impairment of US \$47 million associated with Alpek's shutdown of operations at its Cooper River site (see Table 3).

Earnings Report

First Quarter 2023 (1Q23)



Comprehensive Financing Expense (CFE) was US \$87 million, up from US \$75 million in 1Q22, as foreign exchange gains during the quarter were more than offset by higher financial expenses at Alpek and ALFA which include costs associated with the full redemption of its Senior Notes due in 2024 (see Table 6).

Controlling Interest Net Loss was US \$14 million in 1Q23 compared to a gain of US \$210 million in 1Q22. The year-on-year decline in absolute terms was primarily due to the decrease in EBITDA explained above. In addition, higher financing expenses were more than offset by lower Income Taxes versus 1Q22 (see Table 7).

CHANGE IN NET DEBT (US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
EBITDA	376	346	610	9	(38)
Net Working Capital	(131)	186	(290)	(170)	55
Capital Expenditures & Acquisitions	(86)	(139)	(76)	38	(13)
Net Financial Expenses	(94)	(85)	(75)	(10)	(26)
Taxes	(156)	(78)	(127)	(100)	(22)
Dividends	(152)	(82)	(266)	(83)	43
Other Sources (Uses)	(55)	(69)	7	20	(886)
Decrease (increase) in Net Debt from discontinued operations ¹	0	0	(13)	-	100
Net Debt from discontinued operations - Axtel	0	0	0	-	-
Decrease (Increase) in Net Debt	(298)	79	(230)	(479)	(30)
<i>Net Debt</i>	<i>5,049</i>	<i>4,751</i>	<i>4,906</i>	<i>6</i>	<i>3</i>
<i>Proforma Net Debt with Axtel as discontinued operations in all periods</i>	<i>5,049</i>	<i>4,751</i>	<i>4,321</i>	<i>6</i>	<i>17</i>

¹ Breakdown of Decrease (Increase) in Net Debt from discontinued operations shown on Table 11.

Net Debt was US \$5.049 billion at the close of 1Q23, with Axtel as discontinued operations. Adjusting for discontinued operations in previous periods, 1Q23 Net Debt was up 17% year-on-year and up 6% versus 4Q22. On an absolute basis, consolidated ALFA Net Debt increased US \$298 million versus US \$4.751 billion at year-end 2022. The increase in Net Debt includes US \$130 million investment in Net Working Capital and US \$152 million in Dividends paid during 1Q23.

As of March 31, 2023, Cash totaled US \$1.055 billion and ALFA and its Subsidiaries had US \$2.240 billion in available Committed Credit Lines. Financial ratios at the close of 1Q23 were: Net Debt to EBITDA of 2.7 times and Interest Coverage of 5.3 times, compared with 2.2 and 7.0 times in 1Q22, respectively (see Table 8).

Net Working Capital investment was US \$131 million during 1Q23 as a result of investments at Alpek and Sigma. Rising raw material prices in Alpek's Plastics & Chemicals segment and Sigma's seasonal investment were among the drivers of Net Working Capital this quarter.

Capital Expenditures & Acquisitions (Capex) totaled US \$86 million in 1Q23 mainly driven by investments at Alpek which include the construction of the integrated PTA-PET site in Corpus Christi, Texas together with its partners.

Dividends of US \$152 million in 1Q23 include the US \$96 million cash dividend paid to ALFA shareholders as approved at ALFA's Annual Shareholders' Meeting, plus dividends paid to minority shareholders and business partners at the subsidiary level.

RECENT DEVELOPMENTS – ALFA

Axtel spin-off	<ul style="list-style-type: none"> ▶ “Controladora Axtel” reached advanced stage of required registration process prior to the listing and distribution of its shares ▶ ALFA will transfer all its Axtel shares to a new, listed entity: “Controladora Axtel” ▶ ALFA Shareholders will receive one share of “Controladora Axtel” for each ALFA share they own
Unlocking Value – Corporate Simplification	<ul style="list-style-type: none"> ▶ Profound transformation to unlock ALFA’s fair value potential by efficiently simplifying its corporate structure ▶ Orderly transition towards more independent business management model (vs. conglomerate) ▶ Transfer of autonomy to ALFA shareholders (e.g., Axtel and Nemark spin-offs) ▶ Corporate structure simplification; expenses down 65% since 2019 ▶ Commitment to maintain strong financial position at ALFA and Subsidiaries throughout transformation ▶ Process requires reducing Corporate-level debt over time and further improvement in Sigma’s standalone leverage ratio ▶ Focus on finding most efficient path forward ▶ ALFA’s valuable assets and strong cashflow generation present opportunities to reach deleverage goal through organic and inorganic means, over time
2024 Senior Notes	<ul style="list-style-type: none"> ▶ On March 27, 2023, ALFA fully redeemed its US \$500 million Senior Notes due in 2024. ▶ Obtained multiple long-term, bilateral credit lines to fund the redemption ▶ The new bank loans are prepayable at any time ▶ ALFA gained flexibility in terms of the size and timing of future payments associated with its expected deleverage over time
Shareholders’ Meeting	<ul style="list-style-type: none"> ▶ 2022 Financial Results and progress on ALFA’s transformational process were presented, including the ongoing process to spin off ALFA’s participation in Axtel and the significant reduction in corporate expenses ▶ Shareholders approved: <ul style="list-style-type: none"> – Cash dividend of 2 cents (US \$) per share equivalent to US \$96 million, paid in March 2023 – Maximum amount of Ps \$5,800 million (US \$320 million) for share buybacks – The cancellation of 90.4 million shares was approved at the Extraordinary meeting, equivalent to 1.8% of shares at the end of 2022 ▶ Juan Carlos Calderón Rojas joins ALFA’s Board, replacing José Calderón Rojas. The other members of the Board were ratified.

<p>Published 2022 ESG Reports</p>	<ul style="list-style-type: none"> ▼ Focus on progress with the integration of ESG best practices into ALFA's and Subsidiaries' long-term strategy ▼ Highlights: <ul style="list-style-type: none"> - ALFA increased its S&P Global CSA rating from 35 to 42, above the industry average for conglomerates - Updated the consolidated materiality analysis, considering the Business Units' materiality analyses in the current transformation process; the new matrix focuses on 11 relevant topics. - Sigma continued its progress towards achieving its 2025 sustainability goals: <ul style="list-style-type: none"> ▪ Achieved 62.5% clean energy use during 2022 ▪ More than 18% reduction in carbon emissions reduction during 2022 vs. 2015 baseline ▪ Reduced water usage per ton produced by 12% in 2022 vs. 2018 baseline; 14% y-o-y ▪ Sigma Mexico signed the UN Women Empowerment Principles - Alpek's closure of two plants had a positive effect on emission reductions, to achieve a 19% reduction in Scope 1 and 2 emissions against its 2019 baseline (excluding OCTAL) - Axtel created the Sustainability Steering and Operative Committees to establish the strategic vision and define actions on sustainable development ▼ Complete reports available at: <ul style="list-style-type: none"> - ALFA Report - Alpek Report - Axtel Report 														
<p>NAFINSA Trust ("NT")</p>	<ul style="list-style-type: none"> ▼ Based on figures provided by Nacional Financiera, S.N.C., the number of ALFA shares held by foreign investors on March 31, 2023 were 2,498,748,029. ▼ Equivalent to 51.85% of ALFA shares outstanding ▼ The maximum authorized NT threshold is 75% of the representative shares of ALFA's capital stock 														
<p>Share Repurchase Program</p>	<ul style="list-style-type: none"> ▼ No shares repurchased during 1Q23 ▼ No shares repurchased and held in Treasury after share cancellation approved at the Annual Shareholder Meeting 														
<p>Quiet Period</p>	<ul style="list-style-type: none"> ▼ ALFA enters into a Quiet Period seven days prior to the close of each quarter ▼ 2Q23 Quiet Period will begin on June 23, 2023 														
<p>2023 Guidance</p>	<ul style="list-style-type: none"> ▼ 2023 Capex Guidance revised down by Alpek <table border="1" data-bbox="505 1745 1406 1913"> <thead> <tr> <th colspan="2" data-bbox="505 1745 964 1797">(US \$ Millions)</th> <th data-bbox="964 1745 1182 1797">Revised 1Q23</th> <th data-bbox="1182 1745 1406 1797">Previous 2023</th> </tr> </thead> <tbody> <tr> <td data-bbox="505 1797 724 1839" rowspan="3">Capex</td> <td data-bbox="724 1797 964 1839">ALFA</td> <td data-bbox="964 1797 1182 1839">622</td> <td data-bbox="1182 1797 1406 1839">732</td> </tr> <tr> <td data-bbox="724 1839 964 1881">Alpek</td> <td data-bbox="964 1839 1182 1881">335</td> <td data-bbox="1182 1839 1406 1881">445</td> </tr> <tr> <td data-bbox="724 1881 964 1913">Sigma</td> <td data-bbox="964 1881 1182 1913">280</td> <td data-bbox="1182 1881 1406 1913">280</td> </tr> </tbody> </table>	(US \$ Millions)		Revised 1Q23	Previous 2023	Capex	ALFA	622	732	Alpek	335	445	Sigma	280	280
(US \$ Millions)		Revised 1Q23	Previous 2023												
Capex	ALFA	622	732												
	Alpek	335	445												
	Sigma	280	280												

Results by Business

Sigma – FOOD PRODUCTS

49% of ALFA's Revenues in 1Q23



1Q23 HIGHLIGHTS

Sigma Consolidated	<ul style="list-style-type: none"> ▶ Record quarterly Revenue up 16% year-on-year, supported by growth across all regions ▶ All-time high 1Q EBITDA, up 19% vs. 1Q22, driven by solid results in the Americas
Mexico	<ul style="list-style-type: none"> ▶ Growth in 1Q23 Revenue and EBITDA driven by a solid demand, price momentum, Foodservice results, and a stronger-than-expected Peso
Europe	<ul style="list-style-type: none"> ▶ Euro-denominated 1Q23 Revenue up 16% year-on-year ▶ Quarterly EBITDA down 7% in local currency amid higher raw material and input costs
U.S.	<ul style="list-style-type: none"> ▶ Quarterly Revenue up 6% YoY; EBITDA was flat due to lower contribution from European Brands and a one-off equipment renovation event ▶ Capacity expansion efforts included an agreement to acquire a plant in Iowa and an equipment renovation project at the Altus facility in Oklahoma
Latam	<ul style="list-style-type: none"> ▶ 1Q23 Revenue and EBITDA up 14% and 6% year-on-year, respectively, driven by efficient price actions and a favorable Foodservice performance

SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
Volume (ktons)	427	432	424	(1)	1
Mexico	225	223	212	1	6
Europe	95	104	106	(8)	(10)
United States	81	79	81	2	-
Latam	25	26	25	(3)	-
Revenues	1,991	1,964	1,711	1	16
Mexico	942	902	747	5	26
Europe	559	574	511	(3)	9
United States	347	343	329	1	6
Latam	143	145	126	(2)	14
EBITDA	192	167	161	15	19
Mexico	129	101	97	27	32
Europe	9	14	10	(35)	(12)
United States	41	38	42	8	-
Latam	13	14	12	(7)	6
Capex & Acquisitions¹	34	86	35	(61)	(4)
Net Debt	1,840	1,782	1,795	3	3
Net Debt / LTM* EBITDA	2.7	2.7	2.5		
LTM* Interest Coverage ²	5.8	5.5	6.3		

* Times. LTM = Last 12 months

¹ Figure includes divestments

² Interest Coverage = EBITDA/Net Financial Expenses

Message from Sigma's President

"We are optimistic about 2023 given the solid first quarter results that our team delivered. Consolidated Revenues were US \$1.991 billion, driven by growth across all regions. EBITDA reached the highest ever first quarter figure of US \$192 million, supported by the favorable performance in the Americas, as well as strong Foodservice Channel results.

In Europe, we continued to take actions to mitigate inflationary pressures. Revenue management initiatives that include a 29% year-on-year average price increase in euros were combined with cost and expense reduction measures. While we have not yet achieved the desired outcome, we are diligently solving root causes to overcome the current challenges and strengthen our position going forward. Regarding the U.S., we are making progress in expanding regional capacity to better serve customers and consumers. This includes the recent Iowa plant purchase agreement and an equipment renovation project in our Altus facility, among others.

This quarter marks the second anniversary of our Growth Business Unit, created with the purpose of leveraging our existing capabilities, and developing new ones to enhance our company's growth potential. Dedicated cross-functional teams with an entrepreneurial and agile skillset allow us to cultivate ideas and capture attractive opportunities. We are actively generating, vetting, piloting, and scaling new business models and categories.

We are proud of the progress made in our Growth Business Unit to reach our ambitious goals. We aim to increase our new business model pipeline, strengthen our link to the entrepreneurial ecosystem, and continue gathering expertise through a wide array of initiatives to drive long-term growth. It is important to highlight that the Growth Business Unit is part of our comprehensive efforts to explore the future. This includes new technologies to develop next generation foods, and the collaboration with strategic partners on alternative proteins and clean label products.

On the sustainability front, we are proud to share that Sigma's CDP Supplier Engagement rating improved to "A-" reflecting efforts underway across our value chain. Moreover, our Climate Change result was affirmed at "B" positioning our company above the industry average. In addition, our Sustainalytics ESG Risk Rating improved one category to "Medium" based on a positive score in risk exposure management as we continue to advance the integration of ESG criteria into everyday decision-making.

I am confident that by pushing our transformational agenda forward and aligning Company efforts to strategic guidelines across all regions, we will achieve sustainable growth and enhance profitability.

Thank you for your interest in Sigma."

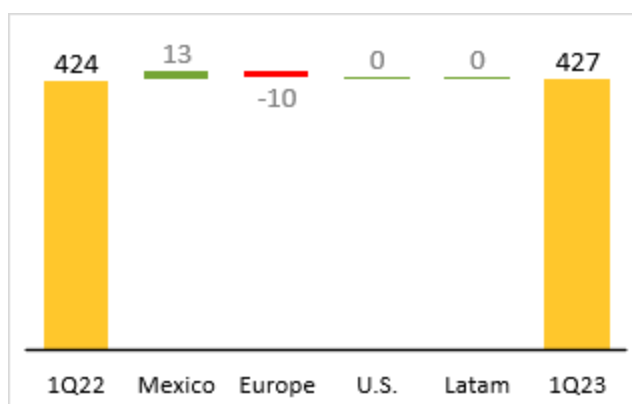
Rodrigo Fernández

INCOME STATEMENT (US \$ MILLION)

	1Q23	4Q22	1Q22	(% 1Q23 vs	
				4Q22	1Q22
Total Revenues	1,991	1,964	1,711	1	16
Gross Profit	555	495	461	12	20
Operating expenses and others	(417)	(395)	(349)	5	19
Operating income (loss)	138	100	112	38	23
Financial cost, net	(70)	(82)	(31)	(14)	127
Share of losses of associates	0	0	0	-	-
Income Tax	(73)	(26)	(35)	183	107
Consolidated net income (loss)	(6)	(8)	45	(31)	(112)
<i>EBITDA</i>	192	167	161	15	19
<i>EBITDA/Revenues (%)</i>	9.6	8.5	9.4		

Volume was 427 ktons in 1Q23, 1% higher year-on-year, as demand growth in Mexico offset lower volume in Europe which was mainly impacted by a decline in the Fresh Meat business following its response to current market dynamics. Foodservice channel volume increased by 28% year-on-year. Adjusting for Foodservice results, quarterly volume was 2% lower, year-on-year.

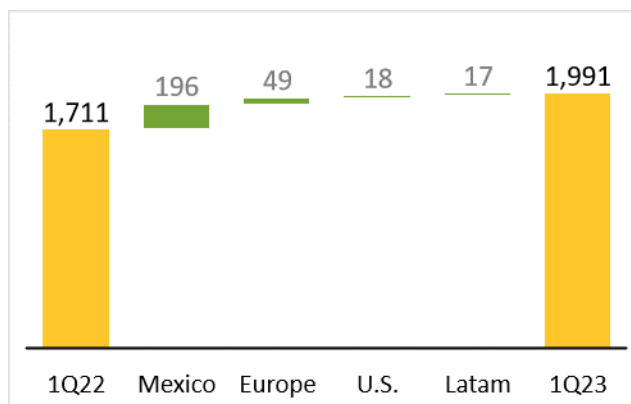
1Q23 Volume (ktons)



Average prices were 15% higher during 1Q23 in response to higher raw material and other input costs. In local currencies, average prices increased 12% boosted by a 29% increase in Europe.

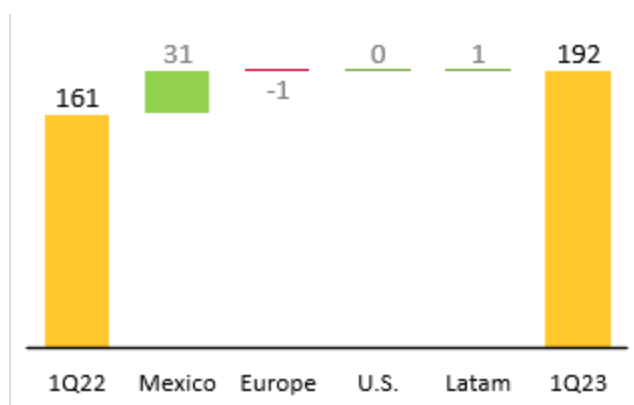
Revenues were US \$1.991 billion in 1Q23, up 16% year-on-year, mainly driven by higher average prices, a slight increase in consolidated volume, and the appreciation of the Mexican Peso. In local currency, 1Q23 revenues were up 13% reflecting growth across all regions (Mexico +15%, Europe +16%, the U.S. +6%, and Latam +10%) (see Table 13). As a reference, Foodservice channel revenues increased 34% year-on-year.

1Q23 Revenues (US \$Million)



EBITDA was US \$192 million in 1Q23, up 19% year-on-year. This was mainly due to the favorable results in Mexico, which more than offset the decline in Europe. EBITDA benefited from strong exchange rates in most regions. European operations reflected inflationary pressures on raw material and other input costs, as well as the year-on-year depreciation of the euro versus the dollar. Adjusting for the Foodservice channel, 1Q23 EBITDA increased by 15% year-on-year. In local currencies, quarterly EBITDA increased 12%.

1Q23 EBITDA (US \$ Million)



Operating Income was US \$138 million, up 23% when compared to US \$112 million in 1Q22, mainly due to the 20% increase in gross profit, driven by the Americas.

Comprehensive Financing Expense (CFE) was US \$70 million in 1Q23, up 127% versus US \$31 million in 1Q22, reflecting the impact from the appreciation of the Mexican peso.

Net Loss was US \$6 million, as compared to the US \$45 million net profit in 1Q22. The loss was mainly explained by the higher taxes and CFE mentioned above.

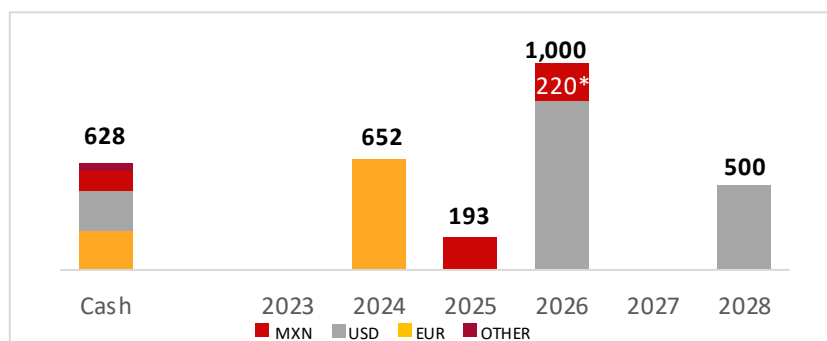
CHANGE IN NET DEBT (US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 vs	
				4Q22	1Q22
EBITDA	192	167	161	15	19
Net Working Capital	(57)	35	(82)	(263)	(31)
Capital Expenditures & Acquisitions	(34)	(86)	(35)	(61)	(4)
Net Financial Expenses	(28)	(27)	(27)	5	4
Taxes	(86)	(23)	(46)	274	89
Dividends	0	(75)	(76)	(100)	(100)
Other Sources (Uses)	(44)	(65)	2	(31)	-
Decrease (Increase) in Net Debt	(58)	(75)	(103)	(23)	(44)

Net Debt was US \$1.840 billion, 3% above both 1Q22 and 4Q22. On an absolute basis, Net Debt increased by US \$45 million year-on-year and was US \$58 million higher versus 4Q22. The sequential increase was mainly related to taxes paid and the net working capital investment described below.

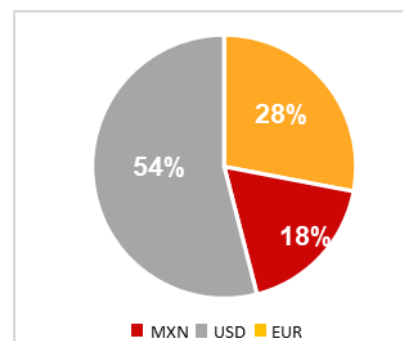
Cash totaled US \$628 million in 1Q23, US \$69 million lower year-on-year, and US \$55 million lower when compared to 4Q22. Approximately 75% of cash was held in dollars and euros. Financial ratios at the end of the quarter were: Net Debt to EBITDA of 2.7 times and Interest Coverage of 5.8 times (see Table 16).

Debt Maturity (US \$Million)



*US \$220 million MXN-USD Cross Currency Swap (CCS) agreement for 2026. Does not include US \$123 million mainly from financial leases, notes payables, and accrued interest.

Debt Currency Mix*



*CCS is included

Net Working Capital (NWC) posted an investment of US \$57 million during 1Q23. It is important to note that this reflected the seasonal investment in raw material inventories, as well as strategic purchases.

Capital Expenditures & Acquisitions (Capex) totaled US \$34 million during the quarter, 4% lower than in 1Q22. Approximately 76% of Capex was maintenance-related, while the remainder was invested in expansion and optimization projects.

Dividends. None were paid during the first quarter.

INDUSTRY COMMENTS - SIGMA

Consumer confidence and retail sales

In Mexico, during 1Q23, the average consumer confidence figures (per INEGI¹) were 44.5 points, 1.3 points higher year-on-year and 2.5 points sequentially. Same-store-sales (per ANTAD²) decreased on average by 7% versus 1Q22.

Foodservice and Convenience channels in Mexico benefited from higher out of home consumption. Additionally, February 2023 data released by the Mexican tourism authorities (DATATUR³) reflected year-on-year increases of 11.4% in the average hotel occupancy rate, as well as 24.2% and 15.5% increases in foreign and domestic tourist arrivals, respectively.

In the United States, the average consumer confidence level reported by The Conference Board was 104.7 points a 3-point decline versus 1Q22. Despite the economic environment confidence levels increased 1 point, sequentially, and Adjusted Food & Beverage Retail Sales reported by the U.S. Census Bureau during the quarter, rose by an average of 6% year-on-year.

The European Commission reported that the average consumer confidence levels as of February decreased 10 points year-on-year to 19.9 points. Food Retail Sales fell by an average of 5% to 104.2 points year-on-year and remained flat sequentially, according to Eurostat. It is important to note that as of February the average inflation rate reached 8.5%.

In Latin America, the average consumer figures in Costa Rica for February (per the School of Statistics from the University of Costa Rica) reached 47.8 points an increase of 6 points year-on-year and 4 points, sequentially. In Ecuador, the average consumer confidence level reported by The Central Bank of Ecuador, as of February, was flat year-on-year.

¹ Instituto Nacional de Estadística y Geografía - National Statistics and Geography Institute

² Asociación Nacional de Tiendas de Autoservicio y Departamentales - National Association of Supermarkets and Department Stores

³ DataTur - Sistema Nacional de Información Estadística del Sector Turismo de México

Exchange Rate

When compared against the US dollar, the average 1Q23 exchange rate for the Mexican peso appreciated 9%, and the euro depreciated 5% year-on-year. Sigma's Latam currency mix (outside Mexico) experienced a net appreciation effect of approximately 4% year-on-year versus the US dollar.

	1Q23	4Q22	1Q22	(%) 1Q23 vs	
				4Q22	1Q22
Mexico - MXN/USD Avg	18.70	19.70	20.52	(5)	(9)
Mexico - MXN/USD EOP	18.11	19.36	19.99	(6)	(9)
EU - USD/EUR Avg	1.07	1.02	1.12	5	(5)
EU - USD/EUR EOP	1.09	1.07	1.11	2	(2)
Dominican Rep. - DOP/USD Avg	56.16	54.58	56.04	(3)	-
Dominican Rep. - DOP/USD EOP	54.95	56.19	57.14	(2)	-
Peru - PEN/USD Avg	3.83	3.92	3.80	(2)	1
Peru - PEN/USD EOP	3.76	3.81	3.70	(1)	2
Costa Rica - CRC/USD Avg	561.0	612.3	647.0	(8)	(13)
Costa Rica - CRC/USD EOP	640.5	592.1	666.4	(9)	(19)

Revenues from the Dominican Republic, Peru, Costa Rica, and Ecuador represented more than 82% of Latam Revenues in 1Q23. Ecuador is a dollarized economy; therefore, no exchange rate is included above.

Raw Materials

U.S. pork ham prices increased 41% year-on-year driven by rising animal feed costs and higher export demand from Mexico. However, prices declined 22%, sequentially, due to higher-than-expected pork production at the beginning of the year. Meanwhile, trimming prices decreased 6% year-on-year and remained flat, sequentially, due to higher-than-expected pork production and seasonal effects.

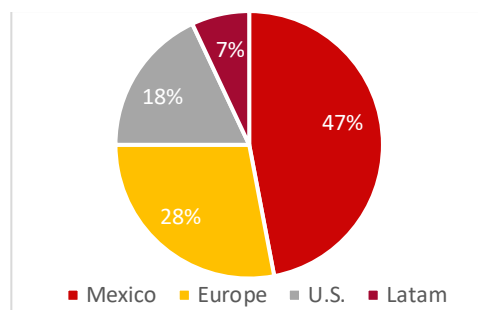
In Europe, average quarterly pork ham, shoulder, and lean hog prices increased 39%, 39%, and 70% year-on-year, respectively. On a sequential basis, prices increased by 5% for pork ham and shoulder, while lean hog prices were 20% higher. Pork price increases were mainly due to lower production, as producers cut back on supply due to reduced profitability during 2022. This effect added pressure on an already impacted industry from higher animal feed costs amid the effects of the Russia-Ukraine conflict and lower domestic feed production throughout key producing regions.

Poultry prices in the U.S. posted mixed readings. Although average turkey breast prices were up 15% year-on-year, these displayed a sequential decline of 25% due to lower avian flu cases, as a decrease in demand met a higher supply level. Quarterly turkey thigh prices remained stable both year-on-year and sequentially. Meanwhile, chicken prices were down 13% year-on-year and 3% sequentially, as production increased, and cold storage inventories improved amid slower demand.

RESULTS BY REGION - SIGMA

During 1Q23, Mexico accounted for 47% of total revenues; while Europe represented 28%; the U.S. 18%; and Latam 7%. As a percentage of Last twelve-months (LTM) Revenues, these figures were 46%, 29%, 18%, and 7%, respectively, in each of the regions.

1Q23 Revenue by Region in USD



Mexico:

In local currency, 1Q23 Revenues rose by 15%, year-on-year. The increase was driven by a solid demand, particularly in dairy products, strong Foodservice results, and price momentum. The Foodservice Channel posted a positive performance with revenues up 24% year-on-year. Excluding Foodservice results, peso-denominated 1Q23 Revenues increased by 13% versus 1Q22.

In pesos, Mexico posted a 21% year-on-year EBITDA increase. Successfully implemented operational optimizations, as well as costs and expense avoidance initiatives also contributed to an EBITDA Margin recovery in the region. Foodservice channel EBITDA increased 45% year-on-year. Excluding Foodservice results, quarterly EBITDA improved 17% year-on-year.

Europe:

Quarterly Revenues in euros increased by 16% year-on-year, driven by higher average prices, up 29% vs. 1Q22. Volume was 10% lower mainly due to operational adjustments in Fresh Meats which resulted in a 22% decline amid higher live hog costs vis-à-vis lower market prices for cuts and trims. As a reference, Packaged Meats account for approximately 85% of European Revenues and Fresh Meats the remainder.

European EBITDA was down 7% year-on-year, in local currency. Results were impacted by rising meat raw materials and other input costs. Although the Fresh Meats Business benefited from resuming sales to China, results continued to be impacted due to the above-mentioned reduced marginal contribution caused by current market conditions. Excluding Foodservice results, Revenue increased 14%, while EBITDA was 3% below year-on-year.

United States:

Quarterly Revenues were 6% higher year-on-year driven by pricing actions in response to inflationary pressures. Demand remained flat as the Foodservice Channel and the Hispanic Brands Business offset lower volume in Mainstream and European Brands.


1Q23 EBITDA in the region remained flat year-on-year, as efficient revenue management initiatives coupled with an improved Foodservice performance offset increased raw material and other input cost pressures. EBITDA also includes the impact of a lower contribution from European Brands, as well as a non-recurring effect from an equipment renovation project to increase efficiency at the Altus facility in Oklahoma.

Latam:

In local currencies, quarterly Revenues were up 10% year-on-year, driven primarily by an 11% average price increase and stable volumes, when compared to 1Q22. Foodservice channel Revenues were 10% higher year-on-year, supported by the Dominican Republic and Peru. Adjusting for the Foodservice channel, Revenue increased 10% year-on-year.

Quarterly EBITDA increased 1% versus 1Q22 mainly due to efficient revenue management, Costa Rica gradually overcoming higher dairy costs and lower raw material availability, as well as favorable results in Ecuador. EBITDA benefited from an extraordinary gain of US \$0.3 million from a real estate sale. The Foodservice channel EBITDA increased 40% year-on-year. Adjusting for Foodservice Results, EBITDA declined 8% vs. 1Q22.

RECENT DEVELOPMENTS – SIGMA

<p>Senior Management Succession</p>	<ul style="list-style-type: none"> ▶ Beatriz Patrón was appointed Chief Talent & Culture Officer (CTCO) at Sigma. She has held multiple roles during her 11 years at Sigma and 6 years at ALFA ▶ Ernesto Gómez, current CTCO, will take a Strategic Projects Advisor role for the remainder of the year while the transition takes place. We are thankful for his many valuable contributions during his 23-year tenure in all the positions he held at Sigma and ALFA. We wish him the best in all his future endeavors
<p>Capacity Expansion</p>	<ul style="list-style-type: none"> ▶ Agreement to purchase a food production plant in Mt. Pleasant, Iowa, as part of ongoing efforts to expand capacity in the region
<p>Innovation</p>	<ul style="list-style-type: none"> ▶ 193 new products launched in 1Q23; 1,800+ in the last 36 months
<p>Growth Business Unit</p>	<p> Global Plant-Based Brand</p> <ul style="list-style-type: none"> ▶ Received BestNFoods award ▶ National Launch in large convenience channel chain (400+ stores) ▶ Offers 6 different versatile products in Spain, all with NutriScore A
<p>Financial Hedging</p>	<ul style="list-style-type: none"> ▶ As of March 2023, currency forward contracts totaled US \$855 million with an average exchange rate of \$20.25 MXN/USD, sufficient to cover Sigma’s U.S. dollar needs for the next 10 to 12 months

(See "Financial Statements" for Sigma's 1Q23 Balance Sheet and Income Statement)

Earnings Report

First Quarter 2023 (1Q23)



Alpek (BMV: ALPEKA) – PETROCHEMICALS



51% of ALFA's revenues in 1Q23

SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 vs	
				4Q22	1Q22
Volume (ktons)	1,161	1,230	1,216	(6)	(5)
Polyester	939	1,013	962	(7)	(2)
Plastics & Chemicals	222	217	254	2	(13)
Revenues	2,062	2,457	2,332	(16)	(12)
Polyester	1,490	1,630	1,521	(9)	(2)
Plastics & Chemicals	433	442	615	(2)	(30)
Others	140	385	196	(64)	(29)
EBITDA	187	186	456	1	(59)
Polyester	91	82	288	11	(68)
Plastics & Chemicals	99	106	170	(6)	(42)
Others	(3)	(2)	(2)	(64)	(71)
Comparable EBITDA¹	207	270	333	(23)	(38)
Polyester	133	151	193	(12)	(31)
Plastics & Chemicals	77	120	142	(36)	(46)
Others	(3)	(2)	(2)	(64)	(71)
Capex & Acquisitions²	52	51	40	3	30
Net Debt	2,082	1,860	1,310	12	59
Net Debt / LTM EBITDA*	1.8	1.3	1.0		
LTM Interest Coverage ^{3*}	8.2	11.4	13.4		

* Times. LTM = Last 12 months

1 Excludes extraordinary items

2 Figure includes divestments

3 Interest Coverage = EBITDA/Net Financial Expenses

Volume was 1,161 ktons, down 5% versus 1Q22 and 6% lower quarter-on-quarter. The Plastics & Chemicals (P&C) segment was down 13% when compared to 1Q22 primarily due to lower volumes in Polypropylene (PP) and Expandable Polystyrene (EPS). New supply in the Americas and a slowdown in some segments such as construction weighed on PP and EPS demand, respectively. The Polyester segment volume was down 2% year-on-year reflecting softer demand amid downward price trends in feedstocks and reference ocean freight rates. On a sequential basis, Polyester posted a 7% decrease in volume amid lower Paraxylene prices in Asia which impacted exports in North America, among other temporary demand imbalances. In contrast, P&C volume increased 2% versus 4Q22.

Revenues totaled US \$2.062 billion in 1Q23, down 12% versus 1Q22 as a result of lower average prices (-7%) and volume (-5%).

EBITDA was US \$187 million in 1Q23, down 59% versus a historically high figure in 1Q22. EBITDA includes an impact of US \$20 million from extraordinary items; primarily non-recurring costs associated with the shutdown of PET resin operations at the Cooper River site (see “Footprint Optimization” in Recent Developments; pg. 26), as well as the non-cash effect from “hyperinflation” in Argentina, among others. For reference, 1Q22 EBITDA included a net gain of US \$123 million from extraordinary items associated with rising crude oil and feedstock prices.

Comparable EBITDA was US \$207 million, down 38% versus 1Q22 as both business segments decreased. Results reflect lower volume, normalization of PP and EPS margins, and the decline in reference ocean freight rates which affects import parity pricing, particularly in the Polyester segment.

Capital Expenditures & Acquisitions (Capex) totaled US \$52 million in 1Q23, mainly allocated to the construction of the integrated PTA-PET site in Corpus Christi, Texas.

Net Debt was US \$2.082 billion, up 12% and 59% when compared with 4Q22 and 1Q22, respectively. On an absolute basis, Net Debt increased US \$223 million versus year-end 2022 driven primarily by Dividends and investment in Net Working Capital.

Alpek paid US \$185 million in Dividends during 1Q23, comprised of US \$159 million paid to its Shareholders and US \$26 million paid to its minority business partners. Investment in Net Working Capital was US \$66 million mainly due to rising raw material prices in the Plastics & Chemicals segment. Cash at the close of the first quarter was US \$311 million, including restricted cash. 1Q23 Net Debt to EBITDA was 1.8 times, and Interest Coverage was 8.2 times.

RECENT DEVELOPMENTS - ALPEK

<p>Annual Shareholders' Meeting</p>	<ul style="list-style-type: none"> ▶ Approved cash dividend of 7.55 cents (US \$) per share, equivalent to US \$159 million. Dividend was paid on March 16, 2023 ▶ Three new members appointed to the Board of Directors, enhancing its composition to drive long-term strategy: <ul style="list-style-type: none"> - New members: Montserrat Ramiro, Alejandro Werner and José de Jesús Valdez - New Board composition: 9 independent members (64%), 3 women (21%) ▶ Approved maximum amount of Ps \$2,000 million for share buybacks; same amount vs 2022 ▶ Published integrated 2022 Annual Report, available at www.alpek.com/investor-center/
<p>Footprint Optimization</p>	<ul style="list-style-type: none"> ▶ Alpek announced shutdown of its PET resin operations at its Cooper River site near Charleston, South Carolina ▶ Initiative aligned with Alpek's efforts to continuously enhance cost competitiveness ▶ Transfer of Cooper River's PET resin production to other sites will enable estimated annual cost savings of US \$20 million ▶ Site developed in 1970s; current installed capacity of 170,000 tons of PET resin ▶ 1Q23 extraordinary items associated with the shutdown: <ul style="list-style-type: none"> - US \$14 million in non-recurring shutdown expenses (EBITDA) - US \$47 million in asset impairments (Operating Income) which represents approximately 2% of Alpek's total fixed assets
<p>2023 Capex Guidance Update</p>	<ul style="list-style-type: none"> ▶ Alpek revised 2023 Capex Guidance considering a longer-than-expected time to analyze investment optimization opportunities and complete the internal approval process for certain projects. ▶ New 2023 Capex Guidance: US \$335 million (previous US \$445 million)

(See "Appendix – 1Q23 Reports of Listed Businesses" for Alpek's complete 1Q23 Earnings Report)

Axtel (BMV: AXTELCPO) – IT & TELECOM




In accordance with International Financial Reporting Standards (IFRS), ALFA's Consolidated Results must account for Axtel as Discontinued Operations due to the ongoing process to spin off this business. This section of the report provides complementary information as reported by Axtel. Additional operational and financial figures are available in Axtel's 1Q23 Earnings Report, which was released separately.

SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
Revenues	147	135	124	9	18
Services – Enterprise	104	97	90	7	15
Services - Government	19	14	14	35	36
Wholesale (Infrastructure)	24	23	19	3	22
EBITDA	29	41	35	(28)	(16)
Comparable EBITDA¹	40	41	35	(3)	13
Capex & Acquisitions²	19	18	16	2	15
Net Debt	552	537	585	3	(6)
Net Debt / LTM EBITDA*	3.6	3.6	3.3		
LTM Interest Coverage ^{3*}	5.3	3.9	3.5		

* Times. LTM = Last 12 months

1 Comparable EBITDA excludes one-time (gains) losses, such as expenses related to organizational efficiencies.

2 Figure includes divestments

3 Interest Coverage = EBITDA/Net Financial Expenses

Revenues totaled US \$147 million in 1Q23, up 18% year-on-year driven by growth across all segments and a strong Mexican Peso. The Government segment increased 36% primarily as a result of non-recurrent Revenue with a Federal entity. Moreover, the Wholesale segment benefited from higher Revenue recognition associated to a wholesale mobile operator customer, while digital transformation services were the main driver in the Enterprise segment.

EBITDA was US \$29 million in 1Q23, down 16% year-on-year. First quarter EBITDA includes a one-time reorganization charge of US \$10 million as a result of Axtel's efforts to streamline its operations based on a new operating and commercial model.

Adjusting for the reorganization charge **Comparable EBITDA** was US \$40 million, up 13% year-on-year driven primarily by solid Revenue growth in all segments and the stronger-than-expected Mexican Peso.

Capital Expenditures & Acquisitions (Capex) totaled US \$19 million in 1Q23, compared to US \$16 million in 1Q22.

Net Debt was US \$552 million at the close of 1Q23, down 6% when compared to 1Q22. On an absolute basis, Net Debt increased US \$15 million versus 4Q22 as lower gross debt was more than offset by a decrease in cash. During 1Q23, Axtel reduced the outstanding principal amount of its 6.375% Senior Notes due 2024 by US \$88.6 million as a result of a tender offer.

Cash totaled US \$44 million at the end of 1Q23, plus US \$31 million in available committed credit lines. Financial ratios at the close of 1Q23 were: Net Debt to EBITDA of 3.6 times and Interest Coverage of 5.3 times.

RECENT DEVELOPMENTS - AXTEL

Axtel Spin-off	<ul style="list-style-type: none"> For more information see "Recent Developments – ALFA" on page 11 of this report
Axtel Bond Payment via Tender Offer	<ul style="list-style-type: none"> Axtel announced final results of tender offer for up to US \$120,000,000 aggregate principal amount of its outstanding 6.375% Senior Notes due 2024 Axtel received tenders from holders of US \$88,647,000 of the total outstanding principal amount of the Notes Holders received an amount equal to US \$863.75 for every US \$1,000 principal amount of the Notes validly tendered, plus accrued and unpaid interest
Axtel Reorganization	<ul style="list-style-type: none"> Axtel streamlined its operations based on a new operating and commercial model. Recognized a one-time reorganization charge of US \$10 million (Ps \$189 million) in 1Q23 Savings expected to offset one-time charge in seven to eight months.

(See "Appendix - 1Q23 Reports of Listed Businesses" for Axtel's complete 1Q23 Earnings Report)

Earnings Report

First Quarter 2023 (1Q23)



1Q23 EARNINGS CALL INFORMATION

Date: Wednesday, April 26, 2023

Time: 2:00 p.m. EDT (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: 13737626

Webcast: https://viaavid.webcasts.com/starthere.jsp?ei=1607301&tp_key=f632954be5

Replay: <https://www.alfa.com.mx/en/events/>

About ALFA

ALFA is comprised mainly of two leading businesses with global operations: 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. Alpek, one of the world's leading producers of polyester (PTA, PET, rPET and fibers), and the leader in the Mexican market for polypropylene (PP) and expandable polystyrene (EPS). In 2022, ALFA reported revenues of Ps. 363,864 million (US \$18.1 billion), and EBITDA of Ps. 42,020 million (US \$2.1 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. Accordingly, future 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 (%)

	1Q23 vs.	
	4Q22	1Q22
Total Volume	(3.6)	(2.7)
Domestic Volume	(4.9)	(9.8)
Foreign Volume	(2.8)	2.4
Avg. Ps. Prices	(9.6)	(6.0)
Avg. US \$ Prices	(4.8)	3.1

Table 2 | REVENUES

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
Total Revenues					
Ps. Millions	76,374	87,698	83,518	(13)	(9)
US \$ Millions	4,085	4,452	4,069	(8)	-
Domestic Revenues					
Ps. Millions	30,231	33,087	33,744	(9)	(10)
US \$ Millions	1,616	1,680	1,644	(4)	(2)
Foreign Revenues					
Ps. Millions	46,143	54,611	49,774	(16)	(7)
US \$ Millions	2,469	2,772	2,425	(11)	2
Foreign / Total (%)	60	62	60		

Table 3 | OPERATING INCOME AND EBITDA

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
Operating Income					
Ps. Millions	3,916	3,976	10,420	(2)	(62)
US \$ Millions	208	201	507	4	(59)
EBITDA					
Ps. Millions	7,032	6,822	12,523	3	(44)
US \$ Millions	376	346	610	9	(38)
EBITDA/Revenues (%)*	9.2	7.8	15		

*US Dollar denominated EBITDA margin

Table 4 | EXTRAORDINARY ITEMS (US \$ MILLION)

Company	Extraordinary item	1Q23	4Q22	1Q22
Alpek	Inventory gain (loss)	(1)	(57)	63
	Carry forward gain (loss)	0	(27)	66
	Others	(19)	(0)	(6)
	Total Alpek	(20)	(84)	123
ALFA	Total effect on EBITDA	(20)	(84)	123

Table 5 | COMPARABLE EBITDA (US \$ MILLION)

Company	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
ALFA	396	430	487	(8)	(19)
Alpek	207	270	333	(23)	(38)
Sigma	192	167	161	15	19
Newpek	(1)	(2)	0	18	(367)
ALFA EBITDA/Revenues (%)	9.7	9.7	12.0		

Table 6 | COMPREHENSIVE FINANCING INCOME / EXPENSE (US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
Financial Expenses	(112)	(109)	(83)	(3)	(35)
Financial Income	15	21	9	(29)	62
Net Financial Expenses	(97)	(87)	(74)	(11)	(31)
Exchange Rate Gains (Losses)	10	(25)	(1)	140	-
Capitalized Comp. Fin. Expense	0	0	0	-	-
Comprehensive Financing Expense	(87)	(112)	(75)	23	(16)
Avg. Cost of Borrowed Funds (%)	5.6	5.1	4.8		

Table 7 | NET INCOME (US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 %	
				4Q22	1Q22
Consolidated Net Income (Loss)	17	10	292	73	(94)
Minority Interest	31	27	82	18	(62)
Majority Net Income (Loss)	(14)	(17)	210	15	(107)
Per Share (US dollars)	(0.00)	(0.00)	0.04	(18)	(107)
Avg. Outstanding Shares (Millions)	4,819	4,819	4,906		

Table 8 | STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS
(US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
Assets					
Cash and cash equivalents	1,036	1,127	1,290	(8)	(20)
Trade accounts receivable	1,219	1,296	1,506	(6)	(19)
Inventories	2,782	2,712	2,266	3	23
Current assets from discontinued operations	1,234	1,191	0	3	100
Other current assets	801	748	829	5	(6)
Total current assets	7,072	7,073	5,892	-	18
Investment in associates and others	515	482	451	7	14
Property, plant and equipment, net	4,301	4,265	4,146	1	4
Goodwill and intangible assets, net	1,842	1,867	2,111	1	(7)
Other non-current assets	592	539	719	10	(18)
Total assets	14,321	14,227	13,318	1	8
Liabilities & stockholders' equity					
Debt	1,252	454	469	176	167
Suppliers	2,532	2,675	2,516	(5)	1
Current liabilities from discontinued operations	849	838	0	-	100
Other current liabilities	1,269	1,187	1,136	7	12
Total current liabilities	5,903	5,154	4,121	15	43
Debt (include debt issuance cost)	4,529	5,141	5,391	(12)	(16)
Employees' benefits	193	190	193	2	-
Other long-term liabilities	731	757	813	(3)	(10)
Total liabilities	11,357	11,242	10,518	1	8
Total stockholders' equity	2,964	2,985	2,800	(1)	6
Total liabilities & stockholders' equity	14,321	14,227	13,318	1	8
Net Debt	5,049	4,751	4,906	6	3
Net Debt/EBITDA*	2.7	2.3	2.3		
Interest Coverage*	5.3	6.4	6.4		

* Times. LTM=Last 12 months

Table 9 | STATEMENT OF FINANCIAL POSITION DISCONTINUED OPERATIONS – AXTEL (US \$ MILLION)

	1Q23	4Q22	1Q22
Current assets	221	226	0
Non-Current assets	1,013	965	0
Total assets	1,234	1,191	0
Current liabilities	192	168	0
Non-Current liabilities	657	670	0
Total liabilities	849	838	0

Table 10 | INCOME STATEMENT DISCONTINUED OPERATIONS – AXTEL (US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
Total Revenues	145	132	122	10	19
Gross Profit	72	70	58	3	24
Operating expenses and others	(70)	(66)	(60)	(6)	(17)
EBITDA	28	39	34	(28)	(18)
Operating income (loss)	(5)	4	(2)	(225)	(150)
Financial cost, net	21	13	2	62	950
Income Tax	(5)	(12)	4	58	(225)
Net Profit (loss)	11	6	4	102	243

Table 11 | CHANGE IN NET DEBT DISCONTINUED OPERATIONS – AXTEL (US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
EBITDA	0	0	34	-	(100)
Net Working Capital	0	0	(16)	-	100
Capital expenditures & Acquisitions	0	0	(16)	-	100
Net Financial Expenses	0	0	(12)	-	100
Taxes	0	0	0	-	-
Other Sources / Uses	0	0	(3)	-	100
Decrease (Increase) in Net Debt	0	0	(13)	-	100

Sigma

Table 12 | SIGMA - VOLUME AND PRICE CHANGES (%)

	1Q23 vs.	
	4Q22	1Q22
Total Volume	(1.2)	0.8
Avg. Ps. Prices	(2.6)	5.1
Avg. US \$ Prices	2.6	15.4

Table 13 | SIGMA – REVENUES AND EBITDA IN LOCAL CURRENCY

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
Revenues					
Mexico (Ps. Millions)	17,620	17,758	15,326	(1)	15
Europe (€ Millions)	523	563	451	(7)	16
United States (US \$ Millions)	347	343	329	1	6
Latam (US \$Millions Eq ¹)	139	143	126	(3)	10
EBITDA					
Mexico (Ps. Millions)	2,403	1,992	1,993	21	21
Europe (€ Millions)	9	14	9	(37)	(7)
United States (US \$ Millions)	42	38	42	8	-
Latam (US \$Millions Eq ¹)	12	13	12	(9)	1

¹US \$ Million equivalent= 1Q23 and 4Q22 financial results in each country are converted into US Dollars at the 1Q23 average exchange rate for each local currency.

Table 14 | SIGMA - OPERATING INCOME

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
Operating Income					
Ps. Millions	2,582	1,964	2,297	31	12
US \$ Millions	138	100	112	38	23

Table 15 | SIGMA - COMPREHENSIVE FINANCING INCOME / EXPENSE (US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
Financial Expenses	(34)	(40)	(32)	(14)	8
Financial Income	5	8	3	(34)	111
Net Financial Expenses	(29)	(31)	(29)	(9)	(2)
Exchange Rate Gains (Losses)	(42)	(51)	(2)	(17)	-
Capitalized Comp. Fin. Expense	0	0	0	-	-
Comprehensive Financing Expense	(71)	(82)	(31)	(14)	127
Avg. Cost of Borrowed Funds (%)	5.0	4.8	4.5		

Table 16 | SIGMA - STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (US \$ MILLION)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.	
				4Q22	1Q22
Assets					
Cash and cash equivalents	627	682	696	(8)	(10)
Trade accounts receivable	337	318	259	6	30
Inventories	1,045	945	911	11	15
Other current assets	358	354	323	1	11
Total current assets	2,367	2,300	2,189	3	8
Investment in associates and others	8	7	8	3	1
Property, plant and equipment, net	1,636	1,578	1,506	4	9
Goodwill and intangible assets, net	1,409	1,407	1,461	-	(4)
Other non-current assets	151	134	156	12	(3)
Total assets	5,570	5,426	5,318	3	5
Liabilities & stockholders' equity					
Debt	702	61	54	-	-
Suppliers	1,188	1,169	1,053	2	13
Other current liabilities	645	567	514	14	26
Total current liabilities	2,536	1,797	1,621	41	56
Debt (include debt issuance cost)	1,755	2,396	2,428	(27)	(28)
Employees' benefits	93	88	70	6	33
Other long-term liabilities	223	219	237	2	(6)
Total liabilities	4,607	4,500	4,357	2	6
Total stockholders' equity	963	926	962	4	-
Total liabilities & stockholders' equity	5,570	5,426	5,318	3	5
Net Debt	1,840	1,782	1,795	3	3
Net Debt/EBITDA*	2.7	2.7	2.5		
Interest Coverage*	5.8	5.5	6.3		

* 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 23	Dec 22	Mar 22	(%) Mar 23 vs.	
				Dec 22	Mar 22
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	18,749	21,813	25,792	(14)	(27)
Trade accounts receivable	22,075	25,092	30,116	(12)	(27)
Other accounts and notes receivable	4,265	4,641	4,706	(8)	(9)
Inventories	50,366	52,507	45,311	(4)	11
Current assets from discontinued operations	22,346	23,058	0	(3)	100
Other current assets	10,238	9,835	11,876	4	(14)
Total current assets	128,039	136,946	117,801	(7)	9
Investments in associates and joint ventures	9,320	9,335	9,008	-	3
Property, Plant and equipment	77,869	82,577	82,886	(6)	(6)
Intangible assets	33,342	36,149	42,202	(8)	(21)
Other non-current assets	10,714	10,440	14,380	3	(25)
Total assets	259,284	275,447	266,277	(6)	(3)
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Current portion of long-term debt	18,445	7,064	8,676	161	113
Bank loans and notes payable	4,223	1,721	694	145	509
Suppliers	45,847	51,799	50,315	(11)	(9)
Current liabilities from discontinued operations	15,377	16,233	0	(5)	100
Other current liabilities	22,984	22,974	22,708	-	1
Total current liabilities	106,876	99,790	82,393	7	30
LONG-TERM LIABILITIES:					
Long-term debt	82,003	99,537	107,782	(18)	(24)
Deferred income taxes	7,022	8,105	9,193	(13)	(24)
Other liabilities	6,221	6,556	7,068	(5)	(12)
Estimated liabilities for seniority premiums and pension plans	3,501	3,671	3,862	(5)	(9)
Total liabilities	205,623	217,659	210,298	(6)	(2)
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	167	170	170	(2)	(2)
Earned surplus	38,910	41,771	39,701	(7)	(2)
Total controlling interest	39,077	41,941	39,871	(7)	(2)
Total Non-controlling interest	14,585	15,847	16,108	(8)	(9)
Total stockholders' equity	53,661	57,788	55,979	(7)	(4)
Total liabilities and stockholders' equity	259,284	275,447	266,277	(6)	(3)
Current ratio	1.2	1.4	1.5		
Debt to equity	3.8	3.7	3.7		

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

INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	1Q23	4Q22	1Q22	1Q23 vs. (%)	
				4Q22	1Q22
Net sales	76,374	87,698	83,518	(13)	(9)
Domestic	30,231	33,087	33,744	(9)	(10)
Export	46,143	54,611	49,774	(16)	(7)
Cost of sales	(62,236)	(74,378)	(63,996)	16	3
Gross profit	14,138	13,321	19,522	6	(28)
Operating expenses and others	(10,222)	(9,344)	(9,102)	(9)	(12)
Operating income	3,916	3,976	10,420	(2)	(62)
Comprehensive financing expense, net	(1,621)	(2,211)	(1,534)	27	(6)
Equity in income (loss) of associates	10	(5)	17	300	(41)
Income before the following provision	2,304	1,761	8,903	31	(74)
Provisions for:					
Income tax	(2,186)	(1,680)	(2,970)	(30)	26
Profit (loss) from continuing operations	118	81	5,933	46	(98)
Profit (loss) from discontinued operations	215	114	69	89	212
Consolidated net income	334	195	6,003	71	(94)
Income (loss) corresponding to minority interest	586	526	1,680	11	(65)
Net income (loss) corresponding to majority interest	(252)	(332)	4,322	24	(106)
EBITDA	7,032	6,822	12,523	3	(44)
Interest coverage*	5.4	6.5	7.0		

* Times. LTM=Last Twelve Months

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

BALANCE SHEET

Information in millions of Nominal Mexican Pesos

	Mar 23	Dec 22	Mar 22	(% Mar 23 vs.)	
				Dec 22	Mar 22
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	11,361	13,208	13,915	(14)	(18)
Restricted cash	7	7	0	-	100
Customers, net	6,101	6,165	5,184	(1)	18
Income tax recoverable	275	741	818	(63)	(66)
Inventories	18,915	18,303	18,209	3	4
Other current assets	6,192	6,109	5,637	1	10
Total current assets	42,852	44,532	43,763	(4)	(2)
Property, plant and equipment, net	29,612	30,548	30,106	(3)	(2)
Intangible assets, net	13,562	14,635	15,741	(7)	(14)
Goodwill	11,953	12,600	13,462	(5)	(11)
Deferred income tax	2,462	1,895	2,294	30	7
Investments in associates and joint ventures	138	143	151	(3)	(8)
Other non-current assets	266	700	820	(62)	(68)
Total non-current assets	57,992	60,520	62,574	(4)	(7)
Total assets	100,844	105,053	106,338	(4)	(5)
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current debt	12,209	590	434	-	-
Notes payables	503	585	642	(14)	(22)
Suppliers	21,518	22,640	21,055	(5)	2
Income tax payable	1,852	1,970	882	(6)	110
Provisions	57	63	73	(9)	(22)
Other current liabilities	9,776	8,945	9,324	9	5
Total current liabilities	45,914	34,793	32,410	32	42
NON-CURRENT LIABILITIES:					
Non-current debt	30,444	44,755	46,601	(32)	(35)
Notes payables	1,335	1,644	1,955	(19)	(32)
Deferred income taxes	3,541	3,852	3,602	(8)	(2)
Employees benefits	1,686	1,696	1,401	(1)	20
Provisions	67	76	78	(12)	(14)
Income tax payable	0	0	1,024	-	(100)
Other non-current liabilities	424	316	35	34	-
Total non-current liabilities	37,496	52,337	54,695	(28)	(31)
Total liabilities	83,411	87,130	87,105	(4)	(4)
STOCKHOLDERS' EQUITY:					
Total controlling interest:	17,425	17,914	19,232	(3)	(9)
Total non-controlling interest:	8	8	0	(6)	100
Total stockholders' equity	17,433	17,922	19,232	(3)	(9)
Total liabilities and stockholders' equity	100,844	105,053	106,338	(4)	(5)

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

INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	1Q23	4Q22	1Q22	1Q23 vs. (%)	
				4Q22	1Q22
Revenue	37,217	38,674	35,128	(4)	6
Cost of sales	(26,852)	(28,936)	(25,672)	(7)	5
Gross profit	10,366	9,738	9,456	6	10
Selling expenses	(5,985)	(5,864)	(5,557)	2	8
Administrative expenses	(1,782)	(1,638)	(1,647)	9	8
Other income (expenses), net	(16)	(272)	46	(94)	(136)
Operating profit	2,582	1,964	2,297	31	12
Comprehensive financial expenses, net	(1,318)	(1,617)	(637)	(19)	107
Equity in income (loss) of associates	-	(1)	-	(100)	-
Profit before income tax	1,264	347	1,660	265	(24)
Provisions for:					
Income tax	(1,371)	(513)	(726)	167	89
Net consolidated profit	(107)	(166)	934	(36)	(111)
Non-controlling interest	(0)	-	-	-	-
Controlling interest	(107)	(166)	934	(36)	(111)

Appendix

Listed Business 1Q23 Reports

Alpek (BMV: ALPEKAA) – Petrochemicals

Axtel (BMV: AXTELCPO) – IT & Telecom



FIRST QUARTER **2023 RESULTS**

Alpek Posts Comparable EBITDA of U.S. \$207M (Reported EBITDA of U.S. \$187M) *Comparable EBITDA in line with Alpek's expectations despite challenging market conditions*

Monterrey, Mexico – April 25, 2023 – Alpek, S.A.B. de C.V., a leading petrochemical company in the Americas, announced today its first quarter 2023 (1Q23) results.

QUARTERLY HIGHLIGHTS

- Volume decreased to 1.16 million tons (-6% QoQ), primarily as a result of high PET inventory levels in the market, continued seasonality and lower exports in the Polyester Segment
- Comparable EBITDA of U.S. \$207 million (-23% QoQ), mainly due to lower demand, the decrease in reference margins in the Plastics & Chemicals (“P&C”) segment and continued normalization of reference ocean freight costs; however, figure is in line with Alpek’s expectations for the quarter
- Shareholder dividend payment of U.S. \$159 million in 1Q23, as approved at the Annual Shareholders Meeting; reaching an implicit dividend yield of 5.4%
- Shutdown of PET Resin operations at Cooper River site, supporting Alpek’s footprint optimization strategy and strengthening its cost competitiveness
- Three new Board of Directors members were elected to support Alpek’s long-term strategy

1Q23 KEY METRICS

(U.S.\$ million, except for volume and production figures)

	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Volume¹ (ktons)	1,161	1,230	1,216	(6)	(5)
Polyester	939	1,013	962	(7)	(2)
Plastics & Chemicals	222	217	254	2	(13)
Production (ktons)	1,381	1,557	1,526	(11)	(9)
Polyester	1,172	1,330	1,277	(12)	(8)
Plastics & Chemicals	209	227	249	(8)	(16)
Revenues	2,062	2,457	2,332	(16)	(12)
Polyester	1,490	1,630	1,521	(9)	(2)
Plastics & Chemicals	433	442	615	(2)	(30)
Others	140	385	196	(64)	(29)
EBITDA	187	186	456	1	(59)
Polyester	91	82	288	11	(68)
Plastics & Chemicals	99	106	170	(6)	(42)
Others	(3)	(2)	(2)	(64)	(71)
Comparable EBITDA²	207	270	333	(23)	(38)
Polyester	133	151	193	(12)	(31)
Plastics & Chemicals	77	120	142	(36)	(46)
Others	(3)	(2)	(2)	(64)	(71)
Net Income (Controlling Interest)	(6)	37	229	(115)	(102)
CAPEX	52	51	40	3	30
Net Debt	2,082	1,860	1,310	12	59
Net Debt / EBITDA³	1.8	1.3	1.0		

(1) Excludes intracompany sales (2) Excludes inventories, carry-forward effects, and non-operating, one-time (gains) losses (3) Times: last 12 months

MESSAGE FROM OUR CEO

"I would like to report that despite the challenging market environment during the first quarter, Alpek was able to deliver results that were in line with the outlook we envisioned.

The Polyester Segment experienced softer demand throughout the quarter due to high PET inventory levels in the market, particularly at the beginning of the year, a decrease in exports, as well as continued seasonality. However, despite lower demand in the P&C segment in certain industries and rising Polypropylene ("PP") supply in the Americas, volume remained slightly above that of last quarter.

After reaching record reference margins during the previous year in the Polyester segment, Asian integrated PET reference margins were slightly higher versus the previous quarter, above Alpek's expectations. In the P&C segment, levels of reference margins have continued to normalize.

During the period, we also made progress in our long-term strategy, particularly with regards to strengthening our core business. For example, we indefinitely shutdown the Cooper River Polymers site in an effort to optimize our footprint. As we have previously mentioned, we consistently seek alternatives for generating value by remaining cost competitive. As such, we aim to continue growing with more efficient assets to remain as one of the leaders in the industry."

Overview

The first quarter still reflected some of the macroeconomic environment pressures experienced during previous quarters, such as high inflation rates. However, as the quarter progressed, there were signs of the inflation rate easing. The petrochemical industry experienced a gradual decline in Brent crude oil prices to an average of U.S. \$81 per barrel, 8% lower than in 4Q22. Accordingly, U.S. average reference paraxylene ("Px") prices decreased by 3% versus the previous quarter to an average of U.S. \$1,345 per ton. In P&C, average reference Propylene prices increased to U.S. \$0.50 per pound, 56% higher than the U.S. \$0.32 per pound during 4Q22.

Demand for Alpek's products declined during the first quarter amid high PET inventory levels in the market, specifically at the beginning of the year, a Paraxylene price disconnection between North America and Asia which affected exports, seasonality in both Polyester and Expandible Polystyrene ("EPS") businesses and continued oversupply of PP in the region.

Asian integrated Polyester reference margins increased to an average of U.S. \$343 per ton for the quarter, 2% higher than in 4Q22. In PP, supply increased driven by the additional capacity in the North American market. As a consequence, reference margins declined to an average of U.S. \$0.17 per pound (-26% QoQ), slightly below the December level. At the same time, EPS reference margins have continued to gradually return to historical levels, to an average of U.S. \$0.49 per pound (-23% QoQ).



Jorge Young
CEO

Footprint Optimization

In line with our footprint optimization efforts, Alpek announced that it would indefinitely shutdown the PET Resin operations at the Cooper River site near Charleston, South Carolina.

The site was developed in the early 1970's and has an installed capacity of 170,000 tons of PET Resin.

Alpek will transfer Cooper River's PET Resin production to its other sites, enabling cost reductions of approximately U.S. \$20 million, at an annualized rate. This initiative is aligned with ALPEK'S efforts to continuously enhance cost competitiveness.

Effects associated with Cooper River shutdown in 1Q23 include U.S. \$14 million in non-recurring costs, which will be compensated in the year from the cost reductions (Reported EBITDA) and U.S. \$47 million in asset impairment (Operating Income), which represented approximately 2% of Alpek's total fixed assets.

Annual General Shareholders Meeting

At Alpek's Annual General Shareholders Meeting, a dividend payment of U.S. \$159 million was approved, which is equivalent to a cash dividend payment of U.S. \$0.0755 per share paid in a single installment on March 16, 2023.

Three new members of the Board of Directors were elected. They are José de Jesús Valdez, and two independent board members, Montserrat Ramiro Ximénez and Alejandro Mariano Werner. As a result, Alpek's Board of Directors is now comprised of 9 independent Board members. The addition of new experienced members shall support Alpek's long-term growth strategy and ESG goals.

Revised CAPEX

Alpek originally provided 2023 CAPEX Guidance figures based on the long-term growth strategy to Strengthen Core Business and provide Strategic & Focused Growth. However, the Company has decided to update its CAPEX Guidance figure to U.S. \$335 million, from the previous amount of U.S. \$445 million. This was accomplished as Alpek is taking more time to further optimize the investments and complete the approval processes.

FINANCIAL RESULTS

EBITDA

(U.S.\$ million)

	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Reported EBITDA	187	186	456	1	(59)
Inventory Adjustment	1	57	(63)	(97)	102
Carry-forward effect	-	27	(66)	(102)	99
Others	19	-	6	3,792	226
Comparable EBITDA	207	270	333	(23)	(38)

Comparable EBITDA of U.S. \$207 million, down 23% versus 4Q22, mainly due to lower demand, the normalization in P&C reference margins and the continued normalization of reference ocean freight costs.

Reported EBITDA reached U.S. \$187 million, 1% higher versus 4Q22. "Others" is driven primarily from the Cooper River Site one-time shutdown costs.

INCOME STATEMENT

(U.S.\$ million)

	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Total Revenues	2,062	2,457	2,332	(16)	(12)
Gross Profit	193	173	484	11	(60)
Operating expenses and others	(117)	(63)	(79)	(87)	(48)
Operating Income	76	110	405	(31)	(81)
Financial cost, net	(20)	(27)	(35)	25	43
Share of losses of associates	(1)	(2)	-	49	(115)
Income tax	(36)	(28)	(102)	(31)	65
Consolidated Net Income	19	54	267	(65)	(93)
Controlling interest	(6)	37	229	(115)	(102)

Revenues for the first quarter reached U.S. \$2.06 billion, 16% lower than 4Q22.

Net Income (loss) attributable to the Controlling Interest for the first quarter of 2023 was U.S. -\$6 million, compared to U.S. \$37 million in 4Q22, primarily due to a lower operating income.

CASH FLOW

(U.S.\$ million)

	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
EBITDA	187	186	456	1	(59)
Net Working Capital & Others	(66)	129	(193)	(151)	66
CAPEX	(52)	(51)	(40)	(3)	(30)
Financial Expenses	(42)	(38)	(30)	(10)	(40)
Income Tax	(57)	(46)	(74)	(23)	23
Dividends	(185)	(247)	(213)	25	13
Other Sources / Uses	(8)	11	8	(173)	(199)
Decrease (Increase) in Net Debt	(223)	(55)	(85)	(305)	(163)

Net Working Capital (NWC) increased by U.S. \$66 million, mainly due to rising raw material prices in the P&C segment.

CAPEX for the quarter totaled U.S. \$52 million, mainly allocated for the Corpus Christi Polymers (“CCP”) construction and to a lesser degree towards scheduled maintenance.

Income Tax during 1Q23 was U.S. \$57 million, 23% higher than the previous quarter, driven by the extraordinary results from last year.

Alpek distributed a total **Dividend** of U.S. \$185 million during the first quarter. Of this amount, U.S. \$159 million was distributed to Shareholders, as approved at the Annual General Shareholders Meeting, and the remaining amount was paid to minority Shareholders.

NET DEBT & LEVERAGE

(U.S.\$ million)

	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Net Debt	2,082	1,860	1,310	12	59
EBITDA (LTM)	1,186	1,455	1,277	(18)	(7)
Net Debt / EBITDA (LTM)	1.8	1.3	1.0		

Consolidated Net Debt as of March 31, 2023 was U.S. \$2.08 billion, up 12% QoQ. Gross Debt was U.S. \$2.39 billion and Cash decreased to U.S. \$311 million, including restricted cash. Financial ratios for the quarter were: Net Debt to EBITDA of 1.8x and Interest Coverage of 8.2x.

RESULTS BY BUSINESS SEGMENT: POLYESTER

(Purified Terephthalic Acid (PTA), Polyethylene Terephthalate (PET), rPET, Polyester fibers – 72% of Alpek's Net Sales)

QUARTERLY HIGHLIGHTS

- Volume of 939 ktons (-7% QoQ), amid high PET inventory levels in the market and continued seasonality, which has softened demand
- Higher-than-expected average Asian PET reference margins of U.S. \$343 per ton (+2% QoQ)
- Polyester Comparable EBITDA of U.S. \$133 million (-12% QoQ), driven by reference ocean freight costs and demand effects
- Polyester Reported EBITDA of U.S. \$91 million (+11% QoQ), with an inventory loss (U.S. -\$16 million) and a negative carry-forward effect (U.S. -\$7 million)

KEY METRICS – POLYESTER (U.S.\$ million, except volume and production)	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Volume (ktons)	939	1,013	962	(7)	(2)
Production (ktons)	1,172	1,330	1,277	(12)	(8)
Revenues	1,490	1,630	1,521	(9)	(2)
Reported EBITDA	91	82	288	11	(68)
Inventories	16	42	(56)	(61)	129
Carry-forward effect	7	23	(49)	(69)	114
Others	19	5	10	295	86
Comparable EBITDA	133	151	193	(12)	(31)

Polyester Volume was 939 ktons in 1Q23, (-7% QoQ). The Polyester Segment experienced a softness in demand driven from Paraxylene price disconnection between North America and Asia, which resulted in decreased exports, and an imbalance between supply and demand (high PET inventory levels), particularly at the beginning of the year, which resulted in volume reductions to moderate inventories. This yielded a higher-than-normal slowdown related to seasonality.

Polyester Comparable EBITDA reached U.S. \$133 million, 12% lower QoQ. As Asian integrated Polyester reference margins moderately increased to an average of U.S. \$343 per ton (+2% QoQ), ocean freight reference costs are returning to historical levels, the demand softened due to market conditions, and there is still a Paraxylene price disconnection between North America and Asia that continued affecting the import parity pricing.

Brent Crude oil prices fell by 8%, while average U.S. reference Px prices also declined by 3% QoQ. This resulted in a non-cash inventory loss of U.S. \$16 million and a negative carry-forward effect of U.S. \$7 million in 1Q23.

Polyester Reported EBITDA was U.S. \$91 million, 11% higher versus 4Q22, given the negative inventory and carry-forward effects of the quarter. "Others" is driven primarily from the Cooper River Site one-time shutdown costs and, to a lesser extent, by a non-cash hyperinflation effect in Argentina.

RESULTS BY BUSINESS SEGMENT: PLASTICS & CHEMICALS (P&C)

(Polypropylene (PP), Expandable Polystyrene (EPS), Other products – 21% of Alpek's Net Sales)

QUARTERLY HIGHLIGHTS

- Volume of 222 ktons (+2% QoQ), above expectations
- Reference margins decreased due to additional PP capacity in North America and lower demand in some industries
- P&C Comparable EBITDA of U.S. \$77 million (-36% QoQ), as reference margins have continued to normalize
- Reported EBITDA of U.S. \$99 million (-6% QoQ), including positive inventory and carry-forward effects of U.S. \$15 million and U.S. \$7 million, respectively

KEY METRICS – P&C (U.S.\$ million, except volume and production)	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Volume (ktons)	222	217	254	2	(13)
Production (ktons)	209	227	249	(8)	(16)
Revenues	433	442	615	(2)	(30)
Reported EBITDA	99	106	170	(6)	(42)
Inventories	(15)	15	(7)	(202)	(121)
Carry-forward effect	(7)	4	(17)	(280)	57
Others	-	(4)	(4)	104	104
Comparable EBITDA	77	120	142	(36)	(46)

P&C Volume was 222 ktons, up 2% QoQ, despite demand softness in some industries and additional PP supply in the Americas.

P&C Comparable EBITDA was U.S. \$77 million, down 36% compared to 4Q22. In PP, as supply increased, reference margins declined to an average of U.S. \$0.17 per pound (-26% QoQ) and slightly below the December level. Meanwhile, EPS Reference Margins have continued to gradually return to historical levels to an average of U.S. \$0.49 per pound (-23% QoQ) caused by a challenging macroeconomic environment with lingering inflationary pressures, lower demand within certain industries, i.e. construction., and from reference ocean freight costs that have continued to normalize to historical levels resulting in an import parity pricing decline.

Propylene prices averaged to U.S. \$0.50 per pound, up 56% versus 4Q22, resulting in a non-cash inventory gain of U.S. \$15 million and positive carry-forward effect of U.S. \$7 million.

P&C Reported EBITDA was U.S. \$99 million, down 6% QoQ, mostly due to the positive inventory and carry-forward effects of the quarter.

ABOUT ALPEK

Alpek is a leading petrochemical company operating two business segments: “Polyester” (PTA, PET, rPET, and polyester fibers), and “Plastics & Chemicals” (polypropylene, expandable styrenics, and other specialty and industrial chemicals). Alpek is a leading producer of PTA, PET Resin and PET Sheet worldwide, a leading rPET producer in the Americas, the third-largest expandable polystyrene manufacturer worldwide, and the only producer of polypropylene in Mexico.

NOTE ON FORWARD LOOKING STATEMENTS

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.

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APPENDIX A – ADDITIONAL FINANCIAL INFORMATION

TABLE 1 PRICE CHANGES (%)	QoQ (%)	YoY (%)
Polyester		
Avg. Ps. Prices	(6)	(9)
Avg. U.S. \$ Prices	(1)	-
Plastics & Chemicals		
Avg. Ps. Prices	(9)	(27)
Avg. U.S. \$ Prices	(4)	(19)
Total		
Avg. Ps. Prices	(16)	(16)
Avg. U.S. \$ Prices	(11)	(7)

TABLE 2 REVENUES	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Total Revenues					
Ps. Million	38,574	48,411	47,877	(20)	(19)
U.S. \$ Million	2,062	2,457	2,332	(16)	(12)
Domestic Revenues					
Ps. Million	12,057	14,751	17,965	(18)	(33)
U.S. \$ Million	644	748	875	(14)	(26)
Foreign Revenues					
Ps. Million	26,517	33,660	29,912	(21)	(11)
U.S. \$ Million	1,418	1,708	1,457	(17)	(3)
Foreign / Total (%)	69	70	62		

TABLE 3 OP. INCOME AND EBITDA	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Operating Income					
Ps. Million	1,438	2,192	8,316	(34)	(83)
U.S. \$ Million	76	110	405	(31)	(81)
EBITDA					
Ps. Million	3,505	3,673	9,368	(5)	(63)
U.S. \$ Million	187	186	456	1	(59)

TABLE 4 COMPARABLE EBITDA	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
EBITDA					
Ps. Million	3,505	3,673	9,368	(5)	(63)
U.S. \$ Million	187	186	456	1	(59)
Adjustments*					
Ps. Million	370	1,650	(2,553)	(78)	115
U.S. \$ Million	20	84	(123)	(76)	116
Comparable EBITDA					
Ps. Million	3,875	5,323	6,814	(27)	(43)
U.S. \$ Million	207	270	333	(23)	(38)

*Inventory adjustments, carry-forward effects, and non-operating, one-time (gains) losses

TABLE 5 IFRS 16 EFFECT (U.S.\$ million)	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Income Statement					
Amortization	13	13	12	(1)	9
Financial Expense	3	3	2	(1)	21
Net Debt	19	17	7	13	158
Balance Sheet					
Assets - Right of use	186	178	172	4	8
Liabilities					
Short-term lease	41	42	43	(4)	(5)
Long-term lease	154	145	133	6	15

TABLE 6 FINANCIAL COST, NET (U.S.\$ million)	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Financial Expenses	(51)	(48)	(37)	(8)	(38)
Financial Income	9	16	6	(43)	55
Net Financial Expenses	(42)	(32)	(32)	(34)	(35)
Fx Gains (Losses)	22	5	(4)	370	678
Financial Cost, Net	(20)	(27)	(35)	25	43

TABLE 7 NET INCOME (U.S.\$ million, except as noted)	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Consolidated Net Income	19	54	267	(65)	(93)
Non-Controlling Interest	24	17	38	44	(36)
Controlling Interest	(6)	37	229	(115)	(102)
Earnings per Share (U.S. \$)	0.00	0.02	0.11	(115)	(102)
Avg. Outstanding Shares (million)*	2,107	2,107	2,110	-	-

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

TABLE 8 STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (U.S.\$ million)	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Assets					
Cash and cash equivalents	293	336	418	(13)	(30)
Trade accounts receivable	855	940	1,132	(9)	(24)
Inventories	1,722	1,751	1,331	(2)	29
Other current assets	335	301	338	11	(1)
Total current assets	3,204	3,327	3,219	(4)	-
Investment in associates and others	507	476	447	7	13
Property, plant and equipment, net	2,472	2,502	1,936	(1)	28
Goodwill and intangible assets, net	223	229	162	(3)	38
Other non-current assets	539	532	523	1	3
Total assets	6,944	7,067	6,287	(2)	10
Liabilities and stockholders' equity					
Debt	578	398	118	45	389
Suppliers	1,300	1,472	1,323	(12)	(2)
Other current liabilities	399	400	356	-	12
Total current liabilities	2,277	2,270	1,798	-	27
Debt (include debt issuance costs)	1,613	1,620	1,426	-	13
Employees' benefits	55	53	50	5	10
Other long-term benefits	413	428	422	(3)	(2)
Total liabilities	4,358	4,371	3,695	-	18
Total stockholders' equity	2,585	2,696	2,592	(4)	-
Total liabilities and stockholders' equity	6,944	7,067	6,287	(2)	10
Net Debt	2,082	1,860	1,310		
Net Debt / EBITDA*	1.8	1.3	1.0		
Interest Coverage*	8.2	11.4	13.4		

* Times: last 12 months

POLYESTER

TABLE 9 REVENUES	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Total Revenues					
Ps. Million	27,858	32,127	31,232	(13)	(11)
U.S. \$ Million	1,490	1,630	1,521	(9)	(2)
Domestic Revenues					
Ps. Million	5,498	6,350	7,330	(13)	(25)
U.S. \$ Million	294	322	357	(9)	(18)
Foreign Revenues					
Ps. Million	22,360	25,777	23,902	(13)	(6)
U.S. \$ Million	1,196	1,308	1,164	(9)	3
Foreign / Total (%)	80	80	77		

TABLE 10 OP. INCOME AND EBITDA	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Operating Income					
Ps. Million	(143)	366	5,092	(139)	(103)
U.S. \$ Million	(9)	18	248	(148)	(103)
EBITDA					
Ps. Million	1,702	1,616	5,910	5	(71)
U.S. \$ Million	91	82	288	11	(68)

TABLE 11 COMPARABLE EBITDA	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
EBITDA					
Ps. Million	1,702	1,616	5,910	5	(71)
U.S. \$ Million	91	82	288	11	(68)
Adjustments*					
Ps. Million	785	1,366	(1,974)	(43)	140
U.S. \$ Million	42	70	(95)	(39)	144
Comparable EBITDA					
Ps. Million	2,487	2,982	3,937	(17)	(37)
U.S. \$ Million	133	151	193	(12)	(31)

*Inventory adjustments, carry-forward effects, and non-operating, one-time (gains) losses

PLASTICS & CHEMICALS

TABLE 12 REVENUES	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Total Revenues					
Ps. Million	8,090	8,711	12,615	(7)	(36)
U.S. \$ Million	433	442	615	(2)	(30)
Domestic Revenues					
Ps. Million	4,227	4,122	6,657	3	(37)
U.S. \$ Million	226	209	324	8	(30)
Foreign Revenues					
Ps. Million	3,863	4,589	5,957	(16)	(35)
U.S. \$ Million	207	233	290	(11)	(29)
Foreign / Total (%)	48	53	47		

TABLE 13 OP. INCOME AND EBITDA	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
Operating Income					
Ps. Million	1,634	1,860	3,258	(12)	(50)
U.S. \$ Million	87	94	159	(7)	(45)
EBITDA					
Ps. Million	1,856	2,091	3,491	(11)	(47)
U.S. \$ Million	99	106	170	(6)	(42)

TABLE 14 COMPARABLE EBITDA	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
EBITDA					
Ps. Million	1,856	2,091	3,491	(11)	(47)
U.S. \$ Million	99	106	170	(6)	(42)
Adjustments*					
Ps. Million	(415)	284	(580)	(246)	28
U.S. \$ Million	(22)	14	(28)	(253)	22
Comparable EBITDA					
Ps. Million	1,441	2,375	2,911	(39)	(51)
U.S. \$ Million	77	120	142	(36)	(46)

*Inventory adjustments, carry-forward effects, and non-operating, one-time (gains) losses

APPENDIX B – FINANCIAL STATEMENTS
ALPEK, S.A.B. DE C.V. and Subsidiaries
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Mar-23	Dec-22	Mar-22	QoQ (%)	YoY (%)
(Millions of Mexican pesos)					
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	5,286	6,319	8,353	(16)	(37)
Restricted cash	10	193	13	(95)	(23)
Trade accounts receivable	15,474	18,846	22,629	(18)	(32)
Other accounts and notes receivable	4,379	3,906	4,137	12	6
Inventories	31,169	33,893	26,607	(8)	17
Other current assets	1,683	1,268	2,629	33	(36)
Total current assets	58,001	64,425	64,368	(10)	(10)
NON-CURRENT ASSETS:					
Restricted cash	337	360	-	(6)	100
Investment in associates and others	9,175	9,210	8,941	-	3
Property, plant and equipment, net	44,755	48,451	38,706	(8)	16
Goodwill and intangible assets	4,034	4,425	3,237	(9)	25
Other non-current assets	9,414	9,948	10,453	(5)	(10)
Total assets	125,716	136,819	125,705	(8)	-
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Debt	10,462	7,712	2,364	36	343
Suppliers	23,542	28,493	26,458	(17)	(11)
Other current liabilities	7,227	7,737	7,113	(7)	2
Total current liabilities	41,231	43,942	35,935	(6)	15
NON-CURRENT LIABILITIES:					
Debt (includes debt issuance cost)	29,195	31,369	28,502	(7)	2
Deferred income taxes	3,115	3,845	4,412	(19)	(29)
Other non-current liabilities	4,365	4,444	4,023	(2)	9
Employee benefits	1,003	1,025	1,009	(2)	(1)
Total liabilities	78,909	84,625	73,881	(7)	7
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	6,020	6,021	6,027	-	-
Share premium	8,914	8,917	8,971	-	(1)
Contributed capital	14,934	14,938	14,998	-	-
Earned surplus	26,913	31,965	31,066	(16)	(13)
Total controlling interest	41,847	46,903	46,064	(11)	(9)
Non-controlling interest	4,960	5,291	5,760	(6)	(14)
Total stockholders' equity	46,807	52,194	51,824	(10)	(10)
Total liabilities and stockholders' equity	125,716	136,819	125,705	(8)	-

ALPEK, S.A.B. DE C.V. and Subsidiaries
CONSOLIDATED STATEMENT OF INCOME

	1Q23	4Q22	1Q22	QoQ (%)	YoY (%)
(millions of Mexican pesos)					
Revenues	38,574	48,411	47,877	(20)	(19)
Domestic	12,057	14,751	17,965	(18)	(33)
Export	26,517	33,660	29,912	(21)	(11)
Cost of sales	(34,974)	(44,984)	(37,937)	22	8
Gross profit	3,600	3,427	9,940	5	(64)
Operating expenses and others	(2,162)	(1,235)	(1,624)	(75)	(33)
Operating income	1,438	2,192	8,316	(34)	(83)
Financial result, net	(376)	(536)	(727)	30	48
Equity in income of associates and joint ventures	(16)	(31)	(7)	51	(97)
Income before taxes	1,046	1,625	7,582	(36)	(86)
Income taxes	(682)	(549)	(2,100)	(24)	68
Consolidated net income	364	1,076	5,482	(66)	(93)
Income (loss) attributable to Controlling interest	(91)	743	4,698	(112)	(102)
Income (loss) attributable to Non-controlling interest	455	333	784	37	(42)

EARNINGS REPORT

First Quarter 2023 (1Q23)



Monterrey, Mexico, April 25, 2023.- Axtel, S.A.B. de C.V. (BMV: AXTELCPO) ("Axtel", the "Company"), a Mexican Information and Communications Technology company, announced today its unaudited results for the first quarter of 2023 ("1Q23").

Axtel reports 1Q23 Comparable EBITDA of US \$40 million (Ps. 736 million)

SELECTED FINANCIAL INFORMATION

(IN MILLIONS)

	1Q23	4Q22	1Q22	(% 1Q23 vs.)		YTD'23	YTD'22	YTD
				4Q22	1Q22			Δ (%)
Revenues (Ps.)	2,746	2,652	2,547	4	8	2,746	2,547	8
US \$	147	135	124	9	18	147	124	18
EBITDA (Ps.) ¹	547	803	717	(32)	(24)	547	717	(24)
US \$	29	41	35	(28)	(16)	29	35	(16)
Comparable EBITDA (Ps.) ²	736	803	717	(8)	3	736	717	3
US \$	40	41	35	(3)	13	40	35	13
Net Income (loss) (Ps.)	221	137	111	62	99	221	111	99
US \$	12	7	5	72	118	12	5	118
CAPEX (Ps.) ³	349	361	333	(3)	5	349	333	5
US \$	19	18	16	2	15	19	16	15
Net Debt (US \$)	552	537	585	3	(6)			
Net Debt / Comp. EBITDA ⁴	3.6	3.6	3.3					
Interest Coverage ⁴	5.3	3.9	3.5					

1) EBITDA = Operating income + depreciation & amortization + impairment of assets.

2) Comparable EBITDA excludes one-time (gains) losses, such as expenses related to organizational efficiencies.

3) Gross amount; does not include divestments.

4) Times. See page 7 for ratio calculation details.

1Q23 HIGHLIGHTS

New operating and commercial model

- During the quarter, Axtel implemented a new operating and commercial model with "end-to-end" responsibilities; integrating pre-sale, product, design, delivery and customer service areas within the business lines, generating greater proximity and focus with customers.
- Consequently, the organizational structure was adapted seeking greater agility and with vertical (industry) and horizontal (business line) specialization. As a result, in 1Q23, the Company recognized a one-time reorganization expense of Ps. 189 million, which is excluded in Comparable EBITDA.

Recognitions

- Alestra was awarded Fortinet's *Growth Partner of the Year*, being the only service provider recognized in Mexico, due to its outstanding commitment to performance excellence and dedication to strengthening cybersecurity in organizations.
- Alestra was chosen as the *2022 Equinix Americas Emerging Partner* award winner, due to the innovative value it delivered to its customers' businesses through cloud digital infrastructure solutions.

Capital Structure

- During 1Q23, the Company obtained a 5-year bank loan for US \$100 million, of which US \$40 million was used to partially fund the purchase of US \$89 million of Senior Notes in February.
- Axtel continues to make progress to obtain the necessary funds to refinance the remaining outstanding balance of US \$314 million of Senior Notes due November 2024.

MESSAGE FROM AXTEL'S CEO

“During the quarter, we obtained favorable results with revenue growth in all three business segments: enterprise, government and wholesale infrastructure customers; and 3% growth in Comparable EBITDA. Likewise, we have an attractive new business pipeline for the enterprise and government, both federal and local, segments.

Based on the strategy of specialization by business lines that began last year, this quarter we implemented a new operating and commercial model to increase customer proximity and focus. Consequently, we adapted the organizational structure to be more agile and flexible, with a sense of co-responsibility, and with vertical and horizontal specialization. The objective of this new model is to generate more opportunities for specialized services with clients, seeking to accelerate our growth profitably.

We expect a consistent improvement for the rest of the year, seeking that our new operating model allows us to materialize the attractive opportunities of our new business pipeline into income. Cybersecurity, cloud and systems integration will continue to be the focus of our services in the future. Likewise, we will maintain a strict control of investments, costs and expenses to meet our cashflow objective for the year”.

Armando de la Peña

In line with the new operating and commercial model announced in 1Q23 Earnings Report, results are presented in three main segments according to the markets served: enterprise, government and wholesale. Revenues of Infrastructure Unit coming from Services Unit, previously presented as “eliminations”, are not included. See Appendix B, for results by business unit (Services “Alestra” and Infrastructure “Axnet”), as reported in 2022.

REVENUES

(IN MILLIONS)

	1Q23	4Q22	1Q22	(% 1Q23 vs.)		YTD'23	YTD'22	YTD
				4Q22	1Q22			Δ (%)
Enterprise (Ps.)	1,942	1,915	1,857	1	5	1,942	1,857	5
US \$	104	97	90	7	15	104	90	15
Government (Ps.)	358	280	290	28	23	358	290	23
US \$	19	14	14	35	36	19	14	36
Wholesale (Ps.)	445	457	400	(3)	11	445	400	11
US \$	24	23	19	3	22	24	19	22
TOTAL REVENUES (Ps.)	2,746	2,652	2,547	4	8	2,746	2,547	8
US \$	147	135	124	9	18	147	124	18

Total revenues reached US \$147 million in 1Q23. In pesos, revenues increased 8% year-over-year, due to 5%, 23%, and 11% increases in Enterprise, Government and Wholesale segments, respectively.

WHOLESALE SEGMENT (INFRASTRUCTURE) (16% of YTD revenues)

Revenues reached US \$24 million in 1Q23. In pesos, revenues reported an 11% increase compared to the year-earlier quarter, mainly due to higher revenue recognition from a wholesale mobile operator customer, compensating a decline in wholesale connectivity revenues. During both 1Q23 and 1Q22, there were no revenues from dark fiber contracts.

ENTERPRISE SEGMENT (71% of YTD revenues)

Enterprise segment revenues totaled US \$104 million in 1Q23. In pesos, revenues increased 5% compared to 1Q22, due to 2%, 4% and 14% increases in *standard*, *value-added* and *digital transformation* services, respectively. (Table 1).

STANDARD SERVICES revenues reached Ps. 1,233 million in 1Q23, a 2% increase year-over-year; due to a 6% growth in *data and Internet*, and non-recurrent *hosting* solution revenues, partially mitigated by a 20% decline in *voice*.

VALUE-ADDED SERVICES revenues totaled Ps. 250 million in 1Q23, 4% higher compared to 1Q22, due to increases in both *system integration* and *managed services* revenues.

DIGITAL TRANSFORMATION revenues reached Ps. 459 million in 1Q23, up 14% compared to 1Q22, mainly driven by a combined 21% increase in *cloud* and *cybersecurity* solutions; *collaboration* and *mobile* solutions also posted increases compared to a year ago.



REVENUES (cont'd)

GOVERNMENT SEGMENT (13% of YTD revenues)

Government segment revenues amounted US \$19 million in 1Q23. In pesos, revenues increased 23% compared to 1Q22, mostly explained by a strong increase in *value-added* services. (Table 2). The decline in *standard* and *digital transformation* revenues is due to pending renewals, which are already in the process of being formalized.

STANDARD SERVICES revenues reached Ps. 97 million in 1Q23, 22% lower than 1Q22, mainly explained by a decrease in *data & Internet* solutions.

VALUE-ADDED SERVICES revenues reached Ps. 205 million in 1Q23, which represented a 140% growth vs 1Q22; as a result of a low margin, non-recurrent revenue with a federal entity during the quarter.

DIGITAL TRANSFORMATION revenues reached Ps. 56 million in 1Q23, 31% lower than 1Q22, mostly due to fewer revenues in *managed applications* and *collaboration* solutions.

GROSS PROFIT

Gross profit is defined as revenues minus cost of revenues. For 1Q23, gross profit was US \$101 million. In pesos, gross profit increased 5% compared to 1Q22, due to increases in the Enterprise and Wholesale segments.

ENTERPRISE gross profit amounted Ps. 1,415 million in 1Q23, a 3% increase compared to the year-earlier quarter, in line with the increase in revenues.

GOVERNMENT gross profit amounted Ps. 106 million in 1Q23, 10% lower compared to the year-earlier quarter, mainly explained by a decline in gross profit margins resulting from the low-margin non-recurrent revenue with a federal entity.

WHOLESALE gross profit amounted to Ps. 370 million in 1Q23, an 18% increase mainly explained by higher contribution margins in line with increase in revenues and improved margins.

OPERATING AND COMMERCIAL EXPENSES

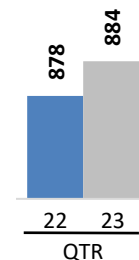
Starting 1Q23, expenses will be broken down in operating and commercial expenses, which are directly related to the Enterprise, Government and Wholesale segments; and general corporate expenses, which consist of central business areas such as finance, human resources and legal departments.

Operating and commercial expenses reached US \$54 million in 1Q23. In pesos, expenses increased 9%, compared to the year-earlier quarter, mainly due to higher expenses resulting from increases in enterprise personnel expenses and tower leases in line with inflation; and uncollectable provision from a mobile wholesale customer.

CONTRIBUTION TO EBITDA (BEFORE GENERAL EXPENSES)

Business segments' contribution to EBITDA totaled US \$47 million in 1Q23. In pesos, contribution to EBITDA reached Ps. 884 million, a 1% increase compared to 1Q22, as the 5% growth in gross profit was mitigated by the commercial and operating expenses increase.

(in Million Ps.)



GENERAL EXPENSES AND OTHER INCOME (EXPENSES)

General expenses (consisting of central business areas) reached US \$11 million in 1Q23. In pesos, expenses increased 26% in 1Q23, mainly due to benefit resulting from a cancellation of a provision related to personnel expenses a year ago.

Other income reached Ps. 63 million during 1Q23 (excluding a Ps. 189 million one-time reorganization charge), compared to Ps. 6 million recorded in 1Q22.

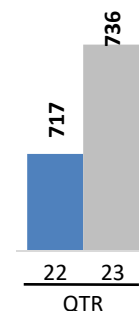
EBITDA

Comparable EBITDA, excluding the effect of the one-time Ps. 189 million reorganization charge, reached Ps. 736 million in 1Q23, 3% higher compared to 1Q22.

Comparable EBITDA margin decreased from 28% in 1Q22 to 27% in 1Q23, mainly due to the increase in general expenses previously described.

EBITDA in 1Q23 totaled US \$29 million. In pesos, EBITDA reached Ps. 547 million, a 24% decline compared to 1Q22 mainly due to the extraordinary organizational charge.

(in Million Ps.)



OPERATING INCOME (LOSS)

Operating loss in 1Q23 reached Ps. 91 million, compared to an operating income of Ps. 7 million a year ago, mainly due to the one-time reorganization charge previously explained, partially mitigated by lower depreciation and amortization.

(in Million Ps.)



COMPREHENSIVE FINANCING RESULT

The comprehensive financing result reached US \$21 million in 1Q23, or Ps. 400 million, compared to Ps. 33 million in 1Q22. Explained by a Ps. 434 million FX gain during 1Q23 resulting from an appreciation of the Mexican peso against the US dollar, compared to a Ps. 270 million FX gain in 1Q22. Also, net interest expenses decreased 86% from 1Q22 to 1Q23, mainly due to an increase in interest income resulting from the US \$89 million tendered 2024 Senior Notes during the quarter.

NET DEBT

As of March 31, 2023, net debt was US \$552 million, down 6% or US \$33 million in comparison with 1Q22; comprised of a US \$85 million decrease in debt, a US \$20 million non-cash increase in debt caused by a 10% appreciation of the Mexican peso year-over-year and a US \$32 million decrease in cash.

Total debt reduction of US \$85 million year-over-year is explained by i) a US \$126 million decrease related to the tender and open market repurchases of the 2024 Senior Notes; ii) a US \$40 million increase related to a new 5-year bank loan; iii) a US \$10 million increase in committed loans; iv) a US \$5 million decrease due to the amortization of the long-term facility and v) a US \$4 million decrease in other loans and financial leases.

As of 1Q23, cash balance totaled US \$44 million (Ps. 799 million), compared to US \$76 million (Ps. 1,520 million) in 1Q22, a 42% decrease, related to the repayment of debt.

Financial ratios for 1Q23 were: Net Debt to Comparable EBITDA of 3.6 times and Interest Coverage of 5.3 times (Table 6).

CAPITAL EXPENDITURES (CAPEX)

Capital investments totaled US \$19 million in 1Q23, compared to US \$16 million in 1Q22.

Capex as a percentage of total revenues was 13% in both 1Q23 and 1Q22.

OTHER INFORMATION

- This 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.
- 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 and financial performance of the company, all of which are difficult or impossible to predict accurately. These statements reflect management's current views, which are subject to different risks. Accordingly, results could vary from those set forth in this release. The company disclaims any obligation to update statements in this release based on new information available.
- Net Debt / Comparable EBITDA ratio: means net debt translated into US Dollars using the end-of-period exchange rate divided by LTM Comparable 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 Comparable 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.
- To reduce exchange rate risk exposure, as of March 31, 2023, Axtel maintained forward transactions for an outstanding amount of US \$127 million @ 19.80 MXN/USD, where Axtel buys USD and sells MXN, hedging its USD obligations up to January 2024.
- 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 (AxtelCPOs) or its 2024 Senior Notes.

ABOUT AXTEL

Axtel is a Mexican Information and Communication Technology company that serves the enterprise and government segments with its brand Alestra, and the wholesale segment through its brand Axtel Networks (Axnet). Axtel adhered to the UN Global Compact in 2011 the world's largest social responsibility initiative. It 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 is currently undergoing a partial spin-off from former parent company Alfa, S.A.B. de C.V., who is in the process of contributing all of its shareholding in the Company to Controladora Axtel, S.A.B. de C.V., a company which will be listed on the Mexican Stock Exchange.

Axtel's Investor Relations Center: axtelcorp.mx

Alestra's website: alestra.mx

Axtel Networks' website: axtelnetworks.mx

Appendix A – Tables

TABLE 1 | REVENUES - ENTERPRISE SEGMENT

(IN MILLIONS)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.		YTD'23	YTD'22	YTD Δ (%)
				4Q22	1Q22			
STANDARD SERVICES (Ps.)	1,233	1,225	1,214	1	2	1,233	1,214	2
VALUE ADDED (Ps.)	250	271	241	(8)	4	250	241	4
DIGITAL TRANSFORMATION (Ps.)	459	418	402	10	14	459	402	14
TOTAL ENTERPRISE (Ps.)	1,942	1,915	1,857	1	5	1,942	1,857	5
US \$	104	97	90	7	15	104	90	15

TABLE 2 | REVENUES - GOVERNMENT SEGMENT

(IN MILLIONS)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.		YTD'23	YTD'22	YTD Δ (%)
				4Q22	1Q22			
STANDARD SERVICES (Ps.)	97	147	124	(34)	(22)	97	124	(22)
VALUE ADDED (Ps.)	205	88	85	134	141	205	85	141
DIGITAL TRANSFORMATION (Ps.)	56	46	81	22	(31)	56	81	(31)
TOTAL GOVERNMENT (Ps.)	358	280	290	28	23	358	290	23
US \$	19	14	14	35	36	19	14	36

TABLE 3 | REVENUES - WHOLESALE (INFRASTRUCTURE) SEGMENT

(IN MILLIONS)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.		YTD'23	YTD'22	YTD Δ (%)
				4Q22	1Q22			
TOTAL WHOLESALE (Ps.)	445	457	400	(3)	11	445	400	11
US \$	24	23	19	3	22	24	19	22

TABLE 4 | OPERATING INCOME AND EBITDA

(IN MILLIONS)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.		YTD'23	YTD'22	YTD Δ (%)
				4Q22	1Q22			
Operating Income (Ps.)	(91)	94	7	--	--	(91)	7	--
US \$	(5)	5	0	--	--	(5)	0	--
Segment Contribution to EBITDA	884	920	878	(4)	1	884	878	1
US \$	47	47	43	1	11	47	43	11
EBITDA (Ps.)	547	803	717	(32)	(24)	547	717	(24)
US \$	29	41	35	(28)	(16)	29	35	(16)
Adjustments (Ps.)*	189	0	0	--	--	189	0	--
US \$	10	0	0	--	--	10	0	--
Comparable EBITDA (Ps.)	736	803	717	(8)	3	736	717	3
US \$	40	41	35	(3)	13	40	35	13

*Adjustments include one-time (gains) losses, such as expenses related to organizational efficiencies in 1Q23.

Appendix A – Tables

TABLE 5 | COMPREHENSIVE FINANCING RESULT
(IN MILLIONS)

	1Q23	4Q22	1Q22	(% 1Q23 vs.		YTD'23	YTD'22	YTD Δ (%)
				4Q22	1Q22			
Net interest expense	(33)	(126)	(237)	74	86	(33)	(237)	86.0
FX gain (loss), net	434	394	270	10	60	434	270	60
Ch. FV of Fin. Instruments	0	0	0	--	--	0	0	--
Total (Ps.)	400	268	33	49	>1,000	400	33	>1,000
<i>US \$</i>	<i>21</i>	<i>13</i>	<i>2</i>	<i>58</i>	<i>>1,000</i>	<i>0</i>	<i>0</i>	<i>--</i>

TABLE 6 | NET DEBT AND FINANCIAL RATIOS
(US \$ MILLIONS)

	1Q23	4Q22	1Q22	(% 1Q23 vs.	
				4Q22	1Q22
Senior Notes 2024	314	402	440	(22)	(29)
Long-term bank loan	167	156	156	7	7
Bank Loan	40	0	0	--	--
Other bank loans	41	30	30	38	38
Other loans + leases	21	23	23	(9)	(10)
Accrued interests	14	5	12	152	12
Total Debt	596	616	661	(3)	(10)
<i>% US \$ denominated debt</i>	<i>64%</i>	<i>70%</i>	<i>72%</i>		
(-) Cash and cash eq.	(44)	(80)	(76)	45	42
Net Debt	552	537	585	3	(6)
Net Debt / Comparable EBITDA*	3.6	3.6	3.3		
Interest Coverage*	5.3	3.9	3.5		

* Times. See page 7 for calculation details.

TABLE 7 | CHANGE IN NET DEBT
(US \$ MILLIONS)

	1Q23	4Q22	1Q22	(% 1Q23 vs.		YTD'23	YTD'22	YTD Δ (%)
				4Q22	1Q22			
EBITDA	29	41	35	(28)	(16)	29	150	(80)
Net Working Capital	(10)	23	(14)	--	28	(10)	11	--
Capex & Acquisitions	(19)	(18)	(16)	(2)	(15)	(19)	(64)	71
Financial expenses	(14)	(13)	(12)	(2)	(14)	(14)	(50)	73
Taxes	(0)	(0)	(0)	--	--	(0)	(0)	--
Other Sources (Uses)	(2)	(3)	(4)	23	47	(2)	(9)	75
Decrease (increase) Net Debt	(15)	29	(11)	--	(34)	(15)	37	--

Appendix B – SEGMENT CONTRIBUTION TO EBITDA (New)

TABLE 8 | 2022 & 2023 SEGMENT CONTRIBUTION TO EBITDA
(IN MILLIONS)

	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2023
Gross Profit (Ps.)	1,804	1,845	2,059	1,979	7,687	1,891	1,891
Enterprise	1,374	1,338	1,384	1,430	5,526	1,415	1,415
Government	117	101	174	172	564	106	106
Wholesale	312	406	501	378	1,597	370	370
Commercial & Operating Expenses (Ps.)	(926)	(931)	(1,074)	(1,059)	(3,990)	(1,007)	(1,007)
Segment Contribution to EBITDA (Ps.)	878	914	984	920	3,697	884	884
General exp. & Other income (exp) (Ps.)	(161)	(213)	(195)	(117)	(686)	(147)	(147)
EBITDA (Ps.)	717	701	790	803	3,011	547	547
US \$	35	35	39	41	150	29	29
Adjustments (Ps.)*	0	0	0	0	0	189	189
Comparable EBITDA (Ps.)	717	701	790	803	3,011	736	736
US \$	35	35	39	41	150	40	40

*Adjustments include one-time (gains) losses, such as expenses related to organizational efficiencies in 1Q23.

TABLE 9 | 2022 & 2023 BUSINESS UNITS EBITDA (As reported in 2022)
(IN MILLIONS)

	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2023
EBITDA (Ps.)	717	701	790	803	3,011	547	547
US \$	35	35	39	41	150	29	29
Adjustments (Ps.)*	0	0	0	0	0	189	189
US \$	0	0	0	0	0	10	10
Comparable EBITDA (Ps.)	717	701	790	803	3,011	736	736
US \$	35	35	39	41	150	40	40
Services Unit (Ps.)	396	375	380	444	1,595	387	387
Infrastructure Unit (Ps.)	322	326	409	359	1,416	350	350

*Adjustments include one-time (gains) losses, such as expenses related to organizational efficiencies in 1Q23.

Appendix C – Financial Statements

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

Unaudited Consolidated Balance Sheet

(IN MILLION PESOS)

	1Q23	4Q22	1Q22	(% 1Q23 vs.)	
				4Q22	1Q22
ASSETS					
CURRENT ASSETS					
Cash and equivalents	799	1,543	1,520	(48)	(47)
Restricted cash	-	-	-	--	--
Accounts receivable	1,590	1,194	1,859	33	(14)
Related parties	24	15	24	59	1
Refundable taxes and other acc. rec.	637	719	696	(11)	(9)
Advances to suppliers	758	739	671	3	13
Inventories	192	170	133	13	44
Financial Instruments	(0)	5	(0)	--	--
Total current assets	3,999	4,385	4,903	(9)	(18)
NON CURRENT ASSETS					
Property, plant and equipment, net	8,834	9,044	9,841	(2)	(10)
Long-term accounts receivable	-	-	20	--	--
Intangible assets, net	1,478	1,528	1,756	(3)	(16)
Deferred income taxes	2,888	2,958	2,940	(2)	(2)
Investment shares associated co.	1	1	2	(0)	(52)
Other assets	423	435	357	(3)	18
Total non current assets	13,624	13,966	14,916	(2)	(9)
TOTAL ASSETS	17,623	18,351	19,819	(4)	(11)
LIABILITIES & STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Account payable & Accrued expenses	2,078	1,833	2,092	13	(1)
Accrued Interest	246	104	242	135	1
Short-term debt	-	-	-	--	--
Current portion of long-term debt	297	492	399	(40)	(26)
Taxes payable	-	-	11	--	--
Financial Instruments	156	0	22	>1,000	622
Deferred Revenue	53	45	113	16	(53)
Provisions	15	25	26	(42)	(44)
Other accounts payable	637	749	618	(15)	3
Total current liabilities	3,481	3,250	3,523	7	(1)
LONG-TERM LIABILITIES					
Long-term debt	10,199	11,285	12,503	(10)	(18)
Employee Benefits	905	891	801	2	13
Derivative Financial Instruments	-	-	-	--	--
Other LT liabilities	55	76	1	(27)	>1,000
Total long-term debt	11,160	12,251	13,305	(9)	(16)
TOTAL LIABILITIES	14,641	15,501	16,828	(6)	(13)
STOCKHOLDERS' EQUITY					
Capital stock	455	455	455	-	-
Reserve for repurchase of shares	100	200	200	(50)	(50)
Cumulative earnings (losses)	2,428	2,196	2,336	11	4
TOTAL STOCKHOLDERS' EQUITY	2,983	2,850	2,990	5	(0)
TOTAL LIABILITIES AND EQUITY	17,623	18,351	19,819	(4)	(11)

Appendix C – Financial Statements

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

Unaudited Consolidated Income Statement
(IN MILLION PESOS)

	1Q23	4Q22	1Q22	(%) 1Q23 vs.		YTD'23	YTD'22	YTD
				4Q22	1Q22			Δ (%)
Total Revenues	2,746	2,652	2,547	4	8	2,746	2,547	8
Cost of sales and services	(855)	(673)	(743)	(27)	(15)	(855)	(743)	(15)
Gross Profit	1,891	1,979	1,804	(4)	5	1,891	1,804	5
Operating expenses	(1,217)	(1,232)	(1,092)	1	(11)	(1,217)	(1,092)	(11)
Other income (expenses), net	(127)	56	6	--	--	(127)	6	--
Depr., amort. & impairment assets	(638)	(709)	(711)	10	10	(638)	(711)	10
Operating income	(91)	94	7	--	--	(91)	7	--
Comprehensive financing result, net	400	268	33	49	>1,000	400	33	>1,000
Equity in results of associated company	(0)	0	-	--	--	(0)	-	--
Income (loss) before income taxes	310	362	40	(15)	681	310	40	681
Income taxes	(88)	(225)	71	61	--	(88)	71	--
Net Income (Loss)	221	137	111	62	99	221	111	99