

3Q24

Earnings Presentation

October 2024



Disclaimer

This presentation contains forward-looking information based on numerous variables, expectations 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 are likely to vary from those set forth in this presentation. You should not place undue reliance on forward-looking information. All forward-looking information is made as of the date of this presentation, based on information available to us as of such date, and we assume no obligation to update any forward-looking information. Copyright© 2024 ALFA, S.A.B. de C.V. All rights reserved. Reproduction and distribution is forbidden without the prior written consent of ALFA, S.A.B. de C.V.

Important note on changes to ALFA's Consolidated Financial Statements



Controladora Alpek

ALFA's shareholders approved to spin-off ALFA's share ownership of Alpek into a new, listed entity called "Controladora Alpek" on October 24, 2024. In accordance with International Financial Reporting Standards (IFRS), Alpek 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 Alpek's assets as "Current assets from discontinued operations" and its liabilities as "Current liabilities from discontinued operations" at the close of 3Q24. Prior periods are not restated.
- The Consolidated Statement of Income presents Alpek's net revenues and expenses as a single line item "Profit (loss) from discontinued operations" as follows:
 - 3Q24: accumulated figures for the three months ended September 30, 2024
 - 2Q24: accumulated figures for the three months ended June 30, 2024
 - 3Q23: accumulated figures for the three months ended September 30, 2023
 - 2024: accumulated figures for the nine months ended September 30, 2024
 - 2023: accumulated figures for the nine months ended September 30, 2023
- The Change in Net Debt presents Alpek's net inflows and outflows as a single line item "Decrease (Increase) in Net Debt from discontinued operations" as follows:
 - 3Q24: accumulated figures for the three months ended September 30, 2024
 - 2Q24: accumulated figures for the three months ended June 30, 2024
 - 3Q23: accumulated figures for the three months ended September 30, 2023
 - 2024: accumulated figures for the nine months ended September 30, 2024
 - 2023: accumulated figures for the nine months ended September 30, 2023
- The Change in Net Debt also presents Alpek's Net Debt balance as "Net Debt from discontinued operations" at the close of 3Q24. Prior periods are not restated.

Important note on changes to ALFA's Consolidated Financial Statements



Controladora Axtel

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. The shares of "Controladora Axtel" were distributed to ALFA shareholders and began trading on the Mexican Stock Exchange on May 29, 2023. 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 no longer presents Axtel's assets as "Current assets from discontinued operations" nor its liabilities as "Current liabilities from discontinued operations" at the close of 3Q24.
- The Consolidated Statement of Income presents Axtel's net revenues and expenses as a single line item "Profit (loss) from discontinued operations" as follows:
 - 3Q24: no figures presented related to Axtel
 - 2Q24: no figures presented related to Axtel
 - 3Q23: no figures presented related to Axtel
 - 2024: no figures presented related to Axtel
 - 2023: accumulated figures for the four months and 29 days ended May 29, 2023
- The Change in Net Debt no longer presents Axtel's net inflows and outflows in "Net Debt from discontinued operations"

▼ Alfa | Sigma

- ALFA's conglomerate composition being effectively simplified into a single, wholly-owned food business unit (SIGMA)
- Advanced capital increase of Ps \$7,952 million (approx. US \$400 million), proceeds expected on November 4, 2024
- Received consents from bondholders of Senior Notes due 2044 to amend Indenture in preparation for Alpek spin-off
- Consolidated Net Leverage ratio of 2.9 times; paying down parent-level debt totaling US \$575 million

▼ Sigma

- 14th consecutive quarter of year-on-year sales growth supported by record volume
- Accumulated EBITDA of US \$824 million, up 24% year-on-year driven by strong growth across all regions
- Net Leverage ratio of 1.7 times, represents lowest level in 16 years

▼ Alpek *(reported as Discontinued Operation)*

- Volume growth and slight reference margin improvements in 3Q24
- 3Q24 Comparable EBITDA of US \$218 million, up 37% year-on-year
- 2024 Comparable EBITDA Guidance raised 13% to US \$675 million
- Net leverage ratio decreased to 3.1 times from 3.3 times in 2Q24

Corporate simplification milestones (2020 – 2023)



Nemak spin-off (Dec 2020)
Innovative Lightweighting



Corporate expense reduction (-80% vs 2019)



Debt prepayment flexibility through successful refinancing (US \$500 million)



axtel spin-off (May 2023)

Recent developments supporting final spin-off



Capital Increase; US \$400 million debt reduction



Additional US \$175 million debt reduction



Received consents from bondholders



Alpek spin-off approved (October 24)

1

 **Branded Foods**

ALFA Shareholders

alfa

100%



2

 **Petrochemicals**

ALFA Shareholders

Controladora Alpek

82%



Spin-off approved Oct-24

3

 **Information and Communications Technology**

Controladora Axtel

54%



Spun-off in 2023

4

 **Automotive Lightweighting Solutions**

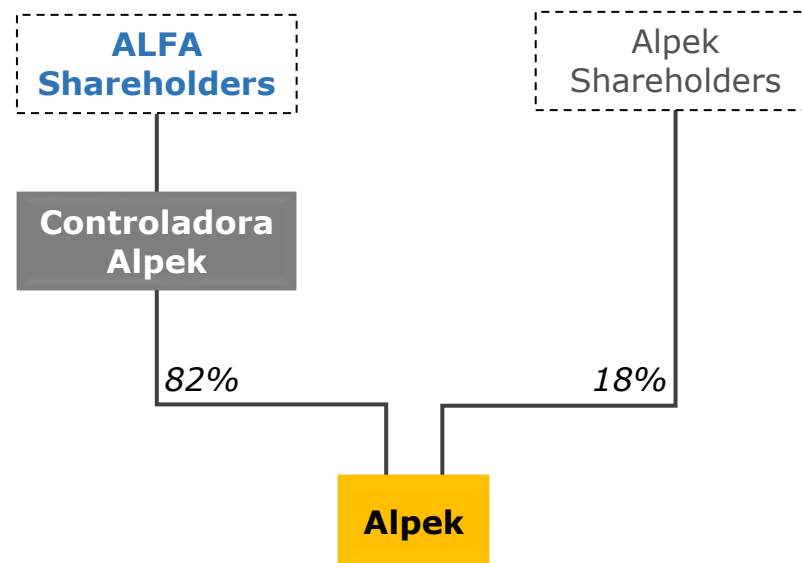

Innovative Lightweighting

Spun-off in 2020

- Controladora Alpek will be constituted by ALFA as the spun-off company, listed in the *Bolsa Mexicana de Valores*
- ALFA will transfer all its Alpek shares and certain assets, liabilities and capital to Controladora Alpek
- ALFA shareholders will receive one (1) share of Controladora Alpek for each of their ALFA shares
- ALFA shareholders will retain their share ownership in ALFA which would own 100% of Sigma

Alpek Shareholder Structure

(Post spin-off)





Oct 9	Oct 24	TBD	TBD	~2025
ALFA calls Extraordinary Shareholders' Meeting	ALFA held Extraordinary Shareholders' Meeting	Notice of Share Distribution to ALFA Shareholders <i>(Following Controladora Alpek's registration and listing processes with the CNBV¹ and BMV²)</i>	Distribution of Controladora Alpek Shares	1st Day of Trading of Controladora Alpek

Timeline 2022-2023 (11 months)

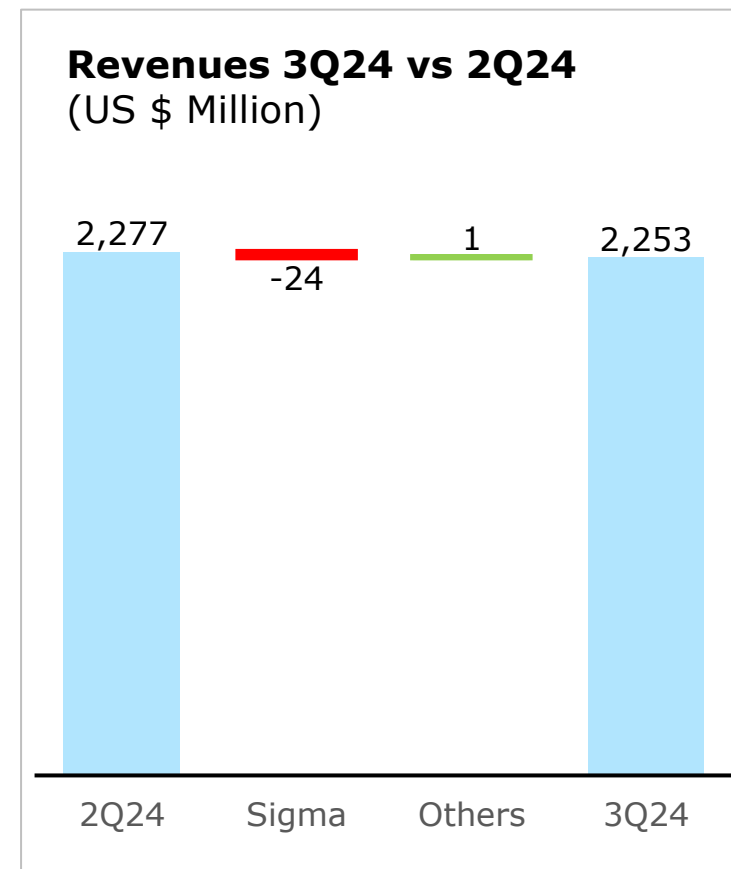
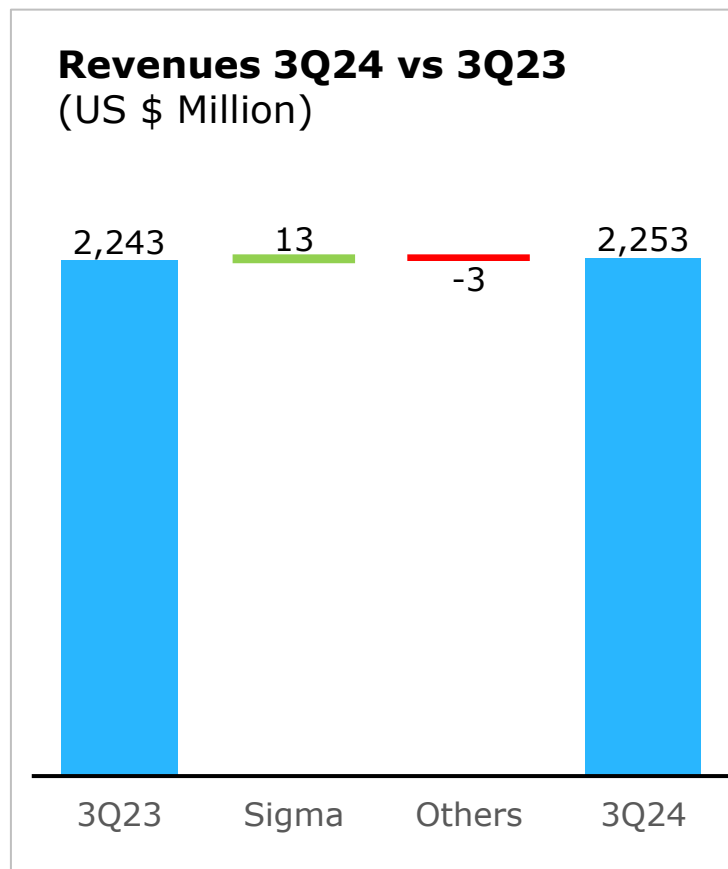
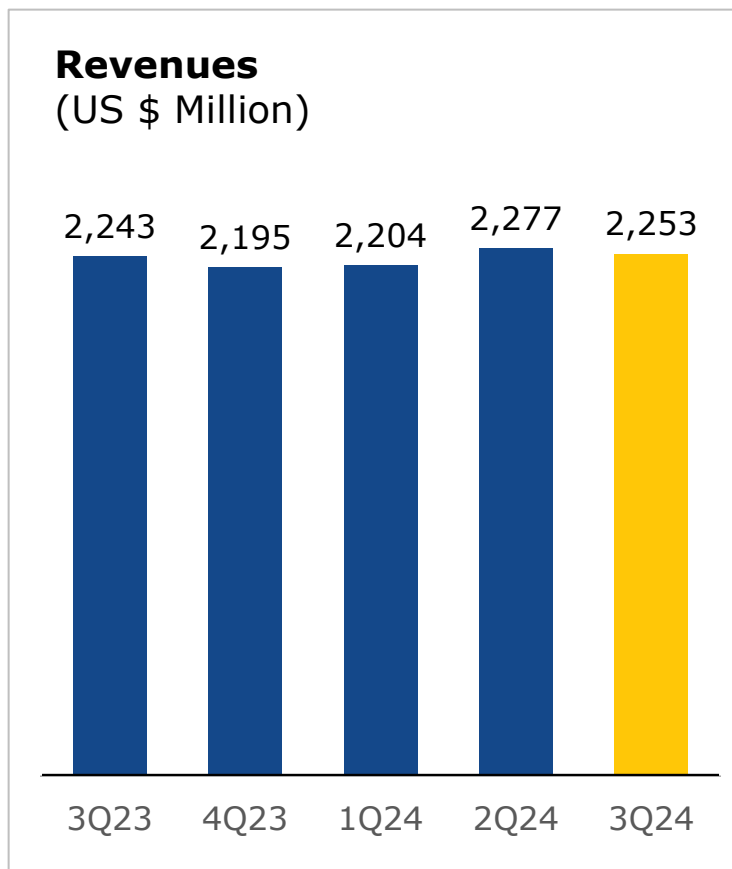
Jun 27, 2022	Jul 12, 2022	May 19, 2023	May 26, 2023	May 29, 2023
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Timeline 2020 (4.5 months)

Jul 30, 2020	Aug 17, 2020	Dec 4, 2020	Dec 11, 2020	Dec 14, 2020
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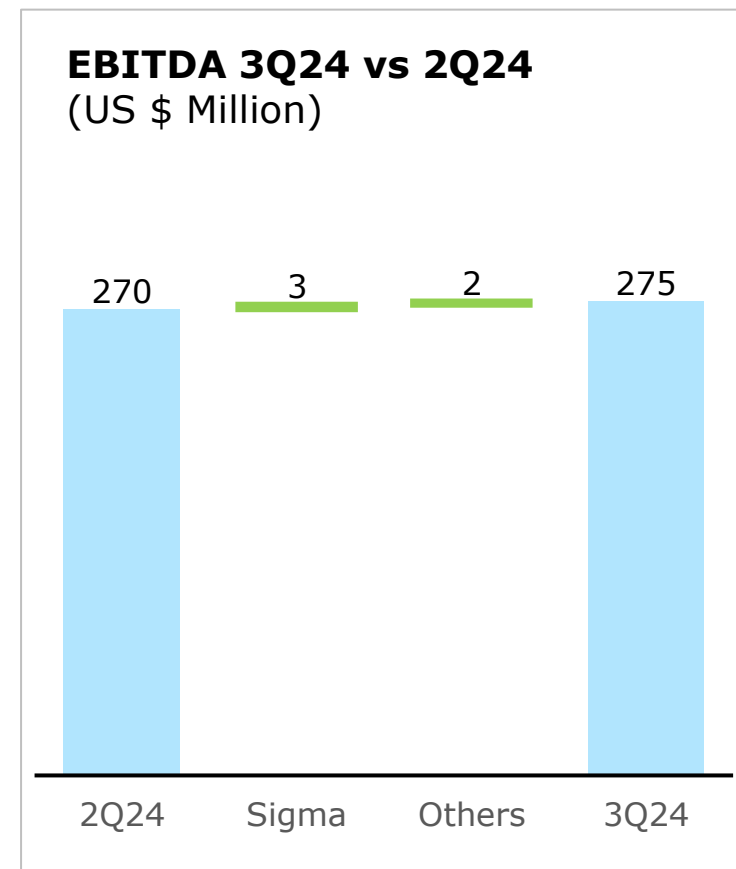
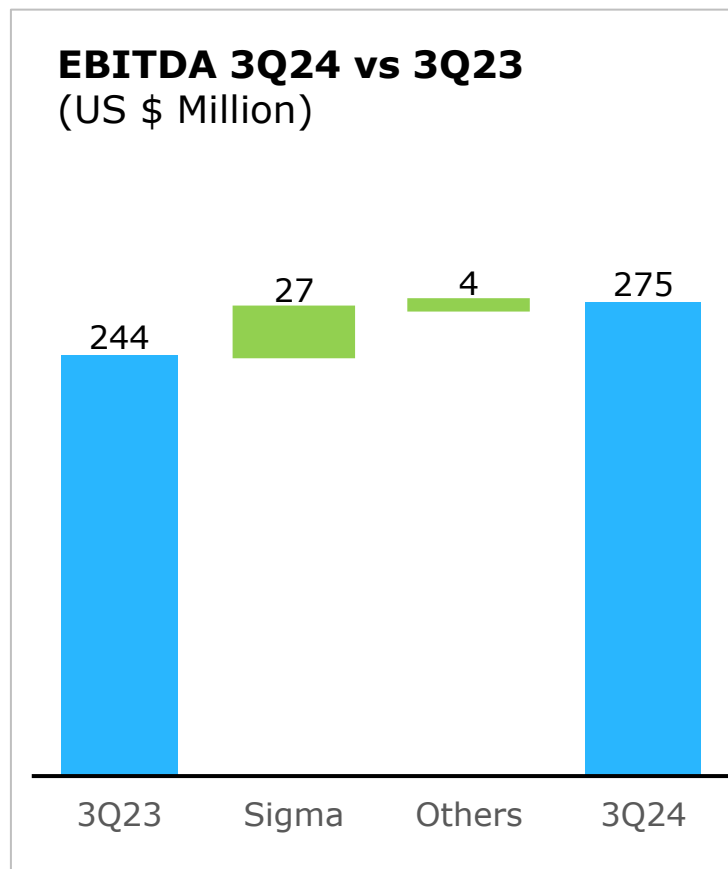
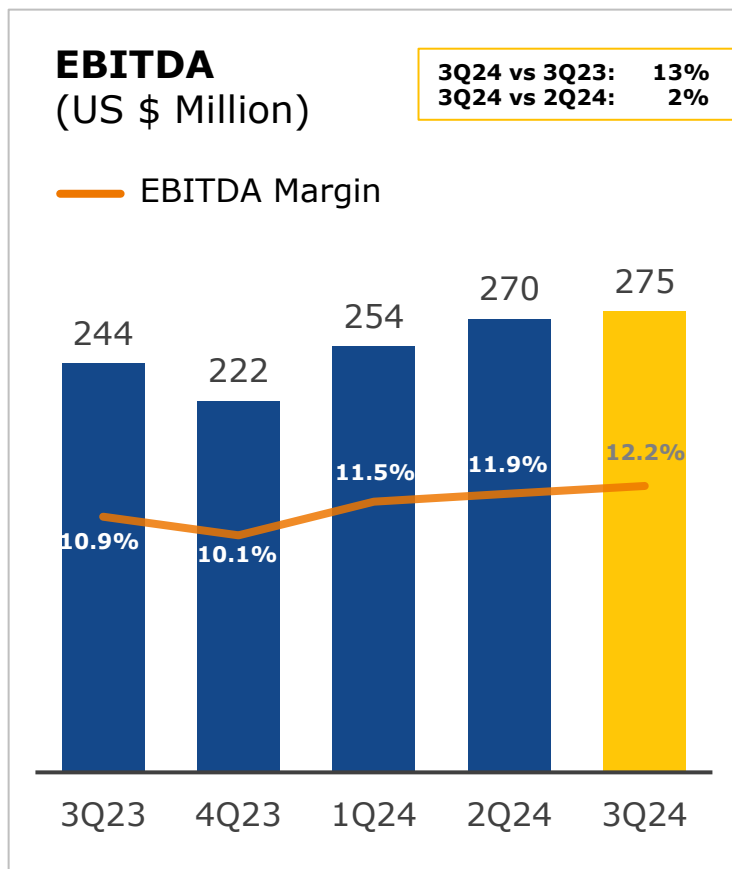
(1) Comisión Nacional Bancaria de Valores
(2) Bolsa Mexicana de Valores

ALFA & Subs*

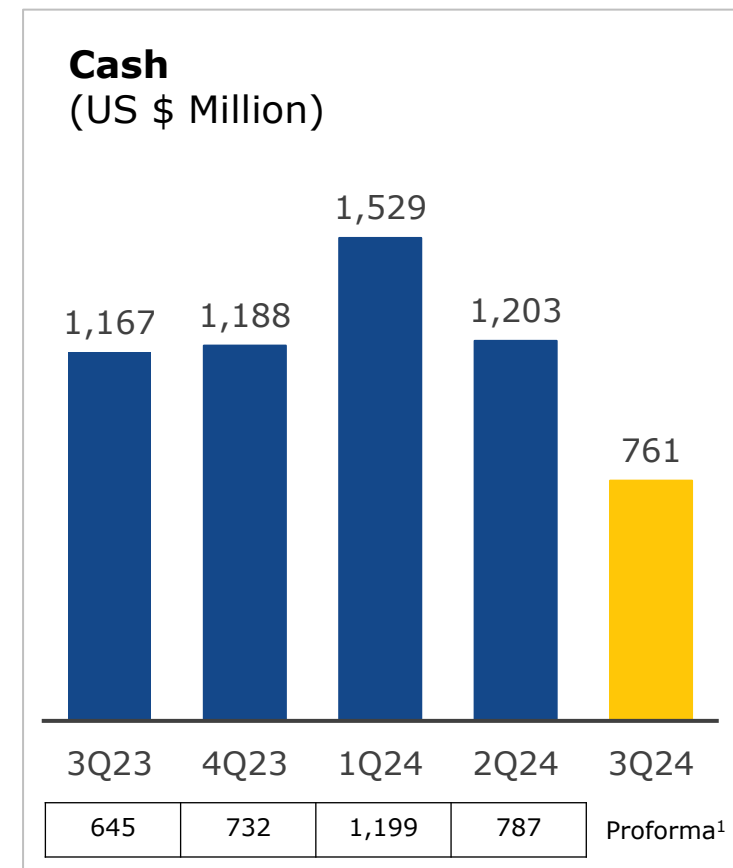
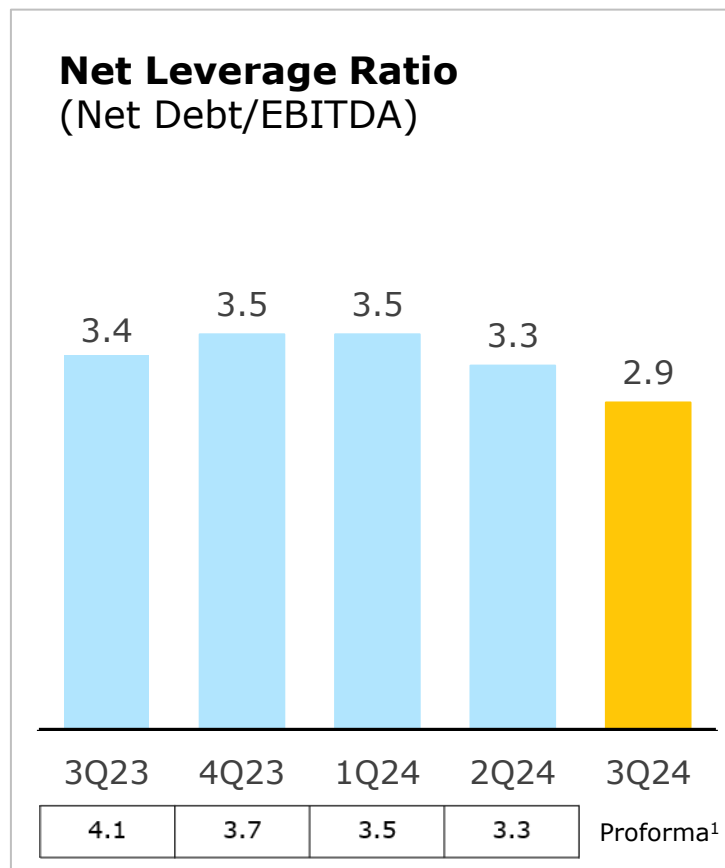
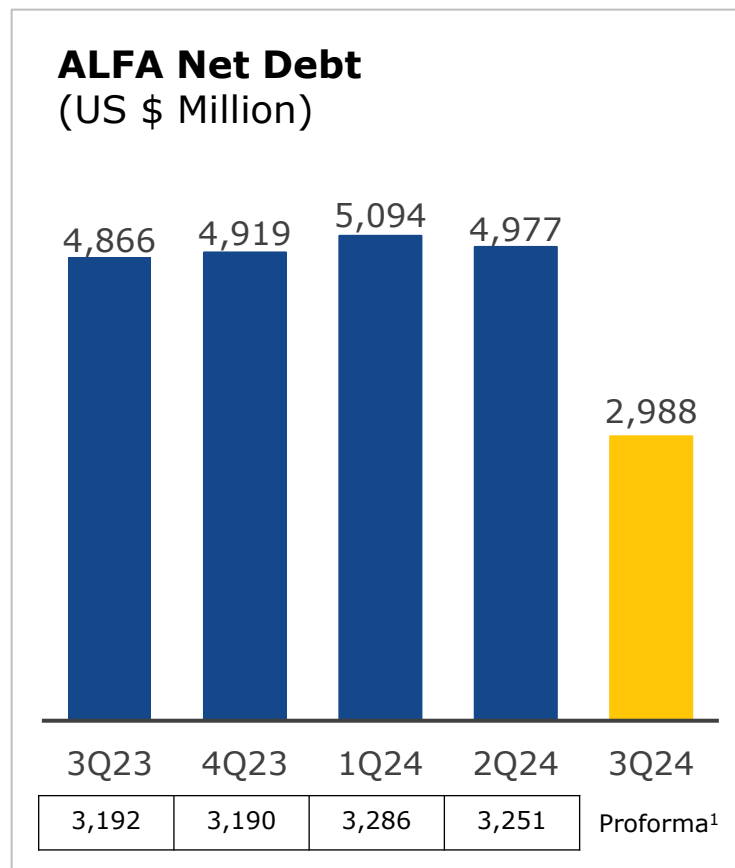


*Alpek reported as discontinued operations

ALFA & Subs*



ALFA & Subs*

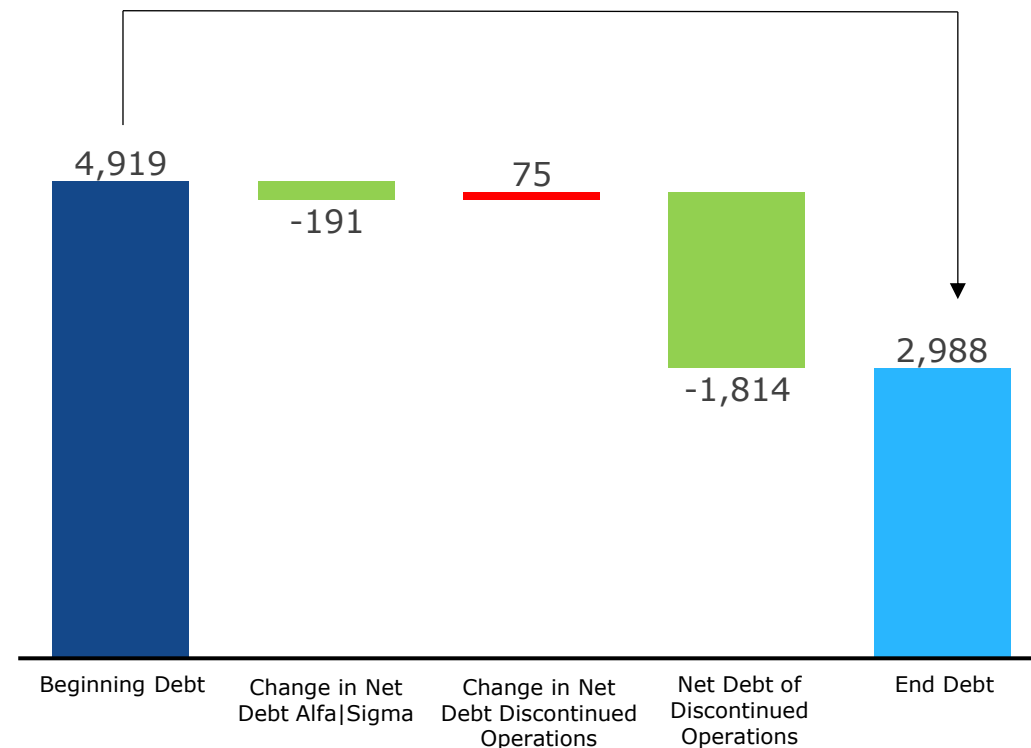


*Alpek reported as discontinued operations on 3Q24. Prior periods are not restated in accordance with IFRS
 1. Proforma figures with Alpek presented as discontinued operations in prior periods

ALFA Consolidated

Change in Net Debt¹ (US \$ Million)

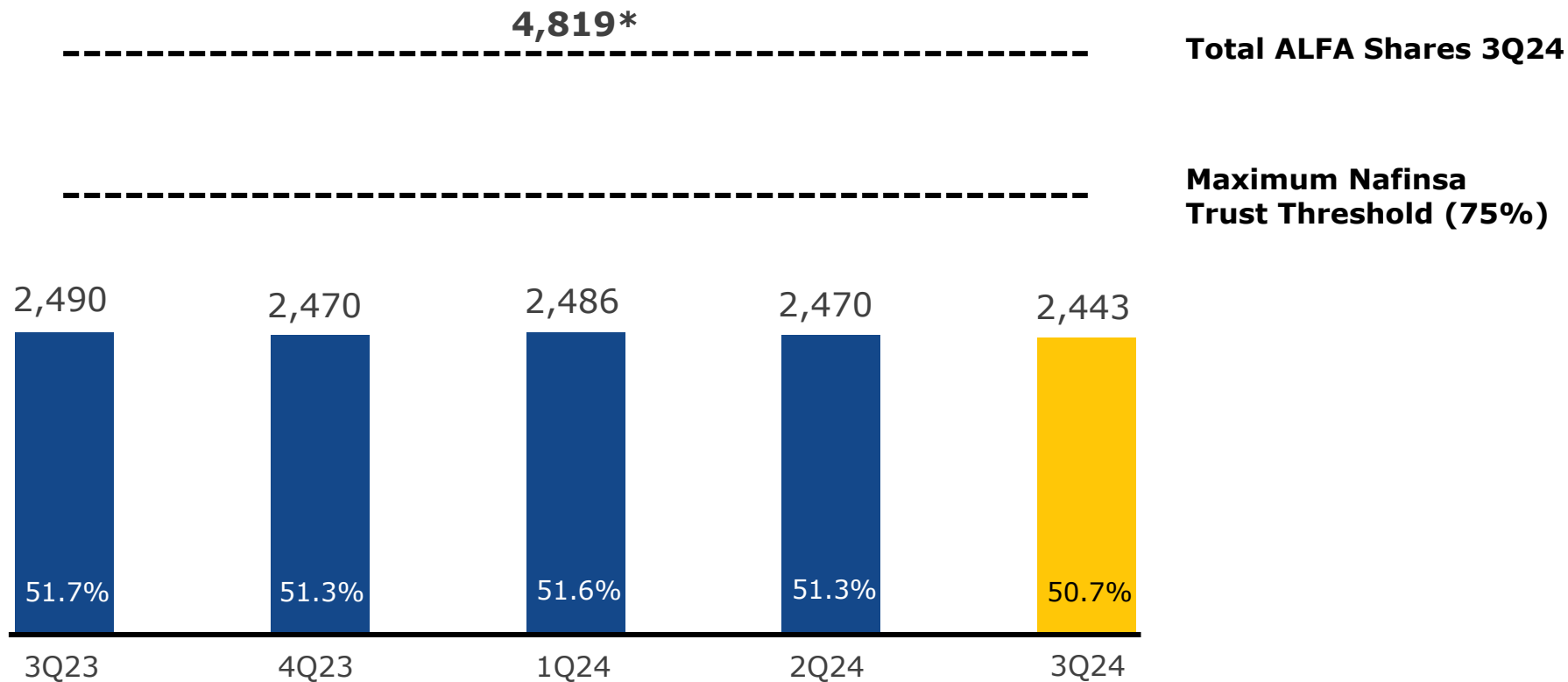
	2024
EBITDA	799
Net Working Capital (NWC)	(207)
Capital Expenditures & Acq. (Capex)	(128)
Net Financial Expenses	(228)
Taxes	(248)
Dividends	59
Other Sources (Uses)	144
Discontinued Operations Cash Flow	(75)
Discontinued Operations Net Debt	1,814
Decrease (Increase) in Net Debt	1,931



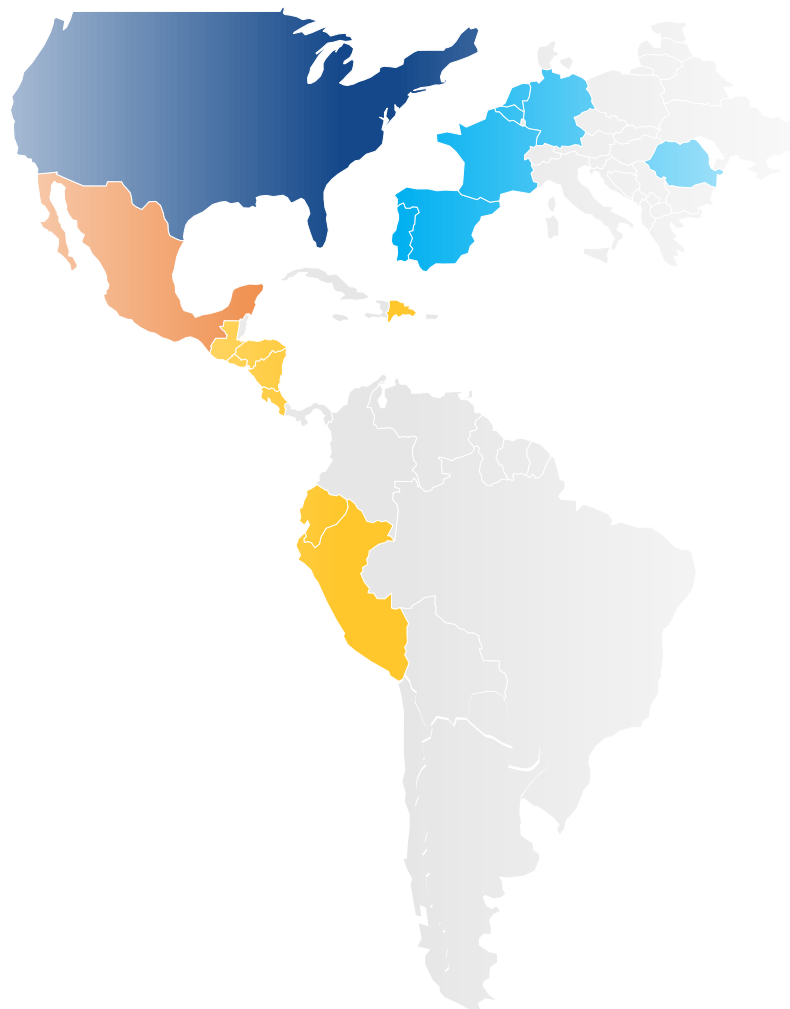
*Alpek reported as discontinued operations on 3Q24. Prior periods are not restated in accordance with IFRS

1. Includes effect of Alpek presented as discontinued operations on 3Q24

ALFA Foreign Ownership
(Millions of shares)



*Does not include 739 million new shares issued on September 26, 2024



Mexico

- Record Volume for the third consecutive quarter, supported by growth across all categories and channels
- All-time high third quarter EBITDA of US \$187 million, driven by Volume growth and revenue management

Europe

- Comparable 3Q24 Volume and Revenue increased 2%, adjusting for the divestiture of operations in Italy during 3Q23
- 3Q24 EBITDA up 70% driven primarily by operating efficiencies that resulted in margin expansion

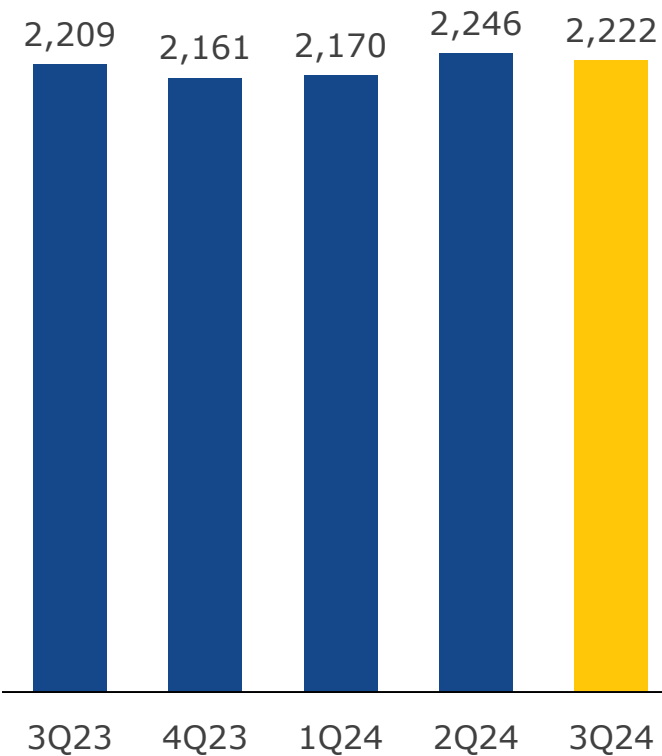
U.S.

- All-time high quarterly Revenue, up 5% year-on-year driven by record third quarter Volume and revenue management
- Record third quarter EBITDA of US \$57 million, driven by margin expansion and Volume

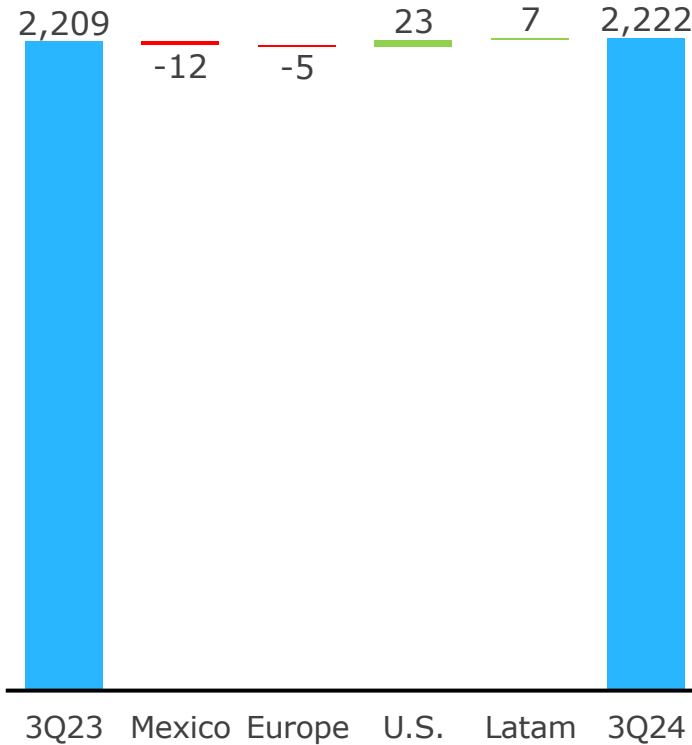
Latam

- All-time high quarterly Volume and Revenue, up 4% and 5% year-on-year, respectively
- Record third quarter EBITDA, driven by a margin expansion in Costa Rica and the Dominican Republic

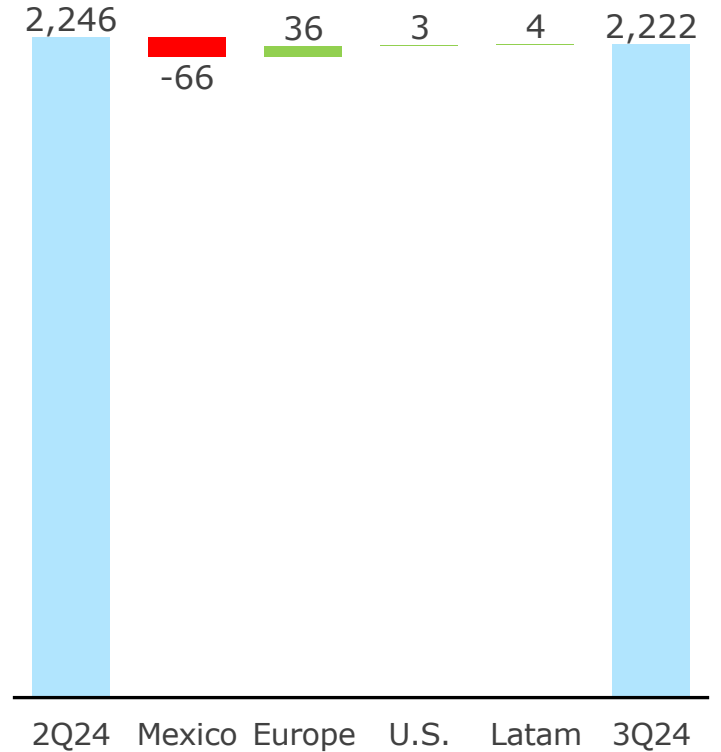
Revenues
(US \$ Million)

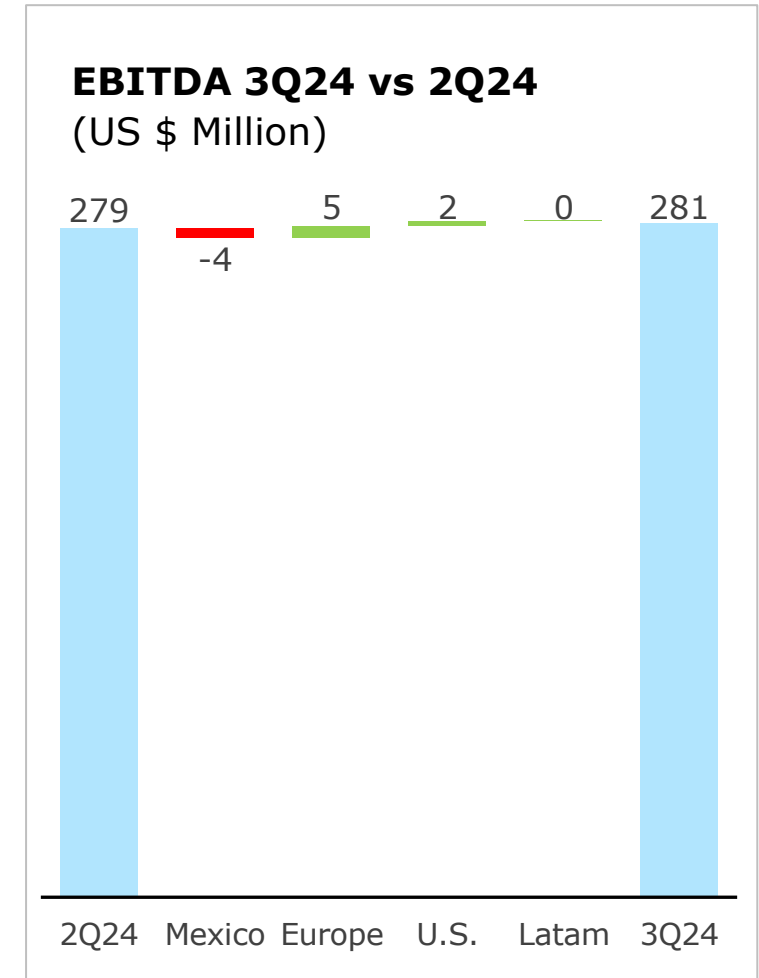
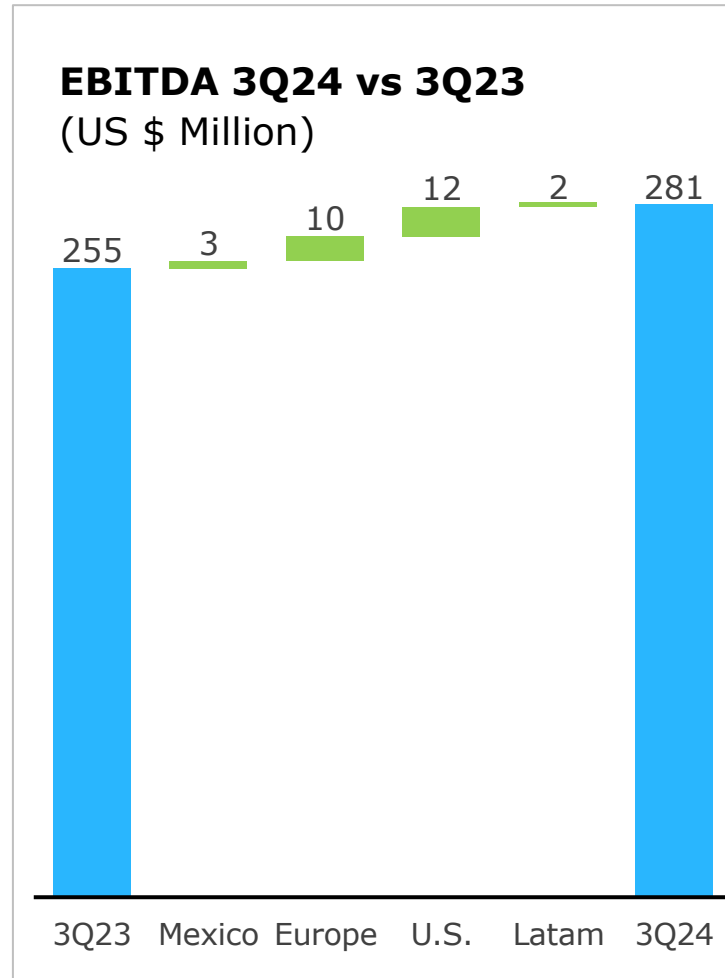
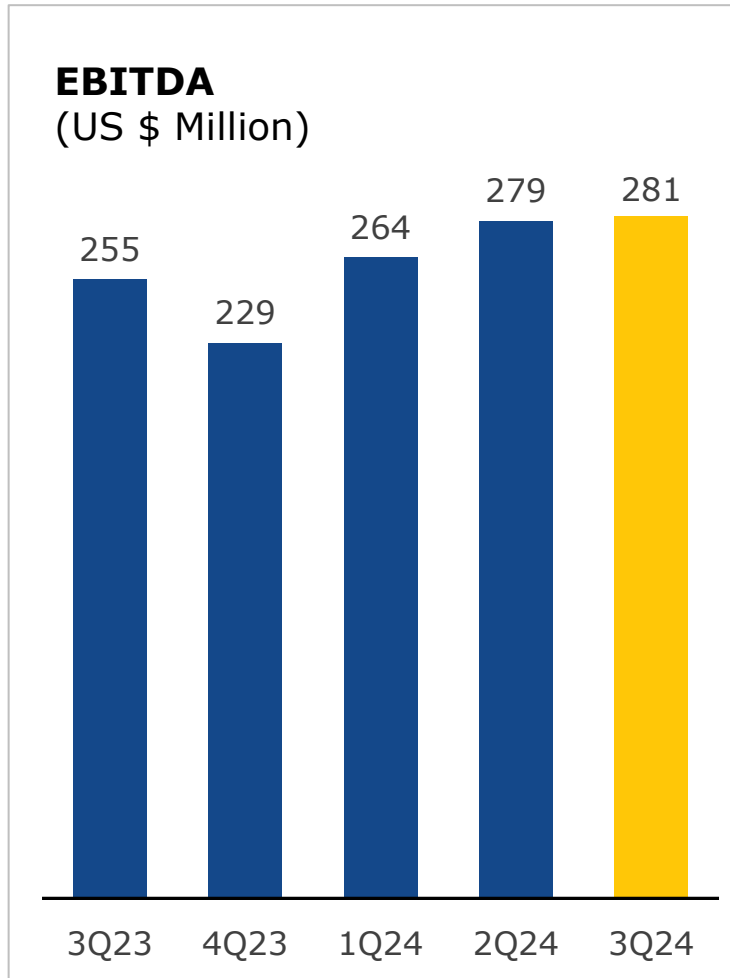


Revenues 3Q24 vs 3Q23
(US \$ Million)

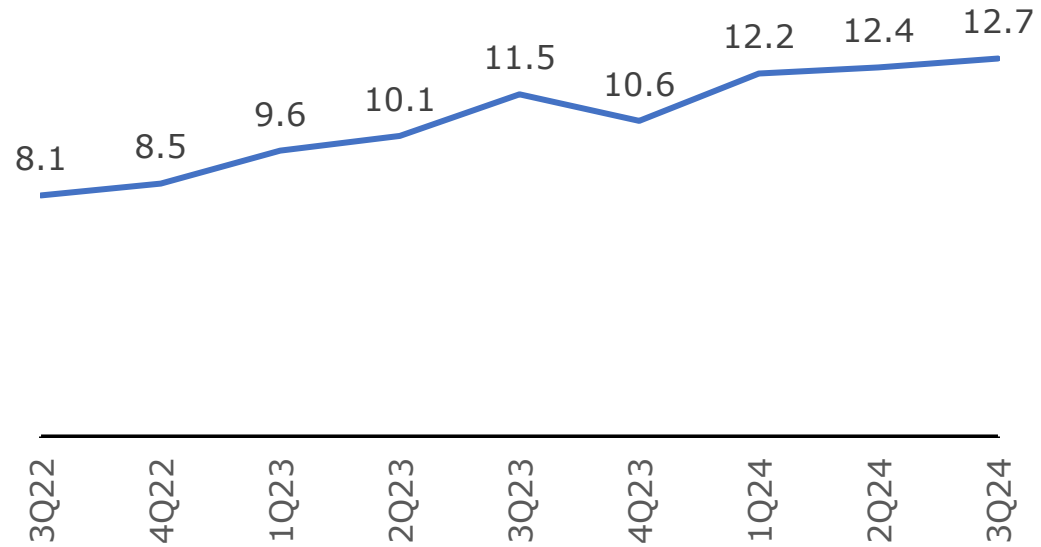


Revenues 3Q24 vs 2Q24
(US \$ Million)

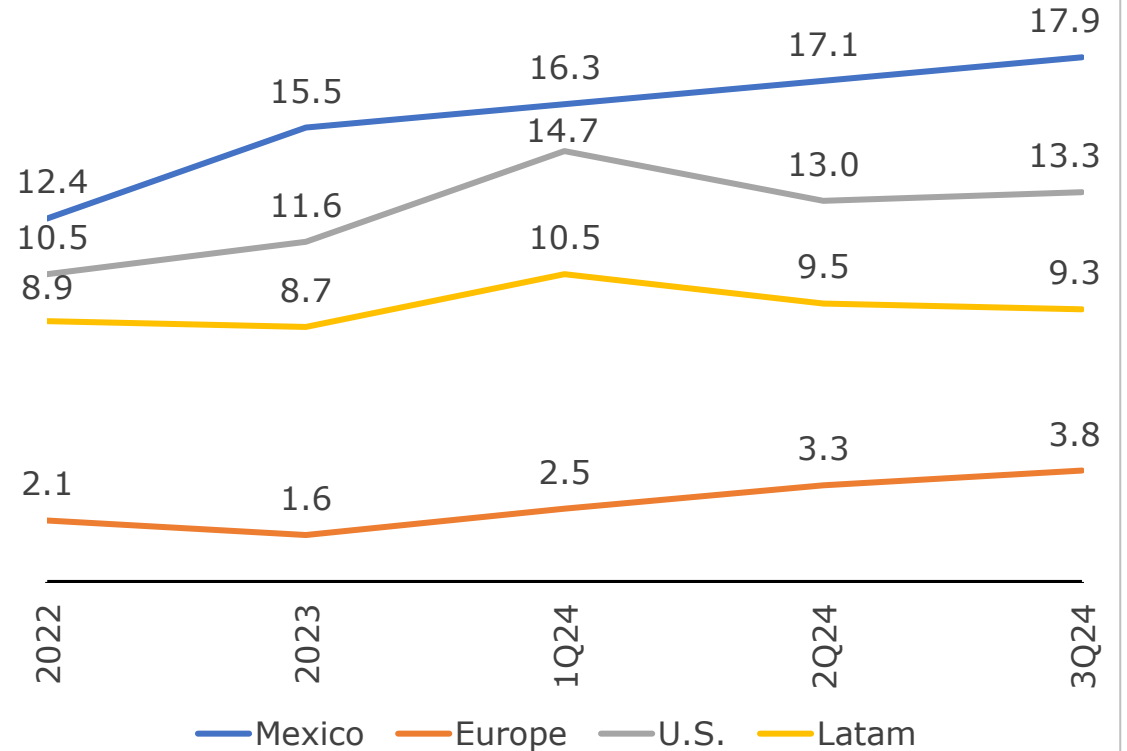




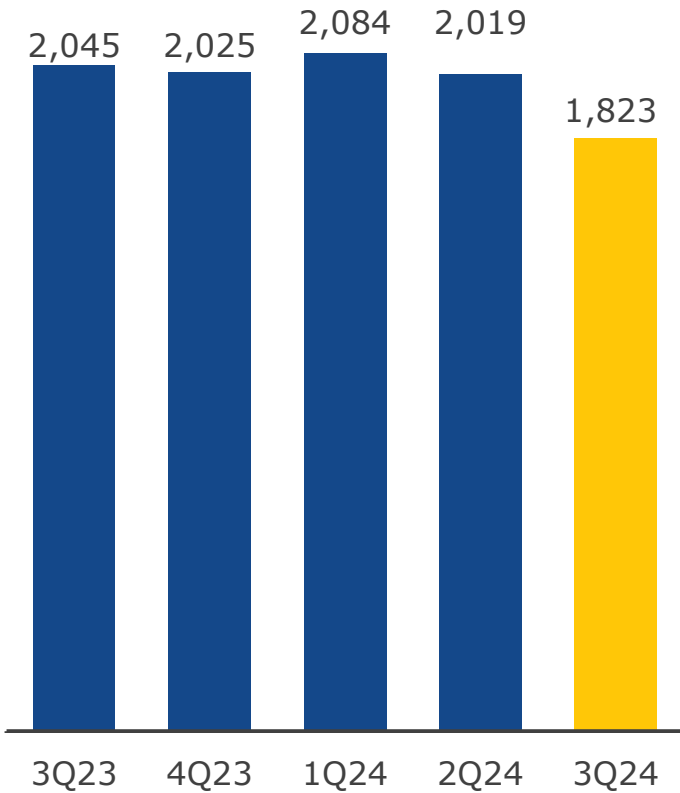
EBITDA Margin (%)



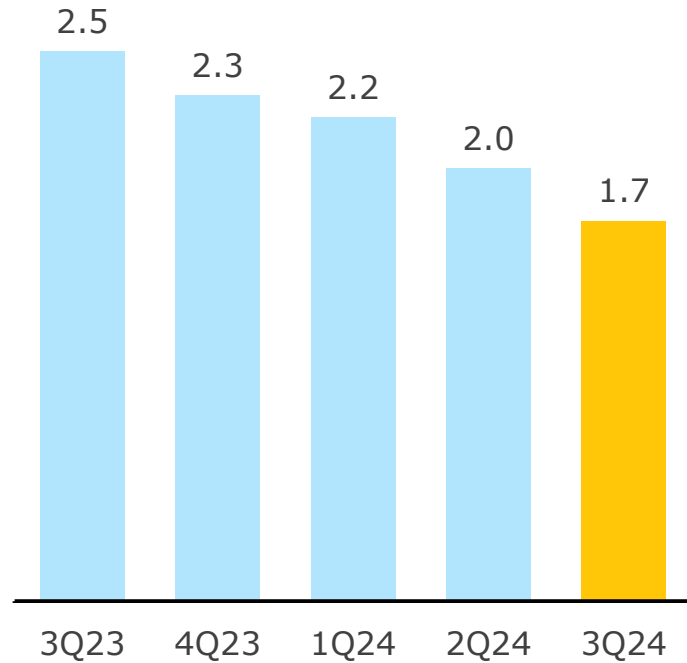
EBITDA Margin By Region (%)



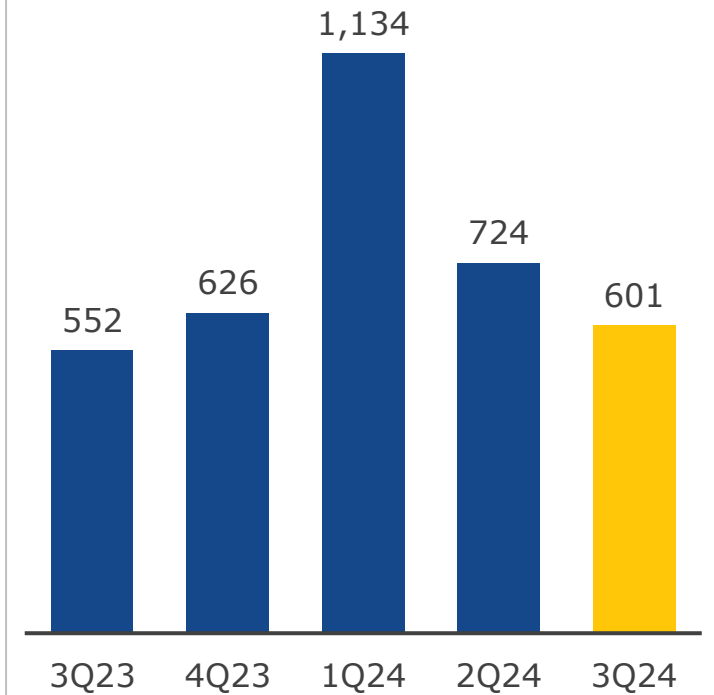
Net Debt
(US \$ Million)



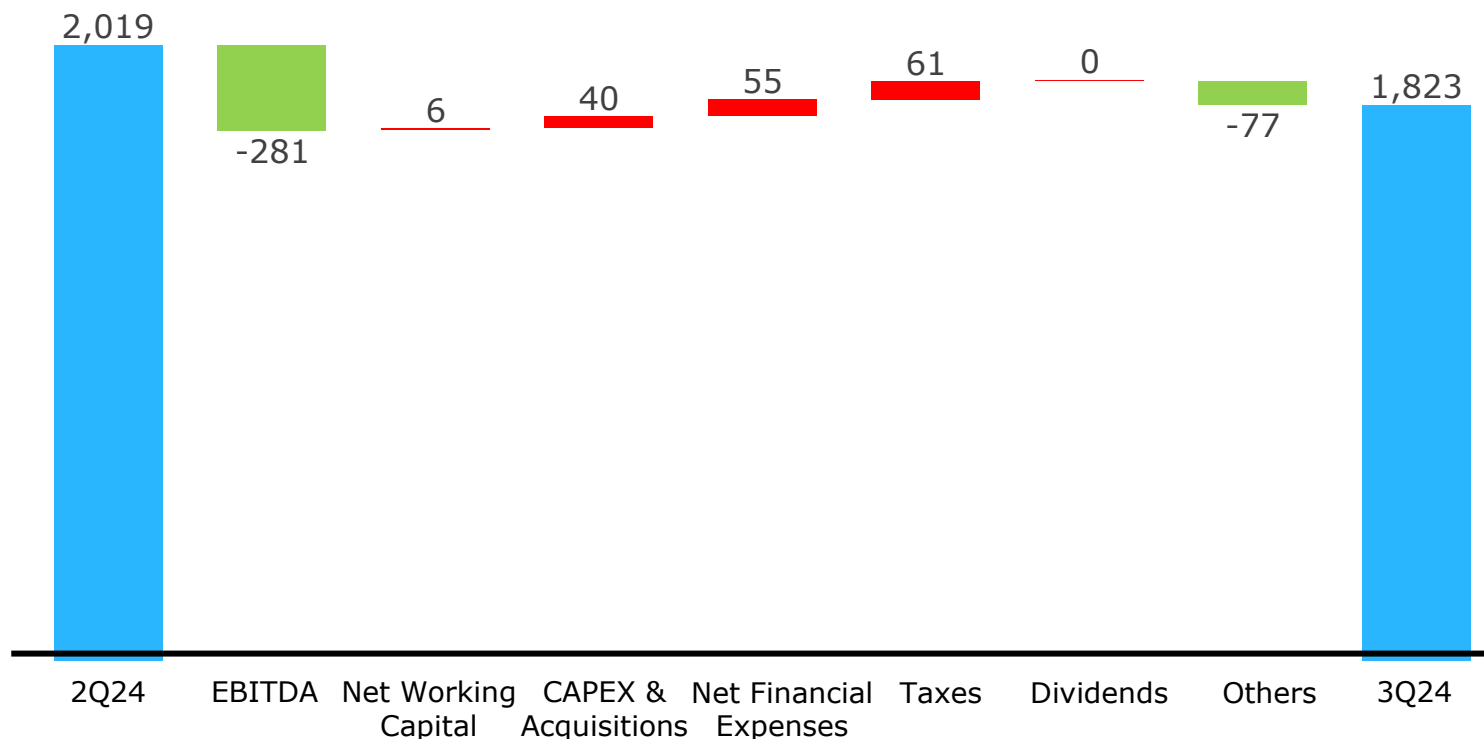
Net Leverage Ratio
(Net Debt/EBITDA)



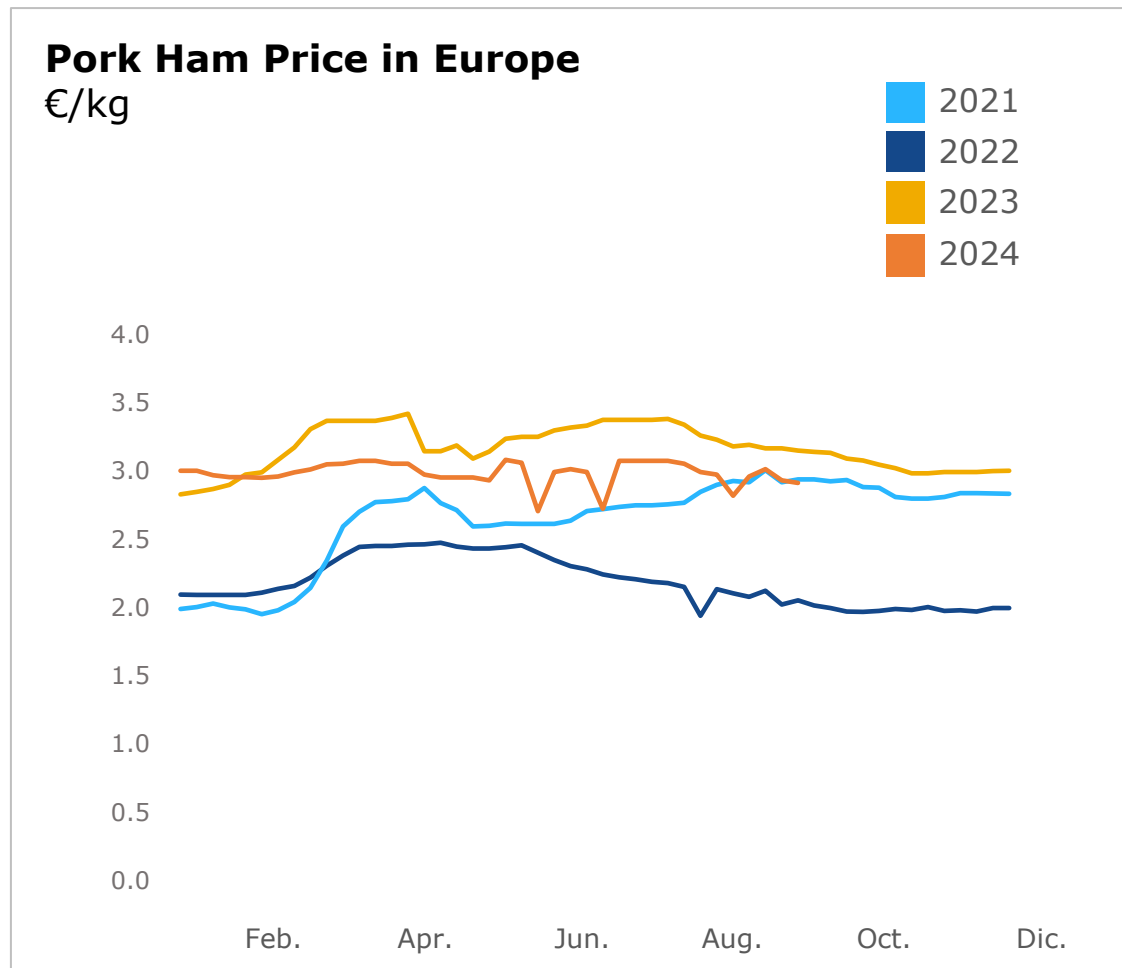
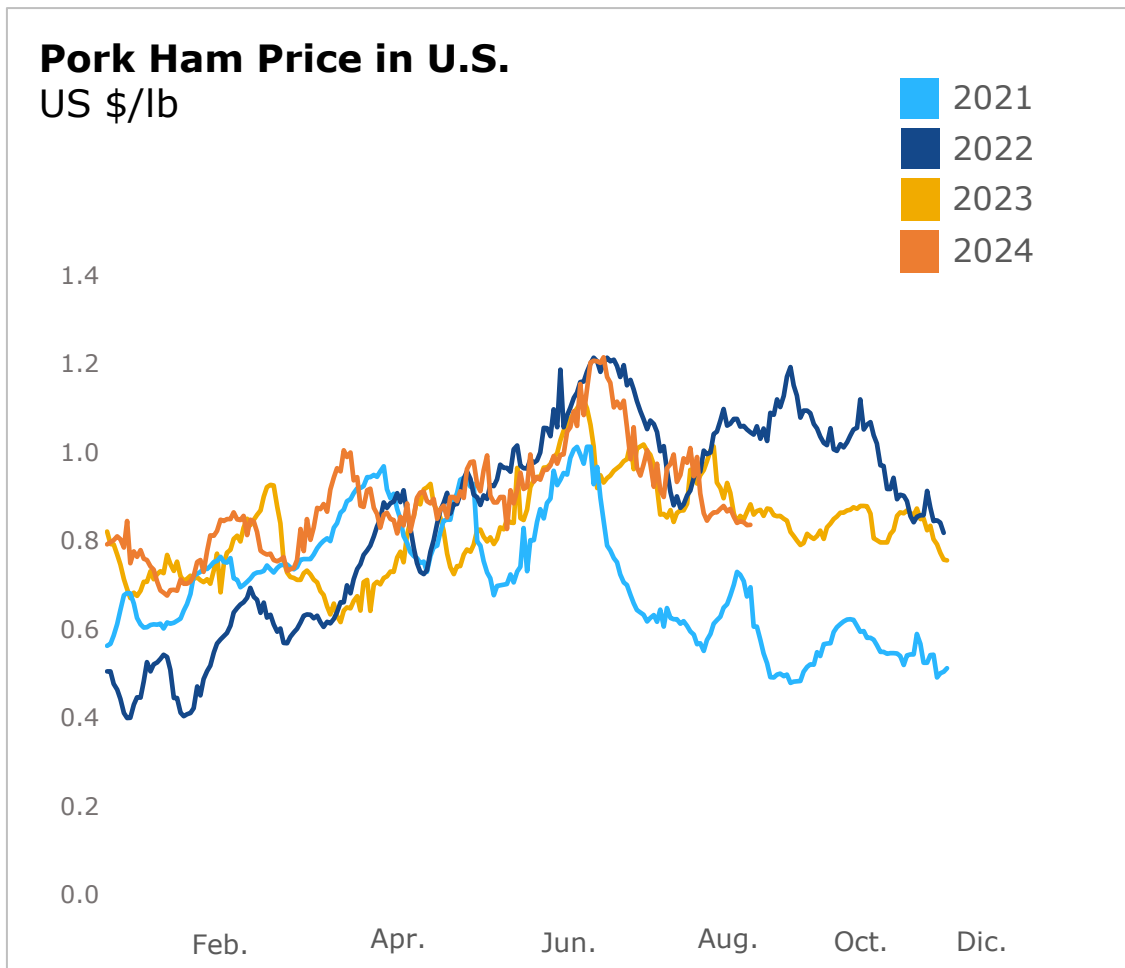
Cash
(US \$ Million)



Change in Net Debt 3Q24 vs 2Q24
(US \$ Million)

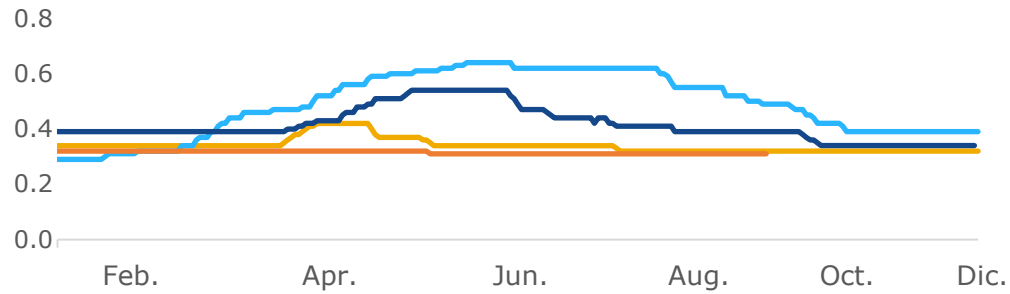


- Net Debt decreased by US \$196 million when compared to 2Q24
- "Others" include a positive foreign exchange conversion effect resulting primarily from the depreciation of the Mexican peso



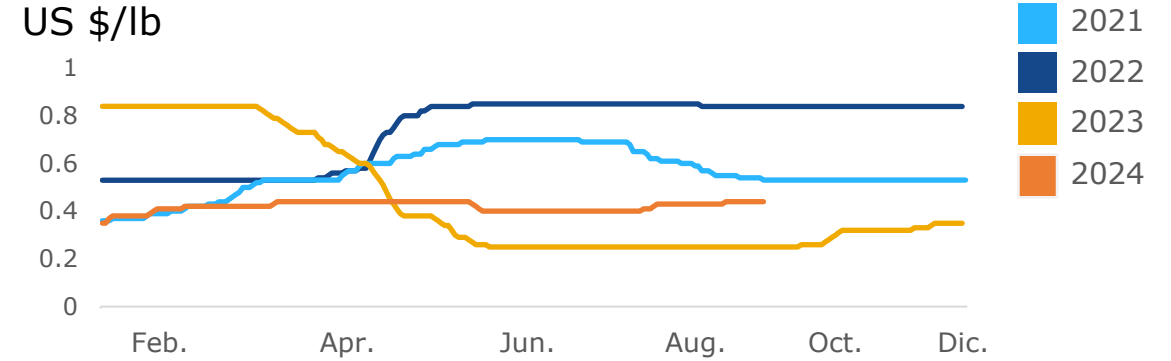
Chicken (MSC)

US \$/lb



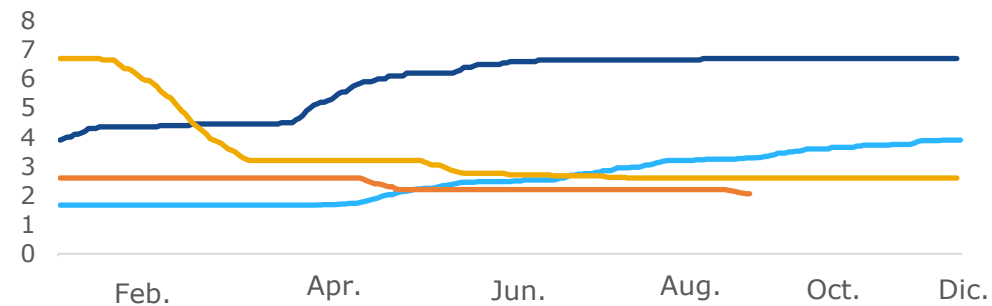
Turkey (MST)

US \$/lb



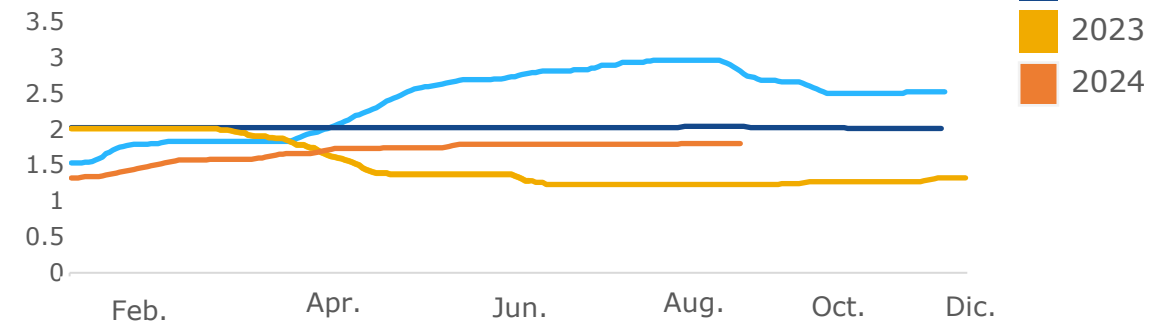
Turkey Breast

US \$/lb



Turkey Thigh

US \$/lb



Source: USA - USDA Chicken - MSC, Some Skin, 15-20% Fat, Fresh
 USA - USDA Turkey - MST, Some skin, under 20% fat, Fresh
 USA - UBDA Turkey - Breast, Young Tom, Boneless & Skinless, Fresh
 USA - USDA Turkey - Thigh Meat, Boneless & Skinless, Fresh

Growth Business Unit

- Solid year-on-year quarterly Revenue growth in various initiatives
 - Snacking- : 150%+
 - Plant-based - : 200%
 - B2C e-commerce - + : 100%
- Tastech:
 - 5th edition: record number of applications from startups in more than 40 countries. 7 pilot tests are projected to be implemented
 - Launched Tastech SCALE to accelerate high-potential startup solutions across Sigma's Organizational Units, following successful piloting

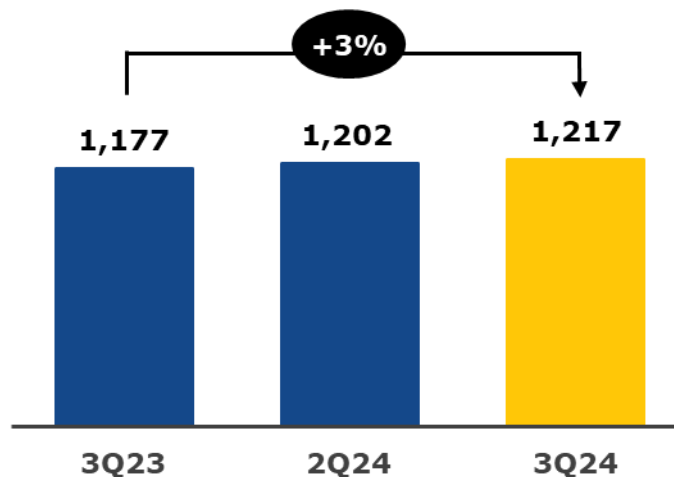
Liability Management

- Sigma prepaid US ~\$222 million from bilateral bank loans due 2027
- The source of proceeds were local notes issued during 1H24, also known as *Certificados Bursátiles*



VOLUME
1.22M TONS

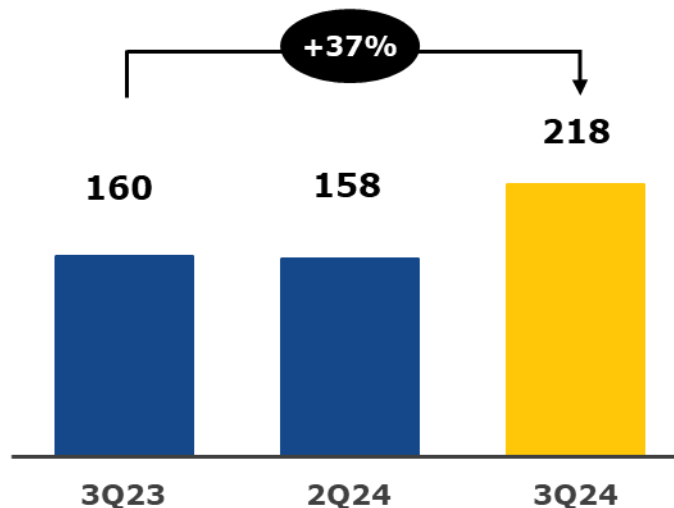
+3% YoY | +1% QoQ



COMPARABLE EBITDA

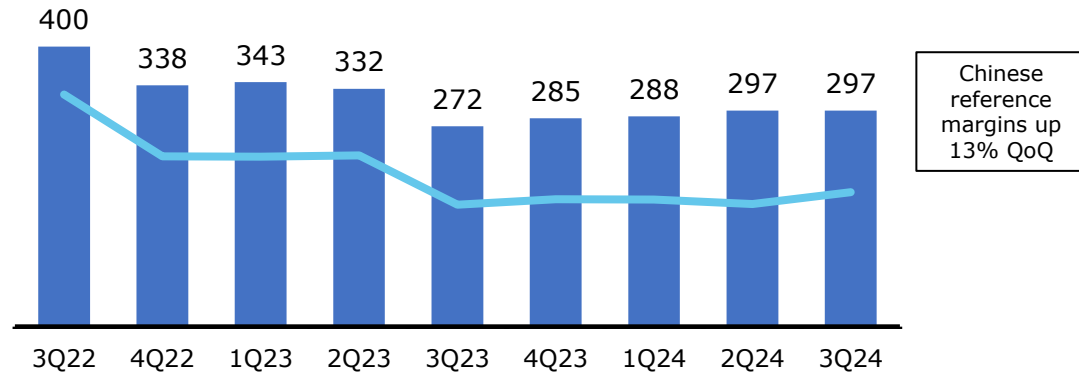
\$218M

+37% YoY | +38% QoQ

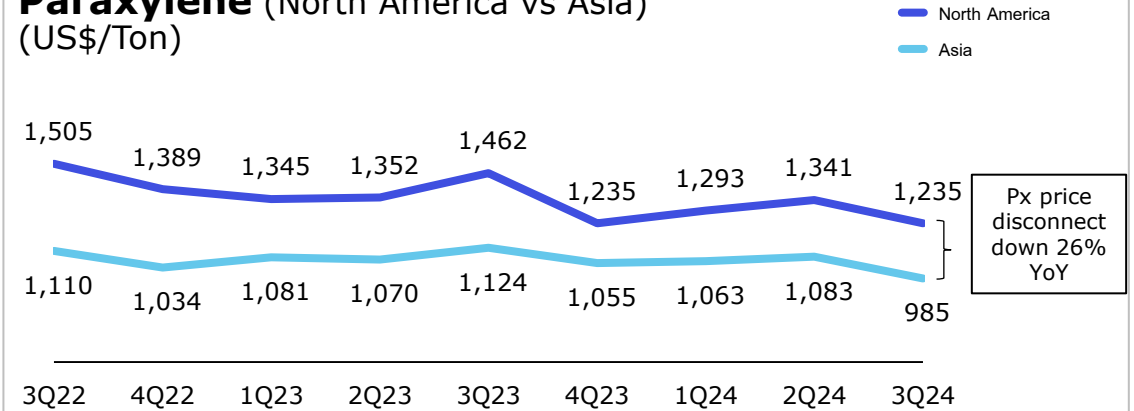


- ▶ Stable regional demand for both of its segments
- ▶ Slight reference margins expansion driven by higher ocean container freight costs
- ▶ Comp EBITDA exceeded expectations for 3Q24

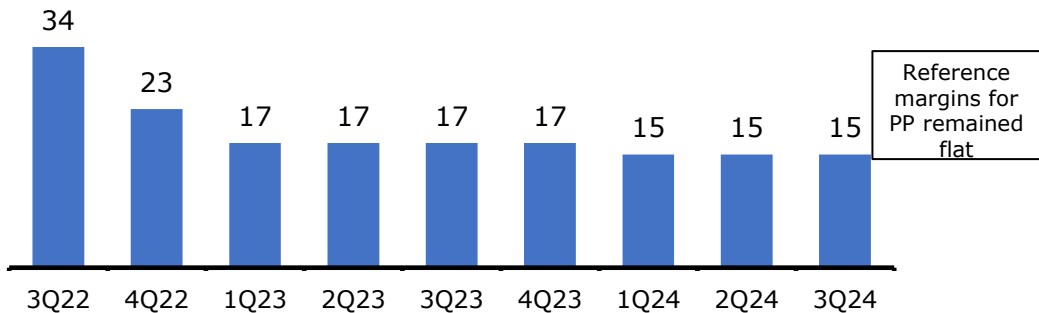
Asian Margins Px/MEG to PET (US \$/Ton)



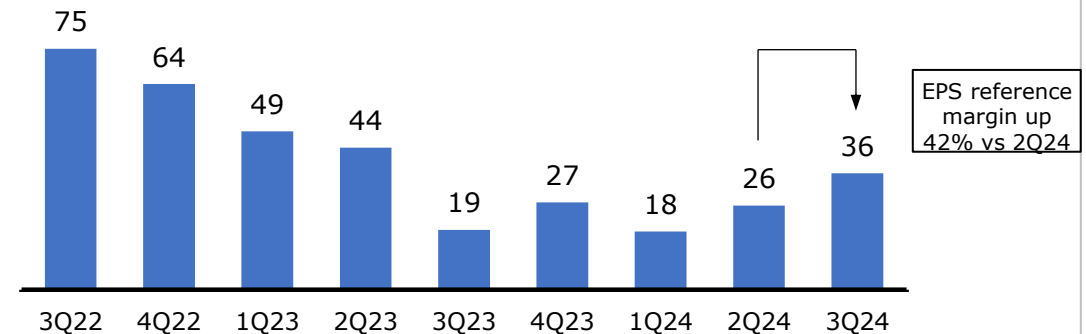
Paraxylene (North America vs Asia) (US\$/Ton)



North American Polypropylene reference margins (US cents per pound)



North American EPS¹ reference margins (US cents per pound)



1) Expandable polystyrene



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