




Sigma

Corporate Presentation



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02 Into the Future

03 Financial Results

Sigma as part of ALFA

The Sigma logo features the word "Sigma" in a red, cursive-style font. Above the letter 'i' is a yellow swoosh that curves over the top of the word.

46% of Alfa Revenues ¹
37% of Alfa EBITDA ¹



Food Products

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

The Alpek logo consists of a blue stylized icon of three curved lines to the left of the word "alpek" in a lowercase, sans-serif font. Below the name is the word "Petrochemicals" in a smaller, bold, sans-serif font.

alpek
Petrochemicals



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

The Axtel logo features the word "axtel" in a lowercase, sans-serif font, with the 'a' in blue and the rest in black. Below the name is the text "IT + Telecom" in a smaller, bold, sans-serif font.

axtel
IT + Telecom



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



(1) LTM in USD; ALFA and Subs with Nemak as Discontinued Operations. Controladora Nemak Shares were distributed to ALFA shareholders and began trading on the Mexican Bolsa on December 14, 2020

Investment Highlights

- Global food company with operations in 18 countries and products sold in ~100
- Diverse portfolio of leading brands across categories and consumer segments
- Consumer-driven innovation supported by proprietary R&D platform
- Extensive supply chain and distribution network with access to 645K+ points of sales
- Balanced Culture: results driven and human-centered
- Global Growth Business Unit with attractive upside opportunity
- Experienced management team with average tenure of 22 years



Multinational Presence, Local Favorites

18

Countries

100+

Brands

645K+

Points of Sale

1.7Mn.

Tons of Food / Year

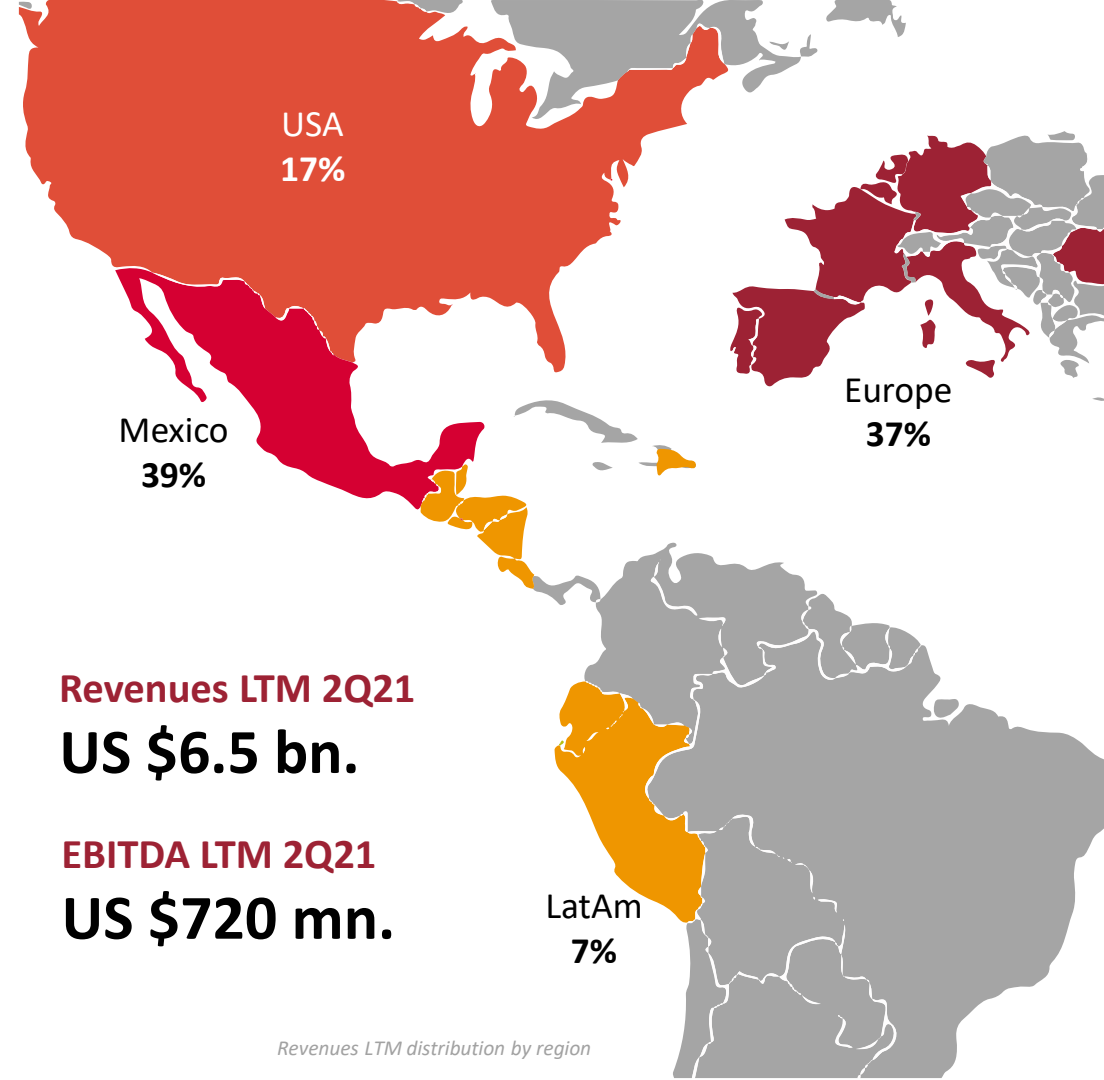
6.5Bn.

Net Sales LTM 2Q21



bringing communities everywhere
favorite foods to love.





Cooked Meats
57% of Net Sales



Dairy
19% of Net Sales



Dry Meats
17% of Net Sales



Other Categories
7% of Net Sales

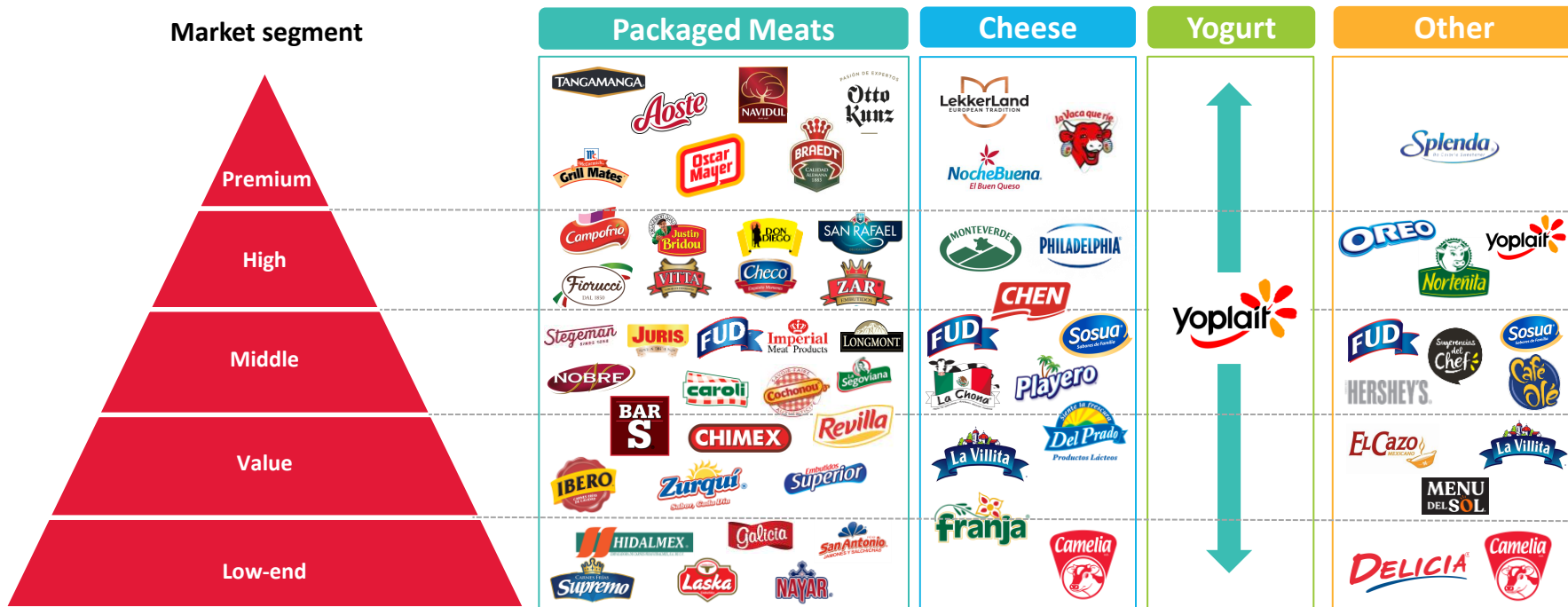
Leading brands across markets, categories and consumer segments



● 11 Brands with Net Sales over US \$100 mn.

Leading brands across categories and consumer segments

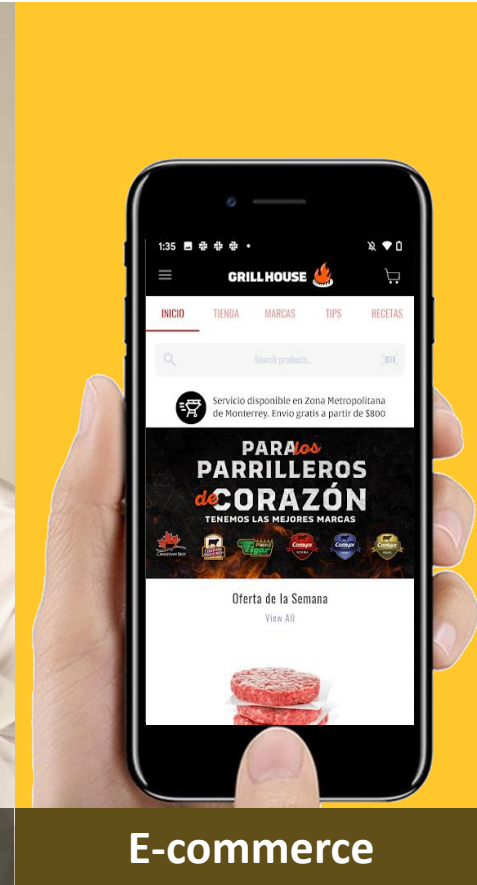
Our broad portfolio helps us capture demand and top line growth across different market segments



8% of our revenues come from licensed brands⁽¹⁾

(1) Includes the distribution of recognized third party brands such as Yoplait®, Oscar Mayer®, Grill Mates®, among others

Multiple channels to reach consumers



A unique story of transformation: Growth + Profitability

Net Sales
(US\$ Bn.)

Countries

Facilities

Employees

Net sales breakdown
By geography By category

Europe Mexico
USA Latam

Cooked Meats Dairy
Dry Meats Other

National Leadership

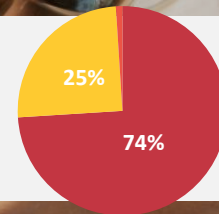
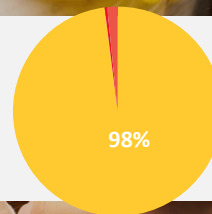
2000

\$0.8

4

8

12,500+



International Expansion

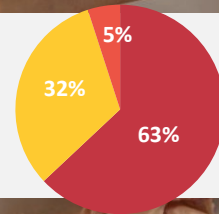
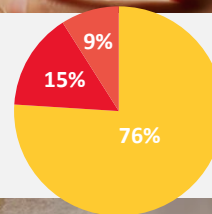
2010

\$2.6

9

34

29,000+



Glocality

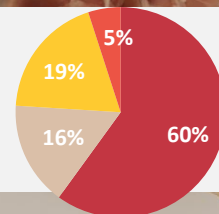
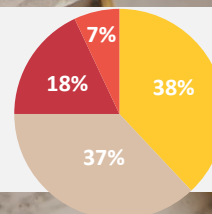
2020

\$6.3

18

70

43,000+



Extensive supply chain and distribution network



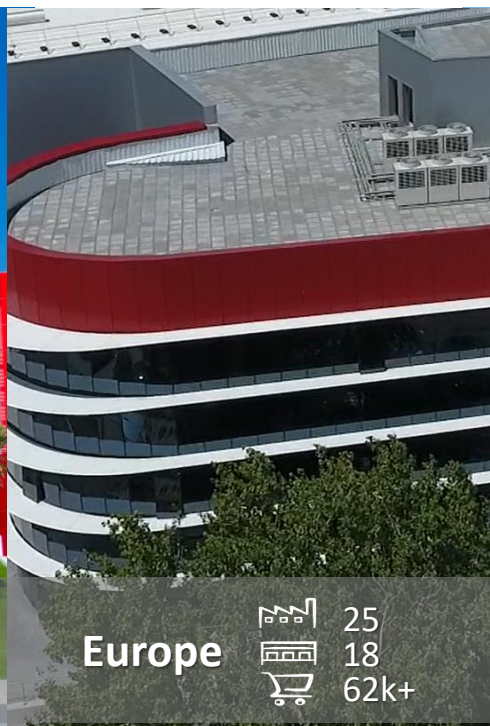
70 Manufacturing Facilities



210 Distribution Centers



645K+ Points of Sale



Manufacturing Facilities



Distribution Centers and Warehouses



Points for sales





Consumer centric innovation supported by proprietary R&D platform

Consumer Research

260,000+ Contacts / year

Proprietary Mathematical Models

Iterative innovation process based on Design Thinking

1,400+ New Product Launches in the last 36 months

10% Revenue from New Product Launches

R&D

Specialized Facilities

200+ Specialists

50+ patents



Diverse Workforce

60+
Nationalities

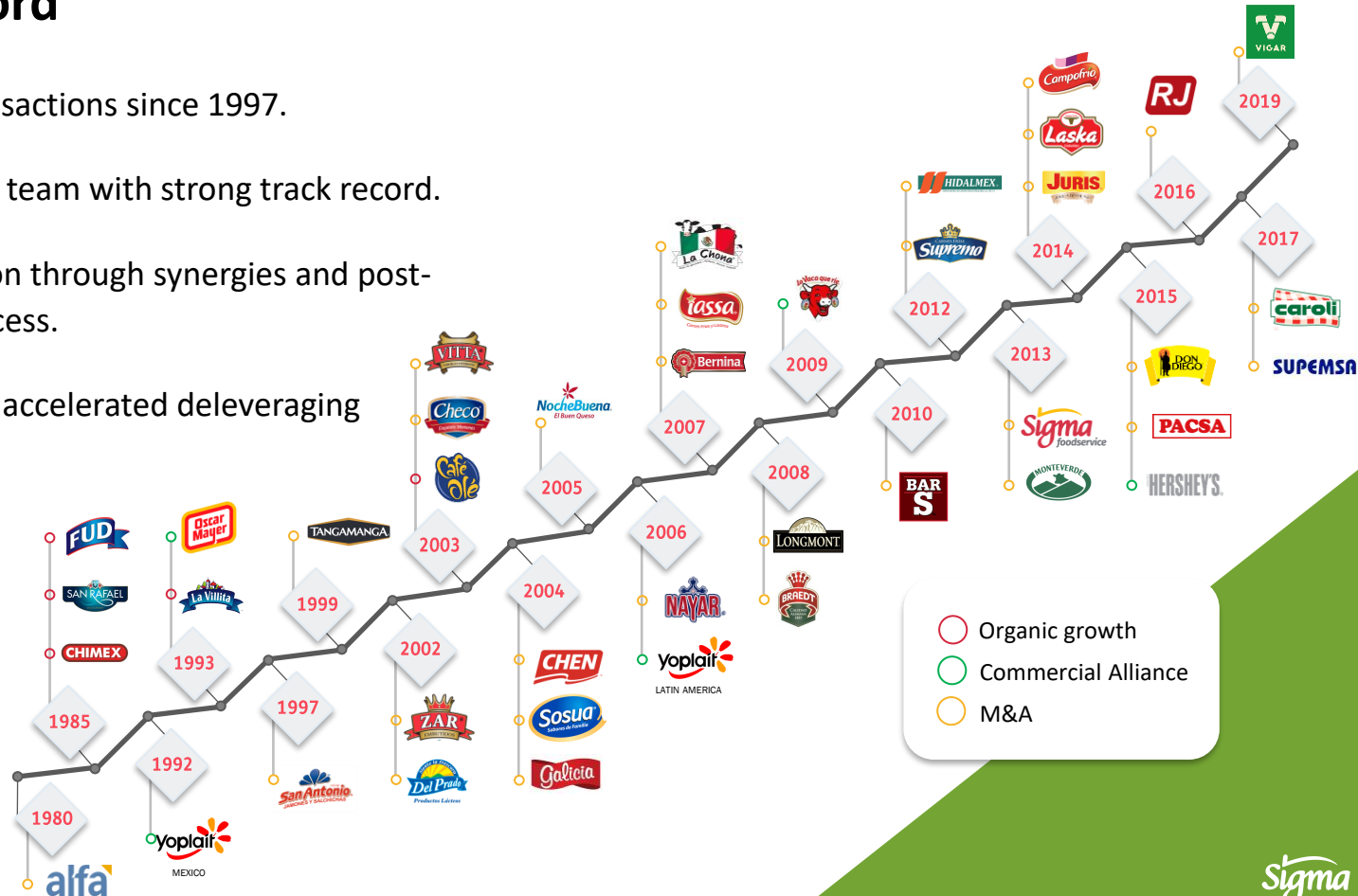


44,000+
Employees



M&A Track Record

- 30 successful M&A transactions since 1997.
- Experienced, dedicated team with strong track record.
- Significant value creation through synergies and post-merger integration process.
- Financial discipline and accelerated deleveraging capacity.



Experienced Management Team

Proven top management with an average of 22 years of experience across business areas

CEO

Rodrigo Fernández
President & CEO
MBA Wharton

22

Business units

Eugenio Caballero
CEO Mexico
MBA Harvard

19

Ricardo Doehner
CEO Europe
MBA Michigan

24

Warren Panico
CEO USA
MBA Columbia
Pacific University

24

Sergio Ramos
CEO Latin America
MBA University of
Texas at Austin

33

Armando de la Peña
CEO Foodservice
Executive Programs

19

Central functions

Roberto Olivares
CFO
MBA Duke

13

Gregorio de Haene
CTO (Innovation,
Sustainability and R&D)
MBA ITESM

39

Ernesto Gómez
CHRO
Executive
Programs


20

Alejandro Suárez
CIO
Master in Operations
George Washington

30

Daniel Alanis
CGO
MBA & Msc.
Mechanical Engineering
University of Michigan

1

 Years in the company



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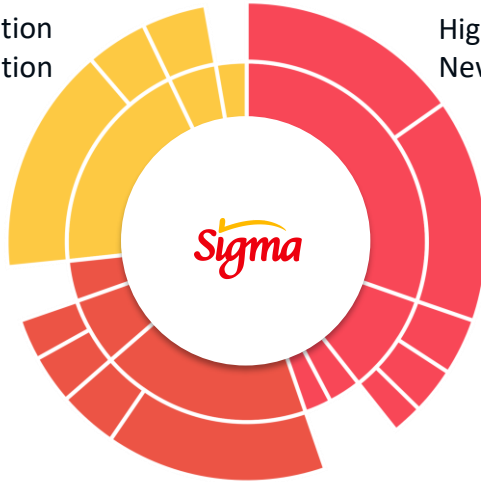
Into the Future

Mid-to-high single-digit target organic growth, boosted by M&A opportunities.

Going forward, we are focusing on 3 pillars:

Growing the core

Consumer Insights, Execution
and Optimization



New sources of revenue

High Potential Opportunities Global
New Categories and Business Models

Strengthening the organization through enablers

Improve the way we think, work and interact



Grow the Core

Through the years we have developed a **successful business** that we continue to strengthen through:

- **Deep consumer knowledge, innovation, and brand equity** to exceed changing consumers' needs.
- **Execution with excellence and efficiency** to deliver a winning value proposition.
- **Margin Expansion** based on revenue growth, cost-saving initiatives, portfolio optimization, and leveraging on scale.



Margin Expansion in Europe: Double-Digit 2025 Target

Footprint Optimization



- Increase capacity utilization
- Restructure end-to-end supply chain
- Remove less-profitable SKUs
- Flexibility through technology substitution

Strategic Initiatives



- Adjacent categories and white-spaces
- New channels
- Snacking and Plant-Based
- Leverage existing capabilities

International Business Unit



- Focus on high-margin markets
- Tailored products as a winning proposition

New Sources of Revenue: High Potential Opportunities

Cross-fertilization to attend high-value-opportunities identified in each region:

- Chorizos, Spreads, etc.



- Lunch Meats, Sausages, Foodservice, etc.



- Traditional Channel, Foodservice, etc.



- Ready Meals, Dry Sausages, Fresh Meat



New Sources of Revenue: Growth Business Unit



What is *Growth BU*?

Independent BU focused on building new categories and business models. Autonomous to ensure flexibility, and with access to Sigma's capabilities.

- Cross-functional global team + local champions
- Rapid iteration; low-cost experiments
- Leveraging internal and external resources
- Reward productive failures
- Entrepreneurial and Agile skills
- Linked to startup ecosystem

New Sources of Revenue: Growth Business Unit

Global Categories



Snacking & Plant Based

New Business Models



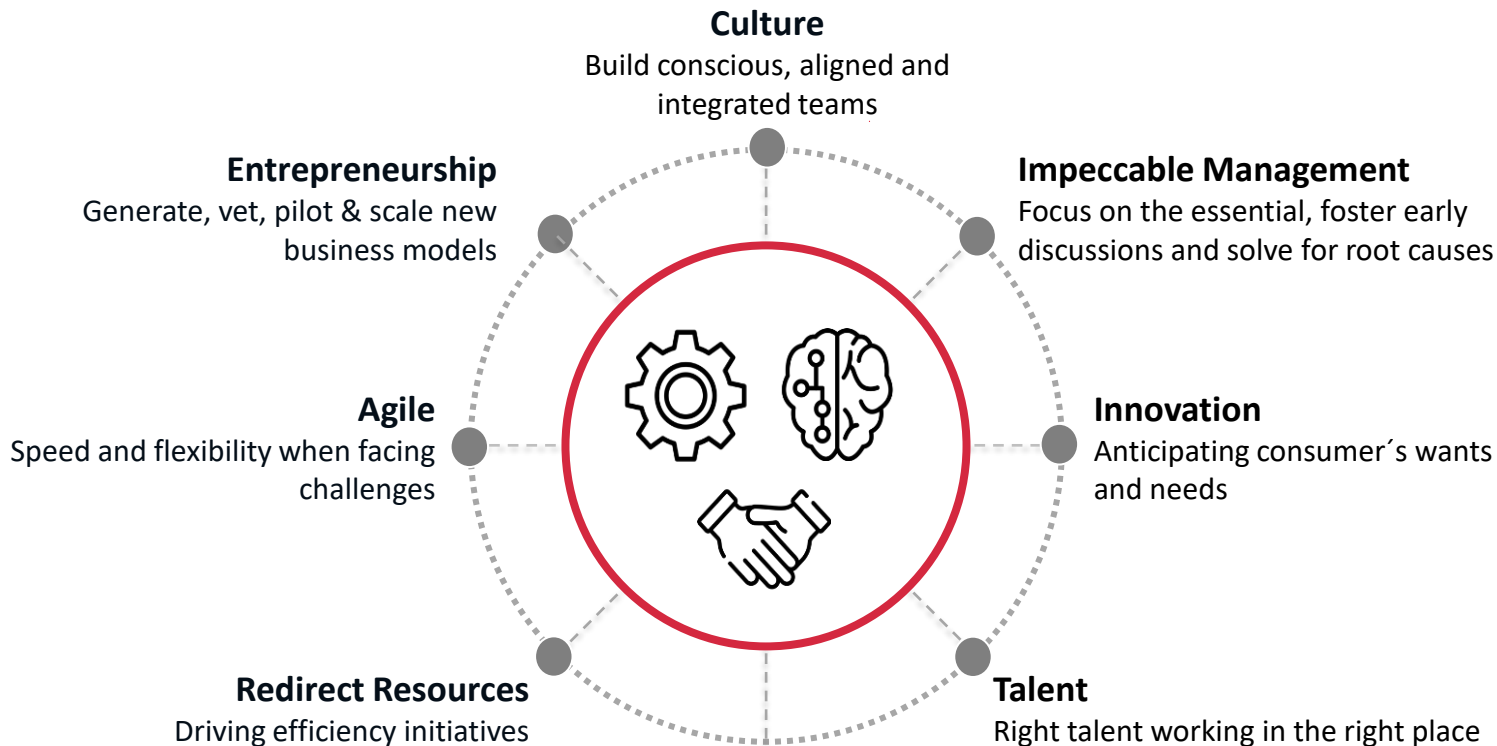
Leveraging on expertise and current capabilities

Entrepreneurial Ecosystem



Acceleration program aimed at startups and scaleups worldwide

Strengthening the organization through enablers



The way we
think



The way we
work



The way we
interact

Sustainability



A landscape photograph showing a series of wind turbines on a rolling green hill. The sky is filled with large, dramatic clouds. A dirt road winds through the grass. The turbines are white with three blades each, and they are spaced out across the hillside.

GRI

Methodology in
Sustainability Reports

BSD

Responsible Sourcing
Assessment Program

 **CDP**

Environmental Rating +
Supply Chain Program

 **Project Gigaton**

Carbon Emission
Reduction Program

 **2025
SUSTAINABILITY
COMMITMENTS**

Aligned with the
United Nation's SDGs



Read the
report
now



Read the
report
now

SUSTAINABILITY REPORT 2020

Health and safety

The wellbeing of our employees is priority

Agility in the face of uncertainty

Since the beginning of the pandemic, our priority has been safeguarding the health and wellbeing of our employees while ensuring the continuity of our operations.

To readily adapt to the changing environment, we have strengthened the health and safety of our employees around the world.

During 2020, the risks committee met constantly to monitor and proactively design its action plan for health and protecting the health and safety of our employees and their families, as well as prioritizing energy.

More than 100 health and safety professionals are working to ensure the health and safety of our employees and their families, as well as prioritizing energy.

Biofriendly packaging

We incorporate principles of a circular economy in the production of our packaging

Global Sustainable Packaging Strategy

In 2020 we took an important step towards reaching our goal to ensure the highest quality of our products while also reducing the environmental impact of our packaging. We have implemented a comprehensive packaging strategy to ensure the use of biofriendly packaging across our operations.

Through this strategy, a key objective was to incorporate circular economy principles in the design and production of our packaging. In 2020, we achieved a 36% reduction in the use of virgin plastic for a total of 3,500 metric tons avoided since 2019.

- #### Lines of action of our Global Sustainable Packaging Strategy:
- 1 Reduce the use of plastic in packaging
 - 2 Increase the percentage of recycled plastic
 - 3 Eliminate components or layers in packaging
 - 4 Select for and employ materials that are recyclable and biodegradable
 - 5 Use biodegradable plastics
 - 6 Use materials that are recyclable and biodegradable



Our biofriendly packaging

Producing packaging from renewable resources, such as corn, reduces the carbon footprint of our packaging. This, combined with the use of biodegradable plastics, allows us to generate energy savings.

Producing packaging with recycled materials reduces the carbon footprint of our packaging. This, combined with the use of biodegradable plastics, allows us to generate energy savings.

In Europe, we employ 100% recycled plastic in our glass packaging.

In our product line, we have more than 100 products that we have been able to convert to biodegradable packaging.



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Healthy lifestyles

We promote among our employees the importance of maintaining a healthy lifestyle through a balanced diet, stress management, continuous physical activity, and mental health. These practices help to improve work, reduce absenteeism, and prevent health risks. We also offer health insurance to our employees.

In 2020, we focused our efforts on making these practices more accessible to our employees. We implemented various initiatives, including: promoting physical activity through virtual challenges, providing mental health support through virtual counseling, and offering health insurance to our employees.

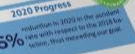
Overall, in some locations we achieved a 10% reduction in absenteeism, a 15% increase in physical activity, and a 20% increase in mental health support. These results demonstrate the effectiveness of our initiatives and our commitment to the health and wellbeing of our employees.

Safe operations

We promote among our employees the importance of maintaining a healthy lifestyle through a balanced diet, stress management, continuous physical activity, and mental health. These practices help to improve work, reduce absenteeism, and prevent health risks. We also offer health insurance to our employees.

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SUSTAINABILITY REPORT 2020

Ofrecemos confianza a nuestros clientes

Encomendados con confianza a nuestros clientes de mayor prestigio y servicio personalizado

Relaciones a largo plazo

En conjunto con nuestros clientes, elegimos a más de 60,000 puntos de venta en más de 100 países. En conjunto con los clientes, elegimos a más de 60,000 puntos de venta en más de 100 países. En conjunto con los clientes, elegimos a más de 60,000 puntos de venta en más de 100 países.

Creando relaciones de largo plazo con nuestros clientes y con los proveedores de los productos que ofrecemos, logramos resultados excepcionales. A través de nuestros canales de comunicación, ofrecemos un servicio personalizado y de alta calidad. Ofrecemos un servicio personalizado y de alta calidad. Ofrecemos un servicio personalizado y de alta calidad.

Programa Cliente Excelente

El Programa Cliente Excelente implementado desde 2014 es un modelo replicable a nivel mundial que garantiza el éxito de los clientes de valor agregado, incluyendo soporte, servicio y programas.



Sustainability

Recent developments:

- Sigma Published the 2020 Sustainability Report, providing detailed information on Sigma's Sustainability Strategy and progress on the 2025 Sustainability Goals
- Sigma donated more than 600 tons of food during 2021, accumulating more than 18,900 tons donated since 2015.
- The Global Code of Conduct, Environmental, Social and Governance Policy, Nutrition Policy, as well as Harassment and Discrimination Prevention Policies are now public at Sigma's website.
- Visit Sigma's sustainability web page for more information





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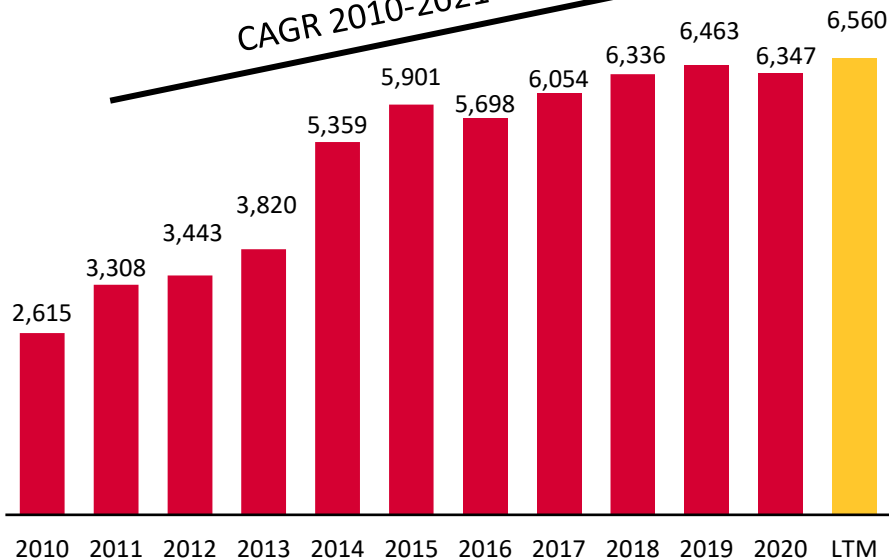
03 Financial Results

Financial Results

US \$ millions

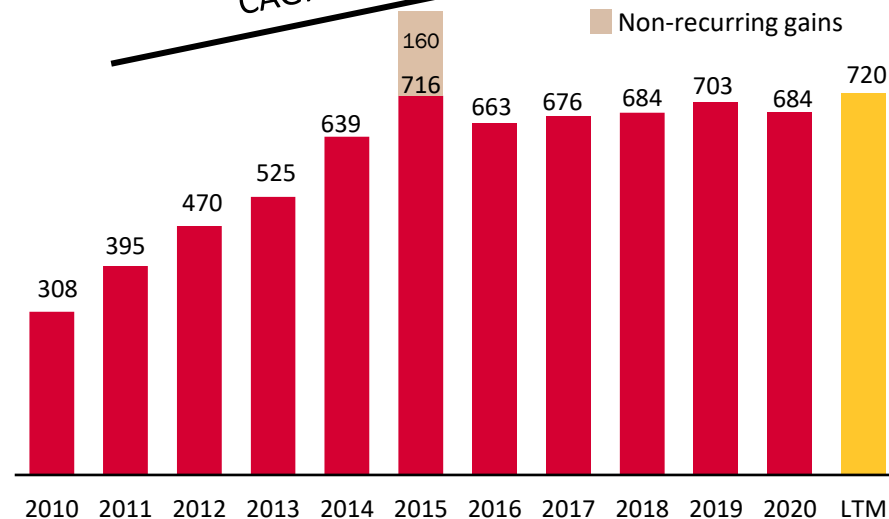
Net Sales

CAGR 2010-2021*: 9.1%



EBITDA

CAGR 2010-2021*: 8.4%



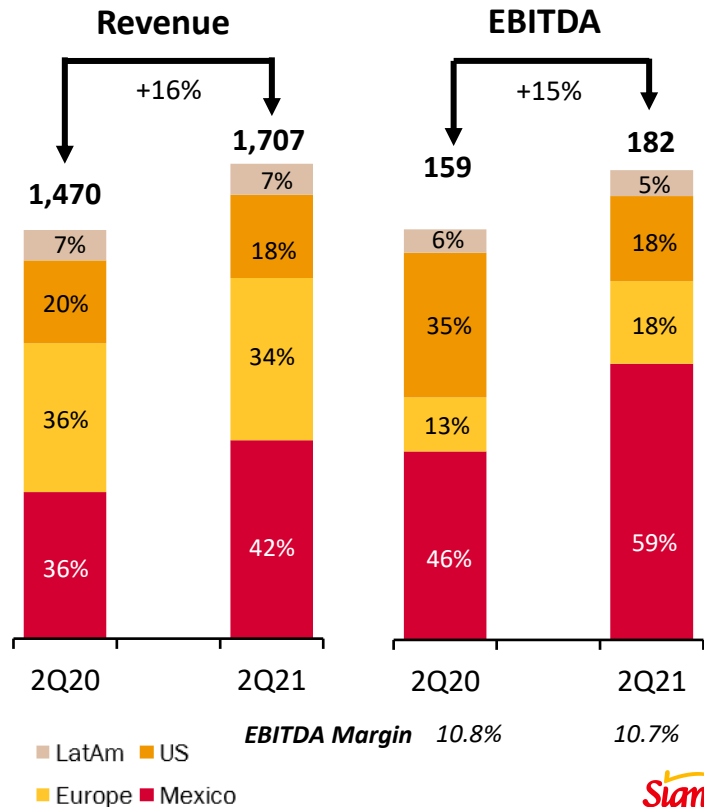
*Last Twelve Months as of 2Q21

Financial Results

US \$ millions

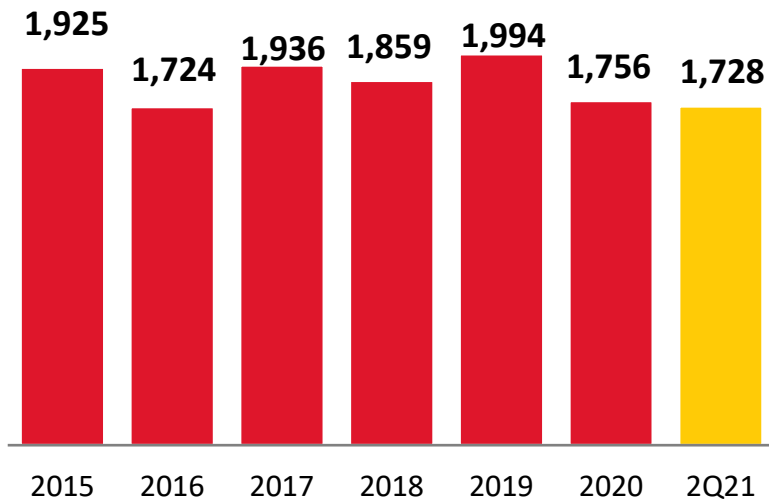
2Q21 Highlights

- Record 2Q Revenues and EBITDA supported by revenue management and expense savings initiatives
- Better-than-expected Foodservice channel recovery boosts EBITDA
- Raw material costs pressure partially offset by 5% average price increase in local currency
- Net Leverage of 2.4x supported by solid operating performance
- Paid US \$51 million dividend during 2Q21

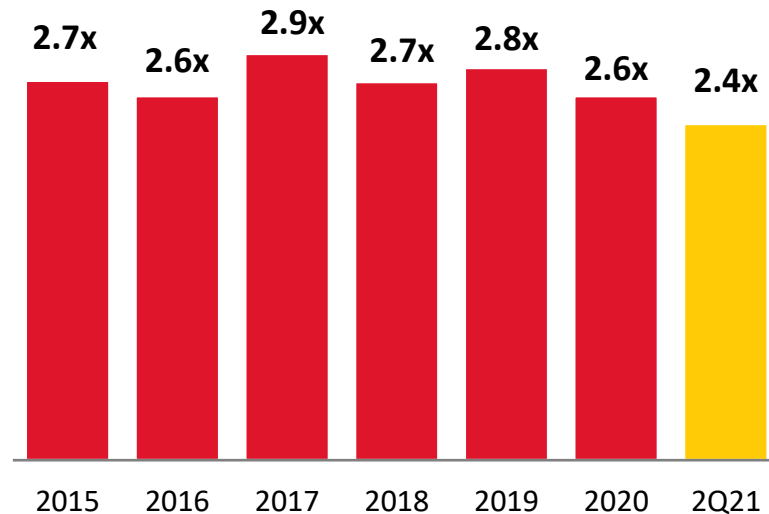


Financial Position

Net Debt



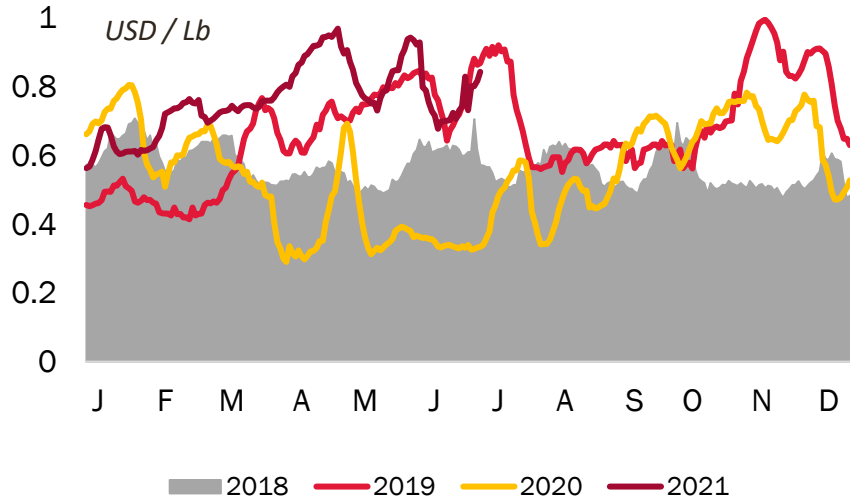
Net Debt / EBITDA⁽¹⁾



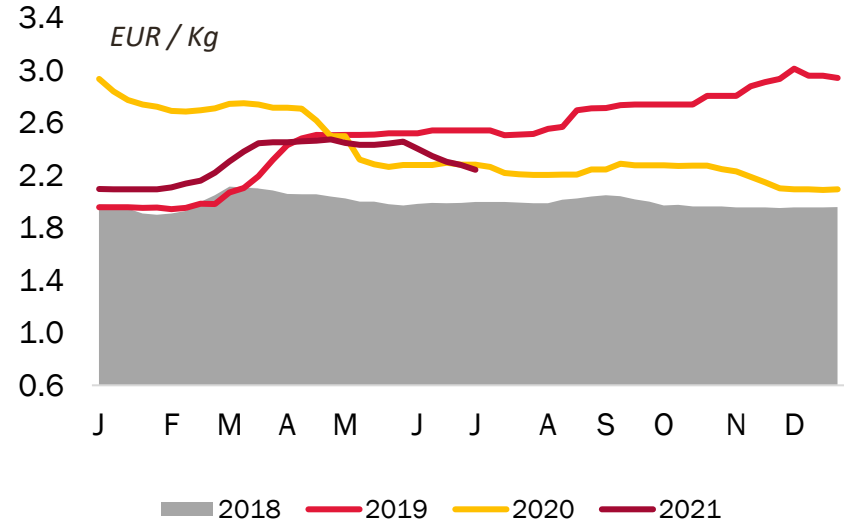
(1) EBITDA excludes US\$ 160 million from property damage insurance compensation

Key raw materials – Pork Ham Price

Pork Ham Price – USA



Pork Ham Price – Europe



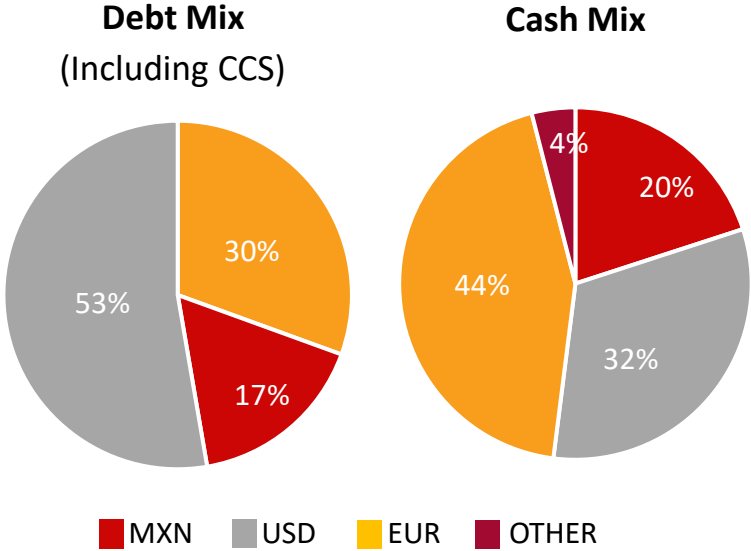
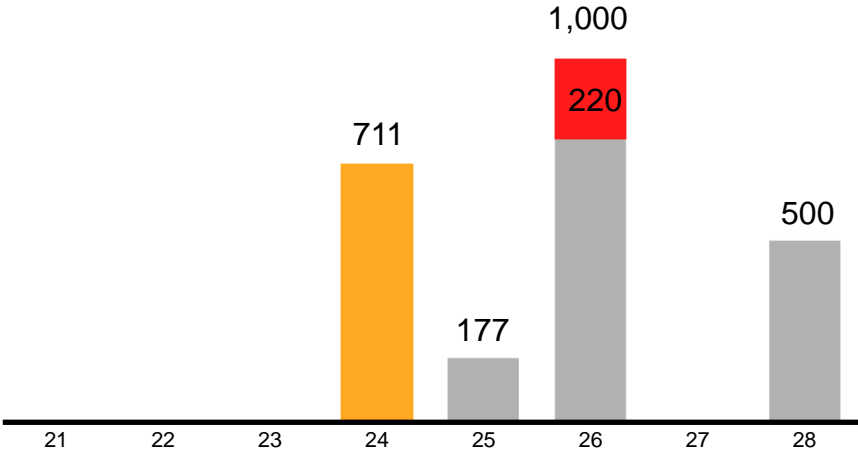
Sources:

Americas – USDA PM Ham, 23-27# Trmd Sel Ham, FOB Plant (Urner Barry)

Europe – Average of Bone In Ham Spain prices (Mercolleida and Barcelona Cuts Market), France prices (MPB and Rungis) & Germany (AIM and Hamburg Cuts Market)

Debt Profile

Average life: 4.6 years
Average rate: 4.32 % (including CCS)



A detailed photograph of a gourmet charcuterie board. The board is set on a dark wooden surface and includes a variety of meats: sliced salami on a wooden cutting board, prosciutto wrapped around cheese, and small bread slices topped with spreads. There are several types of cheese, including a round of soft cheese with a herb garnish, a wedge of hard cheese, and a blue cheese. Accompaniments include cherry tomatoes, a sprig of rosemary, a bowl of olives, and a bowl of a dark, textured spread. In the foreground, there are two cheese knives with wooden handles. The overall lighting is warm and focused on the food.

Sigma

www.sigma-alimentos.com

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