



  
**Sigma**

Corporate Presentation 4Q22



## **Content**

### **01 Sigma at Glance**

### **02 Into the Future**

### **03 Financial Performance**

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# 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.

44% of Alfa Revenues <sup>1</sup>  
48% of Alfa EBITDA <sup>1</sup>

Food Products

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

(1) LTM in USD; ALFA and Subsidiaries

The Alpek logo consists of a blue stylized icon resembling a flower or a cluster of lines to the left of the word "alpek" in a lowercase, sans-serif font.

Petrochemicals



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



axtel  
IT + Telecom



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



# Investment Highlights

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- Diverse portfolio of leading brands across categories and consumer segments
- Proprietary R&D platform to drive Product Innovation and generate consumer knowledge
- Extensive supply chain and distribution network with access to 670K+ 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 23 years





## Multinational Presence, Local Favorites

18

Countries

100+

Brands

670K+

Points of Sale

1.7M

Tons of Food / Year

US \$7.4B

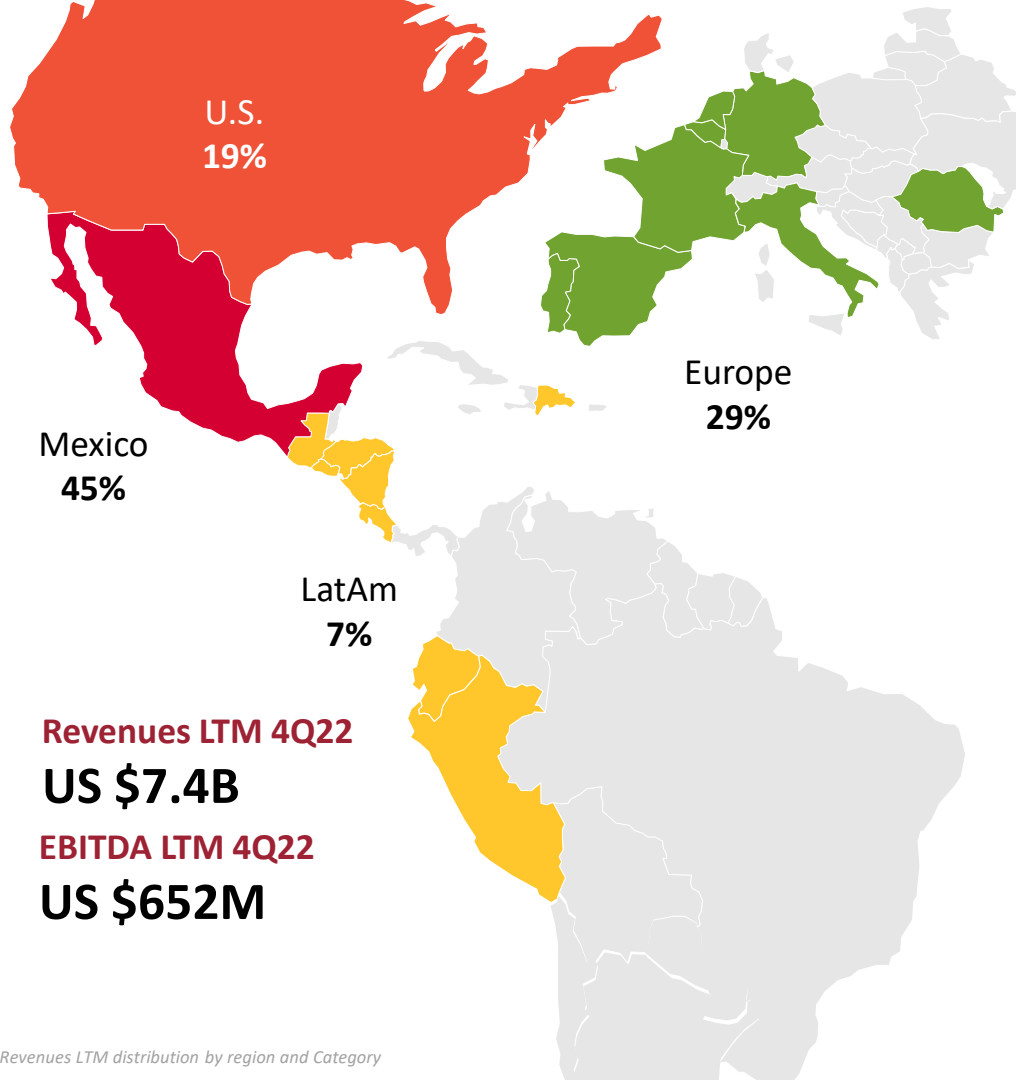
Net Sales LTM 4Q22

23y

Average Mgmt.  
Team Experience

Bringing communities everywhere,  
favorite foods to love.

Sigma



**Cooked & Fresh Meats 57%**



**Dairy 21%**



**Dry Meats 15%**



**Other 7%**

# Leading brands across markets, categories and consumer segments

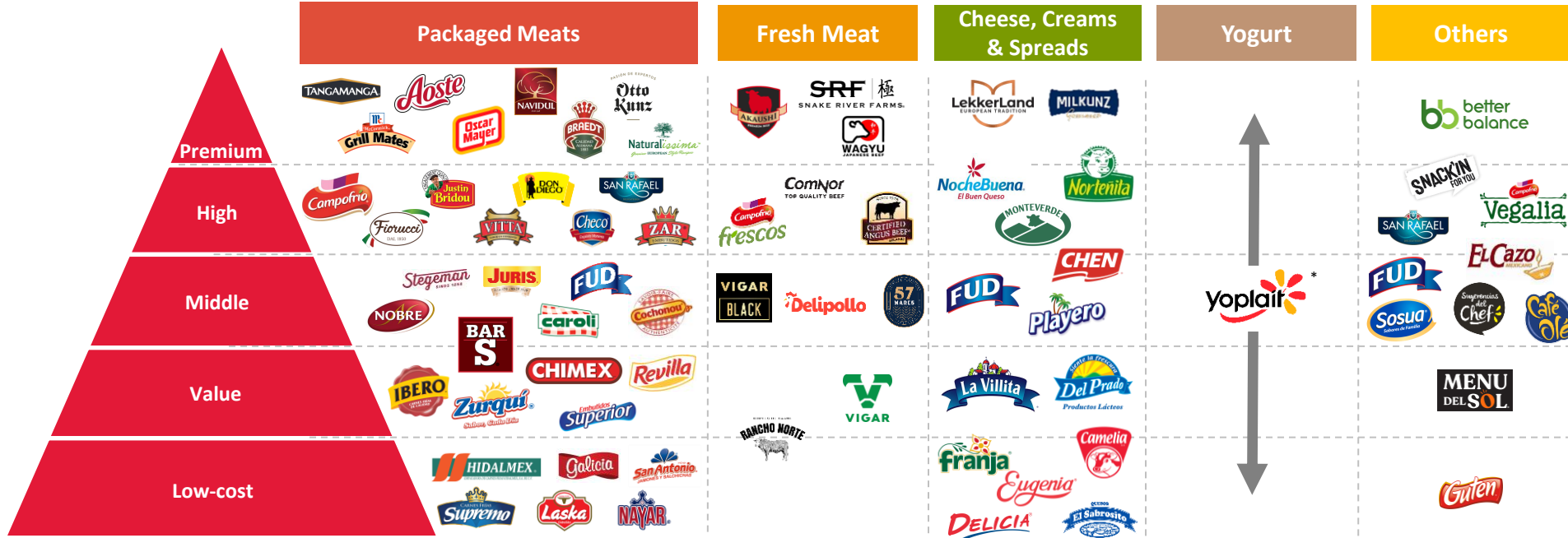


● 11 Brands with Net Sales over US \$100M.



# Leading brands across categories and consumer segments

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



10% of our revenues come from licensed brands\*

\* Includes the distribution of recognized third party brands such as Yoplait®, Oscar Mayer, Grill Mates among others

# Multiple channels to reach consumers



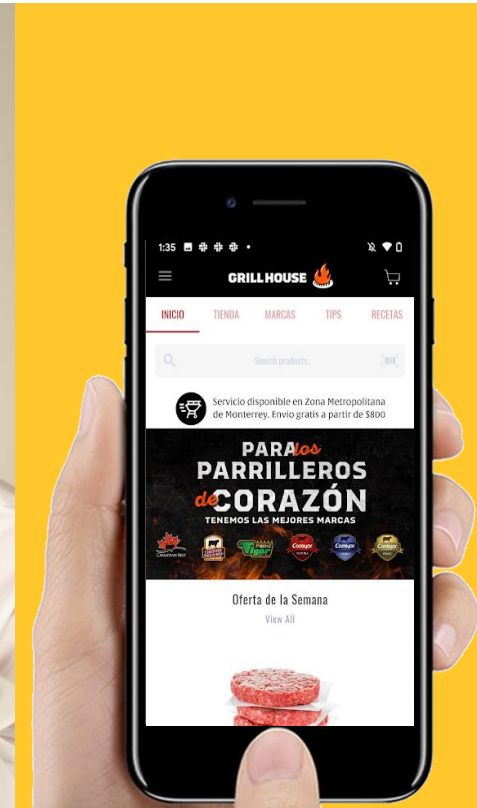
Modern



Traditional



Foodservice



E-commerce

# A unique story of transformation: Growth + Profitability

Net Sales  
(US\$ B)

Countries

Facilities

Employees

Net sales breakdown  
By geography By category

Europe Mexico  
U.S. Latam

Cooked Meats Dairy  
Dry Meats Other

## National Leadership

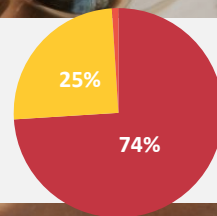
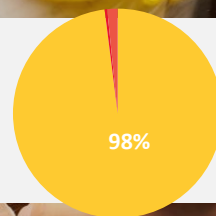
2000

\$0.8

4

8

12,500+



## International Expansion

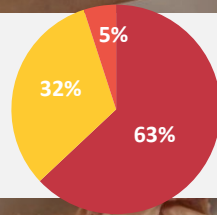
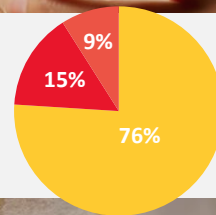
2010

\$2.6

9

34

29,000+



## Glocality

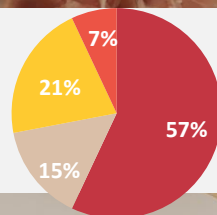
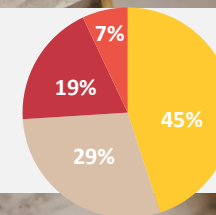
2022

\$7.4

18

64

44,000+





# Extensive supply chain and distribution network



**64<sup>a</sup>** Manufacturing Facilities



**183<sup>b</sup>** Distribution Centers



**670K+** Points of Sale



**Mexico**



25<sup>a</sup>



112<sup>b</sup>



350K+



**Europe**



22<sup>a</sup>



18



62k+



**USA**



6



17<sup>b</sup>



164K+



**LATAM**



11<sup>a</sup>



36<sup>b</sup>



98K+

a – Transferred production lines among plants in Spain during 4Q22; Changed manufacturing facilities counting criteria (i.e. adjacent facilities are now considered a single facility) in 1Q22

b - Changed how Distribution Centers are counted (i.e. adjacent centers are now considered a single center) in 1Q22; Smaller-non refrigerated locations are excluded; Consolidated three sites in one in Latam)



## Consumer centric innovation supported by proprietary R&D platform

### Consumer Research

**208,000+** Contacts / year

Proprietary Mathematical Models

### Iterative innovation process based on Design Thinking

**1,700+** New Product Launches in the last 36 months

**9%** of Revenue comes from innovations

### Research and Development (R&D)

**2** Technological Centers (Mexico & Spain)

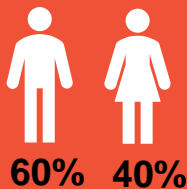
**200+** Specialists

**40** Patents & IP



## Diverse Workforce

**60+**  
Nationalities



**44,000+**  
Employees



62%



18%



7%



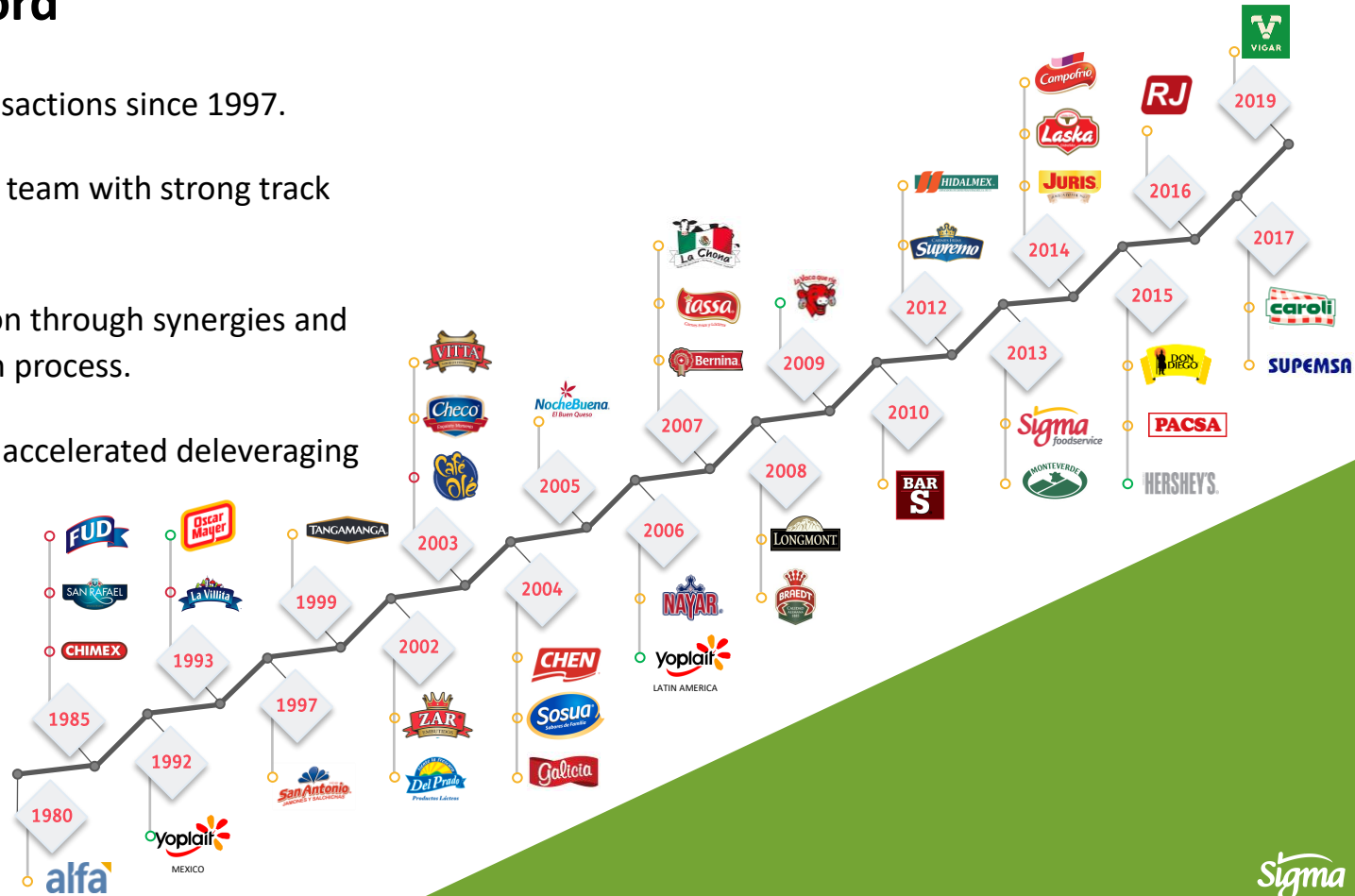
13%





# 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 23 years of experience across business areas

## CEO

**Rodrigo Fernández**

Sigma CEO  
MBA Wharton

24

## Business Units

**Eugenio Caballero**

CEO Mexico  
MBA Harvard

20

**Ricardo Doehner**

CEO Europe  
MBA Michigan

26

**Jesús Lobo**

CEO USA  
MBA Cornell University

19

**Sergio Ramos**

CEO Latin America  
MBA University of Texas at Austin

35

**Gerardo Carcoba**

CEO Foodservice  
MBA DUXX

21

## Central Functions

**Roberto Olivares**

CFO – Finance  
MBA Duke

15

**Gregorio de Haene**

CRISO - Research, Innovation  
and Sustainability  
MBA ITESM

41

**Ernesto Gómez**

CTCO – Talent & Culture  
Executive Programs

20

**Alejandro Suárez**


CIO – Information Technology  
Master in Operations Research  
George Washington University

31

**Daniel Alanis**

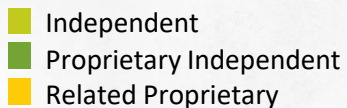
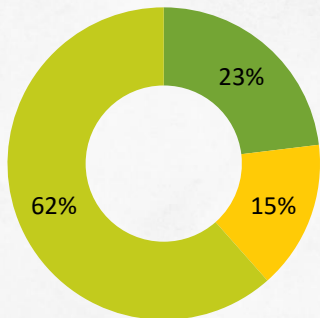
CGO - Growth  
MBA & Msc. University of Michigan

2

 Years in the company

# Advisory Board

Member Type



Member	Background
<b>María Teresa Arnal*</b>	Latin America Business Director - <b>Stripe</b>
<b>Diego Calderón</b>	Proprietary Independent
<b>María Eugenia Casar*</b>	Former Assistant Executive Director - <b>The World Food Program, UN</b>
<b>Juan Enriquez*</b>	Chairman and CEO - <b>Biotechonomy, LLC</b>
<b>Álvaro Fernández</b>	President - <b>ALFA</b>
<b>Armando Garza</b>	Chairman of the Board of Directors - <b>ALFA</b>
<b>Brenda Garza</b>	Proprietary Independent
<b>Ángel Losada*</b>	Executive President and Chairman - <b>Grupo Gigante</b>
<b>Eduardo Padilla*</b>	Former CEO - <b>FEMSA</b>
<b>Anthony Pralle*</b>	Former Partner and Managing Director – <b>BCG, Consumer and Operations in Spain</b>
<b>Alejandro Ruiz</b>	Proprietary Independent
<b>Ricardo Saldívar*</b>	Former CEO and President - <b>Home Depot Mexico</b>
<b>Silvia Sonneveld*</b>	SVP Corporate and Nutrition Strategy - <b>DSM</b>







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**02**     **Into the Future**

**03**     **Financial Performance**

**04**     **ESG**

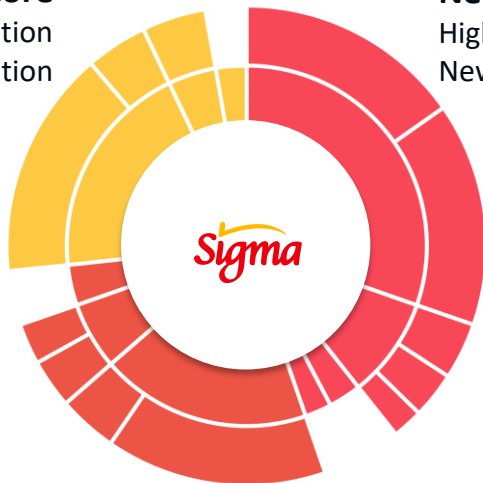
# Into the Future

Mid-to-high single-digit EBITDA 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

## 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



# Growth BU | Initiatives

## Global Categories



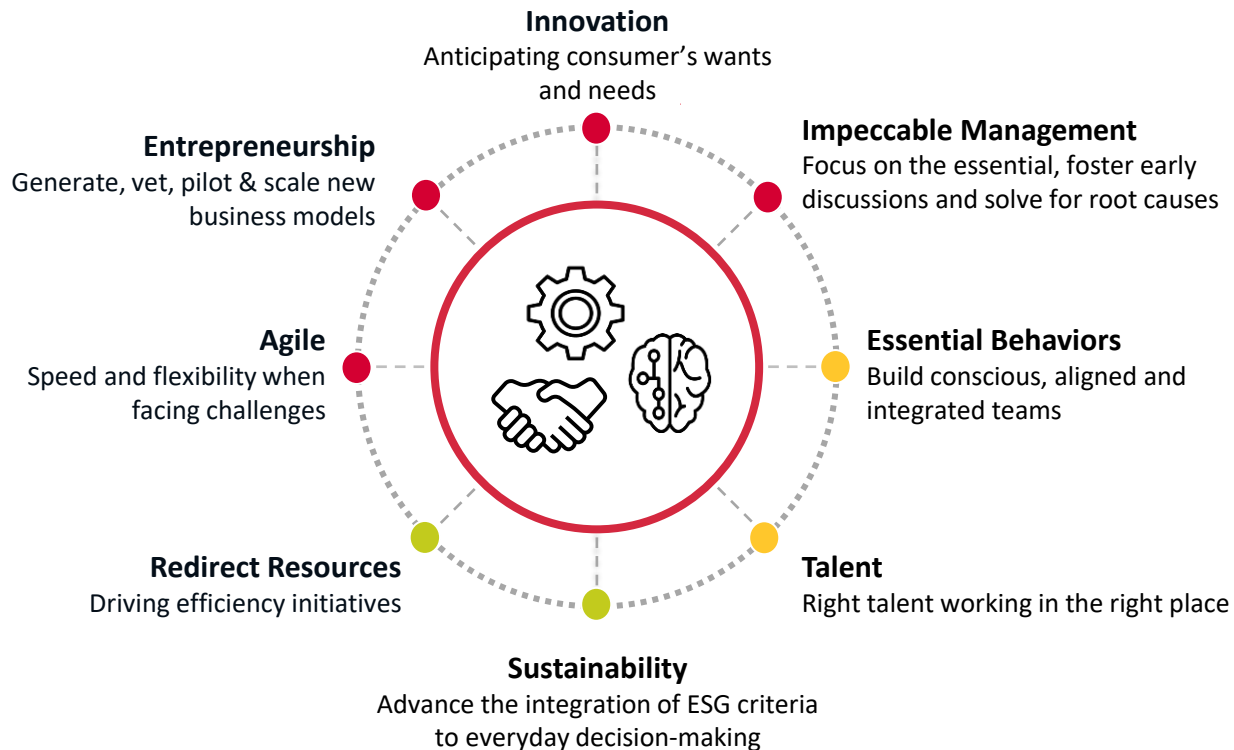
## New Business Models



## Entrepreneurial Ecosystem



# Strengthening the organization through enablers



The way we  
**think**



The way we  
**work**



The way we  
**interact**



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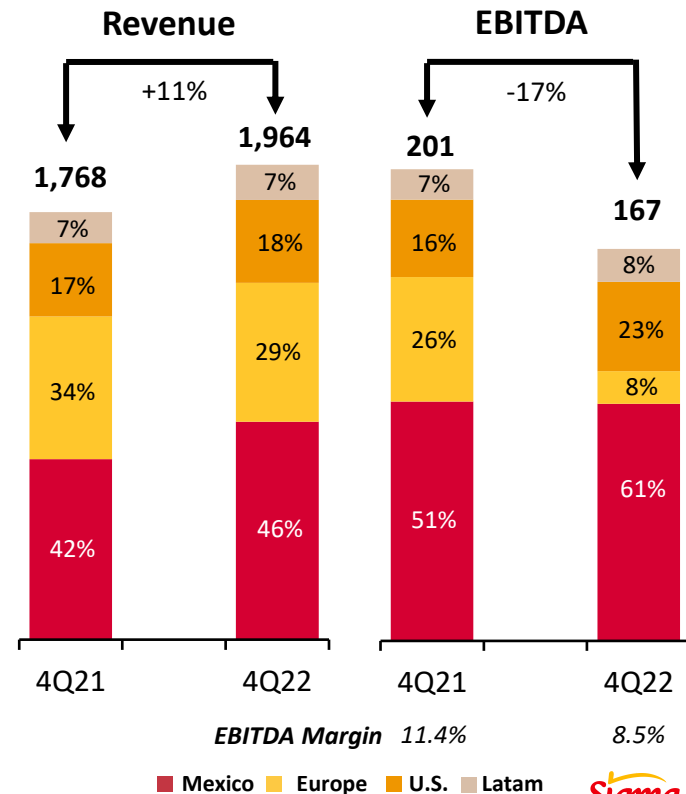
**04 ESG**



# 4Q22 Highlights

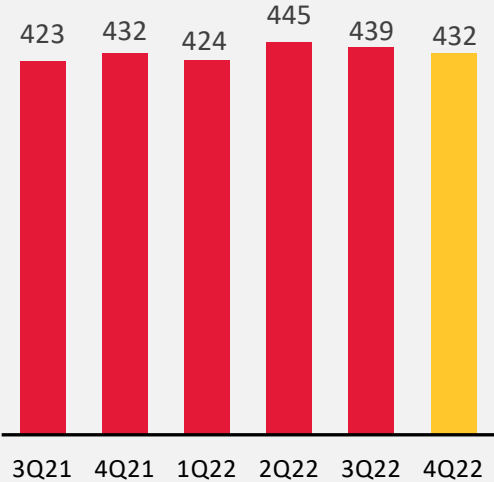
US \$ Millions

- Sigma**
  - Record quarterly and annual Revenue driven by double-digit growth in Mexico, the U.S. and Latam
  - 4Q22 EBITDA down 17% year-on-year primarily impacted by lower results in European operations
- Mexico**
  - Quarterly Revenue up 21% year-on-year, driven by efficient price management and volume growth
  - Fourth quarter EBITDA decreased 1% versus 4Q21 figures amid inflationary cost pressures
  - Record quarterly and annual Foodservice Revenue and EBITDA
- Europe**
  - Euro-denominated 4Q22 Revenue up 9% year-on-year
  - 4Q22 EBITDA down 73% as pricing adjustments and cost optimization initiatives have yet to offset inflationary pressures
  - License to export fresh pork meat to China restored in December 2022
- U.S.**
  - Record 4Q22 Revenue and EBITDA driven by volume growth and efficient price management
- Latam**
  - Highest quarterly Revenue driven by efficient price adjustments in response to cost increases
  - Record annual EBITDA driven by the sustained recovery in Foodservice
  - Foodservice channel Revenue and EBITDA, up 18% and 34%, respectively, year-on-year

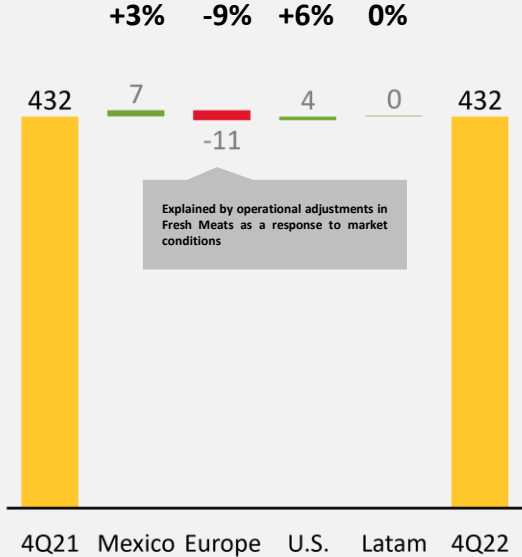


# Quarterly Volume

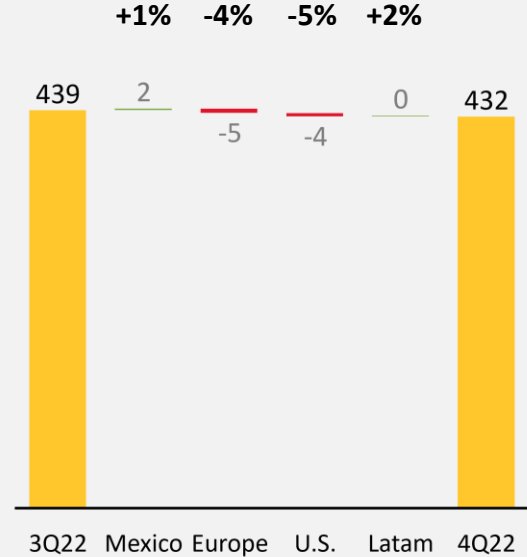
Volume  
(K Tons)



Volume 4Q22 vs 4Q21  
(K Tons)

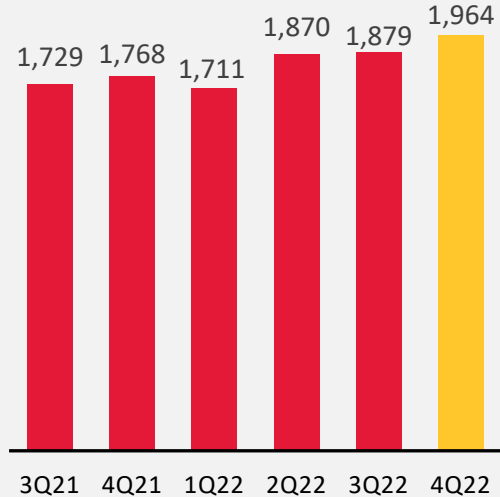


Volume 4Q22 vs 3Q22  
(K Tons)

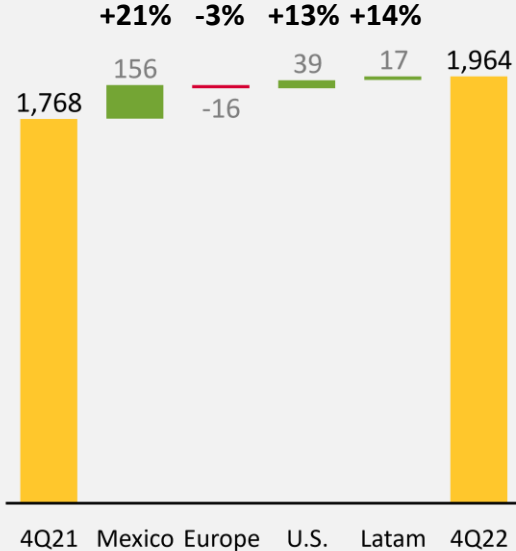


# Quarterly Revenues

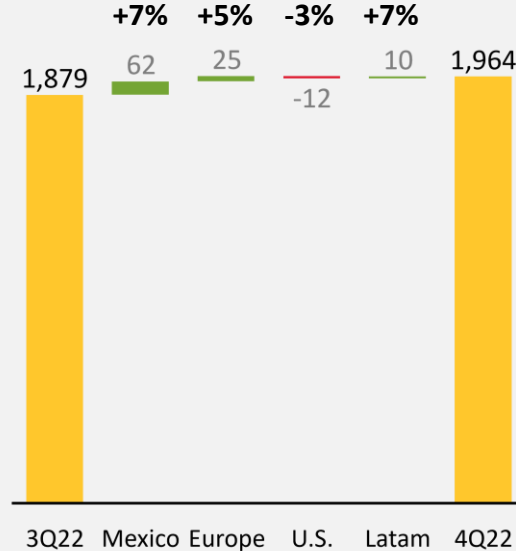
**Revenues**  
(US \$ Million)



**Revenues 4Q22 vs 4Q21**  
(US \$ Million)



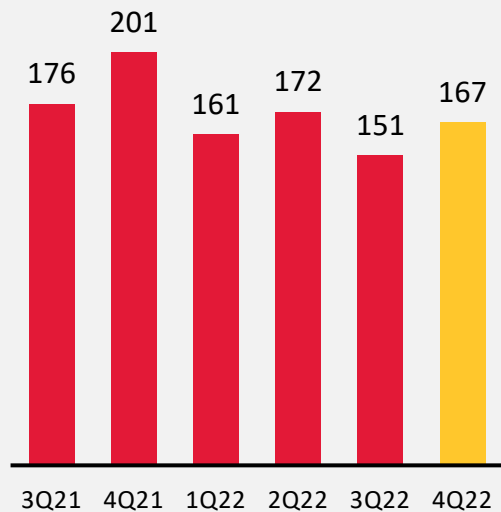
**Revenues 4Q22 vs 3Q22**  
(US \$ Million)



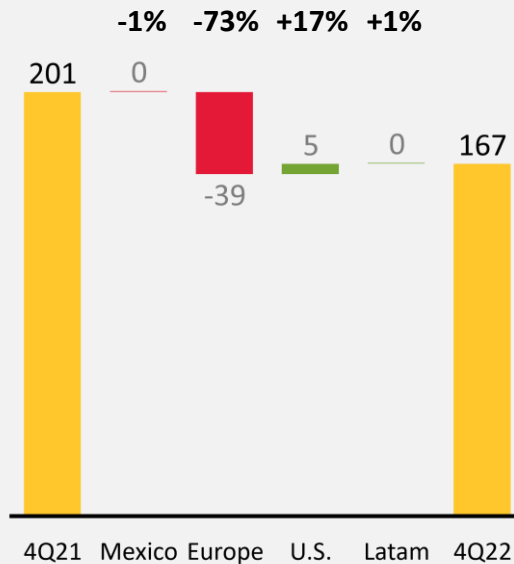


# Quarterly EBITDA

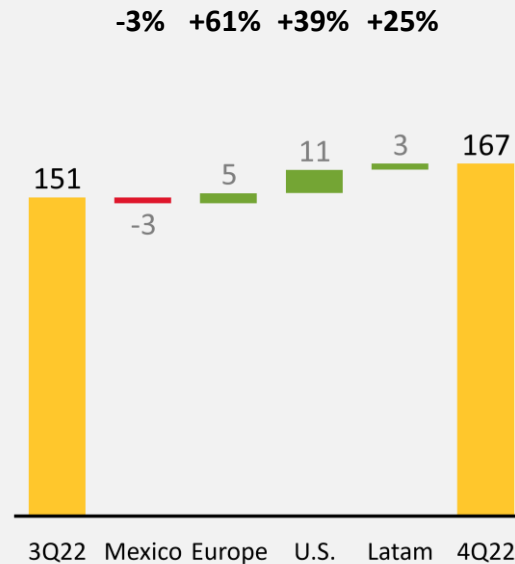
**EBITDA**  
(US \$ Million)



**EBITDA 4Q22 vs 4Q21**  
(US \$ Million)

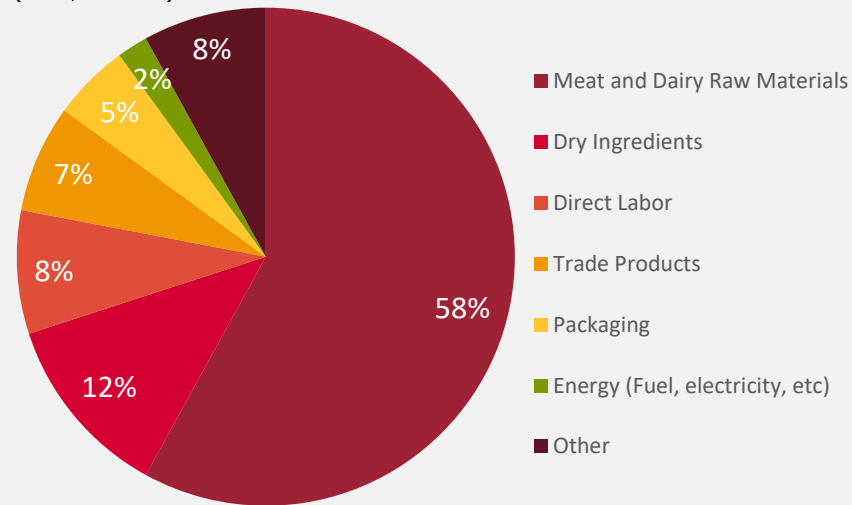


**EBITDA 4Q22 vs 3Q22**  
(US \$ Million)

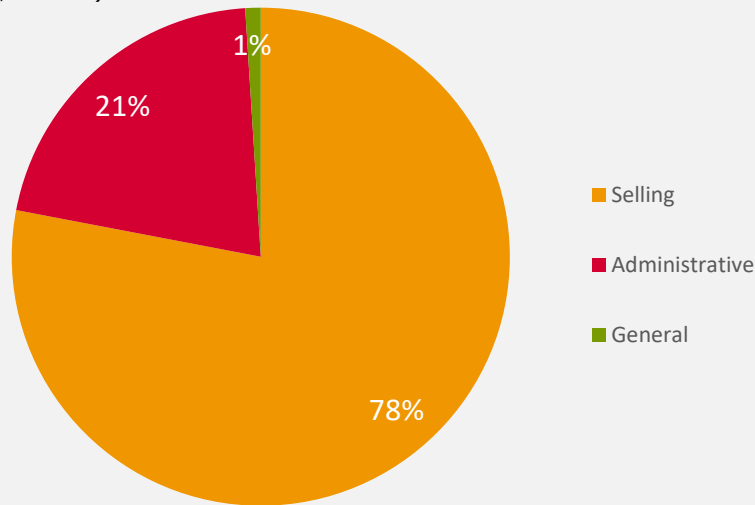


# 2022 Cost and Expense Structure

**Costs of Goods Sold (COGS)**  
(US \$ Million)



**Selling, General and Administrative Expenses (SG&A)**  
(US \$ Million)



## COGS:

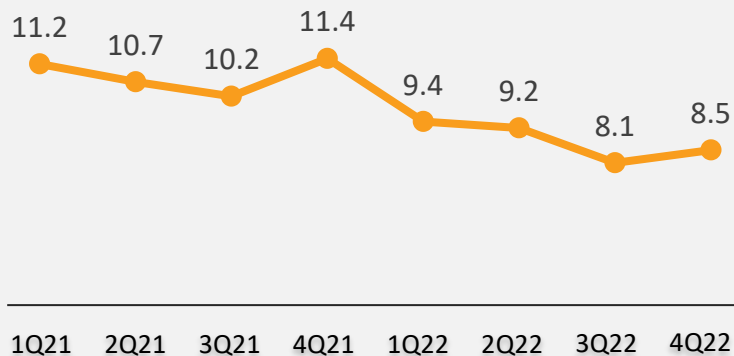
- Meat and Dairy raw materials – Pork, Turkey, Chicken, Beef, Milk Class III, Block Cheddar Cheese, NFDM, etc.
- Dry Ingredients – Seasonings and other non-meat or dairy raw materials
- Trade Products – Product purchases distributed in the Traditional and Foodservice channels.
- Packaging – Plastic Film, Labels, Capsules, Bottles, Lids, etc.
- Direct Labor – Compensation directly related to food production.
- Energy – Fuel, Electricity, Gas, etc.
- Others – Depreciation, Maintenance, etc.

## SG&A:

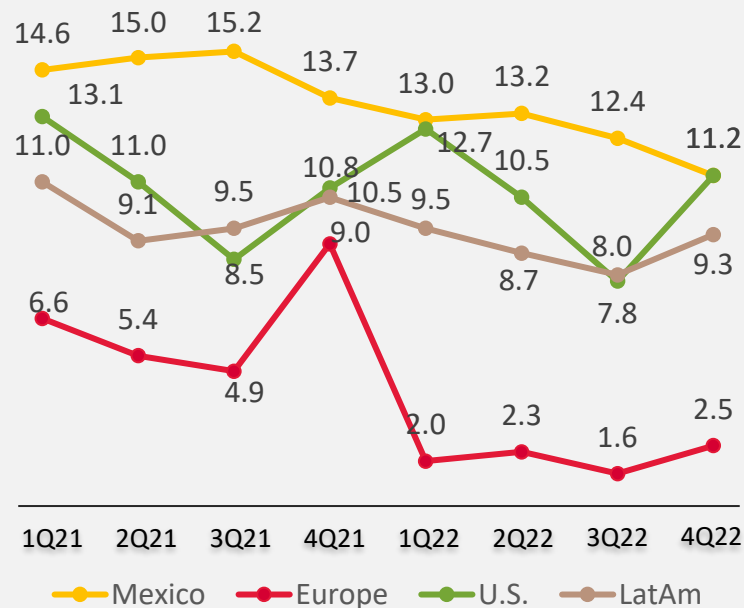
- Selling – Distribution, marketing, wages, sales commissions
- Administrative – Wages, rents, utilities
- General – Other minor expenses

# Quarterly EBITDA Margins

EBITDA Margins (%)



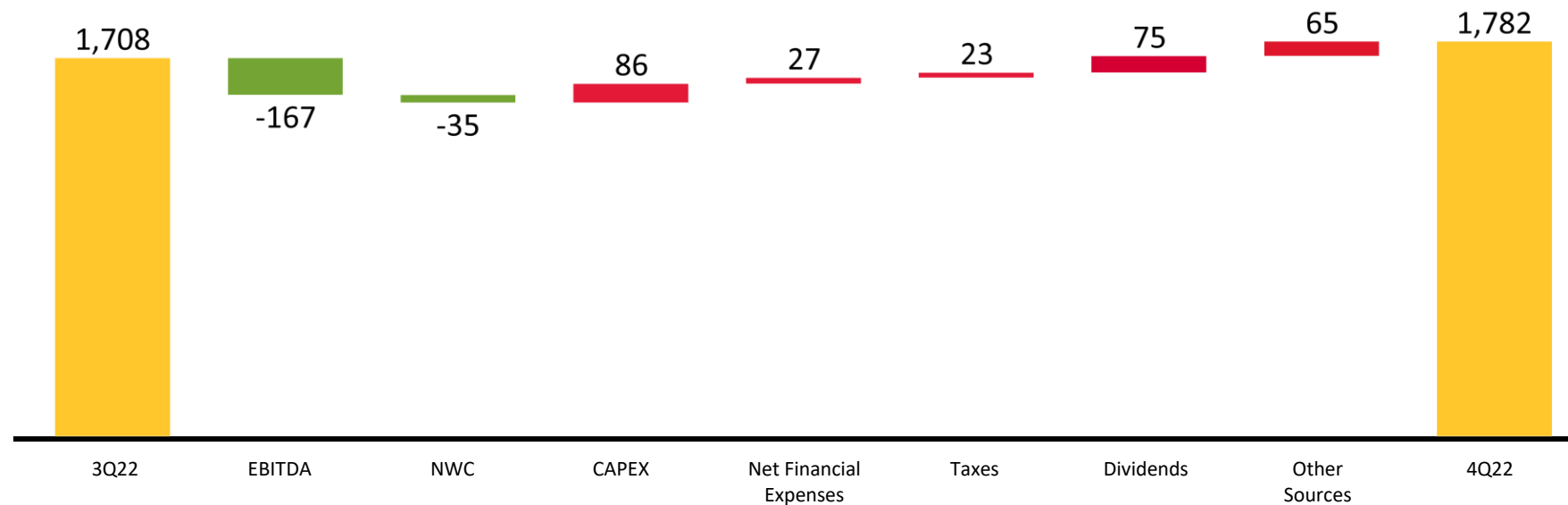
EBITDA Margins (%)





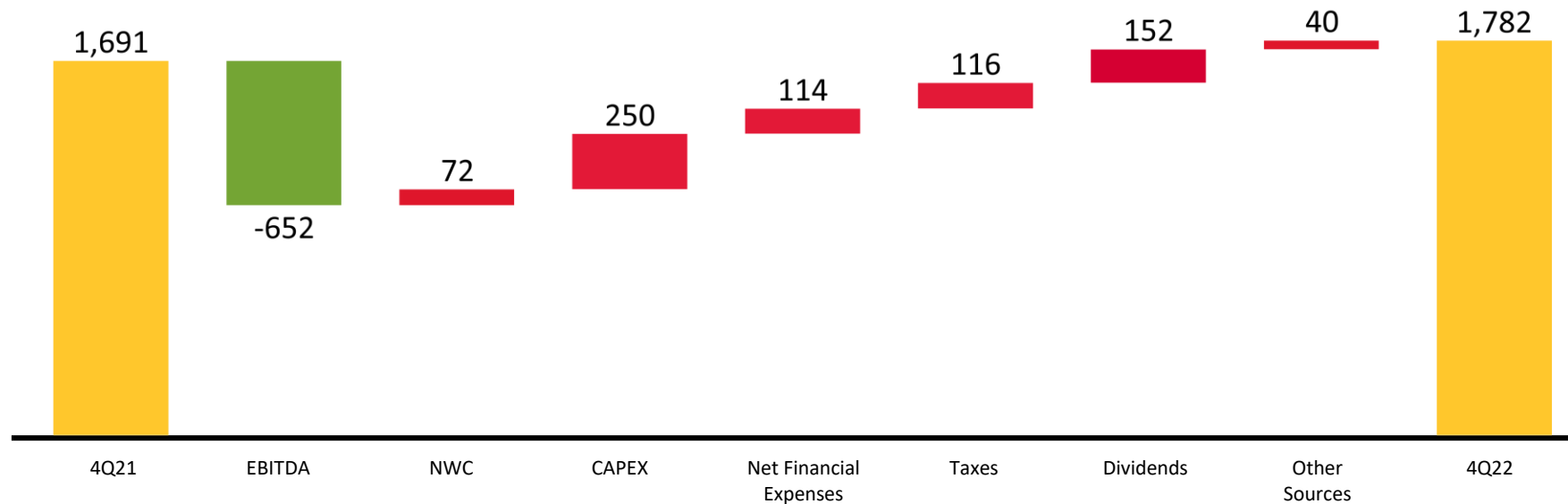
# Change in Net Debt

## Change in Net Debt 4Q22 vs 3Q22 (US \$ Million)

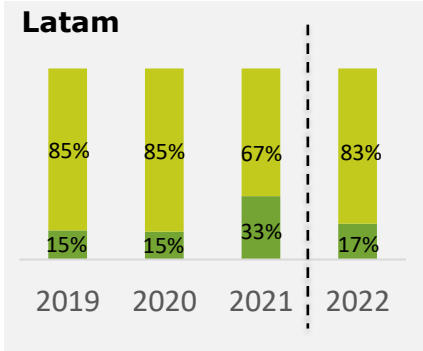
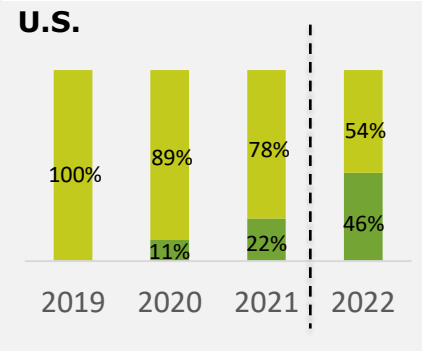
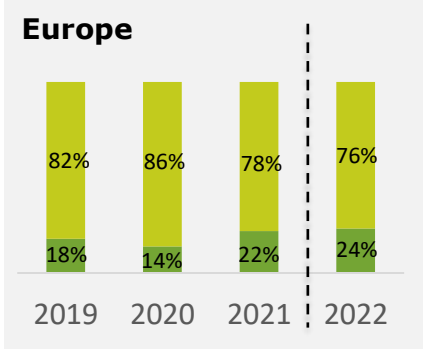
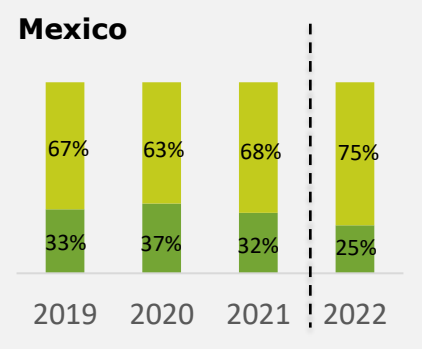
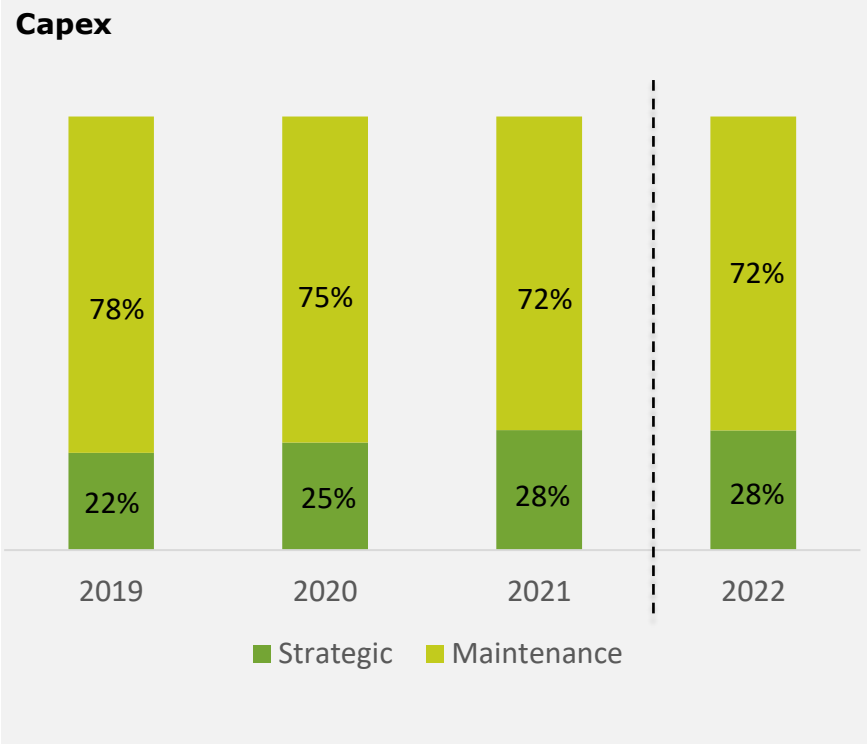


# Change in Net Debt

## Change in Net Debt 4Q22 vs 4Q21 (US \$ Million)



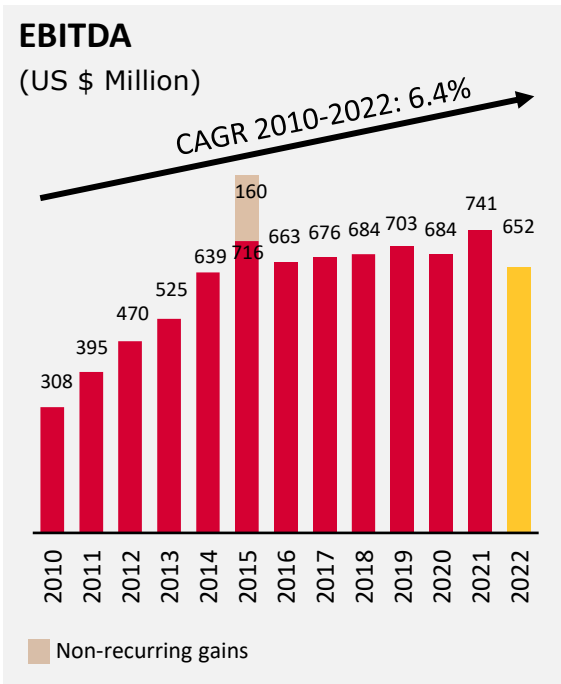
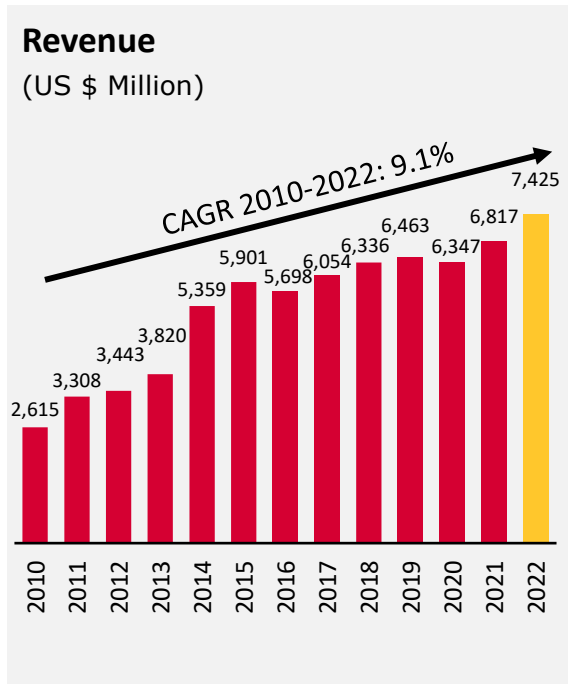
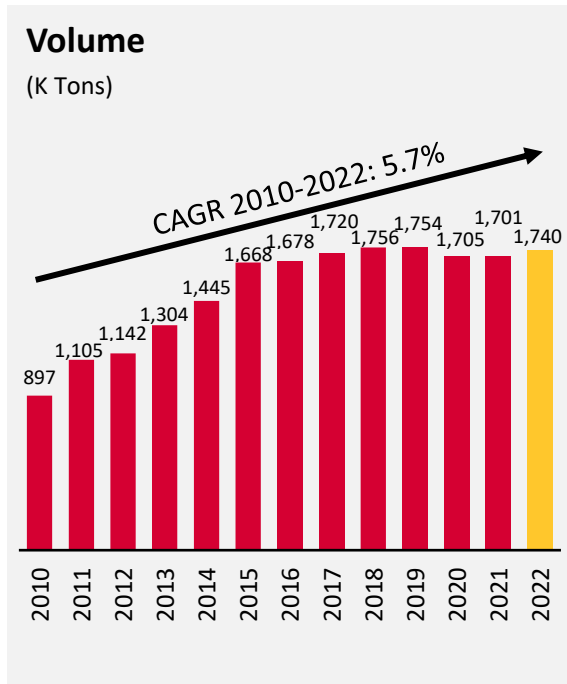
# Capital Expenditures (Capex)





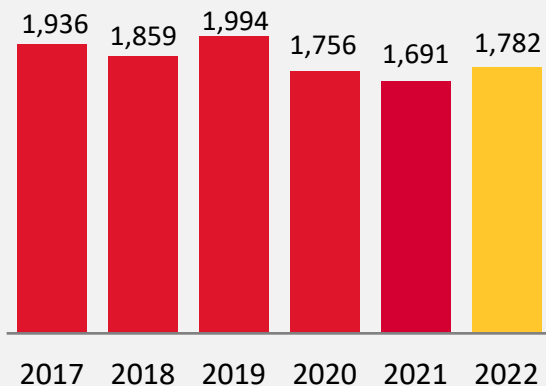
# Financial Results

US \$ Million

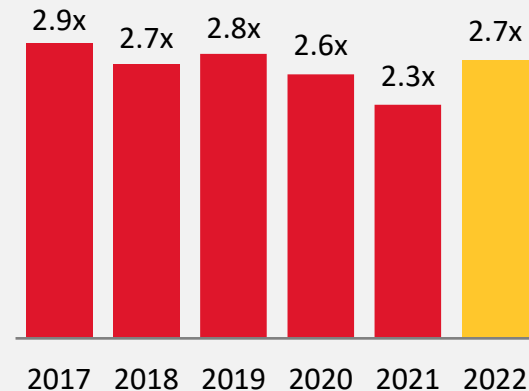


# Leverage Ratios

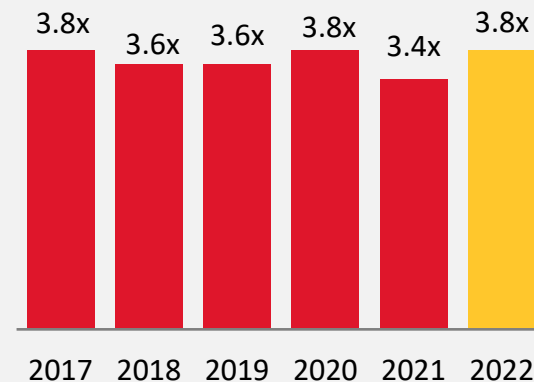
Net Debt



Net Debt / EBITDA\*\*



Gross Debt / EBITDA\*\*



\* S&P Ratings' methodology sets a cap at the parent company rating level. Sigma's stand-alone credit profile is 'bbb'.

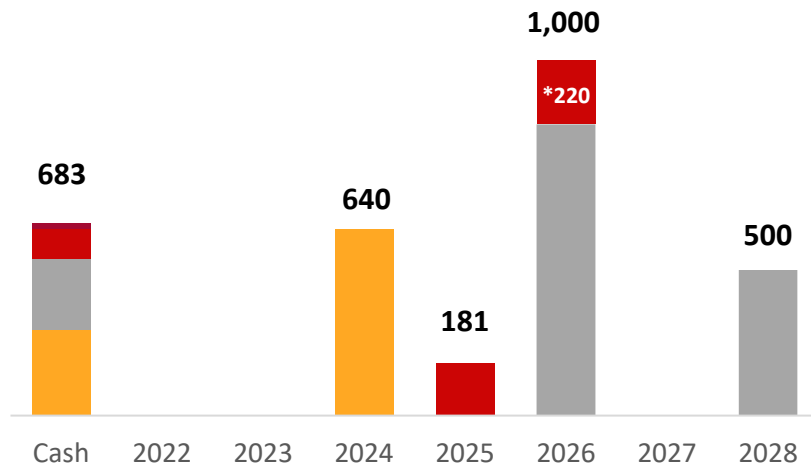
\* \*\*EBITDA excludes US\$ 160 million from property damage insurance compensation

# Debt Profile

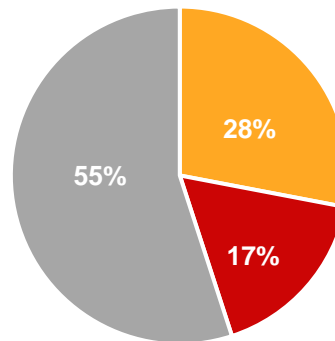
Average life: 3.1 years

Average rate: 4.86 % (including CCS)

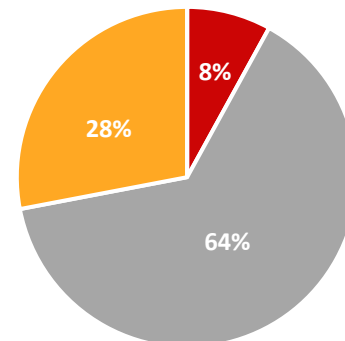
## Debt Maturity Schedule (US \$Million)



## Debt Mix (Including CCS)



## Cash Mix

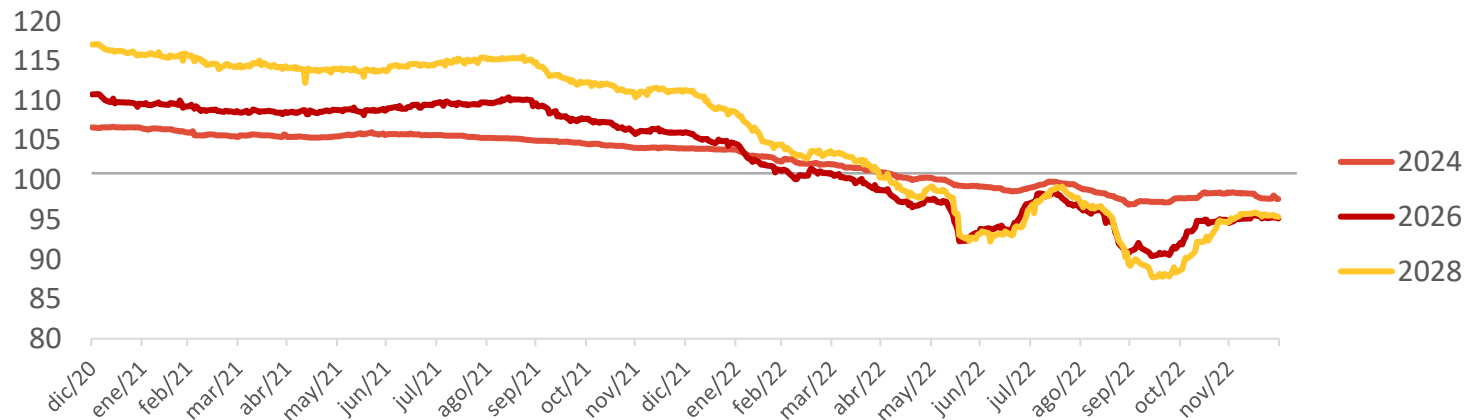


■ MXN ■ USD ■ EUR ■ OTHER

\*US \$220 million MXN-USD Cross Currency Swap (CCS) agreement for 2026.  
Does not include US \$144 million mainly from financial leases, notes payables, and accrued interest.



# Outstanding Bonds



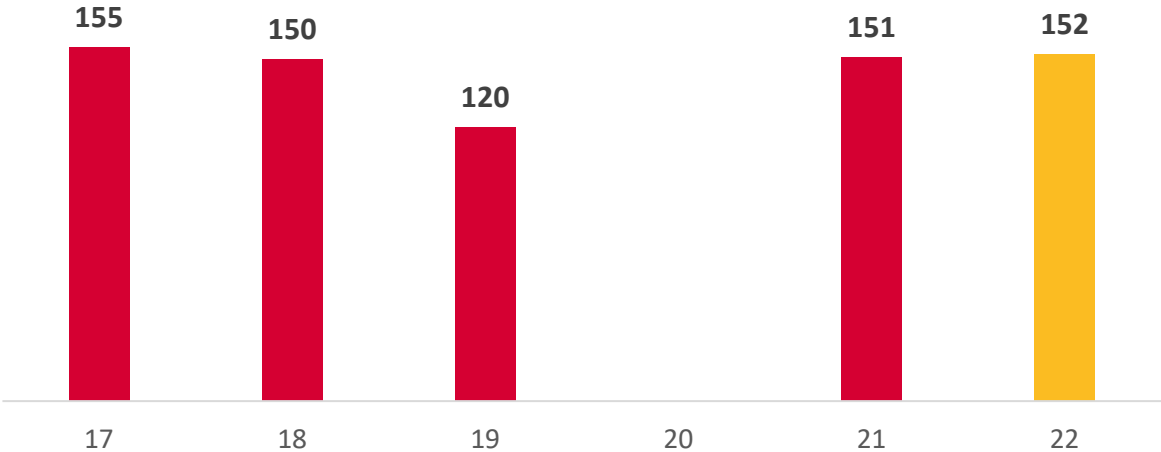
Bond	Amount (US \$ M)	Rate	YTM	Maturity Date
2024	€640	2.625%	4.918%	Feb - 2024
2026	\$1,000	4.125%	5.755%	May - 2026
2028	\$500	4.875%	5.923%	Mar - 2028

S&P Global Ratings	Fitch Ratings	MOODY's
BBB- *	BBB	Baa3
Outlook: <b>Positive</b>	Outlook: <b>Stable</b>	Outlook: <b>Stable</b>

\*Credit Rating capped at parent company level per S&P's methodology. Sigma's Stand Alone Credit Profile is 'bbb'

# Dividends

Paid Dividends (US \$ Million)



In 2020 no dividends were paid. The graph shows the approved amounts for each year.

Quarter	Amount (US \$ Million)
1Q22	\$76
2Q22	0
3Q22	0
4Q22	\$75

# Income Statement

	(Thousands of pesos)		(Thousands of U.S. Dollars)	
	IV Quarter 22	IV Quarter 21	IV Quarter 22	IV Quarter 21
Revenue	38,674,499	36,682,109	1,964,030	1,767,652
Cost of sales	(28,936,099)	(26,594,411)	(1,469,311)	(1,281,694)
<b>Gross profit</b>	<b>9,738,400</b>	<b>10,087,698</b>	<b>494,719</b>	<b>485,958</b>
Selling expenses	(5,864,490)	(5,818,479)	(297,867)	(280,362)
Administrative expenses	(1,638,239)	(1,492,435)	(83,221)	(71,933)
Other income (expenses), net	(271,545)	(1,238,878)	(13,851)	(59,031)
<b>Operating profit</b>	<b>1,964,126</b>	<b>1,537,906</b>	<b>99,780</b>	<b>74,632</b>
Financial Income	161,186	51,870	8,210	2,500
Financial expenses	(780,326)	(662,751)	(39,675)	(31,952)
Gain (loss) due to exchange fluctuation, net	(997,725)	(293,243)	(50,602)	(14,132)
Equity in income (loss) of associates	(584)	20,980	(30)	1,000
<b>Profit before income tax</b>	<b>346,677</b>	<b>654,762</b>	<b>17,683</b>	<b>32,048</b>
Income tax	(512,613)	(2,613,922)	(25,859)	(124,834)
<b>Net consolidated profit</b>	<b>(165,936)</b>	<b>(1,959,160)</b>	<b>(8,176)</b>	<b>(92,786)</b>
Profit (loss) attributable to:				
<b>Controlling interest</b>	<b>(165,724)</b>	<b>(1,959,160)</b>	<b>(8,165)</b>	<b>(92,786)</b>
<b>Non-controlling interest</b>	<b>(212)</b>	<b>0</b>	<b>(11)</b>	<b>0</b>



# Balance Sheet

	(Thousands of pesos)		(Thousands of U.S. Dollars)	
	Dec '22	Dec '21	Dec '22 <sup>(1)</sup>	Dec '21 <sup>(2)</sup>
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	13,208,493	16,856,206	682,204	818,918
Restricted cash	6,500	0	336	0
Customers and other accounts receivables, net	9,077,460	7,756,484	468,841	376,830
Income tax recoverable	740,884	914,229	38,266	44,416
Inventories	18,302,545	16,617,315	945,306	807,312
Other current assets	2,942,210	3,338,012	151,962	162,169
Derivative financial instruments	254,227	48,511	13,131	2,357
<b>Total current assets</b>	<b>44,532,319</b>	<b>45,530,757</b>	<b>2,300,046</b>	<b>2,212,002</b>
<b>NON-CURRENT ASSETS:</b>				
Property, plant and equipment, net	30,548,039	30,946,208	1,577,772	1,503,447
Intangible assets, net	12,891,340	14,461,521	665,823	702,579
Right-of-use asset, net	1,743,697	2,038,907	90,060	99,055
Goodwill	12,599,522	14,213,608	650,751	690,534
Deferred income tax	1,894,687	2,159,585	97,858	104,918
Derivative financial instruments	517,167	954,721	26,711	46,383
Investments in associates and joint ventures	143,117	157,000	7,392	7,627
Other non-current assets	176,185	119,892	9,100	5,826
Restricted cash	6,500	32,500	336	1,579
<b>Total non-current assets</b>	<b>60,520,254</b>	<b>65,083,942</b>	<b>3,125,803</b>	<b>3,161,948</b>
<b>Total assets</b>	<b>105,052,573</b>	<b>110,614,699</b>	<b>5,425,849</b>	<b>5,373,950</b>

	(Thousands of pesos)		(Thousands of U.S. Dollars)	
	Dec '22	Dec '21	Dec '22 <sup>(1)</sup>	Dec '21 <sup>(2)</sup>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES:</b>				
Accrued interest payable	590,469	648,782	30,497	31,520
Financial Leases	435,948	573,510	22,516	27,863
Suppliers and Other Accounts Payables	27,314,479	26,427,397	1,410,763	1,283,912
Income tax payable	1,970,256	1,151,334	101,762	55,935
Provisions	62,800	100,451	3,244	4,880
Derivative financial instruments	736,666	277,223	38,048	13,468
Other current liabilities	3,686,669	3,954,609	190,411	192,125
<b>Total current liabilities</b>	<b>34,797,287</b>	<b>33,133,306</b>	<b>1,797,241</b>	<b>1,609,703</b>
<b>NON-CURRENT LIABILITIES:</b>				
Non-current debt	44,754,653	48,166,445	2,311,528	2,340,051
Notes payables	223,769	321,076	11,557	15,599
Financial Leases	1,415,743	1,643,623	73,122	79,851
Deferred income taxes	3,851,829	3,714,004	198,943	180,436
Employees benefits	1,695,652	1,446,396	87,579	70,270
Provisions	75,922	139,345	3,921	6,770
Income tax payable	0	1,071,400	0	52,051
Derivative financial instruments	287,750	0	14,862	0
Other non-current liabilities	27,819	46,137	1,437	2,241
<b>Total non-current liabilities</b>	<b>52,333,137</b>	<b>56,548,426</b>	<b>2,702,949</b>	<b>2,747,269</b>
<b>Total liabilities</b>	<b>87,130,424</b>	<b>89,681,732</b>	<b>4,500,190</b>	<b>4,356,972</b>

# Cash Flow

	(Thousands of pesos)		(Thousands of U.S. Dollars)	
	IV Quarter 22	IV Quarter 21	IV Quarter 22	IV Quarter 21
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before income tax	346,677	654,762	17,683	32,048
Depreciation and amortization	1,009,775	1,192,713	51,281	57,492
Impairment of fixed assets and intangible assets	315,192	1,453,641	16,066	69,321
Costs associated with seniority premiums and pension plans	(251,127)	(125,242)	(12,870)	(6,385)
Gain on sale of property, plant and equipment	(32,000)	(70,513)	(1,634)	(3,380)
Financial cost, net	477,894	582,780	24,285	28,092
Foreign exchange, net	997,725	293,243	50,602	14,132
(Increase) Decrease in customers and other accounts receivable	(2,085,727)	(1,863,210)	(105,109)	(92,899)
(Increase) decrease in inventories	1,019,140	172,346	51,871	8,224
Increase (decrease) in suppliers and other accounts payable	1,323,221	1,669,095	71,687	75,768
Income tax paid	(451,949)	(378,681)	(22,985)	(18,187)
Other operating expenses	898,489	292,639	45,905	14,892
<b>Cash flows from operating activities</b>	<b>3,567,310</b>	<b>3,873,573</b>	<b>186,782</b>	<b>179,118</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Business acquisitions, net of cash acquired	(2,734)	0	(137)	0
Interest received	70,368	23,889	3,575	1,147
Acquisition of intangible assets	(224,354)	(208,827)	(11,410)	(10,067)
Acquisition of property, plant and equipment	(1,502,625)	(2,059,275)	(76,448)	(98,791)
Sale of property, plant and equipment	32,000	70,513	1,634	3,380
Restricted cash and other assets	(16,706)	(36,536)	(854)	(1,801)
<b>Cash flows from investing activities</b>	<b>(1,644,051)</b>	<b>(2,210,236)</b>	<b>(83,640)</b>	<b>(106,132)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Payments of loans and debt	(3,464)	0	(173)	0
Financial leases	(191,546)	(195,522)	(9,729)	(9,423)
Derivative financial instruments	(503,600)	(137,698)	(25,445)	(6,675)
Interest paid	(548,466)	(553,616)	(28,067)	(26,646)
Dividends paid to owners	(1,477,162)	(1,024,885)	(75,485)	(50,062)
<b>Cash flows from financing activities</b>	<b>(2,724,238)</b>	<b>(1,911,721)</b>	<b>(138,899)</b>	<b>(92,806)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(800,979)</b>	<b>(248,384)</b>	<b>(35,757)</b>	<b>(19,820)</b>
Exchange gains (losses) in cash and cash equivalents	(178,278)	253,230	19,257	8,867
Cash and cash equivalents at the beginning of the period	14,187,750	16,851,360	698,704	829,871
<b>Cash and cash equivalents at the end of the period</b>	<b>13,208,493</b>	<b>16,856,206</b>	<b>682,204</b>	<b>818,918</b>



## 2023 Guidance

US \$ Million

Revenues

\$8,100

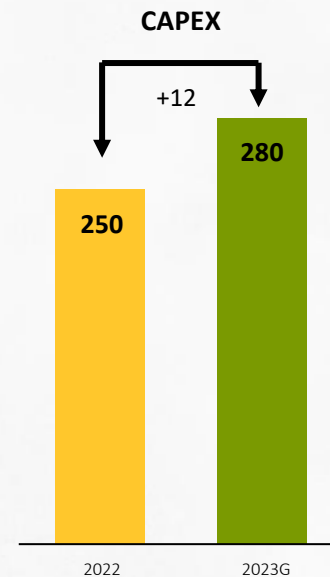
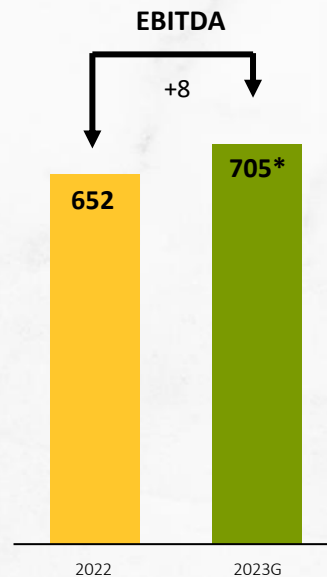
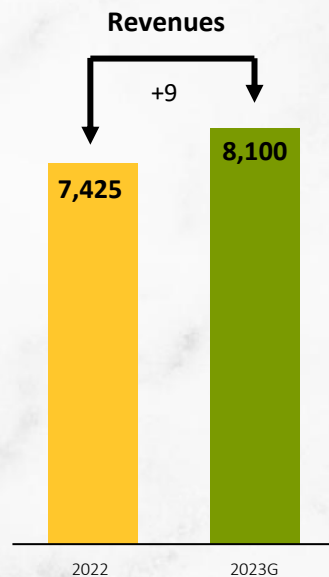
EBITDA

\$705

Capex

\$280

# 2023 Guidance



\*Includes a US \$6 Million increase in Growth Business Unit Opex



# Meat Raw materials – Pork and Poultry

- 2020  
- 2021  
- 2022

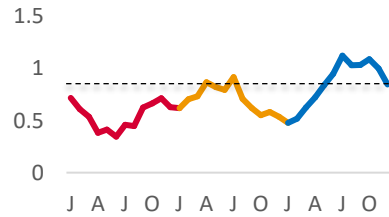
## U.S.

## Europe

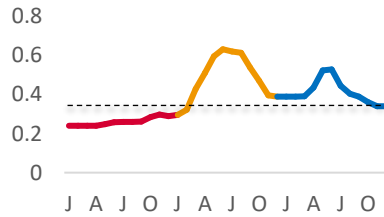
USD / Lb

Eur / kg

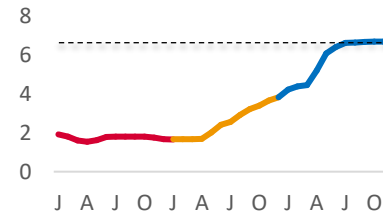
Pork Ham



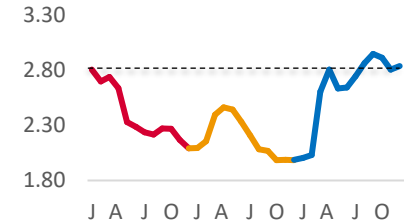
Chicken MSC



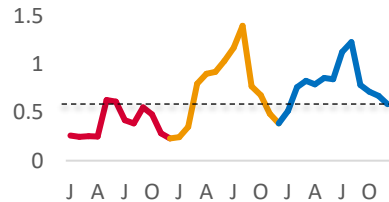
Turkey Breast



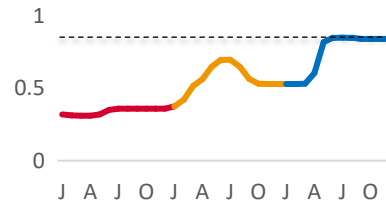
Pork Ham



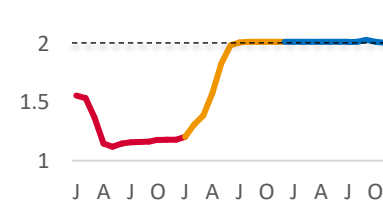
Pork 42%



Turkey MST



Turkey Thigh

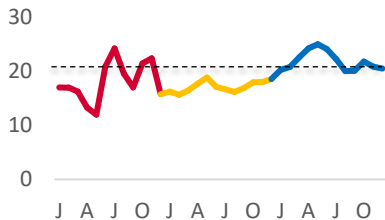


# Meat Raw Materials – Dairy

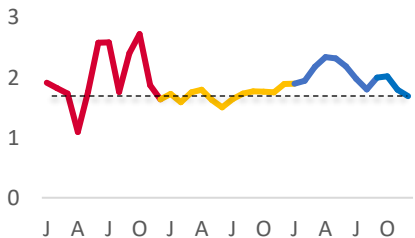
U.S.

USD / Lb

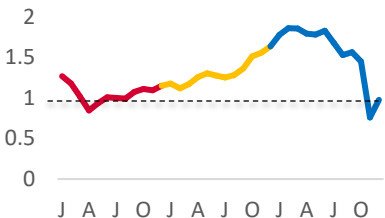
Milk Class III



Block Cheddar Cheese



NFDM

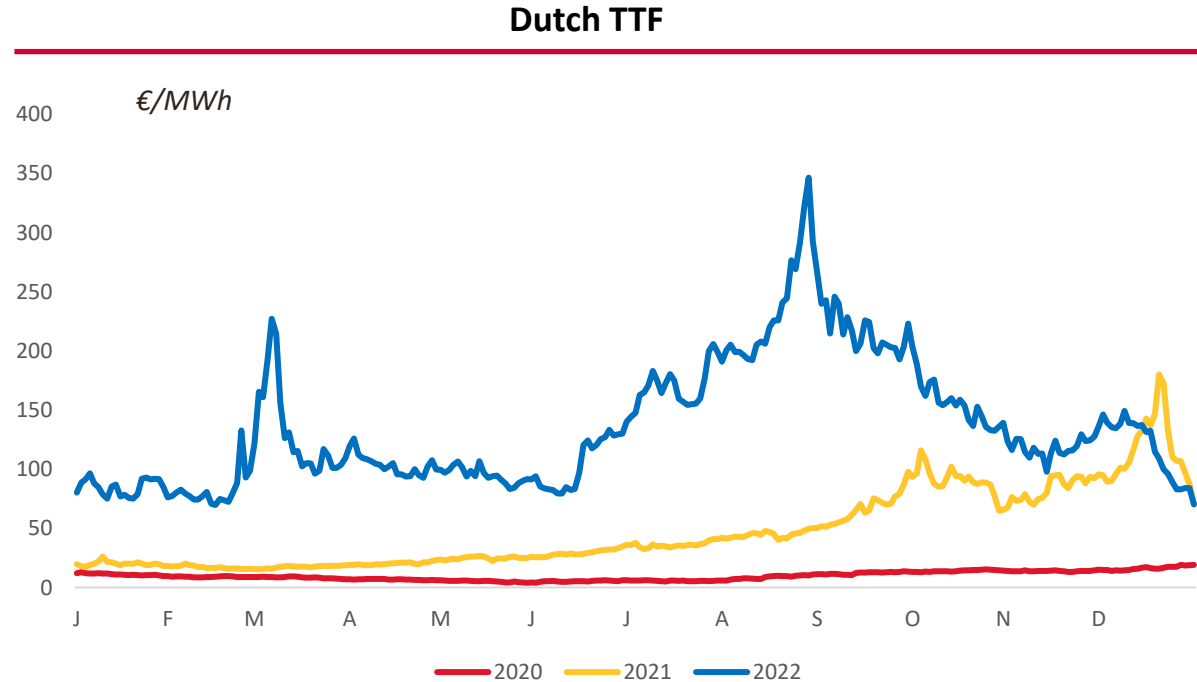


- 2020
- 2021
- 2022



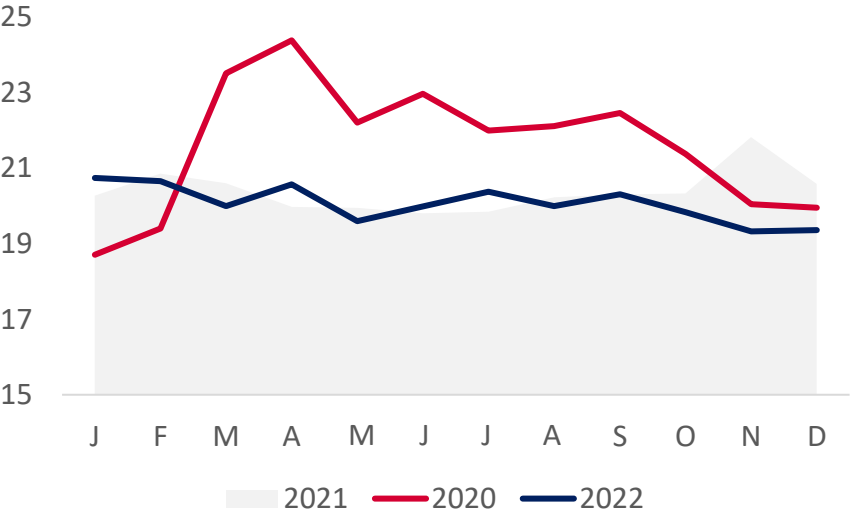
# European energy utility price reference

- ▼ Dutch TTF (Title Transfer Facility), is a virtual trading point for natural gas in Netherlands and is the primary gas pricing hub for the European market

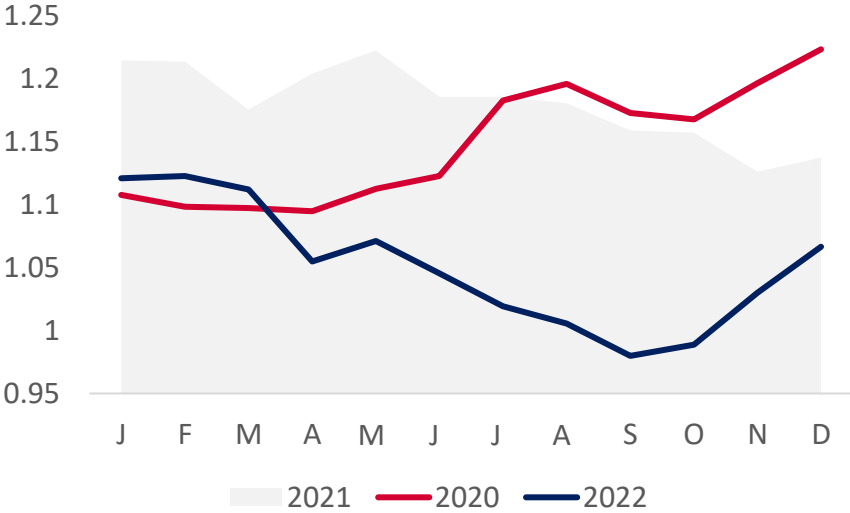


# Exchange rates

U.S. Dollar – MXN Peso



U.S. Dollar - Euro







## **Content**

**01 Sigma at Glance**

**02 Into the Future**

**03 Financial Performance**

**04 ESG**

# Sigma's ESG journey



- Signed the SBT Commitment Letter
- Well-Below 2°C objectives in validation process



- Initiative to increase ESG communication
- ESG Ratings improvement roadmap
- Sustainability report reviewed by GRI

Joined:

- United Nations Global Compact
- CDP Supply Chain Program



**Pacto Global**  
Red México

2022

2025

2021

GRI

2020

- Integrated sustainability section in company website
- Updated the materiality analysis

<2015

- 1st materiality analysis and GRI Report
- Established a local Sustainability Strategy, goals and community for Sigma Mexico

2016

- Company-wide Sustainability Strategy, materiality analysis, and GRI report

2018

- Launched the 2025 Sustainability Commitments, aligned to UN's Sustainable Development Goals
- 1st Sustainability Forum

2019

- Established the Sustainability Community (260+ employees)



# Sustainability Strategy



## 4 pillars of Actions

Aligned with the  
UN Sustainable Development Goals

260+ employees involved



### Wellbeing

We commit to establishing conditions that motivate and make it easier for people to adopt habits that improve their quality of life.



### Health & Nutrition

We promote healthy lifestyles through our innovative and high-quality products..



### Shared Value

We create economic and social value through our strategic practices and share it to stimulate development and strengthen our value chain.



### Enviromental

We focus on reducing our environmental impact by using natural resources more efficiently.

# Sustainability Community

260+ employees involved

## Chief Research, Innovation, and Sustainability Officer

- Lead and authorize Strategic guidelines on ESG
- Review ESG progress on a quarterly basis
- Present ESG initiatives and share progress made on existing projects to the Executive Committee and Advisory Board
- Channel feedback to and from the different corporate governance bodies

## Central Sustainability Team

- Develop the Sustainability Strategy.
- Establish priorities, commitments and goals
- Implement data intelligence systems
- ESG reporting to stakeholders
- Develop decarbonization, water stewardship, circular economy and responsible sourcing roadmaps.
- Evaluate new technologies, and provide technical and strategic support to business units
- Raise awareness and lead change management efforts on ESG

## ESG Champions

- Topic-specific experts for each Commitment or Goal
- Align local efforts to company-wide Goals
- Consolidate data and information used in the decision-making process
- Gather information on progress made by local teams
- Support local team in the implementation of initiatives related to their expertise
- Benchmark and cross fertilization

## Business Units

- Execute ESG roadmaps locally
- Comply with and improve sustainability governance
- Report progress and achievements
- Capex deployment



# 2025 Sustainability Commitments

## Health & Nutrition



## Shared Value



## Wellbeing



## Environment



Focus	Performance Indicator	SDG	2025 Goal	2021 Results	Progress	
Sustainable Innovation	Double the sales of products launched under the Health and Wellness portfolio* (compared to 2019).		2x	2.4x	100%	
Food Safety	Percentage of our plants with GFSI-endorsed certification (acquired up to 2018).		100%	94%	94%	
Nutritional Information	For markets without a local labeling regulation: Packaged products portfolio with nutritional facts on label.		95%	81%	85%	
Responsible Sourcing	Percentage of purchases from suppliers with enhanced sustainability practices.		80%	Became members of CDP Supply chain		
Food Donations	Tons of food donated (since 2015).		25,000 tons	19,574 tons	78%	
Occupational Health & Safety	Reduction in the accident rate at our operations (compared to 2018 baseline).		22%	26%	100%	
Continuous Learning	Increase in the number of training hours per employee (compared to 2018 baseline).		11%	44%	100%	
Volunteering	Percentage of employees that participate in volunteering initiatives.		10%	7.8%	78%	
Water Management	Reduction in water consumption per ton of food produced (compared to 2018 baseline).		20%	-3.4%**	0%	
Climate Action	Reduction in CO <sub>2</sub> e emissions related to our plants and our transportation fleet, per ton of food produced (compared to 2015 baseline).		20%	11.5%	57%	
Cleaner Energy	Percentage of electricity used in our plants from cleaner and renewable sources.		67%	61%	91%	

\*The Health and Wellness portfolio refers to products launched under the Health & Nutrition and Food & Sustainability Innovation platforms.

\*\* Amidst challenges brought about by COVID-19, additional hygiene measures have increased water consumption per ton produced, resulting in slight of water consumption levels.

# Current Memberships and Partnerships



Pacto Global  
Red México

United Nations  
Global Compact

ELEVATE

Responsible Sourcing  
Assessment Program



Supply Chain  
Program



Carbon Emission  
Reduction Program

2025  
SUSTAINABILITY  
COMMITMENTS

Aligned with the  
United Nation SDGs



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Signed commitment  
letter and submitted  
target proposal

# Appendix A: Key raw material price references

This appendix provides a detailed explanation on how to obtain key raw material price references from public sources. This is not intended as an exhaustive list of the company's raw materials nor is it a direct representation of the company's actual costs.

## Pork

- USA – USDA PM Ham, 23-27# Trmd Sel Ham
- USA – USDA Pork Trimmings - 42% Trim Combo, FOB Plant

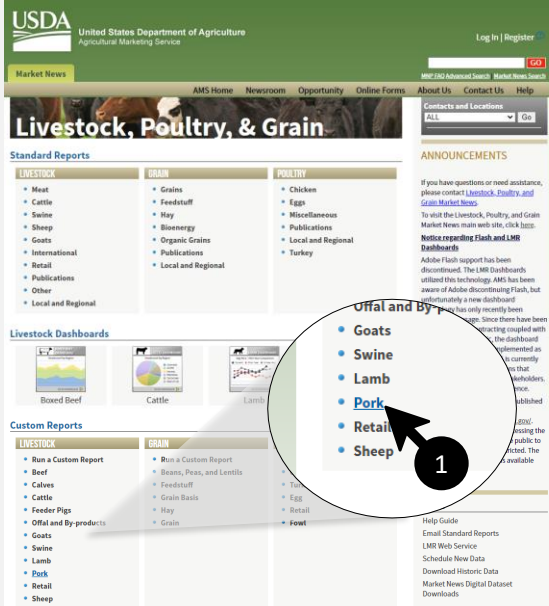
## Poultry

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

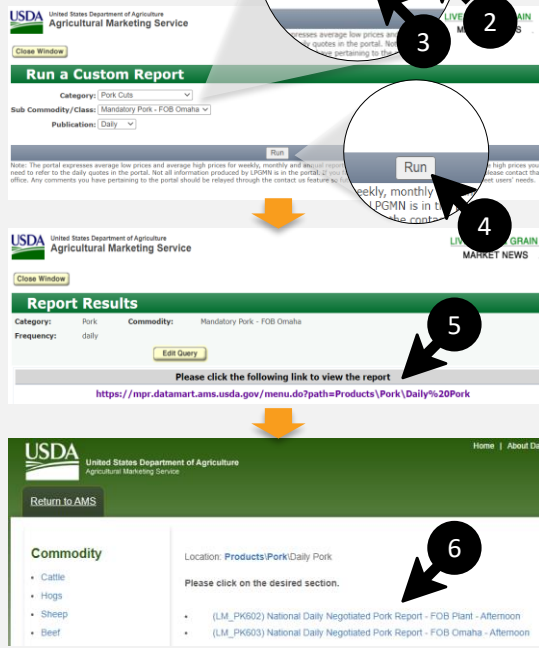
## Dairy

- USA – USDA Milk Class III
- USA – USDA Block Cheddar Cheese 40lb

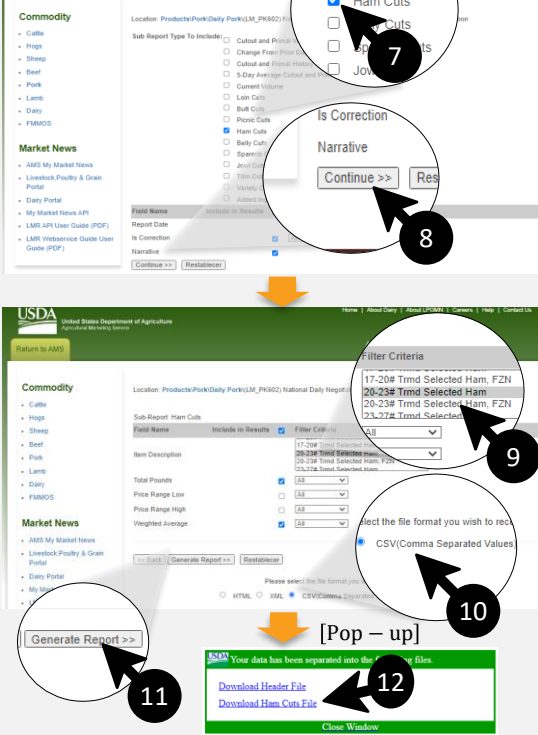
# USA – USDA PM Ham, 23-27# Trmd Sel Ham



The USDA AMS Home Page features a navigation bar with links to Market News, AMS Home, Newsroom, Opportunity, Online Forms, and more. The main section is titled "Livestock, Poultry, & Grain" and includes a "Standard Reports" section with links to Livestock, Grain, and Poultry. A "Livestock Dashboards" section displays various charts and graphs. A "Custom Reports" section provides links to Run a Custom Report, Run a Custom Report, and Run a Custom Report. A "Offal and By-products" section lists various products including Goats, Swine, Lamb, Pork, Retail, and Sheep.



The "Run a Custom Report" page allows users to select a Category (Pork Cuts), Sub Commodity/Class (Mandatory Pork - FOB Omaha), and Publication (Daily). A "Run" button is visible. Below the form, a "Report Results" section displays a link to view the report: <https://mpr.datamart.ams.usda.gov/menu.do?path=Products/Pork/Daily%20Pork>. The page also includes a "Commodity" section with links to Cattle, Hogs, Sheep, Poultry, and Beef.



The "Generate Report" page shows the selected report details, including the Commodity (Pork Cuts), Sub Report Type (Ham Cuts), and Item Description (23-27# Trmd Selected Ham). The page includes a "Filter Criteria" section with various options for filtering the data. A "Generate Report" button is visible. Below the button, a "Pop-up" window displays the generated report data, including the report title, date, and download links for the report header and data files.



# USA – USDA Pork Trimmings - 42% Trim Combo, FOB Plant

**Step 1:** Offal and By-products

**Step 2:** Run a Custom Report

**Step 3:** Run

**Step 4:** Report Results

**Step 5:** Filter Criteria

**Step 6:** Generate Report

**Step 7:** Trim Cuts

**Step 8:** Continue


**Step 9:** Filter Criteria

**Step 10:** CSV/Comma Separated Values

**Step 11:** Generate Report

**Step 12:** Download Header File, Download Trim Cuts File

# USA – USDA Chicken - MSC, 15-20% Fat, Fresh



United States Department of Agriculture  
Economics, Statistics and Market Information System

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### Processed Chicken: National Mechanically Separated Chicken (Fri)

[AMS](#)

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This report covers the national mechanically separated chicken (MSC) market. MSC prices and volume traded/exported are categorized by fat content and frozen vs. fresh. Prices and volume are presented over both weekly and monthly time scales. Also included is a market trend analysis.

**Division:** Livestock, Poultry and Seed Program

**Frequency of Release:** Not Specified

**Category:** [Agriculture Economics and Management-Retail and Market Prices, Animals and Animal Products:Livestock](#)

**Keywords:** [chicken, exports, frozen meat, mechanically separated chicken, prices, trade](#)

#### Releases

 [Filter by Date](#)

Date	Download	Details
Aug 5, 2022	<a href="#">PDF</a>	<a href="#">i</a>
Jul 29, 2022	<a href="#">PDF</a>	<a href="#">i</a>
Jul 22, 2022	<a href="#">PDF</a>	<a href="#">i</a>
Jul 15, 2022	<a href="#">PDF</a>	<a href="#">i</a>

#### LATEST RELEASE

Aug 5, 2022 [PDF](#) [i](#)


#### PUBLICATION CONTACT

**Contact office name:** Livestock, Poultry, and Grain Market News

**Contact email:** [Websupport.lgmn@ams.usda.gov](mailto:Websupport.lgmn@ams.usda.gov)



\_\_\_\_\_



# USA – USDA Turkey - Breast, Young Tom, Boneless & Skinless, Fresh

USDA United States Department of Agriculture  
Agricultural Marketing Service

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## Livestock, Poultry, & Grain

Standard Reports

**LIVESTOCK**

- Meat
- Cattle
- Swine
- Sheep
- Goats
- International
- Retail
- Publications
- Other
- Local and Regional

**GRAIN**

- Grains
- Feedstuff
- Hay
- Bioenergy
- Organic Grains
- Publications
- Local and Regional

**POULTRY**

- Chicken
- Egg
- Miscellaneous
- Publications
- Local and Regional
- Turkey

**Livestock Dashboards**

Boxed Beef | Cattle | Lamb | Swine

**Custom Reports**

**LIVESTOCK**

- Run a Custom Report
- Beef
- Calves
- Cattle
- Feeder Pigs
- Offal and By-products
- Goats
- Swine
- Lamb
- Pork
- Retail
- Sheep

**GRAIN**

- Run a Custom Report
- Beans, Peas, and Lentils
- Feedstuff
- Grain Basis
- Hay
- Grain

**POULTRY**

- Run a Custom Report
- Chicken
- Turkey
- Egg
- Retail
- Fowl

**Run a Custom Report**

- Chicken
- Turkey
- Egg
- Retail
- Fowl



USDA United States Department of Agriculture  
Agricultural Marketing Service

Close Window

## Run a Custom Report

Category: Turkey

Sub-Category: Domestic Parts

Product Type: BREASTS, 4-8 LBS GRADE A-FRESH  
BREASTS, 4-8 LBS PLANT GRADE  
BREASTS, B/S, TOM  
BREASTS, B/S, TOM-FRESH  
DESTRAPPED TENDERS  
DESTRAPPED TENDERS-FRESH  
DRUMSTICKS, HEN  
DRUMSTICKS, TOM  
DRUMSTICKS, TOM-FRESH  
MECHANICALLY SEPARATED

Add Remove

Frequency: Daily

Report Name: TURKEY: DAILY NATIONAL YOUNG TURKEY PARTS

Data Type: None Selected Value:

Dates: to

Date Format: mm/dd/yyyy  
Date range must be within 1 year.  
Data Availability Map

Run

# USA – USDA Turkey - Thigh Meat, Boneless & Skinless, Fresh



The screenshot shows the USDA Livestock, Poultry, & Grain Standard Reports page. The page is divided into several sections: Livestock, Grain, and Poultry. Under the Poultry section, there is a list of reports including Chicken, Turkey, Egg, Retail, and Fowl. A red circle with the number 1 highlights the 'Run a Custom Report' link under the Poultry section.

**USDA** United States Department of Agriculture  
Agricultural Marketing Service

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## Livestock, Poultry, & Grain

Standard Reports

**LIVESTOCK**

- Meat
- Cattle
- Swine
- Sheep
- Goats
- International
- Retail
- Publications
- Other
- Local and Regional

**GRAIN**

- Grains
- Feedstuff
- Hay
- Bioenergy
- Organic Grains
- Publications
- Local and Regional

**POULTRY**

- Chicken
- Egg
- Miscellaneous
- Publications
- Local and Regional
- Turkey

**Livestock Dashboards**

Boxed Beef | Cattle | Lamb | Swine

**Custom Reports**

**LIVESTOCK**

- Run a Custom Report
- Beef
- Calves
- Cattle
- Feeder Pigs
- Offal and By-products
- Goats
- Swine
- Lamb
- Pork
- Retail
- Sheep

**GRAIN**

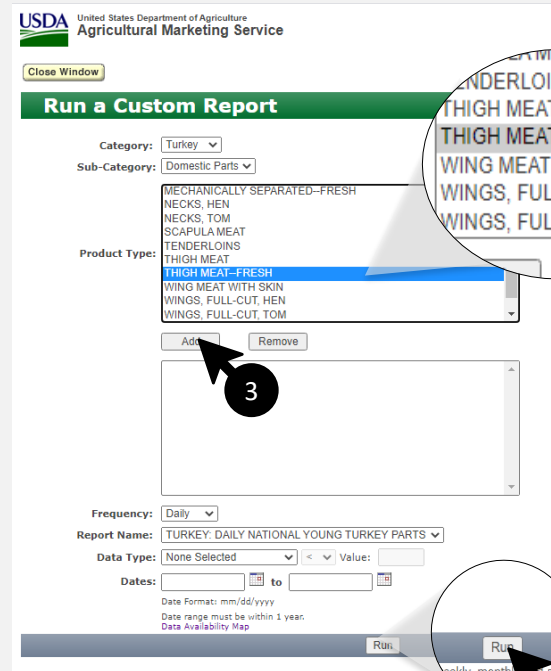
- Run a Custom Report
- Beans, Peas, and Lentils
- Feedstuff
- Grain Basis
- Hay
- Grain

**POULTRY**

- Run a Custom Report
- Chicken
- Turkey
- Egg
- Retail
- Fowl

**Run a Custom Report**

- Chicken
- Turkey
- Egg
- Retail
- Fowl



The screenshot shows the 'Run a Custom Report' form. The form is divided into several sections: Category, Sub-Category, Product Type, Frequency, Report Name, Data Type, Dates, and a Run button. A red circle with the number 2 highlights the 'THIGH MEAT-FRESH' option in the Product Type dropdown. A red circle with the number 3 highlights the 'Add' button. A red circle with the number 4 highlights the 'Run' button.

**USDA** United States Department of Agriculture  
Agricultural Marketing Service

Close Window

## Run a Custom Report

Category: Turkey

Sub-Category: Domestic Parts

Product Type: THIGH MEAT-FRESH

MECHANICALLY SEPARATED-FRESH  
NECKS, HEN  
SCAPULA MEAT  
TENDERLOINS  
THIGH MEAT  
WING MEAT WITH SKIN  
WINGS, FULL-CUT, HEN  
WINGS, FULL-CUT, TOM

Add Remove

Frequency: Daily

Report Name: TURKEY: DAILY NATIONAL YOUNG TURKEY PARTS

Data Type: None Selected

Dates: to

Date Format: mm/dd/yyyy  
Date range must be within 1 year.  
Data Availability Map

Run



# USA – USDA Dairy - CME, Milk Class III

**USDA** United States Department of Agriculture  
Agricultural Marketing Service

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**Dairy**

**Custom Reports**

- Run a Custom Report
- Butter
- Cheese
- CME
- Dry Milk Products
- Dry Whey Products
- Fluid Milk and Cream
- International
- Miscellaneous
- Retail (New)

**Other Reports**

**POPULAR REPORTS**

- CME Butter, Cheese, and NDM Prices
- Central Whey
- West Whey
- West Nonfat Dry Milk
- Domestic Dairy Market News Prices
- International Dairy Market News Prices
- European Dairy Market Overview
- Oceania Dairy Market Overview

**STANDARD REPORTS**

- Retail
- Organic
- Commodity
- International
- CME Cash
- Report List and Times
- Weekly PDF Report
- Annual PDF Reports
- Monthly Average
- Dairy Graphs

**NATIONAL SUMMARY REPORTS**

- Dairy Market News Weekly Report(PDF)
- Monthly Averages (PDF)
- Dairy Market News Annual Report (PDF)

**ANNOUNCEMENTS**

Please visit the MyMarketNews website, <https://mymarketnews.ams.usda.gov/>, to obtain the latest Dairy related data from AMS, Dairy Market News. Select "Search Market News Database" and follow the screen prompts for entering search criteria.

**NOTICE TO ALL USERS** subscribing to Dairy Market News reports via the Cornell Library. As of December 4th, all subscription emails will begin being sent from Cornell's [notifications@usda-esms.library.cornell.edu](mailto:notifications@usda-esms.library.cornell.edu). To receive these emails, an account must be created on the new site and the user must resubscribe to the publications they wish to receive. Users should also whitelist [notifications@usda-esms.library.cornell.edu](mailto:notifications@usda-esms.library.cornell.edu) in their email client to avoid the emails going into spam/junk folders.

**Tools**

- Email Standard Reports
- Market News Digital Dataset Downloads

**Resources**

- CME Group
- Dairy Federal Milk Marketing Orders
- Dairy Grading
- Dairy Programs
- Dairy Sites
- Dairy Standards
- Farm Service Agency

**CME Daily Price Flash**

CME Group, Chicago, IL (REPORT 35)  
Daily Cash Trading on Friday, August 31, 2018

	CLOSE	CHANGE
BUTTER GRADE AA	42,2350	-.0575
CHEESE 40# BLOCKS	41,8950	.0175
CHEESE BARRELS	41,6450	.0250
NONFAT DRY MILK GRADE A	38,1500	.0025
WHEY POWDER EXTRA GRADE	38,1500	.0075

Close represents US \$ per pound. Change in Midline

Disseminated by USDA, Dairy Market News - Midline

1 Monthly Average Dairy Graphs



**Dairy Graphs**

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Cotton and Tobacco

Dairy

Livestock, Poultry, and Grain

Specialty Crops

Local & Regional Food Marketing

Organic

Retail

Run a Custom Report

Contacts

Search Market News

**Butter**

- [Prices - CME \(pdf\)](#)
- [Production \(pdf\)](#)
- [Cold Storage Holdings \(pdf\)](#)

**Cheese**

- [Block Prices - CME \(pdf\)](#)
- [Barrel Prices - CME \(pdf\)](#)
- [Production - Total \(pdf\)](#)
- [Production - Cheddar \(pdf\)](#)
- [Cold Storage Holdings \(pdf\)](#)

**Milk Prices and Production**

- [Class III Prices \(pdf\)](#)
- [Milk Production \(pdf\)](#)

2

# USA – USDA Dairy - Block Cheddar Cheese 40lb

**USDA** United States Department of Agriculture  
Agricultural Marketing Service

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CHEESE 40# BLOCKS	41,8950	.0175
CHEESE BARRELS	41,6450	.0250
NONFAT DRY MILK GRADE A	1,1500	.0025
WHEY POWDER EXTRA GRADE	1,0075	

Close represents US \$ per pound. Change in Cents.

Disseminated by USDA, Dairy Market News

Monthly Average Dairy Graphs

1

USDA Agricultural Marketing Service  
U.S. DEPARTMENT OF AGRICULTURE

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**Dairy Graphs**

Cotton and Tobacco

Dairy

Livestock, Poultry, and Grain

Specialty Crops

Local & Regional Food Marketing

Organic

Retail

Run a Custom Report

Contacts

Search Market News

**Butter**

- Prices - CME (pdf)
- Production (pdf)
- Cold Storage Holdings (pdf)

**Cheese**

- Block Prices - CME (pdf)
- Barrel Prices - CME (pdf)
- Production - Total (pdf)
- Production - Check for

Block Prices - CME (pdf)

Barrel Prices - CME (pdf)

Production - Total (pdf)

2

A detailed photograph of a gourmet charcuterie board. In the center, a wooden cutting board holds several slices of cured meats, including salami and pepperoni, arranged in a fan shape. To the left, a round of soft cheese is garnished with a sprig of rosemary. Below it, a wedge of hard cheese is visible. In the foreground, a large wedge of soft cheese sits next to a small bowl of pesto. To the right, a wooden platter holds several rolled-up cured meats. In the background, a small bowl of olives and a bowl of a dark, chunky spread are visible. The entire scene is set on a rustic wooden surface, with a knife and a cheese fork in the bottom left corner.

# *Sigma*

[www.sigma-alimentos.com](http://www.sigma-alimentos.com)

Contact: [investorrelations@sigma-alimentos.com](mailto:investorrelations@sigma-alimentos.com)