

Monterrey, Nuevo Leon, April 23, 2024 - Sigma is a leading multinational food company operating in 17 countries throughout North and South America and Europe. With 64 plants and 179 distribution centers, the company produces, commercializes, and distributes quality branded foods, including packaged meats, cheese, yogurts, and other refrigerated and frozen foods.

The following are the first quarter of 2024 (1Q24) results compared to the same period of 2023. All figures are presented in U.S. Dollars (US \$) unless otherwise indicated.

1Q24 HIGHLIGHTS

Sigma Consolidated	<ul style="list-style-type: none"> ▶ All-time high quarterly consolidated EBITDA (US \$264 million) ▶ Twelfth consecutive quarter of year-on-year Revenue growth supported by record first quarter Volume ▶ 1Q24 EBITDA up 38% year-on-year, led by Europe, the U.S., and Mexico ▶ Sustained improvement of Net Debt to EBITDA Ratio; 2.2 times at the close of 1Q24. Represents lowest level in 10 years
Mexico	<ul style="list-style-type: none"> ▶ Record quarterly Volume and Revenue, supported by consistent growth across all categories and channels ▶ All-time high first quarter EBITDA, up 37% year-on-year, driven by volume growth and the appreciation of the Mexican Peso vs the US Dollar
Europe	<ul style="list-style-type: none"> ▶ Adjusting for the divestiture of operations in Italy, comparable 1Q24 Volume and Revenues increased 1% and 3% year-on-year, respectively ▶ Quarterly EBITDA growth of 52% versus 1Q23 driven mainly by improvement in the Fresh Meats business and benefits following the Italy divestment
U.S.	<ul style="list-style-type: none"> ▶ All-time high quarterly EBITDA, driven by Hispanic Brands, Mainstream Brands, and the successful integration of Los Altos Foods ▶ Record first quarter Volume and Revenue, up 8% and 15% year-on-year, respectively
Latam	<ul style="list-style-type: none"> ▶ All-time high quarterly EBITDA, driven by favorable performance in Central America and the Dominican Republic ▶ Record first quarter Volume and Revenue, up 3% and 4% year-on-year, respectively

SELECTED FINANCIAL INFORMATION (US \$ MILLION)

	1Q24	4Q23	1Q23	(%) 1Q24 vs.	
				4Q23	1Q23
Volume (ktons)	449	443	427	1	5
Mexico	243	240	225	1	8
Europe	91	95	95	(4)	(4)
United States	88	81	81	9	8
Latam	26	27	25	(3)	3
Revenues	2,170	2,161	1,991	-	9
Mexico	1,078	1,039	942	4	14
Europe	546	593	559	(8)	(2)
United States	398	377	347	5	15
Latam	149	153	143	(2)	4
EBITDA	264	229	192	15	38
Mexico	176	151	129	16	37
Europe	14	27	9	(48)	52
United States	59	37	41	56	41
Latam	16	14	13	12	24
Capex & Acquisitions	38	74	34	(48)	13
Net Debt	2,084	2,025	1,840	3	13
Net Debt / LTM* EBITDA	2.2	2.3	2.7		
LTM* Interest Coverage ¹	5.9	5.9	5.8		

* Times. LTM = Last 12 months

¹ Interest Coverage = EBITDA/Net Financial Expenses

MESSAGE FROM SIGMA'S PRESIDENT

"As we conclude the first quarter of 2024, I am excited to report a strong start to the new year. We achieved an all-time high consolidated quarterly EBITDA, which was driven by outstanding results across all regions as well as a strong Mexican peso. Our company generated year-on-year sales growth for the twelfth consecutive quarter, reflecting record first quarter consolidated volume. We maintain our 2024 EBITDA Guidance while we assess further upside potential.

Our 100+ brand portfolio continues to evolve into a stronger and more diverse one. Recently, three of our dairy brands - La Chona[®], Los Altos[®], and Nochebuena[®] - achieved annual sales exceeding US \$100 million, bringing the total number of brands that have achieved this milestone to 14. This accomplishment reflects our targeted efforts to diversify our product offerings, focusing on brands that enjoy strong consumer preference.

The Growth Business Unit remains a key driver that continues to explore new business models and categories to support long-term growth. Our B2C e-commerce platforms, spearheaded by Grill House[®], have entered their respective market scale-up phases following the successful business model validation and expansion in Mexico. We are now setting our sights on launching a Grill House[®] pilot in the U.S. during 2024.

We are taking decisive steps to further strengthen our financial position, focusing on extending our maturity profile by refinancing our debt. During the quarter, we refinanced our 2024 Euro notes through loans from four bank credit lines and had a successful placement of Ps \$10.0 billion in local notes. Additionally, we are preparing another issuance of local notes during the second quarter of 2024.

The strides we have made on various fronts are encouraging, as are the consistently strong results that stem from both the successful execution of our strategy as well as our capacity to capitalize favorable market conditions. I want to extend my gratitude to our global team for their dedication and efforts, which have been essential to our steady progress.

As always, thank you all for your continued support."

Rodrigo Fernández

INCOME STATEMENT (US \$ MILLION)

	1Q24	4Q23	1Q23	(%) 1Q24 vs	
				4Q23	1Q23
Total Revenues	2,170	2,161	1,991	-	9
Gross Profit	706	643	555	10	27
Operating expenses and others	(502)	(473)	(417)	6	21
Operating income (loss)	203	170	138	19	47
Financial cost, net	(74)	(129)	(70)	(42)	5
Share of losses of associates	0	0	0	-	-
Income Tax	(60)	(64)	(73)	(6)	(18)
Consolidated net income (loss)	69	(23)	(6)	400	-
EBITDA	264	229	192	15	38
EBITDA/Revenues (%)	12.2	10.6	9.6		

Volume was 449 ktons in 1Q24, up 5% year-on-year, as growth of 8% in both the U.S. and Mexico and 3% in Latam more than offset a 4% decrease in Europe. 1Q24 Volume in Europe reflects the divestiture of the Italian operations in 3Q23. Adjusting for this transaction, comparable European Volume was up 1%.

Average prices increased 4% versus 1Q23. In local currencies, quarterly prices decreased 1% year-on-year, as revenue management initiatives in the U.S. were more than offset by decreases in Mexico and Latam. Peso-denominated average prices in Mexico decreased 4% versus 1Q23, reflecting lower raw material cost pressures.

Revenues were US \$2.170 billion in 1Q24, up 9% year-on-year, driven mainly by Volume, the price increase in the U.S. and the strong Mexican peso vs the US dollar. In local currencies, quarterly Revenues were up 4% driven by growth in the U.S. (+15%), Mexico (+4%), and Latam (+3%) (see Table 2).

EBITDA was US \$264 million in the first quarter of 2024, up 38% year-on-year, driven by double-digit growth in all regions. Quarterly EBITDA continued to benefit from strong foreign exchange rates vs the US dollar, favorable raw material cost trends in the Americas and the sustained recovery in European operations, up 52% year-on-year. In local currency, quarterly EBITDA was up 29% versus the same period last year.

Operating Income was US \$203 million in 1Q24, up 47% when compared to US \$138 million in 1Q23, driven by the increase in EBITDA explained above.

Comprehensive Financing Expense (CFE) was US \$74 million, up 5% versus US \$70 million in 1Q23, as higher interest expenses were partially offset by lower foreign exchange losses.

Net Profit was US \$69 million in 1Q24, up from a net loss of US \$6 million in 1Q23 driven by the increase in Operating Income explained above and lower taxes.

CHANGE IN NET DEBT (US \$ MILLION)

	1Q24	4Q23	1Q23	(%) 1Q24 vs	
				4Q23	1Q23
EBITDA	264	229	192	15	38
Net Working Capital	(95)	66	(57)	(244)	66
Capital Expenditures & Acquisitions	(38)	(74)	(34)	(48)	13
Net Financial Expenses	(44)	(37)	(28)	18	53
Taxes	(54)	(94)	(86)	(42)	(37)
Dividends	(76)	0	0	-	-
Other Sources (Uses)	(17)	(71)	(44)	(76)	(62)
Decrease (Increase) in Net Debt	(59)	20	(58)	(394)	3

Net Debt was US \$2.084 billion, up US \$59 million versus 4Q23. The quarter-on-quarter increase was mainly driven by net working capital investment, as explained below.

Cash totaled US \$1.138 billion in 1Q24, up US \$512 million when compared to 4Q23 and US \$510 million higher than 1Q23. The Cash balance includes proceeds from the local notes issuance in March 2024, which will be used to refinance a portion of the Senior Notes due 2026 (see Recent Developments – Mexican local Bond issuance).

Approximately 79% of cash was held in US dollars and euros. Financial ratios at the end of the quarter were: Net Debt to EBITDA of 2.2 times and Interest Coverage of 5.9 times. The net leverage at the end of 1Q24 represents the lowest level in ten years (see Table 5).

Net Working Capital (NWC) investment was US \$95 million during 1Q24 driven primarily by the seasonal investment in raw material inventories across all regions and higher prices year-to-date.

Capital Expenditures & Acquisitions (Capex) totaled US \$38 million during the quarter, 13% higher than 1Q23. Approximately 67% of Capex was maintenance-related and the remainder was invested in strategic projects.

Dividends paid during 1Q24 were US \$76 million.

INDUSTRY COMMENTS - SIGMA

Consumer confidence and retail sales

During 1Q24, average consumer confidence in Mexico (as per INEGI¹) was 47.2 points, up 2.7 points year-on-year. By the end of March 2024, the inflation rate had decreased to 4.4%, a 2.4 percentage point reduction against the 6.8% rate at the end of the same period of 2023. Same-store-sales (as per ANTAD²) during March 2024 grew 7.9% year-on-year.

Data released by the Mexican tourism authorities (DATATUR³) for February 2024 posted a year-on-year increase of 3.2% in the average hotel occupancy rate.

In the United States, the average consumer confidence level reported during 1Q24 by The Conference Board was 106.8, up 2% versus 1Q23 and 4% higher versus 4Q23. As of March 2024, the inflation rate closed at 3.5%, down from 5.0% in March 2023. Adjusted Food & Beverage Retail Sales reported by the U.S. Census Bureau during the quarter increased by 1% on average year-on-year.

As of March 2024, the European Commission reported that the average consumer confidence level was down to negative 15.5 points when compared to negative 19.6 points during the same period of last year. According to Eurostat, Food Retail Sales were down by 1% on average year-on-year and sequentially. The inflation rate fell to 2.4% at the end of 1Q24, compared to 6.9% at the end of 1Q23.

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 1Q24 exchange rate for the Mexican peso appreciated 9%, and the euro appreciated 1% year-on-year. Furthermore, Sigma's Latam currency mix (outside Mexico) experienced a net appreciation effect of approximately 2% year-on-year versus the US dollar.

	1Q24	4Q23	1Q23	(%)1Q24 vs	
				4Q23	1Q23
Mexico - MXN/USD Avg	17.00	17.58	18.70	(3)	(9)
Mexico - MXN/USD EOP	16.68	16.89	18.11	(1)	(8)
EU - USD/EUR Avg	1.09	1.07	1.07	1	1
EU - USD/EUR EOP	1.08	1.10	1.09	(2)	-
Costa Rica - CRC/USD Avg	514.28	534.05	561.0	(4)	(8)
Costa Rica - CRC/USD EOP	505.39	523.02	640.5	(3)	(6)
Dominican Rep. - DOP/USD Avg	58.63	57.33	56.16	2	4
Dominican Rep. - DOP/USD EOP	59.16	58.13	54.95	2	8
Peru - PEN/USD Avg	3.76	3.79	3.83	(1)	(2)
Peru - PEN/USD EOP	3.72	3.71	3.76	-	(1)

Revenues from Costa Rica, the Dominican Republic, Peru, and Ecuador represented more than 80% of Latam Revenues. Ecuador is a dollarized economy; therefore, no exchange rate is included above.

Raw Materials

U.S. pork ham prices during 1Q24 increased 3% year-on-year amid strong demand and elevated exports. Sequentially, prices fell 7% mainly due to seasonality. Moreover, average trimming prices decreased 18% when compared to 1Q23 and were 5% lower sequentially, mainly due to higher production and soft trimming demand.

In Europe, average quarterly pork ham prices were steady while pork shoulder prices were 6% higher amid lower production. In contrast, lean hog prices were 6% lower versus 1Q23. On a sequential basis, hog and ham prices were 1% and 2% higher, respectively, mainly due to seasonality, while pork shoulder prices were 2% lower.

With respect to U.S. poultry prices, average turkey breast prices were down 49% when compared to 1Q23 and flat on a sequential basis, as demand remains weak. 1Q24 turkey thigh prices decreased 22% year-on-year but were up 19% sequentially due to fewer eggs in incubators. Average chicken prices were down 13% year-on-year but were flat versus 4Q23, as demand remains soft.

RESULTS BY REGION - SIGMA

During 1Q24, Mexico accounted for 50% of total revenues; while Europe represented 25%; the U.S. 18%; and Latam 7%.

Mexico:

In local currency, 1Q24 Revenues increased 4% year-on-year, driven by all-time high quarterly volume reflecting strong demand across all channels and product categories. Prices were down 4% year-on-year as raw material cost pressures eased. 1Q24 Foodservice Channel Revenues rose by 6% year-on-year, driven by solid volume growth from new and existing customers. Excluding Foodservice results, peso-denominated 1Q24 Revenues increased by 3% versus 1Q23.

In pesos, 1Q24 EBITDA increased 24% year-on-year driven by higher volume and cost benefits. Similarly, Foodservice channel EBITDA increased 25% versus 1Q23.

Europe:

1Q24 Revenues in euros were down 4% year-on-year, reflecting steady prices and a 4% volume decrease mainly due to the divestment of operations in Italy. Adjusting for the Italy divestiture, comparable 1Q24 Volume increased 1% and Revenues grew 3% year-on-year.

In local currency, 1Q24 EBITDA was up 50% year-on-year, driven by an improvement in the Fresh Meats business, as well as benefits following the divestment of all operations in Italy. As a reference, Packaged Meats represents approximately 82% of European Revenues and Fresh Meats the remainder.

United States:

Quarterly Revenues were 15% higher versus 1Q23, mainly driven by Mainstream Brands, the Hispanic Brands segment and the Los Altos Foods acquisition. Revenue management initiatives also contributed to this positive result. Adjusting for the effect of Los Altos Foods, comparable 1Q24 Revenues grew 5% year-on-year.

1Q24 EBITDA, a quarterly record, was up 41% versus 1Q23, mainly driven by a positive performance of Hispanic Brands, Mainstream Brands and Los Altos Foods.

Latam:

In local currencies, quarterly Revenues were up 3% year-on-year mainly due to a 3% volume increase and steady prices. Record first quarter volume was mainly driven by Central America and Ecuador.

Quarterly EBITDA in local currencies was up 21% year-on-year, mainly driven by favorable results in Central America and the Dominican Republic.

RECENT DEVELOPMENTS – SIGMA

<p>Credit Ratings</p>	<p>S&P Rating</p> <ul style="list-style-type: none"> Affirmed “BBB-” global and “mxA++” national scale issuer credit ratings, following Sigma’s positive result in S&P’s new Management & Governance assessment. Outlooks remain stable (February 2024) <p>Fitch Rating</p> <ul style="list-style-type: none"> Affirmed Sigma’s “BBB” and “AAA(mex)” credit ratings. Outlooks are Stable (March 2024)
<p>2024 Euro Bond refinancing</p>	<ul style="list-style-type: none"> Sigma paid its Euro Senior Notes due 2024 (February 2024) The total outstanding principal amount of €600 million was paid at maturity with funds from four bilateral, long-term bank loans
<p>Mexican local Bond program</p>	<ul style="list-style-type: none"> Successful placement of Ps \$10.0 billion (US ~\$600 million) in local notes, also known as <i>Certificados Bursátiles</i>, oversubscribed by nearly 2.7 times over the target amount (March 2024) The issuance consisted of two tranches, one comprised of Ps \$1.520 billion with a 4-year term at a variable interest rate and the other tranche of Ps \$8.480 billion with a 10-year term at a fixed interest rate Proceeds will be used to refinance a US \$600 million partial redemption of the Senior Notes due in 2026 When the redemption is completed, the average debt maturity will be extended to 4.6 years from 3.1 years Sigma is preparing another issuance of local notes under the same program during 2Q24
<p>Brand Portfolio</p>	<ul style="list-style-type: none"> Three of Sigma’s dairy brands—La Chona®, Los Altos®, and Nochebuena®—achieved annual sales of US \$100+ million, bringing the total number of brands that have achieved this important milestone to 14, up from 11
<p>Growth Business Unit</p>	<p>Tastech launches 5th edition</p> <ul style="list-style-type: none"> Presenting four verticals: New Business Models, Future Foods, Power Connections and Artificial Intelligence Previous 4 editions: 1,300+ applications from startups in more than 50 countries, resulting in 45 pilot tests

(See “Financial Statements” for Sigma’s 1Q24 Balance Sheet and Income Statement)

Table 1 | SIGMA - VOLUME AND PRICE CHANGES (%)

	1Q24 vs.	
	4Q23	1Q23
Total Volume	1.4	5.1
Avg. Ps. \$ Prices	(4.2)	(5.7)
Avg. US \$ Prices	(0.9)	3.7

Table 2 | SIGMA – REVENUES AND EBITDA IN LOCAL CURRENCY

	1Q24	4Q23	1Q24 vs.		
			1Q23	4Q23	1Q23
Revenues					
Mexico (Ps. \$ Millions)	18,314	18,247	17,620	-	4
Europe (€ Millions)	503	552	523	(9)	(4)
United States (US \$ Millions)	398	377	347	5	15
Latam (US \$ Millions Eq ¹)	147	147	143	-	3
EBITDA					
Mexico (Ps. \$ Millions)	2,987	2,661	2,403	12	24
Europe (€ Millions)	13	25	9	(48)	50
United States (US \$ Millions)	59	37	41	56	41
Latam (US \$ Millions Eq ¹)	15	13	13	17	21

¹US \$ Million equivalent=1Q24 and 4Q23 financial results in each country are converted into US Dollars at the 1Q23 average exchange rate for each local currency.

Table 3 | SIGMA - OPERATING INCOME

	1Q24	4Q23	1Q23	1Q24 vs.	
				4Q23	1Q23
Operating Income					
Ps. \$ Millions	3,454	2,997	2,582	15	34
US \$ Millions	203	170	138	19	47

**Table 4 | SIGMA - COMPREHENSIVE FINANCING INCOME / EXPENSE
(US \$ MILLION)**

	1Q24	4Q23	1Q23	(%) 1Q24 vs.	
				4Q23	1Q23
Financial Expenses	(51)	(46)	(34)	11	48
Financial Income	8	8	5	4	55
Net Financial Expenses	(42)	(37)	(29)	12	47
Exchange Rate Gains (Losses)	(32)	(91)	(42)	(65)	(23)
Capitalized Comp. Fin. Expense	0	0	0	-	-
Comprehensive Financing Expense	(74)	(129)	(71)	(42)	5
Avg. Cost of Borrowed Funds (%)	5.5	5.7	5.0		

**Table 5 | SIGMA - STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS
(US \$ MILLION)**

	1Q24	4Q23	1Q23	(%) 1Q24 vs.	
				4Q23	1Q24
Assets					
Cash and cash equivalents	1,134	625	627	81	81
Trade accounts receivable	423	413	337	2	26
Inventories	980	956	1,045	3	(6)
Other current assets	230	239	358	(4)	(36)
Total current assets	2,767	2,233	2,367	24	17
Investment in associates and others	4	4	8	(2)	(54)
Property, plant and equipment, net	1,775	1,782	1,636	-	9
Goodwill and intangible assets, net	1,525	1,545	1,409	(1)	8
Other non-current assets	170	178	151	(4)	13
Total assets	6,241	5,741	5,570	9	12
Liabilities & stockholders' equity					
Debt	66	756	702	(91)	(91)
Suppliers	1,205	1,265	1,188	(5)	1
Other current liabilities	548	542	645	1	(15)
Total current liabilities	1,819	2,562	2,536	(29)	(28)
Debt (include debt issuance cost)	3,146	1,889	1,755	67	79
Employees' benefits	108	107	93	1	16
Other long-term liabilities	222	226	223	(2)	-
Total liabilities	5,296	4,785	4,607	11	15
Total stockholders' equity	946	956	963	(1)	(2)
Total liabilities & stockholders' equity	6,241	5,741	5,570	9	12
Net Debt	2,084	2,025	1,840	3	13
Net Debt/EBITDA*	2.2	2.3	2.7		
Interest Coverage*	5.9	5.9	5.8		

* Times. LTM=Last 12 months

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

BALANCE SHEET

Information in millions of Nominal Mexican Pesos

ASSETS	Mar 24	Dec 23	Mar 23	(% Mar 24 vs.)	
				Dec 23	Mar 23
CURRENT ASSETS:					
Cash and cash equivalents	18,908	10,563	11,361	79	66
Restricted cash	22	7	7	231	231
Customers, net	7,057	6,981	6,101	1	16
Income tax recoverable	435	314	275	38	58
Inventories	16,346	16,142	18,915	1	(14)
Other current assets	3,382	3,712	6,192	(9)	(45)
Total current assets	46,149	37,718	42,852	22	8
Property, plant and equipment, net	29,604	30,103	29,612	(2)	-
Intangible assets, net	14,192	14,500	13,562	(2)	5
Goodwill	11,248	11,603	11,953	(3)	(6)
Deferred income tax	2,568	2,601	2,462	(1)	4
Investments in associates and joint ventures	59	61	77	(3)	(24)
Other non-current assets	272	399	326	(32)	(17)
Total non-current assets	57,944	59,266	57,992	(2)	(0)
Total assets	104,092	96,984	100,844	7	3
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current debt	521	12,249	12,209	(96)	(96)
Notes payables	581	522	503	11	15
Suppliers	20,094	21,362	21,518	(6)	(7)
Income tax payable	1,955	1,597	1,836	22	7
Provisions	157	185	57	(15)	177
Other current liabilities	7,021	7,371	9,792	(5)	(28)
Total current liabilities	30,329	43,286	45,914	(30)	(34)
NON-CURRENT LIABILITIES:					
Non-current debt	49,974	29,550	30,444	69	64
Notes payables	2,499	2,358	1,335	6	87
Deferred income taxes	3,089	3,394	3,541	(9)	(13)
Employees benefits	1,809	1,813	1,686	-	7
Provisions	6	7	67	(22)	(92)
Income tax payable	0	0	0	-	-
Other non-current liabilities	614	421	424	46	45
Total non-current liabilities	57,991	37,544	37,496	54	55
Total liabilities	88,320	80,830	83,411	9	6
STOCKHOLDERS' EQUITY:					
Total controlling interest:	15,711	16,102	17,425	(2)	(10)
Total non-controlling interest:	61	52	8	18	669
Total stockholders' equity	15,772	16,154	17,433	(2)	(10)
Total liabilities and stockholders' equity	104,092	96,984	100,844	7	3

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

INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	1Q24	4Q23	1Q23	1Q24 vs. (%)	
				4Q23	1Q23
Revenue	36,887	37,985	37,217	(3)	(1)
Cost of sales	(24,893)	(26,672)	(26,852)	(7)	(7)
Gross profit	11,994	11,314	10,366	6	16
Selling expenses	(6,441)	(6,595)	(5,985)	(2)	8
Administrative expenses	(2,126)	(2,013)	(1,782)	6	19
Other income (expenses), net	26	291	(16)	(91)	(262)
Operating profit	3,454	2,997	2,582	15	34
Comprehensive financial expenses, net	(1,257)	(2,254)	(1,318)	(44)	(5)
Equity in income (loss) of associates	-	3	-	(100)	-
Profit before income tax	2,197	746	1,264	194	74
Provisions for:					
Income tax	(1,025)	(1,114)	(1,371)	(8)	(25)
Net consolidated profit	1,172	(368)	(107)	(419)	-
Non-controlling interest	10	2	(0)	374	-
Controlling interest	1,162	(370)	(107)	(414)	-



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