

axtel

alestra*

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NETWORKS

Technology
connecting
your life

SECOND QUARTER 2024

CORPORATE PRESENTATION

I. **Axtel at a Glance**

II. Financial Performance

III. Spin-off

B2B Company; Moving Towards Specialization

WHAT WE DO:

- Facilitate digital transformation through advanced Telecom, IT, Cybersecurity and Mobility solutions.
- Provide connectivity and infrastructure services.

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ENTERPRISE

GOVERNMENT

INFRASTRUCTURE

Horizontal Differentiation – Business Lines

Vertical focus - Industries

- Specialized and consultative commercial model
- ~11,000 customers

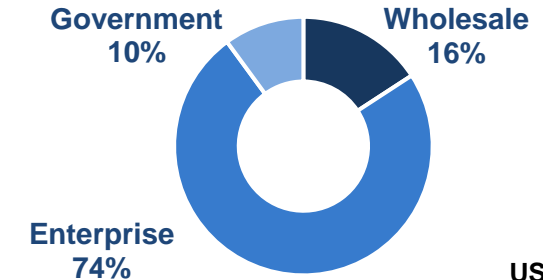
- Larger federal & state presence (50/50%); diversification & smoothing out political cycles
- New organization & redesigned strategy
- ~200 customers

- Capitalize nearshoring opportunities
- Network coverage: industrial parks, data centers, metro rings
- Metro with high capillarity
- ~60 wholesale customers



Culture: Agility, empowerment & talent development

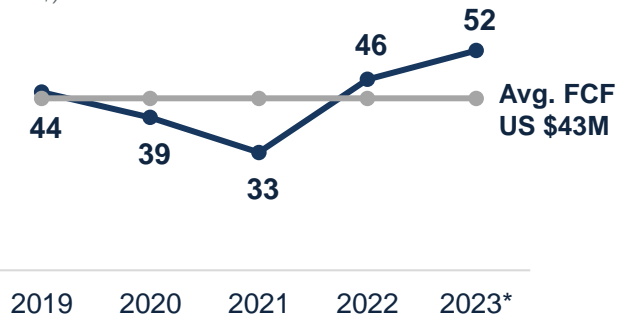
LTM2Q24 REVENUES



US \$637M
Ps. \$10,969M

Free Cash Flow ("FCF")

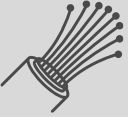





(in MDIIs.\$)



* Normalized (excluding reorganization expenses).





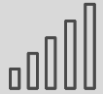

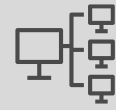



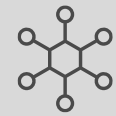





Wholesale (Axnet), Enterprise & Government (Alestra) Segments

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Last Mile Access 	Long Distance Transport 
Fiber to the Tower 	Fiber to the Data Center 
Spectrum 	Colocation 

Mobile and fixed carriers, data centers, tower operators

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Mobility 	Cybersecurity 	Telecom 	IT 
Multi-operator Mobile Service 	Perimeter / Endpoint 	Connectivity 	Systems Integration 
MVNO Solutions 	To / from Cloud 	Managed Networks 	Cloud 
Voice, Data, IoT 	Consulting 	Collaboration 	Digital Transformation 

Enterprise and Government Segments

Our Network & Nearshoring Opportunities

Network:

~50,800 km

Optical Fiber Network

27,000 km – 76 cities

Metropolitan Rings

23,800 km

Long Distance Network

+260,000

Business Locations Covered

~1,000

Network Points of Presence

5

International border crossings

7, 10.5, 15, 23, 38

Ghz Spectrum

6 Operating Centers

NOC, CASTI, MSNOC, CDC,
HD, COC

Nearshoring:

+90%

A+/A buildings and ~900 industrial parks (IPs) covered

Identifying opportunities with developers and industries

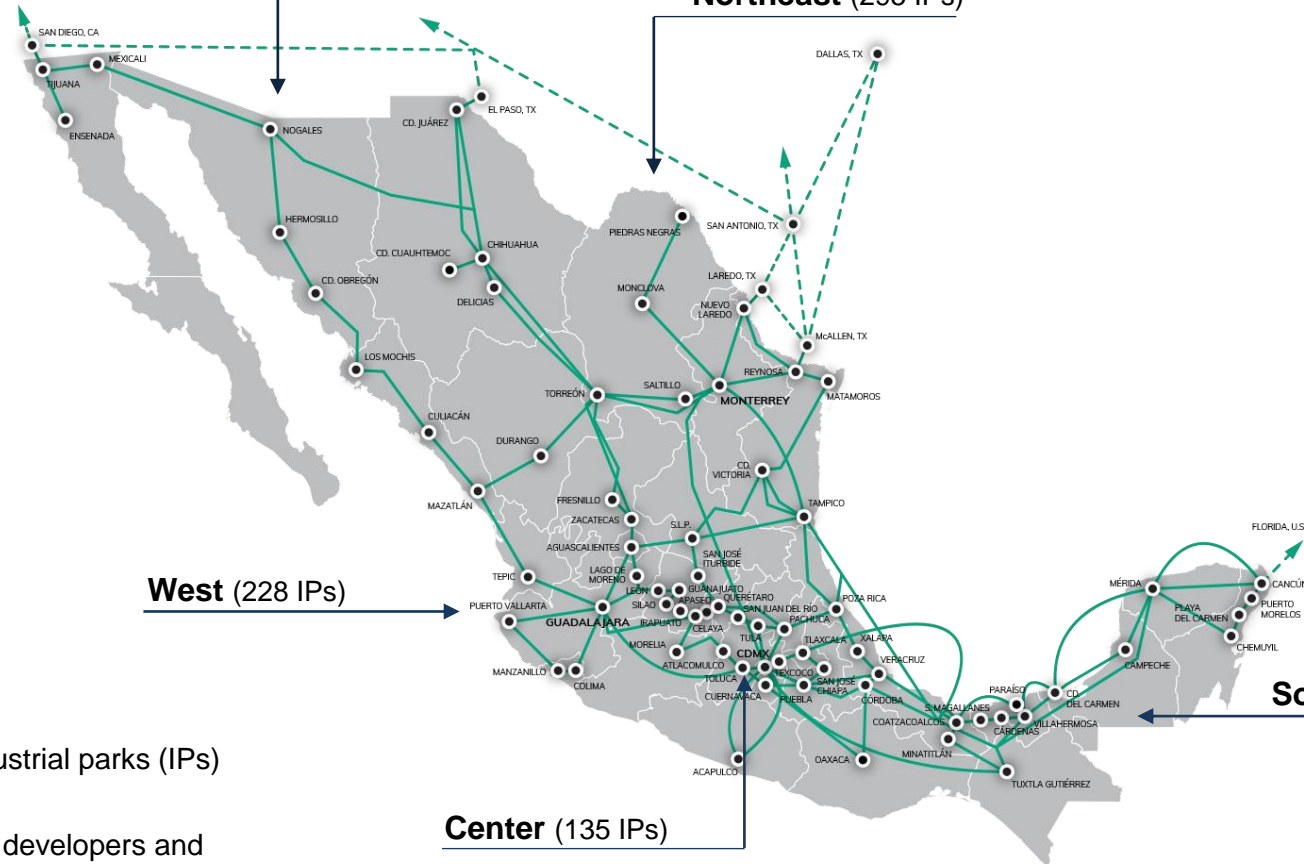
Northwest (202 IPs)

Northeast (295 IPs)

West (228 IPs)

Center (135 IPs)

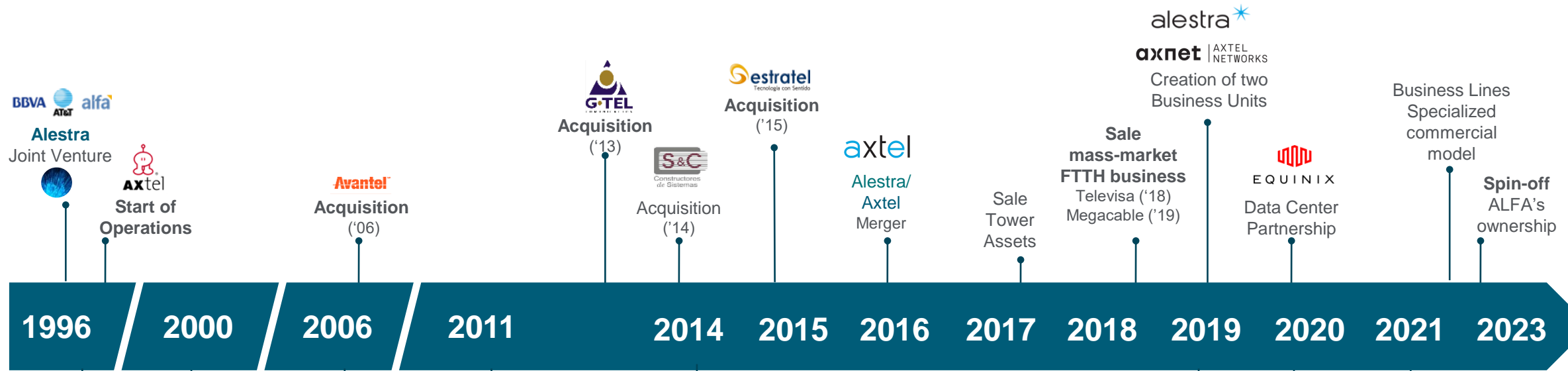
Southeast (33 IPs)



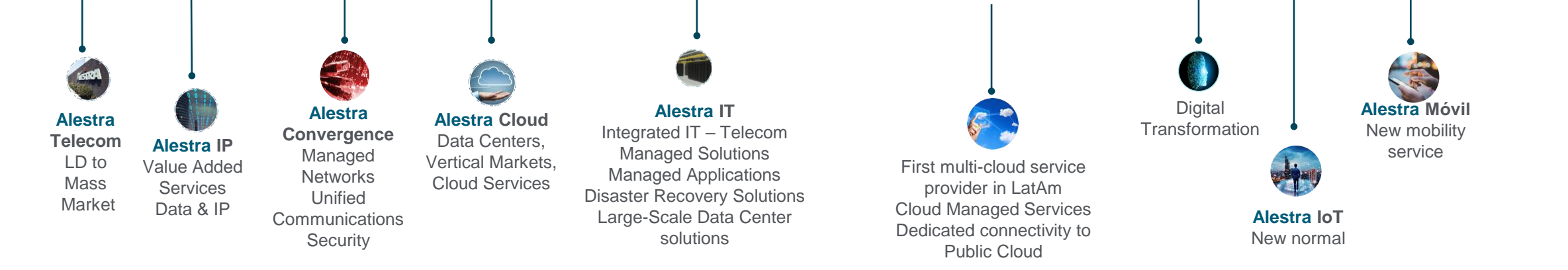
Strategic Evolution

MISSION: Enable companies to be more productive through digitalization

Strategic Milestones



Technological Milestones



Management with 20+ years average experience in ICT Industry



Armando de la Peña
CEO
Axtel
22 years *



Sergio Antonio Bravo García
Executive Director
Government Segment
28 years



Carlos Buchanan
Executive Director
Human Capital
23 years



Andrés Cordovez
Executive Director
Infrastructure and Operations
26 years



Adrián De Los Santos
Executive Director
Finance & Planning
18 years



Bernardo García
Executive Director
Enterprise Segment
28 years



Raúl Ortega
Executive Director
Legal and Regulatory
28 years



Alicia Saucedo
Director
Business Development
25 years

* Include years at ALFA.

Business Lines – Specialization and P&L accountability

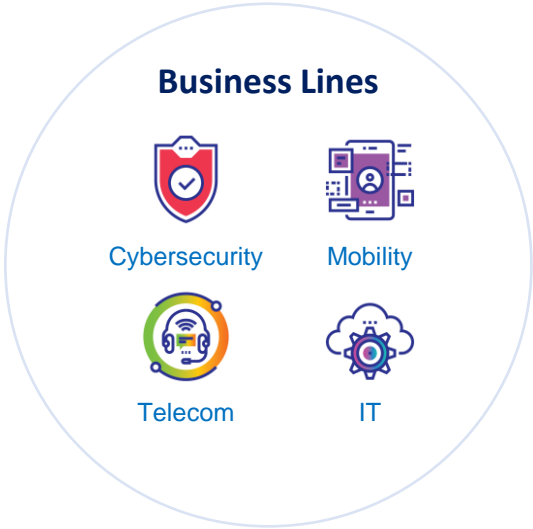
Strategies oriented to profitable growth

Potential Customer

- *Business Line*
- *Region / Segment*
- *Selected Verticals*

Strategies / Commercial Tactics

- Focus on strategic accounts
- Change in vision (*potential vs Alestra's market share*)
- Selected verticals – growth above market



Sustainability Model

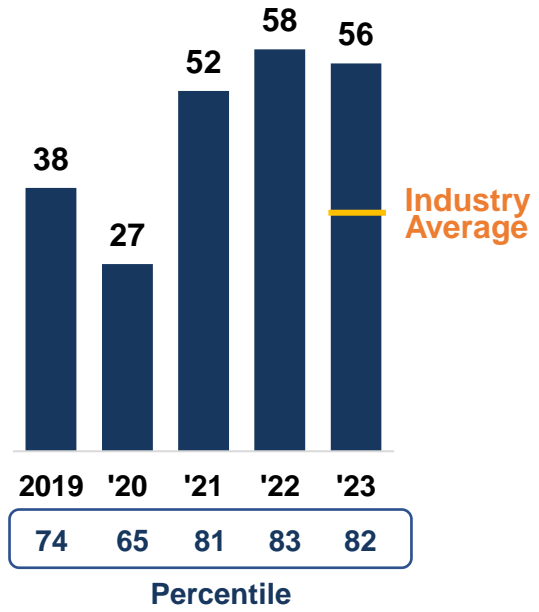
Sustainability Model Pillars

- Environmental awareness
- Employee well-being
- Social outreach
- Operational efficiency
- Innovation & work culture

- ESG Commitment**
 - +50% of debt ESG related
 - Syndicated Loan and IFC’s term loan
- Energy & Emissions**
 - In 2023, 54% of its energy consumption came from clean sources. (51% in 2022)
- Diversity and Inclusion**
 - In 2022 & 2023, women represented 26% of total employees.
- Cybersecurity & Sustainability Awareness**
 - Adhered to multiple best practices in international standards
 - No data breaches in 2022 & 2023.



S&P Global - CSA



I. Axtel at a Glance

II. Financial Performance

III. Spin-off

Revenues & Comparable EBITDA (YTD 2Q24)

ENTERPRISE:

- Specialization business lines model support 5% revenues increase YoY.
- Digital transformation & Value-added solutions: +11%.

GOVERNMENT:

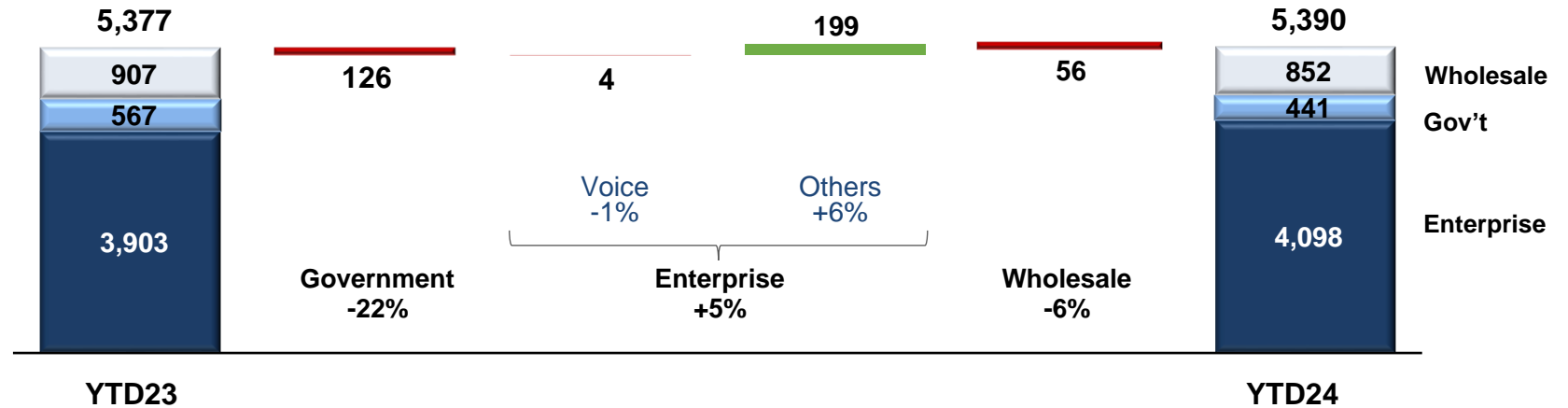
- Excluding 1Q23 one-time transaction, revenues increased 3% YoY.
- Recurrent revenues +16% driven by strategy of diversifying opportunities at federal, state and local levels.

WHOLESALE:

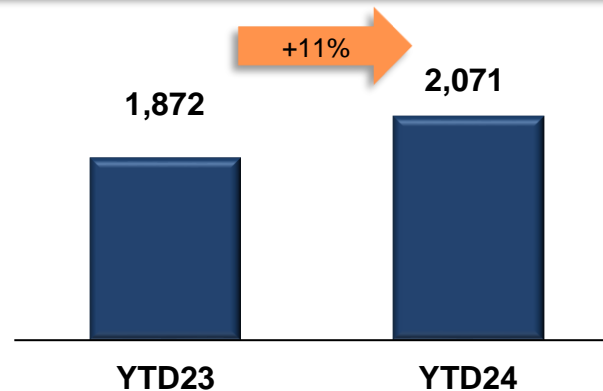
- Launched campaign to increase presence internationally – attractive pipeline of opportunities.
- Decline in continuity services related to the 2019 mass market divestment and wholesale connectivity access.

(in MP\$.)

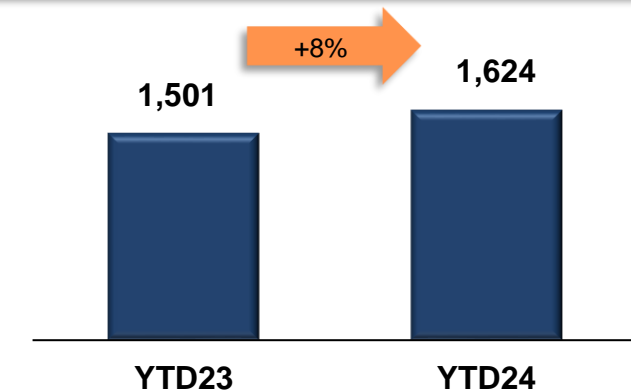
Revenues – total revenues remained flat



Business Segments' Contribution to EBITDA



Comparable EBITDA*



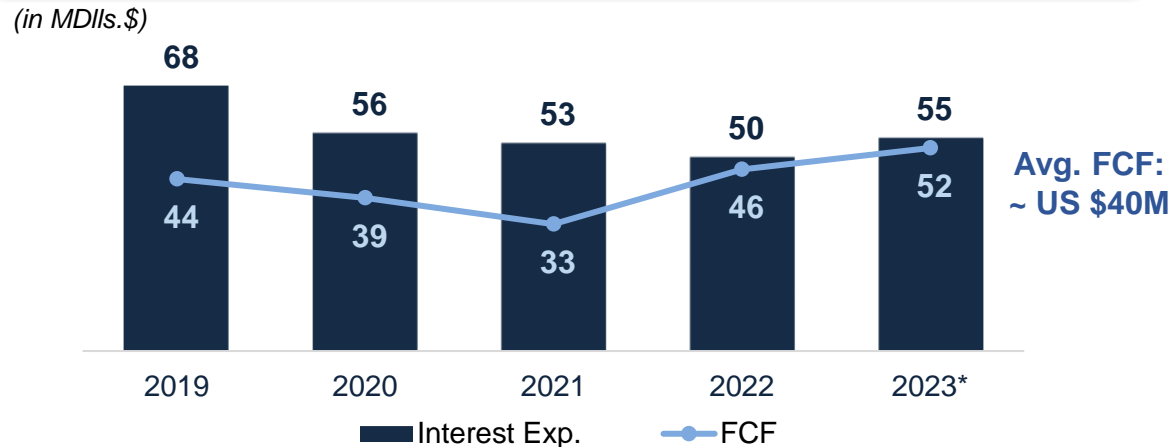
* Note: YTD23 excludes one-time reorganization charge.

Debt Profile & FCF (as of 2Q24)

Capital Structure

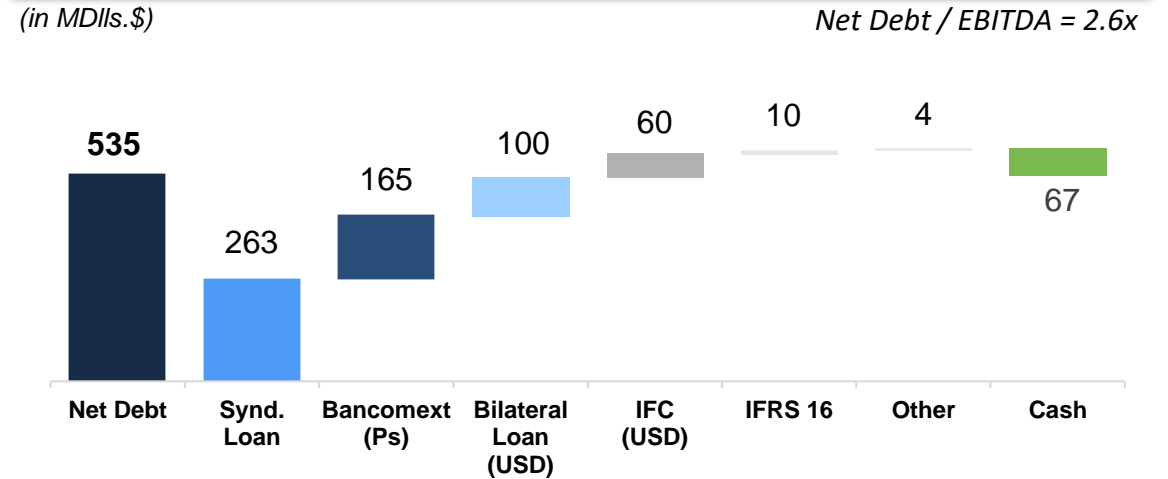
- Net leverage reached 2.6x, improvement compared to 3.5x a year ago.
- In 2023, refinancing of all debt – extending maturity profile
 - Refinancing of Ps. 3,026M Bancomext Loan – 10-year term
 - 2024 Notes refinanced in July:
 - US \$268M, 5-year Syndicated Loan with nine banks
 - US \$100M, 5-year term bilateral loan
 - US \$60M, 7-year new bilateral loan
- Available committed credit lines: US \$50M

FCF & Interest Expense

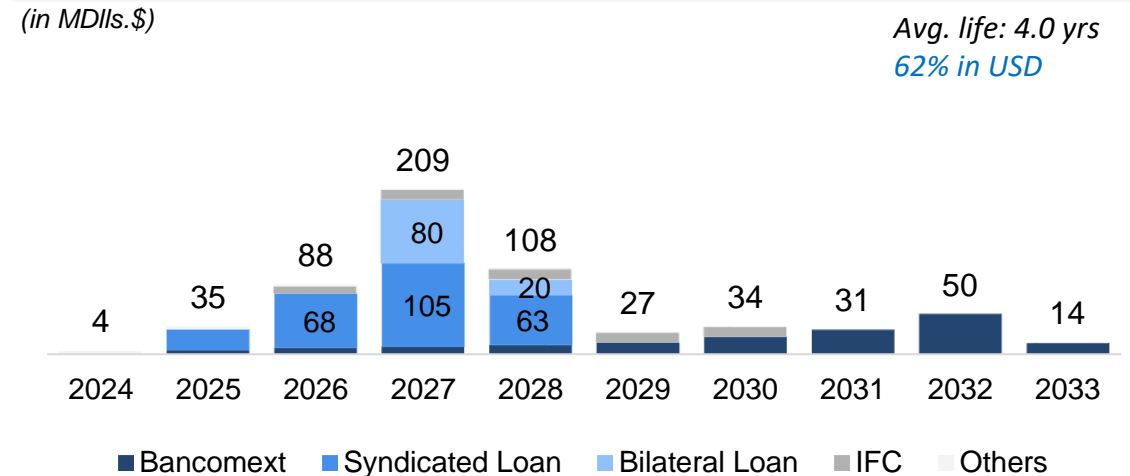


* Normalized FCF – excluding reorganization expenses.

Debt Composition



Maturity Profile

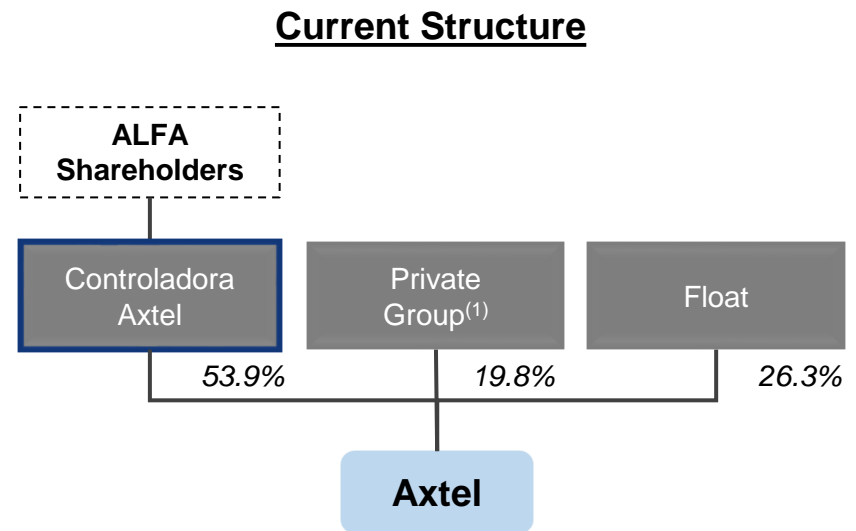
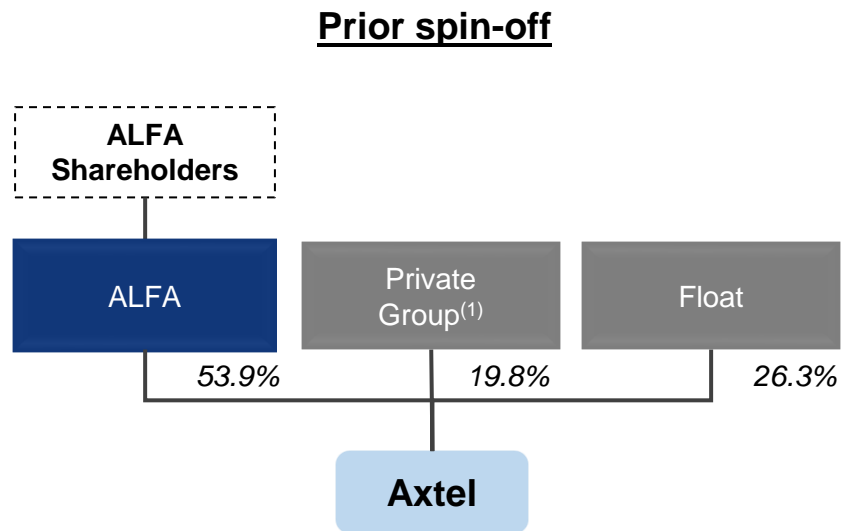


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Axtel: Second independent ALFA subsidiary

- Ratio CTAXTEL to AXTELCPO = **0.317**.
- Spin-off represents opportunity for Axtel to continue driving its organic and strategic initiatives independently.
- Board of Directors, Executive Committees, management team and corporate governance remained unchanged.
- Controladora Axtel is capable of merging with Axtel, subject to the approval of its shareholders.

Axtel Shareholder Structure



(1) Group of Shareholders (Milmo, Santos, Garza Santos, Santos de Hoyos Families & Cemex S.A.B. de C.V.)

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