

axtel

alestra\*

axnet | AXTEL  
NETWORKS

Technology  
connecting  
your life

**THIRD 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

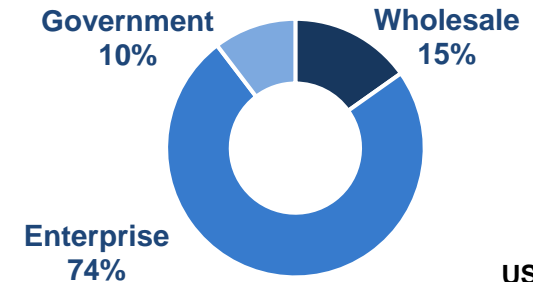
- Larger federal & state presence (50/50%); diversification & smoothing out political cycles
- New organization & redesigned strategy
- ~200 customers

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



**Culture:** Agility, empowerment & talent development

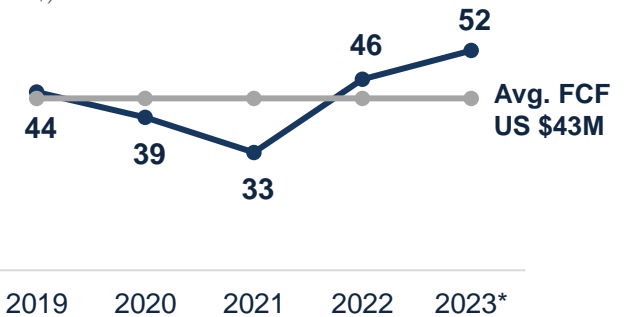
## LTM3Q24 REVENUES



US \$626M  
Ps. \$11,056M

## Free Cash Flow ("FCF")

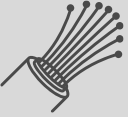





(in MDIIs.\$)



\* Normalized (excluding reorganization expenses).







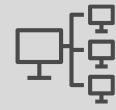



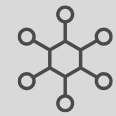





# Wholesale (Axnet), Enterprise & Government (Alestra) Segments

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<b>Last Mile Access</b> 	<b>Long Distance Transport</b> 
<b>Fiber to the Tower</b> 	<b>Fiber to the Data Center</b> 
<b>Spectrum</b> 	<b>Colocation</b> 

*Mobile and fixed carriers, data centers, tower operators*

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

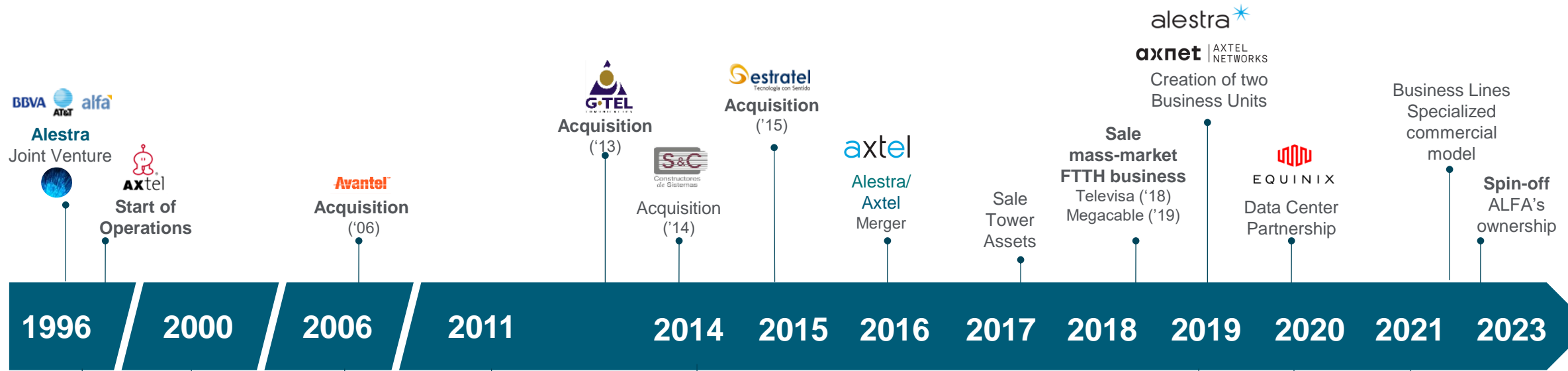
*Enterprise and Government Segments*



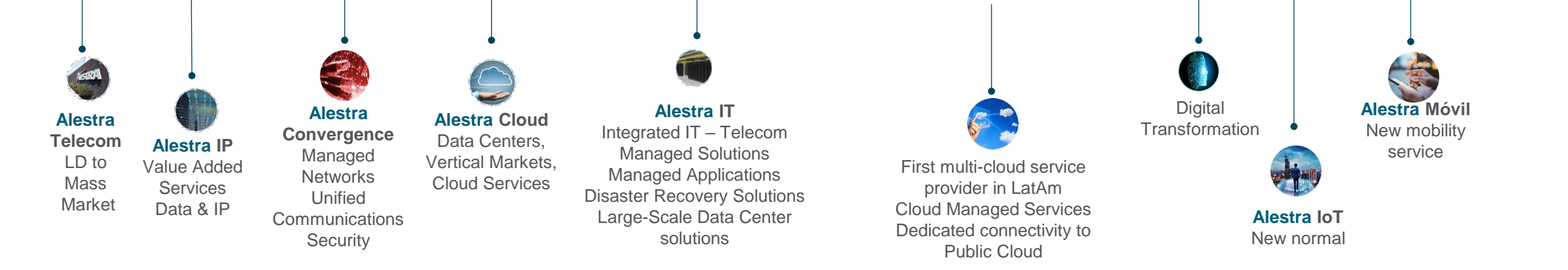
# Strategic Evolution

**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



### Business Lines



### Regions



### Selected Verticals





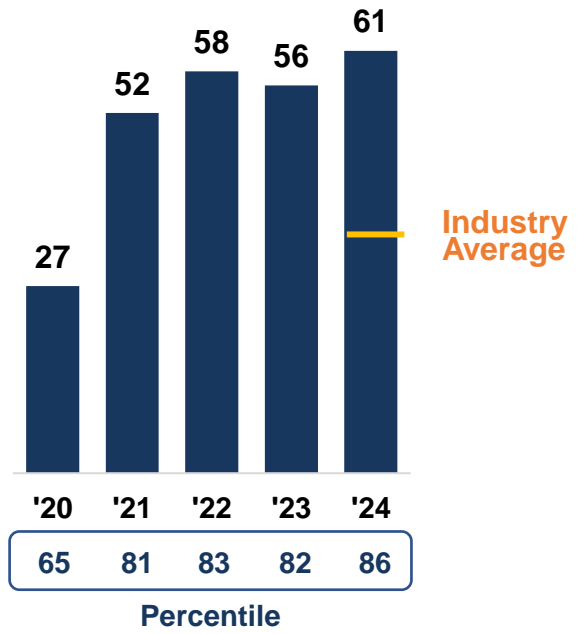
# Sustainability Model

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



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# Revenues & Comparable EBITDA (YTD 3Q24)

## ENTERPRISE:

- Specialized business lines model support **5%** YoY revenue growth.
- Digital transformation & Value-added solutions: **+10%**
  - Cloud & cybersecurity: **+16%**

## GOVERNMENT:

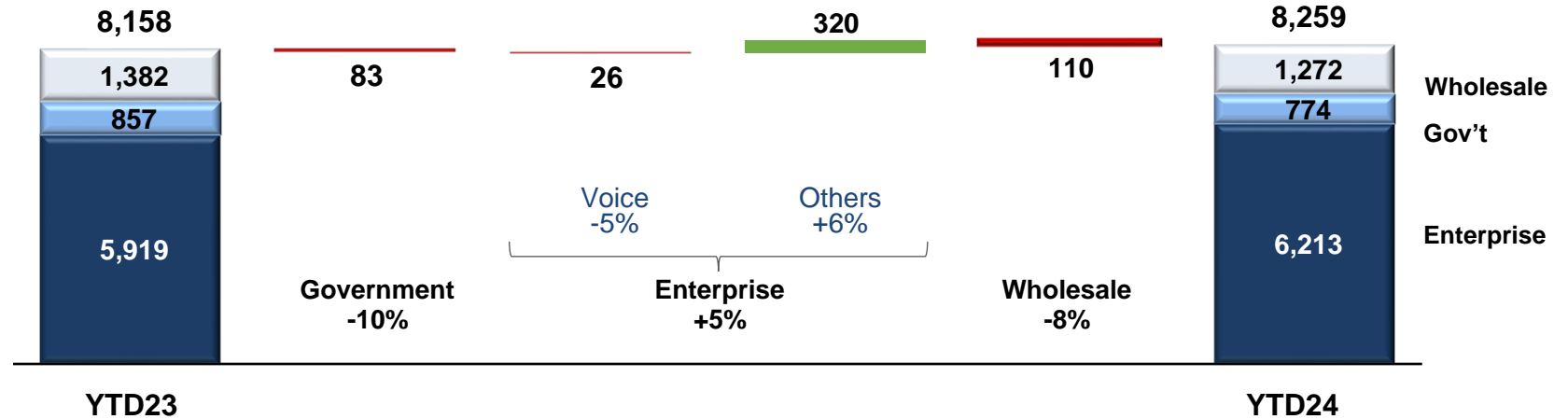
- Excluding 1Q23 one-time transaction, revenues **+8%** YoY.
- Recurrent revenues **+27%** driven by strategy of diversifying opportunities at federal, state and local levels, and more active federal administration.

## WHOLESALE:

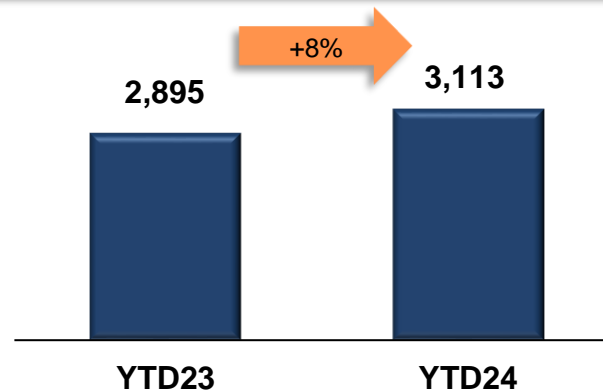
- Attractive pipeline of opportunities – *hyperscalers* constitute a relevant new business avenue.
- Declines in non-recurrent, up-front, capacity contracts & continuity services related to 2019 mass market divestment.

(in MP\$.)

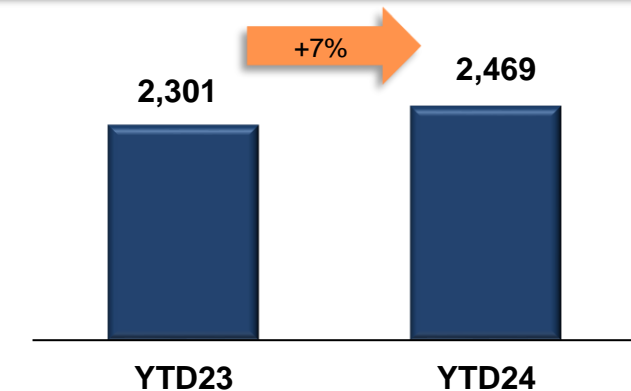
**Revenues** – total revenues increased 1%



**Business Segments' Contribution to EBITDA**



**Comparable EBITDA\***



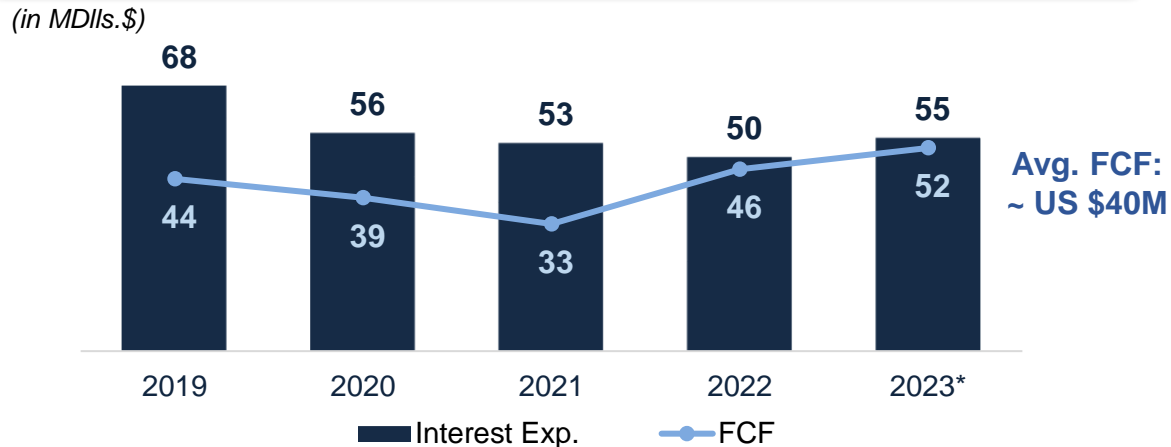
\* Note: YTD23 excludes one-time reorganization charge.

# Debt Profile & FCF (as of 3Q24)

## Capital Structure

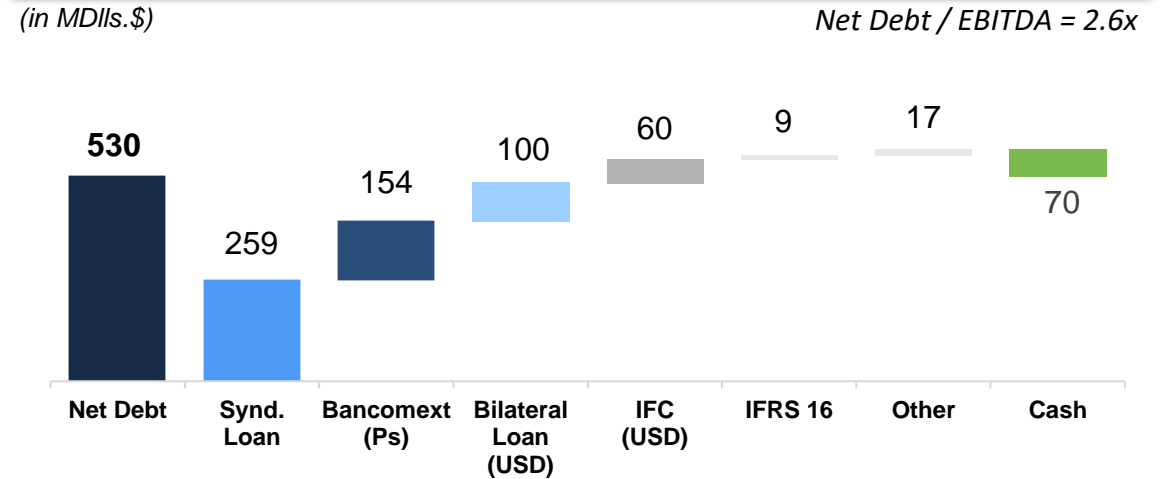
- Net leverage reached 2.6x, improvement compared to 3.5x a year ago.
- In 2023, refinancing of all debt – extending maturity profile
  - Refinancing of Ps. 3,026M Bancomext Loan – 10-year term
  - 2024 Notes refinanced in July:
    - US \$268M, 5-year Syndicated Loan with nine banks
    - US \$100M,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

## FCF & Interest Expense

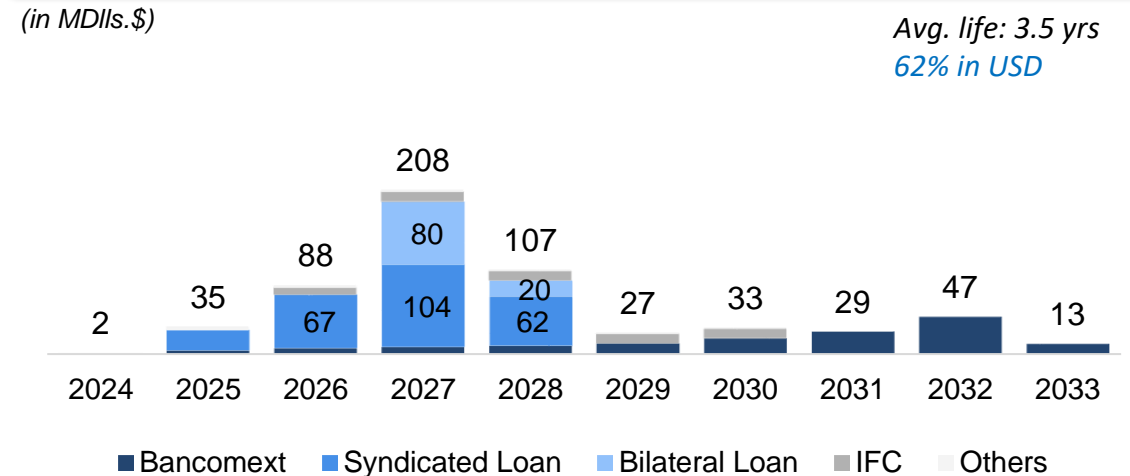


\* Normalized FCF – excluding reorganization expenses.

## Debt Composition



## Maturity Profile

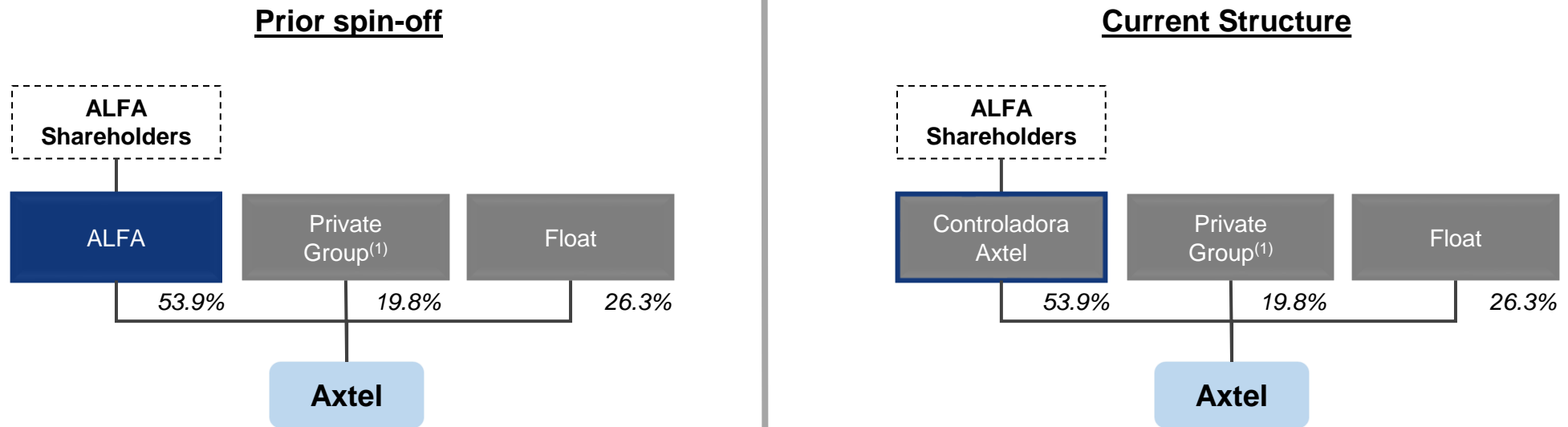


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# Axtel: Second independent ALFA subsidiary

- 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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