

axtel

alestra*

axnet | AXTEL
NETWORKS

Technology
connecting
your life

FIRST 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 the most 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

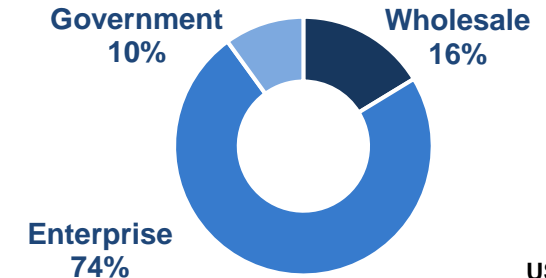
- Larger federal & state presence (50/50%); diversification & smoothing out political cycles
- New organization & redesigned strategy
- ~200 customers

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



Culture: Agility, empowerment & talent development

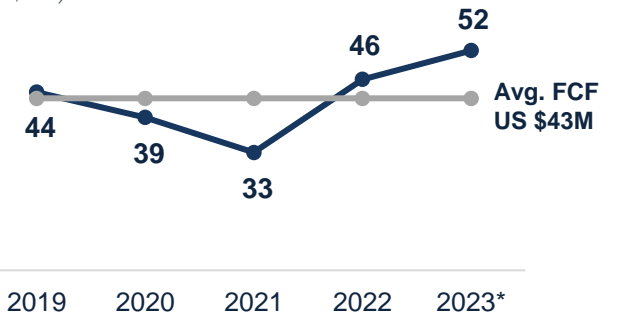
LTM1Q24 REVENUES



US \$627M
Ps. 10,859M

Free Cash Flow ("FCF")

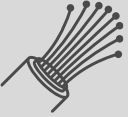





(in US \$mm)



* Normalized (excluding reorganization expenses).





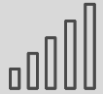

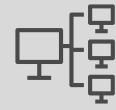



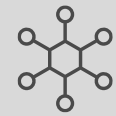





Wholesale (Axnet), Enterprise & Government (Alestra) Segments

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

Mobile and fixed carriers, data centers, tower operators

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

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

~1,100

Network Points of Presence

5

International border crossings

7, 10.5, 15, 23, 38

Ghz Spectrum

5 Operating Centers

NOC, CASTI, MSNOC, CDC, HD

Nearshoring:

+90%

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

Identifying opportunities with developers and industries

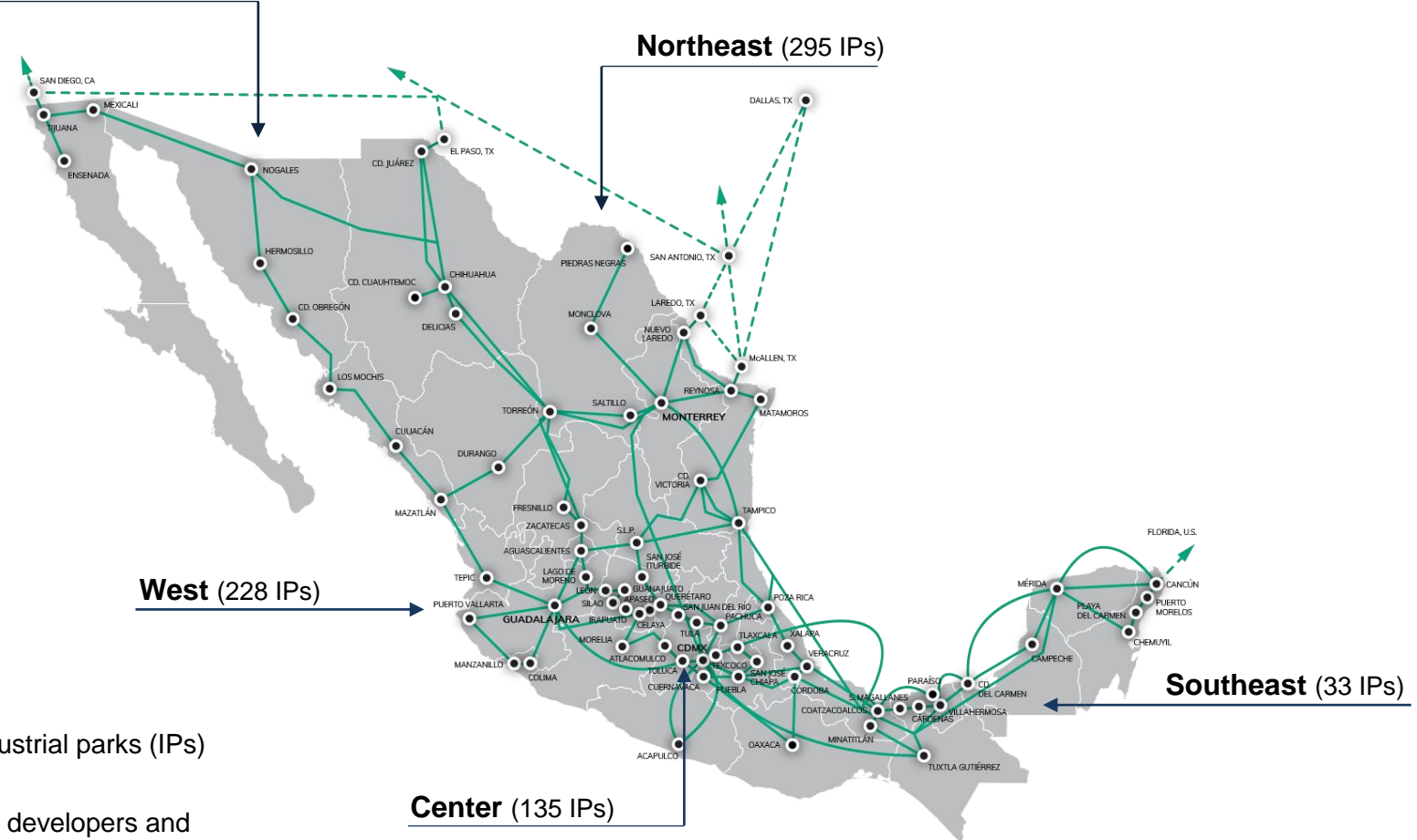
Northwest (202 IPs)

Northeast (295 IPs)

West (228 IPs)

Southeast (33 IPs)

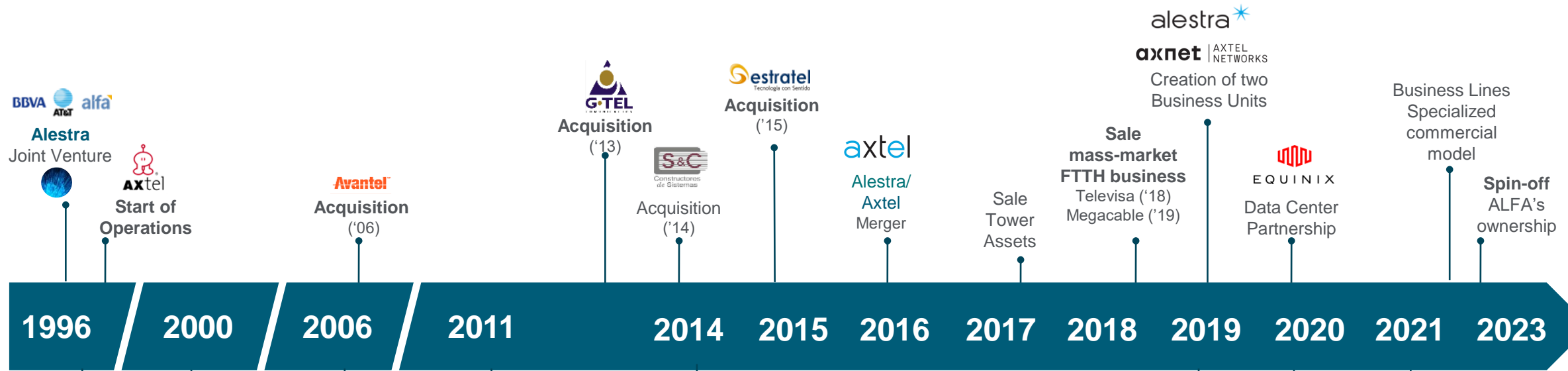
Center (135 IPs)



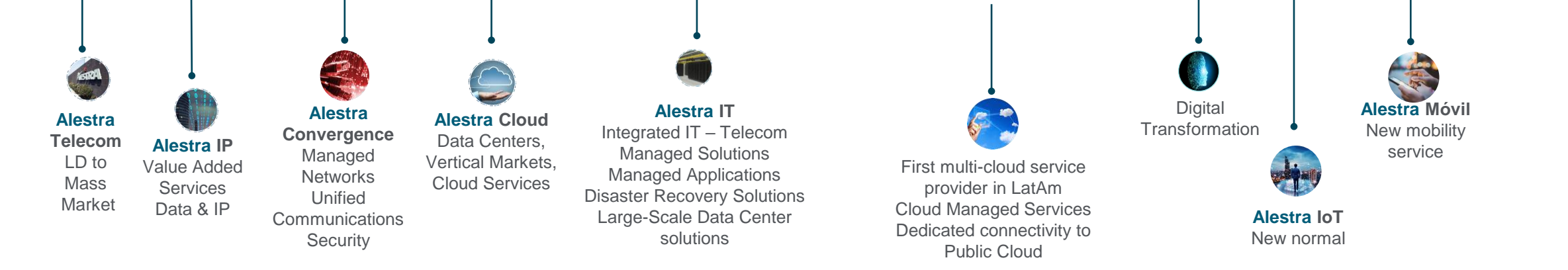
Strategic Evolution

MISSION: Enable companies to be more productive through digitalization

Strategic Milestones



Technological Milestones



Management with 20+ years average experience in Information and Communication Technology (ICT) Industry



Armando de la Peña
CEO
Axtel
21 years *



Sergio Antonio Bravo García
Executive Director
Government Segment
27 years



Carlos Buchanan
Executive Director
Human Capital
22 years



Andrés Cordovez
Executive Director
Infrastructure and Operations
25 years



Adrián De Los Santos
Chief Financial
Officer
17 years



Bernardo García
Executive Director
Enterprise Segment
27 years



Raúl Ortega
Executive Director
Legal and Regulatory
27 years



Alicia Saucedo
Director
Business Development
24 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



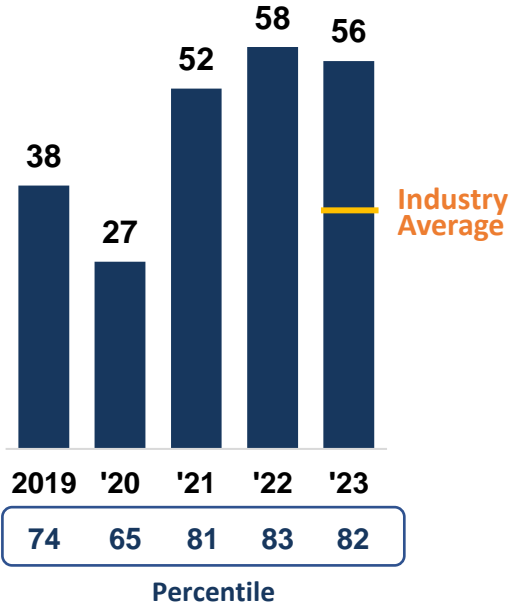
Sustainability Model

Sustainability Model Pillars

- Environmental concern
- Employee wellbeing
- Social outreach
- Operational efficiency
- Innovation and digital culture

- Energy & Emissions**
 - In 2020, Axtel began decommissioning obsolete equipment
 - 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 1Q24)

ENTERPRISE:

- Growth in all business lines – +7% in Digital Transformation and Value-added services.

GOVERNMENT:

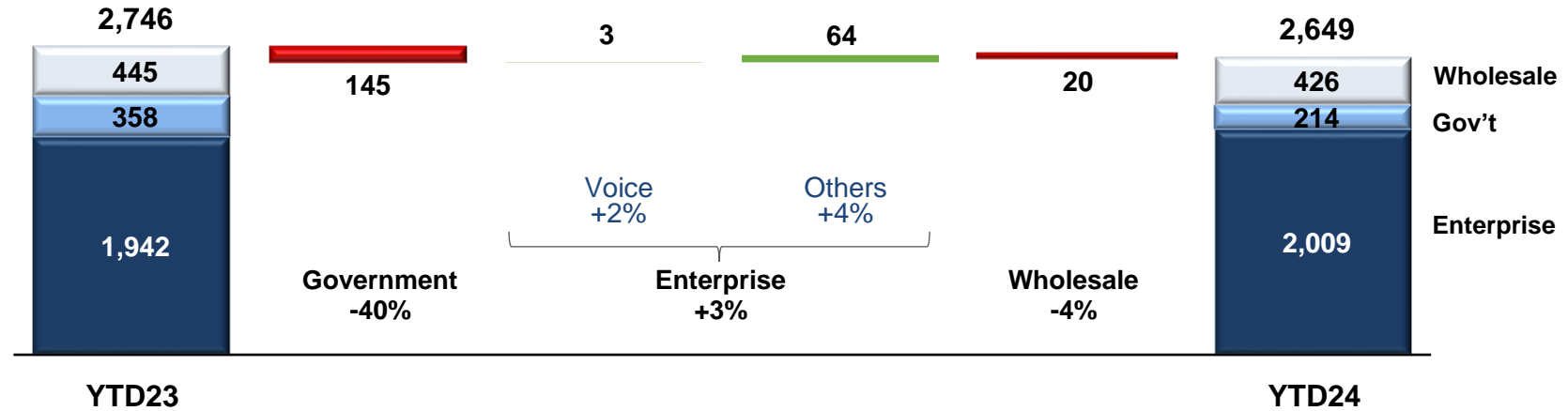
- Tough comps – extraordinary low-margin transaction in 1Q23.
- Recurrent revenues +4%
- Digital Transformation +31%

WHOLESALE:

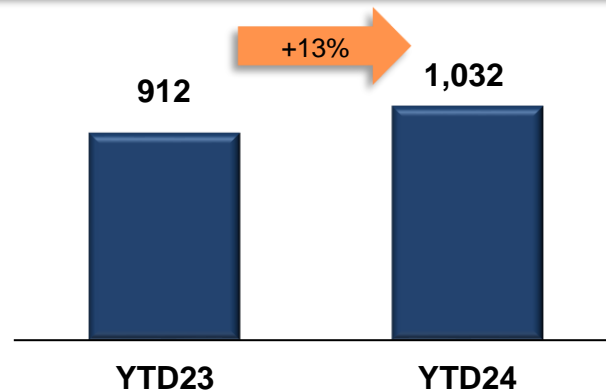
- Higher level of dark fiber capacity contracts.
- Decline in continuity services related to the 2019 mass market divestment and wholesale connectivity access revenues.

(in MXN \$M)

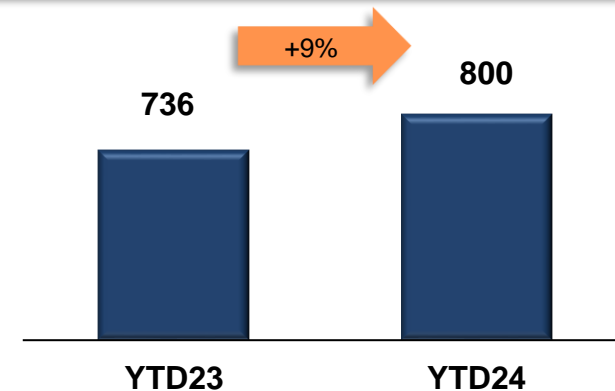
Revenues – total revenues decreased 4%



Business Segments' Contribution to EBITDA



Comparable EBITDA*



* Note: YTD23 excludes one-time reorganization charge.

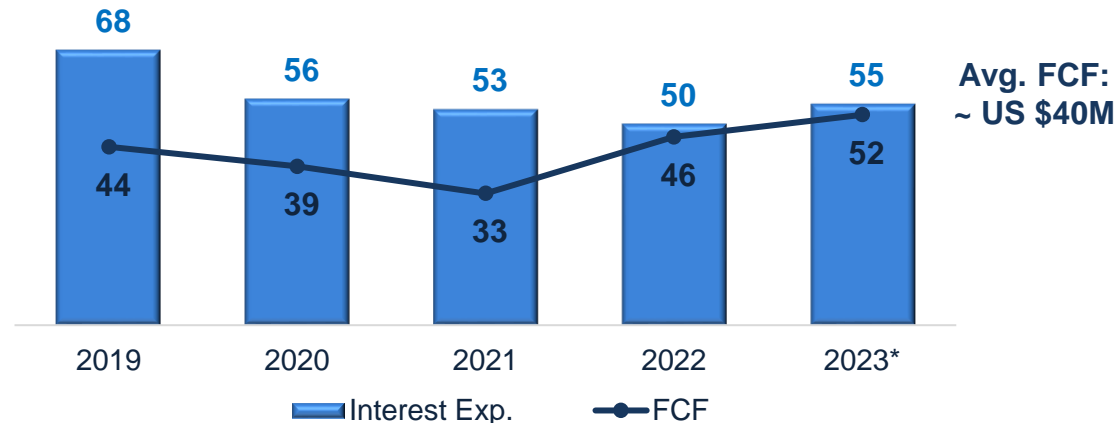
Debt Profile & FCF (as of 1Q24)

Capital Structure

- 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

(in US\$M)

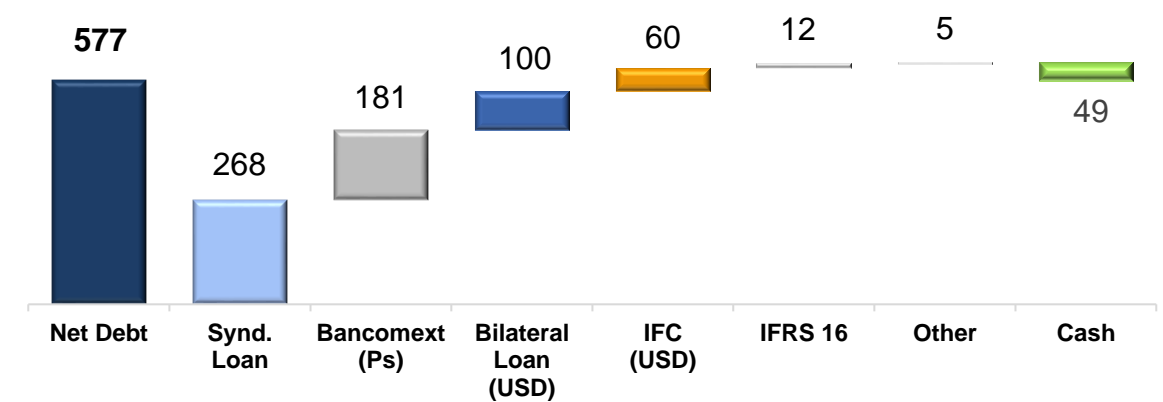


* Normalized FCF – excluding reorganization expenses.

Debt Composition

(in US\$M)

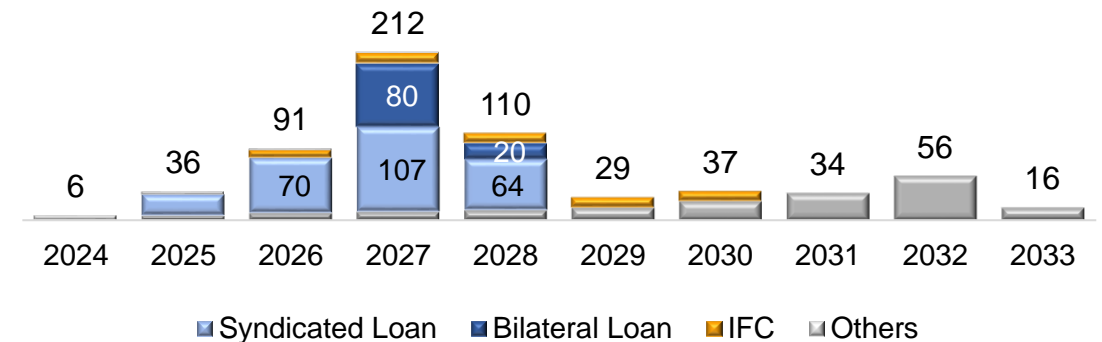
Net Debt / EBITDA = 2.9x



Maturity Profile

(in US\$M)

Avg. life: 4.2 yrs
69% in USD

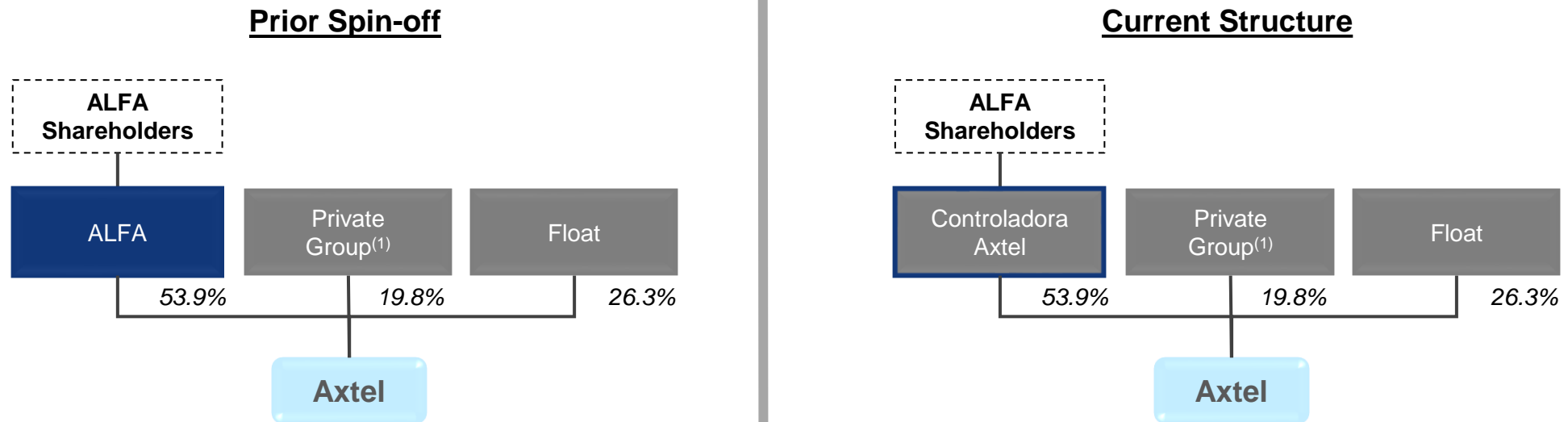


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Axtel: Second independent ALFA subsidiary

- Ratio CTAXTEL to AXTELCPO = **0.302**.
- 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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