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NETWORKS

RESULTS **SECOND QUARTER 2024**

Monterrey, Mexico, July 18, 2024.- Axtel, S.A.B. de C.V. (BMV: AXTELCPO) (“Axtel”, the “Company”), a Mexican Information and Communications Technology company, announced today its unaudited results for the second quarter of 2024 (“2Q24”).

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Axtel reports 2Q24 EBITDA of Ps. \$824 million

SELECTED FINANCIAL INFORMATION (IN MILLIONS)

	2Q24	1Q24	2Q23	(%) 2Q24 vs.		YTD'24	YTD'23	YTD Δ (%)
				1Q24	2Q23			
Revenues (Ps.)	2,742	2,649	2,631	4	4	5,390	5,377	0
US \$	159	156	149	2	7	315	296	7
EBITDA (Ps.) ¹	824	800	764	3	8	1,624	1,311	24
US \$	48	47	43	1	11	95	72	31
Comparable EBITDA (Ps.) ²	824	800	764	3	8	1,624	1,501	8
US \$	48	47	43	1	11	95	83	15
Net Income (loss) (Ps.)	(466)	(9)	63	<(1,000)	--	(475)	285	--
US \$	(26)	(0)	4	<(1,000)	--	(27)	16	--
CAPEX (Ps.) ³	311	355	377	(12)	(17)	666	726	(8)
US \$	18	21	21	(13)	(15)	39	40	(3)
Net Debt (US \$)	545	588	564	(7)	(3)			
Net Debt / Comparable EBITDA ⁴	2.6	2.9	3.5					
Interest Coverage ⁴	2.8	2.8	5.4					

1) EBITDA = Operating income + depreciation & amortization + impairment of assets.

2) Comparable EBITDA excludes one-time (gains) losses, such as expenses related to organizational efficiencies.

3) Gross amount; does not include divestments.

4) Times. See page 7 for ratio calculation details.

2Q24 HIGHLIGHTS

2Q24 RESULTS

- Revenues from the enterprise and government segments increased 7 and 9% year-over-year, respectively. Value-added and digital transformation services continue their growth trend.
- In the enterprise segment, net new recurring revenues were 34% higher compared to the same six-month period last year.
- EBITDA, for both 2Q24 and first half of the year, increased 8%, compared to the same period of the previous year.
- Net leverage reached 2.6x, a significant improvement compared to 3.5x a year ago, due to cash generation and higher EBITDA.

SHARE REPURCHASE PROGRAM

- On April 29, the Company resumed its share buyback program as it considers the current AXTELCPO price does not properly reflect the positive trend in results and current financial situation.
 - Axtel has acquired 14.5 million AXTELCPOs at an average price of Ps. \$1.51.
 - The Company will resume its share buyback program upon the release of this quarterly report.

STRATEGIC PARTNERS

- For the second consecutive year, Axtel scored Verita's *Top Growth Partner* award for LatAm & Caribbean; derived from its good performance in sales of data protection and resiliency solutions.
- Axtel expanded its cybersecurity portfolio by adding Blackberry as a strategic partner, confirming its commitment to providing clients with tools that improve their security profile in their digital business environment.

QUIET PERIOD

- Axtel enters a Quiet Period seven days prior the end of each quarter.
 - 3Q24 Quiet Period will begin on September 23, 2024.

MESSAGE FROM AXTEL'S CEO

“Second quarter results continue to show profitable growth. The 8% increase in EBITDA, coupled with positive cashflow, were fundamental in reducing the net leverage ratio from 3.5x a year ago, to 2.6x at the end of the quarter, on track to meet our 2.5 times target.

In the Enterprise segment, revenue increased 7%. The specialization business lines model, as well as the consulting programs to support clients in developing their technological vision, support the 33% growth in systems integration, cloud and cybersecurity solutions.

On the other hand, Government segment revenue grew 9%, driven by the strategy of diversifying opportunities at the federal, state and local levels. We have prospects for a greater number of multi-year contracts, which will support our recurrent revenue base, which grew 16% in the first half of the year.

Regarding the Wholesale segment, we launched a campaign to increase our presence internationally, resulting in an attractive pipeline of opportunities, mainly with hyperscalers.

During the quarter, through the implementation of Artificial Intelligence (AI) initiatives, we improved the agility and coordination of our commercial and support processes, and are becoming more assertive when customizing commercial proposals. Additionally, we began a tour in multiple cities with partners to demonstrate how AI allows our customers to increase their businesses productivity and, with data analytics, evolve their decision-making processes.

Going forward, for the benefit of our stakeholders, we will continue prioritizing profitability, cashflow generation and net leverage reduction, as well as repurchasing our own shares.”

Armando de la Peña

REVENUES

(IN MILLIONS)

	2Q24	1Q24	2Q23	(%) 2Q24 vs.		YTD'24	YTD'23	YTD Δ (%)
				1Q24	2Q23			
Enterprise (Ps.)	2,089	2,009	1,961	4	7	4,098	3,903	5
Government (Ps.)	227	214	208	6	9	441	567	(22)
Wholesale (Ps.)	426	426	462	(0)	(8)	852	907	(6)
TOTAL REVENUES (Ps.)	2,742	2,649	2,631	4	4	5,390	5,377	0
US \$	159	156	149	2	7	315	296	7

Total revenues reached Ps. 2,742 million in 2Q24, a 4% increase year-over-year, due to 7% and 9% increases in the Enterprise and Government segments, respectively, partially mitigated by an 8% decline in the Wholesale segment.

ENTERPRISE SEGMENT (76% of YTD revenues)

Enterprise segment revenues totaled Ps. 2,089 million in 2Q24; 7% higher compared to 2Q23 as a result of 2%, 20% and 11% increments in *standard*, *value added* and *digital transformation* services, respectively (Table 1).

STANDARD SERVICES revenues reached Ps. 1,269 million in 2Q24, 2% higher year-over-year, driven by a 3% increase in connectivity solutions due to incremental services with existing customers.

VALUE-ADDED SERVICES revenues totaled Ps. 332 million in 2Q24; a 20% increase compared to 2Q23, mainly due to a 58% growth in *system integration* solutions explained by incremental services with existing customers and extraordinary equipment sales, as well as a 6% increase in managed networks.

ENTERPRISE SEGMENT (cont'd)

DIGITAL TRANSFORMATION revenues reached Ps. 487 million in 2Q24, 11% higher compared to 2Q23, mainly due to a 39% growth in *cybersecurity* solutions due to incremental services with current customers and one-time equipment sales. *Cloud* services also posted a double-digit growth.

GOVERNMENT SEGMENT (8% of YTD revenues)

Government segment revenues amounted Ps. 227 million in 2Q24, 9% higher compared to 2Q23 mainly explained by new and incremental services in *digital transformation* services, partially offset by a decrease in *standard services*. (Table 2).

STANDARD SERVICES revenues reached Ps. 89 million in 2Q24, 26% lower than 2Q23, mainly due to a drop in *VPN & Ethernet* solutions.

VALUE-ADDED SERVICES revenues reached Ps. 61 million in 2Q24, a 4% increase mainly due to a growth in *system integration* solutions, partially mitigated by a decline in *managed services*.

DIGITAL TRANSFORMATION revenues reached Ps. 78 million in 2Q24, which represented more than double the amount recorded in 2Q23; all business lines posted higher revenues, *cybersecurity* and *collaboration* particularly with stronger results.

WHOLESALE SEGMENT (INFRASTRUCTURE) (16% of YTD revenues)

Revenues reached Ps. 426 million in 2Q24, 8% lower compared to the year-earlier quarter, explained by the phase out of continuity services related to the 2019 mass market divestment, which explains more than 50% of the decline, as well as lower wholesale connectivity access revenues with multinational operators.

GROSS PROFIT

Gross profit is defined as revenues minus cost of revenues. For 2Q24, gross profit was Ps. 2,004 million, a 4% increase compared to 2Q23, driven by higher gross profit from the Enterprise and Government segments.

ENTERPRISE gross profit amounted Ps. 1,543 million in 2Q24, 8% higher compared to the year-earlier quarter and in line with the increase in revenues.

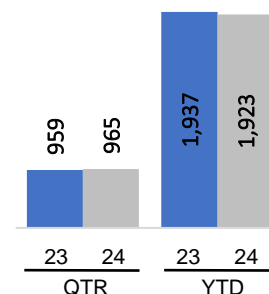
GOVERNMENT gross profit reached Ps. 120 million in 2Q24; a 15% gain compared to the year-earlier quarter, due to the increase in revenues and higher margins that resulted from a decline in low-margin non-recurrent contracts.

WHOLESALE gross profit amounted to Ps. 341 million in 2Q24, an 11% decrease explained by the drop in revenues and lower margins.

OPERATING AND COMMERCIAL EXPENSES

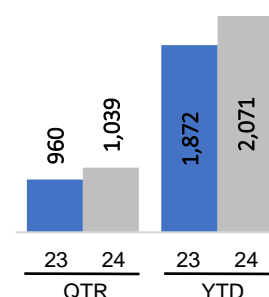
Operating and commercial expenses, which are directly related to the Enterprise, Government and Wholesale segments, reached Ps. 965 million in 2Q24, a 1% increase compared to the year-earlier quarter. Increases in personnel-related expenses were compensated by lower bad debt provisions in the wholesale segment, associated with a mobile operator customer.

(in Million Ps.)



CONTRIBUTION TO EBITDA (BEFORE GENERAL EXPENSES)

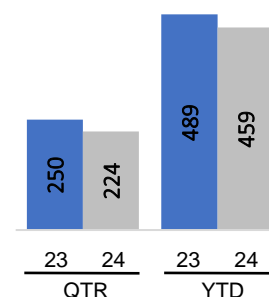
Business segments' contribution to EBITDA reached Ps. 1,039 million in 2Q24, an 8% increase compared to 2Q23, explained by the increase in gross profit and marginal increase in operating and commercial expenses previously mentioned.



GENERAL EXPENSES AND OTHER INCOME (EXPENSES)

General expenses, which consist of central business areas such as finance, human resources and legal departments, reached Ps. 224 million in 2Q24, an 11% drop reflecting the carry-on benefits of last year's reorganizational initiative.

Other income reached Ps. 9 million in 2Q24, down from Ps. 55 million recorded in 2Q23.

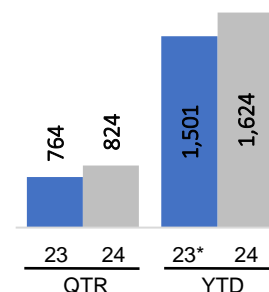


EBITDA

EBITDA reached Ps. 824 million in 2Q24, 8% higher than Ps. 764 million recorded in 2Q23.

EBITDA growth resulted from higher business segments' contribution to EBITDA and double-digit lower general expenses, slightly offset by the decline in other income.

EBITDA margin increased from 29% in 2Q23 to 30% in 2Q24.



*Comparable EBITDA

OPERATING INCOME (LOSS)

Operating income in 2Q24 reached Ps. 248 million, compared to an operating income of Ps. 154 million a year ago, result driven by a higher EBITDA and a lower depreciation and amortization (D&A).

COMPREHENSIVE FINANCING RESULT

The comprehensive financing cost reached Ps. 925 million in 2Q24, compared to a benefit of Ps. 98 million in 2Q23. The variation is mostly explained by a foreign exchange loss of Ps. 624 million (resulting from a depreciation of the Mexican peso against the US dollar) compared to a foreign exchange gain of Ps. 340 million the previous year, and a higher interest expense associated with higher interest rates from the debt refinancing that took place in late July of 2023.

NET DEBT

As of June 30, 2024, net debt was US \$545 million, a decrease of 3% or US \$19 million in comparison with 2Q23; comprised of a US \$31 million increase in debt, a US \$18 million non-cash decrease in debt caused by a 7% depreciation of the Mexican peso year-over-year and a US \$32 million increase in cash.

Total debt increase of US \$31 million year-over-year is explained by i) a US \$314 million decrease related to the 2024 Senior Notes refinancing; ii) a US \$267 million increase related to the 5-year syndicated bank loan with nine financial institutions; iii) a US \$60 million increase related to the 5-year bilateral loan with an export credit agency; iv) a US \$60 million increase related to the 7-year bilateral loan with the International Finance Corporation; v) a US \$40 million decrease related to the prepayment of the committed facilities; and vi) a US \$2 million decrease in other loans and financial leases.

As of 2Q24, cash balance totaled US \$67 million (Ps. 1,230 million), compared to US \$35 million (Ps. 598 million) in 2Q23, a 91% increase.

Financial ratios for 2Q24 were: Net Debt to Comparable EBITDA of 2.6 times and Interest Coverage of 2.8 times (Table 6).

CAPITAL EXPENDITURES (CAPEX)

Capital investments totaled US \$18 million in 2Q24, compared to US \$21 million in 2Q23.

Capex as a percentage of total revenues reached 11% during the quarter, compared to 14% from last year's.

OTHER INFORMATION

- This report presents unaudited financial information based on International Financial Reporting Standards (IFRS). Figures are presented in Mexican Pesos (Ps.) or US Dollars (US \$), as indicated. Where applicable, Peso amounts were translated into US Dollars using the average exchange rate of the months during which the operations were recorded.
- This report may contain forward-looking information based on numerous variables and assumptions that are inherently uncertain. They involve judgments with respect to, among other things, future economic, competitive and financial market conditions and future business decisions and financial performance of the company, all of which are difficult or impossible to predict accurately. These statements reflect management's current views, which are subject to different risks. Accordingly, results could vary from those set forth in this release. The Company disclaims any obligation to update statements in this release based on new information available.
- Net Debt / Comparable EBITDA ratio: means net debt translated into US Dollars using the end-of-period exchange rate divided by LTM Comparable EBITDA translated into US Dollars using the average exchange rate for each month during which the operations were recorded. Net debt means total debt (including accrued interests) minus cash (including restricted cash).
- Interest Coverage ratio: means the ratio of LTM Comparable EBITDA to interest expense (net of interest income), both translated into US Dollars using the average exchange rate for each month during which the operations were recorded.
- To reduce exchange rate risk exposure, as of June 30, 2024, Axtel maintained forward transactions for an outstanding amount of US \$26 million @ 17.76 MXN/USD, where Axtel buys USD and sells MXN, hedging its USD obligations up to February 2025.
- Subject to market conditions, the Company's liquidity position and its contractual obligations, from time to time, the Company may acquire or divest its own shares (AxtelCPOs).

ABOUT AXTEL

Axtel is a Mexican Information and Communication Technology company that serves the enterprise and government segments with its brand Alestra, and the wholesale segment through its brand Axtel Networks (Axnet). Axtel adhered to the UN Global Compact in 2011 the world's largest social responsibility initiative. It has received recognition from CEMEFI as a Socially Responsible Company since 2008. Axtel shares, represented by Ordinary Participation Certificates, or CPOs, trade on the Mexican Stock Market under the symbol "AXTELCPO" since 2005.

Axtel's Investor Relations Center: axtelcorp.mx

Alestra's website: alestra.mx

Axtel Networks' website: axtelnetworks.mx

Appendix A – Tables

TABLE 1 | REVENUES - ENTERPRISE SEGMENT

(IN MILLIONS)

	2Q24	1Q24	2Q23	(% 2Q24 vs.)		YTD'24	YTD'23	YTD Δ (%)
				1Q24	2Q23			
STANDARD SERVICES (Ps.)	1,269	1,271	1,245	(0)	2	2,540	2,495	2
VALUE ADDED (Ps.)	332	284	277	17	20	616	527	17
DIGITAL TRANSFORMATION (Ps.)	487	454	438	7	11	941	881	7
TOTAL ENTERPRISE (Ps.)	2,089	2,009	1,961	4	7	4,098	3,903	5
<i>US \$</i>	121	118	111	3	10	240	215	12

TABLE 2 | REVENUES - GOVERNMENT SEGMENT

(IN MILLIONS)

	2Q24	1Q24	2Q23	(% 2Q24 vs.)		YTD'24	YTD'23	YTD Δ (%)
				1Q24	2Q23			
STANDARD SERVICES (Ps.)	89	83	120	6	(26)	172	221	(22)
VALUE ADDED (Ps.)	61	62	58	(2)	4	123	263	(53)
DIGITAL TRANSFORMATION (Ps.)	78	68	30	14	160	146	82	78
TOTAL GOVERNMENT (Ps.)	227	214	208	6	9	441	567	(22)
<i>US \$</i>	13	13	12	4	11	26	31	(17)

TABLE 3 | REVENUES - WHOLESALE (INFRASTRUCTURE) SEGMENT

(IN MILLIONS)

	2Q24	1Q24	2Q23	(% 2Q24 vs.)		YTD'24	YTD'23	YTD Δ (%)
				1Q24	2Q23			
TOTAL WHOLESALE (Ps.)	426	426	462	(0)	(8)	852	907	(6)
<i>US \$</i>	25	25	26	(2)	(5)	50	50	(0)

TABLE 4 | OPERATING INCOME AND EBITDA

(IN MILLIONS)

	2Q24	1Q24	2Q23	(% 2Q24 vs.)		YTD'24	YTD'23	YTD Δ (%)
				1Q24	2Q23			
Operating Income (Ps.)	248	211	154	18	62	459	63	630
<i>US \$</i>	14	12	9	15	63	27	4	586
Segment Contribution to EBITDA	1,039	1,032	960	1	8	2,071	1,872	11
<i>US \$</i>	60	61	54	(1)	11	121	103	17
EBITDA (Ps.)	824	800	764	3	8	1,624	1,311	24
<i>US \$</i>	48	47	43	1	11	95	72	31
Adjustments (Ps.)*	0	0	(0)	--	--	0	189	--
<i>US \$</i>	0	0	(0)	--	--	0	10	--
Comparable EBITDA (Ps.)	824	800	764	3	8	1,624	1,501	8
<i>US \$</i>	48	47	43	1	11	95	83	15

*Adjustments include one-time (gains) losses, such as expenses related to organizational efficiencies in 2023.

Appendix A – Tables

TABLE 5 | COMPREHENSIVE FINANCING RESULT
(IN MILLIONS)

	2Q24	1Q24	2Q23	(% 2Q24 vs.)		YTD'24	YTD'23	YTD Δ (%)
				1Q24	2Q23			
Net interest expense	(301)	(304)	(242)	1	(24)	(604)	(275)	(120)
FX gain (loss), net	(624)	46	340	--	--	(579)	773	--
Ch. FV of Fin. Instruments	0	0	0	--	--	0	0	--
Total (Ps.)	(925)	(258)	98	(259)	--	(1,183)	498	--
<i>US \$</i>	<i>(53)</i>	<i>(15)</i>	<i>6</i>	<i>(249)</i>	<i>--</i>	<i>(68)</i>	<i>27</i>	<i>--</i>

TABLE 6 | NET DEBT AND FINANCIAL RATIOS
(US \$ MILLIONS)

	2Q24	1Q24	2Q23	(% 2Q24 vs.)	
				1Q24	2Q23
Senior Notes 2024	0	0	314	--	--
Syndicated Loan	263	268	0	(2)	--
Long-term bank loan	165	181	177	(9)	(7)
Bilateral Loan	100	100	40	0	150
IFC Facility	60	60	0	0	--
Other loans + leases	14	16	54	(11)	(75)
Accrued interests	10	12	13	(11)	(23)
Total Debt	612	637	599	(4)	2
<i>% US \$ denominated debt</i>	<i>61%</i>	<i>59%</i>	<i>64%</i>		
(-) Cash and cash eq.	(67)	(49)	(35)	(36)	(91)
Net Debt	545	588	564	(7)	(3)
Net Debt / Comparable EBITDA*	2.6	2.9	3.5		
Interest Coverage*	2.8	2.8	5.4		

* Times. See page 7 for calculation details.

TABLE 7 | CHANGE IN NET DEBT
(US \$ MILLIONS)

	2Q24	1Q24	2Q23	(% 2Q24 vs.)		YTD'24	YTD'23	YTD Δ (%)
				1Q24	2Q23			
EBITDA	48	47	43	1	11	95	72	31
Net Working Capital	12	(26)	(3)	--	--	(14)	(12)	(12)
Capex & Acquisitions	(18)	(21)	(21)	13	15	(39)	(40)	3
Financial expenses	(18)	(18)	(14)	0	(31)	(35)	(27)	(31)
Taxes	(0)	(0)	(0)	--	--	(0)	(0)	73
Other Sources (Uses)	19	(7)	(18)	--	--	12	(20)	--
Decrease (increase) Net Debt	43	(24)	(12)	--	--	18	(27)	--

* EBITDA includes one-time expenses related to organizational efficiencies in 2023.

Appendix B – Financial Statements

Axtel, S.A.B. de C.V. and Subsidiaries

Unaudited Consolidated Balance Sheet
(IN MILLION PESOS)

	2024	1Q24	2Q23	(%) 2Q24 vs.	
				1Q24	2Q23
ASSETS					
CURRENT ASSETS					
Cash and equivalents	1,230	820	598	50	106
Accounts receivable	1,891	1,839	1,564	3	21
Related parties	21	20	22	3	(5)
Refundable taxes and other acc. rec.	368	457	450	(19)	(18)
Advances to suppliers	709	694	769	2	(8)
Inventories	74	66	169	12	(56)
Financial Instruments	19	-	-	--	--
Total current assets	4,312	3,896	3,571	11	21
NON CURRENT ASSETS					
Property, plant and equipment, net	7,867	8,075	8,668	(3)	(9)
Intangible assets, net	1,330	1,364	1,438	(2)	(8)
Deferred income taxes	3,198	2,995	2,673	7	20
Investment shares associated co.	1	1	1	(0)	(0)
Other assets	432	451	418	(4)	3
Total non current assets	12,828	12,886	13,198	(0)	(3)
TOTAL ASSETS	17,140	16,782	16,770	2	2
LIABILITIES & STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Account payable & Accrued expenses	1,725	1,609	1,956	7	(12)
Accrued Interest	187	181	146	3	28
Current portion of long-term debt	151	122	938	24	(84)
Financial Instruments	(0)	16	222	--	--
Deferred Revenue	107	114	77	(7)	39
Provisions	23	36	13	(36)	78
Other accounts payable	398	332	406	20	(2)
Total current liabilities	2,591	2,410	3,758	7	(31)
LONG-TERM LIABILITIES					
Long-term debt	10,822	10,230	9,093	6	19
Employee Benefits	1,074	1,021	940	5	14
Other LT liabilities	0	0	1	(15)	(62)
Total long-term debt	11,896	11,251	10,034	6	19
TOTAL LIABILITIES	14,487	13,662	13,793	6	5
STOCKHOLDERS' EQUITY					
Capital stock	455	455	455	(0)	(0)
Reserve for repurchase of shares	78	100	96	(22)	(19)
Cumulative earnings (losses)	2,121	2,566	2,426	(17)	(13)
TOTAL STOCKHOLDERS' EQUITY	2,653	3,120	2,977	(15)	(11)
TOTAL LIABILITIES AND EQUITY	17,140	16,782	16,770	2	2

Appendix B – Financial Statements

Axtel, S.A.B. de C.V. and Subsidiaries

Unaudited Consolidated Income Statement
(IN MILLION PESOS)

	2Q24	1Q24	2Q23	(%) 2Q24 vs.		YTD'24	YTD'23	YTD Δ (%)
				1Q24	2Q23			
Total Revenues	2,742	2,649	2,631	4	4	5,390	5,377	0
Cost of sales and services	(738)	(659)	(713)	(12)	(3)	(1,397)	(1,568)	11
Gross Profit	2,004	1,990	1,918	1	4	3,993	3,809	5
Operating expenses	(1,189)	(1,193)	(1,209)	0	2	(2,382)	(2,426)	2
Other income (expenses), net	9	3	55	208	(83)	12	(72)	--
Depr., amort. & impairment assets	(576)	(589)	(611)	2	6	(1,165)	(1,248)	7
Operating income	248	211	154	18	62	459	63	630
Comprehensive financing result, net	(925)	(258)	98	(259)	--	(1,183)	498	--
Equity in results of associated company	(0)	0	(0)	--	--	(0)	(0)	--
Income (loss) before income taxes	(677)	(47)	251	<(1,000)	--	(724)	561	--
Income taxes	210	38	(188)	453	--	248	(276)	--
Net Income (Loss)	(466)	(9)	63	<(1,000)	--	(475)	285	--