ALFA

Quarterly Report

July 19, 2019

www.banorte.com
@analisis_fundam

Marissa Garza
Mining/Chemicals/Industrials/Financials/Railways
marissa.garza@banorte.com

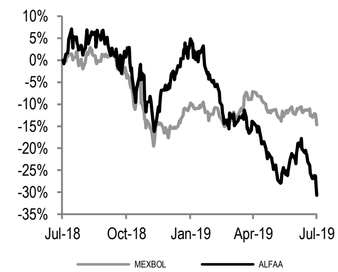
A weak quarter, as expected

- **Weak results, in line with expectations, affected mainly by volatility in Alpek's feedstock prices and a double-digit volume downturn in Nemak**
- **After incorporating 2Q19 figures, Alfa's shares trade at a 25.1% discount over its net assets value, higher than the 20% average discount observed in previous months**
- **We have adjusted our SOTP model and have downgraded our PT 2019 to MXN$21.80, which represents a 5.8x 2019e FV/EBITDA similar to the LTM average, but above the current 4.9x level**

Weak results, with pressure in profitability, in line with our estimates. Alfa's 2Q19 results were weak and stood in line with our expectations. Revenue fell 8.7% yoy to MXN$85.5 billion, while EBITDA decreased by 13.4% yoy to MXN$11.3 billion. This result is explained by volatility in Alpek's feedstock prices, a double digit volume downturn and higher expenses due to the launching of new platforms in Nemak, and the sale of Axtel's mass market business. The latter was mitigated by a profitability improvement in **Sigma**, supported by its solid performance in Mexico, the U.S. and LatAm, which was partially offset by an increase in pork prices due to the swine fever effect. With these results, Alfa's shares trade at a 25.1% discount over its NAV, higher than the 20% average discount observed in previous months. After incorporating the adjustments of Alpek's, Axtel's and Nemak's target prices into our SOTP model, and assuming more conservative approaches given ongoing local uncertainty and lower investors confidence, we have downgraded the PT2019 from MXN$26.80 to MXN$21.80, which represents a 5.8x 2019e FV/EBITDA. We reiterate a BUY recommendation.

BUY	
Current Price	MXN$16.90
PT2019	**MXN$21.80**
Dividend 2019	MXN$ 0.40
Dividend (%)	2.4%
Upside Potential	31.5%
Max – Mín LTM	25.54-16.38
Market Cap (USD$m)	4,370.3
Shares outstanding (m)	5,058.3
Float	54.5%
Daily Turnover (MXN$m)	127.8
Valuation Metrics LTM *	
FV/EBITDA Adj	4.9x
P/E	9.5x

Relative performance to MEXBOL
(LTM)



Financial statements

MXN, Million	2017	2018	2019E	2020E
Revenues	317,627	366,432	361,632	409,872
Operating Income	19,235	35,705	29,023	31,891
Adjusted EBITDA	38,312	55,178	48,621	51,555
EBITDA Margin	12.06%	15.06%	13.44%	12.58%
Net Income	-2,051	13,143	8,968	12,246
Net margin	-0.65%	3.59%	2.48%	2.99%
Total Assets	358,968	369,828	370,247	389,911
Cash	32,813	26,411	27,290	15,159
Total Liabilities	266,542	271,604	267,821	275,676
Debt	159,403	157,049	172,690	180,776
Common Equity	92,427	98,224	102,426	114,236

Source: Banorte

Valuation and financial metrics

	2017	2018	2019E	2020E
FV/EBITDA	6.2x	4.4x	5.3x	5.5x
P/E	-42.4x	6.6x	9.7x	7.1x
P/BV	1.3x	1.2x	1.1x	1.0x
ROE	-3.0%	17.9%	11.7%	14.3%
ROA	-0.6%	3.6%	2.4%	3.1%
EBITDA/ Interest expen	4.8x	5.9x	5.6x	5.6x
Net Debt/EBITDA	3.3x	2.4x	3.0x	3.2x
Debt/Equity	1.7x	1.6x	1.7x	1.6x

ALFA –2Q19 Results

MXN, Millions

Concept	2Q18	2Q19	Var %	2Q19e	Diff % vs Estim.
Revenue	93,738	85,538	-8.7%	87,217	-1.9%
Operating Income	8,532	6,431	-24.6%	6,637	-3.1%
Ebitda	13,129	11,368	-13.4%	11,018	3.2%
Net Income	3,587	1,817	-49.3%	2,511	-27.6%
margins					
Operating Margin	9.1%	7.5%	-1.6pp	7.6%	-0.1pp
Ebitda Margin	14.0%	13.3%	-0.7pp	12.6%	0.7pp
Net Margin	3.8%	1.5%	-2.4pp	2.9%	-1.4pp
EPS	$0.71	$0.36	-49.3%	$0.50	-27.6%

Income Statement (Millions)					
Year	**2018**	**2019**	**2019**	**Var%**	**Var%**
Quarter	**2**	**1**	**2**	**YoY**	**QoQ**
Net Revenue	**93,738.2**	**86,089.7**	**85,537.5**	**-8.7%**	**-0.6%**
Cost of goods sold	73,588.7	70,246.0	69,445.2	-5.6%	-1.1%
Gross profit	20,149.5	15,843.8	16,092.3	-20.1%	1.6%
General expenses	11,617.9	10,879.4	9,661.8	-16.8%	-11.2%
Operating Income	**8,531.6**	**4,964.4**	**6,430.6**	**-24.6%**	**29.5%**
Operating Margin	**9.1%**	**5.8%**	**7.5%**	**(1.6pp)**	**1.8pp**
Depreciation	4,597.4	4,948.8	4,885.3	6.3%	-1.3%
EBITDA	**13,129.0**	**9,982.0**	**11,368.0**	**-13.4%**	**13.9%**
EBITDA Margin	**14.0%**	**11.6%**	**13.3%**	**(0.7pp)**	**1.7pp**
Interest income (expense) net	**(3,343.7)**	**(1,816.9)**	**(2,323.9)**	**-30.5%**	**27.9%**
Interest expense	2,593.6	2,272.2	2,194.5	-15.4%	-3.4%
Interest income	88.0	119.8	111.9	27.1%	-6.6%
Exchange Income (loss)	20.3	64.2	197.1	>500%	206.9%
Unconsolidated subsidiaries	(858.3)	271.3	(438.4)	-48.9%	N.A.
Unconsolidated subsidiaries	14.8	57.0	(7.9)	N.A.	N.A.
Net Income before taxes	**5,202.7**	**3,204.5**	**4,098.8**	**-21.2%**	**27.9%**
Provision for Income taxes	1,029.8	1,452.2	1,525.8	48.2%	5.1%
Discontinued Operations	0.2				
Consolidated Net Income	4,172.9	1,752.3	2,573.0	-38.3%	46.8%
Minorities	586.3	489.1	755.9	28.9%	54.5%
Net Income	**3,586.6**	**1,263.2**	**1,817.1**	**-49.3%**	**43.8%**
Net Margin	**3.8%**	**1.5%**	**2.1%**	**(1.7pp)**	**0.7pp**
EPS	**0.709**	**0.250**	**0.359**	**-49.3%**	**43.8%**

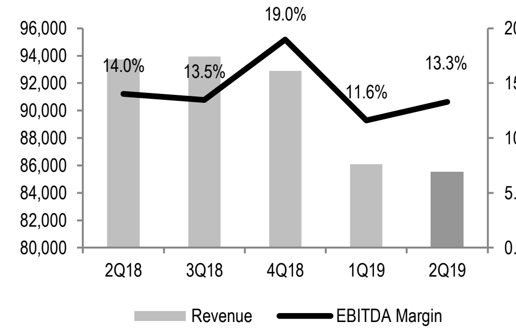
Balance Sheet (MXN, million)					
Total Current Assets	**124,525.0**	**120,077.3**	**117,563.2**	**-5.6%**	**-2.1%**
Cash & Short Term Investments	22,942.7	24,233.3	23,330.3	1.7%	-3.7%
Long Term Assets	246,117.8	244,466.5	242,782.1	-1.4%	-0.7%
Property, Plant & Equipment (Net)	**160,144.9**	**150,743.9**	**149,512.5**	**-6.6%**	**-0.8%**
Intangible Assets (Net)	30,947.7	28,475.8	27,913.6	-9.8%	-2.0%
Total Assets	**370,642.9**	**364,543.8**	**360,345.3**	**-2.8%**	**-1.2%**
Current Liabilities	102,084.0	108,436.7	106,869.5	4.7%	-1.4%
Short Term Debt	16,041.6	26,547.3	27,086.2	68.9%	2.0%
Accounts Payable	83,205.9	77,454.3	76,616.3	-7.9%	-1.1%
Long Term Liabilities	**176,845.4**	**161,060.7**	**158,449.3**	**-10.4%**	**-1.6%**
Long Term Debt	147,481.6	138,744.3	137,175.3	-7.0%	-1.1%
Total Liabilities	**278,929.5**	**269,497.4**	**265,318.8**	**-4.9%**	**-1.6%**
Common Stock	91,713.4	95,046.4	95,026.5	3.6%	0.0%
Minorities	23,068.7	23,638.8	24,014.9	4.1%	1.6%
Total Equity	**68,644.7**	**71,407.6**	**71,011.6**	**3.4%**	**-0.6%**
Liabilities & Equity	**370,642.9**	**364,543.8**	**360,345.3**	**-2.8%**	**-1.2%**
Net Debt	**140,580.5**	**141,058.3**	**140,931.3**	**0.2%**	**-0.1%**

Cash Flow			
Cash Flow from Operating Activities	16,113.0	5,129.2	16,437.5
Cash Flow from Investing Activities	(15,294.5)	(3,022.5)	(11,739.4)
Cash Flow from Financing Activities	(5,868.0)	(2,366.2)	(1,328.9)
Increase (decrease) in cash	**(9,379.0)**	**(1,737.8)**	**(2,544.0)**

Source: Banorte, MSE

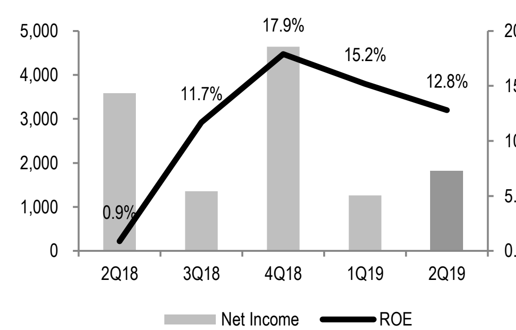
Revenue & EBITDA Margin

MXN, million



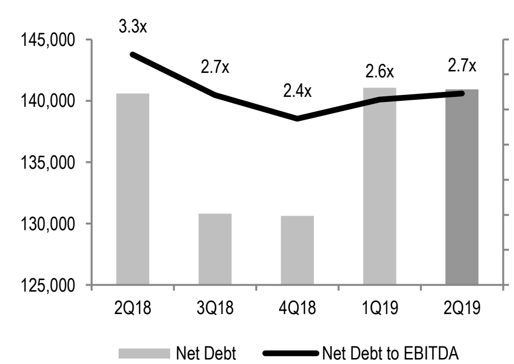
Net Income & ROE

MXN, million



Net Debt & Net Debt to EBITDA

MXN, million



Net profit affected by operating performance and higher taxes. In terms of net profit, the company reported MXN$1.8 billion, down 49.3% yoy hit by a weak operating performance and a higher tax level. The quarter's effective tax rate stood at 37.2% vs. 19.8% in 2Q18.

The balance sheet remains stable. The company's net debt by quarter-end totaled MXN$140.9 billion, practically flat vs. 1Q19. It should be mentioned that following the implementation of IFRS 16 accounting standards on leases, as of January of this year, MXN$7.5 billion were reported as lease liability during the period, representing 4.6% of the company's interest-bearing debt. Accordingly, the Net Debt/EBITDA ratio marginally increases to 2.7x in 2Q19 vs 2.6x in 1Q19, with a 6.0x interest coverage ratio.

Report Details by Division

Alpek: Weak figures as expected, but with sequential improvement in profitability. During 2Q19, Alpek's results were weak, but in line with our estimates. Sales fell 8.0% yoy to MXN$31.4 billion, hit mainly by weakness in prices, while EBITDA contracted by 34.0% yoy to MXN$3.0 billion. This result was impacted by inventory losses adjustments, given a weaker than expected feedstock context, particularly for *paraxylene*, and despite the sequential recovery of oil prices. On a comparable basis, excluding non-recurring adjustments and benefits, EBITDA would have declined just 14.8% yoy to MXN$3.6 billion. The greatest weakness was reported in the Polyester segment, although with improvement in profitability for both business segments qoq. After incorporating these results, the FV/EBITDA multiple increases from 4.7x to 5.2x, yet still stands far below the median for comparable companies (6.9x). By assuming a more conservative position in terms of valuation, in view of the prevailing local uncertainty and a drop in investors' confidence, we have downgraded our PT2019 to MXN$30.00, representing a 5.7x 2019e FV/EBITDA. We reiterate a BUY recommendation. *(See Alpek's 2Q19 quarterly report)*

Operating results
MXN, Million

	2Q18	Margin	1Q19	Margin	2Q19	Margin	% yoy	% qoq
Revenue	34,143	100.0%	31,567	100.0%	31,425	100.0%	-8.0%	-0.4%
EBITDA	4,662	13.7%	2,684	8.5%	3,077	9.8%	-34.0%	14.6%
EBITDA*	4,247	12.4%	2,837	9.0%	3,619	11.5%	-14.8%	27.6%

*Inventory and non – operating (non – recurring) gains/losses are excluded
Source: Alfa

Axtel registered an extraordinary profit from the sale of assets. It is worth noting that Axtel sold its residential fiber optic business last December with the purpose of focusing its efforts on the enterprise and government segments. This is the reason why historical figures are not comparable. Axtel's 2Q19 results were in line with our estimates in terms of operations. In this quarter, the company reported an extraordinary profit of MXN$493 million from the sale of its residential fiber optic Business (FTTx) to Megacable. Axtel posted MXN$3.0 billion in consolidated revenue, down 19.7% vs 2Q18 (-1.7% vs a comparable basis). The decline in revenue is due mainly to a reduction in government spending, which was partially offset by an addition in revenue from the residential segment. To mitigate such effect, Axtel implemented operating efficiency programs and decreased maintenance expenses. During this period, the company reported MXN$1.0 billion in EBITDA, equaling 35.4% in profitability. Excluding the sale of assets (telecommunication towers and FTTx) in 2Q18, EBITDA grew 4.6% yoy. In view of local uncertainty and a drop in investors' confidence in the Mexican stock market in general, we have adjusted our PT 2019 to MXN$3.15, which equals a 5.2x 2019e FV/EBITDA multiple. *(See Axtel's 2Q19 quarterly report)*

Operating results
MXN, Million

	2Q18	Margin	1Q19	Margin	2Q19	Margin	% yoy	% qoq
Revenue	3,848	100.0%	3,323	100.0%	3,092	100.0%	-19.6%	-7.0%
EBITDA	1,416	36.8%	1,112	33.5%	1,094	35.4%	-22.7%	-1.6%

Source: Alfa

Nemak: Sharp declines at operating level. Nemak's 2Q19 report showed higher-than-expected weakness, given sharper drops in Nafta and Rest of the World volumes, higher expenses for the launching of new platforms in North America and a lack of gains whatsoever from the metal price lag. Consolidated volume fell 14.5% yoy to 11.2 million units with double-digit declines spanning practically across all regions. Meanwhile, revenue dropped 19.4% year-on-year to MXN$19.3 billion, exacerbated by lower aluminum prices and the euro's depreciation. Furthermore, a lower operating leverage due a fall in volume, higher expenses from launches in Nafta and an unfavorable FX effect in Europe, offset the momentum of operating efficiencies in this last region, and an US$8 million non-recurring gain in the Rest of the World related to a tax dispute in Brazil. Therefore, EBITDA contracted by 17.0% to MXN$3.3 billion. We have cutback our PT2019 to MXN$10.00 (4.8x 2019E FV/EBITDA, above the current 4.1x level). The valuation reflects an excessive discount; therefore we have changed our recommendation to HOLD. *(See Nemak's 2Q19 quarterly report)*

Operating results
MXN, Million

	2Q18	Margin	1Q19	Margin	2Q19	Margin	% yoy	% qoq
Revenue	23,981	100.0%	21,183	100.0%	19,325	100.0%	-19.4%	-8.8%
EBITDA	4,006	16.7%	3,362	15.9%	3,325	17.2%	-17.0%	-1.1%

Source: Alfa

Sigma: A better than expected quarter. This quarter, revenue for Sigma remained stable, standing at MXN$30.7 billion. The latter was supported mainly by a slight increase in average peso-denominated prices (+1.8% yoy) and a volume drop to the same degree (-1.7% yoy). Mexico and Latin America were the regions that showed the best results, outweighing declines from other regions. In terms of EBITDA, a 5.4% yoy increase to MXN$3.4 billion was reported. Accordingly, the corresponding margin extended by 50bps yoy to 11.1%, supported by margin improvements in Mexico, the U.S. and Latin America, given better price dynamics. On the other hand, operations in Europe posted the highest pressure on profitability, mainly impacted by a temporary lag between cost and price increases across the region and higher pork prices due to the swine fever effect. During the second quarter of the year, Sigma shut down a plant in Netherlands as part of an initiative to improve the region's profitability. Regarding the swine fever that has significantly increased pork prices, the company continues to monitor this situation up close, and given potential volatility that may continue, different measures to offset such impact have been implemented, including a program to partially hedge the business's pork needs.

Operating results
MXN, Million

	2Q18	Margin	1Q19	Margin	2Q19	Margin	% yoy	% qoq
Revenue	30,755	100.0%	29,146	100.0%	30,776	100.0%	0.1%	5.6%
EBITDA	3,250	10.6%	3,195	11.0%	3,425	11.1%	5.4%	7.2%

Source: Alfa

Finally, in **Newpek,** a negative MXN$111 million EBITDA is observed, given lower production levels in the U.S. The company maintains a strategy to focus its operations on Mexico.

Operating results
MXN, Million

	2Q18	Margin	1Q19	Margin	2Q19	Margin	% yoy	% qoq
Revenue	488	100.0%	441	100.0%	379	100.0%	-22.3%	-14.1%
EBITDA	20	4.1%	- 159	-36.1%	- 111	-29.3%	NA	NA

Source: Alfa

Alfa trades at a 25.1% discount over its net assets value. After adjusting our net value exercise of Alfa's shares with the results reported in 2Q19, and considering market prices for Alpek, Axtel and Nemak, Alfa's shares trade at a 25.1% discount over their theoretical value (vs 27.2% with 1Q19's figures). It should be noted that on the case of Sigma, we are assuming a price of MXN$15.00, which would represent an 8.0x FV/EBITDA multiple, in line with the average multiple of comparable companies in Mexico, according to Bloomberg.

ALFA'S NET ASSET VALUE
MXN, thousands

	Shares	Current Price	Mkt Cap	Participation	Total Equity	Debt	Cash	Net Debt
Alpek	2,118,163	$ 23.54	49,861,548	82.0%	40,886,470	47,055,021	5,493,152	41,561,869
Axtel	2,874,800	$ 2.49	7,158,252	53.5%	3,829,665	15,306,600	722,200	14,584,400
Nemak	3,078,076	$ 8.46	26,040,523	75.2%	19,582,473	30,746,641	4,266,973	26,479,668
Sigma	4,750,000	$ 15.00	71,250,000	100.0%	71,250,000	46,634,000	9,780,000	36,854,000
Total					135,548,608	139,742,262	20,262,325	119,479,937

ALFA	5,055,110	$ 16.90	85,431,359			164,261,584	23,330,266	140,931,318
Holding						24,519,322	3,067,941	21,451,381

Theoretical Price ALFA	**114,097,227**
Per share	**$ 22.57**
Discount/Premium	**-25.1%**

Source: Banorte, Alfa

We have downgraded our PT 2019 to MXN$21.80 with a BUY recommendation. After incorporating the recent adjustments of **Alpek's**, **Axtel's** and **Nemak's** target prices into our sum of the parts valuation model, and assuming more conservative approaches given ongoing local uncertainty and lower confidence among investors, we have downgraded the PT2019 from MXN$26.80 to MXN$21.80, which represents a 5.8x 2019e FV/EBITDA, above the current 4.9x trading level, but in line with this last year's trading average. It should be noted that our model assumes target prices determined for each one of the company's subsidiaries. In the case of Alpek, we have downgraded our PT2019 to MXN$30.00, in the case of Axtel to MXN$3.15 and in the case of Nemak to MXN$10.00. For Sigma, we assume an 8.0x FV/EBITDA multiple, which stands in line with the average 2019e multiple of comparable companies in Mexico according to Bloomberg. In addition, we are considering a 20% holding discount, similar to the discount at which the company has been trading in recent months in relation to the NAV. Although the result was weak, we consider that current valuations do not reflect the company's real value, and the discount over its net assets value is attractive, therefore we reiterate our BUY recommendation.

Sum of the Parts Valuation
USD, millions

	EBITDA 2019e	FV/EBITDA	Net Debt	MKT CAP	Share	TOTAL	Price
ALPEK	914	5.2x	1,674	3,130	82.0%	2,567	$ 10.31
AXTEL	232	5.2x	752	449	53.5%	240	$ 0.96
NEMAK	637	4.8x	1,358	1,516	75.2%	1,141	$ 4.58
SIGMA	696	8.0x	1,815	3,753	100.0%	3,753	$ 15.07
NEWPEK	- 2	1.0x	18	- 20	100.0%	- 20	-$ 0.08
Sum of the parts value						7,680	
ALFA Holding Net Debt						900	-$ 3.61
Total ALFA						6,780	
# of shares						5,055	
Price US$ per share						1.34	
FX 2019e						**20.30**	
PRICE ALFA						$ 27.23	
Holding Discount						20.0%	
PT 2019e						$ 21.78	

Source: Banorte Estimates

Certification of Analysts.

We, Gabriel Casillas Olvera, Delia Maria Paredes Mier, Alejandro Padilla Santana, Manuel Jiménez Zaldívar, Tania Abdul Massih Jacobo, Katia Celina Goya Ostos, Juan Carlos Alderete Macal, Víctor Hugo Cortes Castro, Marissa Garza Ostos, Miguel Alejandro Calvo Domínguez, Hugo Armando Gómez Solís, Gerardo Daniel Valle Trujillo, José Itzamna Espitia Hernández, Valentín III Mendoza Balderas, Santiago Leal Singer, Francisco José Flores Serrano, Jorge Antonio Izquierdo Lobato and Leslie Thalía Orozco Vélez, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

Relevant statements.

In accordance with current laws and internal procedures manuals, analysts are allowed to hold long or short positions in shares or securities issued by companies that are listed on the Mexican Stock Exchange and may be the subject of this report; nonetheless, equity analysts have to adhere to certain rules that regulate their participation in the market in order to prevent, among other things, the use of private information for their benefit and to avoid conflicts of interest. Analysts shall refrain from investing and holding transactions with securities or derivative instruments directly or through an intermediary person, with Securities subject to research reports, from 30 calendar days prior to the issuance date of the report in question, and up to 10 calendar days after its distribution date.

Compensation of Analysts.

Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte Ixe and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

Last-twelve-month activities of the business areas.

Grupo Financiero Banorte S.A.B. de C.V., through its business areas, provides services that include, among others, those corresponding to investment banking and corporate banking, to a large number of companies in Mexico and abroad. It may have provided, is providing or, in the future, will provide a service such as those mentioned to the companies or firms that are the subject of this report. Casa de Bolsa Banorte or its affiliates receive compensation from such corporations in consideration of the aforementioned services.

Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

Securities holdings and other disclosures.

As of the end of last quarter, Grupo Financiero Banorte S.A.B. of C.V. has not held investments, directly or indirectly, in securities or derivative financial instruments, whose underlying securities are the subject of recommendations, representing 1% or more of its investment portfolio of outstanding securities or 1 % of the issuance or underlying of the securities issued.

None of the members of the Board of Grupo Financiero Banorte and Casa de Bolsa Banorte, along general managers and executives of an immediately below level, have any charges in the issuers that may be analyzed in this document.

The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

Guide for investment recommendations.

	Reference
BUY	*When the share expected performance is greater than the MEXBOL estimated performance.*
HOLD	*When the share expected performance is similar to the MEXBOL estimated performance.*
SELL	*When the share expected performance is lower than the MEXBOL estimated performance.*

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

Historical PT and Rating

Stock	Date	Rating	PT
ALFA	July 18, 2019	BUY	MXN$21.80
ALFA	April 24, 2019	BUY	MXN$26.80
ALFA	January 18, 2019	BUY	MXN$29.50
ALFA	July 20, 2018	BUY	MXN$30.00

GRUPO FINANCIERO BANORTE S.A.B. de C.V.

Research and Strategy

Gabriel Casillas Olvera	Chief Economist and Head of Research	gabriel.casillas@banorte.com	(55) 4433 - 4695
Raquel Vázquez Godinez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967

Economic Analysis

Delia María Paredes Mier	Executive Director of Economic Analysis	delia.paredes@banorte.com	(55) 5268 - 1694
Katia Celina Goya Ostos	Senior, Global Economist	katia.goya@banorte.com	(55) 1670 - 1821
Juan Carlos Alderete Macal, CFA	Senior Economist, Mexico	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Miguel Alejandro Calvo Domínguez	Economist, Regional	miguel.calvo@banorte.com	(55) 1670 - 2220
Francisco José Flores Serrano	Economist, Mexico	francisco.flores.serrano@banorte.com	(55) 1670 - 2957
Lourdes Calvo Fernández	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611

Fixed income and FX Strategy

Alejandro Padilla Santana	Head Strategist – Fixed income and FX	alejandro.padilla@banorte.com	(55) 1103 - 4043
Santiago Leal Singer	FX Senior Strategist	santiago.leal@banorte.com	(55) 1670 - 2144
Leslie Thalía Orozco Vélez	Fixed Income and FX Strategist	leslie.orozco.velez@banorte.com	(55) 5268 - 1698

Equity Strategy

Manuel Jiménez Zaldivar	Director Equity Research — Telecommunications / Media	manuel.jimenez@banorte.com	(55) 5268 - 1671
Victor Hugo Cortes Castro	Technical Analysis	victorh.cortes@banorte.com	(55) 1670 - 1800
Marissa Garza Ostos	Equity Research – Conglomerates / Financials/ Mining / Petrochemicals	marissa.garza@banorte.com	(55) 1670 - 1719
José Itzamna Espitia Hernández	Equity Research – Airlines / Airports / Cement / Infrastructure / REITs	jose.espitia@banorte.com	(55) 1670 - 2249
Valentín III Mendoza Balderas	Equity Research – Auto Parts/ Consumer Discretionary / Real Estate / Retail	valentin.mendoza@banorte.com	(55) 1670 - 2250
Jorge Antonio Izquierdo Lobato	Analyst	jorge.izquierdo.lobato@banorte.com	(55) 1670 - 1746
Itzel Martínez Rojas	Analyst	itzel.martinez.rojas@banorte.com	(55) 1670 - 2251

Corporate Debt

Tania Abdul Massih Jacobo	Director Corporate Debt	tania.abdul@banorte.com	(55) 5268 - 1672
Hugo Armando Gómez Solís	Senior, Corporate Debt	hugoa.gomez@banorte.com	(55) 1670 - 2247
Gerardo Daniel Valle Trujillo	Manager, Corporate Debt	gerardo.valle.trujillo@banorte.com	(55) 1670 - 2248

Wholesale Banking

Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(55) 1670 - 1889
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.ceballos@banorte.com	(55) 5268 - 9996
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 1002
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	gerardo.zamora@banorte.com	(81) 8318 - 5071
Jorge de la Vega Grajales	Head of Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	luis.pietrini@banorte.com	(55) 5004 - 1453
René Gerardo Pimentel Ibarrola	Head of Asset Management	pimentelr@banorte.com	(55) 5268 - 9004
Ricardo Velázquez Rodríguez	Head of International Banking	rvelazquez@banorte.com	(55) 5004 - 5279
Víctor Antonio Roldan Ferrer	Head of Corporate Banking	victor.roldan.ferrer@banorte.com	(55) 5004 - 1454