# 4Q23 and Full Year 2023 Results

Alsea

26.02.24

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## CONFERENCE CALL

**Date and Time: Tuesday, February 27th, 2024, at 8:00 a.m. (Mexico City)**

**Register in:**
**https://alseareportederesultados.com/**

# INDEX

# Fourth Quarter and Full Year 2023 Results and Highlights

- **Same-Store Sales (SSS):**

| | 2023 | 4Q23 |
|---|---|---|
| *Vs. 2022* | 14.7% | 12.1% |

- **Total sales* increased 10.7% for the full year and 7.8% for the fourth quarter; excluding the exchange rate effect reported sales grew 19.7% and 13.8%, respectively**
- **7.5 million active** users in loyalty programs**
- **EBITDA* increased 22.3% for the full year and 25.9% for the fourth quarter, surpassing $10,600 and $3,100 million pesos in each period, respectively**
- **Net Income for 2023 reached $2.6 billion Pesos, a 49.7% increase over 2022**
- **EPS*** was $3.15 for the full year 2023, a 45.2% increase compared to the previous year**
- **The Net Debt / EBITDA* leverage ratio reached 1.9x at the end of 2023**
- **The Company closed the year with more than 4,600 units**

**Excluding the effect of IFRS 16, as well as the effect related to the restatement for hyperinflation in Argentina.*
***Active users: last 90 days for Starbucks and 180 days for the other formats.*
**** EPS is calculated using Net Income (excluding IFRS 16 and restatement) divided by the annual weighted average number of shares outstanding for the last 12 months.*

**Armando Torrado, Chief Executive Officer of Alsea, commented**: "I am pleased to share our excellent results for the fourth quarter and full year 2023, during which we again achieved outstanding growth in total sales and EBITDA. Key factors driving these results were increased store traffic, positive momentum from a higher number of items per transaction, the operational excellence of our teams, and an improved mix within the portfolio.

Furthermore, EBITDA increased by double digits for the quarter and full year, a result of the effectiveness of our operating strategy, positive consumer trends, the successful implementation of digital innovations and the development of new products.

Our digital strategy continues to be a key factor in attracting and retaining new customers. A major milestone this year was reaching more than 1.8 million users in our Starbucks Rewards program, while our Club By program in Spain also had rapid uptake, gaining close to one million users in under three months.

Regarding our brand strategy, Starbucks continues to innovate to enhance its profitability. We are focused on cultivating strategic locations and the development of new products that are attractive to our customer base. In addition, we have certified 85 Starbucks stores as greener stores in Latin America.

In the Quick Service Restaurant segment (QSR) we have carefully analyzed commercial strategies to maintain a competitive advantage, focusing on digital innovation to optimize and enhance our level of service. In Casual Dining, we have continued to improve the value proposition within the restaurants to capitalize on positive traffic trends, thereby increasing customer frequency.

I would like to take a moment to express my deep gratitude to all our employees for their commitment and contribution in 2023, which has been essential in achieving these excellent results."

**February, 2024**

*Mexico City, February 26, 2024. Today Alsea, S.A.B. de C.V. (BMV: ALSEA*), the leading Quick Service Restaurant (QSR), Coffee Shop and Casual Dining operator in Latin America and Europe, released its results for the fourth quarter and full year 2023. The information is presented in nominal terms pursuant to International Financial Reporting Standards (IFRS).* ***The comments presented in this report do not include the effect of IFRS 16, as well as the effect regarding restatement due to hyperinflation in Argentina, unless otherwise mentioned. The metrics mentioned in the report are compared against the same period of the previous year unless otherwise indicated.***

# FINANCIAL HIGHLIGHTS FOR THE FOURTH QUARTER 2023

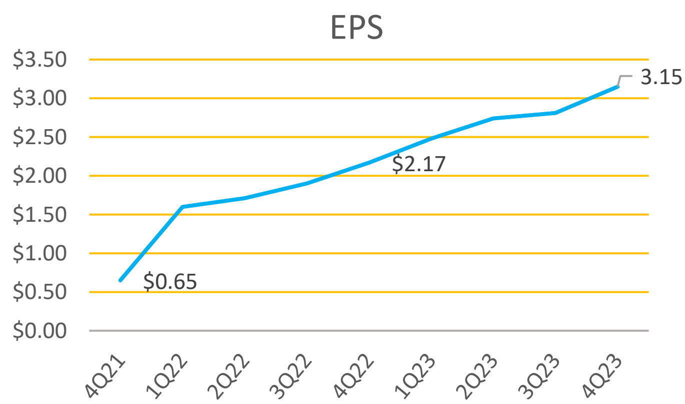
The following table provides a Financial Summary, including the margin for each line item representing net sales, as well as the percentage change for the quarter ended December 31st, 2023 compared to the same period of 2022:

| | *Pre-IFRS 16* | | | *Post-IFRS 16 + Argentinian Restatement* | | |
|---|---|---|---|---|---|---|
| | *4Q23* | *4Q22* | *Var %* | *4Q23* | *4Q22* | *Var %* |
| **Same-Store Sales** | 12.1% | 21.5% | N.A. | 12.1% | 21.5% | N.A. |
| **Net Sales** | $19,882 | $18,438 | 7.8% | $20,147 | $19,146 | 5.2% |
| **Gross Profit** | 13,465 | 12,302 | 9.5% | 13,650 | 12,779 | 6.8% |
| **EBITDA (1)** | 3,183 | 2,529 | 25.9% | 4,506 | 3,487 | 29.2% |
| *EBITDA margin* | *16.0%* | *13.7%* | *230 bps* | *22.4%* | *18.2%* | *420 bps* |
| **Operating Income** | $2,219 | $1,668 | 33.0% | $2,589 | $1,682 | 53.9% |
| **Net income** | $1,052 | $771 | 36.5% | $1,363 | $529 | 157.5% |
| *Net Income Margin* | *5.3%* | *4.2%* | *110 bps* | *6.8%* | *2.8%* | *400 bps* |
| **ROIC** | 17.8% | 13.5% | 430 bps | 13.4% | 10.4% | 300 bps |
| **ROE** | 28.1% | 19.9% | 820 bps | 31.5% | 18.0% | 1,350 bps |
| **Net Debt/EBITDA** | 1.9x | 2.5x | N.A. | 2.4x | 3.1x | N.A. |
| **EPS (2)** | 3.15 | 2.17 | 45.2% | 3.53 | 1.96 | 79.9% |

*** Figures in millions of pesos, except EPS**

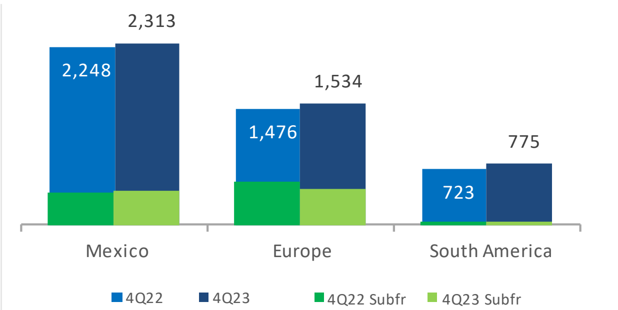
**(1) EBITDA is defined as operating income before depreciation and amortization.**

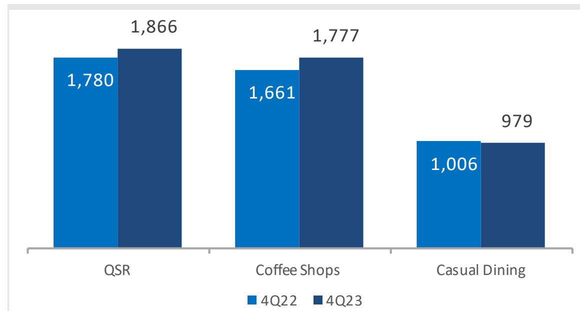
**(2) EPS is earnings per share for the last 12 months.**



## NUMBER OF UNITS*

## Total: 4,622



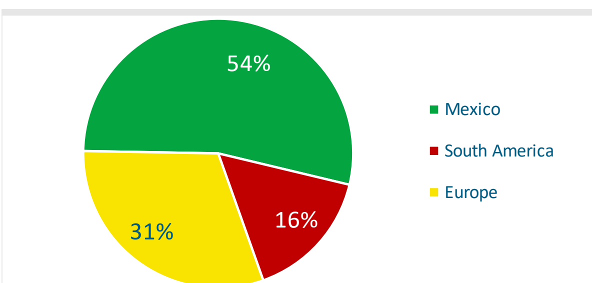




**Note: Total units (corporate + subfranchises*

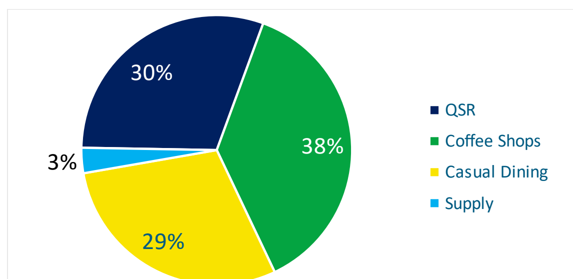
# CONSOLIDATED RESULTS

## SALES

### SALES BY GEOGRAPHY*




### SALES BY SEGMENT*




**Figures as of 4Q23, excluding restatement for hyperinflation in Argentina*

**Net Sales** in the fourth quarter of 2023 **increased by 7.8%** to reach **$19,882 million pesos.** This increase is mainly explained by **12.1% same-store sales** growth driven by ticket growth of 8.2% and orders of 3.6%, supported by product innovation, a better portfolio mix, a focus on service excellence, brand preference, and the implementation of successful commercial strategies. This increase was partially offset by an exchange rate impact from the appreciation of the Mexican peso against other currencies and the devaluation of the Argentine peso. Excluding the exchange rate effect, total sales **increased 13.8%.**

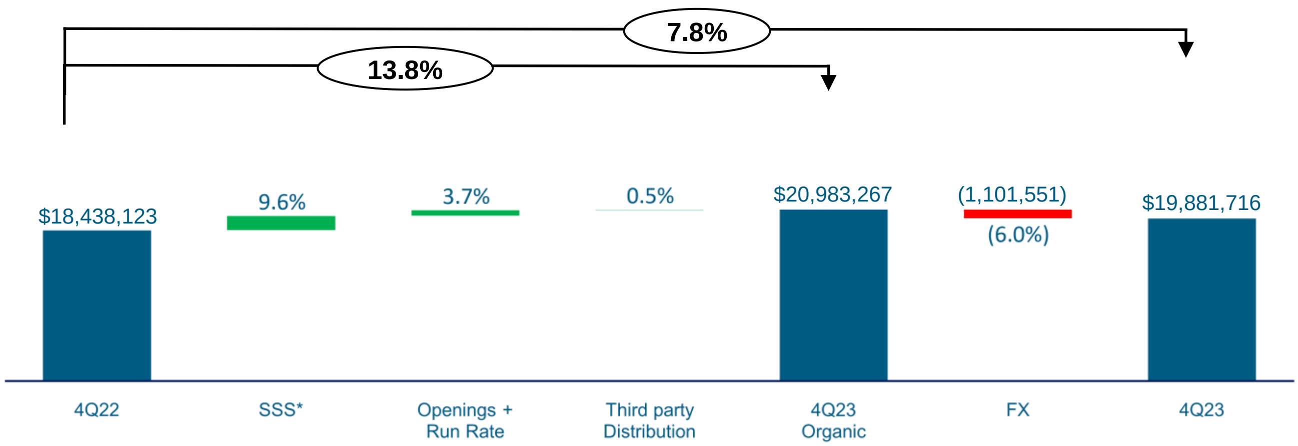
The home delivery segment's revenue exceeded $3.5 billion pesos, with more than 13 million orders and a 17.7% share of Alsea's consolidated sales.

Regarding **same-store sales** by region, South America, Mexico and Europe reported growth rates of **28.1%, 13.5%** and **3.8%** in 4Q23, respectively.

Starbucks stood out, reporting same-store sales growth of 17.0% for 4Q23. The Quick Service segment continued its positive trajectory, with a same-store sales growth of 11.5%.

Casual dining brands continued to trend positively with same-store sales growth of 7.0%. Vips Mexico reported same-store sales growth of 7.5%, driven mainly by a 7.1% growth in orders.

Net Sales 4Q23 vs. 4Q22




**The percentage contribution of SSS is the effect on the total revenue base.*

## EBITDA

**Pre-IFRS 16 EBITDA for 4Q23 increased by 25.9%** reaching $3,183 million pesos, with a margin of **16.0%** representing a 2.3 percentage point increase compared to the fourth quarter of the previous year. Excluding the exchange rate effect, EBITDA increased 28.6%.

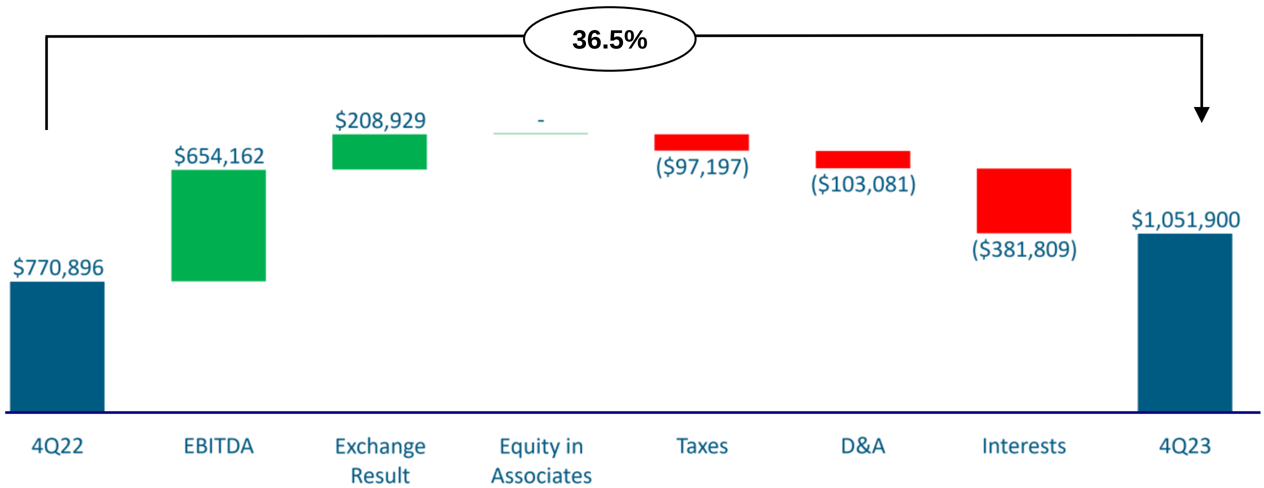
The $654 million peso increase in EBITDA was mainly due to solid sales growth, lower costs in some key inputs, a reduction in energy costs, effective digital strategies, product innovation, and the increased share of the most profitable businesses and products.

**The Post-IFRS 16 EBITDA for 4Q23 increased by 29.2%** reaching $4,506 million pesos, with a margin of 22.4%, an expansion of 4.2 percentage points.

## NET INCOME

**Net income** for the fourth quarter increased to $**1,052 million pesos**, compared to $771 million pesos for the same period of the previous year. This was mainly due to a $551 million pesos increase in operating income. The result was partially offset by an increase in the All-in Cost of Financing of about $173 million pesos, mainly due to a loss in the foreign exchange result.

Net Income 4Q23 vs. 4Q22




## RESULTS BY SEGMENT FOR THE FOURTH QUARTER OF 2023

### MEXICO

| | *Pre-IFRS 16* | | | | *Post-IFRS 16* | | | |
|---|---|---|---|---|---|---|---|---|
| ***Alsea Mexico*** | ***4Q23*** | ***4Q22*** | ***Var.*** | ***% Var.*** | ***4Q23*** | ***4Q22*** | ***Var.*** | ***% Var.*** |
| Number of units | 2,313 | 2,248 | 65 | 2.9% | 2,313 | 2,248 | 65 | 2.9% |
| Same-store sales | 13.5% | 16.0% | N.A. | - | 13.5% | 16.0% | N.A. | - |
| Sales | 10,674 | 9,373 | 1,302 | 13.9% | 10,674 | 9,373 | 1,302 | 13.9% |
| Costs | 3,692 | 3,393 | 299 | 8.8% | 3,692 | 3,393 | 299 | 8.8% |
| Operating Expenses | 4,563 | 3,833 | 730 | 19.1% | 3,898 | 3,435 | 463 | 13.5% |
| Adjusted EBITDA* | 2,420 | 2,147 | 272 | 12.7% | 3,085 | 2,546 | 539 | 21.2% |
| *Adjusted EBITDA Margin** | *22.7%* | *22.9%* | *(20) bps* | - | *28.9%* | *27.2%* | *170 bps* | - |
| Depreciation and Amortization | 539 | 506 | 33 | 6.5% | 1,061 | 873 | 188 | 21.5% |
| Operating Income | 1,664 | 1,128 | 536 | 47.5% | 1,731 | 1,183 | 548 | 46.4% |

* Adjusted EBITDA does not consider administrative expenses; this, it represents the "Store EBITDA" ** Figures in million pesos.

### SALES MEXICO

**Alsea Mexico sales represented 53.7% of Alsea's consolidated sales** in the fourth quarter of 2023, and increased **13.9%, reaching** $10,674 million pesos. This was driven by an increase of 5.9% in orders, improvements in menu design, digital innovations, and a focus on profitable sales formats.

The home delivery segment's revenue exceeded $1,700 million pesos, with more than 7.4 million orders and a 16.3% share of Alsea Mexico's sales in 4Q23.

Same-store sales growth by segment increased by 21.1%, 8.8% and 7.3% for Starbucks, Quick Service and Casual Dining, respectively.

Similarly, the effective commercial strategies implemented by Vips contributed to same-store sales growth of 7.5%, alongside same-store orders growth of 7.1%.

## ADJUSTED EBITDA PRE-IFRS 16 MEXICO

**Alsea Mexico's adjusted EBITDA** accounted for **59.7%** of consolidated adjusted EBITDA in the fourth quarter, **increasing by 12.7%**, to reach $2,420 million pesos. The increase in the adjusted EBITDA was due to:

- Same-store sales growth of **13.5%**, which helped to improve operating leverage.
- An improvement in gross profit of 1.6 percentage points, derived from a favorable exchange rate and the decrease in the price of some inputs and commodities.
- Also, during the fourth quarter there were some non-recurring items for about $135 million pesos, such as a provision for conveying energy and selling franchises of certain Vips restaurants.

In the fourth quarter we opened 55 corporate stores and 14 franchises in Alsea Mexico. At the end of the quarter Alsea Mexico reported a total of 1,851 corporate units and 462 sub-franchise units.

## EUROPE

| | *Pre-IFRS 16* | | | | *Post-IFRS 16* | | | |
|---|---|---|---|---|---|---|---|---|
| ***Alsea Europe*** | ***4Q23*** | ***4Q22*** | ***Var.*** | ***% Var.*** | ***4Q23*** | ***4Q22*** | ***Var.*** | ***% Var.*** |
| Number of units | 1,534 | 1,476 | 58 | 3.9% | 1,534 | 1,476 | 58 | 3.9% |
| Same-store sales | 3.8% | 16.2% | N.A | - | 3.8% | 16.2% | N.A. | - |
| Sales | 6,094 | 5,935 | 159 | 2.7% | 6,094 | 5,935 | 159 | 2.7% |
| Costs | 1,729 | 1,664 | 64 | 3.9% | 1,729 | 1,664 | 64 | 3.9% |
| Operating Expenses | 3,300 | 3,341 | (40) | (1.2%) | 2,840 | 2,829 | 11 | 0.4% |
| Adjusted EBITDA* | 1,065 | 930 | 135 | 14.5% | 1,525 | 1,442 | 83 | 5.8% |
| *Adjusted EBITDA Margin** | *17.5%* | *15.7%* | *180 bps* | - | *25.0%* | *24.3%* | *70 bps* | - |
| Depreciation and Amortization | 286 | 291 | (5) | (1.7%) | 701 | 755 | (54) | (7.1%) |
| Operating Income | 440 | 254 | 186 | 73.1% | 494 | 310 | 183 | 59.1% |

* Adjusted EBITDA does not consider administrative expenses; thus, it represents the "Store EBITDA". ** Figures in million pesos.

## SALES EUROPE

**Alsea Europe sales represented 30.7% of the Company's consolidated sales**, and comprise the operations in Spain, Portugal, France, Netherlands, Belgium, and Luxembourg.

This segment reported sales of $6,094 million pesos, **increasing by 2.7%**. This increase is related to the normalization of consumption trends in the region and a same-store sales growth of **3.8%.** Excluding the exchange rate effect, total sales increased by **9.0%**.

The home delivery segment’s revenue exceeded $1,000 million pesos, with more than 2.3 million orders and a 16.6% share of Alsea Europe’s sales in 4Q23.

Same-store sales growth by segment increased by 7.2% and 3.4% for Casual Dining and Starbucks, respectively, while the Quick Service segment slightly contracted by 0.3%.

## ADJUSTED EBITDA PRE-IFRS 16 EUROPE

**Alsea Europe's pre-IFRS 16 adjusted EBITDA amounted to 26.3%** of the consolidated Adjusted EBITDA in 4Q23, with a **14.5% growth**. Excluding the exchange rate effect, adjusted EBITDA grew **22.0%.**

This increase is primarily due to an approximate 44% reduction in energy costs, resulting in a 1.6 percentage points decrease in energy costs as a percentage of sales. Growth was driven by a 3.8% increase in same-store sales, responsible price increases, value strategies and effective cost controls.

In the fourth quarter, we opened 20 corporate stores and 12 franchises in Alsea Europe, bringing the total number of corporate units to 976 and sub-franchise units to 558.

## SOUTH AMERICA

| | *Pre-IFRS 16* | | | | *Post-IFRS 16 + Argentinian Restatement* | | | |
|---|---|---|---|---|---|---|---|---|
| ***Alsea South America*** | ***4Q23*** | ***4Q22*** | ***Var.*** | ***% Var.*** | ***4Q23*** | ***4Q22*** | ***Var.*** | ***% Var.*** |
| Number of units | 775 | 722 | 53 | 7.3% | 775 | 722 | 53 | 7.3% |
| Same-store sales | 28.1% | 53.5% | N.A. | - | 28.1% | 53.5% | N.A. | - |
| Sales | 3,113 | 3,130 | (17) | (0.5%) | 3,378 | 3,838 | (459) | (12.0%) |
| Costs | 997 | 1,079 | (82) | (7.6%) | 1,076 | 1,309 | (233) | (17.8%) |
| Operating Expenses | 1,549 | 1,522 | 27 | 1.8% | 1,715 | 1,630 | 85 | 5.2% |
| Adjusted EBITDA* | 568 | 529 | 39 | 7.3% | 588 | 899 | (311) | (34.6%) |
| *Adjusted EBITDA Margin** | *18.2%* | *16.9%* | *130 bps* | - | *17.4%* | *23.4%* | *(600) bps* | - |
| Depreciation and Amortization | 138 | 63 | 75 | 118.2% | 155 | 177 | (22) | (12.5%) |
| Operating Income | 115 | 286 | (171) | (59.8%) | 364 | 189 | 175 | 92.8% |

* Adjusted EBITDA does not consider administrative expenses; thus, it represents the "Store EBITDA". ** Figures in million pesos.

## SALES SOUTH AMERICA

**Alsea South America sales accounted for 15.7% of the Company's consolidated sales** for the fourth quarter of 2023, comprising its operations in Argentina, Colombia, Chile, Uruguay, and Paraguay.

Sales for this segment **decreased 0.5%,** reaching $3,113 million pesos. This decrease is mainly related to the inflationary impact and the devaluation of the Argentine peso, as well as a slight decrease in orders in the region, mainly in Colombia, due to the continued decline in consumption.

Despite these challenges, we preserved a prudent pricing strategy, while continuing to innovate in technology and products. In the region, we reported positive same-store sales in Argentina and Chile of 185% and 2.9%, respectively, while in Colombia same-store sales decreased by 4.3%. Home delivery sales reached a 24.6% share of Alsea South America's sales in 4Q23.

Same-store sales growth by segment reached 18.6%, 43.0% and 3.5% for Starbucks, Quick Service and Casual Dining, respectively, versus 4Q22.

### PRE-IFRS 16 ADJUSTED EBITDA SOUTH AMERICA

**Alsea South America's Adjusted EBITDA** was 14.0% of consolidated Adjusted EBITDA in the fourth quarter of 2023 and **increased by $39 million pesos to $568 million pesos.** This increase was due to a 2.5 percentage points reduction in costs as percentage of sales and excellent expense control derived from efficiencies, synergies and best practices linked to the consolidation and integration of the operations in Colombia, Chile, Argentina, Uruguay, and Paraguay.

This increase was partially offset by foreign exchange effects derived from the appreciation of the Mexican peso against other currencies, as well as an impact from the PAIS tax in Argentina for the payment of products and services in dollars of 15% and 17.5%, respectively.

In the fourth quarter, we opened 21 corporate stores in Alsea South America, totaling 725 corporate units and 50 sub-franchise units.

## CONSOLIDATED ANNUAL RESULTS

The following table presents a consolidated Financial Summary in millions of pesos (except EPS), as well as the percentage change for the year ended December 31, 2023 compared to the same period of 2022:

| | *Pre-IFRS 16* | | | *Post-IFRS 16 + Argentinian Restatement* | | |
|---|---|---|---|---|---|---|
| | *12M23* | *12M22* | *Var %* | *12M23* | *12M22* | *Var %* |
| **Same-Store Sales** | 14.7% | 34.8% | N.A. | 14.7% | 34.8% | N.A. |
| **Net Sales** | $74,666 | $67,471 | 10.7% | $76,231 | $68,831 | 10.8% |
| **Gross Profit** | 50,157 | 45,403 | 10.5% | 51,227 | 46,319 | 10.6% |
| **EBITDA (1)** | 10,634 | 8,693 | 22.3% | 15,960 | 14,050 | 13.6% |
| *EBITDA margin* | *14.2%* | *12.9%* | 130 bps | *20.9%* | *20.4%* | 50 bps |
| **Operating Income** | 6,779 | 5,514 | 22.9% | 7,900 | 6,341 | 24.6% |
| **Net income** | $2,631 | $1,757 | 49.7% | $2,939 | $1,576 | 86.5% |
| *Net Profit Margin* | *3.5%* | *2.6%* | 90 bps | *3.9%* | *2.3%* | 160 bps |
| **ROIC** | 17.8% | 13.5% | 430 bps | 13.4% | 10.4% | 300 bps |
| **ROE** | 28.1% | 19.9% | 820 bps | 31.5% | 18.0% | 1,350 bps |
| **Net Debt/EBITDA** | 1.9x | 2.5x | N.A. | 2.4x | 3.1x | N.A. |
| **EPS (2)** | 3.15 | 2.17 | 45.2% | 3.53 | 1.96 | 79.9% |

**(1) EBITDA is defined as operating income before depreciation and amortization.** *** Figures in million pesos, except for EPS.**

**(2) EPS is earnings per share for the last 12 months.**

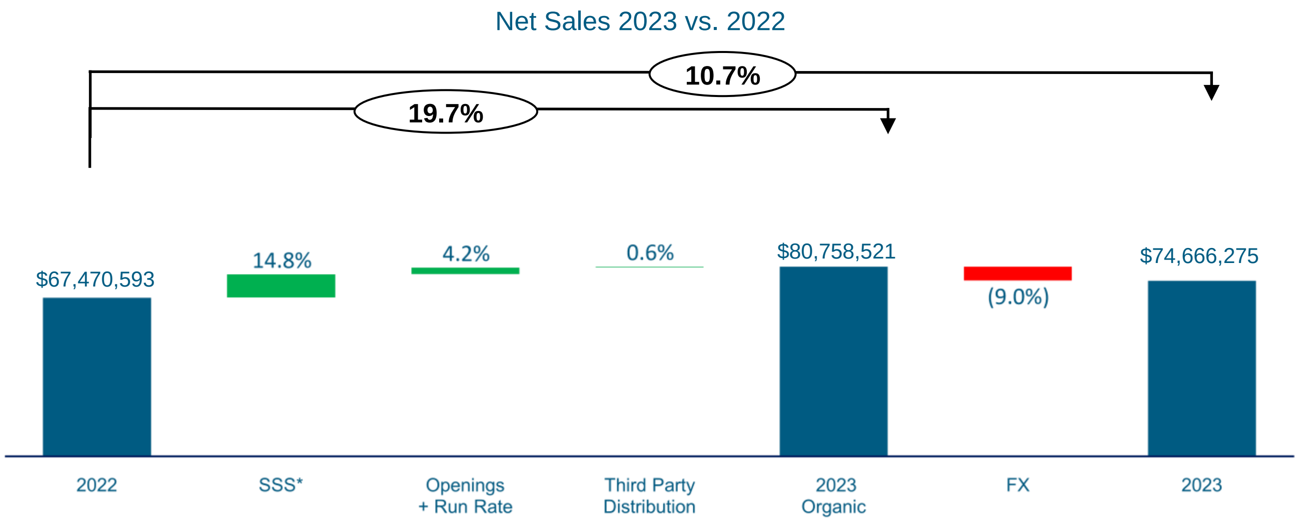
### SALES

**Net sales in 2023 increased by 10.7%** to **reach $74,666 million pesos, compared** to $67,471 million pesos in the previous year. This increase is mainly explained by a recovery in consumer spending, the implementation of successful commercial strategies throughout the year, as well as the addition of 184 corporate units and the same-store sales growth.

The home delivery segment in 2023 grew by 4.2% reaching $12,798 million pesos, with more than 48.8 million orders and a 17.1% share of Alsea's consolidated sales.

South America, Mexico, and Europe same-store sales grew by **25.6%, 15.4%, and 9.6% in 2023,** respectively. At the **consolidated level**, same-store sales **grew by 14.7%**.

The increase in net sales was partially offset by the negative effect of the strength of the Mexican Peso against our other operative currencies, mainly the euro and the Argentine peso, which impacted consolidated sales by 2.6 and 4.6 percentage points, respectively. Excluding this effect, **net sales growth would have been 19.7%.**




**The percentage contribution of VMT is the effect on the total revenue base.*

## EBITDA

**Pre-IFRS 16 EBITDA for 2023 increased by 22.3% reaching $10,634 million pesos, compared** to $8,693 million pesos for the previous year. The **increase in EBITDA of $1,940 million pesos was** mainly due to the significant recovery in consumer demand throughout the year, customer preference for the brands in the Company's portfolio, digital strategies and product innovation, and the efficiencies implemented during the year, mainly related to improvements in average profitability per employee.

This increase was partially offset by a slight cost impact of 10 basis points related mainly to the inflationary pressures in Europe for some important products alongside higher labor costs.

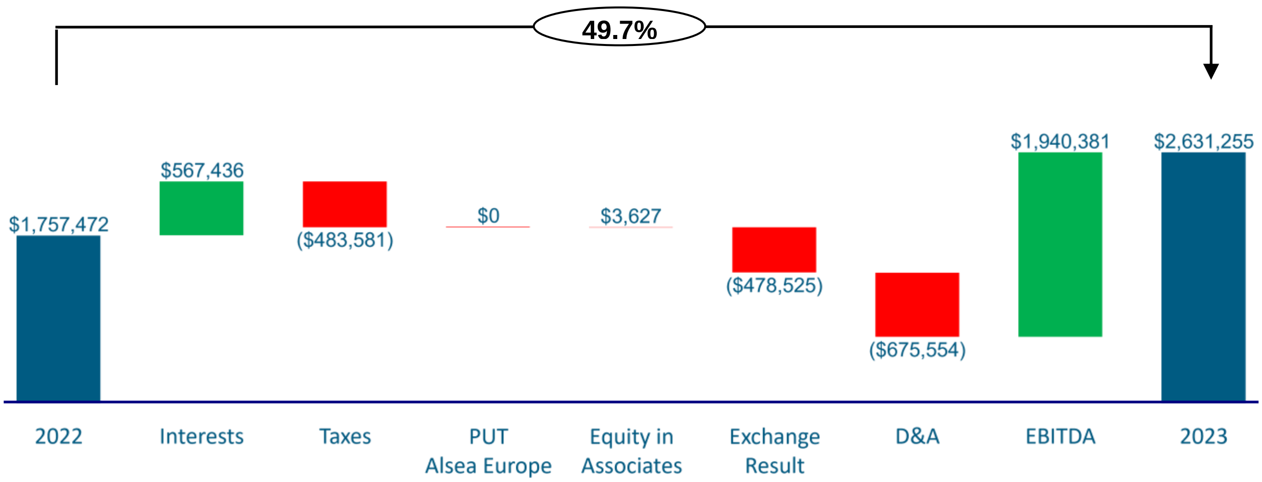
**The Post-IFRS 16 EBITDA for 2023 increased by 13.6%** reaching $15,960 million pesos, with **a 50-basis point** expansion **in the EBITDA margin** from 20.4% in 2022 **to 20.9% in 2023.**

## NET INCOME

**Net income** increased $874 million pesos to $**2,631 million pesos**, compared to $1,757 million pesos reported at the end of 2022. This was mainly due to an increase of $1,265 million pesos in operating income, as a result of continued positive sales trends, commercial strategies, product innovation, cost improvement, efficiencies in interest expense control, and a positive foreign exchange result.

Additionally, the increase in net income benefited from an improvement in the All-In Cost Financing Result of $89 million pesos due to an increase in interest income and a gain in the foreign exchange result, partially offset by a $484 million increase in taxes due to an increase in the tax rate.

Net Income 2023 vs. 2022




## RESULTS BY SEGMENT FOR THE FULL YEAR 2023

### MEXICO

| | Pre-IFRS 16 | | | | Post-IFRS 16 | | | |
|---|---|---|---|---|---|---|---|---|
| ***Alsea Mexico*** | ***12M23*** | ***12M22*** | ***Var.*** | ***% Var.*** | ***12M23*** | ***12M22*** | ***Var.*** | ***% Var.*** |
| Number of units | 2,313 | 2,248 | 65 | 2.9% | 2,313 | 2,248 | 65 | 2.9% |
| Same-store sales | 15.4% | 26.5% | N.A. | - | 15.4% | 26.5% | N.A. | - |
| Sales | 39,359 | 33,468 | 5,891 | 17.6% | 39,359 | 33,468 | 5,891 | 17.6% |
| Costs | 13,849 | 12,017 | 1,832 | 15.2% | 13,849 | 12,017 | 1,832 | 15.2% |
| Operating Expenses | 16,515 | 13,883 | 2,632 | 19.0% | 14,096 | 11,610 | 2,486 | 21.4% |
| Adjusted EBITDA* | 8,995 | 7,567 | 1,428 | 18.9% | 11,414 | 9,841 | 1,574 | 16.0% |
| *Adjusted EBITDA Margin** | 22.9% | *22.6%* | *30 bps* | - | *29.0%* | *29.4%* | *(40) bps* | - |
| Depreciation and Amortization | 2,315 | 1,769 | 547 | 30.9% | 4,228 | 3,579 | 649 | 18.1% |
| Operating Income | 4,884 | 3,781 | 1,104 | 29.2% | 5,393 | 4,433 | 960 | 21.6% |

* Adjusted EBITDA does not consider administrative expenses; thus, it represents the "Store EBITDA". ** Figures in million pesos.

### SALES MEXICO

**Alsea Mexico sales represented 52.7% of** Alsea's **consolidated sales** in 2023 and increased **17.6%, reaching** $39,359 million compared to $33,468 million pesos in 2022. This increase was mainly due to the recovery in consumption and the increase in orders throughout the year, as well as the opening of 76 corporate units and 29 sub-franchises of the different brands in the last twelve months, reaching a total of 1,851 corporate units and 462 sub-franchise units.

The home delivery channel reached a 16.5% share of sales in 2023, with over 27.5 million orders for the year and revenues of more than $6,400 million pesos.

Starbucks, Italianni's, Vips, and Chili's were the best performing brands, achieving same-store sales growth of 26.0%, 11.3%, 9.8% and 9.3%, respectively.

## PRE-IFRS 16 ADJUSTED EBITDA MEXICO

**Alsea Mexico's Adjusted EBITDA increased by 18.9% during 2023**, reaching $8,995 million pesos compared to $7,567 million pesos in the previous year, mainly driven by higher sales, lower costs, lower leasing and other administrative expenses, and the different commercial strategies implemented throughout the year.

This increase was partially offset by the increase in operating expenses mainly resulting from the increase in the minimum wage of 20% effective from the beginning of the year.

Excluding the accounting effects of IFRS 16, the adjusted EBITDA margin expanded by 1.7 percentage points.

## EUROPE

| | *Pre-IFRS 16* | | | | *Post-IFRS 16* | | | |
|---|---|---|---|---|---|---|---|---|
| ***Alsea Europe*** | ***12M23*** | ***12M22*** | ***Var.*** | ***% Var.*** | ***12M23*** | ***12M22*** | ***Var.*** | ***% Var.*** |
| Number of units | 1,534 | 1,476 | 58 | 3.9% | 1,534 | 1,476 | 58 | 3.9% |
| Same-store sales | 9.6% | 32.0% | N.A. | - | 9.6% | 32.0% | N.A. | - |
| Sales | 22,966 | 21,975 | 991 | 4.5% | 22,966 | 21,975 | 991 | 4.5% |
| Costs | 6,615 | 5,992 | 623 | 10.4% | 6,615 | 5,992 | 623 | 10.4% |
| Operating Expenses | 12,828 | 12,759 | 68 | 0.5% | 10,863 | 10,582 | 281 | 2.7% |
| Adjusted EBITDA* | 3,523 | 3,224 | 299 | 9.3% | 5,488 | 5,401 | 87 | 1.6% |
| *Adjusted EBITDA Margin** | *15.3%* | *14.7%* | *60 bps* | - | *23.9%* | *24.6%* | *(70) bps* | - |
| Depreciation and Amortization | 1,133 | 1,143 | (10) | (0.9%) | 2,901 | 3,136 | (236) | (7.5%) |
| Operating Income | 1,092 | 713 | 379 | 53.1% | 1,298 | 912 | 385 | 42.2% |

* Adjusted EBITDA does not consider administrative expenses; thus, it represents the "Store EBITDA". ** Figures in million pesos.

## SALES EUROPE

**Alsea Europe sales accounted for 30.8% of the Company's consolidated sales** and comprise its operations in Spain, Portugal, France, the Netherlands, Belgium, and Luxembourg.

This segment reported sales of $22,966 million pesos, representing **a 4.5% increase,** compared to $21,975 million pesos in 2022.

This increase is related to customer preference for the brands in the Company's portfolio, alongside digital strategies, product innovation, and the normalization of consumption trends in the region's countries. Excluding the exchange rate effect, **sales increased by 15.1%.**

Home delivery segment sales represented a 16.5% share of Alsea Europe's sales in 2023, which represents over $3,700 million pesos and more than 8.9 million orders.

Starbucks performed especially positively in the region during the year, achieving same-store sales growth of 20.8% in Portugal, 18.2% in Spain, 17.4% in Netherlands and 7.4% in France. Meanwhile Ginos grew sales by 15.1%.

## PRE-IFRS 16 ADJUSTED EBITDA EUROPE

**Alsea Europe's Adjusted EBITDA increased by 9.3%** in 2023 to $3,523 million pesos, compared to $3,224 million in 2022. This increase is mainly due to same-store sales growth of 9.6% and lower energy costs. This resulted in a contraction of 1.1 percentage points as a percentage of sales, which represented 3.8% of sales in 2022.

The adjusted EBITDA margin expanded by 60 basis points due to the factors previously mentioned.

## SOUTH AMERICA

| | *Pre-IFRS 16* | | | | *Post-IFRS 16 + Restatement Argentina* | | | |
|---|---|---|---|---|---|---|---|---|
| ***Alsea South America*** | ***12M23*** | ***12M22*** | ***Var.*** | ***% Var.*** | ***12M23*** | ***12M22*** | ***Var.*** | ***% Var.*** |
| Number of units | 775 | 722 | 53 | 7.3% | 775 | 722 | 53 | 7.3% |
| Same-store sales | 25.6% | 70.3% | N.A. | - | 25.6% | 70.3% | N.A. | - |
| Sales | 12,341 | 12,027 | 314 | 2.6% | 13,906 | 13,388 | 518 | 3.9% |
| Costs | 4,045 | 4,058 | (14) | (0.3%) | 4,539 | 4,503 | 36 | 0.8% |
| Operating Expenses | 6,124 | 6,001 | 124 | 2.1% | 6,444 | 5,853 | 591 | 10.1% |
| Adjusted EBITDA* | 2,172 | 1,968 | 204 | 10.4% | 2,922 | 3,032 | (110) | (3.6%) |
| *Adjusted EBITDA Margin** | *17.6%* | *16.4%* | *120 bps* | - | *21.0%* | *22.6%* | *(160) bps* | - |
| Depreciation and Amortization | 407 | 268 | 139 | 51.7% | 931 | 993 | (62) | (6.2%) |
| Operating Income | 802 | 1,020 | (218) | (21.4%) | 1,210 | 996 | 214 | 21.5% |

* Adjusted EBITDA does not consider administrative expenses; thus, it represents the "Store EBITDA". ** Figures in million pesos.

## SALES SOUTH AMERICA

**Alsea South America sales comprised 16.5% of the Company's consolidated sales** in 2023. Sales for this segment **increased by 2.6%** reaching $12,341 million pesos compared to $12,027 million pesos in 2022.

This increase is mainly related to responsible pricing strategies, customer preference for the brands in the Company's portfolio, digital strategies and product innovation. Delivery sales increased 9.9% compared to 2022, representing a 20.4% share of Alsea South America's sales in 2023.

At the brand level, Starbucks reported a solid performance throughout the region, particularly in Chile and Colombia, with same-store sales growth of 11.1% and 6.9%, respectively.

During the year, Argentina reported a 5.1% growth in same-store orders.

## PRE-IFRS 16 ADJUSTED EBITDA SOUTH AMERICA

**Alsea South America's adjusted EBITDA** at the end of 2023 grew by 10.4% to $2,172 million pesos, compared to $1,986 million pesos in 2022.

This increase is mainly due to strategies focused on cost reduction and responsible price increases during the year.

## NON-OPERATING RESULTS

### All-in Cost of Financing

**The all-in cost of financing** in 2023 **reached $2,699 million pesos**, a decrease of $88 million pesos compared to $2,787 million pesos in the previous year. This decrease is mainly due to a foreign exchange fluctuation gain of $478 million pesos and a reduction in the net interest paid, partially offset by a higher interest rate.

## BALANCE SHEET

### CAPEX

During the twelve months ended December 31st, 2023, **Alsea made capital investments of $4,740 million pesos**, of which $3,903 million pesos, equivalent to 82.3% of total investments, were allocated to:

- The opening of **184 units** by the end of the year
- The **renovation and remodeling of** existing **units** of the different brands operated by the Company.
- Equipment replacement (maintenance CAPEX)

The remaining $837 million pesos were allocated to:

- Strategic technology and process improvement projects

### BANK DEBT, SECURITIES

As of December 31st, 2023, Alsea Europe held €44 million euros in revolving credits.

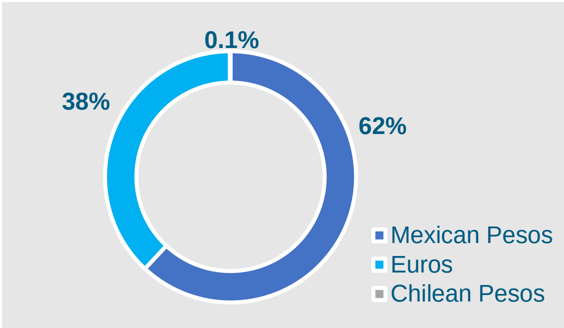
As of December 31st, 2023, **Alsea's total debt,** including IFRS 16 leases, **decreased by $5,320 million pesos compared to December 2022**, closing at $44,450 million pesos. Excluding the effect of IFRS 16, Alsea's total debt decreased by $1,669 million pesos, to close at $26,120 million pesos.

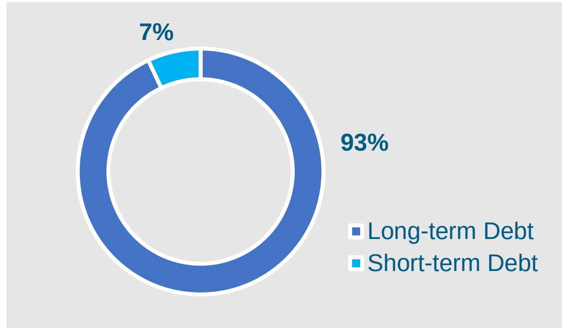
The **decrease in debt corresponds primarily** to the devaluation of the euro against the Mexican peso, combined with amortizations, for an amount of $324 million pesos corresponding to the last 12 months.

The company's **consolidated net debt**, including IFRS 16 leases, **decreased by $5,631 million pesos compared to December 2022**, closing at $38,040 million pesos as of December 31st, 2023.

Excluding the effect of IFRS 16, Alsea's net debt decreased by $1,979 million pesos versus December 2022, to $19,710 million pesos.

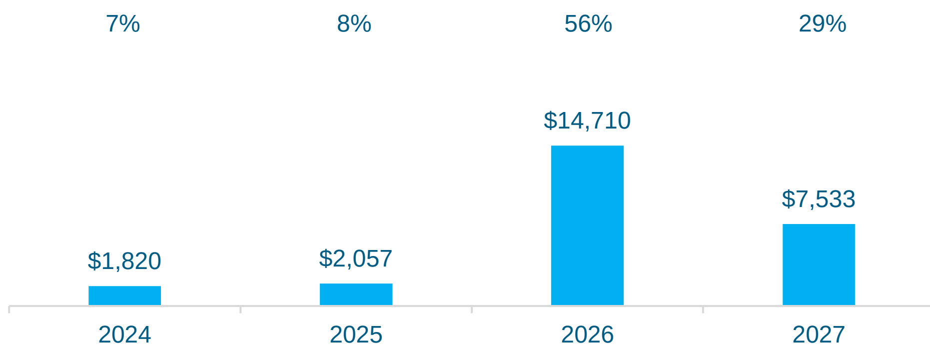
As of December 31st, 2023, the total debt (excluding IFRS 16) was as follows:




**Note: Stock debt in U.S. dollars is hedged through an exchange rate derivative; therefore, it is considered as part of debt in Mexican pesos.*

The following graph shows the balance of the total debt (excluding IFRS 16) in millions of pesos as of December 31st, 2023, as well as the maturities that are held for subsequent years:




*Figures in millions of pesos.

**FINANCIAL RATIOS (Post IFRS 16)**

As of December 31st, 2023, the financial ratios were:

- In terms of **liquidity**, at the end of the fourth quarter of 2023, Alsea reported **$6.4 billion pesos in cash**.
- Consolidated **stockholders' equity** *(Pre-IFRS 16)* closed at $**9.3 billion pesos**.

## KEY INFORMATION

| Financial ratios | 4Q23 | 4Q22 | Var. |
|---|---|---|---|
| EBITDA(1) / Interest Paid | 6.5 x | 4.1 x | N.A. |
| Total Debt / EBITDA(1) | 2.8 x | 3.5 x | N.A. |
| Net Debt / EBITDA(1) | 2.4 x | 3.1 x | N.A. |
| ROIC (2) | 13.4% | 10.4% | 300 bps |
| ROE (3) | 31.5% | 18.0% | 1,350 bps |

| Stock Market Indicators | 4Q23 | 4Q22 | Var. |
|---|---|---|---|
| Book Value per Share | $10.34 | $9.29 | 11.3% |
| EPS (12 months) (4) | 3.53 | $1.96 | 79.9% |
| Shares in circulation at end of period (millions) | $809.7 | 820.0 | (1.4%) |
| Price per Share at Market Close (5) | $64.16 | $36.86 | 74.1% |

(1) EBITDA last 12 months
(2) ROIC is defined as operating income after taxes (last 12 months) by net operating investment.
(Total assets - cash and short-term investments - no-cost liabilities).
(3) ROE is defined as net income (last 12 months) over sharegolders' equity.

(4) EPS is earnings per share for the last 12 months.
(5) Weighted average price at the end of the quarter

## FINANCIAL RATIOS REFERRED TO IN CREDIT AGREEMENTS WITH FINANCIAL INSTITUTIONS

| Leverage ratios excluding IFRS 16 and restatement for hyperinflation in Argentina | 4Q23 |
|---|---|
| EBITDA(1) / Interest Paid | 4.2 x |
| Total Debt / EBITDA(1) | 2.5 x |
| Net Debt / EBITDA(1) | 1.9 x |

(1) EBITDA last 12 months

The financial ratios presented in the table above were calculated based on the Company's consolidated results without considering the effect of IFRS 16 nor the restatement due to hyperinflation in Argentina.

## UNITS BY BRAND

| BRANDS | UNITS 4Q23 | | |
|---|---|---|---|
| | Corporate | Sub-franchises | Total |
| Domino's Pizza | 912 | 529 | 1,441 |
| *Mexico* | *486* | *412* | *898* |
| *Spain* | *315* | *67* | *382* |
| *Uruguay* | *3* | *-* | *3* |
| *Colombia* | *108* | *50* | *158* |
| Burger King | 425 | - | 425 |
| *Mexico* | *174* | *-* | *174* |
| *Argentina* | *118* | *-* | *118* |
| *Spain* | *55* | *-* | *55* |
| *Chile* | *78* | *-* | *78* |
| **Quick Service Restaurants** | **1,337** | **529** | **1,866** |
| Starbucks | 1,492 | 285 | 1,777 |
| *Mexico* | *820* | *-* | *820* |
| *France* | *102* | *143* | *245* |
| *Spain* | *142* | *24* | *166* |
| *Argentina* | *132* | *-* | *132* |
| *Chile* | *162* | *-* | *162* |
| *Netherlands* | *24* | *77* | *101* |
| *Colombia* | *68* | *-* | *68* |
| *Belgium* | *2* | *33* | *35* |
| *Portugal* | *21* | *4* | *25* |
| *Uruguay* | *16* | *-* | *16* |
| *Paraguay* | *3* | *-* | *3* |
| *Luxembourg* | *-* | *4* | *4* |
| **Coffee Shops** | **1,492** | **285** | **1,777** |
| Foster's Hollywood | 103 | 118 | 221 |
| Ginos | 84 | 36 | 120 |
| *Spain* | *82* | *36* | *118* |
| *Portugal* | *2* | *-* | *2* |
| Italianni's | 60 | 16 | 76 |
| Chili's Grill & Bar | 77 | - | 77 |
| *Mexico* | *72* | *-* | *72* |
| *Chile* | *5* | *-* | *5* |
| Archie's | 29 | - | 29 |
| P.F. Chang's | 31 | - | 31 |
| *Mexico* | *28* | *-* | *28* |
| *Chile* | *3* | *-* | *3* |
| TGI Fridays | 13 | - | 13 |
| The Cheesecake Factory | 7 | - | 7 |
| Vips | 319 | 86 | 405 |
| *Mexico* | *204* | *34* | *238* |
| *Spain* | *115* | *52* | *167* |
| **Casual Dining** | **723** | **256** | **979** |
| **TOTAL ALSEA UNITS** | | | **4,622** |
| **Corporate** | **3,552** | | |
| **Sub-franchises** | | **1,070** | |

## UNITS PER COUNTRY

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| MEXICO | 2,313 | SPAIN | 1,122 | ARGENTINA | 250 | CHILE | 248 |
| FRANCE | 245 | COLOMBIA | 255 | Netherlands | 101 | BELGIUM | 35 |
| PORTUGAL | 27 | URUGUAY | 19 | LUXEMBOURG | 4 | PARAGUAY | 3 |

## ANALYST COVERAGE

| INSTITUTION | ANALYST | RECOMMENDATION |
|---|---|---|
| BANK OF AMERICA MERRILL LYNCH | ROBERT E. FORD AGUILAR | BUY |
| BANORTE-IXE | CARLOS HERNANDEZ GARCIA | BUY |
| BARCLAYS | BENJAMIN M. THEURER | HOLD |
| BBVA BANCOMER | MIGUEL ULLOA SUAREZ | BUY |
| BRADESCO | FELIPE CASSIMIRO | HOLD |
| BTG PACTUAL | ALVARO GARCIA | BUY |
| CITI | RENATA CABRAL | BUY |
| CI BANCO | BENJAMIN ALVAREZ | BUY |
| GOLDMAN SACHS | THIAGO BORTOLUCI | HOLD |
| GRUPO BURSÁTIL MEXICANO | LUIS RODRIGO WILLARD | BUY |
| INTERCAM | RICHARD HORBACH | HOLD |
| ITAU BBA | JOAQUÍN LEY | BUY |
| J.P. MORGAN | ULISES ARGOTE | HOLD |
| MONEX | JOSE ROBERTO SOLANO | BUY |
| SANTANDER | ALAN ALANIS | BUY |
| SCOTIABANK | HECTOR MAYA | HOLD |
| UBS | RODRIGO ALCÁNTARA | BUY |
| VECTOR | MARCELA MUÑOZ | BUY |
| MORGAN STANLEY | JULIA RIZZO | BUY |
| PUNTO CASA DE BOLSA | CRISTINA MORALES | BUY |



***Alsea's shares are traded on the Mexican Stock Exchange under the ticker symbol ALSEA*.***

**Rafael Contreras Grosskelwing**
Chief Financial Officer
Phone: (5255) 7583-2750 | ri@alsea.com.mx

## RELEVANT EVENTS 4T23

- Alsea, S.A.B. de C.V. (BMV: ALSEA*) “Alsea” is pleased to announce that on February 26, 2024 it finalized a deal to purchase all minority shares in our subsidiary, Food Service Project, S.A. (Alsea Europa), for €238 million. Completion of this transaction will occur in stages, based on individual agreements with each minority shareholder.

  Alsea will finance this transaction with cash and a bank loan, ensuring its balance sheet remains healthy and supportive of ongoing growth.

  This transaction underscores Alsea's commitment to the European region and highlights its importance in our future strategic plans.

- On January 8th, 2024, Alsea, S.A.B. de C.V. (BMV: ALSEA*) "Alsea", announced that Gerardo Lozoya Latapi assumed the position of Director of Investor Relations and Corporate Affairs. Gerardo is responsible for Investor Relations, Sustainability, External Communications and Public Relations.

- On October 19th, 2023, Alsea, S.A.B. de C.V. (BMV: ALSEA*) "Alsea", informed that HR Ratings upgraded its rating from HR 'A-' to HR 'A+', maintaining the Stable Outlook for Alsea's current issues in the Mexican capital markets.

- On October 18th, 2023, Alsea, S.A.B. de C.V. (BMV: ALSEA*) "Alsea", informed that Moody's affirmed Alsea's senior and Corporate Family Rating (CFR) at "Ba3". Moody's also affirmed the senior notes rating of Food Service Project, S.A., guaranteed by its parent company Alsea, at "Ba3". The rating outlook is Stable.

## VIDEOCONFERENCE 4Q23

The videoconference to discuss the Company's results will be held on **Tuesday**, **February 27th, 2024 at 8:00 am Mexico City time (9:00 am EST)**, it will be held in English and will include a question-and-answer session.

To participate, please register at the following link: https://alseareportederesultados.com/

After the event date, the video conference will be available on our website: www.alsea.com.mx in the "Investors" section.

## ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
## CONSOLIDATED BALANCE SHEET STATEMENTS
## AS OF DECEMBER 31ST, 2023 AND 2022
## (In thousands of nominal pesos)

| | December 31st, 2023 | | December 31st, 2022 | |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current Assets: | | | | |
| Cash and short-term investments | 6,409,798 | 8.3% | 6,099,709 | 7.6% |
| Clients | 1,425,923 | 1.9% | 1,398,172 | 1.7% |
| Other accounts and documents receivable | 946,318 | 1.2% | 631,248 | 0.8% |
| Inventory | 2,750,665 | 3.6% | 2,895,326 | 3.6% |
| Tax recoverable | 708,881 | 0.9% | 473,035 | 0.6% |
| Other current assets | 430,711 | 0.6% | 870,514 | 1.1% |
| Affiliates and related parties | - | - | 5,828 | 0.0% |
| Current Assets: | 12,672,297 | 16.5% | 12,373,832 | 15.4% |
| Investments in shares of associated companies | 164,003 | 0.2% | 156,903 | 0.2% |
| Store equipment, improvements to leased property, and furniture, net | 15,644,915 | 20.3% | 15,428,755 | 19.2% |
| Non-executable right of use asset | 17,151,941 | 22.3% | 20,604,244 | 25.6% |
| Brand use rights, capital gains and pre-operations, net | 24,991,066 | 32.5% | 26,671,732 | 33.1% |
| Deferred IRS | 5,330,888 | 6.9% | 4,563,667 | 5.7% |
| Other assets | 1,041,912 | 1.4% | 670,190 | 0.8% |
| **Total Assets** | **76,997,021** | 100.0% | **80,469,323** | 100.0% |
| **LIABILITIES** | | | | |
| Short-term: | | | | |
| Providers | 5,767,899 | 7.5% | 5,628,595 | 7.0% |
| Tax payable | 283,768 | 0.4% | 463,709 | 0.6% |
| Other accounts payable | 12,114,038 | 15.7% | 10,296,595 | 12.8% |
| Non-executable short-term lease liabilities | 3,299,412 | 4.3% | 4,396,362 | 5.5% |
| Other short-term liabilities | - | - | - | - |
| Bank loans | 388,217 | 0.5% | 1,277,638 | 1.6% |
| Debt Instruments | 1,350,000 | 1.8% | - | - |
| Short-term liabilities | 23,203,333 | 30.1% | 22,062,899 | 27.4% |
| Long term: | | | | |
| Bank loans | 4,828,112 | 6.3% | 3,762,760 | 4.7% |
| Debt instruments | 19,553,791 | 25.4% | 22,748,440 | 28.3% |
| Deferred tax, net | 3,290,824 | 4.3% | 3,203,214 | 4.0% |
| Non-executable lease liabilities | 15,030,655 | 19.5% | 17,585,449 | 21.9% |
| Other long-term liabilities | 1,774,582 | 2.3% | 2,524,188 | 3.1% |
| Affiliates and related parties | - | - | 2,375 | 0.1% |
| Long-term liabilities: | 44,477,964 | 57.8% | 49,826,426 | 61.9% |
| **Total Liabilities** | **67,681,297** | 87.9% | **71,889,326** | 89.3% |
| **SHAREHOLDERS' EQUITY** | | | | |
| Minority interest | 940,621 | 1.2% | 962,131 | 1.2% |
| Majority interest: | | | | |
| Capital stock | 466,996 | 0.6% | 478,749 | 0.6% |
| Net premium in share placement | 7,725,728 | 10.0% | 8,675,410 | 10.8% |
| Retained earnings | (2,697,395) | (3.5%) | (3,159,853) | (3.9%) |
| Earnings for the period | 2,879,773 | 3.7% | 1,623,561 | 2.0% |
| **Majority interest** | 8,375,102 | 10.9% | 7,617,867 | 9.5% |
| **Total Shareholders' Equity** | 9,315,723 | 12.1% | 8,579,998 | 10.7% |
| **Total Liabilities and Shareholders' Equity** | **76,997,021** | 100.0% | **80,469,323** | 100.0% |

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**
**CONSOLIDATED INCOME STATEMENTS FOR THE THREE MONTHS ENDED DECEMBER 31ST, 2023 AND 2022**
**(In thousands of nominal pesos)**

| | | Three months ended December 31st, 2023 | | | Three months ended December 31st, 2022 | |
|---|---|---|---|---|---|---|
| Net sales | $ | 20,146,693 | 100% | $ | 19,145,828 | 100% |
| Cost of sales | | 6,496,234 | 32.2% | | 6,366,345 | 33.3% |
| **Gross Income** | | **13,650,460** | **67.8%** | | **12,779,483** | **66.7%** |
| *Rent** | | 427,517 | 2.1% | | 300,153 | 1.6% |
| Operating expenses | | 9,144,748 | 45.4% | | 9,292,646 | 48.5% |
| Depreciation and amortization | | 1,917,161 | 9.5% | | 1,805,002 | 9.4% |
| **Operating Income** | | **2,588,551** | **12.8%** | | **1,681,835** | **8.8%** |
| All-in cost of financing: | | | | | | |
| *Interest expense*** | | 608,160 | 3.0% | | 626,508 | 3.3% |
| *Bank Fees and Derivatives*** | | 283,416 | 1.4% | | 113,406 | 0.6% |
| Interest paid – net | | 815,364 | 4.0% | | 787,411 | 4.1% |
| Changes in reasonable value Financial Liabilities | | - | - | | - | - |
| Exchange rate loss/gain | | (42,470) | (0.2%) | | (95,558) | (0.5%) |
| | | 772,894 | 3.8% | | 691,853 | 3.6% |
| Participation in associated companies' results | | 0 | 0.0% | | 0 | 0.0% |
| **Pre-Tax Income** | | **1,815,657** | **9.0%** | | **989,982** | **5.2%** |
| Tax on earnings | | 452,531 | 2.2% | | 460,709 | 2.4% |
| **Consolidated Net Income** | | **1,363,126** | **6.8%** | | **529,273** | **2.8%** |
| Non-controlling stake | | (40,941) | (0.2%) | | (49,436) | (0.1%) |
| **Controlling Stake** | $ | **1,404,067** | **7.0%** | $ | **578,709** | **3.0%** |

*** Rent included in Expenses**
**** Bank and derivative commissions included in Interest paid - net**

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**
**CONSOLIDATED INCOME STATEMENTS BY SEGMENT FOR THE THREE MONTHS ENDED DECEMBER 31ST, 2023 AND 2022**
**(In thousands of nominal pesos)**

| **MEXICO** | | Three months ended December 31st, 2023 | | Three months ended December 31st, 2022 | |
|---|---|---|---|---|---|
| Net Sales | $ | 10,674,432 | 100% | 9,372,911 | 100% |
| *Rent** | | 159,144 | 1.5% | 320,065 | 3.4% |
| Operating expenses | | 4,190,879 | 39.3% | 3,924,523 | 41.9% |
| Depreciation and amortization | | 1,060,848 | 9.9% | 873,005 | 9.3% |
| **Operating Income** | | **1,730,990** | **16.2%** | **1,182,714** | **12.6%** |
| All-in cost of financing | | 767,577 | 7.2% | 331,852 | 3.5% |
| **Pre-Tax Income** | **$** | **963,413** | **9.0%** | **850,862** | **9.1%** |

| **EUROPE** | | Three months ended December 31st, 2023 | | Three months ended December 31st, 2022 | |
|---|---|---|---|---|---|
| Net Sales | $ | 6,093,963 | 100% | 5,935,377 | 100% |
| *Rent** | | 11,802 | 0.2% | (51,726) | (0.6%) |
| Operating expenses | | 3,170,289 | 52.0% | 3,205,854 | 54.0% |
| Depreciation and amortization | | 701,168 | 11.5% | 754,699 | 12.7% |
| **Operating Income** | | **493,866** | **8.1%** | **310,448** | **5.2%** |
| All-in cost of financing | | 237,195 | 3.9% | 208,558 | 3.5% |
| **Pre-Tax Income** | **$** | **256,671** | **4.2%** | **101,890** | **1.7%** |

| **SOUTH AMERICA** | | Three months ended December 31st, 2023 | | Three months ended December 31st, 2022 | |
|---|---|---|---|---|---|
| Net Sales | $ | 3,378,298 | 100% | 3,837,540 | 100% |
| *Rent** | | 256,572 | 7.6% | 31,813 | 0.3% |
| Operating expenses | | 1,783,580 | 52.8% | 2,162,270 | 56.3% |
| Depreciation and amortization | | 155,145 | 4.6% | 177,298 | 4.6% |
| **Operating Income** | | **363,696** | **10.8%** | **188,673** | **4.9%** |
| All-in cost of financing | | (231,878) | (6.9%) | 151,443 | 3.9% |
| **Pre-Tax Income** | **$** | **595,573** | **17.6%** | **37,230** | **1.0%** |

***Rents included in operating expenses.**

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**
**CONSOLIDATED INCOME STATEMENTS FOR THE TWELVE MONTHS ENDED DECEMBER 31ST, 2023 AND 2022**
**(In thousands of nominal pesos)**

| | | Twelve months ended December 31st, 2023 | | | Twelve months ended December 31st, 2022 | |
|---|---|---|---|---|---|---|
| Net sales | $ | 76,231,048 | 100% | $ | 68,831,305 | 100% |
| Cost of sales | | 25,003,551 | 32.8% | | 22,512,075 | 32.7% |
| **Gross Income** | | **51,227,497** | **67.2%** | | **46,319,230** | **67.3%** |
| *Rent** | | 1,293,420 | 1.7% | | 480,624 | 0.7% |
| Operating expenses | | 35,267,109 | 46.3% | | 32,269,436 | 46.9% |
| Depreciation and amortization | | 8,060,030 | 10.6% | | 7,708,297 | 11.2% |
| **Operating Income** | | **7,900,359** | **10.4%** | | **6,341,497** | **9.2%** |
| All-in cost of financing: | | | | | | |
| *Interest expense*** | | 2,471,451 | 3.2% | | 2,503,530 | 3.6% |
| *Bank Fees and Derivatives*** | | 1,298,035 | 1.7% | | 436,158 | 0.6% |
| Interest paid – net | | 3,815,490 | 5.0% | | 3,517,365 | 5.1% |
| Changes in reasonable value Financial Liabilities | | - | - | | - | - |
| Exchange rate loss/gain | | (308,651) | (0.4%) | | 296,093 | 0.4% |
| | | 3,506,839 | 4.6% | | 3,813,458 | 5.5% |
| Participation in associated companies' results | | 3,404 | 0.0% | | (223) | (0.1%) |
| **Pre-Tax Income** | | **4,396,924** | **5.8%** | | **2,527,816** | **3.7%** |
| Tax on earnings | | 1,457,884 | 1.9% | | 951,795 | 1.4% |
| **Consolidated Net Income** | | **2,939,039** | **3.9%** | | **1,576,021** | **2.3%** |
| Non-controlling stake | | 59,267 | 0.1% | | (47,540) | (0.1%) |
| **Controlling Stake** | **$** | **2,879,773** | **3.8%** | **$** | **1,623,561** | **2.4%** |

*** Rent included in Expenses**
**** Bank and derivative commissions included in Interest paid - net**

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**
**CONSOLIDATED CASH FLOW STATEMENTS FOR THE TWELVE MONTHS ENDED DECEMBER 31ST, 2023 AND 2022**
**(In thousands of nominal pesos)**

| | December 31st, 2023 | December 31st, 2022 |
|---|---|---|
| **Operating activities:** | | |
| **Consolidated result before income taxes** | **$ 4,396,924** | **2,527,816** |
| Items related to investment activities: | | |
| Depreciation and amortization of brands | 3,913,604 | 3,350,995 |
| Depreciation for financial leasing | 4,146,425 | 4,357,302 |
| Write-down of fixed assets | 501,626 | 578,212 |
| Other items | - | 223 |
| **Total** | **12,958,578** | **10,814,548** |
| Clients | (395,659) | (342,058) |
| Inventory | (212,114) | (1,043,572) |
| Providers | 1,304,733 | 2,301,184 |
| Tax payable | (1,854,308) | (1,171,851) |
| Other assets and other liabilities | 1,090,588 | 1,350,621 |
| **Total** | **(66,760)** | **1,094,323** |
| **Net cash flow from operating activities** | **12,891,818** | **11,908,872** |
| **Investment activities** | | |
| Store equipment, improvements to leased properties, and furniture | (4,242,078) | (3,835,579) |
| Brand use rights, capital gains and pre-operations | (497,435) | (378,501) |
| Subsidiary Contribution | - | (9,344) |
| Acquisition or disposal of investment in associated companies | - | - |
| **Net cash flow from investment activities** | **(4,739,513)** | **(4,223,424)** |
| **Cash receivable from financing activities** | **8,152,305** | **7,685,448** |
| **Financing activities** | | |
| Bank credits and loan payments, net | 566,357 | (8,007,260) |
| Securities credits, net | - | 5,854,473 |
| Financial leasing | (4,090,815) | (4,388,669) |
| Minority interest | - | - |
| Sale (repurchase) of shares | (348,237) | (729,087) |
| Non-controlling stake | (69,657) | (34,026) |
| Other items | - | - |
| **Net cash flow from financing activities** | **(3,942,352)** | **(7,304,569)** |
| **Increase (decrease) net of cash** | **4,209,953** | **380,879** |
| Adjustments to cash flow due to exchange rate variations | (3,886,972) | (1,174,603) |
| Cash at the beginning of the period | 6,086,817 | 6,893,433 |
| **Cash at the end of the period** | **$ 6,409,798** | **6,099,709** |

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEET STATEMENT**
**AS OF DECEMBER 31ST, 2023**
**(In thousands of nominal pesos)**

| | December 31st, 2023 | | Argentinian Restatement | IFRS 16 | December 31st, 2023 | |
|---|---|---|---|---|---|---|
| **ACTIVO** | | | | | | |
| Current assets: | | | | | | |
| Cash and short-term investments | 6,409,798 | 10.9% | - | - | 6,409,798 | 8.3% |
| Clients | 1,425,923 | 2.4% | - | - | 1,425,923 | 1.9% |
| Other accounts and documents receivable | 946,318 | 1.6% | - | - | 946,318 | 1.2% |
| Inventory | 2,750,665 | 4.7% | - | - | 2,750,665 | 3.6% |
| Tax recoverable | 708,881 | 1.2% | - | - | 708,881 | 0.9% |
| Other current assets | 430,711 | 0.7% | - | - | 430,711 | 0.6% |
| Affiliates and related parties | - | - | - | - | - | - |
| Current Assets | 12,672,297 | 21.6% | - | - | 12,672,297 | 16.5% |
| Investments in shares of associated companies | 164,003 | 0.3% | - | - | 164,003 | 0.2% |
| Store equipment, improvements to leased property, and furniture, net | 15,192,090 | 25.9% | 452,824 | - | 15,644,915 | 20.3% |
| Non-executable right of use assets | - | - | - | 17,151,941 | 17,151,941 | 22.3% |
| Brand use rights, capital gains and pre-operations, net | 24,648,914 | 42.0% | 342,151 | - | 24,991,066 | 32.5% |
| Deferred ISR | 4,977,628 | 8.5% | - | 353,260 | 5,330,888 | 6.9% |
| Other assets | 1,041,912 | 1.8% | - | - | 1,041,912 | 1.4% |
| **Total Assets** | **58,696,844** | 100.0% | **794,976** | **17,505,201** | **76,997,021** | 100.0% |
| **LIABILITIES** | | | | | | |
| Short-term: | | | | | | |
| Providers | 5,767,899 | 9.8% | - | - | 5,767,899 | 7.5% |
| Tax payable | 283,768 | 0.5% | - | - | 283,768 | 0.4% |
| Other accounts payable | 12,114,038 | 20.6% | - | - | 12,114,038 | 15.7% |
| Non-executable short-term lease liabilities | - | - | - | 3,299,412 | 3,299,412 | 4.3% |
| Other short-term liabilities | - | - | - | - | - | - |
| Bank loans | 388,217 | 0.7% | - | - | 388,217 | 0.5% |
| Debt Instruments | 1,350,000 | 2.3% | - | - | 1,350,000 | 1.8% |
| Short-term liabilities | 19,903,921 | 33.9% | - | 3,299,412 | 23,203,333 | 30.1% |
| Long-term: | | | | | | |
| Bank Credits | 4,828,112 | 8.2% | - | - | 4,828,112 | 6.3% |
| Securities Credits | 19,553,791 | 33.3% | | | 19,553,791 | 25.4% |
| Deferred tax, net | 3,284,729 | 5.6% | - | 6,095 | 3,290,824 | 4.3% |
| Non-executable leasing liabilities | - | - | - | 15,030,655 | 15,030,655 | 19.5% |
| Other long-term liabilities | 1,774,582 | 3.0% | - | - | 1,774,582 | 2.3% |
| Affiliates and related parties | - | 0.0% | - | - | - | 0.0% |
| Long-term liabilities | 29,441,215 | 50.2% | - | 15,036,750 | 44,477,964 | 57.8% |
| **Total Liabilities** | **49,345,136** | 84.1% | **-** | **18,336,162** | **67,681,297** | 87.9% |
| **SHAREHOLDERS' EQUITY** | | | | | | |
| Minority interest | 940,621 | 1.6% | - | - | 940,621 | 1.2% |
| Majority interest | | | - | - | | |
| Capital stock | 466,996 | 0.8% | - | - | 466,996 | 0.6% |
| Net premium in share placement | 7,725,728 | 13.2% | - | - | 7,725,728 | 10.0% |
| Retained earnings | (2,353,625) | (4.0%) | 629,998 | (973,767) | (2,697,395) | (3.5%) |
| Earnings for the period | 2,571,989 | 4.4% | 164,977 | 142,807 | 2,879,773 | 3.7% |
| **Majority interest** | 8,411,087 | 14.3% | 794,976 | (830,961) | 8,375,102 | 10.9% |
| **Total Shareholders' Equity** | 9,351,708 | 15.9% | 794,976 | (830,961) | 9,315,723 | 12.1% |
| **Total Liabilities and Shareholders' Equity** | **58,696,844** | 100.0% | **794,976** | **17,505,201** | **76,997,021** | 100.0% |

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**
**CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED DECEMBER 31ST, 2023**
**(In thousands of nominal pesos)**

| | | Three months ended December 31st, 2023 | | Argentinian Restatement | IFRS 16 | Three months ended December 31st, 2023 | |
|---|---|---|---|---|---|---|---|
| Net sales | $ | 19,881,716 | 100% | 264,977 | - | 20,146,693 | 100% |
| Cost of sales | | 6,416,931 | 32.3% | 79,302 | - | 6,496,234 | 32.2% |
| **Gross Income** | | **13,464,785** | **67.7%** | **185,675** | **-** | **13,650,460** | **67.8%** |
| *Rent** | | 1,604,890 | 8.1% | - | (1,177,373) | 427,517 | 2.1% |
| Operating expenses | | 10,282,013 | 51.7% | 158,159 | (1,295,424) | 9,144,748 | 45.4% |
| Depreciation and amortization | | 963,691 | 4.8% | (68,449) | 1,021,919 | 1,917,161 | 9.5% |
| **Operating Income** | | **2,219,081** | **11.2%** | **95,965** | **273,505** | **2,588,551** | **12.8%** |
| All-in cost of financing: | | | | | | | |
| *Interest expense*** | | 673,869 | 3.4% | (65,709) | - | 608,160 | 3.0% |
| *Bank Fees and Derivatives*** | | 283,416 | 1.4% | - | - | 283,416 | 1.4% |
| Interest paid – net | | 560,894 | 2.8% | 37,987 | 216,483 | 815,364 | 4.0% |
| Changes in reasonable value Financial Liabilities | | - | - | - | - | - | - |
| Exchange rate loss/gain | | 54,234 | 0.3% | (88,636) | (8,068) | (42,470) | (0.2%) |
| | | 615,128 | 3.1% | (50,649) | 216,483 | 772,894 | 3.9% |
| Participation in associated companies' results | | - | - | - | - | 0 | - |
| **Pre-Tax Income** | | **1,603,953** | **8.1%** | **146,613** | **57,022** | **1,815,657** | **9.0%** |
| Tax on earnings | | 552,053 | 2.8% | (110,788) | 11,266 | 452,531 | 2.2% |
| **Consolidated Net Income** | | **1,051,900** | **5.3%** | **257,401** | **45,756** | **1,363,126** | **6.7%** |
| Non-controlling stake | | (40,941) | (0.2%) | - | - | (40,941) | (0.2%) |
| **Controlling Stake** | **$** | **1,092,841** | **5.5%** | **257,401** | **45,756** | **1,404,067** | **6.9%** |

*** Rent included in Expenses**
**** Bank and derivative commissions included in Interest paid - net**

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**
**CONSOLIDATED INCOME STATEMENTS BY SEGMENT FOR THE THREE MONTHS ENDED DECEMBER 31ST, 2023**
**(In thousands of nominal pesos)**

| **MEXICO** | | Three months ended December 31st, 2023 | | IFRS 16 | Three months ended December 31st, 2023 | |
|---|---|---|---|---|---|---|
| Net Sales | $ | 10,674,432 | 100% | - | 10,674,432 | 100% |
| *Rent** | | 824,201 | 7.7% | (665,057) | 159,144 | 1.5% |
| Operating expenses | | 4,779,308 | 44.8% | (588,428) | 4,190,879 | 39.3% |
| Depreciation and amortization | | 539,233 | 5.1% | 521,615 | 1,060,848 | 9.9% |
| **Operating Income** | | **1,664,176** | **15.6%** | **66,813** | **1,730,990** | **16.2%** |
| All-in cost of financing | | 625,015 | 5.9% | 142,562 | 767,577 | 7.2% |
| **Pre-Tax Income** | **$** | **1,039,161** | **9.7%** | **(75,748)** | **963,413** | **9.0%** |

| **EUROPE** | | Three months ended December 31st, 2023 | | IFRS 16 | Three months ended December 31st, 2023 | |
|---|---|---|---|---|---|---|
| Net Sales | $ | 6,093,963 | 100% | - | 6,093,963 | 100% |
| *Rent** | | 472,296 | 7.8% | (460,494) | 11,802 | 0.2% |
| Operating expenses | | 3,639,152 | 59.7% | (468,863) | 3,170,289 | 52.0% |
| Depreciation and amortization | | 286,277 | 4.7% | 414,891 | 701,168 | 11.5% |
| **Operating Income** | | **439,894** | **7.2%** | **53,972** | **493,866** | **8.1%** |
| All-in cost of financing | | 184,305 | 3.0% | 52,890 | 237,195 | 3.9% |
| **Pre-Tax Income** | **$** | **255,589** | **4.2%** | **1,082** | **256,671** | **4.2%** |

| **SOUTH AMERICA** | | Three months ended December 31st, 2023 | | Argentinian Restatement | IFRS 16 | Three months ended December 31st, 2023 | |
|---|---|---|---|---|---|---|---|
| Net Sales | $ | 3,113,321 | 100% | 264,977 | - | 3,378,298 | 100% |
| *Rent** | | 308,394 | 9.9% | - | (51,822) | 256,572 | 7.6% |
| Operating expenses | | 1,863,553 | 59.9% | 158,159 | (238,133) | 1,783,580 | 52.8% |
| Depreciation and amortization | | 138,181 | 4.4% | (68,449) | 85,413 | 155,145 | 4.6% |
| **Operating Income** | | **115,011** | **3.7%** | **95,965** | **152,720** | **363,696** | **10.8%** |
| All-in cost of financing | | (194,192) | (6.2%) | (50,649) | 12,963 | (231,878) | (6.9%) |
| **Pre-Tax Income** | **$** | **309,203** | **9.9%** | **146,613** | **139,757** | **595,573** | **17.6%** |

***Rent included in Operating Expenses.**