

Nemak Press Release

Monterrey, Mexico. September 28, 2017.- Nemak, S.A.B. de C.V. ("Nemak") (BMV: NEMAK), a leading provider of innovative lightweighting solutions for the global automotive industry, this week hosted analysts, investors, and other members of the financial community for its 2017 Investor Day consisting of events in Mexico City and New York City on September 27 and September 28, respectively. Both events featured a presentation by Armando Tamez, CEO, on the company's short-, medium- and long-term prospects. The following key messages were shared:

I. Nemak is well positioned to manage industry developments

While short-term headwinds have had an impact on year-to-date results, our industry fundamentals remain solid. According to the consensus of industry analysts, the North American automotive industry has a stable outlook for the coming years. Meanwhile, moderate growth is expected in the European and Chinese markets. The company's customer portfolio includes most global automakers, spanning mass market as well as premium players. Regarding NAFTA, the company's large manufacturing presence in the U.S. represents a key mitigating factor in the event of an unsuccessful renegotiation.

II. Industry megatrends represent a major business opportunity for Nemak, rather than a threat

The global automotive industry is in the midst of a profound transformation: in addition to increasingly stringent environmental regulations, alternative propulsion systems—particularly electric powertrains—are gradually gaining relevance vis-a-vis traditional internal combustion engine (ICE) vehicles. However, for the foreseeable future, industry analysts expect that the ICE will remain instrumental to meeting fuel efficiency targets in key automotive markets such as North America, Europe, and Asia. This is mainly due to technological developments making engines more efficient as well as vehicle lightweighting via increased aluminum penetration. Given Nemak's leading position in automotive lightweighting solutions, it is well positioned to capitalize on all these trends.

Regarding electrification, analysts expect that hybrid vehicles (which carry an e-motor as well as an ICE) will, together with pure electrics, represent between 14% and 23% of the total market by 2025. Nemak is prepared to supply parts to both types of vehicles, which may have larger lightweighting needs than even ICE vehicles as they need to maximize battery range. For such vehicles, Nemak will be able to supply a variety of components including cylinder heads and engine blocks for hybrids; structural components; and housings for batteries and e-motors. This, in turn, will reinforce the company's strategy of increasing its level of sales and vehicle content in the coming years.

III. Nemak has a clear long-term business strategy positioning it to reach annual sales of more than US\$7.4 billion by 2025

In light of the short-, medium- and long-term outlook for the global automotive industry, Nemak has developed a strategy focused on the following four growth avenues:

- a) Improve its powertrain business through capturing new growth opportunities stemming from: increased use of aluminum in engine blocks; growth of the Chinese market; and operational efficiencies.
- b) Increase the level of in-house machining to 70% of total production. This will enable the company to increase the value added in its products and to expand margins.
- c) Develop new lightweighting solutions in the structural components business through higher value-added casting and secondary processes. Today, Nemak already has a dedicated organization responsible for

expanding this business. Additionally, it is bringing online new production facilities in Europe and North America, and in the near future plans to do so in Asia as well.

d) Develop the electric vehicle components business including battery and e-motor housings, for which aluminum is the main material of choice. Moreover, these products may require high value-added secondary processes such as machining and subassembly, among others, which make them more profitable.

Before finishing his presentation, Mr. Tamez highlighted the company's cash-generation capabilities, which will also be key to funding growth and paying cash dividends to shareholders while maintaining a healthy financial condition. This is expected to lay the groundwork for a fair valuation of its shares on the Mexican Stock Exchange.

Nemak's investor presentation is available through its website: <http://investors.nemak.com>

About Nemak

Nemak is a leading provider of innovative lightweighting solutions for the global automotive industry, specializing in the development and manufacturing of aluminum components for powertrain and body structure applications. The company employs more than 23,000 people at 38 facilities worldwide. In 2016, it generated revenues of US\$4.3 billion. For more information about Nemak, visit www.nemak.com

