

3Q23 Results

OCTOBER 2023



Agenda

- 3Q23 Highlights
- Financial Overview



Armando Tamez
CEO



Alberto Sada
CFO



Denise Reyes
IR Officer

FORWARD- LOOKING STATEMENT

This presentation contains 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, all of which are difficult or impossible to predict accurately. Accordingly, actual results are likely to vary from those set forth in this presentation.

During 3Q23, we continued to see a positive top-line trend

- New product launches and increased customer production
- Progress made on the inflation recovery front



Volume improvement drove a 4% y-o-y increase in EBITDA

- Higher volume, product mix and inflation recovery helped mitigate the impact from Mexican peso appreciation and launching expenses



No interruptions to our production despite UAW strike during 3Q23

- No volume cancellations during 3Q23
- We remain prepared to deploy contingency plans, if needed, during 4Q23



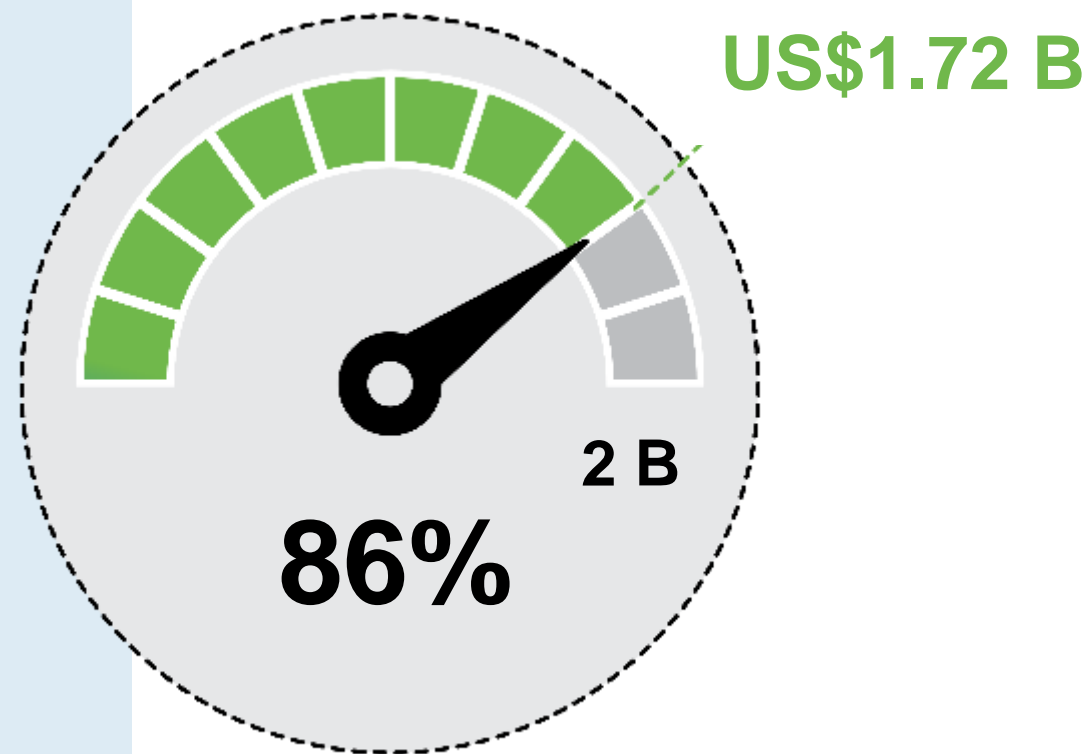
Awarded business amount to ~US\$230 M including
~US\$30 M in replacement contracts for the EV/SC
segment



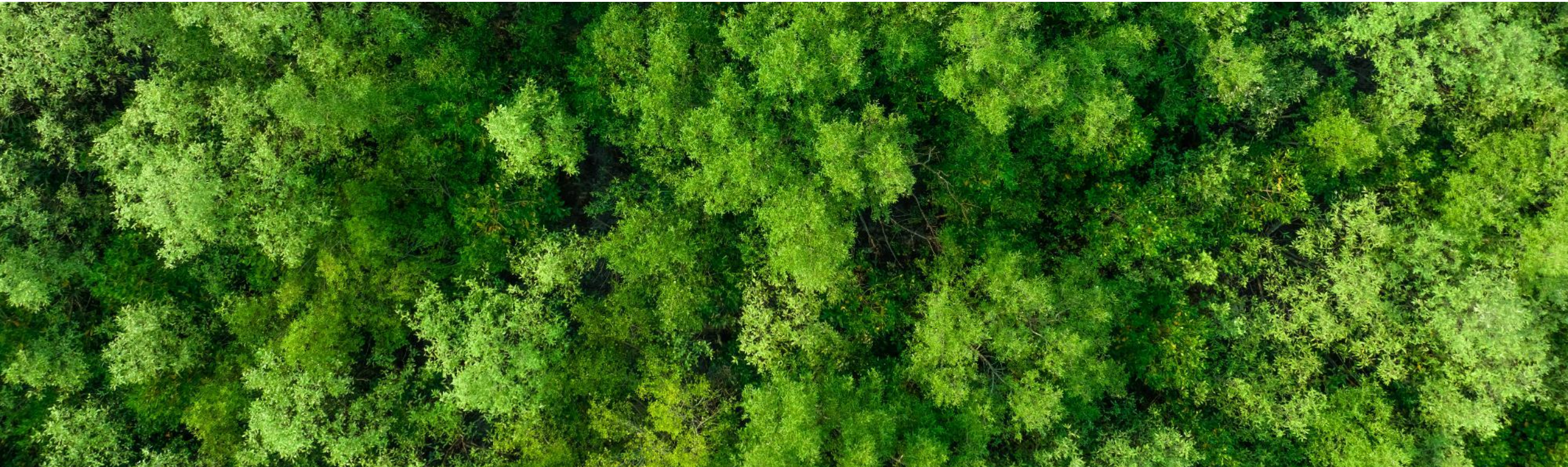
Awarded contracts worth
~US\$200 M in the ICE
powertrain business,
generating a reliable stream
of cash flow to continue
funding the transition
toward e-mobility



**Our EV/SC order book
remains at ~US\$1.72 B
annually, on track to reach
US\$2 B target for 2025**



Newly awarded contracts for electric vehicles in the European market will be satisfied using green alloys, moving with the auto industry in the shared goal of reaching carbon neutrality



15 of our 38 facilities are producing EV/SC components

- We continue successfully adapting existing assets to accommodate components intended for the hybrid and fully electric market

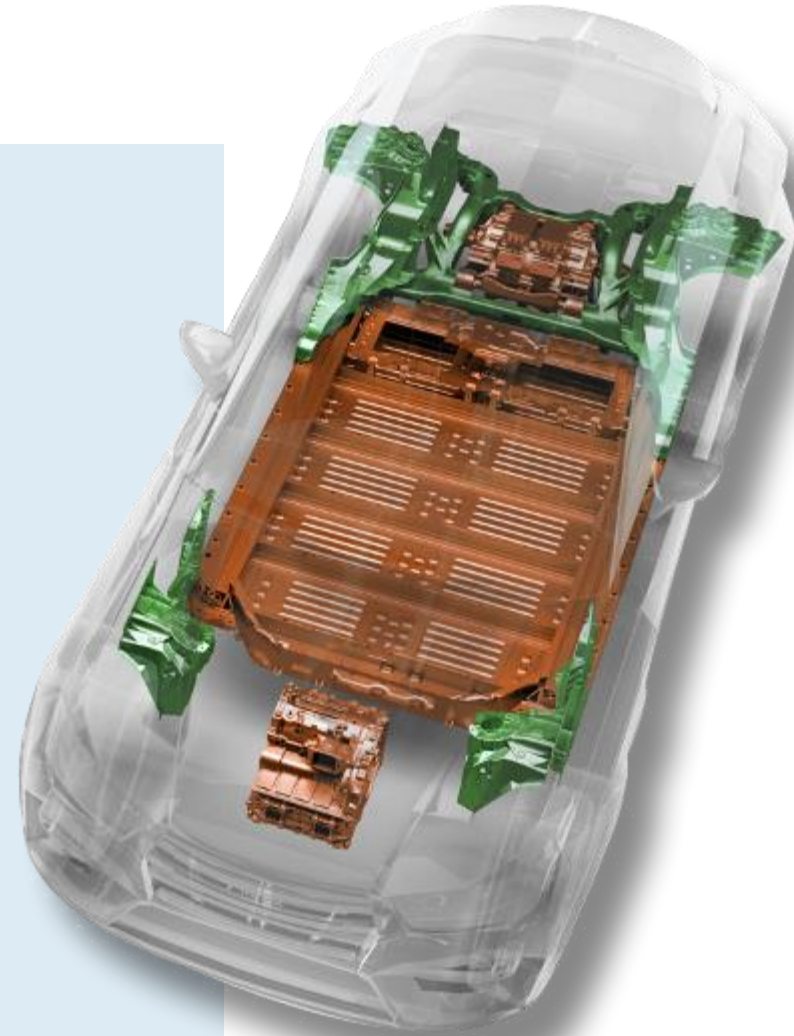




We are currently running more than 15 different battery housing models, serving multiple customers and regions



The expected run rate
for the **EV/SC** segment
this year continues to be
>US\$600 M in revenue, a
>28% growth y-o-y





This year, we are a finalist for **two** categories of the **PACE Awards**

- A **subframe prototype**, an innovation that reduces weight by **45%**, replacing a 3-steel-component assembly with a single cast aluminum part
- A **structural component** that is in active production, with a redesign that resulted in a **30%** weight reduction, while using **100%** renewable electricity and **80%** recycled materials

The same nominated structural component was also named **runner-up** for the **Altair Enlighten Award** in the lightweight category



We achieved Platinum medal in EcoVadis

*Receiving a **Platinum rating** from EcoVadis places
us among the **top 1%** of all rated companies*





Congratulations Nemak Brazil!



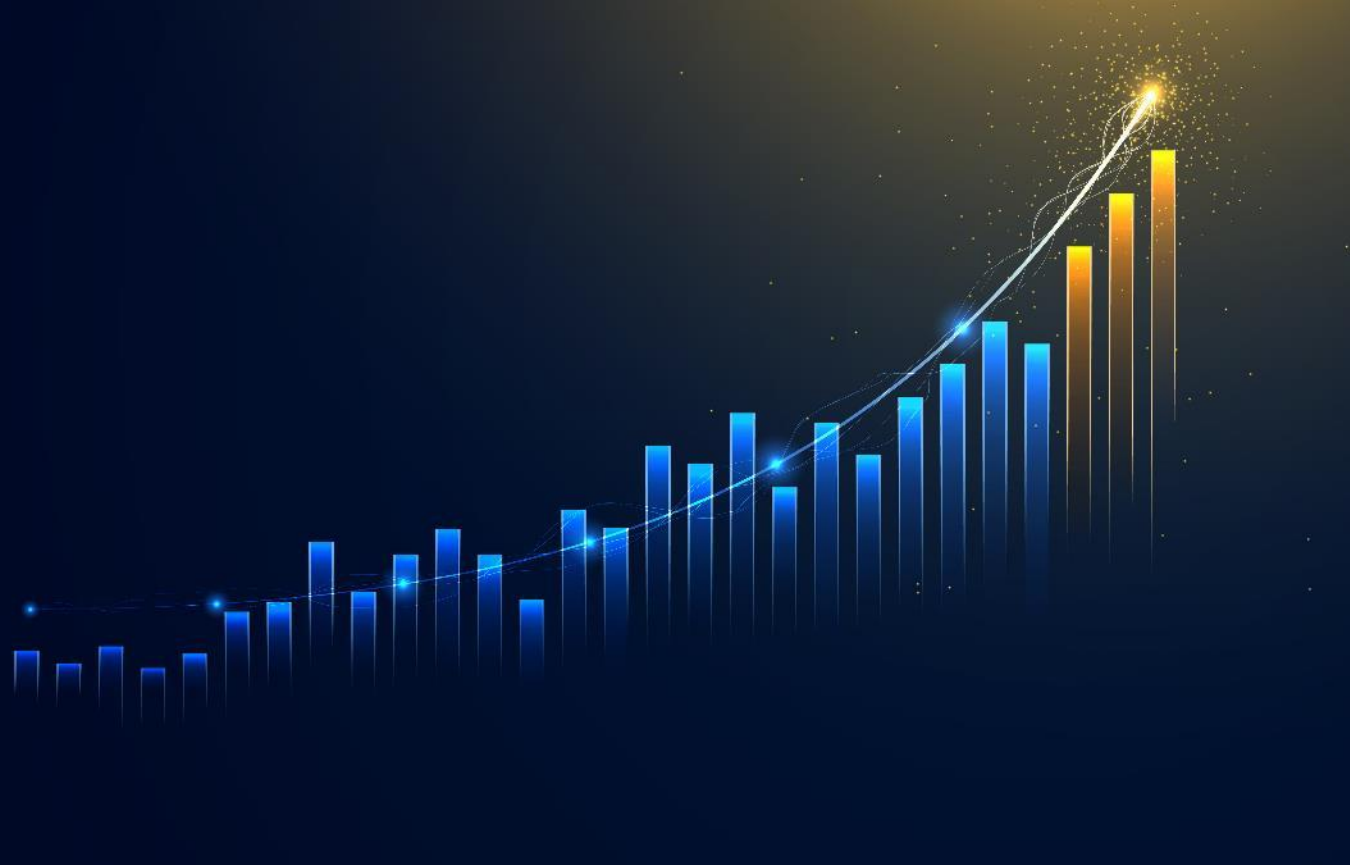
In Brazil, we were distinguished as a Top Employer

Joining the **US, Mexico, and Germany**
in this prestigious achievement



We continue moving forward on our diversity and inclusion journey

Nemak is enrolled in the **Forward Faster** Initiative of the ***UN Global Compact***, responding to a powerful call for businesses to accelerate action on gender equity by 2030

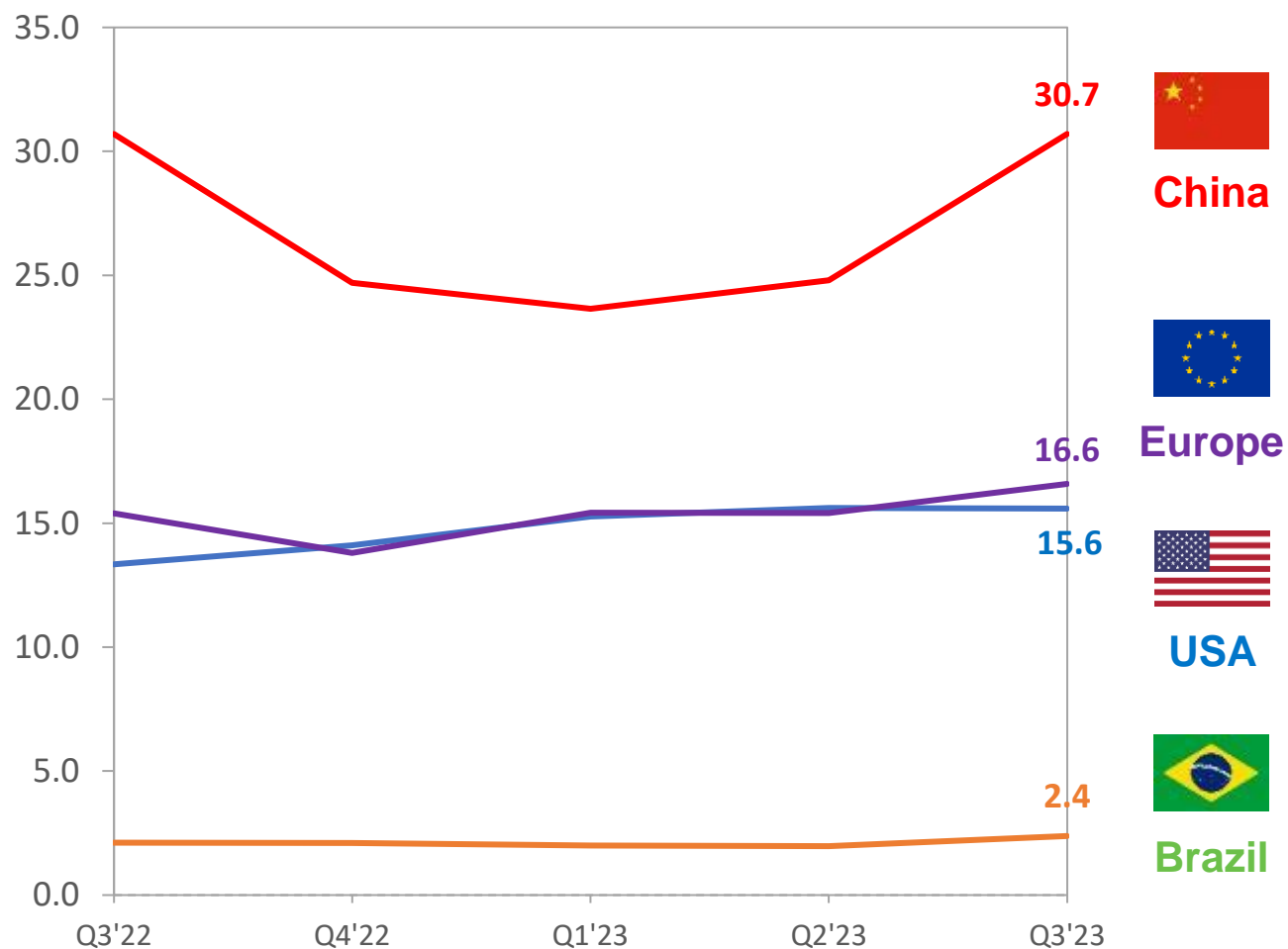


Financial Results

During 3Q23 continued sales and production growth in our main regions

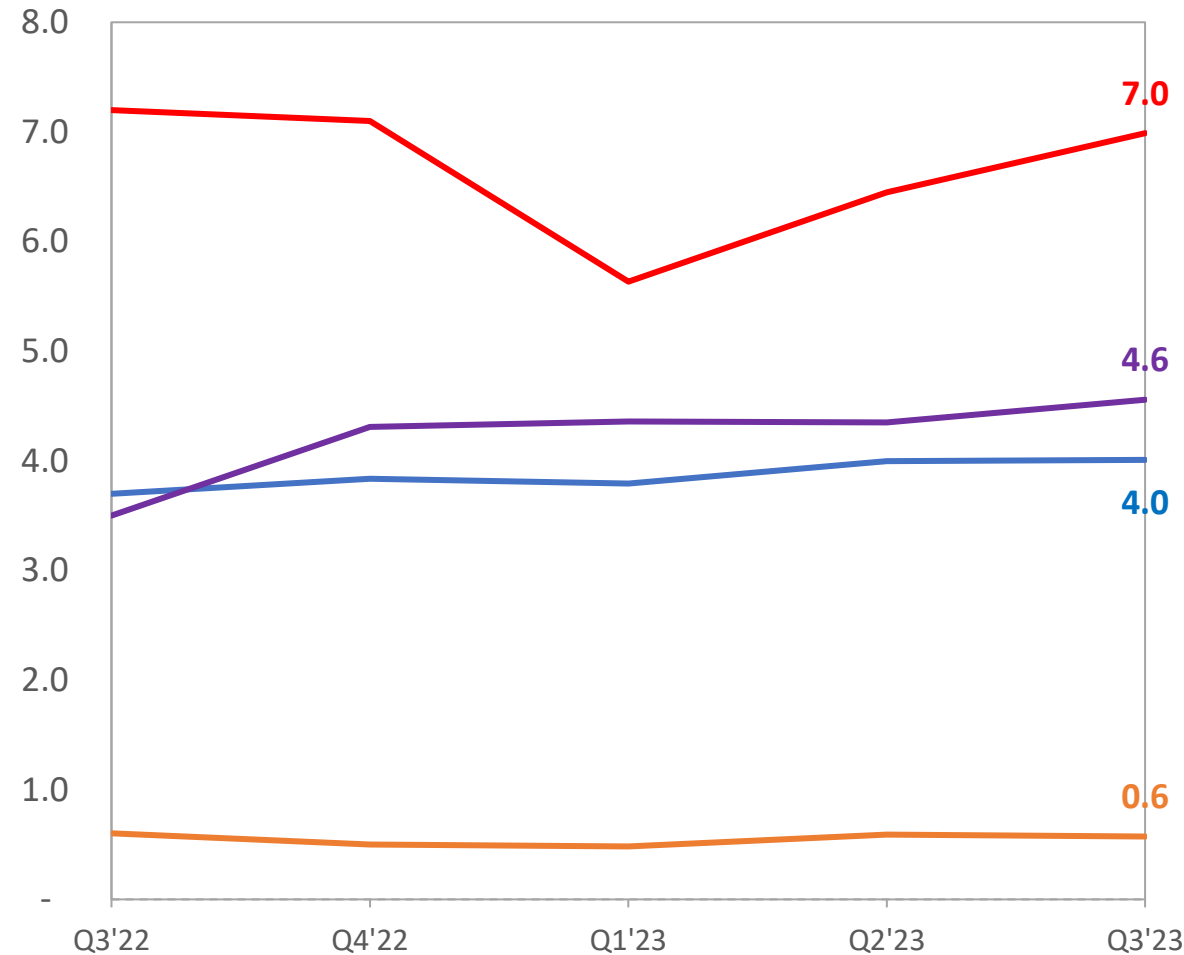


Vehicle SAAR (M Units)



Source: S&P Global Mobility, Automotive News, MarkLines

Vehicle Production (M Units)



Source: S&P Global Mobility, Automotive News, MarkLines
*Production figures refer to China, North America, Europe, and Brazil

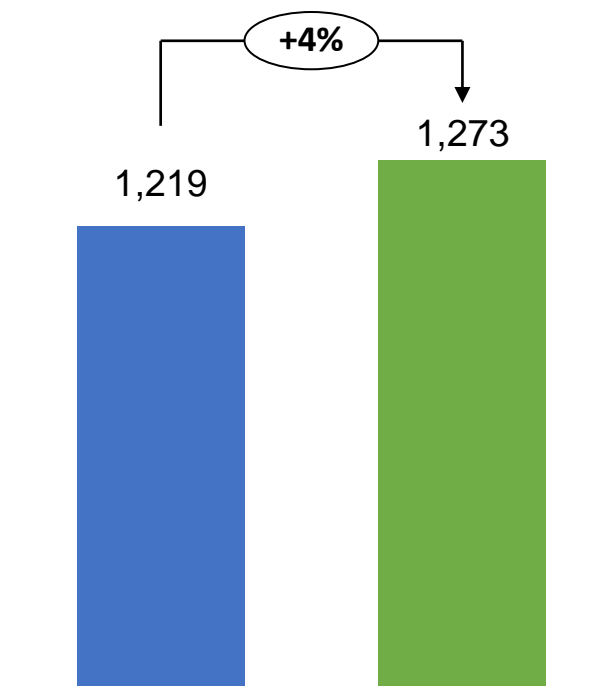
Volume increased by 6% in 3Q23

- Higher customer production
- Continued to capitalize EV/SC secular growth



Revenue and EBITDA showed a 4% growth y-o-y

Revenue (US\$ B)



3Q22

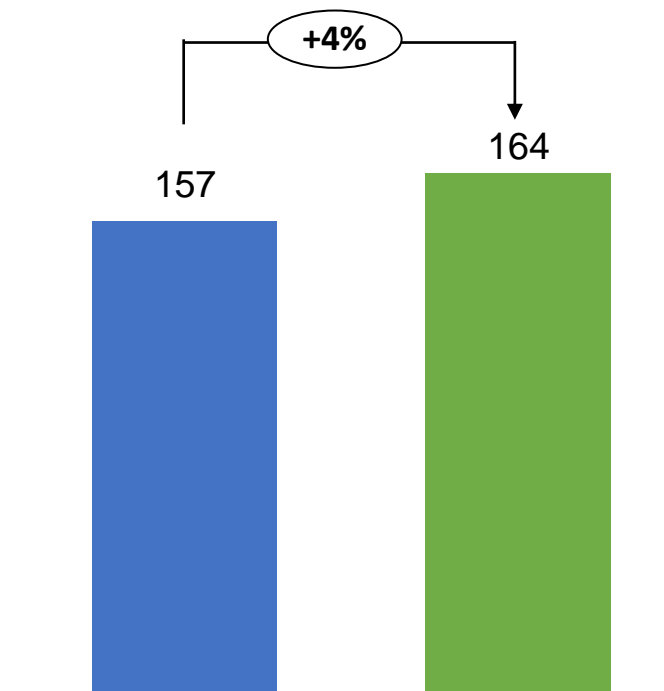
3Q23

Eq. Vol
M units

10.0

10.6

EBITDA (US\$ M)



3Q22

3Q23

Unitary
EBITDA

15.7

15.5

Unitary EBITDA was
US\$15.5



Operating Income in
3Q23 was **US\$76 M** due
to higher depreciation





Net Income in the quarter was **US\$30 M**, vs. **US\$19 M** in 3Q22 due to favorable accounting effect from FX

Net Debt was **US\$1.6 B**, **5%** higher sequentially

- Working capital seasonal requirements and strategic investments
- Net Debt-to-EBITDA and Interest Coverage Ratios were **2.8 times** and **5.5 times**, respectively.



**Higher working capital
due to temporary effects
of tooling and
seasonality**



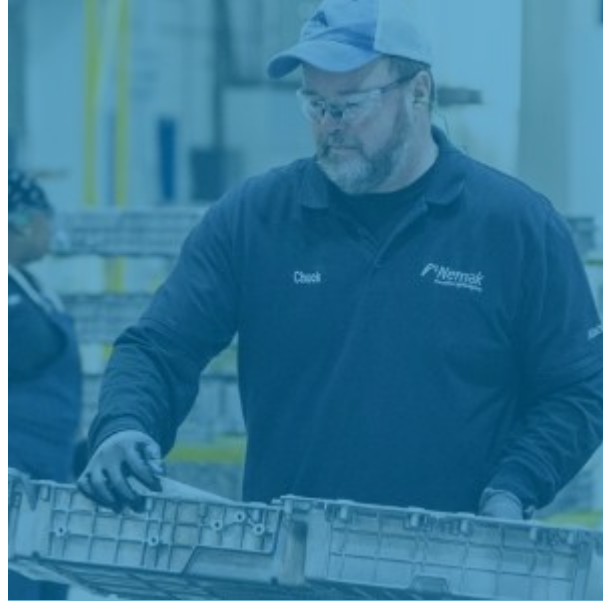
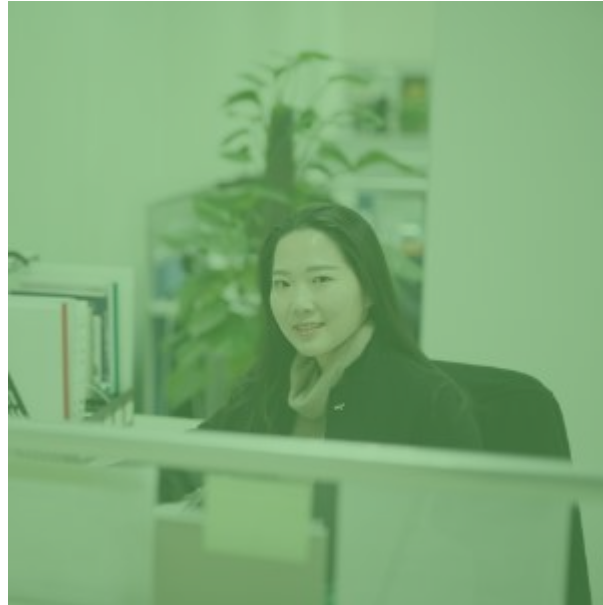
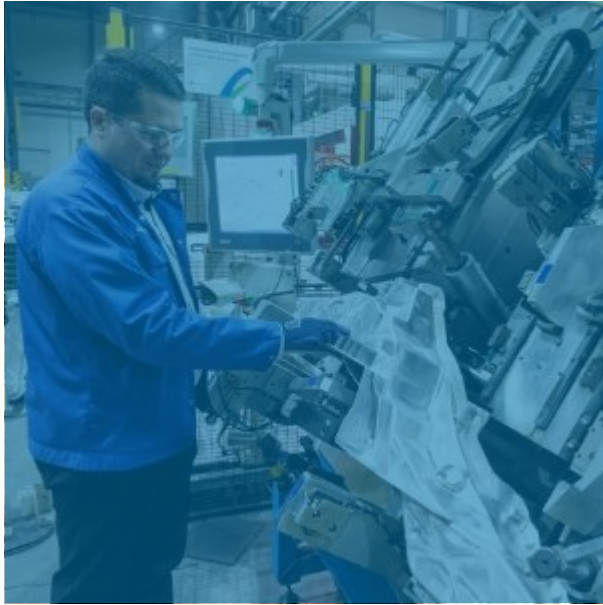
We invested **US\$129 M**, allocating a major share towards our EV/SC segment



Summary of Regional Results

Revenues	3Q23	3Q22	% Var.
North America	718	701	2
Europe	406	365	11
Rest of World	149	153	(3)
Total	1,273	1,219	4

EBITDA	3Q23	3Q22	% Var.
North America	86	90	(5)
Europe	57	51	13
Rest of World	21	16	32
Total	164	157	4



For more information contact us
at: investors.Nemak.com
investor@Nemak.com