

# 3Q23 Results

OCTOBER 2023



# Agenda

- 3Q23 Highlights
- Financial Overview



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CEO



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CFO



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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

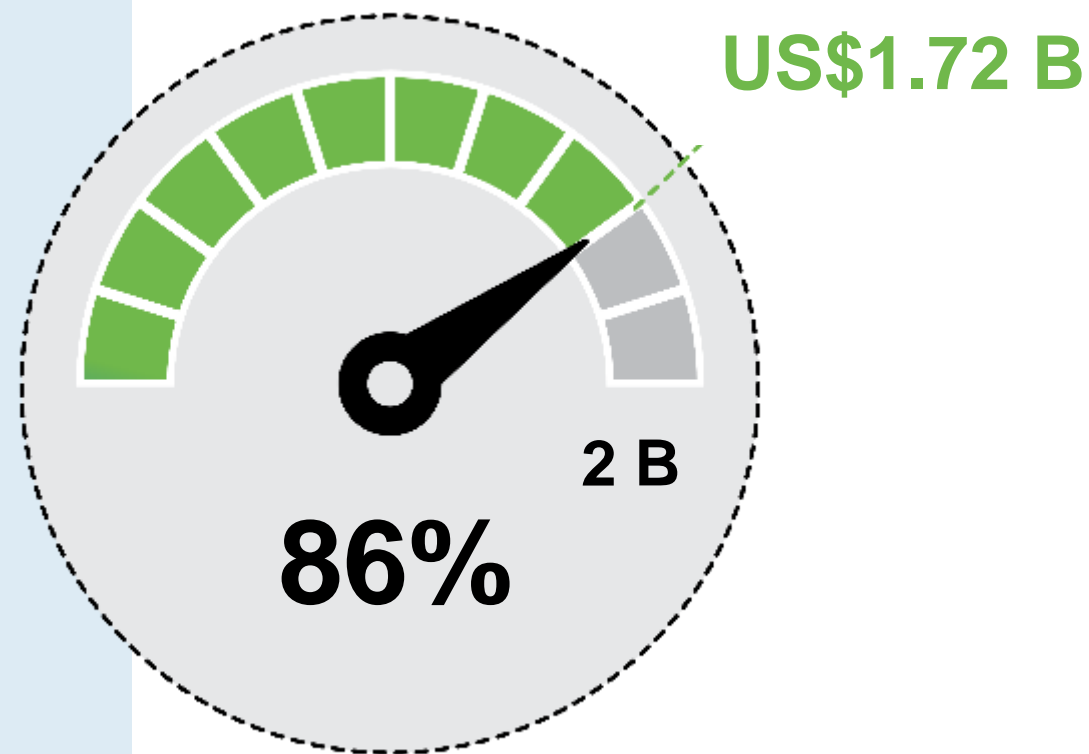


Awarded contracts worth  
~US\$200 M in the ICE  
powertrain business,  
generating a reliable stream  
of cash flow to continue  
funding the transition  
toward e-mobility



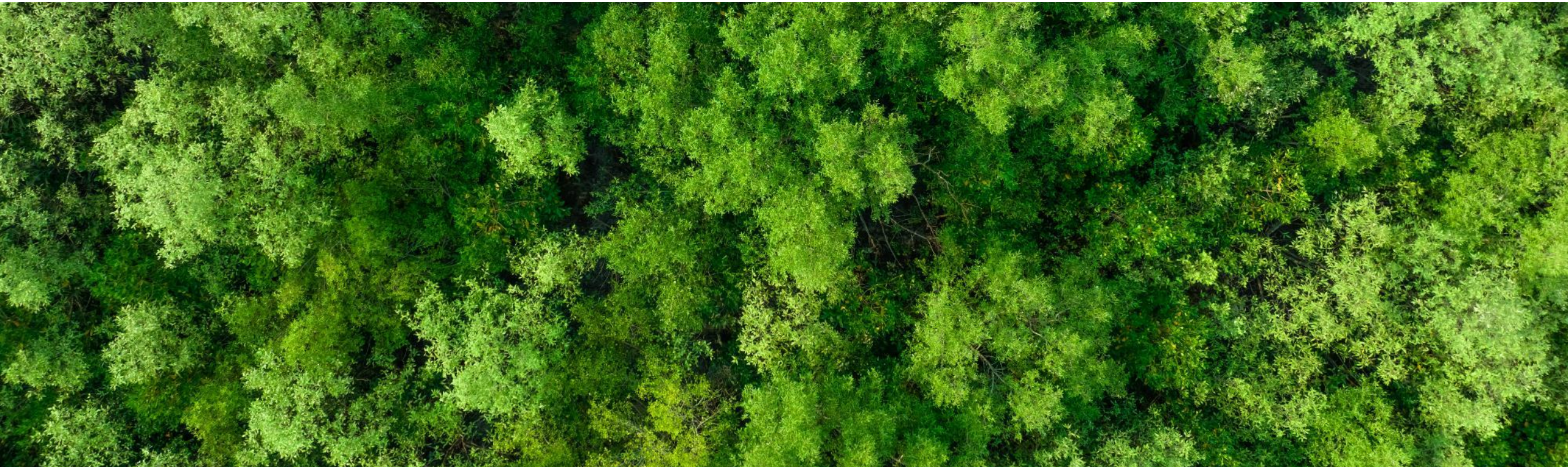


Our EV/SC order book  
remains at ~US\$1.72 B  
annually, on track to reach  
US\$2 B target for 2025





**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



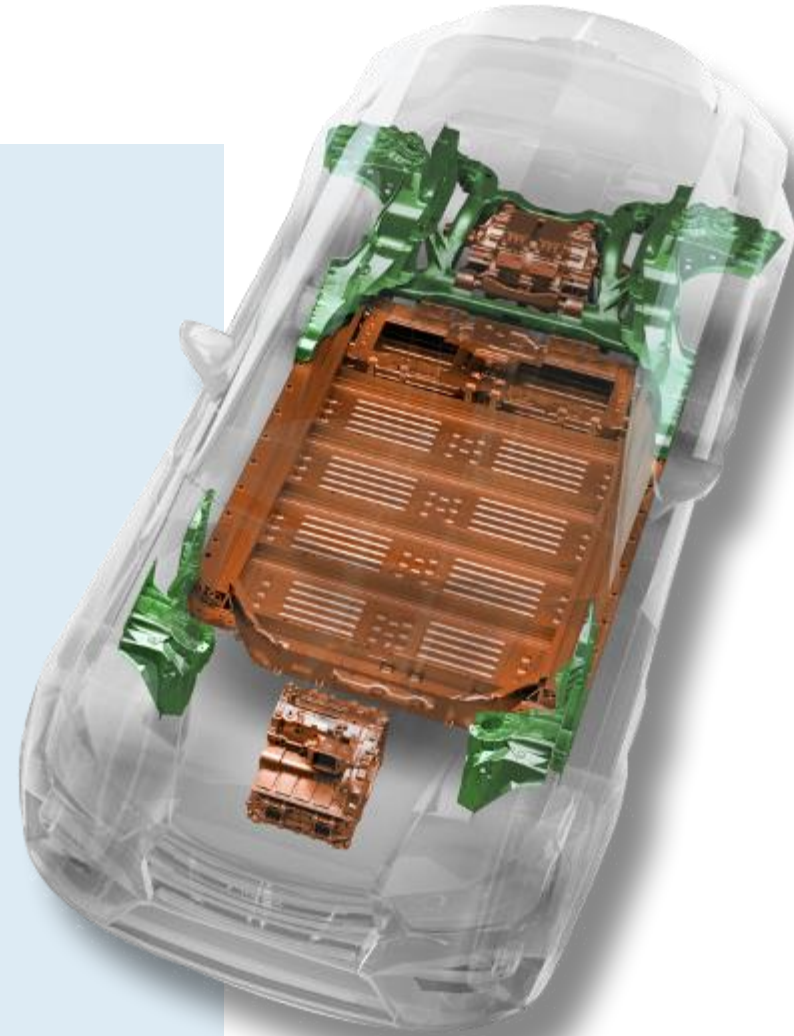




**We are currently running more than 15 different battery housing models, serving multiple customers and regions**



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**

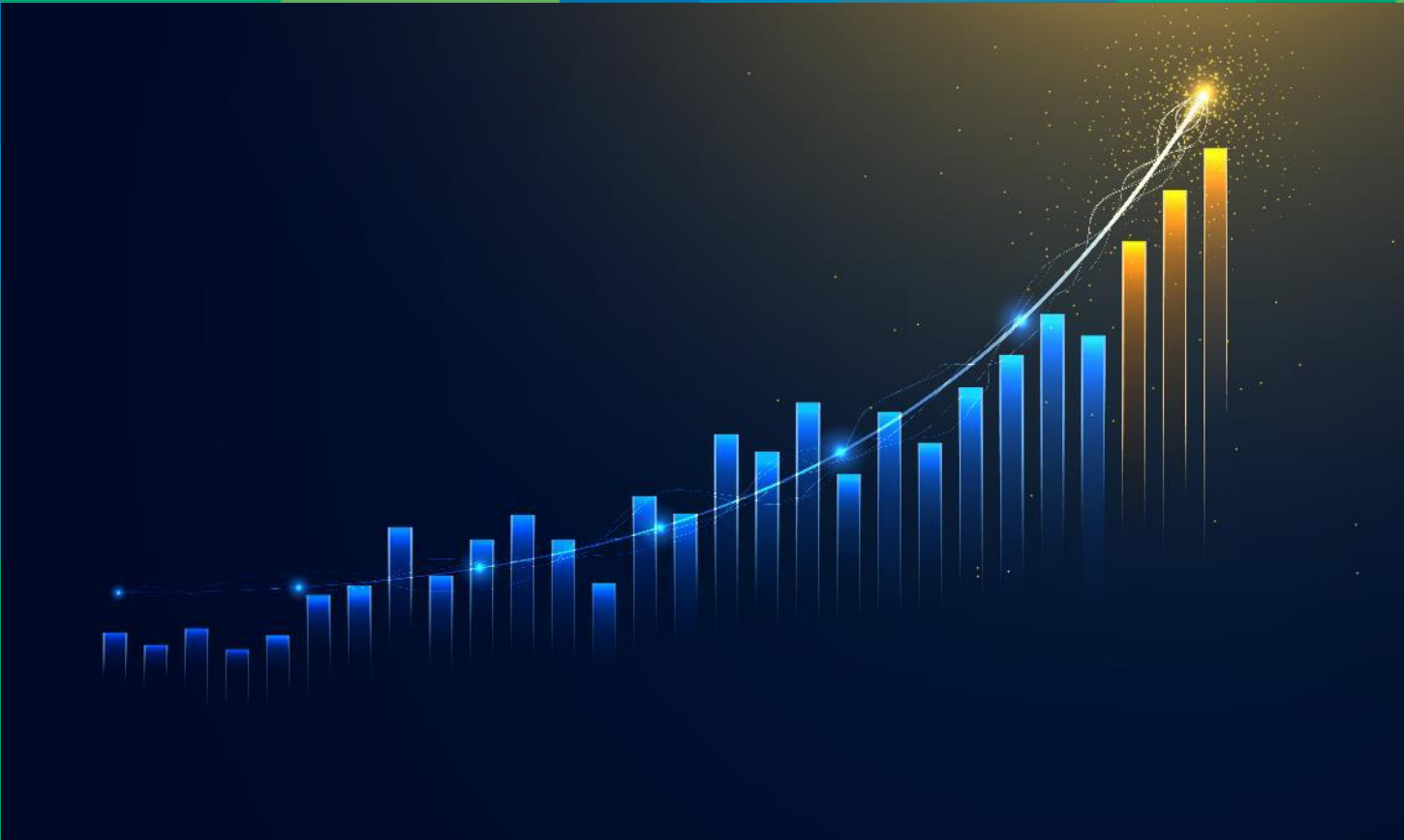
Joining the **US, Mexico, and Germany**  
in this prestigious achievement





## 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

# Light-vehicle sales & production growth

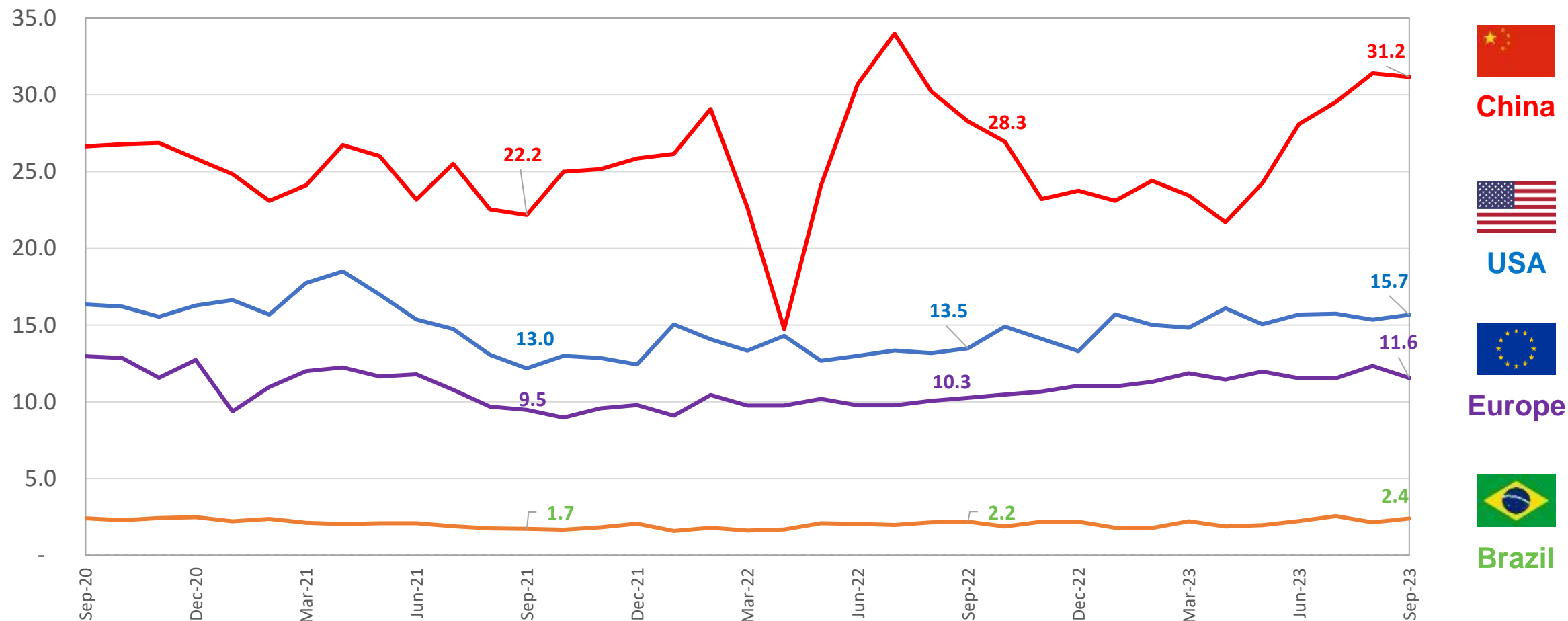
- Pent-up demand & improvement in supply chain conditions, amidst higher interest rates





# Sales and production showed consistent improvement in most regions during 3Q23

## Vehicle SAAR (M Units)



Source: S&P Global Mobility Actuals, Automotive News, MarkLines\*, FRED

## Volume increased by 6% in 3Q23

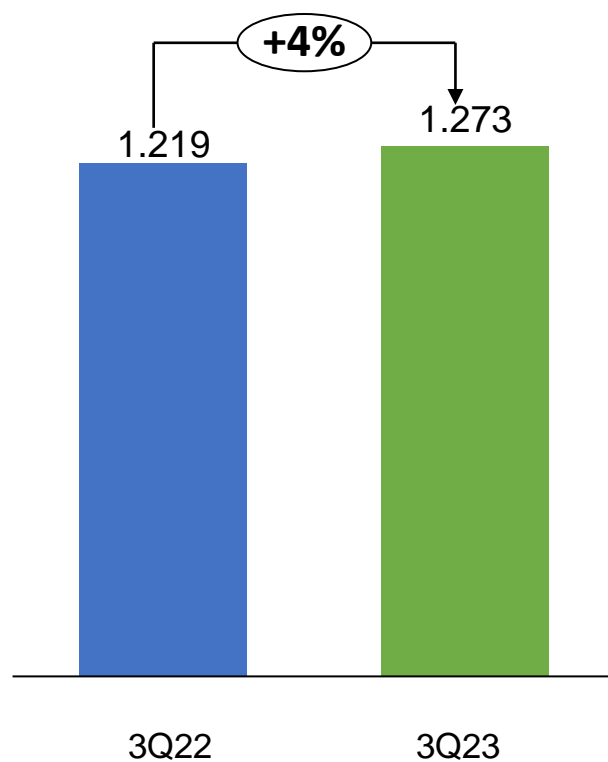
- Higher customer production
- Continued to capitalize EV/SC secular growth





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

## Revenue (US\$ B)



Eq. Vol  
M units

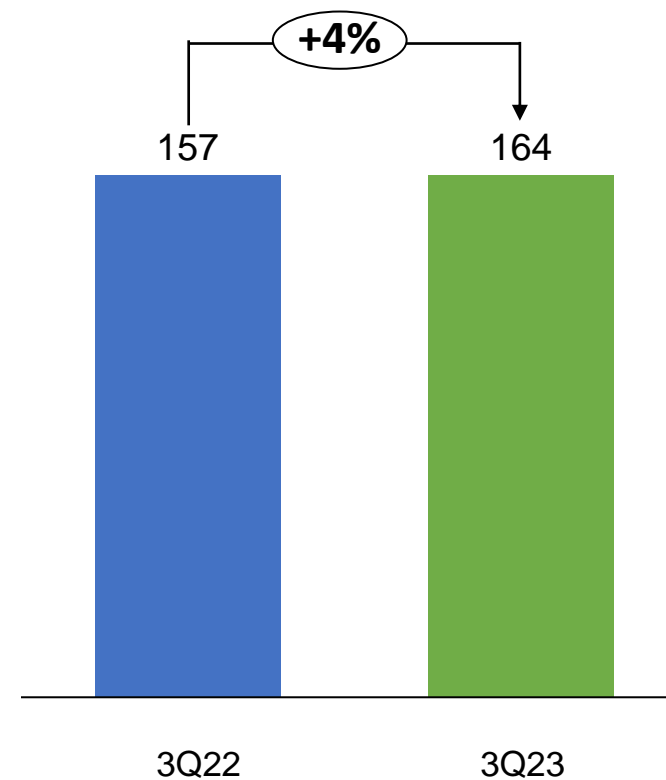
3Q22

10.0

3Q23

10.6

## EBITDA (US\$ M)



Unitary  
EBITDA

3Q22

15.7

3Q23

15.5

**Unitary EBITDA was  
US\$15.5**





Operating Income in  
3Q23 was **US\$76 M**



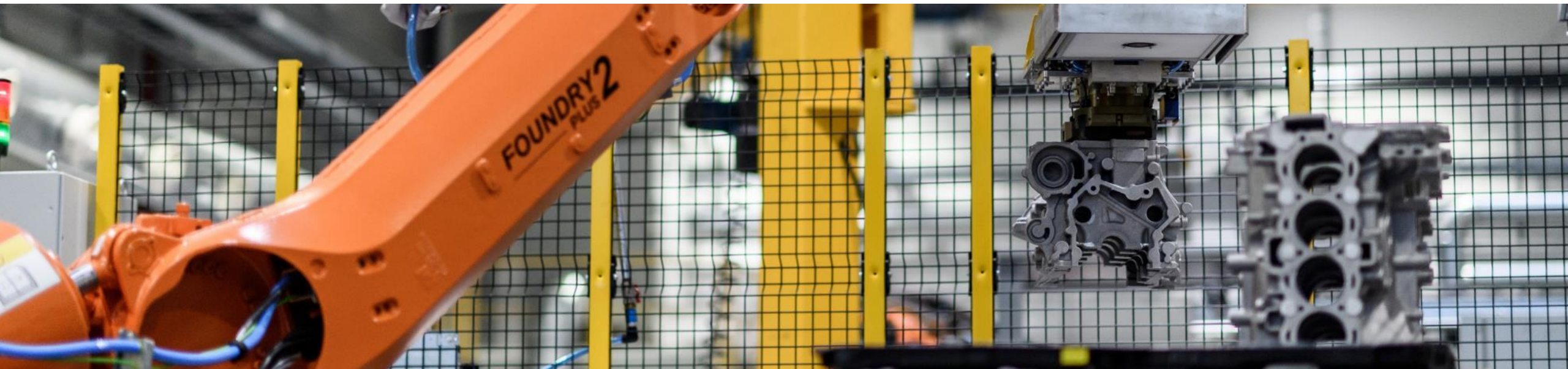


Net Income in the  
quarter was **US\$25 M**



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

- Working capital 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 seasonality and  
tooling**





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



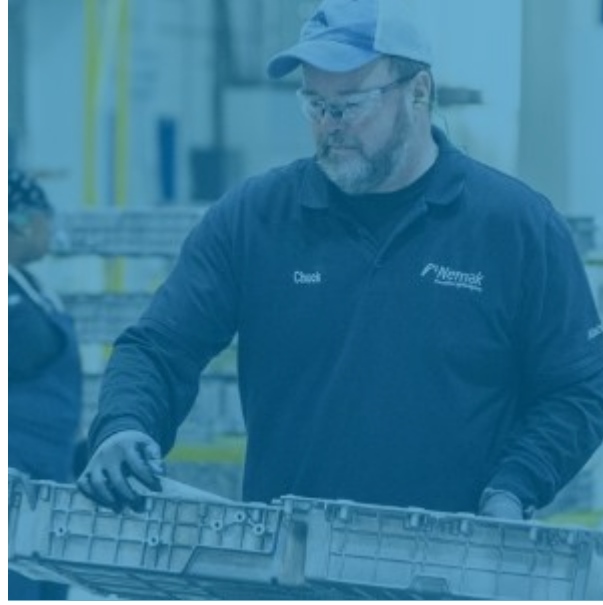
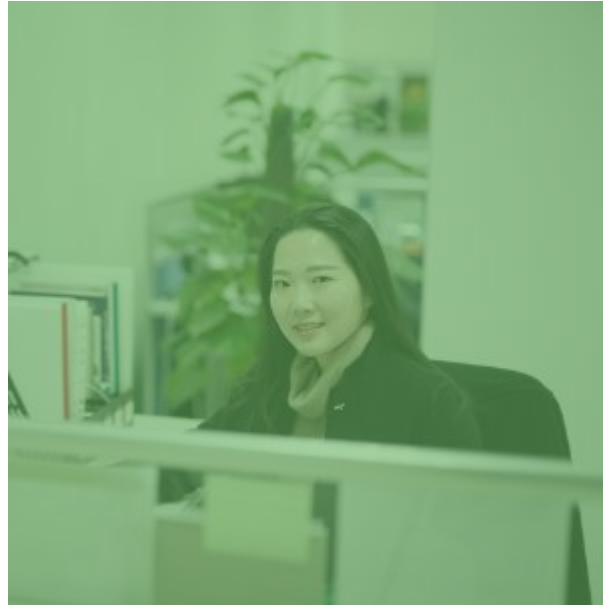


# Summary of Regional Results

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

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

Figures in US\$ M



For more information contact us  
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