Media Contact
Guillermo Hernández
Tel: +52 (844) 411-1095
pr@gis.com.mx
www.gis.com.mx

Investor Relations Contact
David Sandoval
Tel: +52 (55) 5640-0620
ir@gis.com.mx
http://ri.gis.investorcloud.net/

GIS Reports Fourth Quarter 2019 Results

February 20, 2020 -- Grupo Industrial Saltillo, S.A.B. de C.V. (BMV: GISSA) ("GIS" or "the Company"), a global Mexican industrial conglomerate serving the automotive, construction and housewares industries, today announced its results for the fourth quarter of 2019 ("4Q19").

Financial Highlights

Millions of pesos

	Fourth Quarter			Twelve Months		
	2019	2018	Var %	2019	2018	Var %
Revenues	**3,933**	**4,460**	**(12)**	**17,129**	**18,770**	**(9)**
Draxton	2,696	3,213	(16)	12,323	13,826	(11)
Vitromex	835	842	(1)	3,444	3,472	(1)
Cinsa	382	410	(7)	1,385	1,565	(11)
EBITDA (Adjusted)*	**532**	**559**	**(5)**	**2,471**	**2,739**	**(10)**
Draxton	542	520	4	2,541	2,539	0
Vitromex (Adjusted)*	(25)	(87)	71	(124)	(164)	24
Cinsa	20	38	(47)	38	108	(65)
Net Income	**234**	**(105)**	**NA**	**808**	**693**	**17**
Margin	6%	(2%)		5%	4%	
EPS (pesos)				**2.36**	**2.00**	**36**
CAPEX	**169**	**185**	**(9)**	**809**	**692**	**14**
Draxton	117	114		605	410	
Vitromex	47	67		182	262	
Cinsa	5	4		22	20	
Net Debt				**4,062**	**6,472**	
Net Debt/EBITDA (Adj)*				**1.6x**	**2.7x**	
Net Debt/EBITDA				**1.9x**	**2.7x**	

*Excludes the effects of the Restructuring Program of Vitromex, which include the closing of Saltillo Plant ($206 Ps Million), and other impacts/provisions mainly related to inventory rationalization and portfolio simplification ($112 Ps Million).

Recent Events

Draxton	• The automotive markets in which we participate are showing signs of stabilization. Europe and Asia grew sales in 4Q19 compared to the same period of the previous year. On the other hand, the production of vehicles in North America fell 9% compared to 4Q18, largely due to the GM strike. • The productivity and efficiency improvement programs continue as planned. Margins improved by 3 percentage points YoY and EBITDA grew 1% vs. 4Q18, despite an 8% volume decline. • During 2019 Draxton was awarded over US$150 million in new annual programs, 17% higher than in 2018.
Vitromex	• The company achieved the highest volume in the last three years in Mexico, increasing our market share. • In the quarter, EBITDA margin improved 7 percentage points, adding to + $62 MPs. to the bottom line vs. the same period last year • When excluding the effects of the inventory reduction strategy which drives higher average unit costs by lowering absorption, 4Q EBITDA is positive.
Cinsa	• Profitability recovery vs. the previous two quarters. • Quotas on Chinese ceramics and porcelain was renewed for 5 years. • We continue to increase sales in the modern channel.

GIS	•	Despite lower revenues, the 4Q 2019 EBITDA margin improved vs. 2018, due to Rightsizing strategies across all business units.
	•	Our cash flow generation allowed us to close the year with a Net Debt / EBITDA of only 1.6x.

Message of the Chief Executive Officer – Manuel Rivera

2019 was a year where the volumes of the industries in which GISSA participates were affected mainly by external industry factors. However, we delivered same EBITDA. An important accomplishment for an industrial conglomerate.

Draxton, our main business unit, maintained absolute EBITDA in dollars, and improved margins, despite a 7% volume reduction. Its efficiency and productivity program will be an important tool to create value in GIS for the next two years. During 2019 the company was awarded contracts for more than USD$ 150 million which will start operations in the last part of this year. It is relevant to note that a significant part of this growth will be achieved with marginal investments thanks to improvements in productivity and efficiency.

Draxton is positioned to grow above the automotive market trend in the three geographies in which we operate. In North America, because of the USMCA´s greater "regional content" requirements, brake manufacturers will accelerate the transference of their operations from Asia or Europe into Mexico. As these manufacturers seek reliable supply of critical high-tech iron components within NA, Draxton will become a leading contender to capture the volumes. In Europe, we are successfully entering the commercial vehicle segment with machined iron components. We have been awarded contracts of highly sophisticated platforms, which include foundry and machining. Finally, in China, where we have a small market share, we are well positioned to grow. The Wuhu plant is one of our best facilities across the world. Our relative size, expertise and commercial relationships across the globe, allow us to grow at a faster rate than the market.

It is very important to highlight that our growing portfolio of brake components, which represents about half of our volume and whose proportion will continue to grow, is fully compatible with hybrid cars and electric vehicles.

Vitromex, is regaining profitability according to the plan we set for Mexico. The rationalization of its capacity, the improved product development and go to market processes, the significant improvement in customer service and the addition of a new management and technical talent, has translated in improved economic results. In a very adverse economic environment, Vitromex grew volume and market share in Mexico. The demographic trends in the medium and long term are favorable for the construction industry, and Vitromex has a well-known brand and a manufacturing footprint that will allow it to capitalize on these opportunities

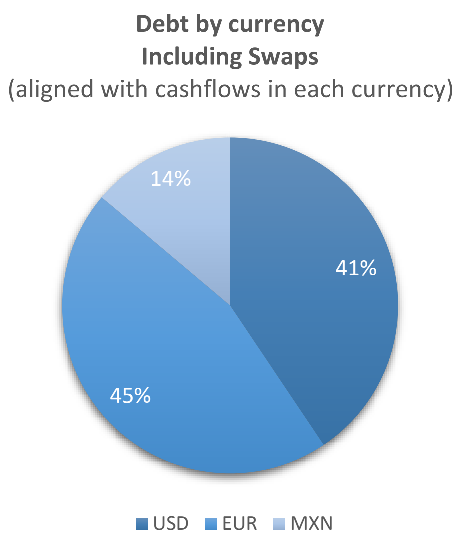
Finally, GISSA has a strong financial position. We were able to decrease debt and improve leverage metrics. Net Leverage was 1.6x on adjusted EBITDA. We are positioned to take advantage of opportunities in the medium term.

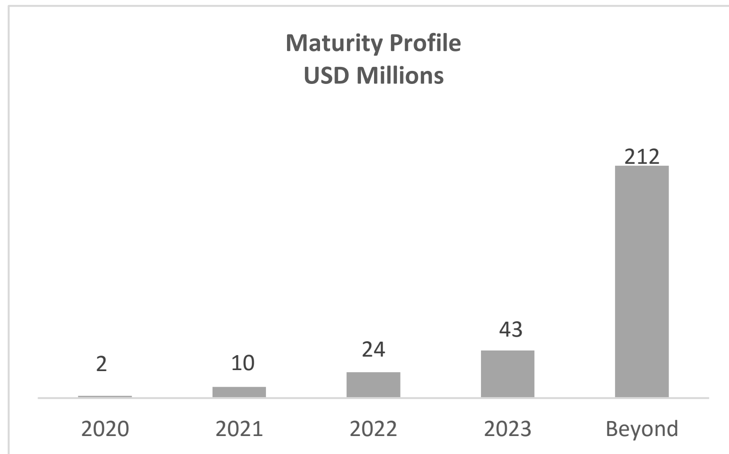
Debt Profile

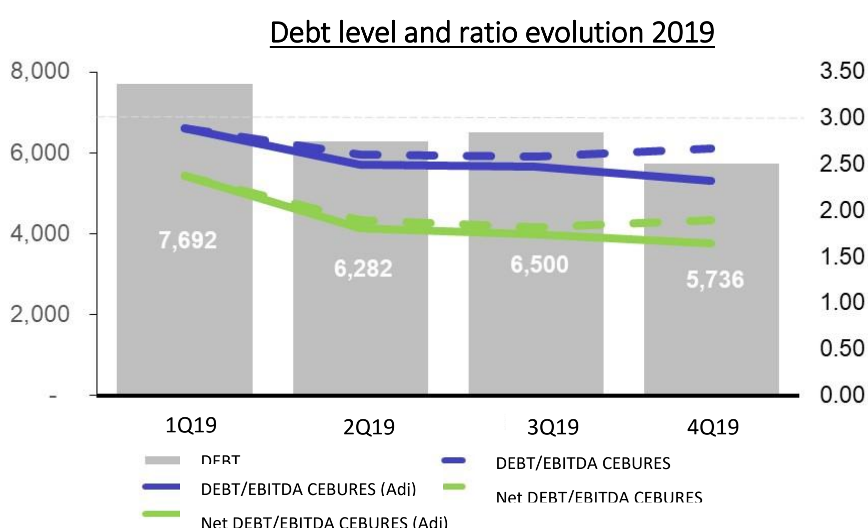
As of December 31, 2019, cost-bearing liabilities reaches USD $291.3 million.

Note. Net debt amounts USD $215.5 million, including leasing liabilities.

Euro/Dollar Exchange Rate: 1.1153







Draxton®
Auto Parts Segment
Millions of USD

Industry Data (Thousands of Vehicles)

	Fourth Quarter			Twelve Months		
	2019	2018	Var %	2019	2018	Var %
Vehicle Production	**23**	**24**	**(6)**	**89**	**94**	**(6)**
North America	4	4	(9)	16	17	(4)
Europe	5	6	(6)	21	22	(4)
China	7	7	1	25	27	(8)
Vehicle Sales	**23**	**24**	**(1)**	**90**	**94**	**(5)**
North America	5	5	(1)	20	21	(2)
Europe	5	5	8	21	21	0
China	7	7	3	25	27	(7)

Vehicle sales in the regions where Draxton participates show signs of stabilization by posting only 1.3% vehicle sales reduction in the fourth quarter against the same period last year. This decrease is much smaller than that of the first three quarters of the year. It is important to note that light vehicle sales in Europe and China grew 8.0% and 3.2% respectively, in the fourth quarter 2019.

North America. For the twelve months of 2019, the market showed variations in sales and production of -1.7% and -3.9% respectively. The GM strike in October was the main driver affecting the production of vehicles in the fourth quarter of the year.

Europe. At the end of the year, production decreased 4.2% compared to the same period of the previous year, while sales grew 0.4%. Production was affected by lower exports (-7%), and the OEMs inventory reduction strategy, in preparation for the entry of new environmental regulations.

China. Automotive production closed the year 8.4% below 2018. However, fourth-quarter sales grew 3.2% compared to the same quarter showing a sign of stabilization.

Business Results *(Millions of USD)*

	Fourth Quarter			Twelve Months		
	2019	2018	Var %	2019	2018	Var %
Foundry Volume[1]	**89,439**	**97,566**	**(8)**	**399,072**	**429,711**	**(7)**
North America	46,551	51,555	(10)	208,867	219,127	(5)
Europe / Asia	42,887	46,011	(7)	190,206	210,585	(10)
Machining Volume[3]	**2,065**	**2,291**	**(10)**	**8,914**	**9,656**	**(8)**
North America	1,212	1,198	1	4,899	5,272	(7)
Europe / Asia	853	1,016	(16)	4,015	4,384	(8)
JVs[2]	*263*	*142*	*85*	*1,061*	*461*	*130*
Revenues	**137**	**162**	**(15)**	**638**	**718**	**(11)**
North America	67	81	(17)	317	345	(8)
Europe / Asia	70	81	(13)	321	379	(15)
JVs[2]	*7*	*4*	*75*	*26*	*13*	*100*
EBITDA	**28**	**28**	**1**	**132**	**132**	**0**
Margin	20%	17%		21%	18%	
North America	15	16	(9)	74	72	4
Margin	22%	20%		23%	21%	
Europe / Asia	13	11	18	58	61	(5)
Margin	19%	14%		18%	16%	
JVs[2]	*1*	*0*	*NA*	*3*	*0*	*NA*

1. *Volume for iron casting, includes Evercast. (In tons)*
2. *Not included in Draxton, therefore it is not added.*
3. *Iron machining, includes Evercast. Excludes aluminum. (In thousands of parts)*

Volume

The volume of 4Q19 was 8% lower than in the same period of 2018. In the case of Draxton Mexico, GM's strike impacted the volume of the quarter by 5%. In Europe and Asia, our volume was 7% lower due mainly to the lower production due to our customers' inventory adjustment and the scheduled output of some products. During 2020, the entry of new products will gradually replace the programs that have finished, returning to the growth path towards the end of the year.

Revenues

4Q19 closed at US $ 137 million, 15% lower than the previous year. This variation was mainly due to three factors: the lower volume as explained before, the effect exchange rate (Dollar / Euro) that went from 1.14 to 1.11 and the effect of the indexing of iron scrap in our sales prices, derived from the price reduction of this raw material.

EBITDA

The efficiency and productivity programs were able to compensate for the effect of a 7% lower volume. EBITDA for the year was US $ 132M, the same result as in 2018, increasing the sales margin from 18% to 21%.

In 4Q19, despite lower revenues, EBITDA grew 1%, reaching a level of US $ 28 million.

- In Europe / Asia, actions to improve productivity and efficiencies continue to produce very good results, and despite 7% lower volumes, the business delivered US $ 13 million of EBITDA, increasing the sales margin from 14% to 19% in this region.
- In North America, EBITDA for the quarter decreased by US $ 1 million compared to the same period of the previous year, mainly due to the decrease in volumes largely due to the GM strike. However, thanks to the implementation of the program to improve productivity and reduce costs and expenses, together with a better product mix, the sales margin increased from 20% to 22% in this region.

Efficiency and Productivity Program

It is important to note that the efficiency and productivity program mentioned before, continues and its full effects will be achieved in the next 18 months. The main areas include energy consumption, yields, labor productivity and better use of installed capacity. The latter in particular, will allow to grow with marginal investments.

Commercial and Engineering Activity

During 2019, Draxton captured new programs for over US$ 150 million, which will begin production during the next two years. These launches account for more than 380 references, most of which are brake components. This type of products will continue to be important in the medium term, increasing its proportion above the 45% it currently has in the global Draxton portfolio.

In Mexico, the greater presence of brake producers will bring business opportunities that could take this platform above 60% of Draxton's portfolio. To cope with this growth, Evercast, which produces only brake components, will start its third production line in the second half of 2020. At the same time, work is underway on a plan to renew the Draxton Saltillo lines, enabling that plant for the production of safety parts and take advantage of the growth in demand for these components in Mexico. It is important to remember that all vehicles, whether internal combustion, hybrid or electric, with driver or autonomous, will continue to use brake systems with foundry components similar to the current ones, mainly iron due to their good strength, weight, volume ratio and price.

Draxton is committed to grow in other products for vehicles for all types of propulsion. Of the current order book, 12% of the new products won were differential boxes, and in some cases Draxton will make high precision machining aligned to our strategy of greater added value through machining. For this, we will start new lines with the latest technologies in Lleida, Spain in the second half of the year.

In Europe, we have worked in attracting business with new customers and machined products of high complexity, both for heavy trucks and light vehicles. Our Lleida plant started the machining of differential cases in Draxton Teruel for high-end electric vehicles. Likewise, these two plants are launching various highly complex products for a new heavy-truck platform for a European customer.

During December 2019, we announced a new global engineering structure, which will include a new machining competence center based in Barcelona. With this, we will seek to accelerate the deployment of our engineering capabilities to all regions where we operate, and with the machining competence center, we will support our strategy of offering greater added value to our customers.

We have also created an Advanced Marketing and Engineering position to work together with current and potential customers in the early stages of designing new vehicles, offering them our new advanced materials and processes that bring them benefits in weight, volume or space in the vehicle and cost.

Joint Ventures:
The growth in Sales and EBITDA of GISEderlan, the machining plant, Joint Venture with Fagor Ederlan in Mexico, is focused on the launch of new products for BMW, DANA and SEOHAN, which has allowed us to generate revenues of US $ 26 million and US EBITDA $ 2.6 million in the accumulated of 2019.

Progress in Hybrid and Electric Vehicles:
As we have mentioned, our current portfolio is 100% compatible with HV and 65% with EV. We currently produce crankshafts for hybrid cars in Barcelona and several brake platforms for EV such as the MEB (CBI / VW), as well as for HV and EV (CBI and ZF for PSA). Additionally, we manufacture differential boxes for EV of luxury brands cast in Teruel and machined in Lleida, as well as a Stator Carrier cast in Barcelona and machined in Lleida.

Vitromex

Millions of pesos

	Fourth Quarter			Twelve Months		
	2019	2018	Var %	2019	2018	Var %
Revenues	835	842	(1)	3,444	3,472	(1)
EBITDA (Adjusted*)	(25)	(87)	71	(124)	(164)	24
Margin	(3%)	(10%)		(7%)	(5%)	

*Excludes the effects of the Restructuring Program of Vitromex, which include the closing of Saltillo Plant ($206 Ps Million), and other impacts/provisions mainly related to inventory rationalization and portfolio simplification ($112 Ps Million).

Market

Mexico´s construction industry declined 5%, while the volume of the ceramic tile industry remained flat, mostly due to the remodeling of housing and buildings.

Revenues

In this difficult environment, the volume of Vitromex 2019 in Mexico grew 1% YoY. However, thanks to the renewal of its product portfolio and the best level of service, the company achieved a 3.5% growth in 4Q19 compared to the same period of the previous year, recovering market share.

In annual terms, Vitromex's revenues in Mexico grew above the industry. Likewise, the renewal of the product portfolio made it possible to improve average prices by more than three points, despite the impact of inventory rationalization and discontinued formats.

Exports to Central and South America showed a significant double-digit increase in 4Q19, achieving greater coverage in the area.

The good results in Mexico were offset by the contraction in volume of the United States. To recover this market, the portfolio renewal was completed with a focus on the economic segment and the regions and channels where Vitromex has been very successful in the past. Likewise, the emphasis on operational excellence has significantly improved service levels, which will allow us to gradually recover volumes in the second half of the year.

Importantly, Vitromex's profitability recovery plan is based on national market opportunities, while the export recovery will generate additional benefits.

EBITDA AND CASH FLOW

The 4Q19 EBITDA, although in negative territory, improved compared to the 4Q18 EBITDA in seven percentage points and $ 62 million pesos.

As mentioned before, EBITDA for quarter is impacted by an effect in inventories of $ 28 million pesos that originates when unloading layers of inventory produced in previous months at higher cost and also by the effect of lower absorption of fixed costs by reducing inventories.

The alignment of inventory levels to customers´ needs, allowed us to improve the level of service and optimize the working capital, generating a cash flow of $ 150 million pesos in 2019.

Outlook

The recovery of Vitromex is going according to plan. Some of the improvements have already been reflected in results, others are in the process of implementation and there are still more actions in the program that will be implemented during the year. The outlook for the industry in Mexico and the United States is favorable for the Vitromex's manufacturing footprint in the medium and long term. 2020 will be a year of gradual recovery in profitability.

CINSA

Millions of pesos

	Fourth Quarter			Twelve Months		
	2019	2018	Var %	2019	2018	Var %
Revenues	382	410	(7)	1,385	1,565	(11)
EBITDA	20	38	(47)	38	108	(65)
Margin	5%	9%		3%	7%	

Market

During 4Q19, a reduction in consumption was observed compared to 4Q18 in Mexico. Despite this, the quarter ended with a slight improvement vs the first quarters of the year. In the behavior of consumption, there was a tendency to shift to value items.

Revenues

During the fourth quarter of 2019, sales were affected by the need for distribution channels to decrease inventories, which also affected the marginal contribution as promotions were implemented to support our business partners in the displacement of inventories. It is important to mention that the fourth quarter of 2018 was benefited by significant sales from the "Promotions" channel driving the base higher, and were not repeated in 2019.

EBITDA

The profitability was mainly affected by the contraction in volume, which impacted on the productivity of the plants, as well as, the promotions indicated above, and relevant increases in the distribution expense.

Conference Call Information:

The Company will host a conference call to discuss these results on Monday, February 24, 2020 at 11:00 a.m. (Mexico City Time); it will be conducted in English and will include a question and answer session.

To participate, please dial:
001-800-514-6145 (Mexico Toll-free)
1-877-830-2576 (From within the U.S.)
+1-785-424-1726 (From outside the U.S.)
Access Code: GIS

Webcast Link (presentation only/no audio); please connect via telephone to participate in the call:
https://webcasts.eqs.com/saltillo20200224/no-audio/en

Webcast Link (presentation with audio):
https://webcasts.eqs.com/saltillo20200224

Analyst Coverage

Given that GIS has securities listed under Section I, 4.002.00 of the Mexican Stock Exchange Regulations (stocks, and most recently, local notes “certificados bursátiles”) and given the importance of maintaining an active participation in the securities market, in compliance with item 4.033.10 of the aforementioned Regulations, the financial institutions that provide Analyst Coverage of GIS are:

Institution	Analyst
GBM	Alejandro Azar Wabi
Signum Research	Alain Jaimes
BBVA	Montserrat Araujo Nagore
Santander	Héctor Maya López

Reporting Basis

All figures are expressed in Mexican pesos ($) unless otherwise noted.

The report is issued with a disclosure of Adjusted EBITDA, which excludes the effects resulting from the restructuring program of Vitromex ($318 million pesos), in order to allow a more adequate analysis of the operating results of the business and its performance during 2019. In the second quarter this amount was divided in two lines of the income statement, $ 112 million pesos in the cost of goods sold, and $ 202 million pesos below the EBIT in the line in “other restructuring expenses”. The external auditor modified its original criteria regarding this initiative, by recording the full impact ($318 Ps) in the “cost of sales” line. The change does not affect the net income or cash flow of the Company. Such modification does not affect or influence the financial situation or the price of the securities issued by the Company.

Due to the completion of the sale of the water heater business, Calorex, the financial information for GIS and the Construction Segment excludes this business, as it is considered a Discontinued Operation from an accounting standpoint. In order to better evaluate the results by segment and to avoid distortions in comparability, the Company uses a specific methodology based on the services that it actually provides and the collection for usage rights of the brand to the business units, to apply a specific percentage to the distribution of corporate services to each segment for its standardization.

In 2019 the Company adopted IFRS-16 which affected comparative figures. The impacts of this standard are unfavorable in the following line items:

	Quarter	Acumulated Period
Depreciation	10.2 million pesos	64.1 million pesos
EBIT	(2.3) million pesos	10.3 million pesos
Financial Expenses	(1.3) million pesos	9.7 million pesos

Notes to the Financial Statements

We recommend reviewing the notes to the financial statements that are part of the quarterly report presented to the Mexican Stock Exchange, which include pro forma figures in accordance to IFRS and also show the impact of the divestment of the water heater business.

Disclaimer

This release may contain certain statements and forward looking information about Grupo Industrial Saltillo S.A.B. de C.V. and its subsidiaries (collectively, the "Company"), which are subject to risks and uncertainties that may cause the results of the Company to differ materially from the current management´s expectations. These risks and uncertainties include, without limitation: the successful development of new products and their commercialization, demand and acceptance of the Company´s products, products and prices of the competitors, economic conditions in the markets and geographic regions of the Company´s products, as well as foreign currency fluctuations, among others.

Annex - Outlook

	Short-Term	Mid-Long Term
Draxton + JVs	• Lower volume in Mexico, launching of new programs since 4Q19 and onto 2020. • Ramp-up of high-complexity programs in Europe. • Synergy capitalization between plants and geographies. • Commercial activity focus to catch opportunities in brake systems in Mexico, as well as EV globally.	• Continue reinforcing R&D capabilities focusing in design, product launching, advanced materials and machining. • Continue with efficiency programs in all of the plant, accelerate digitalization strategy and 4IR tools (Industrial Revolution).
Vitromex	• Consolidate sustained improvement in unit production costs, supported by better capacity utilization • Mature sales and operations planning process with service focus • Strategic focus in USA, regarding portfolio and attention in regions where we are more competitive, for volume recovery	• Consolidate sustained improvement in unit production costs, supported by better capacity utilization • Mature sales and operations planning process with service focus • Strategic focus in USA, regarding portfolio and attention in regions where we are more competitive, for volume recovery
Cinsa	• Focus on productivity, operational efficiency and product innovation initiatives. • Collaboration with our business partners to accelerate the movement at the point of sales.	• US market penetration. • Adaptation and innovation of our value proposals according to the needs of each channel and segment we serve. • Focus on expanding our cost competitiveness.

— 2020 Estimated CAPEX (millions of USD)

	CAPEX
Draxton + JVs	• North America 39 M • Europe & Asia 24 M
Vitromex	11 M
Cinsa	2 M
TOTAL	76 M

Annex – Consolidated Income Statement

Millions of pesos

Grupo Industrial Saltillo, S.A.B. de C.V.
Consolidated Information

	4Q			YTD		
	2019	2018	% Change	2019	2018	% Change
Revenues	**3,933**	**4,460**	**(12%)**	**17,129**	**18,770**	**(9%)**
Draxton	2,696	3,213	(16%)	12,323	13,826	(11%)
Vitromex	835	842	(1%)	3,444	3,472	(1%)
Cinsa	382	410	(7%)	1,385	1,565	(11%)
Cost of Sales	3,421	3,767	(9%)	14,255	15,018	(5%)
General Expenses	625	658	(5%)	2,514	2,565	(2%)
Other Expenses (Income), Net	(41)	(159)	N/A	(240)	(151)	N/A
EBIT	(72)	194	**N/A**	600	1,338	**(55%)**
Other Restructuring Expenses	206			318		
EBIT Adjusted	134	194	**(31%)**	918	1,338	**(31%)**
Draxton	298	229	30%	1,590	1,565	2%
Vitromex	(74)	(147)	N/A	(392)	(392)	N/A
Cinsa	2	27	(91%)	(38)	67	N/A
EBITDA Adjusted	532	559	**(5%)**	2,471	2,739	**(10%)**
Draxton	542	520	4%	2,541	2,539	0%
Vitromex	(25)	(87)	N/A	(124)	(164)	N/A
Cinsa	20	38	(47%)	38	108	(65%)
CFR	96	139		458	52	
Part. In Associates	273	(131)		273	(131)	
Income Tax	53	158	(66%)	102	532	(81%)
Discontinued operations	(4)	60		261	72	
Consolidated Profit	253	(174)	**N/A**	892	695	**28%**
Profit from non-controlling interest	(19)	68		(84)	(2)	
Profit from controlling interest	234	(105)	**N/A**	808	693	**17%**

Note 1: The Profit / Loss of Discontinuous Operations line includes a charge of $ 318 million pesos, such as Other Restructuring Expenses, derived from the suspension of operations of the Saltillo plant of the ceramic floor and wall tile business, Vitromex.

Note 2: The integration of Sales and EBITDA by business includes a corporate item to reach the consolidated figure.

Annex – Consolidated Balance Sheet
Millions of pesos

Grupo Industrial Saltillo, S.A.B. de C.V.
Consolidated Information

	dic-19	dec-18
ASSETS		
Current Assets		
Cash and cash equivalents	1,674	1,536
Accounts receivable	2,679	3,249
Inventories	1,818	2,214
Assets classified as held for sale	16	2,579
Property, plant & equipment, net	**9,606**	**9,991**
Investments in associates and JVs	**123**	**38**
Goodwill	3,831	3,682
Other assets	4,089	3,994
TOTAL ASSETS	**23,836**	**27,282**
LIABILITIES		
Current Liabilities		
Current liabilities at cost	3	222
Trade payables	3,971	2,959
Other current liabilities	499	1,519
Liabilities included in assets classified as held for sale	0	555
Non-current Liabilities		
Non-current liabilities at cost	5,329	7,686
Deferred taxes	158	311
Other non-current liabilities	1,340	1,442
TOTAL LIABILITIES	**11,300**	**14,694**
TOTAL SHAREHOLDERS EQUITY	**12,536**	**12,588**
TOTAL LIABILITIES AND EQUITY	**23,836**	**27,282**

The movement of the Commercial Credit recognized in foreign subsidiaries is attributed to the variability of the Peso with respect to the Euro.

Pro Forma Financials

The following exercise presents a breakdown of figures to help comparability in the periods mentioned. The base figures are those reported in 4Q18 and December 2018, these exercises are included to represent the incorporation of Evercast in the consolidated figures at these dates.

Grupo Industrial Saltillo, S.A.B. de C.V. and Subsidiaries (GISSA)
Unaudited Pro forma Statement of Comprehensive Income

Quarters ended December 31st, 2018 and 2019	**Oct 1st - December 31st 2018**			**Oct 1 - Dec 30 2019**
In Thousands of Mexican Pesos	pro forma figures (unaudited)			
	GISSA figures Consolidated base (unaudited)	Plus Adjustment Evercast & Corp. Effects (unaudited)	**Pro forma Figures (unaudited)**	**GISSA with Evercast (Audited)**
Revenue	4,144,225	315,499	4,459,724	3,932,999
Cost of Sales	3,365,451	401,371	3,766,822	3,215,271
Gross Margin	778,774	(85,872)	692,902	717,728
General Expenses	661,956	(162,956)	499,000	583,729
EBIT	116,818	77,084	193,902	133,999
CFR	128,659	10,341	139,000	95,744
Permanent investments	0	(131,000)	(131,000)	272,500
Income before Tax	(11,841)	(64,257)	(76,098)	310,755
Income Tax	161,982	(4,282)	157,700	53,326
Discontiued Operations	60,271	0	60,271	(4,000)
Consolidated Profit	(113,552)	(59,975)	(173,527)	253,429
Profit from non-controlling interest	8,371	59,975	68,346	(19,000)
Profit from controlling interest	(105,181)	-	(105,181)	234,429

Information on Derivatives and Forwards

Type	Referred to	Contractor	Notional Value		Termination date	Currency	Covered for
Forward	Local Currency	Draxton Poland	2,300,000		22/jun/2020	PLN	Cashflow
Forward	Local Currency	Draxton Czech Rep.	26,100,000		13/jul/2020	CZK	Cashflow
Forward	Local Currency	Draxton Poland	8,050,000		21/sept/2020	PLN	Cashflow
Forward	Local Currency	Draxton Czech Rep.	69,060,000		11/dec/2020	CZK	Cashflow
Interest Rate Swap	Santander Credit MEUR	Ineder Projects, S.L.	1,750,000		16/oct/2021	EUR	Interest rate
Cross Currency Swap	Debt Certificates	GISSA	625,000,000	29,302,936.68	10/oct/2024	EUR/MXN	Debt Certificates
Cross Currency Swap	Sindicated Credit	GISSA	95,000,000	85,241,284.42	11/sept/2025	USD/EUR	Sindicated Credit
Interest Rate Swap	Sindicated Credit	GISSA	100,000,000		11/sept/2025	USD	Sindicated Credit