



GIS[®]

2Q23 CONFERENCE CALL
JULY 20, 2023

Forward-Looking Statement



This presentation and discussion may contain forecasts or projections in accordance with the vision and expectations of the management team with respect to the performance of the Company, the businesses and future events. These forecasts and projections are subject to risks, uncertainties and assumptions. Several factors may cause actual results to differ materially from Management's forecasts, projections and plans, including, but not limited to business development and marketing new products, the demand for and acceptance of the Company's products, economic conditions in the product markets and the different regions, the cost of raw materials and energy, and fluctuation in the exchange rate.

The financial expectations, forecasts and projections in this presentation reflect the current beliefs of the Company and its management team. The Company is not required and does not assume any responsibility for updating this presentation or any forecast, projection or expectation as a result of new information, events or circumstances subsequent to this date.



FINANCIAL & MARKET REVIEW

JORGE RADA – CEO
SAÚL CASTAÑEDA – CFO



Quarter Highlights

Promising signs of recovery for the global automotive industry

Supply chains disruptions are trailing

Pent-up demand also contributed to the increasing vehicle sales

Draxton experienced operational challenges related to:

- Extraordinary demand
- New product launch expenses
- Cost of Start-up of capacity expansions

We will overcome this situation in the next months with the stabilization of the capacity expansion projects

2Q23 for GIS

Revenue amounted US \$271 M

EBITDA was US \$14M

Due to challenges in Draxton

Net leverage ratio of 1.0x

Dividend of \$5.00 pesos paid

“GISSA 17” local notes fully paid in advance



Fitch
Ratings

Upgrade to: **AA (mex)**

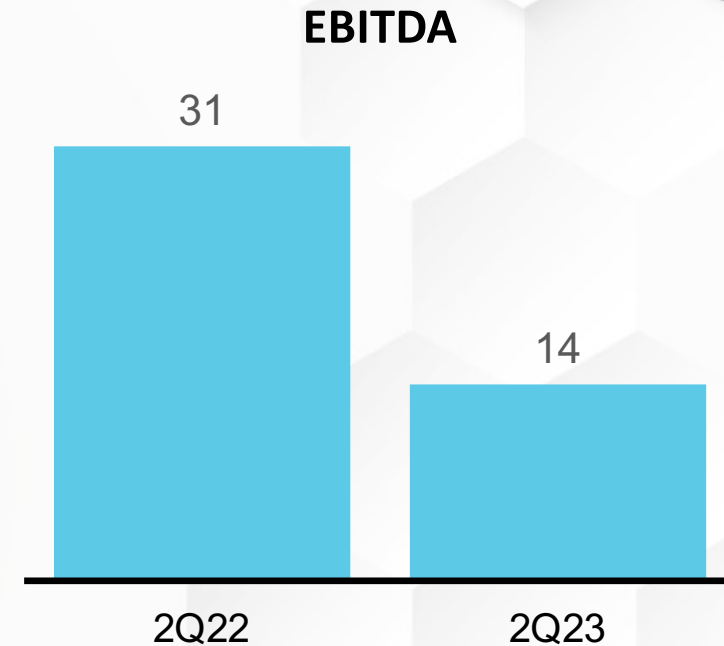
Consolidated Performance

US\$ Million



Revenues increased 11% y-o-y

Driven by higher volumes and price adjustments in Draxton, amid the recovery trend in the global vehicle production pace



EBITDA lower than 2Q22

A dynamic demand, coupled with costs associated with new product launch and the start-up of Line 6 in SLP, as well as the impact of a stronger Mexican Peso, affected the quarter results

Opportunities for further growth

US\$ Million



Debt prepayment strengthens balance

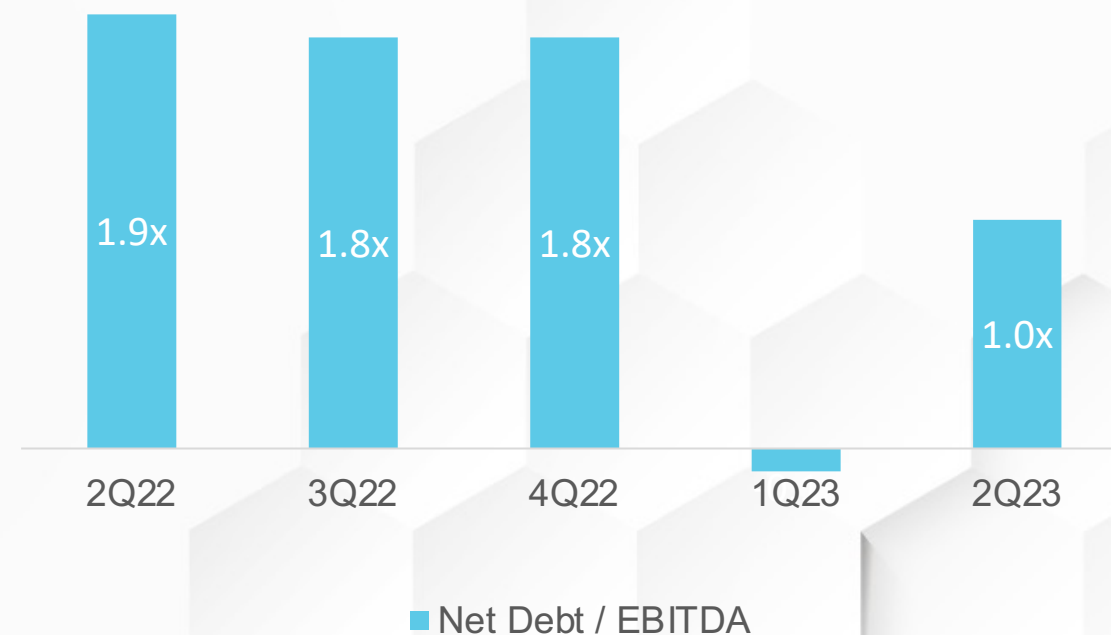


2Q23 Net debt US \$109M



Lower debt and solid liquidity

Debt & Leverage



Capital Expenditure

SOP of casting expansion in SLP

DRAXTON

DRAXTON
NORTH AMERICA

- 60k tons casting capacity (US \$100M revenue)
- Triple Machining capacity + Plating (value added processes)

DRAXTON
EUROPE & ASIA

- Increase machining capacity mainly for differential cases

US \$49M in annual sales
won in 1S23

Main Products



US \$130M for 2023



$\Delta\%$ vs 2Q22 Vehicle Production	$\Delta\%$ vs 2Q22 Vehicle Sales
14% ↑	13% ↑
12% ↑	19% ↑
18% ↑	18% ↑

Source: IHS Markit



Significant volume growth

US\$ Million

DRAXTON

Δ% vs 2Q22

**Casting
Volume**

78% ↑

**Machining
Volume**

22% ↑

Revenue

14% ↑

New contracts won 1S23:
US \$49M

EBITDA

29

18

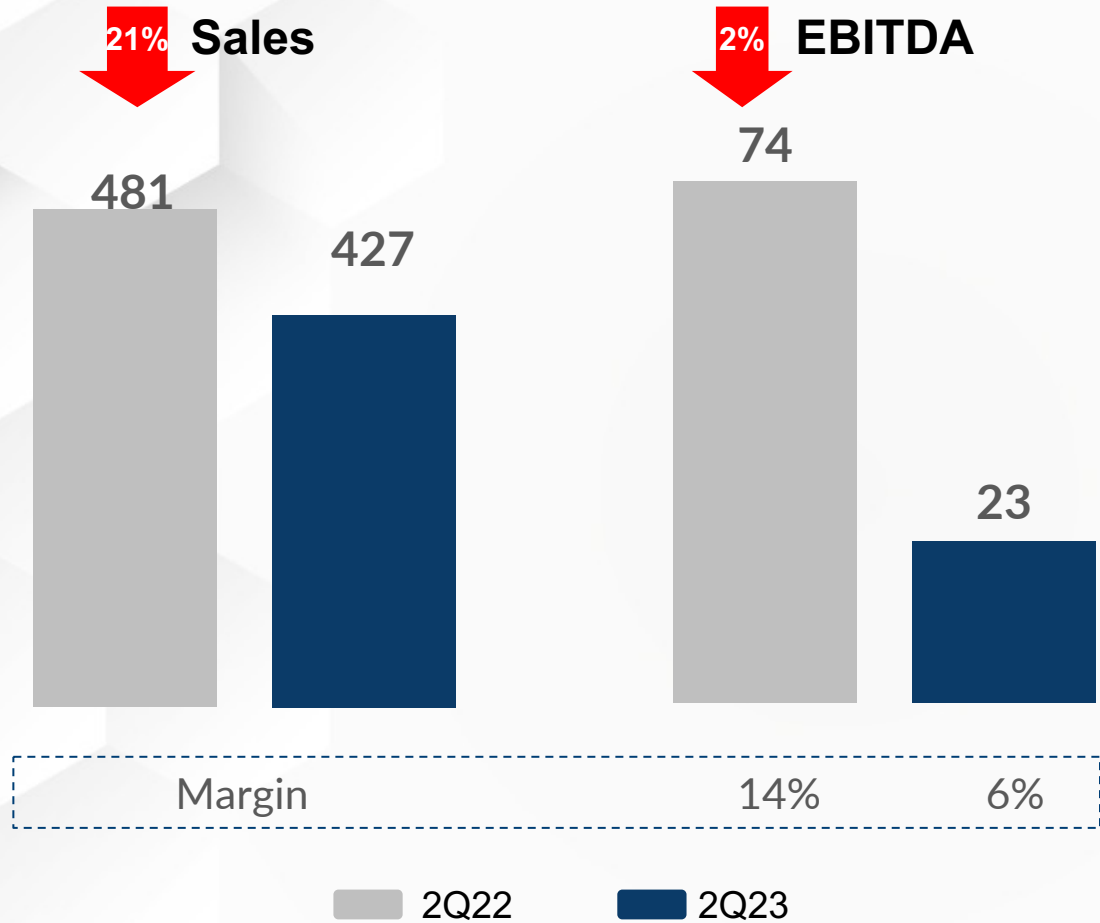
2Q22

2Q23

Sales

Softened demand continues

MXN\$ Million



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Q&A





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DRAXTON®



95
YEARS

GIS®

One team. One vision.

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