



GISSA

# GISS<sup>®</sup>

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# GIS at a glance post divestiture

# GIS®



**+ 90**  
years of history



Listed in MSE  
**since 1976**  
+45 years



**~5,300**  
employees



**14**  
production units  
6 countries  
3 continents



Revenue (M USD)  
L12M:  
**US\$ ~1B**

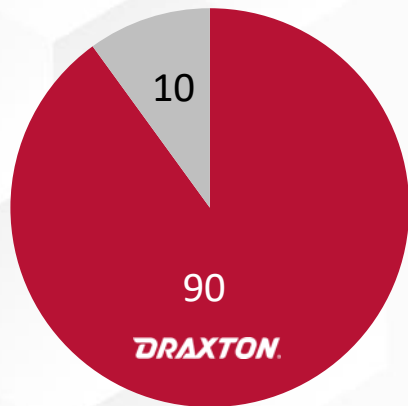


*Solid Financial Position*  
Net Debt / EBITDA :  
**0.6x**

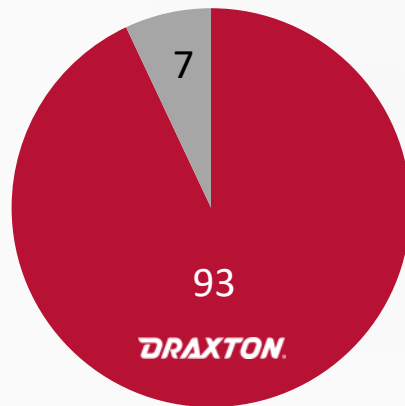
# DRAXTON®

Global company, Industry reference in  
High-tech components for Brake Systems

Revenue GIS %



EBITDA GIS



Figures L12M Mar-23

GIS®

# Geographical diversification

**DRAXTON**



**50%**  
Draxton's revenue  
comes from Europe & Asia

**Present in the main Automotive Industries**

**GIS**

# Recently Announced Capacity Expansions

**DRAXTON**

## North America

US \$140 Million Capex

60k tons additional casting capacity

Triple machining capacity – from 7 to 21 million units

2 new Plating lines – Additional value-added process

Technological Update

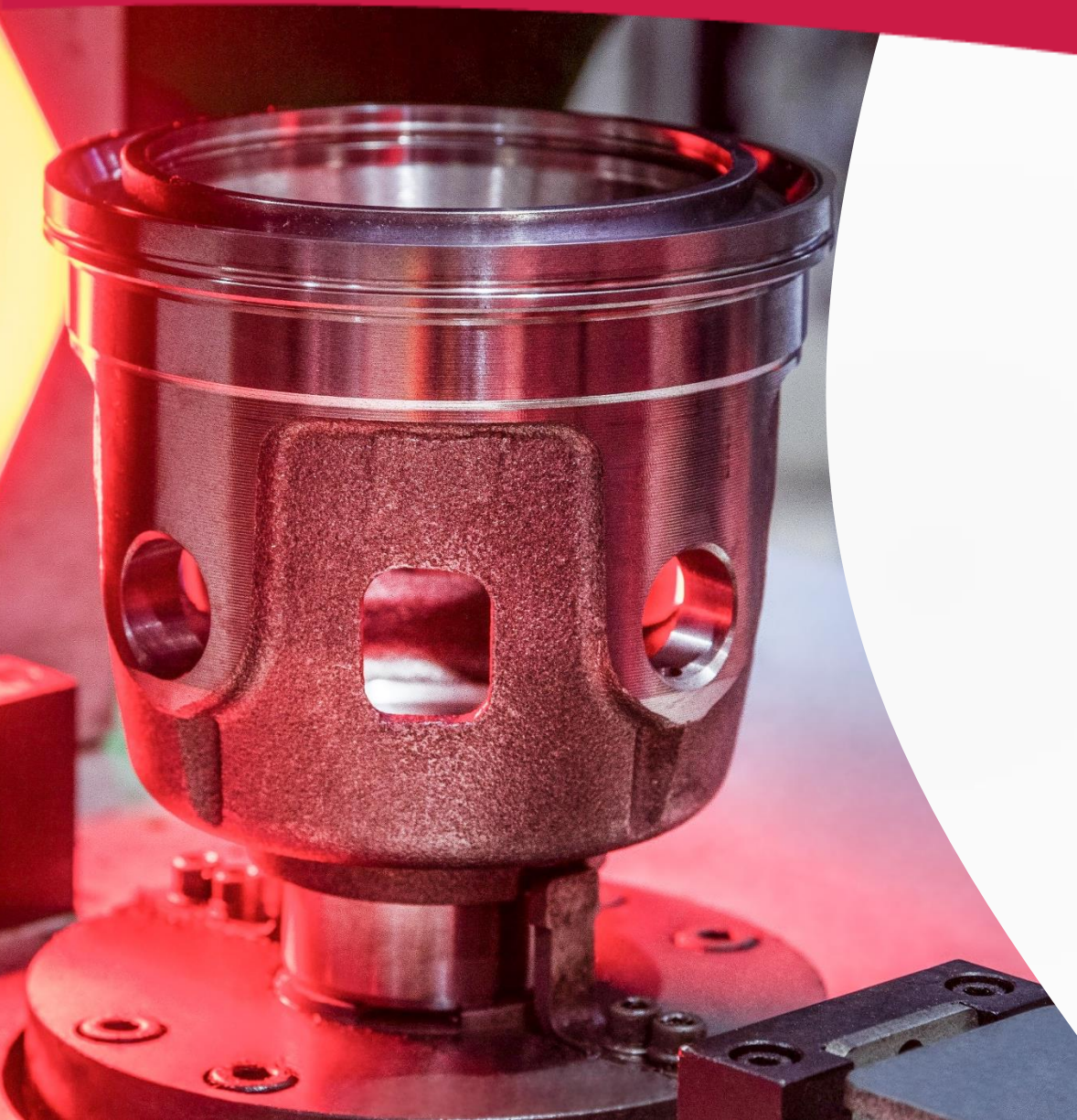
**SOP 4Q22-4Q23**



**GIS**

# Recently Announced Capacity Expansions

**DRAXTON**



## Europe & Asia

US \$30 Million Capex

### Additional finishing & machining capacity

- Stator
- Differential Cases
- Control Arms

Will bring customer diversification

**SOP 3Q22-4Q23**

**GIS**

Our customers are leaders  
in the industry

**DRAXTON**

## OEM



## TIER 1



**GIS**

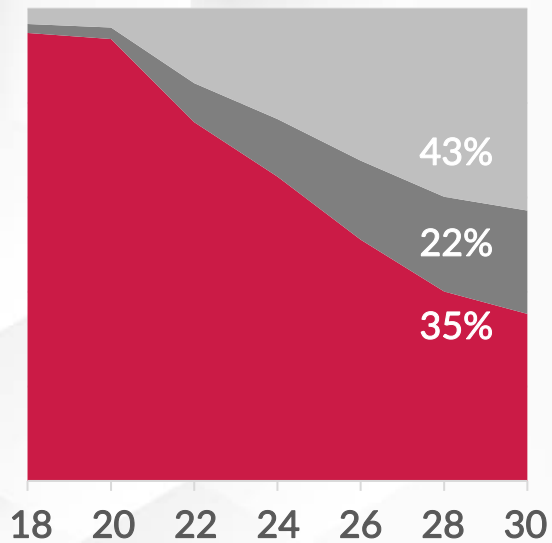


# Electrification: Global mega-trend

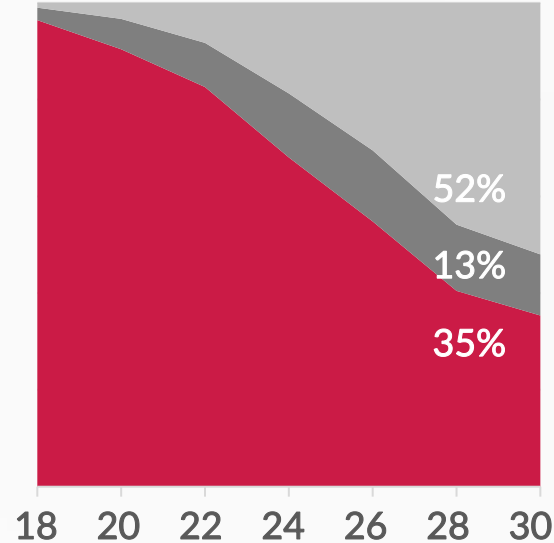
**DRAXTON**

## Governments & OEMs bet on electrification

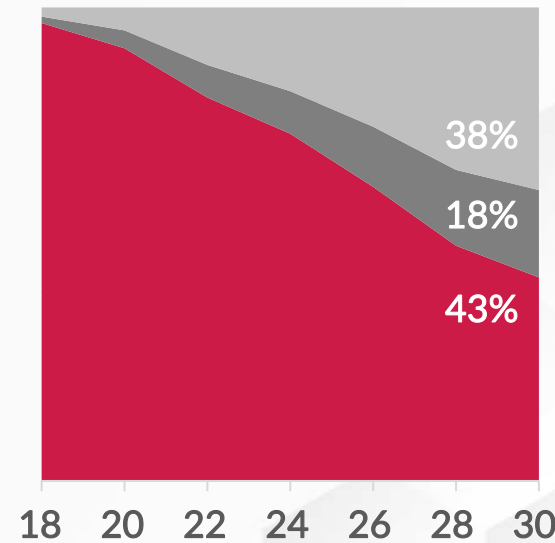
### China



### Europe



### NAFTA



Electric vehicles



Hybrid vehicles

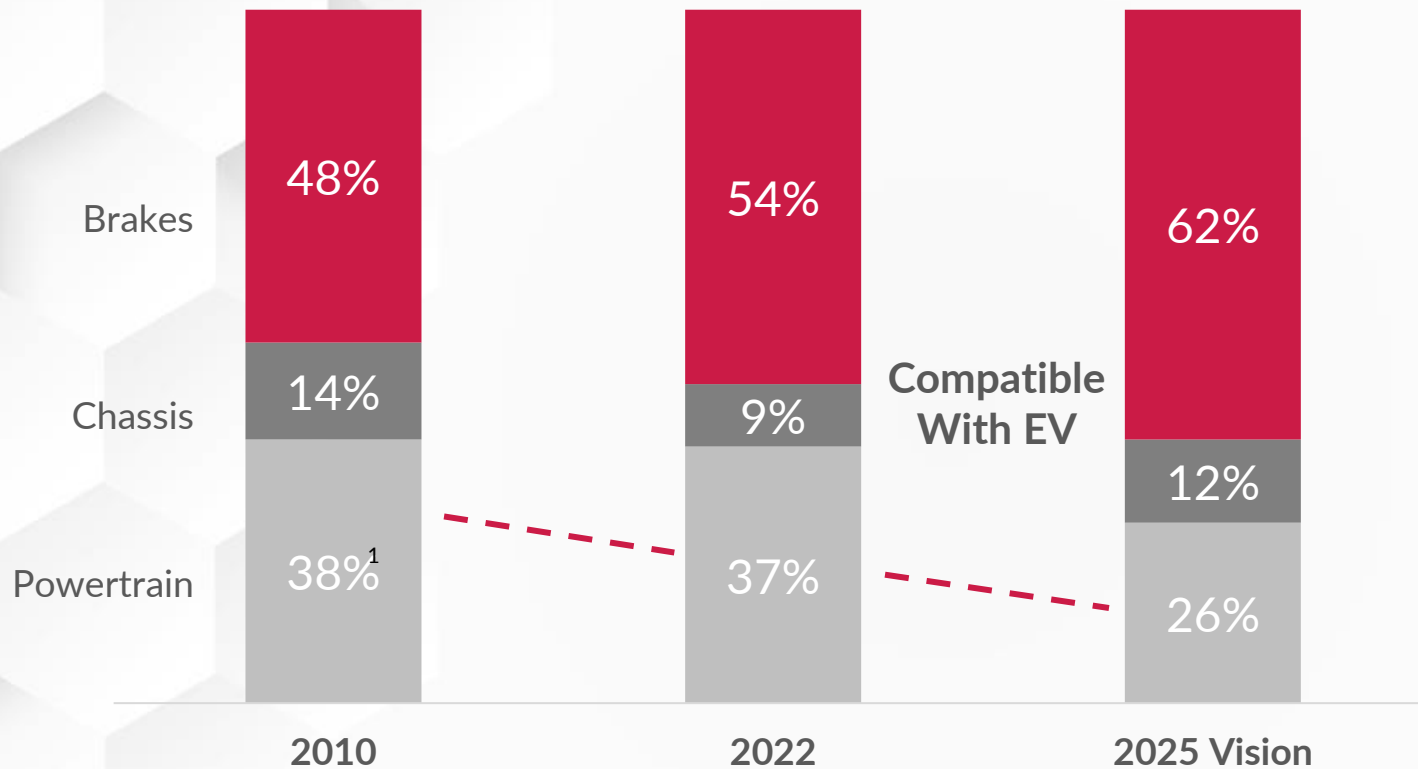


Combustion vehicles

# Draxton's progression towards electrification



## Global player for brake system components



100% Compatible with Hybrid Vehicles



~84% Compatible with Electric Vehicles in 2027

### Main Products



<sup>1</sup>In 2010 Draxton only had 2 plants (Saltillo and Irapuato)  
Portfolio for Auto Industry

# A strategy aimed to capitalize growth opportunities

**DRAXTON**

## North America



- Expand leadership in the region
  - Capitalize capacity expansions and new value-added processes
- Continue growing in machining and plating (profitability projects)

## Europe

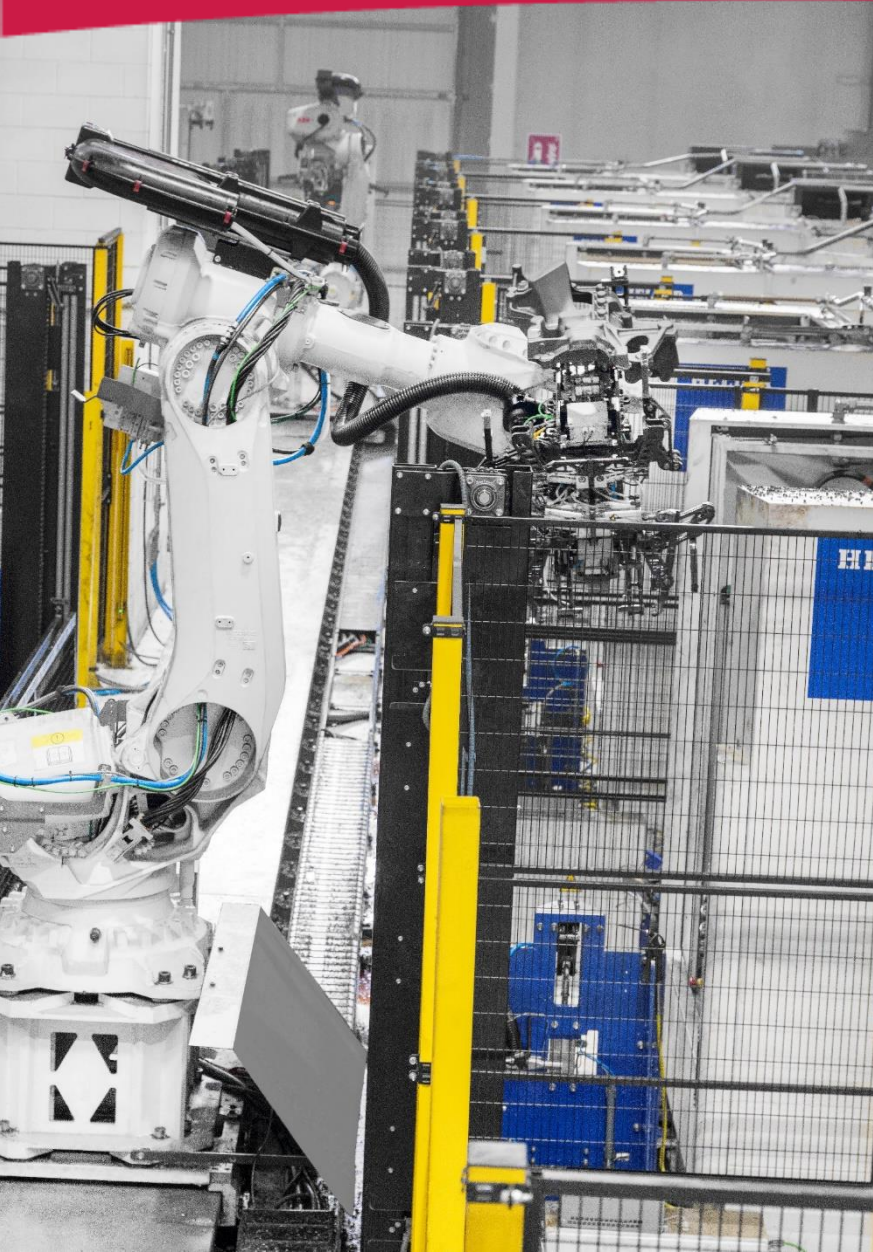


- Growth in Heavy Trucks and Electric vehicle platforms
- New processes and materials development
- Increase of high-complexity machining volume



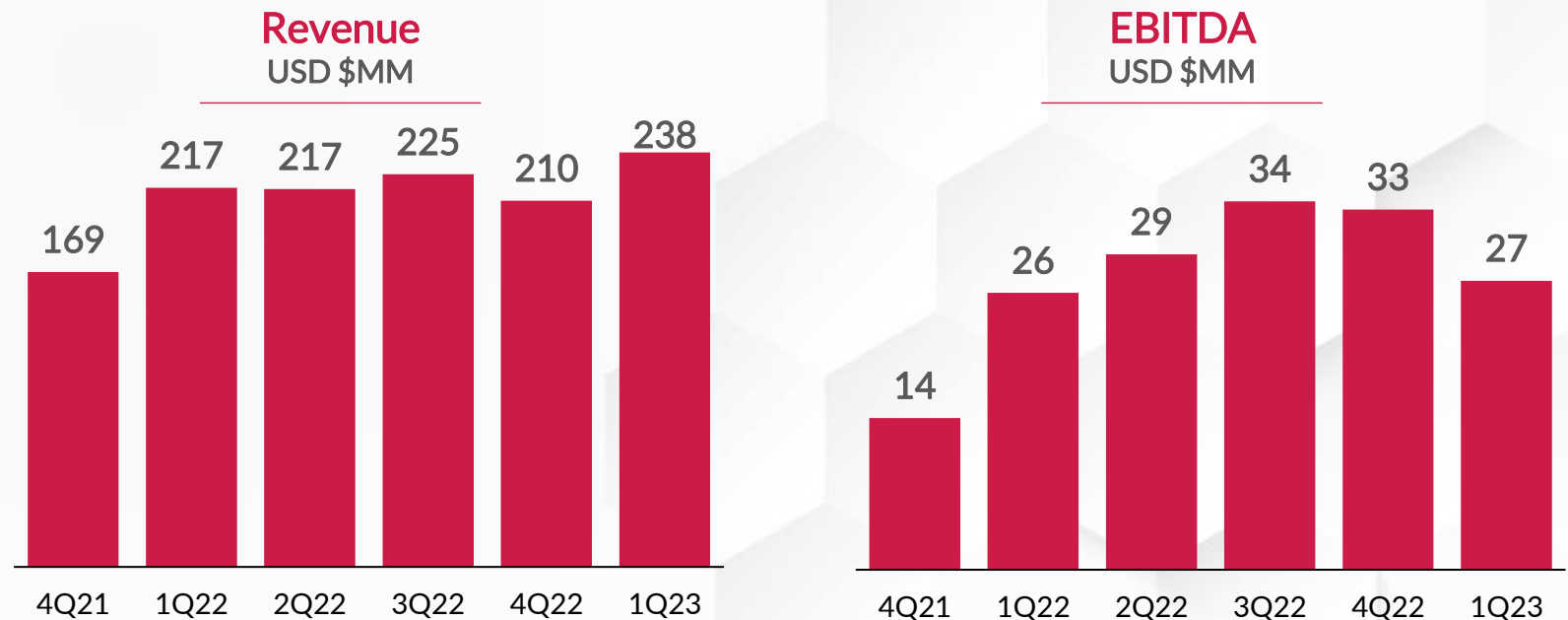
**GIS**

# Strong Fundamentals



Despite a slower vehicle production recovery, Draxton has achieved **volume growth** by capturing new programs. Revenue reflects the rise of raw material prices and energy

During 2022, the business was able to concrete **sequential profitability recovery** in every quarter. 1Q23 reflects impacts related to the launching of new products and new capacity SOP



# Nearshoring trend to boost Draxton's growth

**DRAXTON**<sup>®</sup>

## Mexico

- Mexico stands as US top auto part partner
- Expected to gain share from Europe and Asia
- OEMs and Tier 1 moving capacity to North America
- EV platforms tending to be more regionally integrated

## DRAXTON<sup>®</sup>

- Already capitalizing on nearshoring (record volumes)
- Capacity increase investments - prepared for growth
- Integrated higher value-added products that can travel more
- Long-lasting customer relationships

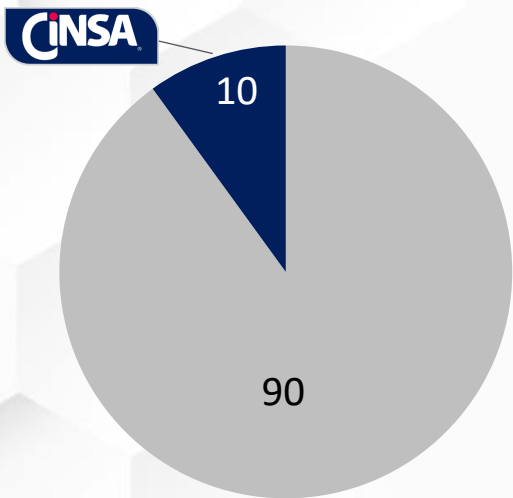


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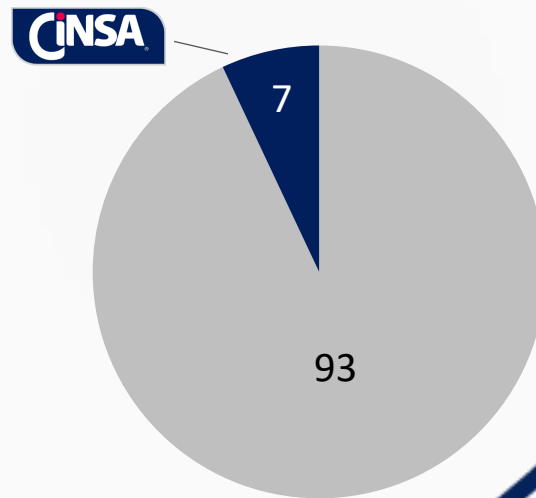


Key Player in the Mexican industry of **tableware and kitchenware**, dedicated to the design, production and market of a great variety of products

Revenue GIS %



EBITDA GIS



Figures L12M Mar-23

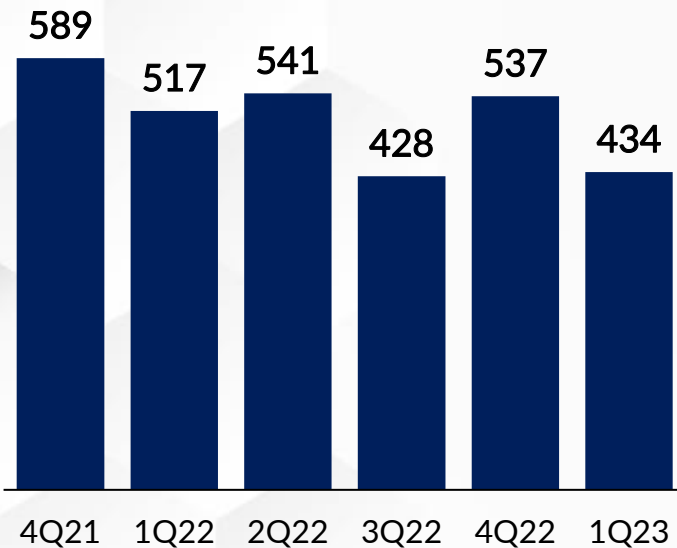


# Consumer focus drives results

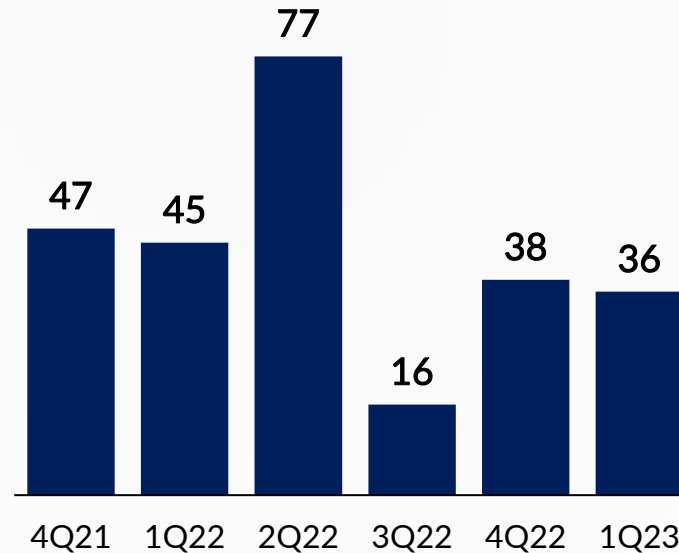


- Domestic and export demand has softened
- Efficiency and Productivity**, as well as product design, partially mitigate higher raw material costs
- Penetration of US Market** is a main goal for the business, as well as increasing e-commerce

**Revenue**  
MXN \$MM



**EBITDA**  
MXN \$MM





**GIS**®

**CONSOLIDATED  
FIGURES**

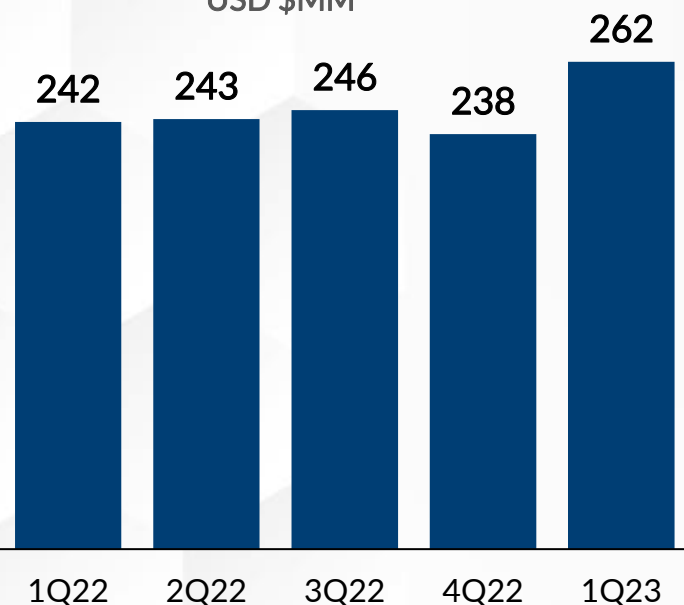


# Inflection point in profitability

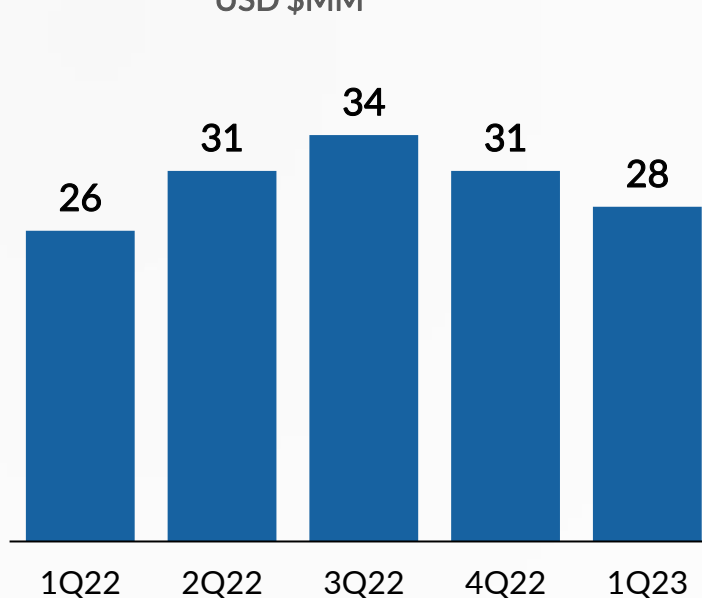


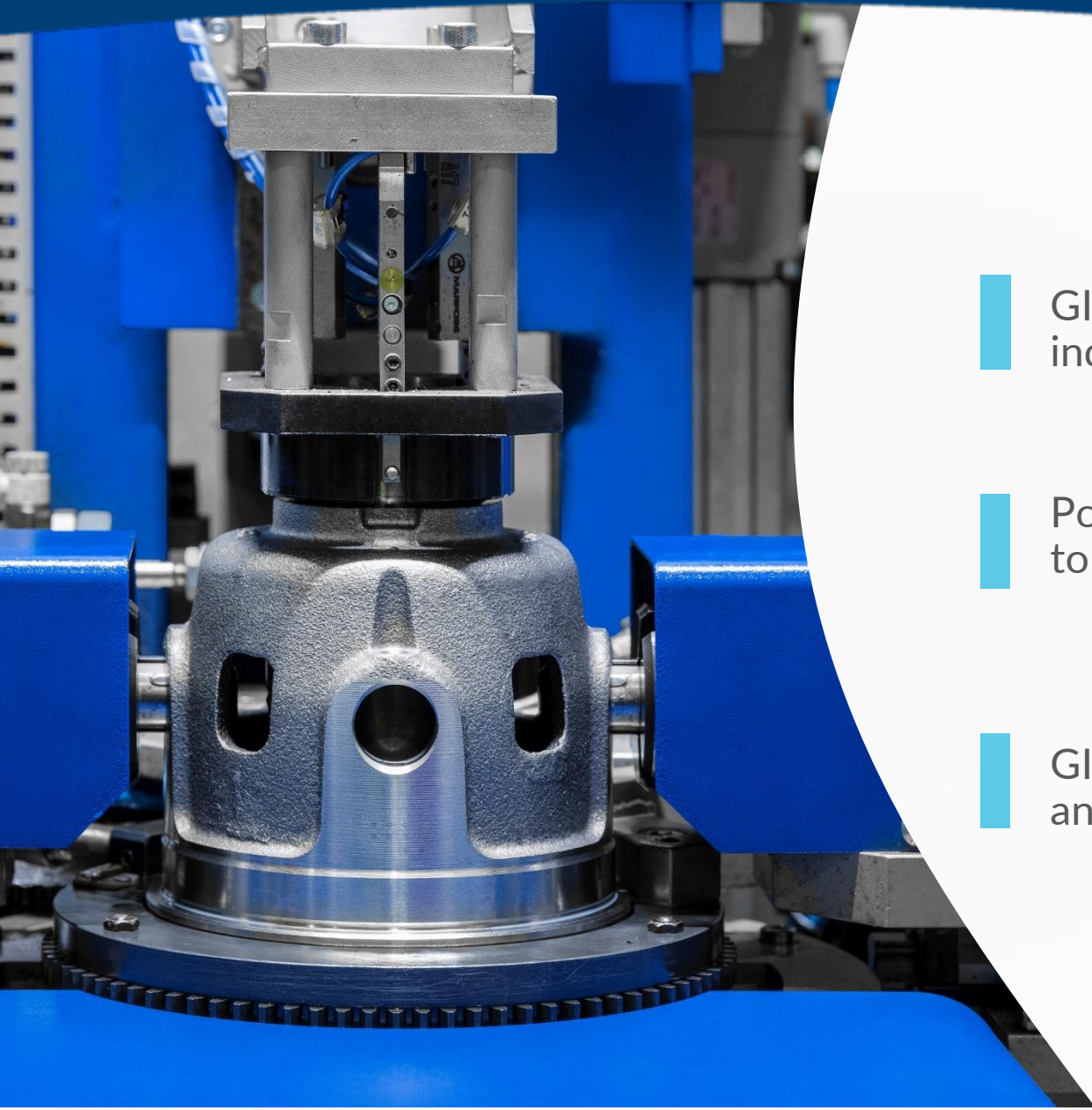
- Revenue reflects the effect of the increased cost of raw materials and higher volumes
- Higher volume in Draxton, as well as efficiency and productivity from Cinsa boosted profitability
- Upcoming normalization of vehicle production and SOP of casting capacity should further enhance volume growth in the next quarters

**Revenue**  
USD \$MM



**EBITDA**  
USD \$MM



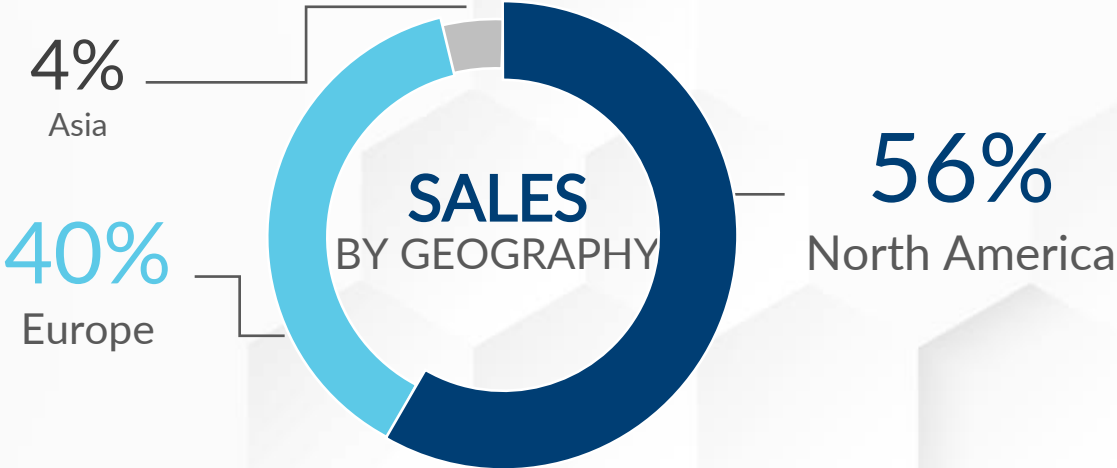
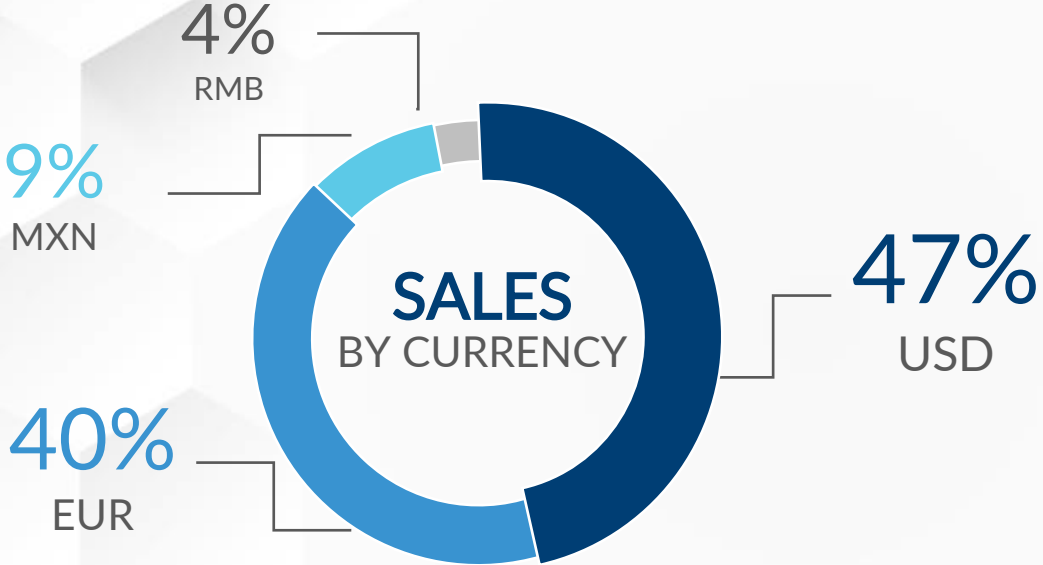


GIS has been enabling the Business Units to perform as independent structures

Post Vitromex's divestiture, GIS is evolving, basically, to a Pure-Player Business (Draxton)  
- Simplifying market valuation

GIS is pursuing synergies and savings in staff structure and processes  
- Mainly in current centralized processes

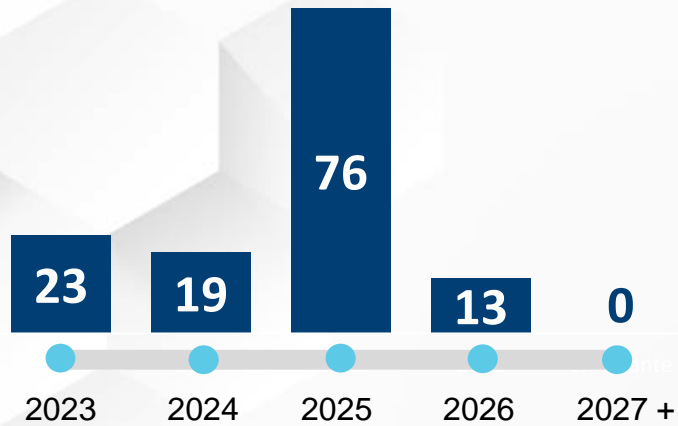
# GIS breakdown - post divestiture



# Strong financial position to pursue growth opportunities



### Maturity Profile (US \$M)



Low leverage level

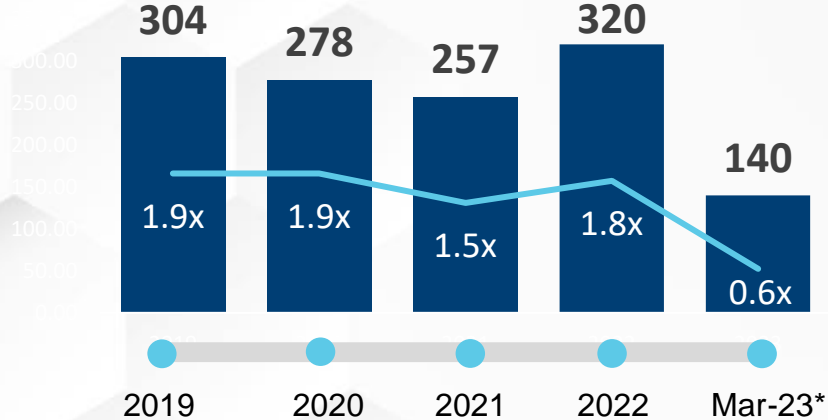


Balanced Maturity Profile



Over 80% cash flow generated in USD & EUR

### Leverage Ratio (US \$M)



■ Debt — Net Debt / EBITDA

*\*Pro forma figures including Dividend and Local Notes payments made in April*

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## ENVIRONMENTAL

- Carbon print reduction – Unified global strategy “Draxton Way”
- Focus on Clean Energy
- Most of Raw Materials used in production are 100% recycled and reused

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## SOCIAL

- Actions to improve Life Quality of our team and the society around us (Covid-19 process)
- GIS Foundation (Education)
- Integrity process throughout all the value chain (Code of Ethics)

G

## CORPORATE GOVERNANCE:

- 8/13 members of the Board are independent (2 women)
- Best Corporate Practices
- Three Committees Support the Board of Directors

Recent Analyst **Target Price** increases

**Active Buy-back** program

Dividend Yield: **4% - 5%** (L3Y)

Fitch ratify rating **“AA(mex)”**, with a Stable perspective.

Position 72 in **Liquidity Index** (M)





# GIS<sup>®</sup>

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