

Nemak reports EBITDA of US\$156 M in 4Q24

EBITDA growth of 21% y-o-y for the 4Q24, and 9% for FY2024

Monterrey, Mexico. February 19, 2025. Nemak, S.A.B. de C.V. (BMV: NEMAK) (“Nemak” or the “Company”) announced today its operating and financial results for the fourth quarter of 2024 (“4Q24”) and full-year 2024 (“FY2024”). The following is a summary of the key figures for the period:

	Fourth Quarter of:			Twelve months		
	2024	2023	Δ%	2024	2023	Δ%
Volume (M. Equivalent units)	9.0	9.7	(7.3)	39.5	42.0	(6.1)
Revenues	1,209	1,141	6.0	4,907	4,993	(1.7)
EBITDA ¹	156	128	21.2	633	578	9.4
CAPEX	109	155	NA ²	389	537	NA ²

US\$ Millions, except Volume

(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash Charges

(2) NA = Not applicable

Message from the CEO

Throughout 2024, we strategically adjusted our operations, prioritized margin recovery, and successfully concluded key commercial negotiations which enabled us to generate free cash flow and improve our leverage position. Despite a year-over-year volume decline, our EBITDA increased by 9% year-over-year (“y-o-y”), totaling US\$633 million.

The slower than expected adoption of electrification suggests an extended lifespan for traditional internal combustion engines (“ICE”). This evolving trend allows us to leverage our capabilities to adapt our product mix between the e-mobility, structure, and chassis applications (“EV/SC”) segment and ICE projects, ensuring we remain agile and responsive to market demands. Moreover, in 2024, we supplied our one-billionth powertrain component, a significant milestone in Nemak’s journey as a committed and innovative leader in the industry.

As we look ahead to 2025, we are well-prepared to navigate market volatility and continue creating value for our stakeholders through innovative solutions and strategic initiatives. Our focus will remain on adapting to changing market conditions, supporting our customers, and leveraging our advanced casting processes and global footprint to maintain our strong market position in the ICE powertrain segment. We will continue to capitalize on new opportunities in both ICE and EV/SC, ensuring sustainable long-term margins and growth. Our ability to pivot seamlessly between ICE and EV/SC projects highlights our flexibility and commitment to meeting the evolving needs of the automotive industry.

Recent Developments

- In FY2024, NemaK secured contracts worth approximately US\$460 million annually, with 80% allocated to the ICE powertrain segment and the remaining 20% to the EV/SC segment.
- During the year, the Company successfully concluded two debt transactions totaling US\$450 million, whose proceeds were used to refinance an equivalent amount of debt. Both transactions improve the debt profile and provide greater financial flexibility.
- NemaK was included in the Dow Jones Sustainability Indices for the sixth consecutive year, reinforcing its commitment to integrating sustainable practices into its strategy and operations.
- The Company expanded its participation in the Aluminum Stewardship Initiative by certifying six facilities under the Performance Standard in 2024 and obtaining Chain of Custody certification for two of them.

Automotive Industry

	Millions of Units Fourth Quarter			Millions of Units Twelve Months		
	2024	2023	% Var	2024	2023	% Var
US Vehicle Sales SAAR ⁽¹⁾⁽²⁾	16.5	15.6	5.7	16.0	15.6	2.7
North America Vehicle Production ⁽²⁾	3.6	3.8	(3.4)	15.5	15.7	(1.4)
North America NemaK Customer Production ⁽²⁾⁽³⁾	2.4	2.5	(4.0)	10.3	10.7	(3.7)
Europe Vehicles Sales SAAR ⁽¹⁾⁽²⁾⁽³⁾	16.2	16.4	(1.2)	16.1	15.9	1.5
Europe Vehicle Production ⁽²⁾⁽³⁾	3.8	4.3	(11.7)	15.6	16.7	(6.8)
Europe NemaK Customer Production ⁽²⁾⁽³⁾	3.4	3.9	(11.9)	14.2	15.2	(7.0)

(1) SAAR = Seasonally Adjusted Annual Rate

(2) Source: Industry Analyst and NemaK estimates

(3) Updated customer portfolio, 2023 figures restated

In 4Q24, U.S. light-vehicle SAAR reached 16.5 million units, 5.7% higher compared to the same period last year. FY2024 light-vehicle sales increased 2.7% year-over-year (“y-o-y”), totaling 16.0 million units. Consumer demand remained strong, supported by commercial incentives from OEMs and EV incentives from the US Government, despite the persistently high average transaction prices.

North American production for the fourth quarter declined by 3.4% y-o-y to 3.6 million units. This adjustment in output, intended to streamline inventories, effectively reduced stock levels from 56 to 46 days over the course of the year. Full-year production stood at 15.5 million units, down 1.4% from 2023, driven by the same factor, partially offset by steady consumer demand.

In Europe, 4Q24 light-vehicle SAAR dipped by 1.2% y-o-y to 16.2 million units, reflecting softer demand coupled with a challenging comparison to the previous year. Nonetheless, the region closed 2024 with seasonally adjusted sales totaling 16.1 million units, a 1.5% y-o-y increase, favored by stronger sales during the first half of the year.

Meanwhile, production in Europe fell 11.7% y-o-y to 3.8 million units in the quarter, driven by longer-than-usual production stoppages and lower export demand. For the full year, output reached 15.6 million units, 6.8% below last year, with headwinds intensifying in the latter part of 2024.

Financial Results Summary

	Fourth Quarter			Twelve months		
	2024	2023	Δ%	2024	2023	Δ%
Volume (M. Equivalent units)	9.0	9.7	(7.3)	39.5	42.0	(6.1)
Revenues	1,209	1,141	6.0	4,907	4,993	(1.7)
Operating Income	(39)	(13)	NA ²	145	177	(18.1)
EBITDA ¹	156	128	21.2	633	578	9.4
EBITDA ¹ / Eq. Unit	17.2	13.2	30.3	16.0	13.7	16.8
Net Income	(51)	(26)	NA ²	25	4	NA ²
CAPEX	109	155	NA ²	389	537	NA ²
Net Debt ³	1,532	1,556	NA ²			

US\$ Millions, except Volume and EBITDA / Eq. Unit

(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash Charges

(2) NA = Not applicable

(3) Net Debt = Total Debt - Total Cash

In 4Q24 and FY2024, volume decreased 7.3% and 6.1% y-o-y, respectively, primarily due to customers' inventory optimization strategies, customer plant stoppages in certain regions, and a slower-than-expected shift toward e-mobility.

Revenue for 4Q24 grew 6.0% y-o-y to US\$1.2 billion, driven by successful commercial negotiations, despite lower volume. Meanwhile, FY2024 revenue decreased by 1.7% y-o-y to US\$ 4.9 billion, reflecting the overall volume reduction, partially offset by re-pricing and under-utilized capacity compensation from customers.

EBITDA for 4Q24 rose by 21.2% y-o-y to US\$156 million. For the full year, EBITDA increased by 9.4% y-o-y, totaling US\$633 million, driven by cost-optimization measures, favorable contract negotiations, and the depreciation of the Mexican peso. This was reflected in the EBITDA per equivalent unit of US\$17.2 for the quarter, up 30.3% y-o-y, and US\$16.0 for the year, 16.8% above 2023's level.

Nemak recorded an operating loss of US\$39 million in the fourth quarter, compared to a US\$13 million loss in 4Q23. During the quarter, Nemak recorded the write-off of fixed and intangible assets in the amount of US\$80 million associated with the strategic adjustment in the EV/SC capacity. For FY2024, operating income totaled US\$145 million, down from US\$177 million in 2023, representing an 18.1% y-o-y decline, due to the same factor.

For 4Q24, the Company reported a net loss of US\$51 million, compared to a US\$26 million net loss in 4Q23. This was driven by the combined effects of lower operating income, higher financial expenses associated with the debt refinancing together with higher deferred taxes, which outweighed the favorable non-cash effect of foreign exchange gains. FY2024 net income closed at US\$25 million, up from US\$4 million in the previous year, supported by favorable foreign exchange effects, partially offset by higher income tax and increased financing expenses due to higher debt levels throughout the year.

Capital expenditure in 4Q24 totaled US\$109 million, 29.7% below US\$155 million in 4Q23. For FY2024, investments reached US\$389 million, 27.6% below US\$537 million in FY2023. The Company continues to recalibrate its investments, toward the demands of the market.

As of December 31, 2024, Nemak's Net Debt was US\$1.53 billion. The financial ratios were Net Debt to LTM EBITDA, 2.4 times; and Interest Coverage, 4.9 times. These ratios compare to 2.7 and 4.8 times, respectively, recorded at the end of 4Q23.

Regional Results

North America

In 4Q24, North America revenue rose by 15.4% y-o-y to US\$661 million. Although OEM production was lower, this was offset by commercial negotiations. EBITDA stood at US\$121 million, up from US\$56 million in 4Q23, further supported by these negotiations and the effect of the depreciation of the Mexican peso, despite lower volume.

Europe

In Europe, revenue decreased 7.7% y-o-y, totaling US\$391 million, mainly due to lower volume, partially offset by commercial negotiations. EBITDA was US\$19 million, down from US\$57 million in 4Q23, reflecting the impact of lower revenue and higher maintenance expenses, as well as the effect of a high comparable base last year, due to the timing of commercial negotiations.

Rest of the World

Revenue in the Rest of the World grew 8.8% y-o-y to US\$157 million, underpinned by higher sales and an enhanced product mix. EBITDA was US\$16 million, up from US\$15 million in 4Q23, supported by ongoing efficiency measures and improved product mix, as well.

Methodology for presentation of results

The report presents unaudited financial information. Figures are in US dollars, and financial ratios are calculated in the same currency. Due to rounding, minor differences may occur when calculating percent changes from one period to another.

Earnings webcast information

Nemak's 4Q24 Earnings Webcast will be held on Thursday, February 20, 2025, 12:00 p.m. Eastern Time (11:00 a.m. Mexico City Time). To participate, please join the [live webcast](#). Conference ID: 823 9344 7175. If you are unable to participate, the transcript and audio recording of the event will be available on Nemak's website. For more information, please visit <https://investors.nemak.com/>

Forward-looking statements

This report may contain certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to risks, uncertainty, and changes in circumstances, which may cause actual results, performance, or achievements to differ materially from anticipated results, performance, or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words "anticipate," "believe," "expect," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements. Nemak is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

About Nemak

Nemak is a leading provider of innovative lightweighting solutions for the global automotive industry, specializing in the development and manufacturing of aluminum components for e-mobility, structure & chassis, and ICE powertrain applications. In 2024, it generated revenue of US\$4.9 billion. For more information about Nemak, please visit nemak.com/

Nemak
Income Statement
Millions of Dollars

	For the fourth quarter of:			For the twelve months of:		
	2024	2023	% Var.	2024	2023	% Var.
Volume (million equivalent units)	9.0	9.7	(7.3)	39.5	42.0	(6.1)
Total revenues	1,209	1,141	6.0	4,907	4,993	(1.7)
Gross profit	121	94	28.7	580	537	8.0
Sales & administrative expenses	(86)	(86)	0.0	(352)	(344)	2.3
Other income (expenses) net	(75)	(21)	NA ²	(83)	(16)	NA ²
Operating Income	(39)	(13)	NA ²	145	177	(18.1)
Interest Expenses	(49)	(41)	19.2	(157)	(129)	21.7
Interest Income	1	2	(35.8)	27	7	NA ²
Foreign exchange gain (loss)	51	(29)	NA ²	38	(57)	NA ²
Financing expenses net	3	(68)	NA ²	(92)	(179)	(48.6)
Participation in associates results	1	(6)	NA ²	3	2	50.0
Income Tax	(16)	62	NA ²	(30)	3	NA ²
Net Income	(51)	(26)	98.1	25	4	NA ²

	2024	2023	% Var.	2024	2023	% Var.
Operating Income	(39)	(13)	NA ²	145	177	(18.1)
Depreciation, Amortization & Other Non-Cash items	195	141	38.3	487	402	21.1
EBITDA ¹	156	128	21.2	633	578	9.4
CAPEX	109	155	NA ²	389	537	NA ²

(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash items

(2) Not applicable

Nemak
Balance Sheet
Millions of Dollars

Assets	Dec-24	Dec-23	% Var
Cash and cash equivalents	342	323	5.9
Accounts receivable	579	606	(4.5)
Inventories	821	904	(9.2)
Other current assets	30	30	0.0
Total current assets	1,773	1,862	(4.8)
Investments in shares	27	26	3.8
Property, plant and equipment, net	2,814	2,868	(1.9)
Other assets	626	752	(16.8)
Total assets	5,240	5,508	(4.9)

Liabilities & stockholders' equity	Dec-24	Dec-23	% Var
Bank loans	69	264	NA ¹
Current maturities of long-term debt	33	57	(42.1)
Interest payable	11	11	0.0
Operating liabilities	1,542	1,655	(6.8)
Total current liabilities	1,655	1,987	(16.7)
Long-term debt	1,756	1,540	14.0
Labor liabilities	91	90	1.1
Other long term-liabilities	83	121	(31.4)
Total liabilities	3,585	3,738	(4.1)
Total stockholders' equity	1,656	1,770	(6.4)
Total liabilities & stockholders' equity	5,240	5,508	(4.9)

(1) Not applicable

Nemak Regional Results

Millions of Dollars

Volume (million equivalent units)	For the fourth quarter of:			For the twelve months of:		
	2024	2023	% Var.	2024	2023	% Var.
North America	4.7	5.1	(7.0)	20.1	22.7	(11.6)
Europe	2.8	3.4	(15.7)	13.4	13.9	(4.0)
Rest of World	1.5	1.3	12.6	6.0	5.4	11.9
Total	9.0	9.7	(7.3)	39.5	42.0	(6.1)

Total Revenues*	2024			2023		
	2024	2023	% Var.	2024	2023	% Var.
North America	661	572	15.4	2,581	2,714	(4.9)
Europe	391	424	(7.7)	1,693	1,702	(0.5)
Rest of World	157	144	8.8	632	578	9.5
Total	1,209	1,141	6.0	4,907	4,993	(1.7)

EBITDA ¹	2024			2023		
	2024	2023	% Var.	2024	2023	% Var.
North America	121	56	116.0	328	290	13.1
Europe	19	57	(66.6)	224	218	2.7
Rest of World	16	15	3.4	80	70	15.1
Total	156	128	21.2	633	578	9.4

EBITDA ¹ Margin in %	2024			2023		
	2024	2023	% Var.	2024	2023	% Var.
North America	18%	10%	87.2	13%	11%	18.9
Europe	5%	13%	(63.8)	13%	13%	3.3
Rest of World	10%	11%	(5.0)	13%	12%	5.1
Total	13%	11%	14.4	13%	12%	11.3

EBITDA ¹ USD/Equivalent units	2024			2023		
	2024	2023	% Var.	2024	2023	% Var.
North America	25.6	11.0	132.2	16.3	12.8	28.0
Europe	6.7	17.0	(60.4)	16.8	15.7	7.0
Rest of World	10.7	11.7	(8.2)	13.4	13.0	2.8
Total	17.2	13.2	30.3	16.0	13.7	16.8

(1) EBITDA = Operating Income + Depreciation, Amortization & other Non-Cash items

* To external customers