



Mexico Light Vehicle Sales Overview January 2022

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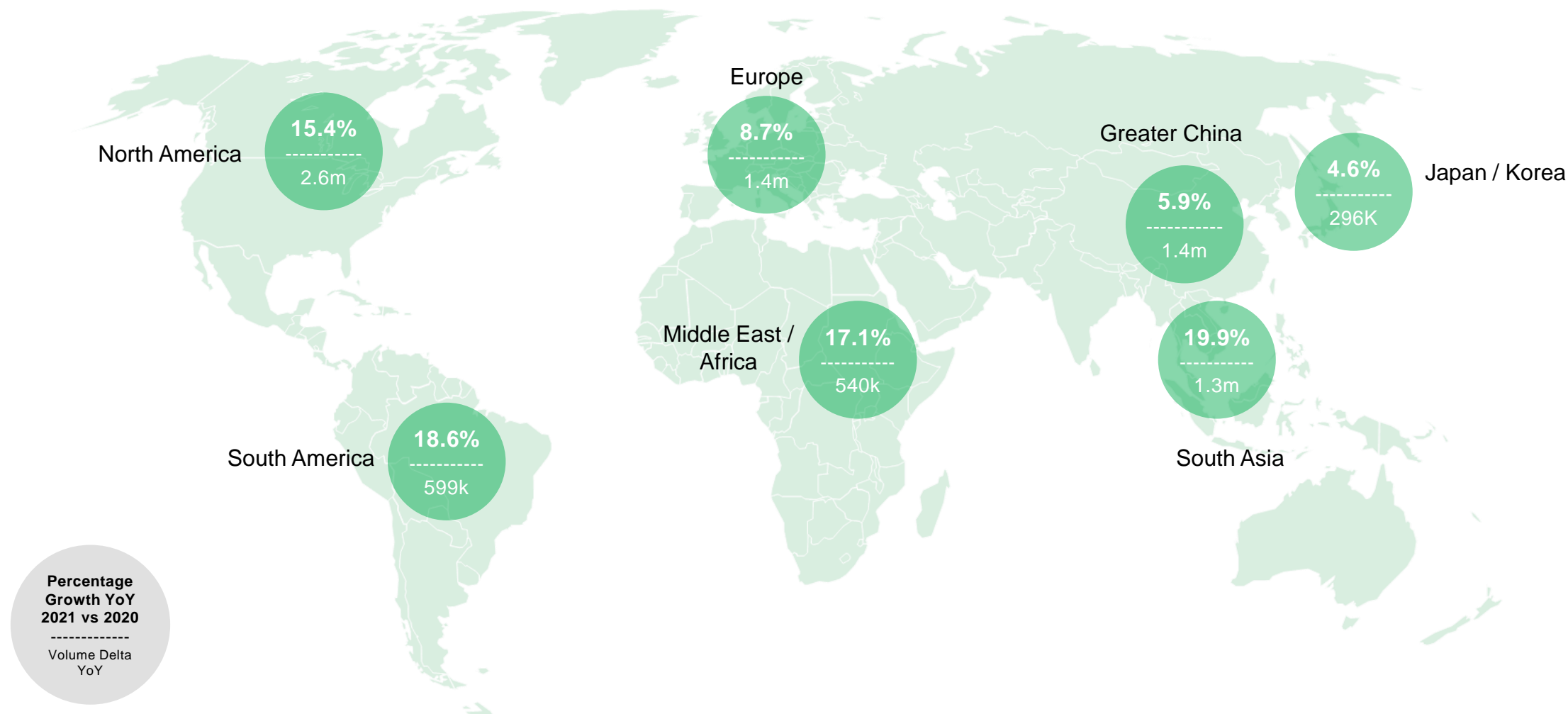
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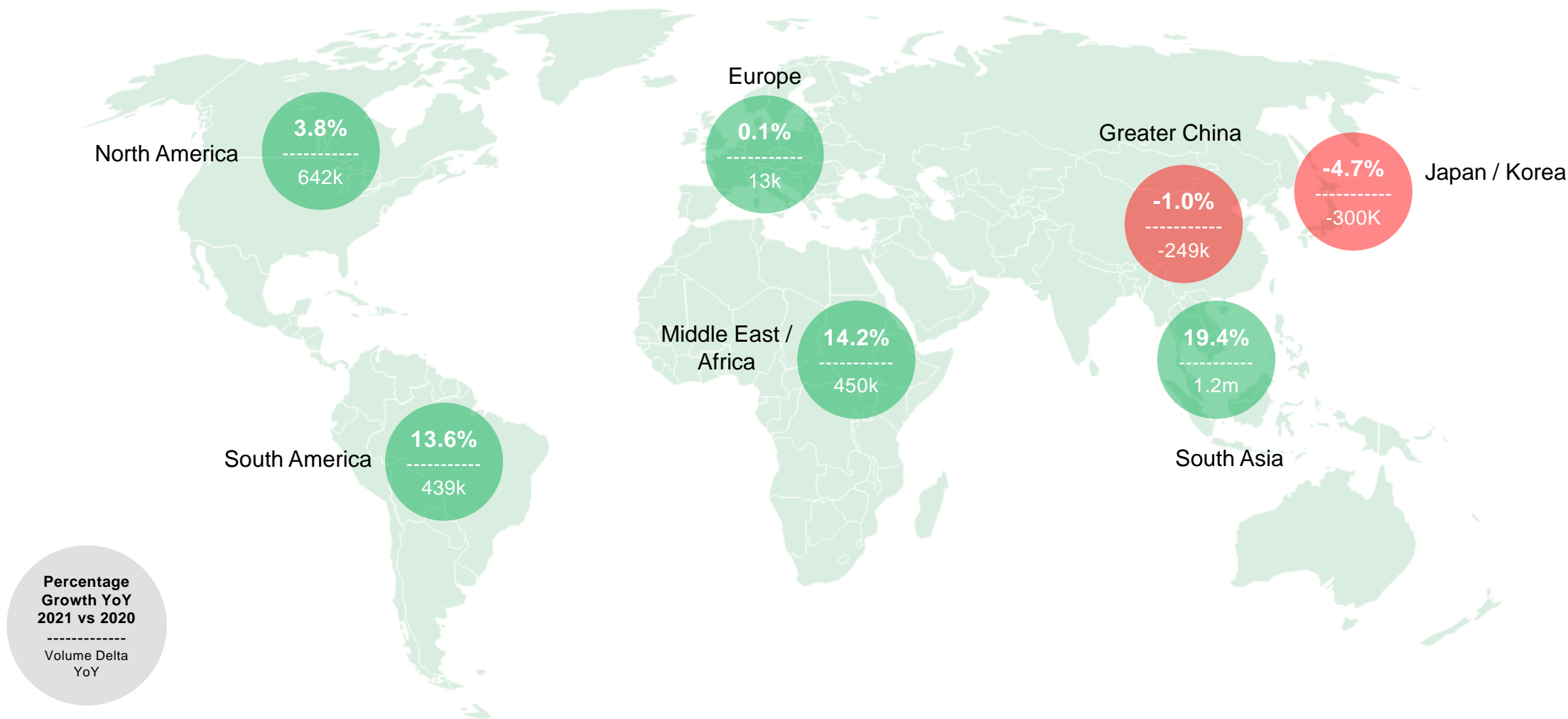
Global Sales Overview

Mixed 2021 recovery reflect supply chain pressures & prevailing virus circumstances



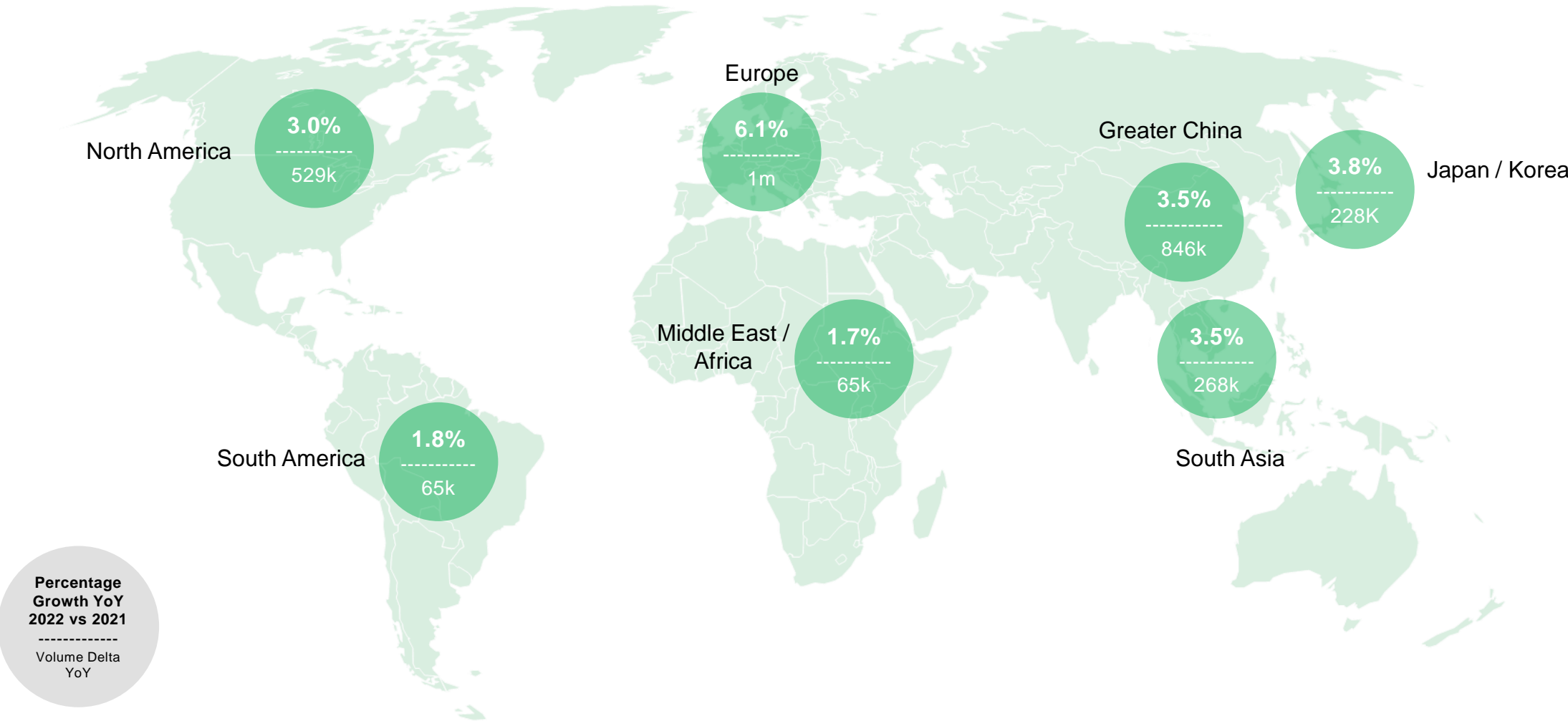
Global Sales Overview

Struggling vehicle output drags down demand recovery cycle



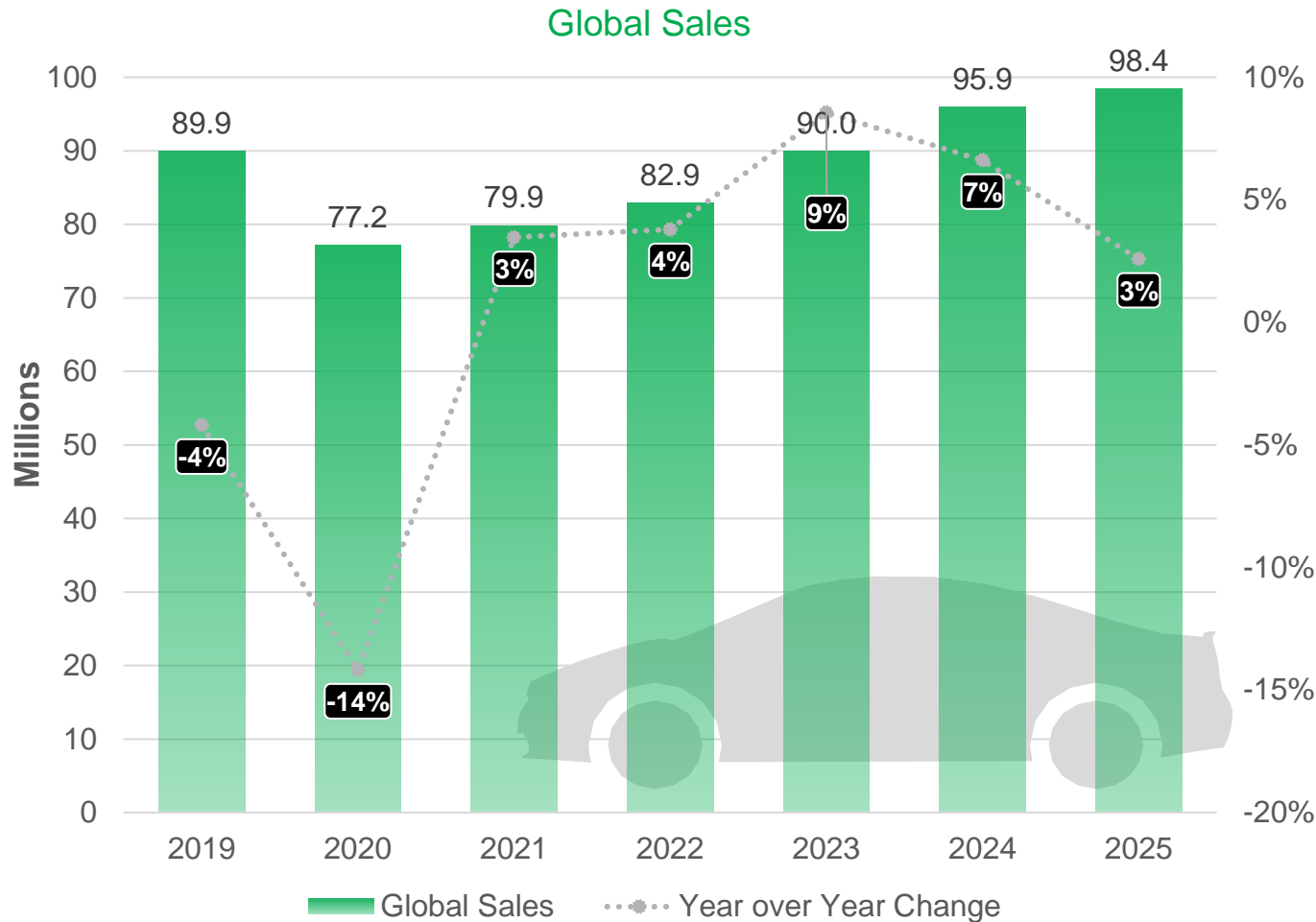
Global Sales Overview

Auto chip “famine” remains a major drag on vehicle supply/demand recovery



Global Sales Overview

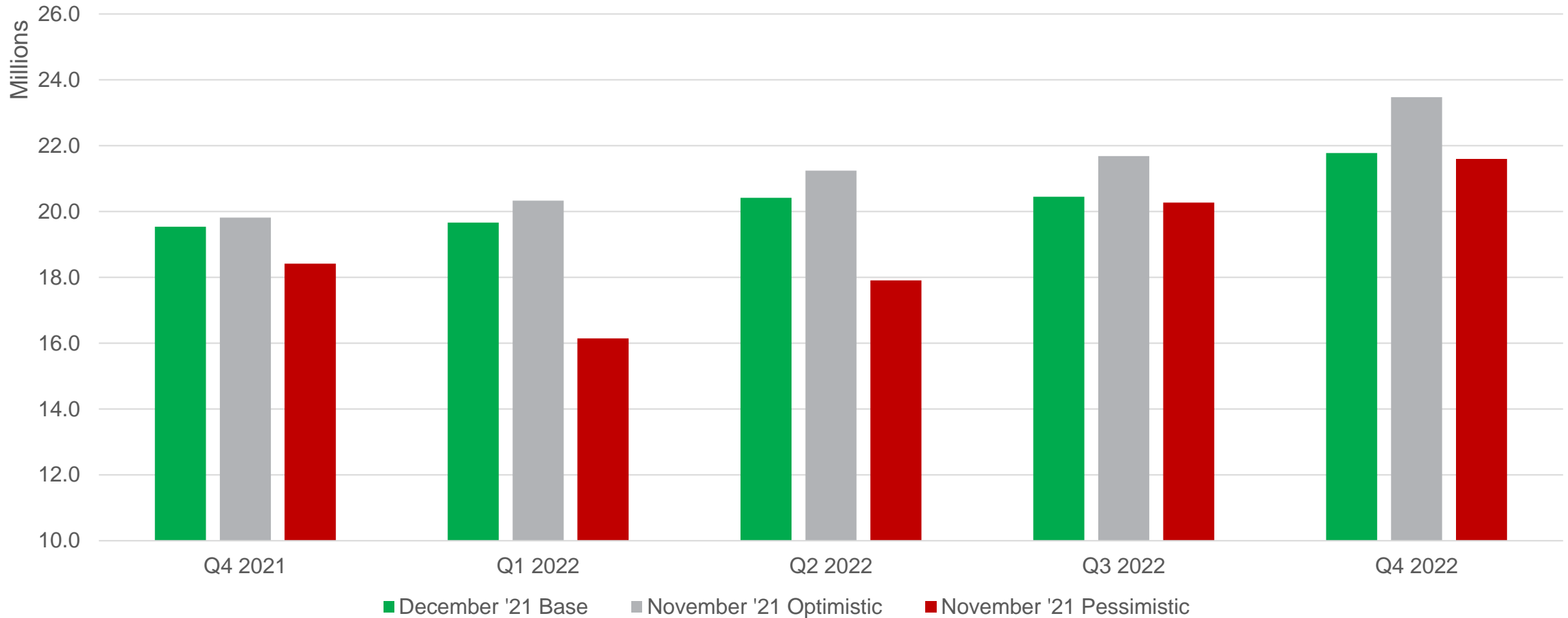
Supply-constrained outlook pervades into 2022



- ▲ Robust economic prospects reflect vaccine roll-outs but supply chain woes & fresh virus waves/restrictions threaten momentum
- ▲ Rapid Omicron spread dampens growth in early 2022, but a quick rebound is expected. Additional economic impacts would have to be very significant to lower demand below already-imposed supply constraints
- ▲ Pent-up demand building—esp. China, EU/UK & USA
- ▲ Path of the pandemic important driver of the economic cycle—many governments moving away from “zero-Covid” strategies.
- ▲ Vaccination programs should continue to improve population immunity levels for key markets, although winter COVID-19 infection spikes
- ▼ Forecast assumes pandemic-related disruptions & supply chain log jams remain for much of 2022
- ▼ Depressed vehicle output levels expected to impact vehicle lead times for some time, pressuring depleted inventory levels & delaying demand recovery
- ▼ Forecast re-profiled for 2022-24 (+490k for 2022 & -150k for 2023), in line with production adjustments.
- ▼ Inventory rebuilding deferred to 2023—“perfect storm” esp. chips & Omicron (some delayed/lost demand)
- ▼ Vaccine programs (esp. boosters) vital but virus waves, mutations & reluctance remain—wildcard risk of “vaccine/immunity escape” (Omicron TBD)

Quarterly November production scenarios (versus December base)

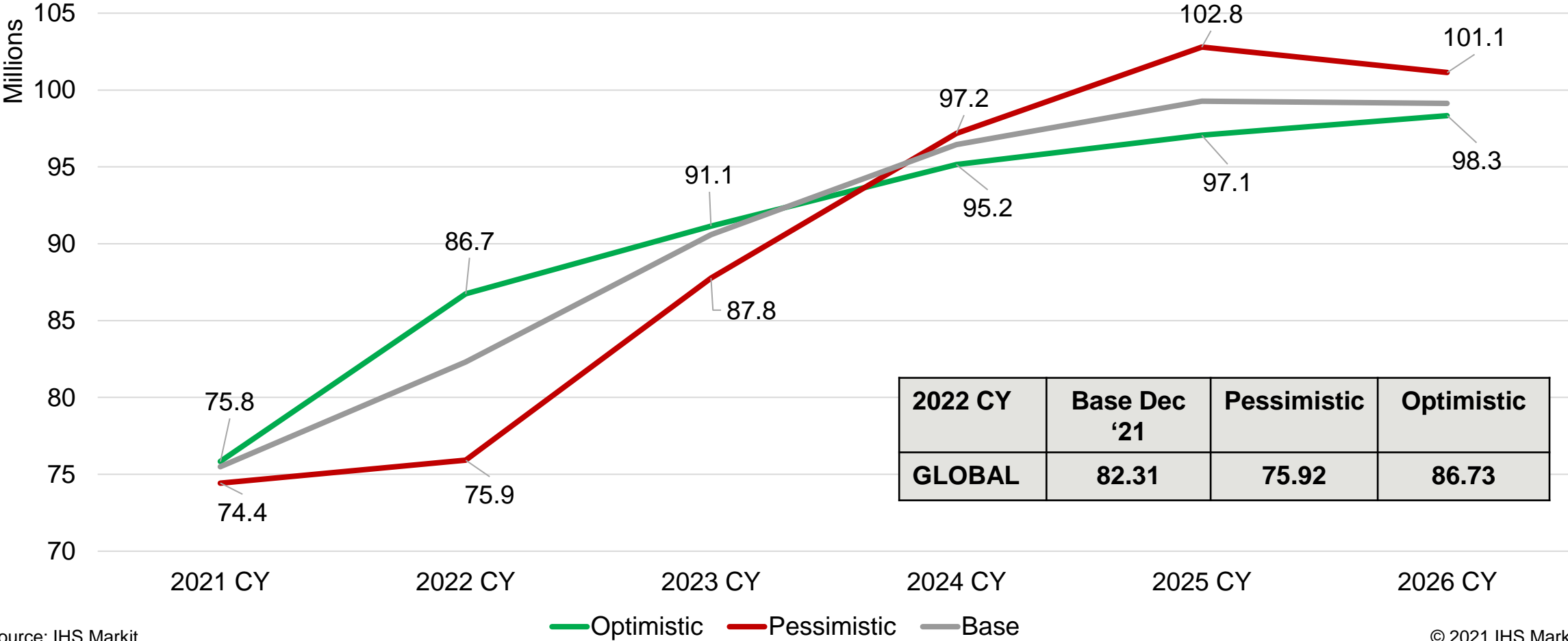
Greatest risk in pessimistic scenario would hit in Q1 2022 and spill over into Q2; optimistic scenario more linear improvement as less influenced by impact single events



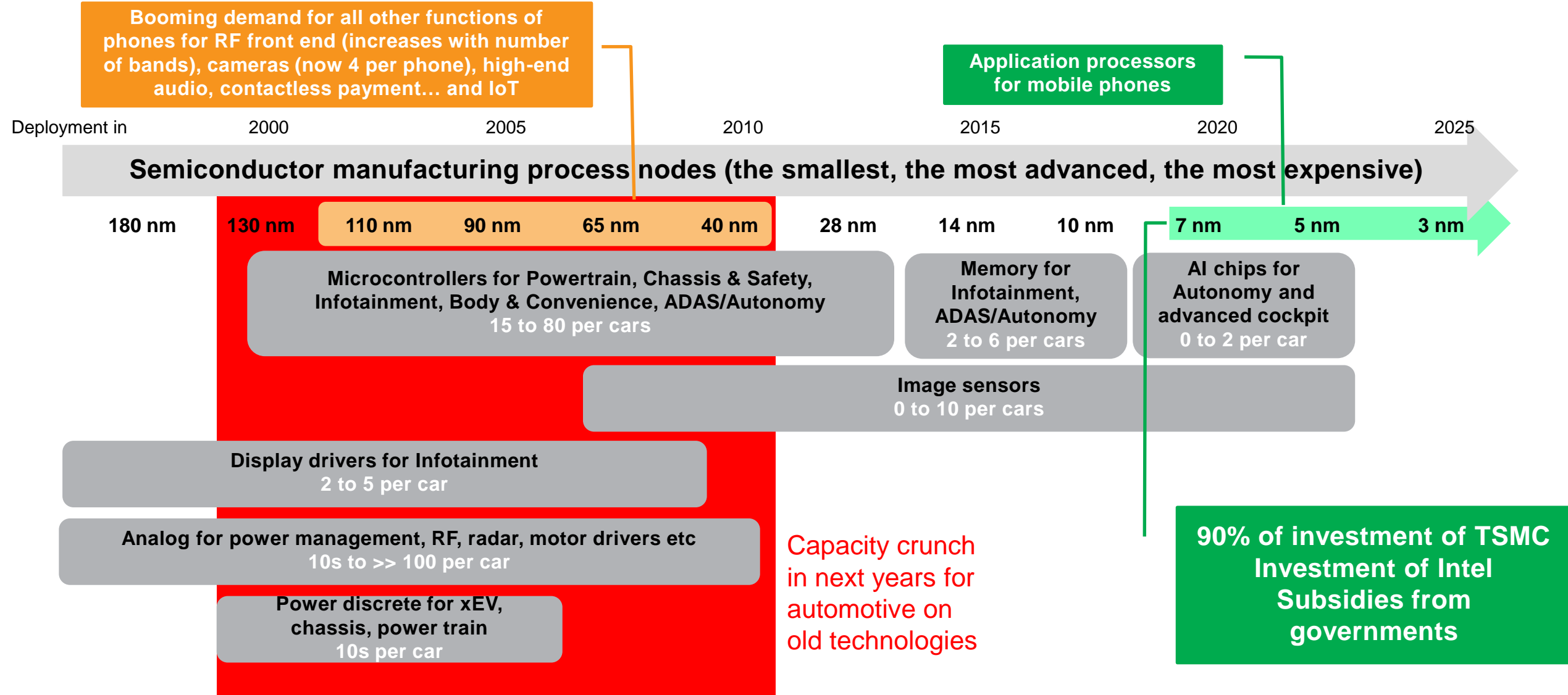
Production scenarios: November 2021, December revision to follow



2022 remains challenged, growth over 2021 expected with no repeat of external shocks but little gain in structural capacity, short term losses drive stronger gains once recovery embedded



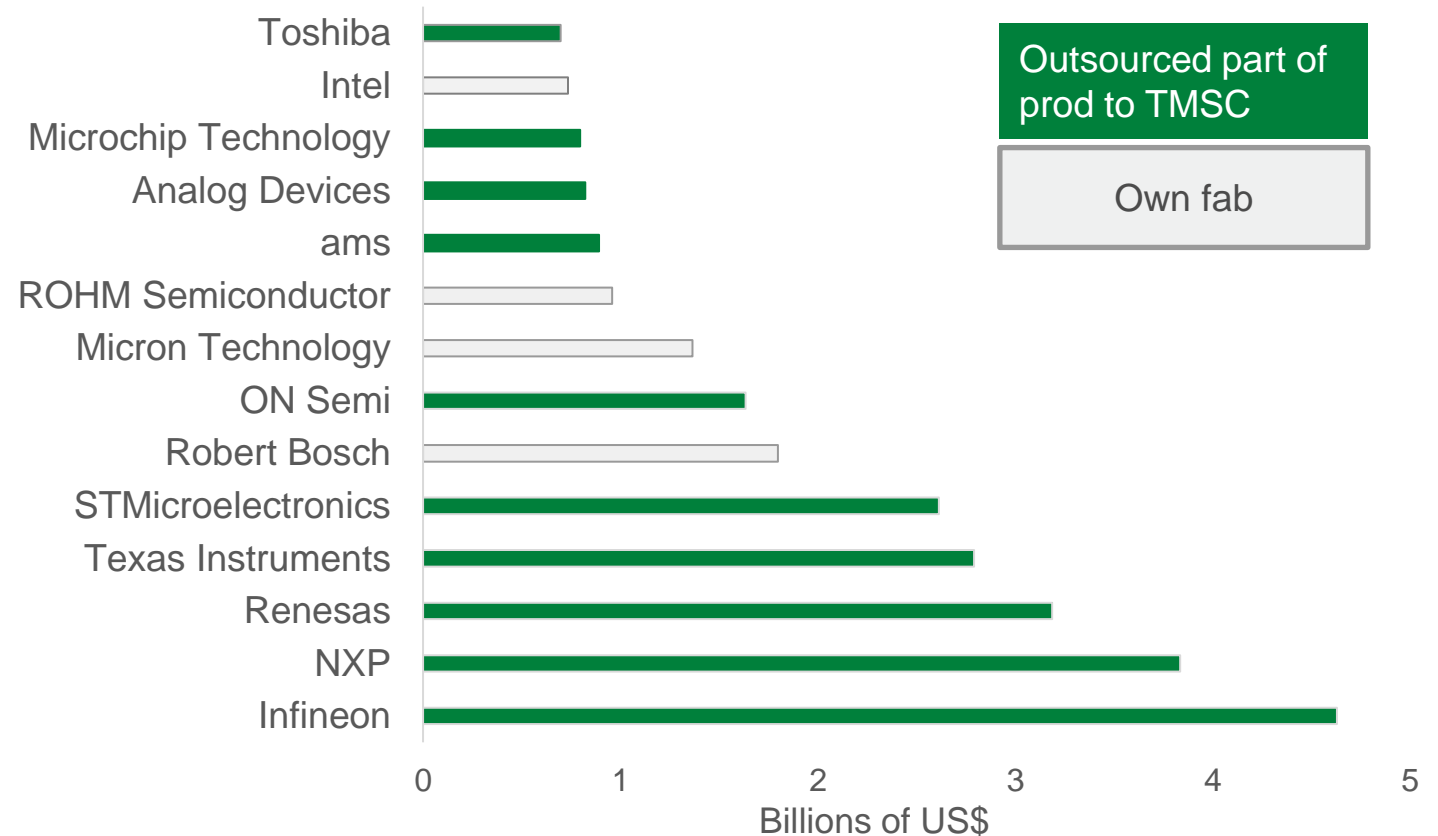
Automotive chip capacity crunch on old chip technologies beyond 2022



But industry missed 2) Increased dependence on TSMC

- Building and maintaining semiconductor fabs is expensive
- Trend to fab-light i.e. more outsourcing to “foundries” for contract manufacturing of wafers
- TSMC is #1 semiconductor foundry with ~56% share
- TSMC fabricates vast majority of processors and modems for mobile phones, processors for gaming, even now Intel’s processors

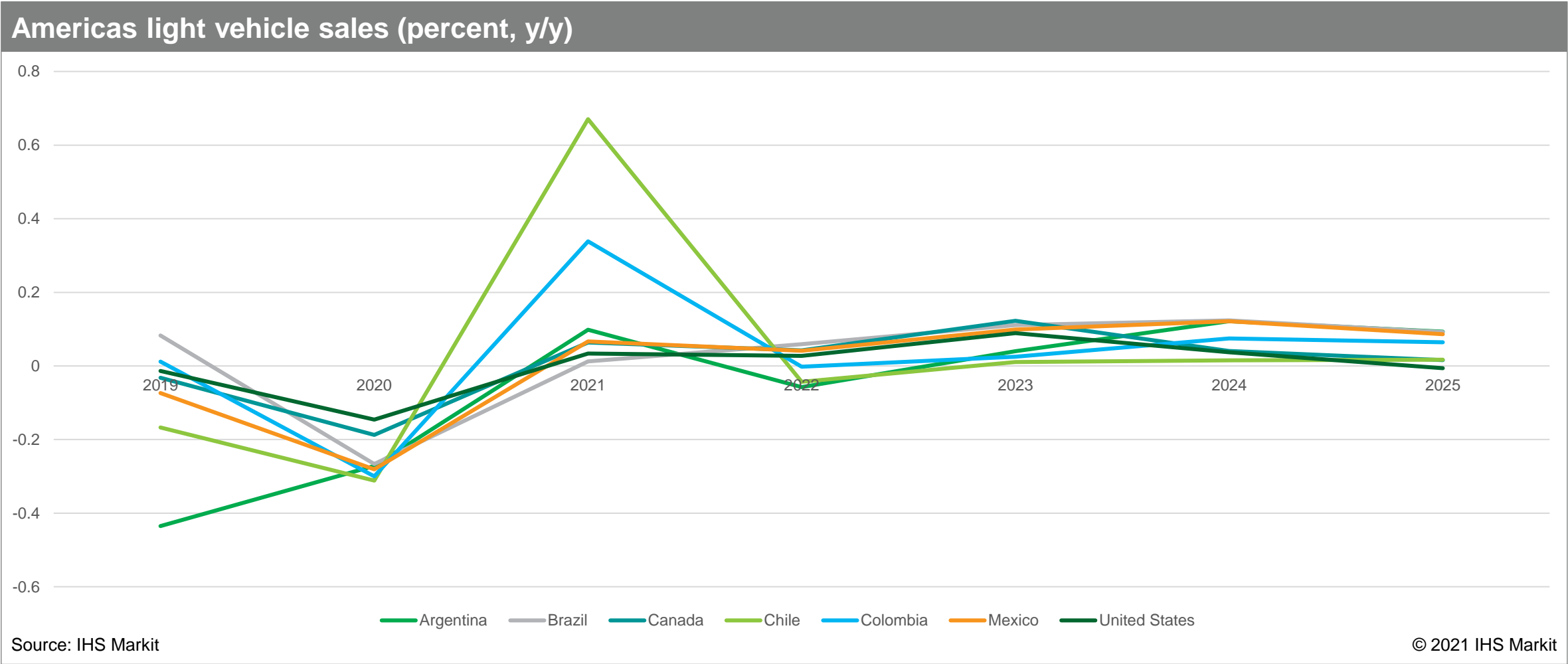
Top 15 car chip vendors in 2020 (70% of market)



Source: IHS Markit – E/E & Semiconductor service

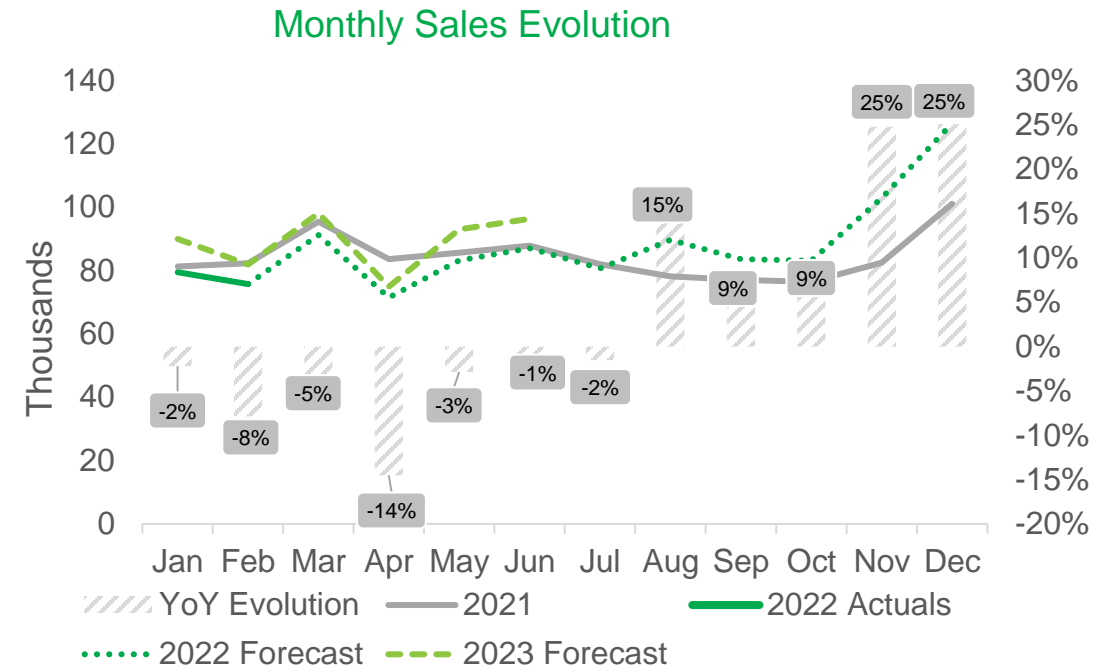
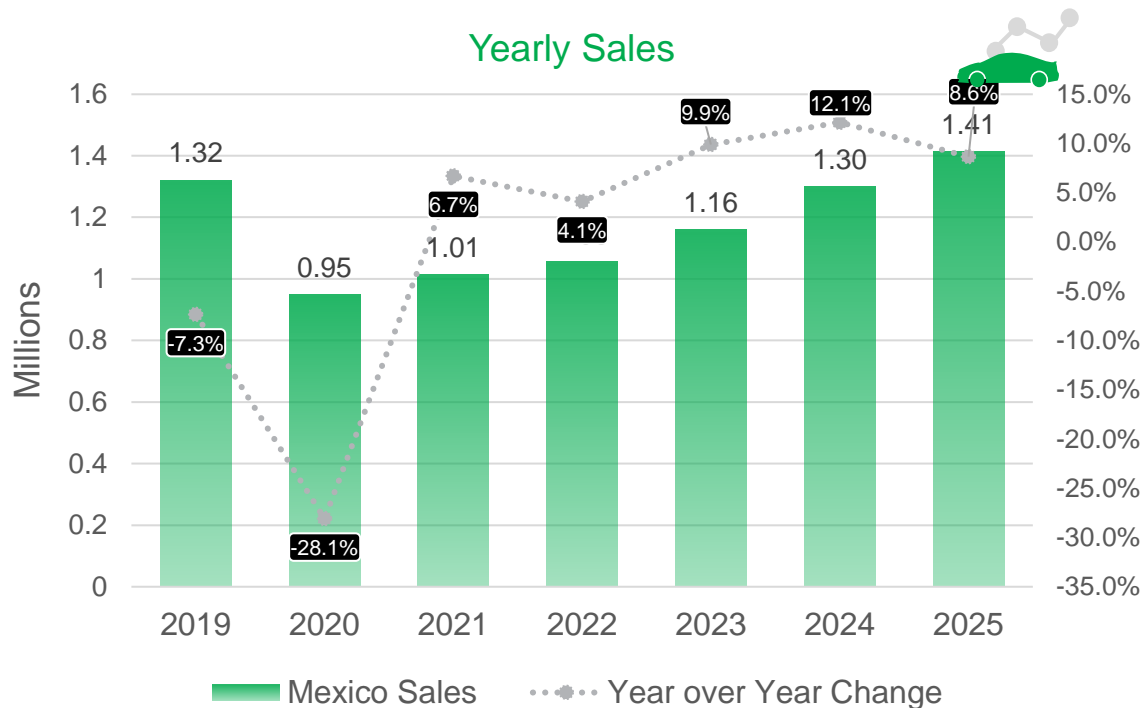
Light Vehicle Sales in South America

Impact was synchronized, recovery is NOT!



Mexico Sales Overview

December fares better than expected by nearly 10%



- ▲ OEMs continue to see strong (unsatisfied) consumer demand
- ▲ Consumer is resilient, we are seeing a strengthening of larger segments
- ▲ Economy is likely to get an additional second wind from robust US economic expansion as 70% relationship between both economies
- ▲ Chinese brands are gaining momentum due to product availability

- ▼ December SAAR came in at 850,000 units, second lowest of 2021
- ▼ Inventory constraint will likely limit sales in 2022
- ▼ Traditional brands are losing share due to lack of inventory
- ▼ Mix was strong in H1 '21 but was weakened in H2 '22 given lack of product
- ▼ Currency devaluation has pushed most vehicles north of 200,000 MXP
- ▼ Lack of Fiscal Stimulus program to restart the economy

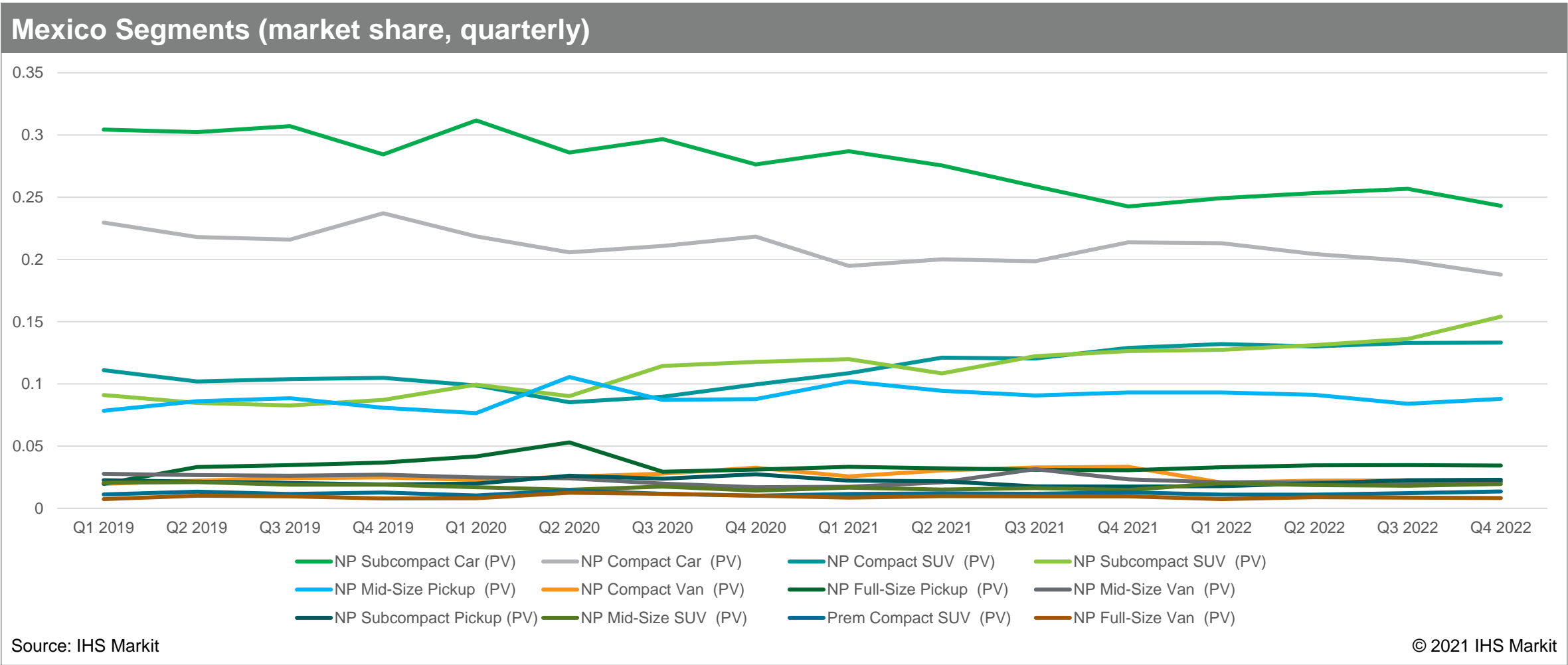
Mexico Light Vehicle Sales

	2021	2022 % 22/21	SAAR 2022	Dec F 2022	Days 21	Days 22	
Jan	81,203	80,741	-0.6%	1,020,197	80,741	20	21
Feb	82,323	77,796	-5.5%	1,021,365	77,796	19	19
Mar	95,487	92,683	-2.9%	1,022,753	92,683	22	22
Apr	83,612	72,823	-12.9%	1,036,452	72,823	20	19
May	85,662	80,450	-6.1%	1,038,526	80,450	21	21
Jun	87,088	88,087	1.1%	1,052,930	88,087	22	22
Jul	82,157	80,797	-1.7%	1,067,470	80,797	22	21
Aug	78,235	91,832	17.4%	1,069,879	91,832	22	23
Sep	76,930	86,953	13.0%	1,071,961	86,953	21	21
Oct	76,640	86,367	12.7%	1,073,672	86,367	21	21
Nov	82,829	104,974	26.7%	1,075,070	104,974	21	21
Dec	97,365	106,268	9.1%	1,076,249	106,268	23	21
Total	1,009,531	1,049,771	4.0%		1,049,771	254	252

	2020	2021% 21/20	SAAR 2021	Dec F 2020	Days 20	Days 21	
Jan	104,832	81,203	-22.5%	1,073,728	78,927	22	20
Feb	104,328	82,323	-21.1%	1,075,931	79,977	19	19
Mar	87,517	95,487	9.1%	1,055,559	95,093	21	22
Apr	34,903	83,612	139.6%	1,124,460	77,583	20	20
May	42,028	85,662	103.8%	1,103,544	81,832	20	21
Jun	62,837	87,088	38.6%	1,040,977	89,151	22	22
Jul	72,897	82,157	12.7%	1,038,062	85,059	23	22
Aug	77,092	78,235	1.5%	954,785	88,546	21	22
Sep	77,784	76,930	-1.1%	951,745	87,898	21	21
Oct	84,307	76,640	-9.1%	957,060	87,326	22	21
Nov	95,485	82,829	-13.3%	929,911	106,219	20	21
Dec	105,135	97,365	-7.4%	893,421	117,357	21	23
Total	949,145	1,009,531	6.4%		1,074,967	252	254

Mexico Sales Segments (local)

Segments will continue to reshape



Thank You! Muito Obrigado! Muchas Gracias!

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