

# Grupo México

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## 4Q 2020 Results

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January 25, 2021

# 4Q20 Highlights



## ▪ Commercial Highlights 4Q20 vs 4Q19

- ✓ Revenue decreased (7.6%). Mainly agricultural, where volume decreases relate to shifts in demand and externalities.
- ✓ GMXT continues to improve market share position in the relevant markets.

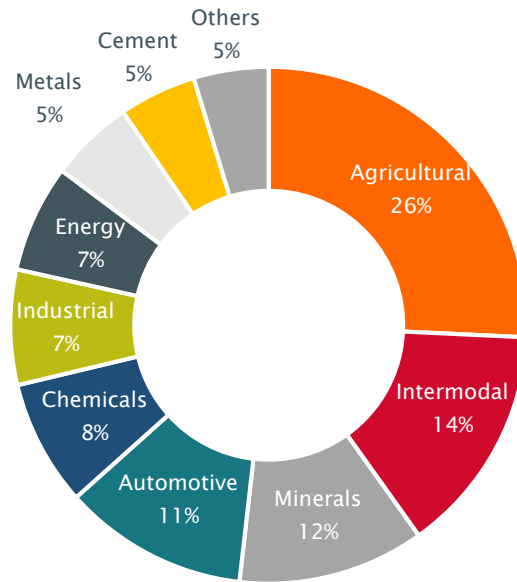
## ▪ Financial Highlights 4Q20 vs 4Q19

- ✓ EBITDA decreased (10.2%) to MXN\$4,824 million. For 2020, the cumulative EBITDA was MXN\$20,143 million with a margin of 43.7%, a decrease of (4.6%) vs 2019.
- ✓ Operating costs decreased (7.1%).
- ✓ The Board has approved a MXN\$30cts/share dividend.
- ✓ During 2020, 65.17 million shares have been repurchased at an average price per share of P\$25.16.

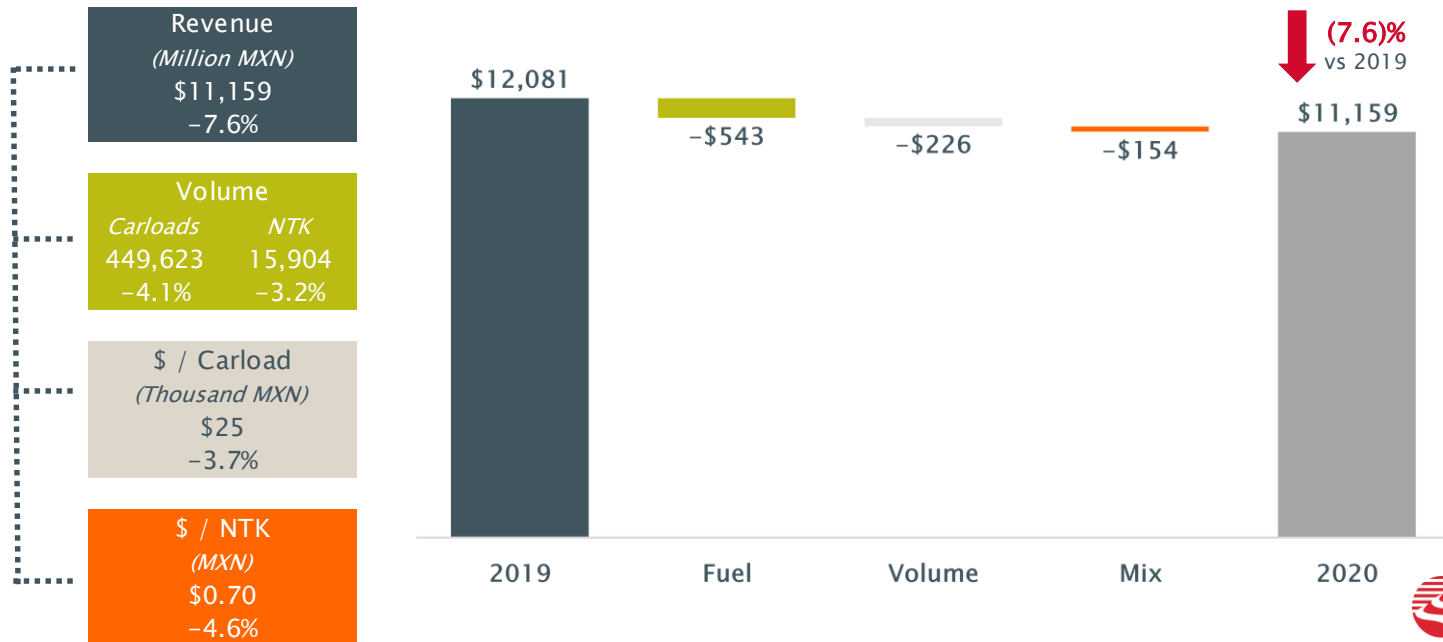
# Revenue 4Q20

Million MXN

## Revenue Mix



## 4Q20



Revenue  
(Million MXN)  
\$11,159  
-7.6%

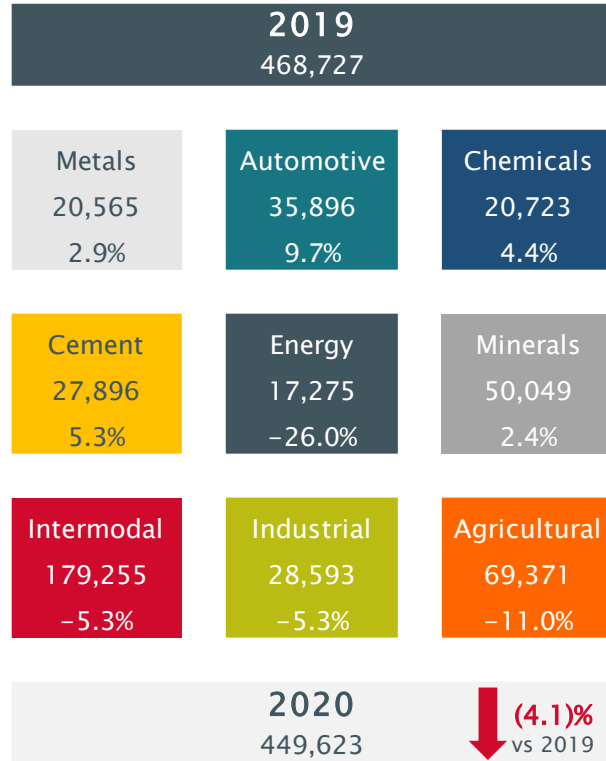
Volume  
Carloads    NTK  
449,623    15,904  
-4.1%      -3.2%

\$ / Carload  
(Thousand MXN)  
\$25  
-3.7%

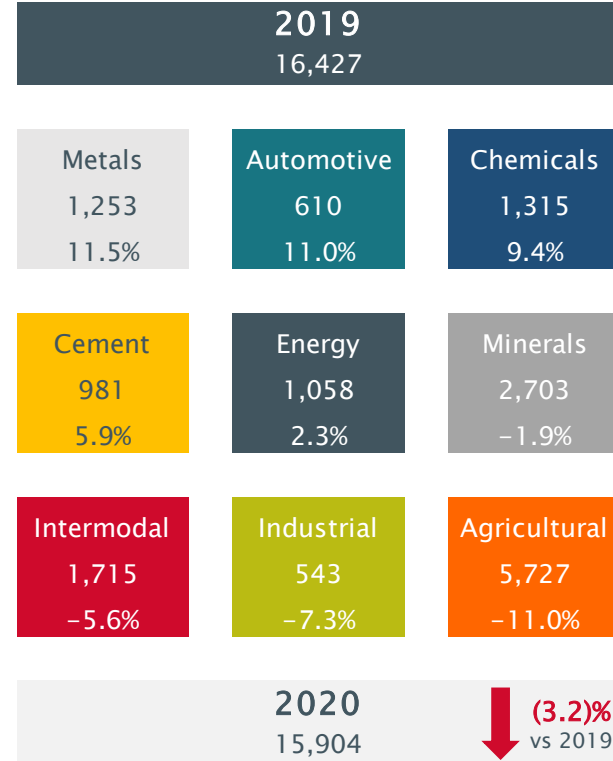
\$ / NTK  
(MXN)  
\$0.70  
-4.6%

# Volume 4Q 2020

## Carloads



## Net Ton KM (NTK)



# Main Variations

Revenue 4Q20

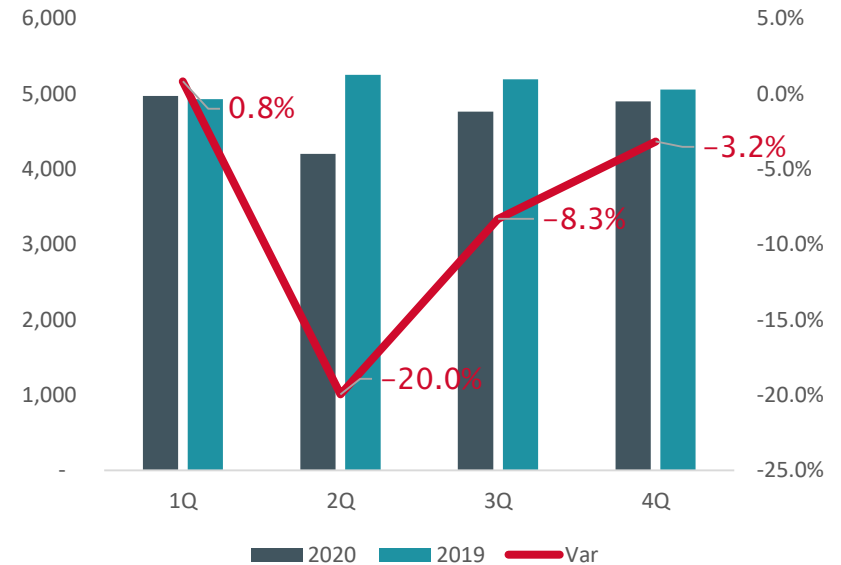
▲ % Revenue Growth

High	33%	13%	<b>Metals:</b> Inaugurated new routes of raw materials accompanied by market share increase.
		13%	<b>Chemicals:</b> Increased cross border volumes of chemical products where <b>COVID-19</b> had a positive impact on demand and we were succesful in gaining market share.
		11%	<b>Automotive:</b> Automotive industry came out of <b>COVID-19</b> with a catch-up effect as expected, accompanied by an increased market share on exports.
Medium	33%	6%	<b>Cement:</b> Operative efficiencies created additional capacity for truck to rail conversion.
		1%	<b>Minerals:</b> USA's market of construction aggregates continues to expand due to projects, offset by a temporary slowdown of some copper exports to asian markets during the 4 <sup>th</sup> quarter.
		1%	<b>Industrial:</b> Rapid recovery of beer industry from <b>COVID-19</b> negative effects, partially offset by a decrease of new railcars exports and scrap paper imports.
Negative	33%	-0.3%	<b>Intermodal:</b> 4th quarter US intermodal volumes show positive recovery from <b>COVID-19</b> , and MX is trending in the right direction although not yet fully recovered.
		-9%	<b>Energy:</b> Due to the shift in the international price of coal, domestic consumption shifted to local producers.
		-14%	<b>Agricultural:</b> Reduced inventory replenishment for corn and sorghum sourcing from imports due to higher prices, partially offset by local crops.

# Carloads daily average

GMXT 2020

GMXT	2020	2019	Var
1Q	5,135	4,995	2.8%
2Q	4,305	5,303	-18.8%
3Q	4,830	5,238	-7.8%
4Q	4,887	5,095	-4.1%
<b>TOTAL</b>	<b>4,790</b>	<b>5,172</b>	<b>-7.4%</b>



2020

Segment	2020				4Q 19	Var
	1Q	2Q	3Q	4Q		
Intermodal	2040	1,592	1,908	1,948	2,058	-5.3%
Agricultural	795	887	808	754	847	-11.0%
Minerals	578	541	518	544	531	2.4%
Automotive	378	121	362	390	356	9.7%
Industrial	346	298	338	311	328	-5.3%
Cement	302	272	290	303	288	5.3%
Chemicals	242	208	219	225	216	4.4%
Energy	230	202	209	188	254	-26.0%
Metals	223	182	177	224	217	2.9%
<b>Total</b>	<b>5,135</b>	<b>4,305</b>	<b>4,830</b>	<b>4,887</b>	<b>5,095</b>	<b>-4.1%</b>

Affected segments due to COVID-19 are showing positive signs of recovery.

# Financial Highlights

Million MXN

- Volume & Revenue:

- ✓ Revenue decreased (7.6%)

- ✓ Net Ton-Km down (3.2%)

- EBITDA:

- ✓ P\$4,824 million down (10.2%)

- Net Income:

- ✓ Decreased (19.8%)

- Earning per Share (EPS):

- ✓ Decreased (19.8%)

	4Q 2020	Cumulative 2020
Revenue	\$11,159 (7.6%)	\$46,106 (3.2%)
Operating Profit	\$3,062 (16.9%)	\$13,104 (3.9%)
EBITDA	\$4,824 (10.2%)	\$20,143 (4.6%)
Net Income	\$1,379 (19.8%)	\$5,910 (2.1%)
EPS	\$0.3363	\$1.4413

# Financial Breakdown

4Q20 vs 4Q19

Million MXN

## Cumulative YTD

Concept	GMXT		Variation	
	2020	2019	\$	%
<b>Revenues</b>	\$ 46,106	\$ 47,633	\$ (1,527)	(3.2)%
Operating cost	23,155	24,845	(1,690)	(6.8)%
Administrative expenses	2,949	2,753	196	7.1%
Other (income) expense	(141)	(320)	179	(55.9)%
<b>Total operating cost</b>	<b>\$ 25,963</b>	<b>\$ 27,278</b>	<b>\$ (1,315)</b>	<b>(4.8)%</b>
Adjustments	-	762	(762)	(100.0)%
<b>EBITDA</b>	<b>\$ 20,143</b>	<b>\$ 21,117</b>	<b>\$ (974)</b>	<b>(4.6)%</b>
EBITDA margin	<b>43.7%</b>	<b>44.3%</b>	<b>- 60 Bps</b>	
<b>EBITDA Excluding COVID</b>	<b>\$ 20,618</b>	<b>\$ 21,117</b>	<b>\$ (499)</b>	<b>(2.4)%</b>
EBITDA margin	<b>44.7%</b>	<b>44.3%</b>	<b>+ 40 Bps</b>	

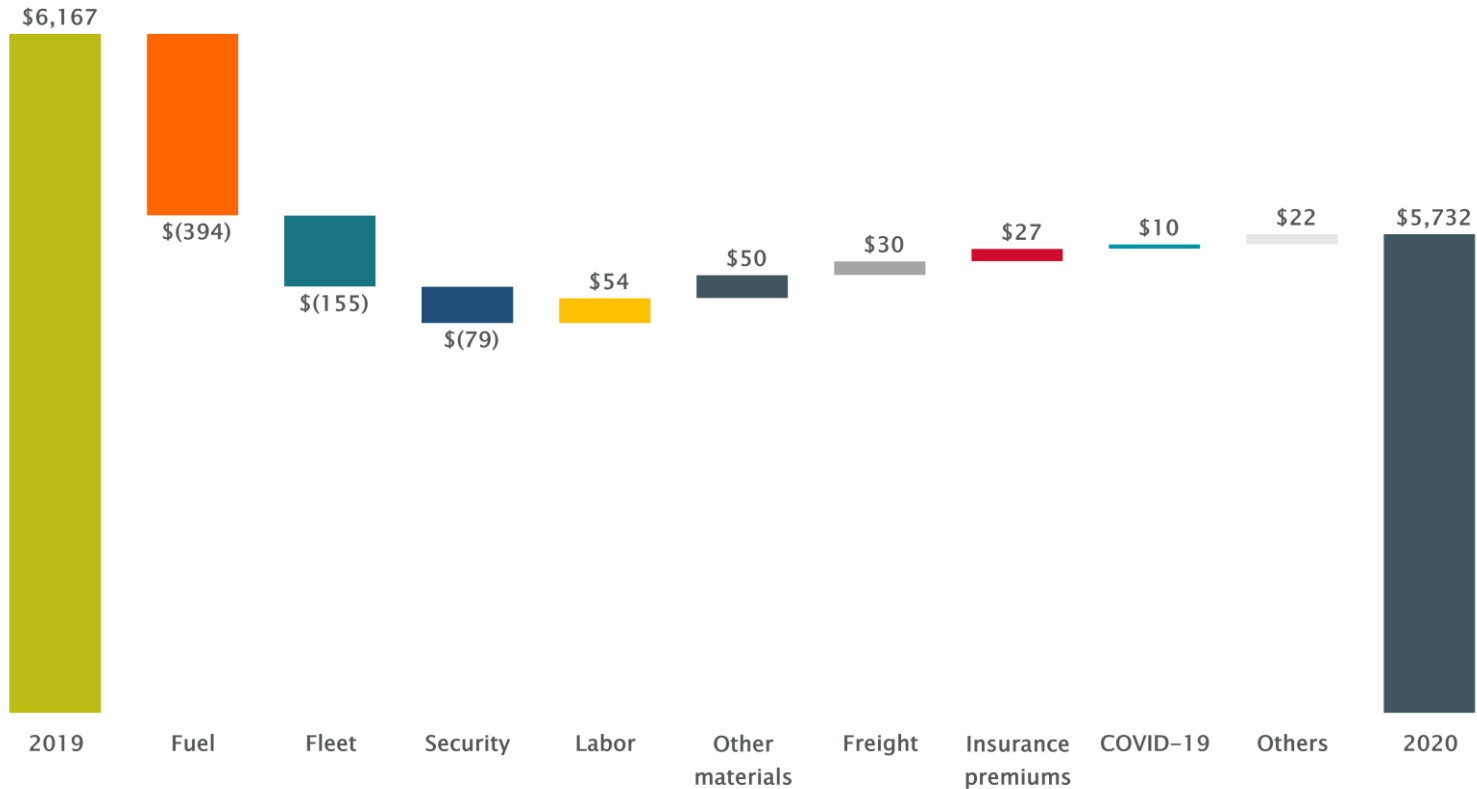
## 4<sup>th</sup> Quarter

Concept	GMXT		Variation	
	4Q 20	4Q 19	\$	%
<b>Revenues</b>	\$ 11,159	\$ 12,081	\$ (922)	(7.6)%
Operating cost	5,732	6,167	(435)	(7.1)%
Administrative expenses	600	772	(172)	(22.3)%
Other (income) expense	3	(231)	234	(101.3)%
<b>Total operating cost</b>	<b>\$ 6,335</b>	<b>\$ 6,708</b>	<b>\$ (373)</b>	<b>(5.6)%</b>
Adjustments	-	-	-	0.0%
<b>EBITDA</b>	<b>\$ 4,824</b>	<b>\$ 5,373</b>	<b>\$ (549)</b>	<b>(10.2)%</b>
EBITDA margin	<b>43.2%</b>	<b>44.5%</b>	<b>- 130 Bps</b>	
<b>EBITDA Excluding COVID</b>	<b>\$ 4,849</b>	<b>\$ 5,373</b>	<b>\$ (524)</b>	<b>(9.8)%</b>
EBITDA margin	<b>43.5%</b>	<b>44.5%</b>	<b>- 100 Bps</b>	



# Cost Breakdown

4Q20 vs 4Q19  
Million MXN



## Decrease:

- **Fuel:** Efficiency in volume and price
- **Fleet:** Operative efficiency

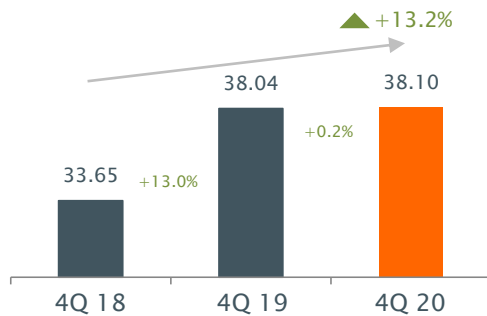
## Increase:

- **Labor:** One time expense reduction of 500 employees.
- **Freight:** Last mile.
- **COVID-19** cost, mainly salaries paid to vulnerable personnel, as well as in material and supplies for the use of its employees.

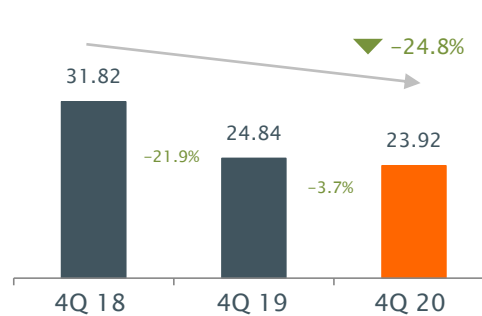
# Operating Metrics

4Q20 vs 4Q19 (Oct-Dec)  
Million MXN

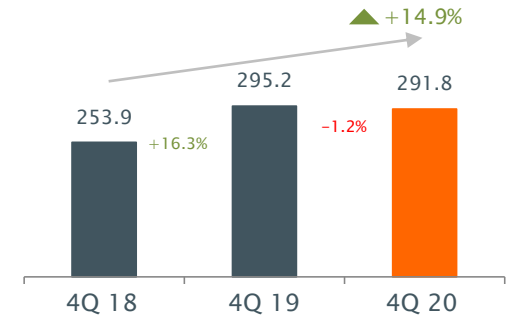
Average Train Speed  
(km/hr)



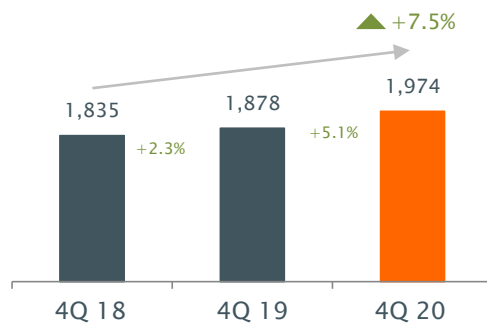
Dwell Time  
(hours)



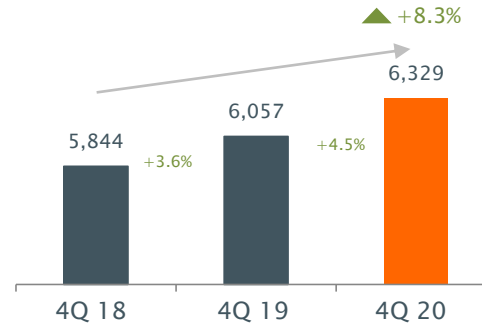
Cars Velocity  
(km/Day)



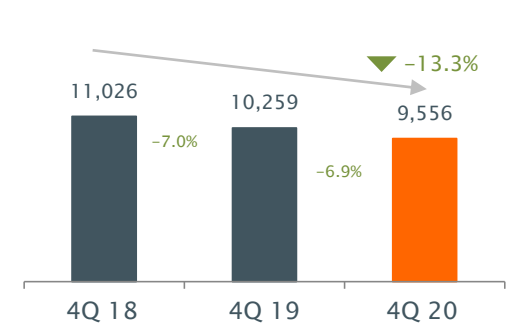
Average Train Length  
(Meters)



Gross Tons per Train  
(Tons)

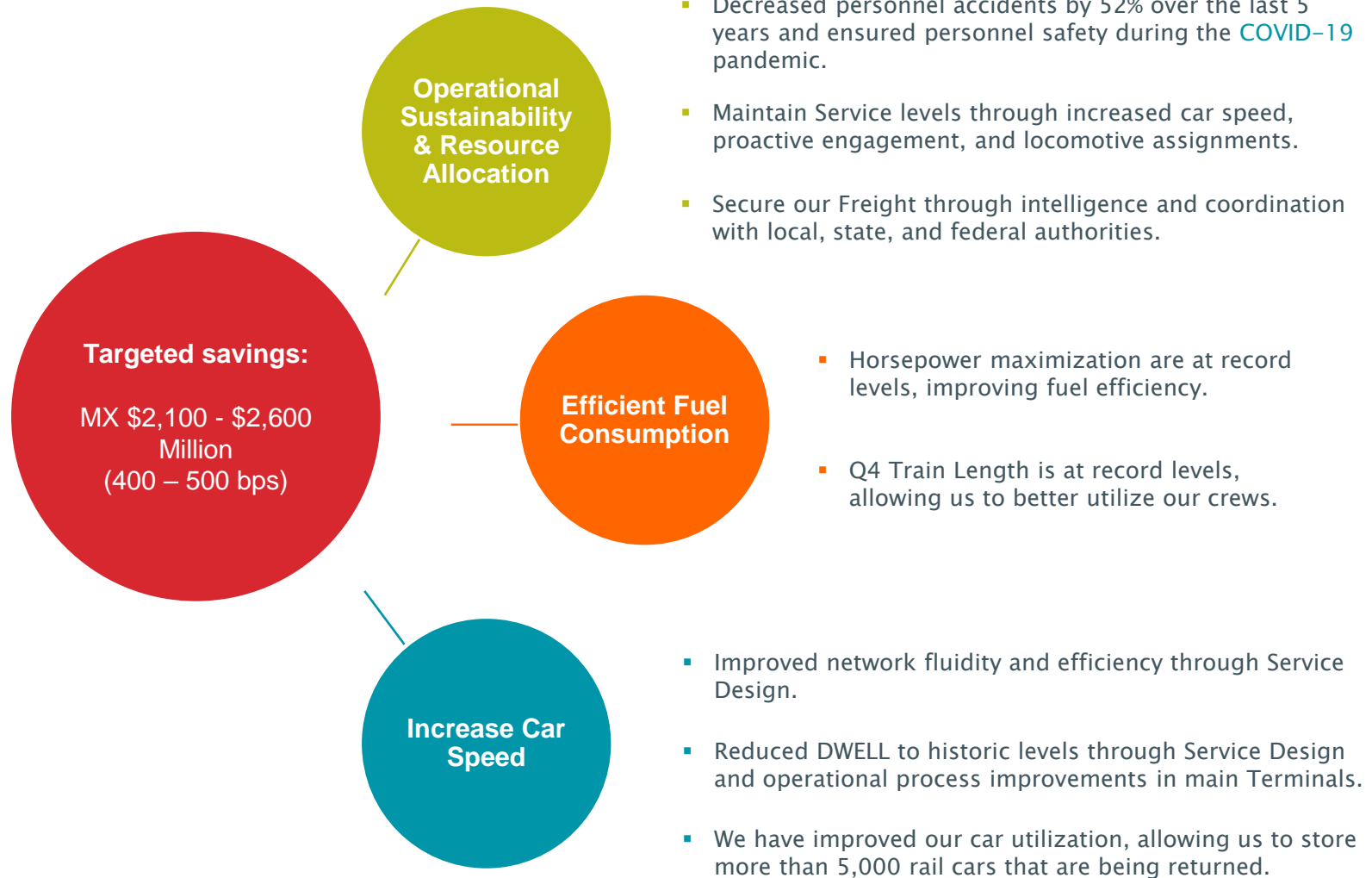


Crew Starts  
(average month)



# Productivity

Precision Scheduled Railroad



# CAPEX 2021

Million USD

Description	CAPEX 2021	Main Projects
MAINTENANCE	\$ 260.7	<ul style="list-style-type: none"> <li>New Rail &amp; Ties (1)</li> <li>Locomotive overhaul</li> <li>Rail maintenance</li> <li>Tools and equipment</li> <li>Bridges (2)</li> <li>Surfacing</li> <li>Track Equipment</li> </ul>
GROWTH	\$ 69.6	<ul style="list-style-type: none"> <li>M&amp;S Project's</li> <li>Intermodal Terminal (3)</li> <li>Refined Products Terminal (4)</li> <li>Celaya bypass (5)</li> <li>Monterrey bypass (6)</li> <li>Chihuahua -Ojinaga Corridor Rehabilitation (7)</li> </ul>
EFFICIENCY	\$ 28.0	<ul style="list-style-type: none"> <li>Construction and reconfiguration of yards</li> <li>Construction/extension of sidings</li> <li>LNG Locomotives conversion</li> <li>Transportation Management System</li> <li>Trip Optimizer Equipment</li> </ul>
	<b>\$ 358.3</b>	



# Outlook 2021

## Double-Digit Revenue Growth

(Millions of MXN)

