

# CORPORATE PRESENTATION

AS OF MARCH 2024

DEEPENING OUR  
TRANSFORMATIONAL  
PROCESS TO  
STRENGTHEN  
PERFORMANCE.



## MINING

- » **Juanicipio** increased its ore processing and mine production since its beneficiation plant was on start up during 1Q'23 and reached its nominal capacity in 4Q'23.
- » **Sabinas** faced a **technical stoppage** of twenty-three days, starting in mid-March, to modify the mining method in narrower veins **to reduce high dilution and improve productivity**.
- » The permit for explosives use was temporarily suspended at **Capela**, due to the investigation of a regrettable fatality. This impacted ore processing and quarterly production. The suspension was lifted in mid-March.
- » Gold production decreased primarily due to the lower volume of ore processed at **Herradura** and the mine closure plan at **Noche Buena**, partly mitigated by the increased contribution from Juanicipio.

## METALS

- » **Gold** production was negatively affected by Herradura and Noche Buena.
- » **Silver** and **lead** production increased due to the higher volume of concentrates and other materials processed in the smelter-refinery circuit.
- » In the **Zinc** plant, refined zinc output decreased because, as previously reported, the production capacity was limited from 350,000 to 270,000 tons per year to carry out necessary equipment repairs and correct design flaws in the expansion.

## CHEMICALS

- » The production of **sodium sulfate** decreased due to ongoing logistics problems in railway distribution.
- » **Magnesium oxide** production declined due to the economic slowdown in Europe and China, while **magnesium sulfate** was affected due to weak demand by the domestic agricultural sector and strong competition from Chinese products.
- » The by-product **ammonium sulfate** decreased production. Given the high cost of ammonia and low price of this fertilizer, we have implemented strategies to substitute its production with more profitable options.



# KEY FINANCIAL METRICS



## SALES

US\$ 1,396.5 mm  
1Q'24

US\$ 5,912.4 mm  
LTM

## EBITDA

US\$ 196.6 mm  
1Q'24

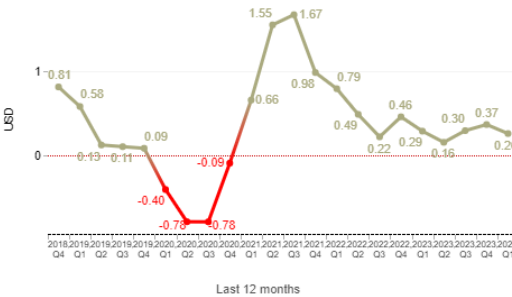
US\$ 713.5 mm  
LTM

## Cash Flow from Operations

US\$ 120.9 mm  
1Q'24

US\$ 639.8 mm  
LTM

## EPS



## DEBT RATIOS

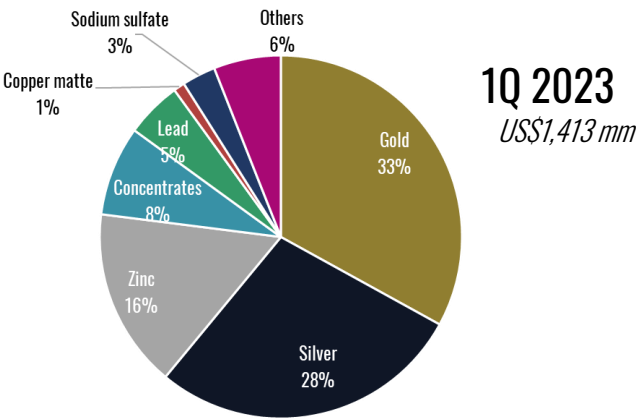
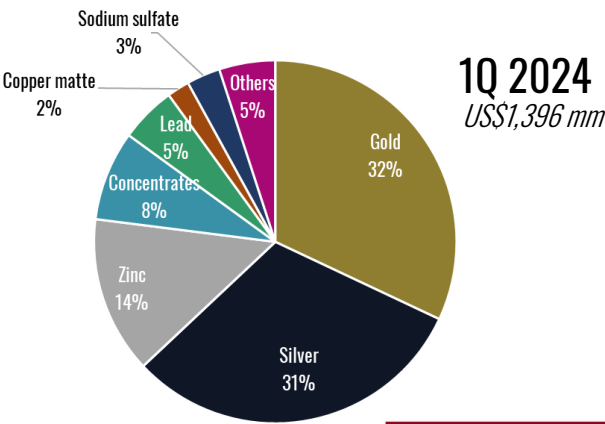
~ 2.4 x Net Leverage Ratio<sup>1</sup>

~ 4.2 x Coverage Ratio<sup>2</sup>

## P/BV



## REVENUE BY PRODUCT AND MARKET<sup>3</sup>

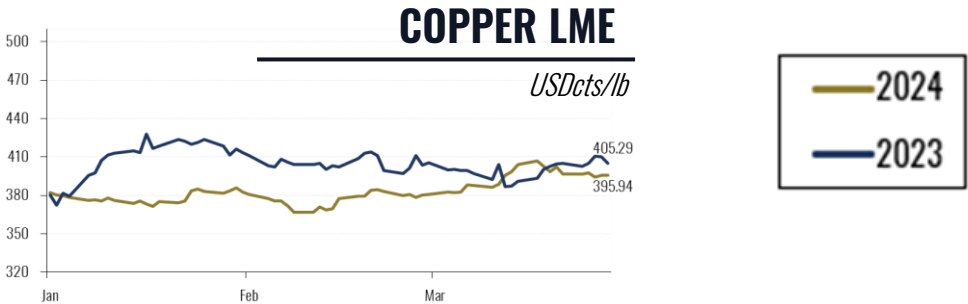
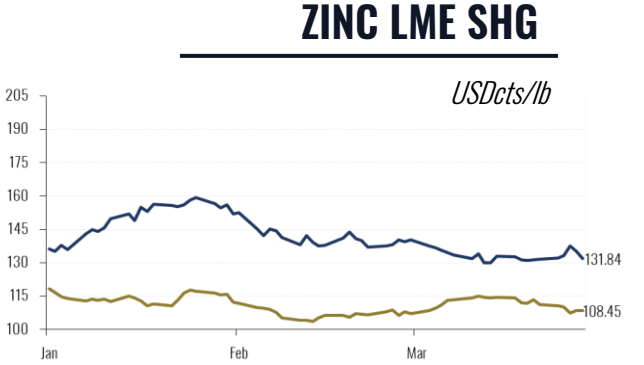
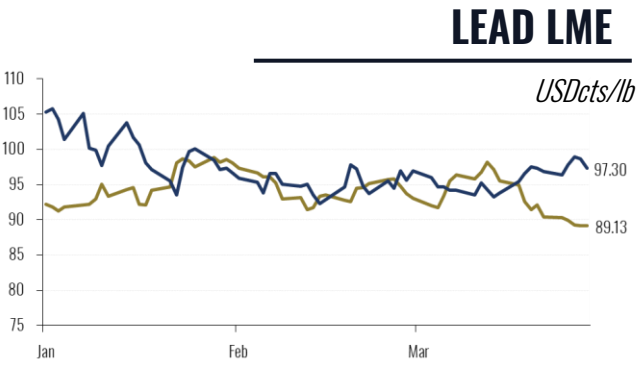
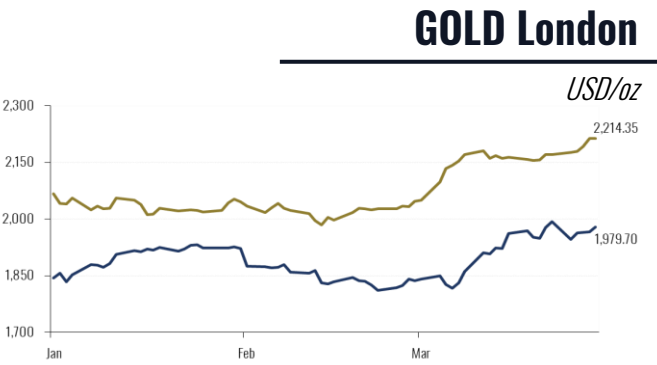


Notes: 1/Net Leverage Ratio is defined as Net Debt/EBITDA for LTM. 2/Coverage Ratio is defined as EBITDA/Int Expense for LTM. 3/Includes Hedging results.

» Average prices had mixed behaviors compared to those recorded in the same quarter of the previous year: **Gold** (+9.5%) and **silver** (+3.7%) increased due to uncertainty over geopolitical conflicts and expectations of interest rate reductions; whereas **zinc** (-21.6%), **copper** (-5.5%), and **lead** (-3.0%) decreased due to global economic slowdown and, in the case of zinc, reports of high inventories.

	1Q'24	1Q'23	%Chng
Inflation rate for the Period (%)	1.28	1.51	
Close	16.6780	18.1052	-7.9
Average	16.9977	18.7020	-9.1

Notes: Inflation rate: Mexican Consume Price Index (NCPI)





# OPERATING RESULTS



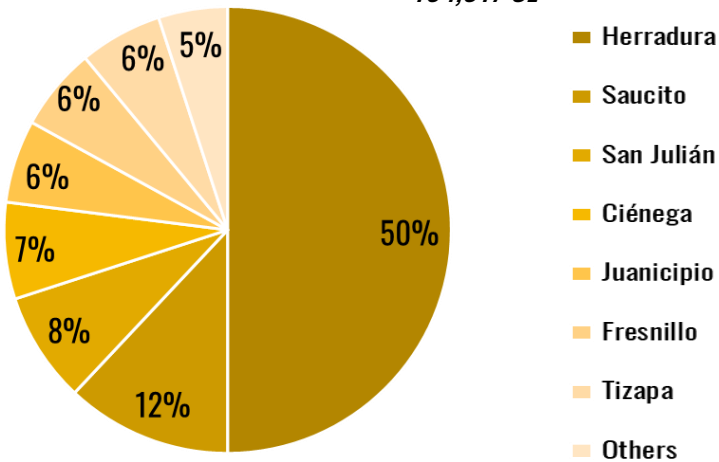


# CONTRIBUTION BY MINE TO METAL PRODUCTION (2024)<sup>1</sup>



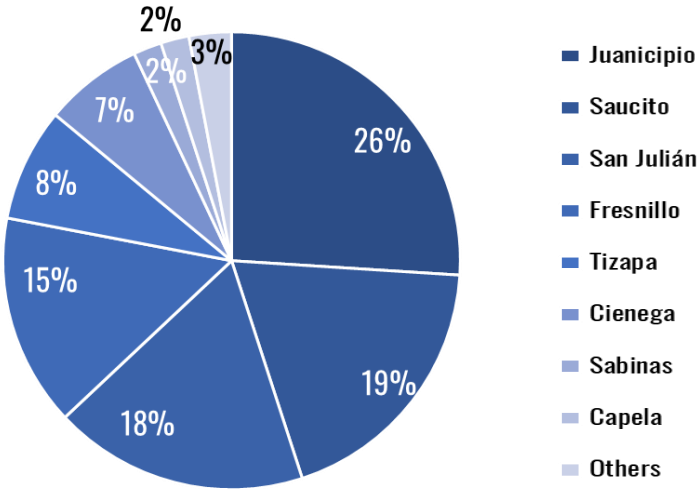
## GOLD

154,817 Oz



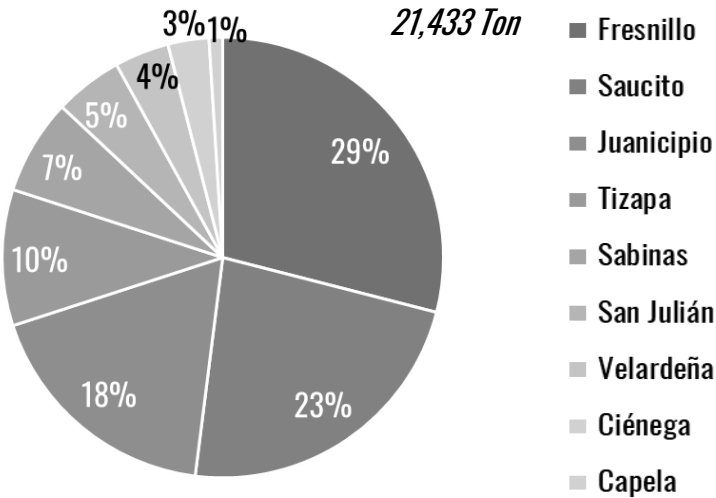
## SILVER

17,314 kOz



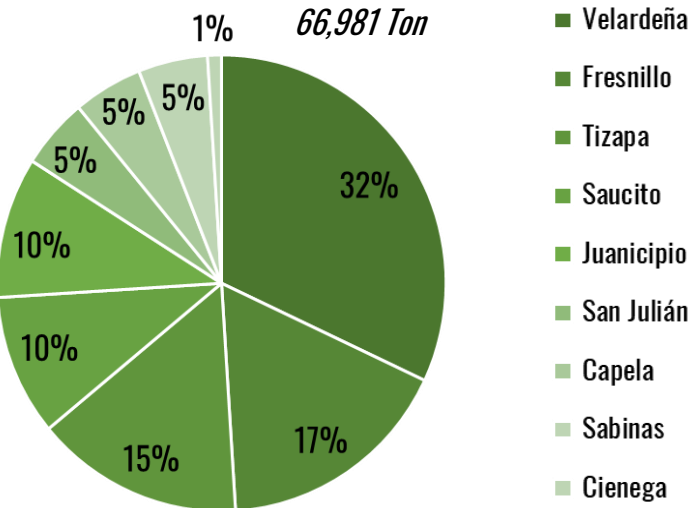
## LEAD

21,433 Ton



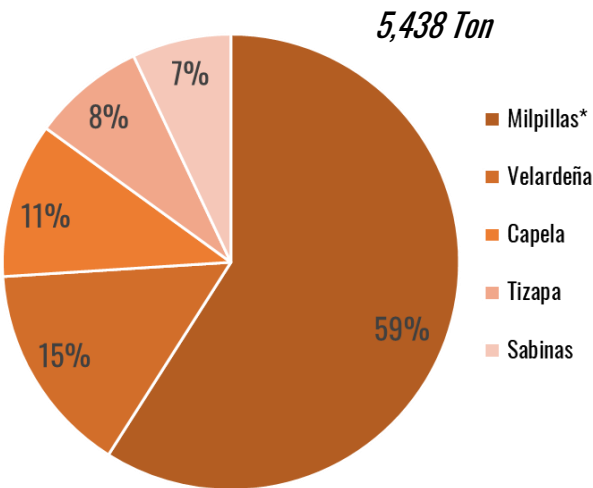
## ZINC

66,981 Ton



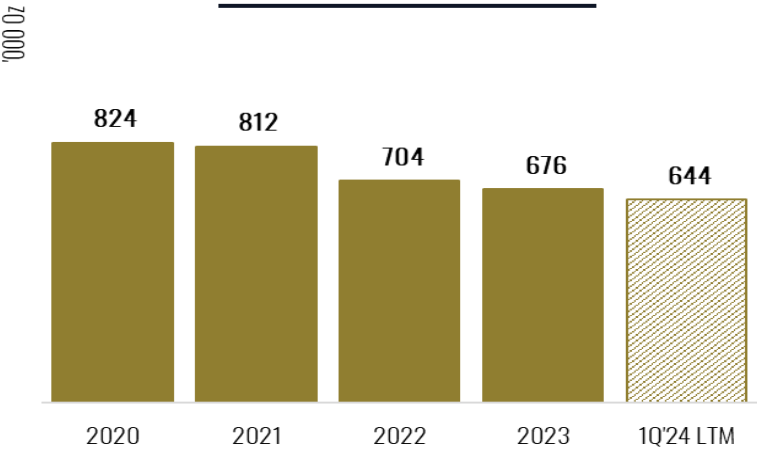
## COPPER\*

5,438 Ton

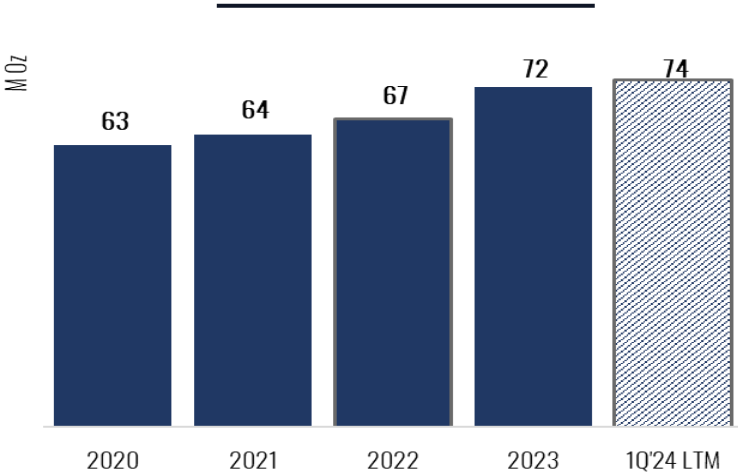


Notes: 1/ Includes 100% of Fresnillo plc payable production, \*/Copper cathodes

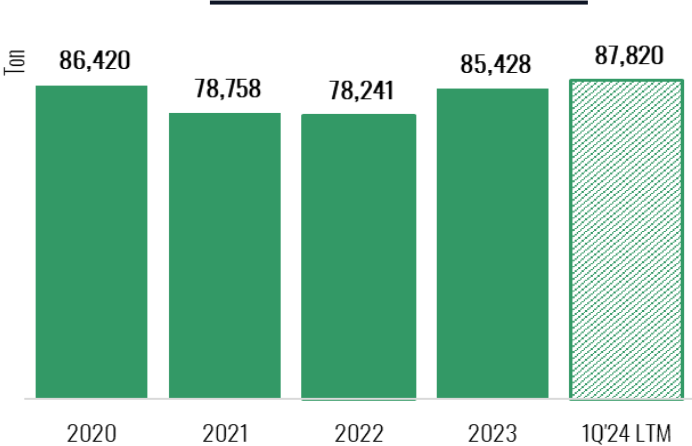
## GOLD



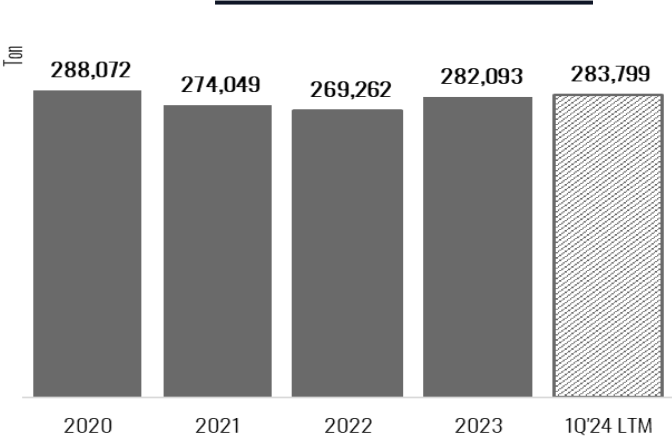
## SILVER



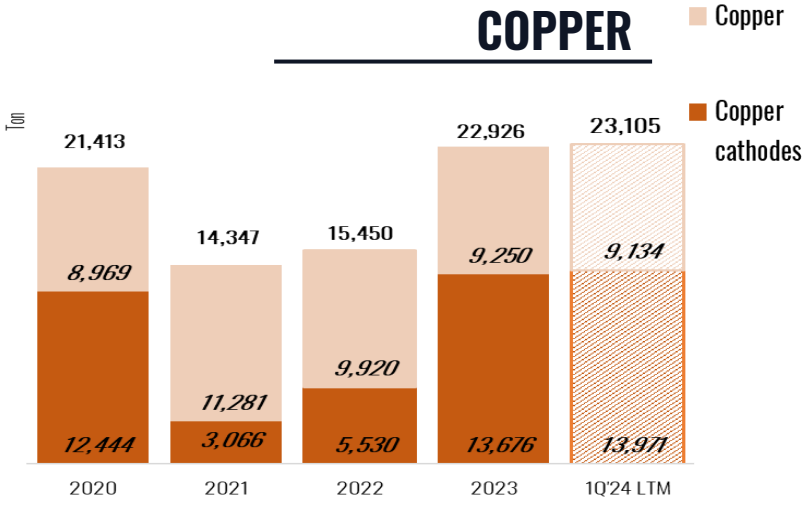
## LEAD



## ZINC



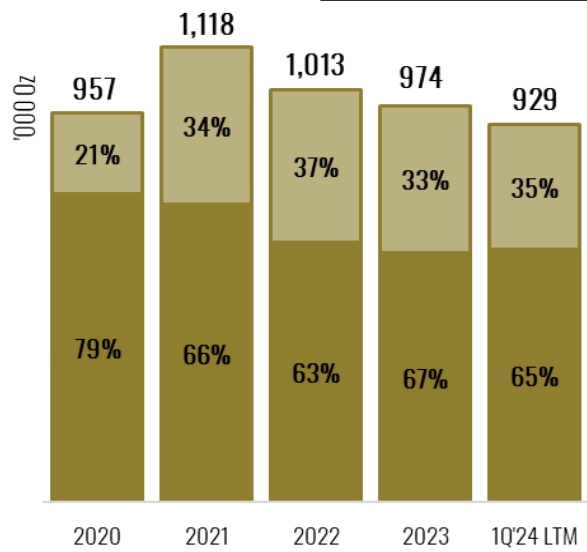
## COPPER



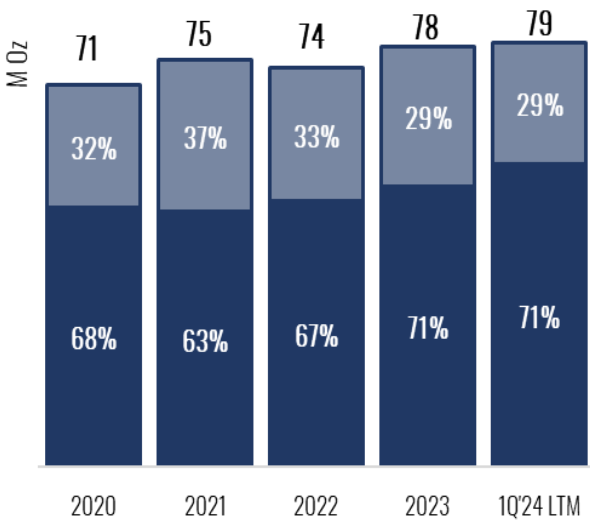
# HISTORICAL REFINED PRODUCTION



## GOLD



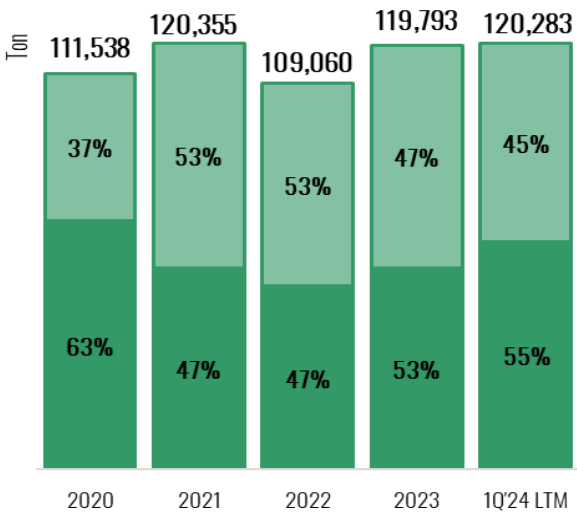
## SILVER



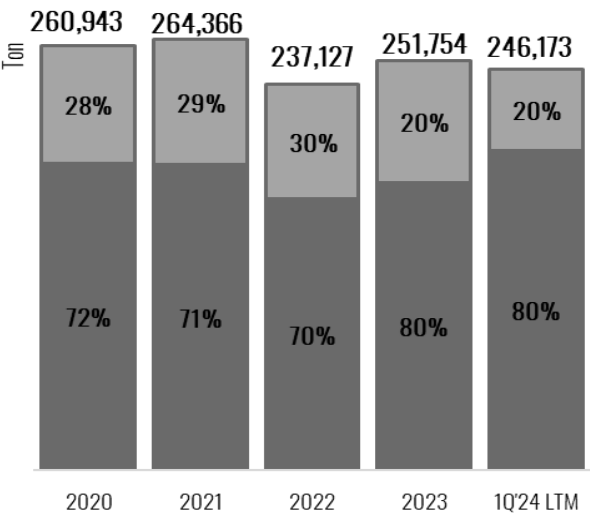
Contribution to refined production from:



## LEAD

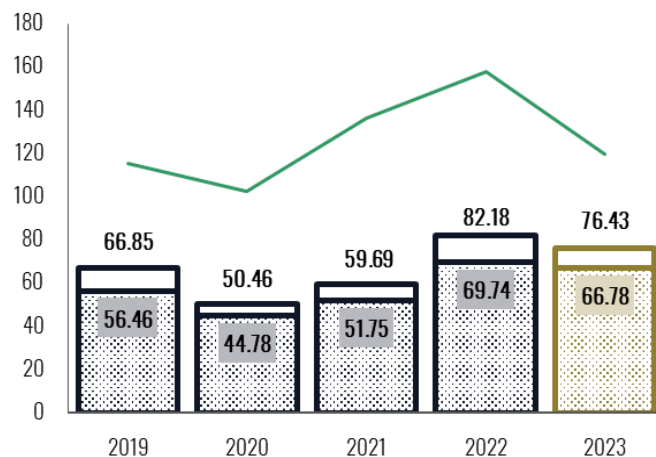


## ZINC

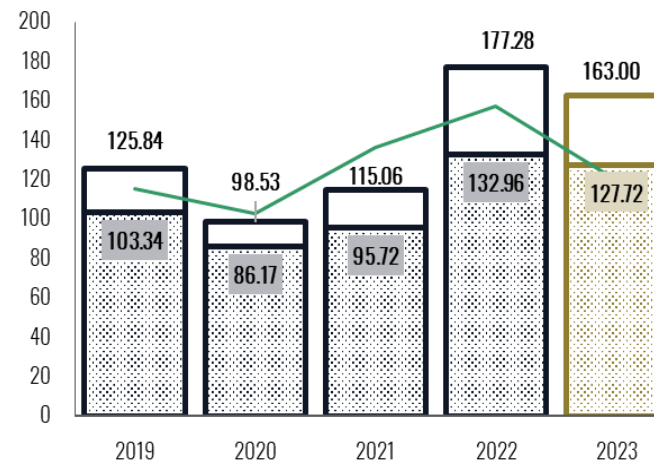




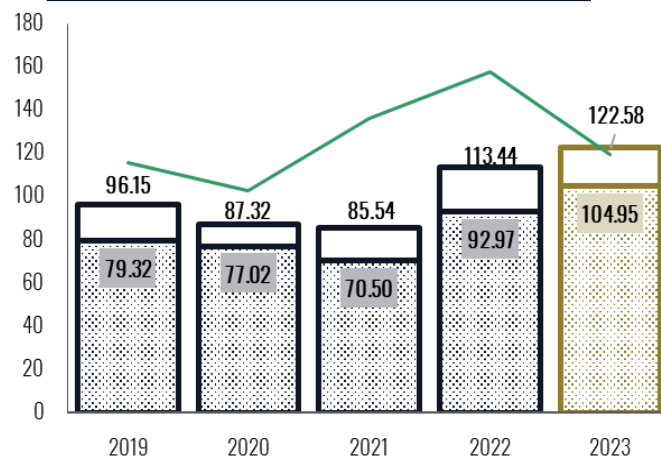
## Tizapa



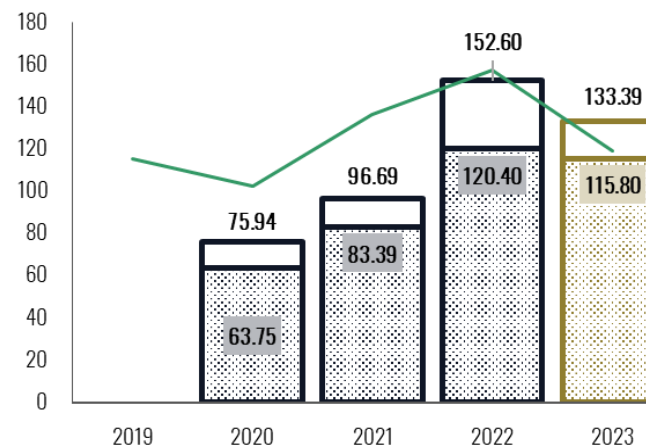
## Sabinas



## Velardeña

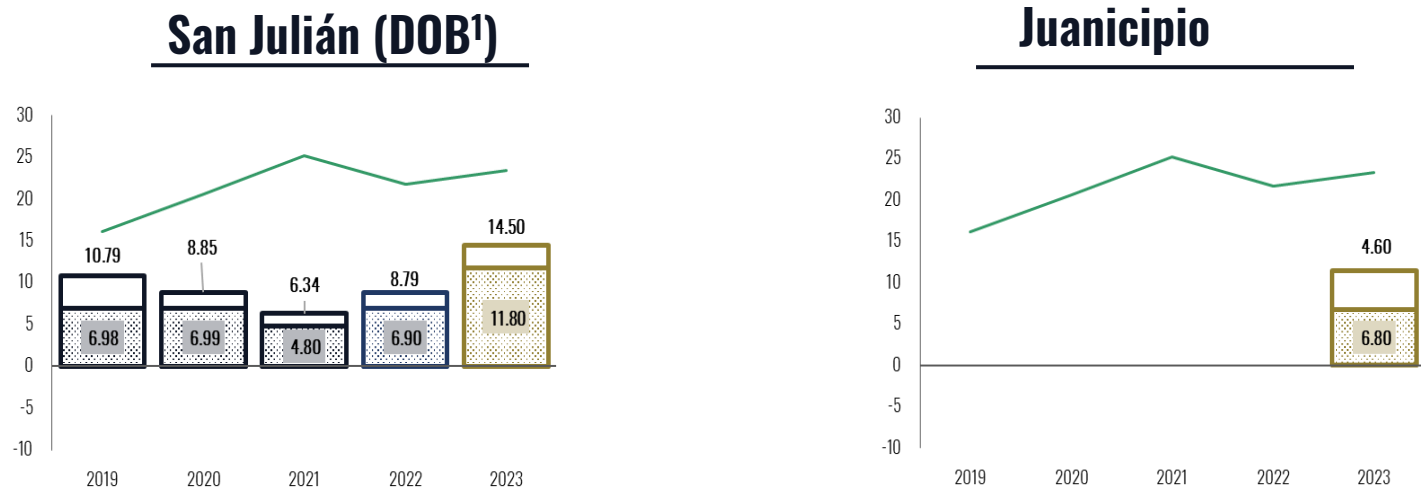
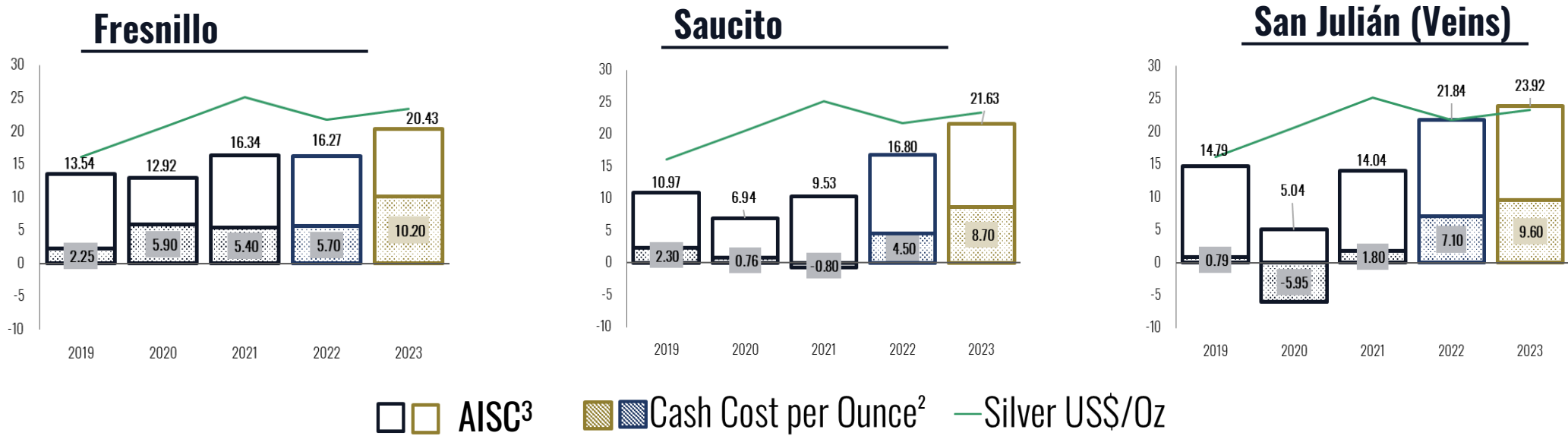


## Capela



CC1<sup>1</sup>   
 
 AISC<sup>2</sup>

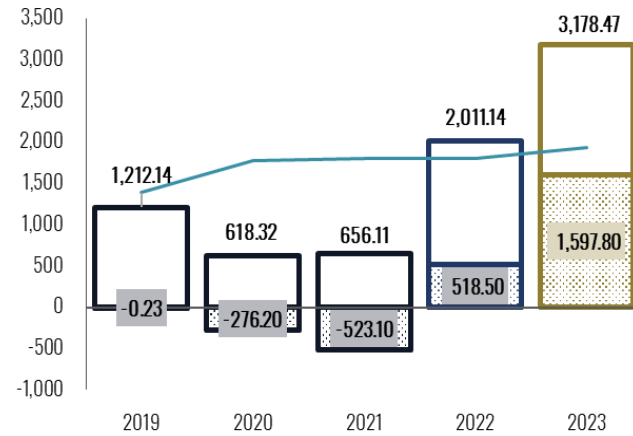
— Zinc price (US cents/lb)



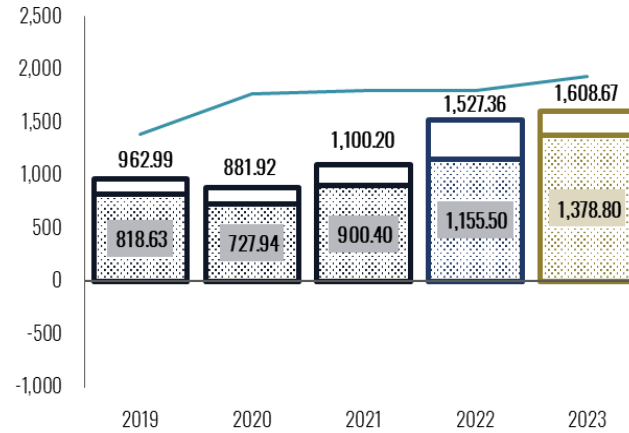
Notes: 1/Disseminated Ore Body. 2/Cash cost = {total cash cost (cost of sales plus treatment and refining charges, less depreciation) - revenue from by-products }/ silver or gold ounces sold. 3/cash cost plus on-site general, corporate and administrative costs, community costs related to current operations, capitalized stripping and underground mine development, sustaining capital expenditures and remediation expenses.

# FRESNILLO'S CASH COSTS TRENDS

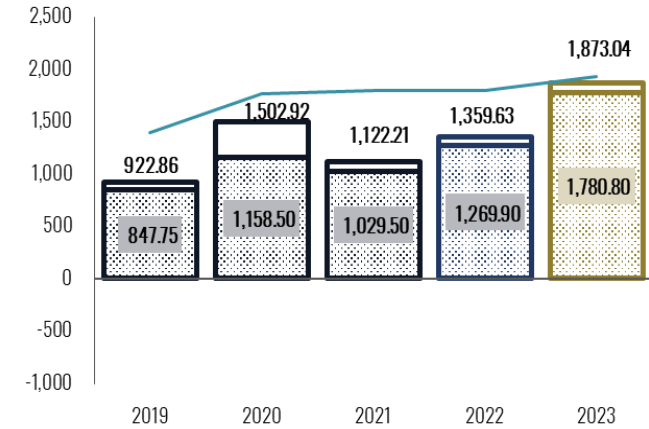
## Ciénega



## Herradura



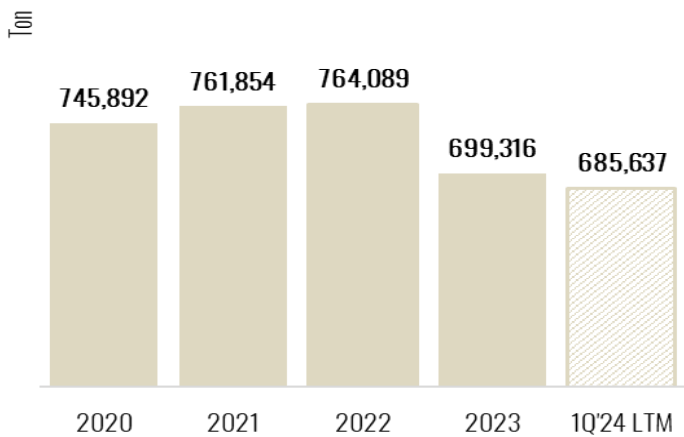
## Noche Buena



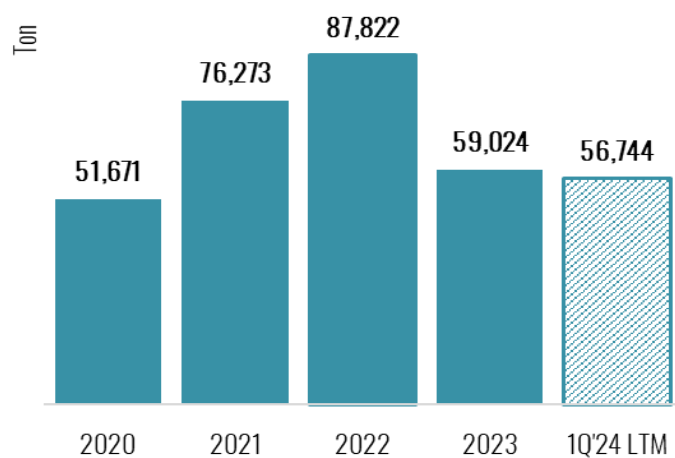
AISC³
 
 Cash Cost per Ounce²
 — Gold US\$/Oz



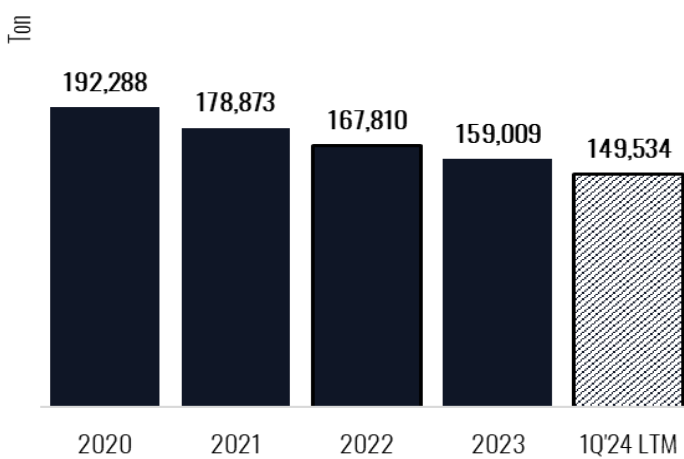
SODIUM SULFATE



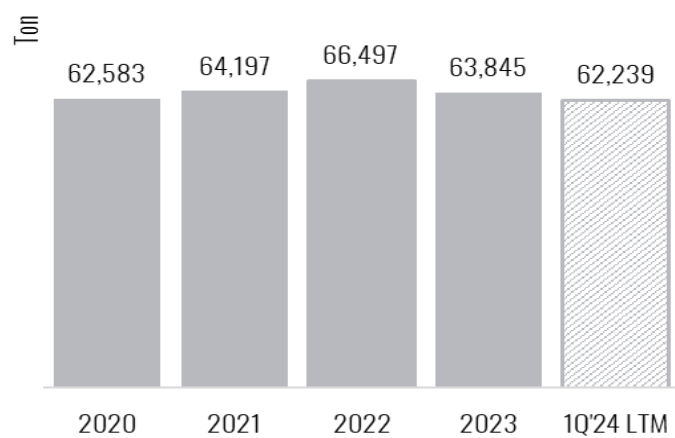
MAGNESIUM OXIDE



AMMONIUM SULFATE<sup>1</sup>



MAGNESIUM SULFATE



Notes: 1/Maquila not included.



# FINANCIAL RESULTS



# FINANCIAL HIGHLIGHTS – INCOME STATEMENT



INCOME STATEMENT	1Q'24	1Q'23	% Chg.
+ Gross sales	1,396.3	1,413.1	-1.2
+ Hedging results	0.2	0.0	925.3
Net Sales	1,396.5	1,413.0	
- Cost of Sales	1,225.4	1,160.4	5.6
Gross Profit (Loss)	171.1	252.6	-32.3
- General expenses <sup>(1)</sup>	165.2	170.5	-3.1
Operating Profit (Loss)	5.9	82.1	-92.9
+ Net Financial Income (Expense)	-40.5	-45.4	10.9
+ Profit after Net Financial Income (Expense)	-34.6	36.7	-194.2
+ Other Income (Expense)	2.6	-0.9	382.4
Profit (Loss) before Taxes	-32.0	35.8	-189.4
+ Taxes	14.7	-16.1	191.3
After Tax Income (Loss)	-17.3	19.7	-187.8
Non-Controlling Interest in Net Income and Share of Associates and JV	21.7	16.3	33.1
Controlling Interest in Net Income (Loss)	-39.0	3.4	-1,240.7
Earnings (loss) per share <sup>(2)</sup>	n.a	0.01	
EBITDA <sup>(3)</sup>	196.6	251.3	-21.8

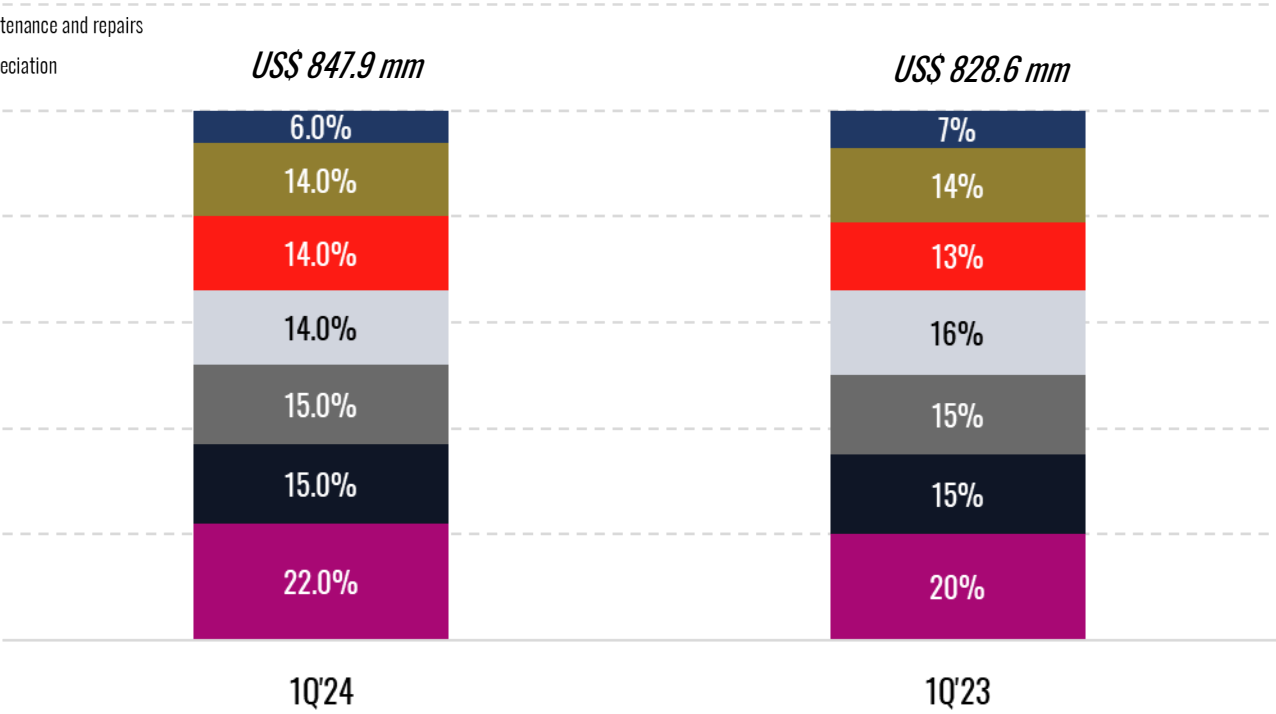
## INCOME STATEMENT HIGHLIGHTS 1Q'2024

- » **Net Sales** decreased marginally, as lower base metal prices (especially zinc) offset the benefit of higher gold and silver prices and higher volumes sold of zinc, concentrates, silver and copper, mainly.
- » **Cost of sales** increased due to higher charge to cost from inventory sold in the United States by our subsidiary Bal Holdings, coupled with the unfavorable effect of the appreciation of the peso against the US dollar on costs incurred in pesos (approximately 50% of production costs) and the increase in costs related to the operation of the Juanicipio mine's beneficiation plant while the previous year was in start-up process.
- » **Provision for income taxes** was favorable, due to lower results in the period and an adjustment in deferred taxes, mainly due to the effect of inflation in Mexico.



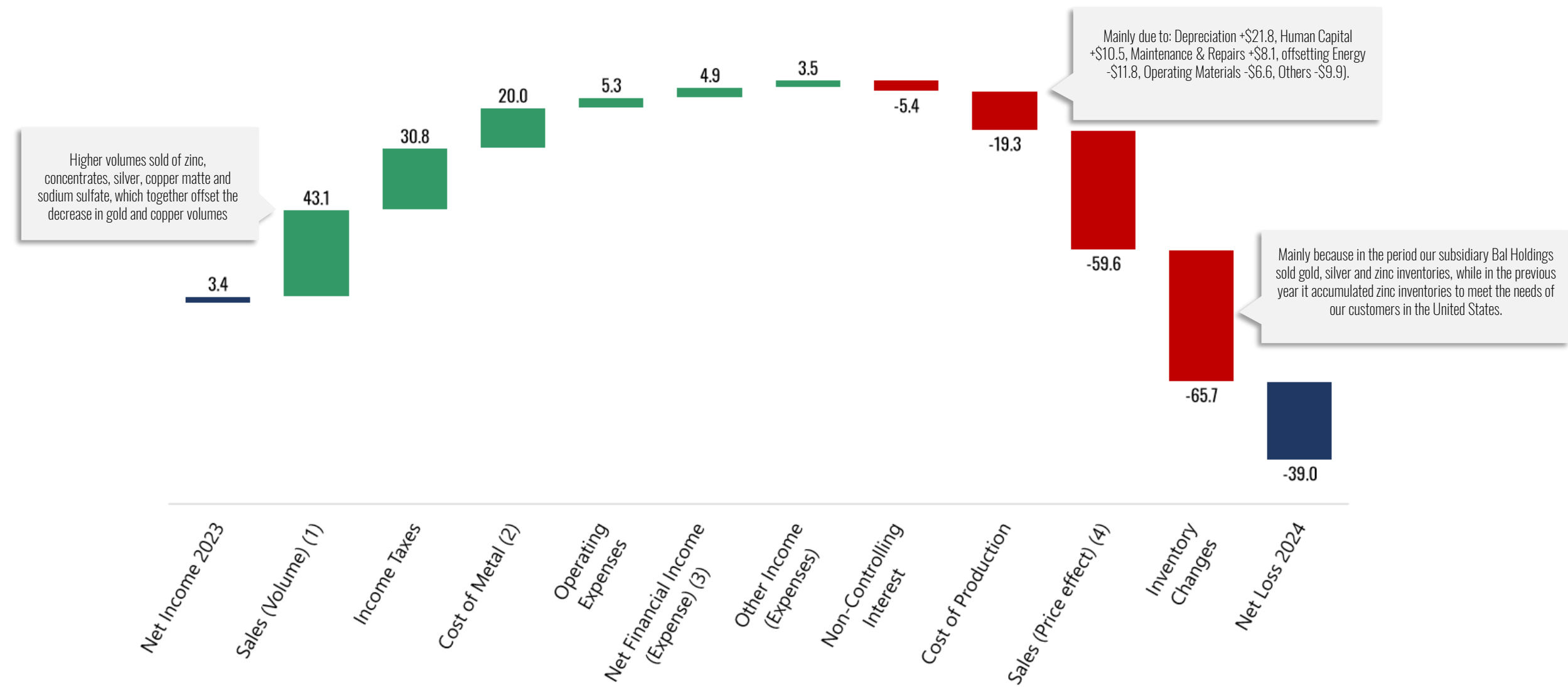
COST OF PRODUCTION BREAKDOWN

- Other items
- Operating materials
- Labor
- Energy
- Contractors
- Maintenance and repairs
- Depreciation



- » Higher **Production Cost** in 1Q'24 is derived from:
- i. the adverse effect of the appreciation of the peso against the US dollar which makes peso-denominated costs more expensive (approximately 50% of production costs are dollar-denominated)
  - ii. higher costs associated with the full quarter operation of the Juanicipio beneficiation plant while in 1Q23 it was on the commissioning phase.
- Which offset:
- i. lower electricity cost, thanks to reduced consumption and lower prices, primarily attributed to the temporary capacity reduction of the zinc plant and the shutdown of one module in the electrolysis area. Additionally, migrating some operations to the Wholesale Electricity Market has provided access to more competitive pricing.
  - ii. the termination of mining at Noche Buena, which began its closure process in the second quarter of 2023.

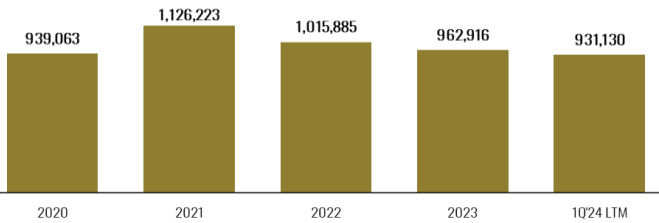
# FINANCIAL HIGHLIGHTS – QUARTERLY NET INCOME ANALYSIS



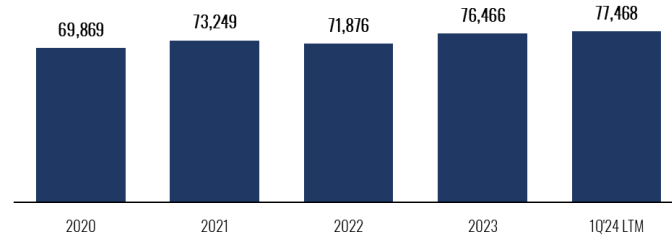
Notes:1/ Includes variation for other products and services. 2/ Other expenses include impairment losses. 3/ Financial expenses include Exchange result. 4/ Includes variation in hedging results . 5/ Net of Revenue from Treatment Charges, Income on inventories and other items.

# SALES VOLUME TREND

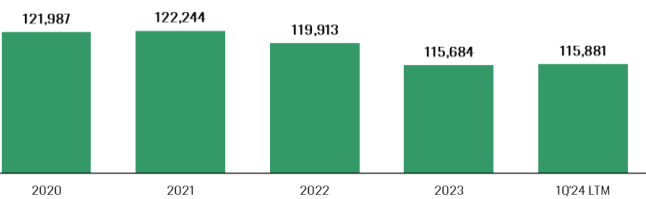
## GOLD (Oz)



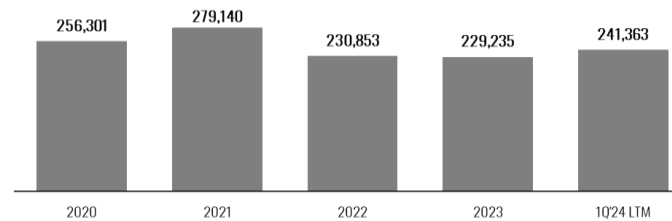
## SILVER (koz)



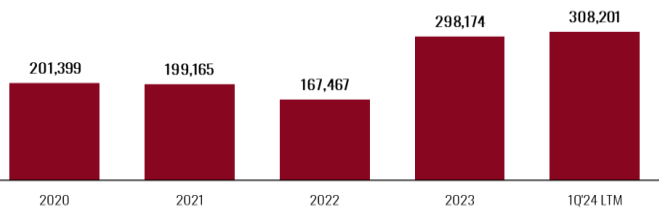
## LEAD (Ton)



## ZINC (Ton)



## CONCENTRATES (Ton)



## SALES VOLUME

	Units	1Q'24	1Q'23	%Chng
Gold	<i>Oz</i>	223,238	255,024	-12.5
Silver	<i>Koz</i>	18,211	17,210	5.8
Lead	<i>Ton</i>	28,338	28,141	0.7
Zinc	<i>Ton</i>	71,910	59,781	20.3
Copper	<i>Ton</i>	3,099	3,815	-18.8
Copper matte	<i>Ton</i>	3,449	1,682	105.1
Concentrates	<i>Ton</i>	58,686	48,659	20.6
Sodium sulfate	<i>Ton</i>	186,506	177,514	5.1
Magnesium oxide <sup>1</sup>	<i>Ton</i>	14,701	14,677	0.2
Ammonium sulfate <sup>2</sup>	<i>Ton</i>	40,304	33,971	18.6
Magnesium sulfate	<i>Ton</i>	15,369	15,982	-3.8



# FINANCIAL HIGHLIGHTS – BALANCE SHEET

BALANCE SHEET	<i>As of:</i>	Mar'24	Dec'23	% Chg.
<b>Current assets</b>		3,677.6	3,627.1	1.4
Inventories		1,815.9	1,798.5	1.0
Trade and other receivables		506.6	553.9	-8.5
Cash and cash equivalents		1,089.9	1,040.2	4.8
Other current assets		265.2	234.6	13.1
<b>Non-current assets</b>		6,249.2	6,352.1	-1.6
Property, plant and equipment		4,553.3	4,660.2	-2.3
Deferred tax asset		1,282.9	1,278.2	0.4
Inventories		69.8	69.8	0.0
Other receivables		49.7	49.3	0.7
Other non-current assets		293.6	294.7	-0.4
<b>Total Assets</b>		<b>9,926.9</b>	<b>9,979.3</b>	<b>-0.5</b>

BALANCE SHEET	<i>As of:</i>	Mar'24	Dec'23	% Chg.
<b>Current liabilities</b>		1,121.9	1,129.1	-0.6
Interest-bearing loans		311.6	235.5	32.3
Trade and other payables		460.9	472.4	-2.4
Income tax payable		57.8	99.4	-41.9
Lease liabilities		18.1	14.9	21.9
Other provisions		71.7	67.1	6.8
<b>Non-current liabilities</b>		3,306.4	3,344.4	-1.1
Interest-bearing loans		2,519.0	2,523.3	-0.2
Lease liabilities		94.1	95.6	-1.5
Pensions and other post-employment benefit plans		51.5	49.7	3.7
Deferred tax liability		129.0	171.9	-24.9
Other provisions		489.9	481.3	1.8
<b>Total Liabilities</b>		<b>4,428.3</b>	<b>4,473.5</b>	<b>-1.0</b>
<b>Capital and reserves attributable to shareholders of the Company</b>				
Share capital		401.4	401.4	0.0
Non -Controlling Interest		1,317.8	1,295.8	1.7
Retained earnings		3,795.8	3,834.8	-1.0
Other reserves		- 16.4 -	26.1	37.4
<b>Total Capital</b>		<b>5,498.6</b>	<b>5,505.8</b>	<b>-0.1</b>
<b>Total equity and liabilities</b>		<b>9,926.9</b>	<b>9,979.3</b>	<b>-0.5</b>
Dividends per share		0.0	0.0	

Notes : 1/Net Leverage Ratio is defined as Net Financial Debt/EBITDA for LTM. Figures are expressed in millions of US dollars.

# FINANCIAL HIGHLIGHTS – CASH FLOW

CASH FLOW	As of:	YTD'24	YTD'23	% Chg.
Profit for the year		-17.4	19.0	-191
Cash generated from operations		224.0	118.1	90
Income tax paid		-85.7	-179.9	52
<b>Net cash from operating activities</b>		120.9	-42.8	382
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment		-86.0	-114.5	25
Proceeds from the sale of property, plant and equipment		0.7	1.0	-34
Interest received		15.7	20.0	-22
Proceeds from the repayment of advances and loans granted to third parties		1.0	1.2	-17
Others		0.0	-6.2	100
<b>Net cash used in investing activities</b>		-68.7	-98.5	30
<b>Cash flows from financing activities</b>				
Interest-bearing loans; Net		73.3	169.1	-57
Lease payments		-5.6	-3.9	-45
Capital contribution		0.0	2.3	
Interest paid		-52.7	-68.3	23
Others		-15.7	25.7	-161
<b>Net cash generated (used in)/from financing activities</b>		-0.8	124.9	-101
Net increase in cash and cash equivalents during the year		51.4	-16.4	413
Effect of exchange rate on cash and cash equivalents		-1.7	6.4	-126
Cash and cash equivalents at 1 January		1,040.2	1,468.9	-29
Cash and cash equivalents at 31 December		1,089.9	1,458.9	-25

CASH FLOW	As of:	YTD'24	YTD'23	% Chg.
<b>Adjustments to reconcile profit for the period to net cash inflows from operating activities:</b>				
Depreciation and amortisation		190.8	169.2	13
Income tax expense / (credit)		-14.7	16.1	-191
Net finance cost		33.4	27.7	21
Foreign exchange loss		8.1	18.1	-55
Impairments		0.0	0.0	
(Gain)/loss on the sale of property, plant and equipment and other assets		0.3	1.3	-78
Non-cash movements and other provisions		9.3	17.6	-47
<b>TOTAL</b>		227.2	250.0	-9
<b>Working capital adjustments</b>				
Decrease/(Increase) in trade and other receivables		148.0	-277.1	153
Decrease/(Increase) in inventories		-20.2	-29.1	31
(Decrease) / Increase in trade and other payables		-131.0	174.4	-175
<b>TOTAL</b>		-3.2	-131.9	98
<b>Cash generated from operations</b>		224.0	118.1	90

## CONTACT

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