

# Grupo México

---

**GMXT**

**Ferromex & Texas Pacifico**

---

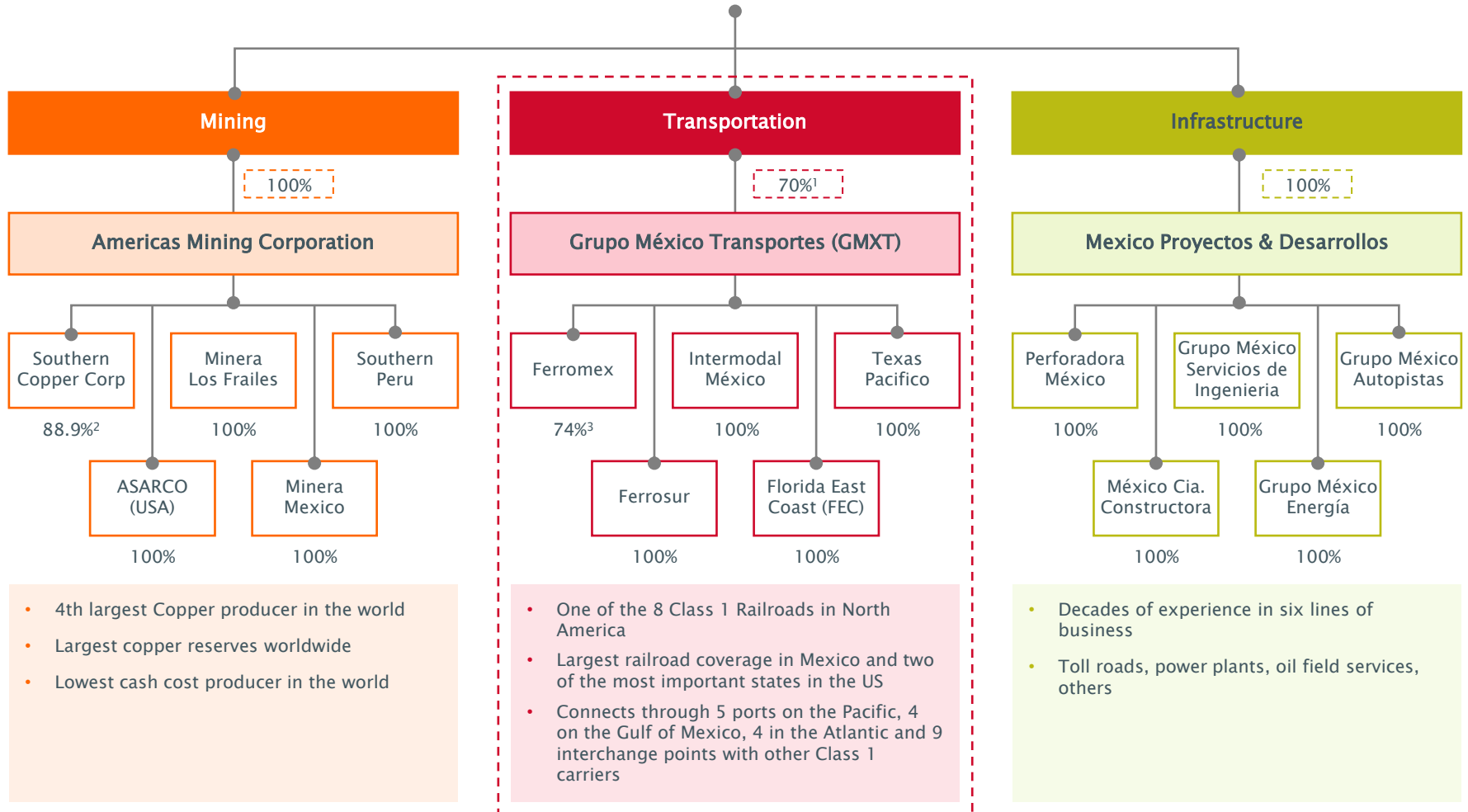
September 2021

# Corporate Structure



**Grupo México**

49% Public Float  
(GMEXICOB)



- 4th largest Copper producer in the world
- Largest copper reserves worldwide
- Lowest cash cost producer in the world

- One of the 8 Class 1 Railroads in North America
- Largest railroad coverage in Mexico and two of the most important states in the US
- Connects through 5 ports on the Pacific, 4 on the Gulf of Mexico, 4 in the Atlantic and 9 interchange points with other Class 1 carriers

- Decades of experience in six lines of business
- Toll roads, power plants, oil field services, others

Notes:  
 1. Inbursa owns 17% and 13% is float  
 2. Publicly listed in NYSE; current float of 11%  
 3. Union Pacific holds a 26% stake in Ferromex

# Mission & Vision

## MISSION

Safe, efficient and reliable transportation that contributes to the competitiveness of its users.



## VISION

To be the best freight transportation option.



# Values

## DECISION TREE

### SUSTAINABILITY

1



Meet present needs without compromising those of future generations.

### SERVICE

2



Simplify end-to-end transportation.

### PRODUCTIVITY

3



Maximize our resource potential.

## HOW TO FACE CHALLENGES?

### PROCESSES

1



Simplify, improve and replicate day to day.

### TALENT

2



The right person, in the right place, at the right time.

### INFRAESTRUCTURE

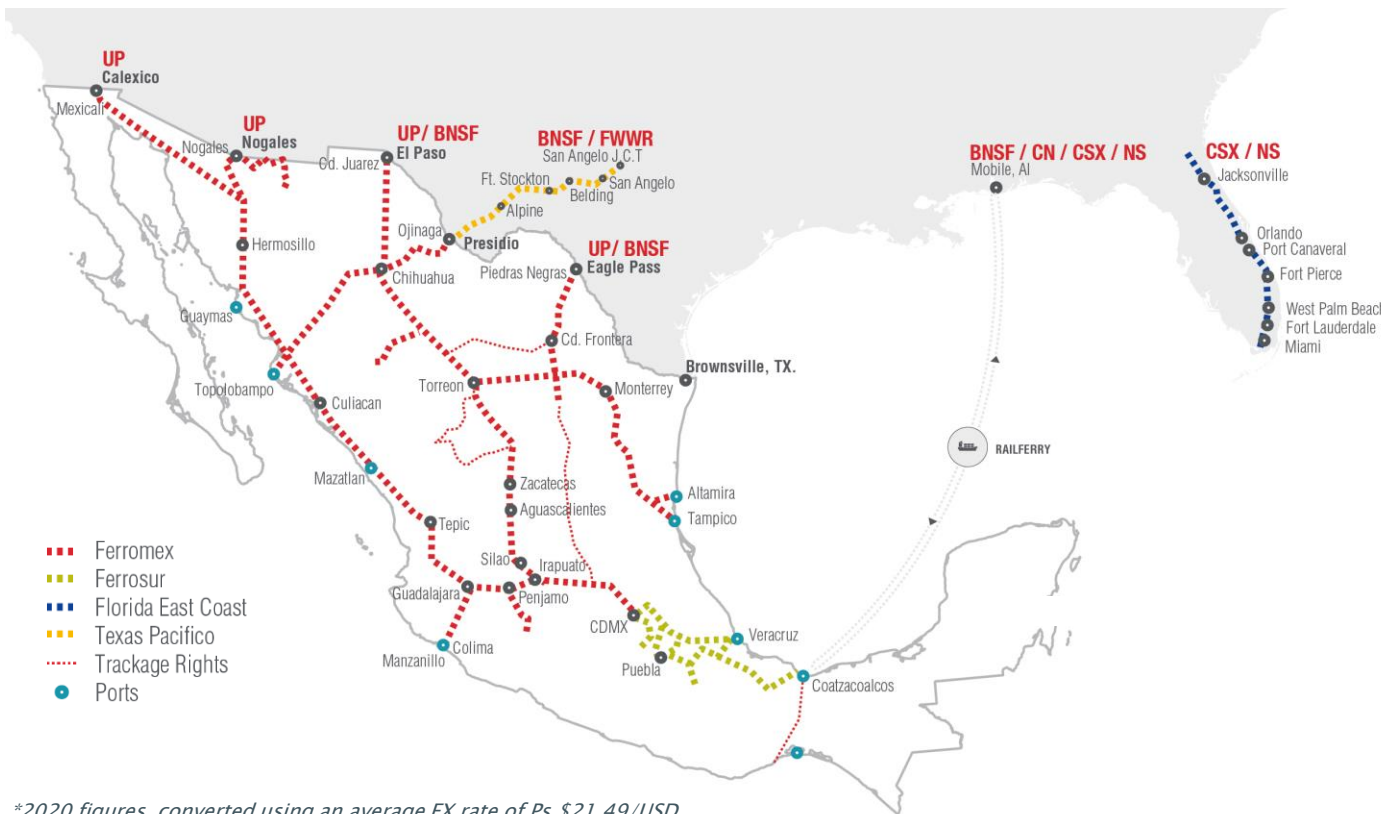
3




Necessary tools to continue growing.

# Overview

- Covers **24 states of Mexico**, which account for **86% of Mexico's GDP**
- Covers **Florida and Texas**, which account for **13% of USA GDP**
- One of the eight **Class 1 Railroads** in North America
- Seamless integration between Mexico, the US & Canada railway systems **through 8 interchange points**
- Access to European, Asian and Latin American markets through **13 key ports** in the region



 More than 6,935 miles of tracks throughout the network

 880 locomotives and +26,000 cars

 1.8 million carloads annually

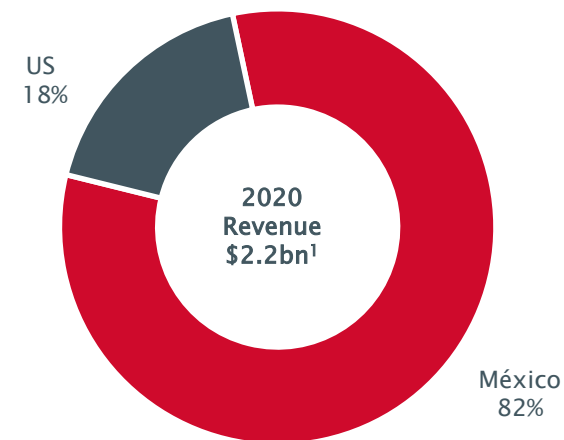
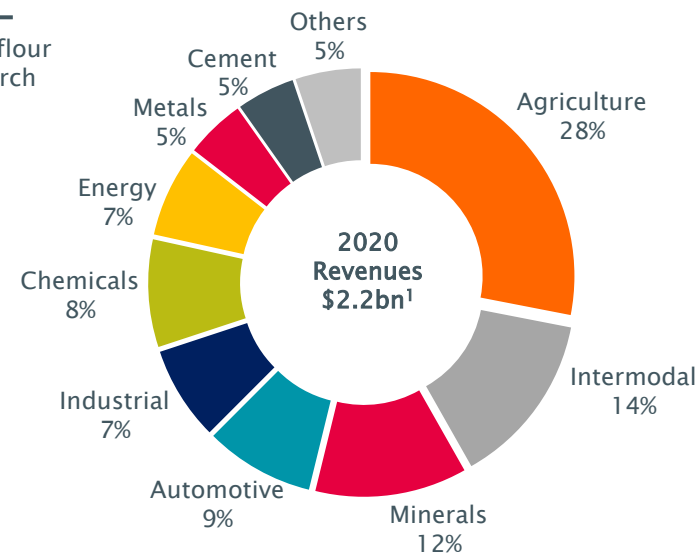
 \$2.2bn in revenue and \$0.9 bn in EBITDA

 11,000+ employees

\*2020 figures, converted using an average FX rate of Ps.\$21.49/USD.

# Business Mix

Segment	Overview
<b>Agricultural</b>	<ul style="list-style-type: none"> <li>Provides inbound materials for agricultural processors including corn and flour mills, oilseed plants, and breweries. Balanced animal feed, corn syrup, starch production and sugar mill customer base</li> </ul>
<b>Minerals and Metals</b>	<ul style="list-style-type: none"> <li>Serves mining zone, steel mills, and mineral import and export markets</li> </ul>
<b>Intermodal</b>	<ul style="list-style-type: none"> <li>7.2 million tons of goods in 400,000 containers of domestic and international freight within Mexico</li> <li>FECR moves 390,000 containers within Florida</li> </ul>
<b>Automotive</b>	<ul style="list-style-type: none"> <li>Transports 70% of the production from the Chrysler, Ford, General Motors, Honda, Mazda, Nissan, and Volkswagen assembly plants in Mexico</li> </ul>
<b>Industrial</b>	<ul style="list-style-type: none"> <li>Includes beer, dry goods, food products, beverages, household appliances, structures, machinery and packaging industries</li> </ul>
<b>Chemicals</b>	<ul style="list-style-type: none"> <li>Inorganic chemicals, synthetic resins, fertilizers, petrochemicals and others</li> </ul>
<b>Energy</b>	<ul style="list-style-type: none"> <li>Transports coal, coke, diesel, fuel oils, asphalt, LPG and others</li> </ul>
<b>Cement</b>	<ul style="list-style-type: none"> <li>Transports bulk and packaged cement serving to the top cement players in Mexico and Florida</li> </ul>
<b>Others</b>	<ul style="list-style-type: none"> <li>Other products not related to any of the above categories</li> </ul>



Notes:  
Based on GMXT Stats 2020

# CAPEX 2021

Million USD

Description	CAPEX	Main Projects
MAINTENANCE	\$ 231.6	<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	\$ 72.4	<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	\$ 54.3	<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>Double track construction</li> <li>Trip Optimizer equipment</li> </ul>

**\$ 358.3**

**15 % of Revenue**



# COVID-19

Grupo México donated USD\$30.8 million in kind to hospitals and vulnerable communities.

We established prevention protocols, created informative campaigns and distribute 34,930 personal protection kits to take care for the health of our 29 thousand employees and their families.

At over 200 hospitals, healthcare centers, and vulnerable communities in 22 states across Mexico as well as Peru, we delivered :



**1 Hospital**



**Two ambulances**  
and two oxygen plants in Peru



**107,510**  
grocery kits and  
270 tons of food



**639**  
ventilators



**318,000 liters**  
of liquid oxygen



**60,000**  
prepared meals



**530 thousand**  
personal protection  
kits for doctors



**120,000 liters**  
of antibacterial gel for  
the National Guard



Medical and psychological  
support helpline 24/7

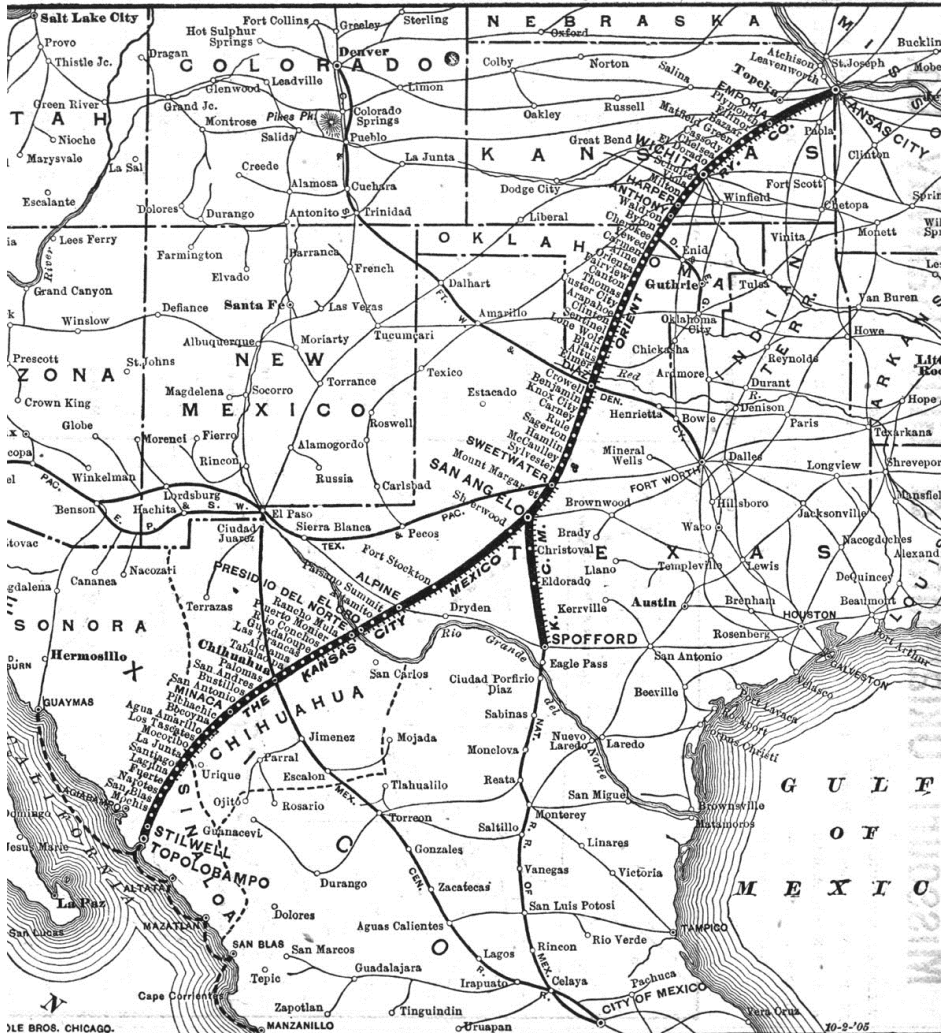


**22**  
temporary hospital modules  
adding to a capacity of 385 beds



**120,000**  
quick tests and 10,000  
molecular tests

# Kansas City, Mexico & Orient, now the South Orient



- The rail line was conceived by Arthur Stillwell as the shortest land route from the Pacific coast to the central United States.
- 1901 – The first rail of the KCM&O laid in Emporia, KS with the intent to reach the Port of Topolobampo.
- 1991 State of Texas acquired railroad right of way and a security interest in South Orient Railroad Company.
- 1999 State legislature approves funding for TxDOT to purchase railroad infrastructure.
- State looks for operator, but only one bidder.
- 2001 With State's appropriation, Grupo México adds investment, and the purchase is completed.
- Texas Pacific is created and begins operation with long-term operating rights concession on SORR with State of Texas.

# Texas Pacific (TXPF) on the South Orient rail line

- TXPF provides freight rail service between San Angelo Junction and Presidio, Texas, on the Mexican border.
- 385 miles end to end.
- 11 miles of trackage rights over the UP between Alpine and Paisano.

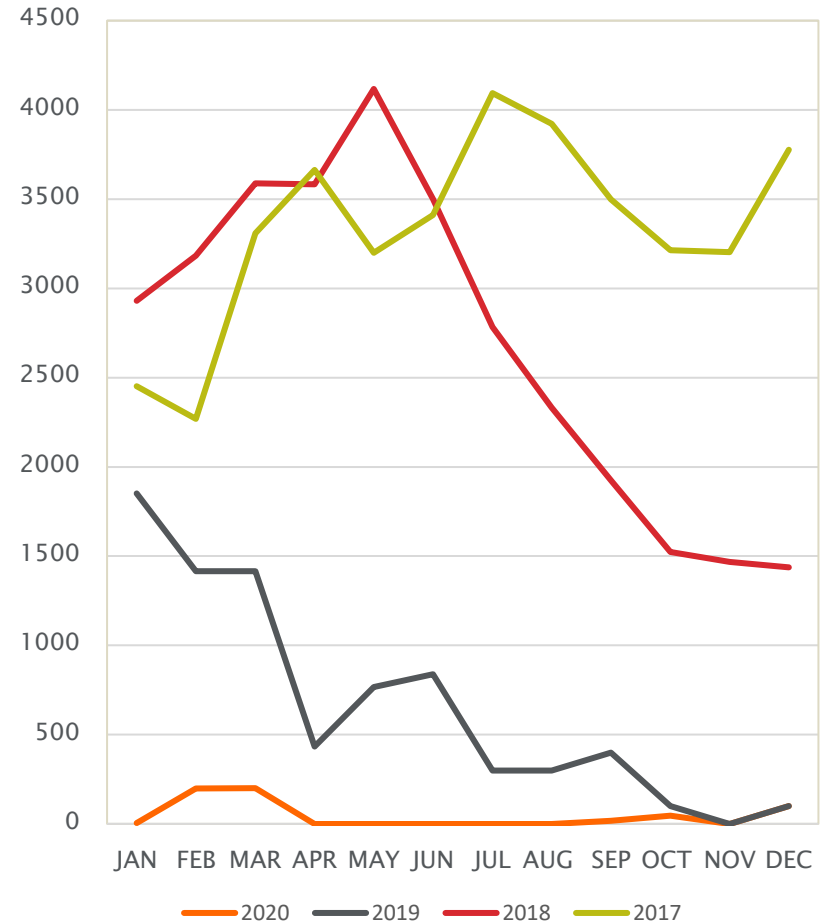


# It's All Oil & Gas for TXPF from 2012-2019



- Energy-Crude, Refined Petroleum, Wind
- Steel & Pipe
- Minerals-Sand, Cement, Aggregates
- Chemicals & Fertilizers
- Ag Products

2017 - 2020 Sand Volume Comparison



# 2020–21 Infrastructure Projects

Critical to opening corridor

## TEXAS PACIFICO

Oct. 2020 – April 2021

- Rail relay of excepted track at Ft. Stockton.
- Replaced 20 miles of track.
- Entire TXPF line is Class 1 or greater.
- Laid track over US side of International Bridge and through Presidio, TX.
- The bridge and rail improvements were 100% complete in May 2021.



## FXE

October 2020 – August 2021

- Rehab Q line between Ojinaga and Chihuahua.
- Repair bridges and needed track rehab.
- Combined project progress 95% complete.



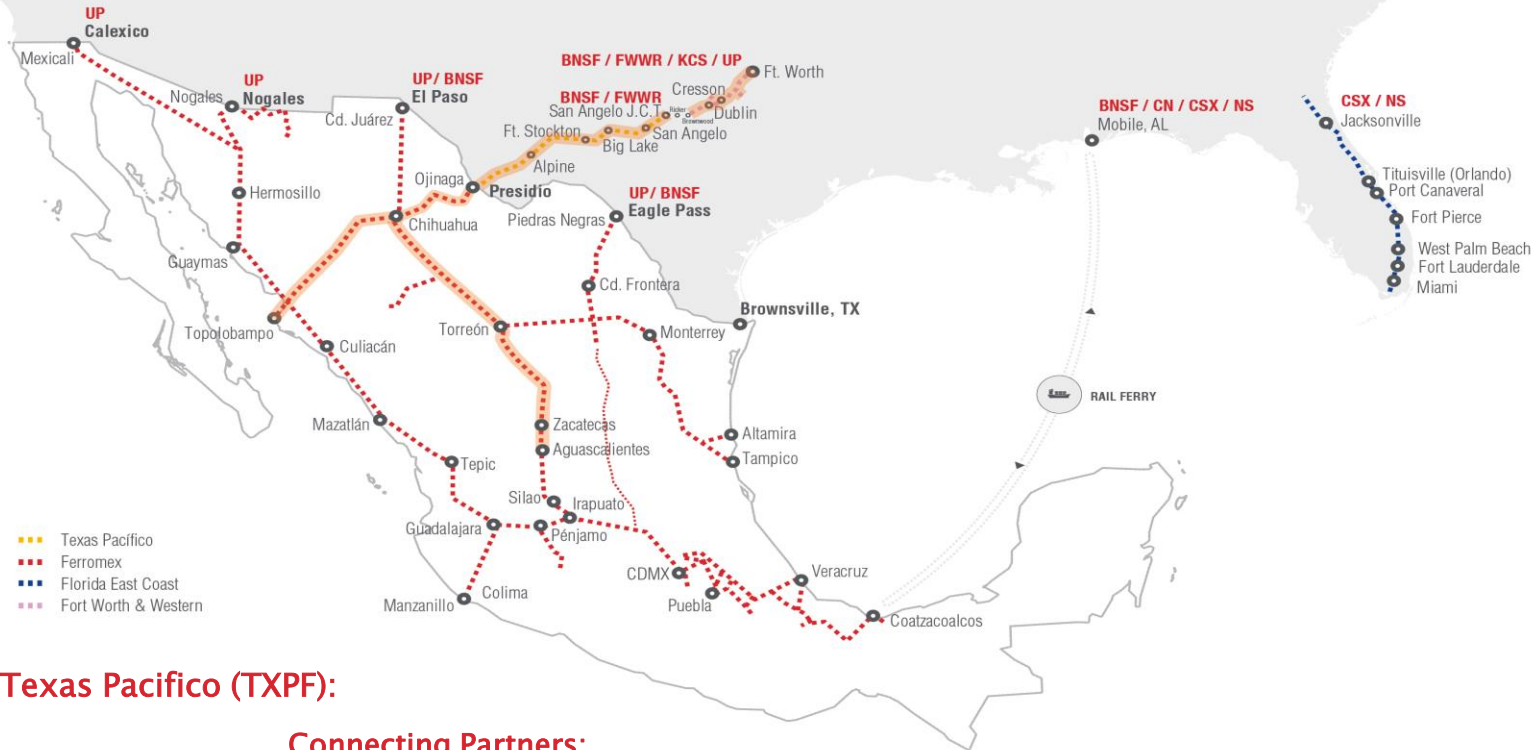
## TxDOT

October 2020 – August 2021

- FastLane Grant– Bridge and drainage improvements between Paisano and Presidio.
- Combined project progress 100% complete.



# TXPF Opportunities



## Texas Pacific (TXPF):

### Miles

From San Angelo Jct. to:

- San Angelo: 71
- Ft. Stockton: 238
- Presidio: 385
- Chihuahua: 553
- Topolobampo: 978

### Track Capacity:

286k

### Connecting Partners:

- Ferromex (FXE)
- BNSF at San Angelo Jct.
- Fort Worth & Western (FWWR) at San Angelo Jct.
  - UP (via FWWR in Ft. Worth)
  - KCS (via FWWR in Ft. Worth)

### Main Yards

- San Angelo
- Ft. Stockton

## Near Term Cross-Border Opportunities

- Grain Exports/Imports
- Fuel Exports
- Cement Imports
- Finished Products Exp./Imp.
- Metals/Minerals Exp./Imp.
- Automotive Imports





# Grupo México

---

Luis Olivera, EVP Sales & CEO TXPF  
[luis.olivera@ferromex.mx](mailto:luis.olivera@ferromex.mx)

Stan Meador, VP Sales & Mkt.  
[s.meador@txpf.us](mailto:s.meador@txpf.us)

---

September 2021