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PRESENTATION

Operator

Good morning, everyone, and welcome to Nemark's second quarter 2015 earnings call. Armando Tamez, Nemark's CEO, Alberto Sada, CFO and Maximilian Zimmermann, Investor Relations, are here this morning to discuss the Company's performance and answer any questions that you may have. As a reminder, today's conference is being recorded and will be available on the Company's Investor Relations website. I will now turn the call over to Maximilian Zimmermann.

Maximilian Zimmermann - Nemark - IR

Thank you, Operator. Good morning and welcome, everyone. We very much appreciate your participation today. Armando Tamez, our CEO, will lead off today's call by providing an overview of our business and financial highlights. Alberto Sada, our CFO, will then discuss key industry trends and our second quarter financial results in more detail. Afterwards, we will open up for a Q&A session.

Before we get started, let me remind you that information discussed on today's call may include forward-looking statements regarding the Company's future financial performance and prospects, which are subject to risks and uncertainties. Actual results may differ materially and the Company cautions not to place undue reliance on these forward-looking statements. Nemark undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

I will now turn the call over to Armando Tamez.

Armando Tamez - Nemark - CEO

Good morning, everyone, and welcome to Nemark's second quarter 2015 results conference call.

On July 1st, Nemark successfully completed its initial public offering on the Mexican Stock Exchange. This IPO marks an exciting new chapter in our history as we will work under a brighter public spotlight and be held to a higher standard.



I would like to take this opportunity to give a special welcome to all of you and potential shareholders who are listening today. I am confident that we are well positioned to consistently deliver value to you and to build upon our proven track record in our industry.

In terms of the second quarter results, we closed the period with positive business performance in Europe and North America, our largest markets. Overall, we delivered our best ever EBITDA figure for the quarter, despite the negative impact of the depreciation of the euro against the US dollar. We posted a 3% decrease in revenues and a 6% increase in EBITDA for the quarter.

On a currency neutral basis, that is, excluding the exchange differences, revenues and EBITDA increased 4% and 10% year-on-year respectively.

2015 is shaping up to be the most successful year in our Company's history. Moreover, we believe that we are well positioned to maintain a solid growth pace over the coming years. As a leading manufacturer of advanced high tech aluminum components for the automotive industry, we expect that we will continue benefiting from this (inaudible) aluminum content in new light vehicles.

Automakers continue turning to aluminum as a lightweight alternative to traditional materials such as iron and steel, which translates into [weight ratings], thereby helping to meet CO2 emissions and (inaudible) requirements in major markets. All this explains why we expect to regardless of how the business (inaudible) could place out in the auto industry, that the demand for products will continue to increase and therefore that it would decouple from the auto industry cycles.

We continue making investments across our global operations in order to capitalize on these favorable market dynamics. While we expect sustained growth at (inaudible) volume, I want to emphasize that we see solid growth prospects in engine blocks, the structural components and machining.

Aluminum engine blocks, one of the areas where high weight savings are achieved, are projected to grow much faster than the automotive industry as a whole. We are installing original capacity in Europe, while building a new plant in Mexico to support a significant increase in our engine block capacity for the North American and European markets.

Structural components are also expected to represent a significant growth opportunity. Up until now, the vast majority of vehicles have used a steel frame, comprised of multiple stamped and welded components. Given the pressure to reduce vehicle weight, automakers are making a radical technological shift by changing part of the vehicle structure into aluminum.

Given that the earliest stages of growth in the structural components will be coming from premium European automakers, our initial investments supporting the development and manufacturing of these components are targeting mainly that region. In (inaudible) selling structural components we have received a total of six contracts up to now from premium European OEMs that represent future annual sales of over \$140 million, proving that the market potential is there to be tapped.

In terms of machining, we have set the strategic target of doubling the percentage of castings that we machine in-house. By expanding our machining capacity, we improve our quality, reduce our logistics and working capital costs, and as a result expand our margins. We have already begun investing in machining in all those regions and are beginning to have some of those benefits.

Now let me move on to what we have achieved commercially. During the first half of the year, we were awarded contracts to produce cylinder heads, engine blocks, transmission parts and structural components worth \$640 million in annual revenues, more than half of which represent incremental programs. These numbers are proof of the confidence our customers continue to have in our Company.

I am also pleased to share that during the year we received an award from the category of engine blocks from the Volkswagen Group, highlighting our use of a proprietary technology and enhanced aluminum alloys to develop and manufacture blocks. The superior mechanical properties of these blocks have guided performance and efficiency for gasoline and diesel applications. Additionally, PSA Peugeot Citroen recognized Nemak Brazil as its best plant in Latin America. These awards are a clear sign that Nemak has continued to strengthen its position as a preferred supplier of high complex aluminum components for our customers.



Overall, I am proud of what we have achieved as a Company within the quarter. And I believe that we are well positioned to continue delivering solid operational costs and a strengthening of market position during the rest of the year.

This brings me to the next topic, guidance. We're increasing our EBITDA guidance for the full-year 2015 from \$710 million to \$745 million. We are confident that we can deliver this incremental EBITDA growth on the back of a better sales mix and operational efficiencies.

I will now hand off the call to Alberto Sada, Nemark's CFO.

Alberto Sada - *Nemark - CFO*

Thank you, Armando, and good morning, everyone.

Let me start by sharing relevant industry data that sheds light on our results. During the second quarter of the year, the seasonally adjusted annualized rates, or SAAR, of vehicle sales in the US was 17.1 million units, up 3% from the second quarter of 2014. For the same period, Nemark's customers produced in the region 3.2 million vehicles, down 2%, as some of the OEMs continued with retooling of the lines.

In Europe, vehicle sale SAAR in second quarter 2015 was (technical difficulty).

Hello? Our gross margin in the quarter increased 110 basis points compared to the same period of last year, reaching 17.1% of total revenues. This increase was mainly driven by an improved operating performance and sales mix.

Let me give you more detail on what I mean by improved sales mix. As you know, OEMs are introducing lighter and more efficient engines to comply with environmental and fuel economy regulations. These new engines are more complex, requiring higher value added castings with better margins for Nemark.

Income from operations was \$131 million, a 7% increase from the same quarter of 2014, mainly due to the improvement in gross margin mentioned before.

EBITDA for the period was \$204 million, a 6% increase compared to the second quarter of last year. EBITDA per equivalent unit also increased 6% on the same period to \$15.80 per unit. On a currency neutral basis, EBITDA increased 10% year over year.

Net income increased 17% compared to second quarter of 2014 to \$77 million in the period, driven by higher income from operations, combined with a lower effective tax rate.

In terms of our balance sheet, as of the end of June we had a net debt position of \$1.27 billion, in line with December of last year. Cash and cash equivalents were \$111 million.

Now allow me to give you some more details on our regional results. Our North America operations had a good quarter in terms of profitability. Even though we had slightly negative volumes, we were able to improve EBITDA by 7% in the quarter. This was mainly due to an improved sales mix and efficiency gains.

Now let me talk about European operations. We are very pleased with the financial results achieved in the region. Volumes grew 3% whereas sales decreased 9% due to devaluation of the euro. In spite of this, we were able to improve EBITDA by 2%.

On a currency neutral basis, revenues and EBITDA increased 16% and 26% respectively. That is, we have posted double-digit growth in both top and bottom line in Europe.

In our rest of the world operations, we were affected by lower sales due to reduced volumes in Brazil and the depreciation of the Brazilian real which was partly offset by sales growth in Asia.

And with that, I would like to open the call for your questions. Operator, please instruct the participants on how to place their questions.

QUESTIONS AND ANSWERS

Operator

Ladies and gentlemen, we are experiencing a brief technical difficulty. While we wait to reconnect our speaker line, I am going to give you the Q&A instructions. (Operator instructions) Karl Martinez, Interacciones.

Karl Martinez - Interacciones - Analyst

Congratulations on the results. I think I have three questions. The first one would be from the incremental contracts of \$640 million you said like more than half is incremental. So it would be around \$350 million. When do you think we're going to start seeing them like reflected on the results?

The second would be from the European growth I can see that in terms of volume, I mean there was ? I mean 3% growth, but there was 16% growth of sales in a constant currency basis. Does that come from a better product mix mainly?

And the last one would be if you're planning to reduce capacity in South America.

Maximilian Zimmermann - Nemak - IR

We had a technical problem with our call, but we're online now again. Do you think you could please repeat your three questions for the benefit of everyone?

Karl Martinez - Interacciones - Analyst

Yes, of course. From the \$640 million of new contracts that you signed this year, you mentioned that more than half is incremental, from incremental programs. When do you think you're going to start seeing them reflected on your results? And actually, when are they going to start?

The second one would be from the European growth, I mean in a constant currency basis you said there was 16% growth. So does that come mainly from better product mix?

And the last one would be if you're planning to reduce capacity in South America in the coming months.

Armando Tamez - Nemak - CEO

Thank you for your call. This is Armando Tamez. Related to the new contracts that we were awarded during the first part of the year, what I can tell you is that we are in the process of building the capacity to support part of these products. As I indicated, a little bit more than half are incremental programs. And we will start seeing startup production as early as 2017.

Related to the growth of Europe, what I can tell you is that we didn't have a significant increase in volume in Europe. What we are seeing is a much better mix related to the introduction of new engine blocks that we are getting significantly much better prices, as well as higher efficiency in our European operations. We are extremely proud of the way that we are managing these operations and the operational results as Alberto indicated.

In South America, as everybody knows, we have plants in Brazil and Argentina. We are now facing some of market shrink created by some of the issues that we are facing in that region. We do not foresee reducing our capacity in that region. We will be waiting. Of course we are adjusting our



fixed cost to place the new market reality in that region. But we are confident that eventually in the next following years the market will be able to recover.

Operator

(Operator instructions) Ben Caudit, Arrowgrass Capital Partners.

Ben Caudit - Arrowgrass Capital Partners - Analyst

Congrats on the quarter. Your EBITDA margin this quarter was 17.5%. Any reason for us to think that it's going to be lower in the rest of the year or you think you're going to be in line?

Alberto Sada - Nemak - CFO

This is Alberto. Yes, as you saw, this was a great quarter for us. But as you may be aware, there is seasonality in this industry. So if you do the math with respect to our guidance, you will see that the margin going forward is going to stay at about 16% and that's essentially because of this seasonality effect as we see our customers reduce production to do the retoolings in the second, the first, in the third quarter and in the last quarter of the year.

Operator

(Operator instructions) Louis Miranda, Santander.

Louis Miranda - Santander - Analyst

I wonder whether you could give us some color on the machining project, this doubling the amount of machining that you do in-house to 70%. Specifically in terms of the timeframe. And you were mentioning if it would have been North America or in Europe, and which one do you think is going to develop faster?

Armando Tamez - Nemak - CEO

Related to machining, as we explained, we are targeting to doubling our existing in-house machining. And we have seen great benefits as I indicated during my presentation. We are seeing better quality, better logistic costs and also we are getting nice profitability. We are investing in machining in almost every single region. We are seeing various opportunities, not only in Mexico, but also in the US and Canada, as well as South America, as Europe and also in Asia.

Related to the greater of the opportunities that we see, we see great opportunities again in Europe. We are penetrating there very fast with a proprietary technology for engine blocks that allow us to produce diesel engines. And we have a technology that no one has in the industry. So that allows for us to gain significant market share, as well as better pricing that is helping us get that better profitability.

Louis Miranda - Santander - Analyst

And in terms of profitability, do you think that the levels that we are seeing in terms of EBITDA per head during this first half of the year could be sustainable in the medium term, not only with a sales mix increase, but also with the machining component?

Alberto Sada - *Nemak - CFO*

This is Alberto. That's a good question. I think that's in line with what indicated on the margin. What we expect for the rest of the year is that seasonality effect to take place. We still see an increase of about \$0.25 on the EBITDA per unit for the remaining of the year. And then going forward, as this improvement in mix continues materializing, as we get more of the machining work, that EBITDA per unit will continue to increase.

Operator

(Operator instructions) Ivan Enriquez, HSBC.

Ivan Enriquez - *HSBA - Analyst*

My question is regarding the volume that you have. And regarding the solds, where the products are sold domestically or internationally, which I understand is close to 88% international and 12% domestic, what percentage of your production is done in your Mexico facilities, in Monterrey, in (inaudible). That would be the first question.

And the second question would be regarding all these new investments that we've heard in Mexico and that we're receiving, Toyota and BMW and KIA, how many of these auto suppliers have awarded you some contract? Those are the two questions.

Armando Tamez - *Nemak - CEO*

Approximately we have in Mexico revenues of about ? total of about one-third of auto revenues are coming from Mexico. Most of the products that we produce in Mexico are exported directly or indirectly, mainly to the US and Canada. And about 5% to 10% stays in the country.

And your second question is related to some of the new announcements that OEMs have made during the past two and a half years related to new investments. We have been able to capitalize on the investment of these new customers that are coming and some existing ones that are coming to invest in Mexico. Just for reference, they have announced investments close to \$22 billion that would make Mexico be coming from a 3 million vehicle production to 5 million by the end of the decade.

We have been able to capitalize on new orders from Audi, which is putting an assembly plant in Pueblo, as well as Kia, that is also building a new facility ? assembly and engine plant in the Monterrey outskirts.

Also Ford has announced a new engine plant that they would produce a new engine in Chihuahua. BMW, as well as in (inaudible) and Daimler is joining forces with Nissan with adding capacity in Aguascalientes. So we are benefiting from all these customers and we are getting new orders. And that explains one of the reasons that we are building a new facility here on our campus in the Monterrey area, as well as we are adding some investments in the ? or real estate, most basically in Saltillo and Monclova.

Ivan Enriquez - *HSBA - Analyst*

I understood previously that Kia and Audi awarded you contracts, but again can you confirm that you also have received contracts for BMW and Daimler for ? to supply to the plant that you have in Mexico, and Ford?

Armando Tamez - *Nemak - CEO*

I can confirm that we have received awards also to produce parts for Daimler Nissan, which is basically a new engine that they will develop. And we are making the same engine in Europe and we have been awarded for the same engine and the same components for China as well.



As I indicated also, Ford Motor Company awarded us with a new engine that is ? the code name is Dragon and we will be making the castings for them.

Ivan Enriquez - HSBA - Analyst

And also BMW in Mexico, right?

Armando Tamez - Nemak - CEO

BMW has not yet announced the construction of an engine plant. They have already announced that they would be building the 3 Series and they are studying the possibility of having an engine plant in Mexico. And certainly we are the main supplier of the BMW Group, not only in Europe, but also in Asia. And we are confident that if they decide to build a new facility or new plant in Mexico, most likely we will be the supplier as we are already Europe and in China.

Ivan Enriquez - HSBA - Analyst

And just on the first question, you said one-third of the revenues, but in terms of production, can I assume that it's pretty much the same, like 35%, 30% of your production is done in Mexico?

Armando Tamez - Nemak - CEO

Yes, that is a fair assumption. It is align the revenues against production.

Operator

Andrew De Luca, Credit Suisse.

Andrew De Luca - Credit Suisse - Analyst

The first is kind of just a housekeeping. Can you just confirm the revenue guidance that you provided earlier, as well as the CapEx guidance?

Alberto Sada - Nemak - CFO

Yes, the guidance that are confirming is in terms of revenue is about \$4.7 billion. And in terms of EBITDA, it's \$745 million.

Andrew De Luca - Credit Suisse - Analyst

And I think previously you mentioned that the CapEx budget for the year was \$435 million. Is that still the same?

Alberto Sada - Nemak - CFO

We still have the same figure that we presented during the road show, \$435 million for capital expenditures.



Andrew De Luca - *Credit Suisse - Analyst*

And of that amount, what is maintenance CapEx versus expansion CapEx?

Alberto Sada - *Nemak - CFO*

The maintenance CapEx for that is close to \$55 million. Everything else is investment for capacity expansions, machinings and other projects.

Andrew De Luca - *Credit Suisse - Analyst*

And then just one other question. On the BMV filing, you guys state other current liabilities in the first quarter of \$5.2 billion and that increased in the second quarter to \$16.3 billion. I was wondering what is that specifically related to?

Armando Tamez - *Nemak - CEO*

Prior to issuing the IPO, we issued a note payable to shareholders. And that was a mechanism that was [envisioned] to distribute the profits of the IPO. So after the issuance of the IPO, once we received the profits, a large portion of that account payable was paid off and depending on how the overallotment materialize during the next few days, we will pay another part of that and any remaining balance will be cancelled. So effectively that was the note payable to the mechanism that we use to channel resources to shareholders post IPO.

Operator

Patrick Archambault, Goldman Sachs.

Dave Tamberrino - *Goldman Sachs - Analyst*

It's actually Dave Tamberrino on for Pat. You spelled out a bit of new business in contract wins from the first half of the year within head blocks, transmissions and structural components. Could you provide a breakdown within those different buckets of that \$640 million in new business wins?

Alberto Sada - *Nemak - CFO*

Yes, certainly I can. I cannot give you for the ? some contract reasons the name of the contracts and the volume for each individual customer, but I can give you the breakdown of the programs that we have been awarded so far.

In terms of cylinder heads, we have about \$226 million. Cylinder blocks for \$357 million. Transmission cases about \$28 million. And other components are in the range of about \$51 million. Plus a new contract that has been recently awarded on the structural components by another \$12 million. That's up to about \$673 million orders in general revenue that we will see during the next years.

Dave Tamberrino - *Goldman Sachs - Analyst*

And correct me if I'm wrong, that structural components, there was ? you now have six programs. Is that up from four or five during the IPO process?

Alberto Sada - *Nemak - CFO*

Yes, there were five and now we have a new one that we just recently signed with a new customer. It's another European OEM. And that will add to approximately \$140 million in total revenues that we are expecting on the structural component side.

Dave Tamberrino - *Goldman Sachs - Analyst*

That's helpful. And when does that ? does that launch in the same timeframe, that late 2016, early 2017, or is it a little bit further out?

Armando Tamez - *Nemak - CEO*

Actually we will start producing early next year the process structural component parts that we'll be starting producing in Europe, as well as and other parts that we will be producing in Mexico to support our customer Audi in Mexico.

Dave Tamberrino - *Goldman Sachs - Analyst*

And now just kind of a couple of region specific questions. On North America, you guys called out that you had better sales mix within the region. I apologize if you already covered this, but could you elaborate a little bit further on that?

Armando Tamez - *Nemak - CEO*

Yes, in North America, as we indicated, and it's similar to what we're experiencing in Europe, we have had significantly better mix in terms of the products that we're selling. So we're selling more complicated castings. I mean these newer engines that the OEMs are bringing to the market have much more complex castings. So we're seeing gradually our mix improving as all those new engines come into the market.

Let me just add, for instance, you see today that the trend not only in North America but also worldwide, is to produce engines that are smaller, but significantly more powerful than in the past. And those come with highly sophisticated components that we are able to produce with our proprietary technology. And we are getting significantly better margins than in the past because the parts are becoming significantly more complex.

Just as an example, on cylinder heads we are casting parts with an integrated and exhaust manifold. And again, making these castings significantly more sophisticated and we are able to convey better margins, as well as in the blocks we're getting the same as we're getting on the heads, better margins.

Dave Tamberrino - *Goldman Sachs - Analyst*

That's more clear, thank you. And then just more broadly in China, we've seen a bit of a slowdown within the region in terms of June sales. Wondering how that, if at all, really affects your expansion plans there or your volume forecasts for the back half of this year.

Armando Tamez - *Nemak - CEO*

We do not see ? again, we are first aware of this volume reduction and we're watching that closely. We are not modifying for the time being our plans to continue growing in that region. We have already secured contracts with western OEMs and we will expect to continue with the same investment schedule that we have been projecting unless our customers tell us to do different.

Dave Tamberrino - *Goldman Sachs - Analyst*

Has there been any near-term reductions in production that you've seen or is it kind of steady as she goes, at least for your products?

Armando Tamez - Nemak - CEO

We have not seen it. We have not seen it yet any decline. Again, I think it's a little bit too early to tell. We will be watching that very closely.

Dave Tamberrino - Goldman Sachs - Analyst

That's fair. Thank you. And then one thing that was surprising to us, at least for the quarter, is the margin expansion year-over-year that we saw in EBITDA really going from about 16.1% to about 17.5%. We were wondering if you could kind of provide us a bit of a breakdown, if you will, of how much of that was from incremental in-house machining, how much it was from better volume absorption and then potentially pricing, et cetera.

Armando Tamez - Nemak - CEO

I think that it's difficult for us to tell you exactly the breakdown. What I can tell you is that it's a combination of several factors. The main is that the new products that we are launching, not only North America, but also in Europe, we are getting better pricing. Again, due to the complexity of the new products that we are manufacturing.

Second, again I think we're getting additional benefits by integrating some of our parts to be machined in-house and as well as some operational efficiencies. We are a Company that is highly focused on lean manufacturing and we are always pushing all our plans to improve their cost. And the combination of the three of them that I just mentioned are helping us improve margins.

Dave Tamberrino - Goldman Sachs - Analyst

That's helpful. I only have two last ones, both on the balance sheet. First, the level of debt that you have right now is this comfortable for you? Are you still going to be in a bit of a de-levering mode or do you see it growing from here?

Alberto Sada - Nemak - CFO

Yes, our net leverage ratio right now is around 1.8 on a net debt to EBITDA basis. And with the forecast that we have for cash generation, we expect that to continue reducing slightly. And we expect that to be in the 1.7, 1.6 range for the end of the year. So once again, as we continue generating cash, we expect to be de-levering a little bit more.

Dave Tamberrino - Goldman Sachs - Analyst

That's helpful. And then just lastly, I think we saw a pretty large increase in accounts receivable from the first quarter to the second quarter. Is anything specific to call out there?

Alberto Sada - Nemak - CFO

That's more of a seasonality effect. Yes, as you know there's a higher increase quarter-to-quarter. At the year-end normally collections are low, as the production level is slower, but that along the year increases on the first semester and then gradually reduces on the second semester.

Dave Tamberrino - Goldman Sachs - Analyst

Thank you gentlemen. You've been extremely gracious with your time.

Operator

Rafael Escobar, Vector.

Rafael Escobar - Vector - Analyst

Sorry if I missed the information of your plant in Russia. What is the production of the Russian plant in volume during the quarter? And the same of the past year.

And the second question is could you be so kind to repeat the CapEx during this year? As I see very general guidance was \$235 million.

Armando Tamez - Nemak - CEO

Let me talk a little bit about our Russian plant. We are, as we speak, in the process of starting the first production in this facility. As a matter of fact, we are planning to officially opening the plant the first week of September. And as we speak, we have a contract with the Volkswagen Group where we will produce cylinder heads on engine blocks for an engine that we are also (technical difficulty) the same group components in Europe, South America, North America, as well as in China. So this is a global engine and we were selected by the Volkswagen Group to produce these engines.

Certainly everybody has been seeing that Russia is today facing an economic slowdown and we are talking with our customers. The plan that we have with the Volkswagen Group is that they will look to export the engine and also vehicles that they will produce in Russia to other markets, such as Asia and potentially also to Europe.

And we are confident that we have a very good partnership with the Volkswagen Group and they will help us lead to these prices in Russia that eventually we will expect that our volumes will recover and we will be reducing our investment in a much better way than how it looks in the short-term.

Related to the CapEx, so we have indicated our guidance for this year is \$435 million and most of this CapEx is for regional growth that we are seeing in every single market that we are participating.

Alberto Sada - Nemak - CFO

If I may add, Armando, the startup operation of this plant is expected to happen end of this year, so the volumes that we're seeing in this year are still very small. So you're not seeing any impact of that on the quarterly results that we have this year or last year.

Rafael Escobar - Vector - Analyst

In spite of that, you are looking forward to starting during this year.

Armando Tamez - Nemak - CEO

Let me just have talking a little bit about Russia and our strategy there. I think it's important to let you know that the Russian government enforce a decree in which they force automakers to produce locally cylinder heads, engine blocks and other components, such as the crankshaft. Those three components for engines need to be produced locally.

And I think we are very well positioned with the reputation that we have in terms of technology, in terms of quality and competitive costs not only to grow with the Volkswagen Group, but with other customers that we are today in conversations. And also I'd like to remind you that Russia, in

spite of the fact that they are facing a slowdown, still represent the fourth place in the European market. And has a great potential in the midterm to grow and become the number one market in Europe.

Operator

Jose Vasquez, GBM.

Jose Vasquez - GBM - Analyst

I was wondering if after paying [alpha] for the ? what you are accorded with them from the proceeds from the IPO, the remainder will be used for that new plant in Mexico or do you have any other plans for the remainder of the proceeds of the IPO?

Alberto Sada - Nemak - CFO

Related to the proceeds that we got from the IPO, which were about \$150 million, of course we need to (inaudible) some of the costs that we had to do the IPO, which an amount close to a little bit less than \$30 million. So the money that we got we will use to form new investment projects that we have not only in Mexico, but also in the rest of the world. And that will help us to continue growing at the pace that we have been growing.

Jose Vasquez - GBM - Analyst

And can you tell us quick the capacity for the new production plant in Mexico and which type of products is that aimed for?

Armando Tamez - Nemak - CEO

We were able already to fill completely the plant. And I think people tend to tell you that Nemak doesn't invest in plants unless we have firm contracts. The capacity that we will have in this new plant will be about \$0.2 million high pressure die casting components and the products that we will be producing in this facility are state-of-the-art structural components, engine blocks, as well as transmission cases.

Operator

There are no further questions at this time. I would now like to turn the conference back over to Mr. Zimmermann for any additional or concluding remarks. Sir?

Maximilian Zimmermann - Nemak - IR

Thank you, Operator. I would just like to thank everyone for participating in today's call. Please feel free to contact us if you have any follow-up questions or comments. Have a great day.

Operator

Ladies and gentlemen, this does conclude today's teleconference. You may disconnect your lines at this time. Thank you for your participation and have a wonderful day.

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