



\$37 million investment in Mexico: thyssenkrupp Materials Services continues growth in North America

- New site specially geared to key future issues of the automotive industry: Sustainability and electro-mobility – exclusive service offering to meet the need for lighter vehicles
- Expansion of leading market position in aluminium and steel service centers in Mexico
- thyssenkrupp Materials Services with total investment volume of more than \$100 million in the North American market in the last 12 months

thyssenkrupp Materials Services is continuing its expansion in North America and is planning a new site for the Materials de Mexico division in San Luis Potosí. In the central Mexican city, the company is investing around \$37 million in a service center that will support the future viability of the automotive supply industry, which is growing strongly in this region. The new site will create jobs for around 65 employees. With this step, the biggest mill-independent materials distributor and service provider in the Western world is strengthening its leading position in the North American market and further aligning its service business to evolving customer needs. "The needs and requirements of the industry are changing rapidly," says Martin Stillger, CEO of thyssenkrupp Materials Services. "Against the background of the major transformation themes of electro-mobility, sustainability and supply chain resilience, Mexico is a clear growth market for us. Here we can support customers with our Materials as a Service strategy precisely in these key areas." In total, thyssenkrupp Materials Services has invested around \$102 million in the North American market in the last 12 months.

Exclusive service offering to meet the need for lighter vehicles

The centerpiece of the new location is a Schuler blanking line used to cut aluminium and high strength steel blanks for the automotive industry. Due to its low weight, aluminium helps to reduce emissions and is often used prominently in electric vehicles. The automotive industry is responding to increasing demand brought on by the faster transition to electric mobility and stricter emission standards planned by the US government. For the Mexican suppliers, the USA is by far the biggest sales market – around 80 percent of sales are generated in this region. Secretary of Economic Development Juan Carlos Valladares Eichelmann explains: "San Luis Potosí will be a key geographical site for this international company to reach the State, due to the enormous advantages of its infrastructure and its industrial vocation."

"With the opening of the plant, we will be able to further expand our unique position in this pre-processing service in the Mexican market," says Olaf Voss, CEO of thyssenkrupp Materials de Mexico. "We appreciate the good collaboration with the Secretariat of Economic Development of San Luis Potosí on this important project." The new site in San Luis Potosí will join with the company's existing service

center in Silao, located around 125 miles away, which already has an aluminium blanking line, to be the only facilities in the country to offer this service. All aluminium blanks for the auto industry not produced at these sites will have to be imported as prefabricated parts from the USA.

Expansion of site network allows greater customer proximity and flexibility

thyssenkrupp Materials de Mexico currently has three service centers in the country, located in Saltillo, Silao and Puebla in close proximity to numerous OEMs and suppliers to the automotive industry. In the region in north-central Mexico (El Bajío) in particular, where the new branch is being built, other companies are planning to expand their activities. The short delivery routes and the connection to a railroad line at the new location in San Luis Potosí enable not only cost-efficient but also sustainable operations, and all this with "just in time" delivery. Capacities and supply chain management can be flexibly adapted to customer needs. "The new subsidiary makes a decisive contribution to our future strategy Materials as a Service in North America," said Ilse Henne, Chief Transformation Officer of thyssenkrupp Materials Services. "We are offering new services, expanding our service portfolio and using our expertise in the processing of aluminium blanks at the Silao site to scale our business and tap into new customer groups."

The new San Luis Potosí site is scheduled to start operations in mid 2023.

Pictures are available for download here:

https://transfer.thyssenkrupp.com/public/1132171r_cc5e0c6b63db60e636822f/

About thyssenkrupp Materials Services

thyssenkrupp Materials Services is the biggest mill-independent materials distributor and service provider in the Western world with around 380 locations – including around 260 warehouse sites – in more than 30 countries. The versatile range of services offered by the materials experts allows customers to focus even more strongly on their individual core businesses. As part of its strategic further development "Materials as a Service" the company is focusing on the supply of raw materials and materials as well as products and services in the area of supply chain management. Digital solutions ensure efficient and resource-saving processes for customers and thus provide the basis for sustainable action. From 2030 Materials Services will operate on a climate-neutral basis.

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