



Nuevo León, Mexico. November 2023

To whom it may concern:

GONHER DE MEXICO is a pioneering company that is part of Grupo Gonher and has 70 years of national and international experience in manufacturing oil filters, air filters, gasoline filters, fuel filters, and cabin filters for a wide range of vehicles within the automotive and heavy-duty sectors.

During the last 9 months, we have developed in conjunction with London Consulting Group the FÉNIX project. The project focused on transforming our work models by prioritizing efficiency, profitability, and operational excellence. This transformation is the result of our commitment to innovation and digitalization according to the Lean 4.0 pillars: Digital Transformation, Applied Technology, Agile Methodologies, and a new Organizational Mindset.

The results of the project have translated into tangible improvements in the company's financial and operational indicators:

**150% increase in the company's EBITDA**

- Productivity improvements enabled us to set new production records by increasing our plant's capacity by 12%.
- Improvements of up to 25% in the efficiency (OEE) of the assembly lines.
- 8% reduction in material costs by using a collaborative approach to developing innovation projects.

The models developed and implemented during the project were grouped into 3 transformation pillars:

**DIGITAL TRANSFORMATION:** Adopting the *Lean 4.0* methodology which focused on digitally transforming our production control process and applying different technologies to this process. Implementing digital dashboards that display KPIs in real-time (*Decision Intelligence*), using intelligent sensors to control stoppages (*IoT*), installing digital cameras for quality control, developing APPs that evaluate the 5's, and a better use of SAP.

**OPERATIONAL EXCELLENCE:** We transformed our demand planning, production, engineering, maintenance, procurement, and quality models. This enabled us to set higher goals, redefine the organizational structures, redesign the processes, and strengthen our KPIs and the management model for each department.

**AGILE MINDSET:** We provided agile leadership courses to train the plant's change leaders. These leaders adopted agile methodologies which allowed us to carry out short sprints and consistently deliver value. We incorporate the ADKAR model to guide our change leaders along their transformation journey.

The financial benefits of the project have exceeded our expectations reaching an annualized forecasted ROI of 5.8 to 1. We highly recommend London Consulting Group as a professional and results-orientated company; therefore, we continue to develop other improvement initiatives within the organization.

Sincerely

Carlos Alberto Olmeda  
CFO Grupo Gonher



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