

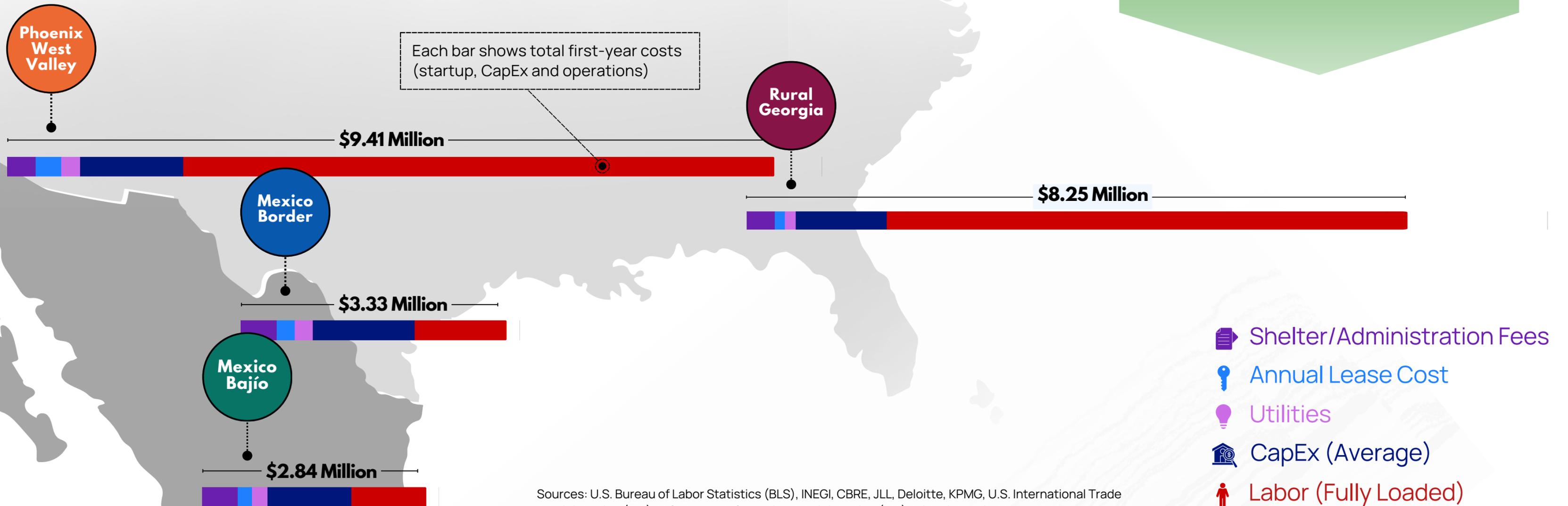
The Same Factory. The Same Workforce.

Radically Different Savings

We compared four manufacturing locations in the U.S. and Mexico to see **where you get the most value** across start-up, first year, and CapEx costs. The biggest cost driver is **LABOR**.

Mexico Bajío Leads on Labor Efficiency

- 17% savings vs. Mexico Border
- 85% savings vs. Phoenix
- 87% savings vs. Rural Georgia



Sources: U.S. Bureau of Labor Statistics (BLS), INEGI, CBRE, JLL, Deloitte, KPMG, U.S. International Trade Administration (ITA), U.S. Energy Information Administration (EIA). Midpoint estimates used.

**U.S. vs Mexico
Year-One Cost
Perspective
(with CapEx)**



4 Locations Compared



35,000 sq ft Leased



100 Workers



Electronics Assembly

Annual Lease Cost
Labor (Fully Loaded)
Utilities
Admin / Shelter Fee*
CapEx** (Median)
Total Year One Cost

Mexico Bajió (Shelter)
\$181K
\$0.95M
\$200K
\$449K
\$1.06M
\$2.84M

Mexico Border (Shelter)
\$227K
\$1.15M
\$229K
\$449K
\$1.28M
\$3.33M

Rural Georgia
\$126K
\$6.50M
\$135K
\$349K
\$1.14M
\$8.25M

Phoenix West Valley
\$315K
\$7.25M
\$230K
\$349K
\$1.27M
\$9.41M

Detailed CapEx Breakdown by Region (Medians)
IT & Operations Systems
Tenant Improvements & Buildout
Compliance & Environmental
Commissioning & Valdiation
Working Capital Loading***
Security & Safety Systems
Backup Power /Electrical Redunanday
Total CapEx**

Mexico Bajió (Shelter)
\$152K
\$246K
\$27K
\$67K
\$365K
\$54K
\$150K
\$1.06M

Mexico Border (Shelter)
\$53K
\$276K
\$32K
\$75K
\$400K
\$70K
\$177K
\$1.28M

Rural Georgia
\$186K
\$254K
\$41K
\$86K
\$485K
\$36K
\$56K
\$1.14M

Phoenix West Valley
\$203K
\$285K
\$50K
\$95K
\$525K
\$40K
\$68K
\$1.27M

The Mexico Bajió Year-One Cost

70% LOWER
than Phoenix's West Valley

66% LOWER
than Rural Georgia

15% LOWER
than Mexico Border

*Admin/G&A (U.S.) is internal overhead required to operate a facility, normalized here for comparison. Shelter Fee (Mexico) is a fixed annual cost covering HR, payroll, compliance, accounting, and local administration. **CapEx includes: IT systems, tenant improvements, compliance security, working capital and backup power. ***Working Capital | Initial inventory, WIP buffers, consumables, and pre-launch payroll before production revenue begins.