

3Q24



Earnings Call

October 23rd 2024

Forward Looking Statements

This presentation contains certain forward-looking statements and information relating to Grupo Rotoplas S.A.B. de C.V. and its subsidiaries (collectively, “ROTOPLAS”) that are based on its knowledge of present facts, expectations and projections, circumstances and assumptions about future events. Many factors could cause the actual results, performance or achievements of ROTOPLAS to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic, political, governmental, and business conditions globally and in the countries in which ROTOPLAS operates, ROTOPLAS’ ability to continue developing innovative solutions, changes in interest rates, changes in inflation rates, changes in exchange rates, the cyclical activity of the water sector generally, changes in demand, consumer preferences, and prices of our solutions, ROTOPLAS’ ability to execute its corporate strategies to new markets and regions, changes in raw material and energy prices, changes in business strategy, changes in the prevailing regulatory framework, competition, natural disasters and other unforeseen events and various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted. Forward-looking statements are made as of the date hereof, and ROTOPLAS does not intend, nor is it obligated, to update these forward-looking statements, whether as a result of new information, future events or otherwise.

Copyright Grupo Rotoplas S.A.B. de C.V. and its Subsidiaries

Speakers



Carlos Rojas Aboumrad
CEO



Mario Romero Orozco
Former CFO | Board Member



Andrés Pliego Rivero-Borrell
Incoming CFO

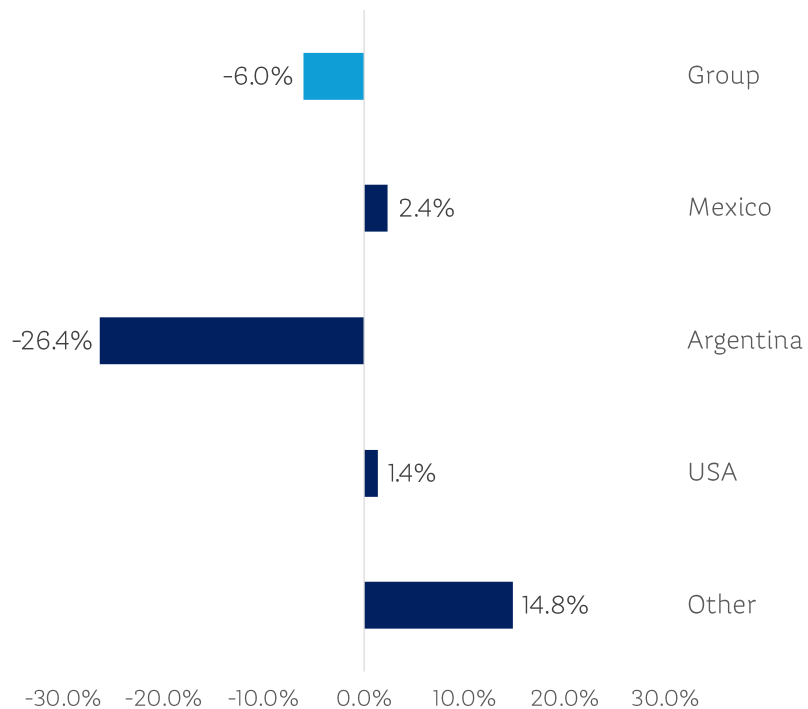


01

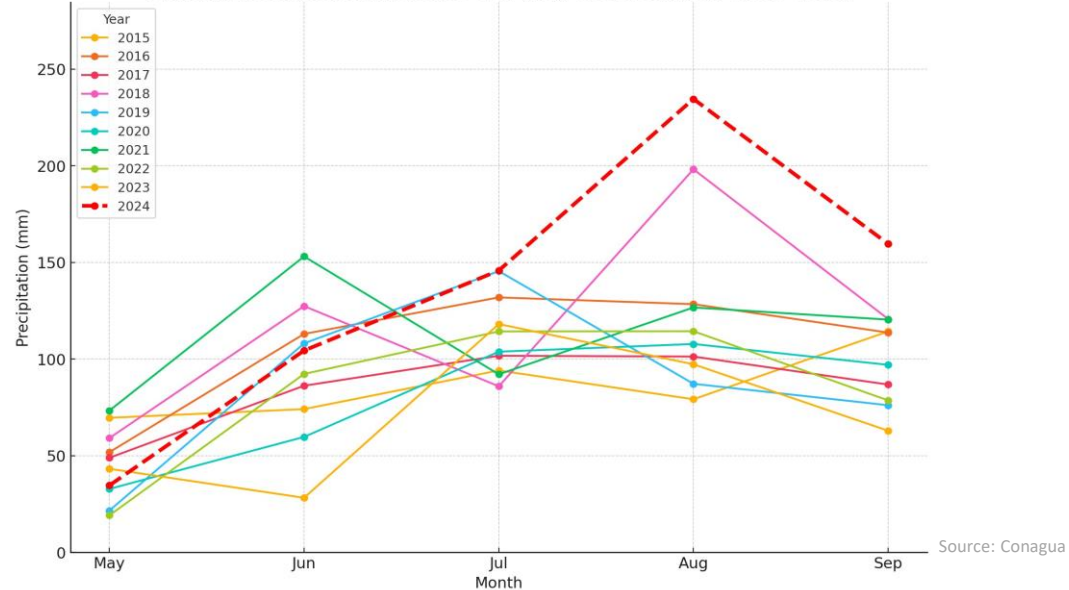
3Q24 Performance Overview

3Q24 Results | Revenues

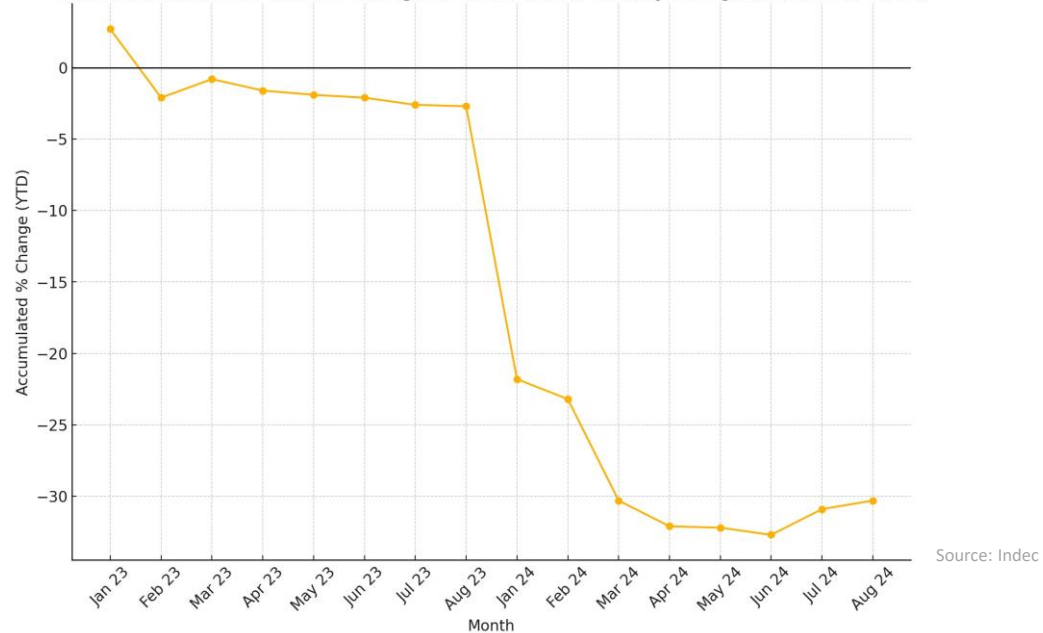
3Q SALES



Monthly Precipitation in Mexico City (May to September, 2015-2024)



Accumulated Year-to-Date % Change in Construction Activity in Argentina (2023-2024)



Looking ahead

Strategic priorities:

- **Capitalize** on **omnichannel/digital capabilities** (bebbia 3.0, e-commerce for distributors, etc.) developed in 2024 to **consolidate market position** and **leverage** these **investments** as **key drivers for sales**.
- **Reverse** the **declining EBITDA** trend by **reducing expenses**.
- **Focus** on **higher operating margins** to **increase FCF generation** through **working capital optimization**, **strict CAPEX** control, and **reducing leverage**.

ESG Initiatives



Planet

Four plants in Mexico now operate on 100% **renewable electricity**, reducing over 3,500 tCO₂e

SBTi approved our GHG reduction targets for 2030: a 42% reduction in scopes 1 and 2, and a 25% reduction in scope 3



Profit

2-point increase in the **S&P Corporate Sustainability Assessment**, placing us in the global top 5 within the industry

We published the **SDID Report** in collaboration with JP Morgan, the first in Latin America and second globally, aligning our strategy with the UN SDGs



People

Through the **"Rotogotas de Ayuda"** Campaign, we donated 1,462 water tanks benefiting >16,000 people affected by drought

We launched the **"Escuelas con Agua"** with Coca-Cola Foundation, the 8 bottlers of the Mexican Coca-Cola Industry and Isla Urbana to equip schools with rainwater harvesting systems



02

Financial & Strategy Highlights

P&L | Financial Highlights

Figures in million MXN

	3Q24	3Q23	Δ %/bps	9M24	9M23	Δ %/bps
Net Sales	2,838	3,020	(6%)	8,477	8,770	(3%)
COGS	1,658	1,675	(1%)	4,556	4,750	(4%)
Gross Profit	1,179	1,345	(12%)	3,921	4,019	(2%)
<i>Margin</i>	42%	45%	(290) bp	46%	46%	50 bp
SG&A	1,091	1,010	8%	3,105	2,813	10%
Operating Income	89	335	(74%)	817	1,207	(32%)
<i>Margin</i>	3%	11%	(800) bp	10%	14%	(420) bp
Financial Expenses	189	90	NA	439	940	(53%)
Taxes	(27)	16	NA	86	25	NA
Net Result	(73)	229	NA	291	241	21%
<i>Margin</i>	-3%	8%	NA	3%	3%	70 bp
EBITDA	247	470	(47%)	1,253	1,577	(21%)
<i>Margin</i>	9%	16%	(680) bp	15%	18%	(320) bp

Sales growth ex. Argentina

3Q24	9M24
4%	8%

Sales | Per Country



	3Q24	2024
Δ Sales	2%	11%
EBITDA Margin	16%	23%

- Sales driven by **ongoing** good **performance** in **services**.
- Heavy rains reduced** demand for **storage** solutions.
- EBITDA** margins **impacted** by higher **operating expenses**.



	3Q24	2024
Δ Sales	(26%)	(31%)
EBITDA Margin	2%	6%

- Sales decreased due to **ongoing economic recession**.
- Slight volume improvement** during the third quarter vs. 2Q24.
- EBITDA** margins **pressured** by **lower sales**.



	3Q24	2024
Δ Sales	1%	(10%)
EBITDA Margin	(10%)	(13%)

- Sales **grew** slightly during the third **quarter**.
- Lack** of **drought** and **competition** reduced year-to-date sales.
- Cost control** strategies **improve** negative **EBITDA**.



	3Q24	2024
Δ Sales	15%	7%
EBITDA Margin	6%	10%

- Peru:** Strong demand for water heaters.
- Central America:** Growth in storage and water flow solutions.
- Brazil:** Expansion in water treatment plant projects.

Sales | Products & Services Mix

Figures in million MXN

+127,000 bebbia units

+160 clients in **riego**

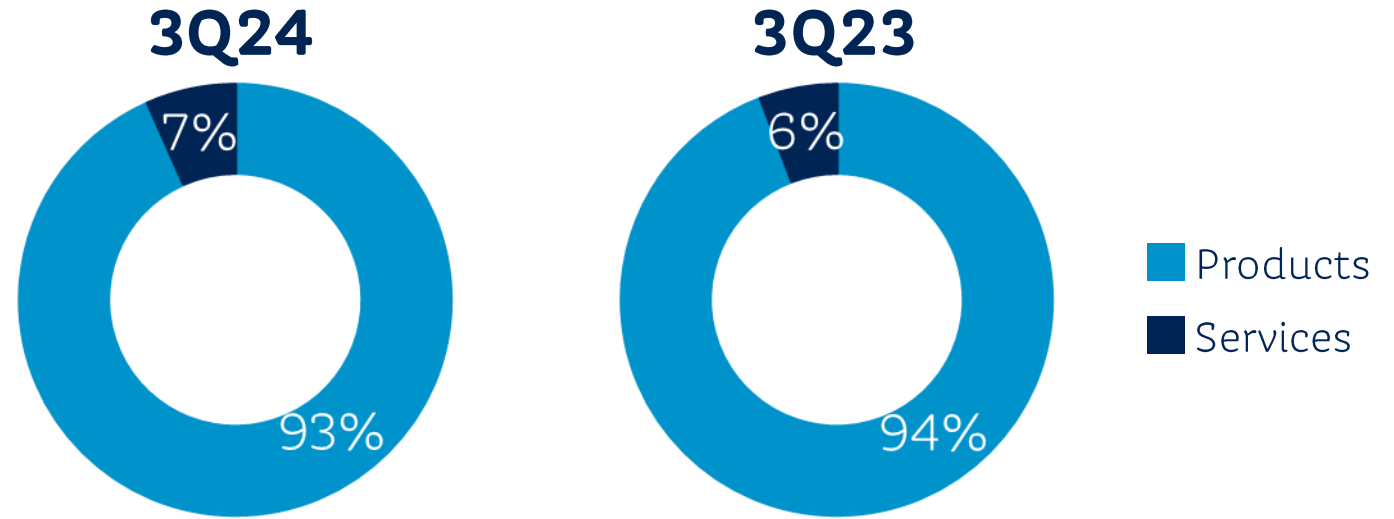
+5,500 e-commerce clients

Services continue with **strong traction**

Public sector sales:

3Q24 – 4.0%

9M24 – 4.1%



		3Q24	3Q23	%Δ	2024	2023	%Δ
Products	Sales	2,649	2,847	(7%)	7,823	8,312	(6%)
	EBITDA	352	573	(39%)	1,488	1,790	(17%)
	% Margin	13%	20%	(680) bp	19%	22%	(250) bp
Services	Sales	189	173	9%	654	458	43%
	EBITDA	(105)	(103)	2%	(235)	(213)	10%
	% Margin	(56%)	(60%)	400 bp	(36%)	(47%)	NM
Total	Sales	2,838	3,020	(6%)	8,477	8,770	(3%)
	EBITDA	247	470	(47%)	1,253	1,577	(21%)
	% Margin	9%	16%	(680) bp	15%	18%	(320) bp

Cash Position

Figures in million MXN

Current Leverage

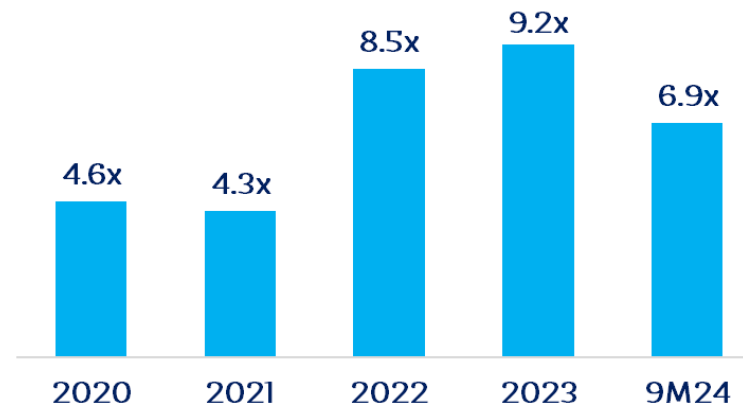
Balance Sheet	2024	2023	Δ %
Cash & Cash equivalents	616	633	(3%)
Total Debt	4,414	4,114	7%
Net Debt	3,798	3,481	9%
Net Debt / EBITDA	2.1x	1.6x	0.5x

- During the quarter, we maintained a strong focus on managing working capital.

Debt Maturity Profile

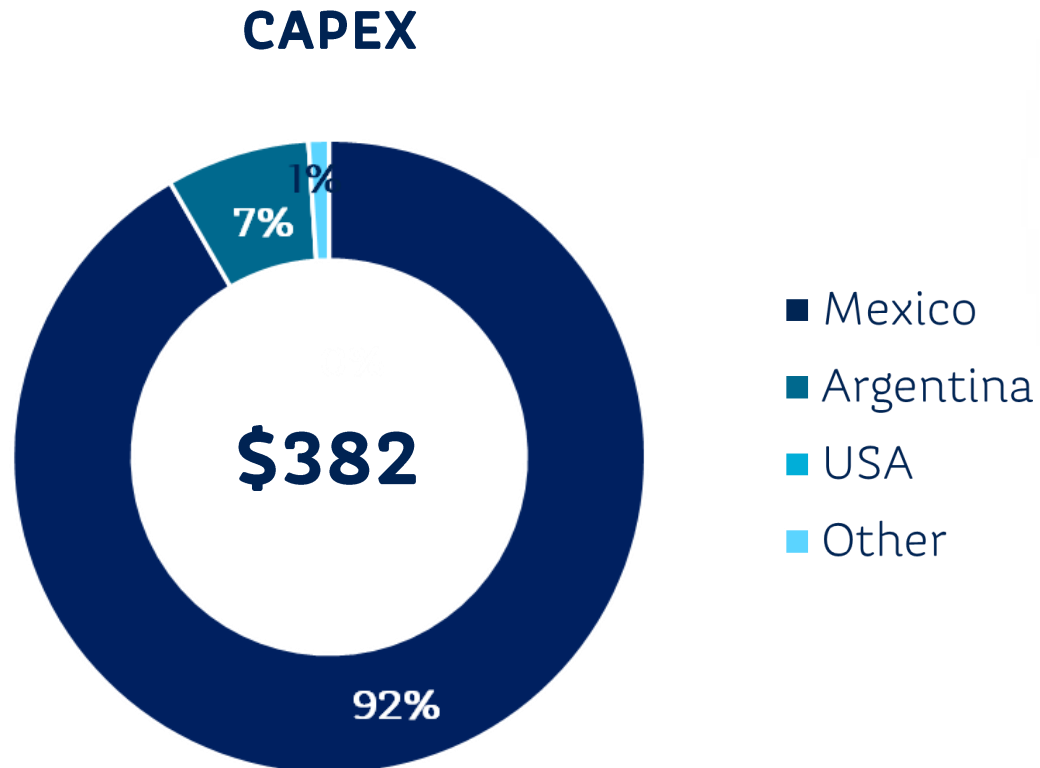


Interest coverage



Discipline in Capital Allocation

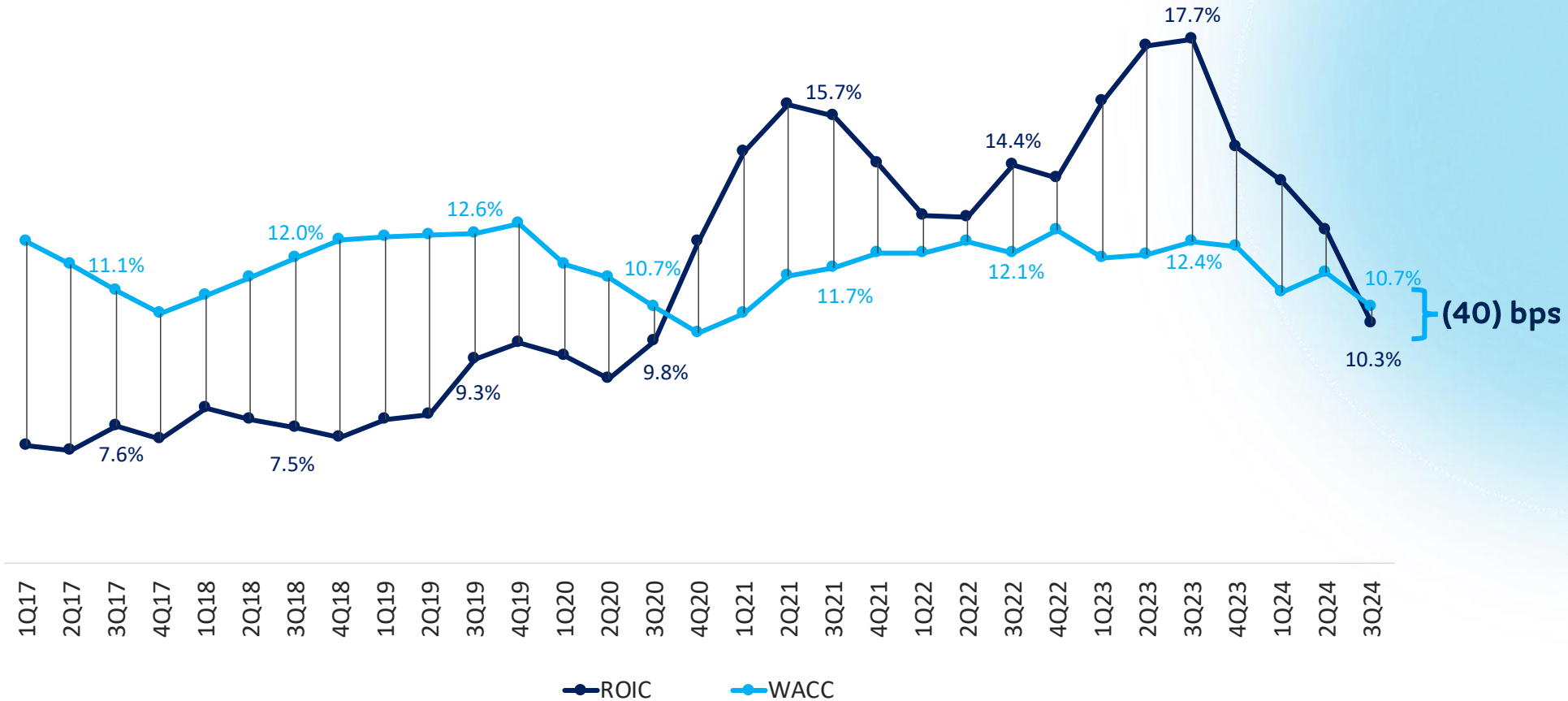
Figures in million MXN



Investments for the **long-term sustainability** of the business:

- Investment in **technology** to produce the **new generation** of **water tanks** and a new **plant** in **Ixtapaluca**
- **\$90 million** allocated to **bebbia**
- **\$29 million** to **water treatment plants**

ROIC | Sustainable value creation



Our **focus** in the coming quarters is to **enhance NOPAT** to regain a **positive spread** between **ROIC** and **WACC**

ROIC: NOPAT (L12M) / Average Invested Capital (L12M monthly)
 Invested Capital: Total Assets – Cash and Cash Equivalents – Short-Term Liabilities
 ROIC excludes Flow program execution costs from 2Q20 to 4Q21 as they are one-off

Revised 2024 Guidance

2024 Guidance

Sales (5%) - 0%

EBITDA Margin 14% - 15%

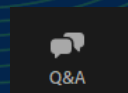
Net Debt / EBITDA 2.0x - 2.2x

ROIC = WACC - 100/200 bp

Strategic Priorities:

- **Capitalize** on **omnichannel/digital capabilities**
- **Reverse** the **declining EBITDA** trend
- **Focus** on **higher operating margins**

Thank you!



You can submit a question by pressing the “Q&A” button.

Please include:

- *Name
- *Fund or Company