

4Q

22



Earnings Call

February 9th 2022



Grab a coffee!
webcast will start
at 11:05 am EST

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.

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Speakers



Carlos Rojas Aboumrad
CEO

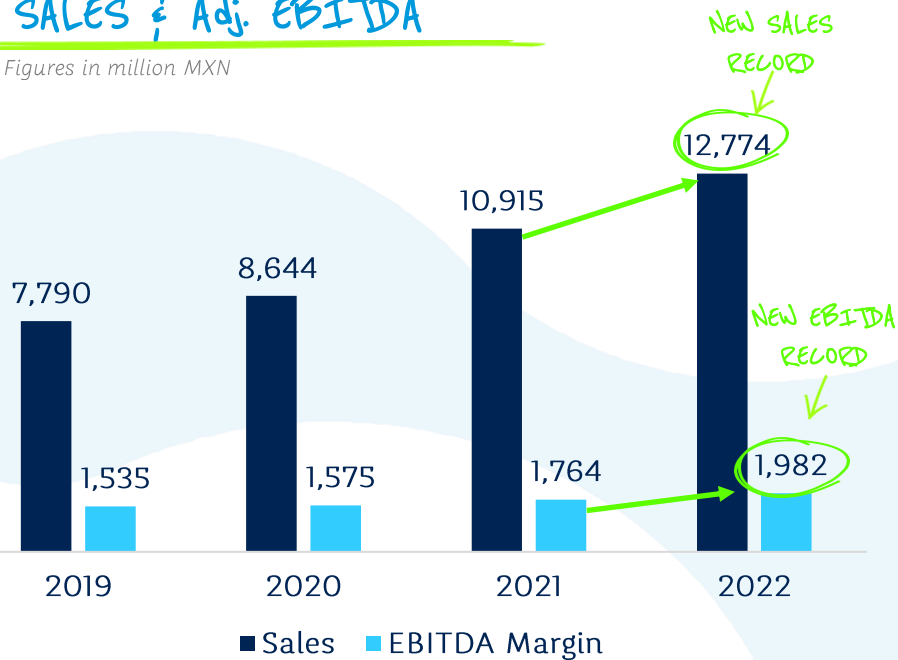


Mario Romero Orozco
CFO

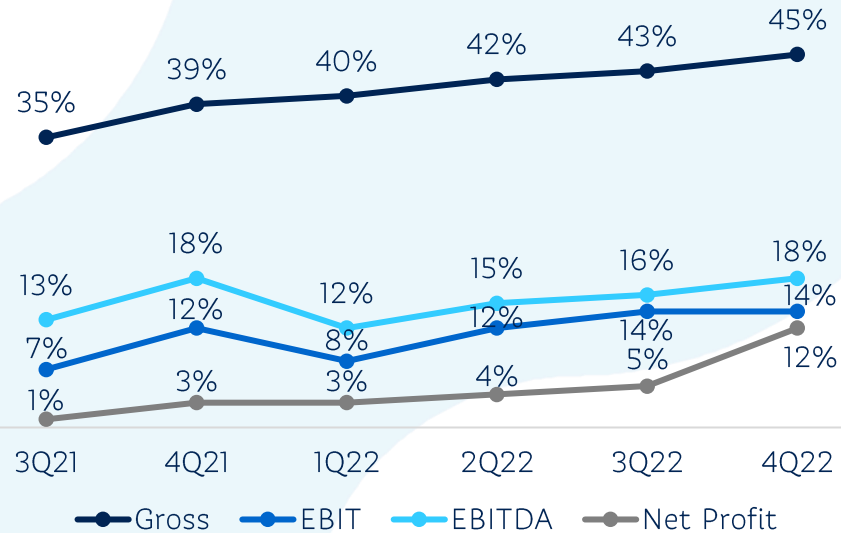


SALES & Adj. EBITDA

Figures in million MXN



MARGINS



2019-2022 Guidance

Figures in MXN

Achievement of

98% of EBITDA



	2019	2020	2021	2022
Sales	Single digit	≥ 10%	≥ 17%	≥ 15.0%
EBITDA Margin	16% - 17%	≥ 18%	\$1.8 bn	15.5% ~ 16.5%
Net Debt / EBITDA	<2x	<2x	<2x	<2x
ROIC		≥ WACC	WACC + 200pb	WACC + 100pb



ESG Guidance 100% achieved

- Evaluation of suppliers using ESG criteria
- Commitment to be carbon neutral by 2040¹
- Create a more diverse and inclusive workforce

¹ Contemplates Scope 1 & 2

Guidance 2025

Figures in MXN



	2022	2025
Sales	≥ 15.0%	2x Sales (vs. 2020)
EBITDA Margin	15.5% ~ 16.5%	≥20%
Net Debt / EBITDA	<2x	<2x
ROIC	WACC + 100pb	Double digit ROIC > WACC (20%'s Neighborhood)

Discipline and agility created with Flow

Strength of our core business

New businesses potential

ESG | Other achievements



AGUA* remained part of the DJSI MILA Pacific Alliance sample for the sixth consecutive year

CDP SCORE REPORT - CLIMATE CHANGE 2022

Grupo Rotoplas S.A.B. de C.V.

Region	North America
Country/Area	Mexico
Questionnaire	General
Activity Group	Light manufacturing

Your CDP score

B

Average performance

C

C

C

Light
manufacturing

North America

Global Average



4Q22

Financial Highlights

4Q22 | Highlights

Figures in million MXN

MEASURES

- Execute an optimal pricing strategy.
- Leverage our market leadership and financial strength to continue developing new businesses and modernizing the core.
- Strict supply chain management.

New Businesses

- Impact to EBITDA:
 - 4Q22: \$68 million
 - 2022: \$288 million

	4Q22	4Q21	Δ %/bps	2022	2021	Δ %/bps
Net sales	3,125	2,800	12%	12,774	10,915	17%
COGS	1,720	1,697	1%	7,331	6,761	8%
Gross Profit	1,405	1,103	27%	5,444	4,153	31%
<i>Margin</i>	45%	39%	560 bp	43%	38%	450 bp
Operating Income	452	327	38%	1,584	1,064	49%
<i>Margin</i>	14%	12%	280 bp	12%	10%	260 bp
Financing Result	181	184	(2%)	768	623	23%
Taxes	(99)	52	NA	61	132	(54%)
Adjusted EBITDA¹	550	508	8%	1,982	1,764	12%
<i>Margin</i>	18%	18%	(50) bp	16%	16%	(70) bp
Net Profit	370	92	NA	756	312	NA

(1) Adjusted EBITDA includes non-recurring expenses (donations and Flow program expenses) of \$86 million in 4Q21 and \$321 million in 2021. During 2022, no adjustments were made for Flow expenses and there were no donations

Sales | Per country



	4Q22	2022
Δ Sales	15%	13%
EBITDA Margin	24%	20%

- Products growth driven by strong demand in storage and water flow
- Services boosted by the success of bebbia
- EBITDA Margin improved by strength in products



	4Q22	2022
Δ Sales	11%	41%
EBITDA Margin	13%	15%

- Sales growth despite slowdown in construction and lower demand
- Improved commercial planning and agile pricing strategy
- Lower absorption of costs and fixed expenses related to a reduction in sales volumes during 4Q



	4Q22	2022
Sales	3%	8%
EBITDA Margin	(6%)	(5%)

- Sales growth driven by the e-commerce platform
- Septic business continues to develop
- Expenses related to the expansion of e-commerce platform & pre-operating expenses of septic business impacted margins

Sales | Per country



- Generalized slowdown in demand in the region
- Sales affected by deceleration in the construction sector and hydro-meteorological conditions



- Market contraction related to political instability and slow economic growth
- Continued cost and expense discipline to protect margins

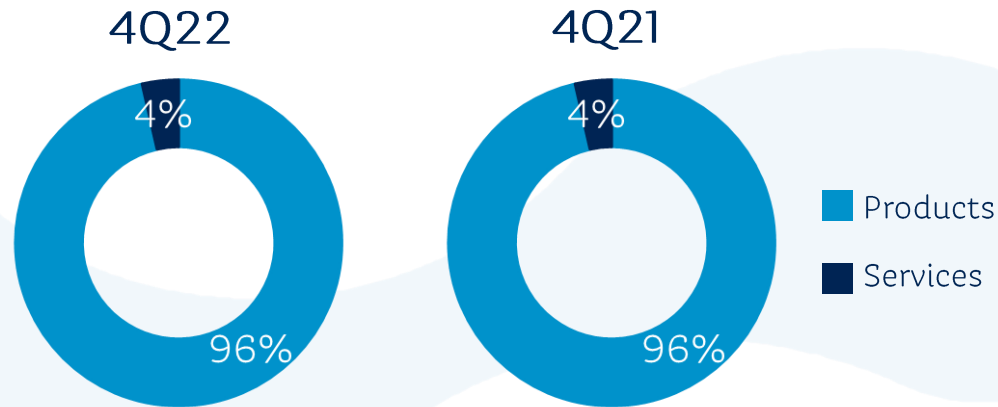


- Pipeline continues to expand and capacities to develop
- Benefits from new legislation, which promotes the migration from a state-owned to a private-water model

	4Q22	2022
Δ Sales	6%	(2%)
EBITDA Margin	23%	13%

Sales | Products & Services Mix

- More than 88,000 *bebbia* users
- 22,413 e-commerce clients
- Strength in *products* offsets *services*
- Public sector sales:
4Q22 – 3.2%
2022 – 2.9%



	4Q22	2022
Products	11%	18%
Services	26%	(10%)

bebbia growing at an accelerated pace

Cash Position

Figures in million MXN

Current Leverage

Balance Sheet

Cash & Cash equivalents

Total Debt

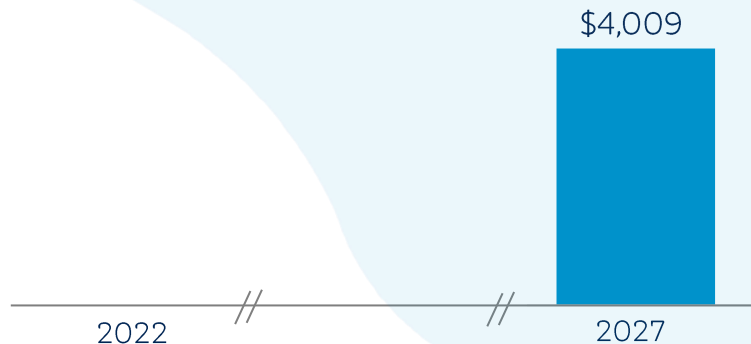
Net Debt

Net Debt / Adjusted EBITDA

	2022	2021	Δ %
Cash & Cash equivalents	673	1,629	(59%)
Total Debt	4,009	4,007	0%
Net Debt	3,337	2,378	40%
Net Debt / Adjusted EBITDA	1.7x	1.3x	0.4x

- Cash conversion cycle increased by 12 days
- Leverage within the Company's debt guideline of < 2.0x

Debt Maturity Profile



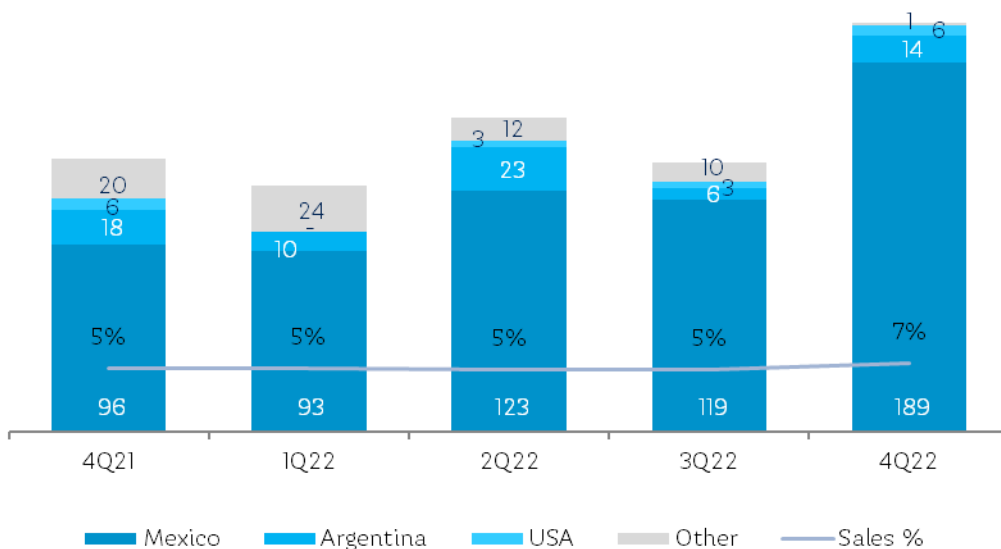
\$4 billion from the issuance of our sustainable bond AGUA 17-2X



Discipline in Capital Allocation

Figures in million MXN

CAPEX ← 5% of total sales for 2022



Investment in the long-term sustainability of the business

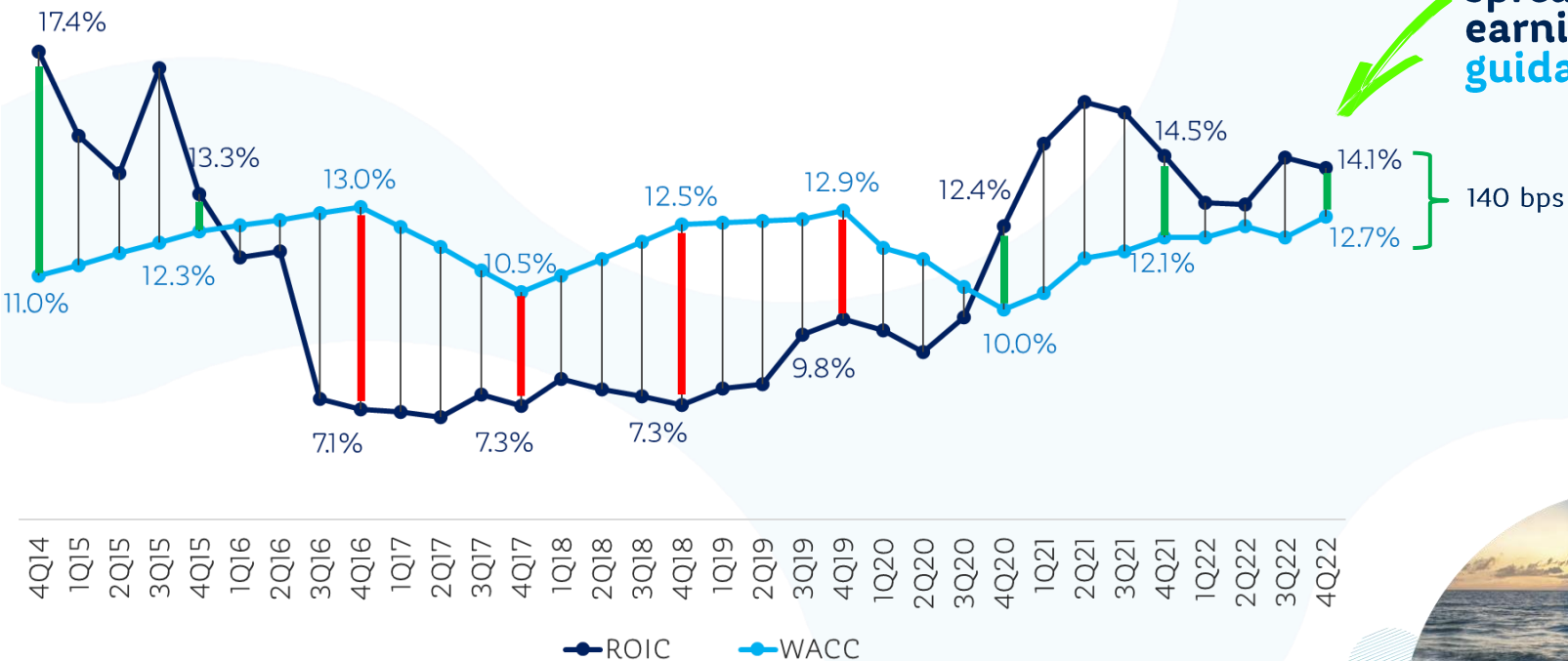


New technology to produce the new generation of storage solutions & to improve machinery to increase production capacity



7% of the total amount of CapEx allocated to water treatment and recycling plants

ROIC | Sustainable value creation



ROIC: NOPAT L12M/Average Invested Capital t, t-1.

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.

Results & Goals | ESG

Profit

Direct suppliers evaluated with ESG criteria

Customer Satisfaction (NPS Score)

Planet

CO₂ Intensity - Scope 1 and Scope 2 - per ton of processed resin

m³ of purified water using our solutions

People

People impacted with access to sanitation (cumulative)

Women in the workforce

	2021 Results	2022 Target	2022 Results	2023 Target	2025 Target
Direct suppliers evaluated with ESG criteria	0%	20%	20%	45%*	100%
Customer Satisfaction (NPS Score)	67	68	72	73	80
CO ₂ Intensity - Scope 1 and Scope 2 - per ton of processed resin	0.41	0.50	0.48	0.45	0.41
m ³ of purified water using our solutions	164K	314K	404K	656K	1.7 MM
People impacted with access to sanitation (cumulative)	330K	543K	553K	788 K	1 MM
Women in the workforce	23%	24%	24%	27%	30%

*45% of the suppliers classified as "critical - Tier 1."

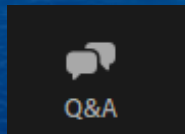
Guidance 2023

Guidance 2023

Sales	≥ 15%
EBITDA Margin	16% - 17%
ROIC	WACC + 150bps
Net Debt / EBITDA	≤ 2x



Thank you!



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

Please include:

*Name

*Fund or Company