

1Q17

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

Financial Results



Grupo Rotoplas Reports First Quarter 2017 Results

- Net sales grew 41.9% with respect to 1Q16, and EBITDA was up 64.7%. Excluding acquisitions, growths were 26.9% and 36.6% respectively.
- Net income registered an impressive 57.0% growth.
- In line with the Group's strategy, government sales were less than 5%.

Mexico City, México, April 26th, 2017. Grupo Rotoplas S.A.B. de C.V. (BMV: AGUA) ("Rotoplas", "the Company" or "the Group"), the leading provider of individual and integrated water solutions in the Americas, reported unaudited financial results for the first quarter 2017. The information within has been prepared based on International Financial Reporting Standards (IFRS).

"During this quarter, we showed a strong growth in sales driven by the reconfiguration of our portfolio of solutions and by the successful integration into the Rotoplas platform of the companies we acquired, all of which validates our decision to shift the focus of our strategy, which we began implementing 24 months ago. In terms of organic growth, we also grew considerably both in terms of sales and EBITDA, proving the strength of our brand and our leadership position in the markets where we participate. At the same time, government sales accounted for less than 5%, thus reducing the volatility of our financial results. This has allowed us to achieve an impressive 57% growth in net income, reaffirming our strong commitment to generating value for our shareholders," stated Carlos Rojas Mota Velasco, Grupo Rotoplas' Chief Executive Officer. *"Additionally, this quarter we included Sanzfield in our business portfolio. We are convinced that this Canadian innovation center, and the technology it contributes, strengthen our portfolio of solutions for treating and recycling water"*.

	1Q17	1Q16	Var.
Net Sales	1,669	1,176	41.9%
Individual Solutions	1,513	1,134	33.4%
Integrated Solutions	156	43	3.7 x
Mexico	1,049	751	39.7%
Brazil	129	105	23.1%
Others	491	320	53.1%
EBITDA Margin	15.0%	12.9%	210 pb
Individual Solutions	16.6%	12.9%	370 pb
Integrated Solutions	(0.4%)	13.3%	(1370) pb
Mexico	22.9%	19.4%	350 pb
Brazil	(25.8%)	(21.0%)	(480) pb
Others	8.8%	8.8%	

First Quarter 2017 Results

Selected 1Q17 Financial Information

Figures in millions of MXN

	1Q17	1Q16	Var.
Net Sales	1,669	1,176	41.9%
Gross Profit	659	506	30.2%
<i>Gross Profit Margin</i>	39.5%	43.0%	(350) pb
EBIT	187	124	51.1%
<i>EBIT Margin</i>	11.2%	10.5%	70 pb
Net Income	142	91	57.0%
<i>Net Income Margin</i>	8.5%	7.7%	80 pb
EBITDA	250	152	64.7%
<i>EBITDA Margin</i>	15.0%	12.9%	210 pb

During the first quarter of 2017, we achieved a significant 41.9% increase in sales, driven by a strong demand for our individual and integrated solutions with maintenance in Mexico, Peru, Central America, and Argentina, and backed by the brand's strength, the innovation in the products we offer, and our wide distribution network. On the other hand, Brazil is beginning to show signs of recovery, registering growth in sales during the quarter. It is worth mentioning that in line with our Company's strategy, sales to the government accounted for less than 5% during the quarter, which contributed to considerably decreasing volatility in our financial performance.

Sales in Mexico grew in individual solutions in the traditional market. Additionally, with the inclusion of Sytesa we registered higher sales of integrated solutions with maintenance for a 39.7% growth compared to the same quarter of the prior year. Excluding the acquisition of Sytesa, growth came to 27.1%.

On the other hand, Brazil showed signs of recovery and registered a 23.1% increase in sales year on year. This was all driven by a higher demand for self-sustainable integrated solutions, by the recovery of several government sales contracts, and due to a higher demand for individual improvement solutions.

Sales in the Other countries division grew 53.1%, driven by good results in Peru, our operation in the US market, and the successful integration of the Talsar results in Argentina. Excluding the acquisition of Talsar, registered growth was 27.8%.

Consolidated gross margin decreased 350 basis points due to a lower contribution from the companies we acquired, one-timers related to the restarting of operations in Brazil resulting from the reactivation of our sales contracts, in addition to higher prices in raw materials that were affected by the exchange rate of the US dollar.

However, our operating margin increased 70 basis points compared to the same quarter of the prior year, due to higher sales and a strong expense discipline.

EBITDA margin increased 210 basis points, compared to the first quarter of the prior year mainly due to the incorporation of the inorganic results of integrated solutions with maintenance in Mexico, which have an important depreciation component. Excluding acquisitions, EBITDA margin was up 90 basis points.

As a result, the net income margin registered an 80 basis points growth with respect to the first quarter in 2016.

Results by Solution

Figures in millions of MXN

	Individual Solutions			Integrated Solutions		
	1Q17	1Q16	Var.	1Q17	1Q16	Var.
Net Sales	1,513	1,134	33.4%	156	43	2.7 x
EBITDA	251	146	71.5%	(1)	6	NA
<i>EBITDA Margin</i>	<i>16.6%</i>	<i>12.9%</i>	<i>370 pb</i>	<i>(0.4%)</i>	<i>13.3%</i>	<i>(1370) pb</i>

Individual solutions accounted for 90.6% of sales and grew 33.4% year on year due to better performance in the traditional channel, mainly in Mexico—resulting from a better sales mix, which continues to reflect our market position and the strength of our brand—and in the Other countries division, due to the acquisition we carried out in Argentina in March 2016. Excluding the Talsar proceeds, growth was 26.2%.

EBITDA margin for individual solutions increased 370 basis points, because of the increase in sales, mainly in water storage solutions.

Integrated solutions represented 9.4% of total sales and registered a considerable increase year on year due mainly to higher sales in integrated solutions with maintenance in Mexico, and to the reinstated government sales contracts in Brazil, where economic and political conditions have improved.

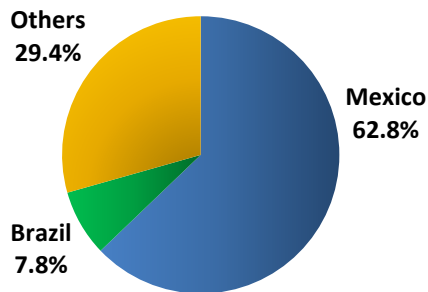
Profitability in integrated solutions decreased as a result of the costs and expenses related to the start of operations in Brazil, which weren't compensated with the Sytesa sales of integrated solutions with maintenance in Mexico.

Results by Country

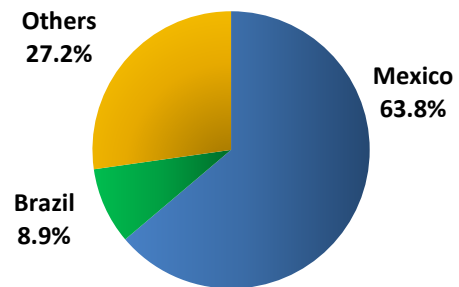
Figures in millions of MXN

	Mexico			Brazil			Others		
	1Q17	1Q16	Var.	1Q17	1Q16	Var.	1Q17	1Q16	Var.
Net Sales	1,049	751	39.7%	129	105	23.1%	491	320	53.1%
EBITDA	241	146	64.9%	(32)	(22)	(51.2%)	43	28	53.1%
<i>EBITDA Margin</i>	<i>22.9%</i>	<i>19.4%</i>	<i>350 pb</i>	<i>(25.8%)</i>	<i>(21.0%)</i>	<i>(480) pb</i>	<i>8.8%</i>	<i>8.8%</i>	

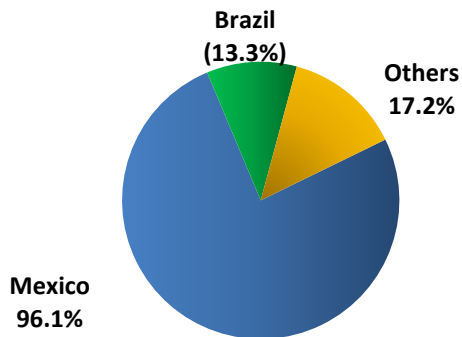
Sales 1Q17



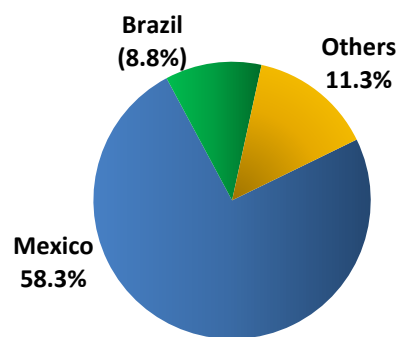
Sales 1Q16



EBITDA 1Q17



EBITDA 1Q16



Non-operating Result

The comprehensive financing cost as of March 31st, 2017 was slightly negative, with a balance of Ps. 13 million, compared to the prior balance of Ps. 10 million. This was the result of the higher net interest paid and of the foreign exchange loss of Ps. 19 million resulting from the appreciation of the currencies in countries where Rotoplas operates versus the Company's functional currency.

Capex

Capital expenditures carried out during the first quarter of 2017 stood at Ps. 51 million, representing 3% of sales. These resources were mainly allocated to projects aimed at improving processes and to replace and service machinery in the Company's plants.

Capex

Figures in millions of MXN

	1Q17	%
Mexico	31	62%
Brazil	1	1%
Others	19	37%
Total	51	100%

Debt

Total debt remained at Ps. 1,169 million, it is important to mention that during the quarter an amortization to the Company's outstanding debt was paid in the amount of Ps. 74 million.

Cash position as of March 31st, 2017 was Ps. 1,541 million. Cash resources were used primarily for the acquisition realized during the quarter, the debt amortization previously mentioned and the investments to support working capital increases required in Rotoplas' fast growing markets. Correspondingly, the Company's net debt was (Ps. 372) million.

Figures in millions of MXN

	1Q17	2016	Var.
Total Debt	1,169	1,243	(6.0%)
Short Term Debt	307	285	7.7%
Long Term Debt	862	958	(10.0%)
Cash and Equivalents	1,541	1,563	(1.4%)
Net Debt	(372)	(320)	14.0%

Financial Indicators for LTM

	LTM17	LTM16	Var.
Net Debt / EBITDA (x)	(.4) x	(.4) x	0.0%
Total Liabilities/Stockholders' Equity	0.4	0.3	8.1%
Net Earnings Per Share	1.03	0.94	10.3%

The net earnings per share of the last twelve months grew 10.3% when compared to the same period of last year, demonstrating a change of trend in the business profitability.

Derivative Financial Instruments

The use of derivative financial instruments is governed by the recommendations and policies dictated by the Grupo Rotoplas Board of Directors and is supervised by the Company's Auditing Committee, both of which provide guidelines for managing risk in credit, exchange rates and interest rates, as well as the use of derivative and non-derivative financial instruments and in investing excess cash.

As of March 31st, 2017, market value positions of Grupo Rotoplas were:

Type of instrument	Market Value (millions of pesos)
SWAP / CAP	45.2
ND Forward	27.7
Forward	(11.0)

Share Buyback Program

As of March 31st, 2017, the Company's share buyback fund reported 10,578,543 shares in treasury.

Others

On March 29th it was announced that at the General Ordinary Shareholders' Meeting to be held on April 28th of this year, a capital reimbursement payable in cash will be proposed in the amount of MXN \$0.37 for each outstanding share, which, if approved by the Shareholders' Meeting, will be paid in a single exhibition on May 11th, 2017.

Analyst Coverage

As of March 31st, 2017, Grupo Rotoplas is covered by analyst at the following brokerages:

- Bank of America Merrill Lynch
- Grupo Bursátil Mexicano (GBM)
- Goldman Sachs
- Santander

Conference Call

Grupo Rotoplas is pleased to invite you to participate in its First Quarter 2017 Conference Call, to be held on Thursday, April 27th, 2017 at 10:30 a.m. Mexico City time (11:30 a.m. EST).

Carlos Rojas Mota Velasco, Chairman and Chief Executive Officer, and Mario Romero, Chief Financial Officer, will host the call. Remarks will be followed by a question and answer session.

To participate in the conference, call please dial:

Mexico: 001 800 514 1067

United States: 1 888 515 2880

Other Countries: 1 719 457 2653

Conference ID: 1008642 or via the Company's website: www.rotoplas.com/inversionistas.html

Investor Relations

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Forward Looking Statements

This press release may include certain forward-looking statements relating to Grupo Rotoplas S.A.B. de C.V., it relies on considerations of the Grupo Rotoplas S.A.B. de C.V. management which are based on current and known information; however, the forward-looking statements could vary due to facts, circumstances and events beyond the control of Grupo Rotoplas, S.A.B. de C.V.

About the Company

Grupo Rotoplas S.A.B. de C.V. is America's leading provider of individual and integrated water solutions for storing, carrying, and treating water. With almost than 40 years' experience in the industry and 21 plants throughout the Americas, Rotoplas has a presence in 14 countries and a portfolio that includes 18 product lines. Grupo Rotoplas has been listed on the Mexican Stock Exchange (BMV) under the ticker "AGUA" since December 2014.

Grupo Rotoplas S.A.B. de C.V.
 Consolidated Income Statement for 1Q17
 Non-Audited Figures – in millions of MXN

	1Q17	1Q16	Var.
Net Sales	1,669	1,176	41.9%
Cost of Sales	1,010	670	50.7%
Gross Profit	659	506	30.2%
<i>Gross Profit Margin</i>	<i>39.5%</i>	<i>43.0%</i>	<i>(350) pb</i>
Operating Expense	472	382	23.4%
Operating Income	187	124	51.1%
<i>Operating Income Margin</i>	<i>11.2%</i>	<i>10.5%</i>	<i>70 pb</i>
Comprehensive Financing Cost	13	(10)	NA
Financial Income	66	33	2.0 x
Financial Costs	54	43	24.2%
Earnings Before Taxes	200	114	76.2%
Taxes	58	23	2.5 x
Net Income	142	91	57.0%
<i>Net Income Margin</i>	<i>8.5%</i>	<i>7.7%</i>	<i>80 pb</i>
EBITDA	250	152	64.7%
<i>EBITDA Margin</i>	<i>15.0%</i>	<i>12.9%</i>	<i>210 pb</i>

Grupo Rotoplas S.A.B. de C.V.
 Balance Sheet as of March 31st, 2017
 Non-Audited Figures – in millions of MXN

	1Q17	2016
Cash and Cash Equivalents	1,541	1,563
Accounts Receivable	1,871	1,792
Inventory	927	892
Other Current Assets	603	559
Current Assets	4,942	4,806
Property, Plant and Equipment - Net	2,219	2,283
Other Long-Term Assets	2,640	2,524
Total Assets	9,802	9,612
Short-term Debt	307	285
Suppliers	1,049	740
Other Accounts Payable	368	320
Short-term Liabilities	1,724	1,345
Long-term Debt	862	958
Other Long-Term Liabilities	89	89
Total Liabilities	2,675	2,392
Total Stockholders' Equity	7,127	7,221
Total Liabilities + Stockholders' Equity	9,802	9,612