



Grupo Rotoplas (AGUA*)

Earnings Results Conference Call 1Q19

April 25th, 2019

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 Mota Velasco
Executive Chairman of the Board



Carlos Rojas Aboumrad
New CEO



Mario Romero
CFO

First Quarter

- Sales grew 6.6% and EBITDA¹ 5.4%

- Sales by country

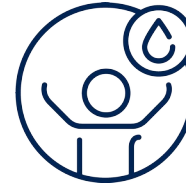
USA, Peru, Brazil, Guatemala, El Salvador,
Costa Rica, Honduras and Nicaragua

	1Q19 vs 1Q18
Mexico	-4%
Argentina	53%
Other	11%
Total	7%

¹ Adjusted EBITDA includes one-time expenses (donations and acquisition related expenses) for amounts of Ps. 1 million in 1Q19 and Ps. 11 million in 1Q18.

Rotoplas Trends

Customer
centricity



Innovation



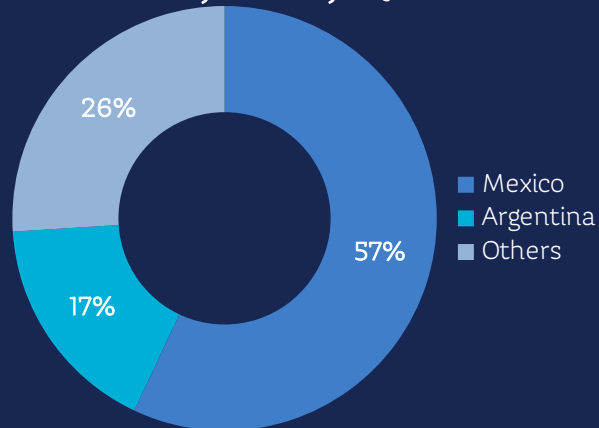
Sustainability



Diversification



Sales by Country 1Q19



New CEO



Executive Bio:

Carlos Rojas Aboumrad has over 12 years experience in Grupo Rotoplas in Mexico, Brazil and the United States.

He has been one of the leading proponents of innovation and sustainability in the Company. Carlos has a degree in Industrial Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) and an MBA from Babson College



Grupo Rotoplas invites you to:



AGUA* event for investors and analysts

Monday May 6th

5:30 p.m. Mexico City Time

Management team will host the event and will discuss business strategy followed by a Q&A session

- **Carlos Rojas** – Executive Chairman of the Board
- **Carlos Rojas Aboumrad** – Services COO
- **Mario Romero** – CFO
- **Gonzalo Uribe** – Products COO
- **José Luis Mantecón** – Sustainability VP

Address: Torre Virreyes Piso 19 - Pedregal 24, Molino del Rey,
Miguel Hidalgo, Mexico City.



Please confirm your attendance with:
Cecilia Reyes
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T. (55) 5201 5000 ext. 50328

Financial Highlights

Financial Highlights

Million MXN

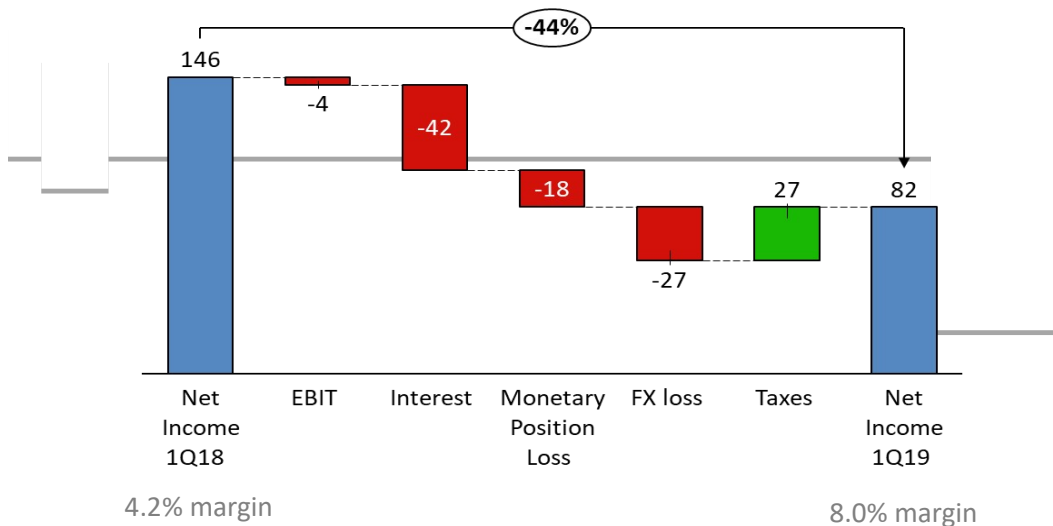


Income Statement	1Q19	1Q18	Var. (%)
Net Sales	1,959	1,838	6.6%
Cost of Sales	1,144	1,091	4.8%
Gross Profit	815	747	9.2%
<i>Gross Profit Margin</i>	<i>41.6%</i>	<i>40.6%</i>	<i>100 bp</i>
Operating Income	237	233	1.7%
<i>Operating Income Margin</i>	<i>12.1%</i>	<i>12.7%</i>	<i>(60 bp)</i>
Comprehensive Financing Cost	(119)	(24)	NA
Taxes	35	62	(43.2%)
Net Income	82	146	(43.7%)
<i>Net Income Margin</i>	<i>4.2%</i>	<i>8.0%</i>	<i>(380) bp</i>
EBITDA	336	308	8.9%
Adjusted EBITDA¹	337	319	5.4%
<i>Adjusted EBITDA Margin</i>	<i>17.2%</i>	<i>17.4%</i>	<i>(20) bp</i>

¹ Adjusted EBITDA includes one-time expenses (donations and acquisition related expenses) for amounts of Ps. 1 million in 1Q19 and Ps. 11 million in 1Q18.

Net Income

Million MXN



Hyperinflation in Argentina impacted net margin in 127 bp

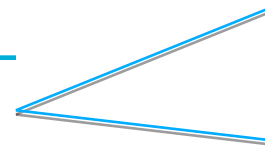
Concept	1Q19 Effect	Margin
Costs & Expenses	2	
Financial Cost	18	
Taxes	5	
Total Effect	25	
Net Income	82	4.2%
Normalized Net Income	107	5.5%

} 127 bp

Sales

Million MXN

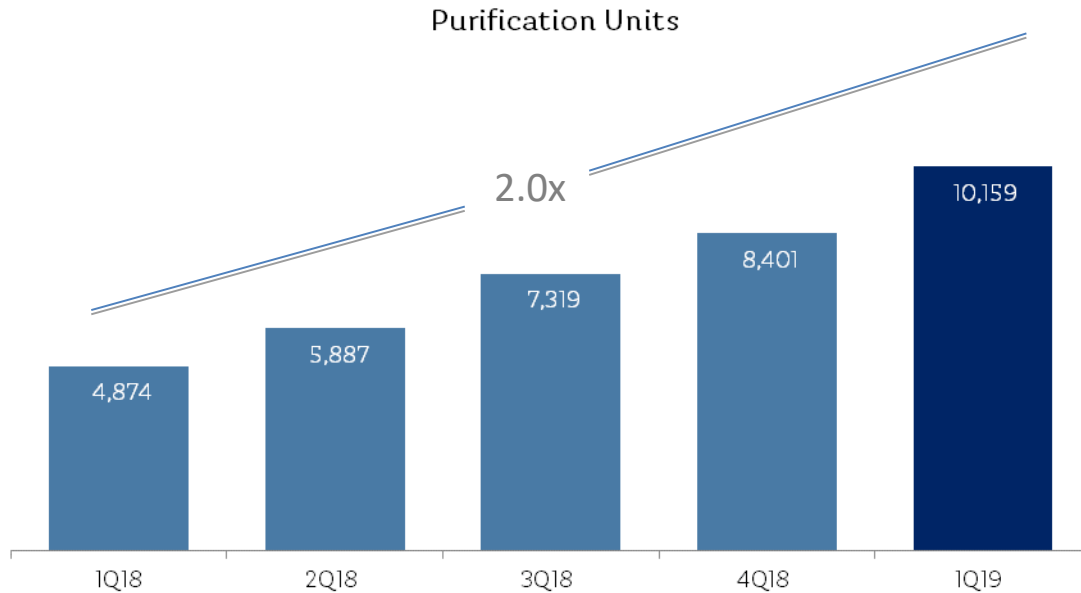
	1Q19 vs 1Q18
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Lower sales of drinking water fountains

Lower sales of water treatment plants

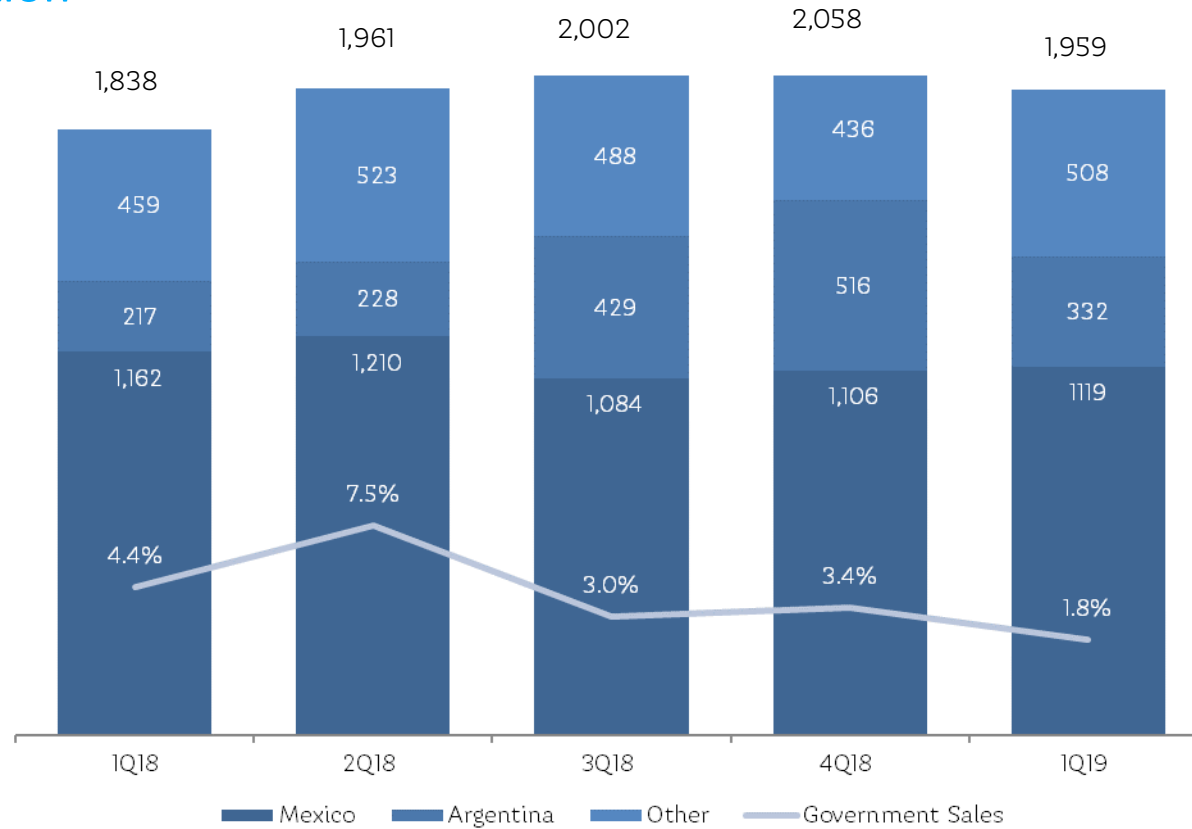
Drinking Water Platform – Residential & Institutional Purification



- Sales of 1Q19 increased 3.3x the revenue of 1Q18.
- Client diversification in the institutional branch.
- The platform has presence in 50 cities in México.

Sales evolution

Million MXN



- 1Q19 vs 1Q18 – 6.6% growth

Sales by solution – products & services

- Products (individual solutions) grew 11.0%

Price increases and strong demand in Argentina, Central America and Perú.

- Services (integral solutions) decreased 32.8%

Decrease in drinking water fountains

Decrease in water treatment plants related to time to market of new plants

Water treatment & recycling

Equivalent Units	2017	2018	1Q19	2019E
Pipeline	25	124	246	417
Booked	15	87	5*	TBD
# Clients	6	10	12	16

* During 1Q19, 30 equivalent units were assigned to Rotoplas under the DBOOT (Design-Built-Own-Operate-Transfer) scheme.

- Growing pipeline
- Client diversification
- High growth potential



Current Leverage

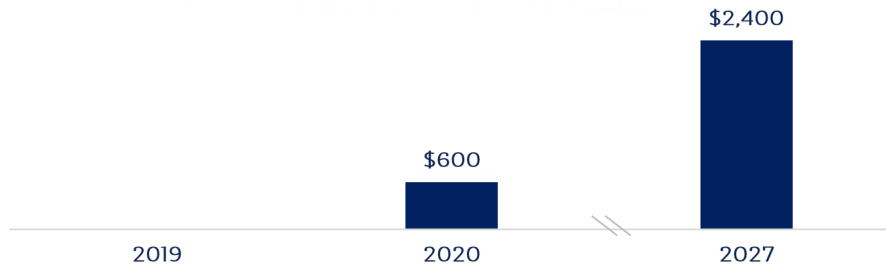
Million MXN

Balance Sheet	1Q19	1Q18	Var. (%)
Cash and Cash Equivalents	1,083	1,525	(29.0%)
Total Debt	2,979	2,008	48.4%
Net Debt	1,896	483	NA
Net Debt / Adjusted EBITDA ²	1.5x	0.5 x	1.0x

²Leverage level remains within the established debt policy of 2.0x Net Debt / Adjusted EBITDA.

a fixed rate and an amortization date in 2027. 100% of the debt is held in Mexican pesos.

Debt Maturity Profile



2019 Guidance

Sales	Growth > 10%
EBITDA Margin	16% - 17%



Proposals to the GSM

New Board structure proposal

With these changes Rotoplas aims to:

- Increase the percentage of independent members.
- Promote gender diversity.
- Have a larger representation from the countries or regions where it operates (United States, Argentina and Brazil).
- Complement functional, industry and market experience.
- Have representation from different generations (Baby Boomers, Gen X, Millennials).



Proposal to appoint 3 new members

Marina Diaz Ibarra currently is Strategy Director and member of the Board of WOLOX, a software development and digital innovation company in which she is responsible for the definition of the expansion strategy in the Americas region. Before joining WOLOX, Marina served as General Manager for Argentina, Chile and Peru in Mercado Libre. She was also part of Under Armour Global as Senior Director of Product Line and as Marketing Manager of Emerging Markets Apparel at NIKE.

Marina Diaz has an MBA from Wharton School, University of Pennsylvania, a Master in Project Management from the Technological Institute of Buenos Aires and a Bachelor's Degree in Economics from the University Torcuato Di Tella.

Alberto Esteban Arizu currently is the CEO of Bodega Luigi Bosca – Arizu Family and is the great-grandson of the winery's founder. He also serves as Chairman of Wines of Argentina, an organization that brings together Argentine wine exporters and promotes. For the last 25 years, he has traveled to more than 50 countries around the world, developing the international strategy for marketing and positioning of his family's wines and promoting the brand "Argentine wine" in the world.

Alberto Arizu has a degree in Business Administration from the National University of Cuyo, with a Postgraduate degree in Strategic Marketing from the United States International University of San Diego, and a Management Development Program IAE from the Universidad Austral.

Proposal to appoint 3 new members

Jerónimo Marcos Gerard Rivero is currently president of Mexico Retail Properties (MRP), a company dedicated to real estate development, acquisition and administration of commercial properties in Mexico. He is on the board of directors of MRP CKD, Retail Management Services, Mexican Private Equity Association (AMEXCAP), Mexican Association of Real Estate and Infrastructure Funds (AMFII), Acciona, Grupo Ingeniería Arquitectura y Asociados (GIA), Telefónica México (Pegaso PCS), Infraestructura Institucional y Grupo Mexicano de Desarrollo.

Jerónimo Gerard has a degree in Economics from the Instituto Tecnológico Autónomo de México (ITAM) and a Master in Business Administration from Stanford University.



Proposals to the GSM

- **Capital reimbursement to Company's shareholders through a capital reduction.**

To approve a capital reimbursement to the shareholders through a capital reduction, in the amount of MXN\$0.38 (thirty-eight cents) for each outstanding share.

The corresponding payment will be made in cash and in a single exhibition.



- **Acquisition and placement program of the Company's own shares.**

It is proposed to authorize the maximum amount of resources amounting to the total net profits of the Company, including retained earnings existing as of December 31st, 2018, for the purchase of own shares during the fiscal year 2019

For more information about the General Shareholders' Meeting please visit:

<https://rotoplas.com/investors/corporate-governance/>

International comps (water stocks)

Company	EV/EBITDA 2018	P/E 2018
Agua*	9.1	25.6
Moya Asia	7.1	14.6
Kurita Water Industries	n.d.	18.7
Fluidra	39.6	-55.4
Evoqua Water Technologies	16.4	259.3
Chengdu Techcent Environment	20.2	41.2
Nihon Trim Co	20.3	40.9
Energy Recovery Inc.	26.8	23.4
Xylem Inc.	18.4	27.4
Canature Health Tech	n.d.	11.4
Ceco Environmental	13.2	-38.5
Toro Co.	18.2	28.8
Coway Co.	9.1	18.4
Flowserve Corp	21.2	54.6
Average	18.3x	33.6x



Q&A

Thank you