

A circular inset image on the left side of the slide showing a close-up of water flowing out of a metal pipe, creating a dynamic, splashing effect.

# 1Q21 Earnings Call

April 22<sup>nd</sup> 2021



## 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.

# Speakers

Carlos Rojas Aboumrad  
CEO



Mario Romero Orozco  
CFO





Our Mission, **For people to have more and better water**

Pushes us to become an ally to tackle new concerns and consumption habits:



Families report an **increase** in their **water bill**



More **investment** in **home improvement**

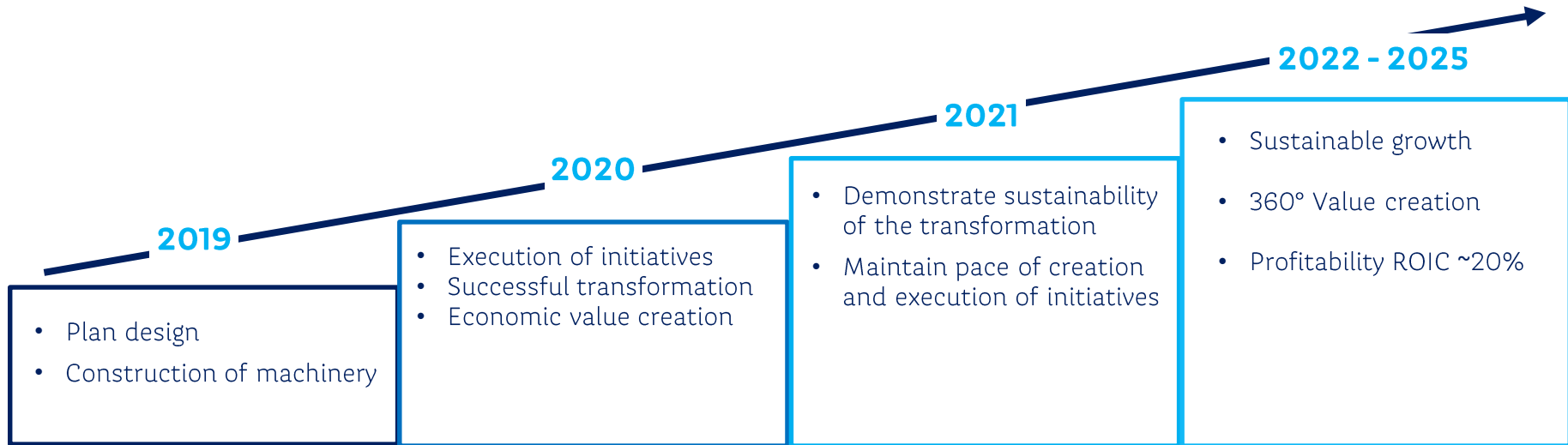


**Concern** about **water shortages**, water pollution and poor water quality supply



**Access** to **drinking** water is in the **top 5** priorities

# FLOW | Transformation

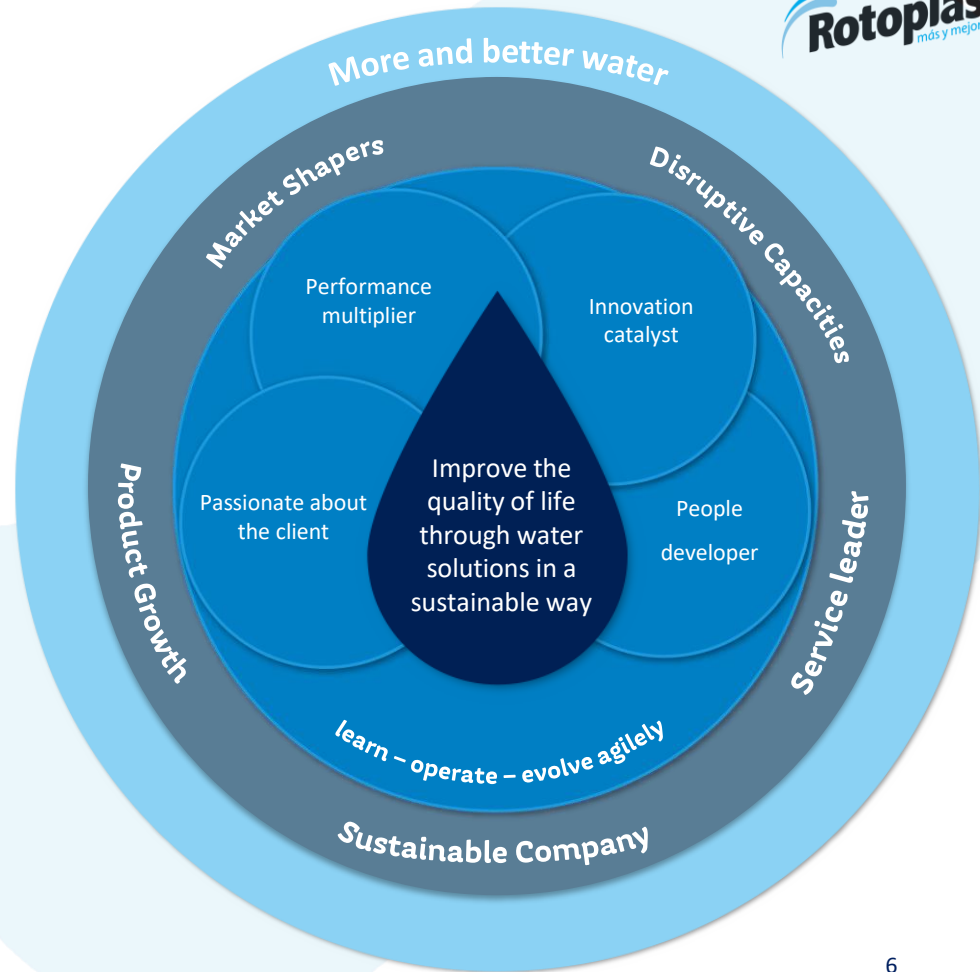


# Our culture | Rotoplas Way



Working together to achieve a **better future**:

- WHY do we do it? Our **purpose**
- HOW do we do it? Our **culture**
- WHAT do we hope to achieve? Our **strategy**
- WHAT for? Our **mission**



# FLOW 1Q21

> Ps. 414 million  
additional sales

**6**  
new solutions  
launched

> **40**  
fully executed  
initiatives

> Ps. 100 million  
contributed To EBITDA

**14.8% > 10.5%**  
**ROIC WACC**



> **8%**  
Increase in AGUA\*  
share price

> Ps. 59 million  
CapEx related to Flow  
Initiatives

**34-day**  
reduction in cash  
conversion cycle

> 750  
employees involved





# Annual Integrated Report 2020



Read our Annual Integrated Report 2020  
(To be published on April 30<sup>th</sup> 2021)


















# Financial Highlights 1Q21



# COVID-19 | Operations Status



	January	February	March
Mexico			
USA			
Argentina			
Peru			
Central America			

 Continuos  
Operations

 Restricted  
Operations

# Financial Highlights | 1Q record figures

Million MXN

	1Q21	1Q20 <sup>1</sup>	Δ %/bps	Estimated growth without impacts
Net sales	2,434	1,926	26%	20%
Cost of Sales	1,428	1,083	32%	
<b>Gross Profit</b>	<b>1,006</b>	<b>843</b>	<b>19%</b>	
<i>Margin</i>	41.3%	43.8%	(250)	
<b>Operating Income</b>	<b>305</b>	<b>278</b>	<b>10%</b>	
<i>Margin</i>	12.5%	14.4%	(190)	
Comprehensive Financing Result	122	(431)	NM	
Taxes	50	188	(73%)	
<b>Adjusted EBITDA<sup>2</sup></b>	<b>473</b>	<b>360</b>	<b>31%</b>	<b>24%</b>
<i>Margin</i>	19.4%	18.9%	70	
<b>Net Profit</b>	<b>134</b>	<b>463</b>	<b>(71%)</b>	<b>66%</b>



<sup>1</sup> For comparison purposes, these figures vary from those previously reported since these now exclude the operations in the product business in Brazil as they are considered discontinued due to their sale in May 2020.

<sup>2</sup> Adjusted EBITDA considers: operating profit + depreciation and amortization + non-recurring expenses (donations and implementation costs for Flow).

# Sales | Per country

Million MXN



	1Q21
Δ Sales	8%
Δ EBITDA	(2%)

- Strong demand for products
- Slowdown in the contract closing process



	1Q21
Δ Sales	76%
Δ EBITDA	17x

- Double digit growth in all categories
- 130% growth in exports
- Normalized operations



	1Q21
Δ Sales	29%
EBITDA	\$19

- Higher consumer confidence & needs for water solutions
- Increase in number of solutions offered in platform
- Improvements in delivery logistics

# Sales | Per country

Million MXN



- Reopening of the retail sector
- Housing development reactivation
- Opening of new plant in Nicaragua



- Increasing demand for water solutions
- Increased purchasing power
- Development of waterflow category



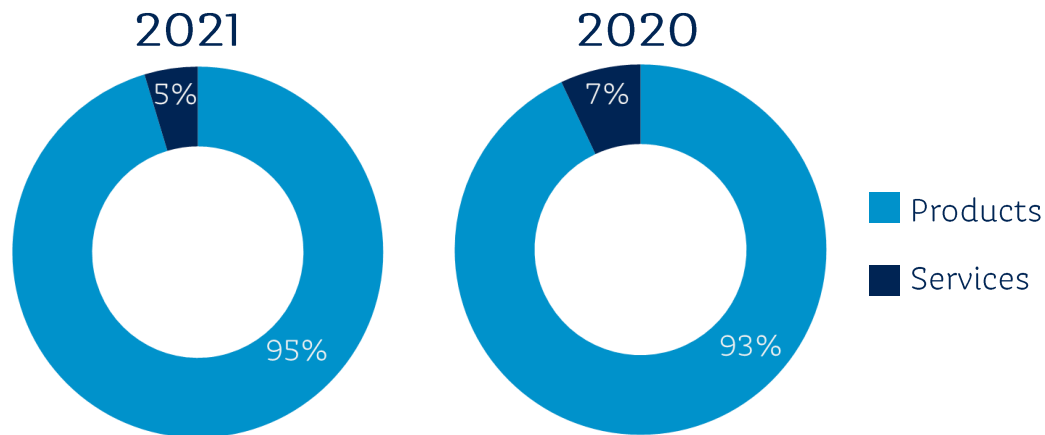
- 4 water treatment & recycling plants in operation
- Strengthening of the commercial team

	1Q21
Δ Sales	62%
Δ EBITDA	56%

# Sales | Products & Services Mix

Million MXN

- Record sales in *bebbia*
- No sales recognition in *water fountains*
- Strong demand for *products*
- *Public sector* sales:  
1Q21 – 3.9%



	1Q21	Δ%
Products	2,321	30%
Services	113	(20%)



# Strong Cash Position

Million MXN

## Current Leverage

### Balance Sheet

	2021	2020	Δ %
Cash & Cash equivalents	2,854	3,459	(17%)
Total Debt	4,200	4,096	3%
Net Debt	1,347	637	NM
Net Debt / Adjusted EBITDA	0.8x	0.4x	0.4x

- Leverage remains within the established debt policy of 2.0x Net Debt / EBITDA
- Cash Conversion Cycle improved by 34 days

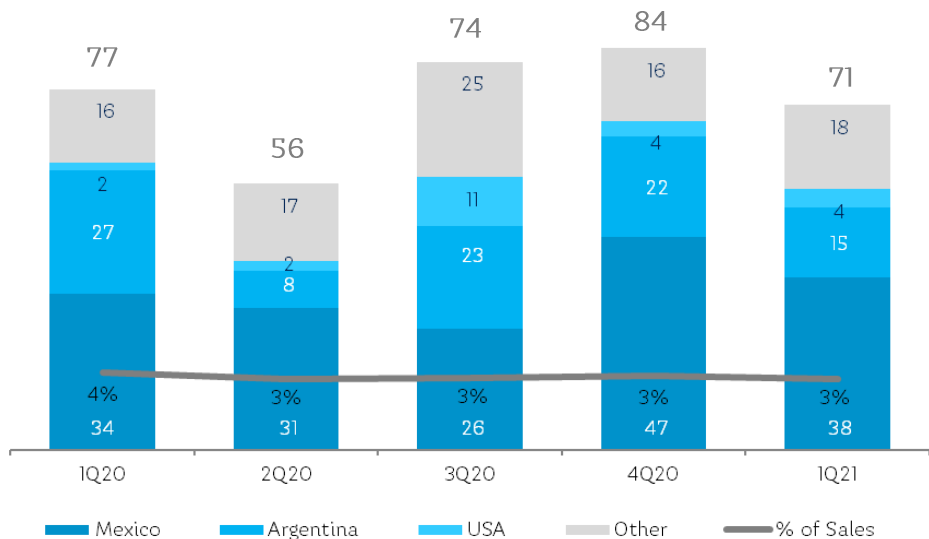
## Debt Maturity Profile



# Discipline in Capital Allocation

Million MXN

## CAPEX



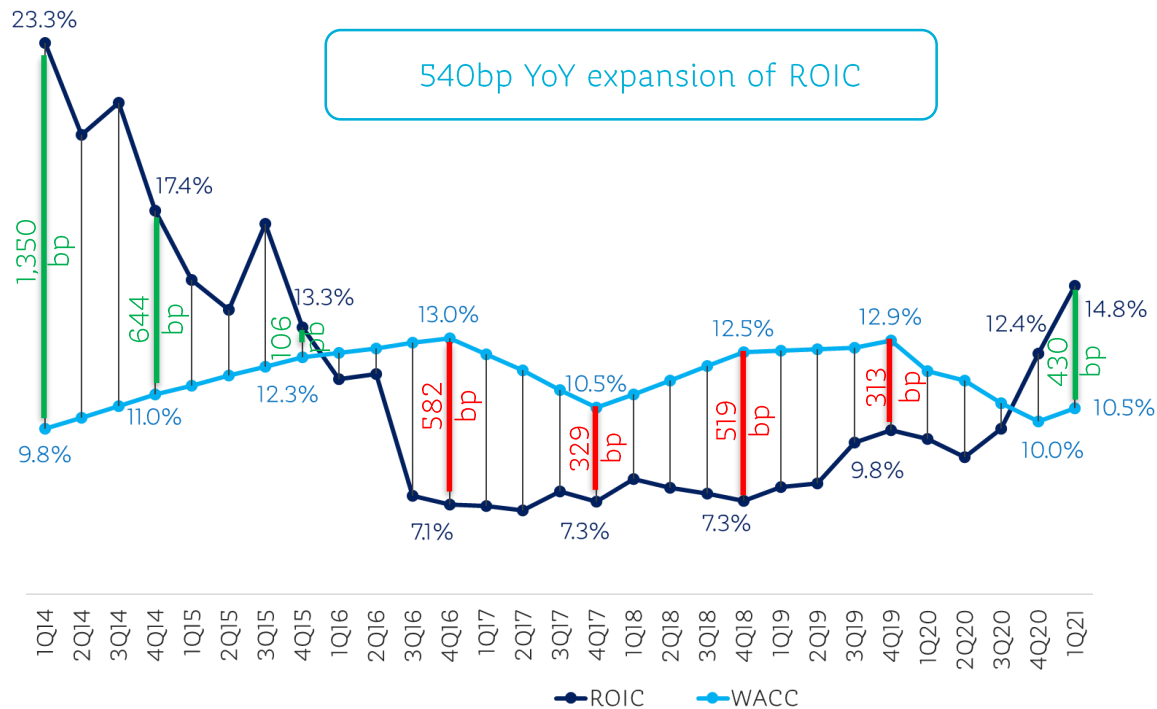
## Capital Allocation Process



# ROIC | Sustainable value creation



- Greater discipline in Capital Allocation (Control Tower)
- Increased production efficiency in manufacturing processes
- Strict discipline on spending



# ESG | Sustainable growth



Materiality  
assessment



Rotoplas,  
Sustainable investment & Ally to reduce impact



5-year business plan  
Sustainable growth

2025

- 2x revenue (vs 2020)
- Adj. EBITDA Margin >20%
- Net Debt / Adj. EBITDA < 2.0x
- Double-digit ROIC > WACC  
(around 20%)

People

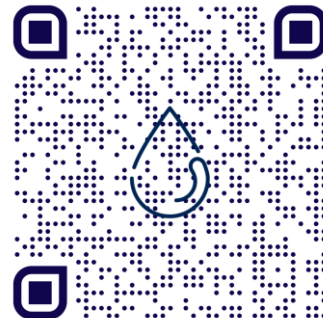
Planet

Profit

Read our  
Annual Integrated Report 2020  
(To be published on April 30)



ESG KPI Dashboard



# 2021 Guidance

- Revenue growth  $\geq 10\%$
- Adj. EBITDA Margin  $\geq 19\%$
- Net Debt / Adj. EBITDA  $\leq 2.0x$
- ROIC = WACC + 100 bps



# Q&A





# Thank you!

