2Q17

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

Financial Results

Grupo Rotoplas Reports
Second Quarter 2017 Results

Quarterly Results

- Net sales increased 29.6% when compared to 2Q16, organically, a growth of 22.1% was recorded.
- A significant growth of 31.4% in EBITDA generation was recorded during the quarter.

Year to Date Results

- Net sales increased 35.3% when compared to 2Q16 while EBITDA recorded a growth of 45.3%. Excluding acquisitions, increases of 24.9% and 19.6%, respectively, were recorded.
- Net profit recorded an important 22.9% growth.
- Sales to the government channel in the different regions accounted for less than 7.0% of the total consolidated sales, in line with the Company's policy.

Mexico City, Mexico, July 19th, 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 second quarter 2017. The information within has been prepared based on International Financial Reporting Standards (IFRS).

"During the second quarter of the year we continued with a strong trend of sales growth, the reconfiguration of our solution's portfolio allowed us to achieve an organic growth of more than 20% when compared to last year and a double digit growth on a sequential basis, proving the effectiveness of the change in emphasis in our strategy. The aforementioned, coupled with the successful integration of the acquisitions we made last year has resulted in the highest sales and EBITDA levels for a quarter in the Company's history" commented Carlos Rojas Mota Velasco, CEO of Grupo Rotoplas. *"Additionally, during the quarter we successfully placed the first Sustainability Bond in Latin America, thereby strengthening our long-term financial structure, and which proceeds will be used to grow the water purification and water treatment and recycling segments, among others."*

Financial Highlights

Figures in millions of MXN

	2Q17	2Q16	Var.	6M17	6M16	Var.
Net Sales	**1,786**	**1,378**	29.6%	**3,455**	**2,554**	35.3%
Individual Solutions	1,501	1,281	17.2%	3,013	2,415	24.8%
Integrated Solutions	285	97	2.9 x	442	140	2.2 x
Mexico	1,165	854	36.4%	2,214	1,605	38.0%
Brazil	133	117	13.9%	262	222	18.2%
Others	488	407	19.9%	979	728	34.5%
EBITDA Margin	**15.7%**	**15.5%**	20 pb	**15.3%**	**14.3%**	100 pb
Individual Solutions	17.2%	12.8%	440 pb	16.9%	12.9%	400 pb
Integrated Solutions	7.4%	50.1%	(4270) pb	4.6%	38.8%	(3420) pb
Mexico	22.2%	22.0%	20 pb	22.5%	20.8%	170 pb
Brazil	(10.5%)	(19.4%)	890 pb	(18.0%)	(20.1%)	210 pb
Others	7.3%	11.7%	(440) pb	8.1%	10.4%	(230) pb

Second Quarter 2017 Results

Selected 2Q17 Financial Information

Figures in millions of MXN

	2Q17	2Q16	Var.
Net Sales	**1,786**	**1,378**	29.6%
Gross Profit	**685**	**606**	13.1%
Gross Profit Margin	*38.4%*	*44.0%*	*(560) pb*
EBIT	**216**	**184**	17.2%
EBIT Margin	*12.1%*	*13.4%*	*(130) pb*
Net Income	**173**	**166**	4.3%
Net Income Margin	*9.7%*	*12.0%*	*(230) pb*
EBITDA	**280**	**213**	31.4%
EBITDA Margin	*15.7%*	*15.5%*	*20 pb*

During the second quarter of 2017 we achieved a significant sales increase of 29.6% mainly due to a higher demand for our solutions in almost all the regions we serve. Mexico and the Other Countries division recorded individual solutions sales increases, reflecting the brand strength in these markets; while integrated solutions recorded a growth in sales due to higher demand for integrated solutions with maintenance in Mexico and to sales' contracts recovery in Brazil. It is important to mention that government related sales represented less than 10% of total consolidated sales, in line with the Company's strategy.

Sales in Mexico recorded a 36.4% increase due to higher demand for integrated solutions with maintenance as a result of Sytesa' incorporation, and also due to the sales recorded from the water purifying program, additionally, higher individual solution sales were recorded due to higher demand in the retail channel. Excluding Sytesa' acquisition, organic growth was 24.3%.

Brazil recorded a 13.9% sales increase when compared to the second quarter of last year, mainly due to the sales contract reactivation of self-sustainable solutions or rainwater harvesting systems dedicated to the government channel.

The Other Countries division grew 19.9% during the quarter as a result of the commercial synergies in the acquired business in Argentina, coupled with higher individual solutions demand in Peru and a positive result in the United States operations.

Consolidated gross margin decreased 560 basis points when compared to the second quarter of last year mainly due to higher depreciation of the integrated solutions with maintenance segment in Mexico and higher raw material costs of individual solutions as a result of a negative FX impact.

Operating margin decreased only 130 basis points supported by a decrease in expenses as a sales percentage of 430 basis points, as a result of a disciplined expense exercise, while net profit margin decreased 230 basis points as a result of a higher tax rate when compared to last year.

In the same line, EBITDA margin increased 20 basis points supported by the incorporation of Sytesa' results with an important depreciation component.

Results by Solution

Figures in millions of MXN

	Individual Solutions			Integrated Solutions		
	2Q17	2Q16	Var.	**2Q17**	2Q16	Var.
Net Sales	**1,501**	**1,281**	17.2%	**285**	**97**	1.9 x
EBITDA	**259**	**164**	57.4%	**21**	**49**	NA
EBITDA Margin	*17.2%*	*12.8%*	*440 pb*	*7.4%*	*50.1%*	*(4270) pb*

Individual solutions accounted for 84.0% of total consolidated sales and grew 17.2% when compared to the same period of last year due to a better result in the retail channel, mainly in Mexico, as a reflection of our market position, the strength of our brand and our products innovaton; and in the Other Countries division due to higher water treatment solutions.

As a result of higher sales, EBITDA margin of the individual solutions grew 440 basis points.

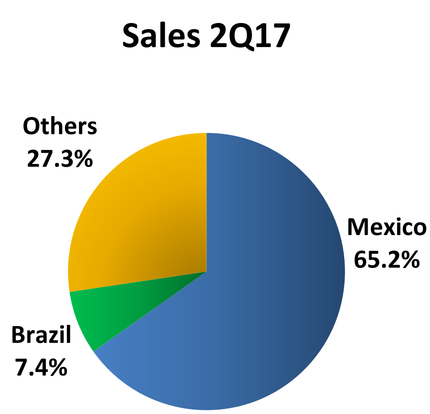
Integrated solutions accounted for 16.0% of the total consolidated sales and recorded an important increase when compared to the same period of last year due to higher sales of integrated solutions with maintenance in Mexico due to the incorporation of Sytesa and sales from the water purifying fountains program, coupled with the sales contracts reactivation of self-sustainable solutions in Brazil.

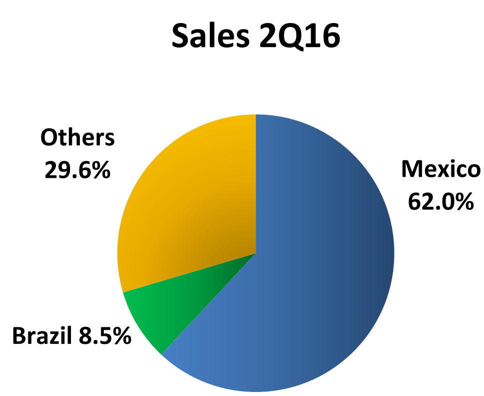
EBITDA margin from the integrated solutions reached 7.4% from the 50.1% recorded in the second quarter of last year mainly due to the one-timers generated by the operations reactivation in Brazil to fulfill sales contracts.

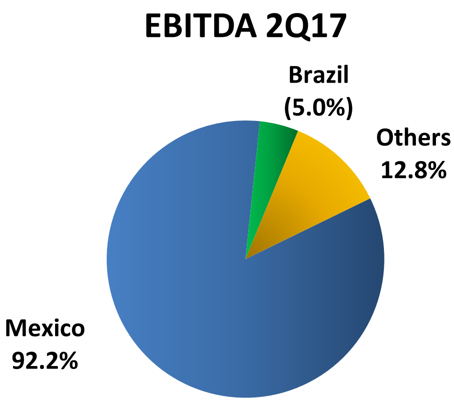
Results by Country

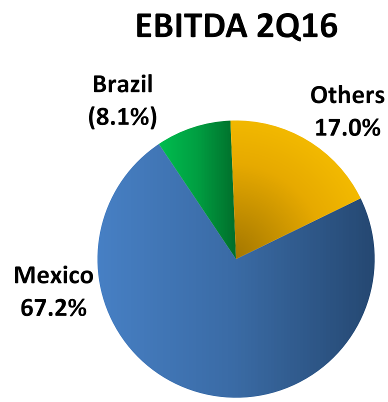
Figures in millions of MXN

	Mexico			Brazil			Others		
	2Q17	2Q16	Var.	**2Q17**	2Q16	Var.	**2Q17**	2Q16	Var.
Net Sales	**1,165**	**854**	36.4%	**133**	**117**	13.9%	**488**	**407**	19.9%
EBITDA	**258**	**188**	37.3%	**(14)**	**(23)**	38.2%	**36**	**48**	(24.9%)
EBITDA Margin	*22.2%*	*22.0%*	*20 pb*	*(10.5%)*	*(19.4%)*	*890 pb*	*7.3%*	*11.7%*	*(440) pb*









Results for the 6M17

Selected Financial Information

Figures in millions of MXN

	6M17	6M16	Var.
Net Sales	**3,455**	**2,554**	35.3%
Gross Profit	**1,344**	**1,112**	20.9%
Gross Profit Margin	*38.9%*	*43.5%*	*(460) pb*
EBIT	**403**	**308**	30.9%
EBIT Margin	*11.7%*	*12.1%*	*(40) pb*
Net Income	**315**	**256**	22.9%
Net Income Margin	*9.1%*	*10.0%*	*(90) pb*
EBITDA	**530**	**365**	45.3%
EBITDA Margin	*15.3%*	*14.3%*	*100 pb*

During the first six months of the year, sales reached Ps. 3,455 million, representing a significant growth of 35.3% against last year. This was due to higher sales of individual solutions in the retail channel in Mexico and of water treatment solutions in the Other Countries division, coupled with the incorporation of the results from the integrated solutions with maintenance business. Excluding Sytesa and Talsar results, organic growth was 24.9%.

Gross margin decreased 460 basis points due to higher depreciation of the integrated solutions with maintenance coupled with a negative effect on the raw material cost due to FX.

As a result of cost reduction initiatives implemented throughout the organization based on the zero-basis-budget, operating margin decreased only by 40 basis points.

During the first half of the year, EBITDA grew 45.3% and its margin increased by 100 basis points as a result of the previously mentioned higher sales, coupled to the incorporation of the integrated solutions with maintenance with an important depreciation component.

The sum of efforts across the organization resulted in a 22.9% increase in the accrued net profit when compared to the previous year.

Results by Solution

Figures in millions of MXN

	Individual Solutions			Integrated Solutions		
	6M17	6M16	Var.	6M17	6M16	Var.
Net Sales	**3,013**	**2,415**	24.8%	**442**	**140**	3.2x
EBITDA	**510**	**311**	64.0%	**21**	**54**	(62.1%)
EBITDA Margin	*16.9%*	*12.9%*	*400 pb*	*4.6%*	*38.8%*	*(3420) pb*

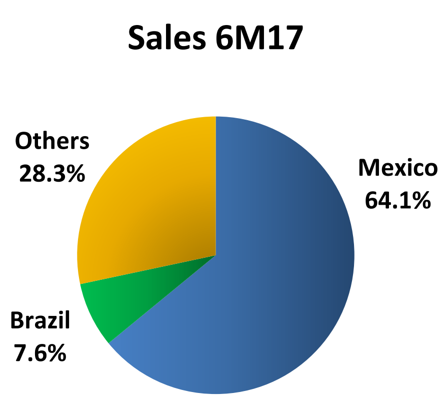
During the first semester of the year, individual solutions grew 24.8% when compared to the same period of last year, mainly in Mexico and in the Other Countries division.

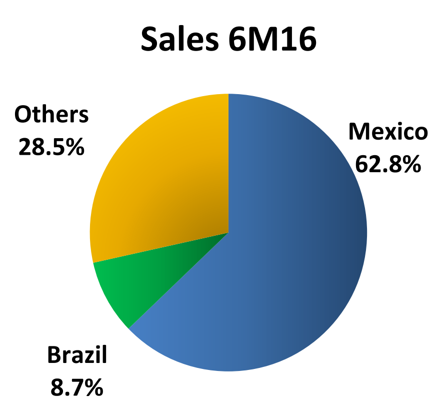
Integrated solutions reached Ps. 442 million from the Ps. 140 million recorded last year. This is due to higher sales of integrated solutions with maintenance in Mexico and self-sustainable solutions in Brazil. Margin decrease is derived from one-timers resulting of the operations reactivation to fulfill sales contracts in Brazil.

Results by Country

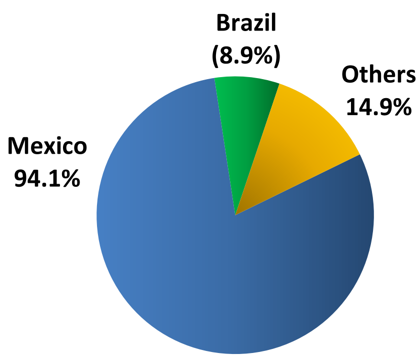
Figures in millions of MXN

	Mexico			Brazil			Others		
	6M17	6M16	Var.	6M17	6M16	Var.	6M17	6M16	Var.
Net Sales	**2,214**	**1,605**	38.0%	**262**	**222**	18.2%	**979**	**728**	34.5%
EBITDA	**499**	**334**	49.4%	**(47)**	**(45)**	(6.0%)	**79**	**76**	4.1%
EBITDA Margin	*22.5%*	*20.8%*	*170 pb*	*-18.0%*	*-20.1%*	*210 pb*	*8.1%*	*10.4%*	*(230) pb*

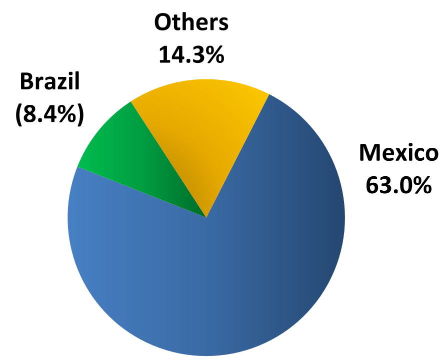




EBITDA 6M17



EBITDA 6M16



Non-operating Result

The comprehensive financing cost as of June 30th, reached Ps. 37 million compared to Ps. 21 million as of June 2016. This was the result of income generated by the derivative financial instruments and positive net interests.

Also in this period a Ps. 16 million foreign exchange loss was recorded as a result of the currencies revaluation in the countries where Rotoplas operates versus the Mexican peso.

Capex

Capital expenditures carried out during the first six months of the year accounted for Ps. 115 million and represented 3.3% of the sales. This resources were mainly allocated to projects aimed at improving processes and to replace and service machinery in Mexico as well as the installed capacity increase in Argentina.

Capex
Figures in millions of MXN

	6M17	%
Mexico	74	65%
Brazil	2	2%
Others	39	34%
Total	**115**	**100%**

Debt

Total debt for the quarter reached Ps. 1,976 million. It is important to mention that during this quarter a successful issuance of the first Sustainability Bond in Latin America was carried out for a total amount of $2.0 billion Mexican pesos, which book was oversubscribed 3.76 times.

The issuance was made in two tranches, the first with ticker AGUA 17X in the amount of $0.6 billion at floating rate of TIIE 28d +68 basis points and a 3-year maturity; the second with ticker AGUA 17-2X in the amount of $1.4 billion, at a fixed rate of MBONO27 +189 basis points equivalent to an annual rate of 8.65% and 10-year maturity. The use of proceeds of this sustainability issuance will finance and refinance projects with social and environmental impacts.

Also during the quarter, the pre-payment of the outstanding commercial credits of the Company was carried out. With this, the debt average maturity went from 2.5 years to 7.9 years, strengthening the Company' financial structure to support its growth.

	6M17	4Q16	Var.
Total Debt	**1,976**	**1,243**	**59.0%**
Short Term Debt	3	285	(98.9%)
Long Term Debt	1,973	958	NA
Cash and Equivalents	2,094	1,563	34.0%
Net Debt	**(118)**	**(320)**	**NA**

Cash position as of June 30th, 2017 was Ps. 2,094 million. The variation is explained by the proceeds from the Sustainability Issuance net from debt prepayments, the cash reimbursement payable in cash and the activities of the share buyback fund. Correspondingly, the Company's net debt was (Ps. 118 million).

Financial Indicators for LTM

	LTM17	LTM16	Var.
Net Debt / EBITDA (x)	(.1) x	(.4) x	0.0%
Total Liabilities/Stockholders' Equity	0.5	0.3	39.1%
Earnings Per Share	1.04	1.05	(0.4%)

The Net Debt / EBITDA ratio remains negative as a reflection of a solid financial structure and a conservative balance management.

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 June 30th 2017, market value of the derivative financial instruments positions of Grupo Rotoplas were:

Type of instrument	Market Value (millions of pesos)
SWAP / CAP	27.7
Futures	24.0
Forward	(13.7)

Share Buyback Program

As of June 30th, 2017, the Company's share buyback fund reported 12,966,989 shares in treasury representing approximately Ps. 363 million at the closing price of June of Ps. 28.00 per share.

Others

On May 15th, 2017 a capital reimbursement payable in cash was paid in the amount of Ps. 0.37 cents for each outstanding share, as approved by the Annual General Ordinary and Extraordinary Shareholders' Meeting held on April 28th, of the current year.

Analyst Coverage

As of June 30th, 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 Second Quarter 2017 Conference Call, to be held on Thursday, July 20th, 2017 at 10:30 a.m. Mexico City time (11:30 a.m. EST).

Carlos Rojas Mota Velasco, CEO, and Mario Romero, CFO, will host the call. Remarks will be followed by a question and answer session.

To participate in the conference, call please dial:

Mexico: 001 800 522 5905
United States: 1 888 430 8694
Other Countries: 1 719 325 2370

Conference ID: 2190760 or via the Company's website: www.rotoplas.com/inversionistas.html

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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 Financial Statement as of 2Q17 and for the First Semester of the Year

Non-Audited Figures – in millions of MXN

	2Q17	2Q16	Var.	6M17	6M16	Var.
Net Sales	**1,786**	1,378	**29.6%**	**3,455**	**2,554**	**35.3%**
Cost of Sales	1,101	772	42.6%	2,111	1,442	46.4%
Gross Profit	**685**	606	**13.1%**	**1,344**	**1,112**	**20.9%**
Gross Profit Margin	*38.4%*	*44.0%*	(560) pb	*38.9%*	*43.5%*	(460) pb
Operating Expense	469	422	11.3%	941	804	17.0%
Operating Income	**216**	184	**17.2%**	**403**	**308**	**30.9%**
Operating Income Margin	*12.1%*	*13.4%*	(130) pb	*11.7%*	*12.1%*	(40) pb
Comprehensive Financing Cost	**24**	31	**(22.8%)**	**37**	**21**	**73.8%**
Financial Income	55	47	1.2 x	122	80	51.3%
Financial Costs	31	16	94.5%	85	59	43.3%
Earnings Before Taxes	**240**	215	**11.5%**	**440**	**329**	**33.8%**
Taxes	68	50	1.4 x	125	73	72.8%
Net Income	**173**	166	**4.3%**	**315**	**256**	**22.9%**
Net Income Margin	*9.7%*	*12.0%*	(230) pb	*9.1%*	*10.0%*	(90) pb
EBITDA	**280**	213	**31.4%**	**530**	**365**	**45.3%**
EBITDA Margin	*15.7%*	*15.5%*	20 pb	*15.3%*	*14.3%*	100 pb

Grupo Rotoplas S.A.B. de C.V.
Balance Sheet as of June 30, 2017 and December 2016

Non-Audited Figures – in millions of MXN

	2Q17	4Q16
Cash and Cash Equivalents	2,094	1,563
Accounts Receivable	1,877	1,792
Inventory	796	892
Other Current Assets	541	559
Current Assets	**5,309**	**4,806**
Property, Plant and Equipment -Net	2,165	2,283
Other Long-Term Assets	2,581	2,524
Total Assets	**10,056**	**9,612**
Short-term Debt with cost	3	285
Suppliers	753	740
Other Accounts Payable	352	320
Short-term Liabilities	**1,108**	**1,345**
Long-term Debt with cost	1,973	958
Other Long-Term Liabilities	93	89
Total Liabilities	**3,174**	**2,392**
Total Stockholders' Equity	**6,881**	**7,221**
Total Liabilities + Stockholders' Equity	**10,056**	**9,612**