Grupo Rotoplas

BMV:AGUA*

Quarterly Results 2Q19

Mexico City, July 24, 2019

Grupo Rotoplas announces results for the Second Quarter of 2019

Grupo Rotoplas S.A.B. de C.V. (BMV: AGUA) ("Rotoplas" or "the Company" or "the Group"), America's leading provider of water solutions (products and services), announced today its unaudited financial results for the second quarter of 2019. The information within has been prepared based on International Financial Reporting Standards (IFRS).

Figures in this document are expressed in Mexican pesos and may vary due to rounding.

Quarterly Results 2Q19 vs 2Q18

(Millions of MXN)

- Net sales grew 1.8% to reach Ps. 1,997 million, driven by Argentina and Central America. Sales rose despite the challenging economic conditions in our main markets, observing weakness in consumption and unfavorable exchange rate movements. Excluding the depreciation of the Argentine peso, net sales growth would have been 11.4%.
  - Product sales grew 9.1% to reach Ps. 1,873 million, mainly driven by the acquisition of IPS in Argentina, allowing for market share increases in water flow and water heaters.
  - Service sales decreased 49.0% due to lower drinking water fountain sales following deceleration in government programs, as well as a decline in water treatment plants' revenues related to time to market for new plants, which will begin to register income in the second half of the year. The drinking water platform "bebbia" doubled the number of users to reach more than 14 thousand installed purification points.
- Gross profit grew 12.2% due to better sales prices of products and lower resin costs.
- Operating income grew 3.0% as a result of an improvement in the gross margin of 380 bp, which mitigated higher operating expenses due to the integration of IPS, higher expenses in the United States related to the technological update of the e-commerce platform and distribution expenses due to growth in Central America. Operating margin improved by 10 bp.
- Adjusted EBITDA[1] reached Ps. 301 million, a decrease vs 2Q18, due to the higher SG&A and a lower depreciation component. The adjusted EBITDA margin of the Group reached 15.0%. In Mexico and Argentina this margin expanded by 110 bp and 160 bp, respectively.

[1] Adjusted EBITDA excludes non-recurring expenses (donations and expenses related to acquisitions) for amounts of Ps. 0.4 million in 2Q19 and Ps 0.4 million in 2Q18.

- Net income for the period was Ps. 69 million, pressured by a higher net interest payments derived from increased net debt, a negative effect of Ps. 18 million related to exchange rate hedges (MXN/USD) and an impact of Ps. 24 million related to the foreign exchange loss and the monetary position results in Argentina[2].
- As a part of the succession plan, Carlos Rojas Aboumrad was appointed as the new Chief Executive Officer. Carlos Rojas Mota Velasco will continue to be Chairman of the Board of Directors and will remain involved in the development of the Company's business strategy.
- Rotoplas was included within the S&P/BMV Sustainable IPC Index of the Mexican Stock Exchange, which considers the 30 issuers with the best sustainability performance.
- In July, as part of the optimization strategy and simplification of operations, USA manufacturing assets were sold to focus on the e-commerce platform. This transaction will strengthen the Company's cash position in the balance in Ps. 771 million. The accounting record of this transaction will be made in the third quarter.

Accumulated Results from January to June 2019 vs 2018

(Millions of MXN)

- Net sales increased 4.1% to Ps. 3,956 million, driven by IPS in Argentina, Central America and Peru. Excluding the depreciation of the Argentinian currency, growth would have been 13.5%.
  - Product sales grew 10.0% to reach Ps. 3,706 million, while services fell 41.9% registering an income of Ps. 250 million.
- Gross margin increased 240 bp due to lower costs of resins and better selling prices, which managed to mitigate a lower contribution of services and offset higher operating expenses by the integration of IPS and the technological update of the e-commerce platform in the United States.
- Adjusted EBITDA[3] remained constant from last year, while EBITDA margin reached 16.1%.
- Net profit in the period was Ps. 152 million, due to a higher net interest payment of Ps. 134 million, a negative effect due to exchange rate hedges (MXN/USD) of Ps. 36 million, as well as the hyperinflation in Argentina[2], which continued to cause losses due to monetary position and foreign exchange loss of Ps. 62 million.

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[2] As Argentina accumulated inflation above 100% in the last three years, it is considered a hyperinflationary economy. In accordance with IAS 29, an adjustment for inflation has been made to the Financial Statements to consider changes in purchasing power.
[3] Adjusted EBITDA excludes non-recurring expenses (donations and expenses related to acquisitions) for amounts of Ps.1.2 million in 6M19 and Ps.11.6 million in 6M18.

Results Guidance

On February 14th, with the available information to that date, the Company published that it expected a sales growth for 2019 of more than 10.0% compared to 2018 and an EBITDA margin between 16.0% and 17.0% by the end of the year.

Due to the slow economic growth in Mexico and Argentina, countries that make up the majority of Company's operating volume, growth expectations for net sales are being adjusted to a single digit compared to 2018; while EBITDA margin remains unchanged, expecting it to be between 16.0% and 17.0% by the end of the year.

Message from the Chairman

"Our business model, the strength of our brand, the design and the technology of our portfolio of products and services have helped us face the challenges that have arisen in the different regions where we are present, particularly in Mexico, due to political uncertainty and slow economic growth, and in Argentina due to an adverse macroeconomic environment.

Despite the challenging conditions that persist in some of the markets in which we operate, we have managed to maintain market share, thus demonstrating the resilience of our business model, a strong positioning in the distribution channels and the loyalty of our customers.

With the objective of simplifying and optimizing our operations, on July 8 we announced the divestment of our manufacturing assets of the three rotational molding factories in the United States. This transaction will allow us to focus on the leading e-commerce platform in its field, in addition to significantly strengthening the cash position in the balance sheet and improving the return on the Group's invested capital.

To conclude, I would like to reiterate my commitment as new Chief Executive Officer to bringing "more and better water" for our clients. Additionally, I would like to highlight the concepts that will underpin my management: transformation, digital technology, innovation and talent development."

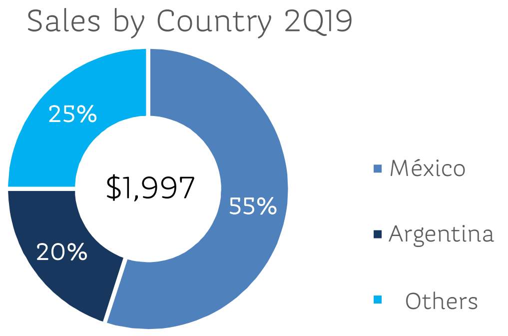
Carlos Rojas Aboumrad
Chief Executive Officer of Grupo Rotoplas, S.A.B. de C.V.

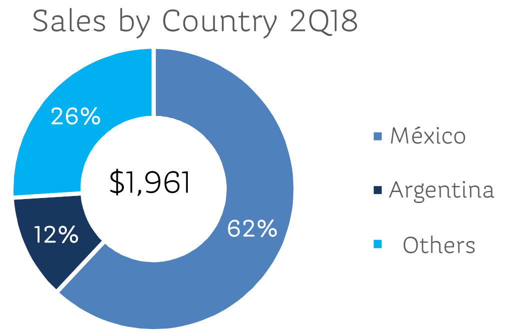
Selected Financial Information – Income Statement and Balance Sheet
(Millions of MXN)

Income Statement	2Q19	2Q18	Var (%)	6M19	6M18	Var. (%)
Net Sales	**1,997**	**1,961**	***1.8%***	**3,956**	**3,799**	***4.1%***
Cost of Sales	1,177	1,231	*(4.3%)*	2,321	2,322	*(0.0%)*
Gross Profit	820	730	*12.2%*	1,635	1,477	*10.7%*
Gross Profit Margin	*41.0%*	*37.2%*	*380 bp*	*41.3%*	*38.9%*	*240 bp*
Operating Income	212	206	*3.0%*	449	439	*2.3%*
Operating Income Margin	*10.6%*	*10.5%*	*10 bp*	*11.3%*	*11.5%*	*(20) bp*
Comprehensive Financing Result	(113)	(20)	*NA*	(232)	(45)	*NA*
Taxes	30	54	*(45.5%)*	65	116	*(44.3%)*
Net Income	**69**	**131**	***(47.2%)***	**152**	**277**	***(45.2%)***
Net Income Margin	*3.5%*	*6.7%*	*(320) bp*	*3.8%*	*7.3%*	*(350) bp*
EBITDA	300	318	*(5.8%)*	636	627	*1.5%*
Adjusted EBITDA	**301**	**319**	***(5.8%)***	**637**	**638**	***(0.2%)***
Adjusted EBITDA Margin	*15.0%*	*16.3%*	*(120) bp*	*16.1%*	*16.8%*	*(70) bp*

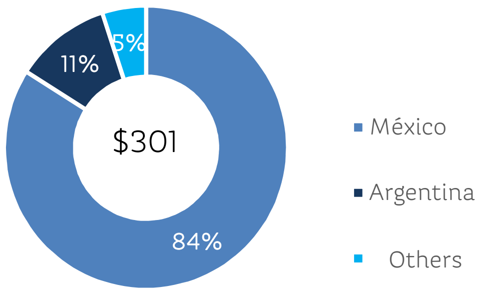
Balance Sheet	Jun 19	Jun 18	Var (%)
Cash and Cash Equivalents	752	1,238	*(39.3%)*
Total Debt	2,925	1,976	*48.0%*
Net Debt	2,173	738	*NA*
Net Debt / Adjusted EBITDA	1.7 x	0.7 x	1.0 x

Quarterly Figures

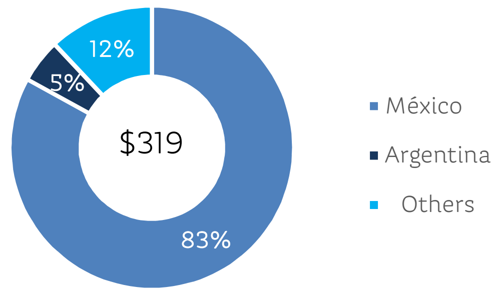




EBITDA by Country 2Q19



EBITDA by Country 2Q18



Income Statement Analysis

Sales and EBITDA

Summary by Country

(Millions of MXN)

	Mexico			Argentina			Others		
	2Q19	2Q18	*Var (%)*	2Q19	2Q18	*Var (%)*	2Q19	2Q18	*Var (%)*
Net Sales	1,090	1,210	*(9.9%)*	404	228	*77.2%*	502	523	*(4.0%)*
Adjusted EBITDA	252	266	*(5.2%)*	33	15	*NA*	16	38	*(58.3%)*
Adjusted EBITDA Margin	23.1%	22.0%	*110 bp*	8.1%	6.5%	*160 bp*	3.2%	7.3%	*(410) bp*

	Mexico			Argentina			Others		
	6M19	6M18	*Var (%)*	6M19	6M18	*Var (%)*	6M19	6M18	*Var (%)*
Net Sales	2,210	2,372	(6.9%)	737	445	65.6%	1,010	982	2.9%
Adjusted EBITDA	544	558	(2.5%)	58	30	90.7%	36	50	(29.0%)
Adjusted EBITDA Margin	24.6%	23.5%	*110 bp*	7.8%	6.8%	*100 bp*	3.5%	5.1%	*(160) bp*

Mexico

Net sales totaled Ps. 1,090 million in the second quarter and to Ps. 2,210 in the first semester. A decrease against the same periods of 2018 related to lower revenues from services where the sale of school drinking water fountains was impacted by a slowdown in government programs as well as by lower revenues from water treatment and recycling plants. Likewise, a weak generalized consumption in the country affected sales of our products in most of the distribution channels. We expect that during the second half of the year, revenues from water treatment and recycling plants will have a positive impact on sales.

The Adjusted EBITDA margin for the quarter in Mexico reached 23.1%, an expansion of 110 bp vs 2Q18, reaching Ps. 252 million, mainly due to lower resin costs and discipline in price settling. Cumulative adjusted EBITDA margin for the quarter in Mexico reached 24.6%, an expansion of 110 bp vs 6M18, reaching Ps. 544 million.

Argentina

Net sales in Argentina reached Ps. 404 million, a growth of 77.2% vs. 2Q18, due to the integration of the IPS water flow (pipes) business.

The strong organic growth in local currency of 72.0%, driven by a price strategy that anticipates inflation, contributed to offset the impact on the consolidated results of the Group from the 48% depreciation of the Argentinian peso.

The accumulated net sales reached Ps. 737 million, a 65.6% growth vs. 6M18, due to better generalized prices across all categories and higher volumes in sales of water heaters. Additionally, offering diversified mid and low-range products has been an efficient strategy in a market with weak purchasing power due to a general contraction of the economy.

Despite adverse economic conditions, there has been a continuous improvement in sales so far this year, due to the fact that growth of quarterly sales over previous periods presents a positive trend.

Argentina's Adjusted EBITDA margin reached 8.1% in the quarter and 7.8% year to date, an increase of 160 bp and 100 bp, respectively. This increase is linked to a higher marginal contribution from the benefit of lower resin prices, the integration of IPS and higher heater sales that improve cost absorption.

NOTE: Adoption of IAS 29, Financial Information in Hyperinflationary Economies.

Because Argentina accumulated inflation above 100% in the last three years, it is considered a hyperinflationary economy. In accordance with IAS 29, an adjustment for inflation has been made to the Financial Statements to consider changes in purchasing power.

International Accounting Standard (IAS) 29, Financial Information in Hyperinflationary Economies establishes that the results of operations in Argentina should be reported as if they were hyperinflationary as of January 1, 2018 and make an adjustment for inflation in the Financial Statements to recognize the change in the purchasing power of the local currency.

As a result of this, in 2Q19, the impact of the restatement resulted in an increase of $ 29 and $ 47 million pesos in the financial expense that negatively impact the Comprehensive Financing Income and after considering taxes, negatively affect the net income at $ 27 and $ 52 million pesos respectively.

Others

Net sales in the rest of the countries where Rotoplas operates (United States, Peru, Brazil, Guatemala, El Salvador, Costa Rica, Honduras and Nicaragua) reached Ps. 502 million, a decrease of 4.0% vs 2Q18, mainly due to lower government sales in Brazil.

In the United States, a technological update of the e-commerce platform was carried out and the integration of this business to the Group's processes and systems was completed.

In Peru, good performance is observed due to higher sales within the storage and water heater categories.

Central America continues to gain market share from a double-digit growth, which is higher than the regional market's dynamism.

In Brazil, a highly competitive environment continues to be observed. In line with the strategy for this country, the sale of the new open storage water tank ("tinaco") was promoted, a product that complements the portfolio of storage products in this geography. Storage sales failed to compensate for lower sales to government.

Accumulated net sales reached Ps. 1,010 million, representing an increase of 2.9% vs 6M18.

Adjusted EBITDA margin reached 3.2% for the quarter and 3.5% for the semester. The decrease in margins responds to the absence of government sales in Brazil, which caused a lower contribution and absorption of expenses.

Net Sales and Adjusted EBITDA by Products and Services

(Millions of MXN)

Products	2Q19	2Q18	*Var (%)*	6M19	6M18	*Var (%)*
Net Sales	1,873	1,717	*9.1%*	3,706	3,369	*10.0%*
Adjusted EBITDA	297	285	*4.5%*	616	588	*4.7%*
Adjusted EBITDA Margin	*15.9%*	*16.6%*	*(70) bp*	*16.6%*	*17.5%*	*(80) bp*

Services	2Q19	2Q18	*Var (%)*	6M19	6M18	*Var (%)*
Net Sales	124	244	*(49.0%)*	250	430	*(41.9%)*
Adjusted EBITDA	3	34	*(91.0%)*	21	50	*(57.9%)*
Adjusted EBITDA Margin	*2.5%*	*14.1%*	*(1,160) bp*	*8.4%*	*11.7%*	*(320) bp*

Government sales during the quarter and cumulatively accounted for 1.8% of sales, a percentage lower than the internal guideline that states these should not exceed 10% of Group's revenues.

- Products

Net sales, which include the storage, water flow and improvement categories, grew 9.1% in 2Q19, reached Ps. 1,873 million that considers the integration of the IPS water flow business in Argentina, as well as an increase in revenues from the Central American region and the integration of mid and lower-end range products in Argentina. The Company has followed a price increase strategy aligned to the inflation of each country.

Net sales grew 10.0% in the first half of 2019, reaching Ps. 3,706 million.

The Adjusted EBITDA margin in 2Q19 was 15.9% and in 6M19 amounted to 16.6%, a decrease against what was reported last year, which was mainly due to higher operating expenses related to the integration of IPS and costs related to the expansions in the United States and Central America.

- Services

Net sales showed a decrease of 49.0% in 2Q19 and of 41.9% in the first six months of the year due to lower sales of school drinking water fountains driven by a slowdown in public spending in Mexico. Most income registered in water fountains comes from the maintenance of previous installed units. Also, lower sales of treatment and recycling plants were registered as a result of longer times between construction and billing of new contracts.

The drinking water purification platform, “bebbia”, doubled the number of purification points, reaching 14 thousand at the end of June. It is worth mentioning that this platform has presence in more than 50 cities in 24 Mexican states, being the only option in the market with purification schemes under subscription and with a solution corresponding to the water quality of each home or institution.

The adjusted EBITDA margin reached 2.5% quarterly and 8.4% cumulatively, a contraction in both periods due to lower sales that would aid to absorb fixed costs and expenses.

Gross Profit

Gross margin increased 380 bp compared to the same quarter of 2018, going from 37.2% in 2Q18 to 41.0% in 2Q19, driven by better sales prices in products and an improvement in the cost of raw material.

In 6M19, the accumulated gross margin increased 240 basis points compared to 6M18, reaching 41.3%.

Operating Income

Operating income grew 3.0% in the quarter, amounting to Ps. 212 million, which represented a margin of 10.6% and an increase of 10 basis points against the same period of the previous year. This increase is due to the benefit of raw material costs previously mentioned and to an improvement in sales prices.

Accumulated operating income grew 2.3%, reaching Ps. 449 million, as a result of the benefit in gross profit that offset an increase in operating expenses related to the integration of IPS in Argentina and to an improvement in the United States e-commerce platform.

Comprehensive Financing Result

The Comprehensive Financing Result in 2Q19 was an expense of Ps. 113 million, compared to Ps. 20 million in the same period last year. This increase was mainly due to a higher payment of net interests, which reached Ps. 65 million because of the increase in the level of net debt, the devaluation of the currency and the loss of monetary position in Argentina for Ps. 24 million. Additionally, there was a negative effect of Ps. 18 million derived from financial instruments of exchange rate hedging (MXN/USD).

The accumulative Comprehensive Financing Result in the 6M19 was an expense of Ps. 232 million, compared to Ps. 45 million in the same period of the previous year. This increase was mainly due to a higher payment of net interests, which reached Ps. 134 million because of the increase in the level of net debt, the devaluation of the currency and the loss of monetary position in Argentina for Ps. 62 million. In the semester there was a negative effect that amounted to Ps. 36 million derived from exchange rate hedging (MXN / USD).

Income Tax

The income tax for the second quarter of 2019 totaled Ps. 30 million. The tax rate was 29.9% vs. 29.3% in 2Q18.

Cumulatively, the income tax reached Ps. 65 million and the tax rate was 29.8% compared to 29.5% for the first semester of 2018.

Net Income

Net income in 2Q19 reached Ps. 69 million, mainly because of a greater net interest payment amounting to Ps. 65 million, the effect of hyperinflation and depreciation of the currency in Argentina totaling Ps. 62 million, and the recognition of an impact of Ps. 18 million due to exchange rate hedging.

Cumulatively, net income reached Ps. 152 million, reaching a margin of 3.8%. Effects of net interest payments, fx losses in Argentina and hedging financial instruments impacted net margin in 429 bp.

Capex

(Millions of MXN)

	6M19	%
Mexico	102	71.3%
Argentina	26	18.2%
Others	15	10.5%
Total	**143**	**100%**

Capital investments made as of June 2019 accounted for 4% of sales. Most resources were allocated to Mexico, representing 71% of the capital.

Amongst the investments in Argentina, several projects are contemplated to promote greater efficiencies in the storage and water flow categories.

34% of the total capex allocated from January to June, which amounts to Ps. 49 million was destined to water treatment and recycling plants, which will begin to record income in the following quarters.

Balance Sheet

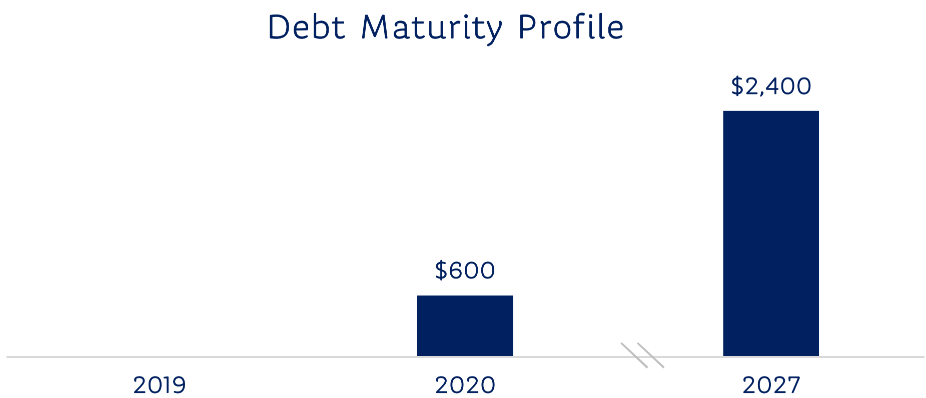
Debt

(Millions of MXN)

Balance Sheet	Jun 19	Jun 18	*Var (%)*
Cash and Cash Equivalents	752	1,238	*(39.3%)*
Total Debt	2,925	1,976	*48.0%*
Net Debt	2,173	738	*NA*
Net Debt / Adjusted EBITDA	1.7 x	0.7 x	1.0 x

Debt Maturity Profile

As of June 30, 2019, Ps. 600 million, or 20% of the debt was issued at a variable rate, covered by a swap and has an amortization date in June 2020; the remaining Ps. 2,400 million have an amortization date in 2027 and were issued at a fixed rate. 100% of debt is held in Mexican pesos.



Working Capital

(Days)

	6M19	6M18	*Var (%)*
Days of Inventory	76	71	-5
Days of Portfolio	74	71	-3
Days Payable Outstanding	64	59	5
Cash Conversion Cycle	87	84	-3

The cash conversion cycle increased 3 days due to effects in Argentina from anticipated purchases of inventory and a lag in collection related to government programs.

Free Cash Flow from Operations

Cumulatively, Rotoplas' free cash flow improved 7% compared to the same period of last year. The cash generated in the operation was Ps. 340 million, Ps. 143 million went to CAPEX, Ps. 122 million to the repurchase fund and Ps. 174 million to cash reimbursement.

Financial Ratios
(EPS in MXN)

In Ps. Millions	2Q19	2Q18	*Var (%)*
Net Debt / EBITDA	1.7 x	0.7 x	1.0 x
Total Liabilities / Total Stockholders´ Equity	0.8 x	0.6 x	0.2 x
Total Earnings per Share*	0.14	0.27	*(46.9%)*

*Net Income divided by 486.2 million shares

As of June, leverage is within the 2.0x Net Debt / EBITDA debt guidelines established by the Company.

After the end of the second quarter, a transaction was announced on July 8th regarding the divestment of manufacturing assets in the United States of America to underpin efforts in e-commerce platform. Due to this, on July 19th, the Company strengthened its position in the balance sheet by approximately Ps. 771 million in cash. After this operation, the Net Debt / EBITDA leverage level improved considerably.

Financial Derivatives
(Millions of MXN)

The use of financial derivatives is governed by the recommendations and policies established by the Board of Directors and Supervised by the Audit Committee, which provide guidelines on the management of foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and excess cash investments.

As of June 30 of 2019, the market value of Grupo Rotoplas' derivative positions were:

Instrument	Market Value
SWAP	17.2
Forward	26.3
Total	43.5

Stock Repurchase Program

As of June 30, 2019, the repurchase fund held 30.3 million shares that amount to Ps. 721 million.

Employees

As of June 30, the total number of employees was 3,369, a 9% increase compared to 2Q18. Part of this growth is due to the integration of IPS in Argentina, as it currently has 422 employees, which represent 12.5% of the total workforce.

Relevant Events

- Closing of the USA asset divestment transaction - on July 19, the market was informed that the transaction, including the transfer of the three rotational molding manufacturing factories in California, Texas and Georgia, was successfully completed to focus on the growth of the e-commerce platform. The Company reiterates that this transaction contributes to the creation of value by improving the return on invested capital and strengthening the cash position in the balance sheet with $771 million pesos.

- Divestment of manufacturing assets in the United States of America to underpin efforts in e-commerce - on July 8, 2019 the Group announced that as a part of their strategy to simplify operations and focus on the United States' e-commerce platform they decided to divest, through a cash transaction of its manufacturing assets composed by the three rotational molding factories in California, Texas and Georgia. The effects of said transaction will be visible in the third quarter of 2019.

- Operating Efficiency – on June 13, it was reported that as a result of a process of administrative simplification of operations in Mexico, the subsidiaries Servicios Rotoplas S.A de C.V, Suministros Rotoplas S.A de C.V, Rotoplas Recursos Humanos S.A de C.V and Rotoplas LABS S.A.P.I de C.V would be merged into Rotoplas S.A de C.V as of July 1, 2019.

- Inclusion of Rotoplas Group to the S&P / Sustainable BMV IPC - On May 29, 2019 Rotoplas was included in the Sustainable Price and Quotation Index of the Mexican Stock Exchange which is designed to measure the performance of the main companies in Mexico in environmental, social and economic terms. The inclusion of the Company proves its constant commitment to environmental, social, and governance matters.

- AGUA Event 2019 - on May 7, 2019, the AGUA 2019 Event was held, attended by all its stakeholders. The following topics were discussed:
  - The financial results of the Group.
  - The results and efforts made with regards to sustainability.
  - The presentation of water and carbon tokens for 16 products.
  - The focus and strategic plan of the Company in each operational region.

- The presentation of the "bebbia" platform.
- Plans to follow under the new administration.
- Impact of relevant products and presentation of new environmental files.

To access the presentation, click the following link:

https://rotoplas.com/investors/rtp_resources/eng/presentations/AGUA_2019_eng.pdf

- New Board of Directors Grupo Rotoplas - on April 29, the ratification of twelve members of the Board was approved and three new members were appointed. The new governance structure seeks to promote gender diversity, increase the percentage of independent members, have greater representation by country and complement the functional experience.

- Approved Proposals to the General Ordinary and Extraordinary Annual General Meeting 2019 – meeting held on April 26, in which the report of the Board of Directors of the Company, the certificate of the Company's bylaws, the reimbursement of capital to the shareholders of the Company, the ratification of twelve members and the appointment of three members was approved. To access the release click on the following link: https://rotoplas.com/investors/rtp_resources/eng/relevant_events/2019/1Q19/Approved-Proposals-GSM-2019.pdf

  In the Assembly, a capital reimbursement was approved through a decrease in share capital, at a rate of Ps. 0.38 (thirty-eight cents M.N.) for each outstanding share, which was paid in cash on May 7. Additionally, the new conformation of the Board of Directors was approved and it was authorized to allocate net profits, including retained earnings as of December 31, 2018, for the repurchase fund.

- Organizational Changes - on April 24, 2019, as part of the succession plan, Carlos Rojas Aboumrad was appointed as the new CEO. Carlos Rojas Mota Velasco will continue to serve as Executive Chairman of the Board of Directors and will remain involved in the development of the Company's business strategy.

Analyst Coverage

As of June, the analyst coverage was provided by:

Institution	Analyst	Contact	Recommendation	TP*
Actinver	Jose Cebeira	jcebeira@actinver.com.mx	Buy	$26.00
Bank of America	Eric Neguelouart	eric.neguelouart@baml.com	Sell	$26.00**
GBM	Liliana de Leon	ldeleon@gbm.com	Buy	$32.00
Signum Research	Alain Jaimes	alain.james@signumresearch.com	-	-

*Target Price
**Not updated

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

Income Statement

(Non-audited figures, millions of MXN)

	2Q19	2Q18	Var.	6M19	6M18	Var.
Net Sales	1,997	1,961	1.8%	3,956	3,799	4.1%
COGS	1,177	1,231	(4.3%)	2,321	2,322	(0.0%)
Gross Profit	820	730	12.2%	1,635	1,477	10.7%
Gross Profit Margin	*41.0%*	*37.2%*	*380 bp*	*41.3%*	*38.9%*	*240 bp*
Operating Expenses	607	524	15.8%	1,186	1,038	14.2%
Operating Income	212	206	3.0%	449	439	2.3%
Operating Income Average	*10.6%*	*10.5%*	*10 bp*	*11.3%*	*11.5%*	*(20) bp*
Comprehensive Financing Cost	(113)	(20)	NA	(232)	(45)	NA
Financial Income	34	37	(6.0%)	74	79	(7.4%)
Financial Cost	(148)	(57)	NA	(306)	(124)	NA
Earnings Before Taxes	99	185	(46.5%)	216	393	(44.9%)
Taxes	30	54	(45.5%)	65	116	(44.3%)
Net Income	69	131	(46.9%)	152	277	(45.2%)
Net Income Margin	*3.5%*	*6.7%*	*(320 bp)*	*3.8%*	*7.3%*	*(350) bp*
Adjusted EBITDA	301	319	(5.8%)	637	638	(0.2%)
Adjusted EBITDA Margin	*15.0%*	*16.3%*	*120 bp*	*16.1%*	*16.8%*	*(70) bp*

Balance Sheet

(Non-audited figures, millions of MXN)

	Jun. 19	Dec. 18	Var.
Cash and Cash Equivalents	752	1,050	(28.4%)
Accounts Receivable	1,936	1,764	9.8%
Inventory	1,043	1,057	(1.3%)
Other Current Assets	870	878	(0.9%)
Current Assets	4,602	4,749	(3.1%)
Property, Plant and Equipment – Net	2,726	2,653	2.7%
Other Long-term Assets	4,334	4,448	(2.5%)
Total Assets	11,663	11,850	(1.6%)
Short-term debt	4	7	(49.2%)
Suppliers	402	400	0.7%
Other Accounts Payable	1,155	1,210	(4.5%)
Short-term Liabilities	1,561	1,616	(3.4%)
Long-term Debt	2,922	2,916	0.2%
Other Long-term Liabilities	576	554	4.0%
Total Liabilities	5,058	5,087	(0.6%)
Total Stockholders' Equity	6,604	6,764	(2.4%)
Total Liabilities + Stockholders' Equity	11,663	11,850	(1.6%)

Conference Call

Grupo Rotoplas
(BMV: AGUA*)

Invites you to their Second Quarter 2019
Conference Call

Thursday, July 25th,
10:00am Mexico City time (11:00am, EST)

The leadership team will comment on their second quarter results, followed by a question and answer session.

- Carlos Rojas Aboumrad – Chief Executive Officer
- Mario Romero Orozco – Chief Financial Officer

Webcast:
http://public.viavid.com/index.php?id=135115

Numbers:
Mexico: 01-800-062-2962
United States: 1-888-220-8451
Other Countries: 1-323-794-2591
Conference Number: 5526023

The conference recording will be available after the conference at:
https://rotoplas.com/inversionistas/

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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 solutions for storing, piping, improving, treating and recycling water. With 40 years of experience in the industry and 19 plants throughout the Americas, Rotoplas is present in 14 countries and has a portfolio that includes water services and 27 product lines. Grupo Rotoplas has been listed on the Mexican Stock Exchange (BMV) under the ticker "AGUA" since December 10, 2014.

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