



# 2Q21 Earnings Call

July 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.

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# Speakers

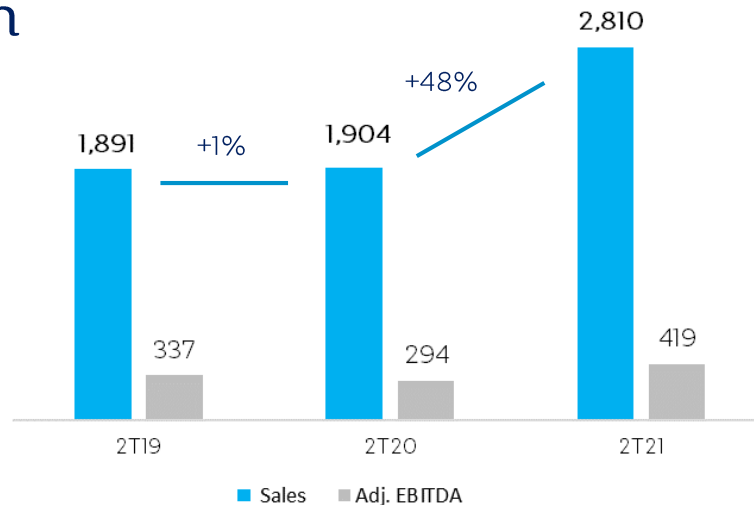
Carlos Rojas Aboumrad  
CEO



Mario Romero Orozco  
CFO



# Sustainable Growth



## EXTERNAL DRIVERS



- droughts & heat waves
- water shortages
- change in consumption habits
- people migration to other cities (remote work)
- economic reactivation
- growing crops

## INTERNAL DRIVERS



- launching of new solutions
- new sales channels
- sales teams effectiveness
- loyalty programs
- cross-selling

# Flow | Agile & DnA



**Acuantia.**



Agile methodology

- Empowered, autonomous, and multifunctional teams
- Faster value delivery
- Reduction of time to market

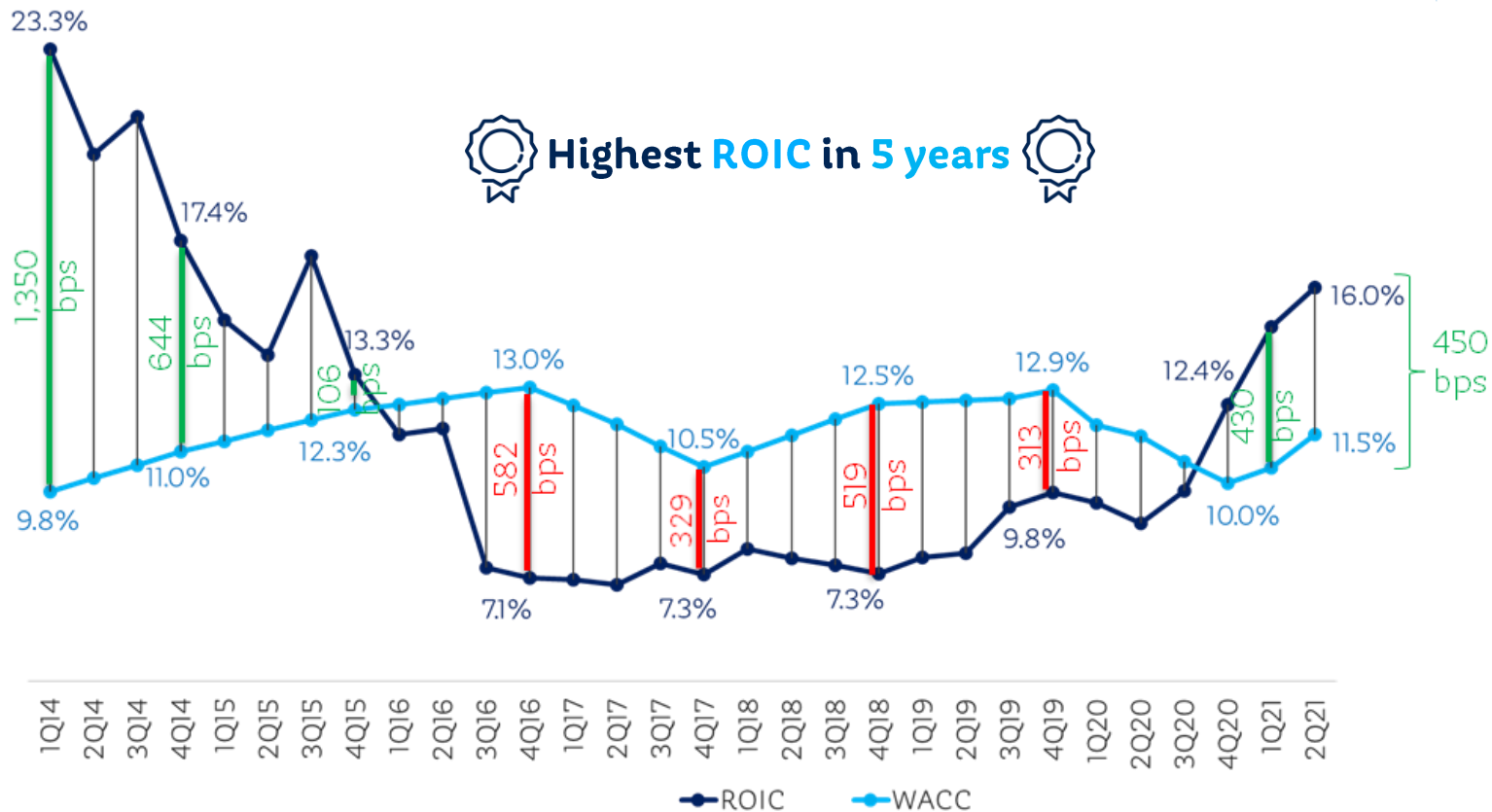
**bebbia®**



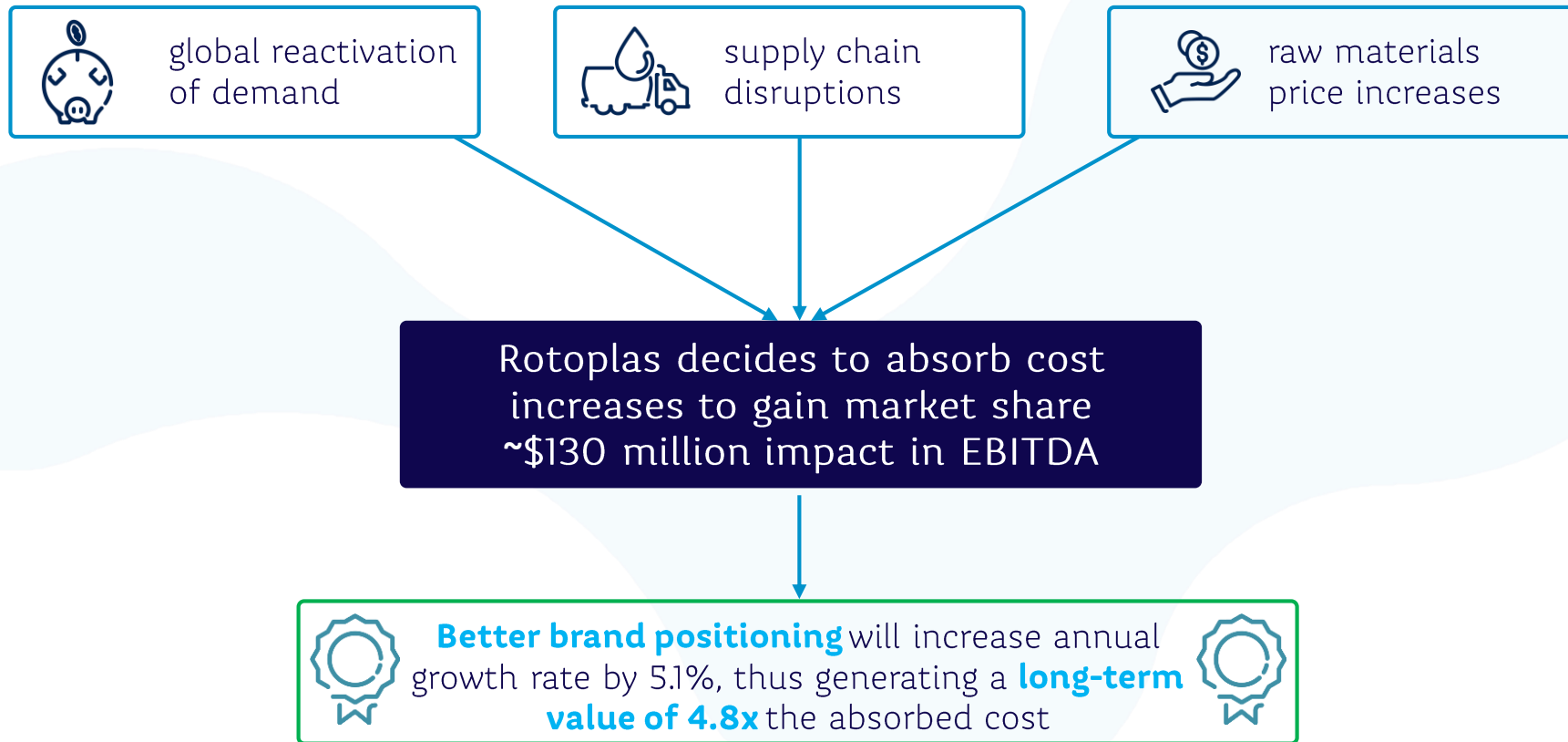
Digital & analytics

- Data analysis to better understanding our customers
- Developing new ways to approach clients
- Smarter marketing campaigns

# ROIC | Sustainable value creation



# 2021 | growth & profitability strategy





We must create a **water-secure world** by **rethinking** our strategies and **transforming** our **business models**.



Profit



People



Planet
















**For people to have more and better water**



# Financial Highlights 2Q21



# COVID-19 | Operations Status

	April	May	June
Mexico			
USA			
Argentina			
Peru			
Central America			

 Continuos  
Operations Restricted  
Operations

# Financial Highlights | Quarterly record sales

Million MXN

	2Q21	2Q20	Δ %/bps	6M21	6M20	Δ %/bps
Net sales	2,810	1,904	48%	5,244	3,829	37%
Cost of Sales	1,769	1,147	54%	3,197	2,230	43%
<b>Gross Profit</b>	<b>1,042</b>	<b>757</b>	<b>38%</b>	<b>2,047</b>	<b>1,599</b>	<b>28%</b>
<i>Margin</i>	37%	40%	(260) pb	39%	42%	(280) pb
<b>Operating Income</b>	<b>242</b>	<b>178</b>	<b>36%</b>	<b>547</b>	<b>456</b>	<b>20%</b>
<i>Margin</i>	9%	9%	(70) pb	10%	12%	(150) pb
Financing Result	155	213	(27%)	277	(218)	NM
Taxes	22	24	(8%)	72	212	(66%)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>419</b>	<b>294</b>	<b>43%</b>	<b>892</b>	<b>654</b>	<b>36%</b>
<i>Margin</i>	15%	15%	(50) pb	17%	17%	(10) pb
<b>Net Profit<sup>2</sup></b>	<b>65</b>	<b>(59)</b>	<b>NM</b>	<b>199</b>	<b>462</b>	<b>(57%)</b>

<sup>1</sup> Adjusted EBITDA considers: operating profit + depreciation and amortization + non-recurring expenses (donations and implementation costs for Flow).

<sup>2</sup> Net Profit before discontinued operations

# Sales | Per country



	2Q21	6M21
Δ Sales	35%	21%
EBITDA Margin	17%	20%

- Strong demand for storage and water flow products
- bebbia continues to post record sales



	2Q21	6M21
Δ Sales	85%	81%
EBITDA Margin	14%	14%

- Double-digit growth in all categories
- Exports represent 5% of sales
- Growth with profitability



	2Q21	6M21
Sales	20%	24%
EBITDA Margin	7%	7%

- Higher consumer confidence & extreme weather events
- Strengthening of digital strategy
- Implementation of agile methodology for septic tank business

# Sales | Per country



- Double-digit growth
- Reactivation of the housing sector
- Increase of market penetration



- Triple-digit growth
- Normalization of region's operations
- Increased purchasing power, government incentives



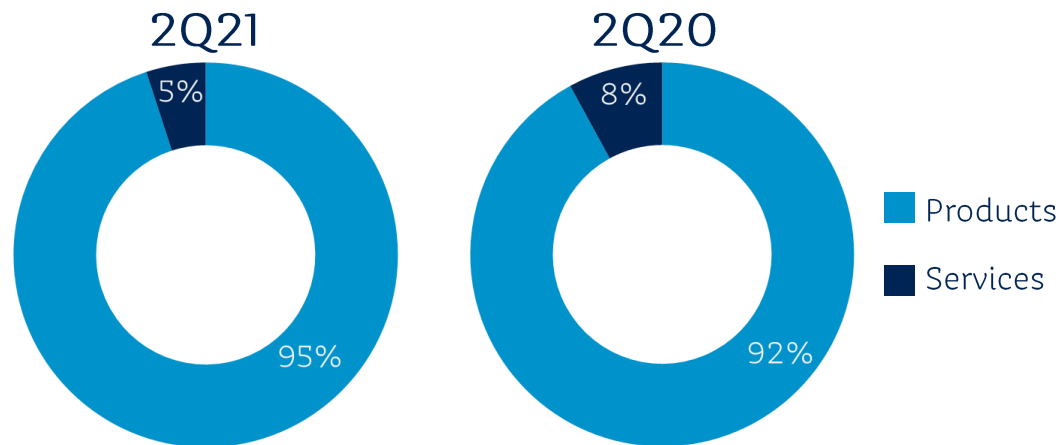
- First water treatment & recycling plants in operation
- Development of field services capabilities

	2Q21	6M21
Δ Sales	2.2x	85%
EBITDA Margin	17%	19%

# Sales | Products & Services Mix

Million MXN

- More than 52,000 *bebbia* users
- No sales recognition in *drinking water fountains*
- Strong demand for *products* across *all regions*
- *Public sector* sales:  
2Q21 – 3.5%  
6M21 – 3.7%



	2Q21	6M21
Products	52%	41%
Services	(4%)	(11%)

# Strong Cash Position

Million MXN

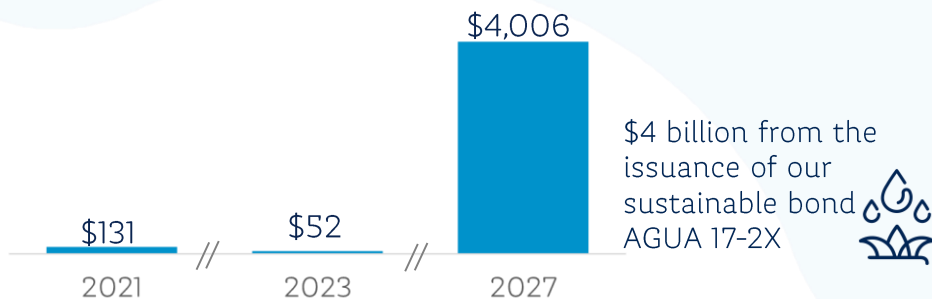
## Current Leverage

### Balance Sheet

	2021	2020	Δ %
Cash & Cash equivalents	2,449	3,193	(23%)
Total Debt	4,189	4,075	3%
Net Debt	1,740	881	NM
Net Debt / Adjusted EBITDA	1.0x	0.6x	0.4x

- Leverage remains within the established debt policy of 2.0x Net Debt / EBITDA
- Cash Conversion Cycle improved by 42 days

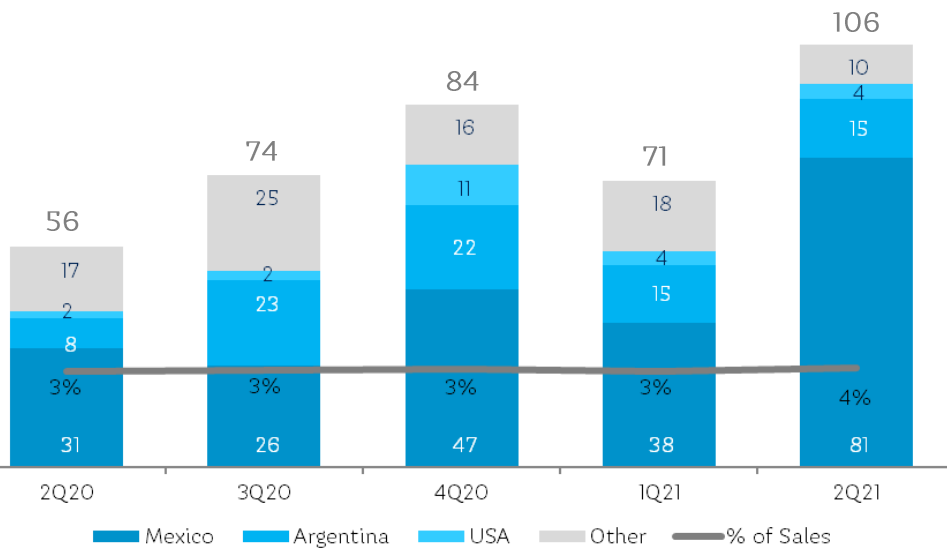
## Debt Maturity Profile





# Discipline in Capital Allocation

## CAPEX



Improvement of our production processes



Capacity to meet the increase in demand

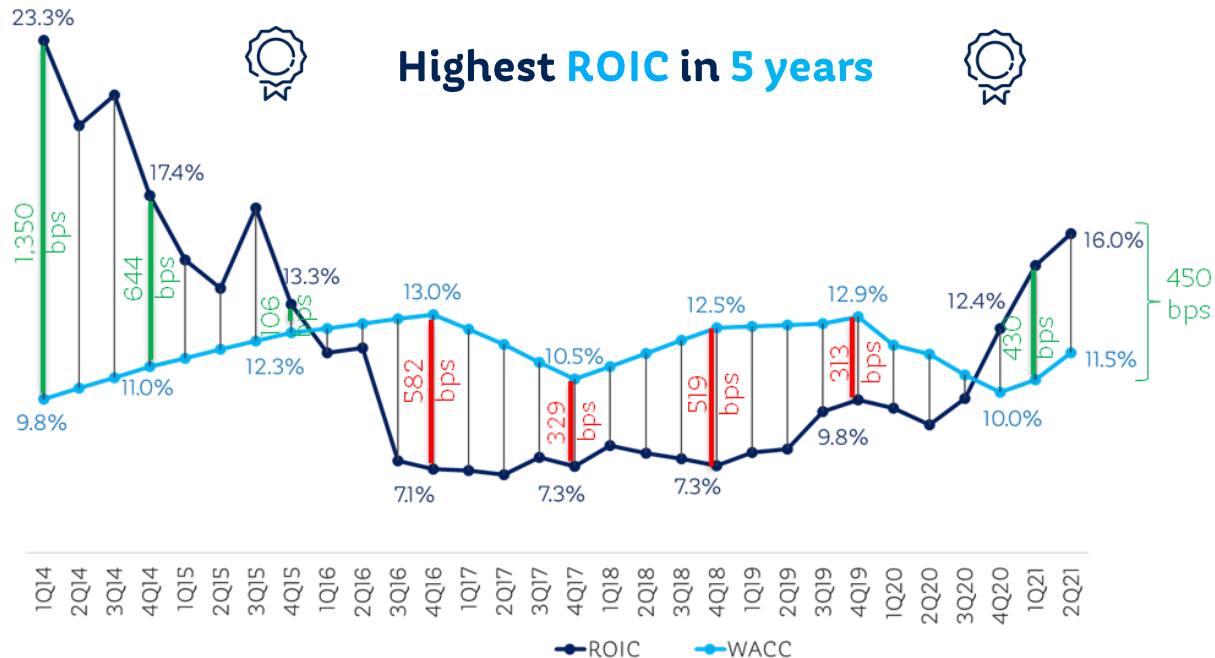


Shaping the Rotoplas of the future

# ROIC | Sustainable value creation



- The entire Company is focused on improving ROIC
- Aligned with the 2021-2025 Sustainable Growth Plan
- Greater discipline in Capital Allocation (Control Tower)



# Sustainability Strategy 2021-2025 | 360° Value

## Impact

## Pillars



**Profit**

- 1 Corporate governance and ethics
- 2 Access to solutions



**Planet**

- 3 Circularity and climate change
- 4 Water availability



**People**

- 5 Life quality of the user
- 6 Boosting talent



# Actions | ESG



Acceptance into the UN Global Compact's Climate Ambition Accelerator and the Target Gender Equality accelerator programs.



Launching of "A Fluir"



Rotoplas-FUNAM Prize to support research in water treatment



"El Poder de Estar Juntos" hand in hand with Un Kilo de Ayuda and Harpic



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# Guidance Update

	Previous	Revised
Sales	$\geq 10\%$	$\geq 17\%$
EBITDA Margin	$\geq 19\%$	17% - 18%
ROIC	WACC +100bps	WACC +200bps
Net Debt / EBITDA	$\leq 2x$	$\leq 2x$

# Analyst Coverage

		Recommendation	TP
GBM	Liliana de León	Buy	\$47.00
	ldeleon@gbm.com		
SIGNUM/PUNTO CASA DE BOLSA	Alain Jaimes	Buy	\$42.22
	alain.jaimes@signumresearch.com		
MIRANDA RESEARCH	Martín Lara / Marimar Torreblanca	Buy	\$45.00
	martin.lara@miranda-gr.com		
	marimar.torreblanca@miranda-partners.com		



**First company** on the Mexican Stock Exchange with **ESG analyst coverage**:

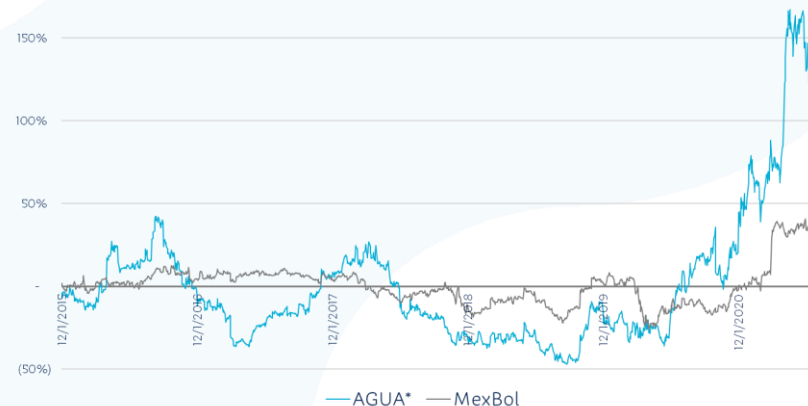


**Rotoplas: ESG analysis shows strong performance, robust practices, and visible contribution to SDGs**

**Rotoplas** is focused on 3 key business lines: (1) water scarcity and quality, (2) water management and recycling, and (3) agricultural yield. With operations across 14 countries and 27 product lines, the company provides solutions across the entire water cycle. As such, we believe it is a **significant**

**Company:** Grupo Rotoplas S.A.B. de C.V.  
**Ticker:** AGUA.MX  
**Market Cap:** P16,250m (US\$820m)

## AGUA\* Performance



	AGUA*	MexBol
YTD	21.6%	12.5%
LTM	127.7%	33.4%

# Q&A

