



3Q21 Earnings Call

October 21st 2021



Grab a coffee! webcast will start

11:03 am EST



Forward Looking Statements

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Speakers

Carlos Rojas Aboumrad
CEO



Mario Romero Orozco
CFO





New sales channels

Launching of new solutions

Investment to increase productivity

Sales teams efficiency

Flow initiatives maturing

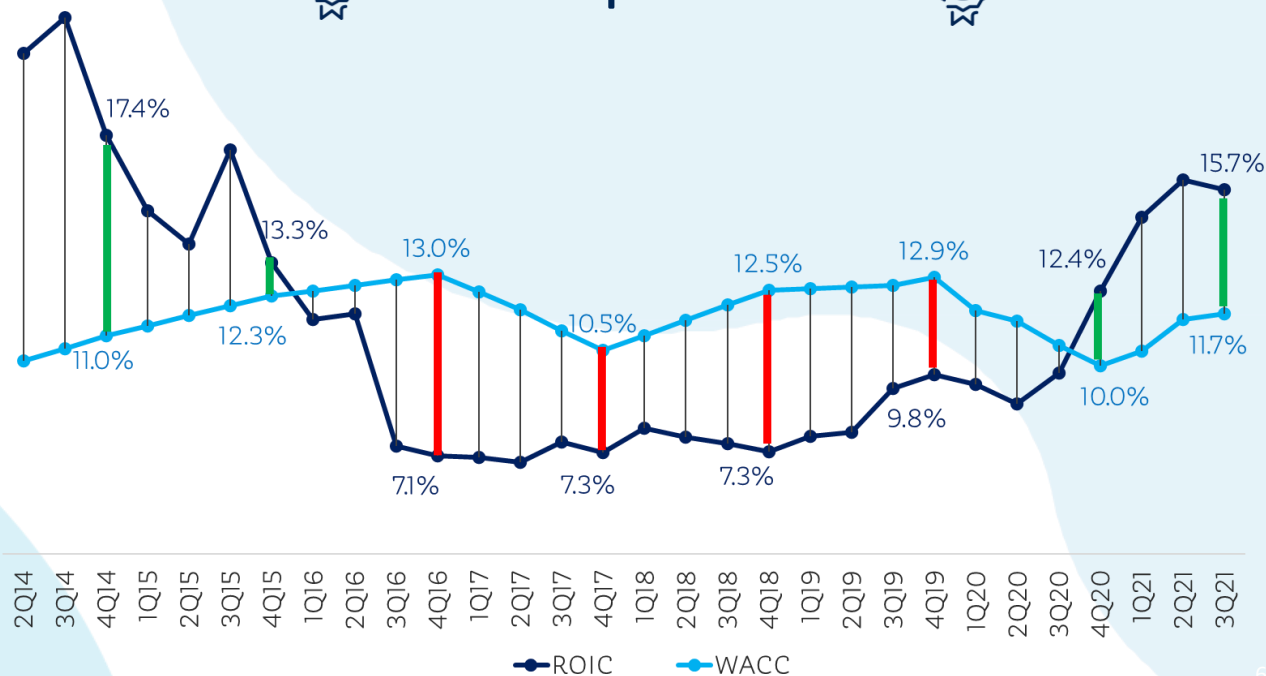
Natural phenomena

Change in consumer habits

Increased awareness of water quality

ROIC | Sustainable value creation

🏆 **ROIC 400bp above WACC** 🏆



2021 | Challenges

- Global reactivation of demand
- Supply chain disruptions
- Raw materials price increases
- Logistics price increases



External factors

- Strong Balance Sheet
- Working Capital
- Increased efficiencies
i.e. (+20% recycled resins YoY)
- Pricing Strategy



Internal levers

1Q – 2Q

Rotoplas decides to absorb cost increases to gain market share
~\$130 million impact in EBITDA

3Q

Rotoplas increases prices but costs continue to rise above forecast
~\$210 million impact in EBITDA

FY 2021



Annual Adj. EBITDA

\$1.8 bn Mexican pesos



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 3Q21



COVID-19 | Operations Status

	July	August	September
Mexico	●	●	●
USA	●	●	●
Argentina	●	●	●
Peru	●	●	●
Central America	●	●	●

● Continuos
Operations

● Restricted
Operations

Financial Highlights | Quarterly record sales

Million MXN

	3Q21	3Q20	Δ %/bps	9M21	9M20	Δ %/bps
Net sales	2,870	2,364	21%	8,114	6,194	31%
Cost of Sales	1,867	1,383	35%	5,064	3,613	40%
Gross Profit	1,003	981	2%	3,050	2,581	18%
<i>Margin</i>	35%	41%	(660) pb	38%	42%	(410) pb
Operating Income	190	276	(31%)	737	732	1%
<i>Margin</i>	7%	12%	(510) pb	9%	12%	(270) pb
Financing Result	162	163	(1%)	439	(55)	NM
Taxes	8	72	(88%)	80	285	(72%)
Adjusted EBITDA¹	364	445	(18%)	1,256	1,099	14%
<i>Margin</i>	13%	19%	(610) pb	15%	18%	(220) pb
Net Profit²	20	41	(50%)	220	503	(56%)

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

² Net Profit before discontinued operations

Sales | Per country



Mexico

	3Q21	9M21
Δ Sales	13%	18%
EBITDA Margin	13%	18%

- Generalized price increases as of July
- Products growth compensates weakness in services



Argentina

	3Q21	9M21
Δ Sales	54%	69%
EBITDA Margin	17%	15%

- Double-digit growth across all categories
- Pricing strategy that offsets effects of supply disruption
- Growth with profitability



USA

	3Q21	9M21
Sales	39%	29%
EBITDA Margin	6%	7%

- Improvement in user experience and expansion of reach
- Increased penetration of septic solutions business
- Purchasing power to increase inventories and stable margins

Sales | Per country



- Double-digit growth in most countries
- Volatility of raw material and logistics costs



- Opening of new sales channels
- Depreciation of the local currency has an adverse effect on growth in MXN



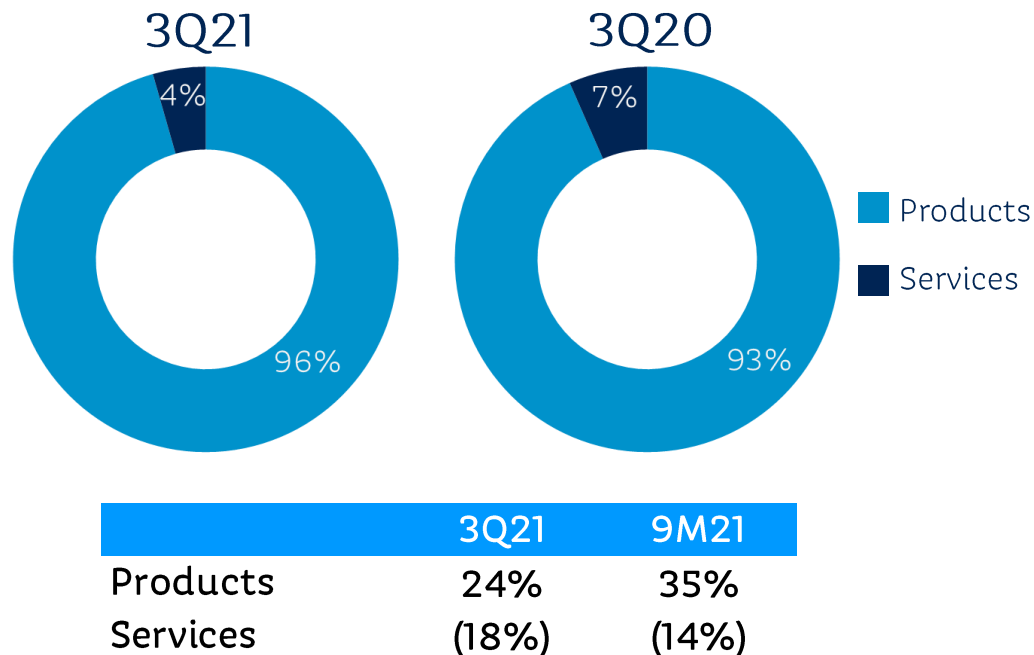
- First water treatment & recycling plants in operation
- Development of field services capabilities

	3Q21	9M21
Δ Sales	(7%)	42%
EBITDA Margin	8%	16%

Sales | Products & Services Mix

Million MXN

- More than 56,000 *bebbia* users
- No sales recognition in drinking water fountains
- Strong demand for products across all regions
- Public sector sales:
 3Q21 – 3.3%
 9M21 – 3.6%



Strong Cash Position

Million MXN

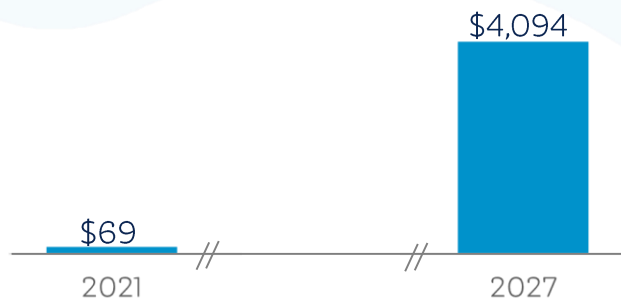
Current Leverage

Balance Sheet

	9M21	9M20	Δ %
Cash & Cash equivalents	2,166	3,394	(36.2%)
Total Debt	4,163	4,151	0.3%
Net Debt	1,998	757	163.9%
Net Debt / Adjusted EBITDA	1.2x	0.5x	0.6x

- Cash Conversion Cycle improved by 26 days
- Payment of loan in Peru during 3Q21

Debt Maturity Profile

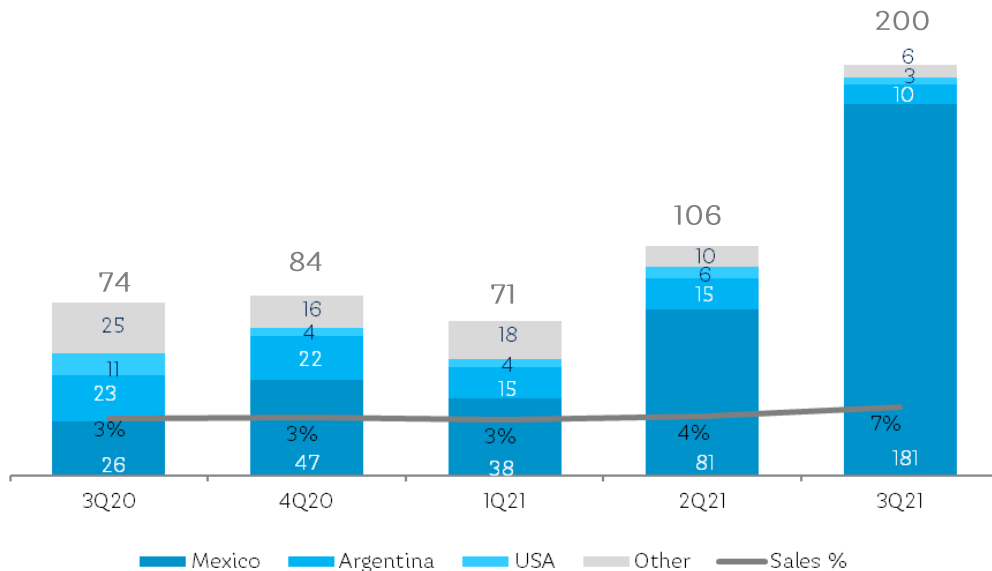


\$4 billion from the issuance of our sustainable bond AGUA 17-2X



Discipline in Capital Allocation

CAPEX



Improvement of our production processes



Capacity to meet the increase in demand



Shaping the Rotoplas of the future

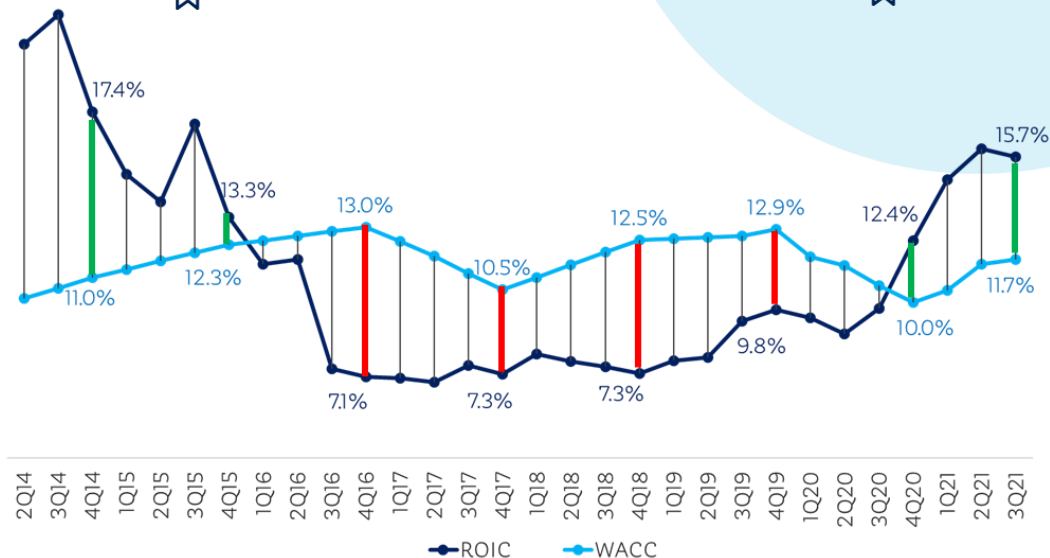
ROIC | Sustainable value creation



ROIC 400bp above WACC



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



Actions | ESG



Over 300 proposals
-5 selected projects



Donation of 120 rainwater
collection systems



Diversity and inclusion
trainings for employees



Participation in Global
Compact's Target Gender
Equality accelerator



Development of internal
auditors specialized in
ISO
-Quality, Environment,
Occupational Health and
Safety



Socially Responsible
Enterprise badge in Peru



Improvement of MSCI
ESG Rating from BB to
BBB



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Aguaday2021
2 free months of bebbia

Guidance



Sales

$\geq 17\%$

EBITDA

\$1.8 bn MXN

ROIC

WACC +200bps

Net Debt / EBITDA

$\leq 2x$

Capital Reimbursement



Proposal

- Capital reimbursement in kind to the Company's shareholders, at the rate of 1 AGUA* share for every 15 AGUA* shares held.
- If in any case, payment in kind with shares results in some fraction of a share, such fraction would be paid in cash to the corresponding shareholder.

Next steps

- Call to an Extraordinary Shareholders' Meeting

Key dates

	Date
Extraordinary Shareholders' Meeting	November 12, 2021
Capital reimbursement	November 19, 2021

Q&A



Q&A

You can submit a question by pressing the “Q&A” button.