



3Q

22

Earnings Call

October 20th 2022



Grab a coffee!
webcast will start
at 11:05 am EST

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

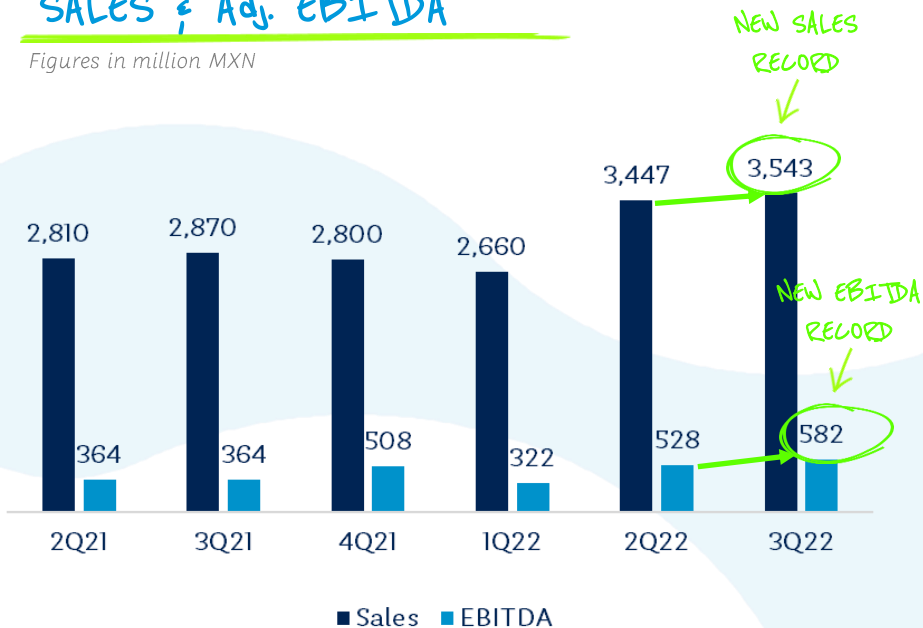


Mario Romero Orozco
CFO

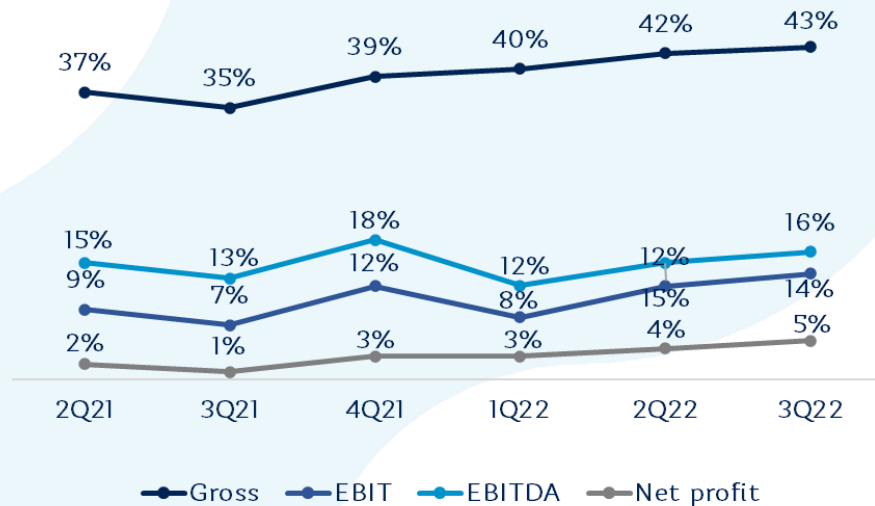


SALES & Adj. EBITDA

Figures in million MXN

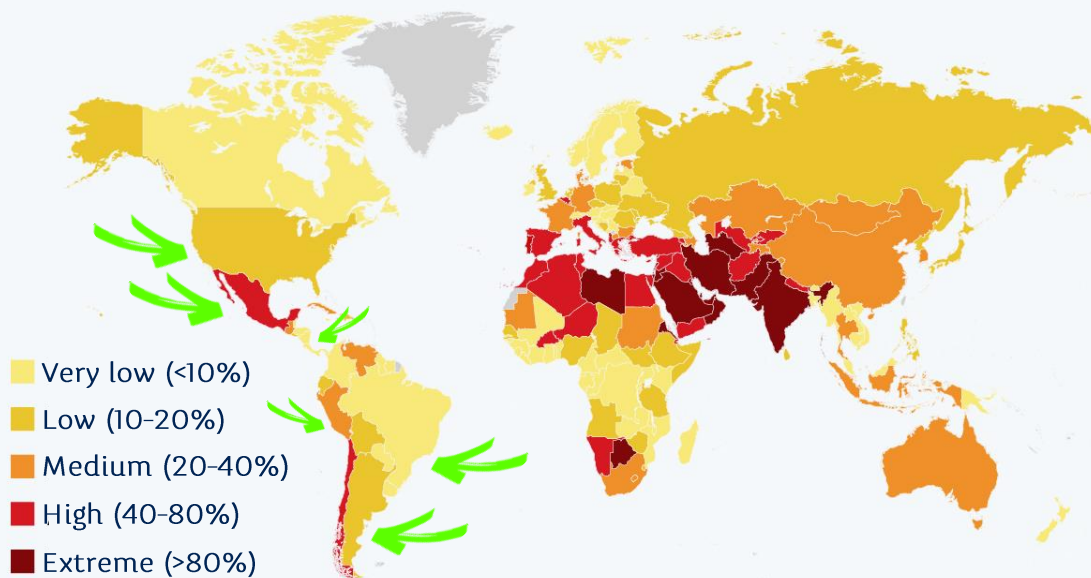


MARGINS



Which countries are most at risk of running out of water?

Level of vulnerability to water stress in the world*.



*According to the proportion of water used annually with respect to the available supply.

Source: 2020 Ecological Threat Register



Rotoplas
más y mejor agua

Heat waves, flood, drought: Four in five of world's cities at risk, study shows

By China Karmali



Capturing the Rainfall to Fight Drought in Mexico City

A small company adapts a technique typically used in rural areas to augment struggling municipal water systems.



Isa Urbana's rainwater capture and filtration system. Photographer: Jesse Naughton for Bloomberg Businessweek

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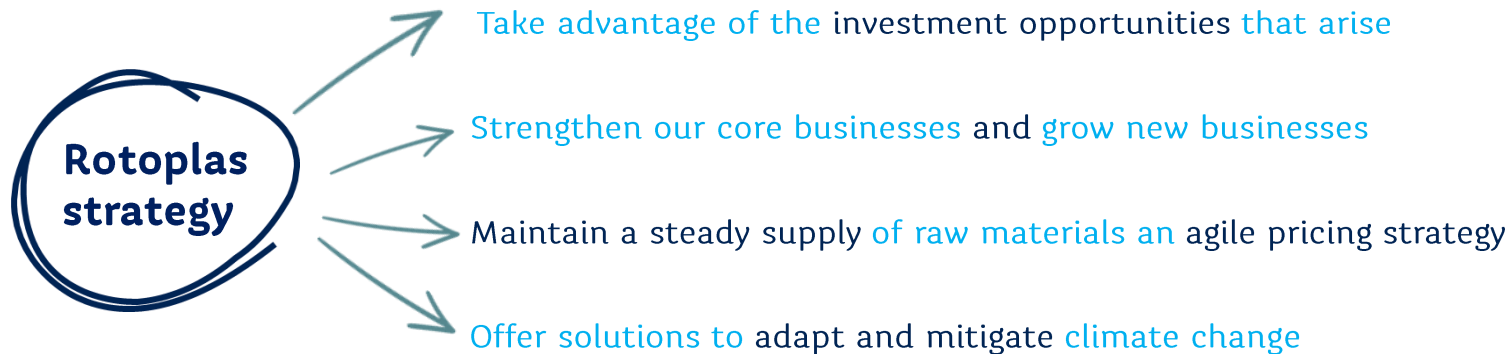
Most Read

Technology
A Tense Pay Dispute Overhangs Nintendo's Upcoming Bayonetta 3

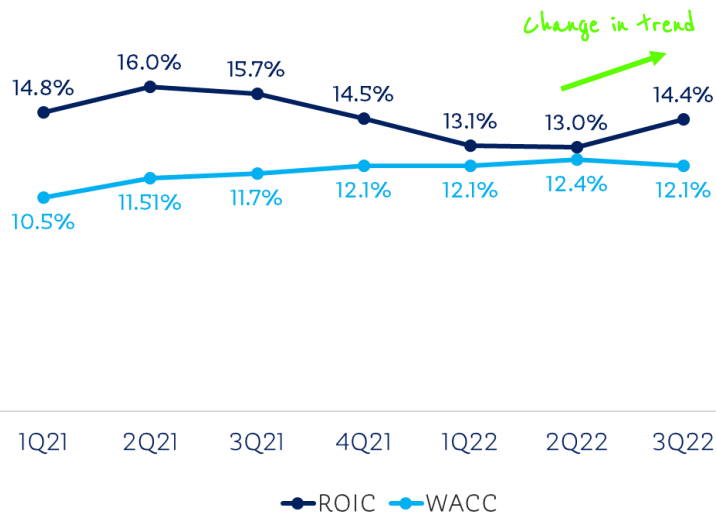
Pursuits
Weed Is Coming to Circle K Gas Stations in US Next Year

Markets
Stocks Fail to Keep Rally Going With Yield Spike, Markets Wrap

Technology
Apple Unveils Upgraded iPads and Lower-Cost Set-Top TV Box



ROIC & WACC

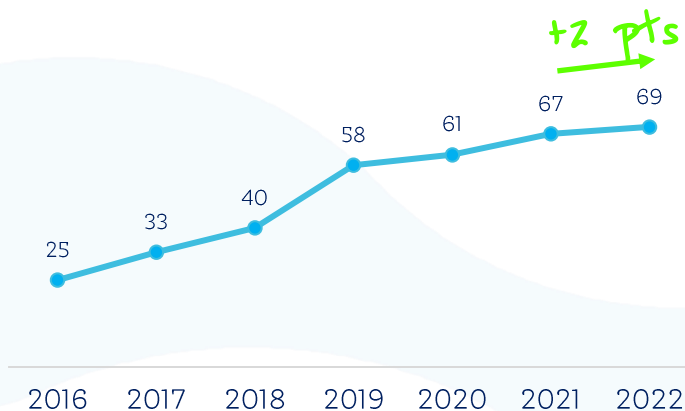


Acuantia. bebbia.



CSA – S&P Global

CSA Scores



Now a Part of **S&P Global**

HSBC Award





3Q22

Financial Highlights

3Q22 | Highlights

Figures in million MXN



MEASURES

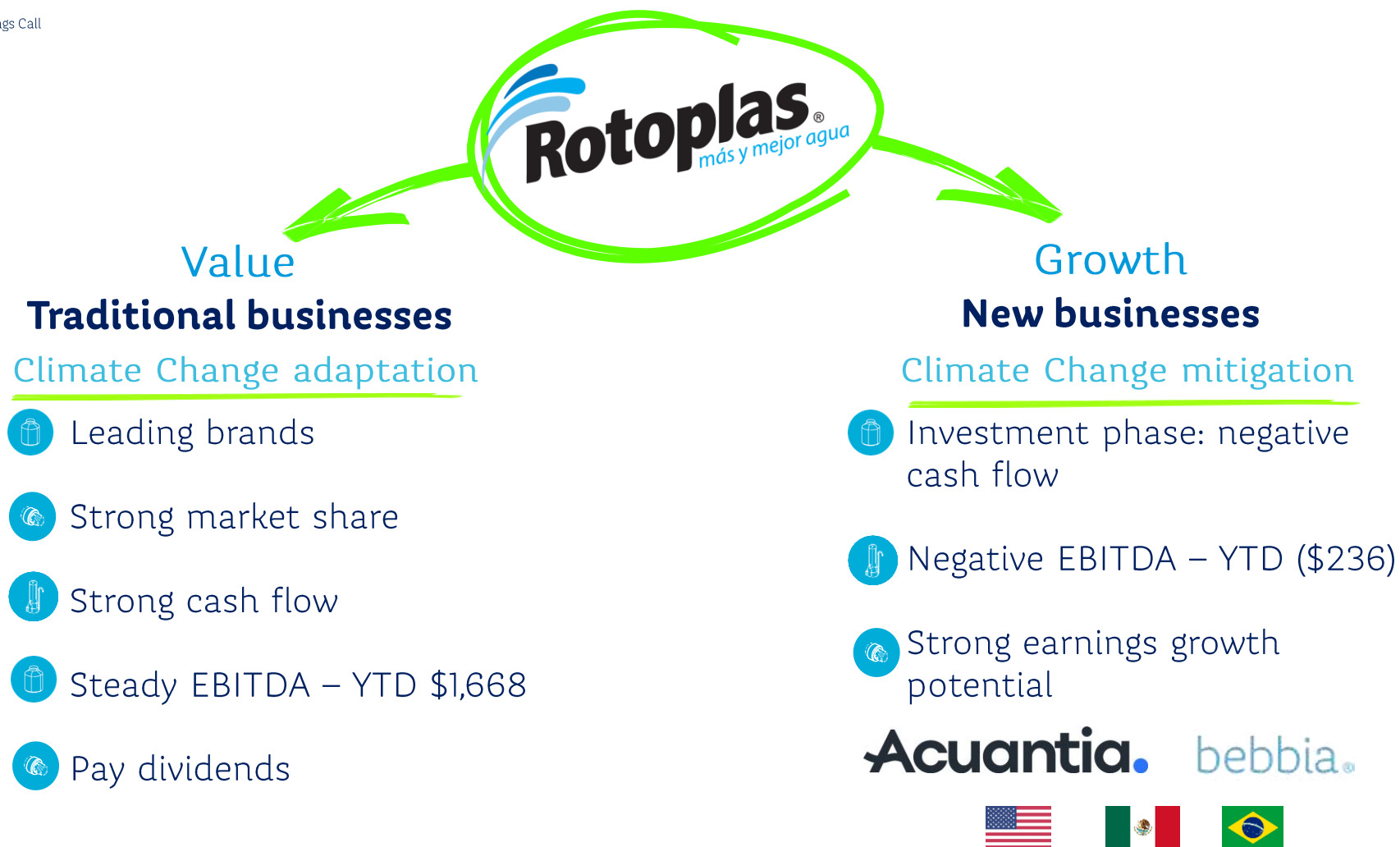
- Achieve strict expense and capital allocation discipline.
- Execute an optimal pricing strategy.
- Leverage our market leadership and financial strength to continue developing our new businesses and modernizing our core.

New Businesses

- Impact to EBITDA:
 - 3Q22: \$81 million
 - 9M22: \$236 million

	3Q22	3Q21	Δ %/bps	9M22	9M21	Δ %/bps
Net sales	3,543	2,870	23%	9,649	8,114	19%
Cost of Sales	2,028	1,867	9%	5,610	5,064	11%
Gross Profit	1,515	1,003	51%	4,039	3,050	32%
<i>Margin</i>	43%	35%	790 bp	42%	38%	430 bp
Operating Income	1,033	812	27%	2,906	2,313	26%
<i>Margin</i>	14%	7%	700 bp	12%	9%	260 bp
Financing Result	237	162	47%	586	439	34%
Taxes	67	8	NA	160	80	100%
Adjusted EBITDA	582	364	60%	1,432	1,256	14%
<i>Margin</i>	16%	13%	370 bp	15%	15%	(70) bp
Net Profit	176	20	NA	386	220	75%

1 Adjusted EBITDA includes non-recurring expenses (donations and Flow program expenses) of \$77 million in 3Q21 and \$235 million in 9M21. During 2022, no adjustments were made for Flow expenses and there were no donations.



Sales | Per country



	3Q22	9M22
Δ Sales	16%	12%
EBITDA Margin	20%	19%

- Products growth offsets weaker performance in services
- Sequential recovery in volume and price increases in products
- Services impacted by a lag the demand for treatment plants



	3Q22	9M22
Δ Sales	63%	54%
EBITDA Margin	18%	16%

- Record growth in the storage and improvement categories
- Sales boosted by an agile commercial and pricing execution
- Expense growth below sales growth showed operating leverage



	3Q22	9M22
Sales	2%	10%
EBITDA Margin	1%	(4%)

- Government relief programs for droughts drives growth
- Septic business continues to develop
- Expenses related to expansion of e-commerce platform & pre-operating expenses of septic business impacted margins

Sales | Per country



- Generalized slowdown in demand in the region
- Sales affected by heavy rains and floods that prevented the construction of new projects



- Deterioration of the population's purchasing power and market contraction
- Continued cost and expense discipline



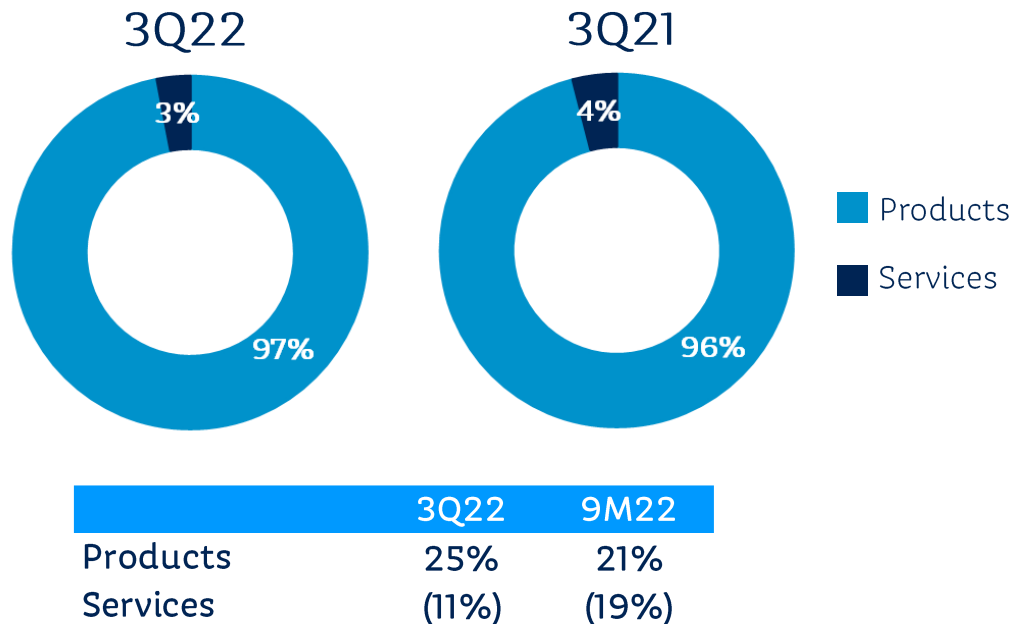
- Pipeline continues to expand
- Benefits from new regulatory framework that promotes private investments in water infrastructure



	3Q22	9M22
Δ Sales	(8%)	(5%)
EBITDA Margin	7%	10%

Sales | Products & Services Mix

- More than 83,000 *bebbia* users
- 22,000 e-commerce clients
- Strength in *products* offsets *services*
- Public sector sales:
 3Q22 – 2.7%
 9M22 – 2.8%



Cash Position

Figures in million MXN

Current Leverage

Balance Sheet

Cash & Cash equivalents

Total Debt

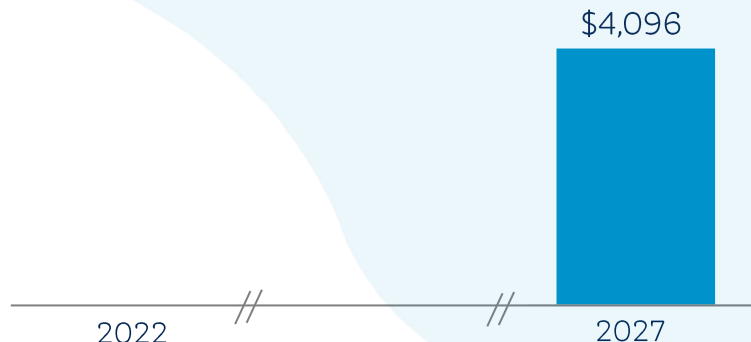
Net Debt

Net Debt / Adjusted EBITDA

	9M22	9M21	Δ %
Cash & Cash equivalents	996	2,166	(54%)
Total Debt	4,096	4,163	(2%)
Net Debt	3,099	1,998	55%
Net Debt / Adjusted EBITDA	1.6x	1.2x	0.4x

- Cash conversion cycle increased by 11 days
- Leverage within the Company's debt guideline of 2.0x

Debt Maturity Profile



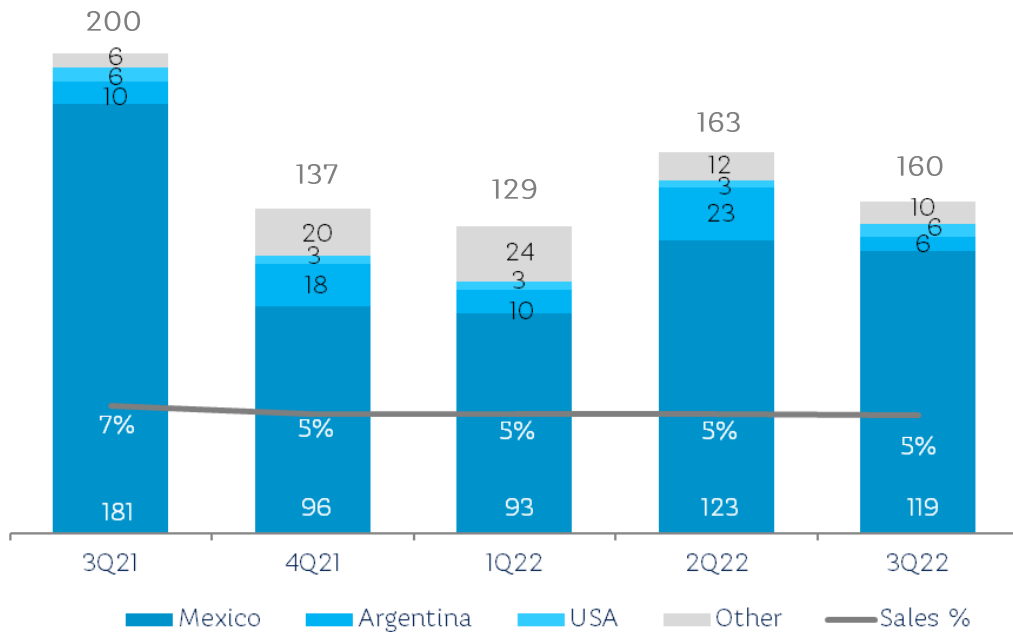
\$4 billion from the issuance of our sustainable bond AGUA 17-2X



Discipline in Capital Allocation

Figures in million MXN

CAPEX



Investment in the long-term sustainability of the business

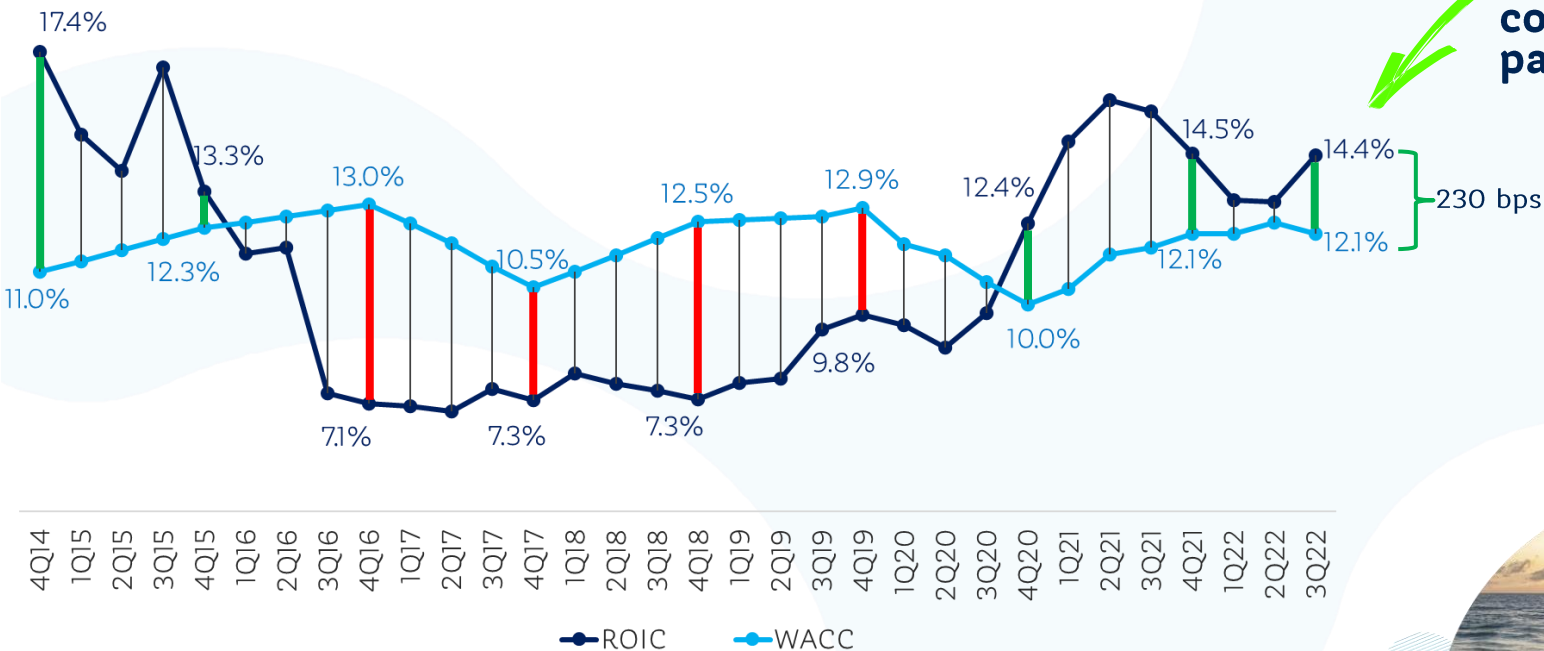


New technology to produce the new generation of storage solutions & to improve machinery to increase production capacity



9% of the total amount of CapEx allocated to water treatment and recycling plants

ROIC | Sustainable value creation



ROIC: NOPAT L12M/Average Invested Capital t, t-1.

Invested Capital: Total Assets – Cash and Cash Equivalents – Short-Term Liabilities.

ROIC excludes Flow program execution costs from 2Q20 to 4Q21 as they are one-off.

ESG | Initiatives & Progress



Conclusion of joint pilot project with **Acciona**, which provided **rainwater harvesting** systems to support **25 families** in **Oaxaca**.



Launching of the **second edition** of the **Rotoplas-FUNAM** award to **promote research** by **female students** on **wastewater treatment** and **recycling**.



22 of our **team members** volunteered in **Renacer del Suelo**, a **reforestation** effort in Mexico City.







Diversity and Inclusion workshops and training sessions on the **role of women in the workplace** and **unconscious biases**.



Conclusion of the **second edition** of **"El Agua en Debate"**, an educational program aimed at **increasing awareness** of **water issues** in **Argentina**. The program reached **864 students** and **47 teachers** from **36 different schools**.



Guidance 2022 & AGUA*

	<u>9M22 Results</u>	<u>Guidance 2022</u>	
Sales	19%	$\geq 15\%$	
EBITDA	14.8%	15.5% ~ 16.5%	
ROIC	WACC 12.1% < 14.4% ROIC	WACC + 100bps	
Net Debt / EBITDA	1.6x	$\leq 2x$	

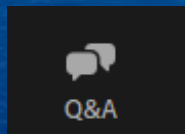
Commitments

- **Wellbeing** of **people** and **planet** and the **sustainable creation** of **economic value**
- **Financial strength** and strict **capital allocation** discipline
- **Value** for our **shareholders** through an improved **ROIC** as well as **dividend payments** and **stock buybacks**
- **Adapt** and **adjust** with the **agility** brought about by **Flow**
- **Ensure access** to **water** in our **societies**.





Thank you!



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

Please include:

- *Name

- *Fund or Company