

Mexico City, Mexico, October 25, 2023

Grupo Rotoplas S.A.B. de C.V. (BMV: AGUA\*) (“Rotoplas”, “the Company”), America’s leading company in water solutions, reports its unaudited third quarter 2023 results. The information has been prepared in accordance with the International Financial Reporting Standards (IFRS).

*Figures are expressed in millions of Mexican pesos.*

## HIGHLIGHTS | 3Q23 vs 3Q22

- During the third quarter, net sales showed a sequential improvement compared to the previous two quarters. Sales closed at Ps. 3,020 million, a figure 14.7% lower than 3Q22 due to decreased product demand in Mexico and the United States, as the previous period benefited from droughts and reductions in water supply. Additionally, in Peru, the political environment impacted the consumption of our solutions.
- On a macro level, the strength of the Mexican peso had an adverse exchange rate effect on all subsidiaries outside of Mexico.

*If the 2022 exchange rate were considered and the devaluation effect in Argentina isolated, the decline in net sales would have been 6.9%.*

- **Product sales** decreased 17.0% due to a high comparative base in 2022 in Mexico, caused by the drought and water shortages in the northern part of the country as well as an impact on consolidated sales in foreign countries due to the strength of the Mexican peso.
- **Service sales** grew for the fourth consecutive quarter, increasing 53.7%, driven mainly by the water treatment plants business, and by the solid performance of *bebbia*, which continues to increase its number of subscriptions.
- **Gross margin** expanded 170 bps to 44.5%, driven mainly by the implementation of an efficient price adjustment strategy and a reduction in raw material costs.
- **Operating income** closed at Ps. 335 million, with a margin of 11.1%, a 250 bps contraction, due to lower absorption of costs and fixed expenses.
- **EBITDA** decreased 19.3% to Ps. 470 million. **EBITDA margin** decreased 90 bps to 15.5%
- **Net result** increased by 30.1% due to a financial benefit of Ps. 119 million from the MXN/USD exchange rate hedges, given the dollar’s recovery during the quarter.
- For the second consecutive year, Grupo Rotoplas was recognized as a **Leading Company in Sustainable Innovation** in the Social category by HSBC in alliance with EY Mexico.
- In September, the Company initiated a strategic agreement with **Google Cloud** to integrate **artificial intelligence solutions** into its functional areas, business, and internal

processes. Additionally, the Google Cloud platform will be integrated with SAP's RISE solution, with the aim of driving the company's digital transformation.

## HIGHLIGHTS | CUMULATIVE 2023 vs 2022

- During the period, Rotoplas has focused its efforts on the variables within its control, which include: **1)** operational excellence, **2)** maintaining brand leadership, and **3)** expanding into new businesses. This has allowed for growth in services, retaining or increasing market share, improving operational margins, and achieving a 330 bp increase in ROIC.
- **Net sales** closed at Ps. 8,870 million, 9.1% lower than the same period of the previous year, due to lower products demand that could not be offset by the growth of the service platform.  
*If the 2022 exchange rate were considered and the devaluation effect in Argentina isolated, the decline in net sales would have been 3.1%.*
  - **Product sales** decreased 11.0%, affected by the exchange rate effect, as well as lower demand due to weather and macroeconomic factors in various countries.
  - **Services sales** continued to grow by double-digits, reaching Ps. 458 million, as a result of growth in water treatment and recycling plants in Mexico, as well as bebbia and the development of new businesses<sup>1</sup>.
- **Gross margin** closed at 45.8%, an increase of 390 bps, credited to the pricing strategy aimed at protecting profitability and a favorable shift in raw material costs.
- **Operating income** increased 6.5% to reach Ps. 1,207 million, driven mainly by the improvement in gross margin.
- As a result of the above, **EBITDA** grew 10.1% to Ps. 1,577 million, generating a 320 bps expansion in **EBITDA margin**, reaching 18.0%, in line with the earnings guidance.
- **Net result** was a profit of Ps. 241 million, a figure 37.5% lower than in the same period of 2022, due to a 60% increase in financial expenses from the valuation of the MXN/USD exchange rate hedge, foreign exchange losses and the inflationary effect in Argentina.
- The **ROIC** rose by 330 basis points, reaching 17.7% and standing 530 bps above the cost of capital.
- Net Debt/EBITDA **leverage** stands at 1.6x and the cash conversion cycle was optimized by 1 day due to enhanced working capital management. Additionally, interest coverage grew by 16.2%.
- The Company invested Ps. 274 million in **CapEx**, primarily allocated to new technology for the production of storage solutions and in machinery to increase our production capacity for the waterflow category.

<sup>1</sup> New businesses include bebbia and riego in Mexico, Acuantia in Brazil and Acuantia in United States.

## KEY FIGURES | FINANCIAL DATA

	3Q			9M			
	2023	2022	%Δ	2023	2022	%Δ	
Income Statement	Net Sales	3,020	3,543	(14.7%)	8,770	9,649	(9.1%)
	%gross margin	44.5%	42.8%	170 bps	45.8%	41.9%	390 bps
	Operating Income	335	482	(30.5%)	1,207	1,133	6.5%
	% margin	11.1%	13.6%	(250) bps	13.8%	11.7%	210 bps
	EBITDA <sup>2</sup>	470	582	(19.3%)	1,577	1,432	10.1%
	% margin	15.5%	16.4%	(90) bps	18.0%	14.8%	320 bps
	Net result	229	176	30.1%	241	386	(37.5%)
% margin	7.6%	5.0%	260 bps	2.7%	4.0%	(130) bps	
Balance	Cash and Cash equivalents	633	996	(36.5%)			
	Debt with cost	4,114	4,096	0.4%			
	Net Debt	3,481	3,099	12.3%			
Cumulative Cash Flow	Operating Cash Flow	811	696	16.6%			
	CapEx	274	452	(39.4%)			
	Working Capital	(214)	(606)	NM			
Others	Net Debt / EBITDA	1.6 x	1.6 x	0.0 x			
	ROIC	17.7%	14.4%	330 bps			
	Cash Conversion Cycle	60	61	(1) day			

## RELEVANT FIGURES | JANUARY - SEPTEMBER 2023

**3,365**  
Employees

**+32,000**  
Sales points

**3.3%**  
Government transactions

**+6,400**  
e-commerce clients

**+104,000**  
*bebbia* units

**19.3 million**  
20L water jugs saved

<sup>2</sup> EBITDA considers donations of Ps. 4.2 million in 3Q23 and Ps. 6.9 million in 9M23. There were no donations in 2022.

## MESSAGE | CEO

Dear Investors,

Amidst a complex backdrop, we remain focused on managing adequately the variables within our control, focusing on maintaining a pricing strategy that protects the profitability and leadership of our brands, as well as executing our new business growth plan.

During the quarter, growth was affected by a high comparative base and unpredictable weather events, as well as an exchange rate and inflation that had a negative effect on the results of our foreign subsidiaries. However, we have achieved a sequential improvement in sales in every quarter of the year. Likewise, at the end of September we achieved a cumulative EBITDA margin of 18.0% and ROIC of 17.7%, both in line with our earnings guidance.

In keeping with our unwavering commitment to sustainability, as outlined in our 2020-2025 plan, we have made strides in advancing the production of Tinaco Plus+. Employing cutting-edge technology, we have crafted a product that boasts superior margins while minimizing environmental footprints.

Additionally, we are excited to announce our strategic partnership with Google Cloud. This collaboration is pivotal in our digital metamorphosis and instrumental in pioneering intelligent water management solutions backed by predictive and generative artificial intelligence.

We will continue to focus on profitability and operational excellence, so we maintain our EBITDA margin and leverage guidance. However, due to the aforementioned challenges and the strategy followed, we expect net sales to end the year with a decrease of 8%. Regarding ROIC, we estimate it will exceed the cost of capital by 350 bps, which represents a 100 bps improvement compared to the initial guidance.

The operating and financial discipline that characterizes us, gives us the confidence to face the challenges and opportunities that may arise during the last quarter of the year. Our primary objective remains the sustainable development of the Company, providing lasting value for our investors and stakeholders.



Carlos Rojas Aboumrad

## INVITATION | EARNINGS CALL

Thursday, October 27, 10:00 am CDMX time (12:00pm, EST)

**Speakers:** Carlos Rojas Aboumrad (CEO) and Mario Romero Orozco (CFO)

**Link:** [Earnings Call 3Q23 registration link](#)

## GUIDANCE | 2023-2025

	Metrics	2023 Guidance	2023 Revised Guidance (April)	2023 Revised Guidance (July)	2023 Revised Guidance (October)
Guidance	Increase in net sales	> 15%	≥10%	0%	-8%
	EBITDA Margin	16.0% - 17.0%	16.0% - 17.0%	17.0% - 18.0%	17.0% - 18.0%
	Net Debt / EBITDA	< 2.0x	< 2.0x	< 2.0x	< 2.0x
	ROIC	ROIC = WACC + 150 bps	ROIC = WACC + 150 bps	ROIC = WACC + 250 bps	ROIC = WACC + 350 bps

## EBITDA | BY REGION AND SOLUTION

		3Q			9M		
		2023	2022	%Δ	2023	2022	%Δ
Mexico	Sales	1,478	1,695	(12.8%)	4,529	4,825	(6.1%)
	EBITDA	332	345	(3.9%)	1,223	933	31.1%
	% Margin	22.4%	20.3%	210 bps	27.0%	19.3%	770 bps

Argentina	Sales	989	1,190	(16.9%)	2,510	2,781	(9.8%)
	EBITDA	169	212	(20.5%)	386	447	(13.7%)
	% Margin	17.1%	17.8%	(70) bps	15.4%	16.1%	(70) bps

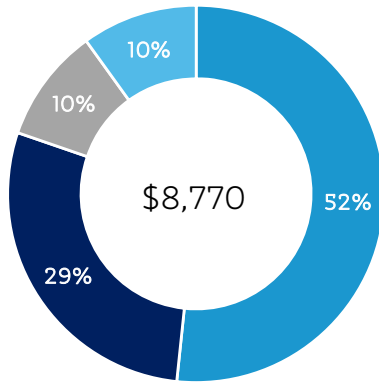
United States	Sales	288	378	(23.7%)	861	1,087	(20.8%)
	EBITDA	(55)	4	NM	(153)	(44)	246%
	% Margin	(19.0%)	1.1%	NM	(17.7%)	(4.1%)	NM

Others	Sales	265	280	(5.3%)	870	956	(9.0%)
	EBITDA	24	21	16.3%	121	96	25.6%
	% Margin	9.0%	7.4%	160 bps	13.9%	10.1%	380 bps

		3Q			9M		
		2023	2022	%Δ	2023	2022	%Δ
Products	Sales	2,847	3,430	(17.0%)	8,312	9,337	(11.0%)
	EBITDA	573	663	(13.6%)	1,790	1,665	7.5%
	Margin	20.1%	19.3%	80 bps	21.5%	17.8%	370 bps

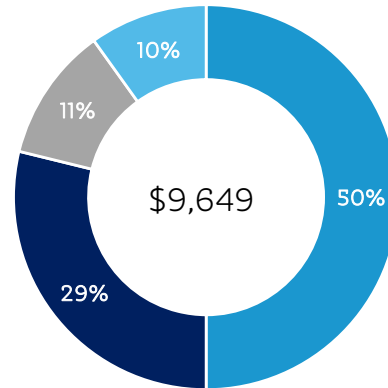
Services	Sales	173	113	53.7%	458	312	46.8%
	EBITDA	(103)	(81)	27.7%	(213)	(233)	(8.7%)
	% Margin	(59.5%)	(71.6%)	NM	(46.5%)	(74.8%)	NM

Sales 9M23



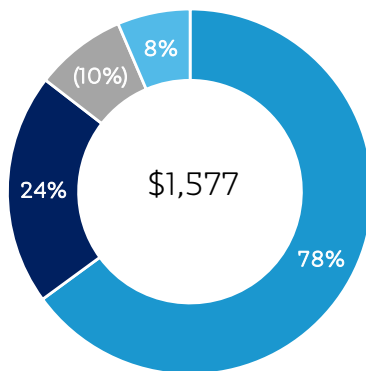
■ Mexico ■ Argentina ■ United States ■ Other

Sales 9M22



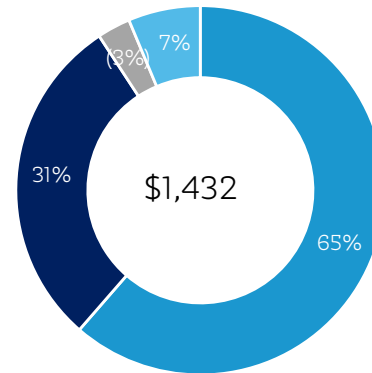
■ Mexico ■ Argentina ■ United States ■ Other

EBITDA 9M23



■ Mexico ■ Argentina ■ United States ■ Other

EBITDA 9M22



■ Mexico ■ Argentina ■ United States ■ Other

## Mexico

**Net sales** decreased 12.8% during the quarter and 6.1% in the nine months of 2023. This decrease is attributed to a drop in product revenues, which couldn't be offset by growth in services.

Rotoplas continues to implement a strategy of targeted discounts to maintain competitiveness and safeguard the profitability of the product platform.

Product sales, mainly in the storage and water flow categories, are affected by a high comparative base linked to the droughts and water supply cuts in the north of the country during 2022. This event generated an atypical demand that Rotoplas capitalized on to a greater extent than the competition due to its presence in the sales channels that were

more relevant. In contrast, the improvement category grew due to the development of ecological bathroom projects and sanitation systems.

Services sales continued to grow double-digit for the fourth consecutive quarter, driven mainly by the continued growth of treatment plants and *bebbia*. In addition, *rieggio* continues to develop positively.

During the quarter, **EBITDA** margin expanded 210 bps to 22.4%, mainly due to a solid commercial strategy, improved channel and product mix, as well as reduced raw material costs. On a cumulative basis, EBITDA margin reached 27.0%, an expansion of 7.7 percentage points, boosted by record margins in products.

## Argentina

**Net sales** for the quarter and accumulated net sales decreased 16.9% and 9.8%, respectively in Mexican pesos, and increased 130% and 116% respectively in local currency.

The decline in Mexican pesos responds to the double currency effect (devaluation of the Argentine peso and strengthening of the Mexican peso), while the increase in local currency is the result of price adjustments in line with inflation.

During the quarter, the improvement category presented record volumes for a single quarter. On the other hand, storage and water flow volumes decreased due to a lower demand for water tanks and pipes related to a lower purchasing power of the population, which was not offset by the good performance of tanks for the agro-industrial sector.

During 3Q23, the **EBITDA margin** contracted 70 bps, closing at 17.1% due to a sales mix with a higher participation of products that generate a lower margin. On a cumulative basis, the **EBITDA margin** closed at 15.4%, a decrease of 70 basis points vs the same period of 2022 due to lower absorption of costs and expenses related to lower sales volumes in the storage and water flow categories.

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

*Due to Argentina experiencing 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<sup>st</sup>, 2018. Moreover, an adjustment for inflation in the Financial Statements should be made to account for the change in the purchasing power of the local currency.*

*As a result, in the first nine months of 2023 the impact of the restatement results in an increase of Ps. 186 million in interest expense, negatively impacting the Comprehensive Financing Result. After considering taxes, the impact on net income amounts to Ps. 149 million.*

## United States

**Net sales** for the quarter decreased 23.7% in Mexican pesos and 10.0% in US dollars. On a cumulative basis, sales decreased 20.8% in pesos and 10.0% in local currency.

The increase in interest rates has caused a slowdown in the construction and real estate sectors, affecting demand for water storage solutions. In addition, weather factors such as the lack of drought in the states with a larger market share affected demand from both residential customers and contractors.

Additionally, normalization of demand in the home improvement sector after pandemic years was observed, as well as more cautious consumers in the face of economic uncertainty.

The decrease in sales volumes impacted the absorption of costs and expenses, resulting in a negative **EBITDA** of Ps. 55 million in the quarter. Likewise, on a cumulative basis, expenses related to the development of the septic business and the implementation of the e-commerce platform put pressure on **EBITDA**, which resulted in a negative EBITDA of Ps. 153 million for the period.

## Other Countries

**Net sales** in other countries (Peru, Guatemala, El Salvador, Costa Rica, Honduras, Nicaragua and Brazil) decreased 5.3% in the quarter and 9.0% on a cumulative basis.

Excluding the effect of the Mexican peso revaluation, sales would increase 8.5% in the quarter and 2.5% in the nine months of 2023.

In **Peru**, political instability has led to a contracted market with restrictions in government spending and a decrease in the available income from the population, as well as a drop in private investment. In addition, the El Niño phenomenon caused the absence of winter, limiting the sales of water heaters.

In **Central America**, sales increased in both local currency and Mexican pesos, as a result of a price adjustment strategy and promotional campaigns to stimulate demand in the region.

The water treatment and recycling plants project portfolio in **Brazil** continues to expand. During the quarter, a new sales management process was developed and implemented with the goal of increasing discipline in the bidding processes and focusing efforts on the most viable processes.

The control of expenses to align them with sales levels, as well as the pricing strategy, helped the **EBITDA margin** to expand 160 bps on a quarterly basis and 380 bps on a cumulative basis.



## ANALYSIS | COSTS AND EXPENSES

### Gross Profit

**Gross profit** decreased 11.2% in the quarter and 0.5%, on a cumulative basis. For the quarter, the margin expanded 170 bps to close at 44.5% and 390 bps to 45.8% from January to September. This improvement is due to the pricing strategy that protects profitability, as well as a benefit in raw material costs.

### Operating Income

**Operating income** for the quarter reached Ps. 335 million, with a margin of 11.1%, a contraction of 250 bps.

On a cumulative basis, operating income increased 6.5%, reaching a margin of 13.8%, 210 bps higher than the same period of the previous year. The margins expansion is mainly due to the improvement in the gross margin, as well as an efficient expense management strategy.

### Comprehensive Financing result

The **comprehensive Financing result** for the third quarter resulted in an expense of Ps. 90 million compared to an expense of Ps. 237 million in the third quarter of 2022. This expense includes Ps. 100 million for interest on debt, commissions and leases, a benefit of Ps. 119 million from the valuation of financial instruments and Ps. 109 million for foreign exchange losses and inflationary effects in Argentina.

On a cumulative basis the **comprehensive financing result** was an expense of Ps. 940 million compared to an expense of Ps. 586 million, resulting in an increase of 60.3%. The expense includes Ps. 291 million for interest on debt, commissions and leases, Ps. 384 million for the valuation of the foreign exchange hedge and Ps. 265 million for foreign exchange losses and inflationary effects in Argentina.

### Net Result

**Net result** in the third quarter increased 30.1% to Ps. 229 million, compared to Ps. 176 million in the same quarter of the previous year. The improvement was driven by a decrease in financial expenses due to a Ps. 119 million benefit from the MXN/USD exchange rate hedge resulting from the revaluation of the U.S. dollar during the period.

On a cumulative basis, the **net result** decreased 37.5% to Ps. 241 million, compared to Ps. 386 million in the same period of 2022. This decrease is due to higher financial expenses related to the valuation of MXN/USD exchange rate hedges, as well as foreign exchange losses and inflationary effects in Argentina.

## CapEx

	9M				
	2023	%	2022	%	%Δ
Mexico	226	82%	335	74%	(32.6%)
Argentina	35	13%	38	8%	(8.5%)
United States	7	3%	33	7%	(78.4%)
Others	6	2%	45	10%	(87.1%)
<b>Total</b>	<b>274</b>	<b>100%</b>	<b>452</b>	<b>100%</b>	<b>(39.4%)</b>

**Capital investments** represented 3.1% of sales during the first nine months, a 39.4% reduction compared to the same period of last year. This is because last year was the peak investment phase for the technological upgrade project in Mexico.

Capital investments include:

- Ps. 237 million invested in new technology to produce storage solutions and in machinery to increase production capacity for the water flow category in Mexico and Argentina. These investments are part of our plan to maintain the long-term sustainability of the business.
- Ps. 24 million for treatment plants in Mexico and Ps. 2 million in Brazil, representing 10% of the total CapEx.
- CapEx related to the *Flow* program initiatives amounted to Ps. 124 million which include investments in all regions where Rotoplas operates.

## ▶ ANALYSIS | BALANCE SHEET

### Cash Conversion Cycle (Days)

	9M		
	2023	2022	Δ days
Inventory Days	71	73	(2)
Accounts Receivable Days	67	59	8
Accounts Payable Days	78	71	7
<b>Cash Conversion Cycle</b>	<b>60</b>	<b>61</b>	<b>(1)</b>

Inventory days: Quarterly Average of Inventories / (Cost of Sales 3M / 90)

Days Past Due: Quarterly Average of Customers and Other Accounts Receivable / (3M Sales / 90)

Supplier Days: Quarterly Average of Suppliers and Other Short-Term Accounts Payable / (Cost of Sales 3M / 90)

During the quarter, the **cash conversion cycle** was optimized by 1 day, as a result of improved working capital management. Days sales outstanding increase due to lower sales volumes.

## Debt

	9M		%Δ
	2023	2022	
<b>Total Debt</b>	<b>4,114</b>	<b>4,096</b>	<b>0.4%</b>
Short-Term Debt	115	97	18.2%
Long-term debt	3,999	3,999	0.0%
Cash and Cash Equivalents	633	996	(36.5%)
<b>Net Debt</b>	<b>3,481</b>	<b>3,099</b>	<b>12.3%</b>

## Debt Maturity Profile

Total debt amounts to Ps. 4,114 million pesos and corresponds to the AGUA 17-2X Sustainable Bond, as well as a working capital loan.

	Currency	Amount in MXN	Rate	Maturity
AGUA Bond 17-2X	Mexican pesos	4,096	Fixed 8.65%	June 16 <sup>th</sup> , 2027
Citi Working Capital Loan	US dollars	18	SOFR + 2.55%	November 1 <sup>st</sup> , 2023

## FINANCIAL RATIOS

	9M		%Δ
	2023	2022	
Net Debt / EBITDA	1.6 x	1.6 x	0.0 x
Interest coverage*	8.6 x	7.4 x	1.2 x
Total Liabilities / Stockholders' Equity	1.1 x	1.0 x	0.1 x
Net Income per Share**	0.50	0.79	(37.5%)

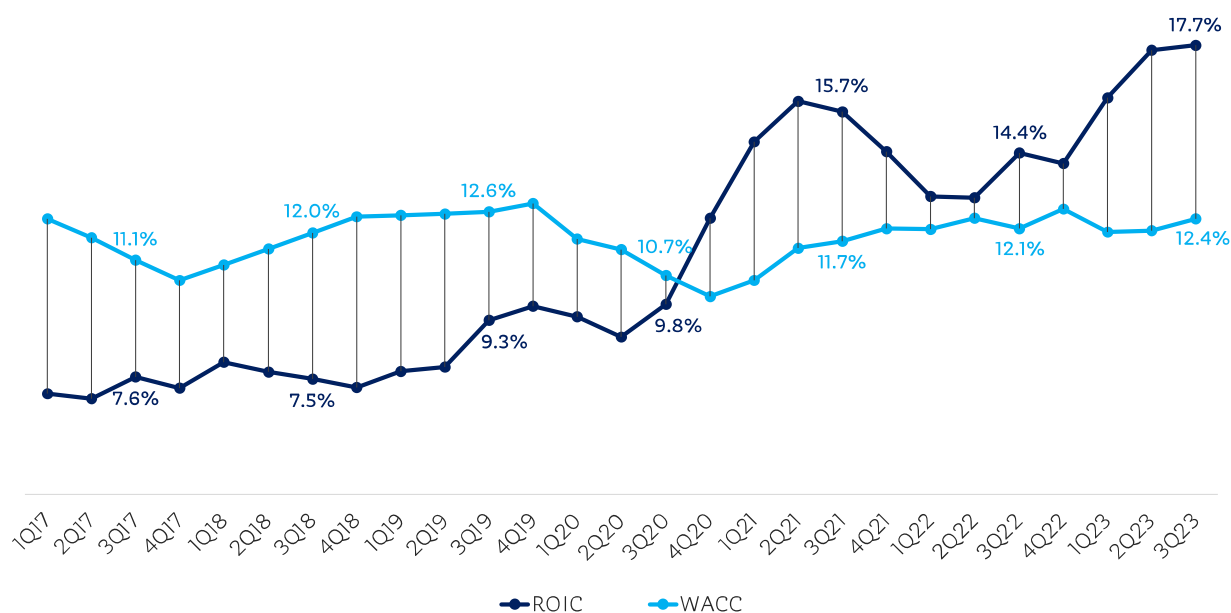
\*EBITDA LTM / net interest LTM

\*\*Net income between 486.2 million shares, expressed in Mexican pesos.

During the first nine months of 2023, the Company has maintained a constant leverage in line with its debt policy, which establishes a ratio of 2.0x Net Debt/EBITDA.

The interest coverage ratio improved by 16.2% as a result of the operating profitability.

## ROIC / Cost of Capital



ROIC: NOPAT LTM/ Invested Capital LTM, monthly average.  
 Invested capital: total assets - cash and cash equivalents - short-term liabilities.  
 ROIC excludes *Flow* program execution expenses from 2Q20 to 4Q21 as they are non-recurring.

The ROIC reached 17.7%, which represents a 330 bps increase compared to the same period in 2022. In addition, it was 530 bps above the cost of capital.

## Financial derivatives

The use of derivative financial instruments is governed by the recommendations and policies issued by the Board of Directors and supervised by the Audit Committee, which provides guidelines on the management of exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess liquidity.

As of September 30, 2023, the market value of Grupo Rotoplas' positions was:

		Market Value
Type of Instrument	MXN/USD exchange rate forward	Ps. (112.2) million

## ESG | ENVIRONMENTAL, SOCIAL AND GOVERNANCE

During the quarter, the following progress within the **Sustainable initiatives** stands out:

- For the second consecutive year, Grupo Rotoplas received the Leading Company in Sustainable Innovation award, in the Social category, granted by HSBC, in collaboration with EY Mexico. The award acknowledges the Company's sustainability strategy that balances people, the planet, and economic benefit on the same level.
- As part of Rotoplas' commitment to the environment, more than 60 employees participated in the following volunteer activities during the quarter:
  - In partnership with the "Ríos Limpios" Association, staff from the Anáhuac Plant and Corporate Offices contributed to the collection of **1.2 tons of solid waste** along the banks of the Eslava River in the Magdalena Contreras municipality in Mexico City.
  - In addition, Planta Mérida employees collected **1.4 tons of solid waste** in the Chuburná port in Yucatán.
  - In Peru, the team supported the **Limpieza Simultánea del Consejo de Recursos Hídricos** to clean up the Chillón, Rimac and Lurín rivers. On the other hand, Argentina, León Plant and Monterrey Plant have scheduled their volunteer programs for the following months.

## AGUA | PERFORMANCE AND ANALYST COVERAGE

		September		
		2023	2022	%Δ
Agua*	Closing price	25.11	28.8	(12.8%)
	P/BV	2.1 x	2.2 x	(0.1) x
	EV/EBITDA	7.4 x	8.6 x	(1.2) x

Source: SiBolsa

### Treasury shares:

As of September 30<sup>th</sup>, 2023, the Company had 16.7 million shares in the treasury, equivalent to an invested amount of Ps. 533 million. Treasury shares have never been cancelled.

## Analyst Coverage

As of September 30<sup>th</sup>, 2023, analysts coverage was provided by:

		Recommendation	TP
<b>BTG Pactual</b>	Felipe Barragan felipe.barragan@btgpactual.com	Buy	\$40.60
<b>GBM</b>	Regina Carrillo rcarrillo@gbm.com	Buy	\$50.00
<b>SIGNUM</b>	Alain Jaimes alain.jaimes@signumresearch.com	Buy	\$39.00
<b>Miranda Research</b>	Martín Lara / Marimar Torreblanca martin.lara@miranda-gr.com marimar.torreblanca@miranda-partners.com	Buy	\$44.00
<b>Apalache</b>	Jorge Placido jorge.placido@apalache.mx	Buy	\$44.00
	Consensus	Buy	\$43.52

## FINANCIAL STATEMENTS | Balance Sheet, Income Statement and Cash Flow

### Income Statement

(Unaudited figures, millions of Mexican pesos)

	3Q			9M		
	2023	2022	%Δ	2023	2022	%Δ
Net Sales	3,020	3,543	(14.7%)	8,770	9,649	(9.1%)
COGS	1,675	2,028	(17.4%)	4,750	5,610	(15.3%)
<b>Gross Profit</b>	1,345	1,515	(11.2%)	4,019	4,039	(0.5%)
<i>% margin</i>	44.5%	42.8%	170 bps	45.8%	41.9%	390 bps
Operating Expenses	1,010	1,033	(2.2%)	2,813	2,906	(3.2%)
<b>Operating Income</b>	335	482	(30.5%)	1,207	1,133	6.5%
<i>% margin</i>	11.1%	13.6%	(250) bps	13.8%	11.7%	210 bps
<b>Comp. Financing result</b>	(90)	(237)	(62.0%)	(940)	(586)	60.3%
Financial Income	33	35	(5.9%)	107	93	15.5%
Financial Expenses	(123)	(272)	(54.8%)	(1,047)	(679)	54.1%
Income before taxes	244	243	0.5%	266	546	(51.3%)
Taxes	16	67	(76.8%)	25	160	(84.6%)
<b>Net result</b>	229	176	30.1%	241	386	(37.5%)
<i>% margin</i>	7.6%	5.0%	260 bps	2.7%	4.0%	(130) bps
EBITDA <sup>3</sup>	470	582	(19.3%)	1,577	1,432	10.1%
<i>% margin</i>	15.5%	16.4%	(90) bps	18.0%	14.8%	320 bps

<sup>3</sup> EBITDA considers donations of Ps. 4.2 million in 3Q23 and Ps. 6.9 million in 9M23. There were no donations in 2022.

## Balance Sheet (Unaudited figures, millions of Mexican pesos)

		9M		
		2023	2022	%Δ
Balance Sheet	Cash and Cash Equivalents	633	996	(36.5%)
	Accounts Receivable	1,735	1,859	(6.7%)
	Inventory	1,323	1,792	(26.1%)
	Other Current Assets	671	615	9.0%
	<b>Current Assets</b>	<b>4,361</b>	<b>5,262</b>	<b>(17.1%)</b>
	Property, Plant and Equipment - Net	3,139	3,242	(3.2%)
	Other Long-Term Assets	4,820	4,235	13.8%
	<b>Total Assets</b>	<b>12,320</b>	<b>12,738</b>	<b>(3.3%)</b>
	Short-Term Debt	115	97	18.2%
	Suppliers	853	968	(11.9%)
	Other Accounts Payable	842	787	6.9%
	<b>Short-Term Liabilities</b>	<b>1,810</b>	<b>1,853</b>	<b>(2.3%)</b>
	Long-term debt with cost	3,999	3,999	0.0%
	Other Long-Term Liabilities	624	633	(1.5%)
	<b>Total Liabilities</b>	<b>6,432</b>	<b>6,484</b>	<b>(0.8%)</b>
	<b>Total Stockholders' Equity</b>	<b>5,888</b>	<b>6,254</b>	<b>(5.9%)</b>
	<b>Total Liabilities + Stockholders' Equity</b>	<b>12,320</b>	<b>12,738</b>	<b>(3.3%)</b>



## Cash Flow (Unaudited figures, millions of Mexican pesos)

	9M		%Δ
	2023	2022	
EBIT	1,207	1,133	6.5%
Depreciation and Amortization	364	299	21.5%
Inventories	(129)	(350)	(63.2%)
Accounts Receivable	(247)	(504)	(51.0%)
Accounts Payable	162	248	(34.8%)
Other current items	(425)	(19)	NA
Taxes	(120)	(111)	7.9%
<b>Cash flow from operations</b>	<b>811</b>	<b>696</b>	<b>16.6%</b>
CapEx	(274)	(452)	(39.4%)
Other investment activities	89	33	NM
<b>Cash flow from investments</b>	<b>(185)</b>	<b>(419)</b>	<b>(55.9%)</b>
Dividends	(235)	(215)	9.3%
Repurchase fund	(52)	(221)	(76.3%)
Short- and long-term debt	17	0	0.0%
Interests and leasing	(316)	(329)	(4.0%)
<b>Cash flow from Financing</b>	<b>(587)</b>	<b>(766)</b>	<b>(23.4%)</b>
<b>Change in Cash</b>	<b>40</b>	<b>(489)</b>	<b>(108.1%)</b>
Exchange rate effect on cash	(80)	(143)	(44.2%)
<b>Net Change in Cash</b>	<b>(40)</b>	<b>(632)</b>	<b>(93.7%)</b>
Initial Cash balance	673	1,629	(58.7%)
Final Cash Balance	633	996	(36.5%)

### PRESS RELEASES | 3Q23

- Rotoplas has been recognized for the second consecutive year with the HSBC Sustainable Innovation Leading Companies Award – September 28<sup>th</sup>
- Grupo Rotoplas incorporates AI into its digital transformation with Google Cloud - September 26<sup>th</sup>
- AGUA\* continues to be part of the ESG Index sample of the Mexican Stock Exchange 2023 - July 27<sup>th</sup>

For more information, please consult the relevant events section of our website: <https://rotoplas.com/investors/press-releases/>

## CONTACT DETAILS | INVESTOR RELATIONS

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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 expectations 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 water solutions, including products and services for storing, piping, improving, treating, and recycling water. With over 40 years of experience in the industry and 18 plants throughout the Americas, Rotoplas is present in 14 countries and has a portfolio that includes 27 product lines, a services platform, and an e-commerce business. Grupo Rotoplas has been listed on the Mexican Stock Exchange (BMV) under the ticker "AGUA" since December 10<sup>th</sup>, 2014.

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