

3Q24

Corporate Presentation



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

Our Purpose

We exist to transform people's quality of life by ensuring water is used to its fullest extent

Our Mission

For people to have more and better water

Our Vision

Offer non-centralized and sustainable water solutions, with relevant benefits for our customers, within the Rotoplas Way

We are currently at a crucial point in addressing water-related problems.

A **40% gap** between global **water supply and demand** is projected by **2030**

We could **exhaust our fresh water supply by 2040** at the current rate of consumption

At least 69% of the impact of **climate change is manifested through the water cycle**

Investment considerations

01 The water industry

02 Our solutions

03 Our strategy

04 Our results

01

The water industry

Global Water Industry | An immense opportunity

What you need to know:



- **75%** of our planet is **covered** by **water**, but **less** than **1%** is **usable**.
- Water **demand** has **increased** by **40%** over the last 40 years and is **expected** to **rise** an additional **25%** by **2050**, while **supply** has more than **halved** since **1970**.
- We could **exhaust** our **fresh water supply** by **2040** at the current rate of **consumption**.
- **80%** of global **wastewater** is **discharged** into the **sea without** adequate **treatment**.
- **Microplastics** are present in **83%** of **drinking water**.
- **57%** of global freshwater **aquifers** are **overexploited**.
- **One third** of **freshwater** in pipelines is **lost** due to **leaks**.
- The **climate** and **water crises** are **interconnected**: for every **+1°C**, there is a **20% reduction** in renewable **water**.
- At least **69%** of the **impact** of **climate change** is **manifested** through the **water cycle**.
- **Every dollar invested** in water access and sanitation **could yield \$7** in **returns**¹.
- **Solving** the global **water crisis** would **cost** only **1%** of the **annual GDP** until **2030**.
- Approximately **78%** of the **capital employed** in **water security** comes from the **public** sector, but it is **expected** to **fall** to **43%** in the next decade, while **private capital** will **increase** from 3.8 to **12.6 trillion** dollars².

1. World Bank
2. Global Water Intelligence

Regional Outlook



Water scarcity is most acute in its northern and central regions, where overexploitation of aquifers meets with insufficient management. Pollution further diminishes water quality, impacting urban and rural communities. Mexico faces a critical need to balance usage and improve water quality controls.



Argentina's principal water issue is the disparity in water distribution, leading to scarcity in arid regions and contamination from industrial and agricultural sources in others. Essential resources are unevenly spread, with significant areas facing drought conditions and water quality challenges.



In the United States, water scarcity in the west and pollution issues are critical, exacerbated by old infrastructure (70-100 years) that causes inefficiencies and water loss, highlighting the urgency for updated systems and sustainable management practices.



Peru's water crisis primarily stems from the uneven geographical distribution of water, with abundant resources in the Amazon but scarce availability in coastal and Andean regions. Pollution from mining and poor wastewater management further aggravates water quality issues in populated areas.



Central America deals with dual threats of water scarcity in some areas and excess in others, compounded by pollution from inadequate waste management. These issues strain limited water management capabilities, affecting both human health and regional biodiversity.

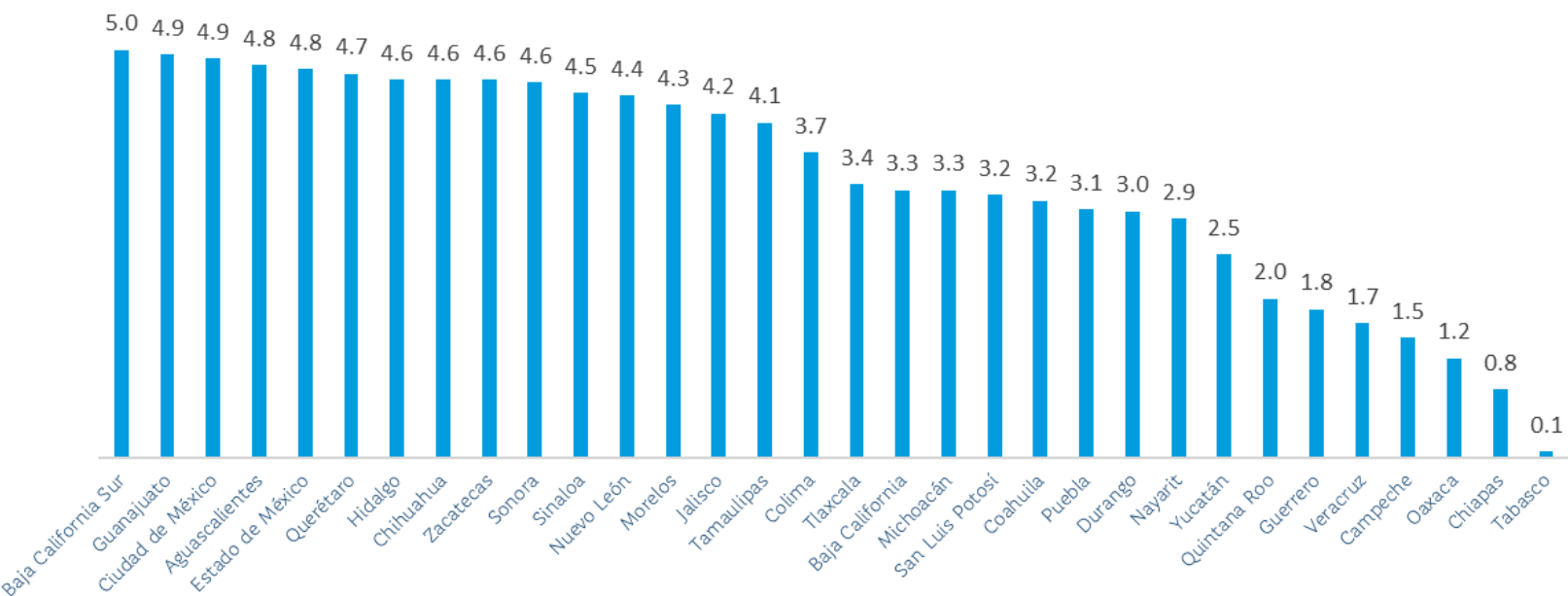


Brazil grapples with regional water scarcity in the Northeast and pollution concerns across urban areas, despite abundant resources in the Amazon. Inadequate sanitation infrastructure exacerbates water quality problems, presenting significant health and environmental challenges.

Across these regions, **climate change exacerbates existing water challenges**, intensifying droughts and floods, altering rainfall patterns, and putting additional pressure on already strained water management and conservation efforts.

Water Situation in Mexico

General water risk¹



¹In relation to the percentage of consumption over the total water available in a year.

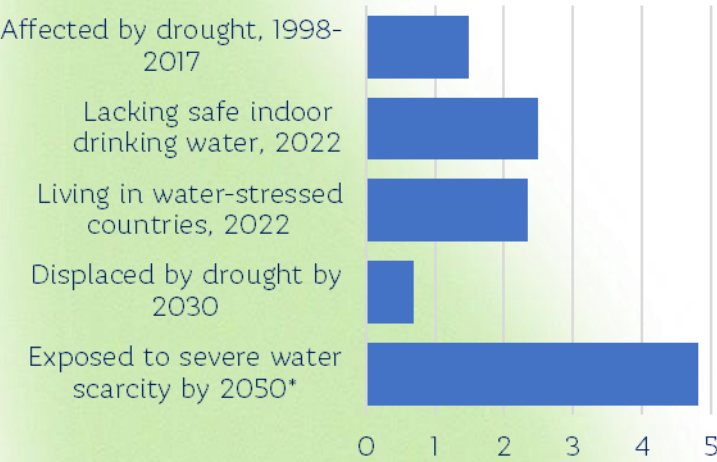
²UN Global Land Outlook

Source: World Resources Institute (WRI)

General water risk America¹

Country	Ranking	Risk
Mexico	24	3.86
Guatemala	57	2.36
Peru	66	2.05
USA	71	1.85
El Salvador	78	1.66
Argentina	92	1.31
Costa Rica	107	0.92
Brazil	112	0.78
Honduras	133	0.27
Nicaragua	137	0.21

Global estimated, bn people²



Nearshoring | Opportunities in the Water Industry

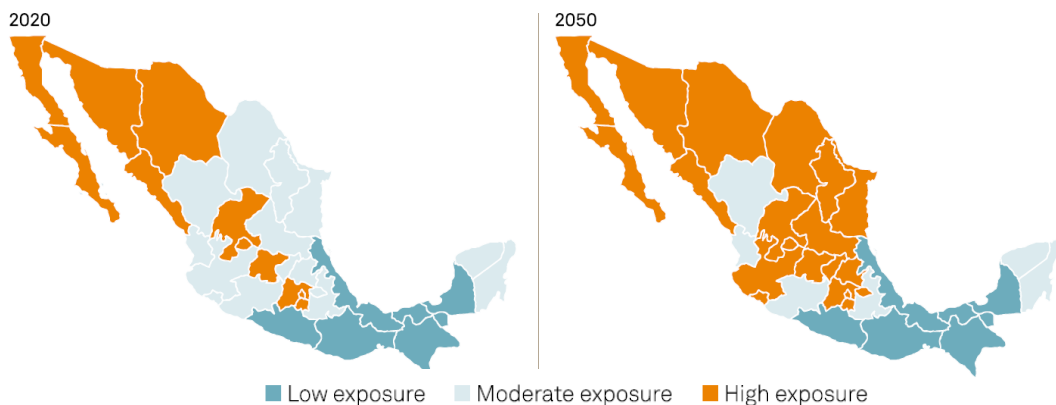
Companies are beginning to move their production chain to Mexico, and this represents a great opportunity for our market.

Why Mexico?



- Location
- Trade openness | 14 free trade agreements with 50 countries
- Disruption in global supply chains
- High-quality manufacturing at competitive costs
- Exposure to different industries and adaptability
- Low freight costs and adequate infrastructure
- Diversification of the supplier base

The number of Mexican states highly exposed to water scarcity could nearly double by the year 2050



Source: S&P Global Ratings

Opportunities for Rotoplas

We have **14 manufacturing plants** for products in Mexico and a **robust service platform** that can help solve a series of challenges.

- There is an **estimated deficit** of **1 million homes** with decentralized **water solutions needs**.
- A **30% growth** in **demand** for **industrial parks** drives the need for wastewater treatment.
- Factory **construction processes** will **need water solutions**.
- **Regions** that will **benefit most** from nearshoring are those that **suffer most** from **water scarcity**.

02

Our solutions

A story motivated by water

Rotoplas is born in Mexico



1978

The first polyethylene water tank is launched

1978



International expansion begins with the plant in Guatemala

1996



Rotoplas starts operating in Argentina

1997

Acquisition of Talsar in Argentina and Sytesa (RSA) in Mexico

2016



Start of operations in the USA

2015



Rotoplas is listed on the BMV under the ticker AGUA*

2014



Launch of Tuboplus

2003



Issuance of the first Sustainable Bond in LATAM & Entry into the Dow Jones Sustainability MILA Pacific Alliance

2017



Start of the Flow transformation program

2019



Launch of the Sustainable Growth Plan for 2025

2020

Update of the Sustainability Strategy

2021



Start of technological update in plants In Mexico

2022



14 countries



18 plants



+3,600 employees



27 product lines



3 Service lines



+32,000 points of sale



+127,000 points of service

Our Products | Solutions for adapting to climate change

STORAGE



Rotoplas
más y mejor agua

WATERFLOW



Tuboplas



Instalamos
confianza
AGUA, GAS y DESAGÜE

IMPROVEMENT



SEÑORIAL
Calor que perdura

Rotoplas
más y mejor agua

Value Traditional Business

- Leading brands
- Strong market share
- Strong cash flow
- Steady EBITDA – YTD \$1,488
- Dividend payment

Our Services | Climate change mitigation solutions

PURIFICATION



bebbia®

TREATMENT & RECYCLING






rsa | Rotoplas servicios de agua | Acuantia.

IRRIGATION



riego®

Growth New Businesses

-  Investment phase: negative cash flow
-  Negative EBITDA – YTD (\$235)
-  Strong earnings growth potential

Rotoplas' presence

Portfolio by country

We provide an extensive array of products and services tailored to meet the unique requirements identified in each market where we operate.

● Mature Market

● Expanding Market

● Emerging Market

● Explore

● Plan

PRODUCTS



SERVICES

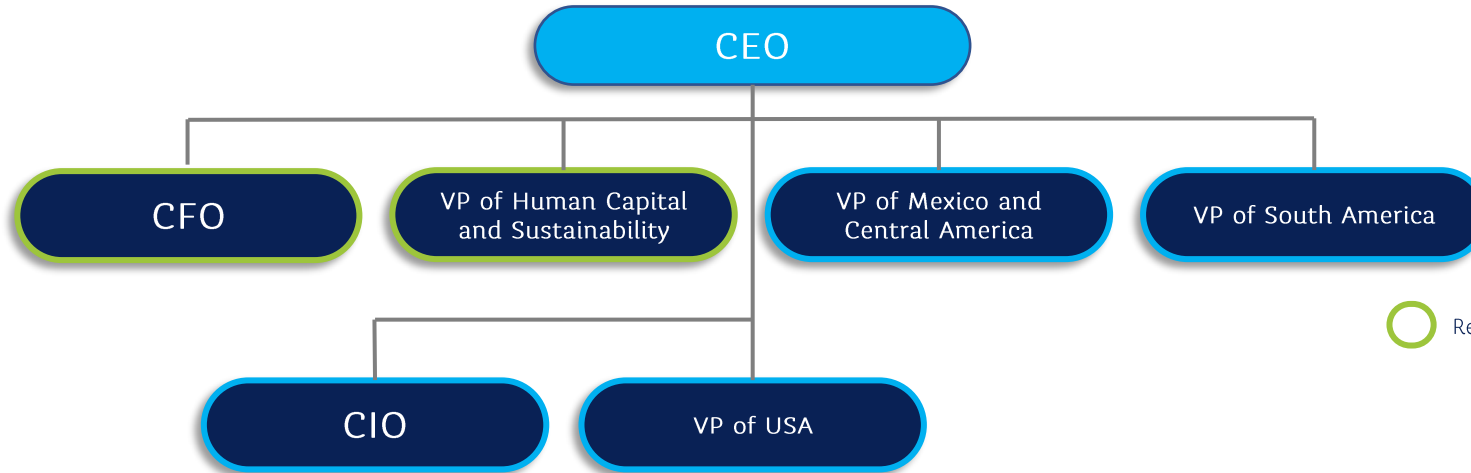


Central America includes Guatemala, El Salvador, Costa Rica, Honduras y Nicaragua.

03

Our strategy

Our Corporate structure | BoD & Top Management



 Responsible for the execution of the Sustainability Strategy

Our board of directors

Transparency → 53% **independent** members

Diversity → 6 **international** members

Innovation → Represented by 3 different **generations**

Equality → **Gender equality** on the Board, 13% women

Experience → **Board members** with diverse industry backgrounds & more than 500 years of combined experience

Meetings → **4 Ordinary Meetings** annually



Independent Members / Total Members

Strategic Priorities



Sustainable growth of the traditional business (products)

- SMART Project
 - New manufacturing process for storage solutions
 - Launch of the Tinaco Plus+
- Release of the B2B e-commerce platform



Growth and development of **new businesses** (services)

- Increase penetration of bebbia
- Explore new industries with RSA and Acuantia Brazil
- Continue to develop riego



Digitization of the water ecosystem

- Launch of bebbia SMART with IoT
- Migration to Google to improve operational efficiencies



Commitment to look after all **stakeholders**

- Be driven by the company's purpose
- Adopt best ESG practices
- Create value for our shareholders
- Promote the well-being of the society while protecting the planet

Discipline in Capital Allocation

Resource allocation for:



Organic growth



Inorganic growth
Coherence matrix approach



Share buybacks



Dividend Payment



Debt Payment

Process:



Project proposal



Evaluation



IRR > WACC



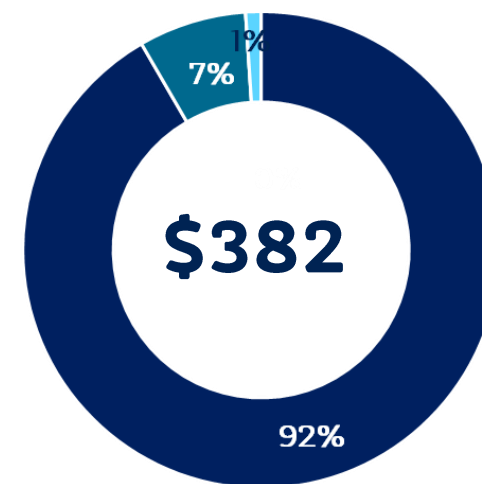
Validation and approval



Quarterly status update

Supported by a Capital Allocation Committee

CAPEX 9M24



■ Mexico
■ Argentina
■ USA
■ Other

Sustainability Strategy | 360° Value Generation



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



- Our strategy places profit, people, and planet on equal priority, aiming to create value across all stages of water use and for diverse stakeholder groups.

- Rotoplas Issued the First Sustainable Bond in Latam

ESG | Results & Goals

Profit

Suppliers evaluated with ESG criteria*

Customer Satisfaction (NPS Score)

Planet

CO₂ Intensity - Scope 1 and Scope 2 – per ton of processed resin

m³ of purified water using our solutions

People

People impacted with access to sanitation (cumulative)

Women in the workforce

Results 2023	Results 3Q24	Target 2024	Target 2025
50%	74%	75%	100%
75	75	76	80
0.43	0.41	0.43	0.41
759K	793K	1.2M	1.7M
800K	1.06M	894K	1M
24%	25.1%	27%	30%

Indices & Recognitions



Categoría Gobernanza



Categoría Social



Now a Part of S&P Global



*Suppliers classified as “Critical - Tier 1.”

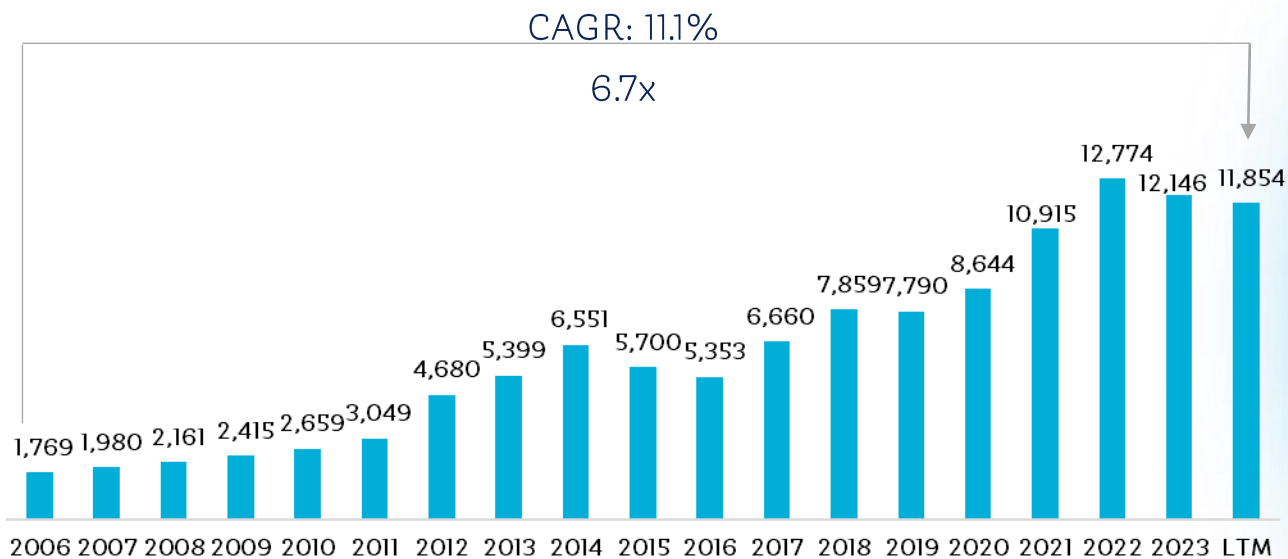
03

Solid Financials

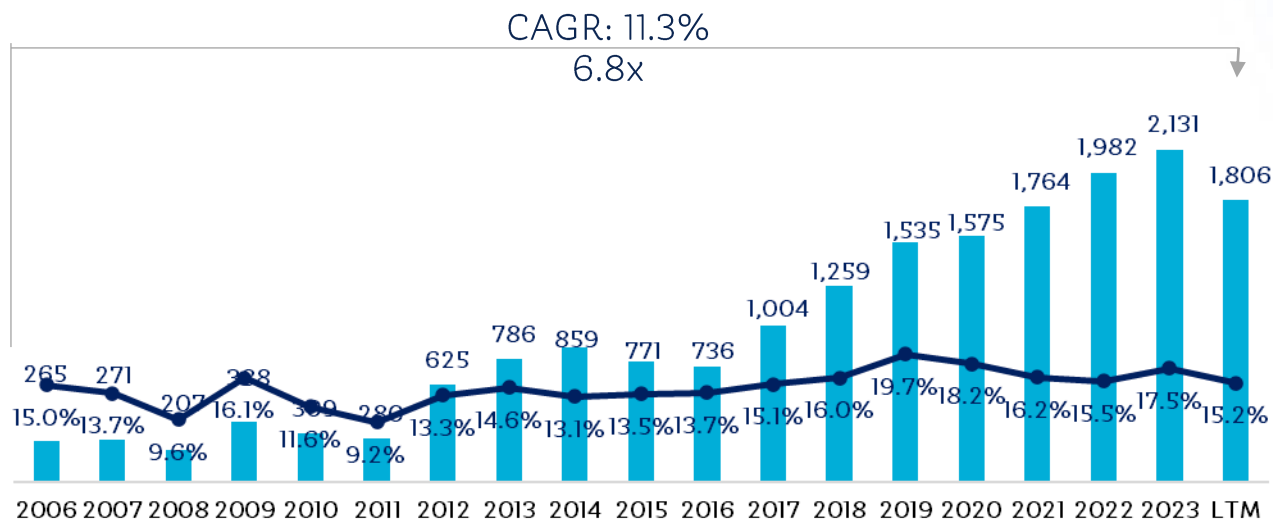
Growth and Profitability

MXN mm

SALES



EBITDA



Continuous growth

Double-digit margins

Strong Management

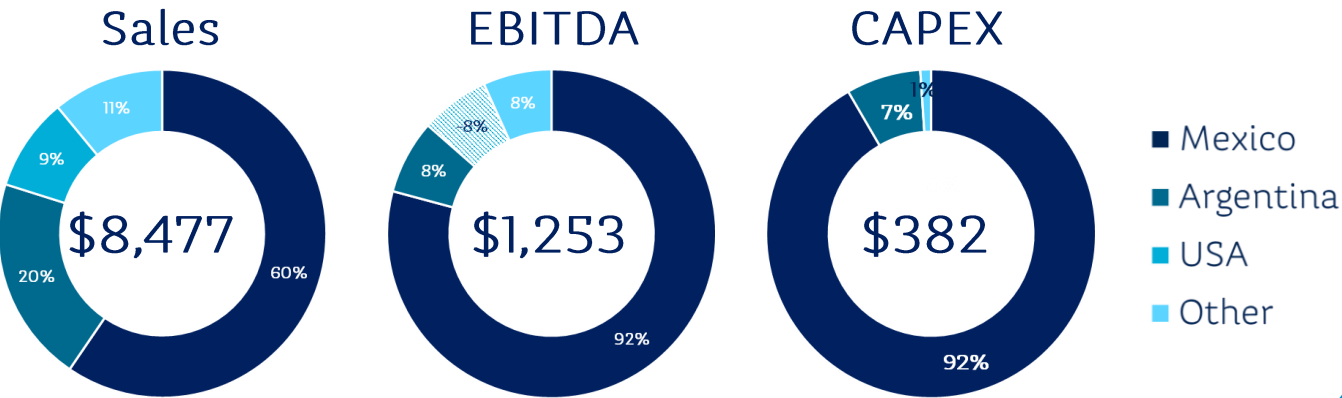


- Mexico – 46 years
- Central America – 24 years
- Peru – 22 years
- Argentina – 22 years
- Brazil – 21 years
- USA – 9 years

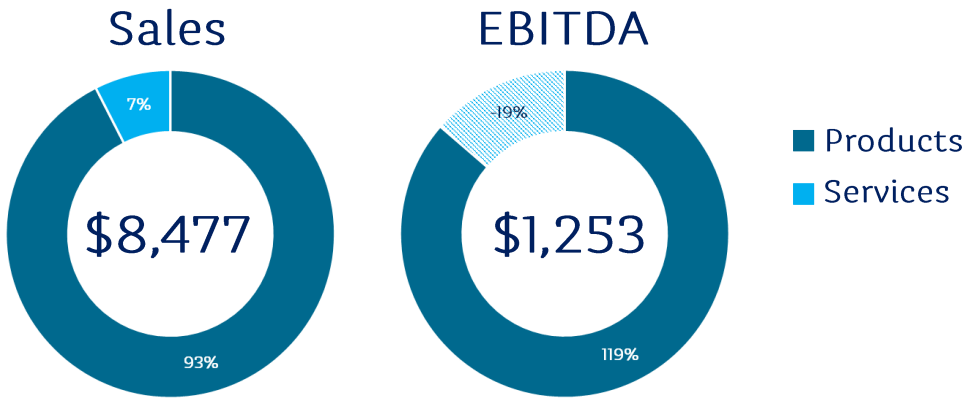
9M24 Results

MXN mm

By Country



By Solution



		9M24	9M23	Δ %/bps
Income Statement	Net sales	8,477	8,770	(3%)
	Cost of Sales	4,556	4,750	(4%)
	Gross Profit	3,921	4,019	(2%)
	Margin	46%	46%	50 pb
	Operating Income	817	1,207	(32%)
	Margin	10%	14%	(420) pb
	Financing Result	439	940	(53%)
	Taxes	86	25	NA
	EBITDA	1,253	1,577	(21%)
	Margin	15%	18%	(320) pb
	Net Result	291	241	21%

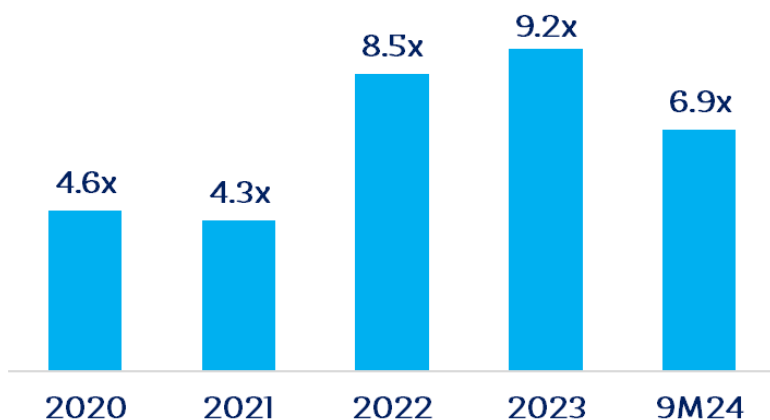
9M24 Results

MXN mm

Debt Maturity Profile



Interest coverage*

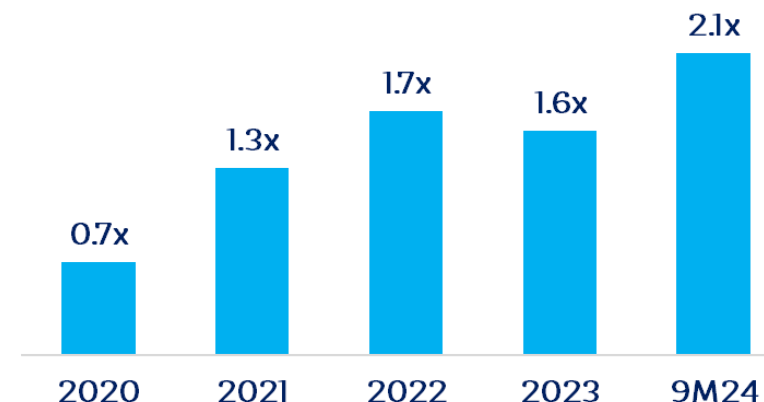


Balance Sheet

September 2024

Cash and Cash Equivalents	616
Other Assets	13,760
Total Assets	14,376
Debt	4,414
Other Liabilities	3,448
Total Liabilities	7,862
Equity	6,514
Liabilities + Equity	14,376

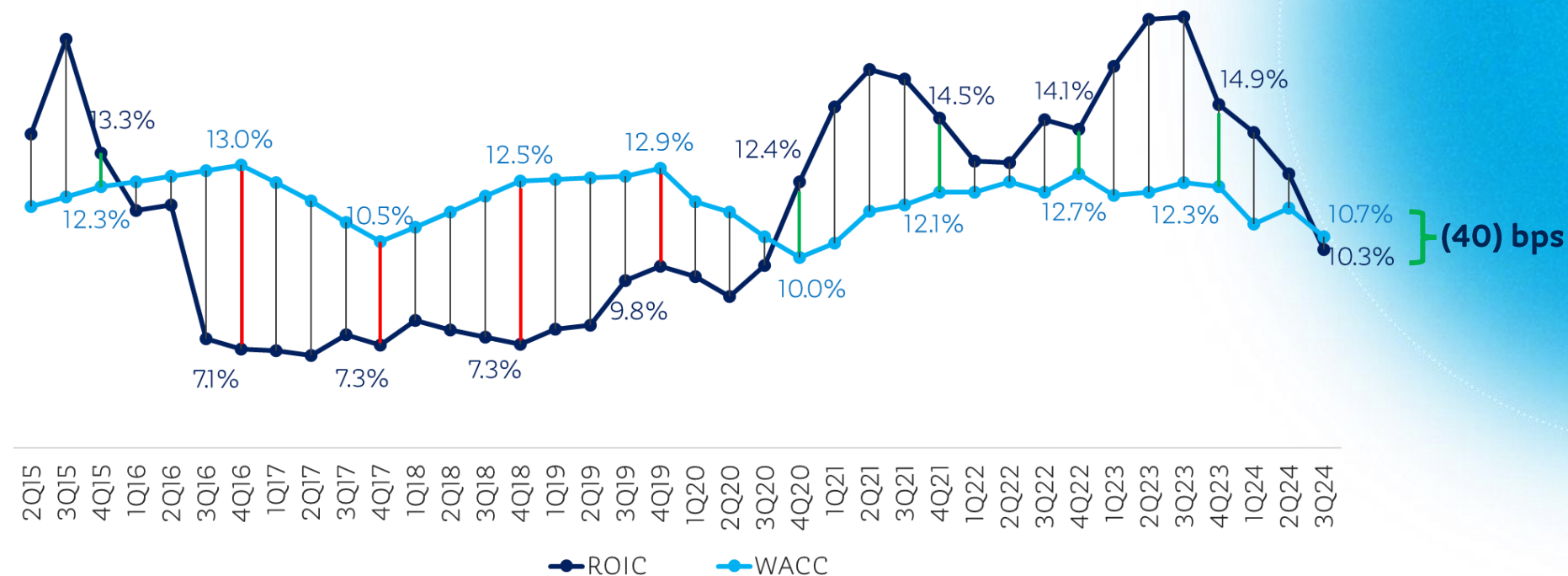
Net debt / EBITDA



**Considers net interest paid = interest expense – interest income

*Calculation of interest coverage: LTM EBITDA/ LTM Net interest expense

ROIC | Sustainable value creation



Our **focus** in the **coming quarters** is to **enhance NOPAT** to regain a **positive spread** between **ROIC** and **WACC**

ROIC: NOPAT LTM/ Invested Capital LTM, monthly average
 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.

2024 Updated Guidance

Sales (5%) - 0%

EBITDA Margin 14% - 15%

Net Debt / EBITDA 2.0x – 2.2x

ROIC = WACC -100/200 bp

Key Messages

Leader in sustainability and innovation – Rotoplas operates sustainably and helps its clients to reduce their environmental impact

Clear climate change and diversity targets

Sustainable growth

Transformation story



Rotoplas has paid dividends annually

AGUA* upside potential

Analyst Coverage

GBM	Buy	\$50.00
Signum / Punto	Buy	\$39.00
Miranda Research	Buy	\$39.00
BTG Pactual	Neutral	\$24.80
Apalache	Buy	\$39.10
Consensus		\$37.18

Thank you!



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