



4Q14

Results

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

4Q14 and FY14 Financial Results

Grupo Rotoplas S.A.B. de C.V. Reports Its Financial Results for 4Q14 and Full Year as of December 2014

- During 4Q14, Grupo Rotoplas S.A.B. de C.V. conducted its Initial Public Offering under the ticker symbol "AGUA".
- In 4Q14 net sales totaled Ps. 1,596 million, an increase of 4.2% as compared to the same period of the prior year.
- Full year net sales increased 21.1% as compared to 2013.

Mexico City, February 17th, 2015. Grupo Rotoplas S.A.B. de C.V. (BMV: AGUA) ("Rotoplas" or "the Company"), the Mexican company which is the leading provider in Latin America of individual and integrated water solutions announces its non-audited fourth quarter and full year 2014 results, under IFRS.

"We are very excited about the direction that Rotoplas will take in the following years, the IPO was an important step in our strategy to drive the growth of our water solutions in the Americas." Carlos Rojas Mota Velasco, CEO.

4Q14 Results

Selected 4Q14 Financial Information

Figures in millions of MXN

	4Q14	4Q13	Var.
Net Sales	1,596	1,531	4.2%
Gross Profit	601	625	(3.8%)
<i>Gross Profit Margin</i>	<i>37.6%</i>	<i>40.8%</i>	<i>(320)pb</i>
EBIT	215	221	(2.7%)
EBITDA	250	277	(9.9%)
<i>EBITDA Margin</i>	<i>15.6%</i>	<i>17.6%</i>	<i>(200)pb</i>

During the last three months of the year, sales were up 4.2% as compared to the same period in 2013. This was mainly driven by sales of individual and integrated solutions in Brazil.

Consolidated gross profit was down 3.8% as compared to 4Q13 and totaled Ps. 601 million, mainly due to an increase in the cost of our raw materials and the strong appreciation of the US dollar against the local currencies of the countries where we operate.

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Operating expenses decreased 4.5%, mainly due to greater efficiencies in expenditure management. Expenses as a percentage of sales decreased 220 basis points as compared to the same quarter of the prior year, to 24.2%.

The Consolidated EBITDA was Ps. 250 million, from Ps. 277 million reported in 4Q13, and the margin represented 15.6% of sales, 200 basis points below the same period of last year, mainly as a result of the increase in the cost of raw materials.

Results by Type of Solution 4Q14

Figures in millions of MXN

	Individual Solutions			Integrated Solutions		
	4Q14	4Q13	Var.	4Q14	4Q13	Var.
Net Sales	1,172	1,175	(0.3%)	424	356	19.0%
EBITDA	201	215	(6.3%)	48	62	(22.3%)
<i>EBITDA Margin</i>	17.2%	18.3%	(110)bp	11.4%	17.5%	(610)bp

Revenue from individual solutions accounted for 73% of net sales. Overall, sales for this segment were in line with 4Q13; however, as part of the Group's strategy, in Brazil we shifted from individual solutions to integrated solutions in rainwater harvesting systems. Without taking into consideration this shift, individual solutions would have increased 18.1% driven primarily by the drought in the state of Sao Paulo and good performance in Mexico.

Further, integrated solutions represented 27% of sales and grew 19.0% in 4Q14, driven primarily by the increase in sales of rainwater harvesting systems in Brazil.

EBITDA for individual solutions was Ps. 201 million, with a 17.2% margin. And EBITDA for integrated solutions came to Ps. 48 million, with an 11.4% margin.

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Results by Country 4Q14

Figures in millions of MXN

	Mexico			Brazil			Others		
	4Q14	4Q13	Var.	4Q14	4Q13	Var.	4Q14	4Q13	Var.
Net Sales	780	831	(6.1%)	617	512	20.5%	199	188	5.5%
EBITDA	174	187	(7.2%)	63	96	(35.0%)	13	(6)	319.1%
<i>EBITDA Margin</i>	22.3%	22.5%	(20)bp	10.1%	18.8%	(870)bp	6.8%	na	na

During this period, revenue from Mexico represented 49% of sales and was 6.1% below 4Q13, basically because of an increase during the same period of the prior year in sales in integrated solutions resulting from a government program.

On the other hand, Brazil accounted for 39% of the Company's sales. There, the benefits from both individual and integrated solutions were the result of the severe drought, which made revenues from Brazil raise to 20.5% as compared to 4Q13.

Sales in all other countries contributed with 12% and grew 5.5% in the quarter.

In Mexico, EBITDA came to 22.3%, in Brazil it was 10.1% and the other countries had a 6.8% margin.

Full Year Results as of December 2014

Selected Financial Information as of December 2014

Figures in millions of MXN

	2014	2013	Var.
Net Sales	6,552	5,412	21.1%
Gross Profit	2,514	2,202	14.2%
<i>Gross Profit Margin</i>	38.4%	40.7%	(230)bp
EBIT	698	646	8.0%
EBITDA	859	805	6.6%
<i>EBITDA Margin</i>	13.1%	14.9%	(180)bp

For the full year 2014, net sales grew 21.1% as compared to 2013. This growth was basically a result of the increase in sales in individual and integrated solutions in Mexico and Brazil.

Gross margin was 38.4% or 230 basis points less than the prior year, due to the increase in the cost of raw materials and the appreciation of the US dollar against the currencies of the countries where we operate, primarily during the fourth quarter of 2014.

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On the other hand, operating expenses grew 16.8% and reached Ps. 1,817 million, of which Ps. 35 million were pre-operating expenses used to launch integrated solutions in Mexico and to start operations in the U.S. As a percentage of sales, operating expenses decreased from 28.8% to 27.7%.

For the full year, Group EBITDA was 6.6% greater than the prior year, and represented 13.1% of sales. Without taking into consideration pre-operative expenses, the margin would have been 13.6%.

The comprehensive financing cost was Ps. 122 million, from the Ps. 132 million of 2013. This decrease was mainly the result of the increase in net financial income due to higher cash surpluses as compared to the prior year.

Taxes for the year were Ps. 159 million and the effective tax rate was 27.6%. In 2013, taxes were Ps. 78 million and the effective rate was 15.2%, the rate increase is mainly due to deferred taxes from previous years.

Results by Type of Solution 2014

Figures in million MXN

	Individual Solutions			Integrated Solutions		
	2014	2013	Var.	2014	2013	Var.
Net Sales	4,851	4,973	(2.3%)	1,701	449	279.2%
EBITDA	686	733	(6.3%)	172	73	137.5%
<i>EBITDA margin</i>	<i>14.2%</i>	<i>14.8%</i>	<i>(60)bp</i>	<i>10.1%</i>	<i>16.2%</i>	<i>(610)bp</i>

Individual solutions represented 74% of total sales and decreased 2.3% as compared to 2013. As explained above, the decrease was mainly due to the shift in the sales mix in Brazil from individual solutions to integrated solutions, which is part of the Company's strategy. Without taking into consideration this shift, individual solutions would have shown an increase of 18.4% due to an increase in sales across all product lines and all countries.

Integrated solutions represented 26% of our revenues and rose 279.2%. This increase considers the shift in Brazil. Without taking it into consideration, YoY growth would have been 50.5%.

EBITDA of individual solutions contracted by 6.3% with respect to the prior year and the margin stood at 14.2%. On the other hand, integrated solutions grew 137.5%, resulting from the shift described above and EBITDA margin was 10.1%.

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Results by Country 2014

Figures in millions of MXN

	Mexico			Brazil			Others		
	2014	2013	Var.	2014	2013	Var.	2014	2013	Var.
Net Sales	3,068	2,627	16.8%	2,756	2,037	35.3%	728	748	(2.7%)
EBITDA	543	469	15.7%	293	313	(6.3%)	23	23	(2.3%)
<i>EBITDA Margin</i>	<i>17.7%</i>	<i>17.9%</i>	<i>(20)bp</i>	<i>10.6%</i>	<i>15.4%</i>	<i>(480)bp</i>	<i>3.1%</i>	<i>3.1%</i>	<i>0bp</i>

On a per country basis, revenues in Mexico contributed with 47% of sales and grew 16.8% driven by the good performance of individual and integrated solutions. Brazil accounted for 42% of revenue and grew 35.3% due to the water shortages the country is experiencing. Other countries represented 11% of total company sales and revenue was down 2.7% as compared to 2013, primarily due to the depreciation of the Argentinean peso against the Mexican peso.

On the other hand, EBITDA in Mexico grew 15.7% and the margin was 17.7%, in line with the prior year. Brazil's EBITDA contracted 6.3% and its margin stood at 10.6%, down from 15.4% in 2013. EBITDA in other countries fell 2.3% mainly due to the costs and pre-operating expenses of the operation in the U.S.

Capex

During the year, capital investments came to Ps. 167 million, which were used for maintenance and upgrading of production plants to support the growth of individual and integrated solutions and the opening of the plant in the U.S.

Capex

Figures in millions of MXN

	2014	%
Mexico	105	63%
Brazil	16	10%
Others	46	28%
Total	167	100%

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Debt

As of year-end 2014, total debt came to Ps. 1,211 million, with 99% of our debt being long-term and the remaining is short-term. 99% of our total debt is denominated in Mexican pesos, while the remaining 1% is denominated in Brazilian reals.

The increase in cash and cash equivalents reflects the net proceeds obtained from the IPO held on December 10th, 2014. Correspondingly, as of year 2014, net debt was (Ps. 2,730) million.

Debt

Figures in millions of MXN

	2014	2013	Var.
Total Debt	1,211	1,324	(8.5%)
Short Term Debt	10	108	(90.8%)
Long Term Debt	1,201	1,216	(1.2%)
Cash and Equivalents	3,941	557	na
Net Debt	(2,730)	766	na

Financial Indicators at Year-End 2014

	2014	2013
Net Debt / EBITDA (x)	(3.2)	1.0
Total Liabilities / Equity	0.4	1.2
EPS	0.9	1.3
Closing Share Price	30.1	na
Outstanding Shares	486.2	333.9

Derivative Financial Instruments

The use of derivative financial instruments is governed by the recommendations and policies dictated by our Board of Directors and supervised by our Auditing Committee, both of whom provide guidelines for managing risk in exchange rates, interest rates and credit, the use of derivative and non-derivative financial instruments and investing excess cash.

As of December 31st, 2014, market value positions were:

Type of Instrument	MTM (mdp)
SWAP	3.2
SWAP / CAP	(22.1)

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Relevant Events

- During 4Q14 Grupo Rotoplas S.A.B. de C.V. conducted its Initial Public Offering under the ticker symbol "AGUA". The IPO raised Ps. 4.2 billion by placing 144.2 million shares representing 29.7% of the Company at a price of Ps. 29.0 per share.

The resources obtained by the IPO will be used to fund capital expenditures and working capital in order to expand the business of individual solutions in the U.S., consolidate the integrated solutions business in Mexico and Brazil, and to finance growth through possible acquisitions.

- In late December, we moved operations of the Palmas facility in Brazil to other plants in the area, as part of the strategy to optimize logistics costs.
- The Plan Oca Trust Fund, in compliance with Art. 366 and Art. 367 of the Mexican Security Law (Ley de Mercado y Valores, LMV), in December bought 350,000 shares in the open market, in order to increase the fund of the plan to purchase shares destined for certain relevant officials and directors.

Coverage Analysis

In compliance with the provisions of the Internal Regulations of the Mexican Stock Exchange in the Article 4.033.01 Paragraph VIII, we report that our coverage analysis is provided by:

- Carlos Peyrelongue - Bank of America Merrill Lynch
- Fernando Perez Lizardi – GBM
- Joseph Ritchie - Goldman Sachs

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Conference Call

On Wednesday, February 18th, at 10:00 am CTS, Grupo Rotoplas, S.A.B. de C.V. will hold a conference call to present the financial results for the 4Q14. Carlos Rojas Mota Velasco, Chairman and CEO, and Mario Orozco Romero, CFO, will comment on the results, followed by a question and answer session.

To access the conference, please dial:

- From Mexico: 001-800-514-1067
- From the United States: 1-888-359-3627
- From other countries: 1-719-325-2469

Conference ID: 5812319

Or through our website: www.rotoplas.com/inversionistas.html

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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. that rely on considerations of the Grupo Rotoplas Management and are based on current and known information; however, the forward-looking statements 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 a leading provider in Latin America of individual and integrated water solutions. The Company has more than 35 years' experience in the water solutions industry. It is present in 12 countries, its portfolio consists of 17 product lines and it has 24 plants in operation. Since December 10th, 2014, Grupo Rotoplas is listed on the Mexican Stock Exchange (BMV) under the ticker "AGUA".

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

Consolidated Income Statement for 4Q14, 4Q13 and as of December 2014, 2013

Non-Audited Figures – In millions of MXN

	4Q14	4Q13	Var.	2014	2013	Var.
Net Sales	1,596	1,531	4.2%	6,552	5,412	21.1%
COGS	995	906	9.8%	4,037	3,210	25.8%
Gross Profit	601	625	(3.8%)	2,514	2,202	14.2%
<i>Gross Profit Margin</i>	<i>37.6%</i>	<i>40.8%</i>	<i>(320)pb</i>	<i>38.4%</i>	<i>40.7%</i>	<i>(230)pb</i>
Operating Expenses	386	404	(4.5%)	1,817	1,556	16.8%
EBIT	215	221	(2.7%)	698	646	8.0%
Comprehensive Financial Result	49	5	na	122	132	(7.6%)
Financial Expenses	46	49	(6.1%)	237	239	(0.8%)
Interest Income	3	-44	na	(114)	(107)	6.5%
Profit before Taxes	167	217	(23.0%)	577	514	12.3%
Taxes	42	16	na	159	78	na
Net Profit	125	201	(37.8%)	417	437	(4.6%)
<i>Net Profit Margin</i>	<i>7.8%</i>	<i>13.1%</i>	<i>(530)pb</i>	<i>6.4%</i>	<i>8.1%</i>	<i>(170)pb</i>
EBITDA	250	277	(9.9%)	859	805	6.6%
<i>EBITDA Margin</i>	<i>15.6%</i>	<i>17.6%</i>	<i>(200)bp</i>	<i>13.1%</i>	<i>14.9%</i>	<i>(180)bp</i>

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Grupo Rotoplas S.A.B. de C.V.
Balance Sheet as of December 31st, 2014 and 2013
 Non-Audited figures – In millions of MXN

	2014	2013
Cash and Equivalents	3,941	557
Accounts Receivable	1,732	1,253
Inventories	877	645
Other Current Asset	384	343
Total Current Asset	6,934	2,798
Property, Plant and Equipment – Net	1,196	1,231
Other Long Term Assets	410	383
Total Assets	8,540	4,412
Short Term Bank Loans	10	108
Accounts Payable	941	850
Other Accounts Payable	155	214
Total Current Liabilities	1,107	1,172
Long Term Bank Loans	1,201	1,216
Other Long Term Liabilities	66	52
Total Liabilities	2,374	2,440
Equity	6,166	1,972
Total Liabilities + Equity	8,540	4,412