

4Q16

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

Grupo Rotoplas Reports Fourth Quarter and Full Year 2016 Results

Fourth Quarter Highlights

- Net sales increased 3.4%; excluding Brazil, sales grew 21.2%.
- EBITDA increased 6.8% supported on a gross margin expansion of 140 basis points.

Full Year Highlights

- Net income grew 11.9%, the largest figure recorded in the last few years.
- EBITDA Margin increased 30 basis points, to reach 13.8%.

Mexico City, México, February 16th, 2017. Grupo Rotoplas S.A.B. de C.V. (BMV: AGUA) (“Rotoplas”, “the Company” or “the Group”), the leading provider of individual and integrated water solutions in the Americas, reported unaudited financial results for the fourth quarter and 12 months ended December 31st, 2016. The information within has been prepared based on International Financial Reporting Standards (IFRS).

“During 2016, Rotoplas continued shifting its focus and reconfiguring its business portfolio backed by those solutions that offer higher profitability and growth, minimizing the effects of the complex political and economic environment being faced in the markets where we participate. Results for the year are beginning to reflect these changes, with a more stable financial performance and lower exposure to government sales, which in 2015 accounted for approximately 20% of our total revenue, and in 2016 came to less than 5%,” said Carlos Rojas Mota Velasco, Grupo Rotoplas’ Chief Executive Officer. *“In 2016, we continued to build a robust platform of integrated solutions with maintenance for the private sector, and we explored new markets, such as the US, where we already have 3 plants. We are convinced that this strategy, together with our recent acquisitions and our position in the market as a leading brand, continue to strengthen the Company and to allow us to keep generating value consistently for the future.”*

Results for 4Q16 and Full Year 2016

Financial Highlights

Figures in millions of MXN

	4Q16	4Q15	Var.	2016	2015	Var.
Net Sales	1,444	1,397	3.4%	5,353	5,700	(6.1%)
Individual Solutions	1,236	1,049	17.8%	4,967	4,477	10.9%
Integrated Solutions	208	347	(40.1%)	386	1,223	(68.4%)
Mexico	976	880	10.9%	3,464	3,632	(4.6%)
Brazil	89	278	(67.9%)	405	1,118	(63.8%)
Others	380	239	58.8%	1,485	951	56.2%
EBITDA Margin	15.5%	15.0%	50 pb	13.8%	13.5%	30 pb
Individual Solutions	14.8%	15.2%	(40) pb	12.8%	14.0%	(120) pb
Integrated Solutions	19.8%	14.6%	520 pb	26.0%	11.9%	1410 pb
Mexico	23.1%	21.9%	120 pb	21.5%	22.3%	(80) pb
Brazil	(55.7%)	(1.2%)	(5450) pb	(32.5%)	(8.8%)	(2370) pb
Others	12.7%	8.6%	410 pb	8.3%	6.2%	210 pb

Fourth Quarter 2016 Results

Selected Financial Information

Figures in millions of MXN

	4Q16	4Q15	Var.
Net Sales	1,444	1,397	3.4%
Gross Profit	606	566	6.9%
<i>Gross Profit Margin</i>	41.9%	40.5%	140 pb
EBIT	164	181	(9.0%)
<i>EBIT Margin</i>	11.4%	12.9%	(150) pb
Net Income	108	115	(6.0%)
<i>Net Income Margin</i>	7.5%	8.2%	(70) pb
EBITDA	224	210	6.8%
<i>EBITDA Margin</i>	15.5%	15.0%	50 pb

Net sales for the fourth quarter grew 3.4% year on year. Faced with an unfavorable economic environment, Rotoplas has shifted its emphasis to more profitable solutions, to granting stability to its financial performance, and to reducing exposure to unpredictable segments with lower growths, such as the government segment, which throughout 2016 continued to be affected in both Mexico and Brazil.

In Mexico, we registered sales growths mainly in individual solutions in the traditional market, for a 10.9% growth compared to the same quarter of the prior year. The latter despite the effect on sales of integrated solutions, mainly due to the deferral of government programs. Sales in Mexico represented 67.6% of total Group sales, compared to 63.0% as of the last quarter of 2015.

Results for 4Q16 and Full Year 2016

Brazil continued to face a challenging economic and political environment, resulting in a lower demand for solutions and a 67.9% decrease in sales with respect to the same period of the prior year. It is important to point out that Rotoplas has adjusted its operations in order to minimize these impacts by concentrating on those products that offer higher profitability, and by reducing costs and expenses. Brazil accounted for only 6.2% of the Group's revenue, while during the last quarter of 2015 it was contributing 19.9%.

Sales in the Other Countries division grew 58.8%, due to organic performance in the region, the integration of the Talsar results in Argentina starting in March 2016, and the penetration strategy implemented in the US. This division accounted for 26.3% of consolidated sales, compared to the 17.1% as of the fourth quarter in 2015.

Consolidated gross margin was up 140 basis points due to better sales prices during the quarter, in addition to greater volume, that contributed to diluting fixed costs.

Operating margin was down 150 basis points compared to the same quarter of the prior year, mainly resulting from expenses due to the start of operations in the US.

Due to higher depreciation, EBITDA margin grew 50 basis points, compared to the fourth quarter of the prior year, with a better gross margin resulting from including non-organic sales of individual solutions in Argentina and of integrated solutions with maintenance in Mexico.

It is important to point out that starting in September, Sytesa results were integrated in Mexico. Sytesa is a company focused on the commercial sector, offering solutions for treating and recycling water.

Results by Solution

Figures in millions of MXN

	Individual Solutions			Integrated Solutions		
	4Q16	4Q15	Var.	4Q16	4Q15	Var.
Net Sales	1,236	1,049	17.8%	208	347	(40.1%)
EBITDA	183	159	15.0%	41	51	(19.0%)
<i>EBITDA Margin</i>	14.8%	15.2%	(40) pb	19.8%	14.6%	520 pb

Individual solutions represented 85.6% of sales and grew 17.8% with respect to the same period of the prior year, mainly in Mexico, in the traditional channel, and in the Other Countries division as a consequence of the acquisition made in Argentina.

Results for 4Q16 and Full Year 2016

EBITDA margin was down 50 basis points, driven by raw materials costs, which were approximately 35% higher, resulting from the depreciation of the Mexican peso versus the US dollar.

Integrated solutions accounted for 14.4% of total sales, and were down 40.1% year on year, due mainly to budget cuts that postponed integrated solutions programs in Mexico, and to the decrease in sales of integrated solutions in Brazil, which were partially offset by higher sales in integrated solutions with maintenance in Mexico.

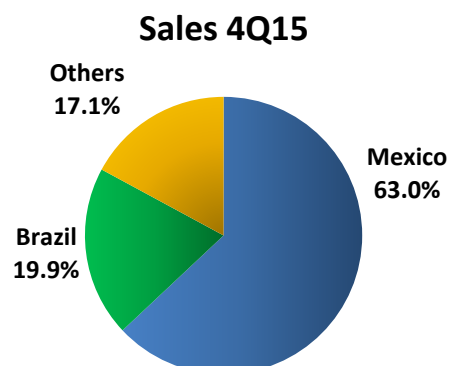
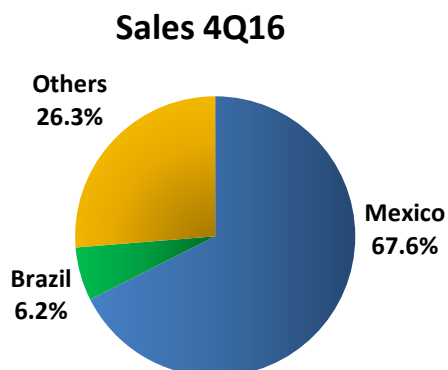
Profitability of integrated solutions registered a considerable 520 basis points growth, resulting from sales in integrated solutions with maintenance in the water treatment and water recycling, as well as in the Water Purifying Fountain business.

Starting in September, we included the Sytesa results in this segment and in these solutions. Excluding Sytesa, integrated solutions were down 61.2% with respect to the fourth quarter of the prior year.

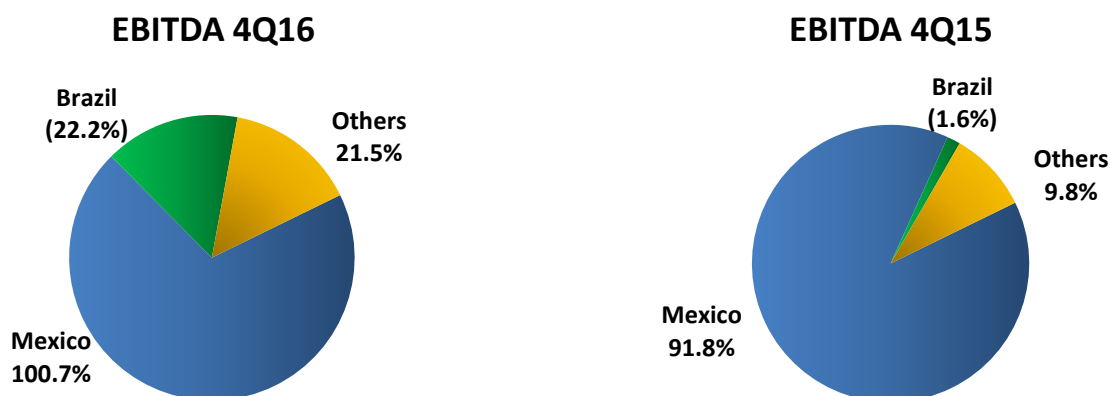
Results by Country

Figures in millions of MXN

	Mexico			Brazil			Others		
	4Q16	4Q15	Var.	4Q16	4Q15	Var.	4Q16	4Q15	Var.
Net Sales	976	880	10.9%	89	278	(67.9%)	380	239	58.8%
EBITDA	226	193	17.0%	(50)	(3)	NA	48	21	NA
EBITDA Margin	23.1%	21.9%	120 pb	(55.7%)	(1.2%)	(5450) pb	12.7%	8.6%	410 pb



Results for 4Q16 and Full Year 2016



Full Year 2016 Results

Selected Full Year 2016 Financial Information

Figures in millions of MXN

	2016	2015	Var.
Net Sales	5,353	5,700	(6.1%)
Gross Profit	2,257	2,304	(2.0%)
<i>Gross Profit Margin</i>	42.2%	40.4%	180 pb
EBIT	580	662	(12.4%)
<i>EBIT Margin</i>	10.8%	11.6%	(80) pb
Net Income	451	403	11.9%
<i>Net Income Margin</i>	8.4%	7.1%	130 pb
EBITDA	738	771	(4.3%)
<i>EBITDA Margin</i>	13.8%	13.5%	30 pb

In 2016, cumulated sales were down 6.1% compared to the prior year, resulting from political and economic problems in Rotoplas' main markets, where the demand for integrated solutions is now lower.

In the 2014-2016 period, we registered growths of more than 10% in organic revenue, excluding government sales and acquisitions, proving the stability and profitability of the Company's core business, on the retail channel and integrated solutions with maintenance for the private-commercial sector.

Gross profit margin grew 180 basis points, due to lower prices throughout the year, as well as the sales mix with solutions that offer higher margins.

Operating income margin was down 80 basis points, due to the decrease in sales caused by the low absorption of fixed expenses, in addition to the one-timers in the amount of Ps. 16 million resulting from the adjust of operations that occurred during the year in Argentina and Brazil.

Results for 4Q16 and Full Year 2016

It is important to mention that EBITDA margin increased 30 percentage points compared to the prior year, due to the inclusion of Talsar sales in Argentina and Sytesa sales in Mexico, offering a higher margin, and despite expenses associated with the start of operations in the US and the optimization of our manufacturing footprint in Argentina and Brazil.

It is also noteworthy that the net income grew 11.9% and margin was up 130 basis points year on year, resulting from the efficient management of the Group's non-operative resources, in line with the long-term value creation goal.

In 2016, Rotoplas successfully closed three acquisitions, funded with its own resources. Talsa and Sytesa contribute accelerated-growth solutions to the product portfolio, while AIC reaffirms our commitment to innovation for the coming years.

Results by Solution

Figures in millions of MXN

	Individual Solutions			Integrated Solutions		
	2016	2015	Var.	2016	2015	Var.
Net Sales	4,967	4,477	10.9%	386	1,223	(68.4%)
EBITDA	637	625	1.9%	101	145	(30.7%)
<i>EBITDA Margin</i>	<i>12.8%</i>	<i>14.0%</i>	<i>(120) pb</i>	<i>26.0%</i>	<i>11.9%</i>	<i>1410 pb</i>

In 2016, revenue from individual solutions grew 10.9% year on year, mainly in Mexico and the Other Countries division. This growth was driven by the organic performance of solutions, and from the incorporation of the Talsar products. These solutions represented 92.8% of the Company's net revenue.

EBITDA margin for individual solutions was down 120 basis points due to a diminished ability to absorb fixed costs and expenses resulting from a lower sales volume in the company, and from a hike of approximately Ps. \$39 million in raw materials costs resulting from the depreciation of the peso with respect to the US dollar.

Integrated solutions stood at Ps. 386 million, down from the Ps. 1.223 billion of the prior year. The latter resulting from conditions in the Brazilian market that were mentioned above, in conjunction with the delay in the execution of government programs in Mexico. Excluding the Sytesa solutions, these were down 76.5%.

In 2016, Rotoplas won several of the Mexican government's contracts for the National School Water Fountains Program. We started recognizing revenue from this program in the last quarter of 2016, and we are working on optimizing the process for registering sales, which is currently in the learning phase for all parties involved.

EBITDA margin of integrated solutions increased significantly to 26.0%, up from 11.9% the prior year, mainly through incorporating integrated solutions with maintenance.

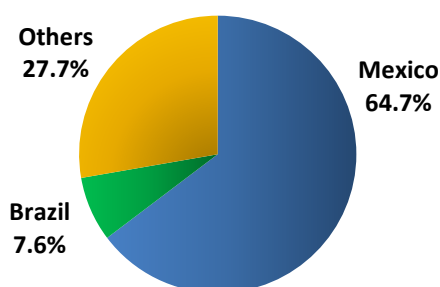
Results for 4Q16 and Full Year 2016

Results by Country

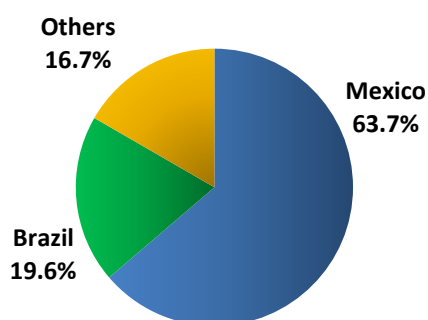
Figures in millions of MXN

	Mexico			Brazil			Others		
	2016	2015	Var.	2016	2015	Var.	2016	2015	Var.
Net Sales	3,464	3,632	(4.6%)	405	1,118	(63.8%)	1,485	951	56.2%
EBITDA	745	810	(7.9%)	(132)	(98)	(34.4%)	124	59	NA
EBITDA Margin	21.5%	22.3%	(80) pb	-32.5%	-8.8%	(2370) pb	8.3%	6.2%	210 pb

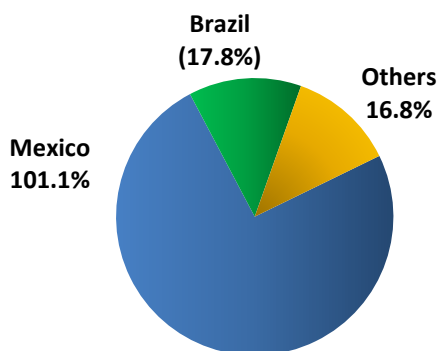
Sales 2016



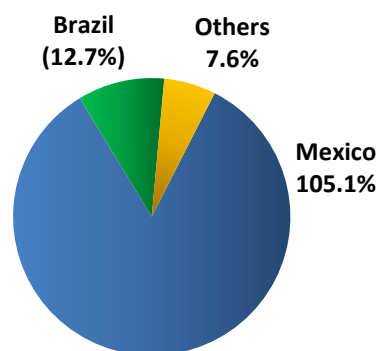
Sales 2015



EBITDA 2016



EBITDA 2015



Non-operating Results

The comprehensive financing cost as of December 31st, 2016, registered a balance of Ps. 70 million, compared to the balance of Ps. 87 million of a year before. During the year, we obtained a foreign exchange gain for Ps. 51 million resulting from the appreciation of the currencies in countries where Rotoplas operates versus the functional currency.

During this same period, net interest paid came to Ps. 14 million, due to lower Treasury surpluses resulting from acquisitions, and from recognizing the Sytesa debt.

Results for 4Q16 and Full Year 2016

Capex

Capital expenditures carried out during 2016 stood at Ps. 371 million, representing 6.9% of sales. These resources were allocated basically to capital needs in the US, as well as projects to improve processes and equipment maintenance in the rest of the Group's plants.

It is important to mention that two years after Rotoplas' Initial Public Offering, we have invested approximately Ps. 3.1 billion, equivalent to approximately 77% of the resources obtained. This shows that in spite of the complex environment, the water market offers tangible growth options, including integrated solutions with maintenance and the US Market, where the Company has focused its efforts.

Capex

Figures in millions of MXN

	2016	%
Mexico	198	53%
Brazil	11	3%
Others	162	44%
Total	371	100%

Debt

Total debt remained at Ps. 1,243 million, 99% of which is Mexican peso denominated, with the remaining balance is Brazilian real denominated. The increase in short-term debt is due to the beginning of amortization related to credits due 2020.

Cash position as of December 31st, 2016 was PS. 1,563 million. Cash resources were used primarily for the acquisitions realized during the year, financed through Rotoplas' internal resources, and investments to support working capital increases required in Rotoplas' fast growing markets. Correspondingly, the Company's net debt was (Ps. 320) million.

Figures in millions of MXN

	2016	Dec. 2015	Var.
Total Debt	1,243	1,217	2.1%
Short Term Debt	285	13	NA
Long Term Debt	958	1,204	(20.4%)
Cash and Equivalents	1,563	3,476	(55.1%)
Net Debt	(320)	(2,259)	85.8%

Financial Indicators for December 2016

	LTM16	LTM15
Net Debt / EBITDA (x)	(.4) x	(2.9) x
Total Liabilities/Stockholders' Equity	0.3	0.3
Earnings Per Share	0.93	0.83

Results for 4Q16 and Full Year 2016

Earnings per share over the past 12 months were up 11.9% year on year, proving that the business model strategy in a complex economic environment is resilient, and that decisions made by Management have minimized these impacts.

Derivative Financial Instruments

The use of derivative financial instruments is governed by the recommendations and policies dictated by the Grupo Rotoplas Board of Directors and is supervised by the Company's Auditing Committee, both of which provide guidelines for managing risk in credit, exchange rates and interest rates, as well as the use of derivative and non-derivative financial instruments and in investing excess cash.

As of December 31st, 2016, market value positions of Grupo Rotoplas were:

Type of instrument	Market Value (millions of pesos)
SWAP	+34.50

Relevant Events

- During the fourth quarter of 2016, Rotoplas signed a market maker services contract with UBS Casa de Bolsa, SA de CV, UBS Grupo Financiero (UBS) for a period of 12 months, starting October 12th, 2016. UBS, in order to promote liquidity in AGUA's shares.
- On November 28th, 2016, Rotoplas announced that Fitch Ratings assigned a 'AA(mex)' national scale rating with stable outlook. Also, it assigned a 'AA(mex)' rating on two debt issuances, under a Senior Notes (*Certificados Bursátiles*) program for a total amount of up to \$3.0 billion Mexican pesos or its equivalent in Investments Units (*Unidades de Inversión*, UDIS). In the same line, Standard & Poor's assigned Rotoplas a 'mxA A-' long-term national scale rating with stable outlook, and 'mxA A-' rating to the debt issuances previously mentioned, with a recovery grade of '3H'.

Share Buyback Program

As of December 31st, 2016 the Company's share buyback fund reported 8,825,101 shares in treasury.

Analyst Coverage

As of December 31st, 2016, Grupo Rotoplas is covered by analyst at the following brokerages:

- Bank of America Merrill Lynch
- Grupo Bursátil Mexicano (GBM)
- Goldman Sachs
- Santander

Results for 4Q16 and Full Year 2016

Conference Call

Grupo Rotoplas is pleased to invite you to participate in its Fourth Quarter and full year 2016 Conference Call, to be held on Friday, February 17th, 2017 at 10:30 a.m. Mexico City time (11:30 a.m. EST).

Carlos Rojas Mota Velasco, Chairman and Chief Executive Officer, and Mario Romero, Chief Financial Officer, will host the call. Remarks will be followed by a question and answer session.

To participate in the conference, call please dial:

Mexico: 001 800 289 0551

USA: 1-800-753-9188

Other Countries: 1-719-325-2262

Conference ID: 5934540 or via the Company's website: www.rotoplas.com/investors.html

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Email: agua@rotoplas.com

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 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 America's leading provider of individual and integrated water solutions for storing, carrying, and treating water. With more than 35 years' experience in the industry and 23 plants throughout the Americas, Rotoplas has a presence in 13 countries and a portfolio that includes 17 product lines. Grupo Rotoplas has been listed on the Mexican Stock Exchange (BMV) under the ticker "AGUA" since December 2014.

Results for 4Q16 and Full Year 2016

Grupo Rotoplas S.A.B. de C.V.
Consolidated Income Statement for 4TQ16 and Full Year 2016
 Non-Audited Figures – in millions of MXN

Income Statement

Figures in millions of MXN

	4Q16	4Q15	Var.	2016	2015	Var.
Net Sales	1,444	1,397	3.4%	5,353	5,700	(6.1%)
Cost of Sales	839	830	1.0%	3,097	3,397	(8.8%)
Gross Profit	606	566	6.9%	2,257	2,304	(2.0%)
<i>Gross Profit Margin</i>	<i>41.9%</i>	<i>40.5%</i>	<i>140 pb</i>	<i>42.2%</i>	<i>40.4%</i>	<i>180 pb</i>
Operating Expense	441	386	14.4%	1,677	1,641	2.2%
Operating Income	164	181	(9.0%)	580	662	(12.4%)
<i>Operating Income Margin</i>	<i>11.4%</i>	<i>12.9%</i>	<i>(150) pb</i>	<i>10.8%</i>	<i>11.6%</i>	<i>(80) pb</i>
Comprehensive Financing Cost	(3)	(6)	50.5%	70	(87)	NA
Financial Income	52	38	38.6%	218	128	70.2%
Financial Costs	55	44	26.0%	148	215	(31.0%)
Earnings Before Taxes	157	174	(10.1%)	645	576	12.1%
Taxes	49	60	(17.7%)	195	174	12.2%
Net Income	108	115	(6.0%)	451	403	11.9%
<i>Net Income Margin</i>	<i>7.5%</i>	<i>8.2%</i>	<i>(70) pb</i>	<i>8.4%</i>	<i>7.1%</i>	<i>130 pb</i>
EBITDA	224	210	6.8%	738	771	(4.3%)
<i>EBITDA Margin</i>	<i>15.5%</i>	<i>15.0%</i>	<i>50 pb</i>	<i>13.8%</i>	<i>13.5%</i>	<i>30 pb</i>

Results for 4Q16 and Full Year 2016

Grupo Rotoplas S.A.B. de C.V.**Balance Sheet as of year-end 2016 and 2015**

Non-Audited Figures – in millions of MXN

Balance Sheet

Figures in millions of MXN

	4Q16	Dec. 2015
Cash and Cash Equivalents	1,563	3,476
Accounts Receivable	1,792	1,820
Inventory	892	768
Other Current Assets	566	259
Current Assets	4,813	6,324
Property, Plant and Equipment -Net	2,283	1,304
Other Long-Term Assets	2,597	519
Total Assets	9,693	8,147
Short-term Debt	285	13
Suppliers	752	564
Other Accounts Payable	336	262
Short-term Liabilities	1,373	839
Long-term Debt	958	1,204
Other Long-Term Liabilities	37	52
Total Liabilities	2,368	2,094
Total Stockholders' Equity	7,325	6,053
Total Liabilities + Stockholders' Equity	9,693	8,147