Grupo Rotoplas

BMV:AGUA*

4Q19 Results

Mexico City, February 12, 2020

Grupo Rotoplas announces Fourth Quarter and Full Year 2019 Results

Grupo Rotoplas S.A.B. de C.V. (BMV: AGUA) ("Rotoplas" or "the Company" or "the Group"), the leading provider of water solutions (products and services) in the Americas, announced today its unaudited financial results for the fourth quarter and full year ended December 31, 2019. The information within has been prepared based on International Financial Reporting Standards (IFRS).

Figures in this document are expressed in Mexican pesos and may vary due to rounding.

Highlights 4Q19 and full year 2019:

(variations compared to 4Q18 and 2018)

- Rotoplas reported a 3.4% growth in revenues during 4Q19 and 4.0% for the full year despite a complex economic environment in its main operating regions.
- Quarterly sales grew by 5.4% in Mexico and decreased 6.3% in Argentina. On an annual basis, revenues increased by 21.8% in Argentina and decreased by 1.1% in Mexico.
- During the quarter services increased by 44.6% and products by 0.2%. Annually, products grew by 4.6% and services decreased by 2.8%.
- Adjusted EBITDA margin[1] for the quarter increased by 180 bps to reach 18.2% and cumulatively improved 70 bps to reach 17.5%. This increase is linked to strict cost control, lower raw material prices and the divestment of unprofitable operations.
- Net income decreased for both periods due to higher financial expenses related to an increase in interest payments, an impact from exchange rate hedges as well as the monetary position and exchange rate losses in Argentina.
- ROIC increased by 250 bps from 7.3% in 2018 to 9.8% in 2019.
- Net Debt/EBITDA closed at 0.8x, 42% lower than December 2018.
- The cash conversion cycle improved by 14 days as a result of more efficient working capital management.
- The Company became part of the IPC Sustainable Index and consolidated its position in the DJSI MILA Pacific Alliance Index.

[1] Adjusted EBITDA excludes non-recurring expenses (donations and expenses related to M&A) for amounts of Ps. $3 million in 4Q19, $6 millon in 2019, $2 million in 4Q18 and $38 million in 2018. Additionally, for the sale of the manufacturing assets in the US, discontinued operations were segregated, increasing 2019 EBITDA by $33 million and 2018 by $44 million.

Guidance for 2020

On February 12, the Board of Directors approved the 2020 earnings guidance and based on the information available at that date, it set out the following:

- Net sales growth above or equal 10.0% compared to 2019.
- EBITDA margin above or equal to 18.0%.
- Net Debt/EBITDA below 2.0x.
- Return on invested capital above or equal to cost of capital, ROIC ≥ WACC.

Message from the CEO

2019 was an important year for the Group with the initiation of *Flow*, the organizational transformation program that provides a new approach to profitable growth for the business.

We finished the year in line with expectations. Sales grew by 4.0%, with an Adjusted EBITDA margin of over 17% and a Net Debt/EBITDA ratio lower than 1.0x. Additionally, our ROIC improved by 34%, reaching 9.8%. We also improved the cash conversion cycle by 14 days.

In Mexico, given the uncertain macroeconomic and political environment, sales were resilient and revenues at the service platform improved significantly during the second half of the year. Likewise, EBITDA margin expanded by 160 bps. The commercial strategy in Argentina has paid off; through a better price structure and export sales, we countered the negative effect of inflation and served different segments of the population while continuing to gain market share.

In the United States, we continue to focus on the development of our e-commerce platform, strengthening our human talent and the platform to increase our presence in the market.

The growth, profitability and organizational health goals defined in *Flow* will be achieved mainly through innovation initiatives, better capital allocation, talent development, operational efficiency and the strengthening of the balance sheet.

We view 2020 with optimism. While we continue to bring the *Flow* initiatives into fruition, we will remain focused on growth and optimizing our results for every stakeholder.

Carlos Rojas

Carlos Rojas Aboumrad
CEO of Grupo Rotoplas, S.A.B. de C.V.

Selected financial Information – Income Statement and Balance Sheet

(Million MXN)

Income Statement	4Q19	4Q18	Var (%)	2019	2018	Var.
Net Sales	**2,108**	**2,039**	*3.4%*	8,086	7,777	*4.0%*
Cost of Sales	1,215	1,186	*2.4%*	4,692	4,674	*0.4%*
Gross Profit	894	853	*4.7%*	3,395	3,103	*9.4%*
Gross Profit Margin	*42.4%*	*41.8%*	*60 bps*	*42.0%*	*39.9%*	*210 bps*
Operating Income	295	240	*22.7%*	1,067	926	*15.3%*
Operating Income Margin	*14.0%*	*11.8%*	*220 bps*	*13.2%*	*11.9%*	*130 bps*
Comprehensive Financing Result	(154)	(114)	*35.4%*	(557)	(251)	*122.2%*
Taxes	110	84	*30.7%*	250	279	*(10.2%)*
Net income before discontinued operations	**32**	**43**	***(26.1%)***	260	397	*(34.2%)*
Net income margin	*1.5%*	*2.1%*	*(60) bps*	*3.2%*	*5.1%*	*(190) bps*
EBITDA	382	333	*14.6%*	1,407	1,265	*11.2%*
Adjusted EBITDA[2]	**384**	**335**	***14.7%***	**1,413**	**1,303**	***8.4%***
Adjusted EBITDA Margin	*18.2%*	*16.4%*	*180 bps*	*17.5%*	*16.8%*	*70 bps*
Profit / Loss from discontinued operations	(0.3)	-	*NA*	(147)	(9)	*NA*
Net Profit / Loss after discontinued operations	32	43	*(25.6%)*	113	386	*(70.7%)*

For comparison purposes, these figures vary from the previously-reported in 2018. These now exclude the manufacturing operations in the United States of America as they have been considered as discontinued due to its sale in July 2019. This adjustment subtracts Ps. 82 million from yearly net sales and increases adjusted EBITDA by Ps. 44 million over the year; it also recognizes a loss from Discontinued Operations of Ps. 9 million in 2018.

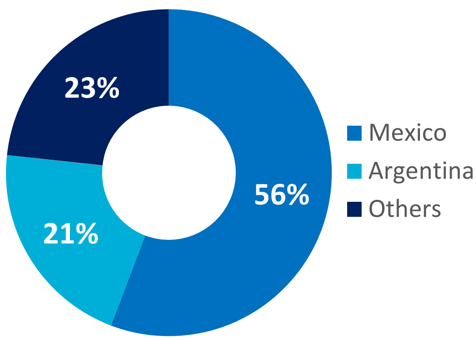
Balance Sheet	2019	2018	Var (%)
Cash and cash equivalents	1,848	1,050	*75.9%*
Total Debt	2,935	2,923	*0.4%*
Net Debt	1,087	1,873	*(41.9%)*
Net Debt / Adjusted EBITDA	0.8 x	1.4 x	*(0.7) x*
ROIC (NOPAT U12M / Average invested capital, t, t-1)	9.8%	7.3%	*34.0%*

Invested Capital: Total Assets – Cash and cash equivalents – Short term liabilities

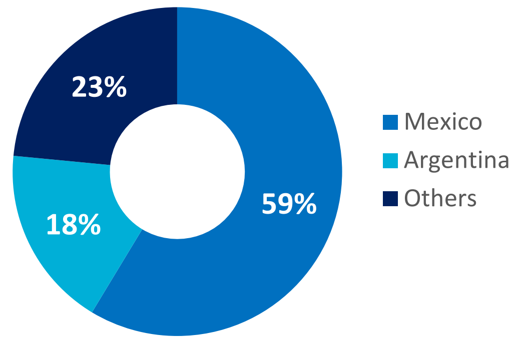
[2] Adjusted EBITDA excludes non-recurring expenses (donations and expenses related to M&A) for amounts of Ps. $3 million in 4Q19, $6 million in 2019, $2 million in 4Q18 and $38 million in 2018. Additionally, for the sale of the manufacturing assets in the US, discontinued operations were segregated, increasing 2019 EBITDA by $33 million and 2018 by $44 million.

Sales and Adjusted EBITDA by Country

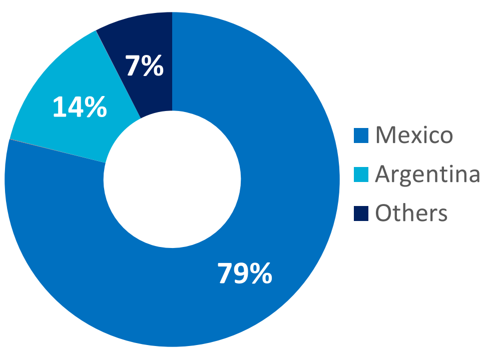
Sales by Region 2019



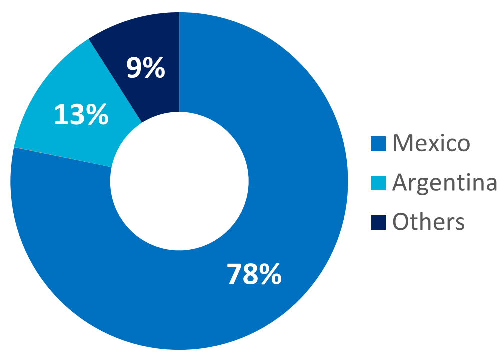
Sales by Region 2018



EBITDA by Region 2019



EBITDA by Region 2018



Income Statement Analysis

Net Sales and Adjusted EBITDA by Country

Summary by Country

(Million MXN)

Net Sales	4Q19	4Q18	*Var (%)*	2019	2018	*Var.*
Mexico	1,166	1,106	*5.4%*	4,511	4,563	*(1.1%)*
% of total	*55%*	*54%*	*100 bps*	*56%*	*59%*	*(290) bps*
Argentina	484	516	*(6.3%)*	1,694	1,391	*21.8%*
% of total	*23%*	*25%*	*(240) bps*	*21%*	*18%*	*300 bps*
Others	459	416	*10.2%*	1,881	1,824	*3.2%*
% of total	*22%*	*20%*	*140 bps*	*23%*	*23%*	*(10) bps*

Adjusted EBITDA	4Q19	4Q18	*Var (%)*	2019	2018	*Var.*
Mexico	264	233	*13.4%*	1,115	1,020	*9.4%*
Adjusted EBITDA Margin	*22.7%*	*21.1%*	*160 bps*	*24.7%*	*22.3%*	*240 bps*
Argentina	92	80	*14.4%*	191	166	*15.5%*
Adjusted EBITDA Margin	*19.0%*	*15.6%*	*340 bps*	*11.3%*	*11.9%*	*(60) bps*
Others	28	22	*29.4%*	106	118	*(9.6%)*
Adjusted EBITDA Margin	*6.1%*	*5.2%*	*90 bps*	*5.7%*	*6.5%*	*(80) bps*

- Mexico

Net sales amounted to Ps. 1,166 million in the fourth quarter and to Ps. 4,511 million for the full year. During the quarter, despite an economic downturn of -0.3% in Mexico, revenues increased by 5.4% driven by better traction in the service platform due to the initiation of operations and billing of water treatment and recycling plants. Additionally, *bebbia* maintains its growth rate, doubling sales and units installed.

Adjusted EBITDA for the quarter reached Ps. 264 million, an increase of 13.4%, driven by lower raw material costs, as well as higher selling prices. The cumulative adjusted EBITDA margin reached 24.7%, an increase of 240 bps.

- Argentina

Net sales for the quarter in Argentina reached Ps. 484 million, a 6.3% decrease in Mexican Pesos; however, in local currency sales grew by 53.7%.

We continue to manage a price structure that considers increases aligned to inflation and with the segmentation of products in order to meet the needs of different social segments. These strategies have boosted market share in water flow and water treatment.

During the quarter, a cross-selling strategy to unify storage, flow and water treatment sales was launched with the objective of increasing sales per customer.

Cumulative net sales reached Ps. 1,694 million, an increase of 21.8%.

The Adjusted EBITDA margin reached 19.0% in the quarter and 11.3% over the year, an increase of 340 bps and a decrease of 60 bps, respectively. The margin was constrained by costs and charges from foreign currency exposure, mainly to the US dollar. However, greater spending efficiencies during the last quarter and export sales increased the EBITDA margin.

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

Due to the Argentine accumulation of an inflation higher than 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 1st, 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.

Due to the aforementioned, both in 4Q19 and cumulatively, the impact of the above resulted in an increase of Ps. 43 and Ps. 115 million respectively in financial expenses, negatively impacting the Comprehensive Financing Result.

- Other Countries

Net sales from other countries (United States of America, Peru, Brazil, Guatemala, El Salvador, Costa Rica, Honduras and Nicaragua) reached Ps. 459 million, an increase of 10.2% vs 4Q18 and Ps. 1,881 million annually, an increase of 3.2% vs 2018.

In the United States, e-commerce platform sales grew thanks to the strengthening of the commercial team, the platform update and a multi-channel sales strategy which included websites, a call center and seven physical stores. Following the sale of the manufacturing assets in July 2019, the strategy to focus on e-commerce has been consolidated.

Central America and Peru continue their stable and profitable operation, with sales growth and a double digit increase in EBITDA compared to 2018. In Central America, a commercial strategy focused on the northern cone (Guatemala, El Salvador and Honduras) and the implementation of a new commercial policy segmented by country have boosted sales volumes and made it possible to price products more appropriately.

In Peru, storage sales benefited from a restriction in water supply due to the maintenance of water infrastructure in Lima and the surrounding area. In addition, sales of the water flow category commenced last year, completing the product portfolio in this location and providing additional sales.

By year end, sales of the premium tank and the open water tank in Brazil accounted for 3.7% of the Group's total sales.

Adjusted EBITDA grew by 29.4% in the quarter despite a decrease in the profitability of Brazil due to strong price competition within the storage category. Over the year, EBITDA decreased 9.6% mainly due to the absence of economies of scale in Brazil.

Summary by Product and Service - Sales and EBITDA
(Million MXN)

Net Sales	4Q19	4Q18	Var (%)	2019	2018	Var (%)
Products	1,896	1,892	0.2%	7,462	7,135	4.6%
% de total	*90.0%*	*92.8%*	*(280) bps*	*92.3%*	*91.7%*	*60 bps*
Services	212	146	44.6%	624	642	(2.8%)
% de total	*10.0%*	*7.2%*	*280 bps*	*7.7%*	*8.3%*	*(60) bps*

Adjusted EBITDA	4Q19	4Q18	Var (%)	2019	2018	Var (%)
Products	364	327	11.2%	1,365	1,220	11.9%
Adjusted EBITDA Margin	*19.2%*	*17.3%*	*190 bps*	*18.3%*	*17.1%*	*120 bps*
Services	21	8	(158.8%)	48	84	(42.2%)
Adjusted EBITDA Margin	*9.7%*	*5.4%*	*430 bps*	*7.7%*	*13.0%*	*(530) bps*

Government transactions accounted for 2.5% of sales for the full year. This is lower than the internal guidelines of maintaining this exposure below 10% of the Group's total income.

- Products

Net sales grew by 0.2% in 4Q19, to reach Ps. 1,896 million. Mexico has shown resilience in the face of an economic downturn, while in Argentina, disciplined execution of the business plan and the offer of mid-range and low-end solutions have contributed to increased market share in the water flow category and water treatment plants.

In the United States sales have been boosted and consolidated after the technology platform update. This platform is complemented by a call center and seven physical stores where you can collect products; they also serve as demonstration rooms.

Cumulative net sales grew by 4.6%, reaching Ps. 7,462 million.

The adjusted EBITDA margin in 4Q19 was 19.2% and 18.3% for the full year, an increase of 190 bps and 120 bps, respectively, driven by lower raw material costs, efficiencies in production processes and better price levels for sales, coupled with disciplined cost control.

- Services

The 44.6% increase in net sales through the service platform in the quarter was due to the recording of revenues from water treatment and recycling plants that began operations and billing after several months under construction. Additionally, *bebbia* grew significantly, doubling sales and increasing from 8,500 units installed in 2018 to 18,880 in 2019.

Cumulative net sales decreased by 2.8% linked to lower revenues from school drinking water fountains due to the lack of consistency in tenders and contracts with government and a longer lag time between the construction and billing of water treatment plants which impacted revenues during the first half of the year.

The quarterly Adjusted EBITDA margin reached 9.7%, an increase of 430 bps over the quarter, due to higher prices in the new water treatment plant contracts. The margin decreased by 530 bps on an annual basis, due to a strong investment in multichannel marketing, the strengthening of the sales force and installation professionals for the expansion of *bebbia* and the water treatment and recycling plants business "Sytesa".

Gross Profit

The gross margin increased by 60 bps, from 41.8% to 42.4% in 4Q19, due to lower raw material costs, improvements in production processes and increases in sales prices. Likewise, on an annual basis the gross margin increased 210 bps compared to 2018, to reach 42.0%.

Operating Profit

Operating income grew by 22.7% in the quarter, reaching Ps. 295 million, which represented a margin of 14.0%, an increase of 220 bps against the same period of last year. This improvement is due to low raw material costs, efficiencies in the manufacturing processes and expense control, aligned with the *zero-base budget* methodology.

Cumulative operating income reached Ps. 1,067 million, an increase of 15.3%, more than the 4.0% increase in net sales as a result of various strategic, operational and cost control initiatives.

Comprehensive Financing Result

The Comprehensive Financing Result in 4Q19 was an expense of Ps. 154 million, compared to Ps. 114 million in the same period of the previous year. This increase was mainly due to a higher net interest payment, which reached Ps. 41 million, due to an increase in the level of net debt and a negative effect of Ps. 33 million related to exchange rate hedging financial instruments. Additionally, the recognition of hyperinflation in Argentina, as well as exchange rate losses, contributed to negative Ps. 23 million impact.

The cumulative Comprehensive Financing Result was an expense of Ps. 557 million, compared to an expense of Ps. 251 million from January to December 2018. This increase corresponds to higher net interest payment of Ps. 221 million, an impact due to the devaluation of the currency and loss due to the monetary position in Argentina of Ps. 171

million. A negative effect of Ps. 72 million was recorded due to an exchange rate hedge (MXN/USD).

Income Tax

The income tax for the fourth quarter amounted to Ps. 110 million and on a cumulative basis, the registered tax was Ps. 250 million.

Net Income

Net income before discontinued operations in 4Q19 reached Ps. 32 million. It was affected by an increase in financial expenses, the effect of hyperinflation and foreign exchange losses in Argentina, as well as debt interest payments and the exchange rate hedge. The margin was 1.5%, a decrease of 60 bps.

Cumulatively, net income before discontinued operations reached Ps. 260 million, a slowdown of 34.2% compared to 2018 and representing a margin of 3.2%. The 190 bps decrease resulted from higher financial expenses; debt interest payments of Ps. 251 million, foreign exchange losses and hyperinflation have an impact in Argentina of Ps. 171 million and Ps. 72 million related to Forex hedge instruments.

Additionally, in July, Ps. 146 million were recognized as loss from discontinued operations resulting from the sale of manufacturing assets in the United States of America and the recognition of deferred taxes for losses in previous years.

CapEx

(Million MXN)

	2019	%
Mexico	257	78%
Argentina	44	13%
Others	29	9%
Total	329	100%

Capital investments made in 2019 represented 4.1% of sales, with Mexico being the country to which most resources were allocated, amounting to 75% of the total. These resources include Ps. 105 million that have been used to focus on water treatment and recycling plants, and Ps. 57 million intended for the storage category.

Additionally, under the heading 'Others,' is the investment for the update of the e-commerce platform in the United States, representing 5% of total CapEx.

Balance Sheet

Debt

(Million MXN)

	2019	2018	*Var (%)*
Total Debt	2,935	2,923	*0.4%*
Short-term Debt	606	7	*NA*
Long-term Debt	2,329	2,916	*(20.1%)*
Cash and Cash Equivalents	1,848	1,050	*75.9%*
Net Debt	1,087	1,873	*(41.9%)*

Debt Maturity Profile

As of December 31, 2019, Ps. 600 million, or 20% of the debt was issued at a variable rate, has a rate coverage and has a repayment date in June 2020; the remaining Ps. 2,400 million have a maturity date in 2027 and were issued at a fixed rate. 100% of the debt is denominated in Mexican Pesos.

Working Capital
(Days)

	2019	2018	*Var (days)*
Days of Inventory	66	68	(2)
Days of Portfolio	60	71	(11)
Days of Payable Outstanding	64	63	1
Cash Conversion Cycle	62	76	(14)

Through various initiatives, such as negotiating conditions with customers and suppliers, mainly in Mexico and Argentina, as well as efficient inventory management, the cash conversion cycle was improved by 20%, equivalent to Ps. 167 million.

Free Cash Flow from Operations

Cumulatively, Rotoplas' free cash flow improved compared to the same period last year. The cash generated from operations was Ps. 1,224 million, representing an increase of 5.2%, compared to 2018. Ps. 329 million were allocated to CapEx, Ps. 174 million to cash capital reimbursement and Ps. 7 million to the stock repurchase program.

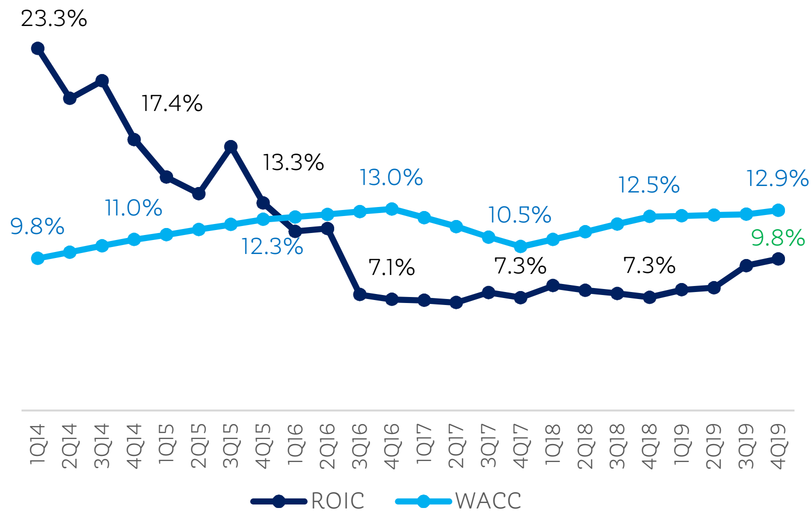
Financial Ratios
(EPS in MXN)

	2019	2018	*Var (%)*
Net Debt / Adjusted EBITDA	0.8 x	1.4 x	(0.7) x
Total Liabilities / Total Stockholder's Equity	0.8 x	0.8 x	0.0 x
Total Earnings per Share*	0.54	0.81	(34.2%)

* Net Income before discontinued operations divided by 486.2 million shares, in MXN.

Leverage as of the fourth quarter of 2019 is within the 2.0x Net Debt/EBITDA debt guidelines established by the Board of Directors.

ROIC / Cost of Capital



ROIC: NOPAT U12M/Average Invested Capital t, t-1.
Invested Capital: Total assets – Cash and cash equivalents – Short term liabilities

Financial Derivatives
(Million MXN)

The use of financial derivatives is governed by the recommendations and policies established by the Board of Directors and supervised by the Audit Committee, which provide guidelines on the management of foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial investments, and excess cash investments.

As of December 31, 2019, the market value of Rotoplas' derivative positions were:

Instrument	Market value
SWAP	7.35
Forward	15.90
Total	23.25

Stock Repurchase Program

Grupo Rotoplas has a fund for the repurchasing of shares with the purpose of increasing share liquidity.

As of December 31, 2019, the repurchase fund held 24.3 million shares, that amount to Ps. 588 million.

Collaborators

As of December 31, 2019, the total number of collaborators was 3,299 a 0.7% decrease when compared to 2018.

Environmental, Social and Governance (ESG)

- During the quarter, as a result of an arduous process of understanding the risks and business opportunities posed by climate change for Grupo Rotoplas, we highlight the launching of our Climate Change Strategy.

  This strategy is characterized by having a multi-actor orientation, as it addresses the needs of different stakeholders; customers or end users, investors, collaborators, suppliers, the community, etc. and seeks to create value for all of them from a climate perspective. That is, to help them mitigate and adapt to the risks arising from climate change. The strategy has three approaches:

- Mitigation – emission reduction
- Adaptability – reducing vulnerability
- Opportunities –products and services

  Within the strategy framework and as part of the implementation of the first stage of initiatives, an analysis was carried out to identify the products and services that help increase the resilience of clients and end users when facing different climatic phenomena, like droughts, floods, water pollution, etc.

Press Releases

- **S&P Global Ratings confirms its 'mxAA-' rating for AGUA 17-2X senior notes issuance, after the proposed second reopening amounting up to $1,600 million pesos** – On February 7th, S&P Global Ratings reaffirmed its long-term credit rating in national scale, of 'mxAA-', after the proposal to have a second reopening for $1,600 million pesos of its senior notes AGUA 17-2X. With this amount the issuance would reach a total amount of $4,000 million pesos.

- **Fitch has assigned 'AA(mex)' rating to the second reopening of senior notes AGUA 17-2X** – On February 7th, Fitch assigned 'AA(mex)' rating in national scale to the second reopening of the second issuance of additional senior notes with ticker AGUA 17-2X, for an amount up to Ps. $1,600 million pesos, that together with the first reopening of the second issuance of additional senior notes and the second issuance of original senior notes AGUA 17-2X will amount up to Ps. $4,000 million pesos, with maturity date June 16th 2027, fixed rate and denominated in Mexican pesos. The reopening is part of the revolving long-term senior notes program, authorized by the Mexican Banking and Securities Commission (CNBV), for an amount up to Ps. $4,000 million pesos or its equivalent in investment units indexed to inflation in Mexico (UDIs).

- **Announcement of total voluntary early amortization of "AGUA 17X" senior notes**– On February 5th, Rotoplas announced that the voluntary early amortization of the entire outstanding principal of senior notes in circulation will be carried out on February 13, 2020. This will be at an early redemption price of $100.011560 for each senior note plus the ordinary interest accrued and not paid on the principal of the senior notes in circulation.

- **Fitch reaffirms Grupo Rotoplas at 'AA(mex)'; outlook stable** – On October 28th, Fitch affirmed the following ratngs:
  - Long-term national scale at 'AA(mex)';
  - Long-term national scale for the issuance of senior notes AGUA 17X at 'AA(mex)';
  - Long-term national scale for the issuance of senior notes AGUA 17-2X at 'AA(mex)'.

  The long-term national scale outlook is stable.

- **Grupo Rotoplas renews market maker agreement with UBS** – On October 7th, Rotoplas announced that it has renewed its market maker services agreement with UBS Casa de Bolsa S.A. de C.V., UBS Grupo Financiero (UBS) for a period of 12 additional months.

Analyst Coverage

As at December 31, 2019, analyst coverage was provided by:

Institution	Analyst	Contact	Recommendation	TP*
Actinver	José Cebeira	jcebeira@actinver.com.mx	Buy	$20.20
Bank of America	Eric Neguelouart	eric.neguelouart@baml.com	Sell	$26.00**
GBM	Liliana de León	ldeleon@gbm.com	Buy	$29.00
Signum Research	Alain Jaimes	alain.jaimes@signumresearch.com	-	-

*Target price.
**Not updated.

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

Income Statement

(Non-audited figures, in millon MXN)

	4Q19	4Q18	*Var.*	2019	2018	*Var.*
Net Sales	2,108	2,039	3.4%	8,086	7,777	4.0%
COGS	1,215	1,186	2.4%	4,692	4,674	0.4%
Gross Profit	894	853	4.7%	3,395	3,103	9.4%
Gross Profit Margin	*42.4%*	*41.8%*	*60 bps*	*42.0%*	*39.9%*	*210 bps*
Operating Expenses	599	613	(2.3%)	2,327	2,178	6.9%
Operating Income	295	240	22.7%	1,067	926	15.3%
Operating Income Margin	*14.0%*	*11.8%*	*220 bps*	*13.2%*	*11.9%*	*130 bps*
Comprehensive Financing Cost	(154)	(114)	35.4%	(557)	(251)	122.2%
Financial Income	25	135	(81.5%)	94	205	(54.4%)
Financial Cost	(179)	(249)	(28.1%)	(651)	(456)	42.8%
Earnings Before Taxes	142	127	11.5%	511	674	(24.3%)
Taxes	110	84	30.7%	250	279	(10.2%)
Net Income Before Discontinued Operations	32	43	(26.1%)	260	397	(34.2%)
Net Income Margin	*1.5%*	*2.1%*	*(60) bps*	*3.2%*	*5.1%*	*(190) bps*
EBITDA	382	333	14.6%	1,407	1,265	11.2%
Adjusted EBITDA[3]	384	335	14.7%	1,413	1,303	8.4%
Adjusted EBITDA Margin	*18.2%*	*16.4%*	*180 bps*	*17.5%*	*16.8%*	*70 bps*
Profit/Loss from Discontinued Operations	*(0.3)*	*-*	*NA*	*(147)*	*(9)*	*NA*
Net Profit/Loss after Discontinued Operations	*32*	*43*	*(25.6%)*	*113*	*386*	*(70.7%)*

For comparison purposes, these figures vary from the previously reported in 2018. These now exclude the manufacturing operations in the United States of America as they have been considered as discontinued due to its sale in July 2019. This adjustment subtracts Ps. 82 million from yearly net sales and increases adjusted EBITDA by Ps. 44 million over the year; it also recognizes a loss from Discontinued Operations of Ps. 9 million in 2018.

[3] Adjusted EBITDA excludes non-recurring expenses (donations and expenses related to M&A) for amounts of Ps. $3 million in 4Q19, $6 million in 2019, $2 million in 4Q18 and $38 million in 2018. Additionally, for the sale of the manufacturing assets in the US, discontinued operations were segregated, increasing 2019 EBITDA by $33 million and 2018 by $44 million.

Balance Sheet

(Non-audited figures, in million MXN)

	2019	2018	*Var.*
Cash and Cash Equivalents	1,848	1,050	*75.9%*
Accounts Receivable	1,709	1,764	*(3.1%)*
Inventory	894	1,057	*(15.4%)*
Other Current Assets	665	878	*(23.9%)*
Current Assets	5,117	4,749	*7.7%*
Property, Plant and Equipment – Net	2,499	2,653	*(5.8%)*
Other Long-term Assets	3,886	4,448	*(12.6%)*
Total Assets	11,502	11,850	*(2.9%)*
Short-term Debt	606	7	*NA*
Suppliers	349	400	*(12.7%)*
Other Accounts Payable	1,250	1,210	*3.3%*
Short-term Liabilities	2,205	1,616	*36.4%*
Long-term Debt	2,329	2,916	*(20.1%)*
Other long-term Liabilities	478	554	*(13.6%)*
Total Liabilities	5,012	5,087	*(1.5%)*
Total Stockholders' Equity	6,490	6,764	*(4.1%)*
Total Liabilities + Stockholder's Equity	11,502	11,850	*(2.9%)*

Conference Call

Grupo Rotoplas
(BMV: AGUA*)

Cordially invites you to their Fourth Quarter and
Full Year 2019 Conference Call.

Thursday, February 13th,
10:00am Mexico City Time (11:00am, EST)

The leadership team will comment on their fourth quarter results, followed by a question and answer session.

- Carlos Rojas Mota Velasco – CEO
- Mario Romero Orozco – CFO

Webcast:

http://public.viavid.com/index.php?id=137813

Numbers:
Mexico: 01-800-062-2962
United States: 1-888-220-8451
Other Countries: 1-323-794-2588
Conference Number: 6870355

The conference recording will be available afterwards at:
https://rotoplas.com/inversionistas/

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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 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, piping, improving, treating and recycling water. With 40 years' experience in the industry and 20 plants throughout the Americas, Rotoplas is present in 14 countries and has a portfolio that includes water services and 27 product lines. Grupo Rotoplas has been listed on the Mexican Stock Exchange (BMV) under the ticker "AGUA" since December 10, 2014.

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