



Mexico City, February 07<sup>th</sup>, 2024

Grupo Rotoplas S.A.B. de C.V. (BMV: AGUA\*) ("Rotoplas", "the Company"), America's leading company in water solutions, reports its unaudited fourth quarter and full year 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 | 4Q23 vs 4Q22

- **Net sales** increased 8.0% to reach Ps. 3,376 million, a record figure for a fourth quarter, driven by a double-digit increase in service sales for the fifth consecutive quarter and a recovery in products demand.

*If the 2022 exchange rate were considered and the devaluation effect in Argentina isolated, the increase in net sales would have been 16.0%.*

- During the period, Rotoplas aimed to achieve a balance between growth and profitability by participating in promotional campaigns such as *Ofertas Azules* in Mexico, which had an impact on quarterly operating margins. However, it was able to maintain an annual **EBITDA margin** in line with the financial guidance, reaching 17.5%.
- **Net income** decreased 90.5% due to higher operating expenses in the quarter, alongside increased financial expenses. The latter expenses were particularly affected by the inflationary environment in Argentina, as well as foreign exchange losses related to the strength of the Mexican peso.

## HIGHLIGHTS | FULL YEAR 2023 vs 2022

- In an environment marked by challenges, including increased caution in consumer spending, the strength of the Mexican peso and specific macroeconomic and climatic factors, the Company adopted a strategy focused on the variables within its control, including: **1)** operational excellence, **2)** maintaining brand leadership, and **3)** the expansion of new businesses.

This approach allowed the Company to improve its EBITDA margin by 200 bps and maintain or increase its market share. Likewise, the services platform grew and ROIC closed with an 80 bps expansion.

- **Net sales** closed at Ps. 12,146 million, 4.9% below 2022 due to a high comparative base in products related to severe droughts in the previous year, as well as the impact of the "super peso" on sales of subsidiaries outside Mexico.

*If the 2022 exchange rate were considered and the devaluation effect in Argentina isolated, the growth in net sales would have been 1.6%.*



- **Product sales** decreased 6.6% while **service sales**, which represent 5.1% of total sales, increased 42.6% to Ps. 625 million. This was the result of the expansion of *bebbia*, good traction of the water treatment and recycling plants business in Mexico, as well as the development of our irrigation business.
- The **gross margin** closed at 44.5%, an increase of 290 bps, which reflects the commercial strategy to protect profitability and a benefit in the cost of raw materials.
- **Operating income** declined 1.6% to Ps. 1,559 million, while **operating margin** expanded 40 bps to close the year at 12.8%.
- **EBITDA** grew 7.5 %, closing at Ps. 2,131 million, a historical record, which represents a 200 bps expansion in **EBITDA margin** to 17.5%, in line with the financial guidance.
- **Net income** closed at Ps. 280 million, 64.6% below 2022, due to higher financial expenses resulting from the impact of the MXN/USD exchange rate hedge, inflationary effect in Argentina, and foreign exchange losses.
- **ROIC** increased by 80 basis points, to close at 14.9%, and remains 260 bps above the cost of capital.
- Net Debt/EBITDA **leverage** closes at 1.6x and the cash conversion cycle is optimized by 29 days due to improved working capital management and the restatement of the balance sheet in Argentina. Likewise, interest coverage increased 7.8%. However, macroeconomic effects related to exchange rates and inflation have impacted cash flow generation.
- During the year, Ps. 609 million were invested in **CapEx**, mainly allocated to update the production process of storage solutions, keeping the legacy product portfolio competitive and up to date.

## HIGHLIGHTS | OTHER MILESTONES 2023

- In September, the Company entered into a **strategic agreement with Google Cloud** to incorporate artificial intelligence solutions in its functional areas, businesses, and internal processes. Additionally, the Google Cloud platform will be integrated with **RISE with SAP** solution, with the goal of advancing the company's digital transformation.
- In December, during AGUA Day, the **Programmatic M&A Strategy** was announced. The first action under this strategy was the acquisition of assets from **HiTech** Irrigation of Mexico, a company specializing in irrigation services and systems. The objective of this transaction is to strengthen the capabilities of **rieggio**, in alignment with the Company's growth strategy.



- **Record levels of customer satisfaction** were achieved due to the user centered approach implemented through the **User Experience Committees**, increasing the Group's Net Promoter Score (NPS) from 72 to 76.
- The Company's greenhouse gas reduction targets have been submitted for validation by the **Science Based Target Initiative SBTi**, increasing its ambition from being a carbon neutral company by 2040 to being **Net Zero by 2050**.
- The **CDP 2023 Climate Change Questionnaire** score improved from B to A-, achieving a leadership position and outperforming the industry average, as well as the North American and global averages.
- Grupo Rotoplas received the following awards and recognitions during the year:
  - **S&P Sustainability Yearbook 2023**.
  - **Leading Company in Sustainable Innovation Award**, in the Social category, granted by HSBC, in collaboration with EY Mexico.
  - **Distinction 'Company Committed to Labor Inclusion of People with Disabilities'** awarded by Éntrale in Mexico.
  - Best Economic Performance in the **2023 Sustainability Index by Environmental Management** media in Argentina.
  - Peru received the **Sustainable Management Company Distinction**, awarded by the **Perú Sostenible** organization.

## AGUA\*

- In May, a **cash capital reimbursement** of Ps. 0.50 (fifty cents) per share was paid to shareholders.
- In November, a **capital reimbursement in kind** was paid with treasury shares by delivering one share for every 30 shares held.
- Rotoplas was ratified as a component of the **ESG index of the Mexican Stock Exchange** and remained in the **DJSI MILA Pacific Alliance** for the sixth consecutive year.
- The Company moved up 1 place in the **Mexican Stock Exchange's Liquidity Index** to the 50th place.



## KEY FIGURES | FINANCIAL DATA

	4Q			12M			
	2023	2022	%Δ	2023	2022	%Δ	
Income Statement	Net Sales	3,376	3,125	8.0%	12,146	12,774	(4.9%)
	%gross margin	44.5%	45.0%	(50) bps	45.5%	42.6%	290 bps
	Operating Income	352	452	(22.0%)	1,559	1,584	(1.6%)
	% margin	10.4%	14.5%	(410) bps	12.8%	12.4%	40 bps
	EBITDA <sup>1</sup>	554	550	0.7%	2,131	1,982	7.5%
	% margin	16.4%	17.6%	(120) bps	17.5%	15.5%	200 bps
	Net Income	39	405	(90.5%)	280	791	(64.6%)
% margin	1.1%	13.0%	NM	2.3%	6.2%	(390) bps	
Balance	Cash and Cash equivalents	566	673	(15.9%)			
	Debt with cost	4,028	4,009	0.5%			
	Net Debt	3,462	3,337	3.8%			
Cumulative Cash Flow	Operating Cash Flow	1,290	998	29.2%			
	CapEx	609	659	(7.6%)			
	Working Capital	(168)	(678)	(75.3%)			
Others	Net Debt / EBITDA	1.6 x	1.7 x	(0.1) x			
	ROIC	14.9%	14.1%	80 bps			
	Cash Conversion Cycle	42	71	(29) days			

## RELEVANT FIGURES | JANUARY - DECEMBER 2023

**3,483**  
Employees

**+32,000**  
Sales points

**3.3%**  
Government transactions

**+6,700**  
e-commerce clients

**+110,000**  
bebbia units

**26.9 million**  
20L water jugs saved

<sup>1</sup> EBITDA considers donations of Ps. 12.3 million in 4Q23 and Ps. 19.2 million in 2023. There were no donations in 2022.



## MESSAGE | CEO

Dear Investors,

The fourth quarter has helped us to validate the relevance of decentralized solutions as a vital complement to public infrastructure, providing access to water and sanitation in the amount and with the quality that the population currently requires.

Toward the end of the year, the Cutzamala system began to have difficulties in supplying water to the Valley of Mexico, causing outages in several municipalities in the metropolitan area. This event, along with our Ofertas Azules, contributed to the highest December sales of storage solutions in Mexico in the last seven years.

During the year, despite the impact on products sales growth due to the strength of the Mexican peso, we were able to maintain the leadership of our brands and continue our strong momentum in the expansion of our services businesses. We focused our talent on pursuing profitability, as well as improving user experience and providing solutions that support population adaptation to climate change, as well as mitigating its effects.

Likewise, the management of working capital and prudence in cash management throughout the year, even considering the impact on cash flow generation by exchange rates and inflation, helped us maintain a healthy leverage level and increase interest coverage on debt.

In terms of sustainability, I would like to highlight that, in addition to receiving several recognitions, we managed to reduce CO2e Scope 1 and 2 emissions by 12% at the Group level, while 24% of our processed resins came from recycled material. Additionally, in response to the crisis in the state of Guerrero caused by Hurricane Otis, we reaffirmed our commitment to the community by activating the Water Program for Affected Areas (PAZA).

Looking ahead to 2024, we will take firm steps to progress in our key initiatives, including the digitization of our operations, supported by the strategic collaboration with Google Cloud and RISE with SAP. Additionally, we will focus on the evolution of our Programmatic M&A strategy, the implementation of the new manufacturing technology for storage solutions in the remaining plants in Mexico, and the expansion of our services businesses.

I thank you for another year of loyalty and trust in Rotoplas. Rest assured that we remain steadfast in our commitment to fostering a culture of sustainability around water for the benefit of present and future generations, while remaining true to our mission.

A handwritten signature in cursive script, appearing to read "Carlos Rojas".

Carlos Rojas Aboumrad

## INVITATION | EARNINGS CALL

Thursday, February 08<sup>th</sup>, 10:00 am CDMX time (11:00pm, EST)

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

**Link:** [https://rotoplas.zoom.us/webinar/register/WN\\_alflr7cPTwSKva4Dp7vZmA#/registration](https://rotoplas.zoom.us/webinar/register/WN_alflr7cPTwSKva4Dp7vZmA#/registration)



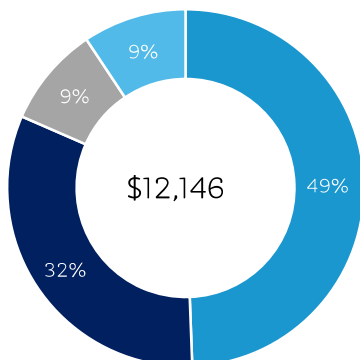
## GUIDANCE | 2023-2024

	Metrics	2023 Revised Guidance	2023 Results	2024 Guidance
Guidance	Increase in net sales	(8%)	(5%)	> 10%
	EBITDA Margin	17.0% - 18.0%	17.5%	18.0% - 19.0%
	Net Debt / EBITDA	< 2.0x	1.6x	< 2.0x
	ROIC	ROIC = WACC + 350 bps	ROIC = WACC + 260 bps	ROIC = WACC + 200 bps

## EBITDA | BY REGION AND SOLUTION

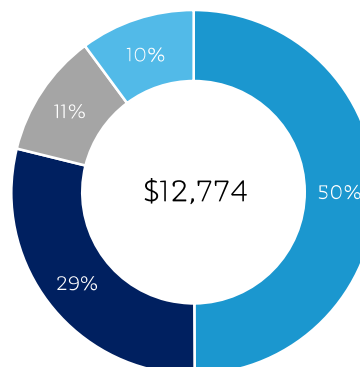
		4Q			12M		
		2023	2022	%Δ	2023	2022	%Δ
Mexico	Sales	1,473	1,549	(4.9%)	6,001	6,374	(5.9%)
	EBITDA	314	369	(14.9%)	1,537	1,302	18.1%
	% Margin	21.3%	23.8%	(250) bps	25.6%	20.4%	520 bps
Argentina	Sales	1,394	916	52.1%	3,903	3,698	5.6%
	EBITDA	242	123	96.6%	628	570	10.2%
	% Margin	17.4%	13.4%	400 bps	16.1%	15.4%	70 bps
United States	Sales	239	315	(24.0%)	1,101	1,402	(21.5%)
	EBITDA	(39)	(20)	97.6%	(191)	(64)	NM
	% Margin	(16.3%)	(6.3%)	NM	(17.4%)	(4.5%)	(1,290) bps
Others	Sales	271	344	(21.4%)	1,141	1,300	(12.3%)
	EBITDA	37	78	(52.8%)	158	174	(9.4%)
	% Margin	13.5%	22.6%	(910) bps	13.8%	13.4%	40 bps
		4Q			12M		
		2023	2022	%Δ	2023	2022	%Δ
Products	Sales	3,209	2,999	7.0%	11,521	12,336	(6.6%)
	EBITDA	595	616	(3.4%)	2,385	2,281	4.6%
	Margin	18.5%	20.5%	(200) bps	20.7%	18.5%	220 bps
Services	Sales	167	127	32.1%	625	438	42.6%
	EBITDA	(41)	(66)	(37.4%)	(254)	(299)	(15.0%)
	% Margin	(24.6%)	(52.0%)	NM	(40.7%)	(68.2%)	NM

Sales 12M23



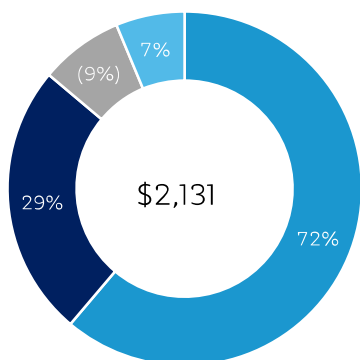
■ Mexico ■ Argentina ■ United States ■ Other

Sales 12M22



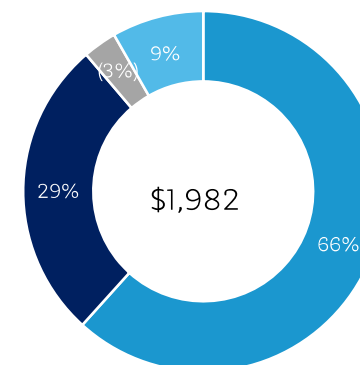
■ Mexico ■ Argentina ■ United States ■ Other

EBITDA 12M23



■ Mexico ■ Argentina ■ United States ■ Other

EBITDA 12M22



■ Mexico ■ Argentina ■ United States ■ Other

## Mexico

**Net sales** contracted 4.9% during the quarter and 5.9% on a cumulative basis. This as a result of a very high comparative base in products related to the generalized drought in the country during 2022 and more specifically in the northeast during the second and third quarters of the previous year.

During the last quarter, the Mexico Valley region experienced frequent interruptions in water supply, caused by challenges within the Cutzamala system. Simultaneously, the "Ofertas Azules" campaign was carried out. The combination of these elements resulted in the highest storage sales for a month of December in the last seven years. Nonetheless, the recovery observed in December was not able to offset the drop in sales experienced during the first two months of the quarter.



Services sales continued to grow double-digit for the fifth consecutive quarter, driven by the expansion of *bebbia* and Rotoplas *Servicios de Agua*. Additionally, *rieggo* continues to develop positively.

During the quarter, **EBITDA margin** contracted 250 bps to 21.3%, impacted by the “Ofertas Azules” campaign. However, on a cumulative basis, the margin expanded 520 basis points to 25.6%, driven by record margins in products and an improvement in the negative EBITDA in services.

## Argentina

In Argentina, **net sales** increased 52.1% in the quarter and 5.6% for the year. These increases are due to both an increase in sales volumes in certain categories and price adjustments made to mitigate inflationary pressures on costs.

Our strategy remains focused on maintaining profitability, improving manufacturing productivity and increasing market share.

For 4Q23, the **EBITDA margin** expanded 400 basis points to 17.4%, as a result of improved cost and expense absorption in the period. On a cumulative basis, the **EBITDA margin** closed at 16.1%, an expansion of 70 basis points, driven mainly by growth, as well as strict expense control throughout the year.

*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 2023 the impact of the restatement results in an increase of Ps. 325 million in interest expense, negatively impacting the Comprehensive Financing Result. After considering taxes, the impact on net income amounts to Ps. 125 million.*





## United States

Fourth quarter **net sales** decreased 24.0% in Mexican pesos and 13.8% in US dollars. On a cumulative basis, sales decreased 21.5% in pesos and 10.6% in local currency.

Demand for water storage solutions was affected by an unusually wet season in states such as Texas and California, which account for a third of total sales.

In addition, there was a normalization in demand for storage solutions following the pandemic years and the surge experienced in certain crops within the agricultural sector.

**EBITDA** was negative Ps. 39 million in the quarter and negative Ps. 191 million for the full year, impacted by the reduction in demand and costs related to the development of the septic business, as well as to the implementation of the new e-commerce platform.

## Other Countries

**Net sales** in other countries (Peru, Guatemala, El Salvador, Costa Rica, Honduras, Nicaragua and Brazil) decreased 21.4% in the quarter and 12.3% in the year.

In **Peru**, the market experienced a contraction due to a decrease in construction activity, a reduction in government spending, and the climatic impacts associated with the El Niño phenomenon, which resulted in an unusual lack of cold weather during the winter season, thus reducing the demand for water heaters.

In **Central America**, annual sales decreased in Mexican pesos due to exchange rate effects, but grew in local currency. During the last quarter, the "Ofertas Azules" commercial campaign was launched, achieving an increase in sales volumes.

In **Brazil**, progress continues to be made in the development of the water treatment and recycling plants business. During the quarter, a shift in the commercial strategy was implemented, choosing to approach heavy industry and light industry individually, assigning specialized equipment to each sector.

As a result of the decrease in sales and lower absorption of costs and expenses, the **EBITDA margin** for the quarter contracted 910 bps to reach 13.5%. However, the implementation of a rigorous expense control to adjust expenses to sales levels, together with the pricing strategy, allowed the cumulative **EBITDA margin** to increase by 40 bps to 13.8%.

## ANALYSIS | COSTS AND EXPENSES

### Gross Profit

**Gross profit** increased 6.9% in the quarter and 1.4% in the year. For 4Q23, the margin contracted 50 bps to close at 44.5%, due to the launch of promotional campaigns. For the year, the margin expanded 290 bps to 45.5%. This expansion results from the commercial strategy focused on protecting profitability, as well as a benefit in raw material costs.

### Operating Income

**Operating income** for the quarter closed at Ps. 352 million, with a margin of 10.4%, a 410 bps contraction due to higher operating expenses. For the full year, operating income decreased 1.6%, with a margin of 12.8%, 40 bps higher than in the same period of 2022. This expansion is due to the improvement in gross margin.

### Comprehensive Financing result

The **comprehensive financing result** for the fourth quarter resulted in an expense of Ps. 311 million compared to a Ps. 181 million expense in the fourth quarter of 2022. This includes Ps. 94 million for interest on debt, commissions and leases, a Ps. 97 million benefit from the valuation of financial instruments, and Ps. 314 million for inflationary effects in Argentina and foreign exchange losses in several countries.

On a cumulative basis, the **comprehensive financing result** was an expense of Ps. 1,251 million compared to a Ps. 768 million in 2022, an increase of 62.9%. This includes Ps. 384 million for interest on debt, commissions and leases, Ps. 288 million for the valuation of the foreign exchange hedge and Ps. 579 million for inflationary effects in Argentina and foreign exchange losses in some countries.

### Net Result

**Net income** for the fourth quarter decreased 90.5% compared to the same period of the previous year, closing at Ps. 39 million due to higher operating and financial expenses, which were particularly affected by the inflationary environment in Argentina and foreign exchange losses related to the strength of the Mexican peso.

On a cumulative basis, **net income** decreased 64.6% to Ps. 280 million, compared to Ps. 791 million in 2022. This decrease is due to an increase in financial expenses related to a Ps. 288 million impact from the valuation of MXN/USD exchange rate hedges, as well as the inflationary effect in Argentina and foreign exchange losses in several countries amounting to Ps. 579 million.

## CapEx

	12M				
	2023	%	2022	%	%Δ
Mexico	548	90%	524	80%	4.5%
Argentina	44	7%	52	8%	(16.6%)
United States	9	1%	36	6%	(75.8%)
Others	8	1%	46	7%	(82.1%)
<b>Total</b>	<b>609</b>	<b>100%</b>	<b>659</b>	<b>100%</b>	<b>(7.6%)</b>

**Capital investments** represented 5.0% of sales in 2023, a 7.6% reduction compared to the amount allocated in the same period of last year.

Capital investments include:

- Ps. 470 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. 122 million for treatment plants in Mexico and Ps. 3 million in Brazil, representing 21% of the total CapEx.



## ANALYSIS | BALANCE SHEET

### Cash Conversion Cycle (Days)

	12M		
	2023	2022	Δ days
Inventory Days	55	86	(31)
Accounts Receivable Days	57	62	(5)
Accounts Payable Days	70	77	(7)
<b>Cash Conversion Cycle</b>	<b>42</b>	<b>71</b>	<b>(29)</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)

The **cash conversion cycle** was optimized by 29 days, as a result of improved working capital management, as well as the restatement of the balance sheet in Argentina.

## Debt

	12M		%Δ
	2023	2022	
<b>Total Debt</b>	<b>4,028</b>	<b>4,009</b>	<b>0.5%</b>
Short-Term Debt	29	11	NM
Long-term debt	3,999	3,999	0.0%
Cash and Cash Equivalents	566	673	(15.9%)
<b>Net Debt</b>	<b>3,462</b>	<b>3,337</b>	<b>3.8%</b>

## Debt Maturity Profile

Total debt amounts to Ps. 4,028 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	4,011	Fixed 8.65%	June 16 <sup>th</sup> , 2027
Citi Working Capital Loan	US dollars	17	SOFR + 2.55%	May 1 <sup>st</sup> , 2024

## FINANCIAL RATIOS

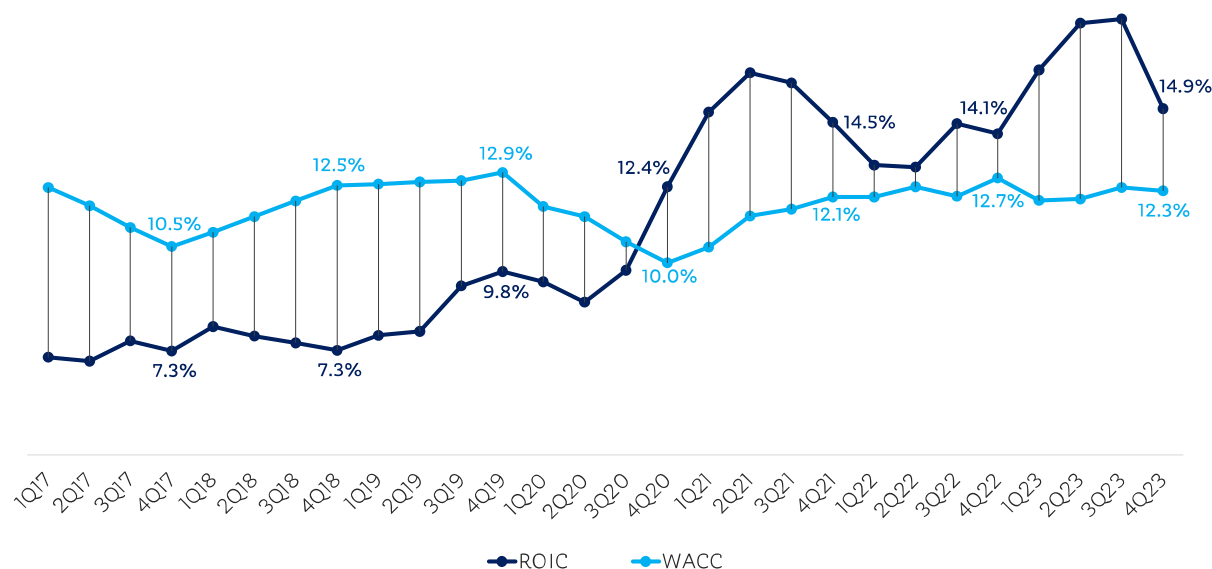
	12M		%Δ
	2023	2022	
Net Debt / EBITDA	1.6 x	1.7 x	(0.1) x
Interest coverage*	9.2 x	8.5 x	7.8%
Total Liabilities / Stockholders' Equity	1.3 x	0.9 x	0.3 x
Net Income per Share**	0.58	1.63	(64.6%)

\*EBITDA LTM / net interest LTM

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

During 2023, the Company maintained a stable leverage level in line with its debt policy, which sets a maximum limit of 2.0 times Net Debt to EBITDA ratio.

## 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 14.9%, which represents an 80 basis points increase compared to the same period in 2022. Additionally, it was 260 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 December 31<sup>st</sup>, 2023, the market value of Grupo Rotoplas' positions was:

Type of Instrument	Market Value
MXN/USD exchange rate forward	Ps. (18.3) million





## ESG | ENVIRONMENTAL, SOCIAL AND GOVERNANCE

During the year, the following progress within the [Sustainable initiatives](#) stands out:

### Profit

Tier-1 suppliers evaluated with ESG criteria

Target 2023    Results 2023    Target 2025

45%	50%	100%
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Customer satisfaction (NPS score)

73	76	80
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### Planet

CO<sub>2</sub> intensity – Scopes 1 and 2 per ton of processed resin

0.45	0.43	0.41
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m<sup>3</sup> of water purified by our solutions

656K	759K	1.7M
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### People

People with access to water and sanitation (cumulative)

788K	800K	1M
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Women in the workforce

27%	24%	30%
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- 5 of the 6 [public ESG goals](#) were achieved, except for the gender goal, as priority was given to the development of workspaces and culture before increasing the number of women in the workforce.
- In the [environmental area](#), the reduction of ~12% in CO<sub>2</sub> emissions Scope 1 and 2, as well as the use of 12,428 tons of recycled resins, 24% of the total resins processed, stand out. Additionally, during the year, the Company's greenhouse gas reduction goals were submitted for approval by the [Science Based Target Initiative \(SBTi\)](#), increasing the Company's ambition from being a carbon neutral company by 2040 to being [Net Zero by 2050](#).
- Within the [governance](#) pillar, the [Code of Ethics](#), the Integrity, Anticorruption and Conflict of Interest Prevention Policies were updated, and our sustainable culture was promoted through internal communication and onboarding courses for new personnel. Likewise, board members were trained on risks related to the digitization of operations and the [Sustainability 2.0 Committee](#) was launched, which in turn promoted the creation of the Diversity and Inclusion Committee.

- In the **social dimension**, a human rights assessment was carried out for the first time at the Group level and 2 **volunteer programs** were organized in Mexico, 1 in Peru and 1 in Argentina, collecting 2.6 tons of waste from water bodies and delivering 8 *biopozo* toilets to communities in need. Additionally, the gender, **LGBTIQ+ and People with Disabilities roundtables** developed a work plan, deployed a communication campaign during their commemorative month, and sought an expert ally to become a more inclusive and diverse company.
- In partnership with UNDP, the **A Fluir 2023** initiative was launched to support urban and rural communities in vulnerable situations through donations. This initiative successfully delivered 615 kits and 24 rainwater harvesting systems, benefiting over 51,000 people across Mexico.
- In response to the damage caused by Hurricane Otis in Guerrero in Mexico, the **Water Program for Affected Areas (PAZA)** was reactivated. This initiative focused on providing support, primarily through in-kind and monetary donations, to assist our collaborators, distributors, and customers with their immediate needs and later with the reconstruction of their homes. Moreover, water tanks damaged by the hurricane were repaired free of charge for the end users, ensuring they had access to essential water storage solutions during the recovery period.
- In December, both *bebbia* and Rotoplas participated in the **Annual Demonstration for people with disabilities** in Mexico City, *bebbia* even offered hydration services during the event.

## AGUA | PERFORMANCE AND ANALYST COVERAGE

		December		
		2023	2022	%Δ
Agua*	Closing price	30.06	31.49	(4.5%)
	P/BV	2.4 x	2.4 x	0.0 x
	EV/EBITDA	8.5 x	9.4 x	(0.9) x

Source: SiBolsa

### Treasury shares:

As of December 31<sup>st</sup>, 2023, the Company had 1.9 million shares in the treasury, equivalent to an invested amount of Ps. 163 million. Treasury shares have never been cancelled.



## Analyst Coverage

As of December 31<sup>st</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	\$48.39
<b>SIGNUM</b>	Alain Jaimes alain.jaimes@signumresearch.com	Buy	\$37.74
<b>Miranda Research</b>	Martín Lara / Marimar Torreblanca <a href="mailto:martin.lara@miranda-gr.com">martin.lara@miranda-gr.com</a> marimar.torreblanca@miranda-partners.com	Buy	\$41.61
<b>Apalache</b>	Jorge Placido jorge.placido@apalache.mx	Buy	\$42.58
	Consensus	Buy	\$43.52



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

### Income Statement

(Unaudited figures, millions of Mexican pesos)

	4Q			12M		
	2023	2022	%Δ	2023	2022	%Δ
Net Sales	3,376	3,125	8.0%	12,146	12,774	(4.9%)
COGS	1,875	1,720	9.0%	6,625	7,331	(9.6%)
<b>Gross Profit</b>	<b>1,502</b>	<b>1,405</b>	<b>6.9%</b>	<b>5,521</b>	<b>5,444</b>	<b>1.4%</b>
% margin	44.5%	45.0%	(50) bps	45.5%	42.6%	290 bps
Operating Expenses	1,149	953	20.6%	3,962	3,859	2.7%
<b>Operating Income</b>	<b>352</b>	<b>452</b>	<b>(22.0%)</b>	<b>1,559</b>	<b>1,584</b>	<b>(1.6%)</b>
% margin	10.4%	14.5%	(410) bps	12.8%	12.4%	40 bps
<b>Comp. Financing result</b>	<b>(311)</b>	<b>(181)</b>	<b>71.5%</b>	<b>(1,251)</b>	<b>(768)</b>	<b>62.9%</b>
Financial Income	48	105	(54.8%)	155	198	(21.8%)
Financial Expenses	(359)	(287)	25.1%	(1,406)	(966)	45.5%
Income before taxes	41	271	(85.0%)	307	817	(62.5%)
Taxes	2	(134)	NM	27	26	2.0%
<b>Net Result</b>	<b>39</b>	<b>405</b>	<b>(90.5%)</b>	<b>280</b>	<b>791</b>	<b>(64.6%)</b>
% margin	1.1%	13.0%	NM	2.3%	6.2%	(390) bps
EBITDA <sup>2</sup>	554	550	0.7%	2,131	1,982	7.5%
% margin	16.4%	17.6%	(120) bps	17.5%	15.5%	200 bps

<sup>2</sup> EBITDA considers donations of Ps. 12.3 million in 4Q23 and Ps. 19.2 million in 2023. There were no donations in 2022.



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

		12M		
		2023	2022	%Δ
Balance Sheet	Cash and Cash Equivalents	566	673	(15.9%)
	Accounts Receivable	1,765	2,029	(20.0%)
	Inventory	1,006	1,524	(34.0%)
	Other Current Assets	301	297	(12.4%)
	<b>Current Assets</b>	<b>3,638</b>	<b>4,522</b>	<b>(22.9%)</b>
	Property, Plant and Equipment - Net	4,123	3,272	26.0%
	Other Long-Term Assets	4,851	4,579	5.9%
	<b>Total Assets</b>	<b>12,611</b>	<b>12,567</b>	<b>0.4%</b>
	Short-Term Debt	29	11	NM
	Suppliers	816	762	7.0%
	Other Accounts Payable	854	732	16.8%
	<b>Short-Term Liabilities</b>	<b>1,699</b>	<b>1,505</b>	<b>12.9%</b>
	Long-term debt with cost	3,999	3,999	0.0%
	Other Long-Term Liabilities	803	605	32.9%
	<b>Total Liabilities</b>	<b>6,501</b>	<b>6,108</b>	<b>6.4%</b>
	<b>Total Stockholders' Equity</b>	<b>6,110</b>	<b>6,459</b>	<b>(5.4%)</b>
	<b>Total Liabilities + Stockholders' Equity</b>	<b>12,611</b>	<b>12,567</b>	<b>0.4%</b>





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

		12M		
		2023	2022	%Δ
Cash Flow	EBIT	1,559	1,584	(1.6%)
	Depreciation and Amortization	572	397	43.9%
	Inventories	(54)	(149)	(63.8%)
	Accounts Receivable	(320)	(589)	(45.6%)
	Accounts Payable	207	60	NM
	Other current items	(533)	(153)	NM
	Taxes	(140)	(153)	(8.0%)
	<b>Cash flow from Operations</b>	<b>1,290</b>	<b>998</b>	<b>12.1%</b>
	CapEx	(609)	(659)	(7.6%)
	Other investment activities	133	58	NM
	<b>Cash flow from Investments</b>	<b>(476)</b>	<b>(601)</b>	<b>(20.9%)</b>
	Dividends	(235)	(215)	9.3%
	Repurchase fund	(74)	(302)	(75.3%)
	Short- and long-term debt	17	0	0.0%
	Interests and leasing	(549)	(556)	(1.3%)
	<b>Cash flow from Financing</b>	<b>(841)</b>	<b>(1,073)</b>	<b>(21.6%)</b>
	<b>Change in Cash</b>	<b>(27)</b>	<b>(677)</b>	<b>(94.8%)</b>
	Exchange rate effect on cash	(80)	(279)	(71.5%)
	<b>Net Change in Cash</b>	<b>(107)</b>	<b>(956)</b>	<b>(88.8%)</b>
	Initial Cash Balance	673	1,629	(58.7%)
Final Cash Balance	566	673	(15.9%)	

### PRESS RELEASES | 4Q23

- AGUA Day 2023 Rotoplas a Sustainable Growth Story – December 13<sup>th</sup>
- Rotoplas remains for the seventh consecutive year in the DJSI MILA Pacific Alliance – December 11<sup>th</sup>
- rieggo® Rotoplas Strengthens Capabilities with the Acquisition of HiTech Irrigation in Mexico – December 06<sup>th</sup>
- Payment of capital reimbursement in kind to shareholders – November 24<sup>th</sup>
- Approved proposals to the Extraordinary General Shareholders' Meeting – November 15<sup>th</sup>
- Board of Directors proposes capital reimbursement in kind – October 25<sup>th</sup>



- Rotoplas renews market maker agreement with BTG Pactual – October 13<sup>th</sup>
- Fitch ratifies 'AA(mex)' rating for Grupo Rotoplas; stable outlook – October 10<sup>th</sup>
- Grupo Rotoplas regrets the passing of its board member Mr. Xavier García de Quevedo Topete – October 06<sup>th</sup>

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



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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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