

# AGUA DAY



November, 2015

# Looking Forward Statements

*This presentation contains certain forward-looking statements and information relating to Grupo Rotoplas S.A.B. de C.V. and its subsidiaries (collectively, "ROTOPLAS") that are based on its knowledge of present facts, expectations and projections, circumstances and assumptions about future events. Many factors could cause the actual results, performance or achievements of ROTOPLAS to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic, political, governmental, and business conditions globally and in the countries in which ROTOPLAS operates, ROTOPLAS' ability to continue developing innovative solutions, changes in interest rates, changes in inflation rates, changes in exchange rates, the cyclical activity of the water sector generally, changes in demand, consumer preferences, and prices of our solutions, ROTOPLAS' ability to execute its corporate strategies to new markets and regions, changes in raw material and energy prices, changes in business strategy, changes in the prevailing regulatory framework, competition, natural disasters and other unforeseen events and various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted. Forward-looking statements are made as of the date hereof, and ROTOPLAS does not intend, nor is it obligated, to update these forward-looking statements, whether as a result of new information, future events or otherwise.*

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# Agenda

Welcome

Rotoplas Senior Management Comments

Q&A

Cocktail



**Carlos Rojas  
Mota Velasco**

Chairman & Chief  
Executive Officer



**Carlos  
Rojas Aboumrad**

Vice-president for  
New Businesses



**Gonzalo  
Uribe Lebrija**

Chief Operating  
Officer



**Mario  
Romero Orozco**

Chief Financial  
Officer

# Year to Date Highlights

► **+23%**

## Sales 9M ex Brazil

Growth in our individual and integrated water solutions in all countries ex - Brazil



► **13%**

## 9M EBITDA margin

- ✓ Adequate measures taken in Brazil to avoid profitability lost
- ✓ Zero base budget + Zero based organization
- ✓ Raw materials cost tailwind



## Year to Date Highlights

### ▶ 3 plants in the US

by the end of 2015



### ▶ Urban integrated solutions accelerating



# Rotoplas

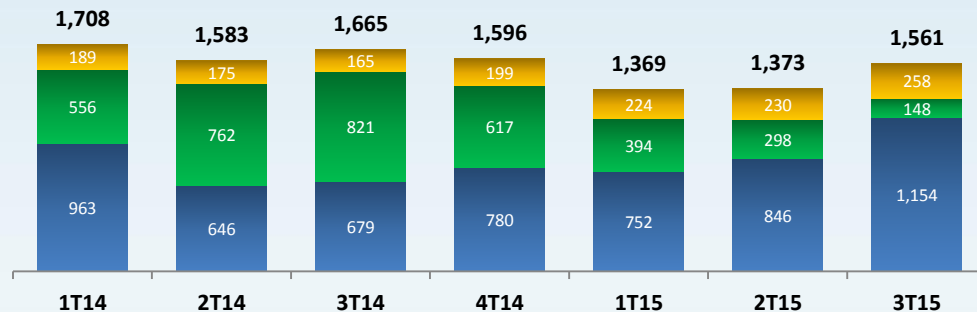
Mexico's sales boosted by demand increase of **integrated solutions**.

Individual solutions in Mexico keep growing as result of **commercial initiatives, costumer service and product quality**.

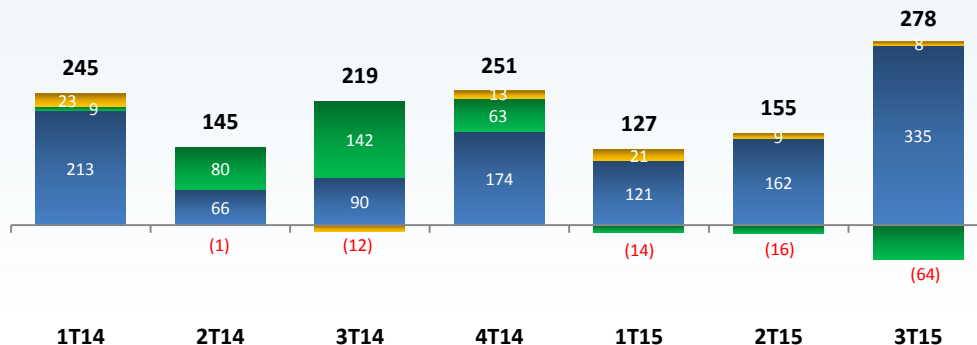
Opportunities to take the entire product **portfolio to all the countries** in which we operate.

Organization aligned to **zero base budget and zero based management**.

Sales by Country



EBITDA by Country



México

Brasil

Otros



## Brazil

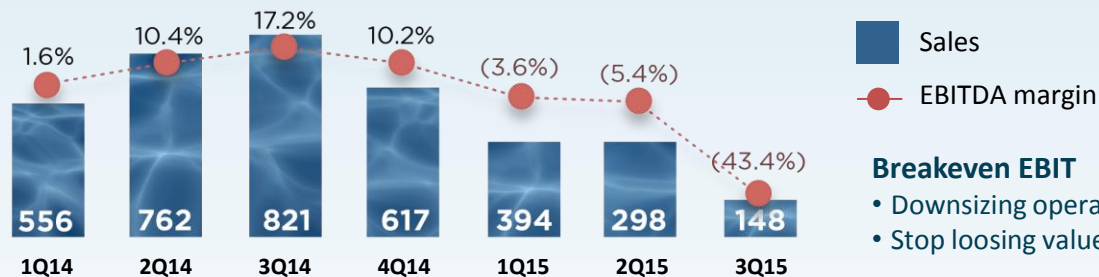
Political and Economic Situation

- **Delay** on sales to government of **integrated solutions**
- **Domestic consumption slowing down**

The population still need our solutions

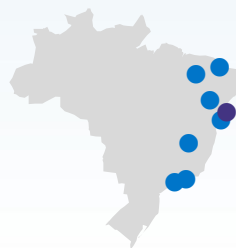
- **Worst drought in 84 years**
- **50% of population does not have access to sewer**

### Sales and EBITDA Margin



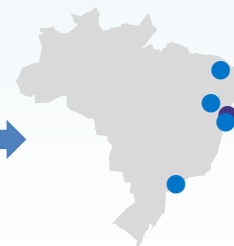
#### Breakeven EBIT

- Downsizing operations
- Stop losing value



2014

● Rotomolding	7
● Raw Materials	1



3Q15

● Rotomolding	4
● Raw Materials	1



## Key Global Trends in the Industry



- ▶ World's population will continue to grow over the next few decades



- ▶ People moving from country side to cities



- ▶ General living standards are improving, leading to more intensified water consumption

# The Global Water Industry

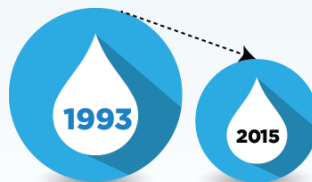
▶ **1.2  
billion**

people are living in areas  
of water scarcity



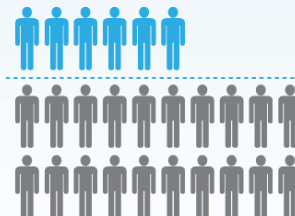
▶ **40%  
decline**

of renewable water per  
capita in the last 22 years



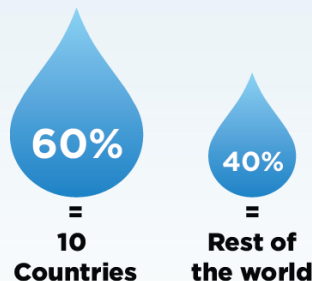
▶ **2.5  
billion**

people worldwide have  
no access to adequate  
sanitation



# The Global Water Industry

## ► Uneven water distribution



10 countries have 60% of the  
global freshwater supply

## ► Water supply & sewer systems of 60 – 80 years old



in many cases have reached  
the end of their useful lives

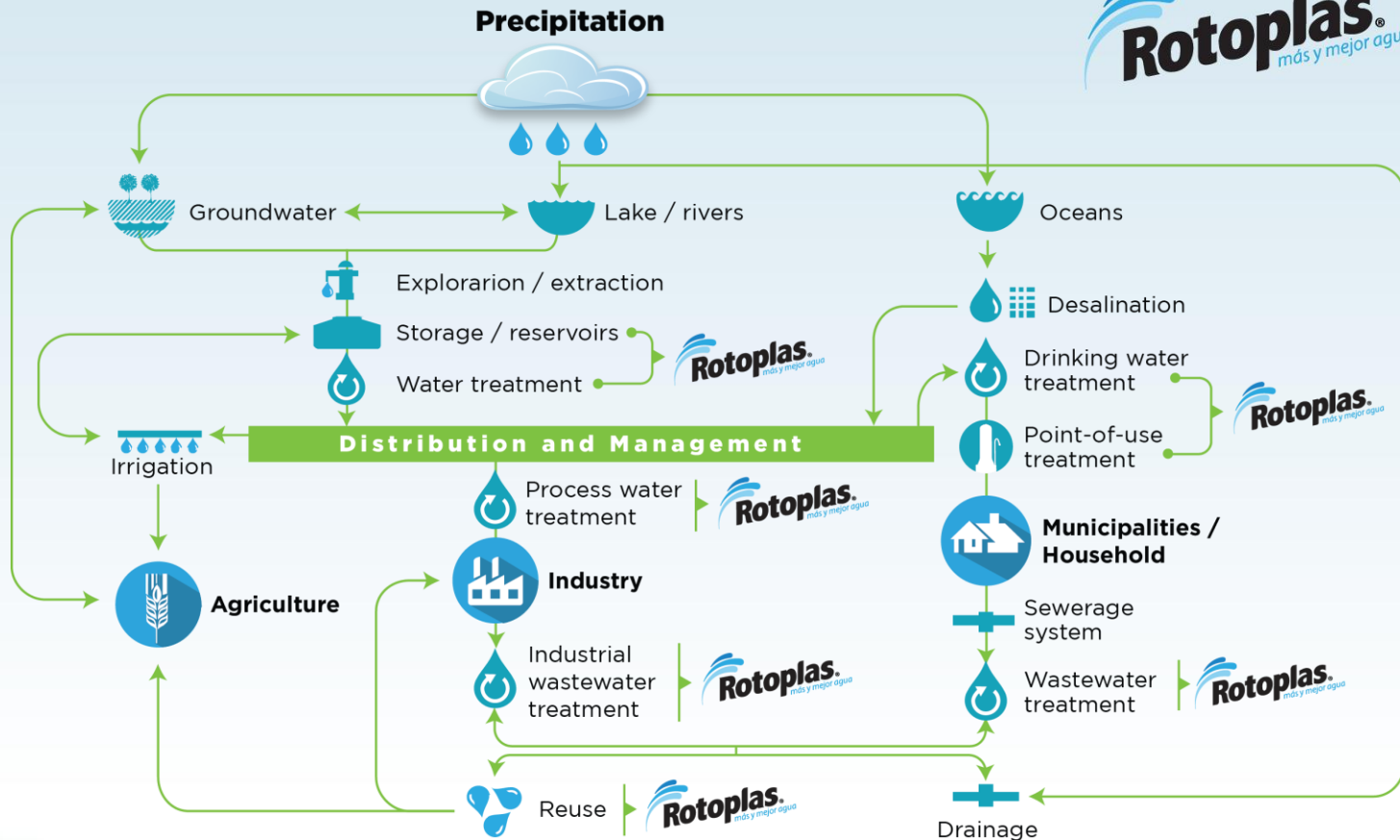
## ► USD 1 trillion



market  
opportunity  
by 2025

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# The Global Water Industry





**Within the 6 segment that Rotoplas is focused are growing annually more than 10% worldwide**

01

Storage & reservoirs

02

Water treatment

03

Process water treatment

04

Industrial wastewater treatment

05

Point-of-use treatment

06

Wastewater treatment

## Rotoplas Strength

“More and  
better water”

**relies on...**

Lean organization to  
**focus on core  
business**

Efficient sales force to deliver  
customer satisfaction

**while driving  
profitable growth**

Smart R&D investments to  
**strengthen  
market leading  
portfolio**

Continued investment in  
**talent  
development**



## **Rotoplas** Competitive Advantages

**Strong brand  
recognition**

**Unmatched  
distribution  
platform**

with more than 25,000  
point of sale in the Americas

Entrepreneurial management  
team with more than

**20 years  
experience** in the  
**water industry**

Continuous  
**product  
innovation**



## Rotoplas Going Forward 2019

▶ 01

Continue to **pioneer** in solutions for pressing **water and sanitation** needs in the Americas.

▶ 02

Positioned to capitalize on significant growth **opportunities** in rural and urban areas.

▶ 03

Transforming the water industry with **individual and integrated** solutions.

▶ 04

Market leading water solutions platform with **unmatched brand** recognition.

▶ 05

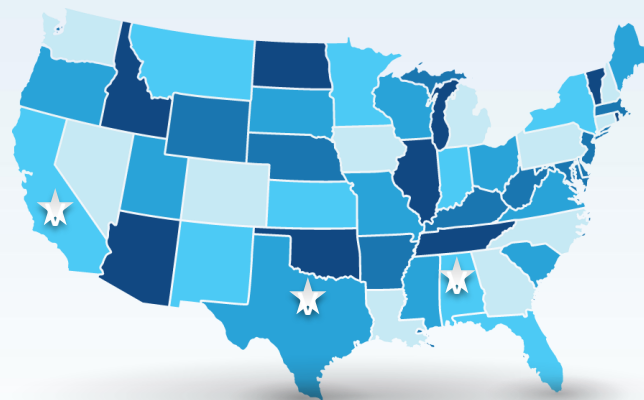
Continue delivering **added value** to our stake and share holders.

# Focused on Four Core Growth Opportunities

## Tapping the US market:

- ✓ Severe **droughts** and massive **water and sanitation investment needs**.
- ✓ Leading company currently owns 25% market share while rest of market is **highly fragmented**.
- ✓ Rotoplas able to leverage **expertise** and **economies of scale**.
- ✓ **New manufacturing facilities in Dallas and Atlanta** will add to Rotoplas' already successful first steps in California.

**Market size  
US\$ 1 bn.**



# Focused on Four Core Growth Opportunities

## Integrated water treatment and sanitation solutions:

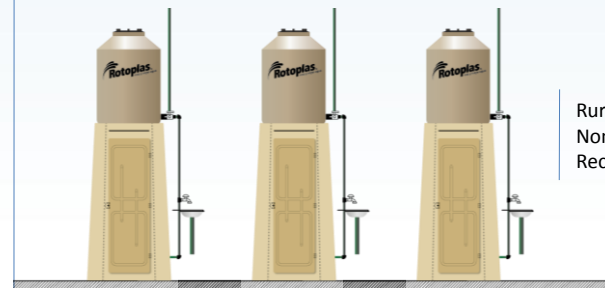
- ✓ **Highest tariffs in fresh and waste water** for hotels, commercial and industrial.
- ✓ **Less than 14% of wastewater is processed** in treatment plants
- ✓ **Market opportunity US\$ 4 bn.**
- ✓ **3 out of 10 people in Mexico and 5 out of 10 people in Brazil in rural areas do not have sewer service ~12 million families.**

## Market opportunity US\$ 4 bn



Urban  
Recurrent

## Market opportunity US\$ 24 bn



Rural  
Non  
Recurrent

## Focused on Four Core Growth Opportunities

### Increased demand for drinking water in Mexico:

- ✓ Recently enacted law in Mexico whereas **all schools must offer potable drinking water by 2017.**
- ✓ Aims to discourage consumption of sodas and sugary drinks in order to combat high rates of diabetes and **childhood obesity.**
- ✓ **Unique capability** to install and service equipment.

### Market opportunity US\$ 200 m



Urban  
Recurrent

# Focused on Four Core Growth Opportunities

## Rainwater Harvesting Systems:

- ✓ ~5mm households living in semi-arid regions in Brazil
- ✓ In Mexico 3.4mm households lack water coverage

**Market opportunity US\$ 16 bn.**

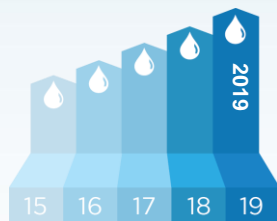


Rural  
Non  
Recurrent

# Year 2019

01

2x in revenue



02

50% integrated  
water solutions



03

Strong footprint  
in the Americas



04

30% of revenue  
coming from the US





# Q&A



Thank you