

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

## Corporate Presentation

June 2019



## Forward-looking 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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### ADDITIONAL INFORMATION AND WHERE TO FIND IT

rotoplas.com.mx/investors  
[www.bmv.com.mx](http://www.bmv.com.mx)  
Ticker: AGUA\*

# Investment Considerations

1

## WATER

A world of opportunities

2

## PROVIDING SOLUTIONS

Market Leader

3

## WITH A CLEAR MISSION

Sustainable model “more and better water”

4

## GEORGRAPHIC DIVERSIFICATION

Growth and value opportunities

5

## SOUND FINANCES

With a sustainable focus



1

WATER

A world of opportunities

# Water Demand

## Population Growth

	2020	2050
Rural	3.0B	3.0B
Urban	4.0B	7.0B
Total	7.0B	10.0B

The demand for water for non-agricultural use increases **2.5x faster** than the population



General population will grow by an average of **77 million people** year-over-year in the **next 20 years**

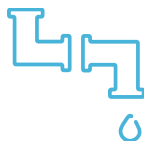
# Water Supply

Water distribution imbalance

**10** countries control  
**60%** of the global fresh water supply



Across the world, water supply & sewer systems are



**60–80** years old

in many cases have reached the end of their useful lives

**40%**

decrease in  
renewable water  
per capita in the last 22 years

# Water Challenges for Humanity

2.4 billion

people worldwide  
live without access to  
adequate sanitation services



2/3

of world's population  
live in areas that have water scarcity  
at least once a month



\$ USD 1 trillion

market opportunity  
by 2025

## Sectors to play for Rotoplas :



Water scarcity &  
quality



Water  
management &  
recycling



Agricultural yield

## Water case in point – Mexico City



“Nowadays, 40% of inhabitants have problems to water access “

	2018	2030	$\Delta$
Water service reliability	56%	8%	-7x
# shortages	17%	35%	2x
Poor quality	4%	17%	4x



To bring water in and out of the city  
-2,240m altitude-  
is energy intensive and very expensive



Renewable water in Mexico will decrease in 11% for 2030



Mexico exceeds world's average water footprint in 42%  
(1,978 vs 1,385  $m^3$ /hab/year)





# 2 PROVIDING SOLUTIONS

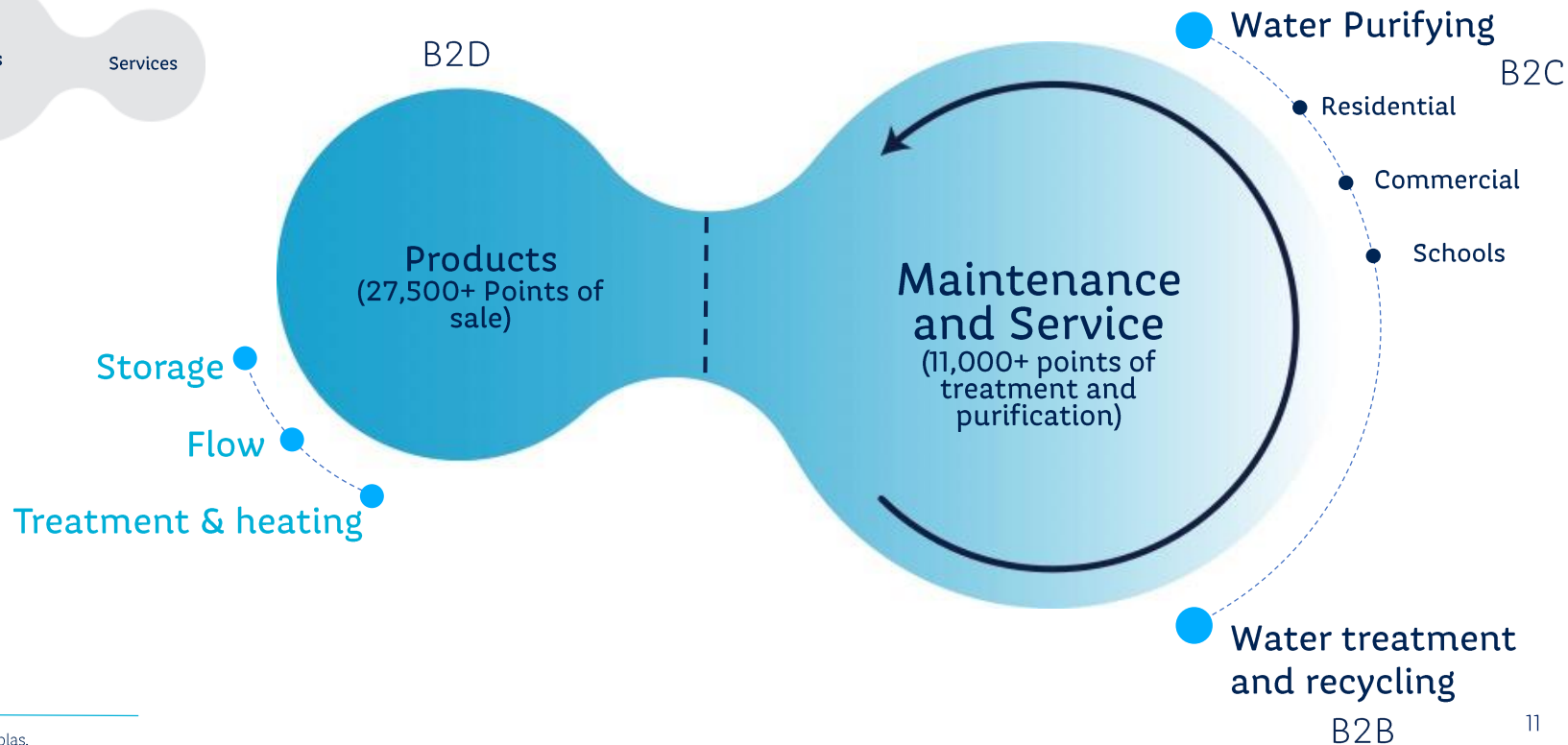
Market leaders

# Decentralized Water Solutions

TODAY

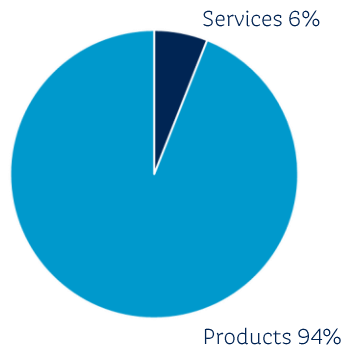


EVOLUTION

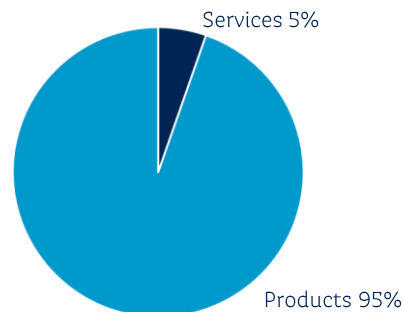


# Individual and Integrated Solutions

Revenue by Solution



EBITDA by Solution



## INDIVIDUAL SOLUTIONS (PRODUCTS)

### STORAGE



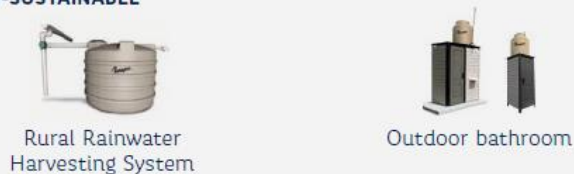
### WATER FLOW



### TREATMENT & HEATING



### SELF-SUSTAINABLE



## SERVICES

### PURIFICATION



### TREATMENT AND RECYCLING



# The Company

## 1994 Storage Products



1 country  
 800 direct clients  
 500 employees  
 3,000 points of sale  
 2 product lines  
 8 plants  
 1 innovation and development center

Sales  
 MXN 500mm

EBITDA  
 MXN 70mm

## 2018 Water Market Leader



14 countries (14x)<sup>1</sup>  
 10,800+ points of service(14x)<sup>1</sup>  
 3,300+ employees (7x)<sup>1</sup>  
 27,000+ points of sale(9x)<sup>1</sup>  
 27 product lines(14x)<sup>1</sup>  
 22 plants (3x)<sup>1</sup>  
 3 Innovation centers (3x)<sup>1</sup>

Sales  
 MXN 7,859mm (CAGR: 12.1%)

EBITDA  
 MXN 1,259mm (CAGR: 12.8%)

## LTM19 Water Market Leader



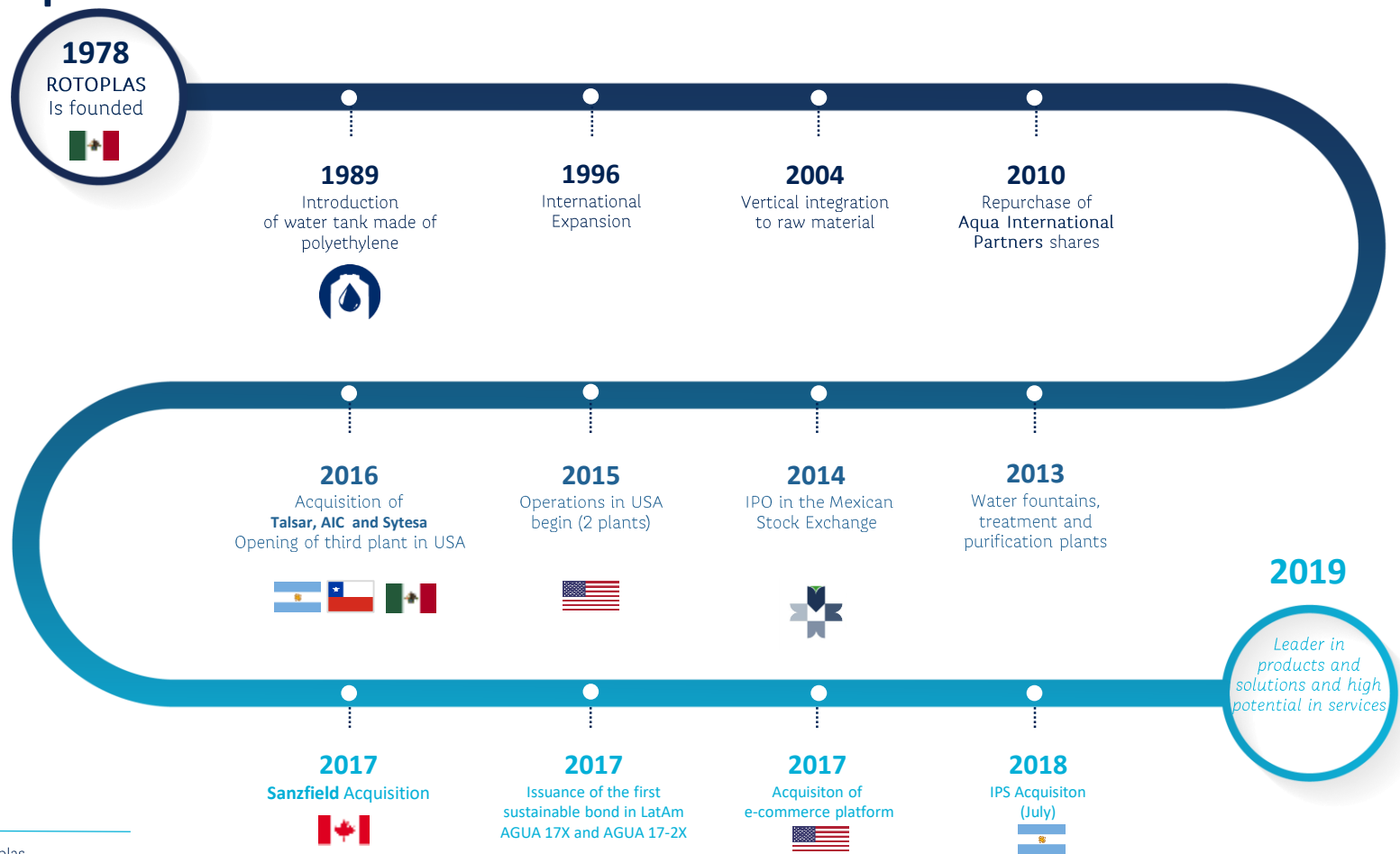
14 countries (14x)<sup>1</sup>  
 11,000+ points of service(14x)<sup>1</sup>  
 3,300+ employees (7x)<sup>1</sup>  
 27,500+ points of sale(9x)<sup>1</sup>  
 27 product lines(14x)<sup>1</sup>  
 22 plants (3x)<sup>1</sup>  
 3 Innovation centers (3x)<sup>1</sup>

Sales  
 MXN 7,980mm (CAGR: 12.2%)

EBITDA  
 MXN 1,277mm (CAGR: 12.9%)

<sup>1</sup> Compared to 1994.

# Rotoplas Timeline





3

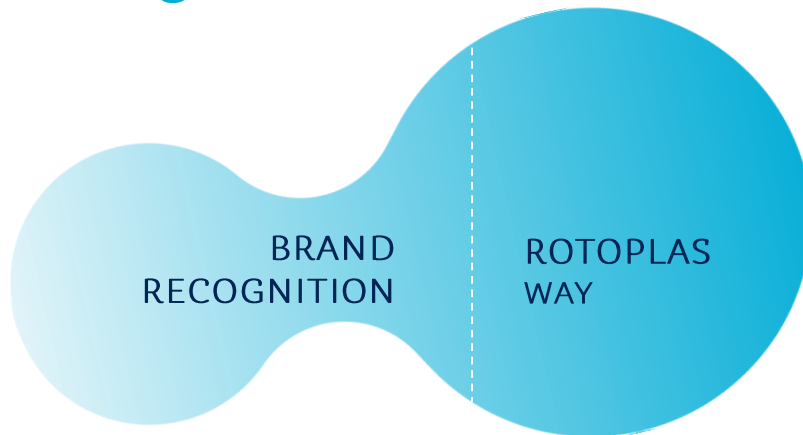
# WITH A CLEAR MISSION

Sustainable Model



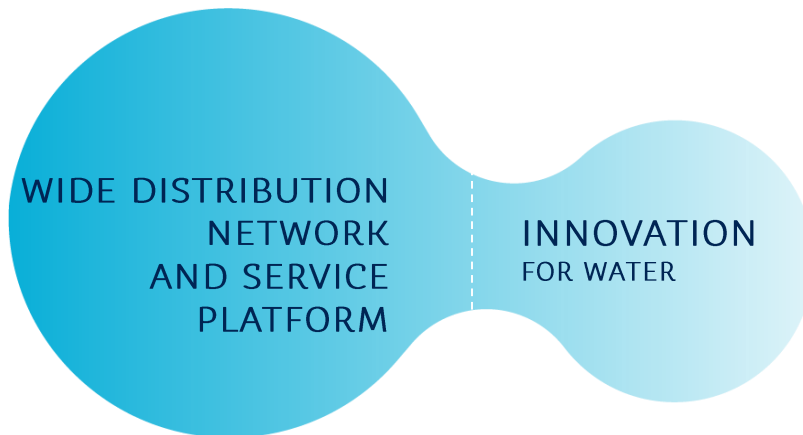
# Competitive Advantages

- Value
- Quality
- Social Responsibility
- Trust



- Focus on **ESG (Environmental, Social & Governance)**
- Operative excellence in our **processes backed** by a SAP platform
- **Customer centric** culture
- **Strategy** with a robust coherence matrix for equity allocation

- Over **27,500 points of sale** in America
- Over **11,000 service points** and water treatment



- Focused on **highly innovative** projects with **high returns**
- Rotoplas invests **4% of its EBITDA in research and development**

Water footprint – 16 products (ISO 14067)  
Carbon footprint– 5 products (ISO 14046)

## Environmental Cards



**Water**  
Footprint



**Carbon**  
Footprint

# ESG focus



**+24,000 hrs<sup>1</sup>**  
of training collaborators on  
human rights, processes, health  
and safety, among other topics



**+7,800<sup>1</sup>**  
Plumbers trained and 350  
certified as “Water  
solutions advisors



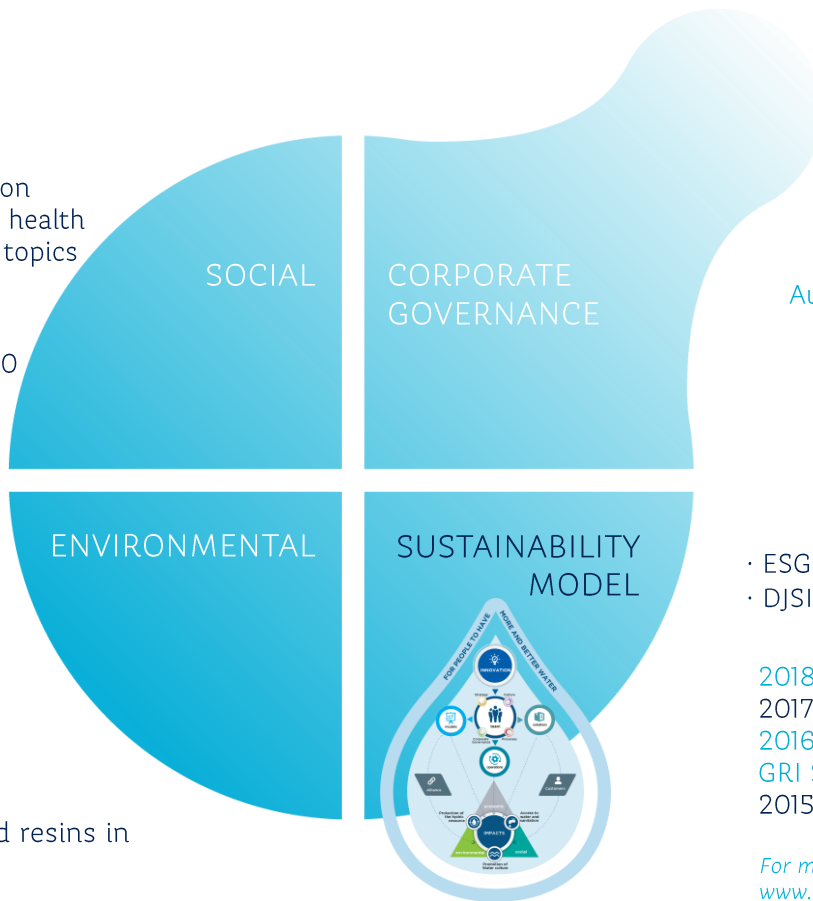
**+1,100,000<sup>2</sup>**  
Children benefited



**+1,700**  
Solar panels installed



**“Green Project”**  
Program to use recycled resins in  
our products



**53% independent**  
Board members



**Audit & Compensation and Corporate  
Practices Committees chair by  
independent board members**



**Sustainability Committee**  
directly reports to the Board of  
Directors

- ESG Bloomberg Score: **55.372** (Top 10 in Mexico)
- DJSI MILA Pacific Alliance (Sustainability Index)

2018 GRI Exhaustive Standards and verified  
2017 GRI Exhaustive Standard  
2016 Annual Integrated Report elaborated under  
GRI Standards  
2015 Annual Integrated Report under GRI 4

*For more about our ESG performance visit our website  
[www.rotoplas.com](http://www.rotoplas.com)*

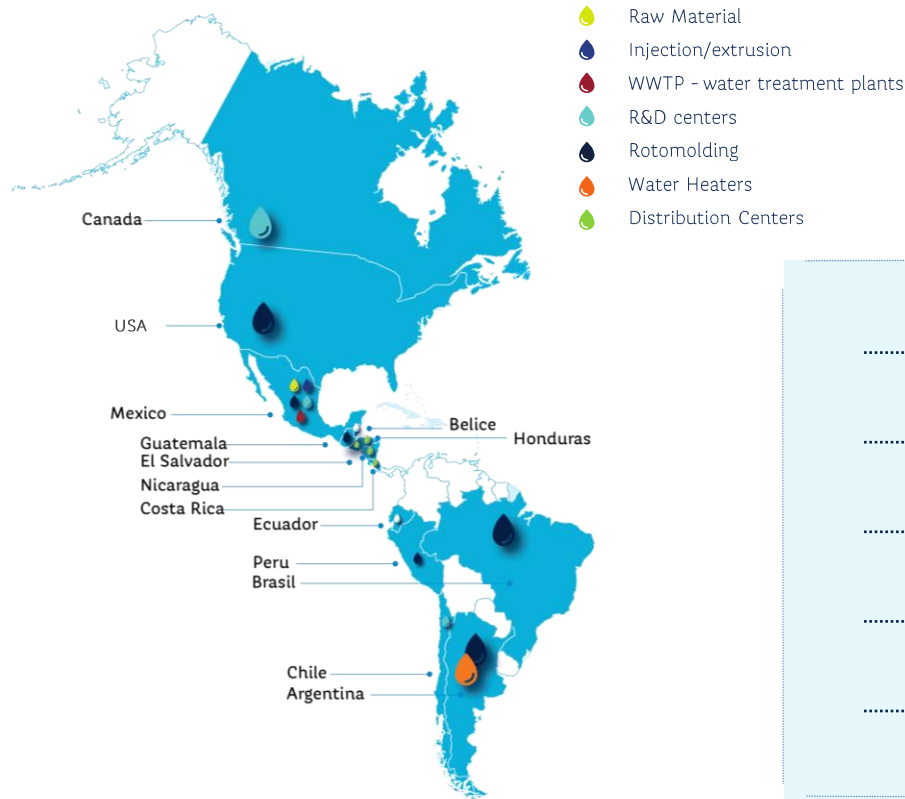
<sup>1</sup>During 2018

<sup>2</sup>Cumulative and including only INIFED beneficiaries for water fountains.

# 4 WHERE WE ARE GOING

Growth and value opportunities

# Regional Presence of Rotoplas





















## Demographic Dividend in America

Country	Years	Demand
USA	1960 – 2020	Peak demand
Mexico	2010 - 2030	Peak demand
Brazil	2010 - 2030	Peak demand
Argentina	2010 - 2070	Peak demand
Peru	2010 - 2040	Peak demand

# Positioning and strategy by country

Rotoplas seeks to expand its portfolio of solutions that meet the current needs of each region

		<div>  Current offering         </div> <div>  Plan         </div>					
		 Mexico	 Central America	 Peru	 Argentina	 Brazil	 USA
PRODUCTS	Water Storage						
	Water Flow and Control						
	Water Treatment & Heating						
SERVICES	Purification						
	Treatment & recycling						

# How does bebbia work?

## 01 Contract online



Use our recommendation system to choose the right service for you

## 02 Technical Service



Our technicians will install the service in less than 72 hours. Includes maintenance every 6 months

## 03 Enjoy



Just by opening the tap you will have 100% safe, reliable and ready to drink water

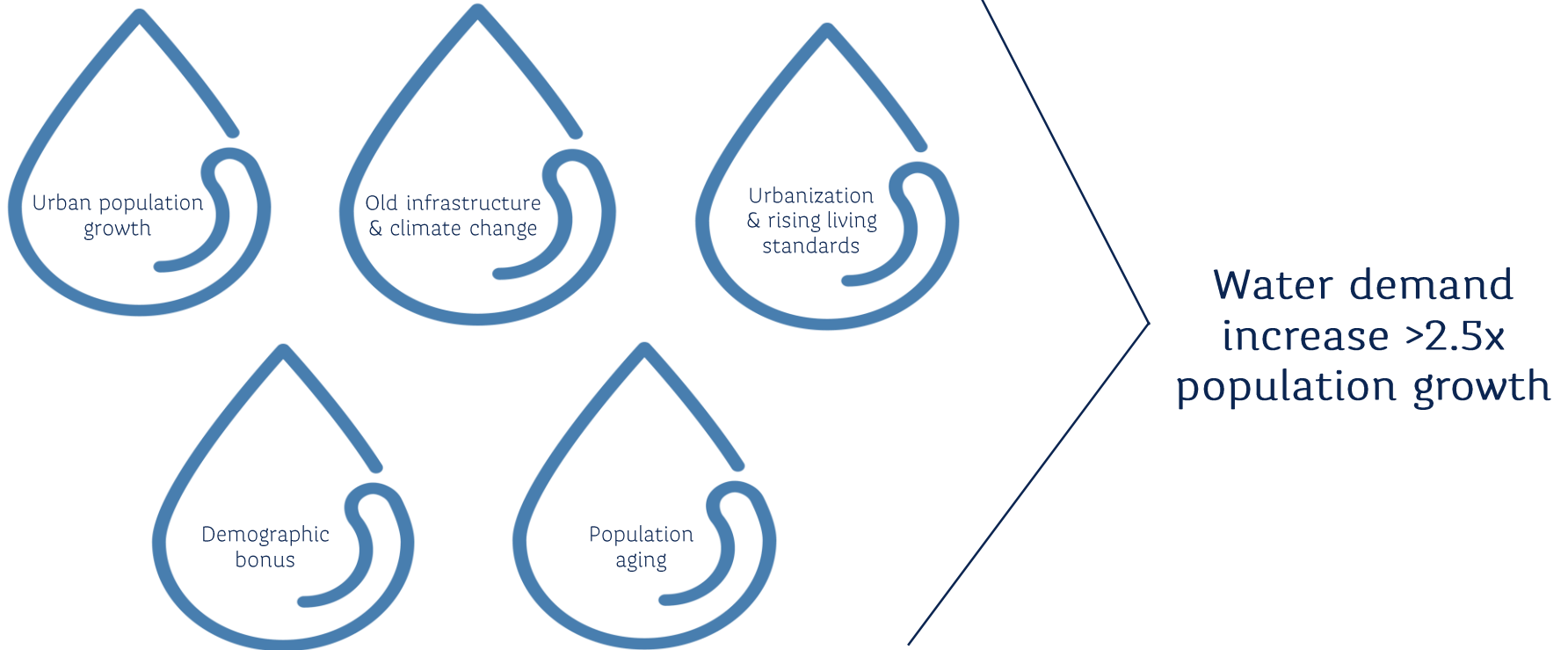


Clean Water

## Ready to drink

- ✓ Reliable
- ✓ Unlimited
- ✓ Practical

# Long-term tailwinds



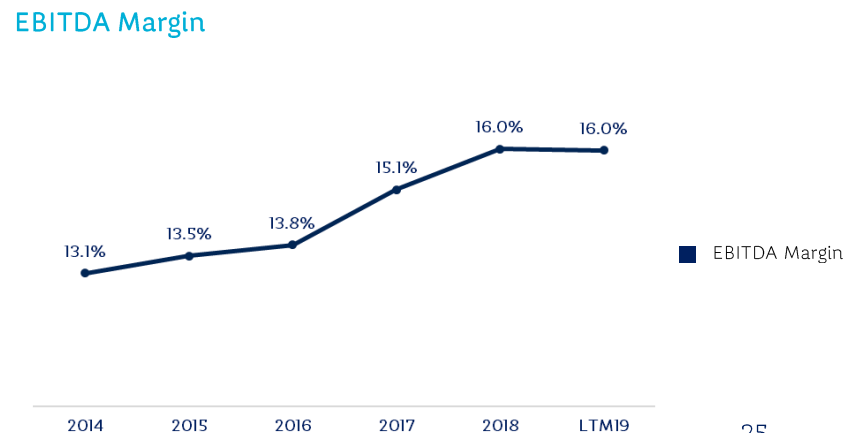
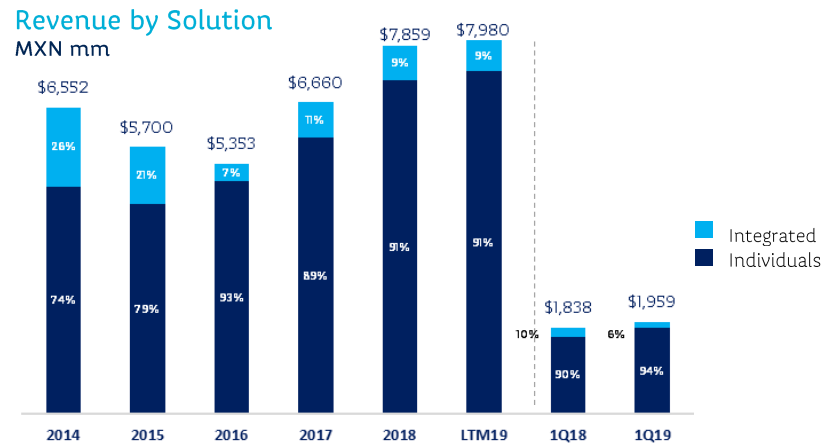
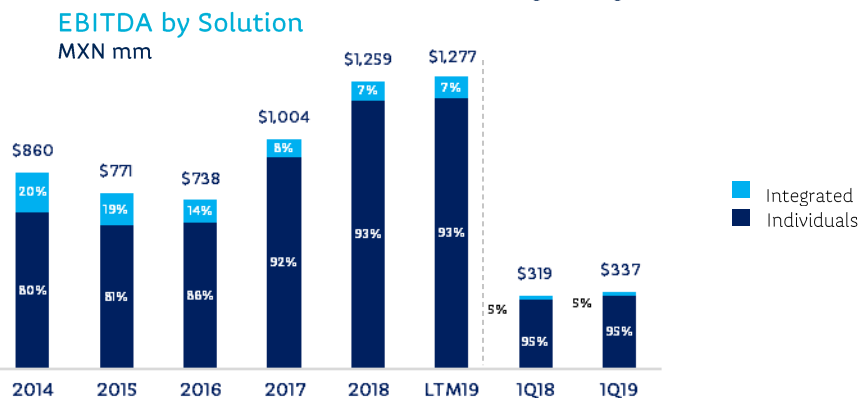
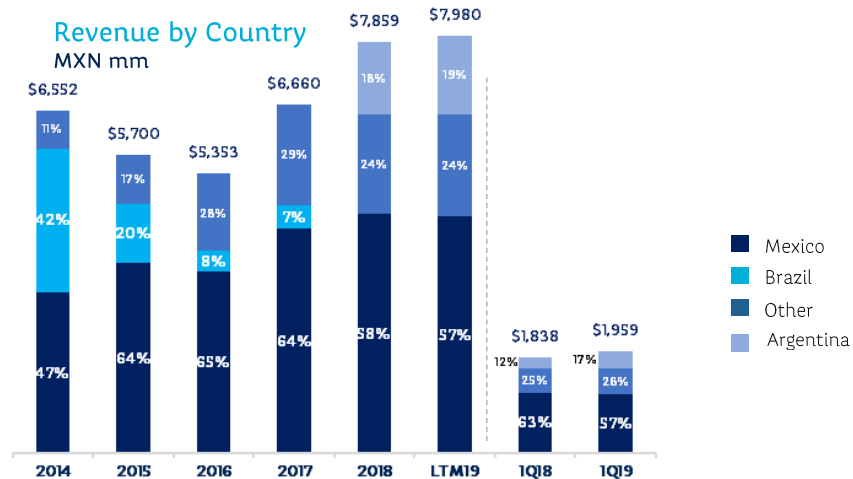
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# SOUND FINANCES

With a sustainable focus



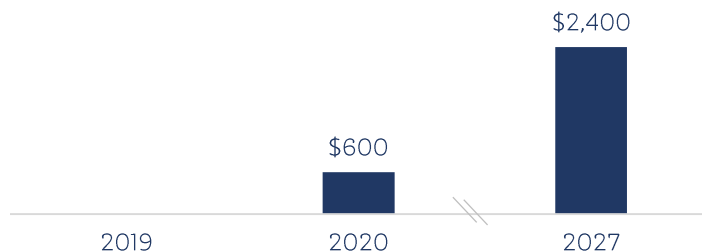
# Track Record of Growth and Profitability



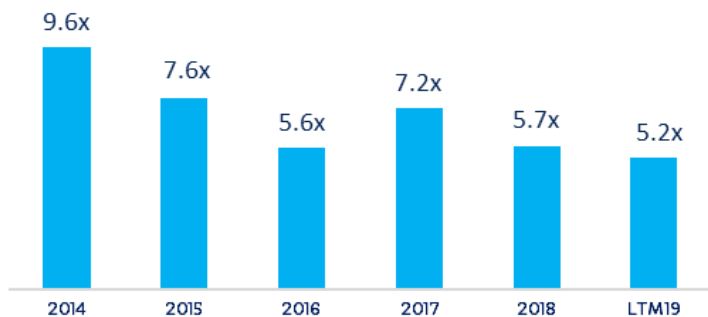
# Sound Financials

MXN mm

Debt amortization calendar



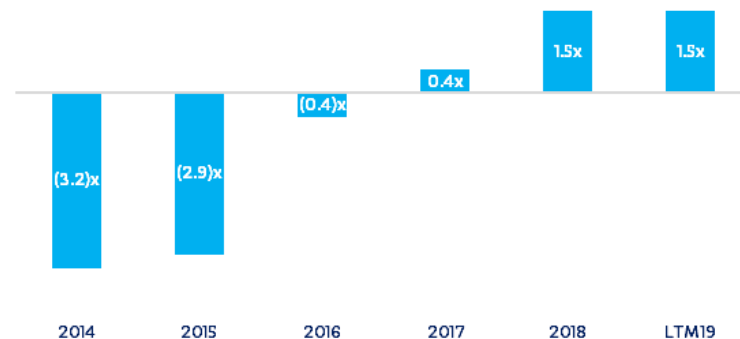
Interest coverage\*



Strong Balance Sheet to Support Growth

Cash and equivalents	\$1,083
Other Assets	\$10,904
<b>Total Assets</b>	<b>\$11,987</b>
Debt	\$2,979
Other Liabilities	\$2,216
<b>Total Liabilities</b>	<b>\$5,195</b>
Equity	\$6,794
<b>Liabilities + Equity</b>	<b>\$11,987</b>

Net debt / EBITDA



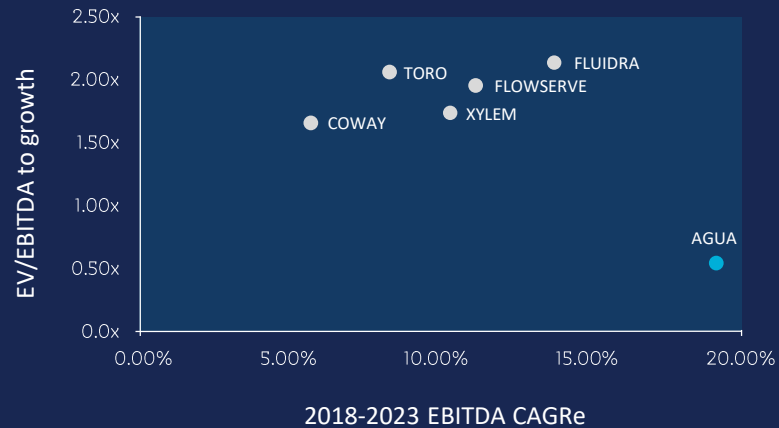
\*Considers interest payments from interest bearing liabilities.

\*Interest coverage: EBITDA/Interest payments.



## AGUA\* vs peers

	EBITDA CAGR (18e-22e)	EV/EBITDA to growth
AGUA	23.03%	0.56x
XYLEM INC	10.02%	1.74x
TORO CO	8.04%	2.06x
COWAY CO LTD	5.45%	1.67x
FLOWSERVE CORP	10.86%	1.95x
FLUIDRA SA	13.46%	2.13x



Source GBM

# Thank you!

## INVESTOR RELATIONS

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