

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

Corporate Presentation

February 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.

INVESTOR RELATIONS

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ADDITIONAL INFORMATION AND WHERE TO FIND IT

rotoplas.com.mx/investors
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

WHERE WE ARE GOING

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**

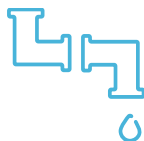
Water Supply

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	Δ
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

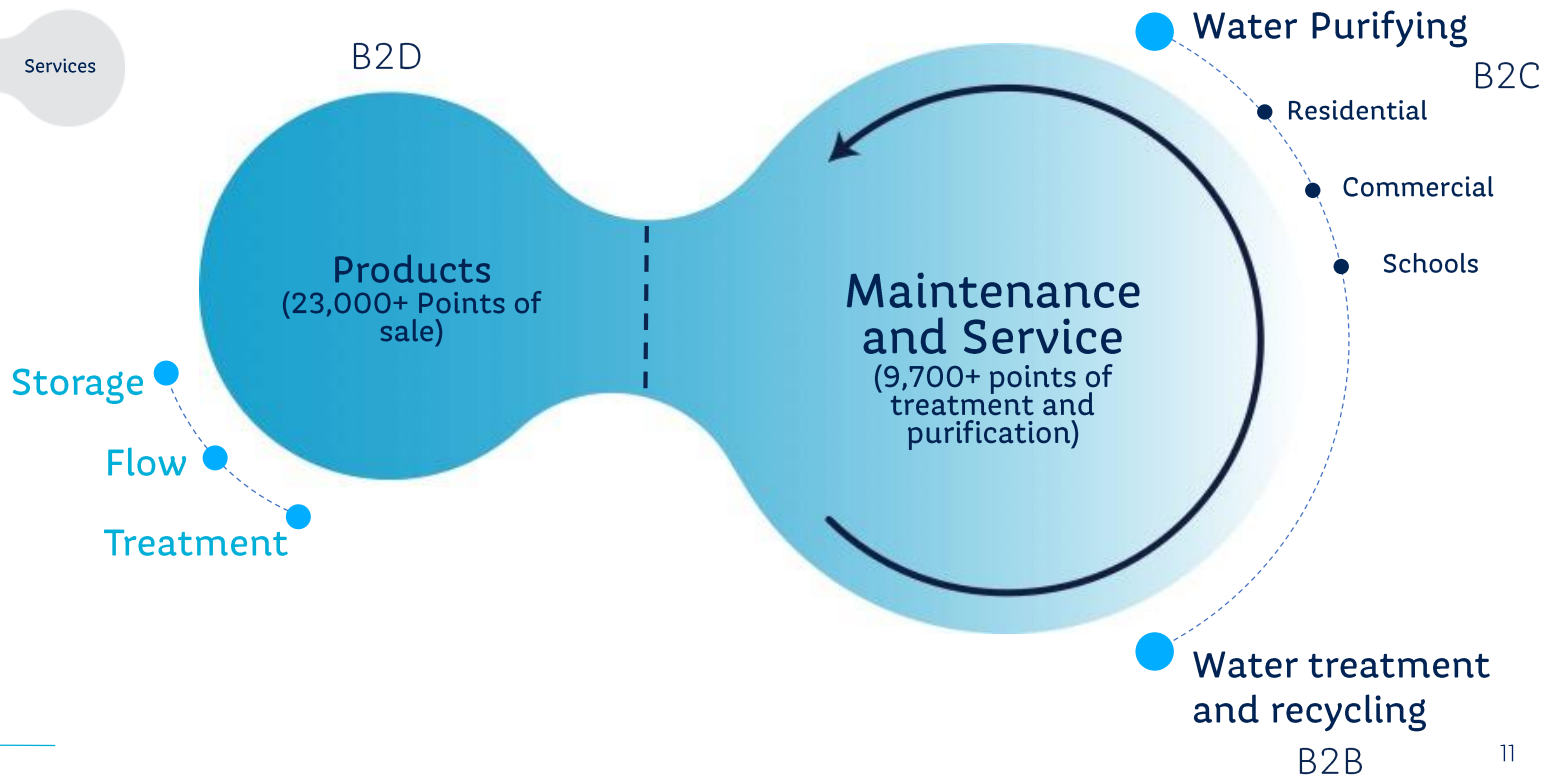
Market leaders

Decentralized Water Solutions

TODAY

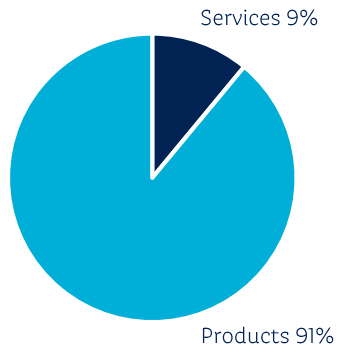


EVOLUTION

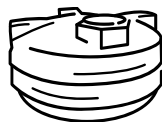


Individual and Integrated Solutions

Revenue by Solution

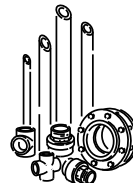


Storage



- Water Tanks
- Cisterns
- Industrial
- Accessories

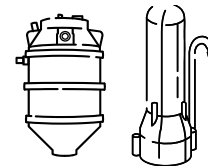
Water flow



- Hydraulic Pumps
- Sanitary Registry
- Hydraulic Piping

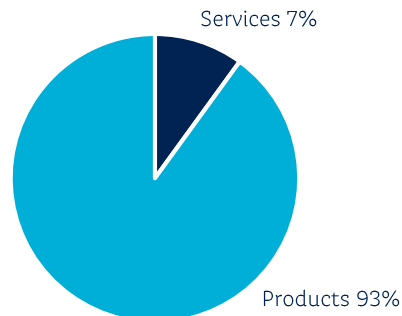
INDIVIDUAL (products)

Treatment

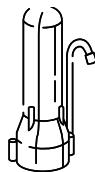


- Biogas digesters
- Filters
- Purifiers
- Heaters

EBITDA by Solution

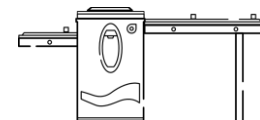


Water as a service



- Wastewater treatment & recycling plants
- Institutional and residential water purification services
- School water fountains

INTEGRATED (services)



The Company

Origin: 1978 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

IPO: 2014 Water Solutions



12 countries (12x)¹
6,850+ direct clients (9x)¹
2,600+ employees (5x)¹
23,000+ points of sale (8x)¹
17 product lines (9x)¹
25 plants (3x)¹
1 innovation and development centers

Sales (LTM)
MXN 6,552mm

EBITDA (LTM)
MXN 860mm

Today: 2018 Market Leader



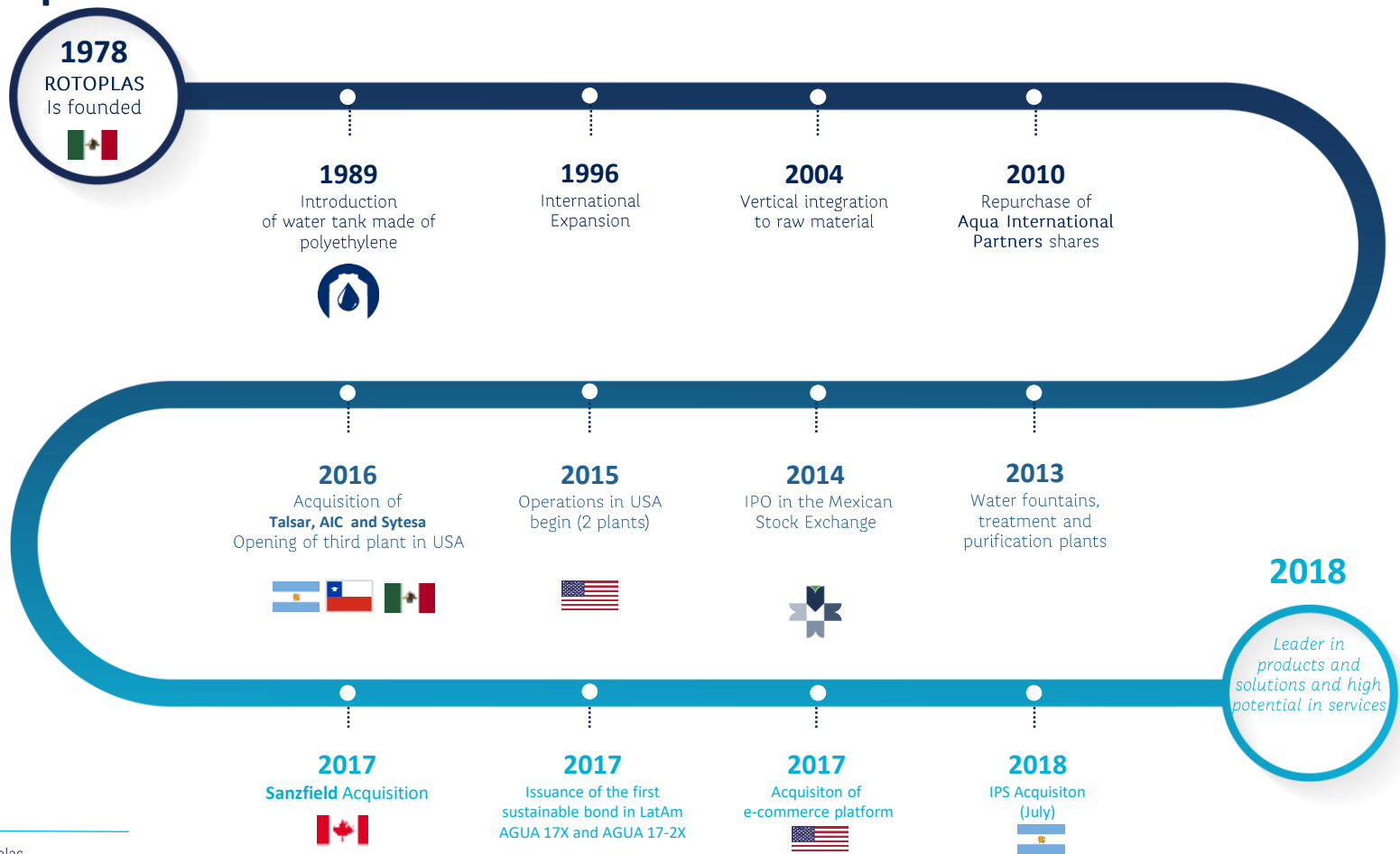
14 countries (14x)¹
9,700+ points of service(12x)¹
3,500+ employees (6x)¹
23,000+ points of sale(8x)¹
27 product lines(14x)¹
21 plants (3x)¹
3 innovation and development centers (3x)¹

Sales (LTM)
MXN 7,859mm

EBITDA (LTM)
MXN 1,259mm

¹ Compared to 1996.

Rotoplas Timeline





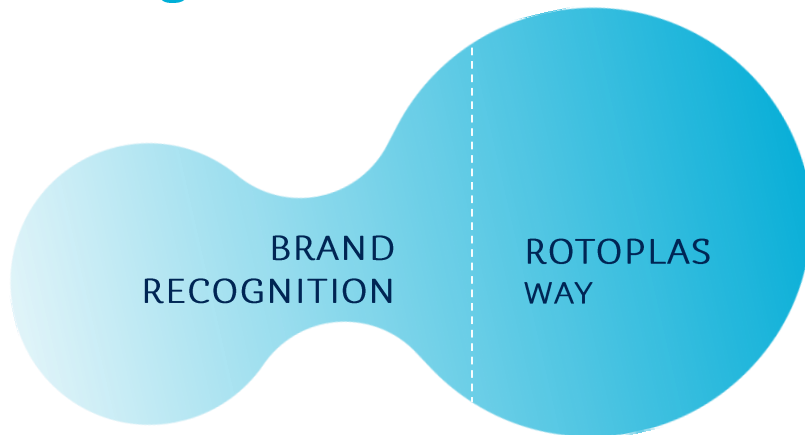
3

WITH A CLEAR MISSION

Sustainable Model

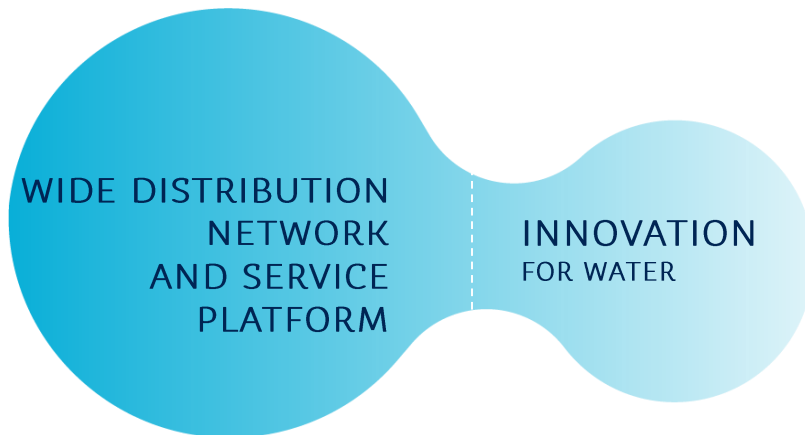
Competitive Advantages

- 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 **23,000 points of sale** in America
- Over **9,700 service points** and water treatment



- Focused on **highly innovative** projects with **high returns**
- Rotoplas invests **+1.5% of its sales in research and development**

ESG focus



+28,320 hrs¹

of training collaborators on human rights, processes, health and safety, among other topics



+14,330¹

trained plumbers



+2,460,000²

Beneficiaries from our solutions



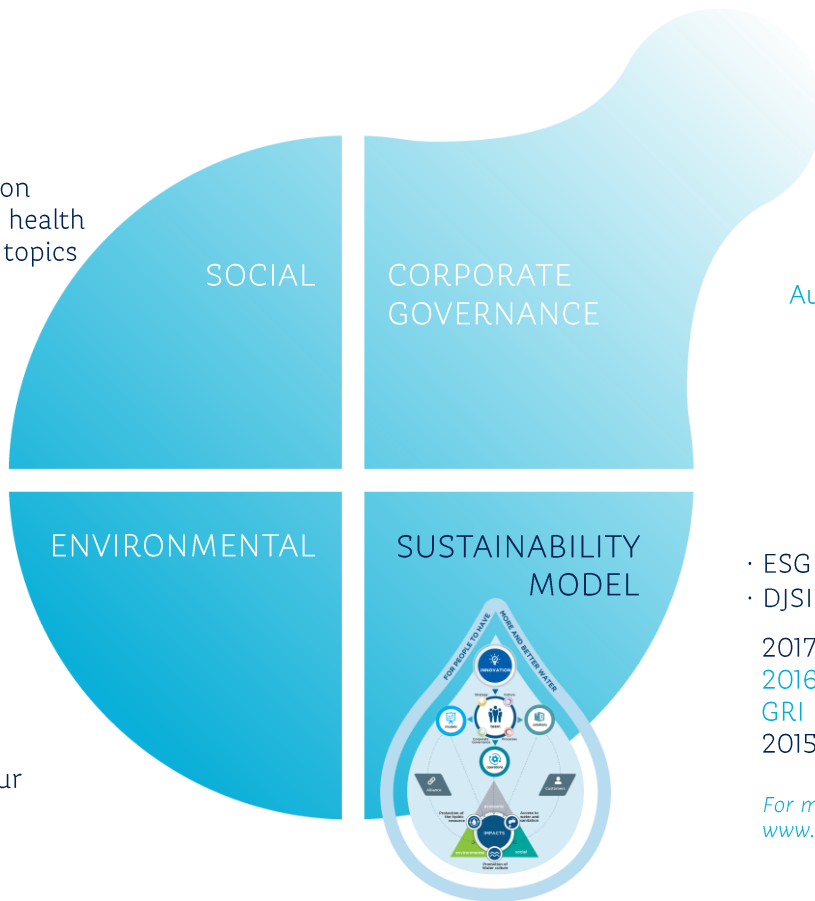
82%¹

of energy from renewable sources



11%¹

recycled materials in our solutions



46% 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)

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

¹During 2017.

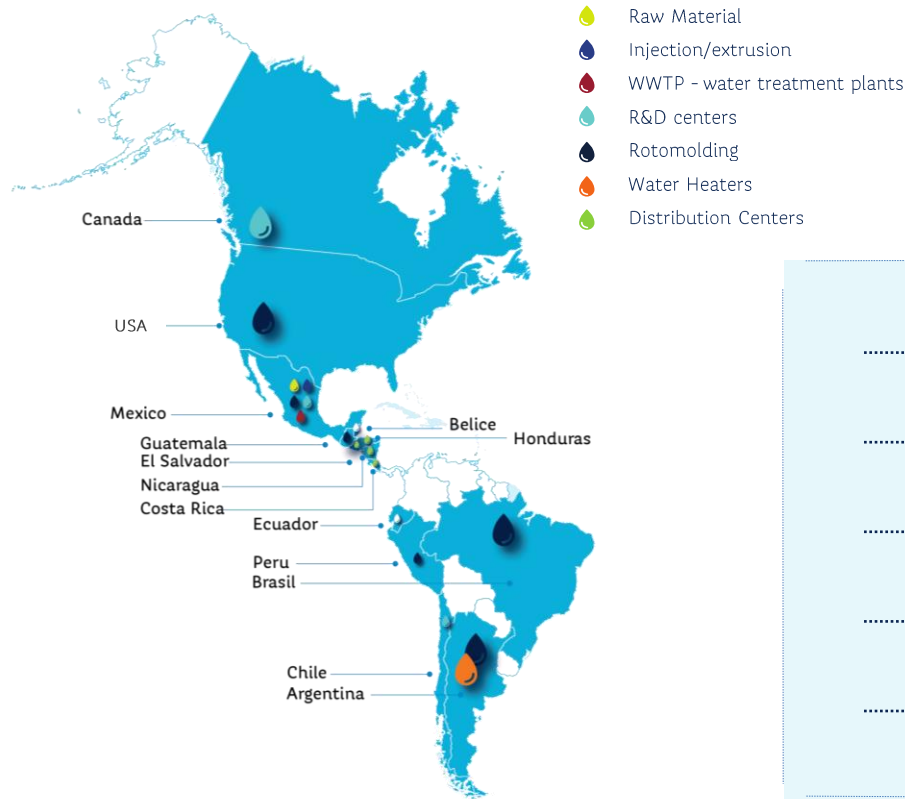
²Cumulative and including only INIFED beneficiaries for water fountains.



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

Strategy and Positioning by Country

Rotoplas has a different strategy depending on each region's maturity & needs



- *E-commerce* for water storage products
- Biodigestors to replace septic tanks

- Leader e-commerce Platform-
Storage
Treatment



- Maintain leadership in existing products
- Accelerated growth in services

1 Storage
1 Flow
1 Treatment
1 Treatment and recycling
1 Purifying



- Maintain market positioning in the region

1 Storage



- Complete portfolio of products with an organic development of water flow/piping solutions
- Leadership in water treatment

1 Storage
2 Treatment



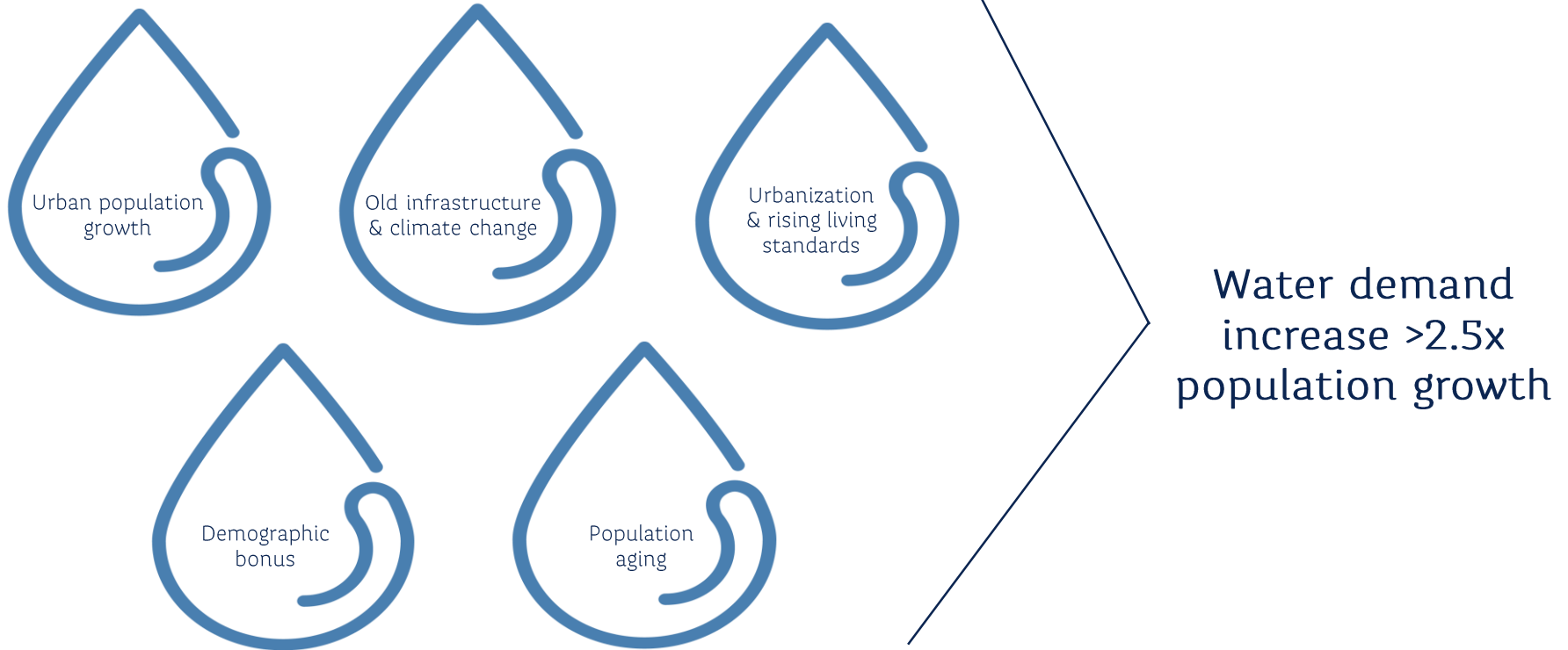
- Neutrality in products
- Evaluate business opportunities for WWTP – wastewater treatment plants



- Consolidate the portfolio of products
- Completely integrate recent acquisitions (Talsar, IPS)

- Leading Brands-
1 Storage
2 Flow
1 Treatment

Long-term tailwinds





5

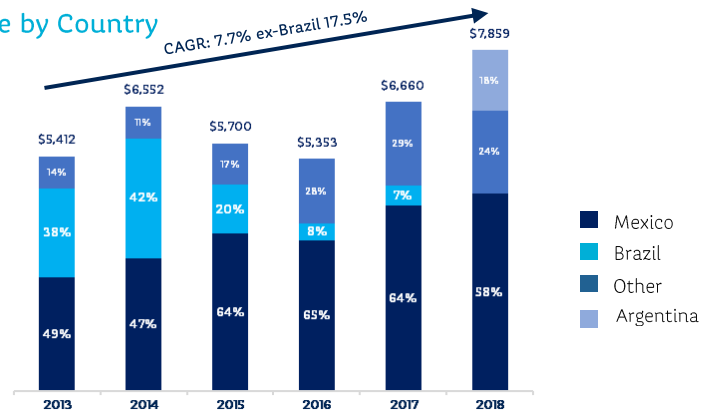
SOUND FINANCES

With a sustainable focus

Track Record of Growth and Profitability

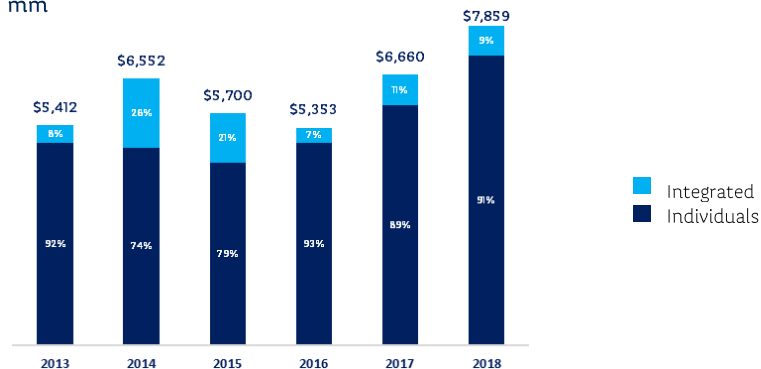
Revenue by Country

MXN mm



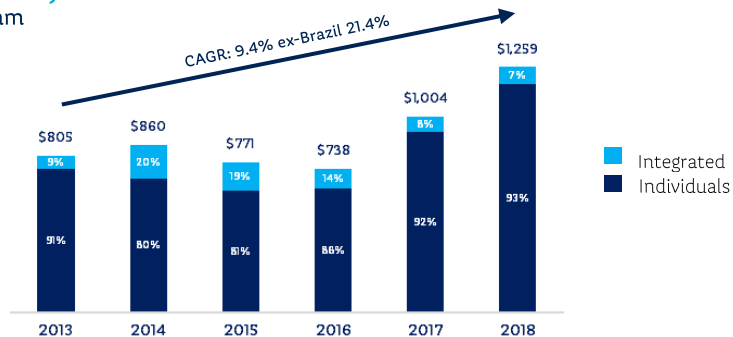
Revenue by Solution

MXN mm

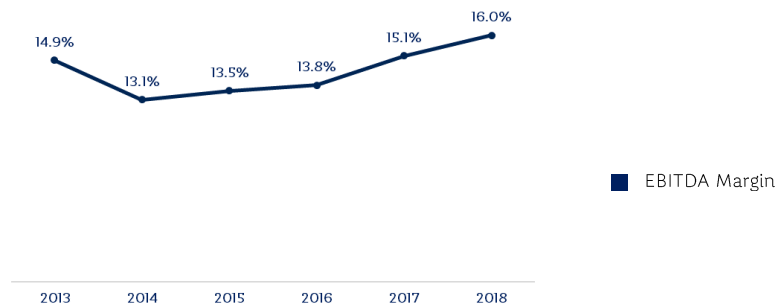


EBITDA by Solution

MXN mm



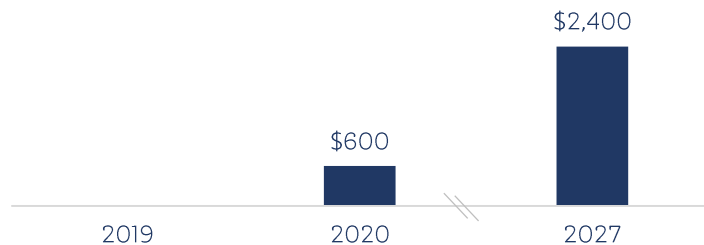
EBITDA Margin



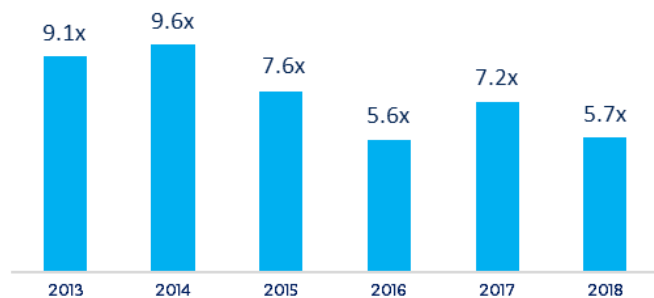
Sound Financials

MXN mm

Debt amortization calendar



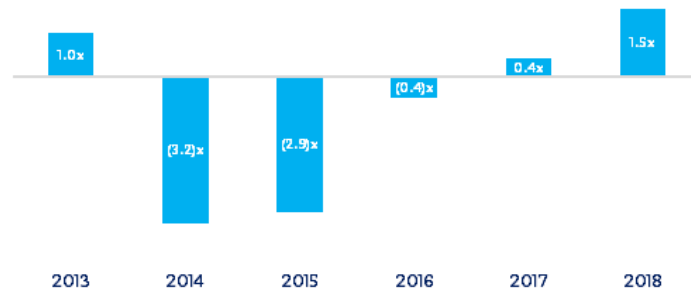
Interest coverage*



Strong Balance Sheet to Support Growth

December 2018	
Cash and equivalents	\$1,050
Other Assets	\$10,919
Total Assets	\$11,969
Debt	\$2,923
Other Liabilities	\$2,164
Total Liabilities	\$5,087
Equity	\$6,883
Liabilities + Equity	\$11,969

Net debt / EBITDA



*Considers interest payments from interest bearing liabilities.

*Interest coverage: EBITDA/Interest payments.

Thank you!

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