



# Investor Presentation

HSBC

June 26<sup>th</sup>, 2015

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

# 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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# From a Water Tanks Company to a Water Solutions Company



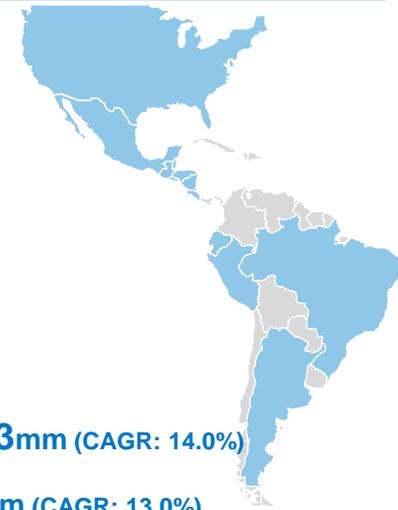
20 Years Ago

- 1 country
- 800 direct clients
- 500 employees
- 3,000 points of sale
- 2 product lines
- 8 factories
- Revenue: **MXN500mm**
- EBITDA: **MXN70mm**



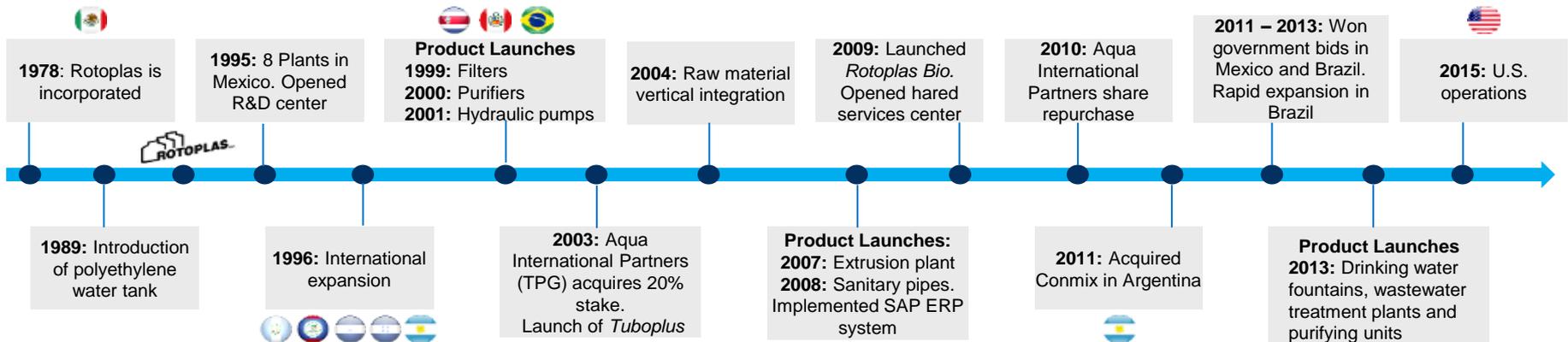
Today

- 12 countries (12x)
- 6,850+ direct clients (9x)
- 2,703+ employees (6x)
- 23,000+ points of sale (8x)
- 17 product lines (9x)
- 22 factories (3x)
- 12M 1Q15 Revenue: **MXN6,213mm (CAGR: 14.0%)**
- 12M 1Q15 EBITDA: **MXN742mm (CAGR: 13.0%)**



## Water Tanks Company

## Water Solutions Company

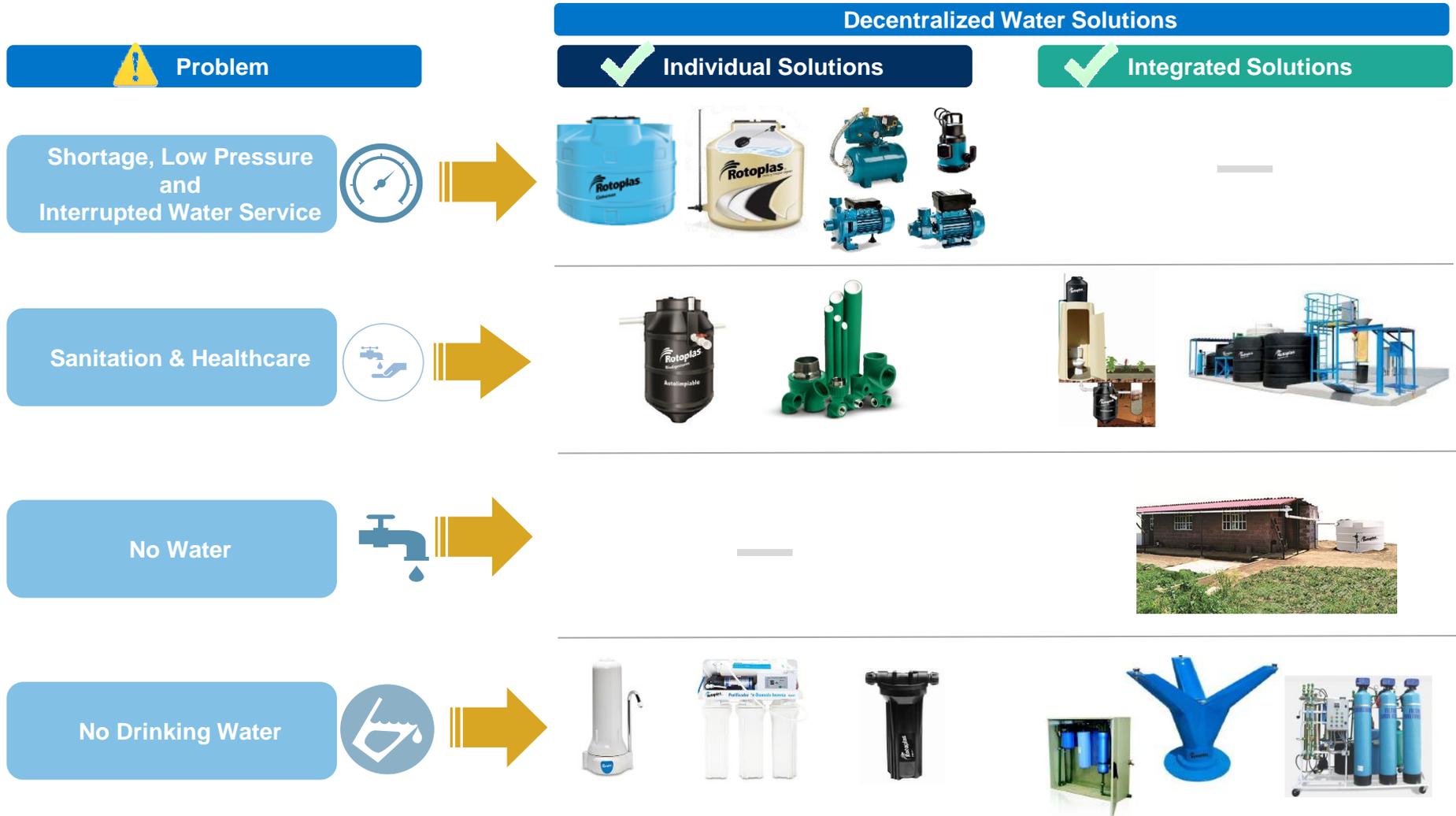


# Opportunities Today: *Water*

- ✓ **Consumers must now find solutions to store and manage water:**
  - Brazil is experiencing the worst drought in 84 years, with many cities (including São Paulo) at risk of **running out of water**
  - California has been facing a severe drought for the last four years; the local government requires a **25% reduction in water consumption** as compared to 2013 due to low reservoir water levels
- ✓ **Increased demand for drinking water in Mexico:**
  - Mexican legislation and a related tax discourages soda and sugared beverage consumption to combat diabetes and obesity, particularly in children



# Challenges Related to Decentralization, Infrastructure: Solutions for Common Water Problems Within Our Markets



# Clearly Identified Growth Opportunities

- **Outdoor Composting Bathrooms**

- 22% of the Mexican population does not have sewer system
- Almost half of the Brazilian population is without proper sanitation systems
- Mexico success story: 11,150+ systems installed in 3 months in remote parts of the country
- Only 87% of the urban population and 63% of the rural population in Latin America have access to improved sanitation



- **United States**

- Severe droughts and massive water and sanitation investment needs
- Leading company owns 25% market share while rest of market is highly fragmented
- Business plan to establish several operating plants over the next few years
- Rotoplas able to leverage its expertise and economies of scale



● Rotomolding plant    ■ Operational coverage

# Clearly Identified Growth Opportunities

- **Rainwater Harvesting Systems**

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



- **Water Fountains**

- New Mexican law requires that **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**
- **Rotoplas uniquely positioned** to install and service equipment



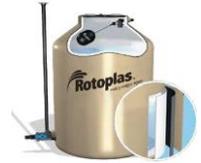
# Innovating Within Our Markets

## Before Rotoplas

Asbestos  
Water Tanks



Polyethylene  
Water Tanks



Cement  
Cisterns



Polyethylene  
Cisterns



Metal & CPVC  
Pipes



Polypropylene  
Pipes



Latrines



Outdoor  
Composting  
Bathroom



Rainwater  
Storage



Rainwater  
Harvesting  
Systems



Sugary  
Carbonated  
Drinks



Purified Water  
Fountain



# Global Water Solutions Leader



## Individual Solutions- Market Position

	Water Storage		Water Flow	Water Treatment	
	Tanks	Cisterns	Hydraulic Pipes	Biodigesters	Filters
	#1	#1	#1	#1	#1
	#2	#1	Opportunity	#1	Opportunity
	#1	#1	Opportunity	#1	#1
Central America <sup>(1)</sup>	#1	#1	Opportunity	#1	#1
	#1	#1	Opportunity	#1	#1
	Opportunity		Opportunity	Opportunity	

## Integrated Solutions

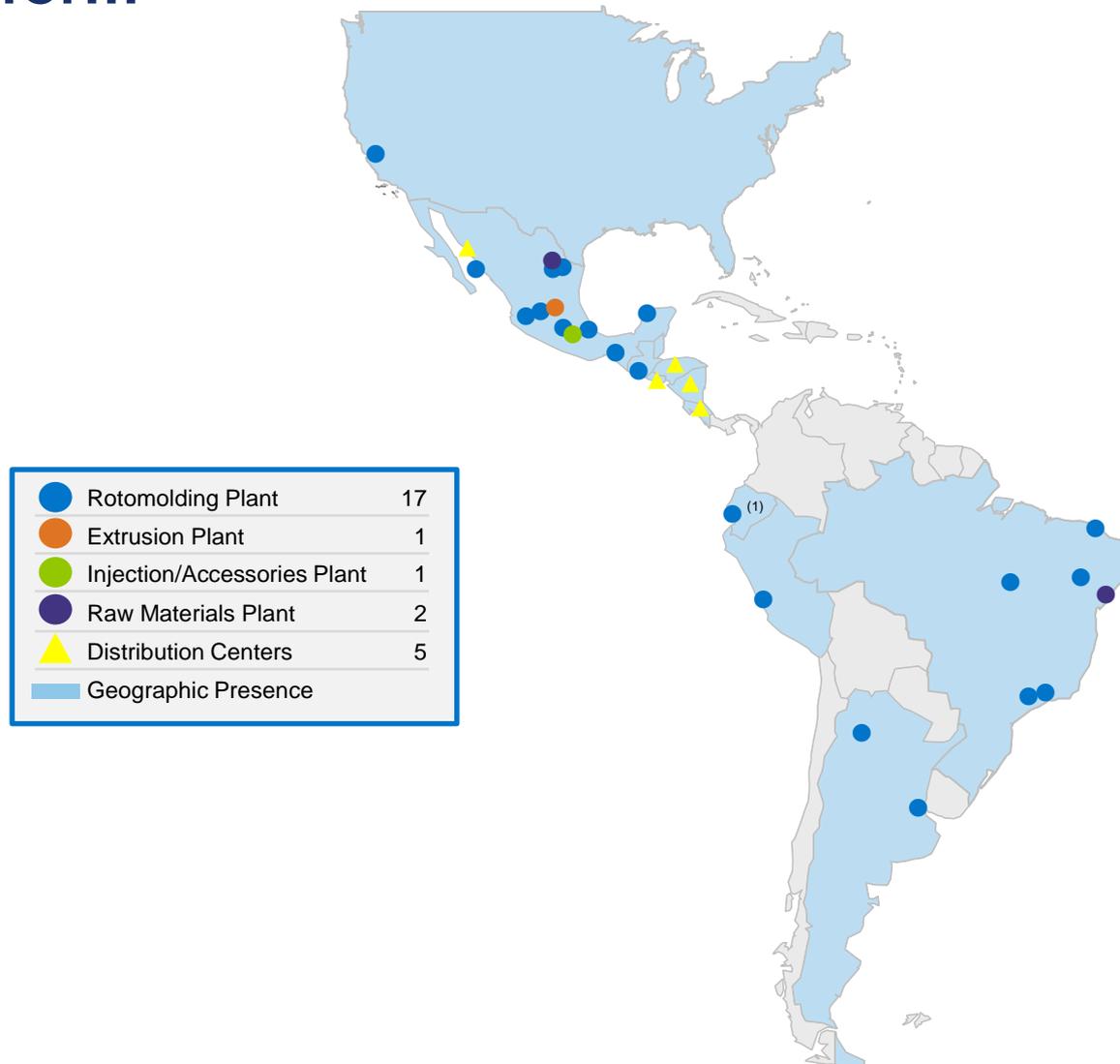
**Market leading** provider of water solutions

**Only** producer of **outdoor composting bathrooms solution**

Source: Company.

(1) Includes Guatemala, Honduras, Belize, Costa Rica and Nicaragua.

# Market Leading Diversified Water Solutions Platform



Source: Company.

(1) Through a joint venture with Dalkasa S.A. (49.9%).

# World-Class Corporate Governance and Processes Adopted



**Board of Directors**

**Carlos Rojas Mota Velasco**  
*Chairman & CEO*

**Audit Committee**

- Composed of 3 independent members

**Corporate Practices Committee**

- Composed of 3 members
- 2 independent

**Compensation Committee**

- Composed of 2 independent members

- All committees are composed by independent directors
- 50% of our BOD is independent, significantly above the required 25%



## Established Processes and Systems Support Growth

Solid **operating, administrative, sales and business processes** that have allowed us to grow rapidly

Evolved from a family-owned business, into a well-established and **institutional company**

Developed **centralized shared services practices** across the Company



## Highly Efficient Business Support Infrastructure



- Successful implementation of **SAP processes since 2008**



- **BSC** since 2005



- Since 2012



- Since 2003



- Since 2007

# Why Rotoplas?

1. Provide Solutions for Pressing Water and Sanitation Needs
2. Clearly Identified Growth Opportunities
3. Innovating Within Our Markets
4. Market Leading Water Solutions Platform with Unmatched Brand Recognition
5. Entrepreneurial Management Team with Proven Execution Capabilities



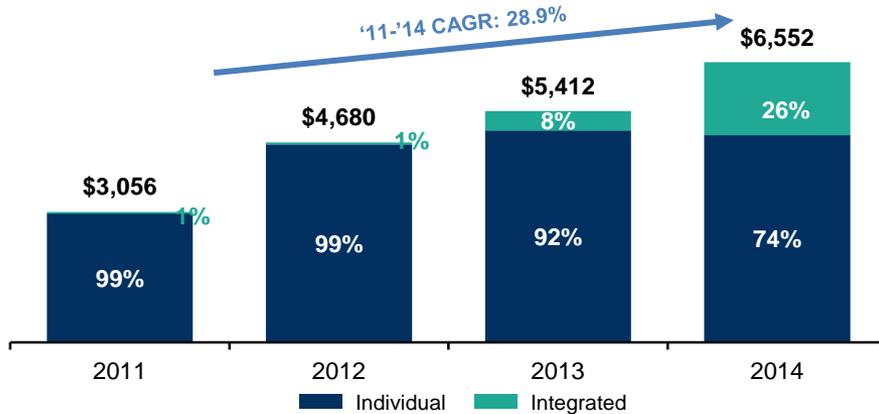
An aerial photograph of a large industrial facility, likely a chemical or pharmaceutical plant. The foreground and middle ground are dominated by hundreds of white and black plastic containers, possibly drums or jugs, stacked in neat rows on a paved area. In the background, there are several large white storage tanks, a building with a flat roof, and a parking lot with several vehicles, including a white van. The sky is clear and blue, and there are trees and other industrial structures in the distance.

# Financial Review

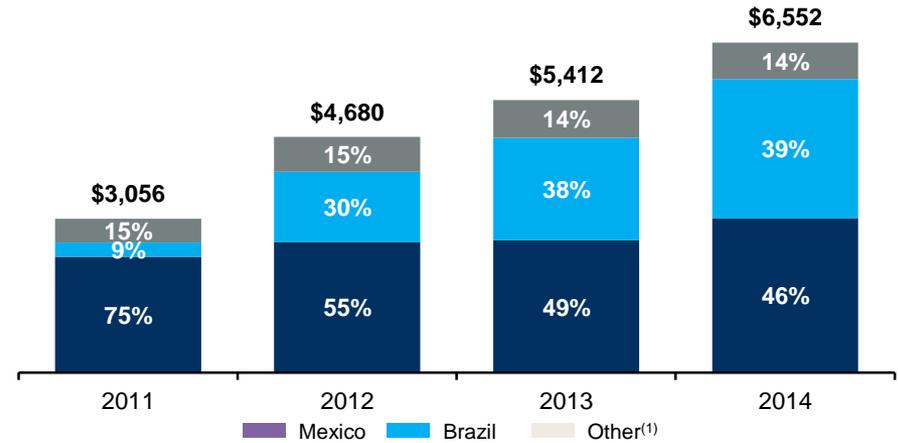
# Proven Growth and Profitability



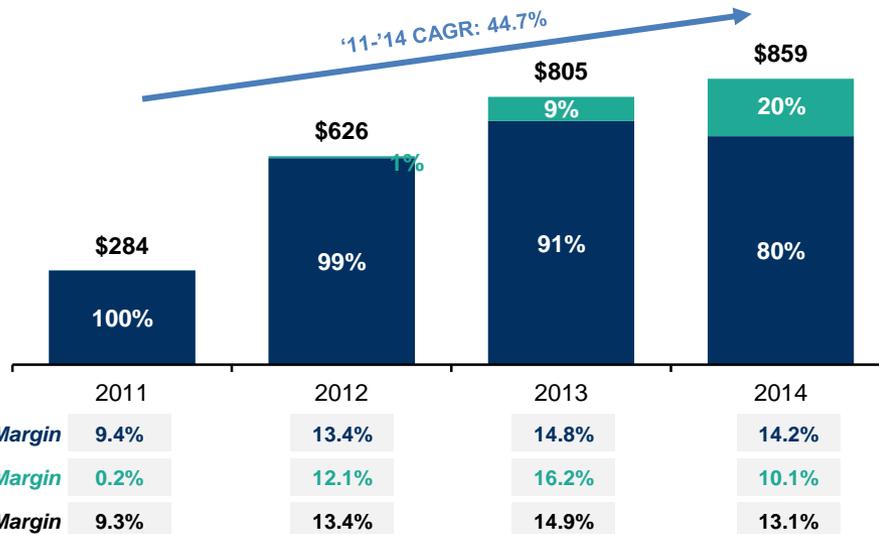
## • Revenue by Solution (MXN mm)



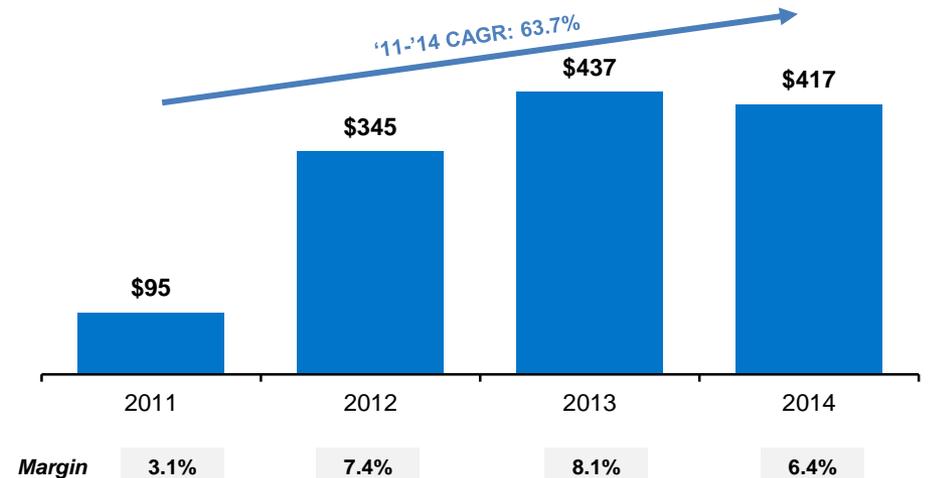
## • Revenue by Country (MXN mm)



## • EBITDA by Solution (MXN mm)



## • Net Income (MXN mm)



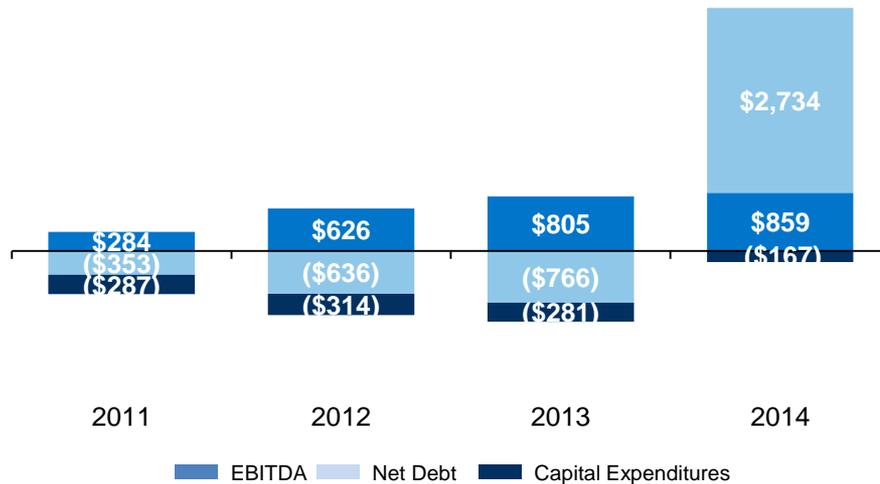
(1) Includes Central America, Argentina and Peru and U.S.

■ Individual ■ Integrated

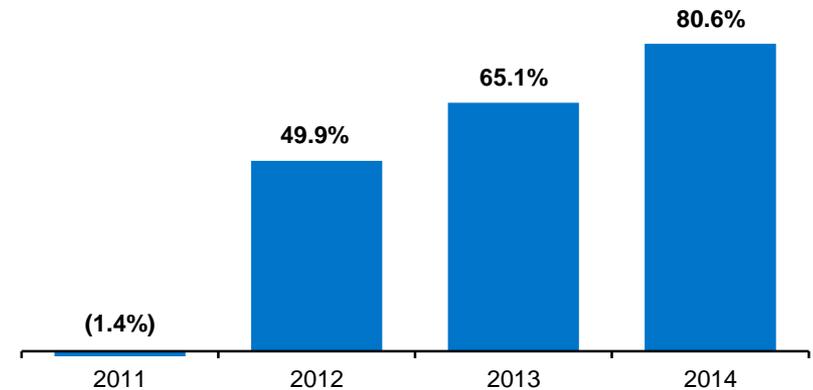
# Solid Cash Flow Generation and Returns



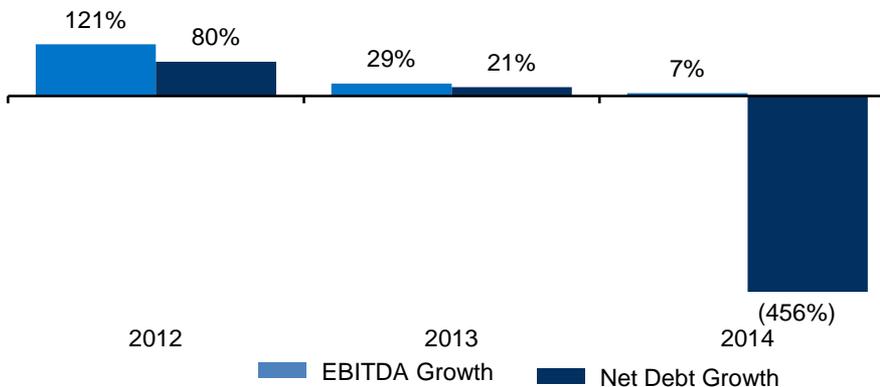
- Value Generation



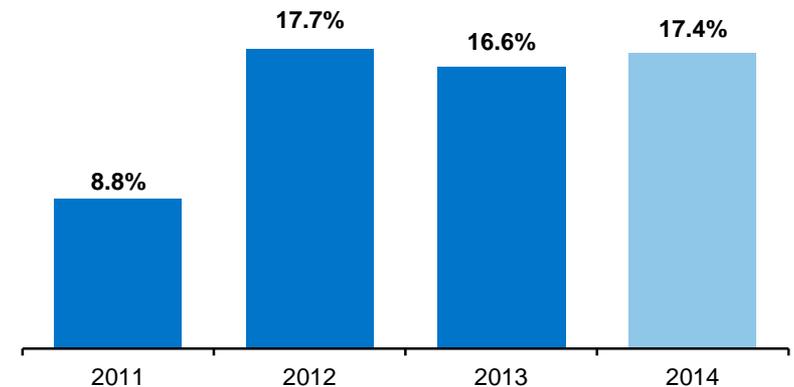
- Operating Free Cash Flow Conversion (1)



- Capital Deployment (y-o-y)



- Return on Invested Capital Pre IPO (2)



Note: For the LTM 1Q15.

(1)  $(EBITDA - Capex) / EBITDA$ .

(2)  $Effective\ Tax\ Effected\ EBIT / (Total\ Debt + Shareholder's\ Equity)$ .

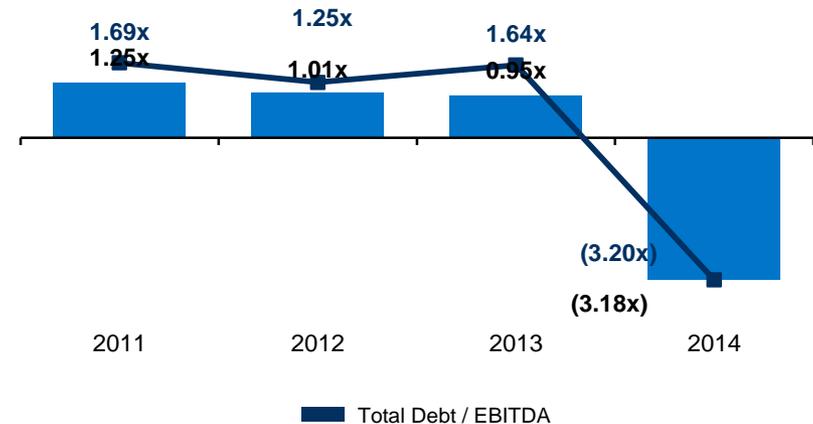
# Solid Balance Sheet to Support Growth



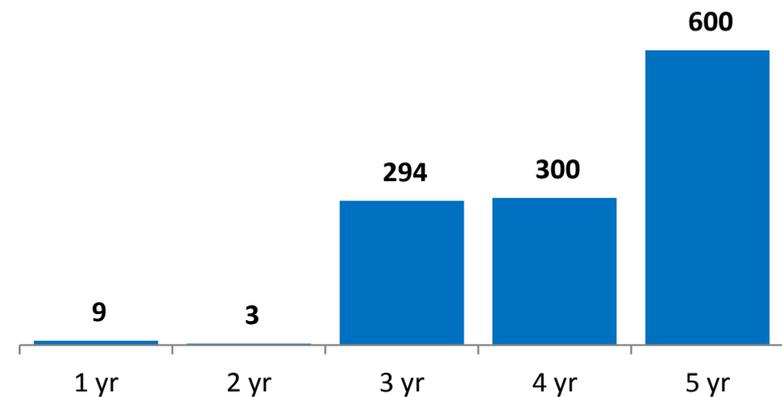
- Selected Balance Sheet Items (MXN mm)

	FY2014
Cash and Equivalents	\$3,941
Other Assets	\$4,599
<b>Total Assets</b>	<b>\$8,540</b>
Debt	\$1,211
Other Liabilities	\$1,163
<b>Total Liabilities</b>	<b>\$2,374</b>
Equity	\$6,166
<b>Liabilities(+)-Equity</b>	<b>\$8,540</b>

- Net Debt / EBITDA



- Debt Maturity Schedule (MXN mm)





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AGUA