

Investor Presentation Rotoplas



BMV: AGUA

December 15th, 2017

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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Global Industry Trends



- ▶ The world's population will continue to grow



- ▶ People are migrating from the countryside to cities



- ▶ The overall standard of living is improving, leading to an increase in water consumption worldwide

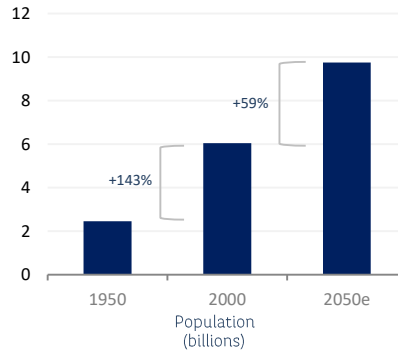
Water:

Secular commodity without a substitute product

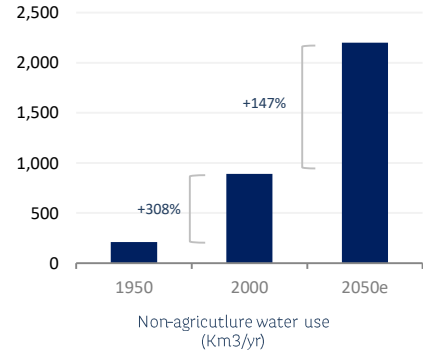


The Global Water Industry

World population to grow by 3.6 billion +59% through 2050 but water demand, especially in developing countries, to grow much more rapidly.



- Gross population will grow by an average of 77 million people per year over the next 20 years

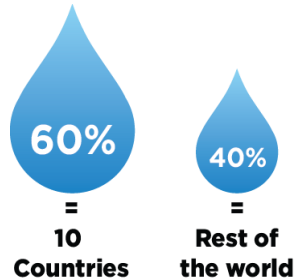


- Non-agriculture water demand is growing 2.5x faster than population

- As the world gets wealthier, it becomes thirstier

The Global Water Industry

► Imbalance in water distribution



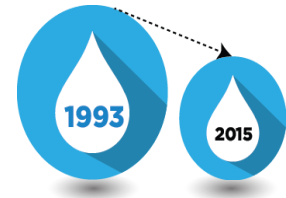
10 countries control 60% of the global freshwater supply

► Water supply & sewer systems that are 60 – 80 years old



..and, in many cases, have reached the end of their useful lives

► 40% decline in renewable water per capital over the last 22 years



The Global Water Industry

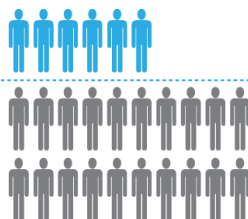
▶ 2/3 of population

are living in areas of water scarcity of at least once a month



▶ 2.4 billion

people worldwide without access to adequate sanitation



▶ USD 1 trillion



market opportunity by 2025

Rotoplas Approach

Decentralized Solutions

Water products
to improve life
(25,000 points of sale)



- Water storage
- Water flow
- Water treatment

Water as a service
(6,000 points of treatment and
purification)



- Water treatment and recycling
- Residential and commercial water purification
- Water purification in schools

The Portfolio

Individual Solutions

Water Storage



Water Flow



Water Treatment



Integrated Solutions

Water as a service



Sustainable



Individual Solutions Portfolio

► Water Storage (All countries)

- Water Tanks
- Cisterns
- Industrial Tanks
- Accessories
- Limited access to water
- Urbanization
- Interrupted water service
- Ageing infrastructure



► Water Flow (Mexico, Peru)

- Hydraulic Pumps
- Sanitary Catch Pits
- Hydraulic Piping
- Sanitary Piping
- Low Pressure
- Water leakages
- Ageing infrastructure
- Interrupted water service



► Water Treatment (Mexico, Peru, Argentina)

- Biodigesters
- Water Filters
- Water Purifiers
- Water Heaters
- Sanitation & healthcare
- No drinking water
- Environmental and economic cost of bottled water



Speed of growth and
Margin contribution




- 93% of revenue FY16 and 89% YTD
- Opportunity to tap current markets with existing portfolio



Integrated Solutions Portfolio

► **Urban**
Service & Maintenance
(Mexico)

Solutions that require a more sophisticated marketing and sales effort

-  Sanitation
-  No drinking water
-  No water

► **Rural**
Sustainable
(Mexico y Brazil)

Recycling - Wastewater Treatment Plants



510+
Units installed

Residential and institutional purifying services



2,270+
Units installed

Water Purifying Fountains



2,780+
Units installed
(1,840+ to be installed)

Rainwater Harvesting Systems



317,000+
Units installed

Outdoor Composting Bathrooms



172,000+
Units installed



The Company



More tan 20 years ago
Water tanks

1 Country
800 Direct customers
500 employees
3,000 points of sale
2 product lines
8 plants¹

Sales
MXN500mm

EBITDA
MXN70mm

The Company



Today Water Solutions

14 countries (14x)
 9,280+ direct customers (12x)
 2,870+ employees (6x)
 25,000+ points of sale (8x)
 18 product lines (9x)
 21 plants (3x)¹
 3 Innovation centers
 6,000 water points of service

Sales (LTM)
 MXN 6,476mm (CAGR: 12.5%)

EBITDA (LTM)
 MXN 1,021mm (CAGR: 13.1%)

Rotoplas Competitive Advantages

Strong
Brand
recognition



- Value
- Quality
- Social Responsibility
- Reliability

Product
innovation



- Focus on highly-innovative with high-return projects
- Rotoplas invests 1.5% of sales in R&D

Rotoplas Way



- ESG Focus
- Corporate Governance: Best practices
- Processes: Operational excellence supported by SAP platform
- Culture: Highly innovative and client centered decision
- Strategy: Water market space with robust coherence matrix per capital allocation

Unmatched
distribution
& service
platform



- With more than 25,000 points of sale in the Americas
- 6,000+ points of service and water treatment

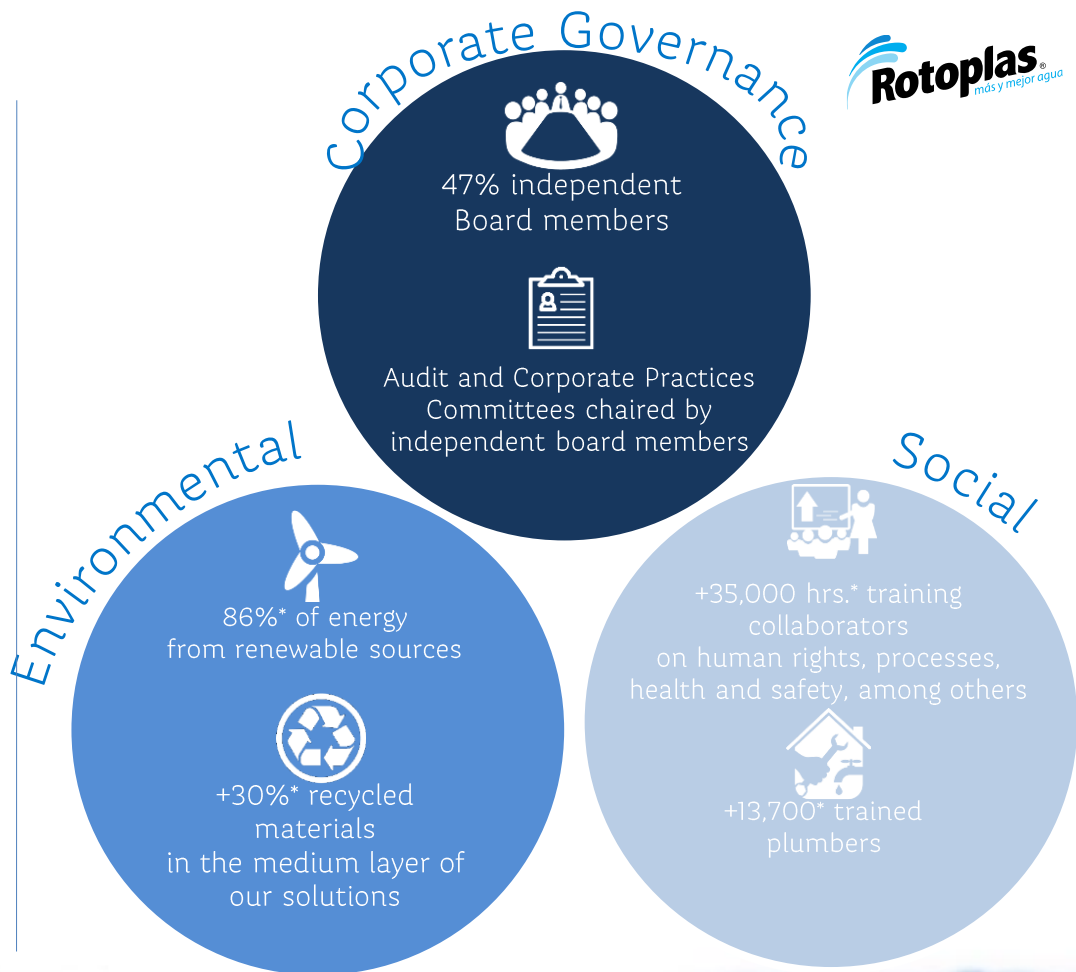
Rotoplas ESG Actions

2016 Annual Integrated Report elaborated under GRI Standards and 2015 Annual Integrated Report under GRI 4

For more about our ESG performance visit our website

ESG Bloomberg Score:
49.17

MILA Dow Jones
Sustainability Index



Impact Investing

Rotoplas portfolio of solutions generates social and environmental impact alongside a financial return

Our solutions improve quality of life by providing or improving access to water and sanitation

► Rainwater Harvesting Systems

1,315,000+
Beneficiaries



Enables to water supply in case of no access to it

+23% household income¹

98% of the users use water for cooking and drinking¹

It saves up to 5.5 hrs. per week that can be used in other activities¹

► Water Purifying Fountains

510,000+*
Beneficiaries



Increase **water consumption** among children and teenagers

Mexican children are **#1** terms of **obesity** and **#2** in **diabetes**

An obese person costs **40% more** to the Mexican Social Security Institute (IMSS)

► Outdoor Composting Bathrooms

770,000+
Beneficiaries



Lower incidence of **gastrointestinal and respiratory diseases**, especially among children

It helps **preserve the environment**

12% of the urban population and 36% of rural population in Latin America do not have access to a proper sanitary system

► Plasma Water Sanitation System

7,500+
Beneficiaries



High – impact technology capable to **purify 100% of water contaminated** by organic matter

First of its kind, to date, its effectiveness has been highlighted internationally as an unprecedented innovation due to its **potential impact on global public health**

Less than **USD\$0.1 per liter**

Notes:
¹ Harvard Vox Populi Study.
 * Includes beneficiaries for all the INIFED program.

Growth Opportunities

1 Urban integrated solutions

Emphasis towards recurring solutions with greater margin

- ✓ More stability to financial performance
- ✓ Reduce exposure to less predictable segments with lower growth opportunities



2 Organic growth for individual solutions

Cross selling opportunities to keep a healthy grow rate

- ✓ Strong brand
- ✓ Market share leader in most of the countries
- ✓ Double digit growth in the last 3 years



3 Increasing our presence in the US Market

Tapping the US market

- ✓ Manufacturing facilities in California, Texas and Georgia covers 60% of water storage market
- ✓ Sewage opportunity, 20% of the houses use conventional concrete septic tanks
- ✓ Acquisition of leading e-commerce platform for water tanks

| Financial Information



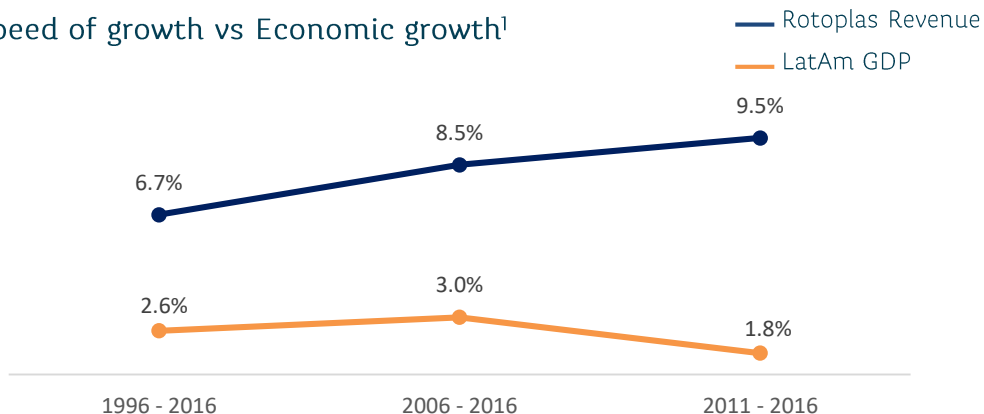
Consistent Delivery of Strong Financial Results Over the Last 20 Years¹

Growth
+12%
Sales CAGR²

Profitability
+12%
EBITDA CAGR²

Value Creation
+20%
Equity IRR^{2,3}

► Speed of growth vs Economic growth¹



Notes:

¹ From 1996 to December 2016.

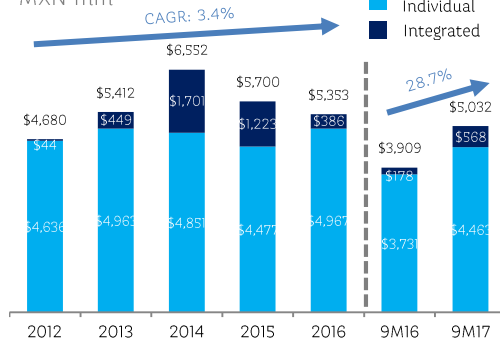
² As of December 2016.

³ Corresponds to book equity and includes dividends paid.

Track record Of Growth and Profitability

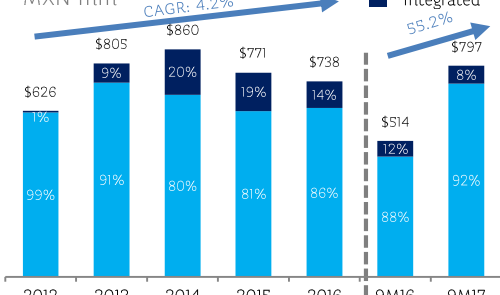
Revenue by Solution

MXN mm



EBITDA by solution

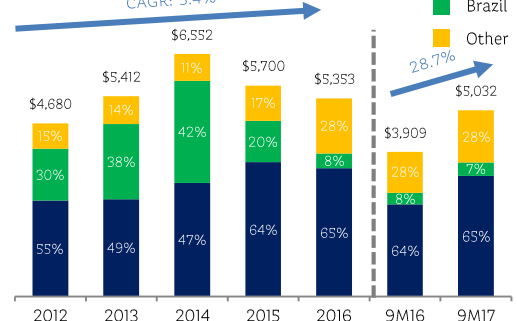
MXN mm



Individual	13.4%	14.8%	14.2%	14.0%	12.8%	12.2%	16.3%
Integrated	12.1%	16.2%	10.1%	11.9%	26.0%	33.3%	11.9%
Total	13.4%	14.9%	13.1%	13.5%	13.8%	13.1%	15.8%

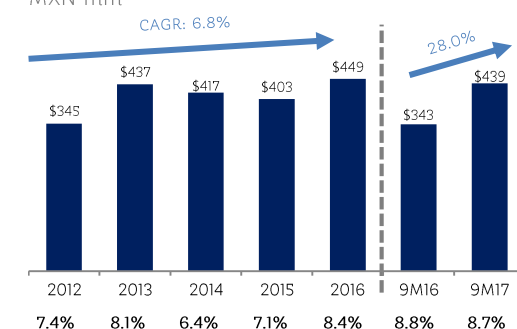
Revenue by Country

MXN mm



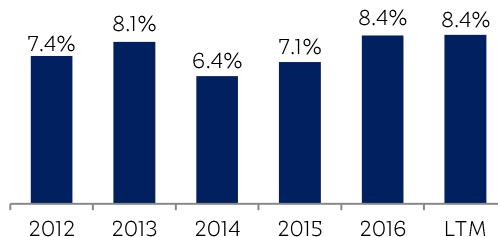
Net Income

MXN mm

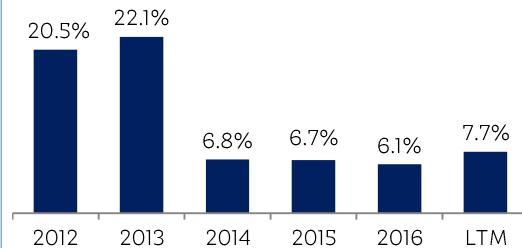


Solid Net Profit Margin and Returns

► Net Profit Margin

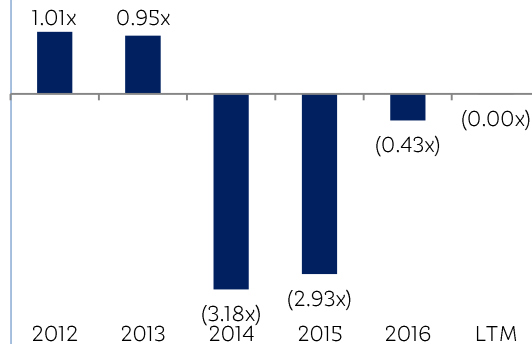


► Return on Equity



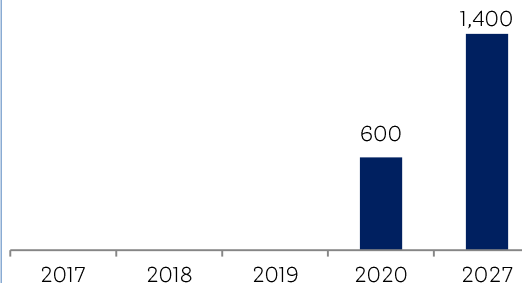
Strong Balance Sheet to Support Expansion

► Net Debt / EBITDA



► Debt Maturity Schedule

MXN mm



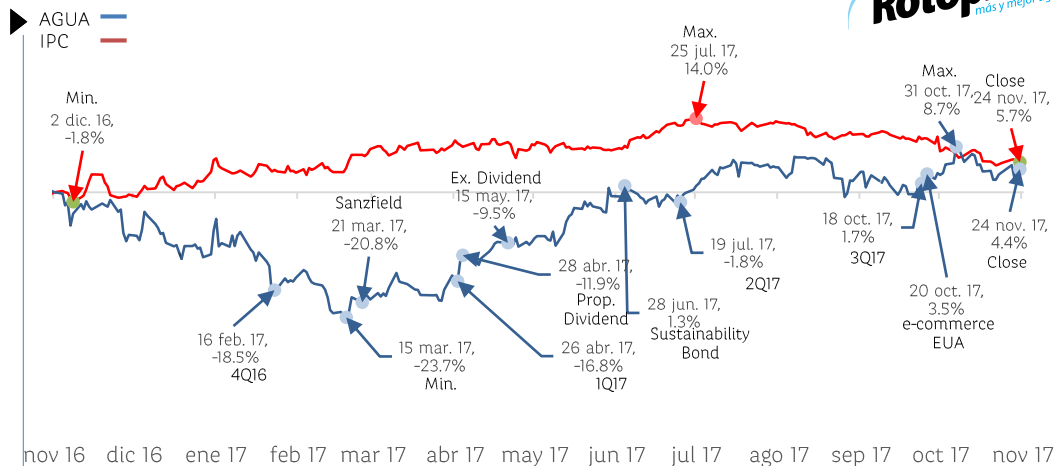
Strong Balance Sheet to Support Expansion

Selected Balance Sheet Items MXN mm

	3Q17
Cash and equivalents	\$2,007
Other Assets	\$8,497
Total Assets	\$10,504
Debt	\$2,004
Other Liabilities	\$1,433
Total Liabilities	\$3,437
Equity	\$7,067
Liabilities + Equity	\$10,504

Stock Performance

LTM – November 24th, 2017



	AGUA	IPC
LTM Nov 24th 2017	4.4%	5.7%
YTD	11.0%	4.9%

- Total volume LTM: 79 million of shares
- Average volume: 312k shares (US\$490k)
- Liquidity index: Rank 66 of 192 (Oct 2017)
- Liquidity: Medium

► Analyst Coverage

1. Bank of America Merrill Lynch
2. GBM
3. Goldman Sachs
4. Santander

► Indexes

1. BMV IMC 30
2. BMV Indu
3. BMV Indu TR
4. FTSE Small Cap
5. FTSE All Cap
6. MSCI México Index
7. MSCI LatAm Index
8. MSCI 25/50 Index
9. DJSI MILA











| Appendix



Continued profitable growth through R&D and Acquisitions

- Opportunistic approach to new technologies, products and services through R&D and Acquisitions.
- Increased reservoir of new technology.
- New business model platforms.
- Opportunities at attractive immediately accretive multiples.
- Clear operational synergies.

Completed Acquisitions since march 2016

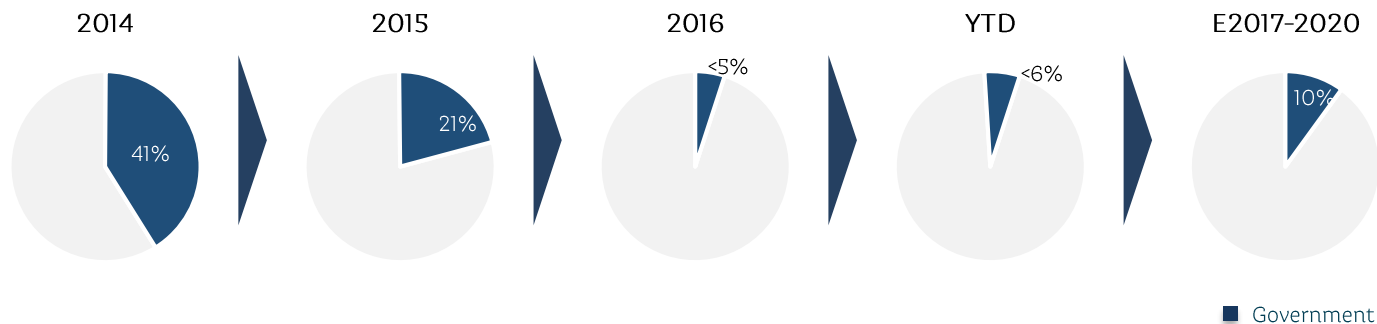
Acquisition	Type	R&D	Portfolio Expansion	New Platforms
	Add-on			
	Tuck-in			
 <small>Empresa de Grupo Rotoplas</small>	Add-on			
	Tuck-in			
 	Platform			

Leading water storage tanks e-commerce platform in the United States of America

- ▶ Big up-side from offline to online retail (offline 90%/online 10%).
- ▶ Opportunity to improve customer experience by website redesigning.
- ▶ Increasing Rotoplas product offering in e-commerce platform.
- ▶ Hybrid model with 80% from online sales and the remainder from retail outlets stores.
- ▶ 18 years of profitable operations and 4 thousand daily visitors to its e-commerce websites.
- ▶ Profitable platform with low teens EBITDA margin and strong cash generation. EBITDA to cash conversion close to a 100%.
- ▶ High single digit net profit margin.

Changing the strategy towards the private sector

- Significant reduction of the exposure to government-related sales and focusing on private sector customers





Thank you!