

Investor Presentation

Santander Conference

January 12 – 14, 2016

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.

Copyright Grupo Rotoplas S.A.B. de C.V. and its Subsidiaries

Global Industry Trends



- ▶ The world's population will continue to increase over the next few decades



- ▶ 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

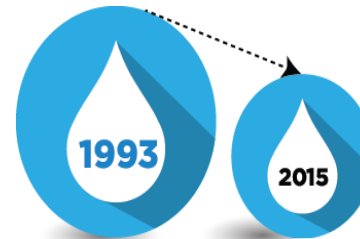
▶ **1.2
billion**

people are living in areas
of water scarcity



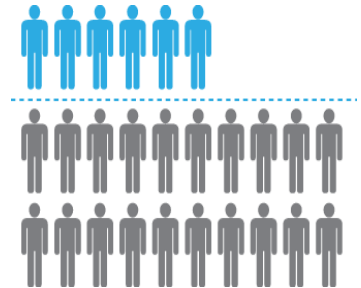
▶ **40%
decline**

in renewable water per
capital over the last 22
years



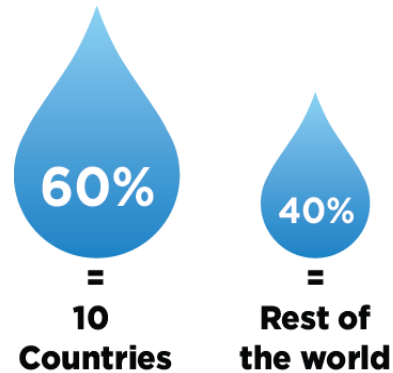
▶ **2.5
billion**

people worldwide
without access to
adequate sanitation



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



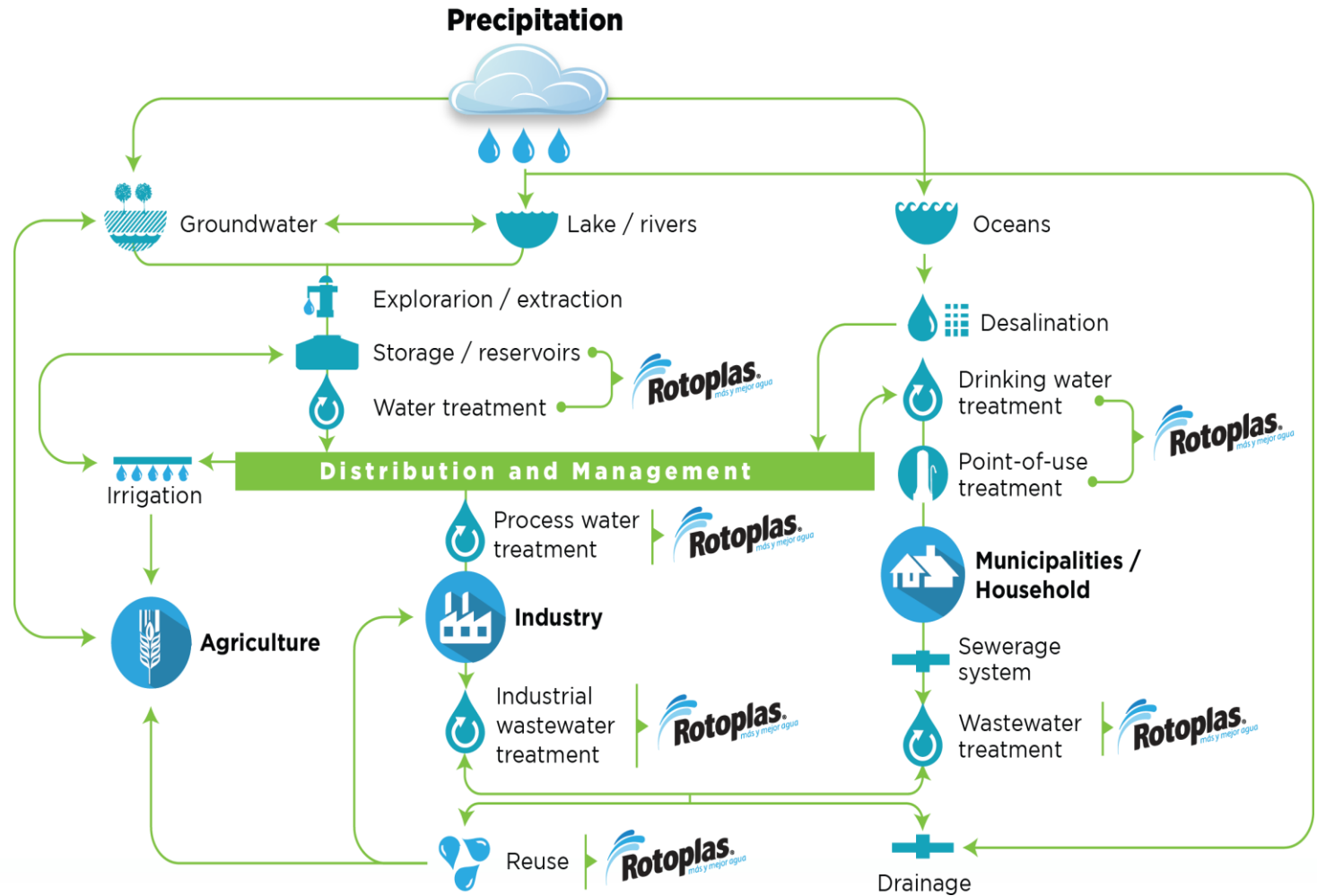
..and, in many cases, have
reached the end of their
useful lives

▶ USD
1 trillion



market
opportunity
by 2025

The Global Water Industry





The six segments on which Rotoplas currently focuses are growing throughout the world by more than 10% annually

01

Storage & reservoirs

- Water Tanks
- Cisterns
- Industrial Tanks
- Rainwater Harvesting Systems

02

Water treatment

- Biodigesters
- Outdoor Composting Bathrooms
- Water Filters
- Water Purifiers

03

Process water treatment

- Industrial / Commercial Water Purifying Units
- Recycle - Wastewater Treatment Plants

04

Industrial wastewater treatment

- Industrial / Commercial Water Purifying Units
- Recycle - Wastewater Treatment Plants
- Industrial Tanks
- Sanitary Piping
- Hydraulic Piping

05

Point-of-use treatment




- Water Purifying Fountains
- Water Filters
- Water Purifiers
- Water Heaters
- Hydraulic Pumps
- Sanitary Catch Pits
- Sanitary Piping
- Hydraulic Piping

06

Wastewater treatment

- Biodigesters
- Outdoor Composting Bathrooms
- Recycle - Wastewater Treatment Plants

Individual Solutions Portfolio

-  Limited Access to Water
-  Sanitation & Healthcare
-  No Drinking Water

Water Storage

- Water Tanks
- Cisterns
- Industrial Tanks
- Accessories



Water Flow

- Hydraulic Pumps
- Sanitary Catch Pits
- Hydraulic Piping
- Sanitary Piping



Water Treatment

- Biodigesters
- Water Filters
- Water Purifiers
- Water Heaters



- 78% of revenue for the LTM period ended Sep. 30, 2015
- 15.1% revenue CAGR for the last three years
- Opportunity to tap current markets with existing portfolio

Integrated Solutions Portfolio

Solutions that require a more sophisticated marketing and sales effort



Sanitation & Healthcare



No Drinking Water



No Water

► Rural

Rainwater Harvesting Systems

315,000+
Units installed ⁽¹⁾



Outdoor Composting Bathrooms

170,000+
Units installed ⁽¹⁾



► Urban

Industrial / Commercial Water Purifying Units

20
Units installed ⁽¹⁾



Recycling - Wastewater Treatment Plants

24
Units installed ⁽¹⁾



Water Purifying Fountains

403
Units installed ⁽¹⁾



Rotoplas Impact - in the last 5 yrs

▶ Rainwater Harvesting Systems



1,305,000+
Beneficiaries

Enables to water supply in case of no access to it.

Increase of water consumption from **6.6 to 10.2 glasses of water per year.** ⁽¹⁾

+23% house income. ⁽¹⁾

98% of the users use water for cooking and drinking. ⁽¹⁾

It saves up to 5.5 hrs per week that can be used in other activities. ⁽¹⁾

▶ Outdoor Composting Bathrooms



760,000+
Beneficiaries

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

It helps to **preserve the environment.**

Only **87% of urban population** and **67% of rural population** in Latin America **have access to a proper sanitary system.**

▶ Water Purifying Fountains



175,500+
Beneficiaries

Increase water consumption among children and teenagers.

Mexican children are **#1 in** terms of **obesity** because of sugary drinks and junk food resulting in high levels of **diabetes**, where unfortunately we are **#2.**

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

Rotoplas Competitive Advantages

Strong brand recognition

Value



Social
Responsibility



Quality



Reliability



Rotoplas Way



Corporate Governance: Collaborative management

Processes: Integral execution to quickly deploy initiatives and attend market needs

Culture: Cross-country collaboration

Strategy: Focused on a unified strategy

Unmatched distribution platform



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

+10,000 plumbers trained annually

Continuous product innovation



Focused on highly-innovative and
high-return projects

Rotoplas invests 1.5% of sales into R&D

Rotoplas Going Forward 2019

▶ 01

Continue to **pioneer** new solutions for today's urgent **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.

▶ 2019

Sales:
50% individual
50% integrated

30% coming from the US

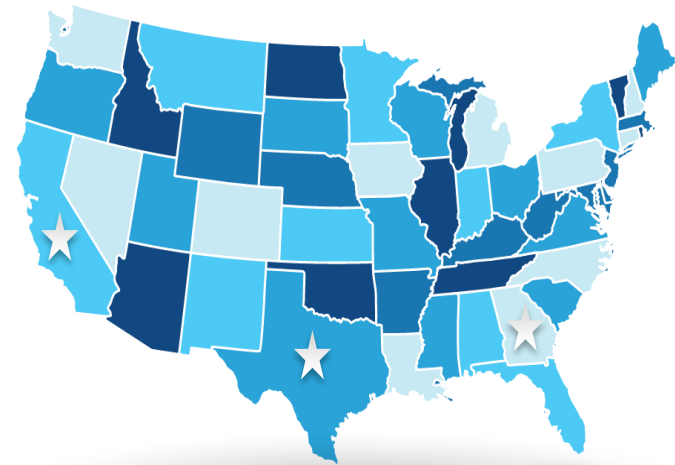
Margin expansion

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 Texas and Georgia** will add to Rotoplas' already successful first steps in California.

Market size
US\$ 1 bn.



Focused on Four Core Growth Opportunities

Integrated recycling, water treatment and sanitation solutions:

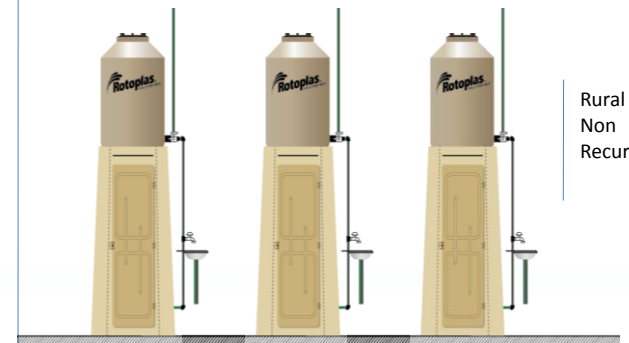
- ✓ **Highest tariffs on fresh and waste water** for hotels, commercial and industrial.
- ✓ **Less than 14% of wastewater is processed** in treatment plants
- ✓ **3 out of 10 people in Mexico and 5 out of 10 people in Brazil in rural areas do not have sewer service** ~12 million families.

**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: **all schools are required to offer potable drinking water by 2017.**
- ✓ Aims to discourage consumption of sodas and sugary drinks to combat high rates of diabetes and **childhood obesity.**
- ✓ **Rotoplas is uniquely positioned** to install and service equipment.

Market opportunity
US\$ 200 m

Urban
Recurrent



Focused on Four Core Growth Opportunities

Rainwater Harvesting Systems:

- ✓ ~4mm households living in semi-arid regions in Brazil
- ✓ 3.4mm Mexican households lack water coverage

Market opportunity US\$ 16 bn.



Rural
Non
Recurrent

Financial Information

Year to Date Highlights

► **+23%**

Sales 9M ex Brazil

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



► **US expansion**



► **13%**

9M EBITDA margin

- ✓ Measures taken in Brazil to avoid further decreased profitability
- ✓ Zero base budget + Zero based organization
- ✓ Raw materials cost tailwind



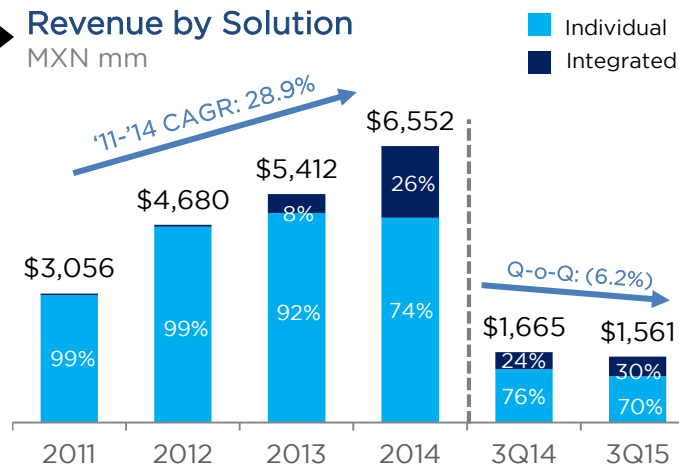
► **Urban integrated solutions accelerating**



Track record of Growth and Profitability

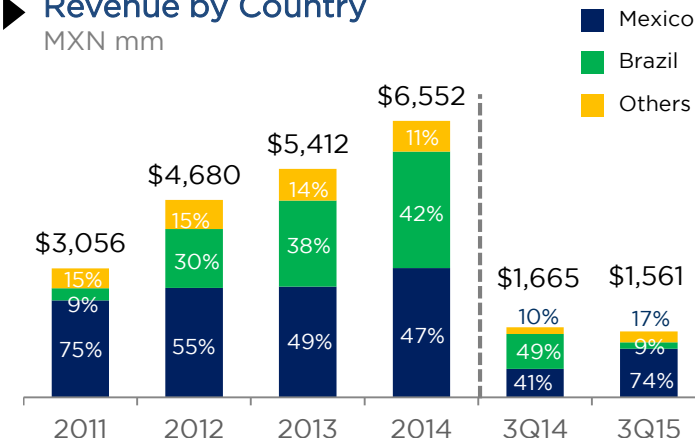
Revenue by Solution

MXN mm



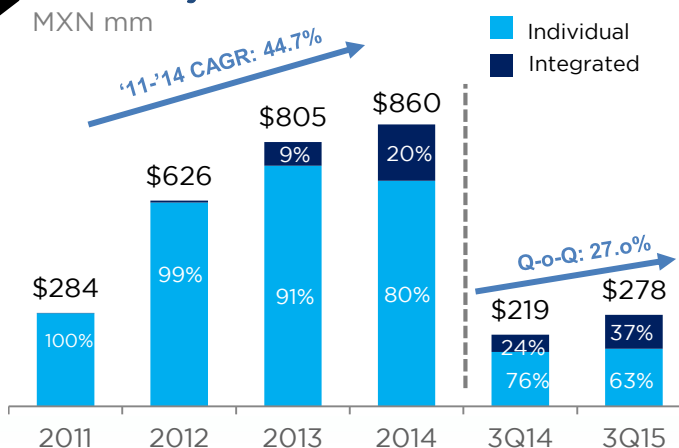
Revenue by Country

MXN mm



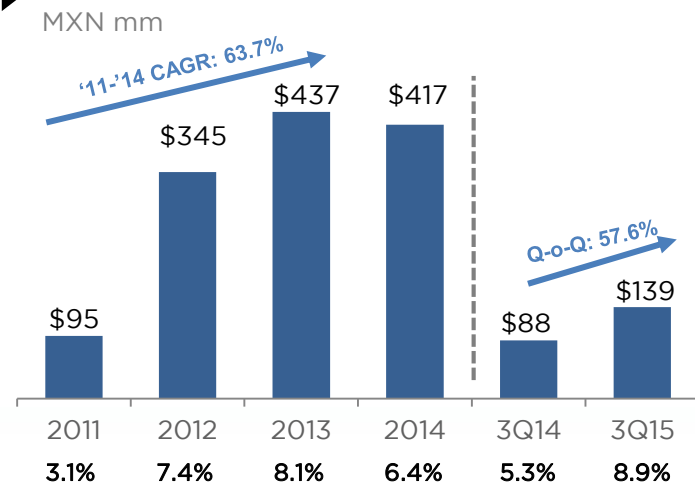
EBITDA by Solution

MXN mm



Net Income

MXN mm



Individual	9.4%	13.4%	14.8%	14.2%	13.1%	15.9%
Integrated	0.3%	12.1%	16.2%	10.1%	13.2%	22.3%
Total	9.3%	13.4%	14.9%	13.1%	13.1%	17.8%

Consistent Delivery of Strong Financial Results Over the Last 20 Years⁽¹⁾

► Growth

+14%
Revenue CAGR⁽²⁾

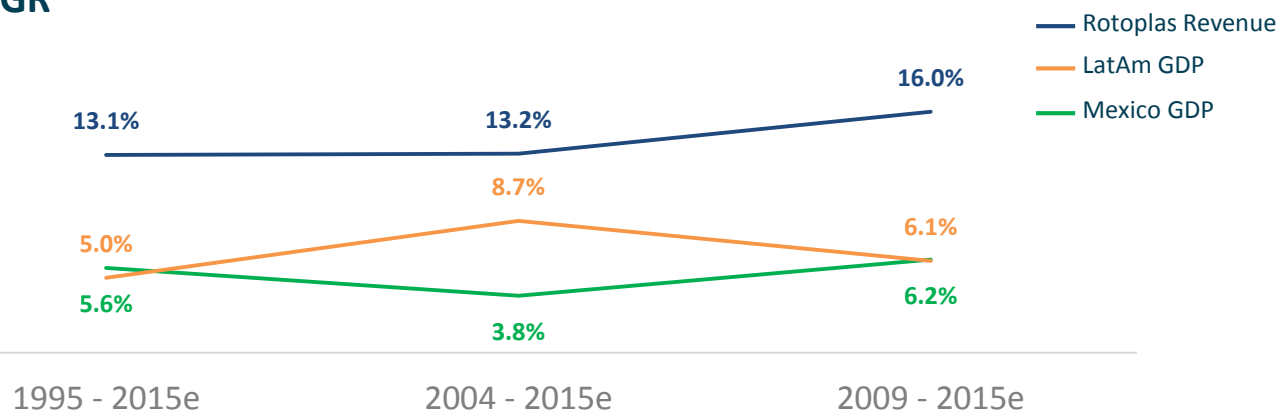
► Profitability

+14%
EBITDA CAGR⁽²⁾

► Value Creation

+28%
Equity IRR⁽²⁾⁽³⁾

► CAGR



Notes:

(1) From 1995 to LTM ending 3Q15

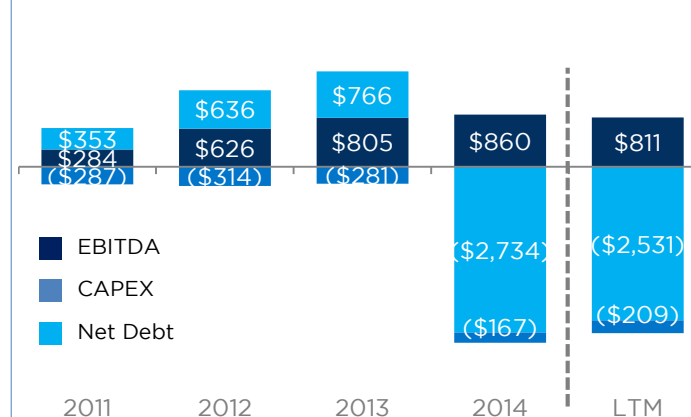
(2) As of September 2015

(3) Corresponds to book equity and includes dividends paid

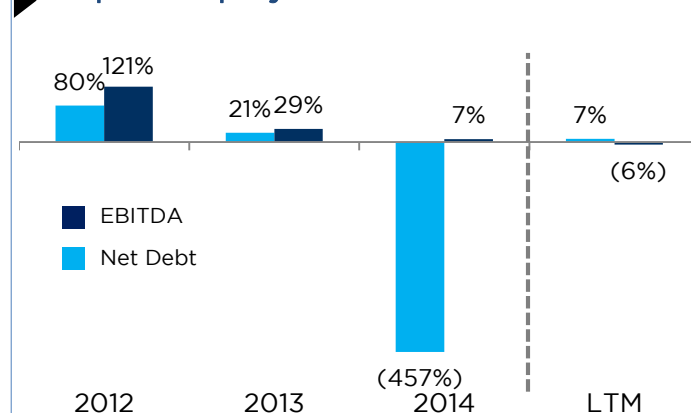
Solid Cash Flow Generation and Returns

Value Generation

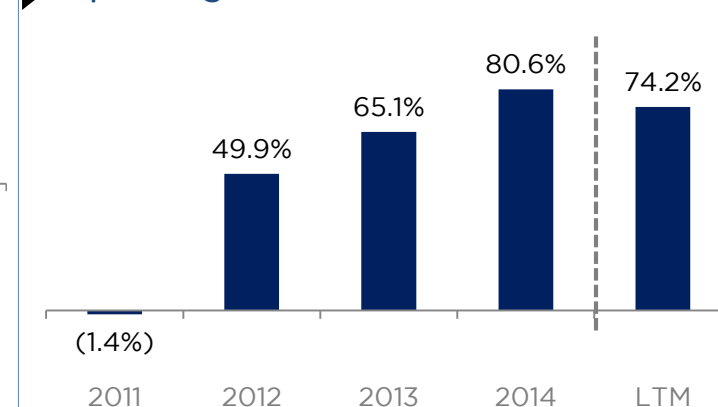
MXN mm



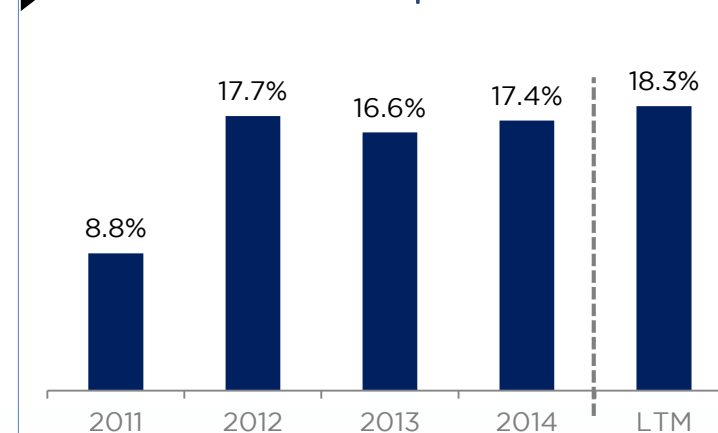
Capital Deployment YoY



Operating Free Cash Flow Conversion ⁽¹⁾



Return on Invested Capital Pre IPO ⁽²⁾



Note: For the LTM 3Q15.

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

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

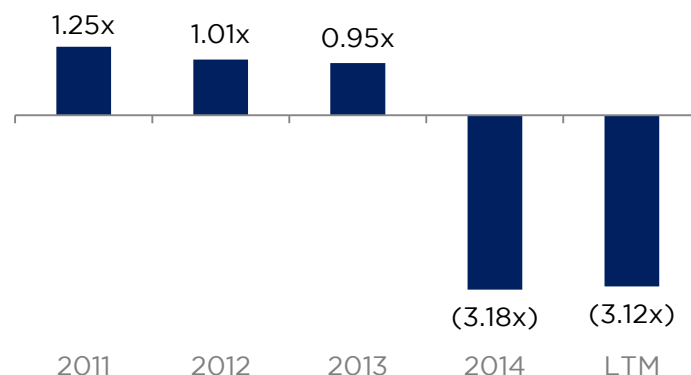
Strong Balance Sheet to Support Expansion

Selected Balance Sheet Items

MXN mm

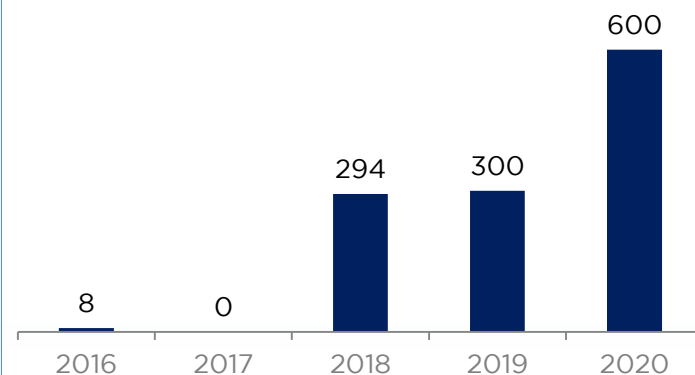
	3Q15
Cash and Equivalents	\$3,733
Other Assets	\$4,674
Total Assets	\$8,407
Debt	\$1,202
Other Liabilities	\$1,183
Total Liabilities	\$2,385
Equity	\$6,027
Liabilities(+)Equity	\$8,407

Net Debt / EBITDA



Debt Maturity Schedule

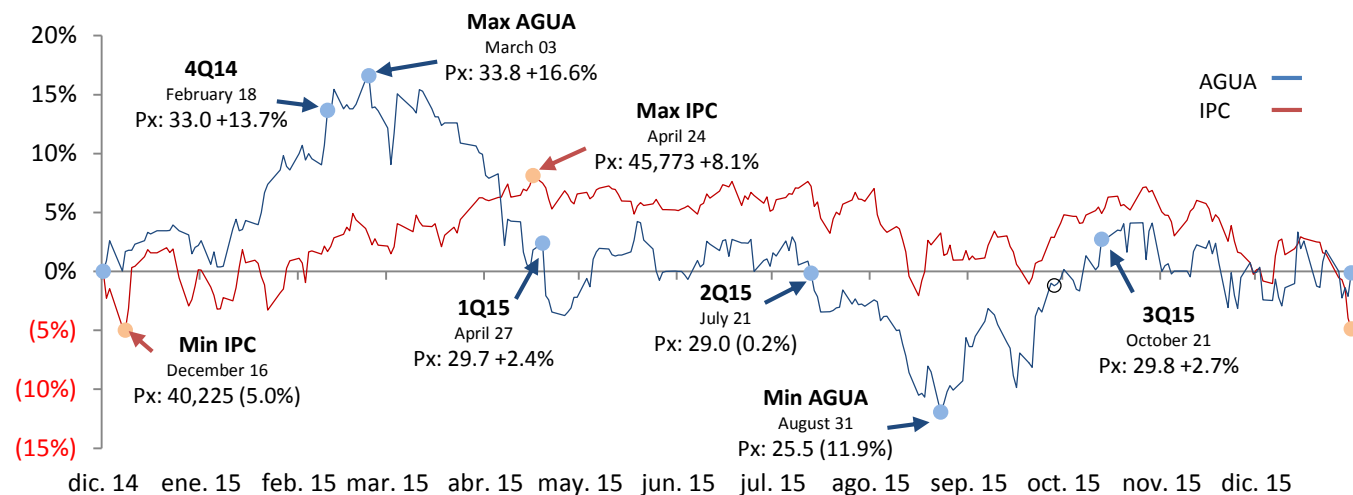
MXN mm



Stock Performance

Dec 10, 14 – Jan 08, 16

► AGUA vs IPC



	AGUA	IPC
10-dic-14	(0.1%)	(4.9%)
YTD	(3.9%)	(6.7%)

► **Total volume:** 137 million shares | 95% of IPO
Average trading volume: 506 thousand shares
Medium Liquidity

► Indices:

1. MSCI México Index
2. MSCI LatAm Index
3. MSCI 25/50 Index
4. BMV IMC 30
5. BMV IPC CompMx
6. BMV IPC SmallCap



www.rotoplas.com



@RotoplasMexico



01 800 506 3000