

Mexico City, April 30<sup>th</sup>, 2020.

## **Divestment of product unit in Brazil "Acqualimp"**

Grupo Rotoplas S.A.B. of C.V. ("Rotoplas" or "the Company") (BMV: AGUA \*), the leading provider of water solutions in the Americas, has agreed to divest its water storage product unit in Brazil given its financial performance is below the company's target. This decision has been taken within the framework of the transformation program *Flow* and after an analysis of the product portfolio in South America.

This transaction will become effective on May 1<sup>st</sup> through a business unit transfer agreement signed yesterday with Avanplas Polímeros da Amazônia Ltda, a company dedicated to the production and commercialization of thermoplastic compounds, and is subject to the fulfillment of certain pre-closing conditions. Additionally, the agreement establishes a sales price of \$42 million Brazilian real. It is estimated that the transaction will improve the Group's ROIC by 60 bps.

The transaction contemplates the transfer of the business unit, including the manufacturing plant, the transfer of the Acqualimp brand, the workforce and the working capital.

After this divestment, Rotoplas will maintain a presence in Brazil, but exclusively focused on the development of the service platform through water treatment and recycling plants, a business that began in the second half of last year.

"I am very pleased to announce the agreement with AvanPlas as I believe it will create value for both companies and, in particular, will contribute to improving Rotoplas' return on invested capital," commented Carlos Rojas Aboumrad, Grupo Rotoplas CEO.



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## Company's description

Grupo Rotoplas S.A.B. de C.V. is America's leading provider of solutions for storing, piping, heating, purifying and recycling water. With 40 years of experience in the industry and 19 plants throughout the Americas, Rotoplas is present in 14 countries and has a portfolio that includes water services and 27 product lines. Grupo Rotoplas has been listed on the Mexican Stock Exchange (BMV) under the ticker "AGUA" since December 2014.

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