Genomma Lab Internacional Reports Fourth Quarter & Full Year 2018 Results

KEY DATA

Net Sales Q4 2018 grew **+8.7%** year on year

Gross Margin Q4 2018 closed at **64.2%**, a **190 bps** year-on-year improvement

EBITDA(1) margin for the three months of **Q4 2018** closed at **18.5%**

Free Cash Flow of **Ps. 1.47 billion(1)** for the twelve months of 2018

Capex Investments for the twelve months of 2018 reached **Ps. 1.23 billion** allocated to:
- New Plant
-Brand acquisitions

Ps. 134.0 million invested in **Share Buy-backs** in 2018.

Key Metrics	Q4'17	Q4'18
Cash Conversion Cycle	97	79
Net Debt / EBITDA	1.39	1.77

(1) Excluding investments in the manufacturing facility and brands acquisitions.

Mexico City, February 26, 2019 – Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB B) ("Genomma Lab" or "the Company"), today announced its results for the fourth quarter and full year ended December 31, 2018. All figures included herein are stated in nominal Mexican pesos and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The following table provides an abridged Income Statement, in millions of Mexican pesos. The margin for each figure represents its ratio to net sales and the percentage change in the fourth quarter 2018 as compared with the same period in 2017:

	Q4-2018	% Sales	Q4-2017	% Sales	Var. %
Net Sales	**3,136.4**	***100.0%***	**2,885.2**	***100.0%***	***+8.7%***
Gross Profit	2,012.9	*64.2%*	1,798.0	*62.3%*	*+11.9%*
Operating Income	550.6	*17.6%*	595.9	*20.7%*	*(7.6)%*
EBITDA(2)	**579.3**	***18.5%***	**613.2**	***21.3%***	***(5.5)%***
Net Income(3)	327.0	*10.4%*	338.6	*11.7%*	*(3.4)%*

(2) EBITDA is defined as operating income before depreciation and amortization.
(3) Net Income of Majority Shareholders for 2017.

NOTE: *These results incorporate the impact of the International Accounting Standard IAS-29 (hyperinflationary accounting) and major currency devaluation of the Argentinean peso detailed on page 8.*

Comments from the CEO

Mr. Jorge Brake, Chief Executive Officer, commented: *"2018 was an important year for Genomma Lab. We successfully completed the turnaround process we embarked upon in 2015 streamlining our business model while leveraging Genomma's efficient operating structure and strong go-to market and marketing capabilities. We also completed the final phase of our cost containment and cash generation program, resulting in a solid foundation which will enable us to take advantage of the exciting opportunities that lie ahead."*

Mr. Brake continued: *"Despite a major currency devaluation impact in our second largest market and other one-time effects, Q4 results were positive both from a top-line perspective and operationally. Our team managed to overcome in this challenging environment. I'm confident that today our Company is well positioned to turn our focus to growth and innovation, with improved performance as we continue to leverage our deep understanding of Genomma's customers, consumers and categories while delivering brand-accretive marketing to expand our business base."*

KEY DATA Q4-2018

% Sales by Segment:

OTC 50.5%

PC 49.5%

Business Review

Genomma Lab reported an +8.7% year on year increase in the topline for the fourth quarter 2018 reflecting strong topline performance in Argentina, U.S.A., Brazil, Colombia and Central America operations.

The Ps. 251.2 million increase was driven by key innovation initiatives, and a strategy of perfect store execution that enhanced visibility at the point of sale in the international subsidiaries, as well as the application of IAS-29 (hyperinflationary accounting in Argentina). On the other hand, topline and EBITDA were negatively impacted by major currency translation from Argentinean pesos on Genomma's financial results.

EBITDA margin for the quarter reached 18.5% to close at Ps. 579.3 million. During the quarter, the Company executed stronger TV campaigns and trade marketing activities to drive topline growth and incurred pre-operating expenses associated with the new manufacturing facility, one-off expenses from relocating warehouse logistics at the Company's US operation, and CEO transition-related expenses.

The Company also recorded a net positive result of Ps. 83.3 million in the "Other (income) expenses" line, related to extraordinary proceeds obtained from Genomma's distribution capabilities in Latin America, and the net effect from the sale of a non-core asset in Brazil including its one-off charge that had no cash impact.

Mexico

While sell-in figures during the fourth quarter increased by 1.6%, year on year, sell-out, a proxy measure of consumer demand, expanded by 7.6% during this period. The difference between sell-out and sell-in is a result of the Company's prudent inventory management at the trade.

The sales mix for the quarter fostered growth in the OTC category. The *Medicasp®*, *Tukol®* and *Alliviax®* brands were actively marketed with a new communication strategy, resulting in double-digit growth in sell-out during the seasonal campaign.

EBITDA for the quarter reached Ps. 178.0 million; a 15.0% margin reflecting a 3.7 percentage point year on year contraction. EBITDA was impacted by increased investments in TV and trade advertising, as well as pre-operating expenses from Genomma's new manufacturing facility, in addition to a one-time effect related to the CEO transition.

During the quarter, the Company invested Ps. 389.2 million in the new manufacturing facility and incurred pre-operating and pre-production expenses in the amount of Ps. 30.3 million. Furthermore, in order to track performance and ensure accountability of every line of business, the assets of the new OTC and PC plants are being transferred to wholly-owned subsidiaries, both of which are separate and independent from the existing commercial entities.

The construction phase of the OTC manufacturing facility was concluded during the quarter. As of today, the Company is going through the authorization process to obtain the sanitary license for the solids production line, once it is granted, the Company will seek to obtain from the authorities the GMPs (*Good Manufacturing Practices*) to begin operations.

Subsequently, additional production capability for semi-solids and liquids will be added, requiring additional government authorizations. Genomma's Personal Care manufacturing facility is under construction and expected to be completed during the second half of 2019.

Innovation of *Cicatricure*® in **Mexico**

U.S.

During the fourth quarter 2018, Genomma's U.S. operations continued its successful transformation process to drive topline growth. Net sales increased by 18.9% in Mexican pesos and +13.7% in local currency. New product launches including *Tukol Sugar Free*®*, Tukol DM Max*®*, Goicoechea Diabet-TX*®*, Tío Nacho Ginseng*® and *Asepxia BB Liquid*® contributed to the increase in top line for the quarter. Key commercial innovation initiatives were implemented including point of sale marketing to attract more shoppers, increasing product visibility at more than 5,400 points of sale. All of these initiatives were supported by additional investments in TV and digital campaigns.

Fourth quarter EBITDA increased by Ps. 15.8 million, year on year, with a 17.6% margin. The 230 bps improvement in EBITDA margin is the result of a lower COGS base as part of fixed cost leverage effects from higher sales. This EBITDA growth was partially offset by one-time logistics expense associated with relocating Genomma's warehouse at the U.S. operation, in line with the Company's strategy to improve logistics and distribution efficiencies, as well as additional advertising and TV expenses, to increase brand recognition and visibility at new points of sale.

4Q-2018 innovation for **US Market**

Latin America

Genomma's Central and South America operations achieved a 14.8% increase in sales when expressed in local currency, and 12.5% growth when expressed in Mexican pesos. This year-on-year increase in sales was driven by innovation initiatives, with particularly outstanding performance driven by key advertising campaigns during the quarter for *Teatrical*® in Argentina and Brazil, and *Cicatricure*® and *Asepxia*® throughout Latin America.

Brazil, Colombia and Central America had a very strong performance during the quarter. Go-to-market capabilities were also increased as the Company signed two major retailers in the region. On the other hand, net sales were negatively impacted by major currency translation effects in Argentina, which were partially offset from the application of hyperinflationary accounting following International Standard IAS-29, detailed on page 8.

EBITDA margin for Genomma's Latin America operations decreased by 3.3 percentage points, year on year. The year on year margin contraction, reflects the sizeable impact of the currency translation of the Argentinean peso on overall operations, as well as stronger promotional and advertising campaigns including visibility programs at the point of sale. These effects were partially offset by the application of hyperinflationary accounting IAS-29.

It is important to note that in Argentina, during the year there was a lag effect between the Producer Price Index (IPP) and the Consumer Price Index (IPC), with the first one leading the second one until they eventually converge. During this period of mismatch COGS inflation accelerates faster than the consumer's purchasing power. In spite of this, Latin America reported a healthy 21.2% EBITDA margin for the quarter.

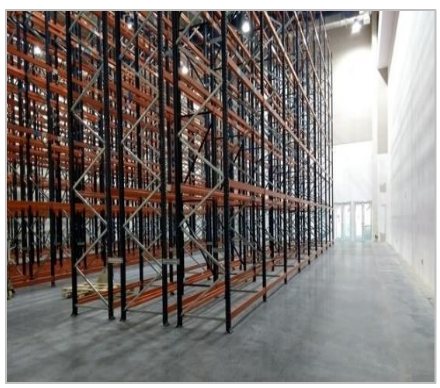
Tío Nacho®
continues to **outperform**
across **all regions**

Successful execution of
Cicatricure® **in Brazil**

New Manufacturing Facility

KEY POINTS

- **OTC manufacturing facility** completed construction phase
- **The OTC production layout** includes capacity for:
  - **Solids**
  - **Semi-solids**
  - **Liquids Products**
- **Capacity of +1,500 storage locations** at the OTC Raw Materials Warehouse



Inside the Raw Materials Warehouse for OTC Production

Production area for OTC Solids Manufacturing Line.

Genomma Lab Internacional

New Manufacturing Facility

KEY POINTS

- State-of-the-Art manufacturing equipment from Europe:
  - **Uhlmann**
  - **Fette**
  - **Norden**
  - **Romaco**
  - **Krones**
- The **first production line** will manufacture solid OTC products
- The **Finished Product Warehouse** has a storage capacity of **+50,000 storage locations**.

OTC Plant Equipment

Quality Control Lab – OTC Plant

Progress on the Finished Product Warehouse (storage capacity of +50,000 positions)

Full Year 2018 **Net Sales** grew **1.7% year on year**

Consolidated Results for Full Year 2018

	FY-2018	% Sales	FY-2017	% Sales	Var. %
Net Sales	**12,281.8**	***100.0%***	**12,078.4**	***100.0%***	***+1.7%***
Gross Profit	8,116.7	*66.1%*	8,121.3	*67.2%*	*(0.1)%*
Operating Income	2,442.0	*19.9%*	2,531.4	*21.0%*	*(3.5)%*
EBITDA	**2,521.5**	***20.5%***	**2,600.3**	***21.5%***	***(3.0)%***
Net Income	1,217.7	*9.9%*	1,279.2	*10.6%*	*(4.8)%*

Full Year 2018 Net Sales reached Ps. 12.28 billion; a 1.7% year on year increase. The Ps. 203.3 million growth is the result of key trade initiatives implemented across the regions during 2018 to enhance point of sale execution and visibility, and of the impact from the Argentina subsidiary, due to the implementation of hyperinflation accounting described on page 8. These effects were offset by the major impact of currency translation also described on page 8.

Full Year 2018 EBITDA closed at Ps. 2.52 billion, as compared to Ps. 2.60 billion for the same period of 2017. Full Year 2018 EBITDA margin reached 20.5%; a 100bps year on year contraction. The EBITDA margin decrease was due to the major impact of currency translation from Latin America Operations, the Ps. 73.7 million in pre-operating expenses associated with the new manufacturing plant and to a lesser extent, to the investments made over the year on advertising and marketing strategies, as well as to the one-offs previously mentioned in the business review section. The negative impacts in the EBITDA margin were partially offset by the favorable impact from the Argentina subsidiary, due to the implementation of hyperinflation accounting described on page 8.

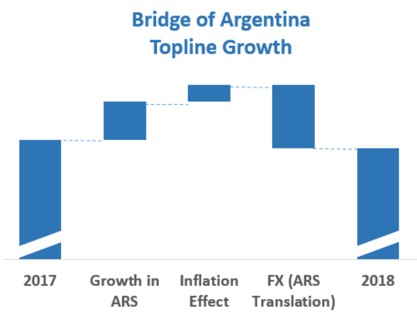
Alert® **New Formula and Packaging**

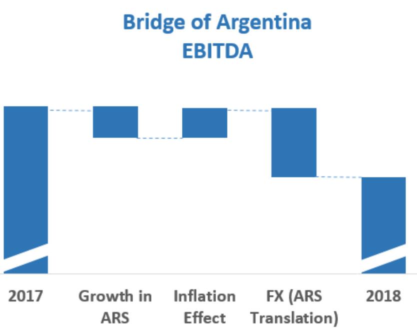
Consolidated Results for 4Q-2018

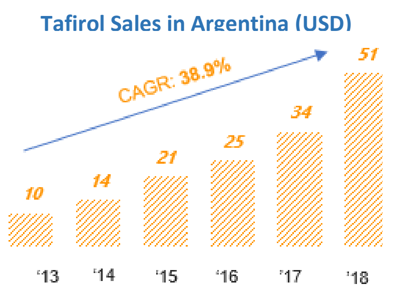
Fourth Quarter 2018 Net Sales reached Ps. 3.14 billion; an 8.7% year on year increase. This increase is primarily due to the execution of key initiatives at the point of sale throughout the different regions. Likewise, sales were impacted by currency and inflationary effects from the Argentina subsidiary, as previously described.

Fourth Quarter 2018 EBITDA closed at Ps. 579.3 million, as compared to Ps. 613.2 million for the same period of 2017. Fourth quarter 2018 EBITDA margin reached 18.5%; a 280 bps year on year contraction. The EBITDA margin decrease was mainly due to the previously mentioned net impact from hyperinflation and local currency depreciation in the Latin America region. To a lesser extent, the year on year negative impact in EBITDA is the result of additional trade and advertising investments made over the quarter, to support the beginning of the winter season, the Ps. 30.3 million in pre-operating expenses associated with the new manufacturing plant, and the one-offs previously described.

ILLUSTRATIVE GRAPHS







Genomma has been able to cope with **major shocks** in **Argentina** over the years

Adoption of IAS-29 (Hyperinflation Accounting in Argentina)

Following the categorization of Argentina as a country with a three-year cumulative inflation rate greater than 100%, the country is considered highly inflationary in accordance with IFRS. Consequently, the Company is reporting, starting from this 4Q-2018 results release, the operations of its subsidiary applying hyperinflation accounting.

The IFRS rules (IAS-29) requires to report the results of operations in hyperinflationary economies as if these were highly inflationary as of January 1, 2018, and to restate the year-to-date results for the change in the general purchasing power of the local currency, using official indices before converting the local amounts at the closing rate of the period.

Furthermore, IAS-29 requires the Company to restate the non-monetary assets and liabilities stated at historical cost on the balance sheet of operations in hyperinflation economies using inflation indices and to report the resulting hyperinflation through the income statement on a dedicated account for hyperinflation monetary adjustments in the finance line and report deferred taxes on such adjustments, when applicable.

For the Full Year 2018 results, the Company reported a positive impact of Ps. 314.1 million from hyperinflation accounting on Net Sales, a Ps. 86.9 million of positive variation on the EBITDA and, a Ps. (40.3) million negative variation on Net Income.

At year-end 2018, the transition to hyperinflation accounting in accordance with the IFRS rules, resulted in Ps. 79.9 million monetary adjustment reported in the finance line of the Company's Statement of Comprehensive Income. After the 2018 Audited

NOTE: *Accounting standards recommend using the* ***Consumer*** *Price Index* ***(IPC)*** *as published by INDEC (Instituto Nacional de Estadística y Censos), to measure inflation. In 2018 general consumer prices increased by 47.6%.*

Noteworthy is that the ***Producer*** *Price Index* ***(IPP)*** *as published by INDEC increased 75.6% in general, and 101.9% for pharmaceutical products during 2018.*

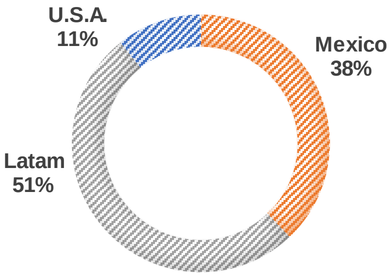
IPP *is a leading indicator of* ***IPC***. *When producers faced input inflation, (i.e. devaluation of the Argentinean Peso) those rising costs are eventually passed along to the retailers and in ultimately to the consumer. In this transition, there is a lag effect to consider.*

Once 2018 Audit Results are completed, the Company will publish a reference base including the 2018 results per quarter as if we had reported under hyperinflation accounting since January 1, 2018.

Even with the negative impact of Ps. 1.15 billion on Full Year 2018 Revenues resulting from the currency translation of the Argentinean Peso (ARS), the Company was able to report topline growth of Ps. 203.3 million. Likewise, the Company had to recognize a currency translation impact of Ps. 202.2 million on EBITDA for the full year, in spite of this; the Company delivered a healthy EBITDA margin of 20.5%.

Sales by Region*

4Q-2018



Sales by Category & Region

(Figures in million Mexican Pesos)

	Over-the-Counter (OTC)			Personal Care (PC)			Total		
	Q4-2017	Q4-2018	%Var	Q4-2017	Q4-2018	%Var	Q4-2017	Q4-2018	%Var
Mexico	719.4	761.8	5.9%	451.9	428.0	(5.3)%	1,171.3	1,189.7	1.6%
Latam	485.8	631.0	29.9%	946.3	980.7	3.6%	1,432.1	1,611.6	12.5%
U.S.	146.5	189.7	29.5%	135.3	145.4	7.5%	281.8	335.1	18.9%
Total	**1,351.7**	**1,582.4**	**17.1%**	**1,533.5**	**1,554.1**	**1.3%**	**2,885.2**	**3,136.4**	**8.7%**

	Over-the-Counter (OTC)			Personal Care (PC)			Total		
	FY 2017	FY 2018	%Var	FY 2017	FY 2018	%Var	FY 2017	FY 2018	%Var
Mexico	2,593.5	2,958.4	14.1%	2,176.9	1,953.5	(10.3)%	4,770.4	4,911.8	3.0%
Latam	2,072.7	2,344.5	13.1%	3,959.3	3,662.4	(7.5)%	6,032.0	6,006.9	(0.4)%
U.S.	646.5	766.3	18.5%	629.6	596.7	(5.2)%	1,276.0	1,363.0	6.8%
Total	**5,312.7**	**6,069.1**	**14.2%**	**6,765.8**	**6,212.6**	**(8.2)%**	**12,078.4**	**12,281.7**	**1.7%**

Results by Region

MEXICO
Sales: Ps. 1.19 billion
EBITDA Margin: 15.0%

Mexico

Net Sales for the fourth quarter 2018 reached Ps. 1.19 billion; a 1.6% year on year increase. The Ps. 18.4 million increase is primarily due to the execution of winter season campaigns for the OTC category and to a lesser extent to a lower comparison base due to a black-out effect in sales faced at the end of 2017.

EBITDA for the quarter reached Ps. 178.0 million; a 15.0% margin reflecting a 3.7 percentage point year on year contraction. Fourth quarter 2018 EBITDA was impacted by Ps. 30.3 million in expenses associated with pre-production and pre-operating processes related to Genomma's new manufacturing facility, higher TV advertising & trade investments and to a lesser extent, to the one-off impact associated to the CEO transition.

U.S.
Sales: Ps. 335.1 million
EBITDA Margin: 17.6%

U.S.

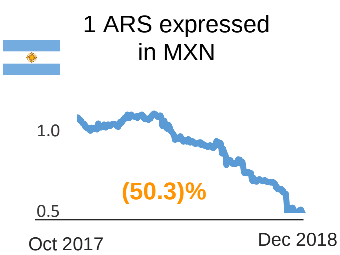
Fourth quarter 2018 Net Sales for Genomma's U.S. operations increased by 18.9%, to Ps. 335.1 million; a Ps. 53.3 million year on year increase. Expressed in U.S. dollars, top-line growth increased by 13.7%, year on year. This growth is mainly attributable to the different strategies implemented over the quarter focused on product innovation and point of sale execution.

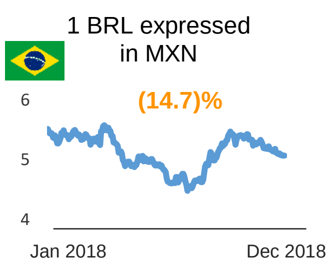
Fourth quarter 2018 EBITDA amounted to Ps. 59.0 million. Fourth quarter 2018 EBITDA margin closed at 17.6%. The 2.3 percentage point expansion in margin as compared to the 15.3% EBITDA margin of the fourth quarter 2017 reflects a lower COGS base as part of fixed cost leverage effects from increased sales. This was partially offset by one-time logistics expenses and to a lesser extent, from higher advertising and TV expenses.

*Percentage of Consolidated Net Sales by Region as of Q4-2018.

LATIN AMERICA
Sales: Ps. 1.61 billion
EBITDA Margin: 21.2%

FX headwinds





Latin America

Fourth quarter 2018 Net Sales increased by 12.5% year on year, to Ps. 1.61 billion. When expressed in local currency, year on year sales increased by 14.8%; the year on year growth in sales was the result of the favorable impact from the Argentina subsidiary, due to the implementation of hyperinflation accounting and to the product innovation and commercial initiatives implemented throughout the region. The increase in sales was partially offset by major impact from currency translation effect in the region.

EBITDA for the fourth quarter of 2018 reached Ps. 342.4 million, as compared to Ps. 350.6 million for the same period in 2017. The EBITDA margin for the quarter closed at 21.2%; a 3.3 percentage point decrease as compared to the 24.5% EBITDA margin in the fourth quarter of 2017. The margin contraction is the result of a major impact on the Argentina subsidiary due to currency translation effect and, to a lesser extent, to advertising and commercial initiatives that were implemented during the quarter and, one-off expenses related to regulatory processes. These effects were partially offset by the positive impact from the implementation of hyperinflation accounting in Argentina.

Other Income Statement Results for 4Q-2018

Gross Profit increased by 11.9% to Ps. 2.01 billion in the fourth quarter of 2018, compared to Ps. 1.80 billion during the fourth quarter of 2017. Fourth quarter 2018 Gross Margin increased by 190 bps, to close at 64.2%. Gross margin expansion for the quarter was primarily driven by a favorable sales mix and having a lower increase on COGS in comparison with the 8.7% increase on net sales year on year, resulting in an operational leverage effect. This was partially offset by the increase in some input costs associated with foreign exchange impact when consolidating the various currencies that depreciated during the quarter.

Selling, General, Marketing and Administrative Expenses, increased by 6.6 percentage points as a percentage of net sales, to 48.4%, compared to an SGM&A of 41.8% for the same quarter of 2017. The increased SGM&A is the result of a temporary boost in TV & advertising campaigns and additional execution of commercial visibility programs and to a lesser extent, to pre-operating expenses associated with the investments made for Genomma's new manufacturing facility and one-offs impacts previously described. These effects were additionally impacted by major currency devaluation in Argentina that affected the Latin America operations.

Comprehensive Financing Result represented Ps. 4.6 million of income during the fourth quarter of 2018, compared to Ps. 16.7 million cost in the fourth quarter of 2017. This positive variation was a result of Ps. 120.5 million of additional Foreign Exchange income during Q4 2018 that was offset by a Ps. 79.9 million loss from inflationary result for monetary position and Ps. 19.5 million increase in Net Interest paid during Q4 2018.

Income Tax Expense for the fourth quarter 2018 reported a Ps. 42.3 million increase, to close at Ps. 270.7 million as compared to the Ps. 228.4 million of the fourth quarter of 2017. The increase in income tax paid is the result of higher amounts of dividends repatriated from international operations, as well as impacts derived from inflationary accounting.

Net Income amounted to Ps. 327.0 million in the fourth quarter of 2018, compared to Ps. 338.6 million of net income of majority shareholders in the fourth quarter of 2017. The Ps. 11.6 million decrease in Net Income is due to the lower income before taxes on the fourth quarter of 2018 coupled with a higher effective tax rate reported in comparison to the same quarter of 2017.

Financial Position

Working Capital was optimized during the quarter and the cash conversion cycle was reduced from 97 days at the end December 2017 to 79 days at the end of December 2018:

- Accounts Receivable amounted to Ps. 2.91 billion as of December 31, 2018. The days of consolidated accounts receivable amounted to 85; a three-day improvement as compared to December 31, 2017.
- Inventories closed at Ps. 1.70 billion as of December 31, 2018. Days of Inventories amounted to 147; a 17-day increase quarter on quarter, that will be used to cover the incremental sales expected for Q1-2019.
- Trade Payables amounted to Ps. 1.77 billion as of December 31, 2018. As of the fourth quarter 2018, Days Payable Outstanding (DPO) closed at 153 days, from 100 days as of December 31, 2017. This temporary increase in DPO results from purchasing additional inventory to cover incremental sales expected for Q1-2019.

Fixed Assets. For the full year 2018, the Company invested Ps. 1.17 billion, primarily related to the construction of the Company's new manufacturing facility located in the State of Mexico.

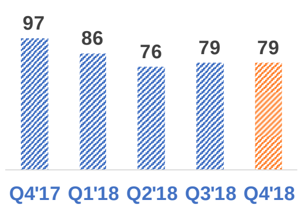
Recoverable Taxes. The position is comprised of claims against the tax authorities relating mostly to VAT (IVA) and income taxes. The position increased by Ps. 201.7 million during 2018.

Net Financial Debt increased during the quarter due to the significant investments made into the new plant and the operation of the Company's share buyback program:

Days of Accounts Receivable (DSO)

	Q4'17	Q3'18	Q4'18
Mexico	96	99	106
LatAm	81	75	77
U.S.	34	56	51
Consolidated	**82**	**83**	**85**

Cash Conversion Cycle (Days)



8,916,900 shares re-purchased in the twelve months of 2018, for a total investment of Ps. 134.0 million

- Cash and Equivalents amounted to Ps. 1.41 billion as of December 31, 2018, representing a 29.5% year on year increase; primarily due to an improved collection process.
- Gross Financial Debt amounted to Ps. 5.87 billion as of December 31, 2018, compared to Ps. 4.70 billion as of December 2017; a Ps. 1.17 billion increase derived from the proceeds partially obtained of a long-term loan with the IDB Invest and IFC associated with the investments in the new manufacturing facility.
- Net Financial Debt amounted to Ps. 4.46 billion; a Ps. 848.4 million increase as compared to December 31, 2017. The Company's long-term debt represented 88.5% of gross financial debt at the end of the fourth quarter 2018.

Share Buyback Program. During the three months ended on December 31, 2018, the Company operated its share buyback program, repurchasing 1,000,000 shares representing a total investment of Ps. 12.8 million.

Free Cash Flow from Operations. Genomma generated Ps. 241.3 million during the twelve months of 2018. Excluding investments made in the Company's new manufacturing facility and brands acquisition, free cash flow would have reached Ps. 1.47 billion for 2018.

Key Financial Metrics

	Q4-2018
EBITDA / Interest Paid	4.56x
Net Debt / EBITDA	1.77x
Shares Outstanding (as of January 31, 2019)*	1,048,000,000

* In compliance with the resolutions of the Annual General Shareholder's Meeting, dated April 18, 2018, 733,370 buyback shares were effectively canceled, with INDEVAL, on January 31, 2019.

CONFERENCE CALL
Q4-2018

Wednesday, February 27 2018 at 12:00 p.m. ET / 11:00 a.m. CST

Led by:
Jorge Luis Brake
CEO

Antonio Zamora
CFO

Enrique González
IRO

Webcast:
4Q-2018 Earnings Call

To participate, please dial-in:

United States:
+1 877-407-8031

International:
+1 201-689-8031

Q4-2018 Other Relevant Corporate Events

- Cancellation of Shares – In compliance with the resolutions of the Annual General Shareholder's Meeting, dated April 18, 2018, 733,370 buyback shares were effectively canceled, with INDEVAL, on January 31, 2019.

Sell-side Analyst Coverage

As of the end of December, 2018 LAB B is covered by 14 sell-side analysts at the following brokerages: Casa de Bolsa Credit Suisse; Banco Itaú BBA; Santander Investment Securities; BBVA Bancomer.; UBS Casa de Bolsa; JP Morgan Securities; Vector Casa de Bolsa; Barclays Bank; BTG Pactual US Capital; GBM Grupo Bursátil Mexicano.; Grupo Financiero Banorte; HSBC Securities (USA); Bradesco BBI and Actinver Casa de Bolsa, S.A. de C.V.

About Genomma

Genomma Lab Internacional, S.A.B. de C.V. is one of the leading pharmaceutical and personal care products companies in Mexico with an increasing international presence. Genomma Lab develops, sells and markets a broad range of premium branded products, many of which are leaders in the categories in which they compete in terms of sales and market share. Genomma Lab relies on the combination of a successful new product development process, a consumer-oriented marketing, a broad retail distribution network and a low-cost, highly flexible operating model.

Genomma Lab's shares are listed on the Mexican Stock Exchange under the ticker: ***"LAB B" (Bloomberg: LABB:MM).***

LAB IPC Sustentable ESR Empresa Socialmente Responsable

Note on Forward-Looking Statements

This report may contain certain forward-looking statements and information relating to the Company that reflect the current views and/or expectations of the Company and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like "believe," "anticipate," "expect," "envisages," "will likely result," or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this presentation and in oral statements made by authorized officers of the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Genomma Lab Internacional

GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and twelve months ended December 31, 2018 and 2017

Thousands of Mexican pesos	FOURTH QUARTER				ACCUMULATED		
	2018	%Sales	2017	%Sales	2018	%Sales	2017
Net Sales	3,136,439	100.0%	2,885,210	100.0%	12,281,753	100.0%	12,078,443
Cost of goods sold	1,123,564	35.8%	1,087,176	37.7%	4,165,063	33.9%	3,957,129
Gross Profit	**2,012,875**	**64.2%**	**1,798,034**	**62.3%**	**8,116,690**	**66.1%**	**8,121,314**
Selling, general and administrative expenses	1,516,868	48.4%	1,206,802	41.8%	5,722,582	46.6%	5,553,592
Other (income) expense	(83,340)	(2.7)%	(21,920)	(0.8)%	(127,409)	(1.0)%	(32,533)
EBITDA	**579,347**	**18.5%**	**613,152**	**21.3%**	**2,521,517**	**20.5%**	**2,600,255**
Depreciation and amortization	28,731	0.9%	17,270	0.6%	79,521	0.6%	68,884
Income from operations	**550,616**	**17.6%**	**595,882**	**20.7%**	**2,441,996**	**19.9%**	**2,531,371**
Interest expense	(158,834)	(5.1)%	(144,062)	(5.0)%	(553,343)	(4.5)%	(483,519)
Interest income	7,029	0.2%	11,715	0.4%	33,009	0.3%	40,085
Foreign exchange result	236,241	7.5%	115,696	4.0%	(3,429)	(0.0)%	24,922
Inflationary result for monetary position	(79,854)	(2.5)%	-	0.0%	(79,854)	(0.7)%	-
Comprehensive financing income (cost)	**4,582**	**0.1%**	**(16,651)**	**(0.6)%**	**(603,617)**	**(4.9)%**	**(418,512)**
Associated company	42,503	1.4%	35,307	1.2%	76,678	0.6%	52,325
Income before income taxes	**597,701**	**19.1%**	**614,538**	**21.3%**	**1,915,057**	**15.6%**	**2,165,184**
Income tax expense	270,705	8.6%	228,375	7.9%	697,317	5.7%	758,696
Consolidated net income	**326,996**	**10.4%**	**386,163**	**13.4%**	**1,217,740**	**9.9%**	**1,406,488**
Net income of minority stockholders	-	0.0%	47,528	1.6%	-	0.0%	127,282
Net income of majority stockholders	**326,996**	**10.4%**	**338,635**	**11.7%**	**1,217,740**	**9.9%**	**1,279,206**

GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousands of Mexican pesos	As of December 31, 2018	As of December 31, 2017	As of September 30, 2018
ASSETS			
CURRENT ASSETS			
Cash and equivalents and restricted fund	1,414,641	1,092,741	1,128,873
Clients - Net	2,912,034	2,745,173	2,764,848
Recoverable Taxes	1,587,097	1,385,360	1,502,058
Other accounts receivable	838,794	875,085	997,361
Inventory - Net	1,697,032	1,264,211	1,490,159
Prepaid expenses	1,036,828	478,069	843,591
Total current assets	**9,486,426**	**7,840,639**	**8,726,890**
Non-current assets			
Trademarks	4,922,274	5,149,632	5,189,663
Investment in shares	1,568,350	1,472,805	1,525,846
Building, properties and equipment – Net	1,386,853	548,649	1,149,171
Deferred income tax, assets and others	754,166	873,981	714,573
Total non-current assets	**8,631,643**	**8,045,067**	**8,579,253**
TOTAL ASSETS	**18,118,069**	**15,885,706**	**17,306,143**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Current portion of long-term debt	676,022	3,013,055	85,428
Suppliers	1,774,441	1,098,471	1,534,980
Other current liabilities	1,892,607	1,857,124	1,713,797
Income tax payable	168,177	336,373	262,729
Total current liabilities	**4,511,247**	**6,305,023**	**3,596,934**
Non-current liabilities			
Long-term debt securities	3,928,961	1,500,000	3,926,479
Long-term loans with financial institutions	1,268,389	190,054	1,287,395
Deferred income tax and other long term liabilities	166,770	41,962	99,111
Payable dividends to shareholders	800,000	800,000	800,000
Total liabilities	**10,675,367**	**8,837,039**	**9,709,919**
Stockholders' equity			
Contributed Capital	1,914,306	1,914,306	1,914,306
Retained earnings	7,211,067	5,993,327	6,884,071
Cumulative translation effects of foreign subsidiaries	(362,398)	332,609	105,327
Repurchased shares - Net	(1,320,273)	(1,393,476)	(1,307,480)
Minority interest	-	201,901	-
Total stockholders' equity	**7,442,702**	**7,048,667**	**7,596,224**
TOTAL EQUITY AND LIABILITIES	**18,118,069**	**15,885,706**	**17,306,143**

GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the three and twelve months ended December 31, 2018

Thousands of Mexican pesos	4Q-2018	2018
Cash and cash equivalents beginning of period	**1,128,874**	**1,092,741**
Consolidated Net Income	**326,996**	**1,217,740**
Charges to results with no cash flow:		
Depreciation and amortization	93,291	146,287
Income tax	270,704	697,317
Accrued interest and others	103,575	446,123
	794,566	**2,507,467**
Changes in Working Capital:		
Clients - Net	(147,187)	(166,862)
Recoverable VAT	(85,039)	(381,460)
Inventories	(185,925)	(411,874)
Suppliers	239,461	675,970
Other current assets	(311,703)	(587,727)
Paid income tax	(245,015)	(707,634)
Other current liabilities	294,633	197,589
	(440,775)	**(1,381,998)**
Net cash generated (used) in operating activities	**353,791**	**1,125,469**
Investing activities:		
Investment in fixed assets	(284,361)	(867,419)
Sales of equipment	2,372	6,269
Brand acquisitions and others	-	(78,795)
Disposals of assets available for sale	-	95,463
Other asset acquisitions	71,590	(20,795)
Net cash generated (used) in investing activities	**(210,399)**	**(884,144)**
Financing activities:		
Payments of borrowings with financial institutions	(19,006)	(3,766,022)
Loans with financial and securities institutions	600,000	4,927,490
Interest paid	(144,538)	(486,123)
Stock repurchase	(12,794)	(133,932)
Net cash used in financing activities	**423,662**	**541,413**
Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash	**567,054**	**782,738**
Foreign exchange and inflationary effects from international operations	(281,287)	(460,838)
Accumulated cash flow at the end of the period	**1,414,641**	**1,414,641**
Less - restricted fund	23,269	23,269
Cash and cash equivalents at end of period balance for operation	**1,391,372**	**1,391,372**