



Genomma Lab®
Internacional

GENOMMA LAB DAY

September 29, 2015



AGENDA



1

Company's Strategy and
Core Competences



2

Changes in
Corporate Structure



3

Track Record –
Results in International Operations



4

Diversification



5

U.S.A.



6

Mexico



7

LATAM



8

Valuation, Core Brands
and Learning from the Past



9

Guidance



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COMPANY'S STRATEGY AND CORE COMPETENCES

STRATEGY

CORE COMPETENCES

BEFORE

Demand Generation



Talent



POS Execution



Mexico: Sell-in
International: Sell-out,
EBITDA, FCF



Growth



AFTER

Demand Generation



Win Online



Talent



Flawless POS Execution



Genomma Lab:
Sell-out, EBITDA, FCF



Brand Sustainability
Core Brands





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CHANGES IN CORPORATE STRUCTURE



NEW CORPORATE STRUCTURE



RECENT CHANGES IN KEY MANAGEMENT POSITIONS

NAME	POSITION	EXPERIENCE
LAURA RAPINO	Director Marketing, R&D	BACHELOR IN BUSINESS ADMINISTRATION AND MBA <ul style="list-style-type: none"> • Experience in marketing and digital strategy, media and commercial planning, and budget administration. Project development in Danone, Clorox and Siemens.
NESTOR FABIÁN RODRÍGUEZ	IT Director	
ALBERTO DE LAGO ACOSTA	Director of Regulatory Affairs	BACHELOR IN TELECOMMUNICATIONS ENGINEERING <ul style="list-style-type: none"> • Experience in top management projects, virtual technology and telecommunication systems configuration.
		BACHELOR DEGREE IN MEDICINE AND MBA <ul style="list-style-type: none"> • Experience in medical regulatory issues in the pharma industry in Mexico, Latam, USA and Europe. Medical support to new products in companies such as Genomma Lab, Liomont, Genzyme, 3M Mexico, Boehringer-Ingelheim and Promeco.

In the past months we have worked on strengthening key areas of the company, bringing experienced executives to key management positions.

RECENT CHANGES IN KEY MANAGEMENT POSITIONS

NAME	POSITION	EXPERIENCE
LAURA LÓPEZ HERNÁNDEZ	Human Resources Director	BACHELOR IN BUSINESS ADMINISTRATION AND MASTER IN HUMAN CAPITAL MANAGEMENT <ul style="list-style-type: none"> +20 years of experience in human resources in companies such as Ryder Logística, Casa Saba and Despachos Contables.
UVALDO VÁZQUEZ VÁZQUEZ	Quality Director	BACHELOR IN INDUSTRIAL CHEMISTRY AND MASTER IN TOP MANAGEMENT <ul style="list-style-type: none"> +10 years of experience in the pharma industry, auditing implementation and quality controls, ISO 9001 management in companies such as L'oreal, P&G, UQUIFA, BI Promeco and CITEC.
JESÚS RAMÍREZ DE ALBA	Supply Chain Director	BACHELOR IN INDUSTRIAL ENGINEERING AND MBA <ul style="list-style-type: none"> +18 years of experience in logistics and supply chain solutions, quality assurance, cost optimization, inventory reduction and development of distribution strategies (P&G).
ALFONSO NOÉ MERLÍN MUÑOZ	Packaging Manager	BACHELOR IN INDUSTRIAL ENGINEERING <ul style="list-style-type: none"> +20 years of experience in Research & Development in P&G.

RODRIGO HERRERA'S ROLE

**MR. RODRIGO HERRERA ASPRA
FOUNDER OF THE COMPANY
AND CEO UNTIL JULY 23RD,
2015, IS CURRENTLY:**

- PRESIDENT of the Board
- INCREASED his share of Genomma Lab from 25.9% to 29.9% in 1Q15
- PRESIDENT of the Operations Committee, meets quarterly
- ADVISOR in Research & Development and Marketing when required

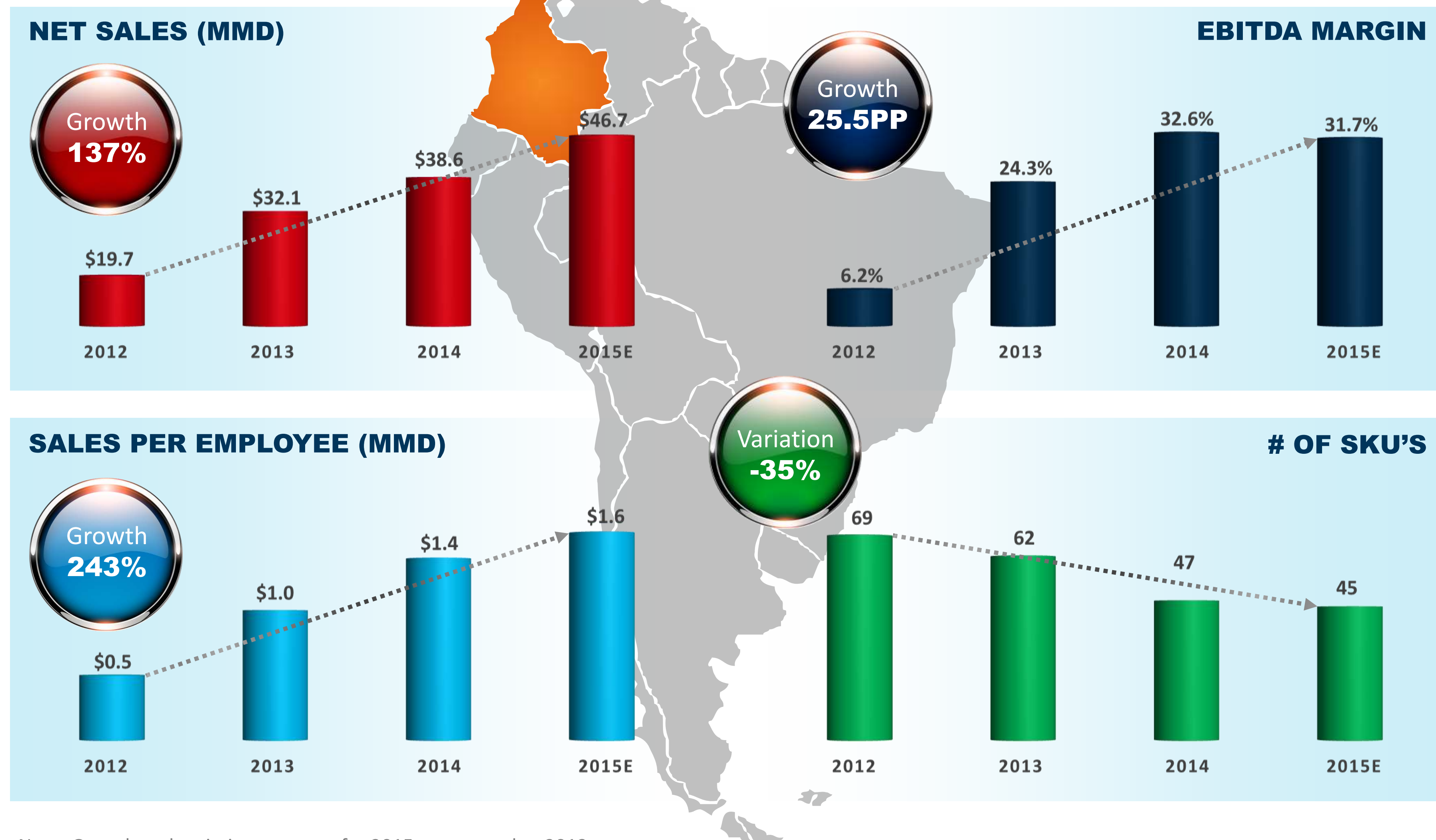


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TRACK RECORD - RESULTS IN INTERNATIONAL OPERATIONS

TRACK RECORD – RESULTS IN INTERNATIONAL OPERATIONS

COLOMBIA

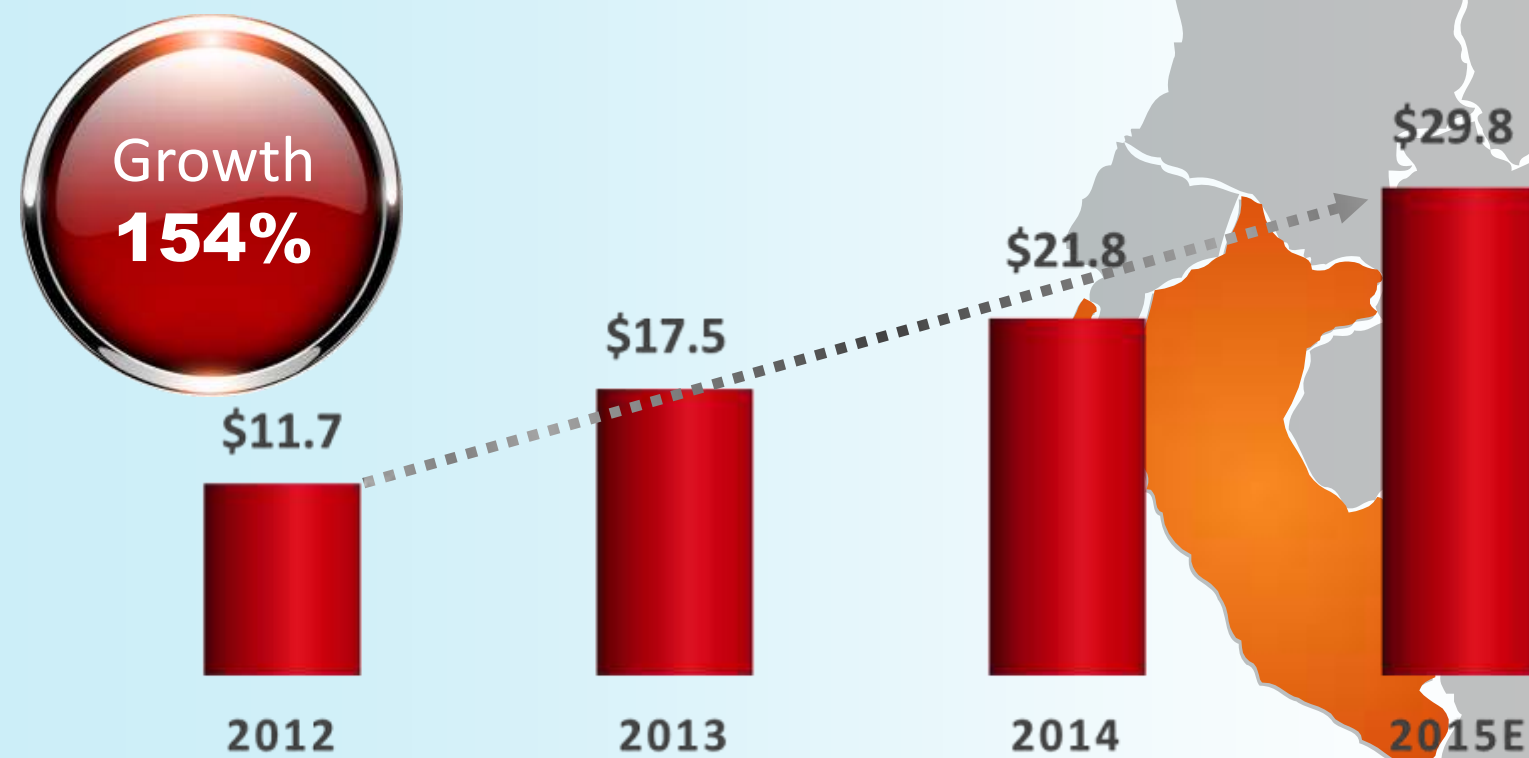


Note: Growth and variation rates are for 2015e compared to 2012.

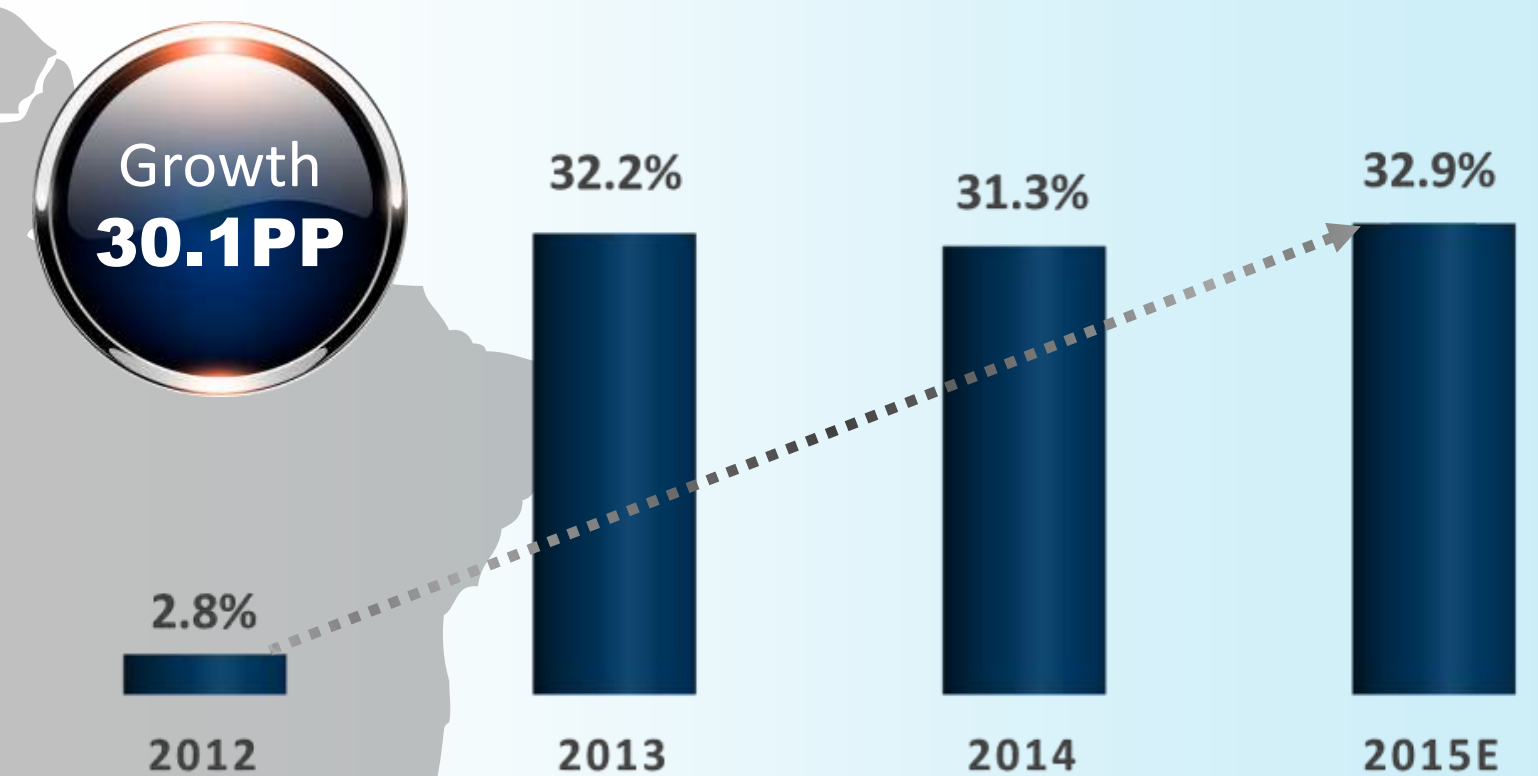
TRACK RECORD – RESULTS IN INTERNATIONAL OPERATIONS

PERU

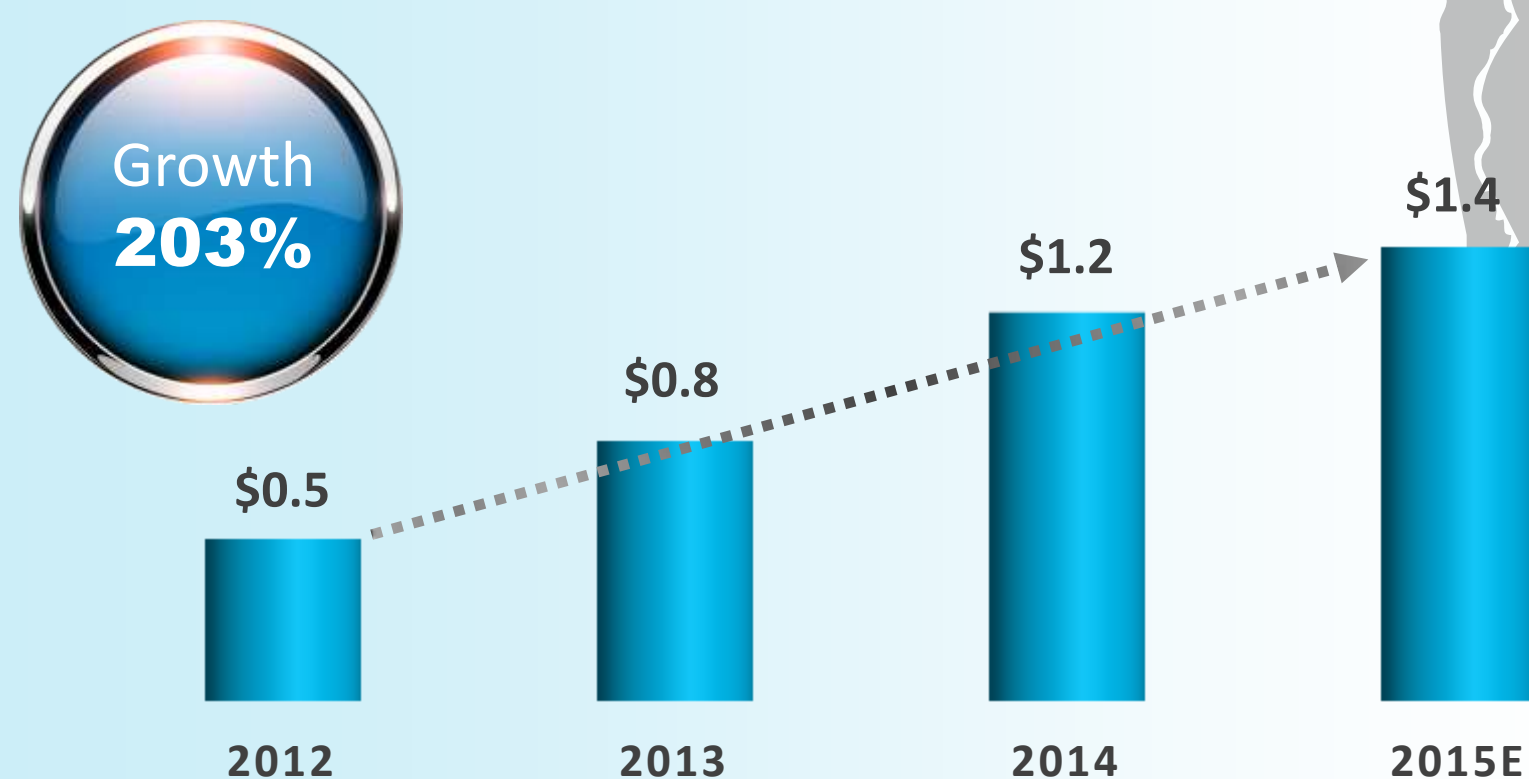
NET SALES (MMD)



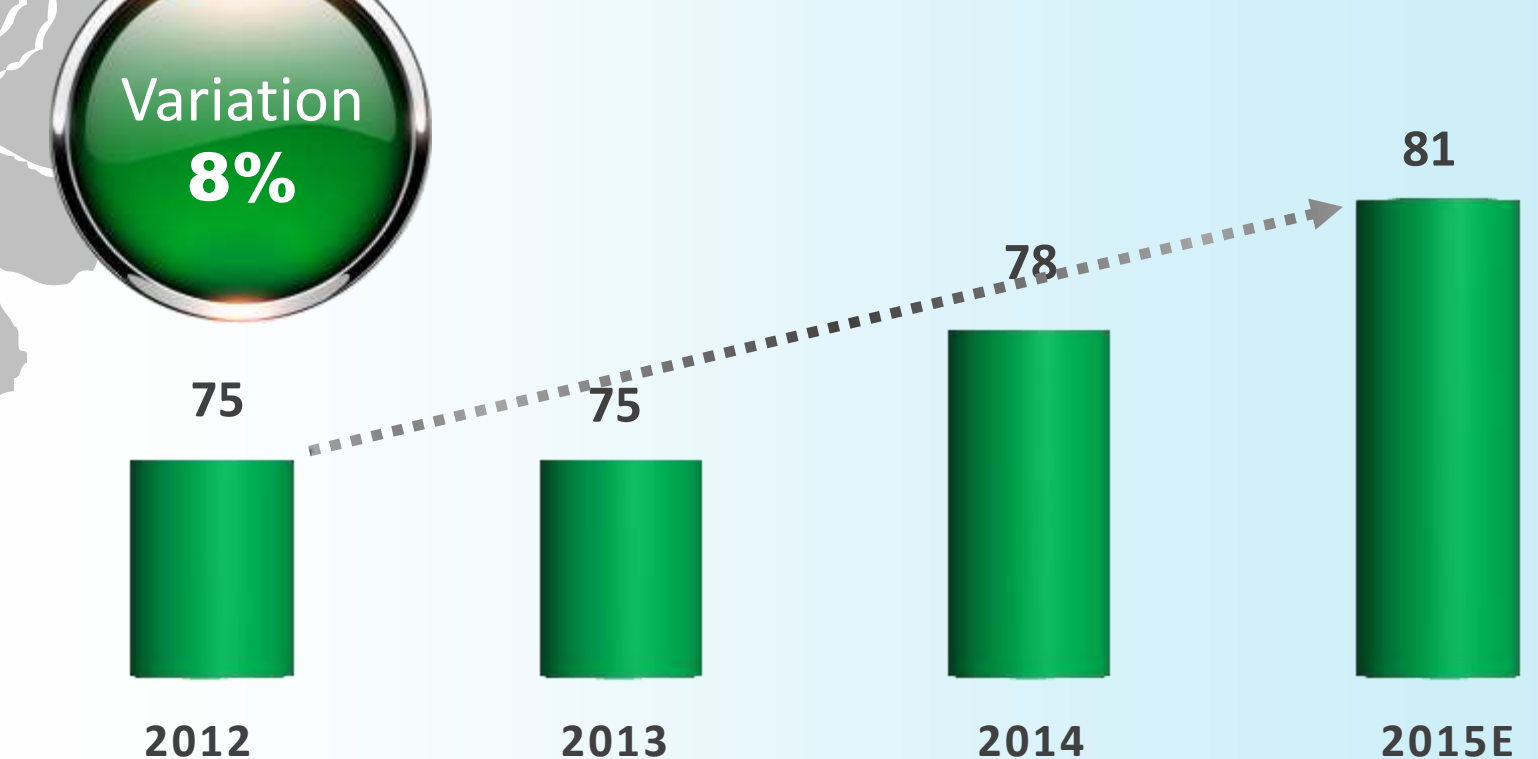
EBITDA MARGIN



SALES PER EMPLOYEE (MMD)



OF SKU'S

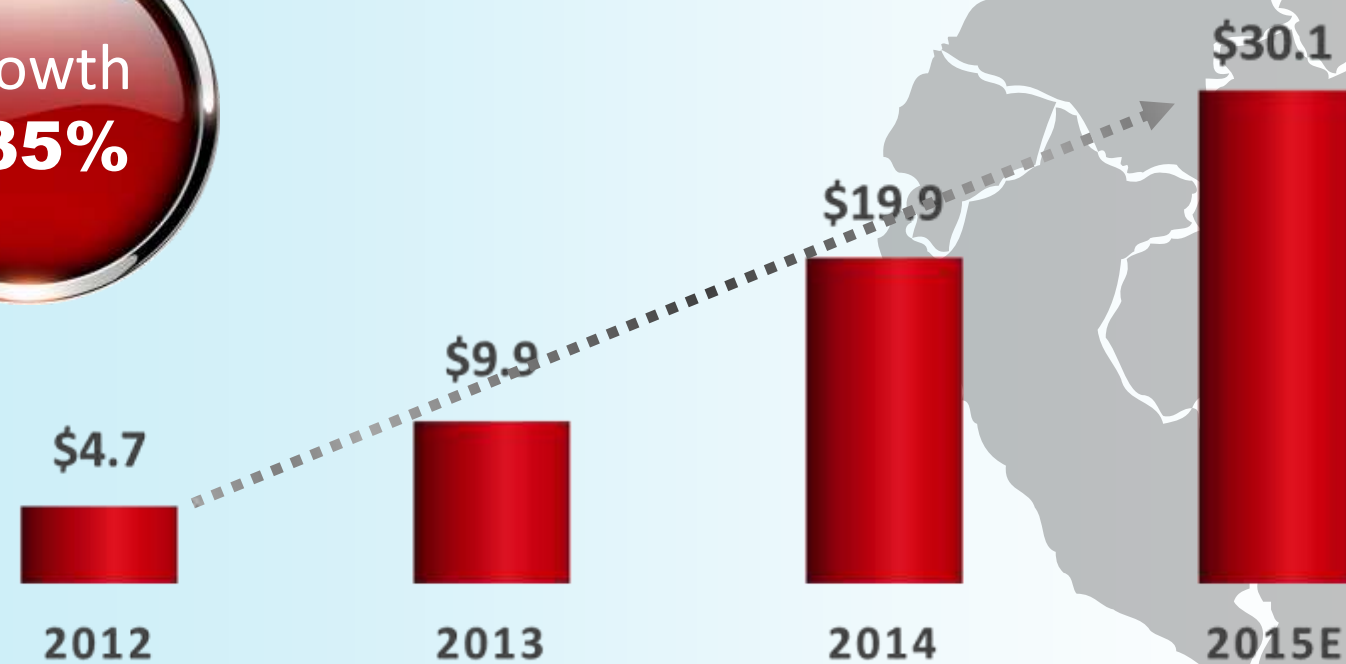


Note: Growth rates are for 2015e compared to 2012.

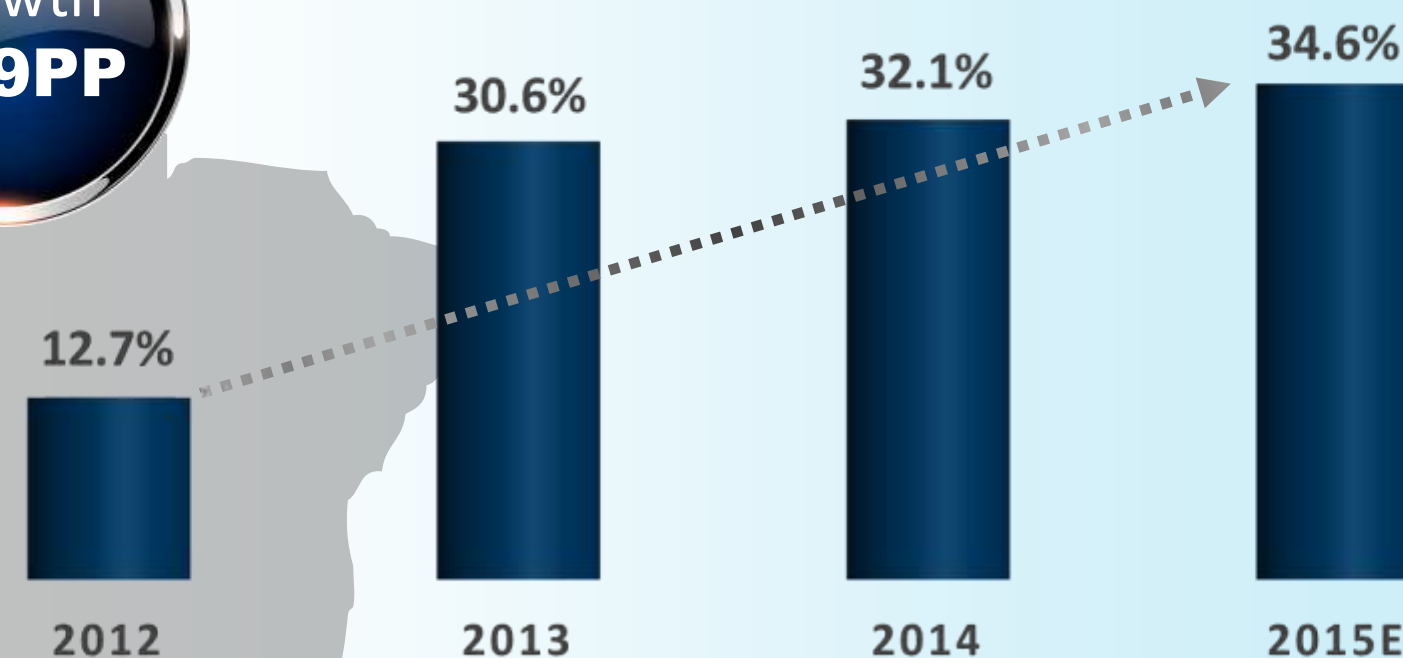
TRACK RECORD – RESULTS IN INTERNATIONAL OPERATIONS

CHILE

NET SALES (MMD)



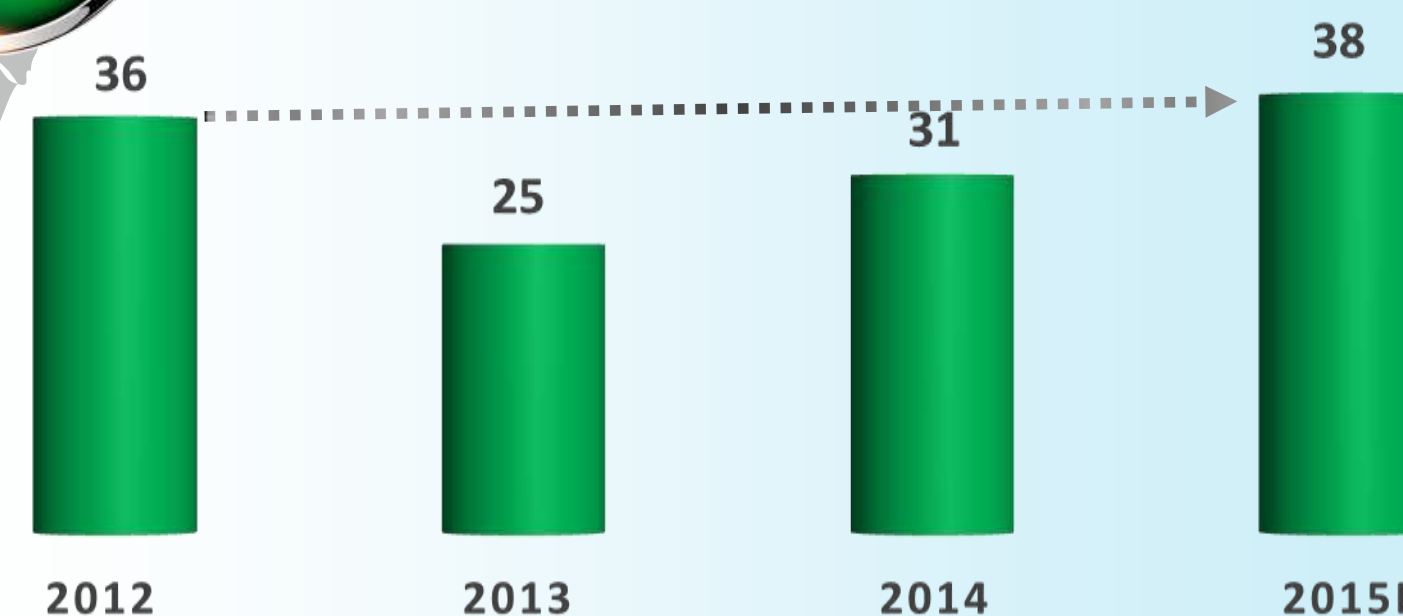
EBITDA MARGIN



SALES PER EMPLOYEE (MMD)



OF SKU'S

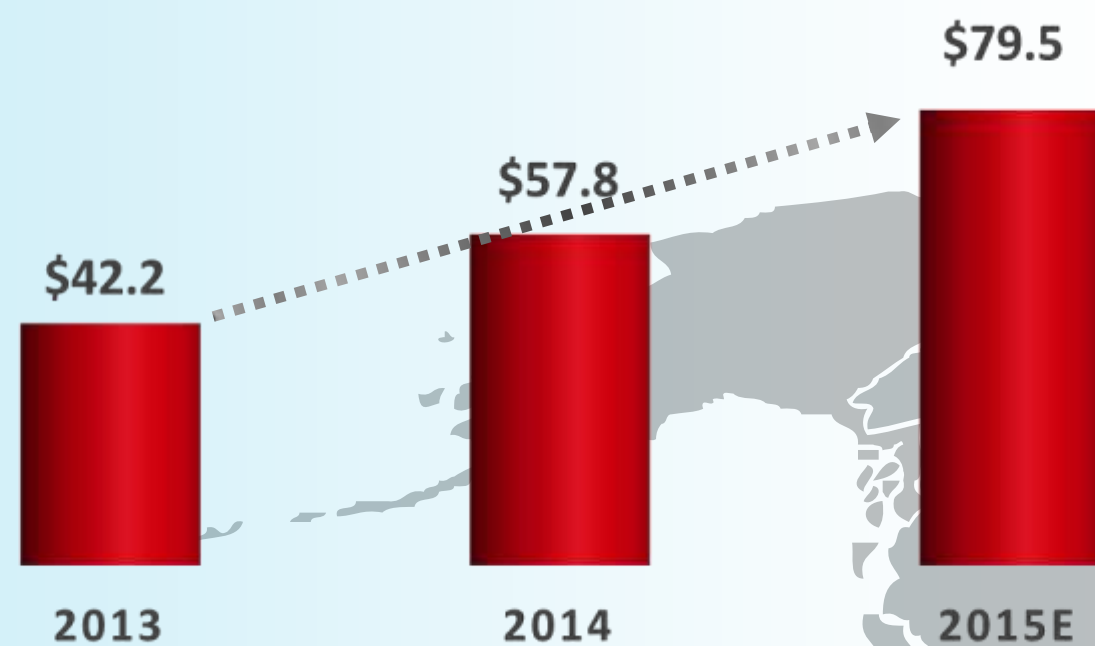


Note: Growth rates are for 2015e compared to 2012.

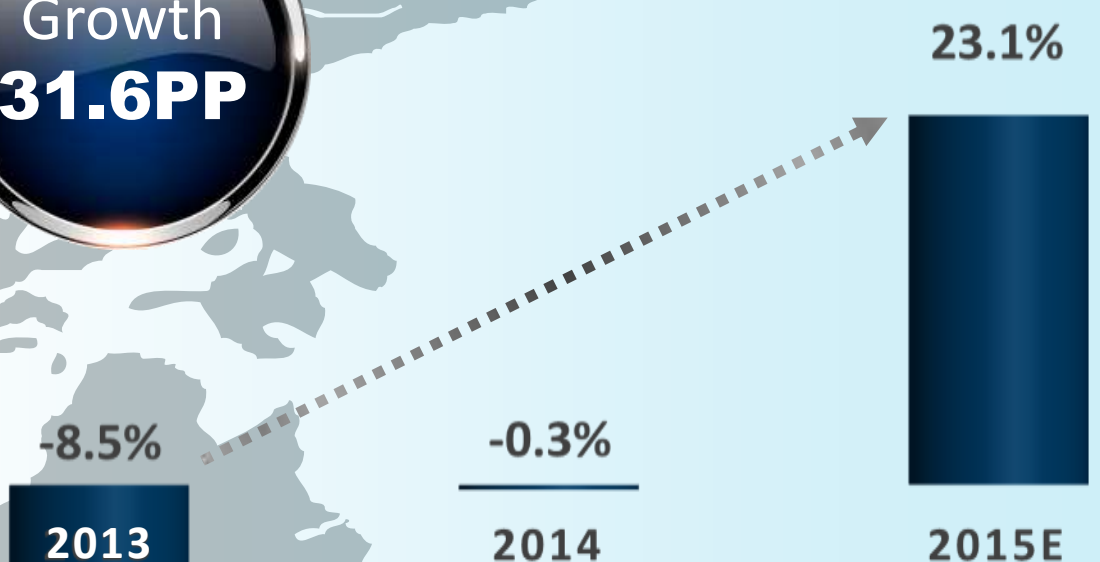
TRACK RECORD – RESULTS IN INTERNATIONAL OPERATIONS

U.S.A.

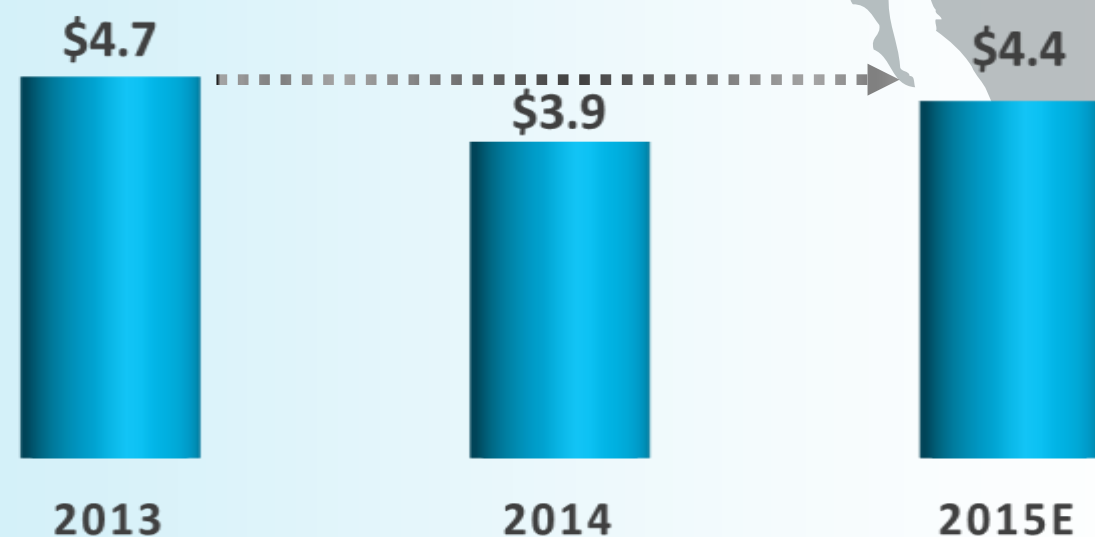
NET SALES (MMD)



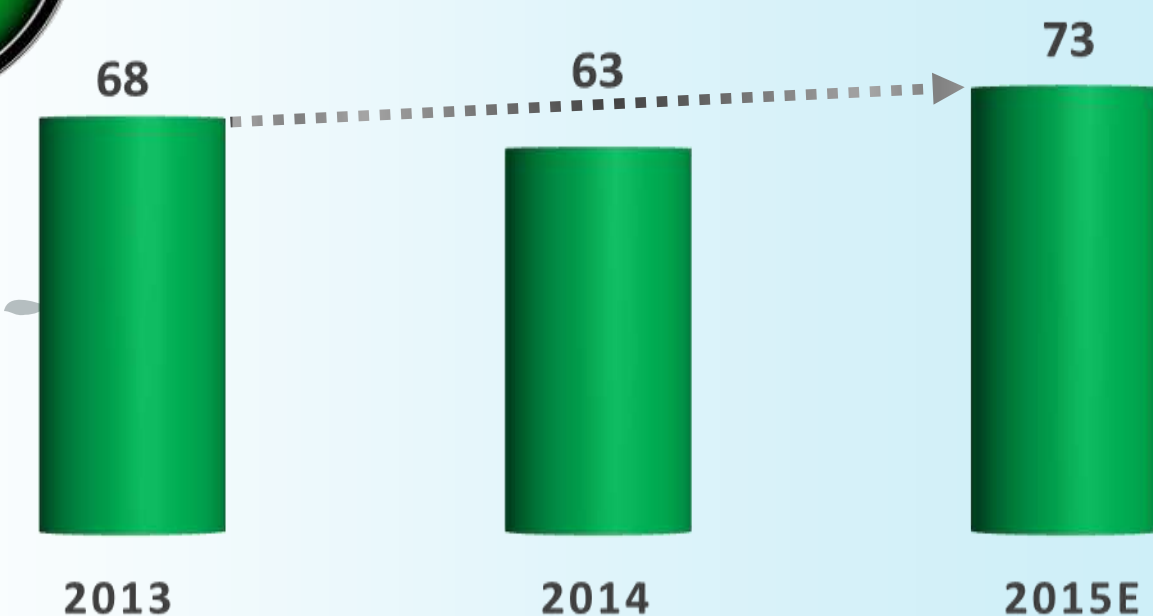
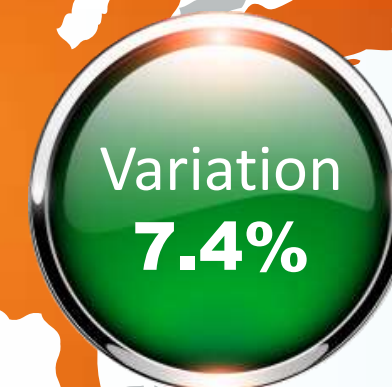
EBITDA MARGIN



SALES PER EMPLOYEE (MMD)



OF SKU'S



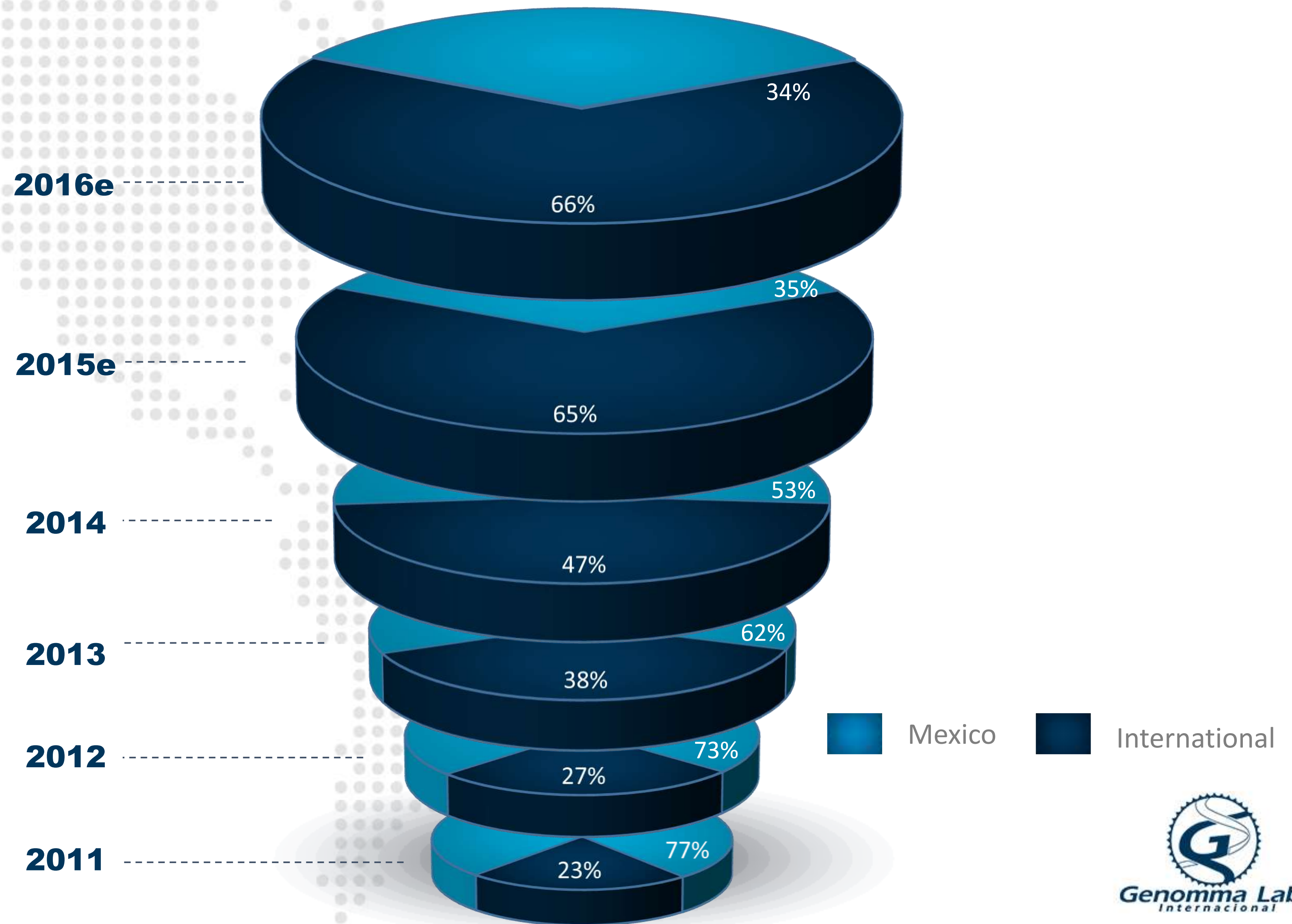
Note: Growth rates are for 2015e compared to 2013.



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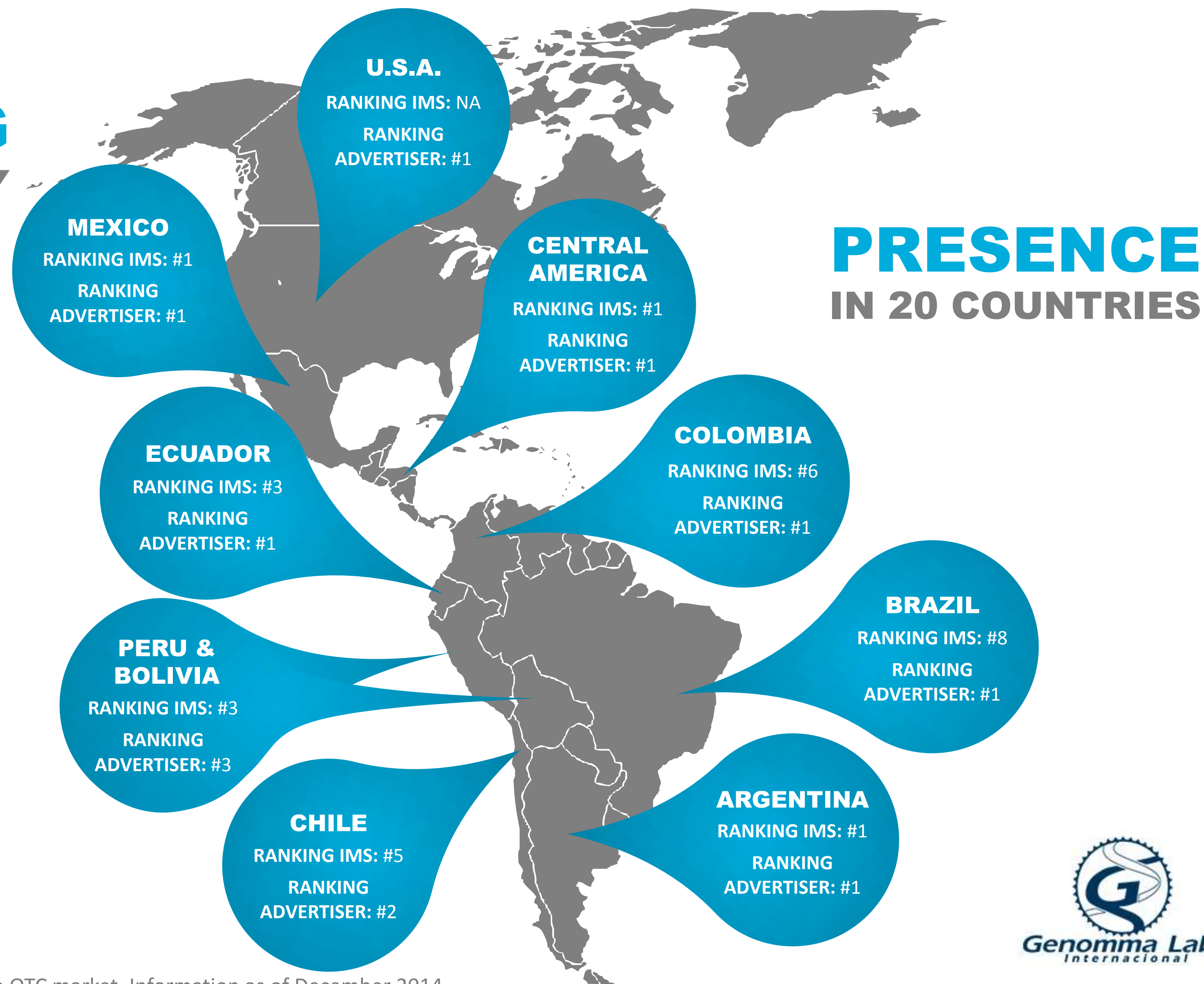
DIVERSIFICATION

DIVERSIFICATION



INTERNATIONAL PRESENCE

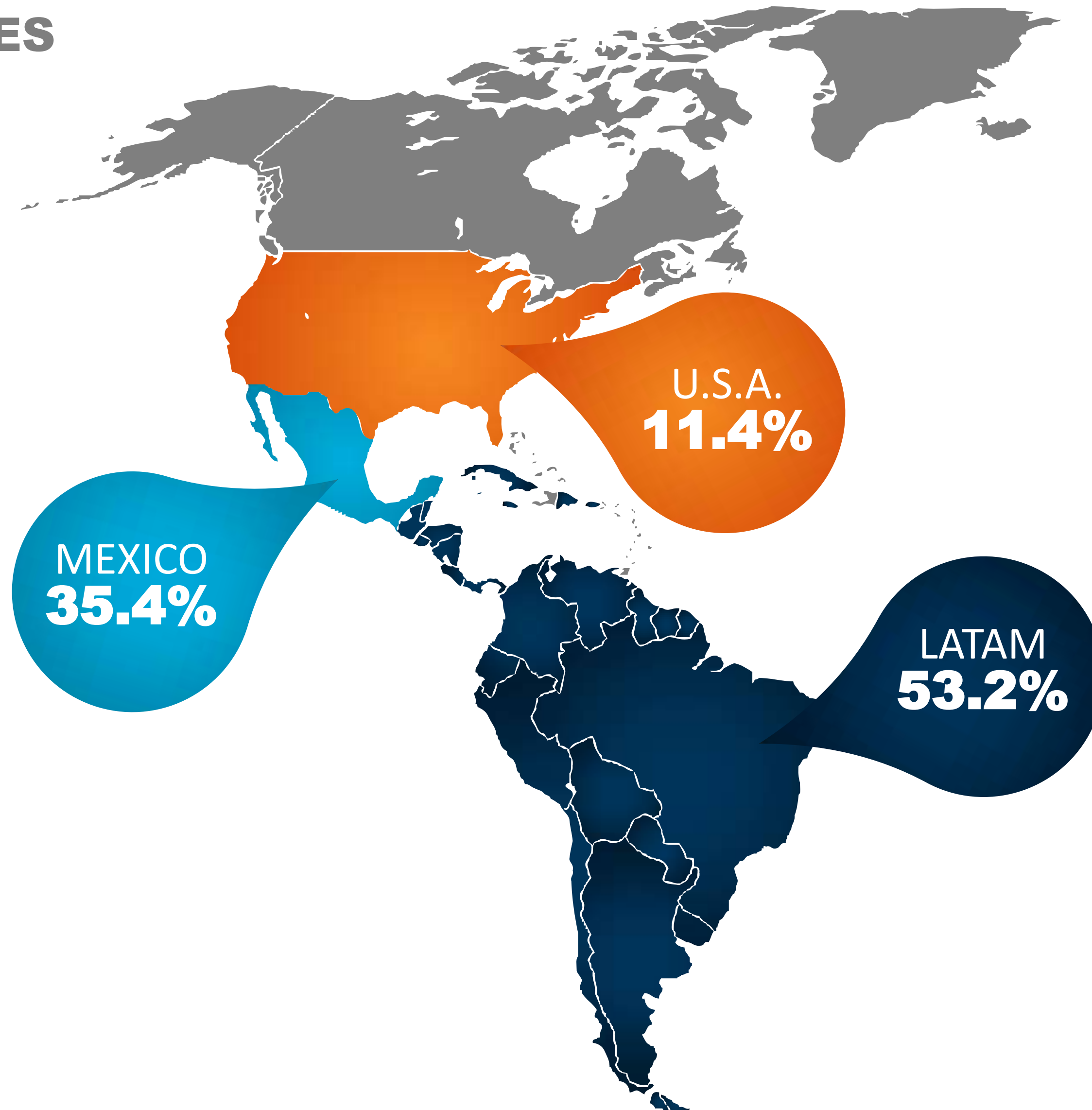
**FASTEST
GROWING
OTC COMPANY**



Source: IMS Health. Ranking in the OTC market. Information as of December 2014.

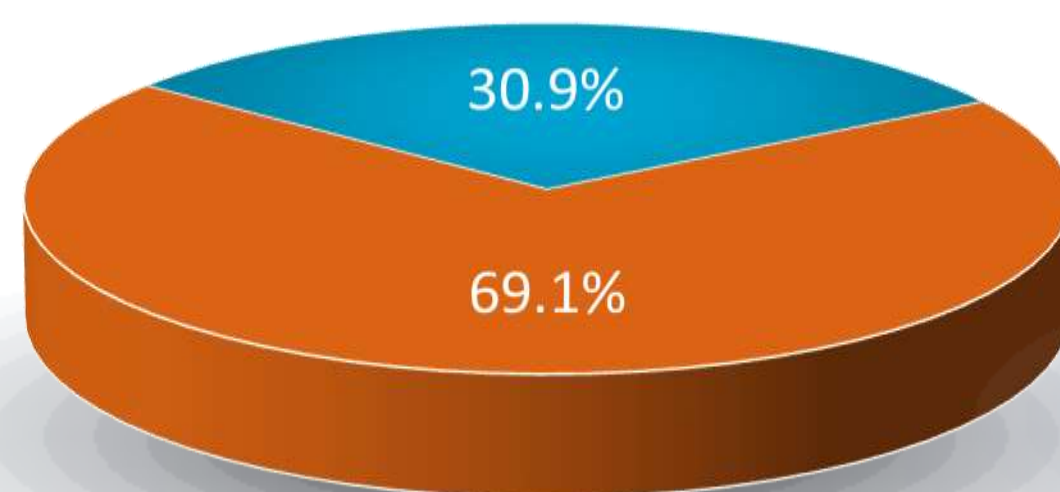
DIVERSIFICATION GOING FORWARD

**% OF NET SALES
2015e**



DIVERSIFICATION VS. OTHER COMPANIES

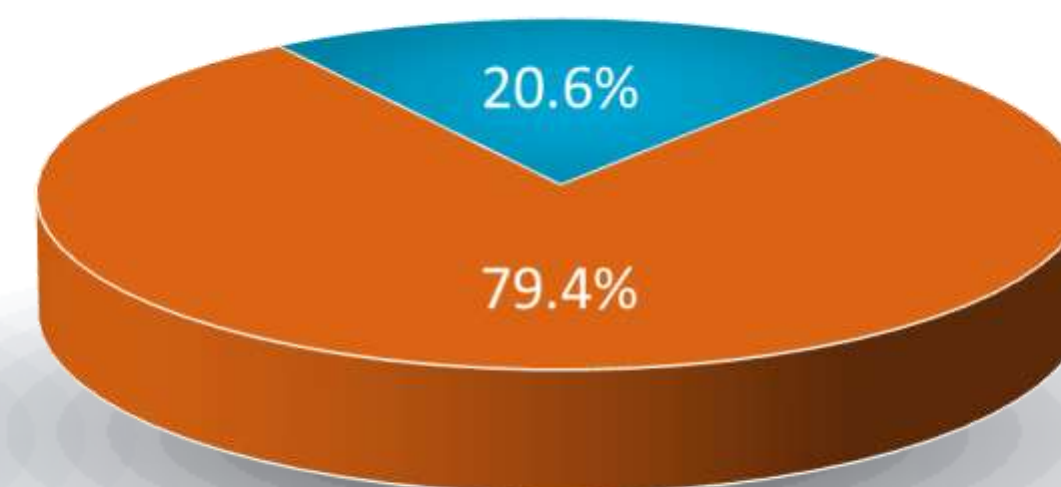
AMX



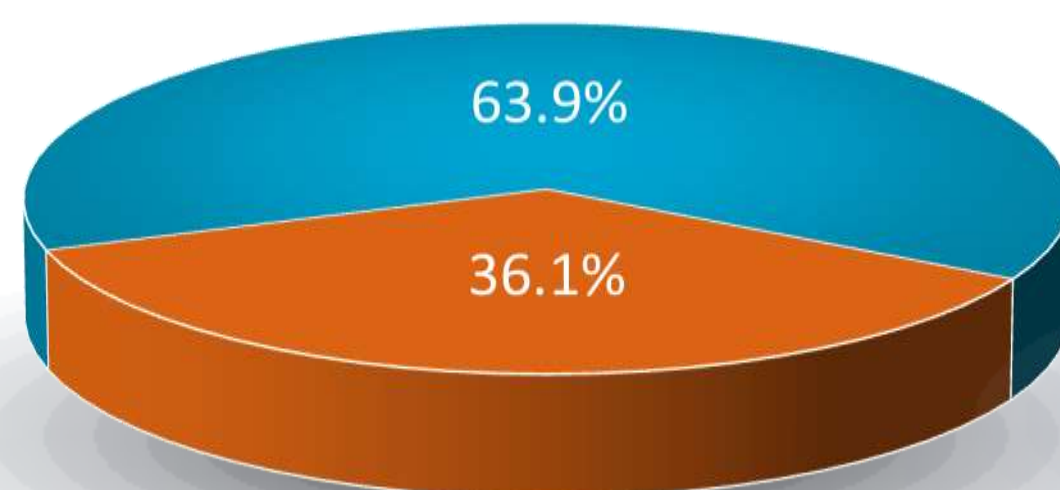
WALMEX



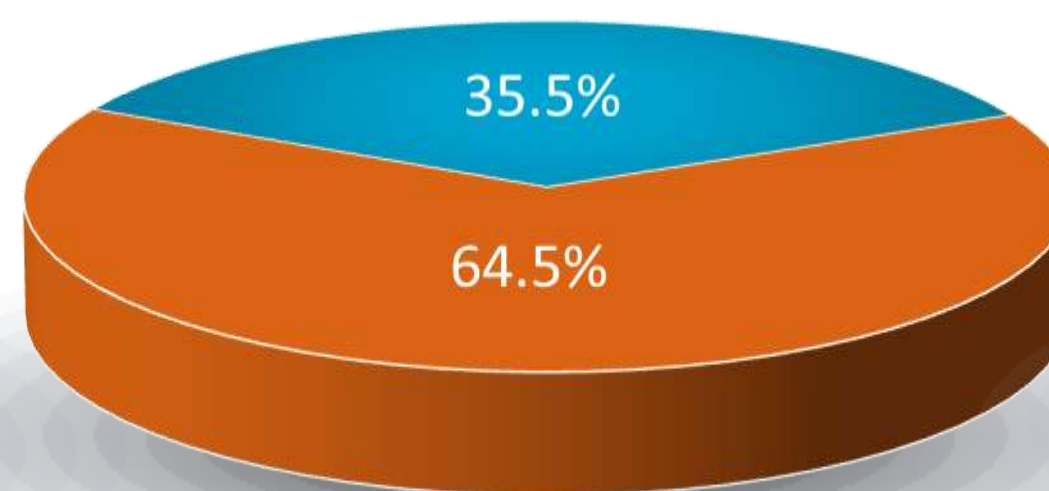
CEMEX



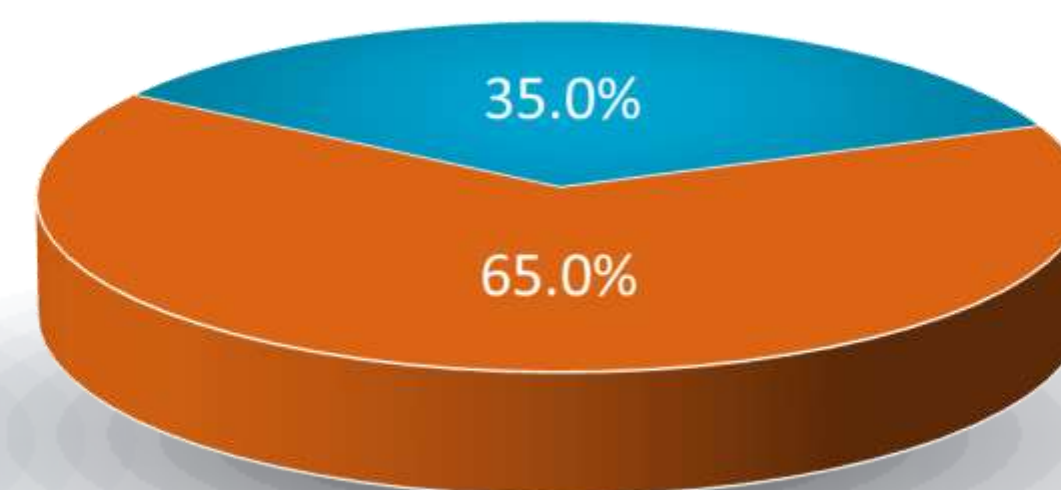
ALSEA



BIMBO



LAB



Mexico



Other countries

DIVERSIFICATION VS. OTHER COMPANIES

COMPANY	ENTRANCE TO BRAZIL	STRATEGY	ENTRANCE TO THE US	STRATEGY
		Acquisition		
		Acquisition	 	Acquisition
		Acquisition		Acquisition
	  	Acquisition	No presence	
		Acquisition	No presence	
		Organically		Organically



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U.S.A.



BRAND SUSTAINABILITY

Walgreens

COUGH/COLD CATEGORY AT WALGREENS

	COUGH / COLD			
	Tukol	Robitussin	Vicks	Cat avg
TOTAL SHOPPERS	1,166,949	655,762	1,192,301	N/A
% SHOPPERS 2 + REPEAT	16.9%	11.3%	8.2%	15.5%
# OF SHOPPERS 2 + REPEAT	197,214	74,101	97,769	N/A

TUKOL drives loyalty versus both the overall category and key competitors.

SKIN CARE CATEGORY AT WALGREENS

	SKIN CARE			
	Cicatricure	Neutrogena	Olay	Cat avg
TOTAL SHOPPERS	81,926	425,205	250,525	N/A
% SHOPPERS 2 + REPEAT	14.0%	11.9%	11.2%	12.9%
# OF SHOPPERS 2 + REPEAT	11,470	50,599	28,059	N/A

CICATRICURE drives loyalty versus both the overall category and key competitors.



BRAND SUSTAINABILITY



COUGH SYRUP / LIQUID COMPETITORS – TOTAL MARKET

PRODUCT	% OF BUYERS, 2X + BUYERS
Cold / Allergy / Sinus Liquid / Powder Category	34.4
Tukol	52.8
Vicks NyQuil	43.6
Vicks DayQuil	37.0
Robitussin CF	24.4
Vicks NyQuil & Vicks DayQuil	23.3
Robitussin	25.2

TUKOL Drives loyalty versus both the overall category and key competitors.

ACNE TREATMENTS – TOTAL MARKET

PRODUCT	% OF BUYERS, 2X + BUYERS
Acne Treatments Average	42.7
Asepxia	61.8
Neutrogena	50.1
Johnsons Clean & Clear	42.9
St. Ives	38.1
Olay	20.8

ASEPXIA Drives loyalty versus both the overall category and key competitors.

Source: IRI – Latest 52 Weeks ending August 09, 2015.

SHAMPOO CATEGORY – TOTAL MARKET

PRODUCT	% OF BUYERS, 2X + BUYERS
Shampoo	43.6
Tio Nacho	50.4
Pantene Pro V	45.8
Tresemme	43.5
Clairol Herbal Essences	47.3
Garnier Furtis	44.9
Head & Shoulders	42.4
Dove	39.6
Organix	48.0
Suave	30.5

TIO NACHO Drives loyalty versus both the overall category and key competitors.

HAND & BODY LOTION – TOTAL MARKET

PRODUCT	% OF BUYERS, 2X + BUYERS
Hand & Body Lotion Average	40.8
Goicoechea	56.1
Gold Bond Ultimate	38.6
Nivea	40.9
Suave	39.3
Jergens	41.1
Curel Ultra Healing	28.6

GOICOECHEA Drives loyalty versus both the overall category and key competitors.

BRAND SUSTAINABILITY



SHAMPOO	
PRODUCT	3x + REPEAT
Category Average	5.5%
Tio Nacho	6.8%
Pantene Pro V	6.3%
Garnier Fructis	5.0%
Head & Shoulders	5.3%
Dove	5.1%
Organix	3.9%
Suave	3.8%

TIO NACHO drives loyalty versus both the overall category and key competitors.

FACIAL CLEANSERS	
PRODUCT	3x + REPEAT
Category Average	7.0%
Asepxia	8.5%
Neutrogena	8.4%
Olay	7.4%
Biore	3.1%
Ponds	7.7%

ASEPXIA drives loyalty versus both the overall category and key competitors.



SUCCESS CASES IN POS

Genomma Lab is rapidly becoming a relevant player in the general market

(in USD)



VS
Last 52 Weeks



\$4.3 MM
8,000 STORES

\$3.1 MM
8,000 STORES



VS
Last 26 Weeks

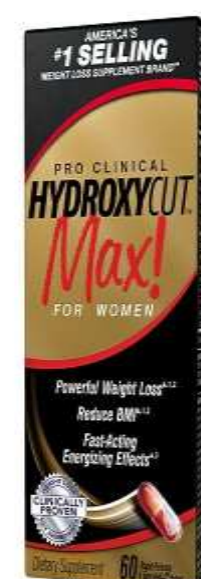


\$1.7 MM
6,900 STORES

\$867 K
8,000 STORES



VS
Last 36 Weeks

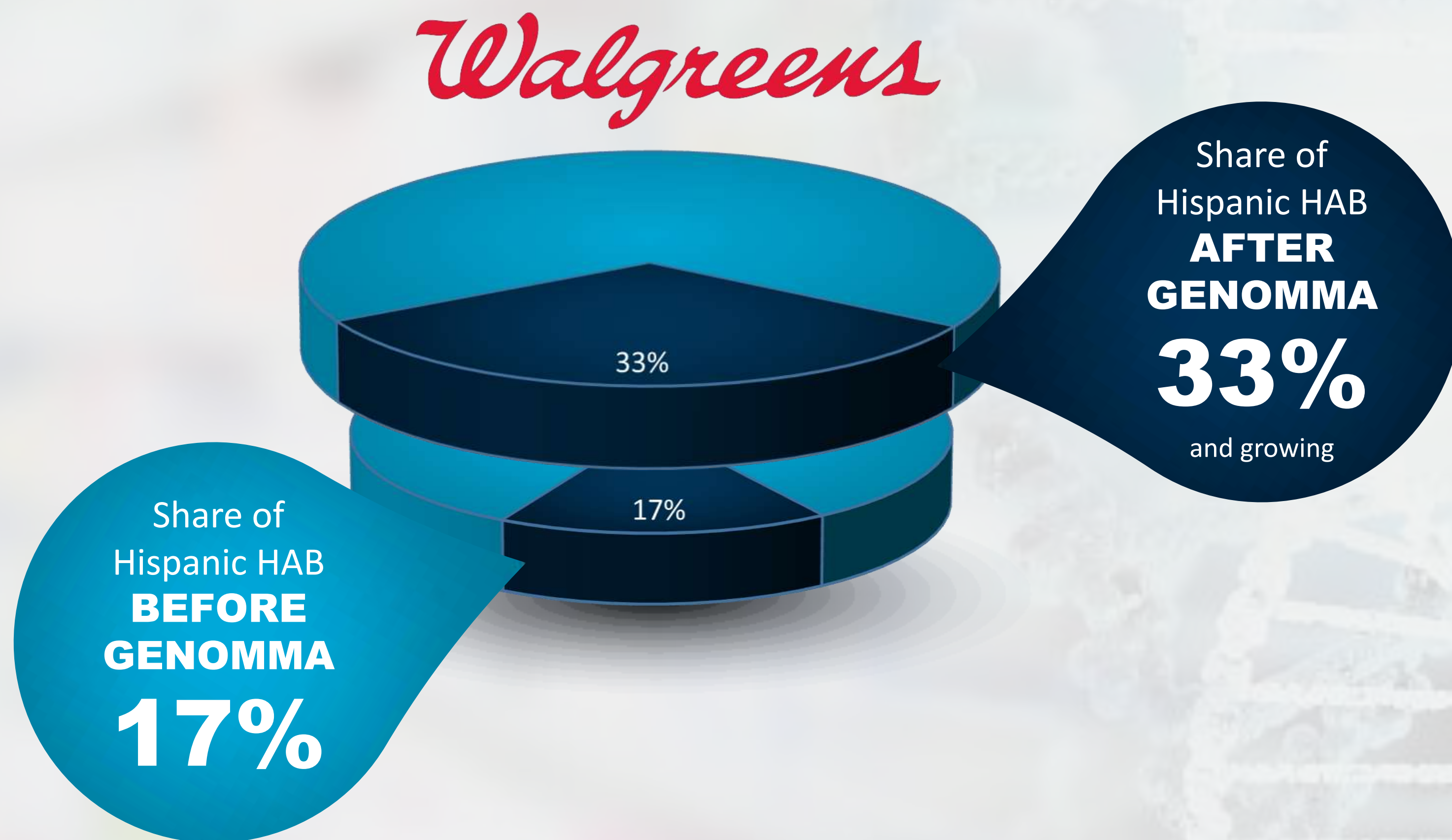


\$1.8 MM
4,500 STORES

\$396 K
8,000 STORES



GL INCREASES WALGREENS HISPANIC MARKET SHARE



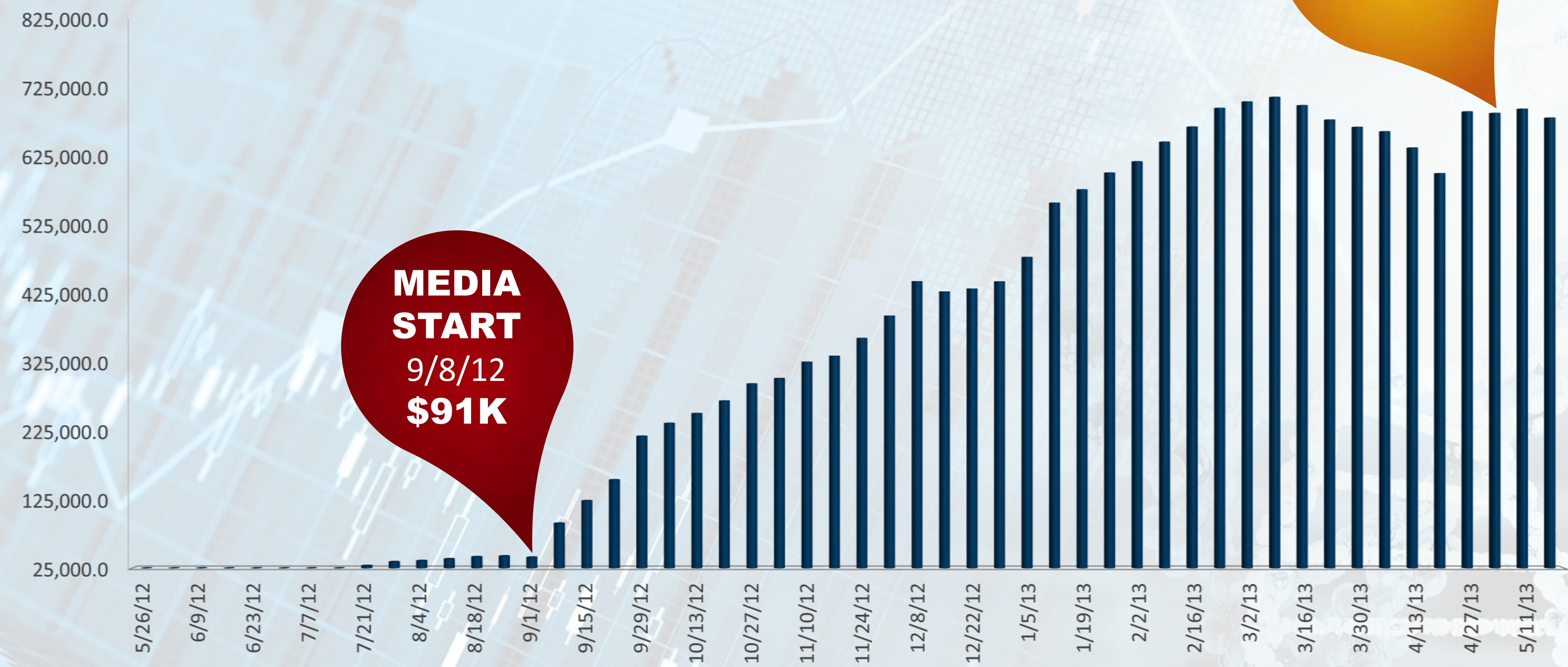
Source. Symphony IRI. Hispanic Snippet data. August 2015.

*HAB: Health and Beauty.

GENOMMA'S SALES IN WALGREENS

STRONG GROWTH RATE AFTER MEDIA STARTED

(in USD)



Source: RSi., 52 Weeks Ending 5.18.13

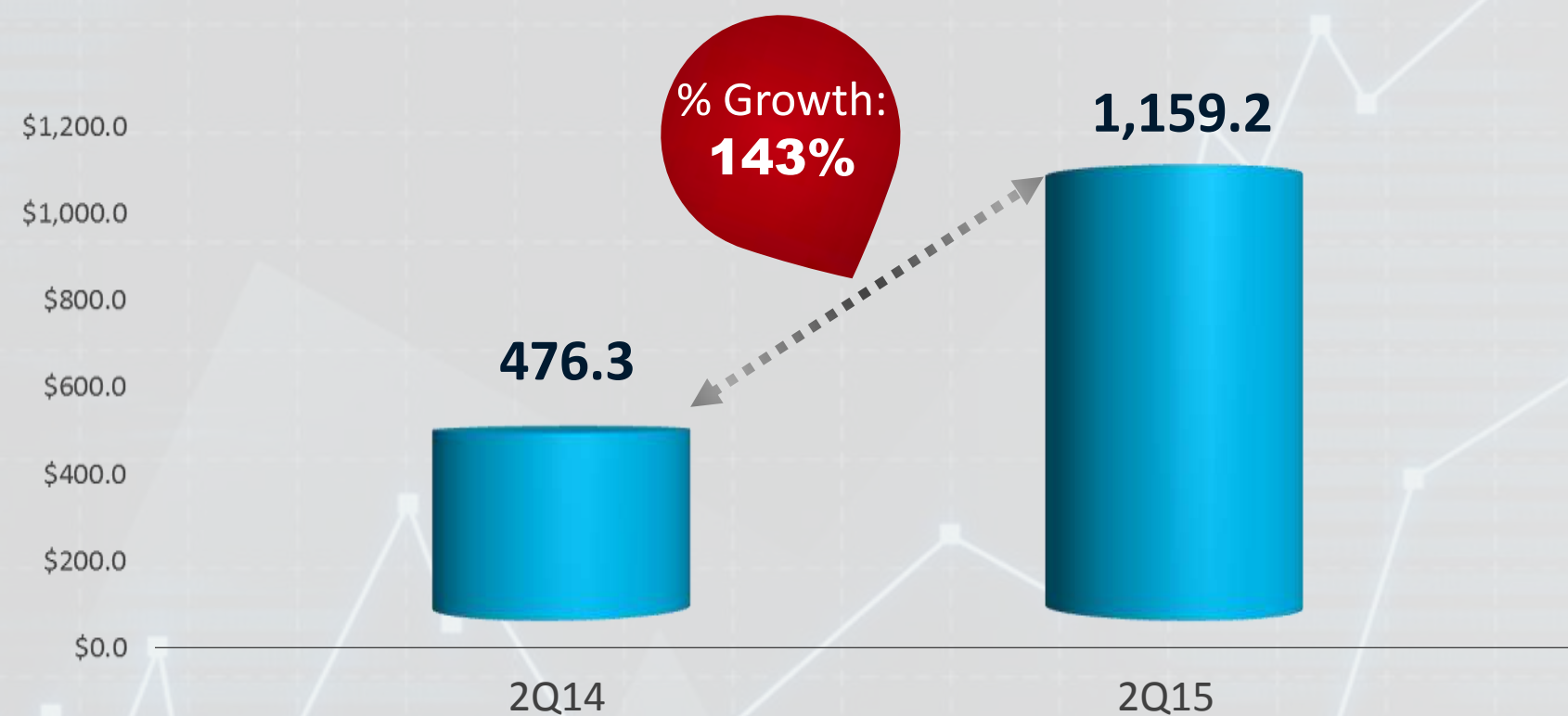
PRESENCE IN POS – WALGREENS



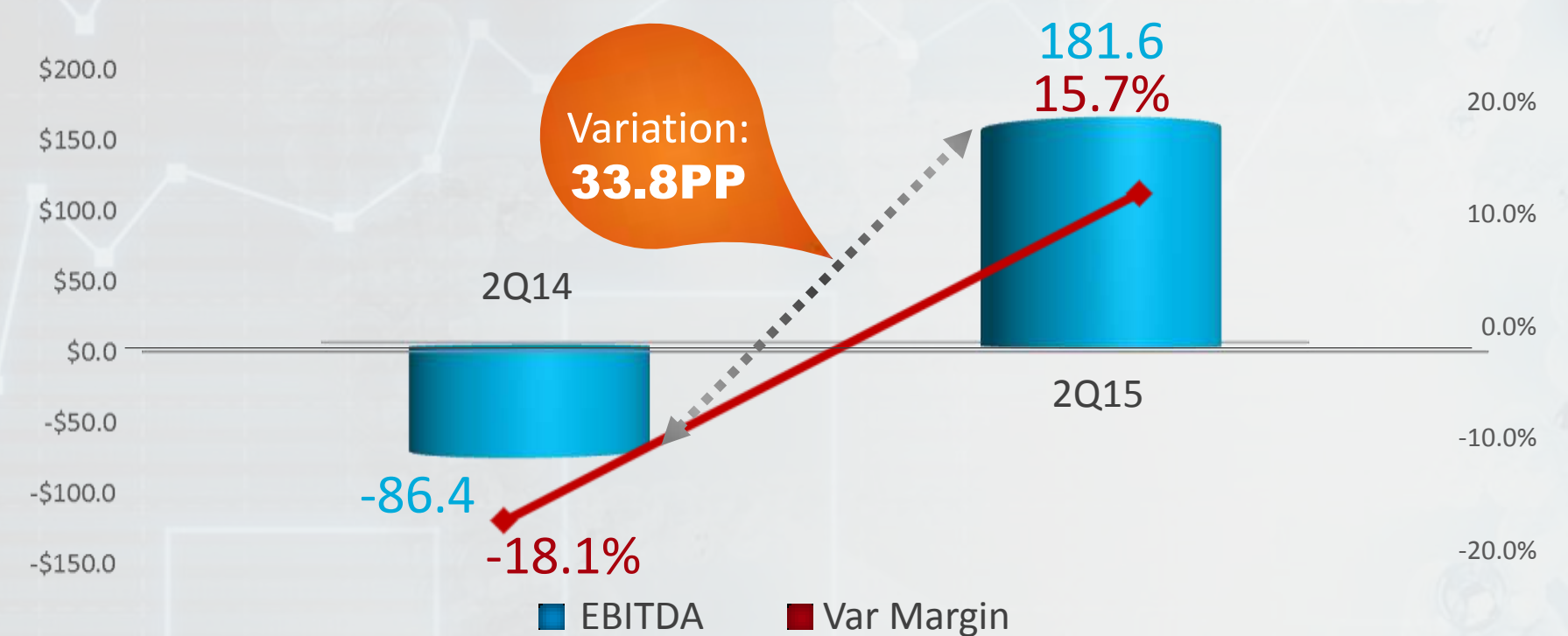
RESULTS IN THE U.S.A.

ALL FIGURES IN MILLION MXN\$

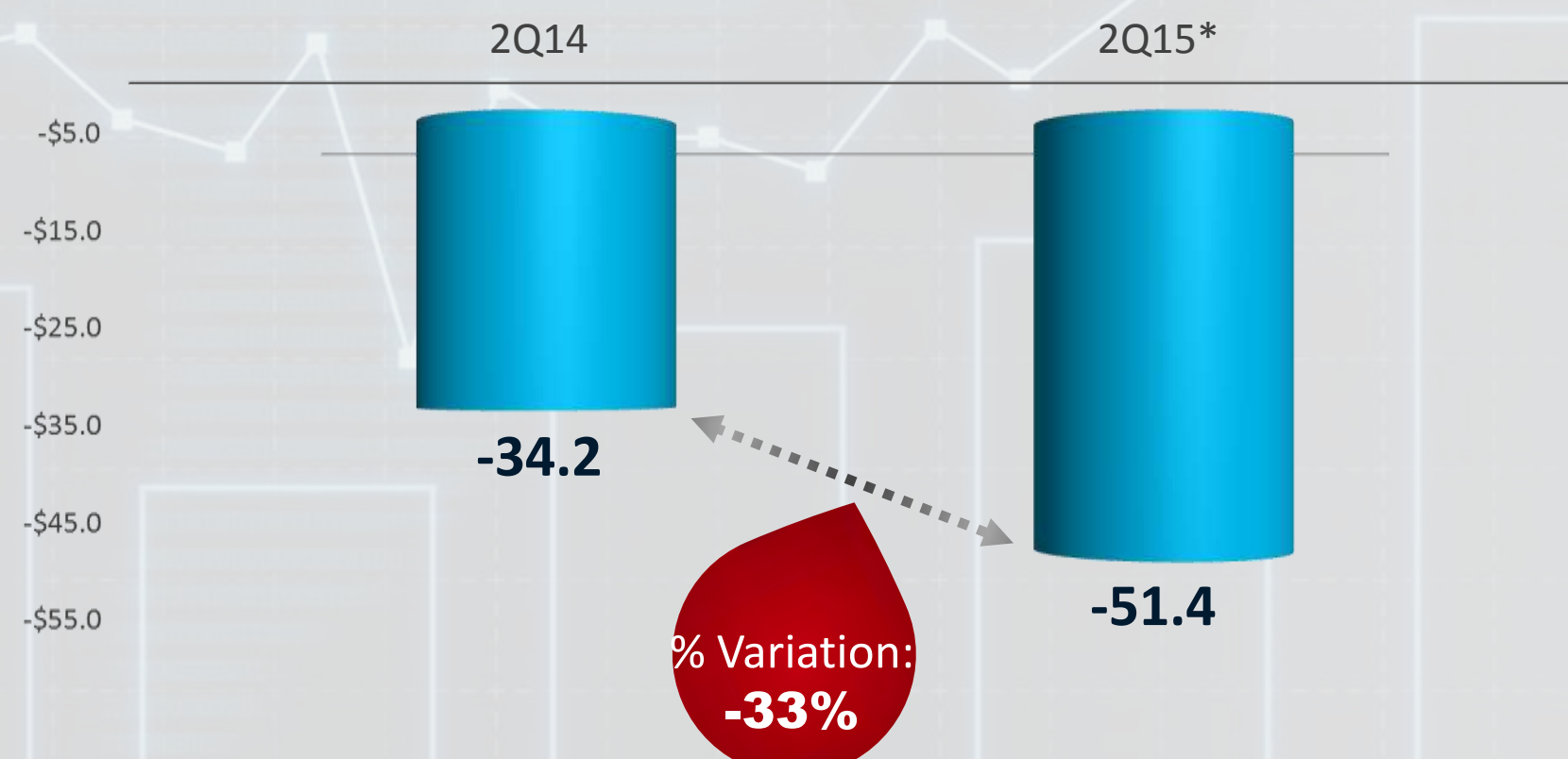
NET SALES LTM



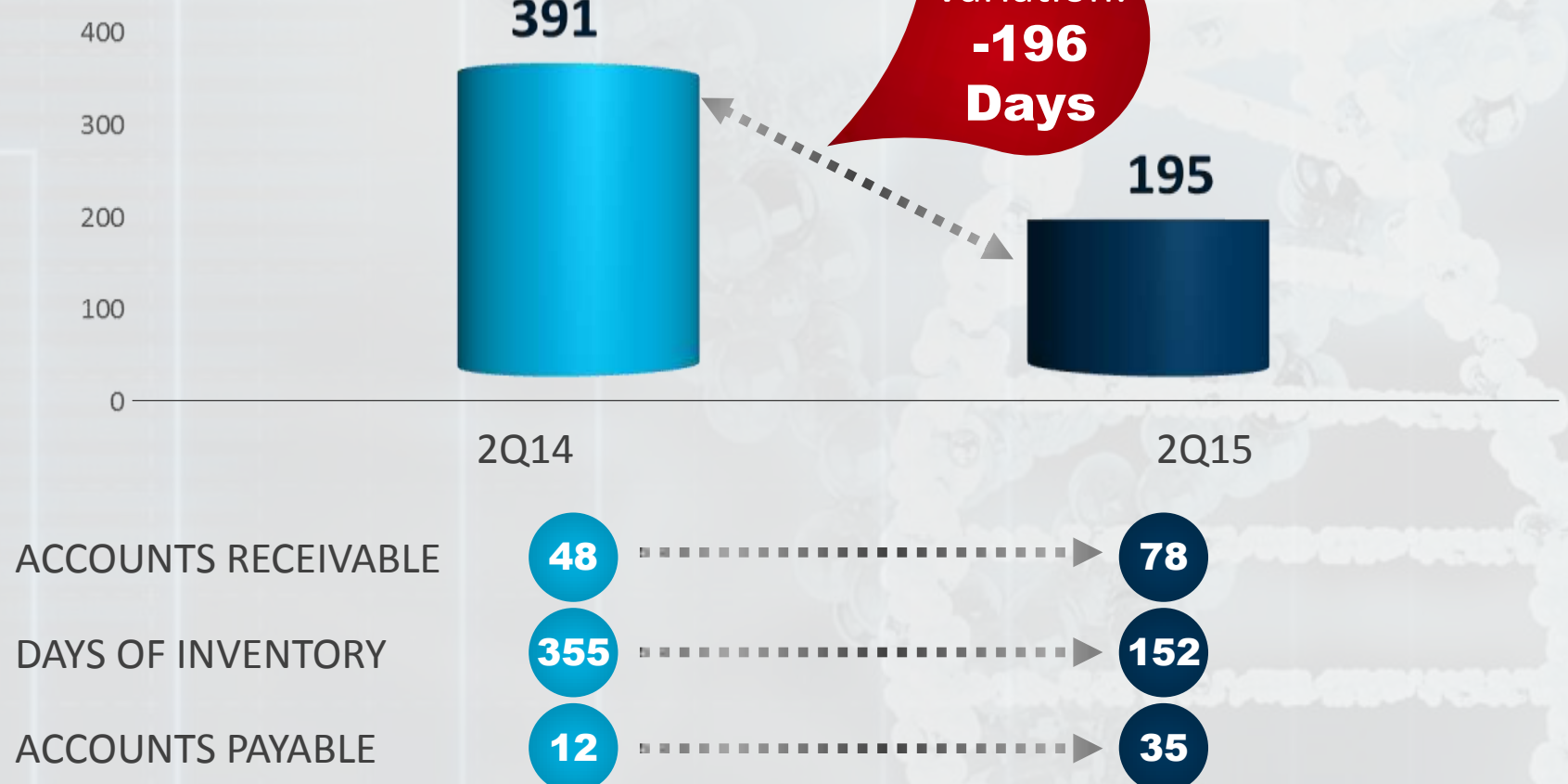
EBITDA & MARGIN LTM



FCF LTM



CCC



ACCOUNTS RECEIVABLE

48 → 78

DAYS OF INVENTORY

355 → 152

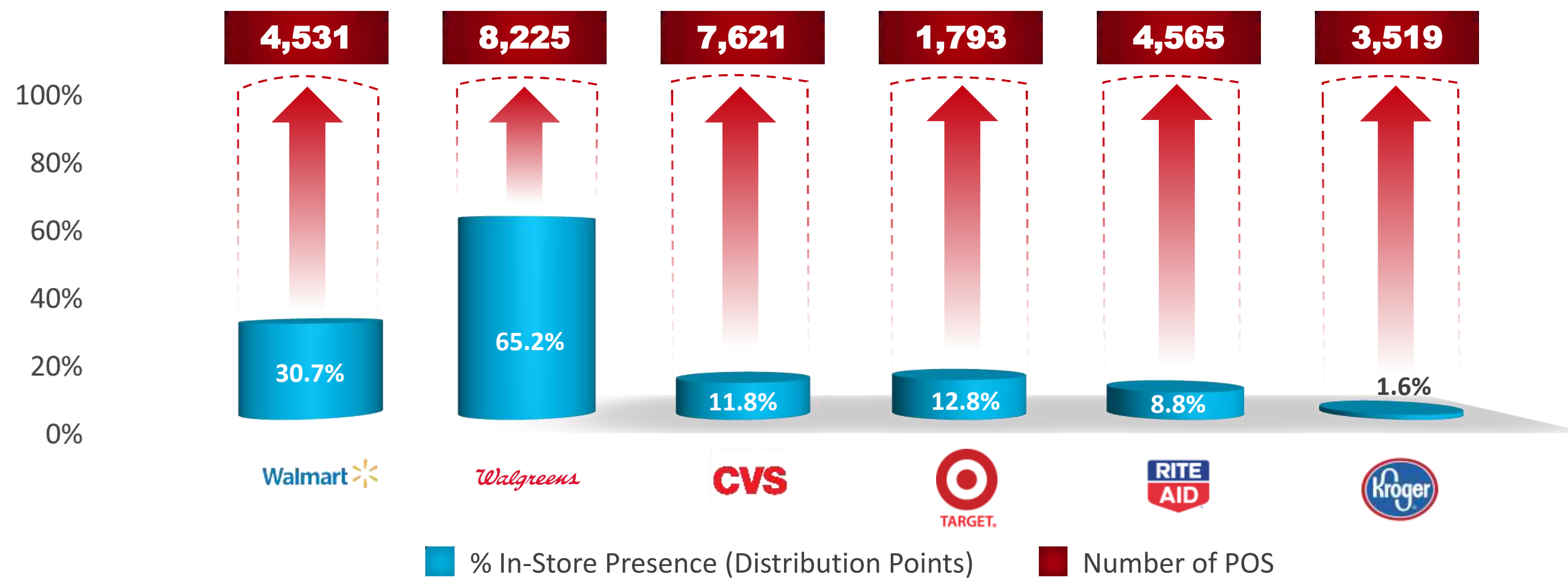
ACCOUNTS PAYABLE

12 → 35

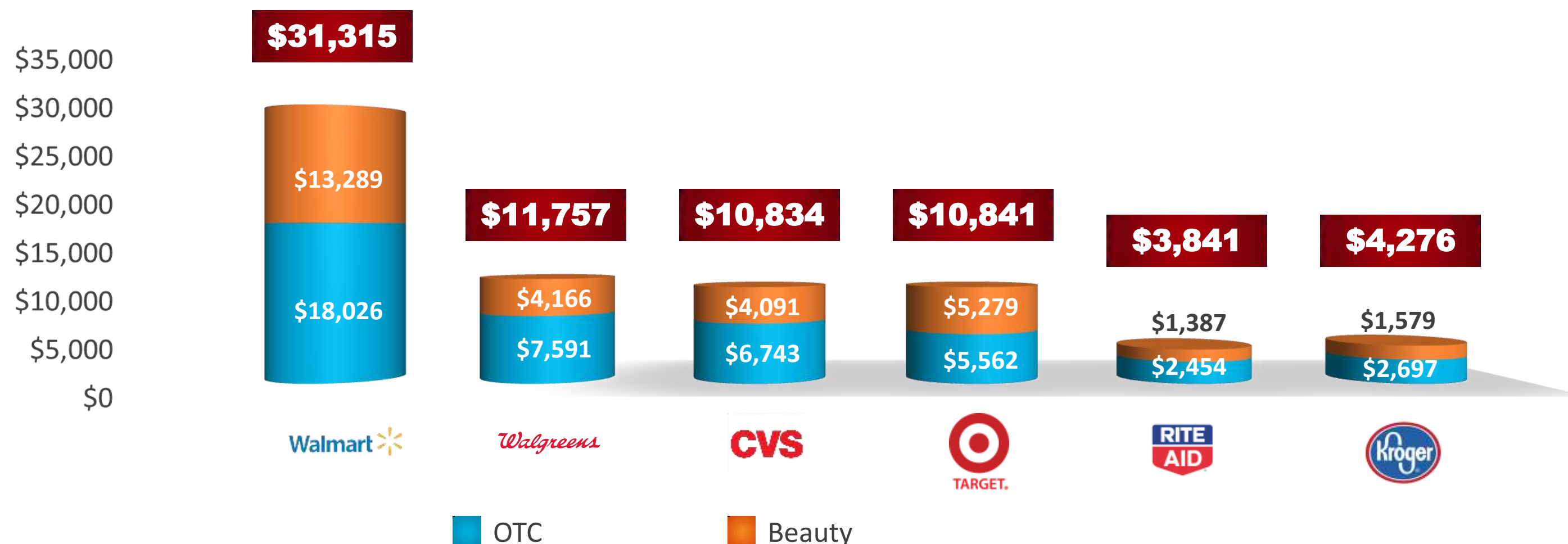
*Cashflow includes \$310 mm pesos paid of cash generation to Genomma Mexico related to advertising liabilities.

U.S.A. – POTENTIAL FOR GROWTH

Opportunity for Growth in POS



Market Size



*In millions of USD



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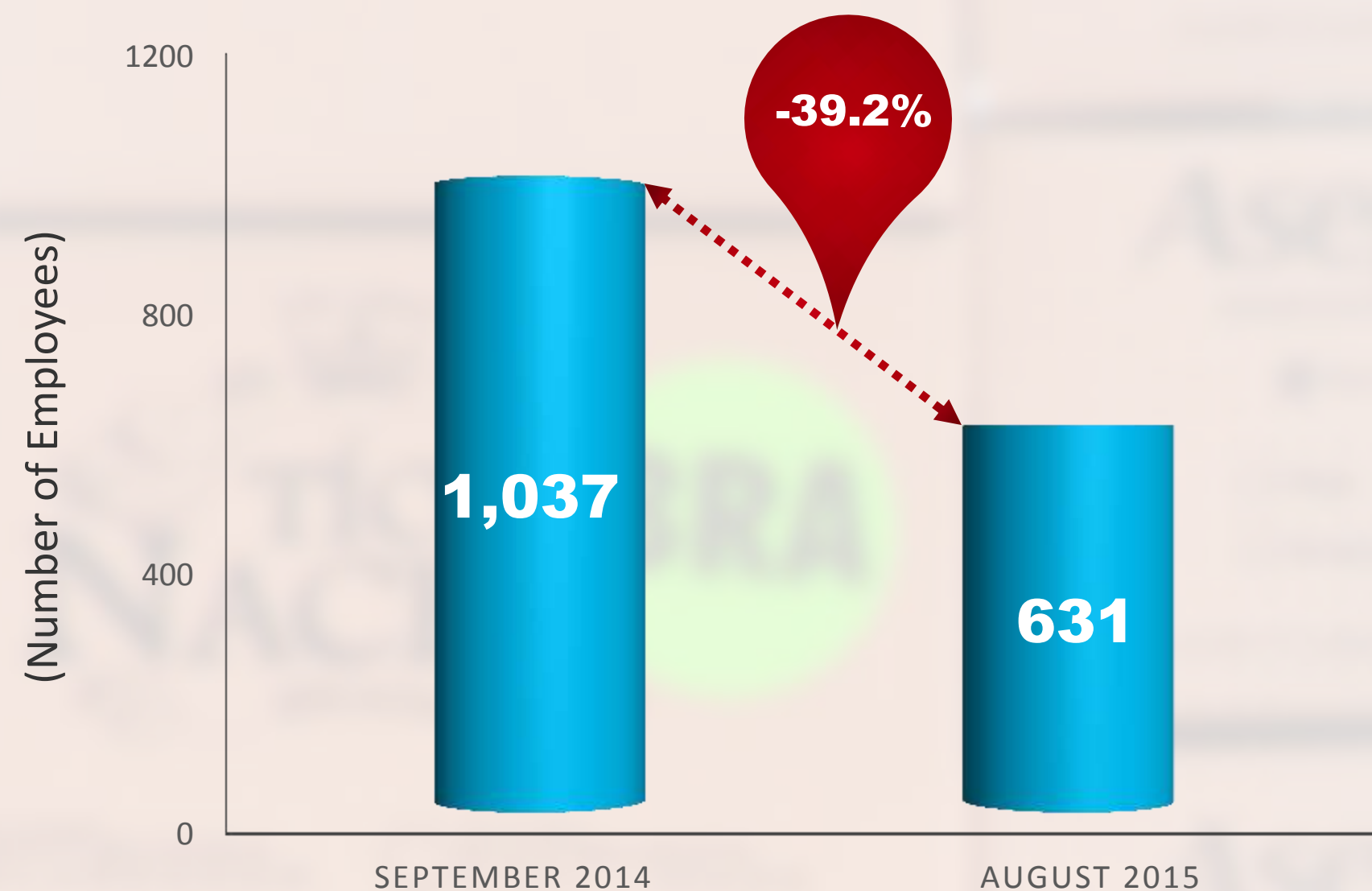
MEXICO



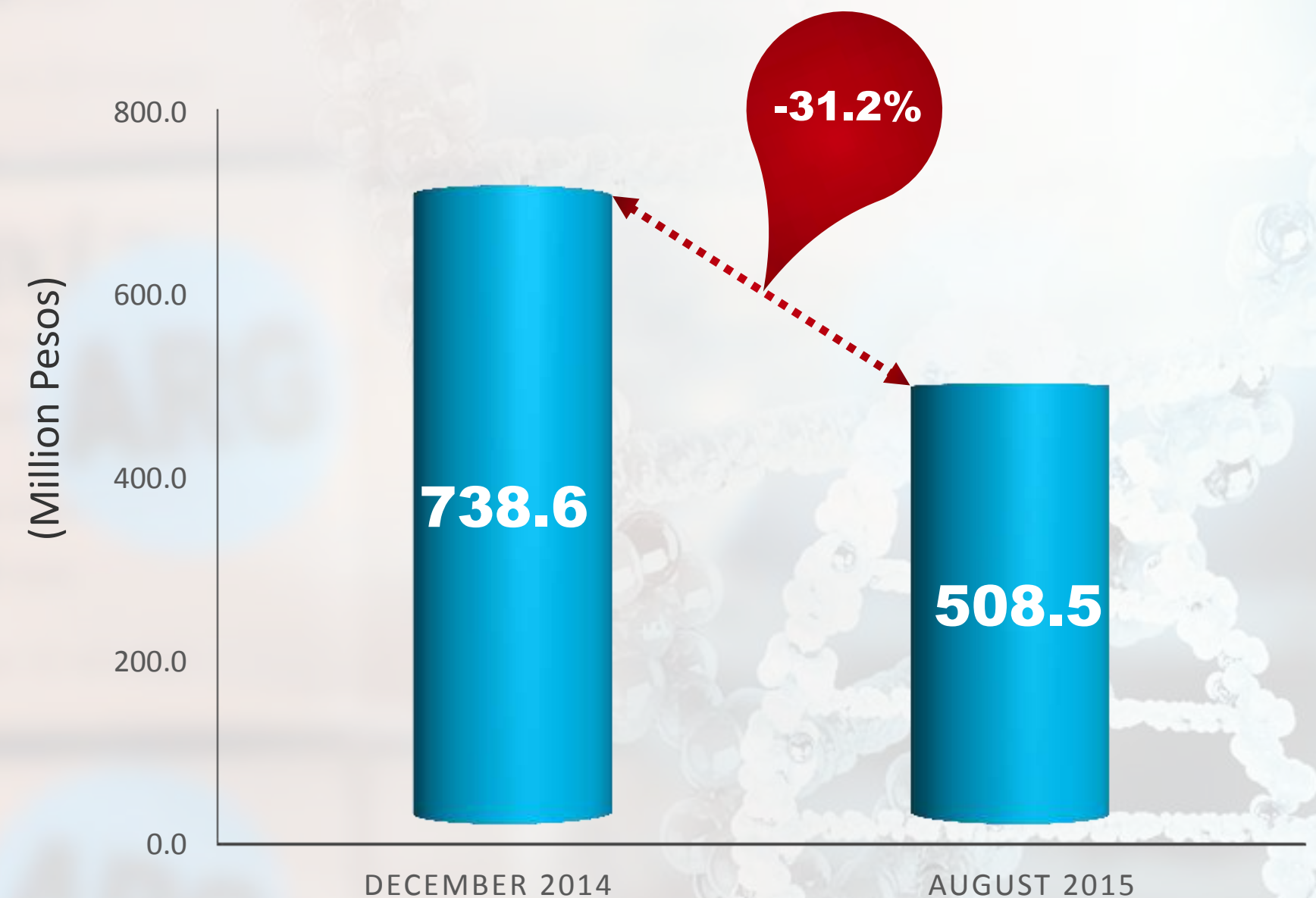
TURNAROUND IN MEXICO

- To increase efficiency and improve margins, we have made a significant reduction in headcount in the past months.
- Inventories in our warehouse have also been reduced significantly to improve cash conversion cycle and free cash flow generation.

HEADCOUNT



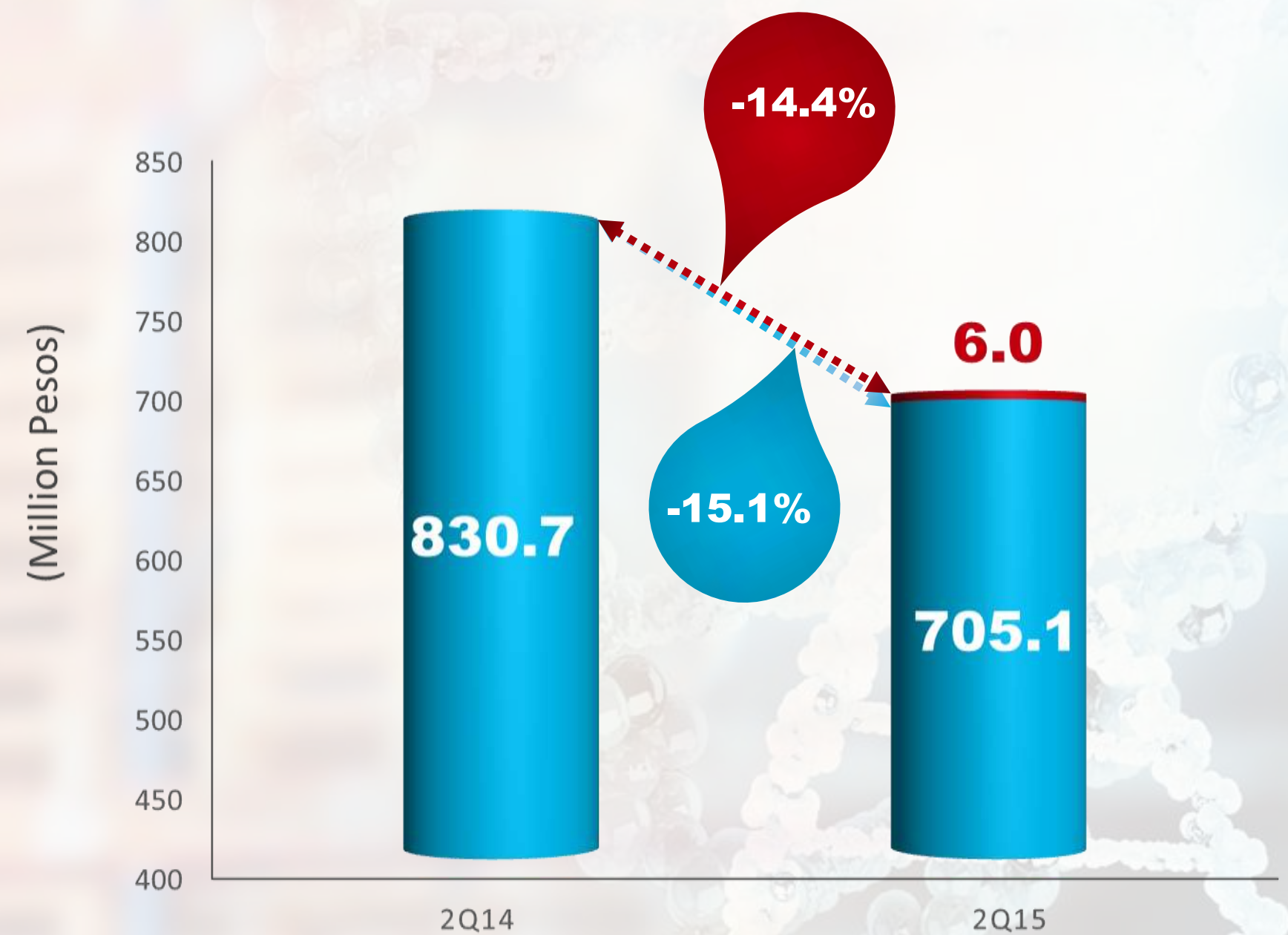
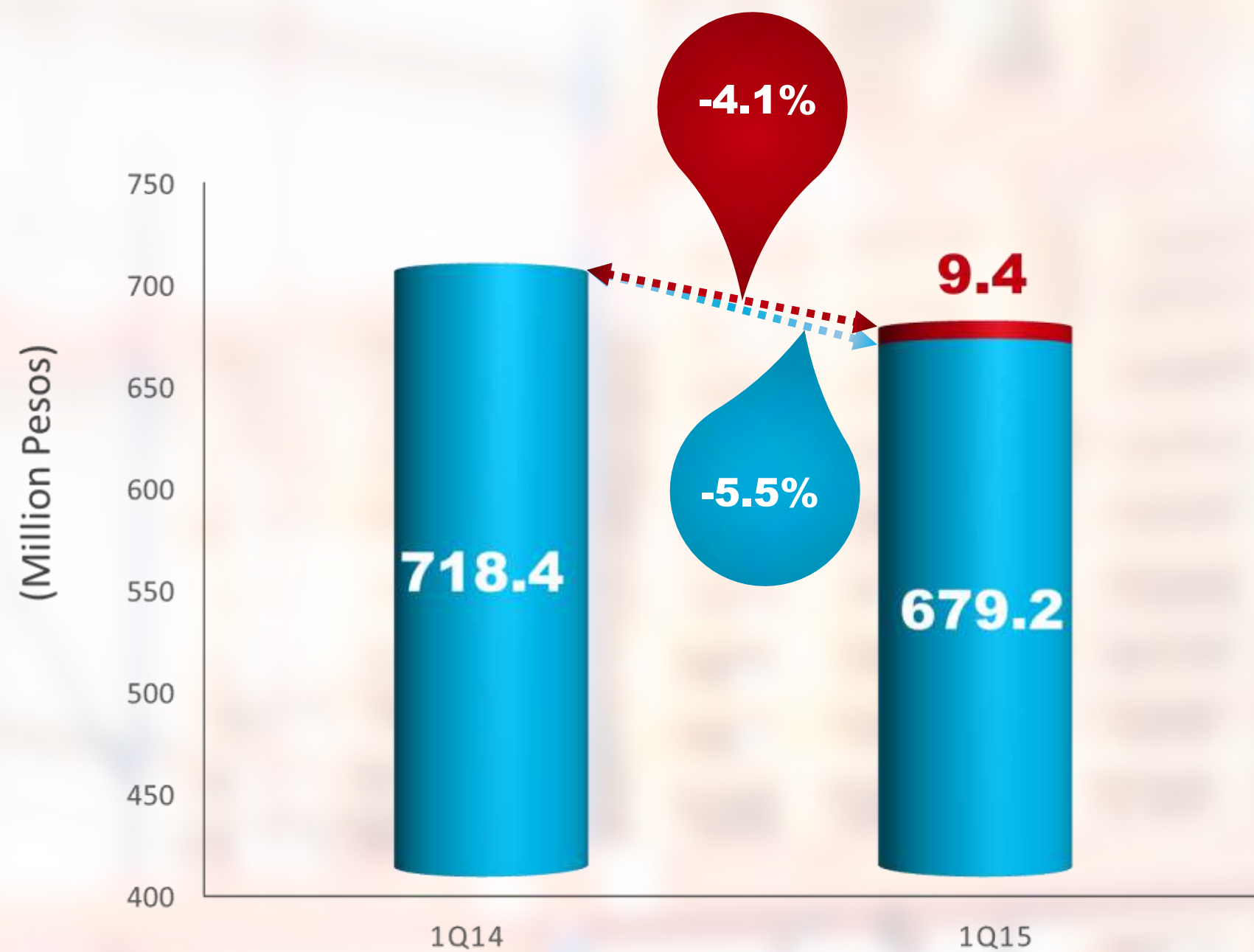
INVENTORIES



TURNAROUND IN MEXICO

- In 2015, the Company has made significant efforts to reduce SGM&A expenses to increase profitability.

SGM&A



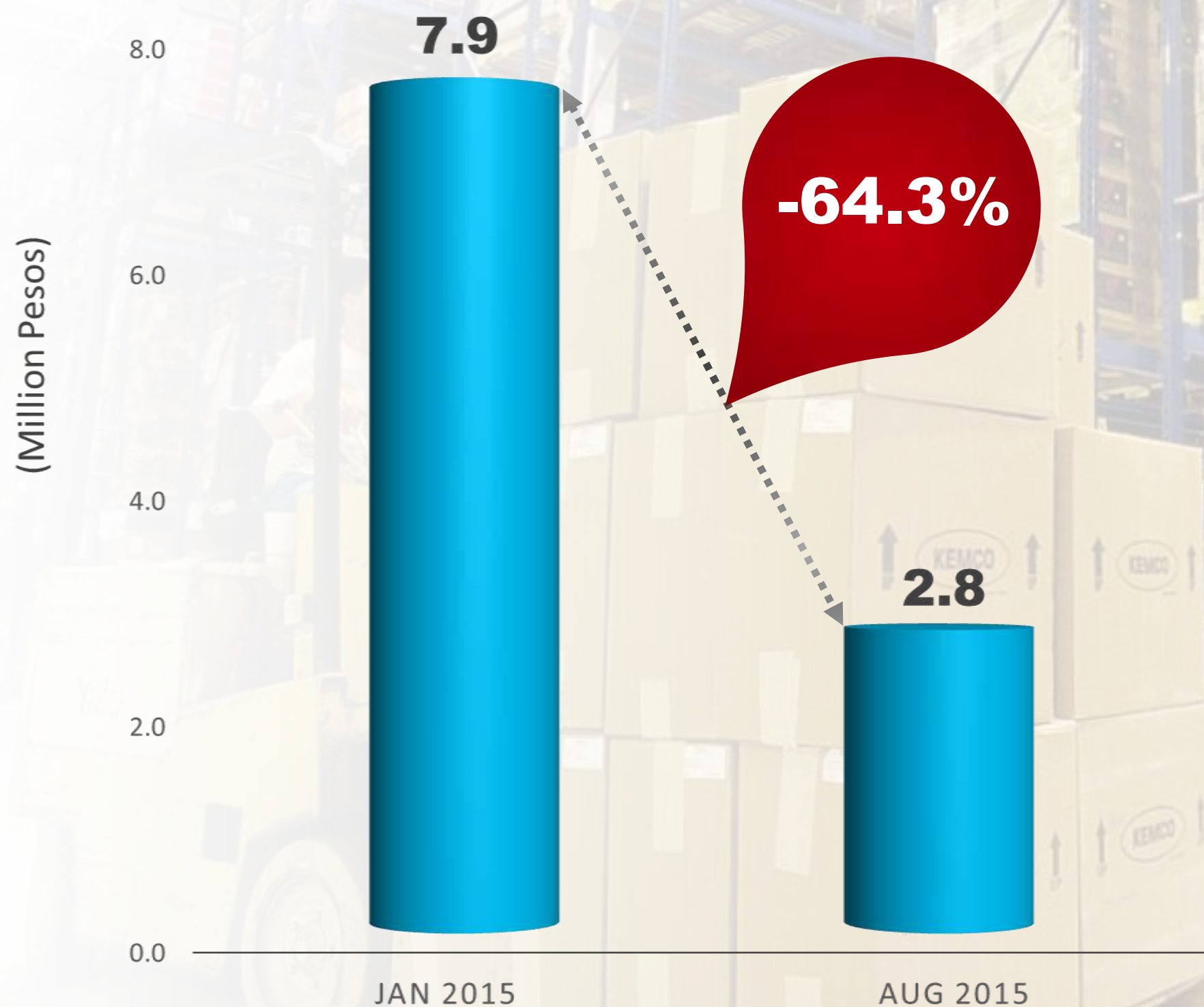
Excluding Non-recurrent Expenses

Total SGM&A

TURNAROUND IN MEXICO

- In the first half of 2015 we were able to significantly reduce warehouse expenses. The objective is to bring distribution expenses from ~7% of Net Sales to 2% of Net Sales.

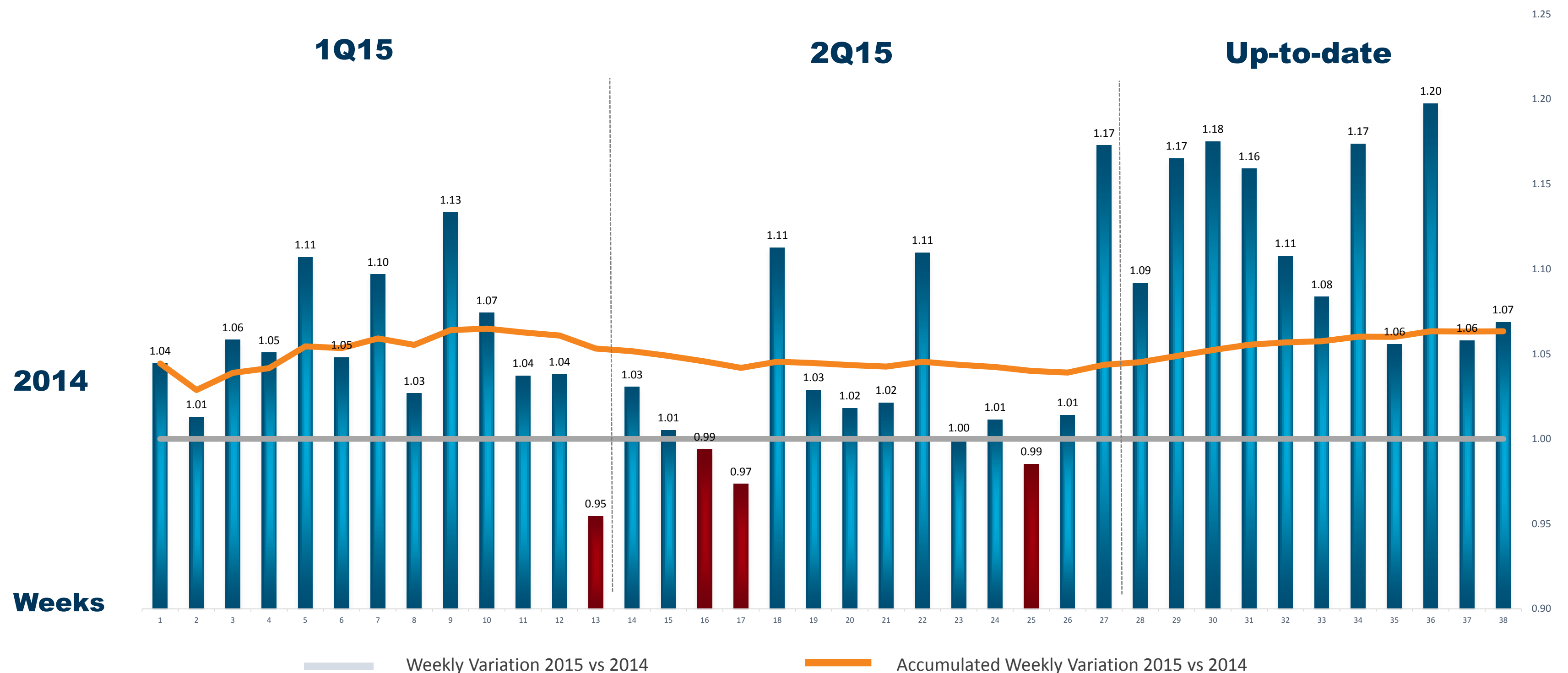
WAREHOUSE EXPENSES



TURNAROUND IN MEXICO

SELL-OUT

- Sell-out performance improved in 2015 from 2014. Sell-out performance for 3Q15 until September 18 increased **12.7%**.

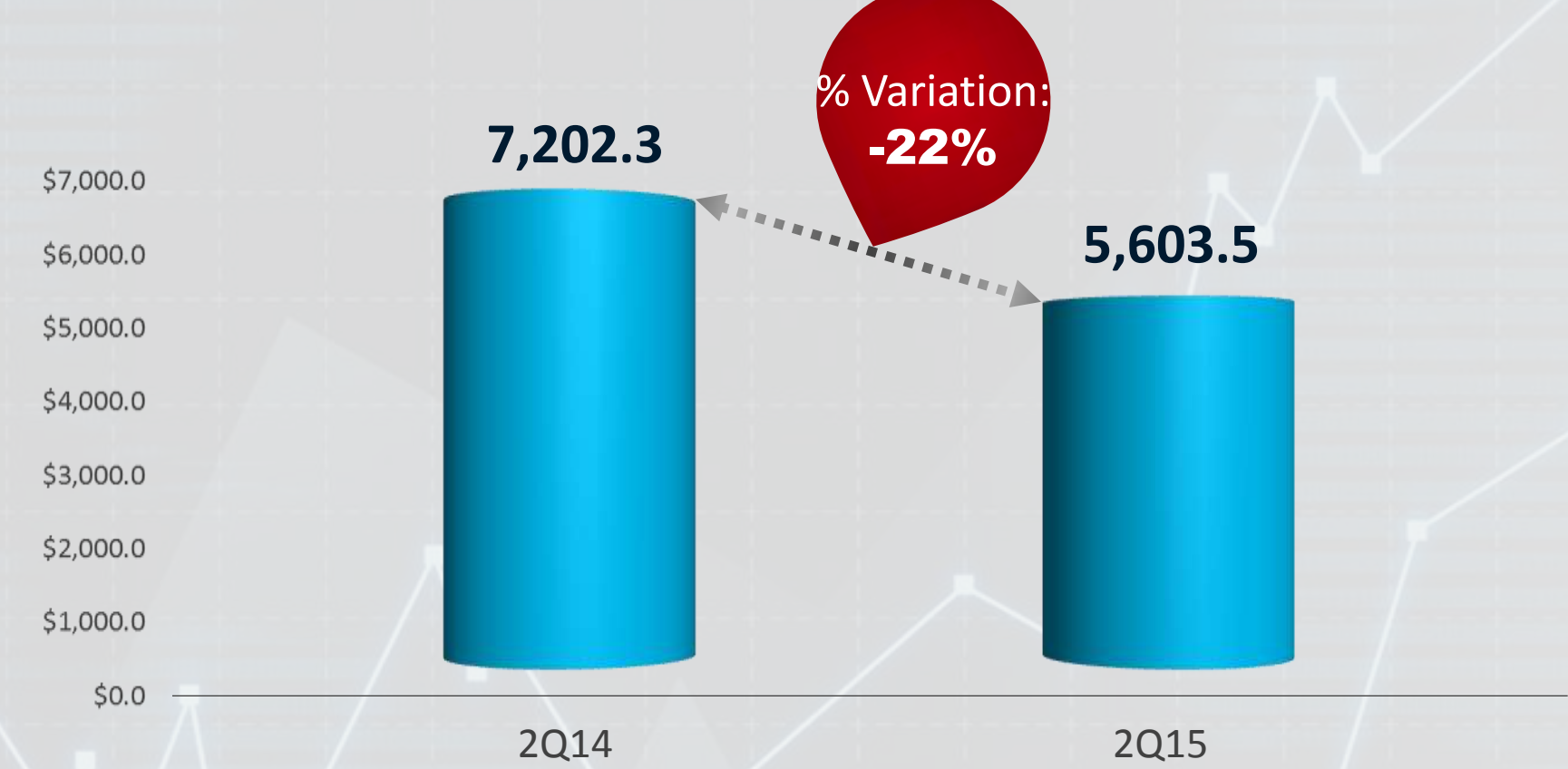


- In Mexico, sell-out of our products increased 3.9% in the first six months of 2015, compared to the same period of 2014 (*Company sell-out data: 4.0% growth for OTC products and 3.7% growth for personal care products*).

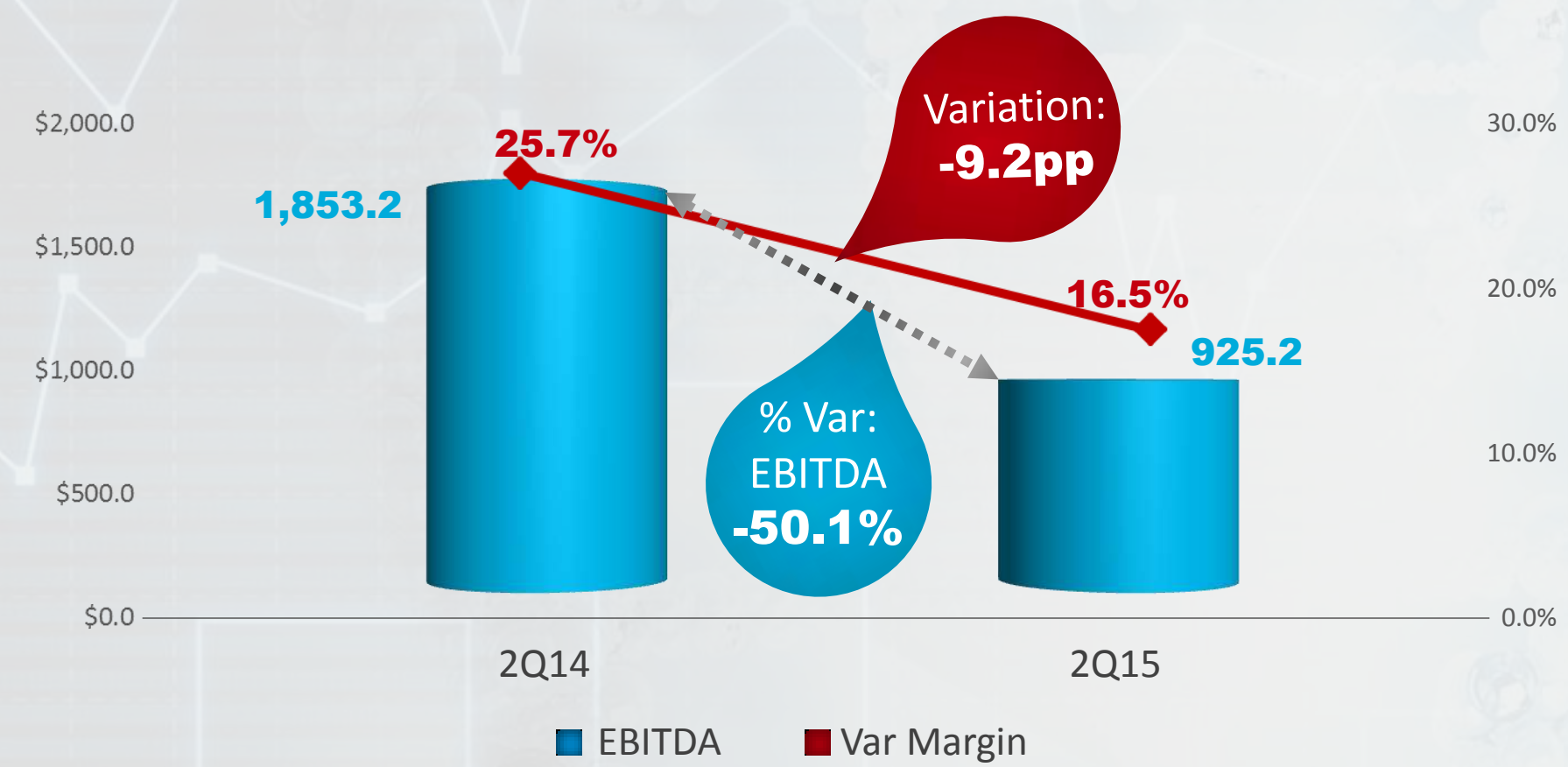
RESULTS IN MEXICO

ALL FIGURES IN MILLION MXN\$

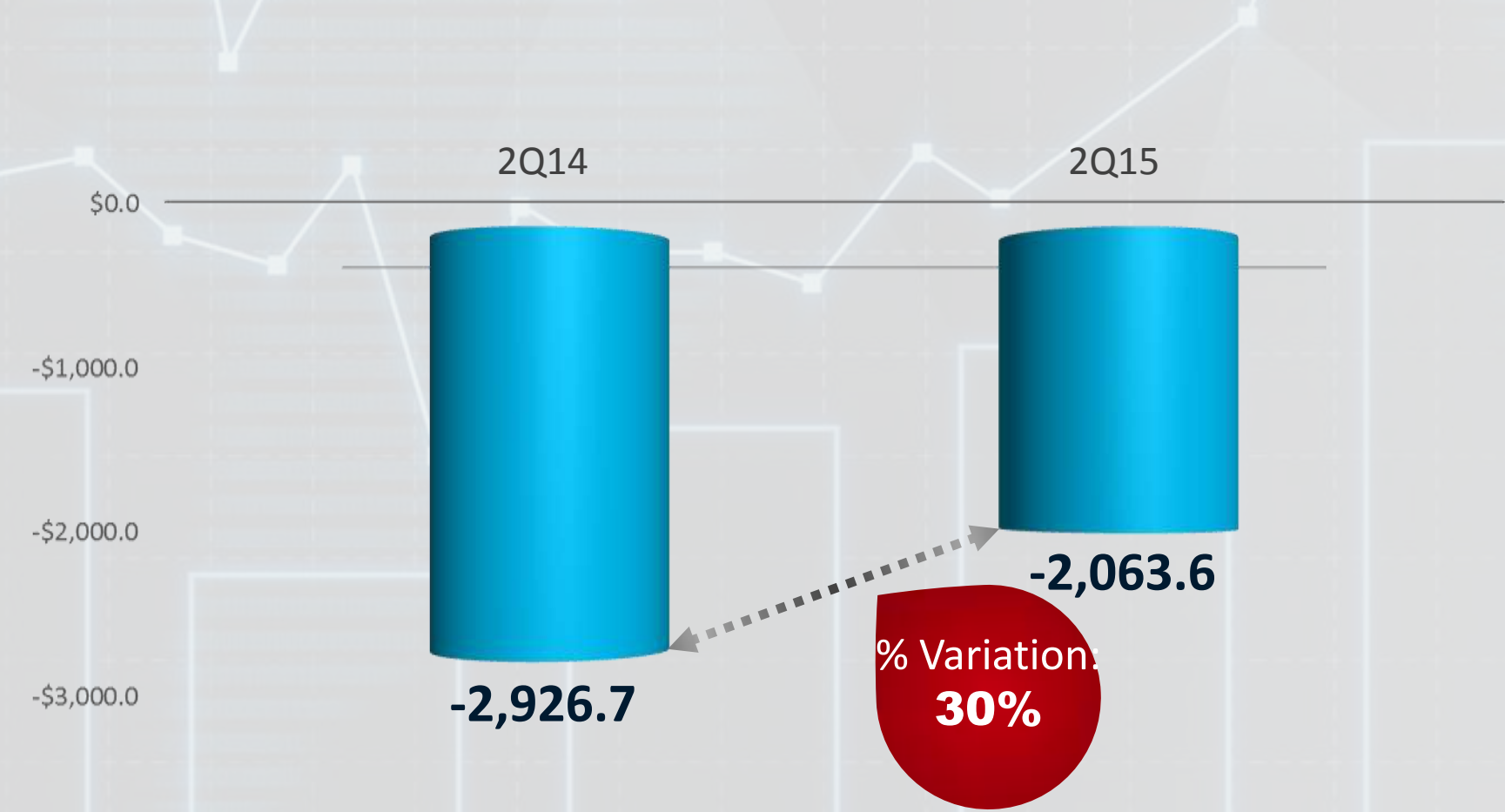
NET SALES LTM



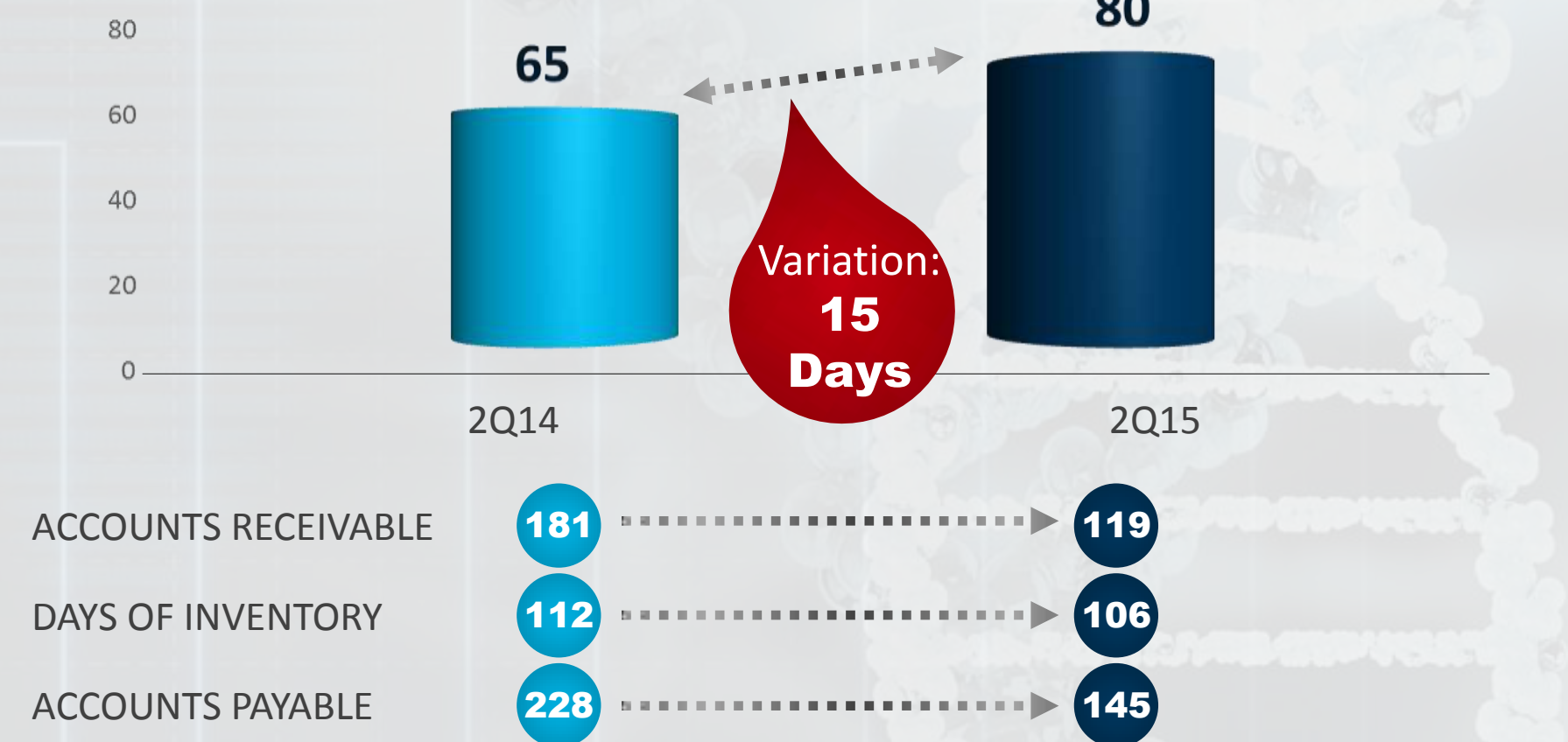
EBITDA & MARGIN LTM



FCF LTM



CCC



ACCOUNTS RECEIVABLE	181	119
DAYS OF INVENTORY	112	106
ACCOUNTS PAYABLE	228	145

COMMERCIAL STRATEGY - UPDATE



POS EXECUTION

65% STORES in Mexico executed in line with IN-STORE VISION



CHANNEL AND CUSTOMER EXPANSION

+58 New Customers / +27,600 Stores
(Mexico and International)



GO TO MARKET

(-)3 to 5 pts trade terms improvement and
PAY FOR PERFORMANCE (Mexico and International)



COMMERCIAL INNOVATION

+5-7 Global Initiatives

1

POS EXECUTION

**BIO ELECTRO NEXT
TO EXCEDRIN &
SAME SHARE OF SHELF**

+58%
in Sales



+79% L4W vs YA*



+21% YTD vs YA

*Last Four Weeks vs Year Ago.

**TEATRICAL NEXT TO
PONDS WITH AT
LEAST 20% SOS***

+62%
in Sales



*Start of Shipping.

**MOVE QG-5 SHELF
ARRANGEMENT
FROM NATURE TO
STOMACH SEGMENT**

+21%
in Sales



**LOMECAN AS BRAND
BLOCK & SYSTEM USAGE**

+39%
in Sales



2

CUSTOMER & CHANNEL EXPANSION



# CUSTOMERS		+14 New Customers	+15 Customers	+15 Retail /+14 Dist
# STORES		+1,504 /+235,000	+4,100	+22,000





GO TO MARKET (PAY FOR PERFORMANCE)

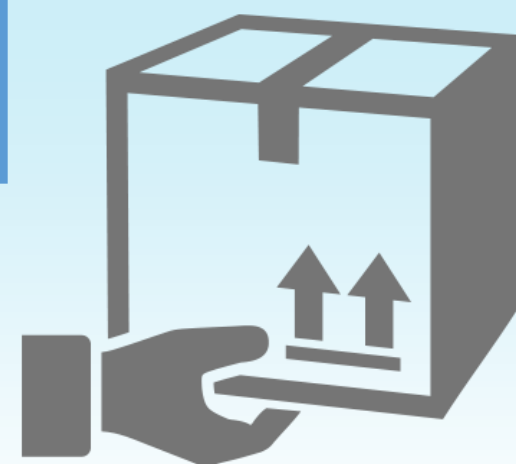
INVESTMENTS BEHIND SALES FUNDAMENTALS IMPROVEMENT:

1



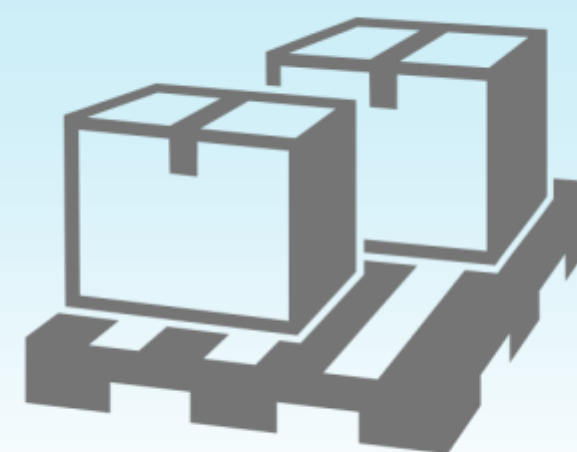
Shelf

2



Merchandising

3



Distribution

4



Pricing



4

COMMERCIAL INNOVATION

BOTIQUÍN ABARROTE: +150,000 TRADITIONAL STORES (IN NEXT TWO YEARS)



HAIR CARE REINVENTION PLAN



CHECK OUTS



Walgreens



1,500 POS

3,000 POS

Walmart



600 POS

**+93%
in Sales
YTD**

MARZAM

- On August 25th, 2015 the **Comisión Federal de Competencia Económica (COFECE)** approved the sale of 50% plus one share of Grupo Comercial e Industrial Marzam S.A.P.I. de C.V.
- According to previously negotiated contracts, **the closing of the transaction took place on September 25th**. In such date, we received the first tranche of the payment for **\$1,050 million pesos**.
- The remaining **\$300 million pesos** will be received on September, 2016.
- As part of the agreement, Genomma Lab had to **deliver Marzam free of accounts payable and inventories of its products**. This resulted in the return of all of Genomma's products in the wholesaler's warehouses, which amounted to **\$160 million pesos**.
- As of this date, Moench Cooperatief U.A. will take control of the operation of Marzam **maintaining Genomma as their strategic partner in the operation of Marzam**.
- Genomma will have two seats in the **Board of Directors** and will be part of the **Executive Committee** of Marzam.
- **\$950.0 million pesos** of the proceeds were used to prepay banking debt. The remaining **\$100.0 million pesos** will be used to repurchase shares.

MARZAM

(Impact on Genomma's Financial Statements)

ALL FIGURES IN THOUSAND MXN\$

Assets	June 2015 ⁽¹⁾	Movements	Use of funds	Proforma ⁽²⁾
Cash and equivalents	1,731,722	1,050,000	-950,000	1,831,722
Accounts Receivables - Net	4,683,666	350,549		5,034,215
Inventories	1,472,632	159,725		1,632,357
Assets classified as held for sale	6,974,459	-6,974,459		0
Investment in shares	17,269	1,350,000		1,367,269

Liabilities	June 2015 ⁽¹⁾	Movements	Use of funds	Proforma ⁽²⁾
Liabilities classified as held for sale	3,686,290	-3,686,290		0
Banking debt	7,088,259		-950,000	6,138,259

Shareholders' Equity	June 2015 ⁽¹⁾	Movements	Use of funds	Proforma ⁽²⁾
Accumulated Net Income	8,760,327	-5,101		8,755,266

(1) Based on financial information as of June 2015.

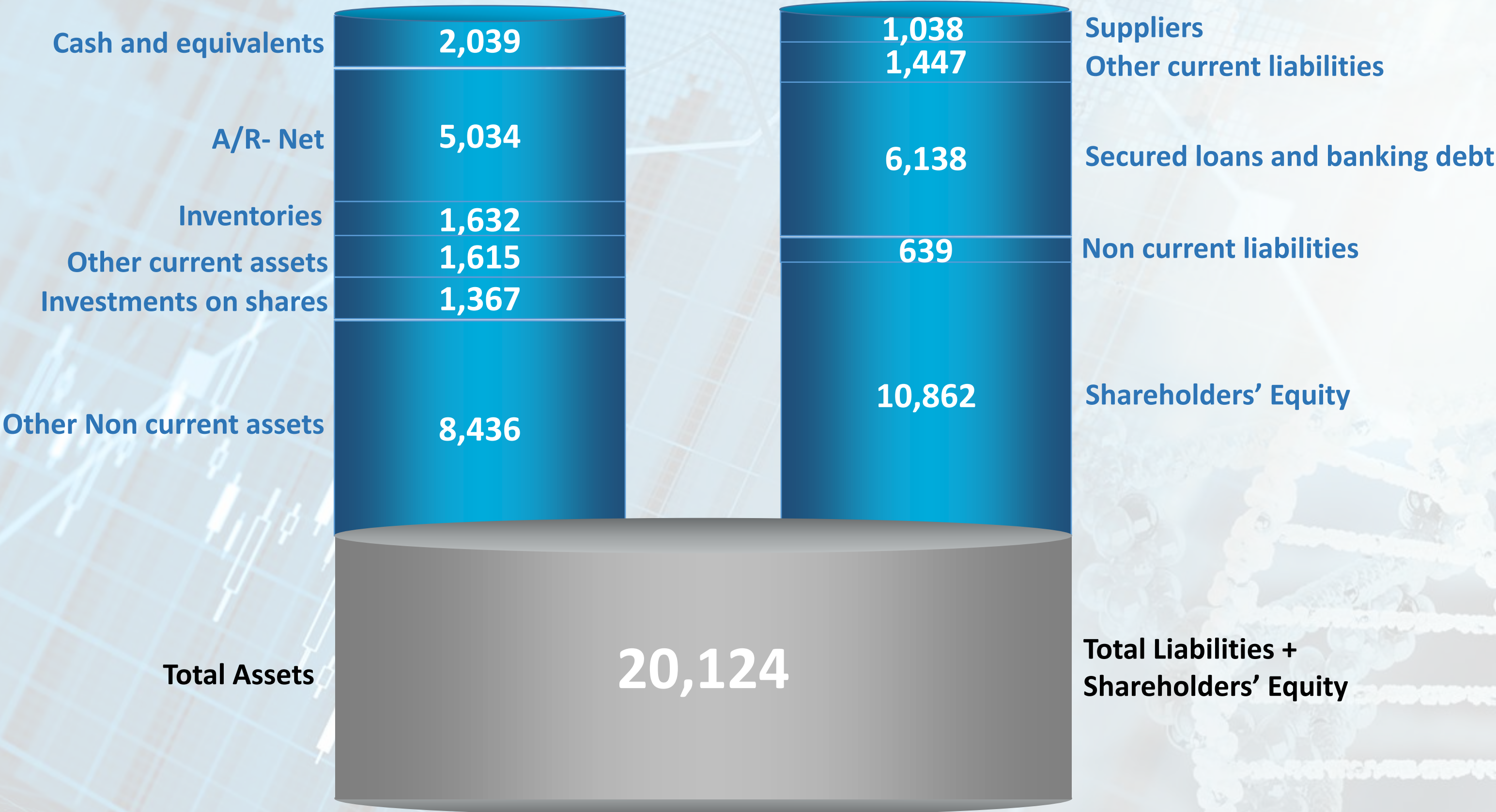
(2) Proforma figures will be affected by the financial results as of September 2015.

MARZAM

(Proforma Financial Statements)

PROFORMA BALANCE SHEET⁽¹⁾

(FIGURES IN MILLION PESOS)



(1) Proforma figures will be affected by the financial results as of September 2015.



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LATAM



NEW CLIENTS

ARGENTINA New Clients: 4	BRAZIL New Clients: 13	COLOMBIA New Clients: 10	ECUADOR New Clients: 4
 	   	    	 
PERU New Clients: 2			DOMINICAN REPUBLIC New Clients: 2
			 
EL SALVADOR New Clients: 1	HONDURAS New Clients: 1	GUATEMALA New Clients: 1	CHILE New Clients: 2
		<p>Bodega Farmacéutica</p>	

GROWTH BY COUNTRY

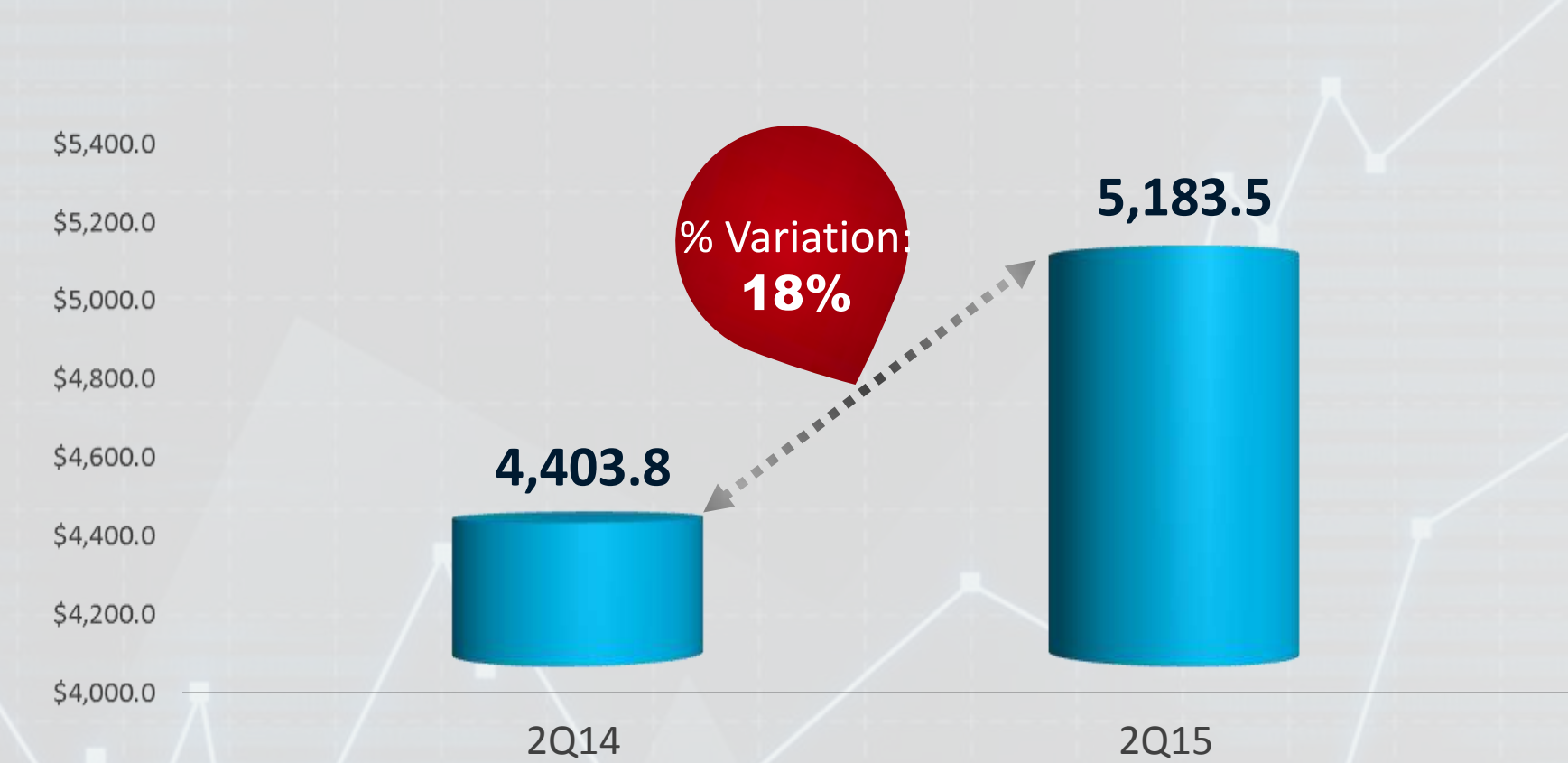
GROWTH BY COUNTRY 2Q15 LTM VS. 2Q14 LTM

		LOCAL CURRENCY	IN MXN	% OF LATAM SALES
U.S.A.		118.0%	143.3%	
LATAM		25.0%	17.7%	
ARGENTINA		63.8%	38.9%	33.5%
BRAZIL, URUGUAY AND PARAGUAY		-15.0%	-20.6%	
COLOMBIA		41.8%	33.0%	
ECUADOR		18.6%	31.5%	
BOLIVIA AND PERU		35.6%	38.3%	
CHILE AND CENTRAL AMERICA		50.6%	65.7%	
DOMINICAN REPUBLIC		73.1%	84.1%	

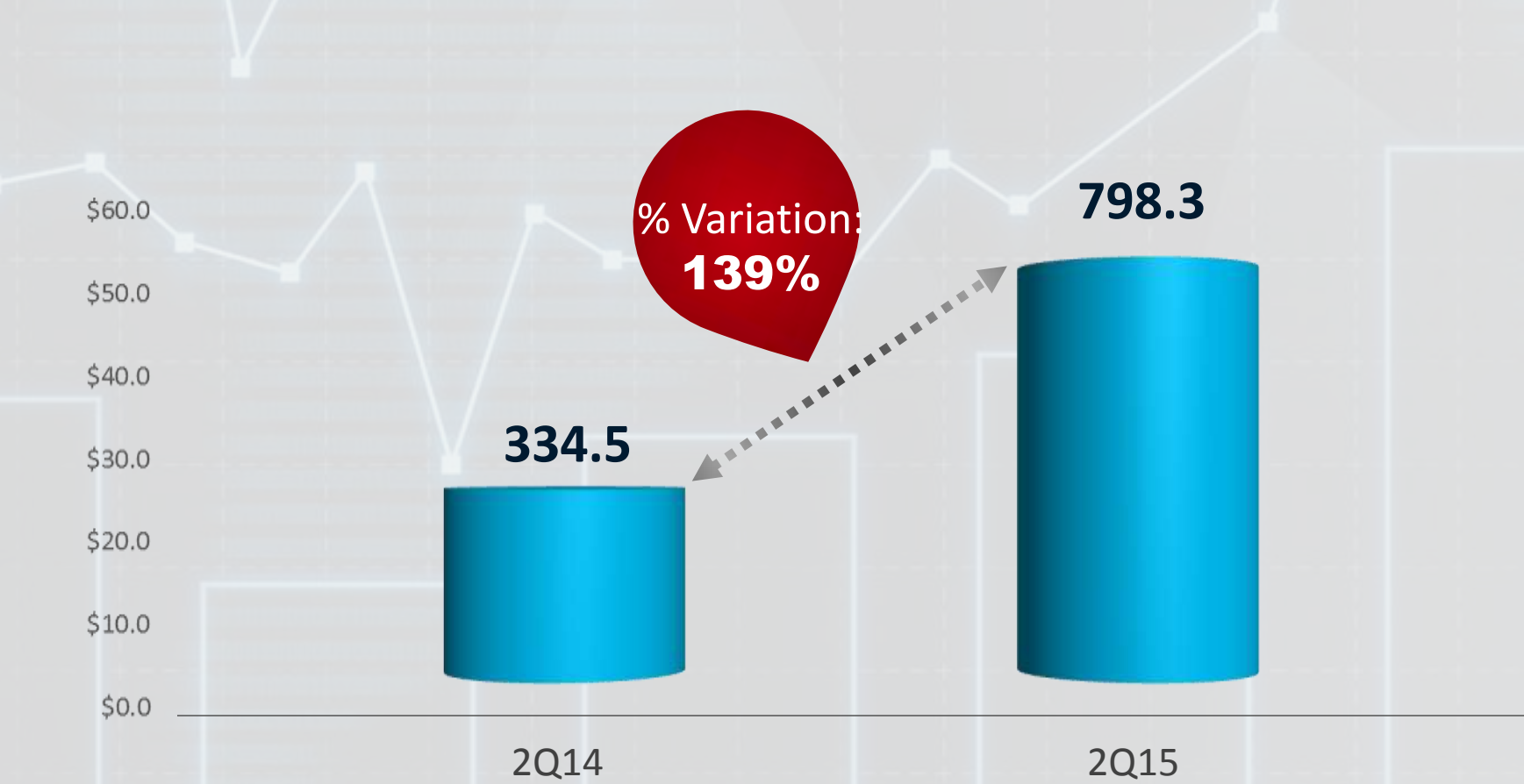
RESULTS IN LATAM

ALL FIGURES IN MILLION MXP

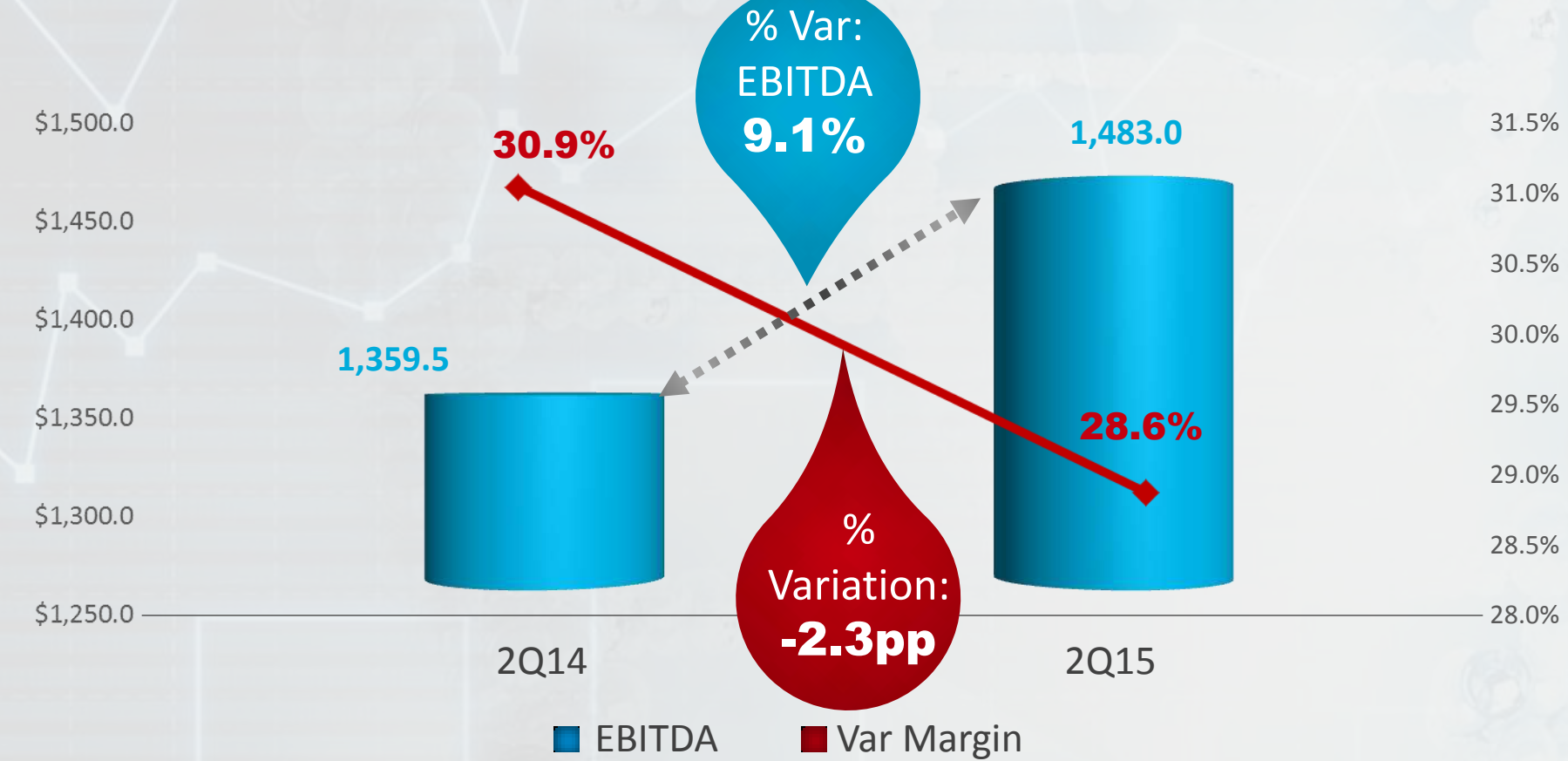
NET SALES LTM



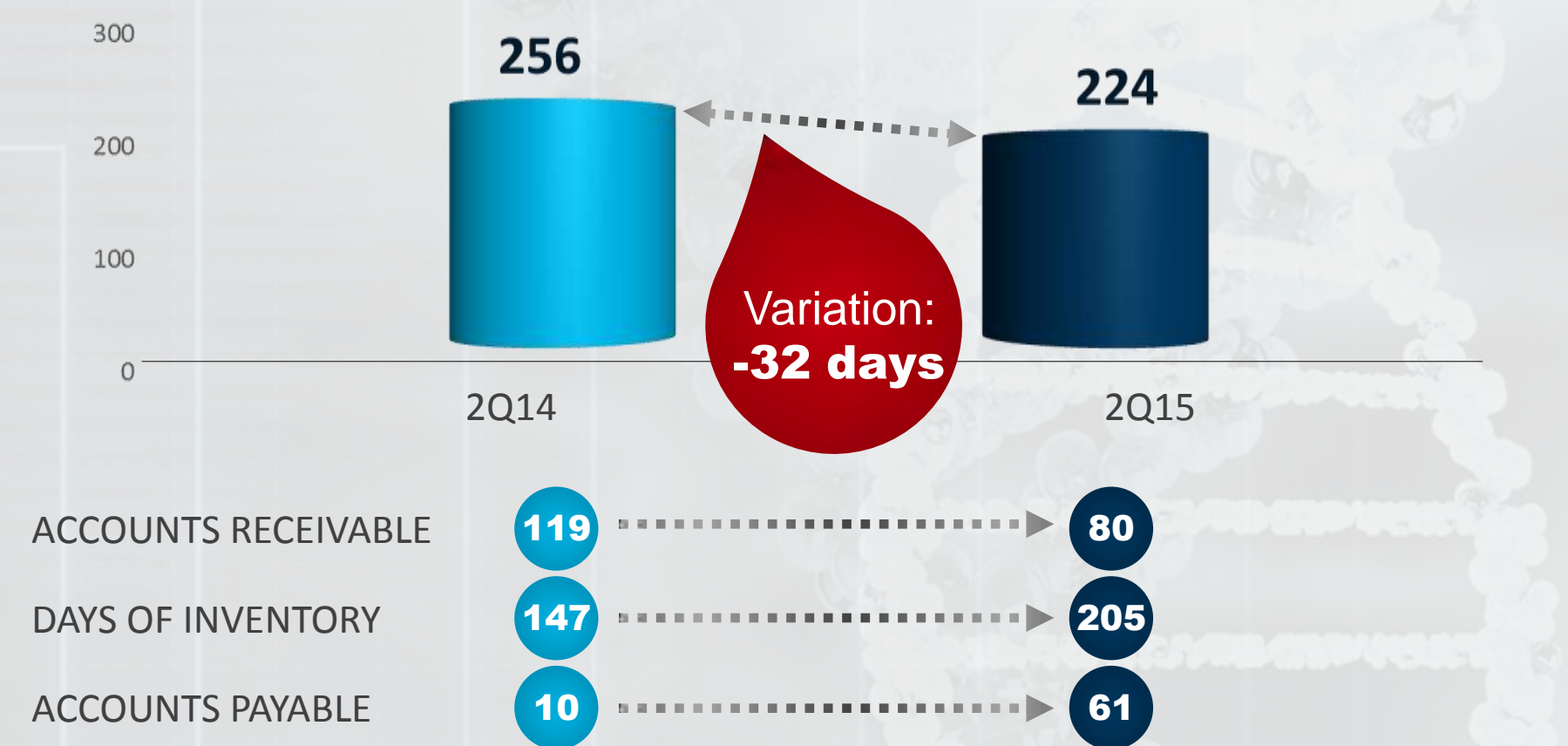
FCF LTM



EBITDA & MARGIN LTM



CCC





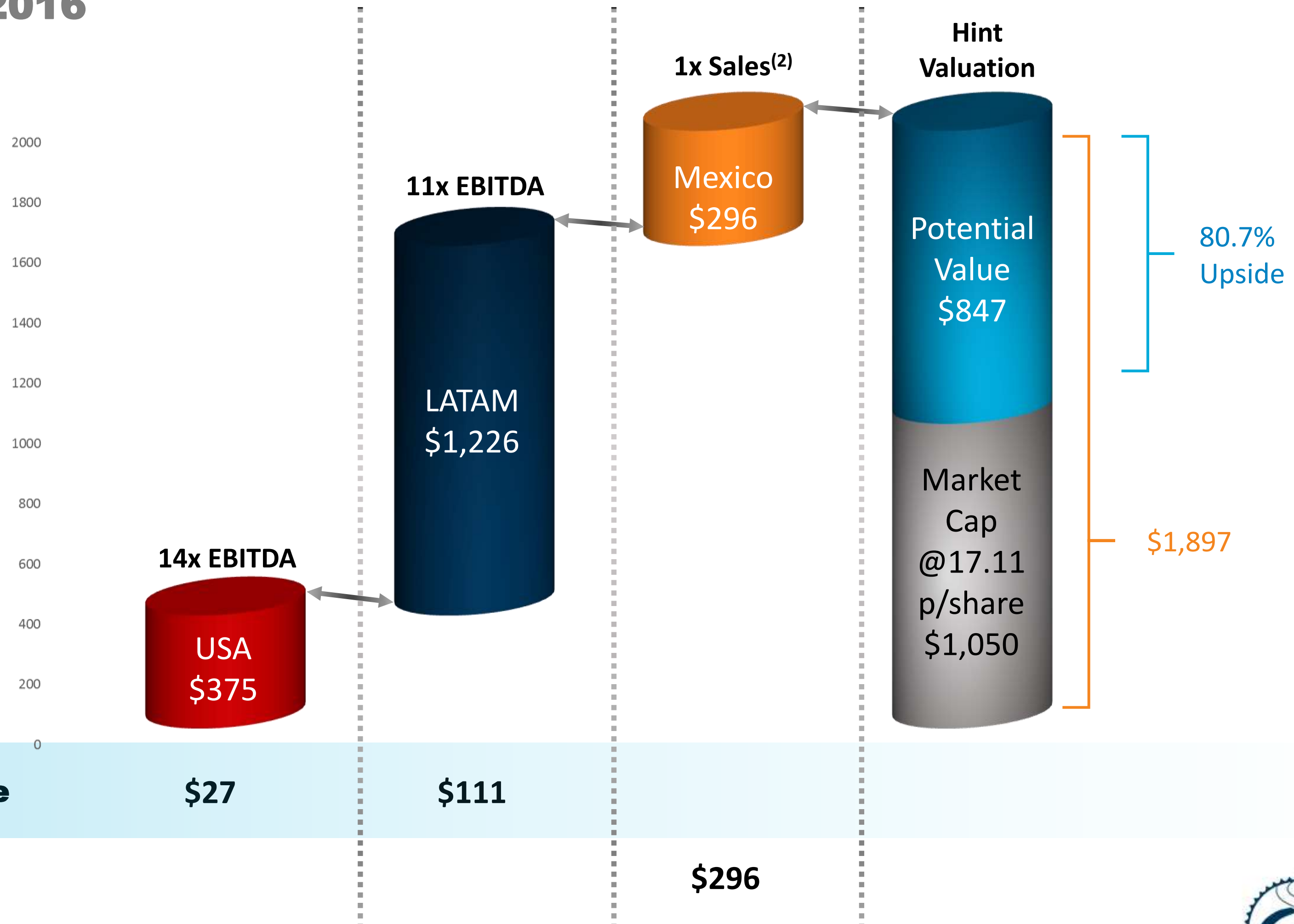
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VALUATION, CORE BRANDS AND LEARNING FROM THE PAST

VALUATION HINTS: NEW REGIONAL DISCLOSURE⁽¹⁾

FORWARD 2016

(in million of USD*)



(1) Valuation multiples based on information provided by the Top 6 Investment Banking Firms

(2) Sales represent the Company's Sell Out

* Exchange rate of \$16.85 MXP/USD

CORE BRANDS

25 CORE BRANDS



Represent
81% of Sales
YTD

Growth
21.3% YTD

● Rational approach to brand management. Purchase, sale or licensing.

● CUM Strategic business unit.



LEARNING FROM THE PAST

WHAT WE HAVE LEARNED FROM INVENTORIES MANAGEMENT

1

INCENTIVES - COMPENSATION BASED ON THE FOLLOWING METRICS:



Sell-out



EBITDA



FCF

2

CHANGES IN POLICIES, SYSTEMS AND CONTROLS

3

COUNTRY MANAGER COMPLIANCE

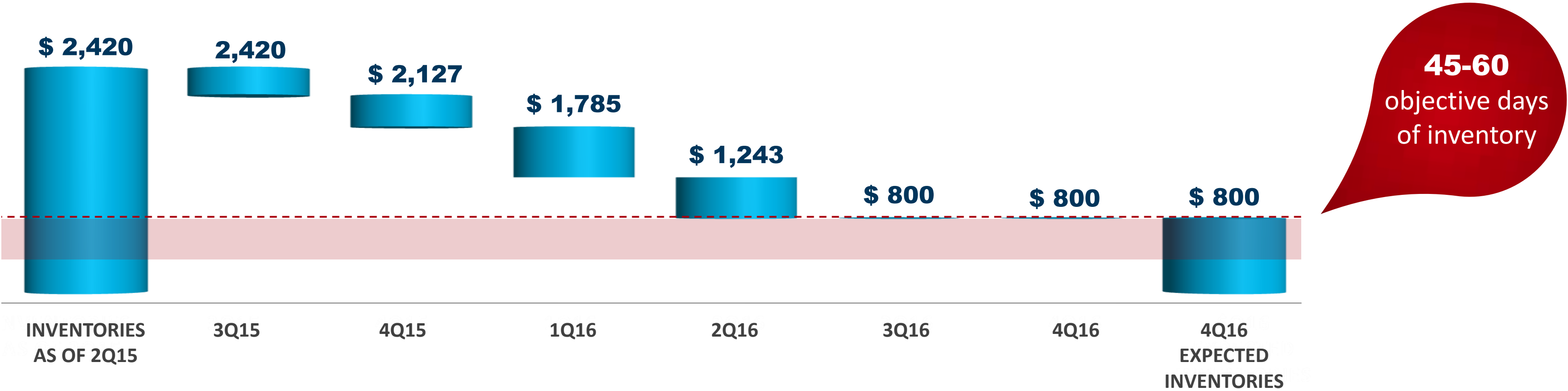


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GUIDANCE

INVENTORY DESTOCKING AT POS IN MEXICO

INVENTORY DESTOCKING DISCLOSURE (In million pesos and days)



		2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
GUIDANCE SALES (WITH DESTOCKING)								
SELL-OUT (WITHOUT DESTOCKING)			847	847	800	800	1,200	1,200
INVENTORY DESTOCKING			1,140	1,190	1,342	1,243	1,200	1,200
INVENTORY AT THE END OF THE PERIOD			293	343	542	443	0	0
		2,420	2,127	1,785	1,243	800	800	800

2015 GUIDANCE REVIEW AND 2016 GUIDANCE

Figures in million MXN\$

NET SALES

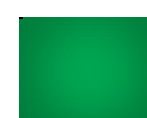
	3Q15	4Q15	FY 2015	1Q16	2Q16	3Q16	4Q16	FY 2016
MEXICO	847.3	847.3	3,860.8	800.0	800.0	1,200.0	1,200.0	4,000.0
LATAM	1,429.0	1,471.2	5,811.1	1,520.8	1,477.1	1,632.9	1,649.0	6,279.8
U.S.A.	299.5	280.1	1,245.7	374.1	430.1	361.5	338.1	1,503.8
CONSOLIDATED	2,575.8	2,598.6	10,917.6	2,694.9	2,707.2	3,194.5	3,187.1	11,783.7
% VAR. YOY	-23.3%	-8.6%	-5.4%	-2.7%	-9.0%	24.0%	22.6%	7.9%

EBITDA

	3Q15	4Q15	FY 2015	1Q16	2Q16	3Q16	4Q16	FY 2016
MEXICO	- 102.4	- 100.8	- 201.4	- 148.5	- 116.4	127.5	127.5	- 10.0
LATAM	400.0	421.5	1,701.7	454.7	441.6	488.2	493.0	1,877.6
U.S.A.	80.7	52.9	288.1	98.6	121.5	117.1	114.0	451.1
CONSOLIDATED	378.3	373.6	1,788.4	404.8	446.7	732.8	734.5	2,318.8
EBITDA MARGIN	14.7%	14.4%	16.4%	15.0%	16.5%	22.9%	23.0%	19.7%



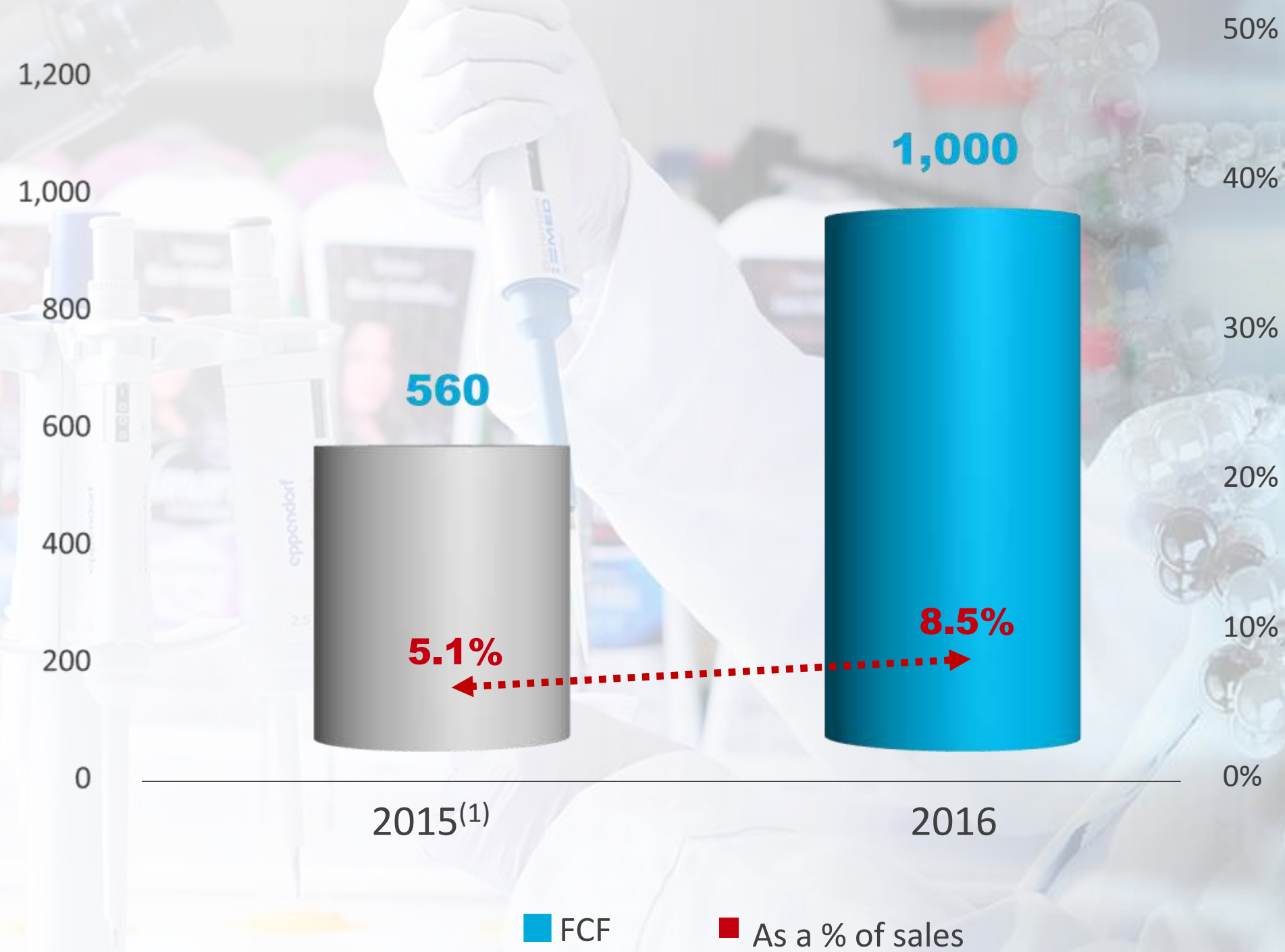
Periods with destocking



Periods without destocking

FCF GUIDANCE

(in million MXN)



(1) Figure not including cash flow from the sale of Marzam

FINAL REMARKS

- **ONE-YEAR TURNAROUND, FINISH INVENTORY CLEANUP BY Q2 2016.**
- **PERFORMANCE: NEW EBITDA, NET PROFIT = FCF**
- **TRANSPARENCY AND ACCOUNTABILITY, NO EXCUSES.**
- **MANAGEMENT'S INVESTMENTS IN GLI.**
- **GENOMMA DAY Q3 2016. END OF OCTOBER.**



INVESTOR RELATIONS CONTACT:

OSCAR VILLALOBOS – CFO

ANA MARÍA YBARRA – Investor Relations

inversion@genommalab.com

Tel. **(55) 5081-0000** ext. **5106**

www.genommalab.com/inversionistas