



Genomma Lab[®]
Internacional

INVESTOR RELATIONS

CORPORATE PRESENTATION

March | 2019

SAFE HARBOR DISCLOSURE

This presentation 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.

WHO WE ARE



Genomma Lab Internacional, S.A.B. de C.V., one of the leading pharmaceutical and personal care products companies in Mexico with an increasing international presence, develops, sells and markets a broad range of premium branded products, many of which are leaders in their categories.

A LEADING OTC & PERSONAL CARE COMPANY



- **Develop, sell and market** a broad range of leading OTC and personal care brands throughout Mexico & LatAm
- **Diversified portfolio** of trusted brands- many of which are category leaders
- Growing **international presence** and revenue base
- Success based on:
 - Effective **new product development** process
 - Marketing and Sales **“Execution Machine”**
 - Broad retail **distribution network**
 - **Low-cost**, highly flexible operating model.



POWER BRANDS IN MULTIPLE CATEGORIES



Cold & Cough



Anti-acne



Anti-mycotics



Skin Care



Pain



Sexual Health



Anti-hemorrhoids



Gastro



Hair Care

OUR FOOTPRINT



LatAm **48.9%**
of net sales



Points of Sale
290,000+



Mexico **40.0%**
of net sales



Countries **19**



USA **11.1%**
of net sales



Production
facilities **1**



Brands **40+**



982
employees

**“Innovation is part
of our DNA”**



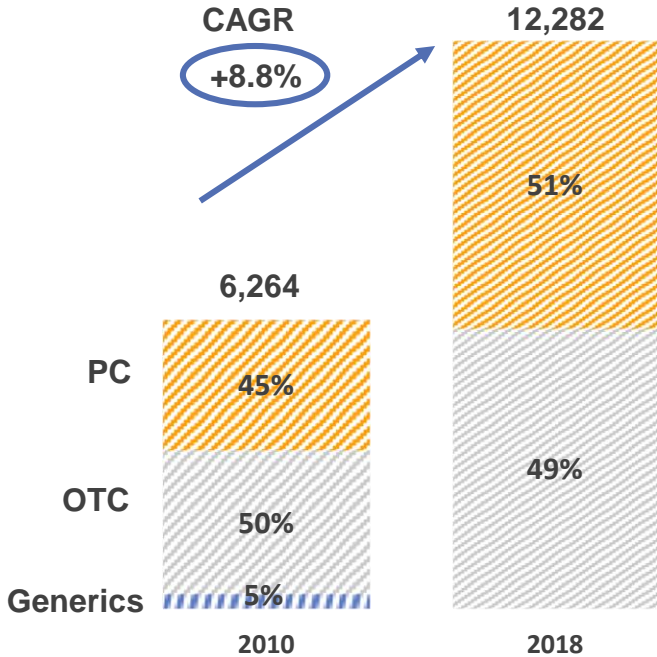
BUSINESS ON TRACK FOR SUSTAINED PROFITABLE GROWTH

- Strong trend of *strengthened consolidated earnings*, cost reduction and EBITDA expansion
- *Sustainable business model*
- *Mexico manufacturing facility*: improves value, margins, product quality and fill-rate
- Positive impact from the *vertical integration* of manufacturing activity to begin in late 2018.



GROWTH ACHIEVED IN OTC AND PC

Sales by Category
(Million MXN)



Personal Care



Over the Counter



20+ YEARS OF EXPERIENCE



Genomma was founded

1996

Initial Public Offering - BMV

2008

Added to the Stock Indexes and first Local Bond Issuance

2013

Top-line growth and EBITDA margin expansion

2017

Private Equity Fund investment for 30% equity

2004

Began operations in Brazil & United States

2010

New management team, strengthened policies and processes

2015

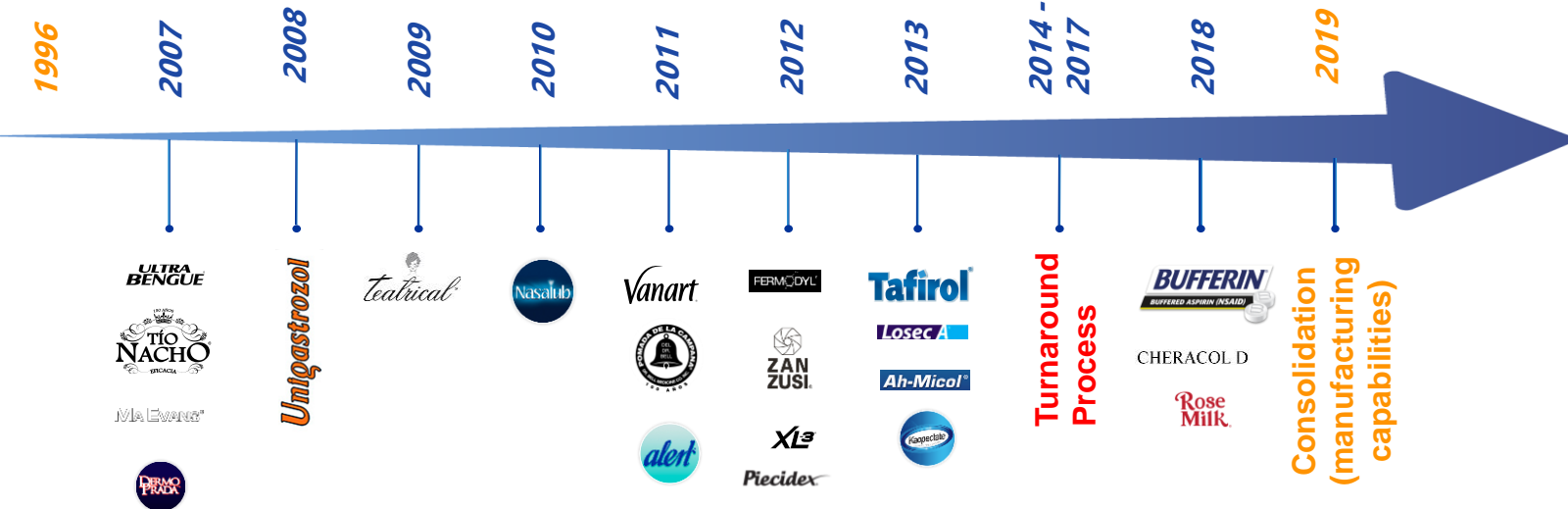
Own production facility*

2019

*Estimated to be opening by 1H-2019.

GROWTH COMPLEMENTED BY ACQUISITIONS

“M&A represents 27.4% of Genomma’s consolidated sales¹”



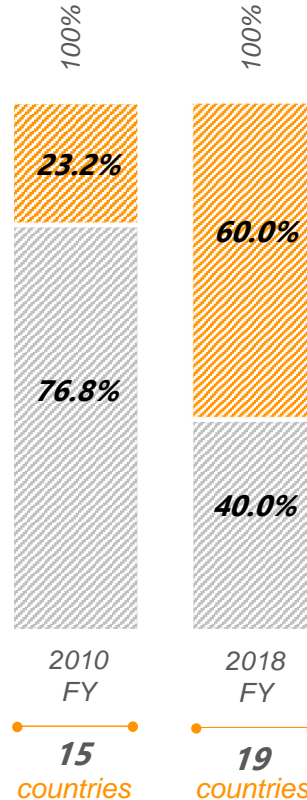
(1) Consolidated Sales as of December 2018 FY.

WELL DIVERSIFIED BY REGION & CURRENCIES



• *International*

• *Mexico*



- **US Dollar (11.1%)**
- **Other currencies (48.9%)**
 1. Argentine Peso
 2. Real
 3. Colombian Peso
 4. Chilean Peso
 5. Sol
 6. Uruguay Peso
 7. Guarani

- **Mexican Peso (40.0%)**

*Consolidated Net Sales as of December 2018 FY.

OTC MARKET SHARE BY COUNTRY

Top Two Countries

As a percentage of sales



Highly Fragmented

By category penetration



CHILE
3.7%
position **6th.**

ECUADOR
4.9%
position **4th.**

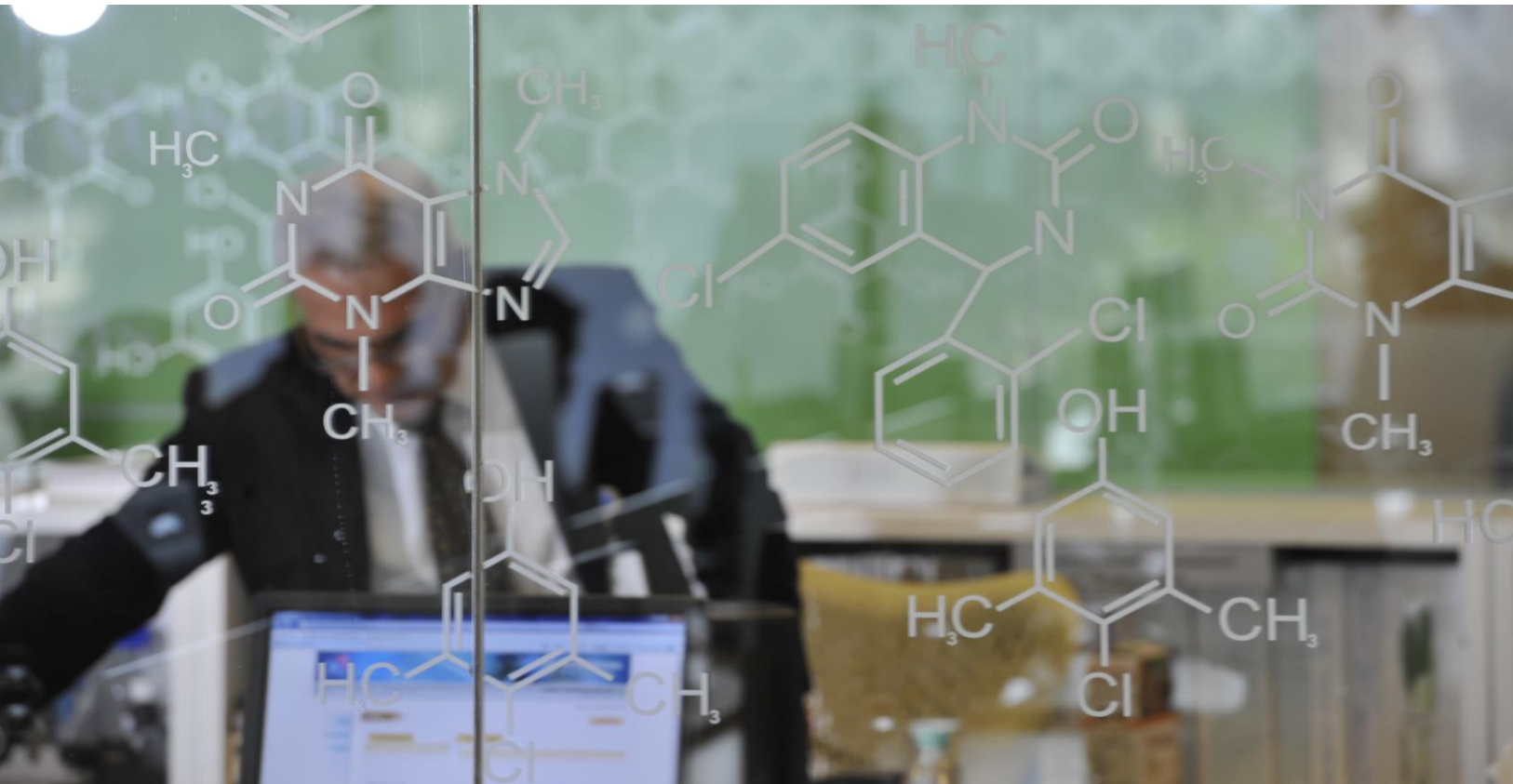
PERU
5.7%
position **5th.**

COLOMBIA
2.9%
position **9th.**

CAM¹
6.7%
position **3rd.**

(1) Central America: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Puerto Rico, Dominican Republic and Trinidad y Tobago.

CORPORATE PLATFORM EFFICIENTLY SUPPORTS GROWTH



LEADERSHIP EVOLUTION

**RODRIGO
HERRERA**



1998 – 2015

Experience:

- Founder of Genomma Lab Internacional
- Chairman of the Board of Directors
- Main Shareholder

FOUNDER

**MÁXIMO
JUDA**



2015 – 2018

Experience:

- COO, Head of International
- Launched Genomma's Argentina, Brazil and US operations

TURN-AROUND

**JORGE LUIS
BRAKE**



As of Sept. 10, 2018

Experience:

- Senior Vice President at Laureate Education Inc.
- CEO of P&G's Latin America division

TOP-LINE GROWTH

MANAGEMENT TEAM

ANTONIO ZAMORA

CFO



JOINED DEC 2015

Prior Experience:

- CCO Cydsa
- CFO Grupo LALA
- Strategic & Financial Planning PEPSICO
- McKinsey & Co

MARCO SPARVIERI

COO



JOINED APRIL 2014

Prior Experience:

- EVP Sales P&G
- 20+ years of experience in consumer goods

SANTIAGO VÉLEZ

*VP Manufacturing
and R&D*



JOINED FEB 2017

Prior Experience:

- 25 year as:
- CEO and Founder of Quala in Venezuela, Dominican Republic & Mexico
- 7 years as CMO Quala Colombia.

CÉSAR JARAMILLO

EVP Marketing



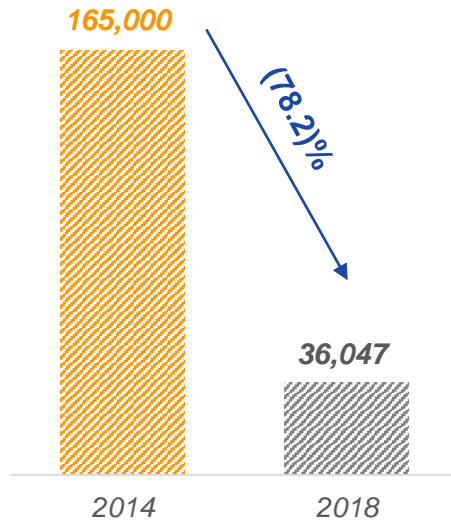
JOINED SEPT 2017

Prior Experience:

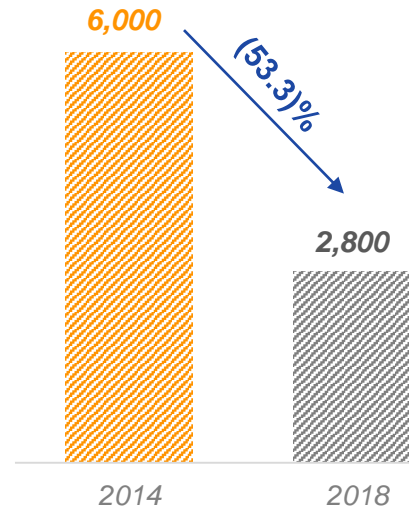
- 20-year career in marketing with P&G
- Head of marketing at Grupo Televisa, S.A.B.

SUCCESSFUL COST CONTAINMENT STRATEGY

Warehouse Space (m²)

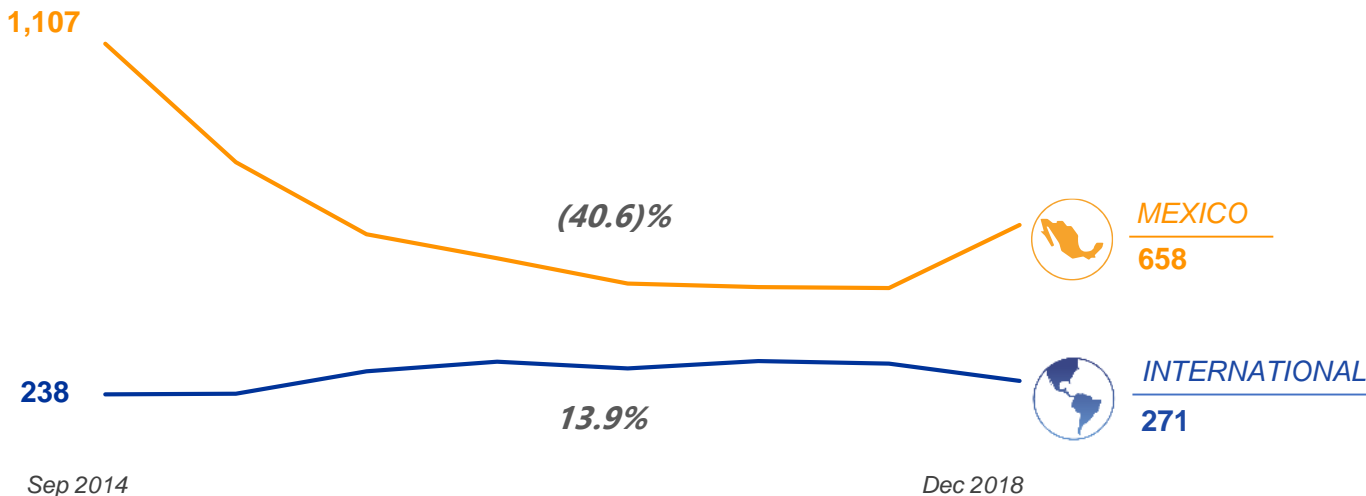


Corporate Office Space (m²)

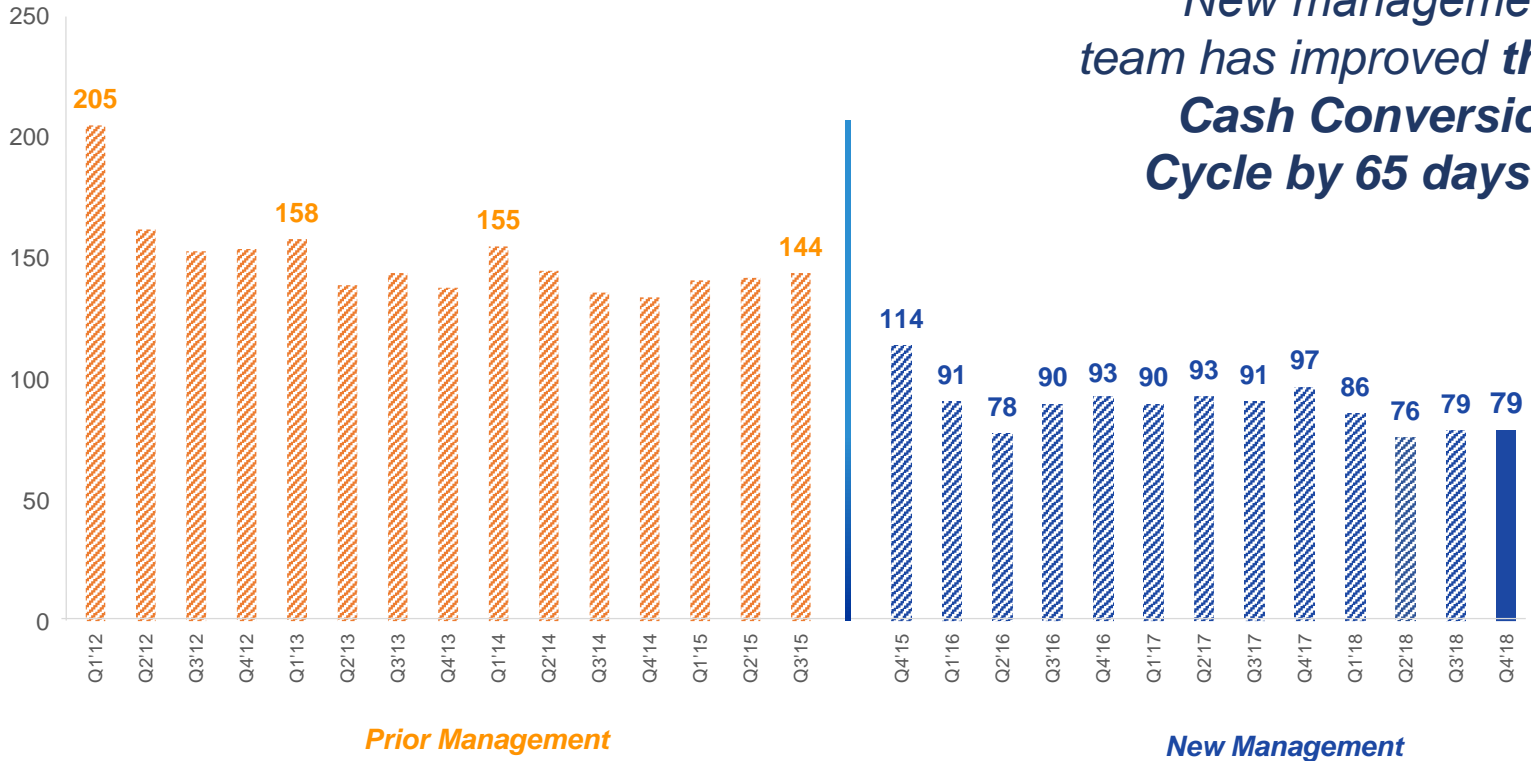


INCREASED EFFICIENCY WITH COST CONTAINMENT STRATEGY

Employees

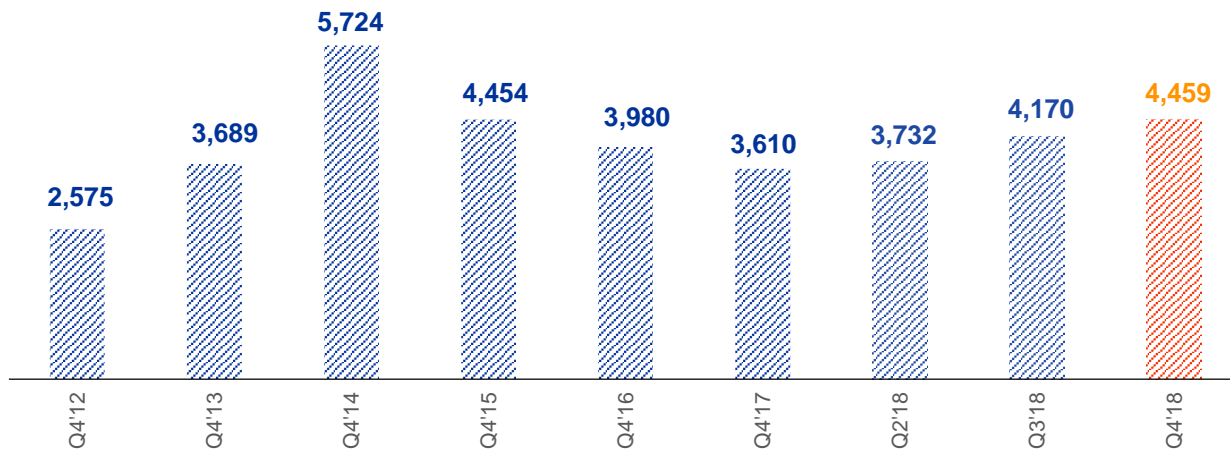


CASH CONVERSION CYCLE¹



(1) Cash Conversion Cycle = Days of accounts receivable + days of inventories – days of trade payables

Net DEBT profile



Net Debt / Adj. EBITDA	1.0x	1.2x	2.3x	2.5x	1.4x	1.4x	1.4x	1.6x	1.8x
Free Cash Flow (LTM)	(2,795)	(851)	(1,324)	2,062	1,942	1,510	1,312	1,499	1,470

- Adjusted EBITDA for 2015 and 2016.
- FCF adjusted by plant investments in 2017 and 2018.

NEW BUSINESS MODEL

Strengthens
advertising and
online marketing

*Management team
reinforcement*

Increase Value,
Market Share
& Ensure
Sustainability

Develop manufacturing
capabilities

Improve point of
sale execution



GROWTH STRATEGY



STRATEGY



ACTIONS



RESULTS



Marketing
& sales

*Innovation and
channel diversification*

Top-line growth



New
production
facility

*Cost reduction, higher
fill-rates, increased sales
and capacity expansion*

Strengthened profitability

+

Margin expansion

NEW MANAGEMENT TEAM'S STRATEGIC DIRECTIVE



STRATEGY



ACTIONS



RESULTS

Operational & business initiatives

- Price elasticity
- Innovation & capacity expansion
- Geographic footprint and channel diversification
- Cost and SG&A efficiencies
- New production facility

Top-Line growth

+ Profitability

Strengthened financial policies

- Results with transparency
- Commitment to strong balance sheet
- Investments aimed at improving productivity
- Solid financial position and positive FCF

+ Transparency

+ Confidence

Best practice corporate governance

- 82% independent Board Members
- 100% Independent committees
- Focus on social responsibility

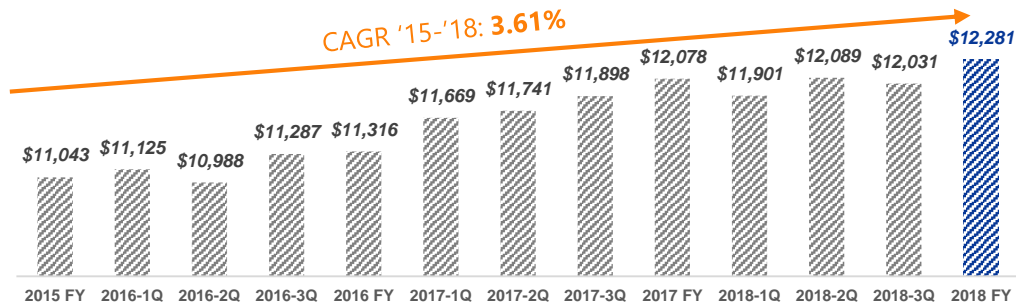
World class practices

IPC Sustainability Index

NET SALES & EBITDA OUTLOOK

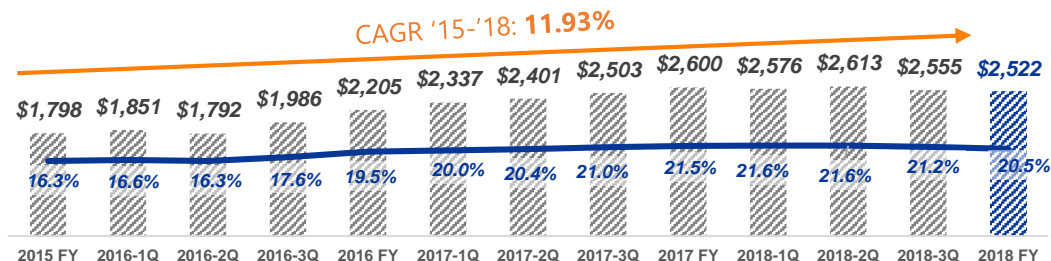
Net Sales

(in MXN\$ mm, accumulated periods considering last twelve months LTM)



“Consolidated Quarterly Earnings reflect trend of **positive compounded growth**”

Adjusted⁽²⁾ EBITDA⁽¹⁾

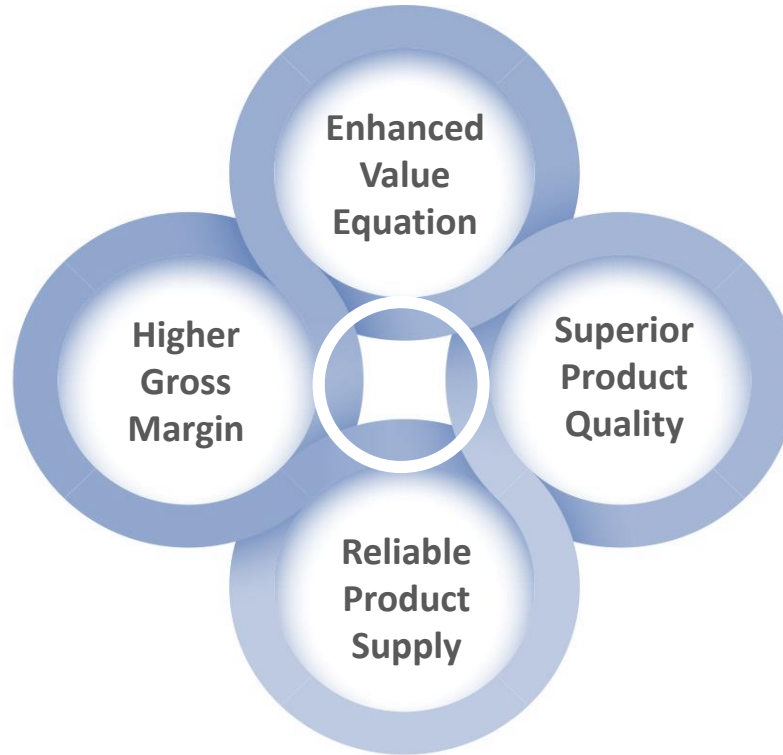


(1) EBITDA is calculated by adding depreciation and amortization to the Operating Income.

(2) Adjusted by adding restructuring non-recurring charges and one-time, non-cash charges in 2015 and 2016.

NEW PRODUCTION FACILITY





ECONOMIES OF SCALE AND SCOPE DRIVING HIGHER GROSS MARGINS

	Opportunity areas	Outsourcing	Producing
	Raw Materials and Packaging	Buying finished products Fragmented raw material procurement	Direct control in all COGS components Economies of scale
	Labor Cost	Low scale, labor intensive processes	State-of-the-art fully automated lines
	Process	Un-synchronized Supply Chain Network High setup times for changeovers	Vertically integrated Supply Chain Network Highly efficient and flexible processes



**Largest fair for
Pharmaceutical ingredients
in the world**

API's, Pharmaceuticals, Custom Manufacturing, Excipients,
Fine Chemicals & Intermediates, natural Extracts, Packaging

- **Identified significant savings in Raw Material procurement**
 - **Unit cost**
 - **Direct procurement**
 - **Vendor consolidation**

ECONOMIES OF SCALE AND SCOPE DRIVING HIGHER GROSS MARGINS

Opportunity areas

Outsourcing

Producing



Suppliers

Higher COGS due to co-packers profit margin

Eliminate co-packers profit margin



Logistics

Suppliers scattered throughout the country

Integration of suppliers to industrial park

Inefficient inbound and outbound truck-based logistics

Leverage freight consolidation and low-cost train logistics for exports



Inventories

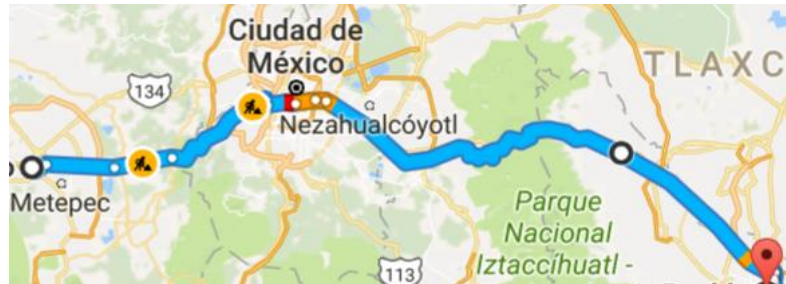
Higher inventories due to multiple warehouse network

Lower safety stocks required for raw materials and finished products

EXAMPLE OF REMOVING INEFFICIENCIES IN CURRENT INBOUND LOGISTICS

Additional Expenses Shipping & Handling, Storing, Cleaning

Filling PE bottles
with shampoo
in Toluca



Additional freight



195 km
4:17 hrs

Blowing PE
bottles
in Puebla

PROFITABILITY THROUGH COGS REDUCTION

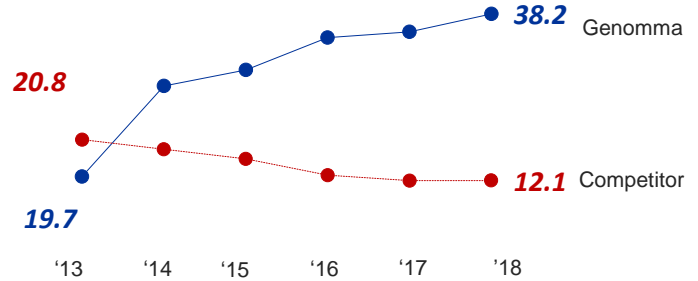
Tafirol[®]

Acquired in 2012
from Sidus

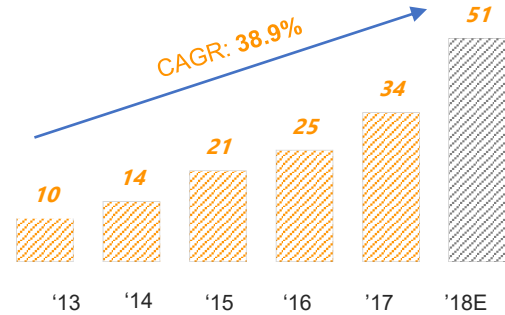


OTC product portfolio

Market Share in Units (%)



Sales in Million USD



Benefit from economies of scale and **efficient production capabilities**

Investment Benefits



EBITDA Synergies
~ 700 bps¹

Long-term financing provided by:



Market Expansion:
Genomma Lab will
reinvest between
200 - 250 bps
for growth

MANUFACTURING FACILITY RENDER



OTC Plant

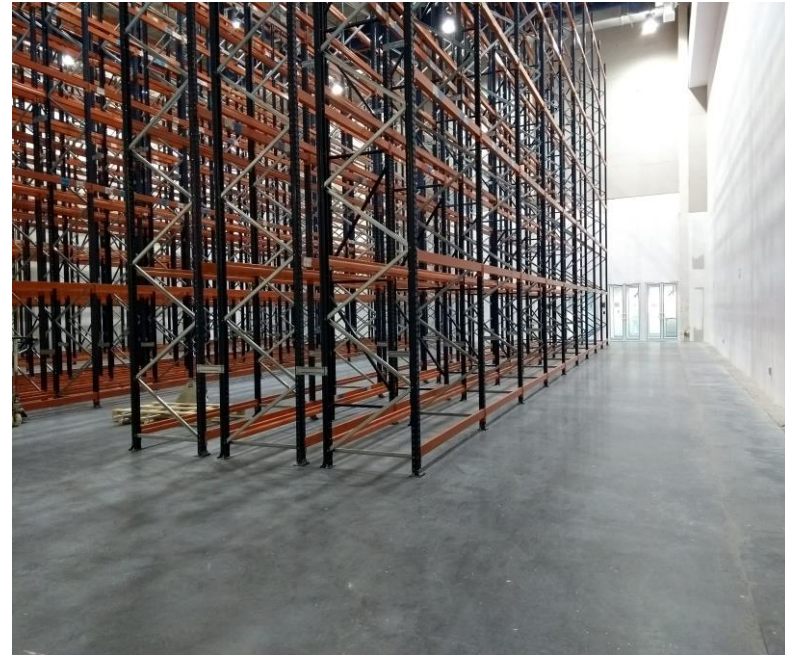
FP Warehouse

PC Plant

MANUFACTURING FACILITY UPDATE



INSIDE OTC MANUFACTURING FACILITY



Inside the Raw Materials OTC Warehouse

MANUFACTURING FACILITY UPDATE

*Progress on the
Finished Product
Warehouse (over
31,000 SQM)*



MANUFACTURING FACILITY UPDATE



Inside the OTC Plant January 2019

MANUFACTURING FACILITY UPDATE



Inside the OTC Plant January 2019

MANUFACTURING FACILITY UPDATE



Inside the OTC Plant January 2019

INSIDE OTC MANUFACTURING FACILITY



*Equipment installed at
OTC Plant
Solids Production Line*

INSIDE OTC MANUFACTURING FACILITY



Equipment installed at OTC Plant
Uhlmann Bec 700 Blister Machine
Solids Production Line





***Equipment Installed
OTC Plant
Semi-Solids Production Line***



***Quality Control Lab
OTC Plant***



*Quality Control Lab
OTC Plant*



**Quality Control Lab
OTC Plant**

NEW PLANT LOCATED IN CENTRAL MEXICO



- Strategically located in central Mexico
- Close to the largest market
- Highly efficient export logistics (rail freight) to Latin America and USA

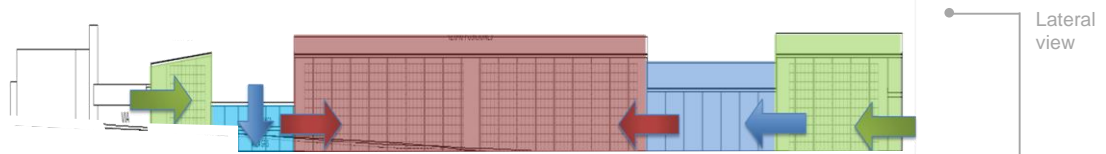
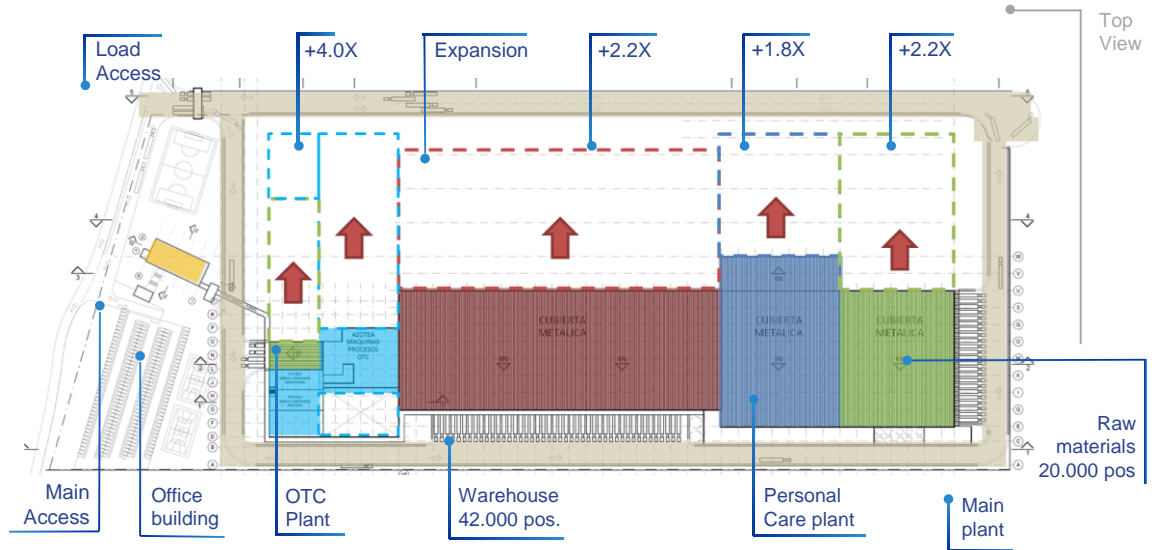
● San Cayetano, State of Mexico.

STRATEGICALLY LOCATED PLANT CLOSE TO THE MARKET AND EFFICIENT EXPORT LOGISTICS



PRODUCTION FACILITY LAYOUT

Modular design
concept
design provides
**flexibility for
future growth**



NEW MANUFACTURING EQUIPMENT

State of the art
technology, fully
automated



FETTE
COMPACTING

interpack 

PROCESSES AND PACKAGING
LEADING TRADE FAIR

DÜSSELDORF, GERMANY
04 TO 10 MAY 2017
INTERPACK.COM

Uhlmann Bec 700



Coater

EXPERIENCED MANUFACTURING TEAM

Team leading the construction and operation of new production facility



KATHERINE VILLAMIZAR

**MANUFACTURING
MANAGER**



19 YEARS EXPERIENCE

*Food, pharma, chemical
and cosmetic industry
manufacturing*

JOHN PINZÓN

CONSTRUCTION



15 YEARS EXPERIENCE

*Plant design &
construction for the
Food and PC industries*

HÉCTOR CARRILLO

**MEMBER OF
THE BOARD**



45 YEARS EXPERIENCE

*Former CEO Apotex
Mexico & Latam*

SANTIAGO VÉLEZ

**CM MEXICO &
VP MANUFACTURING**



25 YEARS OF EXPERIENCE

*Former CEO of Quala in
Venezuela, DR & Mexico.*

CMO of Quala Colombia

FINANCIAL HIGHLIGHTS



FINANCIAL RESULTS

In thousands of MXN pesos

Income Statement	Growth	FY 2017	%	FY 2018	%
Net Sales	+1.7%	\$ 12,078,442	100.0%	\$ 12,281,753	100.0%
Gross Profit	(0.1)%	8,121,314	67.2%	8,116,690	66.1%
Operating Income	(3.0)%	2,531,370	21.0%	2,441,996	19.9%
EBITDA	(3.5)%	2,600,254	21.5%	2,521,517	20.5%



LatAm **48.9%**
of net sales



Mexico **40.0%**
of net sales



USA **11.1%**
of net sales

FINANCIAL POSITION

In thousands of MXN pesos

Financial Position	As of December 31,		Δ
	2017	2018	
Total Assets	\$15,885,706	\$18,118,069	+ \$2,232,364
Cash and Equivalents	1,092,741	1,414,641	+ 321,900
Total Liabilities	8,837,038	10,675,368	+ 1,838,329
Stockholders Equity	7,048,667	7,442,702	+ 394,034

KEY VALUATION METRICS

- Lowest valuation in peer group
- Historical results do not reflect potential upside from new 2019 manufacturing plant

\$1,048.0mm
Shares Outstanding

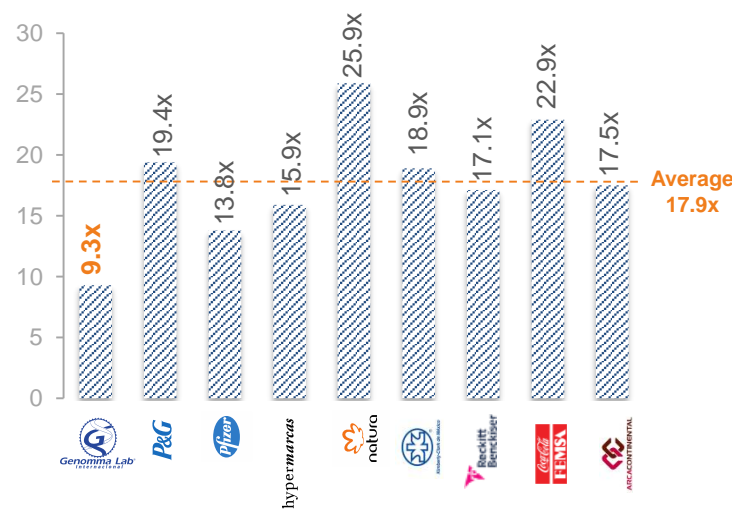
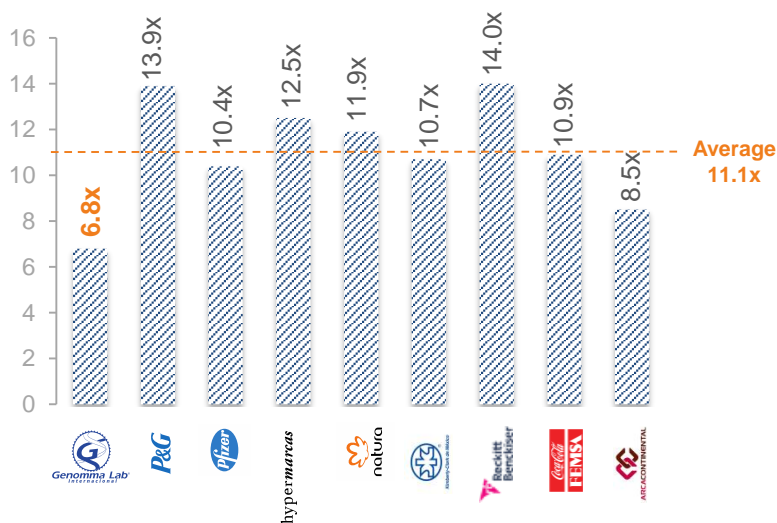
64.7%
Free Float

6.8x
EV / EBITDA

9.3x
P / E

EV / EBITDA

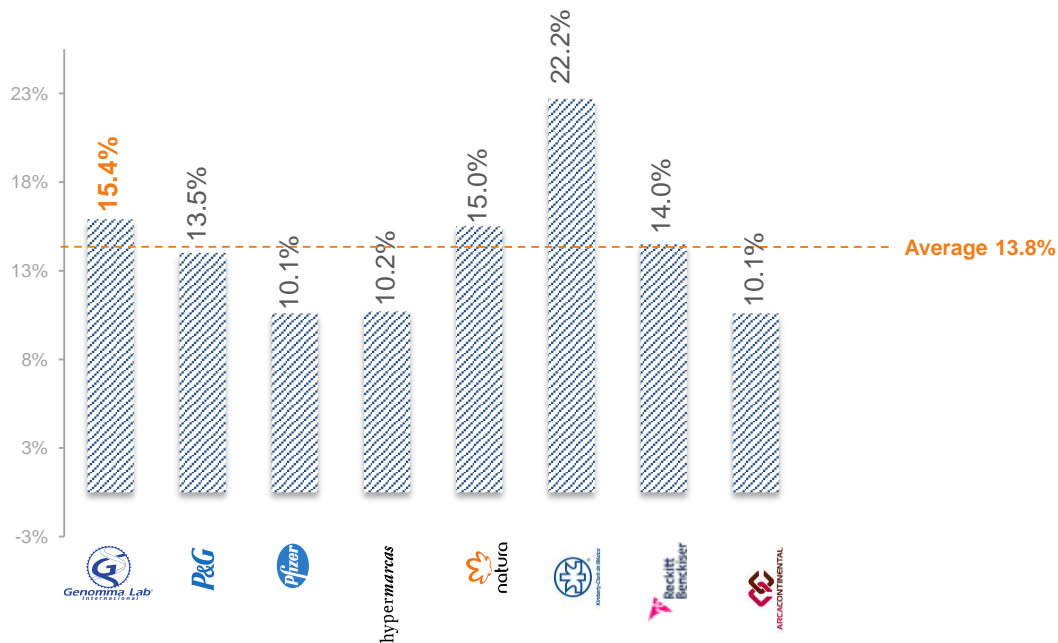
P/E



KEY VALUATION METRICS

ROIC including Intangibles

32.1%
Genomma's
ROIC excluding
Intangibles





Genomma Lab®
Internacional



LAB



WE SUPPORT



EMPRESA
SOCIALMENTE
RESPONSABLE

CONTACT:

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Head of Investor Relations

Barbara Cano
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+52 (55) 5081-0000

STOCK INFORMATION:

Genomma Lab has been traded under the ticker 'LAB B' on the Mexican Stock Exchange (BMV) since June 18, 2008.

FOR MORE INFORMATION:

www.genommalab.com/inversionistas

FORWARD-LOOKING STATEMENTS:

This document contains certain assumptions, projections and forward-looking statements regarding the Company's financial situation, operative results and information, Genomma Lab business and that of its subsidiaries as well as with regards to the Company's related plans and objectives. This executive summary does not constitute a public securities offering on behalf of Genomma and is intended to be used for informational purposes only.