



**Genomma Lab**<sup>®</sup>  
Internacional



# **GENOMMA LAB INTERNACIONAL**

June, 2016

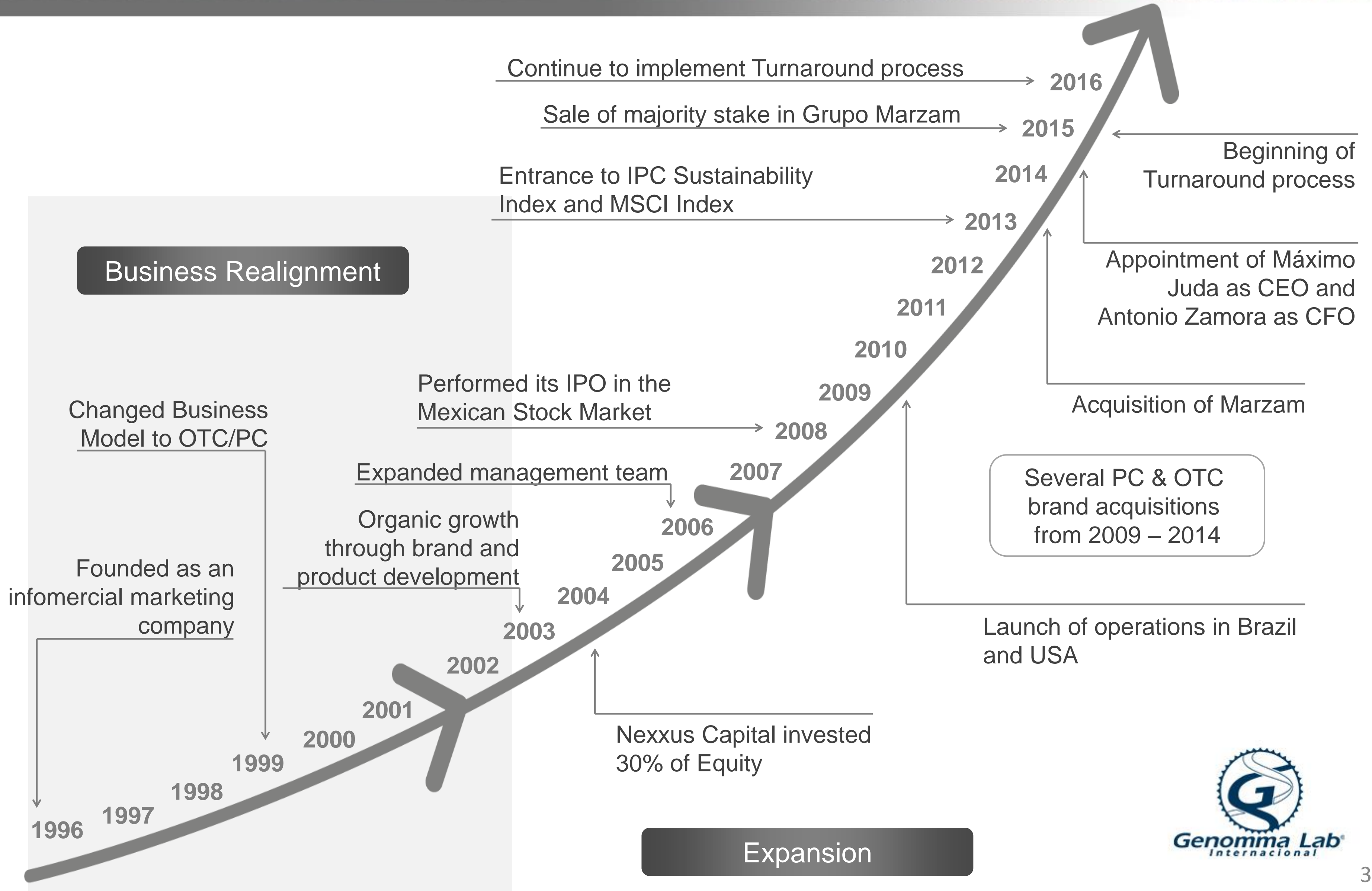


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# COMPANY OVERVIEW



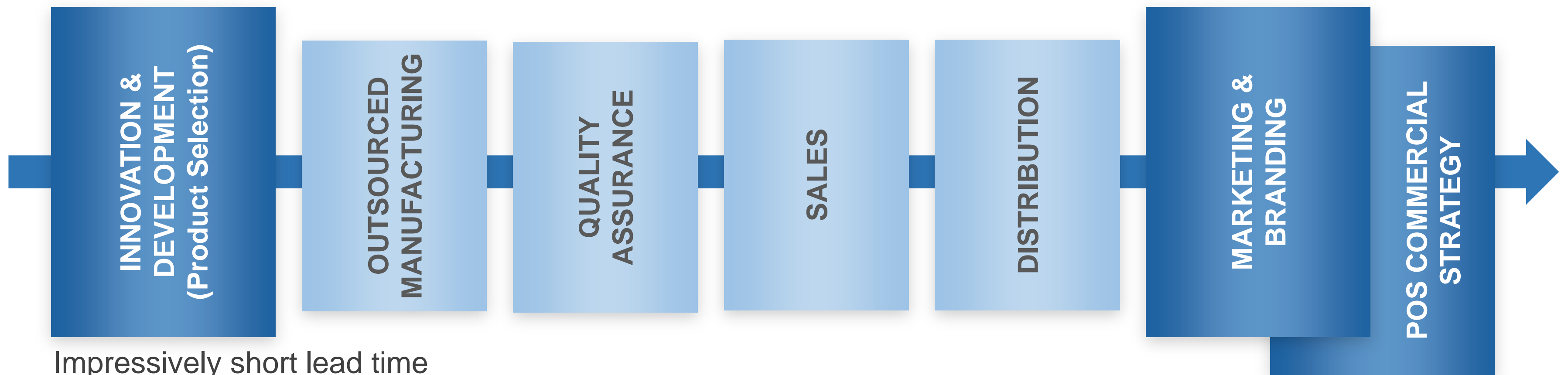
# THE EVOLUTION OF GENOMMA LAB



# SUCCESSFUL BUSINESS MODEL

Our business model is focused on adapting quickly to marketing dynamics.

Best formulation and presentation



Impressively short lead time from an idea generation to new product launches and line extensions.

Performance Analysis

Rapid and effective reaction to competitive challenges

Pillars

# ORGANIC GROWTH THROUGH INNOVATION AND DEVELOPMENT

- Our product launch strategy is based on Innovation and Development of new brands and products, as well as on the launch of Line Extensions to strengthen our existing brands.

## INTERNALLY DEVELOPED BRANDS



Nasal Hygiene



For adults



For children



Nasalub Max



Vitamins



Energetic beverage with vitamins

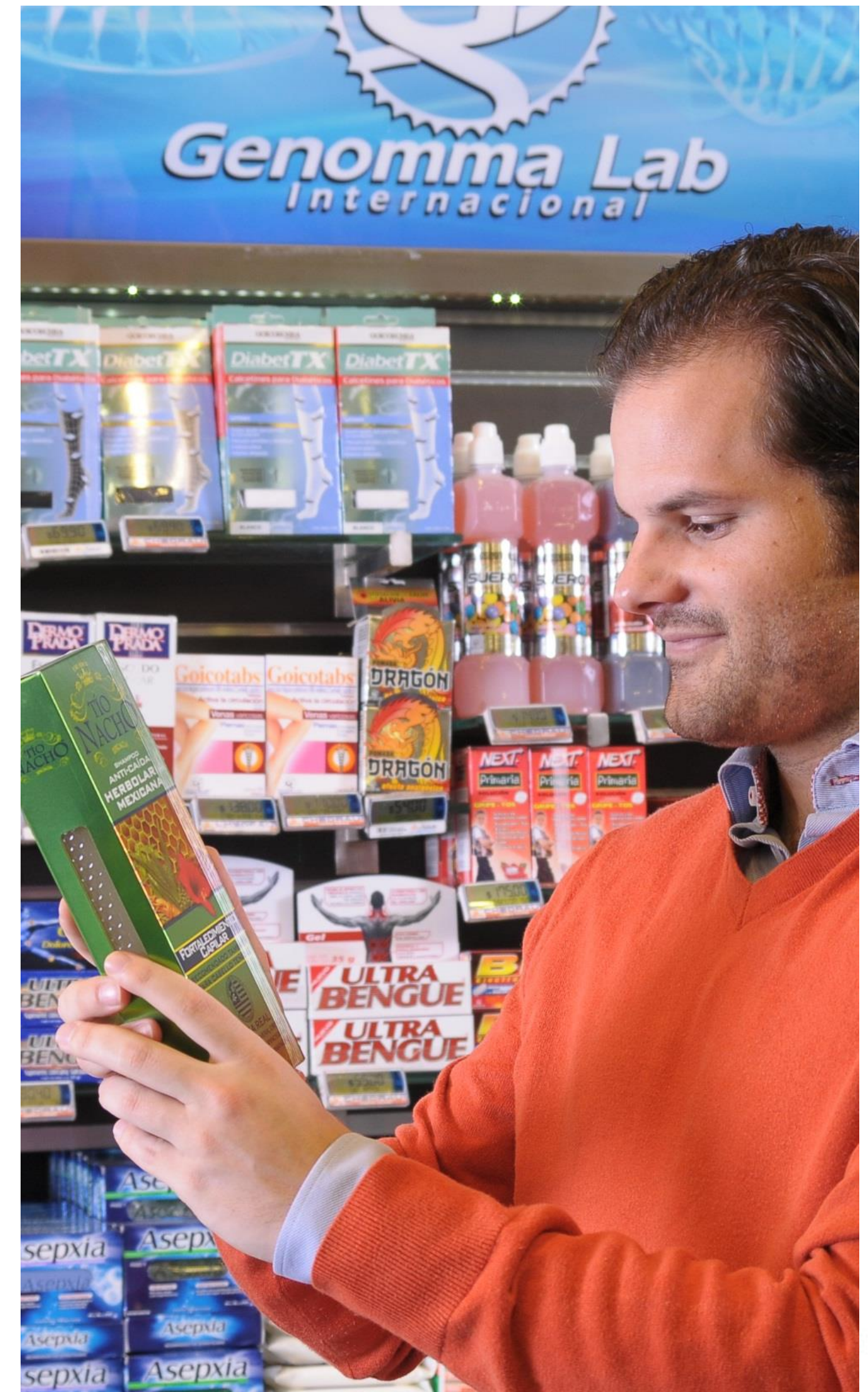


Vitamins for children



# MARKETING AND BRANDING RESULTS ORIENTED METRICS

Demand for our products is mainly generated through advertising. We have a directed advertising strategy, based on metric analyses of our clients and the market. We monitor such information weekly, which allows us to have a quick response to changes in competition and consumer's preferences.



# COMMERCIAL STRATEGY - UPDATE

1

## POS EXECUTION

71% STORES in Mexico executed in line with IN-STORE VISION

2

## CHANNEL AND CUSTOMER EXPANSION

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

3

## GO TO MARKET

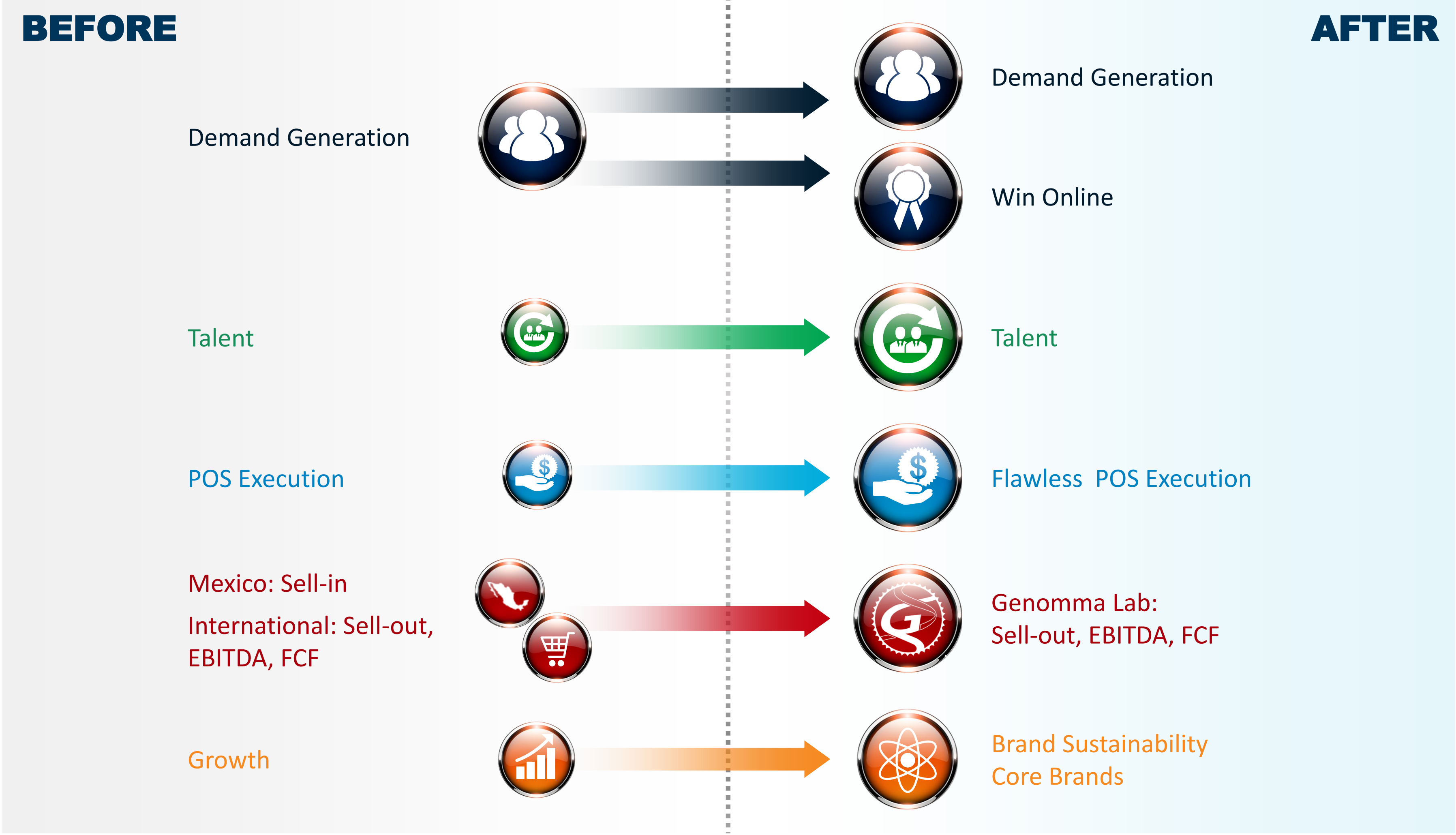
(-)3 to 5 pts trade terms improvement and  
PAY FOR PERFORMANCE (Mexico and International)

4

## COMMERCIAL INNOVATION

+5-7 Global Initiatives

# CORE COMPETENCES

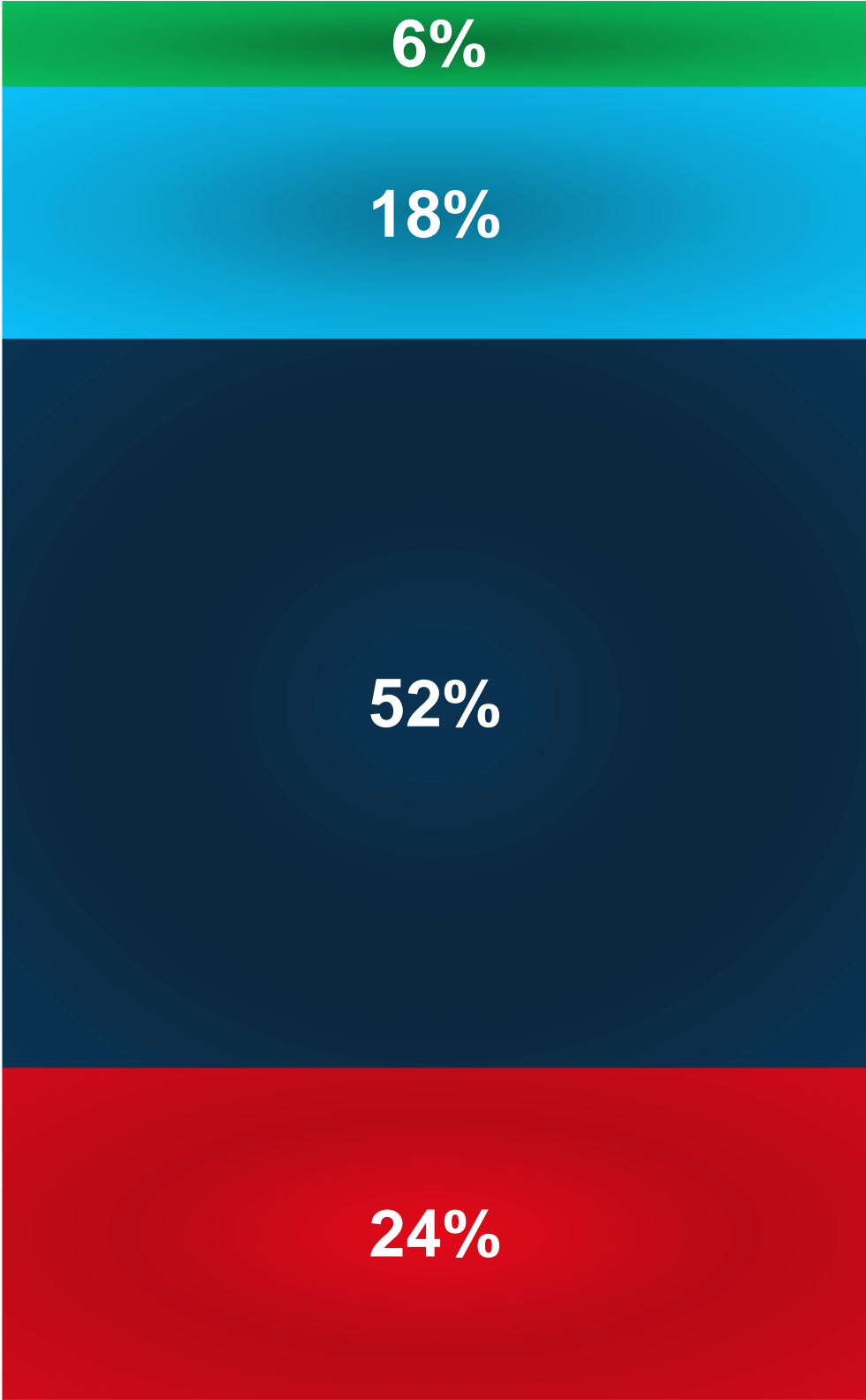




# DIVERSIFIED DISTRIBUTION PLATFORM

Genomma's balanced and broad distribution platform is unique. Through a combination of mass merchandisers, pharmacy chains, and wholesalers, Genomma's products reach over 50,000 points of sale in Mexico and more than 150,000 in the international operations.

## SALES DISTRIBUTION IN MEXICO:



CONVENIENCE AND DEPARTMENT STORES



PHARMACY CHAINS



RETAILERS



WHOLESALEERS



\*% of Mexico Sales as of December 2015 (LTM)

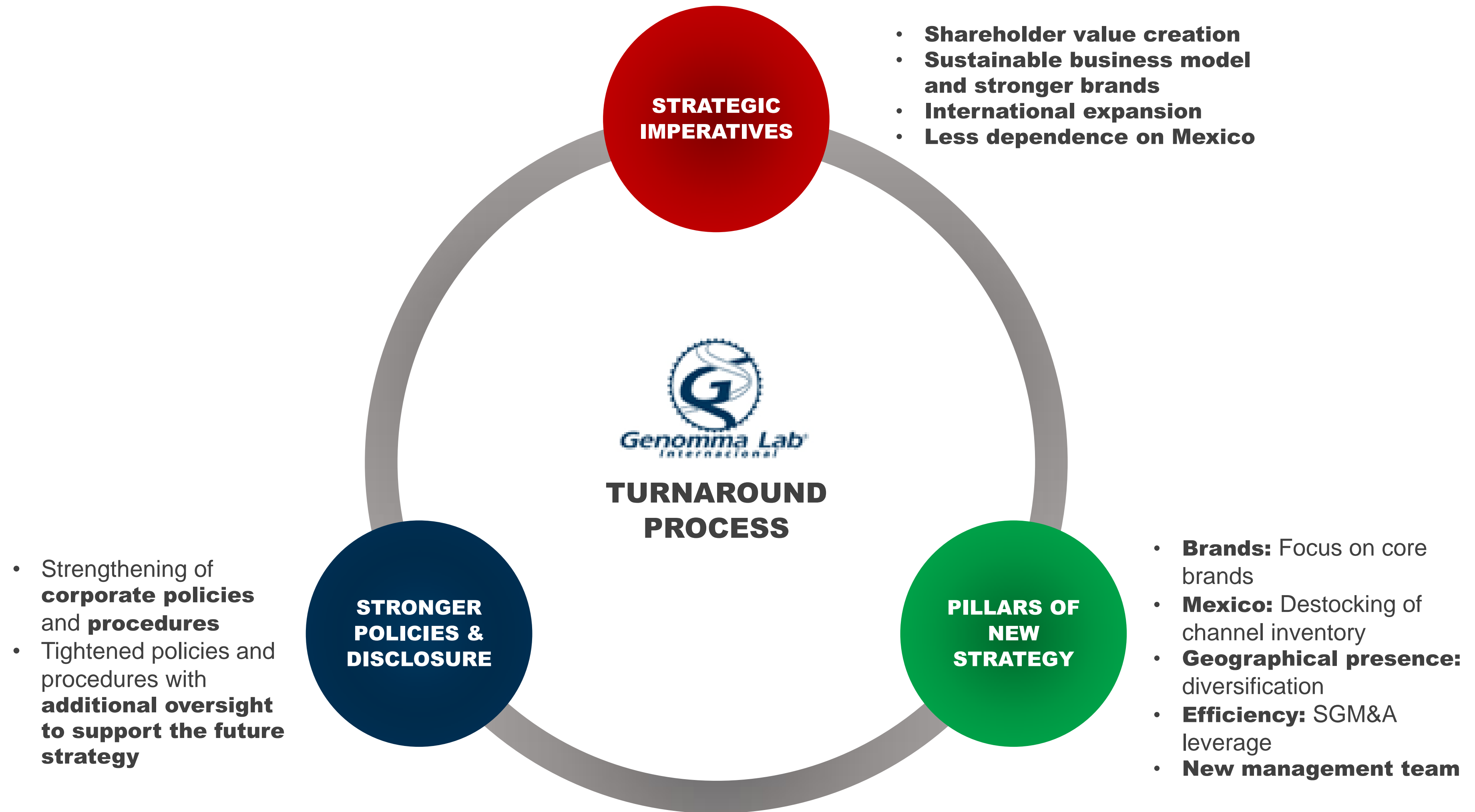


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# TURNAROUND PROCESS



# TURNAROUND PROCESS




# TURNAROUND PROCESS – PILLARS OF NEW STRATEGY





1

## FOCUS ON CORE BRANDS, REINFORCE BRAND EQUITY AND SUSTAINABILITY

Genomma's core asset is its portfolio of market leading brands. As of March 2016, the Company has a total of **95 brands**. The following table shows the Company's top **25 brands** for the last twelve months as of March 2016, which represented **88.2%** of Total Sales.

OTC	
BRAND	PRODUCT CATEGORY
	Pain Relief
	Analgesic
	Sexual Protection and Enhancement
	Cervical Infections Treatment
	Anti-dandruff Shampoo
	Anti-flu
	Hemorrhoid Treatment
	Colitis Treatment
	Vitamins
	Athlete's Foot Treatment
	Analgesic
	Cough Syrup
	Anti-flu
	Osteoarthritis Treatment

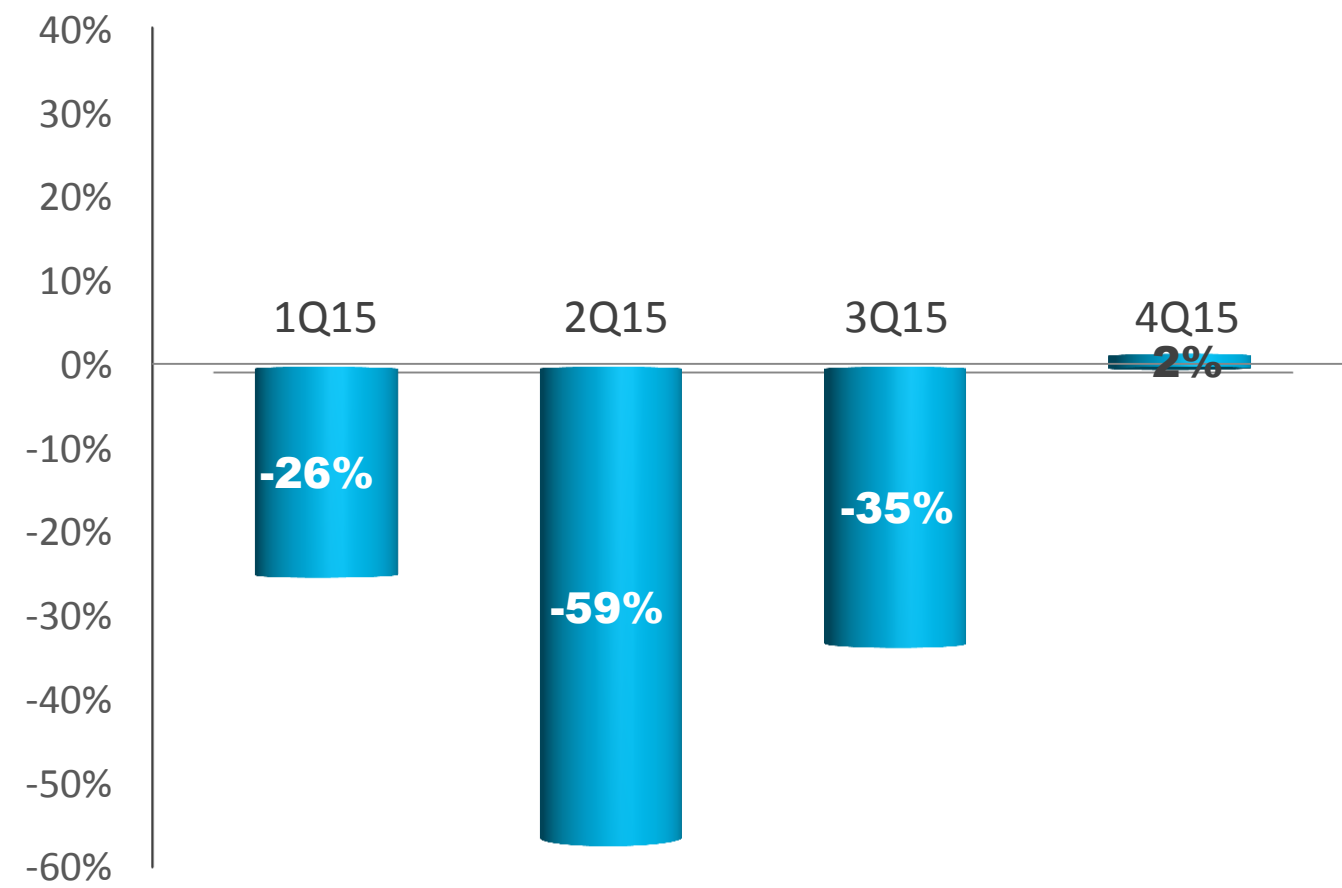
PC	
BRAND	PRODUCT CATEGORY
	Hair Care
	Spider Vein Treatment
	Nail Fungus Treatment
	Skin Care
	Skin Care
	Hair Care
	Hair Care

OTC / PC	
BRAND	PRODUCT CATEGORY
	Anti-acne
	Anti-scar, Anti-wrinkle
	Baldness Treatment
	Anti-micotic

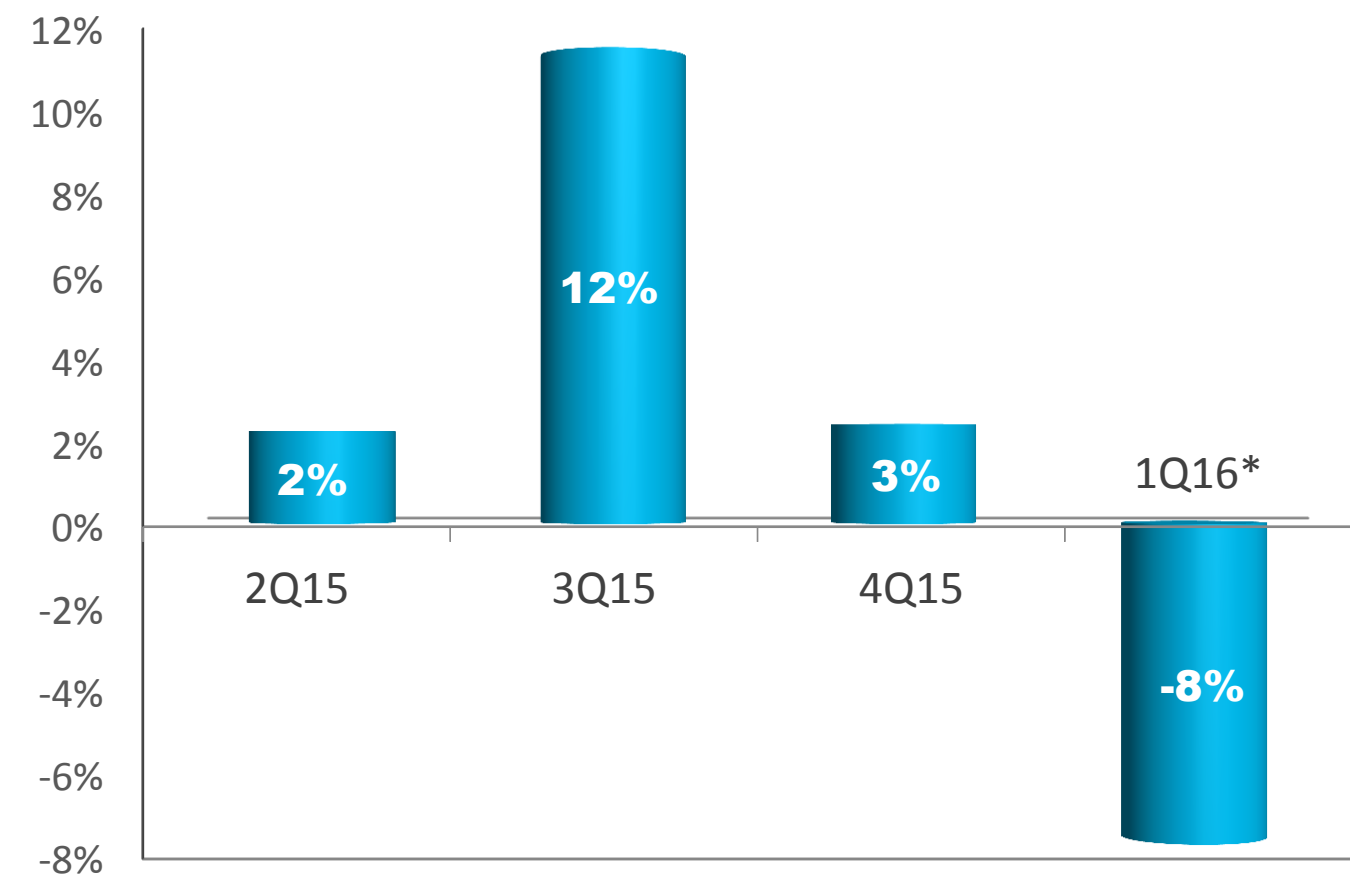
# TURNAROUND PROCESS – PILLARS OF NEW STRATEGY

## 2 MEXICO DESTOCKING OF CHANNEL INVENTORY

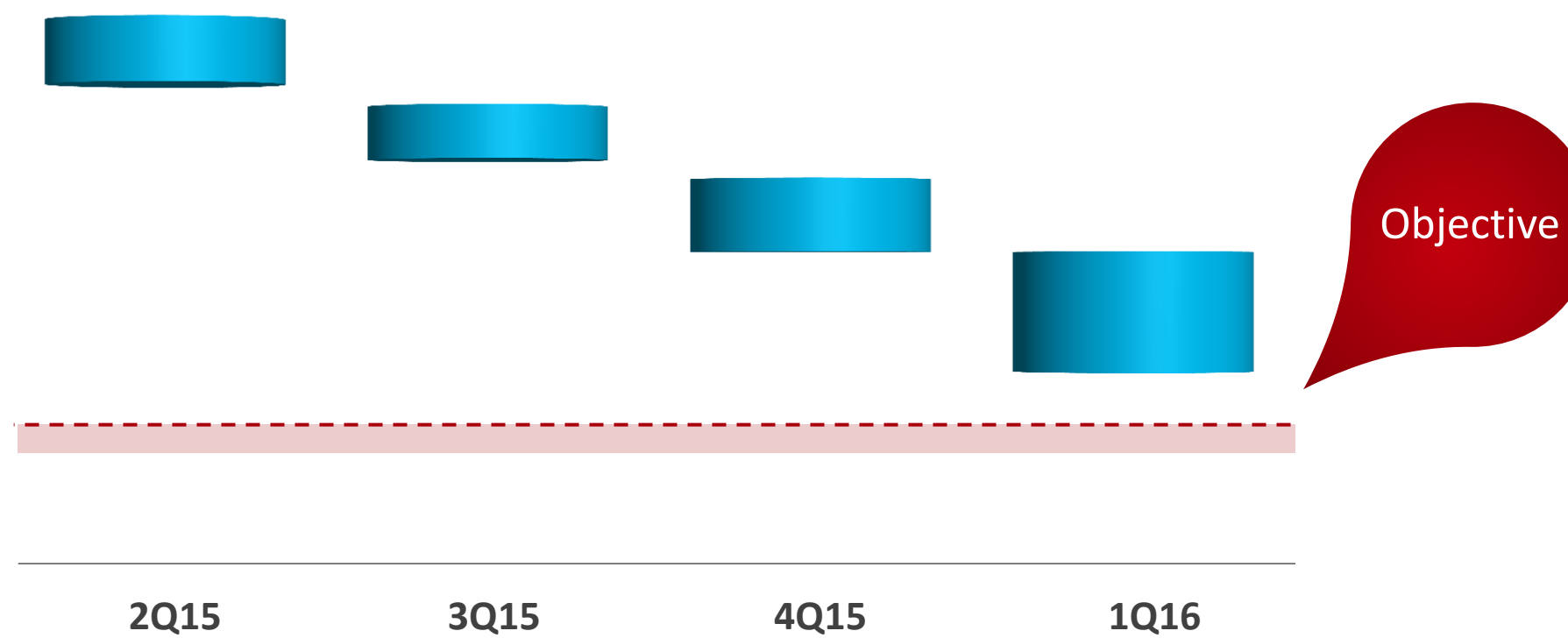
### SELL-IN



### SELL-OUT



### INVENTORIES

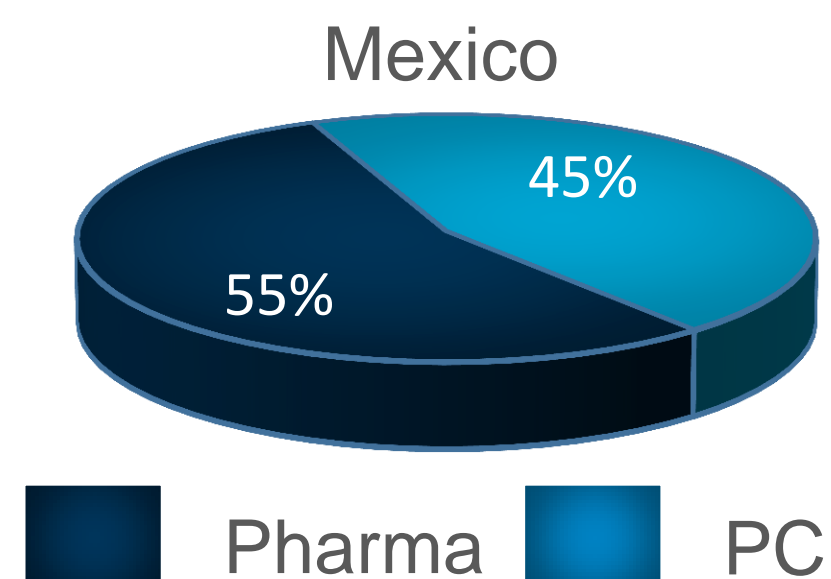


\*In line with guidance

# TURNAROUND PROCESS – PILLARS OF NEW STRATEGY

3

## GEOGRAPHICAL PRESENCE – INTERNATIONAL GROWTH & MARGIN



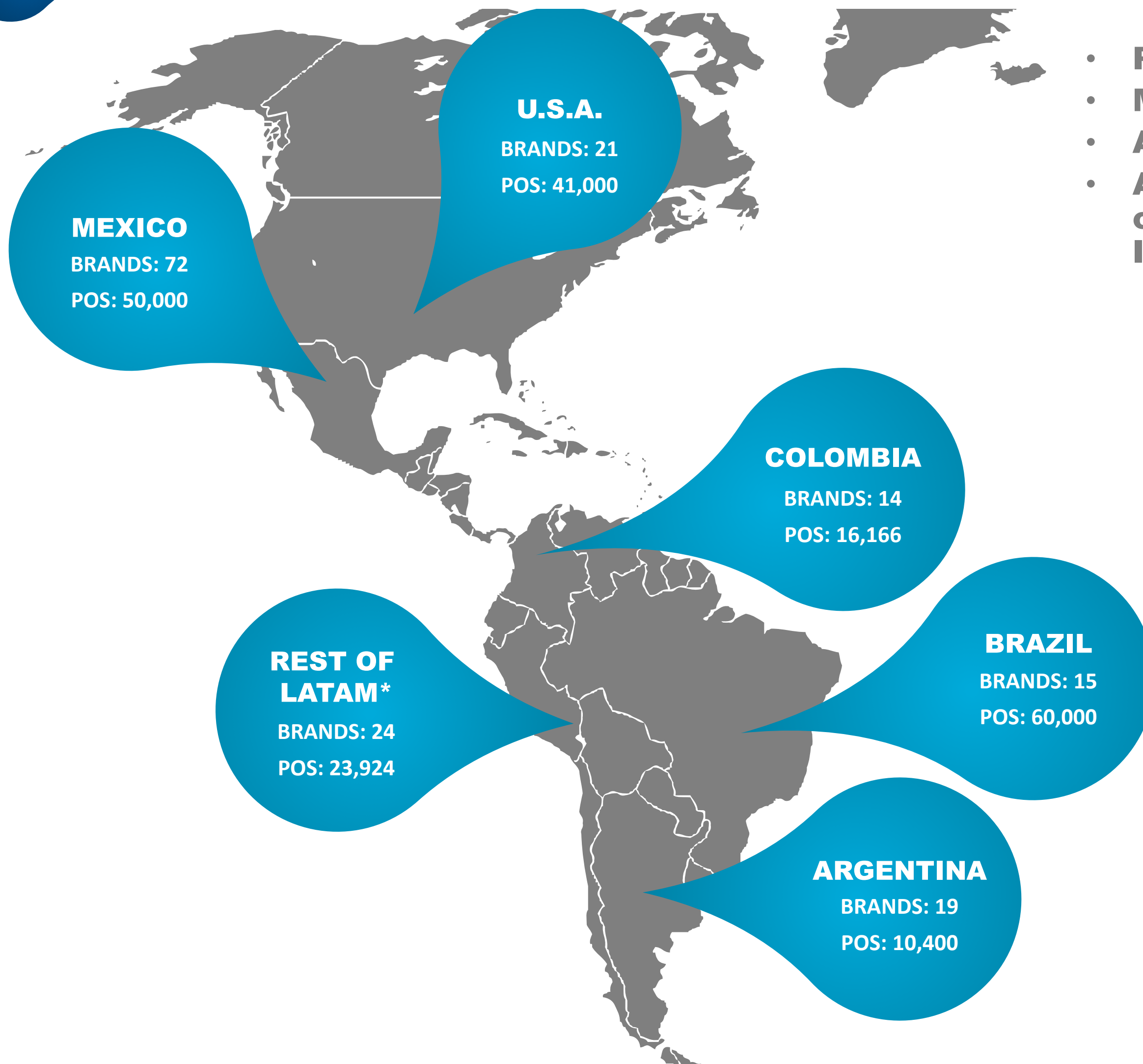
### TOP INTERNATIONAL COUNTRIES

1. Argentina
2. U.S.A.
3. Brazil
4. Chile
5. Colombia
6. Peru
7. Ecuador

# TURNAROUND PROCESS – PILLARS OF NEW STRATEGY

3

## GEOGRAPHICAL PRESENCE: DIVERSIFICATION



- Presence in 20 countries
- More than 200,000 POS
- A population over 600 million
- As of March 2016 LTM, 65% of our Total Sales came from our International Operations

### \*REST OF LATAM:

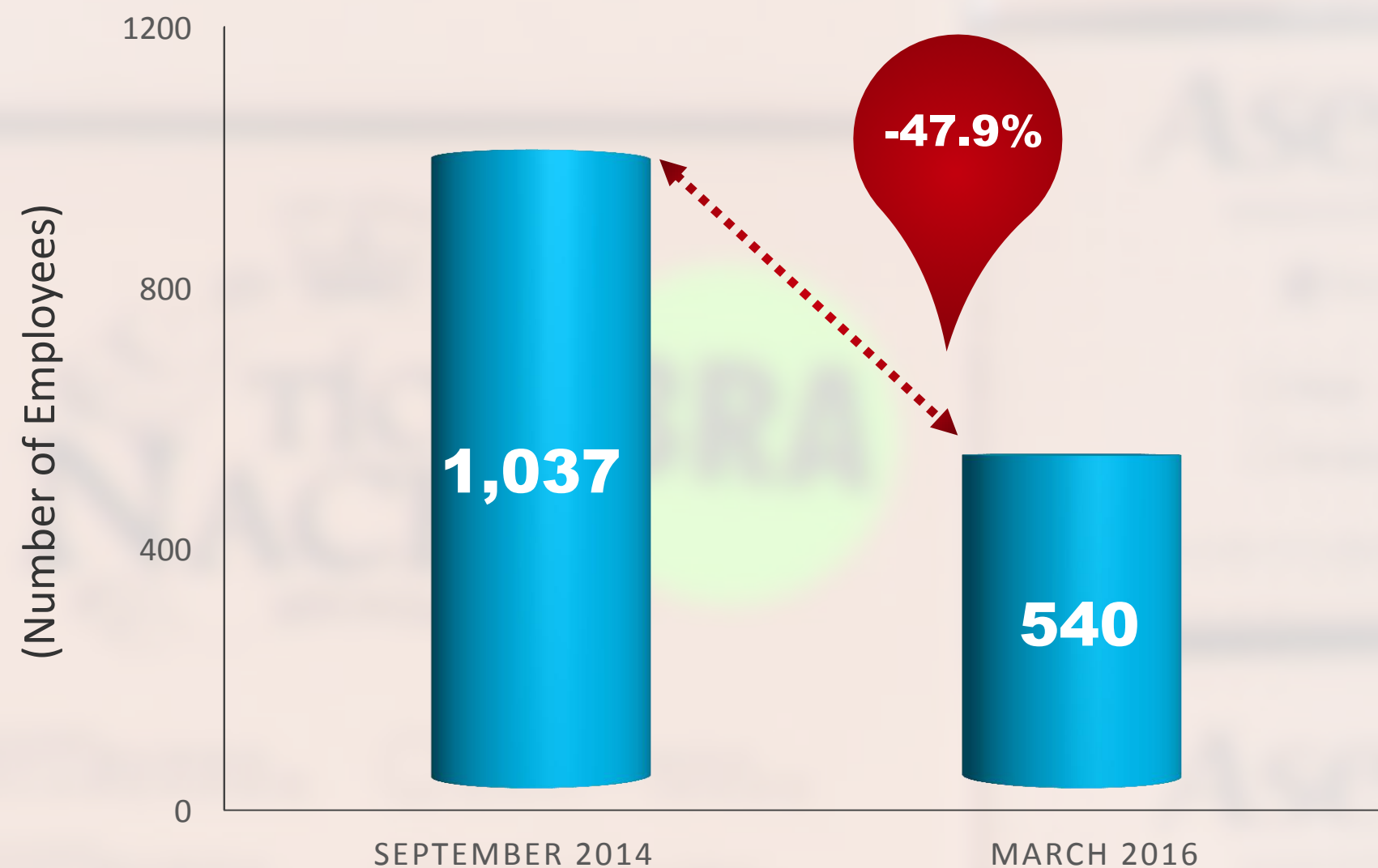
Bolivia  
Chile  
Costa Rica  
Dominican Republic  
Ecuador  
El Salvador  
Guatemala  
Honduras  
Nicaragua  
Panama  
Paraguay  
Peru  
Puerto Rico  
Trinidad and Tobago  
Uruguay

# TURNAROUND PROCESS – PILLARS OF NEW STRATEGY

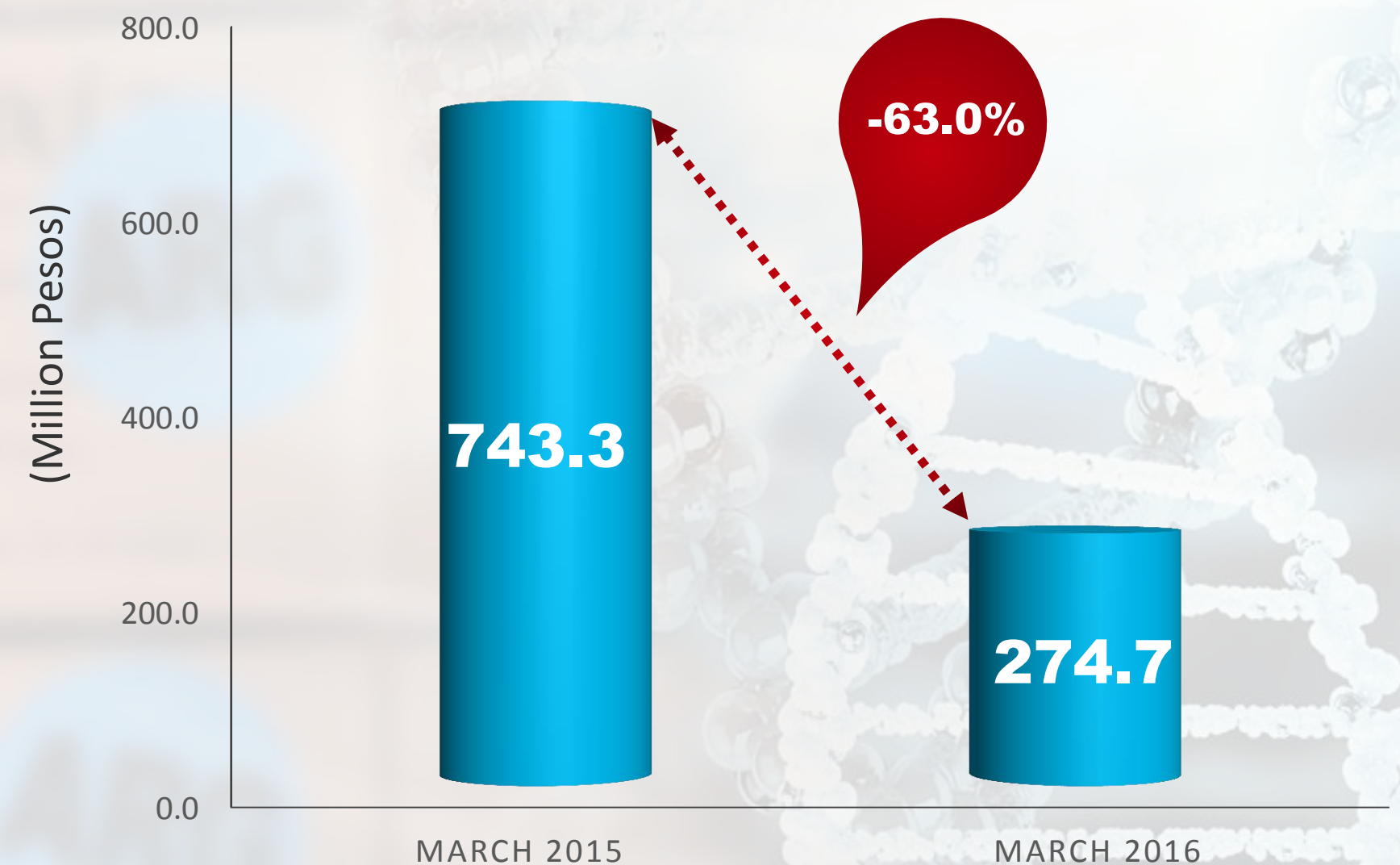
## 4 EFFICIENCY: SGM&A LEVERAGE

- 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\*



\*Mexican operations



# TURNAROUND PROCESS – PILLARS OF NEW STRATEGY

## **4 EFFICIENCY: SG&A LEVERAGE**

- We have made significant efforts to achieve SGM&A efficiencies in order to improve margins, which have started to show results in our operations.

## **5 NEW MANAGEMENT TEAM TO EXECUTE THE NEW STRATEGY AND DRIVE VALUE CREATION IN THIS NEW PHASE**



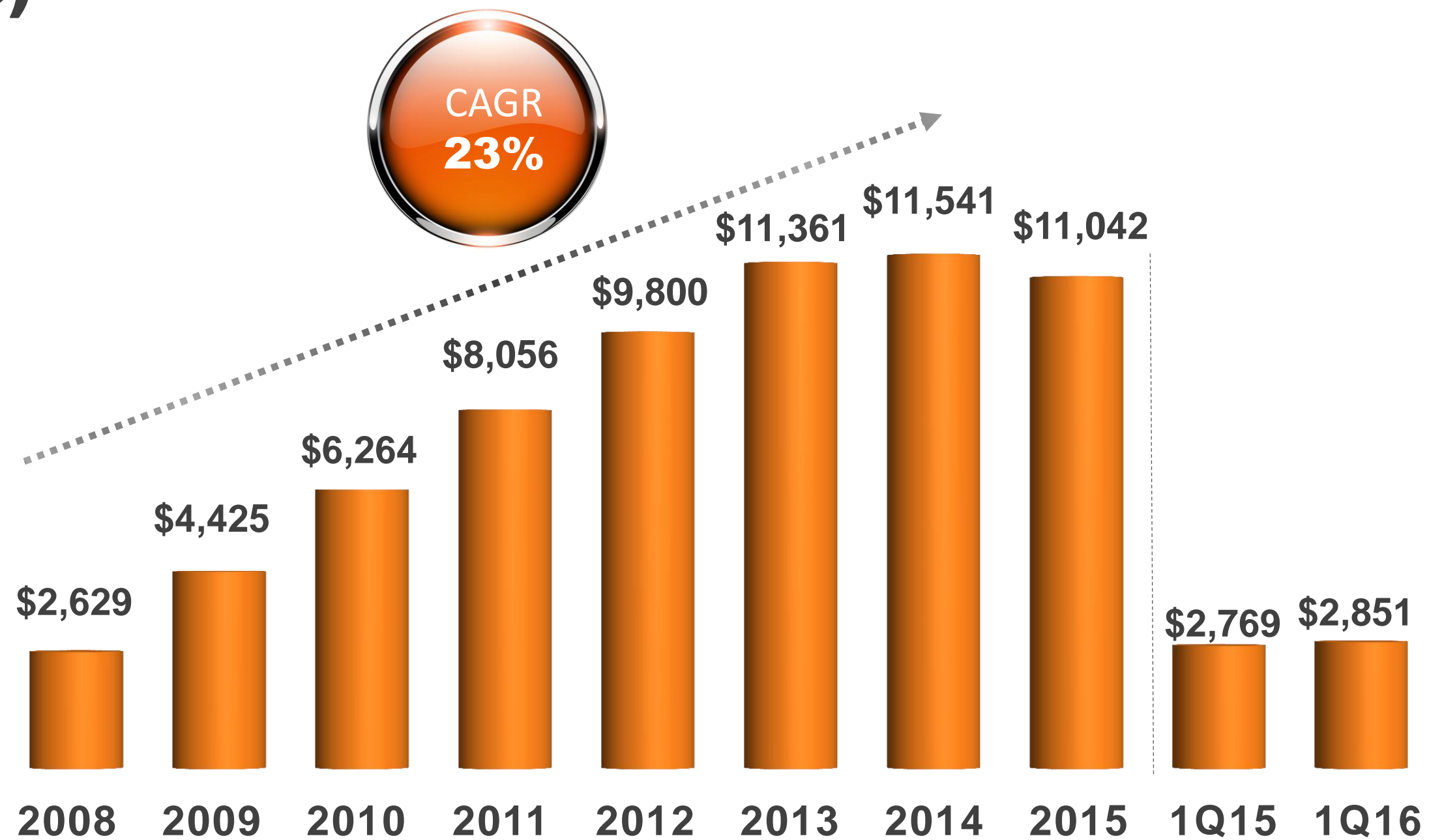
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# FINANCIAL PERFORMANCE



# NET SALES

(MILLION PESOS)

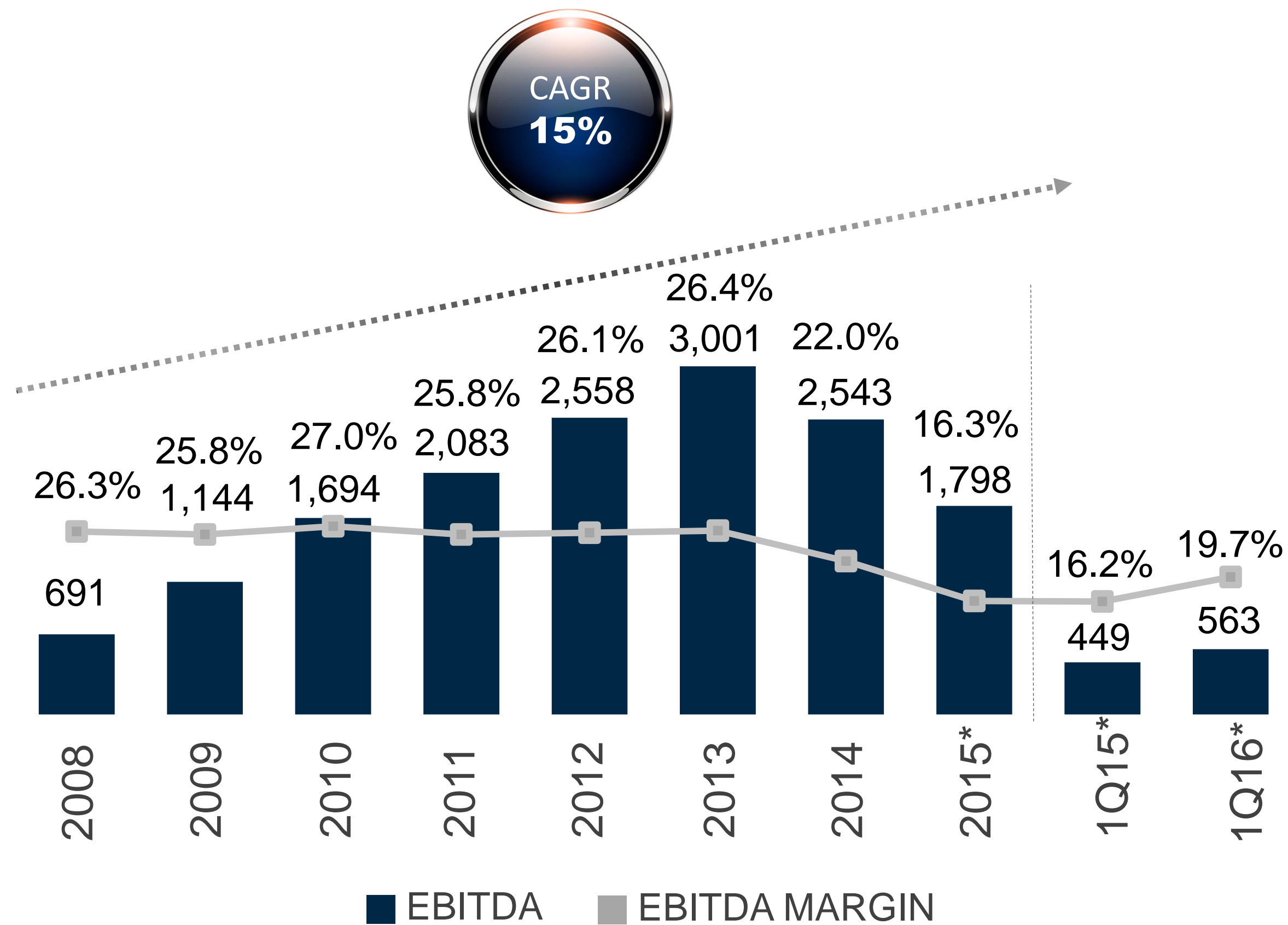


	1Q16			1Q15			%Var
	Pharma*	PC	Total 1Q16	Pharma*	PC	Total 1Q15	
Mexico	580.1	417.6	997.7	491.8	490.2	982.1	1.6%
International	695.9	1,157.0	1,852.9	661.7	1,124.8	1,786.5	3.7%
<b>TOTAL</b>	<b>1,276.0</b>	<b>1,574.6</b>	<b>2,850.6</b>	<b>1,153.5</b>	<b>1,615.0</b>	<b>2,768.6</b>	<b>3.0%</b>

\*Pharma refers to OTC and Generics in Mexico.

# EBITDA

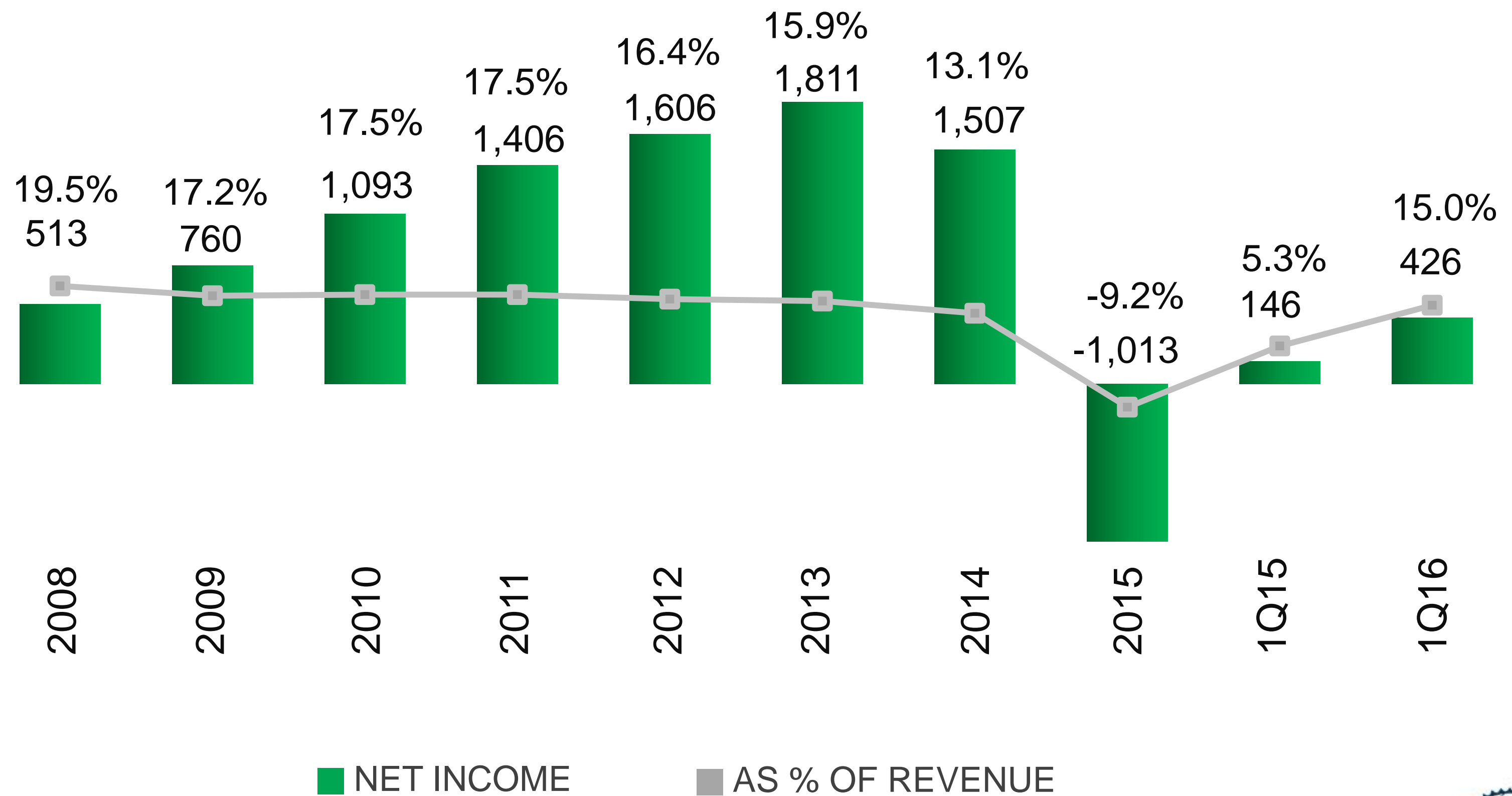
(MILLION PESOS)



\*EBITDA was adjusted by adding non-recurring expenses related to the downsizing of our headcount in Mexico (severance payments) incurred during 2015, and inventory destructions and fees and other expenses derived from the sale of Grupo Marzam during Q4'15. One-off effects are related to the reinforcement of policies and procedures during Q4'15.

# NET INCOME

(MILLION PESOS)





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