



Genomma Lab®
Internacional

INVESTOR RELATIONS

CORPORATE PRESENTATION

November | 2019

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 Relief



Sexual Health



Isotonic Beverages



Anti-hemorrhoids



Gastro



Shampoo



Hair Care

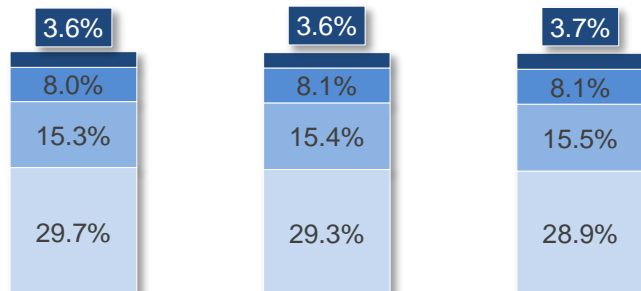
NEW CATEGORIES

Novamil® & Novalac®

- Exclusive license agreement to commercialize infant nutrition products in Mexico
- Fourth largest player, behind Nestle, Reckitt and Abbott
- According to Euromonitor the Mexican infant formula market annual sales est. Ps. 19.2Bn.

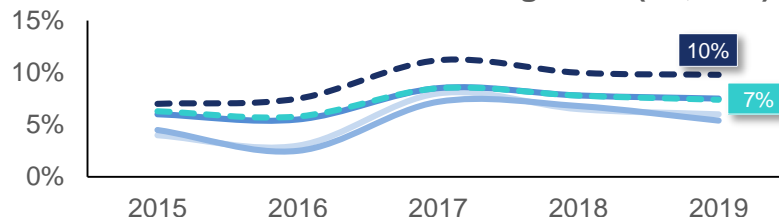


Infant formula market share (%)



■ Nestle ■ Reckitt Benckiser ■ Abbott ■ United Pharma

Infant formula market growth (P\$, YoY)



— Nestlé — Reckitt Benckiser
— Abbott — United Pharma

OUR FOOTPRINT



LatAm **41.2%**
of net sales



Points of Sale
300,000+



Mexico **48.6%**
of net sales



Countries **18**



USA **10.2%**
of net sales



Production
facilities **1**



Brands **40+**



1,000+
employees

**“Innovation is part
of our DNA”**



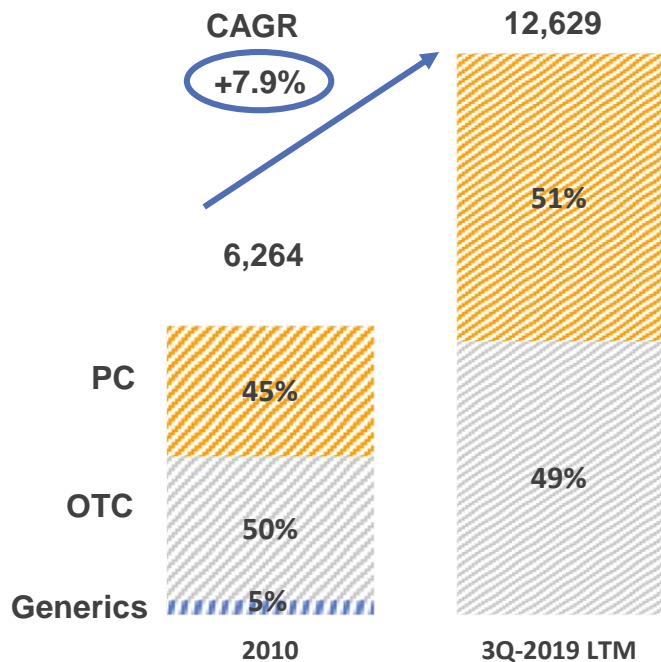
BUSINESS ON TRACK FOR SUSTAINED PROFITABLE GROWTH

- 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 by 2020.



GROWTH ACHIEVED IN OTC AND PC

Sales by Category (Million MXN)



Personal Care

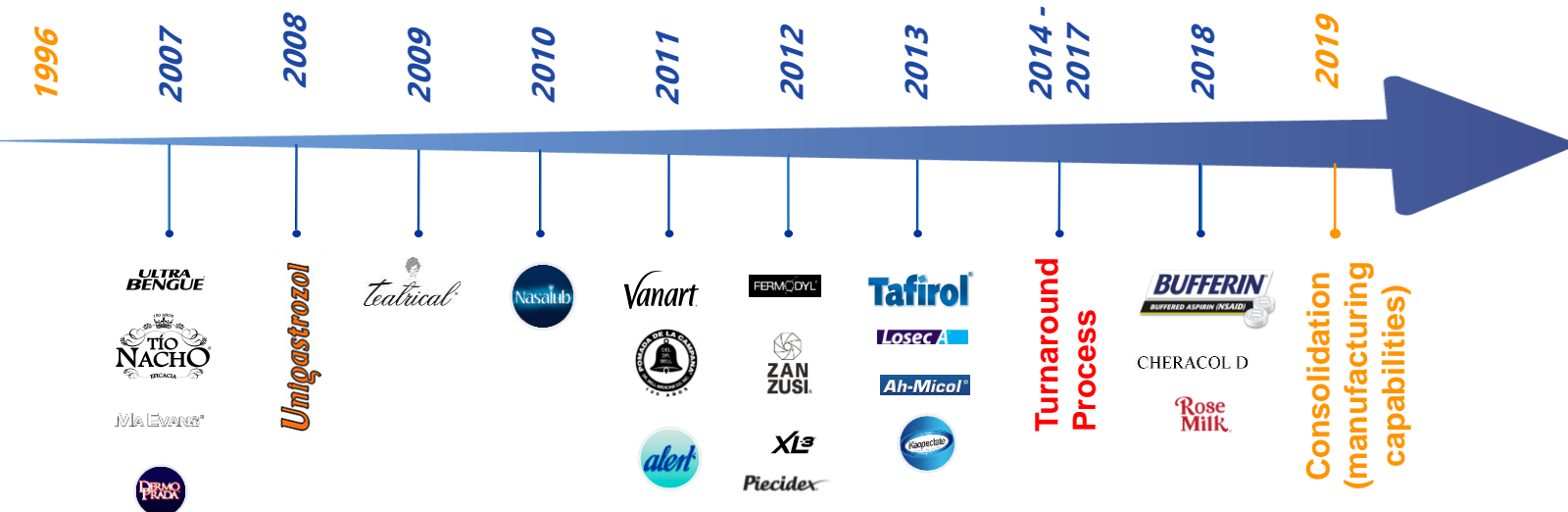


Over The Counter



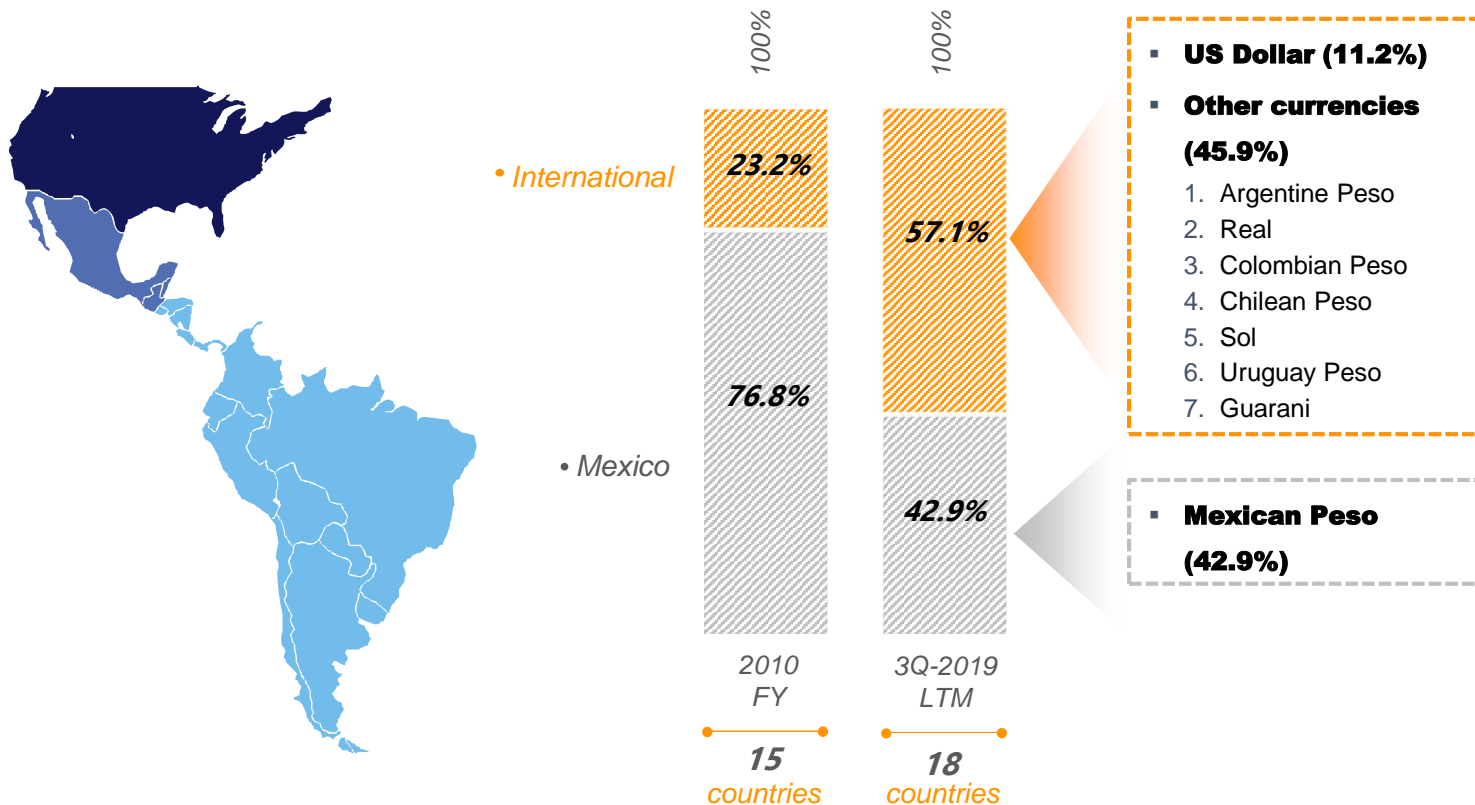
GROWTH COMPLEMENTED BY ACQUISITIONS

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



(1) Consolidated Sales as of December 2018 FY.

WELL DIVERSIFIED BY REGION & CURRENCIES



OTC MARKET SHARE BY COUNTRY

Top Two Countries

As a percentage of sales



Highly Fragmented

By category penetration



CHILE
3.7%
position **6th.**

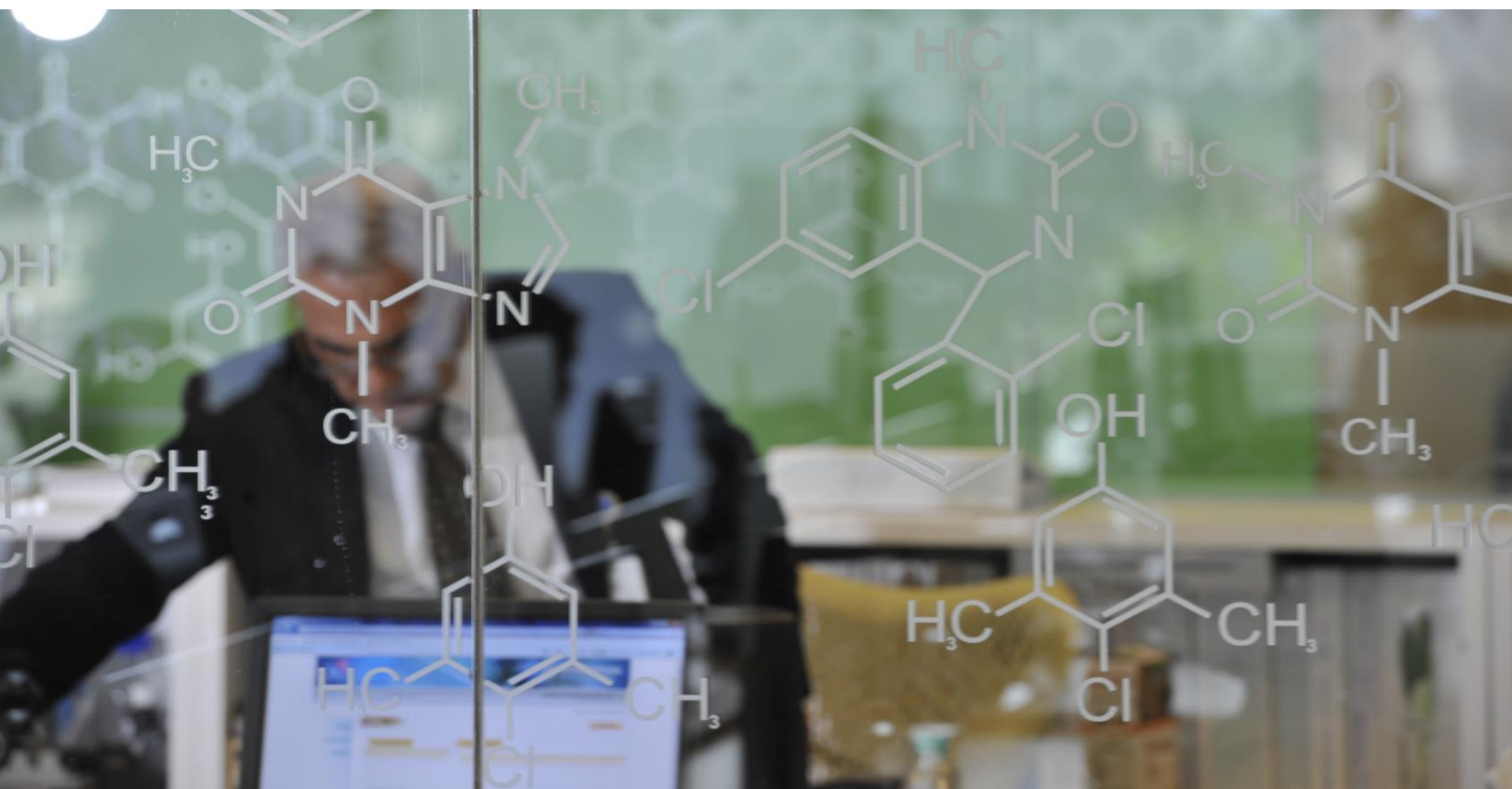
ECUADOR
4.9%
position **4th.**

PERU
5.7%
position **5th.**

COLOMBIA
2.9%
position **9th.**

CAM¹
6.7%
position **3rd.**

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

**CÉSAR
JARAMILLO**

CMO



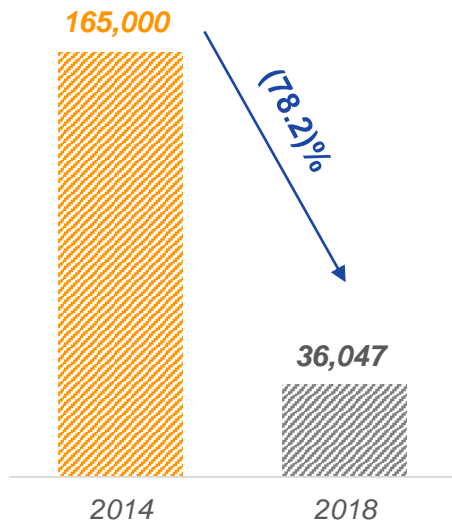
JOINED SEPT 2017

Prior Experience:

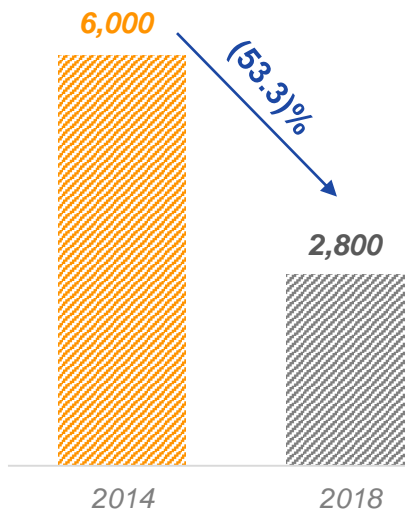
- 20-year career in marketing with P&G
- Head of marketing at Grupo Televisa, S.A.B.

SUCCESSFUL COST CONTAINMENT STRATEGY

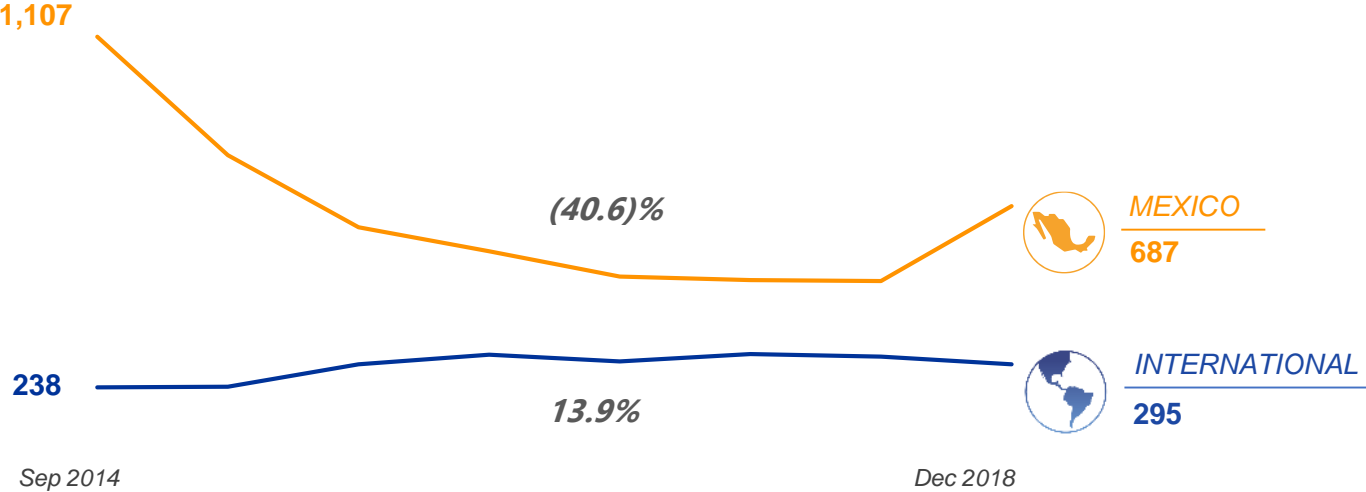
Warehouse Space (m²)



Corporate Office Space (m²)

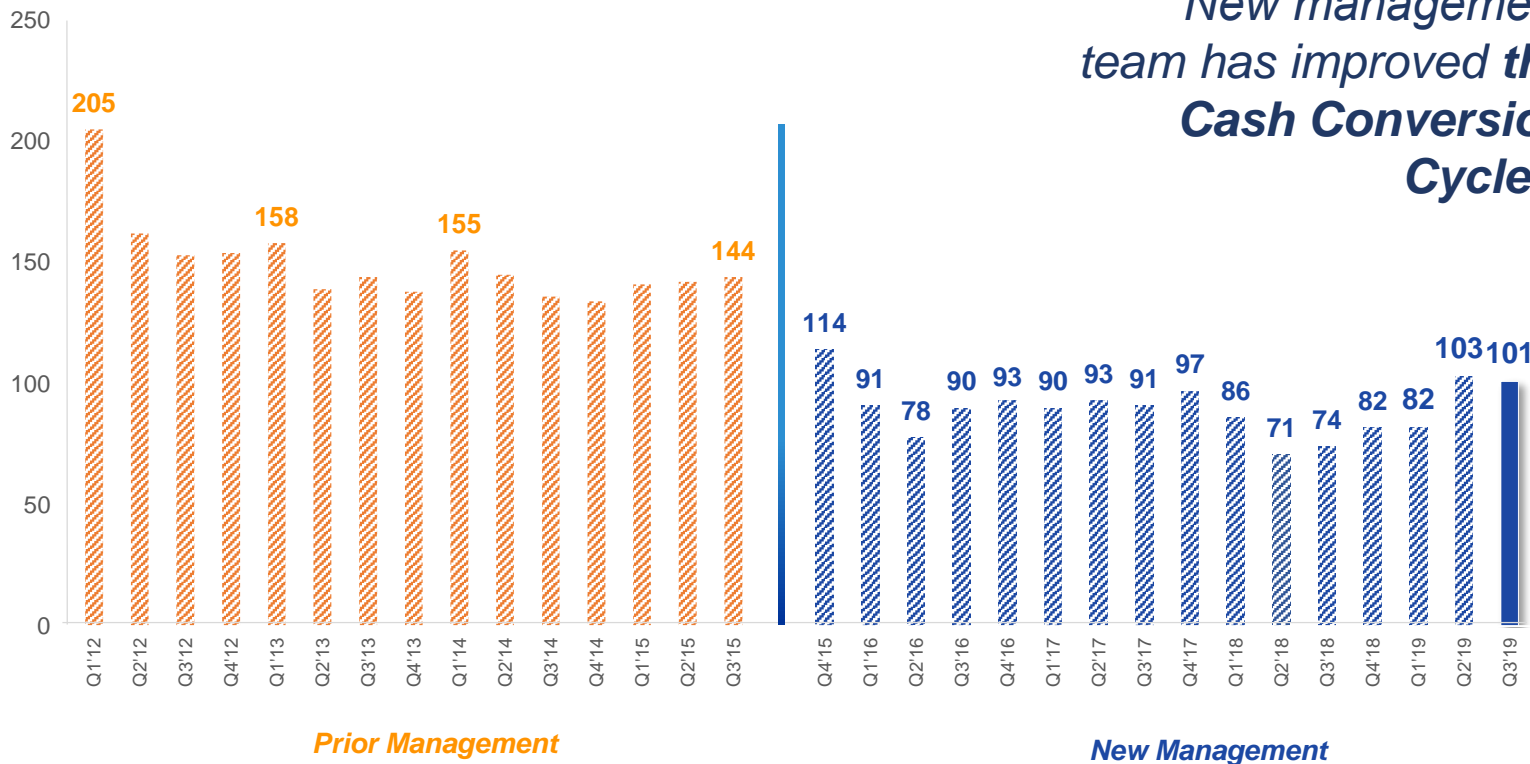


INCREASED EFFICIENCY WITH COST CONTAINMENT STRATEGY



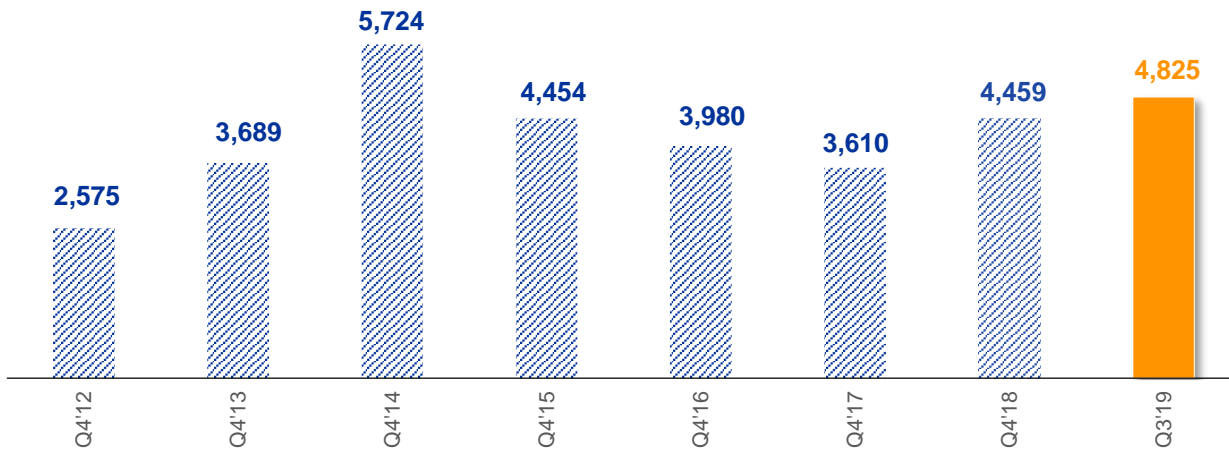
CASH CONVERSION CYCLE¹

“New management team has improved the 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

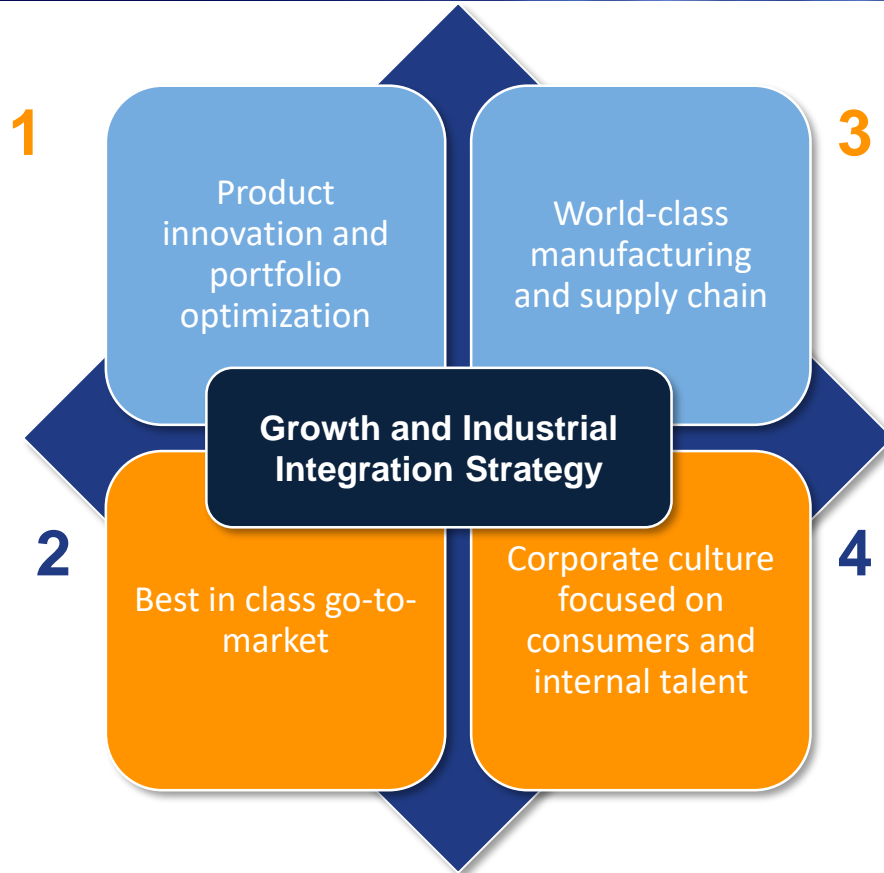
1.4x

1.4x

1.8x

1.9x

PILLARS OF THE NEW STRATEGY



PILLARS OF THE NEW STRATEGY

1) Product innovation and portfolio optimization



Product line
extension

Product innovation
in LatAm



“De-niching”



“Affordable luxury”



From “Uni-sympton”
to “multi-sympton”



New Premium shampoo
in Brazil

PILLARS OF THE NEW STRATEGY

2) Best in class go-to-market

Agreements with International Retailers among the Regions



Cruz Verde



LOJAS AMERICANAS

Direct Distribution Partnership



In-store visibility



PILLARS OF THE NEW STRATEGY

3) World-class manufacturing & supply chain capabilities

New Manufacturing Plant (San Cayetano, State of Mexico)



Comisión Federal para la Protección
contra Riesgos Sanitarios



Sanitary license authorized in July 2019



New Supply Chain
Organizational Structure



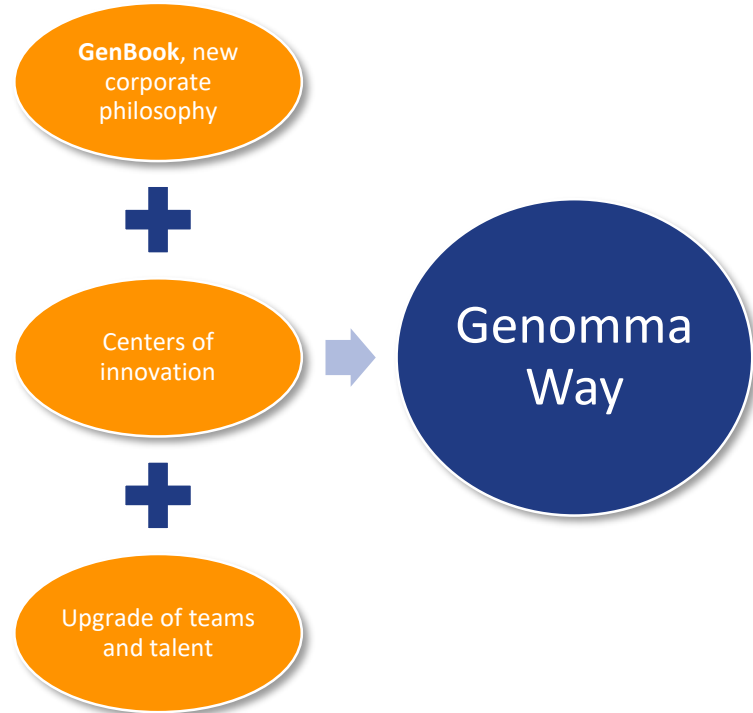
S&OP Implementation



Continuous fill-rate
improvement

PILLARS OF THE NEW STRATEGY

4) Corporate Culture (Costumers & Internal Talent)



MARKETING & COMMUNICATION STRATEGY

New Social Media Strategy

Innovative social media strategy
with 40 of the top influencers
gathering in one place...



Instagram

...Trying to improve the well-being
of people



More than **+1,000,000** followers



MARKETING & COMMUNICATION STRATEGY



SUEROX®



Andy Ruiz, Triple
World Heavyweight
champion; Proudly
ambassador of
Suerox®



Sales increase off-season
high double-digit



- No sugar added
- No artificial sweeteners.

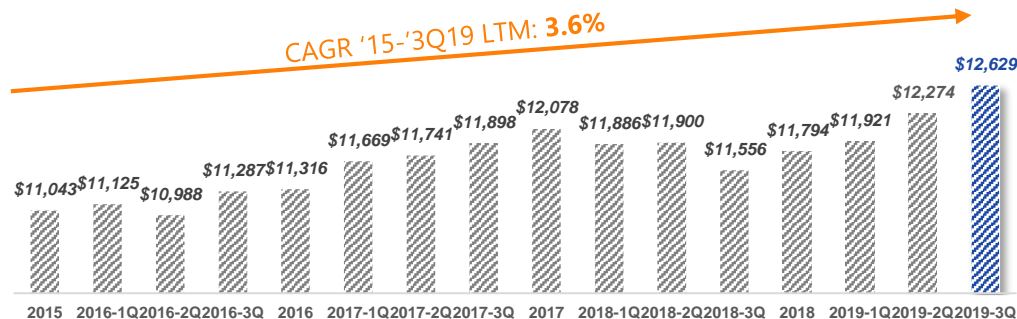
A high growth category



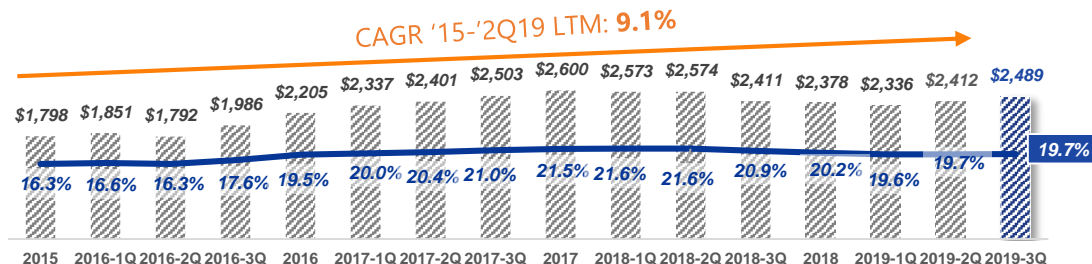
NET SALES & EBITDA OUTLOOK

Net Sales

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



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.

▨ EBITDA — Margin

NEW PRODUCTION FACILITY





ECONOMIES OF SCALE AND SCOPE DRIVING HIGHER GROSS MARGINS

Opportunity areas

Outsourcing

Producing



Raw
Materials and
Packaging

Buying finished
products

Direct control in all
COGS components

Fragmented raw
material procurement

Economies of scale



Labor Cost

Low scale, labor
intensive processes

State-of-the-art fully
automated lines

Un-synchronized
Supply Chain
Network

Vertically integrated
Supply Chain
Network



Process

High setup times for
changeovers

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 Inefficient inbound and outbound truck-based logistics	Integration of suppliers to industrial park 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

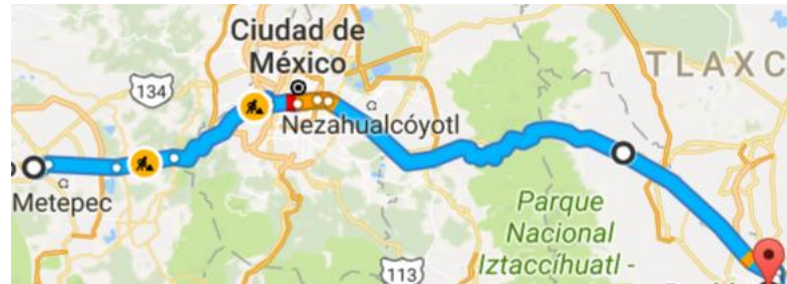
Filling PE bottles
with shampoo
in Toluca



Additional Expenses
Shipping & Handling, Storing, Cleaning



Pallet
Plastic



Additional freight



195 km
4:17 hrs



Blowing PE
bottles
in Puebla

PROFITABILITY THROUGH COGS REDUCTION

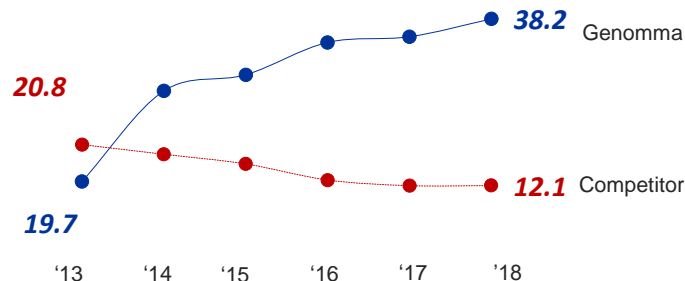
Tafirol

Acquired in 2012
from Sidus

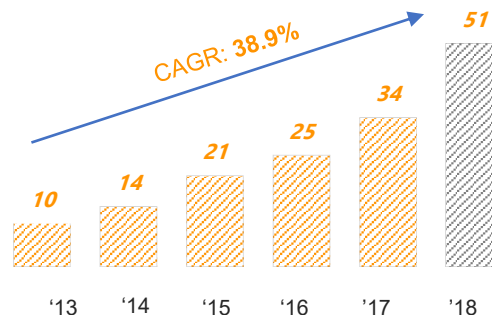


OTC product portfolio

Market
Share in
Units (%)



Sales in
Million
USD



INVESTMENT PROFILE

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

Investment Benefits



EBITDA
Synergies
~ 700 bps¹



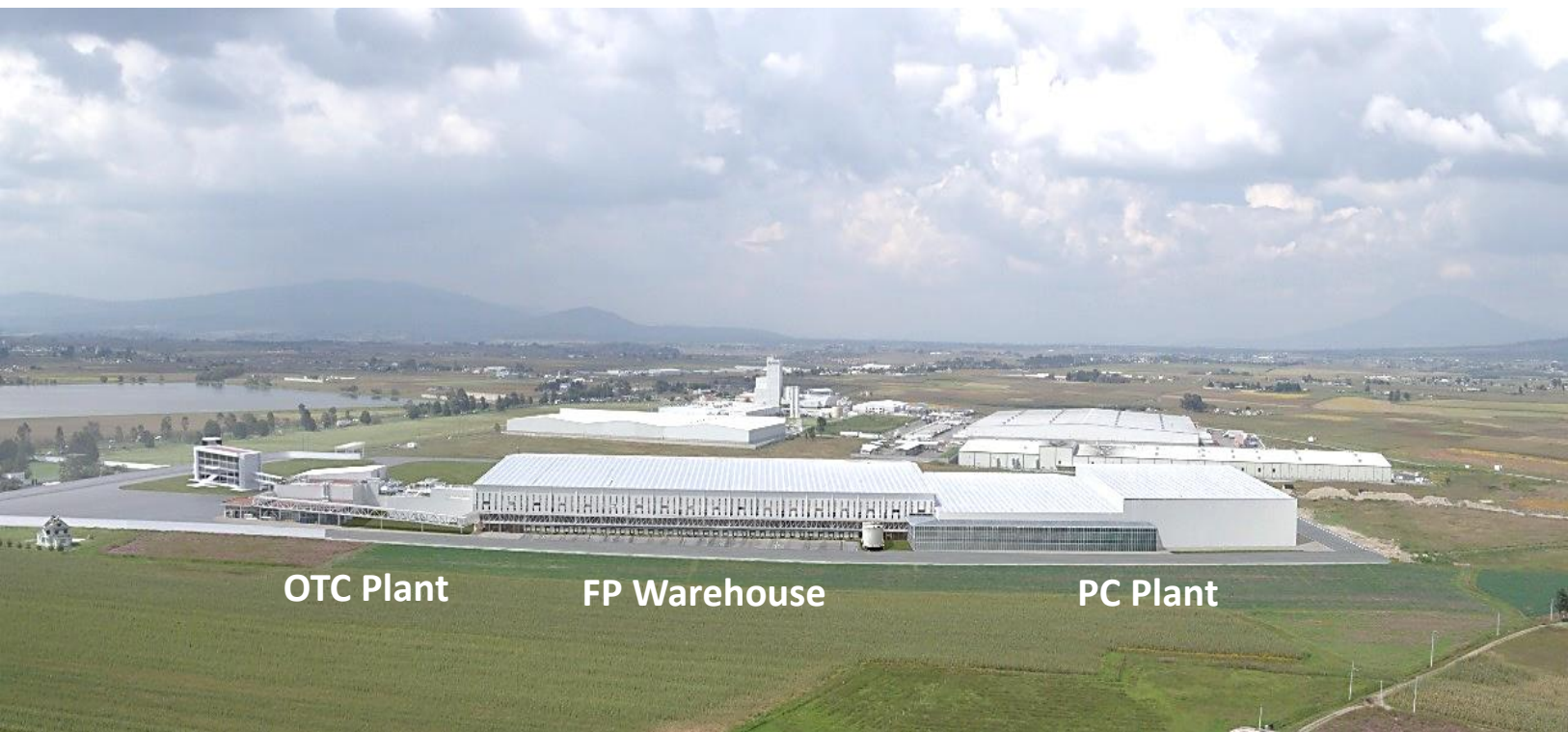
Market Expansion:
**Genomma Lab will
reinvest between
200 - 250 bps
for growth**

Long-term financing provided by:



(1) Genomma Lab estimation.

MANUFACTURING FACILITY RENDER



MANUFACTURING FACILITY UPDATE



MANUFACTURING FACILITY UPDATE



Tanks system for liquid OTC production



Water chiller system for OTC Plant

MANUFACTURING FACILITY UPDATE



NordenPAC 702
Tube filling equipment for
semi-solid production line



Uhlmann BEC 700
Blister production line

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

 KRONES



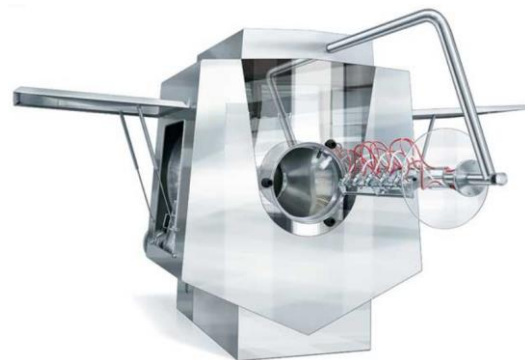
FETTE
COMPACTING

interpack 

PROCESSES AND PACKAGING
LEADING TRADE FAIR

DÜSSELDORF, GERMANY
04 th 10 MAY 2017
INTERPACK.COM

Uhlmann Bec 700



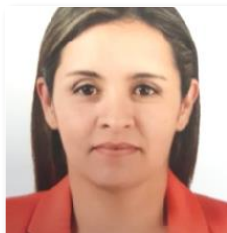
Coater

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
**EXTERNAL
ADVISOR**



45 YEARS
EXPERIENCE

*Former CEO Apotex
Mexico & Latam*

FINANCIAL HIGHLIGHTS



FINANCIAL RESULTS

Income Statement	Growth	3Q-2019	%	3Q-2018	%
Net Sales	+12.5%	\$ 3,077.3	100.0%	\$ 2,734.8	100.0%
Gross Profit	+7.8%	1,962.1	63.8%	1,819.9	66.5%
Operating Income	+10.9%	581.4	18.9%	524.1	19.2%
EBITDA	+14.3%	617.1	20.1%	539.9	19.7%
In millions of MXN					



LatAm **41.2%**
of net sales



Mexico **48.6%**
of net sales



USA **10.2%**
of net sales

FINANCIAL POSITION

In thousands of MXN pesos

Financial Position	As of September 30,		Δ
	2019	2018	
Total Assets	\$19,105,562	\$16,855,315	+ \$2,250,247
Cash and Equivalents	1,133,191	1,128,902	+ 4,289
Total Liabilities	11,088,194	9,771,218	+ 1,316,976
Stockholders Equity	8,017,368	7,084,097	+ 933,271

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

8.8x

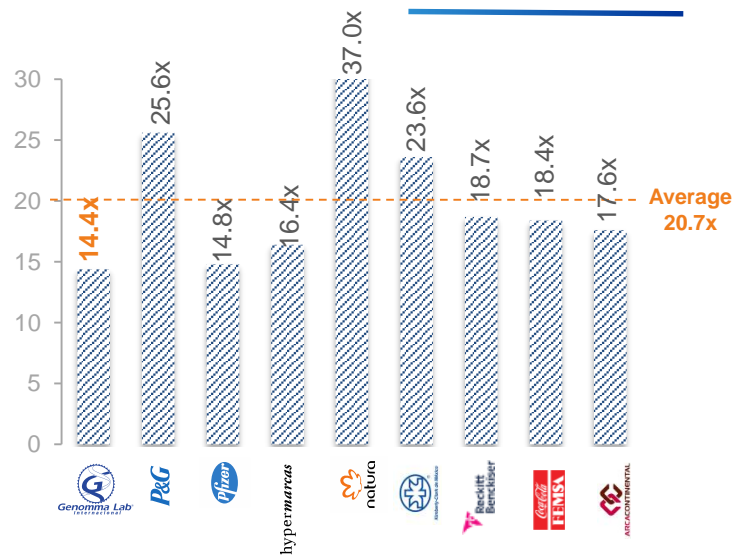
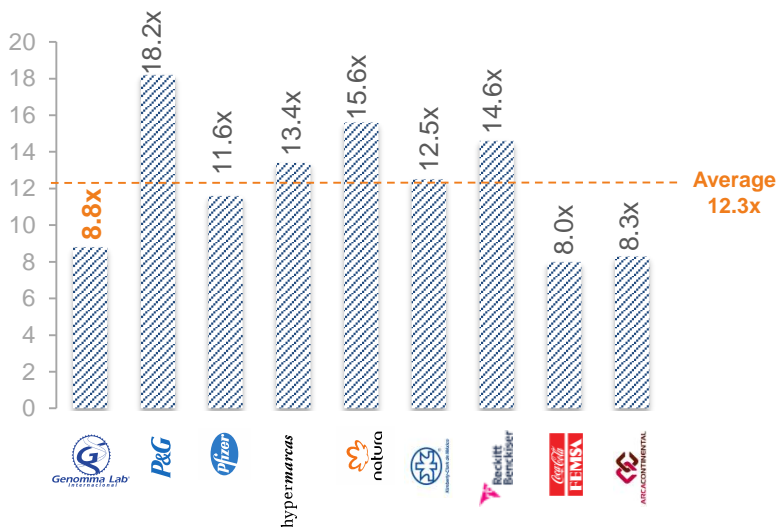
EV / EBITDA

14.4x

P / E

EV / EBITDA

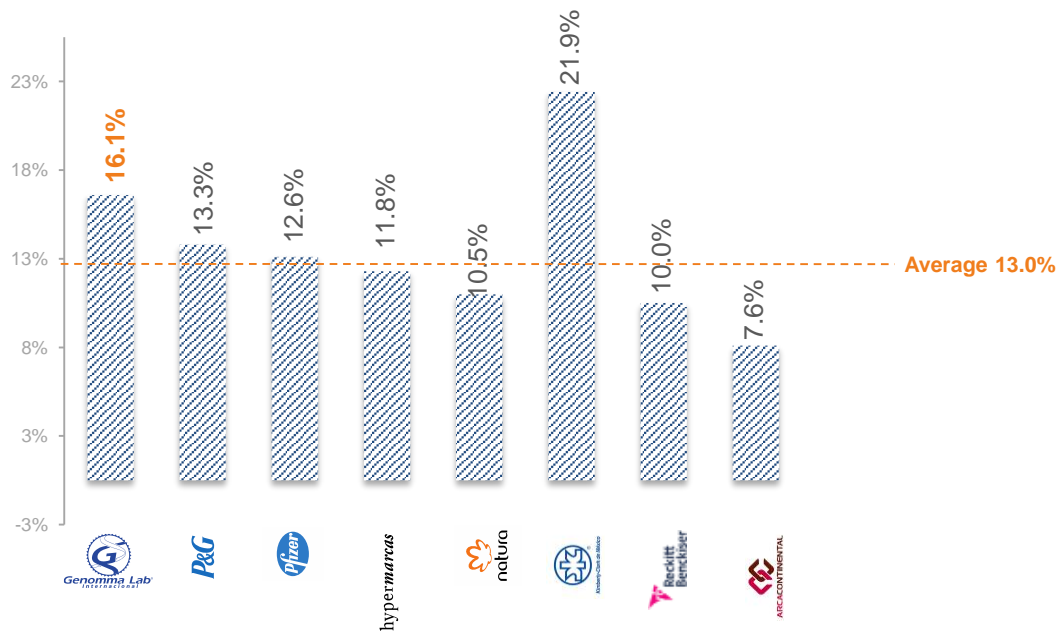
P/E



KEY VALUATION METRICS

ROIC including Intangibles

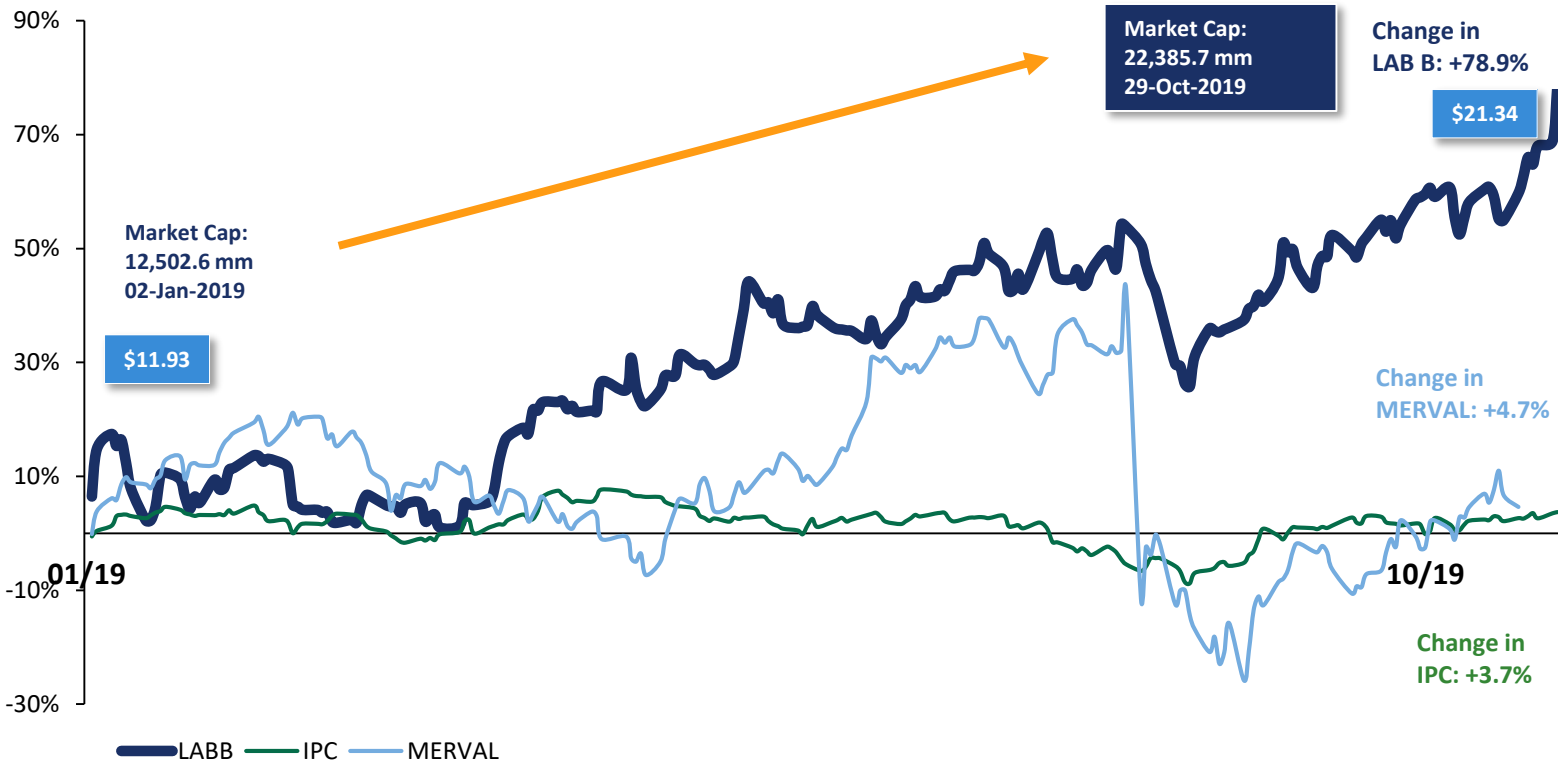
33.4%
Genomma's
ROIC excluding
Intangibles



Source: Company Information. Standardized ROIC calculations made via Bloomberg on July 26, 2019.

Calculated ROIC Excluding Intangibles = Normalized Taxed EBIT / Average LTM Ex-Intangibles Operating Assets - Average LTM Operating Liabilities.

STOCK PERFORMANCE YTD



APPENDIX - VIDEO LINKS



Genomma Lab.[®]
Internacional





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Head of Investor Relations

Barbara Cano
InspIR Group - NY

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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.