



Genomma Lab[®]
Internacional

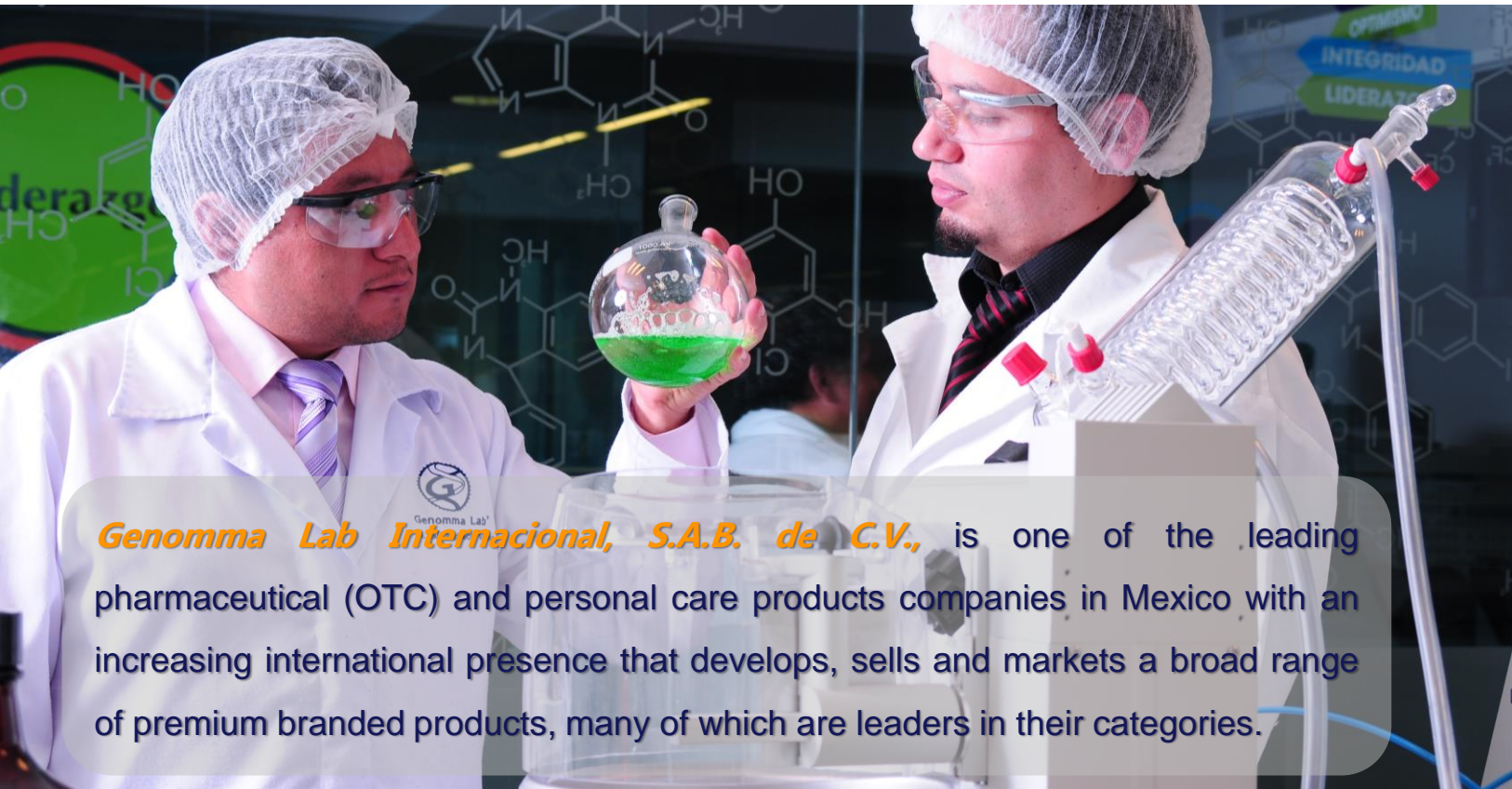
INVESTOR RELATIONS

CORPORATE PRESENTATION

June | 2020

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., is one of the leading pharmaceutical (OTC) and personal care products companies in Mexico with an increasing international presence that 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



Pain Relief



Cough & Cold



Hair Care



Isotonic Beverages



Skin Care



Antihemorrhagics



Gastro



Anti-mycotics



Sexual Health

POWER BRANDS IN MULTIPLE CATEGORIES



Antibacterial



Grooming / Razors



Self-Diagnosis

New Categories with Growth Opportunities



Infant Formula

OUR FOOTPRINT



LatAm **43.8%**
of net sales



Points of Sale
300,000+



Mexico **45.4%**
of net sales



Countries **18**



USA **10.8%**
of net sales



Production
Facility* **1**



Brands **40+**



1,100+
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.



CONSOLIDATED SALES MIX BY CATEGORY



Personal Care (PC)

49.0%
Total Net Sales



Over-The-Counter (OTC)

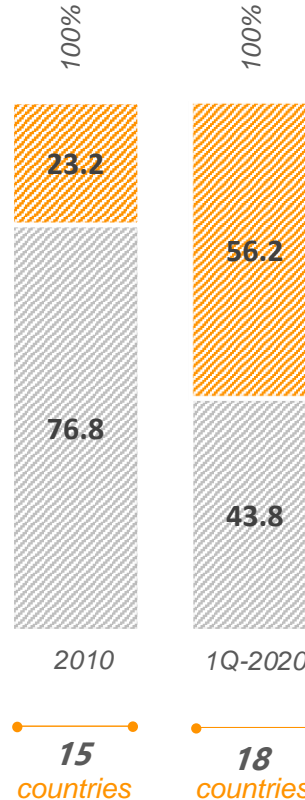
51.0%
Total Net Sales

WELL DIVERSIFIED BY REGION & CURRENCIES



• *International*

• *Mexico*



- **US Dollar (10.8%)**
- **Other currencies (45.4%)**
 1. Argentine Peso
 2. Real
 3. Colombian Peso
 4. Chilean Peso
 5. Sol
 6. Uruguay Peso
 7. Guarani

- **Mexican Peso (43.8%)**

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.**

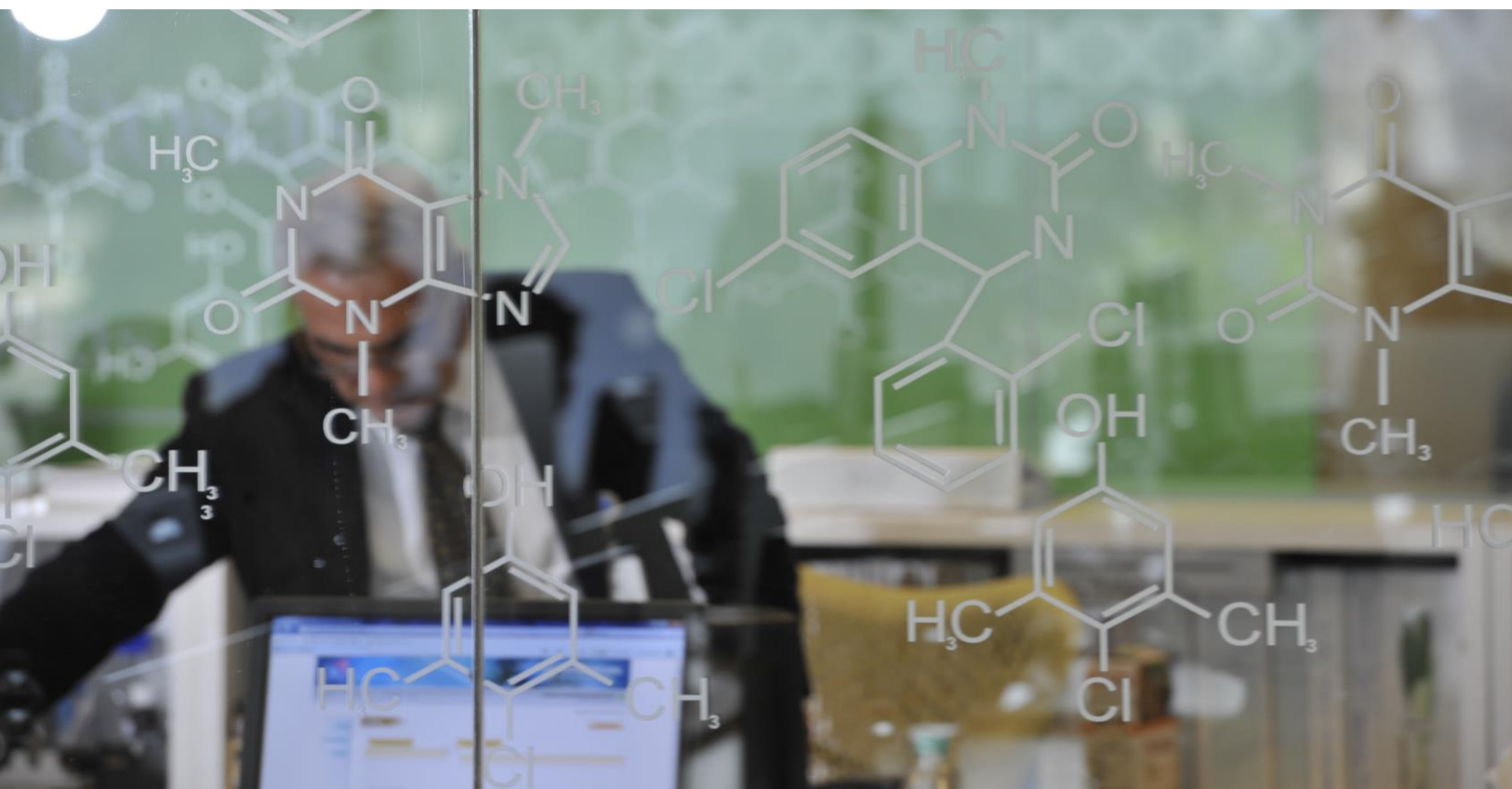
PERU
5.7%
position **5th.**

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



CORPORATE PLATFORM TRANSFORMATION

**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



DECEMBER 2015

Prior Experience:

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

MARCO SPARVIERI

COO



APRIL 2014

Prior Experience:

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

CÉSAR JARAMILLO

VP New Business



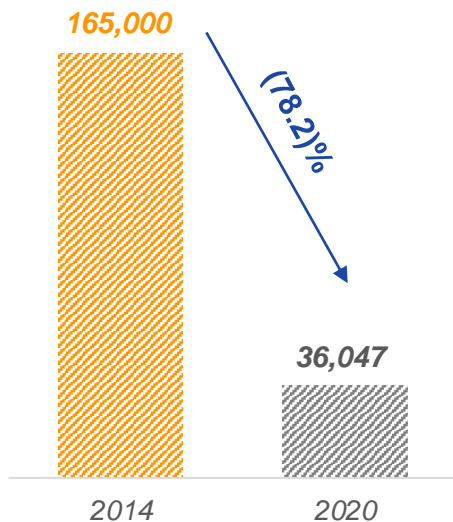
SEPTEMBER 2017

Prior Experience:

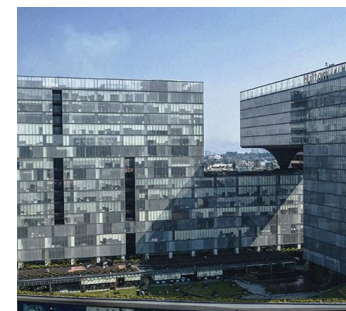
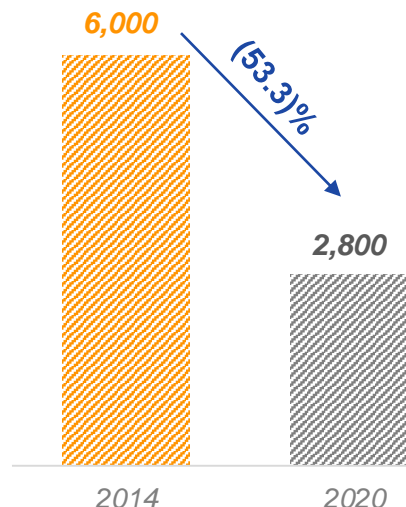
- 20-year career in marketing with P&G
- Head of marketing at Grupo Televisa, S.A.B.

SUCCESSFUL COST CONTAINMENT STRATEGY

Warehouse Space (m²)

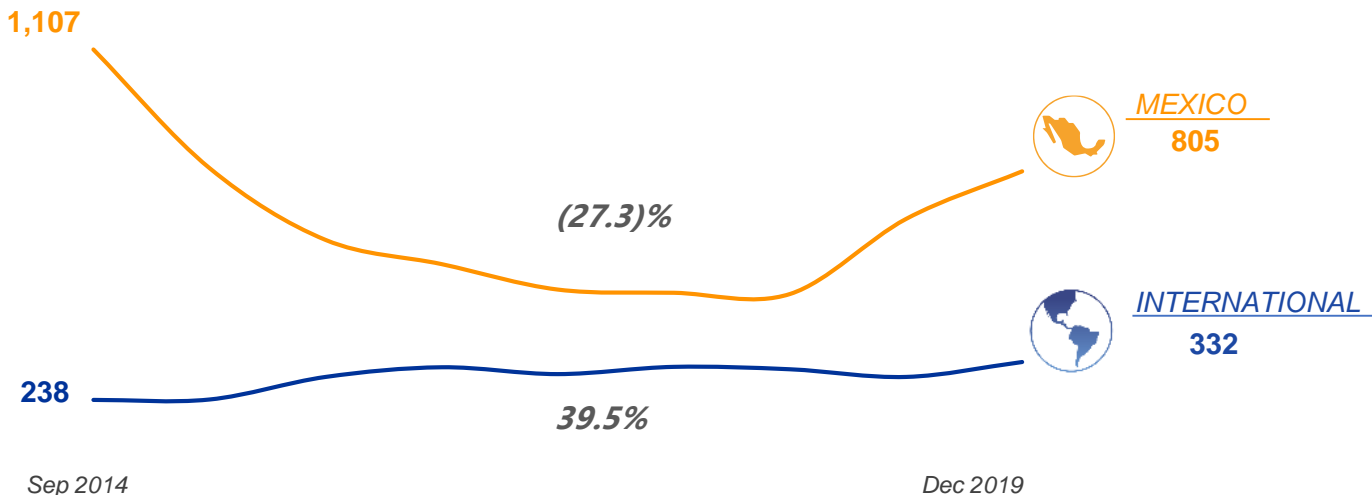


Corporate Office Space (m²)



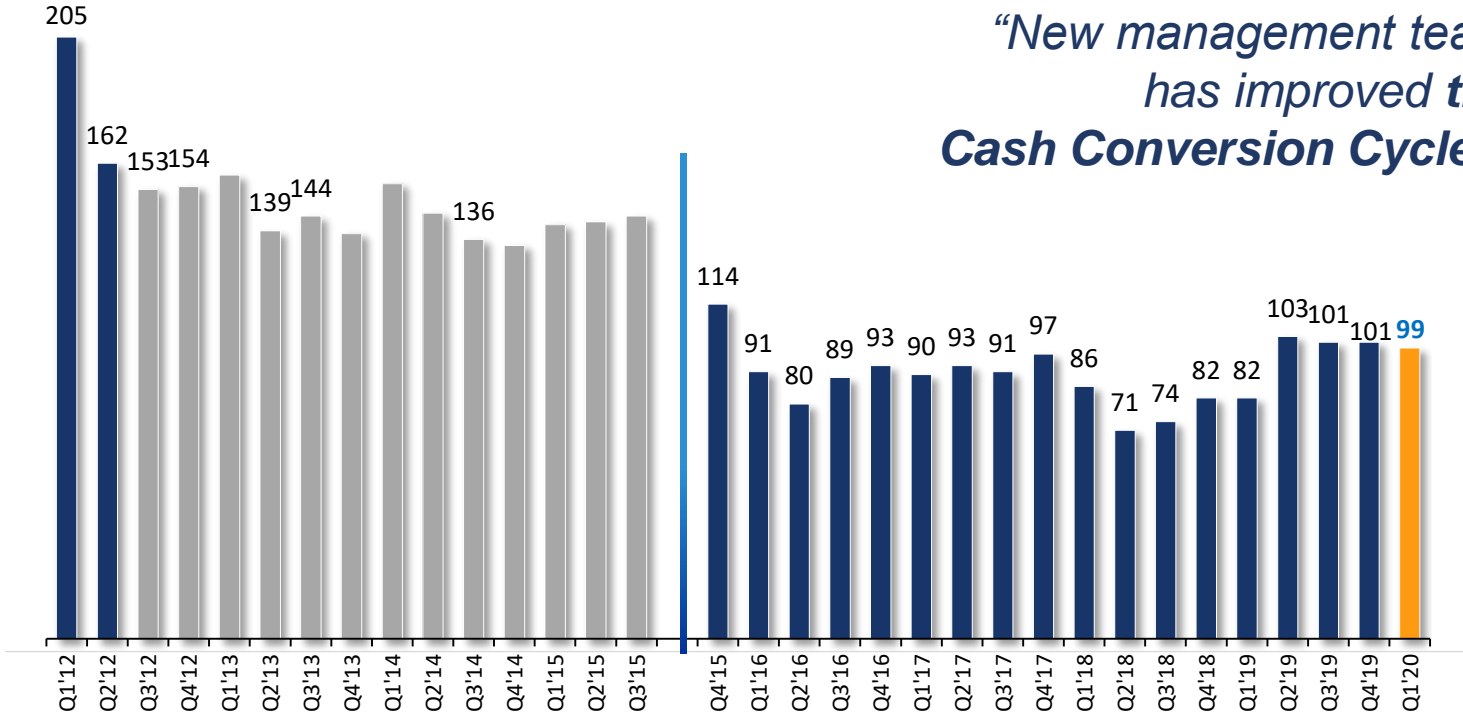
INCREASED EFFICIENCY WITH COST CONTAINMENT STRATEGY

Employees



CASH CONVERSION CYCLE¹

“New management team has improved the Cash Conversion Cycle¹”



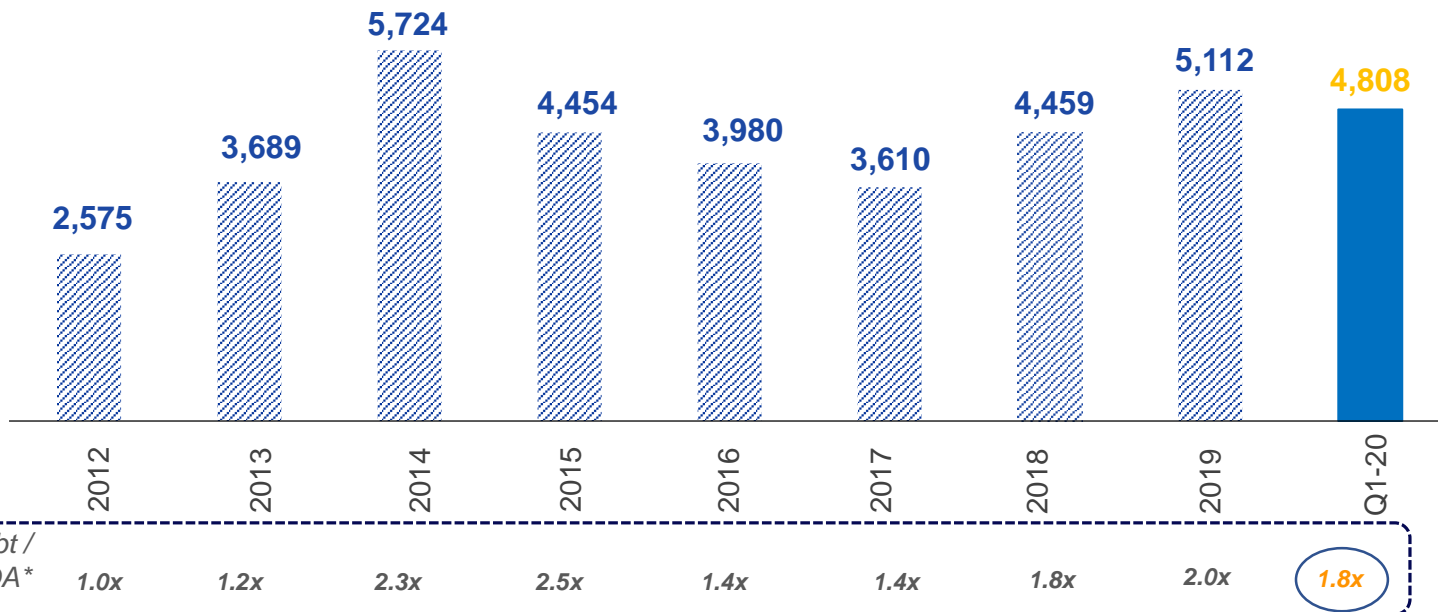
Prior Management

New Management

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

FINANCIAL POSITION

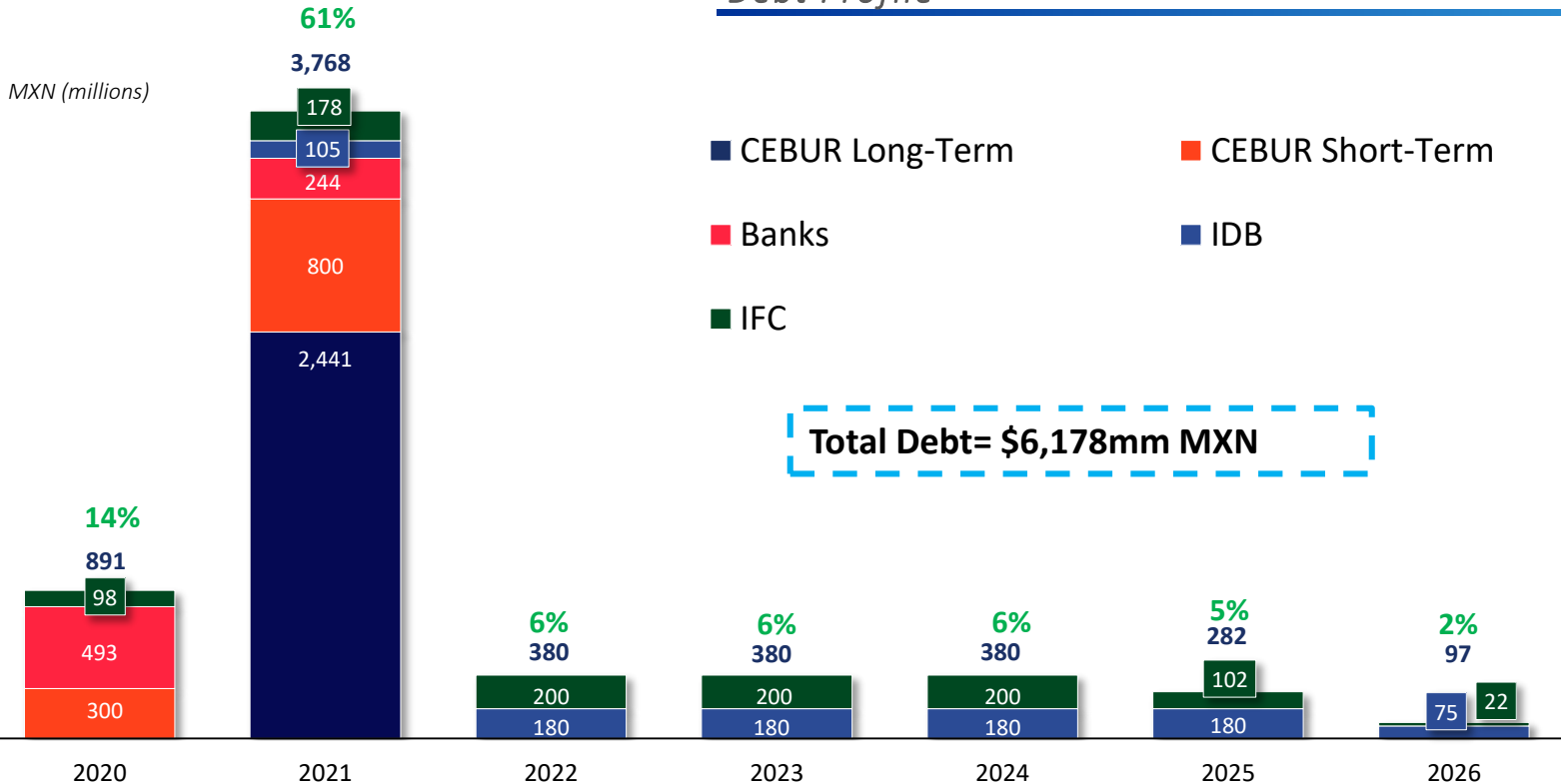
Net Debt Profile



*Adjusted EBITDA for 2015 and 2016 due to change in Genomma Lab's financial policies

DEBT PROFILE AND MATURITIES

Debt Profile*



* As of March, 2020

MANAGEMENT OF COVID-19 CRISIS

SOLID RESULTS FOR Q1-2020 (YoY)

NET SALES
+6.3%

EBITDA
+8.7%

NET
INCOME
+48.1%



Cost and Expense
Control

New Categories
(Crisis Opportunity)

Organization
Commitment

Enhance Key
Categories

Optimal Level of
Operations

Maintain Strong
Balance Position

Innovation
Initiatives





Donation of **+160,000** hygiene and personal care products to health, government and non government organizations in Mexico and LatAm.



INSTITUTO NACIONAL
DE PERINATOLOGÍA
ISIDRO ESPINOSA DE LOS REYES

Donation of **+10,000** meals for medical personnel in Mexico. Investment of 1mm MXN.



PILLARS OF THE NEW STRATEGY



PILLARS OF THE NEW STRATEGY

1) Product innovation and portfolio optimization

Infant Formula

Exclusivity license agreement with UPI
for distribution in Mexico &
LatAm (ex-Brazil)

Self Testing

Exclusivity License Agreement For
Brazil



Best In Class R&D And
Manufacturing Capabilities

PILLARS OF THE NEW STRATEGY

1) Product innovation and portfolio optimization

Antibacterial

New category based on current customer needs

Launched in Mexico and US with new products to follow:

Desinfectant Sprays, Antibacterial Soaps, Wet Wipes



Grooming / Razors

Launched in Mexico

Exclusivity License Agreement with Edgewell Personal Care



PILLARS OF THE NEW STRATEGY

2) Best in class go-to-market

Agreements with International Retailers among the Regions



Direct Distribution Partnership

**+150,000
POS served**



Reinforcing advertising & Visibility

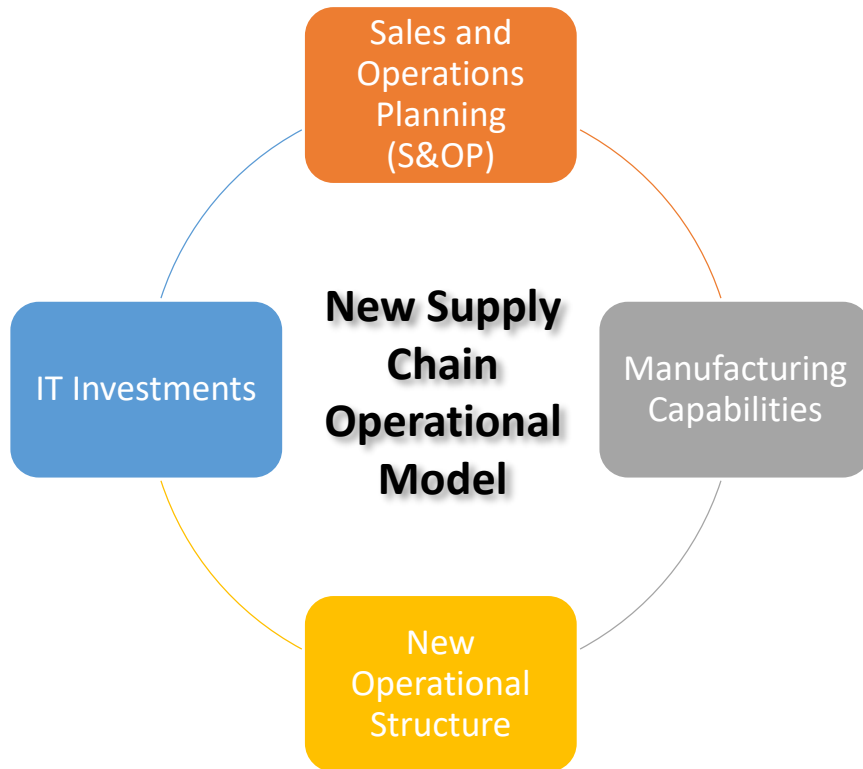


**New Displays to
improve POS
visibility**

Suerox entering Puerto Rico market



3) World-class manufacturing & supply chain capabilities



Sanitary License for OTC Plant obtained in July, 2019

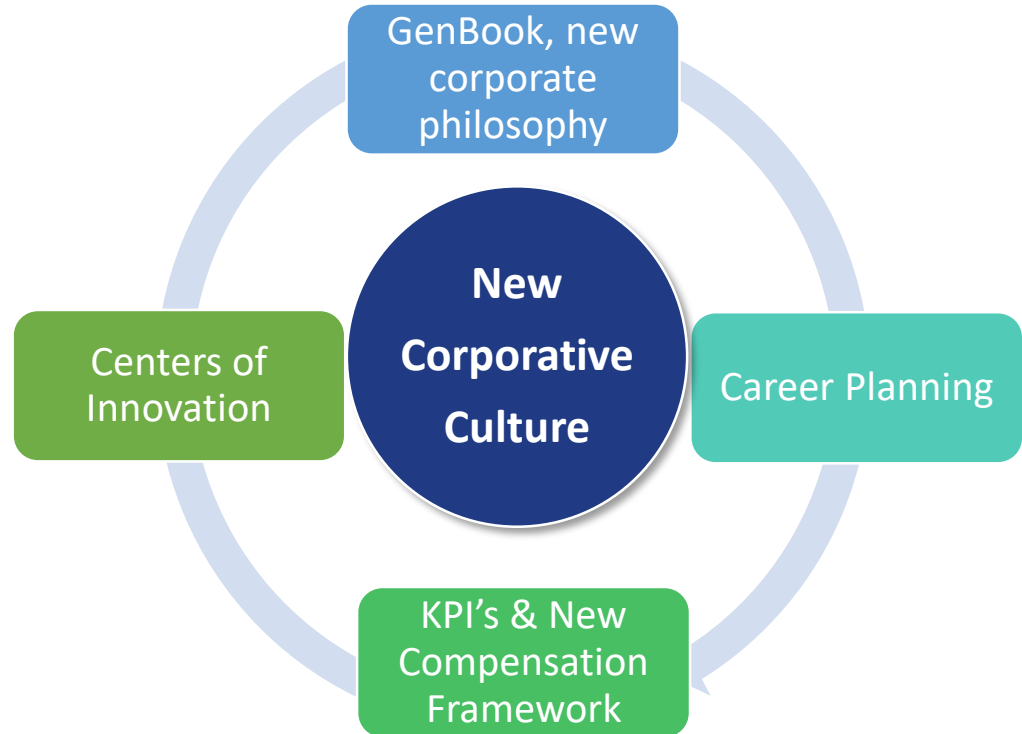
Under process to obtain GMP certification by Mexican Sanitary Regulator (COFEPRIS)



**New Manufacturing Plant
(San Cayetano, State of Mexico)**

PILLARS OF THE NEW STRATEGY

4) New Corporate Culture



4) New Corporate Culture



New Regional Operation based on **5 Managing Clusters:**

- **USA**
- **Mexico and CAM**
- **Andean Region**
 - ✓ Colombia, Ecuador and Peru
- **Brazil**
- **South Cone**
 - ✓ Argentina, Bolivia, Chile, Paraguay and Uruguay

MARKETING & COMMUNICATION STRATEGY

New Social Media Strategy

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



Instagram

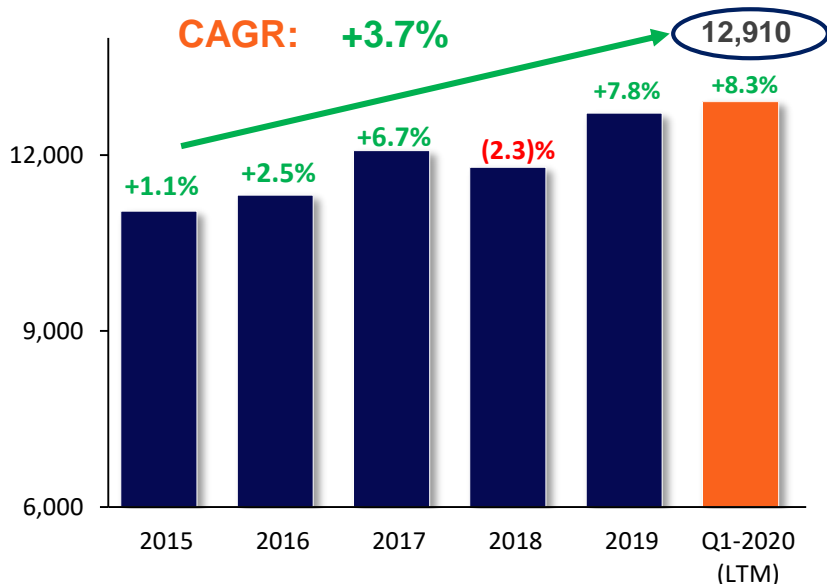
...To Improve and protect the
health and welfare of families



More than +2,300,000 followers

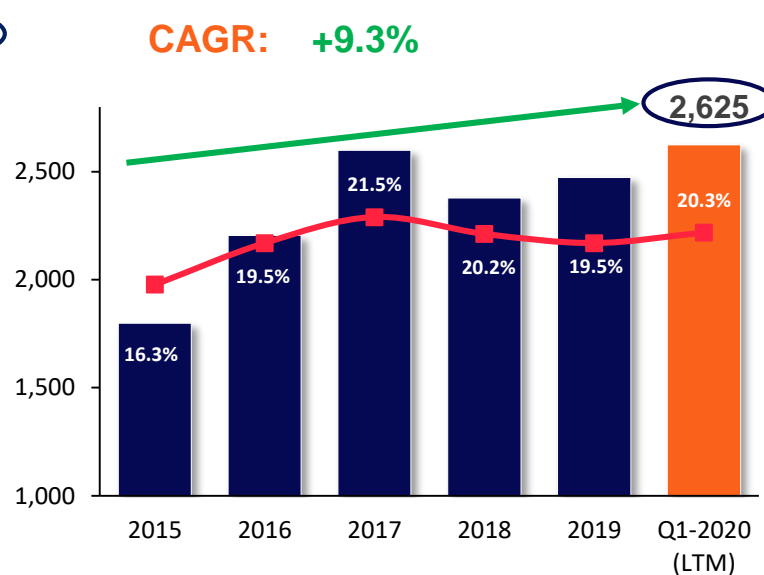


NET SALES & EBITDA OUTLOOK



NET SALES

MXN (million)



EBITDA¹

MXN (million)

(1) EBITDA is calculating by adding D&A to the Operating Income

NEW PRODUCTION FACILITY



MANUFACTORY INVESTMENT RATIONALE



Enhanced Value Equation

Higher Gross Margin

Superior Product Quality

Reliable Product Supply

MANUFACTURING INVESTMENT PROFILE

Benefit from economies of scale and
efficient production capabilities



EBITDA
Synergies
~ **700 bps¹**



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

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



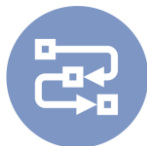
Labor Cost

Low scale, labor intensive processes

Un-synchronized Supply Chain Network

State-of-the-art fully automated lines

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	Integration of suppliers to industrial park
	Inventories	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

CURRENT INBOUND LOGISTICS



PUEBLA
Blowing PE
bottles

195 km
4:17 hrs

TOLUCA
Filling PE
bottles with
shampoo



ADDITIONAL EXPENSES

Shipping &
Handling

Storing

Cleaning



PROFITABILITY THROUGH COGS REDUCTION

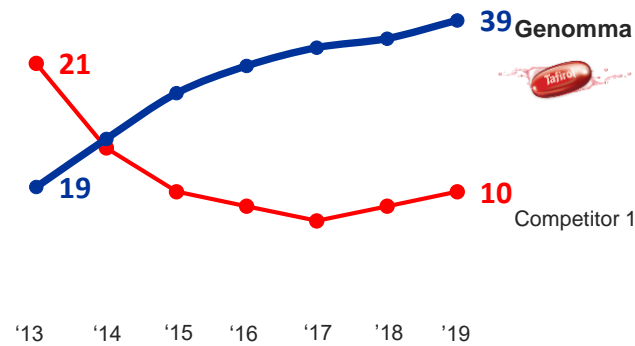
Tafirol®

Acquired in 2012
from Sidus

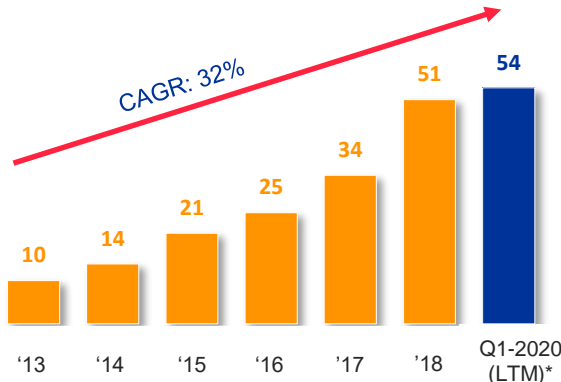


OTC Product

Market Share in Units (%)

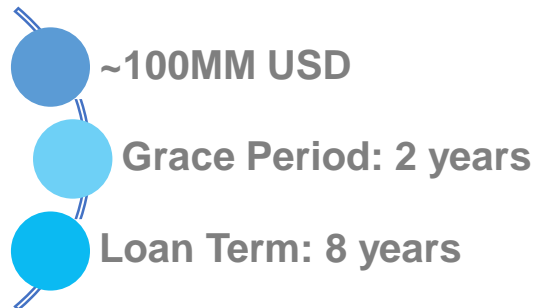


Sales in Million USD



LONG-TERM FINANCING AND RATINGS

Long-term financing provided by:



Rating Agencies

FitchRatings

Short-Term:
F1+(mex)

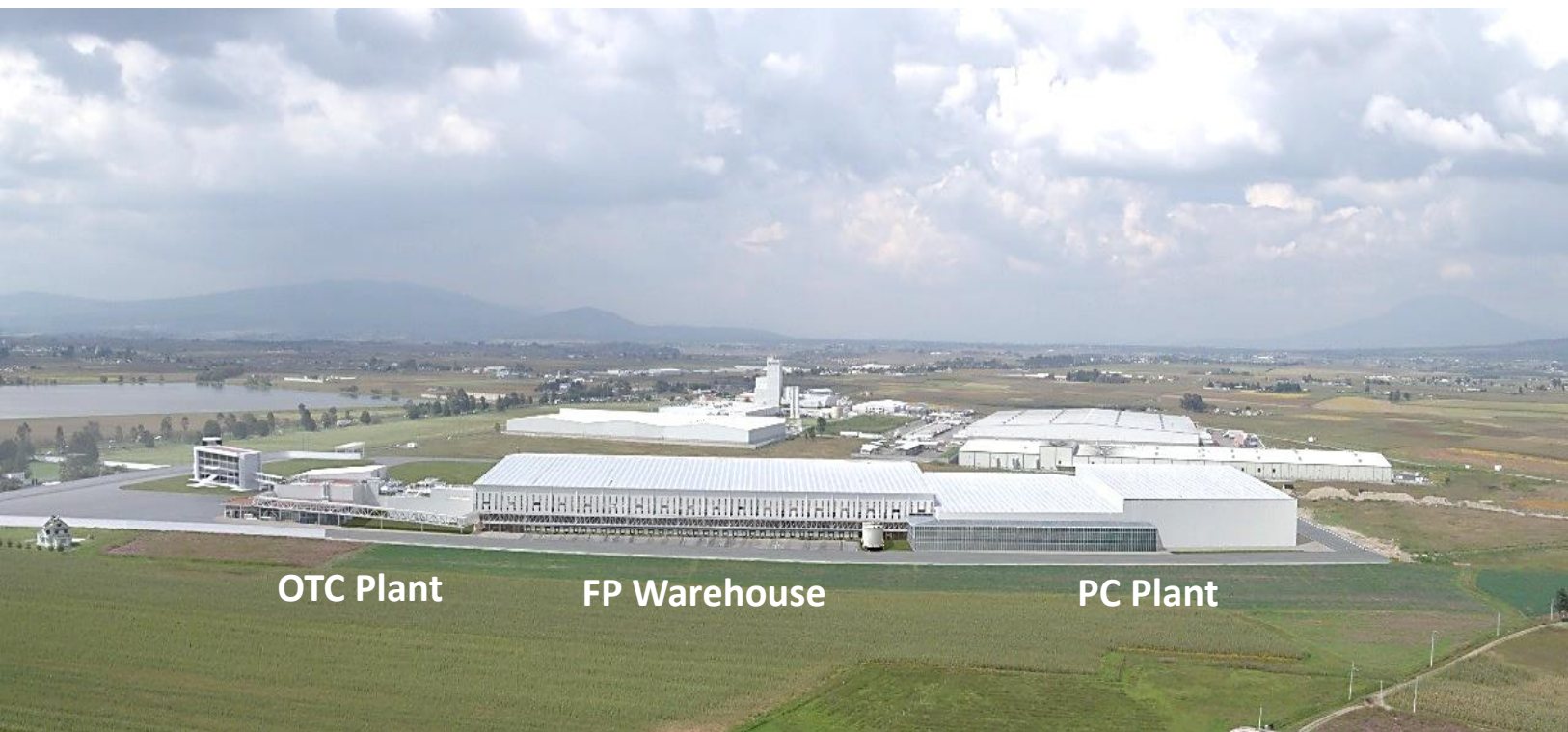
Long-Term:
AA(mex)



Short-Term:
HR 1

Long-Term:
HR AA

MANUFACTURING FACILITY RENDER



OTC Plant

FP Warehouse

PC Plant

MANUFACTURING FACILITY UPDATE



Manufacturing Plant
(March, 2020)

MANUFACTURING FACILITY UPDATE



Warehouse for Finished Product
(+60,000 storage position capacity)

MANUFACTURING FACILITY UPDATE



Semi-Solid Production lines

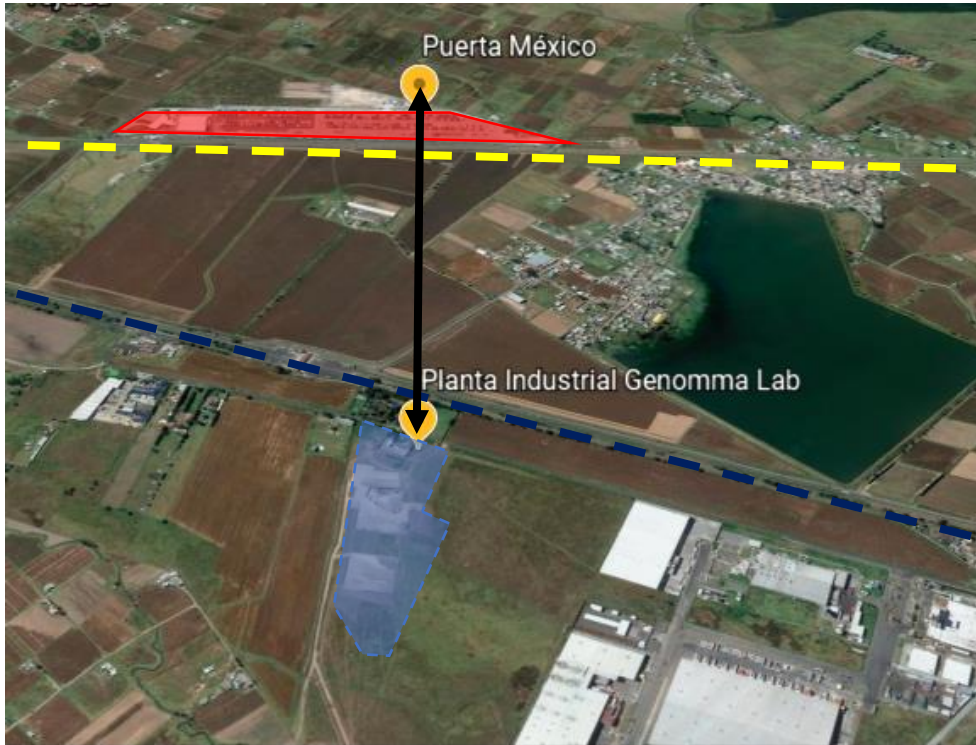
OTC Production Lines



Solid Production lines



IMPROVING EFFICIENCY IN EXPORT LOGISTICS



**Genomma Lab's
Manufacturing Plant
(79 ACRES)**



**Intermodal Terminal
"Puerta Mexico"**



**Rail Roads To Pacific
Ocean Container**



**Main Road
Atlacomulco - Toluca**

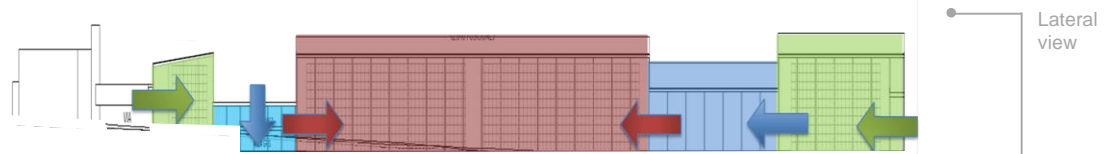
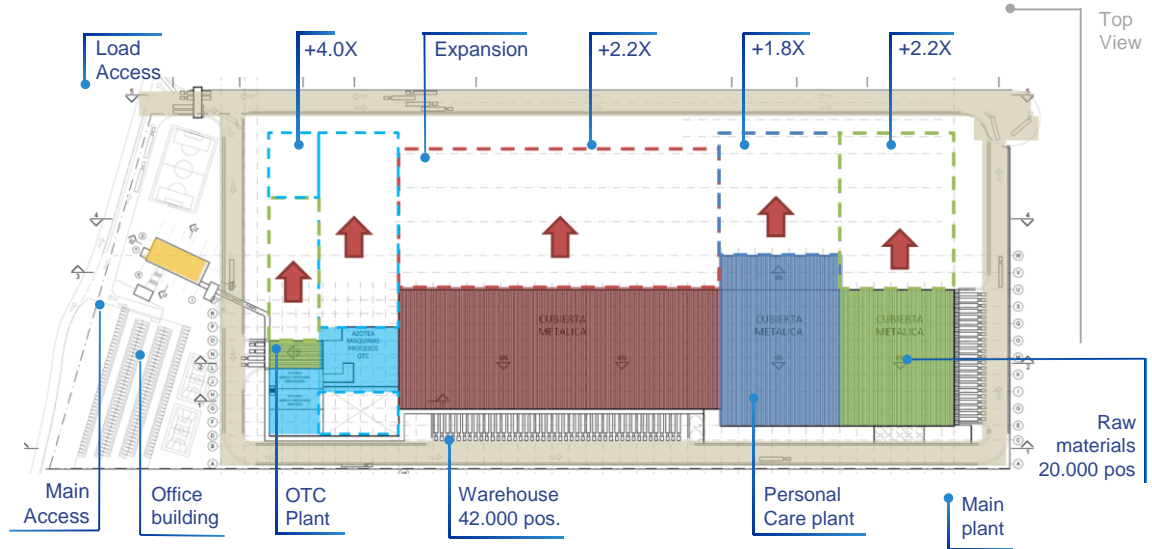


**1.5 miles
10 Minutes**

**Strategically located
(Main Market & Train Port)**

PRODUCTION FACILITY LAYOUT

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



NEW MANUFACTURING EQUIPMENT

State of the art
technology, fully
automated



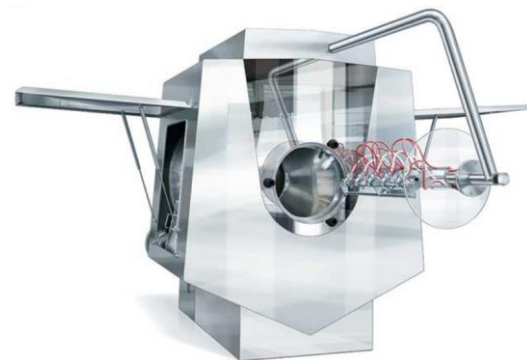
FETTE
COMPACTING

interpack 

PROCESSES AND PACKAGING
LEADING TRADE FAIR

DÜSSELDORF, GERMANY
04 TO 10 MAY 2017
INTERPACK.COM

Uhlmann Bec 700



Coater

FINANCIAL HIGHLIGHTS



FINANCIAL RESULTS

(In '000,000 MXN)

Income Statement	Q1-2020	%	Q1-2019	%	Var %
Net Sales	\$ 3,334.5	100.0%	\$ 3,137.9	100.0%	+6.3%
Gross Profit	\$ 2,061.6	61.8%	\$ 2,022.1	64.4%	+2.0%
Operating Income	\$ 640.6	19.2%	\$ 597.1	19.0%	+7.3%
EBITDA	\$ 678.4	20.3%	\$ 624.2	19.9%	+8.7%



LatAm **45%**
of net sales
for Q1- 2020



Mexico **44%**
of net sales
for Q1-2020



USA **11%**
of net sales
for Q1-2020

FINANCIAL POSITION

(In '000,000 MXN)

Financial Position	As of March 31,		As of December 31,
	2020	2019	2019
Total Assets	\$20,906.5	\$18,885.6	\$19,332.6
Cash and Equivalents	\$1,370.1	\$1,401.5	\$922.9
Total Liabilities	\$12,223.0	\$11,282.4	\$11,087.8
Stockholders Equity	\$8,683.5	\$7,603.2	\$8,244.8

KEY VALUATION METRICS

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

\$1,048.0mm
Shares Outstanding

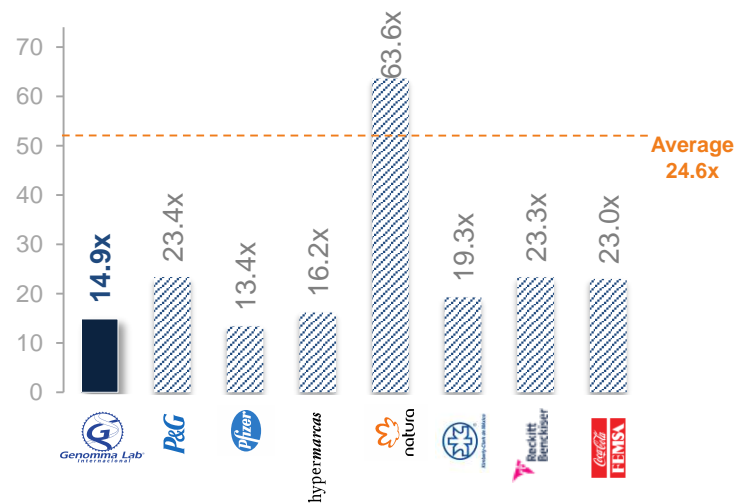
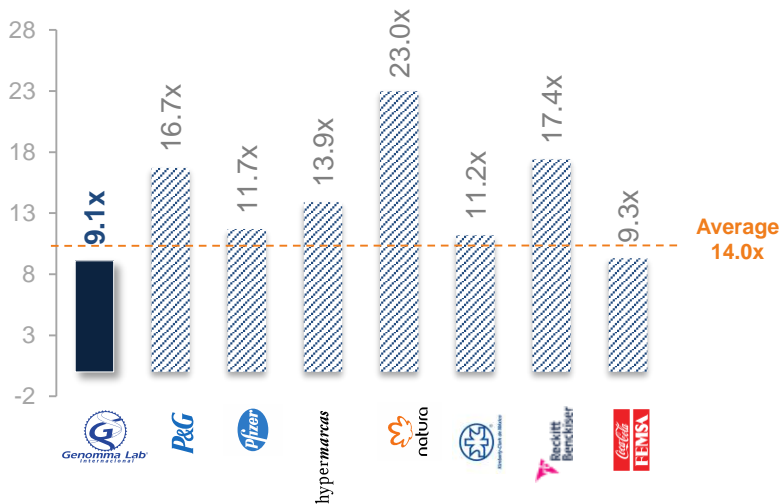
69.8%
Free Float

9.1x
EV / EBITDA

14.9x
P / E

EV / EBITDA

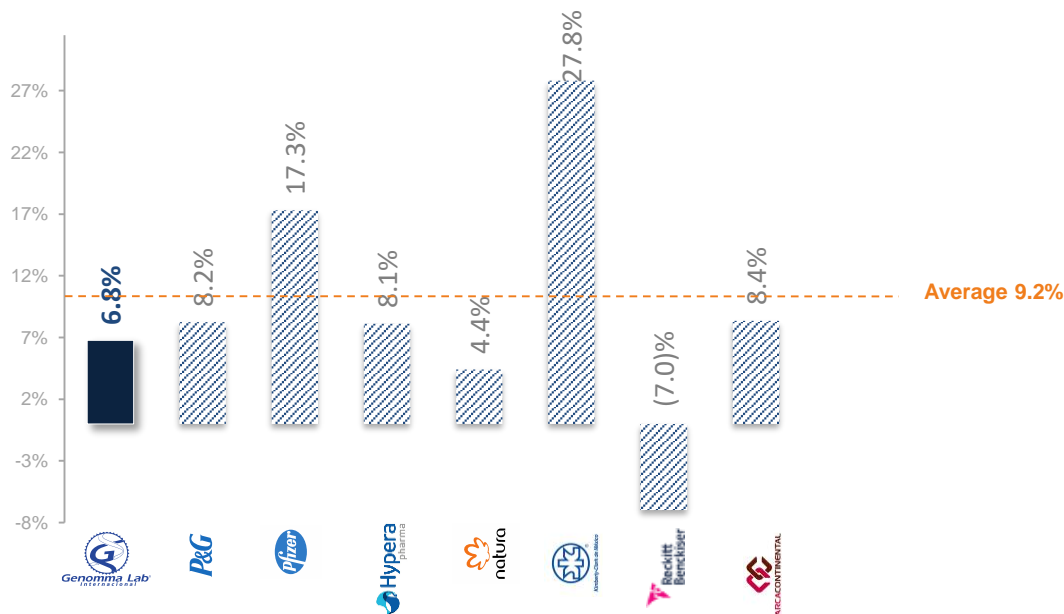
P/E



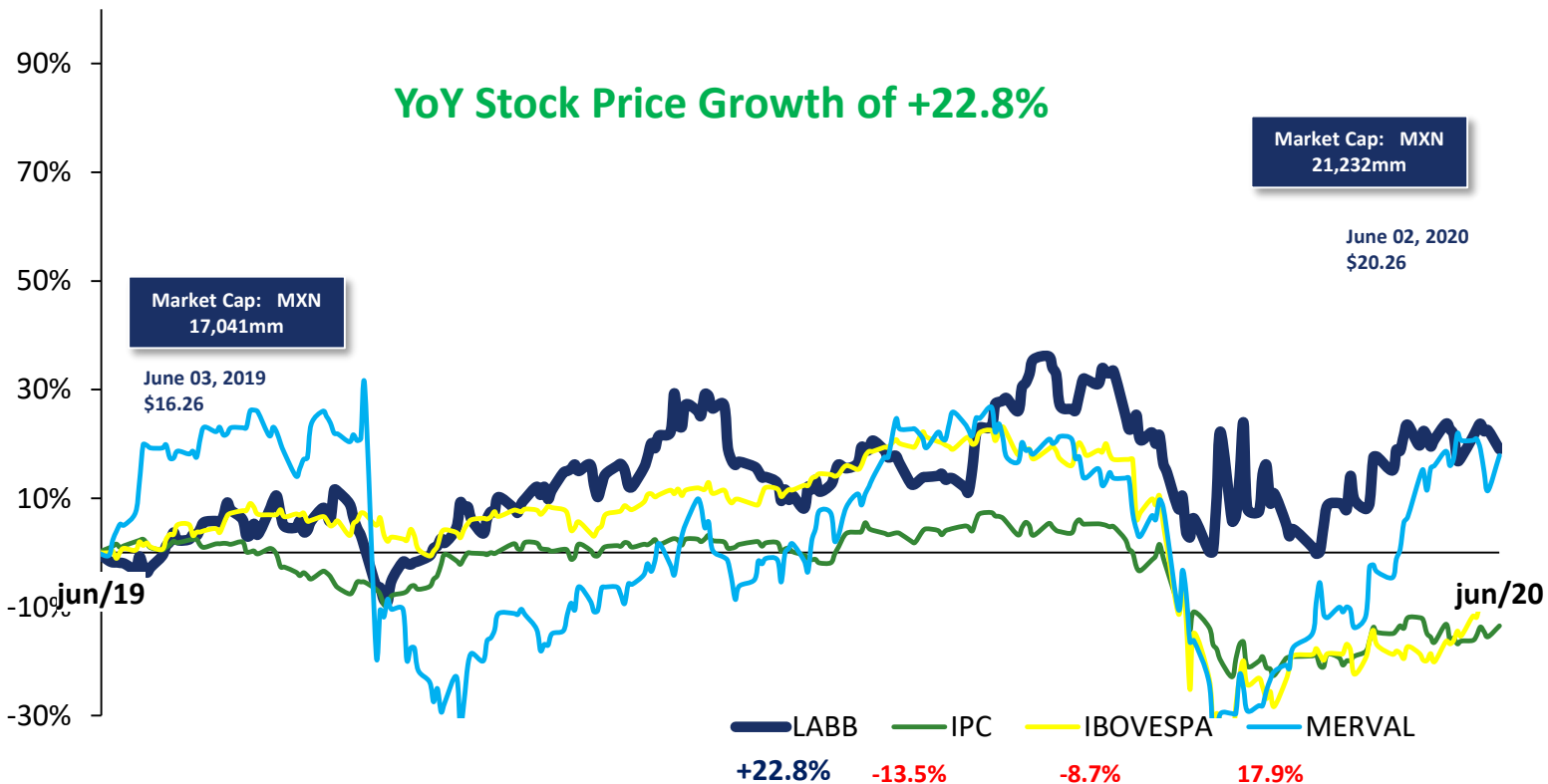
KEY VALUATION METRICS

ROIC including Intangibles

27.1%
Genomma's
ROIC excluding
Intangibles



STOCK PERFORMANCE



APPENDIX - VIDEO LINKS



Genomma Lab.®
Internacional



APPENDIX - ESG RECOGNITIONS



Part of the Mexican Stock
Exchange Sustainable Index for
8 years.



We are evaluated annually by
RobecoSAM on ESG issues.



UN Global Compact Participant
Organization



14th year as a Socially
Responsible Company
(SRC)



Genomma Lab®
Internacional



LAB



WE SUPPORT



EMPRESA
SOCIALMENTE
RESPONSABLE

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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.