



Genomma Lab®
Internacional

INVESTOR RELATIONS

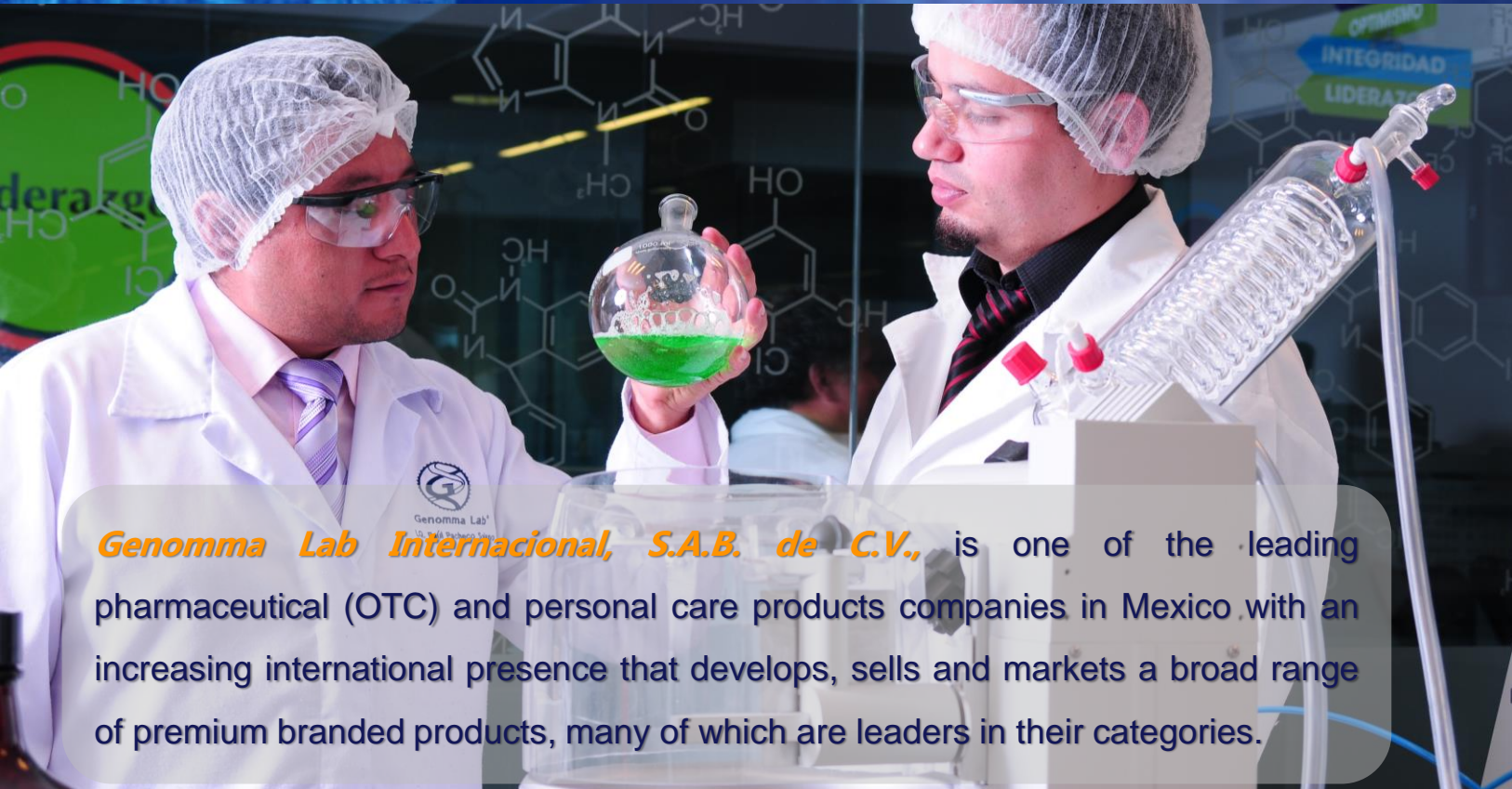
CORPORATE PRESENTATION

September | 2020

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. Risks and uncertainties include, but are not limited to: risks related to the impact of the COVID-19 global pandemic, such as the scope and duration of the outbreak, government actions and restrictive measures implemented in response, material delays, supply chain disruptions and other impacts to the business, or on the Company’s ability to execute business continuity plans as a result of the COVID-19 pandemic, economic factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products attained by competitors; challenges inherent in new product development; the ability of the Company to successfully execute strategic plans; the impact of business combinations and divestitures; manufacturing difficulties or delays, internally or within the supply chain; significant adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations, including tax laws; changes in behavior and spending patterns of purchasers of products and services; financial instability of international economies and legal systems and sovereign risk. A further list and descriptions of these risks, uncertainties and other factors can be found within the Company’s related filings with the Bolsa Mexicana de Valores. Any forward-looking statement made in this release speaks only as of the date of this release. 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.

OUR FOOTPRINT



LatAm **45.1%**
of net sales



Points of Sale
310,000+



Mexico **41.7%**
of net sales



Countries **18**



USA **13.2%**
of net sales



Production
Facility* **1**



Brands **40+**



1,100+
employees

**“Innovation is part
of our DNA”**



CONSOLIDATED SALES MIX BY CATEGORY

46.2%⁽¹⁾
Total Net Sales



Personal Care

53.8%⁽¹⁾
Total net Sales



Over-the-Counter (OTC)

GROWTH STRATEGY: NEW CATEGORIES



Antibacterial



Infant Formula



Categories With Growth Potential



Razors



Self-Diagnosis



POWER BRANDS IN MULTIPLE CATEGORIES: OTC



Pain Relief



Cough & Cold



Gastro & Anti-Hemorrhoids



Antibacterial



Anti-mycotics &
Sexual Health



Isotonic Beverages



Self-Diagnosis



Infant Formula

POWER BRANDS IN MULTIPLE CATEGORIES: PERSONAL CARE



Shampoo



Hair Care



Beauty Creams



Skin Care

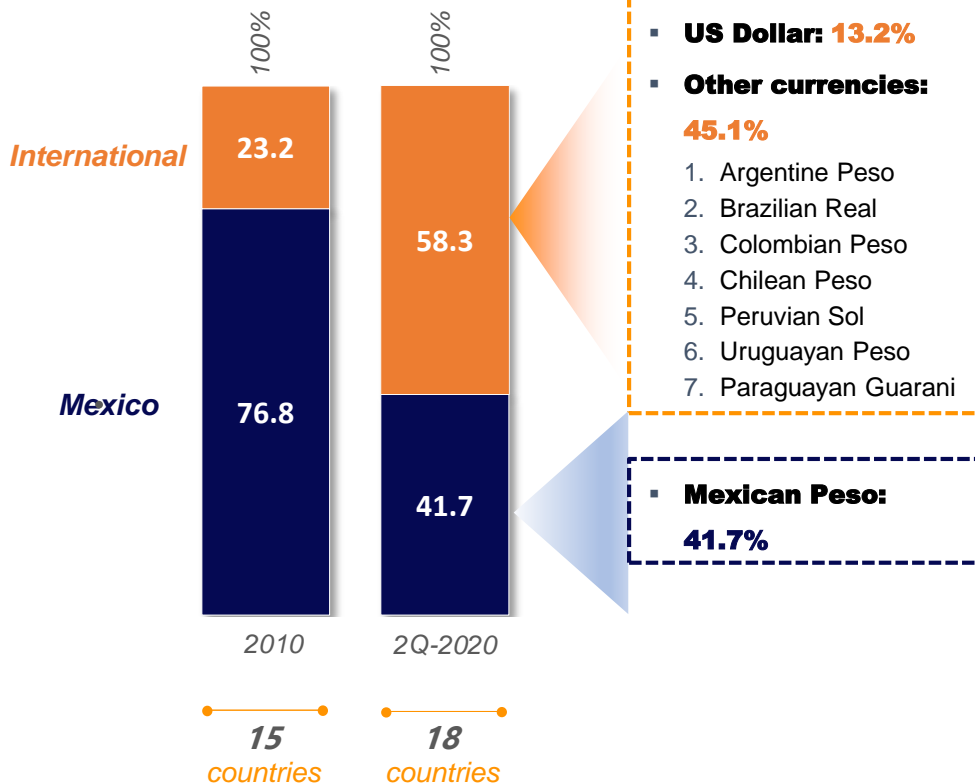


Anti-Acne & Cosmetics



Razors

WELL DIVERSIFIED BY REGION & CURRENCIES



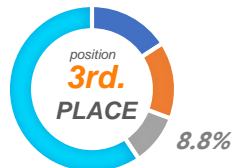
OTC MARKET SHARE BY COUNTRY

Top Two Countries

As a percentage of sales



MEXICO

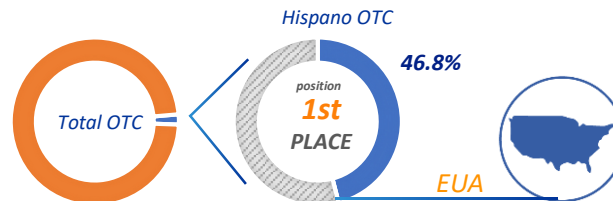


ARGENTINA



Highly Fragmented

By category penetration



CHILE

4.3%

position
7th.

ECUADOR

4.5%

position
4th.

PERU

4.7%

position
6th.

COLOMBIA

3.9%

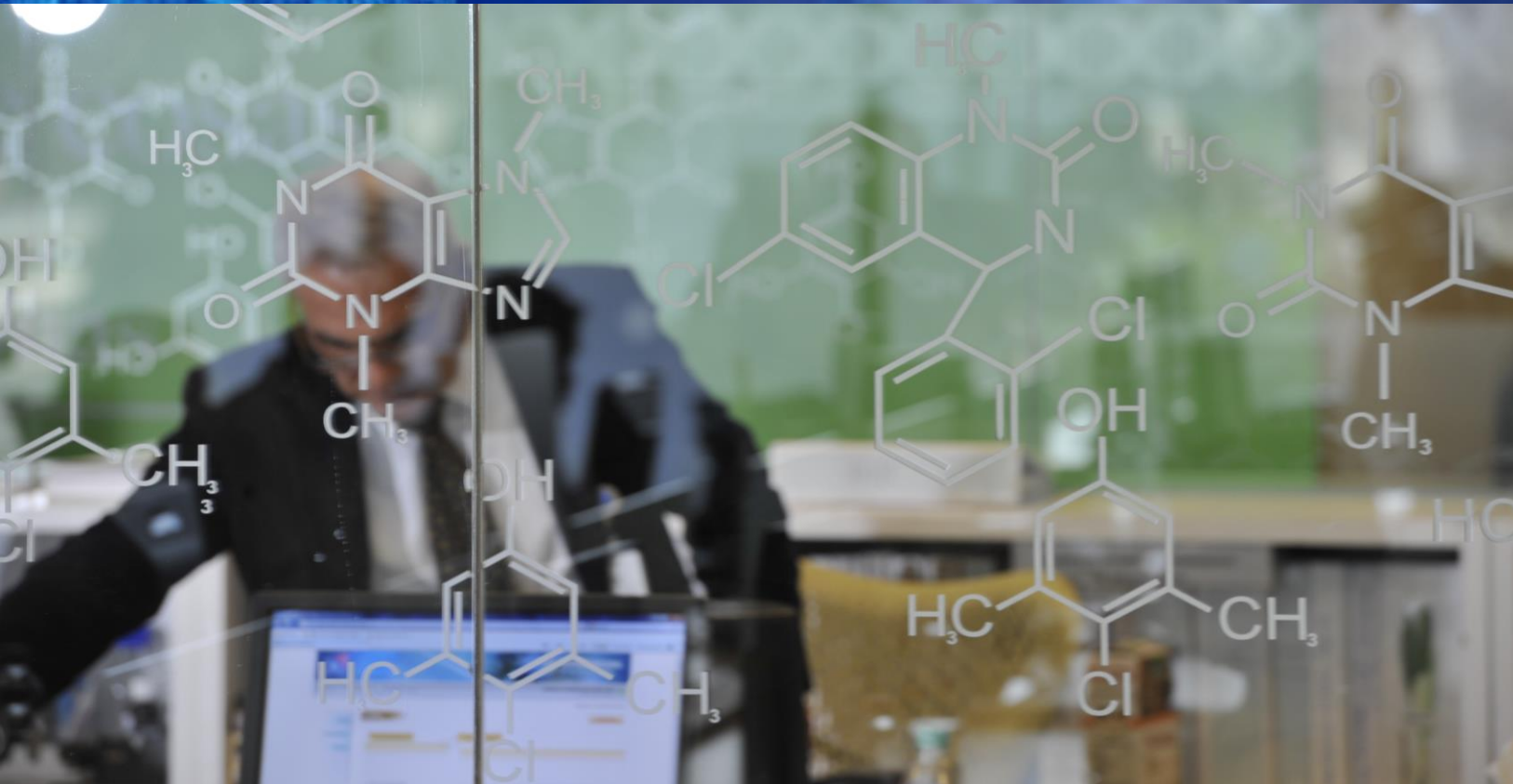
position
7th.

CAM⁽¹⁾

5.5%

position
4th.

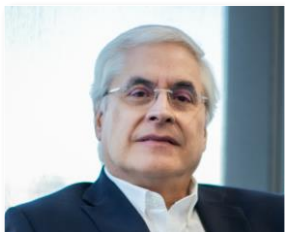
CORPORATE PLATFORM EFFICIENTLY SUPPORTS GROWTH



MANAGEMENT TEAM

**JORGE LUIS
BRAKE**

CEO



SEPTEMBER 2018

Prior Experience:

- Senior Vice President at Laureate Education Inc.
- CEO of P&G's Latin America división
- 30+ years of experience in consumer goods

**ANTONIO
ZAMORA**

CFO



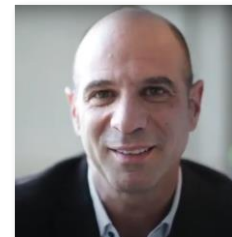
DECEMBER 2015

Prior Experience:

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

**MARCO
SPARVIERI**

COO



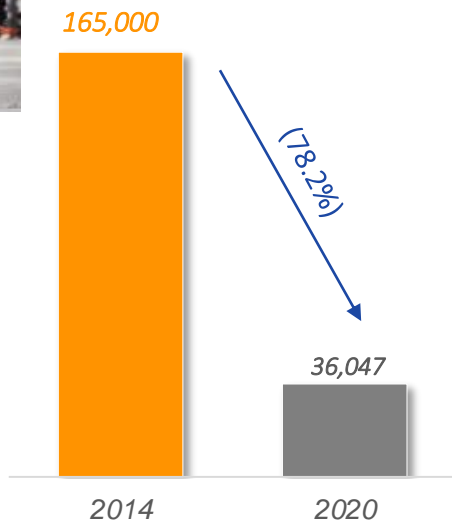
APRIL 2014

Prior Experience:

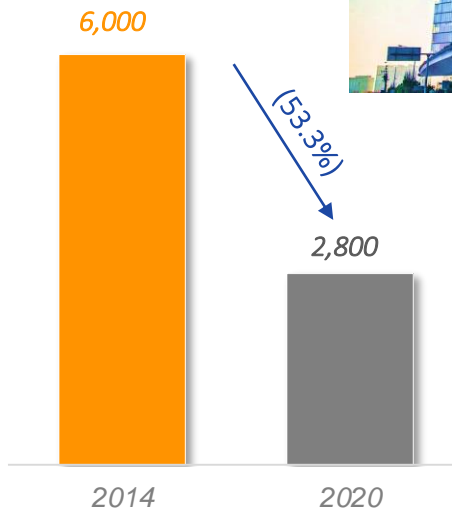
- EVP Sales P&G
- 20+ years of experience in consumer goods

SUCCESSFUL COST CONTAINMENT STRATEGY

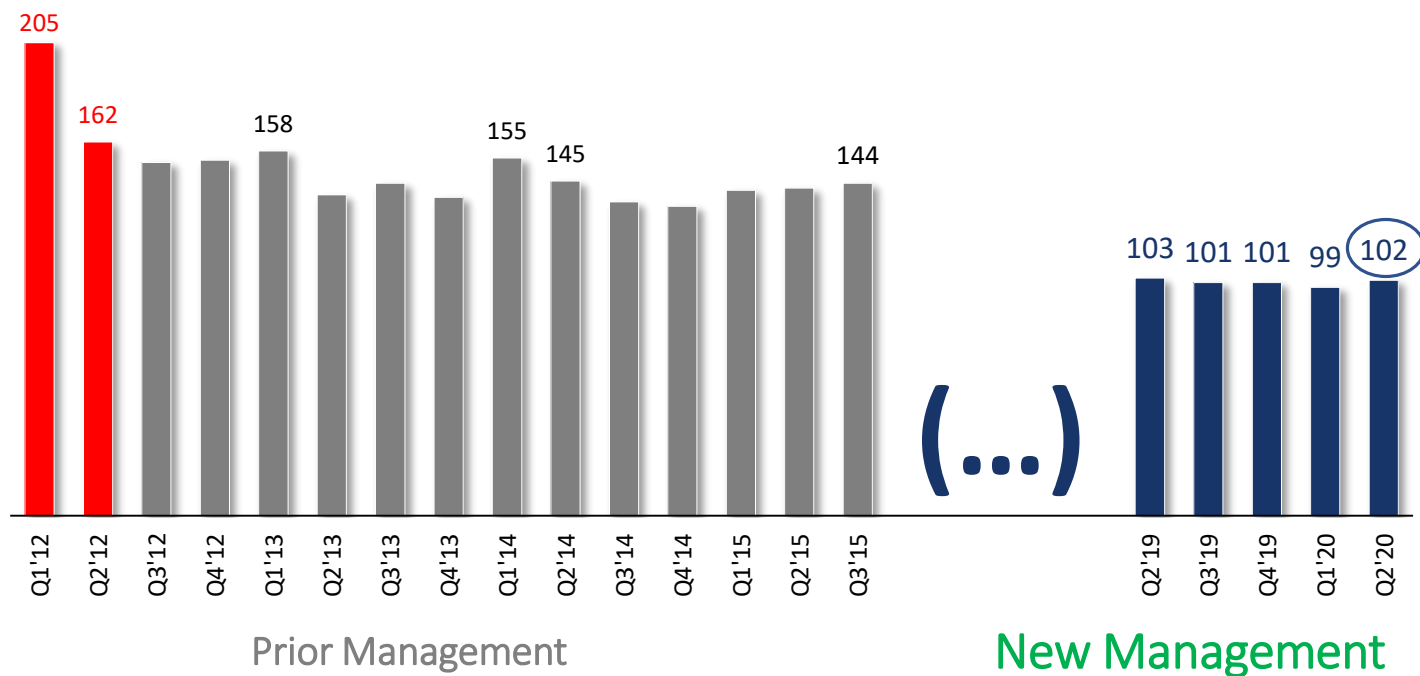
Warehouse Space (m²)



Corporate Office Space (m²)



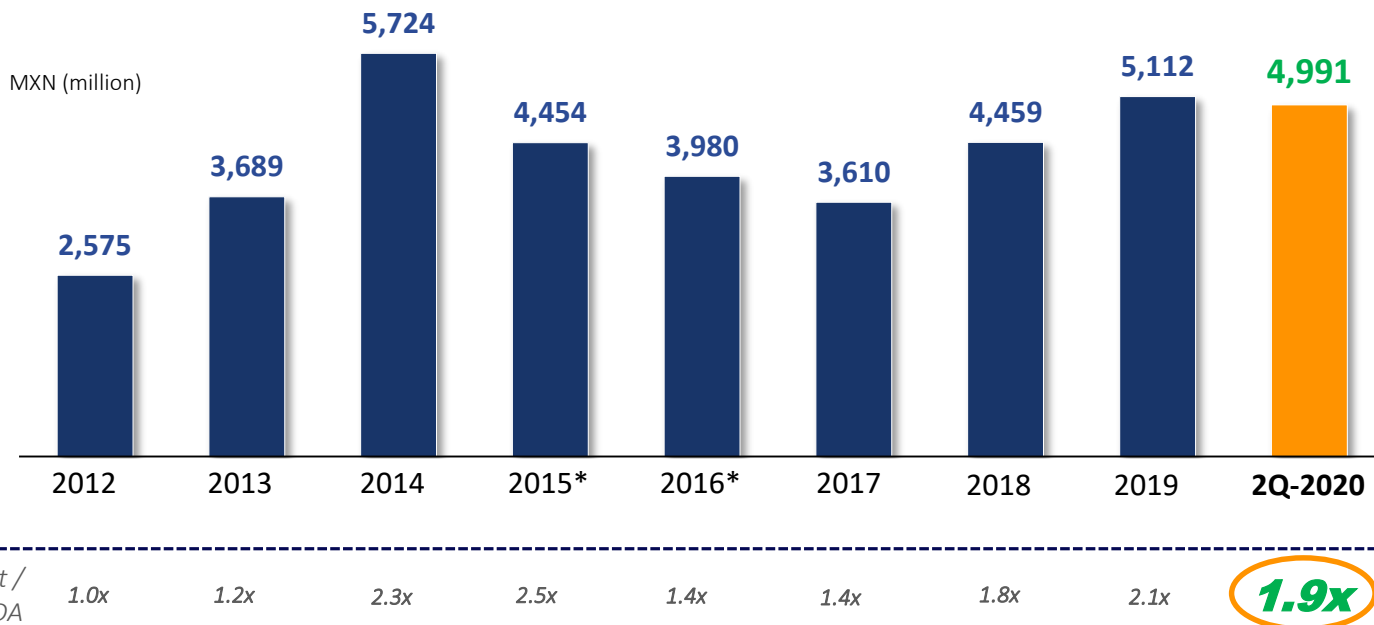
CASH CONVERSION CYCLE ⁽¹⁾



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

FINANCIAL POSITION

Net Debt Profile



NEW GROWTH STRATEGY



NEW GROWTH STRATEGY

1) Product Innovation and Portfolio Optimization



Solid top-line growth with new brands and categories

YTD'20 Net Sales Mexico: +7.2%⁽¹⁾

Product line extensions and innovation

YTD'20 Net Sales LatAm: +6.9%⁽¹⁾



Meaningful growth and successful execution

YTD'20 Net Sales U.S.: +22.2%⁽¹⁾

⁽¹⁾ Percentage of growth as compared with the same period from the previous year.

NEW GROWTH STRATEGY

2) Best in class go-to-market

Agreement with Top Retailers



Direct Distribution Partnership



+200,000 POS served

Reinforcing advertising and visibility

Strong strategies to improve visibility among local pharmacies



Initial launch of Suerox[®] in the U.S.

NEW GROWTH 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



NEW GROWTH STRATEGY

3) World-class manufacturing and supply chain capabilities

Sales and
Operations
Planning (S&OP)

IT investments

Manufacturing
Capabilities

New Operational
Structure



NEW GROWTH STRATEGY

4) Corporate Culture



Gen-Book

New
Corporate
Philosophy



Social Responsibility



 Bolsa
Mexicana
Grupo BMV

**S&P Dow Jones
Indices**
A Division of S&P Global

LAB included in the
New Sustainable Index:

"S&P/BMV Total Mexico Index"

COVID-19 RESPONSE

SOLID RESULTS 2020

NET SALES⁽¹⁾

2Q: +10.9%

YTD: +8.7%

EBITDA⁽¹⁾

2Q: +13.1%

YTD: +11.0%

NET INCOME⁽¹⁾

2Q: +48.4%

YTD: +48.2%

Cost and
Expense **Control**

Strong balance
position

Organization
Commitment

New Categories
and Product
Innovation

Optimal level of
Operations

E-commerce
Initiatives



GROWTH & PROFITABILITY IN MEXICO



Period	GDP Growth ⁽¹⁾	Net Sales Mexico ⁽²⁾	EBITDA Mexico ⁽²⁾
2Q' 2019	(1.1)%	+12.1%	+51.6%
3Q' 2019	(0.4)%	+14.1%	+35.5%
4Q' 2019	(0.7)%	+11.6%	+50.3%
1Q' 2020	(1.4)%	+9.7%	+76.0%
2Q' 2020	(18.9)%	+5.0%	+7.7%

(1) Source: INEGI.

(2) YoY percentage of growth.

COVID-19 RESPONSE



Donation of **+950,000 Hygiene and Personal Care** products



Donation of **10,000 meals** to
healthcare institutions



INPer
INSTITUTO NACIONAL
DE PERINATOLOGÍA
ISIDRO ESPINOSA DE LOS REYES

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 bps⁽¹⁾**



Market Expansion:
Genomma Lab will
reinvest between
350 - 300 bps
for growth



(1) Genomma Lab estimation.

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



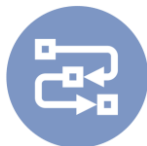
Labor Cost

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

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

TOLUCA



**Filling PE
bottles with
shampoo**

CURRENT INBOUND LOGISTICS

**195 km
4:17 hrs**



PUEBLA



**Blowing PE
bottles**

ADDITIONAL EXPENSES

**Shipping and
Handling**

Storing

Cleaning

PROFITABILITY THROUGH COGS REDUCTION

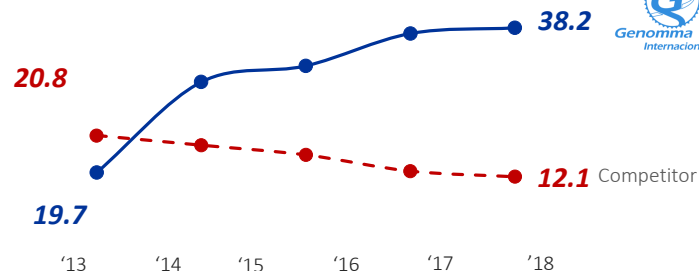
Tafirol[®]

Acquired in 2012
from Sidus

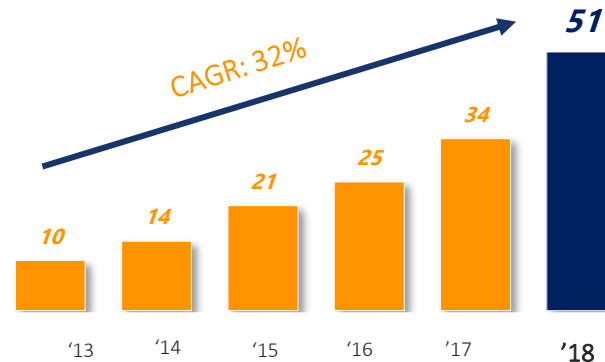


Portfolio of products

Market
Share in
units (%)



Net Sales
in USD
million



LONG-TERM FINANCING AND RATINGS

Long-term financing provided by:



Rating Agencies

FitchRatings

Short-Term:

F1+(mex)

Long-Term:

AA(mex)

Outlook:

Stable



Credit
Rating
Agency

Short-Term:

HR 1

Long-Term:

HR AA

Outlook:

Stable

MANUFACTURING FACILITY RENDER



MANUFACTURING FACILITY UPDATE



*Manufacturing Plant
(September, 2020)*



Manufacturing Facility
video

PC MANUFACTURING FACILITY UPDATE



Personal Care Production Line for Shampoo and Beverage



State-of-the-art fully automated equipment

PC MANUFACTURING FACILITY UPDATE



Water Treatment Machinery Room, for Personal Care Plant



Isotonic beverage production line for Suerox® brand

OTC MANUFACTURING FACILITY UPDATE



OTC Production Facility
(State-of-the-art equipment)



IMPROVING EFFICIENCY IN EXPORT LOGISTICS



Strategically Located

Manufacturing Plant
(79 Acres)

“Puerta México”

(Most important train port in Mexico)

Distance between Plant & Puerta México: 1.5 mi



FINANCIAL HIGHLIGHTS



FINANCIAL RESULTS

Ps. million

Income Statement	2Q-2020	%	2Q-2019	%	Var %
Net Sales	\$ 3,636.3	100.0%	\$ 3,277.5	100.0%	+10.9%
Gross Profit	\$ 2,178.4	59.9%	\$ 2,087.9	63.7%	+4.3%
Operating Income	\$ 714.9	19.7%	\$ 633.3	19.3%	+12.9%
EBITDA ⁽¹⁾	\$ 754.9	20.8%	\$ 667.5	20.4%	+13.1%
Net Income	\$360.8	9.9%	\$243.2	7.4%	+48.4%



LatAm **45%**
of net sales
for Q2-2020



Mexico **42%**
of net sales
for Q2-2020



USA **13%**
of net sales
for Q2-2020

(1) EBITDA defined as operating income before D&A.

FINANCIAL POSITION

<i>Ps. million</i>	As of June 30,		As of Dec 31,
Financial Position	2020	2019	2019
Cash and Equivalents	\$1,209.5	\$1,214.2	\$922.9
Total Assets	\$21,101.8	\$19,412.3	\$19,254.8
Total Liabilities	\$12,162.5	\$11,491.1	\$11,280.6
Stockholders Equity	\$8,939.3	\$7,921.2	\$7,974.1

KEY VALUATION METRICS

Historical data do not reflect **potential upside** from new manufacturing plant

\$1,048.0mm

Shares Outstanding

69.8%

Free Float

11.4x

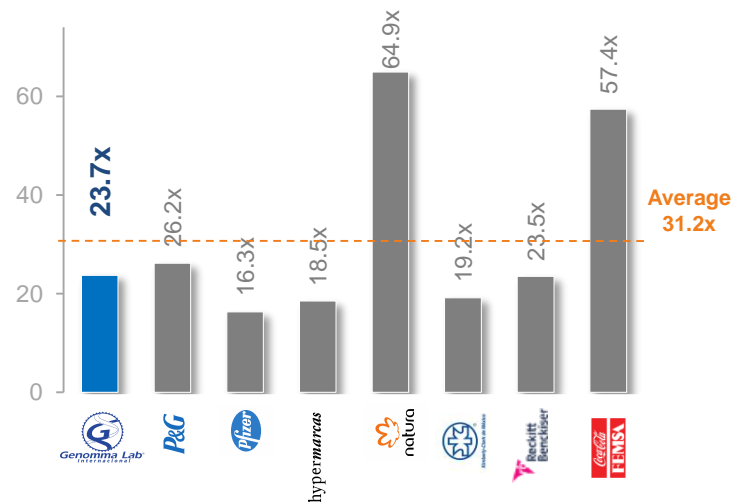
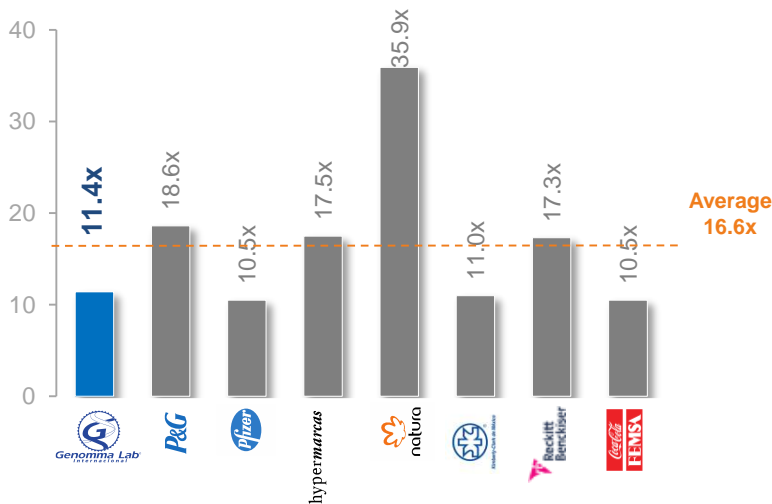
EV / EBITDA

23.7x

P / E

EV / EBITDA

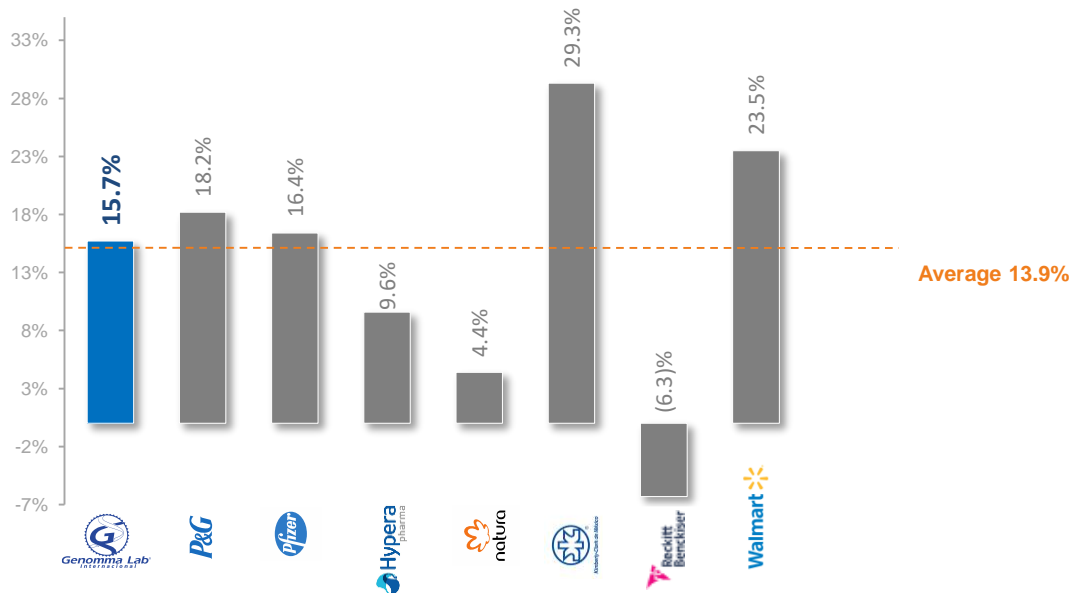
P/E



KEY VALUATION METRICS

ROIC including Intangibles

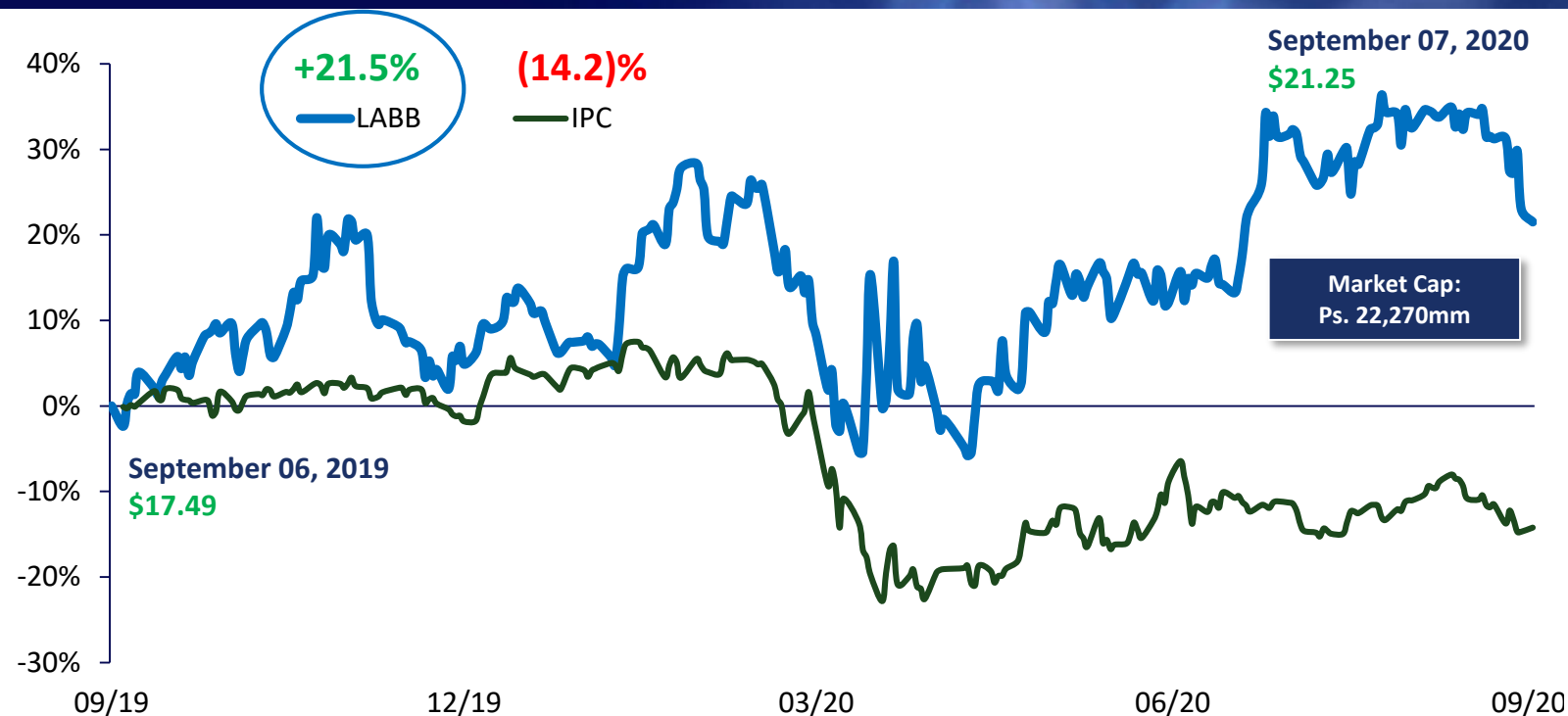
28.7%
Genomma's
ROIC excluding
Intangibles



Source: Company Information. Standardized ROIC calculations made via Bloomberg as of June 30, 2020.

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

STOCK PERFORMANCE LTM



VIDEO LINKS





Genomma Lab®
Internacional



LAB



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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.