



**Genomma Lab®**  
*Internacional*

# INVESTOR RELATIONS

---

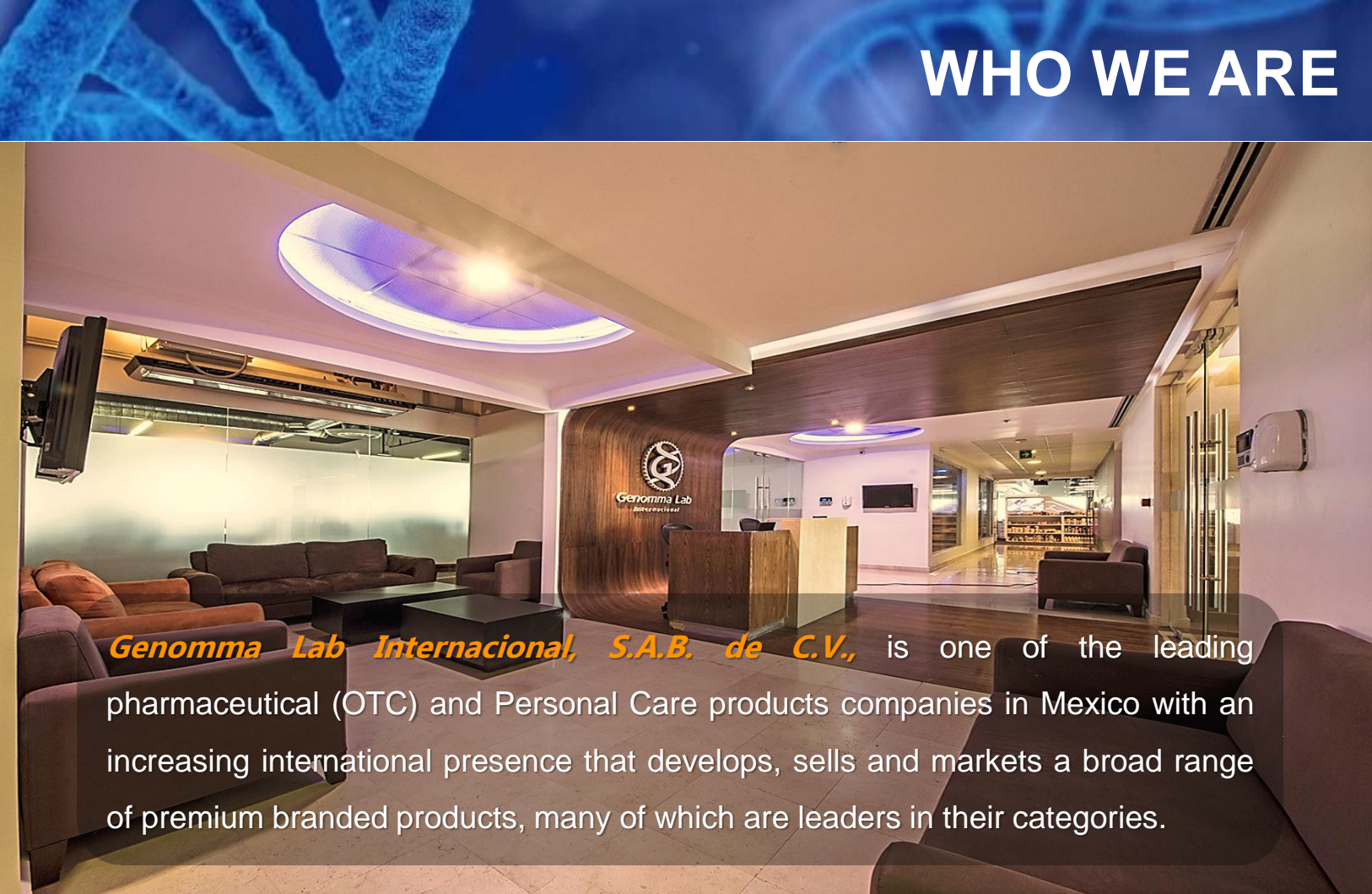
*CORPORATE PRESENTATION*

*January | 2021*

# 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

A photograph of a modern office interior. The space features a large, curved wooden reception desk with the Genomma Lab Internacional logo on the wall behind it. To the left, there is a lounge area with brown sofas and a coffee table. The ceiling has a large, illuminated oval light fixture. The background shows a glass-walled office area and a hallway leading to a store with shelves of products.

***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 **45.7%**  
of net sales



Points of Sale  
**350,000+**



Mexico **43.3%**  
of net sales



Countries **18**



USA **11.0%**  
of net sales



Production  
Facility\* **1**



Brands **45+**



**1,200+**  
employees

**“Innovation is part  
of our DNA”**



# CONSOLIDATED SALES MIX BY CATEGORY

46.2%<sup>(1)</sup>  
Total Net  
Sales

53.8%<sup>(1)</sup>  
Total net  
Sales



Personal Care



Over-the-Counter (OTC)

# 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

# GROWTH STRATEGY: NEW CATEGORIES



Antibacterial



Infant Formula



## Categories With Growth Potential



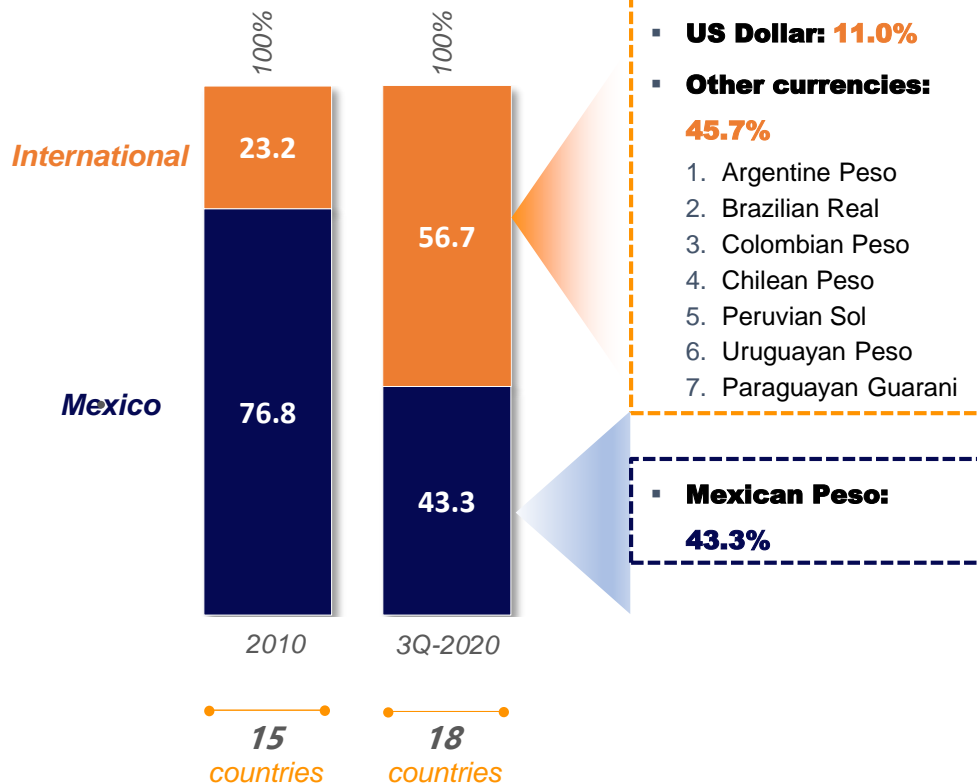
Razors



Self-Diagnosis



# WELL DIVERSIFIED BY REGION & CURRENCIES



# OTC MARKET SHARE BY COUNTRY

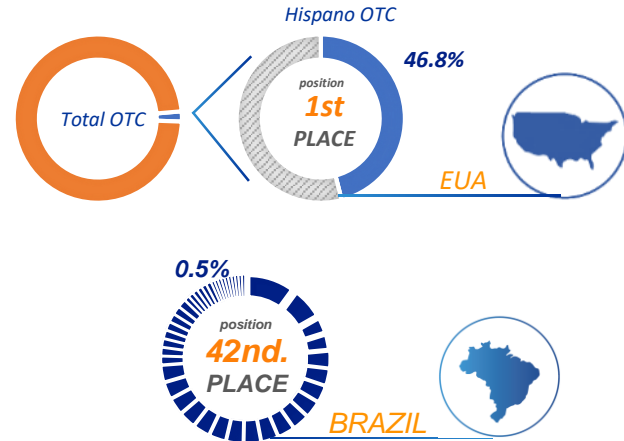
## Top Two Countries

As a percentage of sales



## 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<sup>(1)</sup>**  
**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**

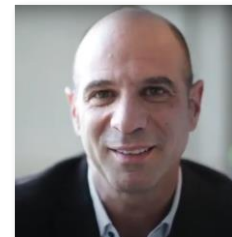
---

Prior Experience:

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

**MARCO  
SPARVIERI**

*COO*



**APRIL 2014**

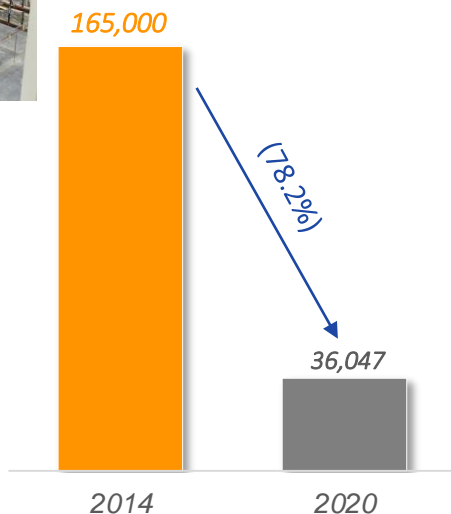
---

Prior Experience:

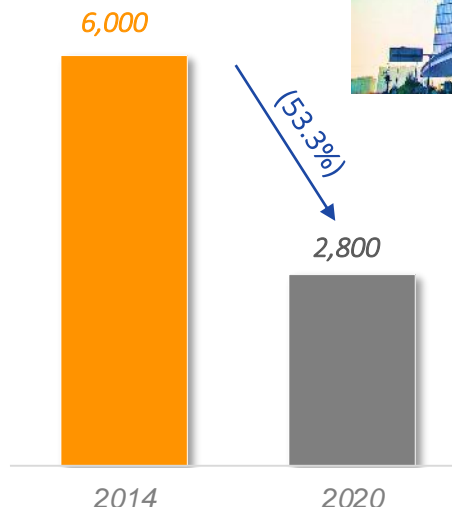
- EVP Sales P&G
- 20+ years of experience in consumer goods

# SUCCESSFUL COST CONTAINMENT STRATEGY

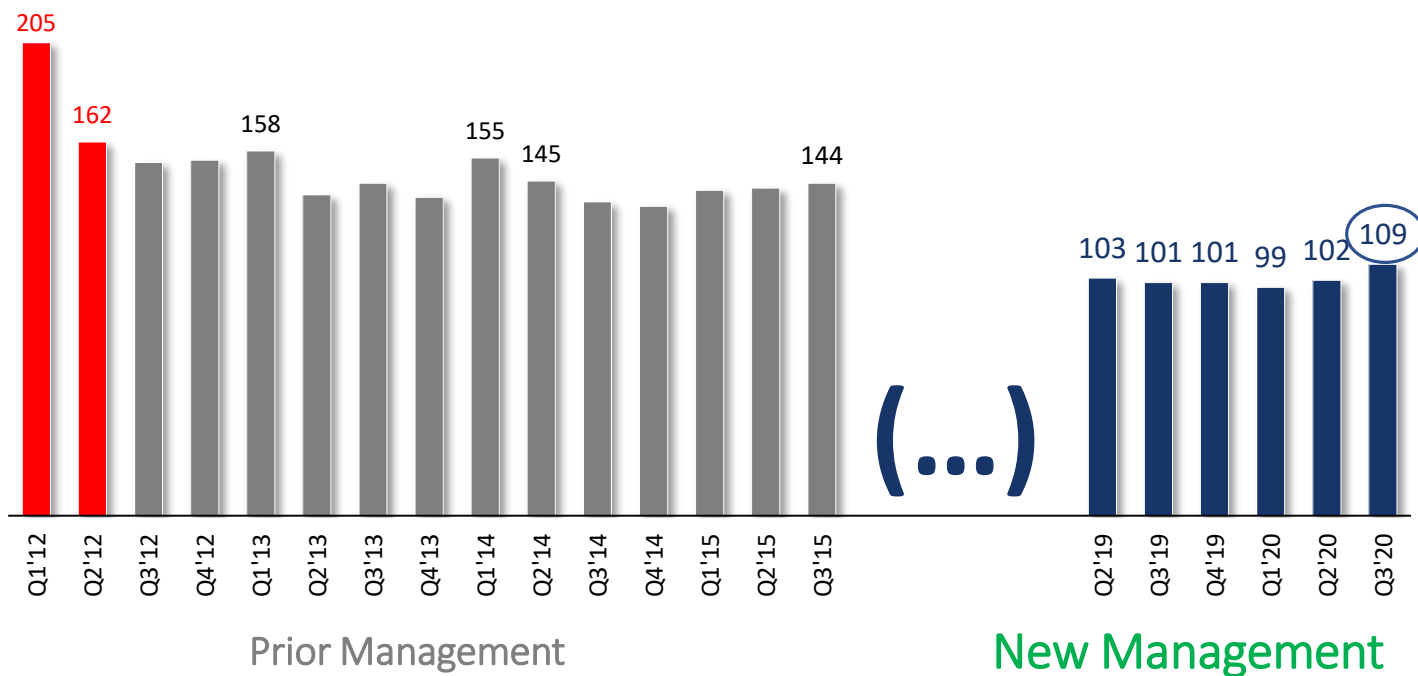
Warehouse Space (m<sup>2</sup>)



Corporate Office Space (m<sup>2</sup>)



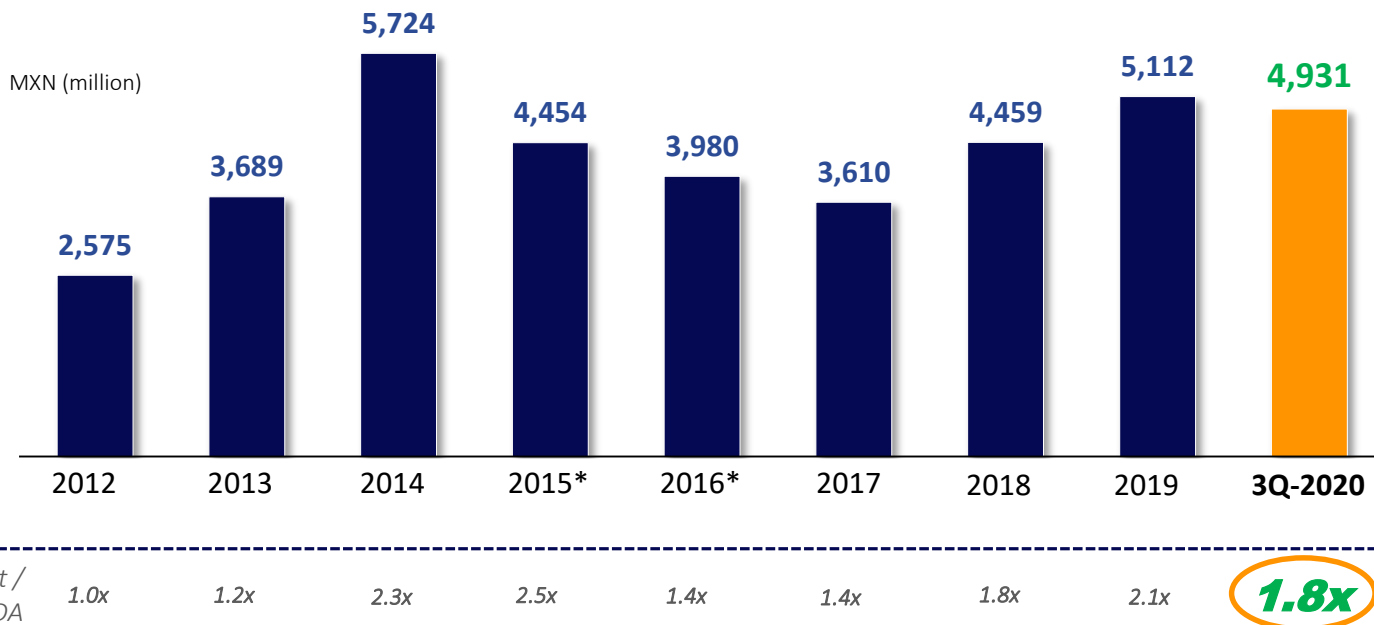
# CASH CONVERSION CYCLE <sup>(1)</sup>



(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

# NEW GROWTH STRATEGY

1

Product Innovation  
& Portfolio  
Optimization



3

World-class  
Manufacturing &  
Supply Chain



2

Best-in-class  
Go-to-Market



4

Corporate  
Culture



# NEW GROWTH STRATEGY

## 1) Product Innovation and Portfolio Optimization



Strong execution of new line extensions

YTD'20 Net Sales Mexico: +4.5%<sup>(1)</sup>

Successful new product releases and line extensions

YTD'20 Net Sales LatAm: +11.8%<sup>(1)</sup>



New operating strategy and portfolio reconfiguration

YTD'20 Net Sales U.S.: +21.5%<sup>(1)</sup>

(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



**LOJAS AMERICANAS**

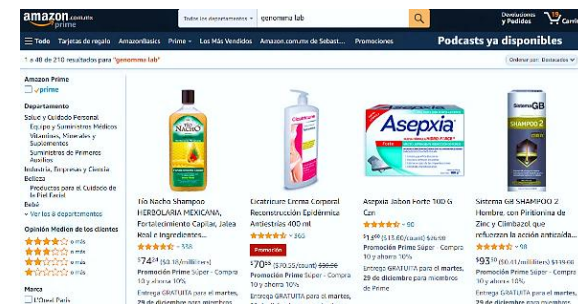
### Direct Distribution Partnership



**+250,000 POS served**

### Reinforcing visibility and e-commerce

**Successful strategy to improve visibility at POS**



# NEW GROWTH STRATEGY

## New Social Media Strategy

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



...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 2.0

New  
Corporate  
Philosophy



## Social Responsibility



Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

**LAB** included in the  
**New Sustainable Index:**

***"Dow Jones Sustainability MILA  
Pacific Alliance Index"***

# COVID-19 RESPONSE

## SOLID RESULTS 2020

### NET SALES<sup>(1)</sup>

3Q: +11.4%

YTD: +9.5%

### EBITDA<sup>(1)</sup>

3Q: +24.7%

YTD: +15.4%

### NET INCOME<sup>(1)</sup>

3Q: +75.3%

YTD: +56.9%

Cost and  
Expense **Control**

**Strong** balance  
position

Organization  
**Commitment**

**New** Categories  
and Product  
**Innovation**

**Optimal** level of  
Operations

E-commerce  
**Initiatives**

**SAP** S/4 HANA

**amazon**

# GROWTH & PROFITABILITY IN MEXICO



Period	GDP Growth <sup>(1)</sup>	Net Sales Mexico <sup>(2)</sup>	EBITDA Mexico <sup>(2)</sup>
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	(1.3)%	+9.7%	+76.0%
2Q' 2020	(18.7)%	+5.0%	+7.7%
3Q' 2020	(8.6)%	(0.7)%	+19.4%

(1) Source: INEGI.

(2) YoY percentage of growth.

# COVID-19 RESPONSE



Donation of **+1,000,000** 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<sup>(1)</sup>**



Market Expansion:  
Genomma Lab will  
reinvest between  
**350 - 300 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

# 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

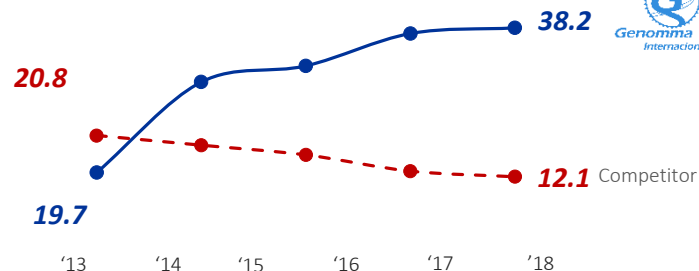
## Tafirol<sup>®</sup>

Acquired in 2012  
from Sidus

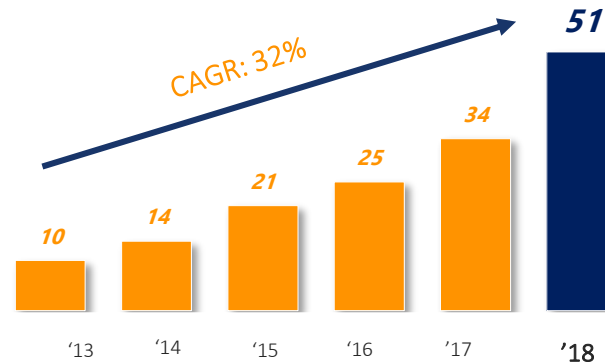


Portfolio of products

Market  
Share in  
units (%)



Net Sales  
in USD  
million



# LONG-TERM FINANCING AND RATINGS

Long-term financing provided by:



~100MM USD



Loan Term: 8 years

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:

**Positive**

# MANUFACTURING FACILITY RENDER



# MANUFACTURING FACILITY UPDATE



*Manufacturing Plant  
(January, 2021)*



Manufacturing Facility  
video

# PC MANUFACTURING FACILITY UPDATE



Shampoo Manufacturing Product Line

# PC MANUFACTURING FACILITY UPDATE



*Production of  
Suerox video*



**Isotonic Beverage Manufacturing Product Line**

# PC MANUFACTURING FACILITY UPDATE



First test batch of Suerox at PC Plant

# OTC MANUFACTURING FACILITY UPDATE



*State-of-the-art  
equipment*



*Blister machine for OTC pills*



# 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	3Q-2020	%	3Q-2019	%	Var %
Net Sales	\$ 3,427.9	100.0%	\$ 3,077.3	100.0%	+11.4%
Gross Profit	\$ 2,189.9	63.9%	\$ 1,962.1	63.8%	+11.6%
Operating Income	\$ 731.7	21.3%	\$ 581.4	18.9%	+25.8%
EBITDA <sup>(1)</sup>	\$ 769.4	22.4%	\$ 617.1	20.1%	+24.7%
Net Income	\$409.1	11.9%	\$233.4	7.6%	+75.3%



LatAm **46%**  
of net sales  
for Q3-2020



Mexico **43%**  
of net sales  
for Q3-2020



USA **11%**  
of net sales  
for Q3-2020

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

# FINANCIAL POSITION

<i>Ps. million</i>	As of September 30,		As of Dec 31,
<b>Financial Position</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
Cash and Equivalents	\$1,567.6	\$1,133.2	\$922.9
Total Assets	\$21,781.8	\$19,105.6	\$19,254.8
Total Liabilities	\$12,451.1	\$11,088.2	\$11,280.6
Stockholders Equity	\$9,330.7	\$8,017.4	\$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

**8.9x**

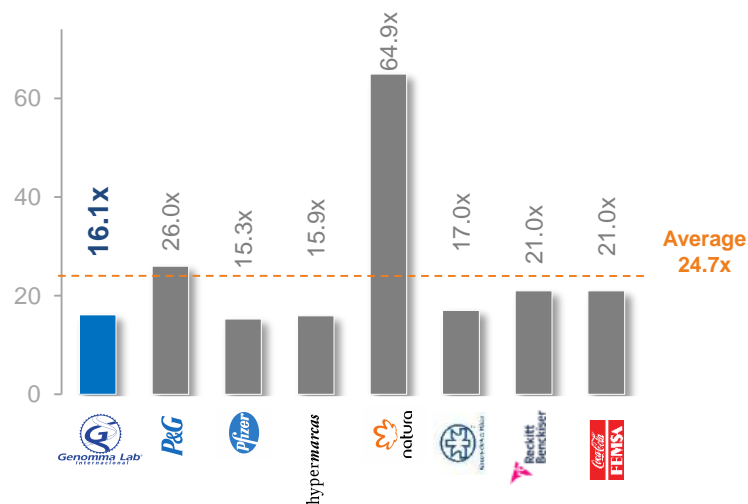
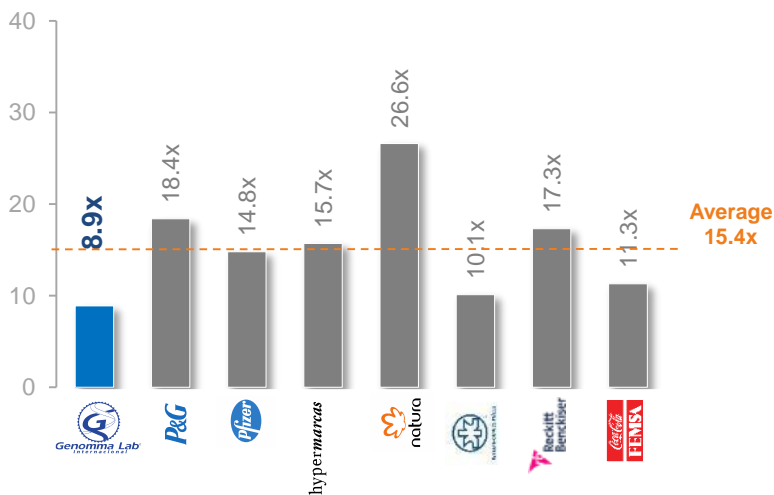
EV / EBITDA

**16.1x**

P / E

**EV / EBITDA**

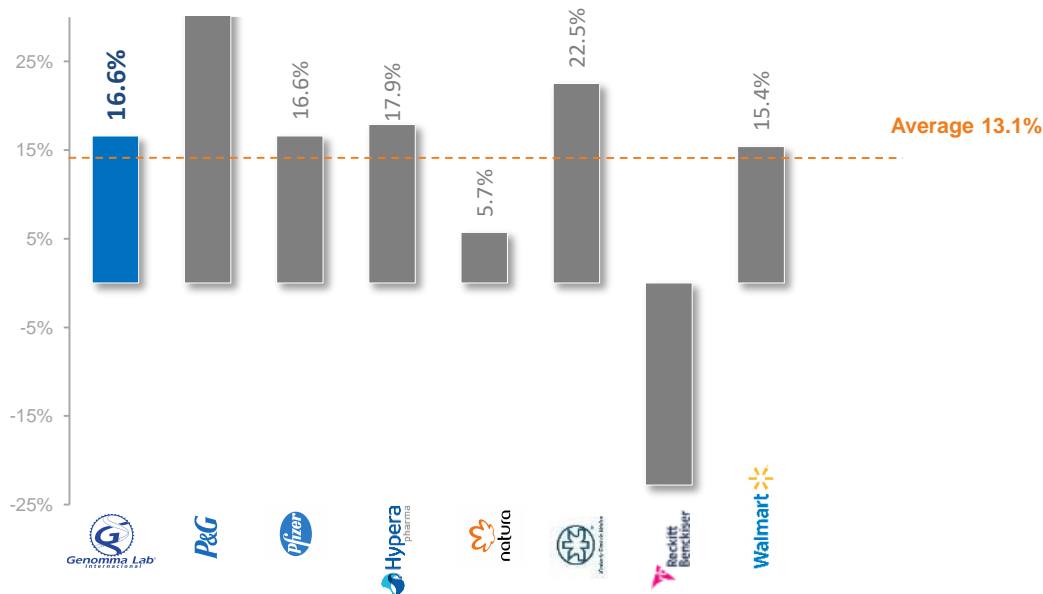
**P/E**



# KEY VALUATION METRICS

## ROIC including Intangibles

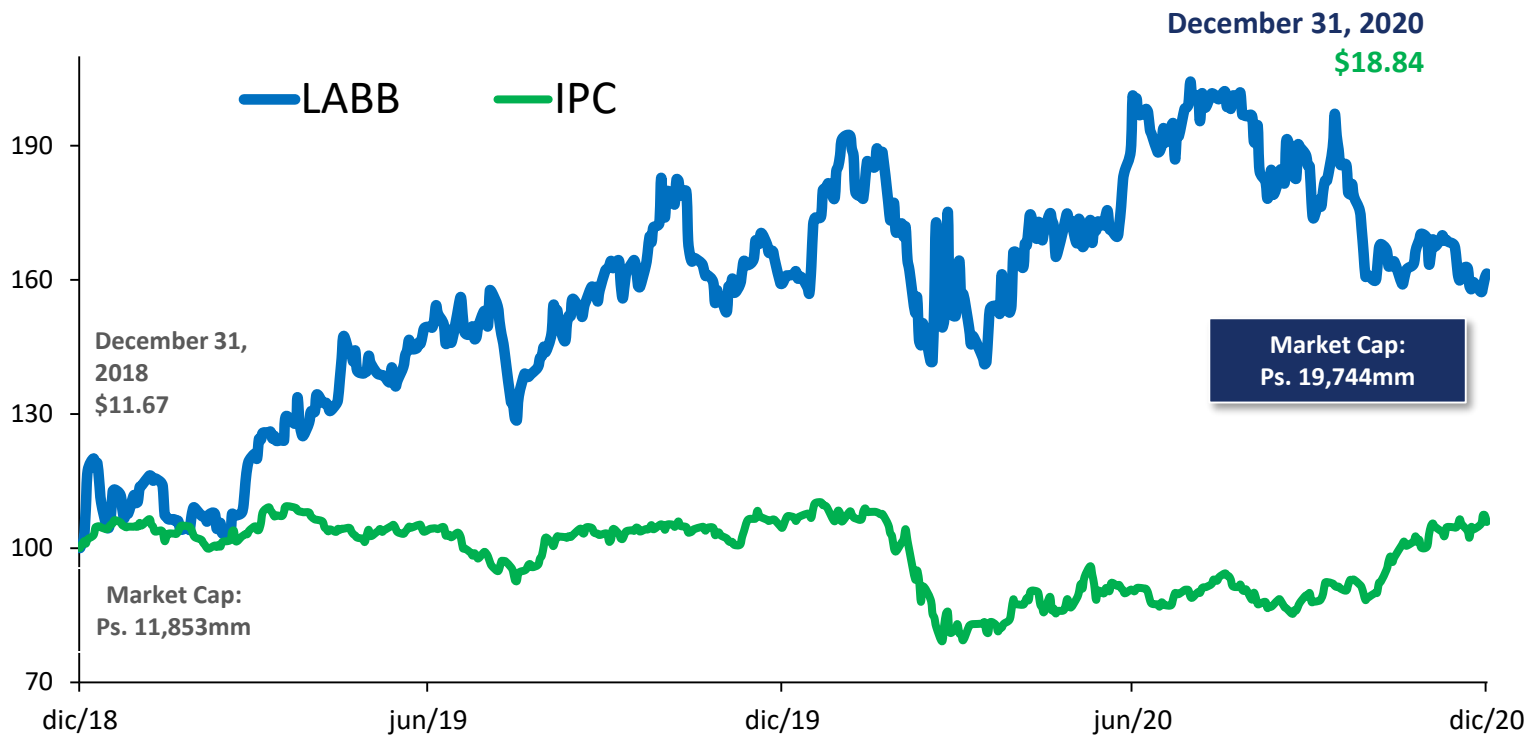
**30.4%**  
Genomma's  
ROIC excluding  
Intangibles



Source: Company Information. Standardized ROIC calculations made via Bloomberg as of LTM ended October 31, 2020.

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

# STOCK PERFORMANCE 2 YEARS



# VIDEO LINKS





## CONTACT:

**Enrique González**  
Head of Investor Relations

**Barbara Cano**  
*InspIR Group - NY*

[Investor.relations@genommalab.com](mailto:Investor.relations@genommalab.com)  
+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](http://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.