



**Genomma Lab®**  
*Internacional*

# INVESTOR RELATIONS

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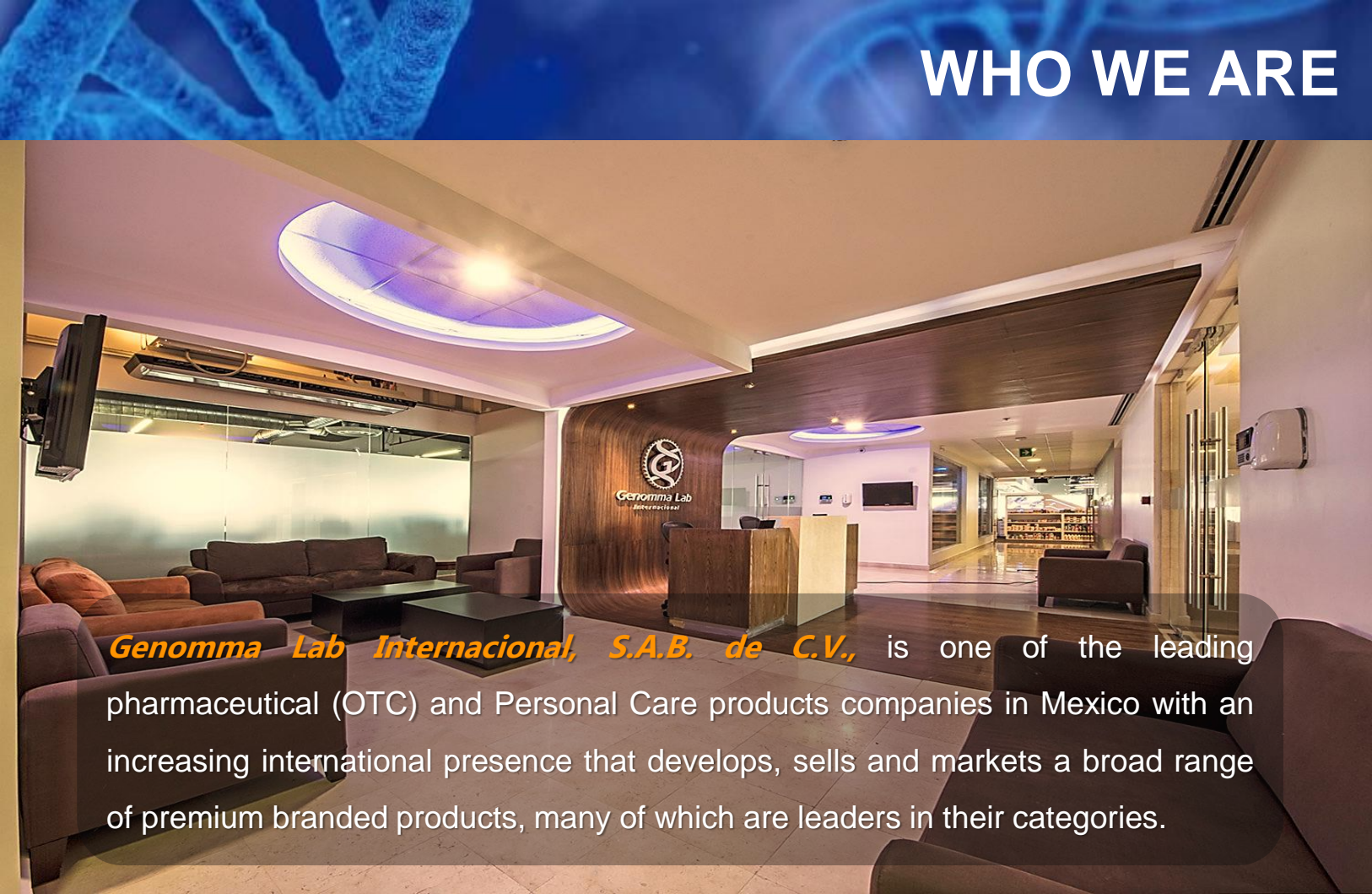
*CORPORATE PRESENTATION*

*May | 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

The image shows a modern office interior. In the foreground, there is a lounge area with brown leather sofas and a low coffee table. The ceiling features a large, illuminated oval light fixture. In the background, a reception desk with a curved wooden front is visible, with the Genomma Lab Internacional logo on the wall behind it. The office has large glass windows and a polished floor.

*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 **47.6%**  
of net sales



Points of Sale  
**400,000+**



Mexico **42.9%**  
of net sales



Countries **18**



USA **9.5%**  
of net sales



Industrial Cluster **1**



Brands **50+**



**1,300+**  
employees

*“Innovation is part  
of our DNA”*





# OVER THE COUNTER PRODUCTS (OTC): 49.9% OF TOTAL SALES



Pain Relief



Cough & Cold



Gastro & Anti-Hemorrhoids



Anti-Flu



Anti-mycotics &  
Sexual Health



Isotonic Beverages



Antibacterial



Infant Formula

# PERSONAL CARE PRODUCTS (PC): 50.1% OF TOTAL SALES



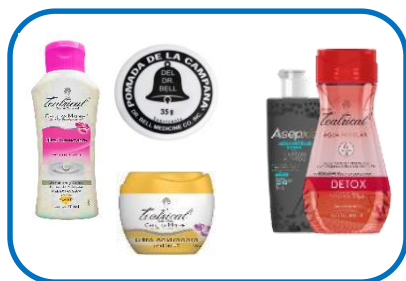
Shampoo



Hair Care



Beauty Creams



Skin Care & Micellar water

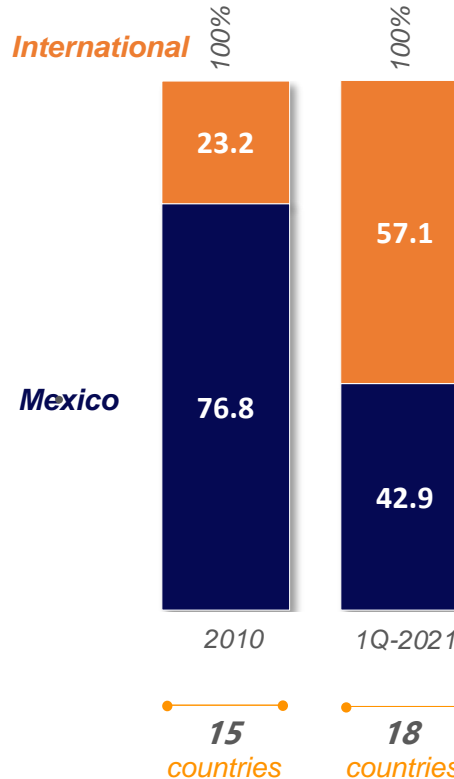


Anti-Acne & Cosmetics



Razors

# WELL DIVERSIFIED BY REGION & CURRENCIES



- **US Dollar: 9.5%**
- **Other currencies: 47.6%**
  1. Argentine Peso
  2. Brazilian Real
  3. Colombian Peso
  4. Chilean Peso
  5. Peruvian Sol
  6. Uruguayan Peso
  7. Paraguayan Guarani

- **Mexican Peso: 42.9%**

# OTC MARKET SHARE BY COUNTRY

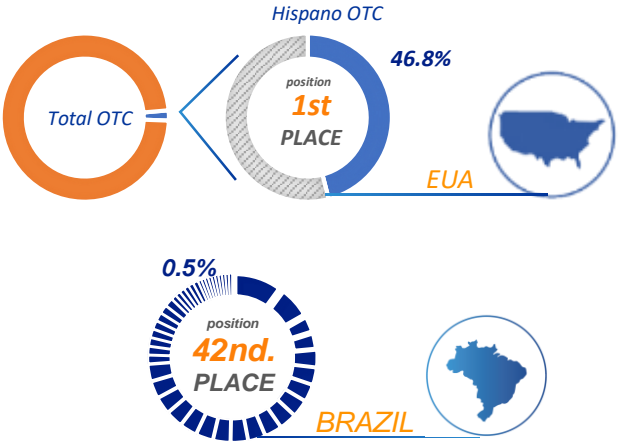
## Top Two Countries

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.**



# MANAGEMENT TEAM

**JORGE LUIS  
BRAKE**

*CEO*



**SEPTEMBER 2018**

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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**

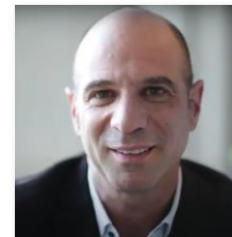
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Prior Experience:

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

**MARCO  
SPARVIERI**

*COO*



**APRIL 2014**

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Prior Experience:

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

# NEW GROWTH STRATEGY

1

Product **Innovation**  
& Portfolio  
Optimization



3

World-class  
Manufacturing &  
**Supply Chain**

2

Best-in-class  
**Go-to-Market**



4

Corporate  
**Culture**

# COVID-19 RESPONSE

## SOLID RESULTS 2021

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

**1Q: +6.4%**  
**1Q21'LTM: +9.1%**

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

**1Q: +6.8%**  
**1Q21'LTM: +17.6%**

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

**1Q: (14.5%)**  
**1Q21'LTM: +59.9%**

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**

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

# COVID-19 SOCIAL RESPONSIBILITY ACTIONS 2021

- **+50,000** products donated to DIF Oaxaca
- **+4,000** products donated to medical staff
- **15th anniversary** of ESR Distinction



# 1) PRODUCT INNOVATION

## Product Development



Kills **99.99%**  
of germs



Clean Boost  
of **Vitamin c**

Charcoal  
**Detox** line





# 1) PRODUCT INNOVATION

## Brand Improvements



No  
sweeteners

Qualified Herbalist  
medication



100%  
organic

# 1) PRODUCT INNOVATION

## Mom & Pops expansion



Sachet  
presentation

97% less irritation



90 ml  
(0.02 gal)  
presentation

# NEW CATEGORY: GROOMEN®



New category with  
**growth potential** for  
Mexico & LatAm

Manufactured by  
Edgewell PC  
**(Exclusivity agreement)**

Market Value  
opportunity of  
**>100mm USD**



# NEW CATEGORY: NOVAMIL®



Manufactured by  
UP International  
(Exclusivity agreement)

Exclusivity in LatAm  
ex. Brazil



Market Value  
opportunity of  
>80mm USD



## 2) BEST-IN-CLASS GO-TO-MARKET

### In-store Media & Visibility at POS



### Traditional Channel

- +400,000 POS reached
- +2,000 person sales team
- Brazil **new commercial agreements**
- Traditional Channel presence in Central America and Andean Region





## 2) BEST-IN-CLASS GO-TO-MARKET

### E-COMMERCE

- Reinforce presence in Amazon
- Strong Positioning in Mercado Libre
- Marketing & Brand Visibility.

Walmart  com



### GEN ORDER

- Supporting strong relationships with salesforce and local businesses
- Platform development 2020 (App)
- Official launch in 2021.



### 3) WORLD-CLASS MANUFACTURING AND SUPPLY CHAIN

- 2 out of 3 components **started** operations (**PC & Warehouse**)
- Successful **relocation** of the **Finished Products Warehouse**
- Isotonic Beverage Line **started operations**.



# MANUFACTURING FACILITY UPDATE



*Manufacturing Plant  
(May 2021)*



NEW Manufacturing  
Facility video



## Q1-2021 PC Plant Execution

- **2.4mm** bottles of Suerox<sup>®</sup> (for sale)
- **14 k** bottles of shampoo (testing)
- **+2,800** hours of operation
- **36%** capacity utilization of the isotonic beverage line.



# CENTRAL WAREHOUSE UPDATE



## New Warehouse

- Increased Warehouse **capacity**
  - **Speed & Accuracy** in case picking
  - Ensures **product rotation**.
- 

## Q1-2021 Execution

- **+31,000** active storage positions
- **6.2mm** moved cases (+19% vs. 2020)
- Shipping **+55 trucks** per day

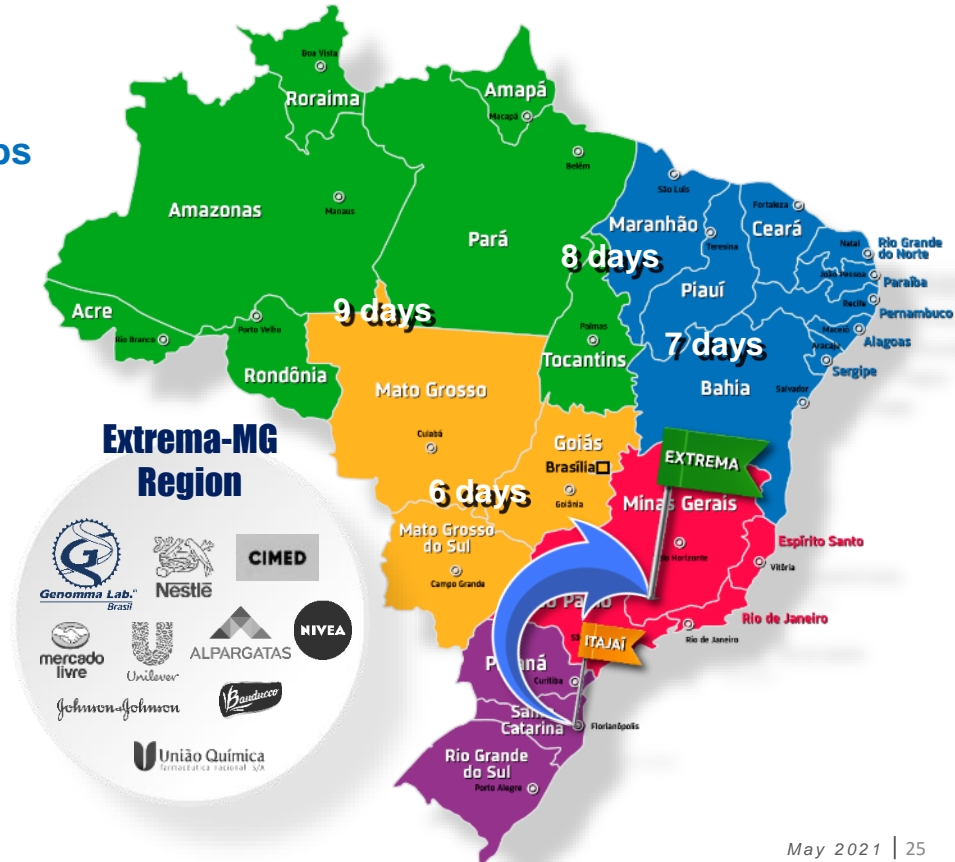




# NEW WAREHOUSE LOCATION IN BRAZIL

## Extrema - Minas Gerais

- One of the main **logistics hubs** in Brazil
- Improved level of **costumer service**
- Reduced transit time in **+5 days**
- Logistics **cost reduction**
- **+ 6,000** pallets positions
- **+50%** increase of capacity.



# REINFORCEMENT IN KEY POSITIONS

**Carlos  
Quezada**

*Personal Care Director*



**OCTOBER 2020**

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Prior Experience:

- P&G Manufacture AD
- +30 years of experience

**Carlos  
Amador**

*OTC Director*



**OCTOBER 2020**

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Prior Experience:

- Gelpharma-Vitae Laboratories
- +18 years of experience

**Felipe  
Trujillo**

*Quality Director*



**OCTOBER 2020**

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Prior Experience:

- Novartis, Merck & Pfizer
- +30 years of experience

## 4) CORPORATE CULTURE



New Corporate Philosophy

# 4) CORPORATE CULTURE

## Social Responsibility



**WE ARE GEN** PEOPLE WITH TALENT

## Breaking Down Barriers



## Equal opportunity



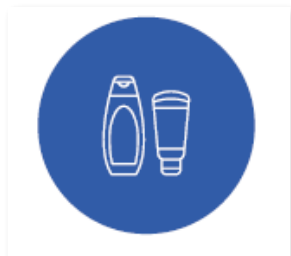
## OUR SUSTAINABILITY 2025

*A commitment to the future*





## OUR PRODUCTS



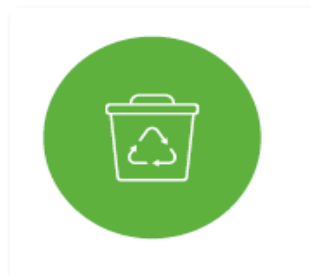
By 2025, all our packages will be **100% recyclable, reusable or compostable.**

## OUR VALUE CHAIN



By 2022, **100%** of our global supply chain will be **reviewed in sustainability terms.**

## OUR WASTE MANAGEMENT



By 2022, we will **prevent** that waste generated in our operational sites reach landfills, through **recycling and reuse practices.**

## OUR LOGISTICS



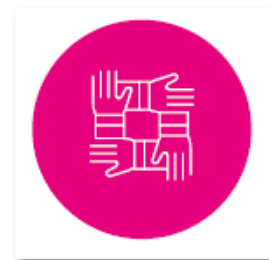
By 2023, we will **reduce 20% of CO2 emissions** related to our logistics operation in Mexico, compared to 2019.

## OUR TEAM



By 2022, **50%** of our **global team** will be **represented by women**.

## OUR CONTRIBUTION TO SOCIETY



By 2025, **500,000 people** will be **benefited** by **business initiatives** aligned to **social and environmental** causes.

# INDUSTRIAL CLUSTER RATIONALE





**Enhanced Value Equation**

**Higher Gross Margin**

**Superior Product Quality**

**Reliable Product Supply**

# 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



# 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

(1) Genomma Lab estimation.

# 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**



# PC MANUFACTURING FACILITY UPDATE



Isotonic Beverage Manufacturing Product Line



# PC MANUFACTURING FACILITY UPDATE



Isotonic Beverage Manufacturing Product Line

# PC MANUFACTURING FACILITY UPDATE



First test batch of Suerox<sup>®</sup> at PC Plant



# PC MANUFACTURING FACILITY UPDATE



Shampoo Manufacturing Product Line

# PC MANUFACTURING FACILITY UPDATE



Shampoo Manufacturing Product Line



# PC MANUFACTURING FACILITY UPDATE



Shampoo Manufacturing Product Line

# OTC MANUFACTURING FACILITY UPDATE



**State-of-the-art equipment**

# OTC MANUFACTURING FACILITY UPDATE



**OTC Plant Manufacturing  
Equipment**





# OTC MANUFACTURING FACILITY UPDATE



*State-of-the-art  
equipment*



*Blister machine for OTC pills*

# OTC MANUFACTURING FACILITY UPDATE

*Water chiller system for OTC Plant*



*Tube filling equipment for  
semi-solid production line*



*Tanks system for liquid OTC  
production*

# OTC MANUFACTURING FACILITY UPDATE

## Semi-solid production line



**State-of-the-art  
equipment**





# 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

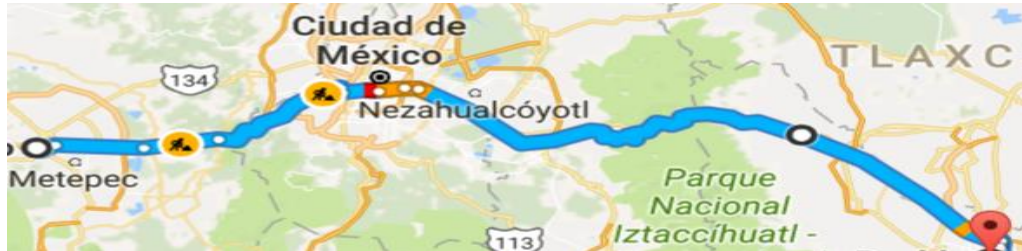
**TOLUCA**



**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

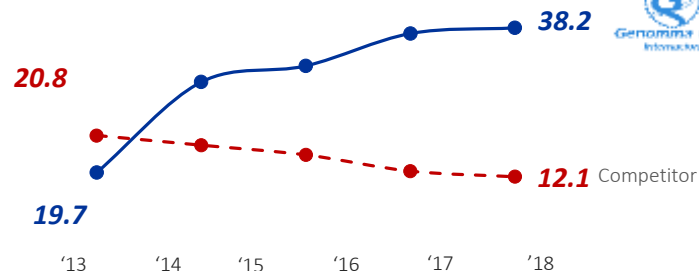
## Tafirol<sup>®</sup>

Acquired in 2012  
from Sidus

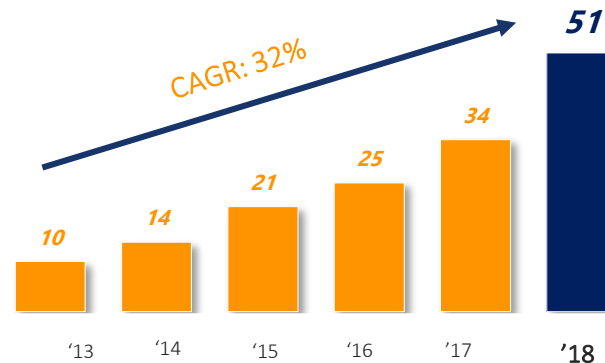


Portfolio of products

Market  
Share in  
units (%)



Net Sales  
in USD  
million



# FINANCIAL HIGHLIGHTS



# FINANCIAL RESULTS

Ps. million

Income Statement	1Q-2021	%	1Q-2020	%	Var %
Net Sales	\$3,547.7	100.0%	\$3,334.5	100.0%	+6.4%
Gross Profit	\$2,180.5	61.5%	\$ 2,061.6	61.8%	+5.8%
Operating Income	\$686.8	19.4%	\$640.6	19.2%	+7.2%
EBITDA <sup>(1)</sup>	\$724.7	20.4%	\$678.4	20.3%	+6.8%
Net Income	\$319.4	9.0%	\$373.6	11.2%	(14.5%)



LatAm **48%**  
of net sales  
for Q1-2021



Mexico **43%**  
of net sales  
for Q1-2021



USA **9%**  
of net sales  
for Q1-2021

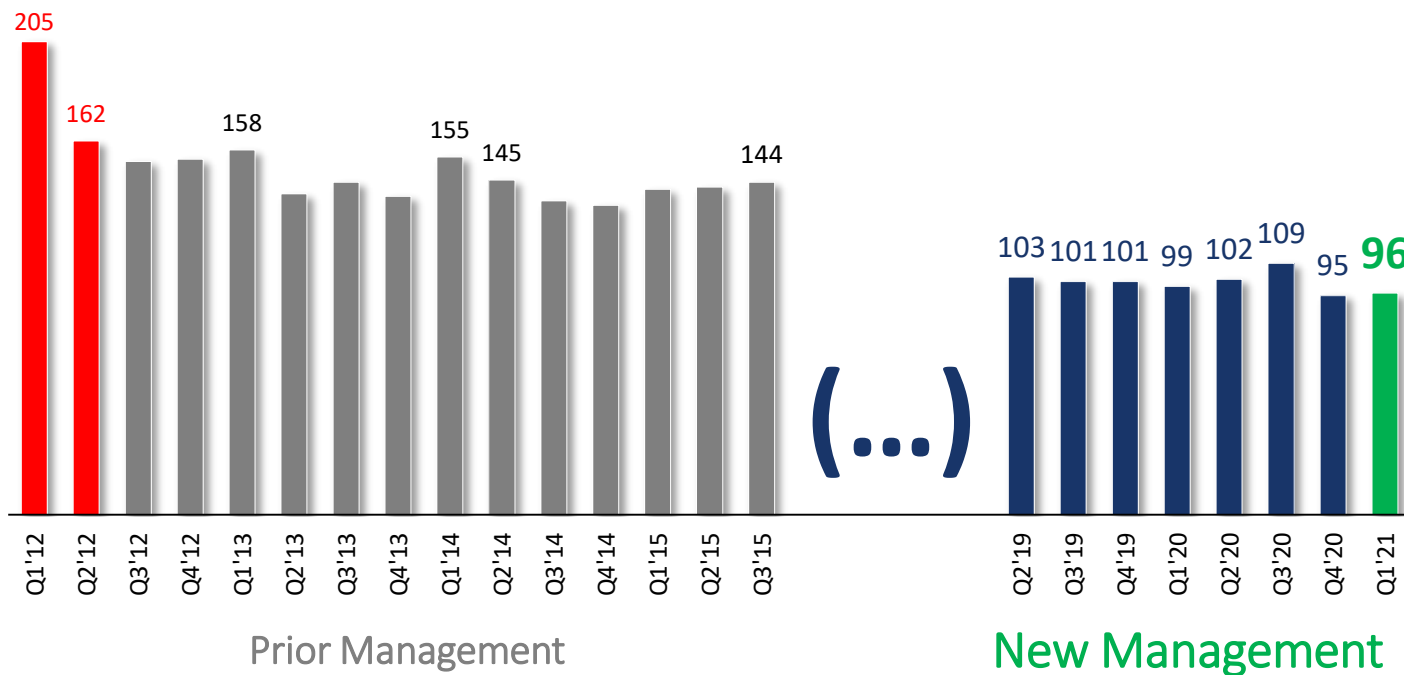
(1) EBITDA defined as operating income before D&A



# FINANCIAL POSITION

<i>Ps. million</i>	As of March 31,		As of Dec 31,
<b>Financial Position</b>	2021	2020	2020
Cash and Equivalents	\$1,824.3	\$1,370.1	\$2,103.9
Total Assets	\$22,654.2	\$20,906.4	\$22,132.6
Total Liabilities	\$12,793.4	\$12,223.0	\$12,498.4
Stockholders Equity	\$9,860.7	\$8,683.5	\$9,634.2

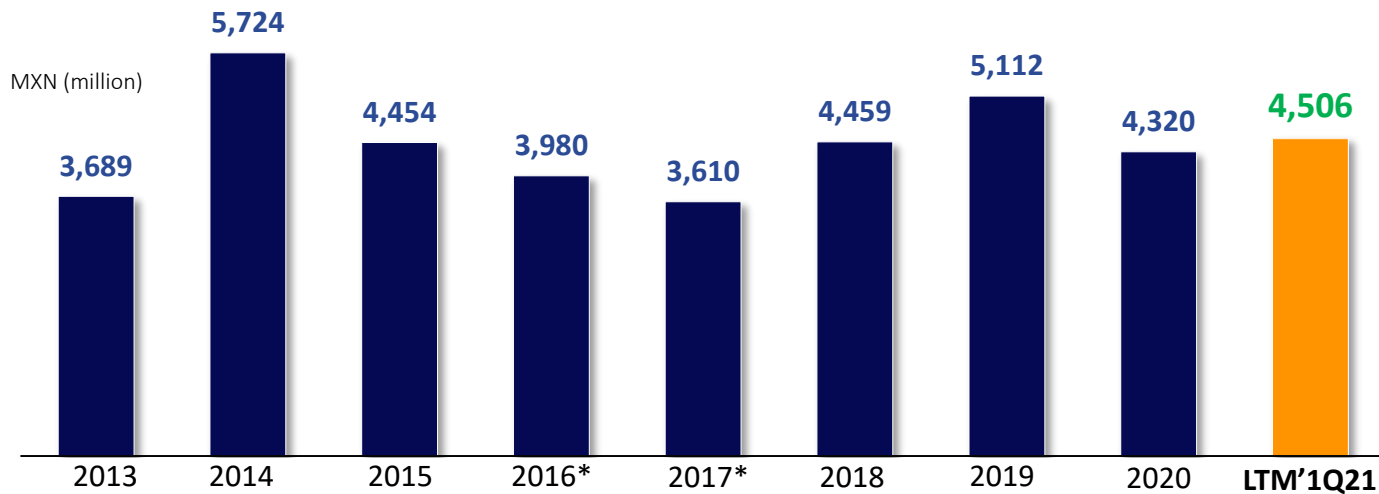
# CASH CONVERSION CYCLE <sup>(1)</sup>



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

# FINANCIAL POSITION

## Net Debt Profile



Net Debt /  
EBITDA

1.2x

2.3x

2.5x

1.4x

1.4x

1.8x

2.1x

1.5x

**1.5x**

FCF\*\*

1,830

918

1,075

1,803

837

133

161

1,297

**878**

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

\*\*Free Cash Flow is defined as net cash provided by operating activities in a period minus payments for property and equipment in that period

# 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**

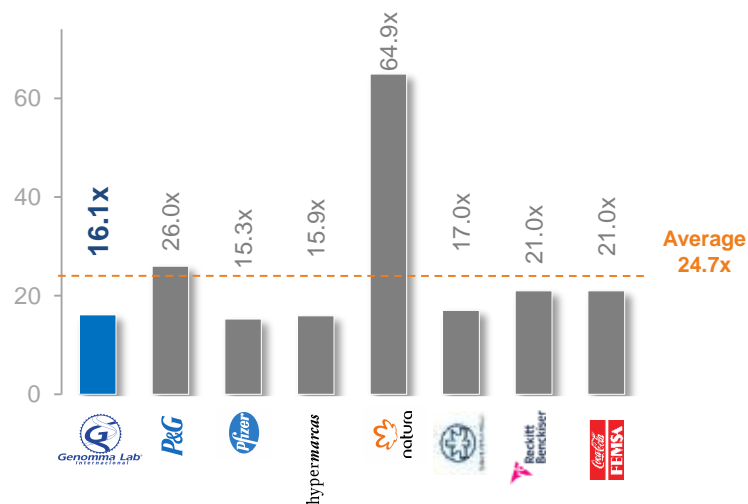
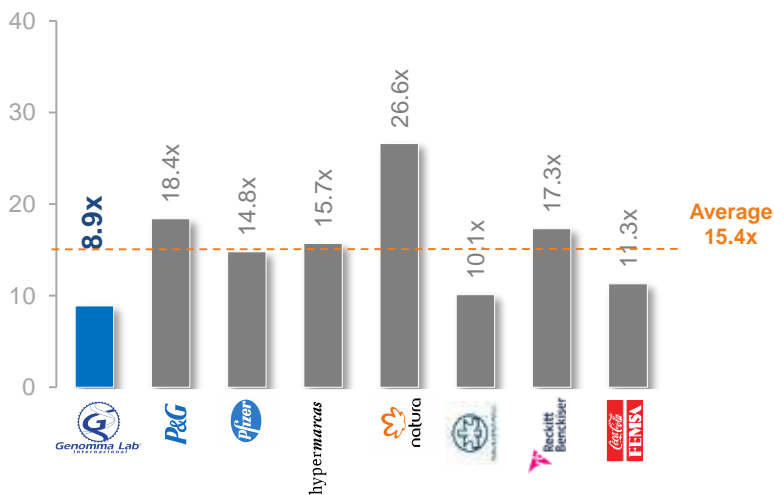
EV / EBITDA

**16.1x**

P / E

**EV / EBITDA**

**P/E**

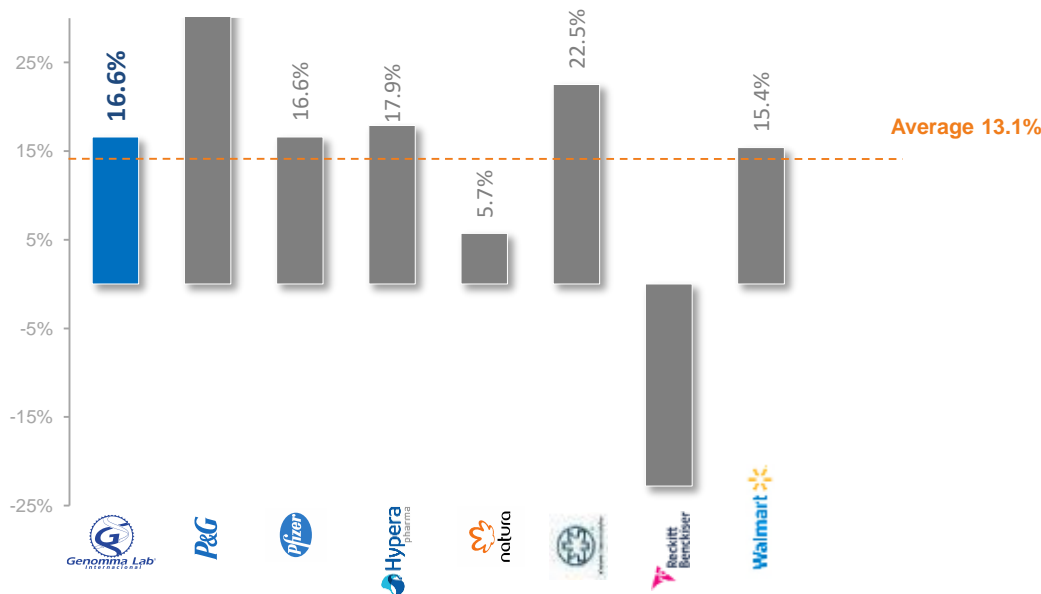




# KEY VALUATION METRICS

## ROIC including Intangibles

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

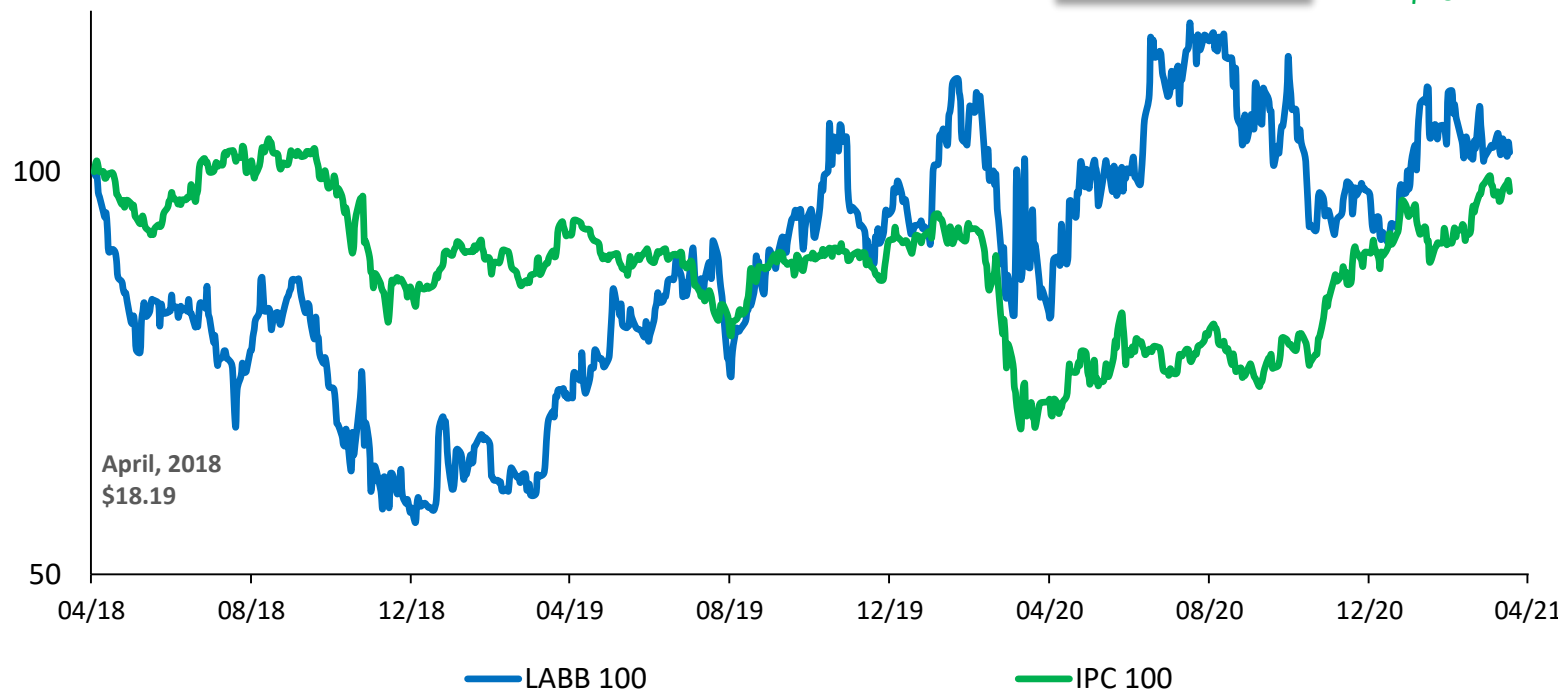


# STOCK PERFORMANCE 2 YEARS

## LAB vs. IPC

Market Cap:  
Ps. 21,212mm

April, 2021  
**\$20.24**



# VIDEO LINKS





**Genomma Lab®**  
Internacional



LAB



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## 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.