

**GENOMMA LAB**  
FIRST QUARTER  
2024



**Genomma Lab.®**  
*Internacional*

## Genomma Lab Internacional Announces Results for the First Quarter 2024

Mexico City, April 24, 2024 – Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB B) (“Genomma” or “the Company”), today announced its results for the first quarter of 2024. All figures included herein are stated in nominal Mexican pesos and have been prepared in accordance with International Financial Reporting Standards (IFRS), unless otherwise mentioned.

### Comments from our CEO, Marco Sparvieri

“Our EBITDA margin expanded significantly, reaching 22.3% in Q1 2024, an increase above 150 basis points year on year, driven by cost efficiencies through our manufacturing plant and the focus on our productivity initiatives. Our productivity goals remain on track, with a 40% progress to date towards Ps. \$1,800 MM in annual cost savings by 2027.”

### Q1 2024 Financial Summary

The following table provides a summary of the Company’s Income Statement, in millions of Mexican pesos.

	Q1 2024	% sales	Q1 2023	% sales	var %
<b>Like-for-like Sales<sup>(1)</sup></b>					<b>9.7%</b>
Net Sales (ex Argentina)	3,675.3		3,473.7		5.8%
<b>Net Sales</b>	<b>4,197.3</b>	<b>100.0%</b>	<b>4,178.2</b>	<b>100.0%</b>	<b>0.5%</b>
Gross Profit	2,739.7	65.3%	2,563.2	61.3%	6.9%
Operating Income	806.9	19.2%	803.8	19.2%	0.4%
<b>EBITDA<sup>(2)</sup></b>	<b>935.6</b>	<b>22.3%</b>	<b>867.3</b>	<b>20.8%</b>	<b>7.9%</b>
Net Income	372.1	8.9%	358.0	8.6%	3.9%
<b>EPS</b>	<b>0.36</b>		<b>0.34</b>		<b>6.8%</b>

(1) Like-for-like (“LFL”) Sales are Net Sales expressed in constant currency and excludes the hyperinflationary subsidiary

(2) EBITDA defined as operating income before depreciation and amortization

**Like-for-like (“LFL”) sales:** when adjusted into constant currency and excluding the hyperinflationary subsidiary, sales increased by 9.7% reflecting a double-digit increase in six out of nine core categories, 78% of sales exceeding inflation and 45% of sales resulting from market share growth.

**Net sales (ex Argentina):** when excluding the hyperinflationary subsidiary, sales increased by 5.8%, adversely impacted by a strong Mexican peso revaluation.

**Net sales:** 0.5% increase impacted by Argentina results.

**EBITDA:** reached 22.3% margin and a 7.9% increase reflecting a significant 153 basis-point margin expansion due to cost efficiencies in the manufacturing facility and productivity initiatives across the Company.

**Net income:** 3.9% increase due to a higher operating income. Excluding the non-controlled affiliate, net income would have increased by double-digits.

**EPS:** Ps. 0.36 per share, a 6.8% increase reflecting higher net income and the cancellation of 28 million shares during the second quarter of 2023.

## Category Review

Genomma's strategy to focus on core brands continues to pay off. The Company delivered double-digit growth in six out of nine categories with 78% of the business growing ahead of inflation and 45% gaining market share. The following table provides a summary of sales performance per category for the three-month period ended March 31, 2024.

Rank	Core categories	Net Sales Growth	LFL Sales Growth
1	Skincare	(26.9)%	(12.0)%
2	Cough & Cold	4.9%	13.6%
3	Beverages	14.3%	14.4%
4	Analgesics	(7.9)%	13.0%
5	Haircare	(8.8)%	(0.7)%
6	Derma OTC	(5.9)%	6.8%
7	Gastro	19.7%	26.5%
8	Infant Nutrition	50.2%	50.2%
9	Blades & Razors	2.9%	13.2%
<b>Total</b>		<b>0.5%</b>	<b>9.7%</b>

Like-for-like ("LFL") Sales are Net Sales expressed in constant currency and excludes the hyperinflationary subsidiary

The following category review, which compares results of the current quarter with the same quarter of last year, is presented in Like-for-like ("LFL") Sales, which adjusts Net Sales in constant currency and excludes the hyperinflationary subsidiary:

**Skincare:** -12.0% decline where 8.2% increase in Teatrical was offset by challenges in Cicatricure and Asepxia. The Company is focused on executing the turn-around strategy in place.

**Cough & Cold:** 13.6% increase resulting from a successful winter season execution in Mexico, boosting Genomma's market share in the flu segment to a record 20.5%. While Next increased by 81.5% and XL3 by 42.9%, these results were partially offset by weak performance of Tukol in the US market due to a milder winter.

**Beverages:** 14.4% increase driven by robust performance across regions, exceeding the Company's estimates. Genomma has successfully launched Suerox in more than 10 markets.

**Analgesics:** 13.0% increase driven by XRay, BioElectro and Allivix growing by 11.8%, 34.1% and 3.3% respectively. XRay achieved 10.2% of market share in Colombia, consolidating its position as the 3<sup>rd</sup> biggest player in the category.

**Hair Care:** -0.7% decline due to third party contractor lower supply pending transfer to Genomma's manufacturing facility. This did not affect the Company's sell out results.

**Derma OTC:** 6.8% increase driven by the category relaunch in Mexico with revitalized packaging design, robust in-store execution and a renewed TV advertisement campaign.

**Gastro:** 26.5% increase driven by strong performance in the three core brands: Nikzon +30.3%, QG5 +20.9% and Genoprazol +23.4%.

**Infant Nutrition:** 50.2% increase with Novamil outperforming across all core formula variants and increasing market share within the respective segments.

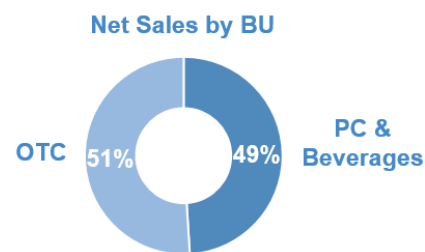
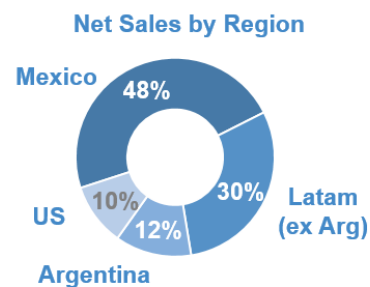
**Blades & Razors:** 13.2% increase with Groomen increasing market share in both Mexico and Chile, led by the successful launch of disposable and cartridge SKUs in Mexico.

## Regional Review

The following tables provides a summary of sales performance in millions of Mexican pesos per region for the 3-month period ended March 31, 2024:

	Q1 2024	Q1 2023	Growth %	LFL Growth %
Mexico	1,995.8	1,735.0	15.0%	15.0%
Latam (ex Arg)	1,253.4	1,261.3	(0.6)%	8.8%
Argentina	522.0	704.6	(25.9)%	na
US	426.1	477.3	(10.7)%	0.5%
<b>Total Net Sales</b>	<b>4,197.0</b>	<b>4,178.0</b>	<b>0.5%</b>	<b>9.7%</b>
<b>Total EBITDA</b>	<b>935.6</b>	<b>867.3</b>	<b>7.9%</b>	<b>na</b>

Figures in millions of Mexican pesos  
Like-for-like ("LFL") Sales are Net Sales expressed in constant currency and excludes Argentina



**Mexico:** Net sales increased 15.0%, due to a successful winter season execution and strong performance of Suerox and Novamil. EBITDA margin reached 22.8%, a 467-basis-point increase due to productivity savings.

**Latam (ex Arg):** Net sales increased 8.8% in LFL terms, driven by Colombia, Brazil and Caricam. EBITDA margin including Argentina reached 23.7%, a 218-bps decrease due to a one-time increase in the comparative base.

**Argentina:** Following a -137% devaluation of the Argentine peso against Mexican peso in 4Q23, inflation grew 48.9% since December 2023 with no salary catch-up, causing a significant drop in consumption. As a result, net sales contracted -26%. Noteworthy, Genomma was able to grow market share in several categories where it competes.

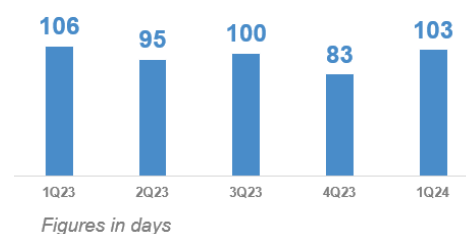
**US:** Net sales grew 0.5% in LFL terms. A milder flu season adversely affected cough & cold syrup SKUs. Excluding Tukol, US market sales increased by double digits. EBITDA margin reached 14.1%, a 502 basis-point expansion.

## Working Capital

The following tables provides a summary of the Company's working capital.

	Q1 2024	Q1 2023	Δ	4Q 2023	Δ
Receivable days	100	94	6	83	17
Inventory days	113	124	-11	104	9
Payable days	110	113	-3	104	6
<b>Cash Conversion Cycle</b>	<b>103</b>	<b>106</b>	<b>-3</b>	<b>83</b>	<b>20</b>

### Cash Conversion Cycle



**Free Cash Flow (FCF):** increased 51% to Ps. 1,777 million during the trailing-twelve months (TTM) compared to the same period of last year. The Company converted 10.8% of the trailing twelve months (TTM) Net Sales into cash.

### Days of Accounts Receivable (DSO)

	Q1 2023	Q4 2023	Q1 2024
Mexico	123	89	112
Latam	77	101	80
US	51	53	60
<b>Consolidated</b>	<b>94</b>	<b>83</b>	<b>100</b>

## Capital Allocation

The Company allocated a total of Ps. 263.2 million to the following during the reported quarter:

**Dividends.** Cash dividend of \$0.196080 Mexican pesos per share on common stock paid throughout the quarter, totaling Ps. 200 million. Genomma intends to continue quarterly dividend payments.

**Share buybacks:** 2.9 million shares repurchased during the quarter totaling Ps. 41.5 million. Additionally, the Company has proposed the cancellation of 20 million shares to be approved at the 2024 Annual Shareholders Meeting.

**CAPEX:** Investments related to manufacturing equipment reached Ps. 21.7 million during the first quarter of 2024.

## Key Debt Ratios:

**EBITDA / Debt Service:** 4.2x

**Net Debt / EBITDA:** 1.4x





## Relevant Events

[Genomma Lab Announces ESG Rating Upgrade to A](#)

[Genomma Lab Announces Seventh Dividend Payment representing a Total Amount of 200 Million Pesos](#)

[Genomma Lab 2024 Annual Shareholders Meeting Proxy Documents](#)

Genomma Lab Internacional SAB de CV will hold its Annual Shareholders Meeting on April 30, 2024

## Conference Call

**Date:** Thursday, April 25, 2024

**Time:** 1:00 p.m. ET | 11:00 a.m. Mexico City Time

**Webcast Registration:** [Genomma's Q1 2024 Earnings Call](#)

### Participants:

Marco Sparvieri, CEO  
Antonio Zamora, CFO  
Christianne Ibanez, IRO

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## Sell-side Analyst Coverage

As of April 24, 2024 "LABB" is covered by 10 sell-side analysts at the following brokerages: Actinver Casa de Bolsa, Banco Itaú BBA, BBVA Bancomer, BTG Pactual US Capital, GBM Grupo Bursátil Mexicano, Grupo Financiero Banorte, J.P. Morgan Securities, Monex Grupo Financiero, UBS Casa de Bolsa y Vector Casa de Bolsa.

**About**  
Genomma Lab Internacional, S.A.B. de C.V. is one of the leading pharmaceutical and personal care products companies in Mexico with an increasing international presence. Genomma Lab develops, sells and markets a broad range of premium branded products, many of which are leaders in the categories in which they compete in terms of sales and market share. Genomma Lab relies on the combination of a successful new product development process, a consumer-oriented marketing, a broad retail distribution network and a low-cost, highly flexible operating model. Genomma Lab's shares are listed on the Mexican Stock Exchange under the ticker "LAB B" (Bloomberg: LABB.MM).



### Note on Forward-Looking Statements

This report 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 COVID19 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.

**GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF INCOME**

For the three months ended March 31, 2024 and 2023

<i>Thousands of Mexican pesos</i>	<b>Q1 2024</b>	<b>% Sales</b>	<b>Q1 2023</b>	<b>% Sales</b>	<b>Δ%</b>
Net Sales	4,197,320	100.0%	4,178,228	100.0%	0.5%
Cost of goods sold	(1,457,649)	(34.7)%	(1,614,496)	(38.6)%	(9.7)%
<b>Gross Profit</b>	<b>2,739,671</b>	<b>65.3%</b>	<b>2,563,732</b>	<b>61.4%</b>	<b>6.9%</b>
Selling, general and administrative expenses	(1,805,885)	(43.0)%	(1,744,884)	(41.8)%	3.5%
Other income (expense)	1,797	0.0%	48,500	1.2%	(96.3)%
<b>EBITDA</b>	<b>935,583</b>	<b>22.3%</b>	<b>867,348</b>	<b>20.8%</b>	<b>7.9%</b>
Depreciation and amortization	(78,334)	(1.9)%	(63,544)	(1.5)%	23.3%
<b>Income from operations</b>	<b>857,249</b>	<b>20.4%</b>	<b>803,804</b>	<b>19.2%</b>	<b>6.6%</b>
Interest expense	(200,616)	(4.8)%	(182,002)	(4.4)%	10.2%
Interest income	34,961	0.8%	34,885	0.8%	0.2%
Foreign exchange result	(86,889)	(2.1)%	(129,400)	(3.1)%	(32.9)%
Inflationary result from monetary position	(27,713)	(0.7)%	(23,613)	(0.6)%	17.4%
<b>Comprehensive financing income (cost)</b>	<b>(280,257)</b>	<b>(6.7)%</b>	<b>(300,130)</b>	<b>(7.2)%</b>	<b>(6.6)%</b>
Associated company	(59,989)	(1.4)%	(12,419)	(0.3)%	383.0%
<b>Income before income taxes</b>	<b>517,003</b>	<b>12.3%</b>	<b>491,255</b>	<b>11.8%</b>	<b>5.2%</b>
Income tax expense	(144,897)	(3.5)%	(133,250)	(3.2)%	8.7%
<b>Consolidated net income</b>	<b>372,106</b>	<b>8.9%</b>	<b>358,005</b>	<b>8.6%</b>	<b>3.9%</b>

## GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of March 31, 2024 and 2023 and December 31, 2023

<i>Thousands of Mexican pesos</i>	As of March 31,			As of December 31,		
	2024	2023	Δ%	2023	Δ%	
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and equivalents and restricted fund	1,142,126	1,249,044	(8.6)%	1,671,570	(31.7)%	
Clients - Net	4,574,302	4,437,883	3.1%	3,743,154	22.2%	
Recoverable Taxes	1,667,128	1,636,887	1.8%	1,558,006	7.0%	
Other accounts receivable*	883,054	1,045,604	(15.5)%	972,501	(9.2)%	
Inventory - Net	1,950,920	2,338,151	(16.6)%	1,910,700	2.1%	
Prepaid expenses	848,979	782,627	8.5%	814,464	4.2%	
<b>Total current assets</b>	<b>11,066,509</b>	<b>11,490,196</b>	<b>(3.7)%</b>	<b>10,670,395</b>	<b>3.7%</b>	
<b>Non-current assets</b>						
Trademarks	5,092,672	4,976,553	2.3%	4,961,537	2.6%	
Investment in shares	669,163	763,011	(12.3)%	729,153	(8.2)%	
Building, properties and equipment – Net	3,402,375	3,578,665	(4.9)%	3,391,009	0.3%	
Deferred income tax, assets and others	1,023,095	963,703	6.2%	962,591	6.3%	
Assets by right of use	57,974	72,237	(19.7)%	23,802	143.6%	
<b>Total non-current assets</b>	<b>10,245,279</b>	<b>10,354,169</b>	<b>(1.1)%</b>	<b>10,068,092</b>	<b>1.8%</b>	
<b>TOTAL ASSETS</b>	<b>21,311,788</b>	<b>21,844,365</b>	<b>(2.4)%</b>	<b>20,738,487</b>	<b>2.8%</b>	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>Current Liabilities</b>						
Short-term debt and Current portion of long-term debt	2,109,380	4,724,471	(55.4)%	1,985,967	6.2%	
Suppliers	1,910,354	1,595,271	19.8%	1,839,397	3.9%	
Other current liabilities	2,627,795	2,737,172	(4.0)%	2,575,697	2.0%	
Income tax payable	238,806	441,745	(45.9)%	221,292	7.9%	
<b>Total current Liabilities</b>	<b>6,886,335</b>	<b>9,498,659</b>	<b>(27.5)%</b>	<b>6,622,353</b>	<b>4.0%</b>	
<b>Non-current liabilities</b>						
Long-term debt securities	3,182,755	0	100.0%	3,180,814	0.1%	
Long-term loans with financial institutions	935,276	1,400,027	(33.2)%	1,025,399	(8.8)%	
Deferred income tax and other long term liabilities	502,770	535,724	(6.2)%	437,992	14.8%	
Payable dividends to shareholders	30,581	30,581	0.0%	30,581	0.0%	
<b>Total non-current Liabilities</b>	<b>4,651,382</b>	<b>1,966,332</b>	<b>136.6%</b>	<b>4,674,786</b>	<b>(0.5)%</b>	
<b>TOTAL LIABILITIES</b>	<b>11,537,717</b>	<b>11,464,991</b>	<b>0.6%</b>	<b>11,297,139</b>	<b>2.1%</b>	
<b>Stockholders' equity</b>						
Contributed Capital	1,861,857	1,912,967	(2.7)%	1,861,857	0.0%	
Retained earnings	11,007,955	10,318,834	6.7%	10,825,394	1.7%	
Cumulative translation effects of foreign subsidiaries	(1,208,162)	(85,375)	1315.1%	(1,399,209)	(13.7)%	
Repurchased shares - Net	(1,889,917)	(1,769,393)	6.8%	(1,849,032)	2.2%	
Fair value through profit OCI	2,338	2,338	0.0%	2,338	0.0%	
<b>Total Stockholders' Equity</b>	<b>9,774,071</b>	<b>10,379,371</b>	<b>(5.8)%</b>	<b>9,441,348</b>	<b>3.5%</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21,311,788</b>	<b>21,844,362</b>	<b>(2.4)%</b>	<b>20,738,487</b>	<b>2.8%</b>	



**GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the three months ended March 31, 2024 and 2023

Thousands of Mexican pesos	Q1		
	2024	2023	Δ%
<b>Cash and cash equivalents beginning of period</b>	<b>1,671,570</b>	<b>1,503,871</b>	<b>11.2%</b>
<b>Consolidated Net Income</b>	<b>372,106</b>	<b>358,005</b>	<b>3.9%</b>
<b>Charges to results with no cash flow:</b>			
Depreciation and amortization	90,021	68,669	31.1%
Income tax	144,897	133,250	8.7%
Accrued interest and others	268,770	180,466	48.9%
<b>Changes in Working Capital:</b>			
Clients - Net	(913,853)	(328,755)	178.0%
Recoverable VAT	(114,497)	(38,179)	199.9%
Inventories	(154,675)	(122,622)	26.1%
Suppliers	101,356	(132,095)	(176.7)%
Other current assets	11,457	(127,976)	(109.0)%
Paid income tax	(191,292)	(234,140)	(18.3)%
Other current liabilities	259,255	561,405	(53.8)%
<b>Net cash generated (used) in operating activities</b>	<b>(126,455)</b>	<b>318,028</b>	<b>(139.8)%</b>
<b>Investing activities:</b>			
Investment in fixed assets	(45,960)	(77,696)	(40.8)%
Resources from financial instruments	(8,825)	0	na
Sales of equipment	803	391	105.4%
Other asset acquisitions	(16,741)	(5,443)	207.6%
Interest collected	34,938	34,873	0.2%
<b>Net cash generated (used) in investing activities</b>	<b>(35,785)</b>	<b>(47,875)</b>	<b>(25.3)%</b>
<b>Financing activities:</b>			
Payments of borrowings with financial institutions	(425,159)	(623,598)	(31.8)%
Loans with financial and securities institutions	500,000	400,000	25.0%
Interest paid	(188,185)	(176,908)	6.4%
Net Stock repurchase	(40,885)	(31,516)	29.7%
Payment of liabilities for lease	(11,851)	(12,505)	(5.2)%
Dividends paid to shareholders	(191,813)	0	na
<b>Net cash used in financing activities</b>	<b>(357,893)</b>	<b>(444,527)</b>	<b>(19.5)%</b>
<b>Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash</b>	<b>(520,133)</b>	<b>(174,374)</b>	<b>198.3%</b>
Foreign exchange and inflationary effects from international operations	(9,311)	(80,453)	(88.4)%
<b>Accumulated cash flow at the end of the period</b>	<b>1,142,126</b>	<b>1,249,044</b>	<b>(8.6)%</b>
Less - restricted fund	23,206	18,987	22.2%
<b>Cash and cash equivalents at end of period balance for operation</b>	<b>1,118,920</b>	<b>1,230,057</b>	<b>(9.0)%</b>

**ANNEX**  
**EXCLUSION OF IAS 29 AND IAS 21 EFFECTS**  
For the three months ended March 31, 2024 and 2023

	Reported		Δ%	2024		2023		Excl. IAS 29 & 21		
	Q1 2024	Q1 2023		Inflation Effect (IAS 29)	Conversion Effect (IAS 21)	Inflation Effect (IAS 29)	Conversion Effect (IAS 21)	Q1 2024	Q1 2023	Δ%
<b>Net Sales</b>	4,197.3	4,178.2	0.5%	26.1	(12.5)	34.2	(77.9)	4,183.8	4,221.9	(0.9)%
<b>EBITDA</b>	935.6	867.3	7.9%	2.8	(4.6)	10.9	(90.1)	937.3	946.5	(1.0)%
EBITDA Margin	22.3%	20.8%						22.4%	22.4%	
<b>Net Income</b>	372.1	358.0	3.9%	(55.7)	(3.9)	(67.6)	(50.2)	431.7	475.8	(9.3)%
Net Margin	8.9%	8.6%						10.3%	11.3%	

**ANNEX**  
**REGIONAL SALES BY BUSINESS UNIT**  
For the three months ended March 31, 2024 and 2023

Business Unit	Mexico			Latam			USA		
	Q1 2024	Q1 2023	Δ%	Q1 2024	Q1 2023	Δ%	Q1 2024	Q1 2023	Δ%
Over-the-Counter Medicines	981.9	865.7	13.4%	836.9	1,113.7	(24.9)%	227.9	295.1	(22.8)%
Personal Care & Beverages	1,013.9	869.3	16.6%	938.5	852.3	10.1%	198.2	182.1	8.8%
<b>Total</b>	<b>1,995.8</b>	<b>1,735.0</b>	<b>15.0%</b>	<b>1,775.4</b>	<b>1,966.0</b>	<b>(9.7)%</b>	<b>426.1</b>	<b>477.3</b>	<b>(10.7)%</b>