

## Genomma Lab Internacional Reports Fourth Quarter & Full Year 2022 Results

### HIGHLIGHTS

**FY-2022 Sales** increased by  
**Ps. 1.37 billion;**  
**+8.9%** year-on-year

**FY-2022 EBITDA**  
increased **+8.1%**  
with a **20.6%** margin

**FY-2022 Operating Income**  
increased by  
**Ps. 216.3 million;**  
**+7.1%** year-on-year

**Q4-2022 Net Debt to EBITDA**  
ratio closed at **1.40x**

**Capex Investments** for the  
twelve months ended  
December 31, 2022 reached  
**Ps. 256.0 million.**

Mexico City, February 22, 2023 – Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB B) (“Genomma Lab” or “the Company”), today announced its results for the fourth quarter and full year ended December 31, 2022. All figures included herein are stated in nominal Mexican pesos and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The following tables provide an abridged Income Statement, in millions of Mexican pesos. The margin for each figure represents its ratio to net sales and the percentage change in the fourth quarter and full year 2022 as compared with the same audited period in 2021:

	FY 2022	% Sales	FY 2021 <sup>(2)</sup>	% Sales	Var. %
<b>Net Sales</b>	<b>16,858.8</b>	<b>100.0%</b>	<b>15,487.1</b>	<b>100.0%</b>	<b>+8.9%</b>
Gross Profit	10,195.6	60.5%	9,563.2	61.7%	+6.6%
Operating Income	3,262.9	19.4%	3,046.6	19.7%	+7.1%
<b>EBITDA<sup>(1)</sup></b>	<b>3,470.9</b>	<b>20.6%</b>	<b>3,209.8</b>	<b>20.7%</b>	<b>+8.1%</b>
Net Income	1,396.8	8.3%	1,307.9	8.4%	+6.8%
	Q4 2022	% Sales	Q4 2021 <sup>(2)</sup>	% Sales	Var. %
<b>Net Sales</b>	<b>4,171.1</b>	<b>100.0%</b>	<b>4,090.1</b>	<b>100.0%</b>	<b>+2.0%</b>
Gross Profit	2,383.7	57.1%	2,576.2	63.0%	(7.5)%
Operating Income	788.4	18.9%	834.3	20.4%	(5.5)%
<b>EBITDA<sup>(1)</sup></b>	<b>839.9</b>	<b>20.1%</b>	<b>889.6</b>	<b>21.8%</b>	<b>(5.6)%</b>
Net Income	253.6	6.1%	216.0	5.3%	+17.4%

1) EBITDA defined as operating income before depreciation and amortization

2) FY-2021 audit adjustments were allocated to Q4-2021 as presented herein. Largest effects were related to the audited financial statements of Marzam, affiliate company not controlled by Genomma.

### Comments from the CEO

**Mr. Jorge Luis Brake, Genomma Lab’s Chief Executive Officer, commented:**

“Full Year 2022 set a new record in sales & EBITDA and represented the Company’s fourth consecutive year of solid growth based on the strategy launched at the beginning of 2019. Genomma has been achieving more than 4,000 million pesos in net sales and over 800 million pesos in EBITDA in recent quarters. Fourth quarter results therefore are not a reflection of our business performance, but rather a ‘bump in the road’ due to specific circumstances which occurred during the last months of the year, including FX headwinds, the significant revaluation of the Mexican Peso, a supply disruption of a few APIs, and the complex transition from third party contractors into the Personal Care manufacturing plant. Further, excluding the foreign exchange<sup>1</sup> and hyperinflationary<sup>2</sup> impact, Genomma’s net revenues would have increased by 8.5 percent for the fourth quarter 2022.”

**He added:** “Today our Company is in a position of strength, and we remain committed to achieving our vision of 20 billion pesos in annual sales and 24-25% EBITDA margin by 2024-2025 while we continue building our business. We look forward to sharing more details on our strategy with you at our March 8 Investor Day and Manufacturing Plant site visit.”

<sup>1</sup> Applying constant currency FX rate to the non-hyperinflationary subsidiaries.

<sup>2</sup> Hyperinflationary adjustments to the previous quarter results (Q1-Q3), using the Q4 inflation rate and the ending period FX.

## KEY DATA

### FY-2022 % of Sales by Segment:

 **OTC 58.1%**

 **PC 41.9%**



New **Suerox® 1 liter**  
Launched in Chile for  
convenience store channel



Launch of new  
**Tio Nacho Sachet**

## Business Review Full Year and Fourth Quarter 2022

Genomma Lab's focus on innovation, marketing effectiveness and operational excellence enabled the Company to sustain its growth momentum during 2022; a fourth consecutive year of sales and profit growth. Full year sales reached Ps. 16.86 billion; an 8.9% year-on-year increase primarily attributed to new product line extensions, effective media campaigns and strong in-store presence during 2022.

However, fourth quarter 2022 sales closed at Ps.4.17 billion; a +2.0% year on year increase. While Genomma's OTC categories increased by +8.5% during the quarter, Personal Care categories were adversely impacted by supply chain delays, aggressive competition in the Isotonic Beverage category in Mexico, and by the transition from third party contractors to the Company's Personal Care facilities. FX headwinds from a stronger Mexican Peso and Argentina hyperinflationary accounting effects also adversely impacted the company's year-over-year top line and profitability results for the fourth quarter 2022.

Genomma Lab's full year EBITDA margin closed at 20.6%; a 10 bps year-on-year decrease primarily attributable to FX headwinds in certain countries where the company operates, raw materials inflationary impacts, as well as non-recurrent growth-related investments at the end of the year.

The fourth quarter 2022 EBITDA margin closed at 20.1%, a 170bps decrease due to higher COGS inflation and lower operating leverage, FX headwinds from a stronger Mexican Peso and IAS-29/ IAS-21 hyperinflationary adjustments when restating the prior periods' comparative figures in terms of the measuring unit at the end of the reporting period. Argentinian Peso depreciation was significantly higher than local inflation during the fourth quarter 2022.

Progress related to Genomma's overall strategy during the quarter follows:

### Product Innovation and Portfolio Optimization

Successful line extensions and new product launches were an important growth driver during 2022. Notable fourth quarter 2022 examples include: 1) new line extension of Teatrical® with stem cells in Mexico 2) increased Suerox® market share within Latin America, expanding Suerox® Chile through a new Chile market-focused one liter presentation; the preferred format for convenience store clients and 3) US market launch of Silka® Antifungal, a specialized nail care product with enhanced formulation and a revamped marketing strategy. Importantly, the expansion of product innovation and line extensions will drive future growth

### Strengthened Marketing and Perfect Go-To-Market Execution

Genomma continued its successful commercial strategy during the fourth quarter 2022, aligned with focusing the business on the cough and cold, pain relief and gastro categories with increased presence within convenience stores as well as national, regional and independent pharmacies. During the fourth quarter Genomma also

strengthened its growth strategy in the traditional channel with the expansion of Groomen® disposable razors in Chile and the introduction of a new Tio Nacho® Sachet presentation format.

**World-Class Supply Chain**

Genomma's five Personal Care Manufacturing facility lines are now fully operational. During Q4-2022, the facility's shampoo manufacturing line produced more than three million bottles of Tio Nacho® and Vanart®, while achieving its pomade line target with a 93% efficiency rate. The Suerox® manufacturing line continues delivering levels of production exceeding initial expectations, to reach 76 million bottles produced during 2022.






Genomma's pharmaceutical manufacturing plant production levels also increased during the fourth quarter 2022, with 27 million Next® tablets and more than one million semi-solid units produced for the Mexican market, including the successful completion of the production transfer process of the Unesia®, Xray® Dol, Silkamedic® and Ultra Bengue® brands to Genomma's internal manufacturing lines.

The Mexican Health Authority (COFEPRIS) inspection of Genomma's Pharmaceutical Manufacturing Facility was completed during the fourth quarter 2022, representing an initial critical step towards obtaining the operating license for the oral liquid, topical liquid and coating manufacturing lines. Once operating licenses for these processes have been granted, the Company will begin the process of obtaining its Good Manufacturing Practices (GMP) certificate for Mexico. Genomma will then also pursue GMP certification for the export markets.

The following table provides detail on the status of pending Pharma Manufacturing Plant permits:



In-house production of Next®

	Granted	Recent Visit			
INTERNATIONAL GMPs					
MEXICO GMP					
OPERATING LICENSE					
	Solid	Semi-Solid	Oral Liquid	Topical Liquid	Coating
					

Investments related to Genomma's manufacturing facilities reached Ps. 256.0 million during full year 2022. Future CAPEX investments will be focused on maintenance and tactical innovation.

## Sustainability and Organization Development

The Company continued strengthening its organizational development programs (recruiting, training, performance assessments and corporate culture) during 2022, to consistently ensure the right talent in the right roles.

Genomma was included within the 2023 S&P Global Sustainability Yearbook for the second consecutive time, as one of 14 Mexican companies recognized for environmental, social and corporate governance (ESG) practices. The 2023 edition assesses more than 7,800 companies across 61 industries globally and showcases the best performing companies among industry peers and in terms of financially material ESG metrics. The Company's sustainability performance was ranked within the top 15% of the industry's category with an S&P Global ESG score within 30% of the industry's top-performing companies.

## Results by Region for the Fourth Quarter and Full Year 2022

### Mexico

Genomma's Mexican operations sales reached Ps. 7.0 billion for the full year 2022; a Ps. 318.1 million increase primarily driven by an increased market distribution as well as new core brand line extensions. Full year 2022 OTC sales grew +3.9% year-on-year. Shortages of palm and sunflower oils resulted in supply chain disruptions for Novamil. The growth rate of the OTC category excluding Novamil was +11.2% in 2022.

Full year 2022 Personal Care category sales grew +5.8% when compared to 2021. Certain co-packing contractors unable to meet Genomma's increased standards, as part of the manufacturing transition process into Genomma's plant, were phased out. As a result, the fill-rate of certain brands was adversely impacted during 2022. Excluding these brands, Genomma's Personal Care category would have increased by +9.6% on a like-for-like basis.

Genomma's fourth quarter 2022 Mexico net sales increased by +1.4%, closing at Ps. 1.87 billion, a Ps. 26.3 million year on year sales increase. Net sales of OTC category increased +2.3%, however, sales were adversely impacted by a non-recurrent shortage of certain APIs (paracetamol, pharma grade caffeine and dextromethorphan, among others) in light of extraordinary demand for medicines in China following the country's COVID outbreak. The Personal Care category increased by 0.1% during the fourth quarter 2022, primarily due to heavy discounting by Isotonic Beverage competitors. Personal Care would have grown +6.8% excluding Suerox® brand sales.

Full year 2022 EBITDA closed at Ps.1.45 billion, representing a 20.7% margin; a 20 bps year on year difference. Fourth quarter EBITDA margin reached 21.5%; a 110 bps year on year contraction primarily attributable to COGS inflation and a lower operating leverage.



Inclusion within the  
**Sustainability Yearbook**  
([click for more info](#))

**FY 2022 MEXICO**  
**Sales in MXN: 7.00 billion**  
**EBITDA Margin: 20.7%**

## FY 2022 U.S.

Sales in MXN: 1.51 billion

EBITDA Margin: 6.0%

## U.S.

Full year 2022 U.S. net revenues increased by 14.6%, reaching Ps. 1.51 billion. Net revenues benefited from strong Cough & Cold category performance, including the Next<sup>®</sup> and Tuko<sup>®</sup> brands during the first and third quarters of 2022, as well as an aggressive expansion of Suerox<sup>®</sup> within points of sale in Puerto Rico throughout 2022. It is important to note that 86.3% of total full year 2022 growth was driven by OTC product sales, which today represents 62% of total U.S. sales.

The winter season began earlier in 2022 than the previous year and was particularly strong during the month of September, rebalancing the growth between third and fourth quarters. However, Genomma's Personal Care category was adversely impacted by supply chain delays on Tio Nacho<sup>®</sup> production as well as the third party contractor transition as was previously described.

Finally, the strengthening of the Mexican Peso adversely impacted the Company's reported top line, to reach Ps. 316 million for the fourth quarter 2022; a 3.4% year on year decrease.



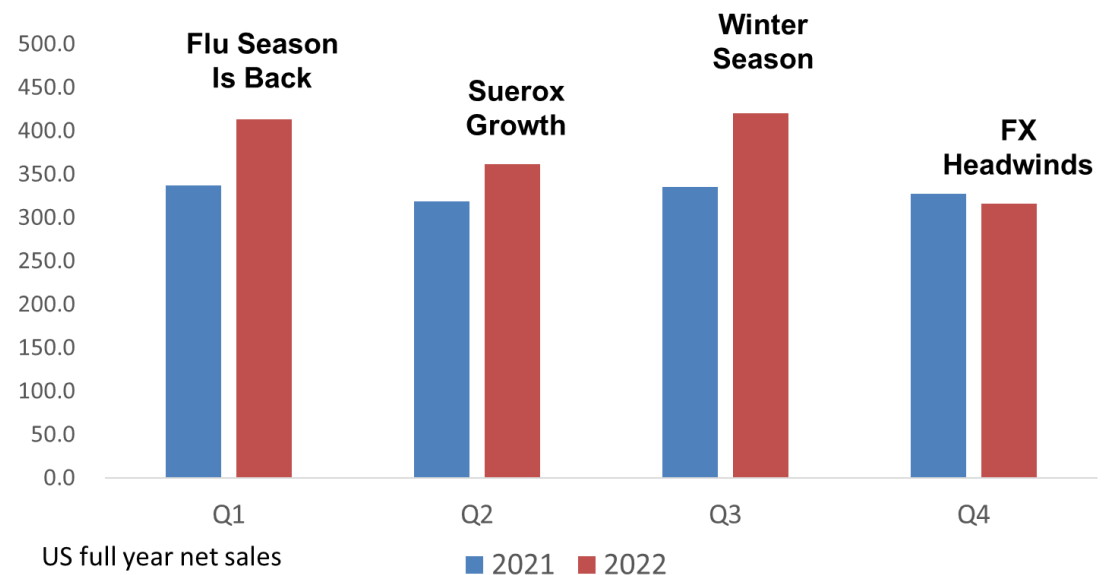
USD\* (5.2%)

\* Average Exchange rate Q4-2021 vs. Q4-2022.

## FY 2022 LATIN AMERICA

Sales in MXN: 8.35 billion

EBITDA Margin: 23.2%



Full year 2022 EBITDA reached Ps. 91.0 million, representing a 6.0% EBITDA margin, while fourth quarter 2022 EBITDA closed at Ps. 11.8 million, an EBITDA margin of 3.7%. EBITDA for the region was adversely impacted by a lower operating leverage, FX headwinds and to COGS inflation effects during fourth quarter 2022.

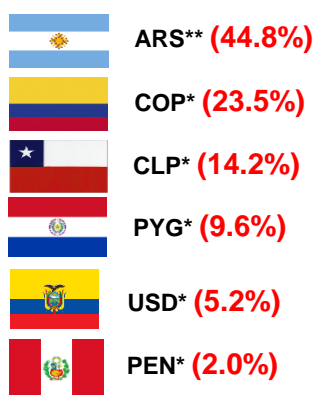
### Latin America

Full year 2022 Latin America net sales reached Ps. 8.35 billion; an 11.5% year on year increase compared to audited 2021 figures. Latin America sales increased due to strong execution of Genomma’s innovation and expansion strategies as well as increased brand distribution within the region.

Particularly strong Tafirol, Next and Nikzon brand sales drove a +26.1% increase in the OTC category in 2022. However, Personal Care category sales decreased by 5.5% during 2022 as certain co-packers were phased out, adversely impacting the fill-rate of certain Genomma brands as has been previously described. Further, Genomma prioritized fulfillment to its most significant markets which continue to represent double-digit sales increases, including Argentina, Colombia and Peru. This limited the Company’s ability to serve those countries representing less significant demand, including Bolivia, Ecuador, Guatemala, Panama and Uruguay.

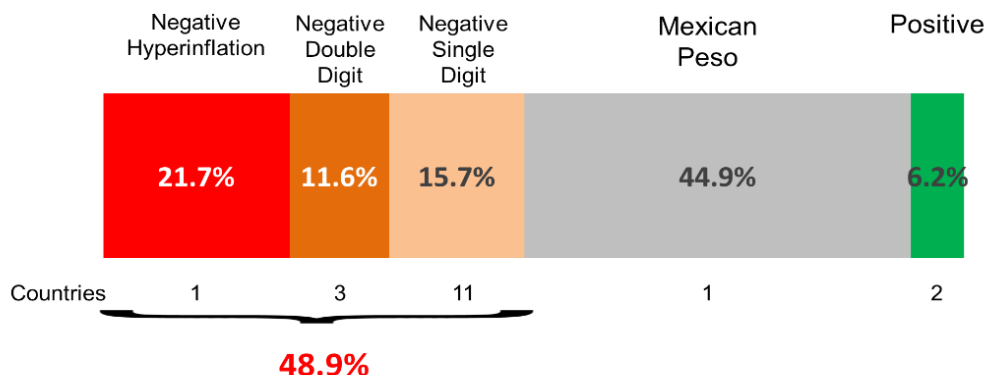
Fourth quarter operations reached Ps. 1.98 billion in sales, a +3.4% increase when compared to audited fourth quarter 2021 figures. In addition to the previously described fulfillment challenges, reported revenues were adversely impacted by FX headwinds resulting from a stronger Mexican Peso. More than 49% of Genomma’s operations’ fourth quarter consolidated total fourth quarter 2022 sales were materially impacted by FX headwinds when converted into Mexican Pesos.

#### Local Currency Expressed in MXN



\* Average Exchange rate Q4-2021 vs. Q4-2022.  
\*\*Exchange rate at the end of the period.

#### Fourth Quarter 2022 Consolidated Net Sales: FX Impact and Related Depreciation, Year-on-Year

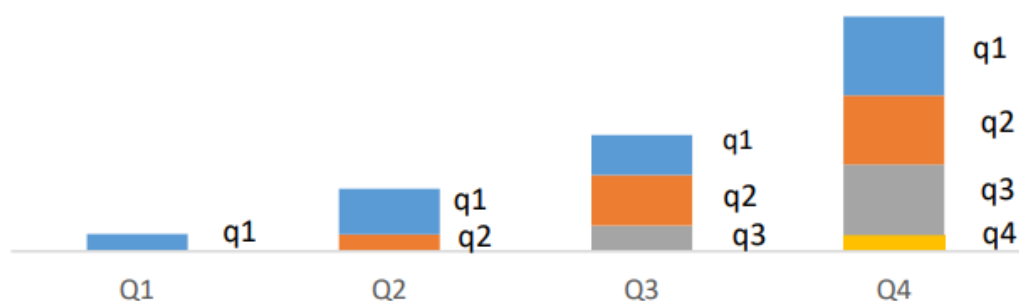


Hyperinflationary accounting effects, as well as the restatement of Q1-Q3 quarters at the closing FX rate, resulted in a negative adjustment equal to Ps. 146.9 million. This amount is roughly equivalent to three percentage points of total Company sales, or seven percentage points of LatAm sales.

**NOTE:** Accounting standards recommend using the Consumer Price Index (IPC) as published by INDEC (Instituto Nacional de Estadística y Censos), to measure inflation. **In Q4-2022 general consumer prices increased by 17.2%.**

Each Quarter, all items need to be restated into the same measuring unit current at the date of the reporting period. This implies that the Company must restate the comparative figures for the prior periods in terms of the measuring unit at the end of the reporting period.

For example, year-to-date results as of December 31, 2022 must also include a restatement of Q1, Q2 and Q3 (adding inflationary gains or losses) to the Q4 results, to ensure all numbers have been expressed in the same measuring unit (as of December 31 in this example). The restatement requires the application of the change in CPI-based index (inflation) from the dates on which income/expenses were initially recorded (as well as information of earlier periods).



#### **Translating results from a currency of a hyperinflationary economy:**

Special rules apply for translating the results of an entity whose functional currency is the currency of a hyperinflationary economy (Argentinian Peso ARS) into the currency (Mexican Peso MXN) used to consolidate these with the parent Company.

The financial statements of the foreign entity should be restated as required by IAS 29 Financial Reporting in Hyperinflationary Economies, before translation into the reporting currency. The restated financial statements are then **translated at closing rates** (i.e. December 31). During Q4-2022, **the Argentine Peso (ARS) depreciated 24%** against the Mexican Peso (MXN).

The **negative net effect** recorded in Q4-2022 is the result of adding the fourth quarter's inflation (17.2%) to the cumulative Q1-Q3 figures from Argentina and translate it using the closing FX rate depreciation (-24%).

Please refer to Genomma's press release "[Impact to the Company's financials from the adoption of new Accounting Standards \(April 29, 2018\)](#)"

The full year 2022 Latin America EBITDA margin closed at 23.2%. Fourth quarter EBITDA margin for Latin America closed at 21.4%; a 250 bps year on year decrease. The latter was due to decreased operating leverage as well as FX headwinds and hyperinflationary adjustments.

## Genomma's New Industrial Cluster



Personal Care Plant (**Pomade Manufacturing Line**)



Personal Care Plant (**Shampoo Manufacturing Line**)



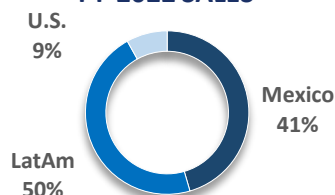


NORDEN Tube Filling Machine (**Semi-solids Manufacturing Line**)



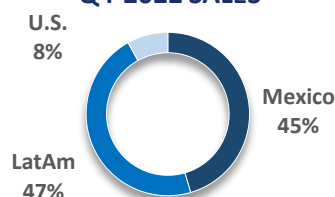
Pill Containers for Tablets (**Solids Manufacturing Line**)

## FY-2022 SALES



\*Percentage of Consolidated Sales by Region for the 12 months of 2022.

## Q4-2022 SALES



\*Percentage of Consolidated Sales by Region for the Q4-2022.

## Sales by Category & Region

(Figures in millions of Mexican Pesos)

	Over-the-counter (OTC)			Personal Care			Total		
	FY2021	FY2022	% Var.	FY2021	FY2022	% Var.	FY2021	FY2022	% Var.
<b>Mexico</b>	3,631.8	3,772.1	3.9%	3,048.5	3,226.3	5.8%	6,680.3	6,998.4	4.8%
<b>LatAm</b>	4,028.6	5,080.3	26.1%	3,460.9	3,270.5	(5.5)%	7,489.5	8,350.8	11.5%
<b>U.S.</b>	771.6	937.4	21.5%	545.7	572.1	4.8%	1,317.3	1,509.5	14.6%
<b>Total</b>	8,432.0	9,789.8	16.1%	7,055.1	7,068.9	0.2%	15,487.1	16,858.7	8.9%

	Over-the-counter (OTC)			Personal Care			Total		
	4Q2021	4Q2022	% Var.	4Q2021	4Q2022	% Var.	4Q2021	4Q2022	% Var.
<b>Mexico</b>	1,120.1	1,145.6	2.3%	726.5	727.3	0.1%	1,846.6	1,872.9	1.4%
<b>LatAm</b>	1,079.5	1,257.7	16.5%	836.8	724.4	(13.4)%	1,916.3	1,982.1	3.4%
<b>U.S.</b>	213.9	215.3	0.7%	113.3	100.8	(11.0)%	327.2	316.1	(3.4)%
<b>Total</b>	2,413.5	2,618.6	8.50%	1,676.6	1,552.5	(7.4)%	4,090.1	4,171.1	2.0%

## Other Income Statement Results for the Fourth Quarter of 2022

**Gross Profit** decreased to Ps. 2.38 billion, compared to Ps. 2.58 billion audited fourth quarter 2021 figures. Gross margin decreased primarily due to decreased operating leverage and ongoing COGS inflation.

**Selling, General, Marketing and Administrative Expenses** decreased as a percentage of sales; to 34.7% for the fourth quarter of 2022 from 41.4% for the fourth quarter of 2021. SGM&A improvement is attributable to TV and media marketing efficiencies.

## Non-Operating Result for the Fourth Quarter of 2022

**Comprehensive Financing Result** represented a Ps. 312.0 million expense in the fourth quarter of 2022, compared to a Ps. 188.8 million expense within fourth quarter 2021. The Ps. 123.2 million cost increase is due to: i) Ps. 112.5 million in Foreign Exchange Loss related to currency translation and, ii) a Ps. 63.0 million year-on-year net financial interest expense increase during the quarter. This was partially offset by: i) a Ps. 25.6 million year-on-year net increase of the Company's monetary position within its inflationary subsidiary, and ii) a Ps. 26.7 million increase in financial interest gains during the quarter.

**Income Tax Expense** for the fourth quarter 2022 reached Ps. 281.2 million, as compared to the Ps. 296.8 million income tax expense for the fourth quarter 2021. This variation is primarily attributed to the taxable inflationary gain that is generated by the amount of financial debt and inflation rate in Mexico. This impact may be reduced in the future as the Company has partially reallocated financial debt to some international subsidiaries in Latin America.

**Net Income** reached Ps. 253.6 million for the fourth quarter; a Ps. 37.6 million increase compared to fourth quarter 2021 audited results primarily due to increased pre-tax income and a lower reported effective tax rate as compared to the same quarter of 2021.

## Financial Position

**Working Capital** was adjusted during the fourth quarter 2022 and the cash conversion cycle ended at 100 days; a nine-day improvement since the end of December 2021:

- **Accounts Receivable** amounted to Ps. 4.27 billion as of December 31, 2022. Days of consolidated accounts receivable amounted to 91; a 9-day decrease when compared to the end of December 2021. This was primarily due to strengthened collections and other successful initiatives during the quarter.
- **Inventories** closed at Ps. 2.51 billion as of December 31, 2022. Days of Inventories amounted to 136; a 6-day increase since the end of December 2021.
- **Trade Payables** amounted to Ps. 1.79 billion as of December 31, 2022. Days Payable Outstanding (DPO) increased to 127 days, from 121 days on December 31, 2021.

**Fixed Assets.** The Company invested Ps. 256.0 million during the twelve months ended December 31, 2022, primarily related to primarily related to the Company's Industrial Complex ramp-up of new manufacturing lines.

**Recoverable Taxes.** This position is comprised of claims against the tax authorities relating mostly to VAT (IVA) and income taxes. The position increased by Ps. 172.6 million during 2022.

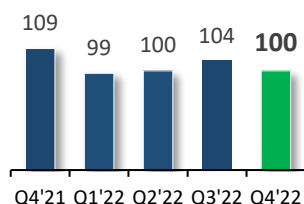
**Net Financial Debt** at the end of December 2022 increased when compared with year-end 2021:

- **Cash and Equivalents** amounted to Ps. 1.50 billion as of December 31, 2022; an 18.9% year on year increase as compared to December 31, 2021.
- **Gross Financial Debt** amounted to Ps. 6.38 billion as of December 31, 2022, compared to Ps. 5.90 billion as of December 31, 2021; a Ps. 473.3 million increase. The Company's long-term debt represented 24.3% of gross financial debt by end of the fourth quarter 2022.
- **Net Financial Debt** amounted to Ps. 4.87 billion as of December 31, 2022; a Ps. 234.3 million year on year increase.

Days of Accounts Receivable (DIO)

	4Q21	3Q22	4Q22
Mexico	149	121	131
LatAm	66	69	67
U.S.	59	63	41
<b>Consolidated</b>	<b>100</b>	<b>90</b>	<b>91</b>

Cash Conversion Cycle (Days)



**Q4-2022 Net Debt to EBITDA** ratio closed at **1.40x**

**Fitch and HR Ratings Credit Risk Rating Upgrade.** HR Ratings (December 21, 2022) and Fitch Ratings (January 24, 2023) upgraded Genomma’s long term debt credit risk scores to HR AA+ and AA+(mex), respectively. The agencies noted that rating upgrades reflected Genomma’s ability to ensure cash flow generation and geographical diversification despite a challenging macroeconomic environment.

**Down payment from Marzam.** During the fourth quarter the Company received 150 million pesos as down payment for a future capital reduction in its Marzam position. This amount was used to increase the company’s share buyback activities during the fourth quarter 2022.

**Share Buyback Program.** The Company repurchased a total of 30,129,313 shares during the three months ended December 31, 2022, representing an estimated Ps. 444.6 million investment.

**Free Cash Flow from Operations.** Excluding investments made in the Company’s new manufacturing facility, free cash flow for the twelve months ended December 31, 2022 would have reached Ps. 1.84 billion. The majority of cash flow generated year to date has been directed towards the Company’s new Industrial Cluster as well as the share buyback program.

**83,490,027 shares**  
in the **Buyback Program**  
balance as of December 31,  
2022

## Key Financial Metrics

	Q4-2022
EBITDA / Interest Paid	<b>6.6x</b>
Net Debt / EBITDA	<b>1.4x</b>

## CONFERENCE CALL Q4-2022

**Thursday, February 23, 2023**  
at 11:00 a.m. ET /  
10:00 a.m. CST

Led by:

**Jorge Luis Brake**  
CEO

**Antonio Zamora**  
CFO

**Marco Sparvieri**  
COO

Register to Webcast:

[Genomma's FY & Q4 2022 Earnings Call](#)

## Fourth Quarter 2022 Other Relevant Events

- [Marco Sparvieri to become CEO of Genomma Lab effective February 23, 2023.](#)
- [Mr. Brake and Mr. Sparvieri will continue collaborating closely, as part of the succession plan.](#)
- [Genomma Lab will propose at its Annual General Shareholders' meeting, to be held in April 2023, Mr Jorge Brake's appointment as the Company's Active Vice Chairman of the Board of Directors. At the Annual General Shareholders' meeting to be held in April 2023, the Company will also propose the cancellation of 28 million shares. Both items are subject to the approval of Genomma shareholders](#)
- [Genomma Lab Internacional Announces Leadership Succession Plan](#)
- [Genomma Lab to Host Investor Day and Site Visit on March 8, 2023 in Mexico](#)  
"Genomma Lab will host its Investor Day and Site Visit ("Genomma Day") on Wednesday, March 8, 2023 in Mexico. This event, held for equity analysts and institutional investors, will feature presentations by GenommaLab's senior management and operations teams"
- [IFC and Genomma Lab Signed a Multi-Currency Long-term Loan](#)  
"The loan will fund the Company's working capital needs across Latin America and is expected to be disbursed in Chilean pesos, Colombian pesos, Peruvian soles, Mexican Pesos and U.S. dollars"

## Additional Information

- [Impact to the Company's financials from the adoption of new Accounting Standards](#)
- [Application of IAS-36 and IFR-13 \(PIR\) effect on the "investment of shares" of the non-controlling investment in Marzam](#)
- [Genomma Lab Internacional 2021 Integrated Annual Report](#)
- [2021 Audited Results \(XBRL Format\)](#)

## Sell-side Analyst Coverage

As of February 22, 2022 "LABB" is covered by 11 sell-side analysts at the following brokerages: Actinver Casa de Bolsa, Banco Itaú BBA, BBVA Bancomer, Barclays Bank, 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).



Member of  
**Dow Jones Sustainability Indices**  
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## 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 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.

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

For the three and twelve months ended December 31, 2022 and 2021

<i>Thousands of Mexican pesos</i>	FOURTH QUARTER				ACCUMULATED			
	2022	% Sales	2021*	% Sales	2022	% Sales	2021*	% Sales
Net Sales	4,171,115	100.0%	4,090,116	100.0%	16,858,797	100.0%	15,487,059	100.0%
Cost of goods sold	1,787,411	42.9%	1,513,881	37.0%	6,663,175	39.5%	5,923,861	38.3%
<b>Gross Profit</b>	<b>2,383,704</b>	<b>57.1%</b>	<b>2,576,235</b>	<b>63.0%</b>	<b>10,195,622</b>	<b>60.5%</b>	<b>9,563,198</b>	<b>61.7%</b>
Selling, general and administrative expenses	1,447,741	34.7%	1,694,066	41.4%	6,726,921	39.9%	6,407,060	41.4%
Other (income) expense	96,054	2.3%	(7,476)	(0.2)%	(2,223)	(0.0)%	(53,662)	(0.3)%
<b>EBITDA</b>	<b>839,909</b>	<b>20.1%</b>	<b>889,645</b>	<b>21.8%</b>	<b>3,470,924</b>	<b>20.6%</b>	<b>3,209,800</b>	<b>20.7%</b>
Depreciation and amortization	51,472	1.2%	55,311	1.4%	208,028	1.2%	163,249	1.1%
<b>Income from operations</b>	<b>788,437</b>	<b>18.9%</b>	<b>834,334</b>	<b>20.4%</b>	<b>3,262,896</b>	<b>19.4%</b>	<b>3,046,551</b>	<b>19.7%</b>
Interest expense	(162,403)	(3.9)%	(99,419)	(2.4)%	(525,832)	(3.1)%	(444,390)	(2.9)%
Interest income	36,317	0.9%	9,618	0.2%	118,918	0.7%	65,429	0.4%
Foreign exchange result	(109,344)	(2.6)%	3,137	0.1%	(210,281)	(1.2)%	(25,917)	(0.2)%
Inflationary result from monetary position	(76,531)	(1.8)%	(102,099)	(2.5)%	(407,076)	(2.4)%	(329,418)	(2.1)%
<b>Comprehensive financing income (cost)</b>	<b>(311,961)</b>	<b>(7.5)%</b>	<b>(188,763)</b>	<b>(4.6)%</b>	<b>(1,024,271)</b>	<b>(6.1)%</b>	<b>(734,296)</b>	<b>(4.7)%</b>
Associated company	58,302	1.4%	(132,734)	(3.2)%	22,752	0.1%	(90,378)	(0.6)%
<b>Income before income taxes</b>	<b>534,778</b>	<b>12.8%</b>	<b>512,837</b>	<b>12.5%</b>	<b>2,261,377</b>	<b>13.4%</b>	<b>2,221,877</b>	<b>14.3%</b>
Income tax expense	281,186	6.7%	296,794	7.3%	864,576	5.1%	914,010	5.9%
<b>Consolidated net income</b>	<b>253,592</b>	<b>6.1%</b>	<b>216,043</b>	<b>5.3%</b>	<b>1,396,801</b>	<b>8.3%</b>	<b>1,307,867</b>	<b>8.4%</b>

\*2021 Audited Figures.

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

As of December 31, 2022 and 2021 and September 30, 2022

<i>Thousands of Mexican pesos</i>	<b>As of</b>		<b>As of</b>
	<b>December 31,</b>	<b>2021</b>	<b>September</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and equivalents and restricted fund	1,503,802	1,264,832	1,093,330
Clients - Net	4,274,363	4,233,015	4,188,713
Recoverable Taxes	1,625,172	1,452,537	1,583,288
Other accounts receivable*	880,595	1,714,360	985,262
Inventory - Net	2,510,390	2,201,872	2,858,866
Prepaid expenses	647,171	654,441	876,078
<b>Total current assets</b>	<b>11,441,493</b>	<b>11,521,057</b>	<b>11,585,537</b>
<b>Non-current assets</b>			
Trademarks	4,982,345	4,966,159	5,030,610
Investment in shares	775,430	765,000	717,128
Building, properties and equipment – Net	3,547,203	3,317,346	3,448,646
Deferred income tax, assets and others	963,386	924,626	995,455
Assets by right of use	45,775	48,772	50,554
<b>Total non-current assets</b>	<b>10,314,139</b>	<b>10,021,903</b>	<b>10,242,393</b>
<b>TOTAL ASSETS</b>	<b>21,755,632</b>	<b>21,542,960</b>	<b>21,827,930</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Short-term debt and Current portion of long-term debt	4,826,146	2,072,309	4,138,224
Suppliers	1,794,435	1,439,640	2,096,825
Other current liabilities	2,458,696	2,620,624	2,698,318
Income tax payable	416,646	438,568	381,373
<b>Total current liabilities</b>	<b>9,495,923</b>	<b>6,571,141</b>	<b>9,314,740</b>
<b>Non-current liabilities</b>			
Long-term debt securities	-	2,490,384	-
Long-term loans with financial institutions	1,551,515	1,341,649	970,855
Deferred income tax and other long term liabilities	510,235	659,316	605,785
Payable dividends to shareholders	30,581	408,244	15,667
<b>Total liabilities</b>	<b>11,588,254</b>	<b>11,470,734</b>	<b>10,907,047</b>
<b>Stockholders' equity</b>			
Contributed Capital	1,912,967	1,912,967	1,912,967
Retained earnings	10,058,726	9,418,955	10,405,401
Cumulative translation effects of foreign subsidiaries	(68,777)	(47,944)	(121,911)
Repurchased shares - Net	(1,737,876)	(1,214,090)	(1,277,912)
Fair value through profit OCI	2,338	2,338	2,338
<b>Total stockholders' equity</b>	<b>10,167,378</b>	<b>10,072,226</b>	<b>10,920,883</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21,755,632</b>	<b>21,542,960</b>	<b>21,827,930</b>

\*Includes warranty deposits, deferred income tax, investment projects, software, and sanitary registries

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**GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
 For the three and twelve months ended December 31, 2022

<i>Thousands of Mexican pesos</i>	<b>Q4-2022</b>	<b>FY-2022</b>
<b><i>Cash and cash equivalents beginning of period</i></b>	<b>1,093,330</b>	<b>1,264,832</b>
<b><i>Consolidated Net Income</i></b>	<b>253,592</b>	<b>1,396,801</b>
<b><i>Charges to results with no cash flow:</i></b>		
Depreciation and amortization	56,282	227,186
Income tax	281,186	864,576
Accrued interest and others	80,792	525,388
	<b>671,852</b>	<b>3,013,951</b>
<b><i>Changes in Working Capital:</i></b>		
Clients - Net	(138,550)	(289,012)
Recoverable VAT	(58,724)	(201,209)
Inventories	290,886	(547,946)
Suppliers	(287,248)	408,113
Other current assets	259,198	253,643
Paid income tax	(187,971)	(673,669)
Other current liabilities	(227,972)	64,478
	<b>(350,381)</b>	<b>(985,602)</b>
<b><i>Net cash generated (used) in operating activities</i></b>	<b>321,471</b>	<b>2,028,349</b>
<b><i>Investing activities:</i></b>		
Investment in fixed assets	(145,323)	(402,012)
Sales of equipment	(915)	47,810
Other asset acquisitions	(10,198)	(19,473)
Interest collected	36,394	119,004
<b><i>Net cash generated (used) in investing activities</i></b>	<b>(120,042)</b>	<b>(254,671)</b>
<b><i>Financing activities:</i></b>		
Payments of borrowings with financial institutions	(1,573,461)	(3,823,780)
Loans with financial and securities institutions	2,865,767	4,314,767
Interest paid	(163,608)	(513,806)
Effect of transactions with treasury shares	(12)	10,883
Stock repurchase	(567,764)	(994,923)
Sale of repurchased shares	107,800	460,266
Payment of liabilities for lease	(5,735)	(38,322)
Dividends paid to shareholders	(385,086)	(777,663)
<b><i>Net cash used in financing activities</i></b>	<b>277,901</b>	<b>(1,362,578)</b>
<b><i>Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash</i></b>	<b>479,330</b>	<b>411,100</b>
Foreign exchange and inflationary effects from international operations	(68,858)	(172,130)
<b><i>Accumulated cash flow at the end of the period</i></b>	<b>1,503,802</b>	<b>1,503,802</b>
Less - restricted fund	7,315	7,315
<b><i>Cash and cash equivalents at end of period balance for operation</i></b>	<b>1,496,487</b>	<b>1,496,487</b>