

Genomma Lab Internacional Reports Third Quarter 2022 Results

HIGHLIGHTS

Q3-2022 Sales increased by
Ps. 365.3 million;
+9.2% year-on-year

Q3-2022 EBITDA closed at
Ps. 912.4 million;
+11.4% year-on-year

**All five manufacturing
lines**

of Personal Care manufacturing
facility
are in operation

Q3-2022 Net Debt to EBITDA
ratio of **1.14x**

Capex Investments
reached
Ps. 195.7 million.
in the nine months ended
September 30, 2022

Mexico City, October 26, 2022 – **Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB B)** (“Genomma Lab” or “the Company”), today announced its results for the third quarter ended September 30, 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 third quarter 2022 as compared with the same period in 2021:

	Q3 2022	% Sales	Q3 2021	% Sales	Var. %
Net Sales	4,349.2	100.0%	3,983.9	100.0%	+9.2%
Gross Profit	2,685.7	61.8%	2,454.9	61.6%	+9.4%
Operating Income	859.4	19.8%	783.5	19.7%	+9.7%
EBITDA⁽¹⁾	912.4	21.0%	819.0	20.6%	+11.4%
Net Income	399.3	9.2%	393.2	9.9%	+1.5%

1) EBITDA defined as operating income before depreciation and amortization

Comments from the CEO

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

“We achieved a significant milestone for our Company during the quarter when all manufacturing lines within our Personal Care facility reached full operation in September, having successfully concluded the commissioning processes. Genomma has now reached an important inflection point which will trigger meaningful margin improvement and economies of scale for our Company in the future ahead.”

He added: “The third quarter 2022 marks our sixteenth consecutive quarter of sales growth despite the adverse macroeconomic headwinds on our consolidated performance. This underscores the benefit of our strategic transformation and growth strategy on how our Company operates today. The full operation of our Personal Care plant manufacturing lines and Industrial Complex therefore unlock significant value, enabling Genomma to fully realize its growth and margin potential.”

KEY DATA

% Sales by Segment:

 OTC 57.9%

 PC 42.1%



In-store innovation
for Lomecan®

Business Review

Genomma Lab's accumulated net sales for the first nine months of 2022 reached Ps. 12.69 billion; a +11.3% year-on-year increase. Third quarter 2022 net sales reached Ps. 4.35 billion; a +9.2% year-on-year increase representing the Company's 16th consecutive quarter of top-line growth.

Nine-month 2022 revenue growth is attributable to innovative and profitable new product launches, category expansion into new markets, as well as channel and point of sale extensions in the different regions where the Company operates.

EBITDA margin for the quarter closed at 21.0%; a 40-bps year-on-year increase, primarily due to various strategic pricing initiatives. Third quarter 2022 EBITDA margin was adversely impacted by FX headwinds, and to a lesser effect was due to product mix.

Below updates for the third quarter 2022 related to the Genomma's growth strategy:

Product Innovation and Portfolio Optimization

Genomma's continued focus on high growth categories resulted in strong related performance during the third quarter 2022, including the following examples: 1) isotonic beverage category expansion through the launch of a new Suerox® flavor in Mexico; 2) Argentina launch of Lafedryl® lotion with calamine and diphenhydramine which provides instant itch relief and is endorsed by the Argentine Association of Pediatric Dermatology; 3) continued pain relief category growth in both the Andean and CAM regions through the introduction of Allivix® in Peru and Xray® Dol in Ecuador and Central America.

Strengthened Marketing and Perfect Go-To-Market Execution

Successful brand positioning drove continued regional expansion and an increased presence within new channels and points of sale during the quarter. Examples include: Suerox® sponsored endcaps and coolers which increased market share and product visibility, resulting in Genomma achieving a more than 10% market share within the Chile wholesale channel by quarter's end. Genomma's presence within digital and e-commerce channels has more than doubled year on year during third quarter 2022, including Colombia and U.S., driven by Amazon Prime Day and Hispanic Heritage Month marketing campaigns.

Supply Chain

Genomma's body and facial cream manufacturing lines began operation in September 2022, signaling that **all production lines** at Genomma's personal care manufacturing facility **have begun operation**.

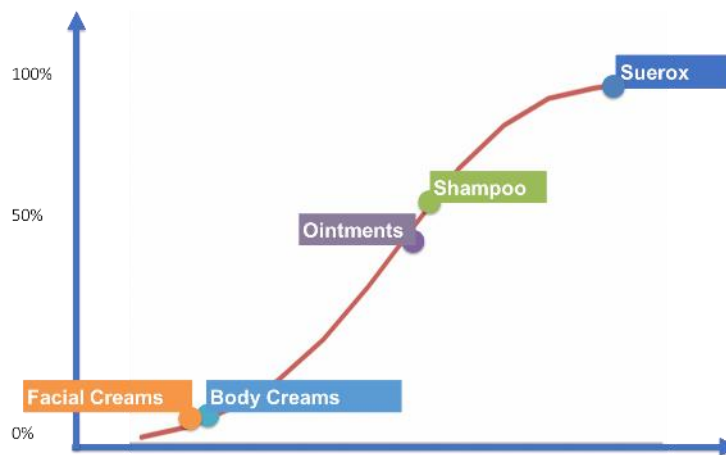


Body Creams

Manufacturing line began operation in Sep-2022

Genomma’s Industrial Cluster isotonic beverage manufacturing line was Good Manufacturing Practices (GMP) certified by the Mexican health agency (COFEPRIS) in the third quarter 2022. GMP certification enables Genomma to export isotonic beverages to markets that do require GMPs like Central America.

Genomma’s isotonic beverage manufacturing line produced more than 8,000,000 bottles during the month of September with continued ramp-up of the shampoo and pomade lines, producing more than 2.5 million bottles of shampoo and 1.0 million bottles of pomade during the third quarter of 2022.



Ramp-up progress for each of the Personal Care manufacturing lines

Genomma’s pharmaceutical manufacturing plant production levels also increased during the third quarter 2022, reaching 35 million tablets for Next[®] and more than 500 thousand semi-solid units for Unesia[®], Xray[®] Dol, Silkamedic, & Ultra Bengue[®].

Investments related to Genomma’s manufacturing facilities reached Ps. 195.7 million for the first nine months of 2022.

Sustainability and Corporate Culture

Genomma signed an agreement with the Forest Stewardship Council (FSC[®]) in August which ensures that 100% of Genomma’s secondary product packaging in Argentina uses cardboard from certified forests. This aligns with Genomma’s focus on increased sustainable product packaging use while underscoring the importance of sustainable forest management.

More than 300 employees and family members who comprise Genomma’s GEN Contigo volunteer program participated in over 35 activities to support 30,000+ people in 10 countries throughout Latin America and the U.S. during third quarter 2022.



Genomma Lab’s Volunteer Program



Suerox[®]

New sugar-free flavor for the Mexican market



Cicatricure[®] eye cream

New product launched in US, Colombia and Chile

Lafedryl[®]

Product innovation for Argentina



Mexico

Third quarter 2022 Mexico net sales reached Ps. 1.82 billion, a +9.0% year-on-year increase. Net sales growth was largely driven by successful new line extensions, sequential recovery of key categories, as well as an incremental of points of sale served during the quarter.

Third quarter 2022 EBITDA closed at Ps. 375.2 million with a 20.7% EBITDA. The 60bps year-on-year improvement was primarily due to increased operating leverage resulting from strengthened sales. This was partially offset by negative product mix sales and COGS inflation.

U.S.

U.S. net sales increased by +25.6% to close at Ps. 420.1 million. Genomma's U.S. OTC segment sales improvement was led by a double digit growth for Tukul[®], year on year. Personal Care segment reflected strong sales growth across product lines, led by Tio Nacho[®] & Cicatricure[®] sales, driven by increased local Out-of-Home (OOH) advertising. Increased distribution across all channels also contributed to robust sales for this market. E-commerce channel performance remained strong during the quarter, reflected in doubled year on year online sales through Amazon.

Third quarter 2022 EBITDA margin closed at Ps. 30 million; a 30% year on year decrease due to increased Administration and Distribution expenses associated with provisioned bonuses and OOH advertising expenses as well as a negative product mix effect. However, the Company is focused to deliver a double digit EBITDA margin for 2023, behind a larger business scale and further savings in COGS & operational expenses.

Latin America

Third quarter 2022 Latin America net sales reached Ps. 2.11 billion; a 6.6% year-on-year increase. This was primarily due to increased points of sale served with improved visibility surrounding key products and high-growth category expansions including isotonic beverages, male care and pain relief, within important new markets. Third quarter results were led by particularly strong sales in Colombia, notably double digit shampoo and hair care sales increases driven by Tio Nacho[®] and Medicasp[®] line extensions. Genomma's Peru and Brazil operations also contributed significant double digit year on year sales increases. This was partially offset by local currency depreciation in Argentina as well as decreased year on year demand for COVID symptom-related products lapping a strong third quarter 2021 period.

Third quarter 2022 EBITDA reached Ps. 507.2 million; a Ps. 65.2 million increase compared to Ps. 442.0 million for the same quarter of 2021. EBITDA margin reached 24.0%; a 170 bps year-on-year increase primarily due to successful pricing initiatives and higher operating leverage resulting from increased sales during the third quarter 2022. This was partially offset by FX headwinds in key markets where the company operates.

Genomma's New Industrial Cluster: All Personal Care Lines are now operational



Body and Facial Cream Manufacturing Lines

Genomma's New Industrial Cluster



Unesia[®]
Manufactured internally in
Q3 2022



Semi-solid Manufacturing Line

+8,000,000 bottles
of **Suerox[®]** produced
during September 2022



Isotonic Beverages Manufacturing Line

Consolidated Results Third Quarter 2022

Third Quarter 2022 Net Sales reached Ps. 4.35 billion; a 9.2% year-on-year increase. The Ps. 365.3 increase is primarily due to a solid performance of key categories as well as successful product launches and line extensions with strong digital channel performance throughout all regions in which Genomma operates. These results were partially offset by macroeconomic headwinds with local currency depreciation.

Third Quarter 2022 EBITDA reached Ps. 912.4 million; an increase as compared to Ps. 819.1 million for the same period in 2021. Third quarter EBITDA margin closed at 21.0%; a 40bps margin increase year-on-year, primarily due to various strategic pricing initiatives. These results were offset by Latin America FX headwinds and, to a lesser extent, a negative product mix effect.

Sales by Category & Region

(Figures in millions of Mexican Pesos)

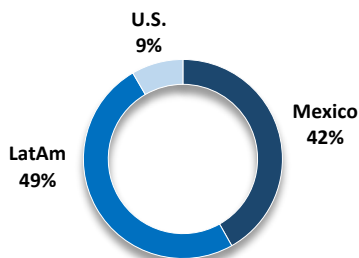
	Over the counter (OTC)			Personal Care			Total		
	Q3'21	Q3'22	% Var.	Q3'21	Q3'22	% Var.	Q3'21	Q3'22	%Var.
Mexico	938.2	1,039.1	10.8%	728.5	776.9	6.6%	1,666.7	1,816.0	9.0%
LatAm	1,144.3	1,197.1	4.6%	838.3	916.0	9.3%	1,982.6	2,113.1	6.6%
U.S.	219.6	281.9	28.4%	115.0	138.2	20.2%	334.6	420.1	25.6%
Total	2,302.1	2,518.1	9.4%	1,681.8	1,831.1	8.9%	3,983.9	4,349.2	9.2%

Other Income Statement Results for the Third Quarter of 2022

Gross Profit increased by 9.4%, to Ps. 2.69 billion, compared to Ps. 2.45 billion for the third quarter of 2021. Third quarter 2022 gross margin improved by 20bps year-on-year to close at 61.8%, primarily due to successful pricing strategies which partially offset foreign exchange impact when consolidating depreciating currencies during the quarter.

Selling, General, Marketing and Administrative Expenses decreased as a percentage of sales, to 41.6% for the third quarter of 2022 from 42.3% for the third quarter of 2021. SGM&A improvement is attributable to marketing efficiencies and to an ongoing focus on expense control.

Q3-2022 SALES*



* Q3-2022 percentage of Consolidated Sales by Region

Local Currency FX Expressed in MXN



* Exchange rate at the end of period.

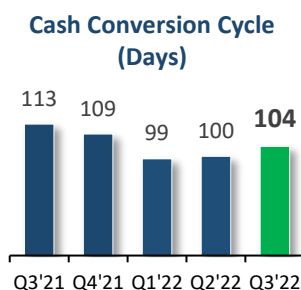
Non-Operating Result for the Third Quarter 2022

Comprehensive Financing Result represented a Ps. 265.0 million expense for the third quarter of 2022, compared to a Ps. 205.2 million in the third quarter 2021. The Ps. 59.9 million expense increase is due to: i) a Ps. 8.7 million year on year net decrease in financial interest gains; ii) a Ps. 47.6 million year on year net decrease in Foreign Exchange Gain (Loss); and iii) a Ps. 39.2 million increase in the Company's monetary position within its inflationary subsidiary. These effects were partially offset by a Ps. 35.7 million year-on-year net decrease in the financial interest expense during the quarter.

Results from inflationary accounting represented a Ps. 123.9 million expense for the third quarter of 2022, compared to Ps. 84.7 in the third quarter 2021. This increase was related to an increased monetary position in Argentina, according to the accounting effects (non-cash) derived from the adoption of the hyperinflationary accounting (IAS-29 and IAS-21) on the Company's financial statements from the Argentina's operations, since January 1, 2018.

Income Tax Expense for the third quarter 2022 reached Ps. 214.9 million as compared to a Ps. 187.6 million in the third quarter 2021, due to the fiscal effects of cash dividend repatriation from international subsidiaries operations.

Net Income closed at Ps. 399.3 million; a Ps. 6.1 million year-on-year increase. Net income increment was negatively offset primarily due to increased income tax expense associated with the tax impact on dividend repatriation. Likewise, net income was offset due to increased all-in cost of financing resulting from FX losses accounted during the quarter, including inflationary accounting for Argentina. Excluding this effect, Genomma's net income for the third quarter 2022 would have been Ps. 523.2 million, as compared to an ex. Argentina Inflationary Accounting net income of Ps. 477.9 million for the third quarter of 2021; a Ps. 45.3 million, or +9.5%, year-on-year increase.



Financial Position

Working Capital was adjusted during the third quarter 2022 and the cash conversion cycle ended at 104 days; a 9-day year on year decrease.

- **Accounts Receivable** amounted to Ps. 4.19 billion as of September 30, 2022. Days of consolidated accounts receivable amounted to 90; a 16-day decrease when compared to the end of September 2021.
- **Inventories** closed at Ps. 2.86 billion as of September 30, 2022. Days of Inventories amounted to 161; a 7-day increase when compared to the end of September 2021.

Days of Accounts Receivable (DSO)

	3Q21	2Q22	3Q22
Mexico	143	136	121
LatAm	79	79	69
U.S.	71	73	63
Consolidated	106	102	90

- **Trade Payables** amounted to Ps. 2.10 billion as of September 30, 2022. Days Payable Outstanding (DPO) closed at 148 days; a 1-day increase when compared to the end of September 2021.

Fixed Assets. The Company invested Ps. 195.7 million during the nine months ended September 30, 2022, 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. 130.8 million year-to-date.

Net Financial Debt at the end of September 30, 2022 decreased year-on-year:

- **Cash and Equivalents** amounted to Ps. 1.09 billion as of September 30, 2022; a 37.7% decrease as compared to September 30, 2021.
- **Gross Financial Debt** amounted to Ps. 5.11 billion as of September 30, 2022, compared to Ps. 6.29 billion as of September 30, 2021; a Ps. 1.18 billion year-on-year decrease. The Company's long-term debt represented 19% of gross financial debt at the end of the third quarter 2022.
- **Net Financial Debt** amounted to Ps. 4.02 billion as of September 30, 2022; a Ps. 514.8 million year-on-year decrease.

Q3-2022
Net Debt to EBITDA ratio
closed at **1.14x**

53,360,714 shares
repurchased
as of September 30, 2022

Share Buyback Program. The Company repurchased a total of 4,927,427 shares during the three months ended September 30, 2022, representing an investment of approximately Ps. 81.7 million.

Free Cash Flow from Operations. Excluding investments made in the Company's manufacturing facility, free cash flow for the nine months ended September 30, 2022 would have reached Ps. 1.60 billion. Most of the cash flow generated year to date has been directed towards the Company's new Industrial Cluster as well as towards other working capital investments to drive growth.

Key Financial Metrics

	Q3-2022
EBITDA / Interest Paid	7.61x
Net Debt / EBITDA	1.14x

CONFERENCE CALL Q3-2022

Thursday, October 27, 2022
at 11:00 a.m. ET /
10:00 a.m. CST

Jorge Luis Brake
CEO

Antonio Zamora
CFO

Register to Webcast:

[Genomma's Q3'22 Earnings Call](#)

Third Quarter 2022 Other Relevant Events

- [Genomma Lab Internacional Announces Third Dividend Payment](#)
The Company declares a cash dividend on its common stock for the total amount of \$ 400,000,000.00 M.N. payable to shareholders of record at the close of business on November 11, 2022.

Additional Information

- [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 October 26, 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).



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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 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.

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

For the three and nine months ended September 30, 2022, and 2021

Thousands of Mexican pesos

	THIRD QUARTER				ACCUMULATED			
	2022	% Sales	2021	% Sales	2022	% Sales	2021	% Sales
Net Sales	4,349,236	100.0%	3,983,928	100.0%	12,687,682	100.0%	11,396,943	100.0%
Cost of goods sold	1,663,491	38.2%	1,528,997	38.4%	4,875,764	38.4%	4,409,980	38.7%
Gross Profit	2,685,745	61.8%	2,454,931	61.6%	7,811,918	61.6%	6,986,963	61.3%
Selling, general and administrative expenses	1,808,816	41.6%	1,684,208	42.3%	5,279,180	41.6%	4,712,927	41.4%
Other (income) expense	(35,494)	(0.8)%	(48,359)	(1.2)%	(98,277)	(0.8)%	(46,187)	(0.4)%
EBITDA	912,423	21.0%	819,082	20.6%	2,631,015	20.7%	2,320,223	20.4%
Depreciation and amortization	52,988	1.2%	35,632	0.9%	156,556	1.2%	108,007	0.9%
Income from operations	859,435	19.8%	783,450	19.7%	2,474,459	19.5%	2,212,216	19.4%
Interest expense	(136,957)	(3.1)%	(172,623)	(4.3)%	(363,429)	(2.9)%	(344,971)	(3.0)%
Interest income	42,322	1.0%	51,044	1.3%	82,601	0.7%	55,812	0.5%
Foreign exchange result	(46,480)	(1.1)%	1,103	0.0%	(100,937)	(0.8)%	(29,054)	(0.3)%
Inflationary result from monetary position	(123,934)	(2.8)%	(84,693)	(2.1)%	(367,298)	(2.9)%	(227,319)	(2.0)%
Comprehensive financing income (cost)	(265,049)	(6.1)%	(205,169)	(5.1)%	(749,063)	(5.9)%	(545,532)	(4.8)%
Associated company	19,790	0.5%	2,479	0.1%	(35,550)	(0.3)%	42,356	0.4%
Income before income taxes	614,176	14.1%	580,760	14.6%	1,689,846	13.3%	1,709,040	15.0%
Income tax expense	214,900	4.9%	187,557	4.7%	608,390	4.8%	617,216	5.4%
Consolidated net income	399,276	9.2%	393,203	9.9%	1,081,456	8.5%	1,091,824	9.6%

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

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

<i>Thousands of Mexican pesos</i>	As of		As of
	September 30,	2021	December 31,
	2022		2021
ASSETS			
Current assets			
Cash and equivalents and restricted fund	1,093,330	1,755,220	1,264,832
Clients - Net	4,188,713	4,385,775	4,233,015
Recoverable Taxes	1,583,288	1,528,632	1,452,537
Other accounts receivable*	985,262	1,930,903	1,714,360
Inventory - Net	2,858,866	2,441,728	2,201,872
Prepaid expenses	876,078	644,681	654,441
Total current assets	11,585,537	12,686,939	11,521,057
Non-current assets			
Trademarks	5,030,610	4,952,167	4,966,159
Investment in shares	717,128	951,614	765,000
Building, properties and equipment – Net	3,448,646	3,197,887	3,317,346
Deferred income tax, assets and others	995,455	603,674	924,626
Assets by right of use	50,554	46,889	48,772
Total non-current assets	10,242,393	9,752,231	10,021,903
TOTAL ASSETS	21,827,930	22,439,170	21,542,960
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Short-term debt and Current portion of long-term debt	4,138,224	2,331,623	2,072,309
Suppliers	2,096,825	1,781,774	1,439,640
Other current liabilities	2,698,318	2,645,840	2,620,624
Income tax payable	381,373	386,070	438,568
Total current liabilities	9,314,740	7,145,307	6,571,141
Non-current liabilities			
Long-term debt securities	-	2,488,886	2,490,384
Long-term loans with financial institutions	970,855	1,465,248	1,341,649
Deferred income tax and other long term liabilities	605,785	736,659	659,316
Payable dividends to shareholders	15,667	800,000	408,244
Total liabilities	10,907,047	12,636,100	11,470,734
Stockholders' equity			
Contributed Capital	1,912,967	1,912,967	1,912,967
Retained earnings	10,405,401	9,164,043	9,418,955
Cumulative translation effects of foreign subsidiaries	(121,911)	(38,464)	(47,944)
Repurchased shares - Net	(1,277,912)	(1,237,814)	(1,214,090)
Fair value through profit OCI	2,338	2,338	2,338
Total stockholders' equity	10,920,883	9,803,070	10,072,226
TOTAL EQUITY AND LIABILITIES	21,827,930	22,439,170	21,542,960

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

For the three months ended September 30, 2022

<i>Thousands of Mexican pesos</i>	Q3-2022
Cash and cash equivalents beginning of period	1,299,392
Consolidated Net Income	399,276
Charges to results with no cash flow:	
Depreciation and amortization	57,836
Income tax	214,900
Accrued interest and others	66,517
	738,529
Changes in Working Capital:	
Clients - Net	385,336
Recoverable VAT	(153,774)
Inventories	(415,453)
Suppliers	139,856
Other current assets	(62,522)
Paid income tax	(109,007)
Other current liabilities	(117,279)
	(332,843)
Net cash generated (used) in operating activities	405,686
Investing activities:	
Investment in fixed assets	(96,965)
Sales of equipment	47,899
Interest collected	(4,983)
Other asset acquisitions	42,313
Net cash generated (used) in investing activities	(11,736)
Financing activities:	
Payments of borrowings with financial institutions	(1,090,240)
Loans with financial and securities institutions	750,000
Interest paid	(140,356)
Effect of transactions with treasury shares	-
Stock repurchase	(226,815)
Sale of repurchased shares	145,189
Payment of liabilities for lease	(3,518)
Dividends paid to shareholders	-
Net cash used in financing activities	(565,740)
Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash	(171,790)
Foreign exchange and inflationary effects from international operations	(34,272)
Accumulated cash flow at the end of the period	1,093,330
Less - restricted fund	45,597
Cash and cash equivalents at end of period balance for operation	1,047,733