

August 5, 2021



Betterware Announces Second Quarter Fiscal Year 2021 Financial Results

Net Sales Increase 81% from the Prior Year Period

EBITDA Growth of 92%

Net Income Growth of 72%

Raises 2021 Revenue and EBITDA Outlook

GUADALAJARA, JALISCO, MEXICO, Aug. 5, 2021 /PRNewswire/ -- Betterware de Mexico S.A.B. de C.V. (NASDAQ: BWMX), has released its financial results for the second quarter fiscal 2021 ended June 30, 2021, and posted a letter to its shareholders on its investor relations website at <https://investors.betterware.com.mx/>



Executive Summary

Q2 2021 vs. Prior-Year Quarter (\$ in Pesos)

Q2 2021 Revenue	Ps. \$2,594.5 million	81% increase over Q2 2020
Q2 2021 EBITDA	Ps. \$746.9 million or up 172 basis points to 28.8% of Revenue	92% increase over Q2 2020
Q2 2021 Net income	Ps. \$460.9 million	72% increase over Q2 2020
Q2 2021 Adj. Net income	Ps. \$426.4 million	63% increase over Q2 2020
Q2 2021 EPS	Ps. \$12.57	61% increase over Q2 2020
Q2 2021 Average Distributors	65.0 thousand	109% increase over Q2 2020
Q2 2021 Average Associates	1.22 million	110% increase over Q2 2020

H1 2021 vs. Prior-Year Period (\$ in Pesos)

H1 2021 Revenue	Ps. \$5,496.1 million	130% increase over H1 2020
H1 2021 EBITDA	Ps. \$1,670.0 million or up 413 basis points to 30.4% of Revenue	166% increase over H1 2020
H1 2021 EPS	\$30.02	138% increase over H1 2020 Includes non-cash expenses.
H1 2021 Adjusted EPS	\$25.45	148% increase over H1 2020

Luis G. Campos, Executive Chairman of the Board, stated, "During the second quarter of

2021, we continued to deliver outstanding results, with strong double-digit growth even compared to the second quarter of 2020, when demand surged substantially. The quarter was highlighted by net revenue and EBITDA year-on-year growth of 81% and 92%, respectively, and on a two-year basis, which smooths out last year's outstanding results, net revenue and EBITDA increased 229% and 272%, respectively. Our ongoing strength is driven by the predictability of our business model combined with our team's continued disciplined execution of our strategy, which delivers consistent growth in sales, profitability and cash flow."

Mr. Campos continued: "We are extremely pleased to have achieved record growth in our average distributor and associate base of 110% in 2Q21 compared to 2Q20 and 223% compared to 2Q19. This marks a significant milestone for the Company as we retained almost all our associates and distributors added during 2020, while attracting many new associates and distributors to the Company. The traction of our commercial strategies focused on retention and productivity led to this noteworthy achievement and fueled positive growth of our distributors and associates base by the end of 2Q21. Overall, we believe our strategy has us poised to remain a highly attractive opportunity of additional income, which is expected to power consistent expansion of our distributor and associate base going forward."

Mr. Campos stated further, "We remain focused on our strategic pillars of Product Innovation, Technology and Business Intelligence during the quarter. We are pleased to finish the first half of the year above our expectations for Revenue, EBITDA and our Distributors and Associates base. As we enter the second half of the year, we are confident about our business prospects. Our differentiated business model has driven consistent results to-date and we believe we are well positioned to capture additional market share, as we increase our household penetration and the share of wallet of our clients over the near and long-term."

Additional Second Quarter Highlights, Betterware:

- Introduces 60 new products in the two catalogues launched during the period;
- Ends the quarter with Ps. \$520.1 million in cash and cash equivalents;
- The Company announces the introduction of monthly catalogues in September 2021, moving from 9 to 12 catalogues per year, which will increase frequency of purchase.
- Initial results from our marketing campaign show a significant increase in the Top of Mind, from 18% in December 2020 to 29% in June 2021. Share of Mind increased from 26% in December 2020 to 39% in June 2021.

Q2 2021 Year-Over-Year Operating Results (\$ in Pesos)

Q2 2021 Revenue	Ps. \$2,594.5 million	81% increase over Q2 2020
Q2 2021 Gross Profit	Ps. \$1,472.4 million	99% increase over Q2 2020
Q2 2021 Gross Margin	56.8%	512 bps increase over Q2 2020
Q2 2021 EBITDA	Ps. \$746.9 million	92% increase over Q2 2020
Q2 2021 EBITDA Margin	28.8%	172 bps increase from Q2 2020
Q2 2021 EPS	Ps. \$12.57	61% increase over Q2 2020

Balance Sheet Highlights

The Company maintained a strong balance sheet. As of June 30, 2021, the Company had Ps. \$520.1 million in cash and cash equivalents and a Net Debt to EBITDA ratio of 0.02x.

The Company's cash conversion cycle remained strong at -38 days in the second quarter of 2021.

Progress on 2021 Strategic Pillars

1. Product Innovation

- a. The Company announces the introduction of monthly catalogues in September 2021, moving from 9 to 12 catalogues per year which will increase purchase frequency and perception of innovation.
- b. The Company announces the recategorization of their products, by functionality instead of by room in the home, which will help consumers better understand the brand, and make it easier for distributors and associates to sell more products across end use.

2. Technology

- a. Continues to target the launch of its improved App for distributors and associates, Betternet 3.0.
- b. Positive reaction to the new e-commerce platform, www.betterware.com.mx, which launched in December 2020.

3. Business Intelligence

- a. As of May 2021, the Company estimates household penetration of 24%.
- b. The Company continues to target doubling its market share in Mexico from 20% by the end of 2020 to 40% household penetration in the next five years.

Full-Year 2021 Outlook

	Last FY 2021	Updated FY 2021	Growth vs. 2020
Net Revenue	Ps. \$10,100 to \$11,100	Ps. \$10,800M to \$11,300M	49% to 56%
EBITDA:	Ps. \$3,000 to 3,300	Ps. \$3,200M to \$3,400M	48% to 57%
EBITDA Margin:	29.7%	29.6% to 30.1%	

After a strong first half of 2021, above its expectations in Net Revenue, EBITDA and Distributor and associates growth, the Company believes it is positioned to achieve its updated annual guidance range for both net revenue and EBITDA.

The Company continues to expect CAPEX in 2021 to be Ps. 460M, which includes additional equipment for its new campus, technology and other investments. The new campus and extraordinary technology investments will represent approximately 81% of CAPEX in 2021, which is down from 92% in 2020 and 88% in 2019.

Andres Campos, Chief Executive Officer, stated, "During the first half of the year, we made progress on many fronts operationally, above our expectations, and our team continued to execute against our key strategic priorities of Product Innovation, Technology and Business Intelligence. We are pleased to deliver against these strategies while also making disciplined investments across the business and return value to our shareholders through our ongoing quarterly dividend. We believe the positive momentum of our core organic business, our advantageous business model and the strength of our strategic initiatives has us well positioned to achieve our updated annual outlook and continue increasing our household penetration and share of wallet in the years to come."

Quarterly Dividend

As previously announced, the Company announced that its Board of Directors has proposed

the payment of a cash dividend in the amount of Ps. 1,400 million to shareholders during 2021, to be paid to investors in four instalments of Ps. 350 million per quarter. The third quarterly dividend is subject to approval on the next Ordinary General Shareholders' Meeting to be held on August 13, 2021.

Conference Call and Webcast Information

The Betterware management team will host a conference call with the investment community on August 6, 2021, at 9 a.m. (ET). The U.S. toll free dial-in for the conference call is 1-877-451-6152 and the international dial-in number is 1-201-389-0879. Those wishing to access the webcast, as well as the financial information presented during the call, can visit the Investor Relations page on the company's website at <https://investors.betterware.com.mx/>. A replay of the webcast will be available at the same URL November 7, 2021.

Please visit the Betterware investor relations website at <https://investors.betterware.com.mx/> to view the financial results included in the letter to shareholders. The Company intends to continue to make future announcements of material financial and other information through its investor relations website. The Company will also, from time to time, disclose this information through press releases, filings with the Securities and Exchange Commission, conference calls, or webcasts, as required by applicable law.

About Betterware de Mexico S.A.B. de C.V.

Founded in 1995, Betterware de Mexico is a leading direct-to-consumer selling company in Mexico. The Company has delivered consistent revenue growth as evidenced by its compound annual growth rate ("CAGR") of 25% from 2003-2020 with even stronger revenue growth in the last 5 years, which has accelerated to a CAGR of 57%. Focused on the home organization and solutions segment, Betterware's wide product portfolio includes home organization, kitchen, commuting, laundry and cleaning, as well as other categories.

Supported by its top-class business intelligence and data analytics units, which provides daily monitoring of key metrics and product intelligence, Betterware has been able to achieve sustainable double-digit growth rates by successfully expanding its market penetration driven by its almost 65,000 distributors and 1.2 million associates network.

Its state-of-the-art infrastructure allows it to safely and timely deliver its products to every part of the country, backed by the strategic location of its distribution center.

Forward-Looking Statements

This press release includes certain statements that are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as "believe," "may," "will", "estimate", "continue", "anticipate", "intend", "expect", "should", "would", "plan", "predict", "potential", "seem", "seek," "future," "outlook", and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. The reader should understand that the results obtained may differ from the projections contained in this document, as past results in no way offer any guarantee of future performance. For this reason, the Company assumes no responsibility for any indirect factors or elements beyond its control that might occur inside Mexico or abroad and which might affect the outcome of these projections

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