

February 18, 2021



Betterware Announces Record Fourth Quarter Fiscal Year 2020 Financial Results

Net Sales Increase 229% from the Prior Year Period

EBITDA Growth of 254%

Company Discloses 2021 Sales and EBITDA Outlook, and Announces Dividend

GUADALAJARA, Mexico, Feb. 18, 2021 /PRNewswire/ -- Betterware de Mexico S.A.B. de C.V. (NASDAQ:BWMX) has released its financial results for the fourth quarter fiscal year 2020 ended December 31, 2020, and posted a letter to its shareholders on its investor relations website at <https://ri.betterware.com.mx>. The fiscal 2020 year included a 53rd week and compares to a 52 week year in fiscal 2019. The 53rd week was included in the Company's 2020 fourth quarter and added Ps. \$160 million in net revenue and Ps. \$63 million in EBITDA.

Executive Summary

Q4 2020 vs. Prior-Year Quarter (\$ in Pesos)

Q4 2020 Revenue	Ps. \$2,601 million	229% increase over Q4 2019 including additional week in Q4 2020
Q4 2020 Comparable Revenue	Ps. \$2,441 million	209% increase over Q4 2019
Q4 2020 EBITDA	Ps. \$807 million or up 220 basis points to 31.0% of Revenue	254% increase over Q4 2019 including additional week in Q4 2020
Q4 2020 Comparable EBITDA	Ps. \$744 million	226% increase over Q4 2019
Q4 2020 EPS	\$1.49	Includes non-cash expenses.
Q4 2020 Adjusted EPS	\$18.64	448% increase over Q4 2019
Q4 2020 Distributors	59.7 thousand	187% increase over Q4 2019
Q4 2020 Associates	1.23 million	195% increase over Q4 2019

FY 2020 vs. FY 2019 (\$ in Pesos)

2020 Revenue	Ps. \$7,260 million	135% increase over 2019 including additional week in 2020
2020 Comparable Revenue	Ps. \$7,100 million	130% increase over 2019
2020 EBITDA	Ps. \$2,164 million or up 222 basis points to 29.8% of Revenue	154% increase over 2019 including additional week in 2020
2020 Comparable EBITDA	Ps. \$2,101 million	147% increase over Q4 2019
2020 EPS	\$9.93	Includes non-cash expenses.
2020 Adjusted EPS	\$43.36	203% increase over 2019

Luis G. Campos, Executive Chairman of the Board, stated, "We had an outstanding finish to a strong year of growth for our Company. We generated record sales and earnings for both the fourth quarter and fiscal year, exceeding the increased guidance we provided last November. The year marked significant milestones including growing revenues over 135%

to \$7.3 billion pesos and achieving record annual EBITDA margin of 29.8%. Equally exciting for our Company is that we entered the public markets on March 13, 2020 and began trading on the Nasdaq exchange. The operational achievements made in 2020 from expanding our distributor and associate base by nearly 200% to the launch of our new web marketing platform, the development of additional categories and geographies and continued generation of ongoing benefits from business intelligence, position us well as we begin fiscal 2021. We look forward to continuing our successful expansion and making new milestones in the year ahead."

Additional Fourth Quarter Highlights, Betterware:

- Introduces 98 new products in the 3 catalogues launched during the period;
- Shows strong results in its new e-commerce platform since it was launched at the beginning of December;
- Ends the year 2020 with Ps. \$650 million in cash and cash equivalents;
- December growth of 301% in sales and 417% growth in EBITDA, proving sustainability of company's growth trend.

Q4 2020 Year-Over-Year Operating Results (\$ in Pesos)

Q4 2020 Revenue	Ps. \$2,601 million	229% increase over Q4 2019
Q4 2020 Gross Profit	Ps. \$1,454 million	221% increase over Q4 2019
Q4 2020 Gross Margin	55.9%	133 bps decrease over Q4 2019
Q4 2020 Selling Expenses	Ps. \$293 million	99% increase over Q4 2019
Q4 2020 Operating Margin	30.4%	310 bps increase over Q4 2019
Q4 2020 Interest Income	Ps. \$1.3 million	5% decrease over Q4 2019

2020 Year-Over-Year Operating Results (\$ in Pesos)

2020 Revenue	Ps. \$7,260 million	135% increase over 2019
2020 Gross Profit	Ps. \$3,969 million	120% increase over 2019
2020 Gross Margin	54.7%	380 bps decrease over 2019
2020 Selling Expenses	Ps. \$853 million	55% increase over 2019
2020 Operating Margin	29.2%	290 bps increase over 2019
2020 Interest Income	Ps. \$10.9 million	56% increase over 2019

Balance Sheet Highlights

As of December, 31, 2020, the Company had Ps. \$650 million in cash and cash equivalents. Accounts payable increased 293% to Ps. \$2,079 million and inventory increased 269% to Ps. \$1,274 million from December 31, 2019. The Company noted that payment terms for accounts payable are 120 days, which contributed to this growth above the rate of inventory growth. The Company also noted that it increased its level of inventory to support future growth.

Progress on 2021 Strategic Pillars

1. Market Penetration

- Increased its household penetration due to its increase in distributors and associates network.

2. Category Expansion

- In the 3 catalogues launched during the period, Betterware introduced 98 new products.
- Targeting launch of new categories, including Home Renovation, by the second quarter of 2021.

3. Business Intelligence and Technology Investments

- The new e-commerce platform, www.betterware.com, successfully launched in December 2020. The transactional site allows greater accessibility and ease of purchase to consumers by connecting them directly with Betterware distributors and associates.
- Successful implementation of new software, Power BI, to monitor day to day operations.
- Targeting the launch of its improved App for distributors and associates, Betternet 3.0.

4. Geographic Expansion

- After a successful pilot test in Guatemala, the Company is targeting its international expansion to Colombia and Peru.

Full-Year 2021 Outlook

	FY 2021
Net Revenue	Ps. \$10,100M to \$11,100M
EBITDA	Ps. \$3,000M to \$3,300M
EBITDA Margin	29.7%
CAPEX	Ps. \$460M

Andres Campos, Chief Executive Officer, concluded, "We enter 2021 from a position of strength and remain confident in our ability to drive double digit sales and profit growth. Our priorities are focused on executing against our four growth pillars, while also continuing to invest in key areas of the business, and returning value to shareholders through our quarterly dividend program. Similar to 2020, we will continue take a strategic approach to expand our household penetration as we focus on further strengthening our market positioning in 2021 and beyond."

Quarterly Dividend

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 quarterly dividend is subject to approval on the next Ordinary General Shareholders' Meeting to be held later today, February 18, 2021.

Conference Call and Webcast Information

The Betterware management team will host a conference call with the investment community on February 19, 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://ri.betterware.com.mx/financiera/reportes-trimestrales>. A replay of the webcast will be available at the same URL.

Please visit the Betterware investor relations website at <https://ri.betterware.com.mx/financiera/reportes-trimestrales> 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, whose CAGR 2003-2019 was 20%. Focused on the home organization and solutions segment, Betterware's wide product portfolio includes home organization, kitchen preparation, food containers, smart furniture, technology and mobility, as well as other minor 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 60,000 distributors and 1.25 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.

View original content: <http://www.prnewswire.com/news-releases/betterware-announces-record-fourth-quarter-fiscal-year-2020-financial-results-301231305.html>

SOURCE Betterware de México, S.A.B. de C.V.