

November 5, 2020



/CORRECTION -- Betterware Announces Record Third Quarter Fiscal Year 2020 Financial Results/

The news release, Betterware Announces Record Third Quarter Fiscal Year 2020 Financial Results, issued 05-Nov-2020 by Betterware de México, S.A.B. de C.V. over PR Newswire, is being re-sent to include background ticker coding that had been inadvertently omitted by PR Newswire on the previous transmission.

Betterware Announces Record Third Quarter Fiscal Year 2020 Financial Results

Net Sales Increase 199% from the Prior Year Period

EBITDA Growth of 234%

Increases 2020 Outlook

GUADALAJARA, Mexico, Nov. 5, 2020 /PRNewswire/ -- Betterware de Mexico S.A.B. de C.V. (NASDAQ:BWMX), has released its financial results for the third quarter fiscal year 2020 ended September 30, 2020, and posted a letter to its shareholders on its investor relations website at <https://ri.betterware.com.mx>.

Executive Summary

Q3 2020 vs. Prior-Year Quarter (\$ in Pesos)

Q3 2020 Revenue	Ps. \$2,270.8 million	199% increase over Q3 2019
Q3 EBITDA	Ps. \$730.2 million or up 330 basis points to 32.2% of Revenue	234% increase over Q3 2019
Q3 2020 EPS	(\$3.66)	Includes non-cash expense of Ps 585M related to the valuation of warrants*
Q3 2020 Adjusted EPS	\$13.22	215% increase over Q3 2019
Q3 2020 Distributors	58.6 thousand	186% increase over Q3 2019
Q3 2020 Associates	1.2 million	179% increase over Q3 2019

Luis G. Campos, Executive Chairman of the Board, stated, "We are very pleased with our record third quarter results, highlighted by strong sales growth, an increase in EBITDA and an acceleration in the number of distributors and associates. We are very proud of our team's ability to adapt, meet the increased demand, and continue to serve our customers in a changing operating environment, and their hard work has enabled our strong third quarter performance. Amidst a pandemic backdrop, our recent results demonstrate that our unique technology driven platform that we've developed over the last five years is well positioned to disrupt the consumer products industry and to continue reaching more homes as we focus

on delivering sustainable long-term growth."

Andres Campos, Chief Executive Officer, stated, "We made strong progress against our four key strategic pillars this quarter which are centered on market penetration, geographic expansion, category expansion and business intelligence and technology investments. Our disciplined execution of these strategies combined with strong innovation and an advantageous direct to consumer operating model continues to strengthen our competitive positioning as the number one home solutions brand in Mexico. We believe these strategies, along with our continued focus on managing expenses and working capital, have us poised to capitalize on the increased demand we are seeing for our products."

Additional Third Quarter Highlights, Betterware:

- Introduces 62 new products in the two catalogues launched during the period;
- Generates strong results from its pilot of Betterware in Guatemala with this performance demonstrating the Company can successfully replicate its business model in other countries;
- Plans introduction of www.betterware.com transactional site allowing greater accessibility and ease of purchase by consumers by connecting them directly with Betterware distributors and associates;
- Reduces leverage ratio of Net Debt to EBITDA to -0.4x and Increased Liquidity to Ps. \$1,155.2 million
- Ends third quarter with Ps. \$1,155.2 million in cash and cash equivalents

Q3 2020 Year-Over-Year Operating Results (\$ in Pesos)

Q3 2020 Revenue	Ps. \$2,270.8 million	199% increase over Q3 2019
Q3 2020 Gross Profit	Ps. \$1,240.1 million	173% increase over Q3 2019
Q3 2020 Gross Margin	54.6%	530 bps decrease over Q3 2019
Q3 2020 Selling Expenses	Ps. \$241.9 million	57% increase over Q3 2019
Q3 2020 Operating Margin	31.8%	410 bps increase over Q3 2019
Q3 2020 Interest Income	Ps. \$4.1 million	130% increase over Q3 2019

**Accounting for the warrants*

For accounting purposes and in accordance with IFRS, the warrants meet the definition of a derivative financial instrument as they represent a written put option that gives the holders of the warrants the right to exchange them for the Company's shares at a fixed price. Although the warrants will be exchanged for the Company's shares based on the terms of the warrant agreement, IFRS requires the derivative financial instrument to be classified as a liability given that the functional currency of the Company (MXN) differs from the strike-price of the warrants, which is fixed in USD. Changes in the fair value of the liability are presented in the profit and loss statement under the heading, "Changes in fair value of warrants".

IFRS requires the fair value of the warrants to be recorded in profit or loss of the period, however the Company's operating income and the financial position is not impacted. For purposes of the Company's EBITDA, the changes in the fair value of the liability are excluded as they represent non-cash charges.

When the warrants are exchanged for the Company's shares, the obligation associated with the liability will be extinguished with a corresponding increase in equity. Once the warrants have been redeemed, the net impact in the Company's equity is zero as the increase in their fair value is recorded in the profit and loss statement (reducing retained earnings), offset by

the equivalent increase in equity as a result of the issuance of shares.

Balance Sheet Highlights

As of September 30, 2020, the Company had Ps. \$1,155.2 million in cash and cash equivalents. Accounts payable and inventory increased 420% and 218%, respectively from September 30, 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 noted that it is comfortable with the level and composition of its inventory, which supports future growth.

Progress on 2020 Strategic Pillars

1. Market Penetration

- Saw strength across all categories

2. Geographic Expansion

- Introduced Betterware to Guatemala following strong pilot performance. This new market strength demonstrates the company can successfully replicate its business model in other countries.
- Targeting expansion to Colombia and Peru

3. Category Expansion

- In the two catalogues launched during the period, Betterware introduced 62 new products.

4. Business Intelligence and Technology Investments

- Plans introduction of www.betterware.com transactional site allowing greater accessibility and ease of purchase to consumers by connecting them directly with Betterware distributors and associates.

Full-Year 2020 Outlook

	FY 2020
Net Revenue	Ps. \$7,250
EBITDA:	Ps. \$1,900M to \$2,100M
EBITDA Margin:	26.2% to 28.9%.

Andres Campos, Chief Executive Officer, concluded, "As we look to the final quarter of the year, we expect the strong underlying momentum of the business to continue into the fourth quarter driven by continued demand for our consumer products, expansion in our distributor and associates supported by robust technology enhancements that deliver a seamless experience. To that end, we are raising our EBITDA outlook for the year to reflect our robust third quarter performance and expectations for a strong end to the year."

Completion of New Campus Move

Before the end of the year, the Company will complete its new Betterware Campus move to Huaxtla, Jalisco, on the outskirts of Guadalajara. The new campus consolidates the Company's operations to one location that has 2.5x the storage capacity and 5.3x the

assortment capacity of its current capabilities. This new campus will become the Company's national distribution center and headquarters. Some of the operational efficiencies that the Company expects to obtain from the new campus are consolidation of all warehousing and distribution processes, optimization of space usage and inventory management efficiency backed by new technology

Quarterly Dividend

The Company announced that its Board of Directors has proposed the payment of a cash dividend in the amount of Ps. \$330 million to shareholders. This is subject to approval on the next Ordinary General Shareholders' Meeting to be held on November 9, 2020.

Conference Call and Webcast Information

The Betterware management team will host a conference call with the investment community on November 6, 2020, 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 February 4, 2021.

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 59,000 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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