



NATURA &CO HOLDING S.A.

Publicly-Held Company
CNPJ/ME No. 32.785.497/0001-97
NIRE No. 35300531582
CVM Code No. 02478-3

MATERIAL FACT

**Disclosure of New Projections about the Company and Avon International as well as
Revision of the Projection of Synergies arising from the Business Combination between
the Company and Avon International.**

Natura &Co Holding S.A. (B3: NTCO3; NYSE: NTCO) ("Company"), in compliance with the provisions of the Brazilian Securities Commission ("CVM") Ruling No. 358, of January 3rd, 2002, as amended, of CVM Ruling No. 480, of November 18, 2009, as amended ("CVM Ruling 480"), and of Law No. 6,404, of December 15, 1976, as amended, hereby informs its shareholders and the market in general about the disclosure of the following projections (guidance) regarding certain financial indicators:

(i) Projections related to the Company

- **Consolidated Net Revenue:** Between R\$47 billion and R\$49 billion in the fiscal year to be ended on December 31, 2023.
- **Consolidated EBITDA Margin:** Between 14% and 16% in the fiscal year to be ended on December 31, 2023.
- **Consolidated Net Indebtedness Ratio:** Net debt equal to or less than 1.0x EBITDA of the twelve months prior to December 31, 2023

The projections disclosed above include assumptions such as the Company's consolidated budget for the current year, as well as its strategic plan for the subsequent years. Furthermore, the Company considers the following factors:

- (a) growth in the global market for cosmetics, fragrances and personal care items;
- (b) expectation of increased penetration of online sales;
- (c) Avon International's transformation plan supported by investments in the implementation of a new commercial model, digitalization of the business and brand rejuvenation program;

- (d) investments on the evolution of the digitalized direct sales model, product innovation and geographic expansion; and
- (e) all amounts denominated in US\$ consider the exchange rate of US\$ 1.00 to R\$ 5.00.

Specifically for the EBITDA Margin projection, the Company considered the following assumptions:

- (a) revenue growth of all distribution channels, such as, direct sales, own stores, e-commerce, franchises and others;
- (b) gains in operational leverage due to the increase of consolidated revenue;
- (c) expansion of the EBITDA margin, deriving from the expansion of the EBITDA margin of Avon International (as described below);
- (d) the continuous margin increase from (i) Natura &Co Latam segment, and (ii) other business segments based on their respective strategic plans with focus on innovation and expansion of their sales channels, such as retail and e-commerce; and
- (e) completion of the capture of synergies arising from the business combination with Avon (as described below).

Specifically regarding the projection related to the net indebtedness ratio, the Company considered a ratio of up to 1.0x its EBITDA is reasonable to its business profile. The net debt calculation excludes impacts of Purchase Price Allocation (PPA) and leasing obligations.

(ii) Projections of the Avon International segment

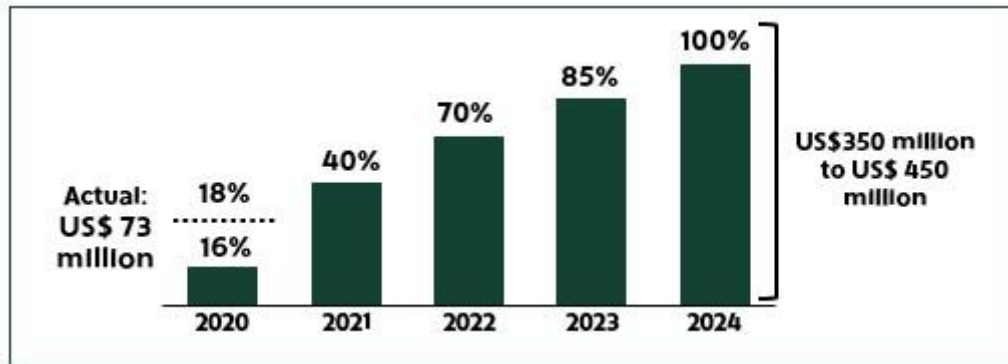
- **EBITDA Margin in 2024:** mid-teens, on December 31, 2024; and
- Investment program in the period between the fiscal years of 2021 and 2024 of US\$163 million in operational expenses (using a foreign exchange rate of US\$1.00 to R\$5.00).

The projections disclosed above include assumptions such as the Company's consolidated budget for the current year, as well as its strategic plan for the subsequent years, as well as the initiatives described for the projections related to the Company on item (i) above.

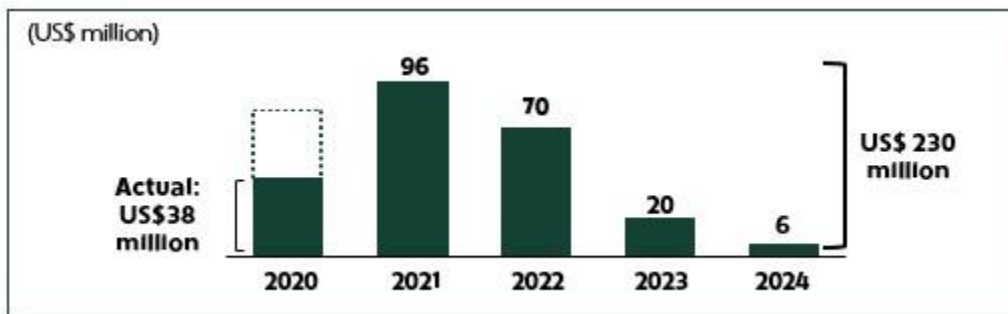
(c) Projections related to the synergies arising from the business combination between the Company and Avon

In addition, the Company reviewed its synergies projection arising from the business combination between the Company and Avon, which were reinstated on November 12, 2020, as per Material Fact published on the same date.

In view of the above, the Company expects to gradually capture, during the period from 2020 to 2024, operational synergies in the range of US\$350 million to US\$450 million on an annual recurring basis (using a foreign exchange rate of US\$1.00 to R\$5.00), as indicated below:



These estimates do not consider the one-time costs for the achievement of the initiatives related to such synergies, which are estimated by the Company to be approximately US\$230 million over the same period of 2020 to 2024.



The expected synergies are based on the assumption that the Company will be able to successfully implement the following initiatives, among others:

- **Sourcing:** optimization of purchases of raw materials, catalogs, freight services, storage, advertising, as well as administrative functions. These activities are expected to account for synergy gains between US\$85 million to US\$115 million;
- **Manufacturing and distribution:** optimization of the distribution centers network, reducing the complexity of our factory structure and consolidating transportation activities, improving service levels for Natura's consultants and Avon representatives, considering, also, synergies captured aside from Natura &Co Latam. These functions are expected to account for synergy gains between US\$100 million and US\$125 million (previously estimated in between US\$ 50 million and US\$ 75 million);
- **Administrative expenses:** integration of areas such as information technology, data center, administrative functions in general, among others. These activities are expected to account for synergy gains between US\$75 million and US\$90 million; and
- **Natura &Co Latam Revenue:** revenue synergies related to Natura &Co in the range of US\$90 million to US\$120 million.

The projections are valid until their effective implementation or until a new analysis and/or reviews by our management that may alter the projections presented as a result of changes in the underlying assumptions. Such reviews will be carried out at least annually.

The projections hereby consist of mere estimates from the Company's management, and thus are subject to risks and uncertainties, and, under no circumstances, constitute a performance promise. In case of material change in these factors, the projections will be reviewed. The information about the business perspectives, projections and financial goals consist of mere predictions, based on the management's current expectations regarding the future of the Company. Said expectations depend on market conditions and on the economic outlook in Brazil as well as in the countries and sectors in which we operate. Any change in the perception or in the factors described above may cause actual results to differ from projections presented.

In light of the above, section 11 of the Company's Reference Form will be updated within the period established in CVM Ruling 480, in such a way it will be made available for access by the investors both through CVM's website (<http://www.cvm.gov.br>) and through the Company's investor relations website (<https://ri.naturaeco.com/pt-br/>).

This Material Fact is merely informative and shall, under any circumstances, neither be interpreted as an investment recommendation, nor an offer to acquire any securities issued by the Company.

São Paulo, April 16, 2021.

Viviane Behar de Castro
Investor Relations Officer