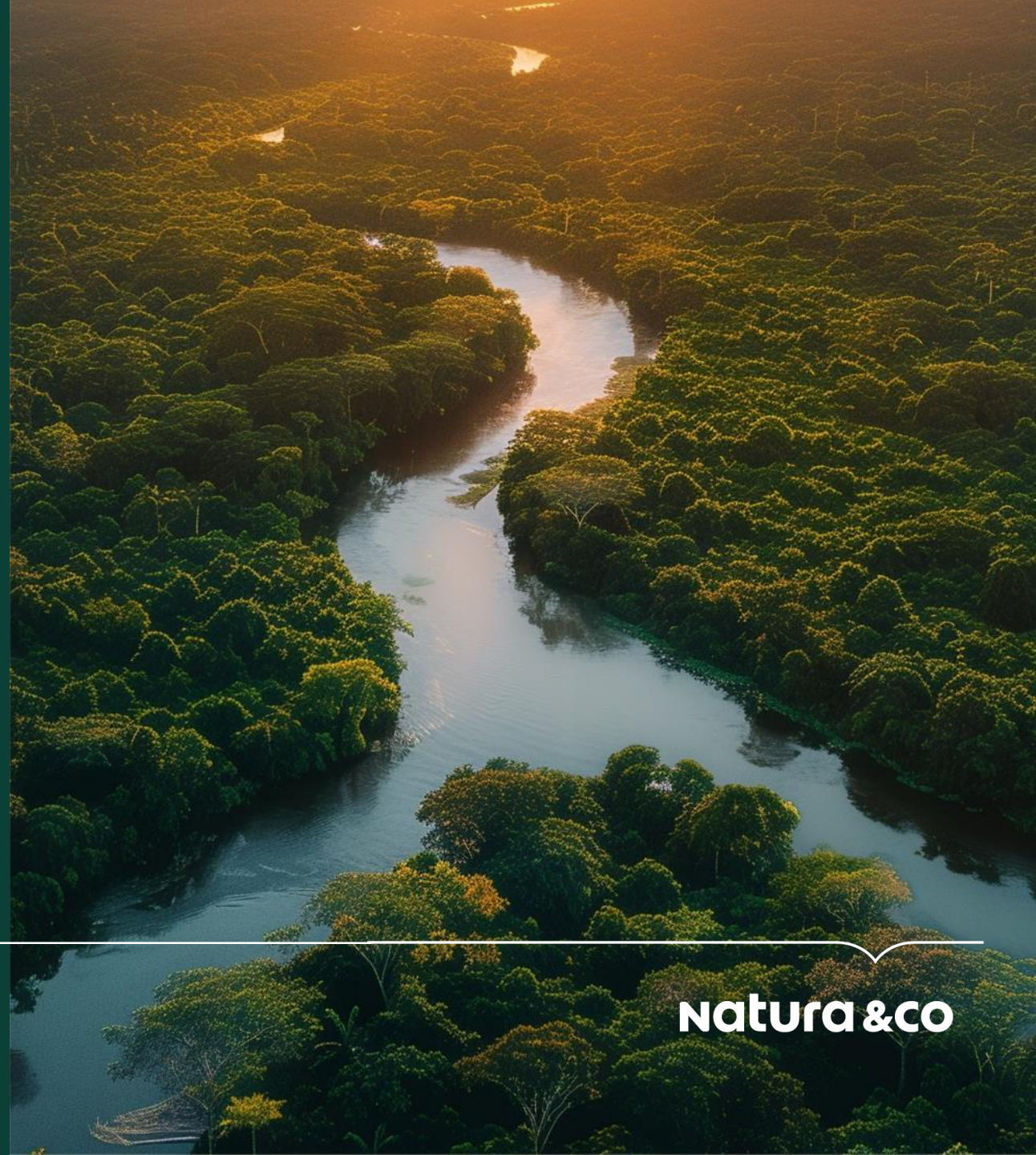


# Third-Quarter *2024 Results*

*November 8<sup>th</sup>, 2024*



**natura & co**





This presentation may contain forward-looking statements.

Such statements are not statements of historical facts and reflect the beliefs and expectations of Natura &Co's management.

The words "anticipate," "wishes," "expects," "estimates," "intends," "forecasts," "plans," "predicts," "projects," "targets" and similar words are intended to identify these statements, which necessarily involve known and unknown risks and uncertainties.

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## Disclaimer

# Key Highlights Performance Q3-24

## Financial Performance

- Strong top-line momentum, up 18.5% YoY and 11.3% Ex Argentina
  - **+340 bps** gross margin expansion
  - Recurring EBITDA up more than 50% YoY, with **+340bps** of recurring EBITDA margin YoY
  - Wave 2: Delivered improved profitability and cash conversion as expected
- 

## One-Offs and Non-Cash Impacts

- Deconsolidation of API and its subsidiaries resulted in a non-recurring, non-cash loss of ~BRL7.0bn in Disc Ops
  - **BRL 302 million** of Net income from Continued Operations
  - Any net loss that may exist in our year-end results could potentially be offset by our capital reserve with shareholder approval to allow our company to resume dividend distributions
- 

## ESG

- Celebrating 10 years as a B Corp and 4th consecutive recertification
- Advancing our Climate Transition Plan
- Pioneering collaboration with Nestlé Nespresso to repurpose aluminum from coffee capsules into Natura Ekos packaging

# Quarterly *Results*

João Paulo Ferreira,  
CEO Latin America

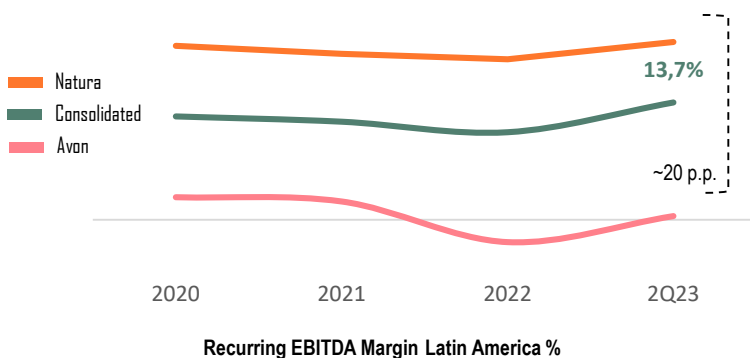
Guilherme Castellan,  
CFO

natura & co



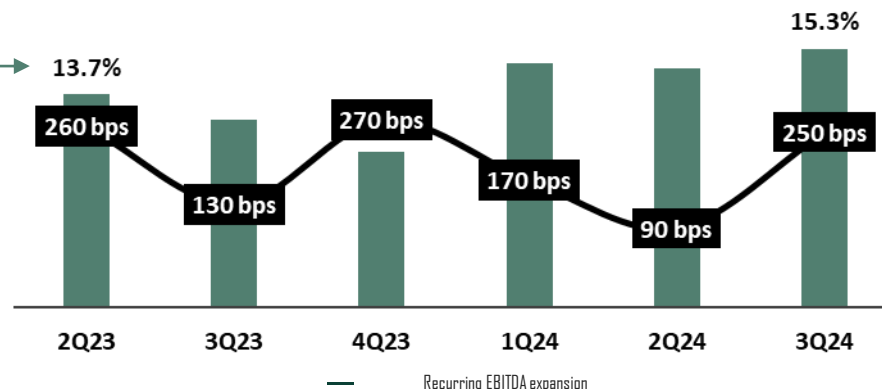
# Wave 2 Status: Meaningful margin expansion

## Objective Recap



- Channel combination focused on productivity
- Portfolio optimization
- Efficiencies in SG&A integration

## What's been done



- Solid margin expansion from Wave 2 implemented countries, while ...
- ... beauty consultants was reduced, as expected, and temporally top-line volatility was experienced

## Ongoing actions

### Mexico:

- Initiated integration of commercial platform
- Wave 2 rollout to continue through 2025

### Argentina:

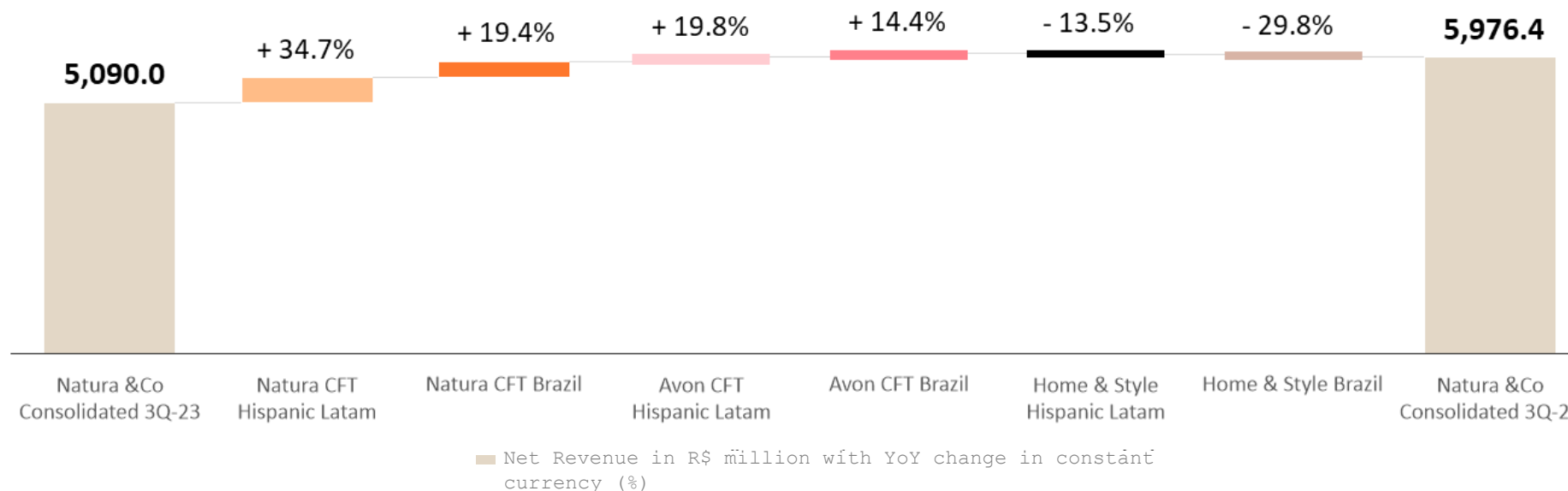
- Wave 2 launch next year

## Wave 2 Timeline



# Net Revenue up 18.5% YoY in CC fueled by strategic investments

## Net Revenue (BRL million)



### Natura CFT

**Brazil:**

- Productivity and volume gains post-single checkout implementation
- Better service level and product innovation

**Hispanic:**

- Accelerated performance driven by Wave 2 countries
- Mexico kept growing despite platform changes

### Avon CFT

**Brazil:**

- Softer comp base
- Increased productivity after single checkout launch

**Hispanic:**

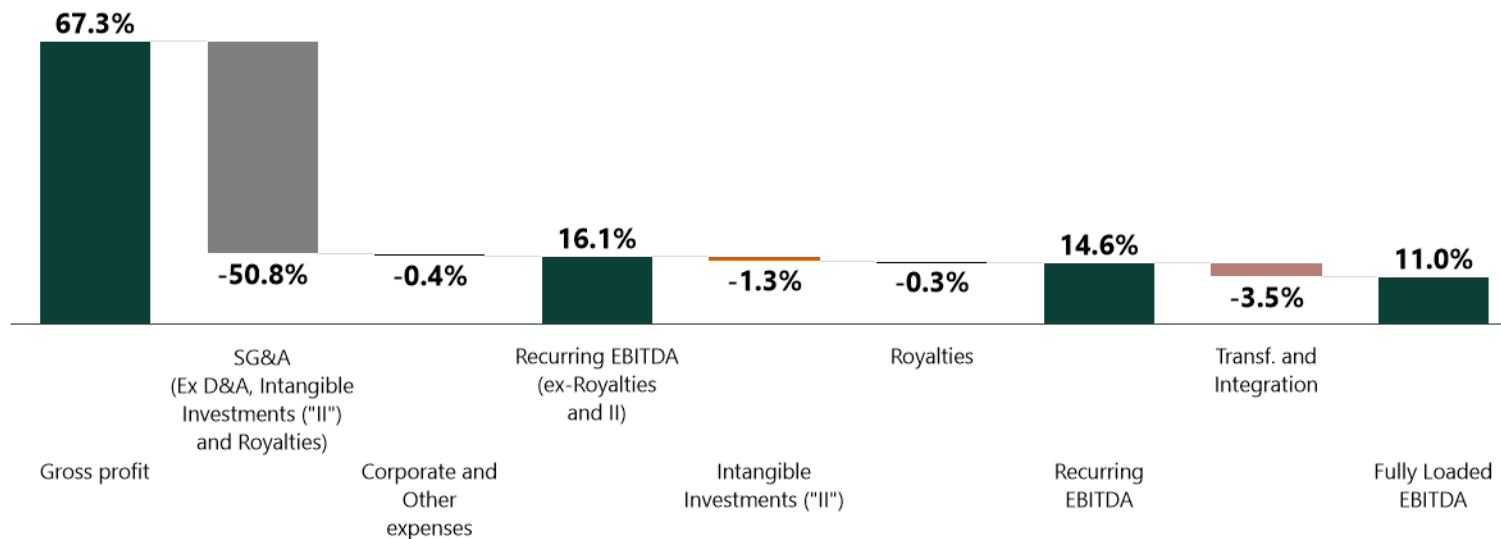
- -2.7% Ex-Argentina,
- Top line recovery despite ongoing channel reductions
- Softer comp base

### Home & Style

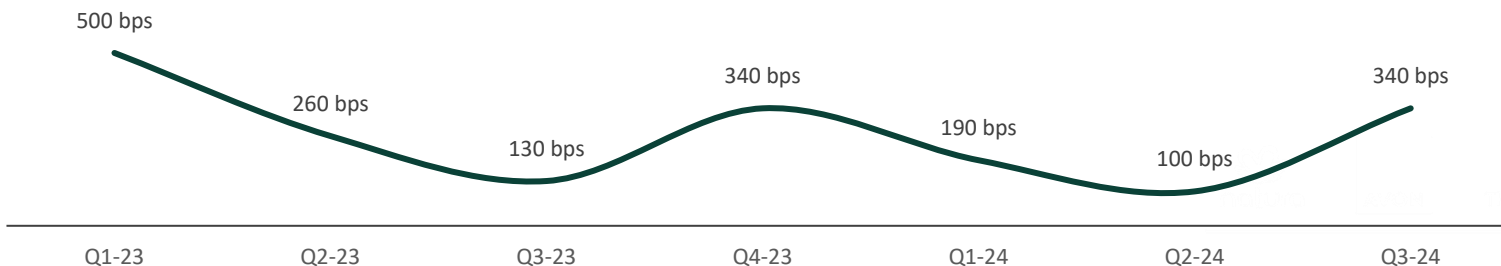
- Lesser YoY decline from Q2-24 due to a lower comp base
- Stable QoQ performance

# Recurring EBITDA up 52% YoY

Gross profit to Fully Loaded EBITDA bridge (%)



EBITDA Recurring Margin expansion YoY (%)



## Highlights

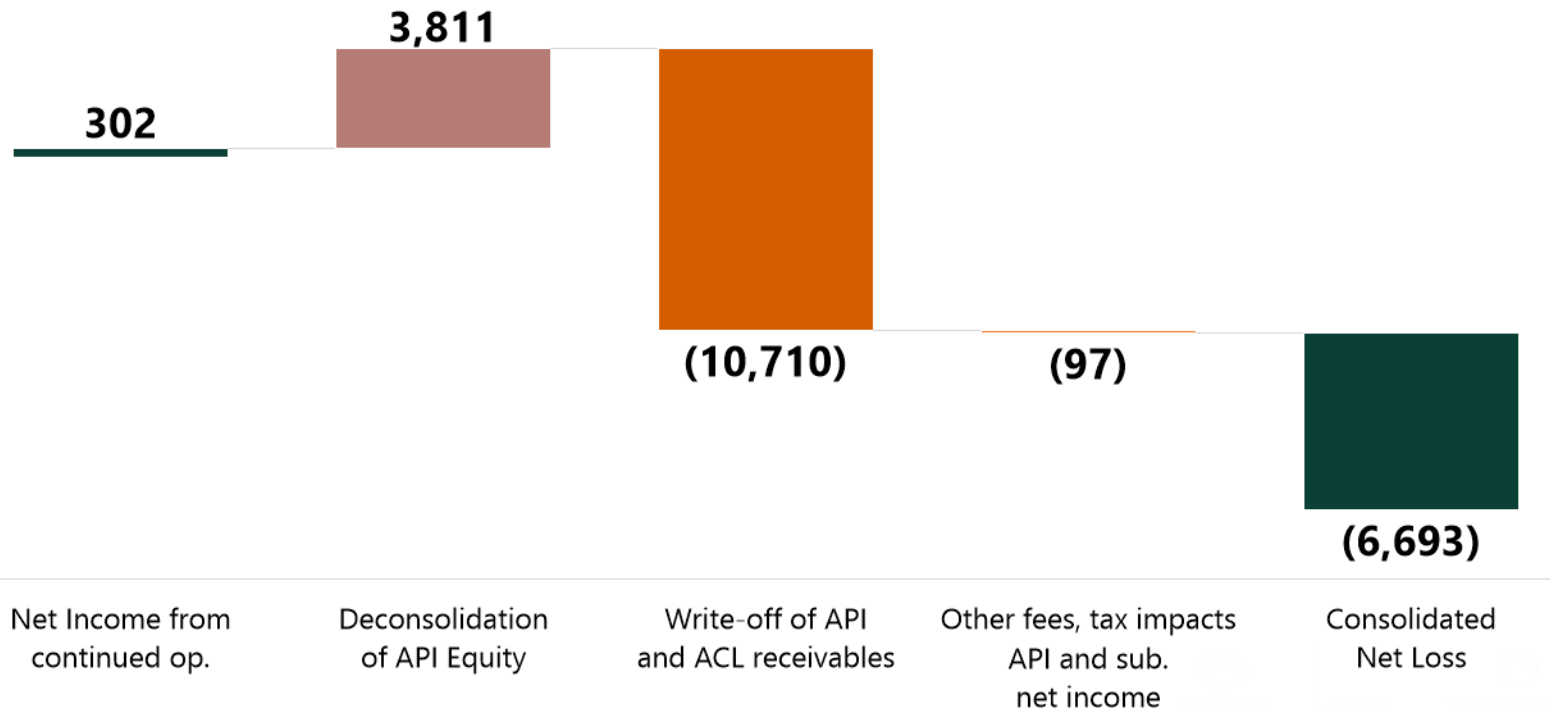
+340 bps

Gross margin expansion

- Operating leverage
- Improved execution of price & promotion dynamics
- Richer country mix
- Higher exposure to Natura brand
- G&A, logistics, and credit & collection efficiencies, reinvested in marketing and other strategic projects
- 43% YoY drop in corporate expenses

# Discontinued Operations

(BRL million)



## Highlights

BRL 6,995 million Disc Ops  
non-cash, non-operational effects from deconsolidation of API

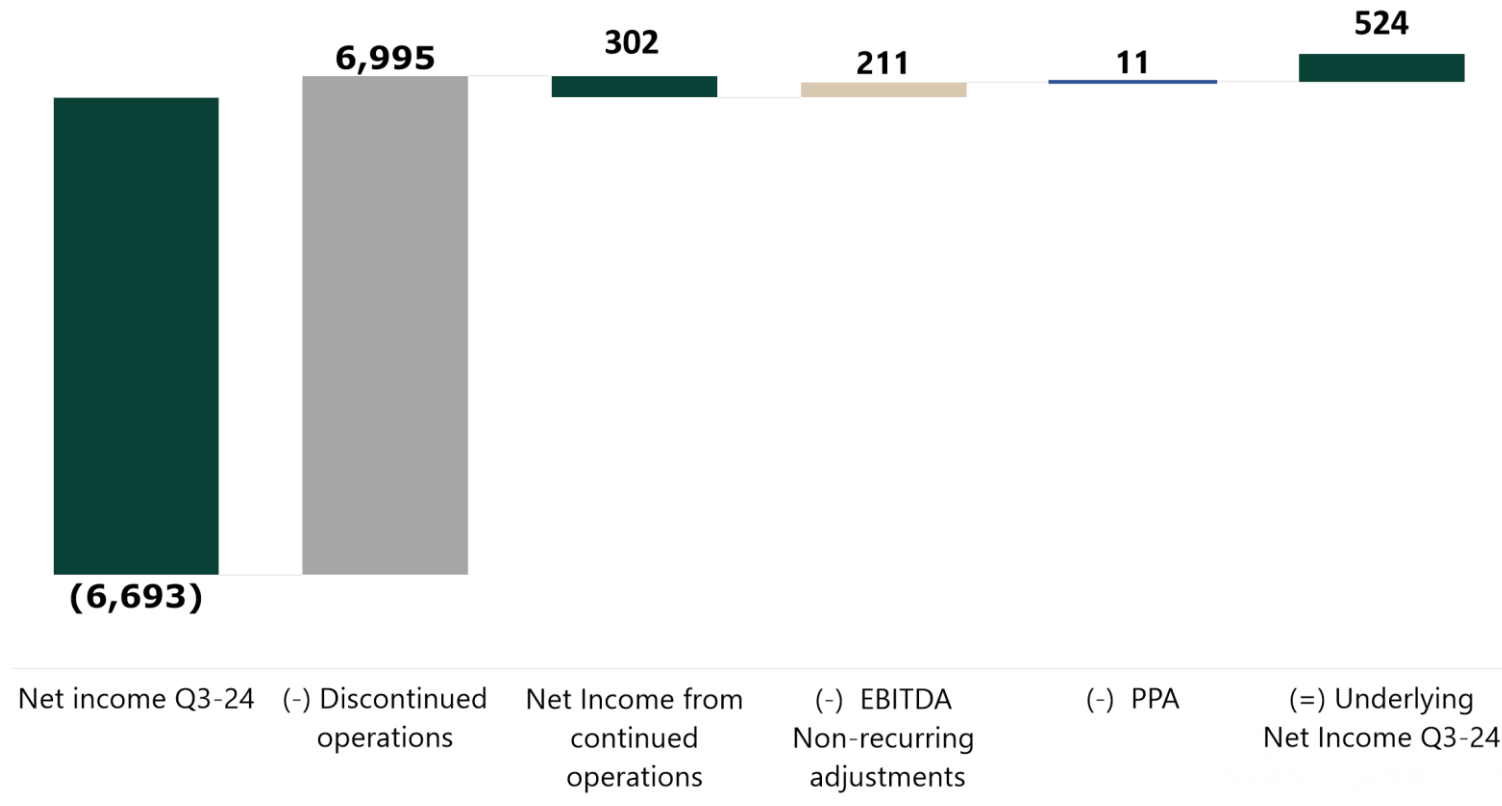
## Main impacts

- **BRL +3,8 bn:** deconsolidation of API's negative shareholder equity
- **BRL -10,7 bn:** Write-offs receivables API and ACL
- **BRL -97 mn:** Other effects, including loss from Avon International from July to mid-August 2024



# Underlying Net Income (UNI) and Net Income

(BRL million)



## Highlights

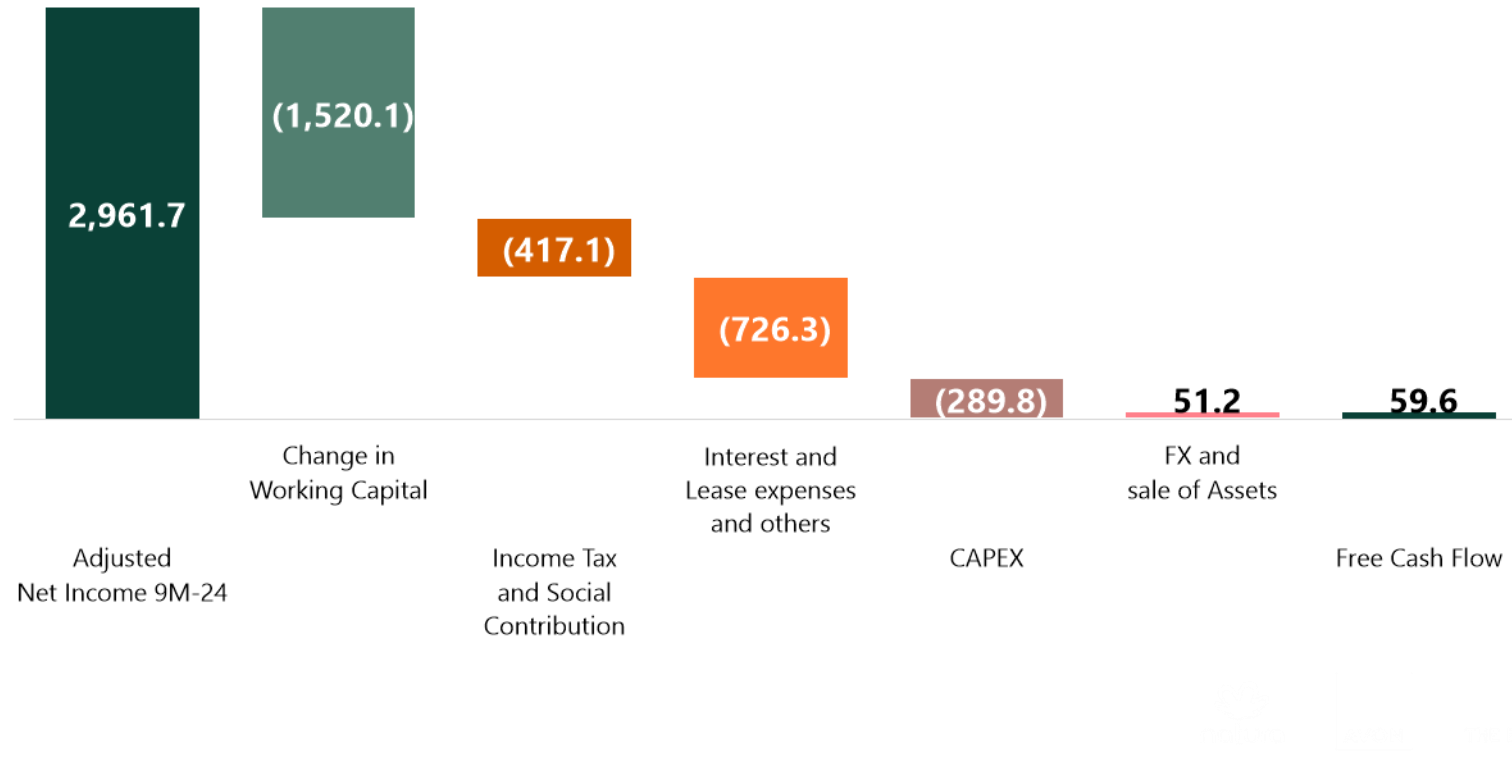
Underlying net income  
BRL +524 million in Q3-24  
vs BRL +1,135 million pro forma Q3-23

### Key Factors

- EBIT improvement: BRL +320 million YoY
- Higher net financial expenses (from net cash to expected net debt)
- Increased income tax expenses, which in Q3-23 was benefited by I&E payment from Natura Cosméticos to Natura & Co

# Cash Flow

(BRL million)



## Highlights

Free cash flow from continuing operations was BRL +60 million in 9M-24 vs BRL -1.9 billion in 9M-23, which was impacted by non-underlying liability management outflow (BRL -1,499 million)

This increase was mainly driven by:

- Better working capital dynamics
- Lower cash outflow from interest on debt
- Lower Capex benefited from the investments in intangibles that were booked in Opex

# Indebtedness

**BRL  
3.3 billion**

Cash balance at  
period-end

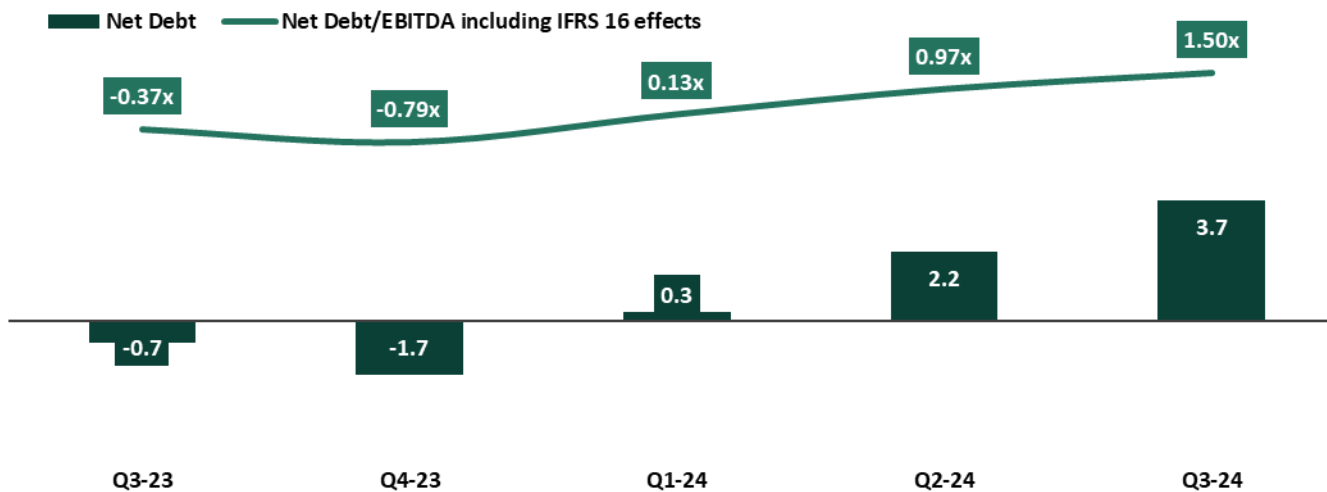
**1.50x**

Group net  
debt-to-EBITDA

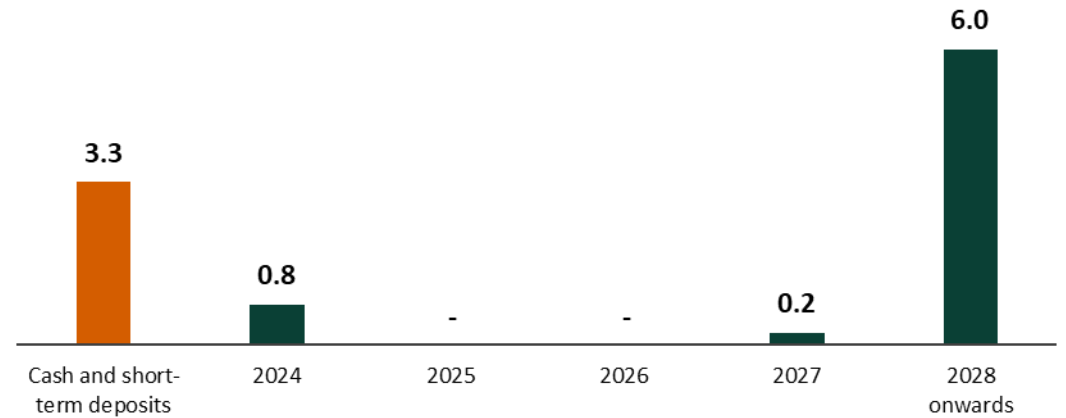
## Liability management

- Repurchase of BRL 500 mn commercial notes due Sep/25
- 13th debenture issued to finance this and BRL 826 mn repurchased by Q2-24 maturing Jul/29
- Brazil's first SLB linked to Amazon bio-ingredient

Net debt (BRL billion) and net debt-to-EBITDA ratio (x)



Amortization schedule (BRL billion)



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# Closing *Remarks*

Fábio Barbosa,  
CEO

natura &co



# Key Takeaways

## Streamlining process

- Company's streamlining process progressing
- Remains management's ultimate goal

## Wave 2

- Rolled out in most of the region, expected to be completed by the end of next year
- Learnings that we had in 2023 and 2024 will be used to minimize disruptions in the next countries

## Key strategic projects

- Healthy and diverse channel
- Consumer-centric innovations
- Strong brands admired by all stakeholders

Unlocking sustainable shareholder value ...

...through our triple-bottom-line agenda

# Thank You

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*ri.naturaeco.com*

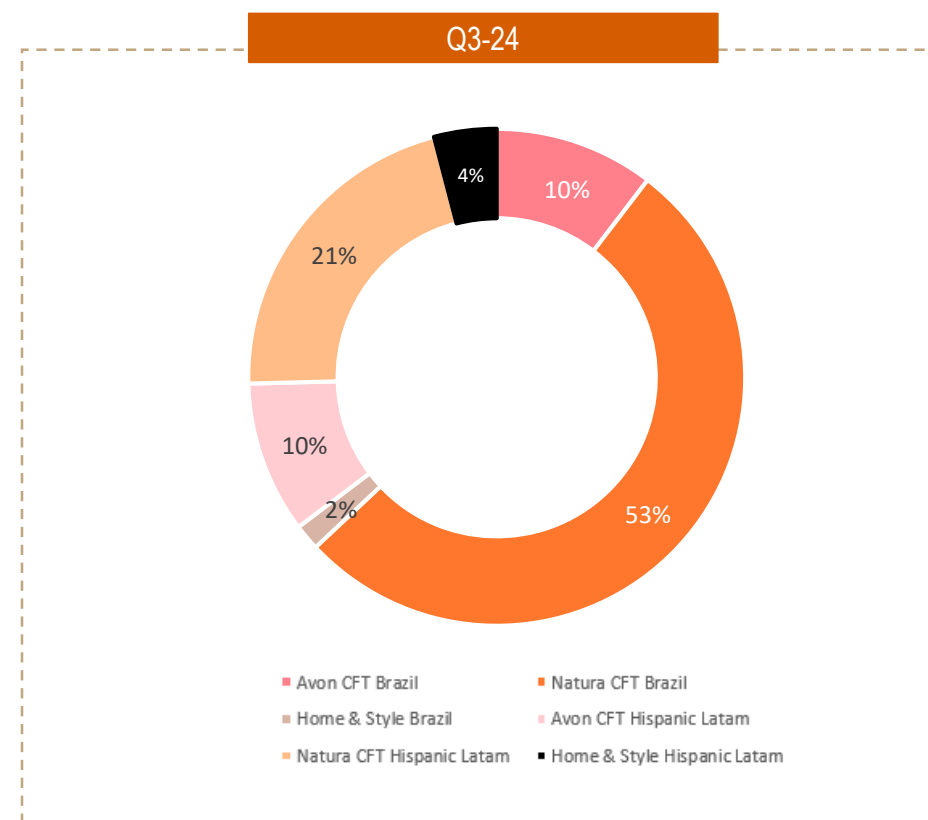
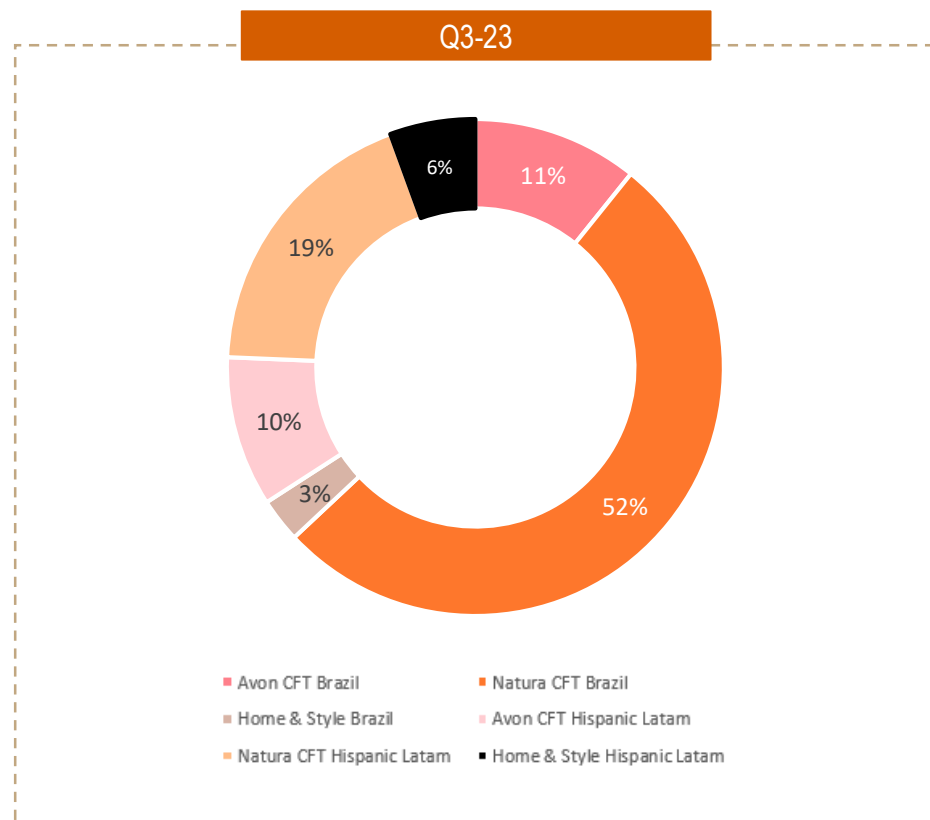
  
natura

  
AVON



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# Segment Breakdown



\*The calculation of the percentages is based on revenue values in constant currency

# Debt *Profile*

