
Third-Quarter 2022 Results

November 10th, 2022

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Sales up 2.2% at constant currency

- Strong performance by Natura &Co Latam and Aesop
- Sequential improvement at Avon International
- Continued challenges at The Body Shop, actions underway

Stable YoY Adj EBITDA margin at 8.6% despite cost pressure

Focus on cash flow showing initial improvements

Group reorganization progressing

- Significant cost reduction at Holding level
- Acceleration of Natura and Avon integration in Latam
- Avon International implementing critical accelerators aiming at transformation of the operating model
- Strategic alternatives under study for Aesop

Mid-term guidance withdrawn amid group reorganization and uncertain macro environment



Consolidated Financial Performance

Guilherme Castellan, CFO

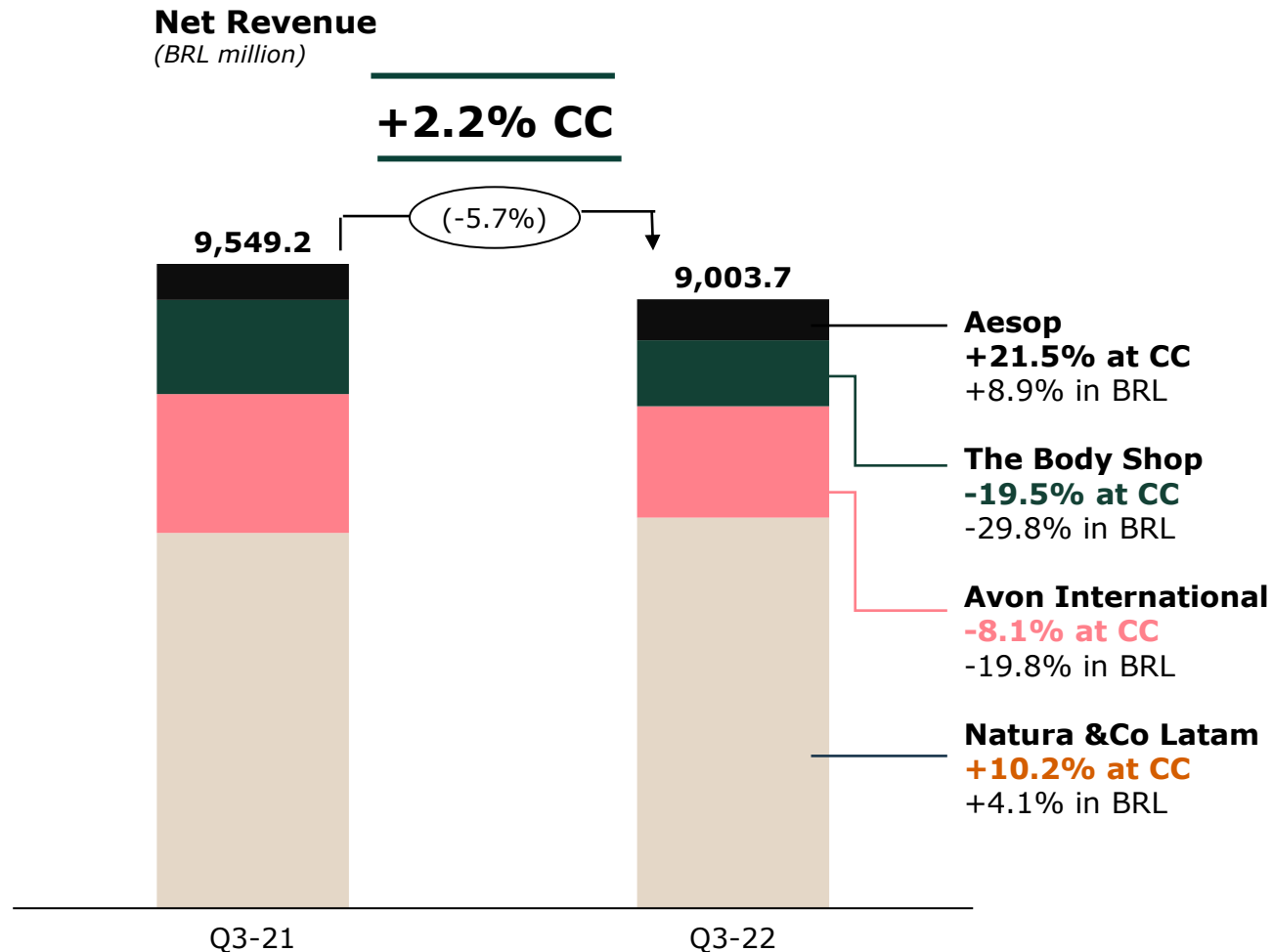
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Natura &Co: Continued sales growth improvement in constant currency

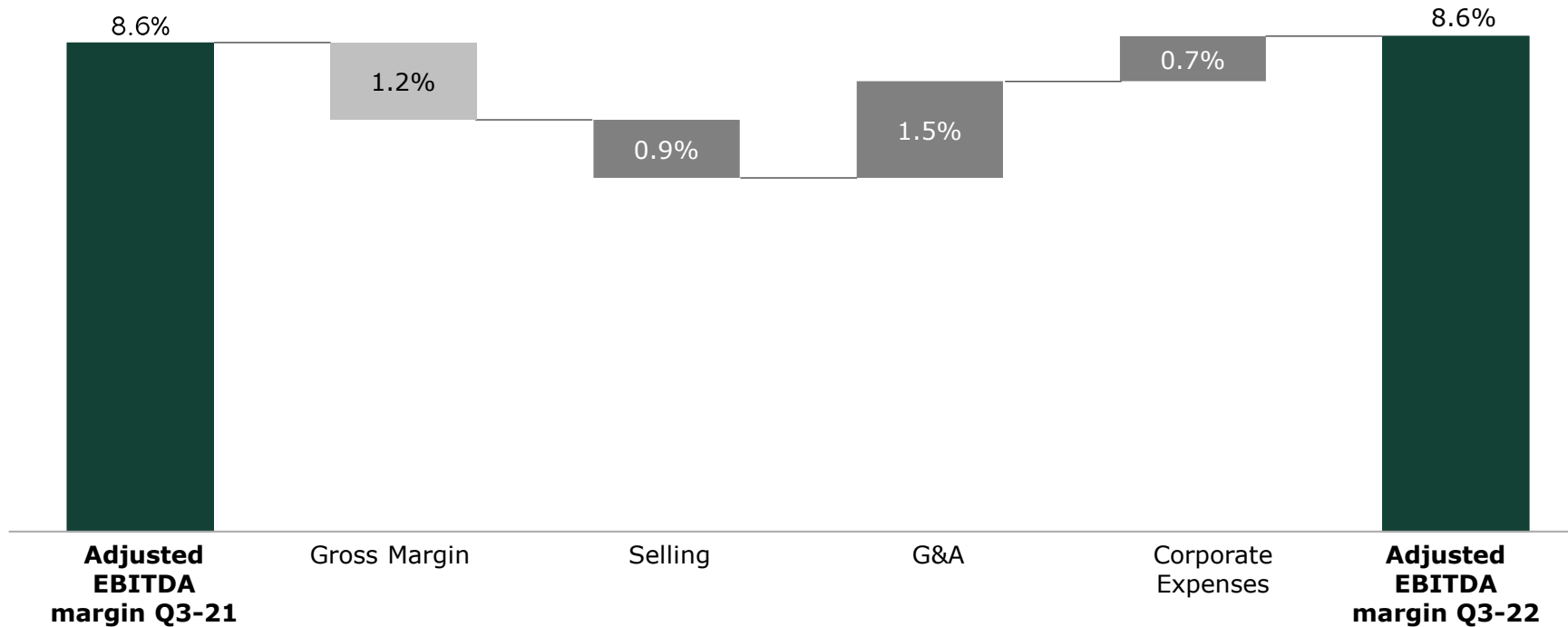


Highlights

- Double-digit growth in CC at Natura &Co Latam, boosted by Natura brand and Avon CFT segment in the region
- Strong performance at Aesop
- Softer performance at Avon International, but improving sequentially at -8.1% in CC and -3.1% excluding Russia and Ukraine
- Continued challenges at The Body Shop

Adj. EBITDA margin stable YoY despite cost pressure

Q3-22 Consolidated Adjusted EBITDA Margin



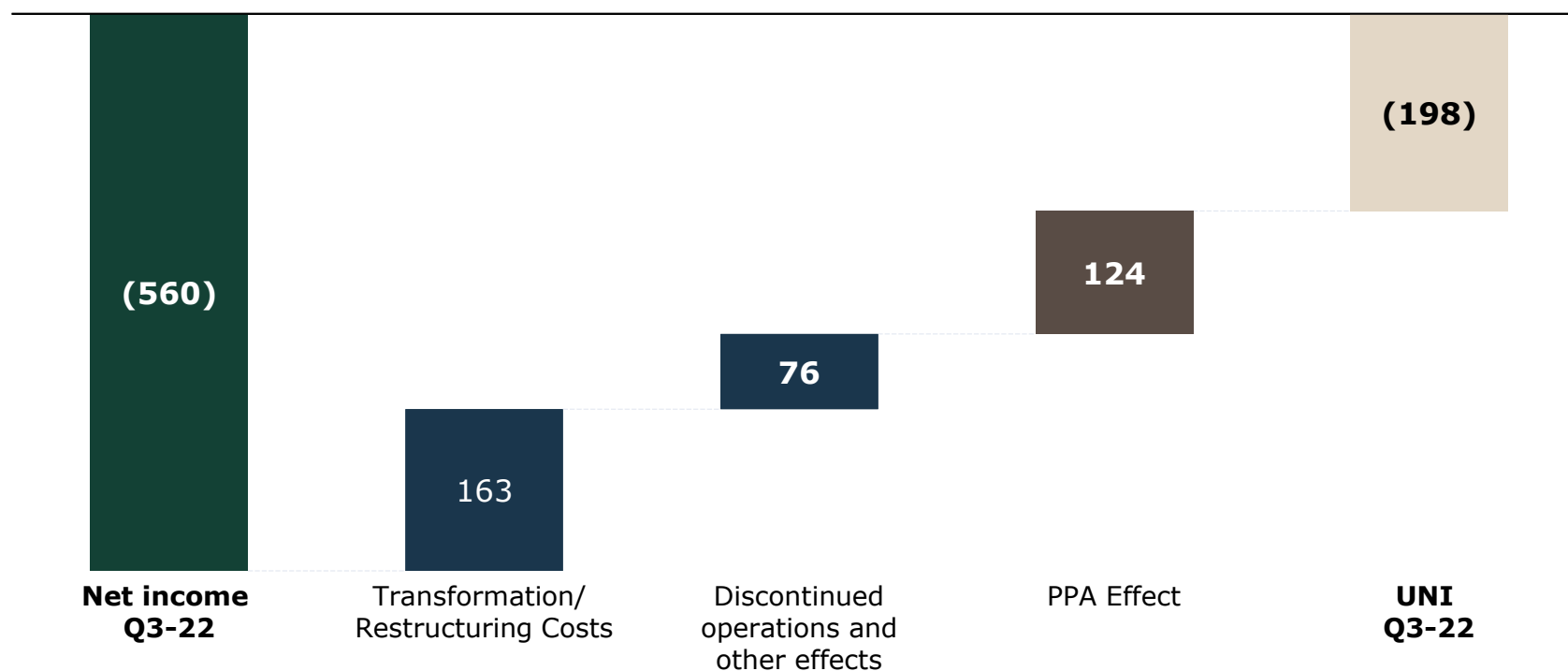
Main Impacts

- Improving margin at Natura &Co Latam combined with lower holding expenses
- Partially offset by:
 - Sales deleverage at The Body Shop
 - Aesop's investments for growth

Underlying net income (UNI) and net income impacted by lower EBITDA and higher net financials, partly offset by some tax credit recovery

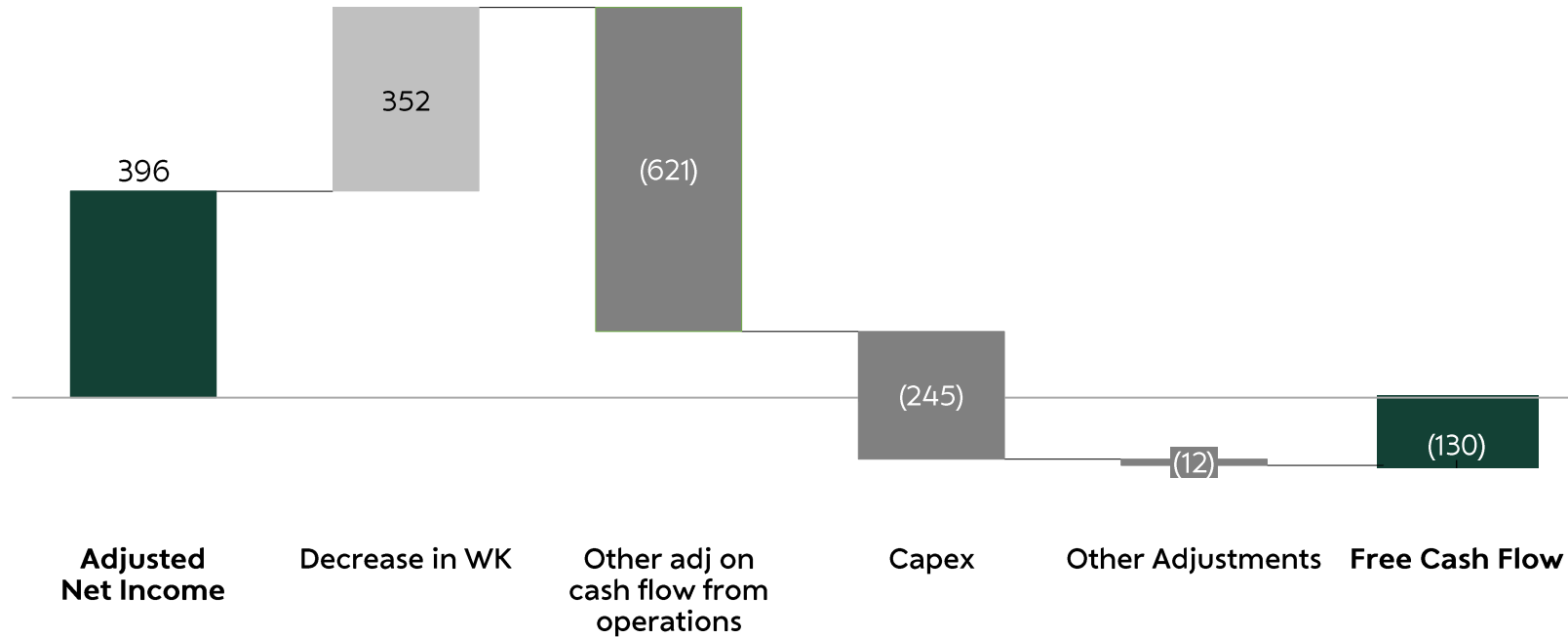
Net Income to Underlying Net Income (UNI) Reconciliation

Q3-22 (BRL million)



Q3-21 net income benefited from tax gains related to credit recoveries in Brazil

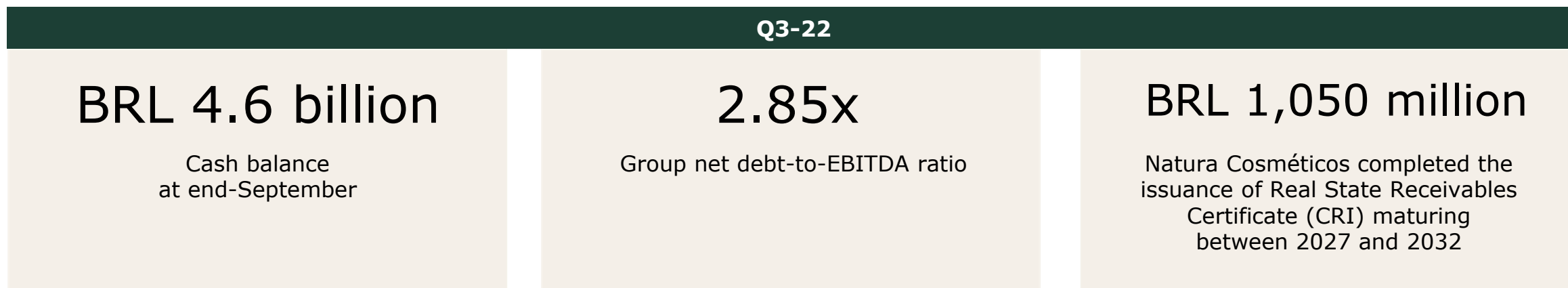
Improvement YoY in free cash flow



Main Highlights

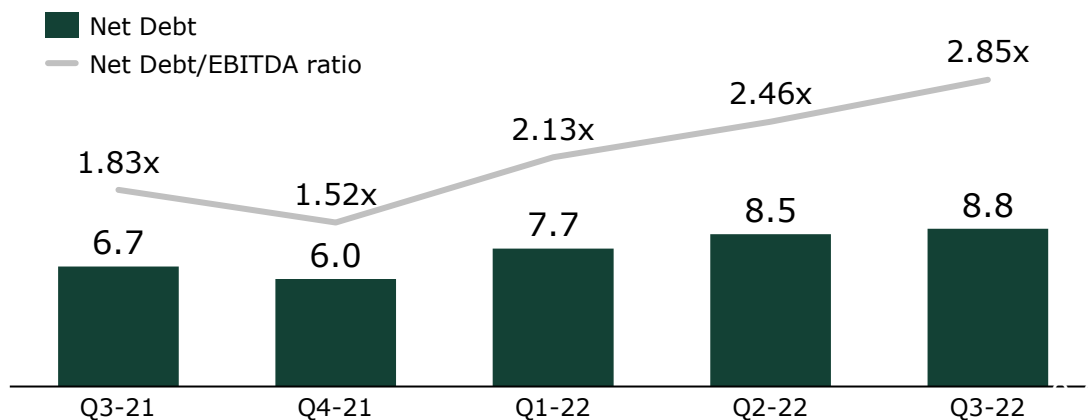
- Management efforts to improve cash conversion starting to show results
- Free cash flow to firm was virtually flat
- Working capital improvement reflecting:
 - improved inventory efficiency;
 - better accounts payable and;
 - lower advance to suppliers

Continued liability management



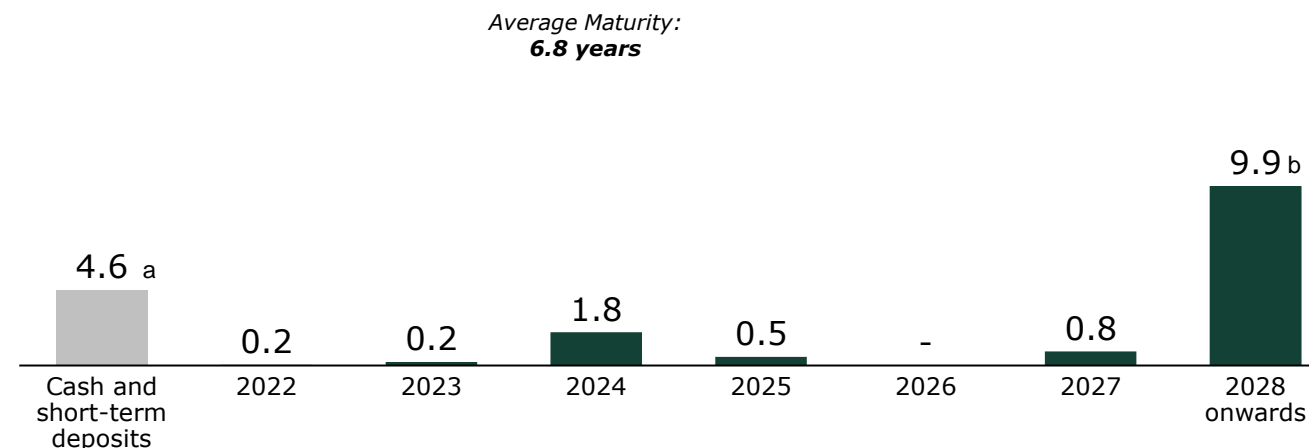
Net debt and net debt-to-EBITDA ratio

(BRL billion)



Amortization schedule

(BRL billion)



(a) Does not consider the issuance of R\$ 1.05 billion of Certificates of Real State Receivables ("CRI"), issued on 10/19/22.

(b) 2028+: BRL 9.9 billion includes US\$ 1.0 billion of the sustainability-linked bond due 2028, Natura & Co Holding bonds of US\$ 600 million due 2029, Avon Products Inc bonds of US\$ 216 million due 2043

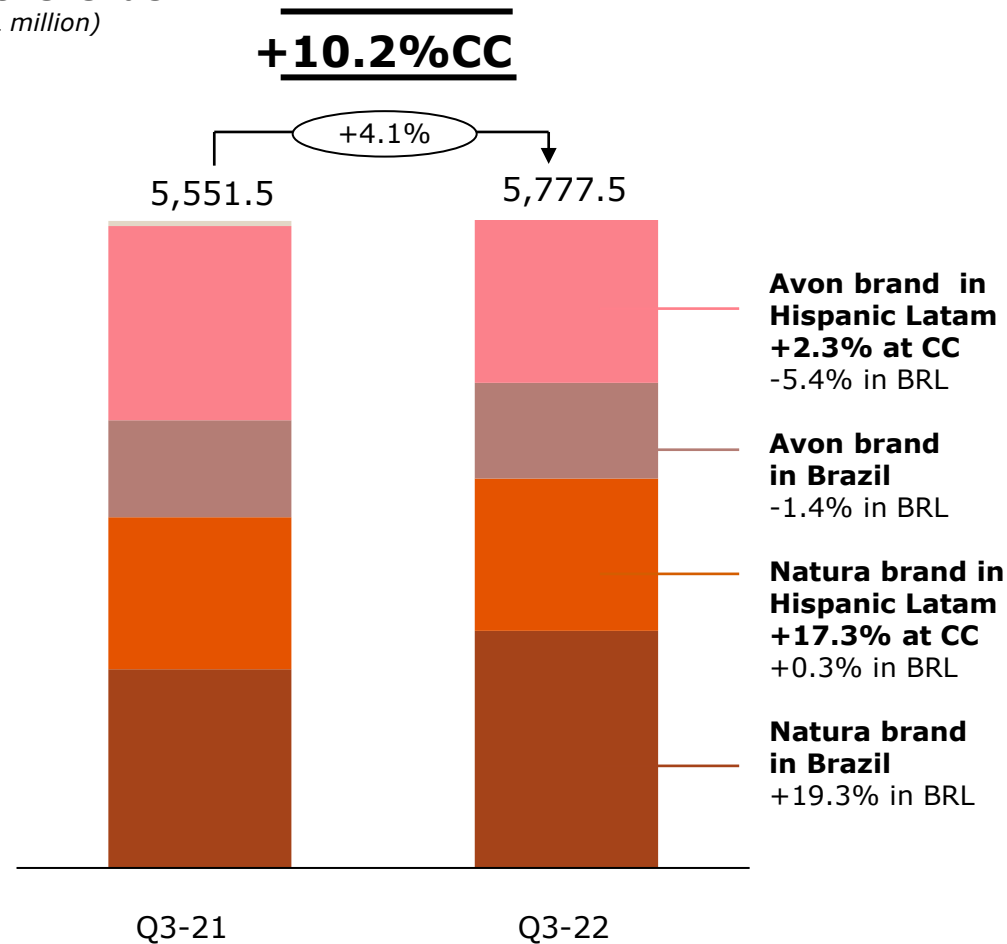


Natura &Co Latam Financial Performance

Natura &CO
Latin
America

Natura &Co Latam: Strong growth at Natura brand and Avon CFT, still partially offset by the Fashion and Home category

Net revenue
(BRL million)



Natura Brand:

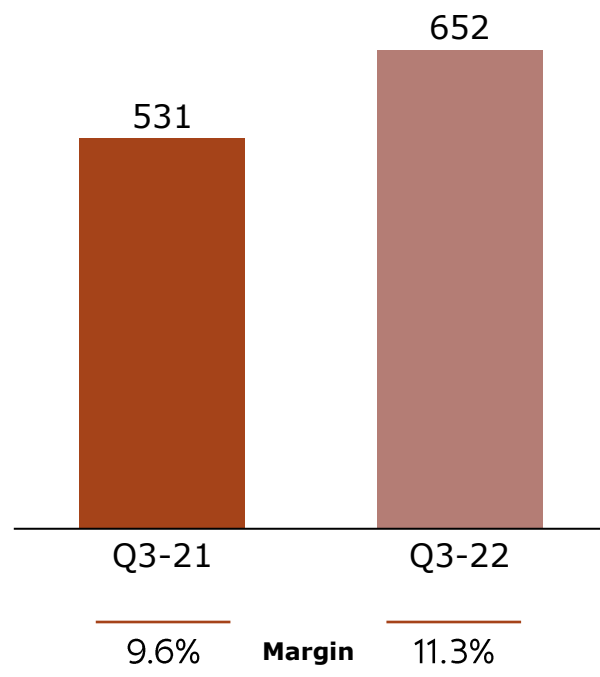
- Strong momentum in Brazil boosted by pricing and better mix proposition aligned with market demand
- Brazil: Consultant productivity up by +21.4% in Q3
- Hispanic: Growth was mainly driven by Argentina and Colombia, partially offset by softer performance in Mexico and a decrease in Chile

Avon brand:

- Brazil Q3 Sales: Beauty sales +11%, with double-digit growth in rep CFT productivity; Fashion & Home -26%
- Channel stabilization, underscoring effective remedy actions implemented
- Hispanic: Revenue mainly driven by Ecuador and Argentina, but impacted by a decrease in Mexico (more exposed to fashion and home) and Chile

Growth in adjusted EBITDA margin in Latam

Adjusted EBITDA¹ and Adjusted EBITDA margin
(BRL million)



- **Margin supported by strong top-line performance and strict financial discipline**

- Partially offset by:

selling expenses increase as a percentage of net revenues, reflecting Natura brand investments, and gross margin still slightly pressured



Natura Brand

Margin remains strong despite cost pressures

AVON

Avon Brand

Impacted by transformational plan and inflation context

¹ Excluding effects that are not considered recurring nor comparable between the periods under analysis, such as: Transformation costs and cost-to-achieve synergies



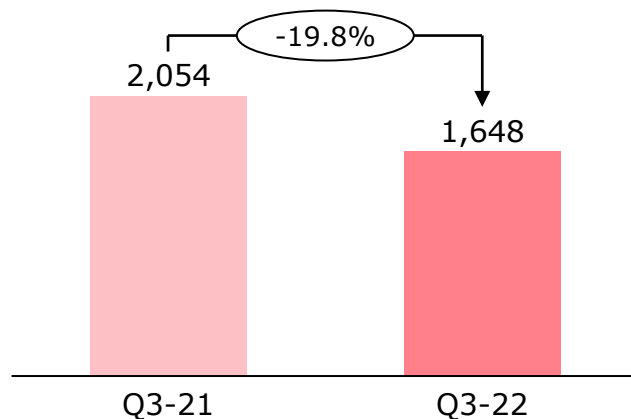
Avon International
Financial Performance

AVON

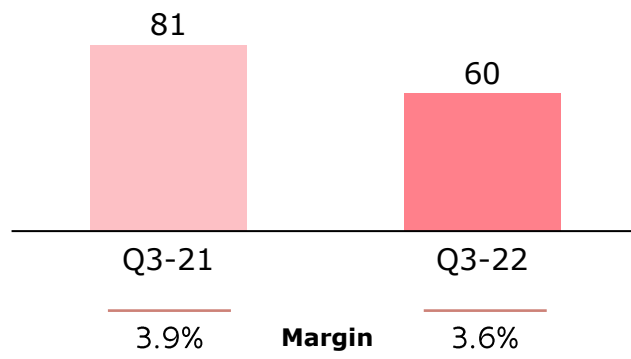
Sequential improvement in results, excluding Russia and Ukraine

Net revenue (BRL million)

-8.1% CC
(-3.1% Ex-Russia and Ukraine)



Adjusted EBITDA¹ and adjusted EBITDA margin (BRL million, %)



Revenue impacted by war in Ukraine

- TMEA and APAC regions are showing growth, while Western Europe still showing softer performance
- Further progress in new commercial model, with continued improvement in representative productivity, digitalization and top products performance

Adjusted EBITDA margin slightly pressured by gross margin dynamic

- Partially offset by the acceleration of transformation savings
- Excluding Russia and Ukraine, Adj. EBITDA margin would have shown a significant improvement YoY

¹ Excluding effects that are not considered recurring nor comparable between the periods under analysis, such as: Transformation costs and costs-to-achieve synergies



The Body Shop Financial Performance

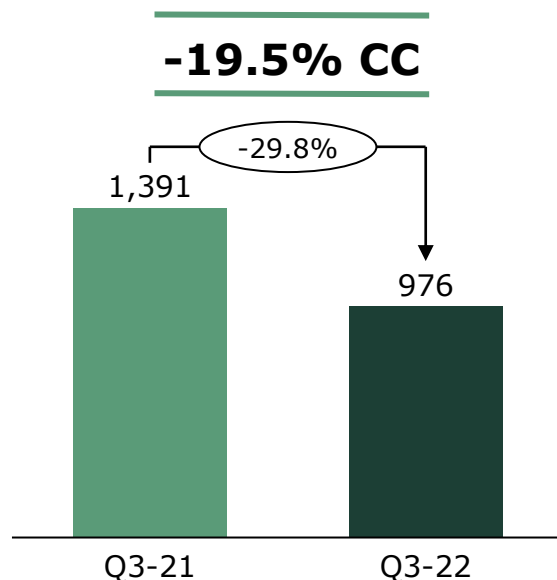


THE BODY SHOP

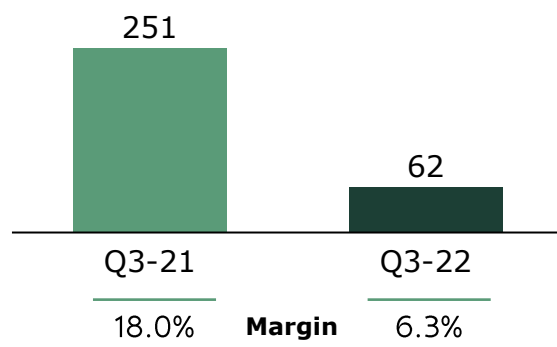


Sales still impacted by channel rebalancing

Net revenue
(BRL million)



EBITDA and EBITDA margin
(BRL million, %)



Revenue:

- Sales impacted by TBS At Home decrease and high product inventory levels held by franchise partners
- Core business distribution channels (SSS sell-out of own stores, e-commerce and franchise combined were up +0.6%) showing sequential improvements

Drop in Adjusted EBITDA from:

- Gross margin pressures combined with
- Sales deleverage
- Q3-21 EBITDA margin benefited from government support that ended in 2021.

Actions underway to address challenges:

- Head Franchise: stimulate demand. A new global structure was installed to provide support to HF
- Product re-launch
- Continued optimization of store footprint
- Rightsizing channel overhead structure for sustainable profitability

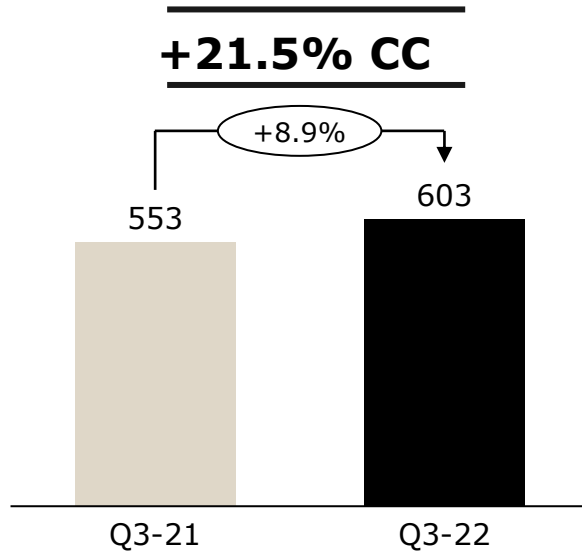


Aēsop
Financial Performance

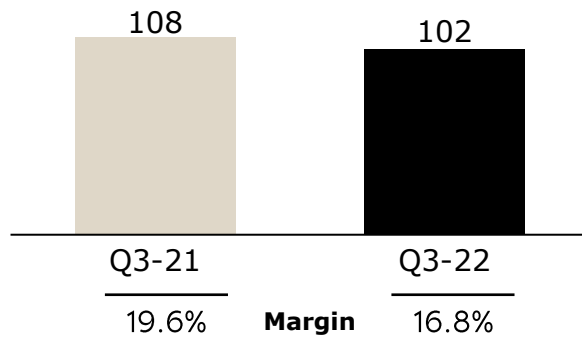
Aēsop®

Strong sales growth

Net revenue
(BRL million)



Adjusted EBITDA¹ and adjusted EBITDA margin
(BRL million, %)



Revenue growth driven by:

- **All regions delivered double-digit YoY growth**, except for Europe that showed high single-digit growth, despite a deteriorating macro environment
- **Retail and wholesale showed solid growth**, partially offset by a softer e-commerce performance, reflecting consumer behavior normalizing post-Covid

China entry plans underway by year-end 2022

EBITDA margin reflects higher investments in:

- Technology
- Supply Chain
- Sustainability

to drive sustainable growth

¹ Excluding effects that are not considered recurring nor comparable between the periods under analysis, such as: expenses related to studies on a potential Aesop transaction

Closing Remarks

Fábio Barbosa

AVON



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Key Takeaways

1.

Structural steps are in motion, aiming to boost our performance, e.g. accelerating Avon and Natura integration in Latam

2.

Group reorganization progressing to balance BU autonomy and accountability

3.

Continued focus on profitability and cash flow

4.

All in, the actions we have outlined aim to improve capital allocation and, thus, delivering better sustainable shareholder return

Creating the best beauty group *FOR* the world

Thank You



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Appendix

Q3 - 22

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Advances on Sustainability Vision 2030

Commitment to Life

Address the Climate Crisis & Protect the Amazon



Amazon: In Q3-2022, Natura expanded the purchase of community inputs by 16% YoY and 166% the purchase of carbon credit in setting. PlenaMata (DETER/INPE) detected 0.5 m ha deforested in Q3 in the Amazon, an increase of 39% YoY. Through the PlenaMata portal, Natura established partnerships and supported mobilization and communication actions for zero deforestation in the Amazon in Brazil at festivals (Rock in Rio and Coala), in communication channels, a panel in Brasília and in a session at the Federal Senate. Also, the portal was recognized with the Eco Amcham-Brasil Award.

TNFD: Taskforce Members from all five continents gathered in London for an in-person plenary meeting. Natura &Co was present, represented by Sustainability VP Marcelo Behar, as TNFD Co-Chairs Elizabeth Mrema and David Craig guided the Taskforce Members through discussions of some key remaining design issues, in preparation for the coming iterations of the TNFD beta framework and the full framework that will launch in September 2023. While the 34 Taskforce Members serve in an individual capacity, they represent corporates, financial institutions, and market intermediaries with US\$19.4trn in assets and a footprint in over 180 countries.

Protect Human Rights and be Human-Kind



Human Rights Statement: In September 2022, we proudly launched our Human Rights statement. Developed in line with the UN Guiding Principles on Business and Human Rights, this will act as a guide for how we work to protect the fundamental human rights of all those connected to our collective

Investment in key causes: To mark its 135th anniversary, Avon announced that it would be making USD 1.35M worth of grants in 2022 to help create better futures for women. More than 30 grants are being donated, with a focus on NGOs providing vital support services to survivors of gender-based violence. The donations include USD 160,000 to UNFPA in Ukraine to support women impacted by gender-based violence through the ongoing war. The Aesop Foundation approved AUD 1.6m grants for a range of partners working in support of advancing education, employment, the environment, and emergency response.

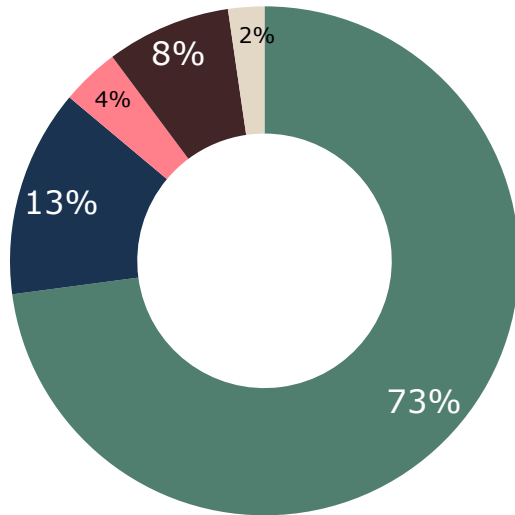
Embrace Circularity & Regeneration



In Q3 as a Group, Natura &Co reached 11% of recycled plastic content of all plastic used (cumulative Jan - Sept 2022)

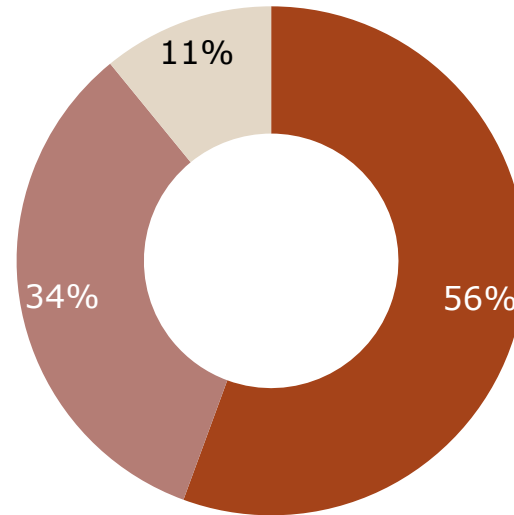
Debt profile

Q3-22 Debt by type



- Bonds
- Debentures
- Commercial notes
- Working Capital
- Other

Q3-22 Debt by currency





- BRL
- USD
- GBP

Breakdown of global net revenue by brand

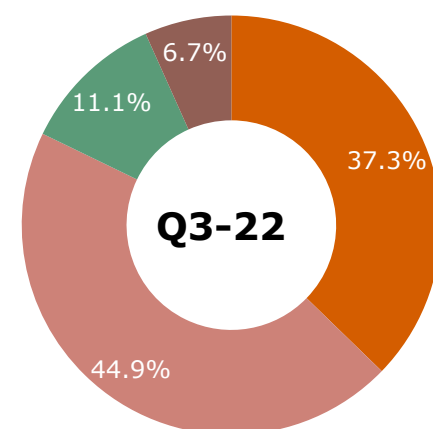
Net revenue by brand

(R\$ million)

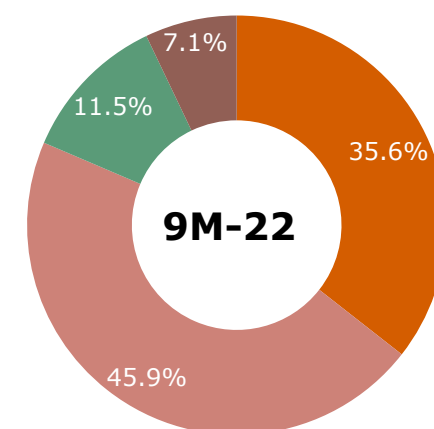
BRAND	Q3-22	Q3-21	% (R\$)	% (CC)	9M-22	9M-21	% (R\$)	% (CC)
 ¹ natura	3,355.1	3,015.3	+11.3%	+18.5%	9,234.3	8,581.3	+7.6%	13.2%
AVON	4,043.9	4,551.2	-11.1%	-8.0%	11,905.0	14,240.3	-16.4%	-9.3%
 THE BODY SHOP	1001.2	1,416.8	-29.3%	-11.1%	2,978.6	3,996.3	-25.5%	-11.1%
Aēsop	603.6	554.2	+8.9%	+24.5%	1,841.5	1,703.5	+8.1%	+24.5%
Total net revenue	9,003.7	9,537.5	-5.7%	+2.2%	25,959.4	28,521.5	-9.0%	-0.6%

Net revenue breakdown (by brand)

(%)



■ Natura
 ■ The Body Shop
 ■ Avon
 ■ Aēsop



■ Natura
 ■ The Body Shop
 ■ Avon
 ■ Aēsop

¹ Includes other revenues and &Co pay