

Third-quarter 2019 RESULTS

November 14, 2019



Aēsop.

natura & co

This presentation may contain forward-looking statements.

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

The words "anticipates," "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.

Known risks and uncertainties include, but are not limited to, the impact of competitive products and pricing, market acceptance of products, product transitions by the Company and its competitors, regulatory approval, currency fluctuations, production and supply difficulties, changes in product sales mix, and other risks.

This presentation also may include pro-forma and adjusted information prepared by the Company for information and reference purposes only, which has not been audited. Forward-looking statements speak only as of the date they are made, and the Company does not undertake any obligation to update them in light of new information or future developments.

<https://natu.infoinvest.com.br/en>

Q3 -19¹: Strong net sales growth, driven by solid fundamentals

- ❖ **Double-digit growth of +10.1%** in consolidated net revenues at constant currency, supported by all brands and businesses
 - **Natura** posted significant growth both in Brazil and Latam (+13.2% at constant currency), with further market share gains in the quarter
 - **The Body Shop**: Strong sales growth (+3.8% at constant currency) and new store concept launched in Bond Street, London
 - **Aesop**: Continued strong growth (+10.2% at constant currency); 21 new stores
- ❖ **Q3 EBITDA**: Reflected planned phased increase in investments at Natura, notably in brand and digitalization, and non-recurring Avon-related acquisition costs
- ❖ **Net income** impacted by the effects on EBITDA and non-recurring Avon-related costs of R\$36.5 million on a net basis
- ❖ **Further deleveraging**, below 3x, on track to achieve 2021 target
- ❖ **Key milestones achieved** towards closing of Avon acquisition: Approval without restrictions from Brazil's anti-trust authority (CADE) and approval by shareholders of both Natura and Avon; closing expected in 1st quarter 2020
- ❖ **New sustainability advances**:
 - **Natura's Carbon Neutral Program** wins 2019 UN Global Climate Action Awards
 - **The Body Shop** earns B-Corp certification

¹Adjusted: Excluding effects that are not considered recurring nor comparable between the periods under analysis.



Consolidated Financial Performance

Adjusted figures exclude the following non-operational effects

IFRS 15: Reclassification of late payment charges in Q3-19 and 9M-19 with impacts on net revenue and EBITDA for Natura Brazil and on net revenue in Latam

Hyperinflation and foreign currency translation accounting standards (IAS29 and IAS21, respectively) in Argentina in Q3-19 and 9M-19 with impact on Latam's full P&L

Tax credits, recoveries and provision reversal: Tax credits related to previous years, tax recoveries related to ICMS taxes applied to the base of PIS and COFINS, and ICMS provision reversal in previous quarters

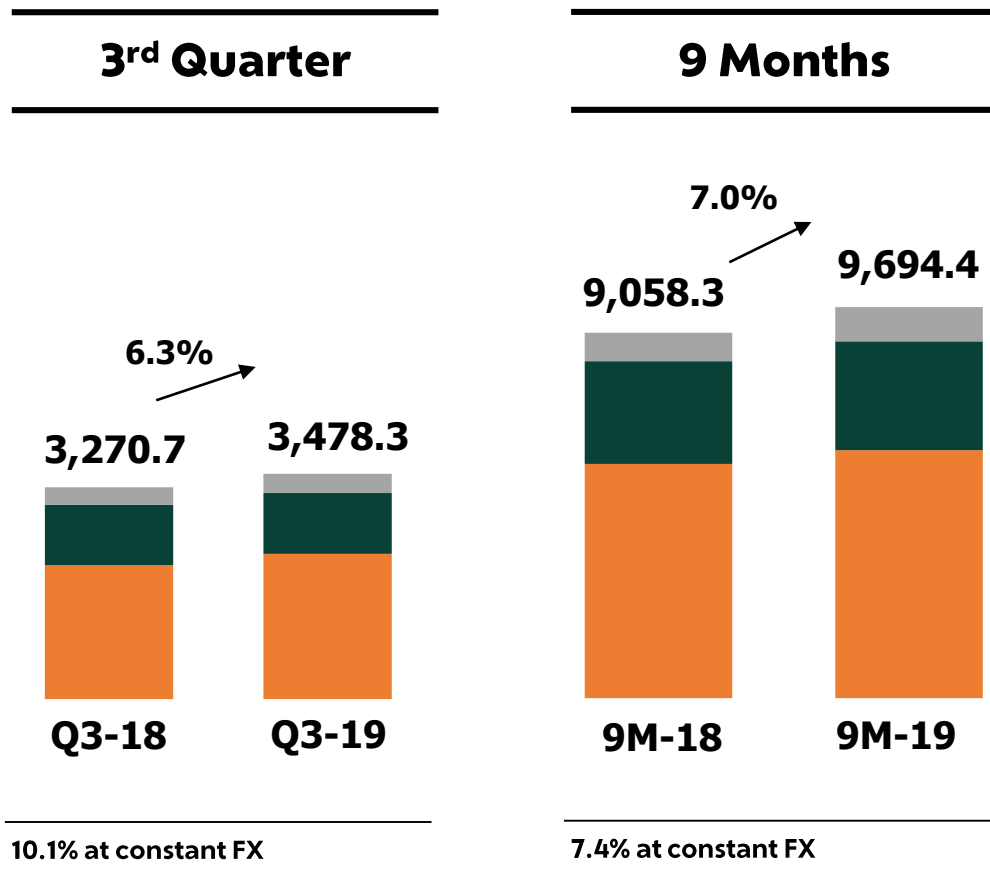
The Body Shop's transformation costs, which refer to the amounts allocated to the execution of its transformation plan, as previously announced, with impact on EBITDA

Avon acquisition costs: Non-recurring costs associated with Avon acquisition, mainly related to professional fees and planning costs

IFRS 16: Its adoption resulted in the recognition of rights-of-use against lease liability, essentially related to leased stores of Natura, The Body Shop and Aesop

Consolidated adjusted net revenue up 6.3% in Q3 and 7.0% in 9M, driven by all three businesses

(Adjusted¹; R\$ million)



Consolidated

7.2% reported² net revenue growth in Q3 and +10.1% at constant currency

Natura

Q3 Adjusted net revenue growth both in Brazil (+7.2%) and Latam (+10.2%); at constant currency, Latam growth was 28.8%

The Body Shop

Net revenue in BRL rose 1.1% in Q3-19 and 3.8% at constant currency

Aesop

Double-digit growth in BRL of 10.8% in Q3-19 and 10.2% at constant currency

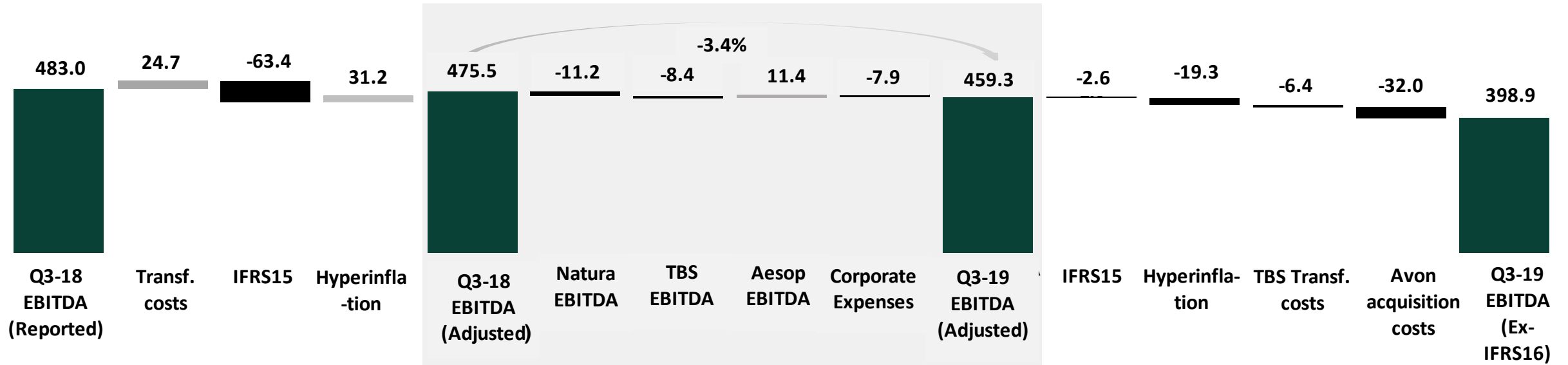
¹ Adjusted: Excludes IFRS 15 (reclassification of late payment charges) both in Brazil and Latam and hyperinflation effects in Latam

² Excluding IFRS16

Q3 adjusted EBITDA reflects investments to strengthen our fundamentals and Avon-related expenses

(Adjusted¹; R\$ million)

EBITDA Q3-19



Q3-19 Adjusted EBITDA margin of 13.2% (-130 bps)

9M-19 Adjusted EBITDA margin of 12.6% (-30 bps)

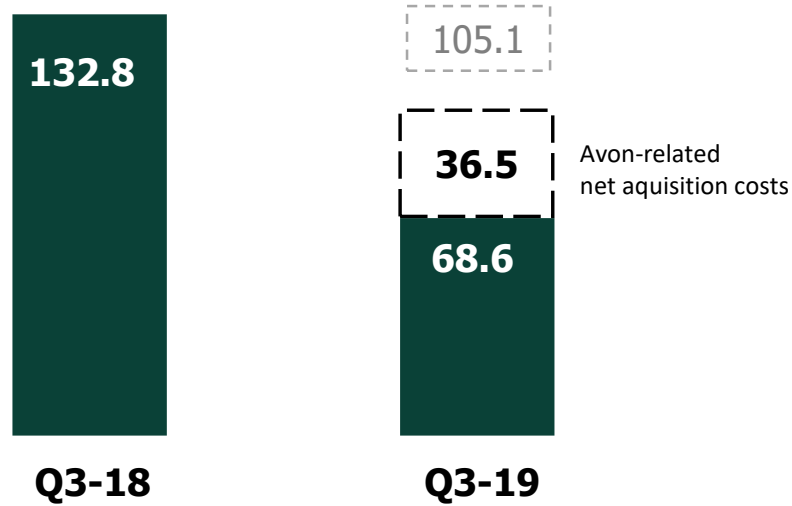
¹ Adjusted: Excludes IFRS 15 (reclassification of late payment charges) both in Brazil and Latam, hyperinflation effects in Latam, IFRS 16 in all businesses, The Body Shop's transformation costs and acquisition expenses.

Q3 net income impacted by lower EBITDA and non-recurring Avon-related costs

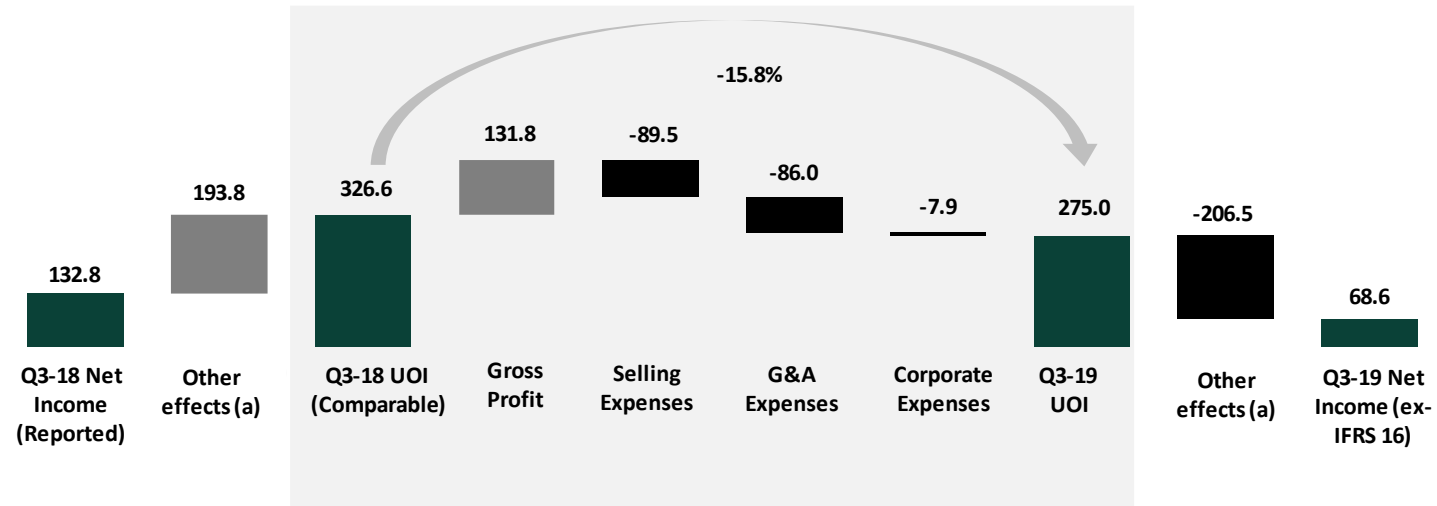
(R\$ million)

Q3 Net income¹:

R\$ 68.6 million in Q3-19 vs. R\$132.8 million in Q3-18, due to effects on EBITDA and non-recurring Avon-related acquisition costs



Q3 Underlying Operating Income - UOI¹



¹ Excludes IFRS 16

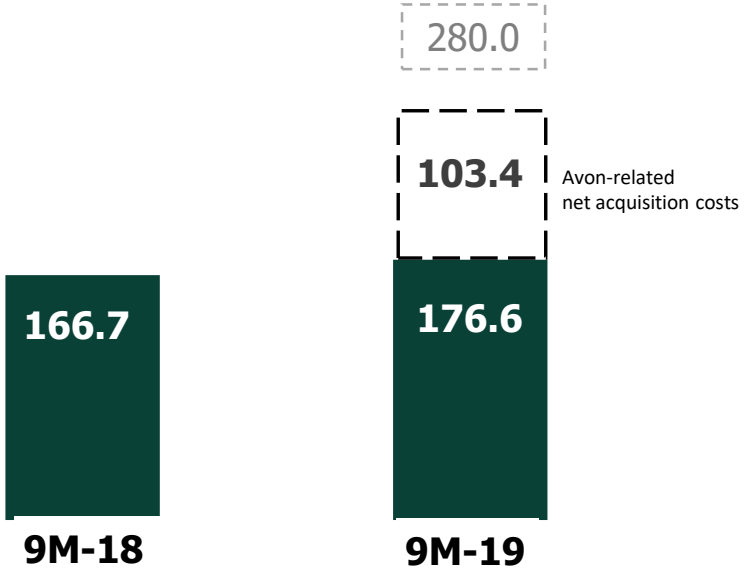
(a) Other effects: acquisition-related expenses, transformation costs, financial expenses and income tax

9M net income up 6.0%, despite Avon-related acquisition costs

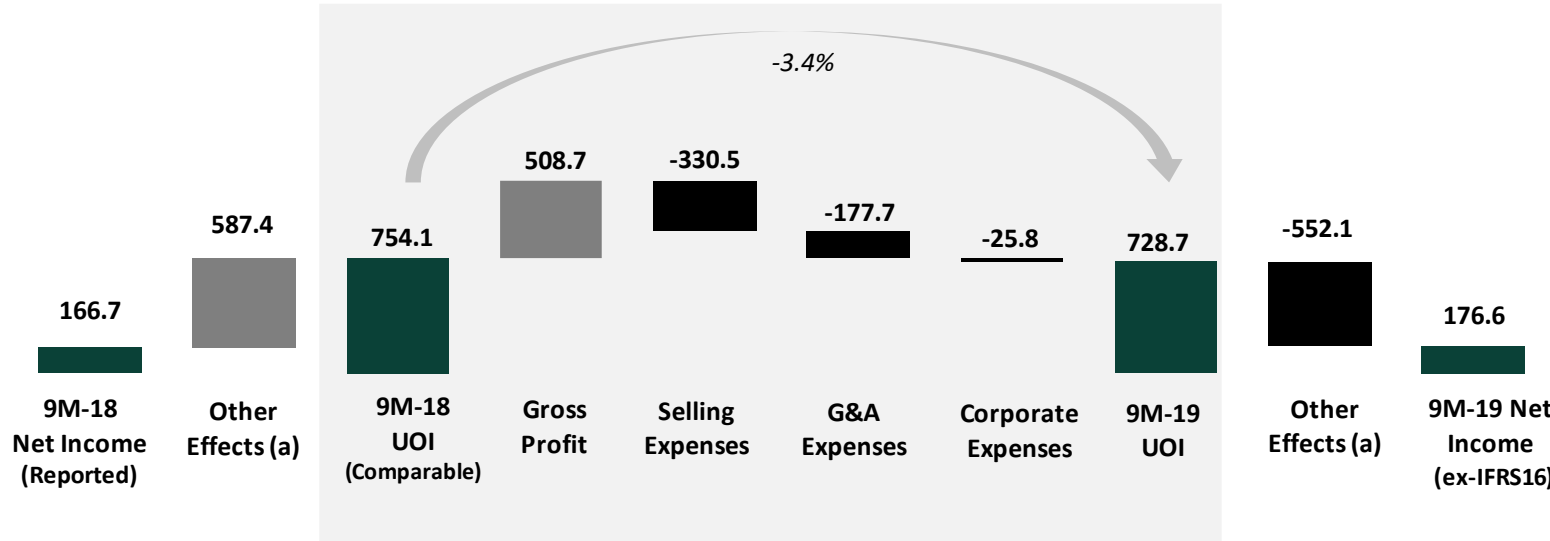
(R\$ million)

9M Net income¹:

R\$176.6 million in 9M-19 vs. R\$166.7 million in 9M-18, up 6.0%



9M Underlying Operating Income - UOI¹

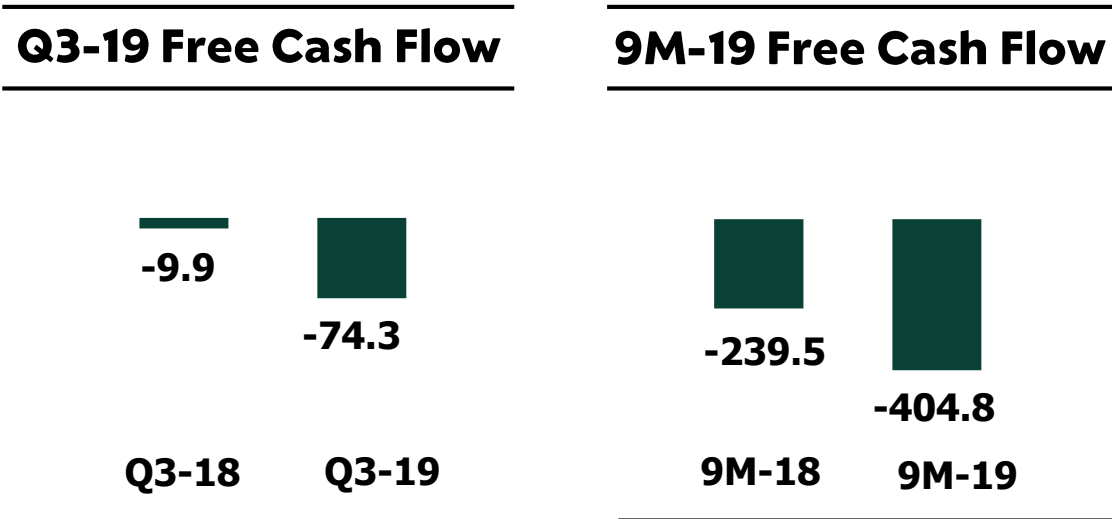


¹ Excludes IFRS 16

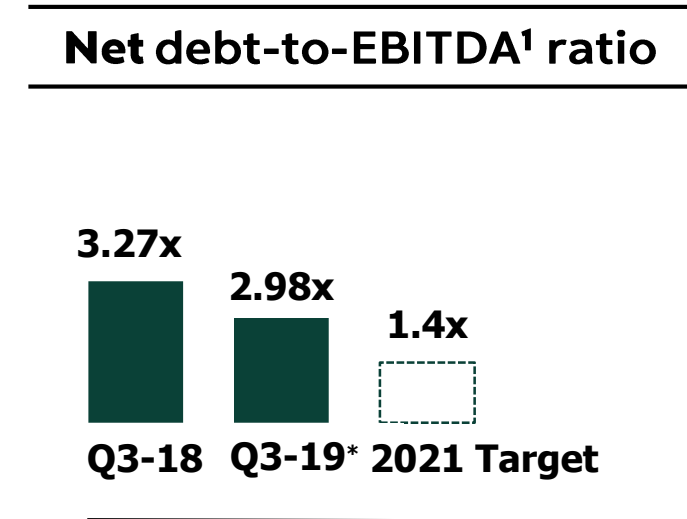
(a) Other effects: acquisition-related expenses, transformation costs, financial expenses and income tax

Expected cash outflow, while continuing to deleverage

(R\$ million)



Cash outflow due to lower net income and phasing of CAPEX, partially mitigated by improved working capital at Natura



Improvement in net debt-to-EBITDA ratio, on track to achieve level pre-acquisition of The Body Shop

¹ EBITDA excludes the impact of IFRS 16

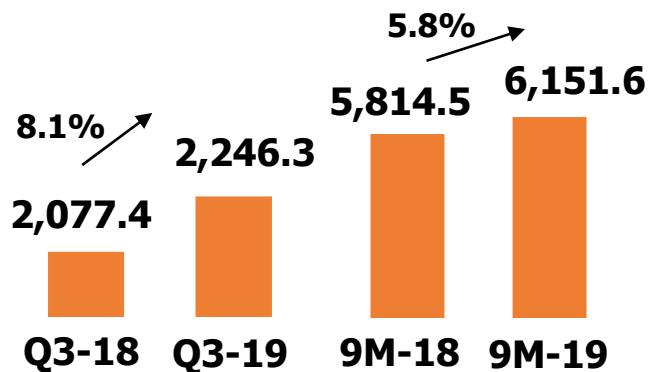
Natura's Performance



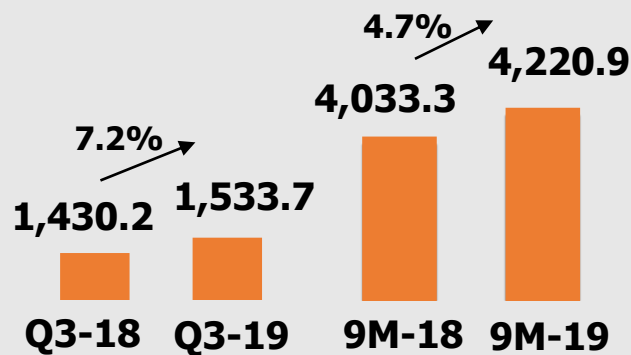
Significant adjusted net revenue growth in Brazil and Latam despite challenging markets

Natura²

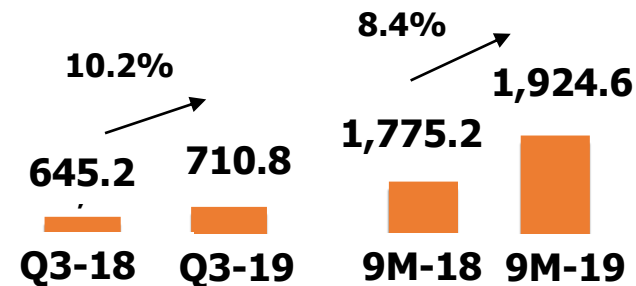
(Adjusted¹; R\$ million)



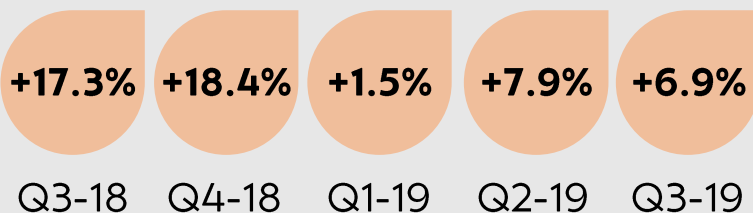
Natura Brazil



Natura Latam



Brazil



12th consecutive quarter of consultant productivity growth

Significant Q3 sales growth over a strong comparable base, in a weak CFT market

860,000 consultants using digital platforms (+32% vs. Q3-18) and double-digit growth in online sales

Retail sales nearly doubled

Strong innovation-driven pipeline, with new disruptive products

Latam

Strong 28.8% growth at constant currency in Q3

8.3% growth in number of consultants

23.9% volume growth

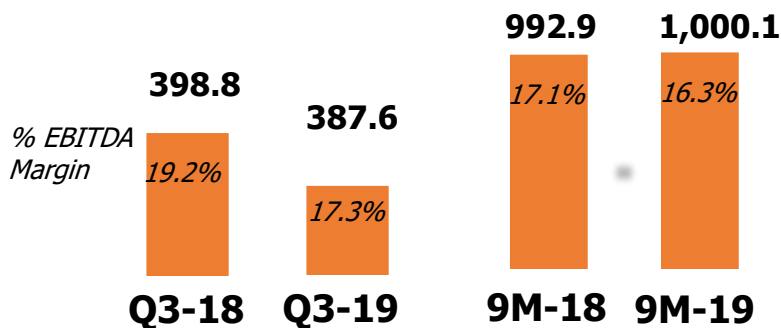
Argentina posted growth above inflation. Colombia and Mexico were also highlights

Mobile platform rolled out in all countries

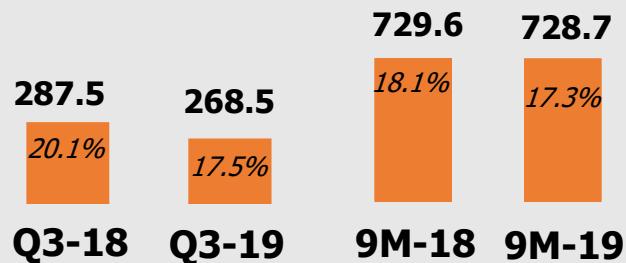
EBITDA: Solid growth in Latam; Brazil impacted by phased investments

(Adjusted¹; R\$ million)

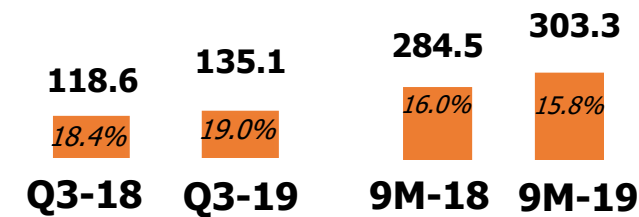
Natura²



Natura Brazil



Natura Latam



Brazil

Q3 EBITDA margin of 17.5% (-260 bps)

Q3 SG&A expenses of 56.1% of sales (+330 bps).

Selling and marketing expenses³ (+260 bps) reflect planned, phased increase of marketing Investments:

- Rock in Rio Festival sponsorship, connecting the brand with young consumers
- Relevant product launches
- Natura's 50th anniversary

G&A⁴ expenses (+70 bps) to drive:

- Innovation investments
- Further advances in digitalization

9M EBITDA margin of 17.3% (-80 bps)

9M SG&A exp. of 55.4% of sales (+50bps)

Strong improvement in Q3 gross margin at 68.8% (+60 bps), on favorable category mix

Latam

Q3 EBITDA margin of 19.0% (+60 bps), thanks to:

- Strong top-line performance
- Continued efforts to improve operational efficiency
- Selling expenses³ of 37.7% of net revenues (-170 bps)
- G&A⁴ expenses of 10.2% of net revenues (-30 bps)

¹ Adjusted: Excludes IFRS 15 (reclassification of late payment charges) both in Brazil and Latam, hyperinflation effects in Latam, tax credits, recoveries and provision reversal in Brazil and IFRS 16 in all businesses

² Includes the subsidiaries in the U.S. and France; ³ Selling and marketing expenses refer to Selling, Marketing and Logistics expenses; ⁴ G&A expenses refer to Administrative, R&D, IT and Project expenses

The Body Shop's Performance

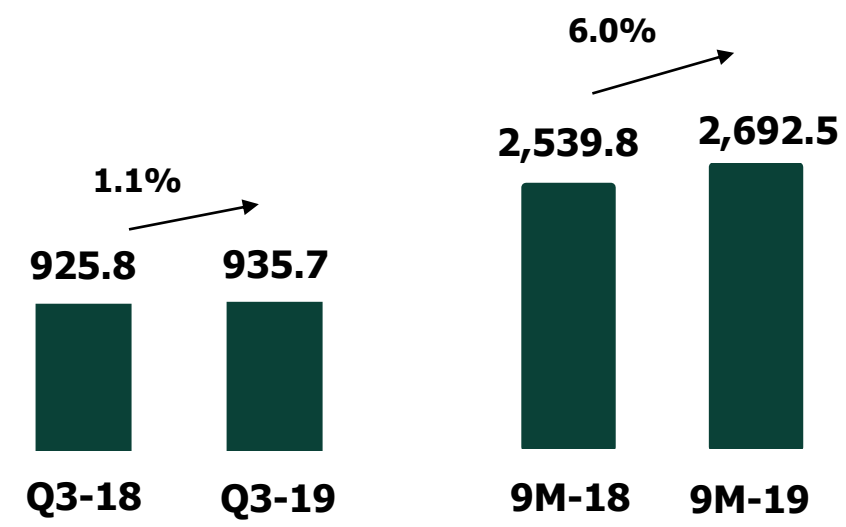




Healthy growth in sales in Q3

(R\$ million)

The Body Shop - Net revenue



Sales up 3.8% at constant FX, supported by growth in UK, APAC and Latam; 9M19: +1.7%.

Excluding impact of Hong Kong events, sales up 6.4% at constant FX in Q3 and 3.8% in 9M

Growth despite the net closure of 35 underperforming own stores (past 12 months)

UK sales up by double-digits:

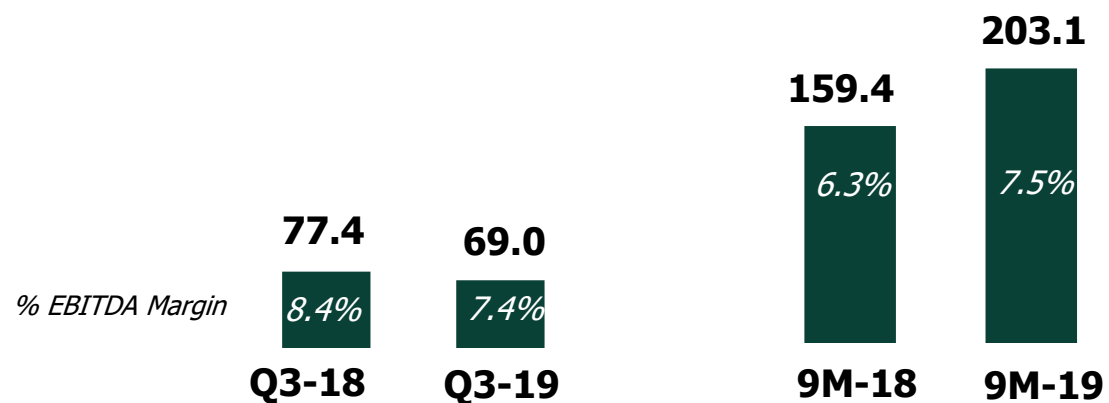
- Robust growth in At-Home (direct sales)
- Own-stores LFL +3.1%

New concept store in Bond Street, London, reviving the sustainability values and activism of the brand

Adjusted EBITDA reflects events in Hong Kong; transformation on track

(Adjusted¹; R\$ million)

The Body Shop - EBITDA



Adjusted EBITDA margin of 7.4% (-100 bps) in Q3

Excluding Hong Kong, adjusted EBITDA margin was 8.0% (+30 bps) in Q3 and 7.5% (+220 bps) in 9M

Transformation costs in Q3 of R\$6.4 million (£1.2 million) and R\$32.8 million (£6.9 million) in 9M

¹ Adjusted: Excludes transformation costs and IFRS 16 impacts

Aesop's Performance

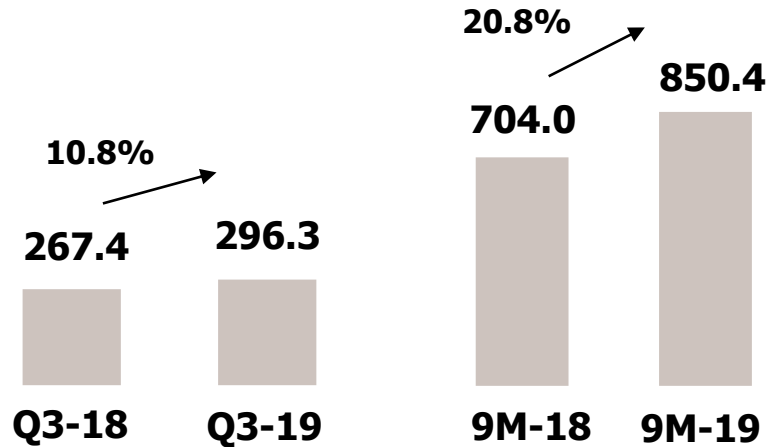
Aēsop



Double-digit increase in revenue and acceleration in EBITDA growth

(Adjusted¹ R\$ million)

Aesop – Net Revenue

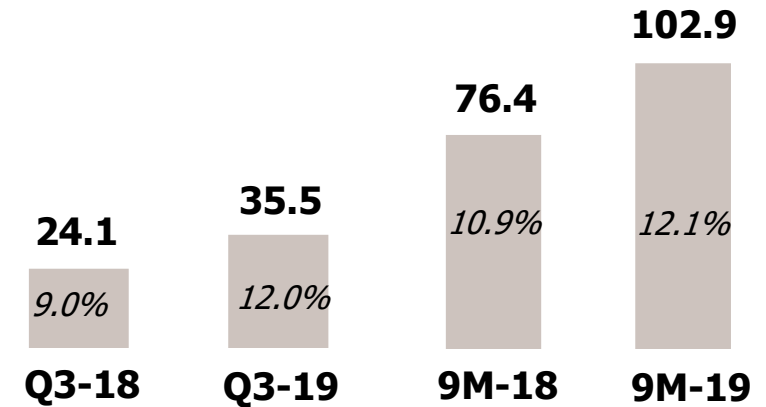


Sales up 10.2% at constant FX, supported by the Americas and Asia

Signature store LFL sales increased 9.0% in Q3

240 signature stores with 21 net openings in past 12 months (4 in Q3)

Aesop – EBITDA



Accelerating growth in EBITDA

Q3 EBITDA margin of 12.0% (+300 bps)
9M EBITDA margin of 12.1% (+120 bps)

¹ Adjusted: Excludes IFRS 16 impacts

A dense forest of trees with thick, gnarled roots and branches, creating a complex, almost abstract pattern of brown and green. The roots are thick and woody, with many smaller, thinner roots hanging down from the canopy. The overall scene is a lush, green forest with a prominent network of brown roots and branches.

Update on Avon acquisition

- ✓ Approval without restrictions by CADE, Brazil's anti-trust authority
- ✓ Approval of transaction by Natura and Avon shareholders
- ✓ Completion of corporate restructuring with creation of Natura & Co holding company, which will be the publicly-traded entity on B3 in mid-December
- ✓ Ongoing integration planning


Next Steps:

- ✓ Anti-trust approval in remaining jurisdictions
- ✓ Closing expected in Q1 2020, with additional listing on NYSE and trading of ADRs



Closing remarks

Key takeaways



Solid revenue growth across all our brands demonstrates momentum driving our global, multi-brand, multi-channel, purpose-driven group

Investments underway to lay the foundations for sustainable long-term growth

On track to close acquisition of Avon Products, Inc. in Q1 2020

Thank you



Aēsop.

natura & co