
First-Quarter 2022 *Results*

May 6th, 2022

AVON



THE BODY SHOP

Aēsop.

natura & co

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Q1-22 *Highlights*

Performance impacted by continued Avon transformation, challenging global environment and tough comparable base

Progress on fundamentals

Revenue and profitability under pressure...

- Consolidated net revenue: -12.7% in BRL and -4.6% at constant currency ("CC")
- Adjusted EBITDA of R\$595.9 million, with margin of 7.2% (-300 bps)

...impacted by internal and external factors

- Impacts of intentional ongoing changes in Avon's transformation
- BRL appreciation
- Tough comparable base (+25.8% in BRL and +8.1% in CC in Q1-21 x Q1-20)
- Rising inflation affecting consumer demand
- Cost pressure in the supply chain
- First effects of the war in Ukraine
- Channel mix rebalancing and lingering Covid-19 effects at The Body Shop

Several positive signs in the quarter

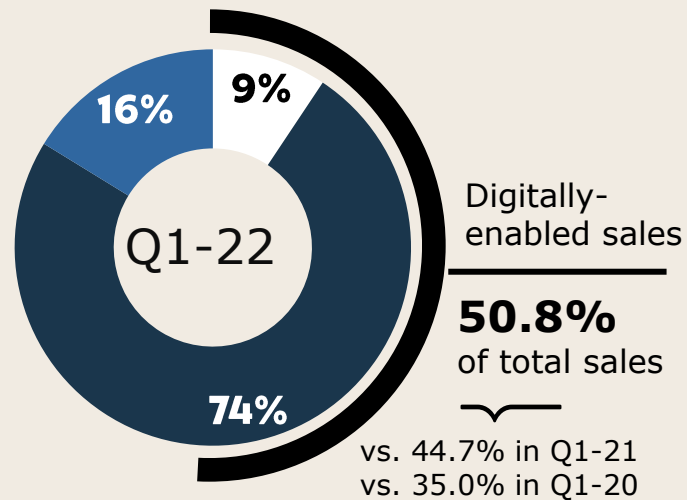
- Revenue growth at Natura brand in Brazil on the back of a tough comp, with significant market share gains
- Advances in Avon's new commercial model:
 - **Brazil:** Sequential improvement in activity and productivity
 - **Hispanic:** Growth in productivity
 - **International:** +9.1% increase in productivity, stable activity, sequential increase in social selling adoption
- Synergies on plan, at US\$66.2 million
- Another quarter of growth for Aesop

Solid cash position and capital structure

- R\$4.5 billion in cash at quarter-end
- Successful issuance of US\$600 million bond in April, maturing in 2029; no impact on leverage ratio

Strong social selling adoption at both Avon and Natura

Net Revenue Breakdown by Channel (R\$ million)



- Retail
- Online (e-commerce + social selling)
- Relationship Selling

1. &Co Pay

- Natura in Brazil: 390,000 accounts
- Total Payment Volume ("TPV") of R\$ 2.1 billion

2. Natura

- Average number of consultants in Latam sharing content is nearly 5x higher than pre-pandemic levels
- Online sales were 7.6% of sales, compared to 2.0% pre-pandemic levels (Q1-20)

3. Avon

- Total Avon online sales¹ reached 3.4% of sales, compared to 1.0% pre-pandemic
- At Avon International, Avon On adoption reached 16%, 5x above pre-pandemic levels (Q1-20)

4. The Body Shop

- Online sales¹ were 27.5% of sales, 1.3x above pre-pandemic levels (Q1-20)

5. Aesop

- Online sales were 23.5% of sales, 1.3x above pre-pandemic levels (Q1-20)

¹ Online sales include e-commerce and social selling sales; Total Avon includes Avon International + Avon Latam

Continued strong pipeline of innovative products



AVON

Technology

Continued focus on and support for the breakthrough **Protinol technology** with Anew Renewal Power Serum

Launch of **Attraction**, Avon's first fragrance to harness neuroscience technology to create a scent that elicits feelings of pleasure for him and for her




natura

Essencial Refill

Launch of refill for its Essencial fragrance brand, with 45% recycled glass and a 100% post-consumption recycled plastic cap




THE BODY SHOP

New wellness collection

Breath, Boost and Sleep, with essential oils to help restore the balance between mind, body and soul.



Aēsop®

The Exalted Eye Serum

Launched the Exalted Eye Serum, a potent yet lightweight serum enriched with vitamins B, C and E for target hydration, elevating the brand's skin care proposition



Consolidated Financial Performance

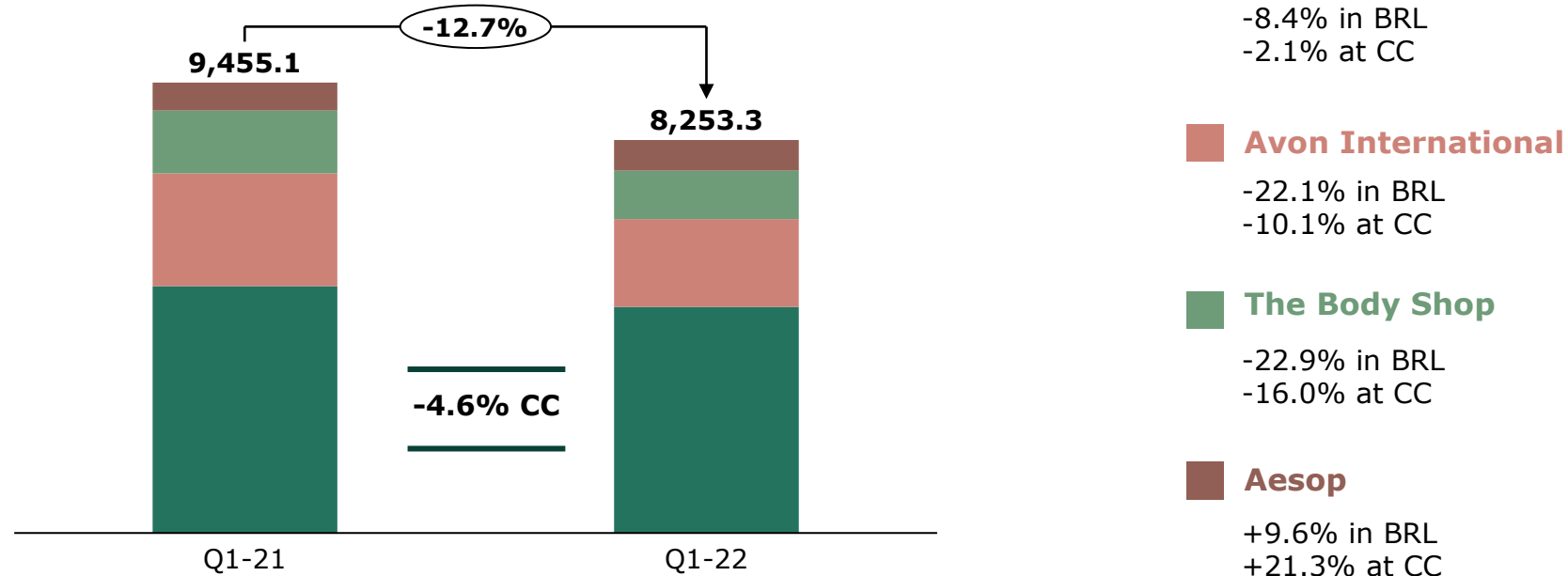
Guilherme Castellan, CFO



natura & co

Natura &Co revenue impacted by a tough comparable base and lower discretionary spend; market outperformance compared to Q1-19 (pre-Covid)

NET REVENUE
(R\$ million)

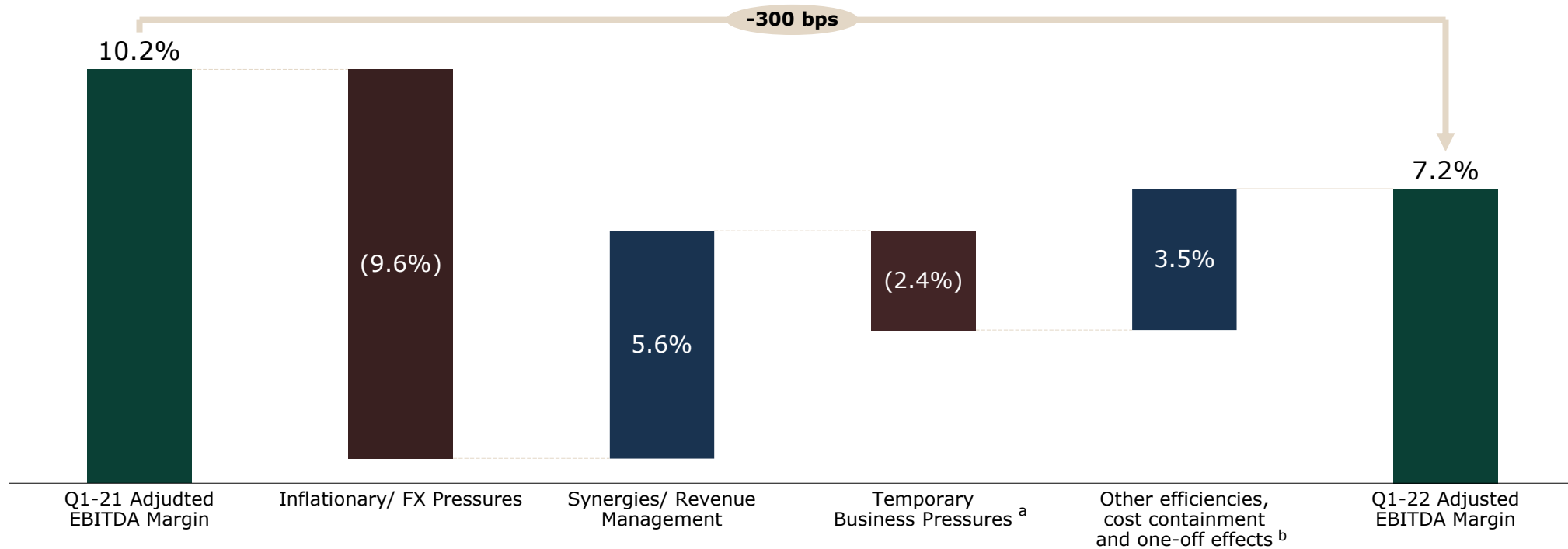


HIGHLIGHTS

- Very strong comparable base as Q1-21 was up by 25.8% vs Q1-20 (+8.1% at CC)
- Compared to Q1-19, net revenue up by +11.9% in Q1-22, above CFT peers
- Q1 marked by intentional ongoing Avon transformation, rising inflation affecting discretionary spend in key markets, cost pressures in the supply chain and first effects of the war in Ukraine
- Over 45% of revenue from outside Latam

Drop in adjusted EBITDA margin from challenging operating environment; solid cost containment and synergies

Q1-22 CONSOLIDATED ADJUSTED EBITDA MARGIN



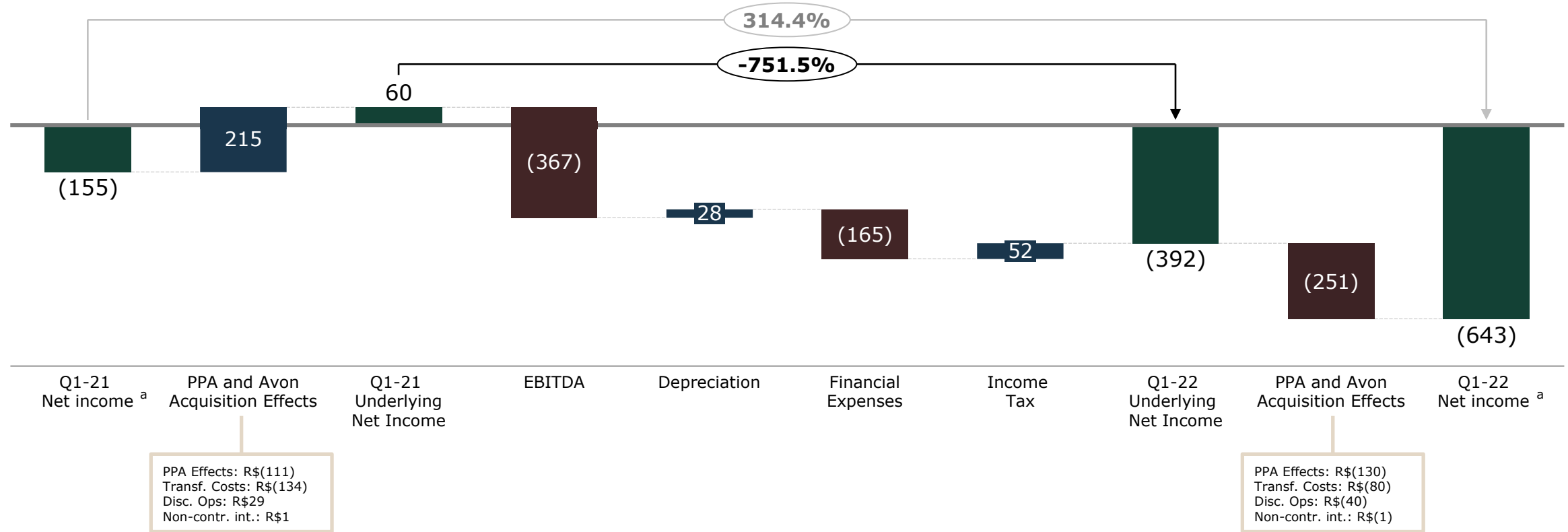
(a) Temporary Business Pressures: sales deleverage and commercial provisions

(b) Other efficiencies, cost containment and one-off effects: mainly cost containment and short/long-term incentive provision

Synergies, revenue management, cost containment and one-off effects partially offset inflationary and FX pressures

Underlying net income (UNI) and net income impacted by lower EBITDA and increase in financial expenses

Q1-22 UNI
(R\$ million)



(a) Net income attributable to controlling shareholders

Solid cash position and successful bond issuance to refinance Avon 2023 bond

Q1-22

R\$ 4.5 billion

Cash balance
at end-March

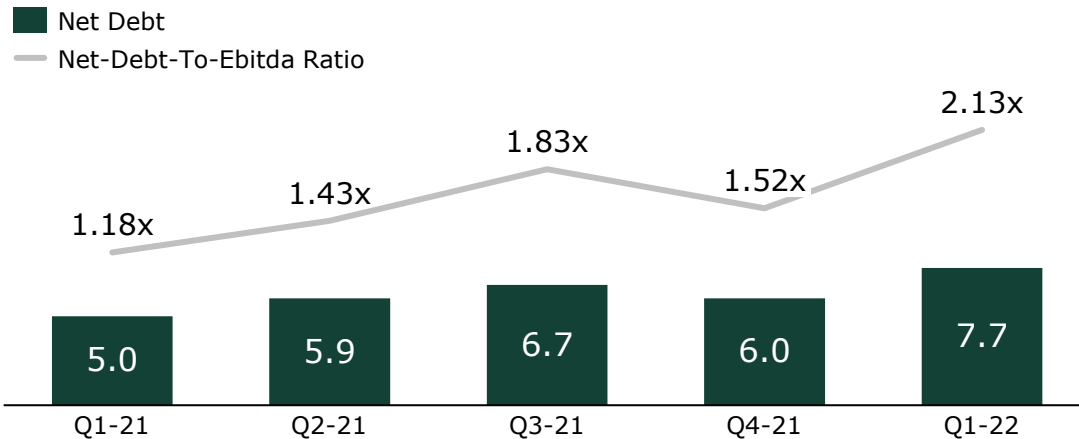
2.13x

Group net-debt to EBITDA ratio

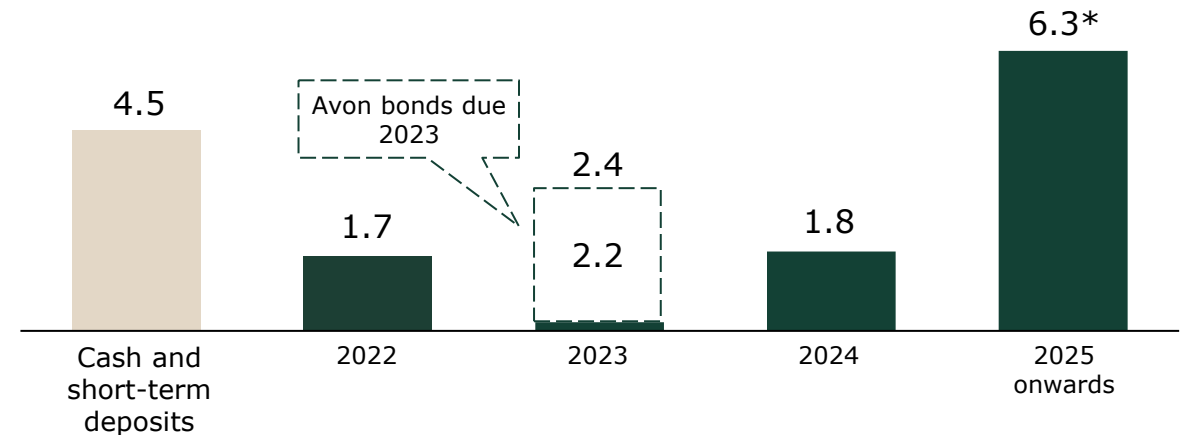
US\$600 million

New bond issue maturing in 2029

NET DEBT AND NET DEBT-TO-EBITDA RATIO (R\$ billion)



AMORTIZATION SCHEDULE (R\$ billion)



* R\$6.3bi includes US\$ 1.0 Bi sustainability-linked bond maturing 2028, Avon US\$ 200 mi maturing 2043 and other debt



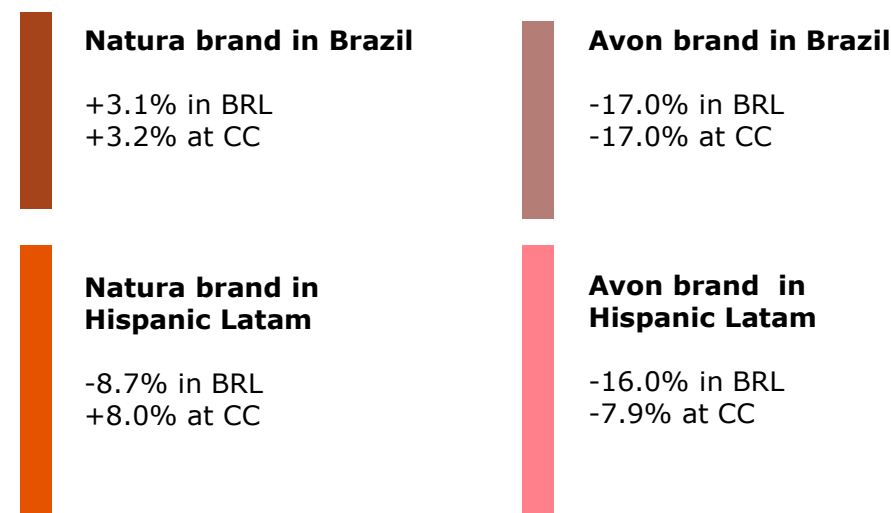
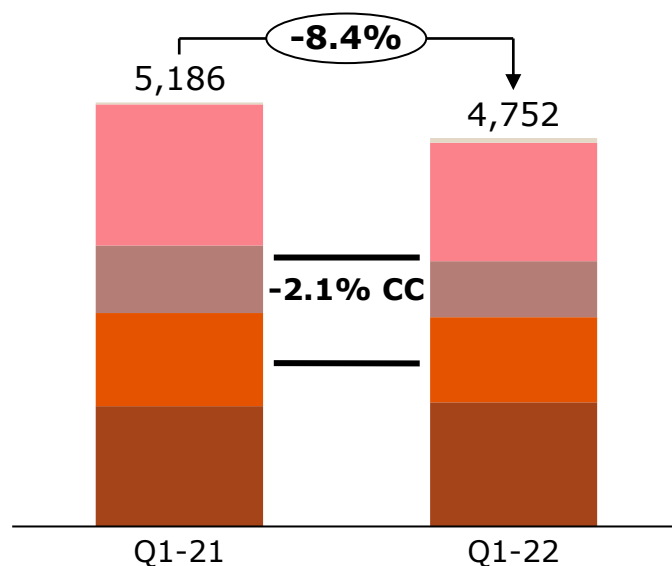
Natura &Co Latam

Financial Performance

Natura &CO
Latin
America

Natura &Co Latam: Natura brand resumes growth in Brazil; Avon's new commercial model showing progress

NET REVENUE
(R\$ million)

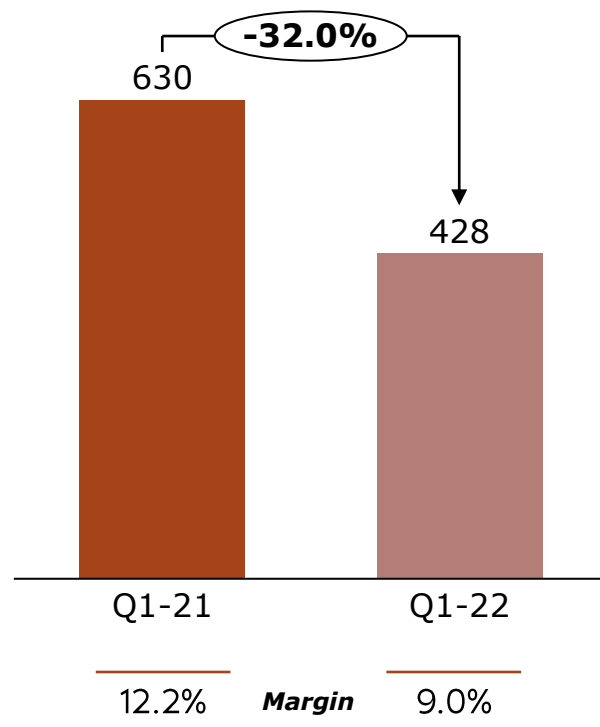


HIGHLIGHTS

- Natura Brand: -1.9% in BRL (+5.3% in CC), driven by growth in Brazil and solid growth in Hispanic markets, and up +46.1% vs Q1-19**
 - Brazil: Significant market share gains according to Kantar; Revenue growth in Q1 on the back of a strong comparable base
 - Hispanic: Solid growth in constant currency, driven by Argentina and Colombia; growth in online and retail channels
- Avon brand: -16.3% in BRL (-11% in CC); and -17.8% vs Q1-19, reflecting ongoing intentional transformation changes**
 - Brazil: Sequential improvement in sales; productivity growth in the beauty category and reaching positive double-digit growth in March
 - Hispanic: New commercial model in Ecuador and Central America continuing to show positive signs; productivity up in the quarter

Q1 Adjusted EBITDA margin in Latam reflects tough comparable base

ADJUSTED EBITDA¹ AND ADJUSTED EBITDA MARGIN (R\$ million)



Q1-22 HIGHLIGHTS

- **Adjusted EBITDA margin** -320 bps vs Q1-21 but significantly above Q1-20 (6.9%); synergies, revenue management and strict financial discipline partially offset sales deleverage at Avon, raw material inflation and FX headwinds
- SG&A up by 320 bps, to 55.3% (ex-PPA effects), impacted by:
- Higher inflation mainly on:
 - Logistics
 - Personnel
 - Services
- Sales deleverage
- The above effects were partially offset by
 - Synergies
 - Revenue management

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

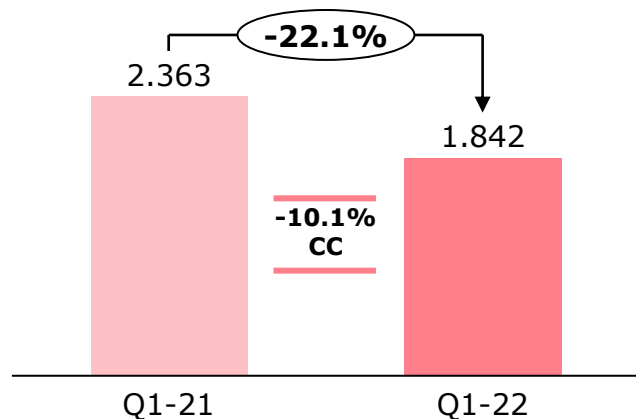


Avon International *Financial Performance*

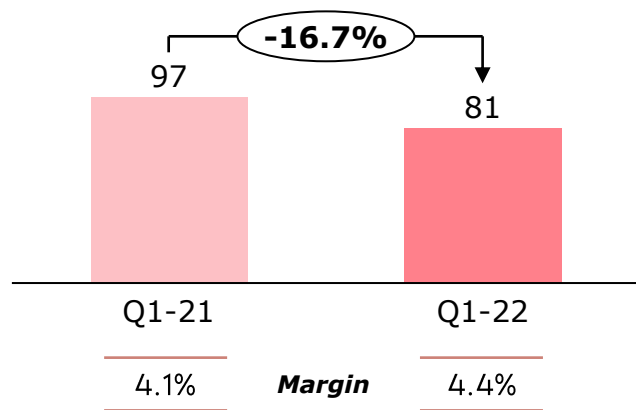
AVON

Decrease in revenue but solid expansion in EBITDA margin

NET REVENUE (R\$ million)



ADJUSTED EBITDA¹ AND EBITDA MARGIN (R\$ million, %)



Q1-22 HIGHLIGHTS

- Revenue decrease reflects war in Ukraine, lower disposable income in Europe²
- Revenue impacted by lower # of rep, as expected
- High single-digit increase rep productivity from structural changes in the new commercial model implemented in 14 countries
- Continued Improvement in rep satisfaction, from record service level and new commercial model
- Adjusted EBITDA margin grew by +30 bps vs Q1-21, supported by synergies, strict financial discipline and simplification of the operating model, offsetting continued impacts from inflation and higher commodity prices as well as initial war-related effects

² "Since demand for energy is inelastic in the short run, those large price increases imply significant declines in households' purchasing power, which will need to be absorbed through (i) reduced consumption of non-energy goods and services, (ii) a reduction in savings or (iii) an increase in income." Source: European Central Bank Economic Bulletin, issue 3, 2022.

¹ Excluding effects that are not considered recurring nor comparable between the periods under analysis, such as: Trans-formation costs and costs-to-achieve synergies, Avon acquisition related expenses and tax credits and provisions reversals



The Body Shop

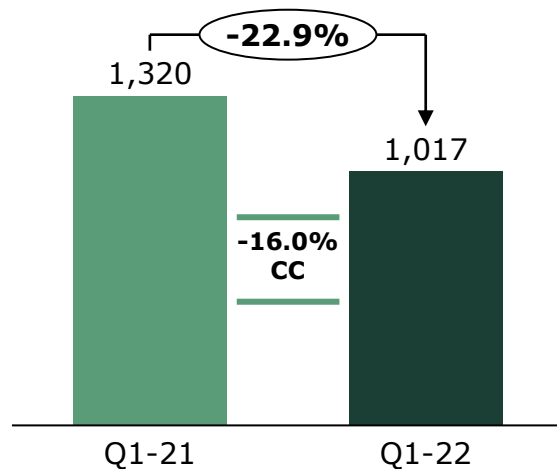
Financial Performance



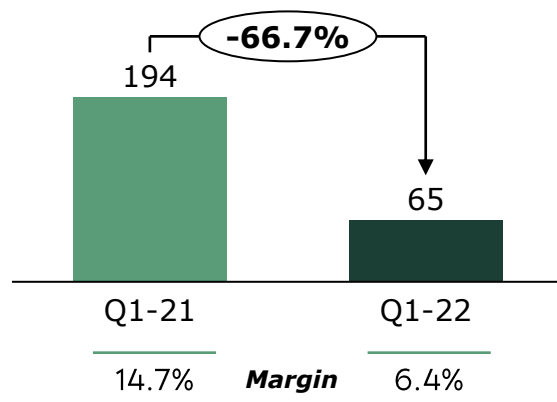
THE BODY SHOP

Sales impacted by decrease in disposable income in Europe and channel mix

NET REVENUE (R\$ million)



ADJUSTED EBITDA¹ AND EBITDA MARGIN (R\$ million, %)



Q1-22 HIGHLIGHTS



- Revenue decrease mainly impacted by expected channel rebalancing, and lower disposable income in Europe²
- In the UK, our stores and e-commerce combined are up about 2% vs 2019, also in line with market data³
- Adjusted EBITDA margin -830 bps vs Q1-21, mainly due to:
 - Pandemic-related one-offs that increased EBITDA last year
 - Channel mix rebalancing
- EBITDA margin is expected to recover in H2 driven by positive prospects in franchisees, the most profitable channel, supported by:
 - Continuing roll-out of the new concept stores
 - Product launches

² "Since demand for energy is inelastic in the short run, those large price increases imply significant declines in households' purchasing power, which will need to be absorbed through (i) reduced consumption of non-energy goods and services, (ii) a reduction in savings or (iii) an increase in income." Source: European Central Bank Economic Bulletin, issue 3, 2022.

³ According to the British Retail Consortium for the health and beauty markets

¹ Excluding effects that are not considered recurring nor comparable between the periods under analysis, such as: impairment loss of assets and other items in Q4-20 and FY-20

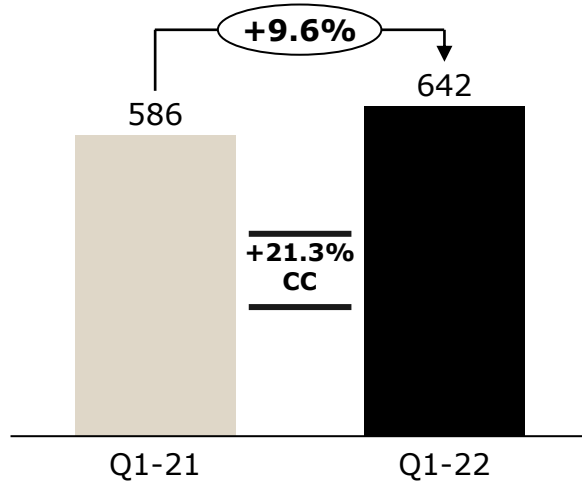


Aesop
Financial Performance

Another quarter of strong sales growth

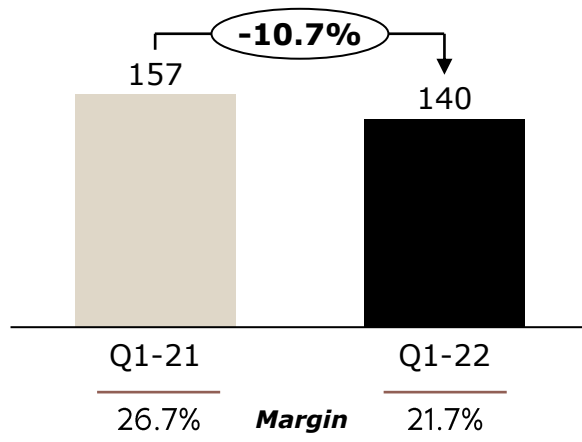
NET REVENUE

(R\$ million)



EBITDA AND EBITDA MARGIN

(R\$ million; %)



Q1-22 HIGHLIGHTS

- **Double-digit growth in revenue in constant currency in all markets**, led by North America and APAC
- **Ongoing China entry plan**, including investments in digital platforms
- **EBITDA margin reflects higher investments** in digital, categories and geographies to drive sustainable growth

Closing Remarks

Roberto Marques

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Key Takeaways

Focus on flawless execution of our strategy and key initiatives, despite a challenging external environment

1.

Focused on execution to preserve profitability amid a continuing challenging environment expected in Q2

2.

Special attention to discretionary OPEX and CAPEX and focus on cash flow

3.

H2 should see further gains from Avon transformation and a more favorable comparable base

4.

Medium-term EBITDA margin guidance reaffirmed; 2023 top line and leverage guidance now expected in 2024, in light of recent deterioration in the macro-economic and geopolitical environment, impacting consumer spending and demand

Creating the best beauty group *FOR* the world

Thank You

AVON



THE BODY SHOP

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Appendix

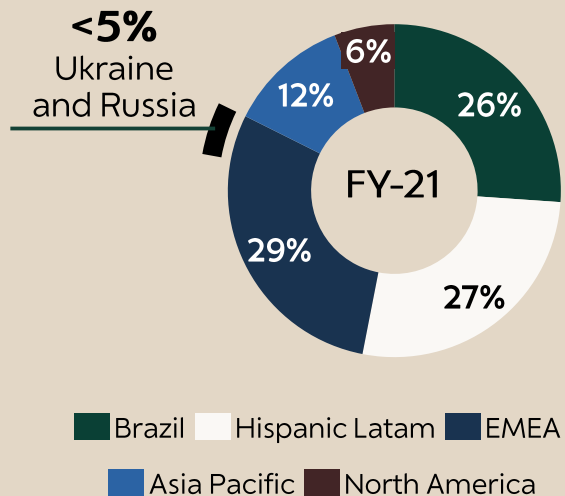
Q1-22

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Actions in the Ukraine / Russia war

% of sales from Russia and Ukraine / total Group sales (FY21)



Natura and &Co fully mobilized to provide support

- Our priority is the safety and wellbeing of all our associates, representatives and partners
- The Group has donated more than R\$3 million in addition to personal care products to refugees, through relief organizations

A limited presence at Group level

- Natura &Co is present in Russia and Ukraine through Avon social selling and franchise operations for The Body Shop and Aesop
- Revenues in Russia and Ukraine represented under 5% of consolidated revenue in FY21 (including all brands)
- Contribution to consolidated Adjusted EBITDA is approximately 3%

Actions taken

- The Body Shop and Aesop suspended product delivery to their franchisees in Russia
- Avon has suspended exports from Russia; Poland is servicing markets previously supplied by Russia
- Avon's Russian manufacturing site is continuing to supply the local social selling operations to provide our representatives with the means to sustain their financial independence

Important advances on Sustainability Vision 2030

Commitment to Life

Address the Climate Crisis & Protect the Amazon



Net Zero: After defining the baseline for our carbon emissions in Q4-21, we have aligned our reduction strategy to the 1.5°C scenario, and submitted an absolute reduction target for scopes 1, 2 and 3 to SBTi. We have also included a carbon reduction target as one of our KPIs as a long-term incentive (LTI) for our executives, for the first time. This initiative reinforces our engagement and commitment towards becoming Net Zero

Biodiversity: The Convention on Biological Diversity (CBD) meeting which took place in Geneva in March 2022 was an important milestone on the road to UN Biological Conference COP15. Natura &Co formed part of the business delegation, advocating for a stronger Post-2020 Biodiversity Framework.

Protect Human Rights and be Human-Kind



International Women's Day: We have made progress on equitable pay, with a significant reduction in our 'explained pay gap' and remaining at just -1.19% in our 'unexplained pay gap'.

Investment in key causes:

Aesop has donated to various organizations, and mobilized its signature stores to donate products, along with establishing a match giving program.

The Body Shop is taking action to support the victims in Ukraine, donating to Children on the Edge, and raising funds for humanitarian aid. They also have ongoing projects via Advocates for Youth to protect the rights of young LGBTQIA+ individuals.

The Natura Institute is now working in 21 out of 26 states in Brazil, which will benefit almost 3 million young people and children through its support with transformative education public policies

Embrace Circularity & Regeneration



In Q1 as a Group, Natura &Co reached 9.7% of recycled plastic content of all plastic used (accumulative Q1-22)

In February, B Beauty announced that The Body Shop and 25 other leading B Corporations around the world were forming the B Corp Beauty Coalition. Together, these businesses seek to improve the sustainability standards of the wider beauty industry, enabling collaboration and exchange between companies to share better practices, implement improvement actions and publish their outcomes. Christopher Davis has been elected to the Board of the new B Corp Beauty Coalition; the Board will direct progress, define actions and publish the outcomes of the coalition's combined work

Adjusted figures exclude the following non-operational effects

1.

Transformation/ Integration costs

Includes:

- (i) Transformation Plan costs mostly at Avon International*
- (ii) Integration costs (costs to achieve synergies) both at Avon in Latam and International*

2.

Avon acquisition costs (2020)

Non-recurring costs associated with Avon acquisition, in FY-20 only

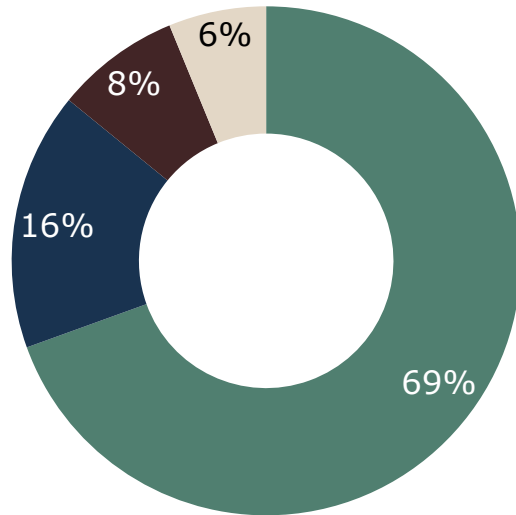
3.

Tax credits, recoveries and provision reversal

Non-recurring tax recoveries from previous years, related to ICMS taxes applied on the base of Pis and Cofins taxes, tax amnesty and tax subsidies in Brazil

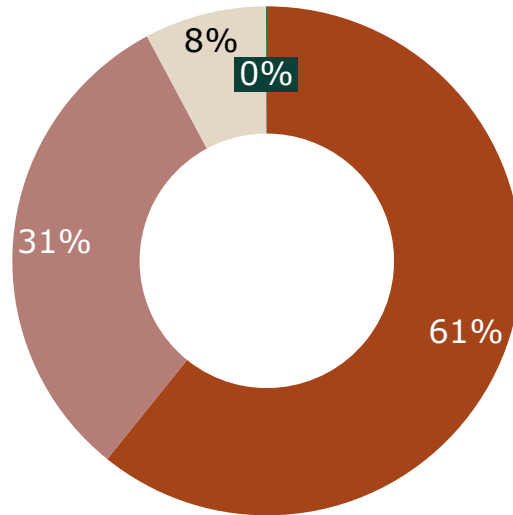
Debt profile

Q1-22 BY TYPE



- Bonds
- Working Capital
- Debentures
- Other



Q1-22 BY CURRENCY



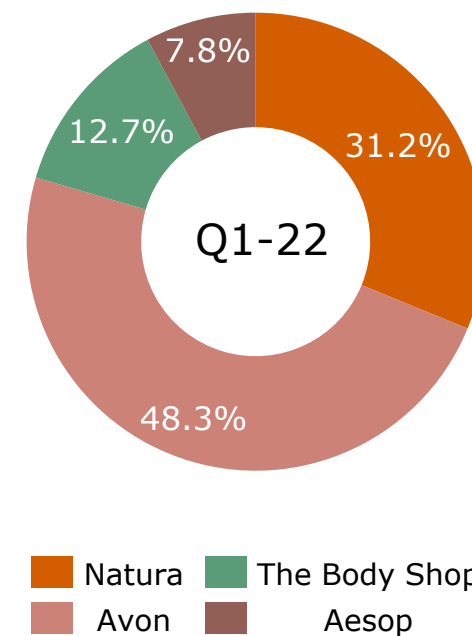
- BRL
- USD
- GBP
- Other

Breakdown of global net revenue by brand

NET REVENUE PER BRAND
(R\$ million)

Brand	Q1-22	Q1-21	% (R\$)	% (CC)
 natura	2,565.8	2,615.7	-1.9%	+5.3%
AVON	3,975.2	4,913.1	-19.1%	-10.6%
 THE BODY SHOP	1,041.4	1,339.7	-22.3%	-15.3%
Aēsop®	643.1	586.6	9.6%	+21.3%
Total net revenue	8,253.5¹	9,455.1	-12.7%	-4.6%

NET REVENUE BREAKDOWN (BY BRAND)
(%)



■ Natura
 ■ The Body Shop
■ Avon
 ■ Aēsop

¹ Includes other revenues