MOODY'S
INVESTORS SERVICE

CREDIT OPINION
16 May 2023

Update

Send Your Feedback

RATINGS

Natura Cosmeticos S.A.

Domicile	Cajamar, Sao Paulo, Brazil
Long Term Rating	Ba2
Type	LT Issuer Rating - Fgn Curr
Outlook	Negative

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Cintia Hodge +55.11.3043.6090
AVP-Analyst
cintia.hodge@moodys.com

Marcos Schmidt +55.11.3043.7310
Associate Managing Director
marcos.schmidt@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Natura Cosmeticos S.A.

Update following affirmation of ratings; outlook changed to negative

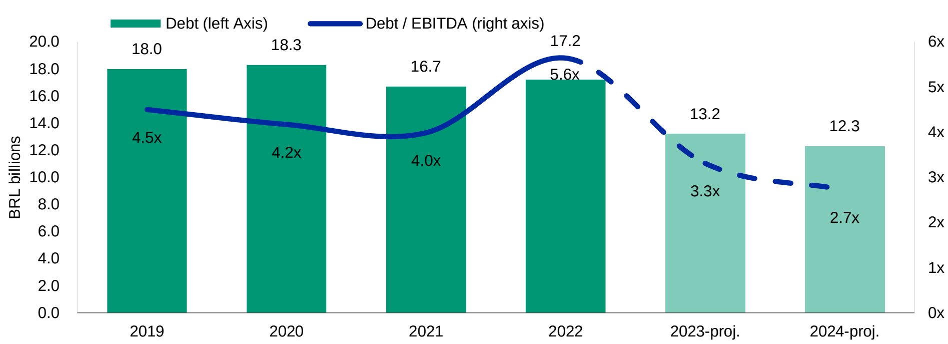
Summary

Natura Cosmeticos S.A.'s Ba2 ratings stand one notch above Natura &Co Holding S.A. (Natura, Ba3 negative) and Avon Products, Inc.'s (Avon, Ba3 negative) ratings, reflecting the priority of the claim of its creditors to the company's cash flows and its privileged position within the group's capital structure.

Natura's Ba3 rating reflects primarily the company's size and scale as the fourth largest pure cosmetics group globally operating through four well-established brands (Natura, Avon, The Body Shop and Aesop) with significant cross-selling and synergies opportunities, its leading market position in several markets where it operates and good geographic diversification, although with an increasing degree of concentration of operations in growing, but potentially volatile, developing markets. Natura has a proven know-how in managing the direct selling network model and strong digital capabilities and online presence. In addition, the rating incorporates Natura´s track record of financial discipline and conservative approach to leverage and liquidity, reinforced by the company´s announcement that it will use proceeds from the pending sale of its Aesop brand to L'Oréal (Aa1 stable) announced in April 2023 to reduce leverage and improve its capital structure (Exhibit 1).

Natura's ratings are constrained mainly by the execution risk stemming from Avon's and The Body Shop´s (TBS) ongoing turnaround process, and its impact on Natura's consolidated credit metrics and liquidity, detracting from the strengths coming from the Natura Cosméticos S.A. businesses.

Exhibit 1
Natura &Co's projected deleveraging supported by sale of Aesop to L'Oréal



Figures are calculated using Moody's estimates and standard adjustments. Moody's Projections (proj.) are Moody's opinion and do not represent the views of the issuer. Periods are Financial Year-End unless indicated
Source: Moody's Financial Metrics™ and Moody's Estimates

Credit strengths

- Size and scale as the fourth-largest pure cosmetic group globally, with significant cross-selling and synergy potential
- Proven knowledge in innovation and successful execution of its direct selling network model
- Strong brand recognition and position in key markets
- Track record of financial discipline and adequate liquidity

Credit challenges

- Concentration of operations in developing, volatile markets
- Revenue concentration in the direct selling channel, with investments needed to migrate to omnichannel and e-commerce
- Execution risk stemming from Avon's ongoing turnaround

Rating outlook

The negative outlook considers Moody's expectation that Natura will continue to operate in a challenging environment, with slow economic growth and persistent inflation pressuring performance and profitability. In addition, the negative outlook considers the increase in execution risk steaming from the need to implement structural changes in the business model of both Avon and The Body Shop under these challenging economic conditions.

Factors that could lead to an upgrade

An upgrade is unlikely at this point given the negative outlook. However, Moody´s could stabilize the rating outlook once the deleveraging process following the sale of Aesop is completed and Natura is able to demonstrate improvement in the group´s performance resulting from the integration of Avon Latam and strategic realignment of Avon International and The Body Shop businesses.

Factors that could lead to a downgrade

The ratings could be downgraded in case Natura fails to restore Avon's and The Body Shop's operating performance, such that Natura's credit metrics or credit worthiness deteriorates further, along with:

- its Moody's-adjusted gross debt/EBITDA remaining above 4.0x
- its interest coverage (measured by EBITA/interest expense) remaining below 2.5x without prospects for improvement

A deterioration in Natura Cosmeticos' credit quality could also lead to negative rating actions for Natura &Co.

Key indicators

Exhibit 2
Key Indicators
Natura &Co Holding S.A.

US Millions	Dec-20	Dec-21	LTM (Dec-22)	12-18 Month Forward View
Revenue	$7,236	$7,458	$7,052	$7,300 - $7,450
EBITA Margin %	7.2%	6.1%	3.9%	5.8% - 6.4%
Debt / EBITDA	4.2x	4.0x	5.6x	2.7x - 3.3x
RCF / Net Debt	28.2%	27.1%	7.2%	80%
EBITA / Interest Expense	1.9x	1.9x	1.0x	1.6x - 2.4x

All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer. Periods are Financial Year-End unless indicated.
Source: Moody's Financial Metrics™

Profile

Natura is the fourth-largest pure cosmetics group globally, with presence across 100 countries in the skin care, haircare, body care, men care, fragrances, color, fashion and home segments. The company has a leading position in several markets, with a particular focus on emerging markets such as Brazil and other Latin American countries. The company operates with a multi-channel strategy through its four brands Avon, Natura, TBS and Aesop. For the full year 2022, Natura reported $7.1 billion in revenue and a Moody's-adjusted EBITDA margin of 8.4%.

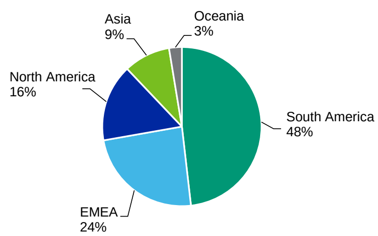
Natura is also recognized as one of the most ethical companies globally, highly committed to sustainability since its inception. The company's main competitive differential is the development of products based on the biodiversity of the Brazilian flora. Fully owned by Natura &Co, Natura Cosmeticos is a leading beauty product company with a particularly strong position in Latin America, and one of the region's largest direct sellers with around 2.1 million active representatives. Natura Cosmeticos' product mix is composed mostly of fragrances, skin care, bath and body products, and makeup. In 2022, Natura Cosmeticos generated about BRL20.2 billion ($3.9 billion) in revenue and BRL3.6 billion ($703 million) in Moody's-adjusted EBITDA.

Avon is a global beauty products company and one of the largest direct sellers in the world with more than four million active representatives. Avon's products target lower-income consumers and are available in more than 70 countries. The company's main product lines are color cosmetics, skin care, fragrance, fashion and home. In 2022, Avon generated about $2.8 billion in revenue and negative $27 million in Moody's-adjusted EBITDA.

Aesop offers premium products to younger, higher-income customers who prefer chemical-free products made out of plant-based ingredients, mostly in Australia and Asia. TBS was founded in 1976 in England and is focused on middle to high-income customers. The brand image is strongly linked to sustainability as well, standing against animal testing, supporting the community, defending human rights and protecting the planet. Product categories mainly encompass skin care, fragrances and color cosmetics, as well as home and fashion products.

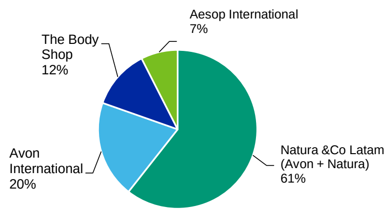
Natura competes with global peers — such as L'Oreal S.A. (Aa1 stable) — that are larger and more conservatively capitalized, and have proven marketing and product development capacities. The group also competes with other well-known direct sellers, such as Mary Kay, Inc., and niche brands, such as Shiseido Company, Limited's (A3 stable) Bare Essentials and Coty Inc.'s (Ba3 stable).

Exhibit 3
Revenue by geography



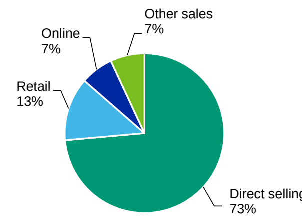
Fiscal Year ended on 31 December 2022
Source: Company filings

Exhibit 4
Revenue by segment



Fiscal Year ended on 31 December 2022
Source: Company filings

Exhibit 5
Revenue by distribution channel



Fiscal Year ended on 31 December 2022
Source: Company filings

Detailed credit considerations

Improved scale and geographic diversification after strategic acquisitions, but still high exposure to developing markets

The group's geographic diversification, business profile and scale materially improved after the acquisition of Aesop in 2016, TBS in 2017 and Avon in 2020. These acquisitions were strategic since the businesses were complementary and allowed the consolidated group's annual revenue to more than triple in hard currency over this period. With Avon's acquisition, Natura expanded into cosmetics products and strengthened its position in Latin America. The company is currently the fourth-largest pure cosmetic company in the world with good geographic diversification and a broad portfolio of value-oriented beauty products. In addition, the group is the largest direct selling beauty products company in the world, with multiple product categories that are well aligned with customer preferences in many developing markets - which typically have a younger consumer base with greater demand for less-expensive but functional products. The company's strategy, however, is to expand the customers' omnichannel experience, combining physical and digital stores, franchisees, social selling and retail.

Despite the diversification into other regions, the company still has a high exposure to developing markets as nearly 56% of its total revenue is derived from Latin American countries - Brazil alone represents around 27% of total. This, coupled with the discretionary nature of its products, exposes the group to the region's economic conditions, currently coping with rising inflation, slow growth and contraction in disposable income. These markets are also highly competitive, demanding continued investment in the introduction and marketing of new products, representative recruitment, and training and support to protect market share.

Avon integration improves competitive position but business turnaround remains the main risk for the group

Avon's operating performance has historically been weak due to structural and competitive factors associated with its direct selling business model, which has impaired the company's ability to adapt and maintain market share. Natura, on the other hand, has a proven ability to manage the direct selling model and has been able to deliver consistent product and marketing innovations over the past years.

The companies' product offerings are complimentary and comprehensive, positioning the group to withstand the secular changes in consumer habits and intense industry competition in the long-term. Avon's integration into Natura has enabled the group to expand its geographic footprint, increasing its presence in important markets such as Mexico, and to tap previously unexplored markets, such as Philippines, South Africa and other Latam markets such as Ecuador, Costa Rica, Uruguay and Panama. Additionally, Natura has been able to leverage this acquisition to increase its presence in Asian markets.

However, this integration and turnaround process brings execution risks that can significantly impact Natura consolidated credit metrics and liquidity. The company's strategy to turn around Avon's business consists of leveraging Natura Comesticos' knowledge in the direct selling model and its strong digital capabilities to resume sustainable revenue growth. In addition, the planned supply chain integration will deliver synergies and efficiencies that will enhance productivity, increase savings and gather data and analytics.

Challenging global macro-economic environment weights on operating performance

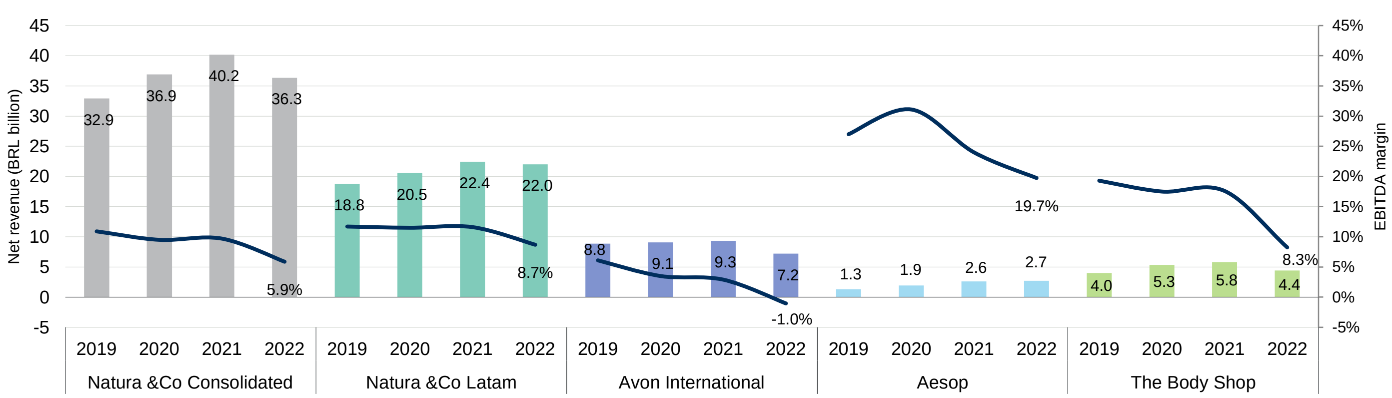
Natura's margins have been pressured since Avon's acquisition and efforts to improve profitability have encountered severe macroeconomic headwinds in almost all of Natura's markets, resulting from the uneven COVID-19 economic recovery and impact of the Russia-Ukraine war on the global economy.

We expect Natura to continue to operate in a challenging environment, with slow economic growth and persistent inflation pressuring performance and profitability in its main markets. TBS and Avon International's 2022 results were significantly affected by the weak consumer demand in the UK and Europe. In Latim America the company's results were also impacted by the soft consumer market resulting from the deteriorating macroeconomic scenario. Moody's expects global growth to continue to slow in 2023, with increasing drag from cumulative monetary policy tightening on economic activity and employment in most major economies. Inflation will continue to fall through next year across most G-20 economies. However, in advanced economies where labor markets continue to be tight, inflation will remain above central bank targets for the better part of 2023 and 2024. Moody's projects advanced economies to expand 0.8% and emerging market countries to grow 3.9% in 2023.

In this context, we expect that integration synergies will continue to help support margins in 2023 and 2024, but the operating environment will continue to pose challenges to top line growth. We expect Natura's Moody's adjusted EBITDA margin to increase in 2023 to around 10.5%, compared to 8.4% in 2022, and improve to around 11.8% in 2024.

Consolidated 1Q23 results for Natura already show some improvement in both gross and adjusted EBITDA margins, despite the 2.8% reported reduction in net revenue. Results were driven by strong performance by Natura Latam and Aesop, but partially offset by continued challenges at TBS and at Avon International. Gross margin improved to 67.7%, from 64% in Q122, mainly driven by gradual implementation of price increases over 2022 and product mix improvement, which more than offset inflation and FX pressures. Reported Adjusted EBITDA margin improved to 10.5% from 7.2%, due to a combination of gross margin improvement for Natura Latam and Avon International and lower Holding expenses, which compensated for weaker performance at TBS and higher investment expenses Aesop.

Exhibit 6
Margins pressured by Avon and challenging economic environment



Natura &Co Latam includes Natura, Avon, TBS Brazil and Hispanic Latam and Aesop Brazil
Source: Company filings

Profitability and FCF generation will benefit from integration of Avon Latam and strategic realignment of Avon International and TBS. The integration of Avon's Latam operations into Natura will bring efficiency gains mainly by reducing supply chain costs. In Latin America, Avon continued to make progress in revenue and margins as a result of the implementation of the new commercial model, mainly in Ecuador, Central America and Peru and will be extended to Colombia and Brazil on the second half of 2023.

At Avon International, as the company continues to review the brand's footprint, efficiencies will come from systems and personnel integration, reducing the weight of SG&A on operations. In 1Q23, despite a 7.5% drop in revenue that still reflects the effects of the war in Ukraine (-3.5% excluding Russia and Ukraine) as well as the portfolio optimization process in the Fashion & Home segment, Avon International reported better than expected operating performance. Gross margins expanded to 64.4% from 59.6% y-o-y and reported EBITDA margin was 6.1%, up from 4.4%. This improvement was driven by the effects of price increases implemented over the course of 2022, product mix improvement and continued focus on cost reduction, and was partially offset by brand investment in lead markets and inflation increase in fixed expense.

At TBS, the group will focus on cost reduction as well as rebalancing of sales channels by reducing the At Home channel and phasing out retail operations in the US. In 1Q23, TBS´s margins continued to be pressure by slow economic activity and high inflation. However, gross margin showed an inflection point, expanding by 78.6%, from 78,1% in 1Q22.

Going forward, Natura will continue to focus on improving cash generation and protecting profitability through a range of initiatives that include continuous reevaluation its global footprint with a focus on high-growth markets, enhancing working capital dynamics through better inventory and receivables management and capturing Avon integration synergies. Although Natura operating environment should remain challenging in 2023, we expect to see gains from Avon's integration and TBS channel rebalancing throughout the year, which should contribute to steady improvements in credit metrics.

Sale of AESOP to L'Oreal will improve capital structure and allow focus on turn-arounds of Avon and TBS

In April 2023, Natura announced a $2.53 billion agreement to sell its Aesop luxury brand to L'Oréal S.A. of France. The proposed transaction is credit positive for Natura because it will help it significantly improve its capital structure and allow it to focus on turning around its Avon and The Body Shop (TBS) operations. The company expects the all-cash deal to close in Q3 2023, assuming regulatory approvals.

The sale will benefit Natura, despite the effect on its consolidated revenue and EBITDA, by helping it significantly reduce leverage and interest expense. Consolidated gross leverage was 5.6x at year-end 2022, including our standard adjustments, up from 4.0x at the end of 2021, reflecting lower EBITDA and higher debt. Although the sale's final impact on its adjusted gross leverage is uncertain, we would expect the company to apply a significant part of the proceeds to debt reduction, bringing leverage down to the 2.7x-3.3x range over the next 12-18 months, while net debt will turn negative.

This improvement in its capital structure would also allow Natura to accelerate its integration of Avon Latam, as well as focus on improving the performance of TBS and Avon International. The main risk the company currently faces is execution risk relating to TBS and Avon's ongoing turnaround process and its potential impact on the parent's consolidated credit metrics and liquidity.

ESG considerations

Natura Cosmeticos S.A.'s ESG Credit Impact Score is Moderately Negative CIS-3

Exhibit 7
ESG Credit Impact Score

CIS-3

Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

ESG scores and narratives are aligned with those of Natura &Co Holding S.A.. The **CIS-3** reflects Natura's moderately negative exposure to environmental and social risks, balanced by its sustainable production and focus on circular economy. Natura's strong sustainability program, responsible production and constant investments in sustainable products innovation positions the company to benefit from demographic and social trends.

Exhibit 8
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-3	S-3	G-3
Moderately Negative	Moderately Negative	Moderately Negative

Source: Moody's Investors Service

Environmental
ESG scores and narratives are aligned with those of Natura &Co Holding S.A.. Natura's **E-3** reflects its moderately negative exposure to environmental risks, mainly driven by a moderately negative exposure to waste and pollution, reflecting the waste created from packaging material that often cannot be recycled. This is balanced by Natura's full packaging circularity commitment, which aims to ensure packaging circularity by 2030 and guarantee that 100% of packaging materials are either reusable, recyclable or compostable. Natura's exposure to physical climate risks and carbon transition risk is neutral to low.

Social
ESG scores and narratives are aligned with those of Natura &Co Holding S.A.. Natura's **S-3** score reflects its moderately negative exposure to social risks, mostly driven by human capital considerations related to its social selling business model, which is highly reliant upon the company's ability to recruit and retain sales representatives in several markets. This is balanced by Natura's long and successful track record of operating under this model. In addition, the company has moderately negative exposure to health and safety risks due to manufacturing facilities. However, Natura's strong sustainability program, focused on responsible production, circular economy and innovation, positions the company to benefit from demographic and social trends.

Governance
ESG scores and narratives are aligned with those of Natura &Co Holding S.A.. Natura's exposure to governance considerations is moderately negative, mainly due to the company's concentrated ownership, with the controlling group holding approximately a 39% stake and four out of thirteen seats on the board of directors. This is balanced by the company's conservative financial policies, solid management track record, and proven support from the shareholders. The company is listed on the B3 and the New York stock exchanges and adheres to high governance standards.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Structural considerations
Natura Cosméticos' ratings stand one notch above Natura &Co's and Avon's ratings, reflecting the priority of the claim of its creditors to the company's cash flows and its privileged position within the group's capital structure. Natura Cosméticos, the main cash generator of the group, holds roughly 58% of the group's total debt, with the remaining 42% being structurally subordinated at Avon and Natura &Co. Although Natura Cosméticos is fully owned by Natura &Co, there are some protection mechanisms that would limit cash upstream and leakage among the companies of the group, such as financial and incurrence covenants and limitations on sale, transfer or combination of assets in Natura Cosméticos' outstanding debt instruments. Natura Cosméticos notes' indenture also contain clauses that stipulate Natura Cosméticos would unconditionally and irrevocably guarantee the notes even under an event of issuer substitution, which preserves the privileged position of these bondholders.

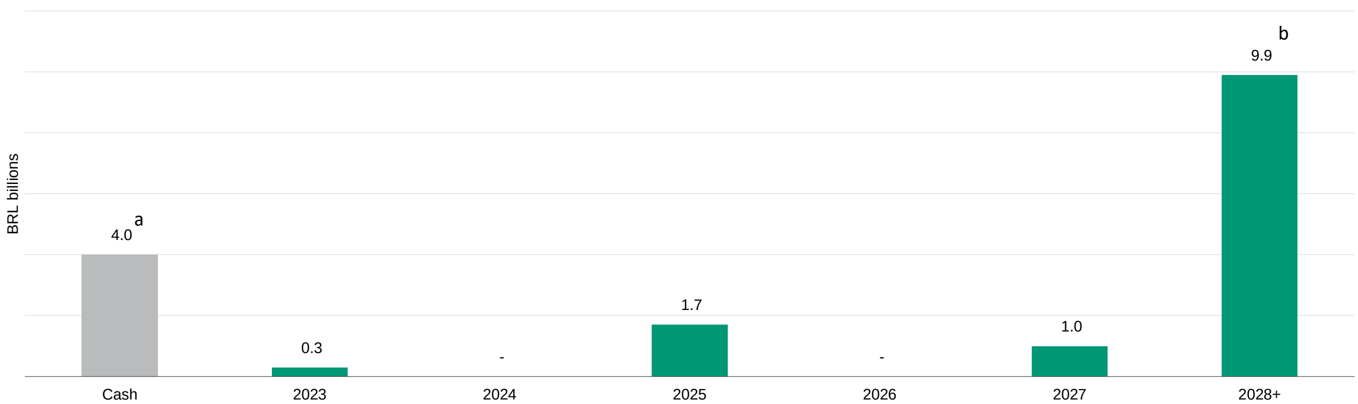
Avon's ratings stand at the same level as Natura &Co's, reflecting the close ties between the two companies following several pieces of evidence since the acquisition of stronger support from the parent Natura &Co to Avon. For example, Natura &Co has provided intercompany loans to Avon including $960 million to pay Avon's outstanding notes due 2022. The consent solicitation to include Natura &Co as a guarantor of Avon's outstanding notes due 2023 granted in January 2021, and a more centralized debt and cash management within the group are also practical examples of Natura &Co's support to Avon. More recently, in April 2022, the group used proceeds from a $600 million 7-year bond issuance at Natura &Co Luxembourg to refinance Avon's 2023 notes. The issuance was guaranteed by Natura &CO and Natura Cosmeticos.

Liquidity analysis

Natura's liquidity is currently strong, backed by BRL4 billion ($770 million) in available cash as of 1Q23, as well as a stand-by credit facility of $625 million. We believe refinancing risks are low for Natura given the company's comfortable debt amortization schedule and long-standing relationship with Brazilian and international banks and access to both the international and local capital markets. In April 2022, Natura &Co Luxembourg announced the issuance of $600 million bond due in 2029, 6.0% coupon and guaranteed by Natura &Co Holding S.A. and Natura Cosmeticos S.A. The issuance is part of Natura's liability management strategy to improve its capital structure. Proceeds were used to refinance Avon's 2023 bond and other Natura Cosmeticos´debt.

Exhibit 9

Confortable maturity profile after refinancing of Avon's 2023 bond and other debt
As of March 2023



(a) Gross debt excludes PPA impacts and excludes leases agreements
(b) Excluding foreign currency hedging
Source: Company filings

Methodology and scorecard

Natura &Co's Ba3 corporate family rating is one notch below the scorecard-indicated outcome, based on our Consumer Packaged Goods Methodology, published in June 2022. The scorecard-indicated outcome reflects Natura Cosmeticos' strong business profile and good credit metrics, while the assigned rating is constrained mainly by the execution risk stemming from Avon's and TBS´s ongoing turnaround process. The scorecard-indicated outcome for the next 12 to 18 months maps to Baa3, reflecting our expectation of a significant reduction in leverage after the sale of Aesop and improvement in overall operating performance.

Exhibit 10

Scorecard Factors

Natura &Co Holding S.A.

Consumer Packaged Goods Industry Scorecard [1][2]	Current FY 12/31/2022		Moody's 12-18 Month Forward View [3]	
Factor 1 : Scale (20%)	**Measure**	**Score**	**Measure**	**Score**
a) Revenue (USD Billion)	$7.1	Baa	$7.3 - $7.45	Baa
Factor 2 : Business Profile (30%)				
a) Geographic Diversification	A	A	Baa	Baa
b) Segmental Diversification	Baa	Baa	Baa	Baa
c) Market Position	A	A	Baa	Baa
d) Category Assessment	Baa	Baa	Baa	Baa
Factor 3 : Profitability (10%)				
a) EBITA Margin	3.9%	Ca	5.8% - 6.4%	Caa
Factor 4 : Leverage and Coverage (25%)				
a) Debt / EBITDA	5.6x	B	2.7x - 3.3x	Baa
b) RCF / Net Debt	7.2%	Caa	80%	Aaa
c) EBITA / Interest Expense	1.0x	B	1.6x - 2.4x	B
Factor 5 : Financial Policy (15%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Rating:				
a) Scorecard-Indicated Outcome		Ba2		Baa3
b) Actual Rating Assigned				Ba3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 12/31/2022(L).
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics™ and Moody's Estimates

Ratings

Exhibit 11

Category	Moody's Rating
NATURA COSMETICOS S.A.	
Outlook	Negative
Issuer Rating	Ba2
Bkd Senior Unsecured	Ba2
PARENT: NATURA &CO HOLDING S.A.	
Outlook	Negative
Corporate Family Rating	Ba3

Source: Moody's Investors Service

Appendix

Exhibit 12

Peer comparison

	Natura &Co Holding S.A.			L'Oreal S.A.			Shiseido Company, Limited			Coty Inc.			Estee Lauder Companies Inc.		
	Ba3 Negative			Aa1 Stable			A3 Stable			Ba3 Stable			A1 Stable		
(in US millions)	FYE Dec-20	FYE Dec-21	FYE Dec-22	FYE Dec-20	FYE Dec-21	FYE Dec-22	FYE Dec-20	FYE Dec-21	FYE Dec-22	FYE Jun-20	FYE Jun-21	FYE Jun-22	FYE Jun-21	FYE Jun-22	LTM Dec-22
Revenue	$7,236	$7,458	$7,052	$31,949	$38,201	$40,324	$8,628	$9,435	$8,177	$4,718	$4,630	$5,304	$16,215	$17,737	$16,356
EBITDA	$860	$778	$592	$7,469	$9,323	$9,682	$828	$1,119	$975	$408	$815	$835	$5,802	$4,605	$3,698
Total Debt	$3,521	$3,000	$3,257	$4,755	$7,930	$6,422	$3,916	$2,252	$2,444	$8,937	$6,146	$5,040	$8,639	$7,863	$7,910
Cash & Cash Equiv.	$1,606	$1,075	$1,136	$7,838	$3,086	$2,794	$1,259	$1,494	$906	$308	$254	$233	$4,958	$3,957	$3,725
EBIT Margin	4.5%	3.5%	1.1%	17.3%	19.9%	20.1%	1.7%	4.5%	4.8%	-8.3%	3.4%	4.6%	29.4%	19.7%	15.8%
EBIT / Int. Exp.	1.2x	1.1x	0.3x	48.2x	122.2x	97.6x	2.6x	11.4x	19.3x	-1.4x	0.6x	0.9x	20.1x	15.3x	10.7x
Debt / EBITDA	4.2x	4.0x	5.6x	0.6x	0.9x	0.7x	4.6x	2.1x	2.5x	21.9x	7.5x	6.0x	1.5x	1.7x	2.1x
RCF / Net Debt	28.2%	27.1%	7.2%	-140.3%	100.7%	135.3%	10.5%	31.5%	38.4%	-2.9%	8.8%	11.1%	74.1%	80.7%	57.5%
FCF / Debt	-2.0%	-16.0%	-9.1%	73.0%	41.7%	29.9%	-9.8%	0.1%	-23.5%	-6.0%	1.9%	9.7%	25.7%	14.3%	0.4%

All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last 12 Months.
Source: Moody's Financial Metrics™

Exhibit 13

Moody's-Adjusted Debt Breakdown
Natura &Co Holding S.A.

(in US Millions)	FYE Dec-20	FYE Dec-21	FYE Dec-22
As Reported Debt	**3,404.1**	**2,920.1**	**3,193.9**
Pensions	117.4	80.0	63.3
Moody's-Adjusted Debt	**3,521.4**	**3,000.1**	**3,257.2**

All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End.
Source: Moody's Financial Metrics™

Exhibit 14

Moody's-Adjusted EBITDA Breakdown
Natura &Co Holding S.A.

(in US Millions)	FYE Dec-20	FYE Dec-21	FYE Dec-22
As Reported EBITDA	**794.7**	**768.5**	**368.5**
Pensions	-5.5	-4.6	-3.8
Unusual	70.5	14.5	227.0
Moody's-Adjusted EBITDA	**859.7**	**778.4**	**591.7**

All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End.
Source: Moody's Financial Metrics™

REPORT NUMBER 1364521

Contacts

Luis Carneiro +55.11.3956.8711
Associate Analyst
luis.carneiro@moodys.com

Marcos Schmidt +55.11.3043.7310
Associate Managing Director
marcos.schmidt@moodys.com

Cintia Hodge +55.11.3043.6090
AVP-Analyst
cintia.hodge@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

MOODY'S
INVESTORS SERVICE