

Fourth-Quarter Results

March 14th, 2023

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1. Sales up 3.0% at constant currency

- Natura &Co Latam e Aesop: Strong performance
- TBS and Avon International: Continued challenges

2. Adjusted EBITDA margin at 10.5%

- Improvement at Aesop and lower Holding expenses
- Softer performance at Natura &Co Latam, Avon International and TBS

3. Further progress in cash conversion

- An WK improvement as % of NR across all BU's (with the exception of Aesop amid accelerated growth)

4. Reassess the group's growth model in the short-term

- Revision of the cost structure
- Role of the Holding company
- Revision our global footprint

5. Continued focus on ESG agenda



Consolidated Financial Performance

Guilherme Castellan, CFO

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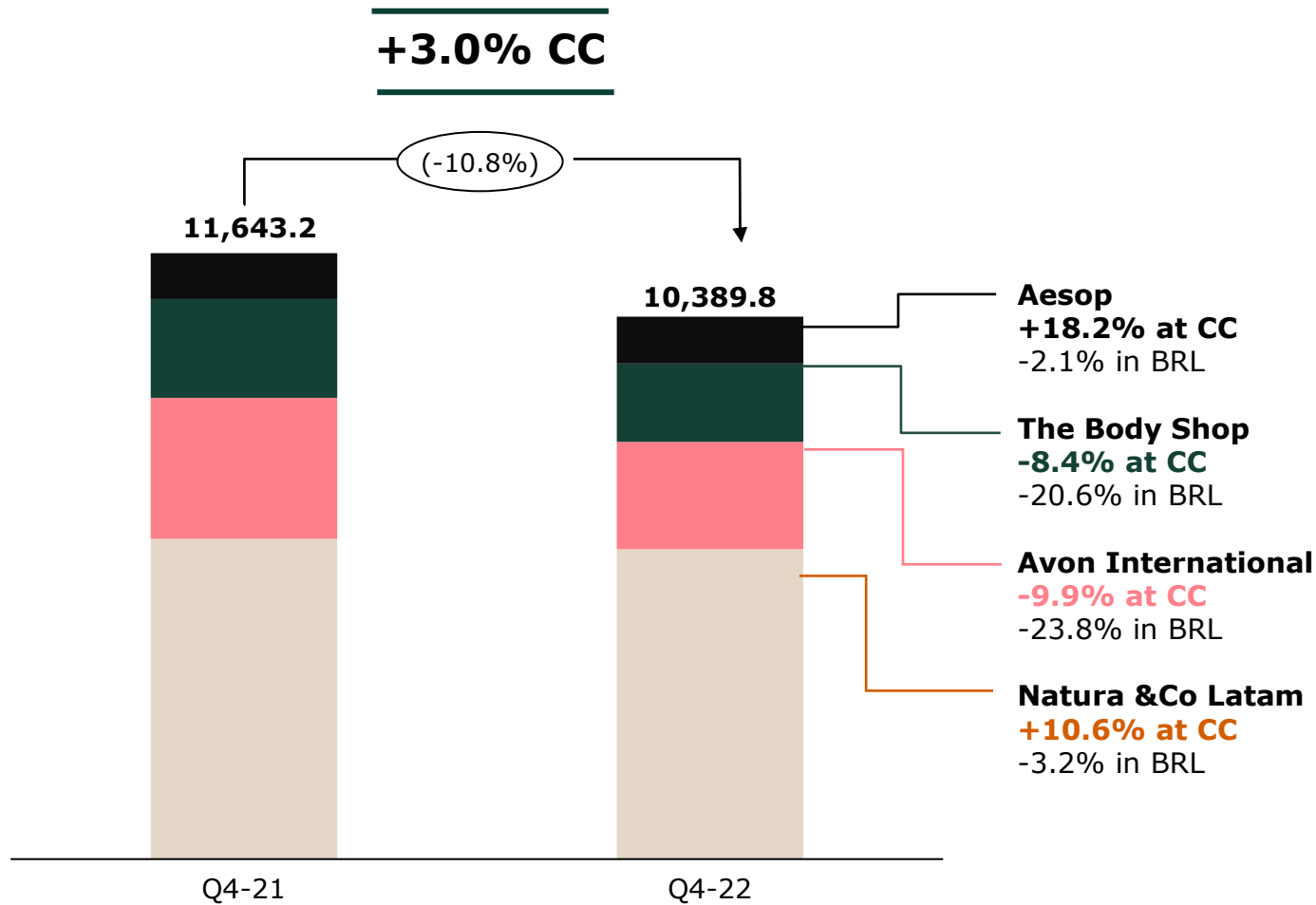


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Natura &Co: Further sales growth improvement in constant currency

Net Revenue
(BRL million)



Highlights

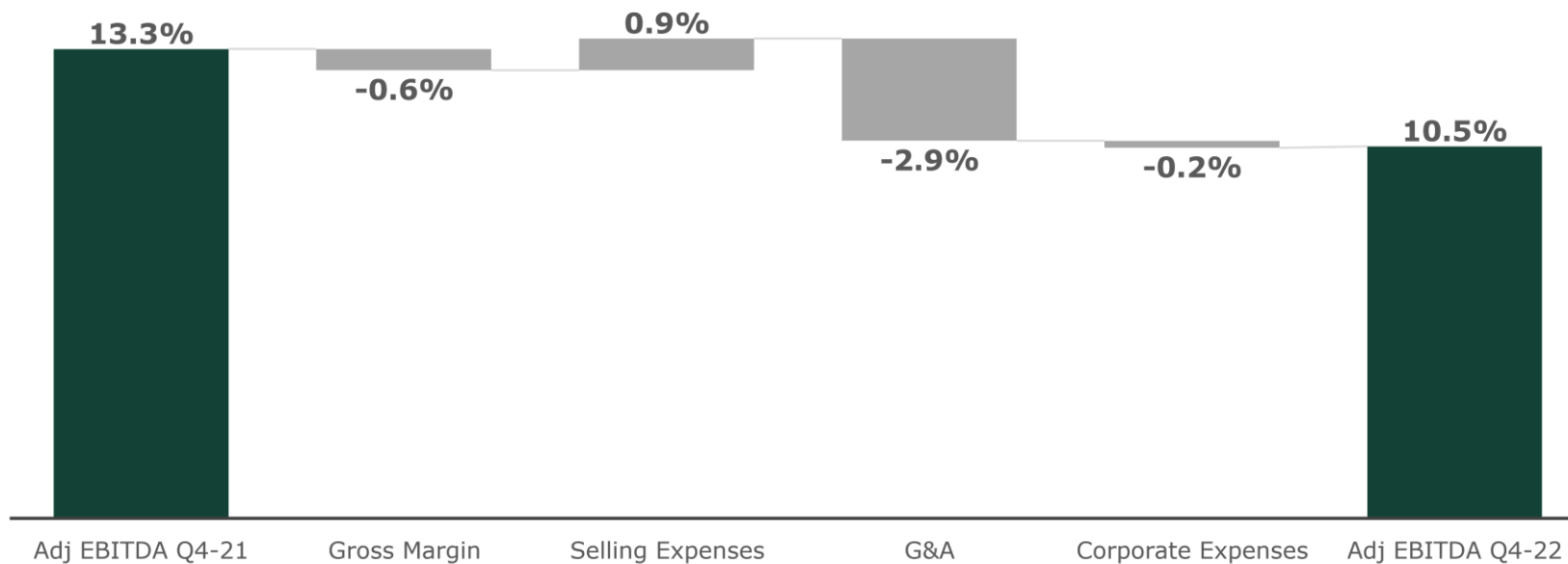
- Double-digit growth in CC at the Natura & Co Latam
- Another quarter of double-digit growth at Aesop

Partially offset by:

- The Body Shop channel mix challenges
- Avon International (-6.2% excluding Russia and Ukraine)

Adj. EBITDA margin reflecting different moving parts and business unit dynamics

Q4-22 Consolidated Adjusted EBITDA Margin



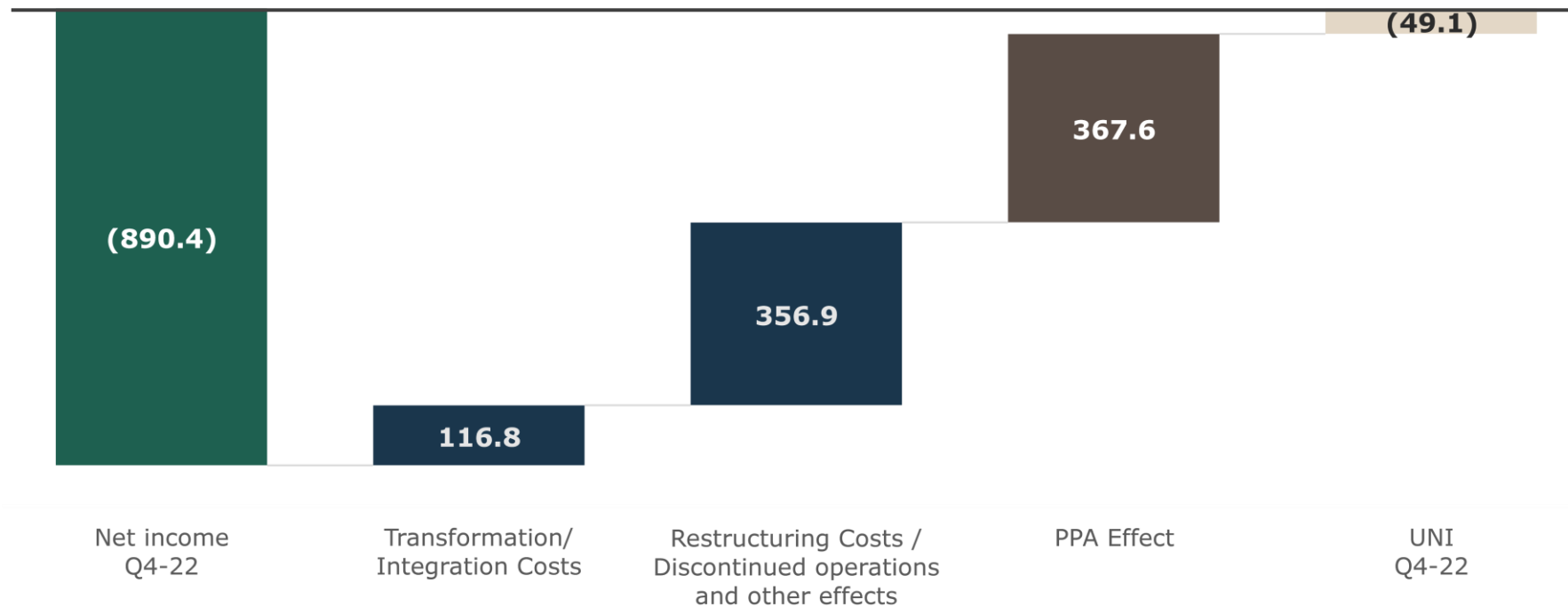
Main Highlights

- Improvement in holding expenses
- Improving Aesop margin amid strong top-line growth
- Margin pressure at:
 - Natura &Co Latam
 - Avon International and
 - The Body Shop

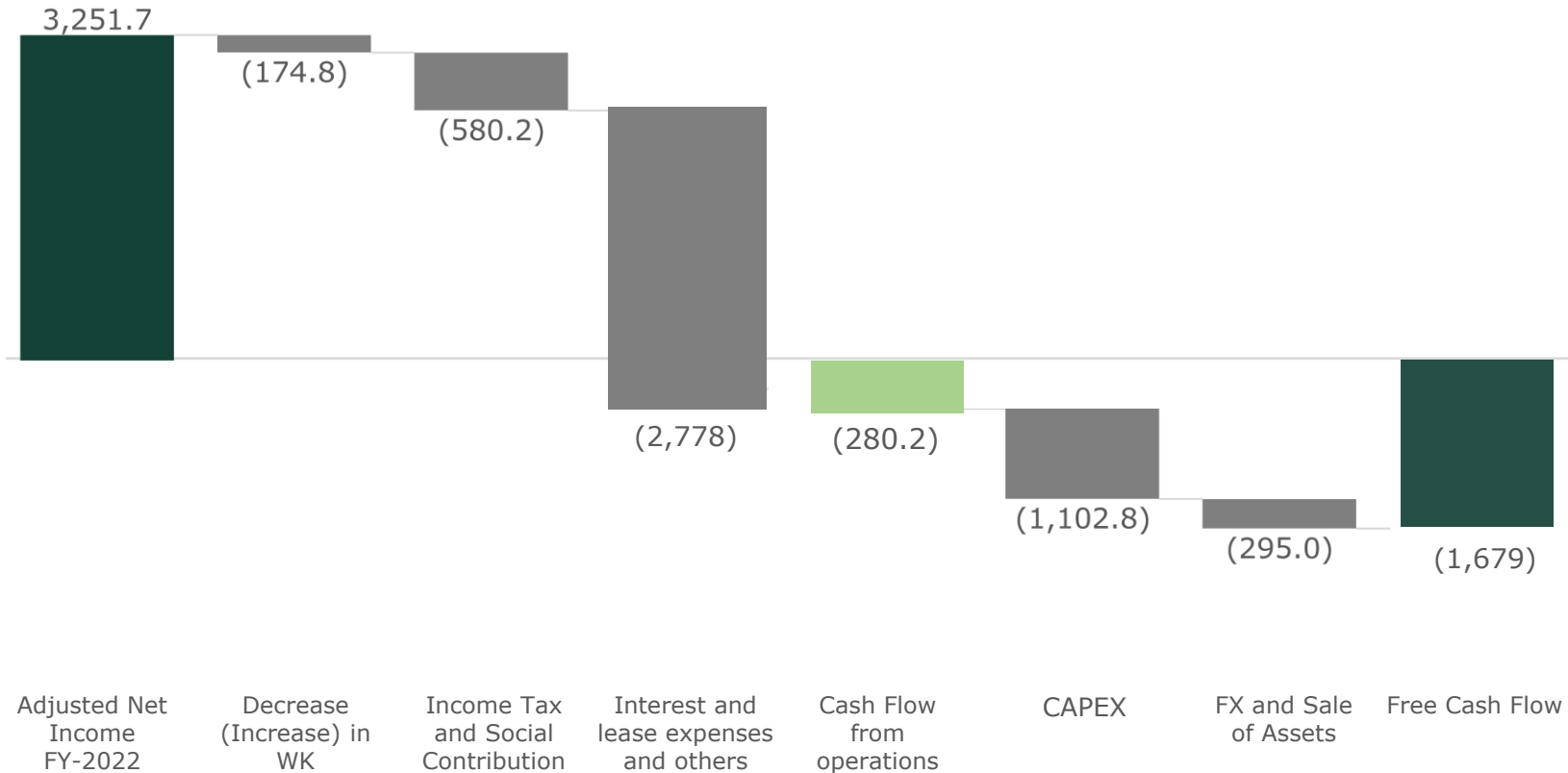
Underlying net income (UNI) and net income impacted by lower EBITDA, higher net financials and losses from discontinued operations

Net Income to Underlying Net Income (UNI) Reconciliation

Q4-22 (BRL million)



Progress in cash conversion



Main Highlights

- Operating WK improvements across all BUs (with the exception of Aesop investment for growth)
- Continued inventory optimization
- Partially offset by increase in receivables
- Improvement in income tax and social contribution
- Negatively impacted by interest cash expenses
- Lower Capex, resulted from resources allocation optimization

Continued liability management

Q4-22

BRL 6.0 billion

Cash balance at year-end

3.49x

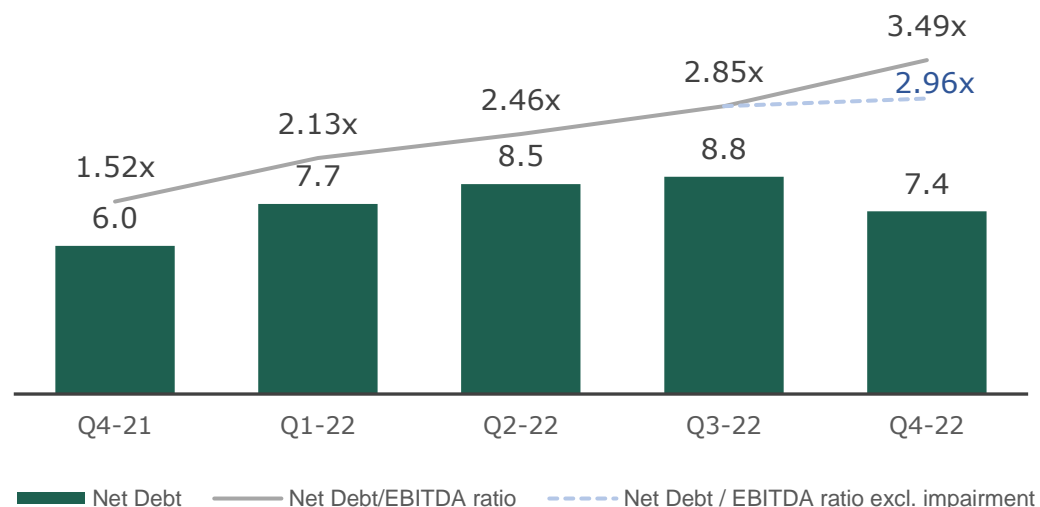
Group net debt-to-EBITDA ratio

BRL 913 million

In December 2022 Natura Cosmeticos S.A. repaid 10th issuance of debentures

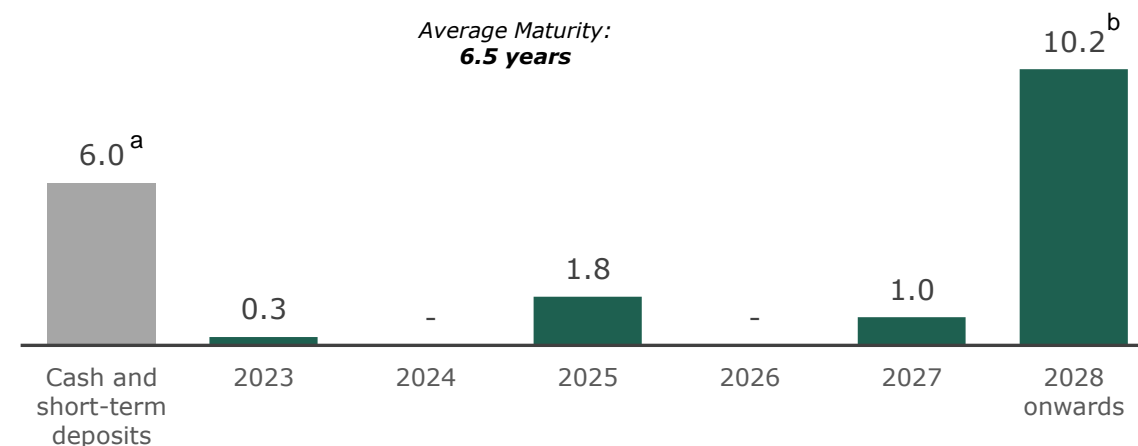
Net debt and net debt-to-EBITDA ratio

(BRL billion)



Amortization schedule

(BRL billion)



(a) Gross debt excludes PPA impacts and excludes lease agreements

(b) Excluding foreign currency hedging



Natura &Co Latam

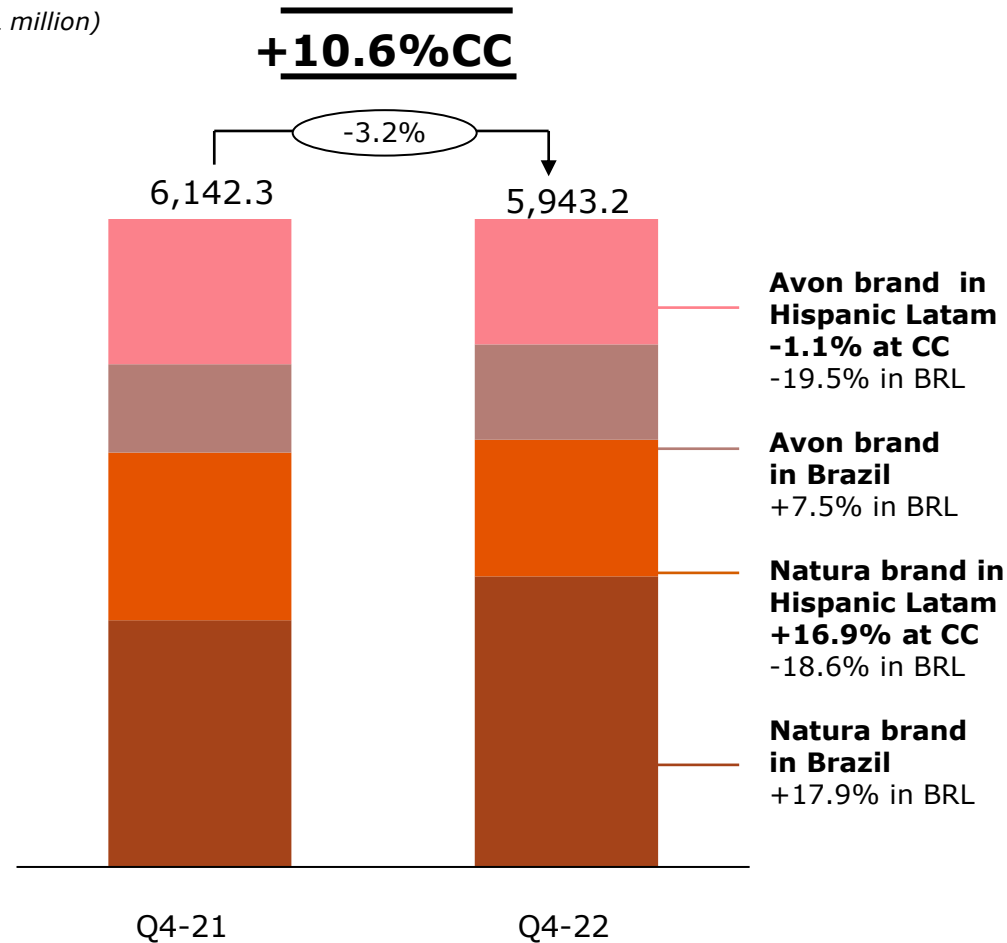
Financial Performance



Natura &CO
Latin
America

Natura &Co Latam: Strong double-digit growth in CC at the Natura brand, slightly positive CC sales at Avon Latam

Net revenue
(BRL million)



Natura Brand:

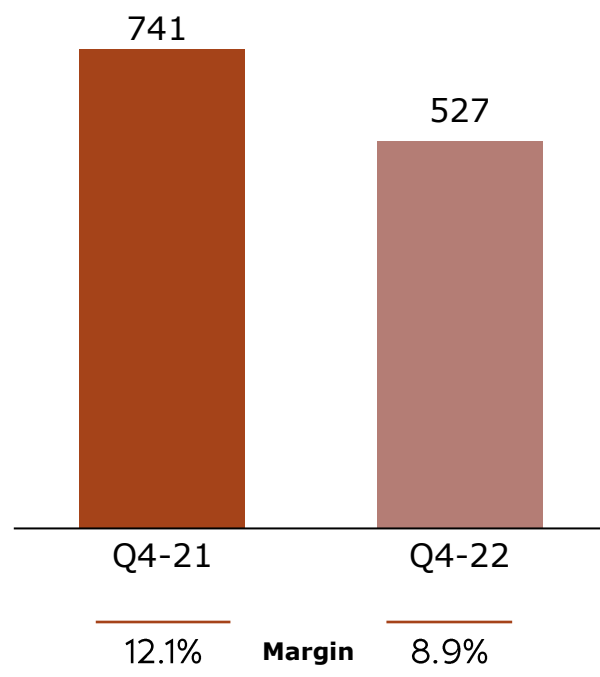
- Strong momentum in Brazil: price increases and a better mix
- **Brazil:** Consultant productivity up by +14.9% in Q4
- **Hispanic:** Acceleration in Argentina, Colombia, and Mexico, boosted by channel mix and productivity gains
- Ex-Argentina, revenue was up mid-single digits at CC, impacted by softer performance from Peru and Chile

Avon brand:

- **Brazil Q4 Sales: Beauty sales +12%**, double-digit growth in CFT rep productivity; Fashion & Home -10%
- **Hispanic:** Good performance in Argentina, sales decrease in Mexico, Peru and Chile
- **Beauty category up 7.3% in CC**, more than offset by Fashion and Home

Margin benefiting from strong top line, but impacted by COGS and G&A

Adjusted EBITDA¹ and Adjusted EBITDA margin
(BRL million)



Main Impacts

- **Strong top-line performance**
- **Strict financial discipline**
- **Partially offset by**
 - Lower gross margin, combined with higher G&A as a percentage of net revenues
 - G&A growth, which was mainly driven by:
 - inflationary pressures, which grew at a rate higher than revenue at Avon Latam
 - Higher investments in R&D
 - Increased quarterly phasing expenses, including accrual for management compensation

¹ Excluding effects that are not considered recurring nor comparable between the periods under analysis, such as: Integration costs; tax credits, recoveries and provision reversal; Impairment and restructuring costs



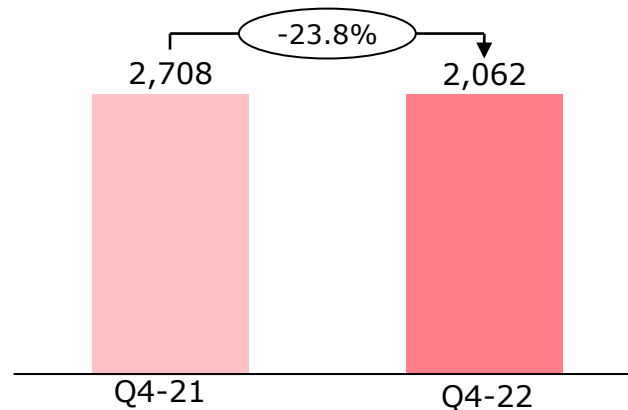
Avon International Financial Performance

AVON

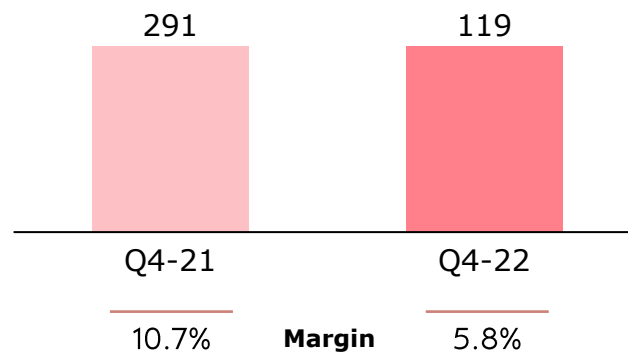
Net revenues impacted by supply chain issues and macro turmoil

Net revenue
(BRL million)

-9.9% CC
(-6.2% Ex-Russia and Ukraine)



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



Revenue:

- Growth in TMEA and APAC regions, softer performance in Western Europe given macro headwinds
- Pass-through of inflation and FX pressure to prices, which also benefits rep productivity
- Impacted by a one-off supply chain challenge in mascara products, with an estimated unfavorable effect of 2p.p.

Adjusted EBITDA:

- Gross margin expansion of 230bps and continued focus on transformation savings
- More than offset by the sales deleverage and expenses phasing (including incentives provision)

Cash conversion showed significant progress mainly driven by working capital improvement

¹ Excluding effects that are not considered recurring nor comparable between the periods under analysis, such as: Transformation costs and Store and Goodwill Impairment



The Body Shop Financial Performance

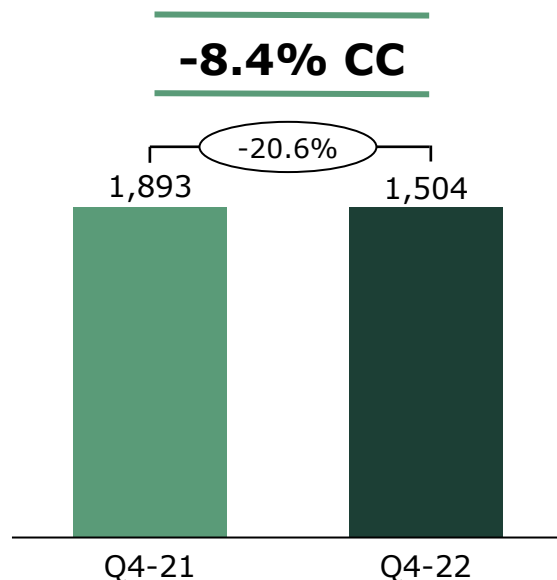


THE BODY SHOP

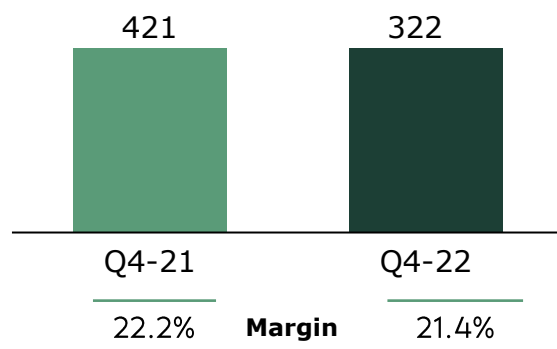


Improvement compared to Q3-22, but still challenging results

Net revenue (BRL million)



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



Revenue:

- Significant impact of The Body Shop at Home
- Tough environment continued to impact retail sales
 - Sell-out Same Store Sales: -4.8%

Adjusted EBITDA Impacts:

- Gross margin pressure and sales deleverage
- Partially offset by strict cost control that led to a 270-bps efficiency gain of SG&A as a percentage of net revenue

Actions underway to address challenges:

Management focused on:

- stabilizing core distribution channels top line and
- implementing cost savings initiatives to deliver margin expansion and support cash generation

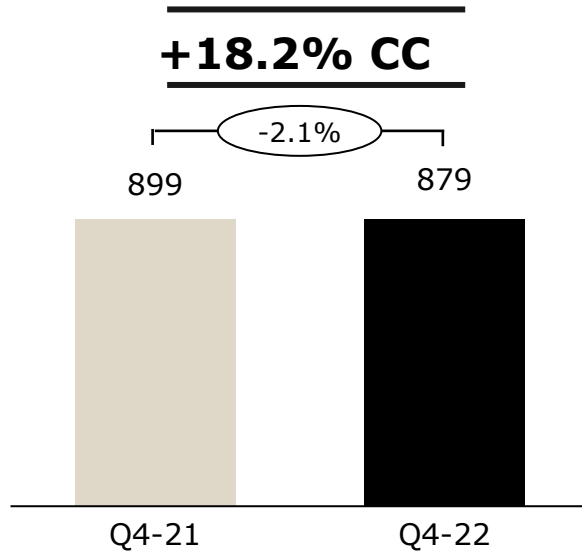


Aesop
Financial Performance

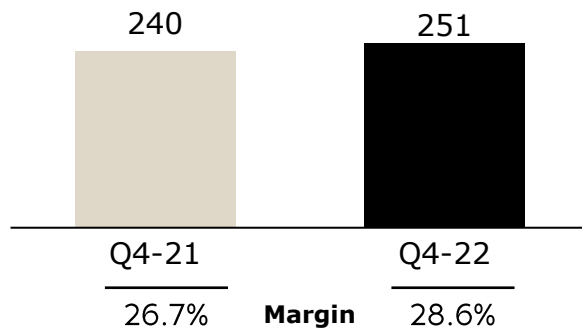
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Double-digit YoY growth in all regions

Net revenue
(BRL million)



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



Revenue:

- Solid growth in retail and wholesale;
- Softer e-commerce as consumer behavior normalizes
- Fragrance sales growth more than doubled overall, aligned with category diversification strategy

China entry successfully delivered in Q4-22 with the launch of two physical stores

EBITDA margin:

- Operating leverage from higher revenues
- Still pressured by planned investments to deliver sustainable future 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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THE BODY SHOP

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Key Takeaways

1.

Structural steps in motion at all our brands to step up performance and create shareholder value

2.

Investing in priorities to unlock value

3.

Position Natura &Co to focus not only on profitability and cash, but also return to growth

4.

Continuous improvement in revenues, adjusted EBITDA margin and cash flow

Creating the best beauty group *FOR* the world

Thank You



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Appendix

Q4 - 22

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Advances on Sustainability Vision 2030

Commitment to Life

Address the Climate Crisis & Protect the Amazon



- **COP27:** Natura Cosméticos S.A. brought a Brazilian perspective to COP27, shining a light on the importance of the Amazon in addressing the climate and nature emergencies we are all facing. To convey this message, Natura Cosméticos S.A. amplified its focus on mobilization for protecting the forest.
- Natura Cosméticos S.A. intends to structure two financial instruments in partnership with Funbio and Vert to strengthen Amazon socio-biodiversity organizations, businesses and chains. These instruments promote a development model in the Amazon that combines conservation with income generation. One instrument focuses on the markets, and the other on philanthropy
- Natura was able to expand their work with local communities from 40 to 41

Protect Human Rights and be Human-Kind



- **Gender Equality** - Natura &Co increased gender balance in the organization from 50.4% to 52.7% (senior leadership including the Board of Directors)
- **Equitable pay** – Natura & Co reduced its unexplained pay gap from 1.19% to 0.76%, putting the company at 0.76% away from what is considered to be pay equity for the same job, same location and same responsibility. While typically a gap below 1% is often considered negligible in statistical terms, we believe that any gap is unacceptable, so we are not complacent, and we are committed to closing the gap
- **Living Wage** – Natura &Co increased the percentage of employees earning the minimum income necessary for them and their families to meet basic needs including discretionary income from 96% to 99% 1A (1 Adult)

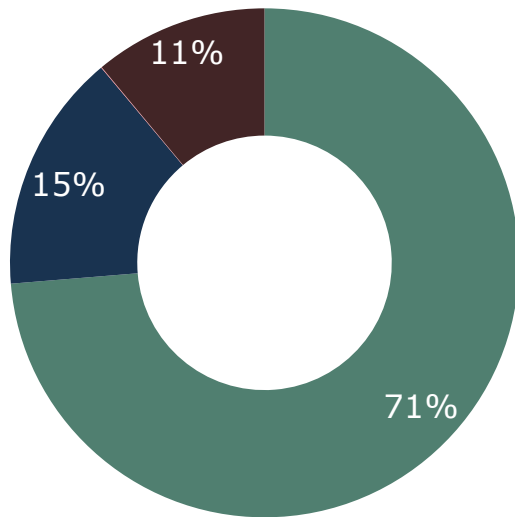
Embrace Circularity & Regeneration



- Natura &Co reached 11.5% of recycled plastic content of all plastic used in 2022
- **Aesop** - The start-up of operations in China at the end of 2022 was a pivotal moment within Aesop's strategic ambitions. Aesop opened its first physical store in mainland China on Shanghai's Dongping Road. The two-story building pays homage to Chinese craftsmanship, houses one Sensorium (the fragrance chamber), and is surrounded by a garden with Chinese medicine herbs. Aesop also launched its "Sustainable Concept Store" in the district of SeongSu, in Seoul, South Korea which features regenerative practices in the design of Aesop spaces across the globe.

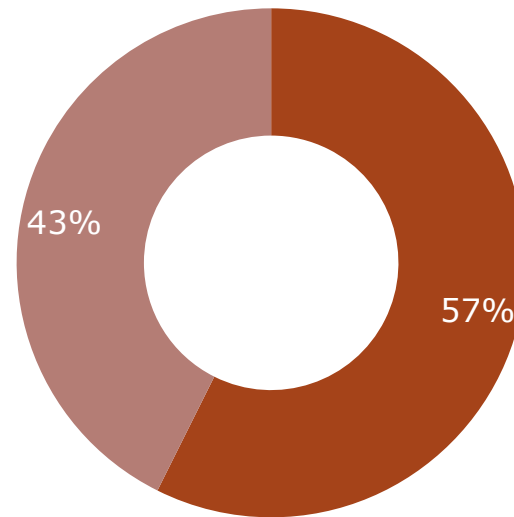
Debt profile

Q4-22 Debt by type



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

Q4-22 Debt by currency*





- BRL
- USD

*Excludes foreign currency hedging

Breakdown of global net revenue by brand

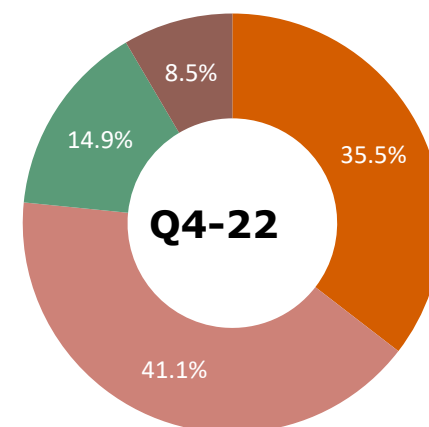
Net revenue by brand

(R\$ million)

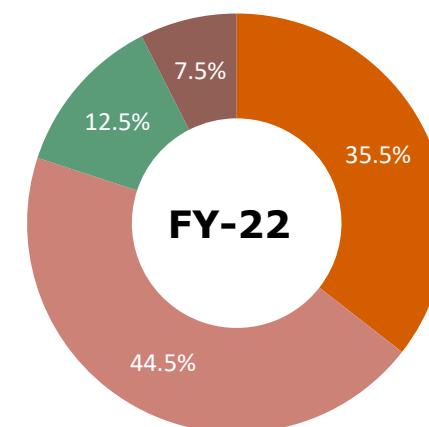
BRAND	Q4-22	Q4-21	% (R\$)	% (CC)	FY-22	FY-21	% (R\$)	% (CC)
 ¹ natura	3,683.6	3,563.6	+3.4%	+17.5%	12,917.8	12,183.0	+6.2%	14.5%
AVON	4,272.7	5,198.3	-17.8%	-4.4%	16,177.8	19,438.6	-16.8%	-6.6%
 THE BODY SHOP	1,553.0	1,943.4	-20.1%	-8.2%	4,531.5	5,939.8	-23.7%	-13.0%
Aēsop	880.7	899.8	-2.1%	+18.1%	2,722.2	2,603.3	+4.6%	+21.0%
Total net revenue	10,389.9	11,605.1	-10.5%	+3.0%	36,349.3	40,164.7	-9.5%	-0.4%

Net revenue breakdown (by brand)

(%)



■ Natura
 ■ The Body Shop
 ■ Avon
 ■ Aesop



■ Natura
 ■ The Body Shop
 ■ Avon
 ■ Aesop

¹ Includes other revenues and &Co pay