
First-Quarter 2024 Results

May 14, 2024



natura & co

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Initiatives in Rio Grande do Sul

- 1 In the face of the largest climate tragedy in the history of Rio Grande do Sul state, we have offered our network medical, social, and psychological assistance through free telemedicine services and our social center
- 2 We have an important connection with Rio Grande do Sul - in addition to Beauty Consultants, we have direct and indirect employees, stores, and a distribution center
- 3 A Calamity Committee was established to map the impacts within our network. Among the main initiatives taken were:
 - Postponing invoicing
 - Providing financial support and donations to our employees who were directly affected

Key Highlights

Natura &Co Performance 1Q24

Natura &co

Wave 2 implemented countries driving margin expansion and showing improvements in metrics

- Very strong mid-single digits margin expansion from Colombia and Peru
- Productivity, cross-selling, and activity continuing to show improvement

Strong performance at Natura Brand in Brazil

- Double-digit revenue expansion YoY in a growth momentum for the brand
- Boosted innovation campaigns prepared for 2024

Expected soft performance from Avon Latam

- Revenues decline in CFT amid Wave 2 implementation, strong decline in Home & Style
- Avon Brazil still experiencing a planned topline decline but is expected to stabilize in the second semester

Sales deleverage at Avon International

- Management continues to work on market simplification and focusing on key countries



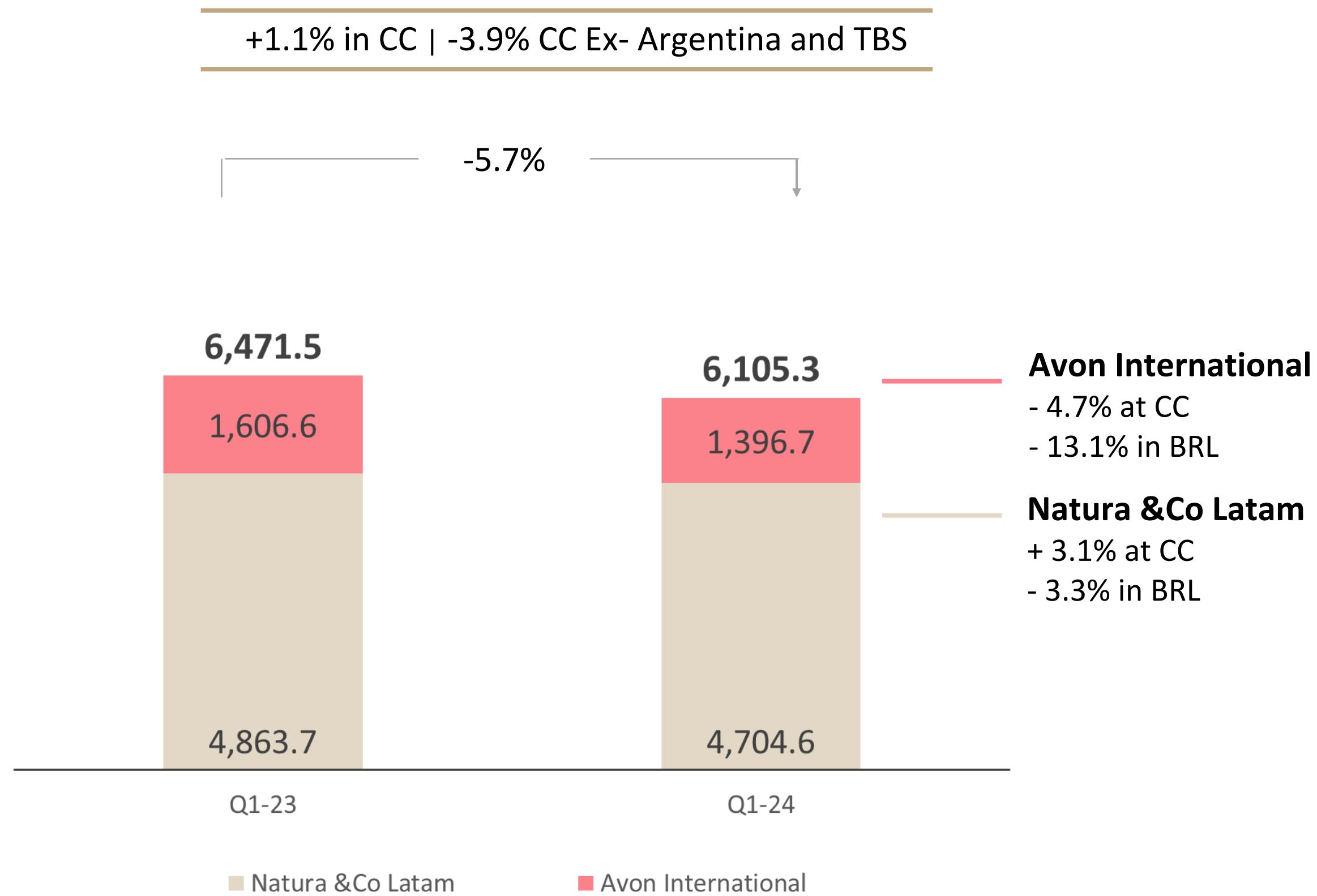
Consolidated Financial Performance

Guilherme Castellan, CFO



Natura &Co: Strong performance from Natura Brand, partially offset by Avon Latam and sales decreased at Avon International

Net Revenue (BRL million)



Highlights

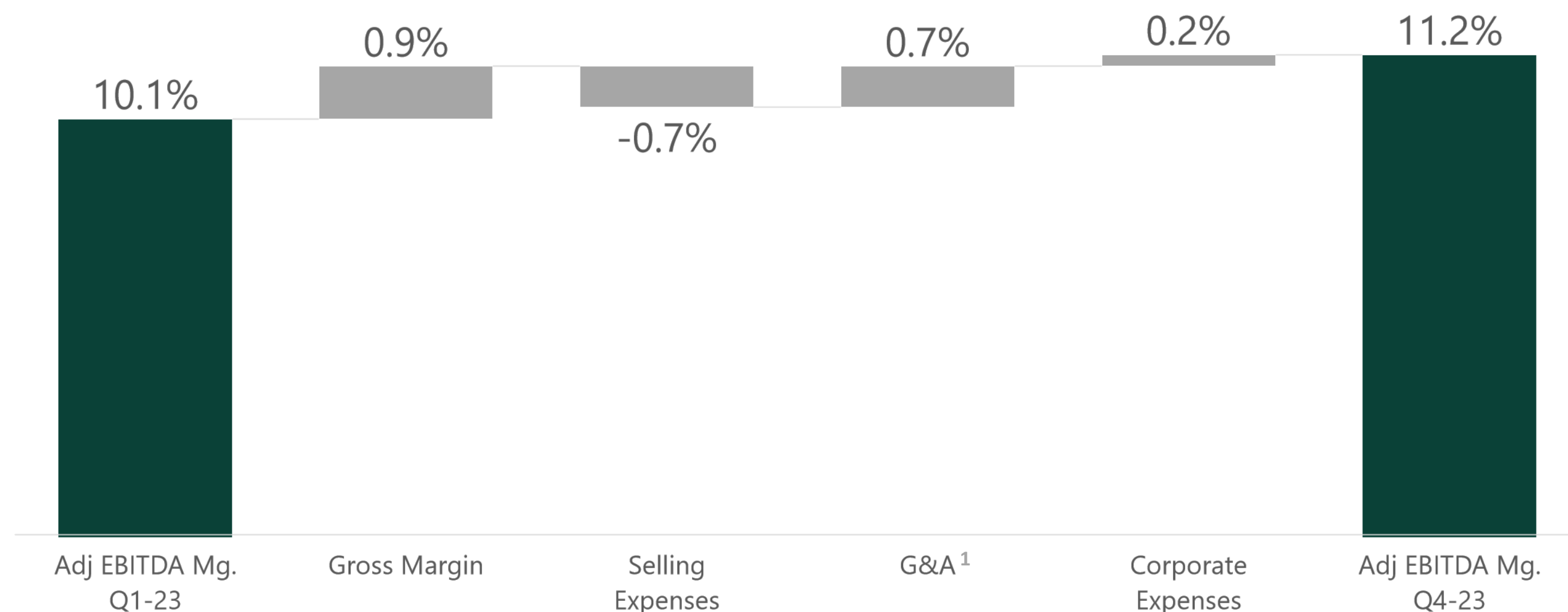
- Another solid performance at Natura Brazil: +11.3% YoY explained by a richer mix, with strong performance of fragrances

Partially offset by:

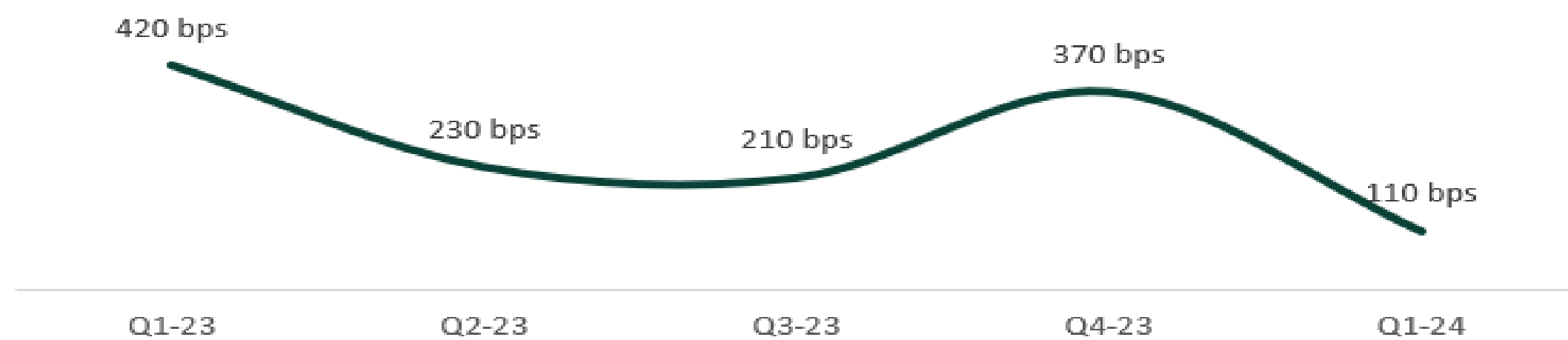
- Avon Latam amid Wave 2 rollout
- Strong double-digit decline from Home & Style
- Avon International's soft performance with Beauty down 4.2% and a steeper decline from Home & Style

Solid YoY Adjusted EBITDA expansion

Q1-24 Consolidated Adjusted EBITDA Margin



Adjusted EBITDA Margin expansion YoY



¹ The increase also reflects a BRL 44 million expense reallocation from G&A to Selling line

Highlights

+120
bps YoY
Natura &Co Latam

mainly driven by Wave 2 initiatives and country mix

+20
bps YoY
Corporate Expenses

further reduction of corporate expenses

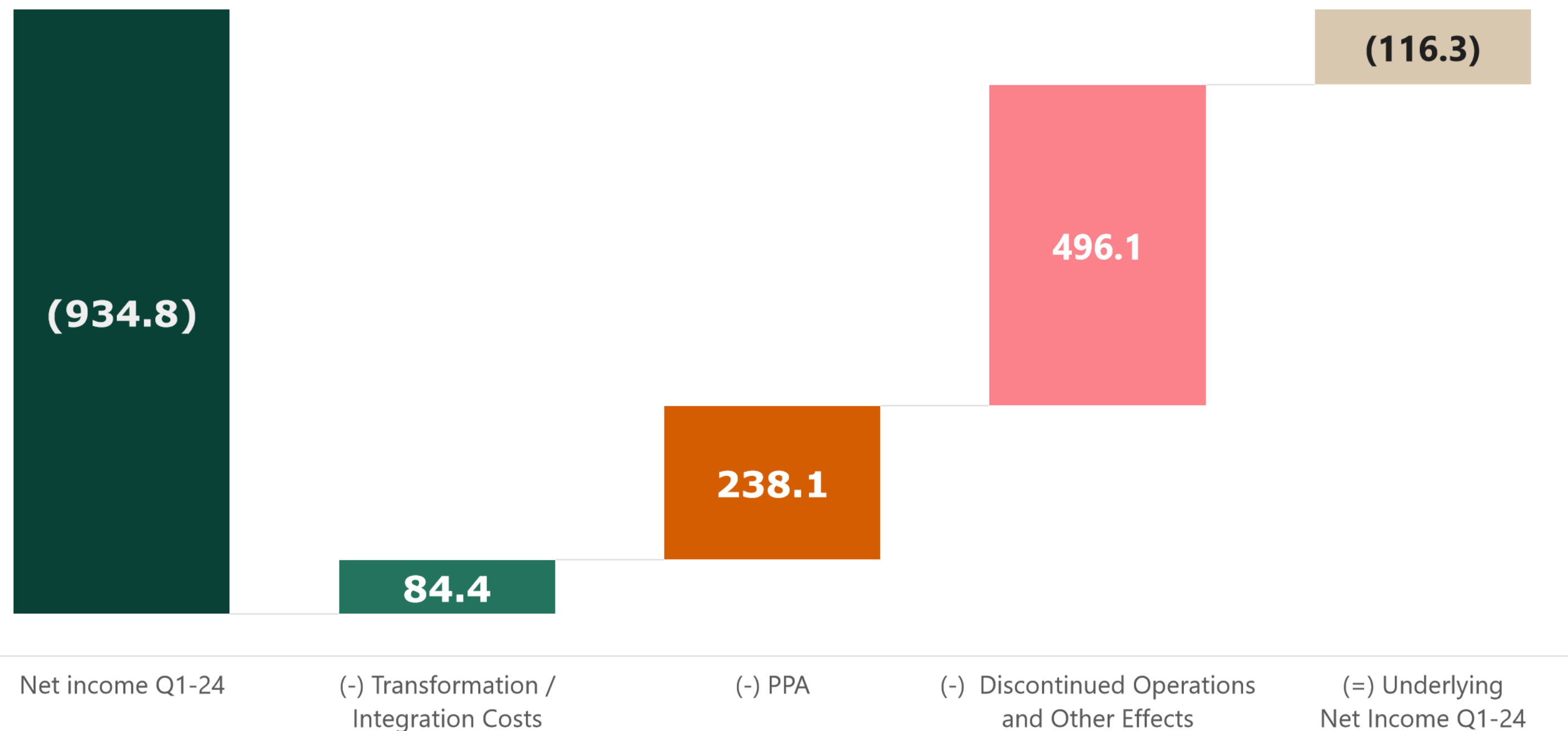
Partially offset by:

-80
bps YoY
Avon International

margin contraction amid sales deleverage

Underlying net income (UNI) and net income

Net income to underlying net income (UNI) reconciliation
Q1-24 (BRL million)



Highlights

UNI improvement vs. BRL -373 mn loss in Q1-23 or BRL -260 mn ex-TBS and Aesop

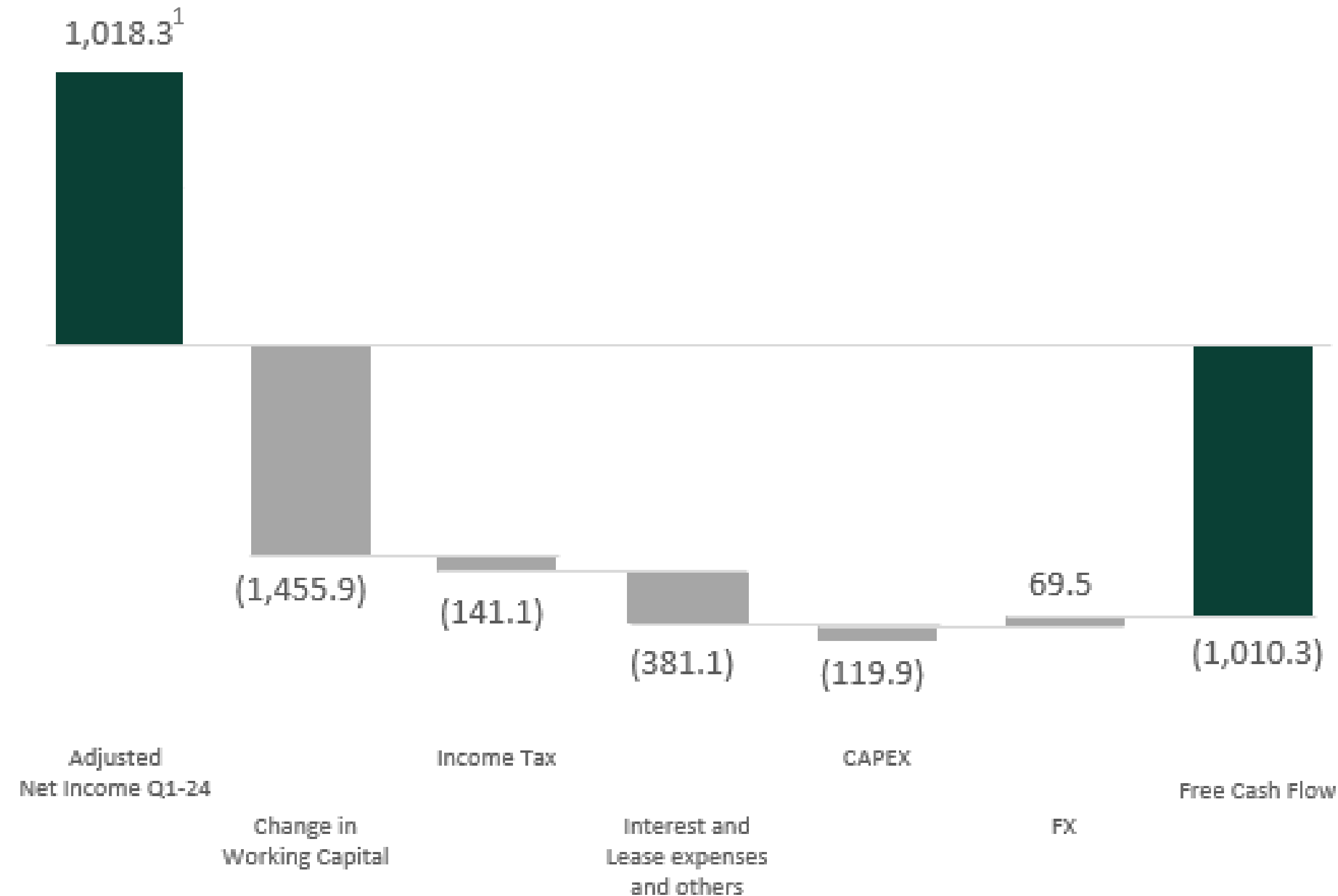
- Higher adjusted EBITDA
- Lower Net Financials Expenses

More than offset by:

- Higher tax expenses given the mix of profitable and unprofitable countries

Excluding BRL-137 mn of losses related to transferring cash out from Argentina, UNI would be BRL +21 mn

Free Cash Flow in Q1-24 improved BRL +368 million YoY or BRL +803 million compared to Q1-23 reported cash outflow



¹ Net Income excluding depreciation and amortization, non-cash adjustments to net income, and Discontinued Operations Results

Highlights

Mainly driven by:

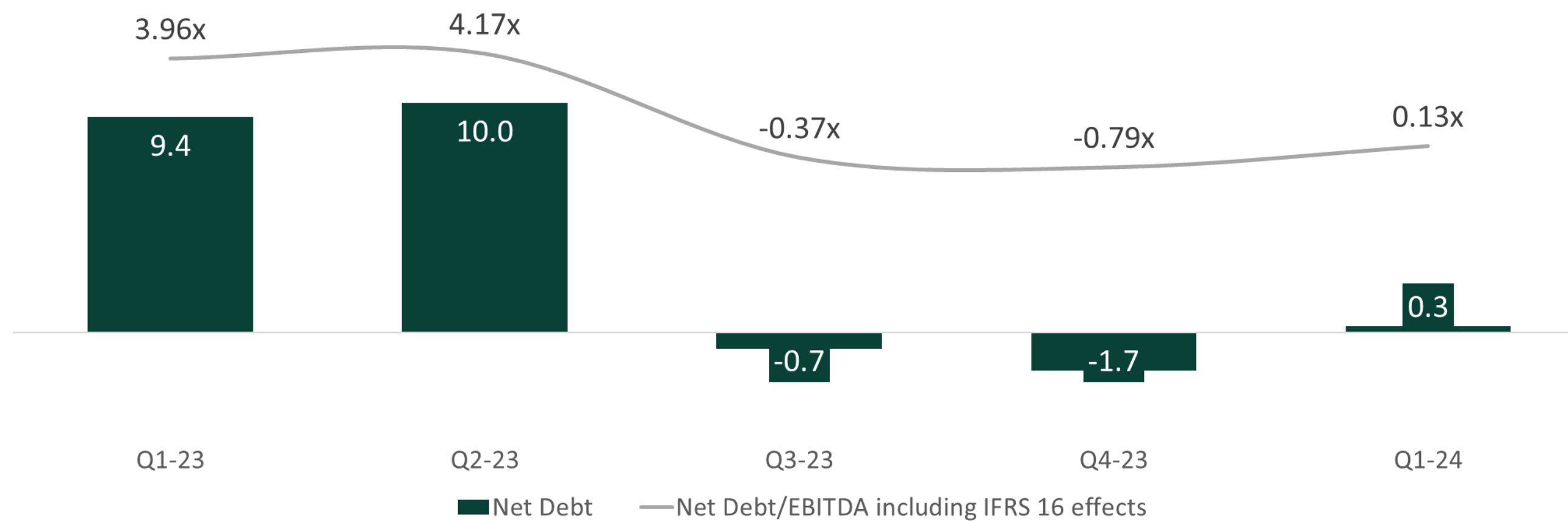
- Higher Adjusted Cash Net Income
- Improved accounts payable from higher purchases in Q1-24
- Lower Capex from phasing

Partially offset by:

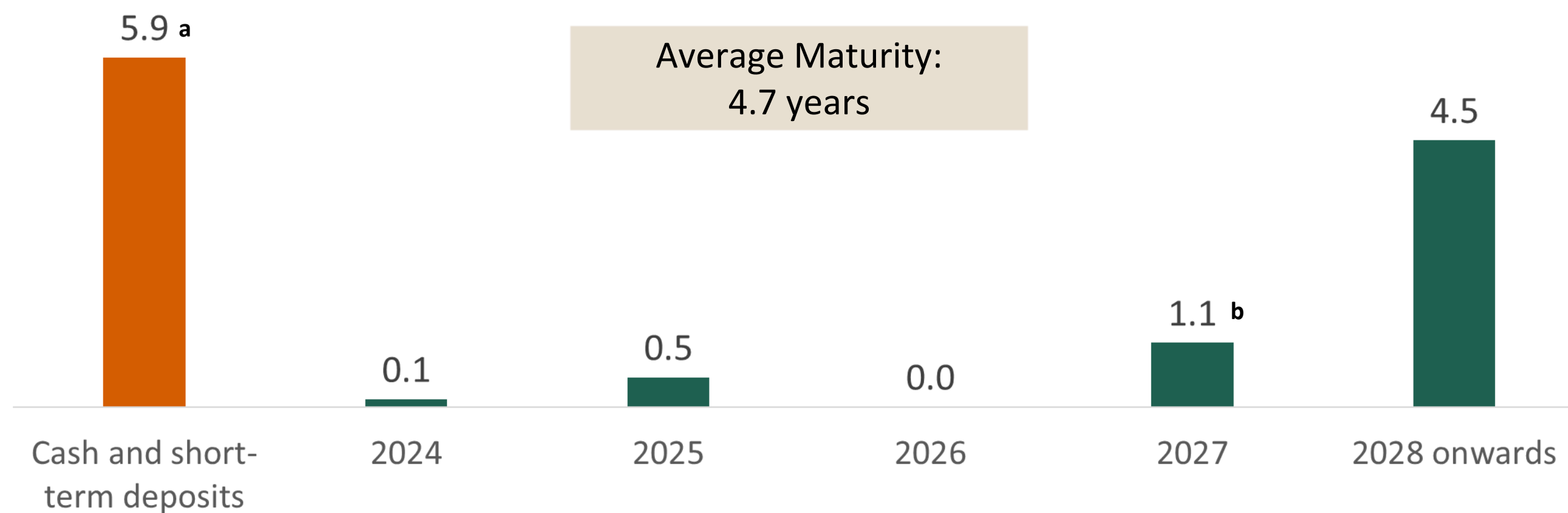
- Cash consumption for the build-up of Q2 inventory
- TBS effects

Indebtedness ratios and Amortization Schedule

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 and including Avon's Bond 2043

Q1-24

BRL 5.9 billion

Cash balance at period-end

0.13x

Group net debt-to-EBITDA ratio amid seasonal cash consumption



Natura &Co Latam

Financial Performance

Wave 2 *update*

Brazil

Activity and productivity continues solid, driven by cross-selling despite the two minimum order split between Avon and Natura

Highlights

- **Coordination of delivery time frames**
- **Inventory**
 - shortage continues to improve but remains challenging
 - SKUs from key categories showed inventories levels back to normality which enabled a healthy performance at Natura
- **Stable base of consultants QoQ and its relationship with leaders**

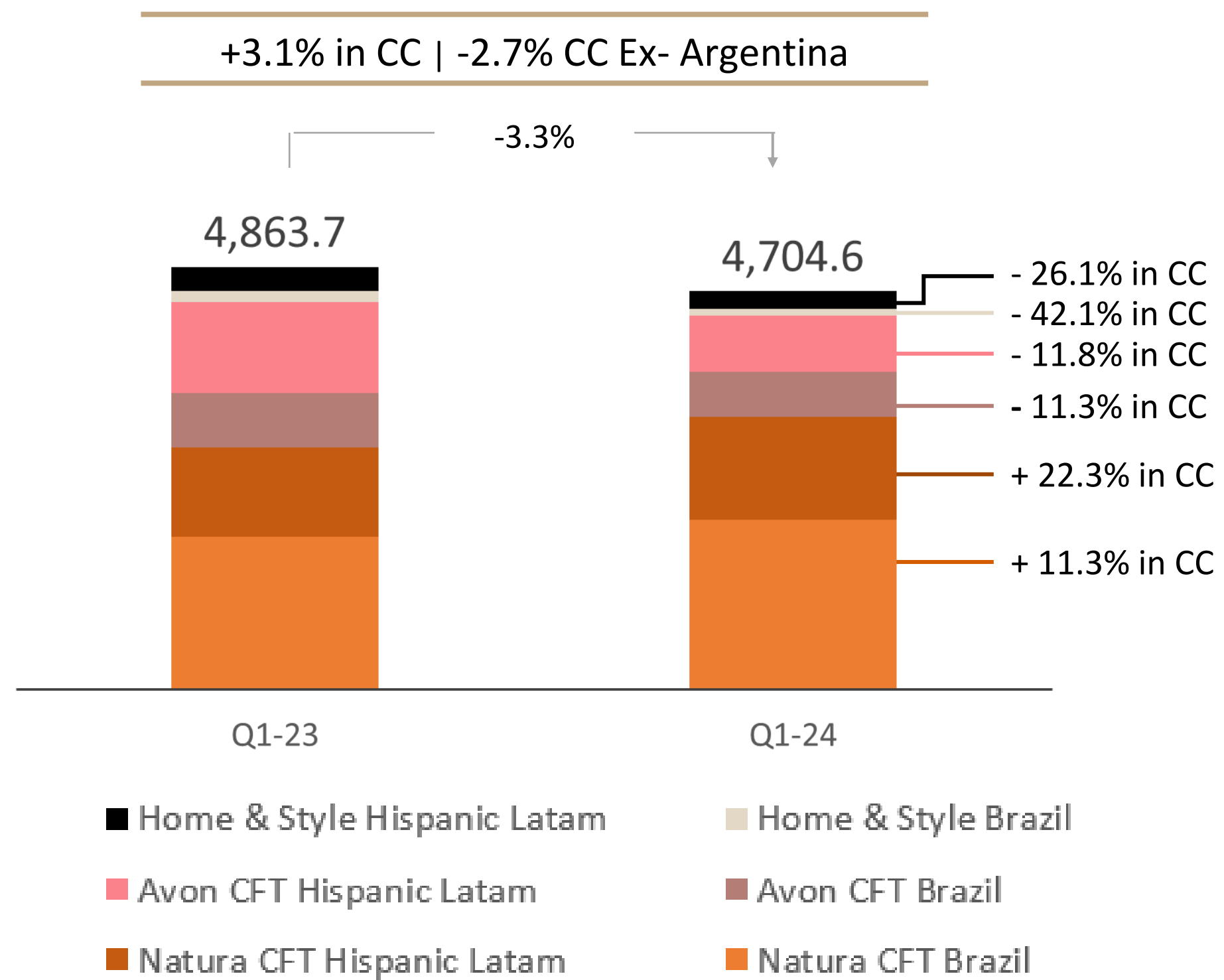


Hispanic Latam

- Peru and Colombia distribution channels still impacted YoY but showing recovering trends QoQ; productivity showing YoY growth, partially offsetting YoY decreased activity

Natura &Co Latam: accelerating momentum in Brazil, even considering higher indirect tax burden in the country

Net Revenue (BRL million)



Natura CFT:

- **Brazil:** 11.3% YoY increase, despite the tough comp base
- **Hispanic:** Remained broadly stable revenue in CC excluding Argentina

Avon CFT:

- **Brazil:** 11.3% YoY decrease, impacted mainly by the channel and SKU reduction
- **Hispanic:** 11.8% decrease and -24.1% YoY ex Argentina, still impacted by Wave 2 implementation and preparation

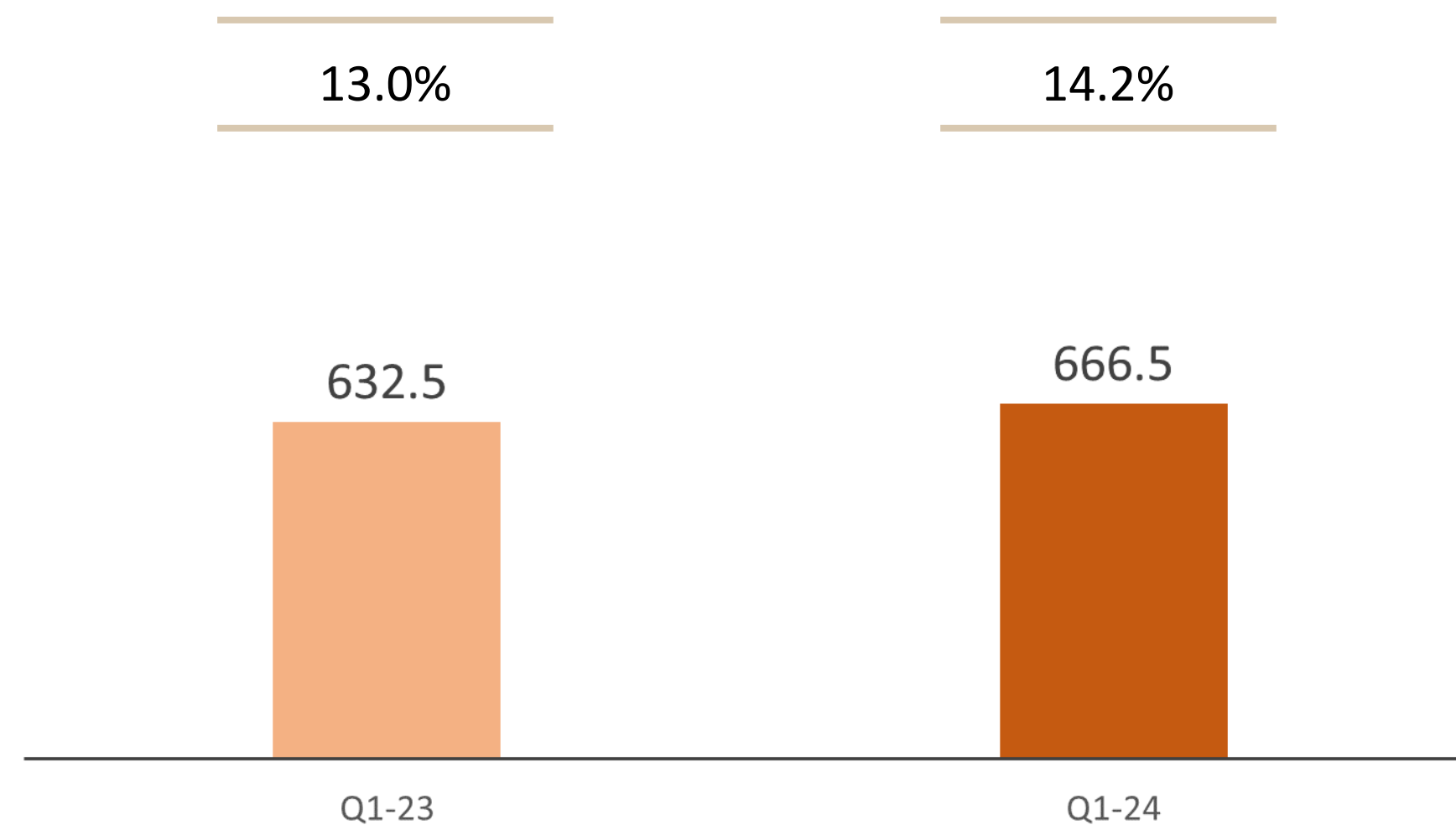
Home & Style:

- Decline in CC, directly related to the planned portfolio optimization strategy and commercial incentives reduction

Fifth consecutive quarter of profitability expansion YoY even with higher investments and indirect tax burden

Adjusted EBITDA¹ and Adjusted EBITDA margin

(BRL million, %)



¹ Excluding effects that are not considered recurring nor comparable between the periods under analysis, such as integration costs and net non-recurring other (income)/expenses

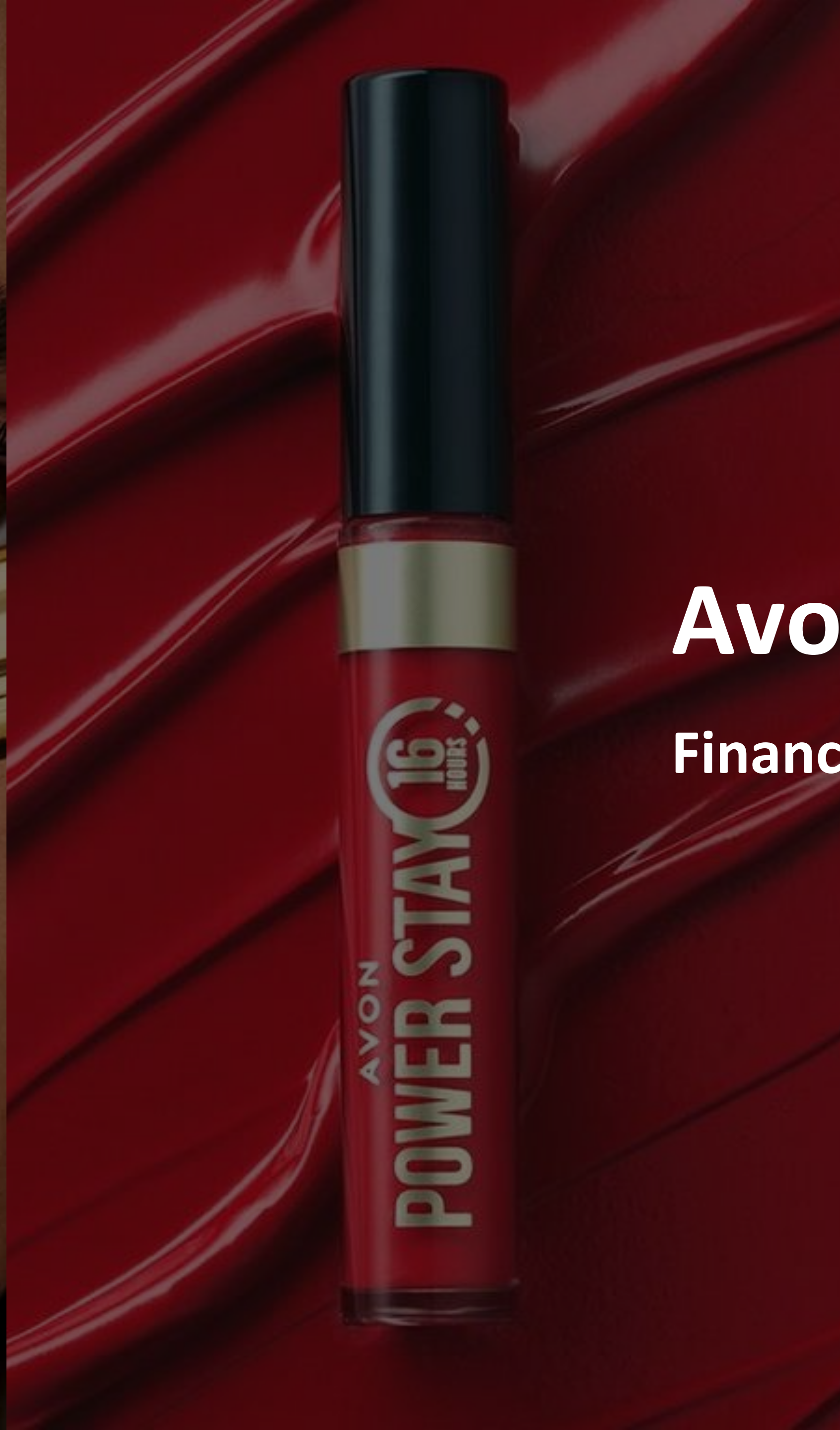
Highlights

+120
bps YoY
Adj EBITDA Margin

Driven by gross margin improvement

Partially offset by:

- Planned investments, mainly related to marketing for Natura Brazil
- Initiatives focused on improving service levels



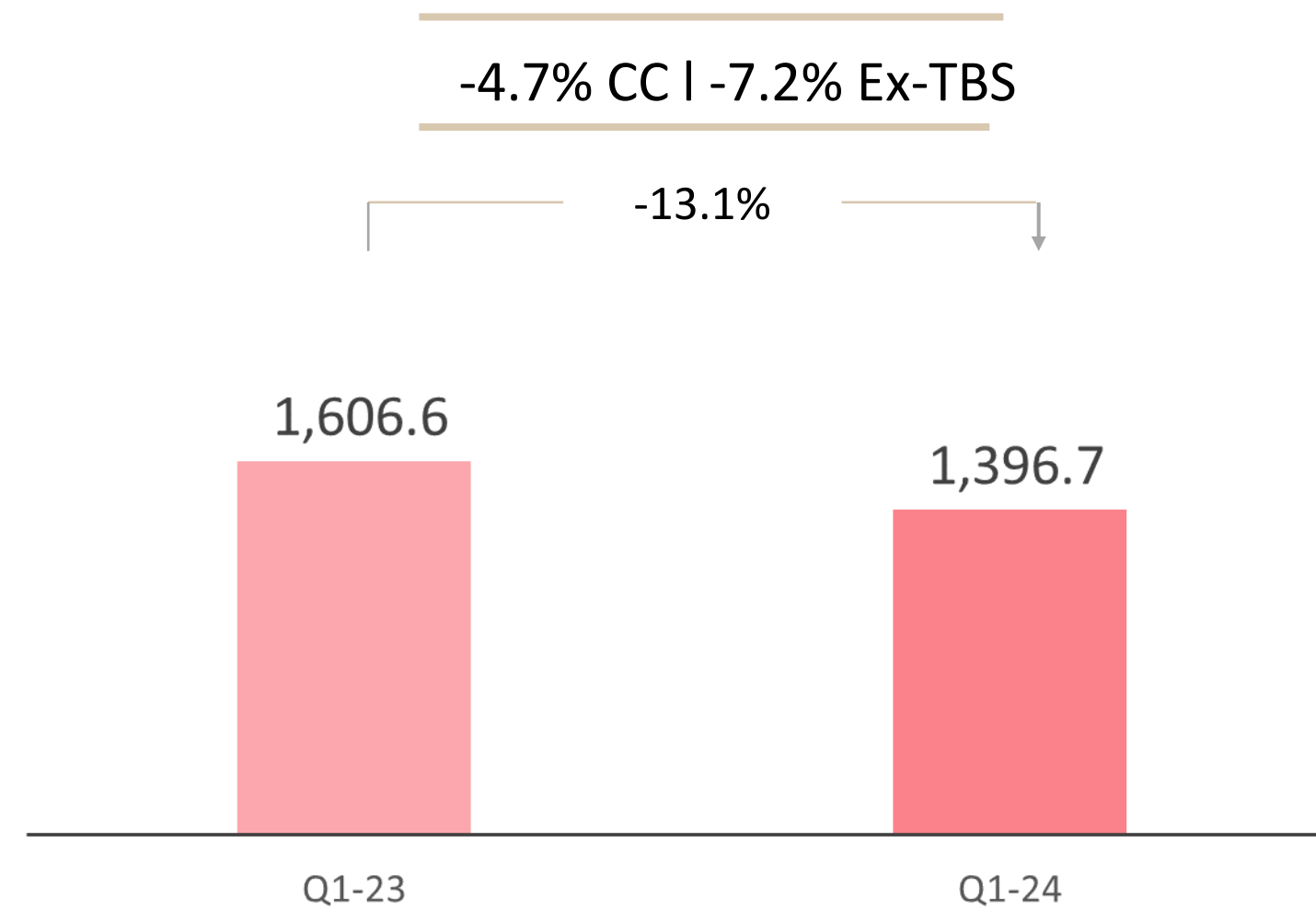
Avon International

Financial Performance

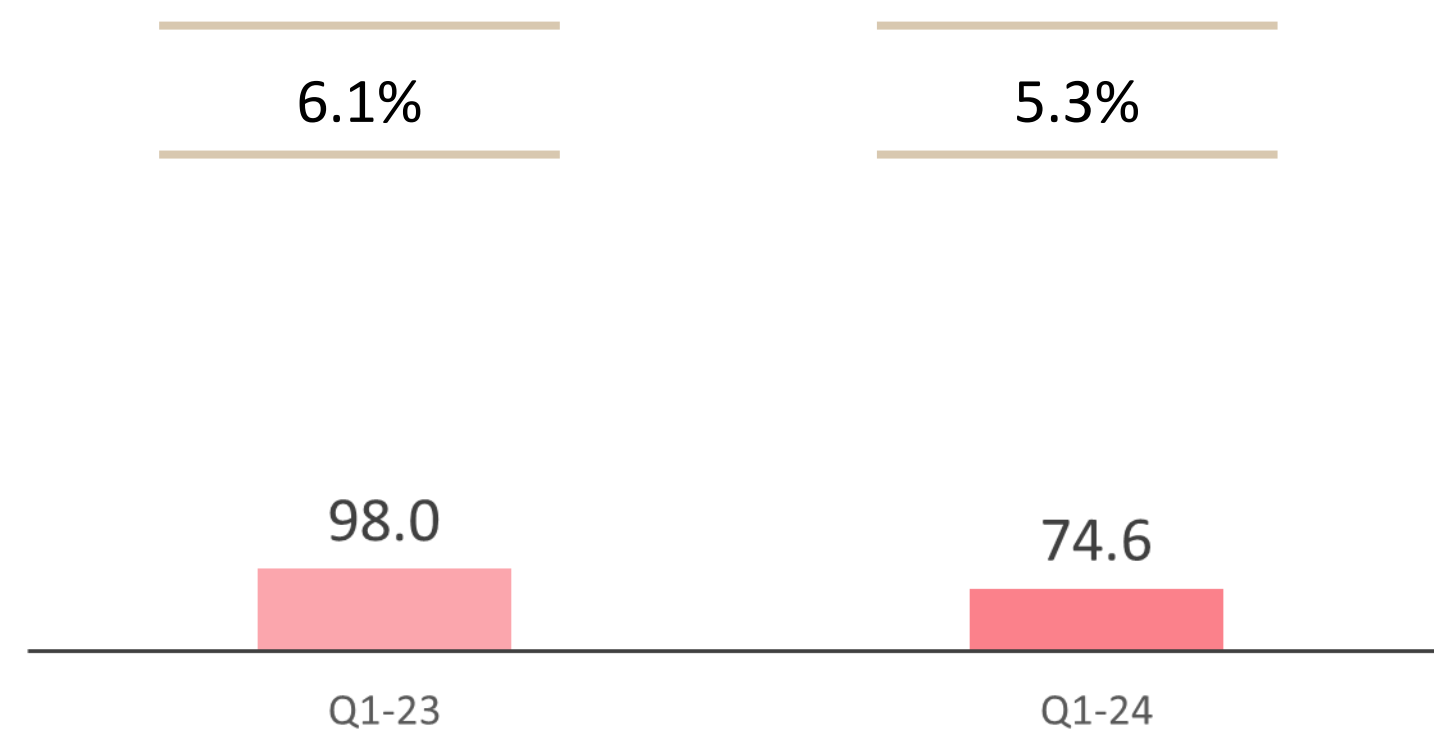
AVON

Avon International: Challenging quarter with topline decline

Net Revenue (BRL million)



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



¹ Excluding effects that are not considered recurring nor comparable between the periods under analysis, such as transformation costs and restructuring costs - business unit/Impairment and Goodwill

Highlights

Net Revenue
-7.2%
 YoY in CC

Driven by:

- drop in Beauty revenue (-4%)
- decline in Home & Style (-22%)
- lower rep count
- weaker promotion execution

Adjusted EBITDA
-80
 bps YoY

Driven by:

- sales deleverage

Partially offset by:

- reduction of selling expenses amid transformation savings



Closing Remarks

Fábio Barbosa, CEO



Key Takeaways

1 Continuing to evolve on the studies of a potential separation of Avon

2 The solid start to the year gives us confidence that the initiatives we are implementing are starting to deliver the expected results

3 Margin and cash continue our priorities in the short term, while resource allocation will continue to be a critical driver for sustainable value creation

4 As was the case during the pandemic, our top priority remains the same: to take care of our greatest asset – our People

Unlocking sustainable shareholder value ...

...through our triple-bottom-line agenda

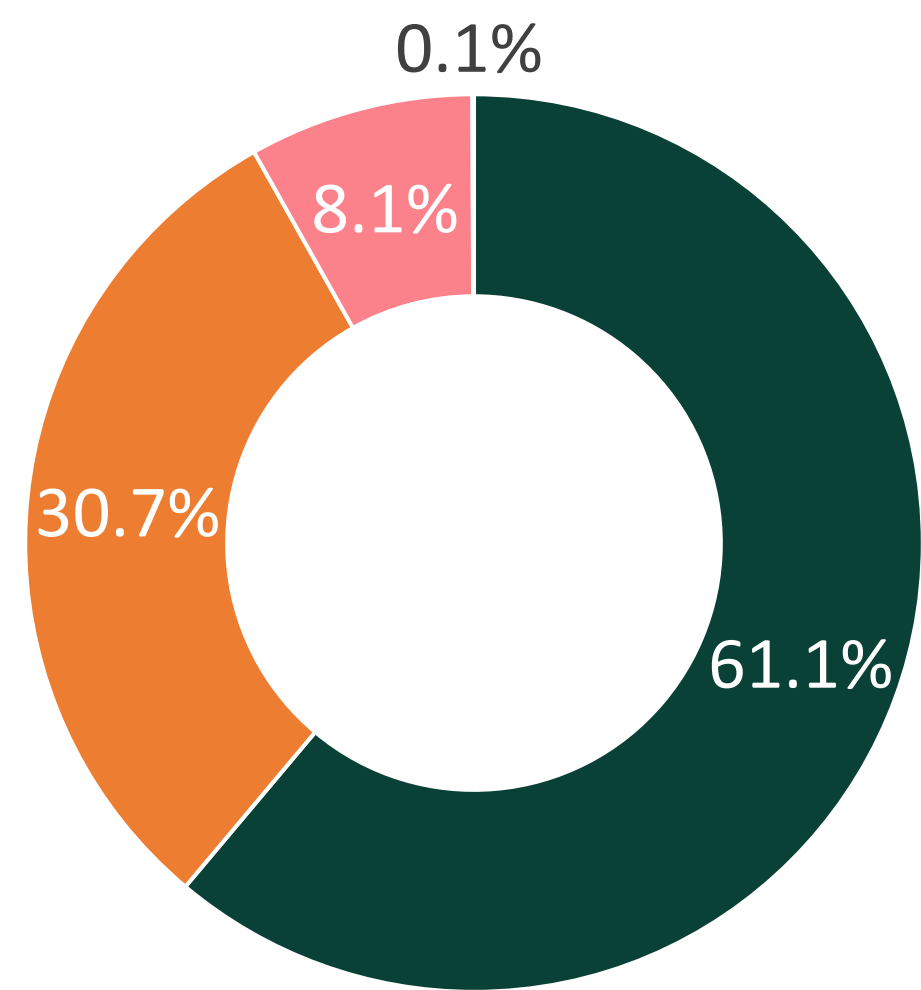
Thank You



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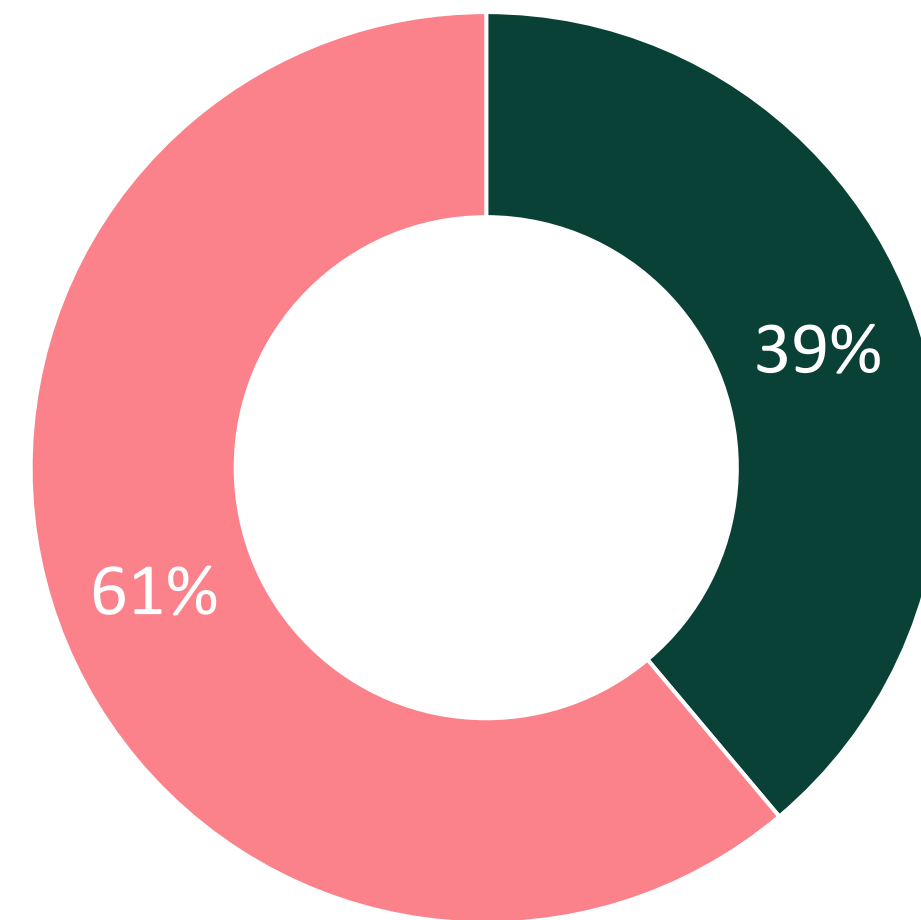
Debt Profile

Q1-24 by type



- Bonds
- Debentures
- Comercial notes
- Other instruments

Q1-24 by currency

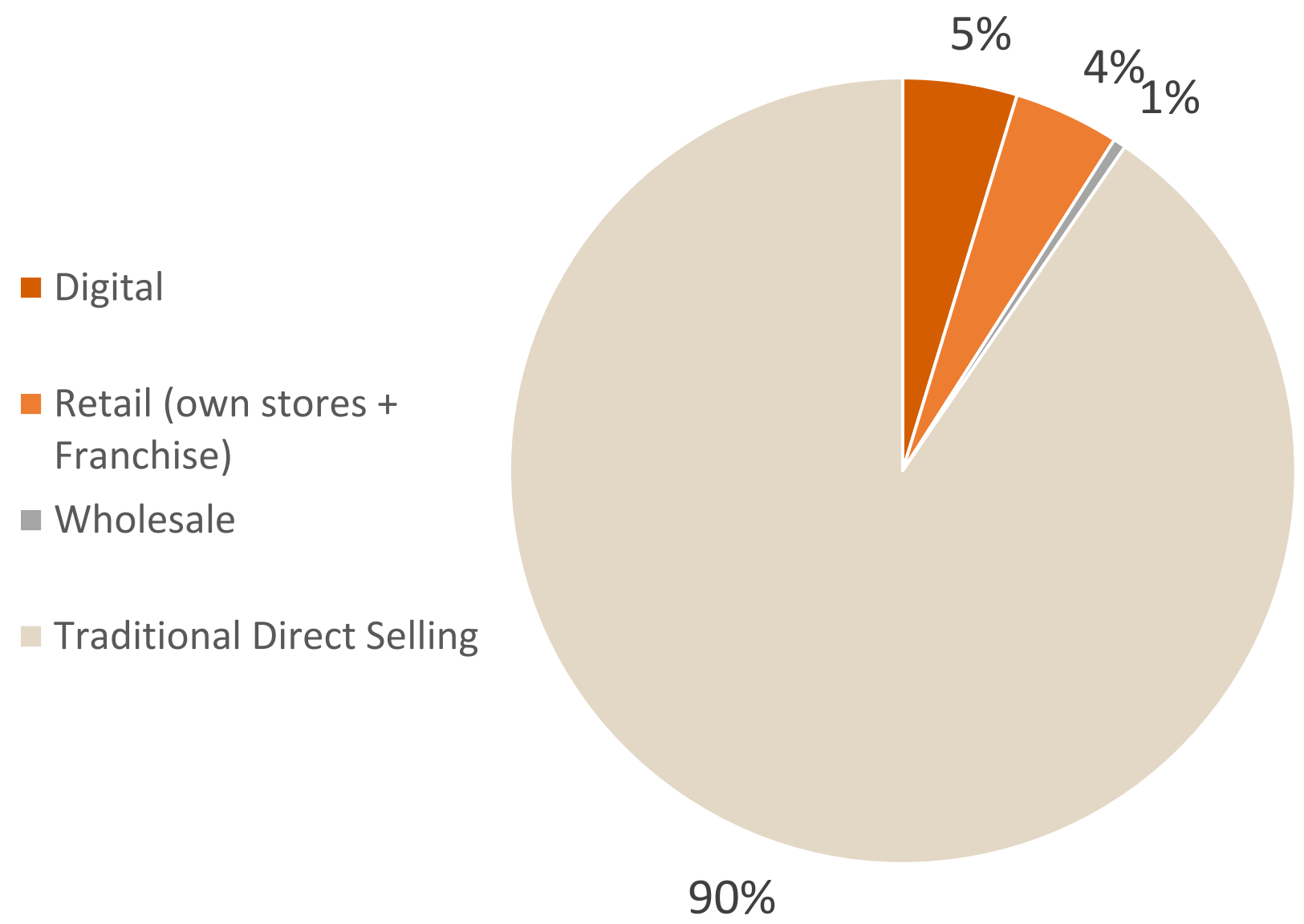


- BRL
- USD

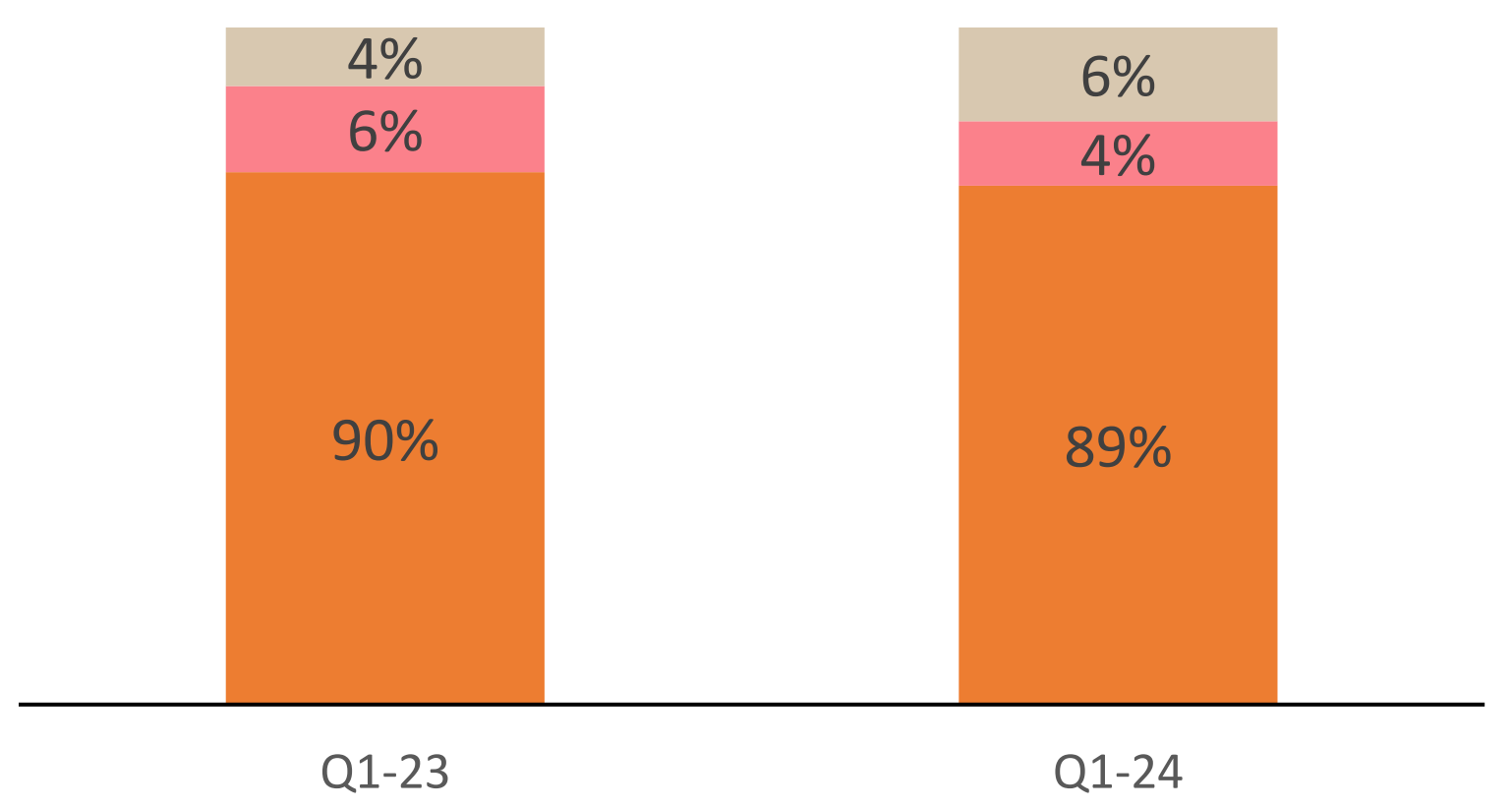
Net Revenue Breakdown by Channel (%)

Share of Digital Sales per Brand (%)

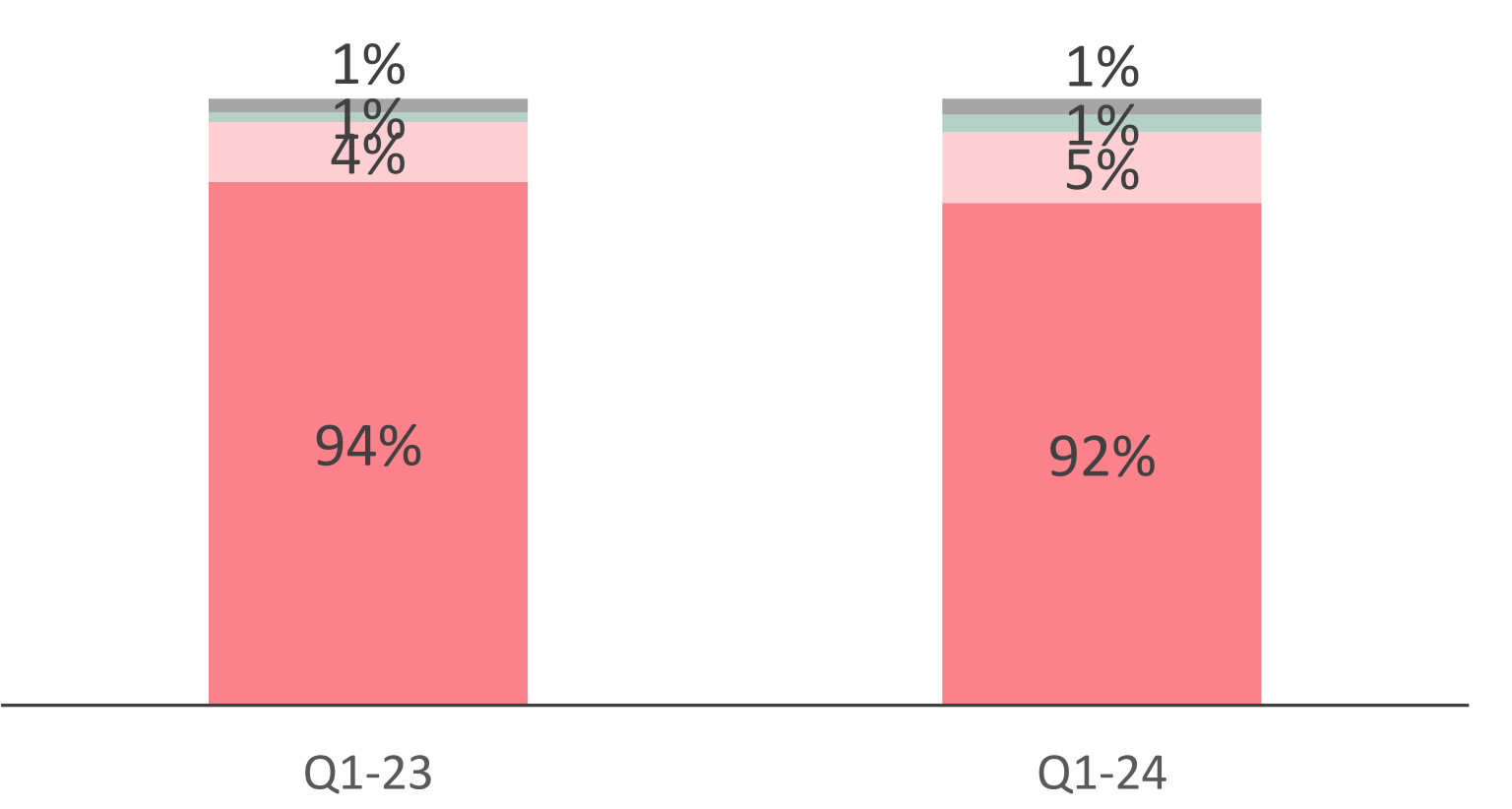
CONSOLIDATED



NATURA BRAND



AVON BRAND



■ Retail (own stores + Franchise)
 ■ Digital
 ■ Traditional Direct Selling
 ■ Wholesale
 ■ Retail (own stores + Franchise)
 ■ Traditional Direct Selling