
Second-Quarter 2021 *Results*

August 13, 2021

AVON



THE BODY SHOP

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://ri.naturaeco.com/en/>

Q2-21

Highlights

Continued outperformance of the CFT market¹, with strong sales growth of +36% and net income of R\$235 million

Double-digit sales growth in all businesses despite continued Covid-19 impacts

- **Avon** contributed to **strong sales growth** both in Latam and International
- **Digitally-enabled sales** represent 51% of total and **online sales**² are 4x above pre-pandemic levels even as stores reopen; strong expansion of new accounts at **&Co Pay**

Further progress on Avon turnaround

- Growth in beauty categories in Brazil and Hispanic Latam; Market share gains at Avon in Brazil
- Market share gains at Avon International in key markets and categories; positive initial results of new commercial model pilots

Synergies on track

- US\$41.0 million in synergies achieved in Q2; US\$76.5 million in H1
- Costs to achieve of US\$20 million in Q2; US\$41 million in H1

Solid balance sheet

- Strong cash position of R\$8 billion
- Continued deleveraging: Q2-21 Consolidated net-debt-to-EBITDA ratio at 1.43x vs. 3.63 in Q2-20

Strong growth in net income

- Net income increased to R\$235 million
- Corporate structure optimization from Avon integration contributed to net income growth

¹ Cosmetics, Fragrance and Toiletries market performance: Company estimate based on global peers' net revenue vs prior year of approximately +22.1% in Q2-21 (in reported FX), as reported by the companies or estimates published on Bloomberg for those who have not yet reported; ² Online sales include e-commerce + social selling

Important advances on Sustainability Vision 2030

Commitment to Life

Address the Climate Crisis & Protect the Amazon




- Preservation of Amazon forest increased from 1.8 to 2 million hectares
- Natura &Co began building the PlenaMata portal, designed to engage stakeholders to achieve zero deforestation and conservation/regeneration of the Amazon forest
- Access Benefit Payments of R\$8.7 million made to communities in the Amazon
- Aesop achieved carbon neutrality for global operations under the Australian Governments Climate Active label & South Pole's Climate Neutral Label

Protect Human Rights and be Human-Kind



- Gender balance of the senior team reached 49.6% (Q2-21)
- US\$140.7 million invested in causes: COVID-19, breast cancer, victims of domestic violence and Stop Asian Hate campaign in America (cumulated from 2020)
- On track to close a 0.9% unexplained pay equity gap by year-end 2021
- Living wage reached 96% of our people, on track to reach 100% by 2023

Embrace Circularity & Regeneration



- 80.8% of all our packaging is recyclable, reusable or compostable; 88.8% of all raw materials are renewable or natural ingredients
- US\$4.87 million invested in regenerative solutions, such as Ekos Tukumã
- 92.8% on formula biodegradability, on track to reach 95% or more by 2030
- The Body Shop to deploy refill stations in 500 stores worldwide, 273 already in place

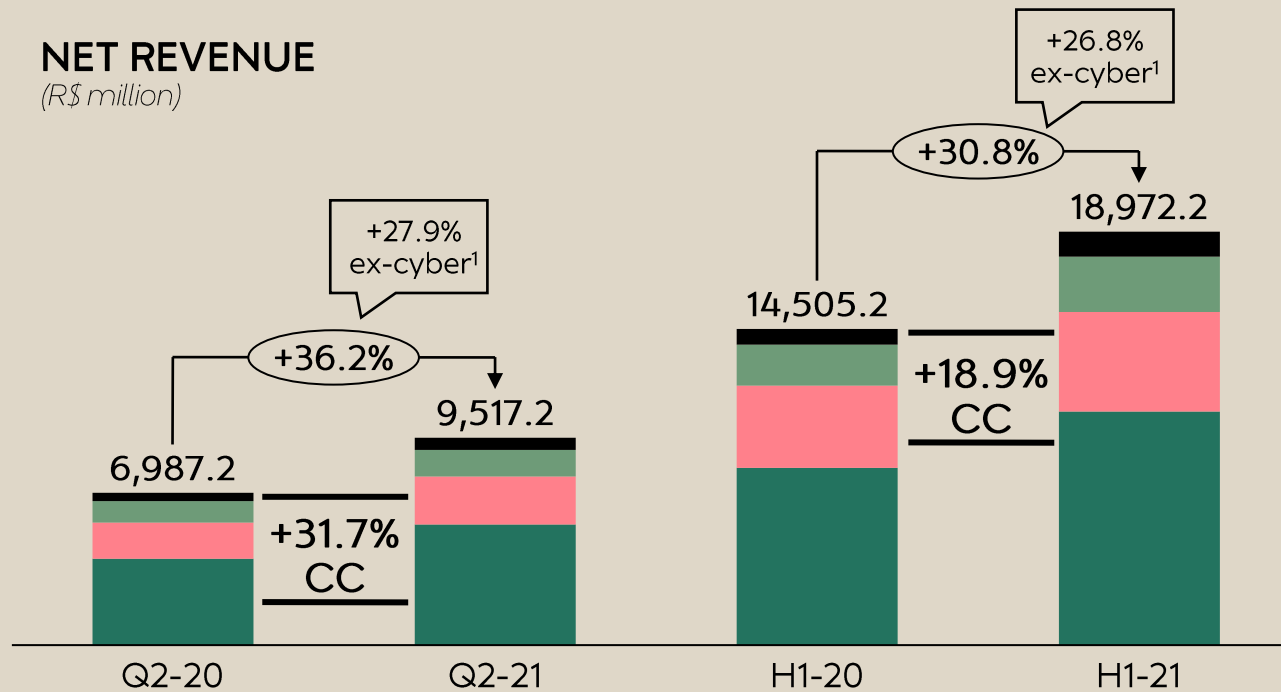


Consolidated Financial Performance

natura & co

Natura &Co continues to outperform the CFT market with strong 36% revenue growth

NET REVENUE (R\$ million)



Natura &Co Latam

Q2: +39.2% in BRL
+37.1% at CC

H1: +31.7% in BRL
+26.1% at CC

The Body Shop

Q2: +24.3% in BRL
+14.2% at CC

H1: +35.5% in BRL
+12.4% at CC

Avon International

Q2: +33.6% in BRL
+27.1% at CC

H1: +21.1% in BRL
+4.6% at CC

Aesop

Q2: +47.0% in BRL
+40.8% at CC

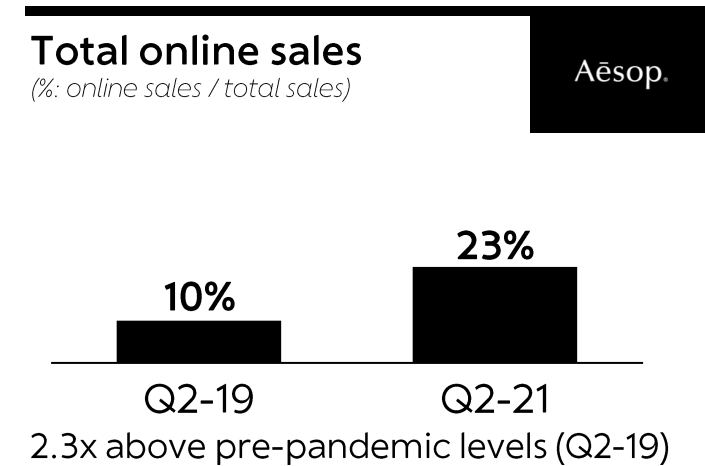
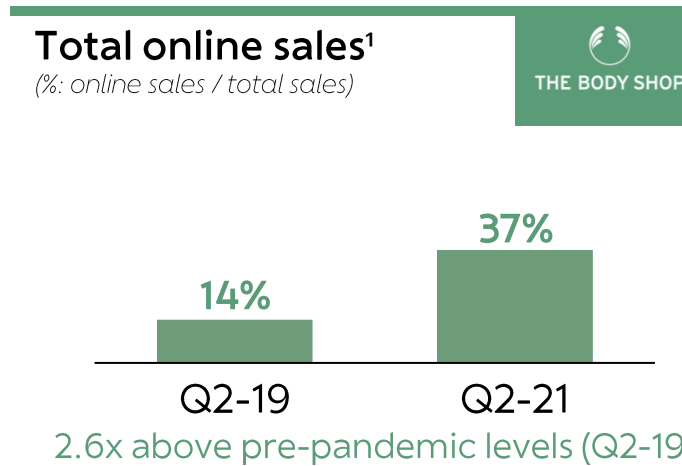
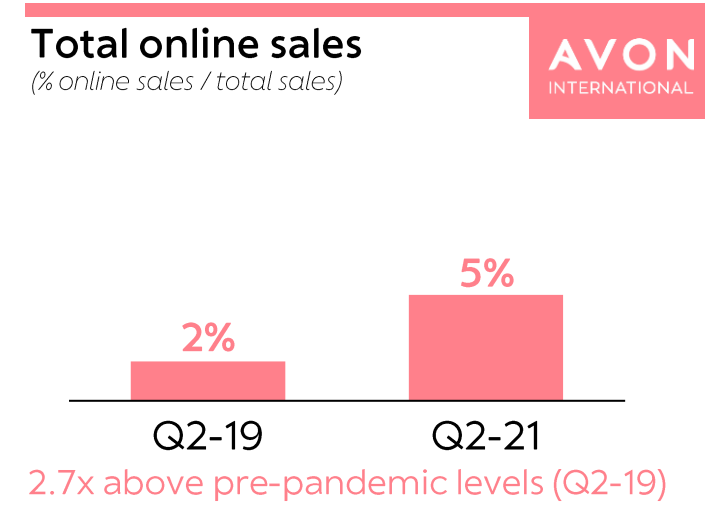
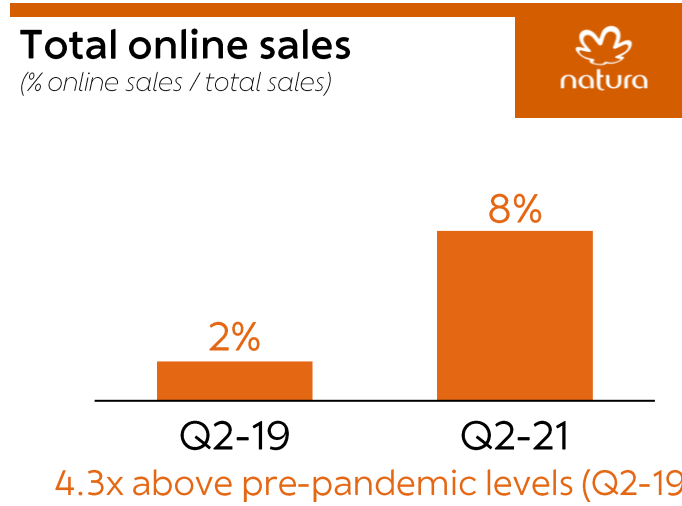
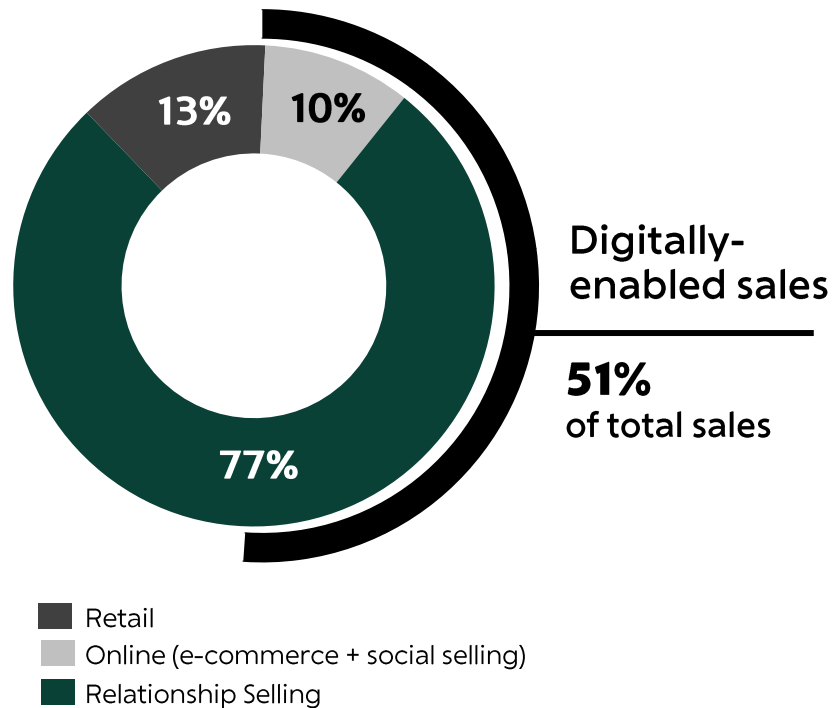
H1: +58.7% in BRL
+35.5% at CC

HIGHLIGHTS

- **Natura &Co Latam** posted very strong performance, driven by Natura and Avon brands in Hispanic Latam
- **Avon International's** strong growth resulted in market share gains in key beauty categories and key markets
- **The Body Shop's** growth driven by all regions and supported by resumption of momentum in retail
- **Aesop's** robust growth driven by all regions, led by the Americas and Asia

¹Excluding cyber incident effects which shifted R\$454 million of Avon sales to Q3 I (R\$179 million in Brazil, R\$214 million in Hispanic Latam and R\$61 million in International). At CC, ex-cyber growth in Q2-21 was +24.4% and H1-21 was +15.8%.

Digitally-enabled sales reach 51% of Natura &Co's total sales

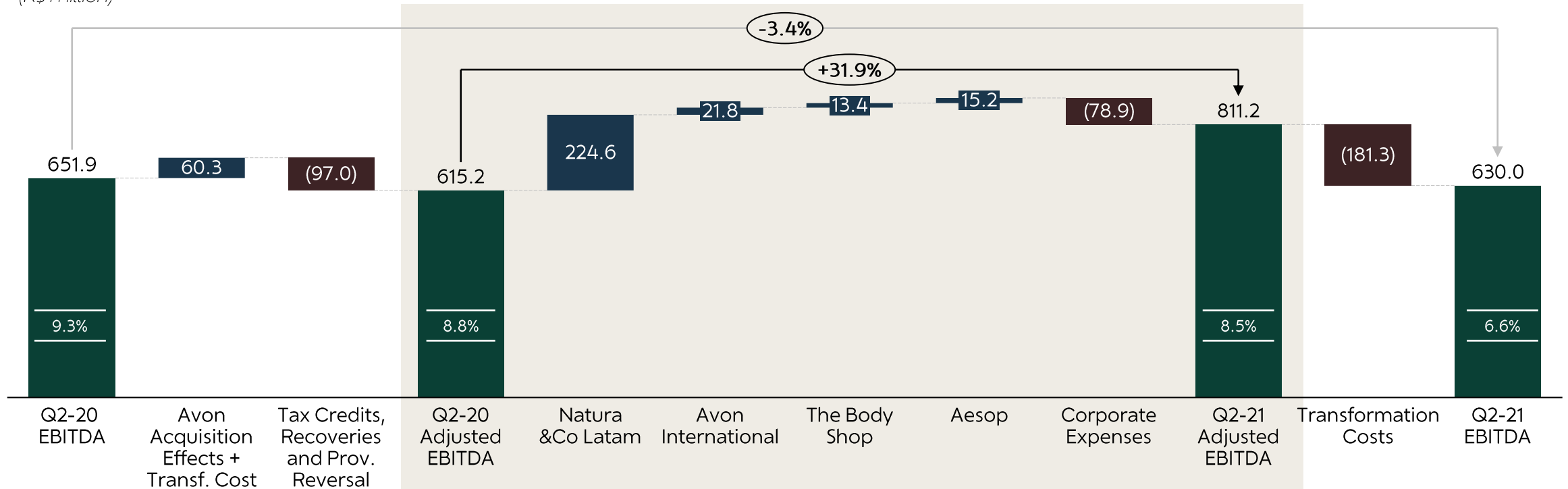


¹The Body Shop At Home (direct sales) + e-commerce

Adjusted EBITDA margin expansion despite investments to drive growth in all businesses

Q2-21 CONSOLIDATED EBITDA

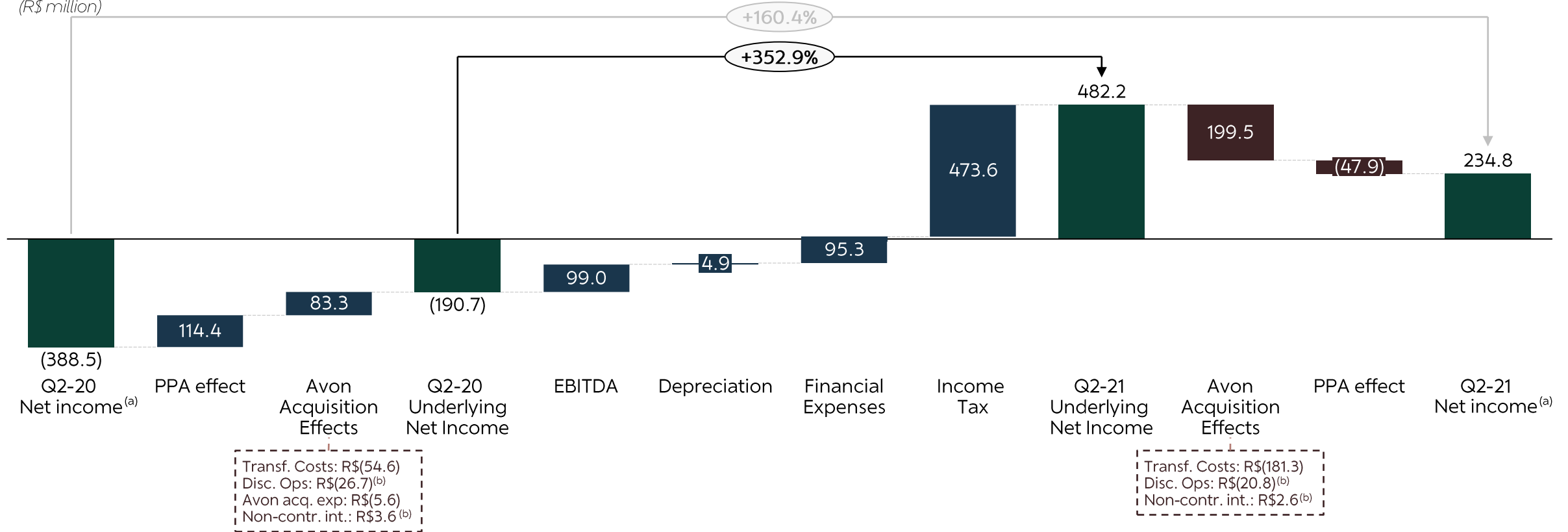
(R\$ million)



- Adjusted EBITDA margin of 8.5% (-30 bps)
- Reported EBITDA margin of 6.6% (-270 bps)

Strong improvement in Underlying Net Income, driven by lower financial expenses and new gains from the Avon integration

Q2-21 UNI1
(R\$ million)



(a) Net income attributable to controlling shareholders

(b) In Q2-20, reported UNI was R\$(213.8) million vs. R\$(190.7) million, because it included R\$(23.1) million of non-controlling interest and discontinued operations, which are now reallocated to Avon Acquisition Effects

(c) Includes R\$823 million in deferred income tax recognized at the Avon Luxembourg subsidiary, related to corporate restructuring, partially offset by the UK income tax rate increase to 25% from 19%.

- H1-21 UNI of R\$542.4 million and reported net income of R\$79.7 million

¹Underlying net income

Significant deleveraging and strong cash position

Q2-21

R\$8.0 bn

Cash at
quarter-end

1.43x

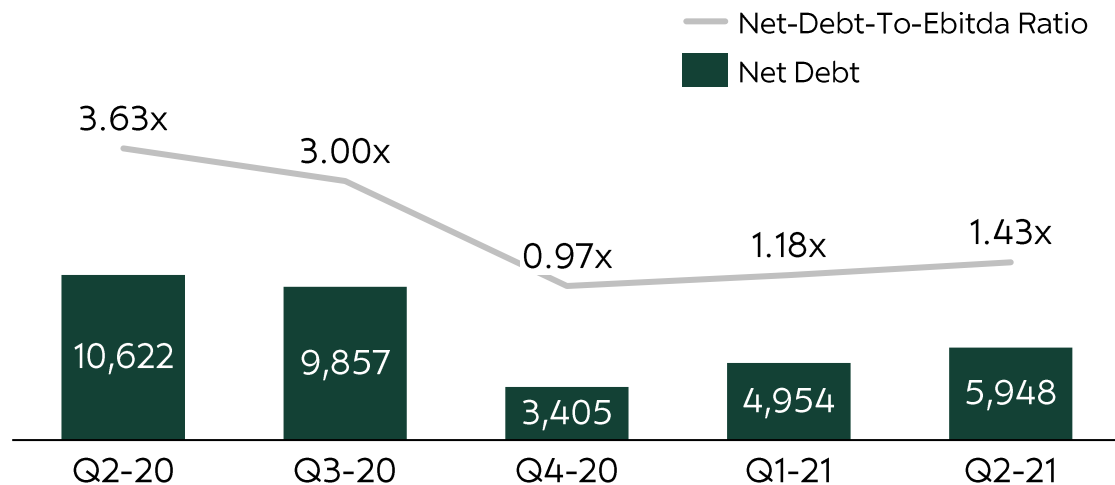
Group net-debt to
EBITDA ratio

US\$1 bn

Sustainability-linked
bond issuance¹

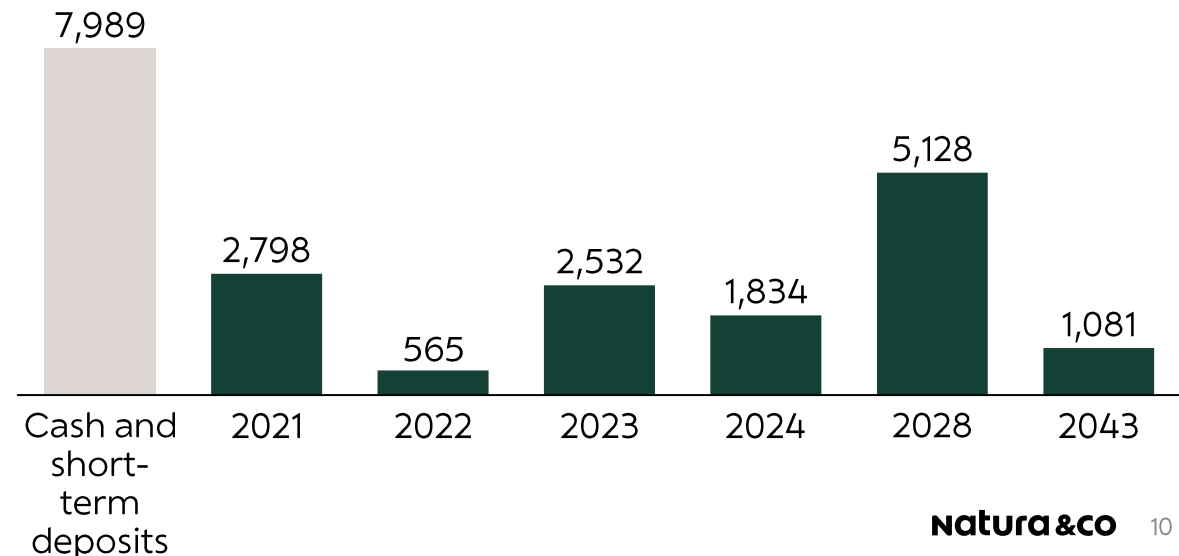
NET DEBT AND NET DEBT-TO-EBITDA RATIO

(R\$ million)



AMORTIZATION SCHEDULE

(R\$ million)



¹ Natura Cosméticos' issuance (May 2021).



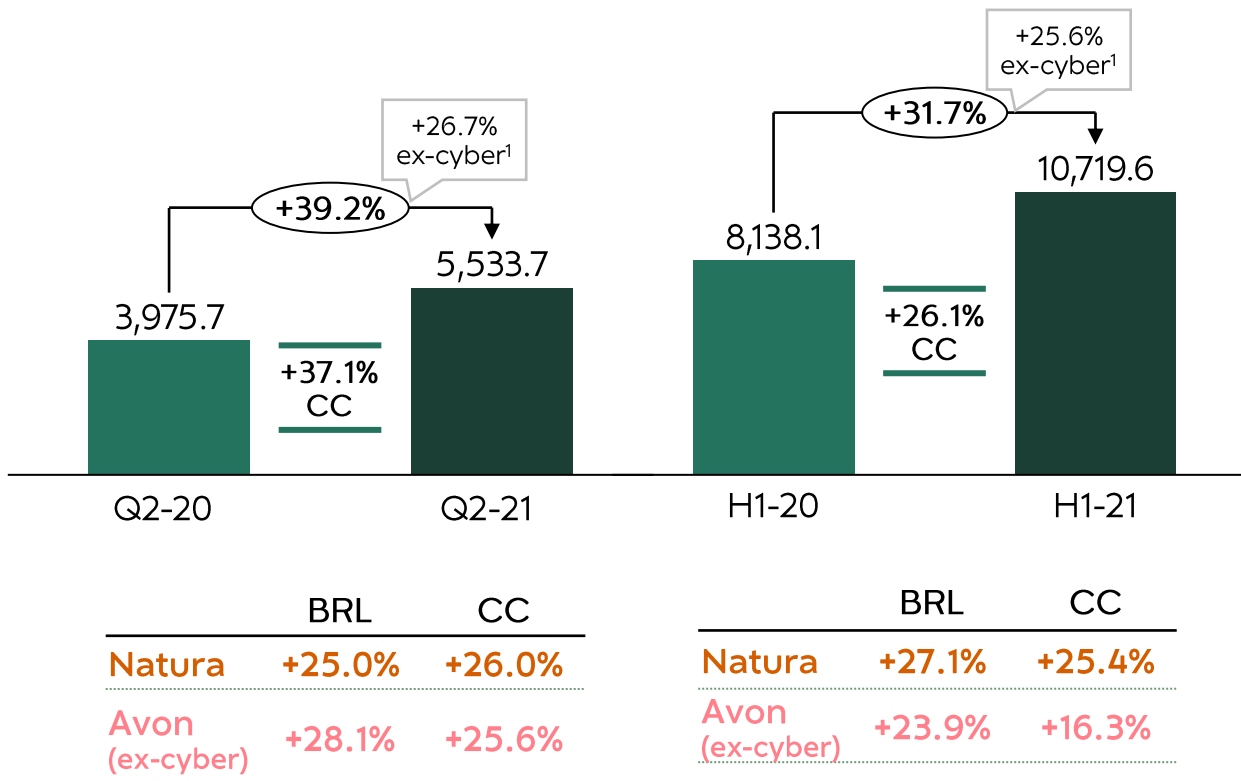
Natura &Co Latam

*Financial
Performance*

Very strong performance across both the Natura and Avon brands

NET REVENUE

(R\$ million)



Q2-21 HIGHLIGHTS

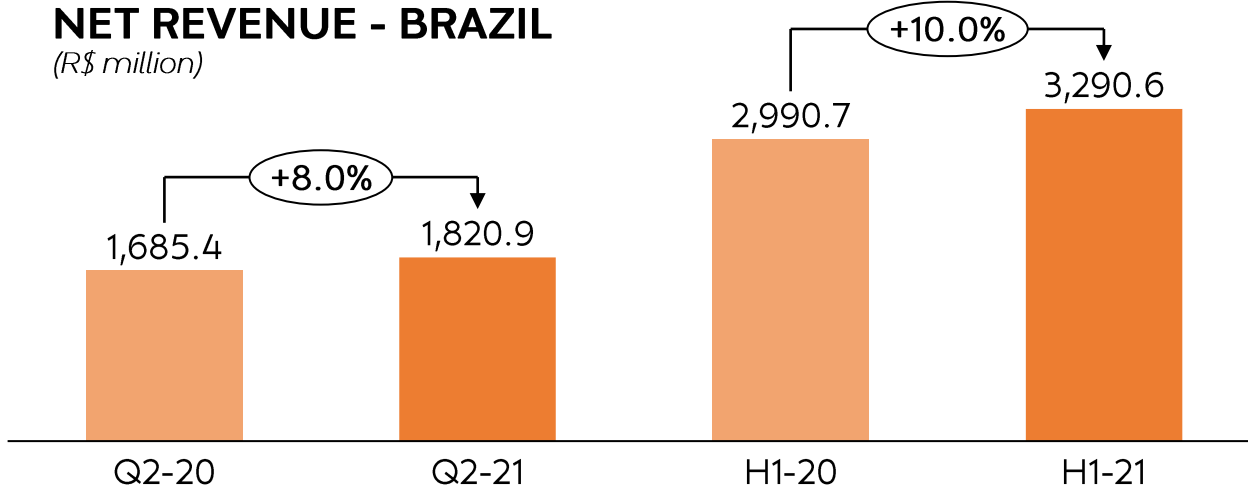
- Natura &Co Latam's net revenue growth driven by a **very strong performance by the Natura and Avon brands**, notably in Hispanic Latam
- Expansion of **over 50% in new accounts at &Co Pay platform**, driven by launch of new PIX feature in Brazil
- Avon's integration in Latam is on track**, with significant progress in procurement, customer and financial services, distribution and digital

¹Excluding cyber incident effects which shifted R\$393 million of sales to Q3 in Latam (R\$179 million in Brazil and R\$214 million in Hispanic Latam)

Natura Latam: Market share gains in Brazil and strong growth in all markets and categories in Hispanic Latam

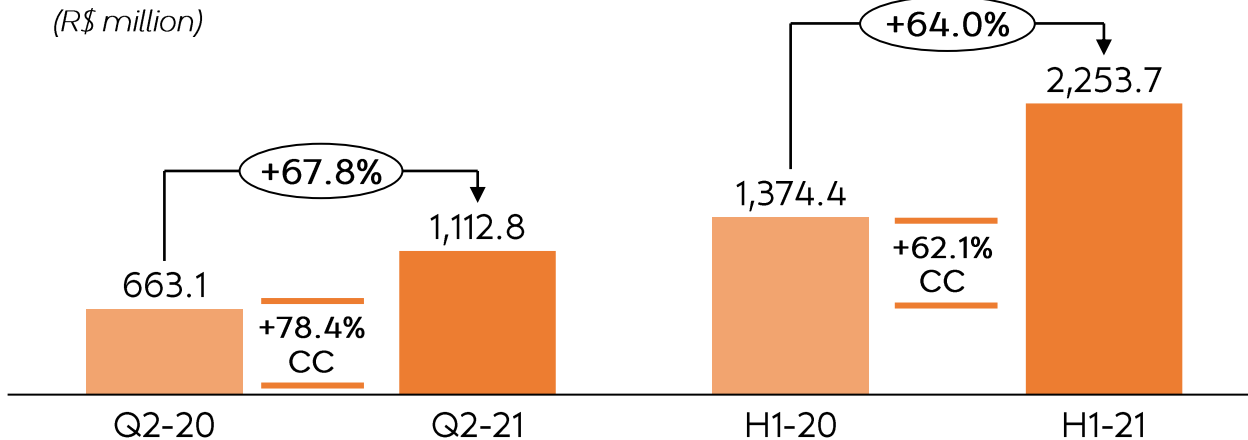
NET REVENUE - BRAZIL

(R\$ million)



NET REVENUE - HISPANIC LATAM

(R\$ million)



Q2-21 HIGHLIGHTS

BRAZIL

- Strong **market share gains**, driven by core categories, notably in gifts, and **significant increase in brand preference**
- **Loyalty index up 700 bps** vs. Q2-20

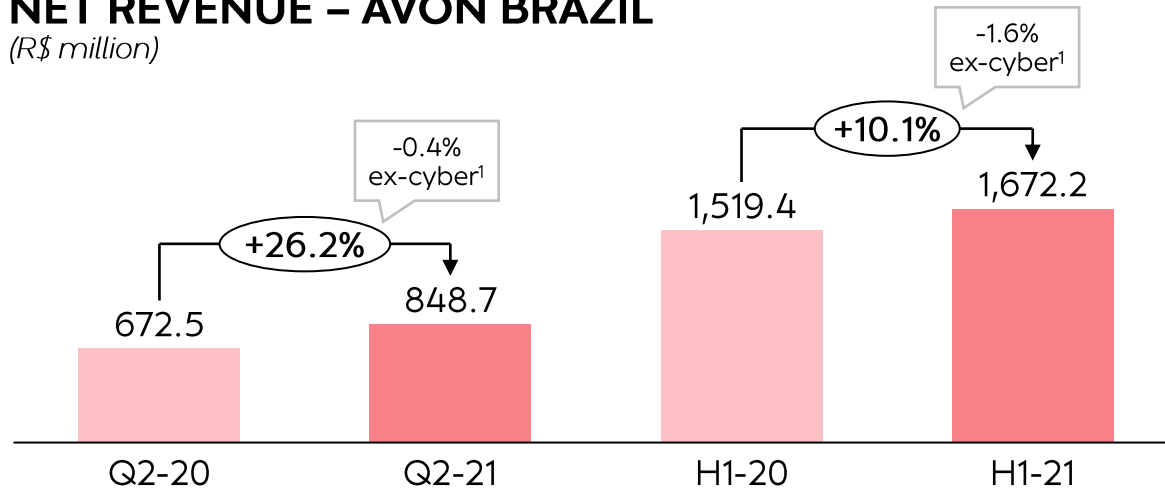
HISPANIC LATAM

- **Mexico became Natura's biggest market** in Hispanic Latam
- **Productivity increase** and expansion of consultant base by +19.2%, reaching 852,000
- **Significantly higher consultant loyalty index**

Strong growth at Avon, driven by beauty categories and the home segment

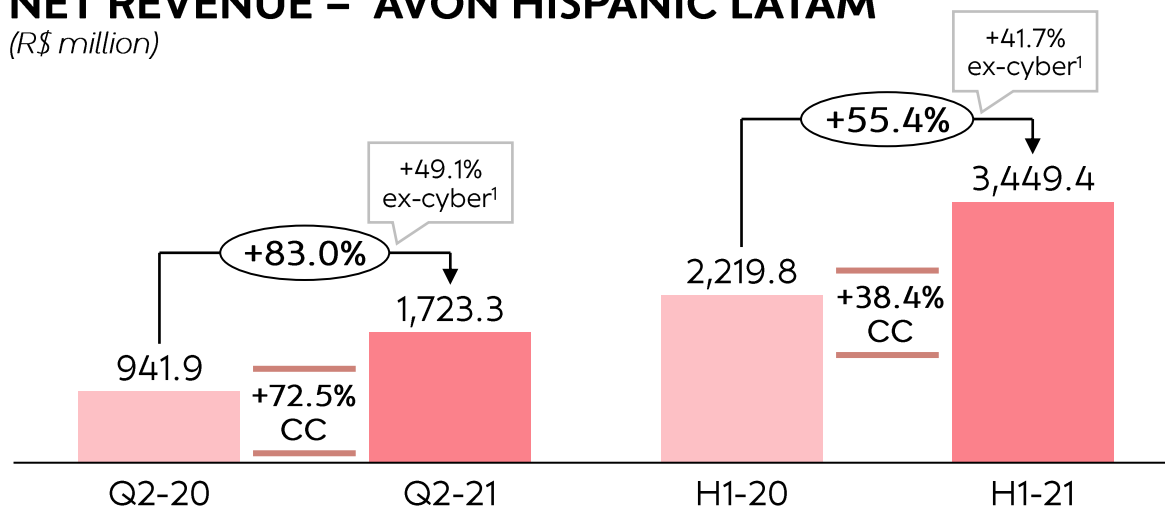
NET REVENUE – AVON BRAZIL

(R\$ million)



NET REVENUE – AVON HISPANIC LATAM

(R\$ million)



Q2-21 HIGHLIGHTS

BRAZIL

- **Positive initial signs** from new commercial model implementation
- Higher representative **productivity**
- Double-digit increase in **satisfaction** score
- Stronger **brand preference** and **brand power**
- **Market share** gains supported by marketing investments

HISPANIC LATAM

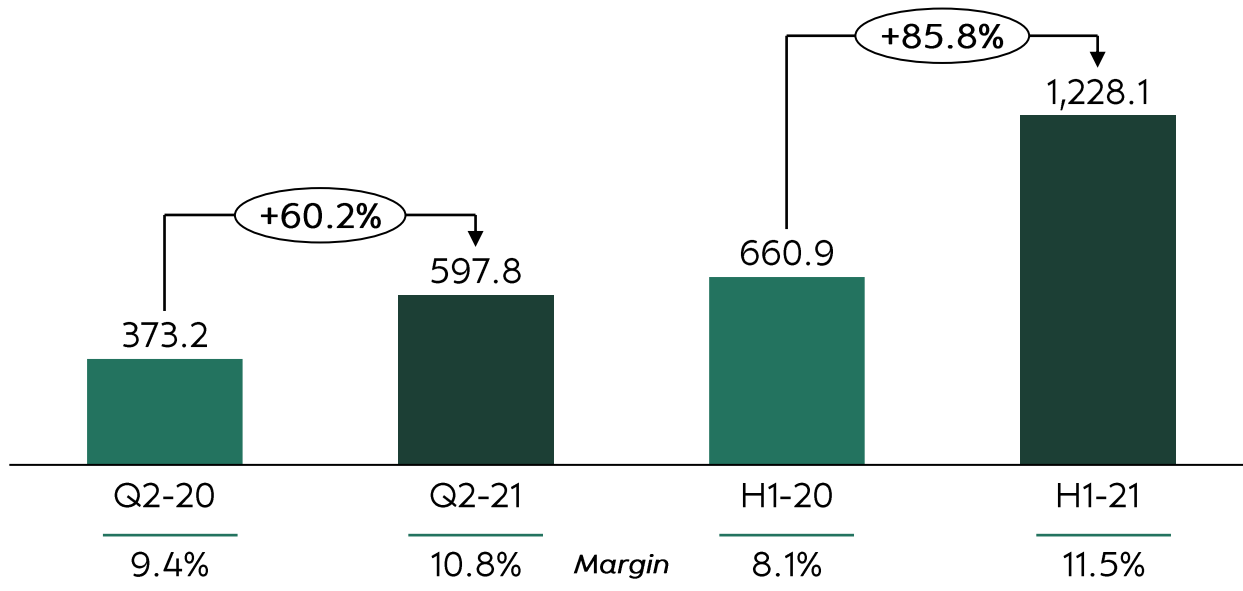
- **Higher productivity** and 10% increase in number of representatives
- Efficiency gains resulting from **higher sales and improved profitability**

¹Excluding cyber incident effects which shifted R\$393 million of sales to Q3 in Latam (R\$179 million in Brazil and R\$214 million in Hispanic Latam)

+140 bps increase in Adjusted EBITDA margin in Q2-21

ADJUSTED EBITDA¹ AND ADJUSTED EBITDA MARGIN

(R\$ million)



Q2-21 HIGHLIGHTS

- **Increase** mainly driven by **strong revenue growth and synergies from the integration with Avon**, which more than offset raw material inflation pressure and foreign currency headwinds
- **SG&A as a % of net revenue improved by 470 bps**, resulting from operational leverage, thanks to Natura and Avon brands' strong growth

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



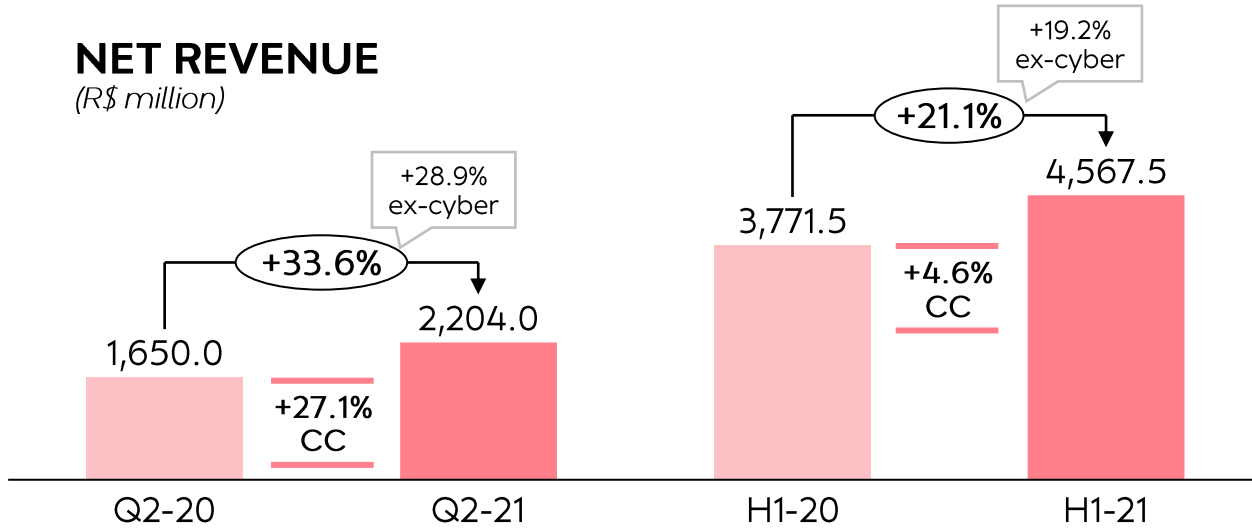
Avon International

*Financial
Performance*

Sales growth and market share gains in key beauty categories and key markets

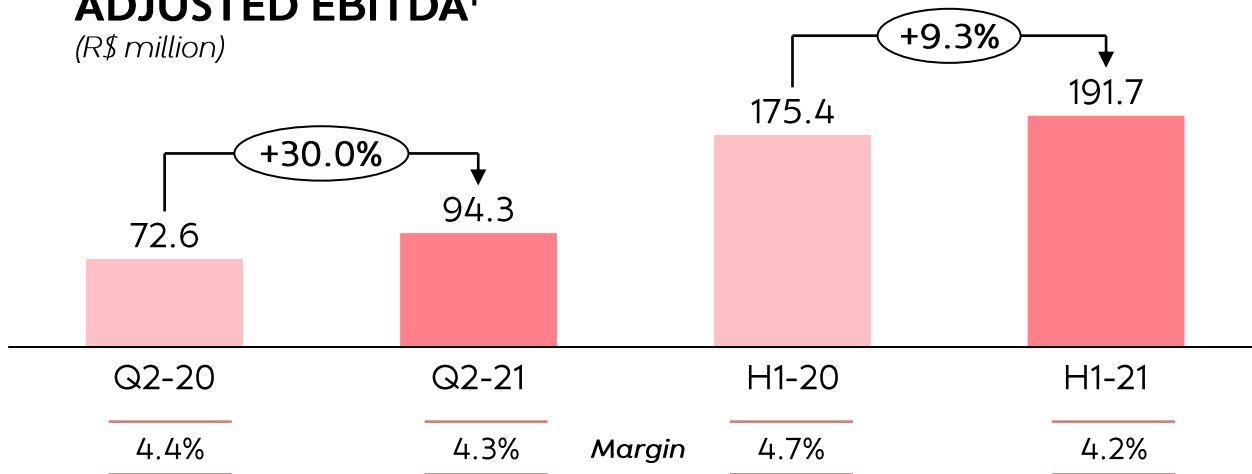
NET REVENUE

(R\$ million)



ADJUSTED EBITDA¹

(R\$ million)



Q2-21 HIGHLIGHTS

- All categories reported growth and **increase in market share**, notably **fragrance and color**
- Market share gains** in key markets such as Philippines, South Africa, Romania and Italy
- 7.4% more representatives** than prior year at end of the quarter
- Improved representative satisfaction** vs. 2020 and 2019
- Initial positive results of new commercial model **pilots**: Higher **productivity, sales growth** and number of **representatives**
- EBITDA margin for Avon International** is in line with its transformation plan targets

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 acquisition related expenses and tax credits and provisions reversals



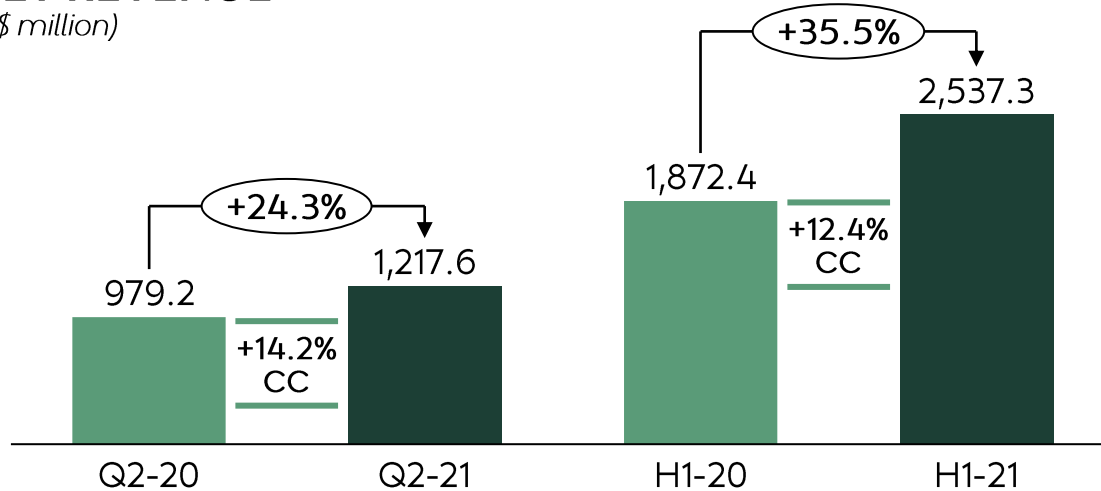
The Body Shop

*Financial
Performance*

Solid growth with UK stores reopening

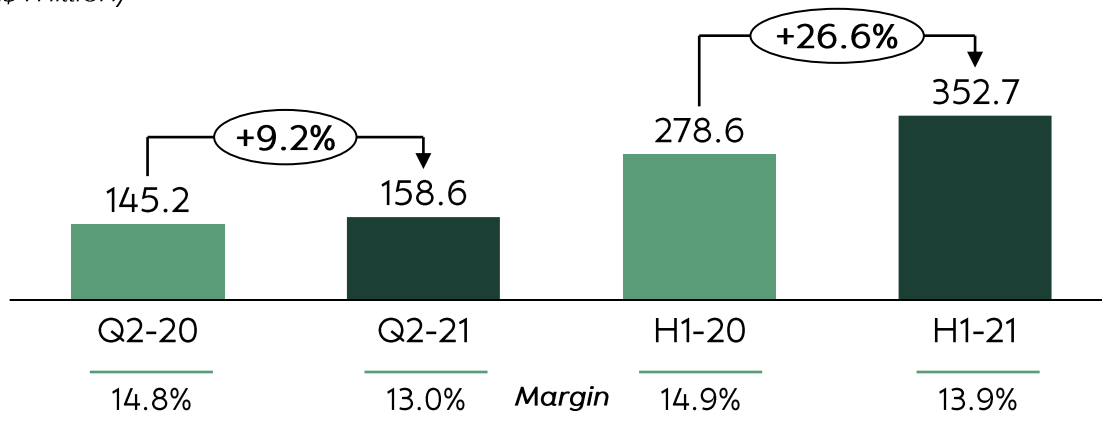
NET REVENUE

(R\$ million)



EBITDA

(R\$ million)



Q2-21 HIGHLIGHTS

- **+24.3% sales growth.** Growth in all regions as **retail stores reopened**
- E-commerce and The Body Shop at Home (TBSAH) sales are **double and three times pre-pandemic levels** (Q2-19), respectively.
- **Own store performance grew 140%** compared to Q2-20 and accounted for **42% of sales in Q2-21**, vs. 20% in Q2-20
- EBITDA margin impacted by **channel rebalancing** and **Japan buyback**
- Excluding one-off effects of cost containment and government support in Q2-20 EBITDA as a result of the pandemic, adjusted EBITDA margin this quarter **would have improved by 450 bps**

Aēsop.

Aesop

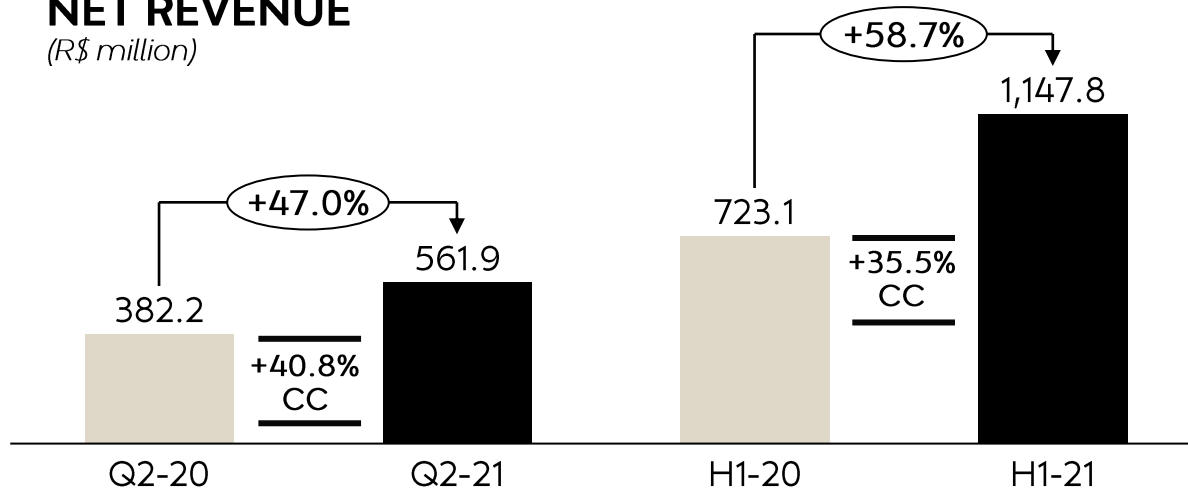
*Financial
Performance*



Continued strong growth in all regions

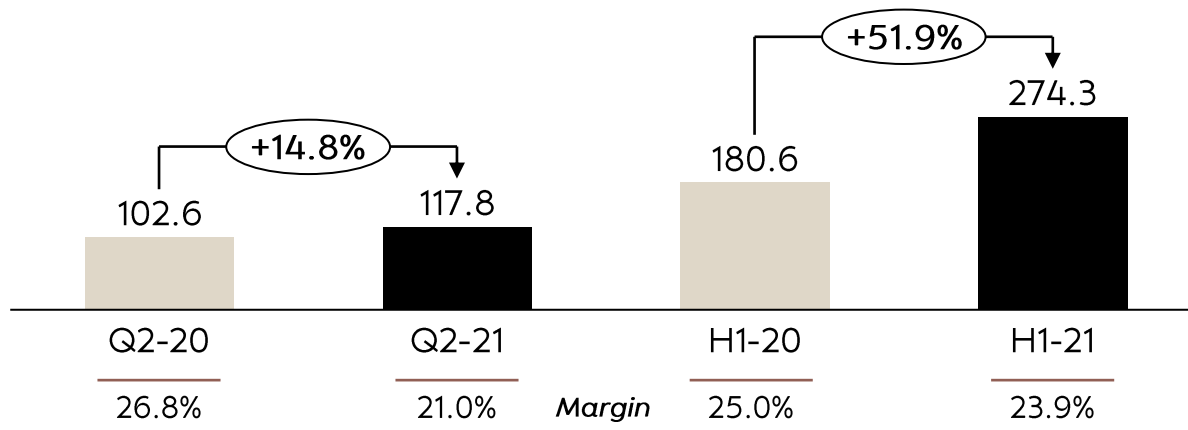
NET REVENUE

(R\$ million)



EBITDA AND EBITDA MARGIN

(R\$ million; %)



Q2-21 HIGHLIGHTS

- **Growth in all regions**, particularly in the Americas (+62%) and Asia (+54%)
- Ongoing challenges from COVID-19: About 11% lost store days due to full or partial store closures
- **Retail accounted for 78% of sales** in the quarter, with **store sales up 129%** at CC vs Q2-20
- **EBITDA margin reflected** strong revenue growth and continued investments in the business
- Excluding one-off effects of cost containment and government support in Q2-20 EBITDA as a result of the pandemic, adjusted EBITDA margin this quarter **would have improved by 90 bps**



Closing Remarks

Roberto Marques

Key Takeaways

Another quarter of strong growth

- Natura &Co again outperforms the global CFT market
- Double-digit growth across all businesses
- Strong growth in net income, supported by new gains from Avon integration

Avon integration on track

- First signs of Avon replicating Natura's turnaround in Brazil and Latam
- Avon International gaining market share; encouraging positive results of new commercial model and improvement in representatives' productivity and satisfaction

Further advances on ESG

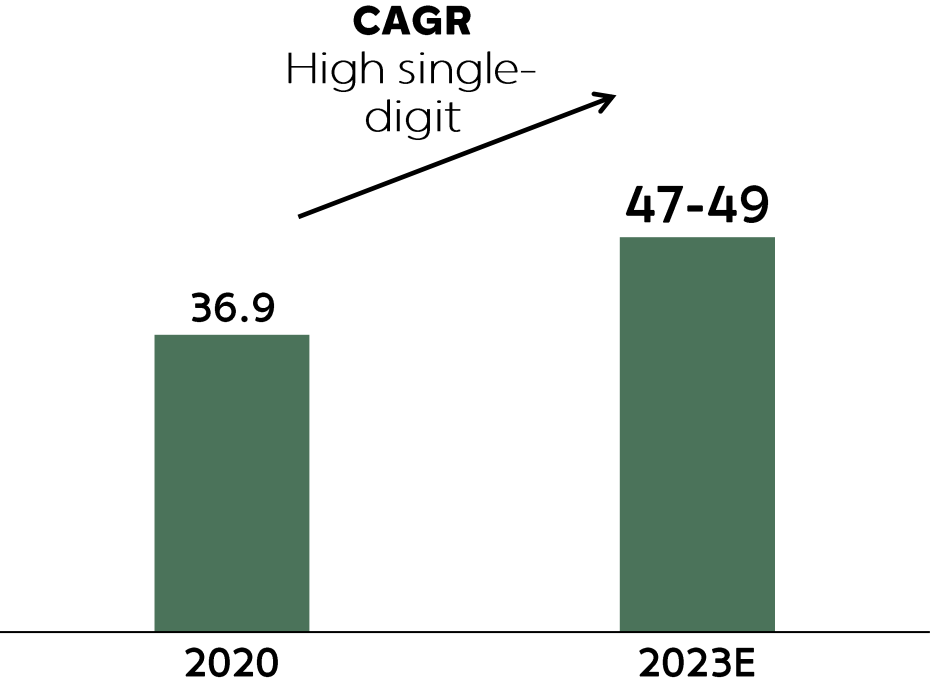
- Progress on key pillars of our Commitment to Life – 2030 Sustainability Vision
- Continued donations to causes, including to fight COVID-19

Advances in digital

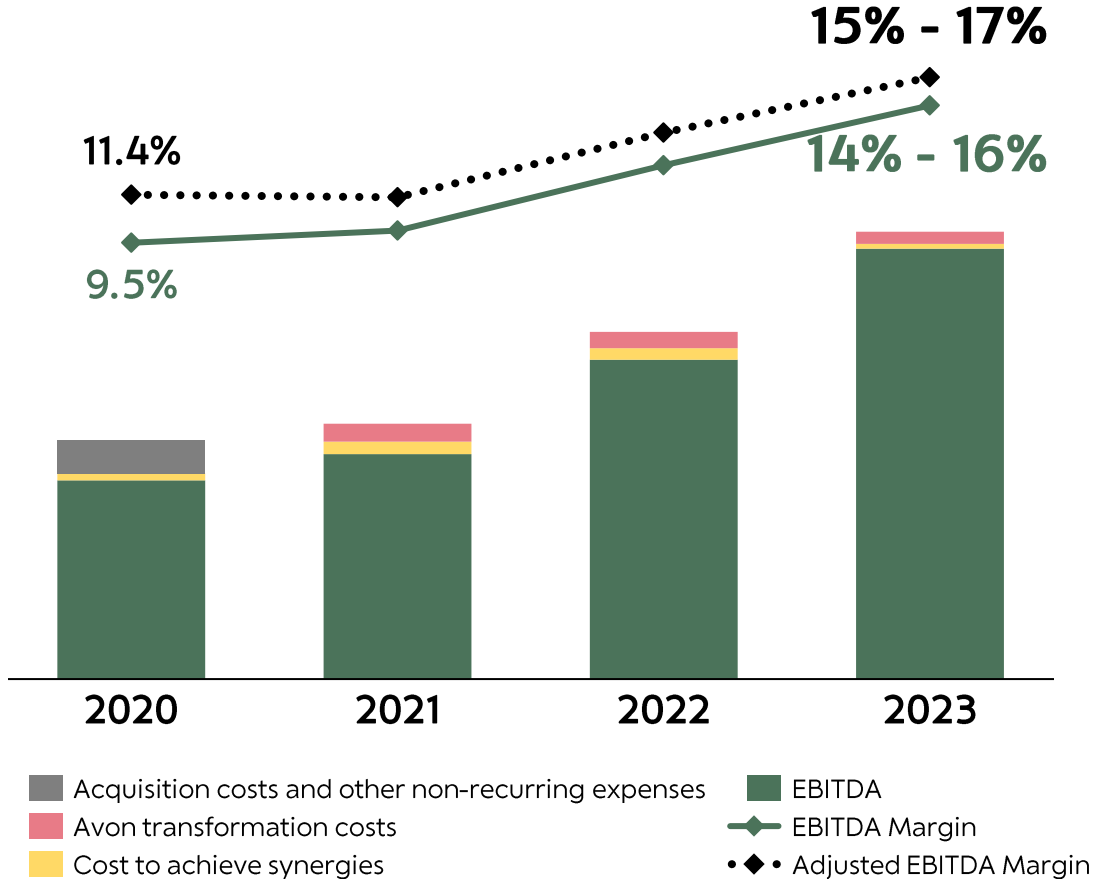
- Continued omnichannel strength: Digital significantly above pre-pandemic levels even as stores reopen

We are on track to meet our targets for 2021 and to achieve our 2023 guidance

NET REVENUE
(R\$ billion)



EBITDA MARGIN
(%)



Thank You

AVON



Aēsop.

natura & co

Apendix

Q2-21

Adjusted figures exclude the following non-operational effects

1.

Avon acquisition costs

Non-recurring costs associated with Avon acquisition, in Q2-20 and H1-20

2.

Transformation/ Integration costs

Includes:

- (i) Transformation Plan costs + Open-Up and Grow at Avon International*
- (ii) Integration costs (costs to achieve synergies)*

3.

Tax credits, recoveries and provision reversal

Non-recurring social charges provision reversal at Natura, and PIS and Cofins tax credits at Avon in Latin America in Q2-20

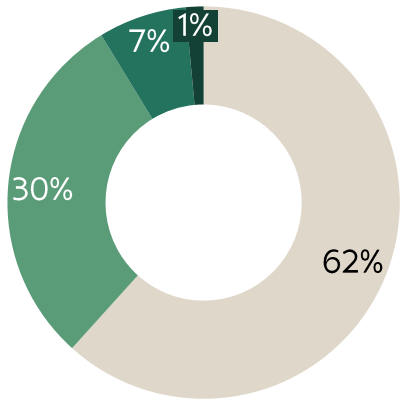
4.

Non-cash, non-recurring inventory PPA Impacts in Q1-20

Relate to non-cash adjustments to Avon's opening balance sheet, resulting from transactions that occurred in 2019

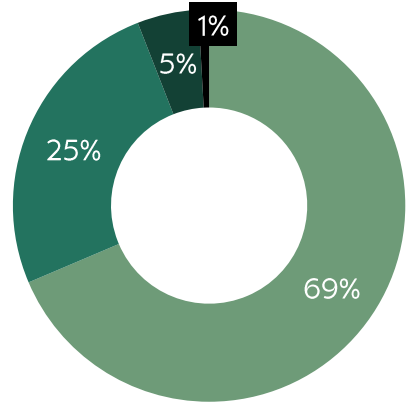
Debt profile

Q2-21 BY TYPE

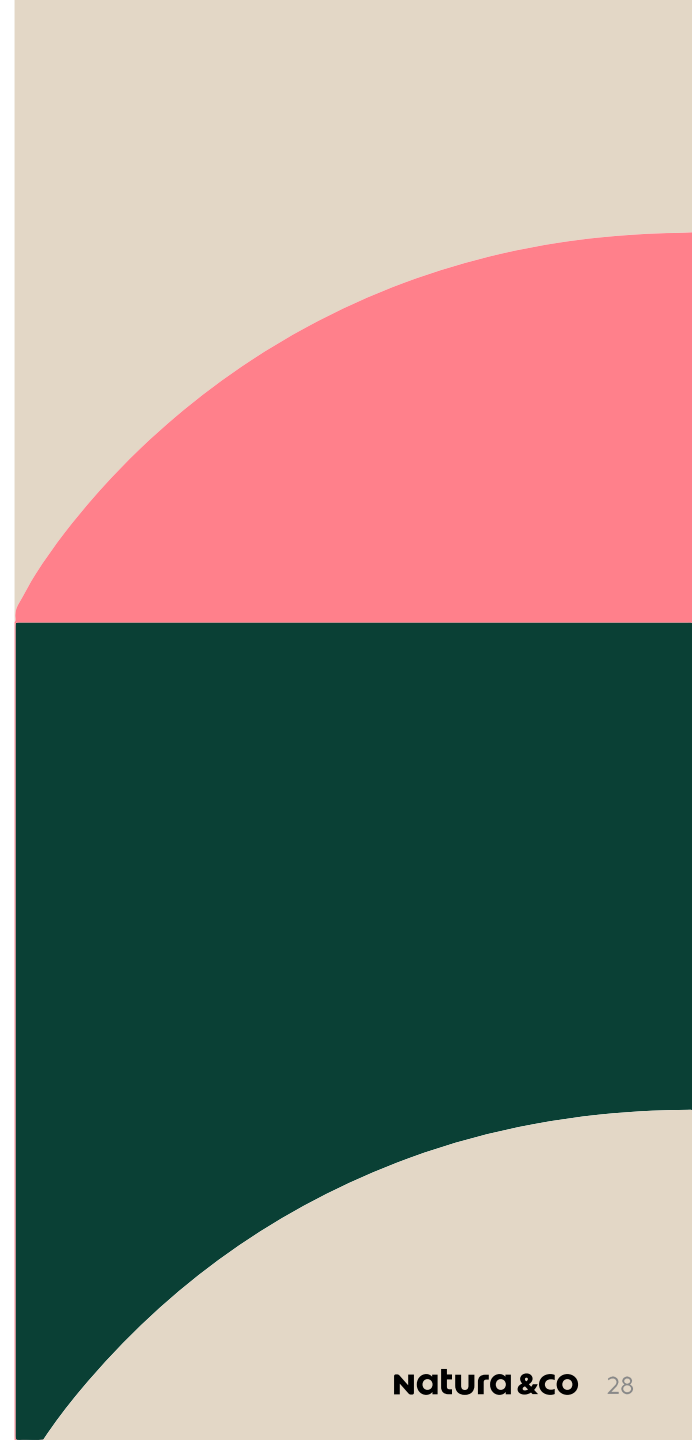


- Bonds
- Debentures
- Working Capital
- Other

Q2-21 BY CURRENCY





- BRL
- USD
- GBP
- Other



Breakdown of global net revenue by brand

NET REVENUE BY BRAND

(R\$ million)

Brand	Q2-21	Q2-20	% (R\$)	% (CC)	H1-21	H1-20	% (R\$)	% (CC)
 natura	2,933,7	2,348.5	+24.9%	26.0%	5,544,3	4,365.1	27.0%	25.4%
AVON	4,776.0	3,264.4	+46.3%	+39.8%	9,689,1	7,510.7	29.0%	+15.4%
 THE BODY SHOP	1,217.6	979.2	+24.3%	+14.2%	2,537.3	1,872.4	35.5%	12.4%
Aēsop.	561.9	382.2	+47.0%	40.8%	1,147.8	723.1	+58.7%	+35.5%
Total net revenue	9,517.2	6,987.2	+36.2%	31.7%	18,972.2	14,505.2	+30.8%	18.9%

NET REVENUE BREAKDOWN (BY BRAND)

(%)

