

Third- Quarter

2024 Results

November 8th, 2024



natura & co





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Key Highlights Performance Q3- 24

Financial Performance

- Strong top-line momentum, up 18.5% YoY and 11.3% Ex Argentina
 - **+340 bps** gross margin expansion
 - Recurring EBITDA up more than 50% YoY, with **+340bps** of recurring EBITDA margin YoY
 - Wave 2: Delivered improved profitability and cash conversion as expected
-

One-Offs and Non-Cash Impacts

- Deconsolidation of API and its subsidiaries resulted in a non-recurring, non-cash loss of ~BRL7.0bn in Disc Ops
 - **BRL 302 million** of Net income from Continued Operations
 - Any net loss that may exist in our year-end results could potentially be offset by our capital reserve with shareholder approval to allow our company to resume dividend distributions
-

ESG

- Celebrating 10 years as a B Corp and 4th consecutive recertification
- Advancing our Climate Transition Plan
- Pioneering collaboration with Nestlé Nespresso to repurpose aluminum from coffee capsules into Natura Ekos packaging

Quarterly *Results*

João Paulo Ferreira,
CEO Latin America

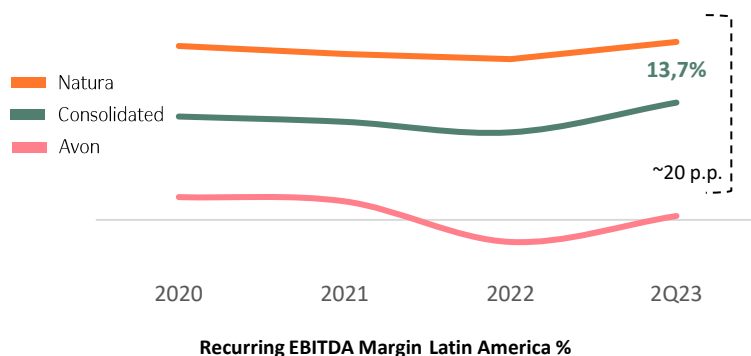
Guilherme Castellan,
CFO

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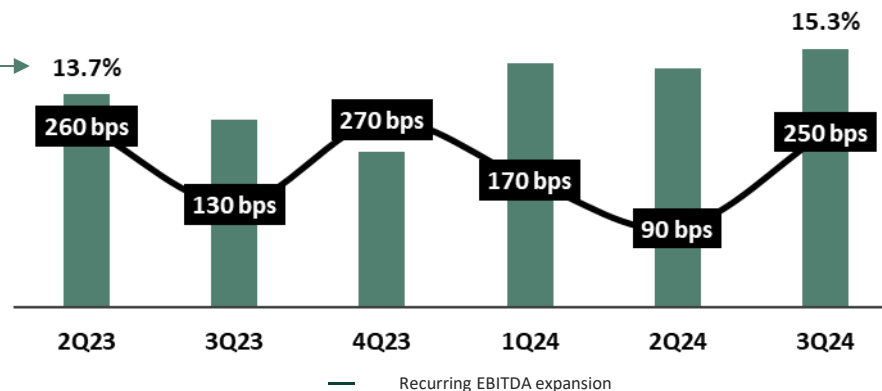
Wave 2 Status: Meaningful margin expansion

Objective Recap



- Channel combination focused on productivity
- Portfolio optimization
- Efficiencies in SG&A integration

What's been done



- Solid margin expansion from Wave 2 implemented countries, while ...
- ... beauty consultants was reduced, as expected, and temporally top-line volatility was experienced

Ongoing actions

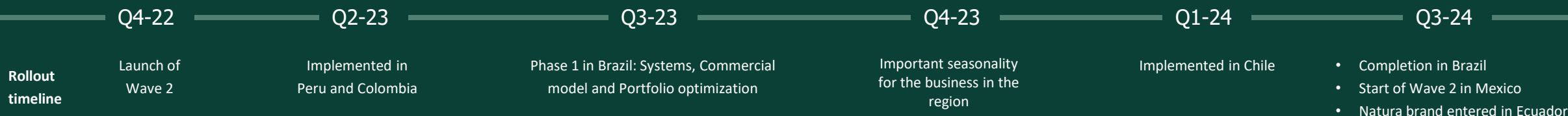
Mexico:

- Initiated integration of commercial platform
- Wave 2 rollout to continue through 2025

Argentina:

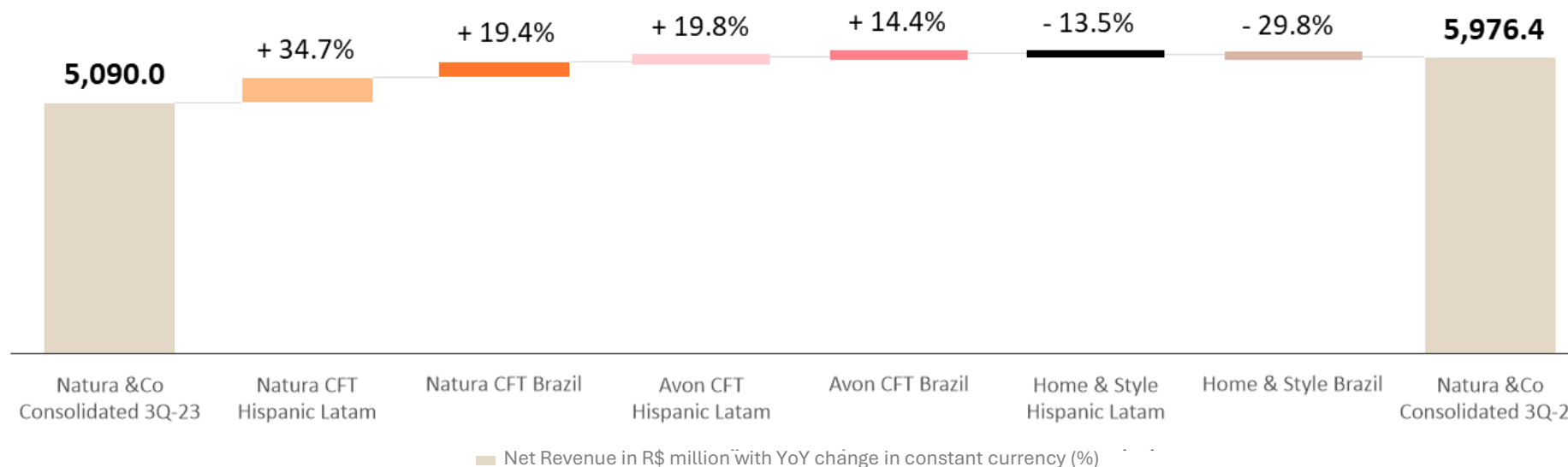
- Wave 2 launch next year

Wave 2 Timeline



Net Revenue up 18.5% YoY in CC fueled by strategic investments

Net Revenue (BRL million)



Natura CFT

Brazil:

- Productivity and volume gains post-single checkout implementation
- Better service level and product innovation

Hispanic:

- Accelerated performance driven by Wave 2 countries
- Mexico kept growing despite platform changes

Avon CFT

Brazil:

- Softer comp base
- Increased productivity after single checkout launch

Hispanic:

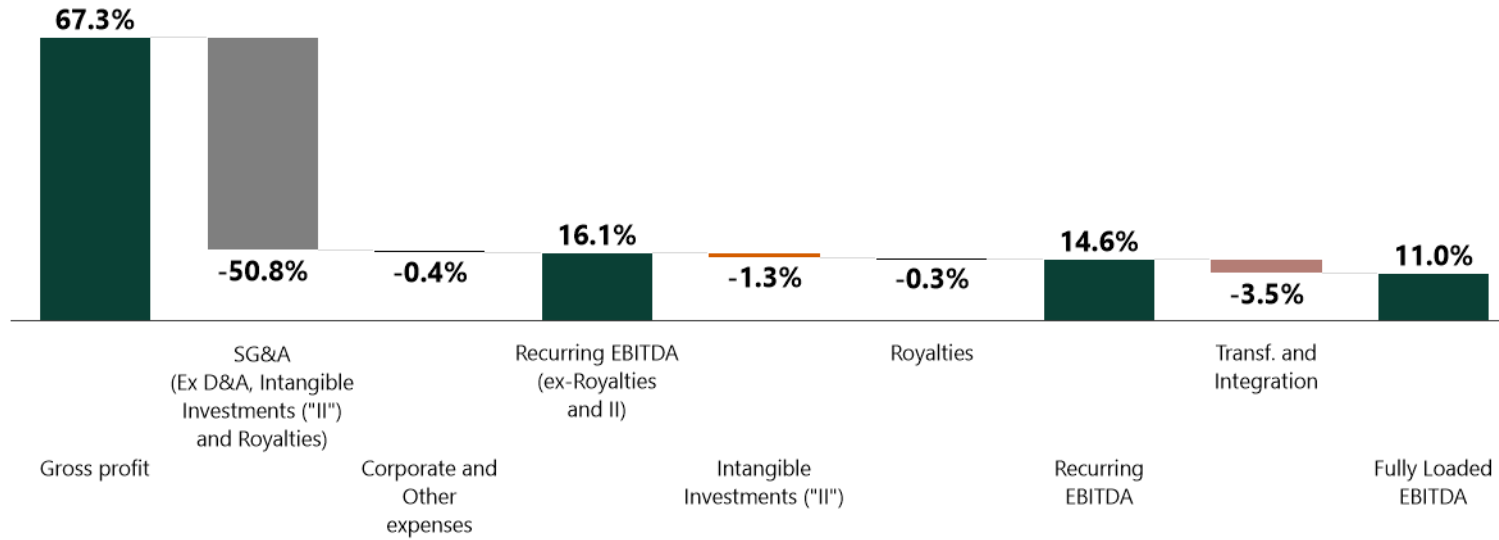
- -2.7% Ex-Argentina,
- Top line recovery despite ongoing channel reductions
- Softer comp base

Home & Style

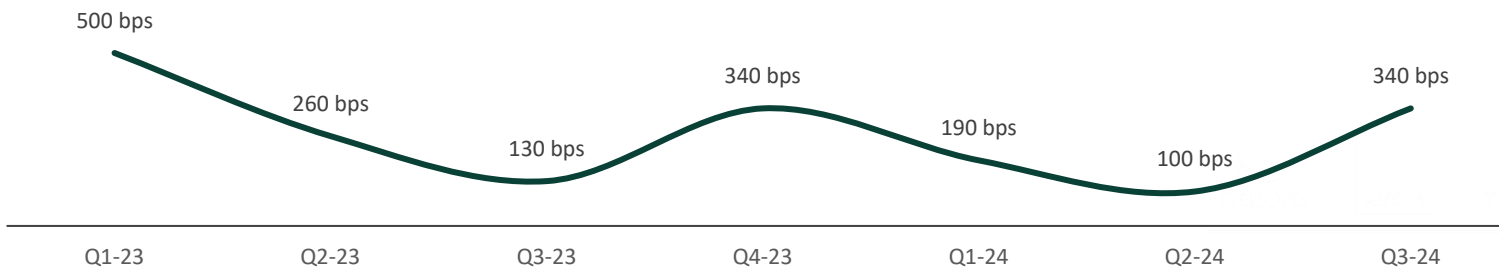
- Lesser YoY decline from Q2-24 due to a lower comp base
- Stable QoQ performance

Recurring EBITDA up 52% YoY

Gross profit to Fully Loaded EBITDA bridge (%)



EBITDA Recurring Margin expansion YoY (%)



Highlights

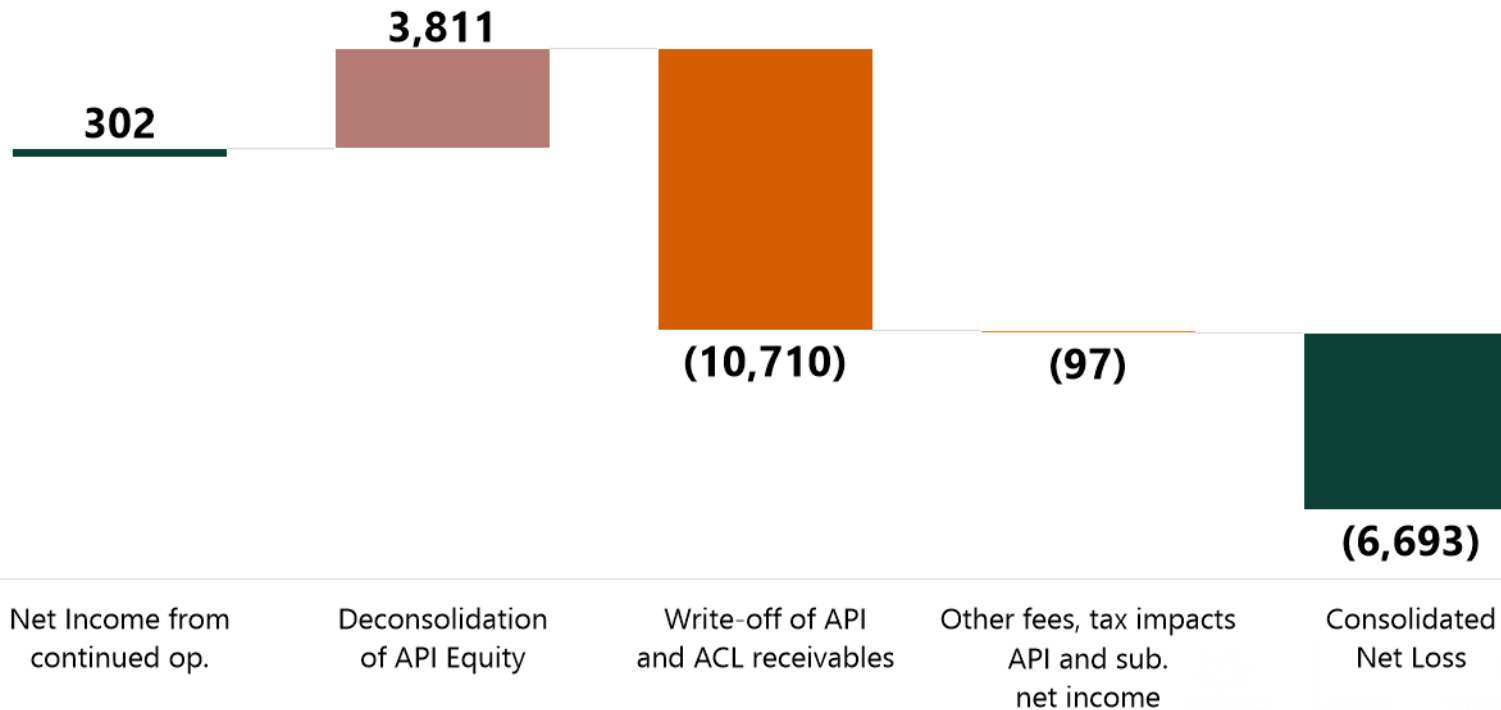
+340 bps

Gross margin expansion

- Operating leverage
 - Improved execution of price & promotion dynamics
 - Richer country mix
 - Higher exposure to Natura brand
- G&A, logistics, and credit & collection efficiencies, reinvested in marketing and other strategic projects
 - 43% YoY drop in corporate expenses

Discontinued Operations

(BRL million)



Highlights

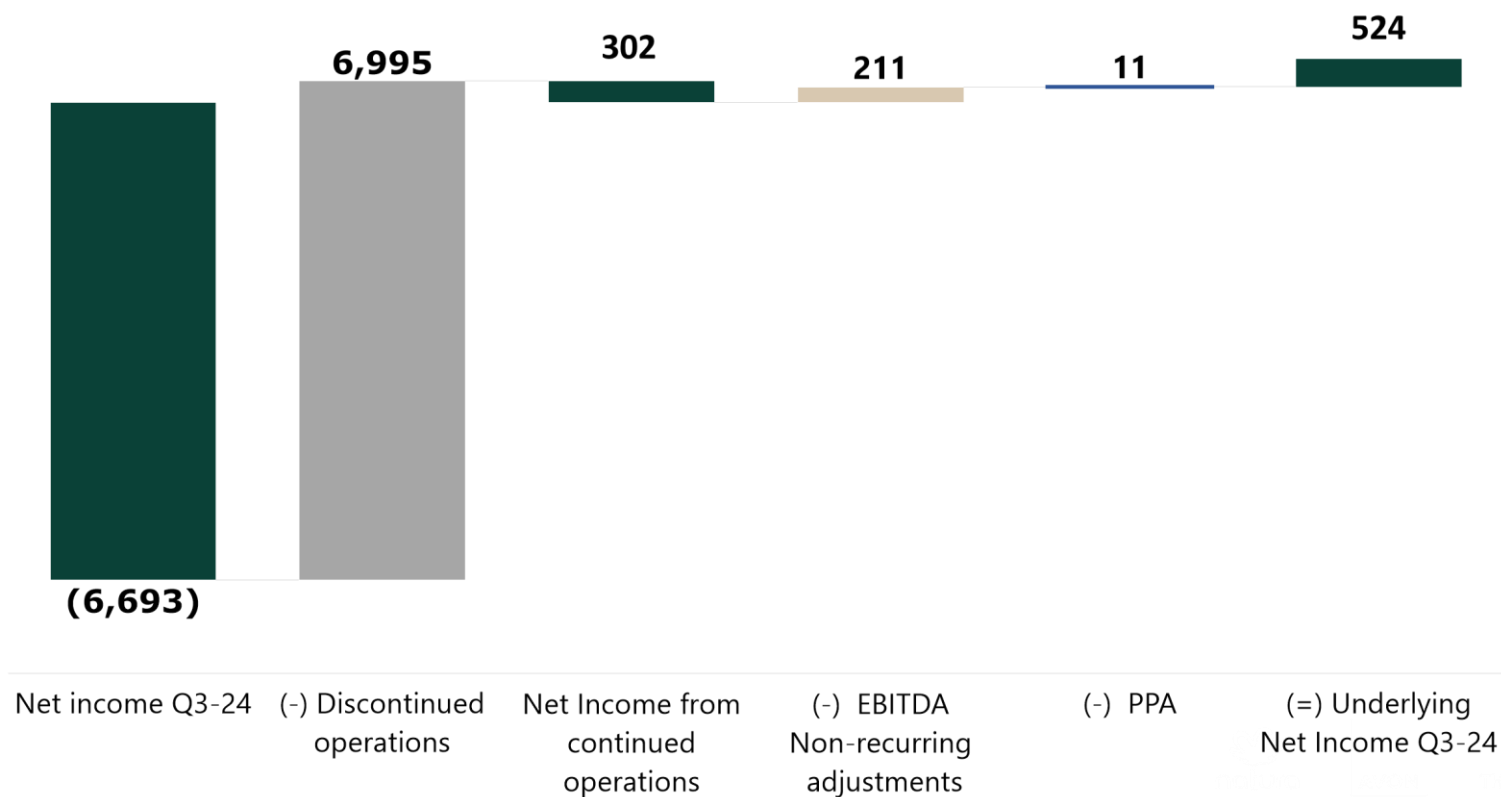
BRL 6,995 million Disc Ops non-cash, non-operational effects from deconsolidation of API

Main impacts

- **BRL +3,8 bn:** deconsolidation of API's negative shareholder equity
- **BRL -10,7 bn:** Write-offs receivables API and ACL
- **BRL -97 mn:** Other effects, including loss from Avon International from July to mid-August 2024

Underlying Net Income (UNI) and Net Income

(BRL million)



Highlights

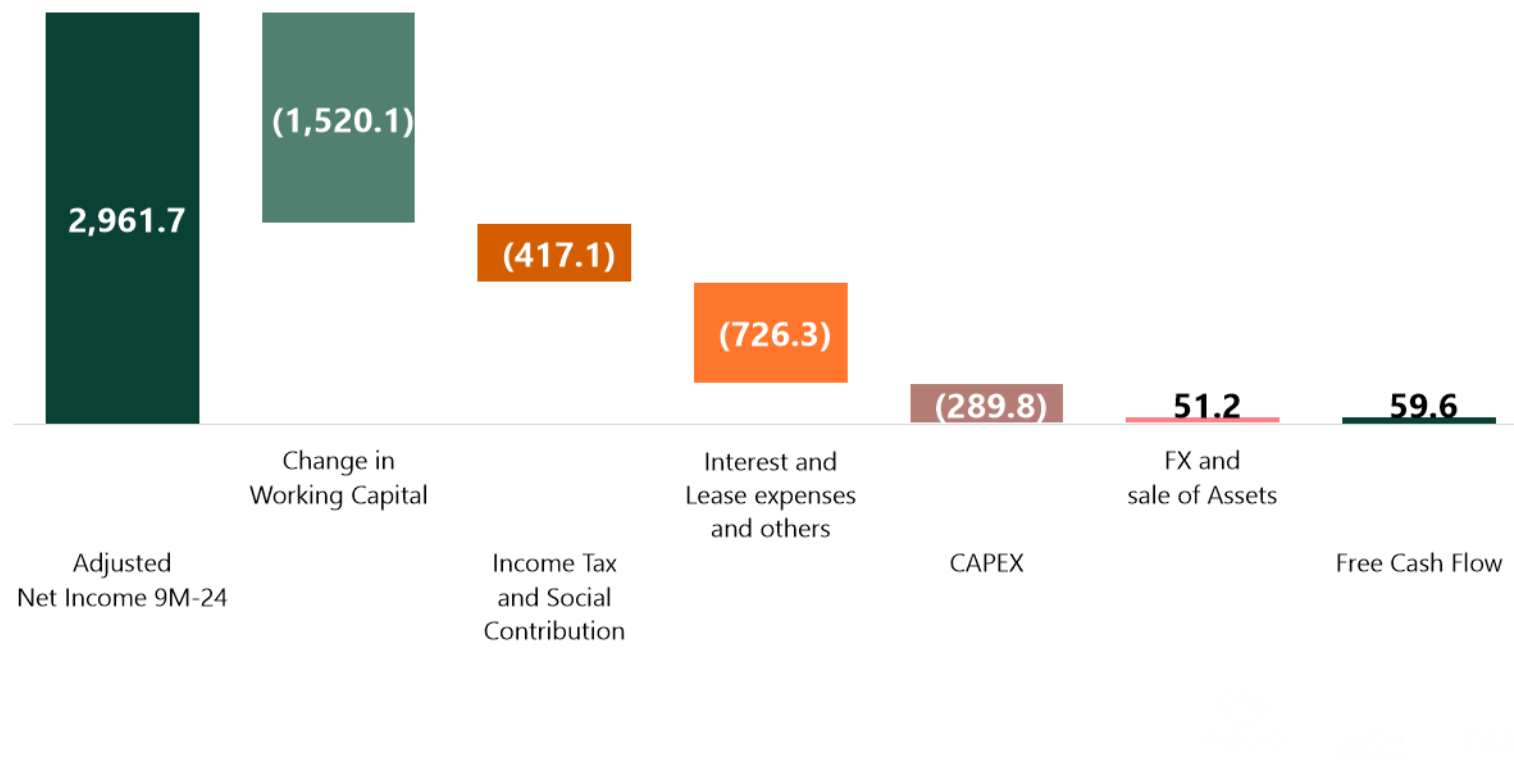
Underlying net income
BRL +524 million in Q3-24
vs BRL +1,135 million pro forma Q3-23

Key Factors

- EBIT improvement: BRL +320 million YoY
- Higher net financial expenses (from net cash to expected net debt)
- Increased income tax expenses, which in Q3-23 was benefited by IoE payment from Natura Cosméticos to Natura &Co

Cash Flow

(BRL million)



Highlights

Free cash flow from continuing operations was BRL +60 million in 9M-24 vs BRL -1.9 billion in 9M-23, which was impacted by non-underlying liability management outflow (BRL -1,499 million)

This increase was mainly driven by:

- Better working capital dynamics
- Lower cash outflow from interest on debt
- Lower Capex benefited from the investments in intangibles that were booked in Opex

Indebtedness

BRL
3.3 billion

Cash balance at
period-end

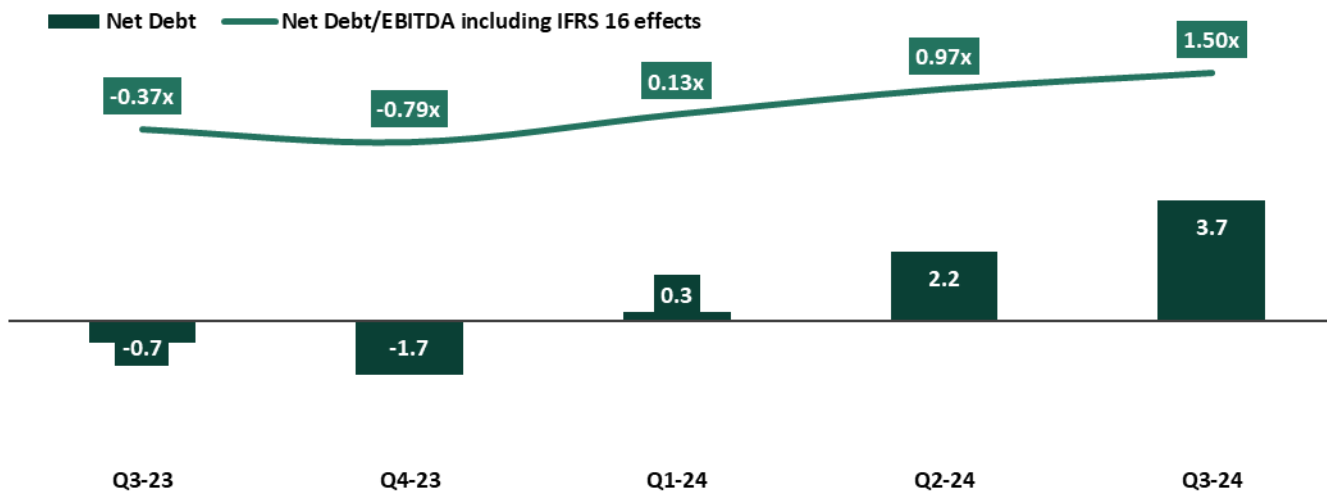
1.50x

Group net
debt-to-EBITDA

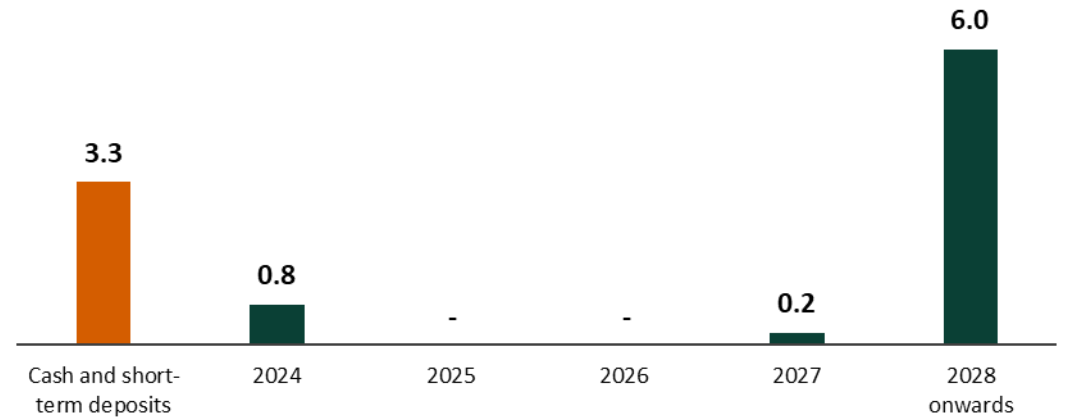
Liability management

- Repurchase of BRL 500 mn commercial notes due Sep/25
- 13th debenture issued to finance this and BRL 826 mn repurchased by Q2-24 maturing Jul/29
- Brazil's first SLB linked to Amazon bio-ingredient

Net debt (BRL billion) and net debt-to-EBITDA ratio (x)



Amortization schedule (BRL billion)



Closing *Remarks*

Fábio Barbosa,
CEO

natura &co



Key Takeaways

Streamlining process

- Company's streamlining process progressing
- Remains management's ultimate goal

Wave 2

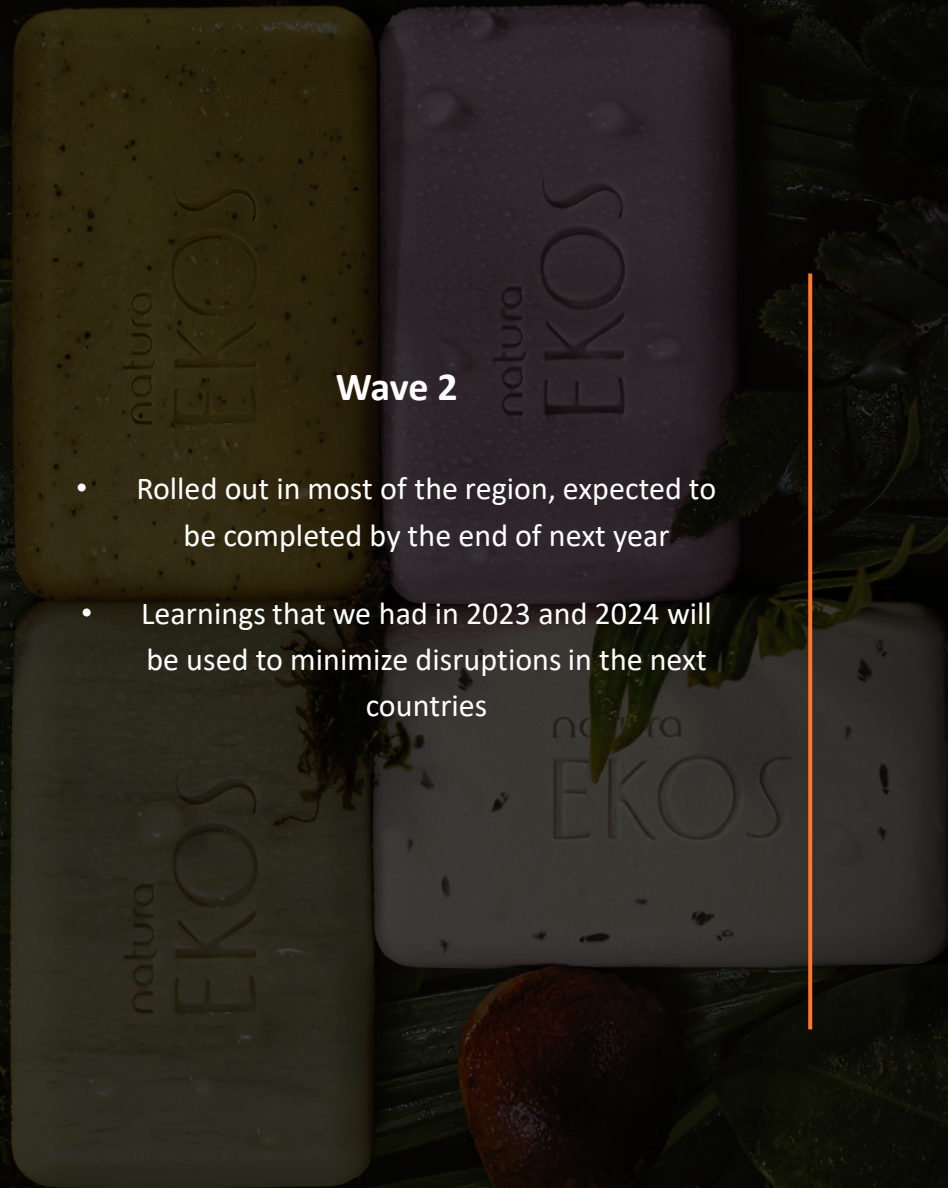
- Rolled out in most of the region, expected to be completed by the end of next year
- Learnings that we had in 2023 and 2024 will be used to minimize disruptions in the next countries

Key strategic projects

- Healthy and diverse channel
- Consumer-centric innovations
- Strong brands admired by all stakeholders

Unlocking sustainable
shareholder value ...

...through our triple-bottom-
line agenda



Thank
You

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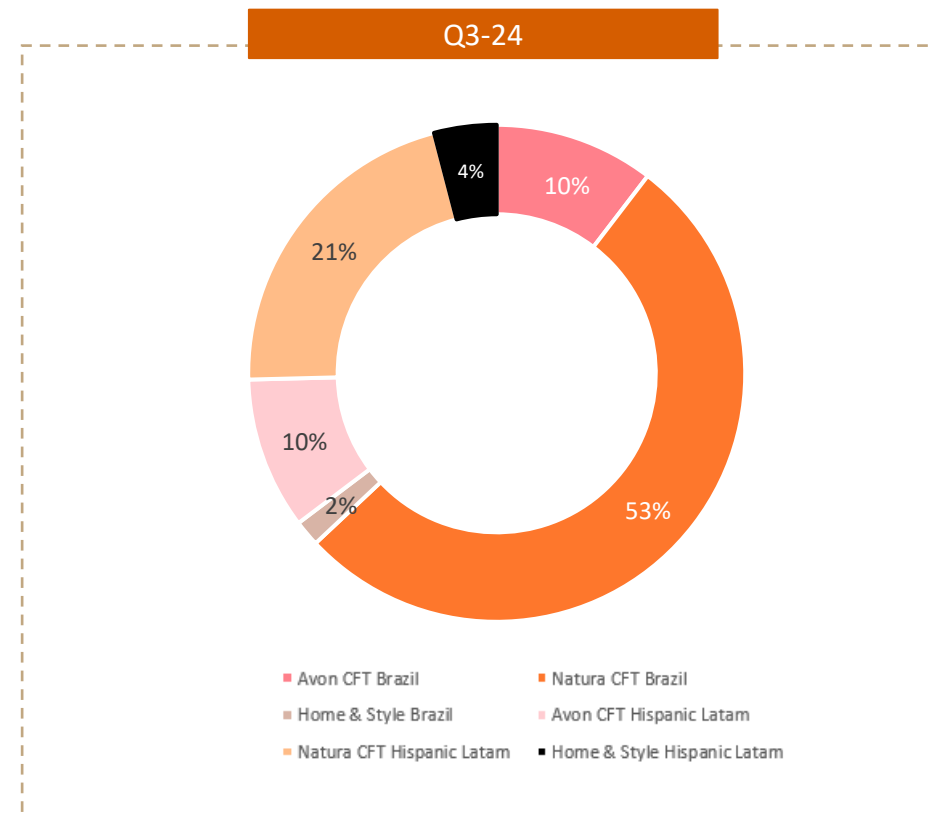
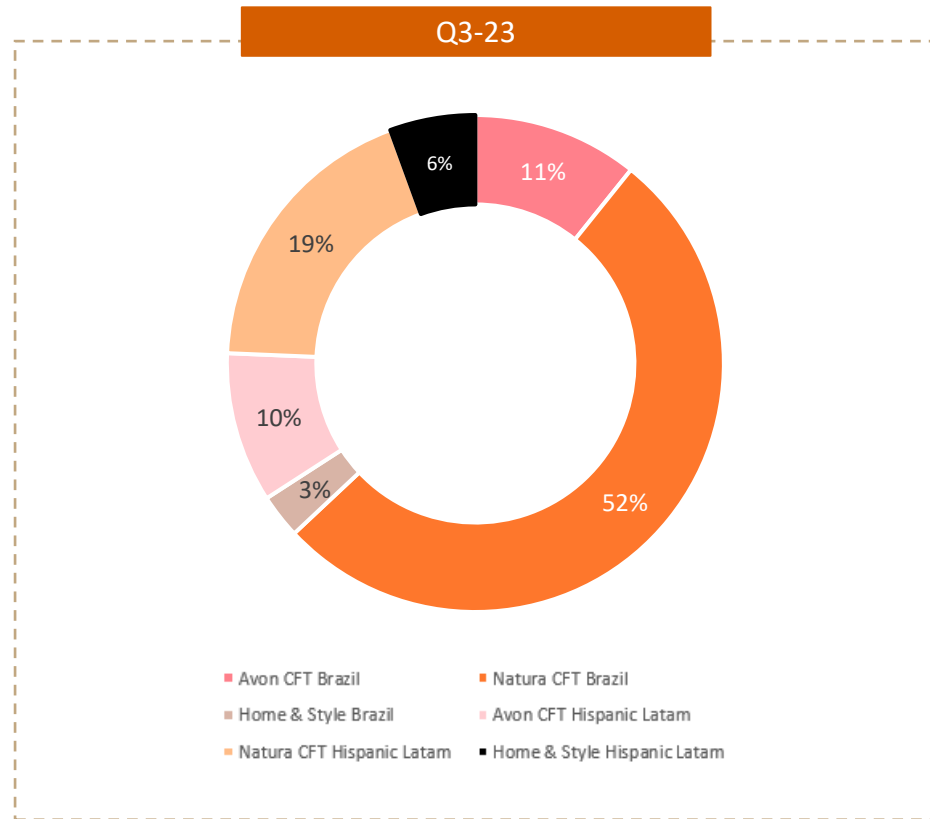

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Segment *Breakdown*



Debt Profile

