



BeFra

First Quarter 2026 Earnings Conference Call

April 23, 2026

C O R P O R A T E P A R T I C I P A N T S

Andres Campos, *President and Chief Executive Officer*

Raúl del Villar, *Chief Financial Officer*

C O N F E R E N C E C A L L P A R T I C I P A N T S

Eric Beder, *SCC Research*

Cristina Fernández, *Telsey Advisory Group*

PRESENTATION

Operator

Thank you and welcome to BeFra's First Quarter 2026 Earnings Conference Call.

Before BeFra's management begins their prepared remarks, please note the disclaimer regarding forward-looking statements on Slide 2, to remind participants that this call may contain forward-looking statements, which are subject to various risks and uncertainties that could cause actual results to differ materially from expectations.

Please consider these statements alongside the cautionary language and Safe Harbor statement in today's earnings release, as well as the risk factors outlined in BeFra's SEC filings. BeFra undertakes no obligation to update any forward-looking statements.

A reconciliation of and other information regarding non-GAAP financial measures discussed on this call can be found in the earnings release published earlier today, as well as the Investors section of the Company's website.

Present on today's call are BeFra's President and Chief Executive Officer, Andrés Campos, and Chief Financial Officer, Raúl del Villar.

Now, I would like to turn the call over to Mr. Campos. Please go ahead, sir.

Andres Campos

Thank you, Operator, and good afternoon, everyone. Thank you for joining our call today.

First, I'd like to introduce Raúl del Villar, our new CFO. Raúl brings more than 30 years of experience in senior finance roles within multinational consumer companies, playing strategic roles in expanding their brand portfolios and entering new geographic markets, both of which are integral to BeFra's own growth strategy. His experience and leadership will be instrumental in supporting our growth objectives.

Turning to key highlights on Slide 4. We delivered slight revenue growth of 0.3% year-over-year and EBITDA growth of 14% year-over-year, expanding our EBITDA margin from 15.3% to 17.4%, supported by improving profitability across all of our business units.

Net income and free cash flow remain strong and reflect a more normalized quarter, without the extraordinary effects seen last year.

Turning to Slide 5, we continue to diversify our revenue mix in terms of brands and geographies. We expect this trend to accelerate once we receive regulatory approval of the Tupperware transaction, which we expect to happen in Q2. In addition to significantly diversifying our revenue and giving us entry into the Brazilian market, this new brand will be immediately earnings accretive, contributing an estimated 40% to earnings per share.

Looking at revenue on a quarter-on-quarter basis, I'd like to highlight the early success of Betterware's expansion into Ecuador and its improving performance in Guatemala, the contributions of which increased from 0.1% to 0.7% of total revenue over the past year. We expect this share to continue growing as the business scales in the region.

Now, I will hand the call over to Raúl so he can explain BeFra's key financials in detail.

Raúl del Villar

Thank you, Andres. Very excited to be part of the team.

Let's turn to Slide 6. Contributing to the 0.3% year-over-year increase in revenue was Betterware, which grew 2.6% despite one less week in the quarter, and which benefited from its geographic expansion. Improving trends at Jafra U.S. also contributed to BeFra's top line growth, which was partially offset by lower sales at Jafra Mexico.

Looking at the associate base, we are beginning to see the impact of targeted initiatives, with Betterware's base returning to growth. Although Jafra Mexico's associate base declined as a result of our focus on productivity, we are now shifting toward initiatives aimed at attraction and retention, which we expect to begin showing results in Q2. Overall, these trends demonstrate improving momentum across both businesses and position us well for sustained growth.

On Slide 7, EBITDA performance reflects a clear improvement in profitability across our business units, with margin expanding 211 basis points to 17.4%.

It is important to note that extraordinary expenses related to Tupperware's transaction impacted the margin. Without these expenses, margin would have been approximately 18.4%.

On the right-hand side of the slide, net income accelerated, nearly doubling year-over-year, reflecting a return to more normalized profitability levels following the extraordinary expenses recorded in the prior year, as well as lower interest expenses. Overall, BeFra's improving profitability embodies our fifth strategic pillar of maintaining financial discipline.

Turning to the next slide, free cash flow normalized during the quarter converting 58% of EBITDA into cash, supported by stronger underlying profitability and continued discipline in working capital management, particularly with respect to inventory.

This will enable us to pay our twenty-fifth consecutive quarterly dividend since going public, which the Board has proposed at 200 million pesos, subject to shareholder approval.

Dividend payments remain aligned with our disciplined capital allocation framework, maintaining a 33% trailing twelve-month dividend-to-EBITDA ratio, while also using the cash we generate to further reduce debt leverage and continue investing in geographic expansion.

Slide 9 summarizes BeFra's financial strength.

Total debt continued falling, with net debt to EBITDA improving to 1.5 times. Following the completion of the Tupperware transaction, we expect our leverage ratio to increase to approximately 1.9 times, with the aim of maintaining healthy leverage levels. As you can see in the chart at the left of the slide, we successfully reduced leverage from 2.4-times at year end of 2022 and 3.1-times at the time of the Jafra acquisition to current levels.

Our asset-light model remains a key source of resilience, with ROTA improving to 22.7%, demonstrating greater capital efficiency and stronger profitability.

On the right-hand side, you can see that returns also strengthened versus last year's quarter, with ROIC increasing to 27% and EPS reaching 31.9 Mexican pesos on a trailing basis, reflecting a stronger earnings profile.

Overall, we are not only improving profitability, but also translating these gains into stronger results, a healthier balance sheet, and higher returns on capital, while enabling us to continue funding initiatives across our five strategic pillars.

I will now pass the call back to Andres, who will talk more about each brand's performance, as well as provide an update on the strategic pillars.

Andres Campos

Thank you, Raúl.

Turning to Slide 10 - As in previous quarters, we continue advancing across our five strategic pillars, which define the next stage of BeFra's evolution.

First, strengthen our leadership in Mexico with our Betterware and Jafra brands. Second, continue our regional expansion, driving Jafra's growth in the U.S. and selectively expanding across LATAM. Third, develop or acquire new brands and/or product categories. Fourth, further advance our digital transformation. And finally, maintain strict financial discipline, prioritizing profitability, cash generation, and a strong balance sheet as the foundation of sustainable long-term growth. These pillars remain the framework guiding our strategic decisions and capital allocation going forward.

On Slide 11 is the first pillar, strengthening our leadership in the Mexican Market.

Starting with Betterware on the next slide, the business delivered a solid start to the year, with improving commercial momentum. We are seeing a clear inflection point in the associate base, which has returned to growth and is beginning to rebuild scale. This represents an important milestone, as it supports the recovery in revenue and reinforces the strength of our commercial model going forward.

It is important to note that the quarter had one fewer week compared to last year, which affected reported growth. On a comparable basis, revenue growth would have been approximately 3.3%. Additionally, although Latin America currently represents only 1.7% of Betterware's total revenue, it is expected to continue expanding as we further scale our regional operations.

On the right-hand side of the slide, EBITDA margin improved significantly by 190 basis points to 20.5%, with EBITDA increasing 12.9% year-over-year, driven by disciplined cost management and solid execution. Gross margin remained stable despite external pressures.

On Slide 13, we highlight the progress we are making against the strategic initiatives outlined for 2026.

As a reminder, our key priorities for 2026 include innovation, catalog redesign, enhanced associate service, new technology capabilities, and a new payment system.

Starting with innovation, we are seeing strong performance from our new fast-consumption product line called "Better Klin Tabs", and as we continue to expand into higher-frequency consumption categories.

On catalog redesign, our new catalog format is progressing well and is set to launch in the second half of the year.

In terms of associate service, we are currently piloting a new segmentation within our incentive program, aimed at enhancing engagement and driving activity, with a broader rollout expected in the third quarter.

On the technology front, we have introduced new analytical capabilities and are advancing the development of new B+ app features, alongside the implementation of our Salesforce CRM, expected to launch in Q2.

Finally, regarding our payment system, we are in the pilot phase, with ongoing testing and analysis as we prepare for a full rollout during the second half of the year.

Overall, we are making solid progress in executing our 2026 priorities, reinforcing the foundations for sustainable growth.

On Slide 14, Jafra Mexico's quarter reflects a temporary moderation in revenue growth.

This was mainly driven by a shift in focus towards productivity of the existing consultant base, which ended up undermining base expansion. We recently implemented initiatives to rebalance our focus on capturing associate growth which we expect to see results during the second quarter.

It is important to mention that according to the latest market reports for 2025, we have reached the number two position in the beauty market in Mexico within the direct selling channel, up from number four at the time of Jafra's acquisition in 2022. Additionally, we now rank number seven in the overall beauty market in Mexico, across all distribution channels.

On the profitability side, the business delivered strong improvement increasing EBITDA margin by 165 basis points to 17%, supported by better cost management, benefits of restructuring initiatives implemented last year, and lower extraordinary expenses.

Moving on to the next slide, Jafra Mexico is also making solid progress in executing its 2026 priorities.

Starting with innovation, we return from renovation to innovation, highlighted by the launch of the new Stitch sunblock through our partnership with Disney among other innovations, as we continue to expand our portfolio and refresh key categories.

On sample trial initiatives, we have introduced increasing quantities of sensorial sampling, enhancing the product experience for consultants and customers.

Regarding subscription models, we launched our new subscription plan in March, which is already showing early traction and supporting retention.

In terms of associate incentives, we are advancing our segmentation strategy, with new structures designed to better address different associate profiles, with further rollout expected in Q3.

Finally, on the Jafra+ platform, we are progressing with the implementation of our new CRM expected in Q2, and the Jafra+ app, which is set to launch in Q3.

Overall, these actions position Jafra Mexico to transition into its next phase of growth.

On Slide 16, we highlight our second strategic pillar, which is Regional Expansion.

Turning to Slide 17, the business continues to show significant progress in the U.S., with net revenue, in U.S. dollars, increasing 8.6%, supported by an expanding associate base growing 3.4% year on year and improved productivity.

At the same time, profitability improved meaningfully, driven by disciplined cost management. Importantly, excluding extraordinary legal expenses, EBITDA would have been positive, with a margin of approximately 2.6%, showcasing the increasing strength and independence of our Jafra U.S. business.

Turning to Slide 18, we are pleased to announce the launch of Betterware Colombia.

This marks an important milestone in our regional expansion strategy, further strengthening our presence in the Andean region. Building on the success we have seen in Ecuador.

Turning to Slide 19, our operations in the Andean region and Central America continue to show strong momentum.

Both the Andean region and Guatemala remain on a sustained growth trajectory, supported by continued expansion of the associate base.

In the Andean region, we have reached approximately 14,000 associates, reflecting solid progress in building scale in a relatively short period of time.

In Guatemala, the associate base has also continued to expand, reaching approximately 2,200 associates, demonstrating strong traction and growing engagement in the market.

While these markets continue to scale rapidly, they still represent a small portion of total revenue, accounting for 0.7% of the Group's revenue and 1.7% of the Betterware brand.

Turning to Slide 20. We continue advancing on our strategy of incorporating new brands and categories that complement our portfolio.

We announced the acquisition of Tupperware on January 19, and we continue to await approval from the Antitrust Authority in Mexico, which we expect during the second quarter of 2026.

We see significant potential in the Tupperware transaction, as it is highly accretive and strategically positions us to penetrate the far larger Brazilian market, while this iconic brand provides additional expansion opportunities across the region.

Turning to Slide 21, our digital transformation continues to be a strategic imperative and a key enabler across all our strategic growth pillars. Our main objective on this front remains accelerating growth through a digital platform that maximizes the sale opportunity of every person-to-person interaction.

On Slide 22, we outline our digital transformation across three main pillars.

First, growing the business for our distributors and associates.

We are focused on enhancing our Associates' and Distributors' digital capabilities, with the first phase of trials underway to equip them to better leverage digital tools and drive performance with the use of our platforms.

Second, digitizing BeFra's core operations.

This includes customer service automation, and end-to-end automation of commercial processes by implementing a CRM with Salesforce and a new artificial intelligence committee.

And third, leveraging our data with initiatives like our new Betterware+ analytics platform, which helps us improve all of our digital tools.

Finally, our fifth pillar, financial discipline and control, which remains the backbone of our strategy. It continues to guide how we allocate capital and operate across the organization, enabling us to grow while preserving the strength of our balance sheet, even in volatile operating environments. We remain firmly focused on tight cost management, efficient inventory control and working capital execution, and on maintaining a prudent leverage profile. Financial discipline is not just a pillar of our strategy; it is embedded in how we operate every day. We are sure that with Raul's leadership and experience we will continue to maintain and improve our strong financial discipline.

With this in mind, we began 2026 with a solid performance, reflecting improving momentum across our business units and continued progress in strengthening our commercial and operational execution. While revenue growth at the group level remained modest due to a temporary slowdown in Jafra Mexico, all other business units delivered strong momentum.

Additionally, profitability improved meaningfully, supported by better operating efficiencies and disciplined cost management, with all business units contributing to this improvement.

At the same time, our expansion strategy continues to gain traction, with renewed momentum at Jafra U.S. and sustained growth across our Andean and Central America operations, including the successful launch of Betterware Colombia. Looking ahead, we continue to advance on the Tupperware transaction, actively preparing for its integration and achieving the value creation opportunities it represents, while we await regulatory approval.

BeFra today stands as a stronger, more diversified, and well-positioned group, with a clear roadmap for long-term value creation and the start of 2026 reflects a solid footstep into that future.

With that, I will pass the call back to our operator for any questions you may have. Thank you.

Operator

Thank you. We will now begin the question-and-answer session. To ask a question, dial in by phone and press star, then one on your telephone keypad. Make sure your mute function is off. If you are using a speakerphone, please pick up your handset before pressing the star keys. To withdraw your question, press star, then two. At this time, we will pause momentarily to assemble our roster.

Our first question is from Eric Beder with SCC Research. Please proceed.

Eric Beder

Good afternoon.

Andres Campos

Hi, Eric. How are you?

Eric Beder

I'm good. How are you doing?

Andres Campos

Good, thanks.

Eric Beder

Can we talk a little bit about the state of Mexican consumer? I know that Q1 last year was a bit of a shock to them. And kind of how are you seeing them now and what are they kind of looking out for right now in terms of their purchases going forward?

Eric Beder

What is the state of the Mexican consumer right now? I know last Q1 it was affected by tariffs. What are we seeing now and what the Mexican consumer is looking for and how you guys are changing and shifting for that?

Andres Campos

Thank you, Eric, that was clear. We are seeing a slight rebound in consumption in the first quarter. Consumption growth has been decreasing for the past, as you know, three or four years. And we hit the

lowest growth last year with about a 1.1% growth in consumption. And this year the expectation is 1.6%, so it's a little rebound. And we are seeing in private consumption up to January and February a slight rebound. So, it's not a huge rebound, it's a slight rebound. But this helps to change the trajectory in the Mexican consumer and consumption in general. We think this is good news and we hope to continue seeing this trajectory in the quarters to come.

Eric Beder

You did a great job again with inventory down a significant level, materially higher than the revenue change. When do you start to anniversary that and what will be the goal after you kind of get there?

Andres Campos

Do you mean in inventory?

Eric Beder

Yes.

Andres Campos

As we mentioned before, in inventory, we have already lowered it up to the fourth quarter of last year. It remained pretty stable in those levels at the end of this quarter. We do expect a slight decrease throughout the year. We were talking about 100 million pesos more of a decrease. But we don't see inventory declining much further after that. We think that we've reached nearly our optimal levels, and I think it can remain stable going there.

Eric Beder

Okay, last question. So, you announced the acquisition of Tupperware Latin America. I know in the last few months you've met with a lot of people at that company. Are you more excited, less excited? How are you feeling about this acquisition now that it's been announced and you've gone out and kind of gone to the field to talk to people and how do you look at the near- and longer-term opportunities here? Thank you.

Andres Campos

Thank you, Eric. We are very excited about this acquisition. As we've mentioned before, we're still pending on approval from the Antitrust Agency in Mexico, which we expect to happen during this second quarter. But we are excited about this acquisition. We think that there are, as we've mentioned before, Tupperware is a very well positioned brand in customers' minds in all of Latin America. It's not only well positioned, but very valued brand throughout the years. So, there's a lot to do in terms of product innovation, of replicating BeFra's model in Tupperware in terms of merchandising, innovation and many things that we can really leverage on such a great brand.

So, we are very excited, and we're very excited to tap into LatAm's biggest market, Brazil, with a strong foothold when we start. It's already an almost \$100 million revenue company there, so it's a strong foothold to really take off in the Brazilian market. So, we are very, very excited and hope we get that approval in the coming weeks during this quarter and then take off from there.

Eric Beder

Great. Thank you and good luck the rest of the year.

Andres Campos

Thank you, Eric.

Operator

Again, if you would like to ask a question, please press star then one.

Our next question is from Cristina Fernández with Telsey Advisory Group. Please proceed.

Cristina Fernández

Hi, good afternoon, Andres. And Raul, nice to meet you. I have a question on Jafra Mexico. When you look at the performance this past quarter, and also started to see a little bit of a slowdown the quarter before, how much of that you think is a slowdown in the broader beauty market or is it just specific to Jafra Mexico and some of the points you talked about as it relates to the consultant recruiting and the innovation?

Andres Campos

Thank you and hi, Cristina. So, we definitely think it's more internal than external. We see the beauty market continue to grow, continue to expand in Mexico. And it's still a category that has a great tailwind as a category, and we expect that to continue.

The reality is that the internal factors that we think impacted the fourth quarter and the first quarter were mainly two factors. One is that last year we focused more on line renovations than on real innovation. So, when you are renovating your lines, there's not as much impact as when you're actually innovating into new categories, new concepts, and new lines. So, we think that that had an effect.

Now, as we said, last year we finished all our renovations, and this year we are focusing again on real innovation. We are strengthening our partnership with Disney. We launched the Stitch sun block, which has been a great success. We launched many different products with Disney. And we're also launching new innovations that are going to impact positively this year. So, that's one part, a refocus into innovation.

And the second part is that while we were trying to incentivize more productivity from our associate base, we think that that affected a little bit of bringing in new associates, and also keeping our small, unproductive associate base active. That was an internal factor that made the associate base decrease, and we were not able to compensate with the productivity, so growth slowed. We've already detected everything there, reversed it, starting in March and more so in April. And pretty much in April, we're back to where we need to be.

So, we do expect a rebound throughout the year, and we do expect that rebound to start in the second quarter to get an inflection point and then strengthen growth again throughout the year. We think it's a temporary internal situation that should reach its inflection point in second Q and start strengthening growth again going forward. And we think with that, we are very happy with our results in terms of profitability. We think as a group, and even in Jafra Mexico, we strengthen profitability. So, across all our business, profitability is strengthening, free cash flow is strengthening, our balance sheet is improving, so all of our other business units are growing. Once this issue with Jafra Mexico that we expect to reverse comes back, we think we will have very strong results for the group coming forward.

Cristina Fernández

Yeah, and perhaps a follow-up based on what the shape of the year you were talking about, because you kept your revenue growth guidance for the year 4% to 8%, even though the first quarter came in a little bit lower. So, if I'm understanding what you're saying, you expect the second quarter to be better from a growth perspective than the first quarter, and then the back half to be the strongest of the year. Is that correct?

Andres Campos

Yes, definitely. We expect Betterware Mexico's growth to strengthen. We started the year at 2.6%. On a same-week basis, it was 3.3%, but we expect that growth of Betterware to keep strengthening.

Betterware Mexico started rebounding last year, in the second half of last year, it started rebounding, and now we're seeing its incremental revenue versus previous year. Then at the same time, we expect all of the LatAm expansion of Betterware to continue contributing to growth. We expect Jafra U.S. to continue delivering great results. As you saw, we grew 8.6% in dollars, and we expect that to continue strengthening. And then with this inflection of Jafra Mexico, we think, as a group, we're going to start seeing a strengthening in growth. So, we are positive about that, and that's why we're keeping our guidance as well.

Cristina Fernández

Thank you. And the last question I had is, you did a really good job with managing expenses this quarter. Are you seeing any pressure, or do you expect any pressure as the year progresses, either in freight, meaning supply chain or transportation costs, as a result of the kind of volatility in oil prices? Or are you contracted out for the year at stable rates?

Andres Campos

Thank you, Cristina. Definitely, the volatility that has been happening in oil prices, from the whole situation with the Hormuz Strait and all of that is definitely something we're not only keeping an eye on, but we are taking actions. We have seen some slight increases, temporary increases in freight costs from China, because of the petroleum. But, at the moment, we have not received too much pressure from our suppliers in terms of raw material costs. We are vigilant to what happens if this becomes a temporary thing or a more sustained issue. And we are preparing tactics and strategies, as we've done before. When things like this happen, we are preparing strategies and tactics to counter these effects.

We feel confident that we can react to any sustained pressures from this. And I'm not talking in price, in product price, but more strategies to negotiations or redesigns or strategies that can contain any cost increases. But we will be pending. It's still early to tell, and we're ready to tackle any counter-effects if this becomes a more long-term pattern.

Cristina Fernández

Thank you, Andres.

Andres Campos

Thank you, Cristina.

Operator

That does conclude our question-and-answer portion of today's conference call. I would like to turn the call back over to Management for closing remarks.

Andres Campos

Well, thank you, everyone, once again, for your trust and continued support. And we look forward to updating you on the next quarter. Thank you once again. Goodbye.

Operator

Ladies and gentlemen, this concludes BeFra's First Quarter 2026 Earnings Conference Call. We would like to thank you again for your participation. You may now disconnect.