



BeFra

Fourth Quarter 2025 Earnings Conference Call

February 26, 2026

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

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Rodrigo Muñoz, *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, *Small Cap Consumer Research*

Cristina Fernandez, *Telsey Advisory Group*

PRESENTATION

Operator

Thank you and welcome to BeFra's Fourth Quarter 2025 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 also be found on 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, Andres Campos, and Chief Financial Officer, Rodrigo Muñoz.

I will now turn the call over to Mr. Campos. Please go ahead.

Andres Campos

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

Having closed the fourth quarter and full year 2025, we reflect on a year marked by growth and resilience despite a complex year in the face of macroeconomic volatility, sociopolitical uncertainty and softer consumption trends across our core markets. While net sales increased for both the quarter and the full year, the recovery across our business units continued after a difficult first quarter. Jafra Mexico continued to grow. Betterware Mexico progressively narrowed sales decline, and Jafra U.S. delivered its first back-to-growth quarter in Q4 following several periods of recovery.

Turning to Slide 4, fourth quarter revenue grew 1.2% year-over-year in the quarter. Our EBITDA margin remained strong at 19%, although below last year due to temporary gross margin impacts. Importantly, free cash flow more than doubled versus the prior year, thanks to consistent profitability and strategic activities to improve our investments in working capital, specifically inventories.

Looking at the full year on Slide 5, revenue grew 1.2% despite a difficult first quarter and soft consumption levels in our core markets throughout the year.

EBITDA margin closed at 18.7%, primarily impacted by the abnormal contraction in Q1.

Cash generation was one of the highlights of the year, with more than 83% of EBITDA converted into free cash flow, thanks to inventory optimization, which released 459 million pesos in cash. Additionally, we reduced total debt by 700 million pesos throughout the year, decreasing our leverage multiple from 1.75x to 1.56x. This combination of disciplined execution and strengthening of our balance sheet positions us well for 2026.

On Slide 6, as we close another year, we want to reflect on BeFra's evolution over the years, which provides important context about our ability to grow.

Since 2018, revenue has grown more than six times from 2.3 billion pesos to 14.3 billion pesos, representing approximately 30% CAGR. What began as a single-brand company has become a diversified multi-brand platform with Jafra now representing a significant portion of our revenue mix and profitability while strengthening BeFra's geographic and category exposure. While 2025 was a complex year, more so for discretionary items like in Betterware, we see a great opportunity to ignite more growth going forward.

On profitability, EBITDA expanded over four times from 574 million to approximately 2.7 billion pesos. Margins normalized after the pandemic peak and now reflect a more balanced portfolio and resilient foundation.

Jafra's weight on the total revenue, decreased margins starting in 2022, and Betterware's difficult years of profitability have also weighted in a lower margin, although we expect more stable and even increasing margins going forward.

Turning to Slide 7, as in previous quarters, we continue advancing to our five strategic pillars, which define the next stage of BeFra's evolution.

First, we will strengthen our leadership in Mexico.

Second, we will continue our regional expansion, driving growth in the U.S. and selectively expanding across LatAm.

Third, we will develop new brands and/or categories.

Fourth, we will activate our digital P2P model.

And finally, we will maintain strict financial discipline, prioritizing profitability, cash generation, and strong balance sheet as the foundation of sustainable long-term growth. These pillars remain the framework guiding our decisions on capital allocation going forward.

On Slide 8 is the first pillar: strengthening our leadership in the Mexican market.

Turning to Slide 9, we can see how in the fourth quarter, Betterware delivered its strongest quarterly sales performance of 2025. While full-year growth was constrained by weaker results in the first quarter, commercial momentum progressively improved as the year advanced.

It is important to point out that this is the first year since COVID that throughout the year, there was an increase in Betterware' stencil base, establishing the right momentum going into 2026.

Betterware's fourth quarter EBITDA margin was mainly affected by temporary FX-related impacts on gross margin. When excluding these effects, fourth quarter EBITDA margin would have been approximately 22%, similar to that of last year's quarter.

To summarize Betterware's performance, it finished the year with improving commercial momentum, a healthier balance sheet, and a more efficient operating structure.

On Slide 10, we summarize Betterware Mexico's main achievements in 2025, and we also lay out our main strategic initiatives for 2026. In terms of achievements, number one, we revamped our core categories like home organization and continued igniting new categories like home wellness. We also improved our incentive programs, laying out new rewards such as online education, health, and travel. We improved our Betterware+ app with new features like the new product idea function, where Salesforce can send us their ideas for products. We also improved our field management system, refining our tracking systems based on associate and distributor lifecycle stage.

For 2026, among other initiatives, we will revamp our innovation levers, expanding licensing beyond Disney and Mattel, strengthening fast consumption products, and launching a World Cup Special Edition line. We will also revamp our catalog design after almost three years with the same catalog design line.

Third, we intend to segment our incentive program even better with direct-to-associate product delivery and a new better fan plan that we will lay out in the quarters to come.

We will also continue enhancing our technology with more features on our Betterware+ app and lay out a new CRM with Salesforce.

Finally, we plan to launch a new payment system in partnership with Broxel, a prominent fintech in Mexico.

On the next slide, you see that Jafra Mexico delivered yet another strong quarter. Despite a challenging consumption environment, the beauty market remained resilient, and together with relevant internal actions, Jafra achieved record-high sales in the quarter.

The slight decline in Jafra's sales force was driven by aggressive productivity-focused promotions. Going forward, we are rebalancing our commercial strategy to focus on both potential growth and productivity growth.

Adjusted EBITDA recovered significantly from the weak first quarter and returned to growth for the year, while the margin remained within a healthy range despite deliberate investments in select gross margin initiatives.

Turning to Slide 12, we summarize Jafra Mexico's solid operational progress and achievements of 2025 and also highlight some 2026 selected strategic initiatives.

For 2025, we redesigned our most prominent core lines like Royal Jelly, Nature, and Navigo. We launched strengthened productivity incentives that we have spoken about. We improved our field management operations with less expenditure in non-productive fronts and changing our gears to real and impactful fieldwork.

We also redesigned the catalogs in September 2024 and leave the benefits of that redesign throughout all of 2025.

Finally, we launched our new Shopify+ platform for Jafra Mexico, enabling personalized social selling links for our leaders and consultants.

Looking into 2026, we will refocus now on innovation, expanding Disney, Mattel, and other licenses, and launching new skincare lines and entering hair care category by the second semester of 2026.

We will also strengthen our sample trial initiatives to help consultants show real product experience together with catalog demonstration.

Third, we will begin new subscription initiatives to drive retention and overall experience and satisfaction.

Fourth, we will segment associate incentives to better cater different needs.

And fifth and very important, we will launch our Jafra+ platform and the new CRM with Salesforce for servicing our consultants and leaders of Jafra.

As shown on Slide 13, our second pillar is regional expansion, which we are executing by replicating BeFra's successful business model in the U.S. and Latin American markets.

Moving to the next slide, revenue at Jafra U.S. again showed significant improvement, maintaining quarter-over-quarter growth since the first quarter, while Q4 marked Jafra's first quarter of year-over-year growth, supported by stronger consultant productivity and sharper commercial focus.

EBITDA also improved meaningfully. Although the full-year comparison still reflects a decline, underlying performance strengthened following the organizational restructuring carried out at Jafra U.S. in 2025. In addition, ongoing legal expenses impacted on reported profitability. When excluding these expenses, full-year EBITDA would have been approximately \$869,000, marking a positive profitability for the Company.

Turning to Slide 15, I would also like to highlight the main achievements and plans for 2026.

In terms of 2025, we redesigned our most prominent core lines, like we have done so in Jafra Mexico, and we introduced these new redesigns to the U.S. market.

We also launched our new incentive program, completely revamping it to further focus on expansion. This included a totally new rewards section.

And number three, we benefited from our new Shopify platform, which we launched by year-end 2024, improving user experience and attracting younger audiences.

For 2026, we plan to refocus on innovation as we're doing in Jafra Mexico, and we're also proud to announce that we have reached a deal to launch Disneyland licensed products in the U.S.

Second, we will also strengthen our sample trial.

Third, we will strengthen our merchandising techniques, leveraging the knowledge that we have in Betterware and Jafra Mexico.

And fourth, we will launch a new payment terms methodology so that new associates don't have to invest in working capital when they start with us, similar to what we have in other countries.

On Slide 16, we map out our regional expansion plan. The Andean and Central American direct selling market represents approximately \$6.1 billion in total addressable market. Ecuador's expansion enables us to grow into Colombia and Peru. We are confident that our scalable business model and proven playbook will enable us to replicate our success in these new markets, representing another significant source of growth for the group in the years to come.

As shown on Slide 17, our geographic expansion strategies continues gaining traction. Ecuador surpassed 11,500 associates and 730 distributors at year-end, representing a more than sevenfold increase since our launch there. Revenue also grew substantially. Using Ecuador as an initial beachhead in the Andean region, we plan to launch operations in Colombia next week on March 2.

On the right of the slide, you see that Guatemala sales increased 50% since the beginning of 2025, with significant associate base growth as well.

Turning to Slide 18, we continue exploring new brands and categories that complement our portfolio as we did when we acquired Jafra in 2022. Our objective is to identify opportunities that leverage our scalable platform, enhance profitability, and expand into adjacent brands and categories aligned with our person-to-person model.

On Slide 19, we summarize the acquisition of 100% of Tupperware's Latin American business for \$250 million: \$215 million in debt-funded cash and \$35 million in BeFra shares. As previously communicated, the transaction includes Tupperware's operations in Mexico and Brazil, including two production facilities in these key markets, as well as a perpetual royalty-free license for the brand across Latin America. The

closing of the transaction is expected in the second quarter of 2026, subject to customary regulatory approvals.

Strategically, this transaction unlocks meaningful potential across the region. Tupperware remains a highly recognized brand in food and drink containers, and we see clear opportunities to enhance revenue and profitability through innovation, technology, and our proven commercial model. It also provides a strong entry into Brazil, a country with a population of over 200 million with an established operation that creates a platform to introduce Betterware and capture cross-market synergies.

At the same time, the manufacturing footprint in Mexico and Brazil strengthens our sourcing flexibility, enabling us to leverage excess capacity, localize production and optimize costs.

At an implied multiple of 3.1x EV/EBITDA, we consider this a highly attractive as well as accretive acquisition with an estimated 40% EPS accretion based on our purchase price assumptions.

Overall, this transaction reinforces our strategy of scaling strong brands within a proven, disciplined value-creating platform.

Moving to Slide 20, we outline what's next with Tupperware. In the short term, we're waiting for transaction approval from the antitrust agency in Mexico, expected in the second quarter of 2026.

In the medium term, we will focus on three main objectives:

First, return Tupperware to growth in its current markets through innovation, technology, pricing, and other commercial initiatives.

Second, extend the brand to new countries by leveraging our current footprint.

And third, fully integrate Tupperware into BeFra to capture operational synergies, such as leveraging the manufacturing capacity of Tupperware's plants to produce certain Betterware products.

In the long term, we plan to fully integrate Tupperware into BeFra, to capture additional operational synergies as well as leverage Tupperware's Brazil operation to introduce and scale Betterware in that massive, untapped market.

Turning to Slide 21, our digital transformation remains a strategic imperative and an enabler for each of our other pillars. Our objective is to accelerate growth through a phygital platform that maximizes the sales opportunity of every person-to-person interaction.

Slide 22 outlines our digital transformation across three main pillars.

First, growing the business for our distributors and associates. We are enhancing our platform to simplify operations, expand social selling, and embed agentic capabilities to improve productivity and conversion.

Second, digitizing BeFra's core operations. This includes customer service automation, personal seller enablement and end-to-end automation of commercial processes to drive efficiency and scalability.

And third, leveraging our data. We are strengthening analytics, deepening insights into product and customer behavior and building the foundations to become fully AI-ready.

Finally, on Slide 23, we come to our fifth pillar, which is the foundation that supports every strategic decision we make: financial strength, discipline, and control. This principle has consistently defined our company over the years. It enables us to pursue growth while safeguarding the long-term health of the organization and has proven especially critical during periods of volatility in our markets. We remain focused on rigorous cost oversight, inventory control, disciplined working capital management, and maintaining prudent

leverage levels. Financial discipline is not simply an element of our strategic framework; it is embedded in the way we operate every day.

With that overview, I will now hand the call over to Rodrigo, our Chief Financial Officer, who will review this fifth pillar in more detail.

Rodrigo Muñoz

Thank you, Andres, and good afternoon everyone.

On Slide 24, quarterly EBITDA margin reached 19% despite temporary gross margin impact. Full-year EBITDA margin was 18.7%, mainly affected by Q1 contraction and prior year derivative FX effects. Adjusted net income comparison was affected by approximately 200 million pesos positive mark-to-market derivative FX recorded.

On the following slide is free cash flow, which increased 106% year-over-year in 4Q25 and closed the year with a 24.6% increase, mainly driven by inventory reduction at Betterware Mexico totaling 459 million pesos. We are also proud to note that this will be the 24th consecutive quarter of paying dividends since the IPO.

Dividend payments remain aligned with our disciplined capital allocation framework, maintaining a 32% trailing 12-month dividend-to-EBITDA ratio, while using cash to reduce leverage and continue investing in geographic expansion.

On Slide 26, we can see how total debt declined significantly with net debt-to-EBITDA improving from 3.1x in 2022 to 1.56x at the end of 2025. A total of 700 million pesos of debt was repaid during the year.

In summary, our balance sheet is stronger, our leverage profile healthier, and our liquidity position robust, making BeFra even more resilient and enabling us to continue funding growth initiatives across our five strategic pillars.

I will now pass the word back to Andres for some final comments.

Andres Campos

Thank you, Rodrigo.

Before we open the line for questions, let me conclude with a few remarks on Slide 27.

2025 demonstrated the resilience of our Great Brands, One Essence strategic platform translated into our five strategic pillars for our 2025/2030 strategy.

We strengthened profitability after a difficult start to the year.

We generated strong cash flow.

We reduced leverage.

We significantly advanced our regional expansion strategy.

We accelerated BeFra's digital transformation, and we paved the way to welcome a new promising brand at the start of 2026. This way, we have entered 2026 with improving momentum and we remain excited about our long-term value creation capacity.

BeFra today stands as a stronger, more diverse, and well-positioned group with great brands, highly committed teams, and a clear road map for long-term growth.

I will now 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 turned off, and if you're using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, press star, then two. At this time we'll pause momentarily to assemble our roster.

Our first question will come from Eric Beder with SCC Research.

Eric Beder

Good afternoon.

Andres Campos

Hi, Eric.

Andres Campos

Good. Thank you.

Eric Beder

How should we be thinking about the Mexican consumer? I know that last year, especially Q1, was difficult. And I guess Q1 is having its own interesting issues right now, too. How are they looking at the world? And how do you look this year in terms of getting a bigger share of their wallet?

Andres Campos

Yes. Thank you, Eric, and thank you for your question. We think the Mexican consumer had a slight contraction or dis-acceleration last year. And we believe this year should be more stable throughout the year. We believe the growth adjustment was last year, and we believe this year it should be more stable. There are some positive factors, economic factors like decreasing interest rates that should help Mexican consumer, a more stable inflation and I think with these factors, together with general economic factors, Mexican consumers should be more stable going forward.

Eric Beder

Okay. You guys did an incredible job with the inventories. Obviously, it generated a lot of free cash flow in Q4, and you've reduced, I guess, a lot of some of the overhangs you have. How should we be thinking about inventory growth in 2026? How should we be thinking about that in terms of, A, the opportunities; and B, what levels should be coming forward?

Andres Campos

Yes. So if you can see, we started off the year with 2,500 million pesos in inventory approximately, and we've reduced to 2,000—million pesos by the end of this year. I think we are very close to optimal inventory levels and we should not necessarily expect any relevant inventory decrease or extraordinary inventory decrease like we did this year. There's still a little bit to go, probably 100 million or 200 million pesos, but not much more than that.

Eric Beder

Okay. So we should see more basically growth within kind of top line growth going forward, as I think about it?

Andres Campos

Yes. In terms of cash flow, cash flow should come more in our normal levels, derived from top line growth and profitability.

Eric Beder

Okay. My next question on Jafra. I saw that you had a decline in the level of distributors and other associates. You talked about gross margin and cleaning out some of the inventories. Is kind of Q4, when you look at it, kind of a blip here? Or should we be thinking about growth continuing for Jafra now to somewhat more normalized levels as the rest of the company? Thank you.

Andres Campos

Are you asking specifically about gross margin levels?

Eric Beder

Actually, yes, and also top line too.

Andres Campos

Yes, I think we should expect—Jafra has continued to grow revenue versus previous quarters, and consequentially, it has continued to grow. The fourth quarter delivered the highest revenue mark that we have had in history. We should expect this to continue.

In 2025, we focused a lot of our innovation team into renovating the core lines of products, so it was a lot of renovation and not that much innovation. Now that we have redesigned all those products, now 2026 is going to start seeing again a lot of innovation. So I think this is going to start igniting growth again and continue our expansion.

Obviously, Jafra is a big business, and we plan to keep growing it. But I think there's still a lot of things—as we mentioned in the presentation, there's a lot of things that we plan to do within our model in terms of innovation, in terms of laying out new technology, among other things that we plan to do to continue growing Jafra Mexico.

Eric Beder

Great. Good luck in what's going to be a very eventful 2026.

Andres Campos

Thank you, Eric. Looking forward to it. Thank you.

Operator

Again, if you have a question please press star, then one.

Our next question comes from Cristina Fernandez with Telsey Advisory Group.

Cristina Fernandez

Hi, good afternoon. I wanted to follow up on Eric's question about growth next year. But thinking overall about the company, the 4% to 8% growth that you guided to, I guess what gives you confidence in that outlook? You talked earlier about a stable consumer, but it is a pretty big acceleration from the 1% growth in 2025, so what's underpinning that and how do you expect Betterware to grow versus Jafra in 2026?

Andres Campos

Yes. Thank you, Cristina, and hi. This is Andres again.

As you mentioned, the first thing that we expect is a more stable consumption. What happened last year is that last year we had declining figures in consumption and a very sluggish consumption figures in the economy which affected all our businesses in Mexico. Specifically, it affected Betterware more because they are discretionary products.

In 2026, we do expect a more stable consumption. We are actually seeing some positive figures in the first months. In January and beginning of February, we're starting to see general better consumption trends in the country. We think that with this, it's the main factor that we can use to get back to the level of growth we had before, more in the 4% to 8% range.

Now it's not only about the external factor of consumption being steady; it's also about many internal strategies that we have in place to regain that growth. For us, the 1.2% that we had last year is abnormally low growth and we plan to come back to more regular levels of growth that we have seen in the past of 4% to 8%, with all the strategies we have to implement.

First of all, obviously, is Mexico, both Betterware and Jafra. We laid out in the presentation some of the key initiatives that we're having out with, I would say, very strong innovation in both brands. On the other hand, we're laying out a lot of technology in Jafra that we have not done before. And we're also attacking different initiatives in both brands that we are confident that, together with a stable consumption can take us to those levels that we have seen in the past for our brands.

That's on the Mexico side. Now, if you add to that the fact that in Jafra U.S. we have been able to not only stabilize the company, but start to tilt the curve upwards in terms of revenue, and then you add the entrance into Colombia and Ecuador and the weight that that will start having—it's not the main part. The main part is Mexico, but it will start adding additional growth points to the group.

I hope I was clear on the buildup of that growth.

Cristina Fernandez

That's helpful. Thanks, Andres. Then also on Jafra, you mentioned in your comments and on the press release that the beauty market has been having some challenges. Can you talk about what those are? How is Jafra positioned, whether it's by product category, to overcome those challenges?

Andres Campos

I think we talked about some challenges in consumption in general in Mexico, not specifically challenges in the beauty market. We think that the beauty market, if you compare a beauty category versus home goods category in Betterware, the beauty category still had more tailwinds. I mean both suffered some of the consumption effects, the general consumption effects of Mexico but we think that the beauty category has more tailwinds within that context.

So we think it's still going to be a very resilient and growing category, and we are optimistic about the evolution of the category as a whole.

Cristina Fernandez

Then the last question I had was on the EBITDA guidance, the 19%. Any color by segment you can give? I mean, it's sort of flattish, right, slightly up versus 2025, but any of the businesses expected to have any material variance versus 2025? Thanks.

Andres Campos

No, I think in general, we see the balance there in that 19% or above 19 margin. We do think definitely that we do believe that that's our floor and baseline margin that we can deliver. But there's many different factors going into that margin, including the investment upside and including investments, extraordinary investments in the Tupperware operation and different factors. We prefer to leave it as a group from 19 up as EBITDA margin.

Cristina Fernandez

Thanks.

Operator

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

Andres Campos

Thank you once again everyone for your trust and continued support. We look forward to updating you on the next quarter in April. Thank you.

Operator

Ladies and gentlemen, this concludes BeFra's Fourth Quarter 2025 Earnings Conference Call. We would like to thank you again for your participation. You may now disconnect.