BeFra

Third Quarter 2026 Earnings Conference Call

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CORPORATE PARTICIPANTS

Andres Campos, *President and Chief Executive Officer*

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CONFERENCE CALL PARTICIPANTS

Eric Beder, *SCC Research*

Linda Bolton Weiser, *Water Tower Research*

Cristina Fernandez, *Telsey Advisory Group*

PRESENTATION

Operator

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

Before BeFra's management begins their prepared remarks, please note the disclaimer regarding forward-looking statements on Slide 2. We 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 in the earnings release published earlier today, as well as the Investor 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, Raul del Villar.

I will now turn the conference over to Mr. Campos. Please go ahead, sir.

Andres Campos

Thank you, Operator, and good afternoon everyone.

The third quarter marked a significant step in BeFra's evolution, as we substantially increased our scale, brand diversification, geographic reach, and financial strength. It was also our first full quarter with Tupperware as part of the group.

We are very pleased with the progress we are seeing across our businesses. Betterware delivered its third consecutive quarter of year-over-year growth, and we are encouraged by the progress at Tupperware.

At Jafra, we experienced a slight revenue shortfall, which we are addressing head-on through stronger promotional planning, faster commercial execution and a change in management.

Together with our strong cash generation and continued deleveraging, this quarter's results reinforce our long-term strategy of building a unique house of brands supported by our person-to-person commercialization model and disciplined financial management.

Let's move to Slide 4 and review the highlights of the quarter.

Consolidated revenue increased 43.1% year-over-year to 4,832 million pesos. On an organic basis, meaning Betterware and Jafra, revenue increased 2.3%, supported by another strong quarter at Betterware and partially offset by lower revenue at Jafra. Both brands faced a more challenging summer period, as World Cup-related shifts in consumer attention affected commercial activity. Betterware offset these pressures through higher associate productivity, while Jafra's commercial execution did not fully compensate for it.

The addition of Tupperware also expanded our commercial network. Our consolidated average associate base reached approximately 1.46 million during the quarter, an increase of 23.7% year-over-year, while the organic associate base was broadly stable. These results demonstrate the greater scale of the Group while also highlighting the importance of disciplined execution across each brand.

Turning to Slide 5, the addition of Tupperware has meaningfully expanded and diversified BeFra's revenue base. In the third quarter, Betterware represented 31.5% of consolidated revenue, Jafra represented 40%, and Tupperware represented 28.5%.

Our geographic mix also broadened. Mexico remained our largest market at 87.5% of revenue, while Latin America increased to 8.2%, primarily reflecting the addition of Tupperware's Brazil operations. This broader portfolio provides BeFra with multiple avenues for growth across brands, categories, and markets both in Mexico and abroad.

Turning to Slide 6, consolidated EBITDA increased 39.6% year-over-year to 1,008 million pesos, reflecting Tupperware's contribution and continued profitability at Betterware, partially offset by lower EBITDA at Jafra. The consolidated EBITDA margin was 20.9% compared with 21.4% in the prior-year quarter as operating-expense discipline helped mitigate profitability pressures across the portfolio.

For the first nine months, EBITDA margin expanded to 19.2% from 18.5% in the prior-year period.

Net income increased a strong 24.2% year-over-year to 390 million pesos. Net income in the quarter was affected by a higher effective tax rate than the prior-year period. Based on our current expectations, the full-year effective tax rate is expected to normalize, landing in the mid-30s by year-end. Even with that tax effect, net income growth remained substantial and reflected the earnings contribution of our expanded portfolio.

Turning to Slide 7, the strength of our three-brand portfolio is coming into focus with each brand contributing differently to our results and shaping our opportunities for growth.

On the left, at Betterware brand, Mexico revenue increased 8.5% year-over-year, demonstrating strong commercial momentum. Betterware Latin America also remained on a continued growth trajectory, with the region developing into a second growth engine for the brand.

Turning to Jafra in the middle, the brand faced a more difficult quarter, with total revenue down 2.8%. In Mexico, as I mentioned before, lower associate activity related to the World Cup and the extended summer

holiday period affected sales, and unlike Betterware, Jafra was not able to fully offset this effect through higher productivity.

Following several quarters of inconsistent growth, I have taken on the role of interim Managing Director of Jafra Mexico for the short term. My immediate priority is to reverse Jafra's revenue trajectory by reinforcing alignment with the Group's commercial model and accelerating commercial execution as we unlock the full potential of the brand.

In the United States, Jafra delivered its second consecutive EBITDA-positive quarter under its leaner expense structure, an encouraging sign of the progress being made there.

At Tupperware, on the right, core direct-selling revenue increased a strong 14%, demonstrating the renewed growth momentum of the business as Tupperware continues its integration into BeFra. In Mexico, direct-selling revenue grew 23% year-over-year, while in Brazil, the decline moderated to 3.3%, a substantial improvement from the 10% to 15% declines experienced before the acquisition.

At the brand level, reported revenue declined 6.8% on a proforma basis, as the third quarter of 2025 included a significant amount of exports and business-to-business sales, the latter of which we have chosen to strategically discontinue to focus on our person-to-person channel. Because a significant portion of these business-to-business sales occurred in the third quarter of 2025, the reported comparison does not fully reflect the strong growth of the core direct-selling business. This impact will not carry into the fourth quarter as there were no significant retail sales in the fourth quarter of 2025.

With that, I'll hand the call over to Raul to cover our key financial metrics, dividends, and guidance.

Raul del Villar

Thank you, Andres.

Turning to guidance, as we approach year-end, we are narrowing organic net revenue growth guidance to 4% to 5%, within our original range. At the same time, based on Tupperware's first full-quarter contribution and our performance through the first nine months, we are raising post-acquisition net revenue growth guidance to 24% to 26%. We continue to expect a full-year EBITDA margin of 19%. That assumption incorporates a prudent view of the growth investments required at Tupperware and the costs associated with expanding the scale of the Group.

We believe this balance reflects the strong progress we've achieved to date while preserving the flexibility to invest in the long-term opportunity.

Slide 9 highlights the earnings and shareholder-return benefits of our expanded portfolio.

For the first nine months of the year, proforma EPS increased 114% to 45.4 pesos, reflecting the inclusion of Tupperware's net income for the full nine-month period and demonstrating the strong accretive nature of the acquisition. A dividend of 250 million Mexican pesos was approved at the October shareholders'

meeting and will be paid in the fourth quarter of this year. This will represent BeFra's 27th consecutive quarter of dividend payments since the IPO. This continuity reflects our commitment to shareholder value while maintaining the financial discipline required to invest in the Group and strengthen the balance sheet.

Slide 10 shows the strength of our balance sheet and cash generation. Proforma net debt to trailing 12-month EBITDA improved to 1.65 times, supported by debt reduction of 431 million pesos, while interest coverage increased to 6.91times as we continue deleveraging and generating strong EBITDA.

Turning to cash flow, reported free cash flow reached 1,059 million pesos, or 105% of EBITDA. Strong cash generation across all three brands supported continued balance-sheet strengthening during the quarter.

Through the first nine months, reported free cash flow reached 1,871 million pesos, representing 78% conversion of year-to-date EBITDA with contributions from both the organic businesses and Tupperware. Tupperware has been profitable and cash-generative since day one as part of BeFra.

Our cash conversion cycle improved to 50 days from 78 days a year ago. This reflects stronger working-capital efficiency across the Group, including improved supplier terms at Tupperware.

Taken together, these results demonstrate the strength of BeFra's business model, as well as our capacity to reduce leverage while continuing to invest in growth and, as I said, continue enhancing shareholder value through dividends.

I will now hand the call back to Andres for closing remarks.

Andres Campos

Thank you, Raul.

In conclusion, this was a very strong quarter for BeFra. We delivered substantial consolidated growth, Betterware continued to build momentum, Jafra U.S. remained EBITDA-positive for the second consecutive quarter, and Tupperware's core direct-selling business grew strongly while contributing attractive profitability and cash generation.

At Jafra Mexico, as we mentioned, our focus is on building upon the brand's strong foundation and taking the actions necessary to help the business reach its full potential.

The quarter also demonstrated the value of our expanded portfolio and the financial discipline behind it. We generated strong cash flow, reduced leverage, strengthened interest coverage, and continued to return capital to shareholders. We believe BeFra is stronger, more diversified, and better positioned than ever. This was a very successful quarter, and the best is yet to come.

With that, Operator, we would be happy to take your questions. Thank you.

Operator

Thank you. We will now begin the question-and-answer session. [Operator Instructions]

Your first question comes from Eric Beder with SCC Research. Please proceed with your question.

Eric Beder

Good afternoon. Congratulations on the quarter.

Andres Campos

Hi Eric. Thank you.

Eric Beder

Thank you. I want to talk a little bit about Tupperware. You have owned it now for about four months. I know you are a very innovative company in terms of new products and other pieces; Betterware is almost 80% of that and Jafra is a very high number, while Tupperware for various reasons not related to you has not been as high. I guess the question is, should it be higher? And yes, it should. What do you see going forward in terms of the opportunities at Tupperware to increase the level of innovation?

Raul del Villar

Eric, sorry, just to clarify the question, is your question, should the revenue be higher?

Eric Beder

No. The question is, what are the opportunities in terms of new products and categories at Tupperware?

Andres Campos

Okay, yes. Thank you, Eric. This is Andres here.

We believe the opportunities are very important. You know that on one hand, Tupperware has been in history very focused on plastic material products. We are considering other materials beyond plastic. In the container category there are new materials like glass or stainless steel, ceramics or other kinds of material that we are obviously considering to continue to expand the brand in its core category, which is food containers.

But at the same time as managing other materials in that category, we are also looking to expand other categories within Tupperware that are not fully exploited, such as drinking ware. It's a category that can be more highly exploited. Another one is kitchen utensils or kitchen appliances in general for cooking. There

are different avenues for growth in Tupperware, I would say, beyond plastics and beyond containers. We think that there is a lot to do there.

We are assembling a very strong innovation team. As we announced, we brought in David Kusuma, who used to be, back in the time, Tupperware's Global R&D and innovation director. Together with that, we're assembling a whole innovation team and process. We think there's a lot of interesting things to come for Tupperware there.

Eric Beder

Okay. On Betterware, you've done a great job turning it around with the associates and the revenue coming back. How sustainable do you see that, and what do you see the opportunities there at the Betterware division, both in Mexico and for potential expansion outside of Mexico right now?

Andres Campos

At the Betterware division?

Eric Beder

Mm-hmm.

Andres Campos

Yes. As you can see in the report, we're very glad at the results of Betterware Mexico and Betterware in general. Betterware has started to come back to growth. We have our third quarter of consecutive growth year-over-year, and now almost reaching double digits. Betterware's growth is strengthening, both in Mexico and abroad.

This was our first brand, and it had a huge CAGR in the last 10 years, then became flat two or three years. But now we're starting to regain growth from all the different strategies, commercial strategies that we've laid forward before, and we're happy for that to be happening.

We still have a lot of room to grow in Mexico, as we've said before. And then, at the same time, we opened Ecuador last year. We just opened Colombia this year. With our focus in the Andean region, we think that the brand in general will continue to expand at a very good pace.

Eric Beder

Great. I guess a question for Raul. The net debt, even after the acquisition, has remained pretty steady in terms of net debt to EBITDA. What should we be looking at here longer term as a use, A, for free cash flow? And what kind of ratio should we be thinking as goals longer term for the company in terms of debt and, again, use for the free cash flow? Thank you.

Raul del Villar

Hi, Eric. Thank you for your question.

I don't think we are ready at this point to provide a long-term guidance on where we want to be in terms of net debt. But the message I want to convey is that we will continue executing operations with disciplined finance, and we'll continue the deleveraging as we have in the past. All of our three businesses are cash-generative. All of them are performing well. As you can see, we are generating enough cash to invest in expansion, invest in CapEx, and at the same time, continue paying dividends and deleveraging. That's what you would expect.

I don't think we have a definite guidance on where we want to be in terms of leverage, but we will continue performing as we have as of today.

Eric Beder

Great. Thank you, and good luck on the holiday season.

Andres Campos

Thank you, Eric.

Operator

Your next question comes from Linda Bolton Weiser with Water Tower Research. Please proceed with your question.

Linda Bolton Weiser

Hi. How are you?

I just wanted to ask about the narrowing of the organic sales growth guidance range, because in the quarter, even though Jafra was below expectations, I guess, Betterware did really well. It was quite a bit above where I would have expected it to grow. And Tupperware's revenue was quite a bit higher than I would have thought. So it seemed to me that the whole thing put together was—net-net, it was better than I would have expected.

So I'm wondering, even with Jafra having problems, if Betterware is doing well on the top line, why did you feel the need to narrow that guidance or actually lower it? At the midpoint, you lowered it. What is the real reason? Is it the Jafra more than anything that is the issue? Thanks.

Andres Campos

Hi, Linda. This is Andrés. Thank you for your question.

We believe that we can turn Jafra around fairly quickly. But obviously, we don't want to overreach on that expectation. But we do believe we can reach mid-single-digit growth in Jafra for the fourth quarter. With that, plus Betterware growing stronger and Tupperware performing well, obviously our guidance contemplates that for the fourth quarter and for the year round.We should expect high single-digit organic growth in a combination of mid-single-digit for Jafra and high single-digit for Betterware.

Linda Bolton Weiser

Okay, so that's in the fourth quarter you were just saying.

Andres Campos

Yes, in the fourth quarter.

Linda Bolton Weiser

Okay, got you.

Secondly, on the cost side, I just wanted to ask you about, you mentionedand it's appearing in the numbers,that Betterware's gross margin did seem a little pressured. I guess you mentioned supply chain pressures, and yet Tupperware's gross margin was actually quite strong. It was better than I would have expected. Is this just a difference of where you're sourcing Betterware? You're bringing it in from outside, and Tupperware you're sourcing more regionally? Or what is the difference in terms of why those two businesses are experiencing different effects on the gross margin?

Andres Campos

Yes, what you mentioned is exactly right. It's where we source from.

As you remember, Tupperware manufactures most of its products in our plants, both in Mexico and in Brazil. We manufacture locally and Betterware manufactures mostly in China. What made the difference in Betterware was mainly the freight prices. Freight prices have gone up and have stayed higher than we expected for a longer period of time because of the whole supply chain issues in Hormuz, etc. It's mainly the freight prices that affected Betterware and which are not affecting Tupperware.

Linda Bolton Weiser

Okay, that makes sense. Are you considering different pricing actions then in Betterware to try to offset? What is your plan in terms of trying to improve the Betterware gross margin?

Andres Campos

We were waiting a little bit to see if this corrected in the short term because freight prices have been a little bit volatile because of all the global situations. They have eased a little bit, but not as much as we expected.

We are taking the strategic actions to recover either through pricing, promotions, or certain strategies to compensate for that in Betterware Mexico. We are taking actions to recover our gross margin, not expecting this tariff to decrease highly in the short term.

Linda Bolton Weiser

Okay. Then, I guess just going back, I was interested in your comment that you thought Jafra, you could turn it around and have growth, year-over-year growth in the fourth quarter. What is it that you think you can do so quickly? Is it just a particular product launch or promotions? What do you think you can do so quickly to improve Jafra?

Andres Campos

I think, Linda, the angle is more,I would say on two things.

The first thing is for short-term results. The inconsistency was more from inconsistent operating decisions that affected our short-term results. It's more about taking the correct decisions, the operating decisions. Taking the correct decisions, you can see a very quick rebound. We saw it, for instance, in the second quarter of this year. It's just that we have been taking inconsistent decisions managerial-wise in Jafra Mexico. This is the reason why the Board and I decided that I would take over directly to make sure that we start making more consistent decisions in the short term.

Now, the other part is more in the mid-term, is that after five years that we've had Jafra, we started implementing the more low-hanging fruit of our commercial model at BeFra. But now we need to go into the mid-hanging fruit. We were not going into the mid-hanging fruit strategies as quickly as we wanted to. This is also the reason why I'm taking over to accelerate strategies.

When I'm talking about this, I'm talking about new technologies. We are working to launch the new app, the new Jafra+ app, next year. We've had some delays in the launch, and now we are set to launch it at the beginning of next year. More complex innovation into more complex products in skin care. Some ways of making it easier for consumers to buy and sellers to execute.

We are rolling out this second phase of strategies within our model. We have had some delays in them, and now we're going to accelerate. I think these things together can bring the short term back to growth and then the mid-term continue at consistent growth.

Linda Bolton Weiser

Okay, that sounds good. I just have two more questions.

One has to do with, I think you mentioned that in the Tupperware financials there are maybe some unusual integration charges or expenses, because the OpEx did look pretty high for the Tupperware piece. Is there any way to quantify that in terms of how much one-time type expenses there were in the third quarter under the Tupperware?

Andres Campos

Let me pass the word to Raul to clarify exactly.

Raul del Villar

What we mean with the extraordinary expenses for the Tupperware acquisition actually sit at the consolidated base and actually are reflected.Keep in mind that our holding company is also the operating company of Betterware, so when you look at the Betterware results they include some extraordinary expenses that we incurred for the acquisition of Tupperware. That's what we mean. Those expenses are reflected in the consolidated books, but not necessarily in Tupperware standalone books. I don't know if that's what you are referring to.

Just to give you the number, those expenses accounted for 47 million pesos. So it's significant for the quarter, but it's really not material on a full-year basis.

Linda Bolton Weiser

Okay. I got you. Thank you.

My last question is the question of innovation and other categories for Tupperware Latin America. I used to follow the U.S. well, all of Tupperware,but in the U.S., Tupperware certainly had many kitchen utensil items. They were very diversified. They even had cutlery and all kinds of things. Are you saying that those innovations were purely sort of more developed markets like the U.S. and they were never taken into Latin America? Do you have the rights to any of those designs or products or innovations that Tupperware U.S. had? Or do you have to start all over again and redesign certain of their items?

Andres Campos

Yes, Linda. In the past, Tupperware did go into some of these categories, but in our view and from our standpoint, it did not go in enough depth into the categories or with the correct strategy. This includes the fact that some of these products cannot be designed for a worldwide success because each market has specific cooking needs and even specific economic needs that you cannot satisfy worldwide markets with one same product.

Now, one of the important and very interesting things is that we are going to start innovating specifically for the Latin American markets in these categories with understanding the consumer in Brazil, understanding

the consumer in Mexico and this makes a huge difference, because not necessarily what works for the U.S. or Europe is going to work for Latin America.

Even though we can have access to past innovations or to products that are in the worldwide organization or the new party, we are thinking more about innovating products, new products, completely new products specific for the Latin American markets. We think that that's going to make a huge difference for the success and for the depth and breadth into which we can go into these categories.

Linda Bolton Weiser

Okay. That makes complete sense. Thank you very much for explaining all that. I'll leave it at that. Thank you.

Andres Campos

Thank you, Linda.

Operator

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

Your next question comes from Cristina Fernandez with Telsey Advisory Group. Please proceed with your question.

Cristina Fernandez

Good afternoon. Thanks for taking my questions. I had a few on Betterware. I wanted to see if you can give an update of what you've learned in the last 90 days since the last call and what changes you've made to drive the 14% growth you saw in Mexico.

Andres Campos

Hi, Cristina. This is Andrés. You mean in Betterware or in Tupperware?

Cristina Fernandez

In Tupperware

Andres Campos

Okay. Sorry, I thought you had said Betterware.

A little bit similar to within our commercial model, we had some low-hanging fruit strategies that we started implementing in Tupperware Mexico. Some of that has to do with, for instance, catalog organization and

catalog design. Our catalog is a store, but the benefit we have is that we can do a whole revamp of the design of our store very quickly. So, we launched the new design of the Tupperware catalog, both design and merchandising techniques in the catalog such that it becomes a lot more attractive. This is really starting to help us to grow.

At the same time, our salesforce, distributors and associates, lost a lot of confidence from what was going on and the fact that they did not know what was going to happen with Tupperware. We did a whole tour to make sure to communicate that now Tupperware LatAm was part of BeFra, that its future was secure, and that its future has great possibilities, and this brings a lot of confidence to the salesforce who are now investing time and investing effort again into expanding their businesses, so this together with some promotional techniques that we also applied.

This is kind of the first run in Tupperware since it has come from a long period of very unfavorable results. We think that these strategies have a higher impact in the short term as we are seeing now, so we are happy with the start.

I would also say, and it is very important to know that the Tupperware management in general is a great management. The thing is that they needed to have the foundation on which they could invest and the correct guidance or the correct direction in order to execute correctly. They were a little bit tied in hands before of what they could do and what they could not. Something very important to stand out is that management is great and so we are able to execute very fast on what we need to execute with them.

I think all of this combination, good management, better confidence and trust of our distributors and associates, plus some of the first strategies such as catalog design and promotional techniques are all coming together to start taking the business in the short term.

Cristina Fernandez

Thank you. Also on Tupperware, you mentioned that you were going to make some investments in the brand and in scaling the group. Could you provide more detail into what those investments are?

Andres Campos

First of all, and I think the most important, we are investing in the innovation team. Tupperware has no innovation team. We are assembling the team, the processes, the capabilities, everything we need in terms of innovation. I think that is going to be the main thing.

A couple of capabilities that we are buildingare technological capabilities. We have in Betterware, the Betterware+ app. In Jafra, as I mentioned before, we are about to launch the Jafra+ app. Obviously, we are aiming to build the Tupperware+ app, which are all built on the same technology, on the same platform. We are building on the technology team to expand the technological capabilities of Tupperware.

And finally, the third thing in which we are investing is business intelligence. We have talked a lot about the great impact of business intelligence in our model. Tupperware did not have that capability built in it, so we are building that capability.

We have talked a lot about these three pillars in our model, innovation, technology, and business intelligence, so we are building on those three, which were basically at zero. We think these three things together are going to bring a lot of value in the medium and long term.

Cristina Fernandez

And the last one I had was, in the past you have talked about some synergies from the acquisition, primarily in procurement, in manufacturing. Any update there or quantification of what the synergies could be?

Andres Campos

We do not have an update there yet, Cristina. We are still evaluating. The reality is that our first priority is implementing the commercial model and everything that I just talked about in innovation, technology, etc., to accelerate revenue.

We are analyzing the potential synergies of, for instance, bringing some Betterware products to be manufactured in the Tupperware plant in Mexico or helping Tupperware develop other material products with Betterware's supply chain capabilities. We are assessing all of that, but it is still early to tell. We have not quantified them yet.

Cristina Fernandez

Thanks so much.

Andres Campos

Thank you, Cristina.

Operator

Thank you. That concludes our 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 again to all for joining us today. We are very pleased with this strong quarter, which demonstrates the strength of our expanded portfolio and the financial discipline behind it.

BeFra is stronger, more diversified, and well-positioned for the future. Thank you again, and we look forward to speaking with you in the next quarter.

Operator

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