



BeFra

Q1 2024 Earnings Results

April 2024

Q1 2024 Highlights:

Continued Growth

Sustained Revenue Growth. Net Revenue growth of 10.4% in the Q124.

Solid EBITDA Growth. EBITDA increased by 15.4% with a 92 bps YoY EBITDA margin increase, to 21.0%.

Gross margin expanded by 79 bps, primarily driven by margin improvements at Jafra Mexico.

Continued deleveraging trend, reducing our Net Debt to EBITDA ratio to 1.78x.

Proposed a dividend payment of Ps. 250 million for Q1 2024. This would mark the 17th consecutive quarterly dividend payment since we went public in March 2020.

Next Steps

Revenue growth: Continued effective execution of 2024 commercial plan.

Cost control: maintain the gross margin at an optimal level throughout 2024 by continued cost improvement and efficiency strategies.

Betterware US Launch: Betterware began formal operations in the U.S. in April 2024.

Betterware Peru preparations. BeFra's Peru operations general manager is building a management team to lead the 2025 launch of Betterware Peru

Q1 2024 Highlights:

Betterware México

Sustained Net Revenue strength. A second consecutive quarter of positive YoY performance, with accelerated Net revenue growth (+12.0% YoY).

Strong increase in Distributor base of nearly 10% with maintained activity and average order levels.

Slight Gross Margin contraction, impacted by an increased mix of promotional products in total sales to 39% from 33% in Q123.

Cash Conversion Cycle reduced to 40 days.

Reduced excess inventory by 17% year on year and is expected to continue in 2024.

Next Steps

Solid Promotional and Innovation Plan with the goal to maintain strong average monthly orders and adequate average activity rates.

Reduce inventories: decreasing a minimum of 80% of current levels.

Increase Associates' base: Focus on both increased recruitment and retention of Associates through strengthened productivity, improved incentives, and enhanced ease of doing business.

Q1 2024 Highlights:

Jafra México

Sustained Net Revenue growth. Increased 11.3% compared to Q123.

Consultant base responding to the ongoing strategy, benefitting from strategic promotional activities.

Solid increase in average monthly order of 9.6%, supported by a 211-bps and 65-bps increase in the Consultants' and Leaders' activity rate, respectively.

Gross Margin improvement of 293 bps from a favorable exchange rate, reduced material costs, and a gain from decreased obsolescence costs.

EBITDA and EBITDA margin increased substantially driven by higher revenues and efficiencies.

Next Steps

Sustained revenue momentum. Continued growth strategy execution to drive double-digit growth in 2024.

Improve Skin Care performance. Introduction of a new Jafra Skin Care Line supported by extensive category plan to increase the category's performance.

Expense improvement. Continued cost control with further streamlining of overall operational expenses.

Q1 2024 Highlights:

Jafra US

Sustained upward trend in monthly activity rates: Consultants and Leaders increased its monthly activity rates in Q124 by 470-bps and 717-bps, respectively.

End of period Consultant base: increased by 2.5% YoY, aligned with 2024 targets.

Positive trend in Color. Revenues grew 13% YoY, benefiting from cross-category collaboration with Fragrances.

EBITDA and EBITDA margin improving due to aggressive cost containment throughout 2022 and 2023.

Next Steps

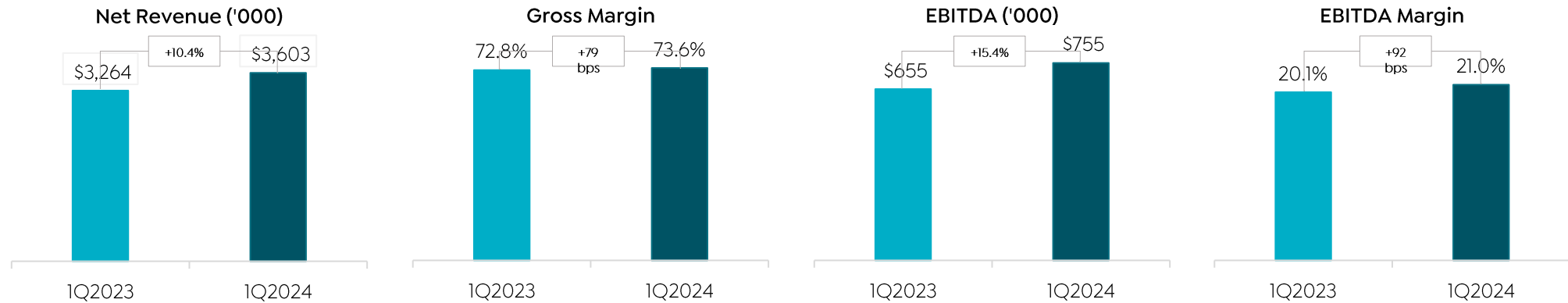
Jafra US commercial strategy has been calibrated and refined across all fronts. Q224 is expected to be a pivotal quarter, with further momentum in the second half of 2024.

Jafra US inventory levels: excess inventory has been reduced according to plan. The focus will be on maintaining more inventory in Queretaro, Mexico rather than Dallas, Texas, U.S.

Consolidated Financial Performance Q1 2024

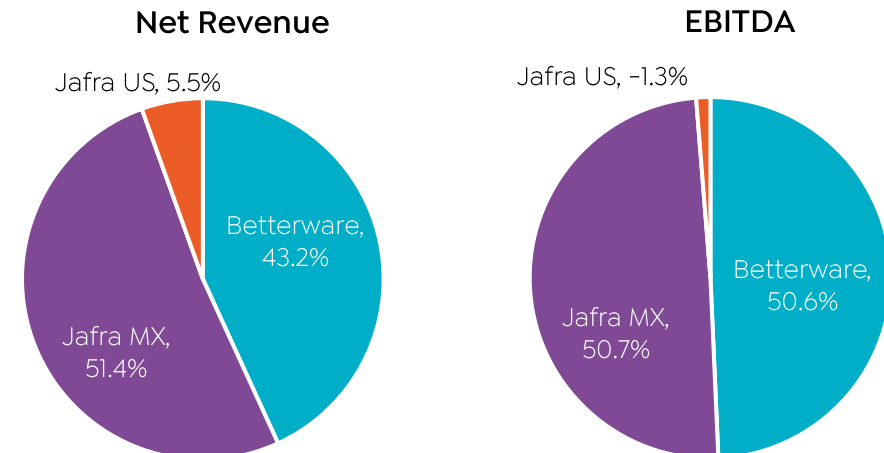


Q1 2024



Key Highlights:

- Net revenue, EBITDA and Net Income continues in positive trend because of the good performance by both brands in Mexico.
- Gross margin increase attributed to margin improvements at Jafra Mexico.
- EBITDA margin benefited by positive performance in our businesses, resulting in robust growth and cash flow.

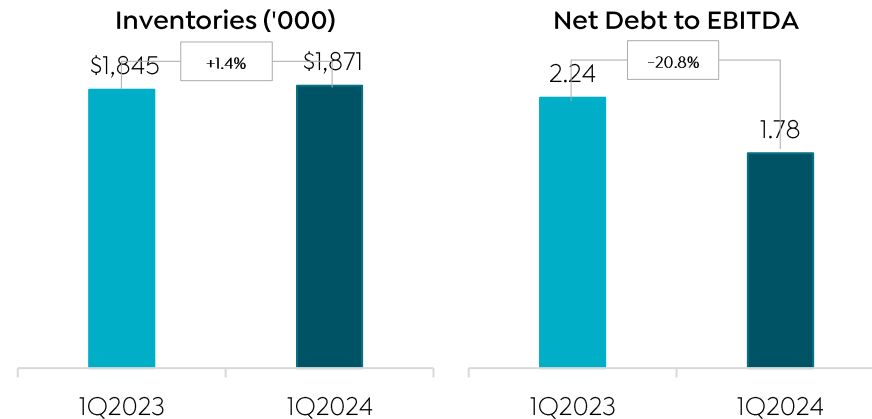


* Financial Figures in Ps. Millions.

Consolidated Financial Performance Q1 2024

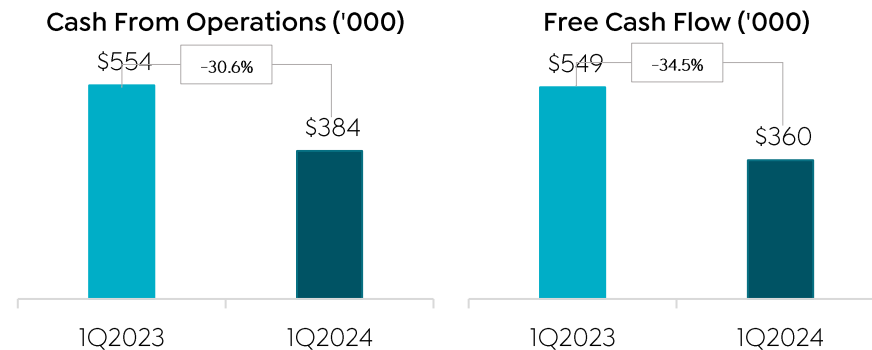


Balance Sheet



- Balance Sheet remains strong. We have deleveraged the company through the repayment of our debt from our Jafra Acquisition.
- We have reduced our Net Debt to EBITDA ratio to 1.78x in the quarter, going towards our goal of reaching at least 1.5x at the end of the year.
- Reduced Cash Conversion Cycle. We have improved our CCC due to an improvement in inventory levels in both our brands as well as better agreements with our suppliers.

Free Cash Flow



- Free Cash Flow generation during the quarter decreased 34.5%. This was due to a 30.6% decrease in our Operating Cash Flow that primarily resulted from increased tax payments made by Jafra Mexico, and in the case of Betterware, from higher spending on promotions and a temporary increase in distribution and shipping expenses
- The higher tax payments were triggered by a substantial 56.5% increase in income before taxes.

* Financial Figures in Ps. Millions.

Consolidated Financial Performance Q1 2024



Guidance

BeFra remains confident and optimistic about the remainder of the year, given the Company's substantial achievements to date and further growth prospects. The current outlook assumes BeFra's Q124 net revenue and EBITDA are aligned with initial forecasts provided at the beginning 2024. Should the company's results remain strong, BeFra may consider raising guidance. However, guidance remains as is detailed below:

	2024	2023	D%
Net Revenue	\$13,800 – \$14,400	\$13,010	6.1% – 10.7%
EBITDA	\$2,900 – \$3,100	\$2,721	6.6% – 13.9%

Capital Allocation

BeFra intends to use operating cash flow for debt repayments, with the same objective of lowering Net debt-to-EBITDA to at least 1.5x by the end of 2024.

The Company remains committed to paying quarterly dividends as another means to increase shareholder value. The board of directors has proposed a Ps. 250 million dividend for the first quarter 2024, subject to approval. This would mark the 17th consecutive quarterly dividend payment since we went public in March 2020.

** Financial Figures in Ps. Millions.*

BeFra

