



BeFra

Q3 2024 Earnings Results

October 2024

Q3 2024 Highlights:

Continued Growth

Q3 2024 consolidated net revenue increased by 6.6% YoY, driven by growth across all three business units.

Adjusted EBITDA continued its growth trajectory, achieving 11.7% YoY growth, despite challenging market conditions for Betterware.

Free Cash Flow Generation remained in line with our targets, increasing by 23.4% YoY.

Deleveraging efforts are progressing, achieving a Net Debt to EBITDA ratio of 1.76 times.

Next Steps

Execution of the commercial plan across businesses, leveraging strategic initiatives to capitalize on the final seasonality of the year..

Ongoing revision of pricing strategies to strike the optimal balance between volume and price across our portfolio.

Cost control and inventory reduction efforts to enhance profitability, minimize excess, and provide greater flexibility for the coming quarters.

Q3 2024 Highlights:

Betterware México

Net revenue grew by 3.2%, marking the third consecutive of growth since the pandemic disruptions.

Average Monthly Order increased by 11.6%, driving net revenues through improved productivity.

Gross margin below expectations impacted by external factors such as the Mexican peso depreciation and, higher freight costs. Strategies implemented have helped recuperate historical levels in Q4. With hedge accounting, our gross margin would have improved to normal 58-59% levels.

Next Steps

Product Innovation: focusing on strong innovation pipeline for Q4 to drive positive results.

Pricing Strategy: implementing a pricing strategy to safeguard margins, maintain competitiveness and reinforce market position.

Incentives Program: Adjusting our incentives to boost Associate productivity by optimizing rewards for activity, recruitment, and retention.

Q3 2024 Highlights:

Jafrá México

Achieved 9.2% YoY sales growth, driven primarily by the successful launch of innovative products like the Gii fragrance and BioLab skincare line.

High productivity from our Associates, reflected in a 12.4% increase in their average order value

Gross Margin exceeds expectations, supported by strategic pricing, commercial initiatives, and cost efficiencies.

Adjusted EBITDA posted exceptional growth of 53.0%, mainly attributed to higher sales and improved profitability.

Next Steps

Product Innovation: strong product innovation pipeline with new products poised to sustain positive momentum built over the past months.

Catalog redesign: Strategic improvements planned for the October catalogue to maximize its impact and strengthen our sales approach.

Incentive Program enhancements: adjustments aimed at increasing brand engagement while boosting recruitment and retention efforts.

Q3 2024 Highlights:

Jafra US

11.7% YoY net revenue growth: achieved our second consecutive quarter of growth driven by increased productivity from Associates.

Shopify launch: A successful rollout that is set to accelerate the momentum of our commercial strategies and simplify business operations for our salesforce.

Gross Margin contraction primarily due to higher inventory reserves and the commercial strategies implemented to drive sales.

Next Steps

Brochure Optimization: Implementing pricing strategies, adjusting pagination, and refining the promotional mix to capitalize on growth opportunities.

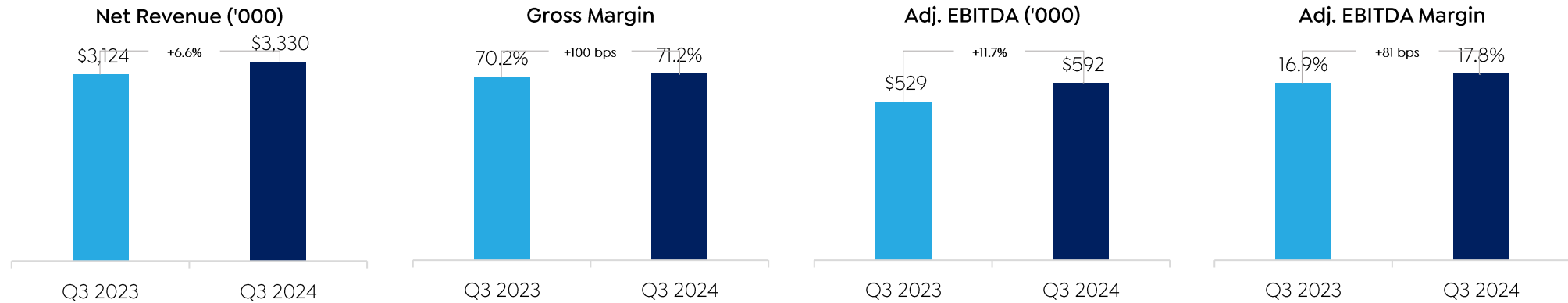
Skin Care Focus: Targeting the premium dermocosmetics segment with innovations like BioLab, designed to capture market demand.

Promotional Campaigns: Rolling out national campaigns aimed at strengthening recruitment and retention of our Associates, driving overall engagement.

Consolidated Financial Performance Q3 2024

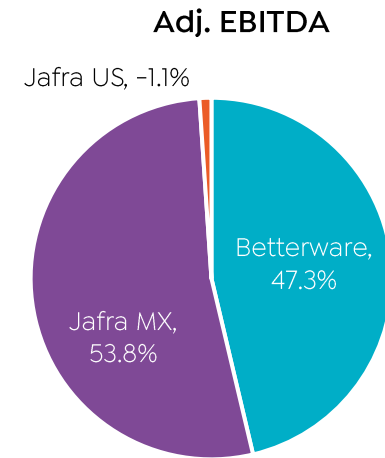
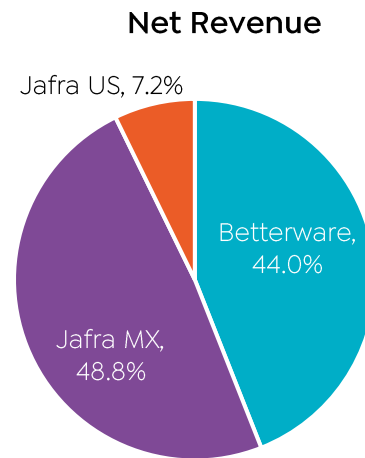


Q3 2024



Key Highlights:

- Net Revenue continues to grow, driven by all our business units. Betterware achieves its third consecutive quarter with growth and Jafra US the second, while Jafra Mexico continues to deliver exceptional results.
- Profitability of the group continues to improve, driven by cost efficiencies achieved throughout our business units.

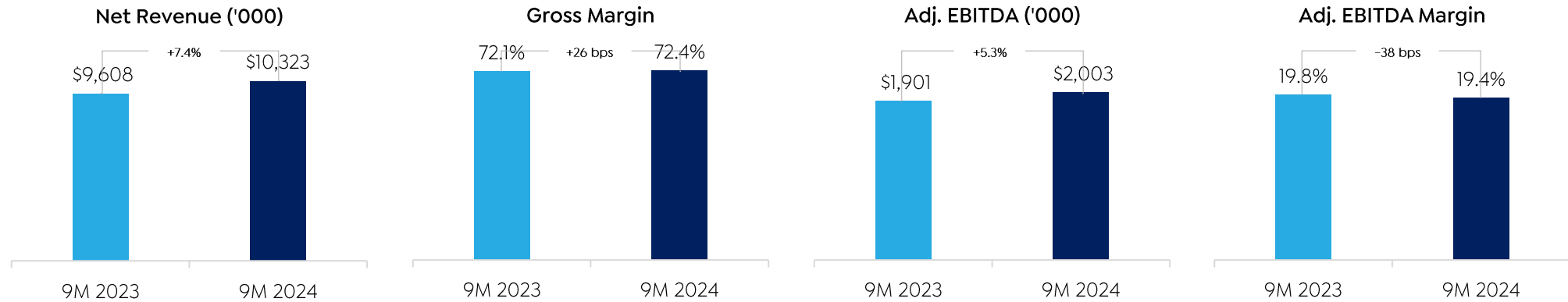


* Financial Figures in Ps. Millions.

Consolidated Financial Performance 9M 2024

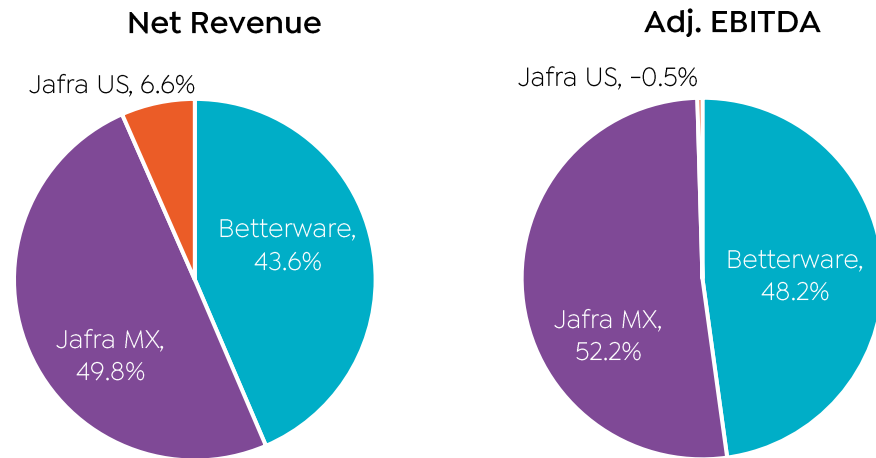


9M 2024



Key Highlights:

- Net Revenue and Adj. EBITDA continue growing, driven by Betterware and Jafra in Mexico, while Jafra US is on the right track to achieve break even point at the end of the year, proving the successful implementation of our business model in the turnaround of the company.

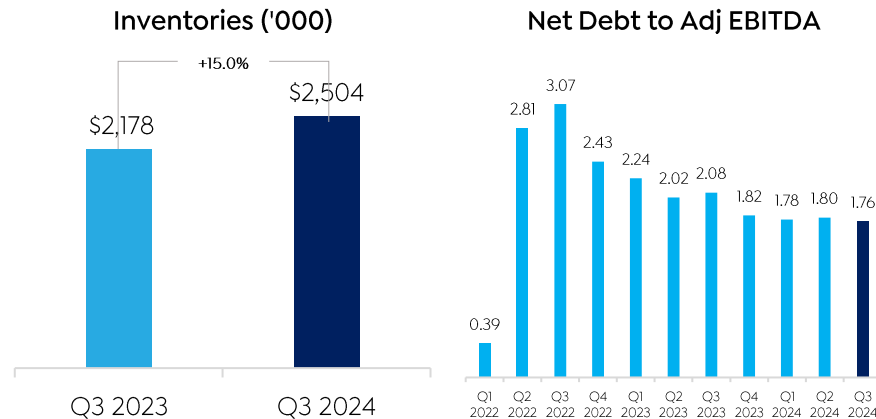


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Consolidated Financial Performance Q3 2024

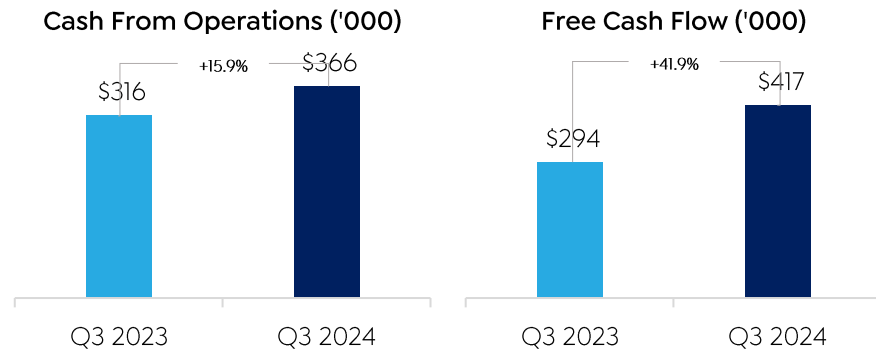


Balance Sheet



- **Strong Balance Sheet:** Continued deleveraging through debt repayments has strengthened our financial position.
- **Net Debt to Adj EBITDA ratio:** Reduced to 1.76x this quarter, moving steadily toward our target of 1.50x.
- **Improved Cash Conversion Cycle.** Enhanced working capital management aimed by better supplier agreements have optimized our CCC.

Free Cash Flow



- **Free Cash Flow generation.** Increased by 41.9% this quarter, driven by a 15.9% rise in Operating Cash Flow, primarily attributed to working capital efficiencies.

* Financial Figures in Ps. Millions.

Consolidated Financial Performance Q3 2024



Guidance

BeFra maintains a positive outlook for the remainder of the year, supported by the Company's significant accomplishments to date and promising growth prospects. The current forecast anticipates that BeFra's Q4 2024 net revenue will align with the initial guidance provided at the beginning of 2024, while the Adjusted EBITDA is expected to reach the lower end of the range. The existing guidance remains as outlined 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

The Company has introduced a new investment policy to provide clear guidelines for the efficient and sustainable use of BeFra's Free Cash Flow, fully aligned with strategic priorities. This policy reinforces BeFra's commitment to fostering long term growth, maintaining a solid financial foundation, and delivering consistent value to shareholders..

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 third quarter 2024, subject to approval. This would mark the 19th consecutive quarterly dividend payment since becoming public in March 2020.

** Financial Figures in Ps. Millions.*

BeFra

