



BeFra

Q1 2025 Earnings Results

April 2025

Q1 2025 Highlights:

BeFra Group

Net revenue decreased 2.9%, driven by a decline in sales on Betterware Mexico of 9.8% and softer than expected, yet positive growth in Jafra Mexico of 1.1%, tempered by weak consumer spending amid macroeconomic uncertainty.

Gross Margin declined 353 basis points mainly due to margin pressures in Betterware Mexico and Jafra Mexico from FX pressures resulting in higher costs with the Mexican Peso depreciating around 20% on a yearly basis.

EPS decreased 48.7% reflecting lower sales and profitability as well as higher taxes paid.

Next Steps

Smart Pricing & Merchandising. Implementation of targeted price adjustments and merchandising techniques to strike right balance between affordability and profitability.

Stronger Promotion & Salesforce Engagement. Increasing promotional activities and enhancing coaching, aiming to rebuild momentum, keep our salesforce active, and foster stronger loyalty

Innovation-Driven Cost Optimization. Strengthening innovation pipeline while reviewing cost structures to improve product accessibility.

Brand renovation and new product launches to enhance relevance and consumer interest.

Operational Agility & Sourcing Diversification. Exploring alternative sourcing opportunities to ensure supply chain resilience and efficient manufacturing.

Q1 2025 Highlights:

Betterware México

Betterware Mexico revenues declined 9.8%, the first decline since Q3 2023, as the challenging macroeconomic landscape softened demand and consumption in Mexico. Distributors and Associates base declined 6.0% and 10.4% respectively, mainly due to the impact on demand as prices increased to protect margins.

Gross Margin contracted by 473 basis points, as a result of increased cost pressures driven mainly by the depreciation of the Mexican Peso with costs increasing from \$18 to \$20.

EBITDA declined 31.6% driven by lower sales and lower profitability as mentioned above.

Next Steps

Strategic Pricing & Merchandising. Price adjustments and implementation of new merchandising techniques to balance affordability with margin protection.

Increased Promotions. Aiming to boost promotional activity to keep the salesforce engaged and active.

Salesforce Engagement. Enhancements of salesforce coaching and communication through segmentation and data-driven insights to rebuild momentum.

Innovation & Cost Optimization. Strengthening the innovation pipeline while reviewing product cost structures to improve accessibility.

Sourcing Diversification. Monitoring China tensions and advancing alternative sourcing options.

Q1 2025 Highlights:

Jafra México

Net revenues increased 1.1% in the quarter, despite tough microeconomic landscape with the execution of volume-price driven promotions.

Gross margin declined 398 basis points primarily due to the investment in volume-price initiatives and a shift toward lower-priced products.

EBITDA decreased 25.2%, in line with the impact seen in Gross Margin and the increase in promotional activities to drive volume growth.

Next Steps

Product Mix Optimization. Adjustment of product mix and pricing strategies to recover margins while sustaining volume in resilient categories.

Brand Renovation & Innovation. Continuing brand renovations and launch of new products to enhance brand relevance and appeal.

Ease of Doing Business. Applying Betterware's playbook to simplify processes and improve experience of the salesforce, helping attract younger generations while retaining our core base.

Querétaro Manufacturing Advantage. Leveraging our owned plant to support both the Mexican and U.S. markets efficiently.

Q1 2025 Highlights:

Jafra US

Net revenues decreased 4.7% in USD, offsetting challenges early in the quarter due to policy uncertainty in the US and disruption of operations of Shopify+ which has stabilized. Gross Margin declined slightly, reflecting promotional and operational cost impacts, but managing to sustain strong product margins. EBITDA declined 9.3%, but showed disciplined expense control and a strong recovery later in the quarter. EBITDA also had an impact due to one-time legal settlements.

Next Steps

New Compensation Plan. Launching in May to strengthen consultant recruitment and retention.

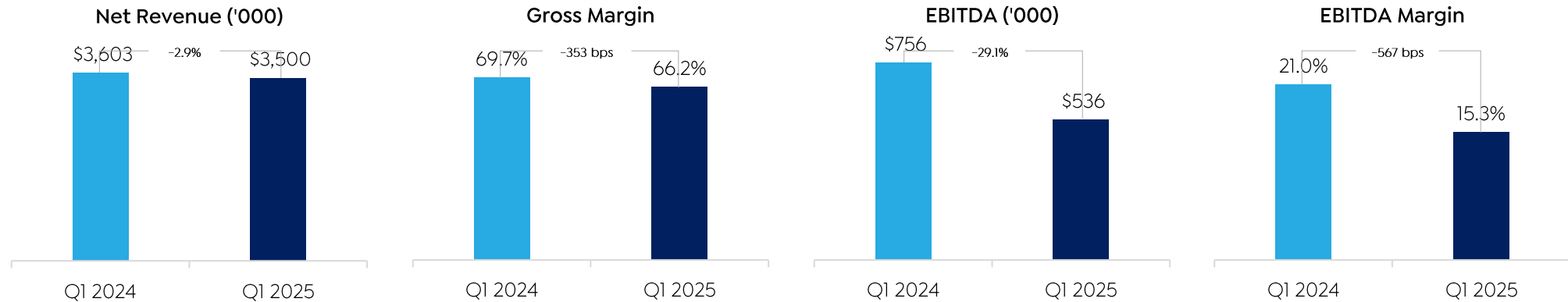
Catalogue Redesign. Introducing a refreshed catalogue with improved merchandising to enhance product visibility and drive conversion.

Shopify Enhancements. Upgrading platform functionality to improve usability and provide better access to performance data.

Consolidated Financial Performance Q1 2025

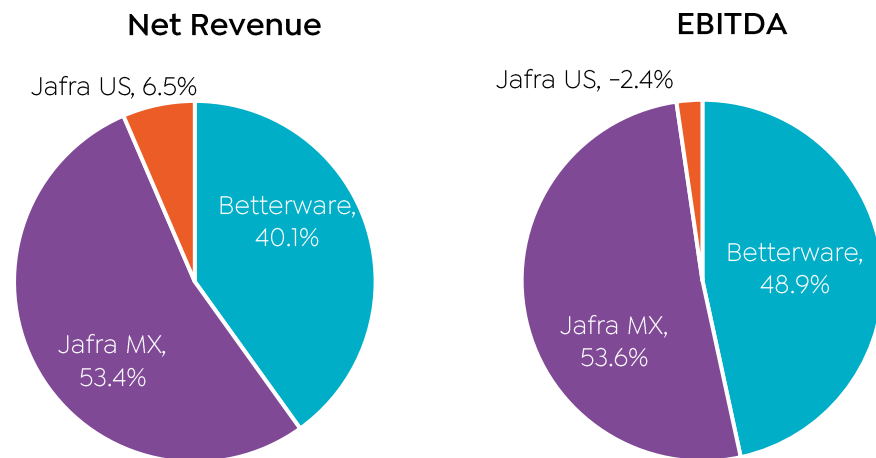


Q1 2025



Key Highlights:

- Net revenue decreased driven by a decline in sales from Betterware Mexico and slower-than-expected, yet still positive, growth in Jafra Mexico
- Gross margin declined mainly due to margin pressure in Betterware Mexico and Jafra Mexico from FX pressures
- EBITDA decreased driven by performance of Betterware and Jafra Mexico.

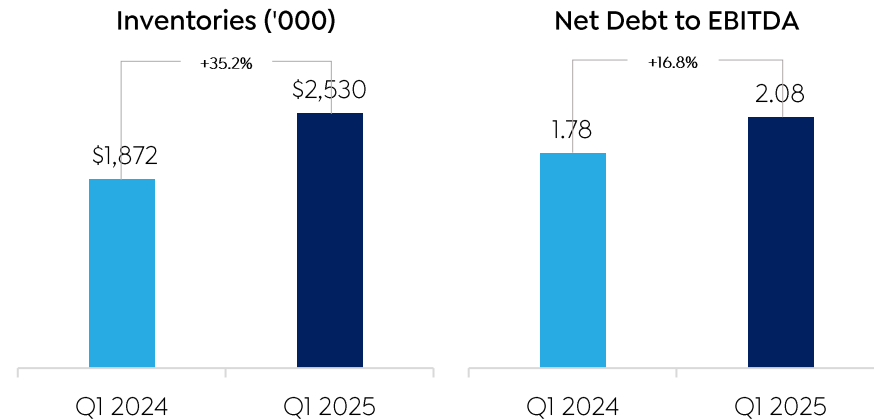


* Financial Figures in Ps. Millions.

Consolidated Financial Performance Q1 2025

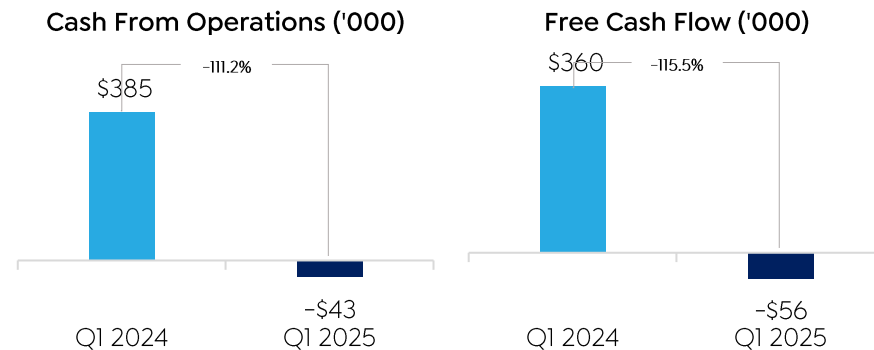


Balance Sheet



- **Balance Sheet.** Despite volatility and lower consumption, our Balance Sheet remains resilient to challenging conditions.

Free Cash Flow



- **Free Cash Flow was negative for the quarter.** primarily due to extraordinary cash outflows. Historically, we have converted ~60% of EBITDA to FCF, and ~40% in the first quarter due to seasonality.
- During the quarter we experienced extraordinary outflows mainly in Jafra Mexico as a result of the increase in working capital, primarily driven by higher inventory levels and higher paxes paid.

* Financial Figures in Ps. Millions.

Consolidated Financial Performance Q1 2025



Guidance

Looking ahead, management maintains its 2025 financial guidance and is closely monitoring how economic and market conditions evolve in Mexico and the U.S. in the coming months. Although BeFra remains well-positioned to reach high single-digit growth in net revenue and EBITDA for 2025, the current operating environments introduce a level of uncertainty that could influence management's outlook as the year progresses. Management continues to carefully assess the situations in BeFra's markets and intends to provide quarterly updates as market conditions develop and key decisions are made.

	2025	2024	D%
Net Revenue	\$ 14,900 - \$ 15,300	\$ 14,101	6.0% - 9.0%
EBITDA	\$ 2,900 - \$ 3,000	\$ 2,775	6.0% - 9.0%

Capital Allocation

The Company remains committed to paying quarterly dividends as another means to increase shareholder value. The board of directors has proposed a Ps. 200 million dividend for the first quarter 2025, subject to approval. This would mark the 21st consecutive quarterly dividend payment since our IPO in March 2020.

** Financial Figures in Ps. Millions.*

BeFra

