

The Betterware logo features the word "Betterware" in a white, sans-serif font. Above the letter "e" is a white outline of a house roof. A registered trademark symbol (®) is located to the upper right of the word. The background of the slide is a photograph of a modern, multi-story office building with a prominent red metal frame and glass windows, set against a blue sky with light clouds. The building has a large "B" logo with a house roof on top, similar to the Betterware logo, on its upper facade. The foreground shows some landscaping with small trees and a paved area.

Betterware®

4Q2021 and FY2021 Earnings Release

February 2022

Be Better **2025**

The information presented here may include statements regarding future events and / or projected financial results. The results obtained may differ from those projected in this presentation because they are subject to risks and uncertainty that may change based on various factors that are not under the control of the Company.

Betterware®

Revolutionizing

How Consumers Shop

For Household Products



Conference Call Agenda

- **Long-term consistent growth**
- **2020**
 - Seizing abnormal growth during the pandemic
- **2021**
 - The New Normal
 - External Headwinds
- **2022**
 - Strengthened network of associates and distributors
 - Commercial and Operational initiatives
 - Guidance
- **4Q 2021 and FY 2021 Financial Results**
- **JAFRA Acquisition**

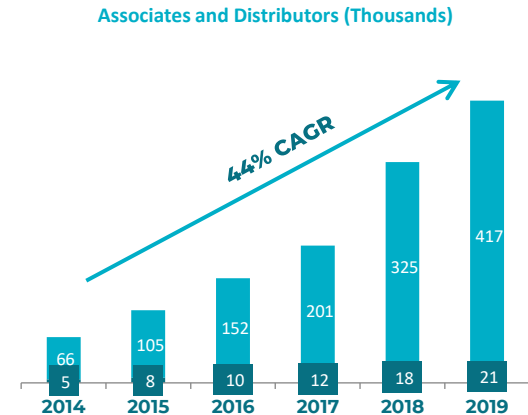
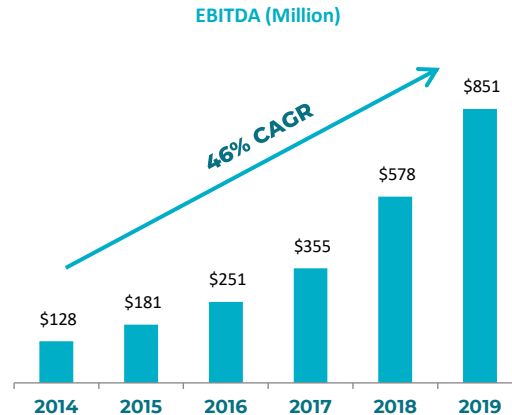
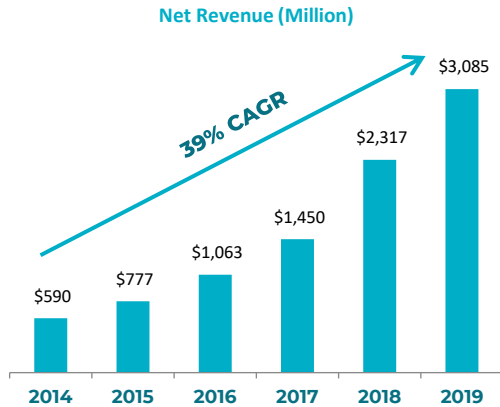
Long-term Consistent Growth

Over 20 years of consistent growth: CAGR surpassing 20% in Net Revenue, EBITDA and Sales Network.

2014 - 2019 accelerated growth derived from three business pillars:

1. **Product Innovation**
2. **Technology**
3. **Business Intelligence**

Proving the strength of the model and setting the base for future growth:




2020

**Seizing abnormal growth
during the pandemic**



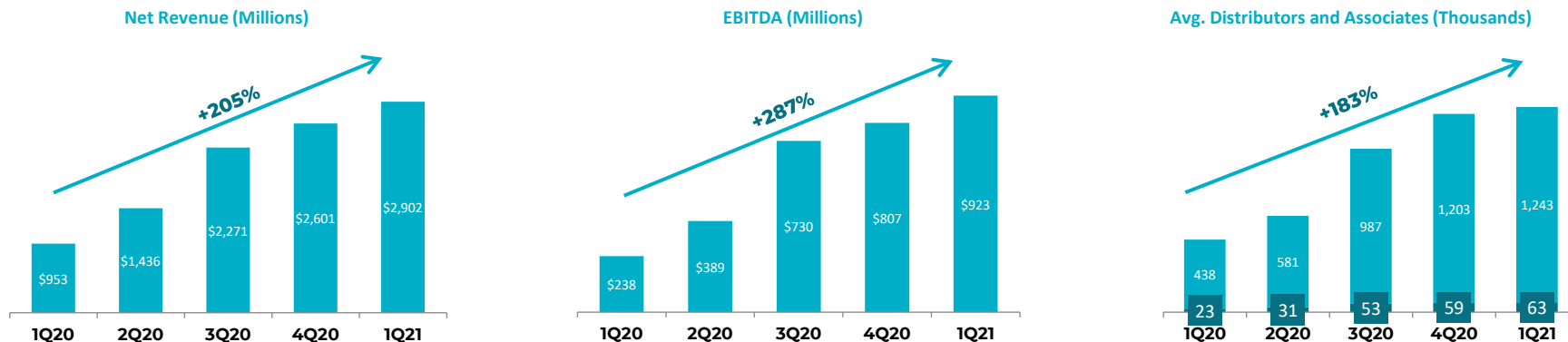
2020: Seizing abnormal growth during the Pandemic



In 2020 our business benefited from several tailwinds:

- **Increased demand for our products:** Total estimated market size for our products grew from Ps. 99 billion per year in 2019 to Ps. 156 billion per year in 2020
- **Expanded need of additional source of income due to jobs lost at the beginning of the pandemic:** Economically Active Population declined 18%, or 10.3 million people, from December 2019 to June 2020

Our network of Associates and Distributors grew rapidly, in line with net revenue and EBITDA, while also becoming more productive



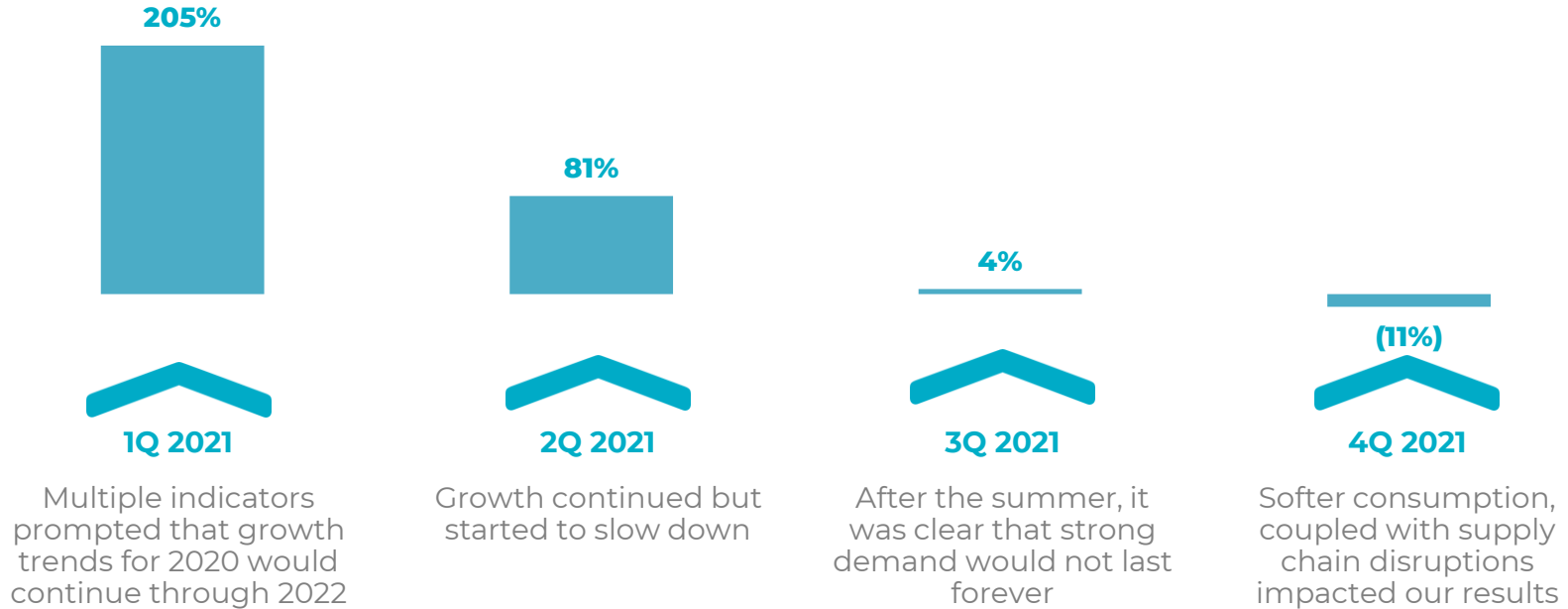
2021

**The New Normal and
External Headwinds**



2021: The New Normal

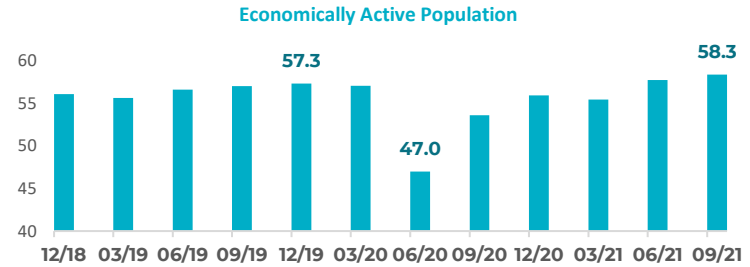
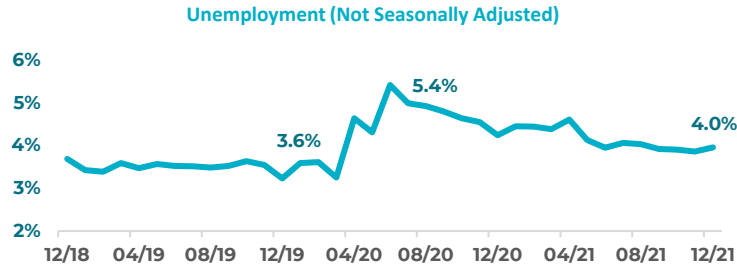
Net Revenue YoY Growth



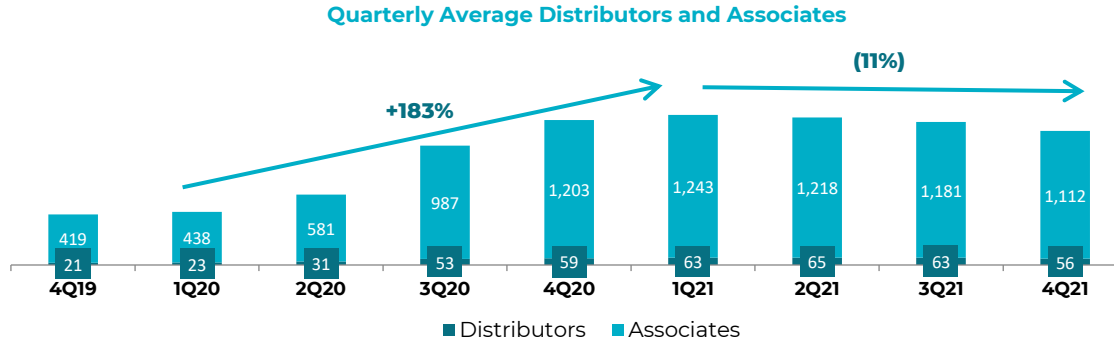
2021: The New Normal



During 2H 2021 people returned to normality and rejoined the Economically Active Population massively



Resulting on a higher-than-average churn rate and a consequent mild decline in our average network of associates and distributors

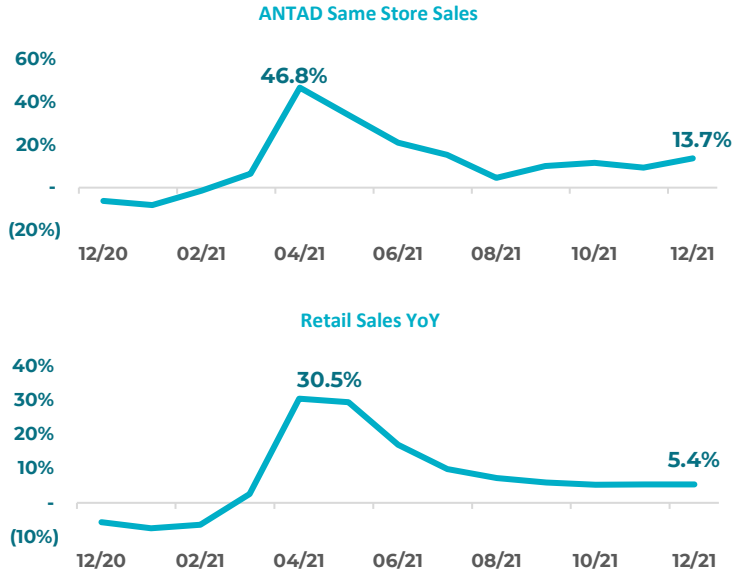


2021: External Headwinds



During 2H 2021, our business was negatively impacted by external shocks, namely:

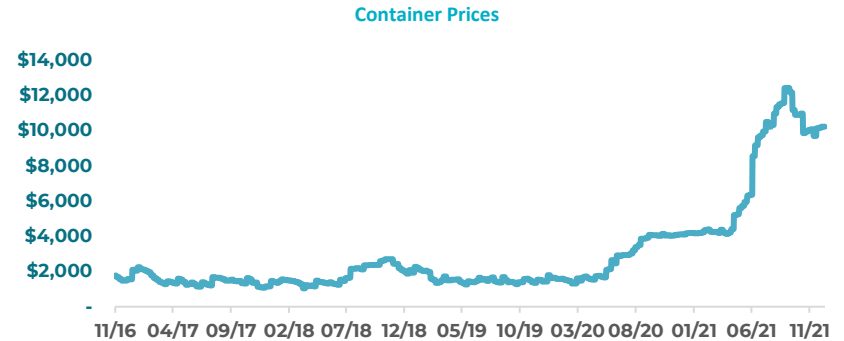
- Consumption softened compared to 1H2021
- Consumers re-directed their spending



Source: ANTAD (National Retailers Association), INEGI (National Institute of Statistics and Geography).

- Worldwide supply chain disruptions continued during Q4 21, affecting our business as follows:

1. Shortage of sea freight containers led to increase our air freight expenses
2. Stricter than expected energy restraints in China impacted our fulfillment capacity
3. Sea freights costs continued at abnormally high levels



Source: Bloomberg, WCI Shanghai to Los Angeles Container Freight Benchmark Rate per 40 Foot Box

2022

**Strengthened network of
associates and
distributors**

**Commercial and
Operational initiatives**

Guidance

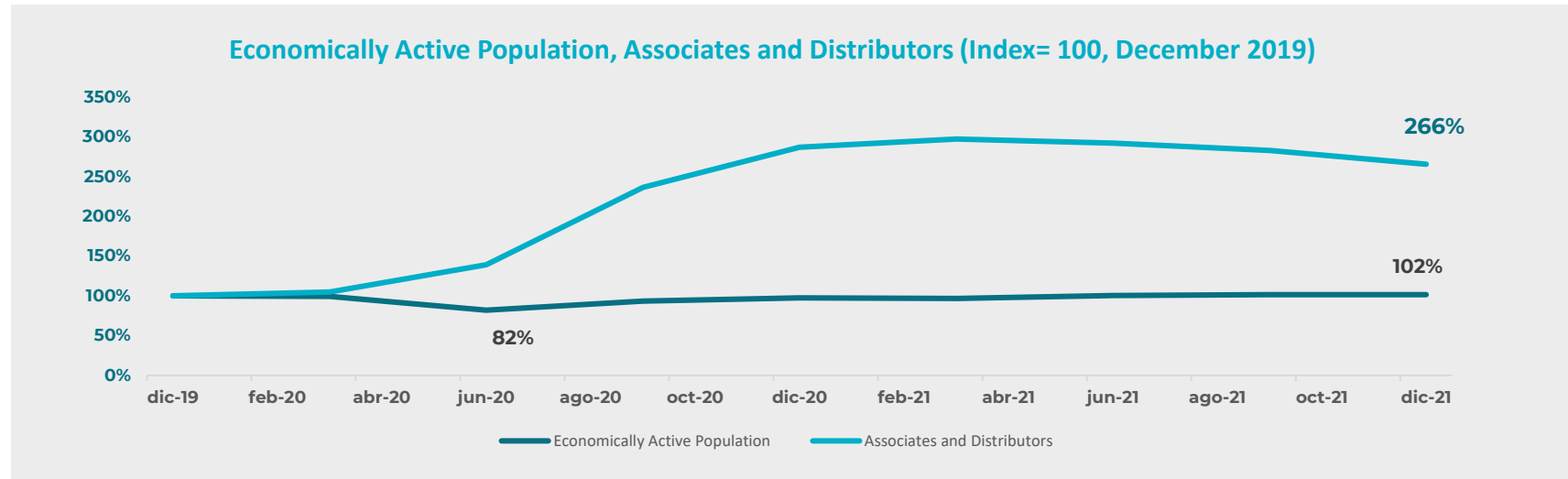


2022: Strengthened network of associates and distributors



Consolidation of network of associates and distributors: we have managed to keep a larger active base:

- When Economically Active Population (EAP) declined 18%, our sales force accelerated its growth
- The EAP recovered and surpassed its pre-pandemic levels, and our sales force remains 2.7x the size it was before 2020



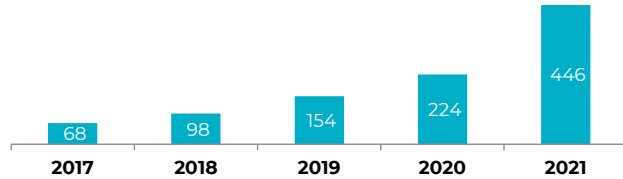
2022: Strengthened network of associates and distributors



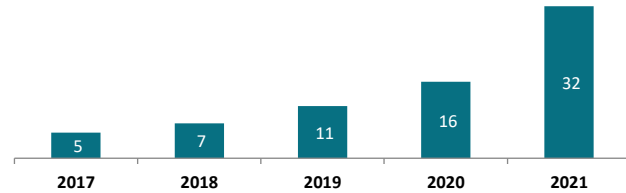
Our strengthened network of associates and distributors shows:

- Relevant growth in network of people with longer tenure

Associates: Tenure >1 year (Thousands)

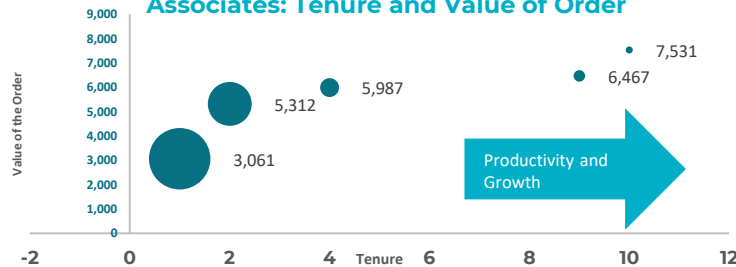


Distributors: Tenure >1 year (Thousands)

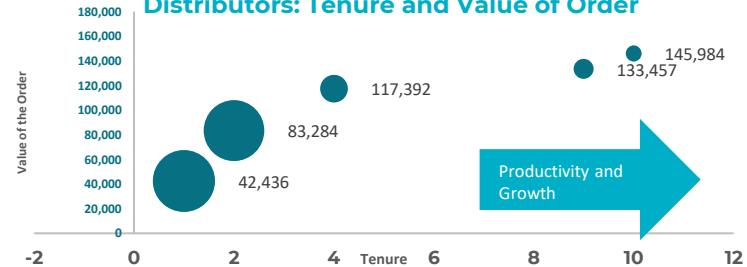


- Which translates into higher productivity through time, as longer-tenure associates and distributors place orders of higher value, on average*

Associates: Tenure and Value of Order



Distributors: Tenure and Value of Order



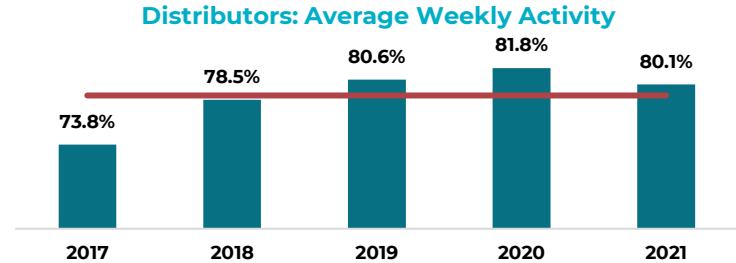
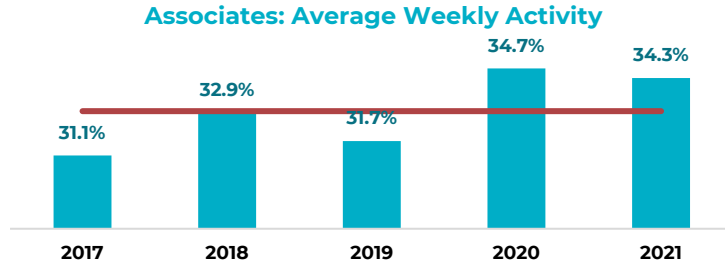
*The size of the bubble indicates the number of distributors or associates.

2022: Strengthened network of associates and distributors

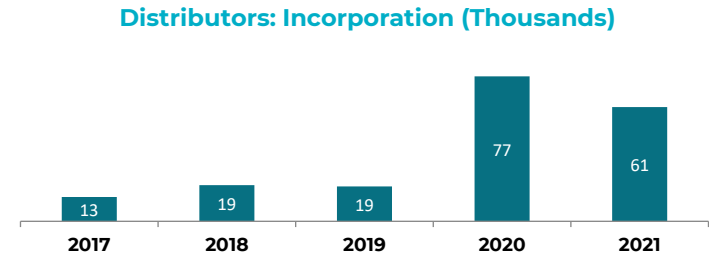
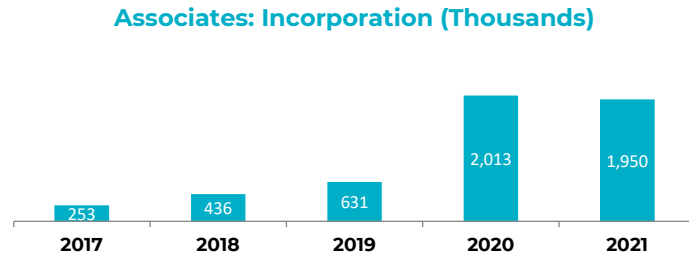


Our strengthened network of associates and distributors shows:

- Higher-than-average weekly activity rates



- Millions of people continue joining our sales force



2022: Commercial and Operational Initiatives



Refocused strategy in response to external headwinds, currently under way:

Commercial Actions					
Pricing Actions	Price Mix	Catalogue Frequency	Hybrid Model	Product Innovation	Incentives Program
General price increase of 12% to offset cost pressures	Increasing the share of lower-price items in our catalogues	Increased from 9 to 12 per year, providing enhanced flexibility to adapt	Increased in-person interaction with distributors and associates	Increasing share of new products per catalogue, from current 10% to around 20% during 2022	Increased focus on recruitment and retention of distributors and associates

Operational Initiatives			
Freight Costs	Supply Chain (China)	Foreign Exchange	Efficiency and Productivity
Signed contracts for 1/3 of our expected shipments for 2022 and 2023 at favorable rates	Accelerating domestic manufacturing plans: 20% local sourcing by year end 2022, from 7% as of 2021	Cover 100% of our expected US Dollar operating needs. Currently, approx. 85% covered. Covered around 80% of Jafra's acquisition price.	Achieve operational efficiencies with our automated Pick-and-Pack Tower during 2022

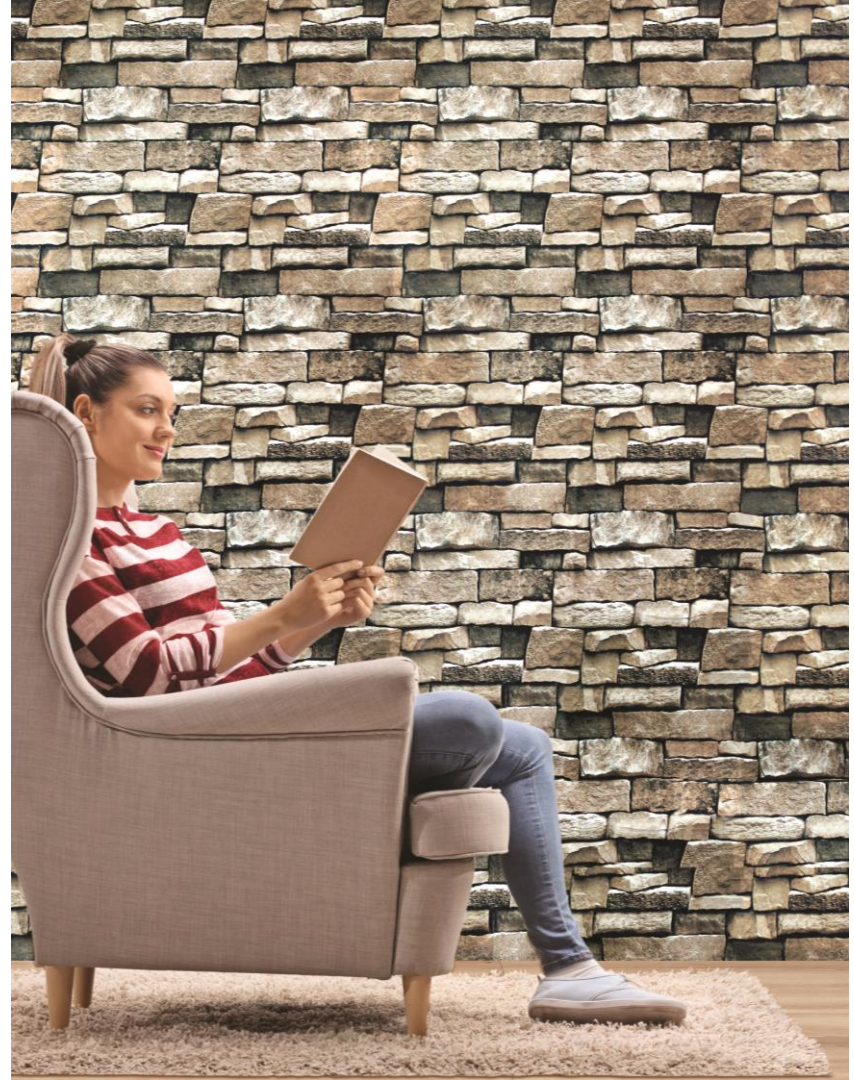
2022: Guidance

We remain confident in our ability to navigate well during the year ahead, given our strategic advantages and initiatives in place that position our Company to diversify our supply chain, broaden our categories and product offering, as well as retain and grow distributors and associates.

Given the uncertainties still present, we believe it is prudent to provide guidance for fiscal 2022 that includes Net Revenue and EBITDA in line with Fiscal 2021, assuming no significant deterioration in the external environment. This guidance implies that in 2H 2022 we will show YoY growth.



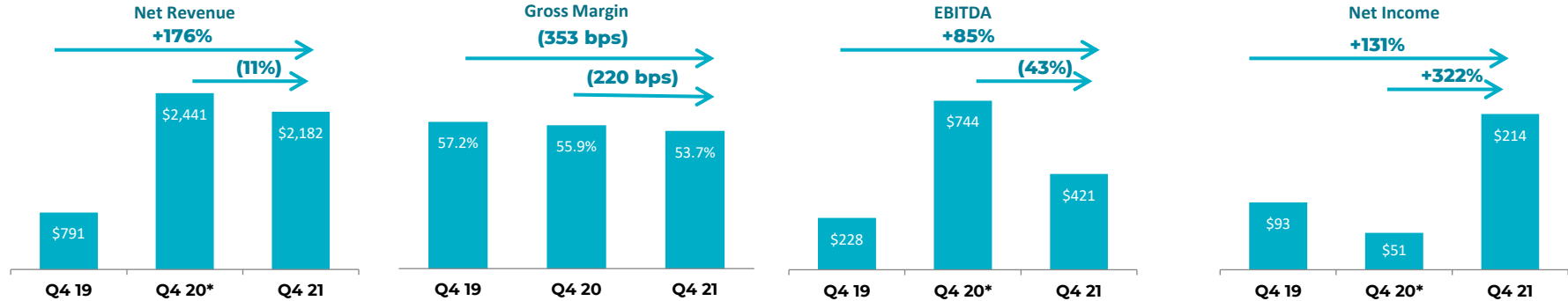
4Q 2021 and FY 2021 Financial Results



2021: Financial Results



Fourth Quarter 2021



During 4Q our business was negatively impacted by:

1. Consumption softened compared to 1H2021
2. Worldwide supply chain disruptions:
 - Increase our air freight expenses
 - Stricter than expected energy restrains in China
 - Sea freights costs

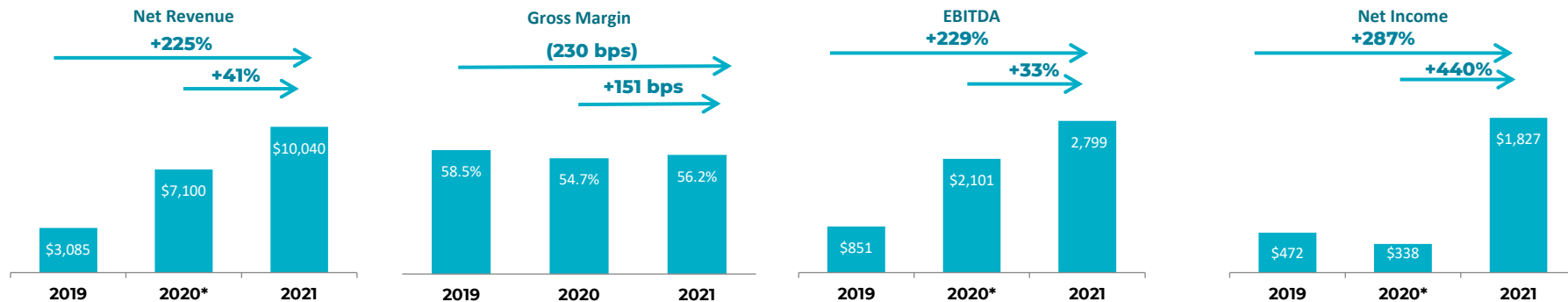
These impacts led to lower-than-expected total Net Revenue and EBITDA for the fourth quarter and for 2021

* 2020 Numbers adjusted to comparable 52 weeks.

2021: Financial Results



Fiscal Year 2021



After a full year of consolidation of our sales network and proactively dealing with external impacts:

- 41% net revenue growth vs. comparable 2020
- 33% growth in EBITDA vs. comparable 2020
- 27.9% EBITDA margin, despite external shocks
- EPS of Ps. \$49.41 for the year

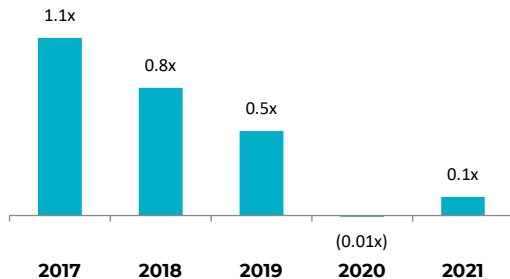
* 2020 Numbers adjusted to comparable 52 weeks.

2021: Financial Results

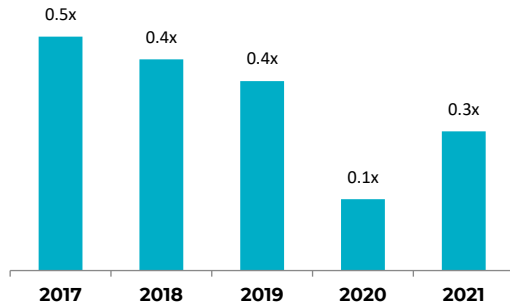
Strong Balance Sheet

- Conservative Net Debt to EBITDA ratio
- Low Total Debt to Total Assets and
- Negative cash conversion cycle stemming from differentiated Business Model

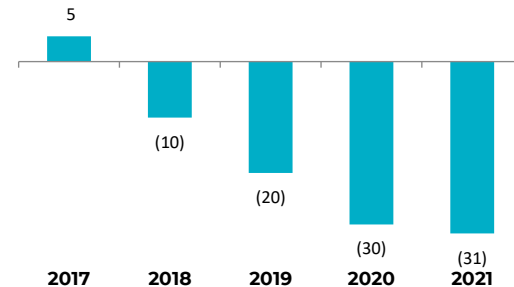
Net Debt to EBITDA



Total Debt to Total Assets



Cash Conversion Cycle (days)



JAFRA

Acquisition



JAFRA Transformational Deal

On January 18, 2022, Betterware announced the acquisition of JAFRA's operations in Mexico and the United States:

Betterware[®]



JAFRA[®]

- **Attractive acquisition price** (US\$255mm) and entry multiple (5.5x 2022E EBITDA pre-synergies)
- **Accretive since the first year**, before identified synergies it is expected to add US\$0.34 per share to EPS and over US\$45 in EBITDA
- **Increased diversification by categories and geographies**, including critical mass in the vast US Market
- **Betterware's Three Strategic Pillars** will propel JAFRA's revenue growth and profit potential
- **Accelerated digital transformation** of JAFRA by leveraging Betterware's omni-channel capabilities

JAFRA – Transformational Deal

Clear strategy to be executed:

Commercial:

Replicating Betterware's Three Strategic Pillars		
Product Innovation	Technology	Business Intelligence
<ul style="list-style-type: none"> Strengthening JAFRA's Skin Care category Introduction of new categories 	<ul style="list-style-type: none"> Leverage on Betterware's digital platforms Replicating our e-commerce model as a tool for JAFRA's consultants to accelerate their sales 	<ul style="list-style-type: none"> Leverage on our big data capabilities to optimize JAFRA's product offering and rewards program

Financial:

Bring JAFRA's EBITDA margin as close as possible Betterware's over the next three years		
<ul style="list-style-type: none"> Achieve identified synergies and expense reduction 	<ul style="list-style-type: none"> Enhance working capital management 	<ul style="list-style-type: none"> Achieve operational leverage

Betterware in the US:

This acquisition paves the way for us to enter the attractive US market by 2Q23.



Q&A

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