



# BeFra

Q2 2025 Earnings Results

July 2025

# Cautionary Statement Regarding Forward-Looking Statements



Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe,” “anticipate,” “intends,” “estimate,” “potential,” “may,” “should,” “expect” “pending” and similar expressions identify forward-looking statements. The forward-looking statements in this presentation are based upon various assumptions. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations.

# Q2 2025 Highlights:

## BeFra Group

Net revenue increased 5.1% in the quarter, driven by Jafra Mexico and the rebound seen in Betterware Mexico and Jafra US, marking a recovery from a challenging Q1.

EBITDA remains strong, increasing 3.5% in the quarter and reaching a margin of 19.1%. The result was driven by higher margins in Jafra Mexico, partially offset by margins in Betterware Mexico.

Positive FCF generation, reaching an EBITDA conversion of 87.2% in the quarter and we expect to maintain historical levels of ~60% by year-end.

Net income grew 7.7% in the quarter due to lower interest rates in Mexico and lower taxes.

## Next Steps

**Sales Mix & Core Growth:** Continue pricing strategy to drive volume and improve mix, while fueling growth through key product renovations and targeted innovation.

**Margin Discipline:** Balance accessibility and profitability by calibrating promotions and maintaining tighter control over inventory and pricing strategies.

**Salesforce Growth & Engagement:** Boost recruitment and retention through improved incentives, onboarding kits, clearer tools like the Purple Guide, and personalized tracking with Personal Tagging.

**Inventory & Operational Efficiency:** Enhance forecasting and planning using real-time data to reduce obsolete SKUs, optimize MOQs, and improve inventory turns.

# Q2 2025 Highlights:

## Betterware México

Betterware Mexico revenues declined 1.2%, but experienced a sequential rebound of 4.0% in the quarter, mainly due to the implementation of pricing strategies, great innovation and renewed incentives.

Associate base grew 3.3% QoQ, the first net growth since Q2 2021 with the average ticket increasing 6.2%.

Gross margin slightly below expectations, although experienced improvements from Q1 and decrease was largely due to the deliberate commercial strategy of pricing.

EBITDA remains strong despite the decrease in gross margin and continue to look for operational efficiencies to raise to 23%-25% expected levels.

## Next Steps

**Optimize Sales Mix & Pricing:** continue with Q2 pricing strategy to make line items more accessible and drive retention, volumes sold and a normalized gross margin.

**Enhanced incentive plan:** with a successful H1 compensation plan, we have refined some programs to continue momentum in sales force growth.

**Personal Tagging:** Launch of a program that enables a closer follow up of the Distributors and Associates journey, with targeted approaches to boost sales, retention and recruitment.

**Continue Inventory Optimization:** real-time sell-through data to better manage purchasing cycles and further reduce obsolete SKUs

# Q2 2025 Highlights:

## Jafra México

Net revenues increased 10.9% in the quarter, mainly due to strong performance across Fragrance, Color and Skin Care categories, Mother's and Father's days campaigns and the positive impact of the brand refreshment of key lines.

Associate base increased 2.3% YoY, with the average ticket increasing 9.2%, driven by the successful execution of incentives and promotional campaigns.

EBITDA for the quarter grew 14.2% YoY, with the margin expanding to 21.2%, driven by sales volume growth, an improved sales mix, and disciplined cost management

## Next Steps

**Accelerate Recruitment & Activation:** Expand Associate base via better incentives for productivity.

**Drive Core Category Growth Through Product Renovations & Innovation:** Launch of rebranded key products and seasonal sets, as well as the launch of new products.

**Maintain Margin Discipline:** Calibrate promotional intensity, while recalibrating and improving forecast capacities to reduce excess inventories.

**New Purple Guide:** First time we have printed a simplified communication of the incentives plan for Jafra available to all the salesforce.

**Inventory Management:** Improve the Sales and Operational Planning process and a more suitable Minimum Order Quantities.

# Q2 2025 Highlights:

## Jafra US

Net revenues decreased 8.9% in USD, mainly due to the softer consumption levels among the Hispanic households as a result of stricter immigration policies. Nonetheless, **achieving a QoQ rebound of 15.6% in USD** driven by the execution of commercial strategies.

**Associate base experienced a rebound of 8.5% QoQ**, with improvements in activity levels as well, driven by the implementation of new incentives plan in April and May.

Gross margin for the quarter reach 76%, the **highest in recent quarters** driven by a more favorable mix towards higher margin products that resulted from pricing adjustment initiatives.

## Next Steps

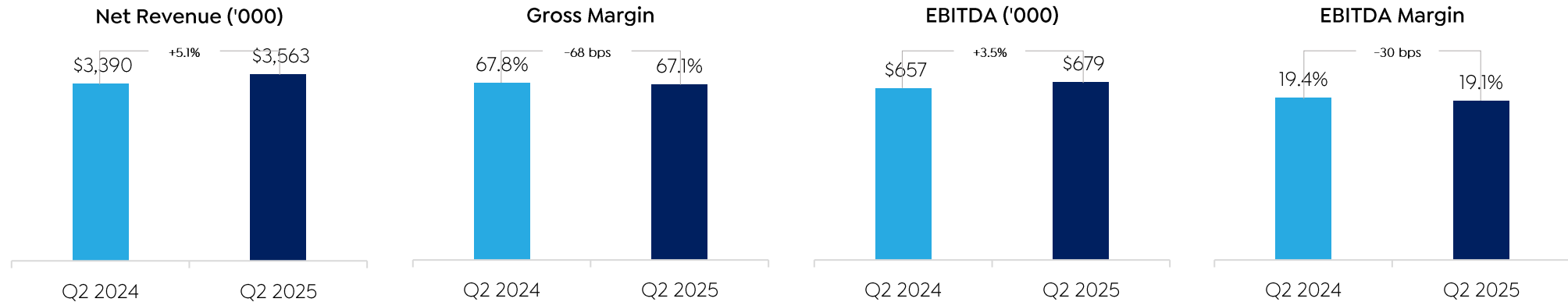
**Strengthen Recruitment & Onboarding:** Launch targeted incentives for new recruits with kits and promotion campaigns by market segment (General and Hispanic), aiming to simplify sales tools and training to drive earlier Associate conversion and retention.

**Brand Refresh and Innovation:** continue to lay out all product renovations, innovations, and begin to launch new product lines specifically targeted to US consumer niches, such as the new “around the world” fragrance collection which will be introduced in Q3 2025.

# Consolidated Financial Performance Q2 2025

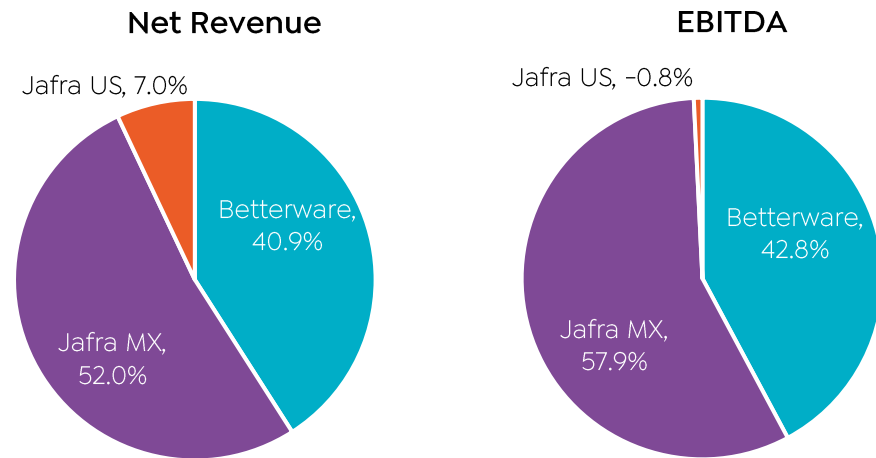


## Q2 2025



### Key Highlights:

- Net revenue increased driven by the increase in sales from Jafra Mexico, partially offset by declines in Betterware Mexico and Jafra US, although achieving a QoQ rebound.
- Gross margin remained in line with last years result despite the pricing initiatives to drive volume and sales.
- EBITDA increased 3.5% mainly driven by Jafra Mexico.

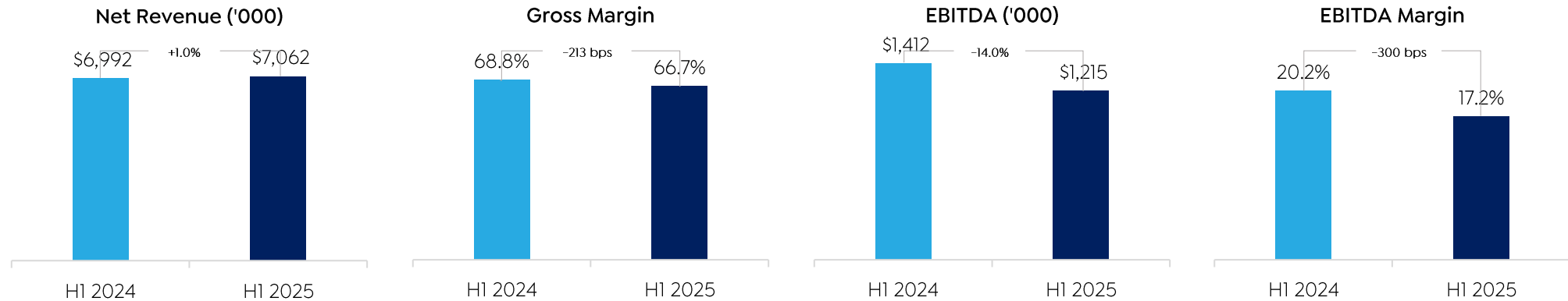


\* Financial Figures in Ps. Millions.

# Consolidated Financial Performance H1 2025



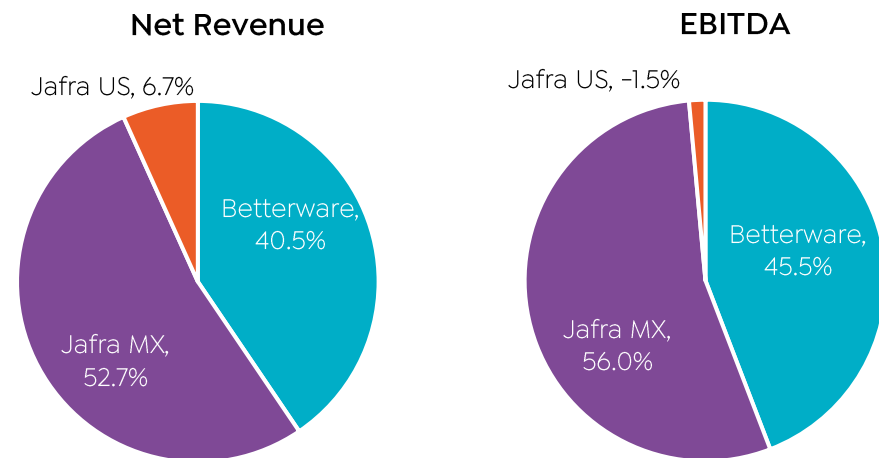
## H1 2025



### Key Highlights:

- Net revenue increased 1.0%, mainly driven by Jafra Mexico, partially offset by Betterware Mexico and Jafra US, which suffered from a challenging Q1 but show recovering signals in net revenue and Associate base.
- Gross margin decreased mainly due to pricing initiatives across the group to drive volume and sales.
- EBITDA decreased mainly due to performance in the Q1.

\* Financial Figures in Ps. Millions.

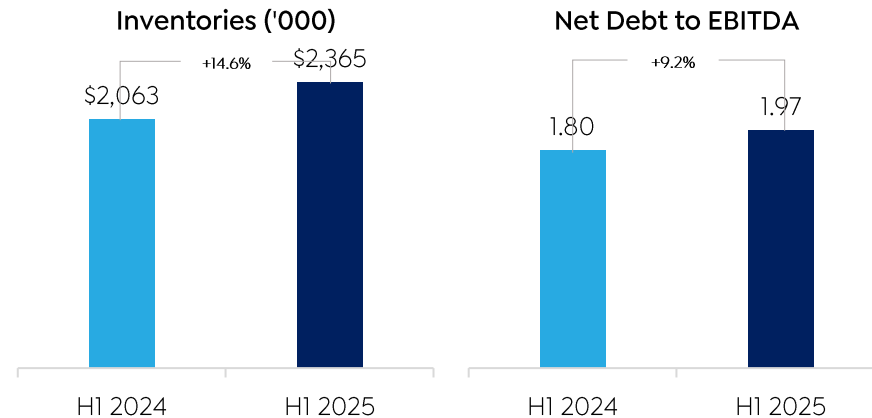




# Consolidated Financial Performance YTD 2025

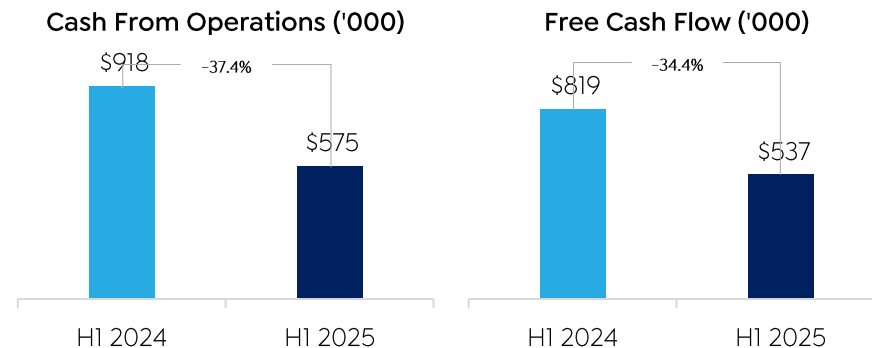


## Balance Sheet



- **Balance Sheet.** Despite a challenging Q1, our Balance Sheet remains resilient to challenging conditions.
- **Inventories remain above historical levels,** but we have implemented initiatives across Betterware and Jafra Mexico to reduce excess inventory in the coming quarters.
- **Net debt to EBITDA ratio increased YoY,** but decreased compared to Q1 as a result of volatility seen in consumption and the market in general.

## Free Cash Flow



- **Free Cash Flow was positive for the quarter,** primarily due to the better performance across our brands and returning to generating cash flow after the challenging condition we faced during the Q1.
- **On a YTD basis, we converted 44.2% of generated EBITDA to FCF** and expect to reach historical levels of 60% by year-end.

\* Financial Figures in Ps. Millions.

# Consolidated Financial Performance Q2 2025



## Guidance

The Company remains committed to the full-year guidance issued earlier this year and will continue to monitor the business progress closely.

	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 second quarter 2025, subject to approval. This would mark the 22nd consecutive quarterly dividend payment since our IPO in March 2020.

\* Financial Figures in Ps. Millions.

BeFra

