

Earnings Results 2017



natura

July 27th, 2017

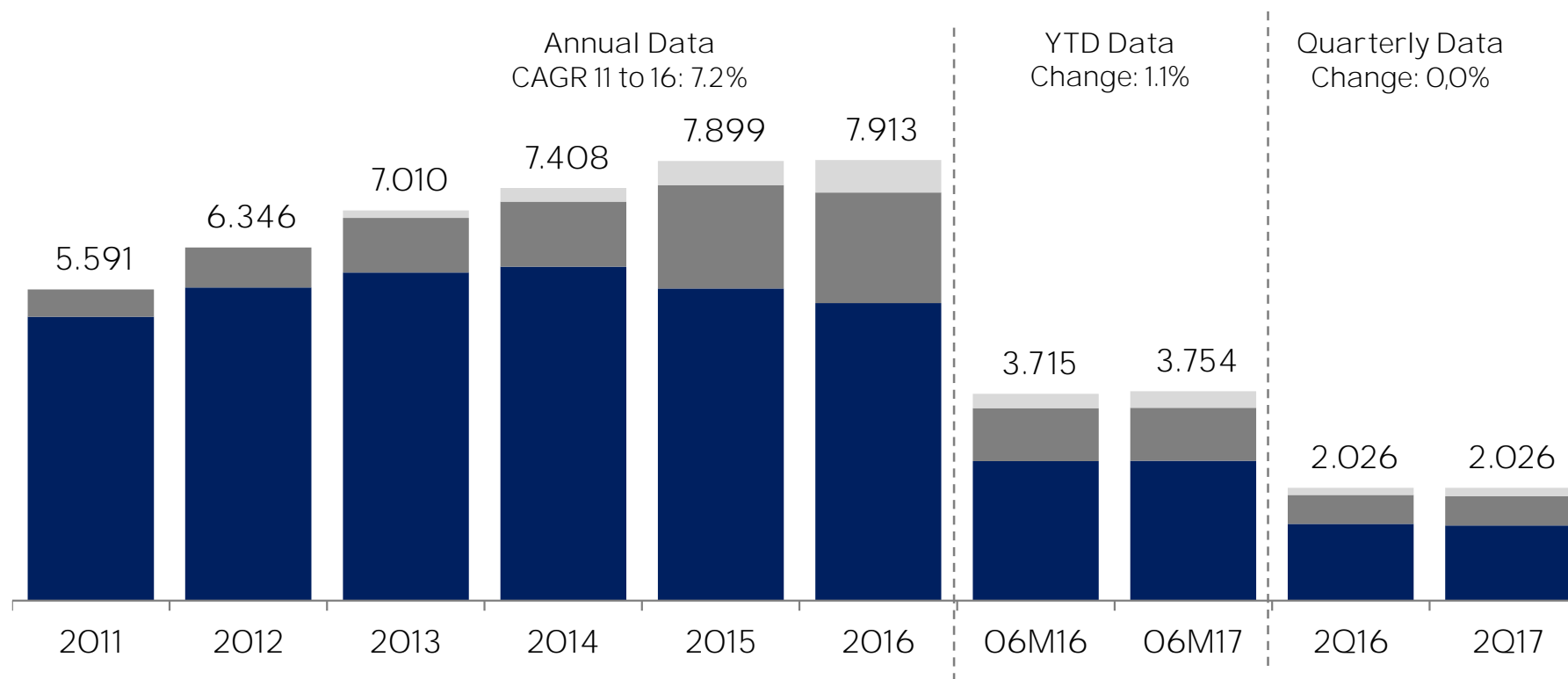
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Net Revenue

Consolidated (Brazil and International Operations)

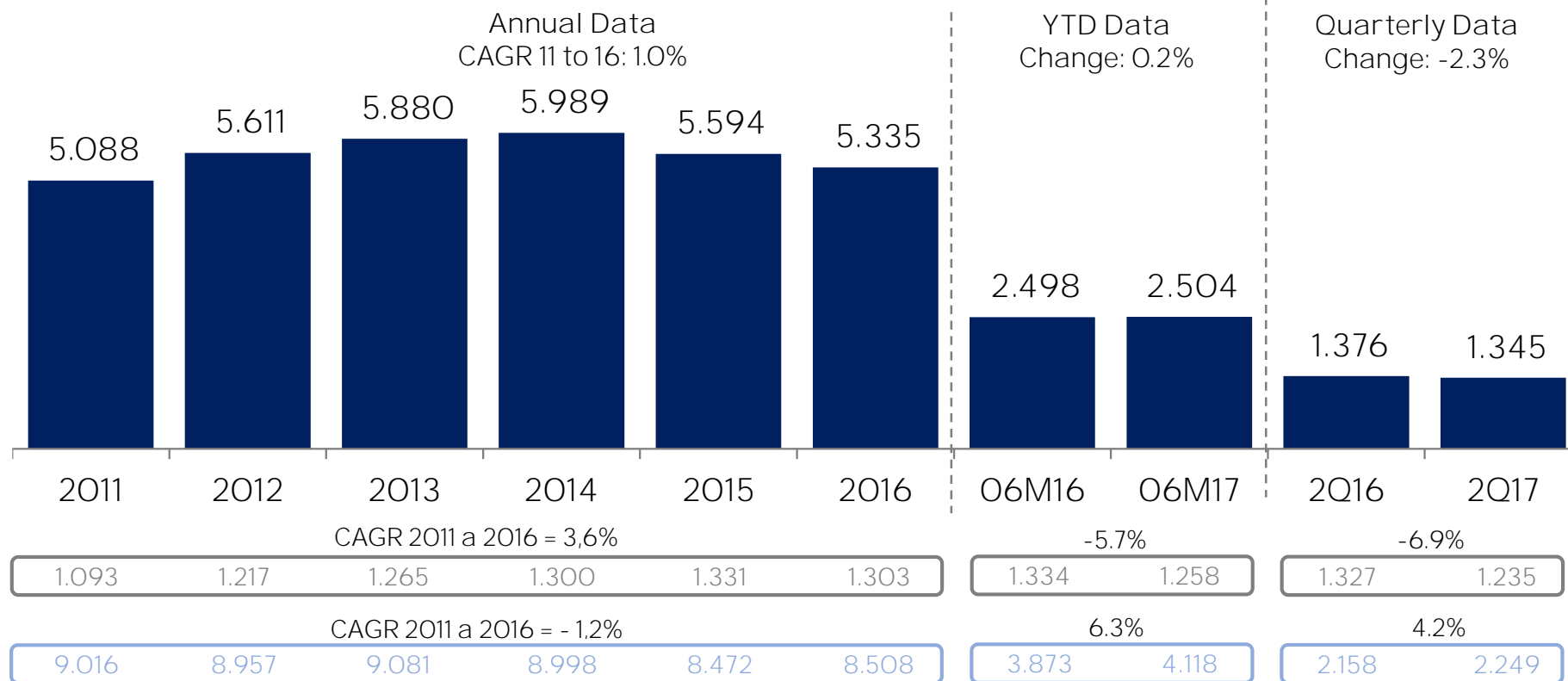
R\$ million



Consolidated net revenue remained stable in 2Q17 compared to 2Q16, supported by a 13.4% growth in Latam' net revenue in local currency, and 1.5% in BRL, 30.6% growth in Aesop' revenue in AUD and 20.3% in BRL, which offset Brazil's net revenue decline of 2.3% in the period. In 1S17, consolidated net revenue was 1.1% higher than 1S16, boosted by Brazil (+0.2%), Aesop (+15.6% in BRL, 31.0% in AUD), that compensated Latam' contraction of -0.3% in BRL, impacted by FX.

■ Brazil ■ Latam ■ Aesop

Net Revenue Brazil



In 1S17, net revenue remained stable in relation to the same period last year. In 2Q17, net revenue decreased 2.3%, impacted by the macroeconomic scenario, fewer business days in April, the anticipation of our Mother's Day campaign to 1Q17 and the downsizing of our Relationship Sales network due to the launch of a new commercial model.

■ Net Revenue (R\$ million)

□ No. of Consultants Average (thousand*)

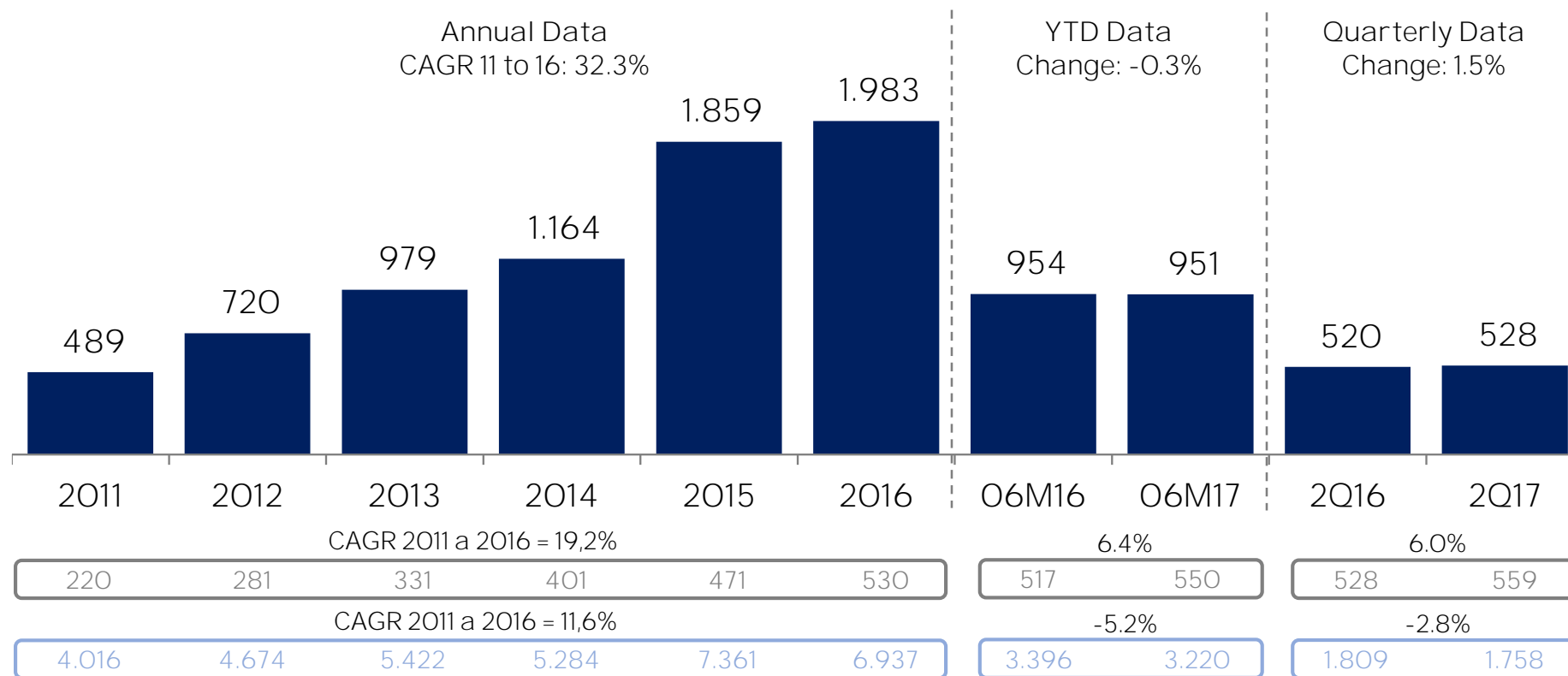
□ Productivity (R\$ by average available consultant**)

(*) Position in the end of Cycle 9

(**) Productivity measured by sales (retail prices) calculated by gross revenue in Brazil divided by the average number of consultants available in the analyzed cycles.



Net Revenue Latam



In 2Q17, net revenue increased 13.4% in local currency, driven by channel expansion (+6.0%) and higher consultant productivity. Due to FX headwinds the growth in BRL was 1.5% compared to 2Q16.

■ Net Revenue (R\$ million)

□ No. of Consultants Average (thousands*)

□ Productivity (R\$ by average no. of available consultants**)

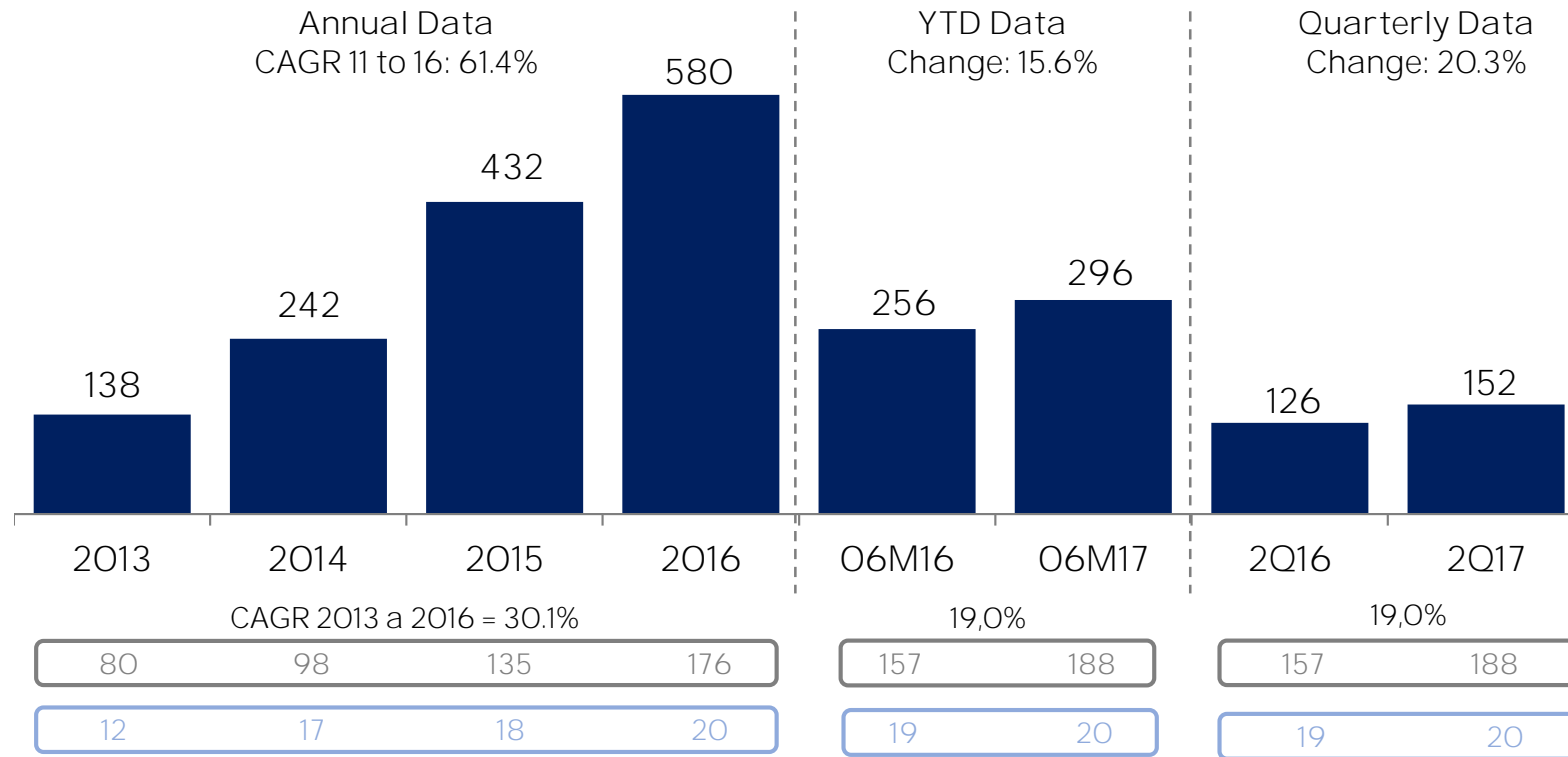
(*) Position in the end of Cycle 8 in Argentina, Chile, Mexico, Peru and Colombia.

(**) Productivity measured by sales (retail prices) calculated by gross revenue in Latam divided by the average number of consultants available in the analyzed cycles.



Net Revenue

Aesop



Net revenue advanced 30.6% in AUD, supported by same-store sales growth of 12% in the last 12 months and the launch of 33 exclusive stores, bringing the total to 188 in 20 countries. In BRL, growth was 20.3% due to the Brazilian currency appreciation. Aesop already accounts for 7.5% of consolidated net revenue in the quarter (6.2% in 2Q16).

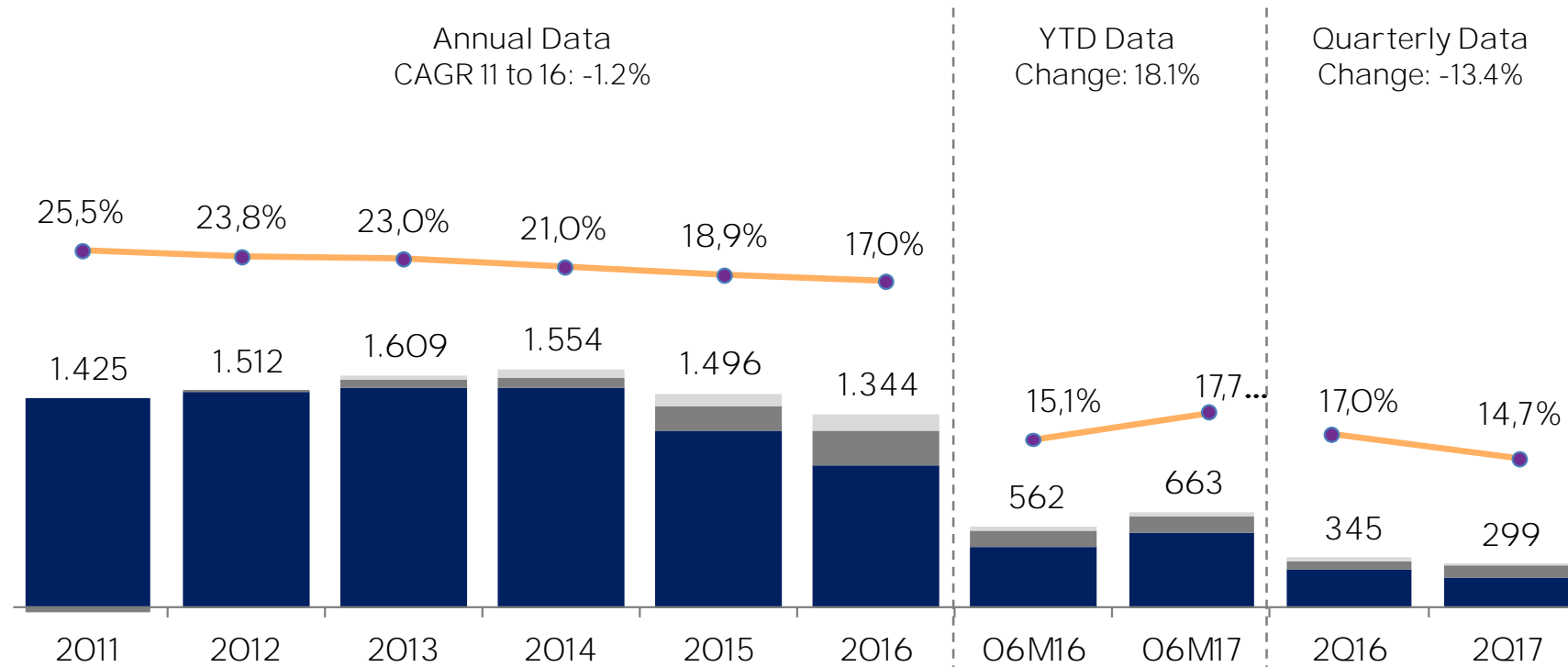
■ Net revenue (R\$ million) □ Number of Stores □ Number of geographies**

(**) Geographies where Aesop is present with signature store: Australia, Brazil, Canada, Denmark, France, Germany, Hong Kong, Italy, Japan, Korea, United Kingdom, Macau, Malaysia, New Zealand, Norway, Singapore, Switzerland, Sweden, USA



EBITDA

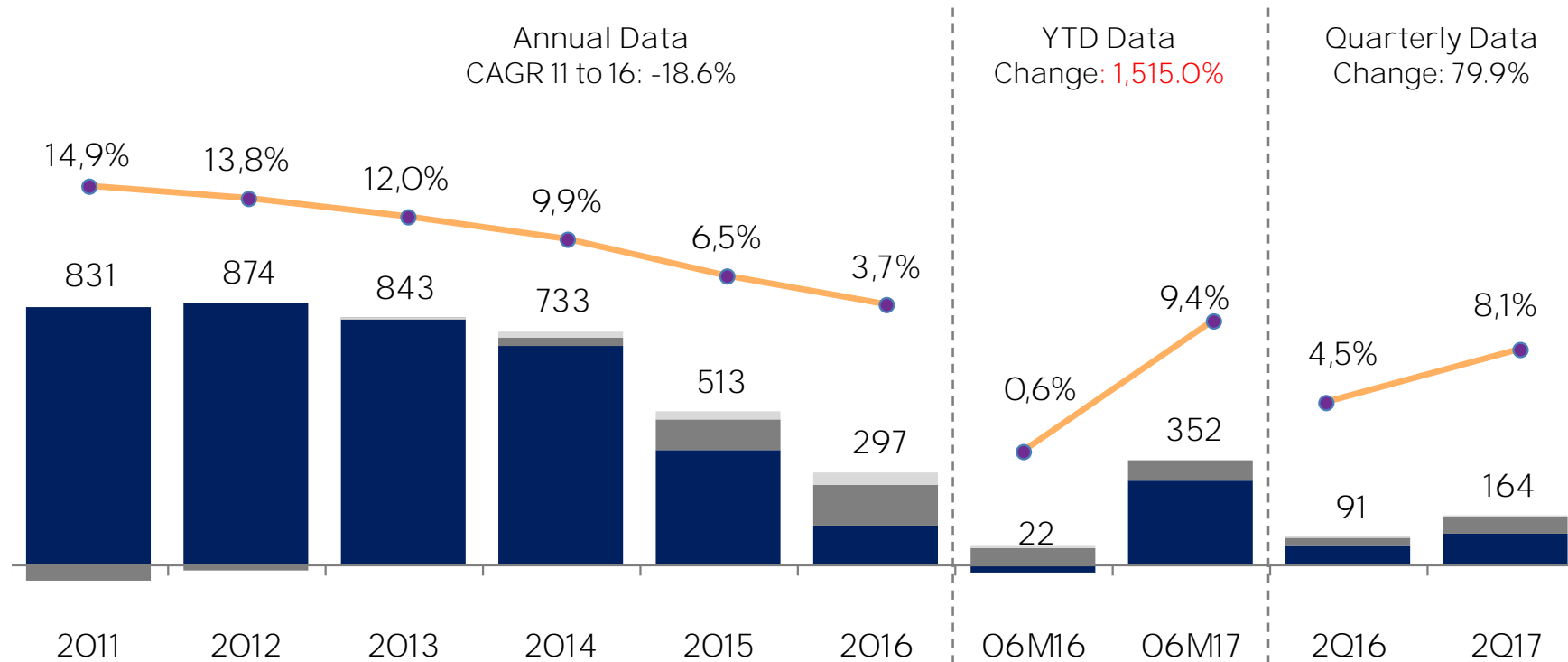
Consolidated



In 2Q17, consolidated EBITDA was impacted by the costs associated with the acquisition of The Body Shop. Excluding these, EBITDA would've been R\$ 334.3 million, 3.0% less compared to 2Q16. This result was affected by the higher investment in media and our Relationship Sales network and by the new long-term incentive for Aesop's key executives, which were partially offset by the strong EBITDA growth in Latam.

■ Brazil ■ Latam ■ Aesop — EBITDA Margin (%NR)

Net Income Consolidated

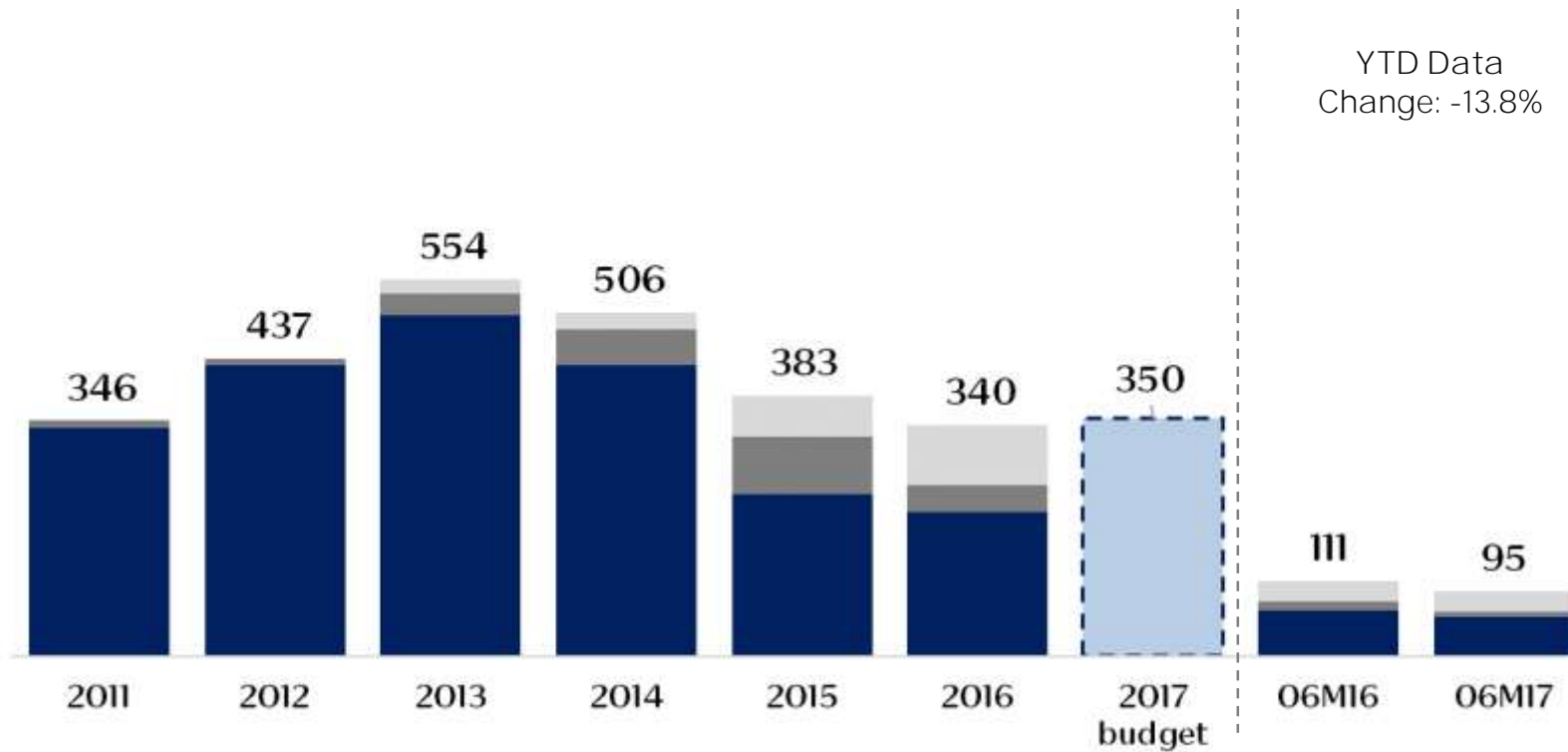


Net income of R\$ 164 million in 2Q17, growth of 79.9% compared to 2Q16. Excluding acquisition costs, net income was R\$ 139.1 million, still significantly higher than 2Q16, mainly reflecting a reduction in financial expenses.

■ Brazil ■ Latam ■ Aesop — Net Margin (%NR)

CAPEX

Consolidated



Budget Capex of R\$350 million for 2017, following recent years' trend of lower CAPEX levels. In 2017, investments were slightly lower than the previous year, however we maintain our budget, supported by a more meticulous management and approval of investments.

■ Brazil ■ Latam ■ Aesop

Free Cash Flow

Consolidated

R\$ million	2Q17	2Q16	Change R\$	Change %	06M17	06M16	Change R\$	Change %
Net Income*	163,5	90,9	72,6	(79,9)	352,5	21,8	330,7	n/a
Depreciation and Amortization	66,6	64,4	2,2	3,5	134,0	127,4	6,5	5,1
Non-cash/Others	(59,9)	75,0	(134,9)	n/a	(24,6)	20,8	(45,4)	n/a
Provision for acquiring Aesop's remaining interest	0,0	(11,0)	11,0	n/a	0,0	50,8	(50,8)	n/a
Internal Cash Generation	170,2	219,3	(49,1)	n/a	461,8	220,9	240,9	109,1
Working Capital (Increase)/Decrease	116,7	(60,2)	177,0	n/a	(124,4)	(181,6)	57,2	(31,5)
Operating Cash Generation	286,9	159,0	127,9	(80,4)	337,3	39,3	298,1	n/a
CAPEX	(61,5)	(62,7)	1,2	(2,0)	(95,4)	(110,6)	15,2	(13,8)
Free Cash Flow**	225,5	96,3	129,1	(134,1)	242,0	(71,4)	313,3	n/a

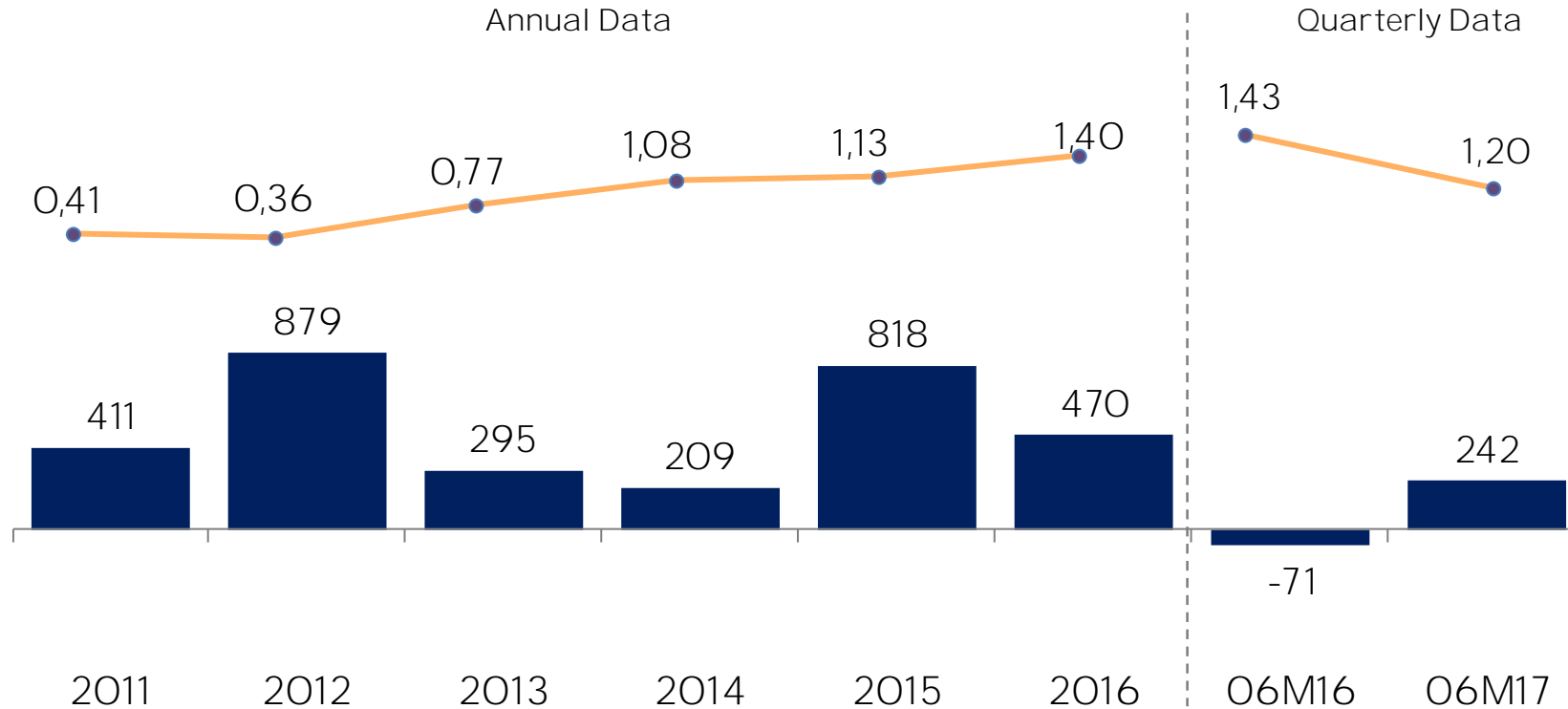
(*)Net income attributable to owners of the Company.

(**)(Internal cash generation) +/- (changes in working capital and long-term assets and liabilities) – (acquisitions of property, plant, and equipment).

A highlight in the period, free cash flow was R\$ 225.5 million (R\$ 129.1 million higher than in 2Q16), driven by higher net income and lower working capital, due to the more effective management of accounts payable and the rigorous control of inventories and receivables. This result was achieved while maintaining our investments in marketing and sales. In the 6 months do June, cash generation was R\$ 313.3 millions higher than 2016.

Free Cash Flow and Indebtedness

Consolidated



We ended the period with a net debt/EBITDA ratio of 1.20, compared to 1.43 in the previous year.

■ Free Cash flow Generation — Net Debt / EBITDA

Indicator	Unit	2020 ambition	2Q17	2016
Relative carbon emissions (escopes 1, 2 e 3)	kg CO2/kg prod billed	2,15	3,34	3,17
% post consumption recycled materials ¹	% (g recycled mat/g packaging)	10,0	4,6	4,3
Eco-efficient packaging ²	% (eco-efficient packaging units billed/ total units)	40	20	20
Amazon inputs consumed in relation to total inputs	% (R\$ Amazon inputs/R\$ total inputs)	30,0	18,8	19,1
Cumulative business volume in the Pan-Amazon region ³	R\$ millions	1.000,0	1.079,0	972,6
Water consumption	Liters / units manufactured	0,32	0,53	0,53
Funding for "Crer Para Ver" program - Global ⁴	R\$ millions	46,9	17,1	38,2

¹ The indicator considers the % of packaging materials sourced from post-consumer recycling in relation to total mass of packaging billed.

² Eco-efficient packaging is 50% lighter in relation to regular/similar packaging or which has at least 50% in potentially marketable recyclable materials and/or renewable materials, as long as there is no mass increase.

³ Cumulative amounts since 2011.

⁴ Refers to the year to date earnings before income tax attributed to the Crer Para Ver product line.



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