

Altana Wealth – Equities Analyst Internship Assignment

Buy BEFRA GROUP (Betterware de Mexico)

Upside : >100%

Ticker - NYQ:BWMX

Current Price : \$11.02 (09/03/2025)

First Target Price : \$22.5

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Pitch Summary

BEFRA GROUP - twenty thousand leagues under the seas: Why it's time to take a long position

Narrative Summary

- **Betterware de Mexico SAPI** is a Guadalajara, Mexico based firm that provides household appliances through its online portal.
- IPO-ed in 2020, the firm became the first Mexican company directly NASDAQ listed. Despite missing EPS target in 2024, the top-line grew **8.4%** YoY and has a strong **18%** CAGR revenue and **19%** CAGR EBITDA over the past 23 years.
- The management team is focus on one mission, capturing market shares with pricing strategy, renewed brand and innovative products.
- With the international expansion to Ecuador, Peru and Colombia but also positioning the brand in the US to impose itself as a major player.
- After the market forced the price to near its inception valuation, we have an opportunity to long the equity with limited downside as the expected EPS miss and US tariffs clouded investors views..

Contrarian Idea :



- The price lost ~50% since mid April 2024 making us caching a falling knife.
- With the potential upside of a ~70x, this play is to be holding for the long term to squeeze returns to the way up. A first target point is set at **\$22.5** by the sell-side

Bears think...

US Tariffs

Tariffs will directly impact Betterware YoY growth

Tariffs will be enforced at any cost and will touch every goods imported

Margins

Mild Tailwind from management guidances' are disregarded due to **56% of EPS negative surprise** lowering the market trust and decrease of growth

Mature Company

As growth is predicted in a single digit for 2025 investors believe that BWMX is a mature dividend play

...but in reality

Sales are DTC via JAFRA USA and represent **7% of overall sales**, the main growth driver remains Mexico

Trump keeps adding exemptions on the tariffs, and discussions are still happening for different trade terms

The USDMXN increase by 12.7% in 4Q24 giving harsh comparison to estimates. But 4Q24 Sales YoY is up 11.1%, EBITDA Margin is up 30.4% vs 3Q24 and dividend of **Ps. 250M** has been given for the **20th consecutive quarter** (11% dividend yield)

The company is showing organic growth geographic in expansions, prices increase **15.5% 4Q YoY** the catalog have been proposing new product (February had 87 new SKU) **highest level since November 2023**

Sell side is bullish on the equity

Analyst Consensus

2 brokers

Strong sell

Sell

Hold

Buy

Strong buy

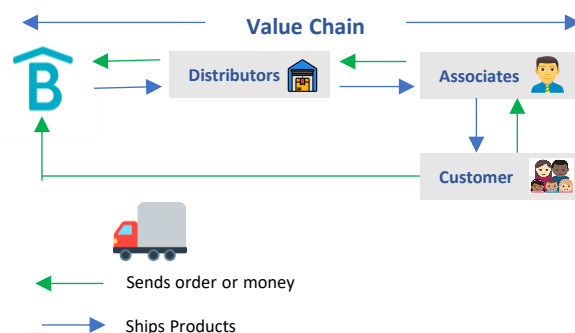


Business Overview

The company is using its environment for its advantage

Business Overview

- **Betterware de Mexico**, a direct selling company that develops and markets home goods and beauty products
- Acquired in 2001 by Luis Campos they are headquartered in Guadalajara, Mexico.
- IPO-ed in 2020 following a SPAC with firm DD3



Business Divisions

Betterware Mexico

Home Goods



JAFRA Mexico

Beauty Products



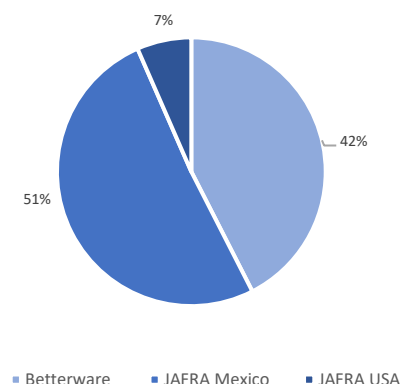
JAFRA USA

Beauty Products

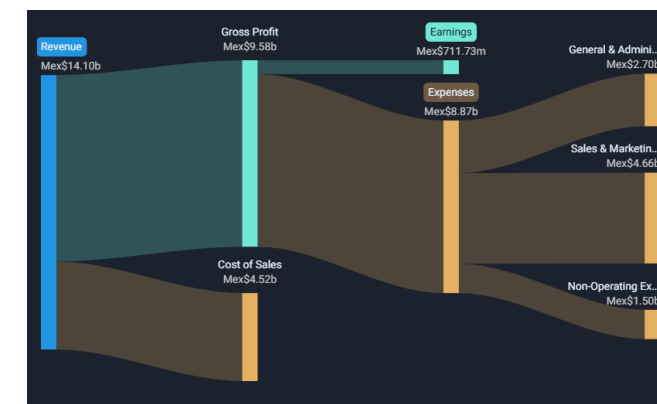


Revenue Breakdown

Revenue Breakdown FY24



Revenue Allocation LTM



Competitive Advantage

Prices control

Betterware Mexico average pricing in Feb 2025 rose 15.5% YoY. It's the 5th consecutive month with double digit average price increase

Distribution

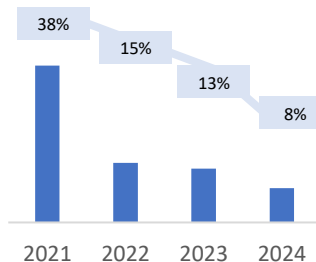
The network remains strong with average monthly order for **JAFRA** Associates up 11.8% and total network growing by 2.7%

Strong Presence

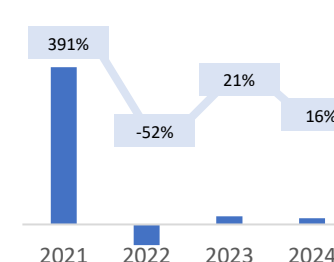
JAFRA Mexico has remained the #1 fragrance player in Mexico and continues to capture market share

Historical Financials (since IPO)

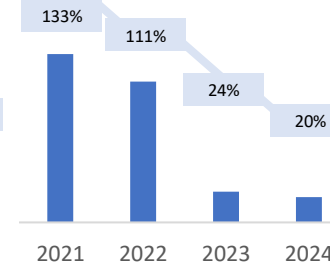
Revenue Growth (%)



EPS Growth (%)



ROIC (%)





Industry Overview

Health awareness and digitalization : The perfect cocktail to expand markets

BWMX is positioned to establish further itself

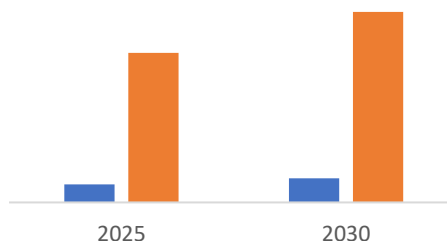
Major Players of the sectors



This market has a low concentration making it easier for **Betterware** to capture market share

JAFRA is positioned in a low concentration market to take a bigger role with 19% of its sales being from new products

Beauty and Retail Market (USD B)



CAGR 6% - Beauty - From 12 to 16\$B

CAGR 5% - Retail - From 99 to 126\$B

Porter's 5 Forces

Threat of New Entrants: Moderate to high; low barriers for small businesses, but large-scale players benefit from economies of scale, established distribution, and brand loyalty.

Bargaining Power of Suppliers: Low to moderate; many suppliers globally, but specialized or premium products give suppliers some bargaining power

Threat of Substitutes: Moderate; substitutes include natural and homemade products, wellness trends, and emerging beauty technology, but high-quality and premium products face less threat.

Bargaining Power of Buyers: High; consumers are informed, price-sensitive, and have access to a variety of products, increasing their influence on purchasing decisions

Industry Rivalry: High; the market is competitive with both international and local brands, requiring differentiation through pricing, quality, and innovation to stand out.

Where will the wind blow in beauty and retail...

Betterware Mexico

Tailwinds

▲ **Increasing Brand Loyalty** : loyalty program in Mexico retail sector has grown ~20% since 2020, customers and employees prefer to shop/work for brands that offer rewards and personalized experience

▲ **Urbanization & Middle class rising** : Urban population is expected to grow by 2.3% per year and middle class 3% annually for the next 5 years. This rise will increase demand for retail goods especially in cities such as Mexico City, Guadalajara and Monterrey

Headwinds

▼ **Regulatory Hurdles** : In 2023 the Mexican government introduced higher taxes for E-commerce transactions increasing operational costs for the market and firm relying on online sales will see a decrease of profitability

▼ **Supply Chain Issues** : Supply chain disruptions cost retailers up to \$1.2B annually in inefficiencies and delays. Companies may face difficulties maintaining inventory levels when no manufacturing in-house.

JAFRA

Tailwinds

▲ **Rise of Premium Products**: Younger brand conscious consumers increasingly invest in premium beauty products. The market is expected to grow with a shift on high quality buying

▲ **Digital Engagement and E-commerce**: Online sales are expected to be ~17% of 2025 beauty and personal care products. Social media and personalized shopping through AI and AR is reshaping the beauty shopping market in Mexico

Headwinds

▼ **Counterfeit Products** : Brands have to invest in anti-counterfeit technology reducing margins and increasing operational cost, it sums up to ~\$11B to the Mexican economy

▼ **Price Sensitivity** : 70% of Mexican consumers are price sensitive, premium brands targeting lower income segment may face slower growth and premium segment face price pressure

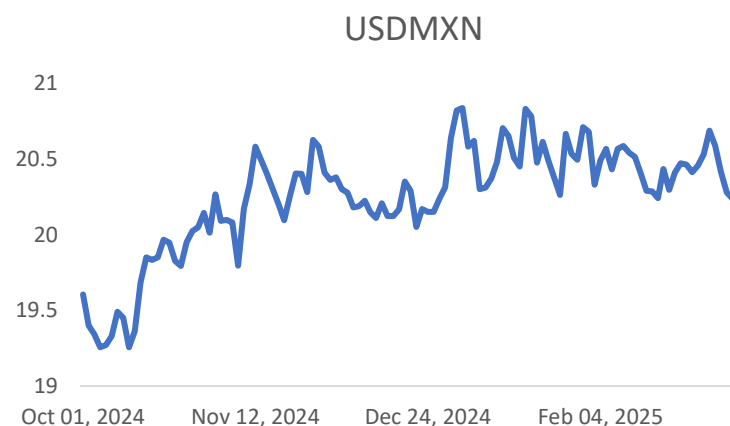


Thesis 1 – Uncertainty clouds the vision

Investor confidence in Mexican market soured unnecessarily

Market does not like uncertainty...

- The visibility on USDMXN price is unclear, the rate moves sideways since the beginning of the year awaiting a catalyst to choose a trend
- While being important the decisions on tariffs will not define Betterware success as the firm do not mainly interact with US market apart for **JAFRA US** and the testing of **Betterware US** in Texas. JAFRA US hasn't been quite profitable and represent only 7% of the overall revenue.
- In the earnings call, the management announced taking countermeasures to continue the expansion and mitigate tariffs effects.



A resilient Mexican economy

- US officials confirmed that ~50% Mexican goods will be tariffed mainly from manufactured goods. We expect a response from Mexico of a 10% tariffs on the US.
- Market anticipate a recession from the actions taken but looking at the manufacturing business confidence, numbers are ranging since July 2021 (50.4)



The fundamentals are Intact at an attractive price...

Guidance		Fundamentals			
<ul style="list-style-type: none">• Management announced Revenue and EBITDA growth between 6% to 9%, putting Sales above the Streets (Ps. 14.9 B – 15.3B vs PS . 14.86B)• Shipping cost being sharply down so far this year it could provide a tailwind for margins with a stabilized Peso• Following acquisition of JAFRA driving the topline, the firm is on the look for key brands to acquire	<ul style="list-style-type: none">• By having market players focused on short term risk and volatility, we believe this overaction provides a buying opportunity with Betterware long-term plan and potential growth. Focusing on the fundamentals reveal a play in the equity.	Sales 3Y CAGR		CROIC	
		21.46%		30.79%	
		PEG		EPS TTM	
		0.36		11.4%	
<ul style="list-style-type: none">• JAFRA Mexico provided ~60% of Revenue of FY24 with 95% of its products manufactured in Mexico and sold to Mexican consumers limiting exogenous disruptions• The dividend yield of 11% despite the fall in price since 2021, being the 20th consecutive quarter to reward investors	<ul style="list-style-type: none">• The company is expected to reduce its debt of Ps. 5.3M• The cash from operating activities grew by ~60% since 2021• We saw an improvement of ~70% in working capital in FY23 YoY	FWD PE		EBITDA YoY	
		6.5x		+2%	



Thesis 2 – Potential Future Industry leader

The management team is focused on conquering the region and market shares

Shift towards a Tech Enabled firm

E-Commerce Platform Enhancement

Budget : \$1.5 million
Expected ROI : 12-15%

Mobile App Development

Budget : \$750K
Expected ROI : 8-10%

AI powered Customer Insight

Budget : \$600K
Expected ROI : 10-12%

Advanced Inventory and Distribution Systems

Investment : Ps. 42M
Implementation of Real time inventory tracking system,
Machine learning demand forecasting, Cloud based logistic
management platform

- The firm has a technological integration with 99.7% system uptime and continuous platform enhancement
- Features :**
Quarterly Platform update
- Dedicated tech innovation team of 45 professionals
- Cloud based scalable infrastructure

Getting under one flag

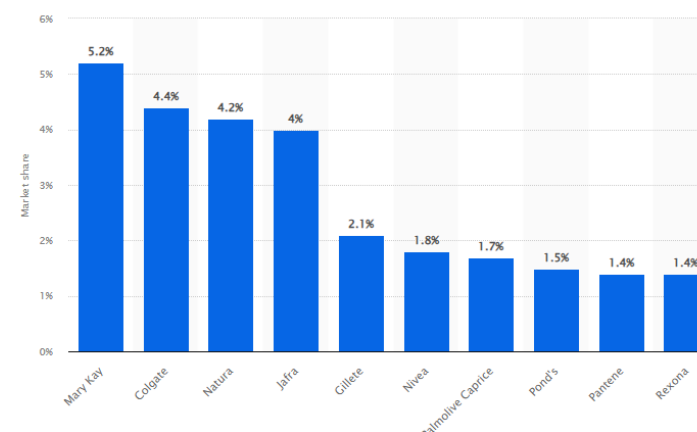
- With different division acting as flagship across multiple countries, The firm will from this year be united under one name : **BEFRAGROUP**
- This rebranding remove confusion from the customer standpoint and unite the employees across boarder under one Ethos

VISION

We want to bring harmony and beauty to every home and person through a broad portfolio of Innovative products, while offering millions the opportunity to earn additional income for themselves and their families.

- The nature of this holding and comments from the earnings call pin point to an acquisition this year : *"The company is actively exploring potential acquisitions that will help them broaden their product offerings or enter new markets faster. This includes seeking opportunities in **new business categories** or **brands** that align with their strategic vision."*

Already impactful with less visibility...



- JAFRA Mexico owns 4% of the total market share with only ~150k followers on Instagram (69% less than Mary kay Instagram)
- With the implementation of **JAFRA Plus** to embrace digital capabilities more market share will be unlocked
- The aggressive expansion plan (Ecuador 2025) of the firm reassure on its dominating position and increasing TAM

- Betterware Mexico owns 12.6% of direct selling and 4% of the household product market share with a 25% penetration leaving room for great value capturing at their expansion pace



Direct sales force

Over the years Sales forces went from 5,000 to 675,000 Associates due to advantagus sales incentives programs and friendly Beeterware Plus APP



Valuation - DCF

Discovering hidden value for the stock

Unlevered Free Cash Flow (Ps. 000's)								
Fiscal Year	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Unlevered Free Cash Flow	2,719,173	2,720,875	2,244,572	2,023,302	2,237,736	2,390,178	2,673,476	2,964,424
Projection Year	1	2	3	4	5			
Present Value of Free Cash Flow	1,800,090	1,771,235	1,683,183	1,674,986	1,652,376			

Implied Share Price Calculation	
Sum of PV of FCF	8,581,869
Growth Rate	6%
WACC	12.4%
Terminal Value	49,098,273
PV of Terminal Value	27,367,471
Enterprise Value	35,949,340
(+) Cash	550,000
(-) Debt	5,504,000
(-) Minority Interest	-1,630
Equity Value	30,996,970
Diluted Shares Outstanding (mn)	37422.00
Implied Share Price	828.31

Sensitivity Table						
		Growth Rate				
		4.00%	5.00%	6.00%	7.00%	8.00%
WACC	828.31					
	11.40%	752.06	669.31	669.31	752.06	1,009.50
	11.90%	818.09	722.01	722.01	818.09	1,127.88
	12.40%	818.09	722.01	722.01	818.09	1,127.88
	12.90%	752.06	669.31	669.31	752.06	1,009.50
	13.40%	643.67	580.82	580.82	643.67	828.31



Risks and Catalyst

Viewing the glass half full or half empty

Events – Waiting for a catalyst to unlock value...

Expansion	The opening of other central American division would provide excellent growth prospect and unlock value that would change investor sentiment
Mergers and Acquisitions	Following the successful acquisition of JAFRA Mexico 3 years ago, the firm is now known to pick right candidates and have a fast integration under the BEFRA Group brand
Digital Transformation	We are awaiting the release of new product such as Betterware Plus and JAFRA Plus, tools that will enhance sales force and customer engagement. BEFRA Group will be seen as a partial tech company and could be affected a partial tech company multiple that increase the valuation
Past Catalyst : Team	Rodrigo Muñoz's appointment as CFO is a positive catalyst for BeFra because it brings high-level financial expertise , a focus on profitability , and experience with high-growth consumer sectors . With his leadership, the company is well-positioned to optimize its capital structure, enhance operational efficiencies , and drive further growth, especially as it pushes into new markets and strengthens its position in the direct-to-consumer industry .

Risks are lurking behind the door...

Risks	
The company faced inventory shortages in the first half of 2024, which affected sales and operations. They have since built up inventory, but this raises concerns about inventory levels, cost management, and the ability to respond to market fluctuations quickly in 2025	Company
Operational Expenses: The company has faced higher operating costs, particularly due to the supply chain and logistical issues in Mexico. Although they have strategies in place to offset these, any further rise in external costs could impact profitability. Knowing that 89% of the products are sourced from China	
The Mexican Beauty industry mainly export to the USA (\$1.8B in 2023), the tariffs being the main risks will increase prices on the customer locally and internationally.	Industry
The Retail Sales YoY have been decreasing for 8 months straight, we have seen a drop in recreational articles or stationary items. If not improved this could affect Betterware Mexico Sales.	
Impact on overall Mexican economy is the crucial factor. The company is driven by Mexican consumer consumption. The United States represents the largest export market for Mexico (83% of Mexican exports go to the United States). A recent The Brookings Institution study projects a 1.14% to 3.14% negative impact on Mexican GDP growth (depending on levels of retaliation), with incremental Mexican unemployment of up to 2.2 million Mexican labourers (total population of approximately 131.6 million) and potential wage contraction of 4.5% to 7% . As such, the potential for reductions in overall Mexican consumer spending is, by far, the strongest tariff-driven threat to the company	Macro



Appendix 1 – Financial Projection

Unlevered Free Cash Flow (mm)								
Fiscal Year	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Revenue	11,499,225	13,009,507	14,100,758	14,946,803	15,843,612	16,952,665	18,478,404	20,141,461
COGS	3,661,082	4,260,843	4,520,223	4,815,163	5,104,072	5,461,357	5,952,880	6,488,639
Gross Profit	7,838,143	8,748,664	9,580,535	10,131,641	10,739,539	11,491,307	12,525,525	13,652,822
Administrative Expenses	2,241,141	1,984,891	2,144,109	2,488,760	2,488,168	2,687,617	2,969,418	3,197,650
Selling Expenses	2,861,134	3,460,637	3,997,917	3,977,565	4,307,604	4,642,331	5,000,492	5,480,735
Distributors Expenses	522,906	582,237	663,812	684,086	726,689	783,839	849,214	926,913
EBITDA	2,212,962	2,720,899	2,774,697	2,981,229	3,217,079	3,377,520	3,706,401	4,047,525
Depreciation & Amortization	358,105	382,118	392,186	770,796	704,670	644,217	588,949	538,424
Operating Profit (EBIT)	1,854,857	2,338,781	2,382,511	2,210,433	2,512,409	2,733,303	3,117,451	3,509,101
Operating Taxes	480,789	380,024	657,805	464,191	527,606	573,994	654,665	736,911
NOPAT (Net Operating Profit After Taxes)	1,374,068	1,958,757	1,724,706	1,746,242	1,984,803	2,159,309	2,462,787	2,772,190
(+) Depreciation & Amortization	358,105	382,118	392,186	770,796	704,670	644,217	588,949	538,424
(-) Capital Expenditures	(176,000)	(131,000)	(131,000)	490,350	448,283	409,825	374,666	342,524
(-) Change in NWC	(811,000)	(249,000)	3,320	3,386	3,454	3,523	3,594	3,666
NWC	1,232,000	166,000	169,320	172,706	176,161	179,684	183,277	186,943
Current Assets	4,355,000	3,992,000	4,071,840	4,153,277	4,236,342	4,321,069	4,407,491	4,495,640
Current Liabilities	3,123,000	3,826,000	3,902,520	3,980,570	4,060,182	4,141,385	4,224,213	4,308,697
Unlevered Free Cash Flow	2,719,173	2,720,875	2,244,572	2,023,302	2,237,736	2,390,178	2,673,476	2,964,424

Assumptions								
Fiscal Year	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Revenue Growth		13.1%	8.4%	6.0%	6.0%	7.0%	9.0%	9.0%
COGS % of Revenue	31.8%	32.8%	32.1%	32.2%	32.2%	32.2%	32.2%	32.2%
Admin % revenue	19.5%	15.3%	15.2%	16.7%	15.7%	15.9%	16.1%	15.9%
Selling % of Revenue	24.9%	26.6%	28.4%	26.6%	27.2%	27.4%	27.1%	27.2%
Distributors % Revenue	4.5%	4.5%	4.7%	4.6%	4.6%	4.6%	4.6%	4.6%
Tax % of EBIT	25.9%	16.2%	27.6%	21.0%	21.0%	21.0%	21.0%	21.0%



Appendix 2 – Sell side research

Small Cap Consumer Research LLC®													
Betterware de Mexico, S.A.B. de C.V. Income Statement, FYE December (000's of Mexican Pesos except per share items)	2023A		2024A				2025E		2026E				2026E
	YEAR Dec-23	Q1A Mar-24	Q2A Jun-24	Q3A Sep-24	Q4A Dec-24	YEAR Dec-24	Q1E Mar-25	Q2E Jun-25	Q3E Sep-25	Q4E Dec-25	YEAR Dec-25	YEAR Dec-26	
Net Revenue - Betterware	Ps. 5,731,345	Ps. 1,555,027	Ps. 1,476,375	Ps. 1,465,577	Ps. 1,494,855	Ps. 5,991,834	Ps. 1,601,678	Ps. 1,520,666	Ps. 1,538,856	Ps. 1,584,546	Ps. 6,245,746	Ps. 6,495,576	
Net Revenue - JAFRA Mexico	6,351,834	1,849,996	1,671,137	1,623,697	2,038,993	7,183,823	1,923,996	1,771,405	1,786,067	2,242,892	7,724,360	8,265,065	
Net Revenue - JAFRA USA	926,328	197,480	241,881	241,120	244,620	925,101	203,404	249,137	265,232	269,082	986,856	1,046,067	
Net Revenue	Ps. 13,009,507	Ps. 3,602,503	Ps. 3,389,393	Ps. 3,330,394	Ps. 3,778,468	Ps. 14,100,758	Ps. 3,729,078	Ps. 3,541,209	Ps. 3,590,155	Ps. 4,096,521	Ps. 14,956,962	Ps. 15,806,709	
Cost of Goods Sold - Betterware	2,444,067	622,011	643,700	662,441	640,184	2,568,335	656,688	669,093	677,097	681,355	2,684,233	2,780,107	
Cost of Goods Sold - JAFRA Mexico	1,592,294	416,938	383,900	376,648	528,915	1,706,402	446,367	418,052	417,940	547,266	1,829,624	1,950,555	
Cost of Goods Sold - JAFRA USA	224,482	52,045	63,259	64,379	65,803	245,486	54,919	67,267	71,613	72,652	266,451	281,392	
Gross Profit	8,748,664	2,511,309	2,298,334	2,226,926	2,543,566	9,580,355	2,571,104	2,386,797	2,423,506	2,795,248	10,176,634	10,794,634	
Administrative Expenses	1,984,891	554,263	528,192	554,363	507,291	2,144,109	578,007	548,887	585,195	544,837	2,256,927	2,371,006	
Selling Expenses	3,460,637	1,028,574	950,176	928,707	1,090,460	3,997,917	1,062,787	987,997	998,063	1,175,701	4,224,549	4,457,492	
Distribution Expenses	582,237	173,282	164,030	152,281	174,219	663,812	178,996	169,978	172,327	196,633	717,934	758,722	
EBITDA	2,720,899	755,390	656,136	591,575	771,596	2,774,697	751,314	679,934	667,920	878,076	2,977,245	3,207,434	
EBITDA - Betterware	1,418,897	382,107	304,467	279,889	330,075	1,296,538							
EBITDA - JAFRA Mexico	1,302,641	383,120	344,477	318,148	440,630	1,486,375							
EBITDA - JAFRA USA	(638)	(9,837)	7,192	(8,462)	891	(8,216)							
Depreciation & Amortization	382,118	94,658	96,164	95,402	105,962	392,186	100,000	100,000	100,000	100,000	400,000	420,000	
Operating Income	2,338,781	660,732	559,972	496,173	665,634	2,382,511	651,314	579,934	567,920	778,076	2,577,245	2,787,434	
Interest Expense	827,812	163,670	168,568	139,087	135,811	647,136	140,000	140,000	140,000	140,000	560,000	525,000	
Interest (Income)	(45,056)	(6,669)	(11,565)	(2,751)	(9,264)	(30,249)	0	0	0	0	0	0	
Unrealized Loss in Financial Derivatives	32,591	24,782	(95,295)	(82,876)	(3,377)	(156,766)	0	0	0	0	0	0	
Foreign Exchange	106,847	21,041	40,212	27,586	(43,534)	45,305	0	0	0	0	0	0	
Income (Loss) Before Taxes	1,416,588	457,908	458,052	395,127	565,998	1,877,085	511,314	439,934	427,920	638,076	2,017,245	2,262,434	
Income Tax (Benefit)	380,024	162,645	154,307	211,519	129,334	657,803	158,507	136,380	132,653	197,804	625,346	701,355	
Net Income	Ps. 1,036,564	Ps. 295,263	Ps. 303,745	Ps. 183,608	Ps. 436,664	Ps. 1,219,280	Ps. 352,807	Ps. 303,555	Ps. 295,265	Ps. 440,273	Ps. 1,391,899	Ps. 1,561,080	
Non-Controlling Interest Loss	2,723	(99)	75	(24)	254	206							
Adjusted Net Income	Ps. 1,039,286	Ps. 295,164	Ps. 303,820	Ps. 183,584	Ps. 436,918	Ps. 1,219,486	Ps. 352,807	Ps. 303,555	Ps. 295,265	Ps. 440,273	Ps. 1,391,899	Ps. 1,561,080	
Diluted Adjusted EPS	Ps. 28.20	Ps. 7.90	Ps. 8.06	Ps. 4.92	Ps. 11.70	Ps. 32.59	Ps. 9.45	Ps. 8.13	Ps. 7.90	Ps. 11.78	Ps. 37.26	Ps. 41.74	
Diluted Shares (000)	36,854	37,363	37,695	37,300	37,330	37,422	37,340	37,350	37,360	37,370	37,355	37,400	
Margin Analysis													
Gross Margin - Betterware	57.4%	60.0%	56.4%	54.8%	57.2%	57.1%	59.0%	56.0%	56.0%	57.0%	57.0%	57.2%	
Gross Margin - JAFRA Mexico	74.9%	77.5%	77.0%	76.8%	74.1%	76.2%	76.8%	76.4%	76.6%	75.6%	76.3%	76.4%	
Gross Margin - JAFRA USA	75.8%	73.6%	73.8%	73.3%	73.1%	73.5%	73.0%	73.0%	73.0%	73.0%	73.0%	73.1%	
Gross Margin - TOTAL	67.2%	69.7%	67.8%	66.9%	67.3%	67.9%	68.9%	67.4%	67.5%	68.2%	68.0%	68.3%	
Administrative Expenses	15.3%	15.4%	15.6%	15.6%	13.4%	15.2%	15.5%	15.5%	16.3%	13.3%	15.1%	15.0%	
Selling Expenses	26.6%	28.6%	28.0%	27.9%	28.9%	28.4%	28.5%	27.9%	27.8%	28.7%	28.2%	28.2%	
Distribution Expenses	4.5%	4.8%	4.8%	4.6%	4.6%	4.7%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	
EBITDA Margin	20.9%	21.0%	19.4%	17.8%	20.4%	19.7%	20.1%	19.2%	18.6%	21.4%	19.9%	20.3%	
Operating Income Margin	18.0%	18.3%	16.5%	14.9%	17.6%	16.9%	17.5%	16.4%	15.8%	19.0%	17.2%	17.6%	
Pre-Tax Margin	10.9%	12.7%	13.5%	11.9%	15.0%	13.3%	13.7%	12.4%	11.9%	15.6%	13.5%	14.3%	
Net Income	8.0%	8.2%	9.0%	5.5%	11.6%	8.6%	9.5%	8.6%	8.2%	10.7%	9.3%	9.9%	
Tax Rate	26.8%	35.5%	33.7%	53.5%	22.9%	35.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	
Quarterly % Chng. Analysis													
Net Sales - Betterware		5.6%	-5.1%	-0.7%	2.0%		-73.3%	-5.1%	1.2%	3.0%			
YoY	-9.4%	11.6%	2.2%	3.2%	1.5%	4.5%	3.0%	3.0%	5.0%	6.0%	4.2%	4.0%	
Net Sales - JAFRA Mexico		5.6%	-5.1%	-0.7%	2.0%		-73.3%	-5.1%	1.2%	3.0%			
YoY	51.2%	11.6%	8.7%	9.1%	22.2%	13.1%	4.0%	6.0%	10.0%	10.0%	7.5%	7.0%	
Net Sales - JAFRA USA		-24.1%	22.5%	-0.3%	1.5%		-78.0%	22.5%	6.5%	1.5%			
YoY	-5.4%	-7.2%	1.2%	12.5%	-6.0%	-0.1%	3.0%	3.0%	10.0%	10.0%	6.7%	6.0%	
Net Sales - TOTAL		5.9%	-5.9%	-1.7%	13.5%		-73.6%	-5.0%	1.4%	14.1%			
YoY	13.1%	10.4%	5.3%	6.6%	11.1%	8.4%	3.5%	4.5%	7.8%	8.4%	6.1%	5.7%	
Gross Profit		11.6%	-8.5%	-3.1%	14.2%		-73.2%	-7.2%	1.5%	15.3%			
YoY	16.3%	11.9%	3.4%	9.6%	13.0%	9.5%	2.4%	3.8%	8.8%	9.9%	6.2%	6.1%	
EBITDA		-7.8%	-13.1%	-9.8%	30.4%		-72.9%	-9.5%	-1.8%	31.5%			
YoY	17.5%	15.4%	-8.5%	-11.7%	-5.8%	2.0%	-0.5%	3.6%	12.9%	13.8%	7.3%	7.7%	
Operating Income - Sequential		-7.5%	-15.2%	-11.4%	34.2%		-72.7%	-11.0%	-2.1%	37.0%			
YoY	15.3%	17.8%	-10.4%	13.2%	-6.9%	1.9%	-1.4%	3.6%	14.5%	16.9%	8.2%	8.2%	
EPS - Sequential		-27.5%	2.0%	-38.9%	137.8%		-71.0%	-14.0%	-2.8%	49.1%			
YoY	19.4%	53.4%	16.0%	-6.8%	7.4%	15.6%	19.6%	0.8%	60.6%	0.7%	14.3%	12.0%	

Source: Company reports, Small Cap Consumer Research LLC®