Alchemy of Brazilian Beauty: Where Passion Meets Biodiversity

December 2025

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Agenda

Key takeaways

Brazil is not just large — it is structurally different, defensible, and increasingly strategic for global beauty leaders and providing insights into key structural drivers, international expansion opportunities, and sustainability trends shaping the industry's evolution

Brazil as a strategic market (not just a large one)

- Scale with defensibility: 3rd largest market globally and structurally underpenetrated in premium segments
- Consumers exhibit the highest beauty spend as % of income globally
- Beauty is culturally embedded, not discretionary
- Payment innovation (installments, PIX) sustains path to premiumization even under income pressure

Brazil has built global-grade beauty champions

- National players control distribution, relationship, and loyalty — not just product
- Local brands outperform multinationals in consumer intimacy and execution speed
- Import dependence remains structurally low — resilience advantage
- Indie brands now act as innovation laboratories

Structural growth drivers

- Highest spending as % of GDP per capita worldwide (@1.5%)
- Expanding addressable market through younger consumers, increasing male participation, and aging demographics seeking higher-value products
- Ongoing innovation in formulations, delivery systems, and dermocosmetics applications, enhancing product differentiation
- Ongoing market consolidation and M&A activity among local and regional players

Key takeaways (cont.)

Brazil is not just large — it is structurally different, defensible, and increasingly strategic for global beauty leaders and providing insights into key structural drivers, international expansion opportunities, and sustainability trends shaping the industry's evolution

Key trends

- Active ingredients / "cosmeceuticals"
- Clean, vegan, and natural formulations
- Circular economy initiatives
- Biodiversity-based innovation
- Dermatologist-endorsed products
- Influencer marketing

Strategic paths to win in Brazil

- Acquire trusted local brands for speed
- Use dermocosmetics as the gateway to premiumization
- Design channel strategy before chasing volume
- Secure formulation capability and ingredient sourcing locally
- Treat AI as a commercial system, not a marketing experiment
- Use Brazil as a testbed for conversational commerce and social-driven selling

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Global beauty & personal care industry

Post-pandemic, the global beauty market accelerates, fueled by premiumization, digital channels, and shifts led by skin care and growing color cosmetics

Market expected expand **to U$826B by 2029, from US$593B in 2024**, implying a ~7% CAGR, significantly above the ~3% CAGR of 2019–2024

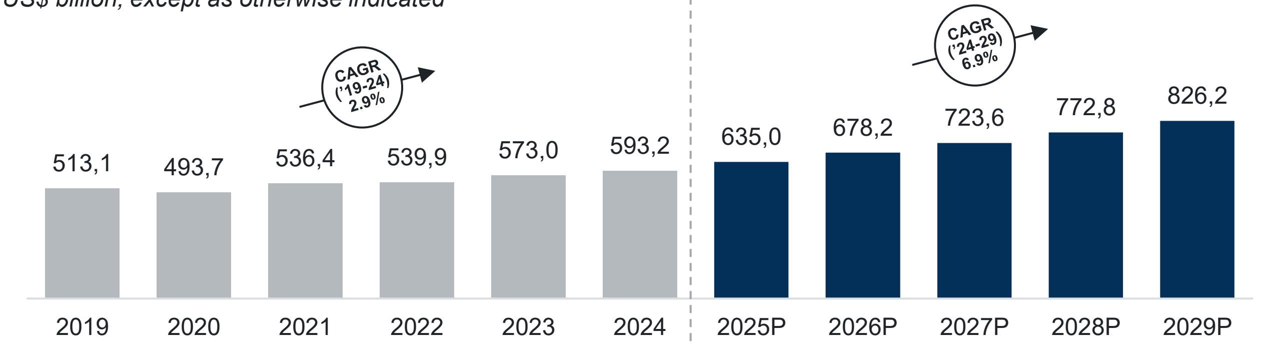
Post-pandemic recovery has shifted to structural drivers: **premiumization, dermo/clinical demand, and digital channels**

E-commerce continues to expand rapidly, fueled by BOPIS (buy online, pick-up in store) and same-day delivery, reshaping consumer expectations

Skin care remains the largest category (~34% in 2024), while color cosmetics are set to grow further, reflecting demand for aspirational and premium products

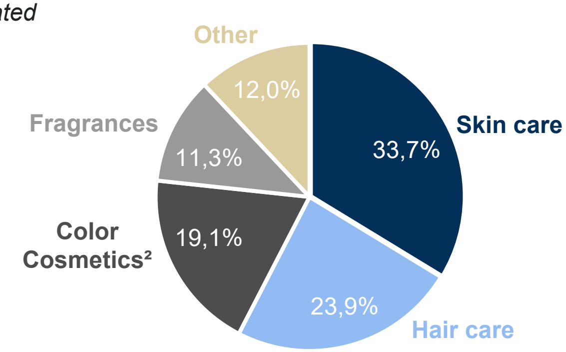
Global beauty & personal care market

US$ billion, except as otherwise indicated



Global beauty & personal care market by segment (2024)(1)

%, except as otherwise indicated



Source: (ABIHPEC) Brazilian Association of the Personal Care, Perfumery and Cosmetics Industry, Natura Investor relations and Magna "Brazil Personal Care Market"
(1) Does not include hygiene products
(2) Color Cosmetics refers exclusively to makeup products, including lipsticks, foundations, eyeshadows, mascaras, and nail polishes, as defined by ABIHPEC

Brazilian market snapshot

3rd largest beauty & personal care market, Brazil's diverse and vibrant consumer market favors personal care spending and boost innovation

Main categories in PHPC[1] industry

Skin Care
Moisturizing and anti-aging products designed to promote skin health and radiance

Hair Care
Hair care solutions designed to nourish, protect, and style

Color Cosmetics
Comprehensive makeup portfolio spanning eyes, lips and nails

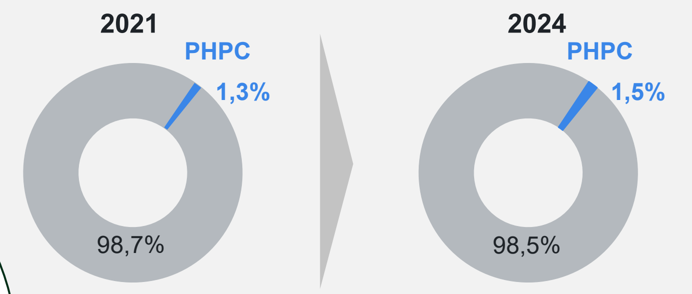
Fragrances
Fragrance portfolio including perfumes, colognes, and body mists

Others
Comprehensive personal care portfolio covering hygiene and moisturizing products

Beauty & Personal Care

PHPC industry contribution to Brazil's GDP

% of GDP



Brazil's global leadership in consumption[2]

#2 Fragrances

#2 Deodorants

#3 Hair care products

#4 Shower products

Source: (ABIHPEC) Brazilian Association of the Personal Care, Perfumery and Cosmetics Industry
(1) PHPC: Personal hygiene, perfumery and cosmetics
(2) Brazil's classification by category

Brazil’s beauty market: global scale and growth potential

Brazil represents over 5% of global market with a US$32B in 2024, estimated to reach US$50B by 2029

Represents **5.4% of the global beauty market in 2024**, ranking as the 3rd largest worldwide

Accounts for **~43% of Latin America’s beauty market**, consolidating its leadership in the region

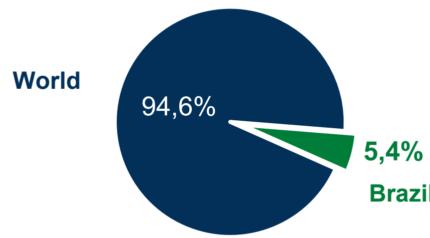
Market size estimated at **US$32B in 2024**, reflecting strong resilience and post-pandemic recovery

Market projected to expand to US$50B by 2029, **with a ~9.1% CAGR (2024-2029), outpacing global averages**

Brazil vs. World: 2024 comparison

%, except as otherwise indicated

World x Brazil

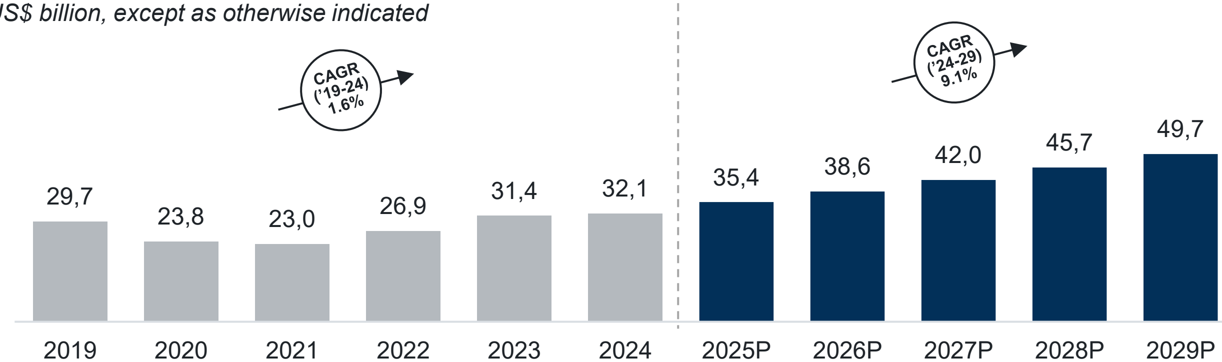


US$32 billion market

~43% of Latin America’s market

Brazil personal care market size

US$ billion, except as otherwise indicated



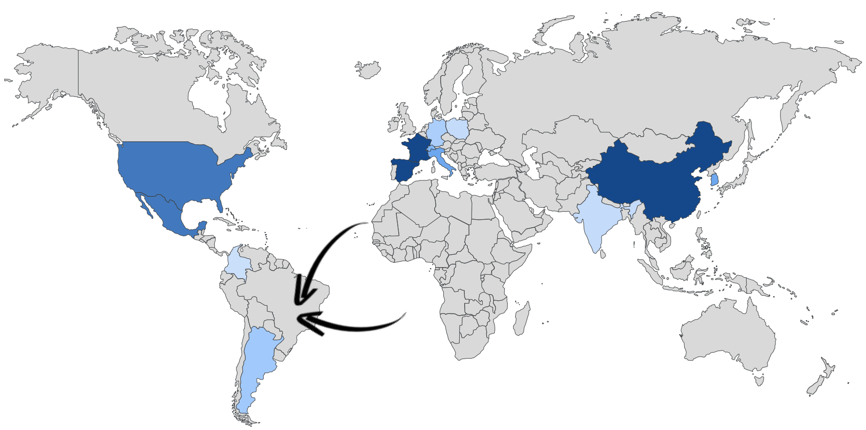
Source: (ABIHPEC) Brazilian Association of the Personal Care, Perfumery and Cosmetics Industry and Euromonitor, via Natura 20-F

Market overview - imports

Despite growing imports in premium and low-cost segments, Brazil's limited external dependence highlights the strength of its domestic industry

Top exporting countries of PHPC to Brazil in 2024[1]

%, except as otherwise indicated



Rank	Region	Imports (% total)
1	France	17.5%
2	China	13.4%
3	Spain	9.6%
4	United States	7.2%
5	Mexico	5.5%

Higher demand — Lower demand

Landscape

Import growth: Brazil increasing beauty imports, led by premium (France, US, Korea) and low-cost (China) segments

K-beauty expansion: Korean brands gaining space with innovative skincare (sheet masks, BB creams, essences)

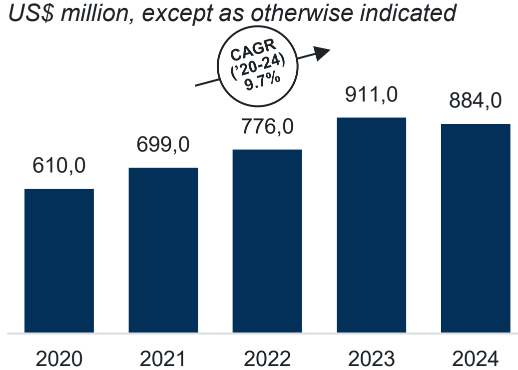
China expansion: Chinese cosmetics imports increased ~80% (2022–2025), reaching ~20% of Brazil's total beauty import value (~US$120M)

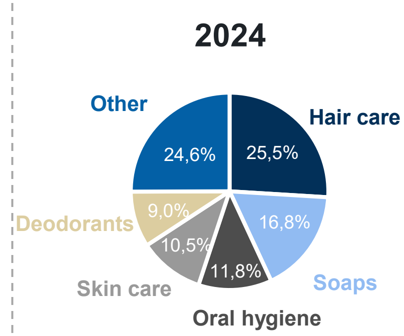
Local dependence: Brazilian players depending on imported raw materials and finished goods, adding branding locally

Hair care innovation: demand for specialized formulas, such as those for curly hair, is driving imports of advanced ingredients and technology

Imports revenues and breakdown in 2024

US$ million, except as otherwise indicated





Source: Brazilian Association of the Personal Care, Perfumery and Cosmetics Industry, Magna "Brazil Personal Care Market" and Statista
(1) Inputs and finishing products

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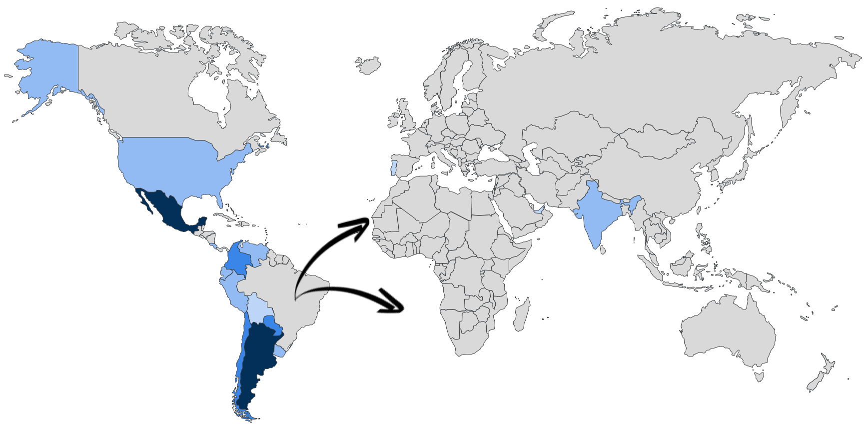
Market overview - exports

Brazilian beauty brands are increasingly internationalizing, leveraging strong domestic expertise to expand into global markets

Top export destinations for PHPC in 2024[(1)]

%, except as otherwise indicated



Rank	Region	Exports (% total)
1	Argentina	13.7%
2	México	13.6%
3	Colombia	10.9%
4	Chile	9.8%
5	Paraguay	8.9%

Landscape

Global expansion: Brazilian brands present in 129 destinations, generating US$116M in Revenues, with 54% from hair care

Haircare leadership: diverse hair types from Brazil's rich ethnic mix driving tailored formulas and constant innovation

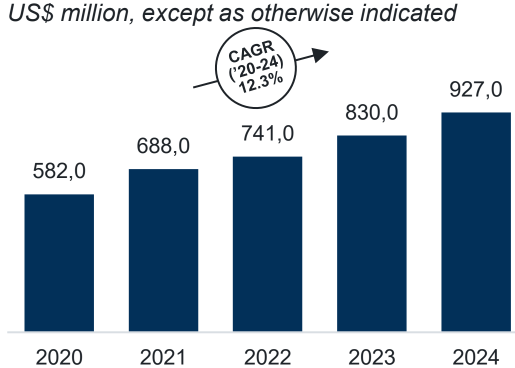
Natural advantage: biodiversity ingredients (murumuru, açaí, cupuaçu) highly valued in global markets

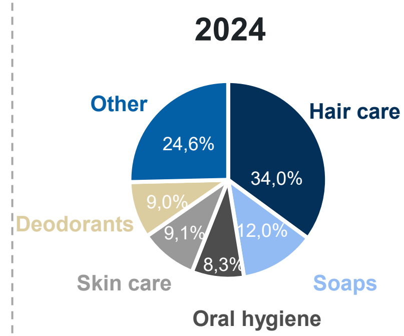
Market reach: Latin America consolidated; Middle East and US emerging as fast-growing destinations

Industry highlight: Grupo Boticário delivering ~40% international growth in 2024, with the Middle East (notably the UAE) as a key hub

Exports revenues and breakdown in 2024

US$ million, except as otherwise indicated





Source: Brazilian Association of the Personal Care, Perfumery and Cosmetics Industry, Magna "Brazil Personal Care Market" and Statista
(1) Inputs and finishing products

Undisputed leader in consumption propensity

Demographic, cultural and financials factors result in the world's highest spending in beauty & personal care as a percentage of income

Brazil ranks as the 3rd **largest global beauty market**, with sales of **US$32B in 2024**

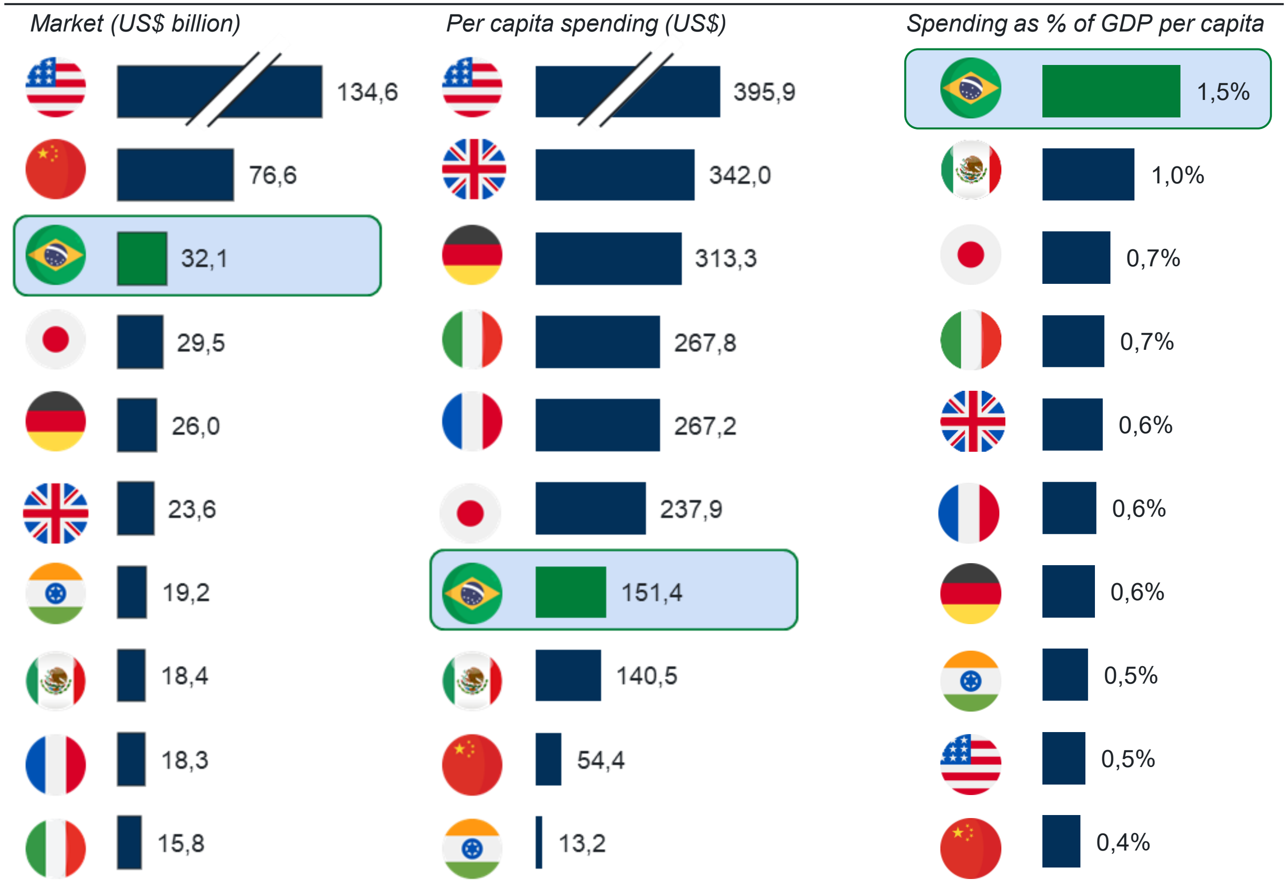
A large, beauty-conscious population with early consumption habits and rising e-commerce adoption drives high per-capita spending

Beauty consumption accounts for **1.5% of GDP per capita** - more than **3x the average** of major markets

Strong consumer engagement and **willingness to spend,** supported by the **widespread use of credit cards and installment payments**

Resilient demand and scalable growth avenues positions **Brazil as a high-potential market** for value creation

Market size, per capita spend, and share of GDP across the top 10 beauty markets



Source: (ABIHPEC) Brazilian Association of the Personal Care, Perfumery and Cosmetics Industry, Natura Investor Relations and Worldbank

Beauty growth tied to rising income

High correlation of GDP per capita growth and spending growth combined with relatively low per capita consumption, results in significant long-term structural upside

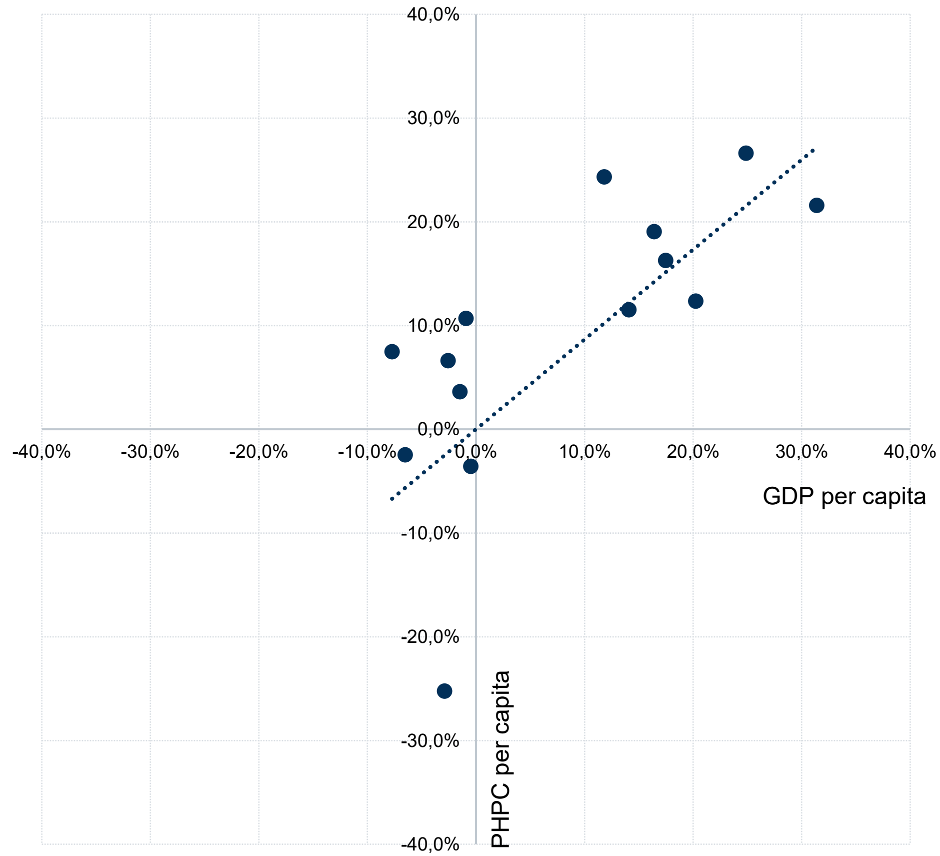
Study (2007–2024)[(1)] shows a consistent correlation between GDP per capita and PHPC spending

As income increases, consumers **allocate more to beauty and personal care**, driven by premiumization and evolving habits

Brazil remains below developed markets in per capita spending, indicating **ample headroom for growth** as GDP expands

This correlation reinforces the **structural growth outlook** for beauty consumption in Brazil, directly tied to rising income levels and economic development

GDP per capita growth vs. PHPC per capita spending growth (2007-2024)



(1) Sample excludes atypical crisis periods in Brazil, such as 2015–2016 and 2020–2021

Source: Worldbank, (ABIHPEC) Brazilian Association of the Personal Care, Perfumery and Cosmetics Industry and IBGE

Hair care dominance and rising premiumization across beauty categories

Brazil's market is defined by hair care dominance and growing premiumization in color cosmetics and anti-aging skincare

Hair Care (31%) and Skin Care (27%) lead Brazil's beauty market, underscoring the country's **distinct profile with structural hair care dominance**

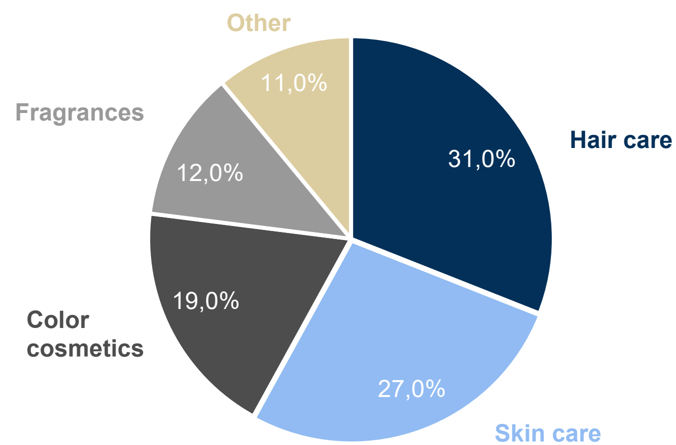
Reflects **unique consumer behavior**, shaped by cultural identity, diverse hair types, and high engagement with specialized treatments

Despite a **mass-oriented price mix**, **premiumization opportunities are expanding** across categories, notably in **skincare, color cosmetics, and advanced hair treatments**

The **premium segment is expected to grow at +7.9% CAGR (2024-2030)**, supported by rising income elasticity, aspirational consumption, and digital channel influence

Brazilian Beauty Market Composition by Category (2024)(1)

%, except as otherwise indicated



Source: Brazilian Association of the Personal Care, Perfumery and Cosmetics Industry and Mordor Intelligence
(1) Does not include hygiene products

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Competitive landscape (non-exhaustive): global and Brazilian leaders

Ecosystem shaped by global and local leaders, with science-backed innovation, diversified portfolios, and omnichannel presence across beauty and personal care

Hair care

- Leadership in bond repair, anti-hair loss, and color care
- Instrumented testing and substantiated claims on breakage, frizz, shine, color
- Texture-inclusive, shade-safe systems: wash, treat, style, protect

Main companies

L'ORÉAL, P&G, Unilever, WELLA COMPANY, SKALA, lola, FOREVER Liss PROFESSIONAL, TRESemmé, EMBELLEZE Paixão pela Vida, salonline

Skin care

- Derm-trusted brand, premium loyalty
- Diversified, science-backed range across key skin concerns
- Accelerating pipeline of clinically validated product launches
- Omnichannel presence across medical, retail, and digital channels

Main companies

sallve, creamy, PINK CHEEKS, Simple Organic, PRINCIPIA, HELA, CARE NATURAL BEAUTY, ADCOS, LA ROCHE-POSAY, Beiersdorf, dermage, Neutrogena

Make-up

- High-performance formulas: long-wear, transfer-proof, sweat/humidity resistant
- Skin-makeup hybrids: actives, non-comedogenic, derm-tested
- Creator-led pipelines; education powering trial, retention, premiumization

Main companies

L'ORÉAL, ESTEE LAUDER, COTY, SHISEIDO, natura, e.l.f., MARY KAY, Jequiti, oBoticário

Fragrances

- Iconic pillars and flankers; master perfumers and heritage houses
- Proprietary captives, long-wear fixatives
- Layering rituals and discovery sets driving trial and upsell

Main companies

natura, LVMH, Jequiti, oBoticário, L'ORÉAL, ESTEE LAUDER, CHANEL, PUIG, INTERPARFUMS, L'OCCITANE EN PROVENCE

Hygiene

- Category-leading portfolio: soaps, deodorants, oral care, intimate hygiene
- Proven efficacy: 48-72h protection, antibacterial, pH-balanced
- Dermatologist-tested, hypoallergenic, microbiome-friendly for sensitive skin

Main companies

natura, P&G, Unilever, oBoticário, GRANADO DESDE 1870, COLGATE-PALMOLIVE, Jequiti, Kenvue, Beiersdorf

Source: Companies website

Brazilian brands (non-exhaustive)

Domestic brands lead Brazil's Beauty & Personal Care ecosystem, driven by innovation, agility, and omnichannel scale

Relevance of Brazilian Brands:

Brands like **O Boticário, Natura, Embelleze, Granado, Jequiti, Skala, Salon Line** are **household names** with strong regional penetration

Strengths & Differentiation:

Consumer intimacy: leading Brazilian brands have nurtured closer relationship with customers

Adapting to local needs: addressing textured hair, tropical climate, and consumer routines

Delivering competitive pricing: ensuring broad mass-market reach

Leveraging biodiversity: incorporating natural ingredients (açaí, murumuru, cupuaçu, babosa, etc.)

Expanding omnichannel presence: scaling across retail chains, direct sales, and digital platforms

Source: Companies websites

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Manufacturing & contract production ecosystem

The beauty manufacturing landscape combines vertically integrated leaders with a growing ecosystem of contract manufacturers, driving digital and niche brand expansion

Vertically Integrated Brand Manufacturer (VIBM)

Vertically Integrated Brand Manufacturers

Operate proprietary factories, maintaining control over formulations, quality standards, and production capacity

- Support brand equity through proprietary R&D and end-to-end control from formulation to final packaging

Pros: Full control over IP, quality, and innovation
Cons: High capex requirements and limited operational flexibility

Examples of VIBM:

natura
oBoticário
GRANADO[1] DESDE 1870

Contract Manufacturer (CM)

General-Use Contract Manufacturers

Third-party / private label producers manufacturing cosmetics and skincare for multiple brands

- Key enabler for digitally native brands, allowing rapid launch and product testing

Specialized/Niche Contract Manufacturers

Smaller-scale manufacturers with technical expertise or specific certifications (organic, vegan, clean beauty)

- Support niche digital and professional brands

Pros: High flexibility, lower investment, and faster time-to-market
Cons: Limited control over IP and quality consistency

Examples of CM:

IBASA, DEMAZON, SINTER, LANGE cosméticos, Be FACTORY, FAREVA, cosmobeauty, Portier, FROSINI

Examples of brands:

océane, sallve, creamy skincare, Sara Costa, Simple Organic, B R A É, B.O.B BARS OVER BOTTLES, TRUSS, hydratta

Source: Companies websites
(1) Hybrid model

Brazil has regulation – not friction

Positioning products at the highest regulatory ceiling without tipping into drug category is a strategic decision

ANVISA Regulatory Requirements Summary

	Cosmetics		Drugs
	Grade 1	**Grade 2**	**Drugs**
What counts	Low risk, no specific claims	Functional, requiring approval	Treats disease, physiological alterations, claims clinical results, uses pharmacologics agents
Examples	Soaps Basic shampoos Basic conditioners Basic creams Perfumes Makeup, no functional claims	Anti-aging Anti-acne Anti-dandruff Sunscreens Whitening Hair loss treatments Sensitive skin products	Treats acne Cures hair loss Increases collagen production Repairs DNA Restores hormonal balance
Regulatory process	Self notification No prior approval (company liable) Spot inspections after launch	Full submission to ANVISA Formula + stability + safety + labeling review Claims validation Registration number required	GMP-certified factory Clinical validation Pharmacovigilance system Drug dossier submission Pricing approval (CMED) Post-market reporting
Time to market	**Immediate**	**3 – 12 months**	**Over 1 year, maybe years**
GMP, labeling, toxicology, etc.	Required	Required	Required
Import & foreign brands	Brazilian representative Local formula registration LI, SISCOMEX Portuguese labels	Brazilian representative Local formula registration LI, SISCOMEX Portuguese labels	Brazilian representative Local formula registration LI, SISCOMEX Portuguese labels

Source: Anvisa

Brazil has regulation – not friction (Cont.)

Regulation is a barrier to entry and smartest beauty brands embrace regulation, designing strategy around it

Brands fail when they:

- Make clinical claims without registration
- Import without local regulatory control
- Translate claims literally from EU/US
- Treat compliance as legal overhead

Brands win when they:

- Push boundaries scientifically, pull back linguistically
- Engineer products around regulatory ceilings
- Master claim architecture
- Localize formula & language
- Use science as positioning, not classification

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Sales dynamics: offline dominance, and emerging hybrid channels

Brazil is not a "channel" market — it is a channel architecture market. Winning depends less on product and more on control of access to the consumer

Offline channels account for 89.2% of total PHPC sales (E-commerce: 10.8%)

Channel	Supermarkets	Direct Sales "Door to Door"	Drugstores	Specialized Retail
Share (%)(1)	▪ 28.7%	▪ 26.4%	▪ 17.1%	▪ 17.0%
Characteristics	▪ Broad reach and basket-building channel, highly price-driven and promotion-intensive ▪ Focus on basics and large formats, low penetration in premium and niche categories	▪ Relationship-driven sales model focused on consultative demos and cross-selling, with strong presence in smaller cities ▪ High penetration in cosmetics and fragrances, with sales cadence aligned to campaign cycles and representative activity	▪ Convenience-oriented channel with frequent visits and strong integration with health and dermocosmetics ▪ Assortment blends everyday essentials with selective premium items; checkout impulse and promotional leaflets boost sales	▪ Experience-focused retail formats combining category expertise and personalized guidance ▪ Comprehensive premium assortment and exclusives supported by omnichannel fulfillment to drive conversion
Highlights	▪ Hair treatments lead category growth, showing a +4.9 p.p. increase in penetration across Latin America	▪ US$7.96 billion in direct sales in Brazil (2023), ranking as the world's 7th-largest market ▪ Cosmetics & Personal Care account for ~40% of direct sales, the channel's leading category ▪ Natura's network alone includes 3.2 million beauty consultants and sales representatives (2024)	▪ R$103.1 billion in revenue across Abrafarma chains (2024), totaling 11,244 points of sale by year-end ▪ Non-medicines products already represent ~30% of drugstore retail revenue ▪ ~70% of DNVB sales occur through drugstores	▪ 85% of female consumers prefer perfumeries for a better shopping experience ▪ Online-first brands expanding offline, turning stores into omnichannel engines

Source: Abrafarma, Exame, Instituto QualiBem, Kantar, Panorama Farmacêutico, ABEVD, Nielsen/Brazil Beauty News

(1) E-commerce accounts for 10.8%

Beauty channel strategy: operational and trade-offs across beauty sales

Brands face varying trade-offs in margins, logistics, traffic generation, and capital intensity across offline, hybrid, and digital routes to market

Channel Economics Matrix

Channel	Take-rate / Retailer Margin	Payment Terms (Days)(1)	Promo Intensity (% of Sales)	Shelf/Traffic Fees	Data Access	Working-Capital Intensity	Logistics Burden	Capex/Opex Burden	Typical Gross Margin Impact vs. DTC
Supermarkets	High	45–90	High	Common	Low	High	Retailer handles last-mile; manufacturer handles inbound	Moderate	Negative
Drugstores	Medium–High	45–90	Medium–High	Common	Low	Medium–High	Retailer handles last-mile; manufacturer handles inbound logistics	Moderate	Negative
Specialized Beauty Retail	Medium–High	30–60	High	Likely	Low	Medium	Retailer handles last-mile; brand handles staffing support	Moderate	Slightly negative
Mono-brand Stores	N.A.	Immediate (owned) / 15–30 (franchise)	Medium	Rent/CAM; mall marketing	High	Medium	Brand handles	High	Positive vs. Wholesale, below DTC online
Professional	Medium	15–45	Low–Medium	Uncommon	Low	Medium	Brand handles outbound shipping; consultant/distributor handles final delivery	Moderate	Neutral
Direct Sales	N.A.	Immediate	Medium	Uncommon	Medium	Low	Brand ships to consultant/distributor	Low–Medium	Neutral–Positive
Marketplaces	Medium–High	Immediate	Medium	Common	High	Low	Platform handles last-mile; brand handles fulfillment under FBA/FBM models	Low–Medium	Negative-neutral
DTC E-commerce	N.A.	Immediate	Medium	N.A.	High	Low–Medium	Brand handles fulfillment/returns	Low–Medium	Positive

Source: Brasilpar Analysis
(1) Estimated by Brasilpar

E-commerce: mobile shoppers, social-led discovery with experience focus

Digital influencers, reviews and fast checkout experiences are shaping how Gen Z and Millennials shop beauty via mobile

Online channel

Who the online beauty shopper is

- Primarily Gen Z and Millennials, highly digital and with increasing male participation

What influences them

- Social first: Instagram/YouTube for discovery and consideration, TikTok seals quick decisions, with social commerce expanding rapidly in the country
- Trust comes from samples, reviews/ratings, easy returns, and fast delivery

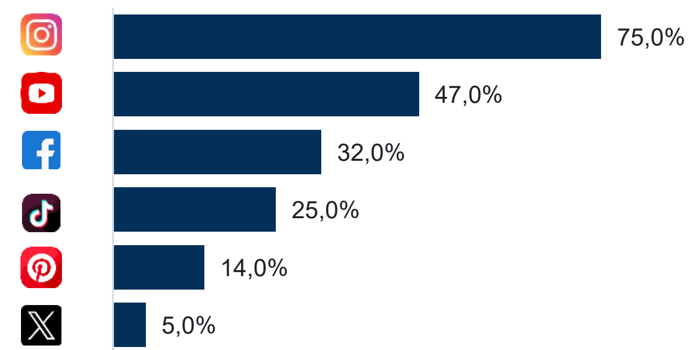
What they buy online

- Skincare, fragrances, and haircare kits drive replenishment; bundles, exclusives, and drops lift average ticket
- Makeup grew 27% in prestige beauty[1] e-commerce versus 2023

Subchannels dynamics:

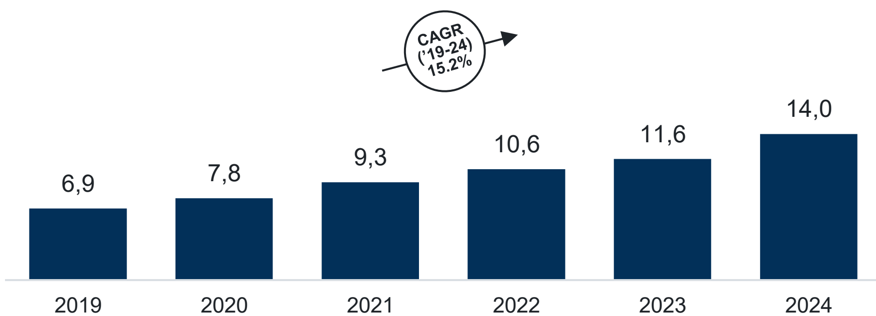
- **TikTok shop:** drives conversion from discovery to purchase (impulse buys, bundles, and replenishment) within fast-growing social commerce; US$46.1M GMV in Brazil (Aug 2025, +79% m/m)
- **Specialized retail**: 12M+ monthly visits combined[2] in Sep 2025; players are expanding offline to strengthen omnichannel
- **D2C / Digitally Native Brands:** fast-growing channel using owned platforms and social engagement to drive direct relationships

Leading social platforms for product discovery in Brazil



Beauty and health e-commerce

R$ billion, except as otherwise indicated



Source: Abcom, Similar web, Circana,
(1) Higher-end brands and products (premium price points) sold mainly through specialty retailers, department stores, and brand boutiques, distinct from mass-market lines
(2) Visits from Época Cosméticos, Beleza na Web and Sephora in September of 2025

AI as the next sales channel

AI evolving from a marketing tool to a standalone, data-driven channel that personalizes engagement, automates conversion, and drives higher growth and valuation

From tool to sales channel

- Evolving from a marketing tool to a full commercial interface
- Expanding interaction through AI-powered assistants for discovery, testing, and checkout
- Integrating platforms to unlock new opportunities for direct conversion
- Positioning AI as a sales channel to gain early-mover advantage and data ownership

Strategic implications: redefining the sales funnel

- **Unified AI interface:** integrates discovery, trial, and purchase in a single, frictionless journey
- **Data loop advantage:** drives personalization, predictive analytics, and lifetime value modeling
- **Efficiency gains:** lowers CAC, improves targeting and conversion
- **Channel ownership:** shifts power from retailers and marketplaces to the brands
- **Valuation upside:** stronger conversion, higher EBITDA, and richer data assets drive growth and valuation multiples

How AI connects and converts

Interface Type	Description
Conversational AI	Chatbots guiding from product advice to payment
Visual & Voice AI	Image recognition and voice assistants recommending products
AI Avatars & Influencers	Virtual brand representatives that promote and sell
Social AI Commerce	Real-time personalization during live or social streams

Brazil as a testing ground for AI commerce

- **Leading adoption of messaging platforms**, with Brazil standing out in WhatsApp-based commerce
- **Empowering direct sales through AI**, enhancing consultant productivity and average ticket value
- **Expanding digital-native brands (DNVBs)**, accelerating AI-driven engagement and DTC growth
- **Building social commerce momentum**, as Brazil's strong social culture drives acceptance of conversational and automated sales

Source: McKinsey (AI-Powered Marketing & Sales, State of AI 2024), BCG (AI in Consumer & Retail), Bain (Retail Reimagined with AI)

A case for alternative distribution channels

Traditional sales model shaped the growth of Brazilian leading beauty players, combining broad market penetration with close consumer relationships, and are now adapting through digital and social commerce integration

Direct Sales "Door-to-door"

- **Eliminates direct competition** through exclusive distribution
- **Creates barriers to entry** through consultant training, distribution exclusivity and strong community networks
- **Builds relationship-driven loyalty** through personalization, recurring engagement, loyalty program, and community connections
- **Maintains full control** over pricing, launches, and the product cycle
- **Operates efficiently** in value-positioned, high-turnover categories.
- **Generates social impact**, offering income opportunities and financial independence for consultants
- **Declining globally, still strong in Brazil, will Gen Z adopt?**

Main Brazilian players:

Company	Main Model	Key Differentiator
natura	Hybrid direct selling Strong e-commerce growth	Strong brand and integrated digital ecosystem powered by 3.2 million consultants
HINODE	Multilevel marketing[1] (MLM)	Entrepreneurial profile and training focus
Jequiti	Door-to-door + TV	Broad communication reach through TV

Mono-brand stores

- **Eliminates direct competition** and **bypasses third-party retailers** through exclusive channels
- **Creates barriers to entry** through brand strength, operational know-how, and franchise exclusivity
- **Maintains full control** over pricing, assortment, promotions, communications, and loyalty initiatives across the retail network
- **Drives scalable and profitable growth** through an extensive franchise network
- **Creates social and economic impact**, empowering franchisees and retail staff with income and entrepreneurship opportunities

Main Brazilian players:

Company	Main Model	Key Differentiator
oBoticário	Franchise network	Largest national footprint and customer loyalty powered by 4,000+ stores
GRANADO DESDE 1870	Heritage flagship stores	Premium heritage appeal and selective expansion
ADCOS DERMOCOSMÉTICOS / dermage	Mono-brand stores	Dermatological positioning with professional credibility

Source: Company annual reports and institutional material and Euromonitor market insights

Case Study | L'Occitane, leveraging Brazil

L'OCCITANE EN PROVENCE

L'Occitane leverages Brazilian nature and culture through L'Occitane au Brésil and the acquisition of Sol de Janeiro, building fast-growing premium brands in Latin America

Latin America Opportunity

- Global French beauty group founded in 1976, known for natural ingredients, Mediterranean heritage and premium positioning
- L'Occitane today operates ~300 points of sale in Brazil (around 100 en Provence and 200 L'Occitane au Brésil stores and kiosks)
- Entered Brazil with L'Occitane en Provence in 1995 and in 2013 launched L'Occitane au Brésil, a brand that celebrates Brazilian nature and culture
- L'Occitane au Brésil develops products with native ingredients and partners with local communities
- Brazil has become one of the group's fastest-growing markets: L'Occitane en Provence grows 7% in value, while L'Occitane Brasil grows 35% for the third consecutive year

Selected portfolio: L'OCCITANE AU BRÉSIL

Caju line

Romã line

Brigadeiro line

Acquisition of Sol de Janeiro

- Sol de Janeiro emerges as a Brazilian-inspired premium beauty brand, building a global following through sensorial body care
- In 2021, L'Occitane International S.A. acquired an 83% stake in Sol de Janeiro, in a deal valuing the company at US$450 million
- Sol de Janeiro generated around US$60 million in net sales (2020), growing rapidly year on year
- Post-acquisition, Sol de Janeiro became the second-largest brand in the L'Occitane Group, with €267 million in sales in FY2023

Selected portfolio: SOL DE JANEIRO

Body care

Hair care

Fragrances

Source: Company website and Brazil Beauty News

Agenda

IMAP | brasilpar

AI across the value chain: driving efficiency, growth, and valuation

AI is no longer an efficiency tool. It is increasingly becoming a sales channel and competitive moat, redefining the beauty industry, streamlining operations and enabling smarter, faster, and more personalized growth

AI permeates the entire beauty value chain, from R&D and product development to marketing, retail, and customer support, enhancing efficiency, personalization, and speed to market.

Companies are leveraging AI to cut costs, optimize operations, and drive growth, improving decision-making, customer engagement, and ultimately, enterprise valuations

AI across beauty company functions

Sales & Marketing

Trend identification and social listening
- Monitor conversations to detect trends and preferences

Creative content generation
- Generate and adapt creatives by channel and persona

Microsegmentation
- Granular clusters for more relevant offers and messaging

Experiential product discovery
- Augmented reality/try-on and quizzes to find the ideal item

Guided sale
- Assistant that recommends products and next buying steps

Hyperpersonalized targeting
- 1:1 messages orchestrated by behavior and context

Innovation & Technology

Product Development
- Prioritize formulas using feedback and usage data

Demand forecast
- Forecast sales by SKU and channel to guide purchasing and production

Store design and planning
- Optimize layout, assortment, and planograms

Product manager copilot
- Summarize data, prioritize backlog, and draft PRDs(2)

Omnichannel integration
- Unify inventory, pricing, and experience across channels

Modeling testing
- Simulate lab tests to predict formulation stability and efficacy

Source: McKinsey, Gulf Business, Firework, Vogue Business, NSS G-Club and Cosmetics Business
(1) Companies may not implement every listed trend. The segment reflect implementations reported in news and public disclosures
(2) Product Requirement Document

AI as a Competitive System (Not a Feature)

These cases show AI being applied from R&D to marketing, supply chain and customer service, proving it is already a real lever for efficiency and personalization in the sector

Companies adopting AI in the process

Companies	AI initiatives	Key AI Partnerships	AI/Digital Maturity
Beiersdorf	AI to power its SKINLY skin-research ecosystem (IoT device + app with ML[1]), accelerate R&D and formula development, and enhance knowledge discovery with Azure AI for faster, data-driven innovation	Insilico Medicine, Uncountable	
COTY SINCE 1904	AI in marketing (data-driven targeting and ROI per Artefact), in supply chain planning and operations, and in consumer fragrance experiences (AI-assisted scent matching), accelerating decisions and service to market	Perfect Corp., SAP S/4 HANA	
ESTEE LAUDER	AI Innovation Lab with Microsoft (Azure OpenAI/Copilot) for trend forecasting and marketing, genAI for copywriting and customer service, and internal GPTs that speed product development and personalization	Microsoft and Open AI	
L'ORÉAL	Beauty Genius and ModiFace power virtual try-on, skin analysis, shade matching, and personalized routines; IBM/NVIDIA enable AI for sustainable formulation and genAI/3D simulation at scale	IBM, Microsoft, Meta, Nvidia/WPP	
natura	Uses generative AI for "Smart Search" supporting ~1M consultants and faster product discovery, and integrates SAP gen-AI/data automation to streamline processes and decision-making, advancing digital inclusion for its consultant network	IBM Watson, CI&T	
oBoticário	Applies AI from R&D to customer experience: co-created AI-assisted perfumes with IBM/Symrise, launched a GenAI e-commerce assistant, and pilots "Smart Lipstick" (vision/robotics) alongside AI-driven sensory experiences in O.U.i	AWS (Anthropic Claude), Google Cloud	
P&G	AI for consumer personalization (Olay Skin Advisor selfie-based skin analysis and routine recommendations) and to transform operations and innovation at scale (enterprise AI for collaboration, planning, and faster go-to-market)	Microsoft Azure, Parc (Olay)	
SHISEIDO	Applies AI to R&D and consumer experience: its VOYAGER platform (co-developed with Accenture) accelerates formulation development, while Beauty AR Navigation uses AI/AR to guide personalized skincare routines and diagnostics	Accenture, IBM Watson	
Unilever	Uses AI for marketing content and personalization (digital twins/3D with Nvidia Omniverse to speed and cut costs), demand creation ("Desire at Scale"), and supply-chain optimization to elevate customer experience	Nvidia	

Source: McKinsey, Gulf Business, Firework, Vogue Business, NSS G-Club and Cosmetics Business, Exame, Forbes and Companies website
(1) Machine Learning

Practical use of AI | Beiersdorf

1. SKINLY Study – IoT + AI Skin Research

- One of the largest skin care studies in the world, actively involving consumers via digital tools
- Custom-developed IoT measuring device with moisture sensor and special camera with three light sources (direct light, fluorescence stimulating light, polarized light)
- Consumers measure skin characteristics twice daily (skin age, wrinkle depth, skin tone, impurities) on cheek, eye, forehead, and forearm
- Data analyzed via AI and results displayed in companion app with personalized skin reports

2. Insilico Medicine Partnership – AI Drug Discovery for Skincare (2020)

- Partnership with AI business Insilico Medicine to carry out computer-simulated skin research for discovering novel, safe bioactive ingredients
- Enables evaluation of new active ingredients "significantly more quickly and more efficiently by simulating biological effects in silico"
- Insilico uses AI for drug discovery and aging research

3. Uncountable AI Platform – Formulation Development

- Multi-year partnership employing Uncountable AI technology for high-priority product development
- Scientists spend "much less time looking for high-quality data" and can focus on analyzing and learning; modeling formulations resulted in shortened development times
- Formulators treating the digital tool "like a seamless extension of their own expertise"

4. AI & Automation Organization

- Decision & Artificial Intelligence team implementing data-driven solutions for consumer insights and automating/optimizing business processes
- AI platform product team owns Beiersdorf's technology platforms for AI, Data Science, and decision intelligence
- Solutions range from promotion campaign optimization to lab digitalization to decision automation in supply chain

5. Digital Fast Forward Strategy (2025 Vision)

- Strategic program to digitalize business and improve consumers' lives through AI, including rapid development of effective, sustainable, and safe formulas

Source: Company website and Uncountable

Practical use of AI | Coty

1. AI-Driven Business Optimization (2024-2025)

- Five-pillar strategy leveraging AI across robotics process automation, testing, vendor invoices, procurement, and content creation/iteration within marketing
- Expects ~$20 million in cost savings related to AI initiatives for Q1 2025
- Creating consolidated AI hub in Barcelona with "clear control tower on planning" bringing significant cost savings

2. Perfect Corp. Omnichannel Partnership

- Multi-channel partnership embedding AR and AI experiences into digital marketing toolkits across CoverGirl, Sally Hansen, philosophy, and fragrance portfolio
- Technology solutions providing virtual try-ons, online skin diagnostics, and data-driven personalization
- Upgrading in-store shopping with touchless product experiences

3. AI Marketing Analytics Platform

- Dashboard helping marketers track brand health and metrics across social media and search platforms with AI enhancements
- Icons indicate intensity of KPIs' impact on sales and timing of effects; includes competitor performance benchmarks
- Goal for marketers to interact using natural language, asking questions like "What are the latest top SKUs?"

4. Digital Accelerator Program

- Start-up programme offering $100,000 in cash prizes for AI solutions
- Partnerships with start-ups including Beamly and Holition for AR experiences

5. ERP Transformation (S/4 HANA)

- Completed ERP migration to S/4 HANA enabling increased operational efficiency and cost savings through automation and standardization
- Standardizing data across global functions through new AI-powered demand planning solution

Source: Company website, Consumer Goods and The Drum

Practical use of AI | L'oreal

1. ModiFace AI Platform (Acquired 2018)

- Team of over 60 engineers, researchers, and scientists building AR/AI technology for beauty
- Skin diagnostic analyzes skin condition and produces customized beauty routines based on scientific research combined with AI algorithms
- AI algorithm trained on 6,000 clinical images and 4,500+ smartphone selfies across Asian, Caucasian, and Afro-American women in 4 different lighting conditions
- Virtual makeup try-on deployed across L'Oréal Paris, Maybelline, Lancôme, YSL Beauty, and other brands

2. Beauty Genius – Gen AI Personal Beauty Assistant (2024)

- Launched at CES 2024, described as "not a chatbot" but a "fully personalized AI-engine based on an individual in-depth diagnosis"
- Powered by generative AI, augmented reality services, and L'Oréal Paris proprietary knowledge covering hair care, hair color, makeup, skincare, clinical studies, ingredients, and 750+ products
- Since beta launch in October, has hosted more than 480,000 conversations; cosmetics inquiries account for over half of conversations
- WhatsApp integration launching early 2026, tapping into platform's ~3 billion monthly active users

3. IBM Partnership – Formulation AI Foundation Model (January 2025)

- Collaboration to leverage IBM's generative AI technology to uncover new insights in cosmetic formulation data, facilitating L'Oréal's use of sustainable raw materials
- Custom AI foundation model engineered to increase ability of R&I teams to reach extra performance and consumer satisfaction
- Described as "first-of-its-kind in the industry"

4. HAPTA – AI-Powered Makeup Applicator (2024-2025)

- World's first AI-powered makeup applicator for people with limited hand, wrist, and arm mobility
- Partnered with para-athletes Oksana Masters and Veronica Yoko Plebani for 2024 global campaign; commercial launch in 2025

5. Internal AI & Data Capabilities

- Harnessing 16,000 terabytes of data across the company
- Research teams using generative AI to screen molecules and formulate products more quickly – described as "real game changer"
- More than 4,000 scientists and 6,400 digital talents globally

Source: Company website and IBM

Practical use of AI | Natura&Co

1. IBM Watson Partnership (since 2018)

- "Nat" – AI virtual assistant for consultant and customer queries
- Evolved from gift Q&A to debt negotiation, payment processing
- Nat has Twitter presence and brand persona

2. CI&T Digital Accessibility Project (2025)

- AI-powered accessibility improvements for 1.8 million consultants
- Detailed product descriptions for visually impaired users
- 60+ product/tech/design experts involved

3. Digital Consultant Platform

- 2+ million consultants using online ecosystem in Brazil/LatAm
- 7% productivity increase from digital tools
- ML used for: new consultant recruitment location selection, customer repurchase prediction

4. Mobile Platform (VocêConect@)

- Tablets/phones for consultants
- Partnership with Brazilian mobile operator for subsidized data rates
- Mobile POS terminals for card payments

Source: Company website

Practical use of AI | Grupo O Boticário

1. Generative AI Shopping Assistant (2024)

- Partnership with AWS using Anthropic Claude Sonnet 4 via Amazon
- Deployed in O Boticário app for personalized gift recommendations
- Uses semantic search across product catalog
- Amazon Bedrock Guardrails for content safety

2. AI-Powered Accessibility (2025)

- Partnership with CESAR Innovation Hub
- World's first "Smart Lipstick" prototype – AI algorithm distinguishes facial skin from lip skin for automated application for people with disabilities
- Won "People's Choice" award at SXSW 2025

3. Google Cloud AI Deployment (2025)

- Using Gemini AI to optimize retail footprint
- Store location identification covering 99% of Brazilian territory
- Simplifying internal employee processes

4. Startup Acceleration Program (5th edition, 2025)

- 574 applications (42% increase YoY)
- 39 startups accelerated since 2021
- 2025 cohort includes: Leadster (AI virtual salesperson), Pupila Brand Studio (AI content creation), Instanteaser (automated video ads)

5. Tech Workforce

- Hiring AI Engineers, Data Scientists for remote positions
- Building customization solutions, smart logistics, predictive analytics

Source: Company website

Practical use of AI | P&G

1. ChatPG – Internal Generative AI Tool (2023-Present)

- Internal gen AI tool with capabilities similar to off-the-shelf models but with stronger IP safeguards; launched beta February 2023, official launch September 2023
- Reached 30,000 users; AI upskilling now part of standard onboarding procedure
- "More than 35 use cases where that model is being complemented with internal data"
- Received 8,000 requests within first two hours of launch

2. Olay Skin Advisor – Deep Learning Platform

- Uses artificial intelligence to provide personalized skincare analysis and recommendations by analyzing selfies and a short questionnaire
- Uses computer vision technology and deep learning; image checked for quality (distance, lighting, facial expression, sharpness)
- Analyzes skin characteristics across forehead, under eyes, cheeks, nose, and chin using convolutional neural networks trained on each region separately

3. SK-II Future X Smart Store – AI Retail

- Transforming beauty retail with facial recognition and gesture-driven "phygital" experiences augmented by SK-II's proprietary skin science and diagnostics

4. Microsoft Partnership – Digital Manufacturing (2022)

- Multiyear partnership leveraging IIoT, digital twin, data, and AI to bring products to consumers faster, increase customer satisfaction, improve productivity, and reduce costs

5. Oral-B GENIUS X with AI

- AI electric toothbrush that recognizes how users brush and provides personalized feedback leading to better brushing and oral health

Source: Consumer Goods, Business Wire, Global Cosmetics Industry

Practical use of AI | Shiseido

1. VOYAGER AI Platform (Operational since February 2024)

- Unique digital platform for cosmetics development integrating formulation development AI function using proprietary algorithms, developed in collaboration with Accenture
- Converts "TAKUMI" (artisan skills) heritage passed down to researchers into more than half a million data points
- Analyzes data from raw materials, formulation chemistry, ingredient combinations, sensory and cutaneous science across 500,000+ data points
- Enables extraction of diverse knowledge in less time and from broader perspective, leading to "creation of new and unique ideas that are difficult to come up with using human intelligence alone"

2. Beauty AR Navigation (CES 2024)

- Digital application using AI-driven motion recognition technology to capture detailed hand movements for proper skincare regimen training
- Provides quantitative evaluation of whether skincare routines are appropriate, helping increase motivation for proper beauty regimens
- Developed using Shiseido's expertise in beauty regimens and Kansei science cultivated over 150 years

3. Skin Visualizer (CES 2025)

- Contactless device measuring skin resilience, radiance, and smoothness without requiring makeup removal
- Upgraded to measure "invisible" skin conditions including capillary density using Optical Coherence Tomography Angiography (OCTA) measurement data
- CES 2025 Innovation Award Honoree

4. IBM Watson "Lucy" – Marketing AI

- AI tool helping marketing staff understand data by asking questions in natural conversational language
- Provides answers on correlation between investment in social media spending and growth in market share

5. Digital Center of Excellence & SHISEIDO+ Digital Academy

- Oversees change management for all digital initiatives and prioritizes areas of focus
- Digital academy enabling staff to learn how to integrate new technology into their work

6. Strategic Pivot: Metaverse → Practical AI (2025)

- Discontinued metaverse and Web3 initiatives (virtual beauty experiences, NFT collections, Decentraland partnerships) amid 8% YoY sales decrease
- Continued investment in practical AI through VOYAGER platform and Skin Visualizer

Source: Shiseido website and Global Cosmetics Industry

Practical use of AI | Kenvue

1. Microsoft Azure 5-Year AI Partnership (April 2025)

- Five-year collaboration to transform digital operations through advanced AI technologies including machine-enabled collaboration, predictive analytics, smart agents, digital twins, and generative AI
- Will accelerate product development, enhance formulations, and optimize clinical research data
- Advance data-driven go-to-market strategies, personalizing consumer experiences and tailoring product recommendations
- Currently piloting Azure AI, Microsoft 365 Copilot, and Copilot Studio in supply chain, operations, and content creation

2. Albert Invent Partnership – AI Formulation Platform (2025)

- Multi-year partnership to accelerate end-to-end R&D efforts across Kenvue's global portfolio of brands
- Albert's AI algorithms trained on data from more than 50,000 raw materials; platform will be configured to learn from Kenvue's proprietary data
- "100% focused on enhancing how our scientists create products for consumers"
- Streamlining hundreds of R&D processes and methodologies across the globe

3. Neutrogena Skin360 – AI Skin Analysis

- AI-driven tool offering customized skincare analysis and recommendations, empowering consumers to take control of their skin health
- Personalized skincare recommendations based on individual skin assessment

4. New Global Headquarters Technology Features (2025)

- New 290,000 sq. ft. headquarters featuring Insights Lab with Virtual Experience Room that immerses users in 270-degree digital retail environment
- Sensory Lab enables rapid prototyping and consumer testing; Design Lab uses advanced 3D and 2D modeling

Source: Nasdaq, Business Wire, C&EN and Retail Technology and Innovation Hub

Agenda

Structural growth drivers

Consumer shifts, digital innovation, sustainability, and consolidation define the macro trends in beauty, with niche and premium brands emerging at their intersection

Key industry growth drivers

Consumer & Lifestyle Shifts	Innovation & Digital Transformation	Sustainability	Market Expansion & Consolidation
Wellness and self indulgence	Social commerce	Clean & natural beauty	Rising exports from emerging markets
Inclusion & diversity	AI & personalization	Sustainability & biotechnology	Cross-border M&A and consolidation
Aging & hybrid products	Digital try-on 2.0	Circular economy & waste reduction	Expansion into adjacent segments
Gen Z and Male grooming	Data-driven beauty	Purpose-driven sustainability commitments	Efficiency gains boosting margins

Consumer & lifestyle shifts

Beauty is evolving into a holistic expression of well-being, inclusion, and empowerment—driven by hybrid products and new consumer identities

Main trends

Beauty as emotional well-being: link beauty to self-care, stress relief, and holistic lifestyles

Inclusion & diversity: representation in product formulas, marketing, and brand positioning

Aging & dermocosmetic products: evolving from anti-aging to pro-aging, with "skinified" formulations that blend makeup, skincare, and dermocosmetic performance

Gen Z and male grooming: rising demand of Gen Z and the expanding male segment, driving demand for authenticity, inclusivity, and self-expression in beauty

Corporate positioning

Consumer & Lifestyle Shifts

- **Beauty as part of emotional well-being** and
- Reframe **aging as empowerment** and innovate hybrid solutions **combining skincare and makeup** benefits
- **Inclusion and diversity** in design and communication
- Expanding **tailored to men and Gen Z**

Key insights

- The wellness economy in Brazil is estimated at US$96 billion, representing around 5% of the country's GDP *(Global Wellness Institute, 2024)*
- The 60+ population is expected to double by 2050[1], boosting demand for dermocosmetics and reinforcing the premiumization trend *(Agência Gov/IBGE, 2025)*
- 54% of Brazilians consider themselves "beauty-conscious" *(MindMiners Survey, 2024)*

Innovation & digital trend

Digital innovation is reshaping beauty through AI-driven personalization, immersive AR/VR experiences, social commerce, and data-powered insights

Main trends

Social commerce: direct purchasing through social media platforms like TikTok and Instagram

AI & personalization: leveraging artificial intelligence to deliver solutions finely tailored to each individual consumer

Digital try-on 2.0: combining Augmented Reality (AR) and Virtual Reality (VR) to enable realistic, immersive, and interactive virtual product testing

Data-driven beauty: leveraging big data to predict consumer preferences, speed up product launches, and refine formulations

Corporate positioning

Innovation & Digital Trend

- Merging content, community, and commerce through platforms like **TikTok and Instagram**
- Applying AI to enhance **product personalization**
- Merging AR and VR to create immersive shopping experiences
- Leveraging social commerce as a sales channel

Key insights

- The global AI in Beauty market is projected to grow from US$3.3B in 2023 to US$8.1B by 2028 *(Reuters, 2024)*
- Brazil's social commerce market grew at a ~23% CAGR from 2021–2024 and is projected to reach US$4.2 billion by 2025 *(GlobeNewswire, 2025)*
- AI-powered tools and digital platforms now deliver real-time personalized recommendations in skincare and beauty, enhancing customization for consumers *(Cureus, 2024)*

Sustainability

Sustainability is driving Brazil's beauty industry toward clean formulations, circular models, and purpose-driven innovation

Main trends

Clean & natural beauty: growing consumer preference for natural, vegan, and toxin-free formulations

Sustainability & biotechnology: application of biotech to reduce environmental footprint and enable innovative ingredients

Circular economy & waste reduction: adoption of refill models, recycling initiatives, and upcycling practices to reduce packaging and product waste

Purpose-driven: brands strengthening sustainability pledges, social impact, and transparent reporting

Corporate positioning

Sustainability

- Reformulating products with natural and clean
- Investing in biotechnology and green chemistry
- Adopting circular business models (refill, recycling, upcycling)
- Strengthening purpose-driven strategies

Key insights

- Brazil's clean beauty market was US$264M in 2023 and is projected to reach US$721M by 2030, growing at a 15.4% CAGR *(Grand View Research, 2024)*
- ~2/3 of Brazilians already consider sustainability in purchase decisions; in some segments, concern reaches ~80% *(EY 2024; Business Sweden 2024)*
- Brazil's beauty sector recovered 200k+ tons of packaging in 2024; 60% of industries adopt circular practices *(ABIHPEC; CNI, 2025)*

Market expansion & consolidation

Brazil's beauty sector is consolidating its next growth cycle through exports, portfolio expansion and cross-border M&A

Main trends

Rising exports from Brazil: growth of Brazilian beauty exports driven by biodiversity and recognition of natural/wellness brands

Cross-border M&A & consolidation: acquisitions of niche/local brands by larger players; consolidation strengthening portfolios

Portfolio expansion: entry into new categories (skincare, haircare, fragrances, wellness) and diversification to capture consumer shifts

Scale efficiencies & profitability: scale benefits from distribution and synergies; optimization of supply chains and retail platforms

Corporate positioning

Market Expansion & Consolidation

- Leveraging Brazil's biodiversity and natural assets exports
- Pursuing M&A opportunities to strengthen market share and broaden product portfolios
- Expanding portfolios into new high-growth categories
- Optimizing supply chain and retail platforms to drive efficiency

Key insights

- In 2023, cross-border M&A in Brazil surpassed domestic deals in value, as improving economic conditions attracted foreign acquirers *(Bain, 2024)*
- In Brazil, diversified portfolios across categories and price tiers better absorb consumer shifts *(Kantar 2024; McKinsey 2024)*
- Scale efficiencies are a key competitive advantage in Brazil's beauty market, helping players sustain margins amid relatively slow growth *(Euromonitor, 2024)*

Agenda

Selected M&A in the beauty segment in Brazil

Personalization, sustainability, and inclusion drive local transactions, with buyers ranging from strategics to private equity, aligned to global trends led by hair care, skin care, body care, and beautytech

Buyer
⇩
Target

	Buyer	Target		
2015	Grupo NC	U.Sk	Pharma acquistion	Premium dermocosmetics and health focus
2020	Concept Investimentos	Forever Liss Professional	Financial Investor	Digital hair care and e-commerce
2021	Vinci Partners	Farmax	Financial Investor	Diversified beauty, OTC presence and distribution
2021	Hypera Pharma	Simple Organic	Pharma acquistion	Clean beauty and sustainability
2022	Shift Capital	Creamy Skincare	Financial Investor	Digital skin care, high engagement
2023	Farmax	Negra Rosa	Strategic Investor	Inclusive beauty and diversity focus
2023	Eurofarma	Just For You	Pharma acquistion	Hair personalization and digital reach
2023	oBoticário	Truss Professional	Strategic Investor	Professional channel and portfolio diversification
2024	Advent	Skala	Financial Investor	High-volume beauty and scale
2024	Granado	Care	Strategic Investor	Clean beauty and portfolio diversification
2025	Eurofarma	Dermage	Pharma acquistion	Expansion in the dermocosmetics market
2025	Skala	Lola	Strategic Investor	Creative hair care, digital reach and portfolio diversification

Financial Investor

Pharma acquistion

Strategic Investor

Source: Capital IQ, Valor Econômico and Investor Relations

Case Study | Care Natural Beauty

Care Natural Beauty stands out as a leading Brazilian D2C success story, building a loyal community, scaling clean beauty online, and positioning itself for acquisition by Granado to accelerate nationwide expansion

Overview

- Founded in 2018 with a focus on vegan, clean-label beauty products
- Revenue of R$14 million in 2022, with 90% of sales via e-commerce
- Built a strong consumer community with a repurchase rate of 40%–60%
- Product portfolio of 49 SKUs, manufactured in 4 factories (3 in Brazil, 1 in Italy)
- Partnered with opinion leaders to co-create product lines
- Acquired by Granado in 2024, with a national retail expansion plan

Sales channels

- Started with direct-to-consumer (D2C) online sales with 90% of sales online by 2022
- Repurchase rate of 40%–60%, driven by strong community engagement
- Gradually expanded into kiosks and own stores (Shopping Iguatemi and JK Iguatemi, São Paulo)
- Physical expansion plan until 2028 after Granado acquisition: 27 stores and 38 kiosks across Brazil

Main products

Skincare

Make-up

The transaction

- In 2024, Care Natural Beauty was acquired by Granado to accelerate its national expansion and diversify into body care, bath, and fragrance segments
- Granado announced a physical retail expansion plan through 2028, with the opening of 27 mono-brand stores and 38 kiosks across Brazil
- Integration with Granado's retail and distribution channels will expand Care's reach beyond digital, reducing dependence on e-commerce

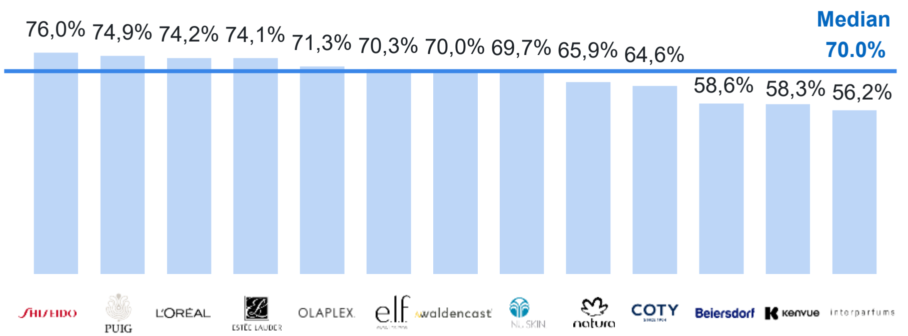
Source: Vogue, Uol, CNN, Forbes, Elle, Veja SP and Company website

Agenda

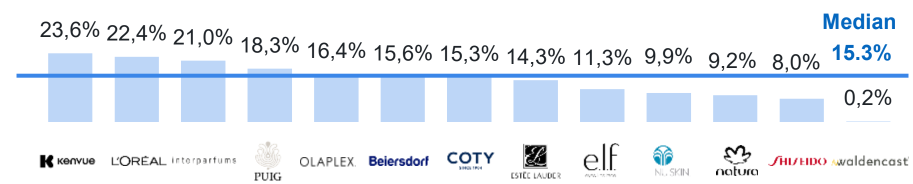
Valuation benchmarks

Global players with a comprehensive portfolio of brands and value-added products generally trade at higher multiples, allowing for multiple arbitrage and use of equity as currency in M&A

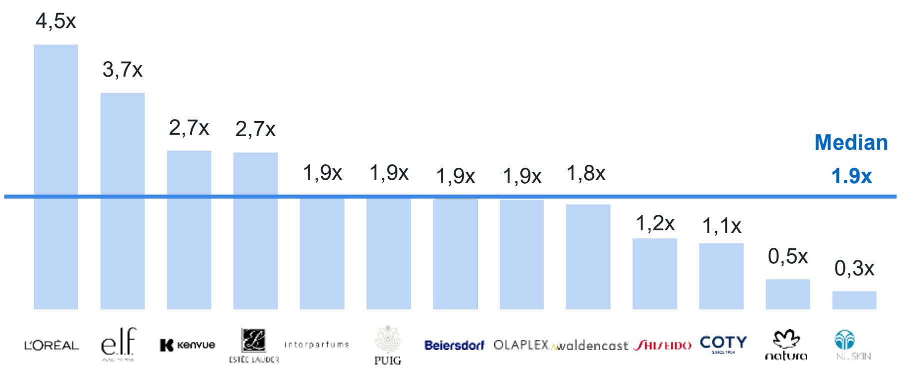
Gross margin



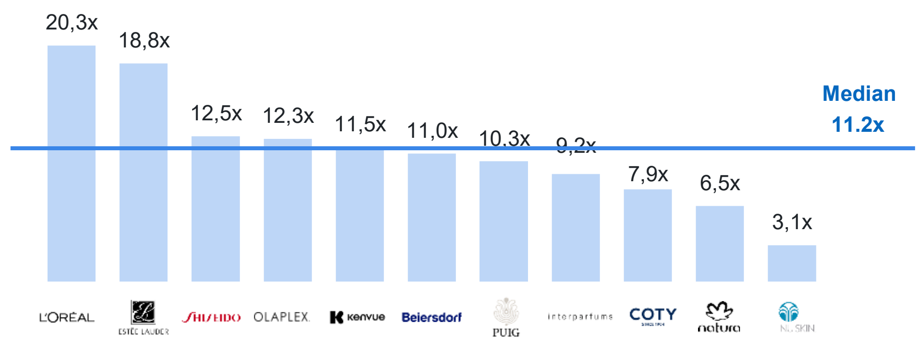
EBITDA margin



EV/Revenue LTM



EV/EBITDA LTM



Source: Capital IQ as of November 26, 2025
LTM: Last Twelve Months

Selected transactions

Digital and scalable brands achieved higher transaction multiples, while legacy models traded at a discount; in Brazil, pharmaceutical groups are expanding into beauty as hair care brands attract growing investor interest

Broad valuation range across beauty and personal care transactions, reflecting brand maturity, channel exposure, and digital scalability

Median multiples: 1.8x Revenue and 12.7x EBITDA, consistent with recent mid-market transactions

Premium valuations achieved by skin care brands with strong DTC presence, digital engagement, and global scalability (e.g., Aesop, Carver Korea)

Discounted valuations in legacy or wholesale-heavy models with limited differentiation (e.g., Brand Architekts, Han Bul)

Brazilian market trend: pharma players diversify into beauty and hair brands capture investor interest

Transaction multiples – ordered by date

US$ million, except as otherwise indicated

Date	Target	Buyer	Country	Stake Acquired	Transaction Value	Mg. EBITDA	EV/Revenue	EV/EBITDA
Nov-25	Orange Square	L'Oréal (1)	UK	n.a.	n.a.	n.a.	n.a.	n.a.
Nov-25	Kenvue	Kimberly-Clark (1)	USA	80%	n.a.	24,5%	3.4x	14.0x
May-25	Rhode	e.l.f. Beauty	USA	100%	1,000	n.a.	4.7x	n.a.
Mar-25	Dermage	Eurofarma	Brazil	60%	25	n.a.	n.a.	n.a.
Dec-24	Care	Granado	Brazil	100%	n.a.	n.a.	n.a.	n.a.
Feb-24	Dr. Dennis Gross	Shiseido	USA	100%	450	n.a.	5.6x	n.a.
Feb-24	Dermatonics	SkinBio	UK	100%	4	12,6%	1.6x	12.7x
Feb-24	Skala	Advent	Brazil	100%	n.a.	n.a.	n.a.	n.a.
Apr-23	Tom Ford	The Estée Lauder	USA	100%	2,550	n.a.	n.a.	n.a.
Aug-23	Aesop Retail	L'Oréal	Australia	100%	2,525	n.a.	4.7x	n.a.
Fev-23	Negra Rosa	Farmax	Brazil	n.a.	n.a.	n.a.	n.a.	n.a.
Jan-23	Truss	O Boticário	Brazil	100%	n.a.	n.a.	n.a.	n.a.
Apr-22	Group Fourteen	L'Occitane	Australia	n.a.	n.a.	n.a.	n.a.	n.a.
Mar-22	Skealt Beauty	Shift Capital	Brazil	n.a.	n.a.	n.a.	n.a.	n.a.
Sep-21	Farmax	Vinci Partners	Brazil	100%	n.a.	n.a.	n.a.	n.a.
Dec-20	Simple Organic	Hypera	Brazil	58%	n.a.	n.a.	n.a.	n.a.
Dec-20	Forever Liss	Concept	Brazil	100%	n.a.	n.a.	n.a.	n.a.
Aug-20	Just for you	Eurofarma	Brazil	n.a.	n.a.	n.a.	n.a.	n.a.
Apr-19	Coty	JAB Cosmetics	USA	20%	9,510	14,8%	1.9x	12.7x
Ago-19	Brand Architekts	Swallowfield	UK	100%	14	18,7%	1.0x	5.5x
Dec-18	AS MADARA	Oy Transmeri	Lituain	17%	6	22,5%	3.1x	13.6x
Dec-18	Cosmax	Mix&Match	South Korea	3%	6	11,4%	1.6x	14.0x
Oct-18	Natural Beauty	Eastern Media	Hong Kong	51%	94	26,8%	4.2x	15.5x
Apr-18	COSON	Undisclosed Buyer	South Korea	0%	1	n.a.	2.9x	n.m.
Nov-17	Carver Korea	Unilever	South Korea	100%	2,643	42,7%	7.1x	16.6x
Sep-17	The Body Shop	Natura	UK	100%	1,194	n.a.	1.1x	n.a.
May-17	Han Bul	It'S SKIN	South Korea	100%	259	31,2%	0.9x	2.9x
Aug-16	IT Cosmetics	L'Oréal	USA	100%	1,200	n.a.	6.6x	n.a.
Median						**22.8%**	**3.4x**	**11.9x**
Average						**22.5%**	**3.1x**	**13.6x**

Source: Capital IQ as of November 26, 2025, and news run
(1) Transaction announced

Agenda

Key questions for CEOs

ROI, integration into human-centric models, talent gaps and platform strategy remain open questions

- What's the actual ROI on AI investments? No Brazilian player has disclosed conversion lift or cost savings.
- How do consultant-based models integrate AI without threatening the human relationship model?
- What's the talent gap? Grupo Boticário hiring remotely for AI roles suggests local talent scarcity
- Are these point solutions or integrated platforms?

Conclusions & Opportunities

Brazil is not merely a consumption engine, but a platform for brand creation, innovation, and regional leadership

Brazil is becoming one of the most strategically important beauty markets in the world — not just one of the largest

Brazil's beauty market combines:

- Global-scale demand
- Local innovation ecosystems
- Cultural intensity
- Channel defensibility
- A rising premium consumer base

What differentiates Brazil is not size, but complexity with opportunity

While entry may appear difficult, this complexity:

- Creates barriers to entry
- Protects incumbents
- Rewards localization
- Elevates first movers
- Enables margin leadership

M&A is a fast track

For global players, scaling in Brazil increasingly requires:

- Acquiring trust, not just brands
- Buying channels, not just shelves
- Absorbing communities, not just SKUs
- Capturing data, not just revenue

Conclusions & Opportunities (Cont.)

Brazil is not merely a consumption engine, but a platform for brand creation, innovation, and regional leadership

The next cycle of value creation will be won by those who

- Earn customer trust
- Build dermocosmetic leadership
- Leverage distribution moats
- Operationalize AI in sales, not presentations
- Localize innovation through Brazilian ecosystems

Agenda

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Guilherme Paulino is a partner at Brasilpar since 2015, where is responsible for origination and execution of m&a and corporate finance advisory. Prior to joining Brasilpar, Guilherme was a founding partner of Vergent Partners where he executed various assignments in the airline, banking, logistics and other industries. Before founding Vergent Partners, Guilherme held positions at companies such as Americanas.com as business development director, LatinStocks.com as co-founder and general manager of Brazilian operations, Bear, Stearns & Co. as investment banking analyst and ING Bank in credit and risk management. Business administration degree at FGV-SP

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