Avon Products, Inc. Takes Steps to Address Debt and Legacy Liabilities in U.S. Court Process

None of Avon's Operations Outside the U.S. are Part of Legal Proceedings

Business as Usual Across International Markets as Brand Advances Strategic Initiatives

NEW YORK, AUGUST 12, 2024 – Avon Products, Inc. ("API"), a U.S.-based non-operational holding company of the Avon beauty brand, today announced that it has initiated voluntary Chapter 11 proceedings in the U.S. Bankruptcy Court for the District of Delaware to address its debt and legacy talc liabilities. API has not sold products in the U.S. since it divested its North America business in 2016 but remains the holding company of the brand's non-U.S. operating entities.

Avon's operating businesses outside the U.S., which continue to advance on strategic initiatives, are not part of the Chapter 11 proceedings, and it is business as usual in Avon's international markets.

Brazil-based Natura &Co (B3 – NTCO3), which acquired Avon in 2020, has entered into an agreement to purchase the equity interests in Avon's non-U.S. operations for $125 million in the form of a credit bid, subject to a Court-supervised auction process.

Reflecting its continued belief in the Avon brand, Natura &Co has committed up to $43 million in debtor-in-possession financing that, subject to Court approval, will provide sufficient liquidity to fund API's obligations during the sale process.

John Dubel, API's Chairperson, said, "Today's action and the proposed sale of Avon's non-U.S. operations will maximize the value of our assets and enable us to address our obligations in an orderly manner."

Kristof Neirynck, Chief Executive Officer of Avon, said, "We remain focused on advancing our business strategy internationally, including modernizing our direct selling model and reigniting the brand to accelerate growth. Since becoming CEO earlier this year, I am increasingly energized by our strengths and opportunities, supported by our valued Associates and nearly 2 million Representatives around the world."

Court filings are available at https://dm.epiq11.com/AIOUSInc.

Note that The Avon Company, which is the Avon brand in the U.S. currently owned by LG Household & Health Care Ltd., is not affiliated with any other Avon entity and is not part of the Chapter 11 proceedings.

Weil, Gotshal & Manges LLP is serving as legal counsel, Ankura Consulting Group, LLC is serving as financial advisor, and Rothschild & Co is serving as investment banker to API.

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