

OCTOBER 21ST 2022 10.00 CEST

Oriflame

THIRD QUARTER 2022 EXTERNAL PRESENTATION

Magnus Brännström, CEO

Gabriel Bennet, CFO

ORIFLAME
S W E D E N



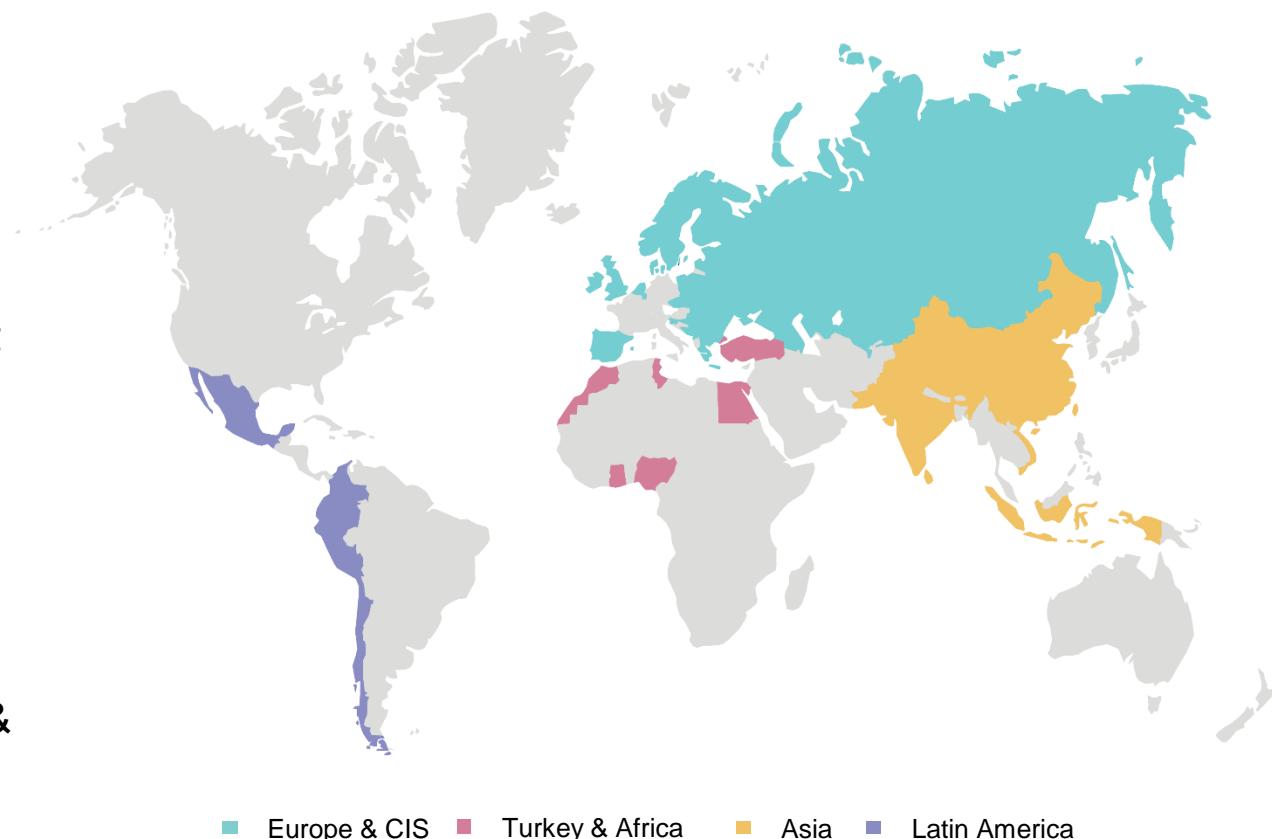
CAUTIONARY STATEMENT

Some statements herein are forward looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially affected by other factors like, for example, the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialization and supply disturbances.

Oriflame snapshot 2021

A beauty company selling direct with strong Swedish attributes operating in 60+ countries

- Approximately 2.5m Members
- **€1.0b** in sales
- Adj. EBITDA **€188.9m** and **€156.4m** Adj. Operating Profit
- **98%** of orders online. Oriflame App **1.1 million** users
- Around **1,500** beauty and wellness **products** (including approximately 300 accessories)
- New catalogues every three to four weeks adopted to the local markets
- Founded in 1967. Manufacturing in China, India, Poland & Russia. Headquartered in UK & Switzerland



THIRD QUARTER HIGHLIGHTS



Q3 Financial highlights

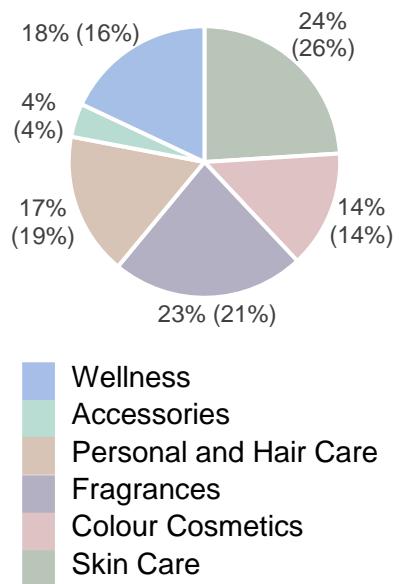
- **Sales** €220.0m (€221.4m) -1% in €, -11% in LC
- **Adjusted EBITDA** €24.7m (€48.3m)
 - Adjusted EBITDA margin 11.2% (21.8%)
- **Adjusted cash flow before financing activities** €23.3m (€2.5m*)
- **The RCF drawdown of €25.0m was fully repaid** during the quarter
- **Cash and cash equivalents** was €96.6m (€99.4m)
- **Financial position**
 - Total debt €868.6m (€783.9m)
 - Secured debt €814.2m (€750.0m)
 - Net secured debt ratio 6.4 (3.3)
 - Net secured debt ratio at hedged value 5.5 (3.2)
- Following the proposed **dividend** from the Interim Management Statement 1 January – 31 December 2021 published on 24 February 2022, **it has been decided to pay** during the latter part of the fourth quarter the previously announced dividend of **€30.5m** (to be compared with €30.5m dividend distributed in 2021).

* restated figure. Please see appendix and interim report for further details

Q3 Operational highlights

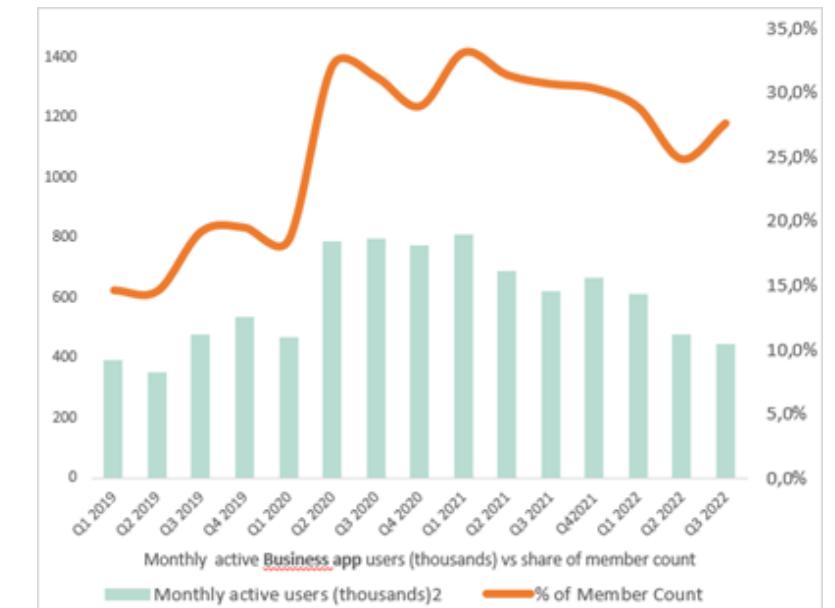
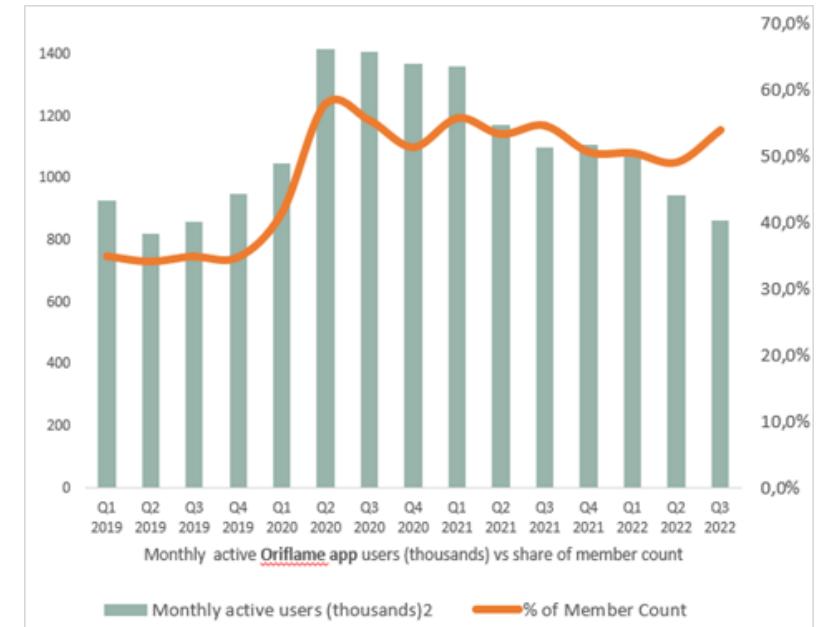
- **The Russian invasion in Ukraine** impacts the operations
 - The operations in Ukraine have reopened and sales are gradually increasing
 - The production of colour cosmetics in Russia for the global markets was relocated to site in India.
 - The unrestricted entities are managed as financially independent and self-financing of the ongoing operations with profit and cash generated in Russia.
 - A strategic review of the assets in Russia is being conducted as a result of the reduced activities in the country.
- **Oriflame will open up for sales in Germany** during the Q4
- **Lower gross margins** due to cost inflation and delayed selling price increases
- **Price/mix 11%, unit decrease -22%**
- **Members -15%, LC productivity +4%**
- **Continued strong innovation development**, implementation and development of new digital tools.
- In the **sustainability area** Oriflame published its Forest Commitment addressing deforestation and conversion of natural ecosystems. Time-bound targets to implement the commitment are set up.
- **The total production volumes decreased** versus previous year partly due to the situation in Russia, however **strong growth in external sales** of Cetes Cosmetics and new growth initiatives in place.

Product categories
Q3 2022 (Q3 2021)

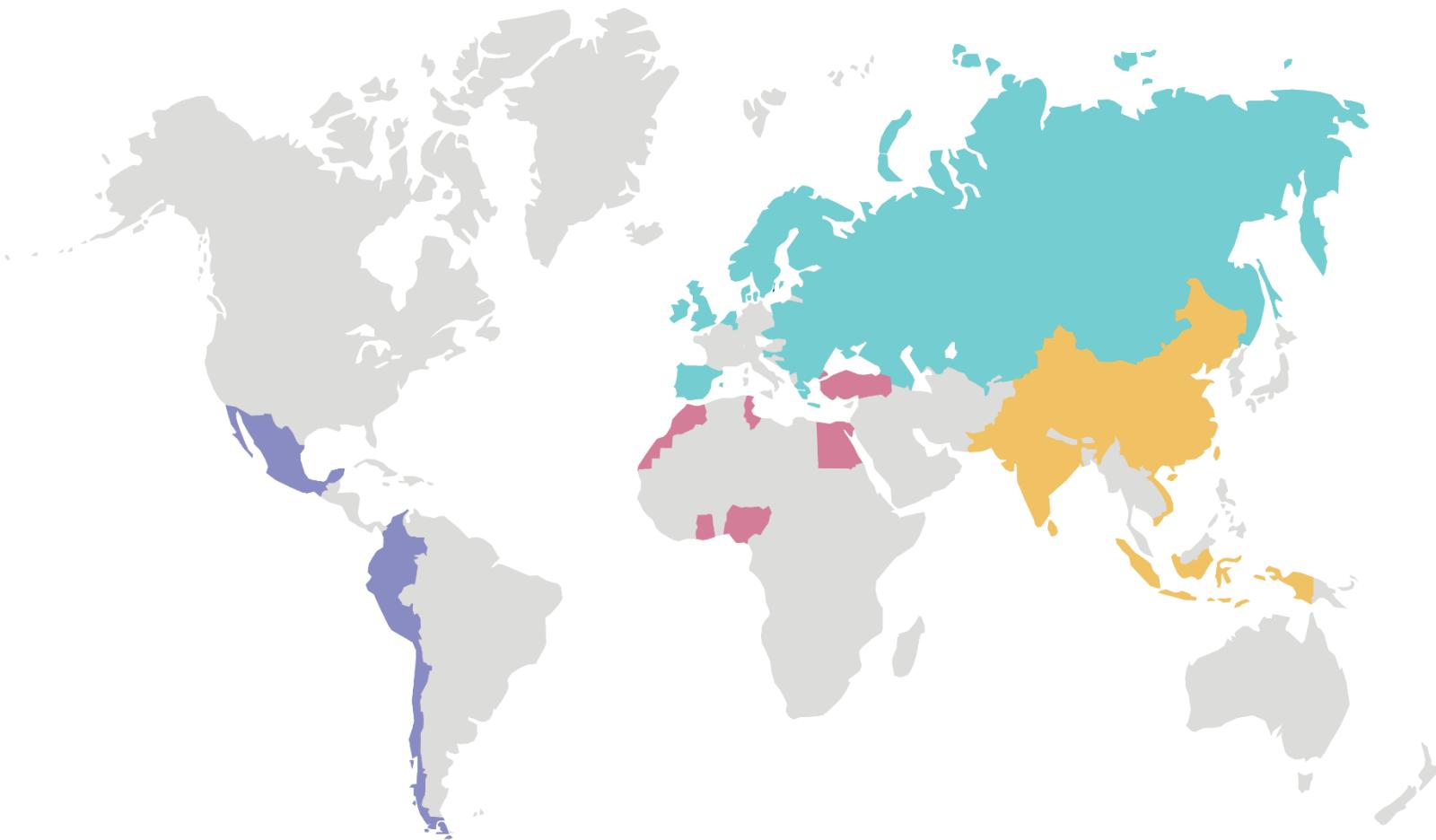


Continued strong online development

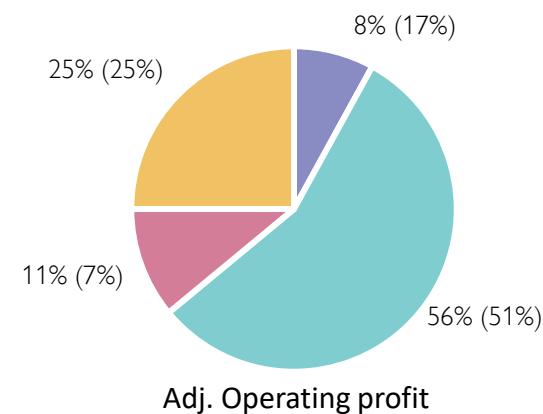
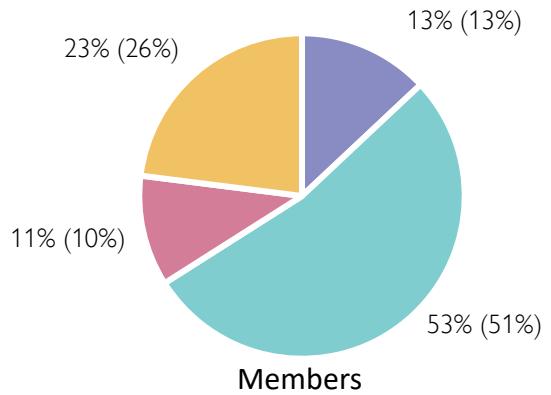
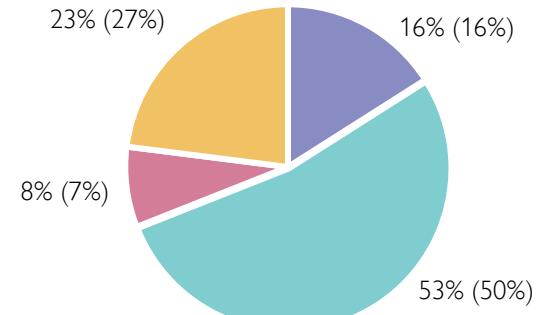
- **97% of the company's global orders were placed online**
 - 67% came from mobile devices compared to 64% prior year
- Oriflame app **865,000 monthly active users**
- Oriflame Business app **442,000 monthly active users**
- **Key activities were focused on** the development and implementation of:
 - High visibility initiatives such as the New Oriflame App are now in rollout and the upgraded version of the Race for 55 campaign was delivered and implemented globally during the quarter.
 - In terms of e-commerce, several global enhancements were made, with focus on checkout process, cross- and up-selling logic, post-purchase communication and product experience.
 - The new "Share and Earn" concept was implemented, resulting in the eCatalogue being shared more than five million times in the quarter.



Q3 Regional overview



■ Europe & CIS ■ Turkey & Africa ■ Asia ■ Latin America



Q3 Regional highlights

KPI	Latin America		Europe & CIS		Asia		Turkey & Africa		Group	
	Q3'22	Q3'21	Q3'22	Q3'21	Q3'22	Q3'21	Q3'22	Q3'21	Q3'22	Q3'21
Net sales (€m)	33.2	35.0	114.1	108.2	48.6	58.5	18.0	16.3	220.0	221.4
Y-o-Y € growth (%)	(5)		5		(17)		10		(1)	
Y-o-Y LC growth (%)	(17)		(8)		(24)		17		(11)	
Adj. operating profit (€m)	2.6	5.6	18.2	17.2	7.9	8.3	3.5	2.5	17.2	40.4
Y-o-Y € growth (%)	(52)		6		(4)		40		(57)	
Adj. operating margin (%)	8.0	15.9	16.0	15.9	16.3	14.1	19.4	15.3	7.8	18.2
Closing Members, '000	242	288	1,034	1,169	433	575	203	217	1,912	2,248
Y-o-Y growth (%)	(16)		(12)		(25)		(6)		(15)	
	<p>Decreased sales impacted by a negative development in the number of members due to weaker recruitment and activity levels in all markets. The operating margin decreased as a result of the sales drop, lower gross margins and a return to more normalised costs in sales and marketing where several costs were put on hold during Covid 19 restrictions last year.</p>		<p>Increased Euro sales due to stronger local currencies in several markets. Sales in local currency dropped due to lower number of members partially offset by higher productivity of members. Sales in Ukraine recovered significantly. Operating margin increased due to positive impact from price increases and exchange rates, offset by the cost increases from product inflation and higher sales and marketing expenses.</p>		<p>Decreased sales due to lower number of members and lower activity level. Sales was challenging in China where various restrictions on travel, product deliveries and meetings are still in place. Operating margin increased due to releases of VAT related provisions in Indonesia which positively impacted the gross margin during the quarter as a one-off effect</p>		<p>Increased sales driven by strong growth in Turkey and Nigeria. The operating margin increased, positively impacted by sales and price mix partially offset by higher sales and marketing expenses.</p>			

FINANCIALS

Income statement Q3

€m	Q3'22	Q3'21
Sales	220.0	221.4
Cost of Sales	(72.6)	(69.2)
Gross profit	147.3	152.3
PPA and non-recurring items	-	-
Adj. Gross profit	147.3	152.3
	67.0%	68.8%
Selling and marketing expenses	(67.1)	(64.6)
Distribution and Infrastructure	(6.5)	(6.2)
Administrative expenses	(60.9)	(42.9)
Operating profit	12.8	38.5
PPA and non-recurring items	4.4	1.8
Adj. Operating profit	17.2	40.4
	7.8%	18.2%
Net financing costs	(8.1)	(8.9)
Loss from associates, net of tax	(0.0)	-
Net profit before tax	4.8	29.7
PPA and non-recurring items	4.4	2.0
Adj. Net profit before tax	9.1	31.6
	4.1%	14.3%
Income tax expense	(3.8)	(9.2)
Net profit for the period	1.0	20.5
PPA and non-recurring items	4.2	1.7
Adjusted net profit	5.2	22.2
	2.3%	10.0%

COMMENTS

- Sales mix
 - Unit sales: -22%
 - Price/mix: 11%
- Gross margin 67.0% (68.8%)
 - Negatively impacted by lower sales, increased product costs, under-recoveries in manufacturing and supply chain

- Adj. EBITDA margin 11.2% (21.8%)
- Adj. operating margin 7.8% (18.2%)
- Lower gross margins
- Higher selling and marketing expenses
- Higher administrative expenses due to last year's staff incentive releases
- Currency impact was positive 250bps
- Adj. net profit €5.2m (€22.2m)

PPA and non-recurring items	Q3'22	Q3'21
Cost of Sales	-	-
Non-recurring items on gross profit	-	-
PPA items	1.9	1.8
Non-recurring items	2.5	0.1
PPA and non-recurring items on operating profit	4.4	1.8
Financial expenses related to PPA	-	0.1
Non-recurring items	-	-
PPA and non-recurring items on net profit before tax	4.4	2.0
Tax expenses related to PPA and non-recurring items	(0.2)	(0.2)
PPA and non-recurring items on net profit	4.2	1.7

Income statement Q3 YTD

€m	YTD Q3'22	YTD Q3'21
Sales	661.0	739.2
Cost of Sales	(223.8)	(223.5)
Gross profit	437.2	515.7
PPA and non-recurring items	0.4	-
Adj. Gross profit	437.7	515.7
	66.2%	69.8%
Selling and marketing expenses	(200.5)	(207.7)
Distribution and Infrastructure	(19.9)	(19.6)
Administrative expenses	(247.6)	(176.2)
Operating profit / (loss)	(30.7)	112.3
PPA and non-recurring items	76.6	9.4
Adj. Operating profit	45.9	121.6
	6.9%	16.5%
Net financing costs	(0.2)	(97.6)
Loss from associates, net of tax	(0.0)	-
Net profit / (loss) before tax	(30.9)	14.7
PPA and non-recurring items	76.6	70.1
Adj. Net profit before tax	45.7	84.8
	6.9%	11.5%
Income tax expense	(14.5)	(25.5)
Loss for the period	(45.4)	(10.9)
PPA and non-recurring items	76.5	68.6
Adjusted net profit	31.1	57.8
	4.7%	7.8%

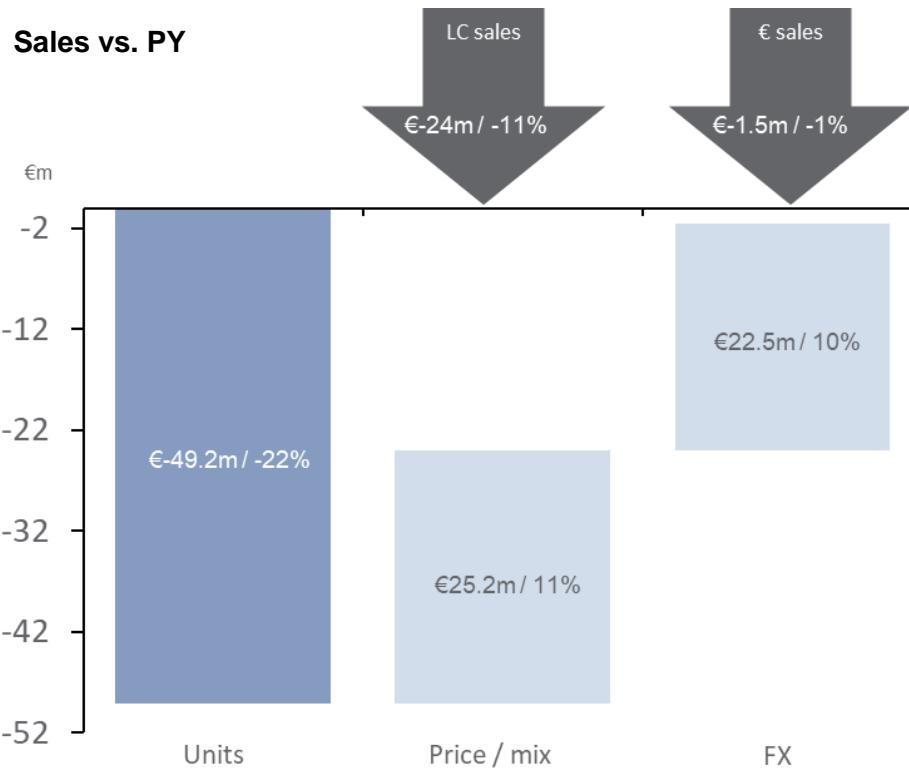
COMMENTS

- Sales mix
 - Unit sales: -20%
 - Price/mix: 4%
- Gross margin: 66.2% (69.8%)
 - Negatively impacted by lower sales, increased product costs, delayed selling price increases, under-recoveries in manufacturing and supply chain
- Adj. EBITDA margin 10.4% (19.8%)
- Adj. operating margin 6.9% (16.5%)
- Lower gross margins
- Higher selling & marketing expenses as % of sales due to reversal of accruals for cancelled events in prior year
- Higher administrative expenses due to travel, IT and communication infrastructure costs and adverse FX impact
- Currency impact was positive 120bps
- Adj. net profit €31.1m (€57.8m)

PPA and non-recurring items	YTD Q3'22	YTD Q3'21
Cost of Sales	0.4	-
Non-recurring items on gross profit	0.4	-
PPA items	5.6	9.0
Non-recurring items	70.5	0.4
PPA and non-recurring items on operating profit	76.6	9.4
Financial expenses related to PPA	-	0.5
Non-recurring items	-	60.3
PPA and non-recurring items on net profit before tax	76.6	70.1
Tax expenses related to PPA and non-recurring items	(0.0)	(1.5)
PPA and non-recurring items on net profit	76.5	68.6

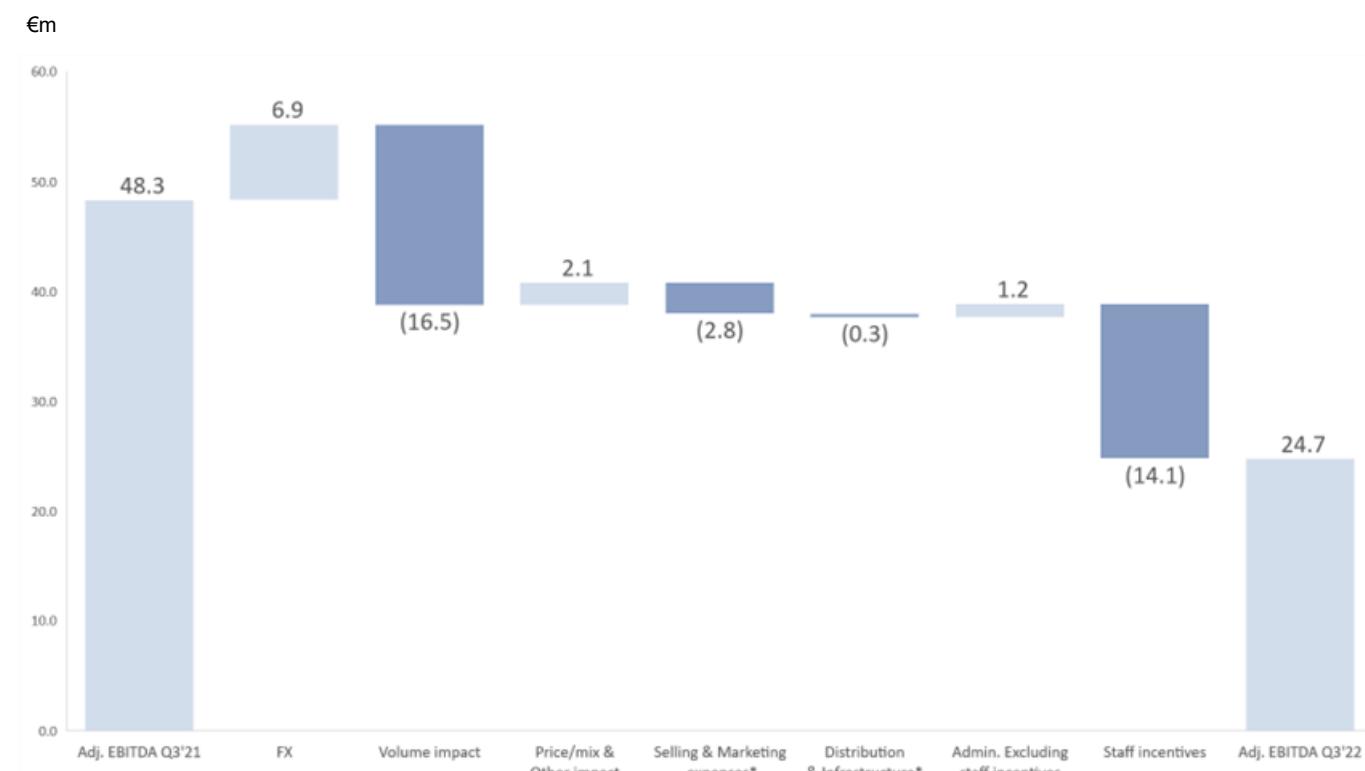
Q3 sales and adjusted EBITDA analysis

Sales vs. PY



- Sales €220.0m (€221.4m) -1% in €, -11% in local currency (LC)
 - Unit sales -22%
 - Price/mix 11%
- LC sales decline in all regions except Turkey & Africa
- € sales increase in Europe & CIS and Turkey & Africa

Adj. EBITDA vs. PY

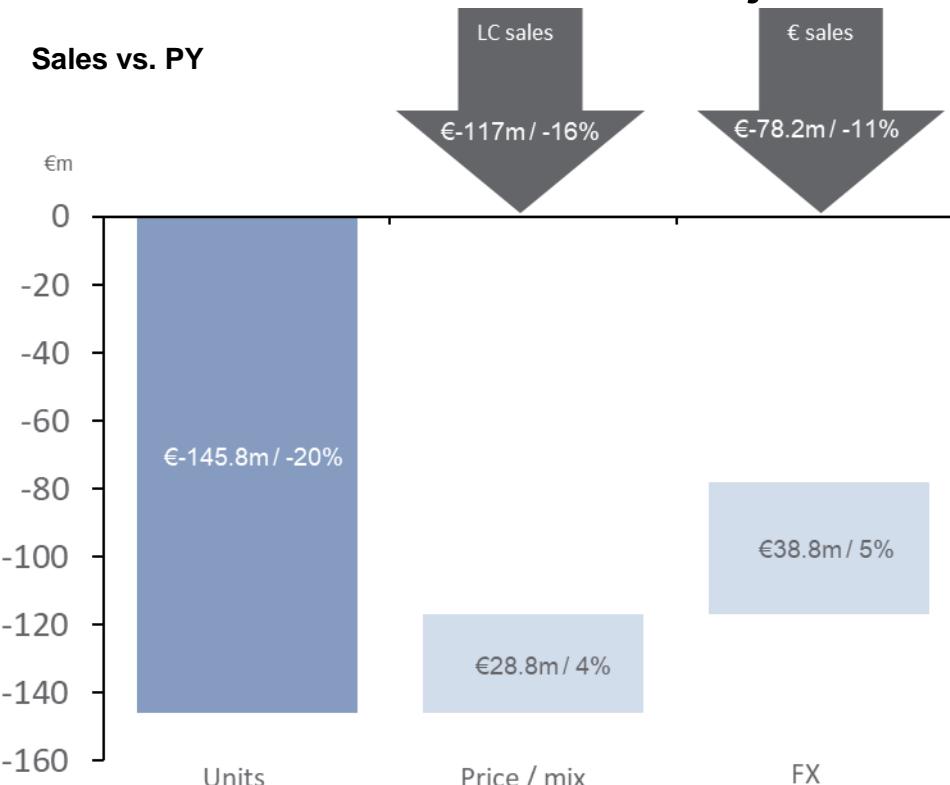


* Excluding volume impact

Adjusted EBITDA decreased from €48.3m to €24.7m, negatively impacted by lower unit sales, product cost inflation, higher selling & marketing, distribution and administrative (reversal of staff related accruals in prior year) expenses and partially compensated by FX movement and improved price/mix

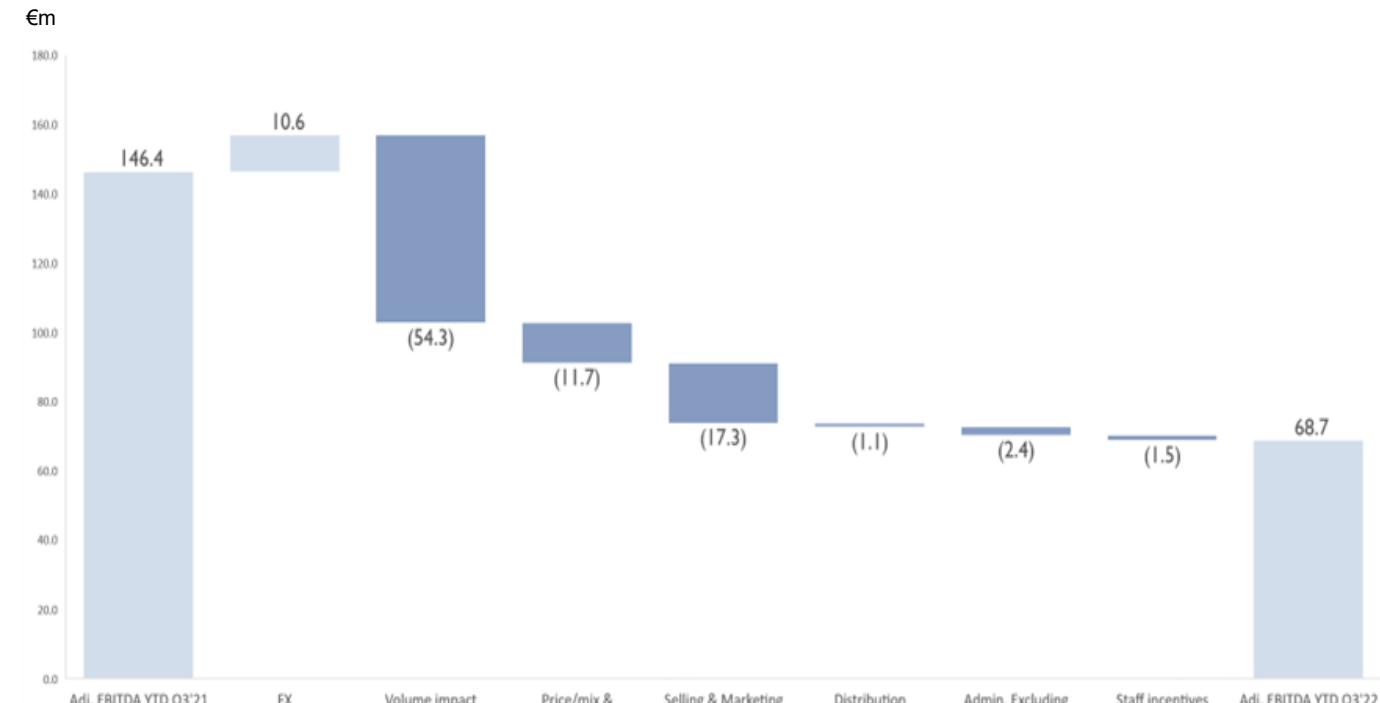
YTD Q3 sales and adjusted EBITDA analysis

Sales vs. PY



- Sales €661.0m (€739.2m) -11% in €, -16% in local currency (LC)
 - Unit sales -20%
 - Price/mix 4%
- Positive LC development in Turkey & Africa. LC sales decline in the other regions
- € sales decline in all regions

Adj. EBITDA vs. PY

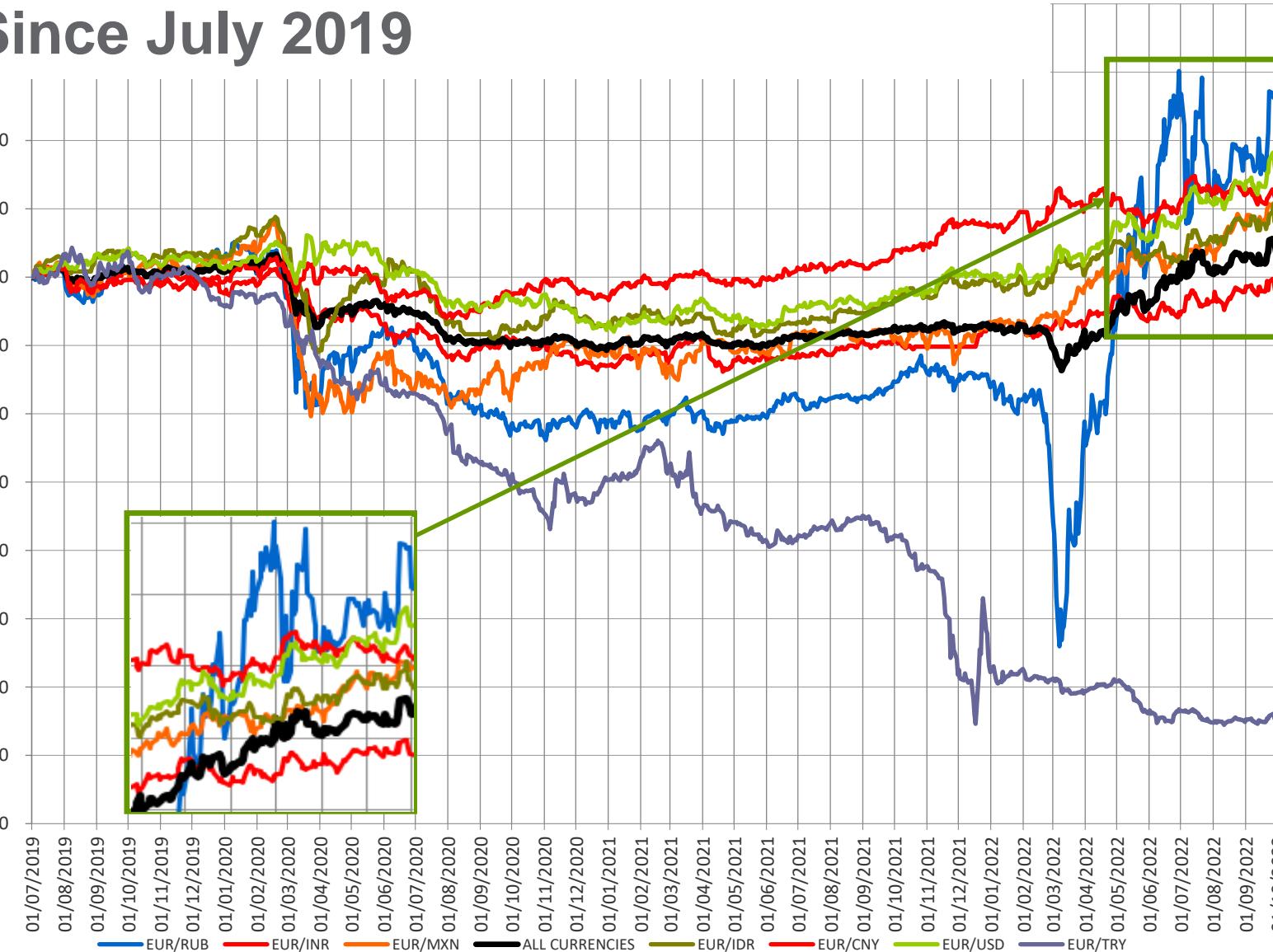


* Excluding volume impact

Adjusted EBITDA decreased from €146.4m to €68.7m, negatively impacted by lower unit sales and gross margins, higher selling and marketing expenses and partially compensated by positive FX impact

Group Currencies Impact (on Sales) – Q3 2022

Since July 2019

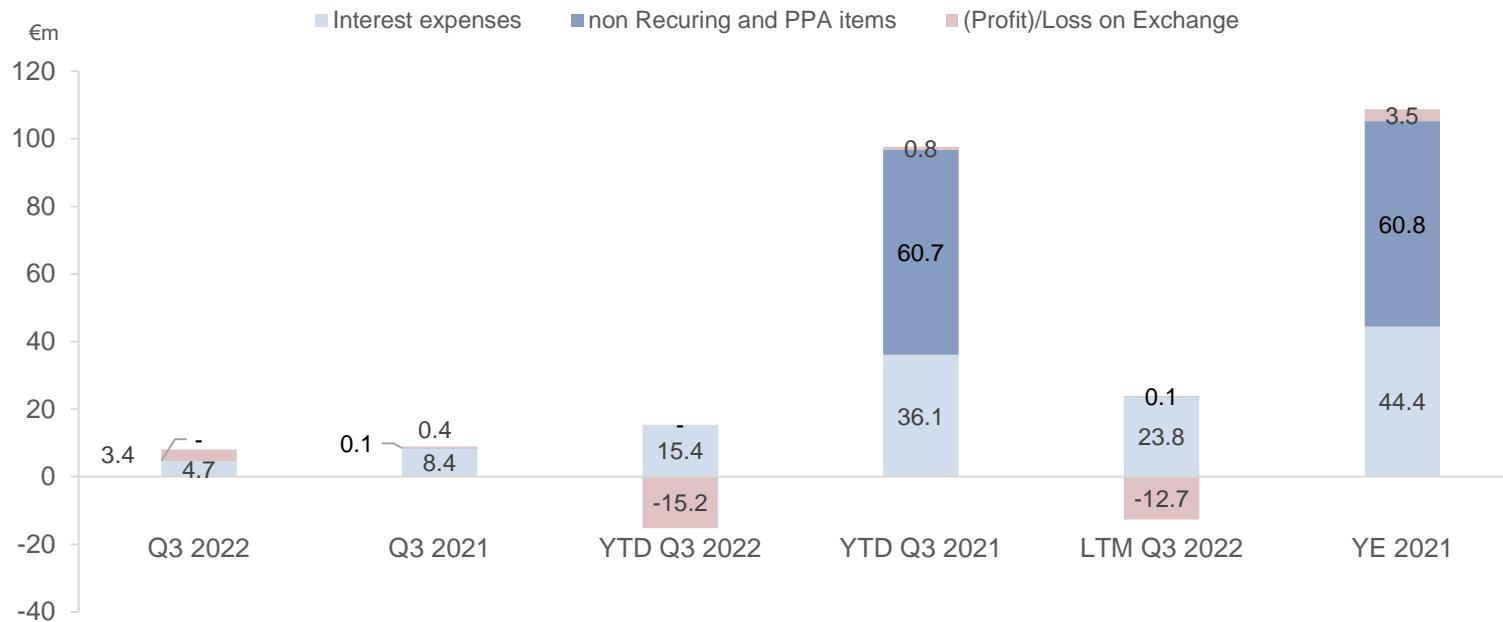


COMMENTS

- The foreign exchange rates in most of the Oriflame markets were stronger than prior year due to the strengthening of the USD. In the last quarter the Russian Rouble remained on the levels above prior year and the Turkish Lira remained weak.
- Impact on operating profit was positive 250bps for the quarter
- For Q4, we expect the positive impact on both sales and EBIT to remain. The RUB is perceived to be artificially overvalued and a sharp adjustment downwards is very likely though difficult to predict when.
- Below is the range guidance for 2022 (black numbers = actual, blue numbers = forecast)

Estimated impact on:	Q1 act	Q2 act	Q3 act	Q4 fc	FY fc
- Sales, around	-1%	+4%	+10%	+7%	+5%
- OP – approx. (bps)	-10	+150	+250	+200	+150

Net financing cost – Q3 2022



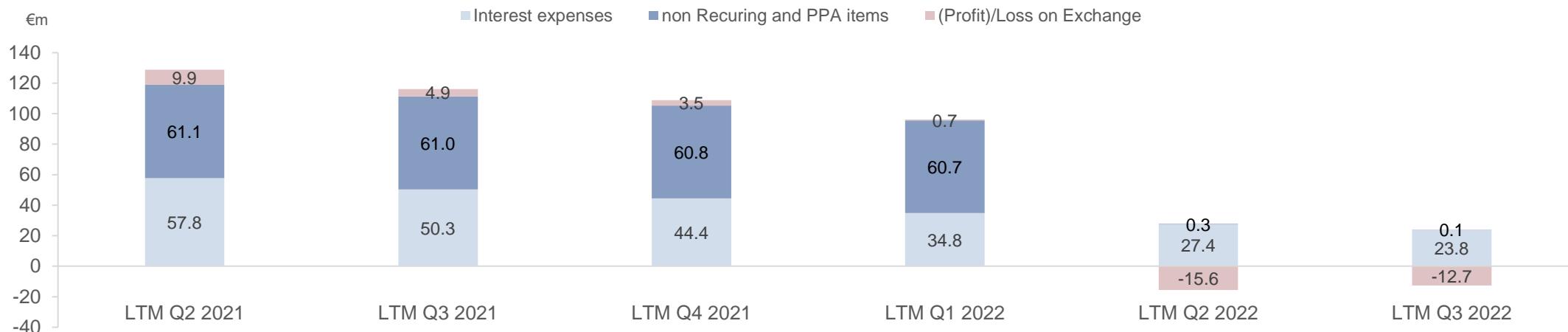
Net financing costs Q3

Decrease of interest expenses in Q3 due to a gain of €4.2m on the interest rate swaps (2021: loss of €0.9m).

Non-recurring and PPA items

LTM Q2 2021 to Q1 2022 include non-recurring items from the re-financing in Q2 2021:

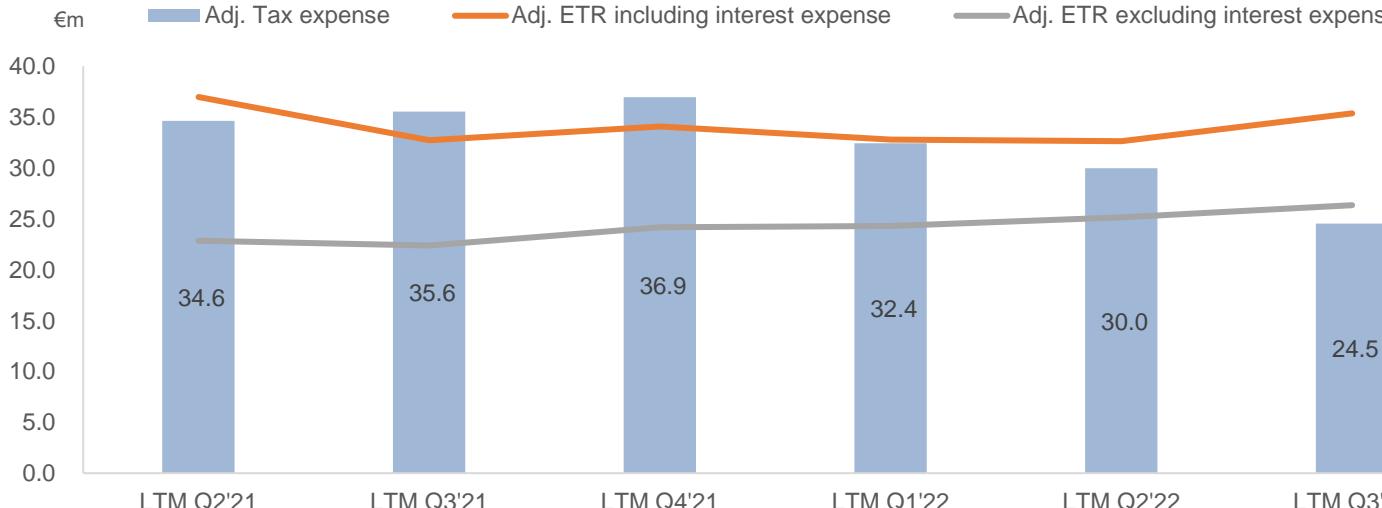
- €41.3m make-whole on early repayment of the “Walnut” bonds
- €19.0m write-off of capitalized front fees on the repaid “Walnut” bonds



Income Tax Expenses – Q3 2022

Adj. ETR including interest expense

Adj. ETR excluding interest expense



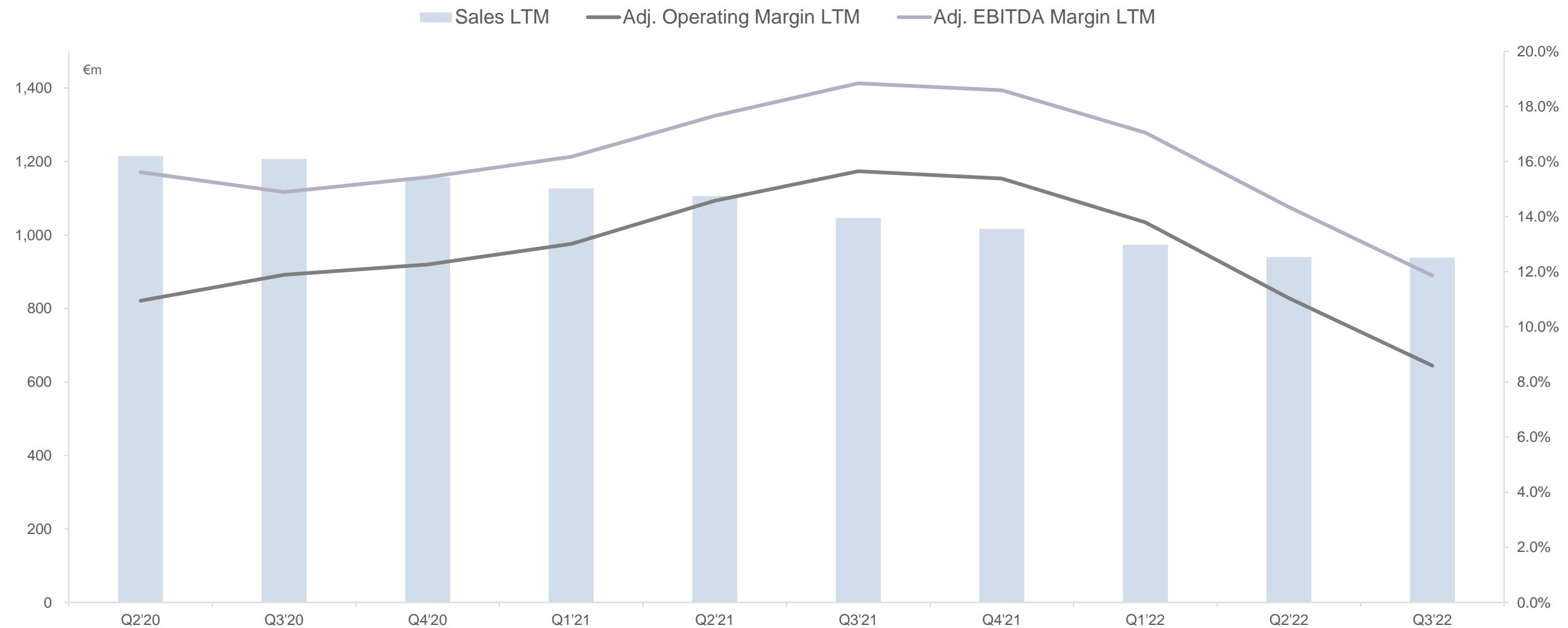
LTM Q2'21 LTM Q3'21 LTM Q4'21 LTM Q1'22 LTM Q2'22 LTM Q3'22

	LTM Q2'21	LTM Q3'21	LTM Q4'21	LTM Q1'22	LTM Q2'22	LTM Q3'22
Profit before tax	93.7	108.7	108.5	98.8	91.9	69.4
Interest expense	57.8	50.2	44.3	34.6	27.3	23.8
PBT excl. interest expense	151.5	158.9	152.7	133.5	119.2	93.1
Adj. Tax expense	34.6	35.6	36.9	32.4	30.0	24.5
Adj. ETR including interest expense	37.0%	32.7%	34.1%	32.8%	32.6%	35.4%
Adj. ETR excluding interest expense	22.9%	22.4%	24.2%	24.3%	25.2%	26.3%

COMMENTS

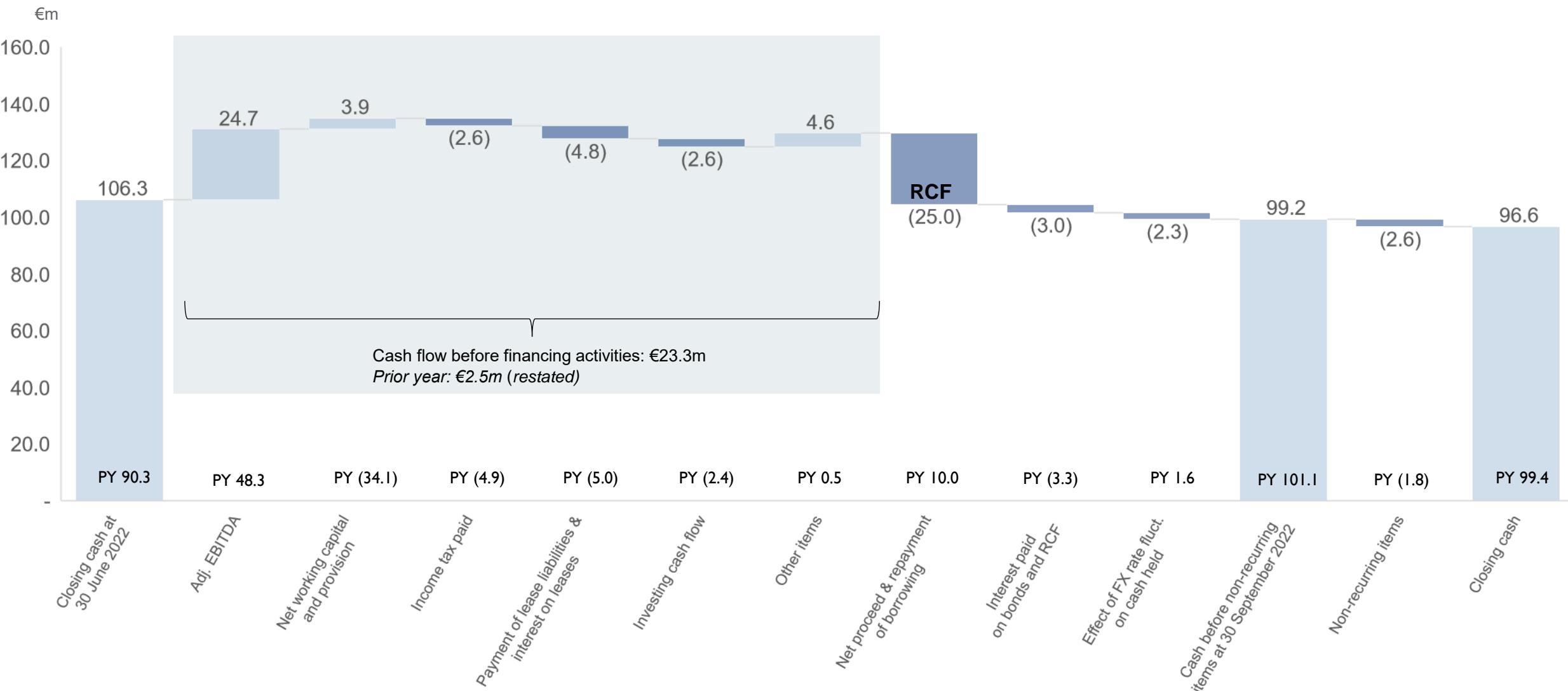
- The Q3 2022 (28.7%) ETR excluding interest expense is higher than Q3 2021 (23.6%) mainly due to additional tax provisions recognized for ongoing litigations

LTM Sales, adj. operating margin and adj. EBITDA development



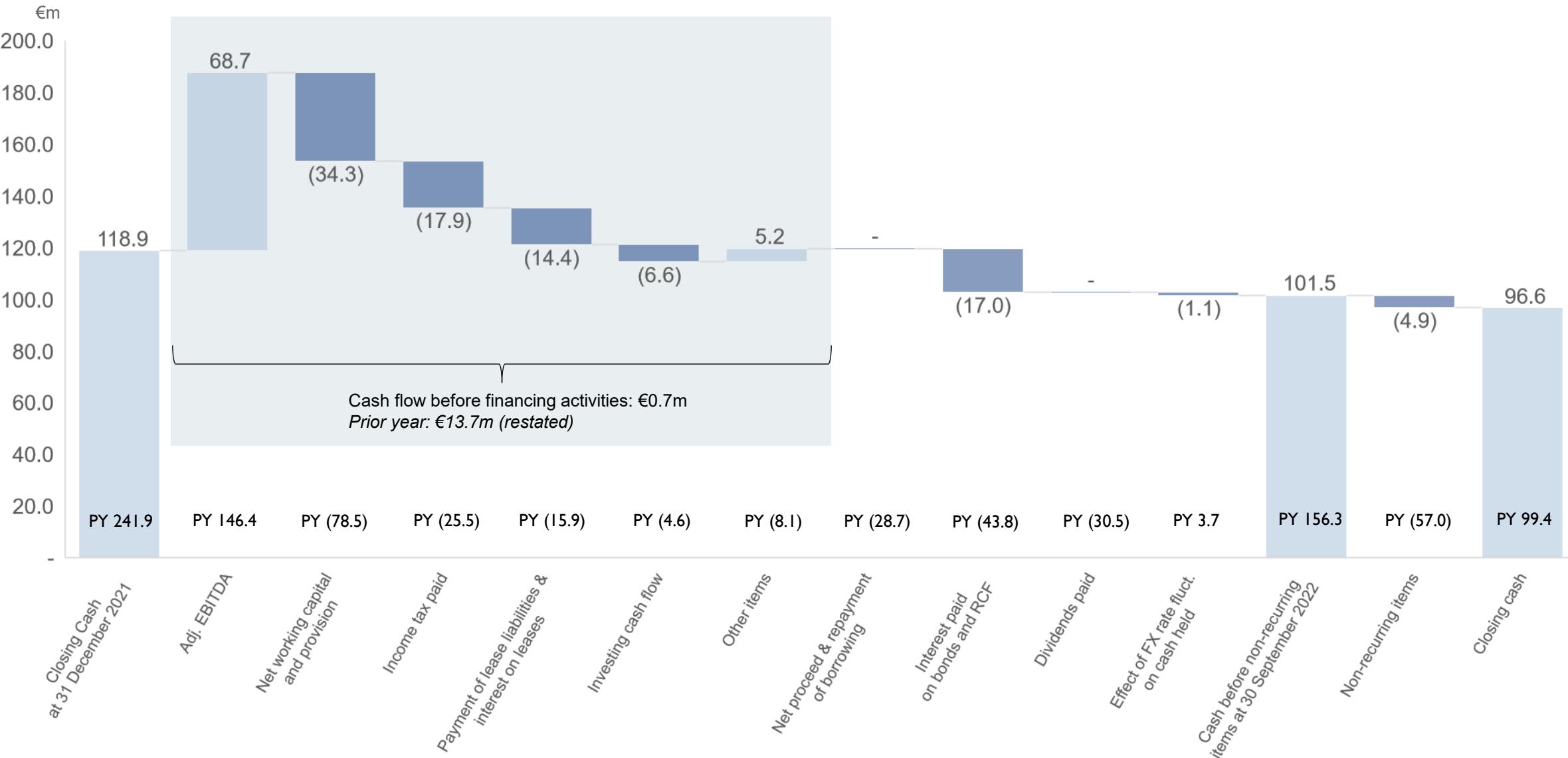
Cash Flow development – Q3 2022

* for further details related to the cash flow, please see appendix & interim report



Cash Flow development – Q3 YTD 2022

* for further details related to the cash flow, please see appendix & interim report



Funding and financial position

€m	Q3'22	Year end 2021
Notes * ¹	814.2	735.6
Revolving Facility	-	-
Total secured debt	814.2	735.6
 Cash and Cash Equivalents	 96.6	 118.9
 Total Net Secured Debt	 717.6	 616.8
Lease liabilities * ¹	54.4	39.3
 Total Net Debt	 772.0	 656.0
 Total debt *¹	 868.6	 774.9

For further details:

*¹ see appendix "Debt" and "debt ratio"

*² see appendix "Adjusted EBITDA"

*³ see appendix "Revolving Credit Facility Leverage ratio"

Refinancing

- Refinancing completed May 2021
- €250m at a rate of 4.25% + 3 month Euribor (*€200m notional swapped into fixed EUR with margin 0.14%*)
- \$550m at a rate of 5.125% (swapped € interest rate 3.53%)
- Maturity May 2026

Liquidity / Financial ratios

- Cash on balance sheet: €96.6m
- €100.0m Revolving Facility (maturity Oct 2025) fully repaid as of 30 September 2022
- Net Secured Debt ratio: 6.4 *¹
- Net Secured Debt ratio at hedged value: 5.5 *¹
- Adj. EBITDA LTM: €111.3m *²
- RCF EBITDA LTM: €99.7m *³

CONCLUSIONS

AND GOING FORWARD



Conclusions Q3 2022

- **Sequential improvements in a challenging environment**
 - The Russian invasion in Ukraine impacting operations
 - Covid still affecting business in China
 - First international conference in Dubai (after Covid)
- **Group sales**
 - Decreased in LC in most markets compared to prior year
 - Continuing challenges on recruitment and activity
 - Implemented price increases partly offset by weaker consumer demand
- **Profitability**
 - Positive impact: price/mix and favourable fx
 - Negative impact: lower sales, higher product costs and manufacturing under-recoveries, higher selling & marketing and administrative expenses
- **Enhanced cash flow driven by improvement in working capital**
- **Continued innovation progress**
 - Digital and sustainability development
 - Expansion into new markets - Germany



Going forward

- **Short-term actions to regain sales momentum**
 - Stronger recruitment and activation initiatives
 - Attention to more activity driven product segments
 - Renewed focus on social gathering, meetings and conferences to boost sales
 - Focus on increased usage of digital sales tools, such as eCatalogue
- **Ongoing focus**
 - Pricing up in line with inflation
 - Cost reduction program implementation
 - Focus on Skin Care and Wellness to drive positive product mix
 - Focus on online and digital tools
 - Further penetration of existing markets and exploration to enter into new markets, starting with Germany in 2022



I am pleased to see sequential improvements on sales and margins compared to the previous quarters, although we still have a gap to fill to reach the underlying growth levels and operating profit we are used to. The challenging market and geopolitical conditions remain in several of our markets, impacting our business in different ways. In addition, the implemented price increases are partly offset by a consumer demand shifting to the discounted offers. We have seen lower activity levels since Covid started, due to general market conditions, the offering and the fact that we have not been able to hold sufficient meetings, conferences and trainings for our brand partners – an essential part of our recognition model and sales growth. An important milestone, on our route back to a more normal and successful way of working, was the very appreciated international conference in Dubai for our top brand partners in the quarter. In addition, we are happy to see further progress from our digital initiatives and that we expand to new markets in Europe, starting with Germany in the fourth quarter.

The cost reduction programs initiated earlier this year have started to render positive results, where our expectations are further savings in the coming quarters partially offset by the high salary inflation. The enhanced cash flow was driven by the improvement in the working capital. With the solid strategy and plans being implemented, I am confident that we will be successful in our journey to get back to growth, despite the challenging environment surrounding us, and gradually returning to the margin levels that we have had in the past.



Magnus Brännström, CEO & President

APPENDIX

Purchase Price Allocation (PPA) and non-recurring items

Summary (€'000)	Impact on the statement of financial position	Impact on the income statement												Comments
		2019	2019	2020 YTD	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2021 YTD	2022 Q1	2022 Q2	2022 Q3	2022 YTD	
Inventory	322.0	(308.5)	(13.5)	-	-	-	-	-	-	-	-	-	-	Consumed by Q1 2020
Customer list	14.1	(3.5)	(5.3)	(1.8)	(1.8)	-	-	(3.5)	-	-	-	-	-	Depreciated over 2 years
Manufacturing know-how	37.5	(3.8)	(5.6)	(1.9)	(1.9)	(1.9)	(1.9)	(7.5)	(1.9)	(1.9)	(1.9)	(1.9)	(5.6)	Depreciated over 5 years
Brand	546.2	-	-	-	-	-	-	-	-	-	-	-	-	Indefinite life time with annual impairment test
Goodwill	279.2	-	-	-	-	-	-	-	-	-	-	-	-	Indefinite life time with annual impairment test
Other	4.1	0.0	0.0	0.1	0.0	0.1	0.0	0.2	-	-	-	-	-	IFRS 16 leases
Total PPA on EBIT		(315.8)	(24.4)	(3.6)	(3.6)	(1.8)	(1.8)	(10.8)	(1.9)	(1.9)	(1.9)	(1.9)	(5.6)	
Financial expenses		(0.8)	(0.9)	(0.2)	(0.1)	(0.1)	(0.1)	(0.6)	-	-	-	-	-	IFRS 16 leases
Total PPA on PBT		(316.6)	(25.3)	(3.8)	(3.8)	(1.9)	(2.0)	(11.4)	(1.9)	(1.9)	(1.9)	(1.9)	(5.6)	
Tax	(139.6)	72.7	5.4	0.6	0.6	0.2	0.2	1.7	0.2	0.2	0.2	0.2	0.5	Tax impact on PPA
Total PPA	1,063.4	(243.9)	(19.9)	(3.1)	(3.1)	(1.7)	(1.8)	(9.7)	(1.7)	(1.7)	(1.7)	(1.7)	(5.1)	
NRI (net of tax)		(62.1)	(8.0)	(0.2)	(60.4)	(0.1)	(0.4)	(61.1)	(6.8)	(62.1)	(2.5)	(71.4)		Impairment / Restructuring / Impact from war in Ukraine / 2021 Refinancing
Total PPA and NRI		(306.0)	(27.9)	(3.3)	(63.6)	(1.7)	(2.2)	(70.8)	(8.5)	(63.8)	(4.2)	(76.5)		

Cash flow before financing activities

*The Alternative Performance Measure (APM) of the “cash flow before financing activities” was modified, whereas the **interest paid on bonds and RCF is considered as financing activities** and the **remaining interests and financial charges stay as part of the adjusted cash flow from operating activities**.*

*In the consolidated statements of cash flows, the presentation of the “**interest and other financial charges paid**” was **reclassified** from cash flow from operating activities **to cash flow from / (used in) financial activities**.*

Prior year figures were restated accordingly for comparative purpose.

€m	Q3'22	Q3'21*	YTD Q3'22	YTD Q3'21*	LTM Q3'22	YTD Q4'21*
Cash flow from operating activities	28.2	9.5	17.2	31.6	83.6	98.0
Cash flow used in investing activities	(2.6)	(2.4)	(6.6)	(4.6)	(8.9)	(6.9)
Payment of lease liabilities	(3.6)	(4.0)	(11.1)	(12.6)	(15.4)	(16.8)
Interest paid on lease liabilities	(1.2)	(0.9)	(3.3)	(2.9)	(4.2)	(3.9)
Other interest and financial charges paid	(0.1)	(0.2)	(0.4)	(0.4)	(1.3)	(1.3)
Non-recurring and PPA items	2.6	0.5	4.9	2.6	5.2	2.9
Adj. Cash flow before financing activities	23.3	2.5	0.7	13.7	59.0	72.0

** restated figures – see the following slides for additional information about these changes*

Change in cash flow presentation – Quarter 3, 2022

The “interest and other financial charges paid” was reclassified from cash flow from operating activities to cash flow used in financing activities.

STATEMENT OF CASH FLOW	OLD PRESENTATION			NEW PRESENTATION			DIFFERENCE
	NRI & PPA items	Adjusted		NRI & PPA items	Adjusted	Adjusted	
Net profit before income tax	4,768	4,358	9,127	4,768	4,358	9,127	-
....
Cash generated from operations	30,522	2,597	33,119	30,522	2,597	33,119	-
Interest received	235	-	235	235	-	235	-
Interest and other financial charges paid	(4,291)	-	(4,291)		-	-	4,291
Income tax paid	(2,571)		(2,571)	(2,571)	-	(2,571)	-
Cash flows from operating activities	23,895	2,597	26,492	28,186	2,597	30,783	4,291
Cash flow used in investing activities	(2,635)	-	(2,635)	(2,635)	-	(2,635)	-
Repayment of borrowings	(25,000)	-	(25,000)	(25,000)	-	(25,000)	-
Interest and other financial charges paid	-	-	-	(4,291)	-	(4,291)	(4,291)
Payment of lease liabilities	(3,600)	-	(3,600)	(3,600)	-	(3,600)	-
Cash flow used in financing activities	(28,600)	-	(28,600)	(32,892)	-	(32,892)	(4,291)
Change in cash and cash equivalents	(7,340)	2,597	(4,744)	(7,340)	2,597	(4,744)	-

Change in cash flow presentation - Quarter 3, YTD 2022

The “interest and other financial charges paid” was reclassified from cash flow from operating activities to cash flow used in financing activities.

STATEMENT OF CASH FLOW	OLD PRESENTATION			NEW PRESENTATION			DIFFERENCE
	NRI & PPA items	Adjusted		NRI & PPA items	Adjusted	Adjusted	
Net profit before income tax	(30,892)	76,577	45,685	(30,892)	76,577	45,685	-
...
Cash generated from operations	34,134	4,859	38,994	34,134	4,859	38,994	-
Interest received	961	-	961	961	-	961	-
Interest and other financial charges paid	(20,604)	-	(20,604)	-	-	-	20,604
Income tax paid	(17,859)	-	(17,859)	(17,859)	-	(17,859)	-
Cash flows from operating activities	(3,368)	4,859	1,491	17,236	4,859	22,095	20,604
Cash flow used in investing activities	(6,595)	-	(6,595)	(6,595)	-	(6,595)	-
Proceeds from borrowings	25,000	-	25,000	25,000	-	25,000	-
Repayment of borrowings	(25,000)	-	(25,000)	(25,000)	-	(25,000)	-
Interest and other financial charges paid	-	-	-	(20,604)	-	(20,604)	(20,604)
Payment of lease liabilities	(11,123)	-	(11,123)	(11,123)	-	(11,123)	-
Cash flow used in financing activities	(11,123)	-	(11,123)	(31,727)	(31,727)	(31,727)	(20,604)
Change in cash and cash equivalents	(21,085)	4,859	(16,226)	(21,085)	4,859	(16,226)	-

Change in cash flow before financing activities presentation – Quarter 3, 2022

CASH FLOW BEFORE FINANCING ACTIVITIES	OLD PRESENTATION	NEW PRESENTATION	DIFFERENCE
Cash flow from operating activities	23,895	28,186	4,291 *
<i>Excluding interest received</i>	(235)	-	235
<i>Excluding interest and other financial charges paid</i>	4,291	-	(4,291)
Cash flow used in investing activities	(2,635)	(2,635)	-
Payment of lease liabilities	(3,600)	(3,600)	-
Interest paid on lease liabilities	-	(1,167)	(1,167)
Other interest and financial charges paid	-	(104)	(104)
Non-recurring items and PPA	2,597	2,597	-
Adj. cash flow before financing activities	24,313	23,277	(1,036)
Interest and other financial expenses paid	(4,291)		
Interest paid on bonds and RCF	(3,021)		Financing cash flow (CF)
Interest paid on lease liabilities	(1,167)		CF before financing activities
Other interest and financial expenses paid	(104)		CF before financing activities

* refer to appendix "change in cash flow presentation – Quarter 3, 2022" for additional information on the difference

Change in cash flow before financing activities presentation – Quarter 3, YTD 2022

CASH FLOW BEFORE FINANCING ACTIVITIES	OLD PRESENTATION	NEW PRESENTATION	DIFFERENCE
Cash flow from operating activities	(3,368)	17,236	20,604 *
<i>Excluding interest received</i>	(961)	-	961
<i>Excluding interest and other financial charges paid</i>	20,604	-	(20,604)
Cash flow used in investing activities	(6,595)	(6,595)	-
Payment of lease liabilities	(11,123)	(11,123)	-
Interest paid on lease liabilities	-	(3,279)	(3,279)
Other interest and financial charges paid	-	(366)	(366)
Non-recurring items and PPA	4,859	4,859	-
Adj. cash flow before financing activities	3,417	732	(2,685)
Interest and other financial expenses paid	(20,604)		
Interest paid on bonds and RCF	(16,958)		Financing cash flow (CF)
Interest paid on lease liabilities	(3,279)		CF before financing activities
Other interest and financial expenses paid	(366)		CF before financing activities

* refer to appendix "change in cash flow presentation – Quarter 3, YTD 2022" for additional information on the difference

Adjusted EBITDA

€ million	Q3'22	Q3'21	YTD Q3'22	YTD Q3'21	LTM Q3'22	YTD Q4'21
Operating profit	12.8	38.5	(30.7)	112.3	1.7	144.6
Depreciation, amortisation and impairment	9.4	9.7	83.8	33.6	93.5	43.3
EBITDA	22.3	48.2	53.1	145.9	95.1	188.0
Purchase Price Allocation (PPA) items	-	-	-	0.1	0.0	0.1
Non-recurring items	2.5	0.1	70.9	0.4	71.5	0.9
Impairment included in non-recurring items	-	-	(55.3)	-	(55.3)	-
Adjusted EBITDA	24.7	48.3	68.7	146.4	111.3	188.9
* Non-recurring items						
Impairment of property, plant and equipment	-	-	55.3	-	55.3	-
Restructuring costs	2.5	-	14.3	-	14.8	0.5
Impact from the war in Ukraine	-	-	1.3	-	1.3	-
Costs related to the refinancing of the Group	-	0.1	-	0.4	-	0.4

Debt

€ million	Q3'22	Year end 2021	Q3'21
<i>Senior Secured Notes - € 250.0 million</i>	250.0	250.0	250.0
<i>Senior Secured Notes - \$ 550.0 million</i>	564.2	485.6	475.0
Notes	814.2	735.6	725.0
RCF	-	-	25.0
Secured debt	814.2	735.6	750.0
less cash and cash equivalents	(96.6)	(118.9)	(99.4)
(a) Net Secured Debt	717.6	616.8	650.6
Hedge on Secured Debt	(106.7)	(28.1)	(17.5)
(b) Net Secured Debt at hedged value	610.9	588.7	633.2
Secured debt	814.2	735.6	750.0
<i>Lease liabilities short term</i>	13.9	13.1	13.8
<i>Lease liabilities long term</i>	40.5	26.1	20.1
Lease liabilities	54.4	39.2	33.9
Total debt	868.6	774.9	783.9
less cash and cash equivalents	(96.6)	(118.9)	(99.4)
Total Net debt	772.0	656.0	684.5

Debt ratio

€ million	Q3'22	Year end 2021	Q3'21
Net Secured debt	717.6	616.8	650.6
Adjusted EBITDA LTM	111.3	188.9	197.2
(a) Net Secured debt ratio	6.4	3.3	3.3
Net Secured debt at hedged value	610.9	588.7	633.2
Adjusted EBITDA LTM	111.3	134.8	197.2
(b) Net Secured debt ratio at hedged value	5.5	3.1	3.2

Revolving Credit Facility leverage ratio for setting the interest rate margin

€ million	LTM Q3'22	YTD Q4'21	LTM Q3'21
Adjusted EBITDA *1	111.3	188.9	197.2
Realised exchange rate differences	7.6	(5.6)	(8.4)
Profit on disposal of PPE and intangible assets	(0.3)	(1.2)	(1.4)
Deferred income	(2.4)	(2.4)	(1.7)
Unrestricted subsidiaries adjustment	(16.5)	(10.8)	-
RCF EBITDA	99.7	168.9	185.7
Net secured Debt at hedged value *2	610.9	588.7	633.2
Unrestricted subsidiaries adjustment	4.0	3.5	-
RCF Net Secured Debt at hedged value	614.9	592.2	633.2
RCF EBITDA	99.7	168.9	185.7
RCF Leverage ratio	6.1	3.5	3.4

*1 as defined in Appendix "Adjusted EBITDA"

*2 as defined in Appendix "Debt"

MORE THAN 50 YEARS IN, ORIFLAME IS THE CHOICE OF TWO AND A HALF MILLION PEOPLE. LOOKING AHEAD, WE ARE COMMITTED TO CONTINUING TO BUILD ON THIS SIMPLE FORMULA – EMPOWERING PEOPLE AND ENABLING POSITIVE CHANGE AROUND THE WORLD.

