

FEBRUARY 24TH 2021 15.00 CET

Oriflame

FOURTH QUARTER 2020 EXTERNAL PRESENTATION

Magnus Brännström, CEO
Gabriel Bennet, CFO

ORIFLAME
— S W E D E N —



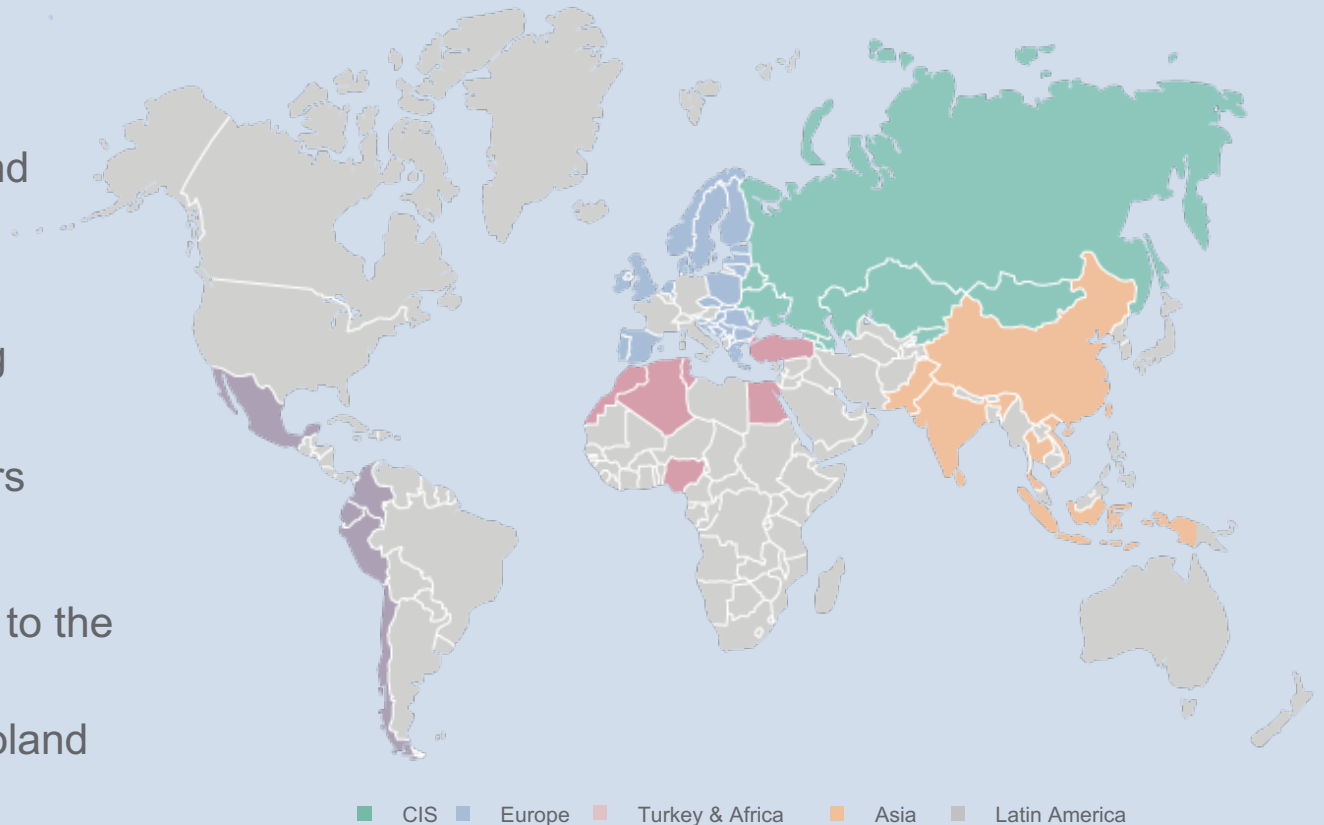
CAUTIONARY STATEMENT

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 2020

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

- Approximately **3.0m** Registered Active Members and Independent Brand Partners
- **€1.2bn** in sales
- Adj. EBITDA **€178.6m** and **€141.9m** Adj. Operating Profit
- **98%** of orders online. Oriflame App **1,370,000** users
- Around **1,000** beauty and wellness **products**
- New catalogues every three to four weeks adopted to the local markets
- Founded in 1967. Manufacturing in China, India, Poland & Russia. Headquartered in Switzerland



Important clarifying information

- “Adjusted” or “Adj.” figures exclude non-recurring and purchase price allocation (PPA) related items. For additional information, refer to the alternative performance measures document available on the interim reports’ webpage of the Oriflame’s investors section.
- Following the de-listing of the Oriflame group from the Nasdaq Stockholm stock exchange in July 2019, the group structure was changed. Three companies were founded up to the parent company, Oriflame Holding Limited (renamed from Walnut Midco Ltd).
- Until, and including, Q2’19, financial information covers the group before the de-listing with Oriflame Swiss Holding AG as parent company and excludes the three entities from the new group.
- From Q3’19 onwards, the financial information is based on group with Oriflame Holding Limited as parent company. Consequently, the scope of consolidation is different for the 12 months ended 31 December 2019 (income statement) covered in this presentation.

Scope of consolidation		12 months ended 31 December 2019				12 months ended 31 December 2020			
		Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20
Oriflame Holding Limited ¹	Walnut Midco Ltd	●	●	●	●	●	●	●	●
Oriflame Investment Holding Plc ¹	Walnut Bidco Plc	●	●	●	●	●	●	●	●
Oriflame Holding AG ²	Walnut Switzerland AG	●	●	●	●	●	●	●	●
Oriflame Swiss Holding AG		●	●	●	●	●	●	●	●
Oriflame Subsidiaries		●	●	●	●	●	●	●	●

● Included in the group consolidated reported figures.

● Not included in the group consolidated reported figures.

- 1) The entity was renamed in Apr. 2020
 2) The entity was renamed in Sep. 2019

FOURTH QUARTER

HIGHLIGHTS



Q4 Financial highlights

- **Sales** €307.5m (€357.2m) -14% in €, -3% in lc
- **Adjusted EBITDA** €50.8m (€52.0m)
 - Adjusted EBITDA margin 16.5% (14.6%)
- **Adjusted cash flow**
 - From operating activities €75.0m (€73.6m)
 - Before financing activities €69.7m (€66.2m)
- **Cash and cash equivalents** was €241.9m (€143.5m)
- **Financial position**
 - Total debt €786.1m (€841.0m)
 - Senior secured debt €748.0m (€773.2m)
 - Net secured debt/Adjusted EBITDA 2.8 (3.5)

Q4 Impact from Covid-19

SITUATION

- Oriflame continued positive trend in profitability and cash flow despite a decrease on the underlying sales. Several countries continued to impose strict measures to reduce the spread of the virus in the fourth quarter.
- Towards the middle of the second quarter the negative sales trend, due to Covid-19 restrictions in major markets, was reversed. The situation improved during the third quarter, however worsened again in the fourth quarter, extending into 2021, with stricter measures implemented to combat the renewed spread of the virus.

ACTIVITIES

- Prioritize health and security among all stakeholders.
- Secure operational and essential processes and thereby the supply.
- Continue to evaluate and implement cost efficiency

IMPACT

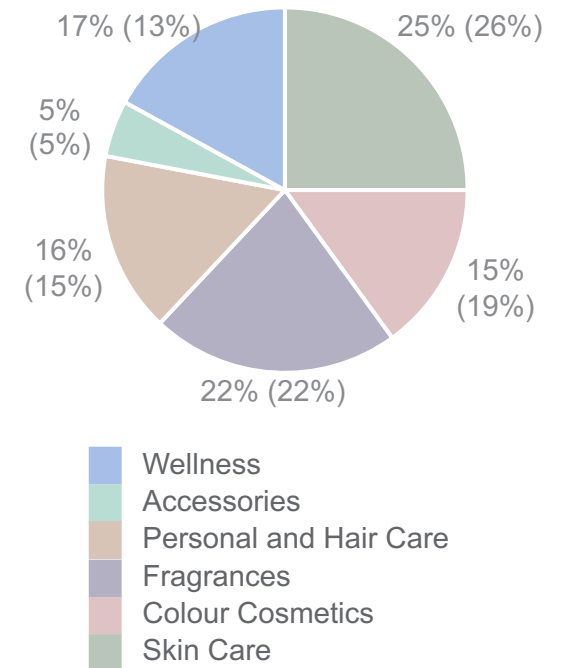
- Global, regional and local conferences have been impacted resulting in short term cost savings, although the company is negatively impacted on sales as these conferences are used to promote new product launches, new applications, new ways of working.
- The shift in demand and supply challenges impacted our product availability situation in some product categories in some of the regions.
- Strong online social selling model, wide geographical footprint and strategic product portfolio help mitigate impact.



Q4 Operational highlights

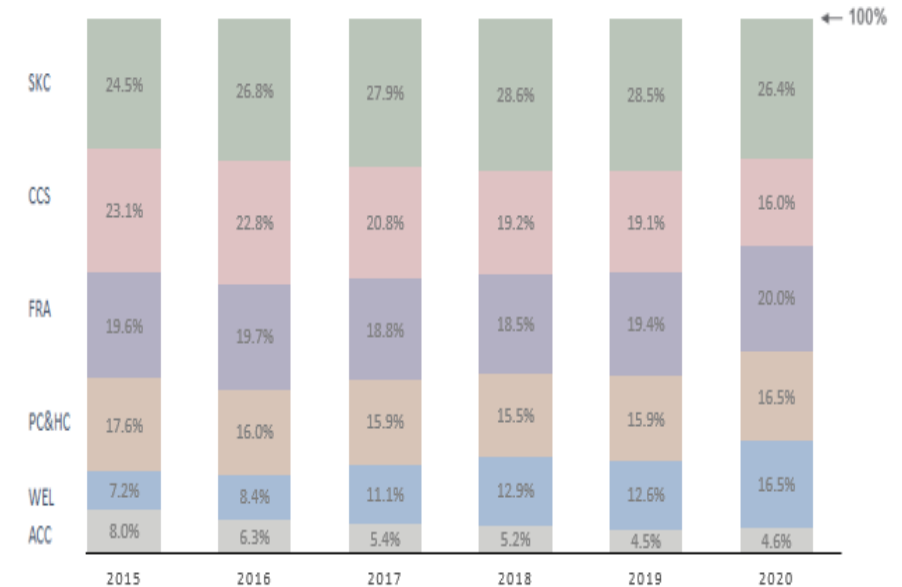
- **Local currency sales decline and strong currency head wind**
- **Sales decrease** in all regions mainly due to low activity and weak currencies.
- **Price/mix +8%**
 - Unit decrease -12%
- **Registered Active Members -1%**
 - Lc productivity -2%
- Continued **strong online** development
- **The scaling up of manufacturing capacity** continues aiming to secure product availability and meet demand from the external customers' segment.
- Initiatives to **improve the profitability and cash flow** of the group are clearly rendering results. Improvements on cash flow, due to lower interest and income tax paid.

Product categories
Q4 2020 (Q4 2019)



Focus area – products and social selling

- The **online model** was indeed **proven during the pandemic**
 - The **Independent Brand Partners** managed to engage and develop their business and empower their teams with new ways of working
- Several **product launches** within key categories
 - **Wellness** category kept on performing well
 - **Skin Care** category impacted by the weak performance in China
 - **Colour cosmetics** burdened by shift in demand due to the pandemic
- The shift in demand and supply challenges impacted the **product availability situation** in some product categories in some of the regions



Focus area – sustainable business

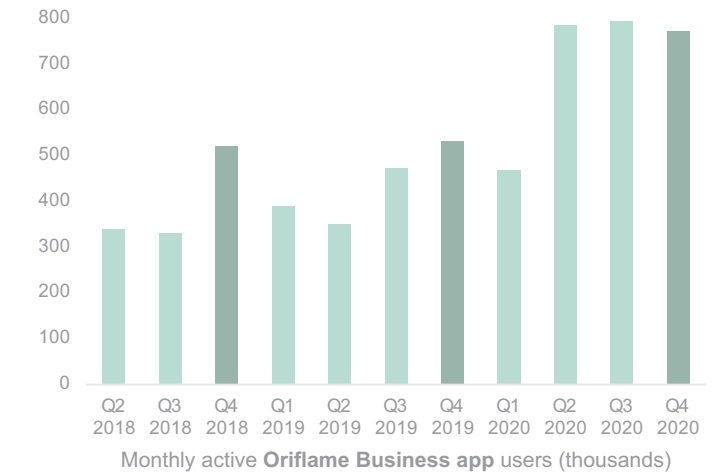
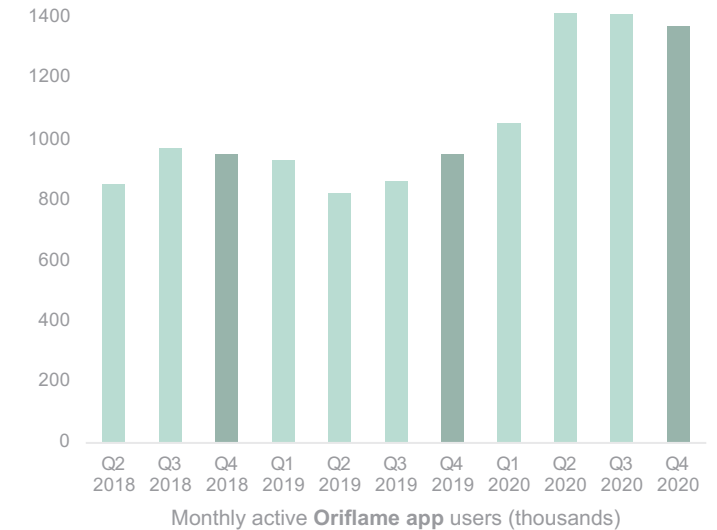
Oriflame continued to deliver on its sustainability objectives and improved its 2020 CDP score compared to last year and scored A- on Climate, A- on Timber (Forest) and B on Palm oil (Forest).

Oriflame leveraged the increased interest in sustainability communication and digital events becoming the norm, by joining online sustainability forums to communicate its sustainability ambitions and achievements.

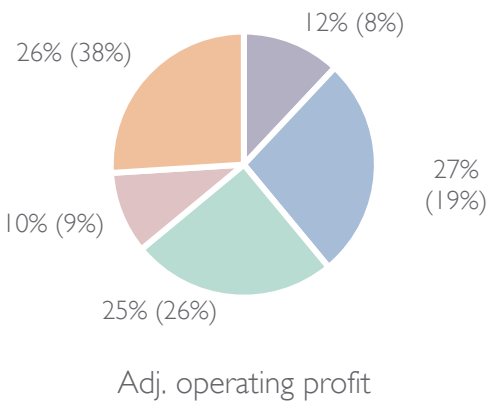
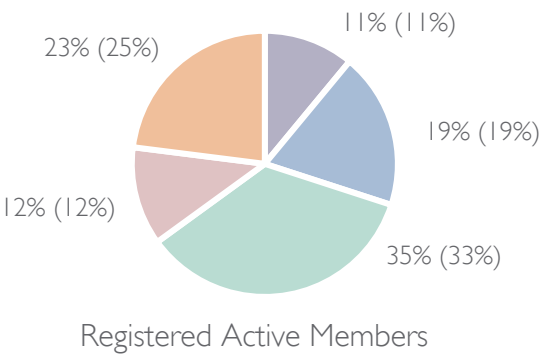
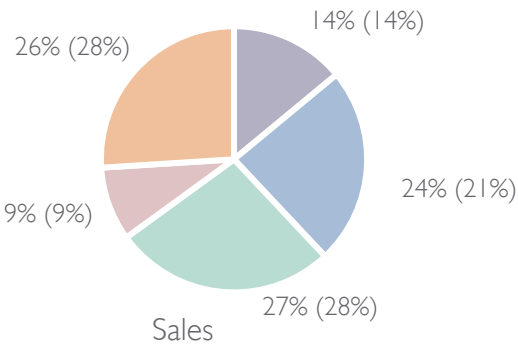
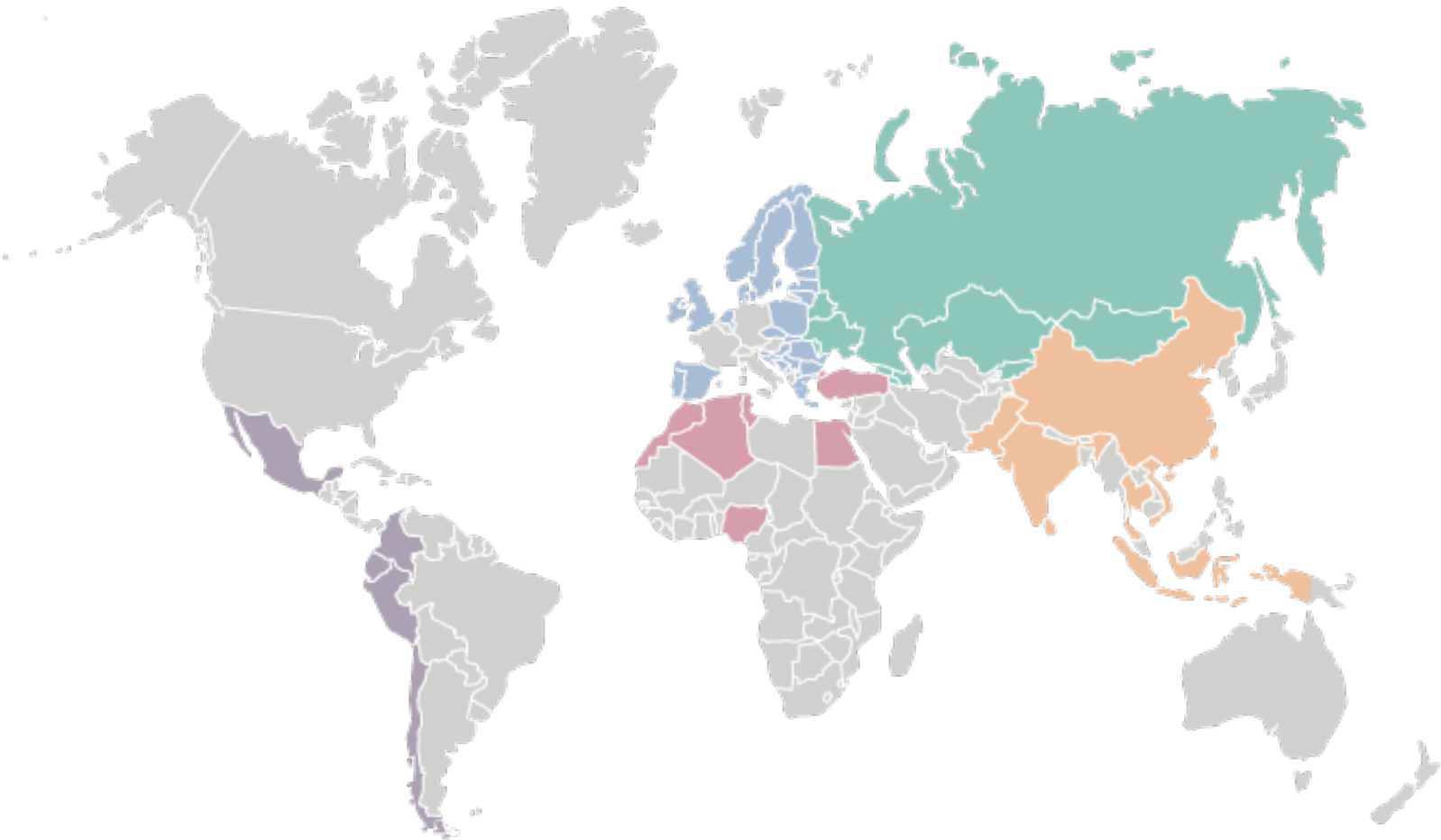


Focus area – strong online development

- **98%** of the company's global orders were **placed online**
 - 62% came from mobile devices compared to 55% prior year
- Oriflame app **1,370,000 monthly active users**
- Oriflame Business app **771,000 monthly active users**
- **Key activities**
 - Continued rollout of the new transactional platform
 - Focus on Brand Partner tools and services remained
 - The rollout of the Mobile Office continued



Q4 Regional overview



Q4 Regional highlights

KPI	Latin America		Europe		CIS		Asia		Turkey & Africa		Group	
	Q4'20	Q4'19	Q4'20	Q4'19	Q4'20	Q4'19	Q4'20	Q4'19	Q4'20	Q4'19	Q4'20	Q4'19
Net sales (€m)	41.4	48.0	73.6	74.8	80.8	96.6	80.2	98.8	26.2	32.1	307.5	357.2
Y-o-Y growth (%)	(14)		(2)		(16)		(19)		(18)		(14)	
Adj. operating profit (€m)	4.9	5.3	10.8	11.7	9.8	16.5	10.5	23.6	4.2	5.5	42.1	43.7
Y-o-Y growth (%)	(7)		(8)		(40)		(55)		(23)		(4)	
Adj. operating margin (%)	11.9	11.1	14.7	15.6	12.2	17.0	13.1	23.9	16.0	17.0	13.7	12.2
Registered Active Members, '000	331	341	558	550	1,020	972	681	744	342	365	2,932	2,971
Y-o-Y growth (%)	(3)		1		5		(8)		(6)		(1)	
	Sales declined due to lower activity and weak currencies. Higher operating margin due to increased gross margins and lower sales and marketing costs.		The high sales growth in W. Europe continued while C. Europe declined due to weak recruitment. The operating margin decreased due to higher investments in Brand Partner Incentives and Rewards, mitigated by higher gross margins		Sales and operating margin decreased, due to weak main currencies and higher investments into Incentives and Rewards. The very strong sales development continued in Uzbekistan.		Weak local currencies. Lower sales and activity levels in China, Indonesia and Vietnam. India had strong sales during the quarter with a double-digit growth driven by an increase in Registered Active Members		Decreased net sales driven by weak activity and recruitment and negative currency impact especially in Turkey and Nigeria. Lower operating margin due to higher staff costs mitigated by lower sales and marketing costs.			

FINANCIALS

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 Q1	2020 Q2	2020 Q3	2020 Q4	YTD 2020	
Inventory	322.0	(308.5)	(13.5)	-	-		(13.5)	Consumed by Q1 2020
Customer list	14.1	(3.5)	(1.8)	(1.8)	(1.8)	(1.8)	(7.0)	Depreciated over 2 years
Manufacturing know-how	37.5	(3.8)	(1.9)	(1.9)	(1.9)	(1.9)	(7.5)	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	0.1	(0.2)	0.1	(0.1)	(0.1)	
Total PPA on EBIT		(315.8)	(17.0)	(3.8)	(3.6)	(3.7)	(28.1)	
Financial expenses		(0.8)	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)	IFRS 16 leases
Total PPA on PBT		(316.6)	(17.3)	(4.1)	(3.8)	(4.0)	(29.2)	
Tax	(139.6)	72.7	4.0	0.7	0.7	0.7	6.1	
Total PPA	1,063.4	(243.9)	(13.3)	(3.4)	(3.2)	(3.3)	(23.1)	
Non-recurring items (net of tax)		(62.1)	(6.5)	(1.5)	-	-	(8.0)	
Total PPA and non-recurring items		(306.0)	(19.8)	(4.9)	(3.2)	(3.3)	(31.1)	

Income statement Q4

€m	Q4'20	Q4'19
Sales	307.5	357.2
Cost of Sales	(89.0)	(290.7)
Gross profit	218.5	66.5
Purchase Price Allocation (PPA) items	-	170.5
Gross profit	218.5	237.0
	71.1%	66.3%
Selling and marketing expenses	(100.6)	(110.9)
Distribution and Infrastructure	(6.9)	(8.3)
Administrative expenses	(72.5)	(87.4)
Operating profit / (loss)	38.5	(140.2)
PPA and non-recurring items	3.7	183.9
Adj. Operating profit	42.1	43.7
	13.7%	12.2%
Net financing costs	(18.5)	(26.7)
Net profit / (loss) before tax	20.0	(166.9)
PPA and non-recurring items	4.0	192.9
Adj. Net profit before tax	23.9	26.0
	7.8%	7.3%
Total income tax expense	(7.9)	31.4
Net profit / (loss)	12.1	(135.5)
PPA and non-recurring items	3.3	150.9
Adjusted net profit	15.4	15.4
	5.0%	4.3%

COMMENTS

- Sales mix
 - Unit sales -12%
 - Price/mix +8%
- Gross margin 71.1% (66.3%)
 - Positively impacted by release of inventory provisions, and improved pricing, partially offset by exchange rates.
- Adj. EBITDA margin 16.5% (14.6%)
- Adj. operating margin 13.7% (12.2%)
 - Improved gross margins offset by negative currency impact - 380 bps
 - Higher selling and marketing expenses
 - Lower administrative expenses despite of €11.7m higher Bonus and SIP accruals
- Adj. net profit €15.4m (€15.4m)

PPA and non-recurring items	Q4'20
Cost of Sales	-
PPA items on gross profit	-
PPA items	3.7
Restructuring	-
PPA and non-recurring items on operating profit	3.7
Financial expenses related to PPA	0.3
PPA and non-recurring items on net profit before tax	4.0
Tax expenses related to PPA and restructuring	(0.7)
PPA and non-recurring items on net profit	3.3

Income statement YTD Q4

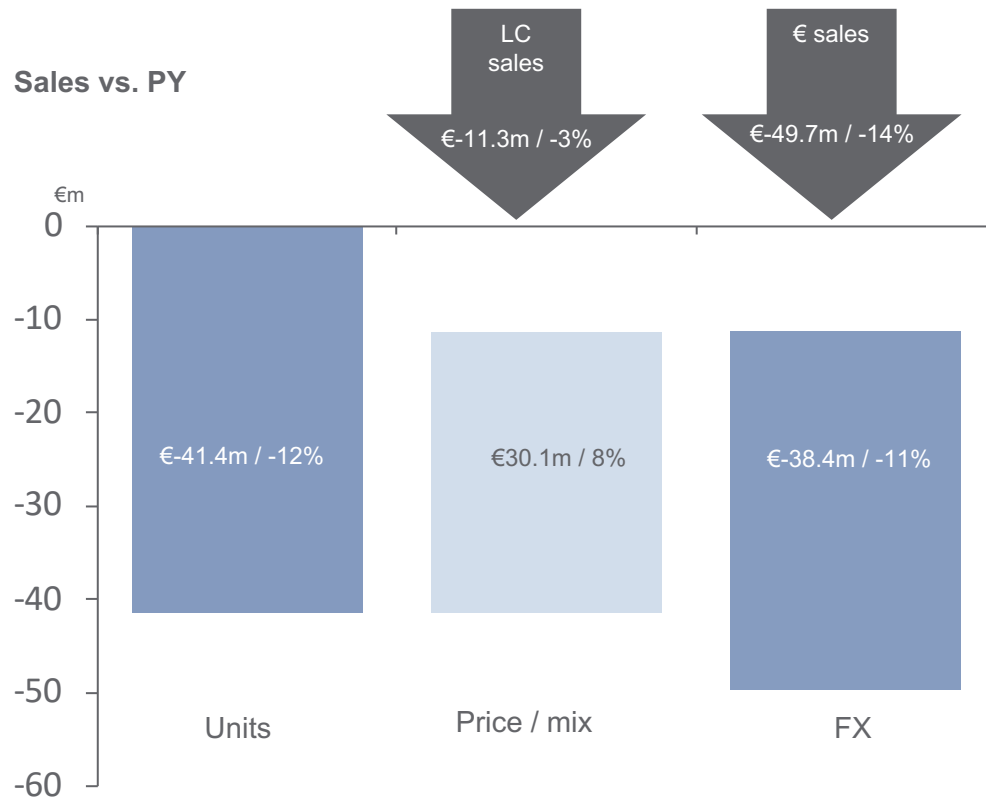
€m	YTD Q4'20	YTD Q4'19
Sales	1,156.9	1,258.3
Cost of Sales	(380.3)	(709.6)
Gross profit	776.6	548.7
Purchase Price Allocation (PPA) items	13.5	308.4
Gross profit	790.1	857.2
	68.3%	68.1%
Selling and marketing expenses	(358.6)	(409.5)
Distribution and Infrastructure	(27.9)	(30.6)
Administrative expenses	(286.4)	(304.3)
Operating profit / (loss)	103.7	(195.8)
PPA and non-recurring items	38.1	337.1
Adj. Operating profit	141.9	141.4
	12.3%	11.2%
Net financing costs	(80.7)	(81.2)
Net profit / (loss) before tax	23.1	(277.0)
PPA and non-recurring items	39.3	377.6
Adj. Net profit before tax	62.4	100.6
	5.4%	8.0%
Total income tax expense	(22.8)	41.6
Net profit / (loss)	0.3	(235.3)
PPA and non-recurring items	31.1	301.7
Adjusted net profit	31.4	66.3
	2.7%	5.3%

COMMENTS

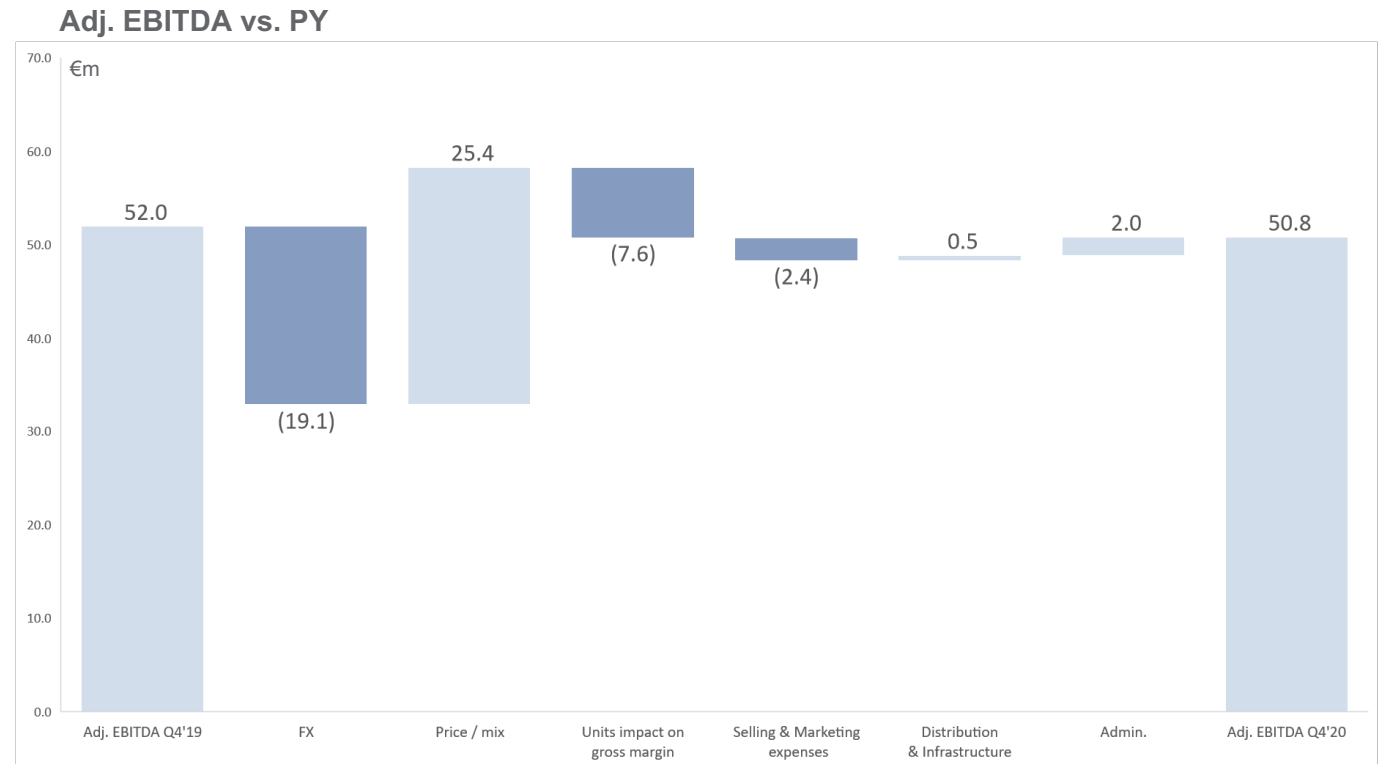
- Sales mix
 - Unit sales -6%
 - Price/mix +5%
- Gross margin 68.3% (68.1%)
 - Impacted by exchange rates, geographical mix, sales actions to reduce excess inventory and leverage in supply (incl. drop in manufacturing volumes)
- Adj. EBITDA margin 15.4% (14.4%)
- Adj. operating margin 12.3% (11.2%)
 - Unit sales decrease partly offset by price / mix
 - Currency impact -240 bps
 - Slightly higher gross margins, partly offset by higher selling and marketing expenses
 - Admin lower in absolute values but higher as % of sales
- Adj. net profit €31.4m (€66.3m)

PPA and non-recurring items	YTD Q4'20
Cost of Sales	13.5
PPA items on gross profit	13.5
PPA items	14.6
Restructuring	10.1
PPA and non-recurring items on operating profit	38.1
Financial expenses related to PPA	1.2
PPA and non-recurring items on net profit before tax	39.3
Tax expenses related to PPA and restructuring	(8.2)
PPA and non-recurring items on net profit	31.1

Q4 sales and adjusted EBITDA analysis



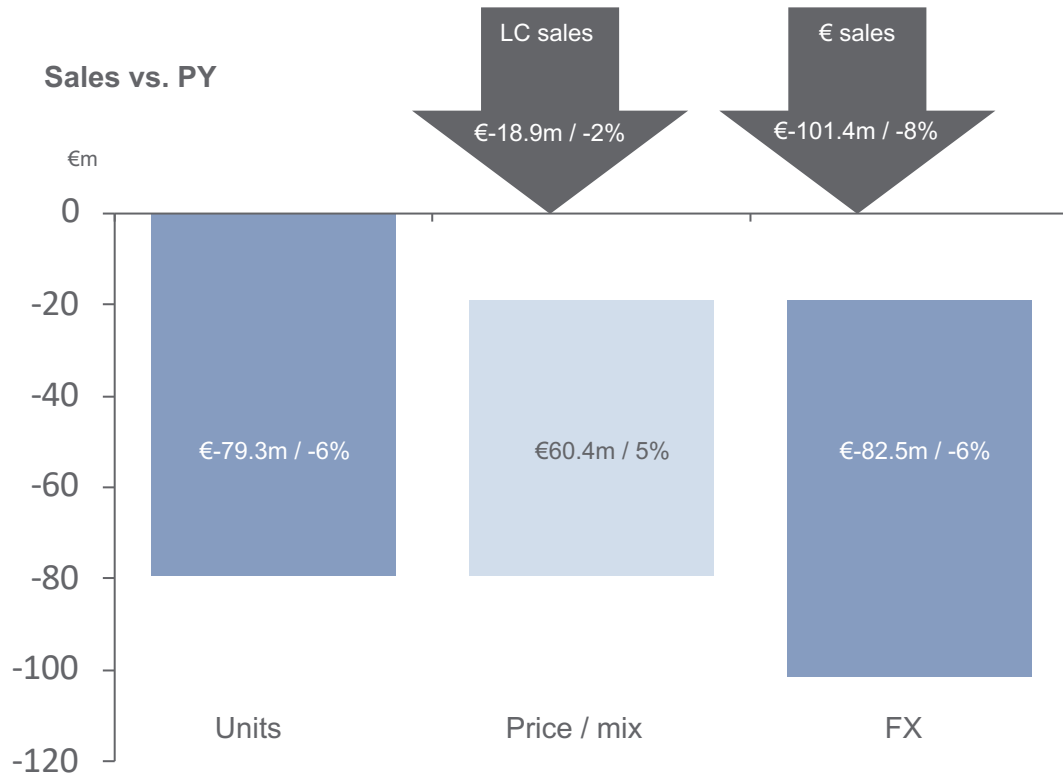
- Sales €307.5m (€357.2m) -14% in €, -3% in local currency
 - Unit sales -12%
 - Price/mix +8%
- Positive LC development in CIS and stable in Europe
- Sales decline in Asia, Turkey & Africa and Latin America



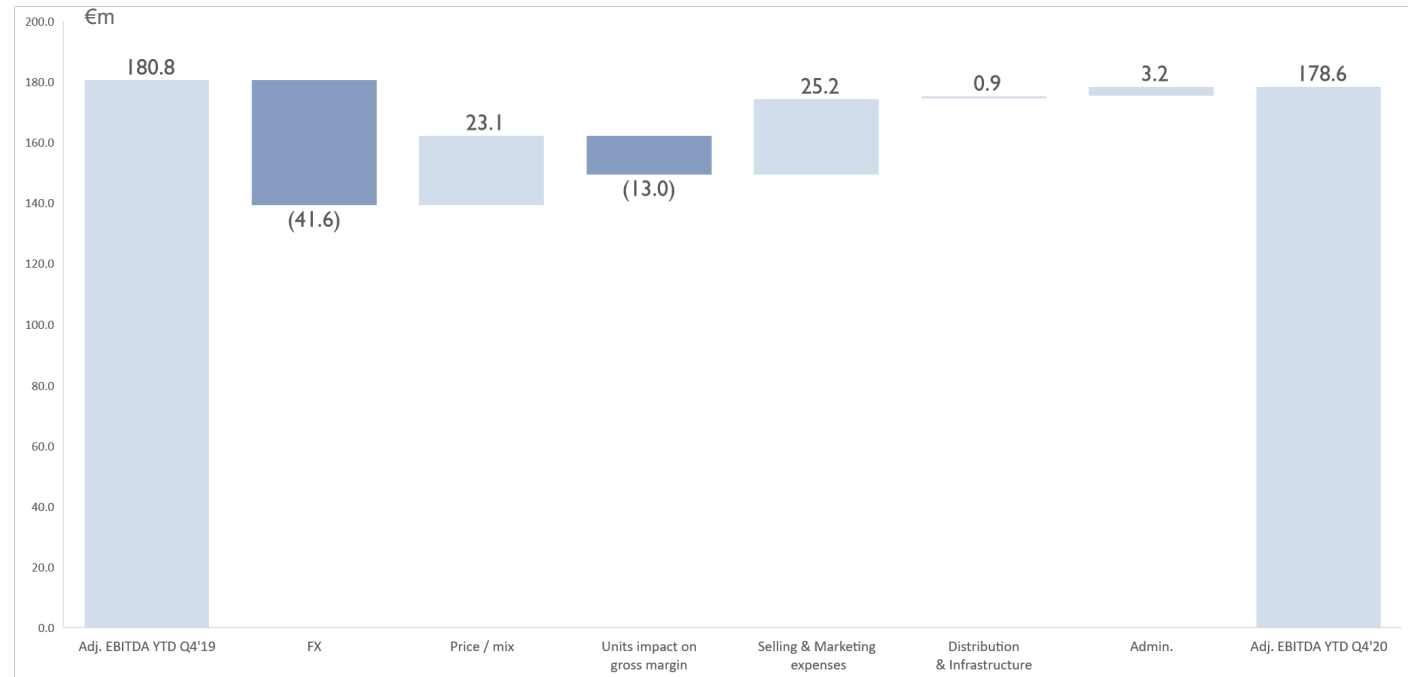
- Adjusted EBITDA decreased from €52.0m to €50.8m, negatively impacted by the weakening of the major Oriflame sales currencies and the related negative exchange rate impact, lower units sales and higher selling expenses, offset by positive price/mix and lower administrative expenses.

YTD Q4 sales and adjusted EBITDA analysis

Sales vs. PY



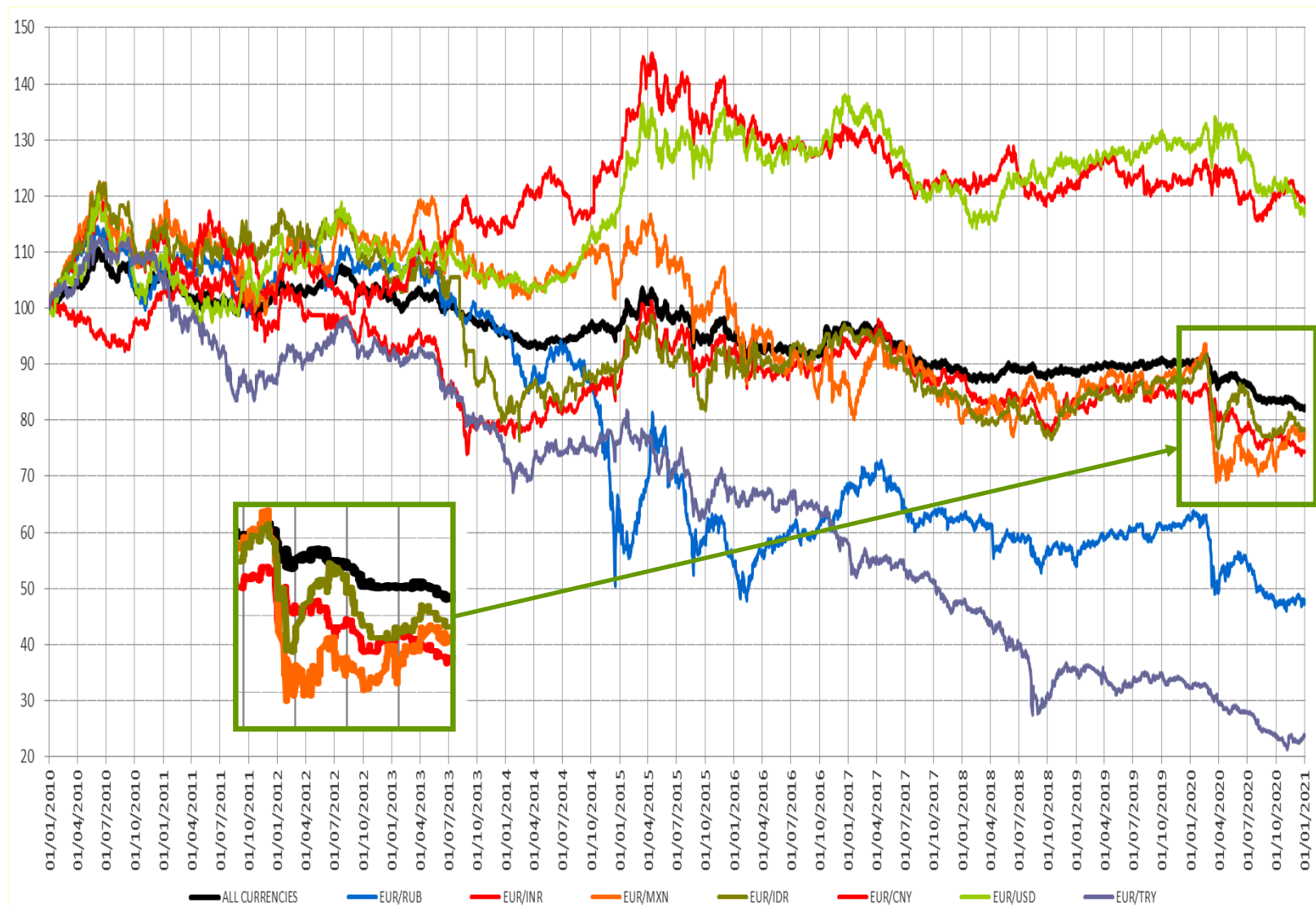
Adj. EBITDA vs. PY



- Sales €1,156.9m (€1,258.3m) -8% in €, -2% in local currency
 - Unit sales -6%
 - Price/mix +5%
- Positive LC development in CIS, Turkey & Africa and Europe
- Sales decline in Asia and Latin America

- Adjusted EBITDA decreased from €180.8m to €178.6m, negatively impacted mainly by unfavourable foreign exchange and lower sales volumes, partly offset by lower selling and marketing expenses.

Group Currencies Impact (on Sales) – Quarter 4, 2020

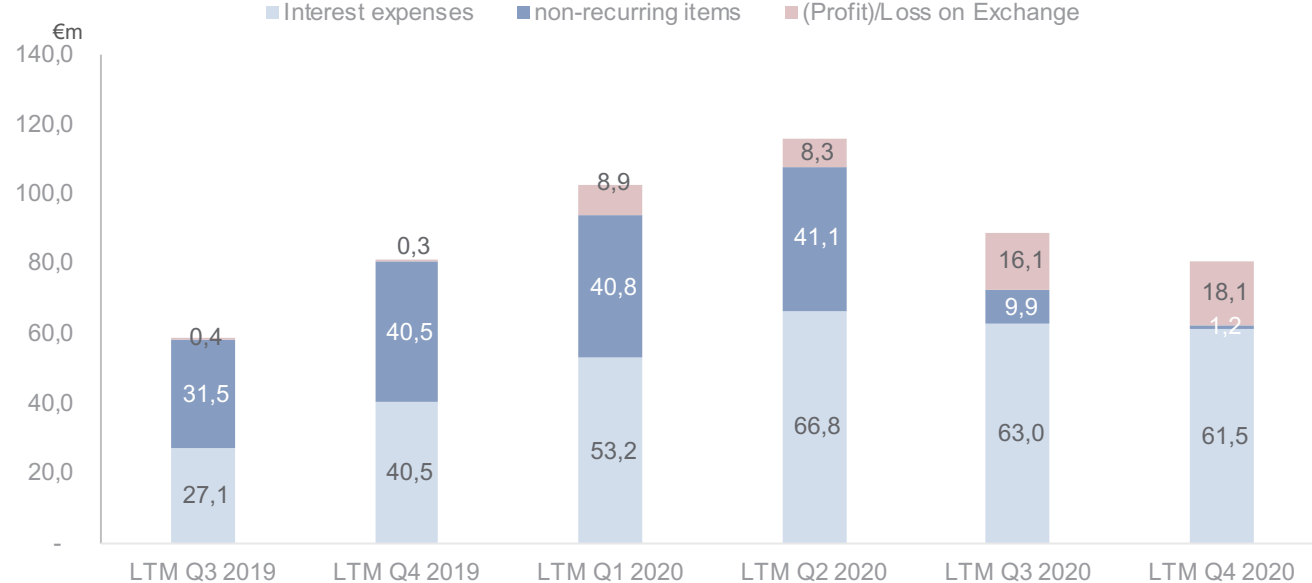
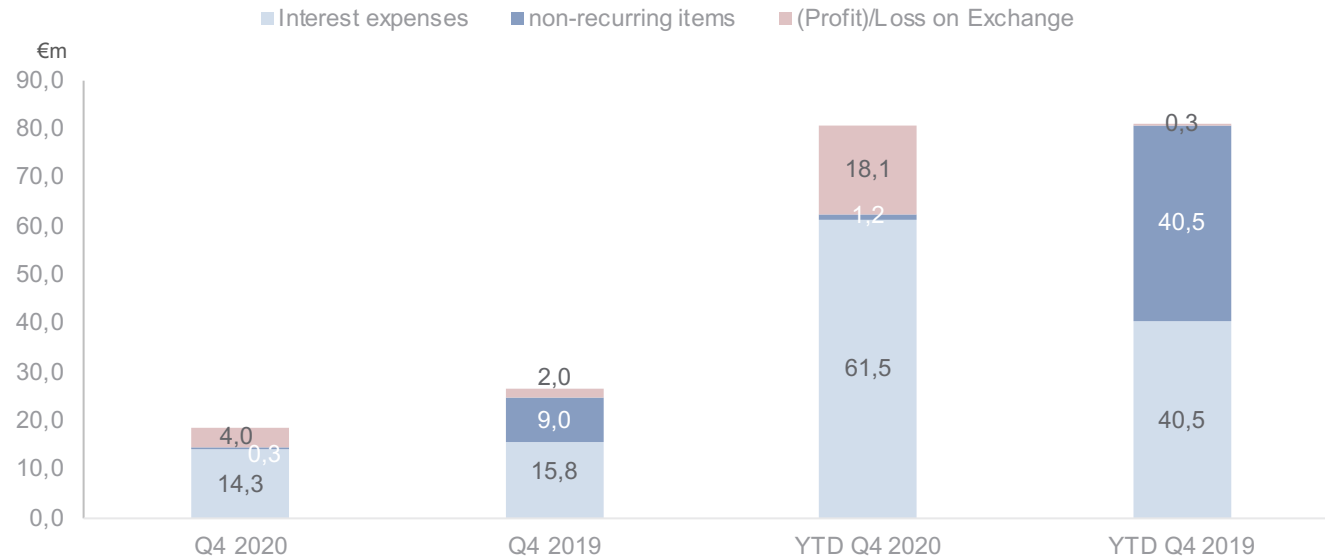


COMMENTS

- Average group currency impact continued the negative trend in Q4 as well, when mainly the Russian Ruble and the Turkish Lira continued to devalue. This resulted in both negative EBIT and PLEX impact as well as adjustment of exchange rate outlook for 2021
- Average impact on net sales was negative 11% for the quarter and 6% for the year
- Impact on operating profit was -380bps for the quarter and -240bps for the year
- Below is the guidance for 2021

Forecasted impact on:	Q1	Q2	Q3	Q4	YTD
- Sales, around	11%	8%	3%	2%	6%
- OP – approx. (bps)	350	250	100	75	200

Net financing cost – Quarter 4, 2020



Net financing costs Q4

Decrease in net interest expenses despite increase of debt and interest rates due to:

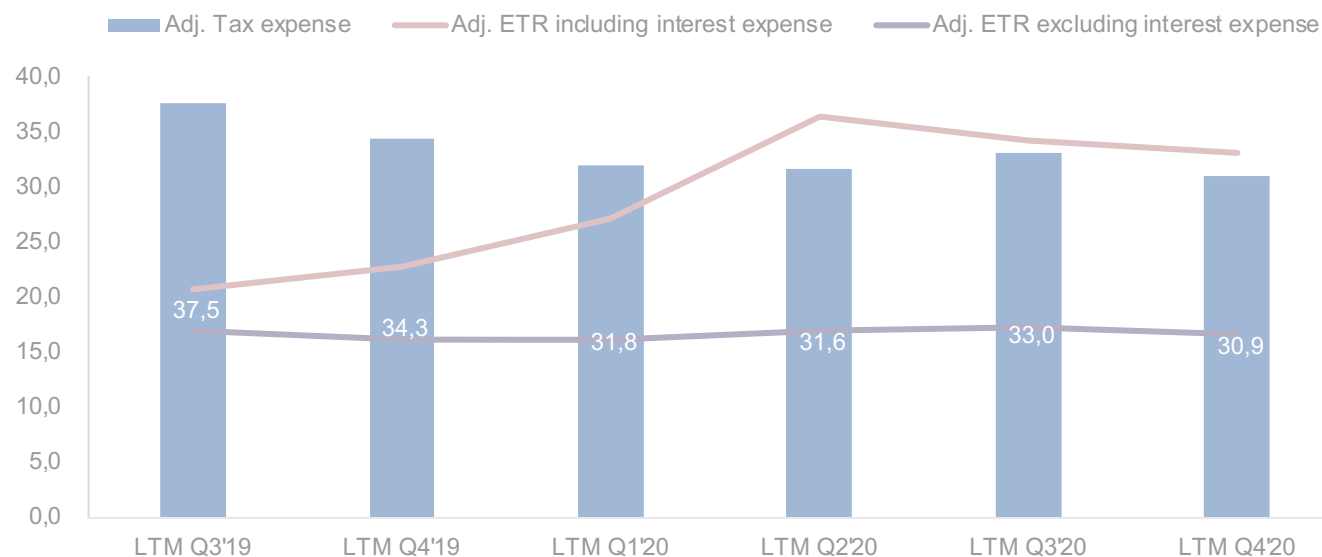
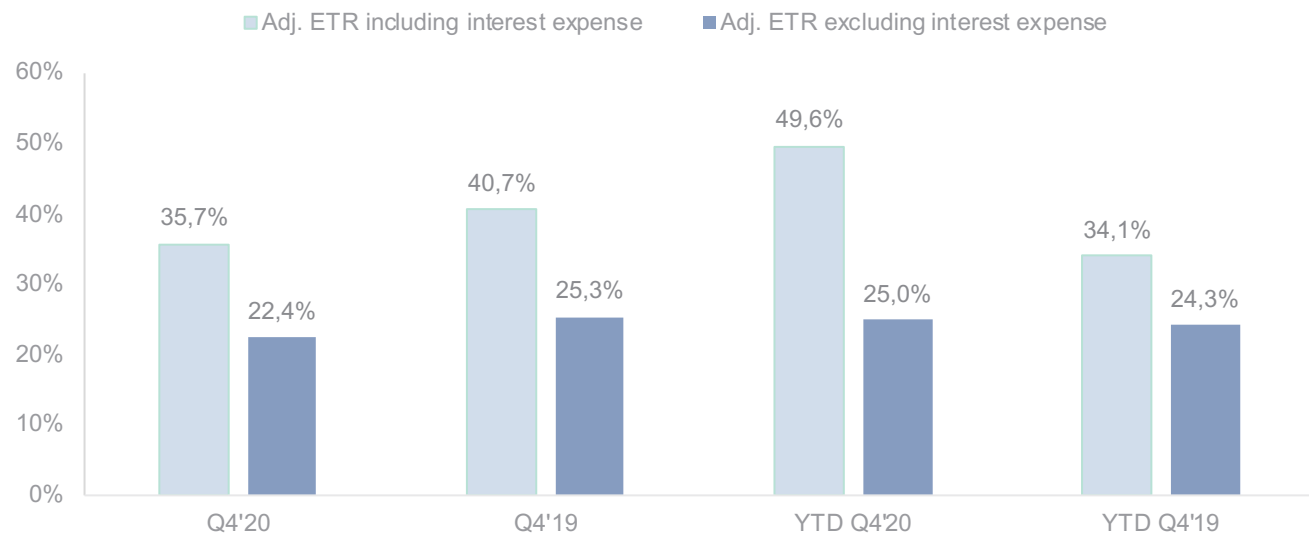
- non-recurring costs in Q4 2019 (€9.6m front fee adjustment expensed in Q4 2019).
- Interest on RCF in Q4 2019 (€0.7m), whereas the RCF was not utilized in Q4 2020.

LTM, Non-recurring and PPA items

LTM slight decrease in net financing costs is mainly due to the different debt levels PY and one-off items related to taking the Group private:

- €31.1m USPP voluntary repayment make whole cost;
- €9.6m bridge loan fees

Income Tax Expenses – Quarter 4, 2020

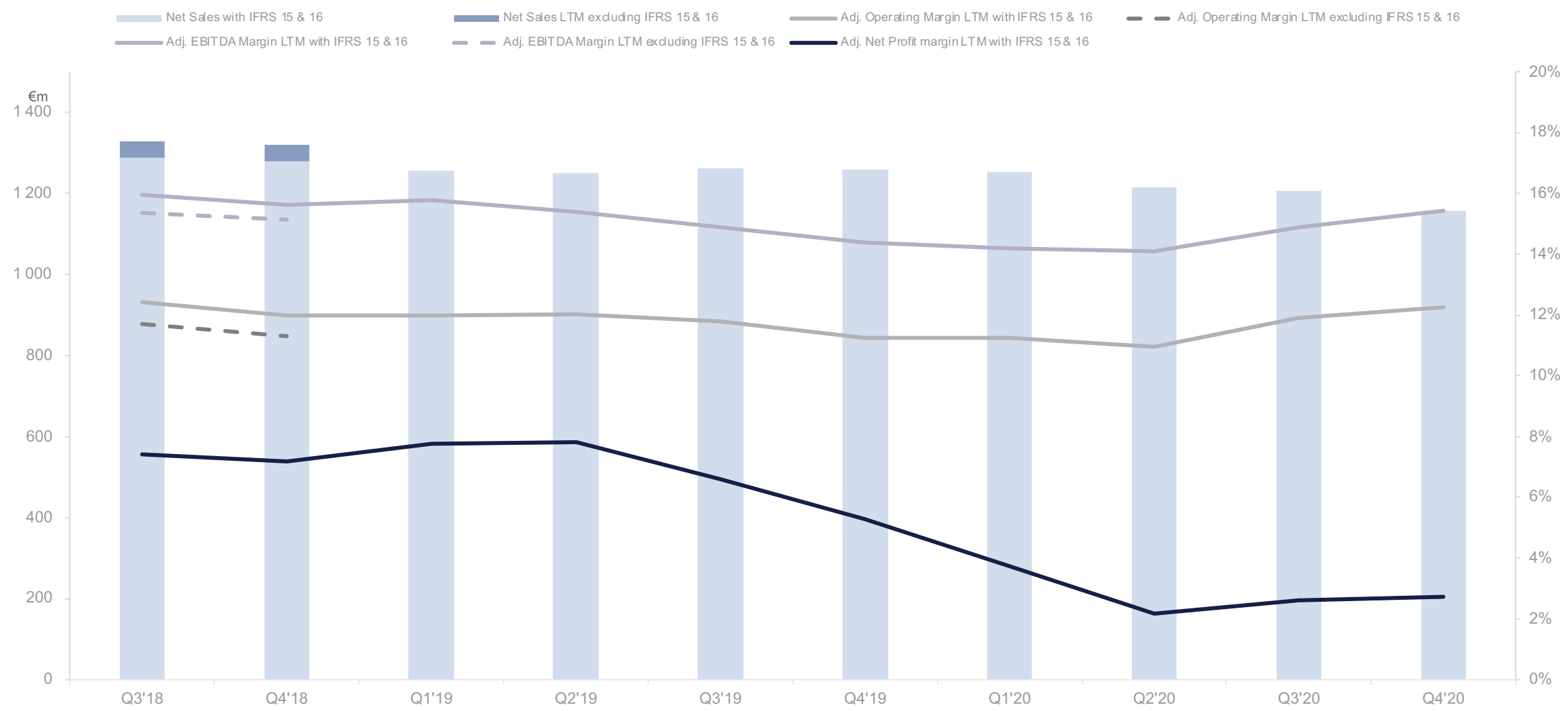


	LTM Q3'19	LTM Q4'19	LTM Q1'20	LTM Q2'20	LTM Q3'20	LTM Q4'20
Profit before tax	120.9	100.6	78.5	58.0	64.4	62.4
Interest expense	27.1	40.5	53.1	66.7	63.0	61.5
PBT excl. interest expense	148.0	141.0	131.6	124.8	127.4	123.8
Adj. Tax expense	37.5	34.3	31.8	31.6	33.0	30.9
Adj. ETR including interest expense	31.0%	34.1%	40.5%	54.5%	51.2%	49.6%
Adj. ETR excluding interest expense	25.3%	24.3%	24.2%	25.3%	25.9%	25.0%

COMMENTS

- The Q4 2020 (22.4%) ETR excluding interest expense is lower than Q4 2019 (25.3%) mainly due to change in geographical mix.

LTM Sales, adjusted operating margin and adjusted EBITDA development



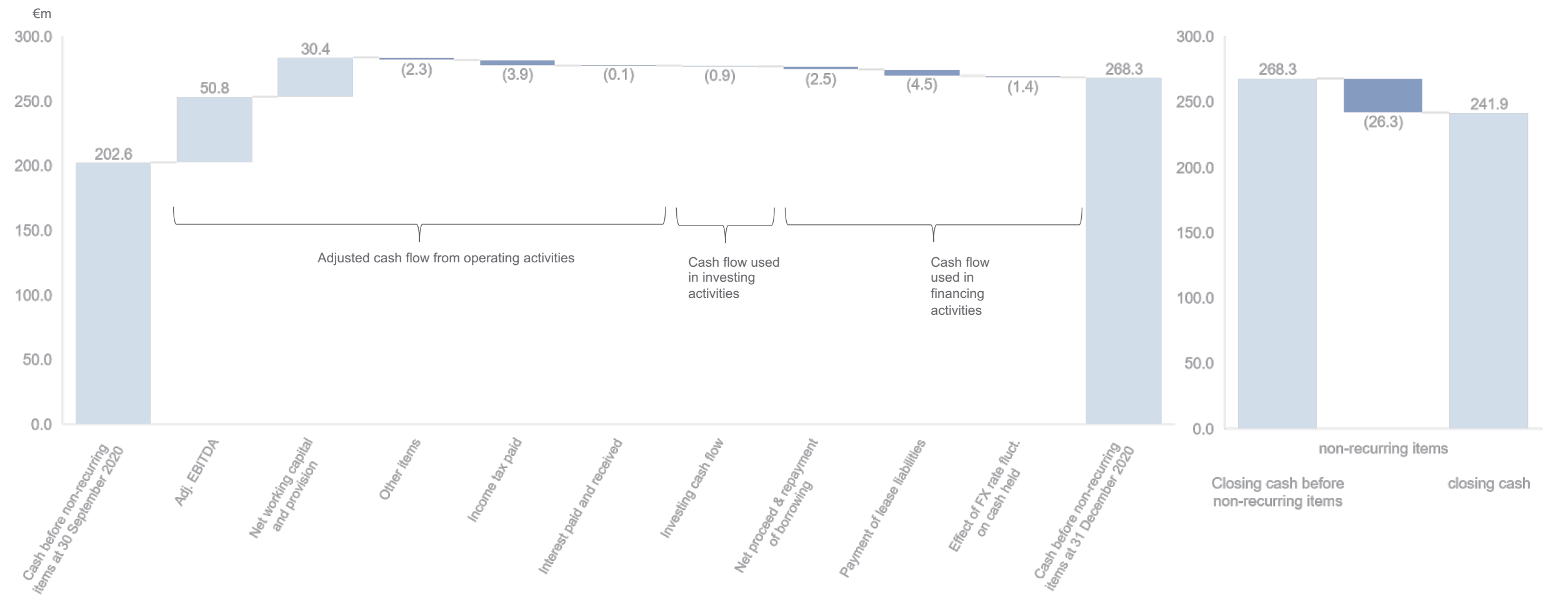
Cash flow before financing activities

€m	Q4'20	Q4'19	YTD Q4'20	YTD Q4'19
Cash flow from operating activities	72.5	73.2	133.4	59.4
<i>Excluding</i> Interest received	(1.1)	(0.4)	(2.1)	(10.2)
<i>Excluding</i> Interest and bank charges paid	1.4	2.4	58.9	86.3
Cash flow used in investing activities	(0.9)	(3.0)	(5.9)	(15.8)
Payment of lease liabilities	(4.2)	(5.5)	(17.8)	(20.9)
Non-recurring and PPA items	1.9	(0.4)	25.1	10.9
Adj. Cash flow before financing activities	69.7	66.2	191.5	109.7

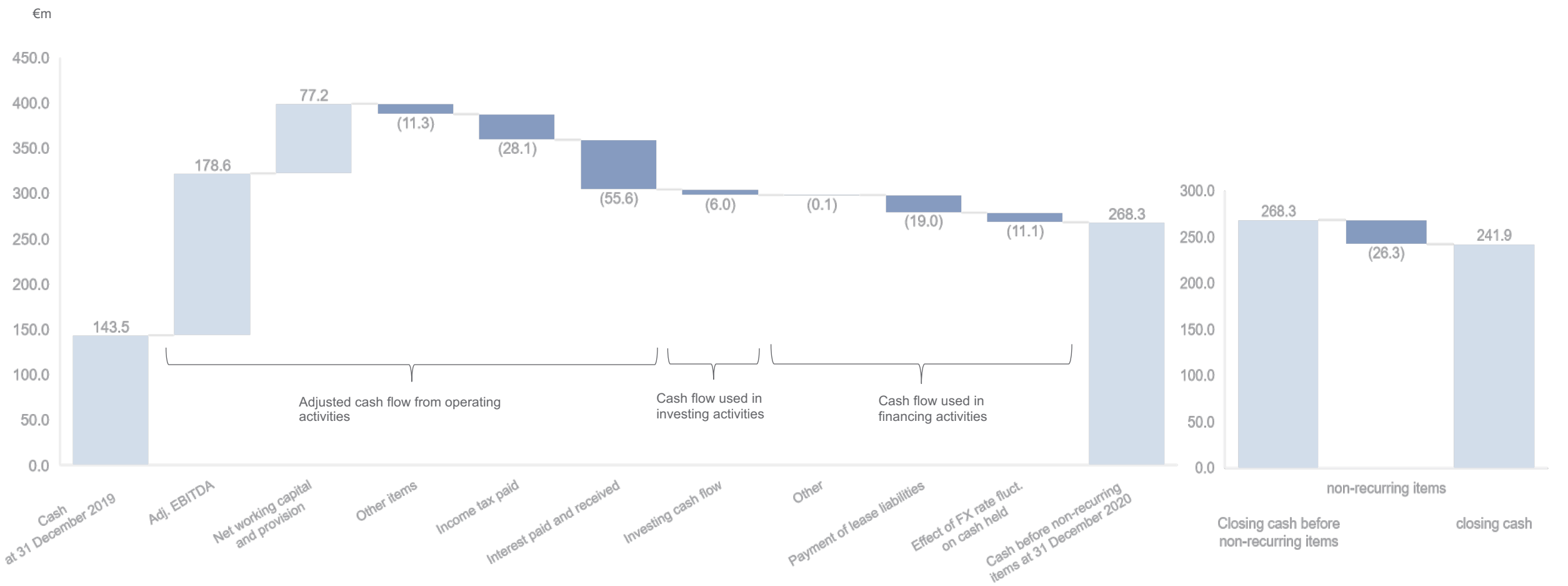
COMMENTS

- Underlying cash flow before financing activities increased by €3.5m or 5%
- Positively impacted by
 - EBITDA €1.2m
 - CAPEX €2.1m
 - Payment of leases €1.3m
 - Non recurring €2.3m
- Partly offset by:
 - Working capital €2.8m
 - Other €0.4m

Cash flow development – Quarter 4, 2020



Cash flow development – Accumulated Q4, 2020



Funding and financial position

	Q4'20	YTD'19
€m	Capitalization of the Issuer after the transaction	Capitalization of the Issuer after the transaction
Cash and Cash Equivalents	241.9	143.5
Notes	748.0	773.2
Revolving Facility	-	-
Total senior secured indebtedness	748.0	773.2
Interest-bearing loans & bank overdrafts	-	-
Lease liabilities	38.1	67.8
Total indebtedness	786.1	841.0
Total Net Secured Debt	506.1	629.7
Total Net Debt	544.2	697.5

Refinancing

- Refinancing completed July 2019
- €475m at a rate of 6.750%
- \$335m at a rate of 9.125% (swapped € interest rate 6.450%)
- Maturity 2024

Liquidity / Financial ratios

- Cash on balance sheet: €241.9m
- €100m Revolving Facility: €0m draw down
- Net secured debt/Adjusted EBITDA LTM: 2.8
- Adj. EBITDA LTM: €178.6m
- Covenants EBITDA LTM: €167.6m

CONCLUSIONS

AND GOING FORWARD



Conclusions

Q4 2020

- Positive trend in profitability and cash flow despite of sales decrease
 - The positive price mix did not compensate for the declined unit sales
 - Sales declined mainly due to challenges in some of the Asian markets
 - During Q4, Covid-19 continued to impact Oriflame's markets and affect the top line demand negatively
- Significant negative impact from currency head wind offset by improved price/mix and cost control leading to strengthened profitability
- Our initiatives to improve the profitability and cash flow have rendered results and are proceeding according to plan

Update on Covid-19 impact:

- Towards the middle of the Q2 the negative sales trend, due to Covid-19 restrictions in major markets, was reversed. The situation improved during Q3, however worsened again in Q4, extending into 2021, with stricter measures implemented to combat the renewed spread of the virus.



Going forward

Key focus short term due to Covid-19:

- Prioritize health and security among all stakeholders
- Secure the operational and essential processes and thereby securing the supply of essential products to the Independent Oriflame Brand Partners
- Continue to evaluate and implement cost efficiency measures

Focus on long-term strategy:

- Focus on Skin Care and Wellness to drive positive product mix
- Strengthen the business opportunity to drive recruitment, retention and productivity
- Focus on online and digital tools
- Further penetration of existing markets and exploration to enter into new markets
- Further increase margins through targeted manufacturing and supply/chain efficiency
- Continue to utilize Oriflame's asset-light model, reduce overhead costs and focus on deleveraging over time



“2020 was a challenging year in many ways but we managed to deliver a year with a low single digit local currency sales decrease versus prior year – with strengthened profitability. The key factors behind our solid development this most challenging year are exceptional efforts of our colleagues, motivation of independent brand partners, our online business model and our product offer. We believe that this foundation gears us towards building a stronger Oriflame.”

Magnus Brännström

Magnus Brännström, CEO & President

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

ORIFLAME
— S W E D E N —