ORIFLAME
SWEDEN

Oriflame Holding AG

FIRST QUARTER 2017
INVESTOR PRESENTATION

Magnus Brännström, CEO
Gabriel Bennet, CFO
Nathalie Redmo, Sr. Manager IR
May 10, 09.30 CET

FIRST QUARTER

HIGHLIGHTS

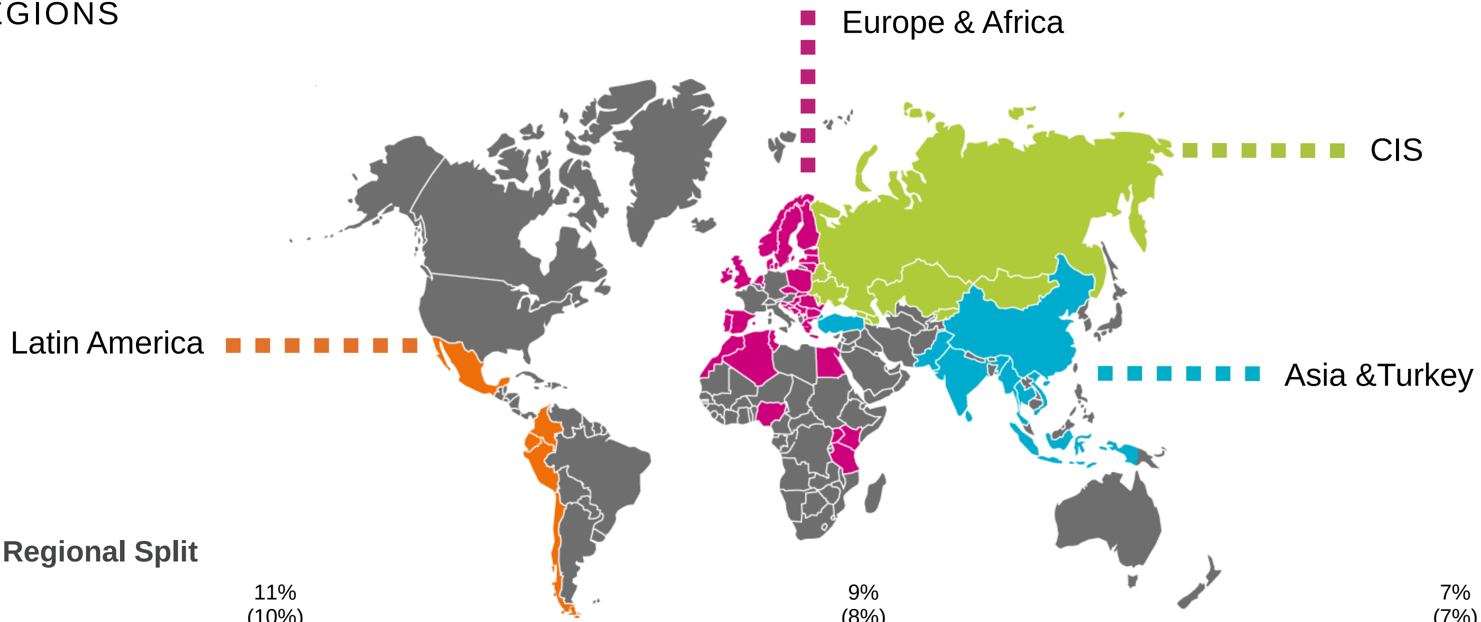
Q1 HIGHLIGHTS

- **Sales** 8% in lc, 11% in €
  - Strong performance in LA and Asia & Turkey
  - Continued improvements in Africa
  - Weaker underlying sales in CIS
  - Q2 update: 11% QTD and 9% YTD lc sales
- **Operating margin** 8.8% (6.9%)
  - Currency impact +90 bps
  - Net profit €19.5m (€10.7m)
- **Strong** net financial position
- **Capital Markets Day** 2017

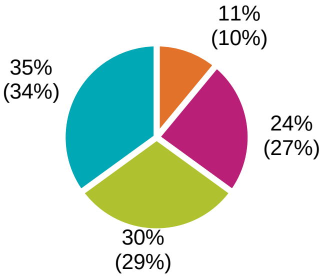
OPERATIONAL HIGHLIGHTS

- **Price/mix** +11%
  - Unit decline -3%
- **Registered actives** -4%
  - Lc productivity +12%
- Double-digit growth for **strategic product categories**
  - **Skin Care** and **Wellness**
- New launches in **Fragrances** and **Colour Cosmetics**
- Continued strong **online development**
  - Increased use of **mobile apps**
  - Launch of new **training modules**
- Improved **capacity utilisation** in manufacturing
  - **Insourcing** efforts, favourable **product mix** and **pre-production**

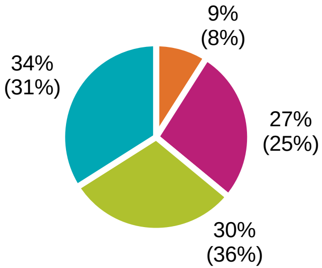
REGIONS



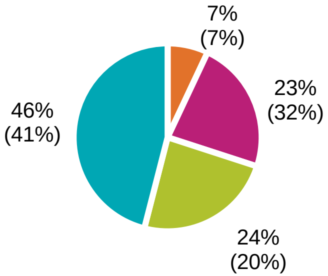
Q1 Regional Split



SALES



REGISTERED ACTIVES

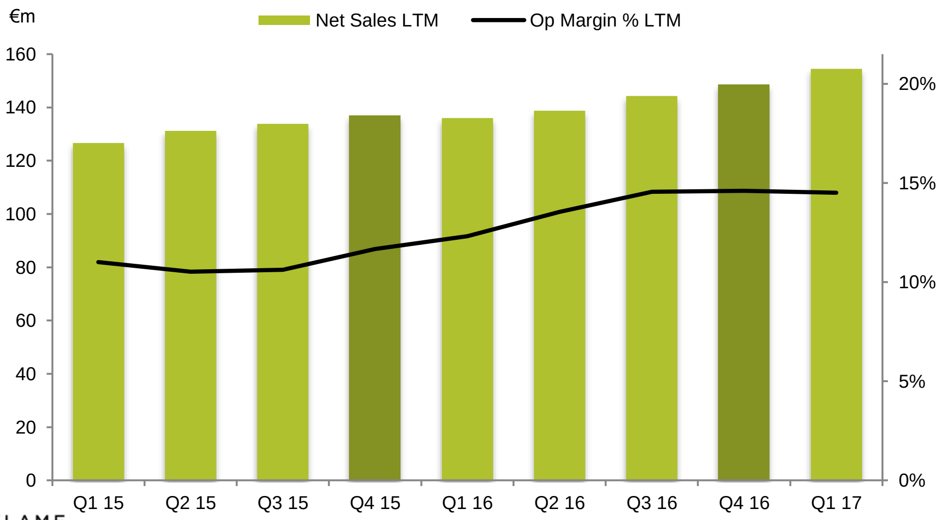


OPERATING PROFIT

LATIN AMERICA

- Sales force and productivity
  - Registered actives +9%
  - Lc productivity +11%
  - € productivity +10%
- Continued strong performance in Mexico and Peru
  - Strong leadership development
  - Healthy productivity levels
- Improvements in Ecuador
- Operating margin +60 bps
  - Negative currency movements
  - Sales leverage
  - Price increases

	Q1'17	Q1'16	Change	LTM, April'16 - March'17	LTM, April'15 - March'16	Change	YE'16
Sales, €m	35.3	29.4	20%	154.5	135.9	14%	148.6
Lc sales	-	-	21%	-	-	24%	-
Operating profit, €m	3.3	2.6	27%	22.4	16.8	34%	21.7
Operating margin	9.5%	8.9%	-	14.5%	12.3%	-	14.6%
Registered actives '000	266	243	9%	266	243	9%	288



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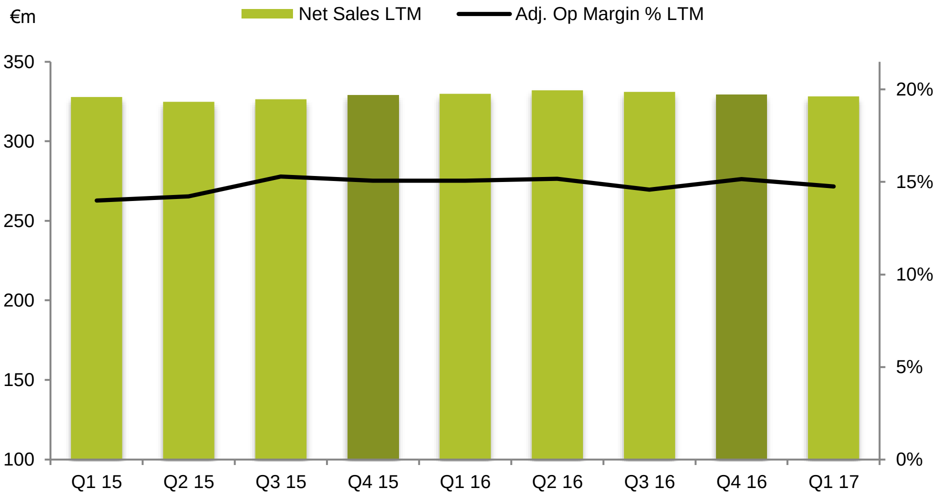
EUROPE & AFRICA

- Sales force and productivity
  - Registered actives +4%
  - Lc productivity +2%
  - € productivity -5%
- Stable sales in Central Europe
  - Healthy growth in Poland and Romania
- Weaker development in Western Europe
- Continued improvements in Africa
  - Macroeconomic and exchange rates challenges
- Operating margin -150 bps
  - Negative currency movements
  - Higher selling and marketing expenses
  - Positive impact from price increases

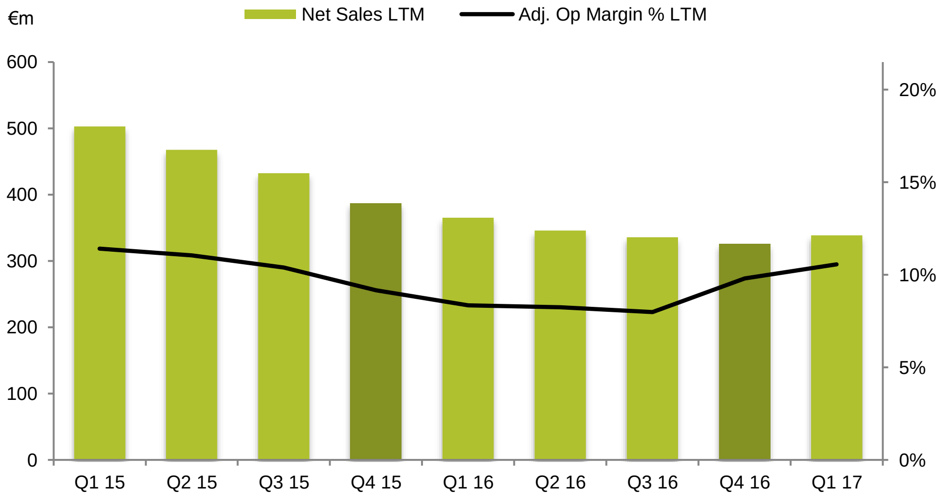
	Q1'17	Q1'16	Change	LTM, April'16 - March'17	LTM, April'15 - March'16	Change	YE'16
Sales, €m	81.3	82.4	(1%)	328.3	329.8	(0%)	329.4
Lc sales	-	-	6%	-	-	5%	-
Operating profit, €m	10.4	11.8	(11%)	48.5	49.7	(2%)	49.9
Operating margin	12.8%	14.3%	-	14.8%	15.1%	-	15.2%
Registered actives '000	802	768	4%	802	768	4%	812



CIS

- Sales force and productivity
  - Registered actives -22%
  - Lc productivity +20%
  - € productivity +46%
- Russia lc sales -4%
- High online activity and leadership development
- Weaker underlying sales performance
- Favourable currency situation allows growth focus
- Visit by local authorities
- Operating margin +280 bps
  - Favourable exchange rates
  - Price increases

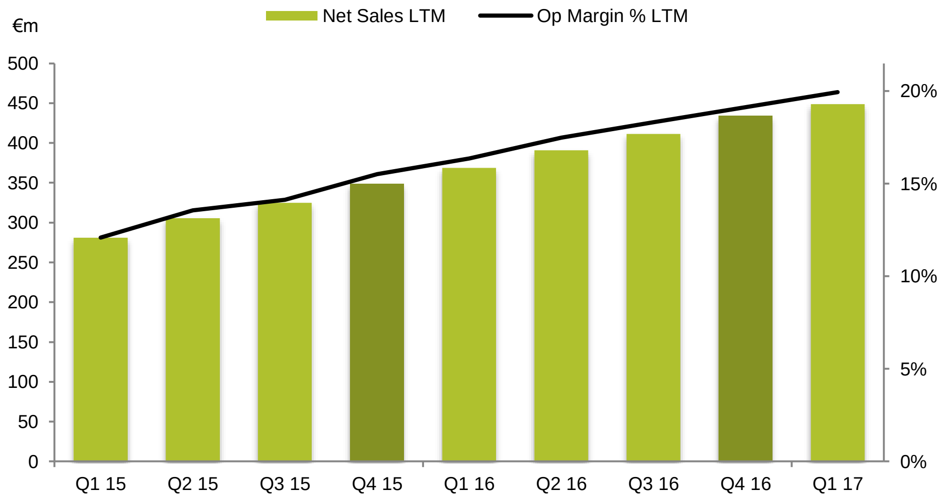
	Q1'17	Q1'16	Change	LTM, April'16 - March'17	LTM, April'15 - March'16	Change	YE'16
Sales, €m	99.5	86.6	15%	338.6	365.2	(7%)	325.7
Lc sales	-	-	(6%)	-	-	(4%)	-
Operating profit, €m	11.1	7.2	53%	35.8	30.1	19%	31.9
Operating margin	11.2%	8.4%	-	10.6%	8.2%	-	9.8%
Registered actives '000	889	1,133	(22%)	889	1,133	(22%)	926



ASIA & TURKEY

- Sales force and productivity
  - Registered actives +8%
  - Lc productivity +7%
  - € productivity +6%
- Strong performance in China, Indonesia, Turkey and Vietnam
- Weak development in Thailand
- Negative impact from demonetization in India
- Operating margin +360 bps
  - Favourable geographical mix
  - Sales leverage
  - Positive timing of costs

	Q1'17	Q1'16	Change	LTM, April'16 - March'17	LTM, April'15 - March'16	Change	YE'16
Sales, €m	118.2	103.9	14%	448.6	368.6	22%	434.3
Lc sales	-	-	16%	-	-	26%	-
Operating profit, €m	21.1	14.7	43%	89.5	60.3	48%	83.1
Operating margin	17.8%	14.2%	-	19.9%	16.4%	-	19.1%
Registered actives '000	1,034	961	8%	1,034	961	8%	980

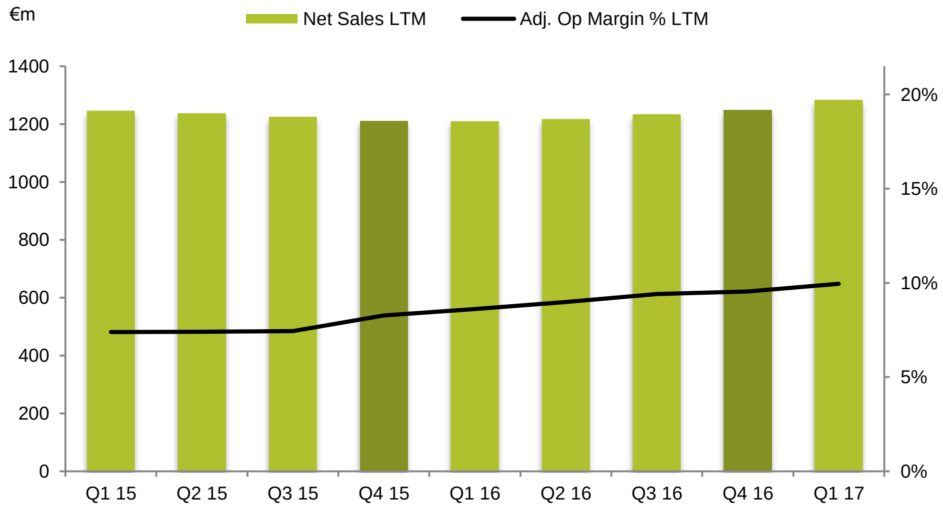


FINANCIALS

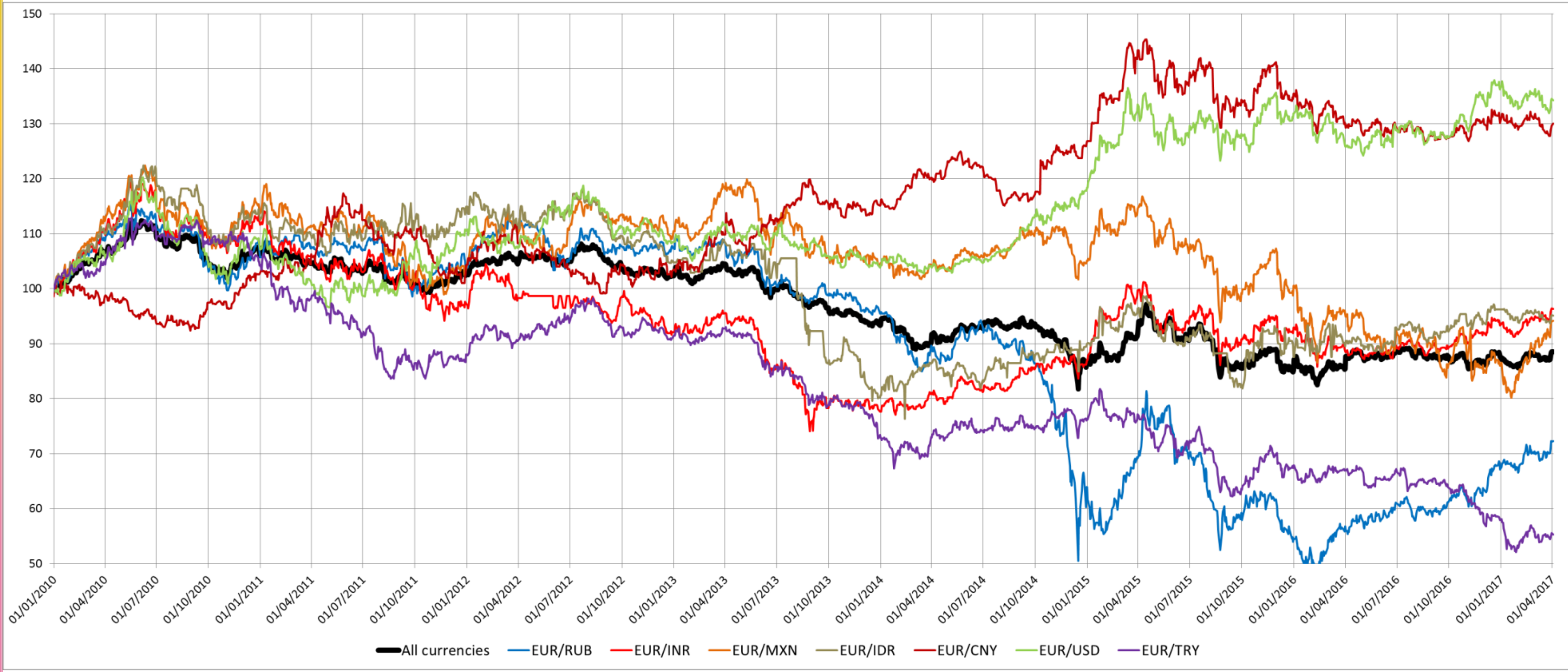
Q1 INCOME STATEMENT

- Sales mix
  - Unit sales -3%
  - Price/mix +11%
- Gross margin 71.6% (69.5%)
  - Positive currency impact +90 bps
  - Positive price/mix
  - Supply chain efficiency measures
- Operating margin +190 bps
  - Higher costs for share incentive plan and bonuses
  - Higher selling and marketing expenses
  - Lower distribution and infrastructure expenses
  - Lower administrative costs
- Net profit €19.5m (€10.7m)
  - Diluted EPS €0.34 (€0.19)

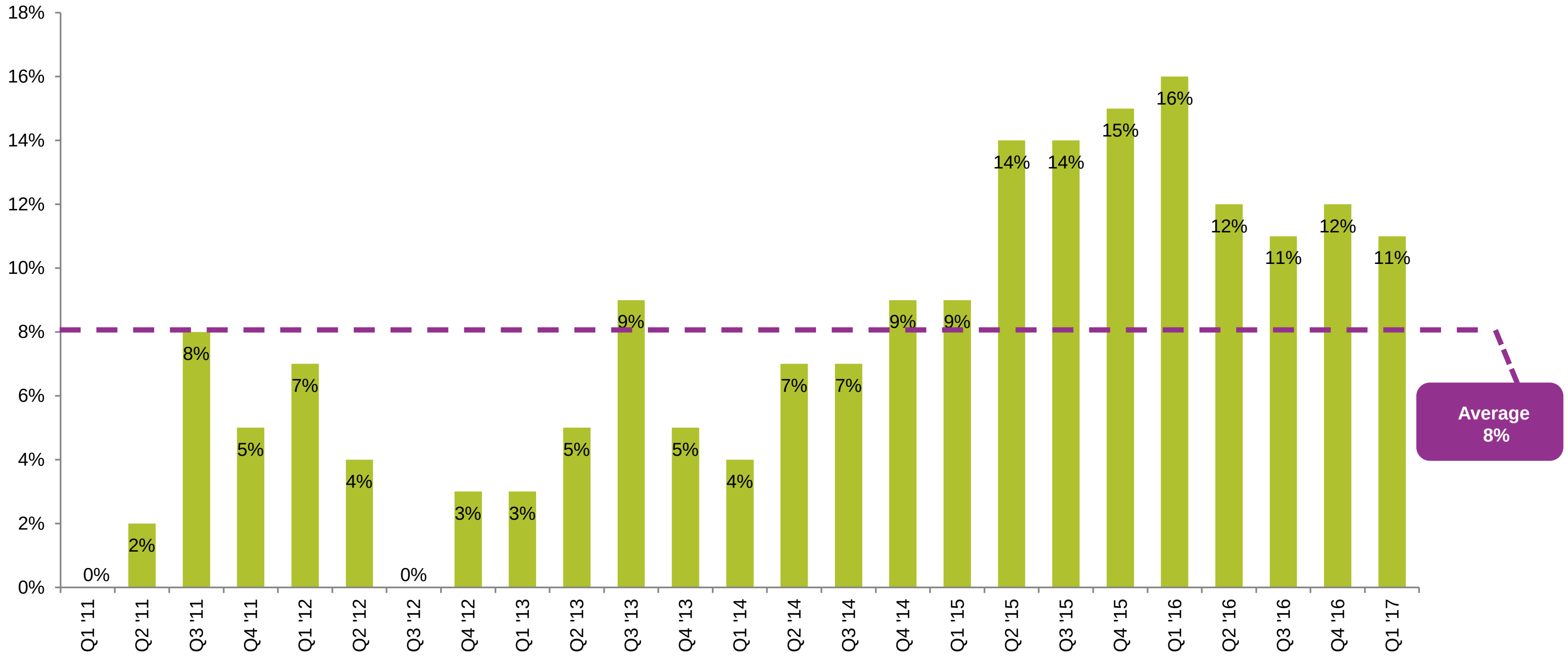
	Q1'17	Q1'16	Change	LTM, April'16 - March'17	LTM, April'15 - March'16	Change	YE'16
Sales, €m	340.1	305.8	11%	1,283.7	1,209.6	6%	1,249.4
Lc sales	-	-	8%	-	-	11%	-
Adj. operating profit, €m	29.8	21.1	41%	127.8	104.1	23%	119.2
Adj. operating margin	8.8%	6.9%		10.0%	8.6%		9.5%
Registered actives '000	2,991	3,105	(4%)	2,991	3,105	(4%)	3,006



GROUP CURRENCY IMPACT ON SALES SINCE 2010

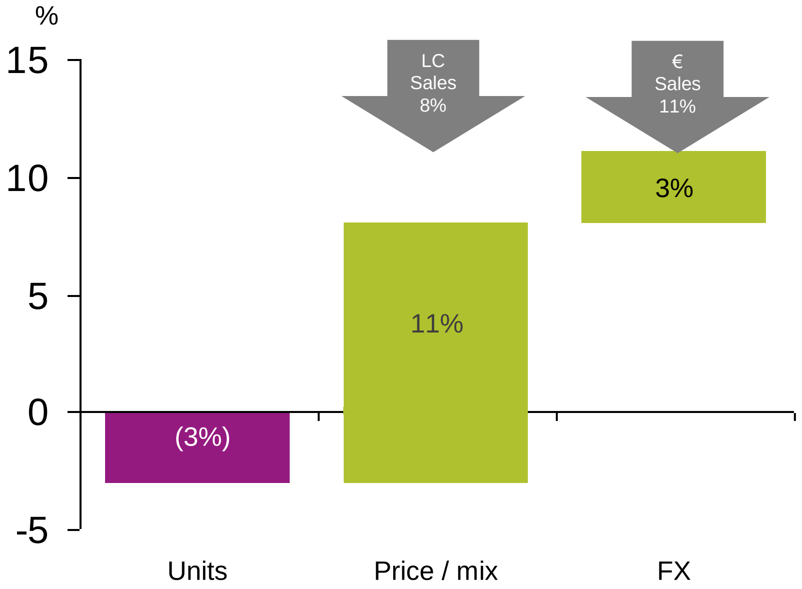


PRICE/MIX IMPACT ON SALES

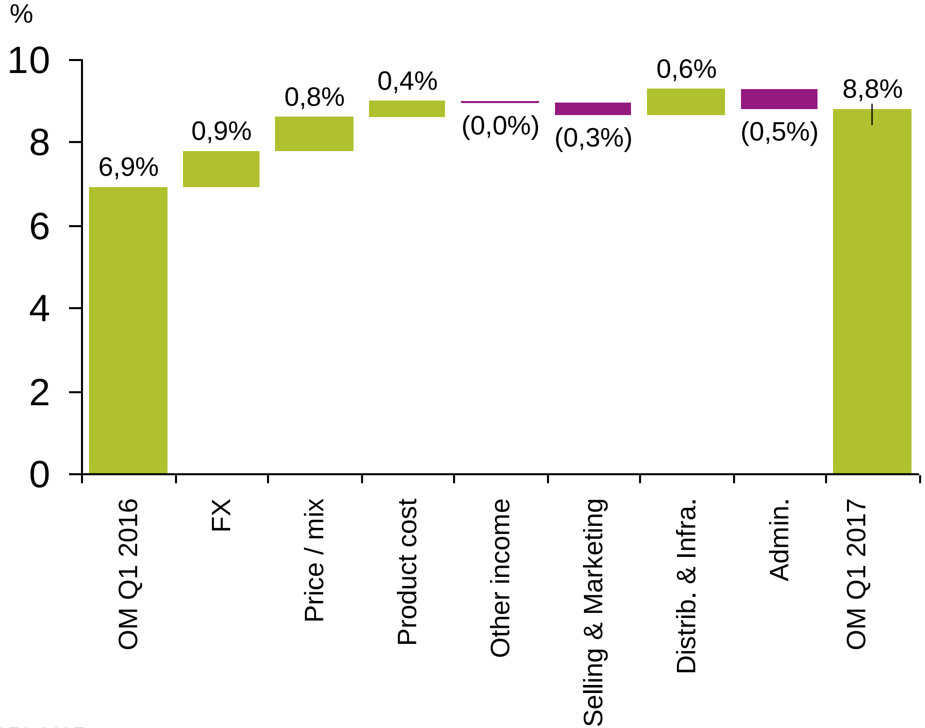


Q1 SALES AND OPERATING MARGIN ANALYSIS

Sales vs. PY



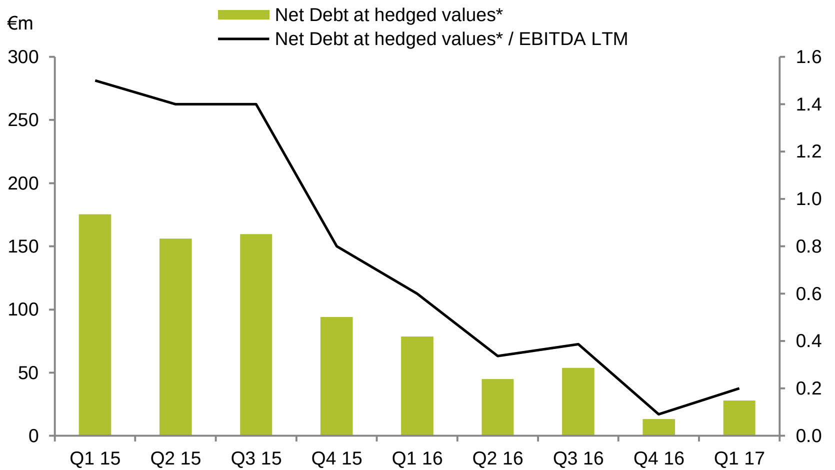
OP Margin vs. PY



Oriflame has made certain assumptions to make/calculate an estimate of the effects of currency, price/mix, etc. on the operating margin.

FINANCIAL POSITION

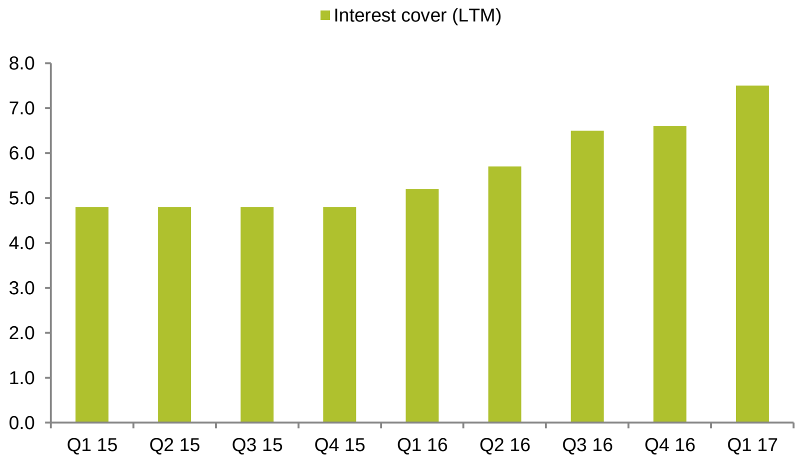
- Net debt at hedged values €28.0m (€78.7m)
  - Net debt €92.7m (€133.8m)
- Net debt at hedged values/ EBITDA (LTM) 0.2 (0.6)
  - Net debt/EBITDA (LTM) 0.6 (1.1)
- Interest cover (Q1): 8.2 (4.7)
- Interest cover (LTM): 7.5 (5.2)



** Adjusted for fair value movements of the USD private placement notes*

COVENANT DISCLOSURE

- Consolidated Net Debt to Consolidated EBITDA: 0.3 (covenant at ≤ 3.0 times)
- Consolidated EBITDA to Consolidated Finance costs: 18.2 (covenant at ≥ 5.0 times)
- Consolidated Net Worth: €212m (covenant at ≥ €120m)

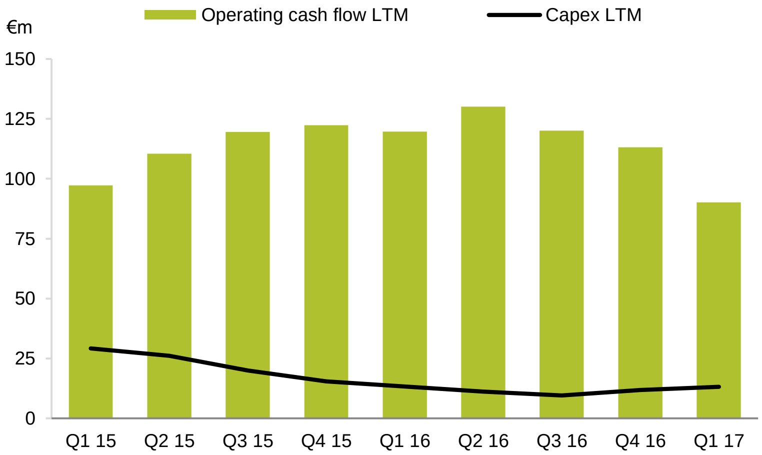


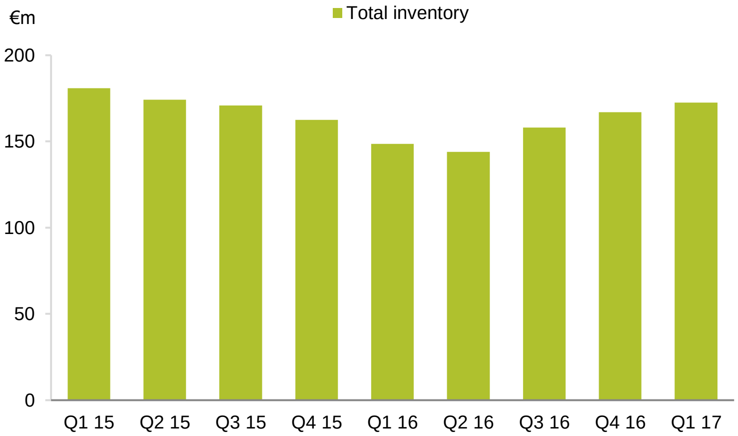
CASH FLOW

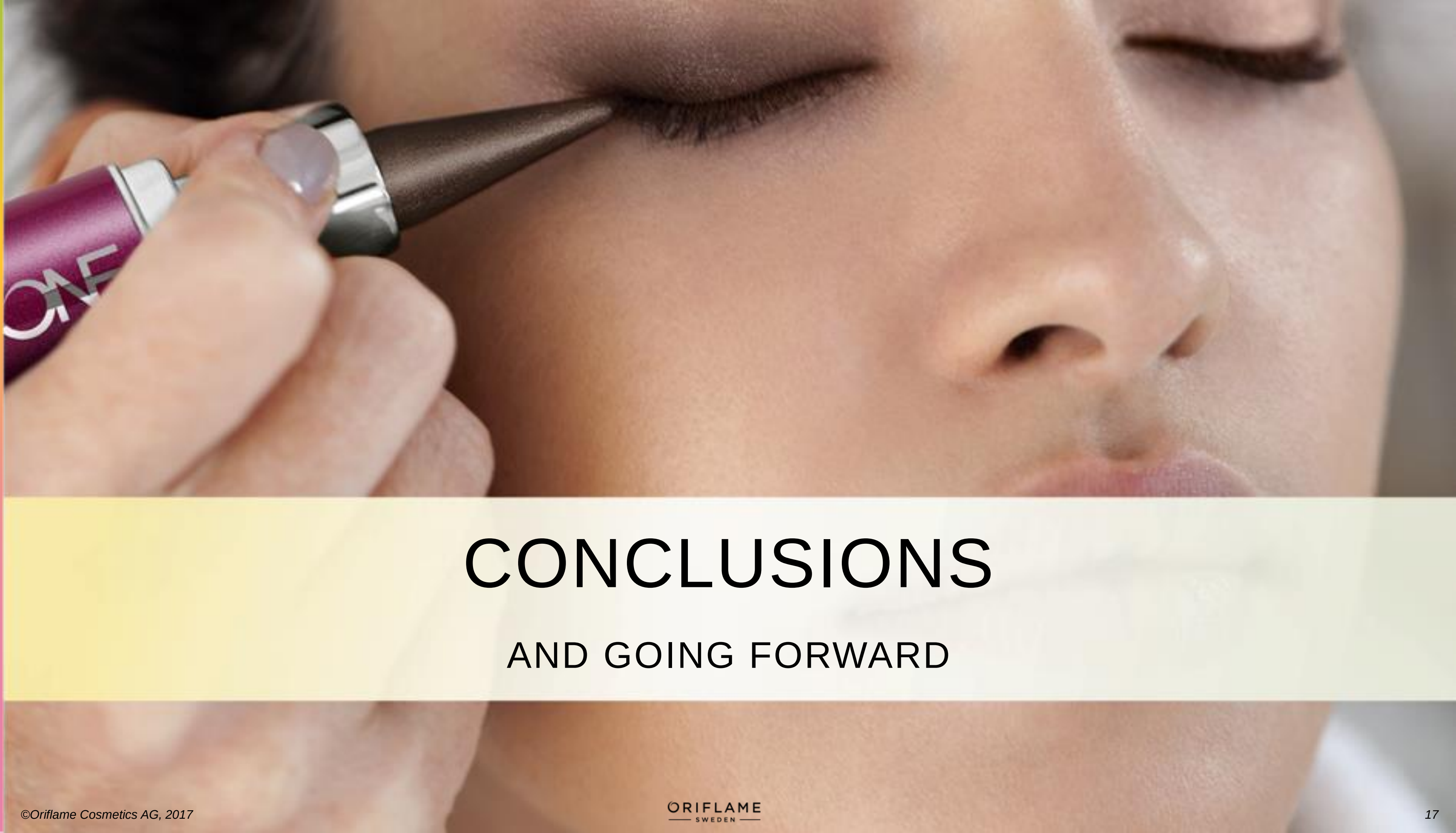
	Q1'17	Q1'16	LTM'17	YE '16
Net profit before income tax, €m	27.4	15.7	112.2	100.5
Op. profit before changes in wc, €m	34.3	18.5	138.8	123.0
Change in working cap. and provisions, €m	(23.4)	13.7	5.5	42.6
Operating CF, €m	(1.5)	21.5	90.1	113.1
CF Investing Activities, €m	(3.0)	(1.7)	(13.2)	(11.9)

Q1 operating cash flow €-1.5m (€21.5m)

- Negative timing of working capital between Q4 2016 and Q1 2017
- Net profit before tax €+11.7m
- Non-cash items in net profit before tax €+4.1m
- Impact from changes in working capital and provisions €-37.1m
  - Inventories €-19.5m
  - Receivables, prepaid exp., asset derivatives €-2.0m
  - Payables, accrued exp., liability derivatives €-16.2m
  - Provisions €0.6m
- Interest, charges, taxes €-1.7m







CONCLUSIONS

AND GOING FORWARD

CONCLUSIONS AND GOING FORWARD

- Sustainable **sales development** with healthy **profitability improvements**:
  - **Euro** growth and **lc** growth
  - Strong **net profit** increase
- Continued success from **online leaders** and **strategic product categories**
- **Efficiency measures** in manufacturing render **results**
- **Macroeconomic** challenges remain
- **Positive start** of 2017

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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, commercialisation and supply disturbances.