



Oriflame Holding AG

SECOND QUARTER 2017 INVESTOR PRESENTATION

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August 17, 09.30 CET



SECOND QUARTER HIGHLIGHTS



Q2 HIGHLIGHTS

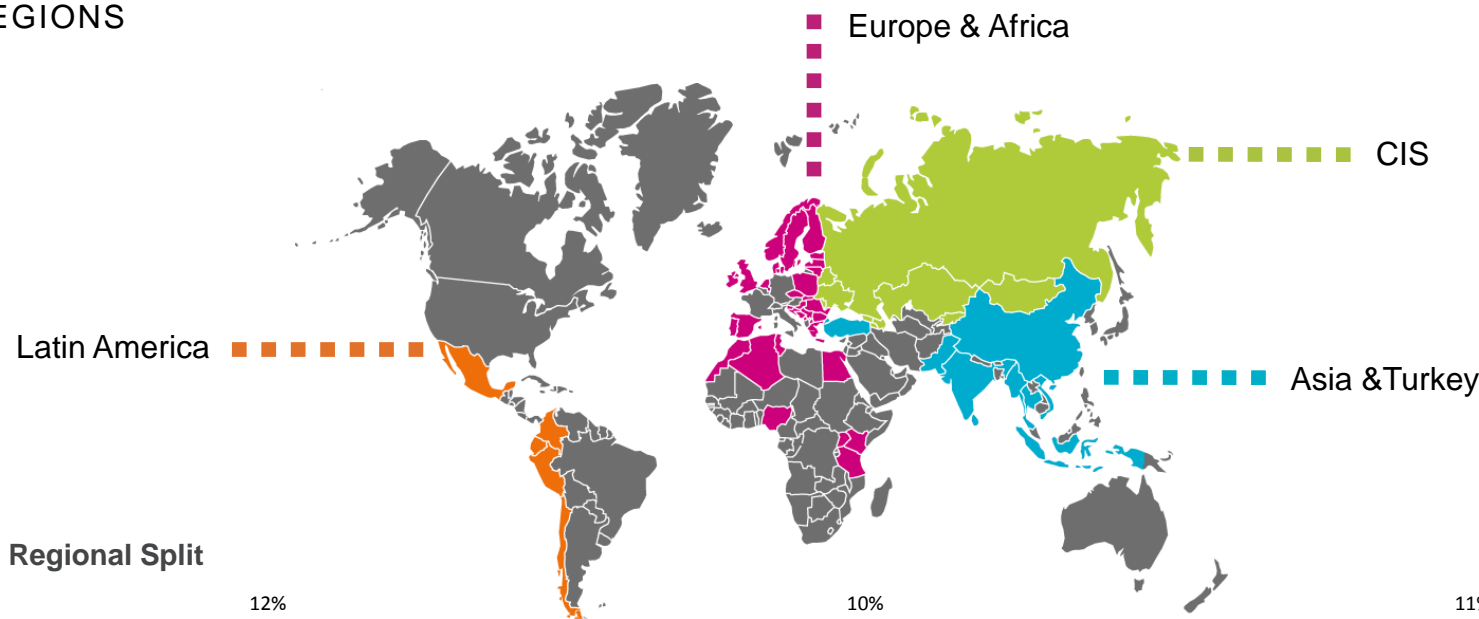
- **Sales** €347.6m (€309.6m) +11% in lc, +12% in €
 - Double-digit growth in Asia & Turkey
 - Europe stable, improvements in Africa
 - Growth in CIS driven by timing and productivity
 - Q3 update: 10% QTD and 9% YTD lc sales
- **Operating margin** 11.7% (9.9%)
 - Currency impact +40 bps
 - Net profit €19.9m (€18.1m)
- **€70m** issue of Euro denominated private placement notes



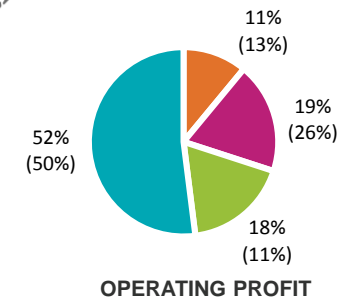
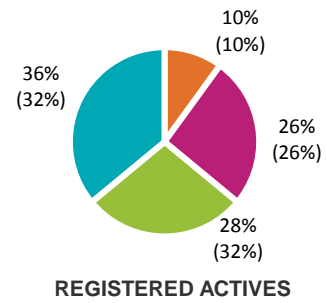
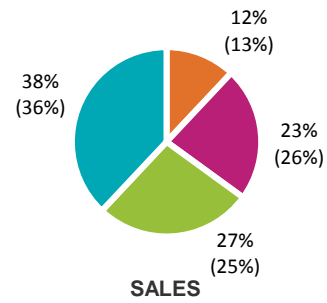
OPERATIONAL HIGHLIGHTS

- **Price/mix +7%**
 - Unit growth +4%
- **Registered actives -2%**
 - Lc productivity +13%
- Executing on **strategic priorities**
 - Double-digit growth in **Skin Care** and **Wellness**
 - Successful launches in **Colour Cosmetics** and **Fragrances**
- Strong global **online development**
 - **500,000** monthly active users of *the Oriflame app*
- Improved **capacity utilization** in manufacturing

REGIONS



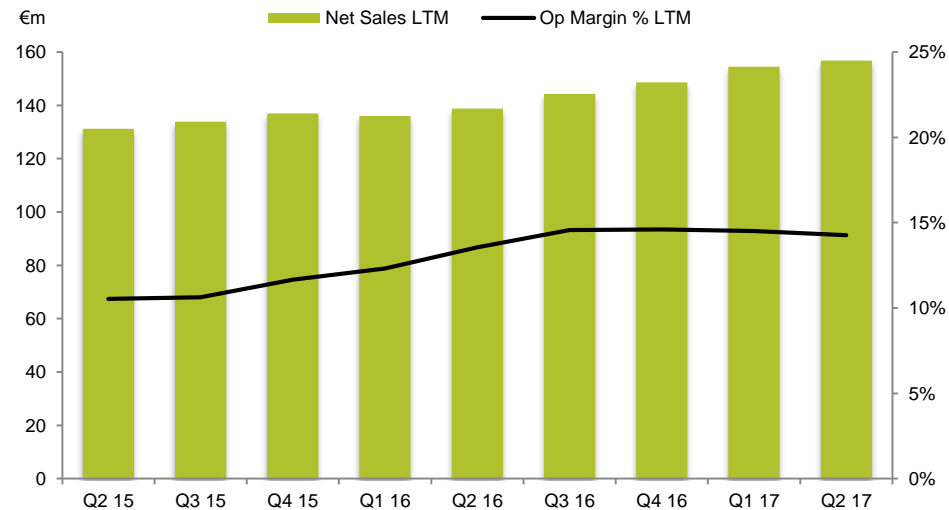
Q2 Regional Split



LATIN AMERICA

- Sales force and productivity
 - Registered actives -1%
 - Lc productivity +5%
 - € productivity +7%
- Negative timing of catalogues
- Continued strong performance in Mexico and Peru
- Improvements in Ecuador, weak development in Colombia
- Healthy productivity levels
 - Price increases
 - Strategic product categories
- Operating margin -100 bps
 - Negative currency movements
 - Price increases
 - Favourable product mix

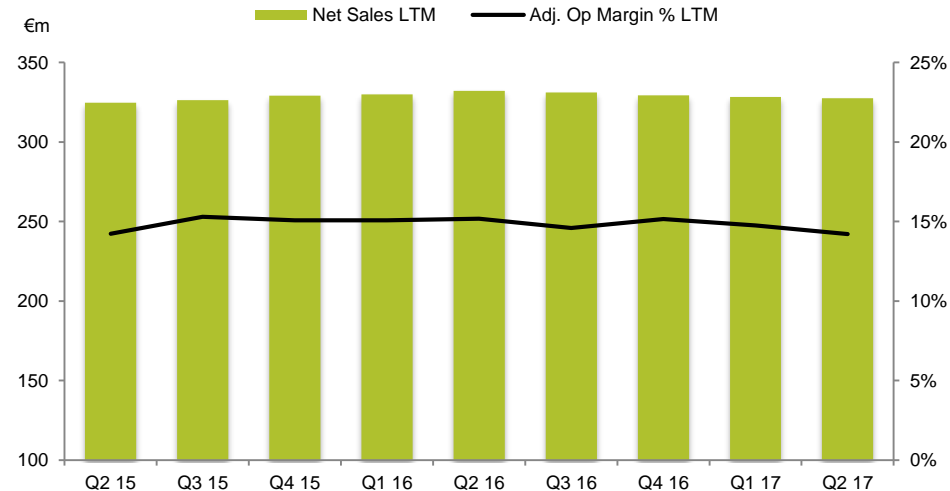
	Q2'17	Q2'16	Change	LTM, July'16 - June'17	LTM, July'15 - June'16	Change	YE'16
Sales, €m	40.9	38.5	6%	156.8	138.7	13%	148.6
Lc sales	-	-	4%	-	-	18%	-
Operating profit, €m	6.0	6.1	(1%)	22.4	18.8	19%	21.7
Operating margin	14.8%	15.8%	-	14.3%	13.5%	-	14.6%
Registered actives '000	284	286	(1%)	284	286	(1%)	288



EUROPE & AFRICA

- Sales force and productivity
 - Registered actives -1%
 - Lc productivity +5%
 - € productivity stable
- Stable sales in Europe
 - Healthy leadership development in Central Europe
 - Soft performance in Western Europe
- Solid underlying performance in Africa
 - Macroeconomic and exchange rates challenges
- Operating margin -230 bps
 - Negative currency movements
 - Higher selling and marketing expenses
 - Price increases

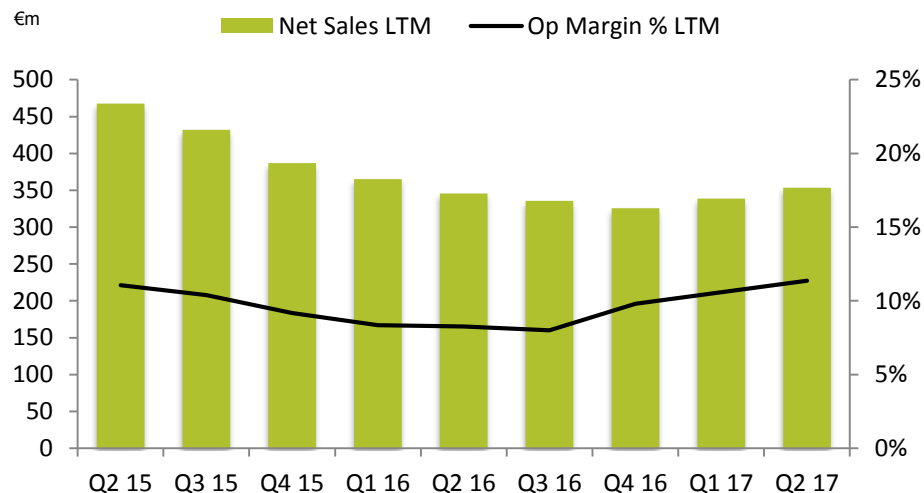
	Q2'17	Q2'16	Change	LTM, July'16 - June'17	LTM, July'15 - June'16	Change	YE'16
Sales, €m	80.3	81.2	(1%)	327.4	332.0	(1%)	329.4
Lc sales	-	-	4%	-	-	4%	-
Operating profit, €m	10.4	12.4	(16%)	46.5	50.4	(8%)	49.9
Operating margin	12.9%	15.2%	-	14.2%	15.2%	-	15.2%
Registered actives '000	734	740	(1%)	734	740	(1%)	812



CIS

- Sales force and productivity
 - Registered actives -13%
 - Lc productivity +22%
 - € productivity +37%
- Russia lc sales +10%
 - Ongoing productivity growth
 - Positive timing of catalogues
- Challenges in Ukraine and Kazakhstan
- High online and leadership development
- Operating margin +380 bps
 - Favourable exchange rates
 - Price increases
 - Sales leverage

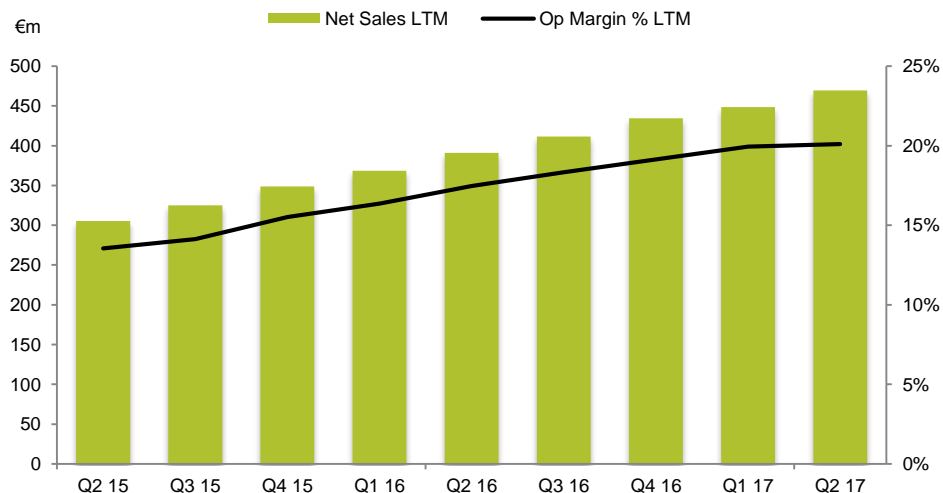
	Q2'17	Q2'16	Change	LTM, July'16 - June'17	LTM, July'15 - June'16	Change	YE'16
Sales, €m	92.9	78.0	19%	353.6	345.7	2%	325.7
Lc sales	-	-	6%	-	-	(4%)	-
Operating profit, €m	9.7	5.2	85%	40.2	28.5	41%	31.9
Operating margin	10.5%	6.7%	-	11.4%	8.2%	-	9.8%
Registered actives '000	794	913	(13%)	794	913	(13%)	926



ASIA & TURKEY

- Sales force and productivity
 - Registered actives +8%
 - Lc productivity +12%
 - € productivity +10%
- Most markets performed well
 - Healthy growth in China
 - Notably strong performance in Vietnam
- Indonesia and Turkey impacted by Ramadan
- Weak development in India
 - Adapting to administrative changes
- Operating margin +40 bps
 - Favourable geographical mix
 - Negative currency movements
 - Higher selling and marketing expenses

	Q2'17	Q2'16	Change	LTM, July'16 - June'17	LTM, July'15 - June'16	Change	YE'16
Sales, €m	130.3	109.5	19%	469.3	390.9	20%	434.3
Lc sales	-	-	21%	-	-	22%	-
Operating profit, €m	28.0	23.1	21%	94.4	68.3	38%	83.1
Operating margin	21.5%	21.1%	-	20.1%	17.5%	-	19.1%
Registered actives '000	994	923	8%	994	923	8%	980



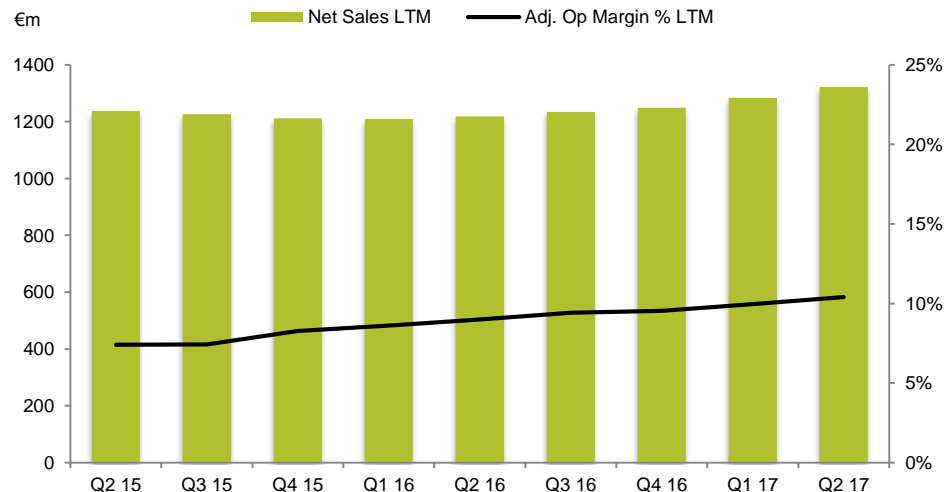


FINANCIALS

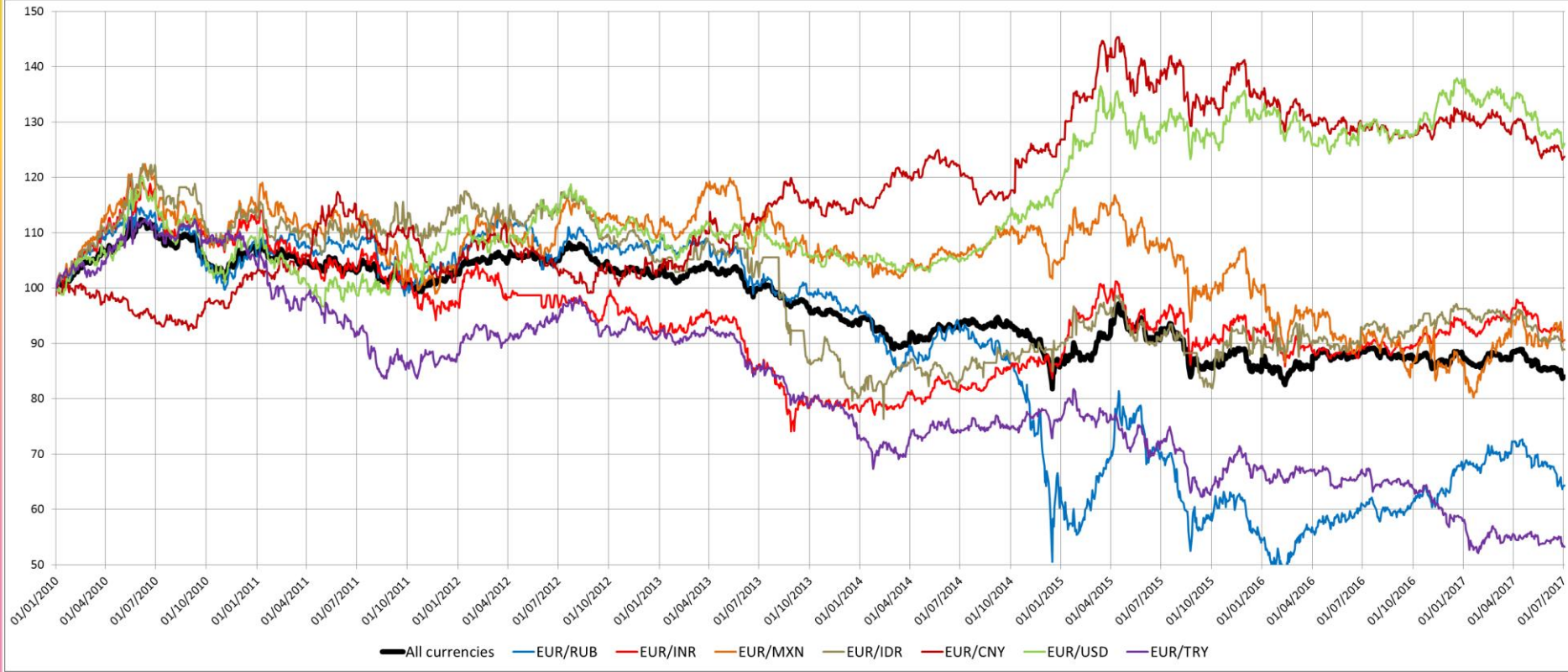
Q2 INCOME STATEMENT

- Sales mix
 - Unit sales +4%, Price/mix +7%
- Gross margin 72.9% (71.5%)
 - Positive currency impact 40 bps
 - Positive price/mix
 - Supply chain efficiency measures
- Operating margin +180 bps
 - Lower distribution and infrastructure expenses
 - Lower administrative costs
 - Higher selling and marketing expenses
 - Higher costs for share incentive plan and bonuses
- Net profit €19.9m (€18.1m)
 - Diluted EPS €0.35 (€0.32)
 - €3m one-off translation reserve loss
 - 300 bps withholding tax on intra group dividends

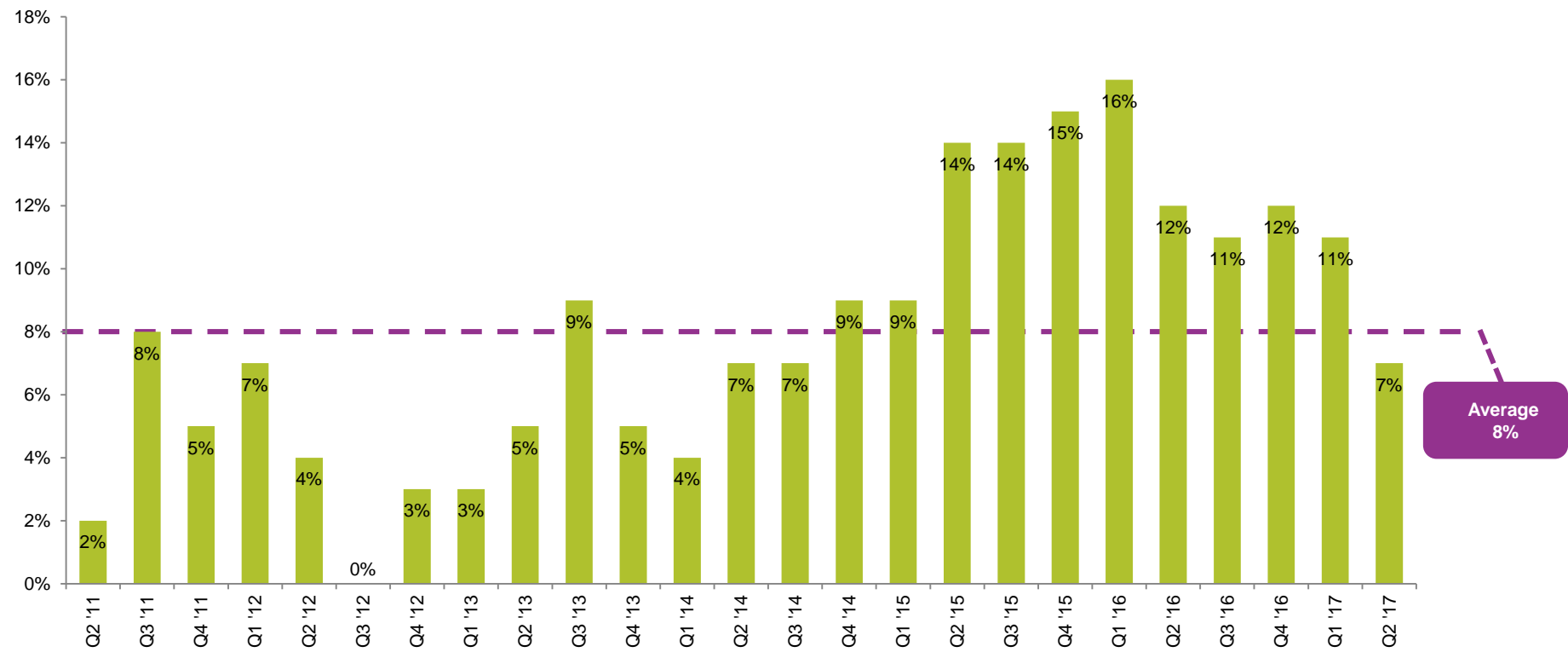
	Q2'17	Q2'16	Change	LTM, July'16 - June'17	LTM, July'15 - June'16	Change	YE'16
Sales, €m	347.6	309.6	12%	1,321.8	1,218.1	9%	1,249.4
Lc sales	-	-	11%	-	-	10%	-
Adj. operating profit, €m	40.5	30.8	32%	137.5	109.9	25%	119.2
Adj. operating margin	11.7%	9.9%	-	10.4%	9.0%	-	9.5%
Registered actives '000	2,806	2,862	(2%)	2,806	2,862	(2%)	3,006



GROUP CURRENCY IMPACT ON SALES SINCE 2010

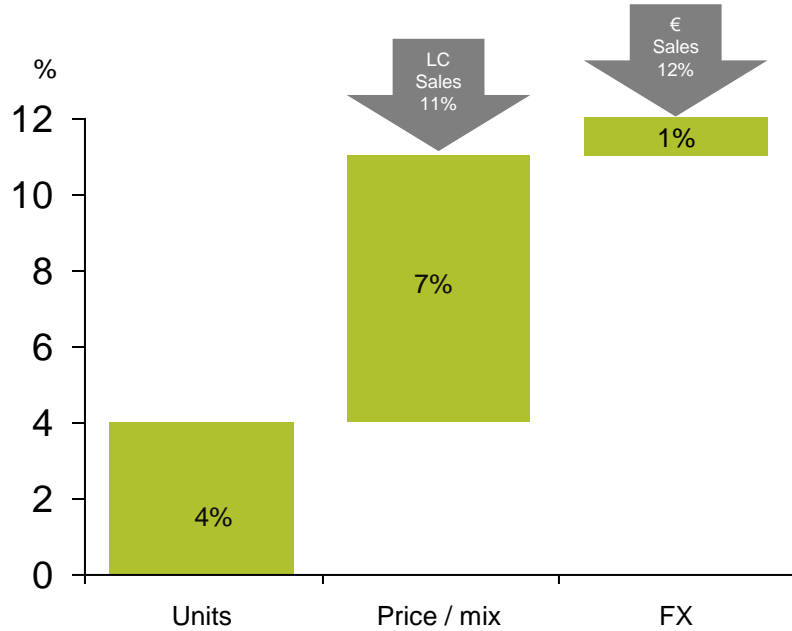


PRICE/MIX IMPACT ON SALES

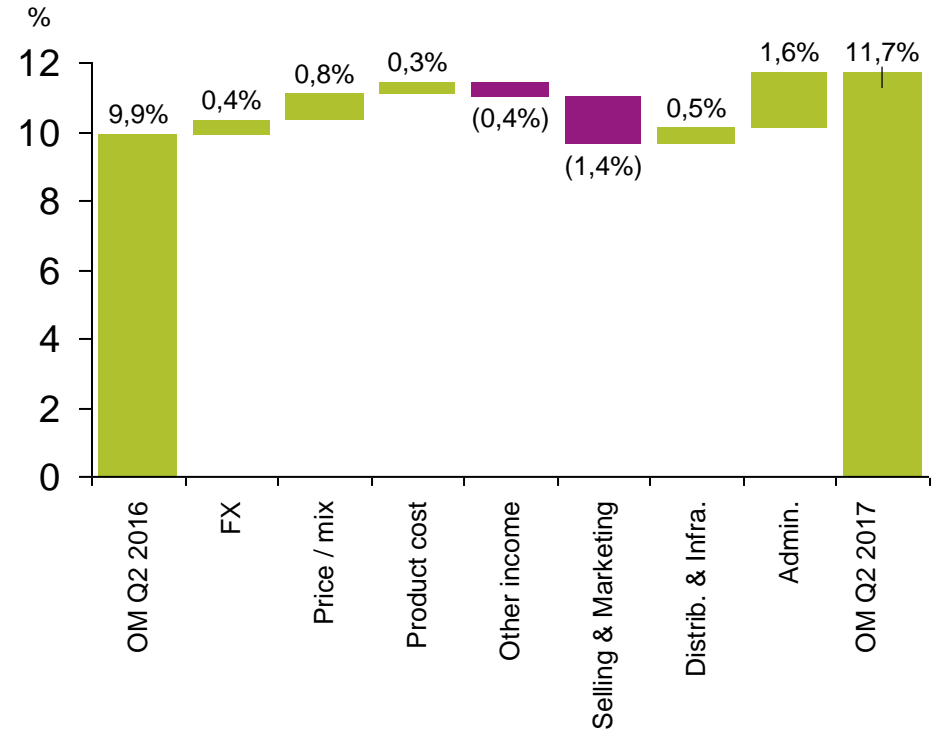


Q2 SALES AND OPERATING MARGIN ANALYSIS

Sales vs. PY



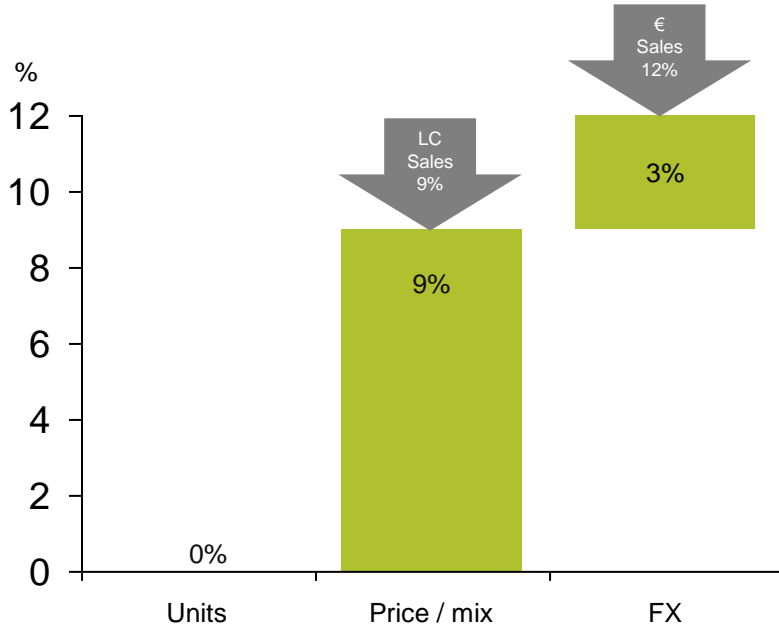
OP Margin vs. PY



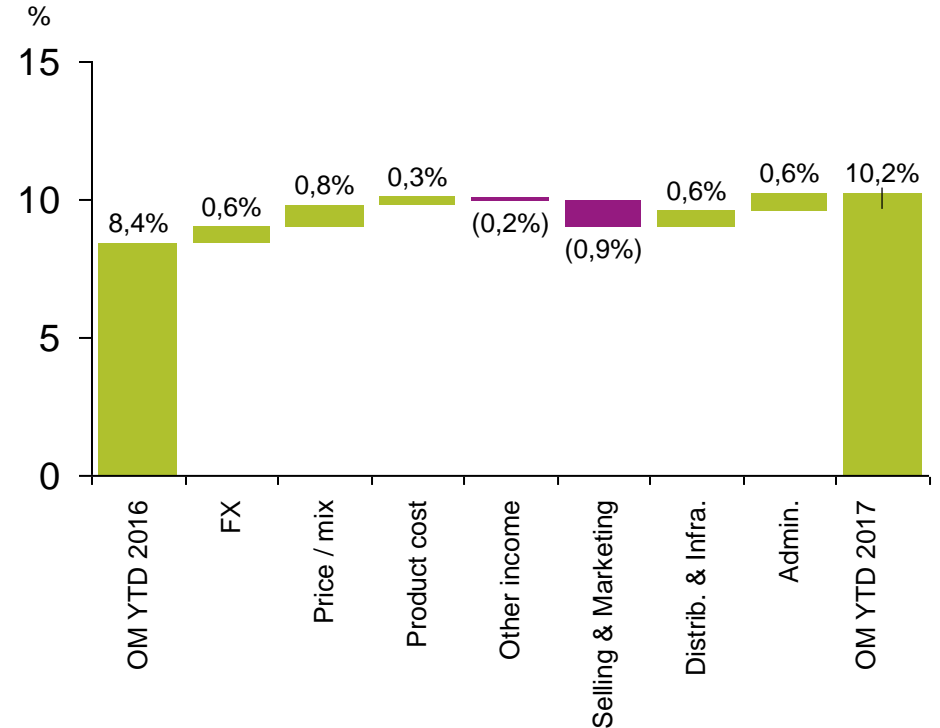
Oriflame has made certain assumptions to make / calculate an estimate of the effects of currency, price/mix, etc. on the operating margin.

YTD 2017 SALES AND OPERATING MARGIN ANALYSIS

Sales vs. PY



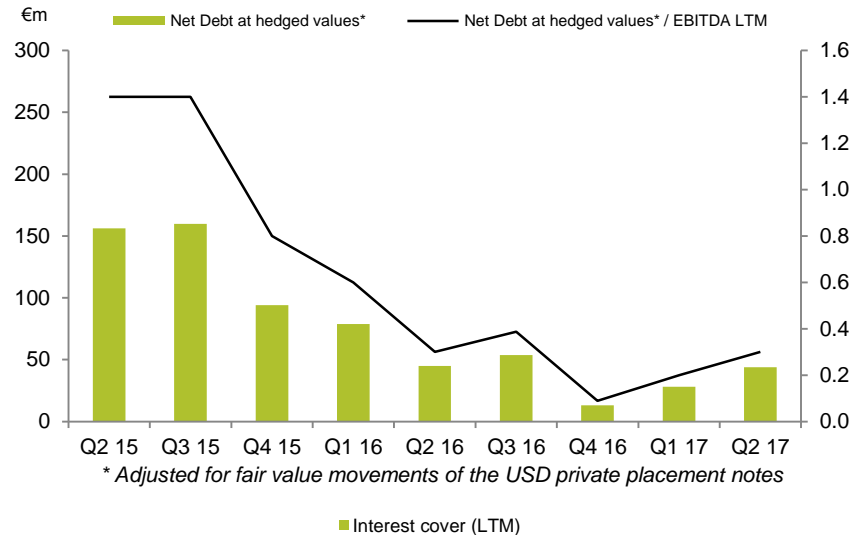
OP Margin vs. PY



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

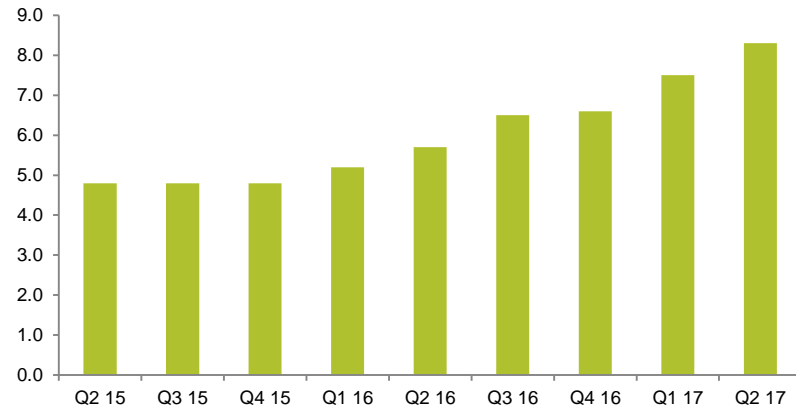
FINANCIAL POSITION

- Net debt at hedged values €43.9m (€44.9m)
 - Net debt €82.4m (€106.5m)
- Net debt at hedged values/ EBITDA (LTM) 0.3 (0.3)
 - Net debt/EBITDA (LTM) 0.5 (0.8)
- Interest cover (Q2): 13.2 (8.2)
- Interest cover (LTM): 8.3 (5.7)



COVENANT DISCLOSURE

- Consolidated Net Debt to Consolidated EBITDA: 0.4 (covenant at ≤ 3.0 times)
- Consolidated EBITDA to Consolidated Finance costs: 19.5 (covenant at ≥ 5.0 times)
- Consolidated Net Worth: €212m (covenant at \geq €120m)

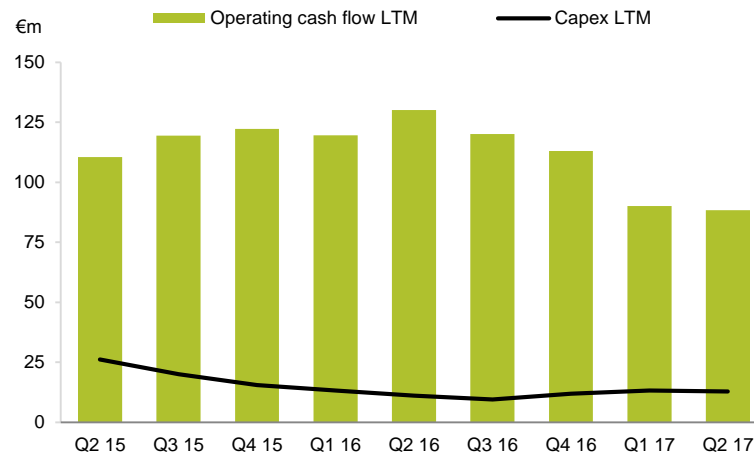


CASH FLOW

	Q2'17	Q2'16	LTM'17	YE'16
Net profit before income tax, €m	29.7	27.1	114.9	100.5
Op. profit before changes in wc, €m	46.2	35.8	149.3	123.0
Change in working cap. and provisions, €m	7.7	11.5	1.6	42.6
Operating CF, €m	33.9	35.8	88.3	113.1
CF Investing Activities, €m	(3.0)	(3.3)	(12.9)	(11.9)

Q2 operating cash flow €33.9 (€35.8m)

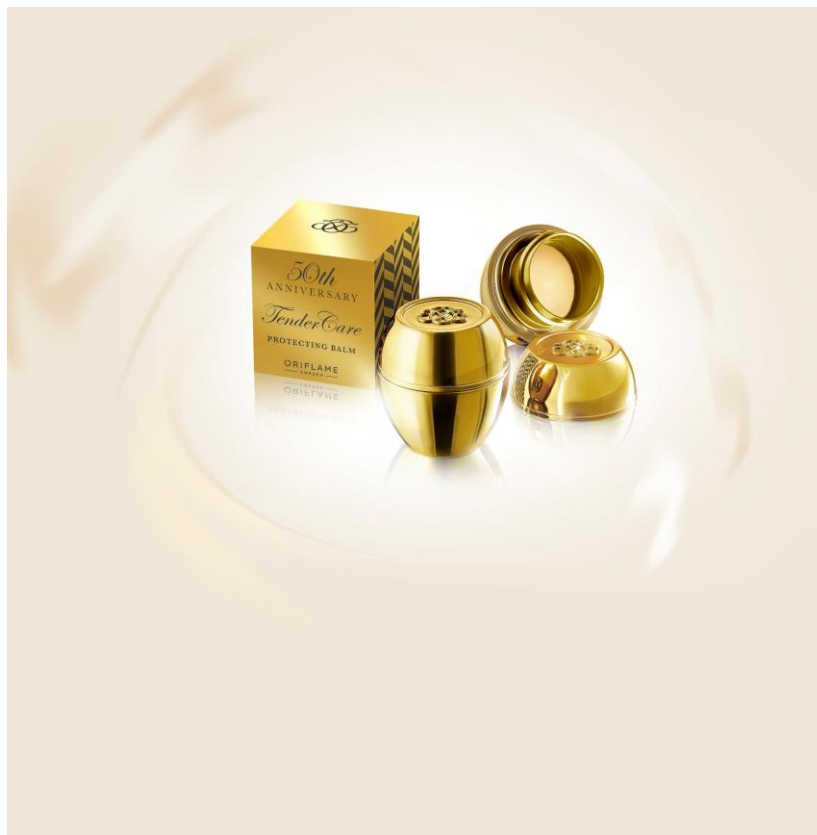
- Net profit before tax €+2.6m
- Non-cash items in net profit before tax €+7.8m
- Impact from changes in working capital and provisions € -3.8m
 - Inventories €-9.7m
 - Receivables, prepaid exp., asset derivatives €+3.3m
 - Payables, accrued exp., liability derivatives €+2.4m
 - Provisions €+0.2m
- Interest, charges, taxes €-8.5m





CONCLUSIONS

AND GOING FORWARD



CONCLUSIONS AND GOING FORWARD

- Another **solid quarter**:
 - **Double-digit Euro** growth and **1c** growth
 - Healthy **profitability improvements**
 - Strong **financial position**
- Delivering on the **strategy**
 - High **online activity**
 - **Skin Care** and **Wellness**
- **50th Anniversary** Gold Conference
- **Continued positive** sales development

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, commercialisation and supply disturbances.