

AUGUST 7, 09.30 CET

Oriflame Holding AG

SECOND QUARTER 2018 INVESTOR PRESENTATION

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ORIFLAME
— S W E D E N —



Reminder - important clarifying information IFRS

- Oriflame has implemented IFRS 15 Revenue from Contracts with Customers from 1st January 2018. An early adoption of IFRS 16 Leases has been made to allow for all changes being implemented at the same time.
- To facilitate the comparison with the 2017 figures, the company has prepared fully adjusted 2018 figures, excluding the impact of IFRS 15, IFRS 16 and related accounting alignments. The fully adjusted figures are comparable with the already reported 2017 figures.
- Where not stated differently, the figures, graphs and comments in this presentation are based on the fully adjusted 2018 figures, to facilitate the comparison with the 2017 figures.

SECOND QUARTER

HIGHLIGHTS



Q2 highlights

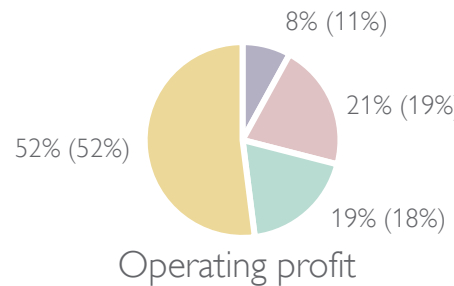
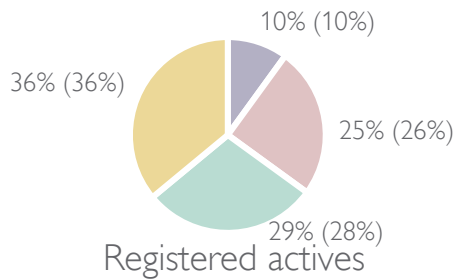
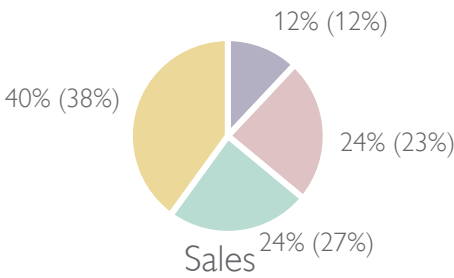
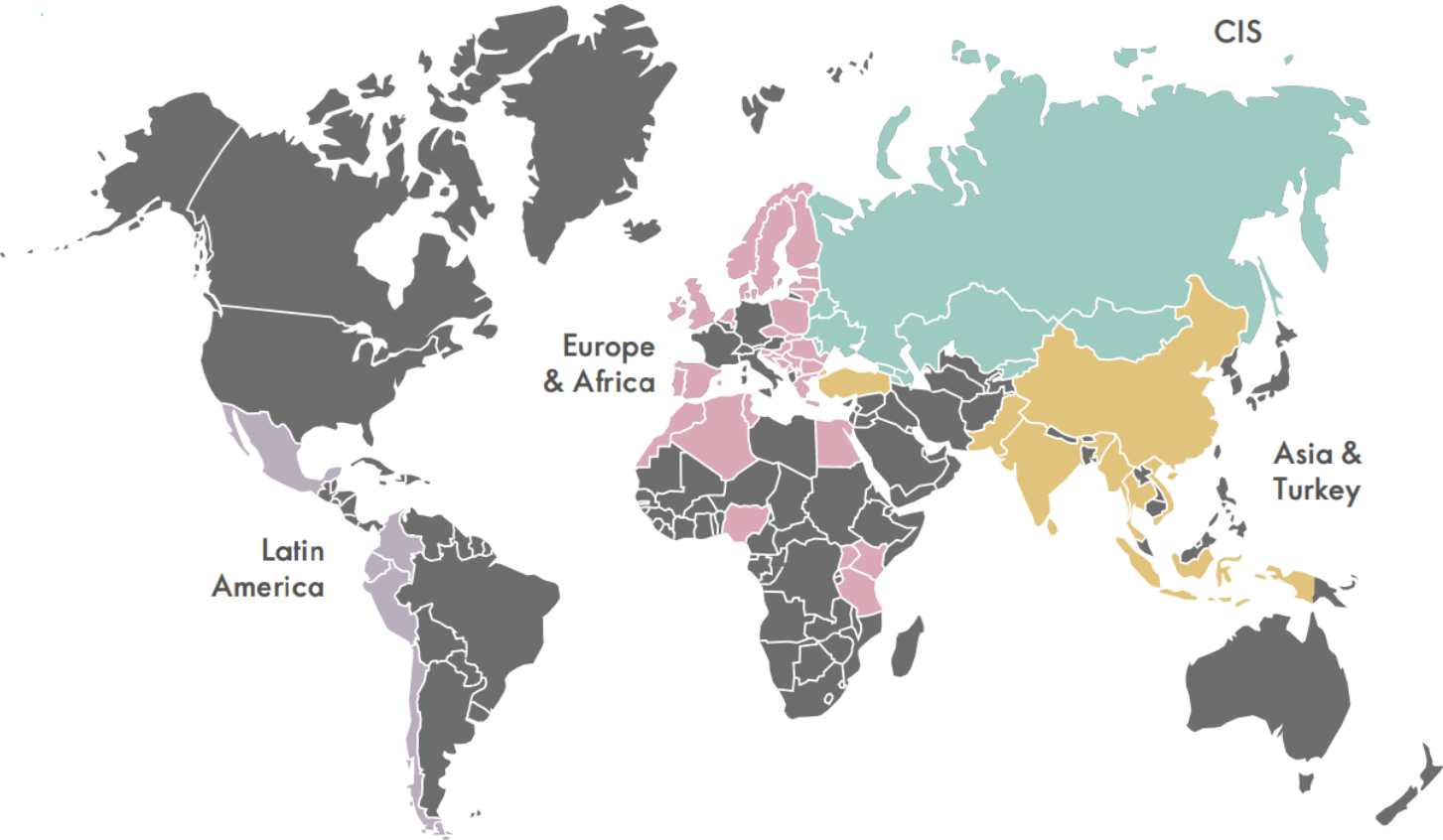
- **Sales** €321.9m (347.6m) -7% in €, +1% in lc
 - Overall weak sales development:
 - Negative timing of catalogues and conferences
 - Challenging market conditions in some key markets
 - Less successful product launches compared to prior year
 - Q3 update: 5% QTD and 4% YTD lc sales
- **Operating margin** 12.0% (11.7%)
 - Currency impact -270 bps
 - Favourable timing and one-off effects of above 100 bps
 - Net profit €25.7m (€19.9m)
- **€50m** issue of Euro denominated private placement notes
- **Strong** net financial position

Operational highlights

- **Price/mix +10%**
 - Unit decline -9%
- **Registered actives -1%**
 - Lc productivity +2%
- Strongest performance in **Wellness**
- Several launches within **Skin Care**
- The **Oriflame Sustainability Report** published
- Continued strong online development
 - New app introduced in **China**
 - **850,000** monthly active users of the *Oriflame app*



Regions

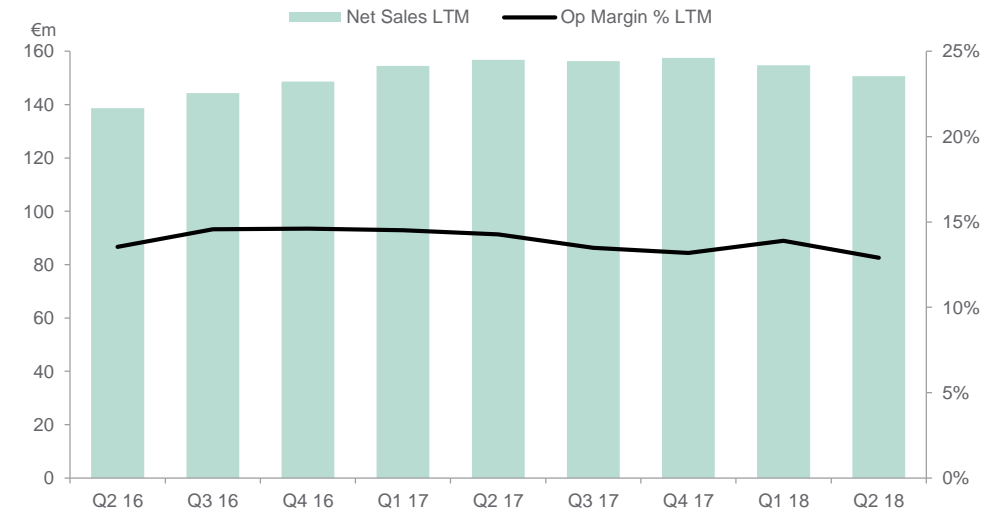


Latin America

- Sales force and productivity
 - Registered actives -4%
 - Lc productivity +3%
 - € productivity -6%
- Weak development in Mexico
 - Price increases dampened activity and recruitment
- Solid growth in Ecuador
- Operating margin -400 bps
 - Sales deleverage
 - Negative currency movements
 - Price increases

	Q2'18*	Q2'18	Q2'17	Change	LTM, July'17 - June'18	LTM, July'16 - June'17	Change	YE'17
Sales, €m	35.5	36.8	40.9	(10%)	150.7	156.8	(4%)	157.5
Lc sales	-	-	-	(1%)	-	-	2%	-
Operating profit, €m	3.7	4.0	6.0	(34%)	19.4	22.4	(13%)	20.8
Operating margin	10.5%	10.8%	14.8%	-	12.9%	14.3%	-	13.2%
Registered actives '000	274	274	284	(4%)	274	284	(4%)	280

*Figures following the adoption of IFRS 15 and IFRS 16

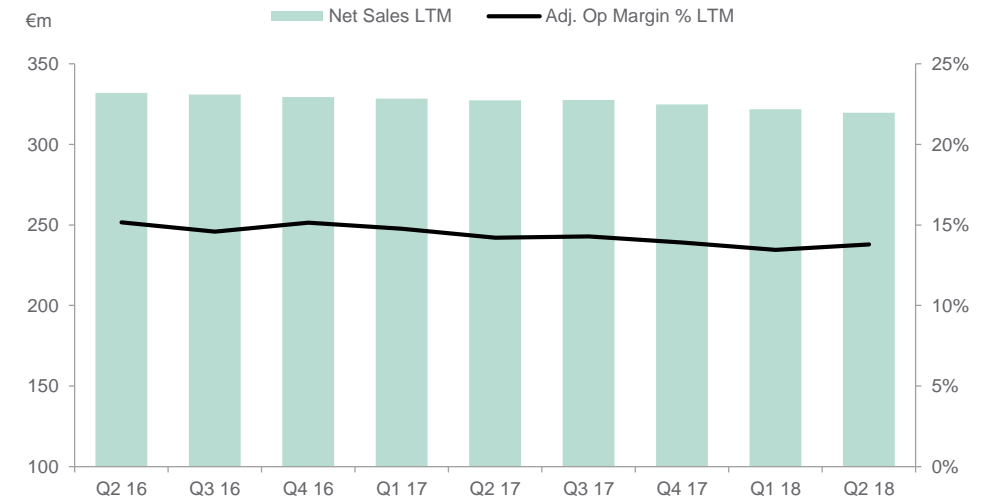


Europe & Africa

- Sales force and productivity
 - Registered actives -6%
 - Lc productivity +4%
 - € productivity +4%
- Stable sales in Central Europe
 - Continued growth in Poland and Romania
- Performance in Western Europe remained weak
- Modest growth in Africa
 - Macroeconomic difficulties
- Operating margin +170 bps
 - Price increases
 - Lower selling and marketing expenses
 - Negative currency movements

	Q2'18*	Q2'18	Q2'17	Change	LTM, July'17 - June'18	LTM, July'16 - June'17	Change	YE'17
Sales, €m	76.4	78.1	80.3	(3%)	319.7	327.4	(2%)	324.7
Lc sales	-	-	-	(2%)	-	-	(1%)	-
Operating profit, €m	11.5	11.4	10.4	10%	44.3	46.5	(5%)	45.2
Operating margin	15.0%	14.6%	12.9%	-	13.8%	14.2%	-	13.9%
Registered actives '000	690	690	734	(6%)	690	734	(6%)	783

*Figures following the adoption of IFRS 15 and IFRS 16

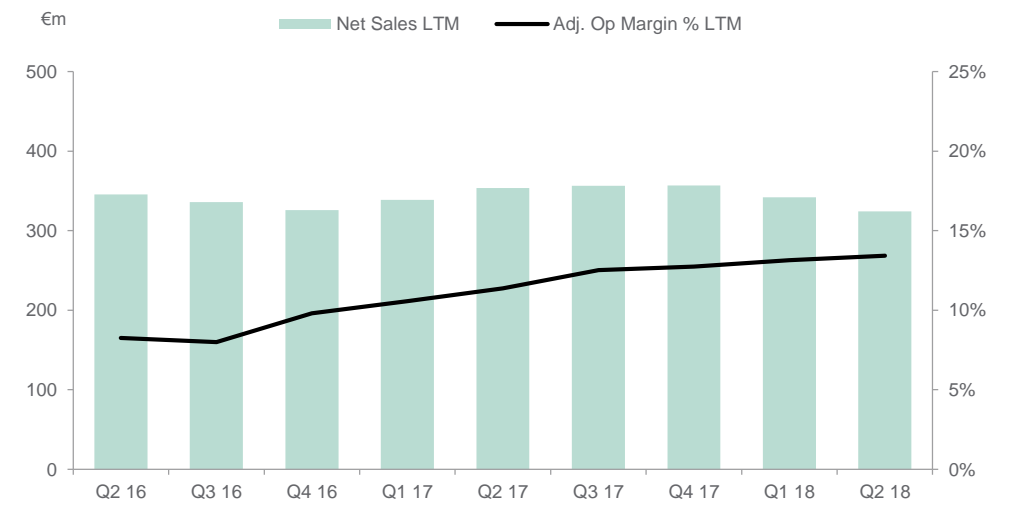


CIS

- Sales force and productivity
 - Registered actives was stable
 - Lc productivity -8%
 - € productivity -19%
- Negative timing of catalogues
- Russia lc sales -13%
 - Weak consumer offering
 - External price pressure
- Positive development in Ukraine, Kazakhstan and Belarus
- Operating margin +60 bps
 - Lower distribution and infrastructure expenses
 - Negative exchange rates
 - Negative timing of selling and marketing expenses

	Q2'18*	Q2'18	Q2'17	Change	LTM, July'17 - June'18	LTM, July'16 - June'17	Change	YE'17
Sales, €m	71.0	75.2	92.9	(19%)	324.2	353.6	(9%)	356.8
Lc sales	-	-	-	(8%)	-	-	(3%)	-
Operating profit, €m	8.1	8.3	9.7	(14%)	43.5	40.2	8%	45.4
Operating margin	11.5%	11.1%	10.5%	-	13.4%	11.4%	-	12.7%
Registered actives '000	792	792	794	(0%)	792	794	(0%)	859

*Figures following the adoption of IFRS 15 and IFRS 16

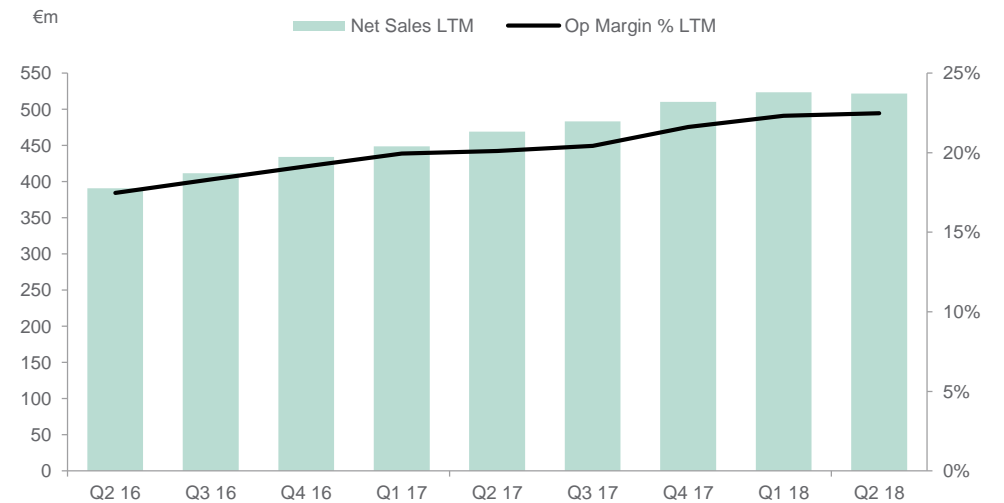


Asia & Turkey

- Sales force and productivity
 - Registered actives +2%
 - Lc productivity +6%
 - € productivity -3%
- Slower sales growth compared to previous quarters
 - Negative timing of conferences
 - Less successful new product launches
- Double-digit sales growth in China and Vietnam
- Challenging market conditions in Indonesia and Turkey
- India still struggling to return to growth
- Operating margin +70 bps
 - Favourable geographical mix
 - Negative currency movements

	Q2'18*	Q2'18	Q2'17	Change	LTM, July'17 - June'18	LTM, July'16 - June'17	Change	YE'17
Sales, €m	123.2	128.7	130.3	(1%)	522.0	469.3	10%	510.2
Lc sales	-	-	-	8%	-	-	22%	-
Operating profit, €m	28.5	28.5	28.0	2%	117.3	94.4	24%	110.3
Operating margin	23.1%	22.2%	21.5%	-	22.5%	20.1%	-	21.6%
Registered actives '000	1,012	1,012	994	2%	1,012	994	2%	1,145

*Figures following the adoption of IFRS 15 and IFRS 16



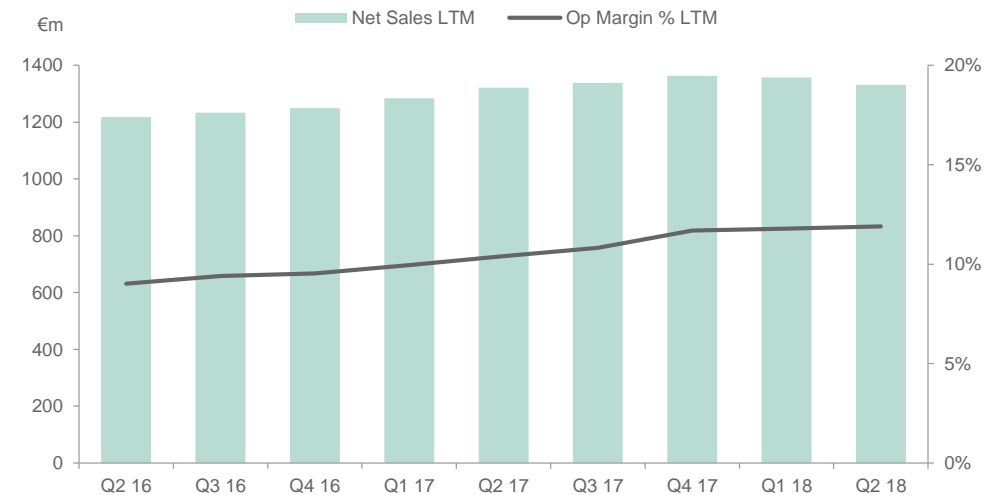
FINANCIALS

Q2 income statement

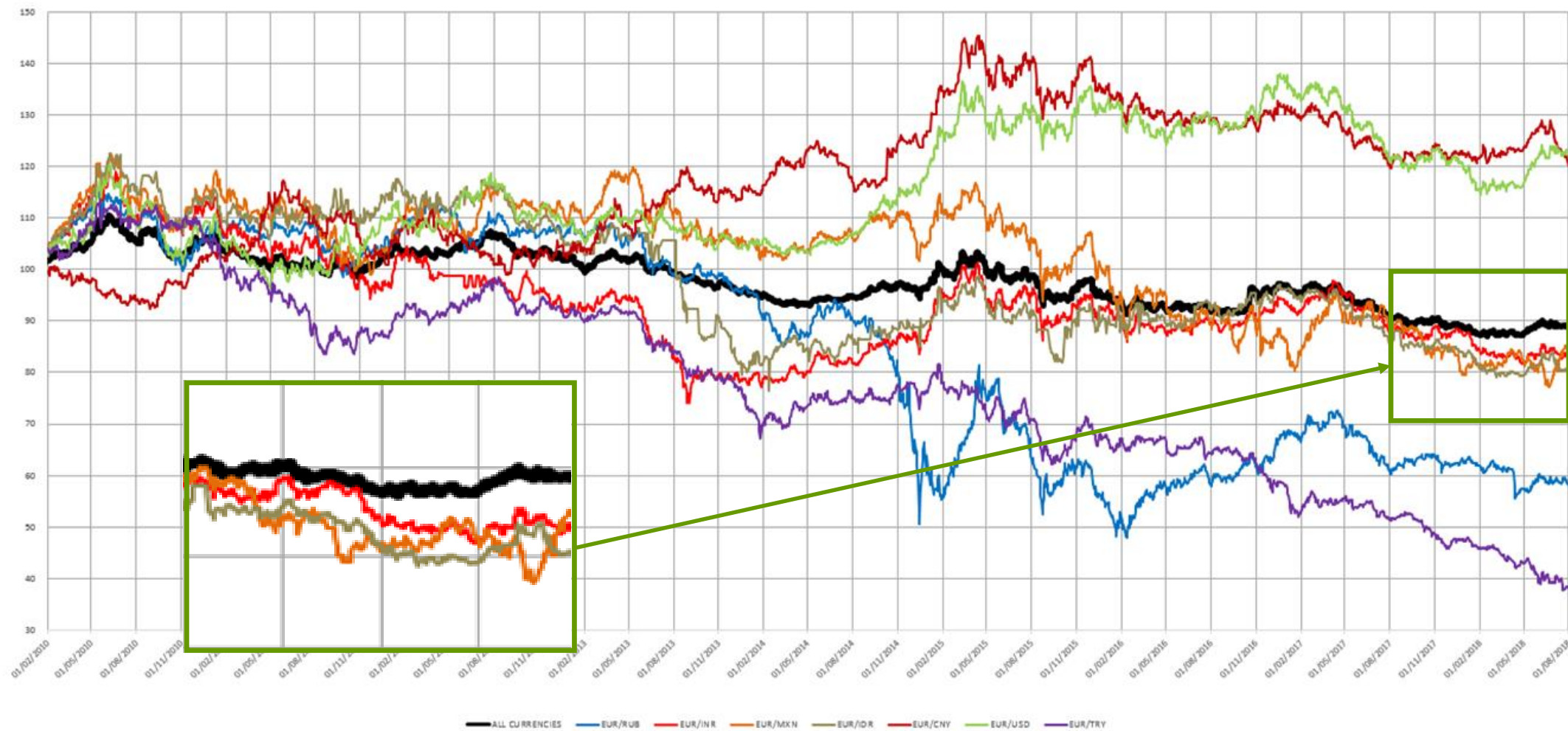
- Sales mix
 - Unit sales -9%
 - Price/mix +10%
- Gross margin 73.4% (72.9%)
 - Negative currency movements
 - Positive price/mix effect
- Operating margin +30 bps
 - Negative currency impact 270 bps
 - Lower selling and marketing expenses
 - Lower distribution and infrastructure expenses
 - Lower costs for SIP and bonuses
 - Higher administrative costs
 - Favourable timing and one-off effects of above 100 bps
- Net profit €25.7 (€19.9m)
 - Diluted EPS €0.45 (€0.35)

	Q2'18*	Q2'18	Q2'17	Change	LTM, July'17 - June'18	LTM, July'16 - June'17	Change	YE'17
Sales, €m	309.2	321.9	347.6	(7%)	1,331.4	1,321.8	0%	1,363.1
Lc sales	-	-	-	1%	-	-	7%	-
Operating profit, €m	38.1	38.5	40.5	(5%)	157.8	137.5	15%	159.0
Operating margin	12.3%	12.0%	11.7%	-	11.9%	10.4%	-	11.7%
Registered actives '000	2,768	2,768	2,806	(1%)	2,768	2,806	(1%)	3,067

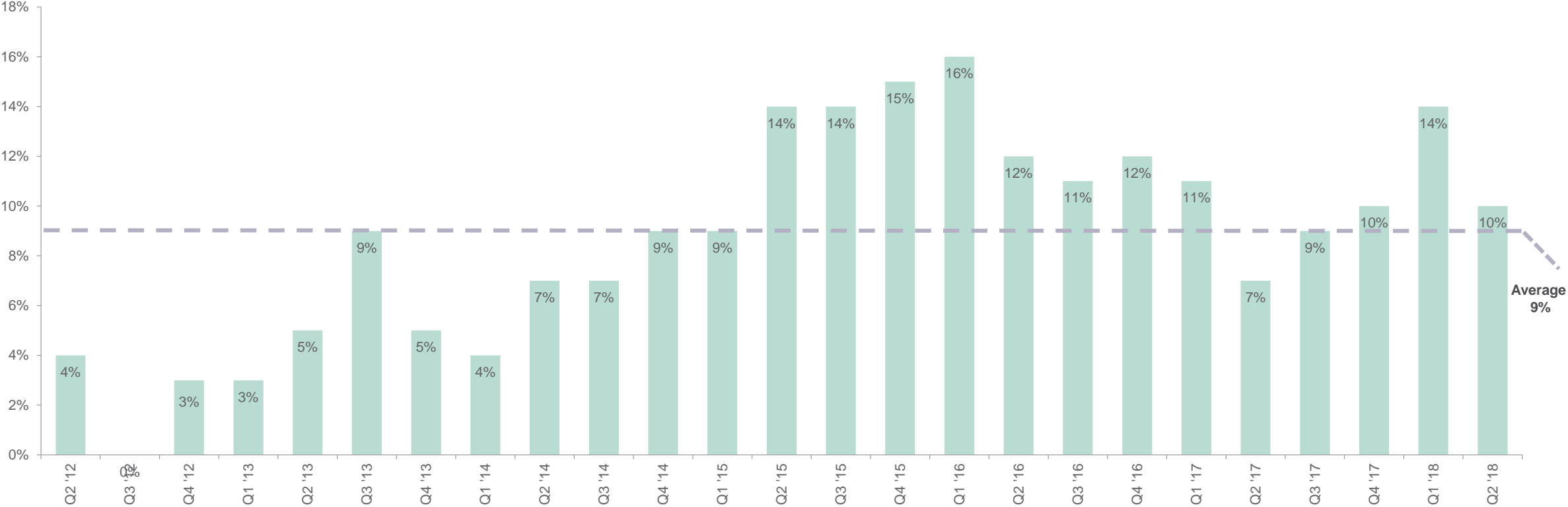
*Figures following the adoption of IFRS 15 and IFRS 16



Group currency impact on sales since 2010

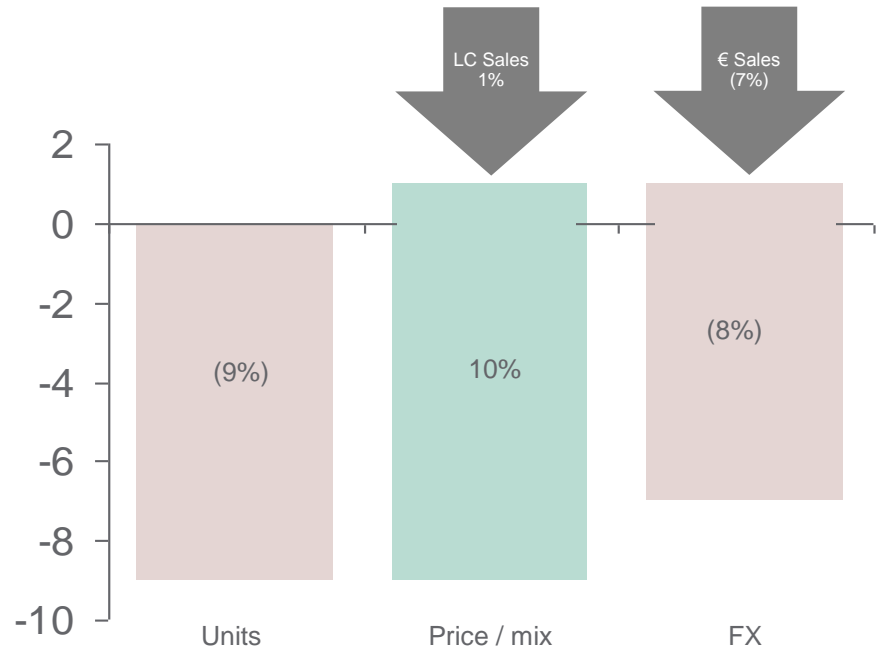


Price/mix impact on sales

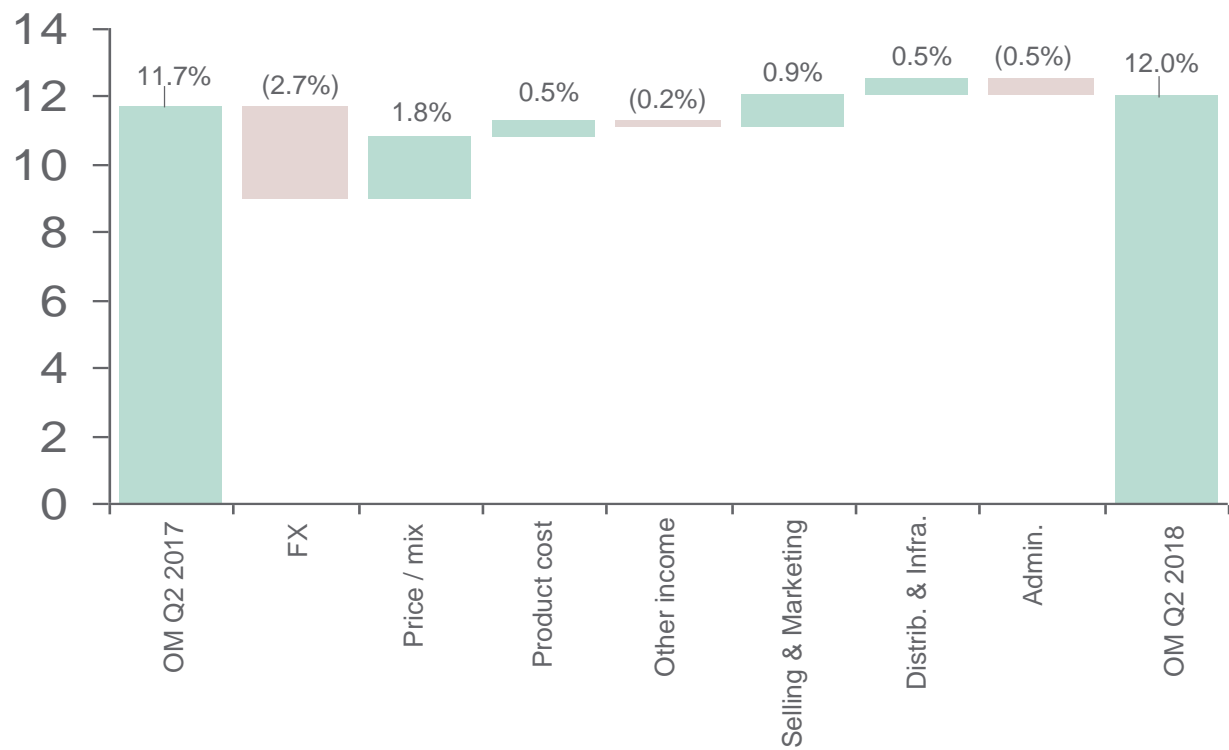


Q2 sales and operating margin analysis

Sales vs. PY



OP Margin vs. PY

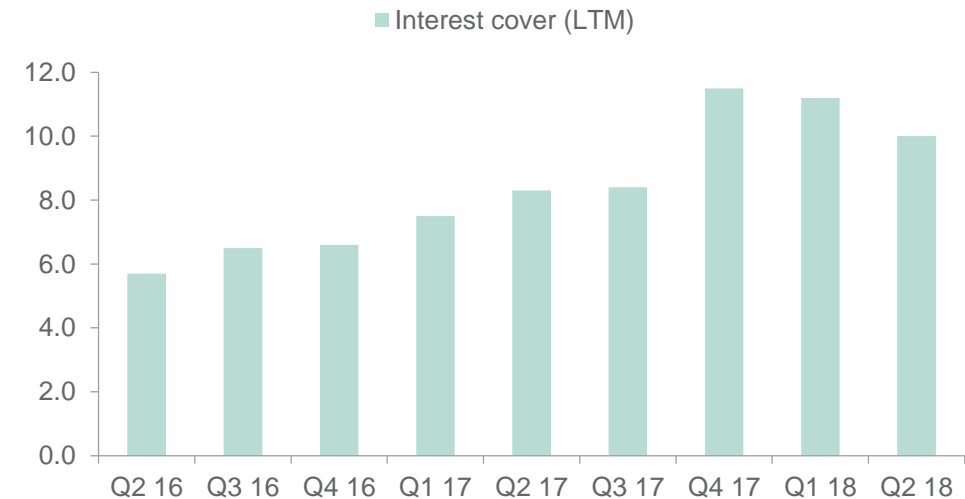
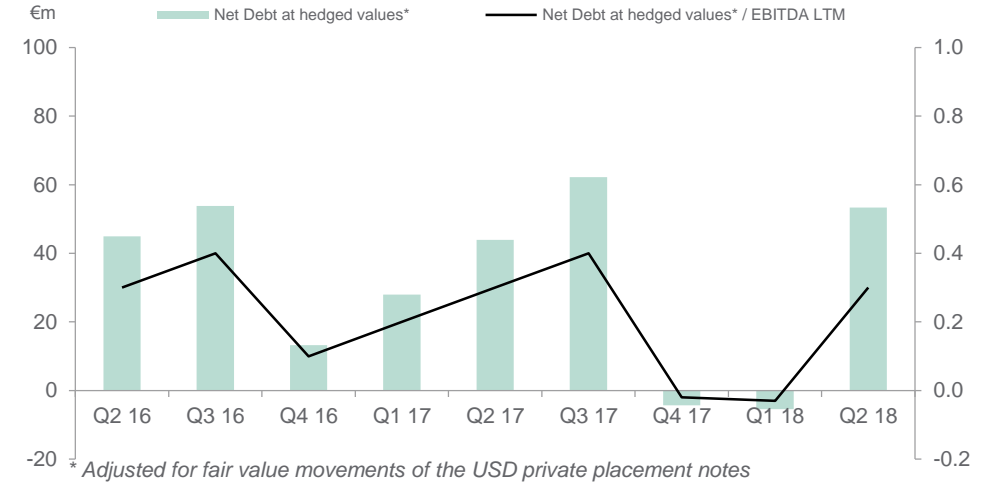


Financial position

- Net debt at hedged values €53.3m (€43.9m)
 - Net debt €84.2m (€82.4m)
- Net debt at hedged values/ EBITDA (LTM) 0.3 (0.3)
 - Net debt/EBITDA (LTM) 0.4 (0.5)
- Interest cover (Q2): 8.3 (13.2)
- Interest cover (LTM): 10.0 (8.3)

Covenant disclosure

- Consolidated Net Debt to Consolidated EBITDA: 0.4 (covenant at ≤ 3.0 times)
- Consolidated EBITDA to Consolidated Finance costs: 16.9 (covenant at ≥ 5.0 times / 4.0 times for RCF)
- Consolidated Net Worth: €221.6m (covenant at $\geq €120\text{m}$ / N/A for RCF or in 2017 and 2018 Euro denominated private placement notes)



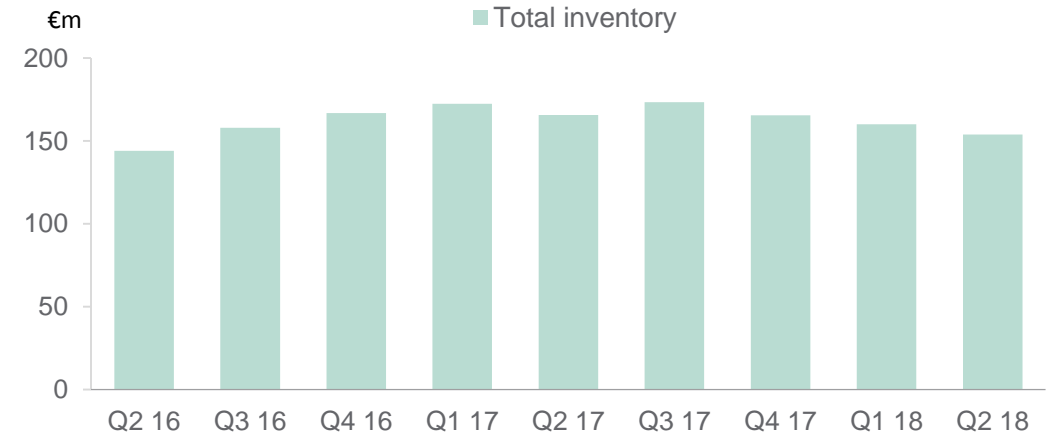
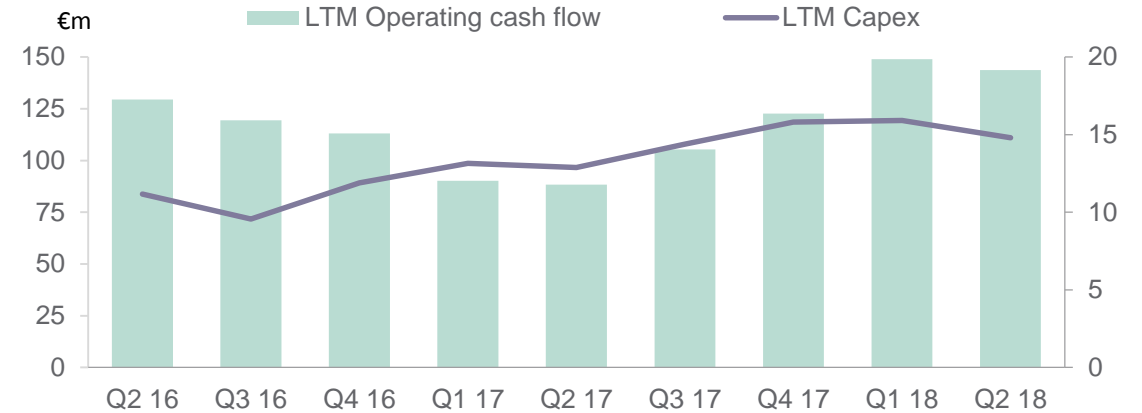
Cash flow

	Q2 18*	Q2'17	LTM'18	YE '17
Net profit before income tax, €m	34.3	29.7	139.2	133.2
Op. profit before changes in wc, €m	49.8	46.2	173.1	177.9
Change in working cap. and provisions, €m	(7.2)	7.7	(16.7)	0.1
Operating CF, €m	28.5	33.9	143.7	122.7
CF Investing Activities, €m	(1.9)	(3.0)	(14.8)	(15.8)

*Figures calculated as per the new IFRS 15 and 16 standards

Q2 operating cash flow €28.5m (€33.9m)

- Net profit before tax €+4.6m
- Non-cash items in net profit before tax €-1.0m
- Impact from changes in working capital and provisions €-14.9m
 - Inventories €+8.8m
 - Receivables, prepaid exp., asset derivatives €-2.2m
 - Payables, accrued exp., liability derivatives €-21.5m
 - Provisions €+0.0m
- Interest, charges, taxes €+5.9m



CONCLUSIONS

AND GOING FORWARD



Conclusions and going forward

- Overall weak sales development in Q2:
 - Negative timing of catalogues and conferences
 - Challenging market conditions in some key markets
 - Less successful product launches compared to prior year
- Q3 update: 5% QTD and 4% YTD lc sales
 - Continue to face challenges in some key markets
- Going forward:
 - Continue to drive long-term strategy
 - Emphasised focus on categories driving activity and recruitment
 - Continued roll-out of the e-commerce platform
 - New broadened group management

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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.