



Oriflame Holding AG

THIRD QUARTER 2017
INVESTOR PRESENTATION

Magnus Bränström, CEO

Gabriel Bennet, CFO

Nathalie Redmo, Sr. Manager IR

November 8, 09.30 CET



THIRD QUARTER HIGHLIGHTS



Q3 HIGHLIGHTS

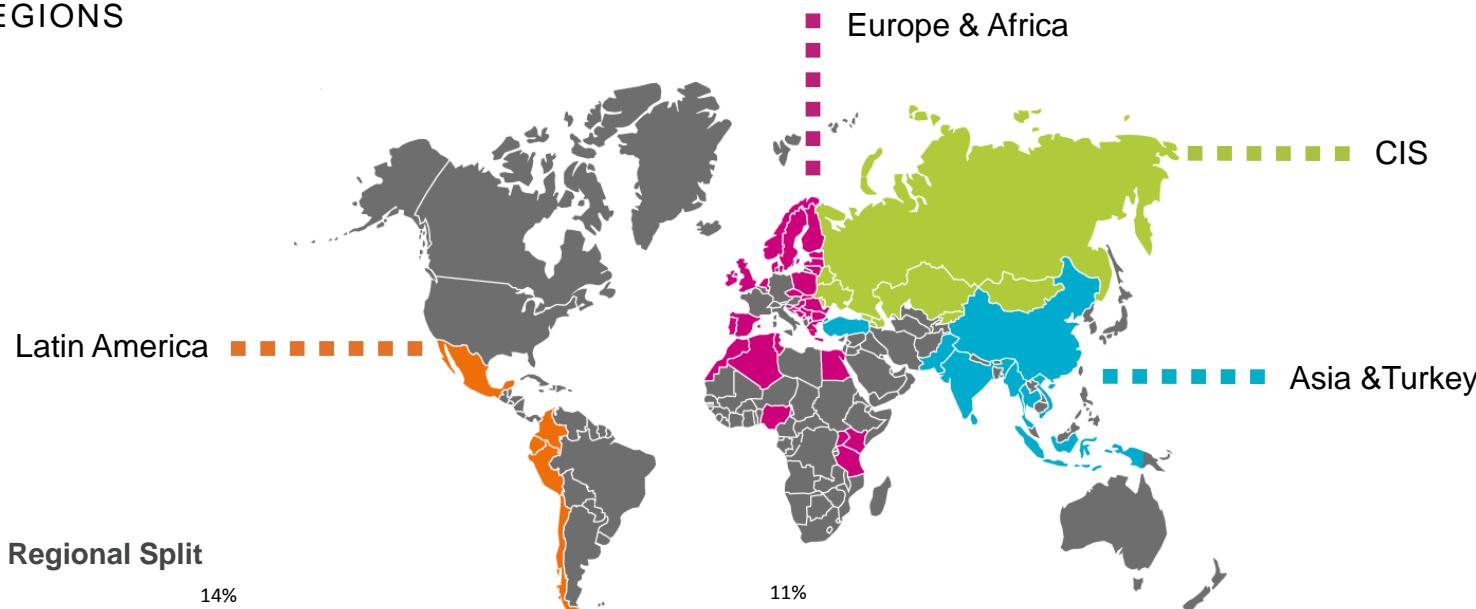
- **Sales** €295.3m (€278.9m) +11% in lc, +6% in €
 - Strong performance in Asia & Turkey
 - Continued growth in the CIS
 - LA affected by negative timing and earthquakes
 - Q4 update: 11% QTD and 10% YTD lc sales
- **Operating margin 11.0%** (9.0%)
 - Currency impact -160 bps
 - Net profit €17.4m (€12.7m)
- **Revolving Credit Facility** amounting to €160m signed during the quarter



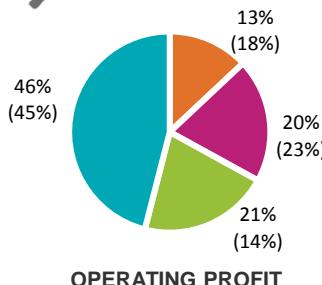
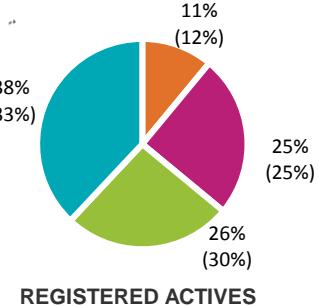
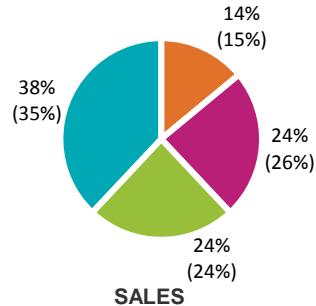
OPERATIONAL HIGHLIGHTS

- **Price/mix +9%**
 - Unit growth +2%
- **Registered actives** stable
 - Lc productivity +11%
- **Oriflame 50th Anniversary Cruise**
 - **6,000** participants
- Double-digit growth in **Skin Care** and **Wellness**
- Strong global **online development**
 - **600,000** monthly active users of the *Oriflame App*
- Improved **capacity utilisation** in manufacturing
 - Insourcing **efforts** and unit **growth**

REGIONS



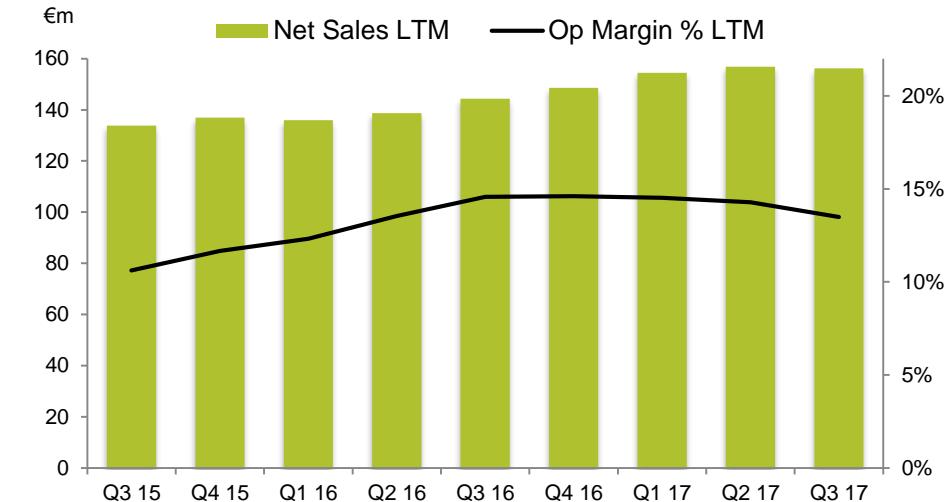
Q3 Regional Split



LATIN AMERICA

- Sales force and productivity
 - Registered actives -5%
 - Lc productivity +6%
 - € productivity +4%
- Negative timing of catalogues
- Positive development in Mexico
 - Although affected by the earthquakes
- Solid growth in Ecuador, weak development in Colombia
- Operating margin -300 bps
 - Negative currency movements
 - Price increases
 - Favourable product mix

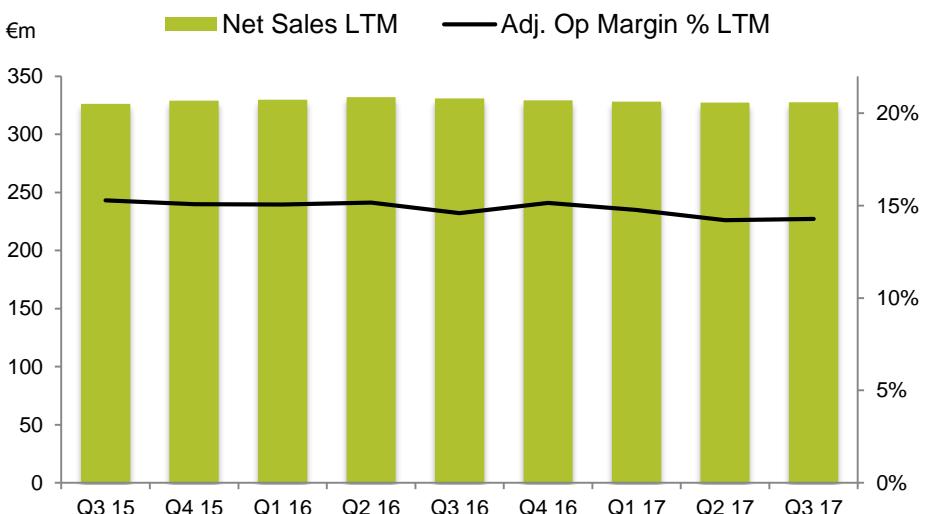
	Q3'17	Q3'16	Change	LTM, Oct'16 - Sep'17	LTM, Oct'15 - Sep'16	Change	YE'16
Sales, €m	40.4	40.9	(1%)	156.3	144.3	8%	148.6
Lc sales	-	-	1%	-	-	11%	-
Operating profit, €m	5.9	7.2	(18%)	21.1	21.0	0%	21.7
Operating margin	14.6%	17.6%	-	13.5%	14.6%	-	14.6%
Registered actives '000	299	314	(5%)	299	314	(5%)	288



EUROPE & AFRICA

- Sales force and productivity
 - Registered actives +3%
 - Lc productivity +3%
 - € productivity -2%
- Stable sales in Europe
 - Healthy leadership development in Central Europe
- Solid underlying growth in Africa
 - Performance driven by Egypt and Nigeria
 - Macroeconomic and exchange rate challenges
- Operating margin +30 bps
 - Price increases
 - Negative currency movements

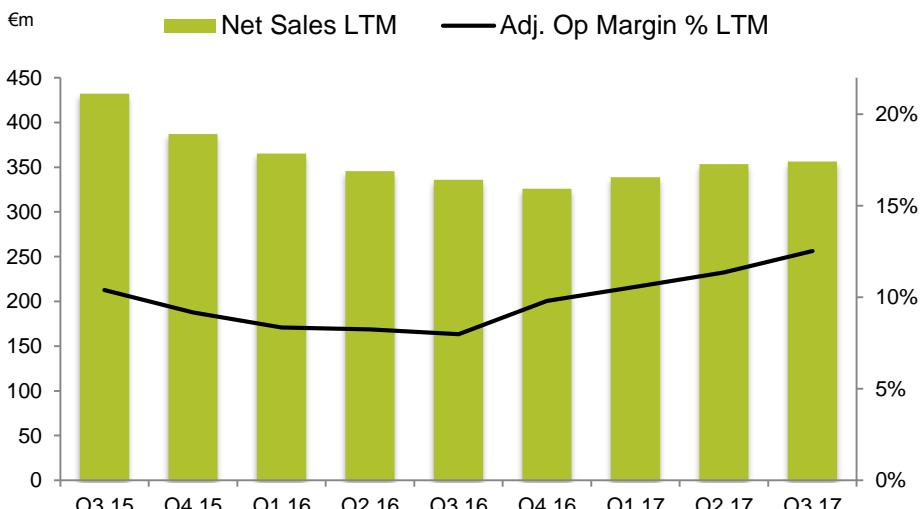
	Q3'17	Q3'16	Change	LTM, Oct'16 - Sep'17	LTM, Oct'15 - Sep'16	Change	YE'16
Sales, €m	70.7	70.4	0%	327.6	331.0	(1%)	329.4
Lc sales	-	-	6%	-	-	5%	-
Operating profit, €m	9.2	8.9	3%	46.8	48.3	(3%)	49.9
Operating margin	13.0%	12.7%		14.3%	14.6%		15.2%
Registered actives '000	674	655	3%	674	655	3%	812



CIS

- Sales force and productivity
 - Registered actives -11%
 - Lc productivity +16%
 - € productivity +17%
- Russia Lc sales +3%
 - Sustained high productivity levels
- Improvements in Ukraine and Kazakhstan
 - Macroeconomic challenges
- Operating margin +610 bps
 - Favourable exchange rates
 - Price increases
 - Product mix

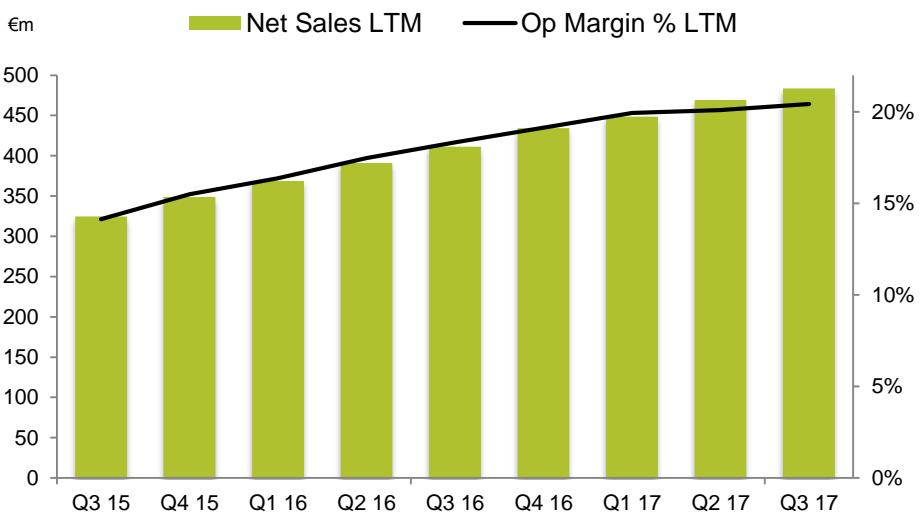
	Q3'17	Q3'16	Change	LTM, Oct'16 - Sep'17	LTM, Oct'15 - Sep'16	Change	YE'16
Sales, €m	69.9	67.2	4%	356.2	335.8	6%	325.7
Lc sales	-	-	4%	-	-	(3%)	-
Operating profit, €m	9.9	5.5	82%	44.7	26.8	66%	31.9
Operating margin	14.2%	8.1%	-	12.5%	8.0%	-	9.8%
Registered actives '000	698	784	(11%)	698	784	(11%)	926



ASIA & TURKEY

- Sales force and productivity
 - Registered actives +9%
 - Lc productivity +13%
 - € productivity +5%
- Very strong performance in Vietnam
- Healthy growth in China and Turkey
- Weak development in India
 - Topline impact from GST
 - Measures taken to return to sustainable growth
- Operating margin +170 bps
 - Favourable geographical mix
 - Positive timing of campaign offers

	Q3'17	Q3'16	Change	LTM, Oct'16 - Sep'17	LTM, Oct'15 - Sep'16	Change	YE'16
Sales, €m	111.7	97.5	15%	483.5	411.4	18%	434.3
Lc sales	-	-	23%	-	-	21%	-
Operating profit, €m	22.1	17.7	25%	98.8	75.4	31%	83.1
Operating margin	19.8%	18.1%	-	20.4%	18.3%	-	19.1%
Registered actives '000	975	895	9%	975	895	9%	980





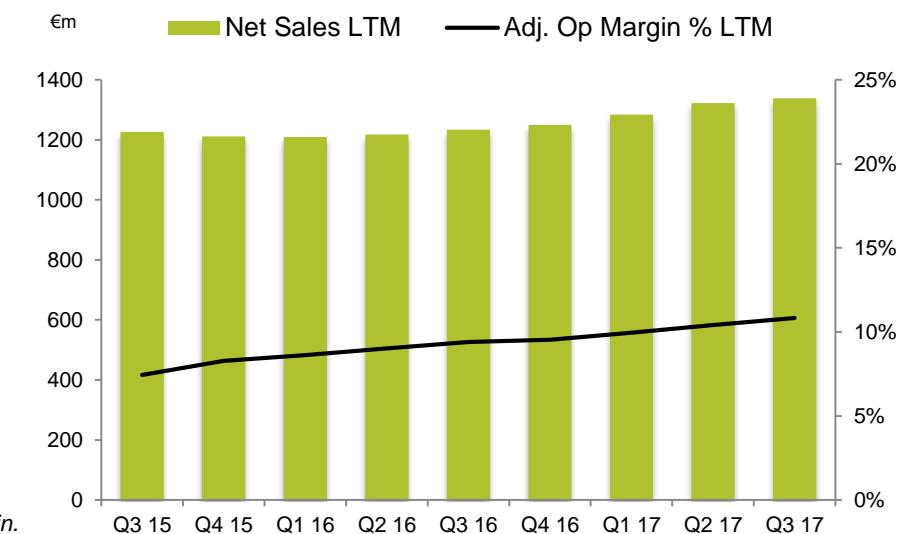
FINANCIALS

Q3 INCOME STATEMENT

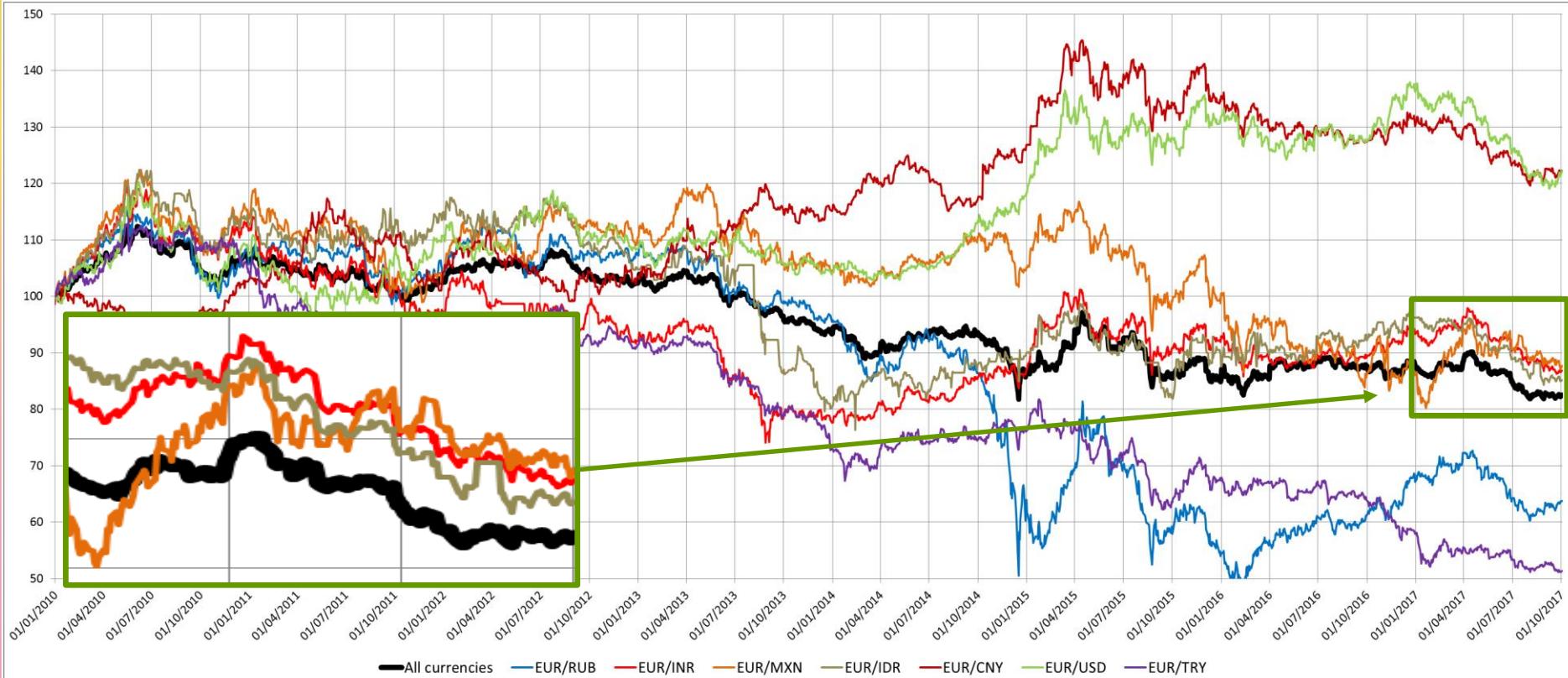
- Sales mix
 - Unit sales +2%, Price/mix +9%
- Gross margin 73.8% (70.4%)
 - Negative currency movements
 - Positive price/mix
 - Supply chain efficiency measures*
- Operating margin +200 bps
 - Negative currency impact 160 bps
 - Higher selling and marketing expenses
 - Lower distribution and infrastructure expenses
 - Lower administrative costs
 - Higher costs for SIP and bonuses*
- Net profit €17.4m (€12.7m)
 - Diluted EPS €0.30 (€0.23)
 - €1m one-off amortisation of previous facility's fees

*Include non recurring items of 100 bps respectively, with neutral impact on operating margin.

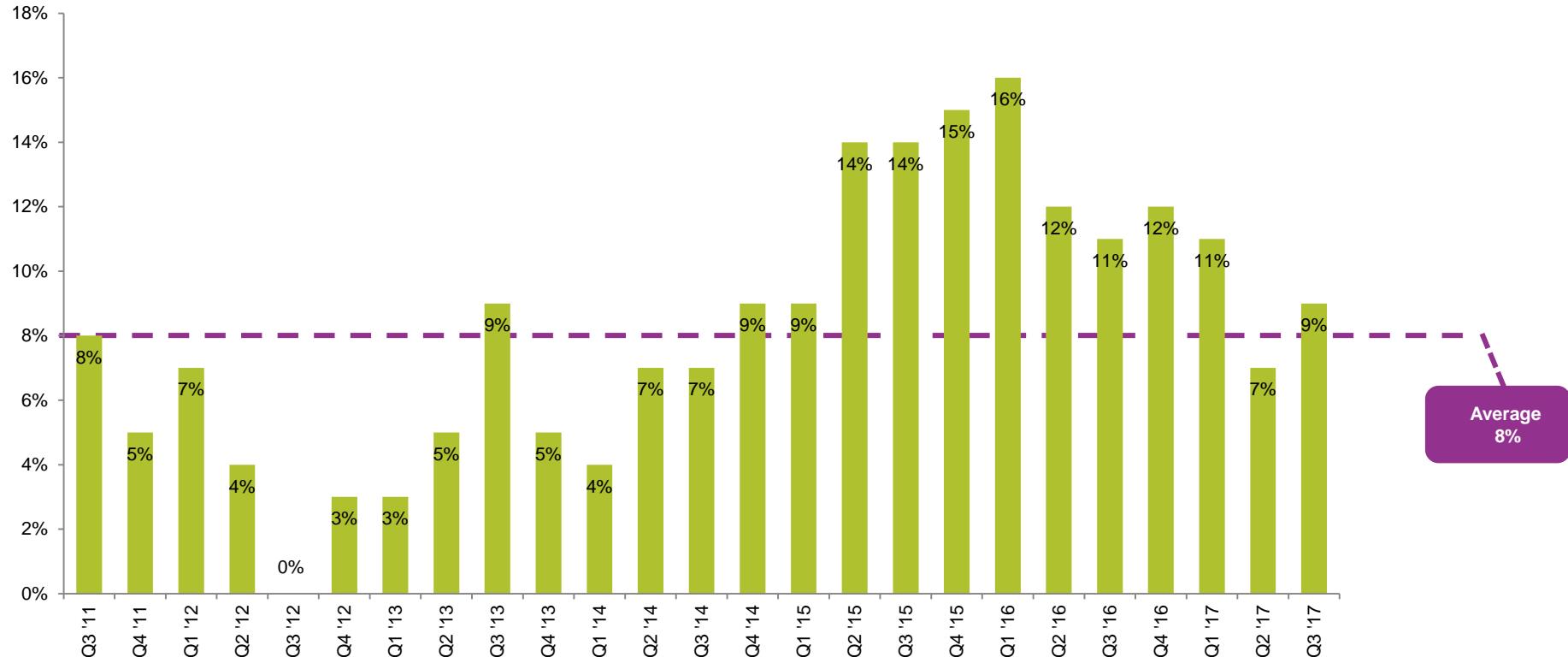
	Q3'17	Q3'16	Change	LTM, Oct'16 - Sep'17	LTM, Oct'15 - Sep'16	Change	YE'16
Sales, €m	295.3	278.9	6%	1,338.1	1,233.8	8%	1,249.4
Lc sales	-	-	11%	-	-	9%	-
Adj. operating profit, €m	32.5	25.2	29%	144.8	116.1	25%	119.2
Adj. operating margin	11.0%	9.0%	-	10.8%	9.4%	-	9.5%
Registered actives '000	2,646	2,648	(0%)	2,646	2,648	(0%)	3,006



GROUP CURRENCY IMPACT ON SALES SINCE 2010

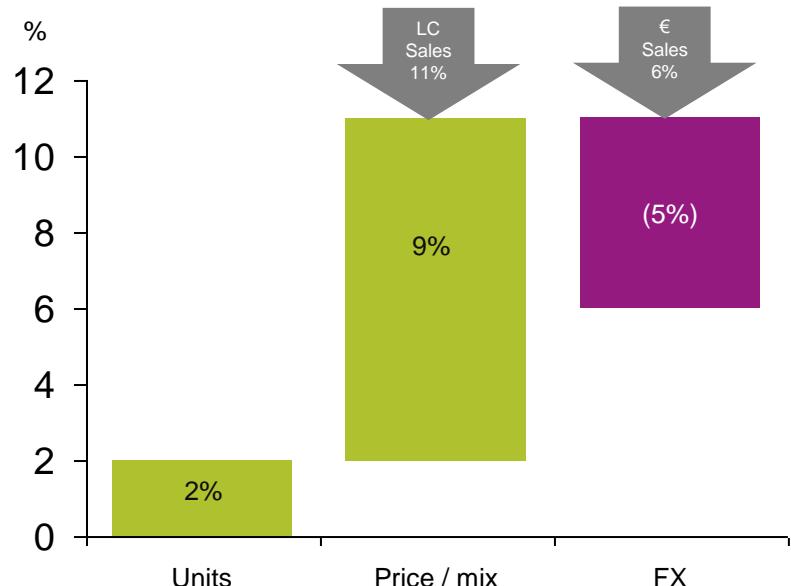


PRICE/MIX IMPACT ON SALES

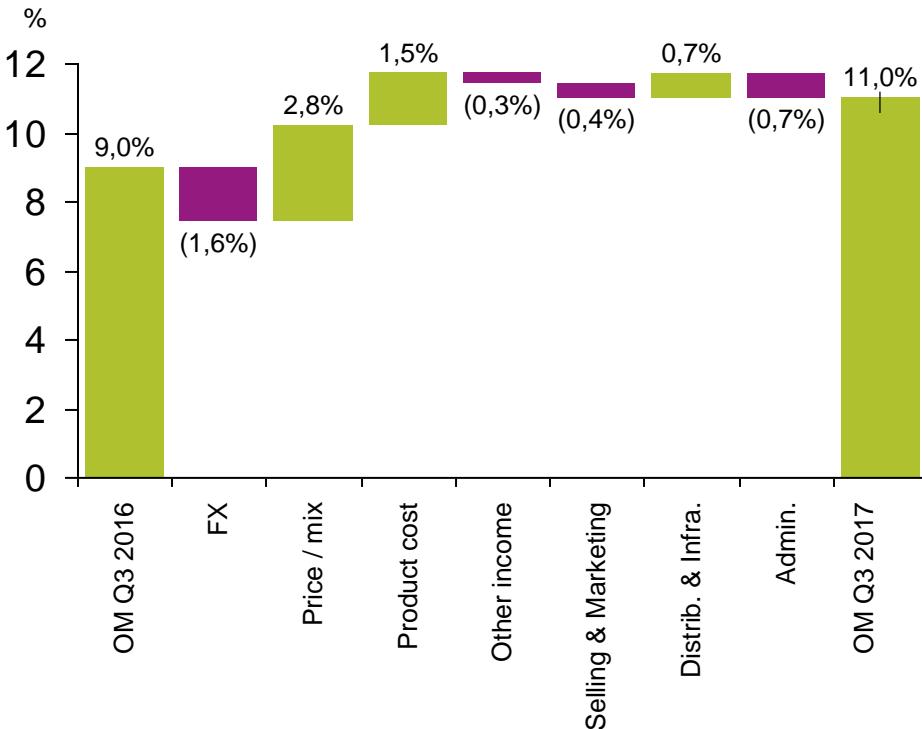


Q3 SALES AND OPERATING MARGIN ANALYSIS

Sales vs. PY



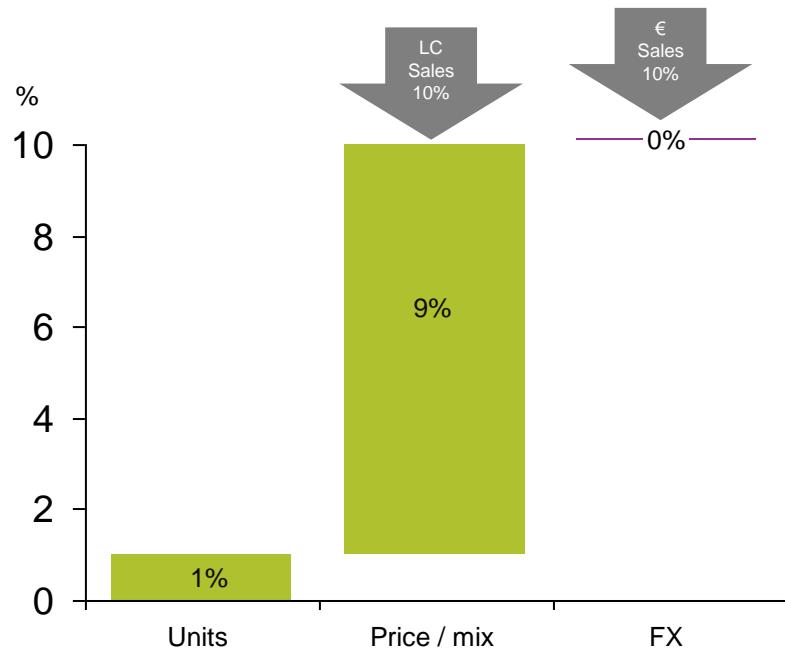
OP Margin vs. PY



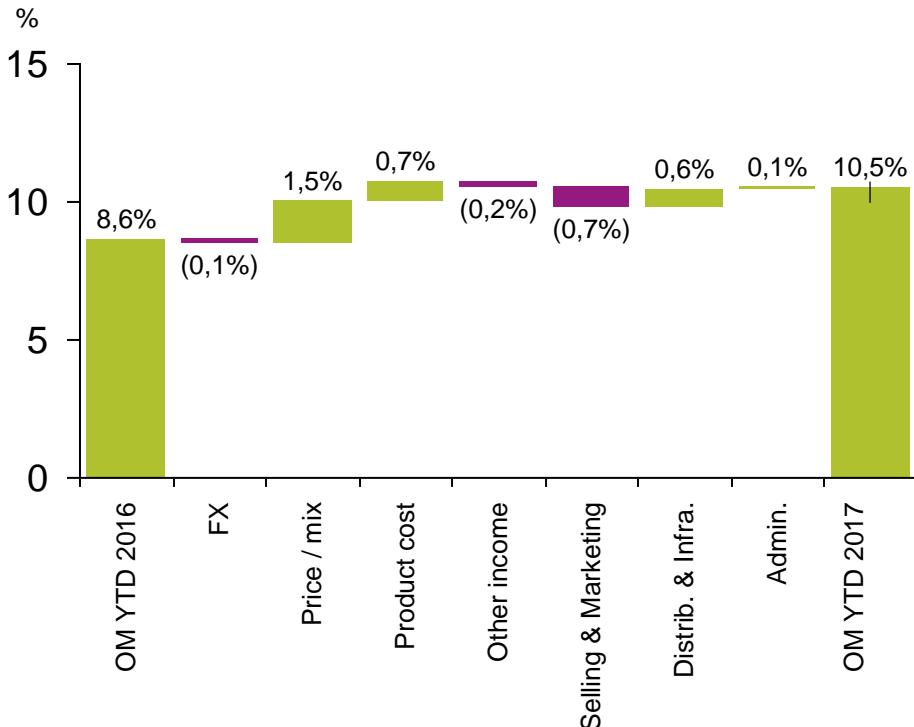
Oriflame has made certain assumptions to make / calculate an estimate of the effects of currency, price/mix, etc. on the operating margin.

YTD 2017 SALES AND OPERATING MARGIN ANALYSIS

Sales vs. PY



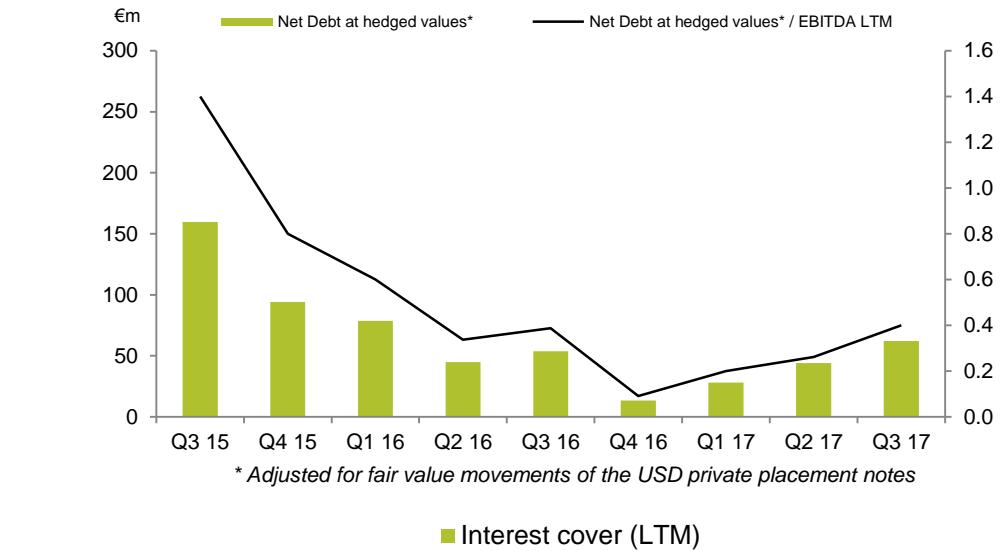
OP Margin vs. PY



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

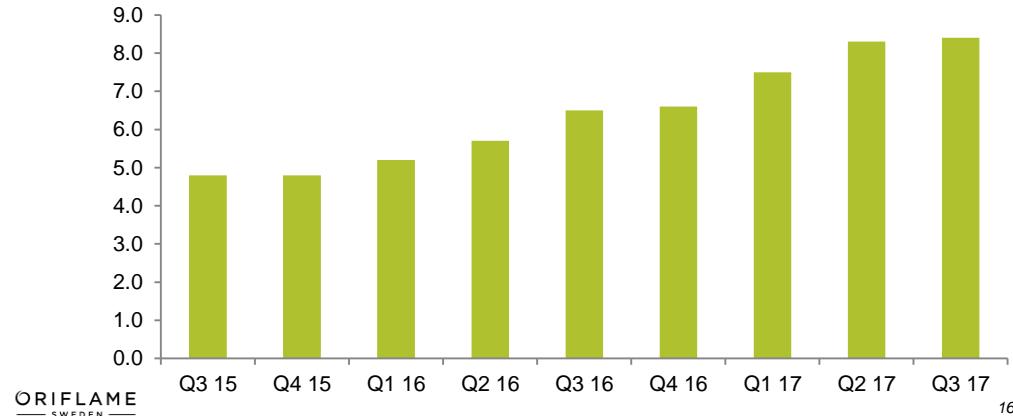
FINANCIAL POSITION

- Net debt at hedged values €62.2m (€53.8m)
 - Net debt €85.4m (€111.8m)
- Net debt at hedged values/ EBITDA (LTM) 0.4 (0.4)
 - Net debt/EBITDA (LTM) 0.5 (0.8)
- Interest cover (Q3): 7.7 (7.1)
- Interest cover (LTM): 8.4 (6.5)



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: €212m (covenant at $\geq €120$ m / N/A for RCF)

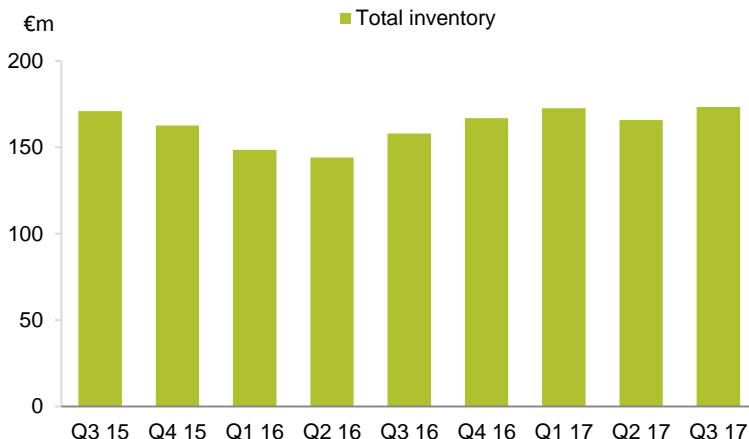
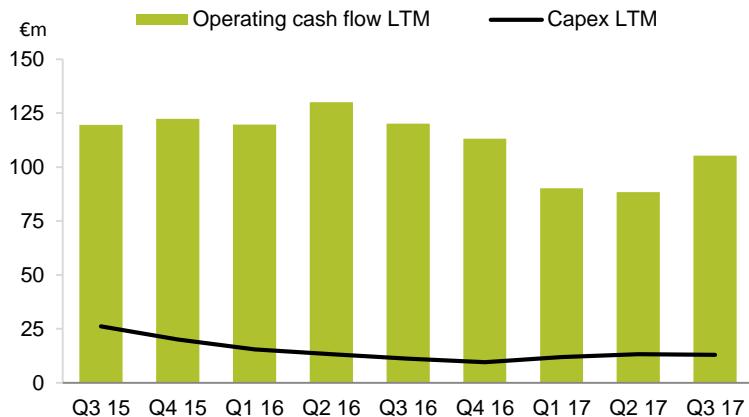


CASH FLOW

	Q3'17	Q3'16	LTM'17	YE'16
Net profit before income tax, €m	24.8	20.4	119.2	100.5
Op. profit before changes in wc, €m	37.9	27.7	159.5	123.0
Change in working cap. and provisions, €m	(14.7)	(23.6)	10.6	42.6
Operating CF, €m	11.2	(5.8)	105.3	113.1
CF Investing Activities, €m	(3.8)	(2.3)	(14.4)	(11.9)

Q3 operating cash flow €11.2 (€-5.8m)

- Net profit before tax €+4.4m
- Non-cash items in net profit before tax €+5.8m
- Impact from changes in working capital and provisions € +8.9m
 - Inventories €+3.3m
 - Receivables, prepaid exp., asset derivatives €-1.7m
 - Payables, accrued exp., liability derivatives €+5.2m
 - Provisions €+2.1m
- Interest, charges, taxes €-2.1m



A large, high-quality photograph of two women. On the left, a woman with long, straight, light brown hair and bangs, looking directly at the camera with a neutral expression. On the right, a woman with long, dark hair and bangs, wearing dramatic makeup including dark eyeliner and pink lipstick, looking slightly to the side with a more intense expression. The background is a plain, light color.

CONCLUSIONS

AND GOING FORWARD



CONCLUSIONS AND GOING FORWARD

- Yet another strong quarter:
 - Healthy growth
 - Improved profitability
 - Strong financial position
- Delivering on the strategy:
 - Income opportunity
 - Strategic product categories
 - Online development
 - Continued experience and efficiency measures
- Continue to grow in line with long-term target whilst improving margins





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.