

NOVEMBER 7, 09.30 CET

Oriflame Holding AG

THIRD QUARTER 2018 INVESTOR PRESENTATION

Magnus Brännström, CEO

Gabriel Bennet, CFO

Nathalie Redmo, Sr. Manager IR

ORIFLAME
— S W E D E N —



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

THIRD QUARTER

HIGHLIGHTS



Q3 highlights

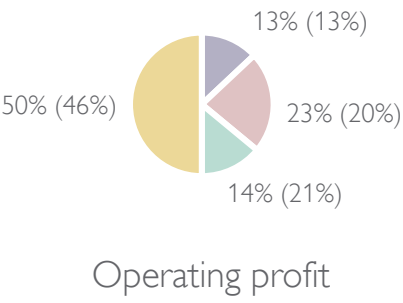
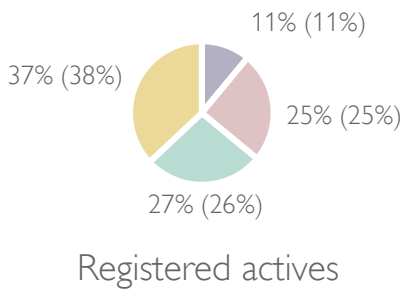
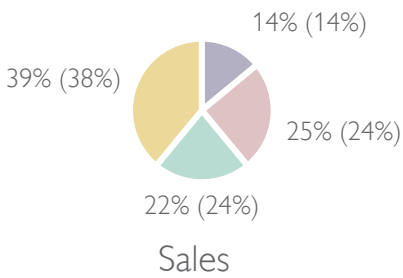
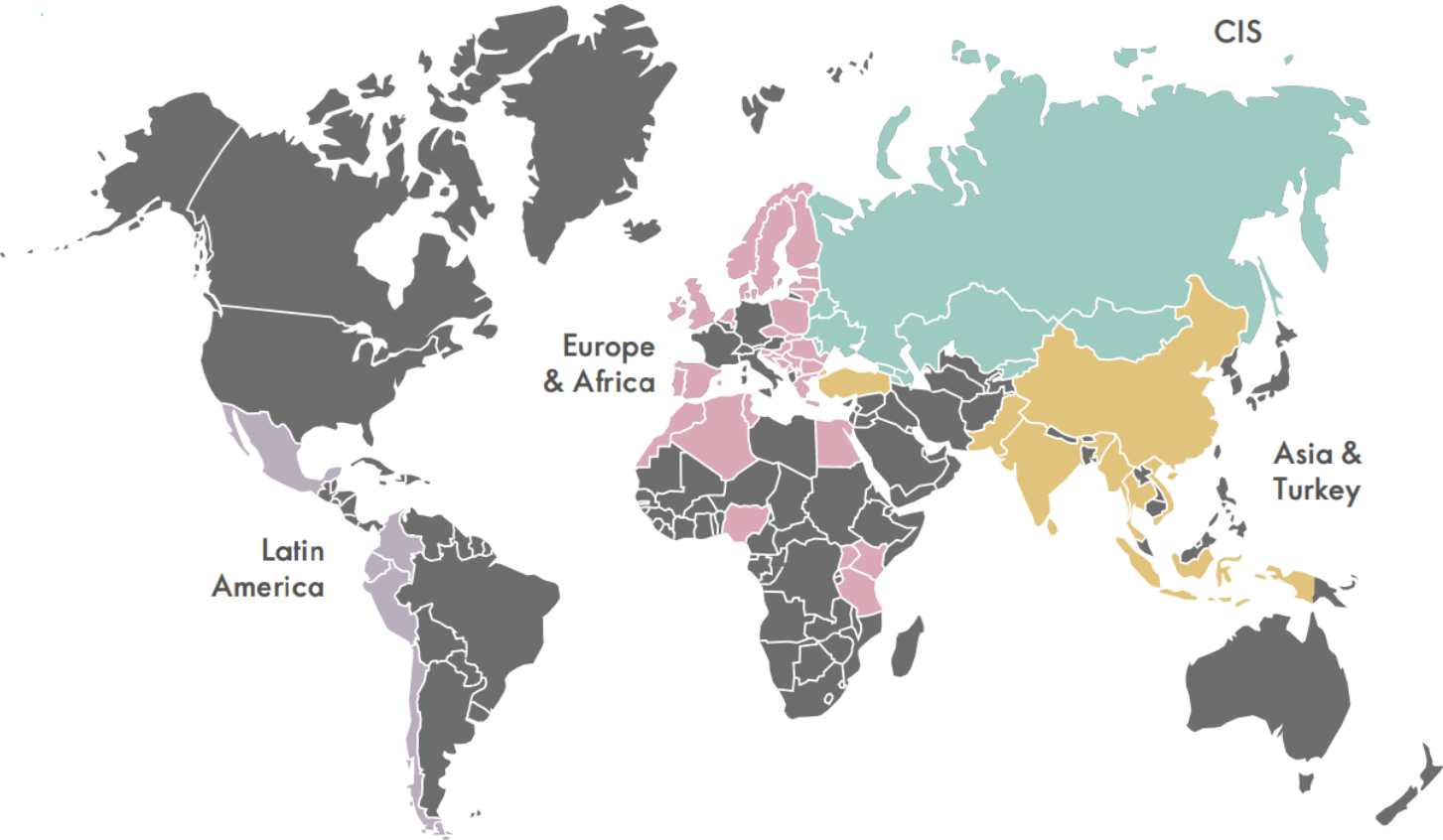
- **Sales** €292.5m (295.3m) -1% in €, +4% in lc
 - Challenging market conditions and difficult comparables
 - Slower performance in Asia & Turkey during second half of quarter
 - Q4 update: 6% QTD and 4% YTD lc sales
- **Measures** taken to enhance sales growth in CIS and Latin America – negative operating margin impact in the quarter
- **Operating margin** 10.3% (11.0%)
 - Currency impact -160 bps
 - Net profit €18.8m (€17.4m)
- **Strong** net financial position

Operational highlights

- **Price/mix +7%**
 - Unit decline -3%
- **Registered actives +0%**
 - Lc productivity +4%
- Strongest performance in **Wellness**
- Key **Skin Care** launches:
 - *Pure Skin Deep Cleansing Shower Mask*
 - *NovAge Supreme Cleansing Gel*
- Emission **reduction targets** via The Science Based Targets initiative
- Continued strong online development
 - Close to **1 million** monthly active users of the *Oriflame app*



Regions

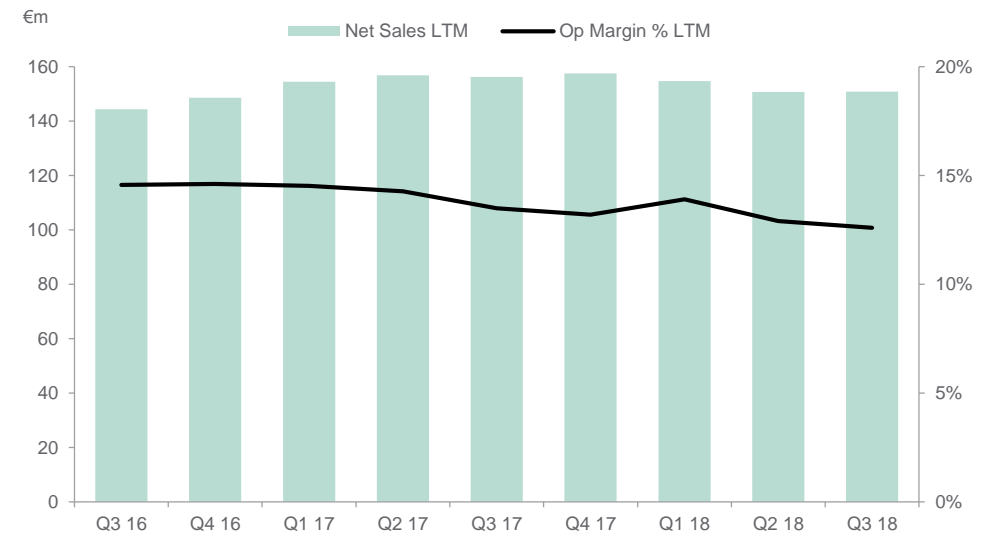


Latin America

- Sales force and productivity
 - Registered actives +2%
 - Lc productivity +1%
 - € productivity -1%
- Positive timing of catalogues
- Difficult comparables
- Weak development in Mexico
- Improved performance in Colombia and Peru
 - Successful recruitment campaigns
- Operating margin -110 bps
 - Negative currency movements

	Q3'18*	Q3'18	Q3'17	Change	LTM, Oct'17 - Sep'18	LTM, Oct'16 - Sep'17	Change	YE'17
Sales, €m	37.4	40.5	40.4	0%	150.8	156.3	(4%)	157.5
Lc sales	-	-	-	3%	-	-	2%	-
Operating profit, €m	4.3	5.5	5.9	(7%)	19.0	21.1	(10%)	20.8
Operating margin	11.4%	13.5%	14.6%	-	12.6%	13.5%	-	13.2%
Registered actives '000	304	304	299	2%	304	299	2%	280

*Figures following the adoption of IFRS 15 and IFRS 16

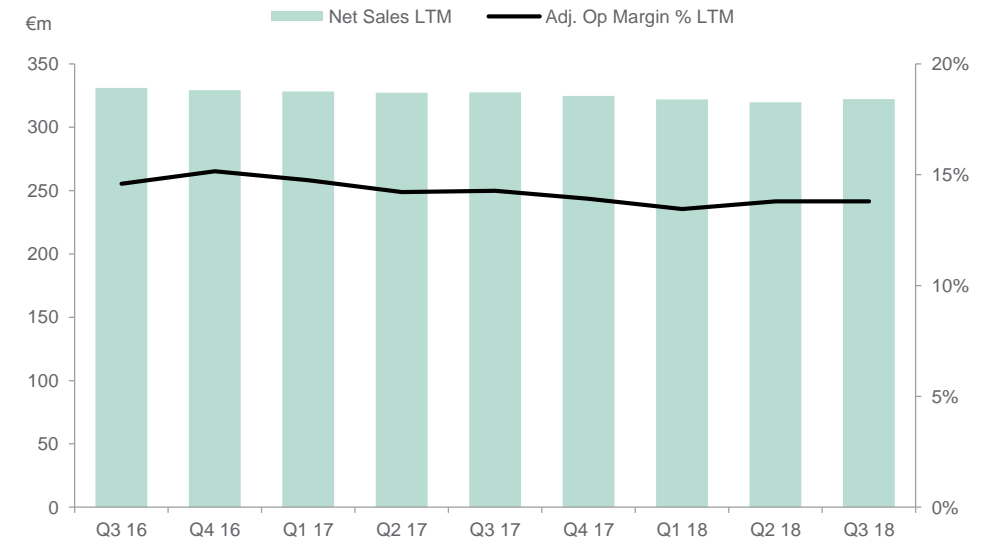


Europe & Africa

- Sales force and productivity
 - Registered actives -3%
 - Lc productivity +6%
 - € productivity +7%
- Modest growth in Central Europe
 - Driven by Poland and Romania
- Improvements in Western Europe
 - Solid leadership development
- Healthy growth in Africa
 - Macroeconomic difficulties
 - Strong productivity levels in Egypt and Nigeria
- Operating margin -10 bps

	Q3'18*	Q3'18	Q3'17	Change	LTM, Oct'17 - Sep'18	LTM, Oct'16 - Sep'17	Change	YE'17
Sales, €m	70.6	73.2	70.7	4%	322.3	327.7	(2%)	324.7
Lc sales	-	-	-	3%	-	-	(1%)	-
Operating profit, €m	8.8	9.4	9.2	2%	44.5	46.8	(5%)	45.2
Operating margin	12.5%	12.9%	13.0%	-	13.8%	14.3%	-	13.9%
Registered actives '000	652	652	674	(3%)	652	674	(3%)	783

*Figures following the adoption of IFRS 15 and IFRS 16

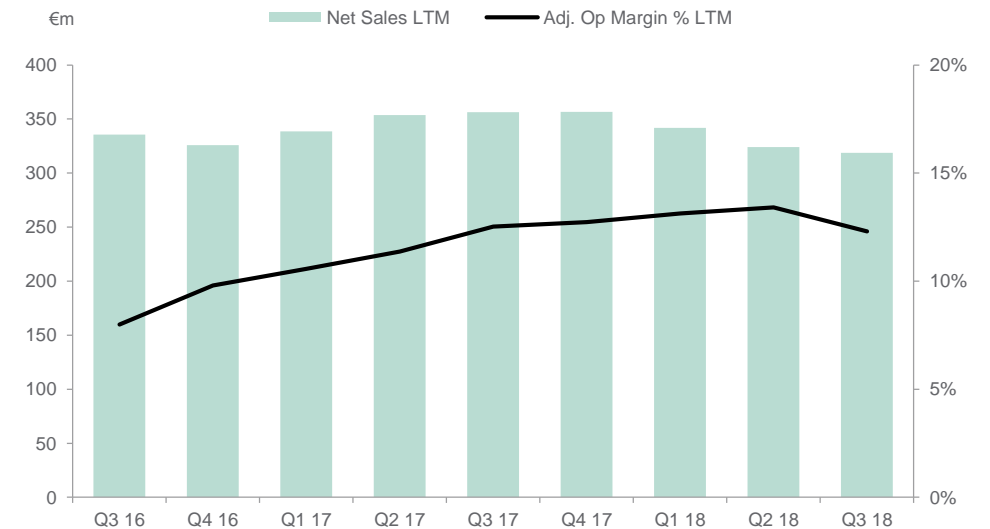


CIS

- Sales force and productivity
 - Registered actives +4%
 - Lc productivity -6%
 - € productivity -12%
- Russia lc sales -5%
 - Measures taken started to gain traction
- Positive development in Ukraine, Kazakhstan and Belarus
- Operating margin -540 bps
 - Negative exchange rates
 - Negative timing of selling and marketing expenses
 - Extraordinary investments in selling and marketing expenses
 - Sales and recruitment driving initiatives impacting the pricing

	Q3'18*	Q3'18	Q3'17	Change	LTM, Oct'17 - Sep'18	LTM, Oct'16 - Sep'17	Change	YE'17
Sales, €m	62.2	64.3	69.9	(8%)	318.6	356.2	(11%)	356.8
Lc sales	-	-	-	(2%)	-	-	(4%)	-
Operating profit, €m	6.6	5.7	9.9	(43%)	39.3	44.7	(12%)	45.4
Operating margin	10.6%	8.8%	14.2%	-	12.3%	12.5%	-	12.7%
Registered actives '000	727	727	698	4%	727	698	4%	859

*Figures following the adoption of IFRS 15 and IFRS 16

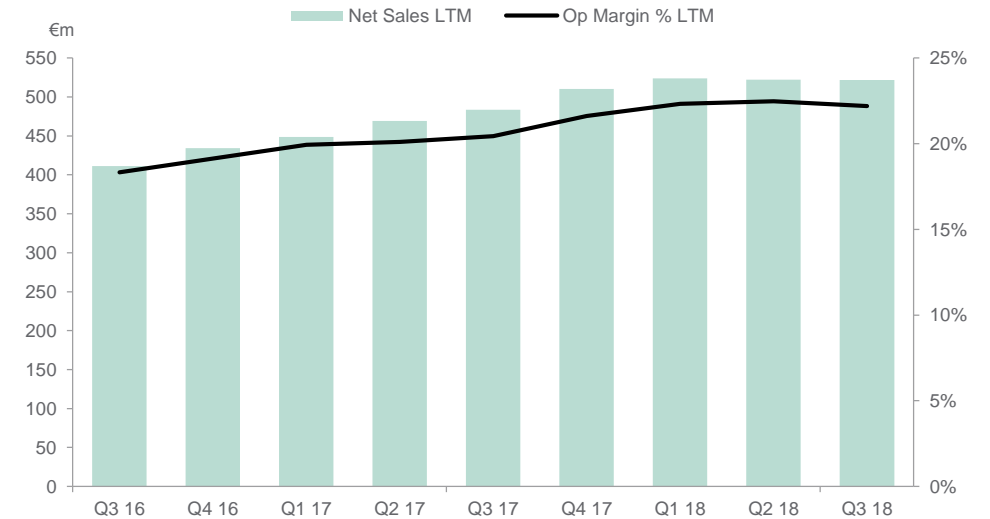


Asia & Turkey

- Sales force and productivity
 - Registered actives was stable
 - Lc productivity +8%
 - € productivity was stable
- Slower sales growth during the second half
 - Difficult comparables
 - Macroeconomic conditions in Turkey
- Healthy growth in China, although lower activity
- Solid sales growth in Vietnam, improvements in Indonesia
- Operating margin -160 bps
 - Negative currency movements
 - Negative timing of selling and marketing expenses
 - Price increases
 - Favourable geographical mix

	Q3'18*	Q3'18	Q3'17	Change	LTM, Oct'17 - Sep'18	LTM, Oct'16 - Sep'17	Change	YE'17
Sales, €m	106.4	111.7	111.7	0%	521.9	483.5	8%	510.2
Lc sales	-	-	-	8%	-	-	18%	-
Operating profit, €m	20.5	20.4	22.1	(8%)	115.7	98.8	17%	110.3
Operating margin	19.3%	18.2%	19.8%	-	22.2%	20.4%	-	21.6%
Registered actives '000	976	976	975	0%	976	975	0%	1,145

*Figures following the adoption of IFRS 15 and IFRS 16



FINANCIALS

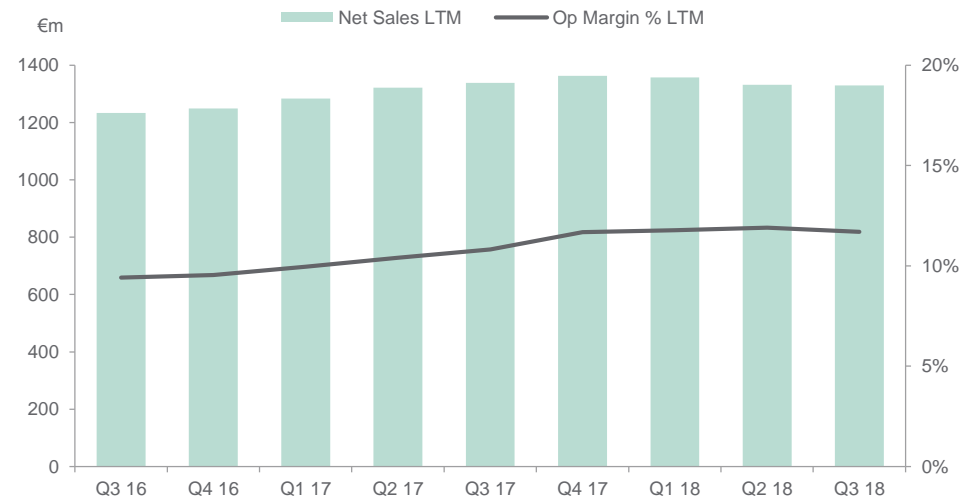
Q3 income statement

- Sales mix
 - Unit sales -3%
 - Price/mix +7%
- Gross margin 73.9% (73.8%)
 - Negative currency movements
 - Positive price/mix effect
- Operating margin -70 bps
 - Negative currency impact -160 bps
 - Lower costs for SIP and bonuses*
 - Lower distribution and infrastructure expenses
 - Negative timing of selling and marketing expenses*
 - Higher share of administrative costs*
- Net profit €18.8m (€17.4m)
 - Diluted EPS €0.33 (€0.30)

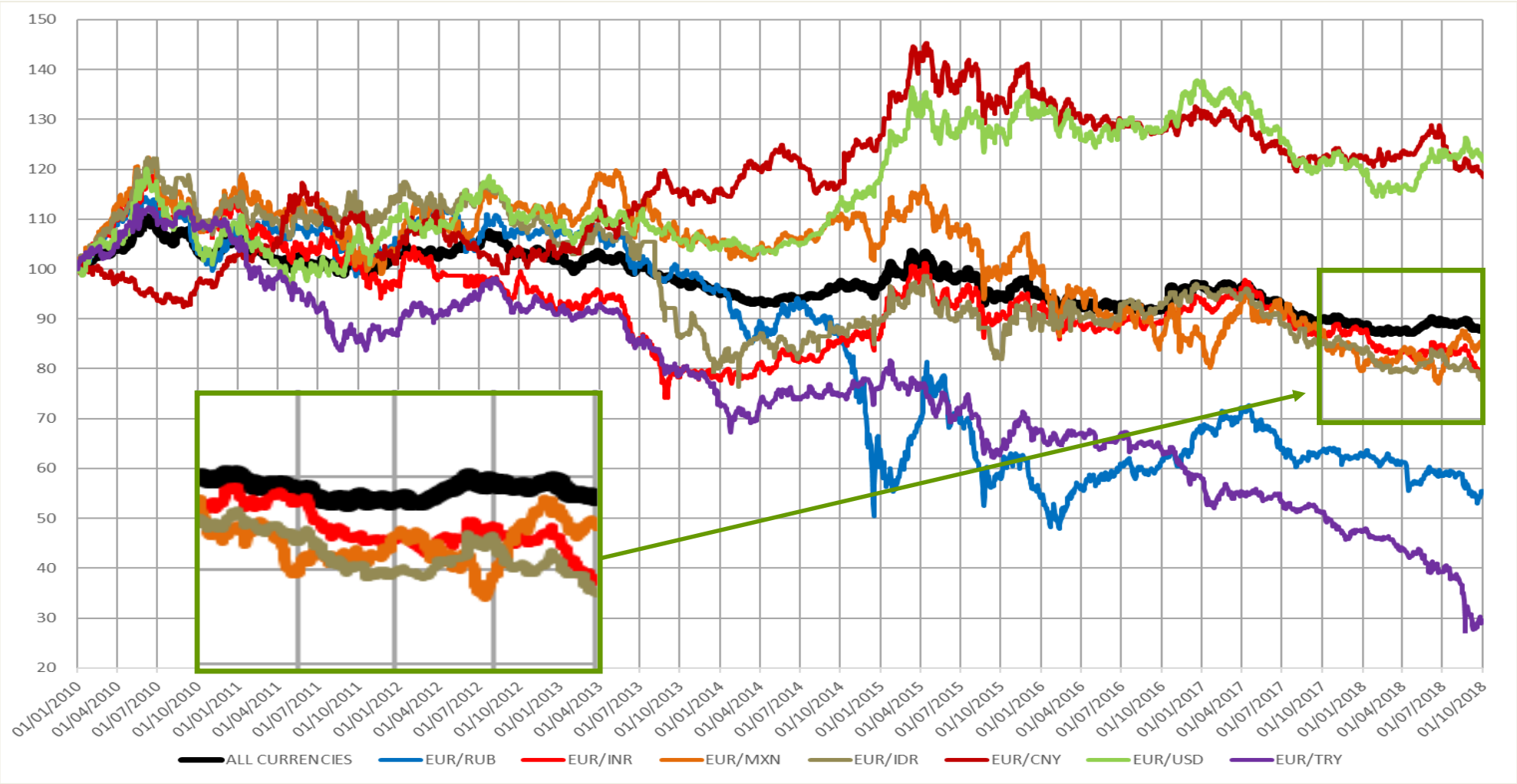
* Negative timing offset by favourable one-off effects.

	Q3'18*	Q3'18	Q3'17	Change	LTM, Oct'17 - Sep'18	LTM, Oct'16 - Sep'17	Change	YE'17
Sales, €m	279.4	292.5	295.3	(1%)	1,328.7	1,338.1	(1%)	1,363.1
Lc sales	-	-	-	4%	-	-	6%	-
Operating profit, €m	29.4	30.0	32.5	(8%)	155.4	144.8	7%	159.0
Operating margin	10.5%	10.3%	11.0%	-	11.7%	10.8%	-	11.7%
Registered actives '000	2,659	2,659	2,646	0%	2,659	2,646	0%	3,067

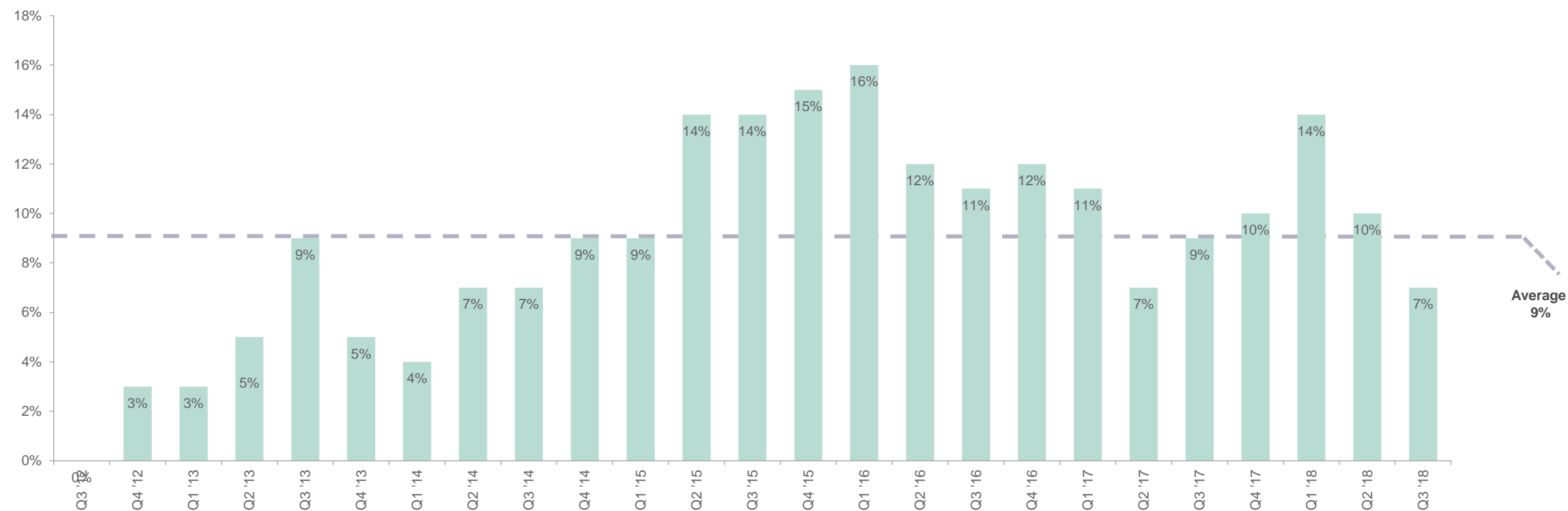
*Figures following the adoption of IFRS 15 and IFRS 16



Group currency impact on sales since 2010

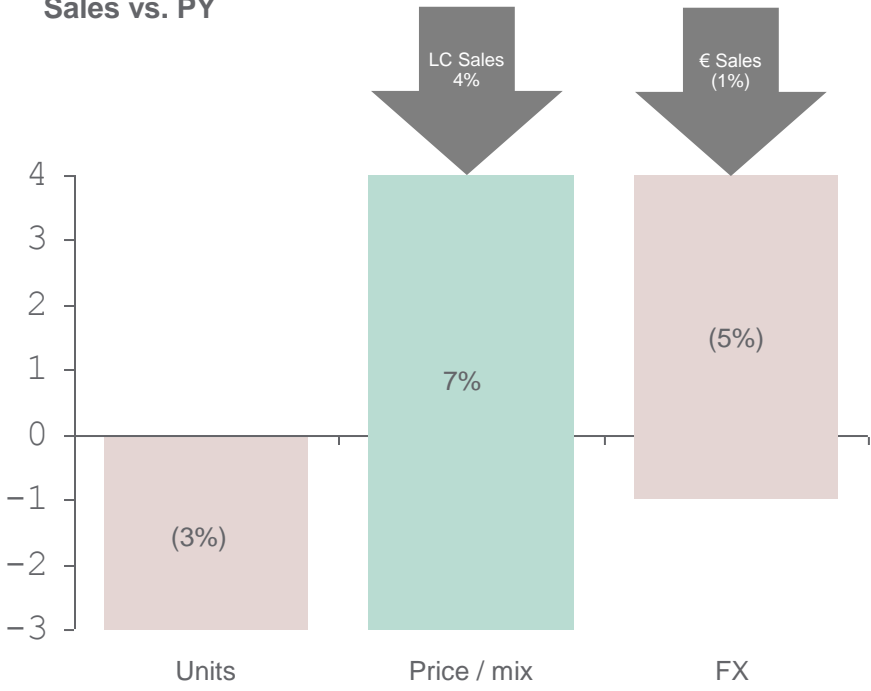


Price/mix impact on sales

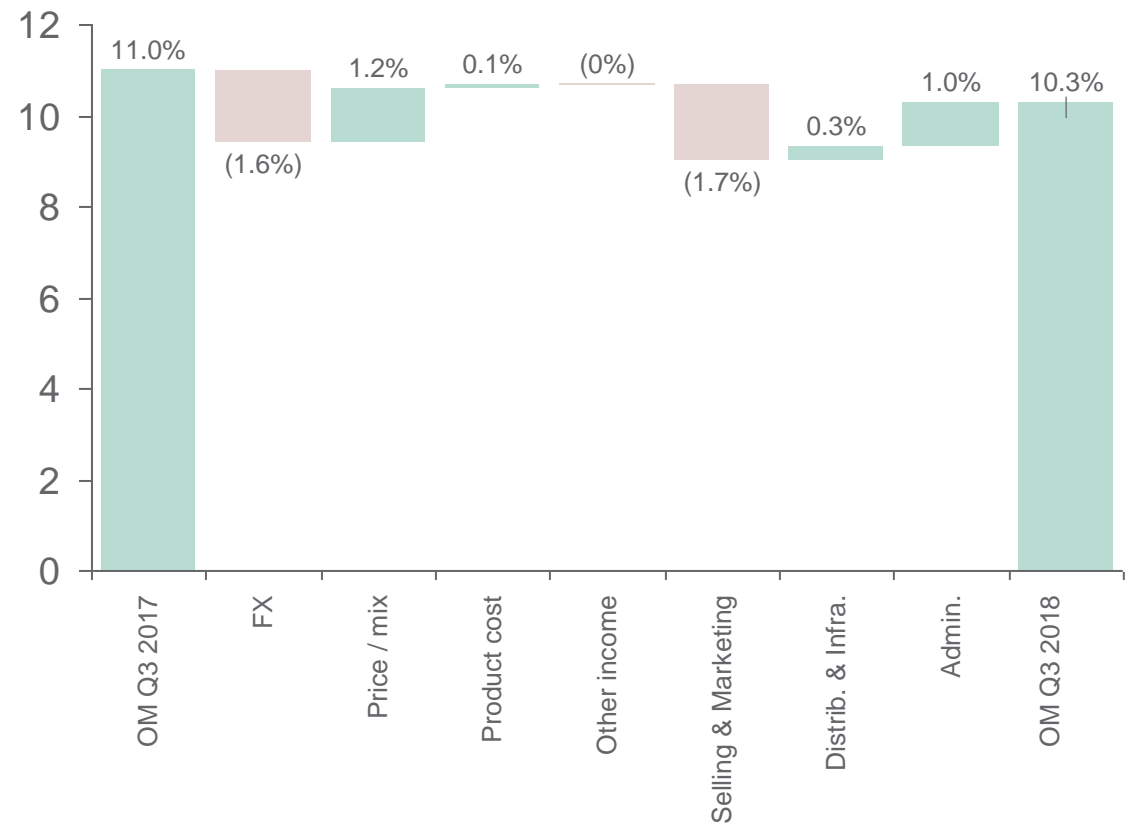


Q3 sales and operating margin analysis

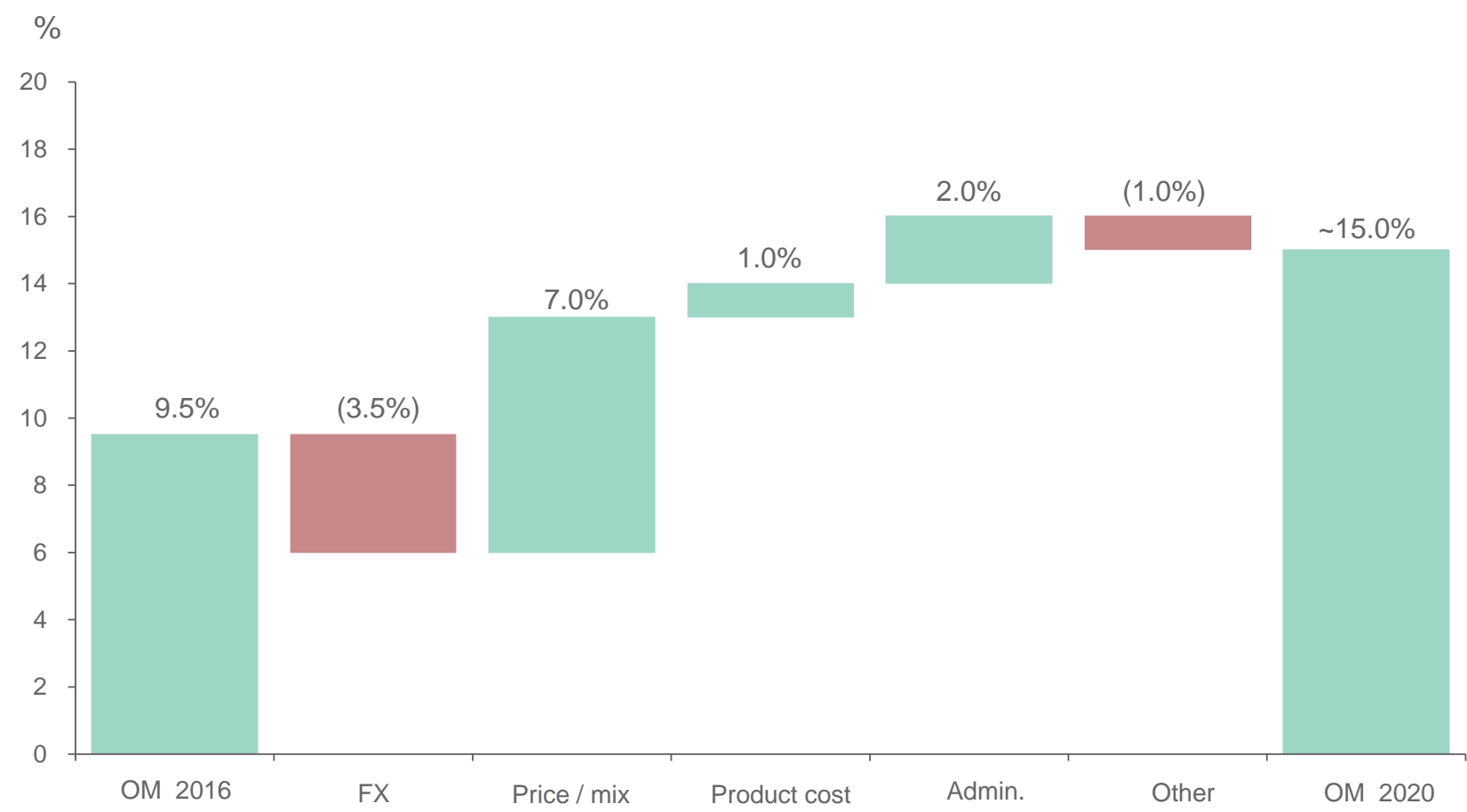
Sales vs. PY



OP Margin vs. PY

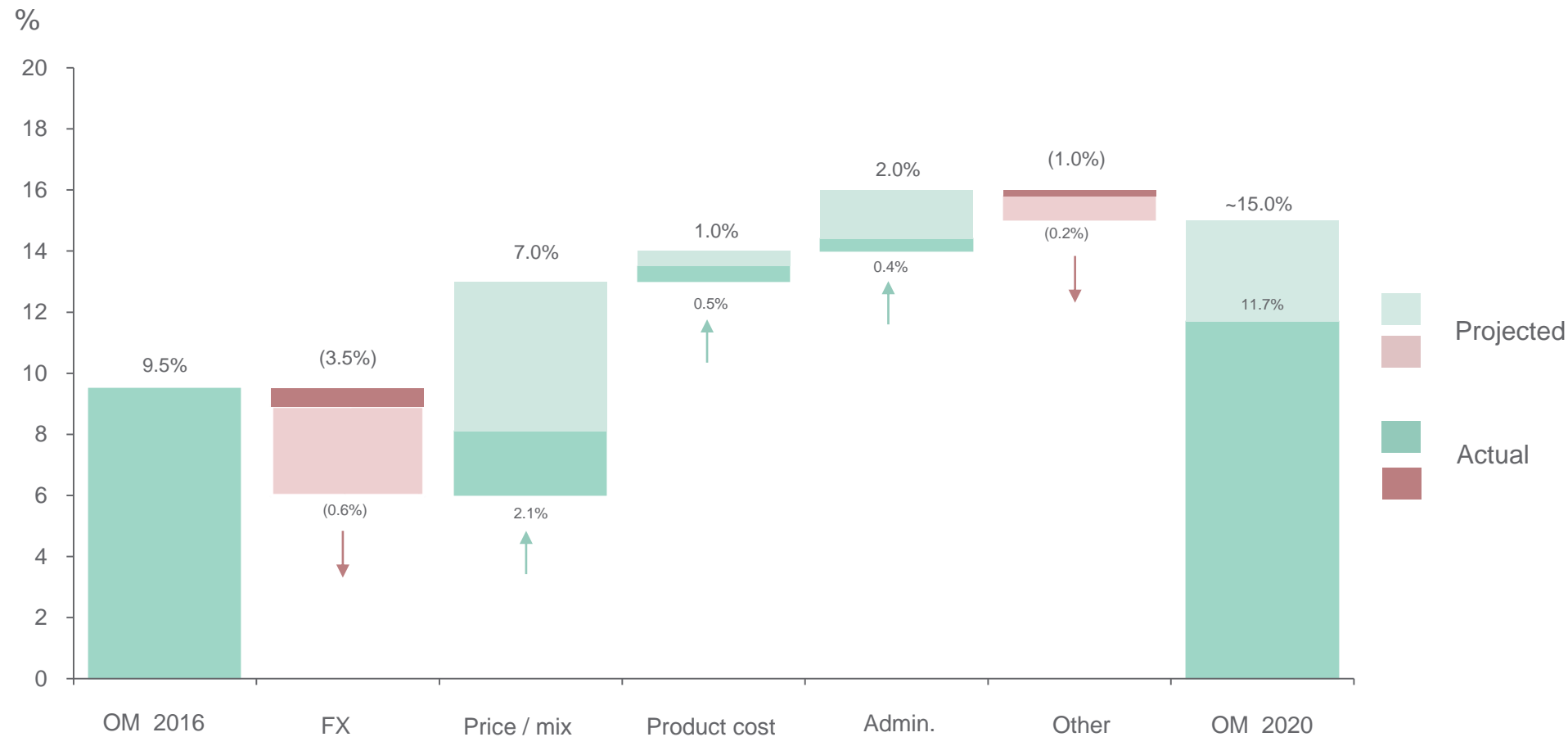


Projected Operating margin expansion 2016-2020 as communicated on CMD February 2017



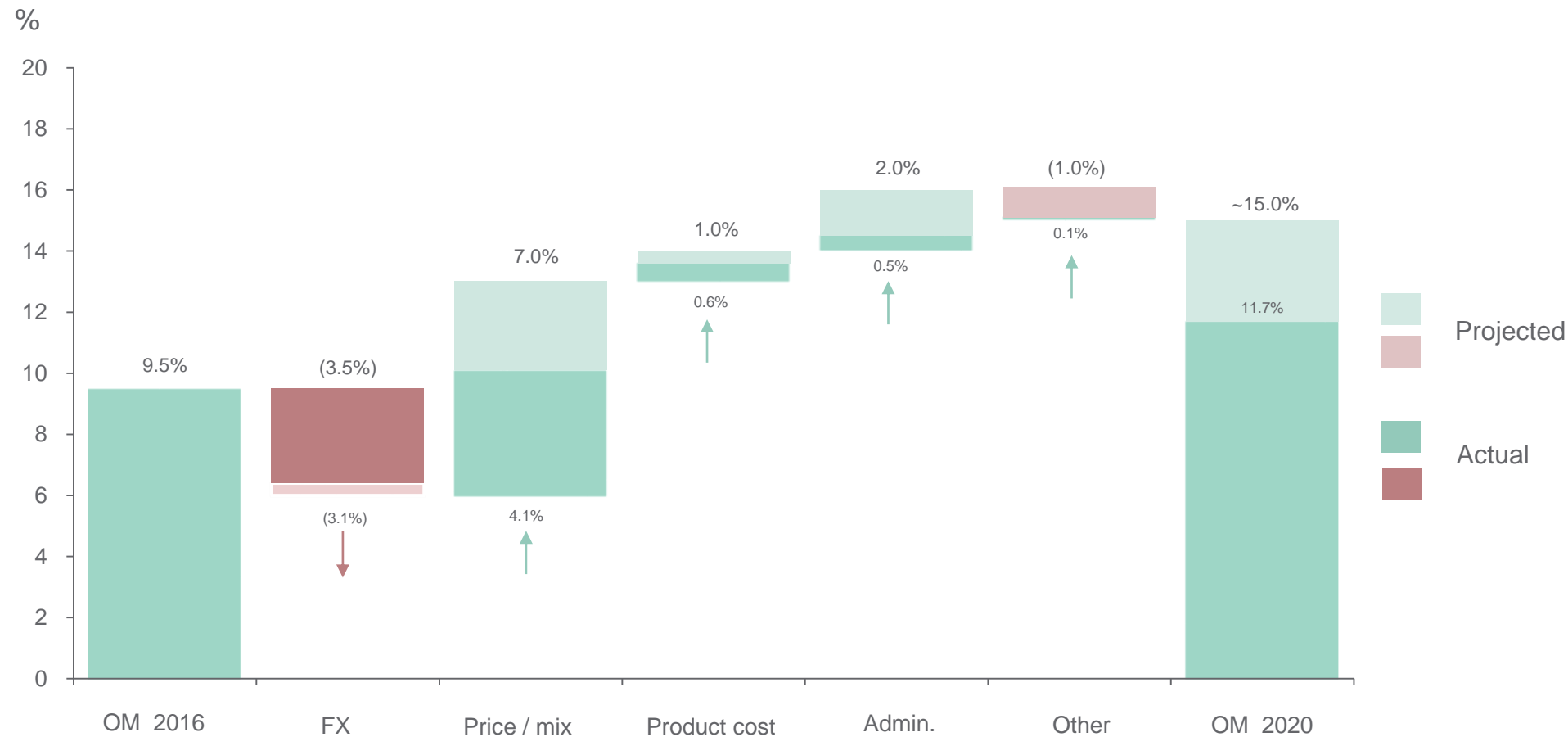
Oriflame has made certain assumptions to make / calculate an estimate of the effects of currency, price/mix, etc. on the operating margin.

Actual Operating margin expansion YTD 2017 VS. LONG-TERM TARGET 2016-2020



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

Actual Operating margin expansion LTM 2018 VS. LONG-TERM TARGET 2016-2020



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

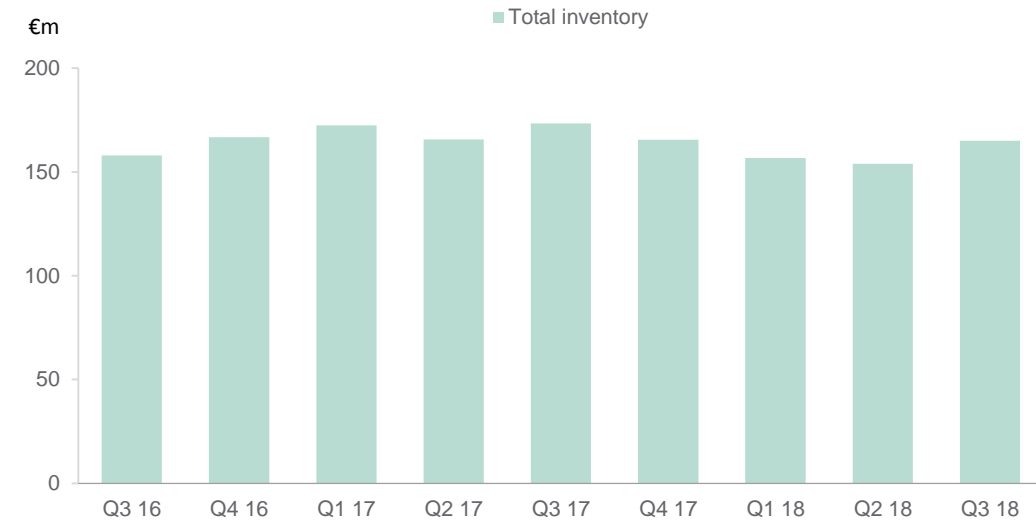
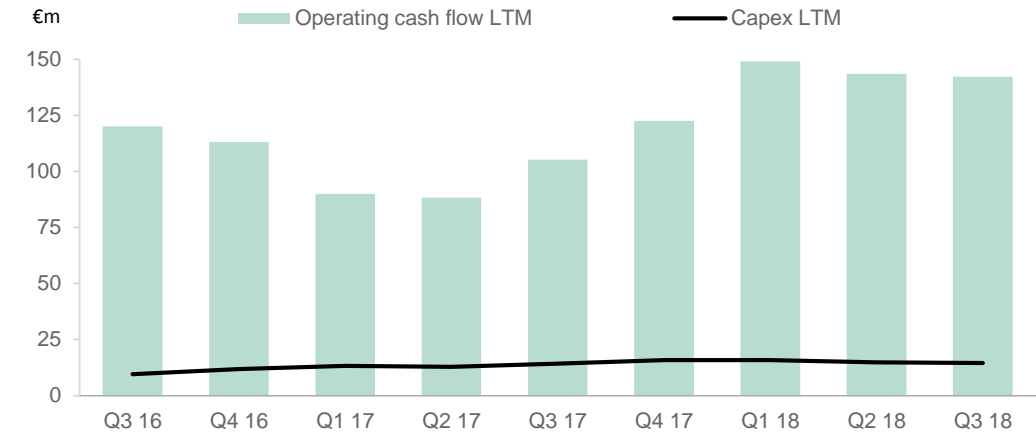
Cash flow

	Q3 18*	Q3'17	LTM'18	YE '17
Net profit before income tax, €m	24.1	24.8	140.0	133.2
Op. profit before changes in wc, €m	37.4	37.9	187.8	177.9
Change in working cap. and provisions, €m	(15.9)	(14.7)	10.6	0.1
Operating CF, €m	9.9	11.2	142.3	122.7
CF Investing Activities, €m	(3.5)	(3.8)	(14.5)	(15.8)

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

Q3 operating cash flow €9.9m (€11.2m)

- Net profit before tax €-0.7m
- Non-cash items in net profit before tax €+0.2m
- Impact from changes in working capital and provisions €-1.2m
 - Inventories €+1.5m
 - Receivables, prepaid exp., asset derivatives €-1.9m
 - Payables, accrued exp., liability derivatives €-0.9m
 - Provisions €+0.1m
- Interest, charges, taxes €+0.4m

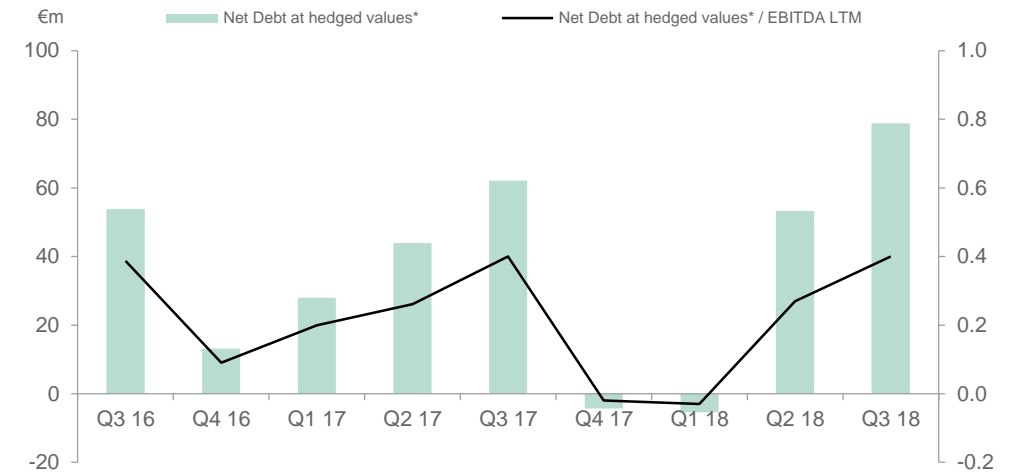


Financial position

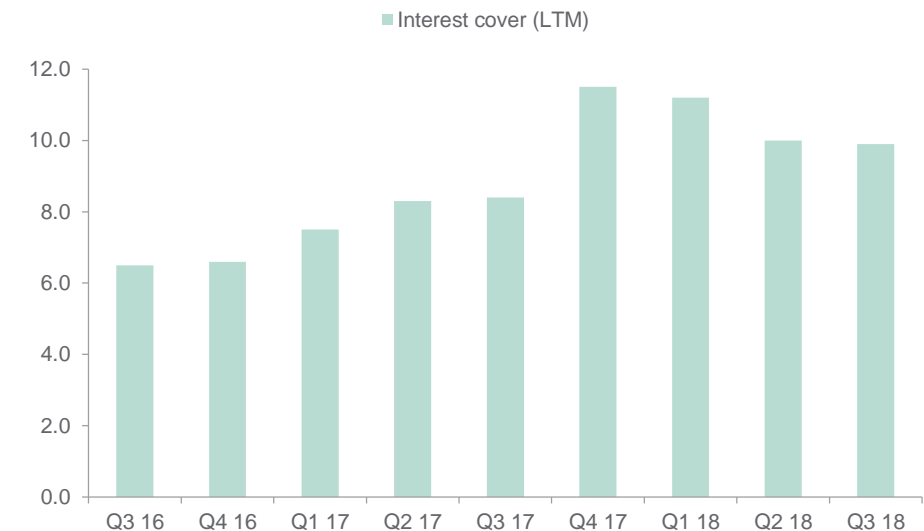
- Net debt at hedged values €78.8m (€62.2m)
 - Net debt €101.0m (€85.4m)
- Net debt at hedged values/ EBITDA (LTM) 0.4 (0.4)
 - Net debt/EBITDA (LTM) 0.5 (0.5)
- Interest cover (Q3): 7.4 (7.7)
- Interest cover (LTM): 9.9 (8.4)

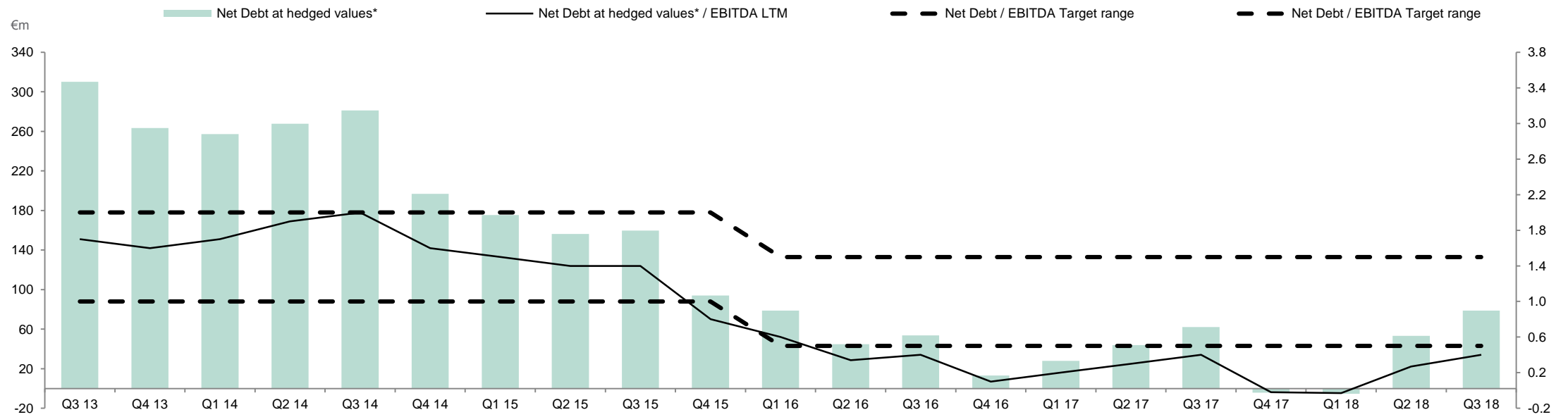
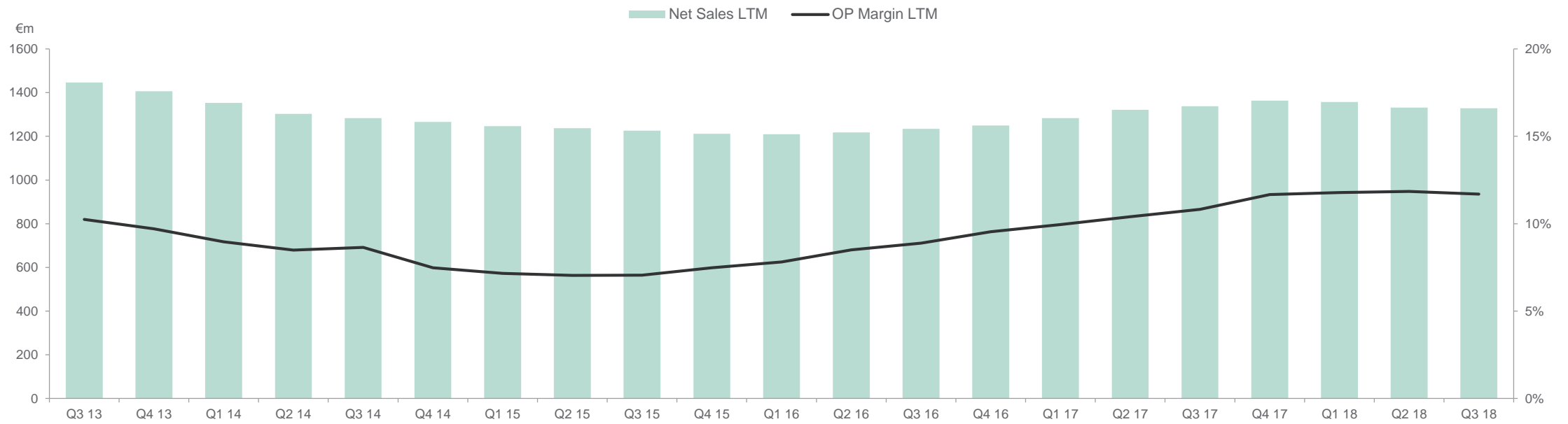
Covenant disclosure

- Consolidated Net Debt to Consolidated EBITDA: 0.6 (covenant at ≤ 3.0 times)
- Consolidated EBITDA to Consolidated Finance costs: 20.3 (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)

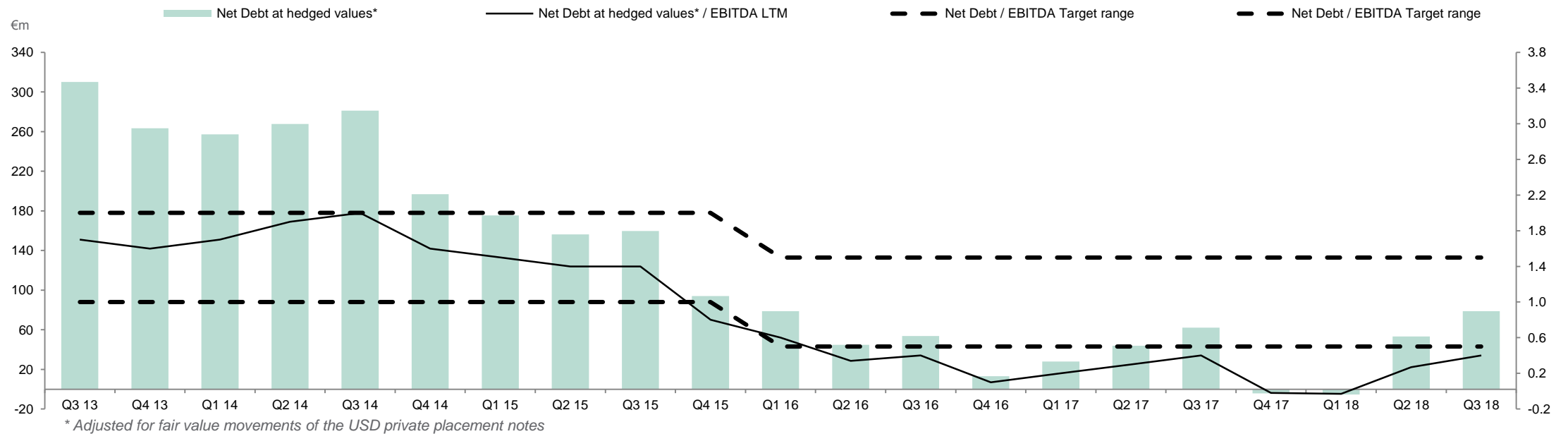
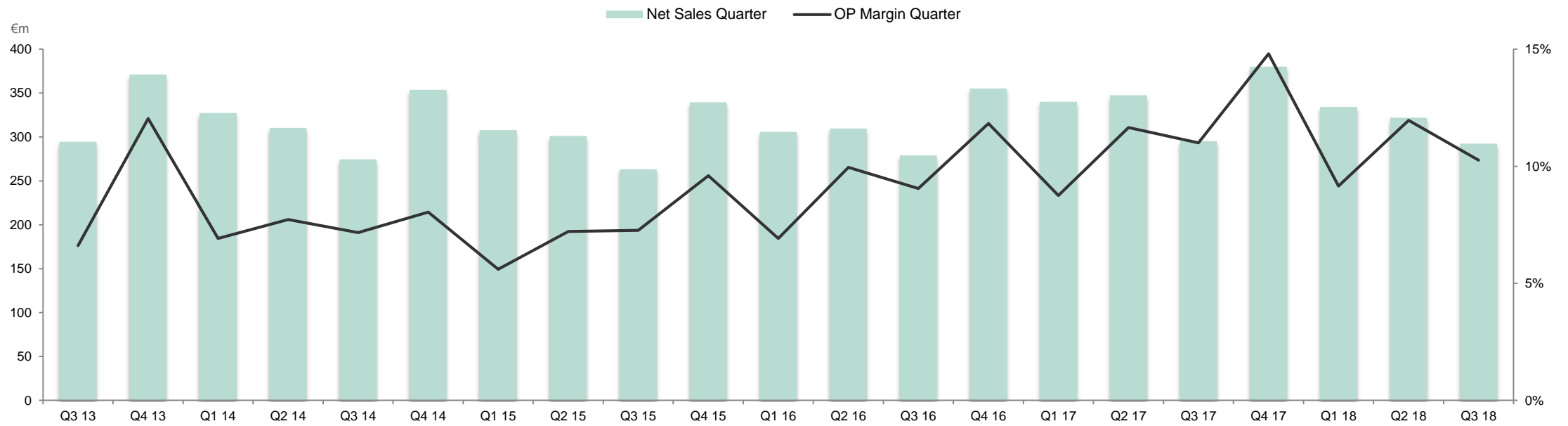


* Adjusted for fair value movements of the USD private placement notes





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



CONCLUSIONS

AND GOING FORWARD



Conclusions and going forward

- Q3 sales development +4%:
 - Challenging market conditions
 - Difficult comparables related to 50th year Anniversary activities
 - Slower performance in Asia & Turkey during second half of quarter
 - Measures taken to enhance sales growth in CIS and Latin America
 - Initiatives successful, yet negative impact on operating margin
- Q4 QTD sales development +6%
- Confidence in long-term strategy and in ability to return to profitable growth:
 - Solid financial position
 - Increased digitalisation
 - Improved earnings opportunity

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.