21st February 2024

Oriflame

FOURTH QUARTER 2023

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Carl Rogberg, CFO

ORIFLAME
SWEDEN

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. commercialization and supply disturbances.

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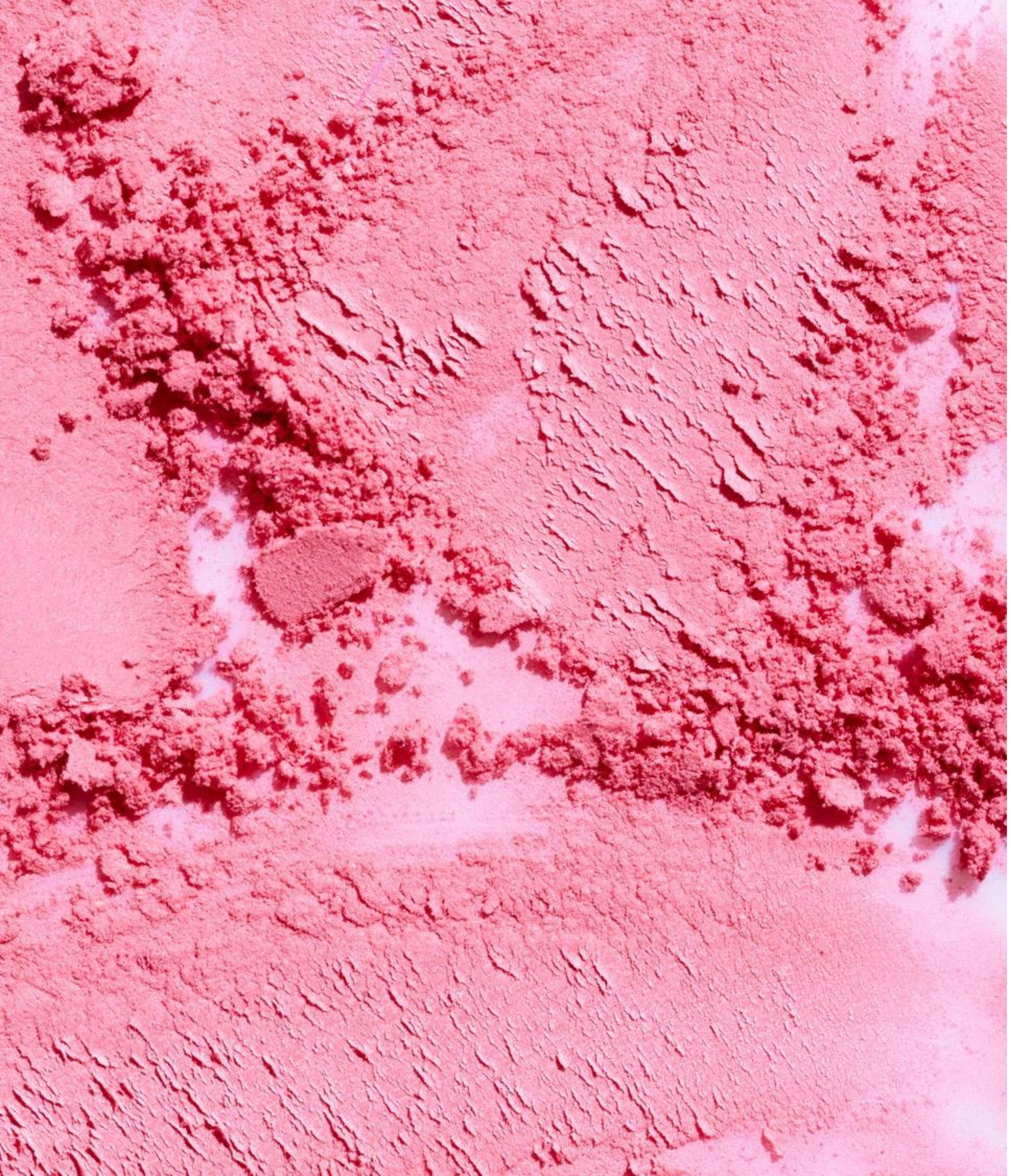
HIGHLIGHTS

2023 key takeaways

- **2023 has been a difficult year with falling sales and profits primarily resulting from:**
  - Difficult macro economical environment with inflationary pressure
  - Ongoing impact of Russia/Ukraine war
  - Adverse foreign exchange impacts in several main markets on sales and profitability
  - Necessary organisational restructuring impacting 20% of workforce has consumed time and resources
- **Despite challenges, the Company maintains a strong liquidity and cash position and its transformation programme is well underway, with several initiatives in progress**
- **The focus on 2024 remains on the operational transformation and repositioning of the business before addressing the bond maturities**
- **The Company has positioned itself for a "clean-start" in 2024, having achieved significant progress in its cost transformation to date, and is well-positioned to capture growth from the initiatives it has implemented going forward**



Restructuring and savings programme

- **The savings programme has delivered above expectations**
- Working Capital **€41m** improvement during Q4,
  - Inventory decrease **€35m**
  - Strengthened inventory management execution
  - Excess sale/write offs
  - Inventory days decrease with further improvement potential
  - Decreased accounts receivables from introduction of credit fees
- On track to deliver savings of **€45m** across staff and other indirect costs.
  - Around 20% of work force impacted
  - Savings full impact from Q4 2024
  - Savings programme has allowed for necessary reinvestments into business
  - Total restructuring cost **€27.5m**

Q4 highlights

- **Sales** €199.1m (€264.4m) -25% in €, -15% in LC
    - Members average 1.6m (2.0m) -22%
    - Members average LC productivity +8%
    - All regions with Euro/LC decline
- **Adjusted EBITDA** €6.2m (€37.8m)
    - Gross Margin 58.4% (66.4%)
    - Adjusted EBITDA margin 3.1% (14.3%)
- **Adjusted cash flow before financing** €43.3m (€42.8m)
- **RCF was drawn down by €20m to support restructuring payments. €16m was repaid before the end of the quarter and €4m was repaid early January**
- **Cost and efficiency program is progressing above expectations**
- **New commercial strategic initiatives are well under way**

Q4 Regional overview

Latin America

Sales decrease in both € and LC, in a highly inflationary environment, due to weaker recruitment leading to less members, partially offset by improved activity and productivity levels across the region. Operating margin 4.3% (5.0%).

Europe & CIS

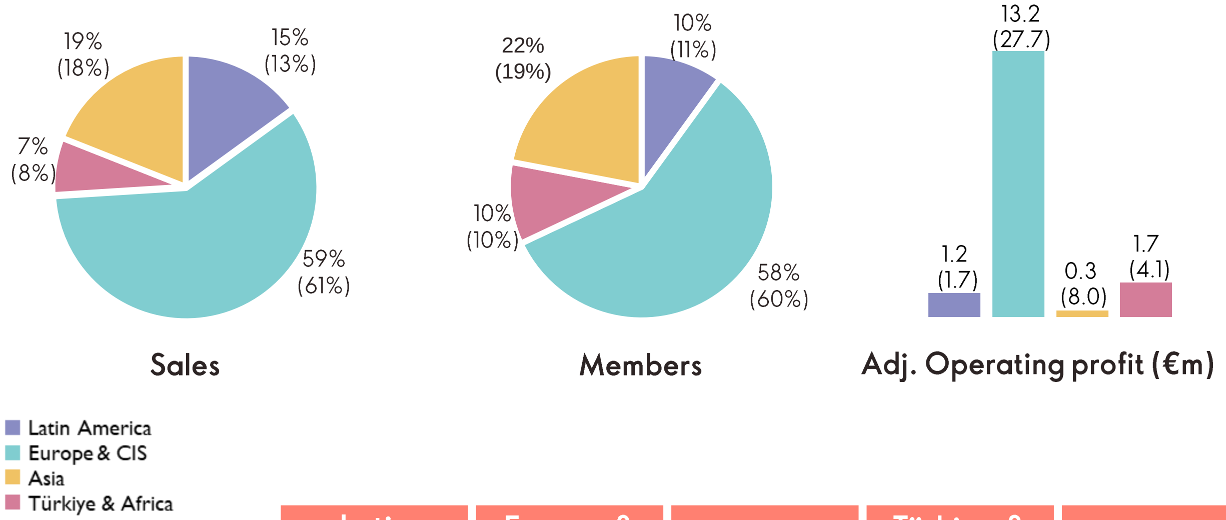
Sales decreased in € and LC. Strong devaluation of the Russian rouble affected the € sales negatively. Lower LC sales from lower number of members, partially offset by positive impact from improved productivity levels. Operating margin 11.9% (17.7%).

Asia

Sales drop in € and LC due to weaker productivity and lower members. Sales remain challenging in most major markets in Asia while continued good trends in Indonesia. Operating margin decreased to 0.9%, from 17.3% due to lower sales, higher selling expenses and extraordinary write off costs for inventory.

Türkiye & Africa

Euro sales dropped due to weaker currencies in Türkiye and Nigeria. Operating margin decreased to 12.7% (21.7%) due to lower gross margins from devaluation impacts and deleverage impact on administrative expenses from Euro sales drop – despite underlying lower costs from savings initiatives.



	Latin America	Europe & CIS	Asia	Türkiye & Africa*	Group
EUR growth	-19%	-29%	-22%	-28%	-25%
LC growth	-22%	-16%	-16%	-3%	-15%
Adj. Operating margin	4.3%	11.9%	0.9%	12.7%	0.1%

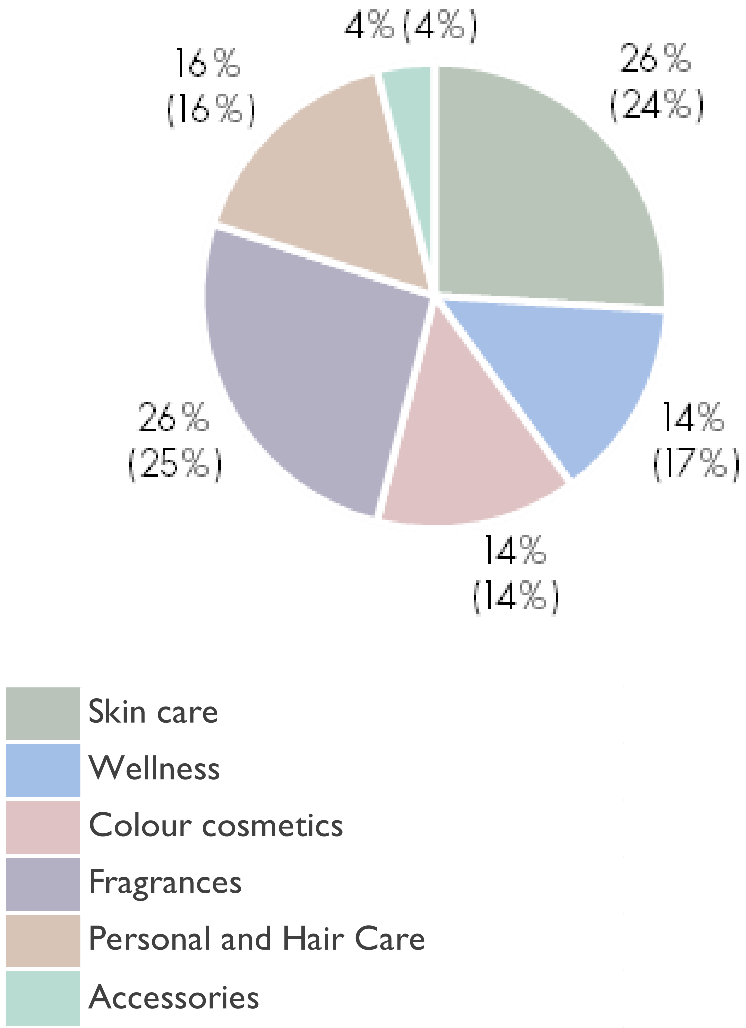
** Sales growth in local currencies calculation has been adjusted for Türkiye hyperinflation*

Operational highlights

Brand and Innovation

- *Skin Care and Fragrances* were the strongest contributors. The scientifically proven cosmeceutical anti-aging Novage, remained the largest brand. Optimals was also a relevant brand.
- In *Wellness* the Women and Men packs, providing 22 essential vitamins and minerals as well as antioxidants, maintained the overall top product positions.
- In *Colour Cosmetics* the premium Giordani Gold was revived into a superior makeup brand.
- *Fragrances* successfully introduced All or Nothing Amplified Parfum.
- In *Personal & Hair Care* the Love Nature brand was the strongest contributor followed by North for Men. Within Hair Care, Duologi grew steadily another quarter.

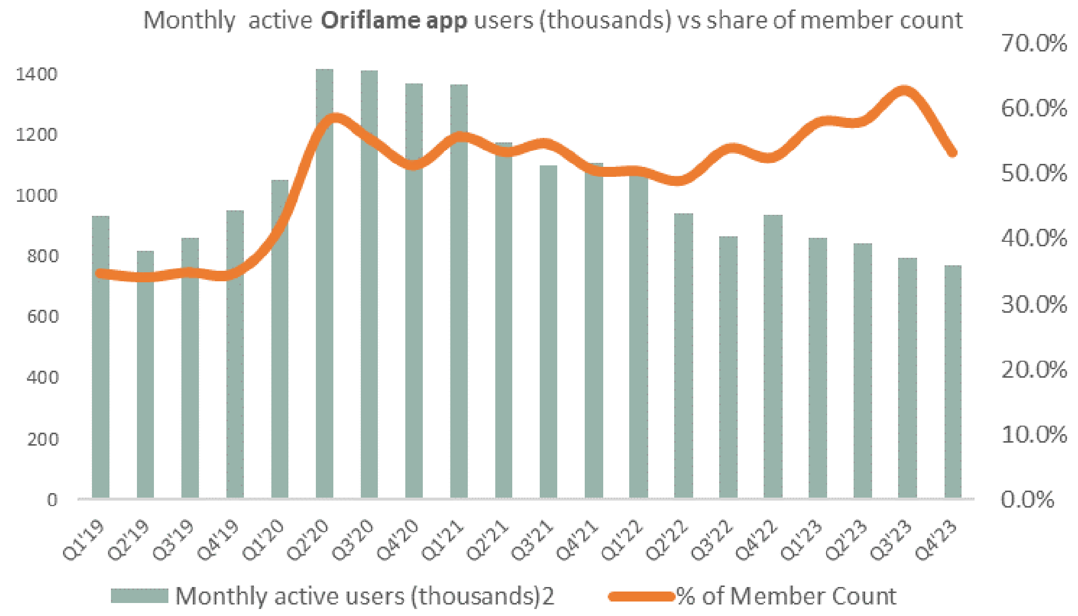
Product categories Q4 2023 (Q4 2022)

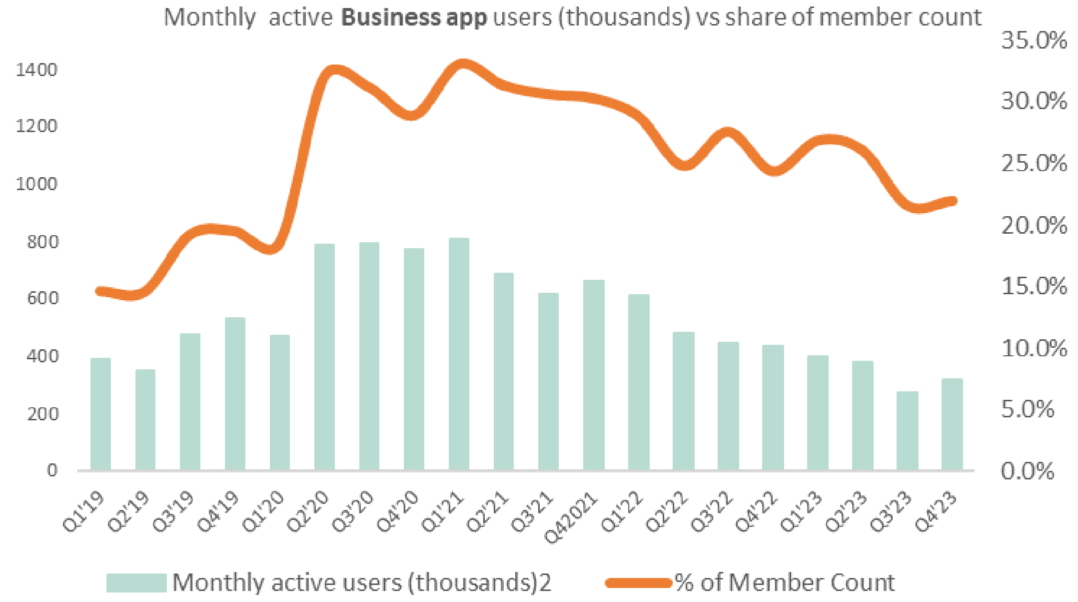


Operational highlights

Digital

- During the second half of 2023, more than 98% of all orders were placed through the website or mobile app.
- Significant progress in the utilisation of core social selling features. The share of online payments also continues to grow, making payments management more efficient and less costly.
- The first pilot of the Oriflame Sharing App offering Brand Partners a wide selection of curated content that can be personalised and shared on the social platform.
- Rollout of the New Oriflame App continued and is now available in a total of 41 markets.
- CRM system activities were concentrated to increasing the value generation of marketing automation initiatives through building new journeys.





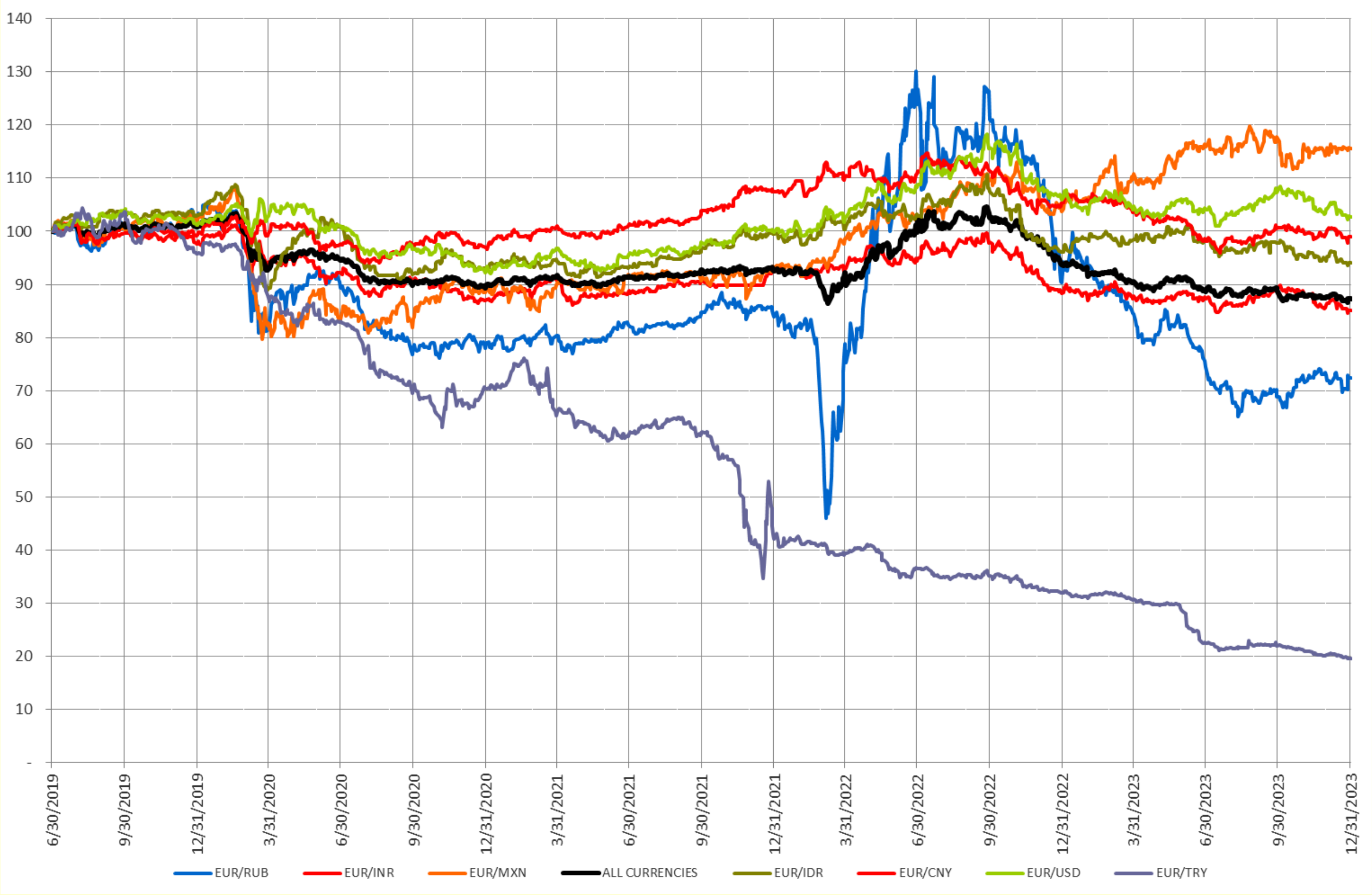
Operational Highlights

Sustainability

- Oriflame's Responsible Product Development Approach was shared at GA2023 Natural Product Research Conference in Trinity College Dublin during Q2.
- The key upcoming Sustainability regulations were landscaped, that will impact business strategy and process going forward, and initiated CSRD preparations including double materiality assessment to enable robust and credible reporting.
- 3rd time Climate Leader in Europe by Statista and FT.
- Sustainable product launches:
  - The roll out of the natural Tendercare formulations continued with an elevated focus on the responsible aspect with 99.9% natural origin formulations.
  - The Duologi shampoos were launched, our first premium haircare range formulated to be biodegradable.

FINANCIALS

Group Currencies Impact (on Sales) – Q4 2023
Since July 2019



- Most major currencies continued to be weak against the Euro versus prior year and in particular the Russian Rouble.
- Impact on adjusted EBITDA was -470bps for the quarter and -250bps year to date.
- 2023 FX Impact overview

Impact on:	**Q1 Act**	**Q2 Act**	**Q3 Act**	**Q4 Act**	**YTD Act**
Sales, around	+1%	-7%	-11%	-10%	-7%
Adj. EBITDA – approx. (bps)	+40	-190	-400	-470	-250

- Sales

Unit sales	-30%
Price/mix	15%
FX impact	-10%
EUR sales	**-25%**

- Adj. Gross margin 58.4% (66.4%) - lower than same quarter in the prior year, due to lower price increases, negative impact from exchange rates movements, product cost inflation, under-recoveries from lower volumes and inventory write-offs
- As a % of sales, lower selling and marketing expenses due to lower costs for conferences and recruitment from less qualifying participants and timing of events
- Lower administrative expenses due to savings from restructuring programs in staff and office expenses and weaker local currencies. Increase as % of sales from deleverage effect of lower sales
- Adj. operating margin 0.1% (11.5%)
- Adj. EBITDA margin 3.1% (14.3%)
  - Currency impact was negative 470bps
- The positive variance in net financing costs was mainly coming from unrealised FX gains on the unhedged USD bond due to weakening of the Dollar
- Adj. net loss €-19.6m (€17.9m net profit)
- Adjusted numbers exclude €248.2m impairment on brand/goodwill

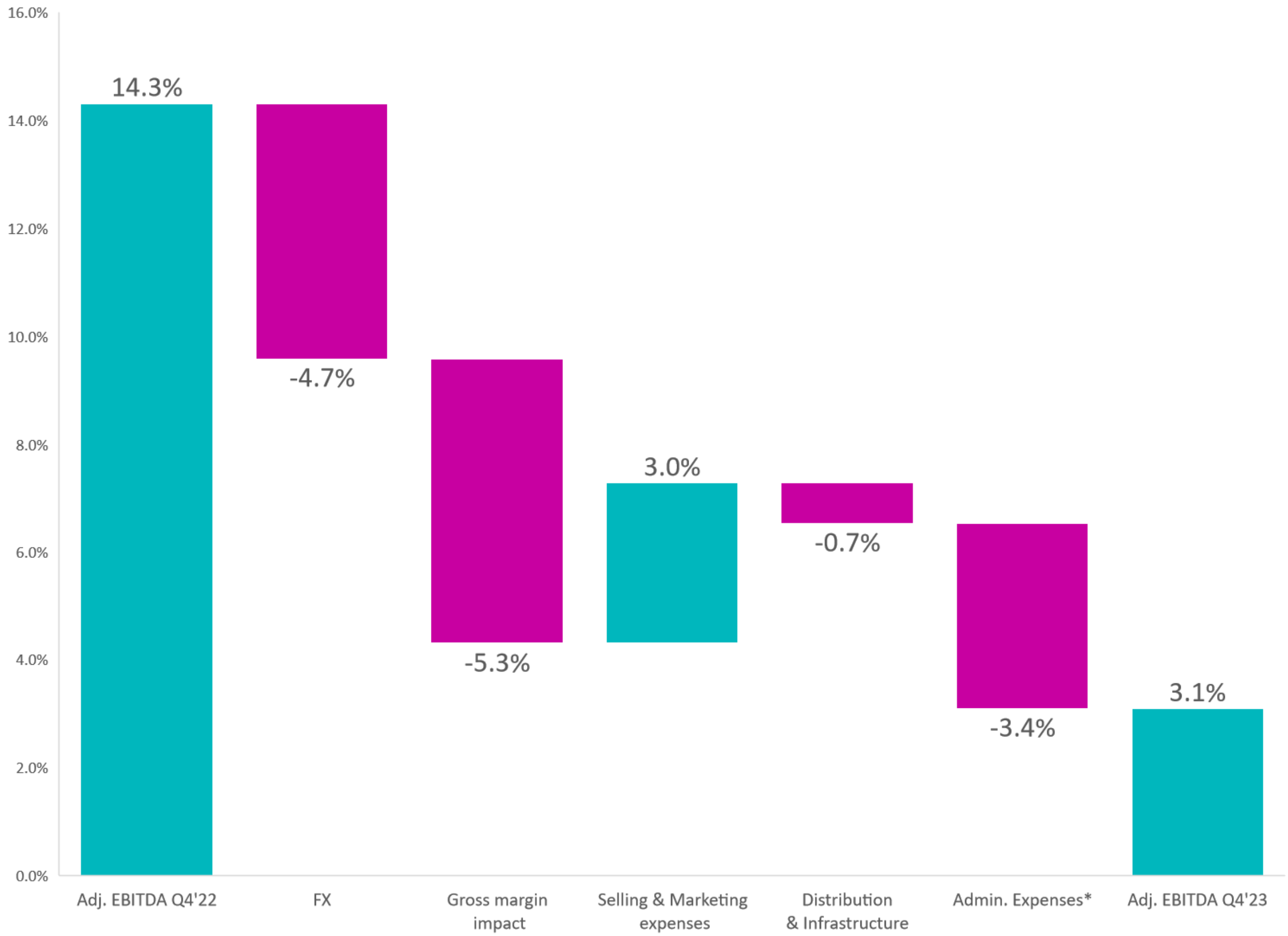
Adj. income statement Q4

€m	Q4'23	Q4'22	% change
Sales	199.1	264.4	-24.7%
Cost of Sales	-82.8	-88.7	-6.7%
	-41.6%	*-33.6%*	
Adj. Gross profit	**116.2**	**175.7**	**-33.8%**
	58.4%	*66.4%*	
Selling and marketing expenses	-57.7	-84.4	-31.6%
	-29.0%	*-31.9%*	
Distribution and Infrastructure	-5.5	-5.2	5.7%
	-2.7%	*-2.0%*	
Administrative expenses	-52.8	-55.8	-5.4%
	-26.5%	*-21.1%*	
Adj. Operating profit	**0.3**	**30.4**	**-99.0%**
	0.1%	*11.5%*	
Net financing costs	-7.7	-18.2	-57.5%
	-3.9%	*-6.9%*	
Net gain on disposal of a subsidiary	-0.2	-	
	-0.1%	*-*	
Loss from associates, net of tax	-0.0	0.0	
	0.0%	*0.0%*	
Adj. Net profit before tax	**-7.7**	**12.2**	
	-3.9%	*4.6%*	
Total income tax expense	-11.9	5.7	
	-6.0%	*2.2%*	
Adjusted net loss (-) / profit	**-19.6**	**17.9**	
	-9.8%	*6.8%*	
Adj. EBITDA	**6.2**	**37.8**	**-83.7%**
	3.1%	*14.3%*	

Q4 sales and adjusted EBITDA analysis

Sales vs PY

Adj. EBITDA margin vs PY



** Administrative expenses excluding FX and depreciation & amortisation went up from deleveraging of lower sales impact.*

- Sales

  Unit sales -27%

  Price/mix 15%

  FX impact -7%

  EUR sales -19%

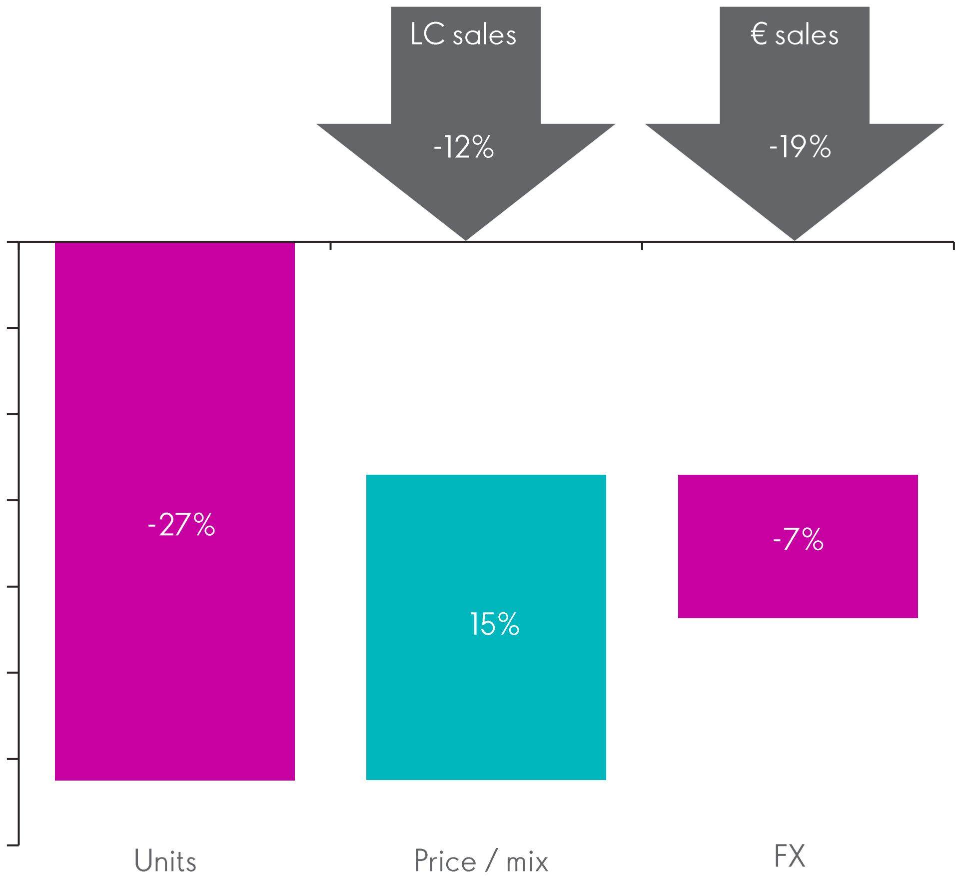
- Adj. Gross margin 64.5% (66.3%) - lower than prior year, primarily due to adverse exchange rate impacts, product cost inflationary increases, under-recoveries from lower volumes and inventory write-offs with partial positive impact from price increases
- As a % of sales, higher selling and marketing expenses due to higher costs for selling incentives and conferences which increased after a period of lower spending in the first half of 2022
- Lower administrative expenses due to savings from restructuring programs in staff and office expenses and weaker local currencies. Increase as % of sales from deleverage effect of lower sales
- Adj. operating margin 2.0% (8.2%)
- Adj. EBITDA margin 5.2% (11.5%)
  - Currency impact on EBITDA was negative 250bps
- The negative variance in net financing costs was mainly the result of the FX swap sale on the USD bond resulting in an unrealised FX loss of €27.9m and positive foreign exchange differences and interest swap revaluations in the prior year
- Adj. net loss €-81.8m (€49.0m net profit)

Adj. income statement YTD

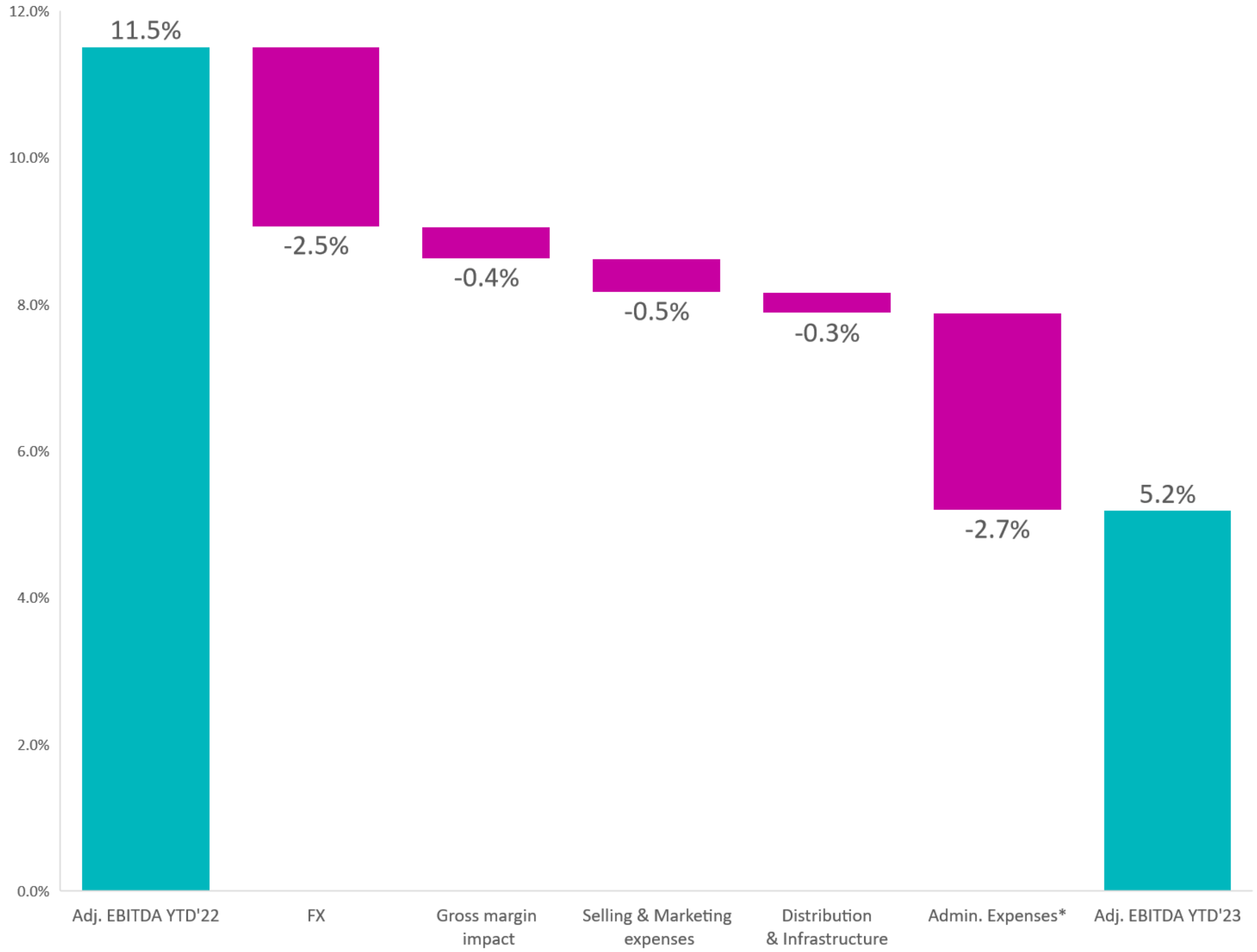
€m	YTD'23	YTD'22	% change
Sales	**750.9**	**925.4**	**-18.9%**
Cost of Sales	-266.3 *-35.5%*	-312.0 *-33.7%*	-14.6%
Adj. Gross profit	**484.6** *64.5%*	**613.4** *66.3%*	**-21.0%**
Selling and marketing expenses	-234.9 *-31.3%*	-284.9 *-30.8%*	-17.5%
Distribution and Infrastructure	-21.8 *-2.9%*	-23.6 *-2.5%*	-7.6%
Administrative expenses	-213.0 *-28.4%*	-228.7 *-24.7%*	-6.9%
Adj. Operating profit	**14.8** *2.0%*	**76.3** *8.2%*	**-80.6%**
Net financing costs	-85.1 *-11.3%*	-18.4 *-2.0%*	362.7%
Net gain on disposal of a subsidiary	7.9 *1.0%*	-	
Loss from associates, net of tax	-0.1 *0.0%*	-0.0 *0.0%*	
Adj. Net profit before tax	**-62.4** *-8.3%*	**57.9** *6.3%*	
Total income tax expense	-19.4 *-2.6%*	-8.9 *-1.0%*	117.9%
Adjusted net loss (-) / profit	**-81.8** *-10.9%*	**49.0** *5.3%*	
Adj. EBITDA	**39.0** *5.2%*	**106.5** *11.5%*	**-63.4%**

YTD sales and adjusted EBITDA analysis

Sales vs PY

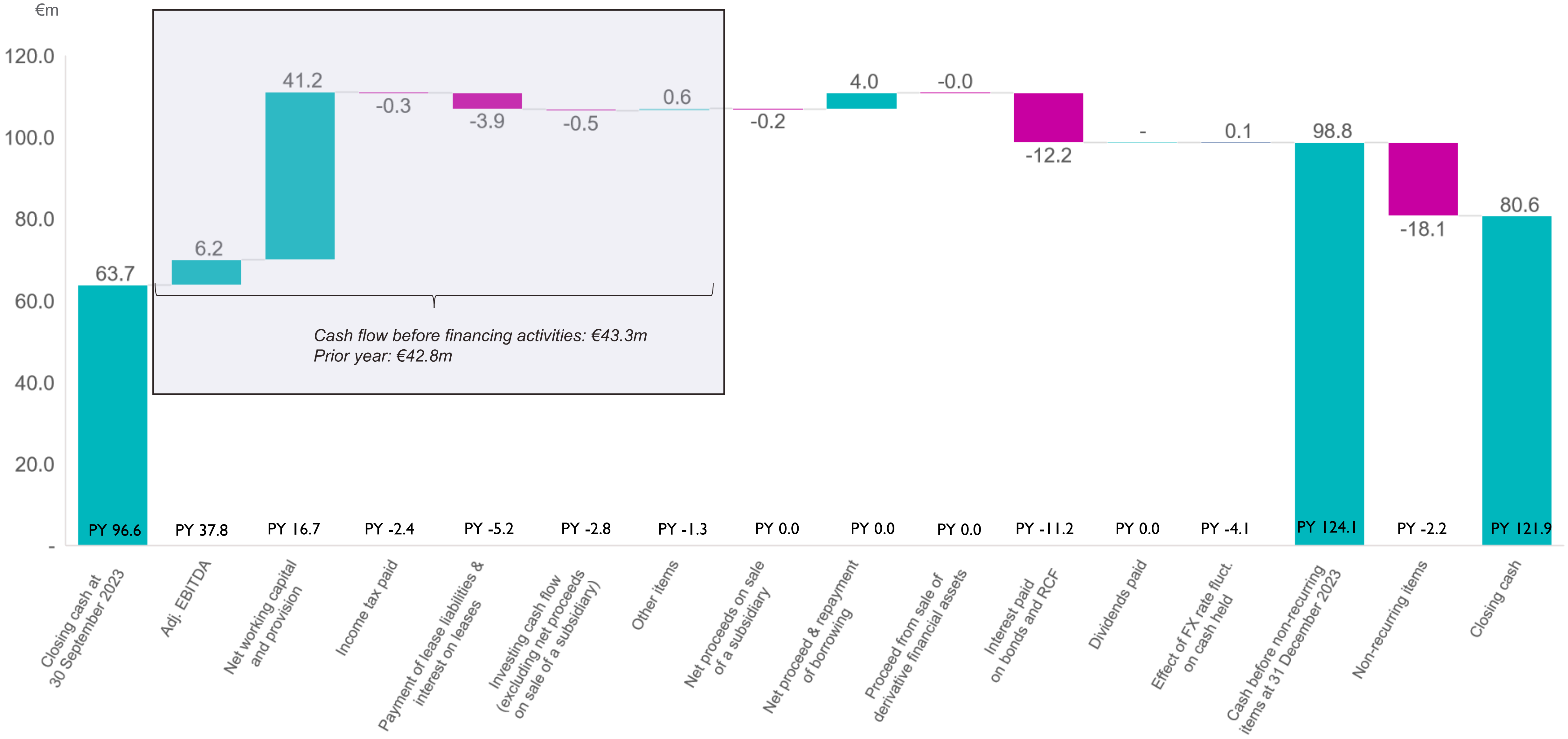


Adj. EBITDA margin vs PY

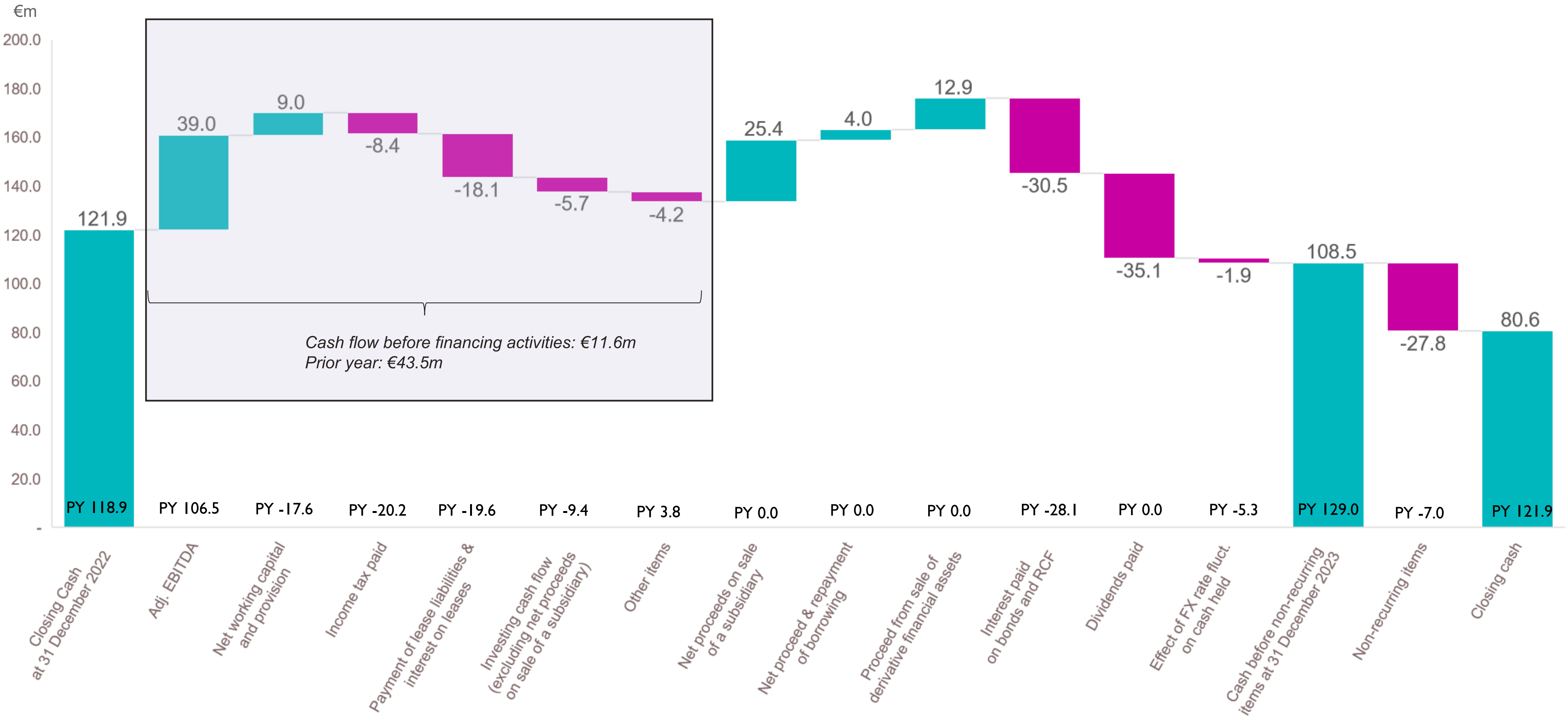


** Administrative expenses excluding FX and depreciation & amortisation went up from deleveraging of lower sales impact. In absolute value they decreased partially offset by higher inflation*

Q4 Cash flow development



YTD Cash flow development



Funding and financial position

- **Refinancing**
  - €250m at a rate of 4.25% + 3-month Euribor *(€150m notional swapped into fixed EUR with margin 0.14%)*
  - $550m at a rate of 5.125% (swapped € interest rate 3.53%)
  - Maturity May 2026

Liquidity / Financial ratios

- Cash on balance sheet: €80.6m
- €100.0m Revolving Facility (maturity Oct 2025): €4.0m draw down as of 31 December 2023
- Net Secured Debt ratio: 17.2 *1
- Adj. EBITDA LTM: €39.0m *2

€m	Year-end 2023	Year-end 2022
Notes*1	747.7	765.7
Revolving Credit Facility	4.0	-
Total secured debt	**751.7**	**765.7**
Cash and Cash Equivalents	**80.6**	**121.9**
Total Net Secured Debt	**671.1**	**643.7**
Lease liabilities*1	32.4	46.6
Total Net Debt	**703.5**	**690.3**
Total debt *1	**784.1**	**812.3**

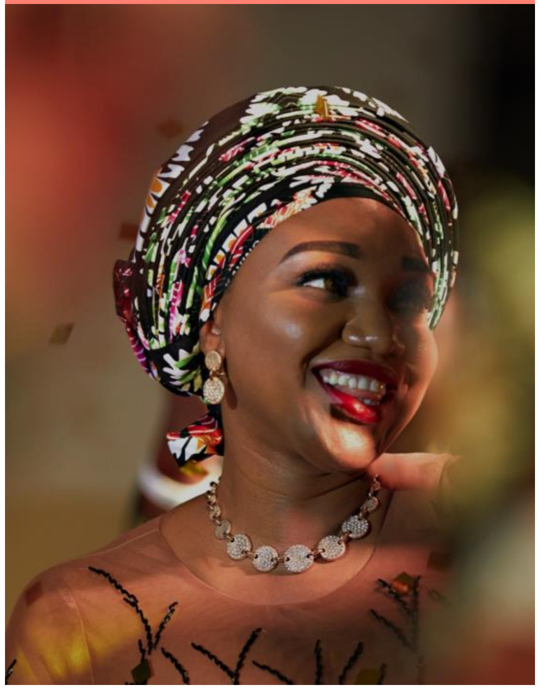
*1 *see appendix "Debt and debt ratio"*

*2 *see appendix "Adjusted EBITDA"*

GOING FORWARD

These strategic pillars articulate our transformative journey

Attract & engage
Brand Partners & Customers



Create an attractive
brand & product offer

Deliver digital
commercial leadership

Explore
new opportunities

Beauty Community Model

Implementation ongoing at full speed

- **New mechanics** – to remove barriers to join, segment our community, increase retention and offer a modern opportunity
- **Member concept working well** and getting traction
- **BCM follow up –** KPI's are being tracked monthly – too early to draw any material conclusions
- **Rolled out in 13 EU/CIS markets and China** and other markets to follow in 2024/2025

Marketing & Brand Investments

New brand campaign

- Low investments in marketing during the past years has led to low brand awareness, and brand not seen as modern
- New Brand Campaign unveiled in January 2024, to clarify and communicate Oriflame's positioning in a modern way
  - **#ReachYourHappyPlace**
  - **Ongoing global roll-out, very well received by Brand Partners**

Marketing & Brand Investments

Prioritised marketing investments

- Prioritised marketing investments with test in 3 pilot markets; Indonesia, UK and Romania
- **Indonesia now live with 360 campaign**;
  - Online and offline ads
  - Community activation
  - Celebrity collaboration with Indonesian actress (Ni Luh Dharma Putri Marino)

Attractive portfolio and product offer

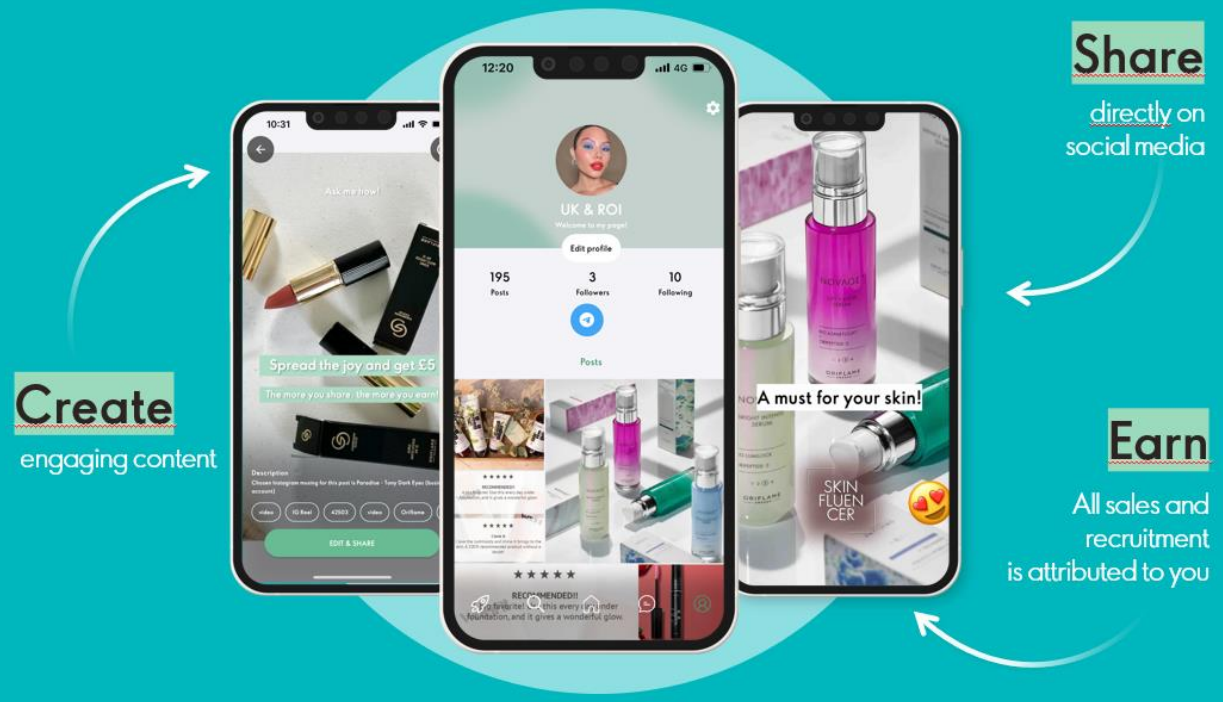
Ongoing simplification and segmentation of portfolio, including pricing adjustments

- **Optimized portfolio analysis completed during Q1, implementation starting in Q2 and onwards**
  - First step of implementation focuses on our lead markets Poland, Mexico, Turkey, India, China and UK
  - Implementation includes quick wins for top 15 priority segments
- Indication of Oriflame being uncompetitively priced versus competitors in certain markets
  - Ongoing pricing adjustment initiatives, for example in Portugal (as of end of March/April 2024)

Launch of new digital tools

The Sharing App

- A new modern tool to support our Brand Partners with content creation, for easy sharing on social media
- Piloted in UK and Indonesia in 2023 – very well received by Brand Partners
- Global roll-out planned in February/March 2024



UK Incubation Market

- New **Brand Campaign unveiled** with further activation plan
- **Targeted media investments during 2024**
- **Pricing evaluation** done with adjustments to selected products/segments to be implemented during Q2'2024
- **New inflow of Brand Partners, driving sales growth in UK**

Transformation journey is well underway

Several initiatives are ongoing to address the challenges

- **Restructuring and savings programme**
  - started in 2023, continuing in 2024
- **Implementation of the Beauty Community Model**
  - ongoing roll-out of a new digitally enabled compensation model to attract and engage Members and Brand Partners
- **Brand and Marketing investments**
  - new brand campaign launched, supported by marketing investments, to help Brand Partners promote Oriflame
- **Simplification and segmentation of portfolio, including pricing adjustments**
  - ongoing adjustments to markets´ needs and purchasing power
- **Launch of new digital tools**
  - to support our Brand Partners and to stay competitive
- **New opportunities – for example the UK as a incubation market for Western Europe**

Q&A

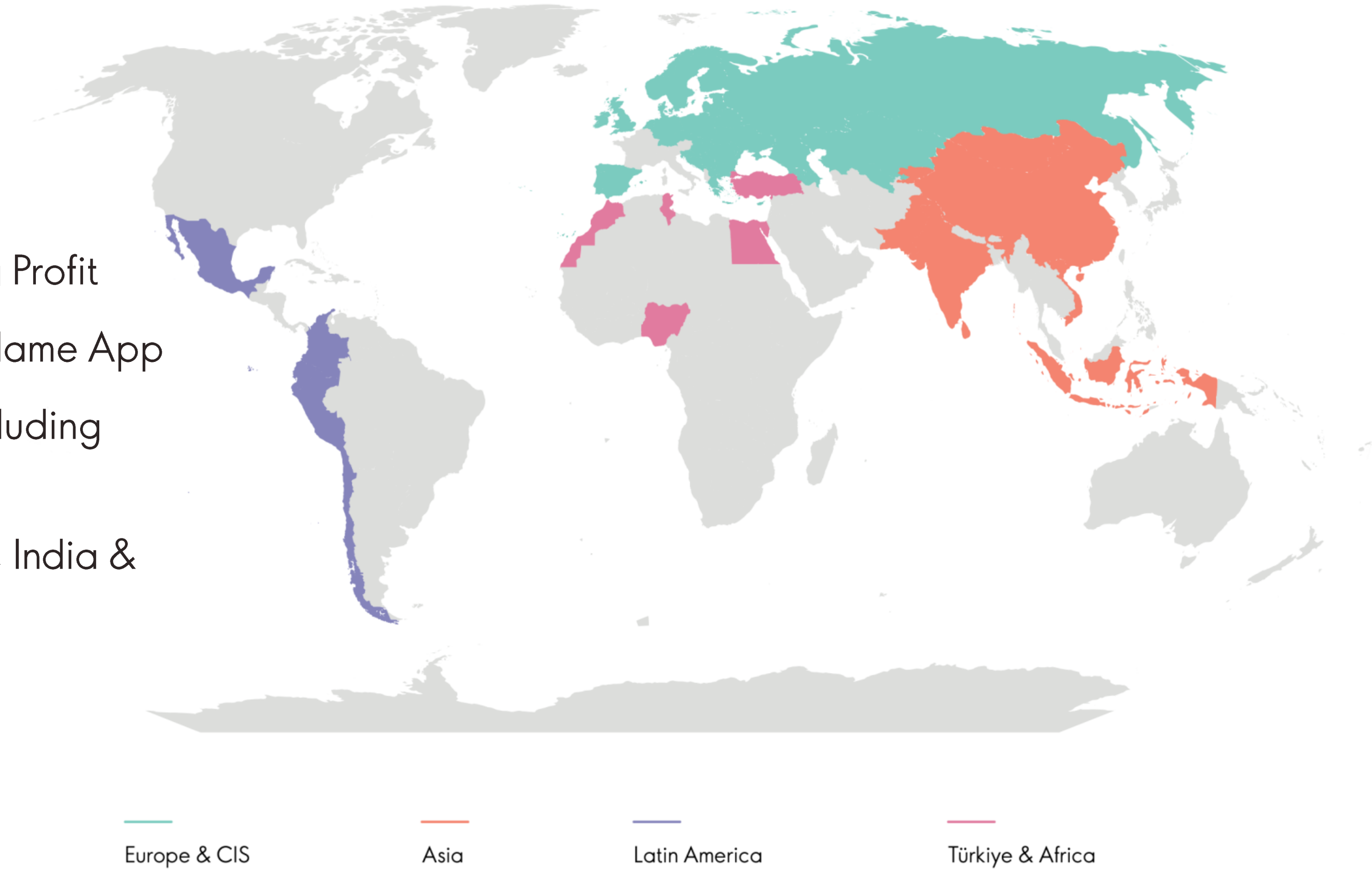
Appendix

- Oriflame snapshot 2023
- Purchase Price allocation (PPA) and non-reccuring items
- Adjusted EBITDA
- Debt & Debt ratio

Oriflame snapshot 2023

An international social selling beauty company with strong Swedish attributes operating in 60+ countries*

- Approximately **1.7m** Members
- **€0.8b** in sales
- Adj. EBITDA **€39.0m** and **€14.8m** Adj. Operating Profit
- **98%** of orders online. Around 1 million via the Oriflame App
- Around **1,350** beauty and wellness **products** (including approximately 150 accessories)
- Founded in 1967. Manufacturing entities in China, India & Poland. Headquartered in UK & Switzerland



Purchase Price Allocation (PPA) and non-recurring items

PPA Summary (M €)	BS Impact	P&L Impact									Comments
	2019	2019	2020	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	
Inventory	322.0	**-308.5**	**-13.5**	**-**	**-**	-	-	-	-	**-**	Consumed by Q1 2020
Customer list	14.1	**-3.5**	**-7.0**	**-3.5**	**-**	-	-	-	-	**-**	Depreciated over 2 years
Manufacturing know-how	37.5	**-3.8**	**-7.5**	**-7.5**	**-7.5**	-1.9	-1.9	-1.9	-1.9	**-7.5**	Depreciated over 5 years
Brand	546.2	**-**	**-**	**-**	**-**	-	-	-	-17.5	**-17.5**	indefinite life time with annual impairment test, impairment recognised during Q4'23
Goodwill	279.2	**-**	**-**	**-**	**-18.8**	-	-	-	-230.7	**-230.7**	Impairment recognised during Q4'22 & Q4'23 Goodwill fully impaired as of Q4'23
Other	4.1	**0.0**	**-0.1**	**0.2**	**-**	-	-	-	-	**-**	Software and Right-of-use assets
Total PPA on EBIT		**-315.8**	**-28.1**	**-10.8**	**-26.3**	**-1.9**	**-1.9**	**-1.9**	**-250.1**	**-255.7**	
Financial expenses		**-0.8**	**-1.2**	**-0.6**	**-**	-	-	-	-	**-**	IFRS 16 leases
Total PPA on PBT		**-316.6**	**-29.2**	**-11.4**	**-26.3**	**-1.9**	**-1.9**	**-1.9**	**-250.1**	**-255.7**	
Tax	-135.4	**72.7**	**6.1**	1.7	0.7	0.2	0.2	0.2	-26.5	-26.0	recalculation of deferred tax liability of the brand due to tax rate increase in Switzerland during Q4'23
Total PPA	**1,067.6**	**-243.9**	**-23.1**	**-9.7**	**-25.5**	**-1.7**	**-1.7**	**-1.7**	**-276.6**	**-281.7**	
Non-recurring Items		-16.6	-10.1	-61.1	-74.5	-1.5	-3.4	-20.3	-9.0	-34.2	Restructuring / Impact from war in Ukraine / 2021 Refinancing / Impairment / Staff related costs / Reorganisation
Tax on non-recurring items		-	2.1	-	2.8	0.3	0.6	1.1	1.2	3.2	
Total PPA and non-recurring items		**-260.6**	**-31.1**	**-70.8**	**-97.3**	**-2.9**	**-4.5**	**-20.9**	**-284.3**	**-312.7**	

Adjusted EBITDA

€ million	Q4'23	Q4'22	YTD Q4'23	YTD Q4'22
Operating profit / loss (-)	-258.8	6.1	-275.1	-24.6
Depreciation, amortisation and impairment	256.2	28.1	280.8	111.9
EBITDA	**-2.6**	**34.2**	**5.8**	**87.3**
Purchase Price Allocation (PPA) items	250.1	20.6	255.7	26.3
Non-recurring items (NRI) *	9.0	3.6	34.2	74.6
Amortisation and impairment included in PPA & NRI	-250.3	-20.6	-256.7	-81.6
Adjusted EBITDA	**6.2**	**37.8**	**39.0**	**106.5**

** Non-recurring items*	9.0	3.6	34.2	74.6
Impairment of property, plant and equipment	-	-	-	55.3
Restructuring, reorganisation and employee related costs	9.0	4.1	34.2	18.4
Impact from the war in Ukraine	-	-0.4	-	0.9

Debt & Debt ratio

€ million	Year-end 2023	Year-end 2022
Senior Secured Notes - € 250.0 million	250.0	250.0
Senior Secured Notes - $ 550.0 million	497.7	515.7
Notes	747.7	765.7
RCF	4.0	-
Secured debt	**751.7**	**765.7**
less cash and cash equivalents	-80.6	-121.9
Net Secured Debt	**671.1**	**643.7**
Secured debt	751.7	765.7
Lease liabilities short term	11.4	13.1
Lease liabilities long term	21.0	33.5
Lease liabilities	32.4	46.6
Total debt	**784.1**	**812.3**
less cash and cash equivalents	-80.6	-121.9
Total Net debt	**703.5**	**690.3**

€ million	Year-end 2023	Year-end 2022
Net Secured debt	671.1	643.7
Adjusted EBITDA LTM	39.0	106.5
Net Secured debt ratio	**17.2**	**6.0**

More than 50 years in, Oriflame is the choice of more than 1.5 million people. Looking ahead, we are committed to continuing to build on this simple formula – empowering people and enabling positive change around the world.

Thank you

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