



ORIFLAME HOLDING AG

First Quarter 2016

Investor Presentation

May 18, 09:30 CET

Magnus Bränström, CEO

Gabriel Bennet, CFO

Nathalie Redmo, IR Manager

ORIFLAME
SWEDEN



FIRST QUARTER HIGHLIGHTS

Q1 HIGHLIGHTS



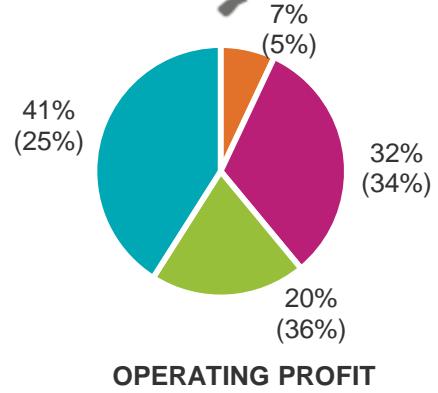
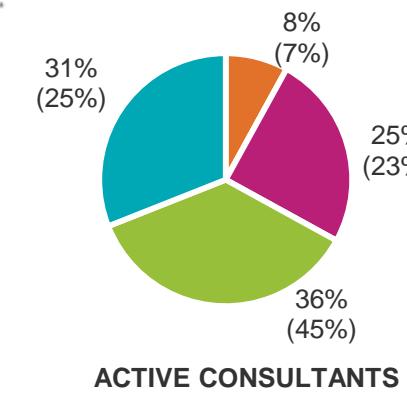
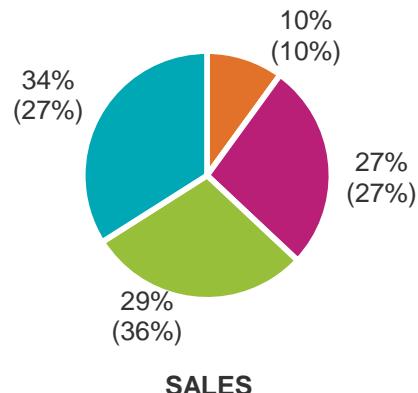
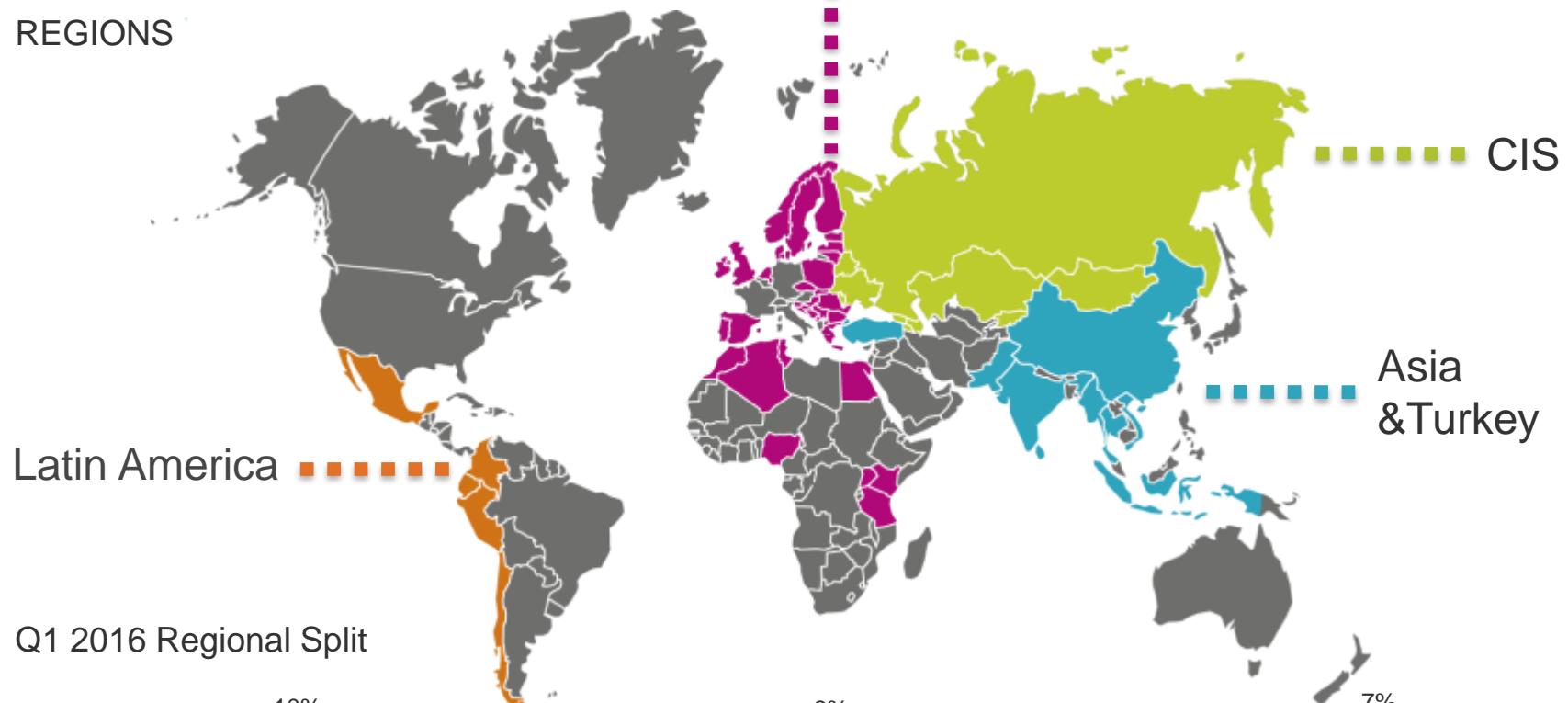
- **Sales** 10% in local currency, -1% in €
 - Sequential improvements in most geographies
- **Operating margin** 6.9% (5.6%)
 - Currency impact -370 bps
 - Net profit €10.7m (€11.2m)
- **\$80.0m debt reduction, €56.0m cash outflow**
- **Q2 update:** 13% YTD and 17% QTD lc sales



OPERATIONAL HIGHLIGHTS

- **Active consultants** -9%
 - Lc productivity +19%
- **Price/mix** +16%
 - Unit decline -6%
- Continued performance of **strategic product categories**
 - **Skin Care** (NovAge)
 - **Wellness**
- Several new products introduced in **Colour Cosmetics and Fragrances**
- Continued **strong online** development
 - Increased use of **online tools**
 - **Successful** launches of new **apps**

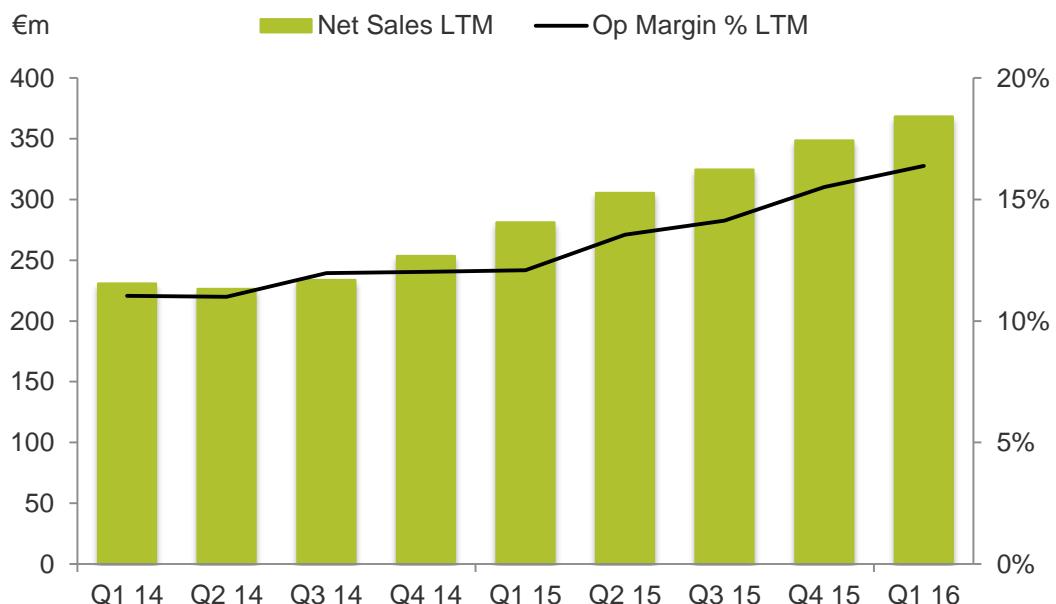
REGIONS



ASIA & TURKEY

- Sales force and productivity
 - Active consultants +10%
 - Lc productivity +21%
 - € productivity +12%
- Strong development in China, Indonesia and Turkey
 - Strategic product categories
 - Leadership
 - Online activity
- Operating margin +410 bps
 - Favourable geographic mix
 - Sales leverage

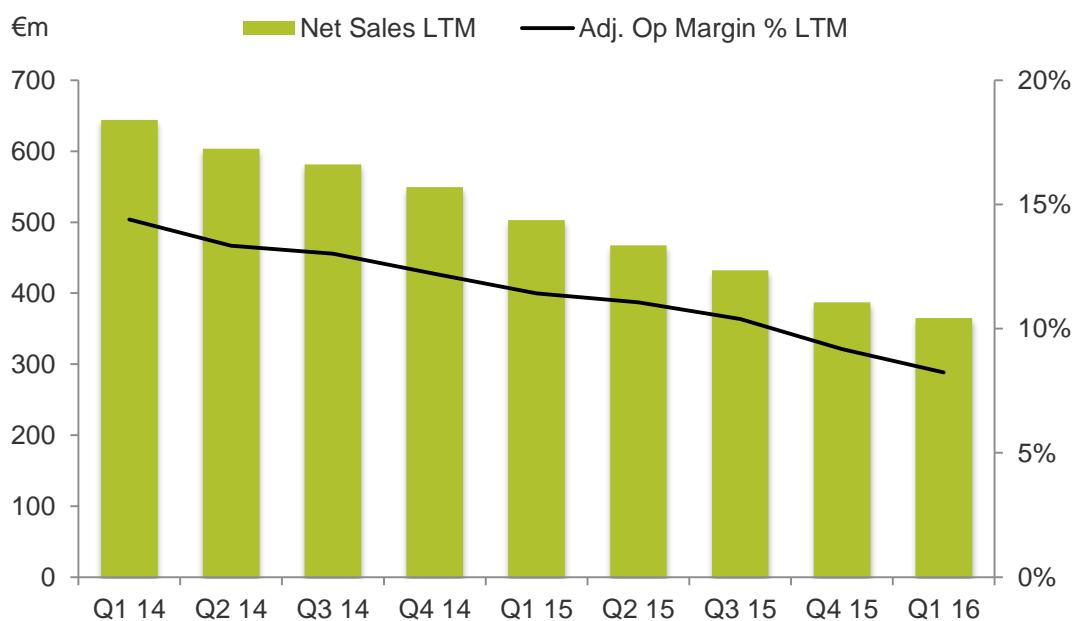
	Q1'16	Q1'15	Change	LTM'16	YE'15
Sales, €m	103.9	84.2	23%	368.5	348.8
Lc sales	-	-	31%	-	-
Operating profit, €m	14.7	8.5	73%	60.3	54.1
Operating margin	14.2%	10.1%	-	16.4%	15.5%
Active Consultants '000	961	874	10%	961	928



CIS

- Sales force and productivity
 - Active consultants -26%
 - Lc productivity +26%
 - € productivity +8%
- Increased online activity
- Russia Lc sales +3%
 - Solid leadership development
 - High activity
- Weak performance in Ukraine
- Operating margin -320 bps
 - Negative exchange rates
 - Negative product mix
- Local authority visit

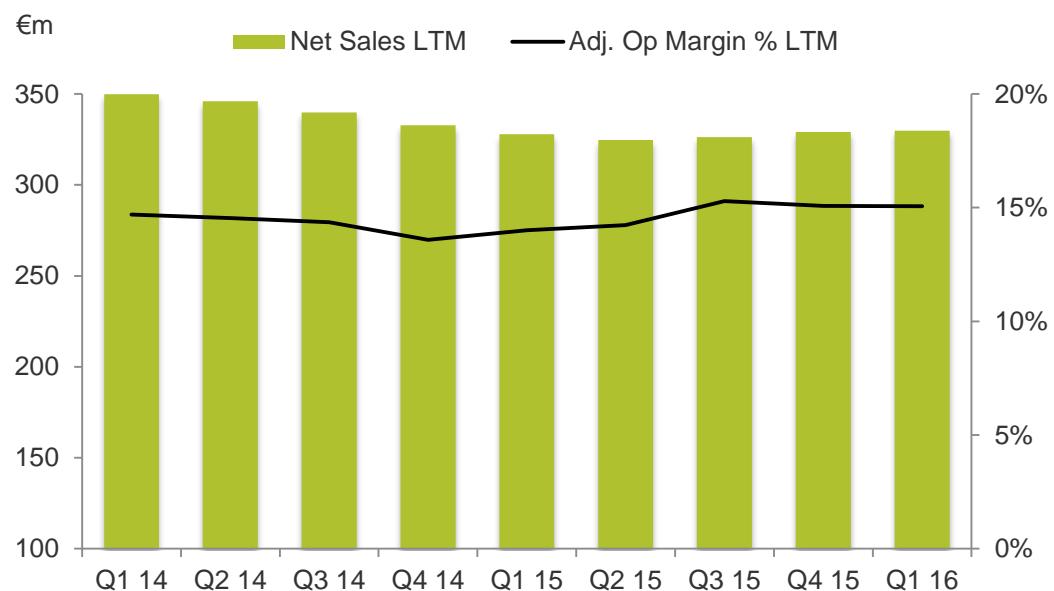
	Q1'16	Q1'15	Change	LTM'16	YE'15
Sales, €m	86.6	108.4	(20%)	365.2	387.0
Lc sales	-	-	0%	-	-
Operating profit, €m	7.2	12.6	(42%)	30.1	35.5
Operating margin	8.4%	11.6%	-	8.2%	9.2%
Active Consultants '000	1,133	1,531	(26%)	1,133	1,281



EUROPE & AFRICA

- Sales force and productivity
 - Active consultants -4%
 - Lc productivity +6%
 - € productivity +5%
- Growth in Europe
- Continued improvements in Central Europe
 - Strong leadership focus
 - New Success Plan
- Challenging quarter for Africa
- Stable operating margin

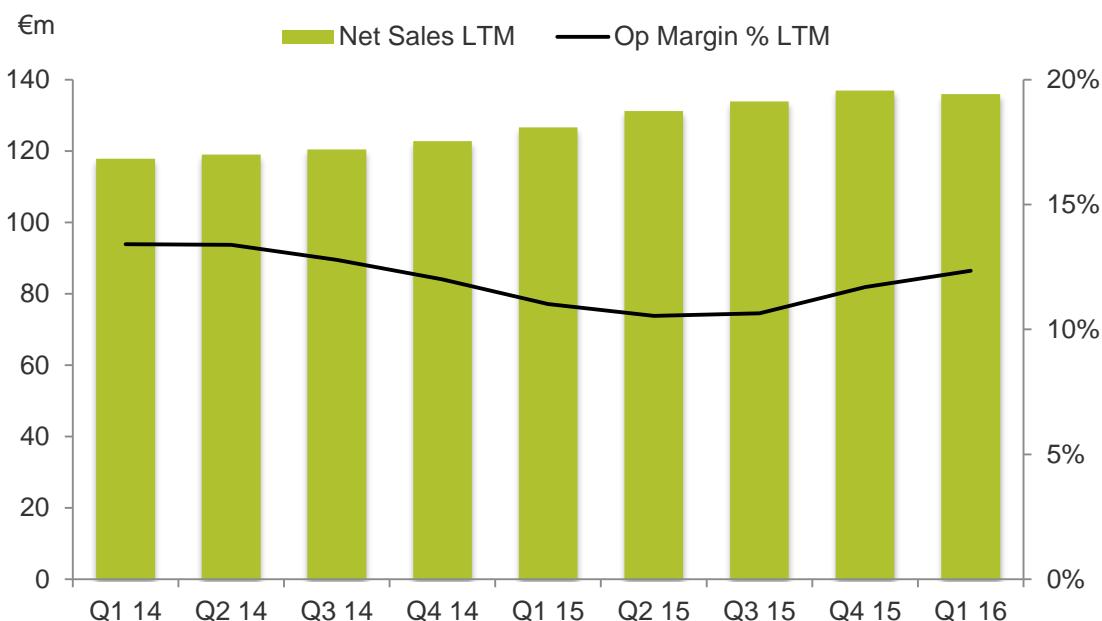
	Q1'16	Q1'15	Change	LTM'16	YE'15
Sales, €m	82.4	81.7	1%	329.8	329.1
Lc sales	-	-	2%	-	-
Operating profit, €m	11.8	11.7	1%	49.7	49.6
Operating margin	14.3%	14.3%	-	15.1%	15.1%
Active Consultants '000	768	797	(4%)	768	774



LATIN AMERICA

- Sales force and productivity
 - Active consultants +7%
 - Lc productivity +6%
 - € productivity -10%
- Continued strong performance in Mexico and Peru
- Weak development in Ecuador
- Operating margin +290 bps
 - Positive price/mix
 - Favourable rates linked to product costs
 - Lower selling and marketing expenses

	Q1'16	Q1'15	Change	LTM'16	YE'15
Sales, €m	29.4	30.4	(3%)	135.9	136.9
Lc sales	-	-	13%	-	-
Operating profit, €m	2.6	1.8	45%	16.8	16.0
Operating margin	8.9%	6.0%	-	12.3%	11.7%
Active Consultants '000	243	227	7%	243	263



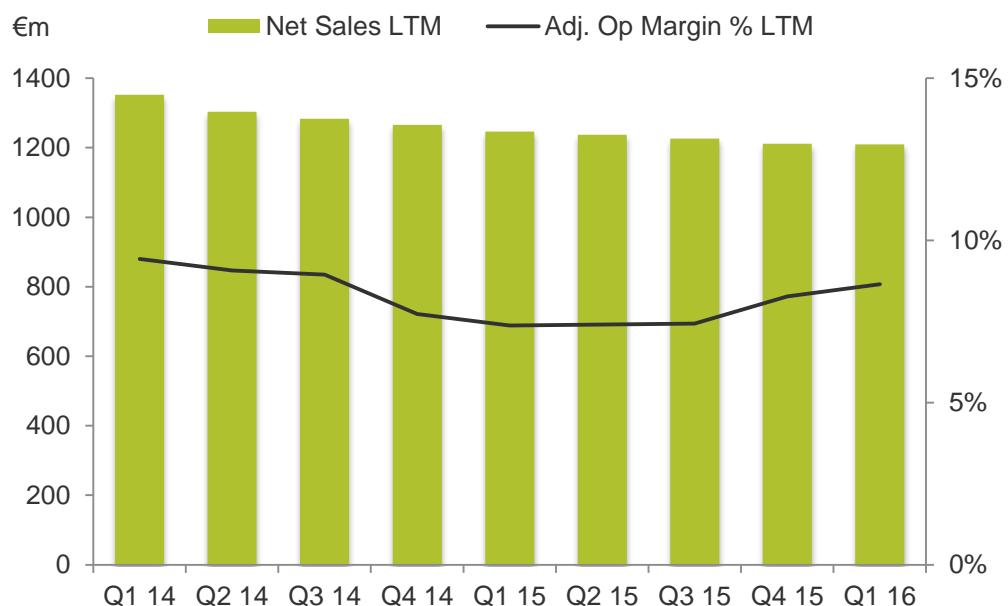


FINANCIALS

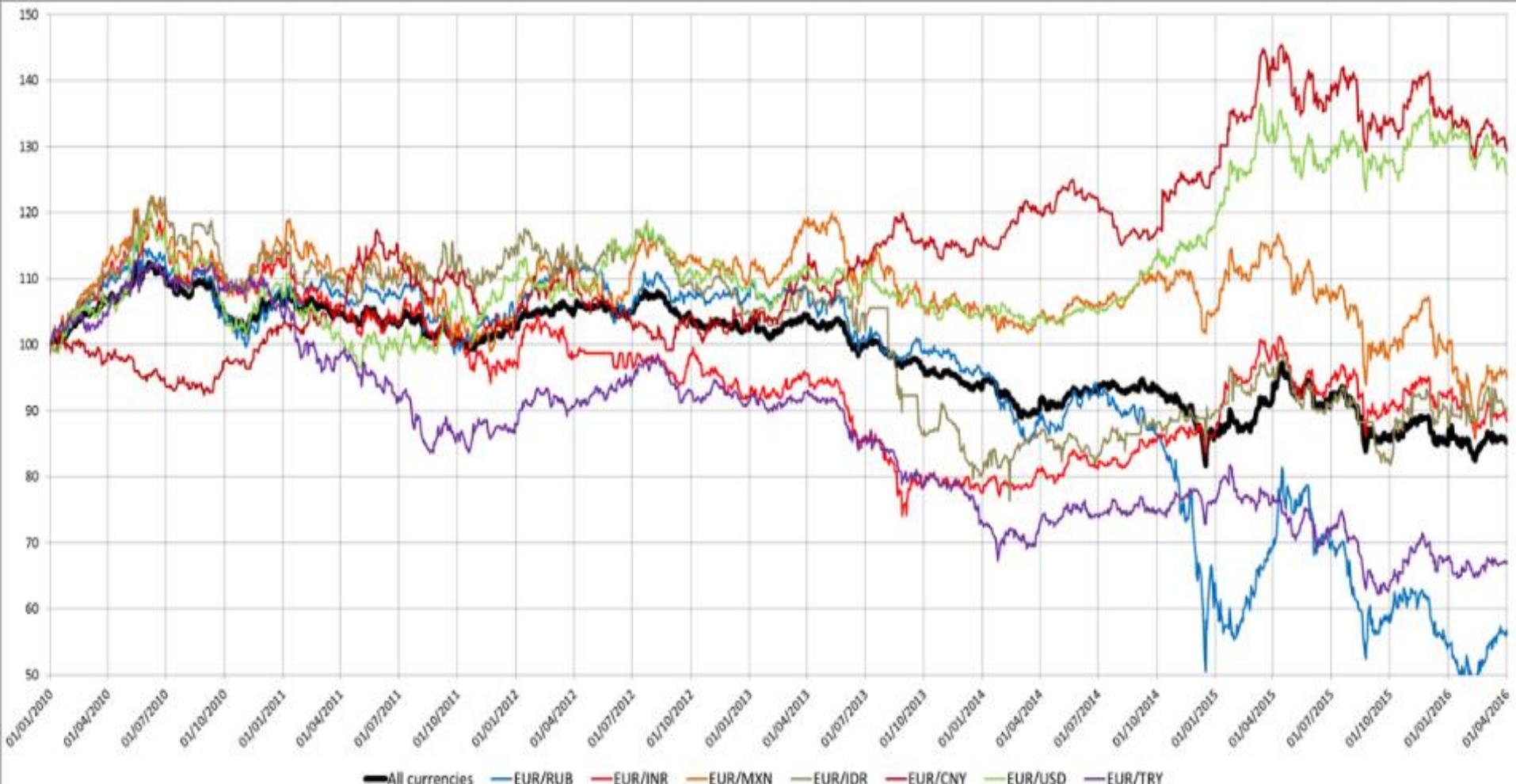
Q1 INCOME STATEMENT

- Sales mix
 - Unit sales -6%
 - Price/mix +16%
- Gross margin 69.5% (67.8%)
 - Positive price/mix
 - Negative exchange rates
 - Last year -50 bps start-up costs
- Operating margin +130 bps
 - Currency impact -370 bps
 - Staff bonuses and share incentive plan -50 bps
 - Lower selling and marketing expenses
 - Positive price/mix and hedging
- Net profit €10.7m (€11.2m)
 - Diluted EPS €0.19 (€0.20)

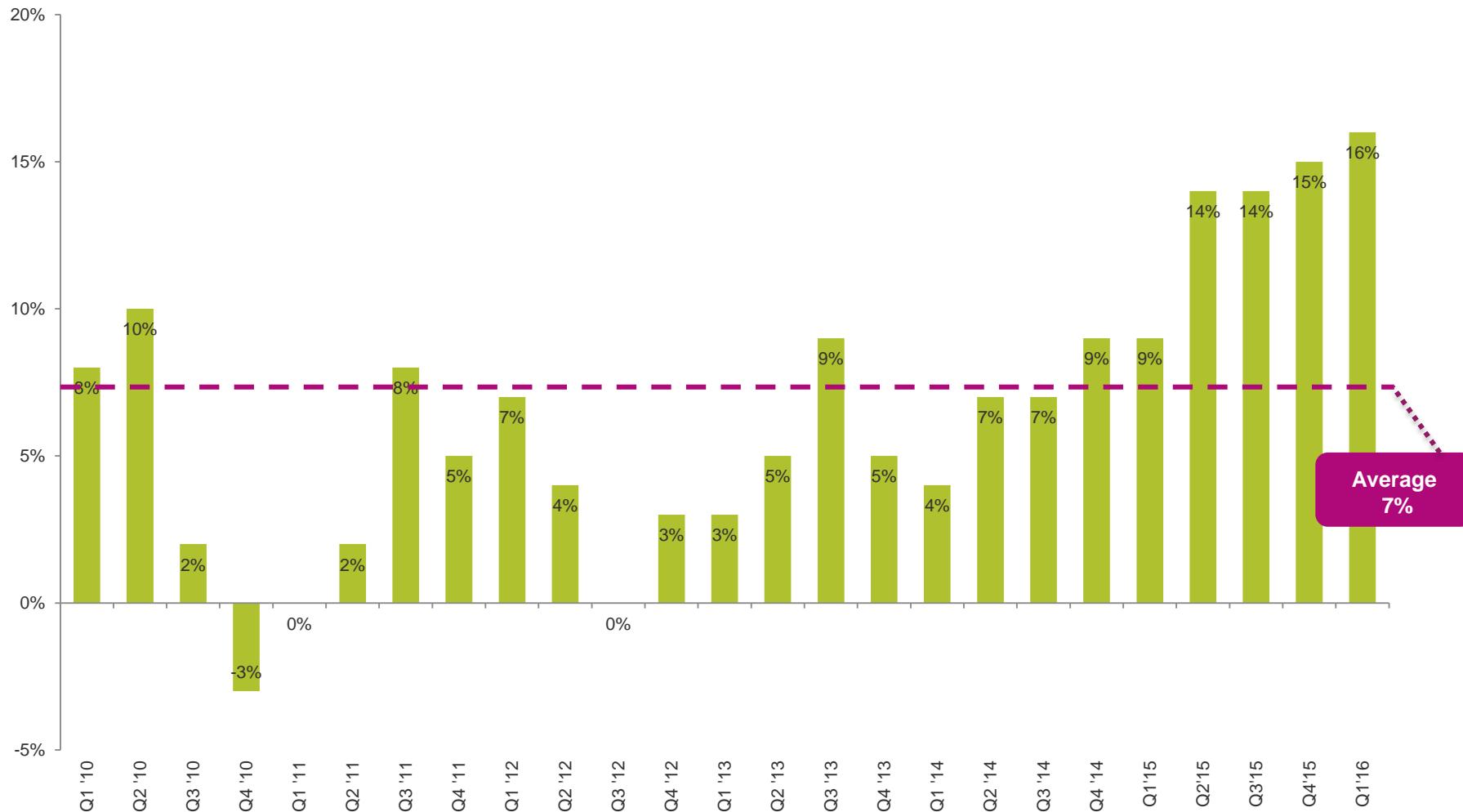
	Q1'16	Q1'15	Change	LTM'16	YE'15
Sales, €m	305.8	307.8	(1%)	1,209.6	1,211.6
Lc sales	-	-	10%	-	-
Adj. Operating profit, €m	21.1	17.2	23%	104.1	100.2
Adj. operating margin	6.9%	5.6%	-	8.6%	8.3%
Active Consultants '000	3,105	3,429	(9%)	3,105	3,246



GROUP CURRENCY IMPACT ON SALES SINCE 2010



PRICE/MIX IMPACT ON SALES

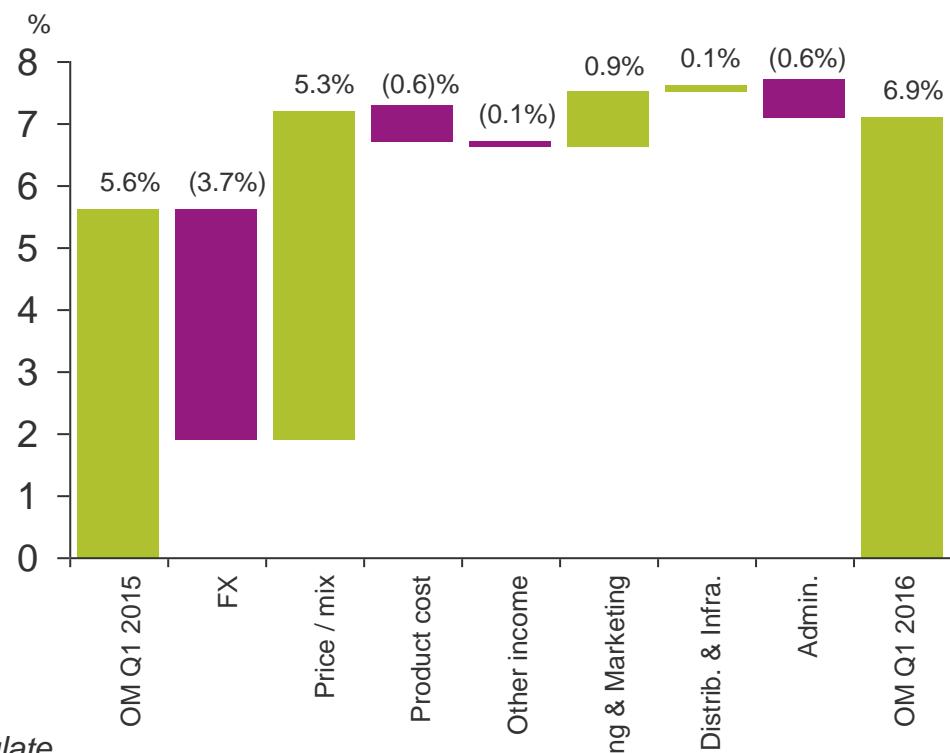


Q1 SALES AND OPERATING MARGIN ANALYSIS

Sales vs. PY



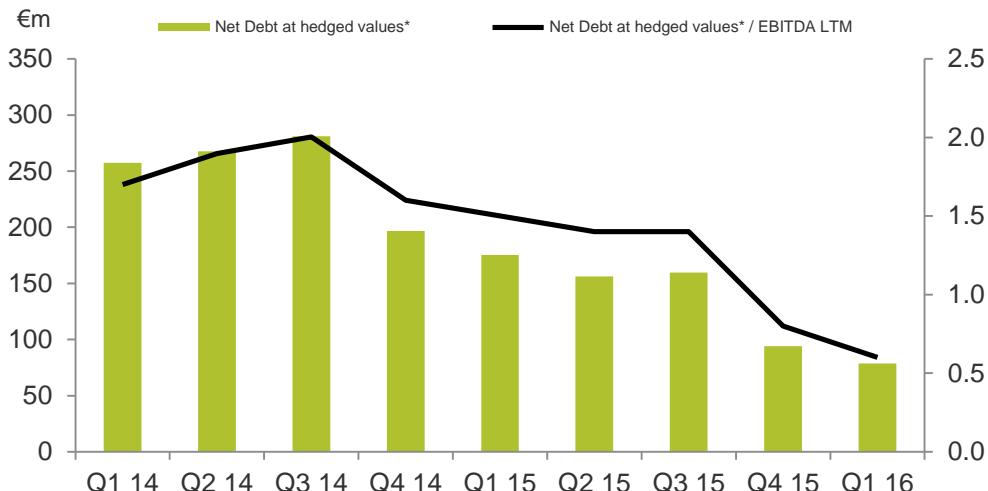
OP Margin vs. PY



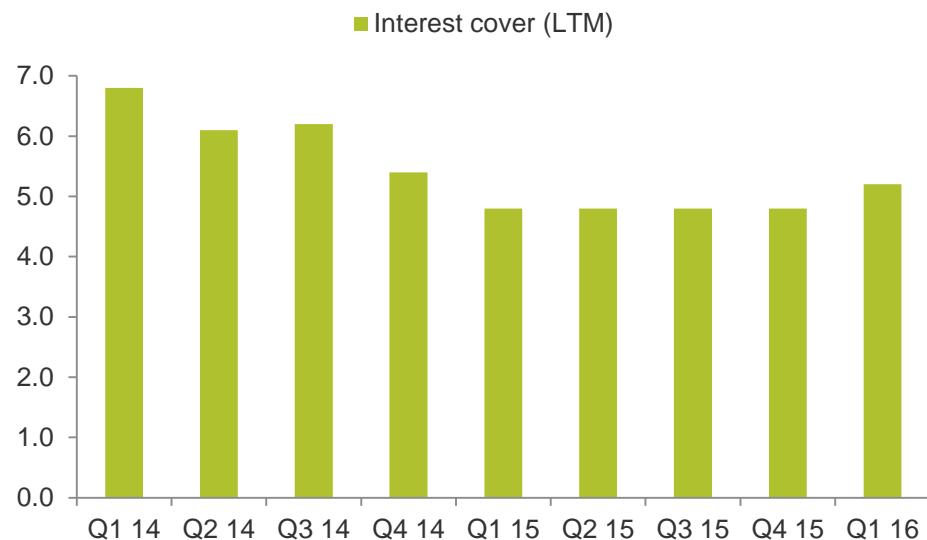
Oriflame has made certain assumptions to make / calculate an estimate of the effects of currency, price/mix, etc. on the operating margin.

FINANCIAL POSITION

- Net debt at hedged values €78.7m (€175.3m)
 - Net debt €133.8m (€264.7m)
- Net debt at hedged values/ EBITDA (LTM) 0.6 (1.5)
 - Net debt/EBITDA (LTM) 1.1 (2.3)
- Interest cover (Q1) 4.7 (3.4)
- Interest cover (LTM): 5.2 (4.8)
- \$80.0m debt reduction, €56.0m cash outflow

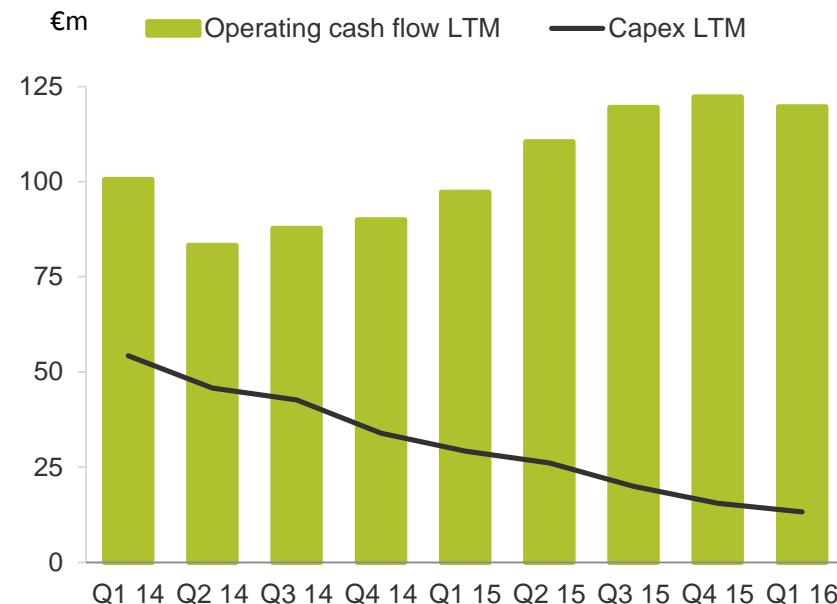


* Adjusted for fair value movements of the USD private placement notes



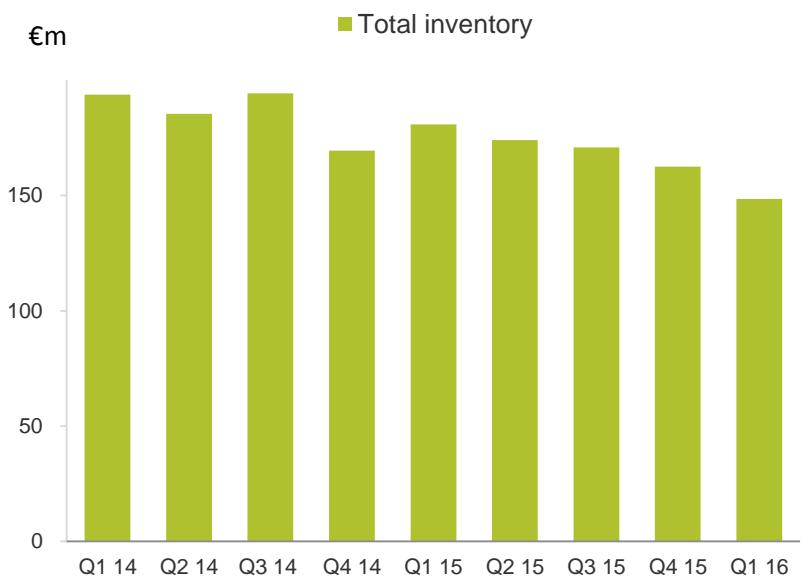
CASH FLOW

	Q1'16	Q1'15	LTM'15	YE '15
Net profit before income tax, €m	15.7	17.0	66.0	67.3
Op. profit before changes in wc, €m	18.5	28.4	106.5	116.4
Change in working cap. and provisions, €m	13.7	6.8	53.6	46.7
Operating CF, €m	21.5	24.1	119.6	122.2
CF Investing Activities, €m	(1.7)	(3.9)	(13.3)	(15.5)



Q1 operating cash flow €21.5m (€24.1m)

- Net profit before tax -€1.3m
- Non-cash items in net profit before tax -€8.6m
- Impact from changes in working capital and provisions +€6.9m
 - Inventories +€18.9m
 - Receivables, prepaid exp., asset derivatives -€32.6m
 - Payables, accrued exp., liability derivatives +€20.5m
 - Provisions +€0.1m
- Interest, charges, taxes +€0.4m





CONCLUSIONS AND GOING FORWARD



CONCLUSIONS AND GOING FORWARD

- **Improvements** in most geographies
 - Continued **strong performance** in key growth regions
 - **Reversal** of negative sales trend in CIS
 - **Challenging** in Africa, continued **improvements** in Europe
- **Encouraging** underlying business performance
 - Strategic product categories
 - Leadership development and earnings
 - Online development
- **Debt** reduction
- **Challenges** remain
 - Uncertain macro
 - Economic and political development
 - Currency headwinds





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.