

18 March 2025

Oriflame

FOURTH QUARTER 2024

Anna Malmhake, CEO

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.

Although the Company is facing uncertainties as to its ability to continue as a going concern due to the Company's challenging results during the past couple years and current liquidity, management believes that such uncertainties will be significantly reduced by the Recapitalisation and by the measures taken to drive positive business performance.



HIGHLIGHTS

Transformation journey is well underway

Several initiatives are ongoing to support our turnaround

- **Modernised sourcing strategy, portfolio optimisation and marketing focus to improve portfolio and brand**
 - Transition journey to new outsourced European manufacturing partners started, portfolio optimisation implementation started in Q4, and ongoing marketing initiatives
- **Restructuring and savings programme**
 - Savings delivered ahead of targets during 2024
- **Implementation of the Beauty Community Model**
 - Rolled out in 42 markets representing more than 75% of sales, with other markets to follow during 2025
- **Improving digital tools and focus on CRM**
 - continued work to improve and simplify digital tools, and focus on CRM
- **Exploring new opportunities**
 - Continued implementation of new initiatives in UK as incubation market, South Africa to open Q2 2025 and Personalised Wellness Subscription to be rolled out

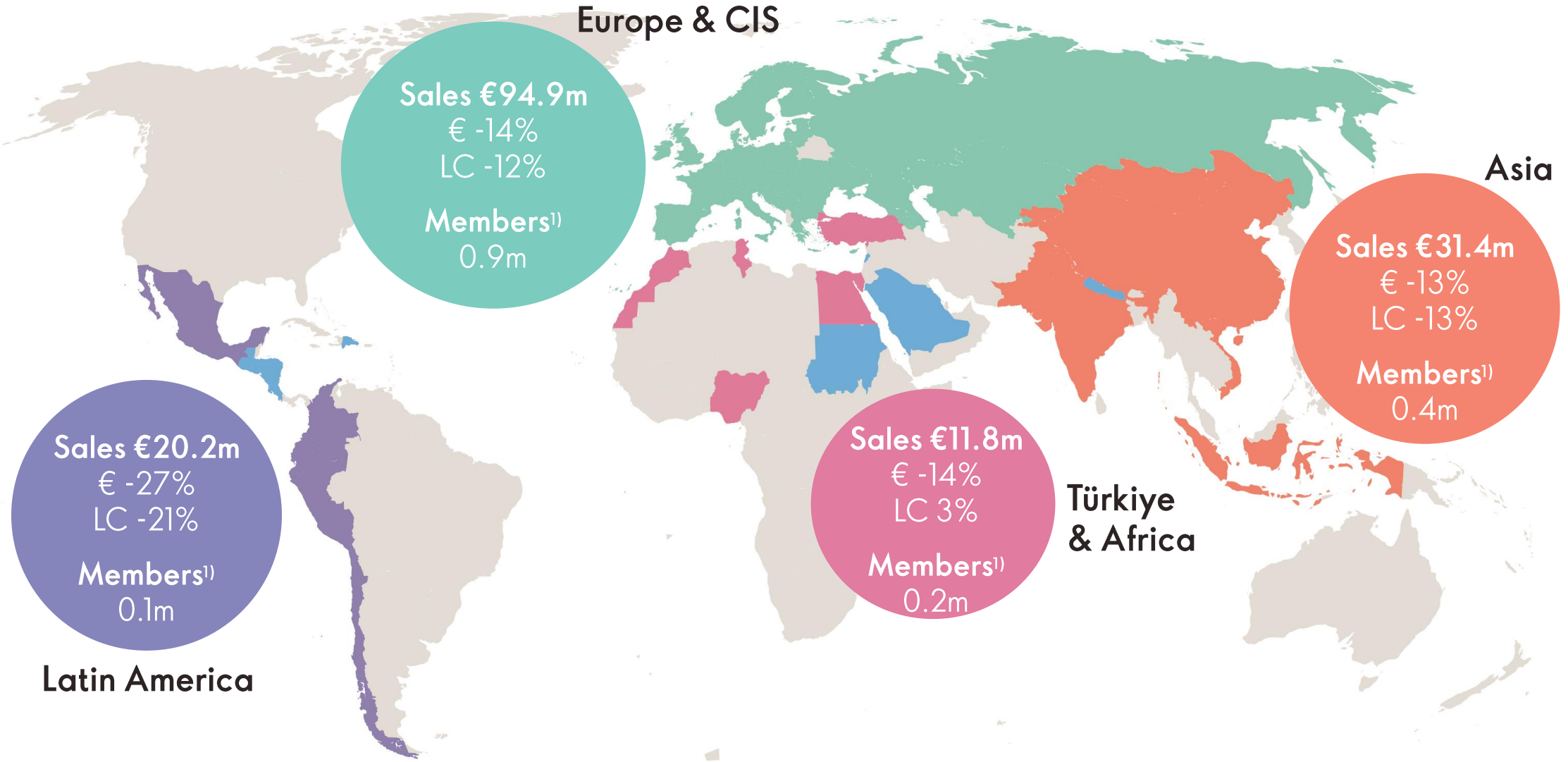




Q4 highlights

- **Sales** €168.7m (€199.1m) -15% in €, -12% in LC
 - Members average 1.5m (1.6m) -7%
 - FX -3%
- **Gross Margin:** 63.5% (58.4%)
 - Positive impact from price/mix and less inventory provisions vs same quarter last year
 - Partial negative offset from FX and product cost inflation
- **EBITDA** €5.3m (€6.2m)
 - Adjusted EBITDA margin 3.1% (3.1%)
 - Adjusted administrative expenses reduced by €7.4m (-14.0%)
 - Negative FX impact on adj. EBITDA margin -120 bps
- **Adjusted cash flow before financing** €0.0m (€43.3m)
 - Cash balance: €62.0m versus €57.0m at prior quarter end
 - Working capital: €1.0m positive while last year had a larger improvement from WC reduction programme
 - €29.5m RCF drawn during the quarter to support interest paid (€18.6m) and non-recurring costs (€8.6m)

Q4 Geographic overview*

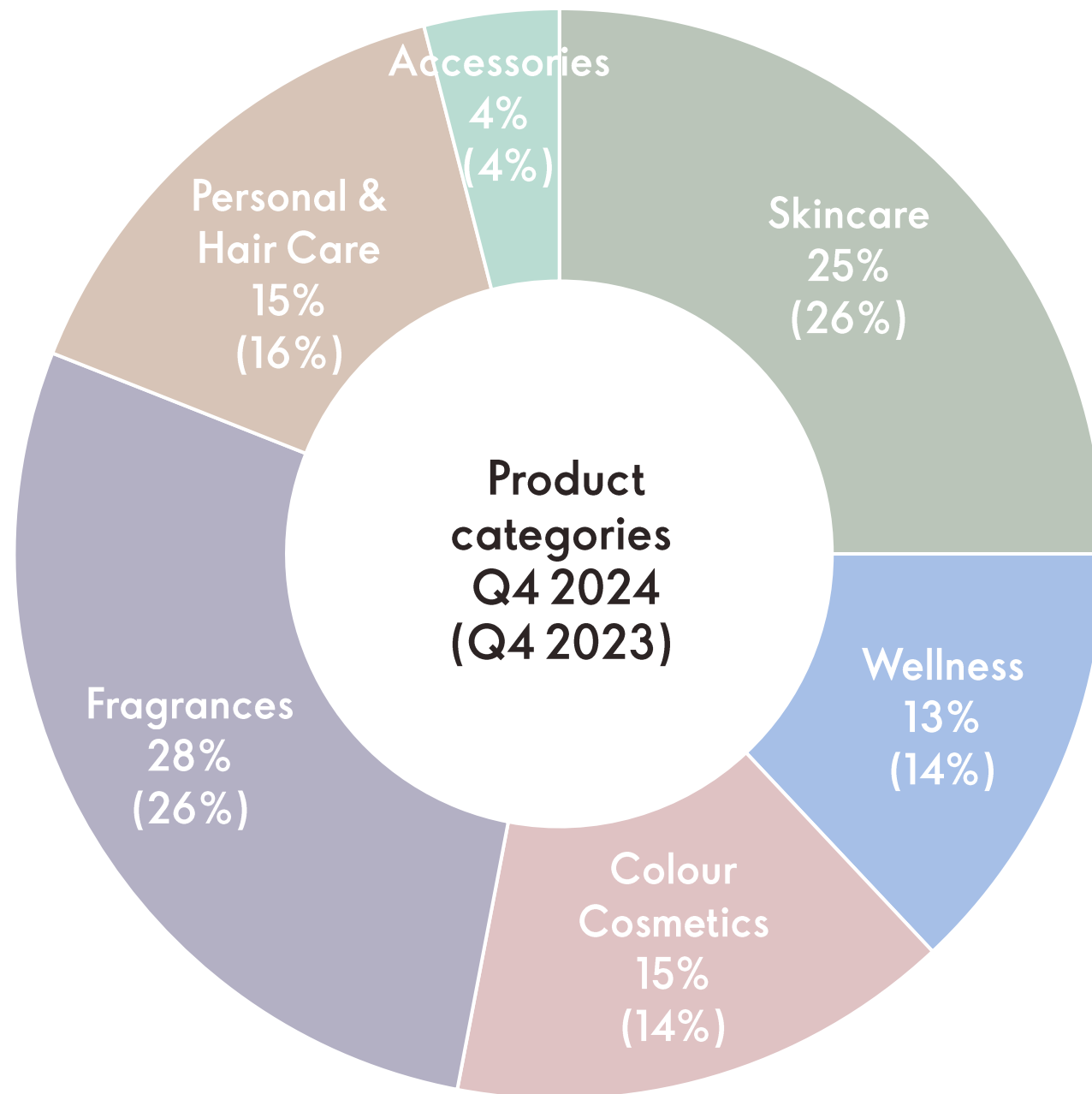


* Excluding manufacturing & franchisees

¹⁾ At period end

Category highlights

- **Skincare** had a challenging quarter with out-of-stock issues for best sellers in some markets. Novage+ and Waunt showed positive development.
- In **Wellness**, the launch of a Wellosophy skincare range was well received. Personalised wellness packs on subscription test is ongoing in Spain.
- **Colour Cosmetics** continued its positive trend in the fourth quarter, delivering the strongest quarterly results of the year. The Lip sector continued to outperform within the category.
- **Fragrances** continued to increase its share of sales, with premium brands delivering strong results. The Giordani Gold brand remained the largest driver.
- **Personal Care** declined and the **Hair Care** category underperformed during the quarter.



Sustainability

- In preparation for the Corporate Sustainability Reporting Directive (CSRD), Double Materiality Assessment sessions were held across the business. The company's opportunities for emission reduction were reviewed and mapped, as a climate transition plan.
- The 2023 Carbon Disclosure Project (CDP) reporting was completed
- Examples of products with sustainability profile that were launched:
 - Wellosophy Skincare range – certified with The Vegan Society™
 - Feminelle range was relaunched as biodegradable
 - North for Men range was relaunched as biodegradable

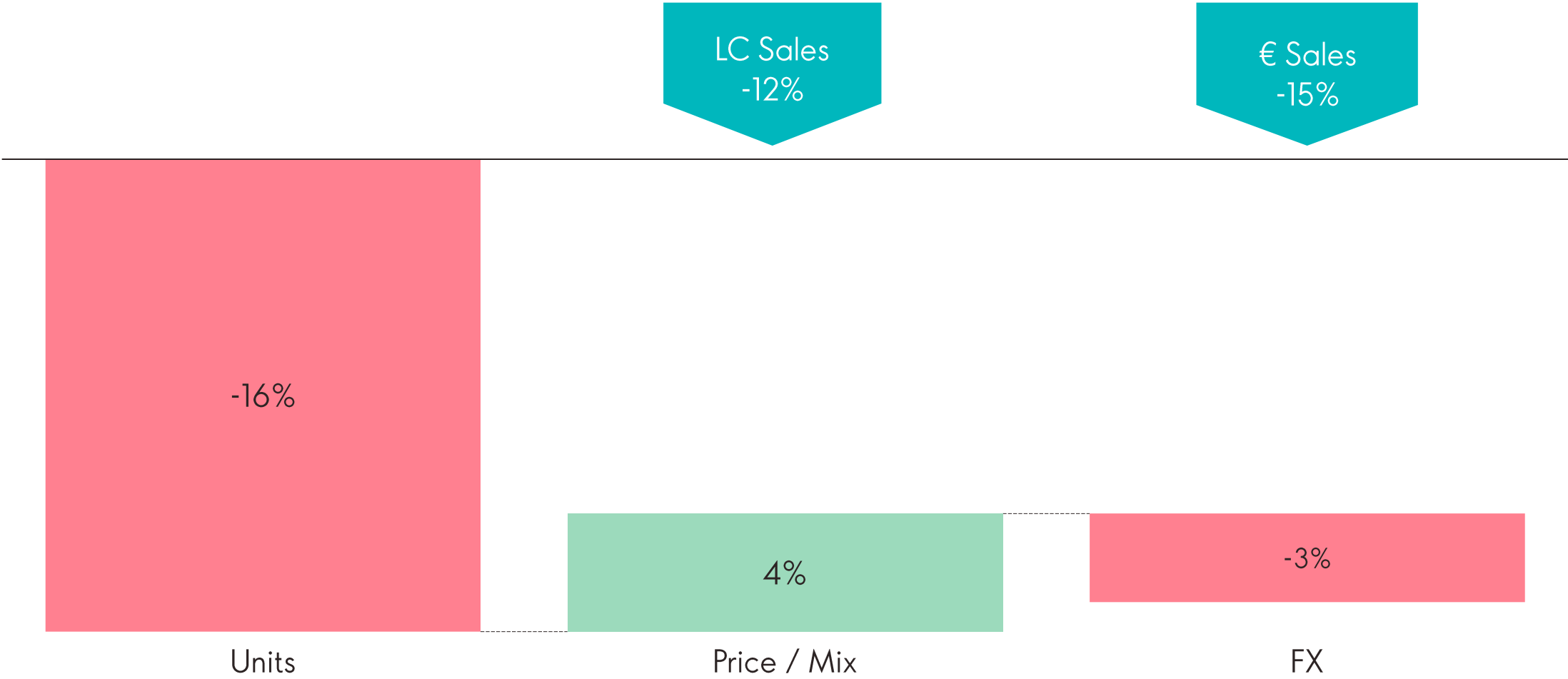


The background is a solid light pink color. A thick, wavy line in a slightly darker shade of pink runs diagonally from the bottom left towards the top right. Two glass marbles are present: one in the upper left quadrant, which is smaller and has a decorative band around its middle, and another in the lower right quadrant, which is larger and plain. Both marbles are translucent and show some internal reflections.

FINANCIALS

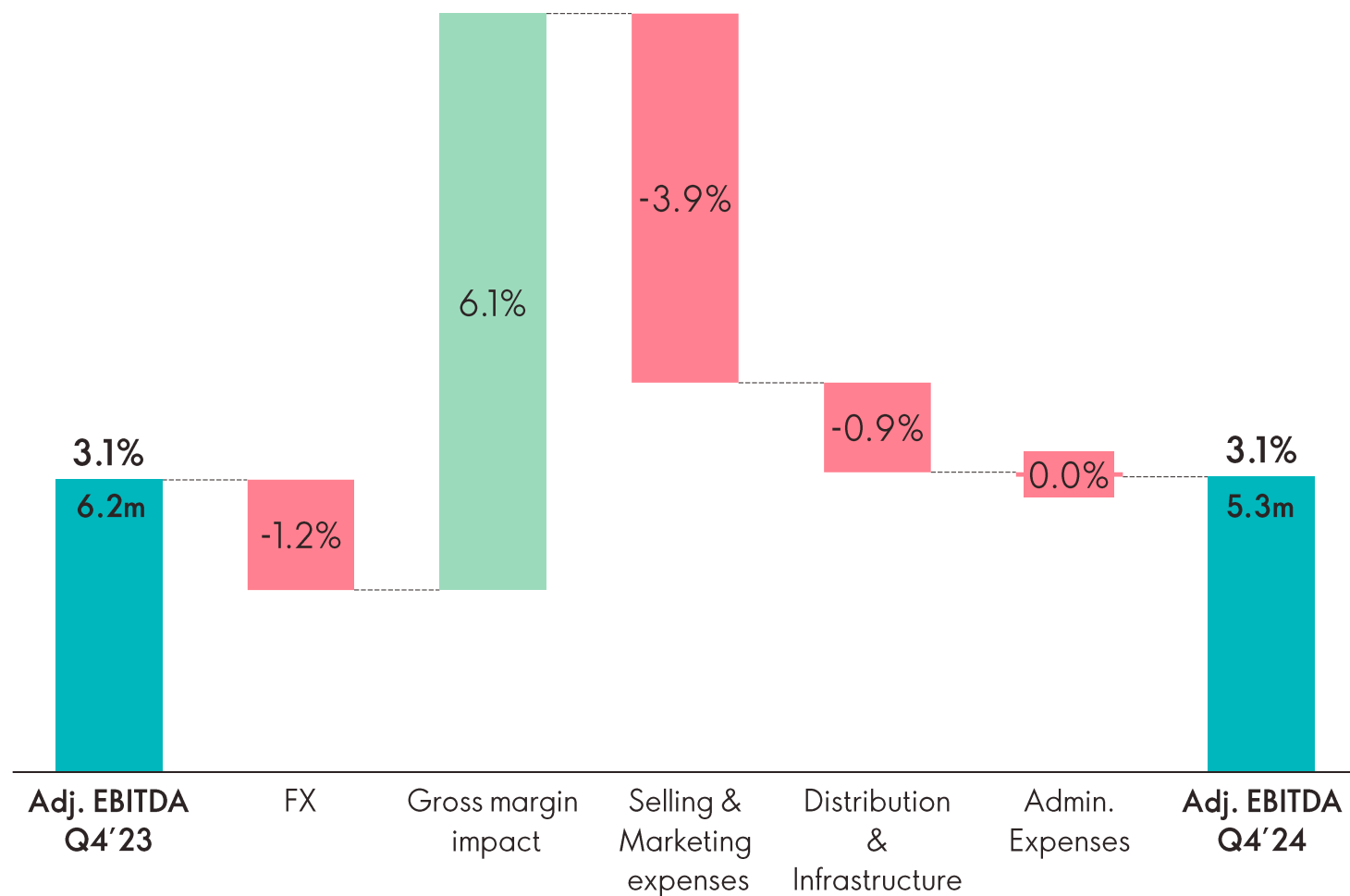
Q4'24 Sales

Continued drop in sales primarily due to less units sold and negative FX impact. The sales drop decelerated compared to the previous quarters.



Adjusted EBITDA analysis - Q4'24

Adj. EBITDA margin vs PY



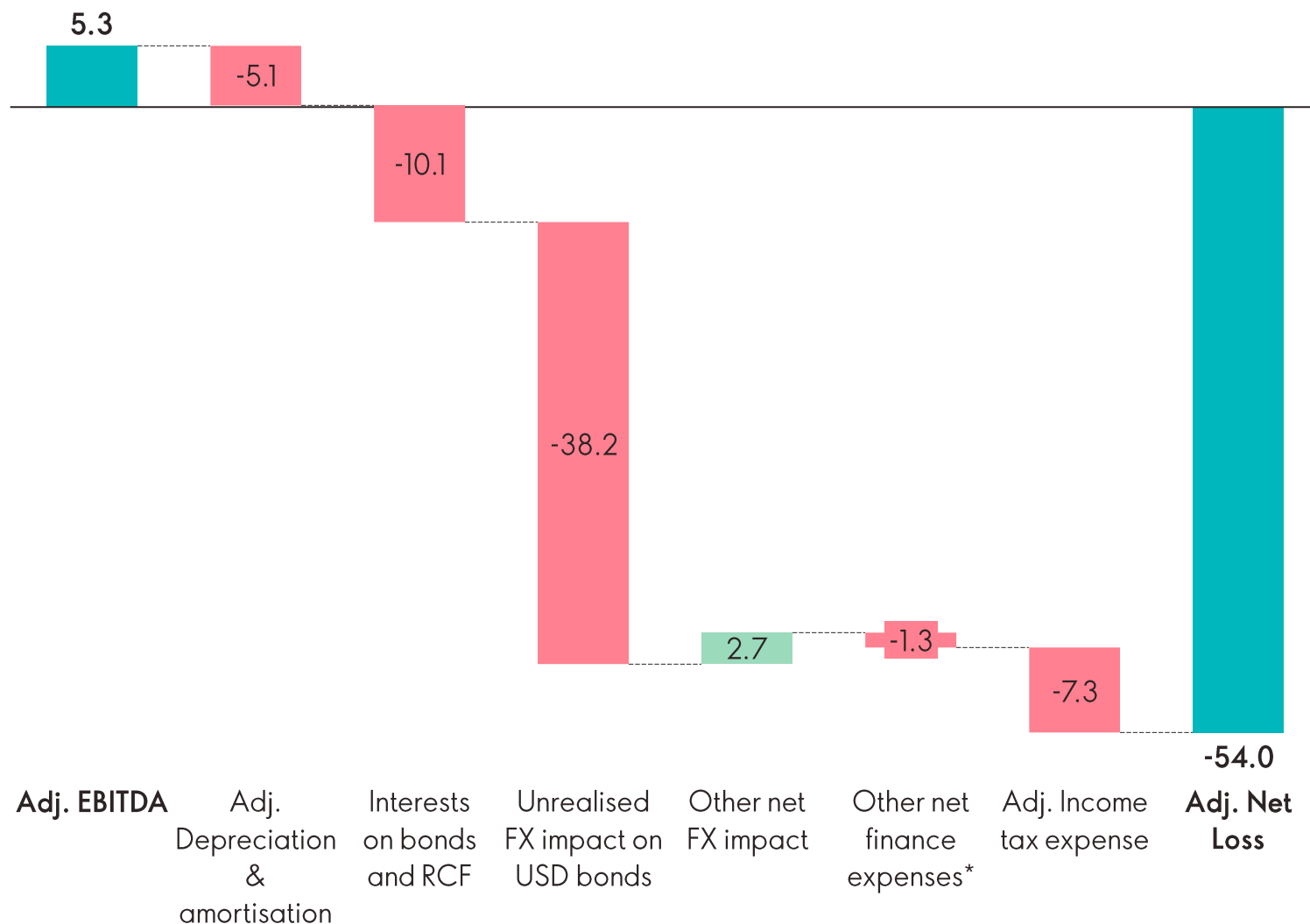
Highlights

- Adj. EBITDA at €5.3m (3.1%) versus €6.2m (3.1%) same quarter in the previous year
- Progress on gross margin due to positive price/mix, lower inventory provisions and higher sales promotions last year
- Selling and Marketing expenses higher from BCM compensation plan and higher marketing investments
- Continued positive trend on adj. admin. expenses (€-7.4m* or -14.0% compared to prior year quarter)
- Stable EBITDA despite sales decline and negative foreign exchange impact of 120bps

* Based on total adjusted admin. expenses in €

From Adjusted EBITDA to Adjusted Net Loss - Q4'24

(€ million)



Highlights

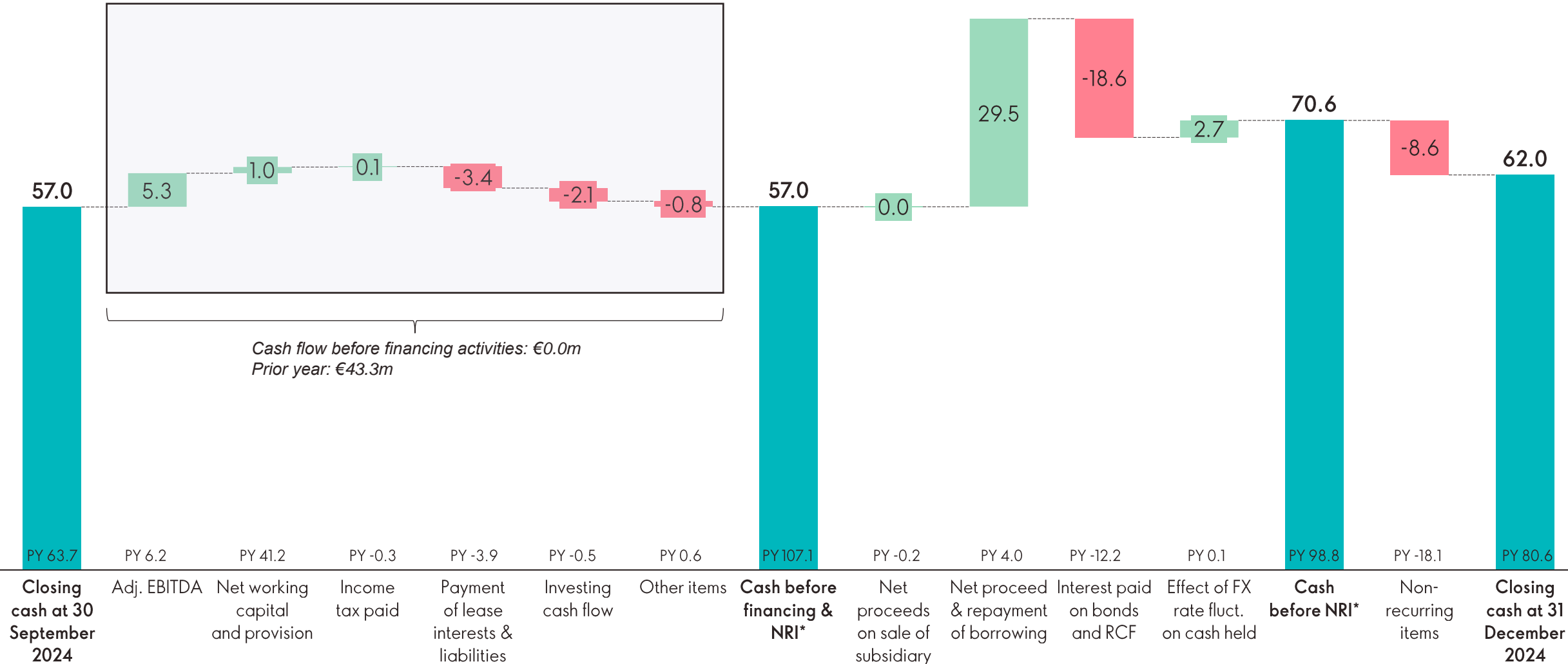
Net financing costs & other impacted by

- Interests expense on bonds and RCF of €10.1m (flat compared to Q4'23)
- Unrealised FX loss of €38.2m on USD bond from strengthening of USD vs Euro from 1.12 in 2023 to 1.04 in 2024
- Adjusted tax expense of € 7.3m mainly from derecognition of deferred tax assets

* "Other net finance expenses" includes interest on leases, amortisation of front-end fees deducted from proceed, interest received and other interests

Cash flow development - Q4'24

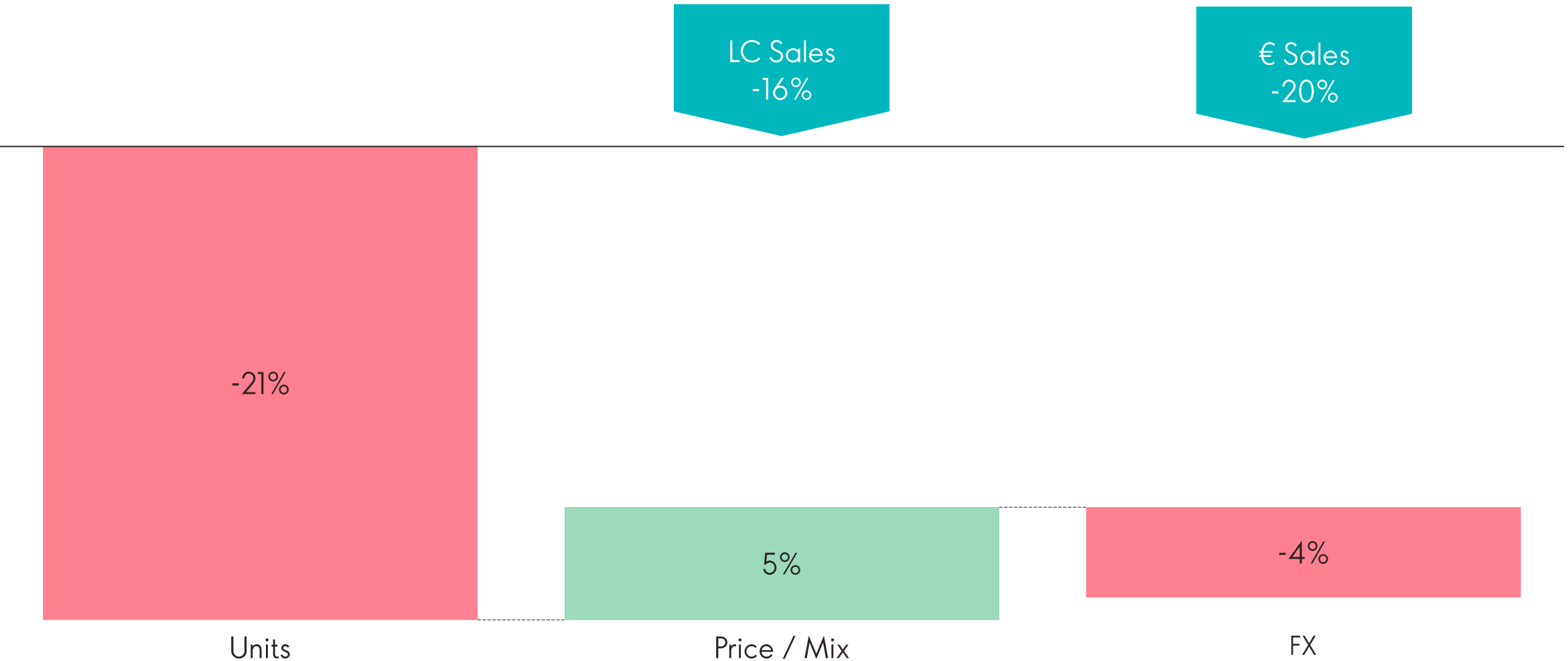
(€ million)



* NRI = Non-recurring items

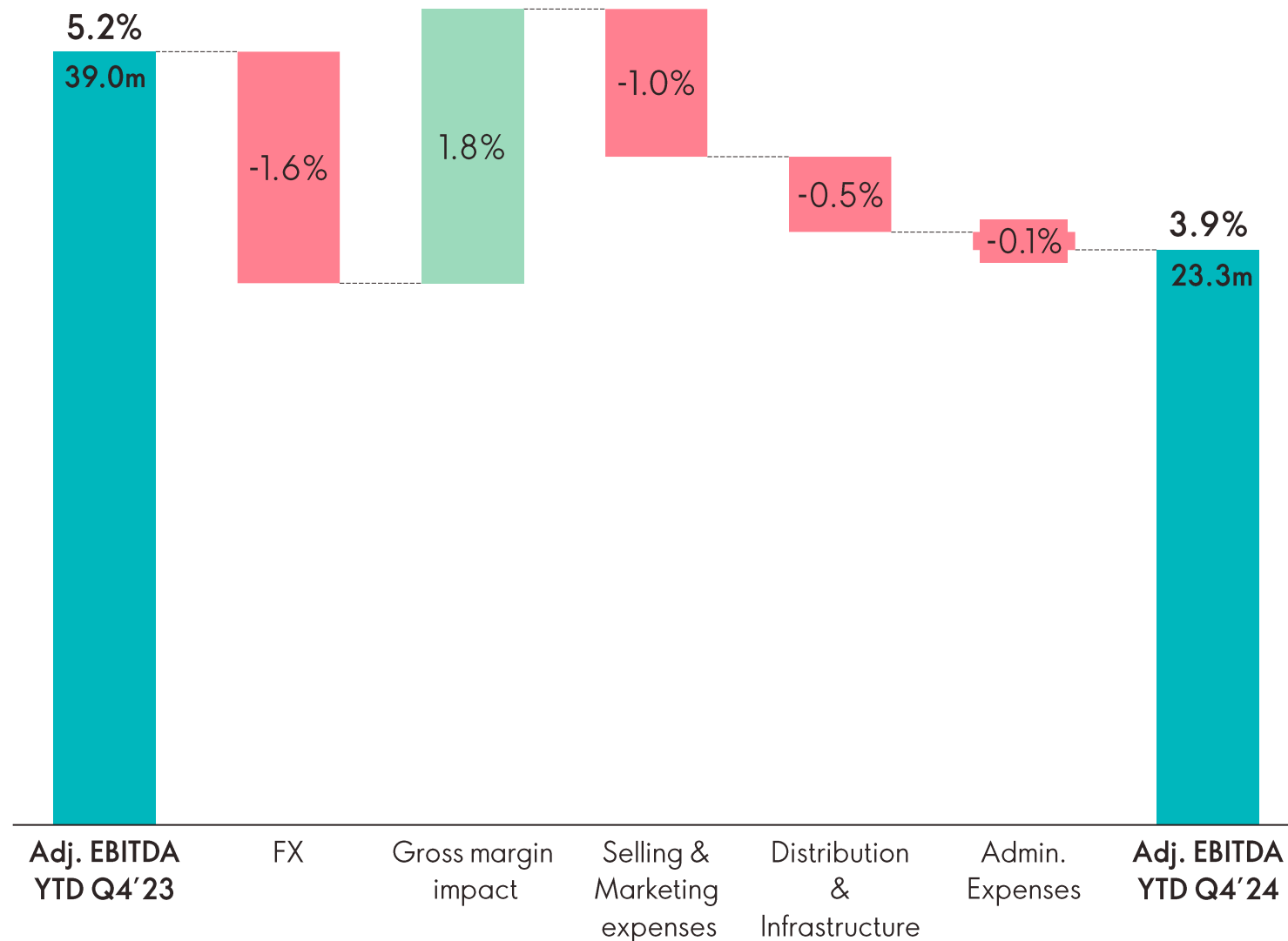
YTD Q4'24 Sales

Sales negatively impacted by lower units sold and unfavourable foreign exchange impact, partly offset by positive price/mix



Adjusted EBITDA analysis - YTD Q4'24

Adj. EBITDA margin vs PY



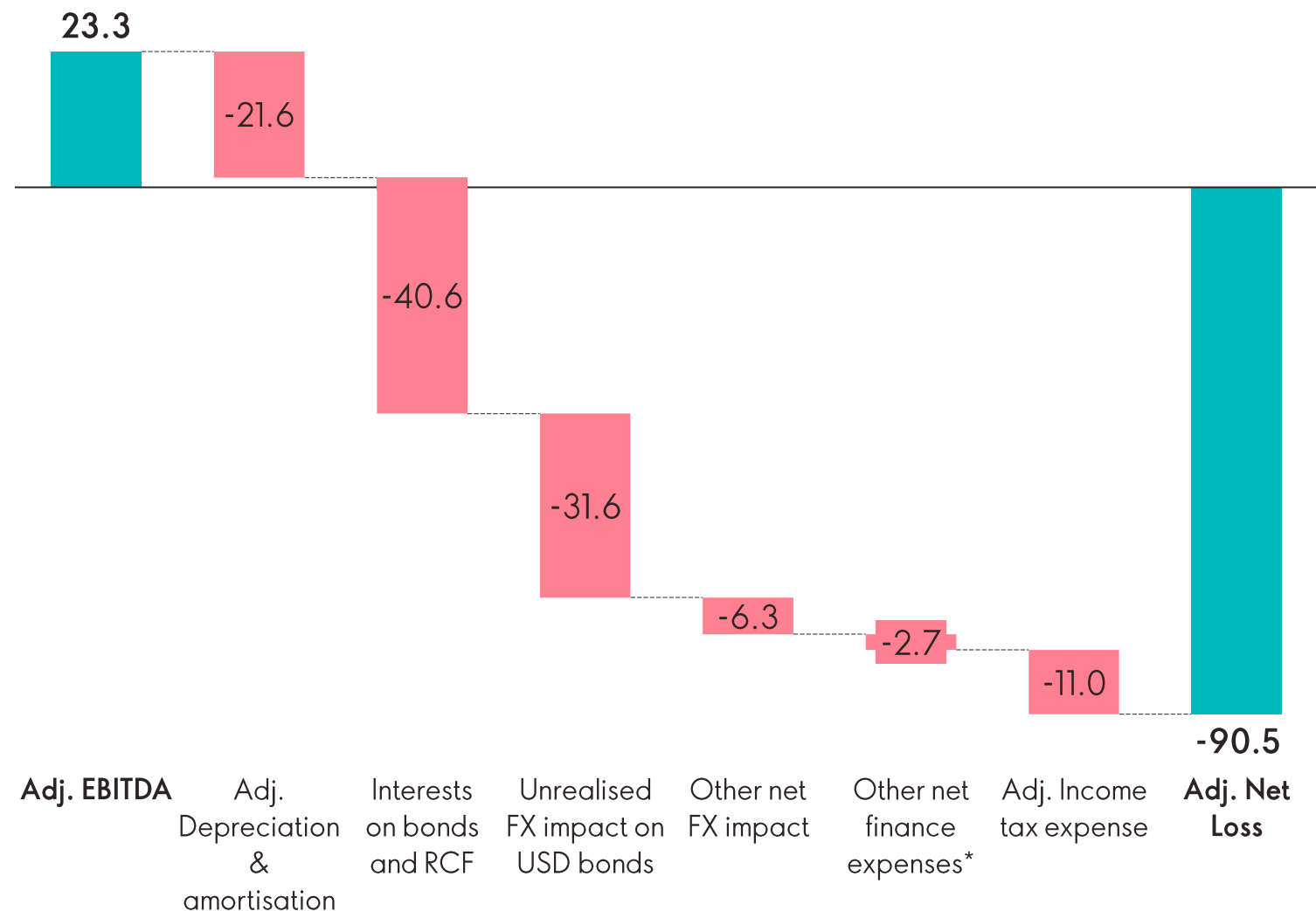
Highlights

- Adj. EBITDA decreased from €39.0m (5.2%) to €23.3m (3.9%) from the lower sales
- Unfavourable foreign exchange differences of -160 bps on adj. EBITDA
- Positive gross margin impact from improved price/mix and lower provisions with partial offset from product cost inflation
- Adj. admin expenses slightly higher from deleveraging of lower sales impact. In absolute terms the reduction was €36.0m* or -16.9% compared to prior year

* Based on total adjusted admin. expenses in €

From Adjusted EBITDA to Adjusted Net Loss - YTD Q4'24

(€ million)



Highlights

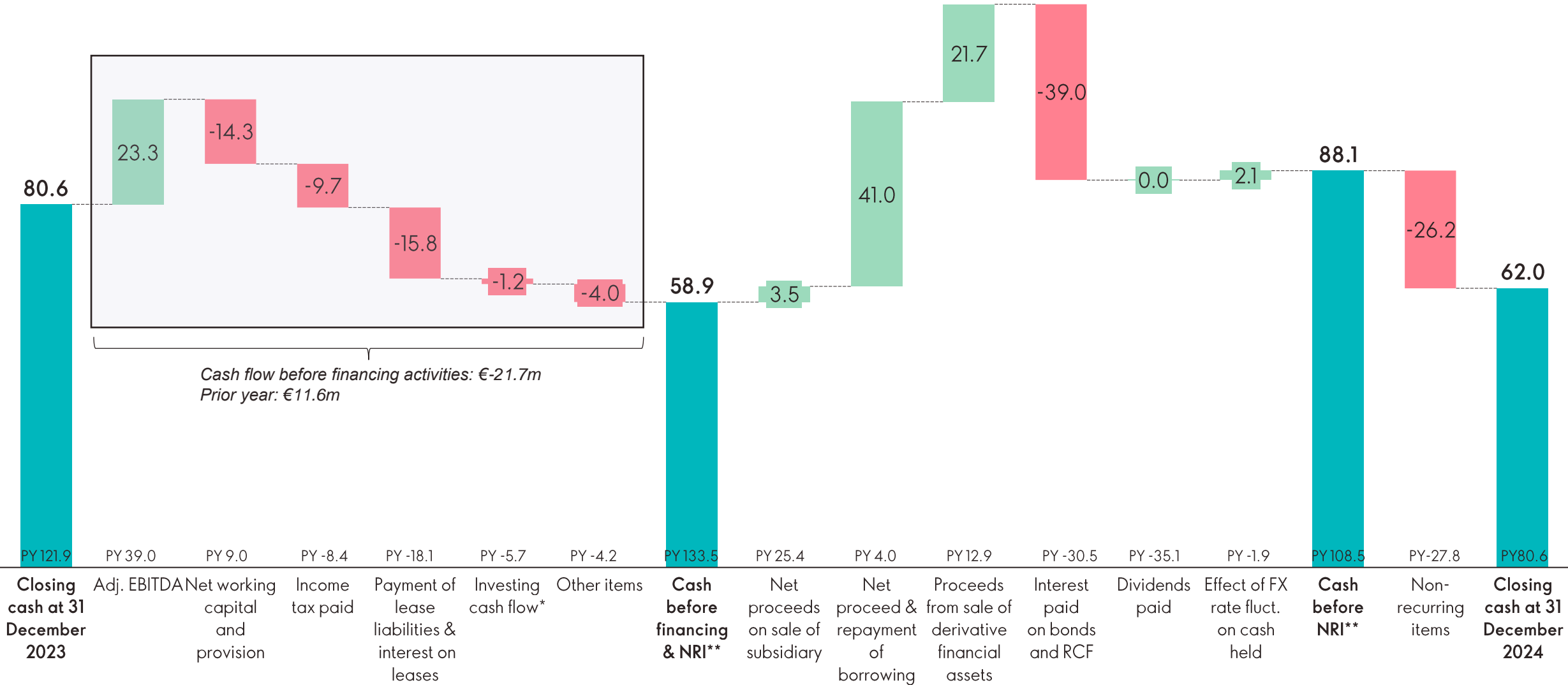
Net financing costs & other impacted by

- Interest expenses on the bonds and RCF of €40.6m (higher by €5.6m compared to 2023)
- €31.6m foreign exchange loss on the \$550m bond revaluation from stronger USD
- Adjusted tax expense of €11.0m mainly due to derecognition of deferred tax assets

* "Other net finance expenses" includes interest on leases, amortisation of front-end fees deducted from proceed, interest received and other interests

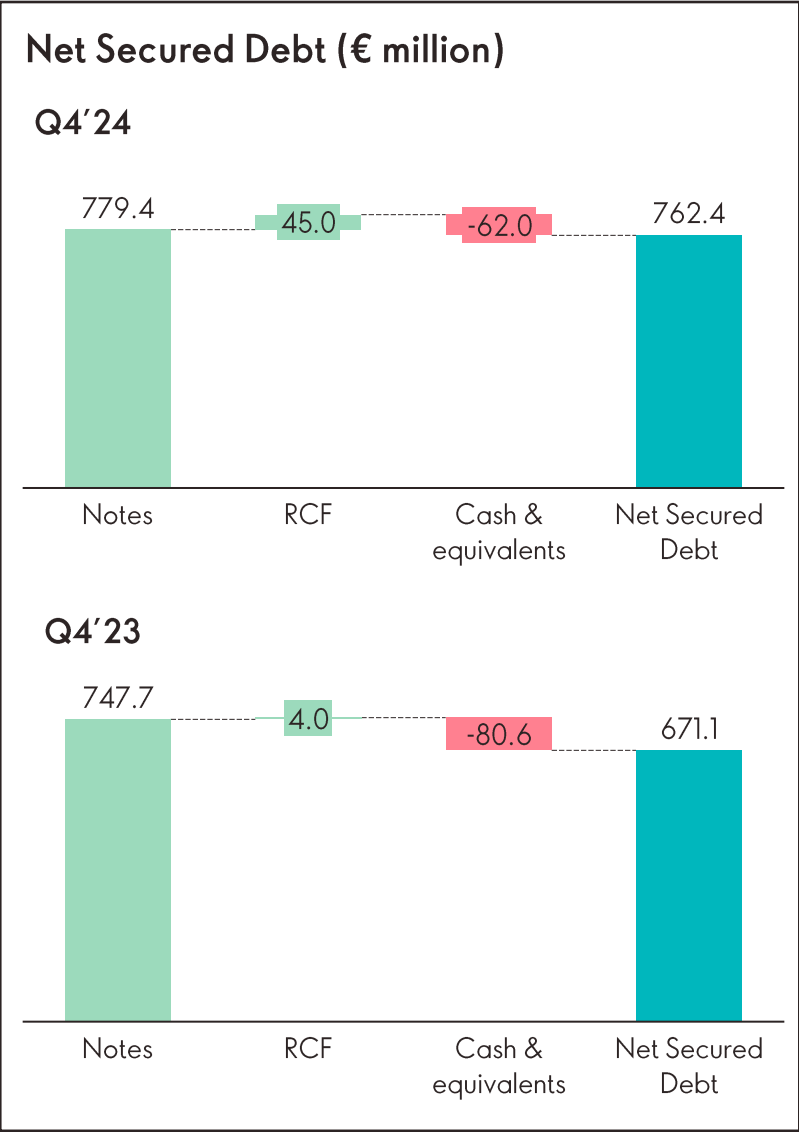
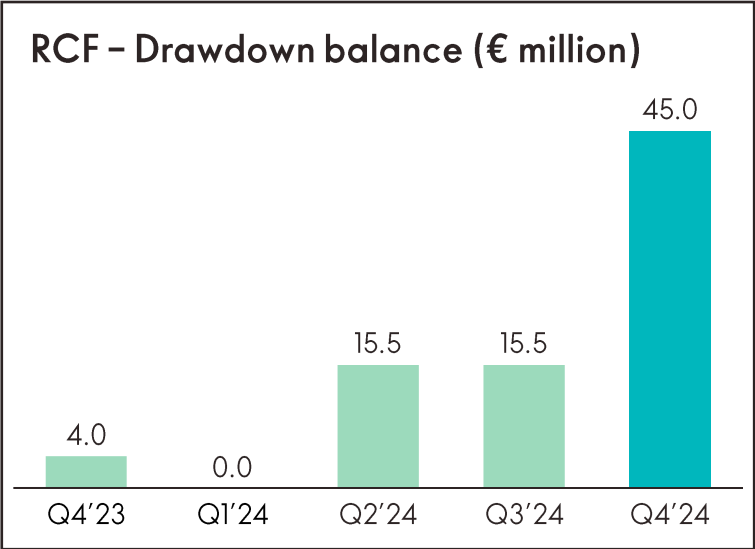
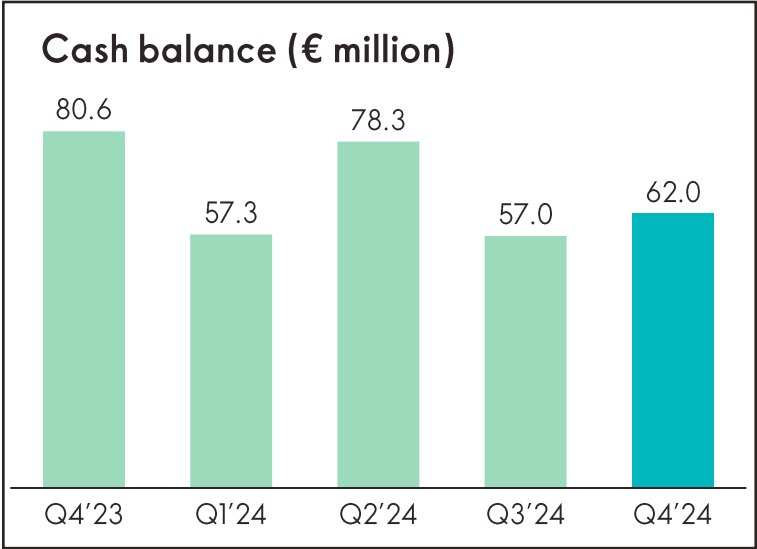
Cash flow development - YTD Q4'24

(€ million)



* Excluding "net proceeds on sale of a subsidiary" / ** NRI = Non-recurring items

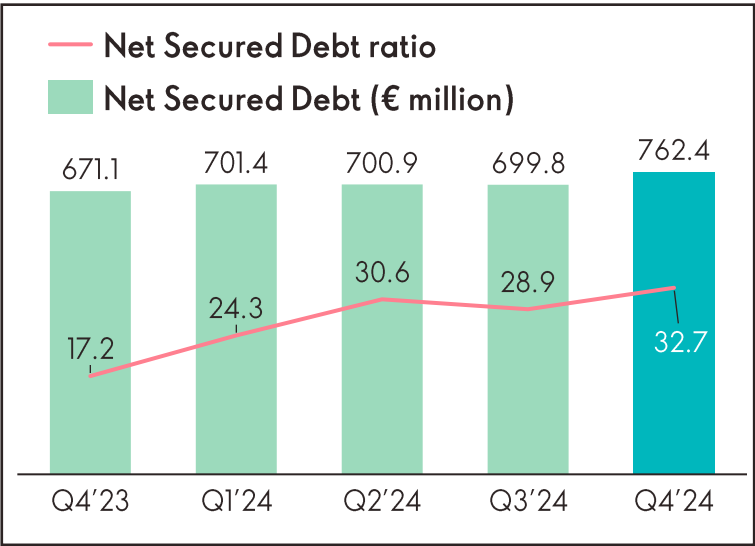
Funding & Financial Position



Highlights

- €250m and \$550m Notes maturing in May 2026
- €100.0m RCF (maturing in October 2025)

- Cash balance of €62.0m as of 31 December 2024
- €45.0m RCF draw down as of 31 December 2024
- €20.0m additional RCF draw during January 2025

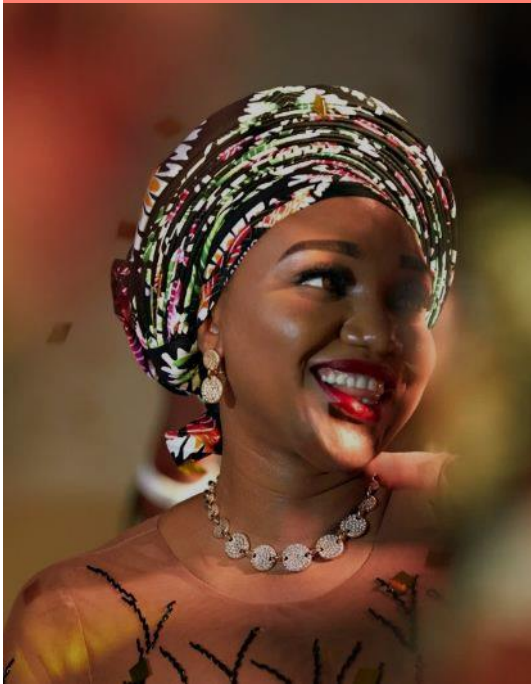


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GOING FORWARD

These strategic pillars articulate our transformative journey

Attract & engage
Brand Partners & Customers



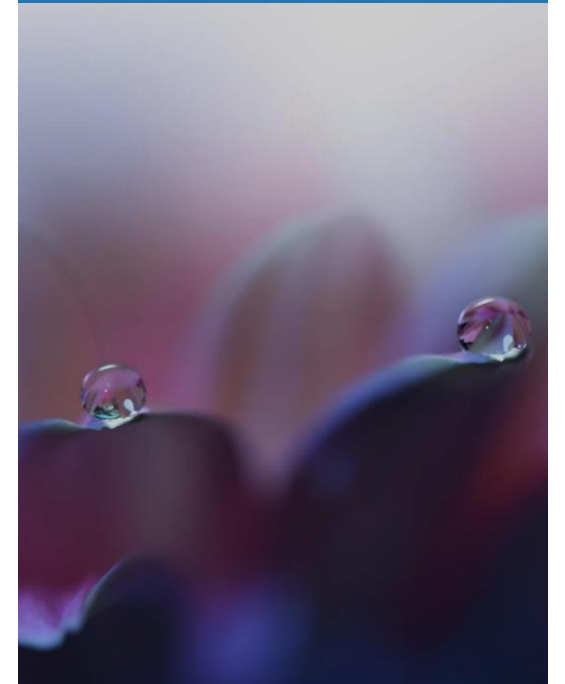
Create an attractive
brand & product offer



Deliver digital
commercial leadership



Explore
new opportunities





Beauty Community Model

- End of Q4 **rolled out in 42 markets representing more than 75% of sales**, with other markets to follow during 2025.
- **Higher recruitment** due to simplified Member concept, **improved retention** driven by cashback and **higher earnings** for working leaders.
- **Q4 Net Promotor Score increased**, reaching its highest level in two years. Satisfaction with "Business Opportunity" also showed an upward trend over this period.
- Continued **actions taken to further simplify BCM**, based on insights and learnings from the Members and Brand Partners of our community.

Attractive brand and portfolio offer

- **Modernised Sourcing Strategy launched**
 - Announced phasing out of main internal manufacturing facility in Poland
 - Transition to **a network of European manufacturing partners** to be completed within two years
 - Allowing access to innovation and to develop the next generation of beauty and wellbeing products
- **Continued focus on marketing initiatives:**
 - Continuation of successful campaign "Reach Your Happy Place".
 - Key message "**Make Oriflame part of your beauty routine**" to be rolled-out in Q1
 - Marketing events, for example **influencer event in Paris**
 - Continued focus on **portfolio optimisation** – implementation started in markets during Q4'24/Q1'25
- **Price adjustments** implemented during 2024 showing initial positive results and with ongoing monitoring
- **Key product launch in Q1:** New fragrance **Love Potion Cherry on Top**, formulated by two top perfumers behind iconic fragrances



Digital Transformation

Simplifying and improving the digital experience

- **Updated working system launched** to support our beauty entrepreneurs with tools, training and coaching, in a fast simple and intuitive package
- Continued **focus on improving CRM** to improve the Brand Partners and Members' experience with personalised approach.
 - 47 markets rolled out, remaining planned for 2025.
 - Focus on increased utilisation and local execution
- Ongoing **improvements of the digital experience** on apps and site
- Continued implementation of **AI initiatives**, supporting the business operations



Chapter 3: How to follow-up with people in my community.

2 min.
reading

24 min.
videos

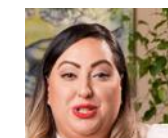
A successful business relies on a strong community. So finding the right people is key. This module explores five effective strategies that will help you expand your community, reach new prospects and grow your business. Let's begin!

Ena Adi: A profitable community is an active community



To ensure business success you want to reach both warm contacts, within your circles, and new leads outside of them. This video covers strategies to identify and engage both, helping you expand your community and grow your business.

Victoria Călin: Follow up with strategy



Exploring New Opportunities

- Continued focus on **UK Incubation Market to trial new concepts and strategies**, such as initiatives to improve the digital experience, and TikTok live shopping trial
- **South Africa opening planned for Q2 2025** in collaboration with Khuli Chana, Mamello Makha, Siyanda Manga and Thabisile Zikhali with well over 1 million followers
- Ongoing **trials with new member acquisition models** – multiple influencer initiatives in progress, in collaboration with influencer agencies
- **Personalised Wellness Subscription** trialled in Spain since September. Based on initial learnings, roll-out to continue in other markets



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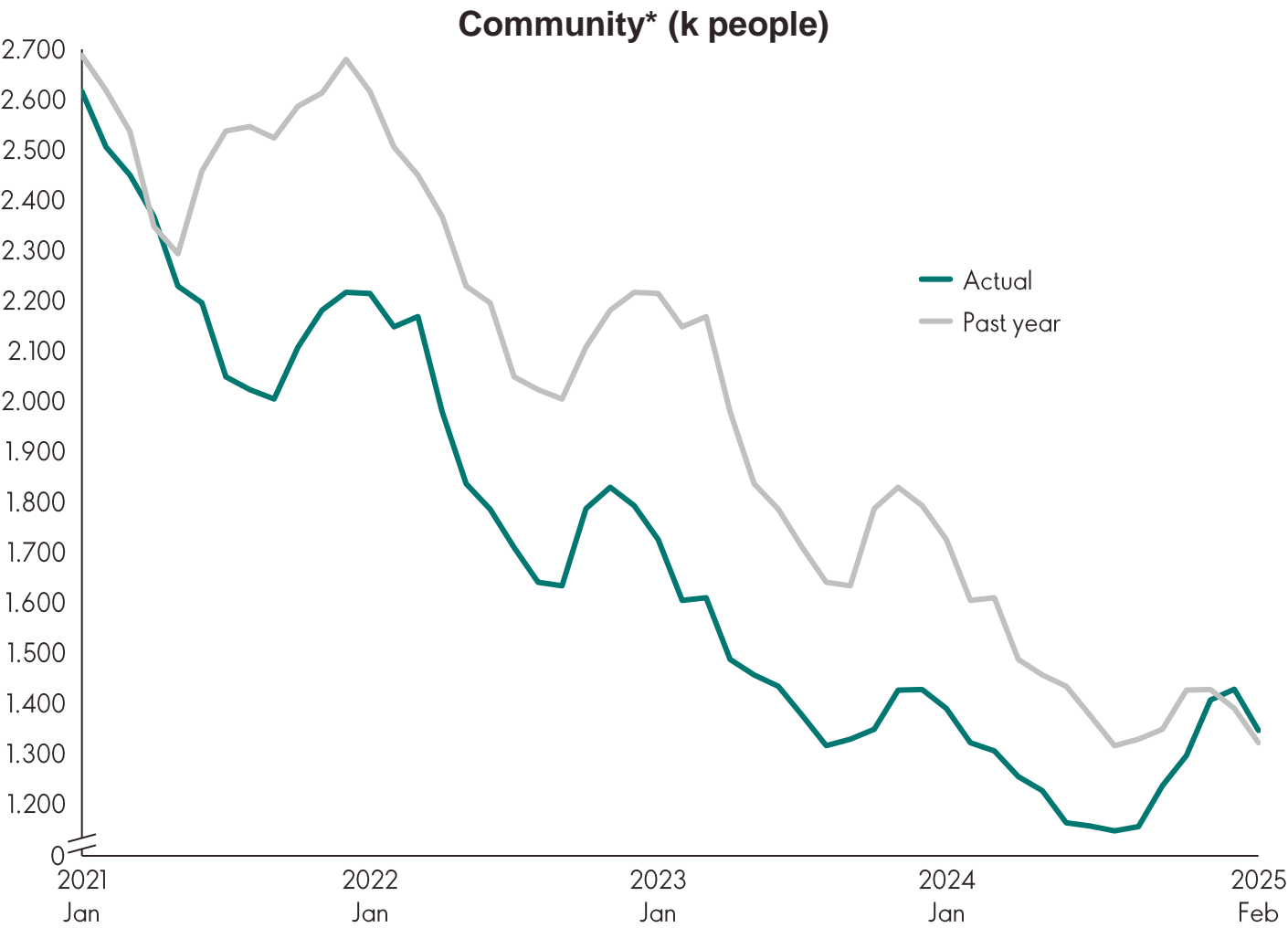
Selected KPI's YTD February 2025

(shared exceptionally for this occasion only)



YTD February 2025 = data up to and including 28 February 2025

Community vs past year - the gap has been closed

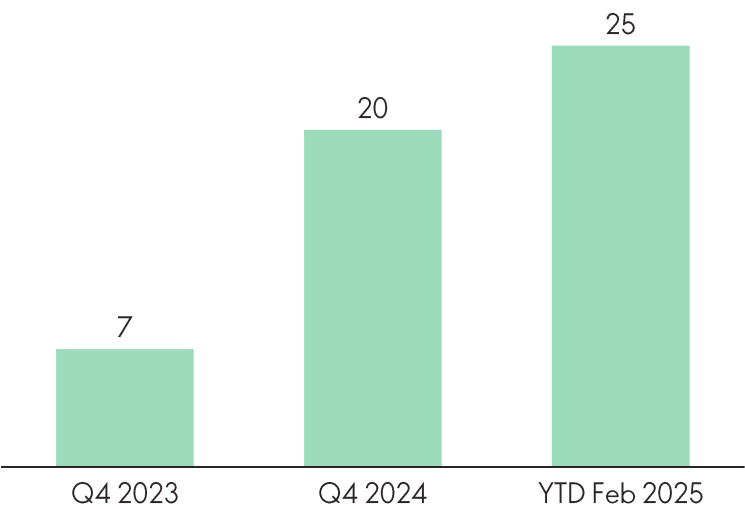


- Sales Force gap versus prior year has been closed and February ended +1.8% vs PY, equal to +24 k (January ended with +2.8% vs PY / +38k)
- Recruitment YTD February is positive vs prior year in 25 markets; 2 Lead, 7 Scale, 16 Venture

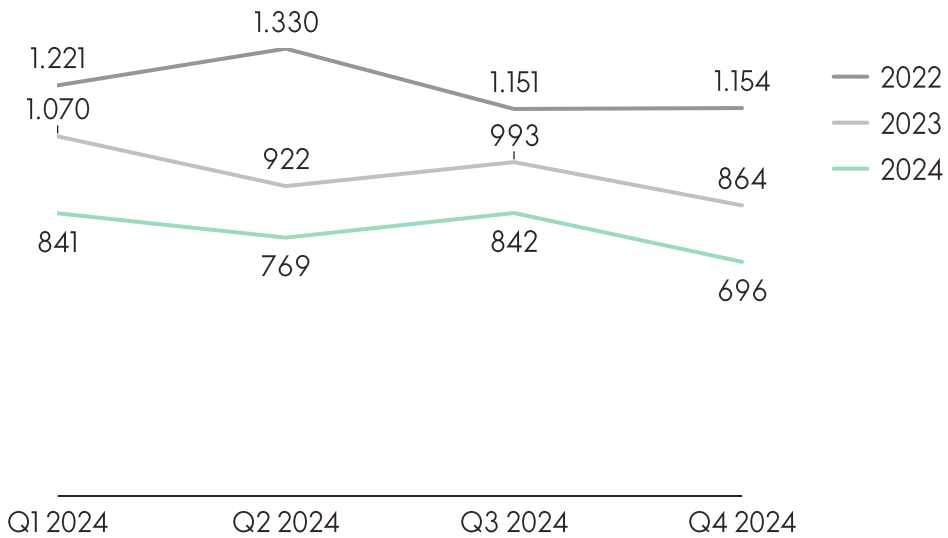
* Community / Sales Force defined as number of members who placed at least one order during the last three campaigns

Gap closure is driven by growing recruitment and declining removals

Number of markets with positive recruitment growth vs. past year*

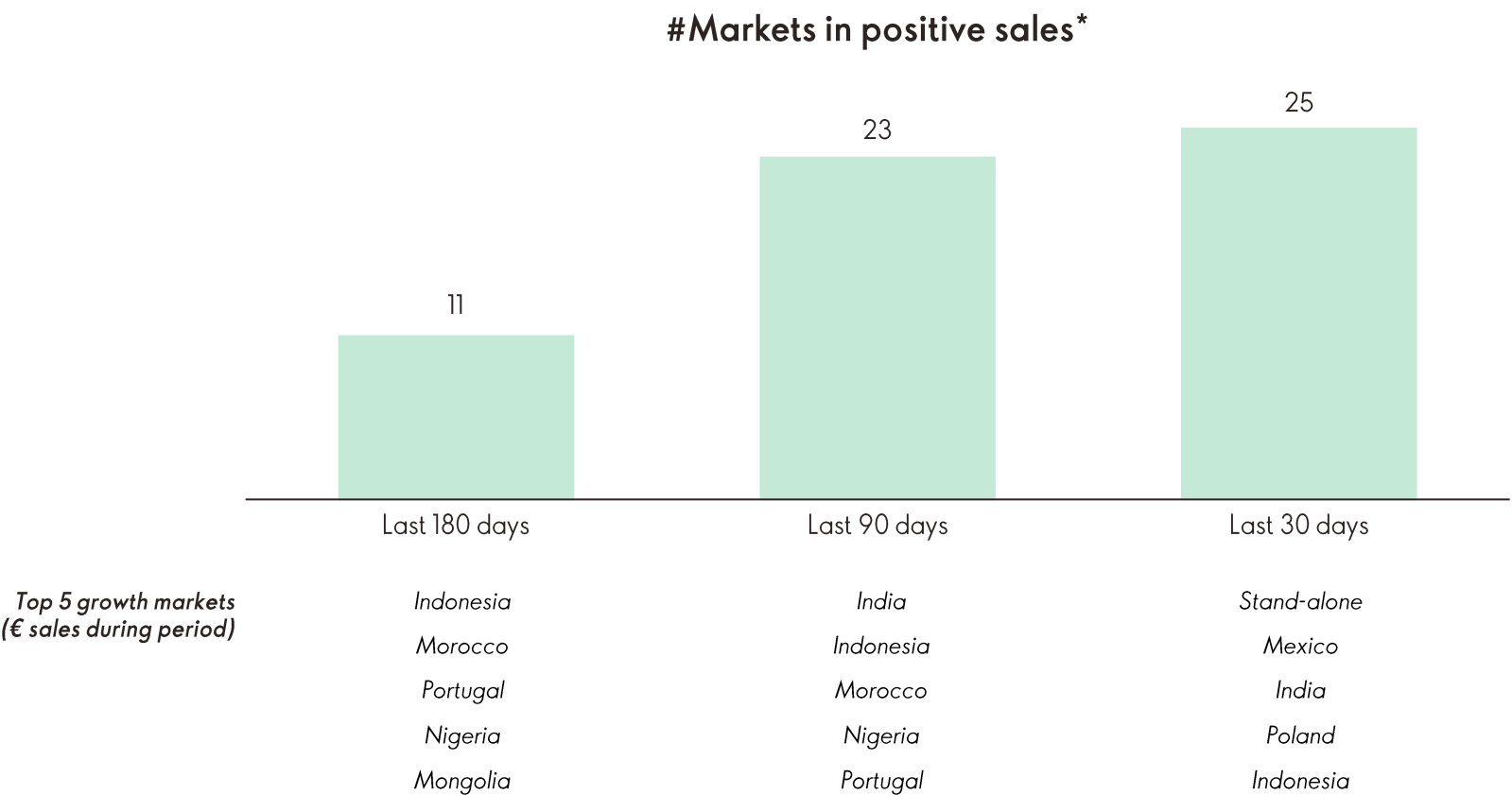


Removals (thousands)



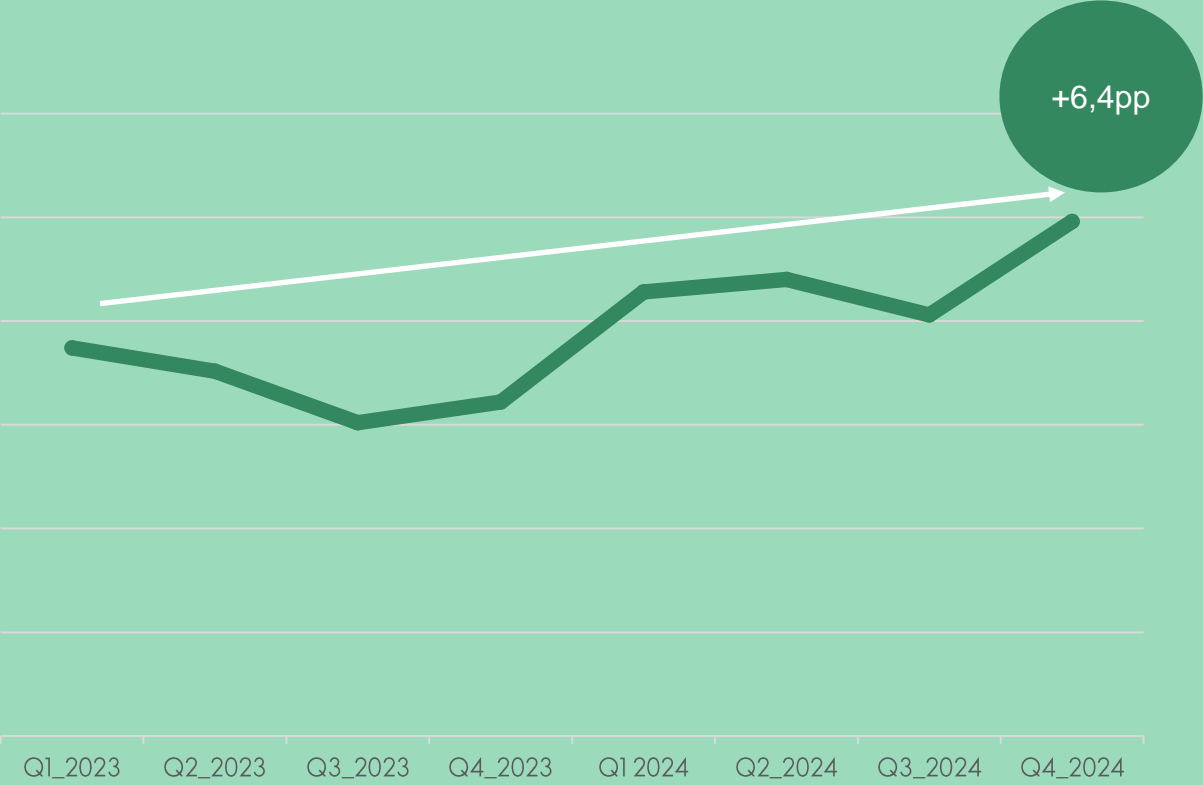
*In addition to the markets included above, 2 new markets (Austria and France) are contributing with positive recruitment growth during Q4 2024 and YTD.

The number of markets in positive sales is increasing



* Up to and including 28 February 2025 - In addition to the markets included above, 2 new markets (Austria and France) are contributing with positive sales growth across all periods.

Net Promoter Score at upward trajectory; +6,4 pp over past 2 years



- ✓ Increases in majority of markets
- ✓ Increase for both Brand Partners and Consumers during 2024
- ✓ Business Opportunity
- ✓ Value for Money
- ✓ Product Quality
- ✓ Order Experience



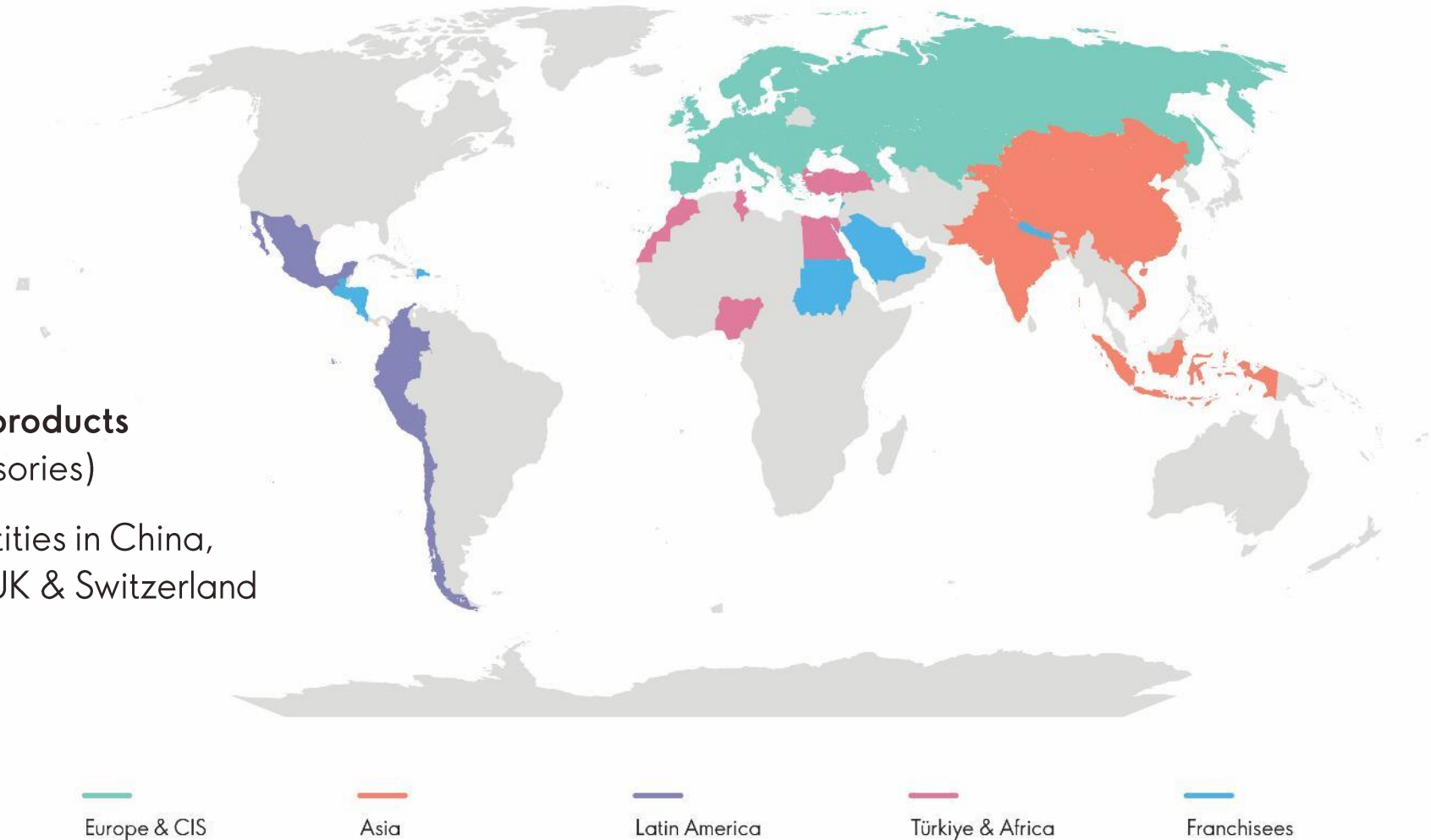
Appendix

- Oriflame snapshot 2024
- Adjusted EBITDA
- Debt & Debt ratio

Oriflame snapshot 2024

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

- Approximately **1.6m** Members
- **€0.6 billion** in sales
- Adj. EBITDA **€23.3m**
- **99%** of orders online
- Around **1,250** beauty and wellness **products** (including approximately 150 accessories)
- Founded in 1967. Manufacturing entities in China, India & Poland. Headquartered in UK & Switzerland



* including markets operated by franchisees

Adjusted EBITDA

€ million	Q4'24	Q4'23	YTD Q4'24	YTD Q4'23
Operating loss	-407.8	-258.8	-414.0	-275.1
Depreciation, amortisation and impairment	403.4	256.2	425.1	280.8
EBITDA	-4.3	-2.6	11.2	5.8
Purchase Price Allocation (PPA) items	398.3	250.1	402.0	255.7
Non-recurring items (NRI) *	9.6	9.0	13.6	34.2
Amortisation and impairment included in PPA & NRI	-398.3	-250.3	-403.5	-256.7
Adjusted EBITDA	5.3	6.2	23.3	39.0

* Non-recurring items (NRI)	9.6	9.0	13.6	34.2
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Impairment	-	-	1.4	-
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Restructuring, reorganisation and employee related costs	9.6	9.0	12.2	34.2
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Debt & Debt ratio

€ million	Q4'24	Q4'23
Senior Secured Notes - € 250.0 million	250.0	250.0
Senior Secured Notes - \$ 550.0 million	529.4	497.7
Notes	779.4	747.7
RCF	45.0	4.0
Secured debt	824.4	751.7
less cash and cash equivalents	-62.0	-80.6
Net Secured Debt	762.4	671.1
Secured debt	824.4	751.7
Lease liabilities short term	8.6	11.4
Lease liabilities long term	19.5	21.0
Lease liabilities	28.1	32.4
Total debt	852.5	784.1
less cash and cash equivalents	-62.0	-80.6
Total Net debt	790.5	703.5

€ million	Q4'24	Q4'23
Net Secured debt	762.4	671.1
Adjusted EBITDA LTM	23.3	39.0
Net Secured debt ratio	32.7	17.2

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.

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— S W E D E N —