

A close-up, shallow depth of field photograph of a pink hydrangea flower. The petals are a vibrant, saturated pink color, with some green leaves and stems visible in the background.

24 April 2025

Oriflame

FIRST QUARTER 2025

ORIFLAME  
— SWEDEN —

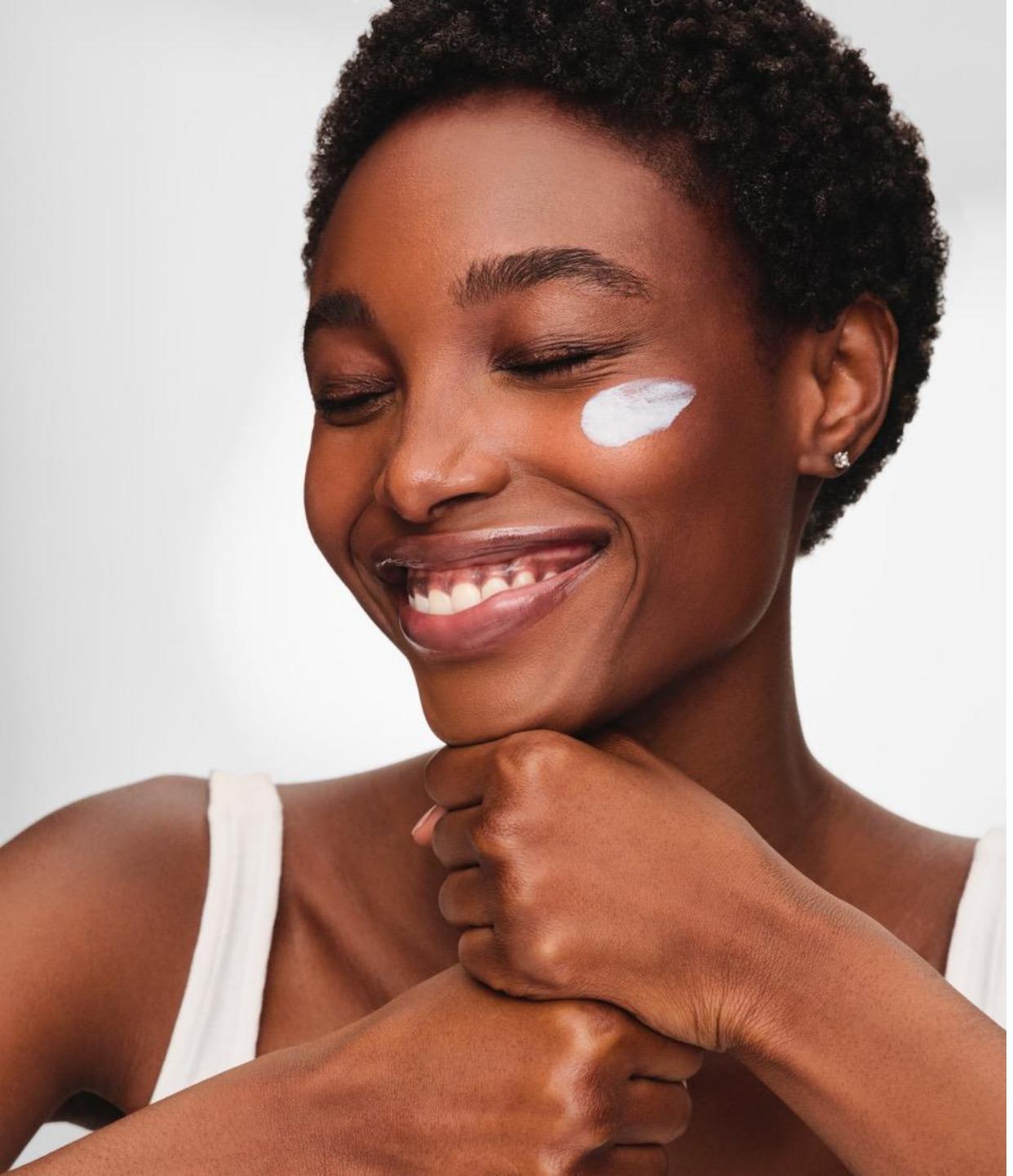
# CAUTIONARY STATEMENT

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.



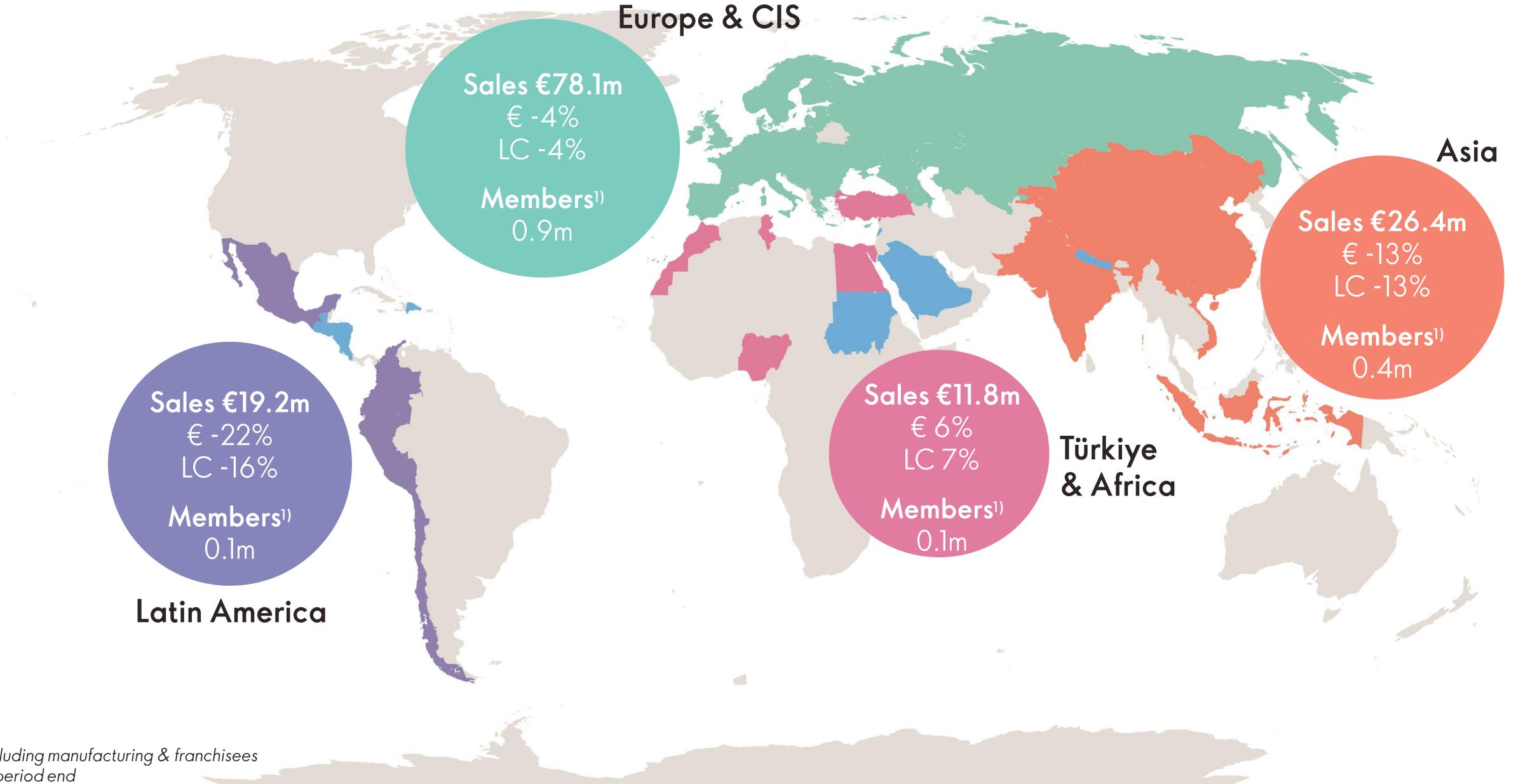
# HIGHLIGHTS



## Q1 highlights

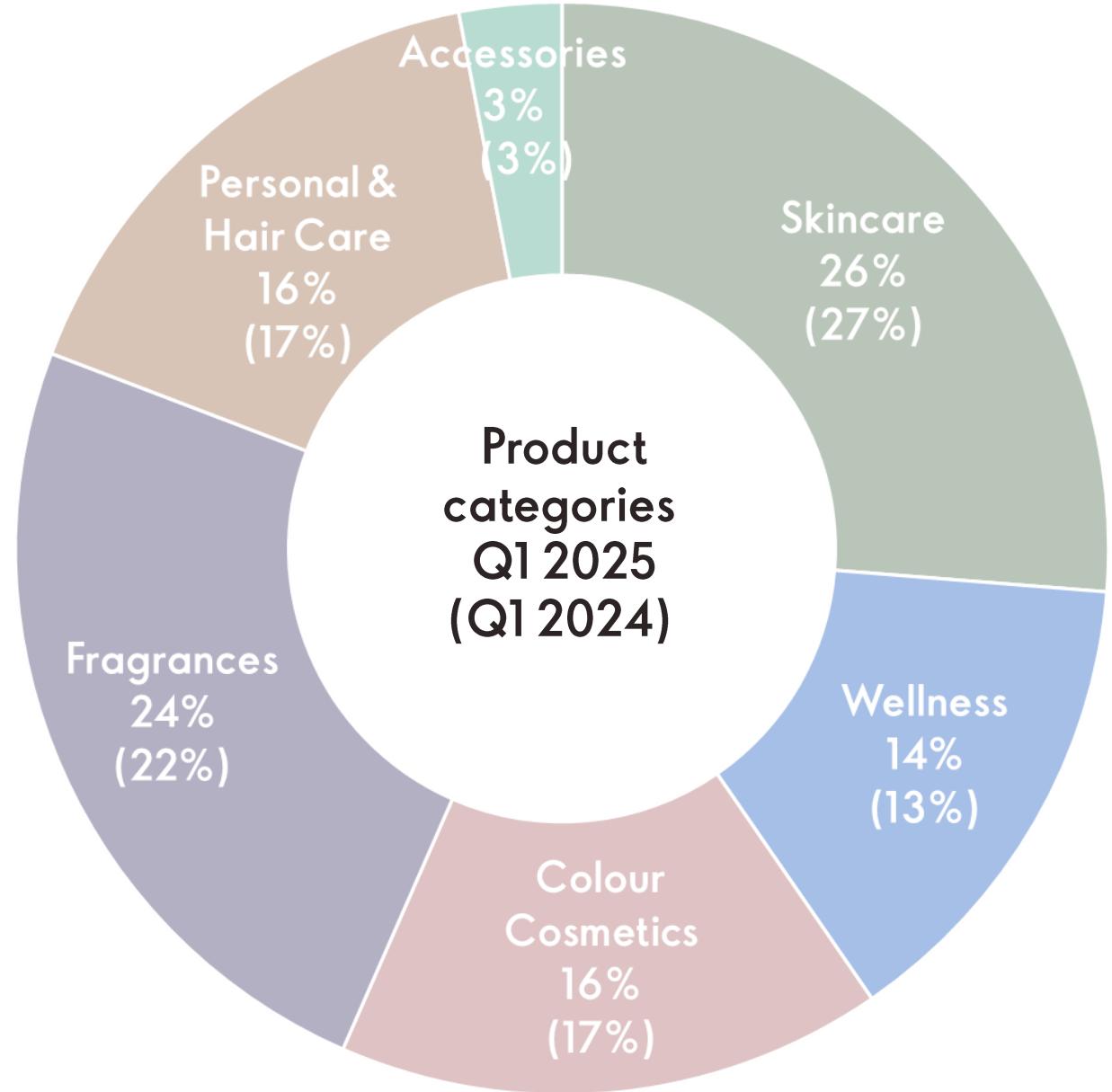
- **Sales** €145.6m (€156.5m) -7% in €, -6% in LC
  - Members average 1.5m (1.6m) -3%
  - FX -1%
- **Gross Margin: 63.7% (64.9%)**
  - Negative impacts from VAT provision release prior year, FX, and higher delivery cost
  - Positive impact from price/mix
- **EBITDA** €-2.1m (€6.7m)
  - Adjusted EBITDA margin -1.4% (4.3%)
  - Adjusted administrative expenses reduced by €1.7m (-4.0%)
  - Negative FX impact on adj. EBITDA margin -30 bps
- **Adjusted cash flow before financing** €-7.9m (€-6.0m)
  - Cash balance: €56.2m versus €62.0m at prior quarter end
  - Working capital: Slightly negative €-0.3m – further inventories reduction (€6.8m) offset by negative movement in payables (€-5.8m) and receivables (€-1.1m)
  - €20.0m RCF drawn down during the quarter
- The **recapitalisation** is progressing according to plan, and is expected to be completed during the first half of 2025

# Q1 Geographic overview\*



# Category highlights

- Within **Skin Care** Novage+ showed an incremental sales growth. Growth in the Anti-age segment was driven by a new strategy to focus on Hero products: day creams and night creams.
- **Wellness** was driven by growth in the largest sub-category Vitamins & Supplement. In addition, great contribution came from the launch of Magnesium in some key markets.
- **Colour Cosmetics** showed a decline in sales and units, while the gross margin improved. The Face sector was the strongest followed by the Lip sector.
- **Fragrances** returned to growth in both sales and units thanks to a strong Love Potion Cherry On Top launch.
- **Personal Care** declined in all regions and the **Hair Care** category continued to show drop in sales and units, while gross margin increased.
- The sales decline in **Accessories** showed a more positive trajectory in the first quarter compared with prior year.

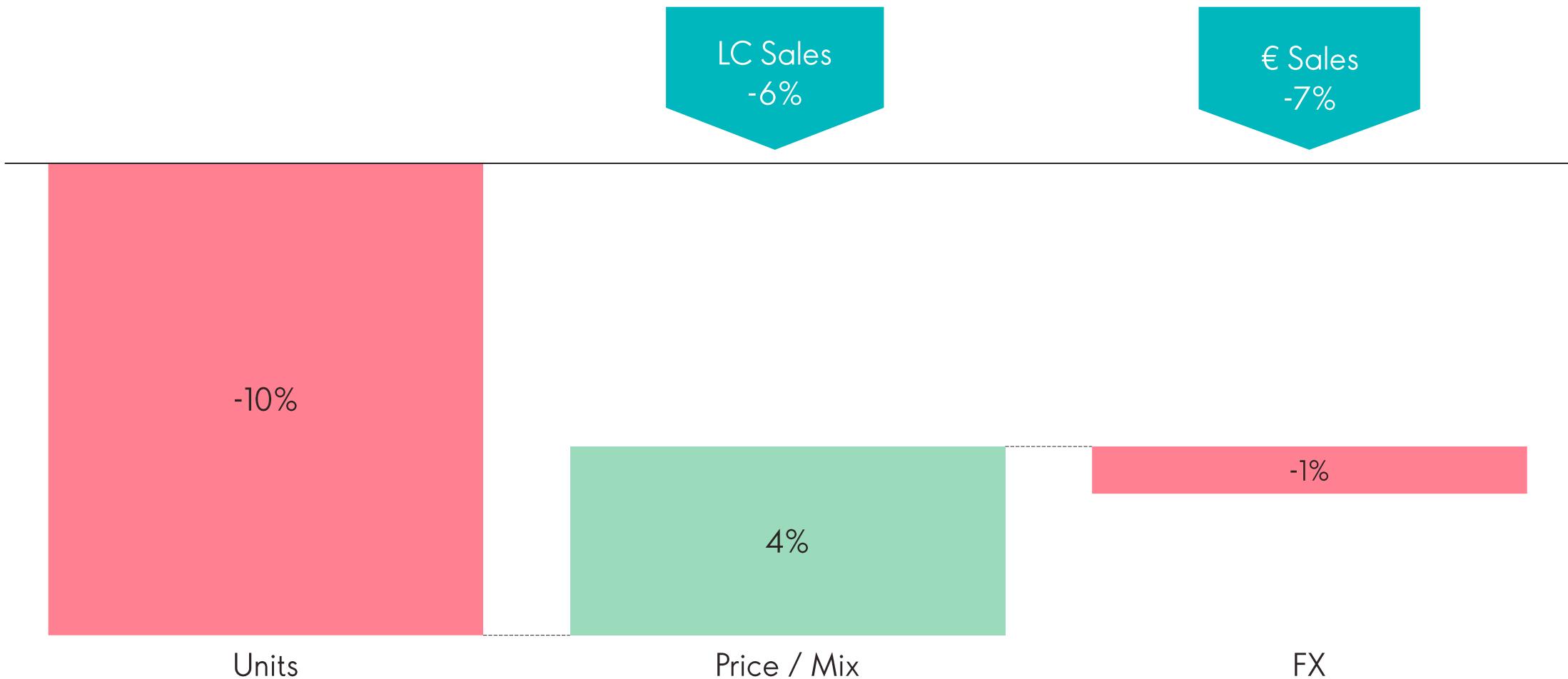




# FINANCIALS

## Q1'25 Sales

Decline in sales driven by lower units sold and a slight negative foreign exchange impact, partially offset by a positive price/mix effect. Sales drop deceleration continued compared to the previous quarters.



# Adjusted EBITDA analysis - Q1'25

## Adj. EBITDA margin vs PY



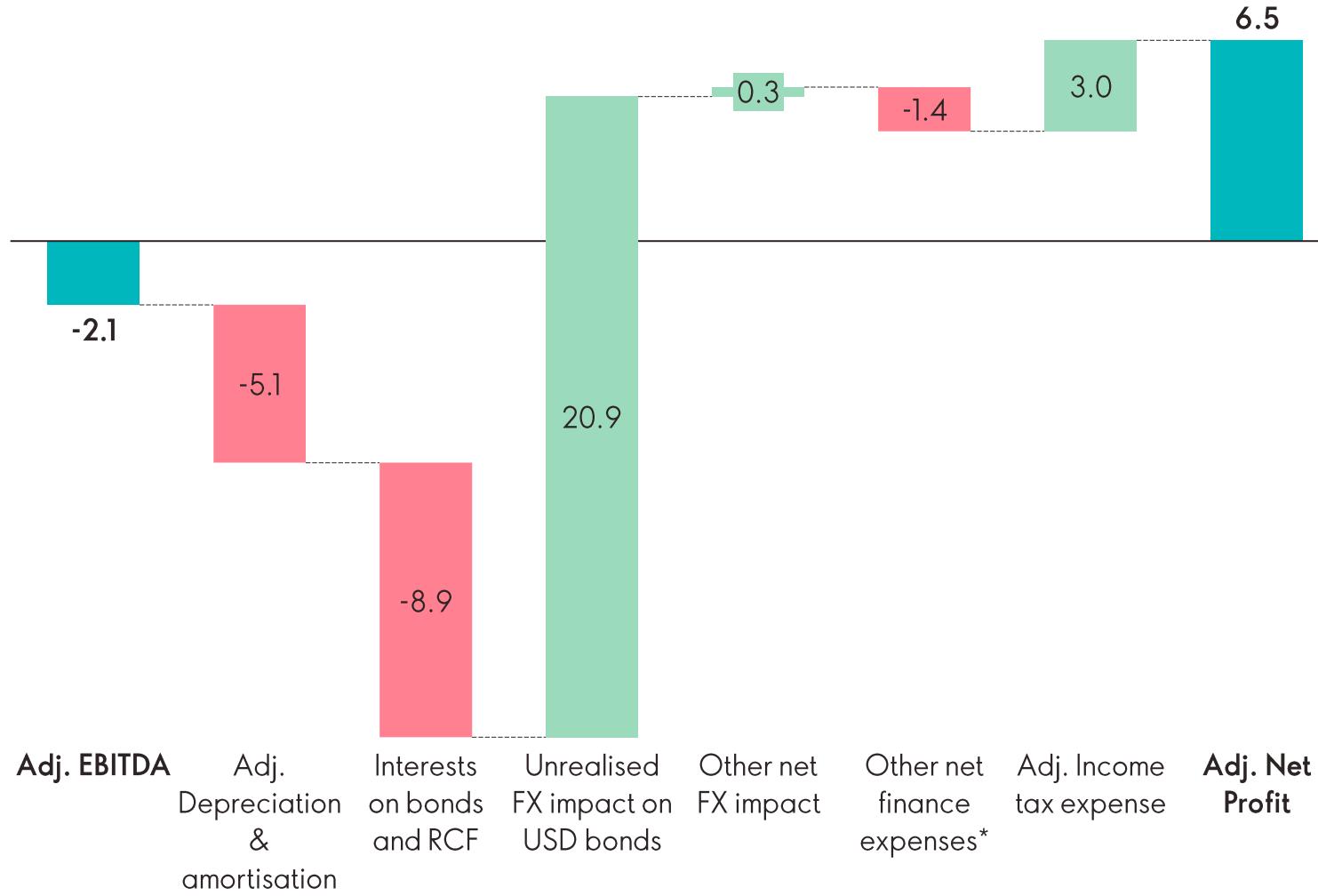
## Highlights

- Adj. EBITDA at €-2.1m (-1.4%) versus €6.7m (4.3%) in the same quarter prior year
- Positive impact from price / mix offset by VAT provision release prior year and higher cost from deliveries
- Selling and Marketing expenses higher from BCM compensation plan and higher marketing expenses
- Continued positive trend on adj. admin. expenses (€-1.7m\* or -4.0% compared to prior year quarter). However negative impact on adj. EBITDA as reduction in % was lower than the drop in sales
- Negative foreign exchange impact of 30bps

\* Based on total adjusted admin. expenses in €

# From Adjusted EBITDA to Adjusted Net Profit - Q1'25

(€ million)



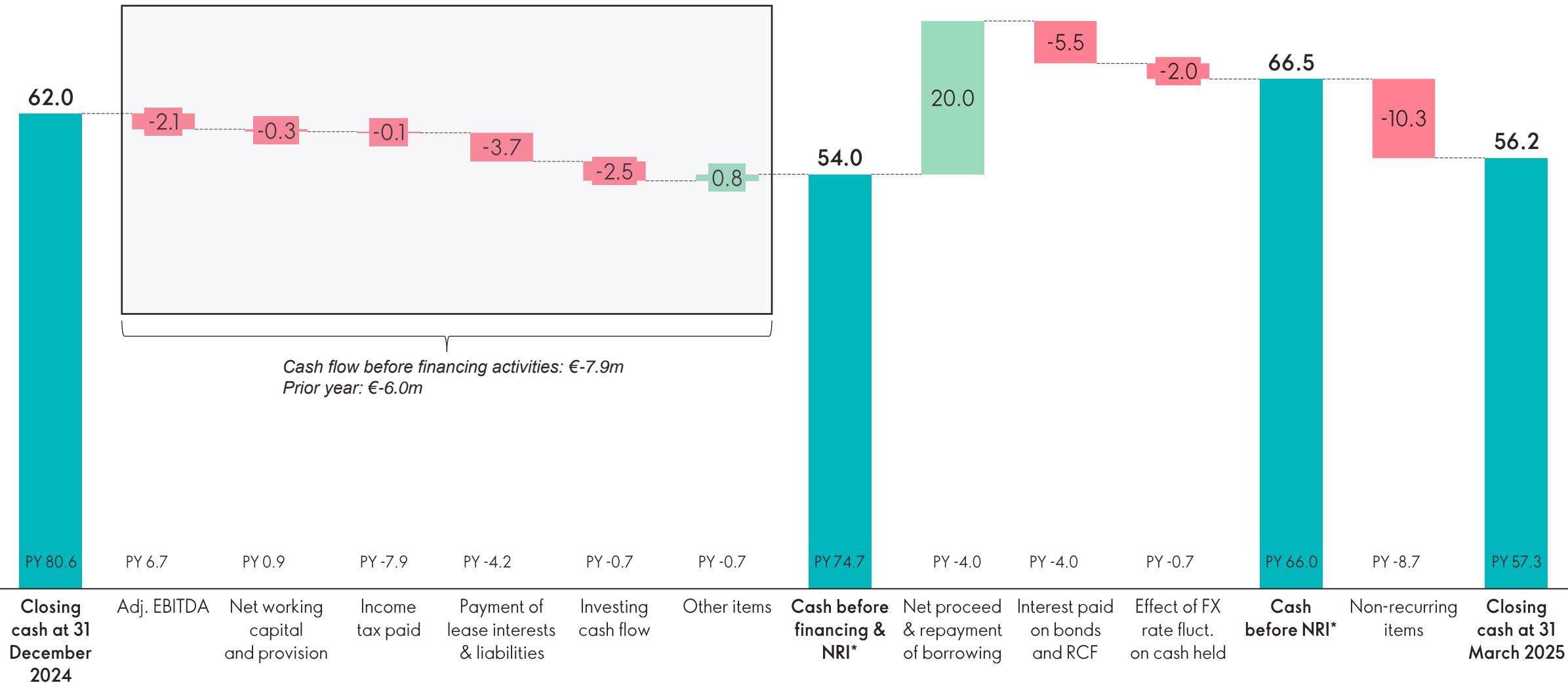
## Highlights

### Net financing costs & other impacted by

- Interests expense on bonds and RCF of €8.9m (versus €7.7m prior year)
- Unrealised FX gain of €20.9m on USD bond from weakening of USD vs Euro (versus €11.0m loss prior year)
- Adjusted income tax credit of € 3.0m mainly from recognition of deferred tax assets

# Cash flow development - Q1'25

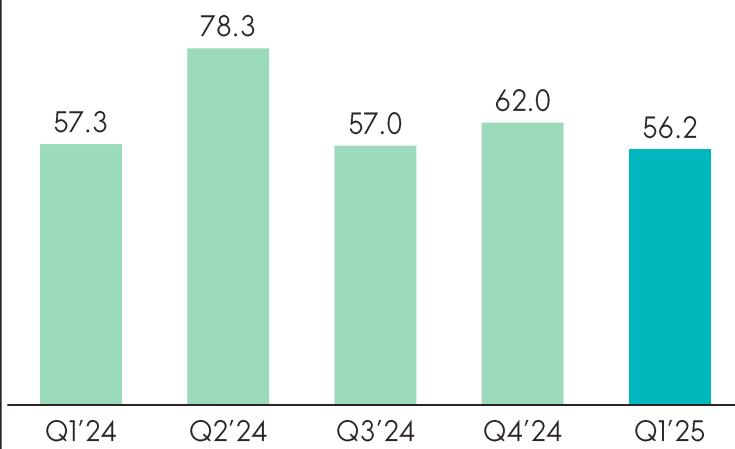
(€ million)



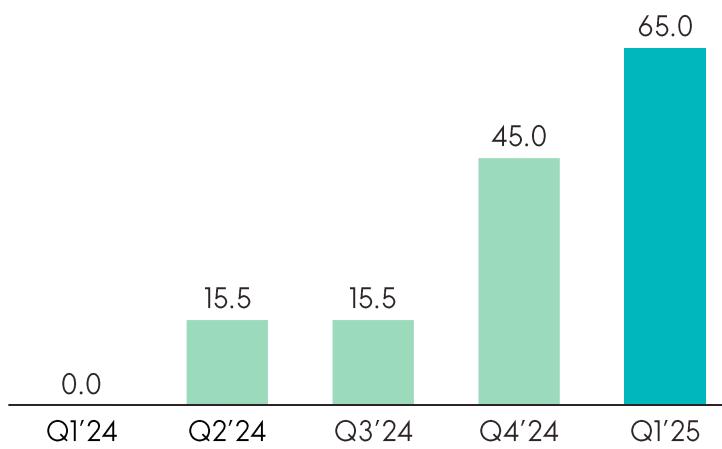
\* NRI = Non-recurring items

# Funding & Financial Position

**Cash balance (€ million)**

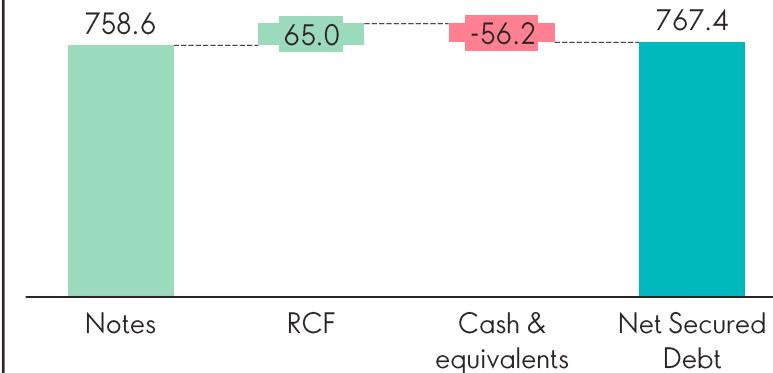


**RCF - Drawdown balance (€ million)**



**Net Secured Debt (€ million)**

Q1'25



## Highlights

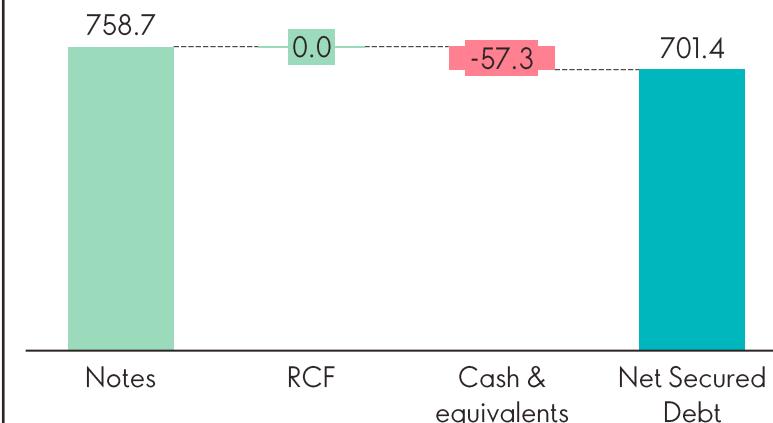
- €250m and \$550m Notes maturing in May 2026
- €100.0m RCF (maturing in October 2025)
- Cash balance of €56.2m as of 31 March 2025
- €65.0m RCF draw down as of 31 March 2025
- €20.0m additional RCF draw during January 2025

**Net Secured Debt ratio**

**Net Secured Debt (€ million)**



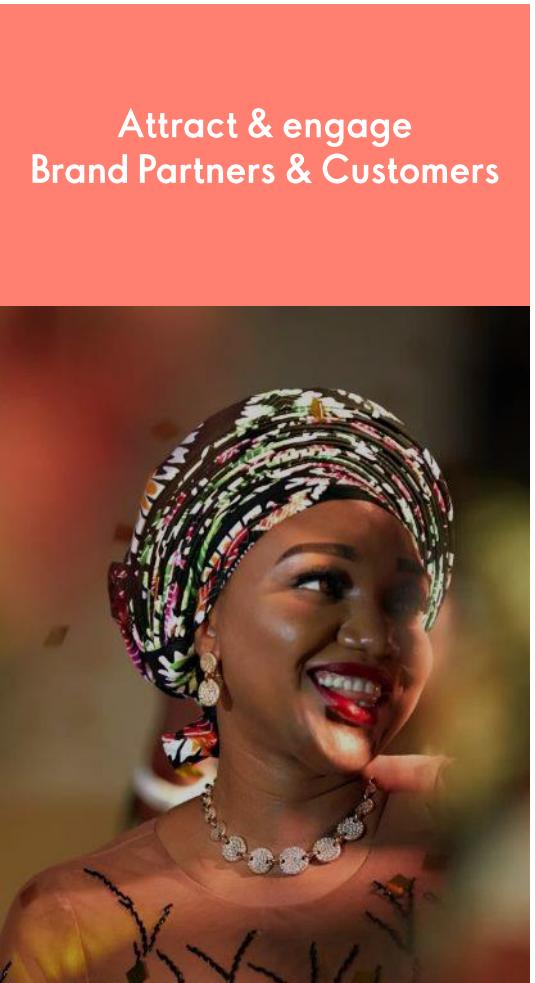
Q1'24





# GOING FORWARD

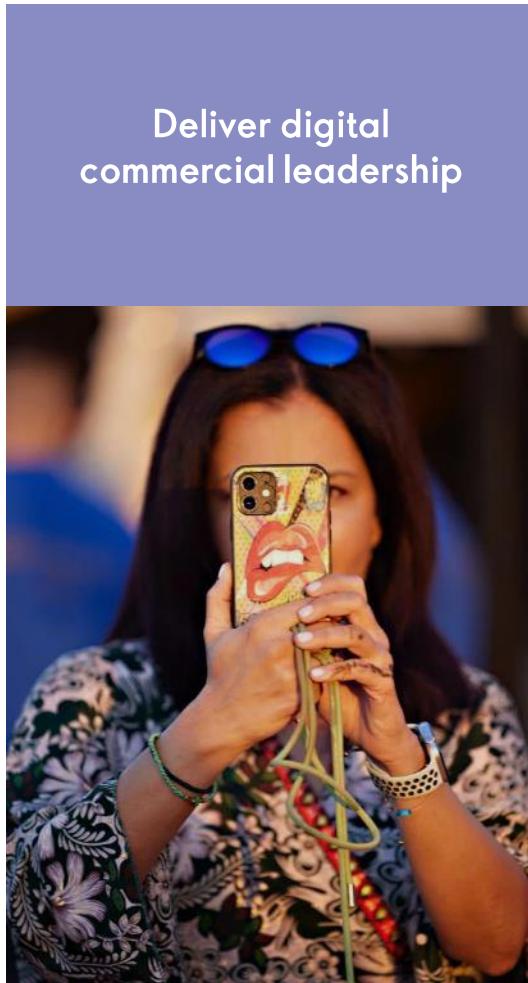
# These strategic pillars articulate our transformative journey



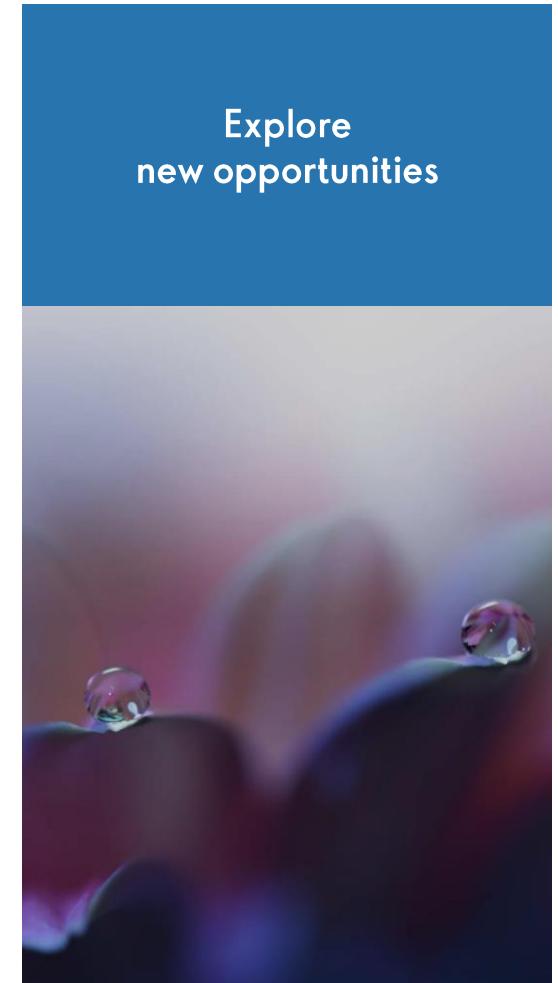
Attract & engage  
Brand Partners & Customers



Create an attractive  
brand & product offer



Deliver digital  
commercial leadership



Explore  
new opportunities

# Beauty Community Model

- End of Q1 rolled out in out in **48 markets representing more than 80% sales**. Rest of the world to follow in 2025.
- **Consistently growing Member segment** currently at 26% of total community (+2pp vs previous quarter and +15pp vs same period last year) with positive impact on community, closing salesforce gap and increased retention.
- **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, including **updated Program Plus and Beauty Rewards**.



# Attractive brand and portfolio offer

## Modernised Sourcing Strategy transition started

- Phasing out of main internal manufacturing facility in Poland started, going **according to plan**
- 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:

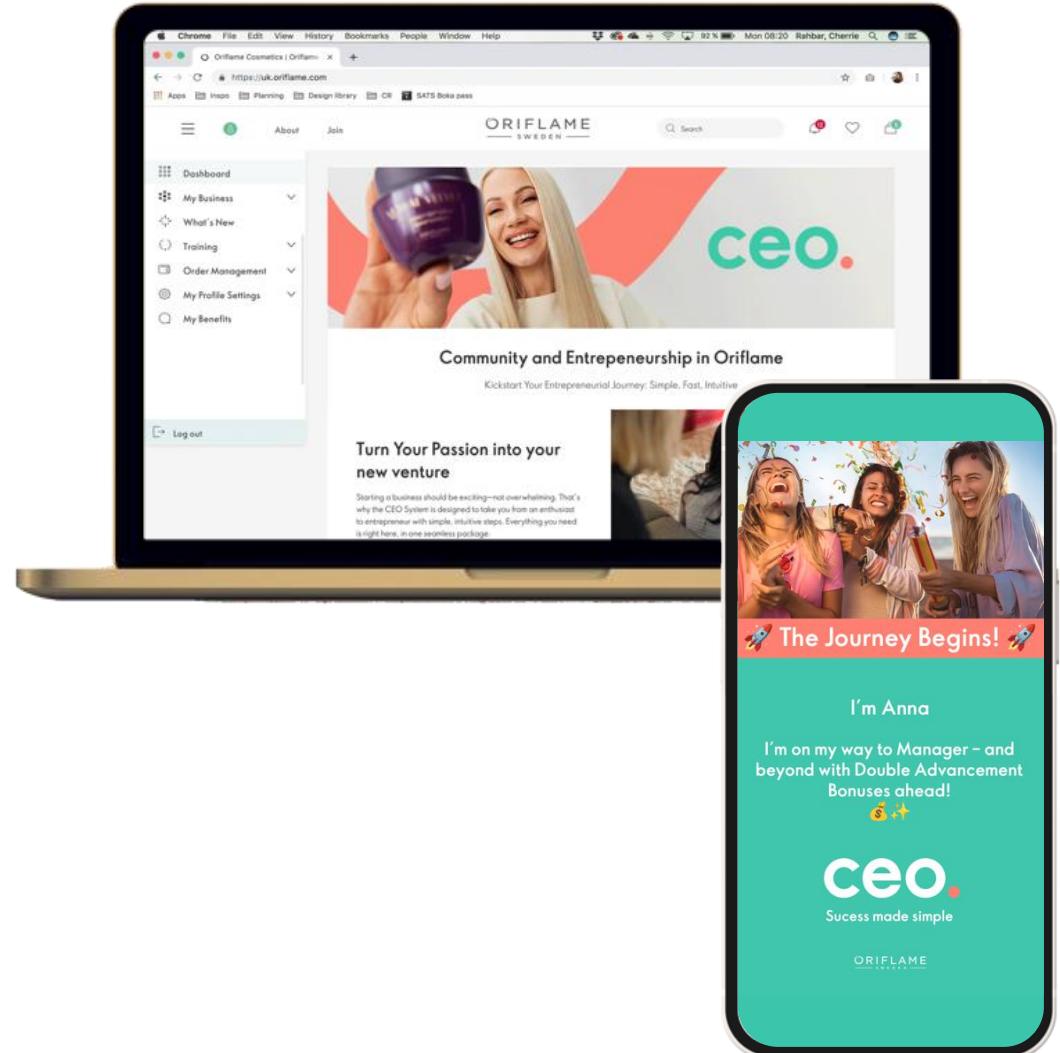
- Building on the “Reach Your Happy Place” campaign a new omnichannel activation with key message **“Make Oriflame part of your beauty routine” launched in Indonesia with other markets to follow**
- Successful activation of the Q1 key launch fragrance **Love Potion Cherry on Top** via multiple Marketing events, for example Influencer **event in Paris**
- Continued focus on **portfolio optimisation** – implementation started in markets during Q4’24/Q1’25 with focus on sales transition
- **Key product launch in Q2:** Restage of **Optimals** – our newest skincare innovation with skin microbiome at heart. Opt Optimals embraces skinimalism and skin streaming offering a simplified three-step approach to skincare routine.



# Digital Transformation

## Simplifying and improving the digital experience

- **Updated working system launched** (ceo.system – Community & Entrepreneurship in Oriflame) to support our beauty entrepreneurs with tools, training and coaching, in a fast simple and intuitive package. Global roll-out during Q1/Q2
- Global roll-out of **Beauty Rewards programme** (gamification) after successful trial in Romania. 31 markets live during Q1.
- Continued **focus on improving CRM** to improve the Brand Partners and Members' experience with personalised approach
  - New automated journeys under implementation
  - Focus on increased utilisation and local execution
- Ongoing **improvements of the digital experience** on apps and site, including introduction of an AI assistant
- Continued implementation of **AI initiatives**, supporting the business operations



# Exploring New Opportunities

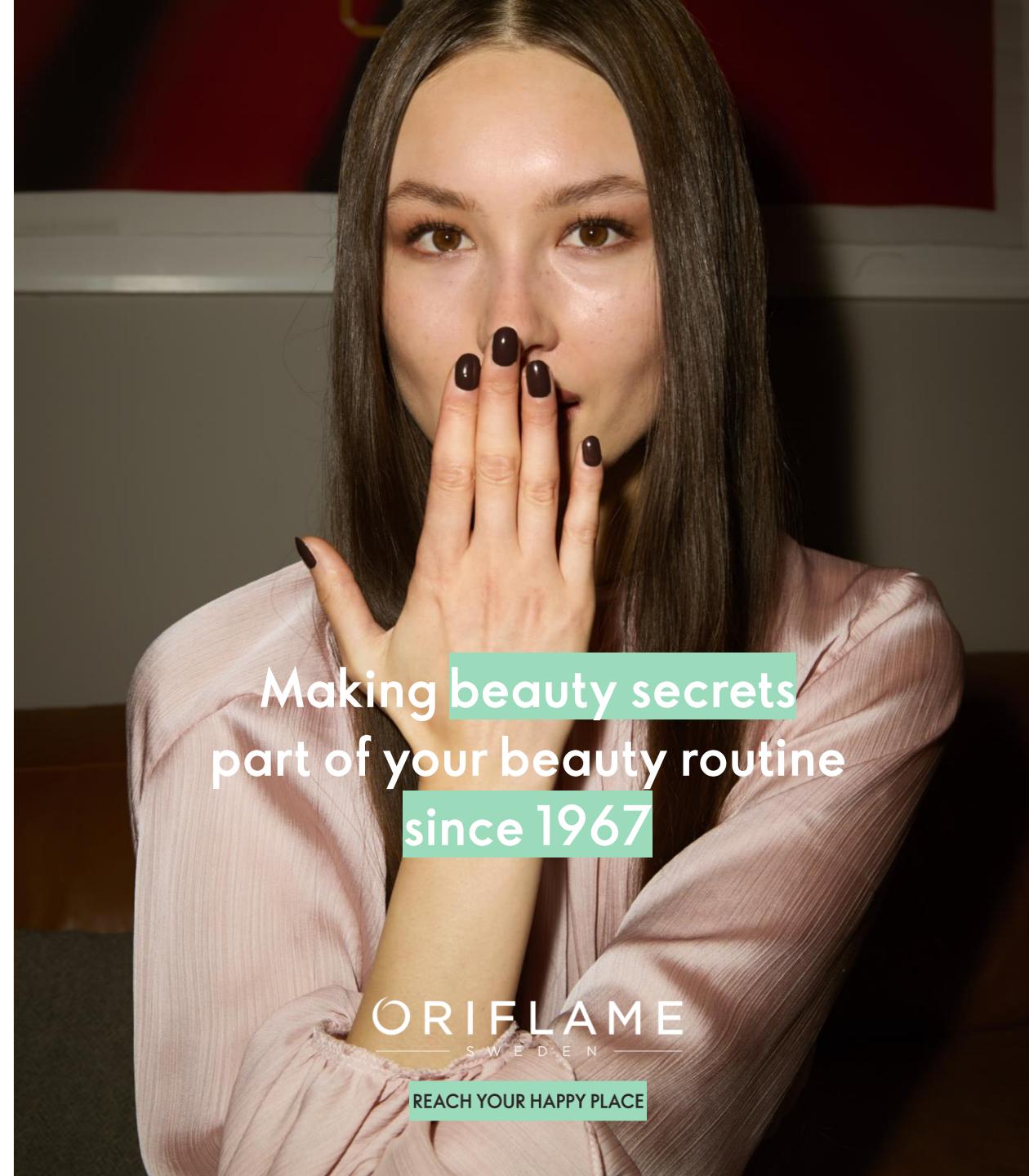
- Continued focus on **UK Incubation Market to trial new concepts and strategies**, such as initiatives to improve the digital experience, and TikTok live shopping trial
- **South Africa officially pre-launched 26<sup>th</sup> February** in collaboration with famous musician Khuli Chana and 3 of his partner influencers as a founding members
- Ongoing **trials with new member acquisition models** – multiple influencer initiatives in progress, in collaboration with influencer agencies
- **Personalised Wellness Subscription to be rolled-out in several markets during 2025** after trial in Spain with Czech Republic going live June and Romania September



# 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 progressing, and ongoing marketing initiatives
- **Implementation of the Beauty Community Model**
  - Rolled out in 48 markets representing more than 80% 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



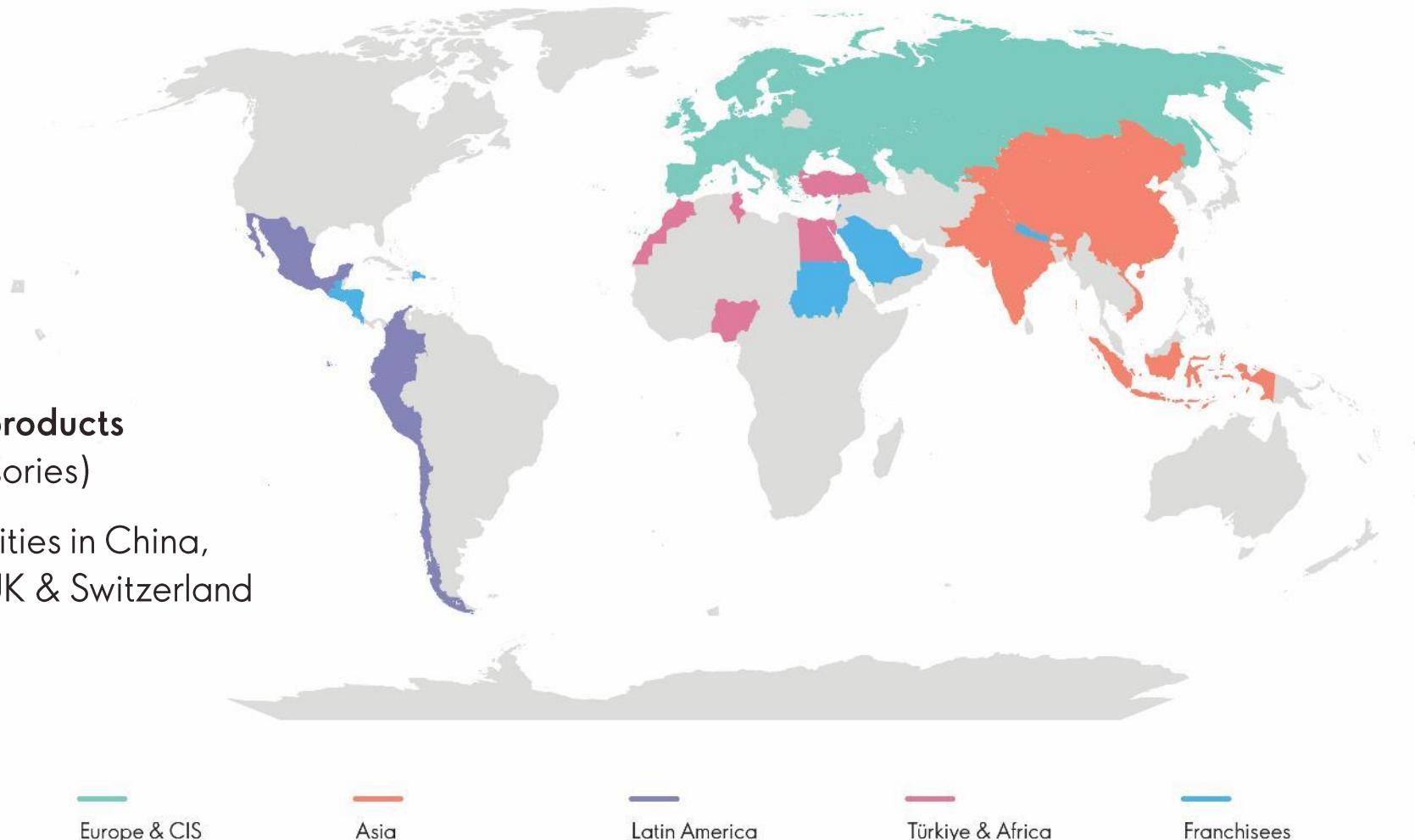
# Appendix

- 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	Q1'25	Q1'24	LTM Q1'25	YTD Q4'24
Operating loss	-25.0	-1.6	-437.3	-414.0
Depreciation, amortisation and impairment	5.1	7.6	422.7	425.1
<b>EBITDA</b>	<b>-19.8</b>	<b>6.0</b>	<b>-14.7</b>	<b>11.2</b>
Purchase Price Allocation (PPA) items	-	1.9	400.2	402.0
Non-recurring items (NRI) *	17.7	0.6	30.7	13.6
Amortisation and impairment included in PPA & NRI	-	-1.9	-401.6	-403.5
<b>Adjusted EBITDA</b>	<b>-2.1</b>	<b>6.7</b>	<b>14.6</b>	<b>23.3</b>
<b>* Non-recurring items (NRI)</b>	<b>17.7</b>	<b>0.6</b>	<b>30.7</b>	<b>13.6</b>
Impairment	-	-	1.4	1.4
Restructuring costs, refinancing costs, reorganisational costs and other one-off costs	17.7	0.6	29.3	12.2

## Debt & Debt ratio

€ million	Q1'25	Q1'24
Senior Secured Notes - € 250.0 million	250.0	250.0
Senior Secured Notes - \$ 550.0 million	508.6	508.7
Notes	758.6	758.7
RCF	65.0	0.0
<b>Secured debt</b>	<b>823.6</b>	<b>758.7</b>
less cash and cash equivalents	-56.2	-57.3
<b>Net Secured Debt</b>	<b>767.4</b>	<b>701.4</b>
Secured debt	823.6	758.7
Lease liabilities short term	9.0	11.3
Lease liabilities long term	20.5	19.0
Lease liabilities	29.5	30.2
<b>Total debt</b>	<b>853.0</b>	<b>789.0</b>
less cash and cash equivalents	-56.2	-57.3
<b>Total Net debt</b>	<b>796.9</b>	<b>731.7</b>

€ million	Q1'25	Q1'24
Net Secured debt	767.4	701.4
Adjusted EBITDA LTM	14.6	28.9
<b>Net Secured debt ratio</b>	<b>52.5</b>	<b>24.3</b>

*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.*

ORIFLAME  
— S W E D E N —