

No. 85
AUTUMN
2023

THE LETTER TO
SHAREHOLDERS

PERFORMANCE &
NEWS

VIVATECH 2023

BOURSOLIVE E-FAIR AND
FOR WOMEN IN SCIENCE
PROGRAM 25TH ANNIVERSARY

L'ORÉAL
FINANCE



“
In a beauty market that is more dynamic than ever, L'Oréal delivered a remarkable performance and further strengthened its global leadership.”

NICOLAS HIERONIMUS
Chief Executive Officer of L'Oréal

Dear Shareholders,
Your Group published its half-year results on 27 July. In a beauty market that is more dynamic than ever, L'Oréal delivered a remarkable performance and further strengthened its global leadership, with growth of +13.3% like-for-like and +12.0% reported.

Growth was broad-based across all Divisions, Regions, categories, and channels, once again vindicating our balanced, multi-polar model.

Growth continued to be driven by the dual cylinders of volume and value – testament to the success of our innovations and the desirability of our brands.

In keeping with our virtuous circle, we improved our profitability, all while significantly increasing investment in our brands. At the same time, in line with our dual ambition of economic and corporate performance, we continued to invest in the transition towards a more sustainable operating model that will ensure long-term value creation.

In an economic context that is still uncertain, we remain ambitious for the future, optimistic about the outlook for the beauty market, and confident in our ability to keep outperforming the market and achieve in 2023 another year of growth in sales and profits.

SALES AT 30 JUNE 2023

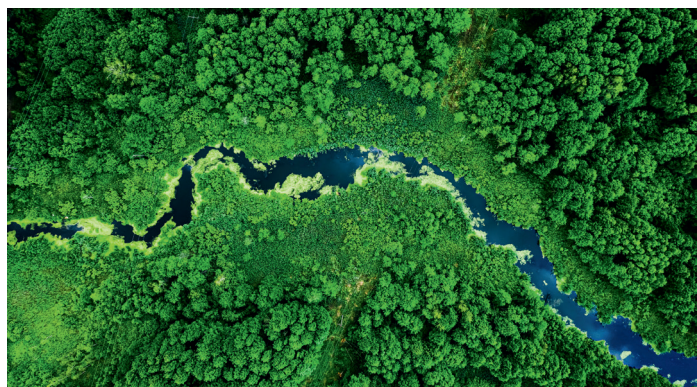


More information on loreal-finance.com

(1) Like-for-like: based on a comparable structure and identical exchange rates.

L'ORÉAL AND VERILY LAUNCH WORLD'S LARGEST AND MOST DIVERSE SKIN AND HAIR HEALTH STUDY

L'Oréal and Verily, an Alphabet precision health tech company, are collaborating on *My Skin & Hair Journey*, a multi-year study that will help researchers better understand the biological, clinical and environmental factors that contribute to skin and hair health over time. The study will enroll thousands of women aged 18-70 in the United States from various ethnic and social backgrounds with diverse skin and hair types. It is the first time a study of this magnitude has been designed for and launched in the beauty industry. L'Oréal will leverage insights generated to develop innovative, precision beauty offerings to support the skin and hair goals of all consumers.



L'ORÉAL FUND FOR NATURE REGENERATION ACCELERATES BIODIVERSITY PRESERVATION EFFORTS

L'Oréal announced three new recipients of its Fund for Nature Regeneration. NetZero, ReforesTerra and Mangroves. Now were chosen for their innovative approaches to carbon capture in soils, reforestation and mangrove restoration, and for their potential to have a far-reaching, positive impact on the environment and local communities. The Fund to date has invested €22 million in different projects. Through this impact investing, L'Oréal is strengthening its commitment to partners with recognised expertise in the regeneration of degraded land and mangroves, as well as in the restoration of marine areas and forests.

S&P Global Ratings

L'ORÉAL RECOGNISED FOR ITS ESG PERFORMANCE

L'Oréal has been recognised by Standard & Poor's Global for its sustainability performance, with a solid Environmental, Social & Governance (ESG) rating of 85 points out of 100. This rating underlines L'Oréal's sustainable transformation towards a more responsible and inclusive business model through the implementation of an ambitious sustainability strategy.



AËSOP JOINS L'ORÉAL LUXE'S PORTFOLIO OF PRESTIGE GLOBAL BRANDS

In August, L'Oréal finalised the acquisition of Aēsop, the Australian luxury cosmetics brand founded in 1987. Globally recognised for its skin, hair and body products, Aēsop has become an iconic global brand available in high-end boutiques, beauty spaces and luxury hotels around the world.

In May, L'Oréal successfully completed a bond issue for a total of €2 billion, used for general corporate purposes, including this acquisition.

+10%

Become a registered shareholder and receive:

- a **LOYALTY BONUS** of +10%

A preferential dividend of €6.60⁽¹⁾ instead of €6.00⁽²⁾

- **FINANCIAL INFORMATION** from L'Oréal directly

For more information, consult the Shareholders section of our

website loreal-finance.com

(1) For shareholders who continuously hold their shares in registered form for a minimum of two full calendar years at 31 December 2022.

(2) Dividend approved at the Annual General Meeting of 21 April 2023.



VIVATECH 2023: L'ORÉAL SHOWCASES THE POSITIVE ENVIRONMENTAL AND SOCIAL IMPACT OF ITS INNOVATIONS

L'Oréal took part in VivaTech, Europe's largest event dedicated to the technology industry, held in Paris in June. Visitors to the L'Oréal stand were able to explore the future of beauty.

Participating in its seventh VivaTech, L'Oréal unveiled a host of Beauty Tech innovations designed to enable 'beauty for all and beauty for each'. Highlighting beauty as a force for individual and collective good, innovations spanned smart and sustainable beauty solutions and digital services, as well as data-powered diagnostic devices for inclusive, personalised, and virtual beauty.

BEAUTY TECH CHAMPION

The solutions on display at L'Oréal's highly immersive VivaTech booth demonstrated the Group's expertise in harnessing the power of data, tech and AI (Artificial Intelligence) to help consumers become better-informed and gain access to beauty products and services personalised for their specific needs.

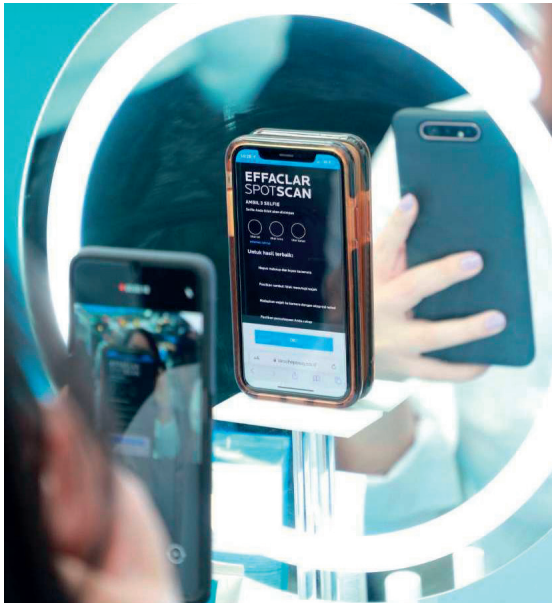


To see our latest innovations at VivaTech

scan this QR code

INCLUSIVE BEAUTY

Spotscan is a **free skin analysis and routine finder** for blemish-prone skin, developed with leading dermatologists. **Validated by a clinical study**, it provides the most accurate imagery and analysis to recommend a personalised La Roche-Posay routine to individuals prone to acne.



SUSTAINABLE BEAUTY

Colorsonic is a lightweight, handheld device that uses an innovative, **mess-free process to mix hair colour and apply it evenly**, delivering consistent hair colour results for consumers at home. The reusable Colorsonic device is made with post-consumer recycled plastic and comes with reusable gloves and a recyclable hair colour cartridge.

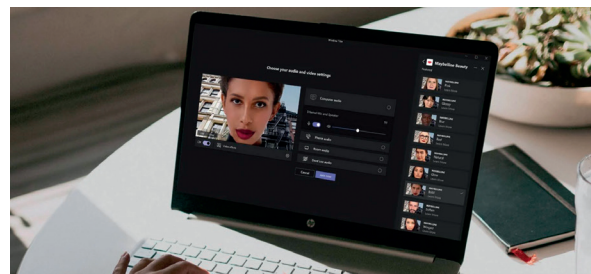


PERSONALISED BEAUTY

A first of its kind, Shu Uemura 3D shu:brow is a smart, handheld applicator that **gives consumers personalised eyebrow looks at home** in seconds. Using L'Oréal's ModiFace augmented reality technology, Shu Uemura 3D shu:brow scans the user's face and makes recommendations for micro-blading, micro-shading or filler effects.

VIRTUAL BEAUTY

Maybelline New York and Microsoft Teams have created the **first-ever digital makeup bag for a virtual world**. 300 million active users of the Microsoft Teams collaboration platform can now give themselves **digital makeovers as easily as they can change their backgrounds**, thanks to the Maybelline New York virtual try-on services.



“Technology and science enable us today not only to offer unmet services to our consumers, but also to transform ourselves from research to human resources to manufacturing or retail to invent the future of beauty.”

Barbara Lavernos,
Deputy Chief Executive Officer
Research, Innovation & Technology
of L'Oréal



“Through Beauty Tech, we connect with billions of consumers around the world. This allows us to understand their unique and evolving needs, and augment people's infinite diversity with an unrivaled degree of precision and personalisation, in the real and the virtual world.”

Asmita Dubey,
Chief Digital & Marketing Officer
of L'Oréal



“
L'Oréal
has a bright
future, as
our results
prove.”

CHRISTOPHE BABULE,
Chief Financial Officer of L'Oréal



To replay the webinar in full

scan this QR code



BOURSOLIVE: THE ONLINE CONFERENCE FOR INDIVIDUAL INVESTORS

From 26 to 28 June, L'Oréal took part in Boursolive, the online conference for individual investors.

This third edition was aimed particularly at young working people keen to deepen their knowledge for smarter investing. Christophe Babule, L'Oréal's Chief Financial Officer, talked about the Group's value creation strategy and answered questions from Boursorama's Media Director, Laurent Grassin.

L'Oréal is the beauty market leader. What are your strengths?

L'Oréal is the No.1 in beauty worldwide, with 87,400 employees and almost seven billion products sold around the globe in 2022. It's important to understand the balanced way that different entities contribute to the Group's growth: we are growing in all our Divisions and all Regions, as well as in volume, value and value mix.

At L'Oréal, financial and non-financial performance go hand in hand and all our employees are committed to achieving our highly ambitious sustainability objectives.

This model enables the Group to create value for our stakeholders, particularly our shareholders. A significant increase in net profit in 2022 has enabled us to pay a 25% higher dividend this year.

The total shareholder return⁽¹⁾ over 10 years is +14.5% (at 16/06/2023), which proves that our growth is both sustainable and profitable.

Why invest in L'Oréal?

Investing in L'Oréal is an opportunity to share in the growth of a French champion, and we are very proud of that. France remains the Group's third-biggest market, in which we have a very strong industrial, commercial and research-based footprint: 15,000 employees (17% of the workforce); 11 manufacturing plants, representing 26% of our global production, which all contribute to the Group's growth; and 8 research centres, where nearly two-thirds of our researchers work.

Also, the beauty market is constantly growing: for the past 20 years it has been growing at an average of 4% to 5% per year. L'Oréal is indeed the global beauty leader and will continue to grow thanks to the world's rising middle class. In addition, the Group has demonstrated its ability to outperform the market, particularly during periods of crisis when it has emerged stronger.

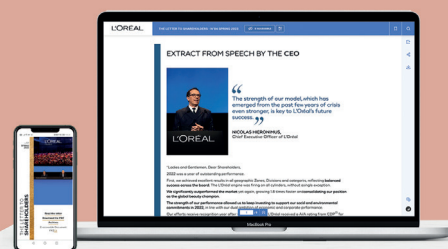
L'Oréal has a bright future, as our results prove. We are ready for tomorrow, to shape the future of beauty.

(1) Total Shareholder Return of the invest

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THE L'ORÉAL - UNESCO **FOR WOMEN IN SCIENCE** PROGRAM CELEBRATES ITS 25TH ANNIVERSARY

The Fondation L'Oréal and UNESCO work together to promote women scientists through the *For Women in Science* International Awards as well as national and regional *Young Talent* program, showcasing the scientific excellence of female researchers and empowering them to break the glass ceiling. In 25 years, the program has supported over 4,100 female researchers from more than 110 countries.

This year, five women scientists were honoured for their outstanding work. The Fondation L'Oréal and UNESCO also awarded a medal of honour and a financial endowment to three researchers who have been forced to flee their country and have shown exemplary courage, resilience and commitment to science.

During the ceremony, Jean-Paul Agon, Chairman of the Fondation L'Oréal, and Audrey Azoulay, Director-General of UNESCO, reasserted that the pioneering fight for the inclusivity of women in science remains a fundamental cause. The young scientist Kiara Nirghin stressed the importance of encouraging even more young girls to consider a career in science.



“
In a single generation, the *For Women in Science* program has positively impacted the careers of thousands of female researchers who are changing the lives of millions of women and men through their discoveries.”

JEAN-PAUL AGON,
Chairman of the Board of Directors of L'Oréal

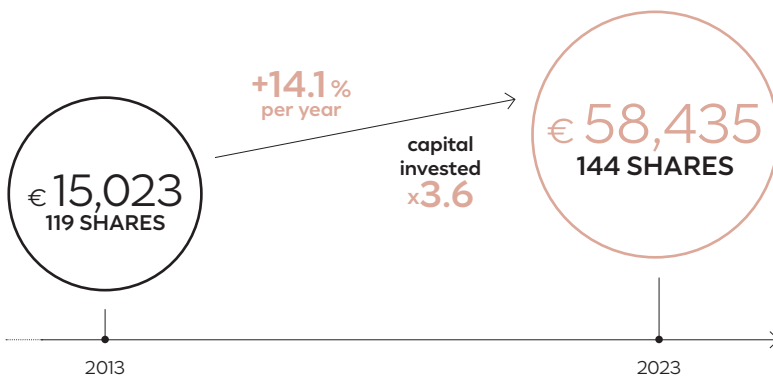
TOTAL SHAREHOLDER RETURN⁽¹⁾

Amongst the various economic and financial measures of value creation, L'Oréal prefers Total Shareholder Return (TSR).

This indicator is based on a range of criteria, including the share price and revenue received in the form of dividends excluding taxes on capital gains and dividends, based on the closing share price on 31 August 2023.

Hypothesis

Total Shareholder Return over 10 years, for €15,000 invested in L'Oréal shares, including reinvestment of dividends, excluding bank charges and tax.



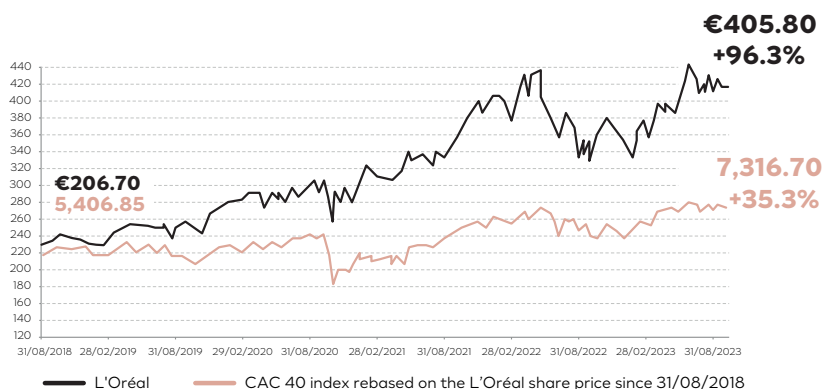
TOTAL ANNUAL RETURN

Based on the share price on 31 August 2023



OVER 5 YEARS, THE L'ORÉAL SHARE HAS OUTPERFORMED THE CAC 40 INDEX

L'Oréal vs CAC 40 from 31 August 2018 to 31 August 2023⁽²⁾



(1) Total Shareholder Return of the investment, assuming that the shares are sold at the closing price on 31 August 2023. (2) CAC40 index rebased on the L'Oréal share price since 31/08/2018 // Source : Refinitiv, share price on 31/08/2023.

Incorporated in France as a "Société anonyme" with registered capital of €107,198,492.80 - 632 012 100 RCS Paris - NAF code: 2042 Z - ISIN code: FR0000120321 - Registered office: 14, rue Royale, 75008 Paris - Headquarters: 41, rue Martre, 92117 Clichy Cedex France- Freephone number (from France): 0 800 66 66 66. For further information, write to L'Oréal, Financial Communication Department, 41, rue Martre, 92117 Clichy Cedex France, consult the website www.loreal-finance.com, download the L'Oréal Finance mobile app, or contact us by e-mail at contact@loreal-finance.com. Photo credits: Helena Rubinstein, Ben Hassett (cover), Stéphane de Bourgies / L'Oréal (p.2), Shaith (Getty Images), Aesop (p.3), Viva Tech 2023 (p.4), Viva Tech 2023 (p.5), L'Oréal, Julien Mignot (p.6), La Fondation L'Oréal (p.7). Production: Makassar. This document has been printed with vegetable inks, using a water-based acrylic varnish by a printer who is a member of the papier Culture Association and Print Ethic and Ecovadis silver certified.

A TEAM THAT IS ATTENTIVE TO SHAREHOLDERS' VIEWS

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AGENDA

25 September 2023: Shareholder meeting in Annecy with Air Liquide

3 October 2023: Shareholder meeting at Bordeaux with Air Liquide

19 October 2023: Sales at 30 September

28 November 2023: Investir Day Salon at Carrousel du Louvre, Paris

For other key dates, please visit our website: loreal-finance.com

THE CONNECTED SHAREHOLDER

Download the L'Oréal Finance app⁽³⁾ and keep up to date with live news about your company.



(3) Available for free on the App Store and Google Play.

To receive the Letter to Shareholders by email, fill in your email address at: loreal-finance.com/eng/keep-informed. If your situation or address changes, please inform us at contact@loreal-finance.com

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