

1.

BRIEF PRESENTATION OF THE L'ORÉAL GROUP IN 2021 AND KEY FIGURES

KEY FIGURES 2021

2021 SALES

€32.28 billion

(+15.3% based on reported figures,
+16.1% like-for-like⁽¹⁾)

OPERATING PROFIT

€6.16 billion

(19.1% of the sales)

NET EARNINGS PER SHARE⁽²⁾

€8.82

(on increase +20.9%)

OPERATING CASH-FLOW⁽³⁾

€5.65 billion

(on increase +3.1%)

DIVIDEND PER SHARE⁽⁴⁾

€4.80

(on increase +20%)

85,412
employees

Recognised for the 12th time as one of the world's most ethical companies by the **Ethisphere Institute**

Recognised for the 5th time by the **Bloomberg Gender-Equality Index** acknowledging the most advanced companies in the area of gender parity

985,089

people benefited from the brands' social commitment programmes.

€232.5 billion

Market capitalisation at 31/12/2021

€1,029 million

Research and innovation budget

517

patents

No.1
in beauty

150+
countries
International
presence

113
years
Created in 1909

100

Group sites achieved
carbon neutrality

-35%*

CO₂ emissions
(plants and distribution centres)

-5%*

Water consumption
(plants and distribution centres)

96%

of the Group's products
are eco-designed

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

(2) Diluted net earnings per share excluding non-recurring items after non-controlling interests.

(3) Net cash flow = Gross cash flow + changes in working capital - capital expenditure.

(4) Proposed at the Annual General Meeting of 21 April 2022.

* Versus 2019, see Chapter 4 of the 2021 Universal Registration Document.

BRIEF PRESENTATION OF THE L'ORÉAL GROUP IN 2021 AND KEY FIGURES

Key figures 2021

1

€8,155.9 M

SALES

25.3% share of Group sales

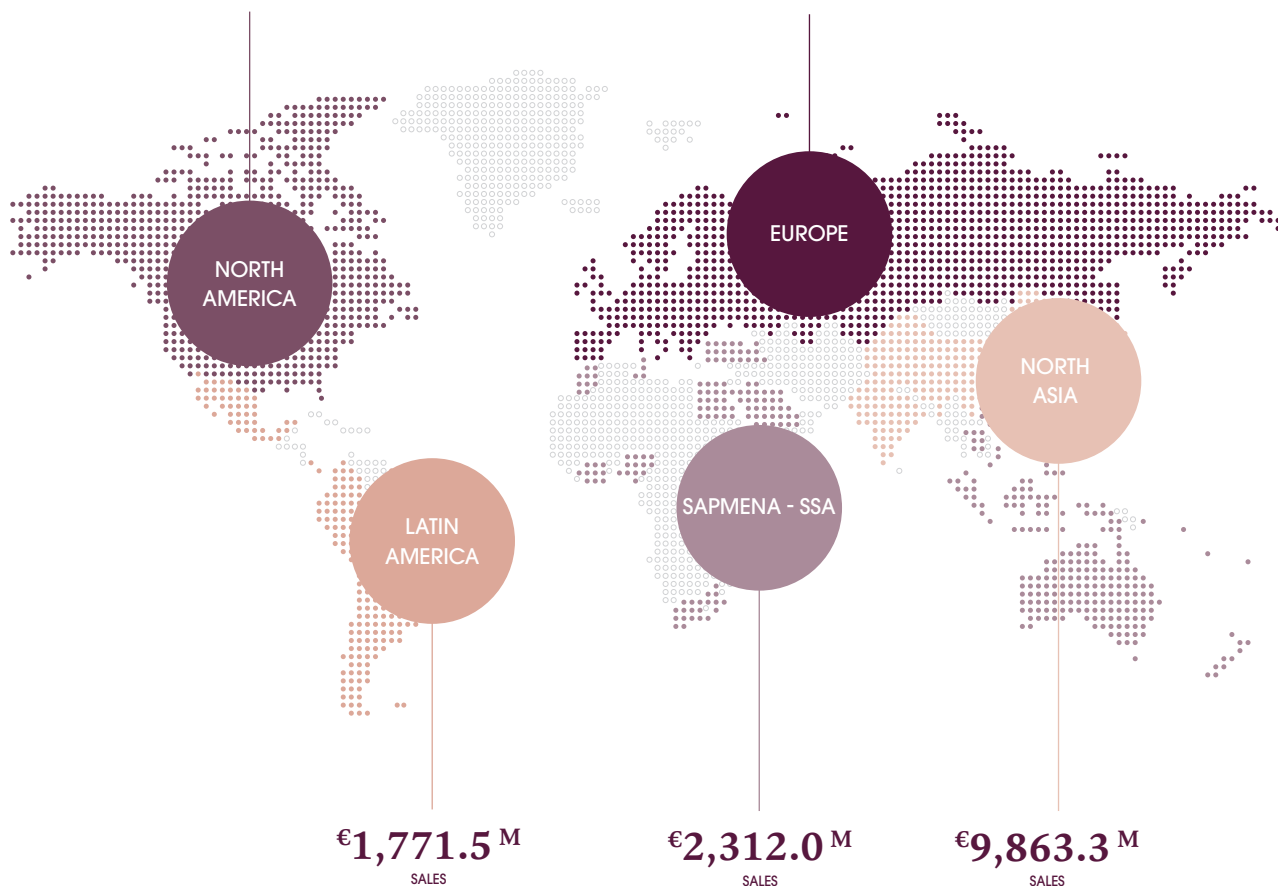
+22.2% sales growth in 2021⁽¹⁾

€10,184.8 M

SALES

31.5% share of Group sales

+10.1% sales growth in 2021⁽¹⁾



€1,771.5 M

SALES

5.5% share of Group sales

+20.6% sales growth in 2021⁽¹⁾

€2,312.0 M

SALES

7.2% share of Group sales

+13.9% sales growth in 2021⁽¹⁾

€9,863.3 M

SALES

30.5% share of Group sales

+17.6% sales growth in 2021⁽¹⁾

€32.28 billion

TOTAL SALES

+16.1% sales growth in 2021⁽¹⁾

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

COMMENTS

"2021 was a historic year for L'Oréal. Thanks to the expertise, passion and commitment of our 85,400 L'Oréalians around the world, the Group achieved record growth of +16.1%⁽¹⁾, twice that of the worldwide beauty market. L'Oréal gained market share in all Zones, Divisions and categories. Over two years, the Group achieved growth of +11.3% like-for-like, spectacularly outperforming a market that had returned almost to 2019 levels.

In 2021, all stars aligned for this historic performance.

In terms of Zones, North America made a strong comeback and joined North Asia as the primary growth contributor. In Europe, boosted by the Zone's reorganisation, L'Oréal achieved significant market share gains and saw a return to 2019 levels. With an extremely volatile public health situation in SAPMENA-SSA⁽²⁾ and Latin America, L'Oréal demonstrated agility and delivered solid performance.

L'Oréal Luxe became the Group's largest Division, with remarkable success in fragrances, while the Consumer Products Division, the largest Division by volume, strengthened its position, with noteworthy performance in makeup. The fast-growing Professional Products Division continued its far-reaching transformation and became truly omnichannel. With a portfolio of brands that perfectly matches consumers' health aspirations, Active Cosmetics also achieved spectacular growth, doubling in four years.

In 2021, we again extended our digital lead: e-commerce⁽³⁾ grew by +25.7%⁽¹⁾, accounting for 28.9% of sales. We have been able to seize the opportunities offered by new digital channels. At the same time, we are continuing to digitalise points of sale as part of an integrated omnichannel strategy.

We are also pursuing our Beauty Tech transformation by investing in data and artificial intelligence, and by establishing strategic partnerships such as our alliance with Verily, to better understand and characterise skin and hair aging mechanisms.

L'Oréal's exceptional growth, driven by superior innovations, as well as rigorous cost control, has enabled us to invest extensively in our brands and increase their appeal, while at the same time delivering record operating profit and an operating margin up 50 basis points.

We are also proud of our social and environmental performance, which reflects our ambition to grow responsibly and share value with all our stakeholders. First of all, with our employees, whom we associate with these exceptional results through a record redistribution of profit-sharing schemes. Furthermore, to promote youth employment, last year we offered more than 18,300 job opportunities to young people under 30 as part of our new global "L'Oréal For Youth" programme, which has an ambitious target of 25,000 opportunities per year from 2022 to 2025. Our efforts to support gender parity were also recognised by the Bloomberg Gender-Equality Index. In addition, L'Oréal USA, our largest subsidiary, achieved carbon neutrality for all its sites in 2021, some four years ahead of our L'Oréal for the Future commitments. L'Oréal is the only company in the world to have been awarded an AAA score by CDP six years in a row, for environmental leadership in tackling climate change, protecting forests and ensuring water security.

The end of the year was marked by the strategic transaction consisting of the buyback by L'Oréal of 4% of its own shares held by Nestlé, which strengthens our shareholder structure, a key asset in the Group's long-term success.

In a global context that remains volatile at the beginning of the year, we are confident in our ability to outperform the market in 2022 and achieve another year of growth in both sales and profits."

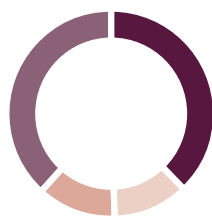
(1) Like-for-like: based on a comparable structure and identical exchange rates.

(2) SAPMENA - SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa.

(3) Sales achieved on our brands' own websites and with e-commerce pure players + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data). Like-for-like.

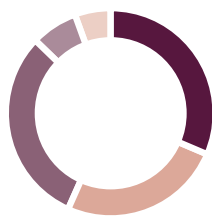
2021 SALES

By operational division



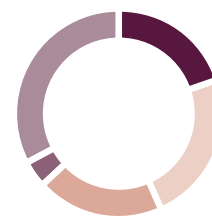
Consumer Products 37.9%
L'Oréal Luxe 38.2%
Professional Products 11.7%
Active Cosmetics 12.2%

By geographic zone



Europe 31.5%
North America 25.3%
North Asia 30.5%
SAPMENA - SSA 7.2%
Latin America 5.5%

By currency



Euro 19.6%
Dollar 23.4%
Chinese yuan 19.6%
Pound 4.2%
Other currencies 33.2%
Of which:
Canadian dollar 2.4%
Russian rouble 2.0%
Brazilian real 1.8%
Japanese yen 1.4%
Mexican peso 1.3%
Other 24.3%

2021 SALES

Like-for-like, i.e. based on a comparable structure and identical exchange rates, the sales growth of the L'Oréal group was +16.1%.

The net impact of changes in the scope of consolidation was +0.8%.

Growth at constant exchange rates came out at 16.9%.

At the end of 2021, currency fluctuations had a negative impact of -1.6%.

Based on reported figures, the Group's sales, at 31 December 2021, amounted to 32.28 billion euros, an increase of +15.3%.

SALES BY OPERATIONAL DIVISION AND BY GEOGRAPHIC ZONE

€ millions	2019	2020	2021		2020/2021 progression	
			2021	% 2021 sales	Like-for-like	Reported figures
By Division						
Professional Products	3,441.9	3,097.3	3,783.9	11.7%	+24.8%	+22.2%
Consumer Products	12,748.2	11,703.8	12,233.5	37.9%	+5.6%	+4.5%
L'Oréal Luxe	11,019.8	10,179.9	12,346.2	38.2%	+20.9%	+21.3%
Active Cosmetics	2,663.7	3,011.1	3,924.0	12.2%	+31.8%	+30.3%
Group total	29,873.6	27,992.1	32,287.6	100%	+16.1%	+15.3%
By geographic Zone						
Europe	10,186.8	9,199.3	10,184.8	31.5%	+10.1%	+10.7%
North America	7,567.0	6,903.4	8,155.9	25.3%	+22.2%	+18.1%
North Asia	7,908.2	8,318.1	9,863.3	30.5%	+17.6%	+18.6%
SAPMENA - SSA ⁽¹⁾	2,438.5	2,101.9	2,312.0	7.2%	+13.9%	+10.0%
Latin America	1,773.1	1,469.3	1,771.5	5.5%	+20.6%	+20.6%
GROUP TOTAL	29,873.6	27,992.1	32,287.6	100%	+16.1%	+15.3%

(1) SAPMENA - SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa.

1 BRIEF PRESENTATION OF THE L'ORÉAL GROUP IN 2021 AND KEY FIGURES

• 2021 results

Summary by Division

Professional products

The Professional Products Division ended the year with strong growth: +24.8% like-for-like and +22.2% based on reported figures.

Consumer products

The Consumer Products Division grew by +5.6% like-for-like and +4.5% reported, with +6.5% like-for-like growth in the fourth quarter.

L'Oréal Luxe

L'Oréal Luxe recorded strong growth at +20.9% like-for-like and +21.3% reported, in a global luxury beauty market that confirmed its recovery and saw a return close to pre-Covid levels.

Active cosmetics

The Active Cosmetics Division ended the year with exceptional growth at +31.8% like-for-like and +30.3% reported

Summary by geographic Zone

Europe

The Zone ended the year up +10.1% like-for-like and +10.7% reported, and is almost back to its 2019 level like-for-like.

North America

The Zone ended the year at +22.2% like-for-like and +18.1% based on reported figures.

North Asia

The Zone ended the year at +17.6% like-for-like and +18.6% reported.

SAPMENA – SSA⁽¹⁾

The Zone grew by +13.9% like-for-like and +10.0% based on reported figures.

Latin America

In 2021, the Zone posted strong growth: +20.6% like-for-like and +20.6% reported.

2021 RESULTS

Operating profitability and consolidated income statement

	2019		2020		2021	
	€ millions	% 2019 sales	€ millions	% 2020 sales	€ millions	% 2021 sales
Sales	29,873.6	100.0%	27,992.1	100%	32,287.6	100.0%
Cost of sales	-8,064.7	27.0%	-7,532.3	26.9%	-8,433.3	26.1%
Gross profit	21,808.9	73.0%	20,459.8	73.1%	23,854.3	73.9%
R&I expenses	-985.3	3.3%	-964.4	3.4%	-1,028.7	3.2%
Advertising and promotion expenses	-9,207.8	30.8%	-8,647.9	30.9%	-10,591.0	32.8%
Selling, general and administrative expenses	-6,068.3	20.3%	-5,638.5	20.1%	-6,074.2	18.8%
OPERATING PROFIT	5,547.5	18.6%	5,209.0	18.6%	6,160.3	19.1%

Gross profit, at 23,854 million euros, came out at 73.9% of sales, compared with 73.1% in 2020, an improvement of 80 basis points.

Research & Innovation expenses, at 3.2% of sales, exceeded one billion euros.

Advertising and promotion expenses increased by 190 basis points, at 32.8% of sales.

Selling, general and administrative expenses, at 18.8% of sales, decreased by 130 basis points.

Overall, **operating profit** increased by 18.3% to 6,160 million euros, and amounted to 19.1% of sales, an improvement of 50 basis points.

(1) SAPMENA – SSA : South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa.

Operating profit, by Operational Division

	2019		2020		2021	
	€ millions	% 2019 sales	€ millions	% 2020 sales	€ millions	% 2021 sales
Professional Products	691	20.1%	582	18.8%	807	21.3%
Consumer Products	2,575	20.2%	2,388	20.4%	2,466	20.2%
L'Oréal Luxe	2,494	22.6%	2,276	22.4%	2,816	22.8%
Active Cosmetics	621	23.3%	766	25.4%	991	25.2%
DIVISIONS TOTAL	6,381	21.4%	6,012	21.5%	7,080	21.9%
Non-allocated ⁽¹⁾	833	-2.8%	-803	-2.9%	-920	-2.8%
GROUP	5,548	18.6%	5,209	18.6%	6,160	19.1%

(1) Non-allocated = CentralGroup expenses, fundamental research expenses, free grant of shares expenses and miscellaneous items.

The profitability of the **Professional Products Division** came out at 21.3% in 2021, an improvement of 250 basis points.

The profitability of the **Consumer Products Division**, at 20.2%, decreased by 20 basis points. The profitability of **L'Oréal Luxe** improved by 40 basis points, at 22.8%.

The profitability of the **Active Cosmetics Division** came out at 25.2%, a decrease of 20 basis points.

Non-allocated expenses amounted to 919.4 million euros.

Net profit

From operating profit to net profit excluding non-recurring items:

€ millions	2019	2020	2021	Evolution
Operating profit	5,547.5	5,209.0	6,160.3	+18.3%
Financial revenues and expenses excluding Sanofi dividends	-62.7	-95.9	-59.6	
Sanofi dividends	363.0	372.4	378.3	
Profit before tax excluding non-recurring items	5,847.9	5,485.5	6,478.9	+18.1%
Income tax excluding non-recurring items	-1,486.7	-1,383.1	-1,535.6	
Net profit excluding non-recurring items of equity consolidated companies	+1.0	+0.9	+0.6	
Non-controlling interests	5.4	-4.2	-5.5	
Net profit excluding non-recurring items after non-controlling interests	4,356.9	4,099.0	4,938.5	+20.5%
EPS ⁽¹⁾ (€)	7.74	7.30	8.82	+20.9%
NET PROFIT AFTER NON-CONTROLLING INTERESTS	3,750.0	3,563.4	4,597.1	+29.0%
Diluted EPS after non-controlling interests (€)	6.66	6.34	8.21	
Diluted average number of shares	562,813,129	561,635,963	559,791,545	

(1) Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests.

Net finance costs amounted to 59 million euros.

Sanofi dividends amounted to 378 million euros.

Income tax excluding non-recurrent items amounted to 1,535 million euros, representing a tax rate of 23.7%.

Net profit excluding non-recurring items after non-controlling interests amounted to 4,938 million euros.

Earnings per share⁽¹⁾, at 8.82 euros, increased by 20.9%.

Non-recurring items after non-controlling interests⁽²⁾ amounted to 341.4 million euros net of tax.

Net profit after non-controlling interests came out at 4,597 million euros, increasing by 29.0%.

(1) Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests.

(2) Non-recurring items include impairment of assets, net profit of discontinued operations, restructuring costs and tax effects of non-recurring items.

Cash flow statement, Balance sheet and Cash position

Gross cash flow amounted to 6,640 million euros, an increase of 16%.

The **working capital requirement** decreased by 88 million euros.

At 1,075 million euros, **investments** represented 3.3% of sales.

Net cash flow⁽¹⁾ at 5,653 million euros, increased by 3.1%.

The **balance sheet** remains solid, with shareholders' equity amounting to 23.6 billion euros. On 7 December 2021, L'Oréal repurchased from Nestlé 22,260,000 of its own shares. At the end of December 2021, the net debt of the Group amounted to 3,586 million euros, including 1,670 million euros of finance lease liabilities.

Proposed dividend at the Annual General Meeting of 21 April 2022

The Board of Directors has decided to propose to the shareholders' Annual General Meeting of 21 April 2022 a dividend of 4.80 euros per share, an increase of +20.0% compared with the dividend paid in 2021. The dividend will be paid on 29 April 2022 (ex-dividend date 27 April at 0:00 a.m., Paris time).

Share capital

At 31 December 2021, the capital of the company was formed by 557,672,360 shares. As of 10 February 2022, the capital is formed by 535,412,372 shares, each with one voting right.

(1) *Net cash flow = Gross cash flow + changes in working capital - capital expenditure.*