



L'ORÉAL

THE POWER
OF BEAUTY

Jean-Paul AGON

Chairman & Chief Executive Officer

Barclays Global Consumer Staples Conference

September 5th, 2019

KEY INDICATORS 2018

SALES
26.9 BILLION €

**#1 BEAUTY PLAYER
WORLDWIDE**

OPERATING MARGIN
18.3%

NET PROFIT¹
4 BILLION €

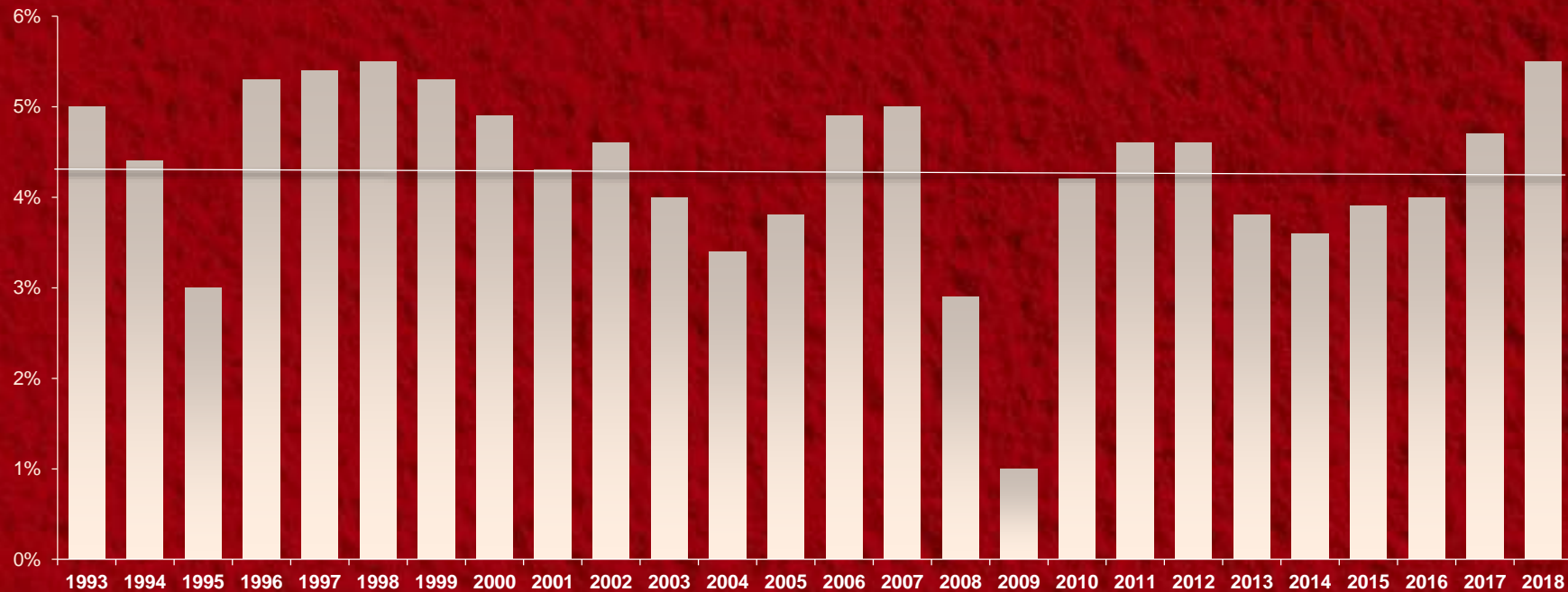
NET CASH FLOW²
3.9 BILLION €

EARNINGS PER SHARE³
7.08 €

MARKET CAPITALIZATION⁴
141 BILLION €

¹Net profit, excluding non-recurring items after non-controlling interests. ²Net cash flow = Gross cash flow + changes in working capital - capital expenditure.
³Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests. ⁴Based on 2 September 2019 closing price of €251.20

THE POWER OF A DYNAMIC MARKET



≈ +5.5%¹
H1 2019

¹L'Oréal worldwide beauty market estimates, excluding razors, soaps and toothpastes. Half-Year 2019 provisional estimates, at constant exchange rates.



FIRST-HALF

L'ORÉAL IS OUTPERFORMING THE BEAUTY MARKET

H1 2019

≈ +5.5%¹

BEAUTY MARKET

+7.3%²

L'ORÉAL

¹L'Oréal worldwide beauty market estimates, excluding razors, soaps and toothpastes. Half-Year 2019 provisional estimates, at constant exchange rates.

²H1-2019 like-for-like sales growth

L'ORÉAL

CONSOLIDATED
GROUP SALES

+7.3%¹

OPERATING
PROFIT

+12.1%

OPERATING
MARGIN

19.5%

A STRONG FIRST HALF

+7.2%

EARNINGS
PER SHARE²

+23.2%

NET
CASH FLOW

¹H1-2019 like-for-like sales growth

²Diluted earnings per share, excluding non-recurring items, attributable to owners of the company



STRATEGIC CHOICE N°1

**WIN ON
THE ⑥ MOST POWERFUL
GROWTH ENGINES**

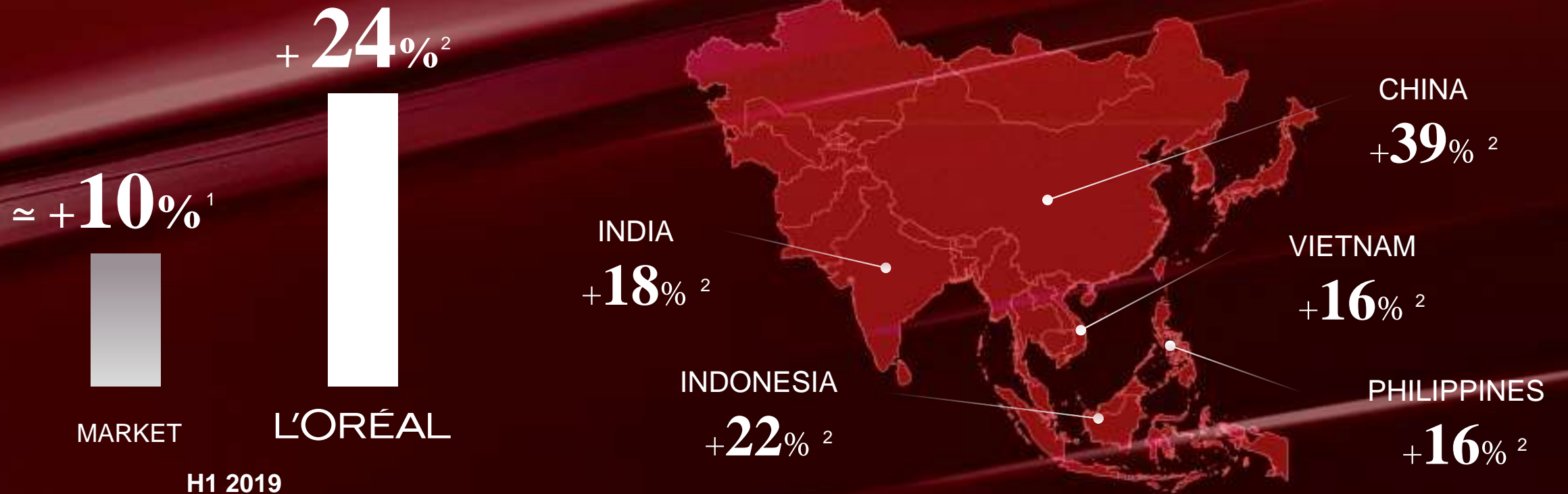
TO OUTPERFORM THE MARKET

L'ORÉAL

GROWTH ENGINE 1 ASIA PACIFIC

ASIA PACIFIC

STRONG POTENTIAL EVERYWHERE

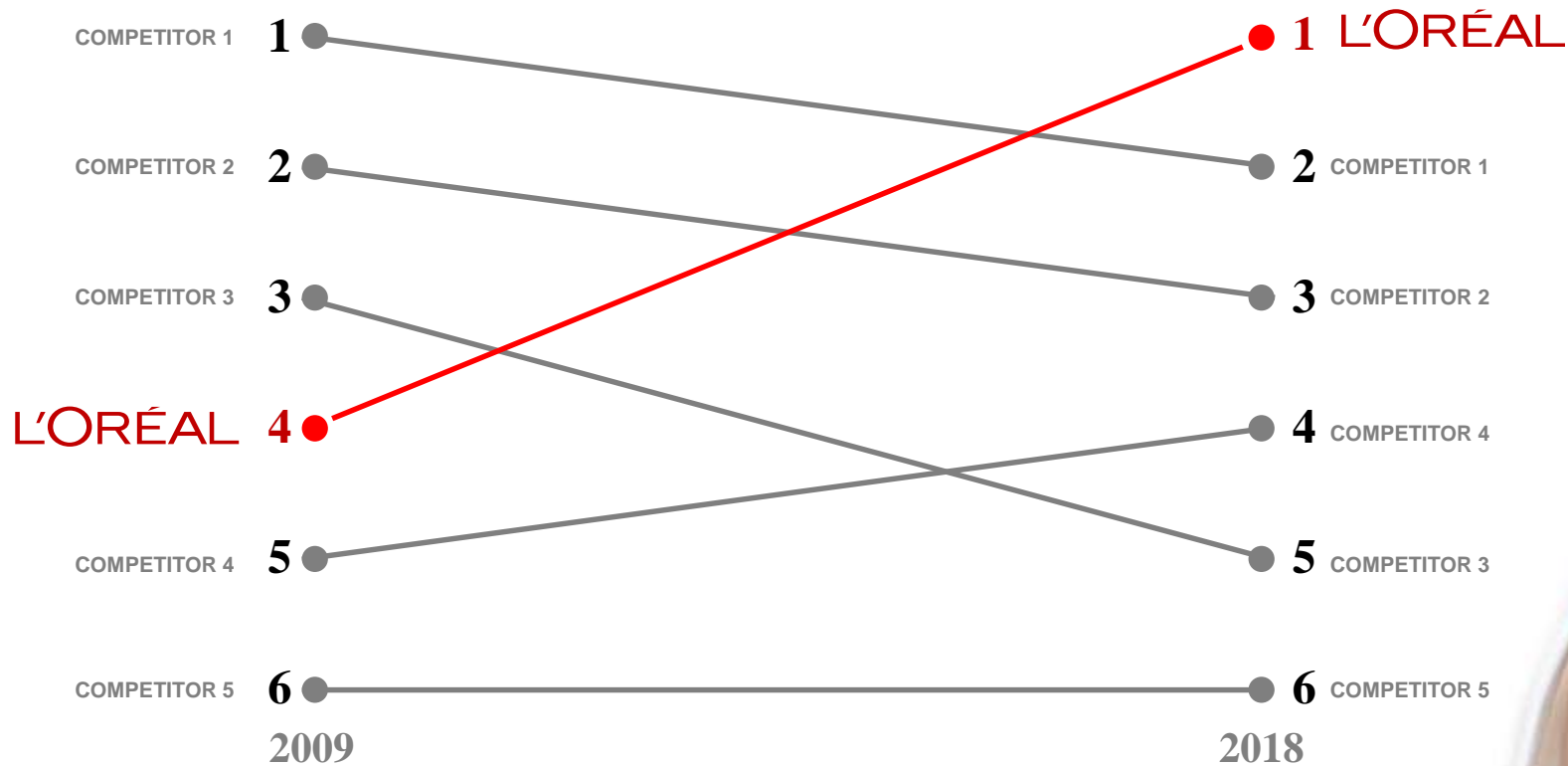


¹L'Oréal Half-Year 2019 provisional estimates, excluding razors, soaps and toothpastes, at constant exchange rates. ²H1-2019 like-for-like sales growth

GROWTH ENGINE **1** ASIA PACIFIC

L'ORÉAL

BEST PERFORMER IN ASIA



Source: Euromonitor 2018, excluding razors, soaps and toothpastes, APAC 14 Countries



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GROWTH ENGINE **1** ASIA PACIFIC

#1 ZONE

LEADER WITH
STRONG POTENTIAL

8.7%¹
MARKET SHARE

¹2018 L'Oréal estimates, excluding razors, soaps and toothpastes, at constant exchange rates

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GROWTH ENGINE **2** *L'ORÉAL LUXE*

L'ORÉAL LUXE



H1 2019

¹L'Oréal Half-Year 2019 provisional estimates, excluding razors, soaps and toothpastes, at constant exchange rates. ²H1-2019 like-for-like sales growth

L'ORÉAL

BIG BRANDS ARE WINNING BRANDS

LANCÔME
PARIS

YVES SAINT LAURENT

+16%¹
COMBINED GROWTH

GIORGIO ARMANI

Kiehl's
SINCE 1851

¹H1-2019 like-for-like sales growth

GROWTH ENGINE **3** SKINCARE

SKINCARE



≈ +8%¹



MARKET

+18%²



L'ORÉAL

H1 2019



¹L'Oréal Half-Year 2019 provisional estimates, excluding razors, soaps and toothpastes, at constant exchange rates. ²H1-2019 like-for-like sales growth.

GROWTH ENGINE **4** TRAVEL RETAIL

+21%¹
SALES GROWTH
H1 2019

SALES x3.5
SINCE 2009

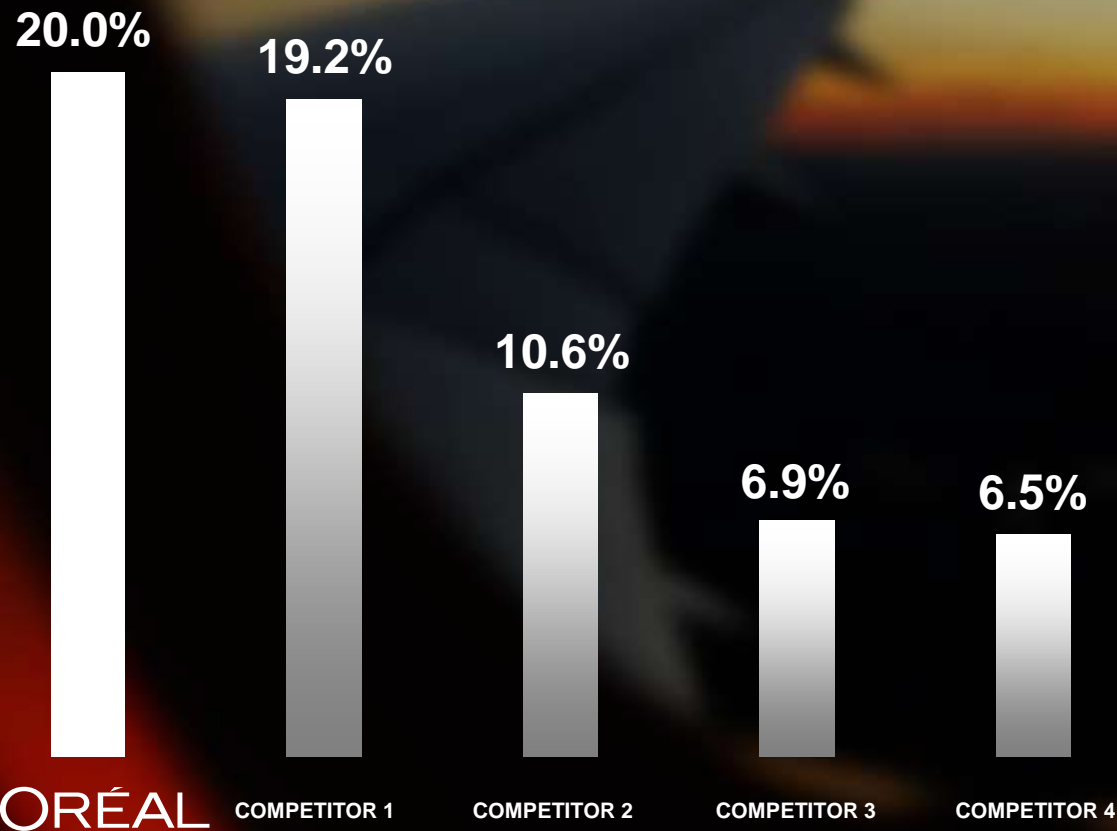
¹H1-2019 like-for-like sales growth

L'ORÉAL

GROWTH ENGINE 4 TRAVEL RETAIL

LEADER OF THE MARKET¹

STRONG POTENTIAL FOR ALL DIVISIONS



CONSUMER PRODUCTS



PROFESSIONAL PRODUCTS



ACTIVE COSMETICS



L'ORÉAL LUXE

¹Source: Generation 2018

GROWTH ENGINE 4 TRAVEL RETAIL

TRAVEL RETAIL

A BOOMING MARKET

3.7 Bn

PASSENGERS IN 2018¹

5%

OF THE BEAUTY MARKET²

+11%

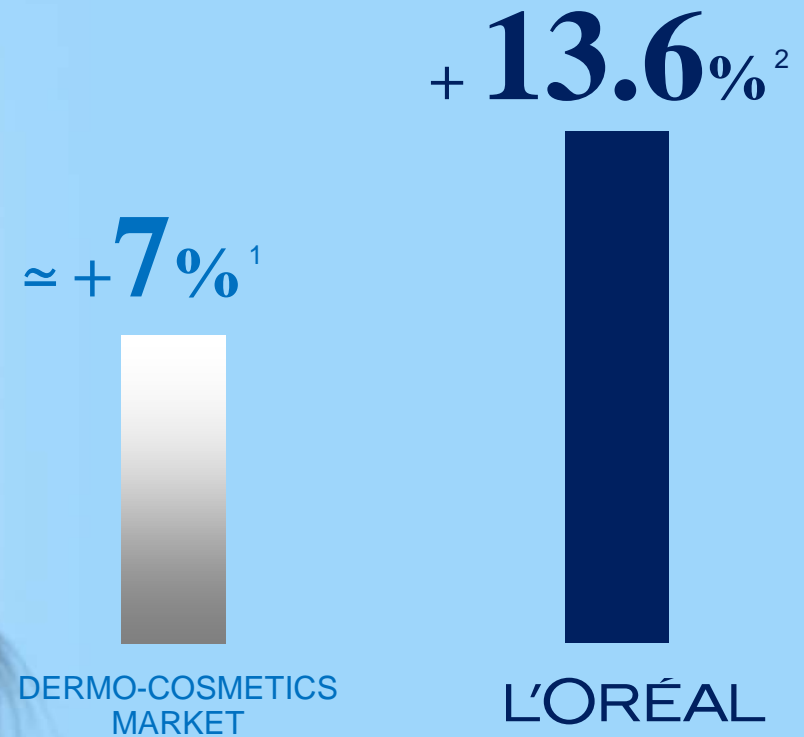
CAGR 2008 -2018³

¹Source: Air4cast. ²Source: 2019 L'Oréal provisional estimates, excluding razors, soaps and toothpastes. ³Source: Generation and internal panel.



GROWTH ENGINE **5** *DERMO-COSMETICS*

GAINING SHARE
IN EVERY ZONE



H1 2019

¹L'Oréal Half-Year 2019 provisional estimates, excluding razors, soaps and toothpastes, at constant exchange rates. ²H1-2019 like-for-like sales growth

GROWTH ENGINE **5** *DERMO-COSMETICS*

DERMO-COSMETICS

SAFETY

HEALTH

AUTHENTICITY

NATURALNESS

WELL-BEING



GROWTH ENGINE **6** E-COMMERCE

E-COMMERCE

A POWERFUL
ACCELERATOR
FOR GROWTH



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GROWTH ENGINE 6 E-COMMERCE

+48.5%²

≈ +25%¹

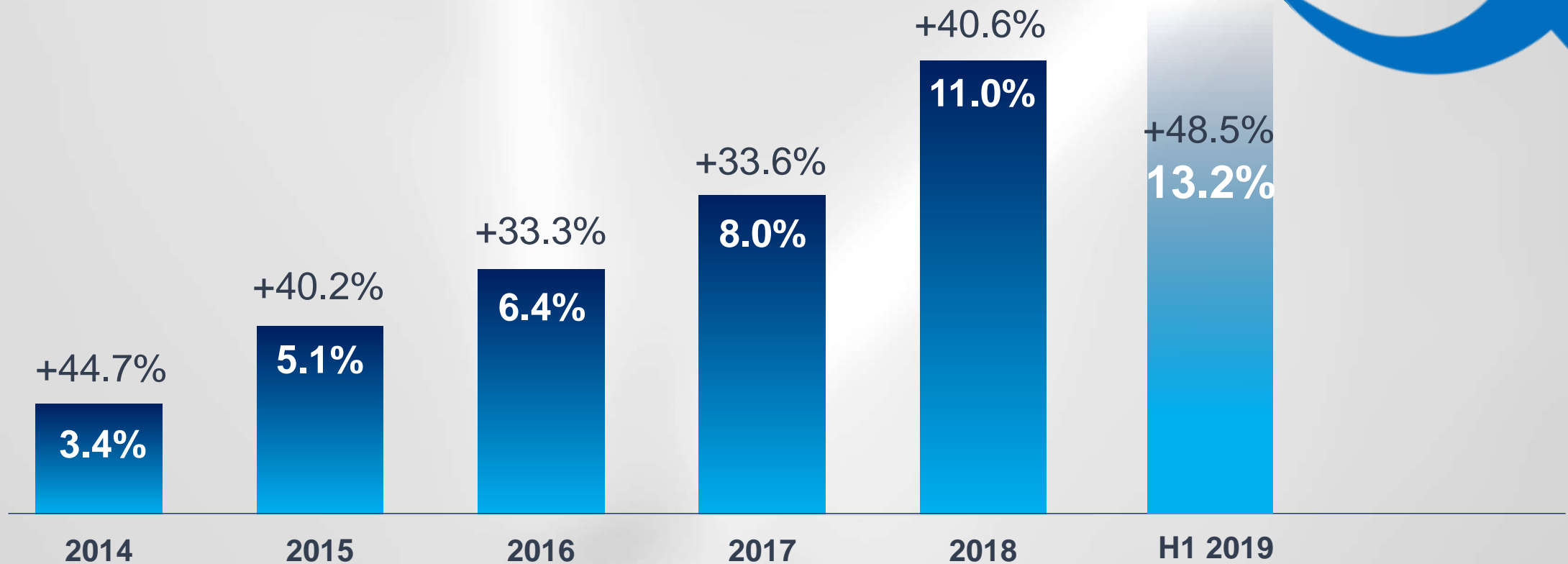
13.2%²
OF GROUP SALES

MARKET L'ORÉAL
H1 2019

¹L'Oréal Half-Year 2019 provisional estimates, excluding razors, soaps and toothpastes, at constant exchange rates.
²H1-2019 like-for-like sales growth. Sales achieved by our brands' own websites + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data).

IT IS JUST THE BEGINNING OF THE STORY

LIKE-FOR-LIKE GROWTH OF E-COMMERCE SALES AND % OF GROUP SALES¹

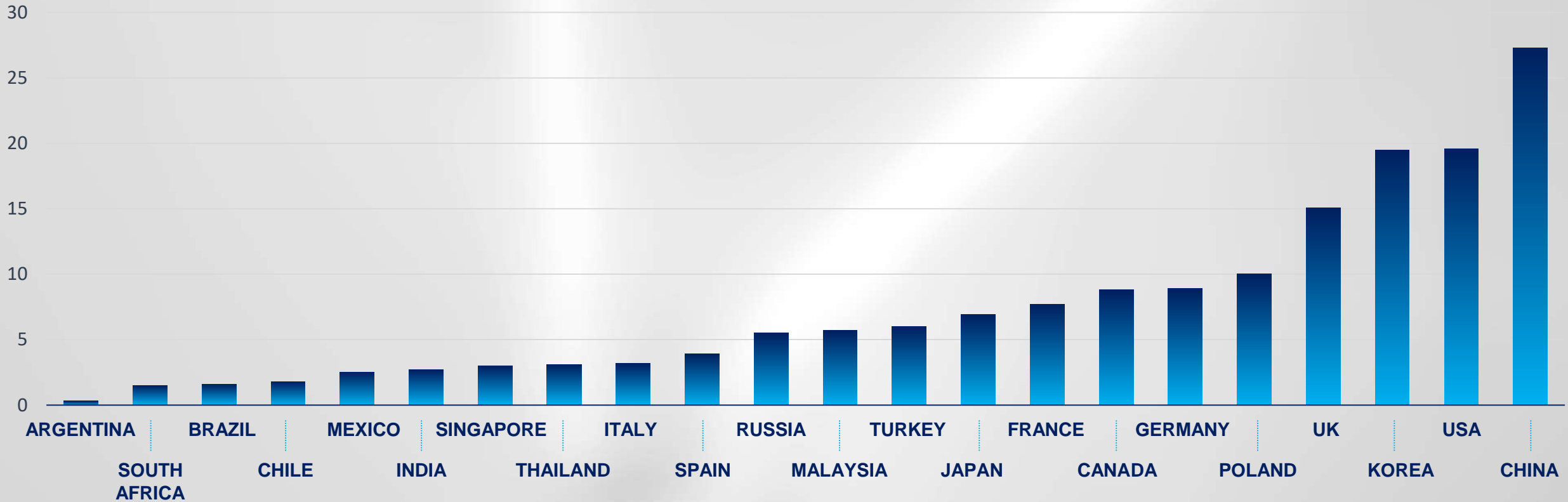


¹Sales achieved by our brands' own websites + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data).

GROWTH ENGINE **6** *E-COMMERCE*

POTENTIAL FOR INCREASED PENETRATION

WEIGHT OF E-COMMERCE IN THE BEAUTY MARKET (in %)



Source: L'Oréal BMS estimates 2018.

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GROWTH ENGINE **6** *E-COMMERCE*

**EXTENDING OUR REACH FAR BEYOND
TRADITIONAL DISTRIBUTION**

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STRATEGIC CHOICE N°2

DRIVE
⑥ POWERFUL PILLARS
TO MAXIMIZE GROWTH AND SUSTAIN
LONG-TERM LEADERSHIP



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PILLAR **1** *RESEARCH & INNOVATION*

THE POWER OF INNOVATION

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PILLAR 1 RESEARCH & INNOVATION

A CONTINUOUS STRATEGIC FOCUS
ON RESEARCH & INNOVATION



ABSOLUTE FAITH IN SUPERIOR QUALITY

PILLAR 1 RESEARCH & INNOVATION

THE POWER OF INNOVATIONS



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PILLAR 1 RESEARCH & INNOVATION

INNOVATING BEYOND THE PRODUCT

SUPERIOR PRODUCT
PERFORMANCE



SUPERIOR BEAUTY
EXPERIENCE

PILLAR ② *BIG BRANDS*

L'ORÉAL
PARIS

**THE POWER OF
BIG BRANDS**

L'ORÉAL

PILLAR (2) BIG BRANDS

BIG BRANDS ARE WINNING BRANDS

+8%¹

TOP 8 BRANDS

L'ORÉAL
PARIS

by GARNIER,
Naturally!

MAYBELLINE
NEW YORK

L'ORÉAL
PROFESSIONNEL
PARIS

LANCÔME
PARIS

YVES SAINT LAURENT

GIORGIO ARMANI
beauty

Kiehl's
SINCE 1851

¹H1 2019 like-for-like sales growth

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PILLAR ③ DIGITAL

THE POWER OF DIGITAL



PILLAR ③ DIGITAL

L'ORÉAL

A DIGITAL-FIRST COMPANY



PILLAR ③ DIGITAL

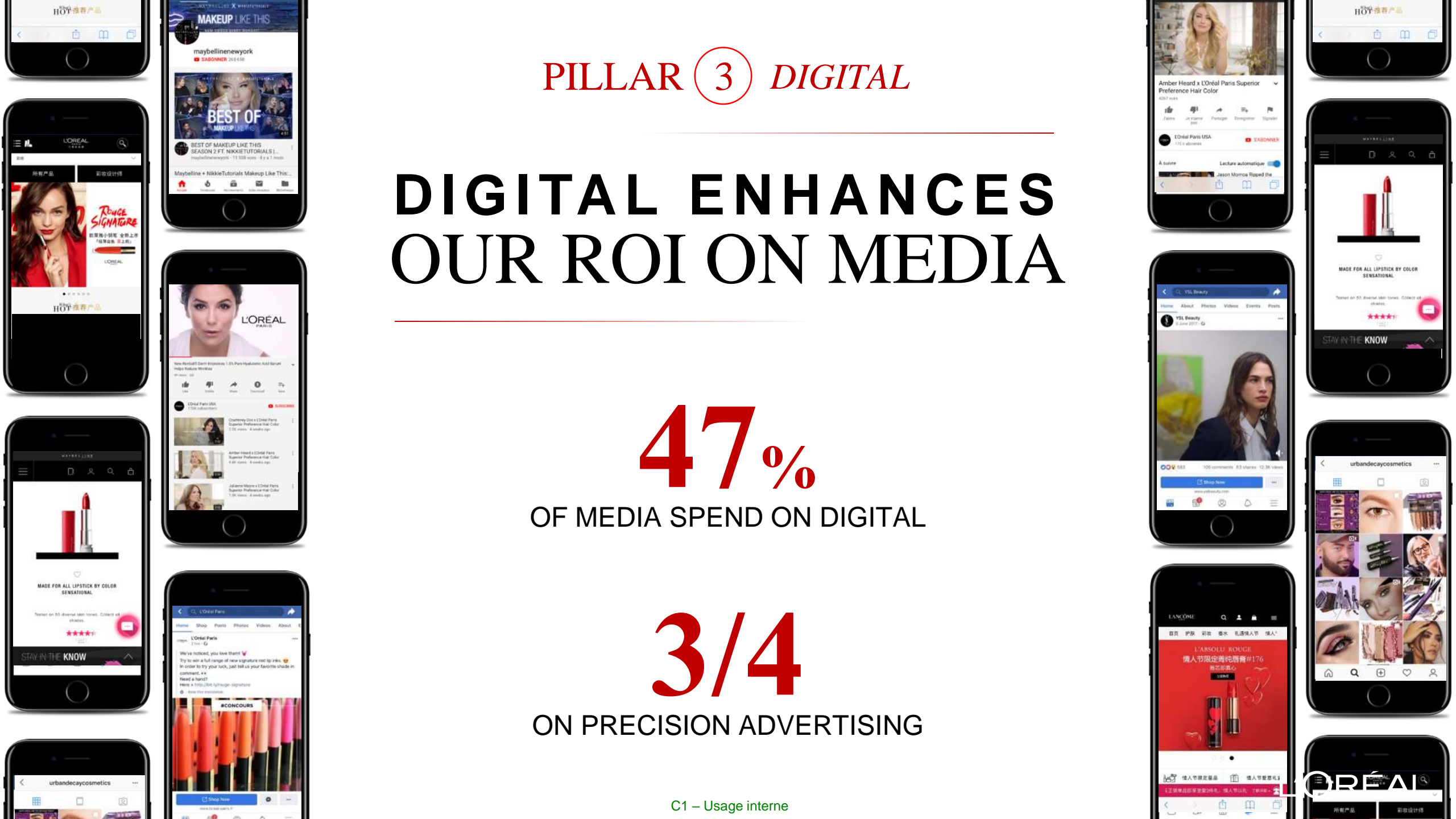
DIGITAL ENHANCES OUR ROI ON MEDIA

47%

OF MEDIA SPEND ON DIGITAL

3/4

ON PRECISION ADVERTISING

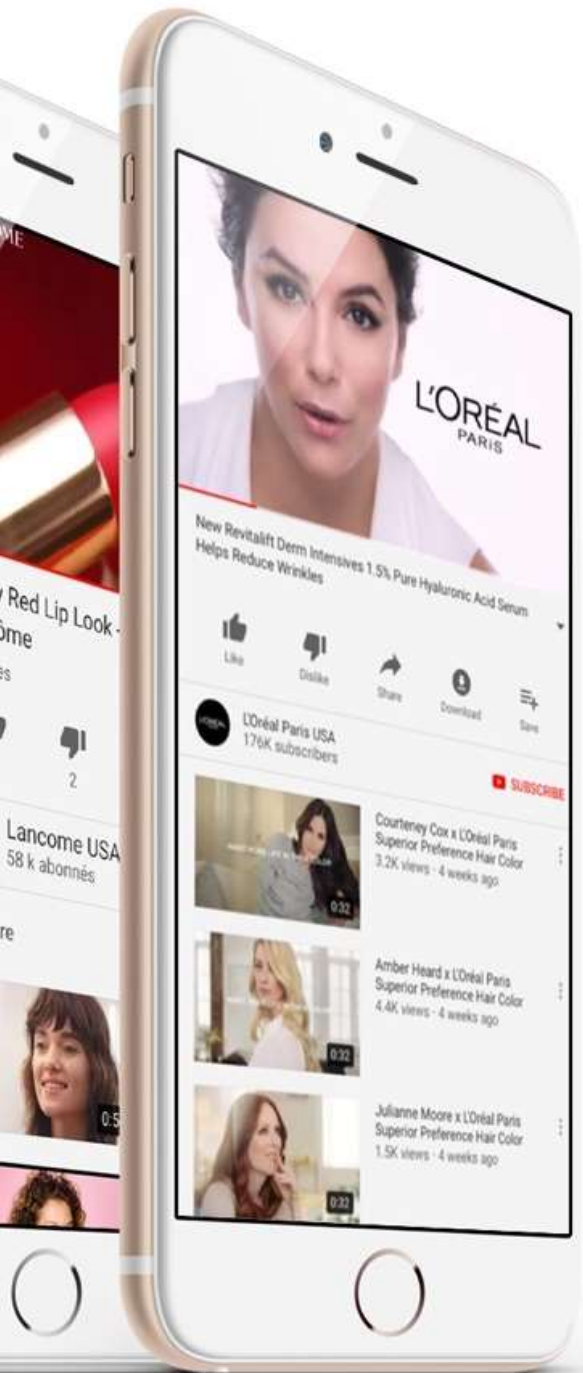


PILLAR ③ DIGITAL

DIGITAL LEADS TO MORE RELEVANT CONTENT

1 Million
PIECES OF CONTENT PER YEAR

80%
DEVELOPED FOR DIGITAL PLATFORM



PILLAR ③ DIGITAL

DIGITAL ENHANCES
CONSUMER ENGAGEMENT

350 Million
RATINGS & REVIEWS

1.3 Billion
CONSUMER DATA POINTS¹

4 Brands
IN THE TOP 10 DIGITAL IQ²

¹Mass personalization of marketing and consumer interactions ²Gartner L2 Digital IQ Index beauty ranking 2018

PILLAR ③ DIGITAL

DIGITAL IS CONNECTING US WITH MORE PEOPLE

L'ORÉAL VIEWS

You  **1/3**
OF THE GLOBAL BEAUTY VIEWS

1.2 Billion
VISITORS TO OUR WEBSITES



L'ORÉAL

PILLAR ③ DIGITAL

**DIGITAL IS CREATING
AMAZING NEW SERVICES
AND EXPERIENCES**

MODIFACE

20 brands

65 countries

FINE LINES
YOUR STRENGTH

UNDER-EYE
WRINKLES
YOUR PRIORITY

LACK OF
FIRMNESS

PILLAR ③ DIGITAL

L'ORÉAL

LEADER OF THE NEW
BEAUTY TECH WORLD

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PILLAR 4 *CULTURE & ORGANIZATION*

**THE POWER OF
OUR CULTURE
AND ORGANIZATION**

PILLAR 4 *CULTURE & ORGANIZATION*

L'ORÉAL

**A LEADER WITH
THE SPIRIT OF
A CHALLENGER**

**A LARGE COMPANY
WITH THE SPIRIT
OF A START-UP**

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PILLAR 4 *CULTURE & ORGANIZATION*

**UNIQUE
APPROACH**

LONG-TERM
VISION

SHORT-TERM
PRAGMATISM



**UNIQUE
ORGANIZATION**

STRATEGICALLY
CONCENTRATED

OPERATIONALLY
DECENTRALIZED

PILLAR 4 *CULTURE & ORGANIZATION*

VICTORIES ARE WON ON THE
THE BATTLEFIELD

EMPOWERED LOCAL TEAMS

CONSUMER RELEVANCE

RESOURCES DEPLOYMENT

**AGILITY & EXCELLENCE
ON THE FIELD**

PILLAR 5 *UNIVERSAL FOOTPRINT*

**THE POWER OF
OUR UNIVERSAL FOOTPRINT**

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PILLAR 5 UNIVERSAL FOOTPRINT

ABSOLUTE COVERAGE OF THE MARKET

MAXIMUM FLEXIBILITY TO SEIZE GROWTH

7 DISTRIBUTION CHANNELS

HAIR SALONS



MASS RETAIL



DEPARTMENT STORES
PERFUMERIES



PHARMACIES
DRUGSTORES
MEDISPAS



BRANDED RETAIL



TRAVEL RETAIL



E-COMMERCE



5 BEAUTY CATEGORIES



HAIRCARE



HAIR COLOR



SKINCARE



FRAGRANCES



MAKEUP

ALL PRICE SEGMENTS

ALL REGIONS

ALL PSYCHOGRAPHICS

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PILLAR **6** *SUSTAINABILITY LEADERSHIP*

**THE POWER OF OUR
SUSTAINABILITY
LEADERSHIP**

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PILLAR ⑥ SUSTAINABILITY LEADERSHIP

OUTSTANDING EXTRA-FINANCIAL PERFORMANCE

INNOVATING SUSTAINABLY



79% OF NEW PRODUCTS¹

HAVE AN IMPROVED
ENVIRONMENTAL
OR SOCIAL PROFILE

PRODUCING SUSTAINABLY



-77%² REDUCTION IN CO₂

+38% PRODUCTION INCREASE

WE DECOUPLE OUR
ENVIRONMENTAL IMPACT
FROM OUR GROWTH

DEVELOPING SUSTAINABLY



63,584 PEOPLE

FROM UNDERPRIVILEGED
COMMUNITIES WERE
PROVIDED WITH ACCESS
TO WORK

¹New or renovated products ²Emissions from plants and distribution centres since 2005

PILLAR ⑥ SUSTAINABILITY LEADERSHIP

OUR PERFORMANCE IS RECOGNIZED

ENVIRONMENT



**L'ORÉAL,
ONLY COMPANY WITH 3 "A"
FOR THE 3rd YEAR RUNNING**

GENDER EQUALITY



**#1 IN EUROPE
GENDER EQUALITY**

ETHICS



**#1 WORLDWIDE
2018 ETHICALQUOTE
REPUTATION INDEX¹**



¹Ranking date: November 2018

PILLAR ⑥ *SUSTAINABILITY LEADERSHIP*

NEW COMMITMENTS

CLIMATE CHANGE

By 2030, reduce by -25% in absolute terms, all our direct and indirect greenhouse gas emissions, compared with 2016 (scope 1,2,3).

By 2025, all our industrial, administrative and research sites will be required to achieve carbon neutrality.

PLASTICS



By 2025, 100% of the Group's plastic packaging will be refillable, reusable, recyclable or compostable.



STRATEGIC CHOICE N°3

OUR BUSINESS MODEL
TO DELIVER CONSISTENT & RELIABLE
GROWTH OVER THE LONG-TERM

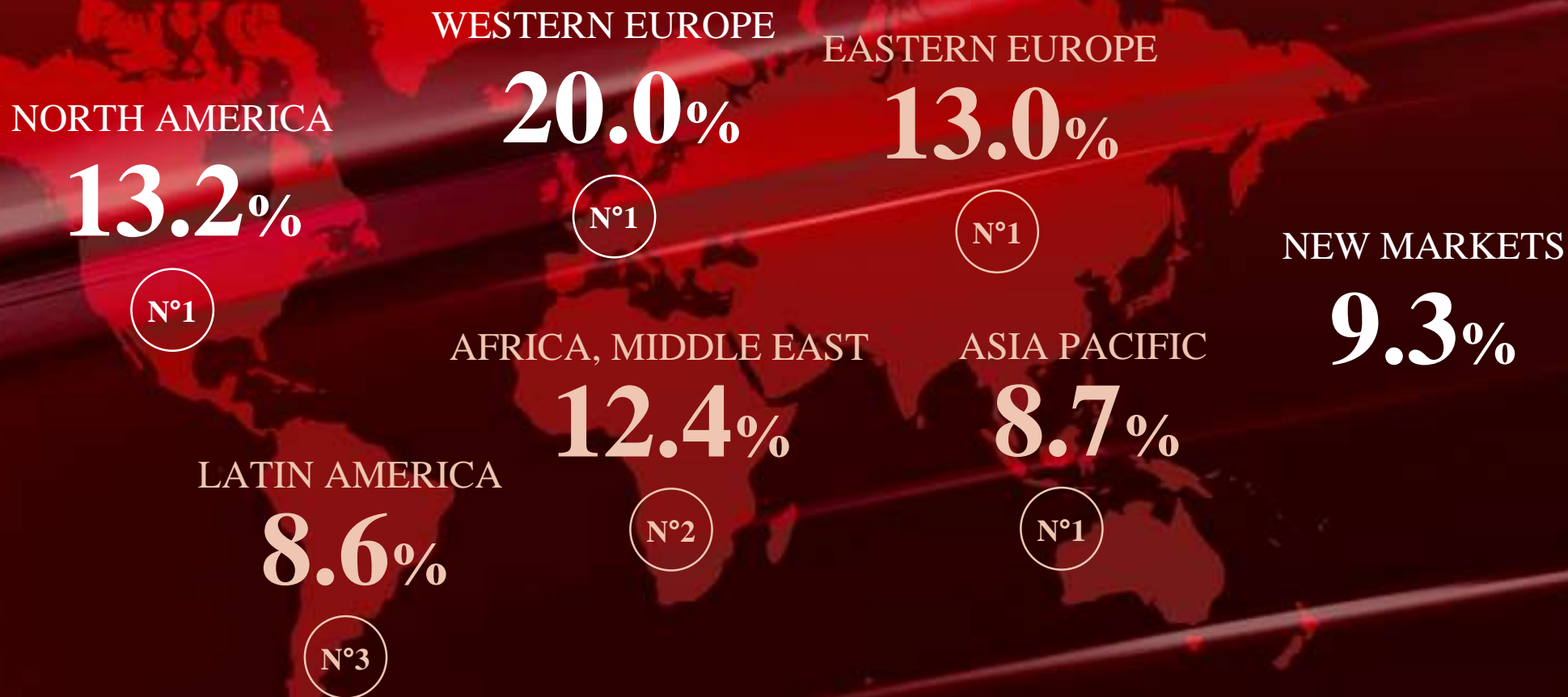


**COMMITMENT
TO OUTPERFORM
THE MARKET
OVER THE
LONG-TERM**

L'ORÉAL

A LEADER WITH STRONG POTENTIAL

MARKET SHARE¹ AND RANKING² BY GEOGRAPHIC ZONE 2018



¹L'Oréal estimates excluding razors, soaps and toothpastes. ²Ranking based on Euromonitor 2018 figures, excluding soaps, razors and toothpastes.

TOPLINE GROWTH

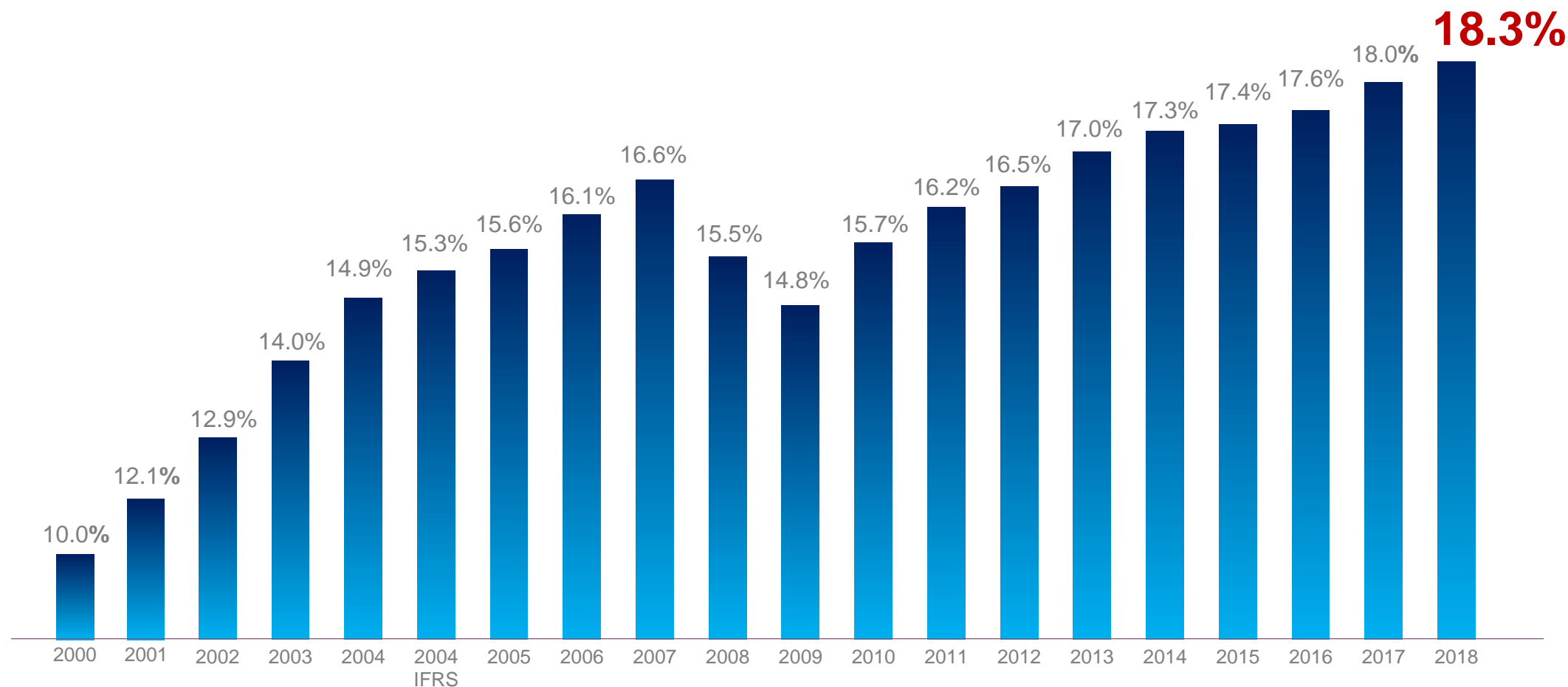
THE BEST ROUTE TO VALUE CREATION

FOCUS ON TOPLINE GROWTH



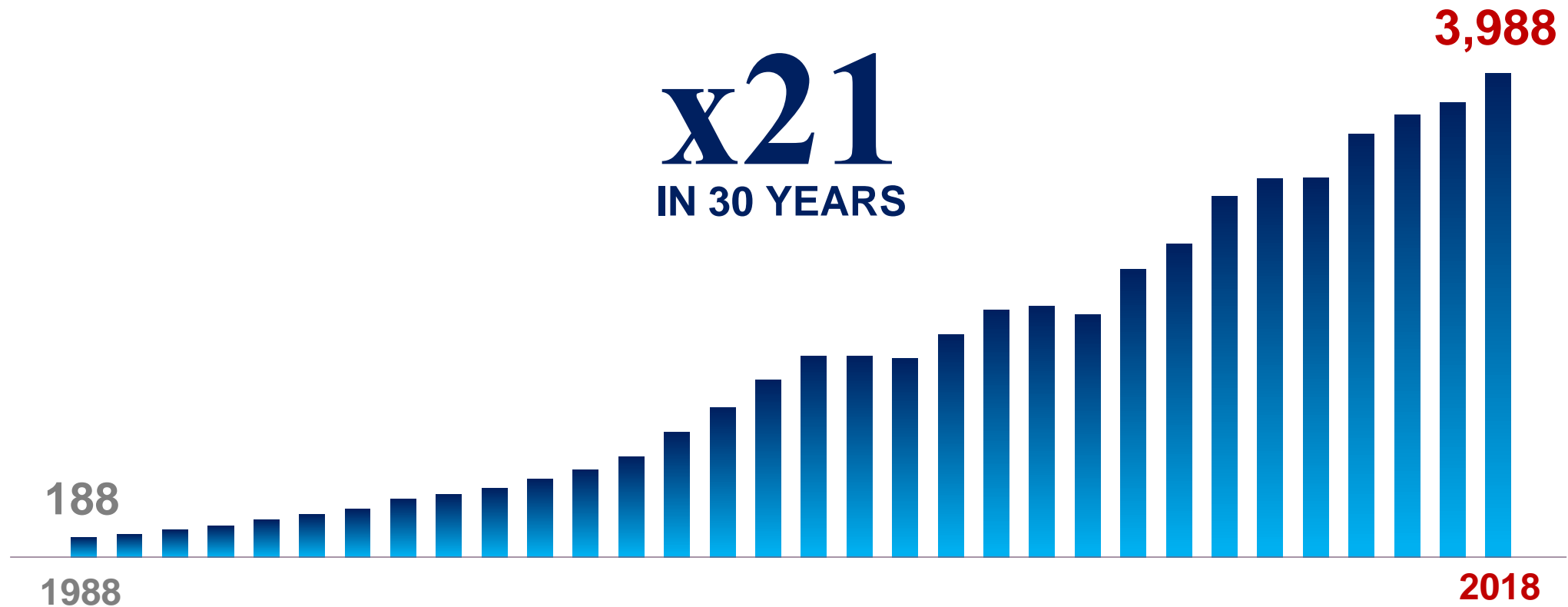
OPERATIONAL DISCIPLINE

CONSISTENT GROWTH IN OPERATING MARGIN



SUSTAINED PROFIT INCREASE¹

NET PROFIT SINCE 1988 IN MILLION EUROS



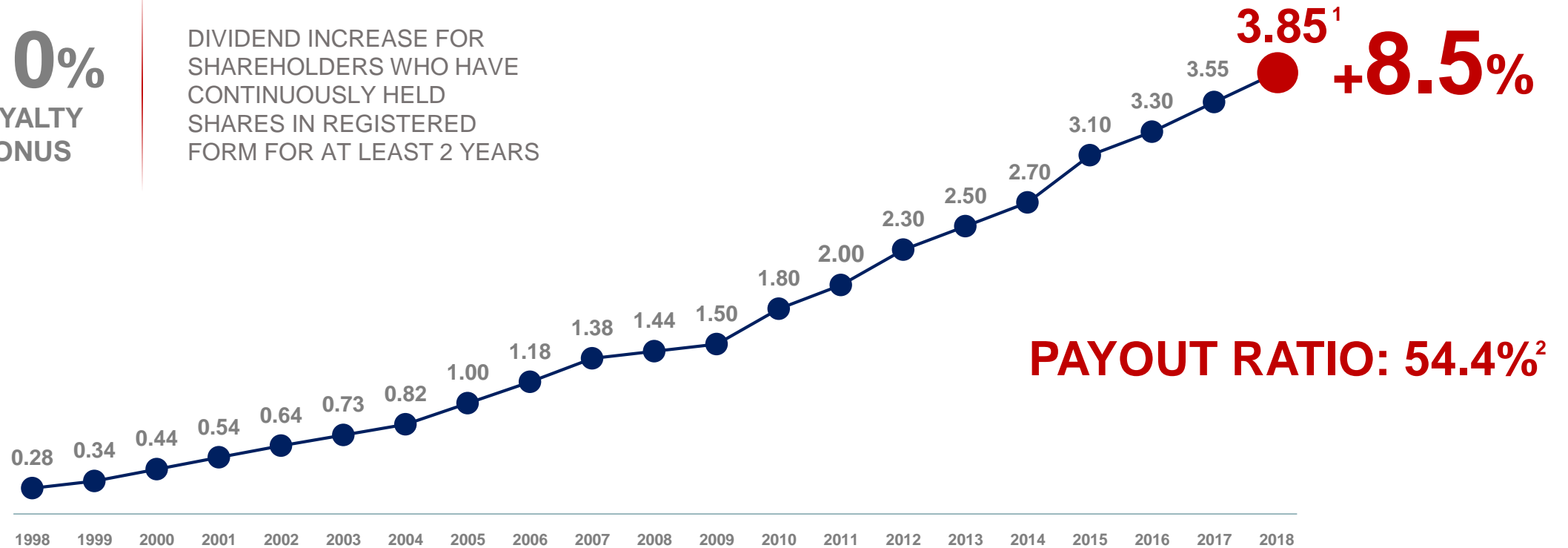
¹Net operating profit, excl. non-recurring items attributable to owners of the company, with Synthélabo consolidated fully up to 1998; net profit excl. non-recurring items attributable to owners of the company, with Sanofi-Synthélabo equity consolidated from 1999 to 2004; net profit excl. non-recurring items attributable to owners of the company including Sanofi dividend from 2004; IFRS since 2005

A DYNAMIC DIVIDEND POLICY

DIVIDEND PER SHARE SINCE 1998 IN EUROS

+10%
LOYALTY
BONUS

DIVIDEND INCREASE FOR
SHAREHOLDERS WHO HAVE
CONTINUOUSLY HELD
SHARES IN REGISTERED
FORM FOR AT LEAST 2 YEARS

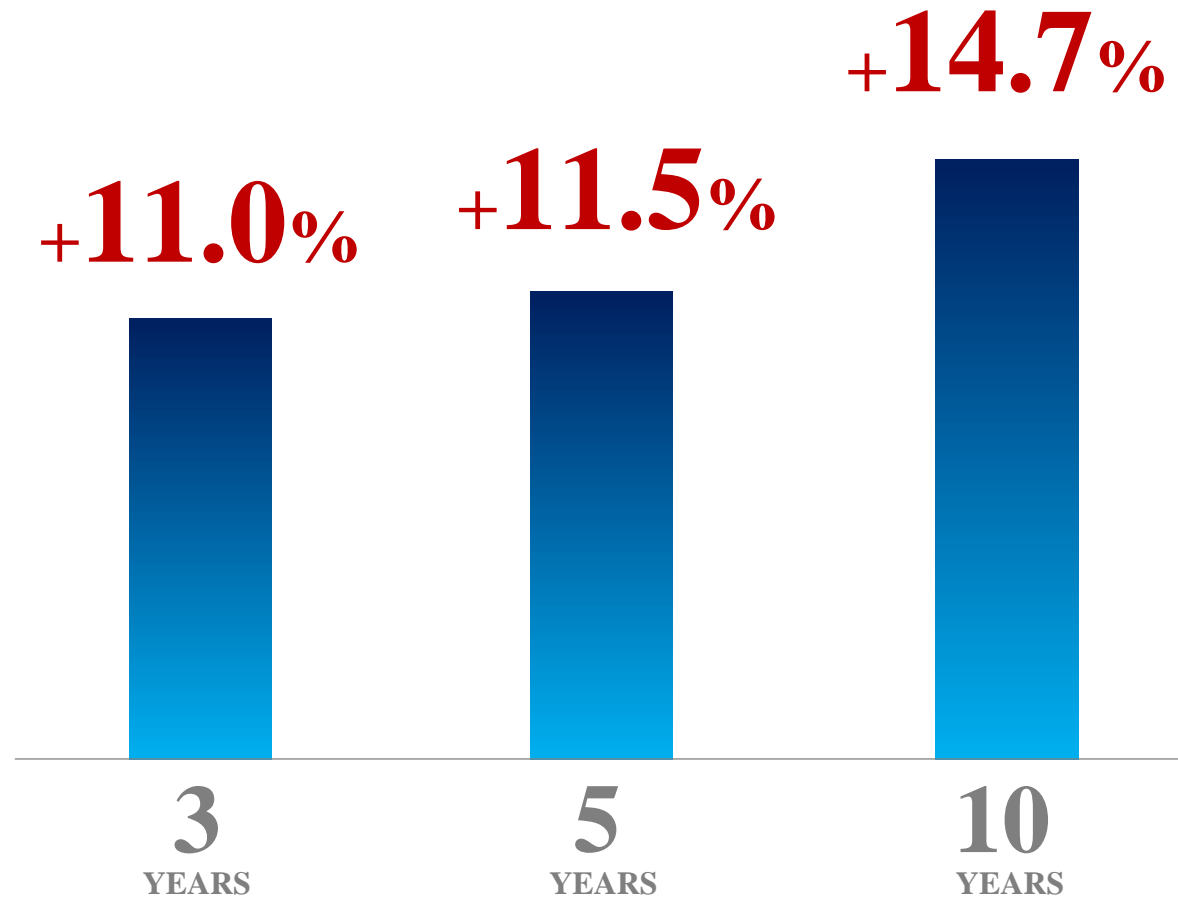


¹Approved at the Annual General Meeting on 18 April 2019.

2018 dividend paid in 2019: pay-out of the 10% loyalty bonus, for shares held in registered form since 2016.

²Based on the dividend approved at the Annual General Meeting on 18 April 2019.

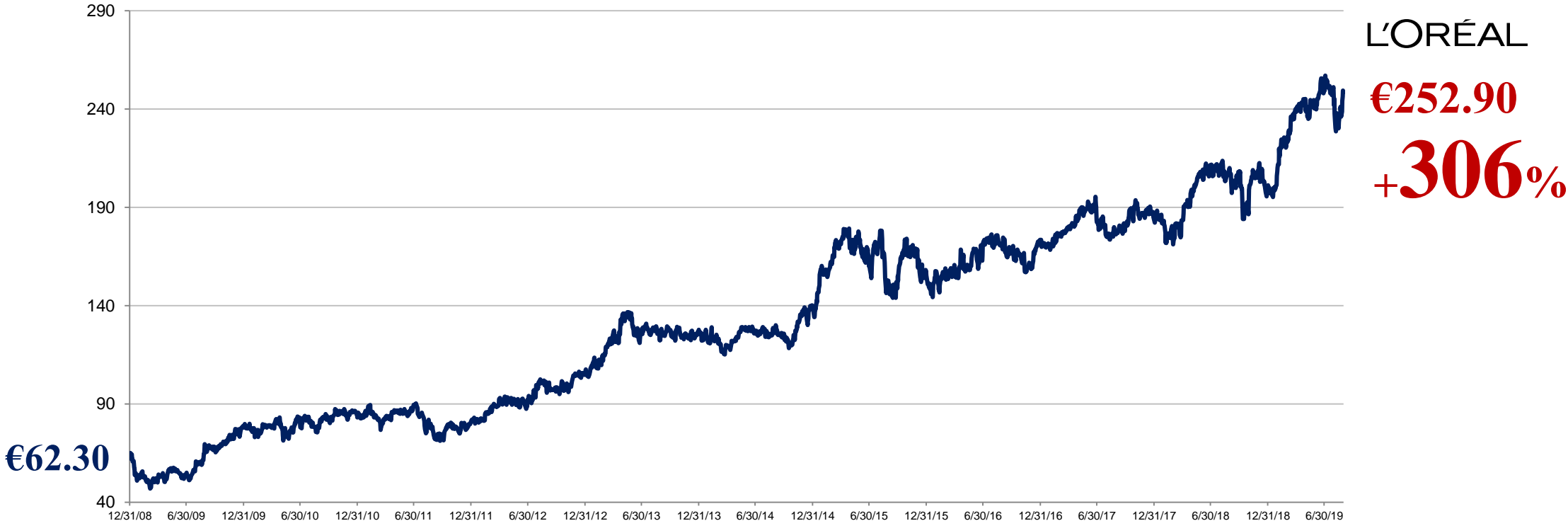
DOUBLE-DIGIT TSR¹



¹Takes into account the value of the share and the dividend income received. At 31 December 2018

A POWERFUL VALUE-CREATING BUSINESS MODEL

TEN YEAR EVOLUTION OF THE SHARE PRICE



Source: Nasdaq Thomson Reuters Eikon, stock prices from 12/31/2008 to 09/03/2019
C1 – Usage interne





More
**OPTIMISTIC
CONFIDENT
DETERMINED**
than ever

L'ORÉAL

THANK YOU
— **MERCI** —

L'ORÉAL

Q&A

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