

A close-up portrait of Jean-Paul Agon, the Chairman & Chief Executive Officer of L'Oréal, looking directly at the camera. He has dark hair and is wearing a red blazer over a red top. The background is a solid red color.

L'ORÉAL

IN POLE POSITION
FOR THE DECADE AHEAD

Jean-Paul AGON
CHAIRMAN & CHIEF EXECUTIVE OFFICER

21 February 2020

L'ORÉAL

KEY INDICATORS 2019

SALES
€29.9 Bn

#1 BEAUTY PLAYER
WORLDWIDE¹

OPERATING MARGIN
18.6%

NET PROFIT²
€4.4 Bn

OPERATING CASH FLOW³
€5 Bn

EARNINGS PER SHARE⁴
€7.74

MARKET CAPITALIZATION⁵
c. €150 BILLION

BEST GROWTH

in 12 years

+8%

LIKE-FOR-LIKE

L'ORÉAL

A very dynamic
BEAUTY MARKET

1



L'ORÉAL



WORLDWIDE BEAUTY MARKET
+5.0% / +5.5%

ECONOMIC, DEMOGRAPHIC & SOCIOLOGICAL fundamental evolutions



MIDDLE & UPPER CLASSES



AGEING POPULATION

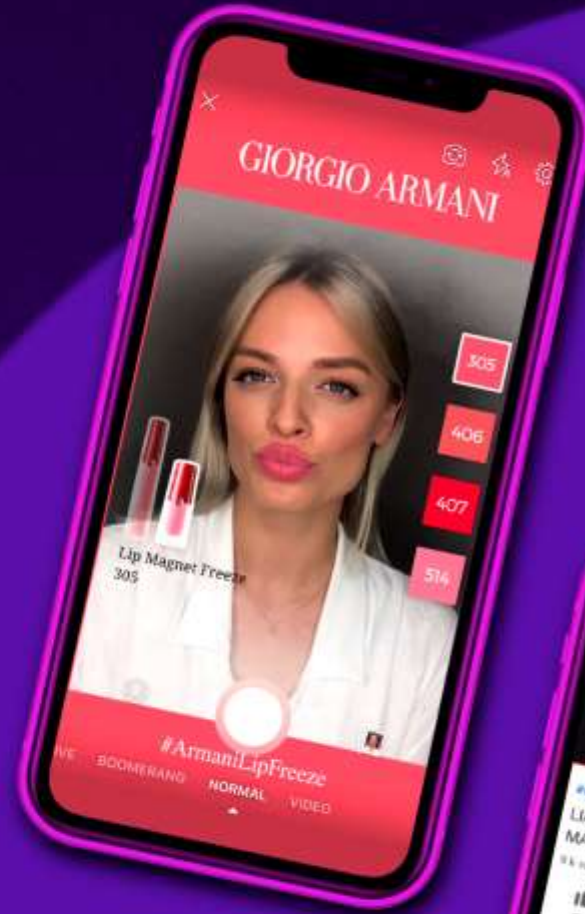


MEN'S CONSUMPTION

1

DIGITAL REVOLUTION in Beauty

BEAUTY IS
VISUAL & SOCIAL



2

LEAPFROG

of traditional
distribution



L'ORÉAL

3

Appetite for beauty of
**YOUNG
GENERATIONS**



L'ORÉAL

4

STRONG PREMIUMIZATION of the market

Beauty market

6 POWERFUL ENGINES

by region¹

ASIA PACIFIC

≈ +9%

by sector¹

LUXURY

≈ +10%

DERMOCOSMETICS

≈ +7%

by category¹

SKINCARE

≈ +8%

E-COMMERCE

≈ +27%

TRAVEL RETAIL

≈ +22%

¹Source: L'Oréal 2019 estimates. Excluding razors, soaps and toothpastes. At constant exchange rates.



OUR STRATEGY
to concentrate on the
fastest growing segments
and to outperform them
HAS BEEN VERY SUCCESSFUL

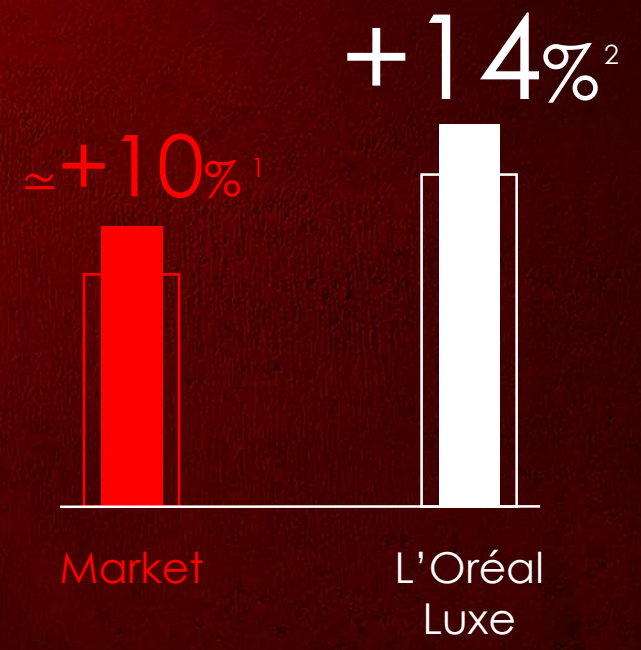
2

L'ORÉAL



GROWTH ENGINE (1)

LUXURY



A UNIQUE PORTFOLIO
OF ICONIC BRANDS

LANCÔME
PARIS

YVES SAINT LAURENT

ARMANI

Kiehl's
SINCE 1851

4 BILLIONAIRE BRANDS

+17%¹

STRONG
INNOVATIONS



SKINCARE

+22%²

DIGITAL AT THE CENTER OF
THE MARKETING MODEL



E-COMMERCE

21%³ OF SALES

¹2019 combined like-for-like sales growth. ²2019 like-for-like sales growth. ³Sales achieved on our brands' own websites + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data).

GROWTH ENGINE (2)

DERMOCOSMETICS

≈ +7%¹



Market

+15%²



Active
Cosmetics

STRONGEST
GROWTH
IN 20 YEARS

ALL REGIONS
ALL CHANNELS
ALL BRANDS



GROWTH ENGINE (2) DERMOCOSMETICS

NEW BILLIONAIRE

LA ROCHE POSAY
LABORATOIRE DERMATOLOGIQUE

NEW GROWTH RELAYS

CeraVe
DEVELOPED WITH DERMATOLOGISTS

SKINCEUTICALS
ADVANCED PROFESSIONAL SKINCARE

VICHY
LABORATOIRES



E-COMMERCE

+55%²



TRUSTED
BRANDS

RECOMMENDED
BY 160,000
DOCTORS

RETAIL
EXCELLENCE

E-COMMERCE
& DIGITAL

>40%¹

¹2019 like-for-like sales growth. ²2019 like-for-like sales growth. Sales achieved on our brands' own websites + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data).

GROWTH ENGINE (3)

SKINCARE

#1 CATEGORY
35% OF SALES

#1 GROWTH DRIVER



GROWTH ENGINE (3) SKINCARE

THE POWER OF INNOVATION



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GROWTH ENGINE (4)

ASIA PACIFIC



DOUBLE-DIGIT
GROWTH IN
MANY COUNTRIES



L'ORÉAL



GROWTH ENGINE (3) ASIA PACIFIC

#1 ZONE

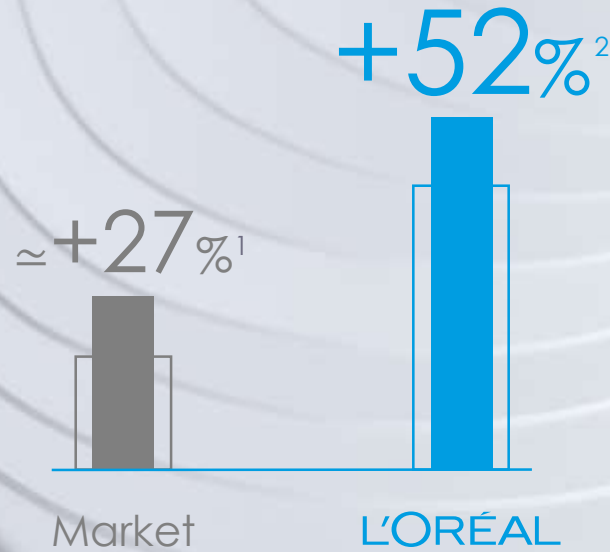
LEADER WITH
STRONG POTENTIAL

10%

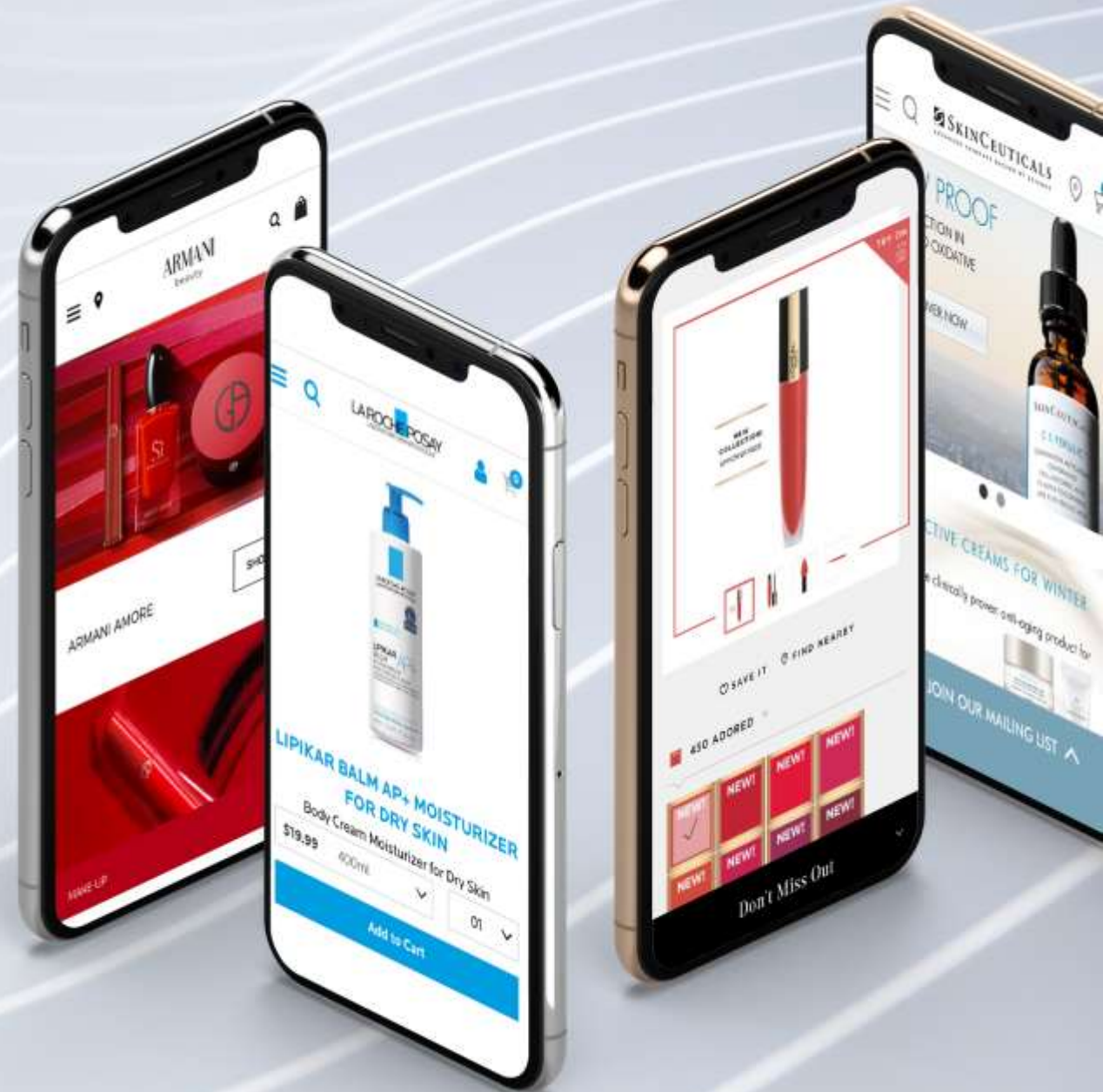
MARKET
SHARE

GROWTH ENGINE (5)

E-COMMERCE



ALL DIVISIONS
ALL REGIONS
ALL FORMATS



GROWTH ENGINE (6)

TRAVEL RETAIL

+25%

EXTENDING
OUR LEADERSHIP

PORTFOLIO OF BRANDS
COVERING ALL NEEDS



L'ORÉAL significantly
OUTPERFORMED
the market

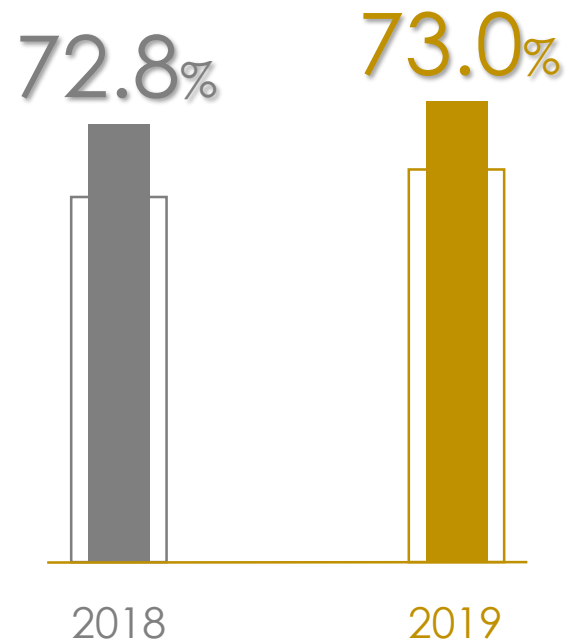
+5.0% / +5.5%¹
Beauty market



¹Source: L'Oréal 2019 estimates. Excluding razors, soaps and toothpastes. At constant exchange rates. ²2019 like-for-like sales growth.

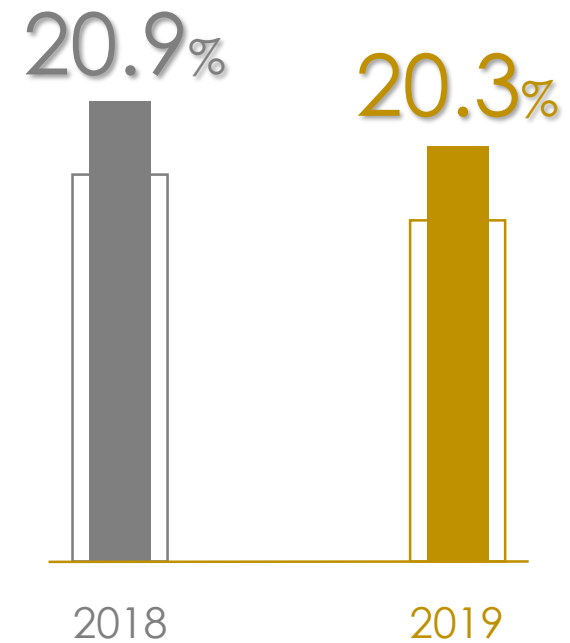
IMPROVEMENT IN GROSS MARGIN

(% SALES)



REDUCTION IN SG&As¹

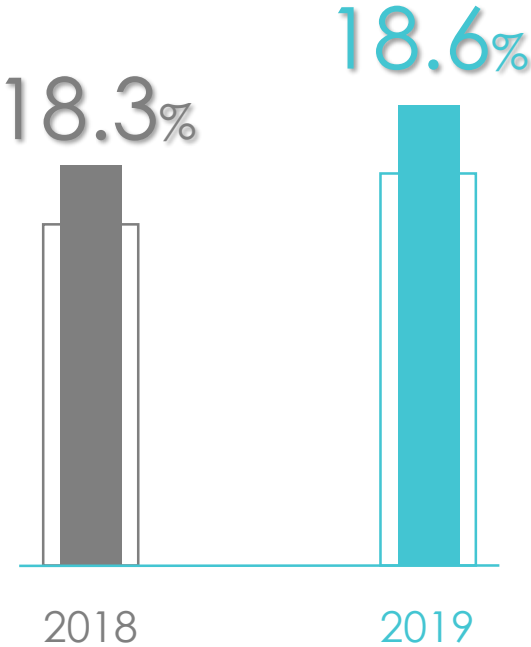
(% SALES)



¹Selling, general and administrative expenses

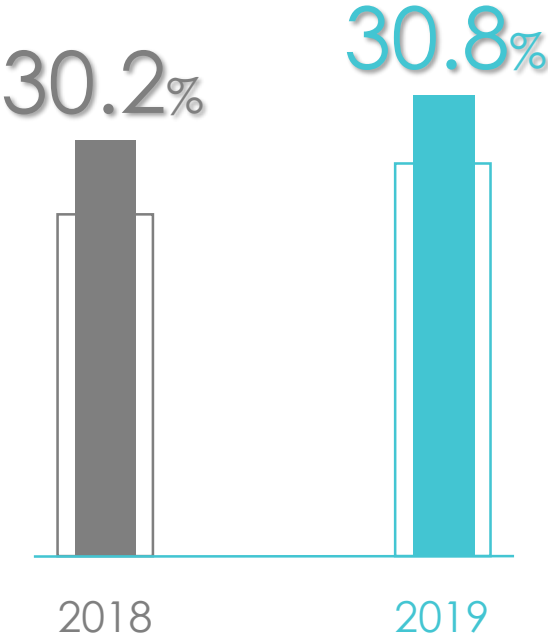
OPERATING
MARGIN

(% SALES)

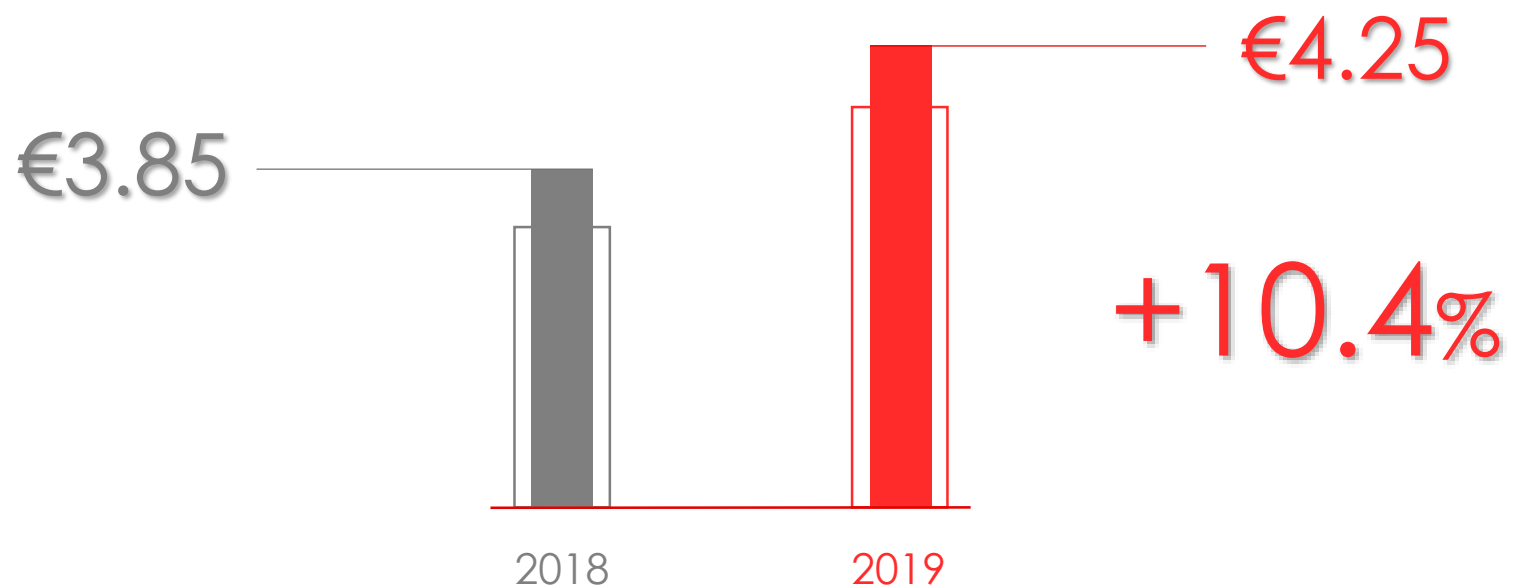


ADVERTISING &
PROMOTION EXPENSES

(% SALES)



DIVIDEND PER SHARE



L'ORÉAL
perfectly positioned
FOR THE NEXT
DECADE

3



L'ORÉAL

A LEADER WITH STRONG POTENTIAL

MARKET SHARE¹ AND RANKING² BY GEOGRAPHIC ZONE

NORTH AMERICA

13%

N°1

WESTERN EUROPE

20%

N°1

EASTERN EUROPE

13%

N°1

ASIA PACIFIC

10%

N°1

AFRICA, MIDDLE EAST

10%

N°2

LATIN AMERICA

8%

N°3

¹Source: L'Oréal 2019 estimates. Excluding razors, soaps and toothpastes. At constant exchange rates.

²Ranking based on Euromonitor 2018 figures, excluding soaps, razors and toothpastes.

8 WINNING ASSETS

- 1) CUTTING EDGE R&I
- 2) POWERFUL BRANDS
- 3) DIGITAL EXCELLENCE
- 4) E-COMMERCE LEADERSHIP
- 5) PERFECT BALANCE
- 6) UNIQUE CULTURE & ORGANIZATION
- 7) LONG-TERM BUSINESS MODEL
- 8) EXEMPLARY RESPONSIBILITY



CUTTING EDGE R&I

1

THE WORLD'S LARGEST
RESEARCH FORCE
dedicated to beauty

4,100
R&I EXPERTS

€1 Bn
R&D EXPENSES

L'ORÉAL

Leading the way on technologies that are
REVOLUTIONIZING BEAUTY



GREEN SCIENCES



EXPOSOME



MICROBIOME

UNIQUE PORTFOLIO OF BRANDS

PROFESSIONAL PRODUCTS



CONSUMER PRODUCTS



L'ORÉAL LUXE



ACTIVE COSMETICS



2

POWERFUL BRANDS

9 BILLIONAIRE BRANDS

+9%

L'ORÉAL
PARIS

by GARNIER,
Naturally!

MAYBELLINE
NEW YORK

L'ORÉAL
PROFESSIONNEL
PARIS

LANCÔME
PARIS

YVES SAINT LAURENT

ARMANI

Kiehl's
SINCE 1851

LA ROCHE POSAY
LABORATOIRE DERMATOLOGIQUE

L'ORÉAL

POWERFUL BRANDS

2

2 BRANDS
CHANGING DIVISIONS

2 NEW BRANDS
FOR L'ORÉAL LUXE

PRADA LICENSE
IN 2021



PRADA

L'ORÉAL

3

MASTERING THE NEW MARKETING MODEL

PRECISION
MARKETING

≈ 50%

OF MEDIA SPEND
ON DIGITAL

≈ 80%

ON PRECISION
ADVERTISING



PERFORMANCE
OPTIMIZED IN REAL TIME

PROPRIETARY DIGITAL COCKPIT,
STRONGLY ENHANCING ROI



3

POWER TO ENGAGE

1.3 Bn

CONSUMER DATA POINTS¹

25%

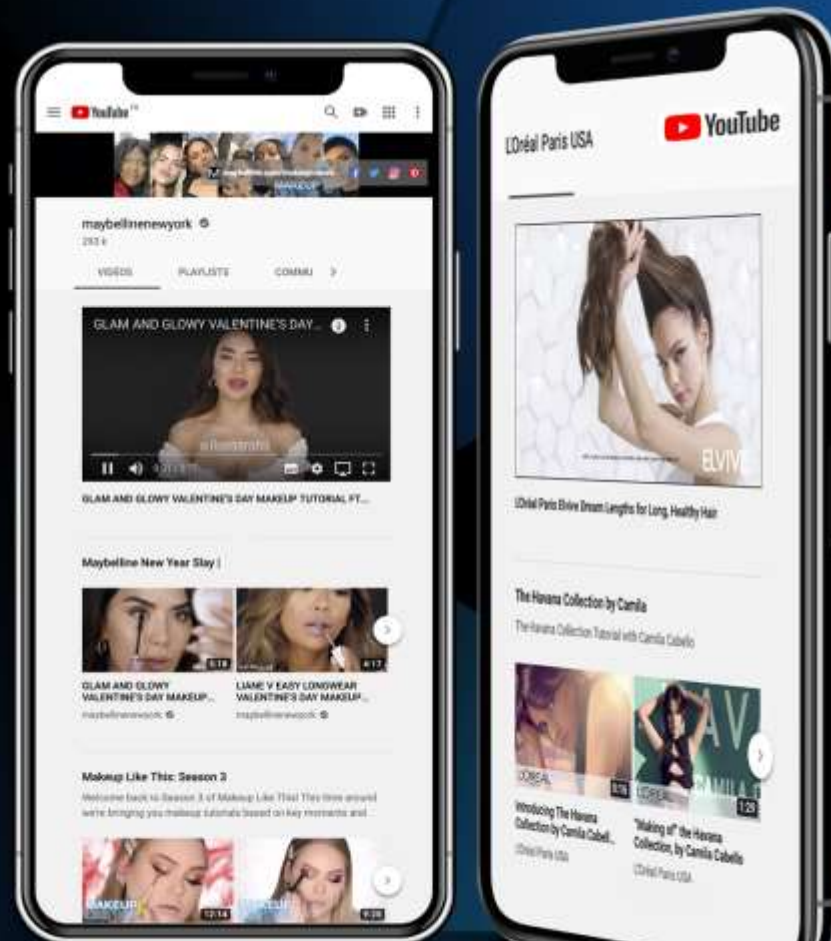
BEAUTY GLOBAL TRAFFIC ON YOUTUBE

1.2 Bn

VISITORS ON OUR WEBSITES

7.4 Bn

VIDEO VIEWS ON YOUTUBE



SERVICES & EXPERIENCE

MODIFACE

20 SERVICES
20 BRANDS
70 COUNTRIES



More than
30,000 managers
UPSKILLED

Many capabilities
INTERNALIZED

DIGITAL EXCELLENCE

3

LEADER OF THE NEW
BEAUTY TECH
WORLD



L'ORÉAL

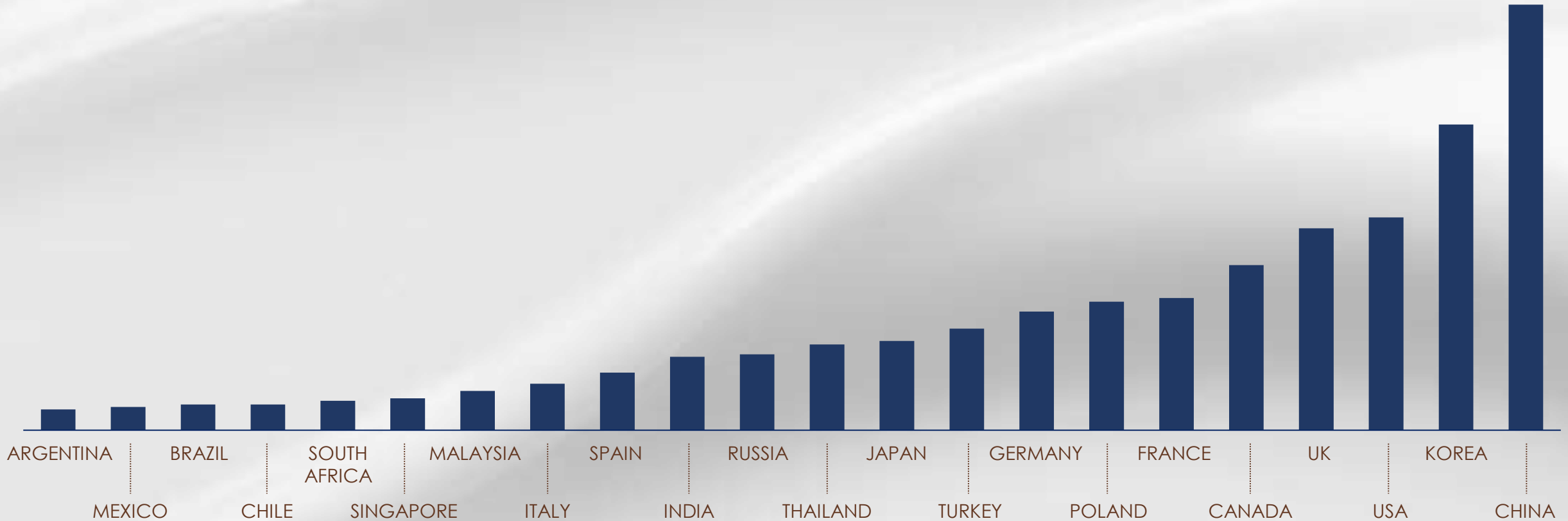
Mastering THE NEW E-COMMERCE MODEL

% OF GROUP SALES¹



ONLY THE BEGINNING OF THE E-COMMERCE JOURNEY

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



PERFECT BALANCE

5

PERFECT
BALANCE



L'ORÉAL

PERFECT BALANCE

5

ABSOLUTE COVERAGE

7 DISTRIBUTION CHANNELS

HAIR SALONS



MASS RETAIL



DEPARTMENT STORES
PERFUMERIES



PHARMACIES
DRUGSTORES
MEDISPAS



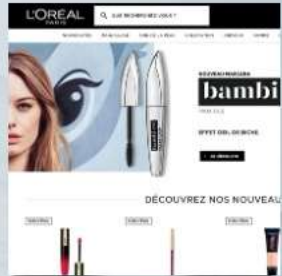
BRANDED RETAIL



TRAVEL RETAIL



E-COMMERCE



5 BEAUTY CATEGORIES



HAIRCARE



HAIR COLOR



SKINCARE



FRAGRANCES



MAKE-UP

ALL PRICE
SEGMENTS

ALL
REGIONS

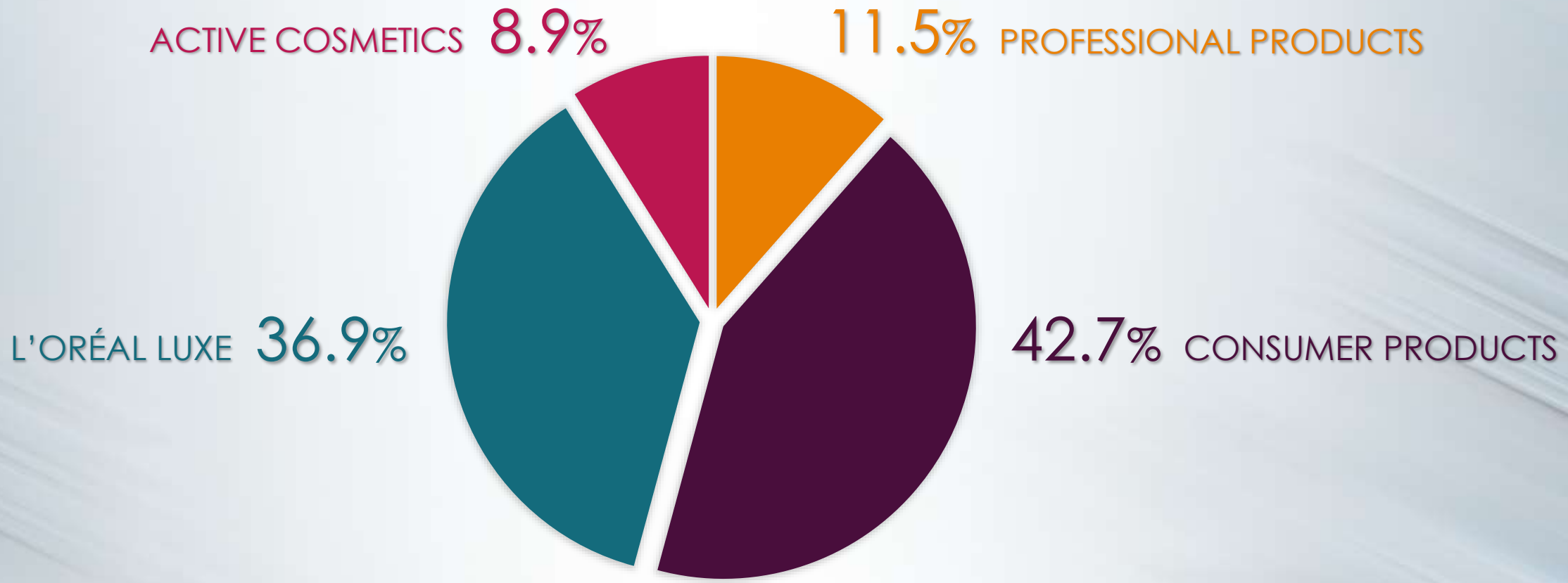
ALL
PSYCHOGRAPHICS



PERFECT BALANCE

PERFECT BALANCE

in terms of sector



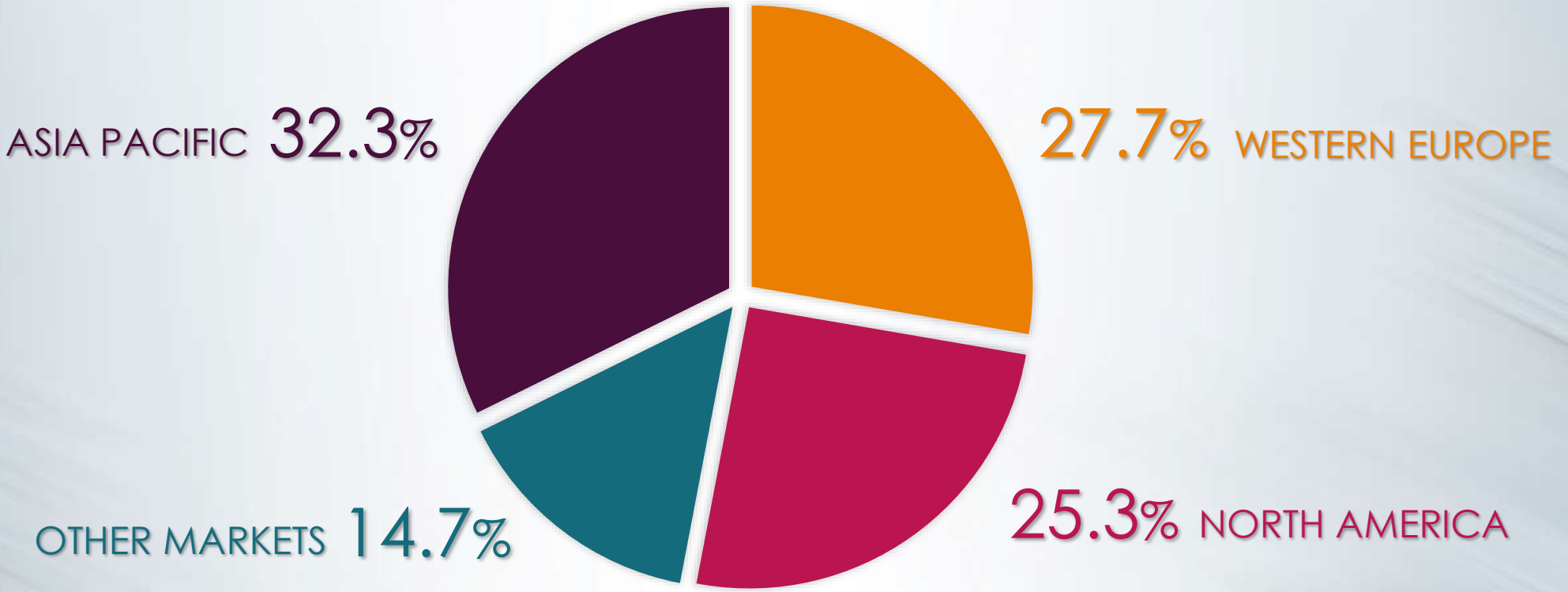
BREAKDOWN OF 2019 SALES BY DIVISION



PERFECT BALANCE

PERFECT BALANCE

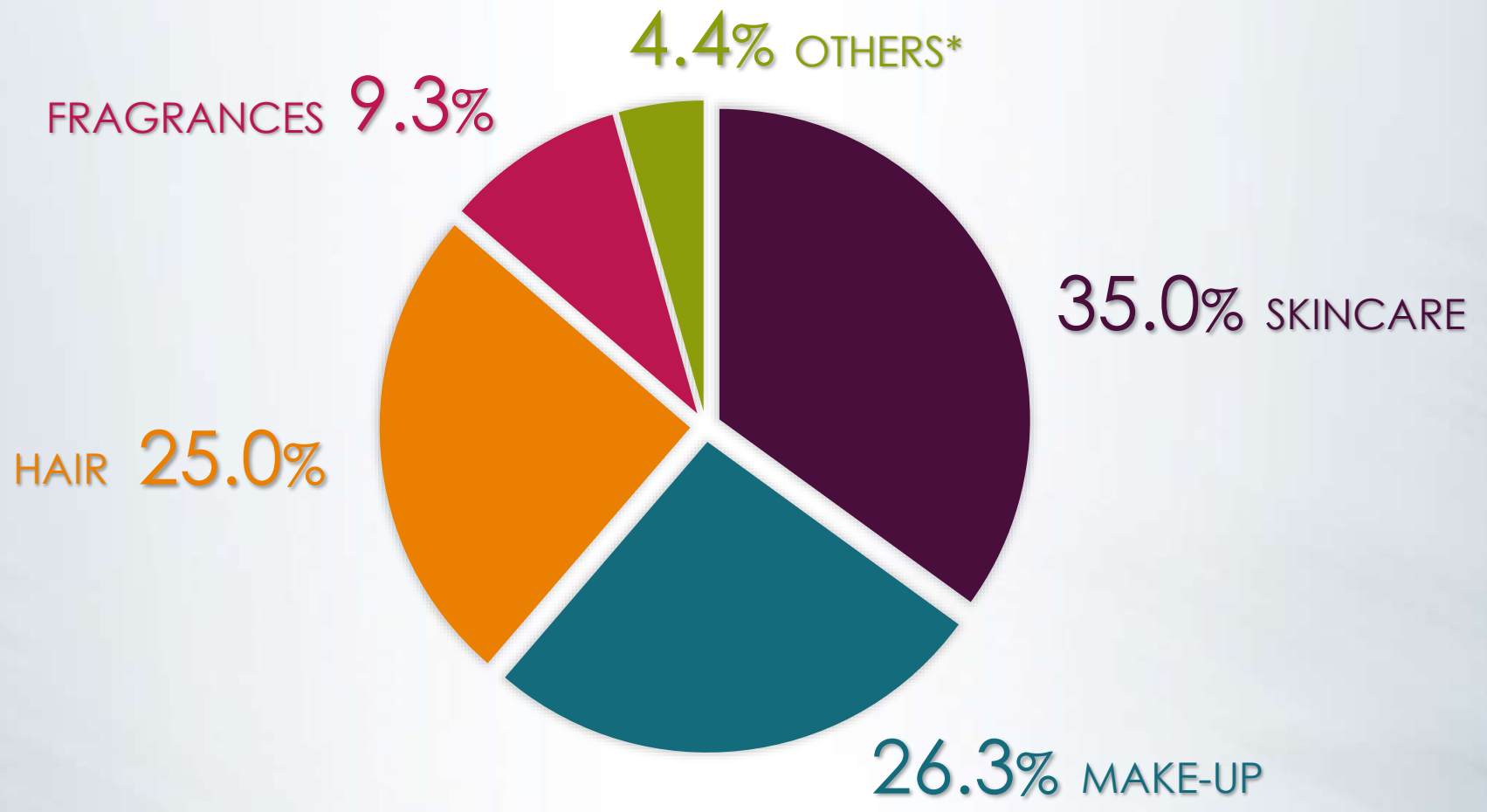
in terms of region



BREAKDOWN OF 2019 SALES BY GEOGRAPHIC ZONE

PERFECT BALANCE

in terms of category



BREAKDOWN OF 2019 SALES BY BUSINESS SEGMENT

* Others include hygiene products and the sales of third party brands by the US professional products distributors

6

A LEADER WITH THE SPIRIT
OF A CHALLENGER

A LARGE COMPANY WITH
THE SPIRIT OF A START-UP

UNIQUE
APPROACH

LONG-TERM
VISION

SHORT-TERM
PRAGMATISM

6

EMPOWERED
LOCAL TEAMS

UNIQUE
ORGANIZATION

STRATEGICALLY
CONCENTRATED

AGILITY & EXCELLENCE
ON THE FIELD

OPERATIONALLY
DECENTRALIZED

7

LONG-TERM BUSINESS MODEL
to deliver consistent, sustainable
& reliable growth



7



TOPLINE GROWTH

The best route to value creation

FOCUS ON TOPLINE GROWTH

+

OPERATIONAL DISCIPLINE

CONSISTENT GROWTH IN OPERATING MARGIN



SUSTAINED PROFIT INCREASE

NET PROFIT SINCE 1989 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

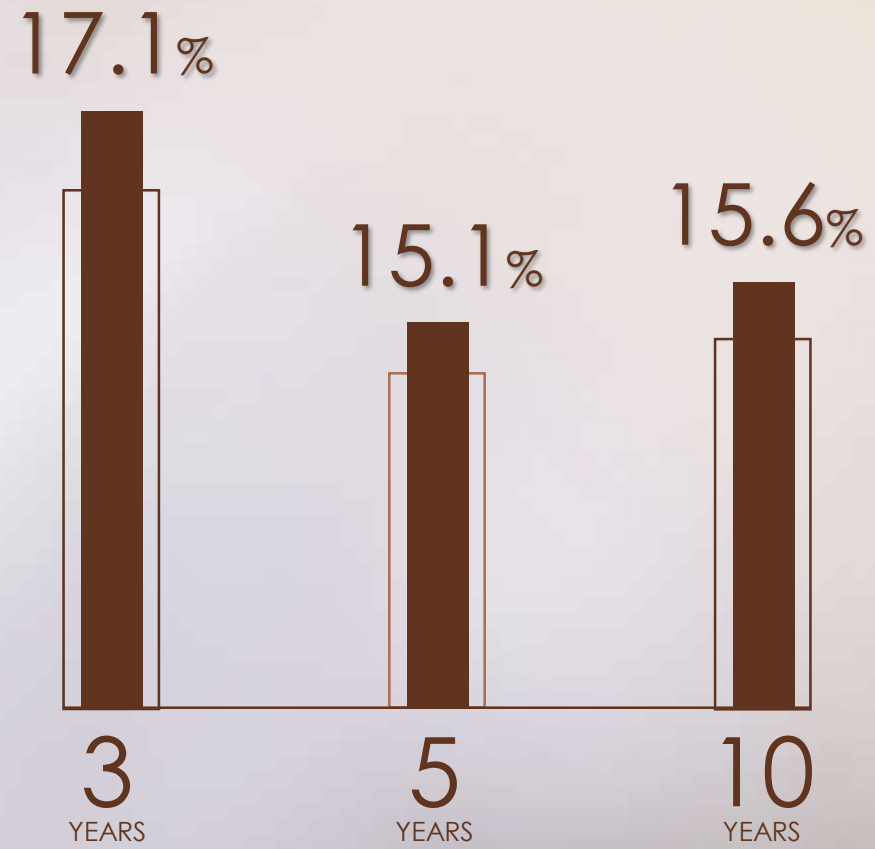
DIVIDEND PER SHARE SINCE 1998 IN EUROS

+10%
LOYALTY BONUS

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



DOUBLE-DIGIT TSR

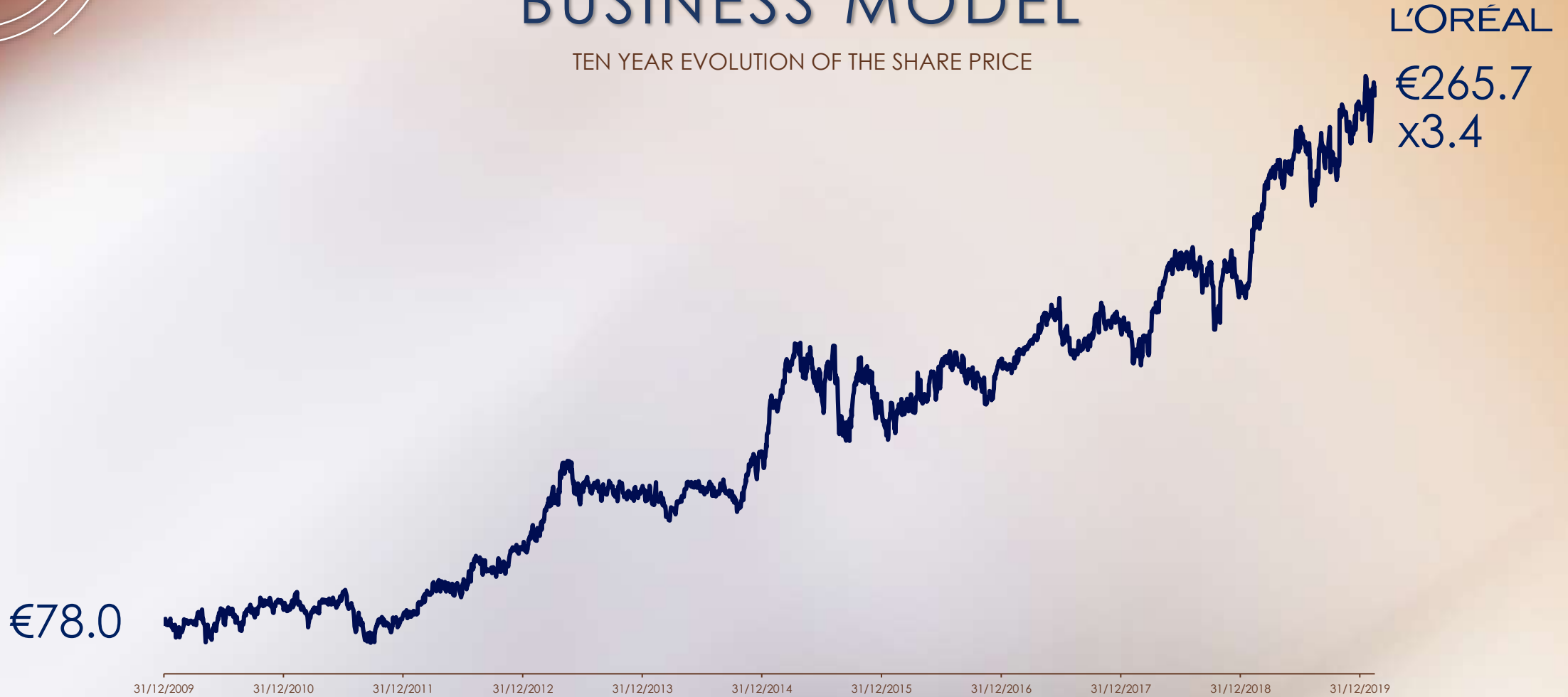


7

LONG-TERM BUSINESS MODEL

A POWERFUL VALUE-CREATING BUSINESS MODEL

TEN YEAR EVOLUTION OF THE SHARE PRICE



L'ORÉAL

€265.7
x3.4

Extending our lead in SUSTAINABILITY



8

DEEP TRANSFORMATION

We offer products that combine performance with sustainability

We decouple our environmental impact from our growth

We provide access to work to people from underprivileged communities

85% OF NEW PRODUCTS¹

have an improved environmental or social profile

-78%² CO₂
+37%³ PRODUCTION

90,635 PEOPLE



8

EXEMPLARY RESPONSIBILITY

L'ORÉAL, A SUSTAINABLE COMPANY



ONLY COMPANY WITH 3 "A" FOR THE 4th YEAR IN A ROW

8

L'ORÉAL, AN INCLUSIVE COMPANY



World leader
gender equality



L'ORÉAL, AN ETHICAL COMPANY

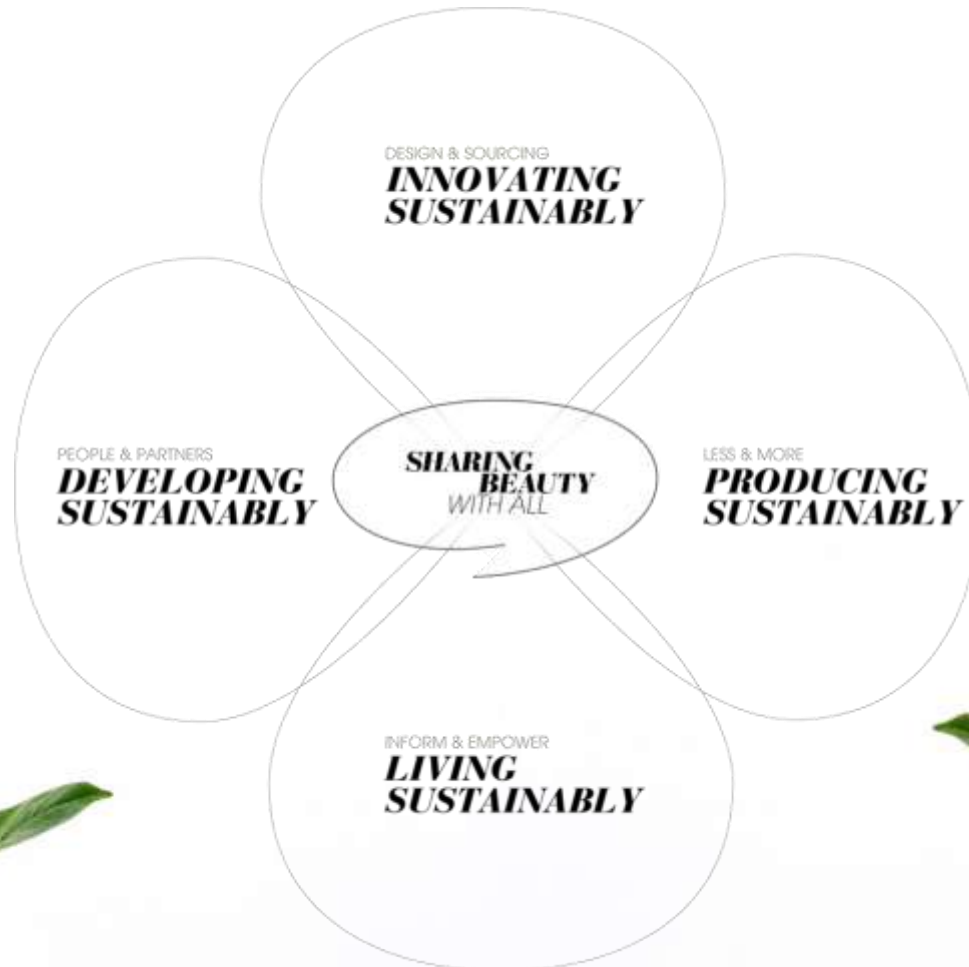
covalence

ESG ratings

#1 worldwide
Ethical Quote
Reputation Index



New, extremely ambitious 2030 COMMITMENTS





STARTING THIS NEW YEAR
AND NEW DECADE
Stronger than ever

4

L'ORÉAL

Deep solidarity with Chinese people



After a period of disturbance
consumption resumes
STRONGER THAN BEFORE



Assuming that the epidemic
follows a similar pattern,
Confidence in our capacity
to outperform the market
and
Achieve another year of growth
in both sales and profits

THANK YOU
MERCI

Q&A

----- **Disclaimer** -----

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