

Sales at 30 September 2022

STRONG GROWTH, SUSTAINED PACE: +20.5% REPORTED, +12.0% LIKE-FOR-LIKE ¹

- **Sales: 27.94 billion euros**
 - +20.5% based on reported figures
 - +12.4% at constant exchange rates
 - +12.0% like-for-like ¹
- **Significantly outperforming the global beauty market**
- **Growth in all Divisions and all Zones**
- **Very positive impact of foreign exchange of +8.1%**
- **In the third quarter, growth pace still above +20% compared to 2019**

Commenting on the figures, Nicolas Hieronimus, CEO of L'Oréal, said:

"In a context of unprecedented volatility, marked by the public health restrictions in China and inflation in the Western world, L'Oréal achieved a very solid quarter, continuing at a steady pace of growth compared to 2019. Benefiting from its rebalancing strategy, particularly in terms of geographic footprint, at the end of September the Group reported strong growth of +20.5%, with a significant positive impact of foreign exchange, and +12.0% like-for-like.

The global beauty market remained dynamic, and consumers' appetite for beauty products is intact. The combination of a robust business model, agility and the commitment of its teams across the world allowed L'Oréal to again significantly outperform the market and strengthen its position as the world's No.1 beauty company.

The figures show a rebalance in the Group's geographic footprint. All Zones made progress, including North Asia, despite the turbulence in the Chinese ecosystem. The other Zones achieved double-digit growth, with a significant leap in emerging markets (SAPMENA-SSA, Latin America) and remarkable performance in Europe. Growth is also balanced across Divisions, each of which outperformed its market. The Consumer Products Division has continued to accelerate since the beginning of the year and our three selective Divisions recorded double-digit growth over the first nine months. The performance of L'Oréal Luxe was temporarily impacted by a number of factors in the third quarter (repeated lockdowns in China and Hainan, and anticipated Travel Retail invoicing in the second quarter). Nevertheless, the Division reaccelerated in September and reached record market share in mainland China in the third quarter.

The Group is benefiting from its valorisation strategy, rolled out at the start of the year, the effects of which are accelerating particularly in Europe and North America.

In line with our dual ambition of achieving economic and societal excellence, we are proud to have been awarded the Platinum medal by EcoVadis, which ranked L'Oréal in the world's top 1% of best companies in terms of environmental and social performance. Our efforts were also recognised by Refinitiv, with L'Oréal again included in its global Diversity & Inclusion Top 100.

Despite the current uncertainties, we remain confident in the outlook for the global beauty market, which has again confirmed its resilience; confident in our power to innovate; and confident in our ability to outperform the market and achieve another year of growth in sales and profits in 2022."

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

SALES AT 30 SEPTEMBER 2022

Like-for-like, i.e. based on a comparable scope of consolidation and constant exchange rates, sales of the L'Oréal group grew by +12.0%.

The net impact of changes in the scope of consolidation was +0.4%.

Growth at constant exchange rates came out at +12.4%.

Currency fluctuations had a positive impact of +8.1%. If the exchange rates at 30 September 2022, i.e. €1 = \$0.977, are extrapolated until 31 December, the impact of currency fluctuations on sales would be around +8.1% for the whole of 2022.

Based on reported figures, the Group's sales at 30 September 2022 amounted to 27.94 billion euros, an increase of +20.5%.

Sales by Division and Geographic Zone

	3 rd quarter 2022			At 30 September 2022		
	€m	Growth		€m	Growth	
		Like-for-like	Reported		Like-for-like	Reported
<u>By Division</u>						
Professional Products	1,094.3	+4.3%	+15.7%	3,258.2	+10.9%	+19.6%
Consumer Products	3,548.3	+10.0%	+19.1%	10,342.6	+8.7%	+15.7%
L'Oréal Luxe	3,612.3	+4.6%	+15.8%	10,483.9	+12.2%	+22.0%
Active Cosmetics	1,320.2	+26.0%	+38.8%	3,856.9	+22.6%	+31.5%
Group Total	9,575.2	+9.1%	+19.7%	27,941.5	+12.0%	+20.5%
<u>By Geographic Zone</u>						
Europe	2,878.7	+10.5%	+12.1%	8,445.9	+13.0%	+13.7%
North America	2,822.7	+9.3%	+27.7%	7,473.2	+10.8%	+25.0%
North Asia	2,410.4	+0.3%	+11.3%	8,030.5	+7.4%	+17.5%
SAPMENA–SSA ²	787.7	+30.0%	+41.5%	2,191.1	+25.4%	+32.7%
Latin America	675.6	+16.2%	+36.5%	1,800.9	+20.0%	+38.1%
Group Total	9,575.2	+9.1%	+19.7%	27,941.5	+12.0%	+20.5%

Third-quarter sales take into account an insurance benefit of €94.7 million following a natural disaster which severely disrupted operations at the L'Oréal plant in Vichy.

As a reminder, the Asian Travel Retail business unit was relocated on 1st July 2022, which generated anticipated invoicing of €90 million in June. This had a neutral like-for-like impact on growth at the end of September. The move had a positive impact of 110 basis points on second quarter like-for-like growth, which flipped to a negative like-for-like impact of 100 basis points in the third quarter.

² SAPMENA–SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa

Summary by Division

PROFESSIONAL PRODUCTS

At the end of September, the Professional Products Division recorded growth of +10.9% like-for-like and +19.6% reported.

Strengthening its leadership in the professional beauty market, the Division grew in all geographic Zones, with outstanding performance in India, mainland China, Brazil and Germany. The Division continued to perform in all distribution channels: in salons, in its SalonCentric network in the United States and in e-commerce, again confirming the success of its omnichannel strategy.

In the buoyant haircare market, the Division growth was largely driven by the performance of *Kérastase* and the sustained growth of *Serie Expert* by *L'Oréal Professionnel* with *Metal Detox*. The Division also recorded growth in hair colour with its iconic lines *Shades EQ* by *Redken* and *Inoa* by *L'Oréal Professionnel*.

CONSUMER PRODUCTS

Following a remarkable increase of +10% in the third quarter, **the Consumer Products Division posted strong growth of +8.7% like-for-like and +15.7% reported over the first nine months.**

The Division's premiumisation strategy and valorisation contributed to the acceleration in growth. Overall performance was boosted by the SAPMENA-SSA and Latin America Zones, with spectacular gains in India and Mexico; the Division also recorded solid growth in the United States and Europe.

All major brands contributed to this impressive performance, thanks to cutting-edge innovations across key categories. Makeup spearheaded the Division's success, with powerful launches including *Superstay Vinyl Ink lipstick* by *Maybelline New York* and *Bare With Me concealer serum* by *NYX Professional Makeup*. Haircare was also a major source of growth for the Division, led by *L'Oréal Paris* and the global rollout of *Elvive Hyaluron Plump*. Hair colour accelerated, and skincare maintained its steady momentum, driven by the success of *Garnier*, in particular the new *Vitamin C Brightening Serum*.

L'ORÉAL LUXE

With growth of +12.2% like-for-like and +22.0% reported at the end of September, L'Oréal Luxe outperformed the global luxury beauty market.

In the third quarter, the Division was penalised by: repeated lockdowns in China and Hainan in the summer, anticipated invoicing in the second quarter linked to the relocation of the Asian Travel Retail business unit, as well as sourcing difficulties (fragrance bottles in particular). Despite these disruptions, the Division continued to make progress in mainland China, where it reached record market share. L'Oréal Luxe recorded strong sales growth in Europe and in emerging markets (SAPMENA-SSA and Latin America). In North America, the growth of the Division was driven by the performance in fragrance.

The Division relies on strong pillars and has continued to innovate in all three categories. In the booming fragrance market, L'Oréal Luxe confirmed its global leadership thanks to blockbusters such as *Libre* by *Yves Saint Laurent* and *La Vie est Belle* by *Lancôme*, as well as highly promising launches including *Paradoxe* by *Prada* and *Armani Code*. The upsurge in collection fragrances continued with *Replica* by *Maison Margiela* and *Armani Privé*. In skincare, the Division capitalised on strong innovations, including *Lancôme Rénergie Triple Serum*, and maintained its tremendous momentum in the ultra-premium segment with the success of *Helena Rubinstein* and *Lancôme Absolue*. In North Asia, *Takami* recorded significant growth. Lastly, in makeup, *Yves Saint Laurent*, *Lancôme* and *Shu Uemura* all reported solid performance.

ACTIVE COSMETICS

At the end of September, the Division continued to achieve outstanding growth, at +22.6% like-for-like and +31.5% based on reported figures.

Deepening its partnership with healthcare professionals, the Active Cosmetics Division strengthened its recommendation-based model and grew much faster than the dermocosmetics market. The Division achieved double-digit growth in all Zones, with remarkable performance in North America, Europe and SAPMENA-SSA.

La Roche-Posay remained the primary contributor to growth, driven by its main pillars *Cicaplast* and *Effaclar*, the sun protection gamechanger *UVMune 400* and the successful launch of *Pure Niacinamide 10* serum. *CeraVe* remained the Division's fastest growing brand, with a contribution to growth balanced between North America and the rest of the world. *Vichy* posted double-digit growth, spurred by the success of the *Dercos* haircare franchise, the anti-aging sunscreen innovation *Capital Soleil UV AGE Daily*, and *Neovadiol*. *Skinceuticals* accelerated in the third quarter, fuelled by the excellent performance of *A.G.E Interrupter* anti-wrinkle cream, and by growth in the professional medical channel.

In October, the Division finalised the acquisition of *Skinbetter Science*, a US physician-dispensed skincare brand backed by cutting-edge dermatological research.

NB: Third-quarter sales take into account an insurance benefit of €94.7 million following a natural disaster which severely disrupted operations at the L'Oréal plant in Vichy.

Summary by geographic Zone

EUROPE

At the end of September, the Zone posted strong growth, at +13.0% like-for-like and +13.7% reported.

The beauty market maintained its momentum during the summer and L'Oréal achieved solid growth in its key markets, strengthening its position in the majority of countries, particularly Germany, Spain and the United Kingdom. In a context of rising inflation, L'Oréal has valorised its product offering, building on its brands' appeal.

The Consumer Products Division posted accelerated growth, with very strong performance in makeup, haircare and skincare. The Active Cosmetics Division continued to significantly outperform the dermocosmetics market, thanks in particular to *La Roche-Posay* and *CeraVe*, whose blemish control line has made an excellent debut. L'Oréal Luxe reaped the benefits of its dynamic fragrance brand portfolio, with *Paradoxe* by *Prada* and *Armani Code* making a very good start. The Professional Products Division capitalised on the strength of its position in e-commerce as well as a buoyant premium haircare market.

NORTH AMERICA

At the end of September, the Zone grew by +10.8% like-for-like and +25.0% reported.

After a soft July, the market went back to solid growth once consumers came back from holiday. The performance was boosted in the third quarter by higher valorisation, improved service and balanced growth between online and brick-and-mortar.

The Consumer Products Division accelerated significantly ahead of the market in makeup. Innovations - like *Maybelline Sky High* mascara and *Superstay Vinyl Ink*, *Garnier Micellar water* and *L'Oréal Paris Elvive Hyaluron Plump* - drove growth in all categories. L'Oréal Luxe outpaced the market in fragrance, thanks to its strong portfolio and promising launches such as *Paradoxe* by *Prada*. The Professional Products Division continued to grow in the salon channel and SalonCentric, with the success of *Redken* and *Kérastase* in hair care. Overcoming supply chain tensions, the Active Cosmetics Division substantially outperformed the dermocosmetics market, fuelled by *La Roche-Posay* and *CeraVe*.

In line with L'Oréal for the Future commitments, L'Oréal USA was recognised by Forbes in its top 10 America's Best Employers for Women 2022.

NORTH ASIA

At the end of September, the Zone achieved growth of +7.4% like-for-like and +17.5% reported.

In challenging market conditions, L'Oréal achieved solid growth and outperformed the beauty market. The Active Cosmetics and Professional Products Divisions recorded double-digit growth and increased their market share, driven by *Skinceuticals* and professional haircare with *Kérastase* and *L'Oréal Professionnel*. L'Oréal Luxe saw solid market share gains with the success of its fragrance portfolio and of *Lancôme Absolue* and *Helena Rubinstein* ultra-premium skincare lines, as well as *Carita*, newly introduced in mainland China. The Consumer Products Division continued to innovate, driven by *L'Oréal Paris* in haircare and skincare – including the new *Revitalift Filler HA Pro-Xylane PRO* cream – and recent launches by *Maybelline New York*.

As a consequence of the sanitary restrictions linked to the zero-Covid dynamic in China, the beauty market was still negative in the third quarter. In this context, L'Oréal achieved a remarkable sell-out performance and widened the gap with its competitors. L'Oréal Luxe achieved new record market share. In addition, the Group continued to strengthen its position in e-commerce, topping the rankings on the emerging TikTok/Douyin (ByteDance) platform, with *L'Oréal Paris* No.1 in skincare.

The lifting of public health restrictions in South Korea and Japan boosted the beauty market and L'Oréal achieved double-digit growth in the third quarter, strengthening its position in these countries.

SAPMENA–SSA ³

At the end of September, the Zone posted very strong growth of +25.4% like-for-like and +32.7% reported.

L'Oréal continued to grow in the SAPMENA Zone, significantly outperforming the market. The Consumer Products Division and L'Oréal Luxe were major contributors to growth.

In Australia, growth accelerated; the Consumer Products Division managed to overcome sourcing pressures in makeup. Offline sales in South-East Asia recovered significantly. In India, sales continued to increase with a strong performance of the Professional Products and the Consumer Products Divisions. The Group recorded solid performance in the Gulf states.

In Sub-Saharan Africa (SSA), L'Oréal also posted very strong growth. The Active Cosmetics Division achieved spectacular growth, with the successful launch of *CeraVe* in the different countries of the region.

LATIN AMERICA

At the end of September, the Zone achieved outstanding growth of +20.0% like-for-like and +38.1% reported.

As the beauty market continued to expand in the Zone's key countries, L'Oréal achieved significant market share gains, propelled by the outstanding performance of the Consumer Products Division across the Zone. All countries and all Divisions recorded double-digit sales growth, led by Mexico. Online sales increased sharply with L'Oréal constantly prioritising omnichannel activation in the main countries.

³ SAPMENA – SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa

IMPORTANT EVENTS DURING THE PERIOD 1/7/22 TO 30/9/22 AND POST-CLOSING EVENTS

- On 23 August 2022, L'Oréal was awarded the **EcoVadis Platinum medal**, with a score of 83/100, for its environmental and social performance. This puts L'Oréal in the world's top 1% highest-performing companies (out of 100,000 assessed) in these areas. The Group has notably increased its score in ethics, sustainable procurement and human rights.
- September 2022 marked the **first year of the L'Oréal for Youth programme**, which aims to provide work opportunities for young people and takes concrete action to increase their employment potential, especially for those from disadvantaged backgrounds who are struggling to enter the labour market. Since its launch, the programme has created more than 18,300 work opportunities for under-30s and L'Oréal aims to offer 25,000 work opportunities per year from 2022 onwards.
- On 19 September, the **L'Oréal group Chairman, Jean-Paul Agon, received the 2022 Award from the Appeal of Conscience Foundation**. This prestigious award is presented to visionary business leaders with a sense of social responsibility who use the worldwide reach and resources of their company to better serve the global community. Jean-Paul Agon was recognised for his innovative leadership, committed to respecting human dignity, diversity and inclusivity.
- On 22 September, L'Oréal China Corporate Venture Capital (Shanghai Meicifang Investment Co. Ltd) announced its first investment in China, taking a minority stake in **Chinese luxury fragrance brand Documents**, backed by the venture capital fund BOLD, Business Opportunities for L'Oréal Development.
- On 29 September, L'Oréal was ranked 14th in the **2022 Refinitiv Diversity & Inclusion Index**, which identifies the top 100 most diverse and inclusive companies out of 12,000 global companies assessed according to 24 separate metrics.
- In September, as part of its European Energy Sobriety Plan, L'Oréal signed a contract with EDF via a **Power Purchase Agreement (PPA) to supply green electricity** for its manufacturing plants and campuses in France. From 2025, two exclusive, 30-hectare solar parks will provide 25% of L'Oréal's energy in France.
- On 29 September, after two years of renovation, L'Oréal announced the **reopening of Carita's renowned Maison de Beauté**, at 11 rue du Faubourg Saint-Honoré. A legendary Parisian address well-known for attracting a clientele of unparalleled prestige, this 1,800 square-metre *Maison de Beauté* will offer an immersive beauty and wellness experience including skincare, make-up and hairdressing services, as well as an in-house gourmet restaurant, a private beauty "apartment" and a concept store.
- On 11 October, L'Oréal China inaugurated **two pioneering projects in the city of Suzhou** by laying the foundation stone of its first D2C intelligent fulfilment center and announcing the opening of its new healthy beauty workshop in the Suzhou factory. These initiatives set a brand new standard for sustainable, data-empowered logistics management and industrial hygiene adapted to green sciences.
- On 14 October, L'Oréal finalised the **acquisition of Skinbetter Science, a US physician-dispensed skincare brand backed by cutting-edge dermatological research**, available through a network of dermatology, plastic surgery and medical aesthetics practices.

"This news release does not constitute an offer to sell, or a solicitation of an offer to buy L'Oréal shares. If you wish to obtain more comprehensive information about L'Oréal, please refer to the public documents registered in France with the Autorité des Marchés Financiers, also available in English on our Internet site www.loreal-finance.com.

This news release may contain some forward-looking statements. Although the Company considers that these statements are based on reasonable hypotheses at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual results to differ materially from those indicated or projected in these statements."

This is a free translation into English of the Sales at 30 September 2022 news release issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

About L'Oréal

For over 100 years, L'Oréal the world's leading beauty player, has devoted itself to one thing only: fulfilling the beauty aspirations of consumers around the world. Our purpose - to create the beauty that moves the world - defines our approach to beauty as inclusive, ethical, generous and committed to social and environmental sustainability. With our broad portfolio of 35 international brands and ambitious sustainability commitments in our L'Oréal For The Future programme, we offer each and every person around the world the best in terms of quality, efficacy, safety, sincerity and responsibility, while celebrating beauty in its infinite plurality.

With 85,400 committed employees, a balanced geographical footprint and sales across all distribution networks (e-commerce, mass market, department stores, pharmacies, hair salons, branded and travel retail) in 2021 the Group generated sales amounting to 32.28 billion euros. With 20 research centers across 11 countries around the world, a dedicated Research and Innovation team of 4,000 scientists and over 3,000 tech professionals, L'Oréal is focused on inventing the future of beauty and becoming a Beauty Tech powerhouse.

More information on <https://www.loreal.com/en/mediaroom>

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APPENDIX

L'Oréal group sales 2021/2022 (€ million)

	2021	2022
First quarter	7,614.5	9,060.5
Second quarter	7,582.1	9,305.8
First half total	15,196.6	18,366.3
Third quarter	7,996.6	9,575.2
Nine months total	23,193.1	27,941.5
Fourth quarter	9,094.4	
Full year total	32,287.6	