



EXANE BNP PARIBAS

13 June 2019

Mr. Christophe Babule

Chief Financial Officer

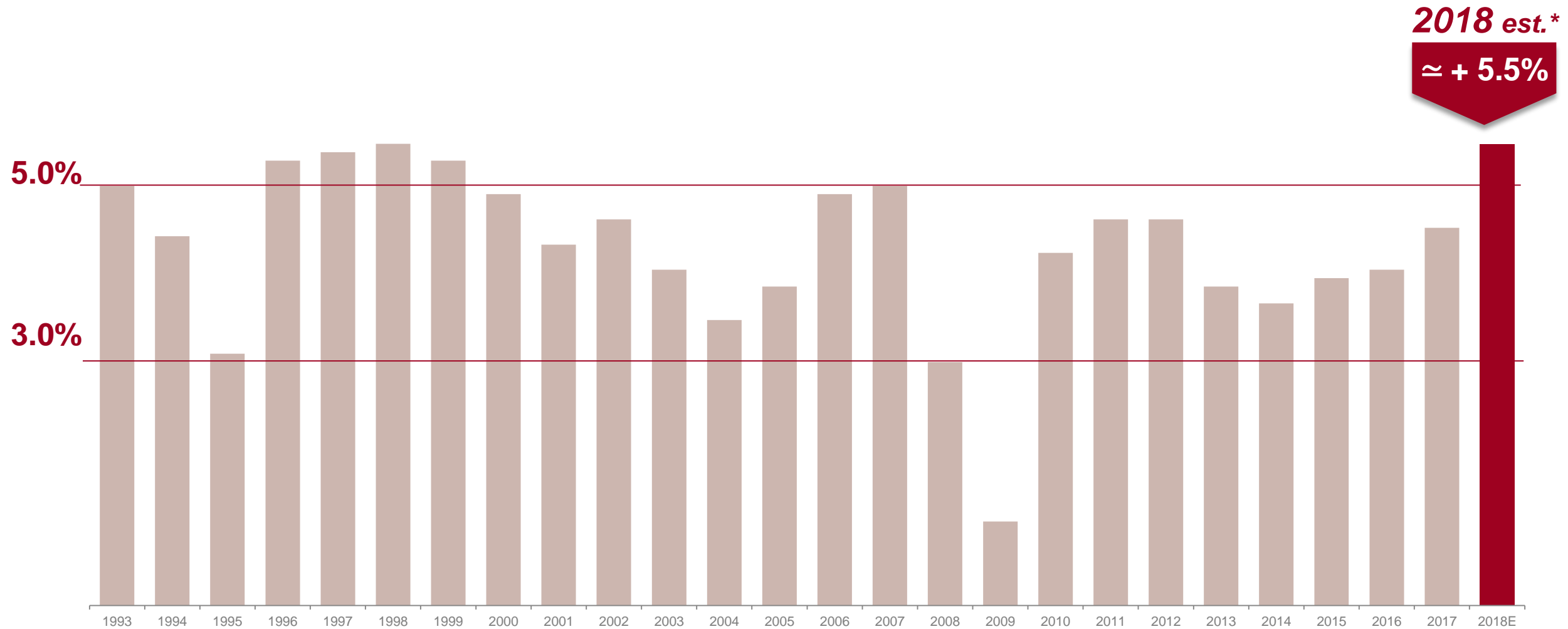
L'ORÉAL



A
POWERFUL
DESIRE FOR BEAUTY



A buoyant market – the best growth in 20 years



* L'Oréal BMS estimates - excluding soap, toothpaste and razors. Net manufacturing prices (sell-in). Growth at constant exchange rate - Without Argentina in 2018



Beauty market acceleration due to key boosters

By region⁽¹⁾

Asia Pacific

≈ **+10%**

By sector⁽¹⁾

Luxury

≈ **+11%**

Dermo-cosmetics

≈ **+6%**

By category⁽¹⁾

Skincare

≈ **+9%**

E-commerce

≈ **+25%**

Travel Retail

≈ **+22%**

(1) 2018 L'Oreal provisional estimates-Excluding razors, soaps and toothpastes, at constant exchange rates



Acceleration due to strong underlying trends



1

Acceleration
thanks to an insatiable desire for beauty

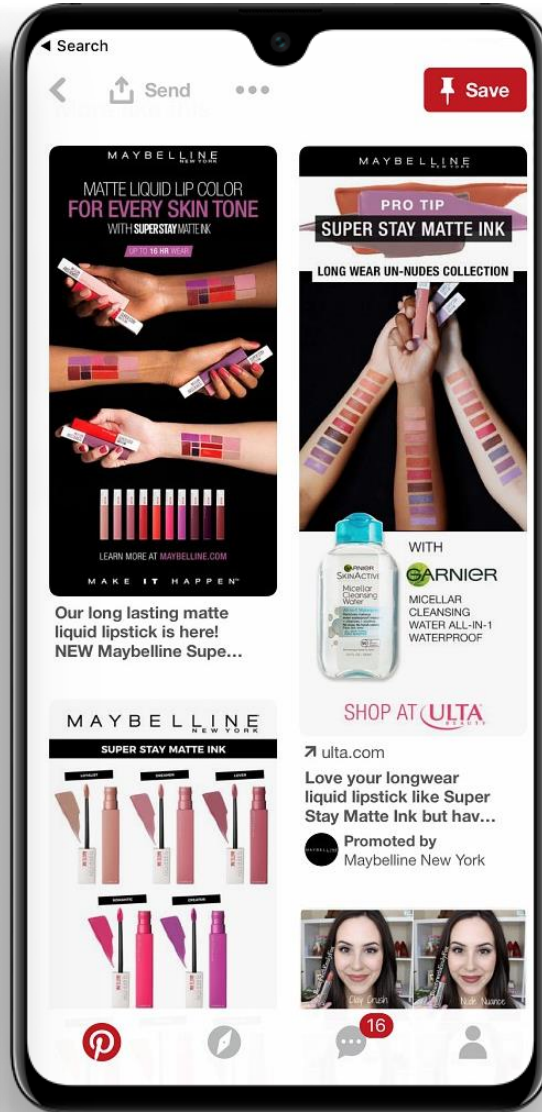
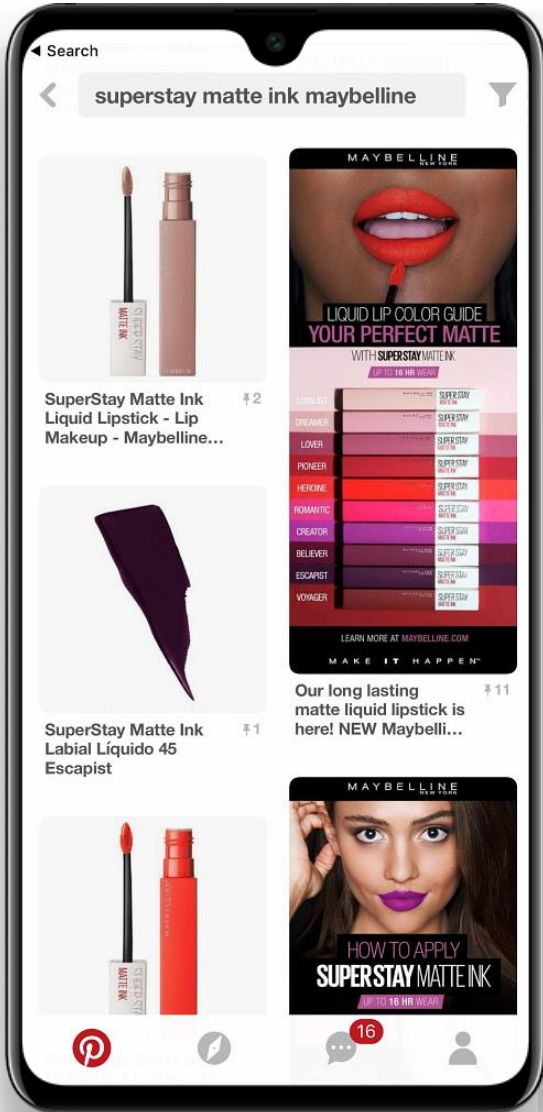
2

Acceleration
thanks to premiumization

- Consumers are ready to trade up
- Exciting new benefits, better performance, superior quality



Acceleration due to strong underlying trends



3

Acceleration thanks to digitalization

- One of the most engaging categories online
- Explosion of sharing and self-expression on social media

4

Increased penetration of beauty

- E-commerce, extending our reach beyond traditional distribution



A VERY STRONG PERIOD
FOR BEAUTY
AND FOR L'ORÉAL

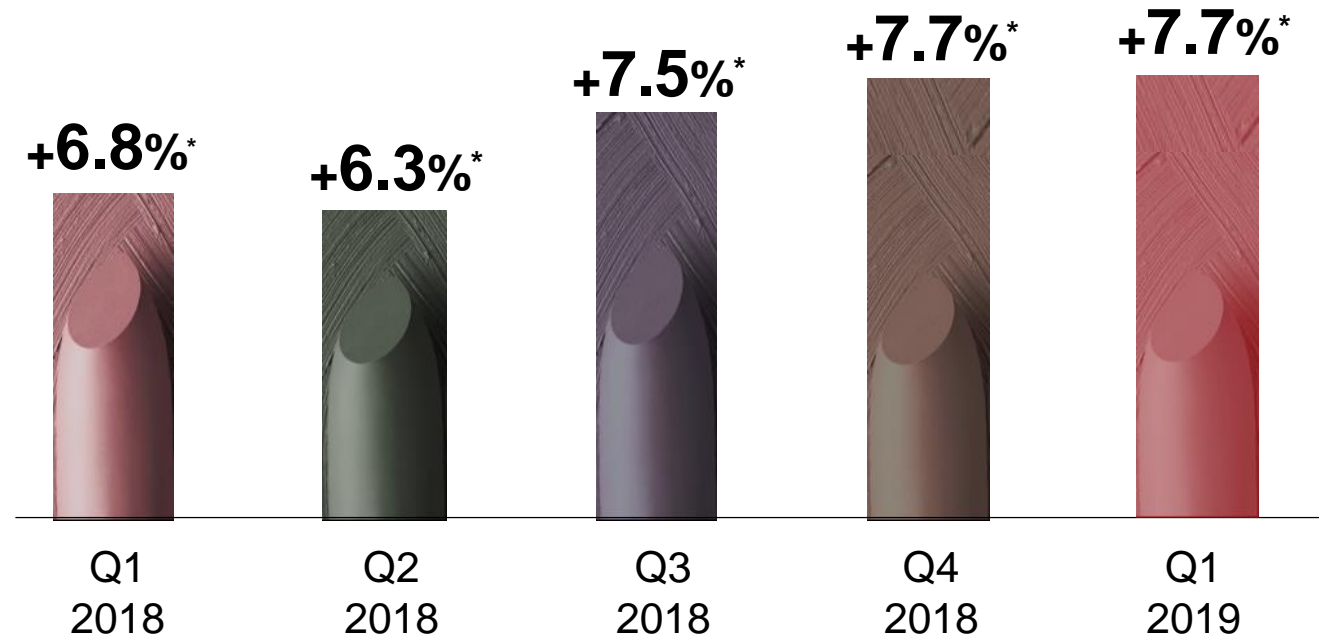


L'Oréal: best year in a decade

Like-for-like sales growth

2018
+7.1%

Q1-2019
+7.7%



* Like-for-like sales growth



All divisions recorded growth

| | % change | | | |
|-----------------------|---------------|---------------|--------------|---------------|
| | 2018 | Like-for-like | Q1-2019 | Like-for-like |
| Professional Products | 3,262 | +2.0% | 835 | +2.2% |
| Consumer Products | 12,032 | +2.5% | 3,284 | +3.3% |
| L'Oréal Luxe | 9,367 | +14.4% | 2,679 | +14.2% |
| Active Cosmetics | 2,275 | +11.9% | 751 | +13.0% |
| Total | 26,937 | +7.1% | 7,550 | +7.7% |



SIGNIFICANTLY OUTPERFORMED
THE MARKET

IN THE MOST PROMISING
AND
STRATEGIC AREAS FOR THE FUTURE



Strongly reinforced our leadership in Asia Pacific

APAC

FY-2018: +**24%***

Q1-2019: +**23%***



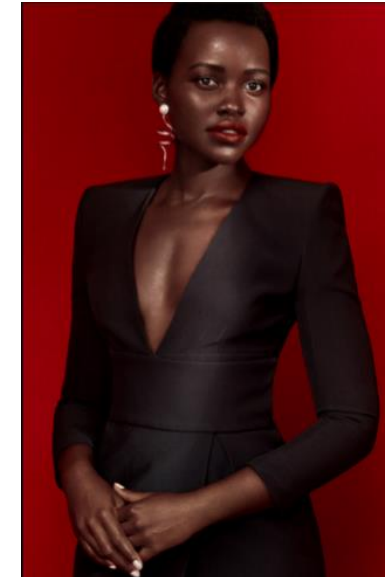
CHINA

FY-2018: +**33%***

Q1-2019: +**33%***



L'ORÉAL
PARIS



LANCÔME
PARIS

#1 Brand in their respective market

RANKED IN THE TOP 3 ON TMALL DURING 11.11

* Like-for-like sales growth



Outperformed in skincare

L'ORÉAL +16%*

Market \approx +9%



*2018 Like-for-like sales growth.

Source: L'Oréal 2018 estimates. Excluding razors, soaps and toothpastes.

Excluding exchange rate impact



Strengthened leadership in two booming channels

E-COMMERCE



TRAVEL RETAIL



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



Increased the power of our big brands

TOP 8 BRANDS

+8.4%*

POWER PRODUCTS



L'ORÉAL
PARIS

LANCÔME
PARIS



YVES SAINT LAURENT

GIORGIO ARMANI

MAYBELLINE
NEW YORK

L'ORÉAL
PROFESSIONNEL
PARIS

Kiehl's
SINCE 1851

* Average 2018 sales growth



Digital is embedded in our teams & is boosting media efficiency

>22,000
upskilled talents

2,000
experts

1.2bn
Visitors on our
websites



43%
of our Media spend
Strong ROI focus

Of which
3/4
On precision
advertising

GARTNER L2 DIGITAL IQ INDEX
4 BRANDS IN THE TOP 10
& 6 IN THE TOP 20

MAYBELLINE
NEW YORK

NYX
PROFESSIONAL MAKEUP

UD
URBAN DECAY
beauty with an edge

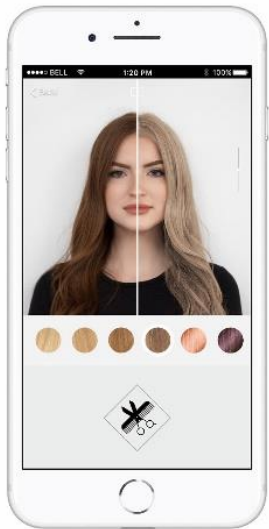
L'ORÉAL
PARIS

LANCÔME
PARIS

Kiehl's
SINCE 1851



Strengthened the power of digital:
enriching our leadership and our expertise



— BEST SELLER —
LIP MAGNET LIQUID LIPSTICK
 AN ULTRA-MATTE, HIGH PIGMENT LIQUID LIPSTICK WITH A WEIGHTLESS STAIN TEXTURE

★★★★: 4.3 (32) [Write a review](#)

This weightless liquid lipstick leaves lips with a smudge-proof, ultra-matte finish. The formula is four times thinner and has twice as much color as a traditional lipstick. It delivers eight-hour w... [more](#)

Select Color

All Corals Pinks Reds Purples

500 - Maharajah

\$38.00

Recent Strategic Partner



Embed Modiface within strategic partner to leverage counterparts

MODIFACE

TRY-ONS

LIVE STREAMING

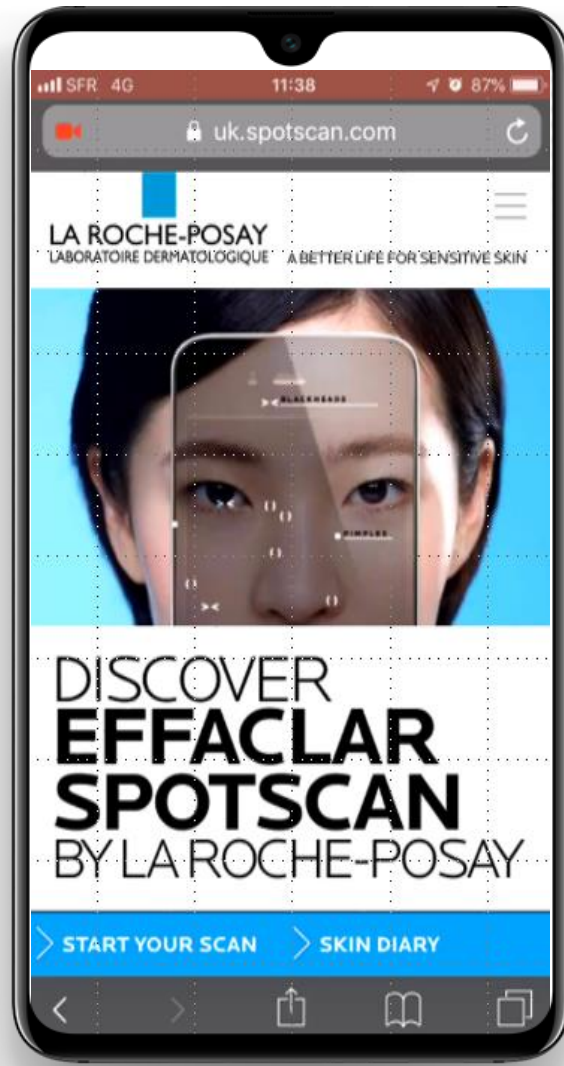
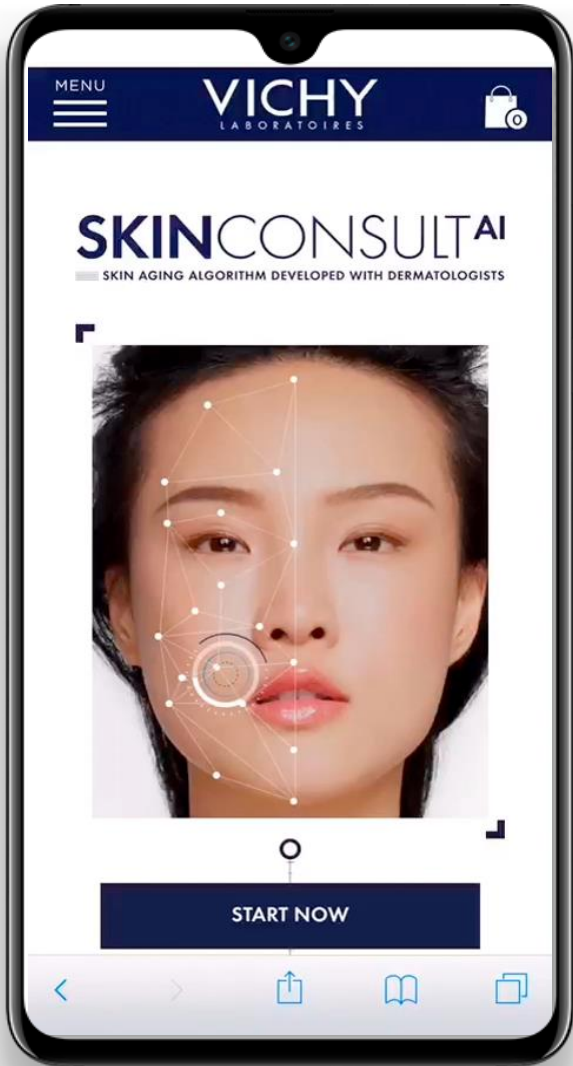
1-1 CONSULTATION

DIAGNOSIS

SMART SAMPLING

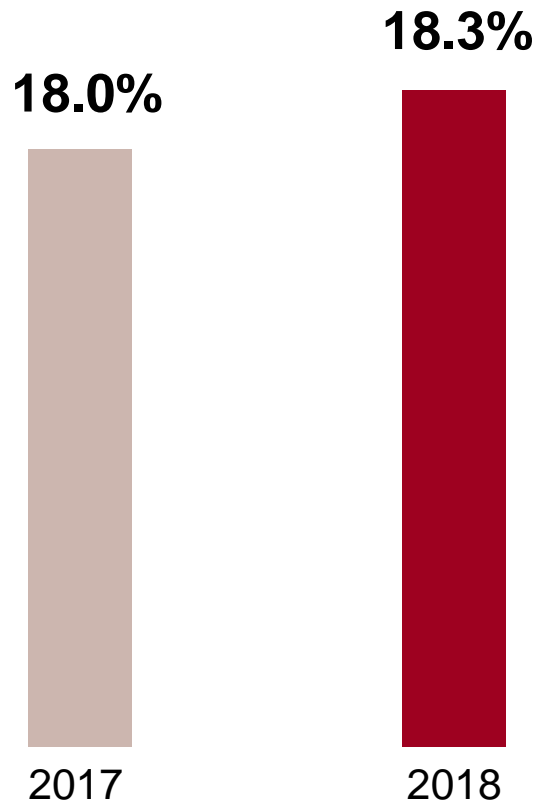


Some AI powered diagnostic application tools





A powerful value-creating business model: Record Operating Margin



- Strong improvement in gross margin: **+110 bps**
Record level of **72.8%***
- Sustained investment in growth drivers

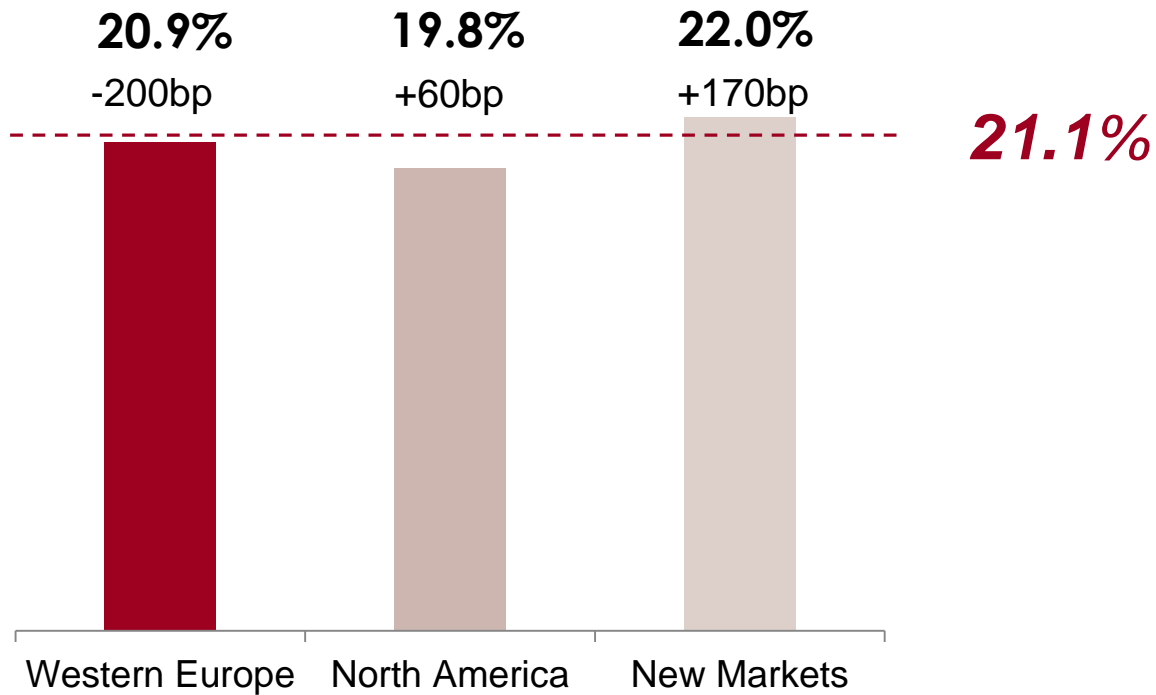
* As a % of 2018 sales



Well balanced profitability*

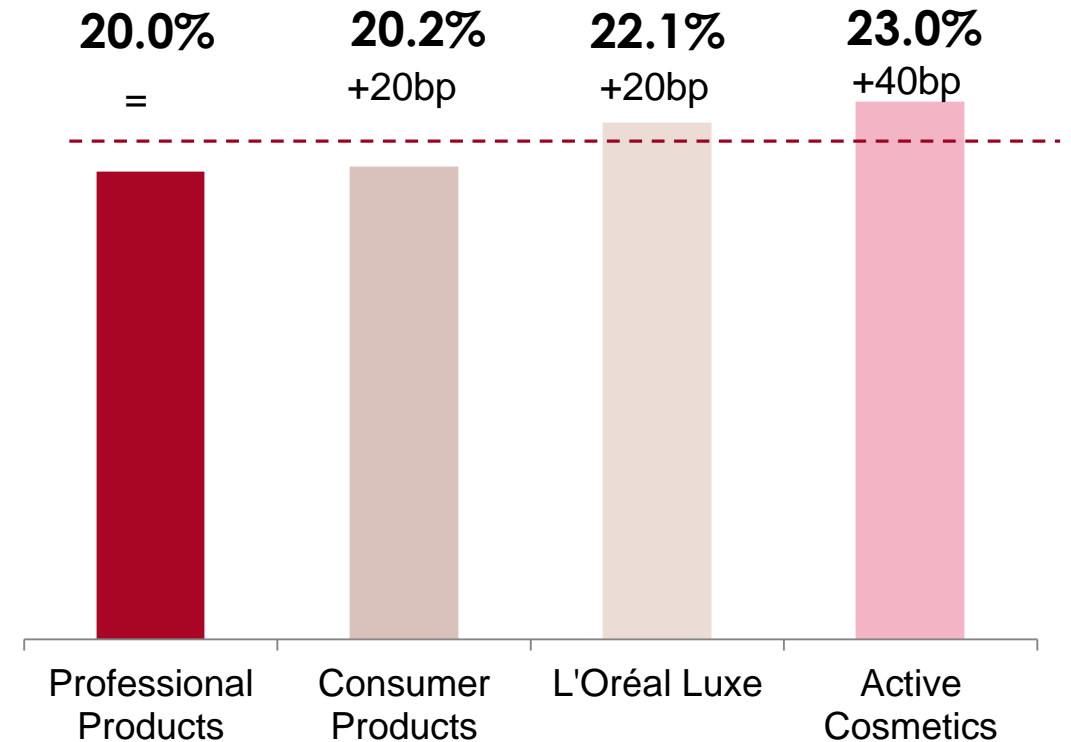
OPERATING PROFIT BY REGION

(as a % of sales)

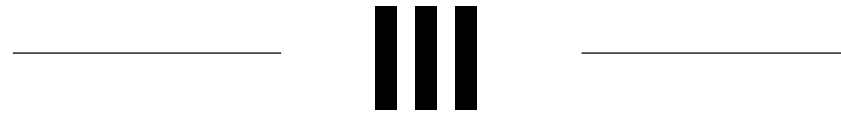


OPERATING PROFIT BY DIVISION

(as a % of sales)



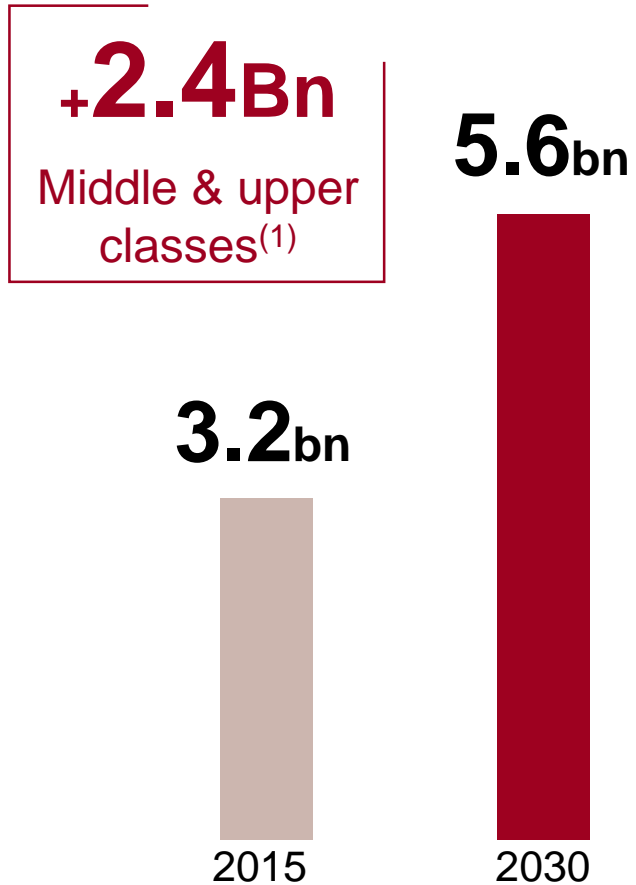
*Before central group expenses, fundamental research expenses, stock-option & free grant of shares expenses and miscellaneous items



POWERING AHEAD



The market will continue to grow thanks to the rise of the middle & upper classes



UPPER MIDDLE + UPPER CLASSES SPENDING BY 2030

- x1.5 Western Europe
North America
- x2 Latin America
Africa Middle-East
- x3 Asia

(1) Number of people. World Data Lab for L'Oréal



The market will continue to grow thanks to the huge potential to increase consumption

BEAUTY CONSUMPTION PER CAPITA INDEX⁽¹⁾

100

North America
Western Europe
Japan

<35

Eastern Europe
Latin America

<20

Asia
Middle-East

<10

Africa

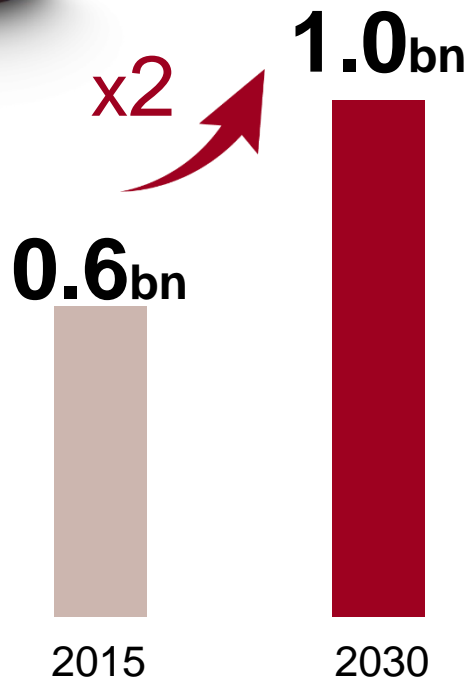
(1) L'Oréal 2017 BMS estimates - excluding soaps, toothpastes and razors. Net manufacturing prices (sell-in)



The market will continue to expand thanks to many growing opportunities



SENIORS



URBAN POPULATION

5bn⁽¹⁾
BY 2030

Pollution

Socialisation



MEN

Men's market

< 10%⁽²⁾
of the beauty market

(1) Source: euromonitor

(2) L'Oréal 2017 BMS estimates – excluding soaps, toothpastes and razors. Net manufacturing prices (sell-in) at constant exchange rates.

The background of the slide is a deep red, textured surface with several vertical cracks. On the left side, two red cylindrical objects, resembling markers or pens, are positioned vertically. The top one is shorter and has a slightly wider base, while the bottom one is taller and more uniform in shape. They are set against the cracked red background.

CONFIDENCE IN THE FUTURE

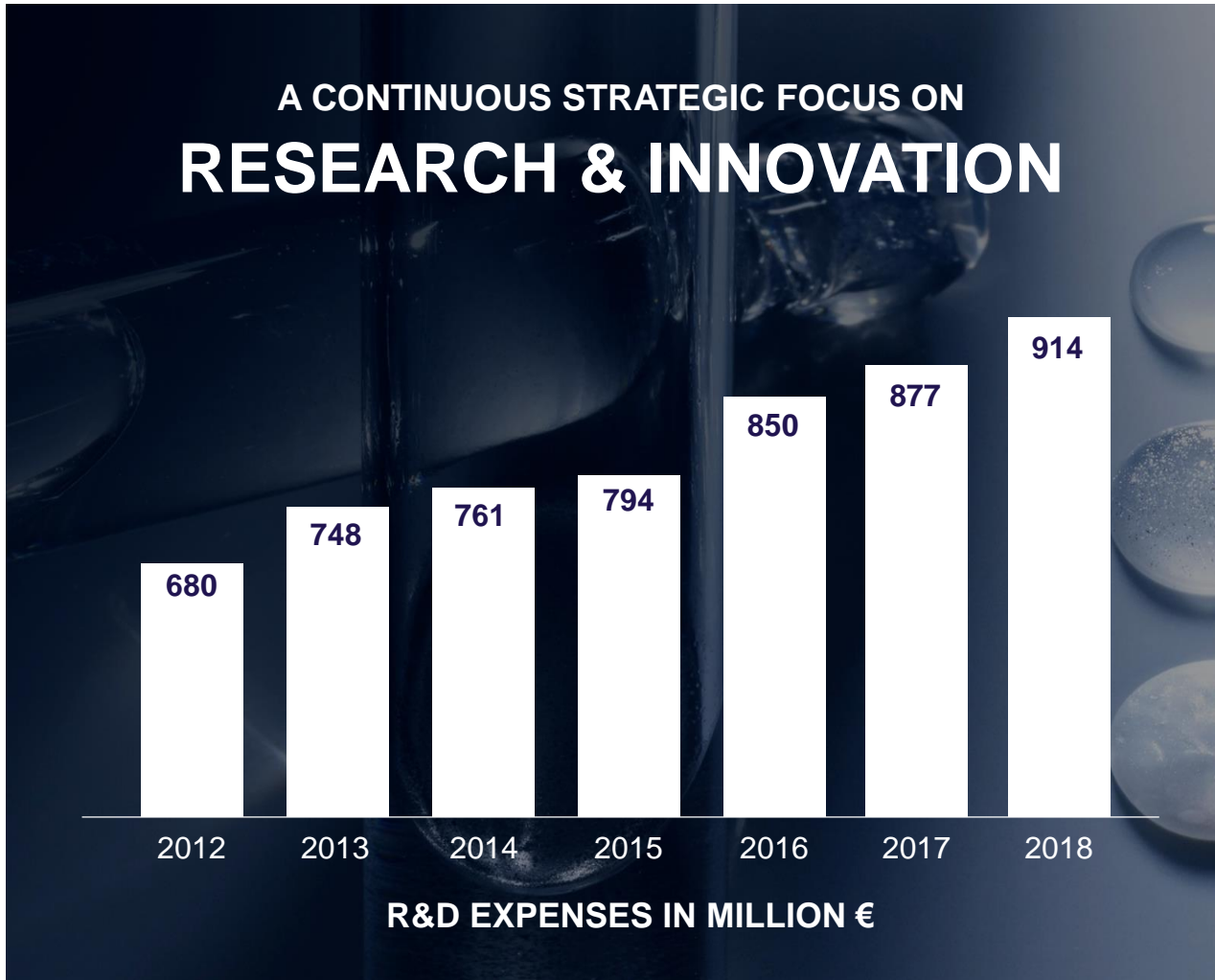
5

FOUNDING

PRINCIPLES



1 – Faith in the superior quality of our products





Cutting-Edge Innovations

INNOVATIONS



NATURAL TREND





2 – Topline growth

**POWERFUL,
BALANCED AND
VALUE-CREATING
BUSINESS MODEL**

Focus on
topline growth

+

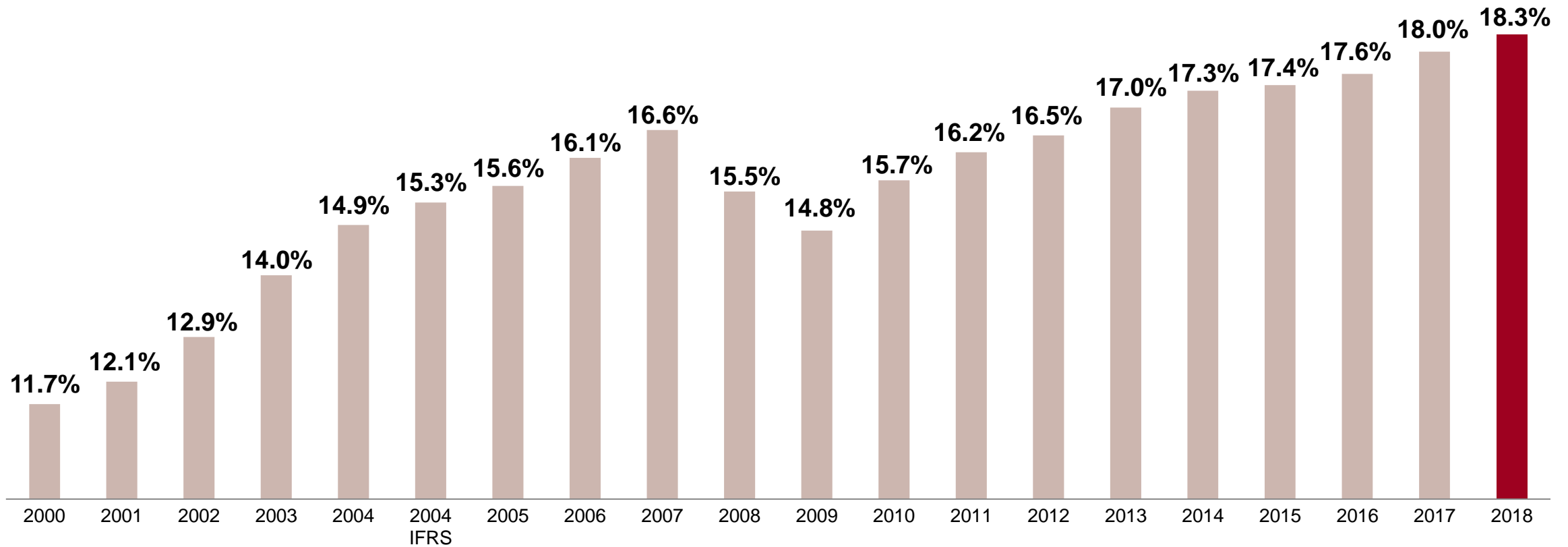
Operational
discipline





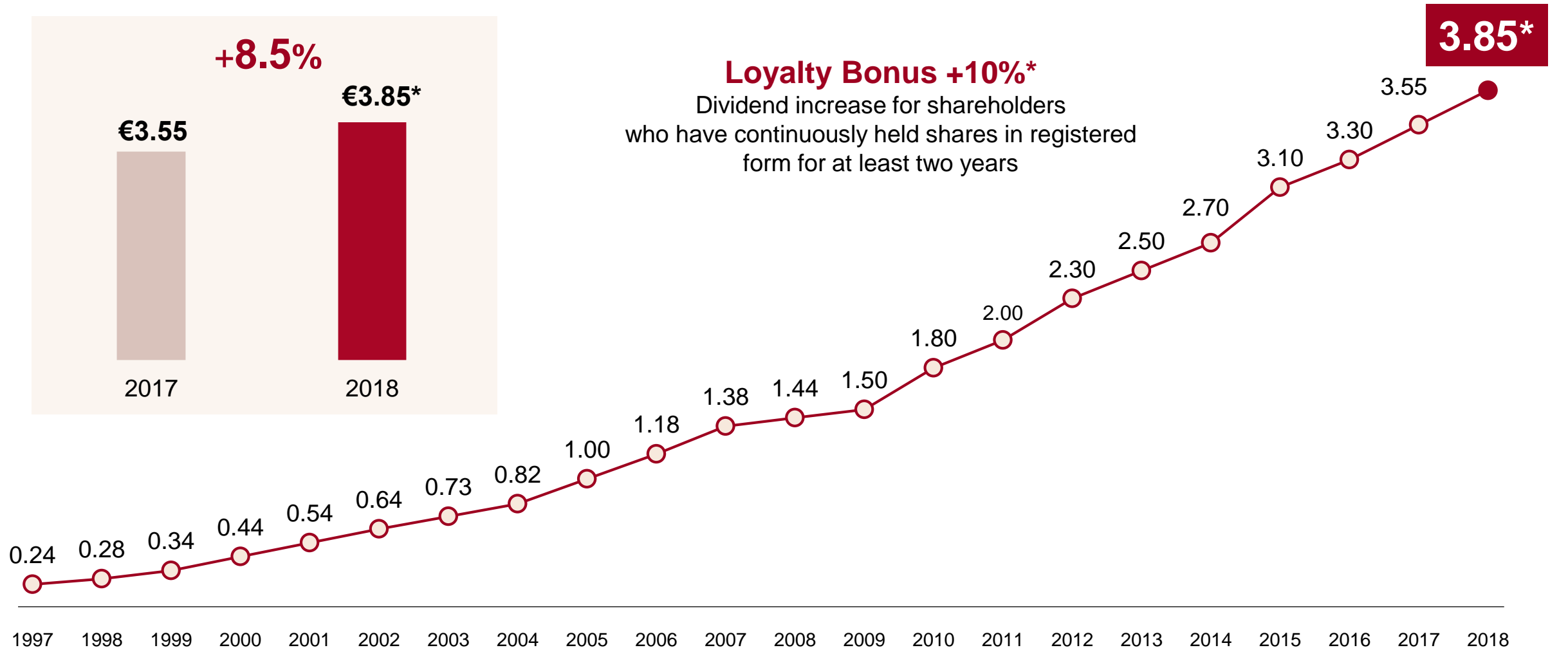
A robust, long term successful business model

Operating margin (as a % of sales)





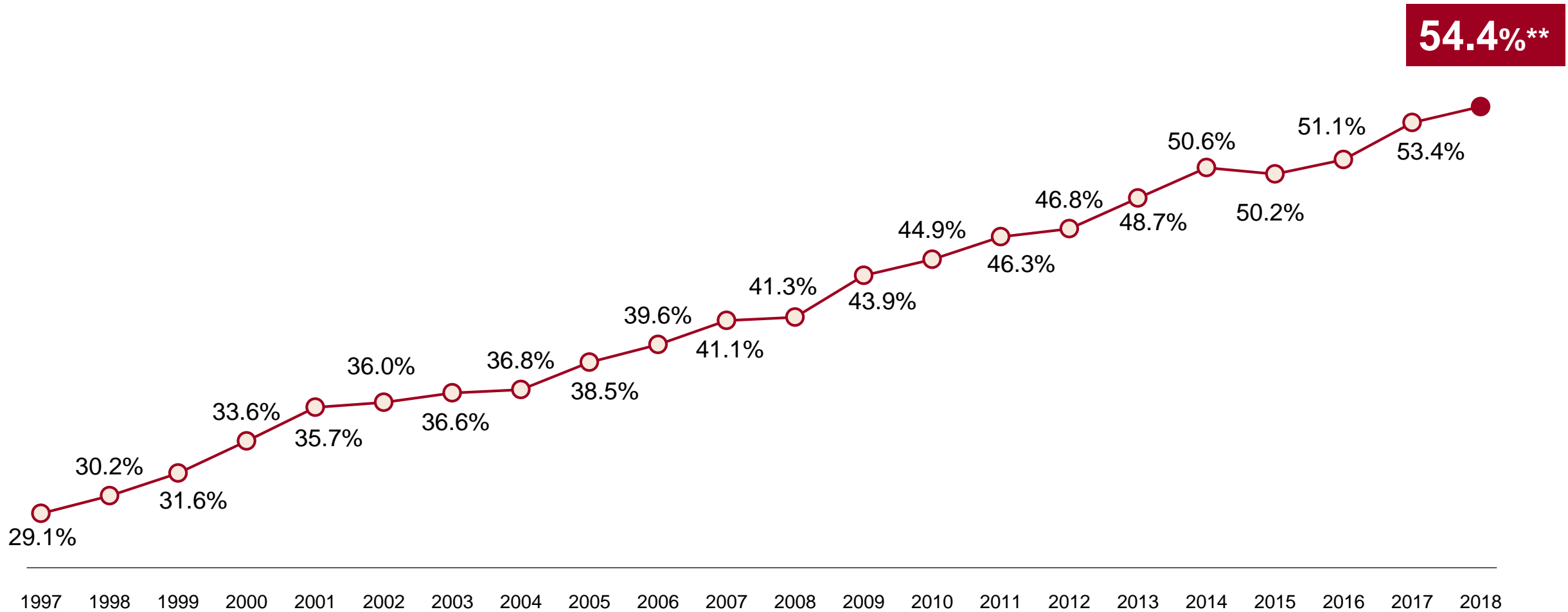
Dividend from 1997 to 2018 (in euros)



*Proposed at the shareholders' meeting to be held on 18 April 2019



Payout ratio from 1997 to 2018 (as a % of net profit*)



* Taking into account the Sanofi history with regards to the dividends

** Based on the dividend approved at the shareholders' meeting held on April 18th, 2019



3 – Victories are won on battlefield



EMPOWERED LOCAL TEAMS



STRATEGICALLY CONCENTRATED



AGILITY AND EXCELLENCE ON THE FIELD



RESOURCES DEPLOYMENT



OPERATIONALLY DECENTRALIZED



CONSUMER RELEVANCE



4 – Catch the growth wherever it emerges

7 DISTRIBUTION CHANNELS

HAIR SALONS



MASS RETAIL



DEPARTMENT STORES
PERFUMERIES



PHARMACIES
DRUGSTORES
MEDISPAS



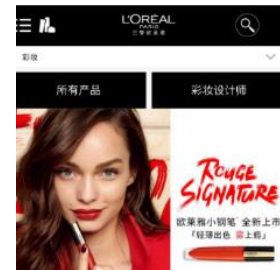
BRANDED RETAIL



TRAVEL RETAIL



E-COMMERCE



5 BEAUTY CATEGORIES



HAIRCARE



HAIR COLOR



SKINCARE



FRAGRANCES



MAKEUP

ALL PRICE SEGMENTS

ALL REGIONS

ALL PSYCHOGRAPHICS



A unique portfolio of complementary brands

Professional products 12.1%*



Consumer products 44.7%*



L'Oréal Luxe 34.8%*



Active cosmetics 8.4%*

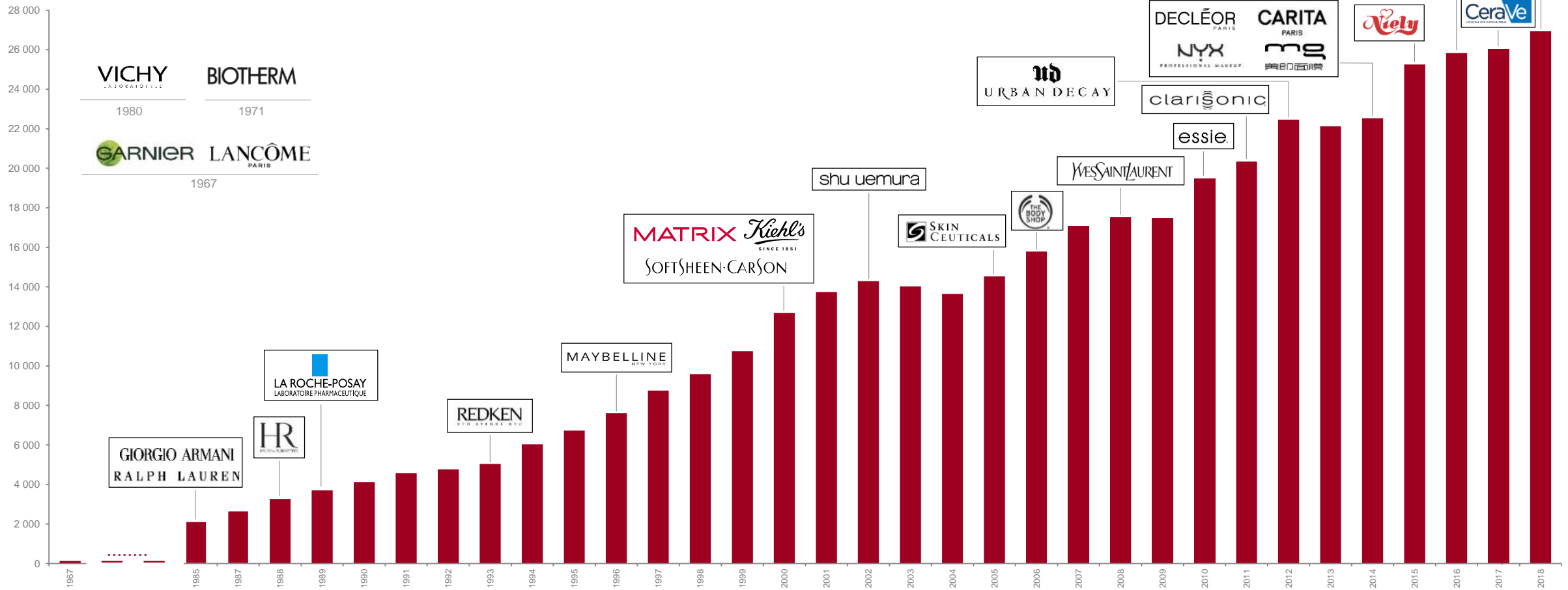


* as a % of 2018 consolidated sales



Acquisitions to foster our future organic growth

Consolidated sales (€m)



IFRS norms from 2004



2018 targeted acquisitions

Armani*



Iconic Italian brand recognized for its elegance and the perfection of its style

L'Oréal Luxe

Stylenanda



Korean lifestyle make-up company
Highly desirable brand among Korean & Chinese millennials

CPD

Pulp Riot



Professional haircolor brand
Unique creative artistry and stylist powered education

PPD

Valentino*



Long-term license agreement
Unique blend of prestige and modernity

L'Oréal Luxe

Logocos



German beauty company which pioneered natural cosmetics with vegan and bio certified brands (Logona)

CPD

*Long-term licenses



5 – Power to positively impact Our lead in sustainability & ethics

**ONLY COMPANY WITH
“AAA” FOR THE 3rd YEAR
RUNNING**



**#1 IN EUROPE
GENDER EQUALITY**



**#1 WORLDWIDE
2018 ETHICALQUOTE
REPUTATION INDEX***



10th YEAR





Q1-2019: Same powerful growth drivers as in 2018



**Luxury
&
Active Cosmetics**

Asia

Skincare

**E-commerce
&
Travel Retail**




7.7% like-for-like sales growth in Q1

Same powerful growth drivers

Confidence in our ability to outperform
the beauty market

and

Achieve another year of growth
in both sales and profits



Q&A

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