



L'ORÉAL

2018 ANNUAL RESULTS

Jean-Paul AGON
Chairman & Chief Executive Officer

8 FEBRUARY 2019

L'ORÉAL

— | —

A BUOYANT market



THE BEST GROWTH in 20 years

≈ +5.5%*

NORTH AMERICA

≈ +**5%**

WESTERN EUROPE

≈ **0%**

NEW MARKETS

≈ +**8%**

ASIA PACIFIC

≈ +**10%**

LATIN AMERICA

≈ +**3%**

EASTERN EUROPE

≈ +**5%**

AFRICA, MIDDLE EAST

≈ **0%**

LUXURY

≈ +**11**%

MASS MARKET

≈ +**4**%

DERMO-
COSMETICS

≈ +**6**%

PROFESSIONAL

≈ +**2**%

E-COMMERCE

≈ +**25**%

TRAVEL RETAIL

≈ +**22**%

SKINCARE

≈ +**9%**

MAKEUP

≈ +**5%**

HAIRCARE

≈ +**2%**

FRAGRANCES

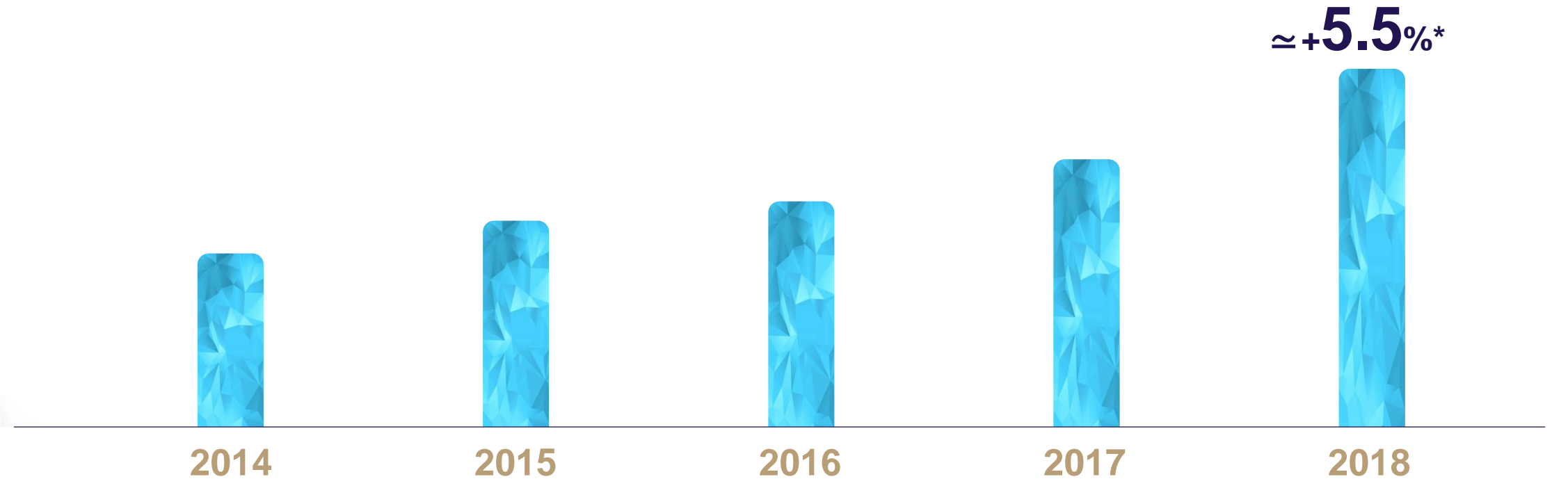
≈ +**5%**

OTHER

≈ +**3%**

THE MARKET HAS ACCELERATED

THANKS TO STRONG UNDERLYING TRENDS



1

Acceleration thanks to an

INSATIABLE DESIRE for beauty



L'OREAL



Pleasure *Well-being*

HAPPINESS

Self-esteem *Confidence*

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2

Acceleration thanks to

PREMIUMIZATION

CONSUMERS ARE READY
TO TRADE UP

EXCITING NEW BENEFITS
BETTER PERFORMANCE
SUPERIOR QUALITY



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3

Acceleration thanks to

DIGITALIZATION



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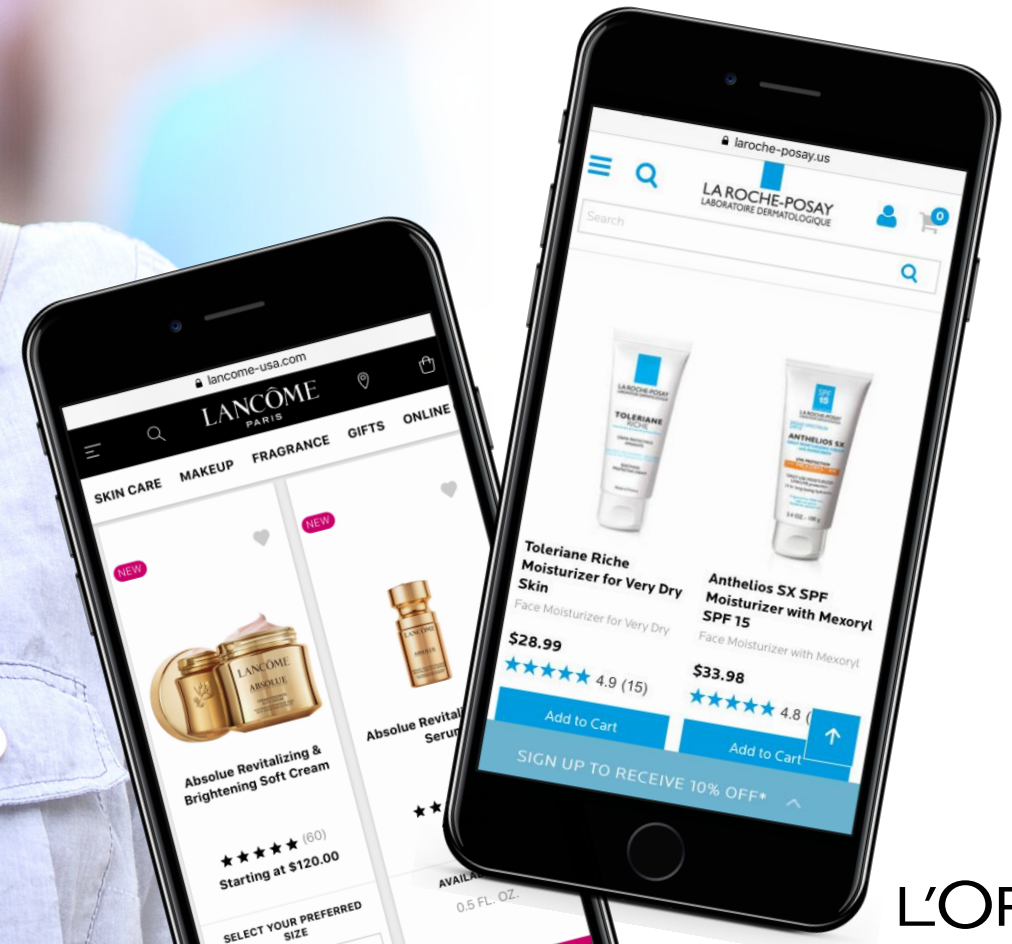
BEAUTY

**ONE OF THE MOST
ENGAGING
CATEGORIES ONLINE**

**EXPLOSION OF
SHARING AND
SELF-EXPRESSION
ON SOCIAL MEDIA**

L'ORÉAL

IT HAS NEVER BEEN EASIER TO
DISCOVER BEAUTY
SHARE IT & SHOP IT

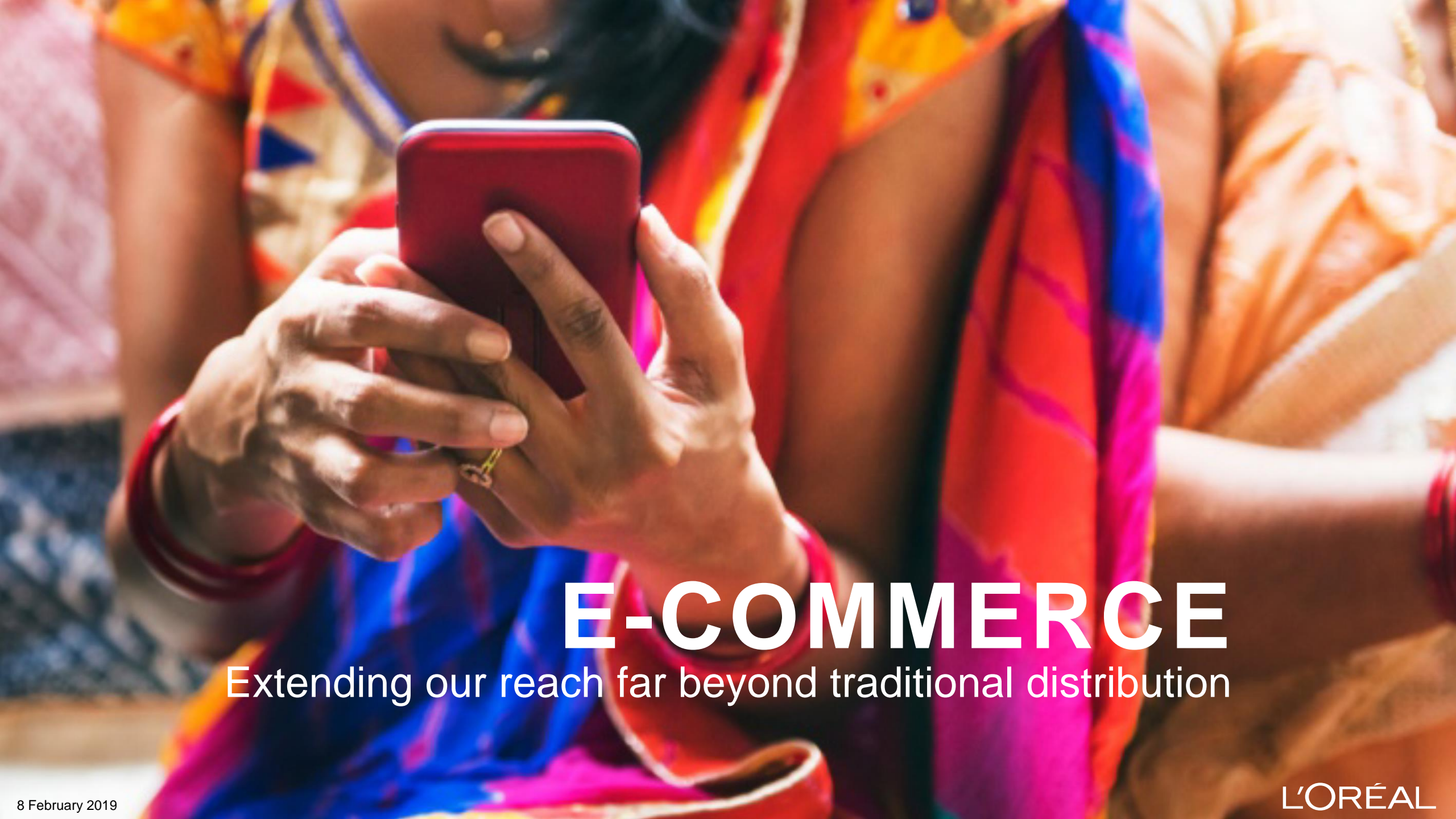


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4

Increased
PENETRATION
of beauty



E-COMMERCE

Extending our reach far beyond traditional distribution

L'ORÉAL

The market has many
WHITE SPACES

BEAUTY CONSUMPTION PER CAPITA INDEX*

100

NORTH AMERICA
WESTERN EUROPE
JAPAN

< 35

EASTERN EUROPE
LATIN AMERICA

< 20

ASIA
MIDDLE-EAST

< 10

AFRICA



NEW CONSUMER *targets*





We are confident that
**THE MARKET WILL
CONTINUE TO GROW**
at a good pace in 2019



A VERY
STRONG
YEAR



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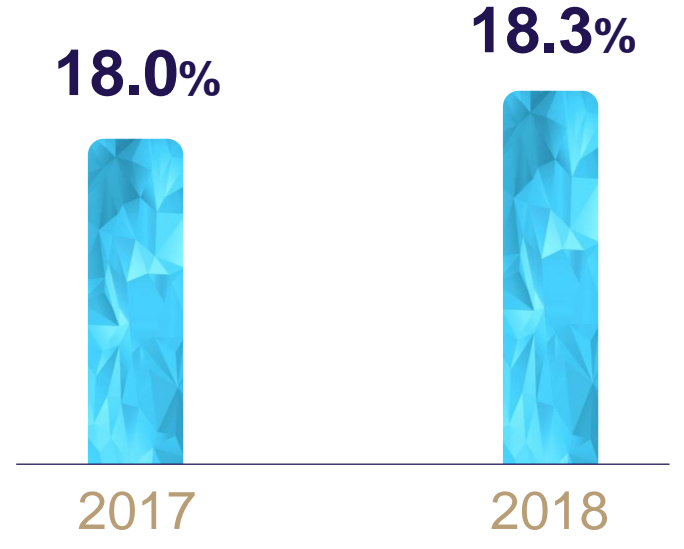
THE BEST YEAR in a decade



+7.1%*

RECORD OPERATING MARGIN

18.3%
OPERATING MARGIN





SIGNIFICANTLY OUTPERFORMED THE MARKET

**IN THE MOST PROMISING AND STRATEGIC
AREAS FOR THE FUTURE**

GIORGIO ARMANI



LUXURY

L'ORÉAL LUXE

+14%*

MARKET

+11%**

*2018 Like-for-like sales growth.

**Excluding razors, soaps and toothpastes. 2018 provisional estimates - Source: L'Oréal estimates. At constant exchange rates.

L'ORÉAL



DERMO-COSMETICS

ACTIVE COSMETICS

+12%*

MARKET

+6%**

*2018 Like-for-like sales growth.

**Excluding razors, soaps and toothpastes. 2018 provisional estimates - Source: L'Oréal estimates. At constant exchange rates.

L'ORÉAL



Strongly
REINFORCED
in Asia Pacific

L'ORÉAL

ASIA PACIFIC

+24%*

CHINA

+33%*

INDIA

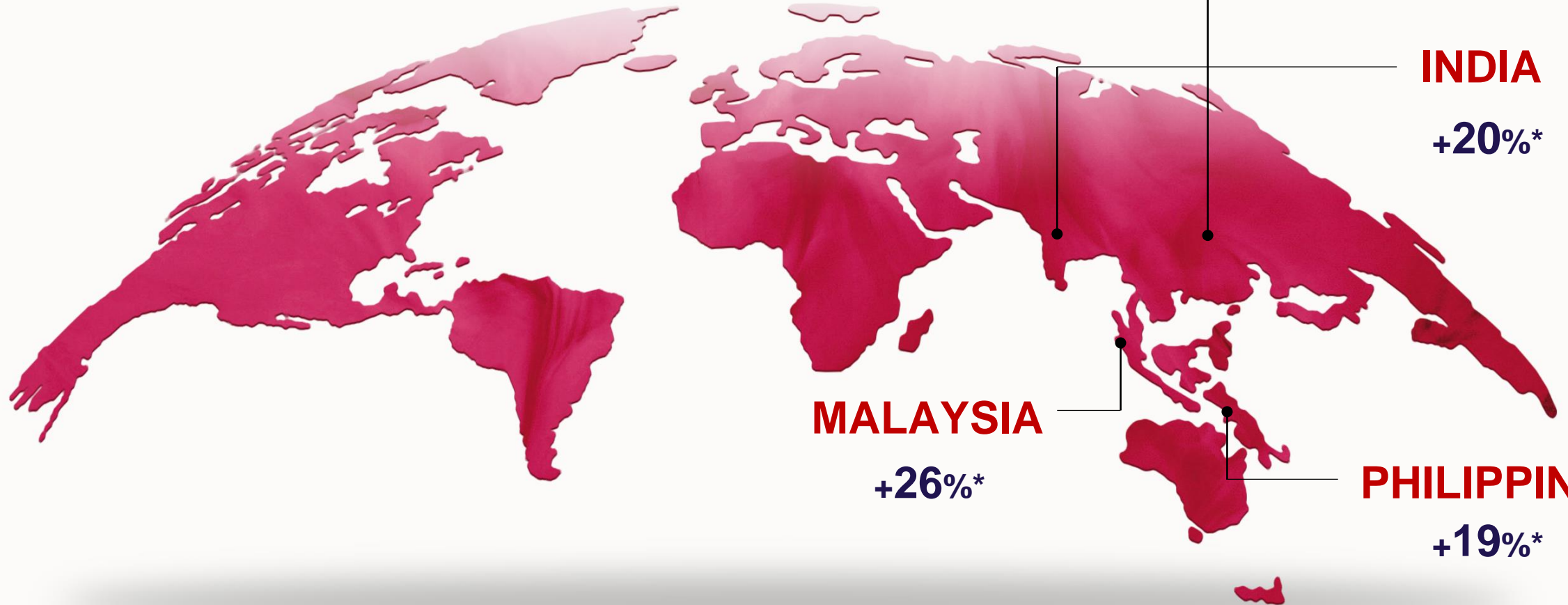
+20%*

MALAYSIA

+26%*

PHILIPPINES

+19%*





LEADER

in Asia Pacific

#2 ZONE

8.7%*

MARKET SHARE

L'ORÉAL

OUTPERFORMED

in skincare



L'ORÉAL

Strengthened

LEADERSHIP

in 2 thriving channels

L'ORÉAL

E-COMMERCE

+41%*
SALES GROWTH

11%*
OF SALES

**EQUIVALENT TO OUR
#2 COUNTRY**

*2018 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).

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TRAVEL RETAIL

> 2 Bn €
SALES

+27%*
SALES GROWTH

LANCÔME
PARIS



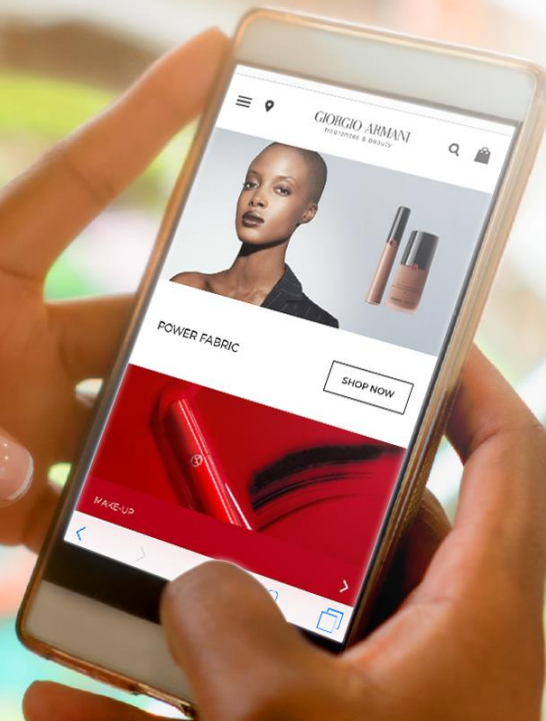
LANCÔME HYDRA-NEIGE



LANCÔME
HYDRA-NEIGE
眼霜

Strengthened

LEADERSHIP in digital



DIGITAL IS BOOSTING OUR BRAND POWER

STRONG BRANDS GET
EVEN STRONGER



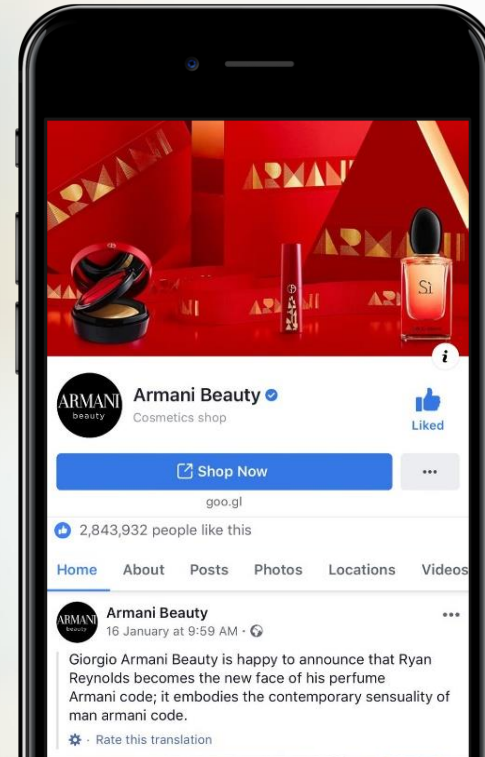
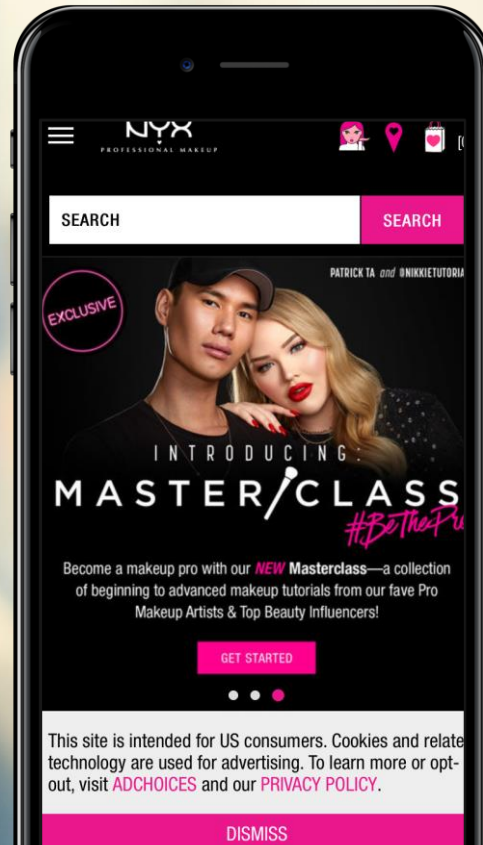
LANCÔME
PARIS

L'ORÉAL
PARIS

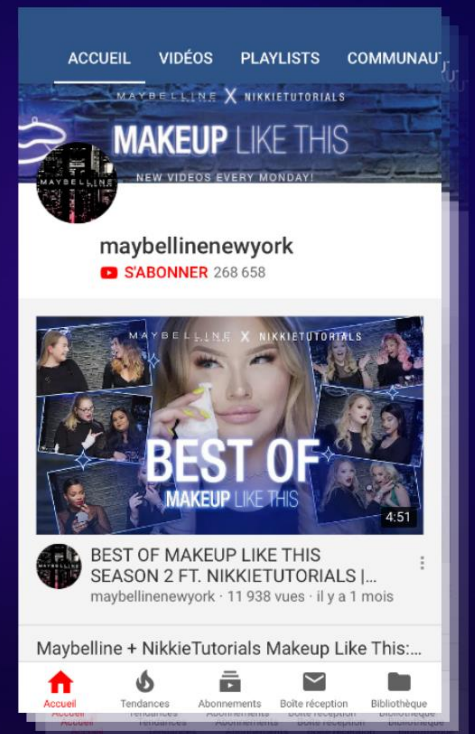
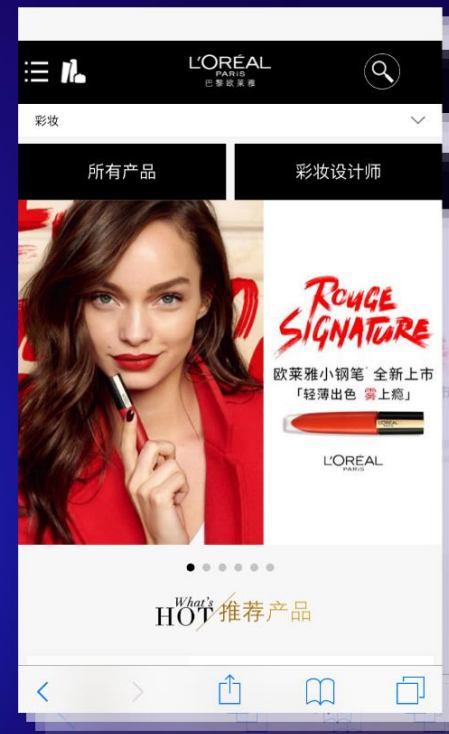
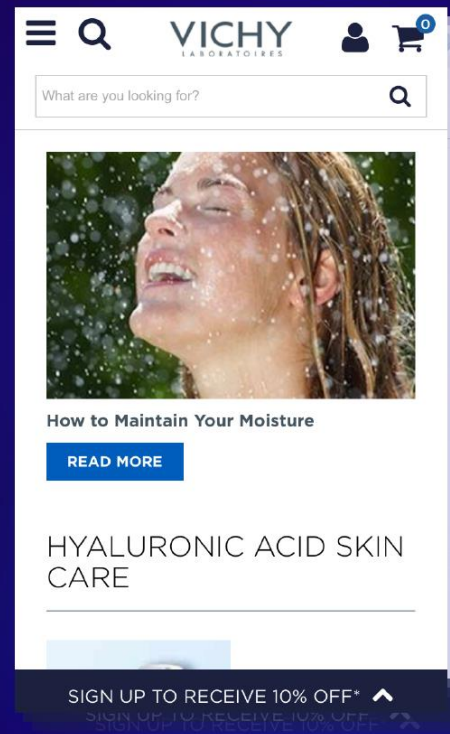
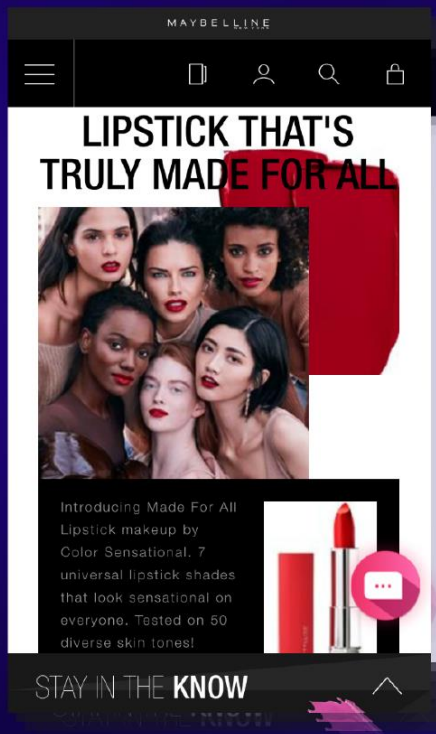
RANKED IN THE TOP 3 ON TMALL DURING 11.11



Strengthened
OUR POWER TO CONNECT
with consumers



1.2 Bn VISITORS ON OUR WEBSITES





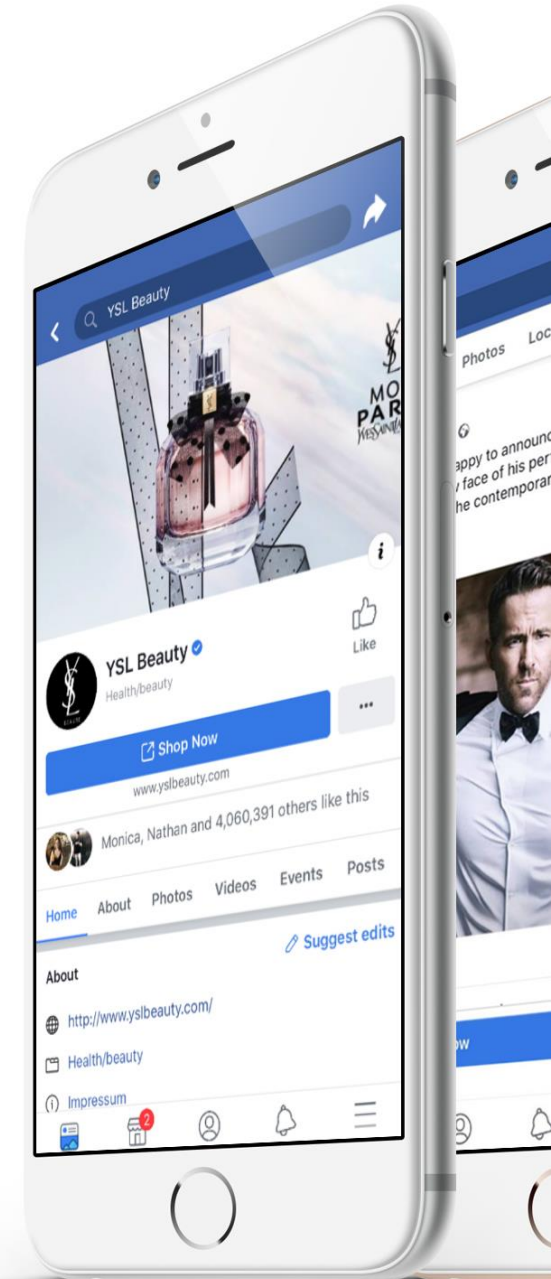
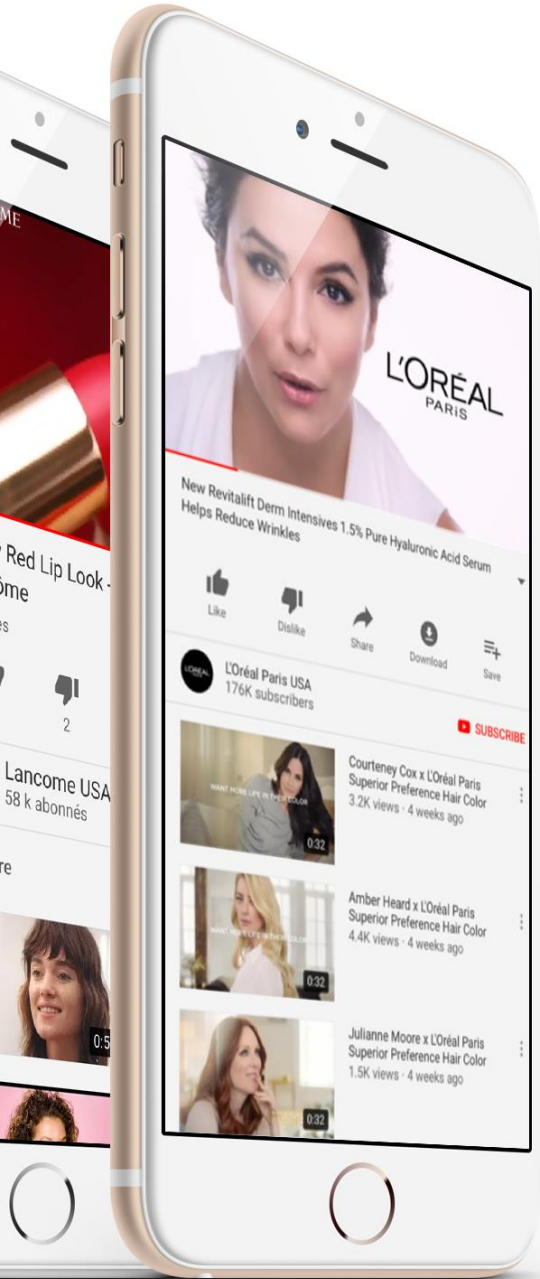
1/3 OF THE GLOBAL
BEAUTY VIEWS

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1/4

**OF THE BEAUTY
ENGAGEMENT**



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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®

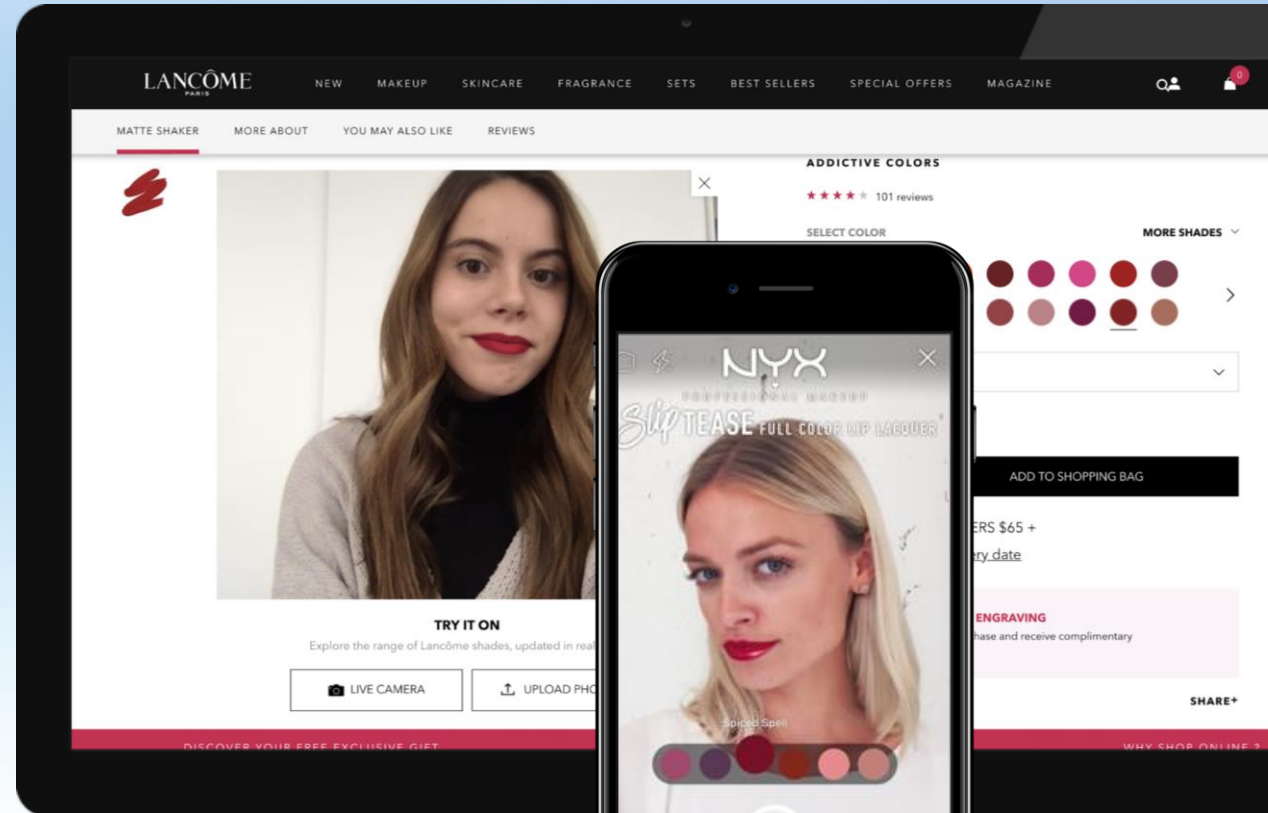
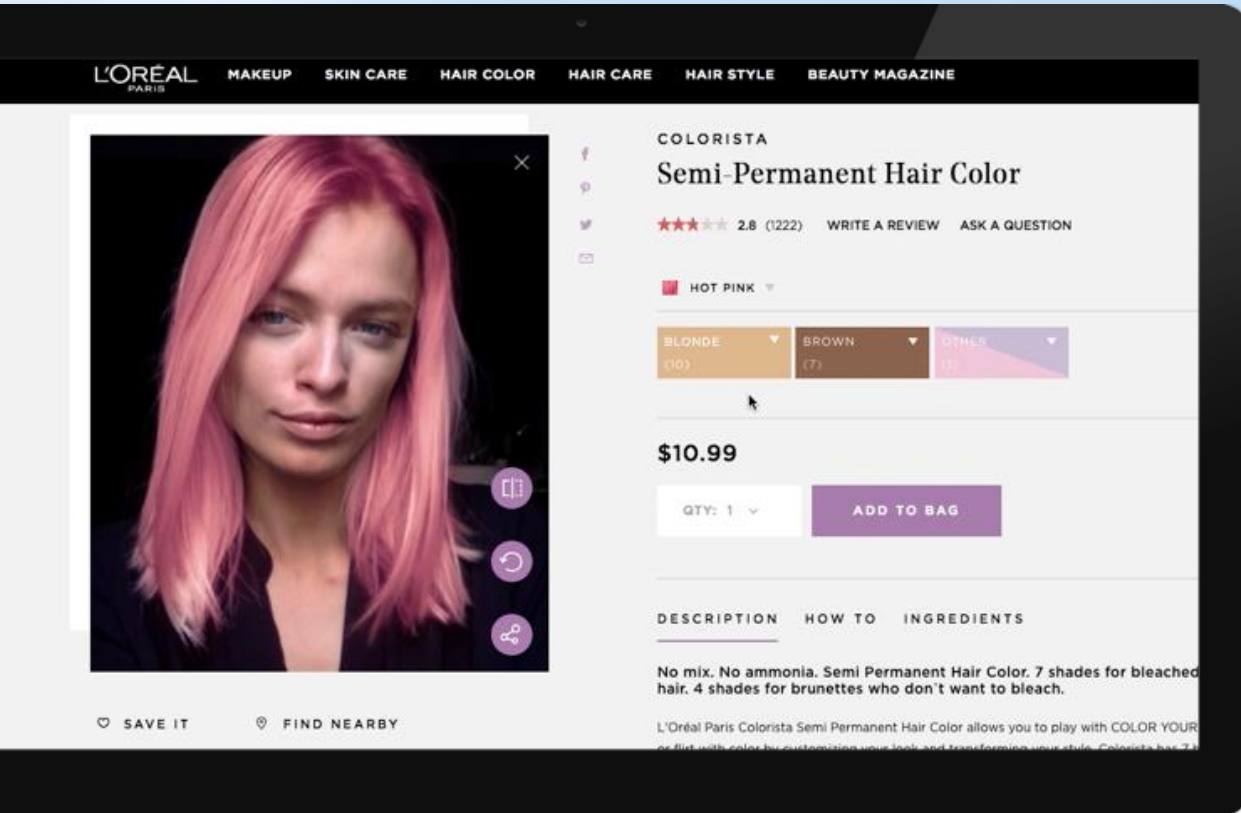
L'ORÉAL
PARIS

LANCÔME
PARIS

Kiehl's
SINCE 1851

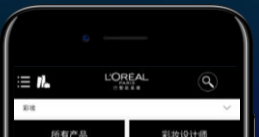
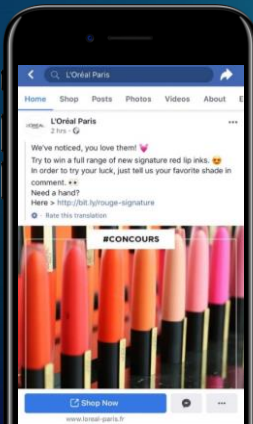
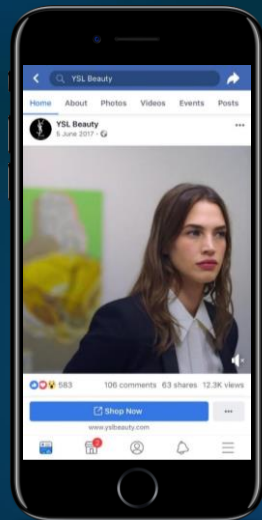
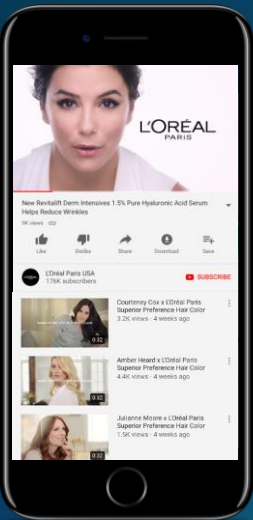
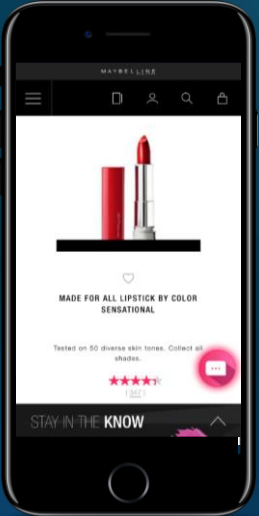
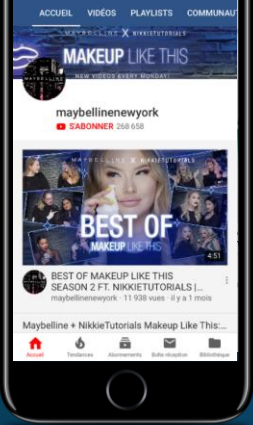
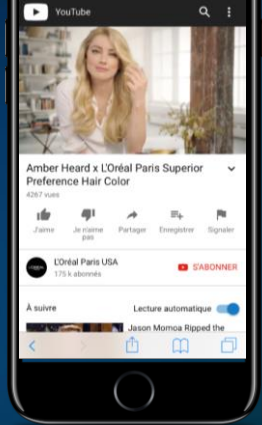
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ENRICHING SERVICES FOR OUR CONSUMERS



MODIFACE

L'ORÉAL



43%
 OF MEDIA SPEND
 ON DIGITAL
 OF WHICH
 3/4
 ON PRECISION
 ADVERTISING

DIGITAL COCKPIT



ENHANCING ROI

L'ORÉAL

2,000

DIGITAL EXPERTS

22,000

EMPLOYEES UPSKILLED

**DIGITAL IS TOTALLY
EMBEDDED IN OUR TEAMS**



#WEARELOREAL

L'ORÉAL

DIGITAL

A POWERFUL
ACCELERATOR
FOR GROWTH



BEAUTY IS BECOMING MORE AND MORE

TECH

L'ORÉAL



L'ORÉAL

LEADER

OF THE NEW

BEAUTY TECH

WORLD

L'ORÉAL



L'ORÉAL is
STRONGER
than ever



L'ORÉAL

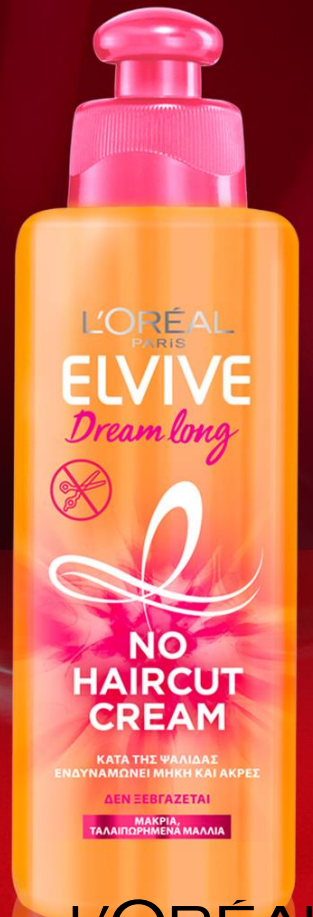
Two red cylindrical objects, possibly markers or pens, are positioned vertically on a red, cracked surface. The surface has several prominent cracks, one running vertically through the center and another curving around the base of the objects. The lighting creates shadows, giving the objects a three-dimensional appearance.

5

**FOUNDING
PRINCIPLES**

1

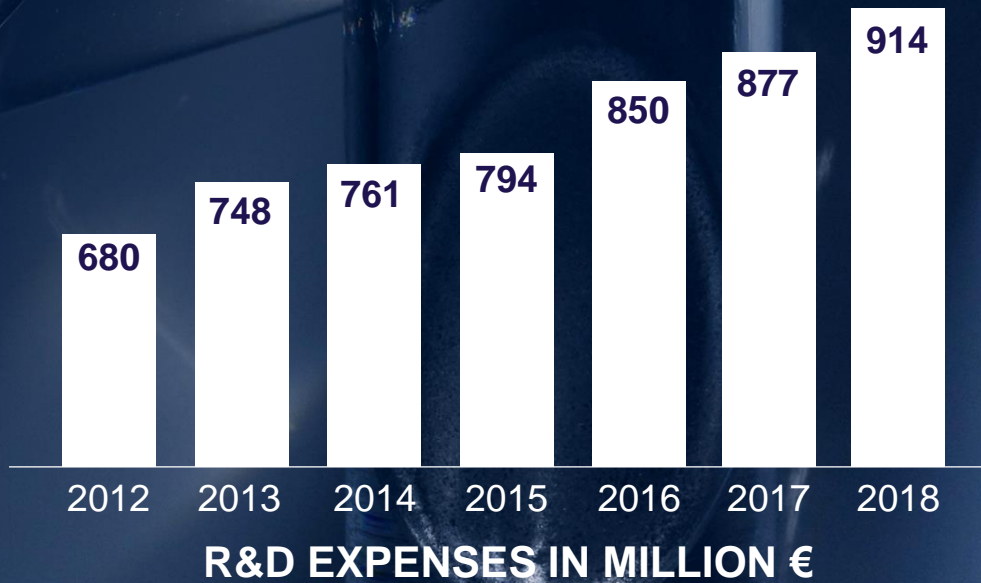
Absolute faith in the
SUPERIOR QUALITY
of our products



L'ORÉAL

A CONTINUOUS STRATEGIC FOCUS ON

RESEARCH & INNOVATION





A PERMANENT OBSESSION WITH
INNOVATION
& SUPERIOR QUALITY

L'ORÉAL

2

TOPLINE GROWTH

THE BEST ROUTE TO VALUE CREATION

1 FOCUS ON TOPLINE GROWTH

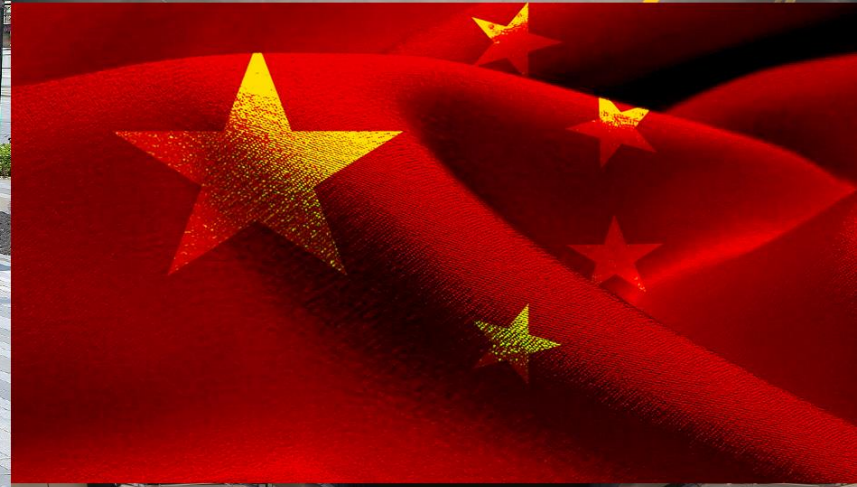


2 OPERATIONAL DISCIPLINE

3

VICTORIES ARE WON on the battlefield





8 February 2019



EMPOWERED LOCAL TEAMS

**CONSUMER
RELEVANCE**

**RESOURCES
DEPLOYMENT**



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Strategically
CONCENTRATED

Operationally
DECENTRALIZED



AGILITY & EXCELLENCE ON THE FIELD



8 February 2019

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4

CATCH THE GROWTH
wherever it emerges

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CATCH THE GROWTH WHEREVER IT EMERGES

MAXIMIZING ALL OPPORTUNITIES
TO SEIZE GROWTH WHEREVER IT IS

WHILE

MINIMIZING EXPOSURE IN AREAS
WHICH ARE SLOWING DOWN

7 DISTRIBUTION CHANNELS

HAIR SALONS



MASS RETAIL



DEPARTMENT STORES
PERFUMERIES



PHARMACIES DRUGSTORES
MEDISPAS



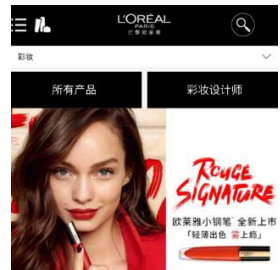
BRANDED RETAIL



TRAVEL RETAIL



E-COMMERCE



5 BEAUTY CATEGORIES



HAIRCARE



HAIR COLOR



SKINCARE



FRAGRANCES



MAKEUP

ALL PRICE
SEGMENTS

ALL
REGIONS

ALL
PSYCHOGRAPHICS

5

Our lead in
**SUSTAINABILITY
& ETHICS**

L'ORÉAL



As a Climate A List company we're leading the corporate response to climate change

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



As a Water Security A List company we're leading the corporate response against water degradation



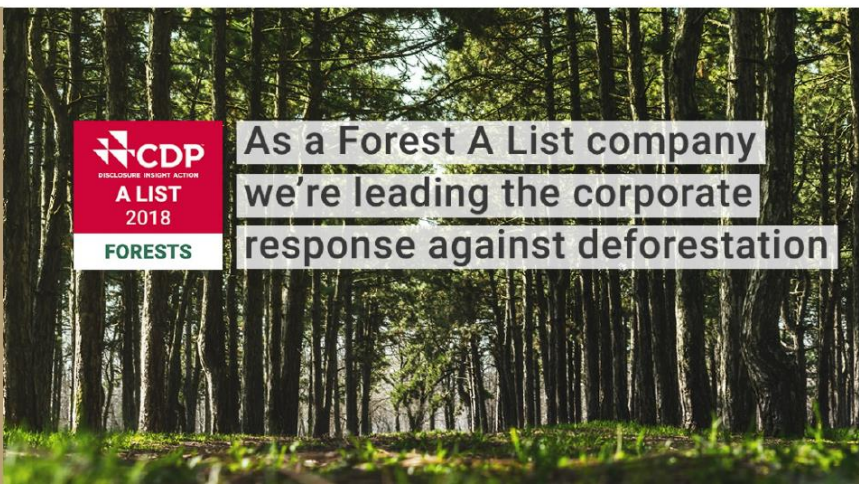
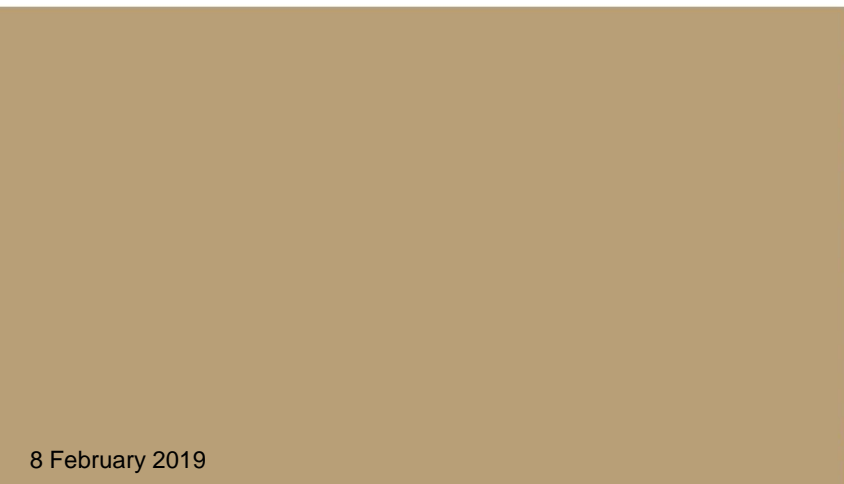
CLIMATE
CHANGE



FORESTS



WATER
SECURITY



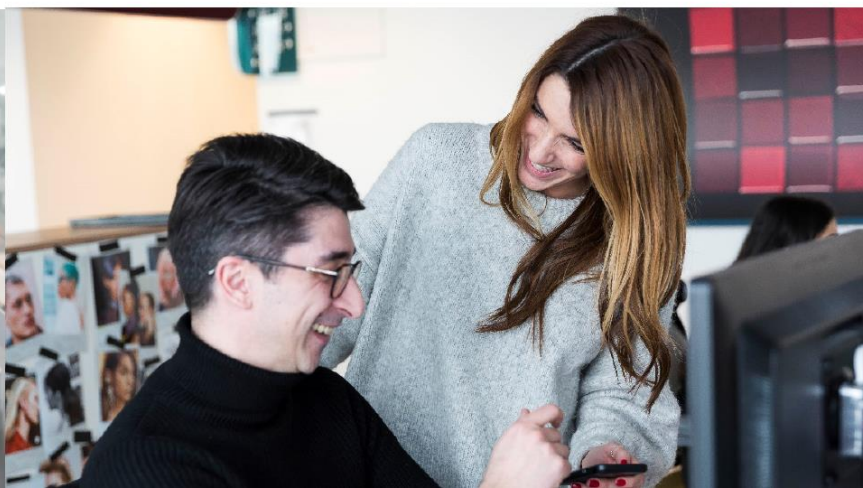
As a Forest A List company we're leading the corporate response against deforestation



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#1 IN EUROPE GENDER EQUALITY





#1 WORLDWIDE 2018 ETHICALQUOTE REPUTATION INDEX*





**A VERY DIFFERENT
AND UNIQUE COMPANY**

**PERFECTLY ADAPTED
AND IN TUNE WITH THE
EVOLUTION OF THE WORLD**

L'ORÉAL

**OFFERING TO ALL WOMEN
AND MEN ON THE PLANET
THE BEST OF BEAUTY IN
TERMS OF QUALITY,
EFFICACY, SAFETY AND
RESPONSIBILITY**






More *optimistic*

CONFIDENT

DETERMINED *than ever*

L'ORÉAL



**CONFIDENCE IN OUR
ABILITY TO OUTPERFORM
THE BEAUTY MARKET
AND
ACHIEVE ANOTHER YEAR
OF GROWTH IN BOTH
SALES AND PROFITS**

L'ORÉAL



THANK YOU MERCI

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