



# KEPLER CHEUVREUX

September 18<sup>th</sup>, 2015

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Mr. Christian Mulliez

Chief Financial Officer

# L'ORÉAL



Solid performance

Continued transformation

Confidence and ambition



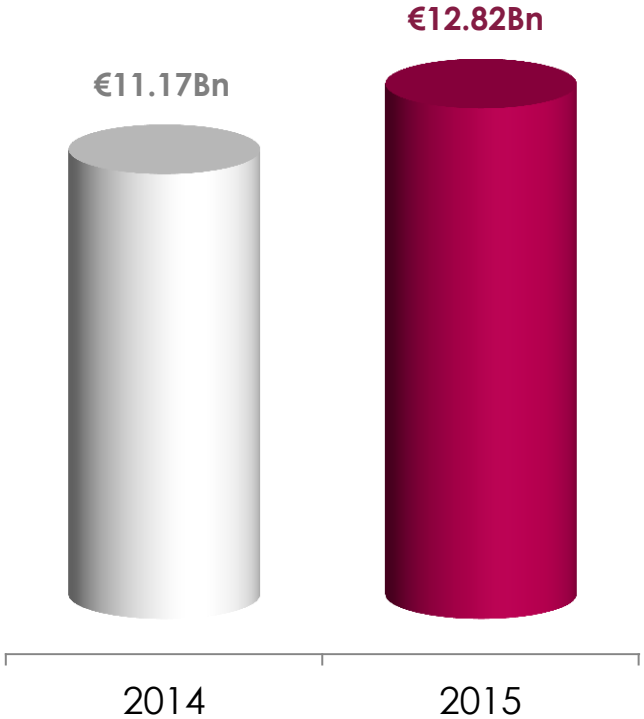
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## Consolidated sales at the end of June

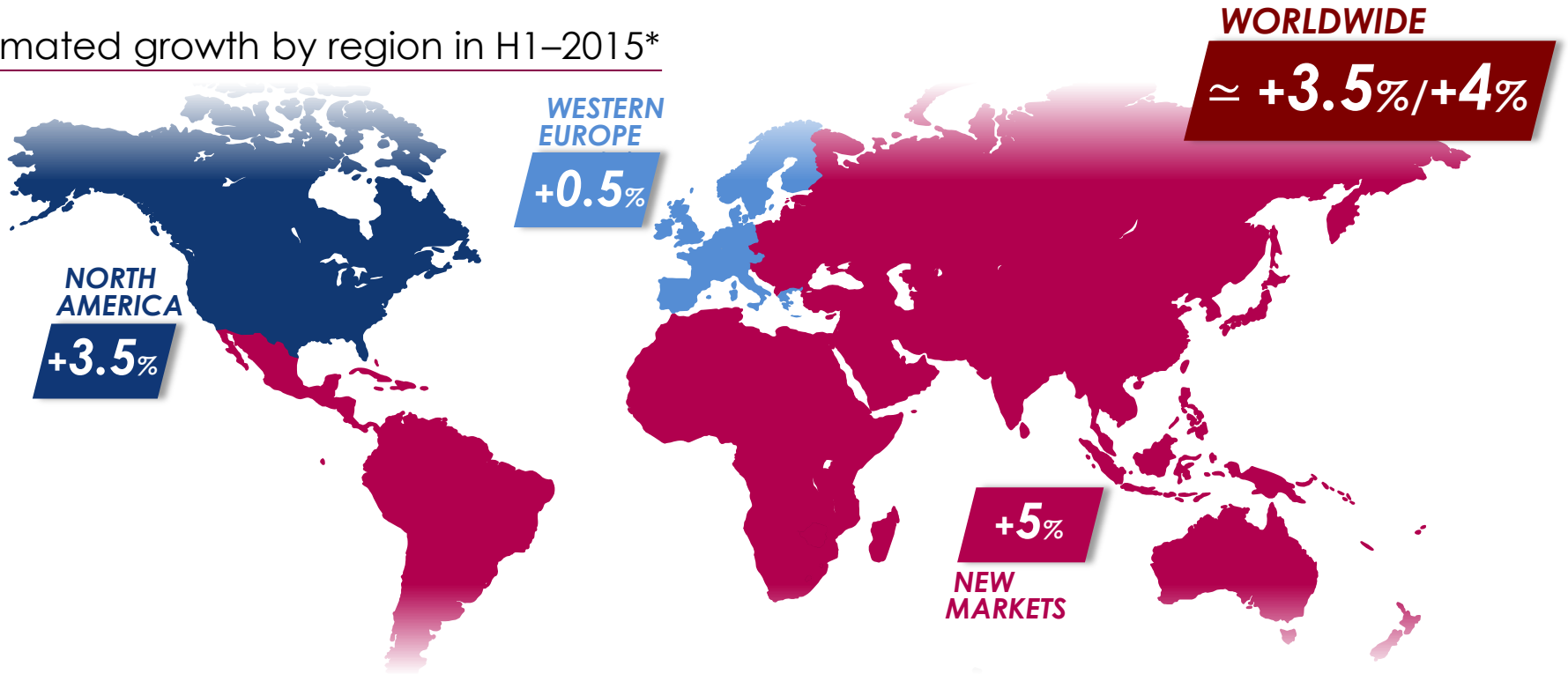


<b>Growth at constant exchange rates</b>	<b>+5.0%</b>
<i>of which:</i>	
- like-for-like growth	+3.8%
- external growth impact	+1.2%
<b>Exchange rate impact</b>	<b>+9.7%</b>
<b>Reported growth</b>	<b>+14.7%</b>



# A dynamic beauty market worldwide...

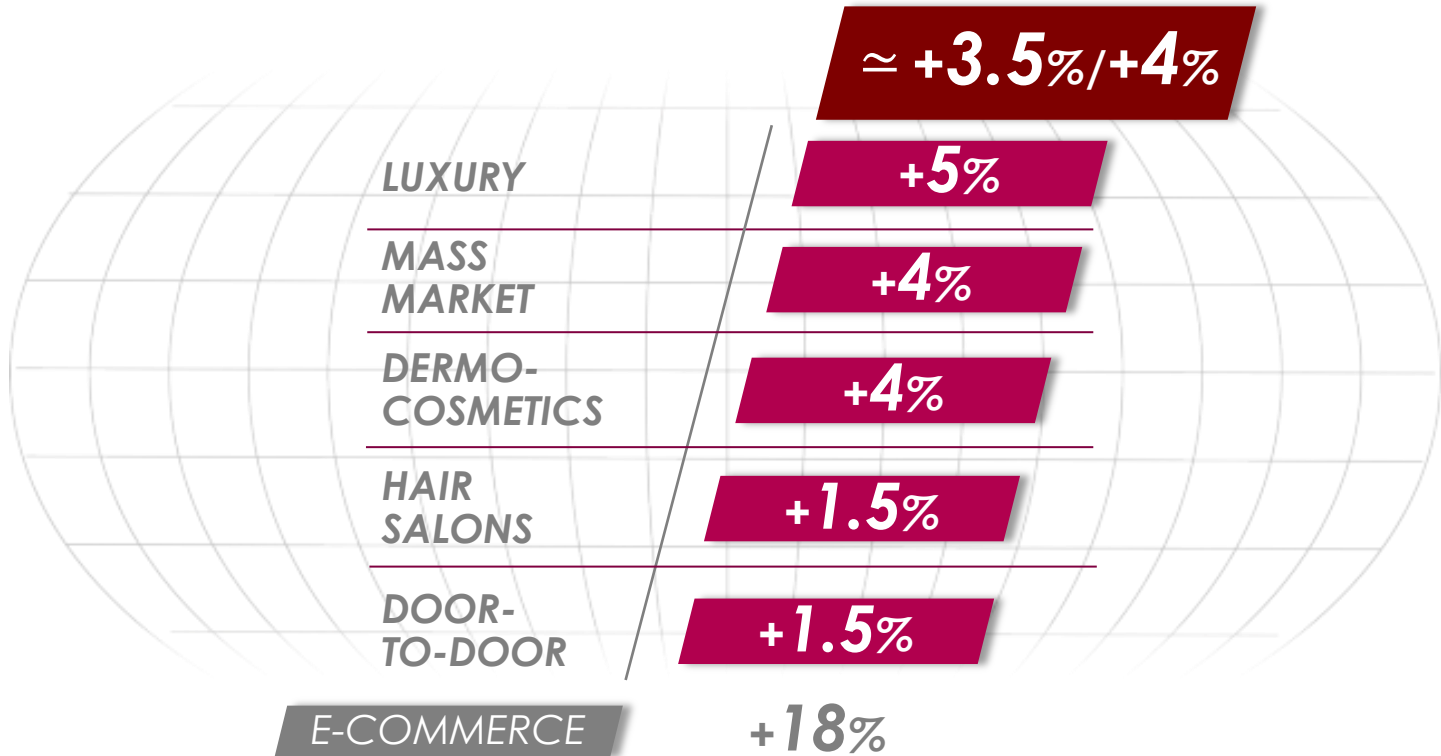
Estimated growth by region in H1-2015\*



\*Excluding razors, soaps and toothpastes. First-Half 2015 provisional estimates  
Source: L'Oréal estimates. Excluding exchange rate impact



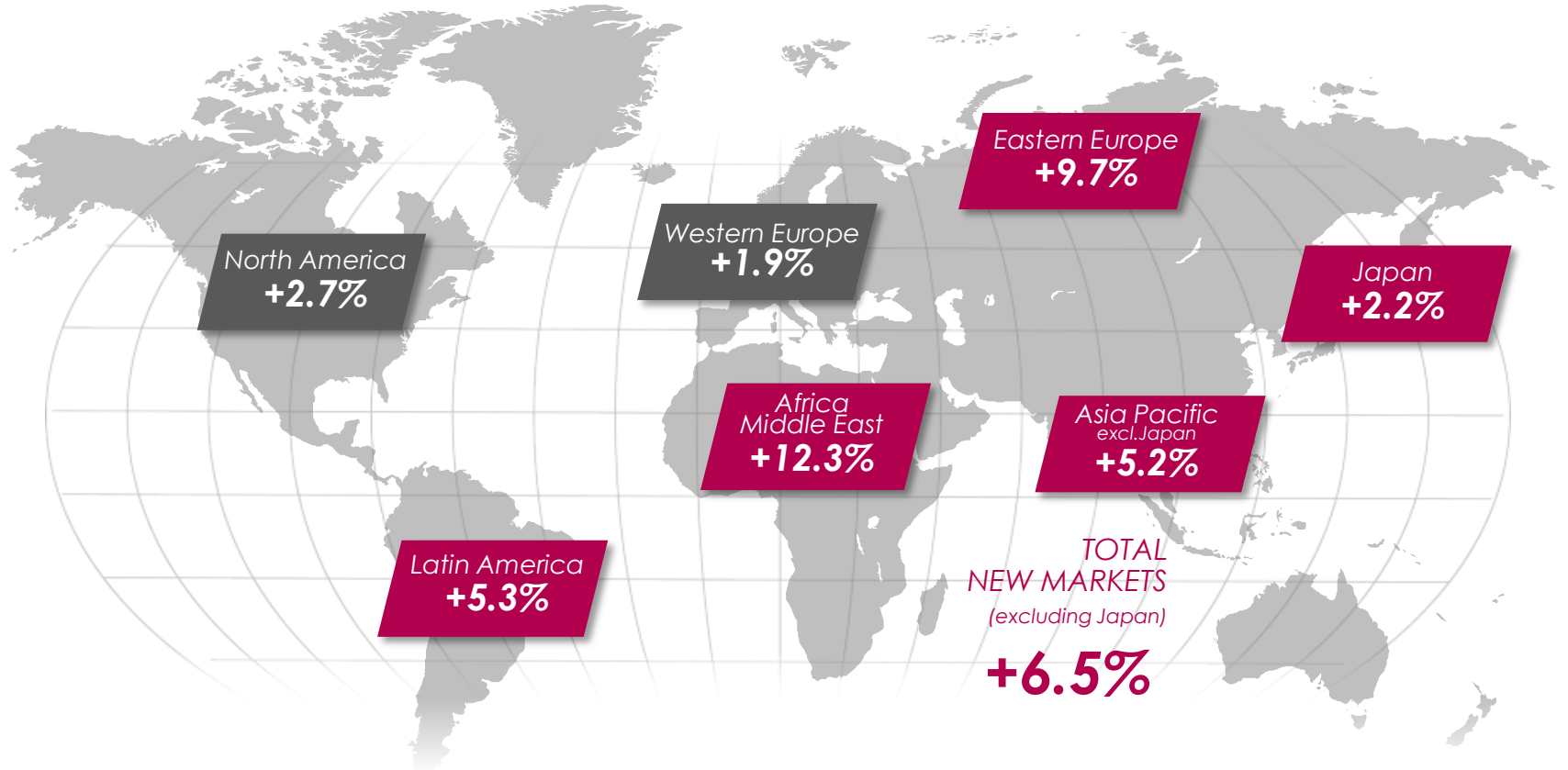
Estimated growth by distribution channel in H1-2015\*



\*Excluding razors, soaps and toothpastes. First-Half 2015 provisional estimates  
Source: L'Oréal estimates. Excluding exchange rate impact



# First half 2015 cosmetics sales growth\*



\*Like-for-like



# Market share gains in 3 divisions out of 4

## H1-2015 cosmetics sales growth\*

PROFESSIONAL  
PRODUCTS



**+3.5%**

CONSUMER  
PRODUCTS



**+1.9%**

L'ORÉAL  
LUXE



**+6.7%**

ACTIVE  
COSMETICS



**+7.1%**

COSMETIC DIVISIONS TOTAL

**+3.8%**

\*Like-for-like





# Very solid financial results

## +14.5%

OPERATING PROFIT

(in million euros)



H1-2014



H1-2015

## +18.9%

EPS\*

(in euros)



H1-2014



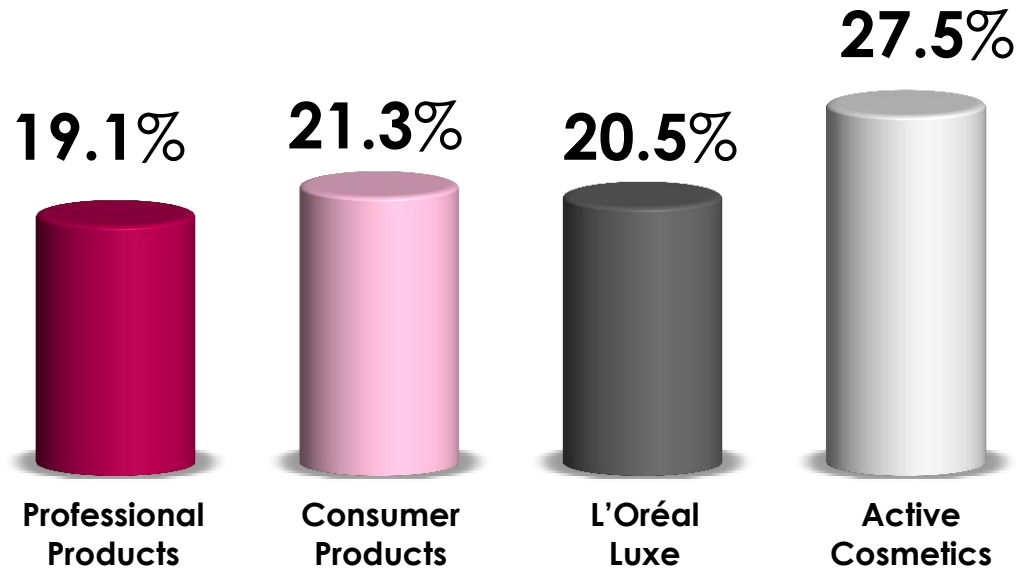
H1-2015

\* Diluted earnings per share based on net profit of continuing operations excluding non-recurring items, after non controlling interests



# Robust profitability across divisions

H1-2015 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 .



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# A unique portfolio of complementary brands

## Professional Products 13.5%\*



## Consumer Products 47.8%\*



## L'Oréal Luxe 27.5%\*



## Active Cosmetics 7.4%\*



## The Body Shop 3.9%\*



\* As a % of 2014 consolidated sales (excluding Galderma, Inneov consolidated under the equity method)



# Acquisitions to complement our brand portfolio and strengthen our geographic presence

## DECLÉOR & CARITA

PPD



**ENTERING THE PROFESSIONAL SKINCARE MARKET**

## NYX

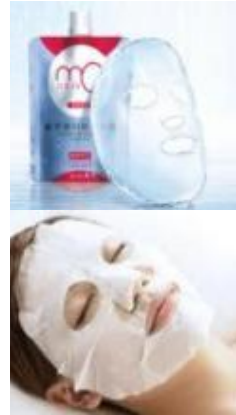
CPD USA



**ACCESSIBLE PROFESSIONAL MAKE-UP ARTISTRY**

## MAGIC HOLDINGS

CPD CHINA



**SKINCARE MASKS IN CHINA**

## NIELY

CPD BRAZIL



**COMPLEMENTARY MASS HAIR COLOR BRAND IN BRAZIL**

## CAROL'S DAUGHTER

CPD USA

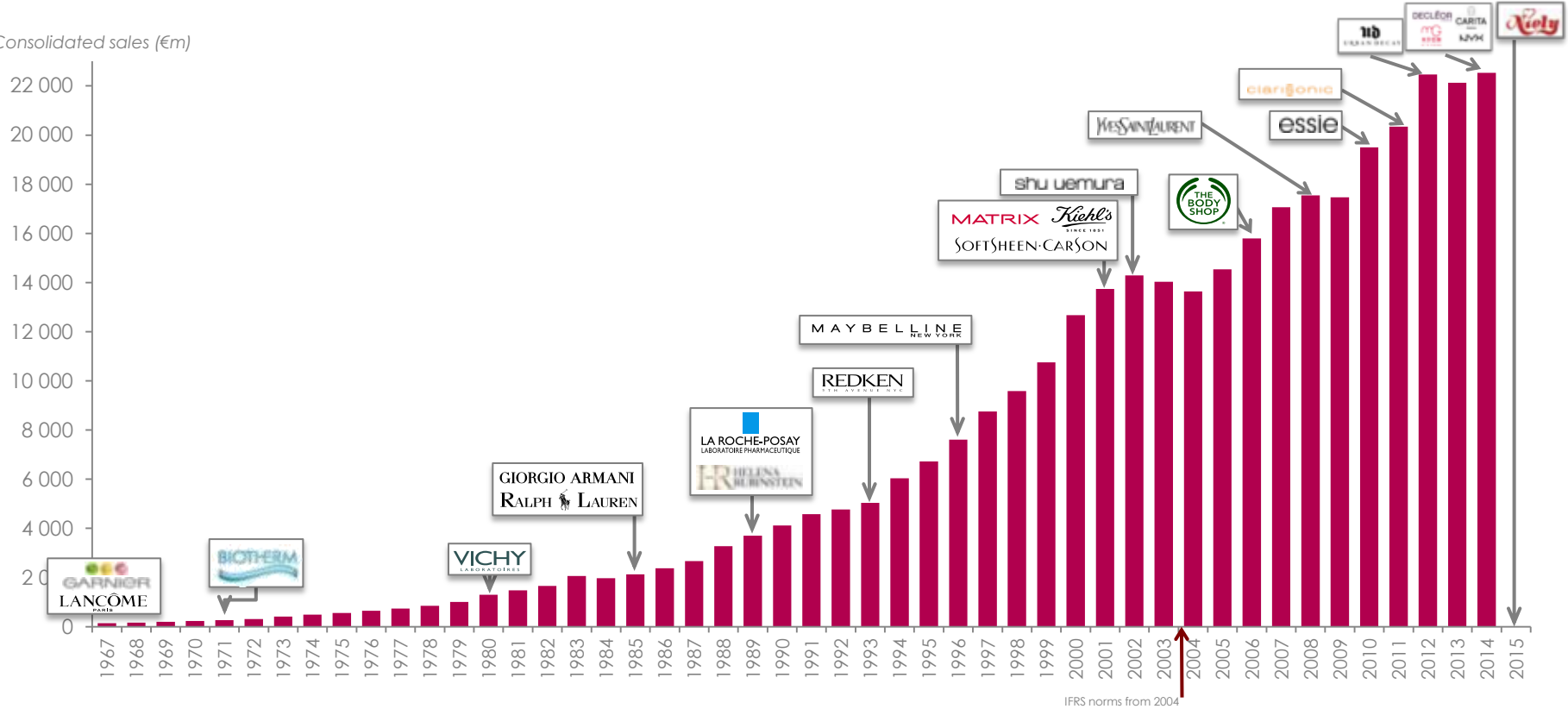


**MULTI-CULTURAL BEAUTY BRAND**



# Acquisitions to foster our future organic growth

Consolidated sales (€m)





# Strengthening positions in strategic markets & key categories

MG



Niely



NYX  
PROFESSIONAL MAKEUP





Embracing the digital opportunity

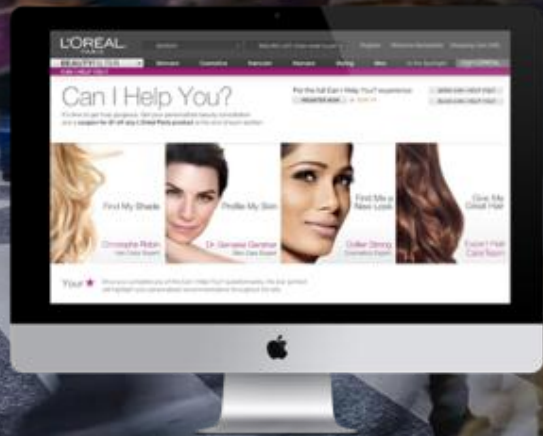
# digital shift





# Digital & beauty: the perfect match

A new relationship  
with brands



Shop beauty  
online



A personalized  
experience





# Digital & L'Oréal: the perfect match



Our core values of **innovation**,  
**entrepreneurship**

*"Seize up-and-coming trends"*

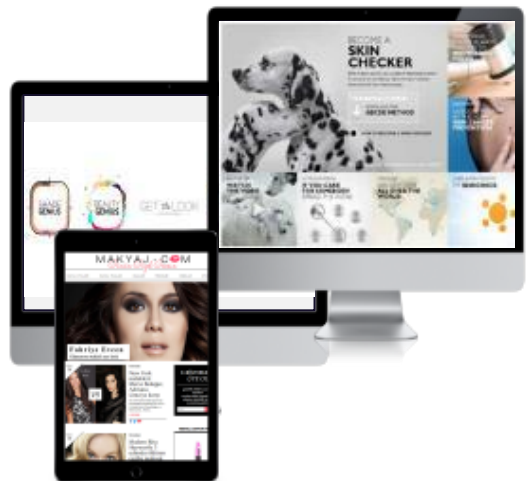
*François Dalle (L'Oréal Chairman and CEO, 1957 to 1984)*

Our organization: **strategically centralized**,  
**operationally decentralized** and **agile**

Our culture: **test & learn...** and **scale**



# Pioneering & leading e-beauty



Brand amplification



Social listening  
Precision advertising



E-commerce acceleration

# Pioneering & leading e-beauty Best practice in China



15%

of CPD sales in  
e-commerce\*

Women skincare



Men skincare



Make-up



\* H1-2015 sales



# USA: 5 L'Oréal brands in the Top 10

L'ORÉAL  
PARIS



LANCÔME  
PARIS



MAYBELLINE  
NEW YORK



UD  
URBAN DECAY



Kiehl's  
SINCE 1851



Source: L2 Digital IQ Index, Beauty, 2014





# Reaching a milestone from which to scale up

**1 000**

**digital specialists**

**25%**

**of our media  
dedicated to digital**

**≈ 1 Bn€**

**e-commerce sales  
forecasts for 2015**

**> 40%\* e-commerce  
sales growth**

*\* H1-2015 like-for-like sales growth, direct and indirect*



# From responsibility to positive action



## **SHARING BEAUTY** WITH ALL



Protect · Care · Balance · Enjoy



Solid performance

Continued transformation

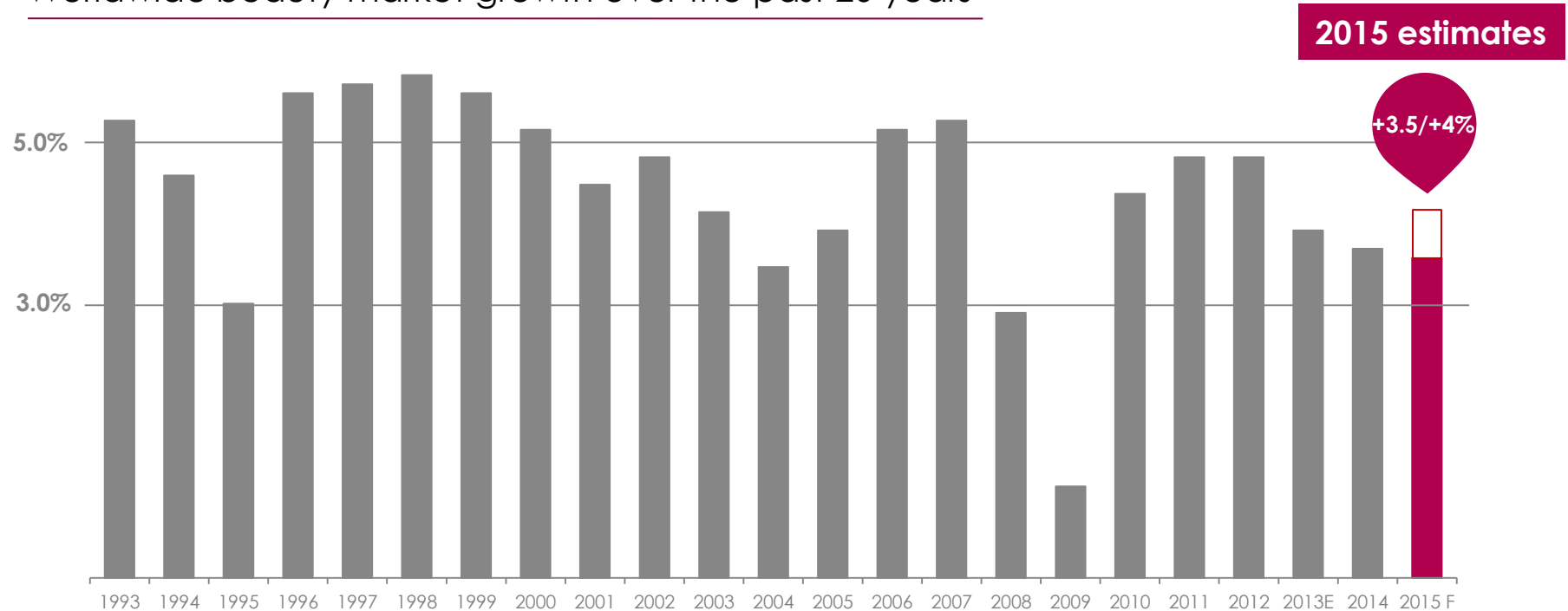
Confidence and ambition





# A dynamic worldwide beauty market

## Worldwide beauty market growth over the past 20 years\*

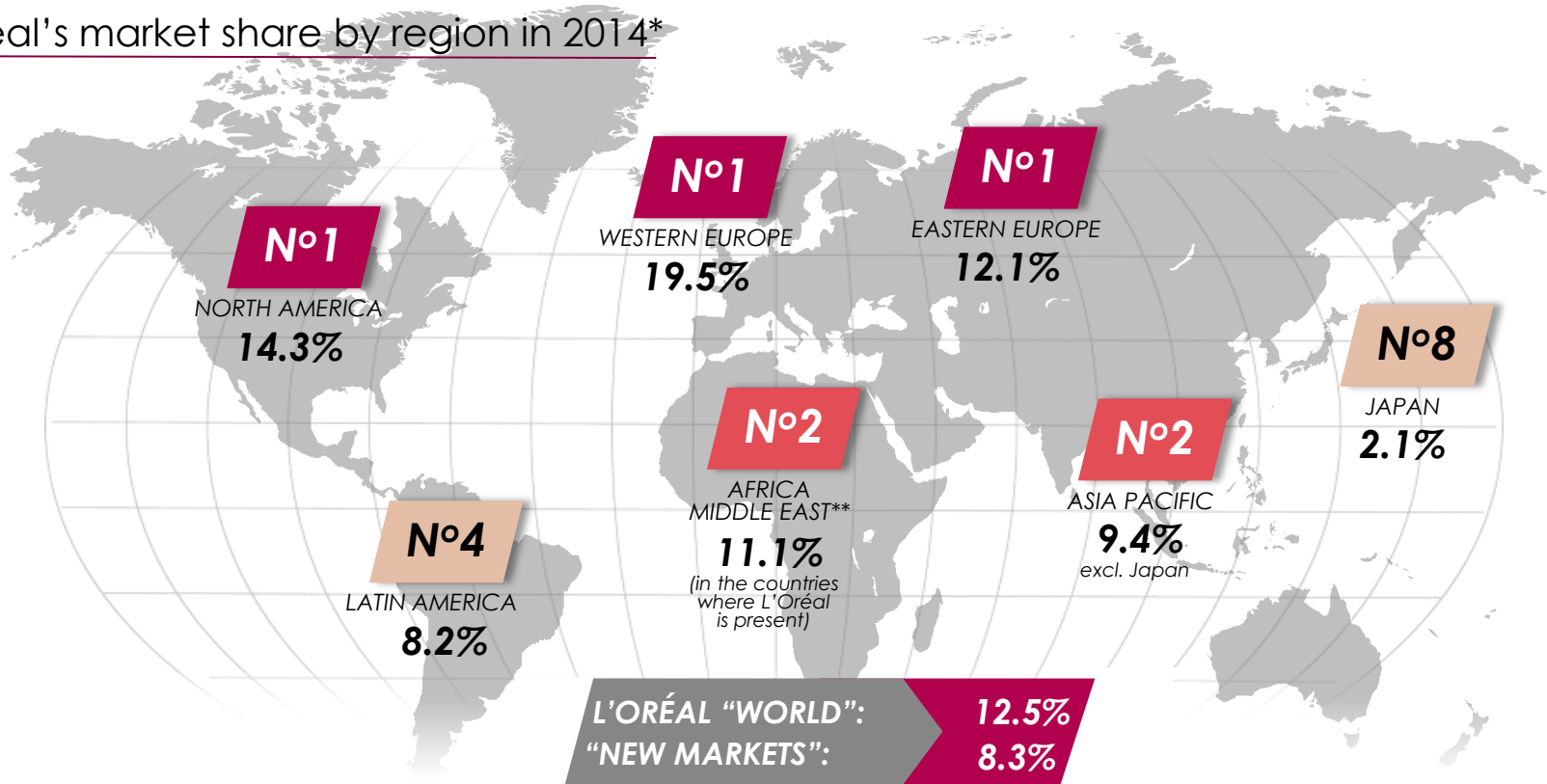


\* Source: L'Oréal estimates - excluding soaps, toothpaste and razors - growth at constant exchange rate.



# Leader in beauty with high potential

## L'Oréal's market share by region in 2014\*

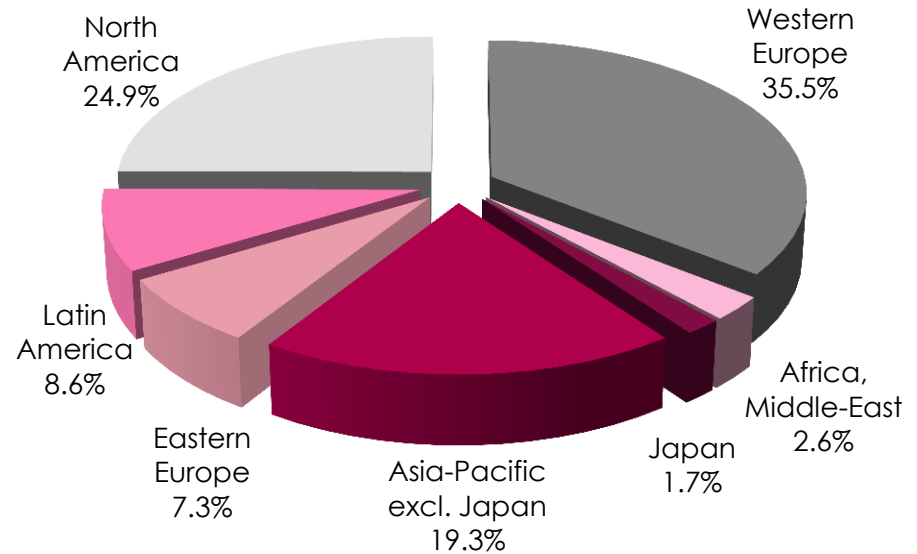
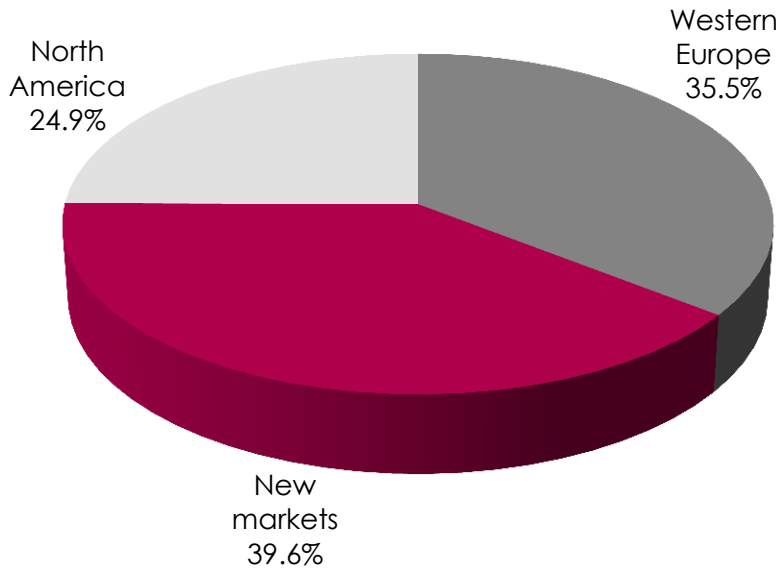


\* Excluding soaps, razors, blades and toothpastes - L'Oréal Estimates BMS ; better coverage of categories



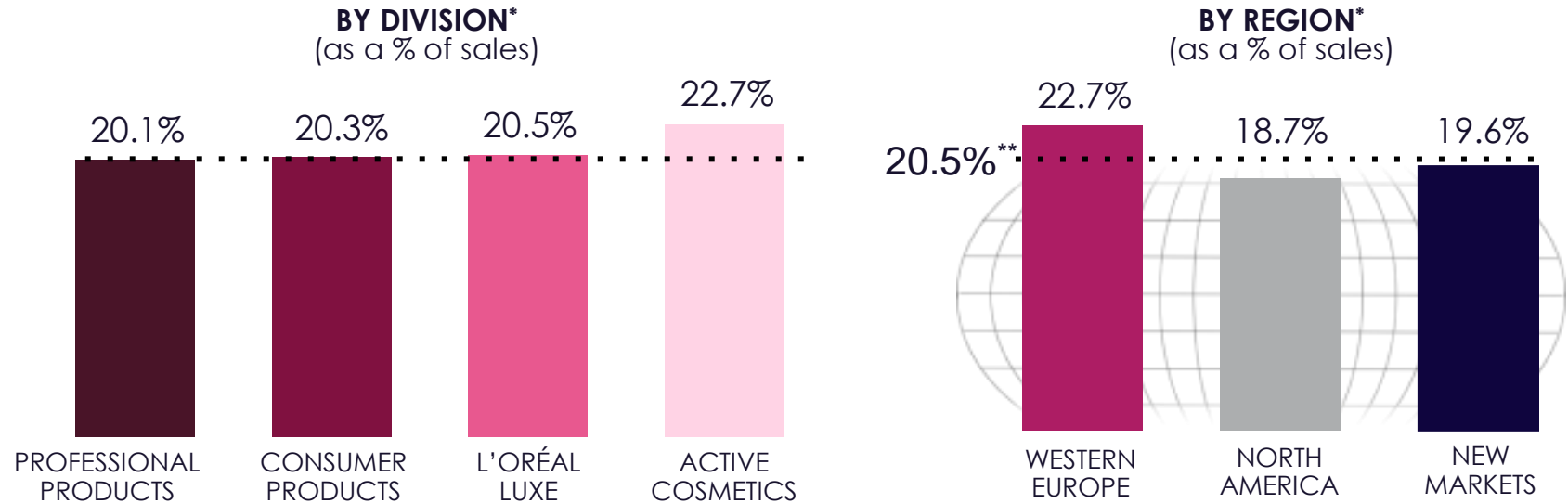
# A balanced geographical presence

## Breakdown of 2014 sales by region\*



\*Cosmetics divisions total

## 2014 operating profit margin by division and by region



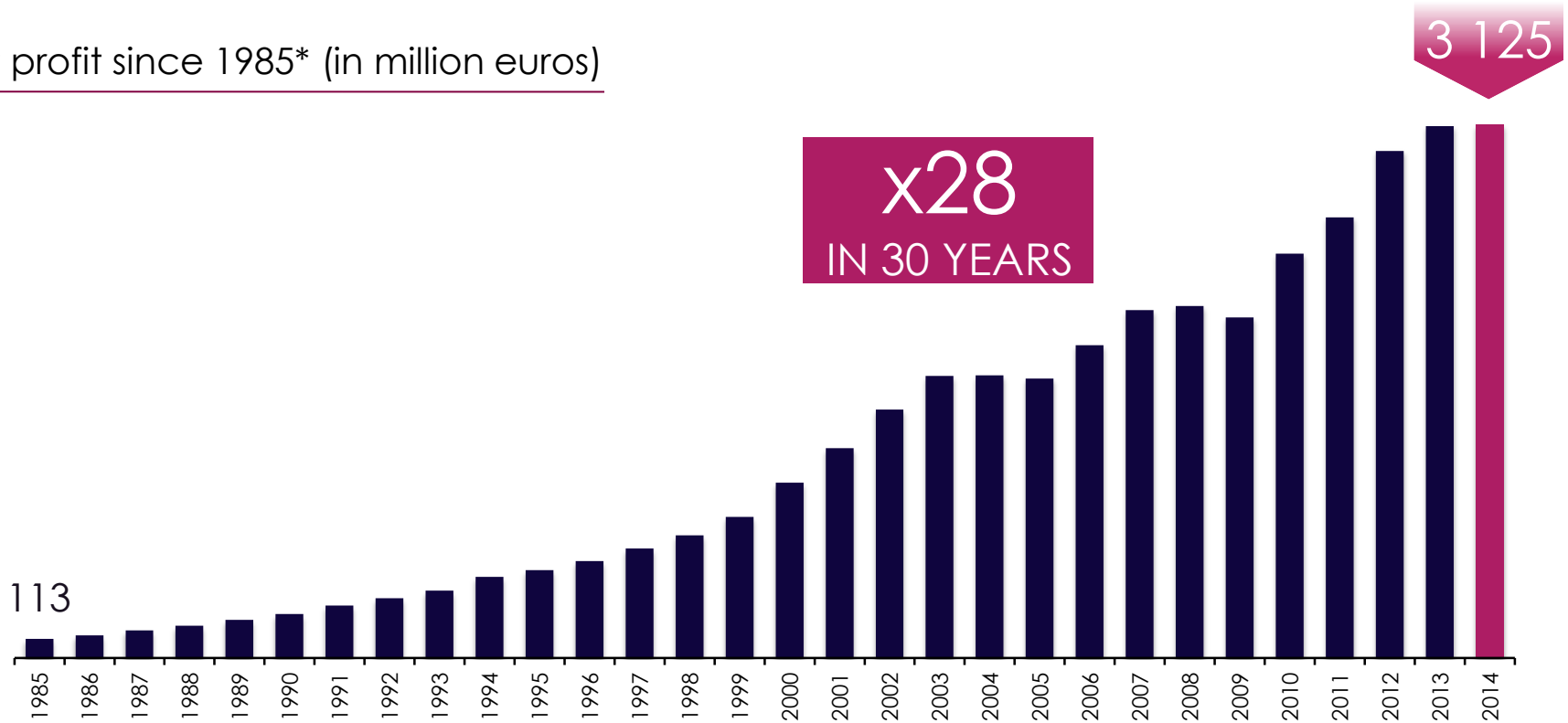
\* Before central group expenses, fundamental research expenses, stock-option & free grant of shares expenses and miscellaneous items .

\*\* Cosmetics divisions total



# A long term successful business model

Net profit since 1985\* (in million euros)

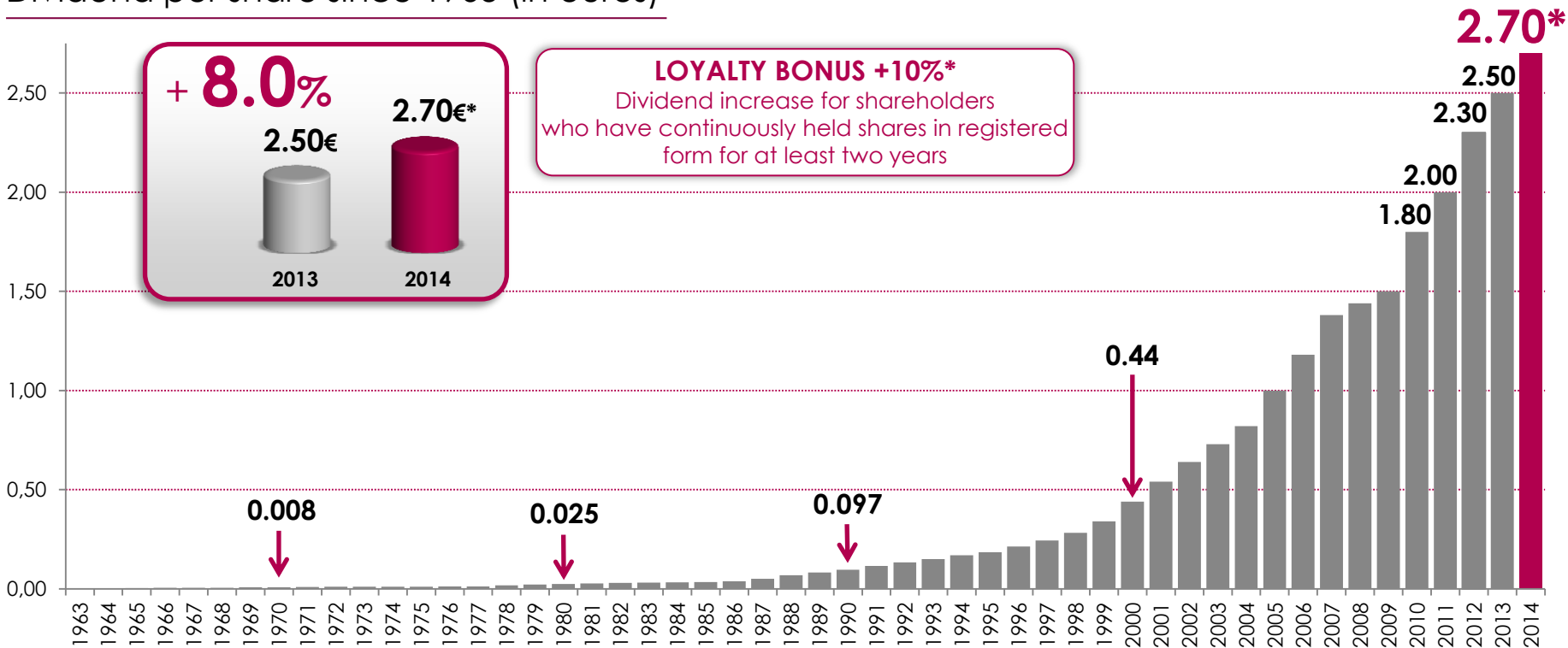


\* Net operating profit, excl. non-recurring items attributable to owners of the company, with Synthélabo consolidated fully up to 1998; net profit excl. non-recurring items attributable to owners of the company, with Sanofi-Synthélabo equity consolidated from 1999 to 2004; net profit excl. non-recurring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



# A balanced and dynamic dividend policy

## Dividend per share since 1963 (in euros)

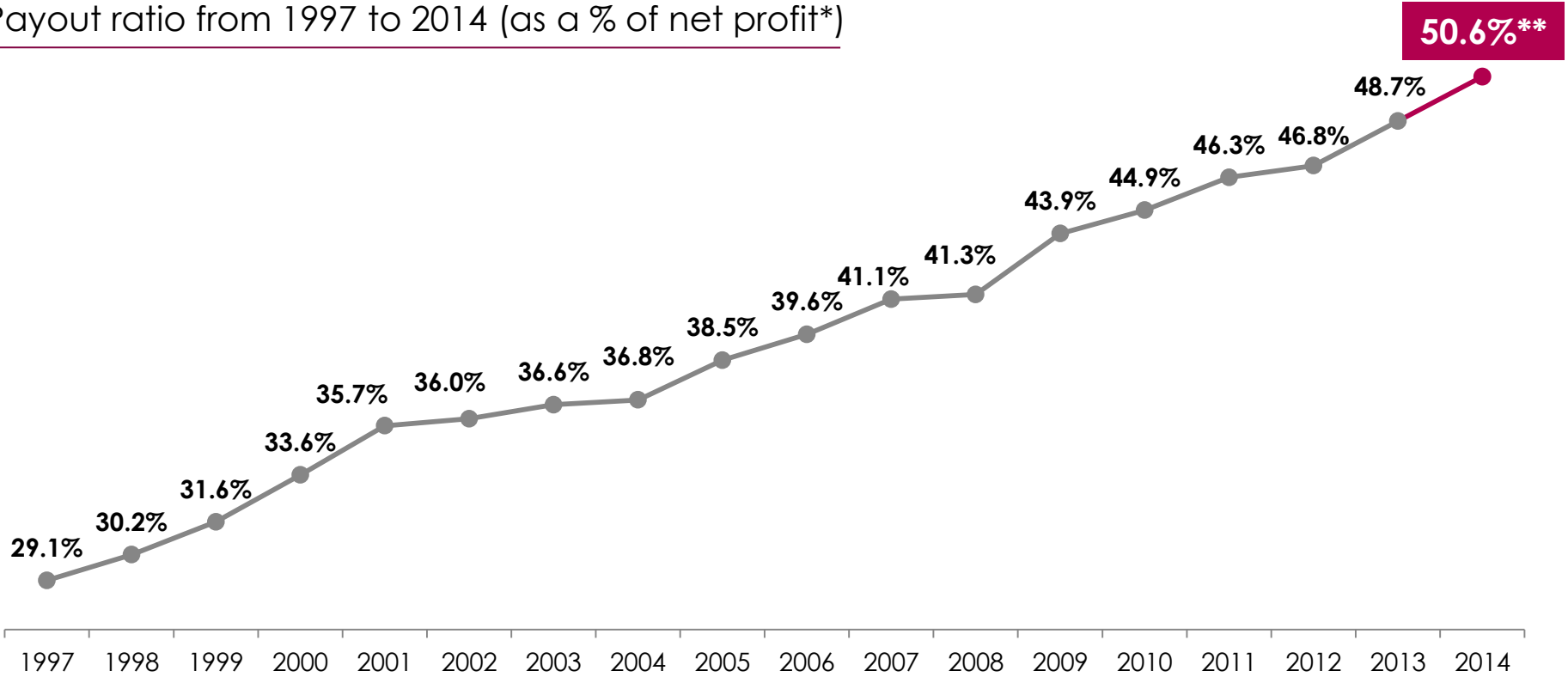


\*Approved at the shareholders' meeting held on April 22<sup>nd</sup>, 2015



# A balanced and dynamic dividend policy

Payout ratio from 1997 to 2014 (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 22<sup>nd</sup>, 2015

# Strong innovation firepower Consumer Products Division





# Strong innovation firepower Selective Divisions





# Universalisation

Globalizing  
while understanding,  
capturing and  
respecting differences

# Inventing the new L'Oréal of the 21<sup>st</sup> century



Universal

Digital

Sustainable



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