



2023
ANNUAL RESULTS
9 FEBRUARY 2024
L'ORÉAL
GROUPE

Christophe BABULE
Chief Financial Officer



2023 Highlights – A record year for L'Oréal

+11.0%

Like-for-like growth

73.9%

Gross margin

+150bps

19.8%

Operating margin

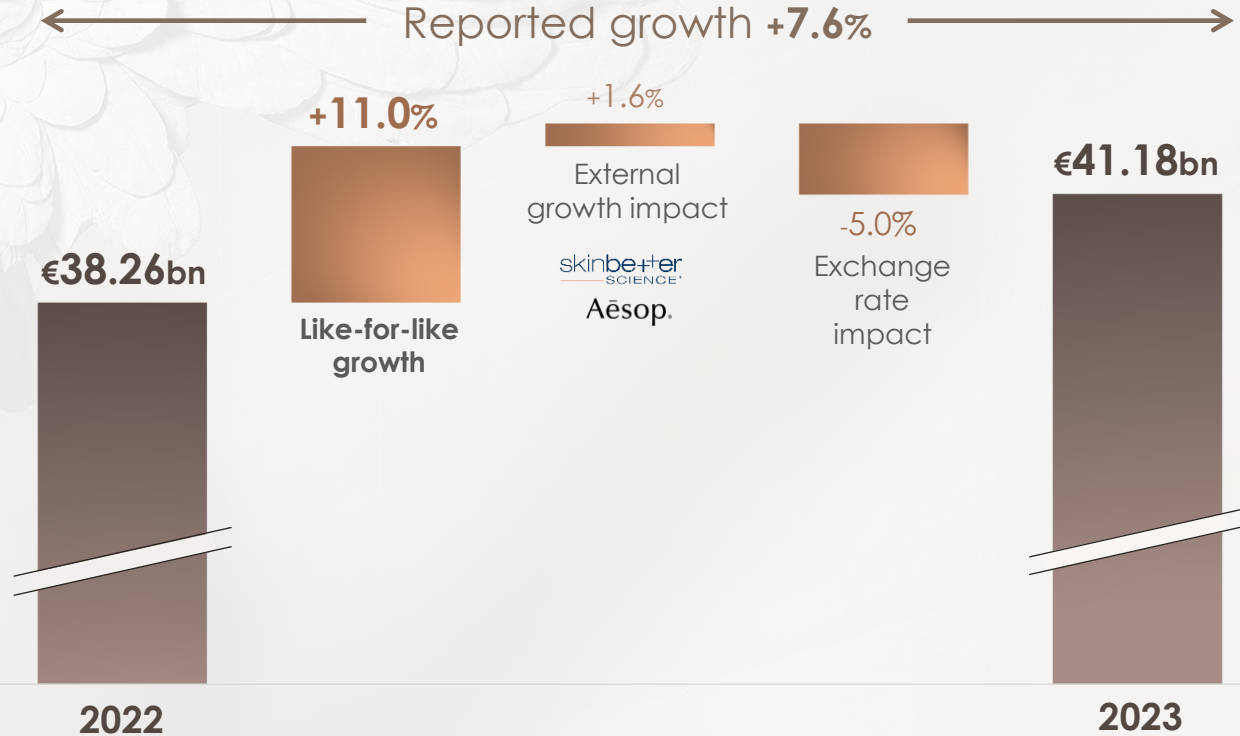
+30bps

+23.9%

Operating net
cash flow

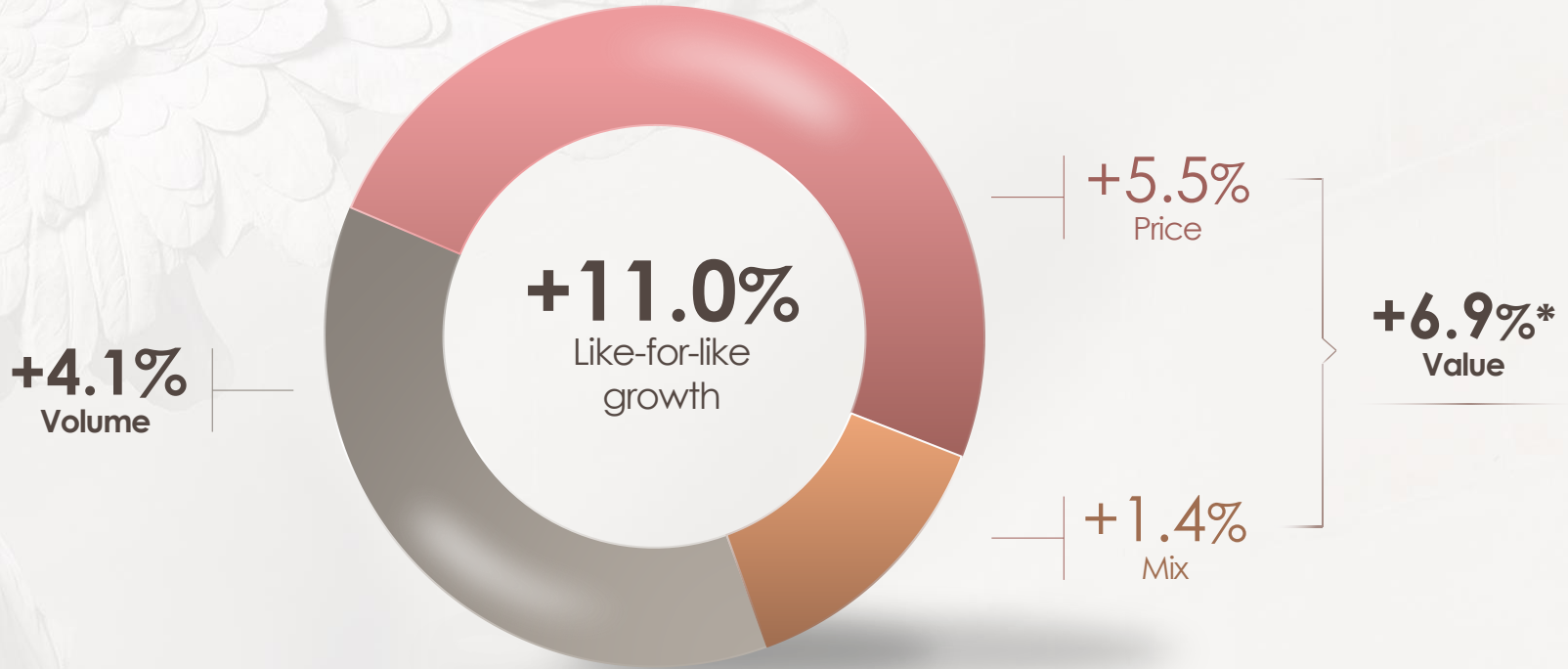


2023 Consolidated sales – Continued strong momentum





2023 Growth – Driven by volume and value



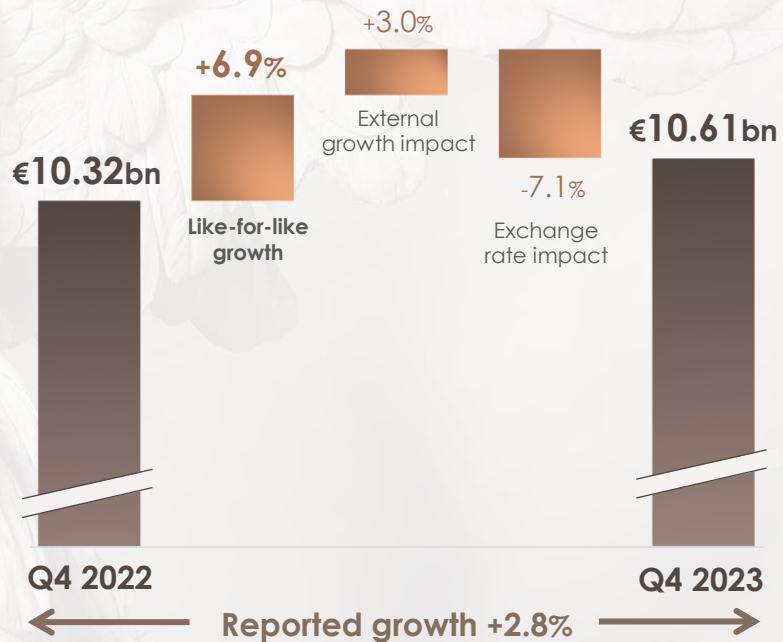
* Value = price + mix

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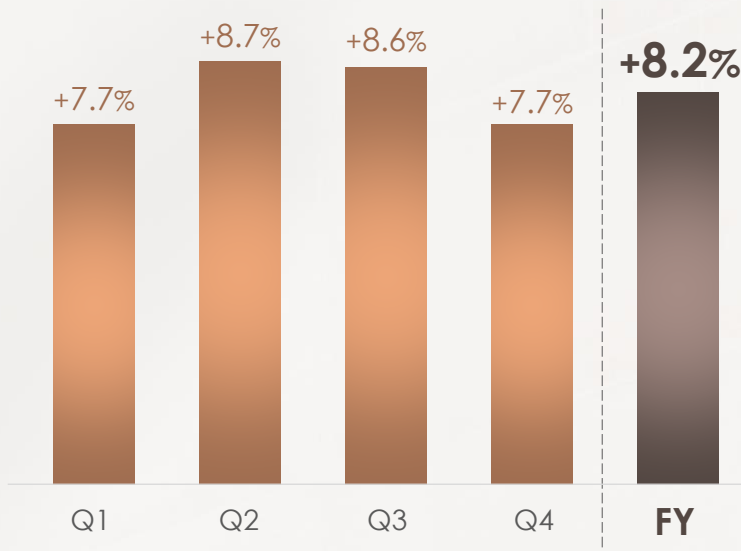


4Q23 Growth – At a steady pace on a 4-year CAGR

Q4 2023 vs Q4 2022



CAGR 2019-2023*



* CAGR: Compound Annual Growth Rate, calculated on a like-for-like basis



2023 Sales and growth by division

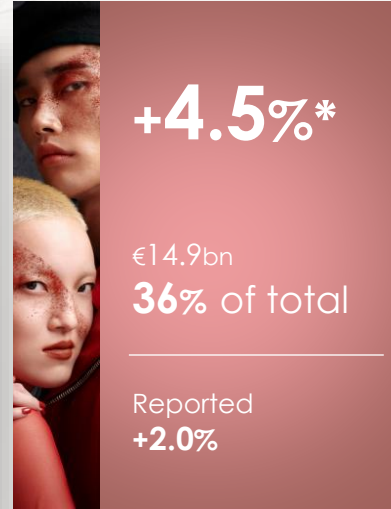
Professional Products



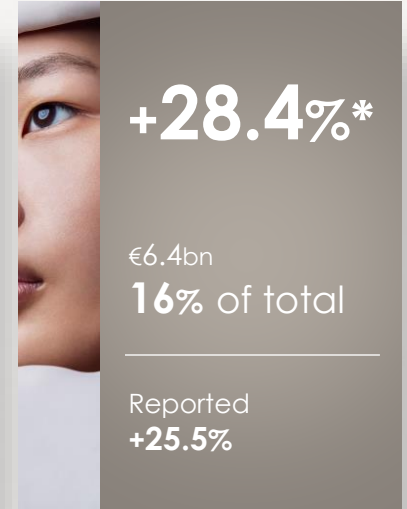
Consumer Products



L'Oréal Luxe



L'Oréal Dermatological Beauty



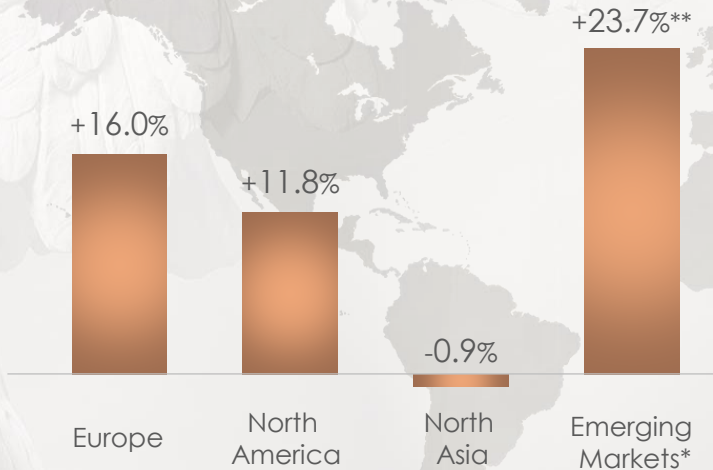
* Like-for-like vs 2022

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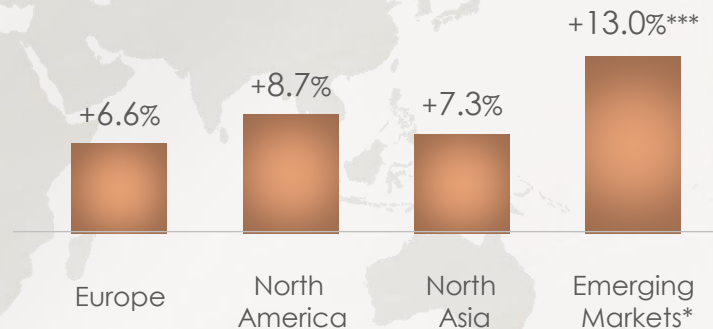


2023 Growth by region – The power of our multi-polar model

Like-for-like growth 2023 vs 2022



CAGR 2019-2023 On a like-for-like basis



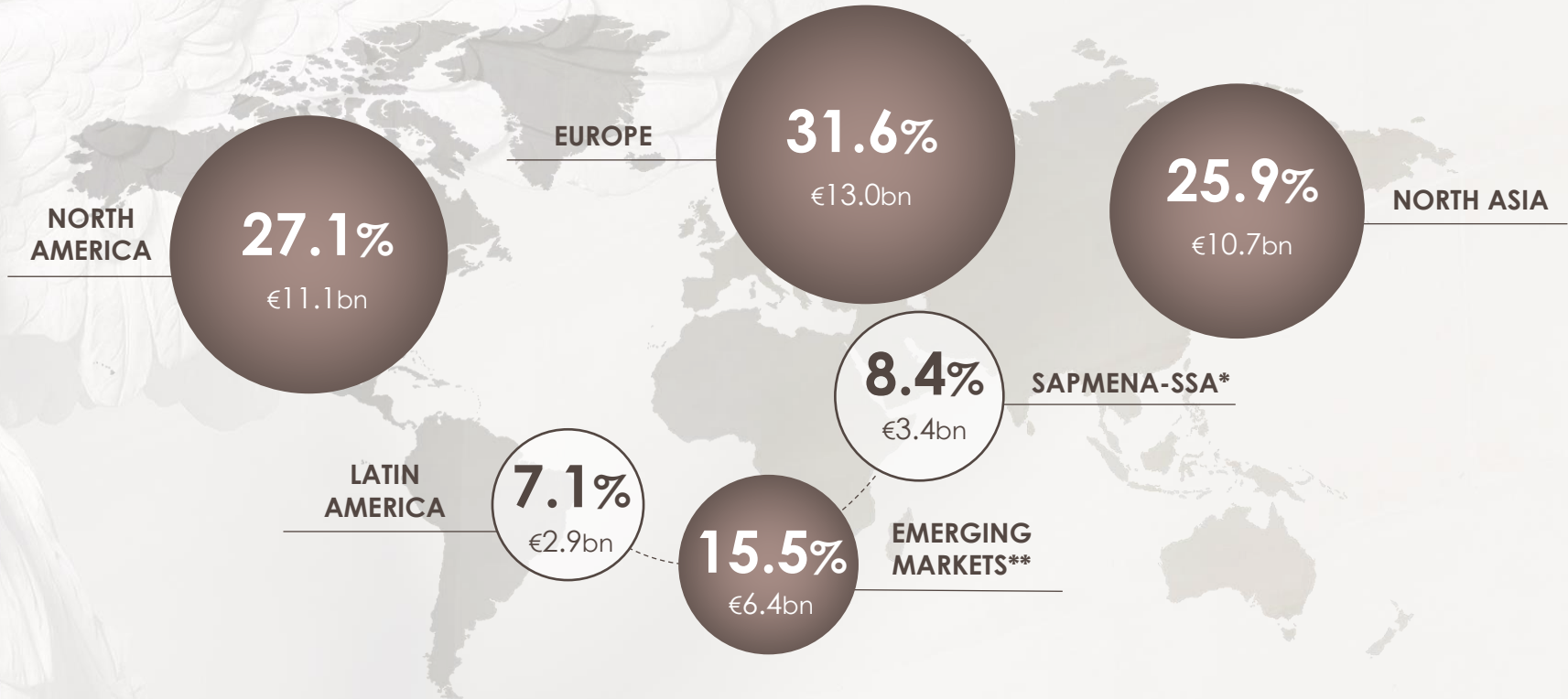
* Emerging Markets combine the Latin America and SAPMENA-SSA regions

** Composed of Latin America: +24.4% and SAPMENA-SSA: +23.2%

*** Composed of Latin America: +15.1% and SAPMENA-SSA: +11.5%



Sales by region (as a % of total sales, in billion euros)



* South Asia Pacific, Middle-East, North Africa - Sub-Saharan Africa

** Emerging Markets combine the Latin America and SAPMENA-SSA regions

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2023 Sales by category

All major categories up in double-digits

Fragrances



Haircare



Skincare



Make-up



Hair colour



* Like-for-like growth vs 2022

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Profit and loss account – From sales to operating profit

<i>(in million euros)</i>	2022	% of sales	2023	% of sales	Change*
Sales	38 260.6	100.0%	41 182.5	100.0%	+7.6%
Cost of sales	-10 577.4	27.6%	-10 767.0	26.1%	
Gross profit	27 683.3	72.4%	30 415.5	73.9%	+150bp
Research and innovation expenses	-1 138.6	3.0%	-1 288.9	3.1%	+10bp
Advertising and promotion expenses	-12 059.0	31.5%	-13 356.6	32.4%	+90bp
Selling, general and administrative expenses	-7 028.8	18.4%	-7 626.7	18.5%	+10bp
Operating profit	7 456.9	19.5%	8 143.3	19.8%	+30bp

* In % for sales and in basis points for all other lines



Operating margin by division – Each in excess of 20% (as a % of sales)

	2022	2023	% Change
Professional Products	21.3%	21.6%	+30bp
Consumer Products	19.8%	20.5%	+70bp
L'Oréal Luxe	22.9%	22.3%	-60bp
Dermatological Beauty	25.4%	26.0%	+60bp
Total before non-allocated expenses*	21.9%	22.2%	+30bp
Non-allocated expenses	-2.4%	-2.4%	
Group	19.5%	19.8%	+30bp

* Central group expenses, fundamental research expenses, free grant of shares expenses and miscellaneous items as a % of total sales



2019 to 2023 – The power of our virtuous P&L

> €41 bn

Sales

+38%
reported

+8.2%
4Y-CAGR*

€30.4bn

Gross profit

+90bp
margin expansion

+8.7%
4Y-CAGR*

> €13bn

A&P spend

+160bps
as a % of sales

+9.7%
4Y-CAGR*

€8.1 bn

Operating profit

+120bp
margin expansion

+10.1%
4Y-CAGR*

* CAGR 2019-2023 on a like-for-like basis

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Profit and loss account From operating profit to net profit excluding non-recurring items

(in million euros)

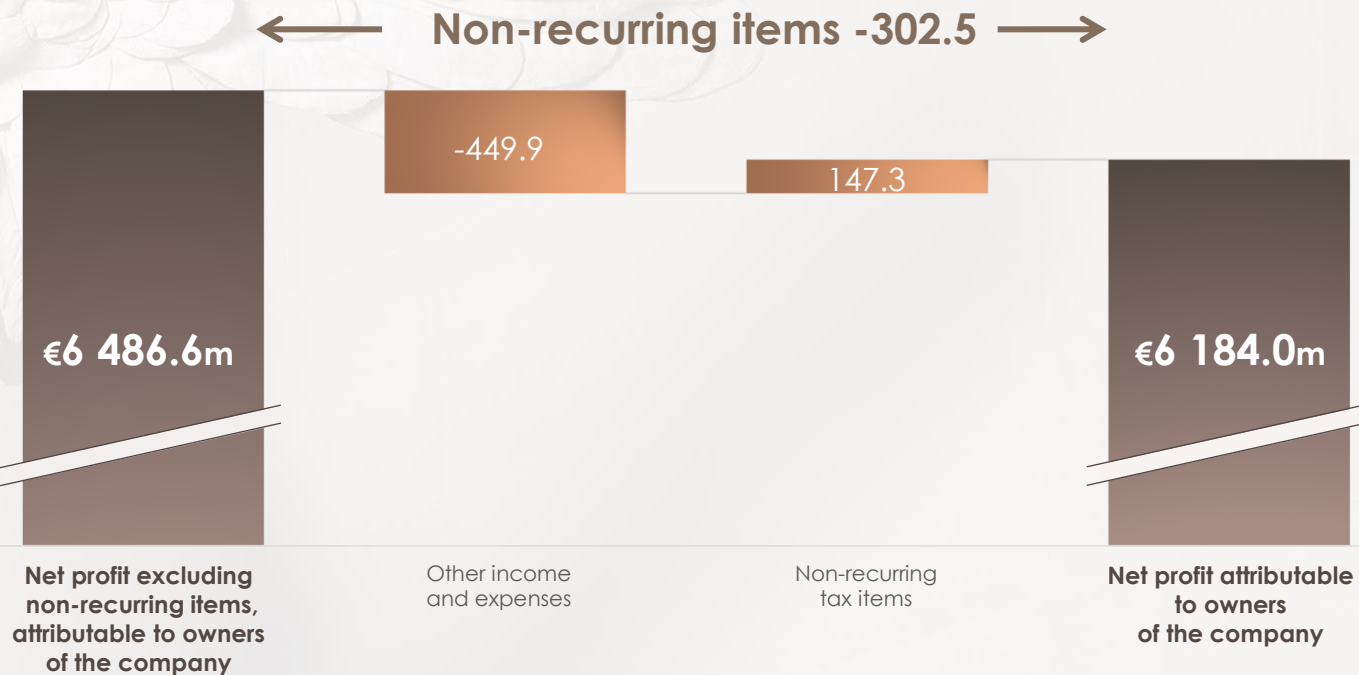
	2022	2023	% Change
Operating profit	7 456.9	8 143.3	+9.2%
Financial revenues/expenses before dividends received	-73.0	-113.4	
Sanofi dividends	468.2	420.9	
Profit before tax and associates, excluding non-recurring items	7 852.1	8 450.8	+7.6%
Income tax excluding non-recurring items	-1 793.4	-1 957.8	
Net profit excluding non-recurring items of equity consolidated companies	+1.5	+0.2	
Non-controlling interests	-6.1	-6.6	
Net profit excluding non-recurring items after non-controlling interests	6 054.1	6 486.6	
Earnings per share (in euros)*	11.26	12.08	+7.3%
Diluted average number of shares	537 657 548	537 021 039	

* Diluted earnings per share attributable to owners of the company, excluding non-recurring items



Profit and loss account

From net profit excluding non-recurring items to net profit



Cash flow statement – Operating net cash flow up 24%

(in million euros)

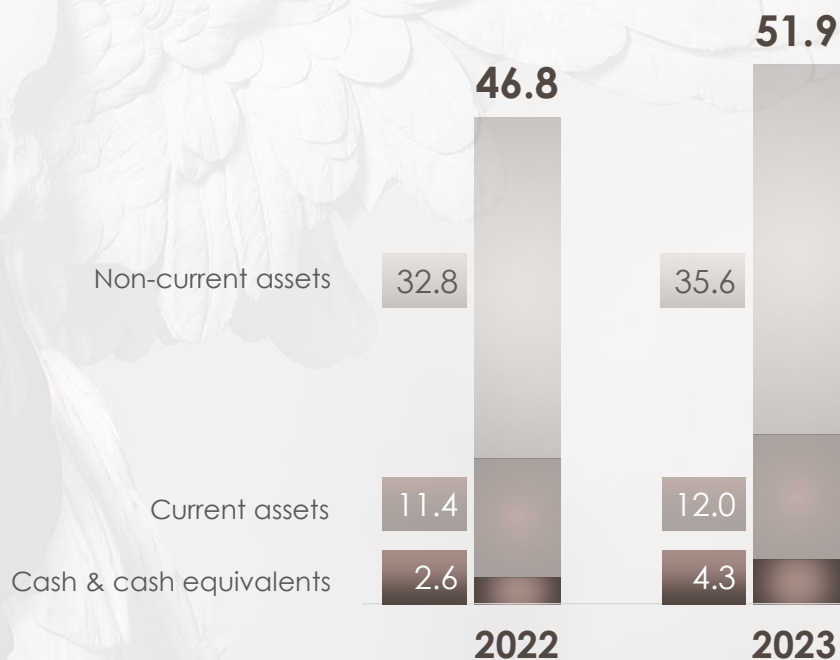
	2022	2023	% Change
Net profit	5 712.6	6 190.5	
Depreciation, amortisation and provisions	1 536.1	1 715.0	
Capital gains / losses on disposals of assets, changes in deferred taxes, other	+41.4	+94.1	
Share of profit in associates, net of dividends received	-0.5	-0.2	
Cash flow	7 289.6	7 999.5	+9.7%
Changes in working capital	-1 011.3	-394.9	
Investments	-1 343.2	-1 488.7	
Operating net cash flow	4 935.1	6 115.9	+23.9%
Dividends paid	- 2 689.9	-3 425.6	
Acquisitions	-746.9	-2 497.2	
Lease debt repayment	-446.9	-430.6	
Acquisitions of treasury stock	-502.3	-503.3	
Capital increase	+103.2	+1.5	
Others	-133.7	-157.8	
Residual cash flow	+518.5	-897.2	



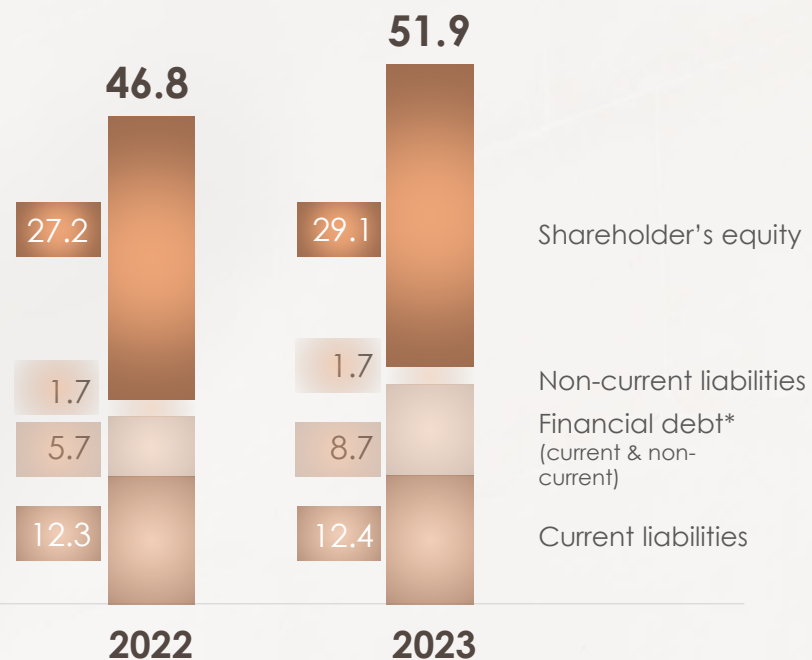
Balance sheet - A robust financial position

(in billion euros, as of 31 December)

Assets



Liabilities

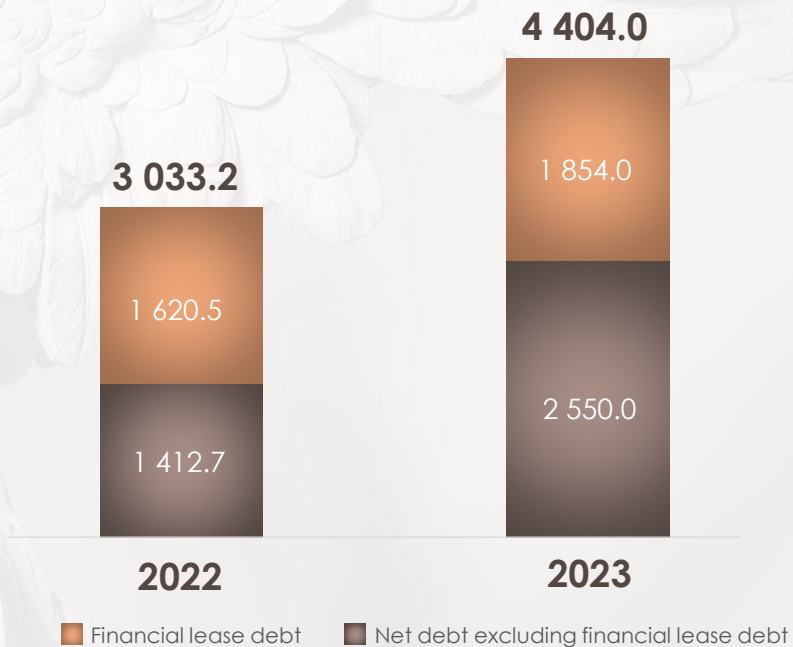


* Of which €1 854m due to financial lease debt at the end of December 2023 (IFRS 16) and of €1 620m at the end of December 2022



Net debt – A healthy financial situation

(in million euros, as of 31 December)



2023 Gearing*

15.1%
(vs 11.2%)

2023 Leverage (net debt/EBITDA)

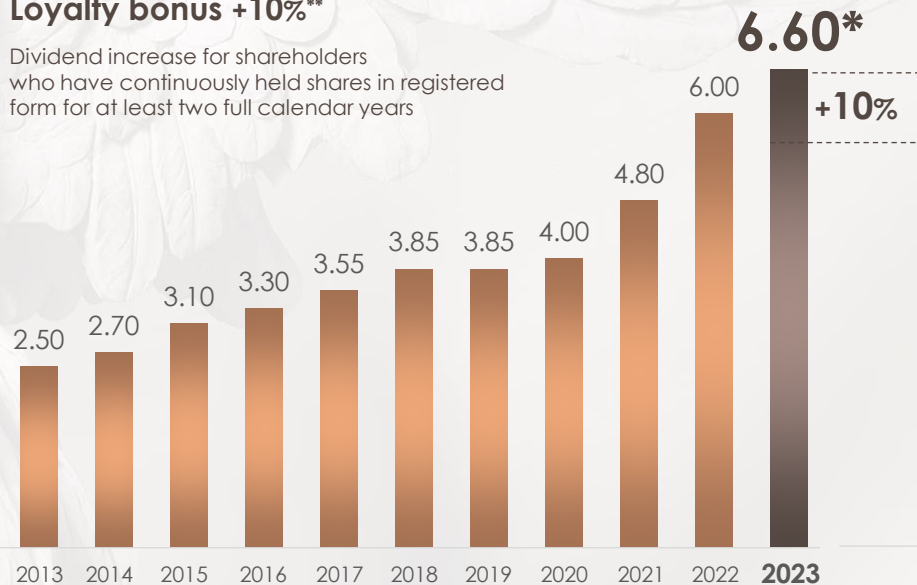
0.5x
(vs 0.3x)

* Net debt/equity attributable to owners of the company (8.8% excluding financial lease debt)

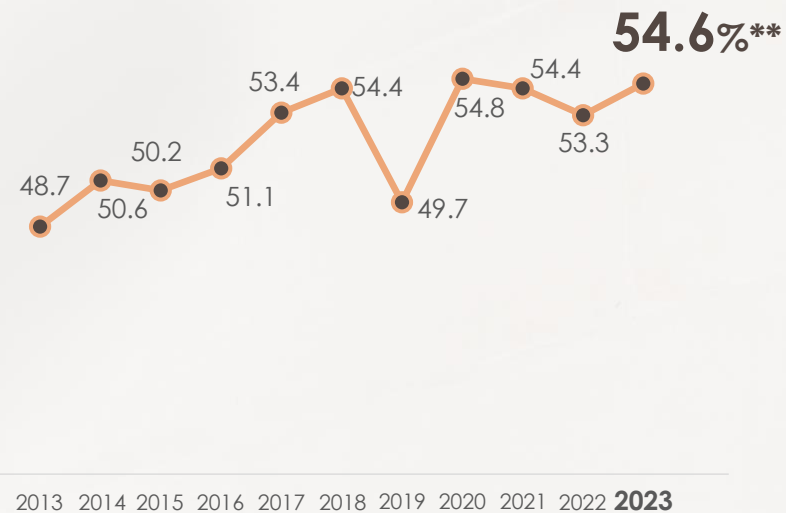
Dividend in euros

Loyalty bonus +10%**

Dividend increase for shareholders who have continuously held shares in registered form for at least two full calendar years



Payout ratio in %



* Proposed at the shareholders' meeting to be held on 23 April 2024

** 2023 dividend paid in 2024: pay-out of the 10% loyalty bonus (preferential dividend of +10%) for shares held in registered form since 2021

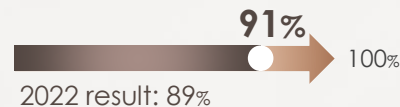


Corporate Social & Environmental Responsibility

L'Oréal for the Future

Climate

By **2025**, L'Oréal will reach 100% **renewable energies** for its sites*.



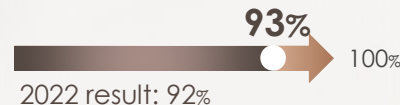
Water

By **2030**, 100% of the **water** required by our factories' utilities will be derived from water reused or recycled in a loop.



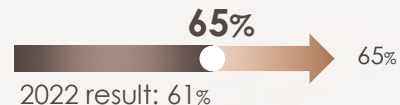
Biodiversity

By **2030**, 100% of our biobased **ingredients** will be traceable and will come from sustainable sources, none will be linked to deforestation.

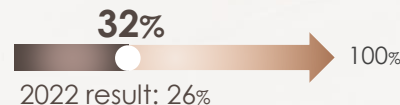


Resources

By **2030**, 95% of our **ingredients** in formula will be biobased, derived from abundant minerals or from circular processes.



By **2030**, 100% of our **plastic packaging** will be either from recycled or biobased sources (we will reach 50% in 2025).



* This concerns the operated sites of the Group, excluding security installations. The operated sites include all production sites (factories, distribution centers) as well as administrative sites and research centers. Only sites with more than 50 people are included.

** 14% of the Group's factories, ie. 5 factories, were « Waterloop »: 100% of the water required by the utilities (cleaning equipment, steam production, etc.) is derived from water that is reused or recycled in a loop on the site.



Corporate Social & Environmental Responsibility Rating and awards

ESG Rating Agencies

S&P Global
Ratings

Score of 85/100

MOODY'S
ESG Solutions

Score of 74/100



Low risk score

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA



FTSE4Good

Corporate ESG
Performance
RATED BY
ISS ESG

Prime

For the 12th year in a row

Environmental



For the 8th year in a row

Employer attractiveness



In the Top 10
(Business schools)

Ethical and social



For the 14th time



For the 6th year in a row



TOP 100 COMPANY 2023
Diversity and inclusion Index

In the Top 3

APPENDIX

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Changes in exchange rates (against the euro)

	Weight in 2023 consolidated sales	Average rate 2022	Average rate 2023	% Change 2023 vs. 2022
Euro	20.0%	—	—	—
US Dollar (1 € =)	25.4%	1.051	1.081	-2.8%
Chinese Yuan	17.0%	0.141	0.130	-7.6%
Pound Sterling	4.1%	1.173	1.149	-2.0%
Canadian Dollar	2.4%	0.730	0.685	-6.2%
Brazilian Real	2.3%	0.184	0.185	+0.4%
Mexican Peso	2.3%	0.047	0.052	+10.3%
Australian Dollar	1.6%	0.659	0.614	-6.9%
Russian Rouble	1.5%	0.014	0.010	-22.9%
Indian Rupee	1.4%	0.012	0.011	-7.5%

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