

No. 88
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THE LETTER TO
SHAREHOLDERS

PERFORMANCE &
NEWS

VIVATECH 2024:
L'ORÉAL ACCELERATES
BEAUTY TECH LEADERSHIP

BOURSOLIVE

STRENGTHENING TIES
WITH OUR SHAREHOLDERS

L'ORÉAL
FINANCE



“ We strengthened our global leadership in a beauty market that remains dynamic.”

NICOLAS HIERONIMUS
Chief Executive Officer of L'Oréal

Dear Shareholders,
In the first half of 2024, we delivered strong growth of +7.3%⁽¹⁾, well-balanced between value and volume and strengthened our global leadership in a beauty market that remains dynamic.

Our continued strong momentum in emerging markets, Europe and North America allowed us to more than offset the depressed beauty market in mainland China and the unfavourable comparative in Travel Retail. In this context, I am particularly pleased to see the acceleration of L'Oréal Luxe, the dynamism of Consumer Products and the continued share gains of Dermatological Beauty and Professional Products.

The combination of our powerful R&I and unique marketing creativity allowed us to offer consumers groundbreaking innovations. The consistent increase of our A&P spend to support these innovations and our 37 international brands allowed us to, once again, outpace the global beauty market.

In an environment that continues to be marked by economic and geopolitical tensions, we remain optimistic about the outlook for the beauty market and confident that our innovation power and the robustness of our multi-polar model will allow us to keep outperforming it and to achieve another year of growth in sales and profit.

2024 HALF-YEAR RESULTS

€22.12
billion

+7.3%
like-for-like⁽¹⁾

Positive
momentum in
all Divisions

Operating margin:
20.8%
of sales

(1) Like-for-like based on a comparable structure and identical exchange rates

More information on loreal-finance.com

At L'Oréal, financial performance goes hand in hand with social and environmental excellence. Catch up on our latest news to see how we are implementing L'Oréal for the Future commitments and creating the beauty that moves the world.

26TH L'ORÉAL-UNESCO FOR WOMEN IN SCIENCE INTERNATIONAL AWARDS

On 28 May, at UNESCO headquarters in Paris, five women chosen from over 350 candidates worldwide received awards for their pioneering work in life and environmental sciences, with a particular focus this year on contributions to tackling public health challenges. In the 26 years since its creation, the L'Oréal-UNESCO For Women in Science programme has honoured more than 4,400 women for their outstanding research, including 132 international laureates and over 4,000 young female scientists. Seven of these laureates have received a Nobel Prize.



OVER 100,000 YOUNG PEOPLE TOOK PART IN L'ORÉAL BRANDSTORM 2024

The final of L'Oréal Brandstorm, the Group's global innovation competition for under-30s, was held in London in June. This 32nd edition attracted more than 100,000 international participants, with all teams exploring ways to reinvent the future of professional beauty. A French team won the competition with a project designed to monitor the posture and gestures of hairdressers to prevent musculoskeletal disorders. Brandstorm is the only certified youth innovation competition worldwide and is an integral part of courses at 135 universities in 29 countries. Since 2023, nearly 1,000 young people have found their first career opportunity at L'Oréal through their participation in Brandstorm.



OUR EMPLOYEES MOBILISE TO SUPPORT SOCIAL AND ENVIRONMENTAL CAUSES

Created in 2010, Citizen Day allows L'Oréal employees to dedicate a day of their work time to supporting local associations. The initiative has become one of the Group's largest employee in-person events. This year's 15th edition will see more than 30,000 employees across 75 countries participate to support a wide range of projects between April and November. Examples include renovating premises, preparing hygiene kits, waste collection and wellness workshops for disadvantaged people. In France Citizen Day mobilised over 7,000 employees supporting 340 associations.



A SUCCESSFUL FOURTH EMPLOYEE SHARE OWNERSHIP PLAN

The engagement of its 90,000+ employees is key to L'Oréal's performance. In 2024, the Group launched its fourth employee share ownership plan, rolled out in 63 countries, allowing employees to purchase shares in L'Oréal and participate more closely in its development.

The plan's high participation rate (35.84%) testifies to employees' commitment and confidence in the Group's future, its growth prospects and values. L'Oréal now has 44,000 employees shareholders⁽¹⁾.

(1) L'Oréal estimate.



Discover the digital version of the Letter to Shareholders!

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VIVATECH 2024: L'ORÉAL ACCELERATES BEAUTY TECH LEADERSHIP



In May, L'Oréal took part in VivaTech, the largest European tech industry event, held in Paris. Over 165,000 visitors got a glimpse of how technology can offer a competitive edge in all industries, and especially in beauty.

To be the leader in beauty today, you need to be the leader in Beauty Tech. At its booth L'Oréal unveiled a series of groundbreaking innovations that embody the power of technology for more personalised, inclusive and sustainable beauty. These breakthroughs include advanced diagnostic devices, an assistant powered by generative AI, augmented beauty services and innovative electronic devices.

In this new technological world, L'Oréal has an undeniable competitive advantage: the power of its data to train algorithms in an accurate and relevant way. The Group draws on 115 years of data covering every aspect of beauty, backed by a team of over 8,000 experts in technology, digital solutions and artificial intelligence.

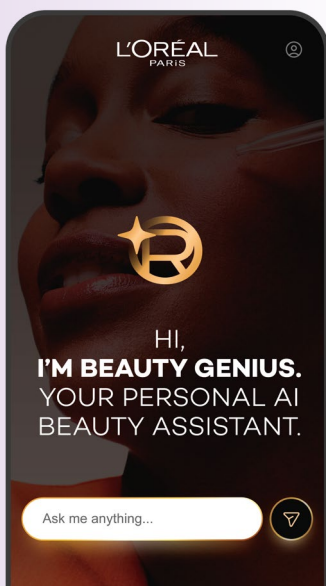


To see our latest innovations at VivaTech

scan this QR code

COACHING FOR EACH

Beauty Genius by L'Oréal Paris is a Gen AI-powered, all-in-one personal beauty assistant. It leverages the brand's unique and proprietary beauty knowledge to offer users personalised diagnostics and virtual try-on of skin, haircare and skintone-tailored recommendations for over 750 L'Oréal Paris skincare, makeup and hair color products.

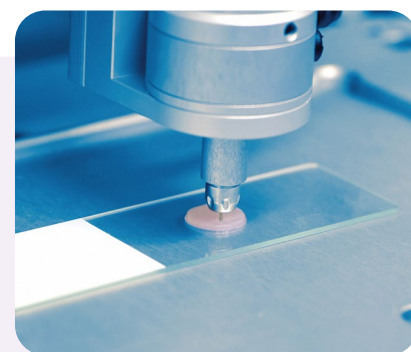


EXPERTISE FOR EACH

Rénergie Nano-Resurfacer | 400 Booster by Lancôme has been specifically developed to boost cosmetic penetration into the stratum corneum and amplify product performance. The high performance patented technology consists of 400 ultra-precise nano-tips for clinically tested results with no side effects, suitable for all skin types.

RESPONSIBILITY FOR EACH

For over 40 years, L'Oréal has been a leader in reconstructed human skin with state-of-the-art testing models for biological and dermatological research. **Skin Technology** combines the best of biology, mechanics and electronics to create inclusive testing models that mimic the complexity of human skin, raising testing standards in the cosmetics industry, while enabling players in health industries, startups and research institutes to benefit from this expertise.



EXPERTISE FOR EACH

AirLight Pro by L'Oréal Professionnel is a revolution in hair drying that is better for hair and the environment. Developed in partnership with hardware startup ZUVI, this next-generation hairdryer combines infrared light with high-speed warm air to accelerate hair drying without excessive heat. It enhances the hair's appearance, making it visibly smoother and shinier.



Barbara Lavernos,
Deputy CEO -
Research, Innovation
& Technology

“Having pioneered Beauty Tech for years, we are firm believers that technology can push the boundaries of what’s possible for beauty to improve the lives of people around the world.”



Asmita Dubey,
Chief Digital and
Marketing Officer

“With human creativity, technology is at its most awe-inspiring, giving people a powerful tool for self-expression and brand expression.”

BOURSOLIVE, THE E-FAIR FOR INDIVIDUAL INVESTORS



Béatrice Dautzenberg, Global Director of Beauty Tech Services, presented L'Oréal's Beauty Tech initiatives at a roundtable on the role of artificial intelligence in companies.

“At L'Oréal, artificial intelligence and Beauty Tech are already a reality. They give us the power to bring the best in personalised, inclusive and sustainable beauty to as many people as possible.”



Investing in the Age of Artificial Intelligence was the theme addressed by L'Oréal at the fourth edition of Les Rencontres Boursolive on 24-25 June. Speaking at the event, the Group's Chief Financial Officer, Christophe Babule, outlined the innovation strategy at the core of L'Oréal's model and performance.

How is innovation central to L'Oréal's model?

In 2023, the Group achieved its best growth in over 20 years (excluding 2021, the post-Covid year), once again demonstrating our ability to outperform a dynamic beauty market. Beyond our multipolar model, innovation is what drives our success, fuelled by one ambition: to invent the beauty of the future in tune with the technological revolutions of our age. With a Research & Innovation team of more than 4,000 researchers – the biggest in the industry – L'Oréal focuses on two main axes. The first is using Green Sciences to improve the Group's range of raw materials and keep the environmental impact of our ingredients to a minimum. The second is adopting new technologies from biotech to generative artificial intelligence extensively in everything we do to establish ourselves as the leader in Beauty Tech. This ambition is underpinned by 115 years of beauty expertise and data. Two concrete examples of innovations developed for our consumers are virtual try-ons on mobile phones and personalised diagnostic services. In 2023, there were 100 million uses of our digital services across more than 30 brands in over 70 countries.

How do you see L'Oréal creating value for the future?

Our powerful innovation capabilities make us confident and ready for the future. We believe the beauty market will continue to grow at an average annual rate of around 4% to 5% in the coming years. There are a wealth of growth opportunities for L'Oréal, particularly in emerging markets driven by the rise of the middle class and premiumisation. With our unmatched portfolio of 37 global brands, we cover all categories, at all price points, through all distribution channels. We rely on our industrial agility – 37 plants and over 150 distribution centres – to support the Group's growth.

All of these factors put L'Oréal in a position to continue generating substantial value for our stakeholders, including our 340,000 individual shareholders. This year, we increased our dividend by +10% and still offer a loyalty bonus of +10% for registered shares⁽¹⁾. Total shareholder return (as of 31 May 2024) was +15.0% per year over five years, illustrating our sustainable and profitable growth.

Watch the replay to find out more about the innovations outlined by Christophe Babule at Boursolive. Learn more about Beauty Tech in our special report on the VivaTech trade show (pages 4-5).



To replay the event
scan this QR code



(1) Preferential dividend for shareholders who continuously hold their shares in registered form for a minimum of two full calendar years, up to a maximum of 0.5% of the capital for the same shareholder.

STRENGTHENING TIES WITH OUR SHAREHOLDERS

L'Oréal fosters ongoing dialogue with its shareholders to strengthen ties and deepen their understanding of the Group. Throughout the year, the Individual Shareholder Relations team organises events, visits and meetings to create a closer relationship and continue sharing knowledge about investing in the stock market.



In May, L'Oréal invited its Individual Shareholder Consultation Committee (CCAI) to explore key tech innovations of the year at VivaTech. "L'Oréal once again demonstrated its ability to continuously reinvent itself and rise to the challenges of the future, such as sustainability and product personalisation," said CCAI member Nathalie Darras. The 12-member committee allows L'Oréal to better understand shareholder expectations and improve shareholder communication.

Financial education is a powerful tool for planning the future, and an invaluable way to empower women to combat the various inequalities they face. On 30 May, L'Oréal organised a conference with ViveS Media at the Visionnaire, the Group's historic headquarters in Paris, on the theme "Investing, why not me?" Some sixty female professionals, entrepreneurs, shareholders and L'Oréal employees explored the results of the ViveS-IFOP barometer on *Women and Money* and learned key ways to save, invest and take control of their financial future.



In June, L'Oréal had the pleasure of welcoming some 40 shareholders for an exceptional visit to the Domaine de la Rose Lancôme in Grasse. Participants were given the opportunity to discover an exceptional terroir, explore the secret journey of the rose from the fields to the distillery, ending with a visit to the Maison Rose, a hub dedicated to creating and sharing the art of fragrance.



+10%

Become a registered shareholder and receive:

- a **LOYALTY BONUS** of +10%

A preferential dividend of €7.26⁽²⁾ instead of €6.60⁽³⁾

For more information, consult the Shareholders section of our

website: loreal-finance.com

⁽²⁾ Preferential dividend for shareholders who continuously hold their shares in registered form for a minimum of two full calendar years, up to a maximum of 0.5% of the capital for the same shareholder.

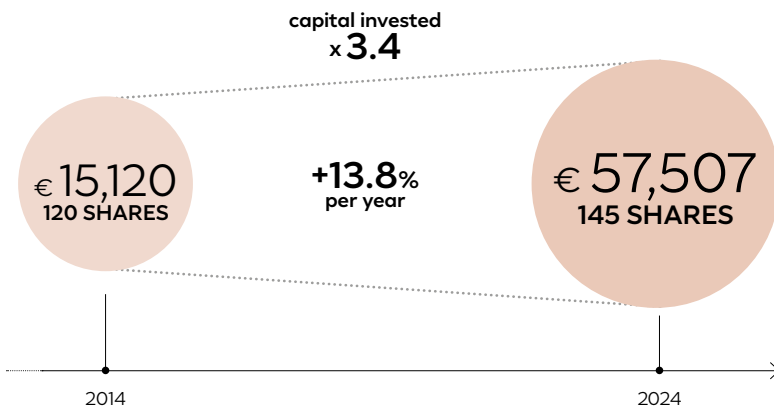
⁽³⁾ Dividend approved at the AGM on 23 April 2024.

TOTAL SHAREHOLDER RETURN ⁽¹⁾

Amongst the various economic and financial measures of value creation, L'Oréal prefers Total Shareholder Return (TSR). This indicator is based on a range of criteria, including the share price and revenue received in the form of dividends excluding taxes on capital gains and dividends, based on the closing share price on 30 August 2024.

Hypothesis

Total Shareholder Return over 10 years, for €15,000 invested in L'Oréal shares, including reinvestment of dividends, excluding bank charges and tax.



TOTAL ANNUAL RETURN

Based on the share price on 30 August 2024



OVER 5 YEARS, THE L'ORÉAL SHARE HAS OUTPERFORMED THE CAC 40 INDEX

L'Oréal vs CAC 40 from 30 August 2019 to 30 August 2024



(1) Total Shareholder Return of the investment, assuming that the shares are sold at the closing price on 30 August 2024. (2) CAC40 index rebased on the L'Oréal share price since 30/08/2019 // Source: Refinitiv, share price on 30/08/2024.

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A TEAM THAT IS ATTENTIVE TO SHAREHOLDERS' VIEWS

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AGENDA

10 October 2024: Shareholder meeting in Reims

16 October 2024: Shareholder meeting in Aix-en-Provence

22 October 2024: Sales at 30 September 2024 (after stock market closing)

For other key dates, please visit our website: loreal-finance.com

THE CONNECTED SHAREHOLDER

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