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THE LETTER TO
SHAREHOLDERS



Nicolas HIERONIMUS

Jean-Paul AGON

L'ORÉAL

L'ORÉAL

Christophe BABILLE

Nicolas HIERONIMUS

Jean-Paul AGON

Catherine BELLON

L'ORÉAL

SPECIAL EDITION
2024 ANNUAL
GENERAL MEETING

EXTRACT FROM SPEECH
BY THE CHAIRMAN
AND THE CEO

PERFORMANCE & NEWS

L'ORÉAL
FINANCE



“L'Oréal is a century-old startup that has actively built on stable pillars and an ability to adapt with phenomenal speed to an ever-shifting world.”

JEAN-PAUL AGON,
Chairman of the Board
of Directors of L'Oréal



To watch the full Annual
General Meeting webcast

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“Ladies and Gentlemen, Dear Shareholders,

L'Oréal further strengthened its position as a global beauty champion in 2023. I have tremendous confidence in the future of your company.

Year after year, the excellence of our model has been proven. Our dual commitment to business and society; our people-centred culture; listening to consumers; our obsession with permanent progress through research, innovation and quality; our drive to democratise the best of beauty; our value creation that benefits all. These fundamentals are the secret to L'Oréal's durable, shared and sustainable growth. They are our strength and our difference.

This ambition for excellence is shared by all L'Oréal teams. They are the lifeblood of our Company. With artificial intelligence prompting many questions about the place of humans, we stand firm in our conviction that no algorithm can replace the magic of collective intelligence, the power of creativity and the intuition of our 90,000 L'Oréalians. I would like to express to them my deepest admiration and warmly congratulate each and every one of them.

We are determined to always aim ever higher. Your company achieved a record performance yet again in 2023, allowing us to offer a +10% increase in the dividend per share to €6.60. The +10% increase in the preferential dividend to €7.26 is also fair reward for your long-term loyalty.

As shareholders, you give us the means to fulfil our shared ambition. As Chairman, every day I measure the value of having loyal and committed shareholders. To strengthen this relationship that unites us, we are creating more opportunities for closer interaction and dialogue. In 2023, we had the pleasure of meeting you by resuming shareholder meetings throughout France. We were also delighted to host you at our sites, a first. I would like to take this opportunity to thank the members of the Consultation Committee who are here with us today. Your involvement is invaluable in helping us to better meet the expectations of all our shareholders.

Our commitments are equally essential drivers for our company. Business success is not enough. We are determined to be a leader staying true to our values. We strive for exemplary conduct: our culture of integrity underpins our longevity.

We vigorously commit to **the environment**. We are proud to be the only company in the world to have received the CDP's highest rating (AAA) for eight years in a row.

We commit to **our teams**. In 2023, we celebrated the 10th anniversary of our pioneering Share & Care programme. This common universal base of social benefits has changed the lives of thousands of our employees and their families around the world.

We commit to **equality and inclusion**. Being ranked France's leading company for gender equality by Equileap encourages us to continue in our fight against all forms of inequality and discrimination.

Through the L'Oréal Foundation, we commit to defending **the rightful place of women in society**. In 2023, we celebrated the 25th anniversary of our L'Oréal-UNESCO For Women in Science programme. Its impact is decisive on the careers and recognition of the 4,100 scientists we have supported in over 110 countries.

L'Oréal is in better shape than ever to project itself into the future. A one-of-a-kind beauty champion. Because L'Oréal is a century-old startup that has actively built on stable pillars and an ability to adapt with phenomenal speed to an ever-shifting world.

Today more than ever, giving confidence to hundreds of millions of people around the planet is an incredible mission.

Thank you for sharing this beautiful and inspiring Adventure of beauty with us.”

+10% increase in 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.



“The key takeaway this year is the exceptional resilience of our multipolar model.”

NICOLAS HIERONIMUS,
Chief Executive Officer of L'Oréal

“Ladies and Gentlemen, Dear Shareholders,

L'Oréal has never been so strong and successful. 2023 was a great year that demonstrated the resilience and agility of the L'Oréal model: we strengthened our position as the world's **No.1 beauty company**, surpassing the symbolic milestone of €40 billion in sales.

This performance is all the more remarkable in that it allowed us to grow 1.4 times faster than an extremely dynamic beauty market in 2023, which grew by +8%. The key takeaway this year is the **exceptional resilience of our multipolar model**, which enabled us to achieve a third consecutive year of double-digit growth (+11% like-for-like⁽¹⁾) in a world more uncertain and fragmented than ever.

Our excellent results would not have been possible without the success of our product innovations launched in 2023, reflecting the unparalleled creativity of our Marketing, Research and Operations teams. Their creativity was key to **creating both financial and non-financial value**. As you know, at L'Oréal, economic performance and social and environmental exemplarity form the foundations of our profitable and sustainable value creation strategy and guide our long-term investment decisions.

There are many growth opportunities for L'Oréal. My confidence in the future stems from a strategic choice that L'Oréal made on day one, to dedicate ourselves to a single business: beauty, all beauty and nothing but beauty. With our unmatched portfolio of 37 global brands, we cover all categories, at all price points, through all distribution channels. We are perfectly positioned to satisfy all beauty desires in their infinite diversity. This portfolio, combined with our multipolar model, enhances our ability to adapt to market realities and **seize opportunities wherever they arise**.

Our ambition is to invent the future of beauty in tune with the technological revolutions of our age. Science remains a pillar of our strategy. L'Oréal has the greatest research capability in the cosmetics industry. Beauty Tech not only enhances the consumer experience, but it also transforms the way we work. We harness the power of data and artificial intelligence to push the boundaries of creativity.

L'Oréal's journey is above all a human adventure. Our greatest assets in achieving the ambition we have outlined together are the engagement and creativity of our employees, as well as our collective culture.

For 115 years, our Group has continued to advance, **driven by a spirit of progress and innovation**, to meet the needs of consumers around the globe in their quest for beauty. True to this mindset, L'Oréal continues to reinvent itself to push the boundaries of beauty.

We face the future with confidence and ambition. Rather than adapting to the transformations ahead, we will actively shape them, to create the beauty that moves the world.”

Nicolas Hieronimus also presented the **Group's climate strategy**, which sets out the Group's short and long-term decarbonisation roadmap with new objectives for 2030 and 2050, validated in April by the Science Based Targets initiative.

“We believe that action to combat climate change can spur innovation. By incorporating these challenges into our strategy now, we can reduce our impact and prepare the company by strengthening our capacity to create long-term value while honing our competitive edge.”

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

During the Annual General Meeting, Barbara Lavernos, Deputy Chief Executive Officer, in charge of Research, Innovation and Technology, presented L'Oréal's expertise in Beauty Tech.

“L'Oréal has been a pioneer in harnessing the power of new technologies to become the indisputable leader in Beauty Tech, for beauty that's more personalised, inclusive and responsible.”



QUESTIONS AND ANSWERS

Shareholders had the opportunity to take the floor and put questions to Jean-Paul Agon and Nicolas Hieronimus. Read a summary of certain topics from discussions between L'Oréal and its shareholders.

What are you doing to attract and retain the best talent?

Our success stems from the engagement of our employees, which demonstrates L'Oréal's appeal. We received 1.3 million applications in 2023, an increase of +7%, and we are one of the top ten companies in the Universum ranking of the most attractive employers among future business school graduates. We are committed to youth through our Brandstorm competition (130,000 young people signed up last year) but also to our senior employees.

The dynamic nature of the beauty industry, the quality of our compensation and our long-term retention plans secure the loyalty of our talent, as reflected in our low turnover rate.

What are you doing to address the emergence of new beauty brands?

L'Oréal has a 15% share of the global beauty market and we continue to build our lead, spurred on by diverse competitors - one of the reasons behind our eternal youth and 115 years of success.

Faced with new brands bringing innovative ideas, we draw on the power of our Research & Innovation to go further. Emerging and developing brands sometimes provide an opportunity to enrich our portfolio through acquisitions, like Aēsop, SkinBetter Science and Takami. All our teams strive to ensure L'Oréal outperforms the market, and that is precisely what we are doing.

What is L'Oréal's development strategy in India?

India is a booming market. It is the world's 9th largest beauty market, but currently ranks only 15th for L'Oréal. Population growth represents a potential 350 million new consumers over the next decade. The Group is already active in India through our Professional Products Division; Consumer Products activity is developing and we launched the CeraVe brand at the end of the year, marking the start of the Dermatological Beauty Division. The Luxe Division will launch in 2024. E-commerce development will be a catalyst for our growth. It's a tremendous new field of opportunity for L'Oréal.

How does L'Oréal use its net cash flow?

L'Oréal uses its substantial cash reserves - over €6 billion in 2023 - to maintain a healthy financial position. The Group has an impressive capacity to generate cash, which it funnels into three key areas.

The first is organic growth, which L'Oréal finances through industrial and technological investments, and in meeting its working capital requirements, which increase proportional to sales. This represented an investment of €1.9 billion in 2023.

Second, L'Oréal uses cash to fund acquisitions that bolster its unique portfolio. We invested around €2.5 billion in 2023.

The third area is allocating cash to dividends, which have grown steadily to reach around €3.5 billion in payouts in 2023.

ALL RESOLUTIONS VOTED WERE PASSED BY LARGE MAJORITIES

ORDINARY RESOLUTIONS

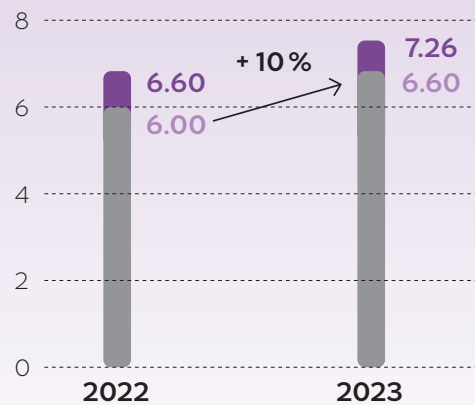
- Approval of the 2023 parent company financial statements: **99.94%**
- Approval of the 2023 consolidated financial statements: **99.94%**
- Allocation of the Company's net profit for financial year 2023 and setting of the dividend: **99.93%**
- Appointment of Mr Jacques Ripoll as Director: **99.43%**
- Renewal of the term of office of Ms Béatrice Guillaume-Grabisch as Director: **93.71%**
- Renewal of the term of office of Ms Ilham Kadri as Director: **88.44%**
- Renewal of the term of office of Mr Jean-Victor Meyers as Director: **96.20%**
- Renewal of the term of office of Mr Nicolas Meyers as Director: **93.49%**
- Appointment of Deloitte & Associés as statutory auditor for the certification of sustainability reporting: **99.40%**
- Appointment of Ernst & Young Audit as statutory auditor for the certification of sustainability reporting: **99.74%**
- Approval of the information on the remuneration of each of the directors and corporate officers required by Article L. 22-10-9 of the French Commercial Code: **96.68%**
- Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2023 or allocated for that year to Mr Jean-Paul Agon, in his capacity as Chairman of the Board of Directors: **95.36%**
- Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2023 or allocated for that year to Mr Nicolas Hieronimus, in his capacity as Chief Executive Officer: **95.66%**
- Approval of the remuneration policy for Directors: **99.90%**
- Approval of the remuneration policy for the Chairman of the Board of Directors: **97.90%**
- Approval of the remuneration policy for the Chief Executive Officer: **93.11%**
- Authorisation for the Company to buy back its own shares: **99.33%**

EXTRAORDINARY RESOLUTIONS

- Authorisation granted to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under Article L. 22-10-62 of the French Commercial Code: **99.52%**
- Authorisation granted to the Board of Directors to carry out free grants of existing shares and/or shares to be issued with cancellation of shareholders' preferential subscription right to employees and directors and corporate officers: **97.38%**
- Delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of shareholders' preferential subscription rights: **99.78%**
- Delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for categories of beneficiaries consisting of employees of foreign subsidiaries, with cancellation of preferential subscription rights, within the framework of an employee share ownership plan: **99.78%**
- Powers for formalities: **99.95%**

DIVIDEND PER SHARE

(IN EUROS)



Dividend per share

- **Preferential dividend of +10% 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**

Discover the digital version of the Letter to Shareholders!

Enjoy enriched content complete with videos and help to cut down on paper consumption. Simply:

- Scan the QR code or visit the **Shareholders** section of the **L'Oréal Finance** website
- Subscribe by sending an email with your full contact details to info@loreal-finance.com





“Our strong growth allows us to significantly outperform the dynamic beauty market.”

NICOLAS HIERONIMUS
Chief Executive Officer of L'Oréal

Dear Shareholders, 2024 is off to a very good start with like-for-like growth of +9.4%, perfectly illustrating the power of our unique model. We are a pure player in beauty, a category that has once again proven its relentless growth capacity. Our multipolar approach to beauty - from luxury to mass, professional to dermatological, in all channels, all price points, and all geographies - allows us to seize all growth opportunities and offset temporary points of softness.

And the first quarter was perfect proof. Continued double-digit growth in Europe, coupled with ongoing strength in emerging markets more than offset the only gradual recovery in North Asia. The outstanding performances of dermatology and mass compensated the short-term challenges in luxury.

All in all, adjusted for the favourable phasing in North America, our like-for-like growth was a strong +8.1%, not only maintaining our rhythm, but once again significantly outperforming the dynamic beauty market.

This remarkable performance also reflected the strength of our innovation, the power of our brands, as well as the engagement of our teams around the world.

In an environment that continues to be marked by economic and geopolitical tensions, we are optimistic about the outlook for the beauty market, and confident in our ability to keep outperforming it and to achieve another year of growth in sales and profit.

FIRST QUARTER 2024 SALES

€11.24
billion

+9.4%
like-for-like⁽¹⁾

+8.3%
based on
reported figures

Growth in
all Divisions

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

More information on loreal-finance.com

CONSULT OUR PUBLICATIONS



THE ANNUAL REPORT

L'Oréal received three more awards for its Annual Report at the Top/Com and *Grands Prix de la Communication*⁽¹⁾ awards ceremonies. We invite you to explore the 2023 eco-designed digital edition, which features a variety of exclusive content including articles, infographics and videos offering a 360° view of L'Oréal. The report covers all the highlights of the past year, showcasing L'Oréal's standout performances and its strategy and strengths in shaping the future of beauty.

lorealannualreport2023.com

THE UNIVERSAL REGISTRATION DOCUMENT (URD)

The 2023 edition is 100% accessible and includes the Annual Financial Report, the Integrated Report and the Non-Financial Information Statement. The URD presents the Group's well-balanced business model, its strategic orientations, its 2023 results, its social and environmental performance, and its relationships with stakeholders.

loreal-finance.com



(1) Appears at bottom of page.

SEVEN INNOVATION AWARDS AT CES 2024 IN LAS VEGAS

Nicolas Hieronimus, CEO, and Barbara Lavernos, Deputy CEO in charge of Research, Innovation & Technology, gave the opening keynote address at the Consumer Electronics Show (CES®), the world's largest showcase for consumer electronics, industry and automotive technology and innovation. L'Oréal won a record seven Innovation awards at this iconic event.

L'ORÉAL RECOGNISED FOR ITS SOCIAL AND ENVIRONMENTAL COMMITMENTS

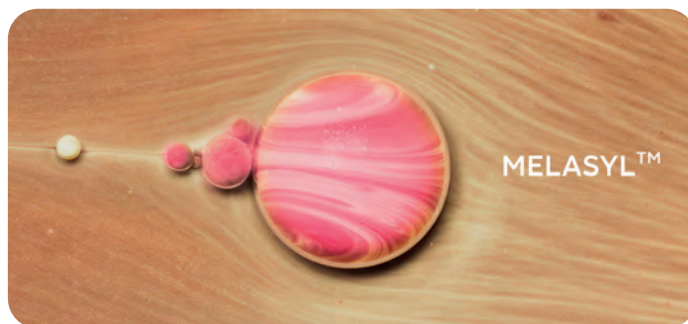
L'Oréal is the only company in the world to have received a triple "A" score from global environmental nonprofit CDP eight years in a row for its outstanding performance in tackling climate change, protecting forests and ensuring water security. The Group also ranks in the top ten most gender-equitable companies worldwide and is ranked number one in France according to research by Equileap of more than 3,700 listed companies across 27 countries.



A NEW CHAPTER IN BEAUTY WITH MIU MIU AND GJOSA

Following the successful partnership with Prada, L'Oréal and Prada S.p.A signed a long-term licence agreement for the creation, development and distribution of luxury beauty products for the Miu Miu brand.

L'Oréal also acquired full ownership of Gjosa, a Swiss startup pioneering the development of water fragmentation technology. L'Oréal had previously teamed up with Gjosa to launch the Water Saver showerhead, which enables water savings of up to 69% at the back bar in salons and was named one of the "100 Best Inventions of 2021" by TIME magazine.



ON THE CUTTING EDGE OF INNOVATION

Following 18 years of research, L'Oréal in March launched Melasyll™, a breakthrough molecule designed to address localised pigmentation issues that lead to age spots and post-acne marks. Melasyll™ is the result of rigorous tests involving 121 scientific studies.

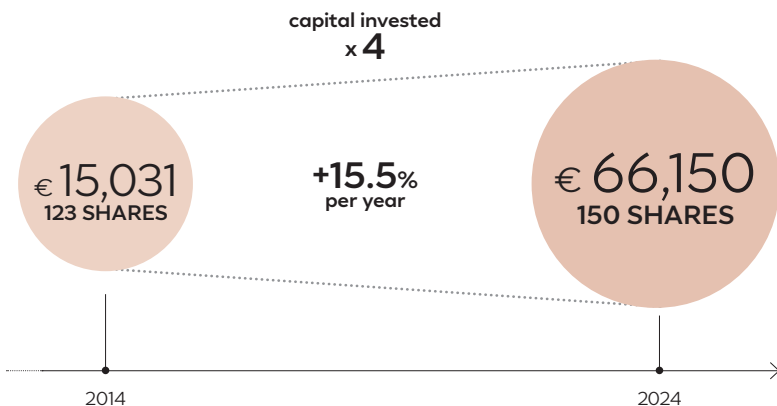
In January, through its venture capital fund, BOLD (Business Opportunities for L'Oréal Development), L'Oréal also acquired a minority stake in Timeline, a Swiss biotech company developing innovative solutions for longevity in the food, beauty and health sectors.

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 22 April 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.



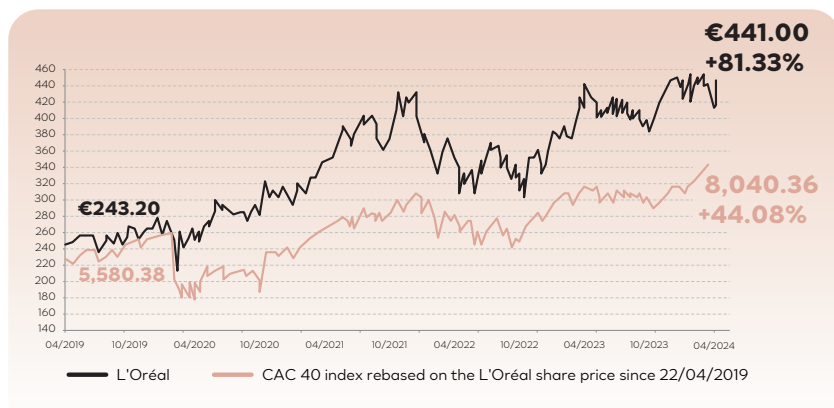
TOTAL ANNUAL RETURN

Based on the share price on 22 April 2024



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

L'Oréal vs CAC 40 from 22 April 2019 to 22 April 2024



(1) Total Shareholder Return of the investment, assuming that the shares are sold at the closing price on 22 April 2024. (2) CAC40 index rebased on the L'Oréal share price since 22/04/2019 // Source: Refinitiv, share price on 22/04/2024.

A TEAM THAT IS ATTENTIVE TO SHAREHOLDERS' VIEWS

PASCALE GUERIN

Director of Individual Shareholder and Market Authority Relations

ANGÉLIQUE FRUCHTENREICH

Individual Shareholder Relations Manager

relations_actionnaires_individuels@loreal-finance.com

Tel. in France: 0 800 66 66 66

Tel. from outside France: + 33 1 40 14 80 50

AGENDA

24-26 June 2024: Boursolive e-fair

30 July 2024: 2024 Half-Year Results (after stock market closing)

10 October 2024: Shareholder meeting in Reims

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

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

THE CONNECTED SHAREHOLDER

Download the L'Oréal Finance app and keep up to date with live news about your company. Available free on:

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You may also contact our Data Protection Officer by email at: dpo@loreal.com. If you feel your rights regarding your personal data are not being respected, you may lodge a complaint with your country's data protection authority.