



新黄金时代

A NEW GOLDEN
ERA FOR BEAUTY

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Part 1

POWER OF CHINA: OPENING UP A NEW CHAPTER



40th Anniversary of China Reform and Opening-up



5th Anniversary of the Belt and Road



Accelerating Consumption Upgrading

A world map with a textured, light brown background. The map shows the outlines of continents. China is highlighted in a solid red color, making it stand out from the rest of the map. The text is overlaid on the left side of the map.

#**1** Population

#**2** GDP

#**3** Size



GDP RMB 65tn, +6.7%, YTD Q3

	Weight	Growth Contribution
Consumption	54%	78.0%
Investment	43%	31.8%

ACCELERATING URBANIZATION



600+ cities in China

200+ cities **>1mn** population

China urban population is larger than the EU total population



China: Multi-faceted

- + rural vs. urban population
- + inland vs. coastal
- + dynastic heritage vs. modern cities

THE CHINESE LEAP

Way of living



中
國
志

THE CHINESE LEAP

中國
進步

Travel





CHINA = SCALE + SPEED

Innovation



Green



Sharing



**KEY WORDS
FOR DEVELOPMENT**



Coordination

Opening Up

Consumption



Part 2

CHINESE CONSUMERS

1

**RISING
CHINESE
MIDDLE CLASS**



**NEW CONSUMERS
ARE THERE...**

Middle-class

**Think Like The Wealthy
Consume Like The Wealthy**

\$1.8tn

additional
consumption

300 mn

150 mn

2015

2020e

middle-class population in China

**By 2030
Upper middle+
Upper class
consumption**

× 9



Consumption Upgrade



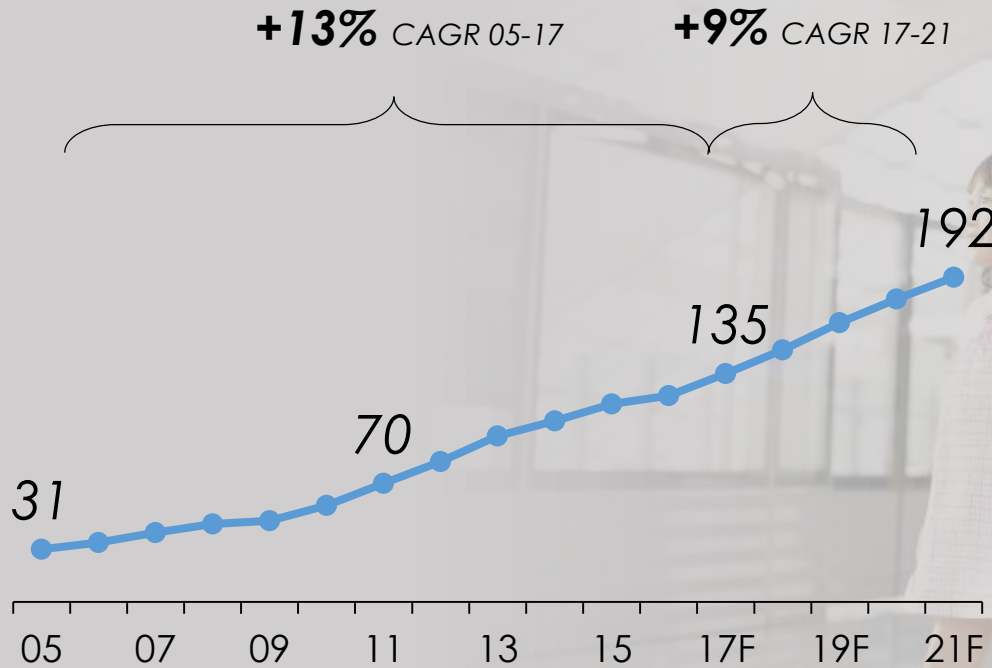
Search for Quality



Customization

CHINESE GLOBAL TRAVELERS

Chinese Outbound Tourists (in millions)

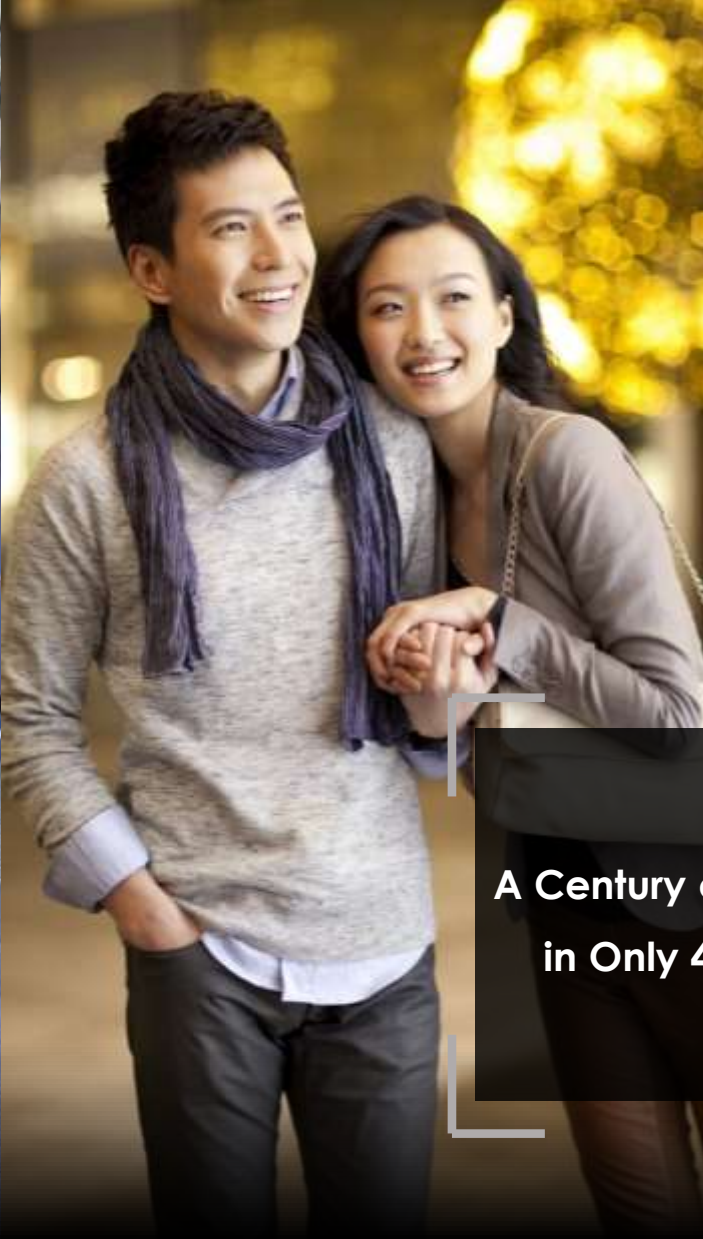


spending per trip/head

\$2,335



Post 60s/70s



Post 80s



Post 90s



Post 95s/00s

**A Century of Change
in Only 40 Years**

Post 60/70

Fight for Family
They have **Savings**

Few Travel Abroad

High Price=High Quality

LOGO/Status

No Makeup

Limited Brand Knowledge

Collective Society

Willing to Learn



Post 80

Prove to Others
They have **Debts**

Possession

Prepare for Future

Focused and Hard working

Career/Climb Social Ladder



Post 90

Live for Me
They have **Parents**

Experience

Enjoy The Present

Good Quality of Life

Self Expression

Individualistic

World + Self Discovery

Green Heart

Digital Native



Post **95/00**

We are the future!

Optimistic

Independent

Global citizen

China-Proud

Expressive





**FOCUS ON
POST 95/00**

2



POST 95/00
No hashtag

Expressive

- more eager to express, get noticed & recognized

Talk in their own style

Personalization is important

The next generation, willingness to spend



Me, Me, Me Generation



Authenticity & Diversity are values



Unconventional Is the New Aspiration



Values Topics Trigger Huge Reaction

3

**FOCUS ON
NEW SILVER**

60+ y.o population

2017: **241 mn**

2050e: **487 mn**

Benefit from reform and opening up

Another gold mine

Educated, sophisticated

More affluent

New Silver

**Age is a work of art
Age gracefully**

11 KEY PSYCHOGRAPHICS





4

**FOCUS ON
MEN**

Confident

Family and responsible

Tech fans

Open to beauty

STRATEGIC UNDERSTANDING OF MEN

欧莱雅中国
L'ORÉAL CHINA

TMALL 天猫

欧莱雅 产品创新中心
合作
L'ORÉAL x TMALL INNOVATION CENTER PARTNERSHIP

“手机天猫”
感兴趣的男士理容品牌
即可在现场免费体验
专业发型师提供的发型改造一次。

打开手机天猫或手机淘宝扫一扫，
美佳官方旗舰店，获取更多男士理容咨询

中国男士 理容白皮书

—多样型男的黄金时代—

L'ORÉAL CHINA x 天猫创新中心 联合发布



5 PROFILES OF CHINESE MEN IN GROOMING

Traditional men (58%)

- Don't care about grooming
- Market follower
- Family oriented



Fans of professionalism (18%)

- Super fans of men-specific brands
- Prefer electronic products & video games
- Rely highly on internet



Yuppies (10%)

- Pursue good quality of life (more premium products)
- Total grooming
- Like sports, travel and reading

Hair styling lovers (6%)

- Fashionable
- Care a lot about their hair styling
- Keen on car and electronic products



Beautiful faces (8%)

- Care about external appearance
- Pursue delicate face through sophisticated skincare and makeup routine
- Pay attention to dressing, jewelry, watches and bags

Part 3

BEAUTY IN CHINA



GOLDEN AGE OF BEAUTY



Beauty
In the DNA



Beauty
Is coming back



NEW GENERATIONS: BEAUTY ADDICTION

Skincare Purchase Penetration



> 90%



> 70%

Make up Purchase Penetration

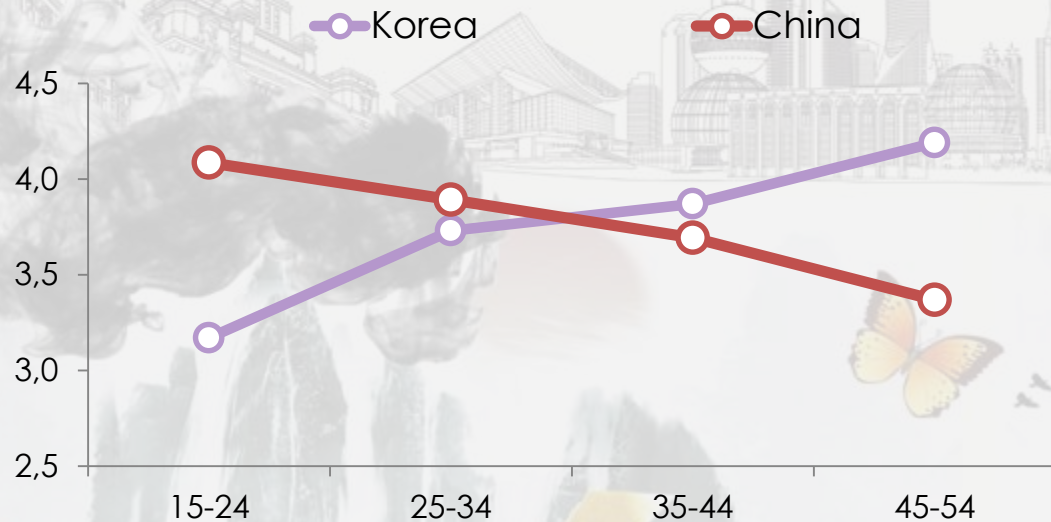


≈ 85%

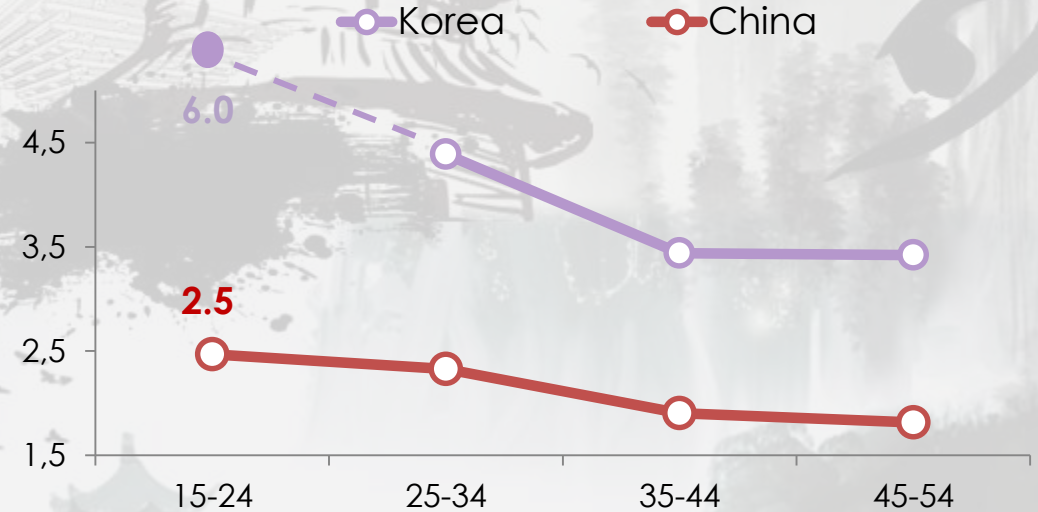


≈ 40%

of skincare routine by age



of make up types by age

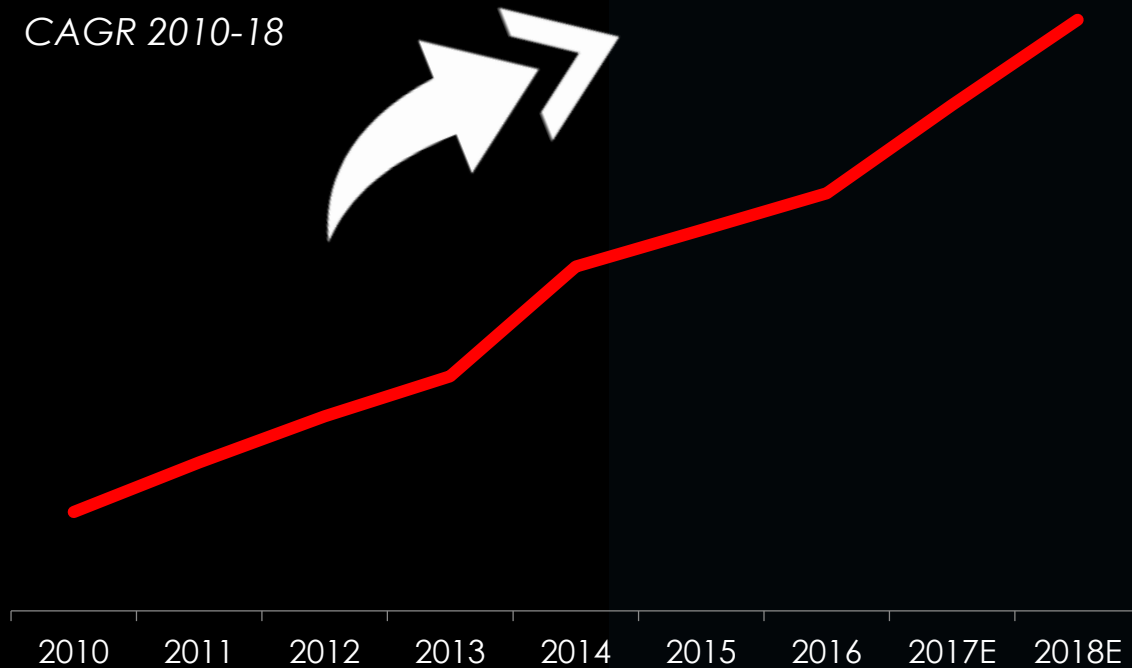


CHINA BEAUTY MARKET

+10%

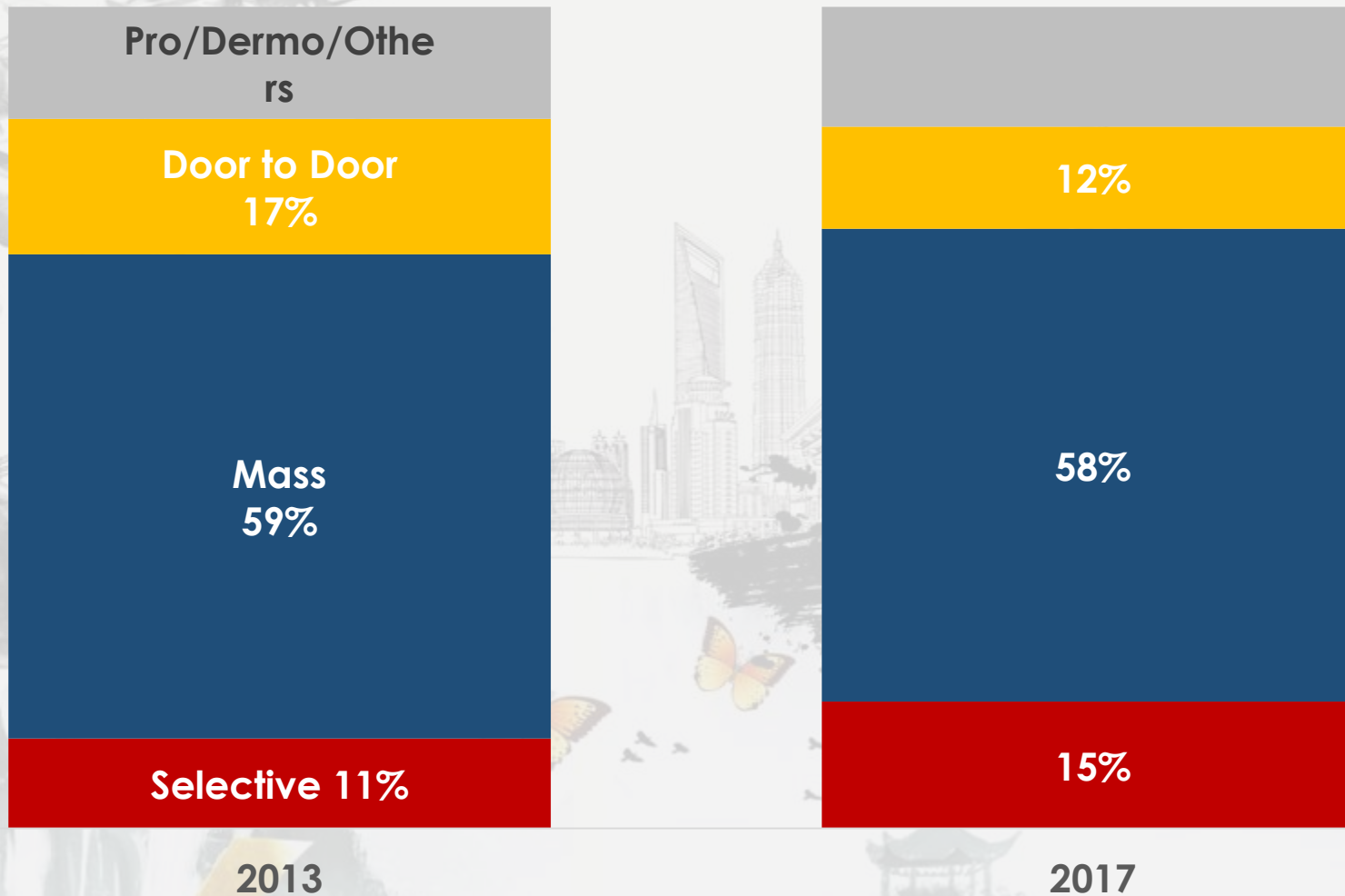
CAGR 2010-18

39 bn euro
(sell out)

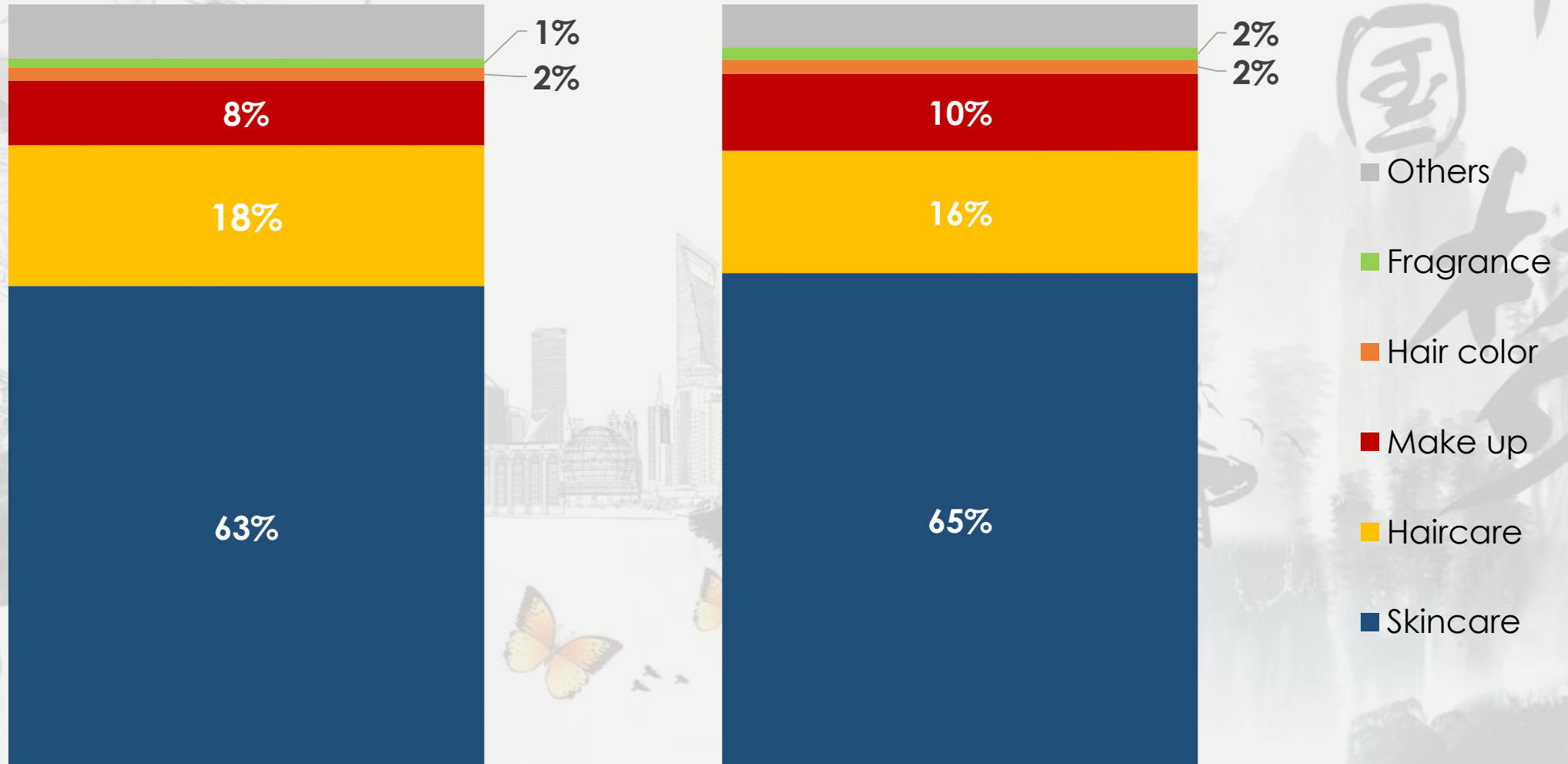


Source: Internal estimation

CHINA BEAUTY MARKET BY SECTOR



CHINA BEAUTY MARKET BY CATEGORY



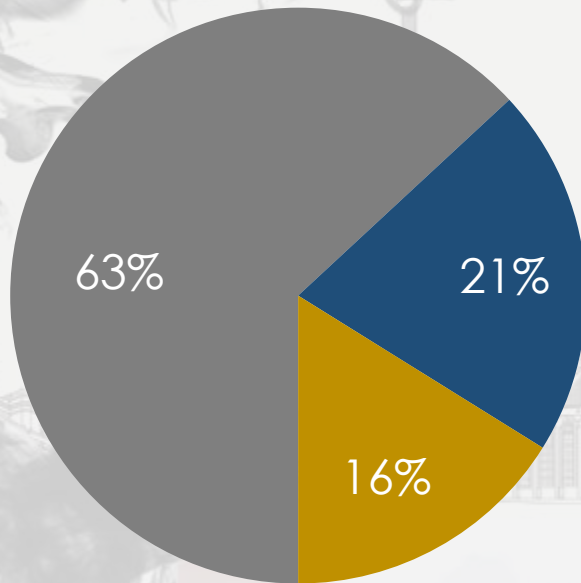
2013

2017

Source: internal estimates
*Others include hair styling, perm, hygiene.

CHINA SKINCARE BY ORIGIN

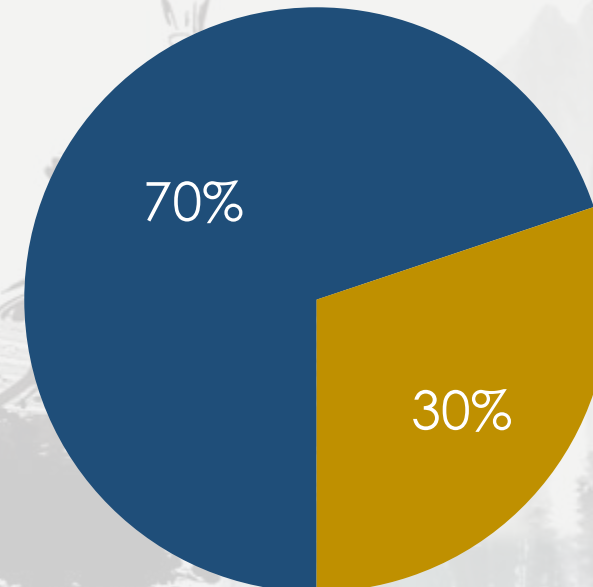
Mass Skincare



2017

Chinese Western Asian

Selective Skincare



2017

Western Asian



DIGITAL & BEAUTY
ARE A PERFECT MATCH





YVES SAINT LAURENT

BEAUTÉ

YSL 圣罗兰美妆官方旗舰店

首页

所有产品 ▾

玩美唇妆 **HOT**

无瑕底妆 **HOT**

高定方管

银管水唇露

搜索 🔍



BEAUTY E-COMMERCE

2017: **8** bn euro (sell out)

23% weight of market

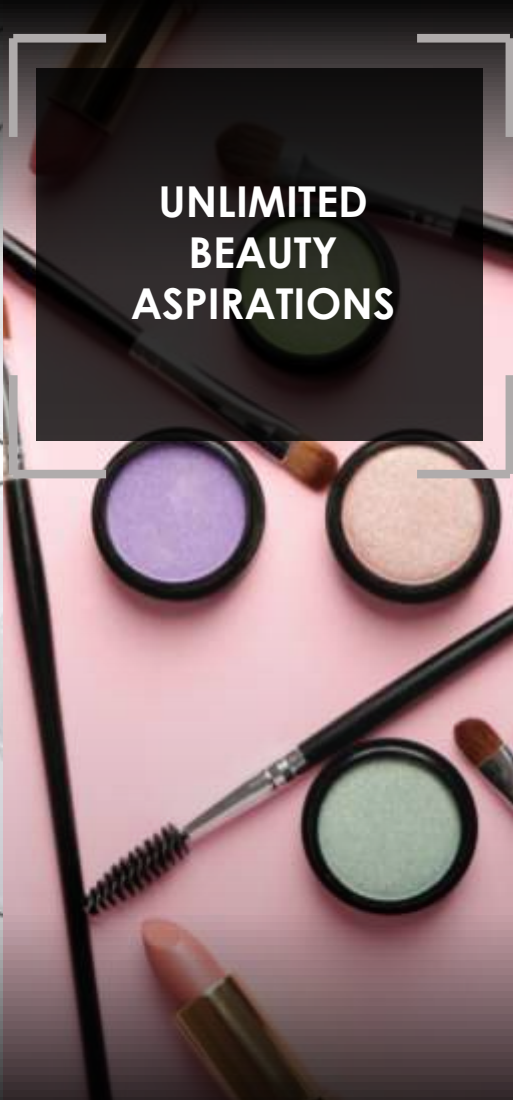
+38% CAGR 2013-17



**The power of ingredients
for the safest, most
effective skincare**



**One more chance to live
better - science-based
dermo cosmetics**



**Life is short, try more looks -
young, affordable and
playful make-up**



**I'm never fully dressed
without great hair –
professional haircare &
color**



**No elegance is possible
without fragrance -
sensory fragrance**

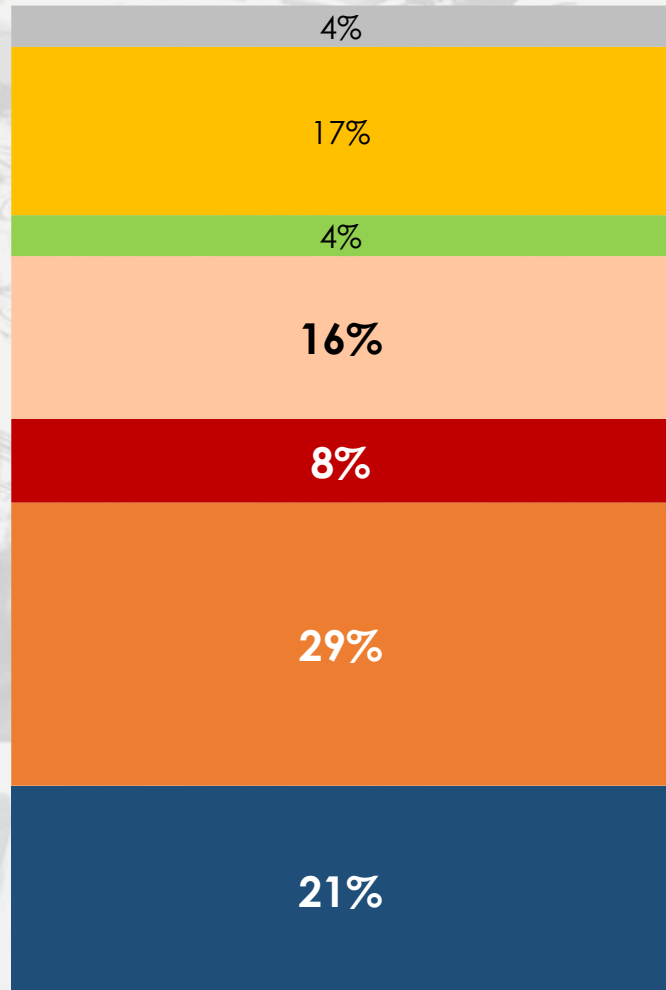


Part 4

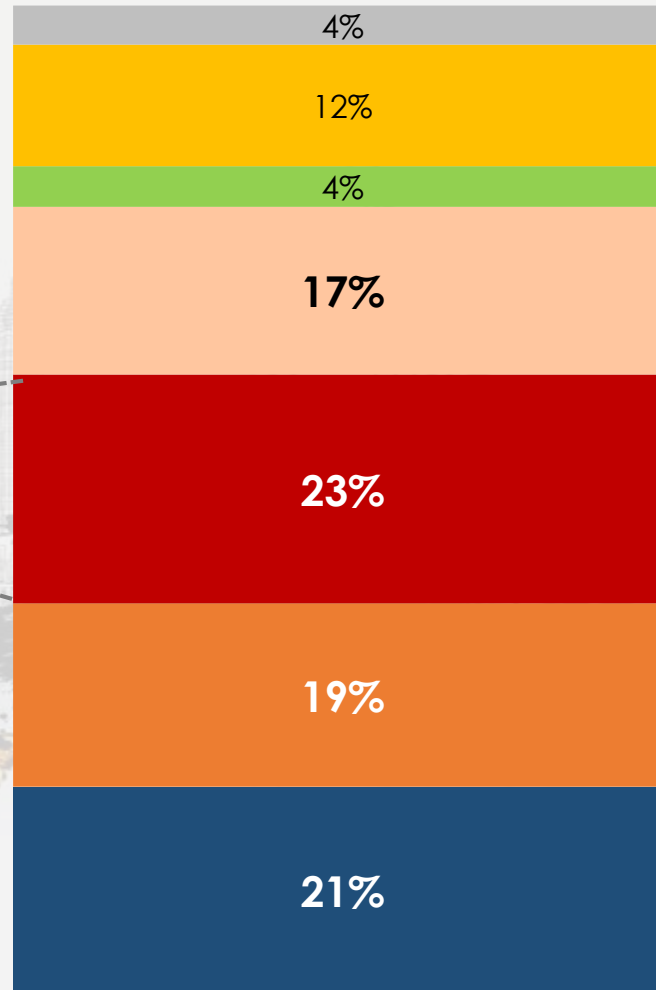
**CHINA
DISTRIBUTION
& RETAIL**

CHANNEL SHIFT

BEAUTY RETAIL SALES Value Weight



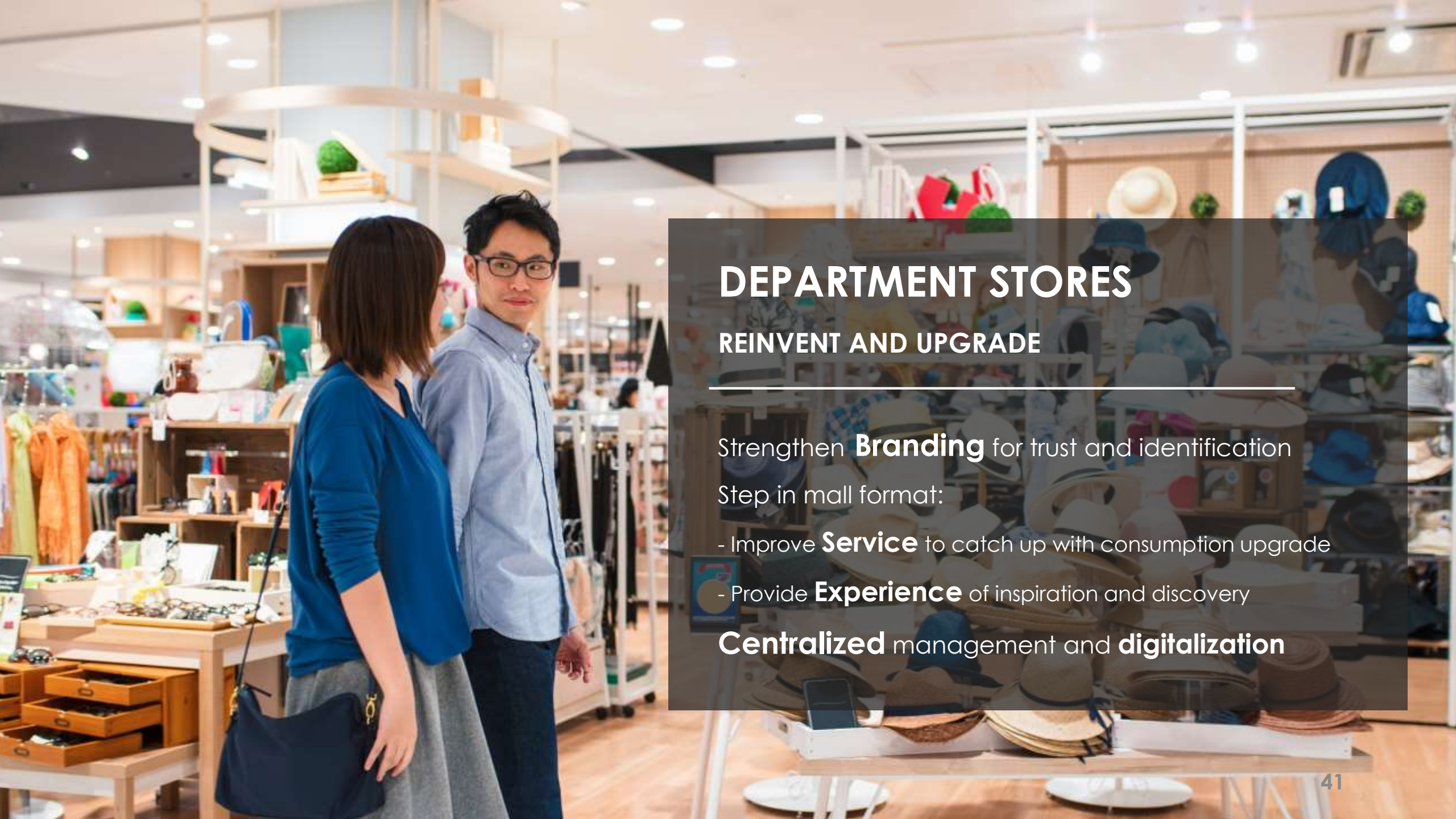
+38%
E-Commerce
CAGR 13-17



- Others
- Door to Door
- Personal Care
- Cosmetics Store
- E-commerce
- Food Channel
- Dept Store

2013

2017



DEPARTMENT STORES

REINVENT AND UPGRADE

Strengthen **Branding** for trust and identification

Step in mall format:

- Improve **Service** to catch up with consumption upgrade

- Provide **Experience** of inspiration and discovery

Centralized management and **digitalization**



SHOPPING MALLS

A FAST-GROWING DESTINATION

Experience is core traffic driver

Half of all mall tenants are experiential-driven (food, entertainment, children's education and playgrounds)

3400+ malls, **11X** in 10 years



O + O

MORE THAN E-COMMERCE, NOW NEW RETAIL



Online

E-Commerce
 淘 Taobao 天猫 Tmall

Social
 微博 Weibo

Entertainment
 优酷 Youku 阿里游戏 Ali Games

E-Commerce
 拼多多 Pinduoduo 京东 JD 唯品会 vip.com VIP

Social
 微信 WeChat 腾讯 QQ 快手 Kuaishou

Entertainment
 腾讯视频 Tencent TV 腾讯游戏 (Top 1: King Glory)

Offline

Supermarket
 联华 Lianhua 大润发 RT-MART Sun Art 苏宁 Sunning 淘咖啡 Tao Cafe

Department Store
 银泰 Intimez 三江购物 Sanjiang 百联 Bailian 新华都 Xinhudu

Fresh/Small Stores
 盒马鲜生 Hema 零售通 Ist.1688.com 零售通 星巴克 Starbucks 饿了么 Eleme

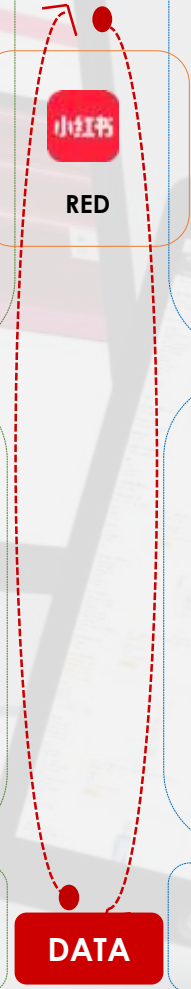
Supermarket
 永辉超市 Yonghui Walmart Walmart 家乐福 Carrefour 中国资源无人超市 China Resources Unmanned JD

Department Store
 万达集团 Wanda Group 步步高 Better Life

Fresh/Small Stores
 7Fresh 7Fresh 掌鱼生鲜 Zhangyu Fresh 京东新通路 Xintonglu 瑞幸咖啡 Luckin Coffee 美团 Meituan

Infrastructure
 支付宝 Alipay 菜鸟 Cainiao Logistics 阿里云 Ali Cloud

Infrastructure
 微信支付 Wechat pay 京东物流 JD Logistics 腾讯云 Tencent Cloud





CHINA OUTLOOK

HUGE MARKET POTENTIAL



200+ Rising Cities and continuing **urbanization**



Over **500 million** potential consumers



Fast rise in **purchasing power** and search for **quality**



Under-developed **categories**



长风破浪会有时

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