

2016 CAPITAL MARKET DAYS

22 September 2016

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Managing Director L'Oréal UK and Ireland

L'ORÉAL
UK AND IRELAND

2016 Capital Market Days

- **THE UK: A BIRTHPLACE FOR TRENDS**
- **THE UK BEAUTY MARKET**
- **L'OREAL UK**
 - KEY FACTS & FIGURES
 - 10 YEARS OF GROWING LEADERSHIP THROUGH CONSUMER OBSESSION
 - DIVISION PERFORMANCE
 - FOCUS ON CONSUMER PRODUCTS DIVISION
 - L'OREAL UK: SHARING BEAUTY WITH ALL
 - TALENT ACCELERATOR



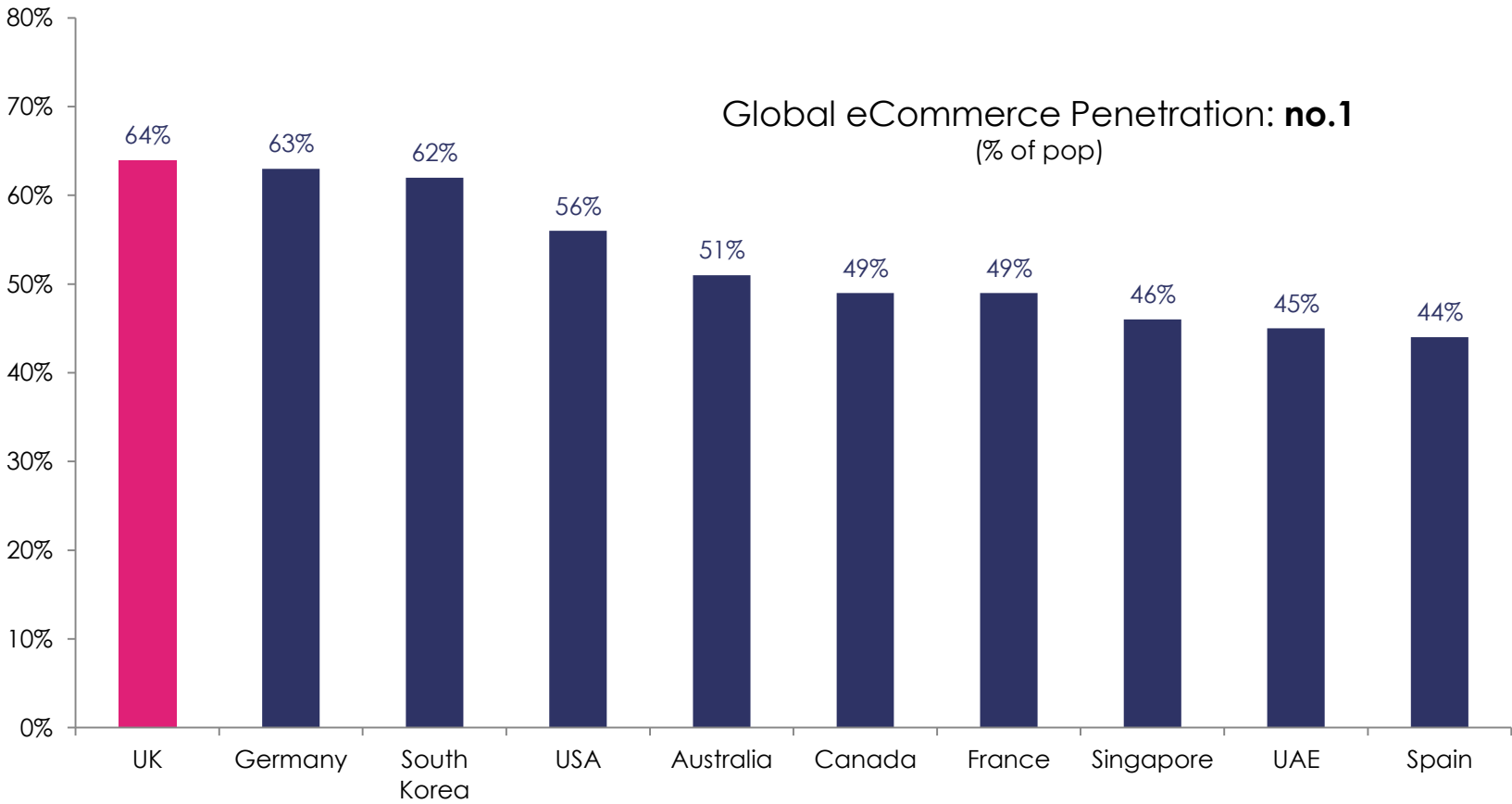
The UK BEAUTY MARKET

22 September 2016

The Retail Landscape

22 September 2016

UK: Very high eCommerce Penetration



eCommerce has been a catalyst for retail transformation

Infinite information

Infinite assortment

Increased convenience



But, until today relatively transactional and devoid of engaging shopping experiences







22 September 2016



SOUTH HALL

Venchi





INTRODUCING
121 REGENT STREET
LONDON



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HERITAGE FORMULAS
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-8.00PM
-6.00PM

HAIR CARE
BODY CARE
TOWEL
DRIES

A WORLD OF OYING
Kiehl's
KIEHL'S
KIEHL'S

Kiehl's
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THE FINEST
SILK
PROPERTIES
OF THE
ESSENCE
SINGS

DERMATOLOGIST
SOLUTIONS

ANTI-AGING

Kiehl's
SINCE 1851
Crème de Corps
Kiehl's
SINCE 1851



Be
NAKED
EFFECT

beauty
with
an edge

URBAN
DECAY

URBAN
DECAY

URBAN
DECAY
beauty with an edge

NAKED
EFFECT
BE NAKED
GET NAKED

beauty with an edge



4 MEDIUM
ON
GIFT WRAP
TOYSHOP
GIFT CARD
WIFI

FLOWERBOMB
VIKTOR&ROLF

VIKTOR&ROLF

FLOWERBOMB
VIKTOR&ROLF



FLOWERBOMB
VIKTOR&ROLF

LIMITED EDITION
Exclusive to Selfridges



EYES

NYX
PROFESSIONAL MAKEUP

lift

NYX
APPLICATORS • ACCESSORIES

NYX
PROFESSIONAL MAKEUP

LIPS

MATTE PERFECTION!
12 NEW SHADES OF MATTE LIPSTICK

NYX PROFESSIONAL MAKEUP

MAKE-UP



MAYBELLINE NEW YORK

MAYBELLINE NEW YORK

MAYBELLINE NEW YORK

MAYBELLINE NEW YORK

3for2

3for2

3for2

MAYBELLINE NEW YORK
3for2
on all 3 products

MAYBELLINE NEW YORK

BEAUTY LOOKING BLEM & SKIN CORRECTION
POLL TO TEST
STAYING EYE-FRESH
CREAMY CORRECTION

UK at the Leading Edge on Both Paths



Sophisticated and Growing Beauty Market

Engaged
Consumers

Retail
Landscape

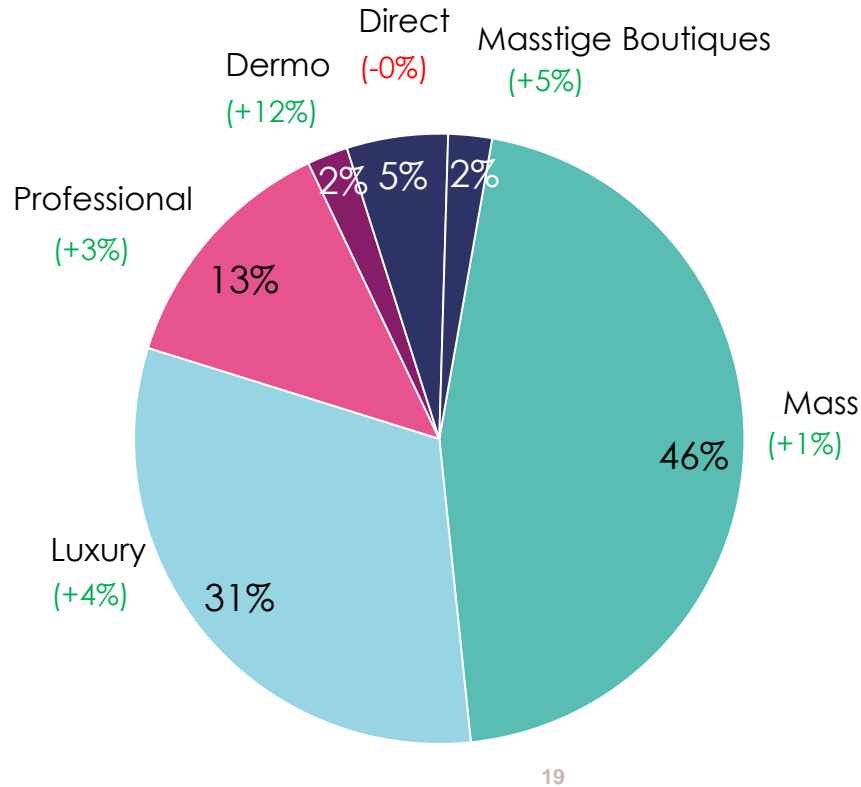
Digital
Development

Lifestyle
(fashion, film,
music)

Strong
Economy

Competitive
Set

UK Beauty Grows in Value Across All Distribution Channels



TOTAL MARKET

£5.0 bn (+2.3%)

eCommerce

8-9% of Total Market

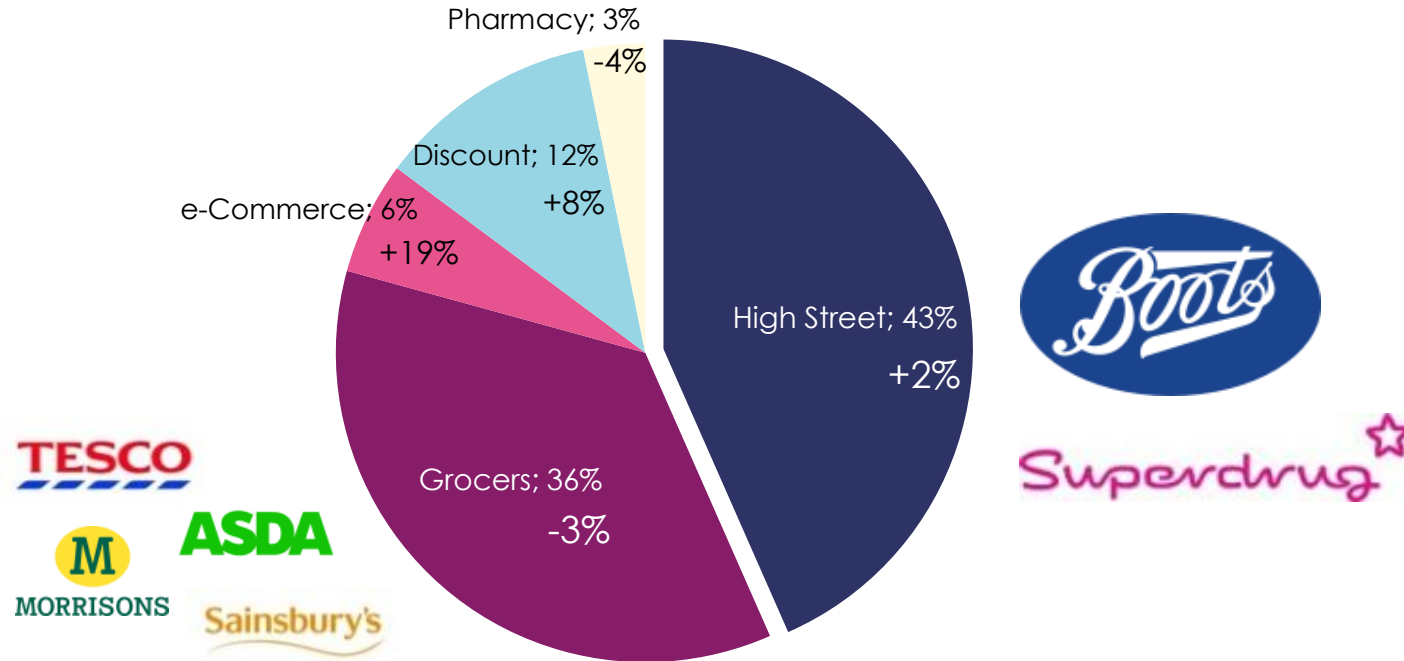
+20% vs LY

* Dermo and Mass universe overlap, so this is not mutually exclusive
** Excluding monobrand stores in the like of Bobbi Brown, MAC, Kiehl's etc.

Source: L'Oréal BMS S1 2016 (FY2015 data)

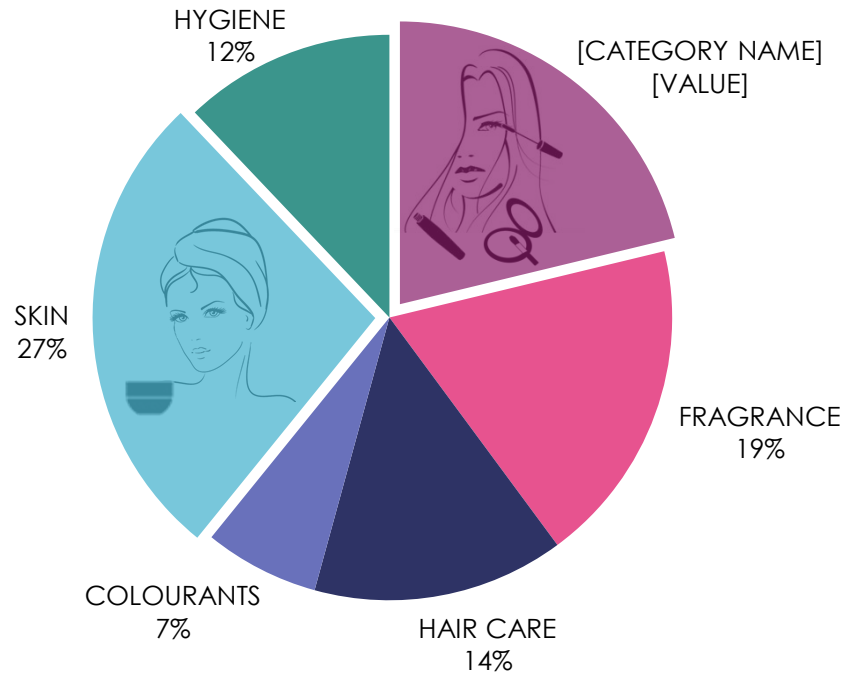
L'ORÉAL

UK mass beauty well balanced across channels

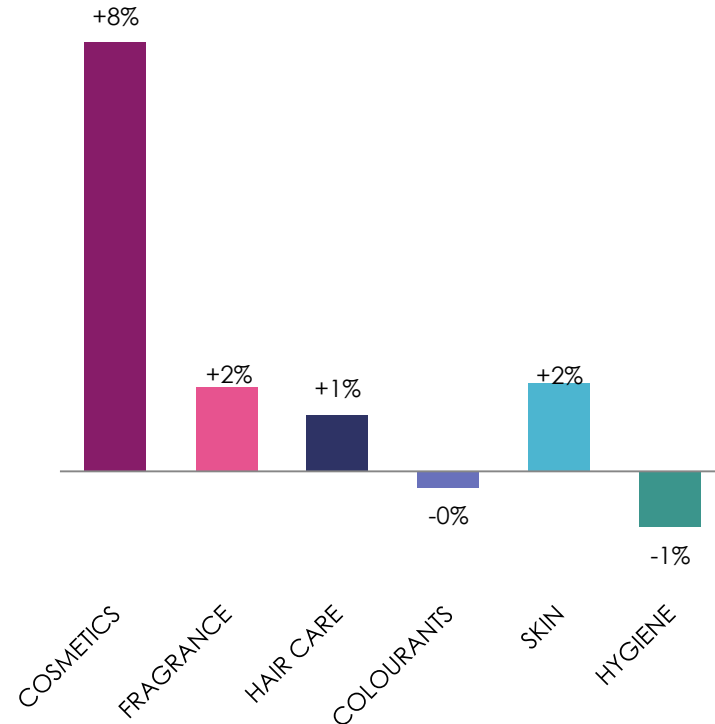


The UK market category specifics

Category Weight in Value



Category Value Growth



4 Rising Trends in Beauty



Make-Up Boom



Dermo Cosmetics



Natural



Personalisation



L'Oréal UK

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L'Oreal UK&I Leader in the beauty market

L'ORÉAL
IS THE MARKET
LEADER

6.0%
GROWTH
IN 2015

+24%
GROWTH IN
E-COMMERCE
IN 2015



HEAD OFFICE

Hammersmith, London

CORPORATE OFFICES

London, Dublin, Wales

DISTRIBUTION CENTRES

Manchester, Bury, Nottingham

HAIRDRESSING ACADEMIES

London, Manchester

4,438
EMPLOYEES

ESTABLISHED IN
1932

68%
FEMALE
WORKFORCE

Professional Products

L'ORÉAL
PROFESSIONNEL
PARIS

REDKEN
5TH AVENUE NYC

MATRIX
IMAGINEZ TOUT CE QUE VOUS POURREZ ÊTRE

KÉRASTASE
PARIS

DECLÉOR PARIS CARITA
PARIS

essie

Consumer Products

Paris que vous le voyez on.
L'ORÉAL
PARIS

GARNIER

MAYBELLINE
NEW YORK

NYX
PROFESSIONAL MAKEUP

SOFTSHEEN-CARSON

essie

L'Oréal Luxe

LANCÔME
PARIS

GIORGIO ARMANI

Kiehl's
SINCE 1851

YVES SAINT LAURENT
BEAUTE

ud
URBAN DECAY

shu uemura

clarisonic

VIKTOR&ROLF

cacharel

DIESEL

RALPH LAUREN
FRAGRANCES

Active Cosmetics

VICHY
LABORATOIRES

LA ROCHE-POSAY
LABORATOIRE PHARMACEUTIQUE

SKINCEUTICALS



The Body Shop

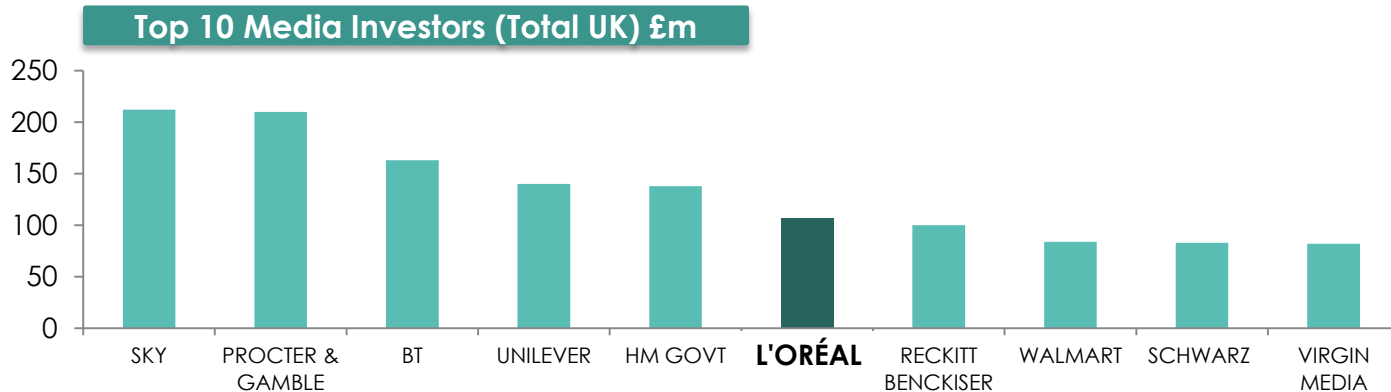


#1 Investor in Media for Beauty

L'ORÉAL

1

investor in media for Beauty



Strengthen our Leadership as the Largest and Fastest Growing
Major Beauty company in the UK

through relentless **consumer obsession**



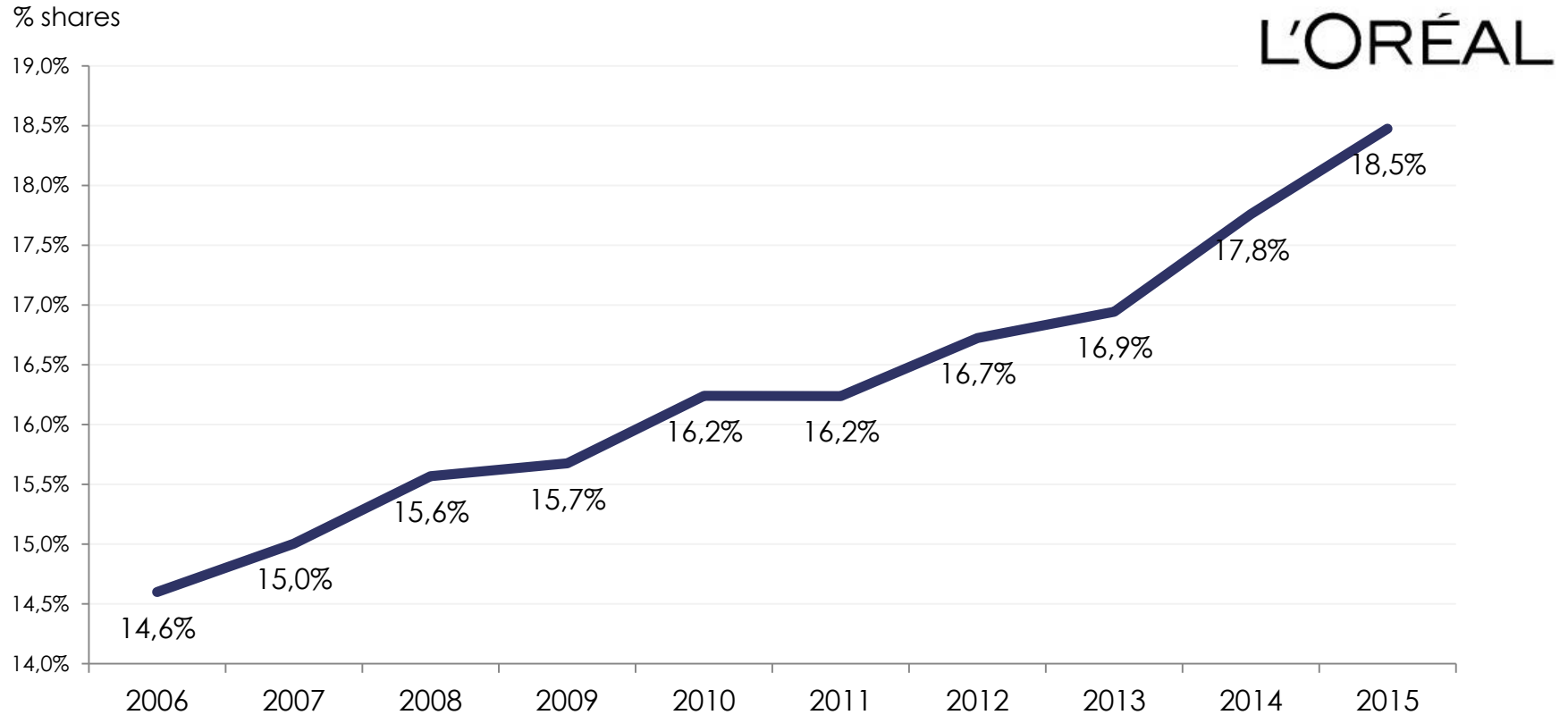
Why do we believe we will achieve this?

Unique brand portfolio
addressing all consumer
segments and distribution
channels

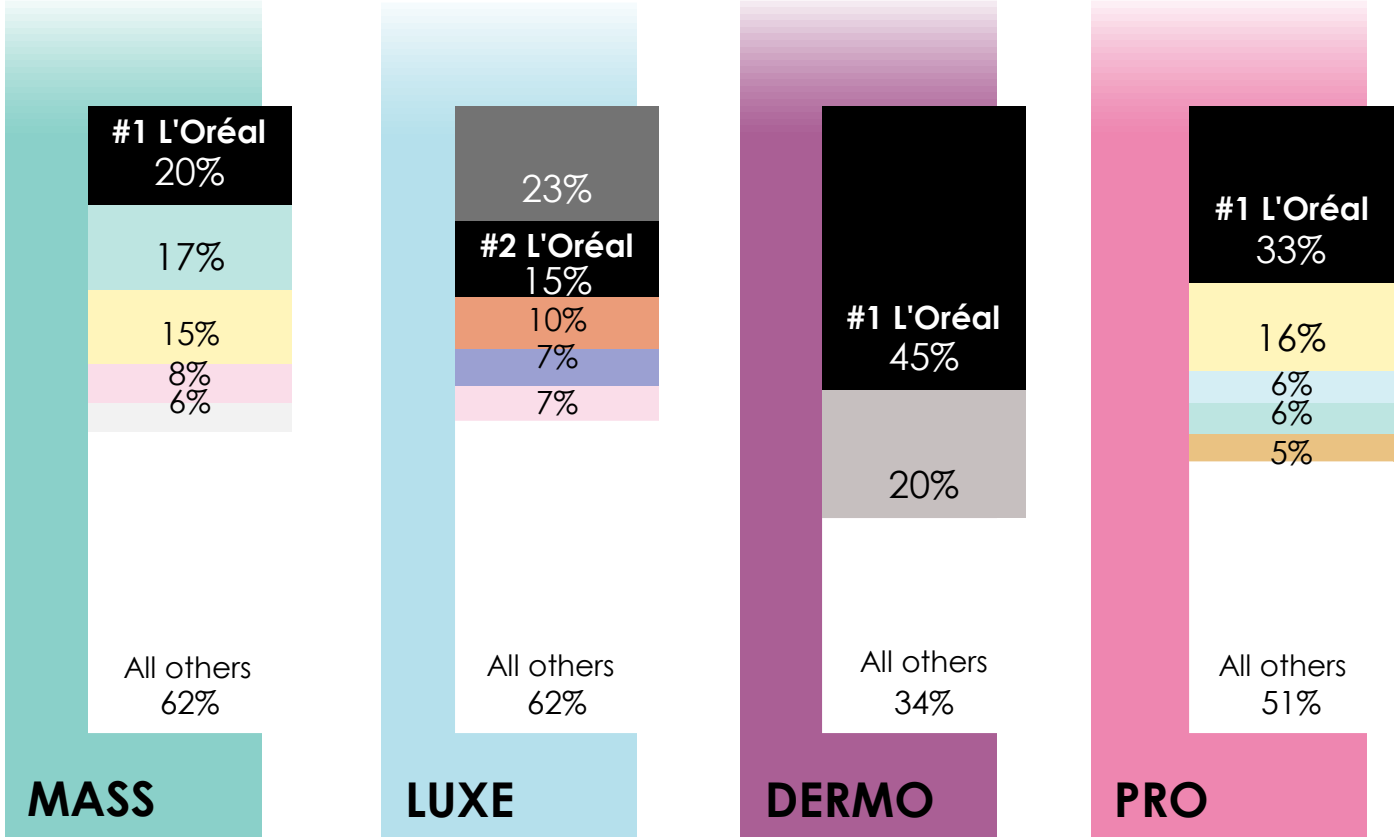
**Strong cross-divisional
synergies** across back
office, talent
management, operational
excellence and
sustainability efforts

Leveraging beauty focus
and scale to **accelerate
digital transformation**
(consumer data,
negotiation scale, access
to partnerships, etc)

L'Oréal UK: 10 Years of Growing Shares

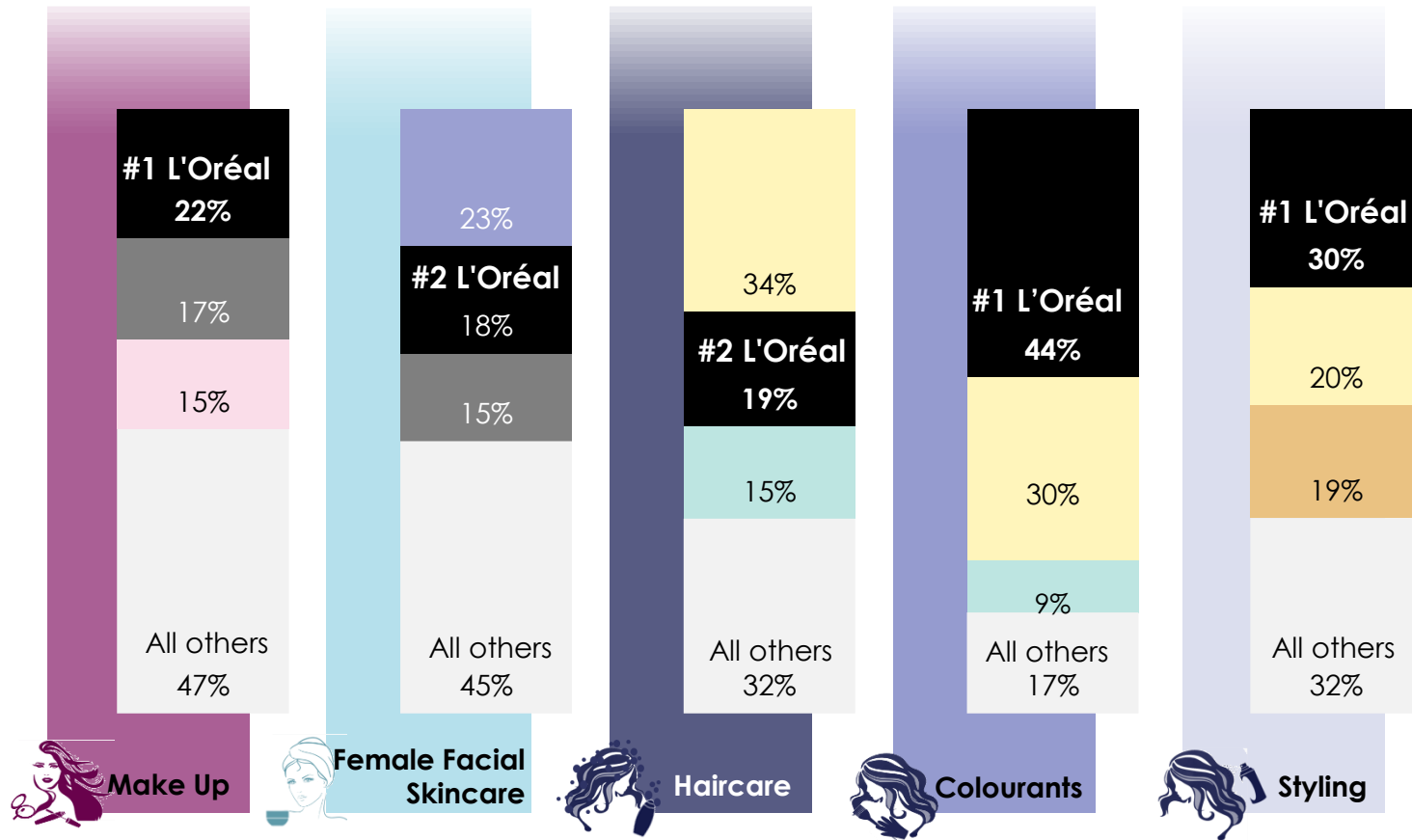


L'Oréal vs Competition

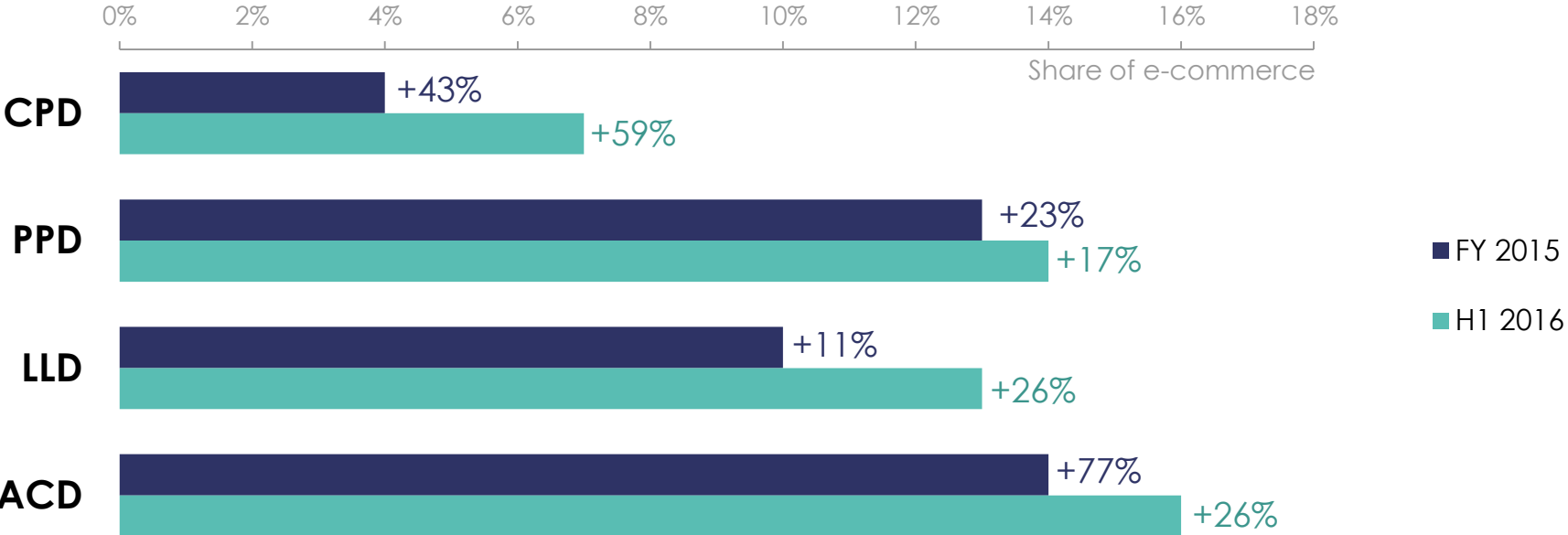


Source : Nielsen Scantrack FY2015 reports (Mass data and Dermo); NPD FY2015 December report (Luxe data); Kline FY2015 report (professional data). Note: Dermo does not include professional dermo

L'Oréal #1 in Make-Up, Colourants and Hair Styling

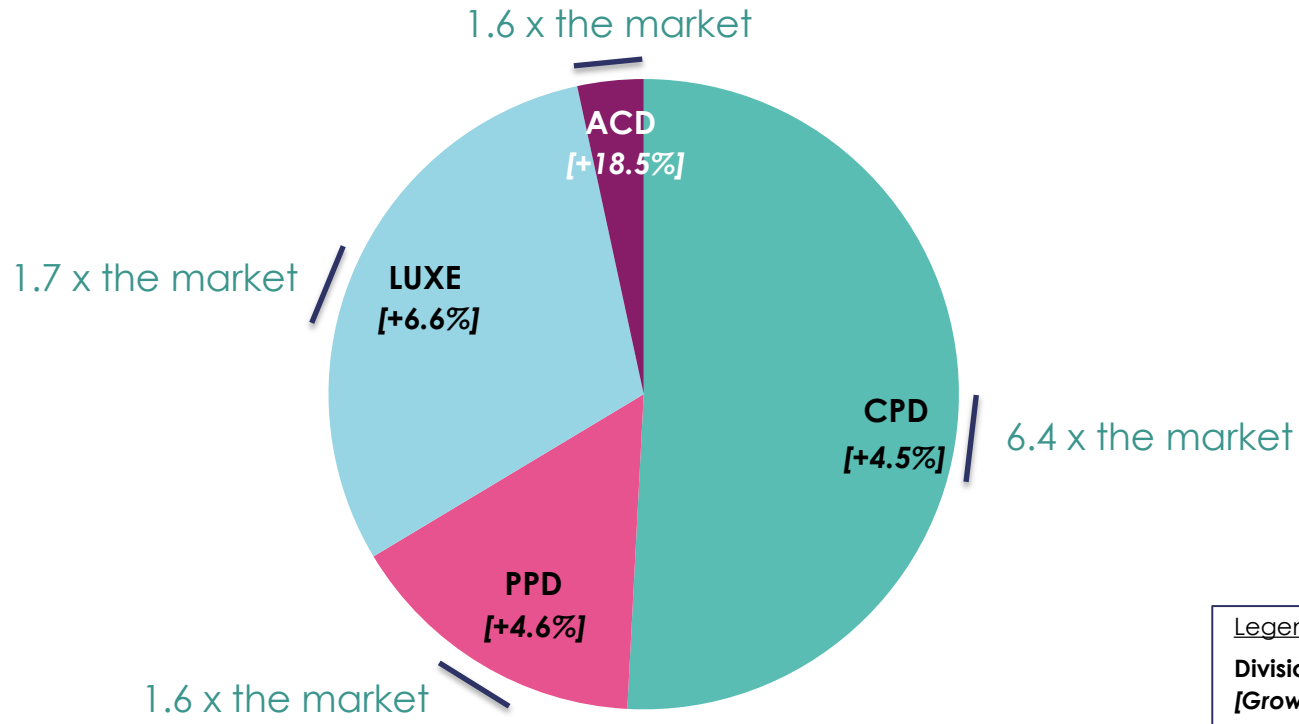


e-Commerce: radical shift in 2015;
Strong acceleration in 2016



2015: 7.5% e-Commerce at +24%
H1 2016: 8.8% e-Commerce at +32%

L'Oreal UK: Balanced Growth with all divisions growing share



CPD Business Overview



Objective:

Accelerate over-performance versus market

STRATEGY

FURTHER STRENGTHEN
LEADERSHIP
IN MAKE-UP AND HAIR
COLOR



**PROFITABLE
GROWTH**

CONTINUE TO
AGGRESSIVELY GAIN
MARKET SHARE IN HAIR
AND SKINCARE



**GAIN IN
CRITICAL MASS**

ACCELERATE ADJACENT
CATEGORIES (e.g. MEN)




**NEW GROWTH
DRIVERS**

STRENGTHEN OUR
DIGITAL FOOTPRINT IN
DIGITAL CHANNELS



**FURTHER DEVELOP
COMPETITIVE
ADVANTAGE**



No1 Beauty Brand in the UK

L'Oreal Paris



Fastest growing major brand MU for 4 years

Maybelline New York



Driving consumer penetration via new categories

Garnier



Biggest new brand launch of 2016

NYX Professional Makeup



No.1 Nail Brand in UK distributed stores

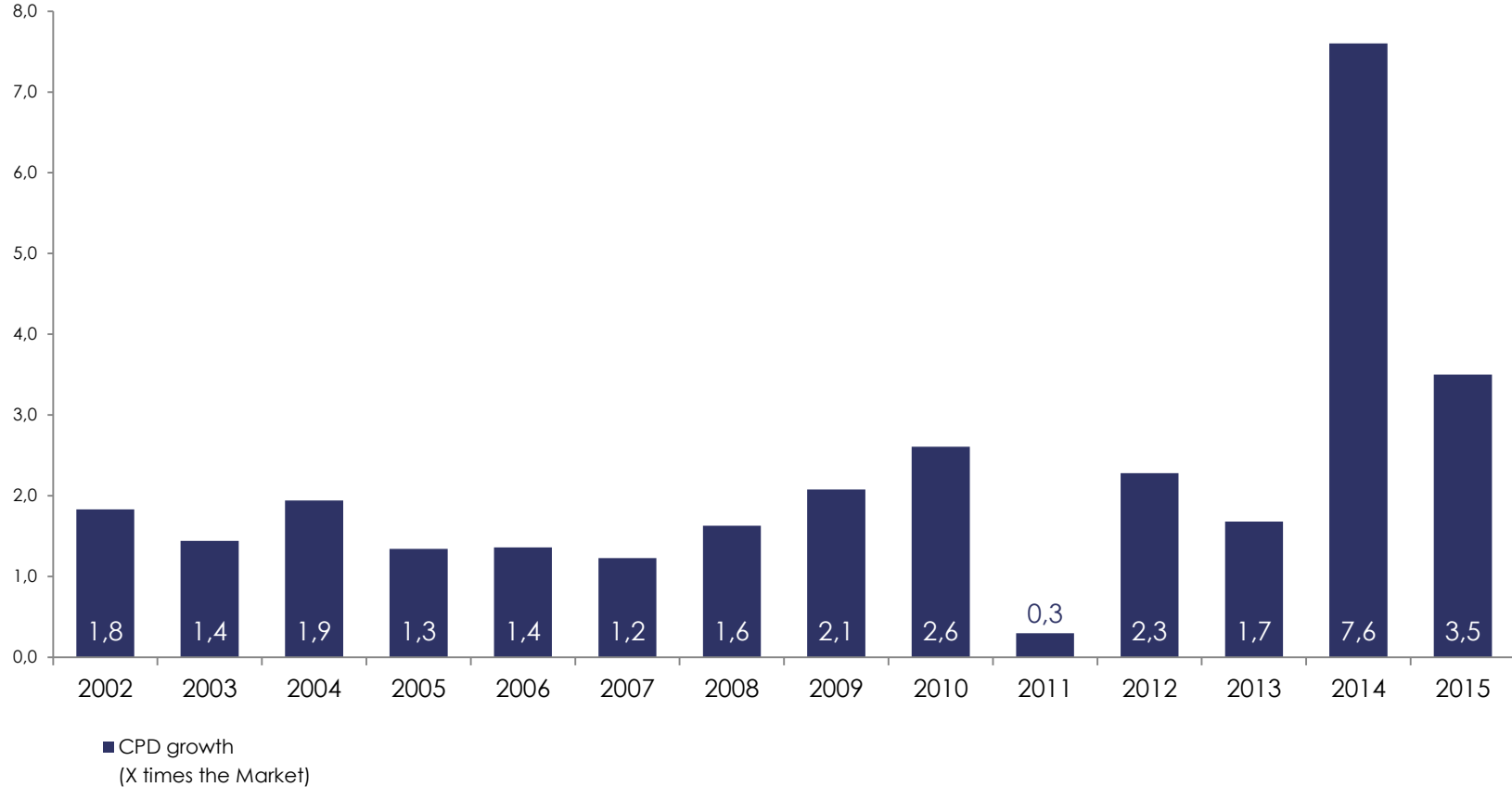
Essie



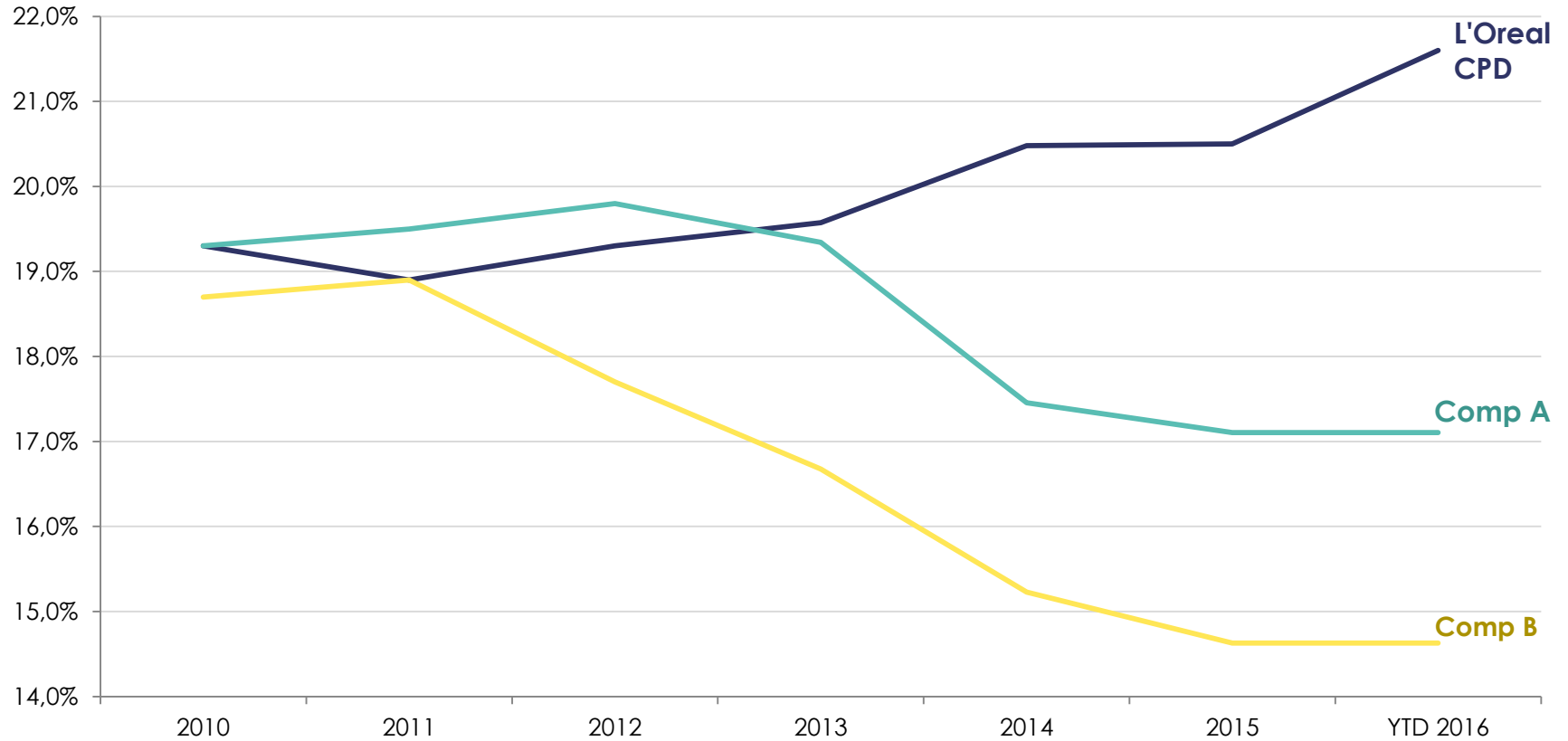
A Brand to Target the Growing Ethnic Population

Softsheen-Carson

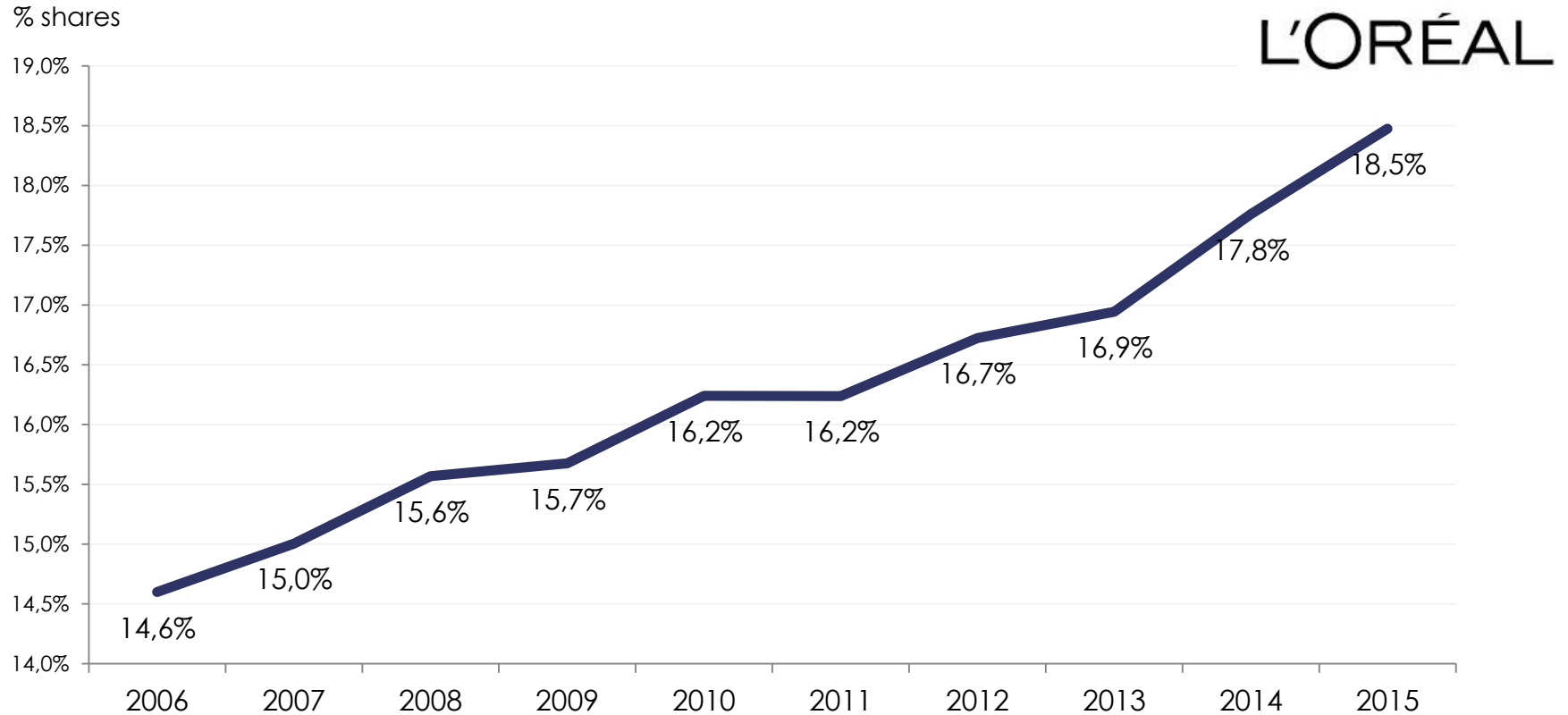
CPD UK outgrew the market by 2.2 times on over 14 years



Mass Market long term value share



L'Oréal UK: 10 Years of Growing Shares



Attractive Employer



Top 20 most attractive companies worldwide



5th most attractive Employer



Ranked 21st



Ranked 22nd



Dynamic & Diverse Workforce

Millennials



Gen X



Baby Boomers



2/3
Women



41 nationalities



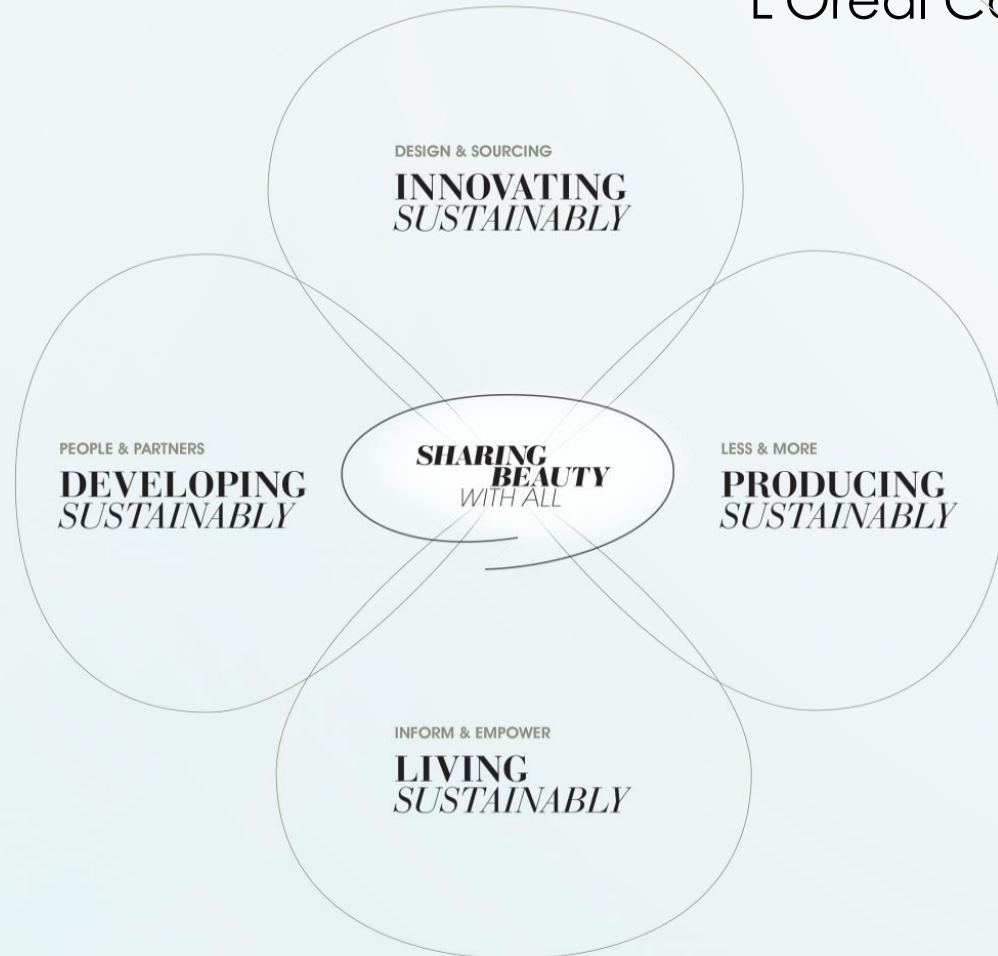
34 Brits abroad in key positions



**SHARING
BEAUTY**
WITH ALL

22 September 2016

L'ORÉAL



UK SBWA Activation

**Drive Local
Relevance &
Activation**

**Enhance Corporate
Reputation**

**Deliver against sustainability
commitments**

**SHARING
BEAUTY**
WITH ALL

41% would purchase from a brand showing a commitment to my local community

62% say they are influenced to purchase from a brand they trust

63% have bought a product with social or environmental benefits

UK SBWA Activation

Drive Local
Relevance &
Activation

Enhance Corporate
Reputation

Deliver against sustainability
commitments

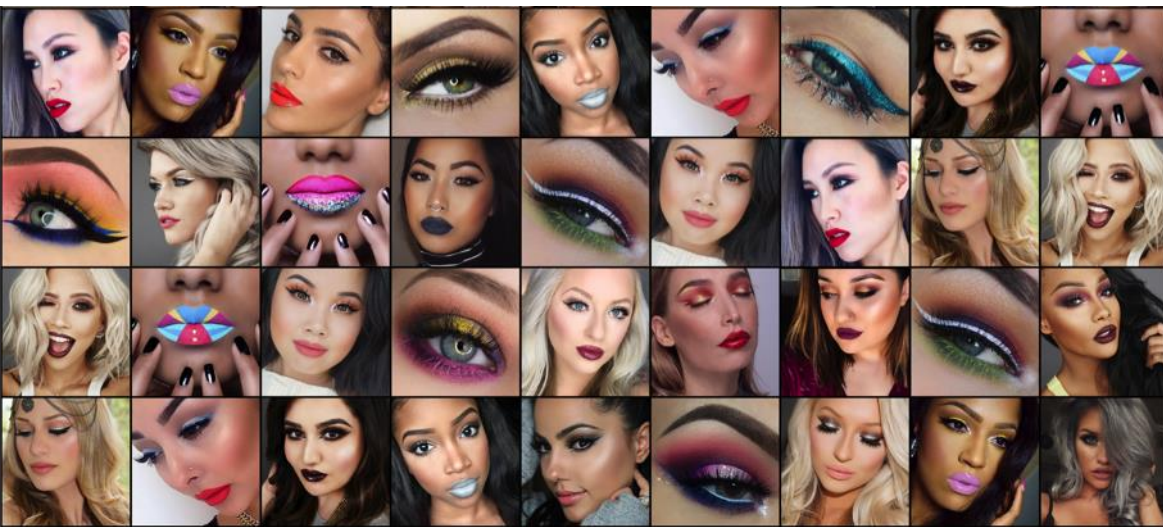
**SHARING
BEAUTY**
WITH ALL

190,000 products were donated to local NGOs
15,500 people supported through LGFB
11,000 children given access to science
education through LYSC

8.1 Point increase in Reprtrack Citizenship
score in last 2 years (74.0 vs. 65.9)

84% reduction in CO₂*
63% reduction in water*
54% reduction in waste*
* Vs 2005 baseline

Sources: Statistics tracked by NGOs and L'Oréal for donations;
UK RepTrack 2016;
Internal figures from Operations (2015 audit)



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