



2019 half-year results

31 July 2019

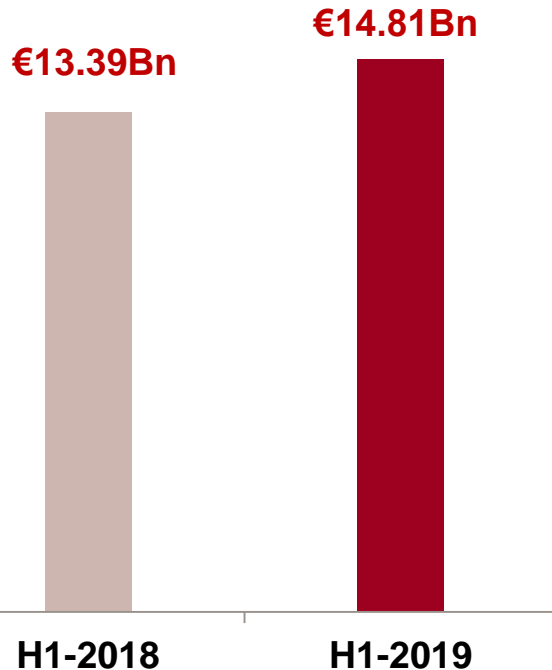
Mr Christophe BABULE

Chief Financial Officer

L'ORÉAL



Consolidated sales at the end of June 2019



Like for like growth	+7.3%
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Of which:

<i>- external growth impact</i>	<i>+1.1%</i>
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Growth at constant exchange rates	+8.4%
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<i>- exchange rate impact</i>	<i>+2.2%</i>
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Reported growth	+10.6%
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Changes in exchange rates (against the euro)

	Weight in consolidated sales at 30 June 2019	Average rate January – June 2018	Average rate January – June 2019	% change H1-19 vs. H1-18
Euro	22.7%	—	—	—
US Dollar (1 € =)	23.8%	1.210	1.130	+7.1%
Chinese Yuan	13.1%	0.130	0.130	+0.5%
Sterling Pound	4.0%	1.137	1.145	+0.7%
Russian Ruble	2.4%	0.014	0.014	-2.4%
Canadian Dollar	2.3%	0.647	0.664	+2.7%
Brazilian Real	2.1%	0.242	0.230	-4.7%
Japanese Yen (1000)	1.7%	7.601	8.046	+5.8%
Korean Won (1000)	1.5%	0.768	0.773	+0.6%
Mexican peso	1.5%	0.043	0.046	+6.5%



Consolidated sales by division at the end of June 2019

(in million euros)

	H1-2018	H1-2019	% Change		
			Like-for-like	At constant exchange rate	Reported
Professional Products	1 631.5	1 714.2	+2.5%	+2.6%	+5.1%
Consumer Products	6 136.8	6 530.5	+3.1%	+5.0%	+6.4%
L'Oréal Luxe	4 391.4	5 150.1	+13.2%	+13.6%	+17.3%
Active Cosmetics	1 231.0	1 416.7	+13.6%	+14.2%	+15.1%
Total	13 390.7	14 811.5	+7.3%	+8.4%	+10.6%



Total sales by region at the end of June 2019

(in million euros)

	% Change			
	H1-2018	H1-2019	Like-for-like	Reported
Western Europe	4 134.1	4 212.6	+1.0%	+1.9%
North America	3 564.4	3 805.7	0.0%	+6.8%
New Markets	5 692.2	6 793.1	+16.6%	+19.3%
Of which :				
- <i>Asia, Pacific</i>	3 548.1	4 626.4	+24.3%	+30.4%
- <i>Eastern Europe</i>	899.4	931.3	+7.5%	+3.5%
- <i>Latin America</i>	882.7	878.6	+1.9%	-0.5%
- <i>Africa, Middle-East</i>	362.1	356.7	-5.4%	-1.5%
Total	13 390.7	14 811.5	+7.3%	+10.6%



Consolidated profit and loss account: from sales to operating profit

<i>(in million euros)</i>	H1-2018	As a % of sales	2018	As a % of sales	H1-2019	As a % of sales	%Change H1-2019 vs. H1-2018
Sales	13 390.7	100.0%	26 937.4	100.0%	14 811.5	100.0%	+10.6%
Cost of sales	-3 598.3	26.9%	-7 331.6	27.2%	-3 988.5	26.9%	
Gross profit	9 792.4	73.1%	19 605.8	72.8%	10 823.0	73.1%	
Research and development expenses	-447.2	3.3%	-914.4	3.4%	-459.7	3.1%	
Advertising and promotion expenses	-4 018.3	30.0%	-8 144.7	30.2%	-4 471.7	30.2%	
Selling, general & administrative expenses	-2 751.0	20.5%	-5 624.7	20.9%	-3 003.3	20.3%	
Operating profit	2 575.9	19.2%	4 922.0	18.3%	2 888.4 *	19.5%	+12.1%

* Including a positive impact of €20.8m related to IFRS16



Operating profit margin by division

<i>(as a % of sales)</i>	H1-2018	2018	H1-2019
Professional Products	19.2%	20.0%	19.1%
Consumer Products	20.8%	20.2%	20.7%
L'Oréal Luxe	23.4%	22.1%	23.8%
Active Cosmetics	26.5%	23.0%	26.5%
Total before non-allocated expenses	22.0%	21.1%	22.2%
Non-allocated expenses*	-2.7%	-2.8%	-2.7%
Total after non-allocated expenses	19.2%	18.3%	19.5%

* Central group expenses, fundamental research expenses, stock-option & free grant of shares expenses and miscellaneous items as a % of total divisions sales



Consolidated profit and loss account: from operating profit to net profit excluding non-recurring items

<i>(in million euros)</i>	H1-2018	2018	H1-2019	%Change H1-19 vs. H1-18
Operating profit	2 575.9	4 922.0	2 888.4	+12.1%
Financial revenues-expenses before dividends received	+14.5	-1.9	-30.2 *	
Sanofi dividends	358.3	358.3	363.0	
Profit before tax and associates, excluding non-recurring items	2 948.7	5 278.4	3 221.1	+9.2%
Income tax excluding non-recurring items	-646.7	-1 286.8	-748.8	
Share of profit in associates, excluding non-recurring items	-0.1	+0.1	0.0	
Non-controlling interests	-1.4	-4.1	-6.1	
Net profit excluding non-recurring items, attributable to owners of the company	2 300.6	3 987.6	2 466.2	
Earnings per share (in euros) **	4.08	7.08	4.38	+7.2%
Diluted average number of shares	563 242 060	563 098 506	563 247 153	

* including a financial charge of €26.8m related to IFRS16

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



Consolidated profit and loss account: from net profit excluding non-recurring items to net profit

(in million euros)

	H1-2018	2018	H1-2019	% Change H1-19 vs. H1-18
Net profit excluding non-recurring items, attributable to owners of the company	2 300.6	3 987.6	2 466.2	+7.2%
Non-recurring items	-25.4	-92.2	-139.5	
- of which:				
- other income and expenses	-40.4	-94.7	-170.3	
- non-recurring tax items	+15.0	+2.5	+30.8	
Net profit attributable to owners of the company	2 275.2	3 895.4	2 326.7	



Cash flow statements

<i>(in million euros)</i>	H1-2018	2018	H1-2019	% Change H1-19 vs. H1-18
Net profit	2 276.6	3 899.5	2 332.7	
Depreciation, amortization and provisions	467.3	1 109.3	923.8	
Capital gains and losses on disposals of assets, changes in deferred taxes and others	+35.7	+169.4	+48.8	
Share of profit in associates, net of dividends received	+0.1	-0.1	—	
Cash flow	2 779.7	5 178.1	3 305.3*	+18.9%
Changes in working capital	-431.2	+113.8	-813.0	
Investments	-780.0	-1 416.1	-559.8	
Operating net cash	1 568.5	3 875.8	1 932.5	+23.2%
Dividends paid	-2 035.4	-2 061.4	-2 198.2	
Acquisitions	-553.0	-666.5	-7.2	
Acquisitions of treasury stock	-499.4	-499.4	—	
Capital increase	+42.5	+135.3	+38.6	
Others **	-13.5	+66.6	-14.0	
Residual cash flow after acquisitions	-1 490.3	+850.4	-248.3	

* including €209.5m depreciation of the rights of use assets (IFRS16)

** Others include disposal of treasury stock and purchase of non-controlling interests

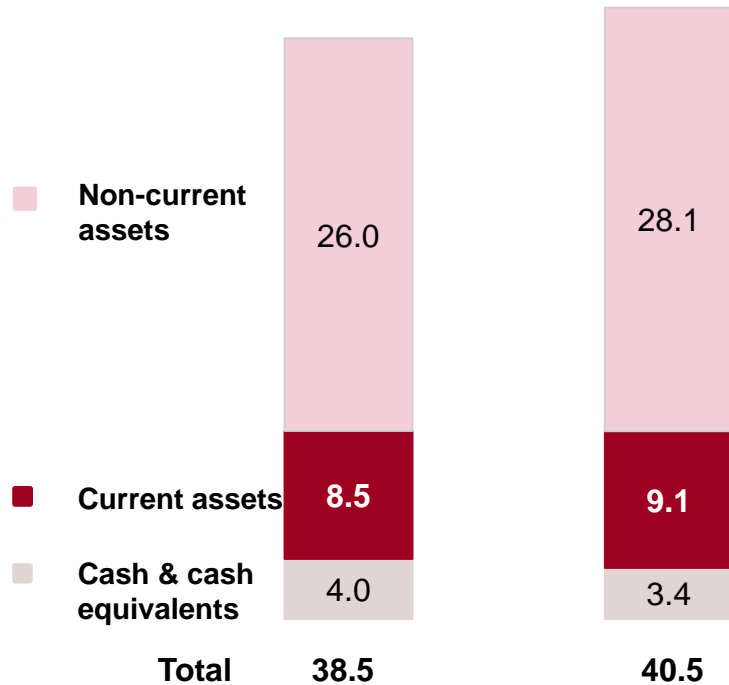


Balance sheet (in billion euros)

Assets

31 Dec. 2018

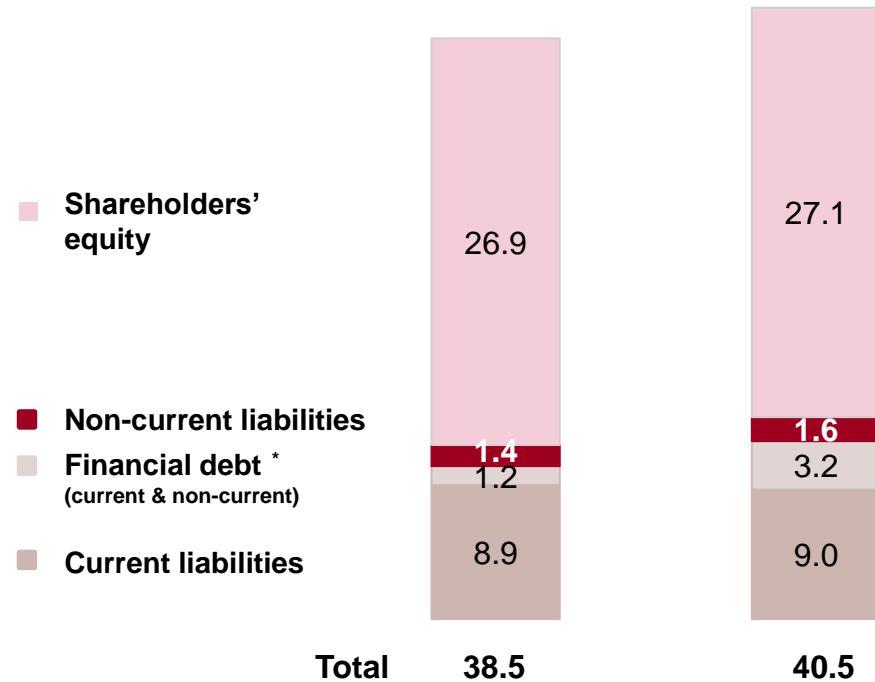
30 June 2019



Liabilities

31 Dec. 2018

30 June 2019



* including €2151m financial lease debt (IFRS16)



Net cash

<i>(in million euros)</i>	31 December 2018	30 June 2019
Net cash	2 750.7	200.7**
Net cash excluding financial lease debt		2 351.7
Gearing*	N.A.	N.A.

**Net debt / equity attributable to owners of the company*

*** after taking account of €2151m financial lease debt*



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