

A close-up photograph of a woman's face, looking directly at the camera. Her skin is clear and glowing. Two hands are gently touching her face: one hand is on her forehead and the other is on her cheek. The background is a solid teal color.

2021 Annual results

ACTIVE COSMETICS DIVISION

Myriam COHEN-WELGRYN

10 February 2022

Our medical strategy is bearing fruit



#1 most trusted source*

*IRI shopper study, carried out in September 2021 among 1,203 people, Men and Women, hygiene and beauty buyers, responsible or in part for the purchase of everyday consumer products. Representative sample of HB buyers on sex and age and nat rep on CSPs and regions.

A record growth for the division

+31.8%

+55% vs 2019



We grew faster than the market



*Internal worldwide sell-out consolidation, pro channel excluded, YTD21 ending November

**The division strengthened its leadership
in "medical beauty"**



A woman with dark hair pulled back, wearing a white lab coat over a brown turtleneck sweater, is looking down at a man's face. The man has dark hair and a beard, and is looking towards the woman. The background is a solid teal color. On the left side, there is a white square frame containing the number '4' and the text 'Success factors' below it.

4

Success
factors

1

4 complementary brands





LA ROCHE POSAY
LABORATOIRE DERMATOLOGIQUE

**#1 Dermocosmetic
Brand**

#7 Skincare brand

+28% Growth

#1 dermocosmetic brand: internal worldwide sell-out consolidation, pro channel excluded, YTD21 ending November

#7 skincare brand: internal estimation based on Euromonitor all channels data)

+28%: 2021 like-for-like growth

+75%
Record growth

#3*
Dermocosmetic
brand



#2

Facecare cleansing USA market





 SKINCEUTICALS

+31%*



#1

Medical aesthetic
skincare brand
worldwide**

*2021 like-for-like growth
**Kline, Medical dispensing channel, FY2021 in value



VICHY
LABORATOIRES

+9%



2

Medical leadership





220 000
Doctor Partners

+26%
+ Pediatricians
+ General practitioners

Racial/Ethnic Variations in Skin Barrier: Implications for Skin Care Recommendations in Skin of Color

September 2021 | Volume 20 | Issue 9 | Original Article | 932 | Copyright © September 2021

Published online August 31, 2021

Andrew F Alexis MD MPH,^{1*} Heather Woolery-Lloyd MD FAAD,^{1*} Kiyanna Williams MD FAAD,² Anneke Andriessen PhD,⁴ Seemal Desai MD FAAD,⁵ George Han MD FAAD,¹ Maritza Perez MD FAAD,² Wendy Roberts MD FAAD,¹ Susan Taylor MD FAAD¹

¹Weill Cornell Medicine, New York, NY
²Skin of Color Division, Dr Phillip Frost Department of Dermatology and Cutaneous Surgery, University of Miami, Miller School of Medicine, FL
³Skin of Color Section, Department of Dermatology, Cleveland Clinic, Cleveland, OH
⁴Department of Dermatology, Andriessen Consultants, Malden, NJ
⁵Department of Dermatology, Donald and Barbara Zucker School of Medicine at Hofstra/Northwell, New York, NY
⁶Department of Dermatology, University of Connecticut School of Medicine New Canaan, CT
⁷General and Cosmetic Dermatology, Rancho Mirage, CA
⁸Sandra J Lazarus, Department of Dermatology, Perelman School of Medicine, University of Pennsylvania, Philadelphia, PA

*co-first authors

ABSTRACT

Background: Genetic and environmental factors influence stratum corneum (SC) barrier properties and function. Researchers increasingly focus on biophysical studies that may help clinicians provide their patients with an informed choice on tailored skin care. This literature review on skin barrier properties comparing different ethnic populations aims to offer insights into the information's clinical relevance.
Methods: A literature review followed by panel discussions and an online review process aimed to answer the questions: Are there racial/ethnic differences in the SC barrier structure and healthy skin barrier function? Is there a need for specific cleansers and moisturizers?
Results: Ethnic categories based on race and ethnicity are often not well defined and inconsistent across different studies. Studies comparing ethnic groups' physical and biochemical skin barrier properties have reported differences in transepidermal water loss (TEWL), skin lipid levels, pH, and mast cell granule size. However, these studies frequently had methodological flaws, mainly were small, and demonstrated conflicting results. The literature suggests racial/ethnic variations in ceramide content, SC structure, and filaggrin mutations. Furthermore, studies have shown a greater burden of pruritus and atopic dermatitis among Black populations. Data on barrier properties in Hispanic/LatinX and South Asian populations are lacking.

MATERIALS AND METHODS

A panel comprised of seven dermatologists from the US (the authors) convened a virtual meeting on October 10, 2020, to address the following questions using a modified Delphi process: 1) Are there racial/ethnic differences in skin barrier structure and function? 2) Is there a need for specialized approaches to skincare in patients with skin of color? Statements intended for healthcare providers caring for diverse patients and clinician-researchers were developed based on available literature and the panel's expert opinion.

INTRODUCTION

While multiple studies have identified variations in skin barrier properties between different racial/ethnic populations, the clinical relevance of these findings have not been established.¹⁻³ This project sought to help clarify the existing published data and provide consensus statements on variations in skin barrier properties that may be observed in populations with skin of color. We assembled a group of dermatologists with expertise in skin of color to examine the data and summarize the findings.

≈ x2
Scientific Publications

Topical S. aureus – Targeting Endolysin Significantly Improves Symptoms and QoL in Individuals With Atopic Dermatitis

December 2021 | Volume 20 | Issue 12 | Original Article | 1323 | Copyright © December 2021

Published online November 29, 2021

Magali Moreau PhD,¹ Sophie Seité PhD,¹ Luc Aguilar PhD,² Olivier Da Cruz MSc,² Julia Puech PharmD,² Johan Frieling MD PhD,³ Ann-Laure Demessant PharmD³

¹L'Oréal Recherche & Innovation, Clark, N.J
²La Roche Posay Dermatological Laboratories, Levallois Perret, France
³L'Oréal R&I, Aulnay-Sous-Bois, France
⁴L'Oréal R&I, Chevilly Larue, France
⁵Microcos Human Health, Bilthoven, The Netherlands

ABSTRACT

Atopic dermatitis (AD) is a chronic skin condition affecting an increasing number of children and adults whose quality of life is impacted by chronic itch and pain. It is characterized by an altered epidermal barrier, skin inflammation, and skin microbiome dysbiosis particularly over-colonization of *Staphylococcus aureus*. The efficacy and tolerance of a cream containing a *S. aureus* targeting technology (endolysin) was assessed in an open-label, two-week study in children and adults with mild-to-moderate atopic dermatitis. A total of 43 patients ranging from 7 months to 57 years old were included and all patients finished the study without any tolerance problem. Disease severity, measured with SCORAD, quickly reduced by 43% in 7 days and by 68% in 14 days. The benefit was perceived by the whole panel with a marked improvement in overall QoL. This study shows the efficacy of a highly specific *S. aureus*-targeted technology in alleviating symptoms and improving QoL in children and adults with atopic dermatitis. It could also be beneficial in reducing and preventing flares in subjects with *S. aureus* load due to its good tolerance and specific action.

J Drugs Dermatol. 2021;20(12):1323-1328. doi:10.36849/JDD.6363

INTRODUCTION

Atopic dermatitis (AD) affects 20% of infants and adolescents and up to 3% of adults worldwide¹⁻³ and its incidence is increasing globally.⁴ AD causes erythema, constant intense itching,⁴ and psychological distress⁵ which negatively impacts quality of life (QoL) more than other chronic conditions such as heart disease or diabetes.⁶ In children, it has the second highest impact on QoL.⁷

AD is a chronic inflammatory skin condition associated with epidermal barrier dysfunction, abnormal immune response, and skin microbiome imbalance.⁸ These three factors are interdependent thus enabling AD symptoms to be managed from multiple angles. Skin microbiome dysbiosis is often characterized by low skin microbial diversity compared to healthy skin and an over-colonization of *S. aureus*.⁹ *S. aureus* levels are associated with AD disease severity, flare frequency and symptoms that directly impact QoL.^{10,12} Its toxins stimulate proinflammatory cytokine and chemokine production causing itching, burning sensations, and pain,^{13,14} and create a vicious itch-scratch cycle.¹⁵⁻¹⁷

During AD flares, treatment aims to reduce inflammation and

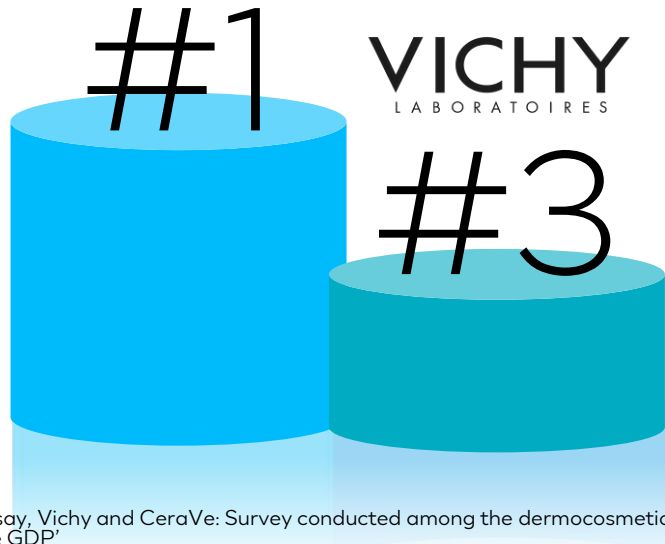
itching, rebuild the epidermal barrier, and prevent secondary infections.¹⁸ Appropriate moisturizers and cleansers are cornerstones of AD management to address skin barrier dysfunction.¹⁹ Topical corticosteroids (TCS) are first-line treatment for flares since they effectively reduce inflammation.²⁰ However, their use is limited to avoid developing skin atrophy in sensitive skin areas.²¹ Furthermore, patients express concerns (corticophobia) which can impact TCS use, adherence to treatment and overall effectiveness.²² Secondary infection, particularly by *S. aureus*, can be treated with broad spectrum or anti-staphylococcal antibiotics²⁰ but these can damage the beneficial skin microbiota and potentially lead to antibiotic resistance.²³ Considering the mounting evidence pointing towards the major negative role of *S. aureus* in AD and the beneficial role of the skin microbiome for skin homeostasis, a treatment exclusively targeting *S. aureus* offers many advantages.²⁴

Many microbial ecosystems, including the skin microbiome, harbor viruses called bacteriophages that only infect bacteria.²⁵ Bacteriophages are specific for their target bacteria, and at the end of their lytic cycle induce the production of enzymes, called endolysins, which degrade the peptidoglycan of the bacterial cell wall from within, causing cell lysis and progeny virion release. Since Gram-positive bacteria, such as *S. aureus*,

Prescription leadership

Most recommended brand
by dermatologists

LA ROCHE POSAY
LABORATOIRE DERMATOLOGIQUE



CeraVe®
DEVELOPED WITH DERMATOLOGISTS

#1

Dermatologist recommended
skincare brand in the US

SKINCEUTICALS
ADVANCED PROFESSIONAL SKINCARE

#1

Medical Aesthetic Skincare
Brand Worldwide

3

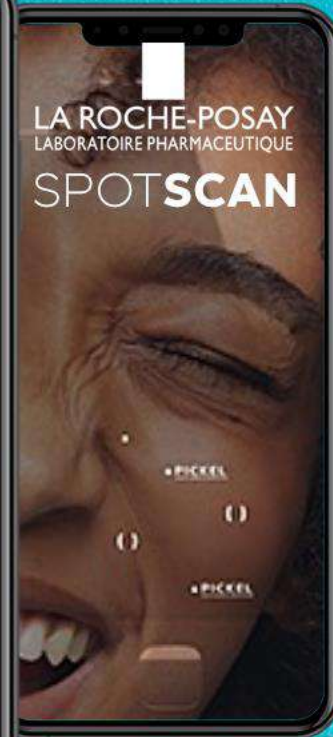
Digital leadership



Leading digital advocacy & services



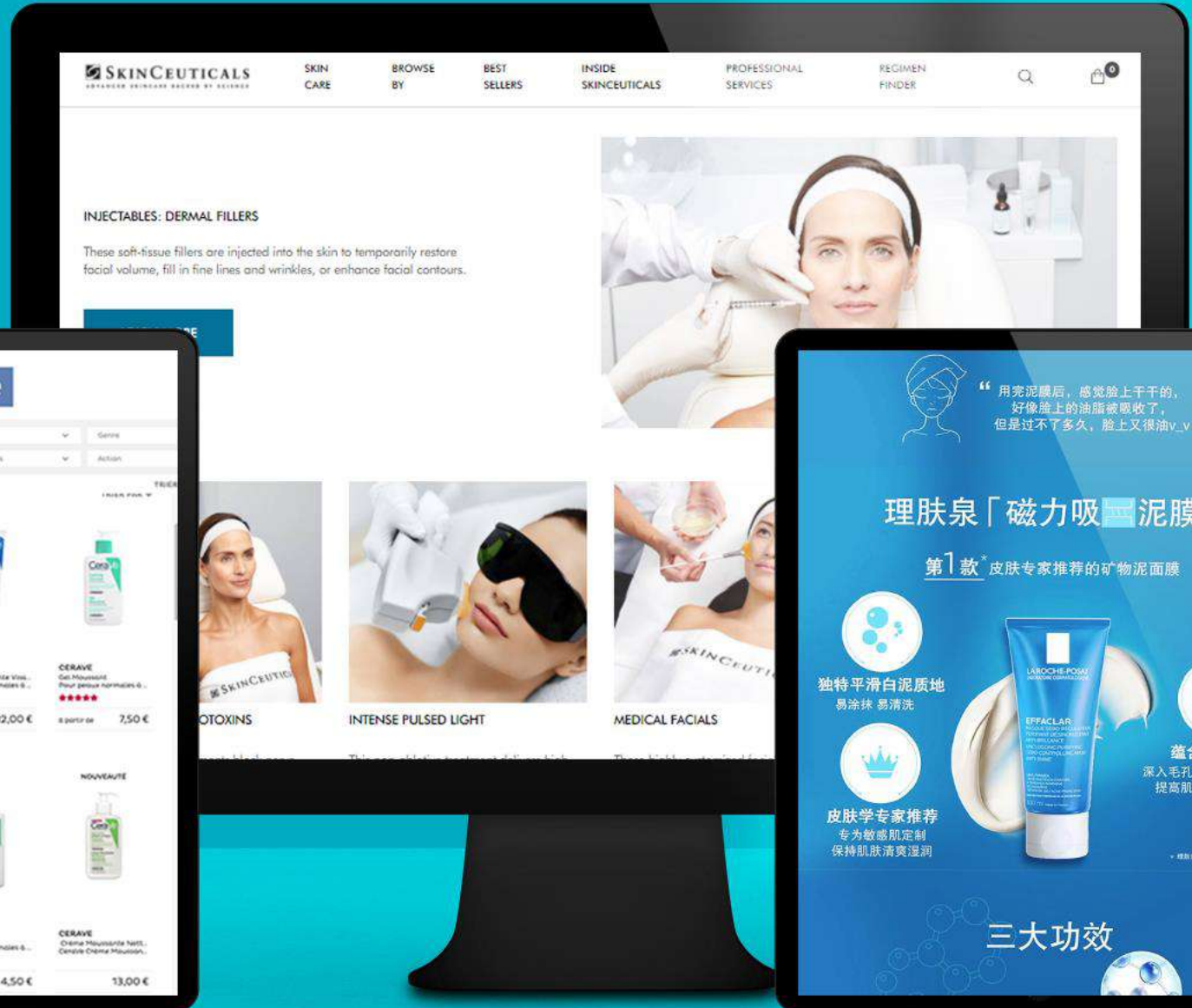
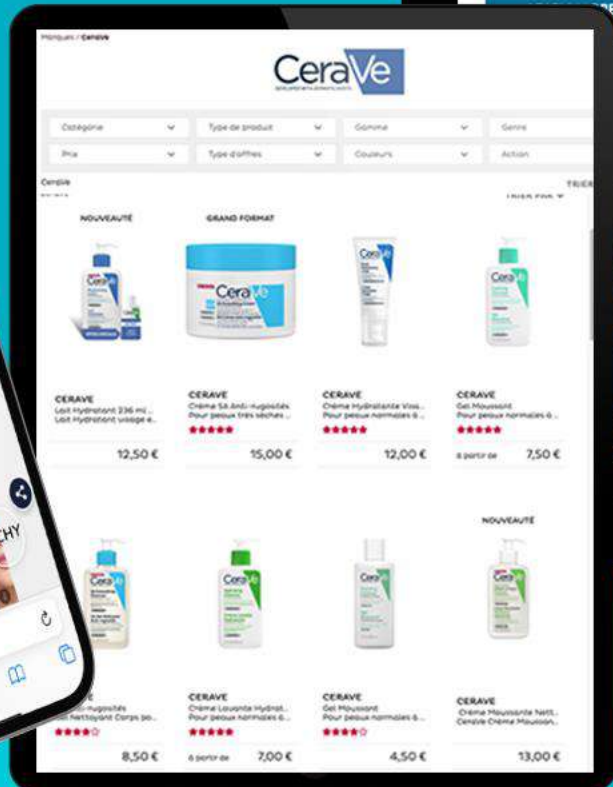
10 M
diagnostics



20 M
diagnostics

Ecommerce has continued to boom

>1.2B€



4

International expansion

All regions > +20%



North America
+ 49%



Europe
+ 20%



North Asia
+ 31%

Sapmena
+ 34%

Latin America
+ 33%

SSA
+ 34%



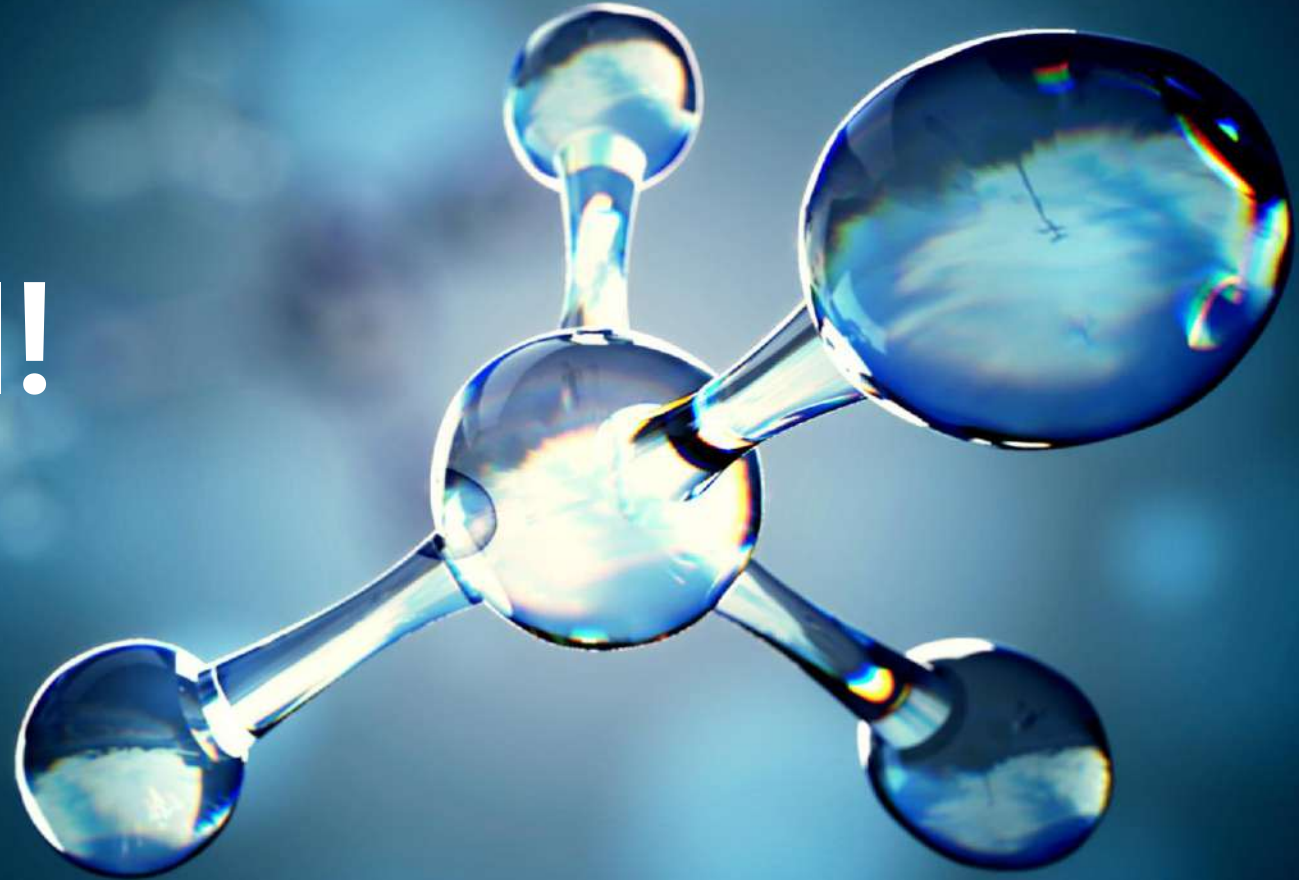
Exceptional teams

Will the performance continue?



Will the performance continue?

It will!



① Skin issues are on a constant rise

↑ 2 Billion
people

suffering from
skin disorders*





Very Strong 2022 Launch Plan

Powered by
endolysin
microbiome
science



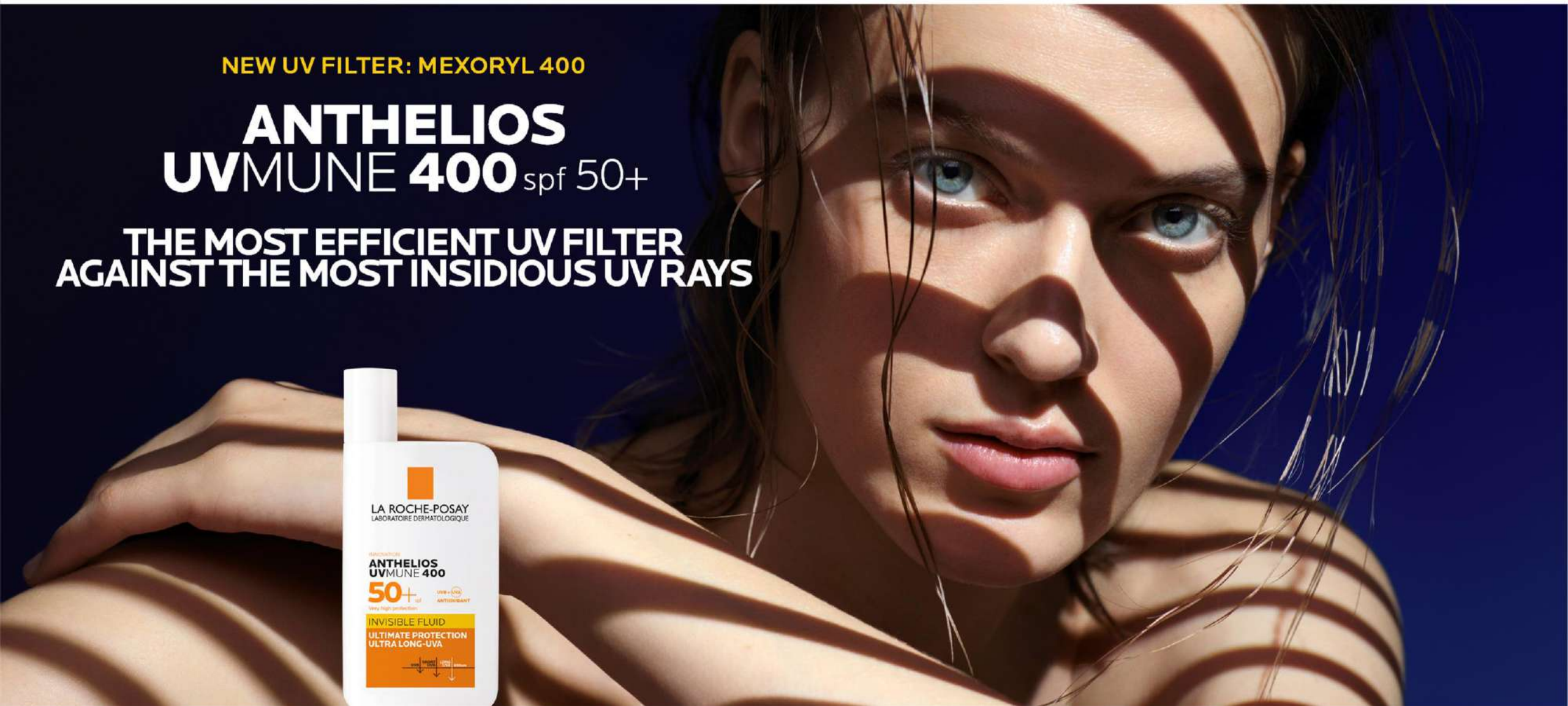
LA ROCHE-POSAY
LABORATOIRE DERMATOLOGIQUE

N°1 DERMATOLOGIST
RECOMMENDED
SKINCARE BRAND
WORLDWIDE

NEW UV FILTER: MEXORYL 400

ANTHELIOS
UVMUNE 400 spf 50+

**THE MOST EFFICIENT UV FILTER
AGAINST THE MOST INSIDIOUS UV RAYS**



② Medical platforms opportunities



Step change skin health management

verily



L'ORÉAL
Active Cosmetics

AIR FORCE
3374
13BE BOE696
1132681 F
113:ZVF
11111 XV

LAT/HEIGHT
4550°

13BE BOE696
1132681 F
113:ZVF
11111 XV

==M::??
??COTI
@Q

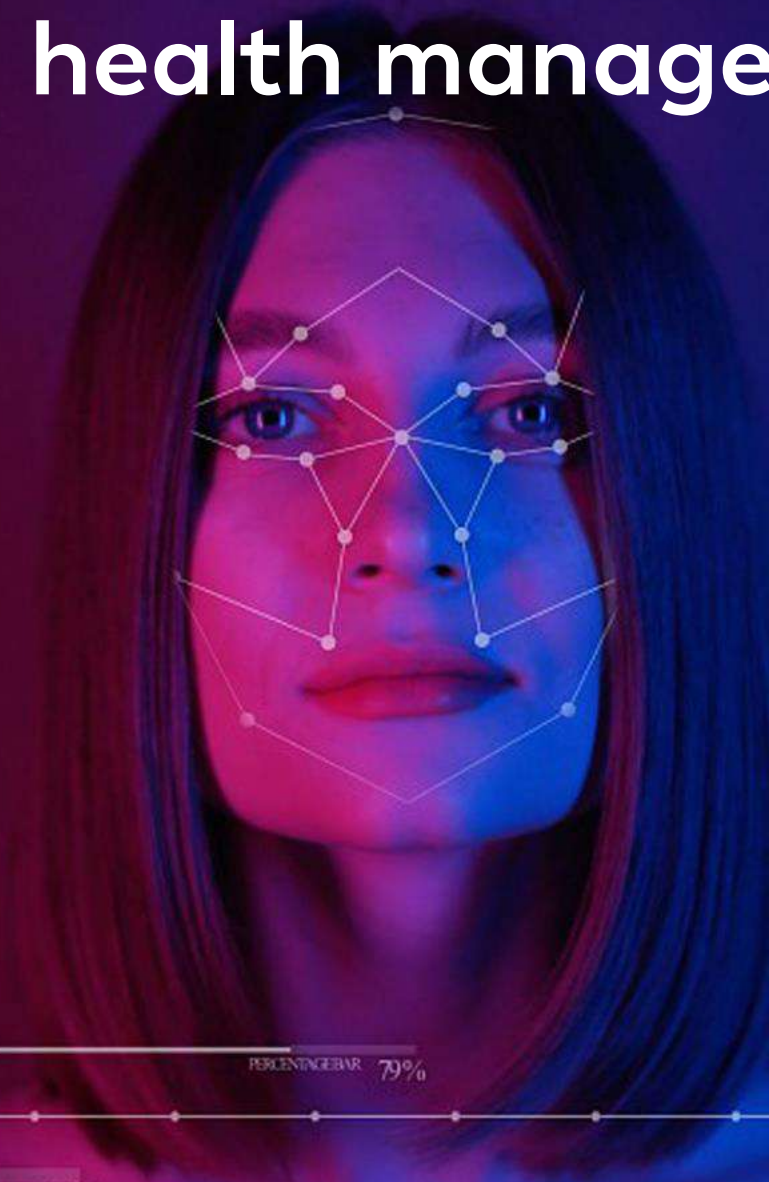
236US 6763
1123 :: pq

335
cos gh
00215

8000°
20217 wfu
wat soldier

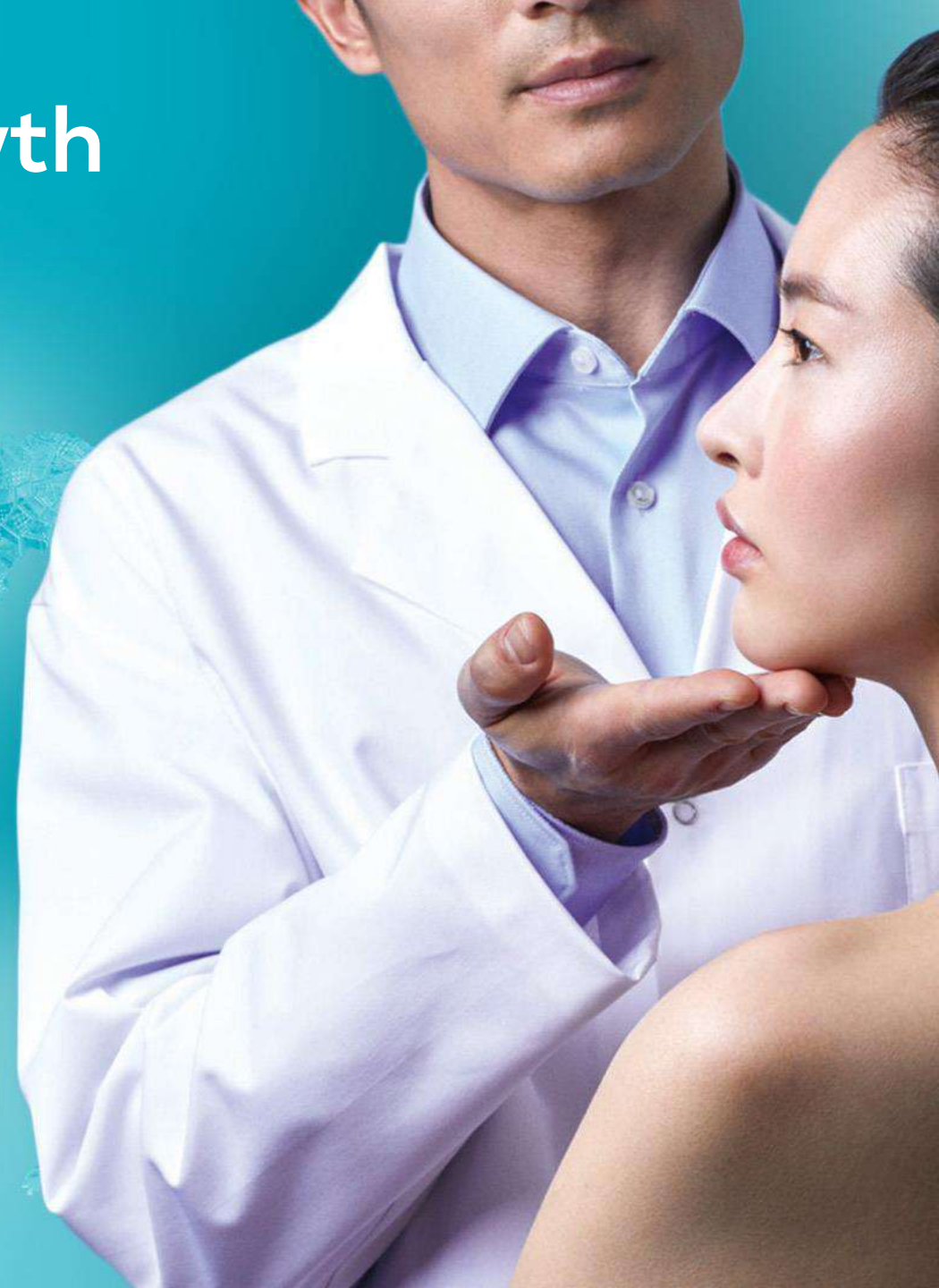
PERCENTAGEBAR 79%

PERCENTAGEBAR 3%



3

Great reservoir for growth



L'ORÉAL

Active Cosmetics

2021

Annual results

ACTIVE COSMETICS DIVISION

Disclaimer

This document does not constitute an offer to sell, or a solicitation of an offer to buy, L'Oréal shares. If you wish to obtain more comprehensive information about L'Oréal, please refer to the public documents registered in France with the Autorité des Marchés Financiers (which are also available in English on our Internet site: www.loreal-finance.com).

This document may contain some forward-looking statements. Although the Company considers that these statements are based on reasonable hypotheses at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual results to differ materially from those indicated or projected in these statements.

