



2021 Annual Results

10 February 2022

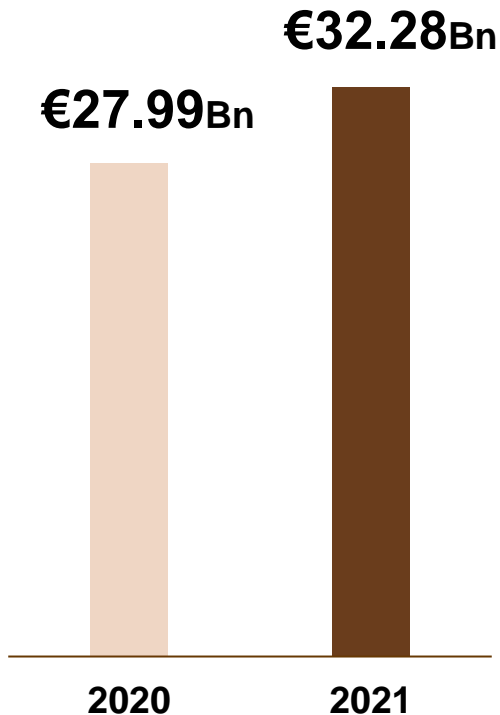
Mr Christophe BABULE

Chief Financial Officer

L'ORÉAL



2021 consolidated group sales



Like-for-like growth	+16.1%
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Of which:

➤ <i>External growth impact</i>	<i>+0.8%</i>
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Growth at constant exchanges rates constant	+16.9%
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➤ <i>Exchange rate impact</i>	<i>-1.6%</i>
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Reported growth	+15.3%
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+11.3%* vs. 2019



Changes in exchange rates (against the euro)

	Weight in 2021 consolidated sales	Average rate 2020	Average rate 2021	% Change 2021 vs. 2020
Euro	19.6%	—	—	—
US Dollar (1 € =)	23.4%	1.139	1.182	-3.6%
Chinese Yuan	19.6%	0.127	0.131	+3.1%
Pound Sterling	4.2%	1.125	1.163	+3.3%
Canadian Dollar	2.4%	0.654	0.674	+3.1%
Russian Rouble	2.0%	0.012	0.011	-6.0%
Brazilian Real	1.8%	0.172	0.156	-8.8%
Japanese Yen (1000)	1.4%	8.215	7.702	-6.3%
Australian Dollar	1.4%	0.604	0.635	+5.0%
Mexican Peso	1.3%	0.041	0.041	+1.5%



Consolidated sales by division (in million euros)

	2020	2021	% Change			
			Like-for-like		At constant exchange rate	Reported
			vs. 2020	vs. 2019	vs. 2020	
Professional Products	3 097.3	3 783.9	+24.8%	+16.8%	+24.7%	+22.2%
Consumer Products	11 703.8	12 233.5	+5.6%	+0.6%	+6.2%	+4.5%
L'Oréal Luxe	10 179.9	12 346.2	+20.9%	+11.1%	+22.2%	+21.3%
Active Cosmetics	3 011.1	3 924.0	+31.8%	+56.6%	+32.6%	+30.3%
Total	27 992.1	32 287.6	+16.1%	+11.3%	+16.9%	+15.3%



Consolidated sales by region (in million euros)

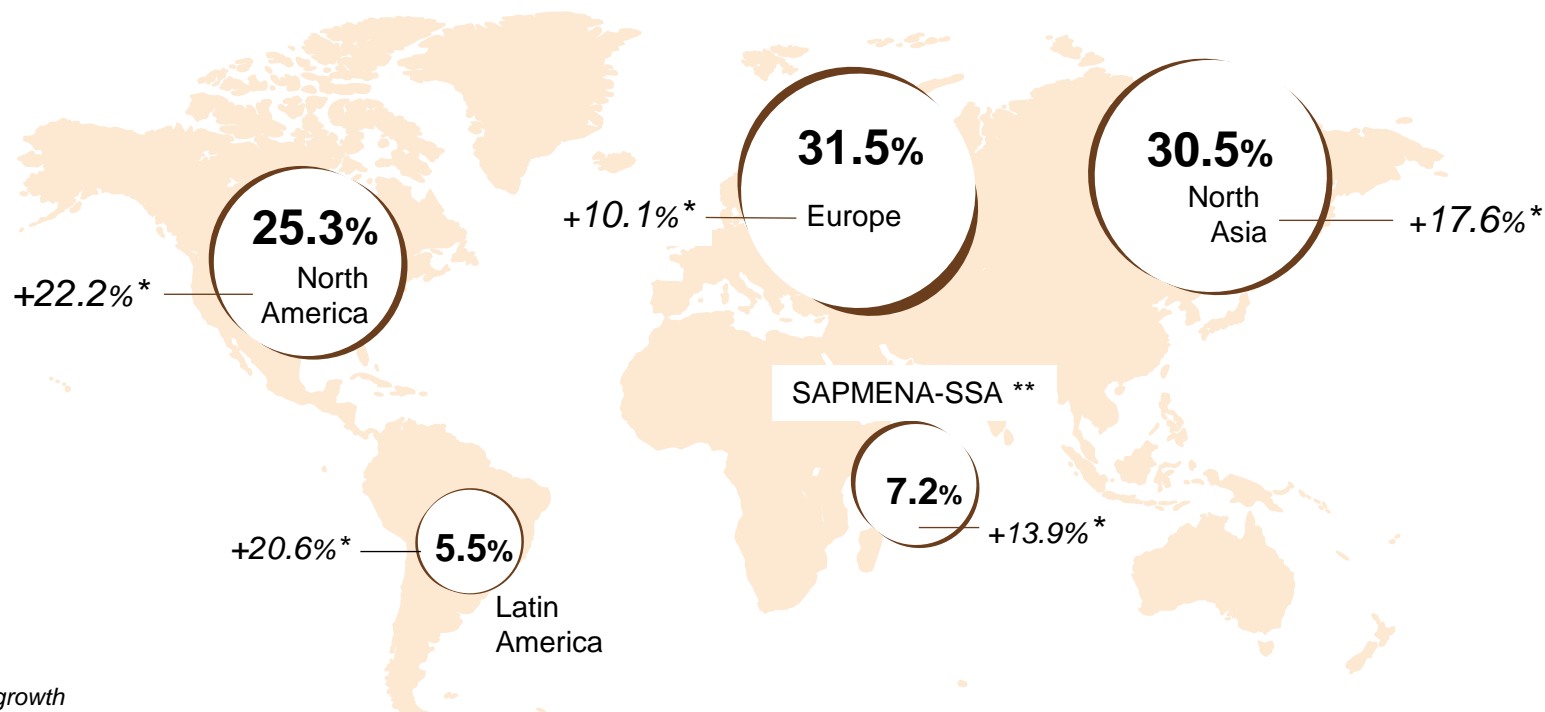
	2020	2021	% Change		
			Like-for-like		Reported
			vs. 2020	vs. 2019	vs. 2020
Europe	9 199.3	10 184.8	+10.1%	-0.2%	+10.7%
North America	6 903.4	8 155.9	+22.2%	+13.1%	+18.1%
Asie du nord	8 318.1	9 863.3	+17.6%	+25.6%	+18.6%
SAPMENA - SSA *	2 101.9	2 312.0	+13.9%	+3.0%	+10.0%
Latin America	1 469.3	1 771.5	+20.6%	+18.8%	+20.6%
Total	27 992.1	32 287.6	+16.1%	+11.3%	+15.3%

In H1-2021, the group has re-defined its geographical zones. At the end of 2021, the geographical breakdown of sales by geographic zone is aligned with the organisation as follows: Europe, North America, North Asia, SAPMENA-SSA and Latin America. All figures for earlier periods have been restated accordingly.

** South Asia Pacific, Middle-East, North Africa - Sub-Saharan Africa*



Breakdown of sales by geographic zone (as a % of total sales)



* Like-for-like growth

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** South Asia Pacific, Middle-East, North Africa - Sub-Saharan Africa



Sales by category (in million euros)

	2021	Like-for-like change		As a % of sales
		vs. 2020	vs. 2019	
Skincare	12 982.3	+17.7%	+27.9%	40.2%
Make-up	6 626.8	+13.1%	-11.3%	20.5%
Hair Care	4 880.1	+16.7%	+15.8%	15.1%
Hair Colouring	3 016.1	+3.6%	+6.0%	9.3%
Fragrances	3 511.8	+34.5%	+13.8%	10.9%
Others*	1 270.6	+4.3%	+2.4%	3.9%

* Others includes sales of third party brands by US distributors



Consolidated profit and loss account: from sales to operating profit

<i>(in million euros)</i>	2020	As a % of sales	2021	As a % of sales	% Change
Sales	27 992.1	100.0%	32 287.6	100.0%	+15.3%
Cost of sales	-7 532.3	26.9%	-8 433.3	26.1%	
Gross profit	20 459.8	73.1%	23 854.3	73.9%	+80bp
Research and innovation expenses	-964.4	3.4%	-1 028.7	3.2%	
Advertising and promotion expenses	-8 647.9	30.9%	-10 591.0	32.8%	+190bp
Selling, general and administrative expenses	-5 638.5	20.1%	-6 074.2	18.8%	-130bp
Operating profit	5 209.0	18.6%	6 160.3	19.1%	+50bp



Operating profit margin by division

<i>(as a % sales)</i>	2019	2020	2021
Professional Products	20.1%	18.8%	21.3%
Consumer Products	20.2%	20.4%	20.2%
L'Oréal Luxe	22.6%	22.4%	22.8%
Active Cosmetics	23.3%	25.4%	25.2%
Total before non-allocated expenses	21.4%	21.5%	21.9%
Non-allocated expenses*	-2.8%	-2.9%	-2.8%
Group	18.6%	18.6%	19.1%

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



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

<i>(in million euros)</i>	2020	2021	% Change
Operating profit	5 209.0	6 160.3	+18.3%
Financial revenues/expenses before dividends received	-95.9	-59.6	
Sanofi dividends	372.4	378.3	
Profit before tax and associates, excluding non-recurring items	5 485.5	6 478.9	+18.1%
Income tax excluding non-recurring items	-1 383.1	-1 535.6	
Net profit excluding non-recurring items of equity consolidated companies	+0.9	+0.6	
Non-controlling interests	-4.2	-5.5	
Net profit excluding non-recurring items after non-controlling interests	4 099.0	4 938.5	
Earnings per share (in euros)*	7.30	8.82	+20.9%
Diluted average number of shares	561 635 963	559 791 545	

* Diluted earnings per share, excluding non-recurring items, after non-controlling interests



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

<i>(in million euros)</i>	2020	2021	% Change
Net profit excluding non-recurring items, attributable to owners of the company	4 099.0	4 938.5	
Non-recurring items	-535.7	-341.4	
of which:			
- <i>other income and expenses</i>	-709.0	-432.0	
- <i>non-recurring tax items</i>	+173.3	+90.6	
Net profit attributable to owners of the company	3 563.4	4 597.1	+29.0%



Cash flow statements

<i>(in million euros)</i>	2020	2021	% Change vs. 2020	% Change vs. 2019
Net profit	3 567.6	4 602.2		
Depreciation, amortisation and provisions	2 028.1	1 781.0		
Capital gains and losses on disposals of assets, changes in deferred taxes and other	+129.0	+255.9		
Share of profit in associates, net of dividends received	-0.6	+1.3		
Cash flow	5 724.1	6 640.4	+16.0%	+14.4%
Changes in working capital	+729.2	+88.0		
Investments	-972.4	-1 075.2		
Operating net cash flow	5 480.9	5 653.3	+3.1%	+12.4%
Dividends paid	-2 190.6	-2 352.1		
Acquisitions	-1 626.8	-455.7		
Lease debt repayment	-451.8	-396.4		
Acquisitions of treasury stock		-10 060.9		
Capital increase	+129.7	+5.8		
Others	-39.9	-102.8		
Residual cash flow	+1 301.5	-7 708.8		

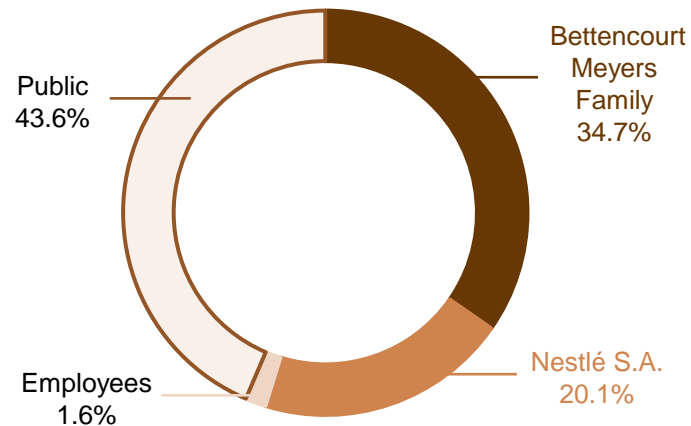


Buyback by L'Oréal of 4% of its own shares held by Nestlé

Highlights of this strategic transaction

- 22.26 million shares
- Price per share: 400 euros
 - Discount of 5.8% compared to the closing price on December 7, 2021
 - Discount of 2.9% to the VWAP for the period from 8 November to 7 December 2021 included
- Total amount paid: 8 904 million euros
- Cancellation of shares on 10 February 2022
- Accretive impact of more than 4% on 2022 EPS*

Shareholder structure after the transaction**



* Diluted earnings per share, group share, excluding non-recurring items

** Estimated theoretical breakdown based on the total number of shares on 31 January 2022, i.e. 557 672 372 shares, after cancellation of the shares bought back



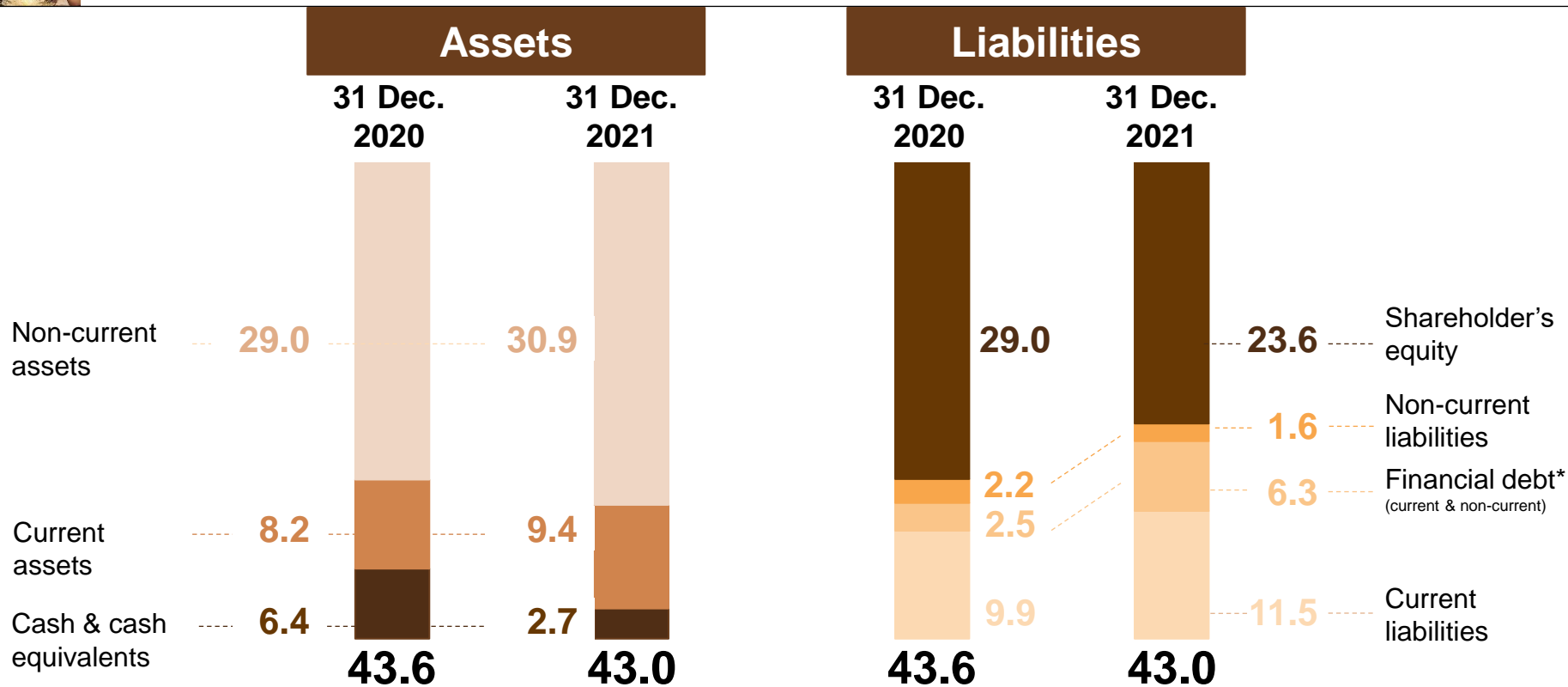
Net cash/net debt and gearing

<i>(in million euros)</i>	31 December 2020	31 December 2021
Net cash/(net debt)	3 859.4	(3 586.6)
Net cash/(net debt) excluding financial lease debt	5 541.0	(1 916.3)
Gearing*	N.S.	15.2%
Leverage (net debt/EBITDA)	N.S.	0.5

* Net debt/equity attributable to owners of the company (8.1% excluding financial lease debt)



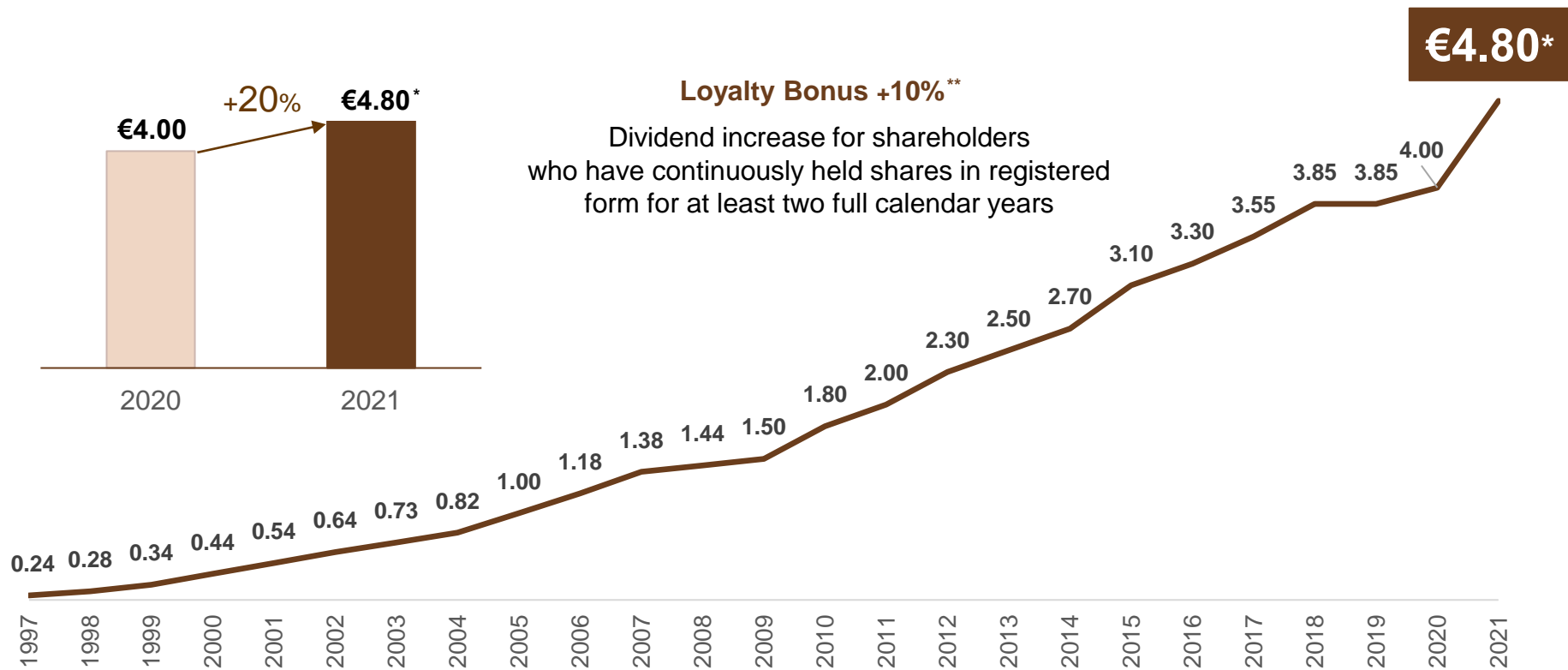
Balance sheet (in billion euros)



* Of which €1 670m due to financial lease debt at the end of December 2021 (IFRS 16) and of €1 682m at the end of December 2020



Dividend from 1997 to 2021 (in euros)

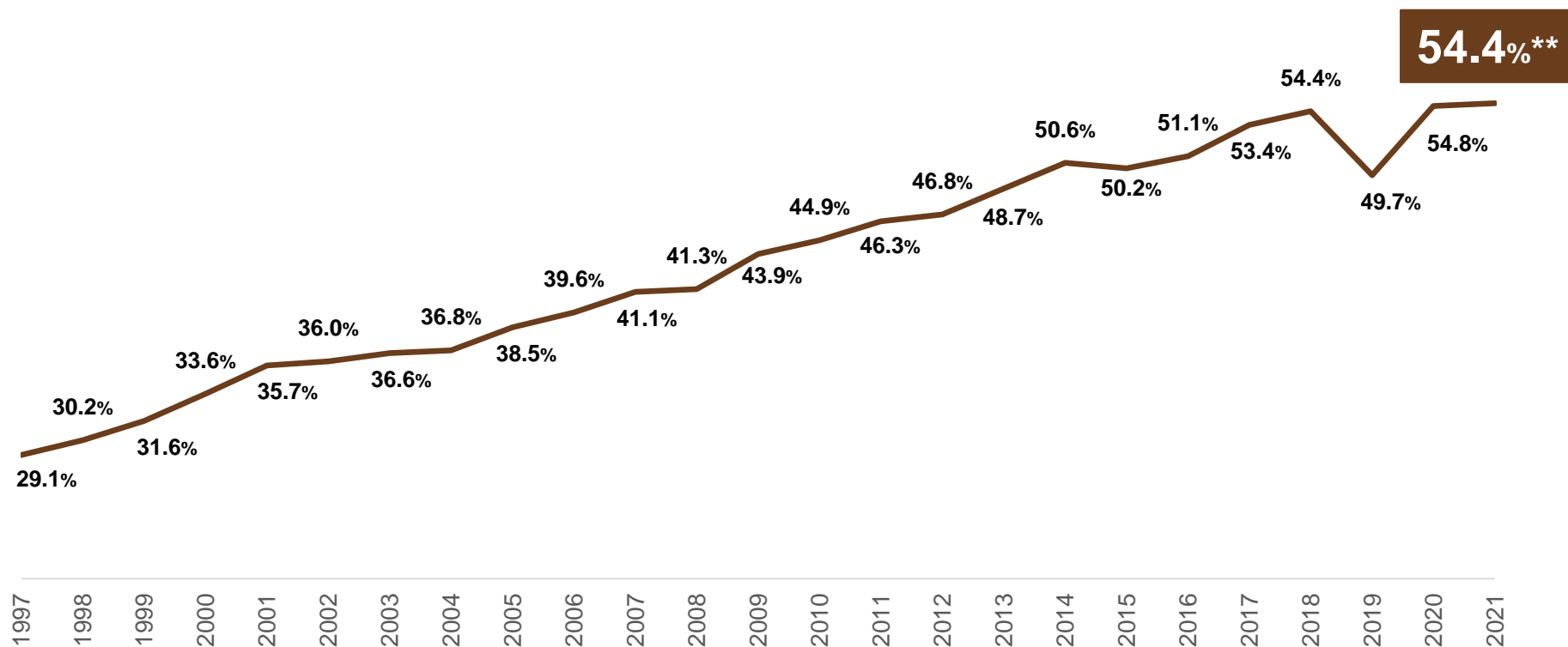


* Proposed at the shareholders' meeting to be held on 21 April 2022

** 2021 dividend paid in 2022: pay-out of the 10% loyalty bonus (preferential dividend of +10%) for shares held in registered form since 2019



Payout ratio from 1997 to 2021 (as a % of net profit*)



* Taking into account the Sanofi history with regards to dividends

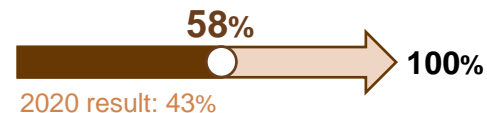
** Based on the dividend to be proposed at the shareholders' meeting held on 21 April 2022



Corporate social & environmental responsibility L'Oréal for the Future

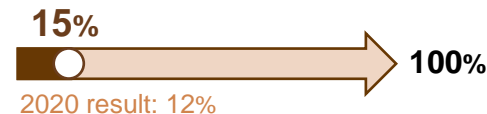
Climate

By 2025, all of our sites will achieve **carbon** neutrality by improving energy efficiency and using **100%** renewable energy.



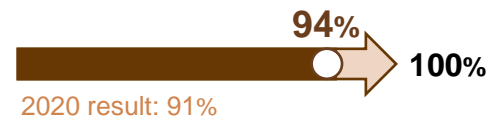
Water

By 2030, **100%** of the **water** used in our industrial processes will be recycled and reused in a loop.



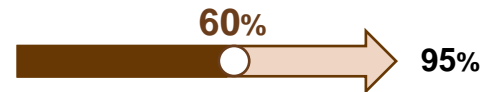
Biodiversity

By 2030, **100%** of the biobased **ingredients** for formulas and packaging materials will be traceable and will come from sustainable sources, none will be linked to deforestation.



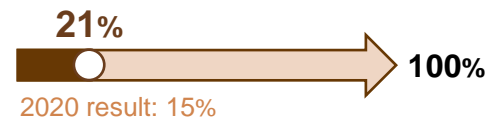
Resources

By 2030, **95%** of our **ingredients** in formula will be biobased, derived from abundant minerals or from circular processes.



Resources

By 2030, **100%** of our **plastic packaging** will be either from recycled or biobased sources (we will reach **50%** in 2025).





Corporate social & environmental responsibility

For the 6th year
in a row



CLIMATE FORESTS WATER

Score of 4.3/5



5th in the world
ranking



Score of 85/100



For the 12th time



For the 7th year



For the 5th year
in a row





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