



DEUTSCHE BANK

12 June 2019

Mr. Christophe Babule

Chief Financial Officer

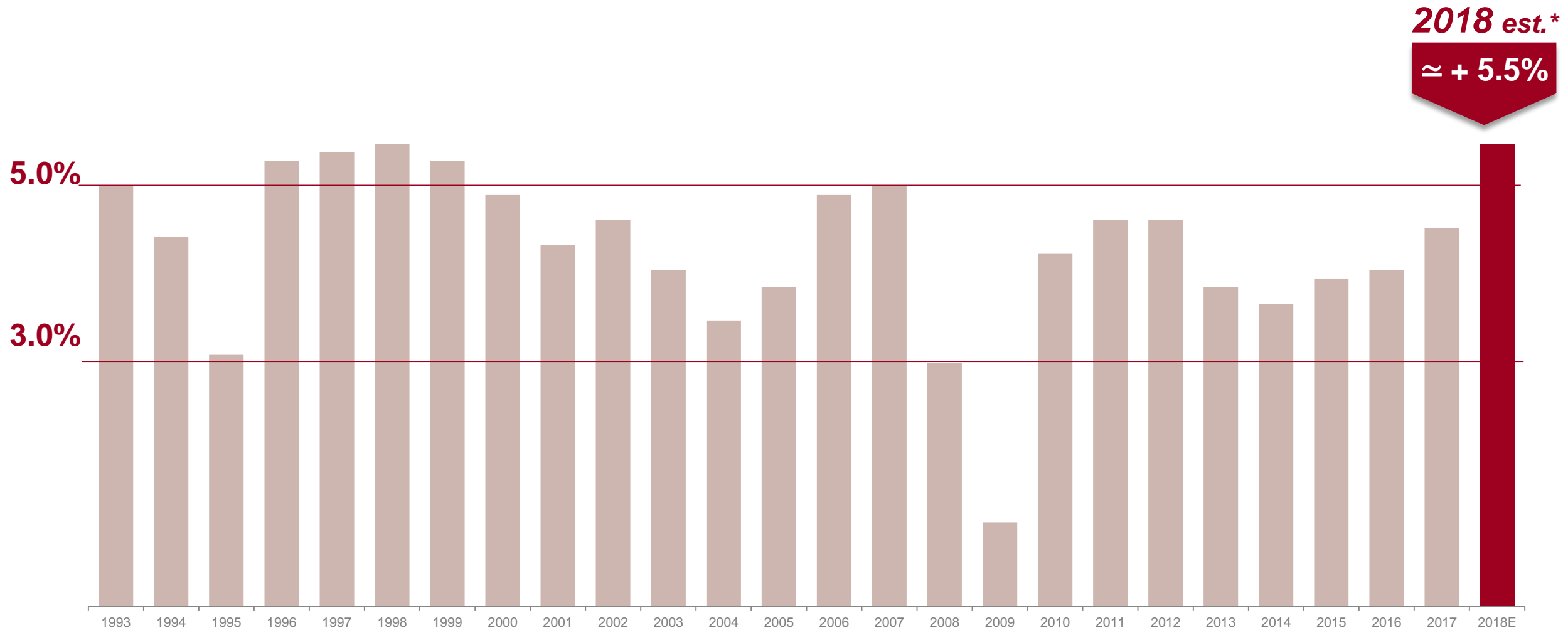
L'ORÉAL



A
POWERFUL
DESIRE FOR BEAUTY



A buoyant market – the best growth in 20 years



* L'Oréal BMS estimates - excluding soap, toothpaste and razors. Net manufacturing prices (sell-in). Growth at constant exchange rate - Without Argentina in 2018



Beauty market acceleration due to key boosters

By region⁽¹⁾

Asia Pacific

≈ **+10%**

By sector⁽¹⁾

Luxury

≈ **+11%**

Dermo-cosmetics

≈ **+6%**

By category⁽¹⁾

Skincare

≈ **+9%**

E-commerce

≈ **+25%**

Travel Retail

≈ **+22%**

(1) 2018 L'Oreal provisional estimates-Excluding razors, soaps and toothpastes, at constant exchange rates



Acceleration due to strong underlying trends



1

Acceleration
thanks to an insatiable desire for beauty

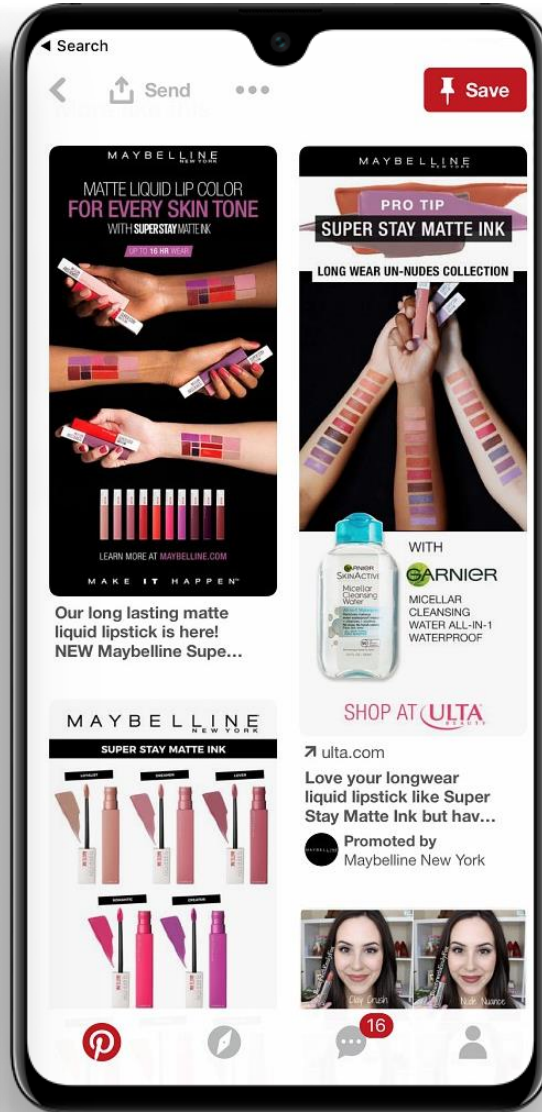
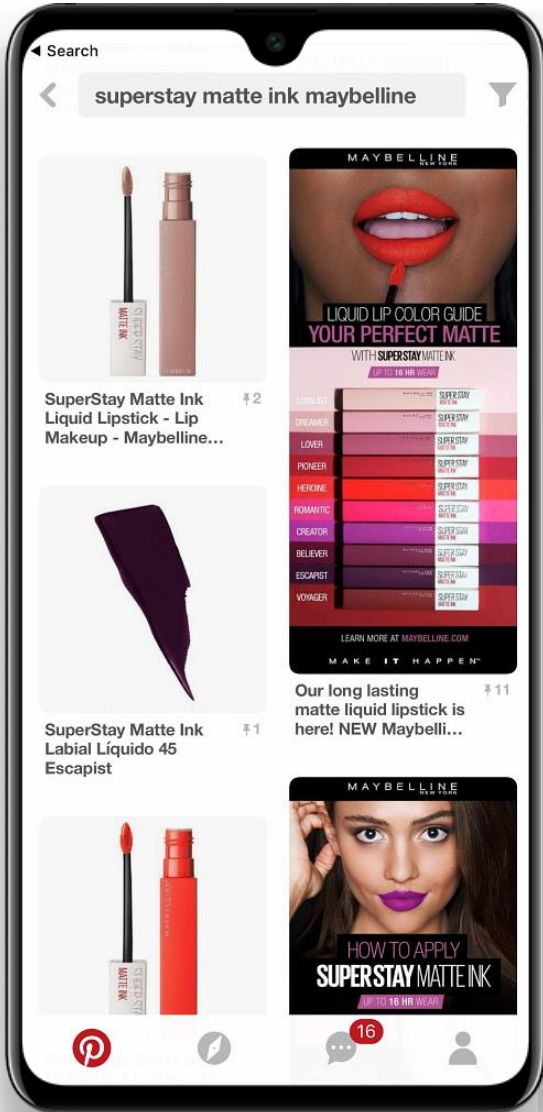
2

Acceleration
thanks to premiumization

- Consumers are ready to trade up
- Exciting new benefits, better performance, superior quality



Acceleration due to strong underlying trends



3

Acceleration thanks to digitalization

- One of the most engaging categories online
- Explosion of sharing and self-expression on social media

4

Increased penetration of beauty

- E-commerce, extending our reach beyond traditional distribution



A VERY STRONG PERIOD
FOR BEAUTY
AND FOR L'ORÉAL

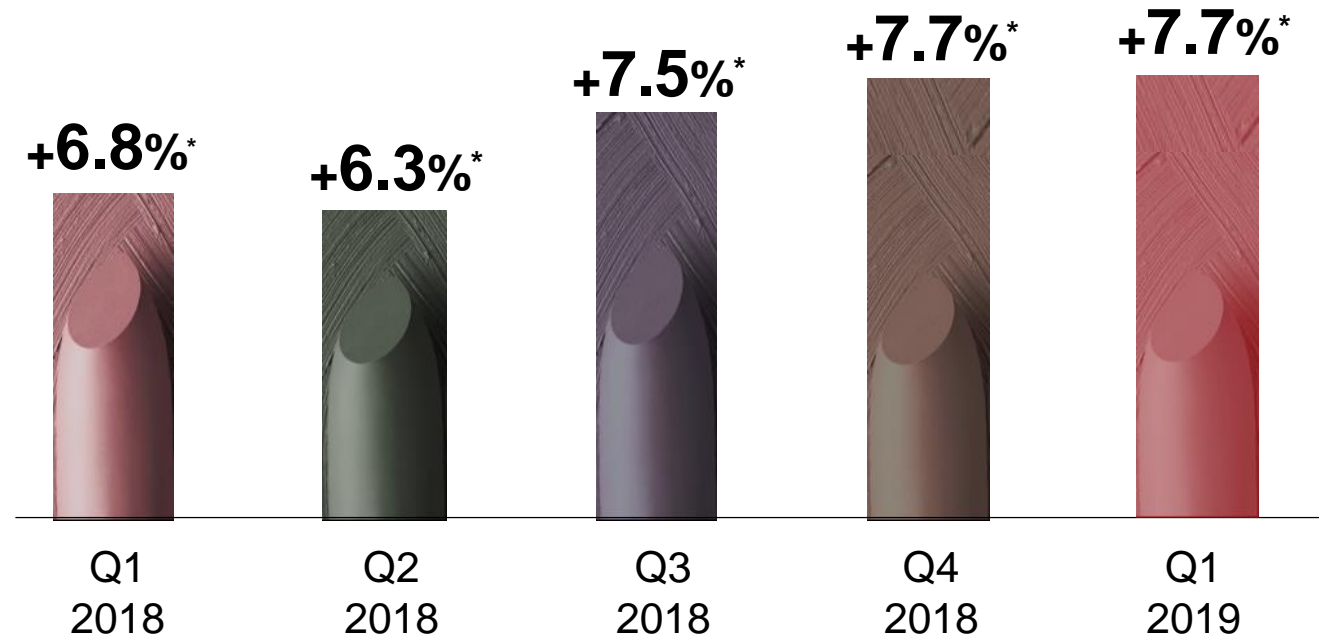


L'Oréal: best year in a decade

Like-for-like sales growth

2018
+7.1%

Q1-2019
+7.7%



* Like-for-like sales growth



All divisions recorded growth

	% change			
	2018	Like-for-like	Q1-2019	Like-for-like
Professional Products	3,262	+2.0%	835	+2.2%
Consumer Products	12,032	+2.5%	3,284	+3.3%
L'Oréal Luxe	9,367	+14.4%	2,679	+14.2%
Active Cosmetics	2,275	+11.9%	751	+13.0%
Total	26,937	+7.1%	7,550	+7.7%



SIGNIFICANTLY OUTPERFORMED
THE MARKET

IN THE MOST PROMISING
AND
STRATEGIC AREAS FOR THE FUTURE



Strongly reinforced our leadership in Asia Pacific

APAC

FY-2018: +**24%***

Q1-2019: +**23%***



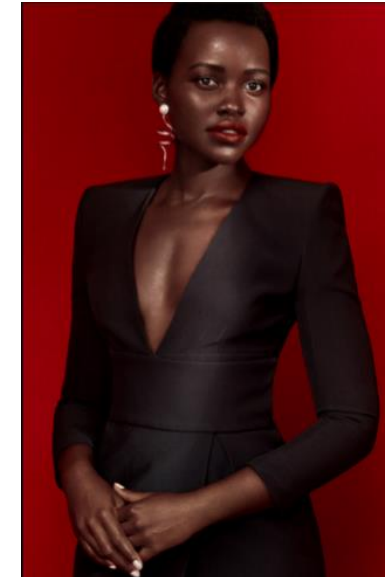
CHINA

FY-2018: +**33%***

Q1-2019: +**33%***



L'ORÉAL
PARIS



LANCÔME
PARIS

#1 Brand in their respective market

RANKED IN THE TOP 3 ON TMALL DURING 11.11

* Like-for-like sales growth



Outperformed in skincare

L'ORÉAL +16%*

Market \approx +9%



*2018 Like-for-like sales growth.

Source: L'Oréal 2018 estimates. Excluding razors, soaps and toothpastes.

Excluding exchange rate impact



Strengthened leadership in two booming channels

E-COMMERCE



TRAVEL RETAIL



* Like-for-like sales growth. Sales achieved on our brands' own websites and estimated sales achieved by our brands corresponding to sales through retailers' websites (non-audited data)



Increased the power of our big brands

TOP 8 BRANDS

+8.4%*



L'ORÉAL
PARIS

LANCÔME
PARIS



YVES SAINT LAURENT

GIORGIO ARMANI

MAYBELLINE
NEW YORK

Kiehl's
SINCE 1851

L'ORÉAL
PROFESSIONNEL
PARIS

* Average 2018 sales growth



Digital is embedded in our teams & is boosting media efficiency

>22,000
upskilled talents

2,000
experts

1.2bn
Visitors on our
websites



43%
of our Media spend
Strong ROI focus

Of which
3/4
On precision
advertising

GARTNER L2 DIGITAL IQ INDEX
4 BRANDS IN THE TOP 10
& 6 IN THE TOP 20

MAYBELLINE
NEW YORK

NYX
PROFESSIONAL MAKEUP

UD
URBAN DECAY
beauty with an edge®

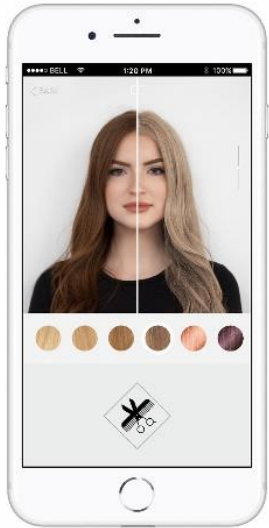
L'ORÉAL
PARIS

LANCÔME
PARIS

Kiehl's
SINCE 1851



Strengthened the power of digital:
enriching our leadership and our expertise



— BEST SELLER —
LIP MAGNET LIQUID LIPSTICK
 AN ULTRA-MATTE, HIGH PIGMENT LIQUID LIPSTICK WITH A WEIGHTLESS STAIN TEXTURE

★★★★: 4.3 (32) [Write a review](#)

This weightless liquid lipstick leaves lips with a smudge-proof, ultra-matte finish. The formula is four times thinner and has twice as much color as a traditional lipstick. It delivers eight-hour w... [more](#)

Select Color

All Corals Pinks Reds Purples

500 - Maharajah

\$38.00

Recent Strategic Partner



Embed Modiface within strategic partner to leverage counterparts

MODIFACE

TRY-ONS

LIVE STREAMING

1-1 CONSULTATION

DIAGNOSIS

SMART SAMPLING

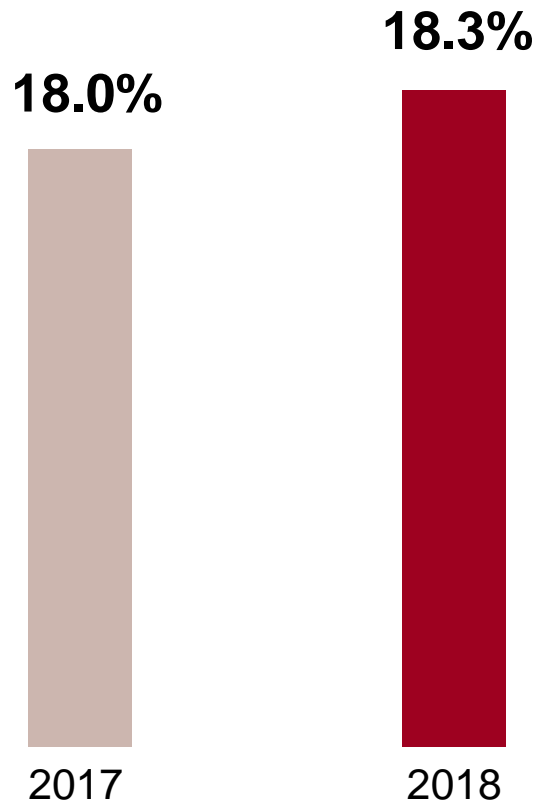


Some AI powered diagnostic application tools





A powerful value-creating business model: Record Operating Margin



- Strong improvement in gross margin: **+110 bps**
Record level of **72.8%***
- Sustained investment in growth drivers

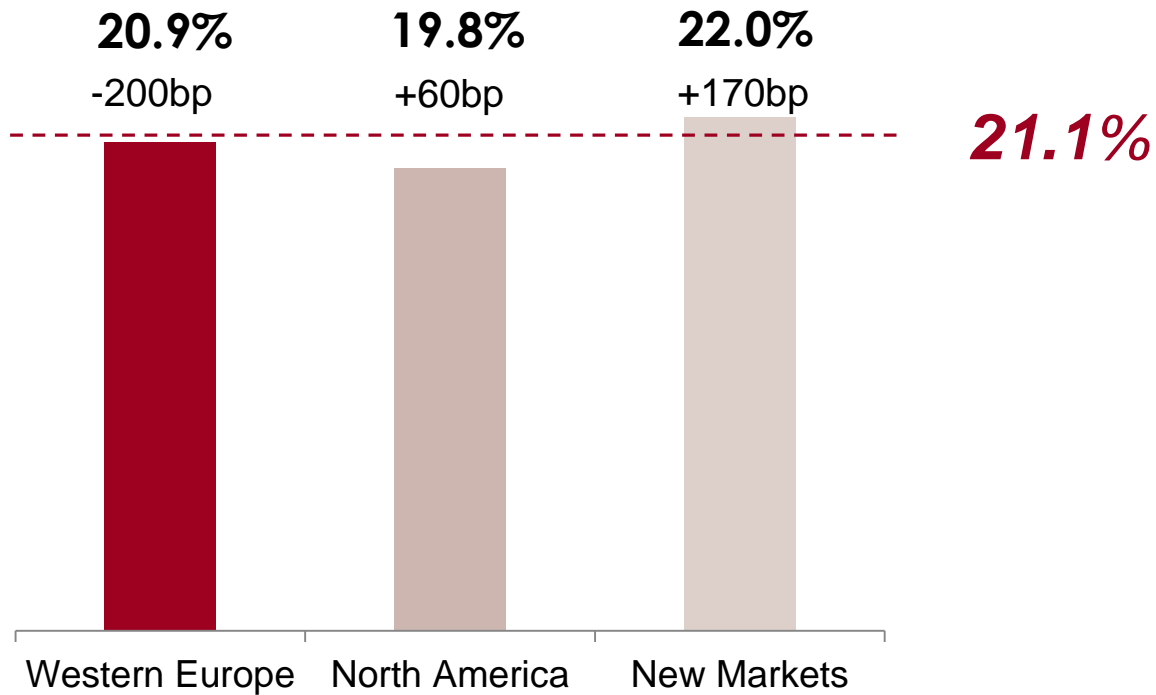
* As a % of 2018 sales



Well balanced profitability*

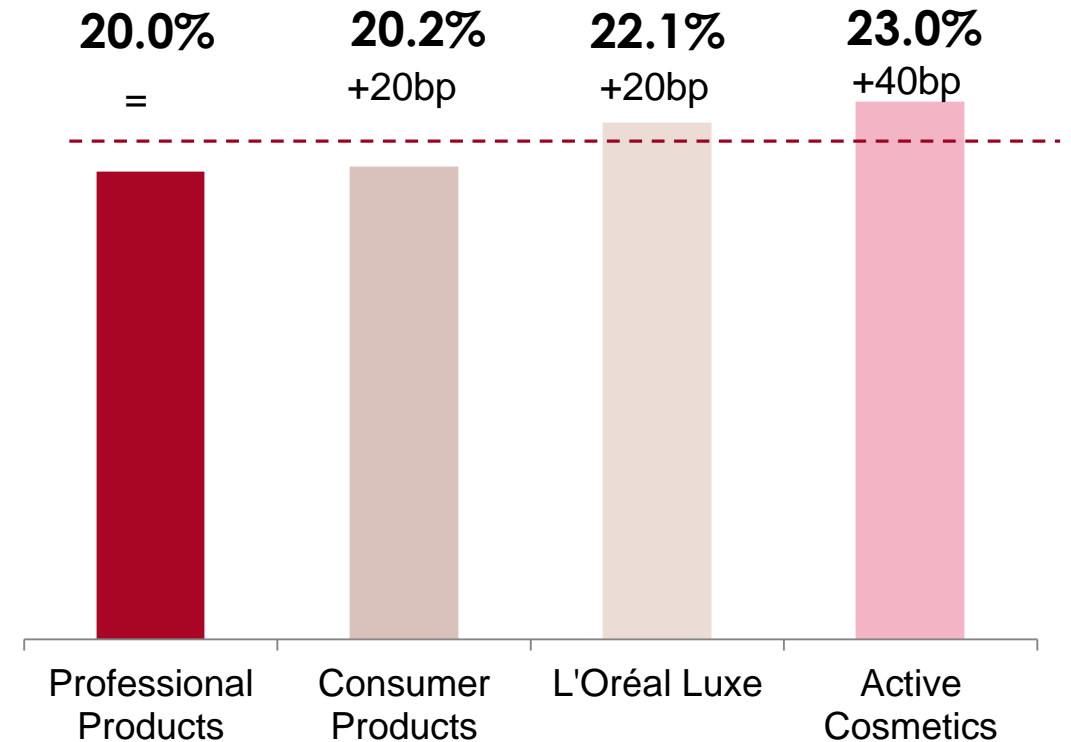
OPERATING PROFIT BY REGION

(as a % of sales)



OPERATING PROFIT BY DIVISION

(as a % of sales)



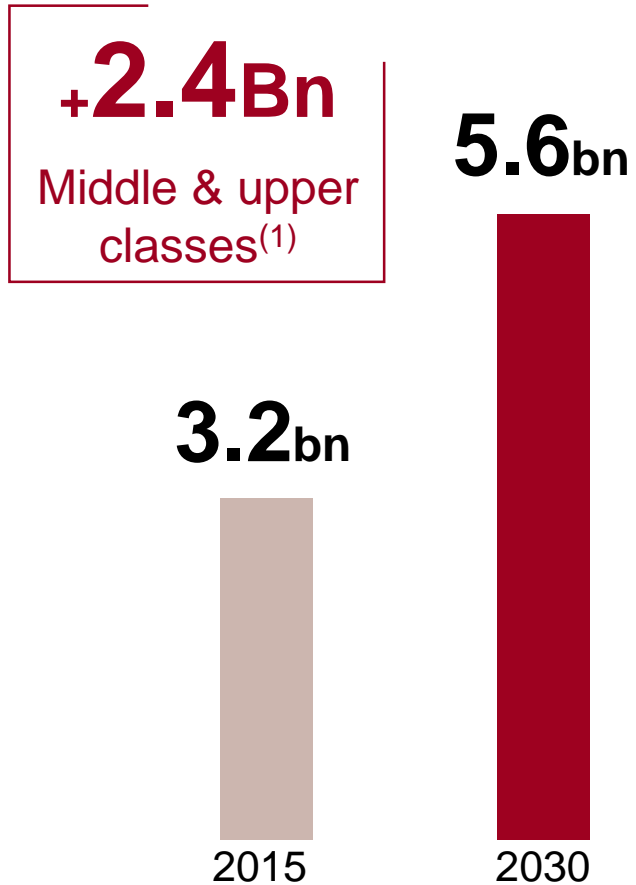
*Before central group expenses, fundamental research expenses, stock-option & free grant of shares expenses and miscellaneous items



POWERING AHEAD



The market will continue to grow thanks to the rise of the middle & upper classes



UPPER MIDDLE + UPPER CLASSES SPENDING BY 2030

x1.5

Western Europe
North America

x2

Latin America
Africa Middle-East

x3

Asia

(1) Number of people. World Data Lab for L'Oréal



The market will continue to grow thanks to the huge potential to increase consumption

BEAUTY CONSUMPTION PER CAPITA INDEX⁽¹⁾

100

North America
Western Europe
Japan

<35

Eastern Europe
Latin America

<20

Asia
Middle-East

<10

Africa

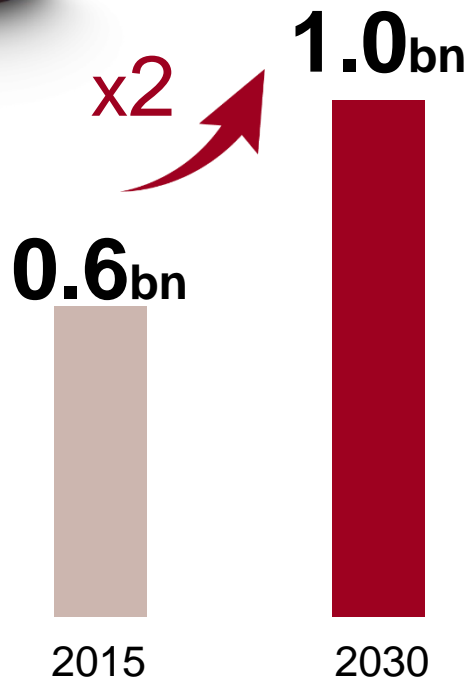
(1) L'Oréal 2017 BMS estimates - excluding soaps, toothpastes and razors. Net manufacturing prices (sell-in)



The market will continue to expand thanks to many growing opportunities



SENIORS



URBAN POPULATION

5bn⁽¹⁾
BY 2030

Pollution

Socialisation



MEN

Men's market

< 10%⁽²⁾
of the beauty market

(1) Source: euromonitor

(2) L'Oréal 2017 BMS estimates – excluding soaps, toothpastes and razors. Net manufacturing prices (sell-in) at constant exchange rates.

The background is a deep red, textured surface with several vertical cracks. Two red cylindrical objects, resembling markers or pens, are positioned vertically on the left side of the frame. The lighting creates soft shadows and highlights on the cylinders and the cracks.

CONFIDENCE IN THE FUTURE

5

FOUNDING

PRINCIPLES



1 – Faith in the superior quality of our products





Cutting-Edge Innovations

INNOVATIONS



NATURAL TREND





2 – Topline growth

POWERFUL, BALANCED AND VALUE-CREATING BUSINESS MODEL

Focus on
topline growth

+

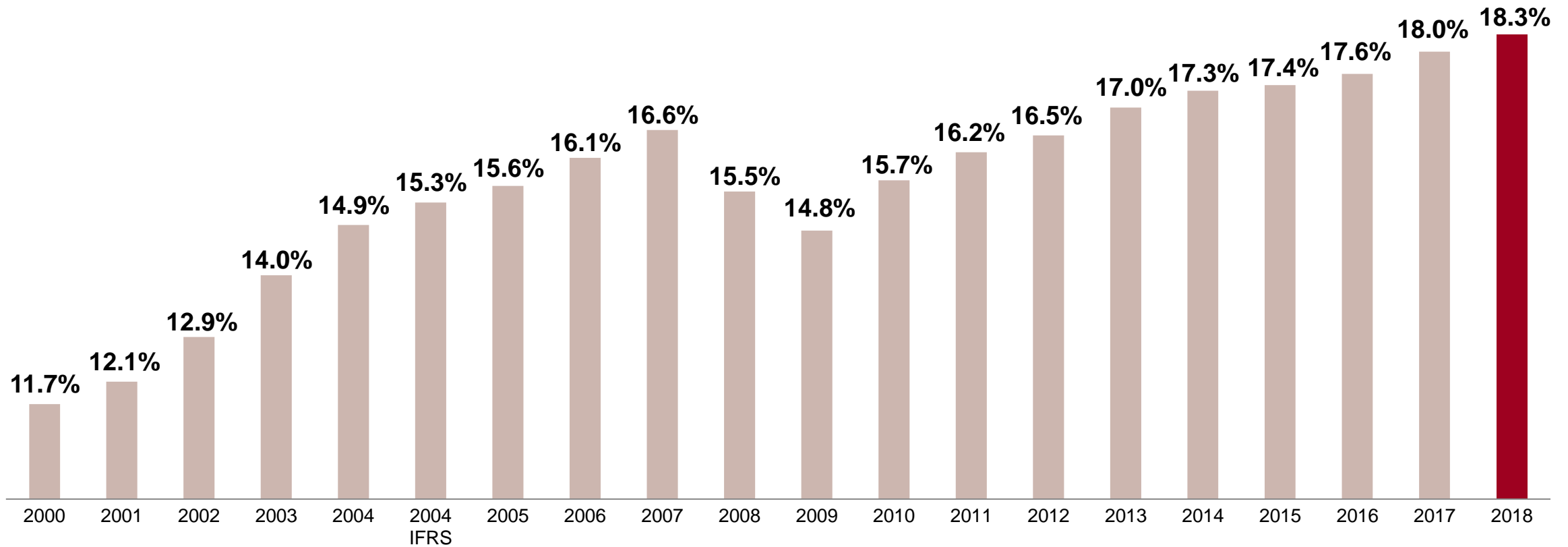
Operational
discipline





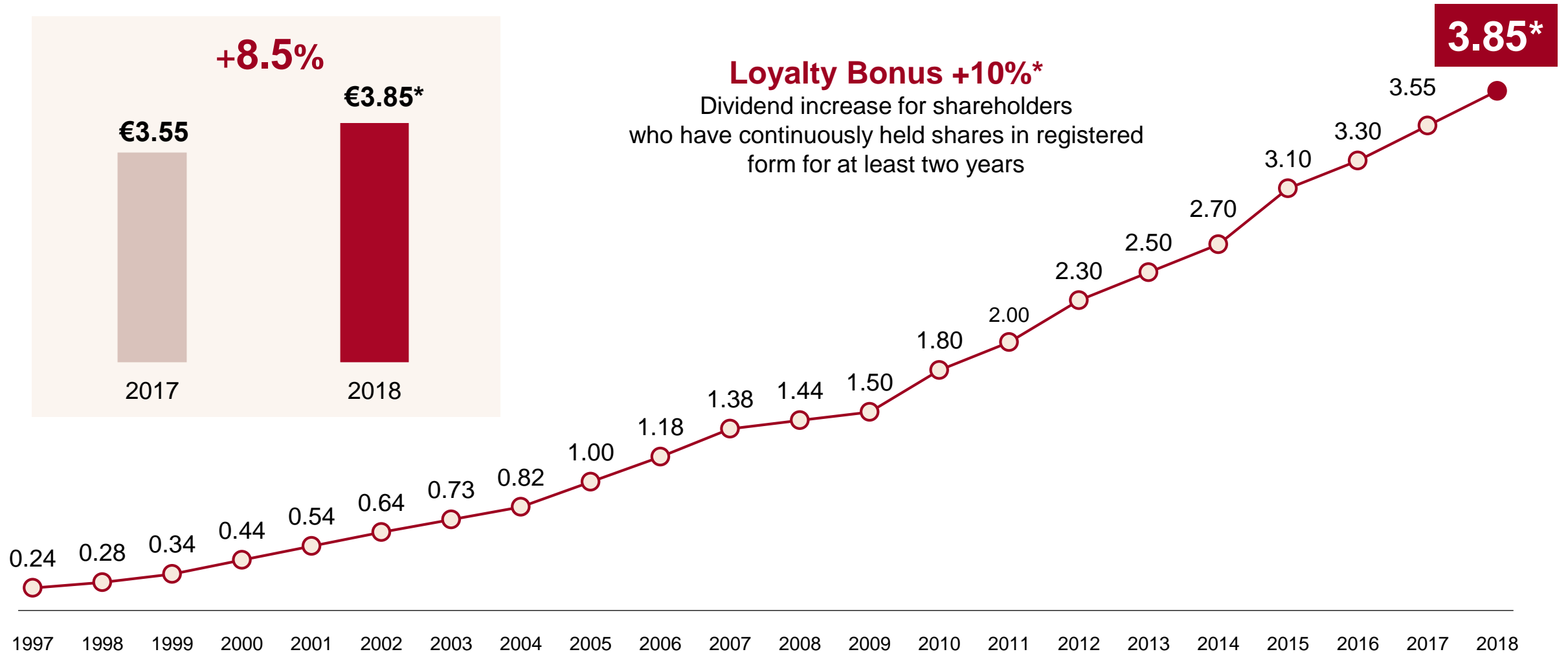
A robust, long term successful business model

Operating margin (as a % of sales)





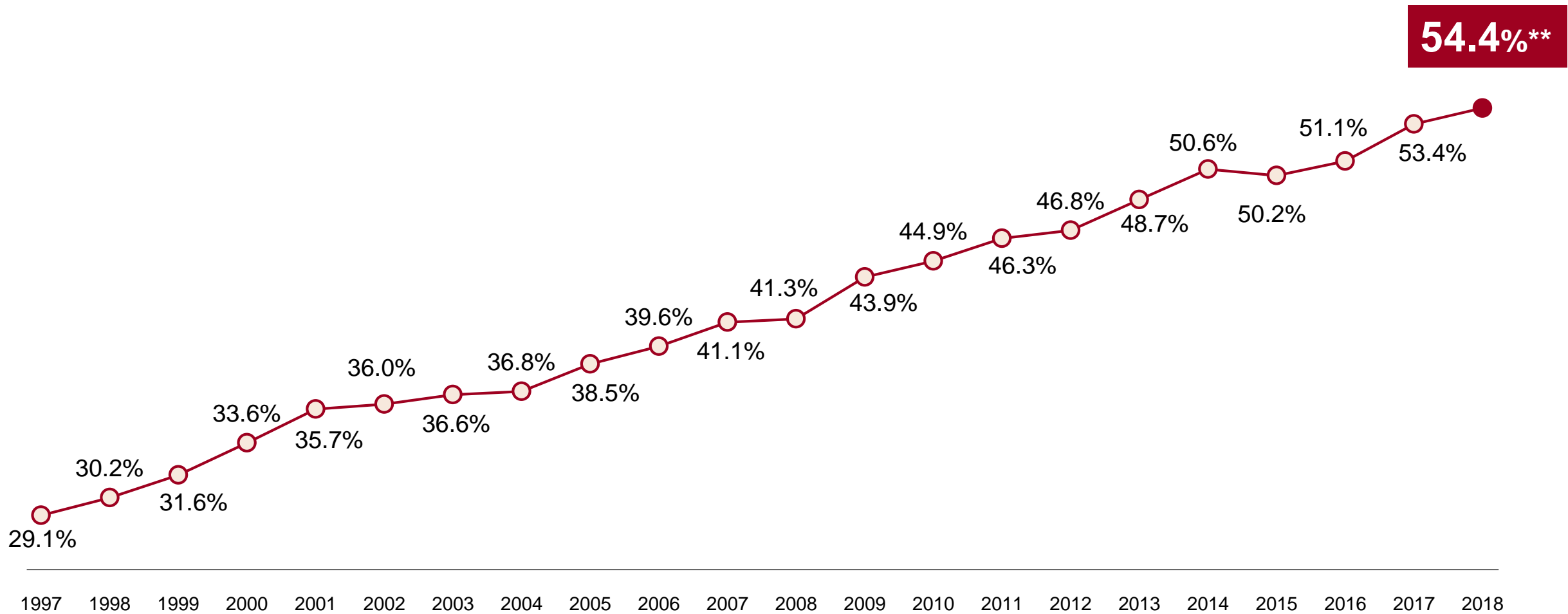
Dividend from 1997 to 2018 (in euros)



*Proposed at the shareholders' meeting to be held on 18 April 2019



Payout ratio from 1997 to 2018 (as a % of net profit*)



* Taking into account the Sanofi history with regards to the dividends

** Based on the dividend approved at the shareholders' meeting held on April 18th, 2019



3 – Victories are won on battlefield



EMPOWERED LOCAL TEAMS



STRATEGICALLY CONCENTRATED



AGILITY AND EXCELLENCE ON THE FIELD



RESOURCES DEPLOYMENT



OPERATIONALLY DECENTRALIZED



CONSUMER RELEVANCE



4 – Catch the growth wherever it emerges

7 DISTRIBUTION CHANNELS

HAIR SALONS



MASS RETAIL



DEPARTMENT STORES
PERFUMERIES



PHARMACIES
DRUGSTORES
MEDISPAS



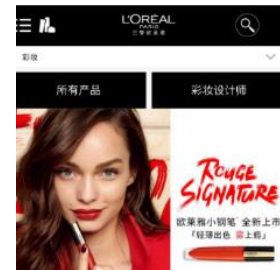
BRANDED RETAIL



TRAVEL RETAIL



E-COMMERCE



5 BEAUTY CATEGORIES



HAIRCARE



HAIR COLOR



SKINCARE



FRAGRANCES



MAKEUP

ALL PRICE SEGMENTS

ALL REGIONS

ALL PSYCHOGRAPHICS



A unique portfolio of complementary brands

Professional products 12.1%*



Consumer products 44.7%*



L'Oréal Luxe 34.8%*



Active cosmetics 8.4%*

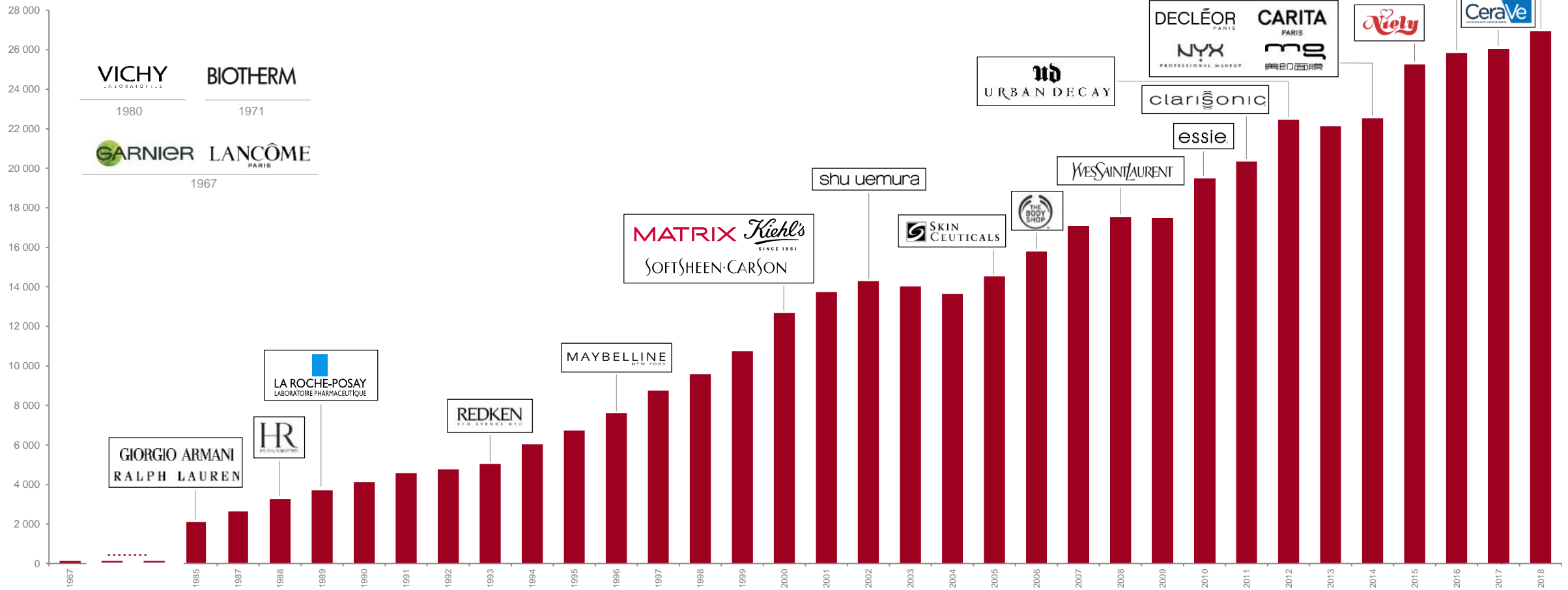


* as a % of 2018 consolidated sales



Acquisitions to foster our future organic growth

Consolidated sales (€m)



IFRS norms from 2004



2018 targeted acquisitions

Armani*



Iconic Italian brand recognized for its elegance and the perfection of its style

L'Oréal Luxe

Stylenanda



Korean lifestyle make-up company
Highly desirable brand among Korean & Chinese millennials

CPD

Pulp Riot



Professional haircolor brand
Unique creative artistry and stylist powered education

PPD

Valentino*



Long-term license agreement
Unique blend of prestige and modernity

L'Oréal Luxe

Logocos



German beauty company which pioneered natural cosmetics with vegan and bio certified brands (Logona)

CPD

*Long-term licenses



5 – Power to positively impact Our lead in sustainability & ethics

**ONLY COMPANY WITH
“AAA” FOR THE 3rd YEAR
RUNNING**



**#1 IN EUROPE
GENDER EQUALITY**



**#1 WORLDWIDE
2018 ETHICALQUOTE
REPUTATION INDEX***

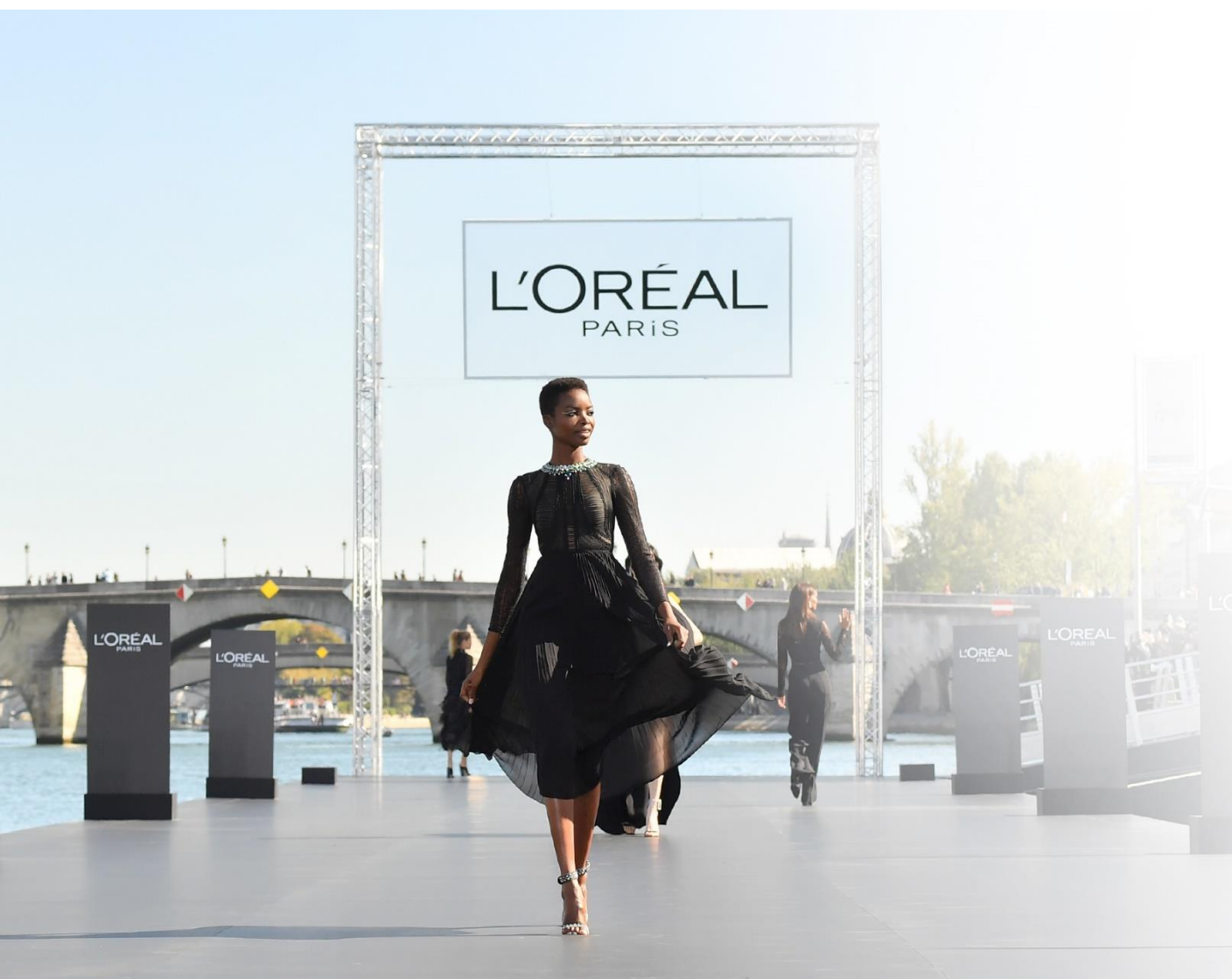


10th YEAR





Q1-2019: Same powerful growth drivers as in 2018



**Luxury
&
Active Cosmetics**

Asia

Skincare

**E-commerce
&
Travel Retail**




7.7% like-for-like sales growth in Q1

Same powerful growth drivers

Confidence in our ability to outperform
the beauty market

and

Achieve another year of growth
in both sales and profits



Q & A

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