L’Oreal

The Power of Beauty

Jean-Paul AGON
Chairman & Chief Executive Officer

Barclays Global Consumer Staples Conference
September 5th, 2019
KEY INDICATORS 2018

SALES

26.9 BILLION €

OPERATING MARGIN

18.3%

NET CASH FLOW\(^2\)

3.9 BILLION €

#1 BEAUTY PLAYER WORLDWIDE

NET PROFIT\(^1\)

4 BILLION €

EARNINGS PER SHARE\(^3\)

7.08 €

MARKET CAPITALIZATION\(^4\)

141 BILLION €

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\(^1\)Net profit, excluding non-recurring items after non-controlling interests.

\(^2\)Net cash flow = Gross cash flow + changes in working capital - capital expenditure.

\(^3\)Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests.

\(^4\)Based on 2 September 2019 closing price of €251.20
L’Oréal worldwide beauty market estimates, excluding razors, soaps and toothpastes. Half-Year 2019 provisional estimates, at constant exchange rates.
L’Oréal worldwide beauty market estimates, excluding razors, soaps and toothpastes. Half-Year 2019 provisional estimates, at constant exchange rates.

1H1-2019 like-for-like sales growth

1L’Oréal worldwide beauty market estimates, excluding razors, soaps and toothpastes. Half-Year 2019 provisional estimates, at constant exchange rates.

2H1-2019 like-for-like sales growth
<table>
<thead>
<tr>
<th>Metric</th>
<th>1H1-2019</th>
<th>1H1-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSOLIDATED GROUP SALES</td>
<td>+7.3%</td>
<td></td>
</tr>
<tr>
<td>OPERATING PROFIT</td>
<td>+12.1%</td>
<td></td>
</tr>
<tr>
<td>OPERATING MARGIN</td>
<td>19.5%</td>
<td></td>
</tr>
<tr>
<td>A STRONG FIRST HALF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EARNINGS PER SHARE</td>
<td>+7.2%</td>
<td></td>
</tr>
<tr>
<td>NET CASH FLOW</td>
<td>+23.2%</td>
<td></td>
</tr>
</tbody>
</table>

1H1-2019 like-for-like sales growth
2Diluted earnings per share, excluding non-recurring items, attributable to owners of the company
WIN ON
THE 6 MOST POWERFUL GROWTH ENGINES
TO OUTPERFORM THE MARKET
GROWTH ENGINE 1 ASIA PACIFIC

ASIA PACIFIC

STRONG POTENTIAL EVERYWHERE

CHINA +39% ²
VIETNAM +16% ²
PHILIPPINES +16% ²

INDIA +18% ²
INDONESIA +22% ²

MARKET L’ORÉAL

H1 2019

+24% ²

+10% ¹

+10% ¹ L’Oréal Half-Year 2019 provisional estimates, excluding razors, soaps and toothpastes, at constant exchange rates. ²H1-2019 like-for-like sales growth
BEST PERFORMER IN ASIA

Source: Euromonitor 2018, excluding razors, soaps and toothpastes, APAC 14 Countries
#1 ZONE
LEADER WITH STRONG POTENTIAL

8.7% MARKET SHARE

1 2018 L’Oréal estimates, excluding razors, soaps and toothpastes, at constant exchange rates

GROWTH ENGINE 1 ASIA PACIFIC
L’Oréal Half-Year 2019 provisional estimates, excluding razors, soaps and toothpastes, at constant exchange rates.

H1 2019 like-for-like sales growth:

≈ +10%¹

LUXURY MARKET

H1 2019

+ 13.2%²

L’ORÉAL LUXE

¹L’Oréal Half-Year 2019 provisional estimates, excluding razors, soaps and toothpastes, at constant exchange rates. ²H1-2019 like-for-like sales growth
BIG BRANDS ARE WINNING BRANDS

GROWTH ENGINE 2 L’ORÉAL LUXE

COMBINED GROWTH +16%¹

¹H1-2019 like-for-like sales growth
SKINCARE

GROWTH ENGINE 3 SKINCARE

SKINCARE

H1 2019

8%

18%

MARKET L'OREAL

H1 2019

1 L'Oréal Half-Year 2019 provisional estimates, excluding razors, soaps and toothpastes, at constant exchange rates.

2 H1-2019 like-for-like sales growth.
GROWTH ENGINE 4 TRAVEL RETAIL

SALES GROWTH
H1 2019

+21%¹

SALES x3.5
SINCE 2009

¹H1-2019 like-for-like sales growth
LEADER OF THE MARKET

<table>
<thead>
<tr>
<th>Company</th>
<th>Travel Retail Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>L'Oréal</td>
<td>20.0%</td>
</tr>
<tr>
<td>Competitor 1</td>
<td>19.2%</td>
</tr>
<tr>
<td>Competitor 2</td>
<td>10.6%</td>
</tr>
<tr>
<td>Competitor 3</td>
<td>6.9%</td>
</tr>
<tr>
<td>Competitor 4</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

GROWTH ENGINE 4 TRAVEL RETAIL

STRONG POTENTIAL FOR ALL DIVISIONS

- Consumer Products
- Professional Products
- Active Cosmetics
- L'Oréal Luxe

1Source: Generation 2018
TRAVEL RETAIL

A Booming Market

3.7 Bn passengers in 2018\(^1\)

5% of the beauty market\(^2\)

+11% CAGR 2008-2018\(^3\)

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1Source: Air4cast. 2Source: 2019 L’Oréal provisional estimates, excluding razors, soaps and toothpastes. 3Source: Generation and internal panel.
GAINING SHARE IN EVERY ZONE

+13.6%²

≈ +7%¹

DERMO-COSMETICS MARKET

L’ORÉAL

¹L’Oréal Half Year 2019 provisional estimates, excluding razors, soaps and toothpastes, at constant exchange rates. ²H1-2019 like-for-like sales growth.
GROWTH ENGINE 5 DERMOCOSMETICS

DERMO-COSMETICS

SAFETY | HEALTH | AUTHENTICITY | NATURALNESS | WELL-BEING

L'ORÉAL
E-COMMERCE

A POWERFUL ACCELERATOR FOR GROWTH
L’Oréal Half-Year 2019 provisional estimates, excluding razors, soaps and toothpastes, at constant exchange rates.

+48.5%²

13.2%²

OF GROUP SALES

L’Oréal Half-Year 2019 provisional estimates, excluding razors, soaps and toothpastes, at constant exchange rates.

H1-2019 like-for-like sales growth. Sales achieved by our brands’ own websites + estimated sales achieved by our brands corresponding to sales through our retailers’ websites (non-audited data).
IT IS JUST THE BEGINNING OF THE STORY

LIKE-FOR-LIKE GROWTH OF E-COMMERCE SALES AND % OF GROUP SALES

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
<th>% of Group Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>+44.7%</td>
<td>3.4%</td>
</tr>
<tr>
<td>2015</td>
<td>+40.2%</td>
<td>5.1%</td>
</tr>
<tr>
<td>2016</td>
<td>+33.3%</td>
<td>6.4%</td>
</tr>
<tr>
<td>2017</td>
<td>+33.6%</td>
<td>8.0%</td>
</tr>
<tr>
<td>2018</td>
<td>+40.6%</td>
<td>11.0%</td>
</tr>
<tr>
<td>H1 2019</td>
<td>+48.5%</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

1Sales achieved by our brands’ own websites + estimated sales achieved by our brands corresponding to sales through our retailers’ websites (non-audited data).
POTENTIAL FOR INCREASED PENETRATION

WEIGHT OF E-COMMERCE IN THE BEAUTY MARKET (in %)

Source: L’Oréal BMS estimates 2018.
EXTENDING OUR REACH FAR BEYOND
TRADITIONAL DISTRIBUTION
DRIVE 6 POWERFUL PILLARS TO MAXIMIZE GROWTH AND SUSTAIN LONG-TERM LEADERSHIP
PILLAR 1
RESEARCH & INNOVATION

THE POWER OF INNOVATION
PILLAR 1  RESEARCH & INNOVATION

A CONTINUOUS STRATEGIC FOCUS ON RESEARCH & INNOVATION

R&I EXPENSES IN MILLION €

2012  2013  2014  2015  2016  2017  2018

680  748  761  794  850  877  914

ABSOLUTE FAITH IN SUPERIOR QUALITY
PILLAR 1: RESEARCH & INNOVATION

THE POWER OF INNOVATIONS
PILLAR 1 RESEARCH & INNOVATION

INNOVATING BEYOND THE PRODUCT

SUPERIOR PRODUCT PERFORMANCE

SUPERIOR BEAUTY EXPERIENCE
PILLAR 2   BIG BRANDS

THE POWER OF
BIG BRANDS
PILLAR 2  BIG BRANDS

BIG BRANDS ARE WINNING BRANDS

+8%¹

TOP 8 BRANDS

L’ORÉAL PARIS
L’ORÉAL PROFESSIONNEL PARIS
GARNIER, Naturally!
MAYBELLINE NEW YORK
LANCÔME PARIS
YVES SAINT LAURENT
GIOVANNI ARMANI
Kiehl’s SINCE 1851

¹H1 2019 like-for-like sales growth
THE POWER OF DIGITAL

PILLAR ③ DIGITAL
PILLAR ③ DIGITAL

L’ORÉAL
A DIGITAL-FIRST COMPANY
PILLAR 3 DIGITAL

DIGITAL ENHANCES OUR ROI ON MEDIA

47% OF MEDIA SPEND ON DIGITAL

3/4 ON PRECISION ADVERTISING
PILLAR 3  DIGITAL

DIGITAL LEADS TO MORE RELEVANT CONTENT

1 Million PIECES OF CONTENT PER YEAR

80% DEVELOPED FOR DIGITAL PLATFORM
Mass personalization of marketing and consumer interactions. 2Gartner L2 Digital IQ Index beauty ranking 2018.
PILLAR 3 DIGITAL

DIGITAL IS CONNECTING US WITH MORE PEOPLE

L’ORÉAL VIEWS

YouTube 1/3
OF THE GLOBAL BEAUTY VIEWS

1.2 Billion
VISITORS TO OUR WEBSITES
DIGITAL IS CREATING AMAZING NEW SERVICES AND EXPERIENCES

20 brands 65 countries
PILLAR 3 DIGITAL

L’ORÉAL

LEADER OF THE NEW BEAUTY TECH WORLD
THE POWER OF OUR CULTURE AND ORGANIZATION
PILLAR 4 CULTURE & ORGANIZATION

L’ORÉAL

A LEADER WITH THE SPIRIT OF A CHALLENGER

A LARGE COMPANY WITH THE SPIRIT OF A START-UP
PILLAR 4  CULTURE & ORGANIZATION

UNIQUE APPROACH
LONG-TERM VISION
SHORT-TERM PRAGMATISM

UNIQUE ORGANIZATION
STRATEGICALLY CONCENTRATED
OPERATIONALLY DECENTRALIZED

L’ORÉAL
VICTORIES ARE WON ON THE BATTLEFIELD

EMPOWERED LOCAL TEAMS
CONSUMER RELEVANCE
RESOURCES DEPLOYMENT

AGILITY & EXCELLENCE ON THE FIELD
PILLAR 5  UNIVERSAL FOOTPRINT

THE POWER OF
OUR UNIVERSAL FOOTPRINT
PILLAR 5 UNIVERSAL FOOTPRINT

ABSOLUTE COVERAGE OF THE MARKET  MAXIMUM FLEXIBILITY TO SEIZE GROWTH

7 DISTRIBUTION CHANNELS

HAIR SALONS  MASS RETAIL  DEPARTMENT STORES  PHARMACIES  BRAND RETAIL  TRAVEL RETAIL  E-COMMERCE

5 BEAUTY CATEGORIES

HAIRCARE  HAIR COLOR  SKINCARE  FRAGRANCES  MAKEUP

ALL PRICE SEGMENTS  ALL REGIONS  ALL PSYCHOGRAPHICS
PILLAR 6  SUSTAINABILITY LEADERSHIP

THE POWER OF OUR SUSTAINABILITY LEADERSHIP
PILLAR 6 SUSTAINABILITY LEADERSHIP

OUTSTANDING EXTRA-FINANCIAL PERFORMANCE

INNOVATING SUSTAINABLY

79% OF NEW PRODUCTS¹
HAVE AN IMPROVED ENVIRONMENTAL OR SOCIAL PROFILE

PRODUCING SUSTAINABLY

-77%² REDUCTION IN CO₂
+38% PRODUCTION INCREASE
WE DECOUPLE OUR ENVIRONMENTAL IMPACT FROM OUR GROWTH

DEVELOPING SUSTAINABLY

63,584 PEOPLE
FROM UNDERPRIVILEGED COMMUNITIES WERE PROVIDED WITH ACCESS TO WORK

¹New or renovated products ²Emissions from plants and distribution centres since 2005
PILLAR 6 SUSTAINABILITY LEADERSHIP

OUR PERFORMANCE IS RECOGNIZED

ENVIRONMENT

GENDER EQUALITY

ETHICS

L’ORÉAL, ONLY COMPANY WITH 3“A” FOR THE 3rd YEAR RUNNING

#1 IN EUROPE GENDER EQUALITY

#1 WORLDWIDE 2018 ETHICALQUOTE REPUTATION INDEX¹

¹Ranking date: November 2018
<table>
<thead>
<tr>
<th>CLIMATE CHANGE</th>
<th>By 2030, reduce by -25% in absolute terms, all our direct and indirect greenhouse gas emissions, compared with 2016 (scope 1,2,3). By 2025, all our industrial, administrative and research sites will be required to achieve carbon neutrality.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLASTICS</td>
<td>By 2025, 100% of the Group’s plastic packaging will be refillable, reusable, recyclable or compostable.</td>
</tr>
</tbody>
</table>
STRAIGHTIC CHOICE N°3

OUR BUSINESS MODEL
TO DELIVER CONSISTENT & RELIABLE GROWTH OVER THE LONG-TERM
COMMITMENT TO OUTPERFORM THE MARKET OVER THE LONG-TERM
A LEADER WITH STRONG POTENTIAL
MARKET SHARE¹ AND RANKING² BY GEOGRAPHIC ZONE 2018

13.2% 20.0% 13.0% 9.3%

NORTH AMERICA WESTERN EUROPE EASTERN EUROPE NEW MARKETS

12.4% 8.7%
AFRICA, MIDDLE EAST ASIA PACIFIC

LATIN AMERICA

1. L’Oréal estimates excluding razors, soaps and toothpastes.
2. Ranking based on Euromonitor 2018 figures, excluding soaps, razors and toothpastes.
FOCUS ON TOPLINE GROWTH

+ OPERATIONAL DISCIPLINE

TOPLINE GROWTH
THE BEST ROUTE TO VALUE CREATION
CONSISTENT GROWTH IN OPERATING MARGIN

18.3%
SUSTAINED PROFIT INCREASE

NET PROFIT SINCE 1988 IN MILLION EUROS

IN 30 YEARS

x21

1988

188

2018

3,988

1

1Net operating profit, excl. non-recurring items attributable to owners of the company, with Synthelabo consolidated fully up to 1998; net profit excl. non-recurring items attributable to owners of the company, with Sanofi-Synthelabo equity consolidated from 1999 to 2004; net profit excl. non-recurring items attributable to owners of the company including Sanofi dividend from 2004; IFRS since 2005
A DYNAMIC DIVIDEND POLICY

DIVIDEND PER SHARE SINCE 1998 IN EUROS

DIVIDEND INCREASE FOR SHAREHOLDERS WHO HAVE CONTINUOUSLY HELD SHARES IN REGISTERED FORM FOR AT LEAST 2 YEARS

+10% LOYALTY BONUS

PAYOUT RATIO: 54.4%

1 Approved at the Annual General Meeting on 18 April 2019.
2 Based on the dividend approved at the Annual General Meeting on 18 April 2019.
DOUBLE-DIGIT TSR

Takes into account the value of the share and the dividend income received. At 31 December 2018

+11.0%  +11.5%  +14.7%

3 YEARS  5 YEARS  10 YEARS

1Takes into account the value of the share and the dividend income received. At 31 December 2018
A POWERFUL VALUE-CREATING BUSINESS MODEL

TEN YEAR EVOLUTION OF THE SHARE PRICE

Source: Nasdaq Thomson Reuters Eikon, stock prices from 12/31/2008 to 09/02/2019
More OPTIMISTIC CONFIDENT DETERMINED than ever
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