



L'ORÉAL

CAGNY

● FEBRUARY 23rd, 2018

Jean-Paul AGON

Chairman & Chief Executive Officer

L'ORÉAL

1

**A GOOD YEAR FOR
THE BEAUTY MARKET
AND FOR L'ORÉAL**



+4/+5%*

**A GOOD YEAR
FOR THE BEAUTY
MARKET**

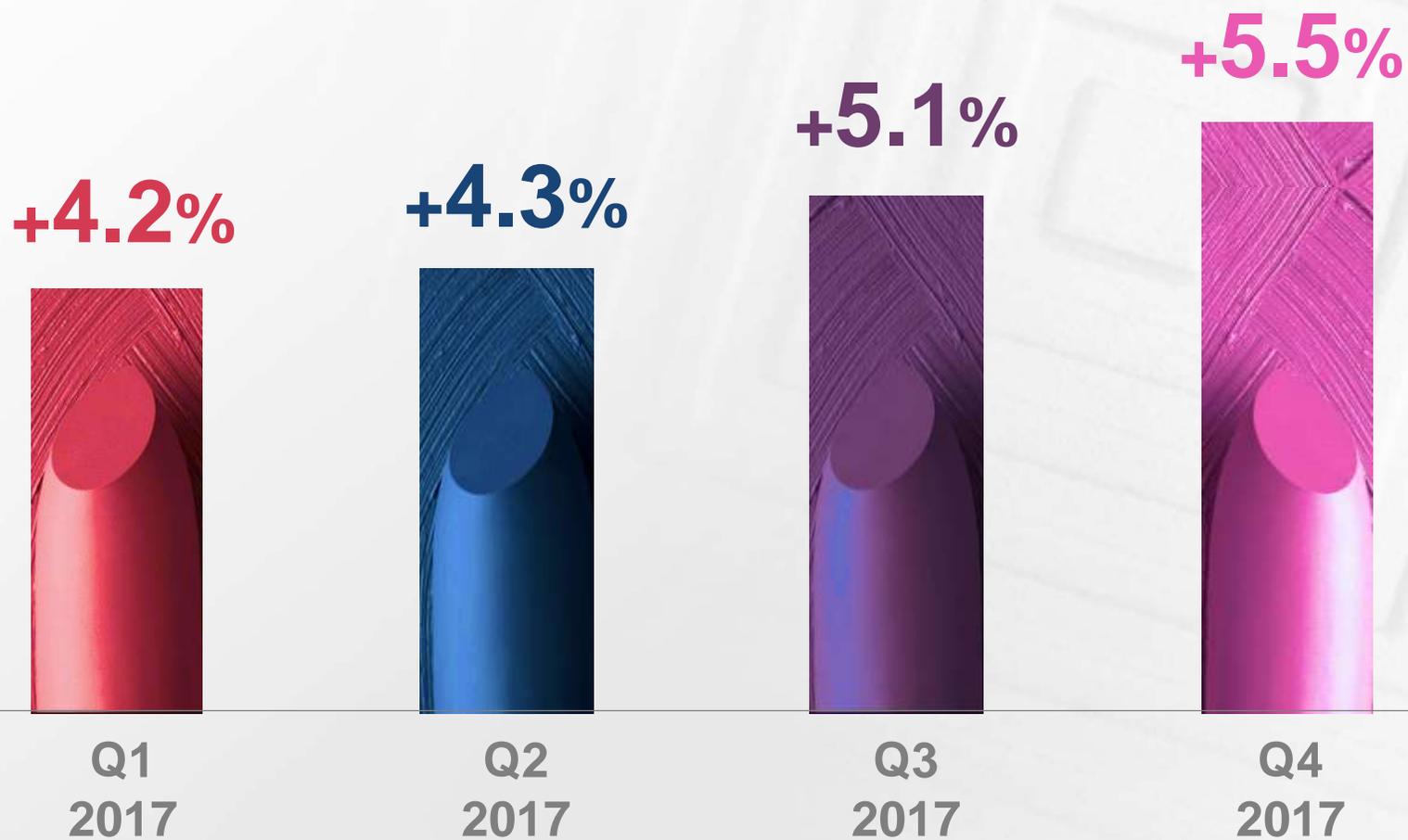


**A GOOD YEAR
FOR THE
DEVELOPMENT
OF L'ORÉAL**

L'ORÉAL

1.1

ACCELERATED GROWTH*



L'ORÉAL LUXE : +10.5%*



BEST YEAR SINCE 2000

STRONG GROWTH IN MAKEUP: +18%*

ACCELERATION IN SKINCARE: DOUBLE-DIGIT GROWTH

**OUTPERFORMING THE LUXURY MARKET
7 YEARS IN A ROW**

KEEP UP THE MOMENTUM:

ICONIC COMPLEMENTARY BRANDS

OUTSTANDING INNOVATIONS

DIRECT TO CONSUMER

ACTIVE COSMETICS +5.8%*

OUTPERFORMED THE HEALTHY DERMOCOSMETIC MARKET FOR THE 7TH YEAR

LEADING BRANDS + POWERFUL ADVOCACY MODEL
E-COMMERCE: +46%** GROWTH, NOW 10%** OF SALES



#1 DERMOCOSMETIC BRAND WORLDWIDE



#1 AMERICAN MEDICAL AESTHETIC SKINCARE BRAND WORLDWIDE



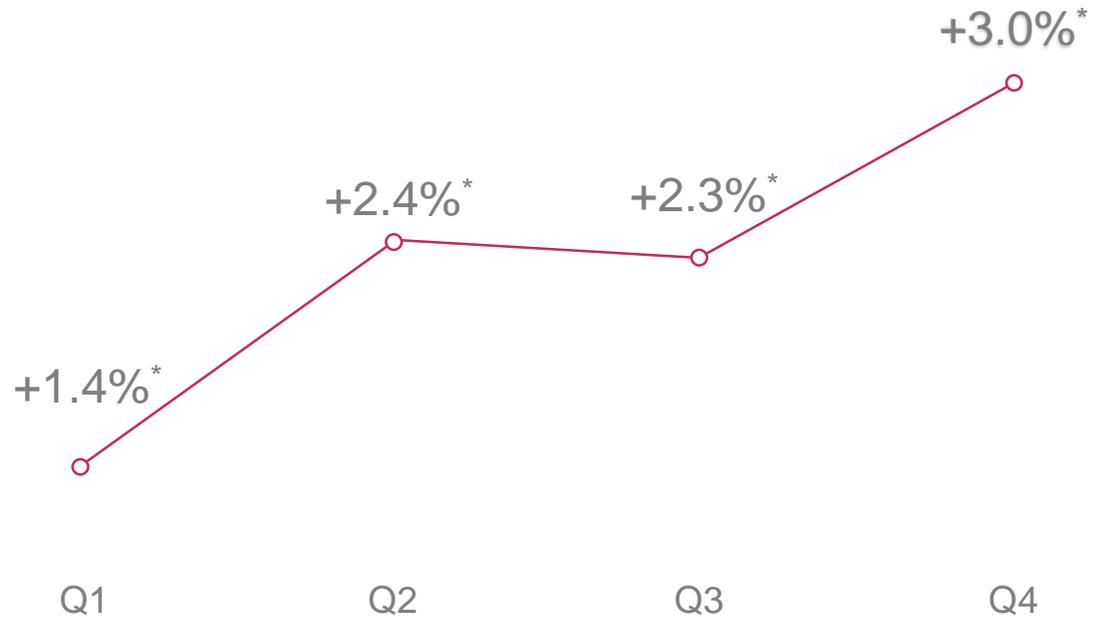
#1 MOISTURIZER RECOMMENDED BY US DERMATOLOGISTS



CERAVE IS STEP CHANGING THE DIVISION'S FOOTPRINT

CONSUMER PRODUCTS: +2.2%*

IMPROVEMENT THROUGHOUT THE YEAR



ACCELERATION IN THE NEW MARKETS, INCLUDING DOUBLE-DIGIT GROWTH IN CHINA IN H2



CONTRASTED US PERFORMANCE

GAINED SHARE IN MAKEUP:
MAYBELLINE #1, L'ORÉAL PARIS NOW #2

LOST SOME GROUND IN HAIRCARE LAST YEAR

CONSUMER PRODUCTS

4 LEVERS TO PROPEL GLOBAL GROWTH:

1

GLOBAL BRANDS MEETING
NEW ASPIRATIONS



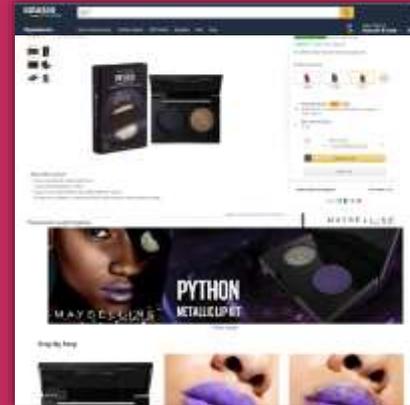
2

GAME-CHANGING
INNOVATIONS



3

MARKETING REINVENTED
IN THE DIGITAL AGE



4

OMNICHANNEL
STRATEGY



PROFESSIONAL PRODUCTS: +0.2%*



A SUBDUED MARKET
IN NEED OF REINVIGORATION

PROGRESSIVE IMPROVEMENT
OF OUR PERFORMANCE TOWARDS
THE END OF THE YEAR

+2%**

4TH QUARTER

*2017 like-for-like sales growth **Q4-2017 like-for-like sales growth

L'ORÉAL

PROFESSIONAL PRODUCTS

REDEFINITION OF OUR STRATEGY TO ACCELERATE GROWTH

NEW CUSTOMER EXPERIENCE

(salon - exclusive products and services)



NEW CONSUMER IN-SALON JOURNEY

(roll-out of Salon Emotion)



NEW WORKING METHODS

(new commercial organization, launch of e-learning platform)



NEW ONLINE-OFFLINE INTERACTIONS

(professional hair care lines available on relevant beauty e-commerce platforms, drive to salon mechanisms)



1.2 STRENGTHENED POSITIONS

IN STRATEGIC CATEGORIES

IN STRATEGIC CHANNELS

IN STRATEGIC REGIONS



STRENGTHENED POSITIONS IN STRATEGIC CATEGORIES OUTPACED THE 2 MOST IMPORTANT CATEGORIES

MAKEUP

WEIGHT IN
THE MARKET
19%*

L'ORÉAL
GROWTH
+10%**



SKINCARE

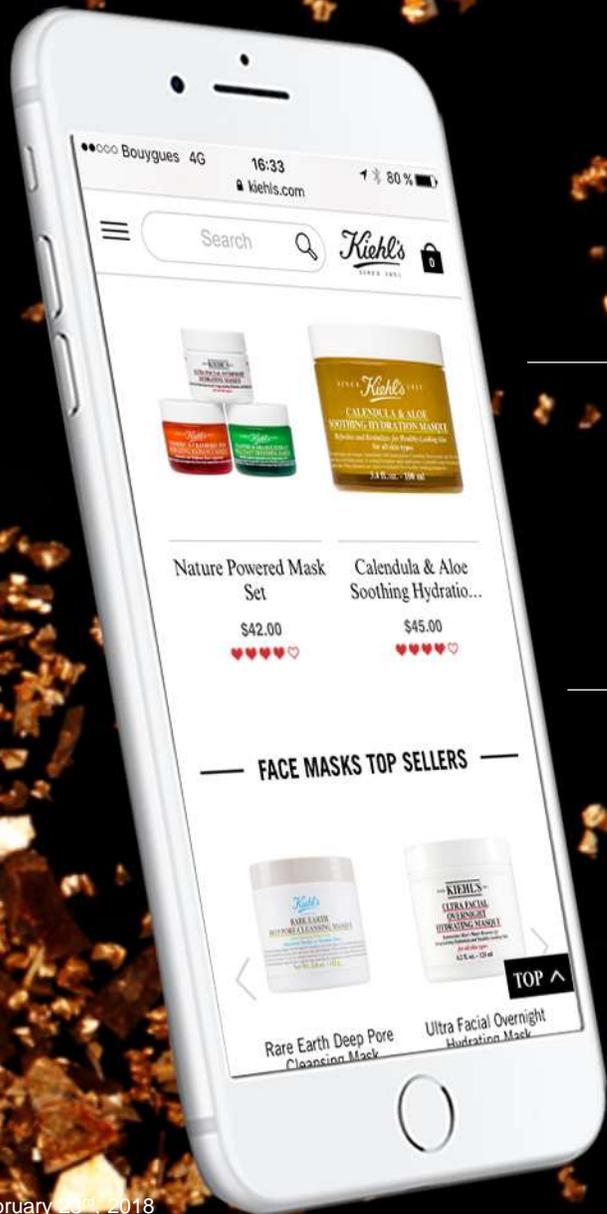
WEIGHT IN
THE MARKET
37%*

L'ORÉAL
GROWTH
+8%**



STRENGTHENED POSITIONS IN STRATEGIC CHANNELS

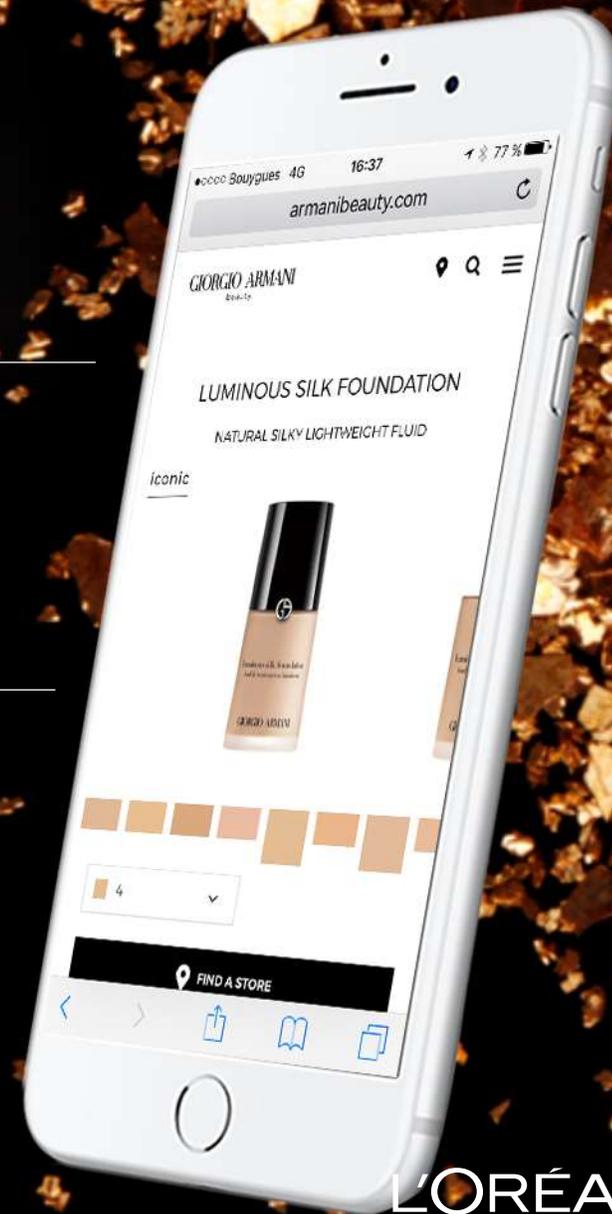
E-COMMERCE



+ **34%*** SALES GROWTH

8%* OF SALES

EQUIVALENT TO OUR
#3 COUNTRY



*2017 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)

L'ORÉAL

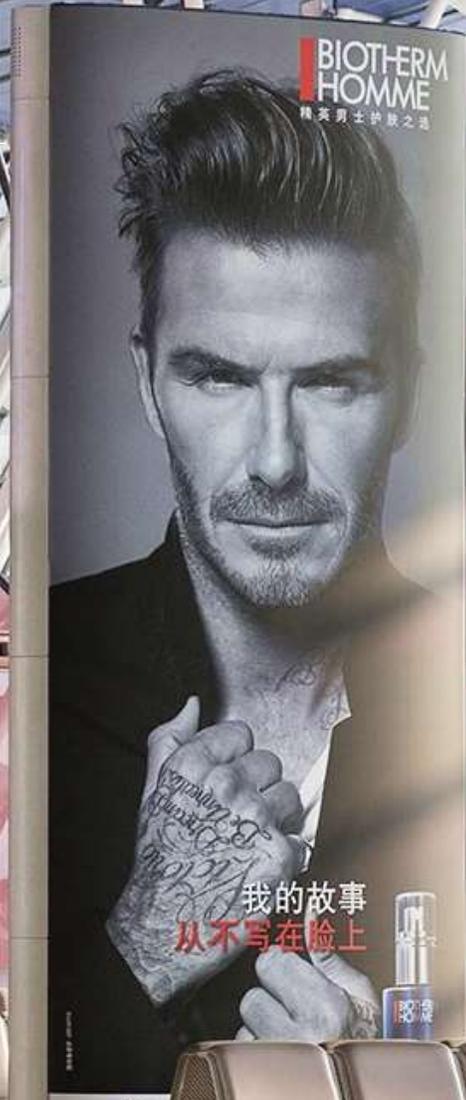
STRENGTHENED POSITIONS IN STRATEGIC CHANNELS

TRAVEL RETAIL

+ **19%***
SALES GROWTH

**EXTENDED
OUR LEADERSHIP**

SOON
2Bn
IN SALES



L'OREAL

STRENGTHENED POSITIONS IN STRATEGIC REGIONS

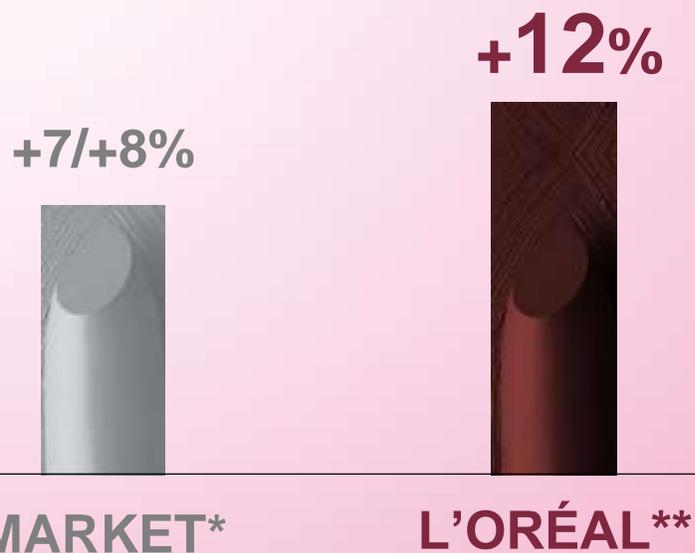
EXCELLENT OVERPERFORMANCE IN THE NEW MARKETS



STRENGTHENED POSITIONS IN STRATEGIC REGIONS

EXCELLENT OVERPERFORMANCE IN THE NEW MARKETS

DOUBLE-DIGIT GROWTH IN ASIA, PACIFIC



ACCELERATION OF
OUR GROWTH IN CHINA

+ 13%**



1.3 HIGH QUALITY RESULTS



HIGH QUALITY RESULTS

RECORD
OPERATING MARGIN **18%**

NET CASH FLOW*
in million euros **+19.6%**

+40bps

17.6%

18.0%

3,318

3,970

2016

2017

2016

2017

HIGH QUALITY RESULTS

A DYNAMIC DIVIDEND POLICY

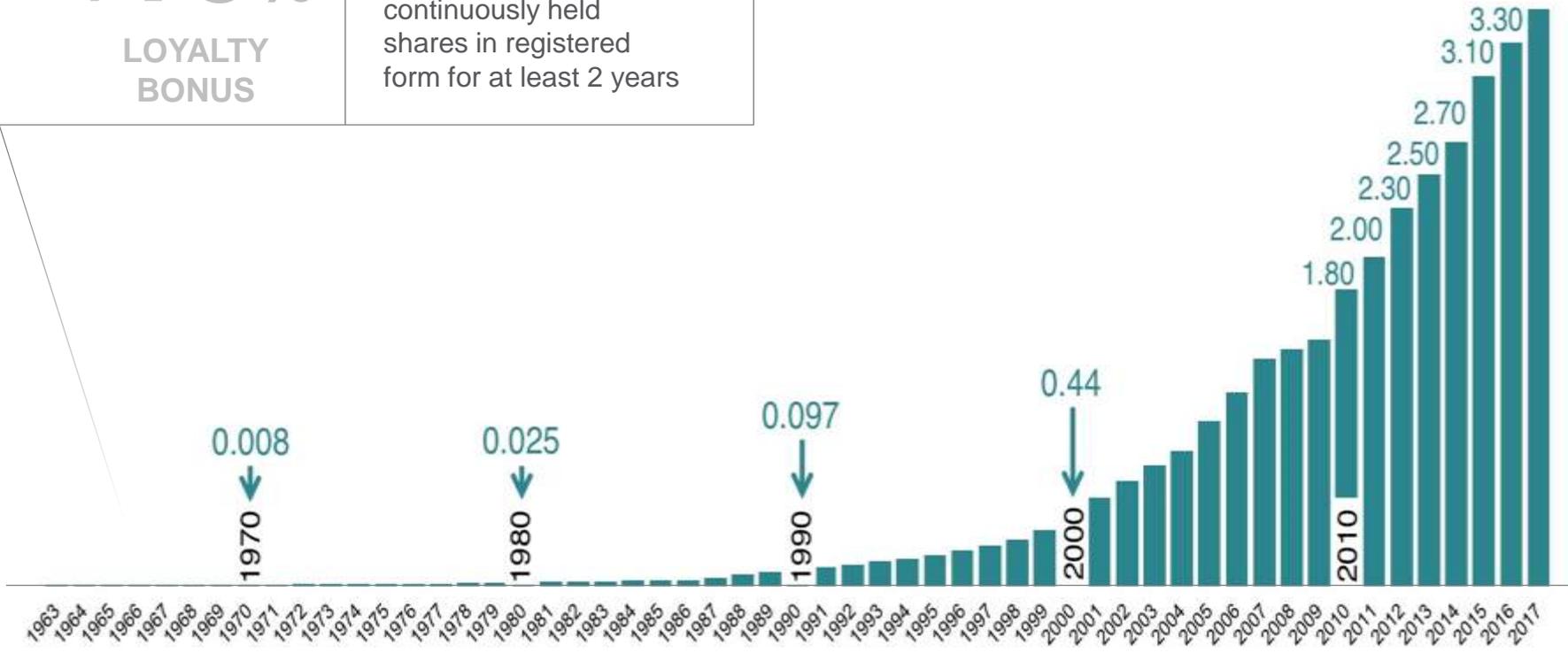
DIVIDEND PER SHARE SINCE 1963 IN EUROS

+10%
LOYALTY
BONUS

Dividend increase for shareholders who have continuously held shares in registered form for at least 2 years

PAYOUT RATIO: **54.3%**

3.55* **+7.6%**



HIGH QUALITY RESULTS

POWERFUL, BALANCED & VALUE-CREATING BUSINESS MODEL

**FOCUS ON TOPLINE
GROWTH
+
OPERATIONAL
DISCIPLINE**



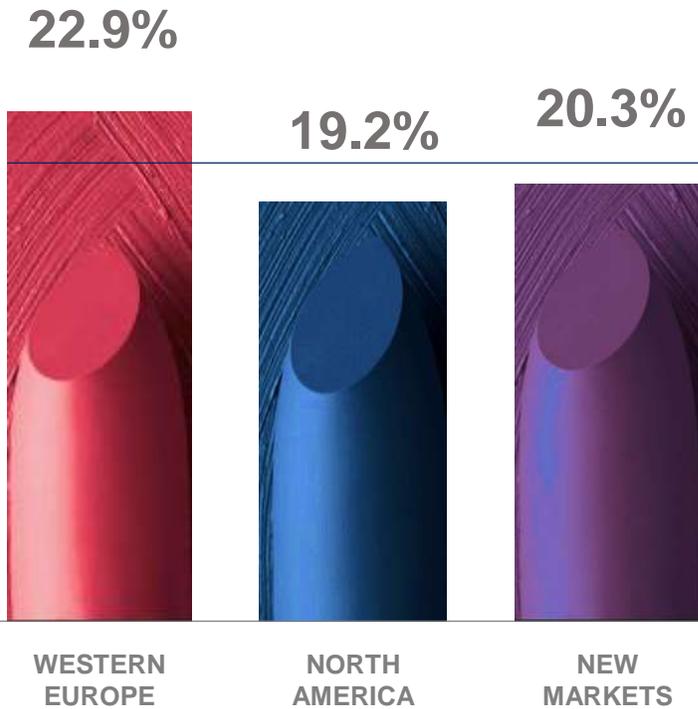
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HIGH QUALITY RESULTS

BALANCED BUSINESS MODEL

2017 OPERATING MARGIN BY REGION*

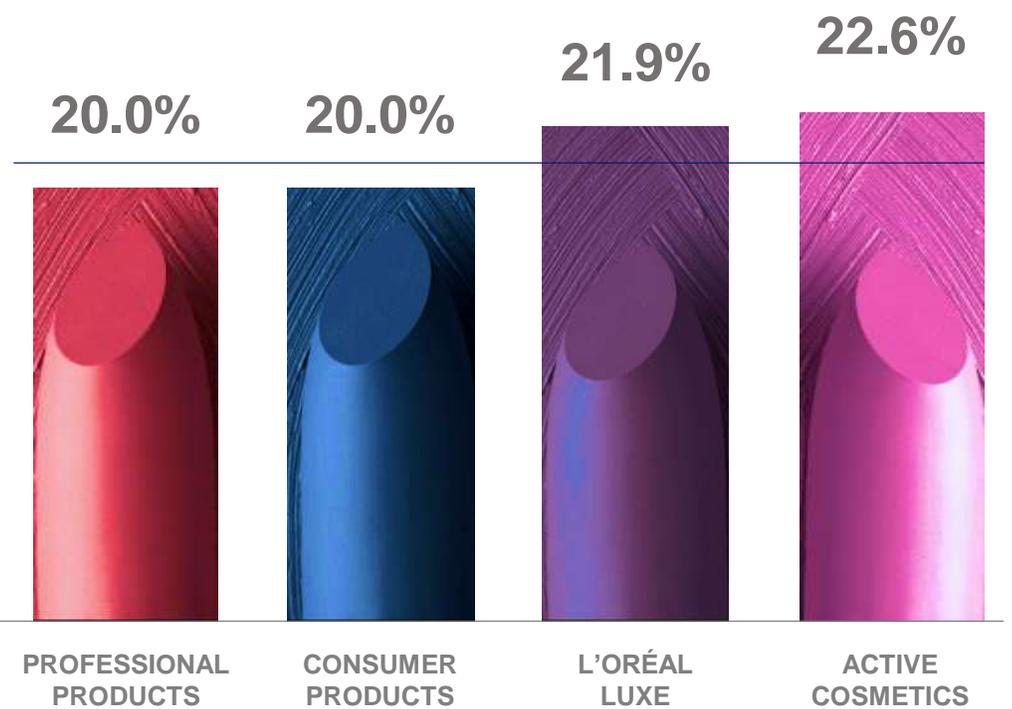
(AS A % OF SALES)



20.8%

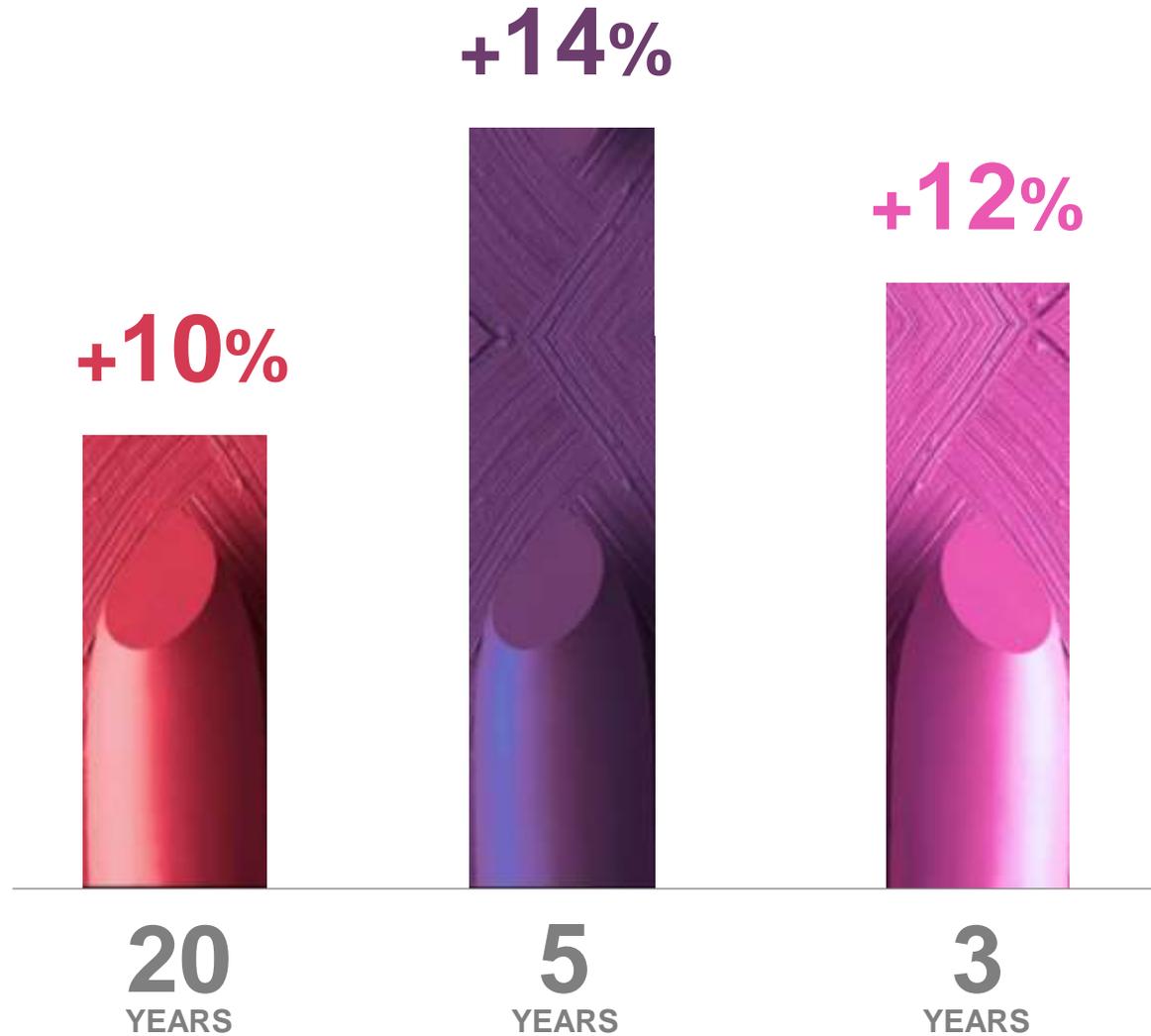
2017 OPERATING MARGIN BY DIVISION*

(AS A % OF SALES)



DOUBLE-DIGIT TSR

ANNUAL TOTAL SHAREHOLDER RETURN*



2

**TOTAL CONFIDENCE
IN OUR UNIQUE
BUSINESS MODEL**





SEVEN REASONS FOR SUCCESS

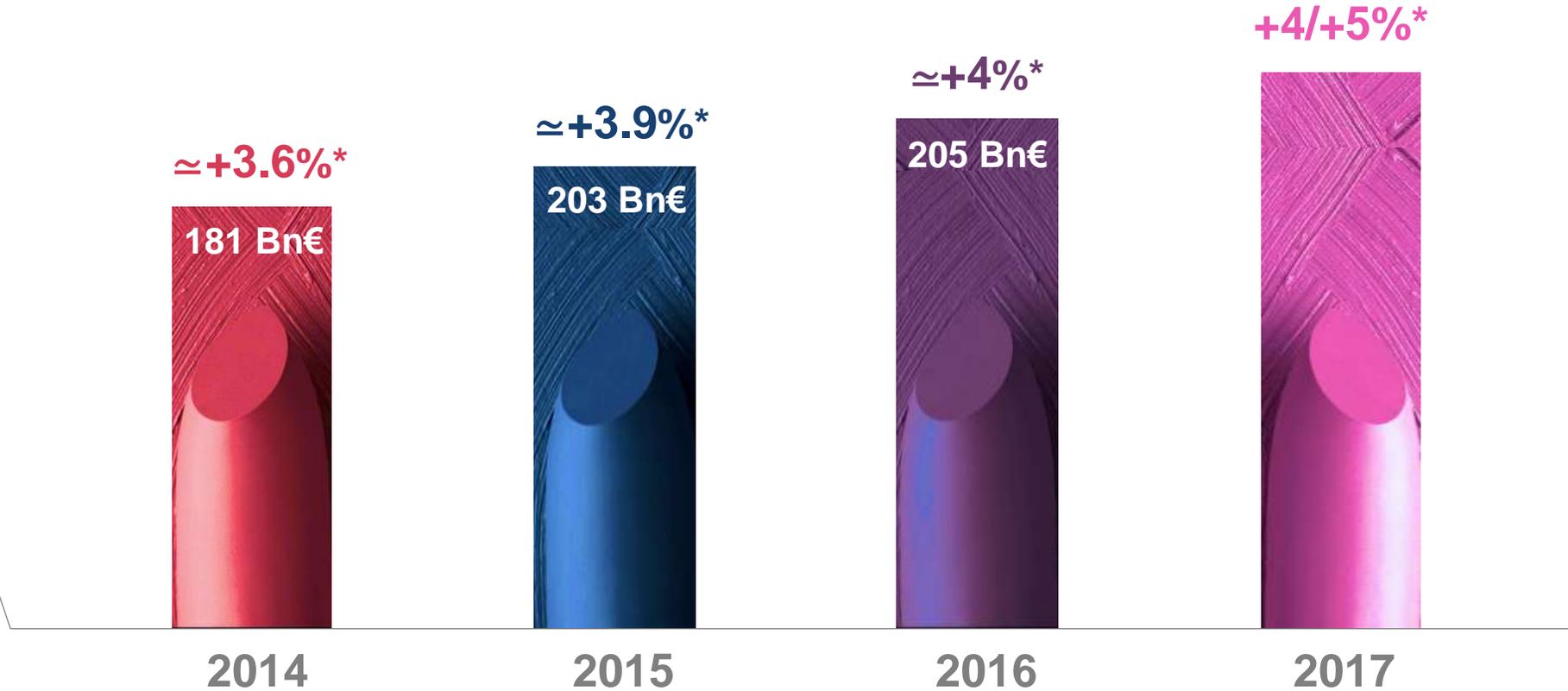


1

**A BEAUTY MARKET
THAT WILL CONTINUE
TO GROW**

A BEAUTY MARKET THAT WILL CONTINUE TO GROW

A CONSTANTLY DEVELOPING MARKET



A BEAUTY MARKET THAT WILL CONTINUE TO GROW

BECAUSE OF THE RISE OF THE MIDDLE & UPPER CLASSES

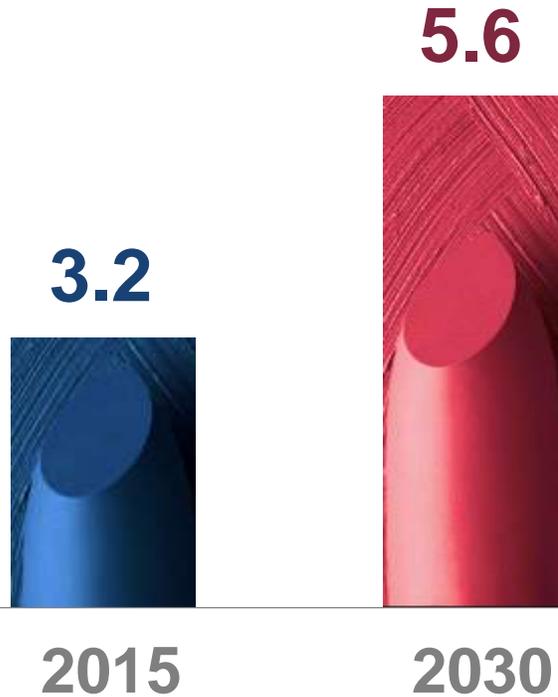
+2.4 Bn

MIDDLE & UPPER CLASSES

**UPPER CLASS
SPENDING**

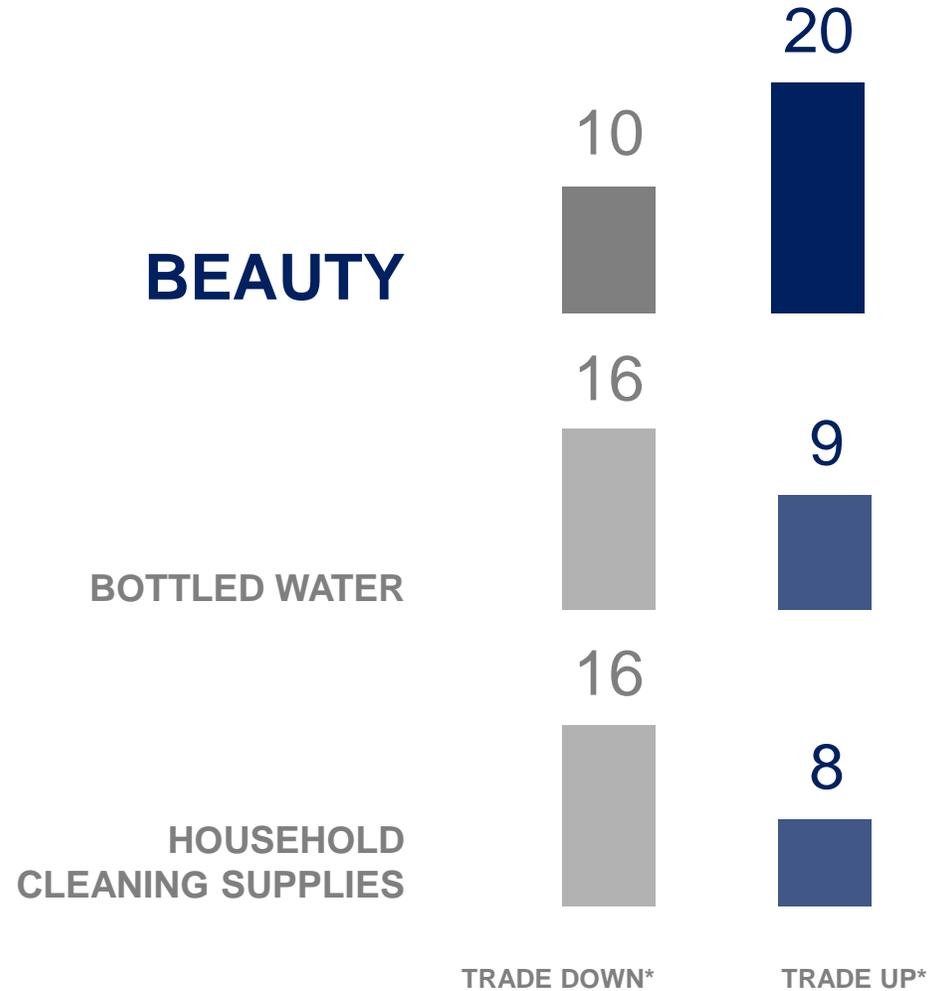
x2

BETWEEN 2015 & 2030



A BEAUTY MARKET THAT WILL CONTINUE TO GROW BECAUSE OF PREMIUMIZATION

HIGHEST PROPENSITY TO TRADE UP

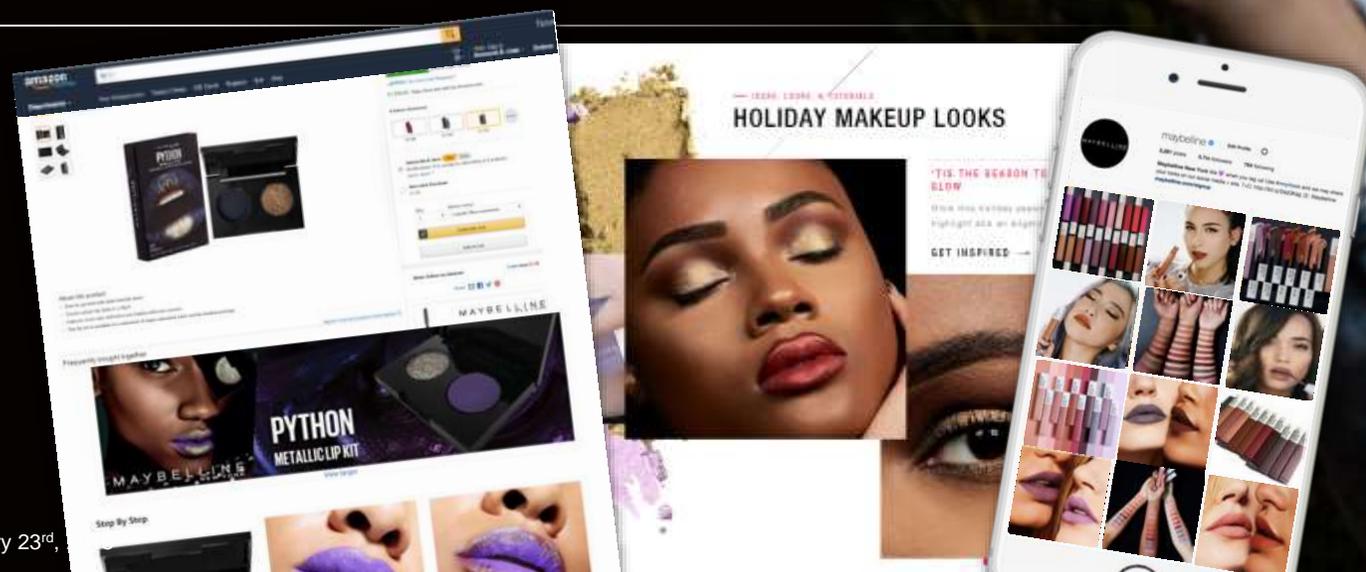


L'ORÉAL,
CHAMPION
OF PREMIUM
BEAUTY

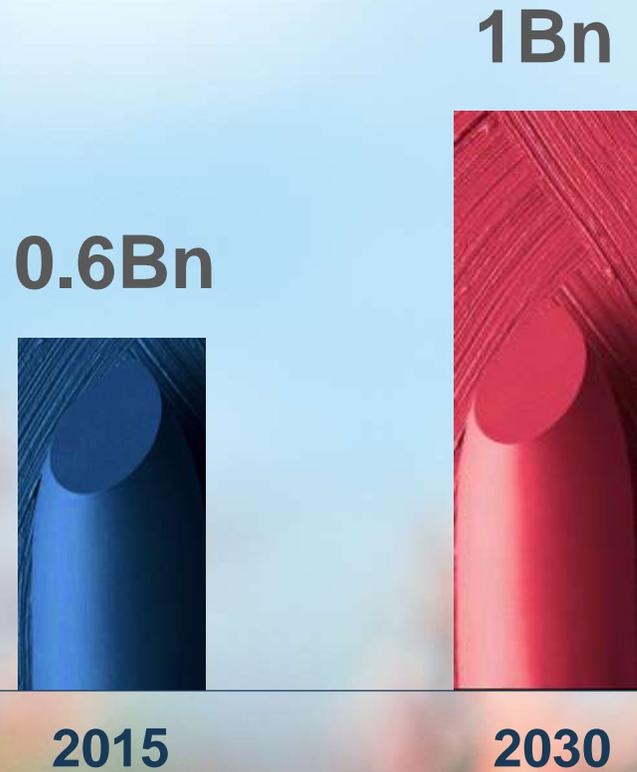
A BEAUTY MARKET THAT WILL CONTINUE TO GROW BECAUSE OF THE “SOCIAL BEAUTY” REVOLUTION

**GROWING INTEREST
IN BEAUTY & SELF-CARE**

**SOCIAL BEAUTY ENHANCES
THE IMPORTANCE OF
PERSONAL GROOMING**



A BEAUTY MARKET THAT WILL CONTINUE TO GROW BECAUSE THE NUMBER OF SENIORS WILL ALMOST DOUBLE



A BEAUTY MARKET THAT WILL CONTINUE TO GROW

BECAUSE URBANIZATION CREATES NEW NEEDS

URBAN POPULATION

5Bn*

“CITYZENS” BY 2030





2

L'ORÉAL IS A
PURE PLAYER:
THE CHAMPION
OF BEAUTY

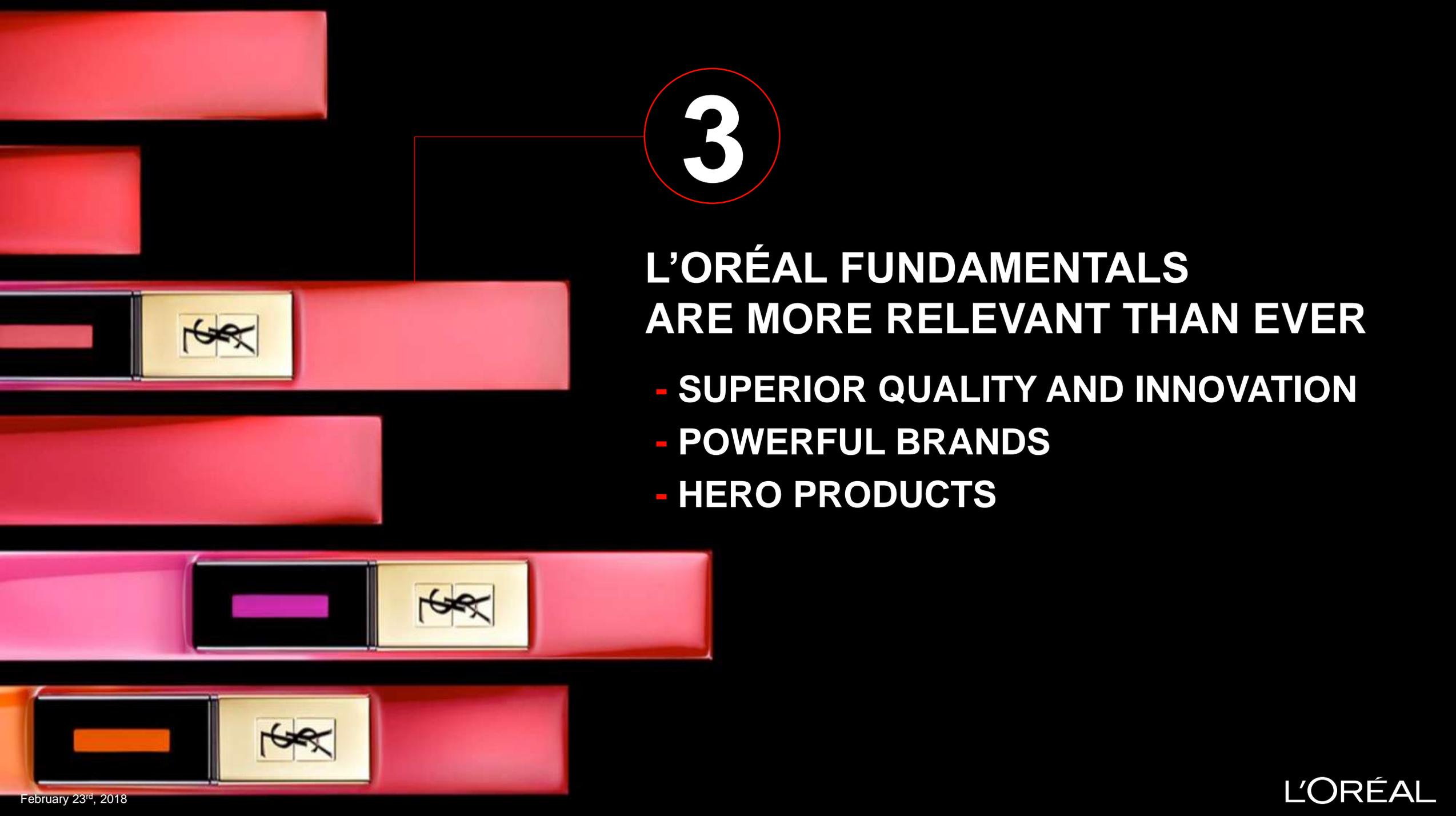
L'ORÉAL IS A PURE PLAYER: THE CHAMPION OF BEAUTY

100% OF OUR ENERGY IS FOCUSED ON BEAUTY



**BEAUTY
EXPERTISE
BASED ON
SHARP
CONSUMER
& CULTURAL
INSIGHTS**





3

L'ORÉAL FUNDAMENTALS ARE MORE RELEVANT THAN EVER

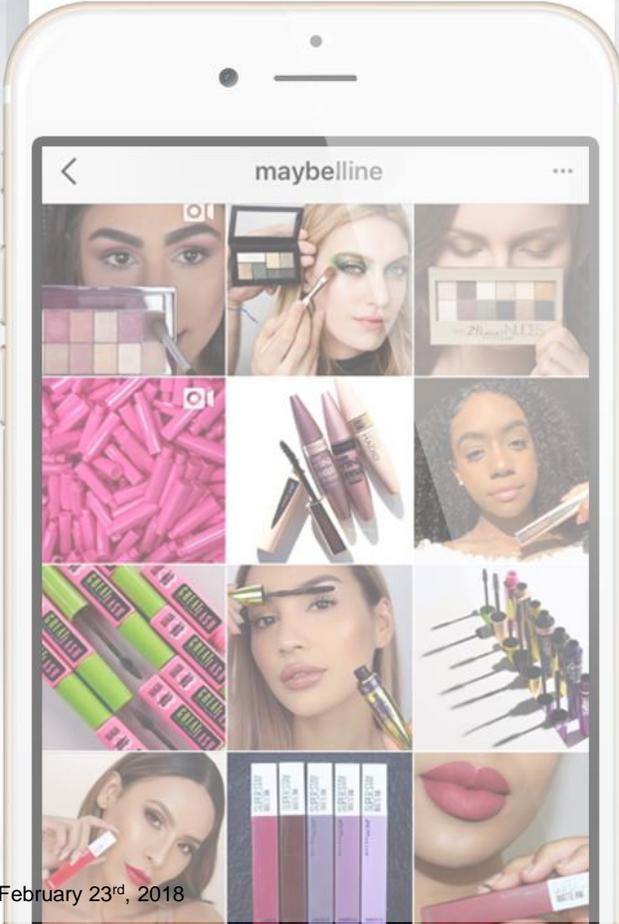
- SUPERIOR QUALITY AND INNOVATION
- POWERFUL BRANDS
- HERO PRODUCTS

L'ORÉAL FUNDAMENTALS ARE MORE RELEVANT THAN EVER SUPERIOR QUALITY AND INNOVATION

By Jennifer



another hit from Lancôme
Lancôme makes the best mascaras and this one is no exception. Great fluffy brush and typical amazing quality you'd expect from a Lancôme mascara.



IN A WORLD OF RATINGS, REVIEWS AND ADVOCACY SUPERIOR QUALITY IS A PARAMOUNT ADVANTAGE

By Deborah



Excellent!!! love it :)

By Sandy



Love this stuff!



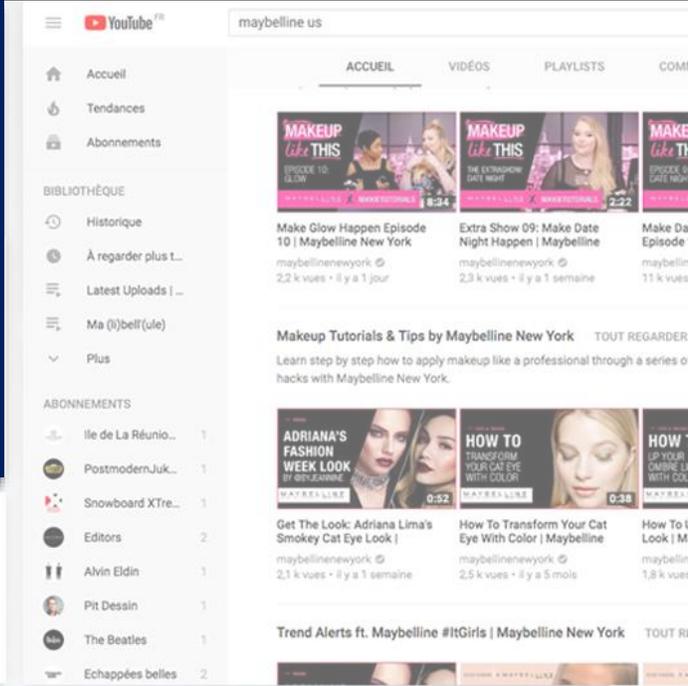
560 reviews



166 reviews



620 reviews



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L'ORÉAL FUNDAMENTALS ARE MORE RELEVANT THAN EVER
SUPERIOR QUALITY AND INNOVATION

A SUPERIOR QUALITY STEMMING FROM OUR LEAD IN R&I



L'ORÉAL FUNDAMENTALS ARE MORE RELEVANT THAN EVER
THE POWER OF BRANDS

IN A WORLD OF HYPER CHOICE,
POWERFUL BRANDS ARE
MORE STRATEGIC THAN EVER



L'ORÉAL FUNDAMENTALS ARE MORE RELEVANT THAN EVER

THE POWER OF BRANDS



8 BILLIONAIRE BRANDS



L'ORÉAL FUNDAMENTALS ARE MORE RELEVANT THAN EVER
THE POWER OF BRANDS



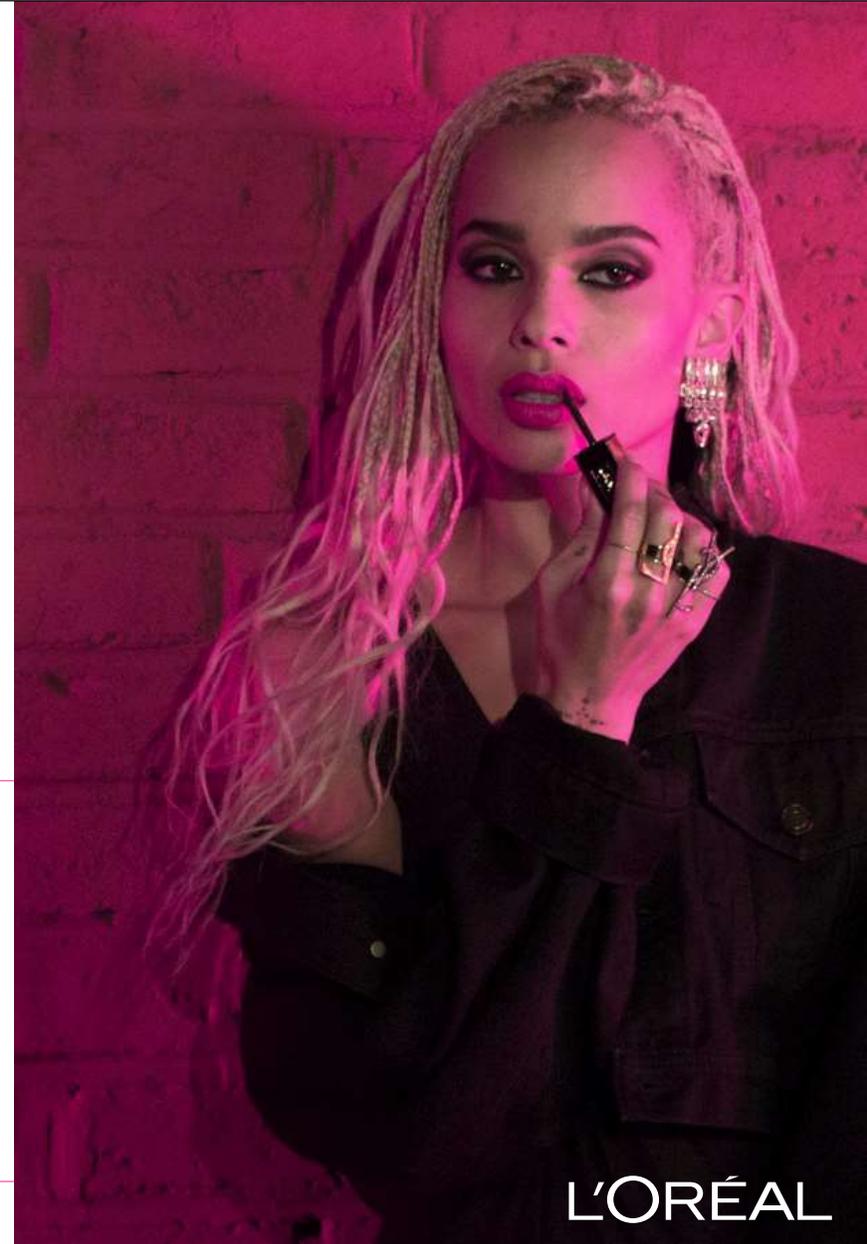
**THE BIG
GET BIGGER**

LANCÔME
PARIS

**DOUBLE-DIGIT
LIKE-FOR-LIKE
GROWTH IN 2017**

YVES SAINT LAURENT

**DOUBLED SALES
IN 3 YEARS**



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L'ORÉAL FUNDAMENTALS ARE MORE RELEVANT THAN EVER
THE POWER OF BRANDS

**IN CHINA, THE MOST CUTTING-EDGE MARKET,
TOP GROWTH CONTRIBUTORS ARE OUR LARGEST BRANDS**



LANCÔME
PARIS

#1 LUXURY BRAND IN CHINA



L'ORÉAL
PARIS

#1 BEAUTY BRAND IN CHINA



L'ORÉAL

MORE THAN EVER, ICONIC BRANDS ARE ESSENTIAL

PROFESSIONAL PRODUCTS

L'ORÉAL
PROFESSIONNEL
PARIS



REDKEN
5TH AVENUE NYC



MATRIX
IMAGINEZ TOUT CE QUE VOUS POUVEZ ÊTRE



KÉRASTASE
PARIS



PUREOLOGY
serious colour care



DECLÉOR
PARIS



CONSUMER PRODUCTS

L'ORÉAL
PARIS



GARNIER



MAYBELLINE
NEW YORK



NYX
PROFESSIONAL MAKEUP



essie



Niely



mg



Dark
and
Lovely



L'ORÉAL LUXE

LANCÔME
PARIS



YVES SAINT LAURENT
BEAUTE



GIORGIO ARMANI



Kiehl's
SINCE 1851



UD
URBAN DECAY



BIOThERM



it COSMETICS



RALPH LAUREN
FRAGRANCES



shu uemura



clarisonic



VIKTOR@ROLF



HR
HUTTENBROTHERN



DIESEL



cacharel



YUESAI



ACTIVE COSMETICS

LA ROCHE-POSAY
LABORATOIRE PHARMACEUTIQUE



VICHY
LABORATOIRES



CeraVe



SKINCEUTICALS



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L'ORÉAL FUNDAMENTALS ARE MORE RELEVANT THAN EVER HERO PRODUCTS

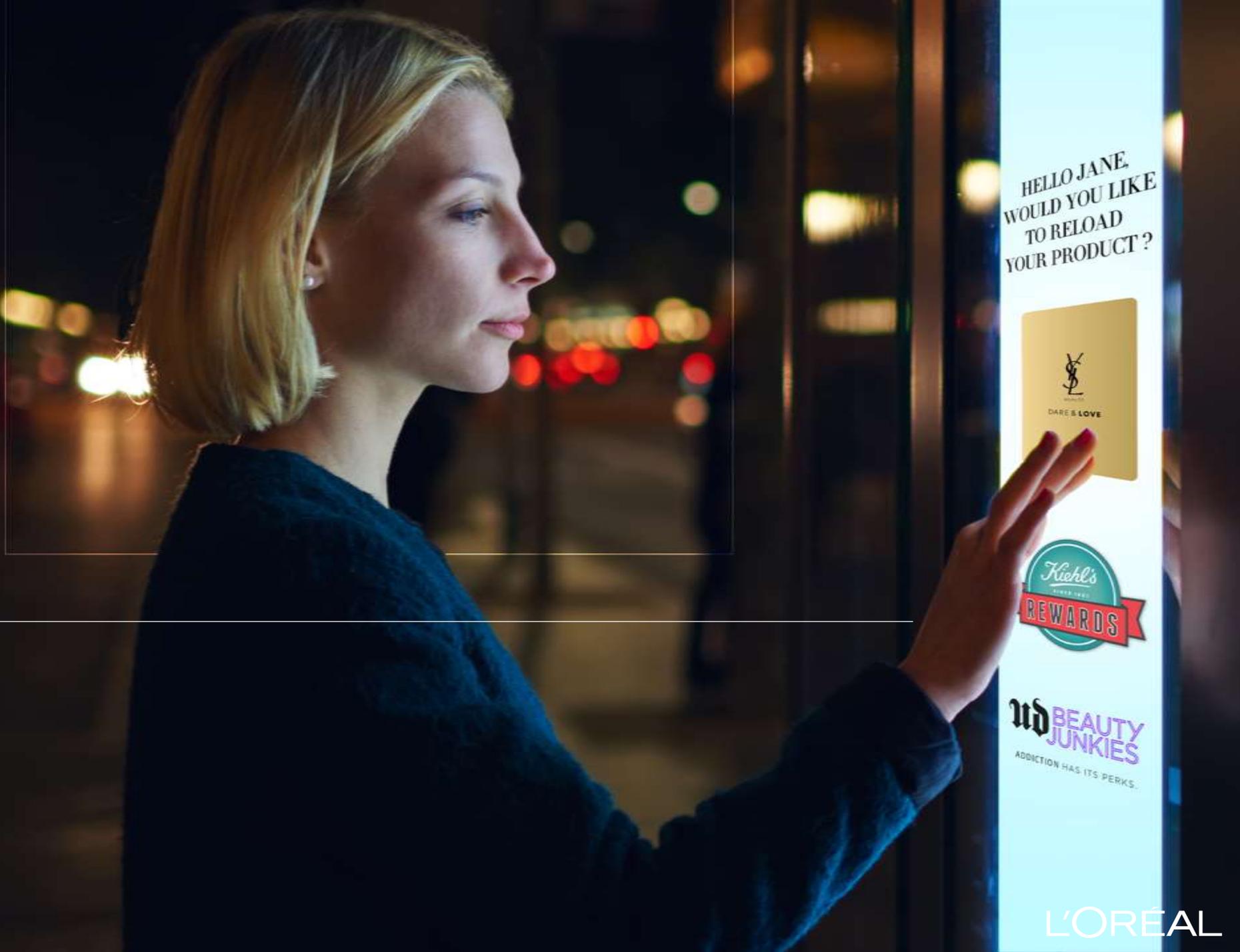
IN THE ERA OF ALGORITHMS, HERO PRODUCTS WIN



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4

L'ORÉAL'S
SUPERIOR
DIGITAL
PROWESS



L'ORÉAL SUPERIOR DIGITAL PROWESS A FULLY DIGITIZED COMPANY

1,900 EXPERTS

**19,000 UPSKILLED
EMPLOYEES**

**DM1
82% OF MARKETERS**

**EMPOWERED
LOCAL TEAMS**

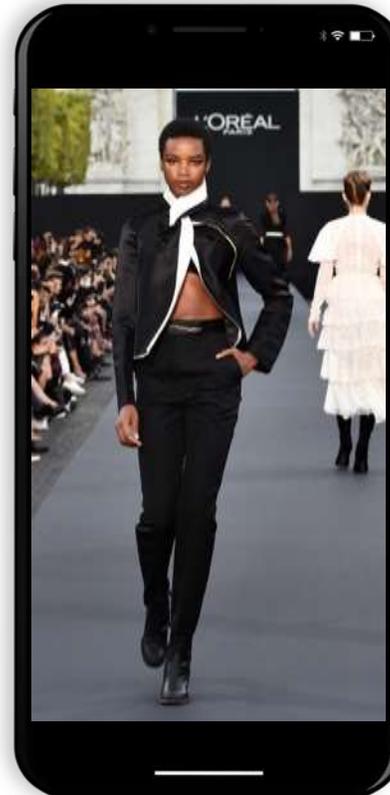


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L'ORÉAL SUPERIOR DIGITAL PROWESS LEADING CONSUMER ENGAGEMENT

4 L'ORÉAL BRANDS IN THE TOP 10 EMV*

STRENGTHENED OUR SOCIAL LEADERSHIP
241M FOLLOWERS +30%



1.8 BILLION
IMPRESSIONS

MASTERING DIGITAL TOUCHPOINTS – DATA ANALYTICS



38% OF MEDIA SPEND
ON DIGITAL

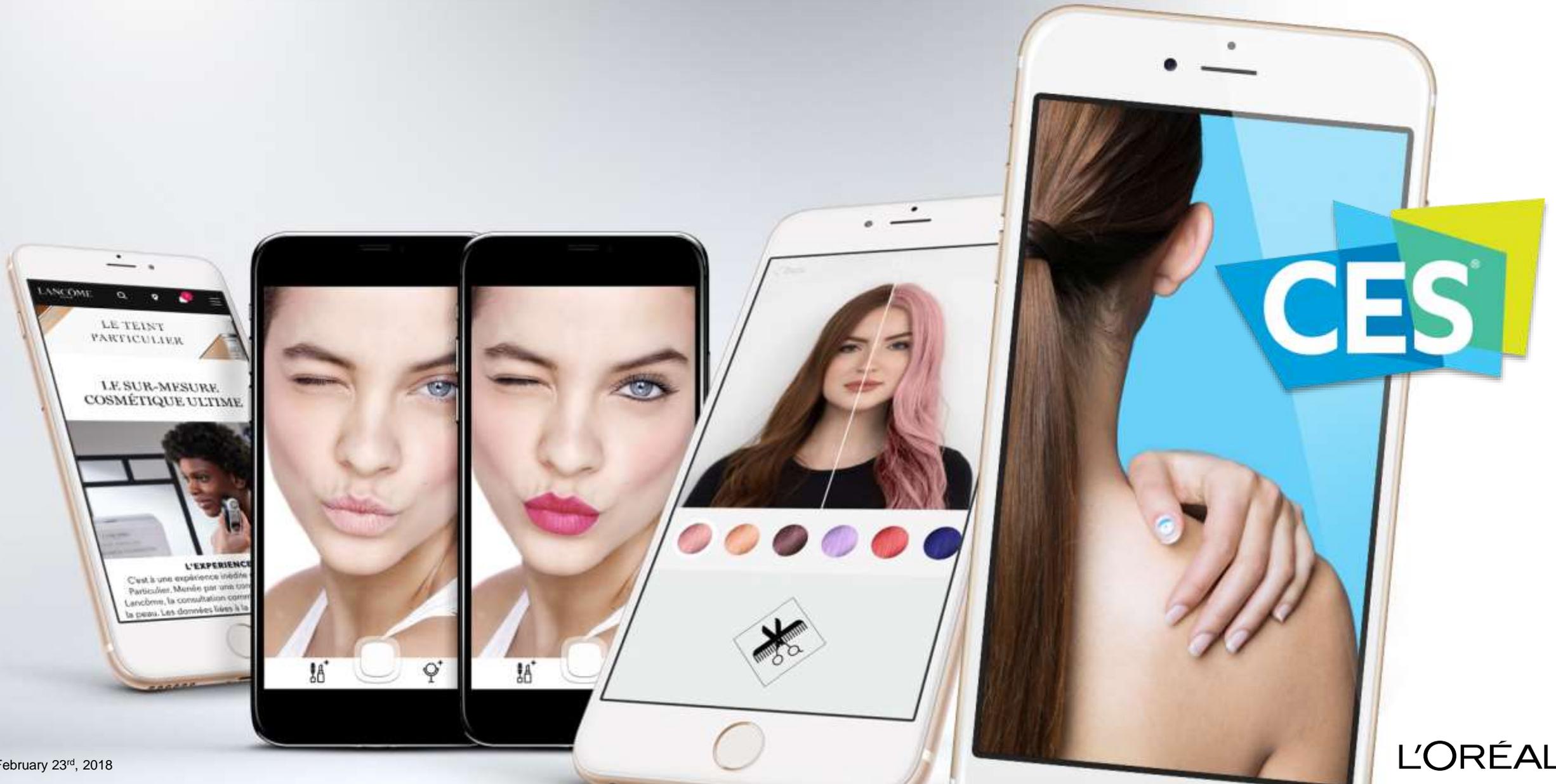
**WITH A SHARP
FOCUS ON ROI**

L2 DIGITAL IQ

US, CHINA, FRANCE, GERMANY

2 TO 3 BRANDS IN THE TOP 5

L'ORÉAL SUPERIOR DIGITAL PROWESS PIONEERING BEAUTY TECH SERVICES



February 23rd, 2018

L'ORÉAL

L'ORÉAL SUPERIOR DIGITAL PROWESS

PARTNERING WITH THE BEST TECH AND START UP HUBS



STATION F



FOUNDERS
FACTORY



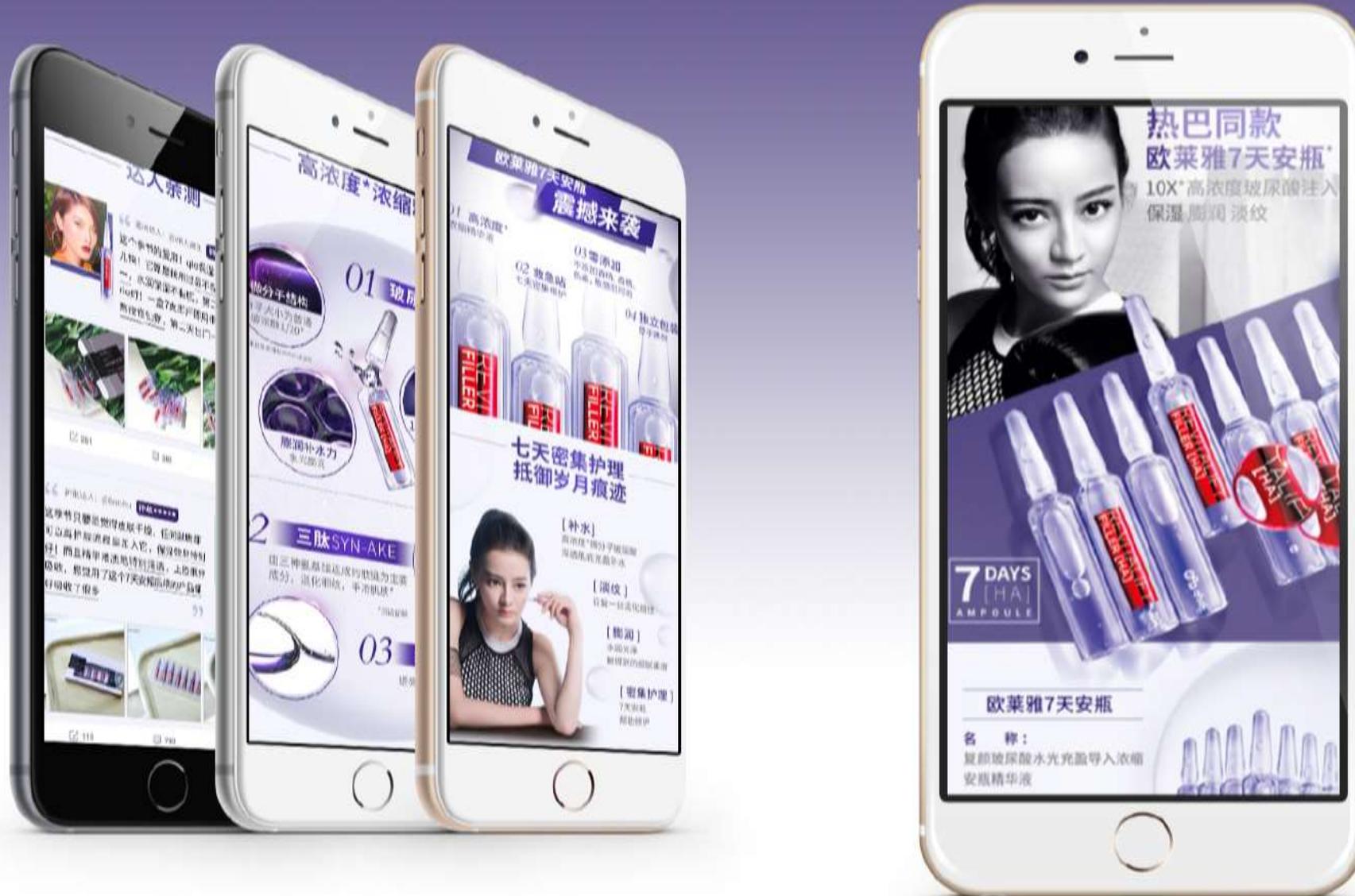
L'ORÉAL

L'ORÉAL PARIS ON T-MALL



L'ORÉAL SUPERIOR DIGITAL PROWESS

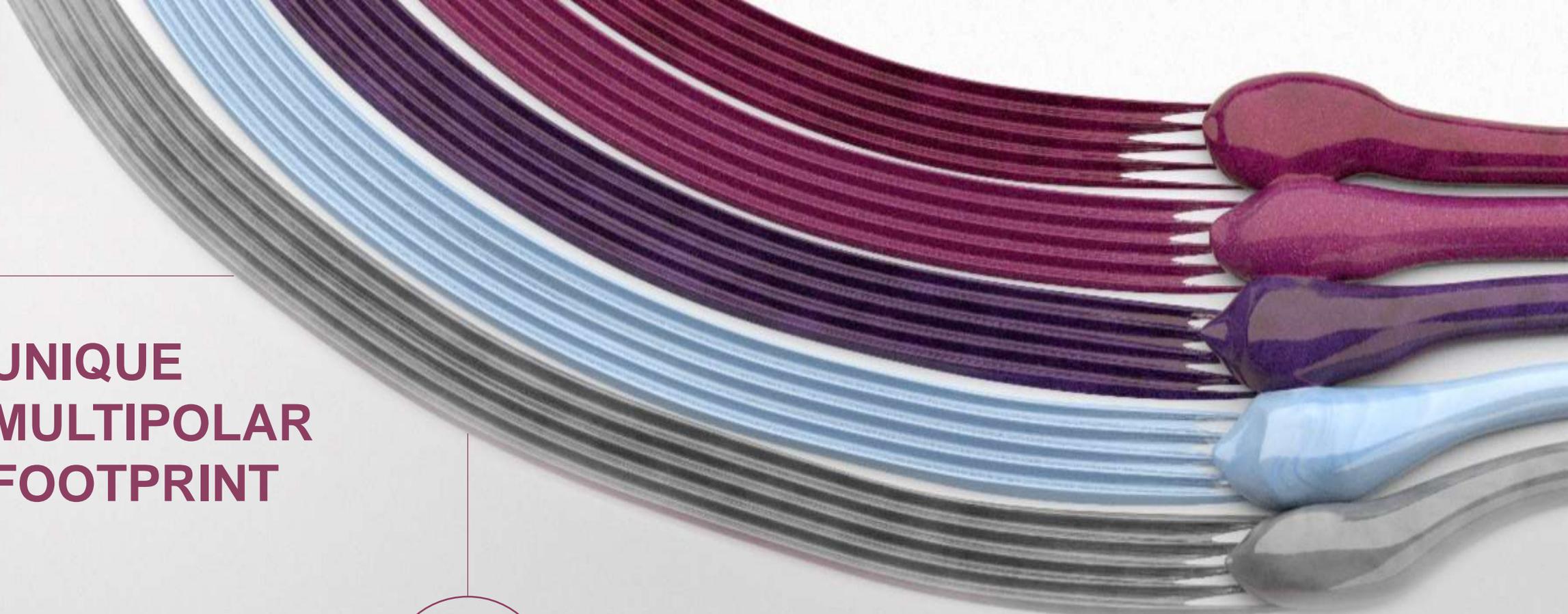
L'ORÉAL CHINA CONSUMER PRODUCTS: E-COM 1/3 OF SALES



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L'ORÉAL SUPERIOR DIGITAL PROWESS LEADING O+O





**UNIQUE
MULTIPOLAR
FOOTPRINT**

5

UNIQUE MULTIPOLAR FOOTPRINT BEING MULTI-DIMENSIONAL GIVES US:

INVALUABLE INSIGHTS INTO
CONSUMERS' RELATIONSHIPS
WITH BEAUTY

ABILITY TO DETECT
CONSUMPTION TRENDS
EARLY

“COMPENSATION EFFECT”
BETWEEN GEOGRAPHIES,
CATEGORIES, CHANNELS

7 DISTRIBUTION CHANNELS

HAIR SALONS



MASS MARKET



DEPARTMENT STORES
PERFUMERIES



PHARMACIES DRUGSTORES
MEDISPAS



BRANDED RETAIL



TRAVEL RETAIL



E-COMMERCE



5 BEAUTY CATEGORIES



HAIRCARE



HAIR COLOR



SKINCARE



FRAGRANCES



MAKEUP

ACROSS
ALL PRICE
SEGMENTS

ACROSS
68 COUNTRIES

L'ORÉAL



6

**LEADING
RESPONSIBILITY
CONSCIENCE &
PERFORMANCE**

LEADING RESPONSIBILITY CONSCIENCE & PERFORMANCE

OUTSTANDING PERFORMANCE IN NON-FINANCIAL FIELDS

SHARING BEAUTY WITH ALL 2017 RESULTS



76% OF NEW PRODUCTS HAVE AN IMPROVED ENVIRONMENTAL OR SOCIAL PROFILE

DECOUPLE OUR ENVIRONMENTAL IMPACT FROM OUR GROWTH

-73% REDUCTION IN CO₂ EMISSIONS FROM PLANTS AND DISTRIBUTION CENTRES SINCE 2005

+33% PRODUCTION INCREASE

53,500 PEOPLE FROM UNDERPRIVILEGED COMMUNITIES WERE PROVIDED WITH ACCESS TO WORK

L'ORÉAL

LEADING RESPONSIBILITY CONSCIENCE & PERFORMANCE
OUR PERFORMANCES ARE RECOGNIZED



**1 OF ONLY 2
COMPANIES
RANKED AAA
BY CDP**

N°1



**NEWSWEEK GREEN
RANKING 2017**



L'OREAL

LEADING RESPONSIBILITY CONSCIENCE & PERFORMANCE

L'ORÉAL IS #1 OUT OF 3,000 COMPANIES FOR GENDER EQUALITY



LEADING RESPONSIBILITY CONSCIENCE & PERFORMANCE

ETHICS



2018 WORLD'S MOST
ETHICAL
COMPANIES™
WWW.ETHISPHERE.COM

9TH YEAR
“ONE OF THE MOST
ETHICAL COMPANIES
IN THE WORLD”

Covalence
EthicalQuote.com

#1
PERSONAL & HOUSEHOLD
GOODS CATEGORY
#2
GLOBAL COMPANIES FOR
ALL INDUSTRIES COMBINED



L'ORÉAL



7

**UNIQUE CULTURE,
ORGANISATION &
QUALITY OF TEAMS**

UNIQUE CULTURE, ORGANISATION & QUALITY OF TEAMS

THE POWER OF PEOPLE



83,000 BEAUTY EXPERTS

UNIQUE CULTURE

DECENTRALIZED ORGANIZATION





**CONFIDENCE IN OUR ABILITY
TO OUTPERFORM THE MARKET
AND
TO ACHIEVE SIGNIFICANT
LIKE-FOR-LIKE SALES GROWTH
AND PROFITABILITY INCREASE**



L'ORÉAL
PARIS

THANK YOU

MERCİ

L'ORÉAL



Q&A

Disclaimer

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