



# First-Half 2018 RESULTS

27 July 2018

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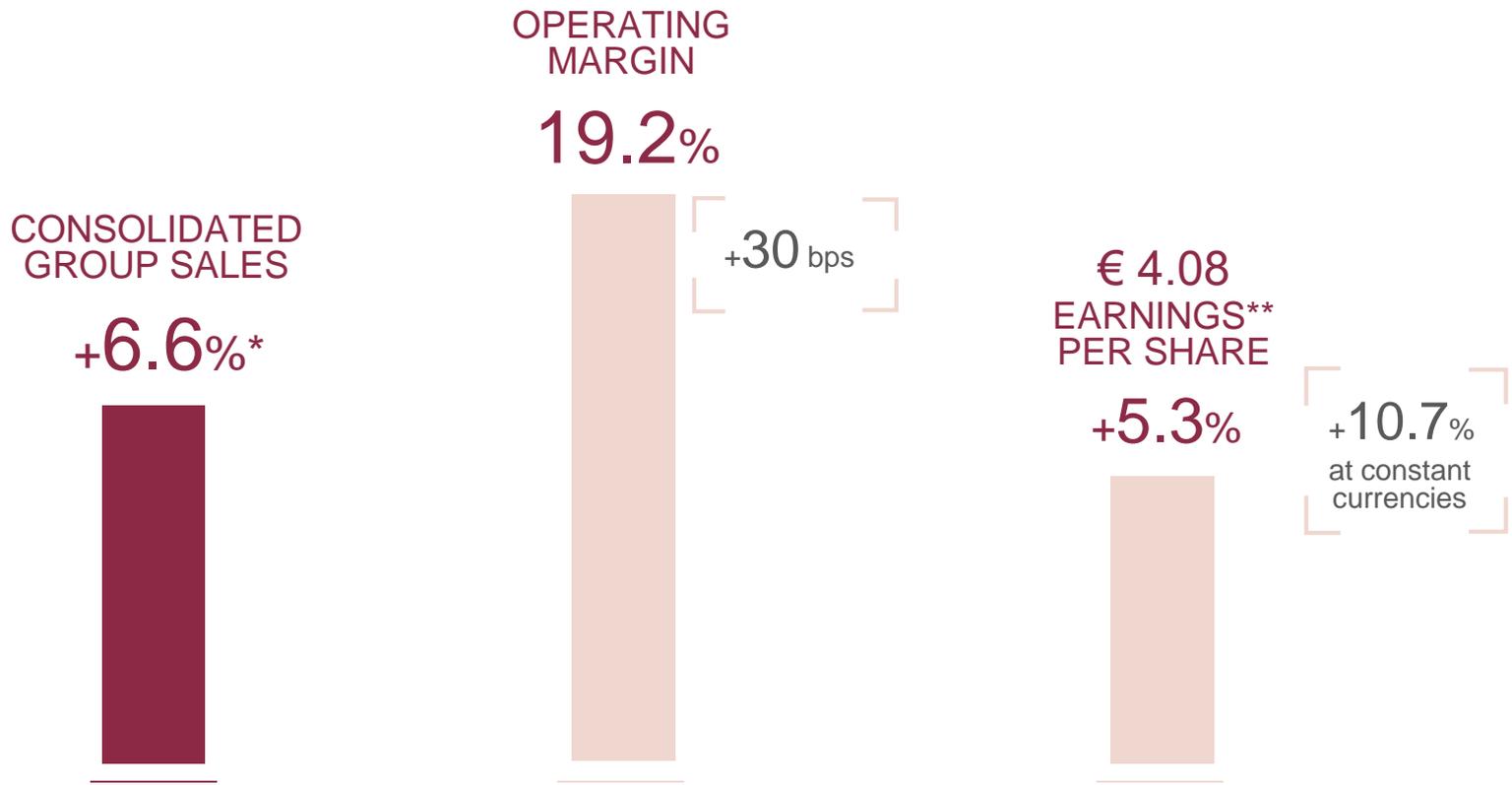
**JEAN-PAUL AGON**

Chairman and Chief Executive Officer

**L'ORÉAL**



# A strong first half



\* Like-for-like sales growth

\*\* Diluted earnings per share based on net profit of continuing operations, excluding non recurring items, after non-controlling interests



# I - The Beauty Market

2018  
FIRST-HALF  
ESTIMATES

≈ around **+5%\***



\* L'Oréal estimates, excluding razors, soaps and toothpastes.  
First-Half 2018 provisional estimates, at constant exchange rates.



# The Beauty Market\* Contrasted and Premiumising

LUXURY MARKET  
ESTIMATES

≈ +10% / +11%

DERMO-COSMETICS  
ESTIMATES

≈ +5% / +6%

MASS MARKET  
ESTIMATES

≈ +3% / +4%

PROFESSIONAL MARKET  
ESTIMATES

≈ +1.5% / +2.5%

\* L'Oréal estimates, excluding razors, soaps and toothpastes.  
First-Half 2018 provisional estimates, at constant exchange rates.



# The Beauty Market\* Estimates by region

WESTERN  
EUROPE  
 $\simeq +0\% / +1\%$

NORTH  
AMERICA  
 $\simeq +4\% / +5\%$

NEW  
MARKETS  
 $\simeq +7\% / +8\%$   
ASIA  
 $\simeq +8\% / +9\%$

\* L'Oréal estimates, excluding razors, soaps and toothpastes.  
First-Half 2018 provisional estimates, at constant exchange rates.



# The Beauty Market\*



Deceleration  
of make-up

but

Pick-up  
of skincare



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First-Half 2018 provisional estimates, at constant exchange rates.



# The Beauty Market\*

E-COMMERCE

> +20%



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## II – L'Oréal H1 performance

BEAUTY MARKET  
ESTIMATES

≈ around +5%\*



L'ORÉAL  
+ 6.6%\*\*



\* L'Oréal estimates, excluding razors, soaps and toothpastes.  
First-Half 2018 provisional estimates, at constant exchange rates.

\*\*Like-for-like sales growth



# L'Oréal Luxe Double-digit growth, significant market share gains

L'ORÉAL  
LUXE  
+ 13.5%\*



\* Like-for-like sales growth



# L'Oréal Luxe

## Our 4 biggest brands: growth above mid-teens

LANCÔME  
PARIS



YVES SAINT LAURENT



GIORGIO ARMANI



Kiehl's  
SINCE 1851





# L'Oréal Luxe Thriving in Asia



LANCÔME #1 LUXURY BRAND IN CHINA



it COSMETICS

#3

luxury brand in make-up



GIORGIO ARMANI

and

YVES SAINT LAURENT

on Tmall



E-COMMERCE\* CLOSE TO 20% OF L'ORÉAL LUXE IN CHINA

\* 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 Luxe Armani and Valentino licenses





# Active Cosmetics Division Double-digit growth, twice the pace of the market

ACTIVE  
COSMETICS  
DIVISION

+11.4%\*



\* Like-for-like sales growth



# Active Cosmetics Division Double-digit growth, twice the pace of the market





# Active Cosmetics Division

## CeraVe: market share gains + global roll-out

**#1** US DERMATOLOGIST  
RECOMMENDED  
MOISTURIZER BRAND





# Consumer Products Division Sharp contrasts by region

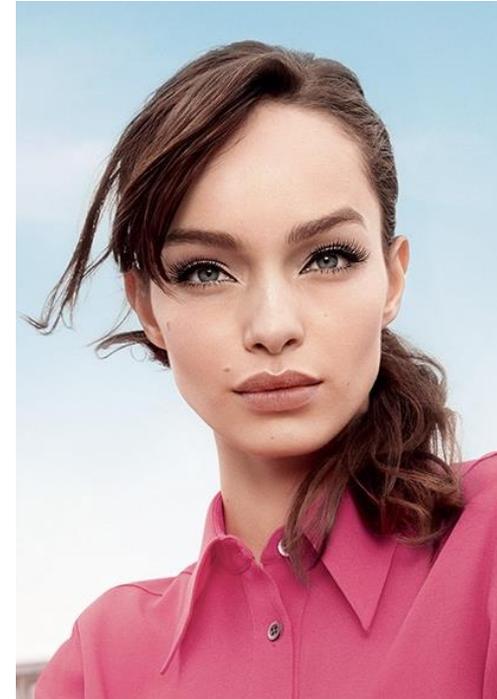
## CONSUMER PRODUCTS DIVISION

+ 2.5%\*



- very good growth in Asia
- over-performance in Eastern Europe
- market share gains in the US

- persistent difficulties in Brazil
- weakening of the UK



\* Like-for-like sales growth



# Consumer Products Division

L'ORÉAL  
PARIS

#1

beauty brand  
worldwide



STRONG GROWTH & MARKET OUT PERFORMANCE

MAYBELLINE  
NEW YORK

#1

make-up brand  
worldwide





# Consumer Products Division Innovation to grow Pillar franchises and Star launches

THE NEW DERMATOLOGIST-INSPIRED GESTURE  
TO WIPE AWAY AGING SIGNS

NEW  
**REVITALIFT LASER X3**  
ANTI-AGE GLYCOLIC PEEL PADS

BEFORE AFTER

9.6% GLYCOLIC COMPLEX

REVITALIFT LASER X3  
ANTI-AGE GLYCOLIC PEEL PADS  
HIGH-CONCENTRATION COMPLEX

NT  
L'ORÉAL  
PARIS



Discover a new kind of nude.  
Unexpected. Unconventional.  
Up to 16hr liquid matte.

NEW  
**SUPER STAY MATTE INK UN-NUDE**

Must Use The Matte Ink 15 min. Formulation, high intensity shades.  
Apply 6-8 strokes, wait up to 15 hours.

**GARNIER FRUCTIS HAIR FOOD**

THE NEW WAY TO NOURISH HUNGRY HAIR  
THE 1<sup>st</sup> HAIR FOOD 98% NATURAL ORIGIN

FRUCTIS  
MACARONA HAIR FOOD

FRUCTIS  
APRYLA HAIR FOOD

FRUCTIS  
BAKANA HAIR FOOD

superfoods on super hair

100% plant-based and efficient hair color.  
It doesn't exist.

**GARNIER color herballia**

100% PLANT-BASED  
100% VEGAN  
100% BEAUTY

color herballia  
VIBRANT REDS SERIES

LONG HAIR GOALS?  
SAVE YOUR LAST 3 CMS.

L'ORÉAL PARIS

FORMULA WITH  
VEGETAL KERATIN + CASTOR OIL

NEW  
**ELSEVE Dream length**

**COLO MISTA**

don't make up  
your mind,  
makeup  
your hair.

L'ORÉAL PARIS

The 1<sup>st</sup> makeup  
for your hair



# Consumer Products Division Acquisition of Stylenanda





PROFESSIONAL  
PRODUCTS  
DIVISION

+1.6%\*



Growth in  
ALL REGIONS  
except  
Western Europe

\*Like-for-like sales growth



# Professional Products Division Innovations



KÉRASTASE  
PARIS



REDKEN  
BREWS  
NYC GROOMING



# Professional Products Division Pulp Riot acquisition





## L'ORÉAL

- **#1** in Travel Retail
- **+27%\*** H1 2018 sales



# Digital is at the heart of our business

**20,000**

upskilled talents

**2,000**

experts

**300 million**

followers  
on social networks



**42%**

of our Media spend  
Strong ROI focus

**+36%\***

e-commerce  
Sales Growth

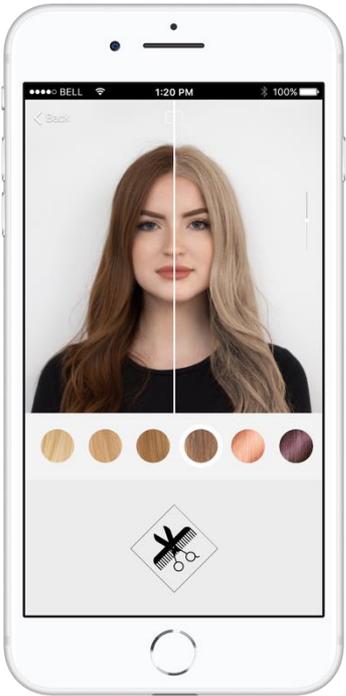
e-commerce

**9.5%**

of Group Sales

\* H1-2018 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)

# Acquisition of Modiface





# Quality of our financial results

**130 bps**

gross margin improvement

**+**

**>>>**

**10 bps**

SG&A reduction

Increase of our profitability,  
to **19.2%**

**&**

Sustained Research and  
Innovation investment

Additional brand-building  
investments to fuel future growth



## III - 2018: Looking to H2 with confidence

BEAUTY MARKET  
ESTIMATES

≈ around **+5%\***



\* L'Oréal estimates, excluding razors, soaps and toothpastes.  
Full year 2018 provisional estimates, at constant exchange rates.

# Significant H1 and H2 launch plans



Our 1<sup>st</sup> multi-use foundation stick. Full coverage to cover, correct & touch up.

**THE SUPER STAY**  
MULTI-USE FOUNDATION STICK

**MAYBELLINE**  
NEW YORK

MAKE IT HAPPEN

**NEW**  
THE REPAIRING POWER OF MANUKA HONEY TO NOURISH AND DECRINKLE SKIN

**AGE PERFECT**  
INTENSIVE RE-NOURISH

"Give dry skin the elbow!"  
*Helen Mirren*

**BOLDER THAN EVER**  
BECAUSE YOU'RE HERE.

**NEW**  
L'ORÉAL PARIS

**NEW**  
**Ultra DOUX**  
The healthy breakfast to hydrate and soften hair.

**Ultra DOUX**  
Ultra DOUX

**L'ORÉAL PARIS**

**Botanica**  
100% HERBAL HAIR COLOR WITH PROFESSIONAL RESULT

**DISCOVER A NEW WAY TO COLOR**

Blends gray. Reveals natural color and luminous skin. Fully regrows hair.

**L'ORÉAL PARIS**

**SOURCE**  
essentielle

**EXPERIENCE PURE PROTECTION**

**NEW**  
Ultra Light Daily UV Defense SPF 50 PA+++

**NEW!**  
ULTRA LIGHT DAILY UV DEFENSE SPF 50 PA+++  
Lightweight, All-Day Hydration • Oil-Free • Paraben-Free

**MASCARA VOLUME EFFET FAUX CILS**  
THE CURLER

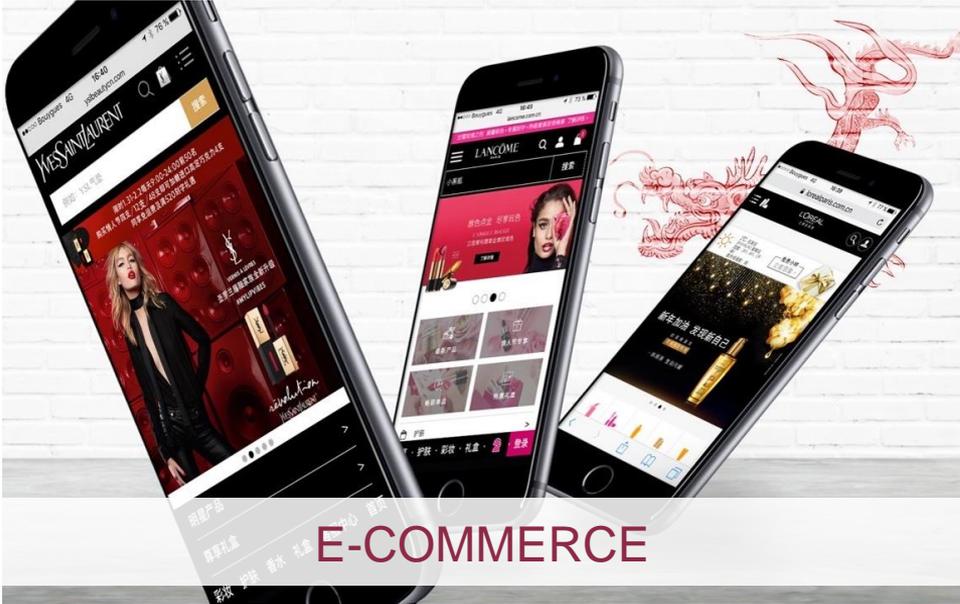
**YVES SAINT LAURENT**

**SKINCEUTICALS**  
**CUSTOM D.O.S.E.**  
PERSONALIZED CORRECTION DESIGNED FOR YOUR SKIN.

DEVELOPED WITH OUR SCIENCE.  
DIAGNOSED BY YOUR PROFESSIONAL.  
DIFFERENTIATED BY RESULTS.

GET DOSING TODAY WITH YOUR PROFESSIONAL.

# 2018: Looking to H2 with confidence



Our two driving forces





## 2018: Looking to H2 with confidence

Confidence in our ability to

- **outperform** once again the beauty market in 2018
- achieve **significant like-for-like sales growth**
- deliver an **increase in profitability**

- THANK YOU -





# First-Half 2018 RESULTS

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## Q&A

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