L’ORÉAL
2018 ANNUAL RESULTS

Jean-Paul AGON
Chairman & Chief Executive Officer

8 FEBRUARY 2019
A BUOYANT market
THE BEST GROWTH in 20 years

\[ \approx +5.5\% \]

*Excluding razors, soaps and toothpastes. 2018 provisional estimates - Source: L’Oréal estimates. At constant exchange rates. 8 February 2019
### WORLDWIDE BEAUTY MARKET*

<table>
<thead>
<tr>
<th>Geographic Zone</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORTH AMERICA</td>
<td>+5%</td>
</tr>
<tr>
<td>WESTERN EUROPE</td>
<td>0%</td>
</tr>
<tr>
<td>NEW MARKETS</td>
<td>+8%</td>
</tr>
<tr>
<td>ASIA PACIFIC</td>
<td>+10%</td>
</tr>
<tr>
<td>LATIN AMERICA</td>
<td>+3%</td>
</tr>
<tr>
<td>EASTERN EUROPE</td>
<td>+5%</td>
</tr>
<tr>
<td>AFRICA, MIDDLE EAST</td>
<td>0%</td>
</tr>
</tbody>
</table>

*Excluding razors, soaps and toothpastes. 2018 provisional estimates - Source: L’Oréal estimates. At constant exchange rates.

February 2019
<table>
<thead>
<tr>
<th>WORLDWIDE BEAUTY MARKET*</th>
<th>BY SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LUXURY</strong></td>
<td><strong>MASS MARKET</strong></td>
</tr>
<tr>
<td>≈ +11%</td>
<td>≈ +4%</td>
</tr>
<tr>
<td><strong>E-COMMERCE</strong></td>
<td><strong>TRAVEL RETAIL</strong></td>
</tr>
<tr>
<td>≈ +25%</td>
<td>≈ +22%</td>
</tr>
</tbody>
</table>
Excluding razors, soaps and toothpastes. 2018 provisional estimates - Source: L’Oréal estimates. At constant exchange rates.
THE MARKET HAS ACCELERATED THANKS TO STRONG UNDERLYING TRENDS

*Excluding razors, soaps and toothpastes. 2018 provisional estimates - Source: L’Oréal estimates. At constant exchange rates.
Acceleration thanks to an **INSATIABLE DESIRE** for beauty
Pleasure  Well-being
Happiness  Self-esteem  Confidence
Acceleration thanks to PREMIUMIZATION

CONSUMERS ARE READY TO TRADE UP

EXCITING NEW BENEFITS
BETTER PERFORMANCE
SUPERIOR QUALITY
Acceleration thanks to DIGITALIZATION
BEAUTY
ONE OF THE MOST ENGAGING CATEGORIES ONLINE
EXPLOSION OF SHARING AND SELF-EXPRESSION ON SOCIAL MEDIA
IT HAS NEVER BEEN EASIER TO DISCOVER BEAUTY SHARE IT & SHOP IT
Increased PENETRATION of beauty
E-COMMERCE
Extending our reach far beyond traditional distribution
The market has many WHITE SPACES

### Beauty Consumption Per Capita Index*

<table>
<thead>
<tr>
<th>Region</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>100</td>
</tr>
<tr>
<td>Western Europe</td>
<td>&lt;35</td>
</tr>
<tr>
<td>Japan</td>
<td>&lt;20</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>&lt;10</td>
</tr>
<tr>
<td>Latin America</td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td></td>
</tr>
<tr>
<td>Middle-East</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td></td>
</tr>
</tbody>
</table>

*L’Oreal 2017 BMS estimates - excluding soaps, toothpastes and razors. Net manufacturing prices (sell-in).*
NEW CONSUMER targets
We are confident that
THE MARKET WILL CONTINUE TO GROW at a good pace in 2019
A VERY STRONG YEAR
THE BEST YEAR in a decade

+7.1%*

8 February 2019

*2018 like-for-like sales growth
RECORD OPERATING MARGIN

18.3%
OPERATING MARGIN

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>18.0%</td>
</tr>
<tr>
<td>2018</td>
<td>18.3%</td>
</tr>
</tbody>
</table>
SIGNIFICANTLY OUTPERFORMED THE MARKET

IN THE MOST PROMISING AND STRATEGIC AREAS FOR THE FUTURE
LUXURY

L’ORÉAL LUXE

+14%*

MARKET

+11%**

*2018 Like-for-like sales growth.
**Excluding razors, soaps and toothpastes. 2018 provisional estimates - Source: L’Oréal estimates. At constant exchange rates.
DERMO-COSMETICS

ACTIVE COSMETICS

+12% *

MARKET

+6% **

*2018 Like-for-like sales growth.

**Excluding razors, soaps and toothpastes. 2018 provisional estimates - Source: L’Oréal estimates. At constant exchange rates.
Strongly REINFORCED in Asia Pacific
ASIA PACIFIC

CHINA
+33%*

INDIA
+20%*

MALAYSIA
+26%*

PHILIPPINES
+19%*

*2018 like-for-like sales growth.
LEADER in Asia Pacific

#2 ZONE

8.7%*

MARKET SHARE

8 February 2019

*Excluding razors, soaps and toothpastes. 2018 provisional estimates - Source: L’Oréal estimates.
OUTPERFORMED

in skincare

8 February 2019
Strengthened LEADERSHIP in 2 thriving channels
E-COMMERCE

+41%* SALES GROWTH

11%* OF SALES

EQUIVALENT TO OUR #2 COUNTRY

*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).
TRAVEL RETAIL

> 2 Bn €
SALES

+27% *
SALES GROWTH

*2018 like-for-like sales growth
Strengthened LEADERSHIP in digital
DIGITAL IS BOOSTING OUR BRAND POWER

STRONG BRANDS GET EVEN STRONGER
RANKED IN THE TOP 3 ON TMALL DURING 11.11
Strengthened

OUR POWER TO CONNECT

with consumers

8 February 2019
1.2 Bn VISITORS ON OUR WEBSITES
1/3 OF THE GLOBAL BEAUTY VIEWS

L'ORÉAL

1/4 OF THE BEAUTY ENGAGEMENT
GARTNER L2 DIGITAL IQ INDEX*

4 BRANDS IN THE TOP 10
& 6 IN THE TOP 20

MAYBELLINE NEW YORK
NYX PROFESSIONAL MAKEUP
URBAN DECAY
L’OREAL PARIS
LANCOME
KIEHL'S
ENRICHING SERVICES
FOR OUR CONSUMERS

MODIFACE
43% of media spend on digital

of which

3/4 on precision advertising
2,000
DIGITAL EXPERTS
22,000
EMPLOYEES UPSKILLED

DIGITAL IS TOTALLY EMBEDDED IN OUR TEAMS
DIGITAL A POWERFUL ACCELERATOR FOR GROWTH
BEAUTY IS BECOMING MORE AND MORE TECH
LEADER OF THE NEW BEAUTY TECH WORLD
L’ORÉAL is STRONGER than ever
5 FOUNDRING PRINCIPLES
Absolute faith in the **SUPERIOR QUALITY** of our products
A continuous strategic focus on research & innovation

R&D expenses in million €

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>680</td>
</tr>
<tr>
<td>2013</td>
<td>748</td>
</tr>
<tr>
<td>2014</td>
<td>761</td>
</tr>
<tr>
<td>2015</td>
<td>794</td>
</tr>
<tr>
<td>2016</td>
<td>850</td>
</tr>
<tr>
<td>2017</td>
<td>877</td>
</tr>
<tr>
<td>2018</td>
<td>914</td>
</tr>
</tbody>
</table>
A PERMANENT OBSESSION WITH INNOVATION & SUPERIOR QUALITY
TOPLINE GROWTH
THE BEST ROUTE TO VALUE CREATION

1. FOCUS ON TOPLINE GROWTH
2. OPERATIONAL DISCIPLINE
VICTORIES ARE WON on the battlefield
EMPOWERED LOCAL TEAMS
CONSUMER RELEVANCE
RESOURCES DEPLOYMENT
Strategically CONCENTRATED
Operationally DECENTRALIZED
AGILITY & EXCELLENCE
ON THE FIELD

8 February 2019
CATCH THE GROWTH wherever it emerges
CATCH THE GROWTH WHEREVER IT EMERGES

MAXIMIZING ALL OPPORTUNITIES
TO SEIZE GROWTH WHEREVER IT IS

WHILE

MINIMIZING EXPOSURE IN AREAS
WHICH ARE SLOWING DOWN

7 DISTRIBUTION CHANNELS

HAIR SALONS
MASS RETAIL
DEPARTMENT STORES
PHARMACIES DRUGSTORES
MEDISPA
BRANDED RETAIL
TRAVEL RETAIL
E-COMMERCE

5 BEAUTY CATEGORIES

HAIRCARE
HAIR COLOR
SKINCARE
FRAGRANCES
MAKEUP

ALL PRICE
SEGMENTS
ALL REGIONS
ALL PSYCHOGRAPHICS
Our lead in

SUSTAINABILITY

& ETHICS
L’ORÉAL, ONLY COMPANY WITH “AAA” FOR THE 3rd YEAR RUNNING

As a Climate A List company we’re leading the corporate response to climate change.

As a Water Security A List company we’re leading the corporate response against water degradation.

As a Forest A List company we’re leading the corporate response against deforestation.

8 February 2019
#1 IN EUROPE
GENDER EQUALITY

8 February 2019
#1 WORLDWIDE
2018 ETHICALQUOTE
REPUTATION INDEX*

*Ranking date: November 2018
A VERY DIFFERENT AND UNIQUE COMPANY

PERFECTLY ADAPTED AND IN TUNE WITH THE EVOLUTION OF THE WORLD
OFFERING TO ALL WOMEN AND MEN ON THE PLANET THE BEST OF BEAUTY IN TERMS OF QUALITY, EFFICACY, SAFETY AND RESPONSIBILITY
More optimistic
CONFIDENT
DETERMINED than ever
CONFIDENCE IN OUR ABILITY TO OUTPERFORM THE BEAUTY MARKET AND ACHIEVE ANOTHER YEAR OF GROWTH IN BOTH SALES AND PROFITS
Thank you

--------------------
Avertissement / Disclaimer
--------------------

“Ce document ne constitue pas une offre de vente ou la sollicitation d’une offre d’achat de titres L’Oréal. Si vous souhaitez obtenir des informations plus complètes concernant L’Oréal, nous vous invitons à vous reporter aux documents publics déposés en France auprès de l’Autorité des Marchés Financiers (également disponibles en version anglaise sur notre site Internet www.loreal-finance.com). Ce document peut contenir certaines déclarations de nature prévisionnelle. Bien que la Société estime que ces déclarations reposent sur des hypothèses raisonnables à la date de publication du présent communiqué, elles sont par nature soumises à des risques et incertitudes pouvant donner lieu à un écart entre les chiffres réels et ceux indiqués ou induits dans ces déclarations.”

“This document does not constitute an offer to sell, or a solicitation of an offer to buy, L’Oréal shares. If you wish to obtain more comprehensive information about L’Oréal, please refer to the public documents registered in France with the Autorité des Marchés Financiers (which are also available in English on our Internet site: www.loreal-finance.com). This document may contain some forward-looking statements. Although the Company considers that these statements are based on reasonable hypotheses at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual results to differ materially from those indicated or projected in these statements.”

8 February 2019