



# L'ORÉAL

## CHAMPIONING BEAUTY IN A TIME OF CRISIS

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JEAN-PAUL AGON

Chairman & Chief Executive Officer

DEUTSCHE BANK ACCESS GLOBAL  
CONSUMER CONFERENCE

9 June 2020

# PROTECTION & SOLIDARITY

## PROTECTING OUR EMPLOYEES

Drastic health and security measures on all workplaces (factories, warehouses ....)

Limited number of people infected. No fatalities

**100% employment & 100% fixed salary** guaranteed till end-June



## SUPPORTING CAREGIVERS

**15 million** units of hand sanitizers donated

**>4 million** of hand creams donated

In **40 countries**

**70%** of our factories mobilized



## SUPPORTING OUR PARTNERS

Freeze receivables from more than **100,000** small professional clients and perfumeries

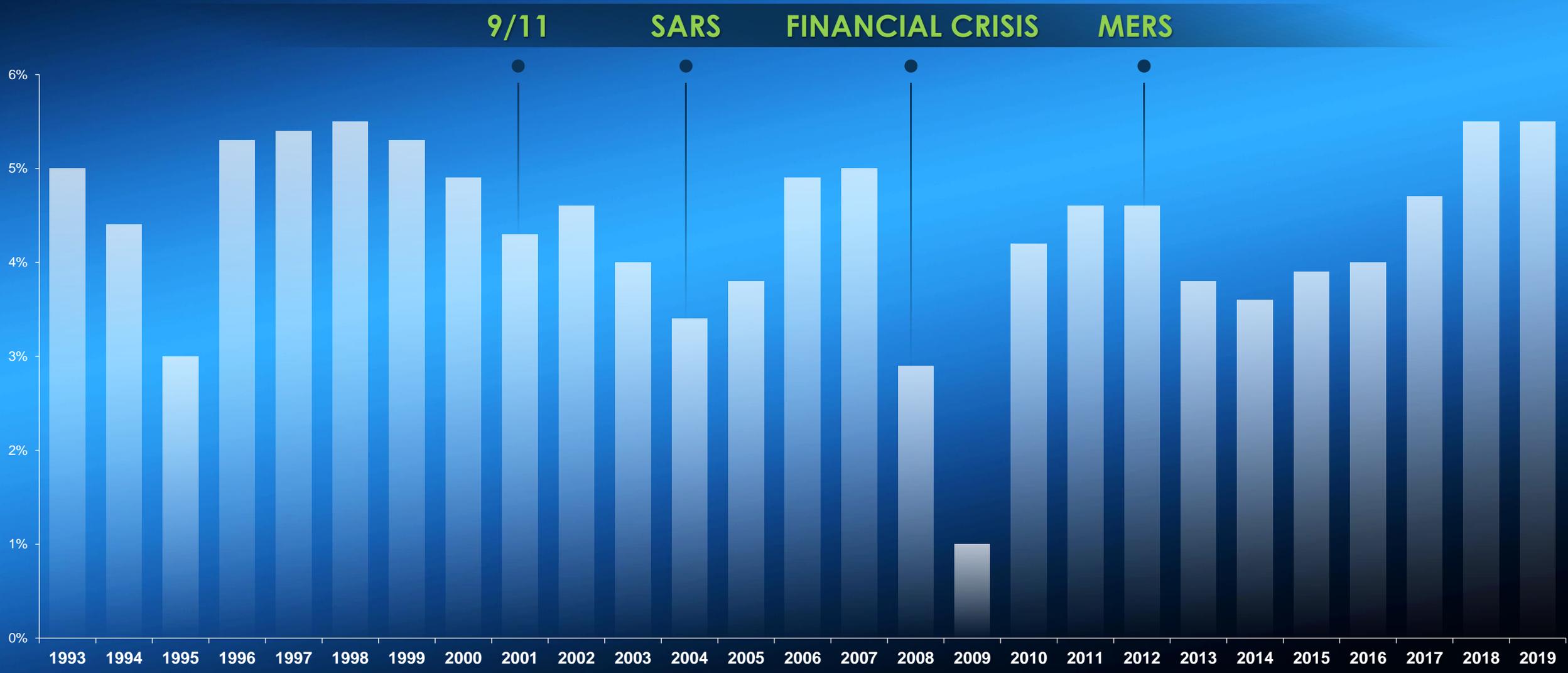
Shortening leadtime of payments to **9,000 most vulnerable suppliers**





BEAUTY IS RESILIENT AND  
GROWTH WILL RESUME

# THE BEAUTY MARKET IS RESILIENT



<sup>1</sup>L'Oréal worldwide beauty market estimates, excluding razors, soaps and toothpastes. 2019 provisional estimates, at constant exchange rates.

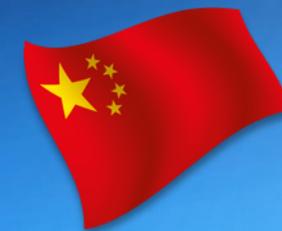
# CRISIS OF SUPPLY

## MARKET DROP DUE TO LOCKDOWN SHOCK

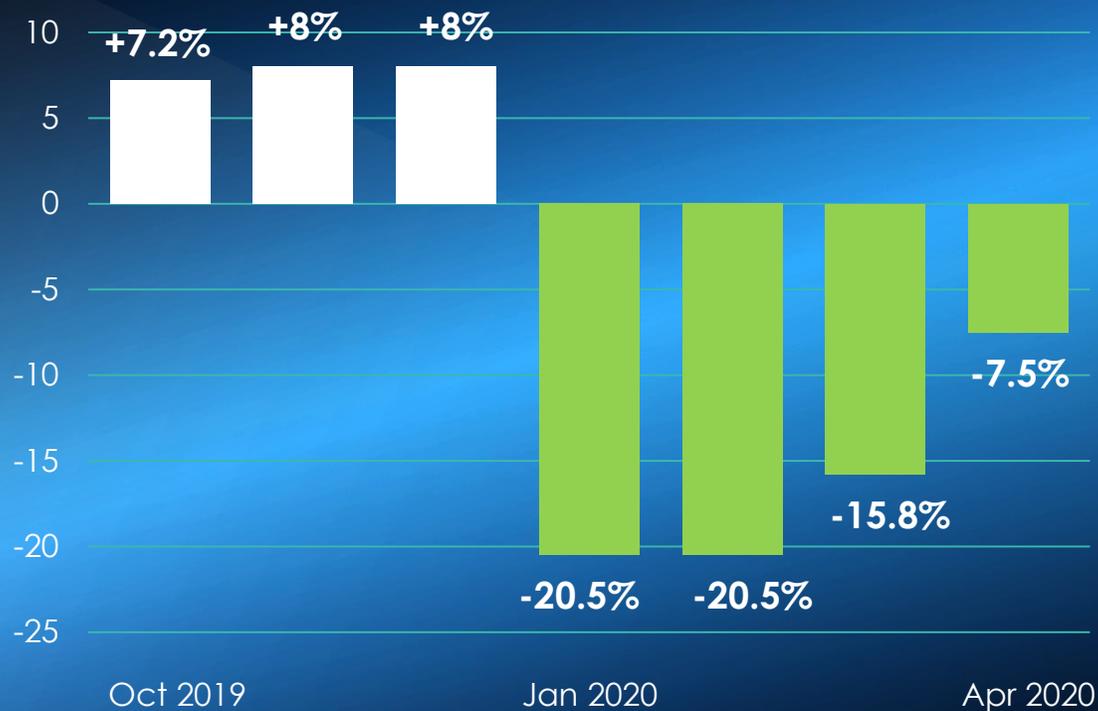
SHUTDOWN OF HAIRDRESSERS, DEPARTMENT STORES,  
PERFUMERIES, TRAVEL RETAIL STORES



# CHINA RETAIL IS RECOVERING



## RETAIL IS RECOVERING



Source: Tradingeconomics.com / National Bureau of Statistics of China

## COSMETICS IS LEADING THE RECOVERY

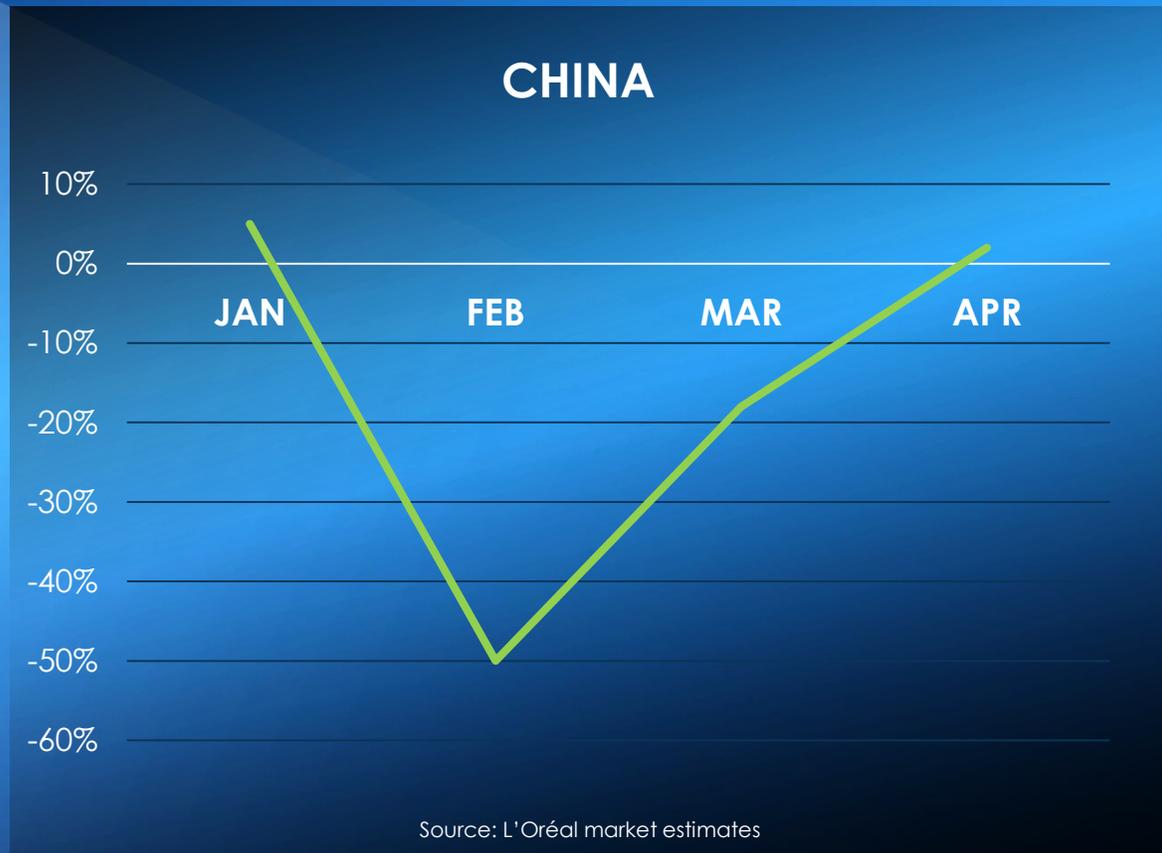
	JAN / FEB	MARCH	APRIL
Garments	-30.9%	-34.8%	-18.5%
Cosmetics	-14.1%	-11.6%	<b>+3.5%</b>
Jewelry	-41%	-30%	-12.1%
Home Appl	-30%	-29.7%	-8.5%
Furniture	-33.5%	-22.7%	-5.4%
Auto	-37%	-18%	0%

YoY evolution (in %)

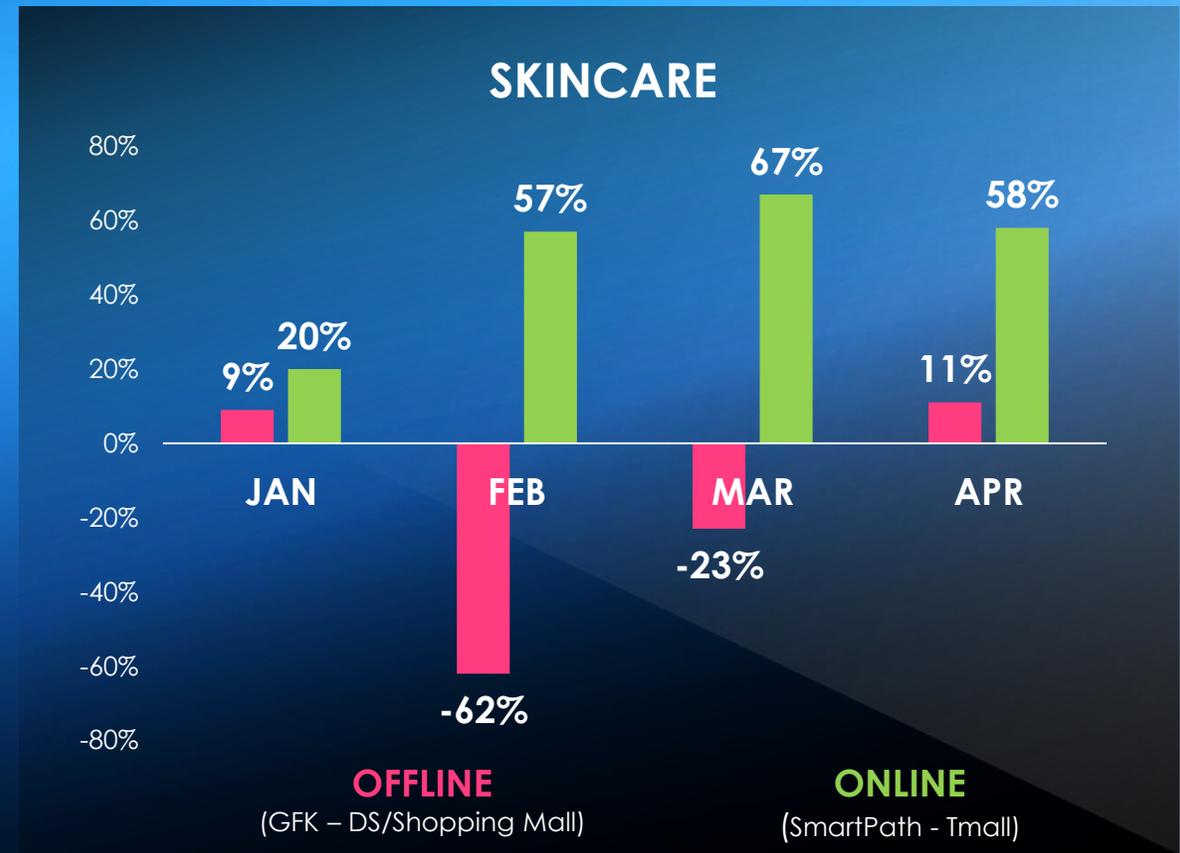
# STRONG APPETITE FOR BEAUTY



## THE BEAUTY MARKET IS KICKING UP



## ACCELERATION ONLINE QUICK RECOVERY OFFLINE



# STRONG APPETITE FOR BEAUTY



## ONLINE STRONG

**Tmall**  
理想生活上天猫

YTD MAY 20

SKINCARE

+ 44%

FRAGRANCE

+ 58%

MAKE UP

+ 24%

HAIR

+ 34%

**TOTAL BEAUTY**

**+ 38%**

TOP BEAUTY CATEGORIES

## OFFLINE RECOVERING PROGRESSIVELY



TRAFFIC RECOVERY %  
4000 MALLS IN CHINA

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# STRONG APPETITE FOR BEAUTY

## BACK TO SALONS



**OF CONSUMERS WENT BACK  
TO THEIR HAIRDRESSER  
IN THE 1<sup>ST</sup> WEEK OF OPENING**

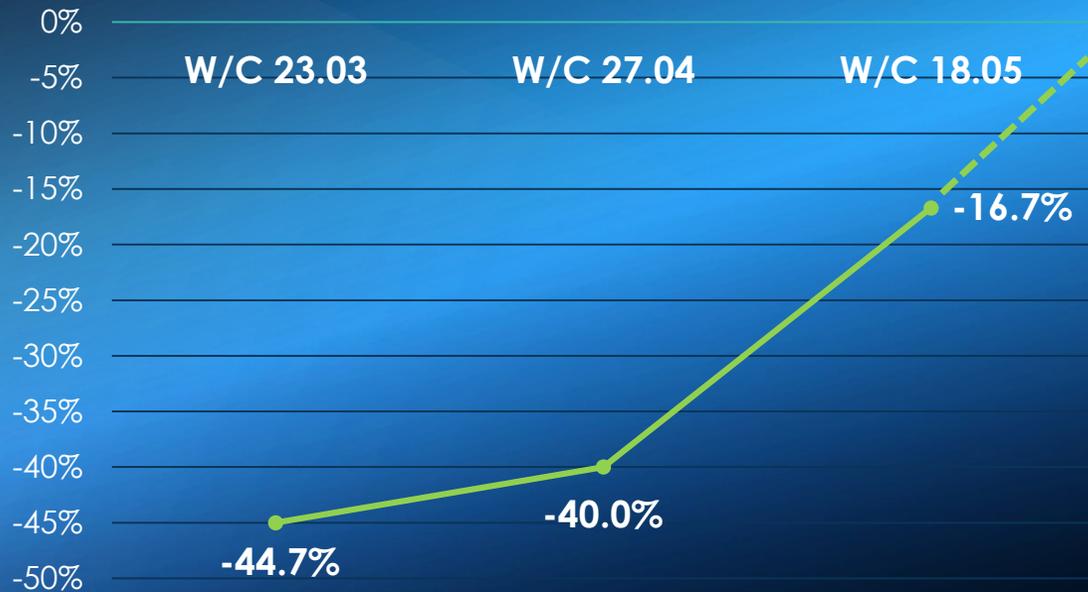
Survey France/US/Germany – May 2020

# STRONG APPETITE FOR BEAUTY

## EUROPE NOW IN RECOVERY



TOTAL MASS MARKET EVOLUTION



Spain total mass beauty market (Nielsen)



TOTAL MASS MARKET EVOLUTION

	P4 (23.03 / 20.04)	P5 (21.04 / 19.05)
Total	-4.8%	+4.1%
Brick & Mortar	-7.1%	+0.8%
E-COM	+121.5%	+196%

Italy total mass beauty market (Nielsen)

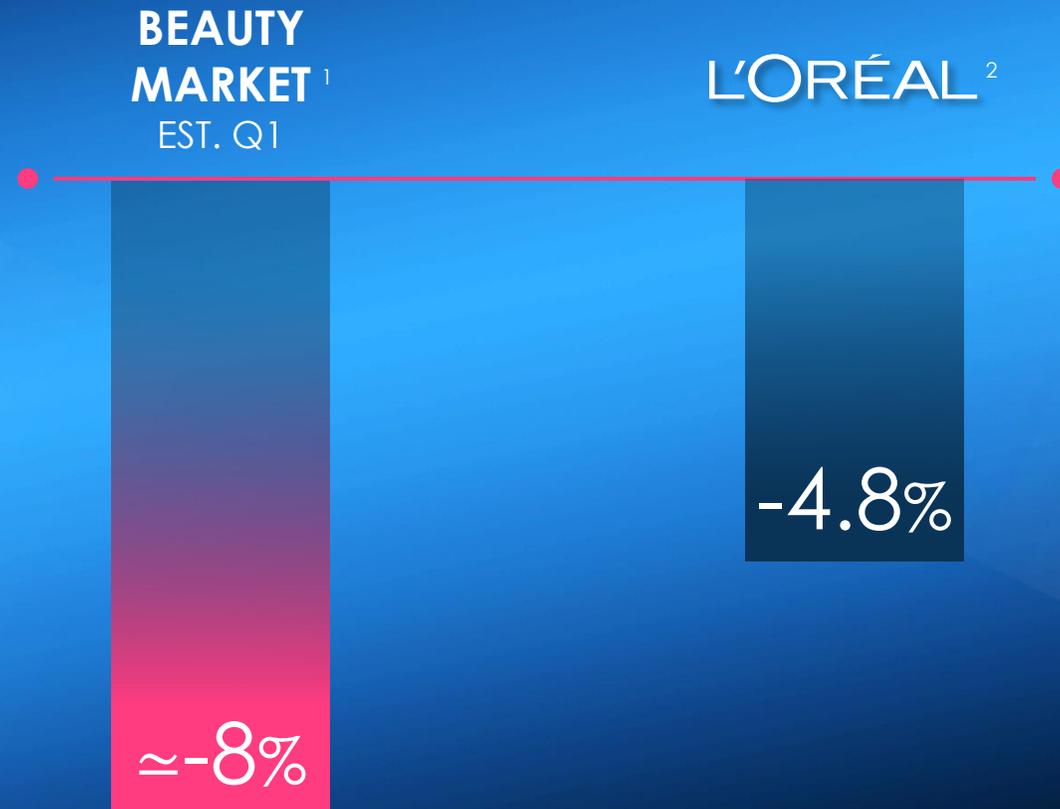
2...

L'ORÉAL IS CHAMPIONING  
THE BEAUTY MARKET



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# OUTPERFORMING IN Q1



<sup>1</sup>L'Oréal worldwide beauty market estimates, excluding razors, soaps and toothpastes. Q1 2020 provisional estimates, at constant exchange rates. <sup>2</sup>Q1 2020 like-for-like sales growth.

# FANTASTIC ACCELERATION OF DIGITALIZATION



**+76%**  
OF TIME SPENT ON  
WHATSAPP WORLDWIDE

**60Bn**  
DAILY CONVERSATIONS  
ON WHATSAPP



**+70%**  
LIVE USAGE  
ON INSTAGRAM



**2Bn**  
TIKTOK  
DOWNLOADS

**+20%**  
WEBSITE TRAFFIC

**+15%**  
BEAUTY CONVERSATIONS

**MORE CONNECTION**

**MORE COMMUNITY**

**MORE COACHING**

**MORE CONVERSATION**

# L'ORÉAL, THE CHAMPION OF DIGITAL

## MORE CONNECTION

MEDIA SHIFT:

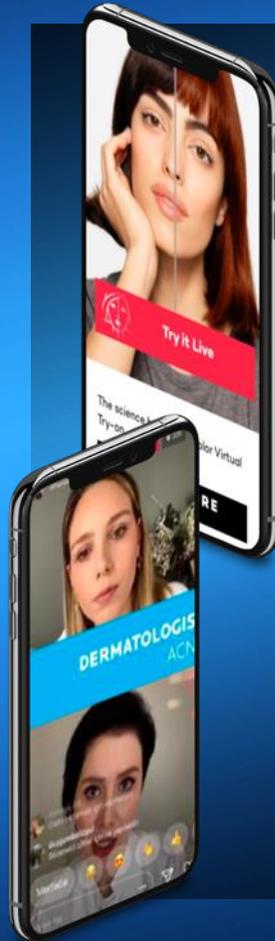
**77%**<sup>1</sup> digital media

FROM AWARENESS TO CONVERSION

IMPROVED ROI

NEW FORMATS

NEW TONE OF VOICE



## MORE SERVICES

**x2.5** VIRTUAL TRY-ONS

9 MINUTES TIME SPENT

TELECONSULTATION

SHOPPABLE LIVE-STREAMING

NEW IN-STORE VIRTUAL TESTER

## MORE CONVERSATION

**1.2M**<sup>2</sup> CONVERSATIONS (+28%)



<sup>2</sup>In April, excluding Asia

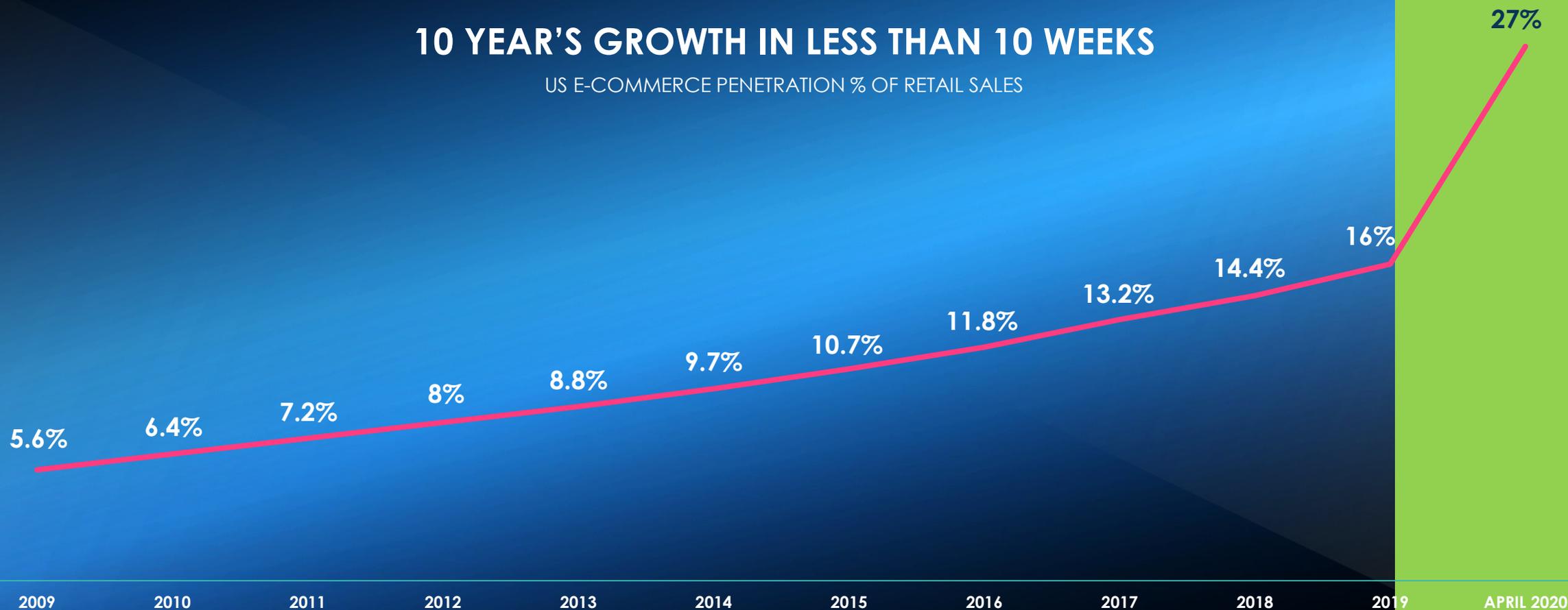
INCREASED CONSUMER & CUSTOMER CENTRICITY IN ONLY A FEW WEEKS

<sup>1</sup>In April

# FANTASTIC ACCELERATION FOR E-COMMERCE

## 10 YEAR'S GROWTH IN LESS THAN 10 WEEKS

US E-COMMERCE PENETRATION % OF RETAIL SALES



# L'ORÉAL, CHAMPION OF E-COMMERCE

ECOM BOOMING

**+53%<sup>1</sup> in Q1**

SHARP ACCELERATION IN APRIL

**>+60%**

**x2 IN WESTERN EUROPE AND IN THE USA<sup>2</sup>**

## WEIGHT OF E-COMMERCE INCREASING ALL DIVISIONS, ALL ZONES



## OUTPERFORMANCE IN NORTH AMERICA

  
5X TOTAL BEAUTY MARKET Q1

CPD VS TOTAL BEAUTY ECOMM  
MARKET GROWTH - USA

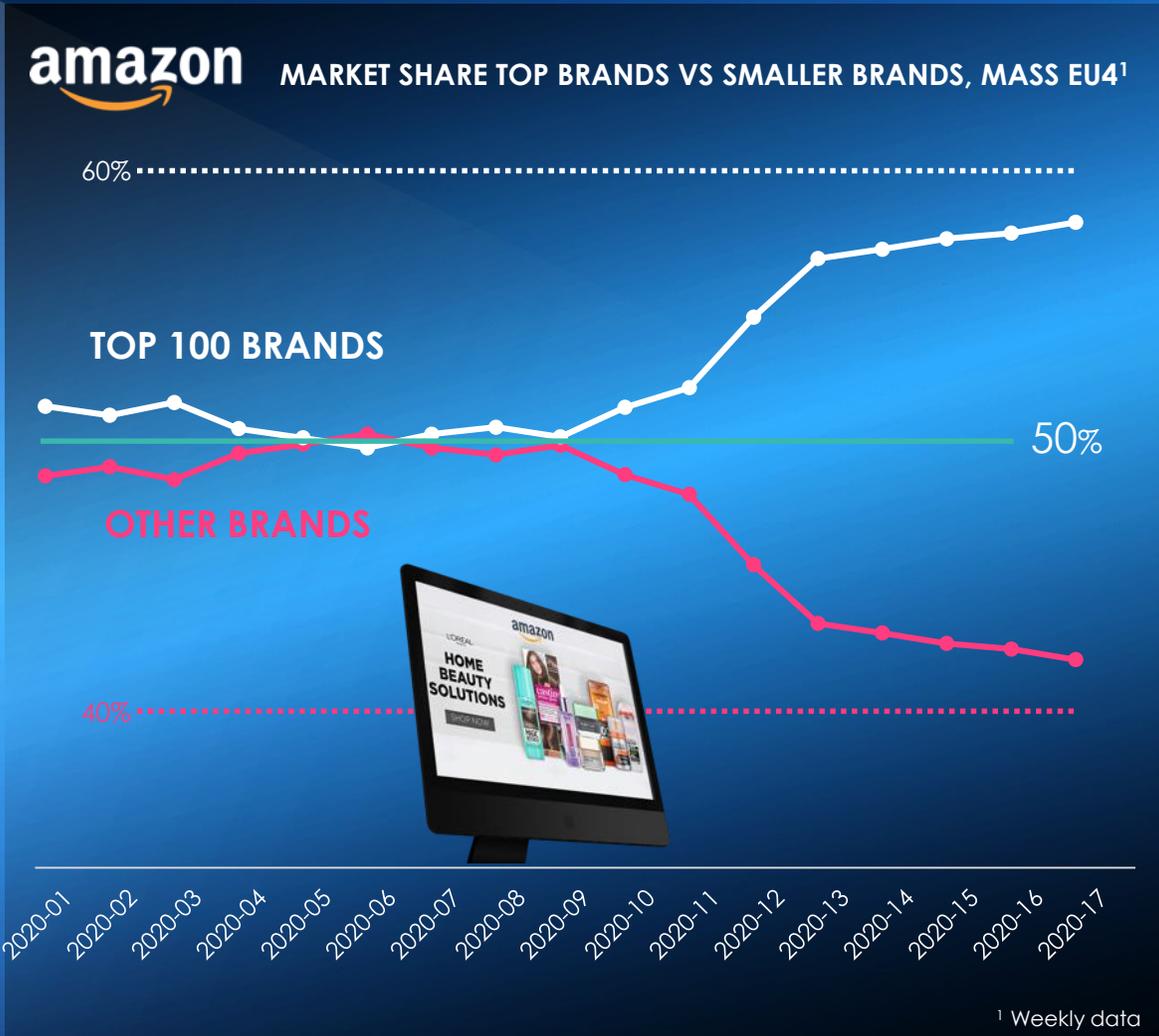


D2C

+221%<sup>1</sup> growth  
+58% new consumers  
x2 increase conversion rate

<sup>1</sup>In April - Source: SFCC

# CHAMPIONING WITH WINNING BRANDS



**STRONG TRUSTED ASPIRATIONAL BRANDS  
PREVAIL IN TIMES OF CRISIS**

- EXCEPTIONAL QUALITY, SAFETY
- TRUST, REASSURANCE
- TRANSPARENCY
- COMMITMENT TO SUSTAINABILITY
- PURPOSE DRIVEN
- STRONG CONSUMER ENGAGEMENT

**Tmall** 7 BRANDS IN THE TOP 20  
理想生活上天猫

**L'ORÉAL**  
PARIS

**LANCÔME**  
PARIS

**HR**  
HELENA RUBINSTEIN

**SKINCEUTICALS**

*Kiehl's*  
SINCE 1851

**3CE**  
3 CONCEPT EYES

**KÉRASTASE**  
PARIS

# CHAMPIONING WITH HERO PRODUCTS



**Tmall**  
理想生活上天猫

TOP 20 HERO SKUS REPRESENT 30% OF SALES

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# SEIZING AND MAXIMIZING ALL OPPORTUNITIES

## CATEGORY OPPORTUNITIES



### BOOM IN NAILS

essie

Progression of the nail category & of essie +30.5%



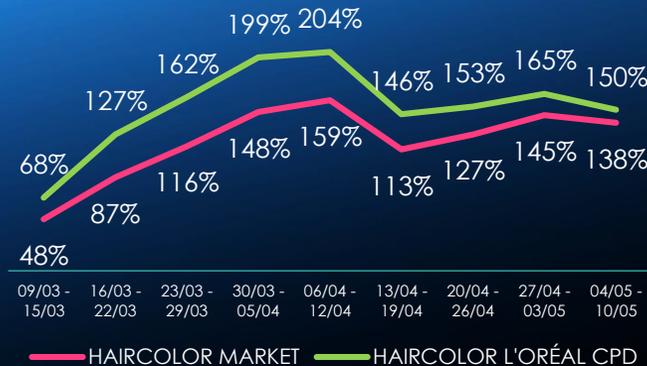
Source: Nielsen

BEAUTY MASS MARKET VALUE SALES EVOLUTION YOY 2020-2019



### EXPLOSION IN HOME HAIRCOLOR

HAIRCOLOR WEEKLY VALUE SALES EVOLUTION YOY 2020-2019



### STRONG GROWTH IN DERMOCOSMETICS

+40%

CeraVe  
DEVELOPED WITH DERMATOLOGISTS

+30%

SKINCEUTICALS  
ADVANCED PROFESSIONAL SKINCARE

Q1 2020 like-for-like sales growth

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# CHAMPIONING THANKS TO INNOVATION

## STRONG RELAUNCH PLAN



# CHAMPIONING THANKS TO INNOVATION

## POWERFUL LAUNCHES FOR H2



# CHAMPIONING THANKS TO UNIQUE ORGANIZATION



**EACH COUNTRY IS A SPECIFIC CASE WITH DIFFERENT  
SANITARY, ECONOMIC, RETAIL SITUATION**

**THAT REQUIRES OPTIMISATION AND MAXIMISATION  
COUNTRY BY COUNTRY**

**PERFECTLY ADAPTED:  
STRATEGICALLY CONCENTRATED / OPERATIONALLY DECENTRALIZED**

# CHAMPIONING THANKS TO DEDICATION OF OUR TEAMS

**ALL FACTORIES AND WAREHOUSES  
OPENED DURING THE CRISIS**



**58,000 PEOPLE  
TELEWORKING**



# CHAMPIONING THANKS TO HEALTHY AND SOLID FINANCIAL SITUATION

## ROBUST BALANCE SHEET

Shareholders' equity > €29Bn  
2/3 of total balance sheet

## STRONG NET CASH POSITION

€4.4Bn net cash end 2019 excluding  
financial lease debt

# COST DISCIPLINE IN TIME OF CRISIS



**TRAVEL BAN AS OF MID-FEB TILL END-SEPTEMBER**

**STRICT CONTROL OF R&I BUDGET. IN LINE WITH BUSINESS ACTIVITY**

**SUSPENSION OF CONSULTING CONTRACTS**

**SYSTEMATIC TRANSFORMATION OF ON-SITE TRAINING TO E-LEARNING**

**CANCELLATION OF PHYSICAL MEETINGS AND SEMINAIRES  
COLLECTIVE EVENTS DEFERRED.**

**DRASTIC ADJUSTMENT OF BUSINESS DRIVERS IN ALL ZONES TO REFLECT  
THE STATE OF LOCKDOWN, IN PARTICULAR NON-DIGITAL EXPENSES**

**POINT OF SALE EXPENSES CUT**

**STRICT CONTROL OF INVESTMENTS**

# CHAMPIONING THANKS TO SUSTAINABILITY

## OUR PERFORMANCE IS RECOGNIZED

### ENVIRONMENT



L'ORÉAL, ONLY COMPANY WITH 3 "A"  
FOR THE 4<sup>th</sup> YEAR RUNNING

### GENDER EQUALITY



LEADER IN GENDER  
EQUALITY

### ETHICS

covalence

ESG ratings

6109 WORLD'S MOST  
ETHICAL  
COMPANIES™  
WWW.ETHISPHERE.COM

THE GLOBAL COMPACT  
Global Compact  
LEAD

#1 WORLDWIDE ETHICALQUOTE  
REPUTATION INDEX<sup>1</sup>

<sup>1</sup>Ranking date December 2019

# CHAMPIONING THANKS TO SUSTAINABILITY

## L'ORÉAL FOR THE FUTURE



### A SOCIAL AND ENVIRONMENTAL SOLIDARITY PROGRAMME

€150M

**€50 MILLION**

to help women in situations  
of high vulnerability

**€100 MILLION**

Environmental impact Investing



# L'ORÉAL WILL EMERGE

CLOSER TO OUR CONSUMERS  
CLOSER TO OUR RETAIL PARTNERS  
CLOSER TO OUR SUPPLIERS  
CLOSER TO OUR COMMUNITIES

## STRONGER THAN EVER



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# Q&A

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