2017 RESULTS

FEBRUARY 9TH, 2018

Jean-Paul AGON
Chairman & Chief Executive Officer
I. A GOOD YEAR FOR THE BEAUTY MARKET AND FOR L’ORÉAL
1. A GOOD YEAR FOR THE BEAUTY MARKET

+4/+5%
WORLDWIDE BEAUTY MARKET* BY CATEGORY

MAKUP  ≈ + 7%
SKINCARE  ≈ + 6%
HAIRCARE  ≈ + 3%
FRAGRANCES  ≈ + 3%
OTHER  ≈ + 2%

WORLDWIDE BEAUTY MARKET* BY SECTOR

- **LUXURY**: +8.5/+9.5%
- **MASS MARKET**: +3/+4%
- **DERMO-COSMETICS**: +4.5/+5.5%
- **PROFESSIONAL**: +1/+2%

**E-COMMERCE**

≈ +24%

BEAUTY MARKET* BY GEOGRAPHIC ZONE

NORTH AMERICA
+3/+4%

WESTERN EUROPE
+1/+2%

NEW MARKETS
+6/+7%

*Excluding razors, soaps and toothpastes. 2017 provisional estimates - source: L’Oréal estimates. Excluding exchange rate impact
<table>
<thead>
<tr>
<th>Geographic Zone</th>
<th>Growth 2017</th>
<th>Growth 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia, Pacific</td>
<td>+7%</td>
<td>+8%</td>
</tr>
<tr>
<td>Latin America</td>
<td>+5%</td>
<td>+6%</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>+4%</td>
<td>+5%</td>
</tr>
<tr>
<td>Africa, Middle East</td>
<td>-1%</td>
<td>0%</td>
</tr>
</tbody>
</table>

A GOOD YEAR FOR THE DEVELOPMENT OF L’ORÉAL
ACCELERATED GROWTH*

*Like-for-like sales growth

Q1 2017: +4.2%
Q2 2017: +4.3%
Q3 2017: +5.1%
Q4 2017: +5.5%
STRENGTHENED POSITIONS

IN STRATEGIC CATEGORIES

IN STRATEGIC CHANNELS

IN STRATEGIC REGIONS
OUTPACED THE TWO MOST IMPORTANT CATEGORIES

MAKEUP

SKIN CARE
NEW MARKETS

>10 Bn euros in sales

+8.9%*

*2017 like-for-like sales growth
Asia, Pacific

+12%*

*2017 like-for-like sales growth
China
+13%*
CHINA
+13%*

HONG-KONG
+14%*

THAILAND
+12%*

ASIA, PACIFIC
+12%*

*2017 like-for-like sales growth
2 STRATEGIC GROWTH BOOSTERS

DIGITAL

TRAVEL RETAIL
E-commerce

Online sales

2.1 Bn euros*

*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).
SALES GROWTH

Travel Retail

+ 19%*

February 9th, 2018
HIGH QUALITY RESULTS
HIGH QUALITY RESULTS

OPERATING MARGIN

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>17.6%</td>
</tr>
<tr>
<td>2017</td>
<td>18%</td>
</tr>
</tbody>
</table>

NET CASH FLOW*

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (in million euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3,318</td>
</tr>
<tr>
<td>2017</td>
<td>3,970</td>
</tr>
</tbody>
</table>

*Net cash flow: gross cash flow - changes in working capital - capital expenditure
HIGH QUALITY RESULTS

DIVIDEND PER SHARE
in euros

+7.6%

2016: 3.30
2017: 3.55*

*Will be proposed at the annual general meeting to be held on April 17th, 2018
POWERFUL, BALANCED AND VALUE-CREATING BUSINESS MODEL

FOCUS ON TOPLINE GROWTH

+ OPERATIONAL DISCIPLINE
REINFORCED LEADERSHIP IN DIGITAL

- Upskilling Teams
- Engaging Consumers
- Increasing E-Commerce
- Improving ROI
PIONEER LINKS WITH THE BEST TECH AND START-UP PARTNERS

STATION F
AT THE CUTTING EDGE
OF BEAUTY 4.0
OUTSTANDING PERFORMANCE IN NON-FINANCIAL FIELDS
NEWSWEEK GREEN RANKING 2017

N°1
L’ORÉAL N°1 OUT OF 3,000 COMPANIES
8TH YEAR
“ONE OF THE MOST ETHICAL COMPANIES IN THE WORLD”

#1 PERSONAL & HOUSEHOLD GOODS CATEGORY

#2 GLOBAL COMPANIES FOR ALL INDUSTRIES COMBINED
A PIVOTAL YEAR
TOTAL CONFIDENCE IN OUR UNIQUE BUSINESS MODEL

II.
7 REASONS FOR SUCCESS
A BEAUTY MARKET THAT WILL CONTINUE TO GROW
MIDDLE & UPPER CLASSES

+2.4 Bn

UPPER CLASS

x2

INCREASE IN CONSUMER SPENDING BETWEEN 2015 & 2030

Source: World Data Lab for L’Oréal
INSPIRING, EXCITING PRODUCTS
PREMIUMISATION TREND

HIGHEST PROPENSITY TO TRADE UP

<table>
<thead>
<tr>
<th>Category</th>
<th>Trade Up</th>
<th>Trade Down</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beauty</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Bottled Water</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>Household Cleaning Supplies</td>
<td>8</td>
<td>16</td>
</tr>
</tbody>
</table>

CHAMPION OF PREMIUM BEAUTY
GROWING INTEREST IN BEAUTY & SELF-CARE
SOCIAL BEAUTY ENHANCES THE IMPORTANCE OF PERSONAL GROOMING
INCREASE IN CONSUMPTION LINKED TO KEY SOCIOLOGICAL AND DEMOGRAPHIC SHIFTS
THE NUMBER OF SENIORS IS PROJECTED TO ALMOST DOUBLE, REACHING 1BN BY 2030*

*Source: Euromonitor
URBANISATION IS CREATING NEW NEEDS AND DESIRES

URBAN POPULATION

5Bn* “CITYZENS” BY 2030

*Source: Euromonitor
SHARP CONSUMER & CULTURAL INSIGHTS
L’ORÉAL IS CHAMPIONING BEAUTY
L’ORÉAL FUNDAMENTALS ARE MORE RELEVANT THAN EVER
THE OBSESSION OF SUPERIOR QUALITY
THE POWER OF BRANDS
THE POWER OF BRANDS
HERO PRODUCTS
4.
SUPERIOR DIGITAL PROWESS
ARTIFICIAL INTELLIGENCE
ROBOTICS
AUGMENTED REALITY
BEING MULTI-DIMENSIONAL GIVES US THE HIGHEST INSIGHTS INTO WOMEN’S RELATIONSHIPS WITH BEAUTY

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
LEADING RESPONSIBILITY
CONSCIENCE & PERFORMANCE
7.

UNIQUE CULTURE, ORGANISATION & QUALITY OF TEAMS
EXCELLENCE OF THE TEAMS ON THE GROUND
MORE OPTIMISTIC, CONFIDENT & DETERMINED THAN EVER
CONFIDENCE IN OUR ABILITY TO OUTPERFORM THE MARKET AND TO ACHIEVE SIGNIFICANT LIKE-FOR-LIKE SALES GROWTH AND PROFITABILITY INCREASE
THANK YOU

MERCI
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