REIGNITING GROWTH

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Director of Individual Shareholder & Market Authority Relations

Webconference F2iC
8 December 2020
H1: RESILIENCE IN SALES AND SOLID PROFITABILITY
OUTPERFORMING IN H1

BEAUTY MARKET

L’ORÉAL

≃-13/-14%¹

-11.7%²

¹L’Oréal worldwide beauty market estimates, excluding razors, soaps and toothpastes. H1-2020 provisional estimates, at constant exchange rates. ²H1-2020 like-for-like sales growth.
STRONG RECOVERY

MONTHLY SALES EVOLUTION

JANUARY
+8.4%

FEBRUARY
-2.3%

MARCH
-18.5%

APRIL
-19.1%

MAY

JUNE
-4.6%

-34.3%

1Like-for-like.
3 DIVISIONS OUTPERFORMING

PROFESSIONAL PRODUCTS
RESILIENCE DESPITE CLOSURE OF SALONS, REBOUND SINCE END OF LOCKDOWN

<table>
<thead>
<tr>
<th>Market 1</th>
<th>L'Oréal 2</th>
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<tbody>
<tr>
<td>-21.3%</td>
<td>-28%</td>
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CONSUMER PRODUCTS
SELL-OUT IN LINE WITH THE MARKET DESPITE FOOTPRINT ON MAKE-UP EXCLUDING MAKE-UP, SALES ARE FLAT

<table>
<thead>
<tr>
<th>Market 1</th>
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<tbody>
<tr>
<td>-6%</td>
<td>-9.4%</td>
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L’ORÉAL LUXE
PERFORMED SIGNIFICANTLY BETTER THAN THE MARKET

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<th>Market 1</th>
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<tr>
<td>-23%</td>
<td>-16.8%</td>
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ACTIVE COSMETICS
STRONGLY GAINING SHARE GLOBALLY

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<tr>
<td>-4%</td>
<td>+9%</td>
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1L’Oréal worldwide beauty market estimates, excluding razors, soaps and toothpastes. H1-2020 provisional estimates, at constant exchange rates. 2H1-2020 like-for-like sales evolution.
DRIVING THE MARKET IN CHINA

+30% IN Q2 \(^1\)

STRONG GROWTH IN E-COMMERCE

OUTPERFORMING IN SKINCARE

+17.5% \(^1\)

H1 PERFORMANCE

\(\approx -4\% \) \(^2\)

\(^1\)Like-for-like sales growth. \(^2\)L’Oréal worldwide beauty market estimates, excluding razors, soaps and toothpastes, H1-2020 provisional estimates, at constant exchange rates.
BOOMING IN E-COMMERCE¹

RECORD GROWTH IN H1

+65%

≈ X2

THE MARKET

25% OF SALES

ACCELERATION EVEN AS STORES RE-OPEN

Q1: +54%
APRIL: +63%
MAY: +75%
JUNE: +82%

STRONG ACCELERATION OUTSIDE OF ASIA

USA

+119% IN Q2

WESTERN EUROPE

+91% IN Q2

¹Like for like sales growth. Sales achieved on our brands’ own websites + estimated sales achieved by our brands corresponding to sales through our retailers’ websites (non audited data)
**PRESERVING PROFITABILITY**

**OPERATING MARGIN CLOSE TO FY 2019** (% SALES)

- FY 2019: 18.6%
- H1-2020: 18.0%

**LIMITED DECLINE IN EARNINGS PER SHARE**

- H1-2019: €4.38
- H1-2020: €3.82

1 Diluted earnings per share, excluding non-recurring items, after non-controlling interests.
PROTECTING MARGINS THROUGH P&L FLEXIBILITY

HIGH GROSS MARGIN
(% SALES)

73.1%  73.1%

H1-2019  H1-2020

LOWER SG&As¹
THANKS TO COST DISCIPLINE

€3Bn  €2.7Bn

H1-2019  H1-2020

¹Selling, general and administrative expenses
SECURING BUSINESS DRIVERS FOR THE FUTURE

SUSTAINED R&I INVESTMENTS (% SALES)
- H1-2019: 3.1%
- H1-2020: 3.5%

SUSTAINED A&P INVESTMENTS IN RELATIVE VALUE (% SALES)
- H1-2019: 30.2%
- H1-2020: 30.5%
PROTECTING OUR EMPLOYEES

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

Limited number of people infected

100% employment & 100% fixed salary

SUPPORTING CAREGIVERS

15 million units of hand sanitizers and 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
H2, A NEW PHASE: REIGNITING GROWTH AND SECURING PROFITABILITY
THE MARKET WILL BE STRONGER IN H2

NO FURTHER LOCKDOWN
CONSUMERS ARE BACK TO BEAUTY

SEIZING ALL OPPORTUNITIES
MAXIMIZING E-COMMERCE

ALL GEOGRAPHIES & DIVISIONS
CONTINUED ACCELERATION OUTSIDE OF CHINA
STRONG DOUBLE-DIGIT GROWTH

ALL CHANNELS
CREATING O+O EXPERIENCE WITH RETAILERS
STRONG PARTNERSHIPS WITH PURE PLAYERS
RELENTLESS PUSH ON D2C

ALL TOUCHPOINTS
SHOPPABLE LIVE-STREAMING
SOCIAL COMMERCE
MAXIMIZING OUR DIGITAL EDGE

MORE SERVICES
- VIRTUAL TRY-ONS
- TELECONSULTATION
- IN-STORE VIRTUAL TESTERS

MORE DIGITAL MEDIA
- MEDIA SHIFT
  - DIGITAL SPEND NOW GREATER THAN TRADITIONAL MEDIA

MORE CONNECTIONS
- MASSIVE INCREASE OF CONVERSATIONS ONLINE
MAXIMIZING CUSTOMER PARTNERSHIPS

TIGHTER COLLABORATION WITH RETAILERS

- STRONG JOINT BUSINESS PLAN
- BACK TO BEAUTY PLAN
- WORLDWIDE EXECUTION
- EVENTS TO CREATE EXCITEMENT
- SMART OFFERS TO DRIVE TRAFFIC

STRONGER BOND WITH HAIRDRESSERS

- NEW RELATIONSHIP THANKS TO STRONG SUPPORT DURING THE CRISIS
- HUGE INCREASE IN ONLINE SUPPORT & TRAINING
- WINNING THE BATTLE FOR NEW SALONS AND STYLISTS

CLOSER RELATIONSHIP WITH MEDICAL PROFESSIONALS

- DIGITALIZATION OF CONNECTIONS WITH MEDICAL PROFESSIONALS
- MASSIVE AMPLIFICATION OF REACH

HUGE INCREASE IN ONLINE SUPPORT & TRAINING

WINNING THE BATTLE FOR NEW SALONS AND STYLISTS

WORLDWIDE EXECUTION

WINNING THE BATTLE FOR NEW SALONS AND STYLISTS

DIGITALIZATION OF CONNECTIONS WITH MEDICAL PROFESSIONALS
MAXIMIZING GROWTH IN CHINA

DRIVING POWER BRANDS AND HERO PRODUCTS

SUPERSIZING ONLINE EVENTS

ENHANCING THE O+O MODEL

CHINESE VALENTINE’S DAY

SUPERBRAND DAY

LANCÔME 85 YEARS ANNIVERSARY

11.11

SEAMLESS BRAND EXPERIENCE

SHOPPABLE LIVE-STREAMING

SOCIAL COMMERCE
MAXIMIZING GROWTH IN SKINCARE

STRONG SHIFT TO SKINCARE

AS % OF SALES
2019
35%

AS % OF SALES
H1 2020
40%

UNLEASHING LAUNCHES WITH MASSIVE SUPPORT
MAXIMIZING THE POWER OF STRONG BRANDS

STRONG TRUSTED ASPIRATIONAL BRANDS WILL PREVAIL

WE ARE REINFORCING THE EQUITY OF OUR STAR BRANDS
RAMPING UP MEDIA INVESTMENT

- MEDIA INVESTMENT INCREASING
- MORE INVESTMENT IN DIGITAL MEDIA
- FOCUS ON CONVERSION AND SALES
- ROI IS INCREASING
### Maximum Discipline to Protect Margins

**In Order to Fuel Business Drivers**

<table>
<thead>
<tr>
<th><strong>Strict Costs Control</strong></th>
<th><strong>Smart Optimization of A&amp;Ps</strong></th>
<th><strong>Permanent Transformation</strong></th>
<th><strong>Decisive Portfolio Management</strong></th>
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<tr>
<td>H1 Measures Maintained for H2</td>
<td>To Maximize ROI</td>
<td>To Maximize Efficiency</td>
<td>To Focus on Winning Assets</td>
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<tr>
<td>Headcount Freeze</td>
<td>Pivot to Digital</td>
<td>Adapting Our Footprint: Distribution Industry Logistics</td>
<td>Closure of Clarisonic</td>
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<td>Travel Ban</td>
<td>Virtual Testers</td>
<td>Reduction of POS Material</td>
<td>Disposal of Roger &amp; Gallet</td>
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<td>Consulting Fees</td>
<td></td>
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<td>Integration of Mugler, Azzaro, Thayers, Valentino</td>
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<td>Strict Control of Investments</td>
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STRONG CONFIDENCE FOR THE 2nd HALF

TRIPLE AMBITION:

• OUTPERFORM THE MARKET
• GET BACK TO POSITIVE LIKE-FOR-LIKE SALES GROWTH
• WITHOUT COMPROMISING PROFITABILITY
3

CONFIDENCE IN THE FUTURE OF BEAUTY
THE BEAUTY MARKET WILL RETURN TO GROWTH

1 L’Oréal worldwide beauty market estimates, excluding razors, soaps and toothpastes, at constant exchange rates.
NEW CONSUMERS ARE ENTERING THE MARKET

NEW CHANNELS ARE INCREASING ACCESS TO BEAUTY

NEW BEAUTY NEEDS ARE CREATING NEW DEMANDS

NEW CONNECTIONS ARE ENGAGING MORE CONSUMERS

MIDDLE & UPPER CLASSES

AGEING POPULATION

MEN'S CONSUMPTION

ONLY THE BEGINNING OF THE E-COMMERCE JOURNEY

MORE HEALTHY

MORE NATURAL

MORE SUSTAINABLE

MORE SERVICES

MORE SOCIAL

MORE PERSONALIZED

THE APPETITE FOR BEAUTY WILL GET STRONGER
WE HAVE ALL THE ASSETS TO RESUME OUR LONG-TERM SUSTAINABLE & PROFITABLE GROWTH MODEL

THE MOST POWERFUL FORCE IN R&I

THE STRONGEST PORTFOLIO OF BRANDS

THE LEADING EDGE IN DIGITAL

THE MOST GLOBAL FOOTPRINT

UNIQUE ORGANIZATION AND CULTURE

LEAD IN SUSTAINABILITY
In 2020
We are determined to outperform the market, find again the path to growth if the sanitary conditions allow it, and deliver solid profitability.

L’OREAL WILL EMERGE IN 2021 STRONGER THAN EVER
RICH AND REAL-TIME INFORMATION

THE LETTER TO SHAREHOLDERS
PRINT & INTERACTIVE

SHAREHOLDERS BROCHURE
PRINT & INTERACTIVE

DIGITAL ANNUAL REPORT
& MOBILE APPLICATION

L’ORÉAL
MEETING WITH THE INDIVIDUAL SHAREHOLDERS

COVID RELATED CONSTRAINTS
DIGITAL

100 % DIGITAL ANNUAL GENERAL MEETING

THE LUNDIS D’INVESTIR DAY

Green Finance & Sustainable Investments

@SHAREHOLDER MEETINGS

KEEP IN TOUCH WITH OUR SHAREHOLDERS
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