



2019 Annual Results

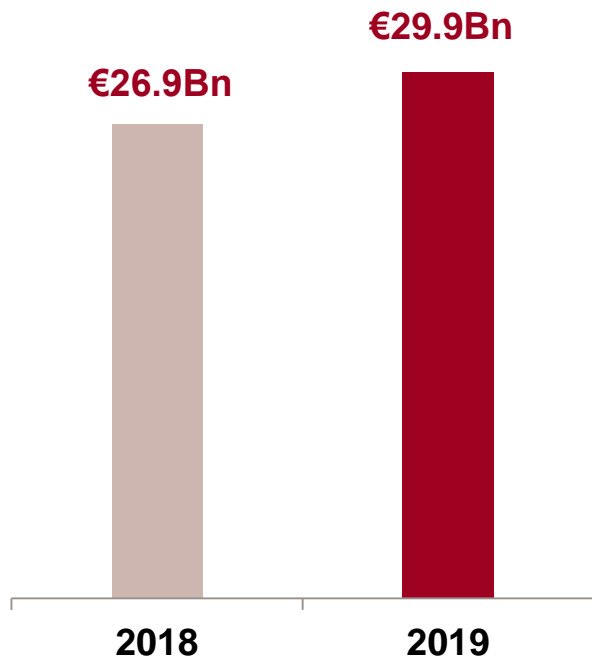
7 February 2020

Mr Christophe Babule
Chief Financial Officer

L'ORÉAL



2019 consolidated group sales



Like-for-like growth	+8.0%
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Of which:

➤ <i>external growth impact</i>	<i>+0.8%</i>
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Growth at constant exchange rates	+8.8%
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➤ <i>exchange rate impact</i>	<i>+2.1%</i>
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Reported growth	+10.9%
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Changes in exchange rates (against the euro)

	Weight in 2019 consolidated sales	Average rate 2018	Average rate 2019	% Change 2019 vs. 2018
Euro	21.7%	—	—	—
US Dollar (1 € =)	23.5%	1.180	1.119	+5.4%
Chinese Yuan	13.8%	0.128	0.129	+0.9%
Pound Sterling	4.3%	1.130	1.140	+0.9%
Russian Ruble	2.5%	0.014	0.014	+2.1%
Canadian Dollar	2.3%	0.653	0.673	+3.0%
Brazilian Real	2.2%	0.233	0.227	-2.6%
Japanese Yen (1000)	1.8%	7.672	8.195	+6.8%
Korean Won (1000)	1.5%	0.770	0.767	-0.4%
Mexican Peso	1.5%	0.044	0.046	+5.3%



Consolidated sales by division

(in million euros)

	2018	2019	% Change		
			Like-for-like	At constant exchange rate	Reported
Professional Products	3 262.5	3 441.9	+3.2%	+3.3%	+5.5%
Consumer Products	12 032.2	12 748.2	+3.3%	+4.4%	+6.0%
L'Oréal Luxe	9 367.2	11 019.8	+13.8%	+14.5%	+17.6%
Active Cosmetics	2 275.5	2 663.7	+15.5%	+16.2%	+17.1%
Total	26 937.4	29 873.6	+8.0%	+8.8%	+10.9%



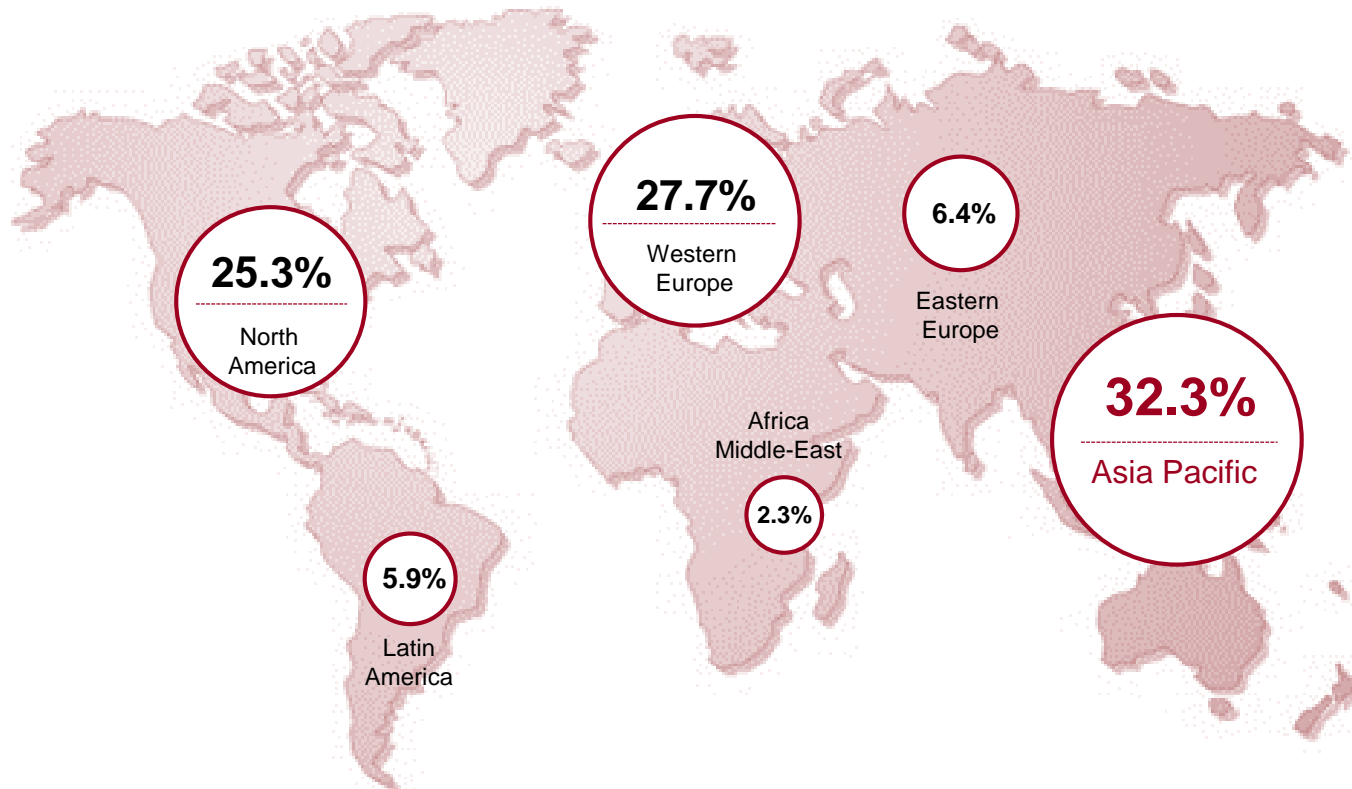
Consolidated sales by region

(in million euros)

			% Change	
	2018	2019	Like-for-like	Reported
Western Europe	8 065.1	8 277.1	+1.8%	+2.6%
North America	7 234.3	7 567.0	-0.8%	+4.6%
New Markets	11 638.1	14 029.5	+17.9%	+20.5%
Of which:				
- <i>Asia, Pacific</i>	7 405.6	9 658.0	+25.5%	+30.4%
- <i>Eastern Europe</i>	1 754.2	1 909.7	+9.0%	+8.9%
- <i>Latin America</i>	1 784.8	1 773.1	+2.0%	-0.7%
- <i>Africa, Middle-East</i>	693.5	688.7	-4.1%	-0.7%
Total	26 937.4	29 873.6	+8.0%	+10.9%



Breakdown of sales by geographic zone (as a % of total sales)





Sales by category

(in million euros)

	2018	2019	% Change		Weight (% sales)
			Like-for-like	Reported	
Skincare	8 557	10 453	+19.6%	+22.2%	35.0%
Make-up	7 383	7 854	+3.0%	+6.4%	26.3%
Hair Care	4 358	4 461	+1.5%	+2.4%	14.9%
Hair Colour	2 950	3 032	+1.0%	+2.8%	10.1%
Fragrances	2 495	2 770	+8.4%	+11.0%	9.3%



Consolidated profit and loss account: from sales to operating profit

<i>(in million euros)</i>	2018	As a % of sales	2019	As a % of sales	Change
Sales	26 937.4	100.0%	29 873.6	100.0%	
Cost of sales	-7 331.6	27.2%	-8 064.7	27.0%	
Gross profit	19 605.8	72.8%	21 808.9	73.0%	+20bps
Research and innovation expenses	-914.4	3.4%	-985.3	3.3%	
Advertising and promotion expenses	-8 144.7	30.2%	-9 207.8	30.8%	+60bps
Selling, general and administrative expenses	-5 624.7	20.9%	-6 068.3	20.3%	-60bps
Operating profit	4 922.0	18.3%	5 547.5⁽¹⁾	18.6%	+30bps

(1) Including a positive impact of €46.1m related to IFRS 16



Operating profit margin by division (as a % of sales)

	2017	2018	2019
Professional Products	20.0%	20.0%	20.1%
Consumer Products	20.0%	20.2%	20.2%
L'Oréal Luxe	21.9%	22.1%	22.6%
Active Cosmetics	22.6%	23.0%	23.3%
Total before non-allocated expenses	20.8%	21.1%	21.4%
Non-allocated expenses ⁽¹⁾	-2.8%	-2.8%	-2.8%
Group	17.6%	18.0%	18.6%

(1) Central group expenses, fundamental research expenses, stock-option & free grant of shares expenses and miscellaneous items as a % of total divisions sales

Consolidated profit and loss account: from operating profit to net profit excluding non-recurring items

(in million euros)

	2018	2019	% Change
Operating profit	4 922.0	5 547.5	+12.7%
Financial revenues/expenses before Sanofi dividends	-1.9	-62.7 ⁽¹⁾	
Sanofi dividends	358.3	363.0	
Profit before tax and associates, excluding non-recurring items	5 278.4	5 847.9	+10.8%
Income tax excluding non-recurring items	-1 286.8	-1 486.7	
Net profit excl. non-recurring items of equity consolidated companies	+0.1	+1.0	
Non-controlling interests	-4.1	-5.4	
Net profit excluding non-recurring items after non-controlling interests	3 987.6⁽¹⁾	4 356.9	+9.3%
Earnings per share (in euros)⁽²⁾	7.08	7.74	+9.3%
Diluted average number of shares	563 098 506	562 813 129	

(1) Including a financial charge of €54.4m related to IFRS16

(2) Diluted earnings per share, excluding non-recurring items, after non-controlling interests



Consolidated profit and loss account: from net profit excluding non-recurring items to net profit

<i>(in million euros)</i>	2018	2019	% Change
Net profit excluding non-recurring items, attributable to owners of the company	3 987.6	4 356.9	+9.3%
Non-recurring items	-92.2	-606.9	
- of which:			
<i>other income and expenses</i>	<i>-94.7</i>	<i>-436.5</i>	
<i>non-recurring tax items</i>	<i>+2.5</i>	<i>-170.4</i>	
Net profit attributable to owners of the company	3 895.4	3 750.0	



Cash flow statements

(in million euros)

	2018	2019	% Change
Net profit	3 899.5	3 755.2	
Depreciation, amortisation and provisions	1 109.3	1 958.2 ⁽¹⁾	
Capital gains and losses on disposals of assets, changes in deferred taxes and others	+169.4	+89.9	
Share of profit in associates, net of dividends received	-0.1	+1.0	
Cash flow	5 178.1	5 802.3	+12.1%
Changes in working capital	+113.8	+460.4	
Investments	-1 416.1	-1 231.0	
Operating net cash flow	3 875.8	5 031.8	+29.8%
Dividends paid	-2 061.4	-2 221.1	
Acquisitions	-666.5	-9.4	
Lease debt repayment	—	-425.8	
Acquisitions of treasury stock	-499.4	-747.3	
Capital increase	+135.3	+60.0	
Others	+66.6	-49.2	
Residual cash flow	+850.4	+1 639.1	

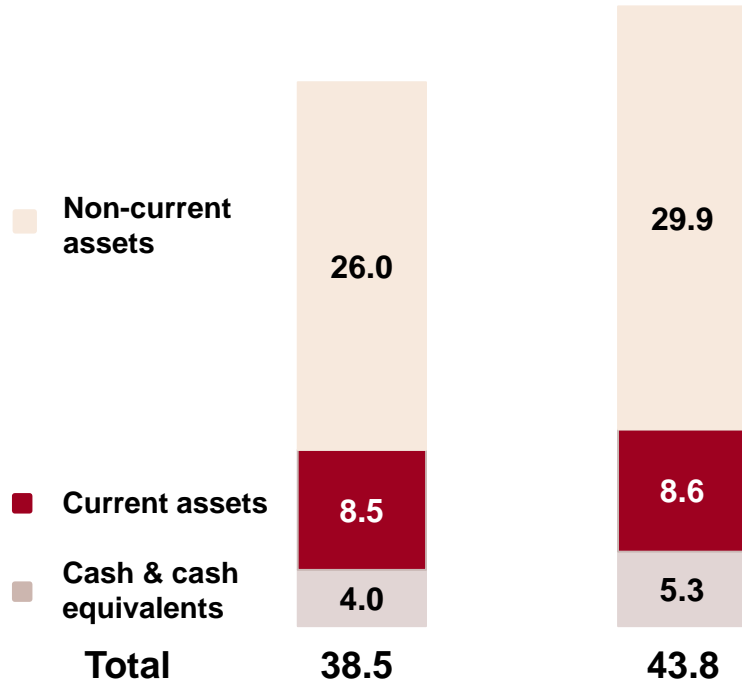
(1): of which €445.1m of right of use (IFRS16)



Balance sheet (in billion euros)

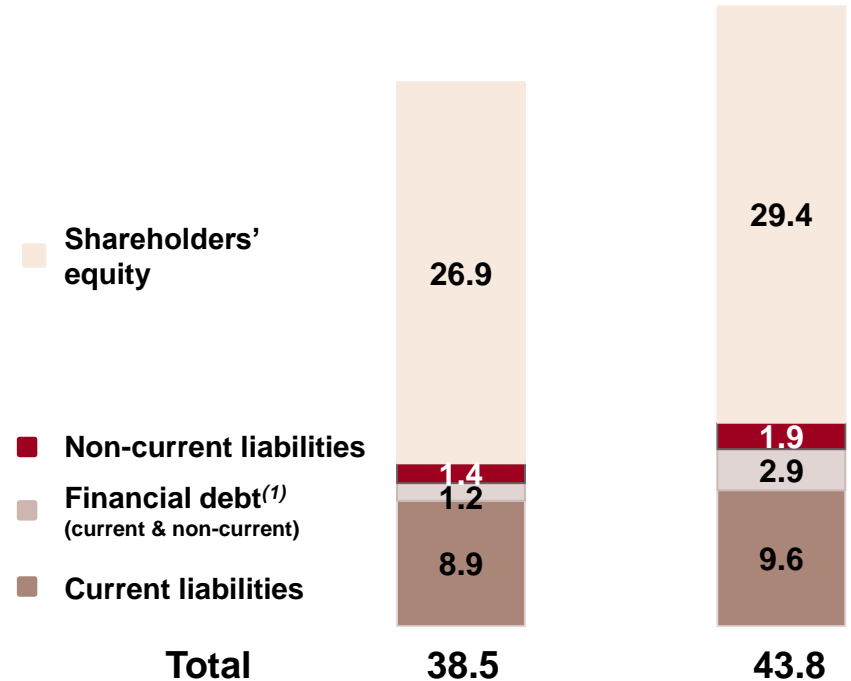
Assets

31 Dec. 2018 31 Dec. 2019



Liabilities

31 Dec. 2018 31 Dec. 2019



(1) of which €2 036m due to the application of IFRS16



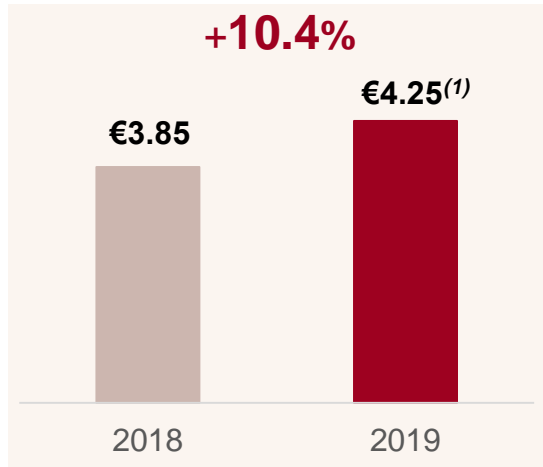
Net cash/net debt and gearing

<i>(in million euros)</i>	31 December 2018	31 December 2019
Net cash	2 750.7	2 399.3
Net cash without the financial lease debt		4 435.2
Gearing⁽¹⁾	N.A.	N.A

(1) Net debt / equity attributable to owners of the company



Dividend from 1997 to 2019 (in euros)



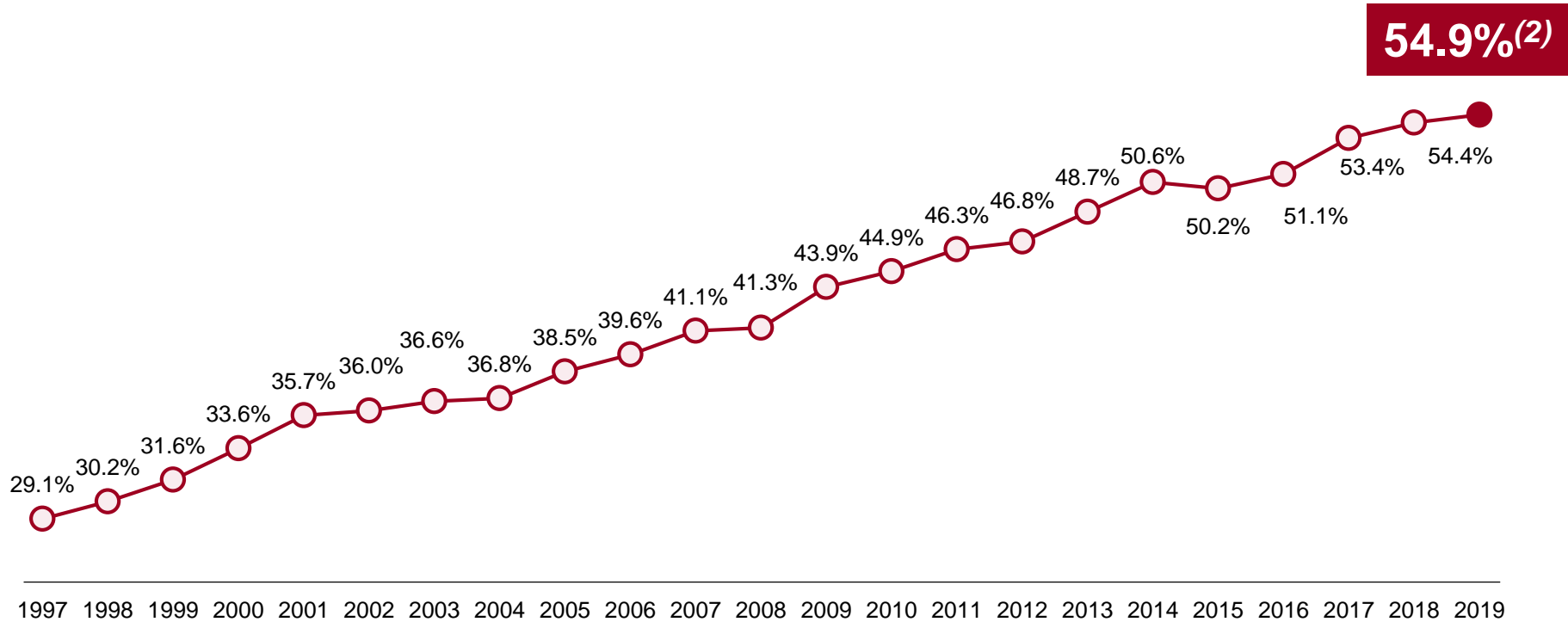
(1) Will be proposed at the shareholders' meeting to be held on 21 April 2020

(2) 2019 dividend paid in 2020: pay-out of the 10% loyalty bonus (preferential dividend of 10%), for shares held in registered form since 2017



Payout ratio from 1997 to 2019

(as a % of net profit⁽¹⁾)



(1) Taking into account the Sanofi history with regards to the dividends

(2) Based on the dividend that will be proposed at the shareholders' meeting held on 21 April 2020



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