



L'ORÉAL

ANNUAL  
GENERAL  
**MEETING** **2022**



# Annual General Meeting

21 April 2022

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Mr Christophe Babule

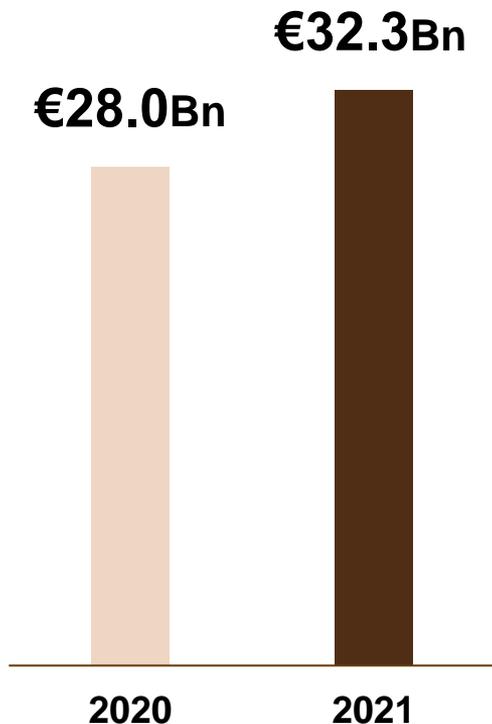
Chief Financial Officer

21 April 2022

L'ORÉAL



# Consolidated sales



<b>Like-for-like growth</b>	<b>+16.1%</b>
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*Of which:*

➤ <i>External growth impact</i>	<i>+0.8%</i>
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<b>Growth at constant exchanges rates</b>	<b>+16.9%</b>
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➤ <i>Exchange rate impact</i>	<i>-1.6%</i>
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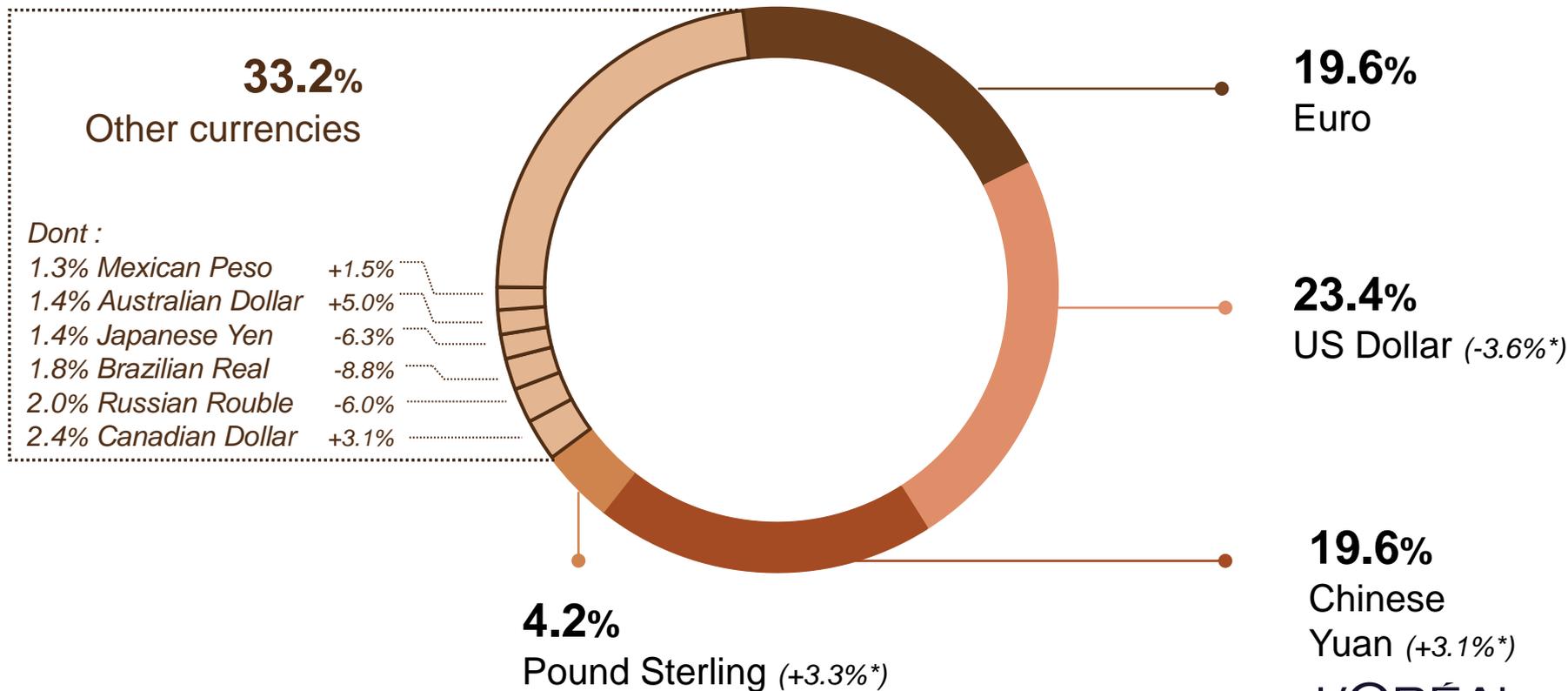
<b>Reported Growth</b>	<b>+15.3%</b>
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**+11.3%\* growth vs. 2019**

\* Like-for-like growth



# Breakdown of consolidated sales by currency (as a % of total sales)



\* % Change vs.2020

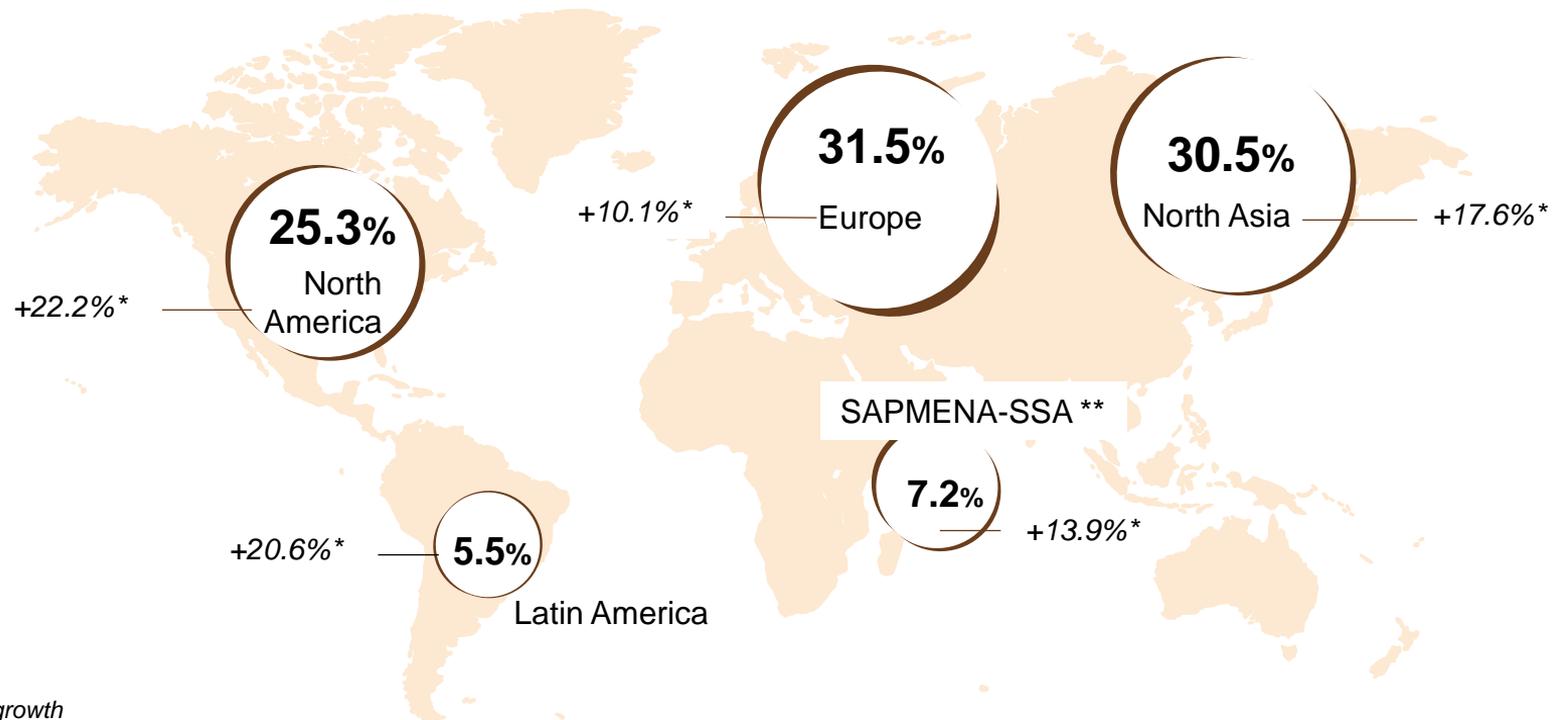


## Sales by division (in million euros)

	% Growth		
	2021	Like-for-like	Reported
Professional Products	3 783	+24.8%	+22.2%
Consumer Products	12 233	+5.6%	+4.5%
L'Oréal Luxe	12 346	+20.9%	+21.3%
Active Cosmetics	3 924	+31.8%	+30.3%
<b>Total</b>	<b>32 287</b>	<b>+16.1%</b>	<b>+15.3%</b>



# Breakdown of sales by region (as a % of total sales)



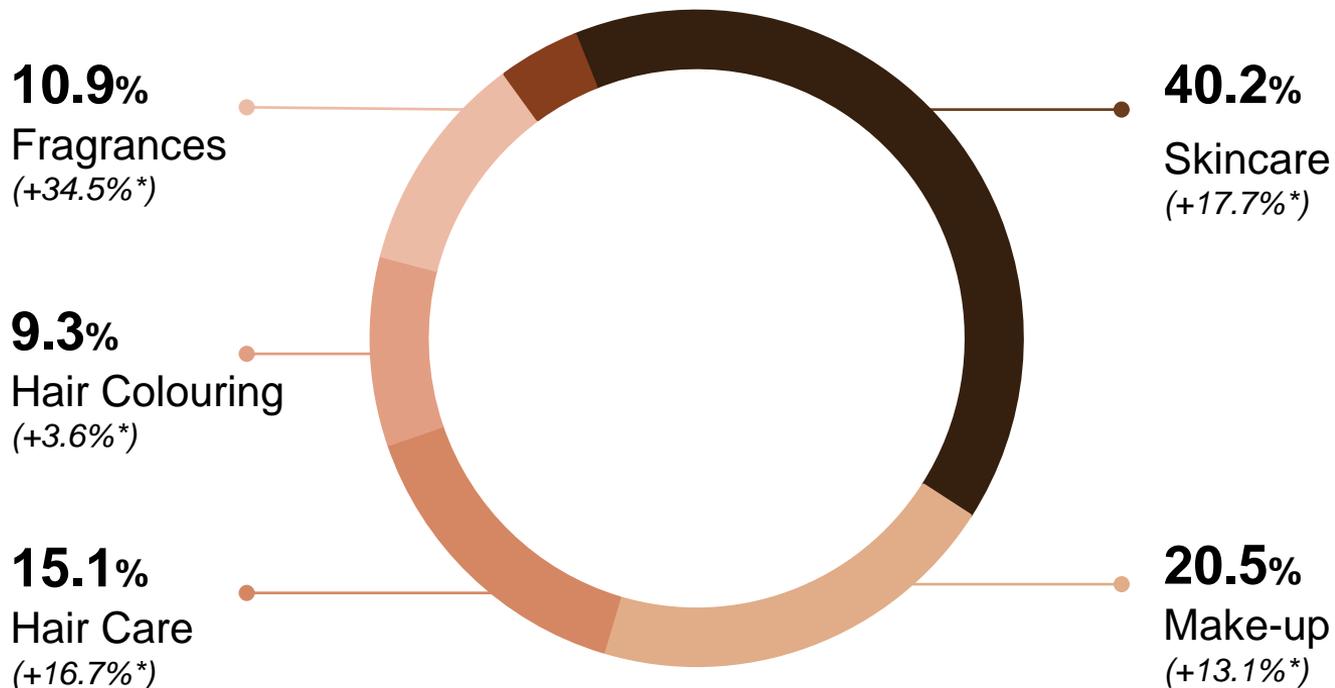
\* Like-for-like growth

In H1-2021, the group has re-defined its geographical zones. At the end of 2021, the geographical breakdown of sales by geographic zone is aligned with the organisation as follows: Europe, North America, North Asia, SAPMENA-SSA and Latin America. All figures for earlier periods have been restated accordingly.

\*\* South Asia Pacific, Middle-East, North Africa - Sub-Saharan Africa



## Breakdown of sales by category (as a % of total sales)



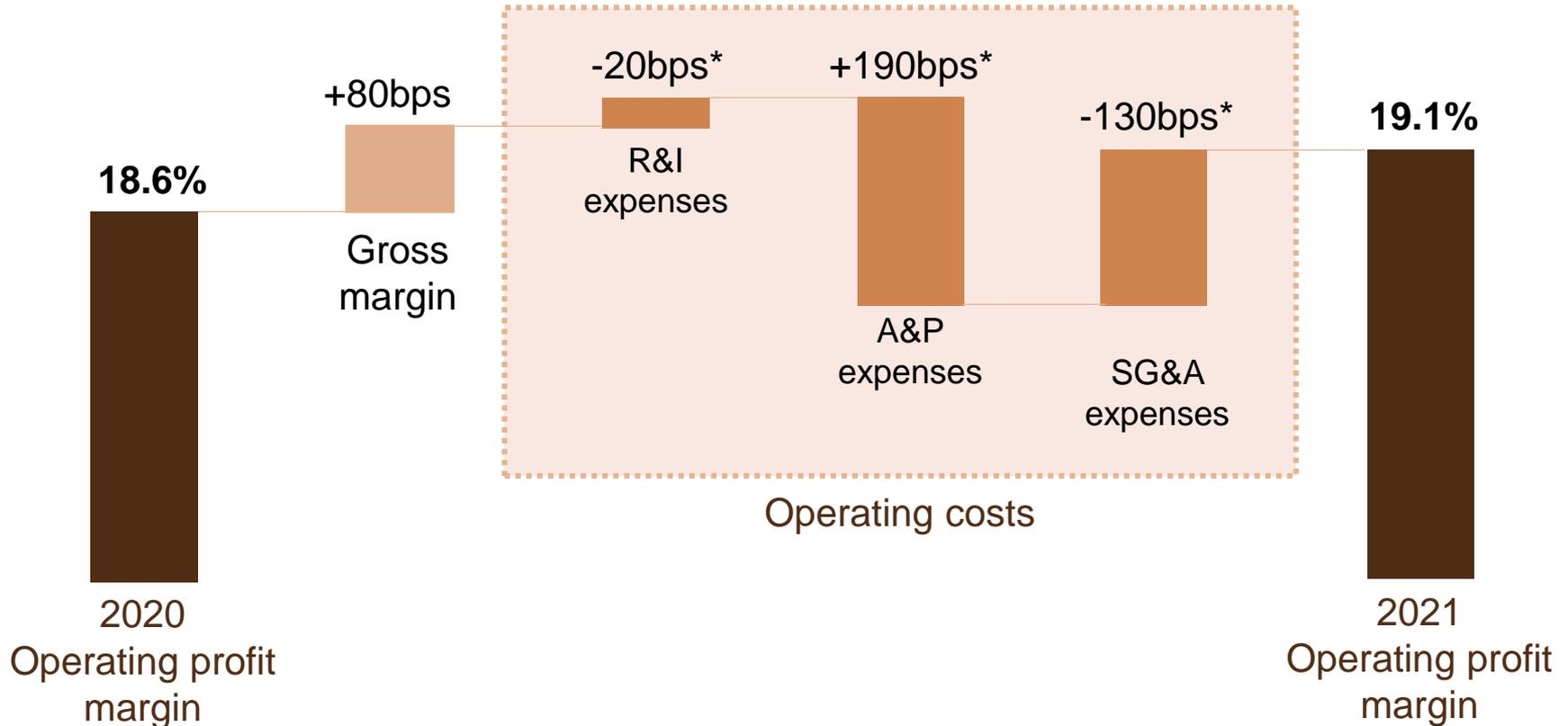
\* Like-for-like growth vs. 2020

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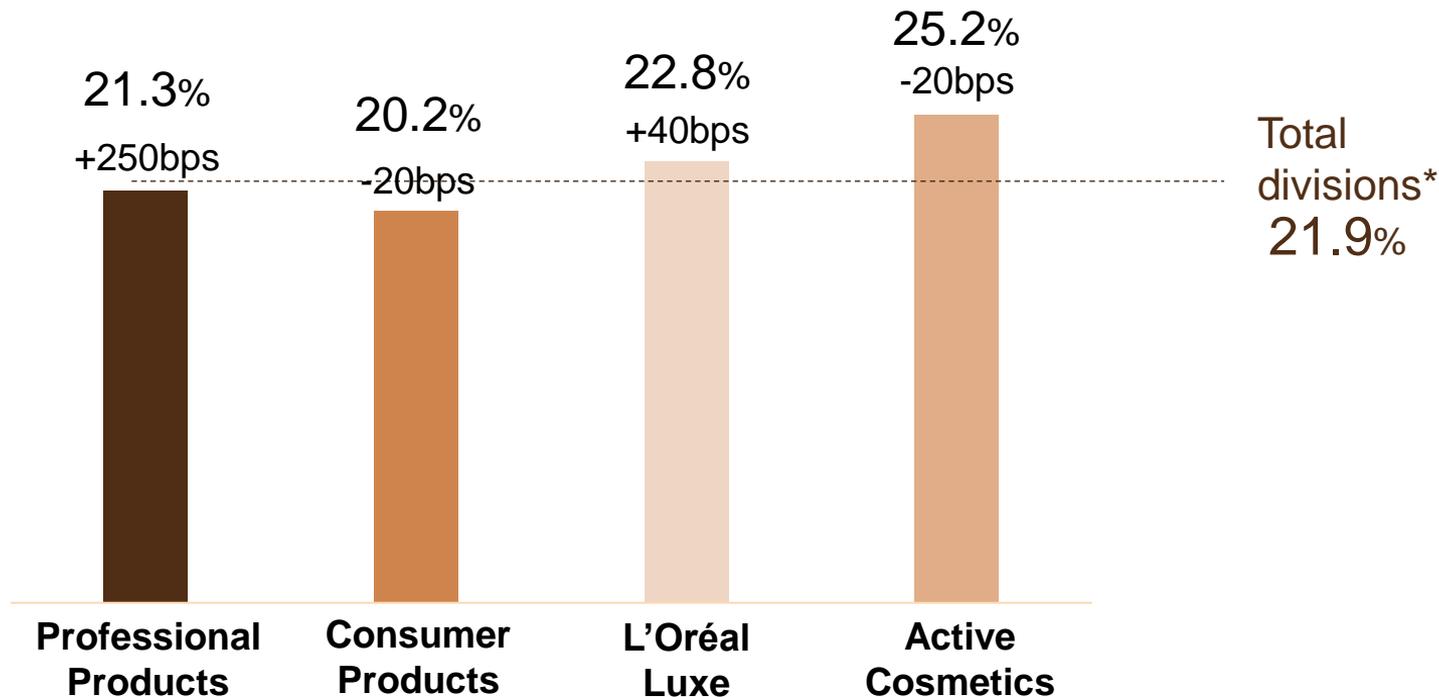
# Operating profit margin growth in 2021



\* +/- change in operating expenses, as a % of sales, in basis points



# Operating profit by division (as a % of total sales)



\* Before non-allocated expenses (expenses of functional divisions, fundamental research, free grant of shares costs, which are not allocated to the divisions), or 2.8% of total sales



## Consolidated income statement: key indicators

<i>(in million euros)</i>	2020	2021	% Growth
Sales	27 992	32 288	+15.3%
Operating profit	5 209	6 160	+18.3%
Operating margin (%)	18.6%	19.1%	
Profit before tax excluding non-recurring items	5 485	6 479	+18.1%
Net profit excluding non-recurring items, after non-controlling interests	4 099	4 939	+20.5%
<b>Earnings per share (in euros) *</b>	<b>7.30</b>	<b>8.82</b>	<b>+20.9%</b>
Net profit after non-controlling interests	3 563	4 597	<b>+29.0%</b>

\* Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests.



# Cash flow statement

<i>(in million euros)</i>	<b>2021</b>	<b>Change vs. 2020</b>
<b>Gross cash flow</b>	<b>6 640</b>	<b>+16.0%</b>
Changes in working capital	+ 88	
Investments	- 1 075	
<b>Operating net cash flow</b>	<b>5 653</b>	<b>+3.1%</b>
Dividends paid	- 2 352	
Acquisition of treasury shares	- 10 060	
Other items	- 949	
<b>Residual cash flow</b>	<b>- 7 708</b>	

\* Other items include acquisitions, repayment of lease debt and capital increase of the parent company

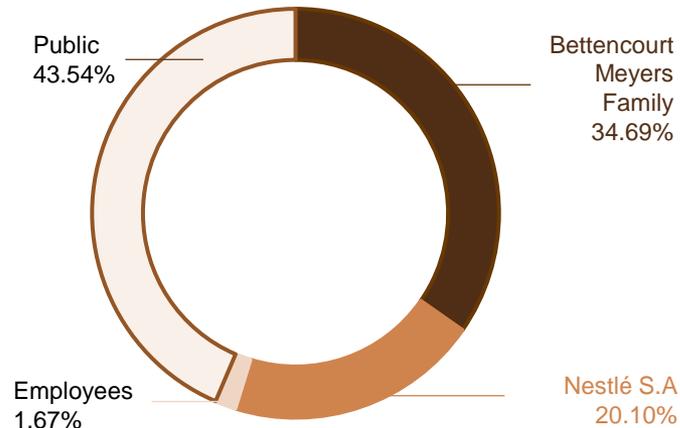


# Buyback by L'Oréal of its own shares held by Nestlé

## Highlights of this strategic transaction

- 22.26 million shares
- Price per share: 400 euros
  - Discount of 5.8% compared to the closing price on December 7, 2021
  - Discount of 2.9% compared to the VWAP for the period from 8 November au 7 December 2021 included
- Total amount paid: 8 904 million euros
- Cancellation of the shares on 10 February 2022
- Accretive impact of more than 4% on 2022 EPS\*

## Shareholder structure at 12 February 2022\*\*



\* Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests

\*\* Based on 535,412,372 shares, after cancellation of the shares bought back



# Financial situation and agencies' ratings

<i>(in million euros)</i>	<b>31 December 2021</b>
Net debt	3 586
Gearing*	15.2%
Leverage (Net debt/EBITDA)	0.5

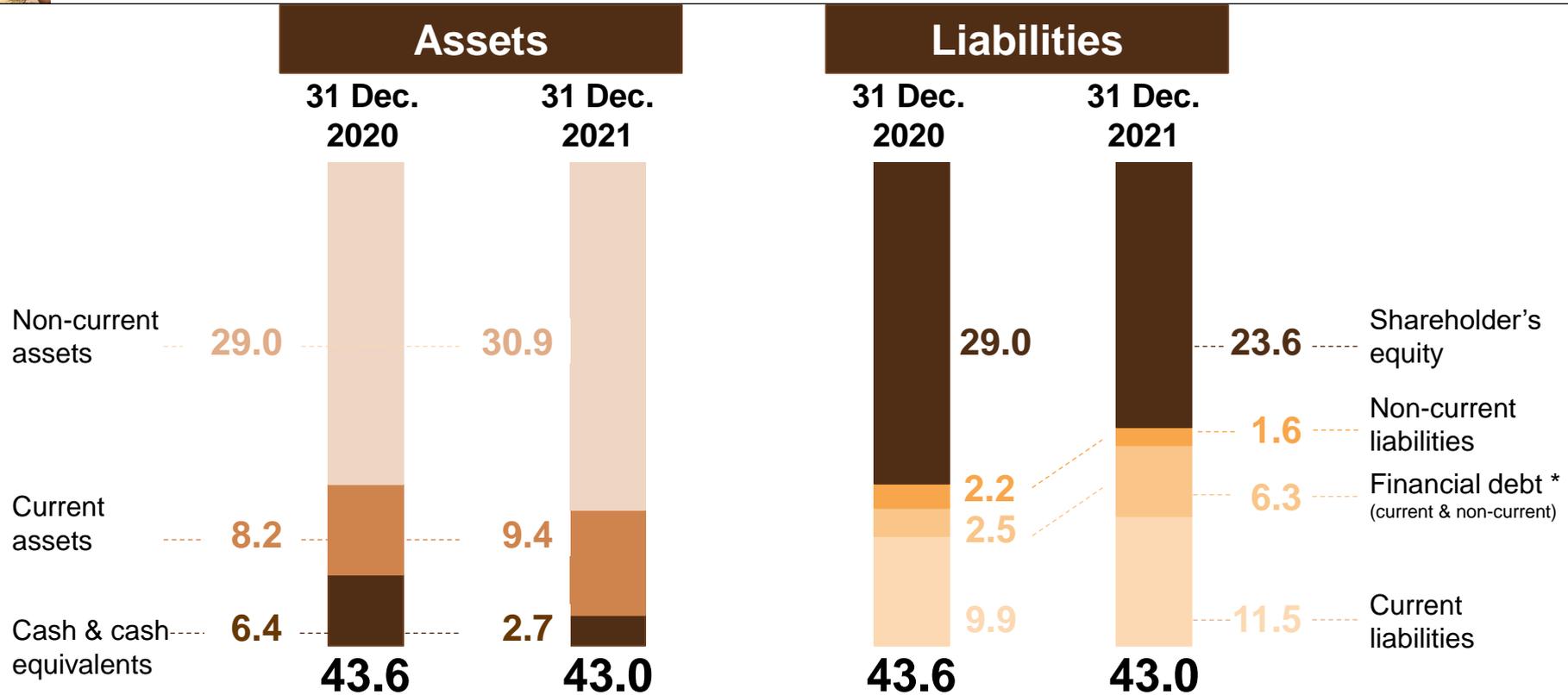
<b>Short term ratings</b>	<b>December 2021</b>
Standard & Poor's	A1 +
Moody's	Prime 1 (P-1)

<b>Long term ratings</b>	<b>March 2022</b>
Standard & Poor's	AA (stable)
Moody's	Aa1 (stable)

\* Net debt/shareholders' equity



# A very robust balance sheet (in billion euros)



\* Of which €1670m due to financial lease debt at the end of December 2021 (IFRS 16) and €1682m at the end of December 2020



# Internal control a range of tools and procedures



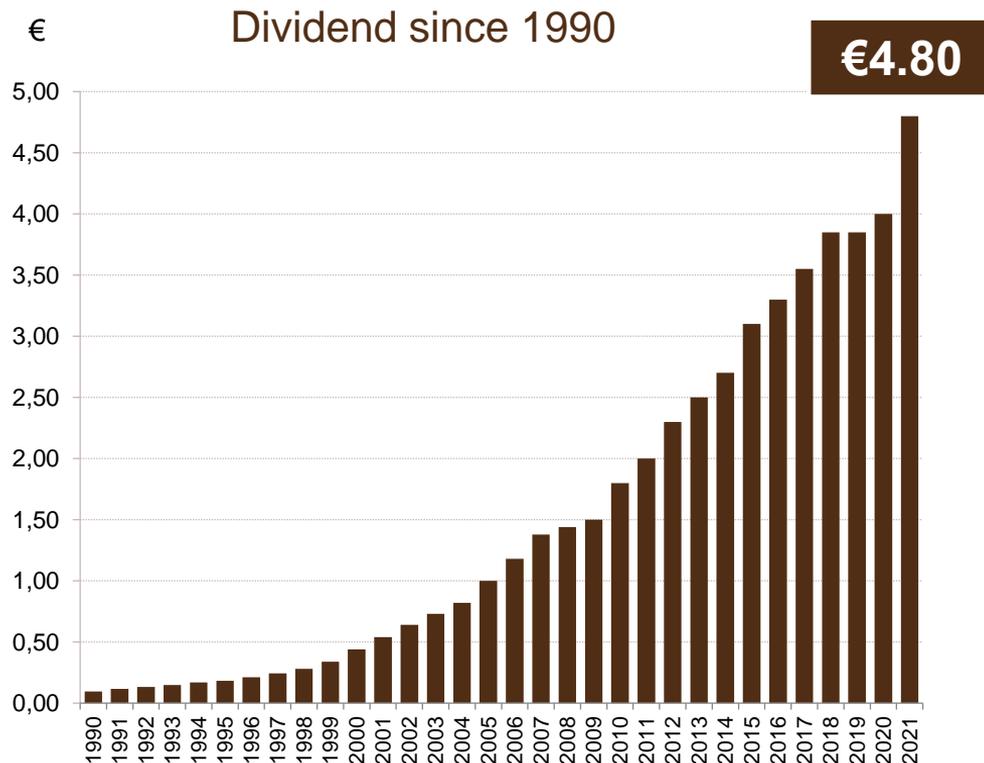


2021 dividend\*

**€4.80 per share**

**+20% over the previous year**

Loyalty bonus of +10%, i.e.  
**€5.28** per share for shares held  
continuously under the registered form  
for at least two calendar years\*\*



\* Proposed at the Annual General Meeting held on 21 April 2022

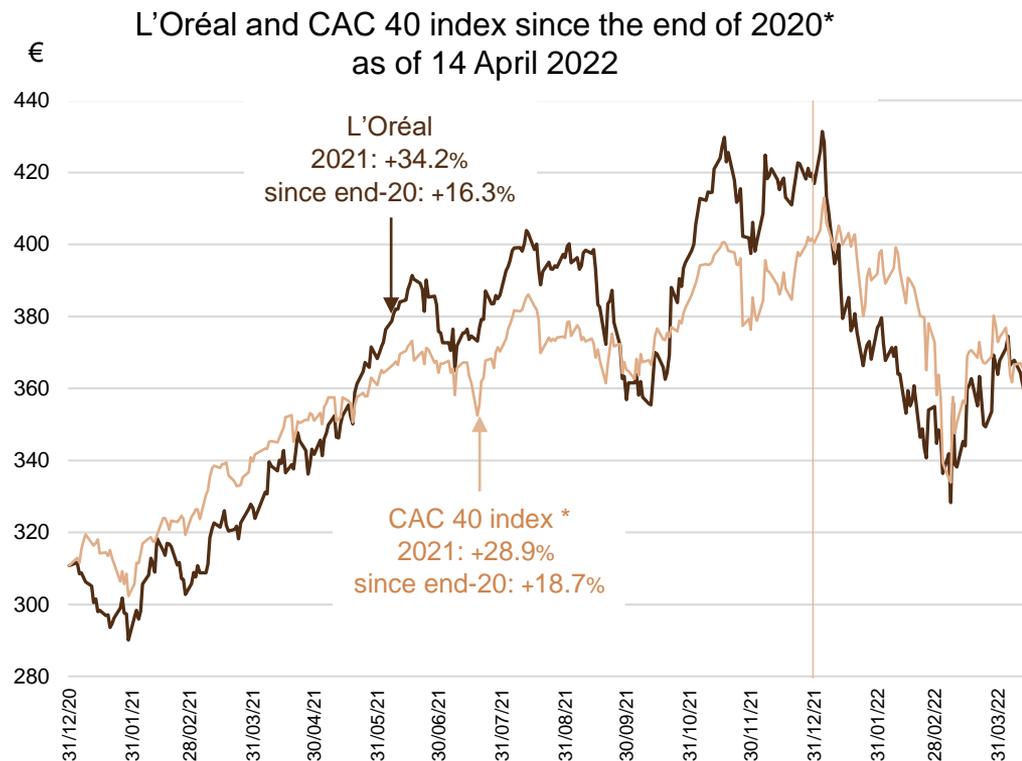
\*\* Up to a maximum of 0.5% of the capital

21 April 2022

L'ORÉAL



# Share performance



\* CAC 40 index rebased on L'Oréal share price as of 31.12.2020  
Source : Nasdaq Eikon Datastream

## Total Shareholders' Return \*\*

	31 December 2021	
	L'Oréal	CAC 40 index
3 years	+29.2%	+17.8%
5 years	+21.0%	+11.1%
10 years	+19.8%	+12.1%

\*\* TSR (Total Shareholder's Return) as of 31.12.2021  
Source: L'Oréal, Refinitiv Eikon Datastream



# First quarter 2022 sales by division (in million euros)

	First quarter 2022	Growth (in %)	
		Like-for-like	Reported
Professional Products	1 041	+17.6%	+22.7%
Consumer Products	3 302	+6.9%	+11.1%
L'Oréal Luxe	3 463	+17.5%	+25.1%
Active Cosmetics	1 252	+18.0%	+22.4%
<b>Total</b>	<b>9 060</b>	<b>+13.5%</b>	<b>+19.0%</b>



## First quarter 2022 sales by region (in million euros)

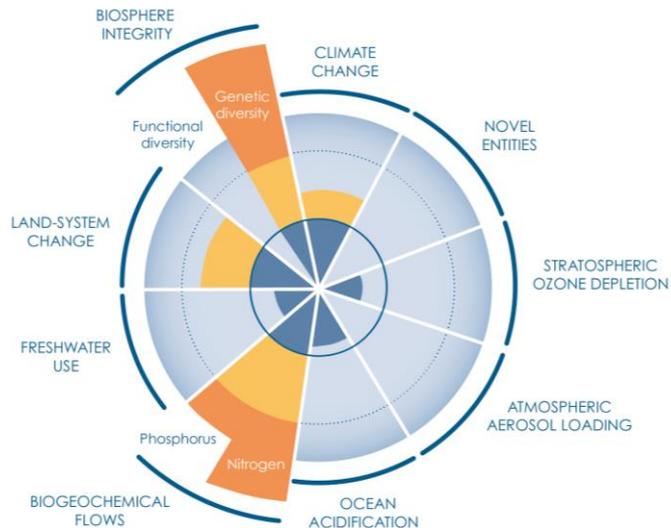
	First Quarter 2022	% Growth	
		Like-for-like	Reported
Europe	2 854	+16.4%	+15.8%
North America	2 203	+12.6%	+21.5%
North Asia	2 801	+9.4%	+18.0%
SAPMENA – SSA *	681	+15.8%	+18.7%
Latin America	519	+22.2%	+33.9%
<b>Total</b>	<b>9 060</b>	<b>+13.5%</b>	<b>+19.0%</b>

\* South Asia Pacific, Middle-East, North Africa - Sub-Saharan Africa

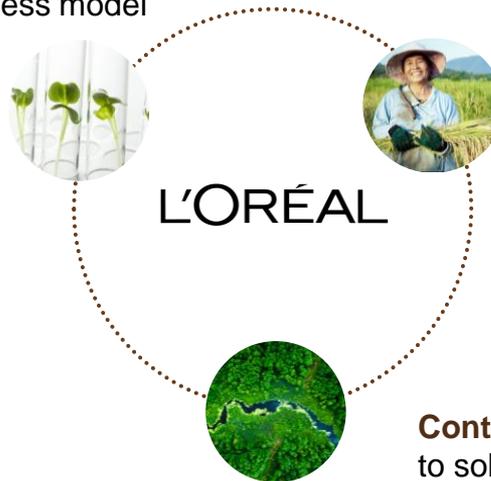


# Environmental and social responsibility L'Oréal for the Future

## New ambitions in terms of sustainable development Transforming our activities to respect the planetary boundaries



**Accelerating the transformation**  
of our business model



**Empowering**  
our business ecosystem  
helping it transition to a  
more sustainable world

**Contributing**  
to solve the challenges  
of the world

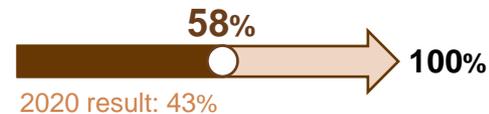


# Corporate social & environmental responsibility

## L'Oréal for the Future

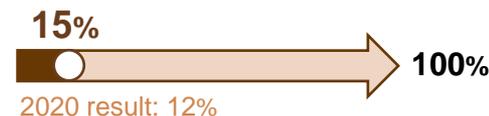
### Climate

By 2025, all of our sites will achieve **carbon** neutrality by improving energy efficiency and using **100%** renewable energy.



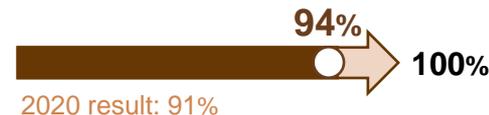
### Water

By 2030, **100%** of the **water** used in our industrial processes will be recycled and reused in a loop..



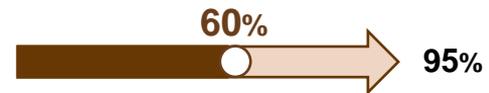
### Biodiversity

By 2030, **100%** of the biobased **ingredients** for formulas and packaging materials will be traceable and will come from sustainable sources, none will be linked to deforestation.



### Resources

By 2030, **95%** of our **ingredients** in formula will be biobased, derived from abundant minerals or from circular processes



### Resources

By 2030, **100%** of our **plastic packaging** will be either from recycled or biobased sources (we will reach **50%** in 2025).





# Corporate social & environmental responsibility

## Environment

For the 6<sup>th</sup> year  
in a row



CLIMATE FORESTS WATER

## Ethics

For the 12<sup>th</sup> time



## Equality

For the 5<sup>th</sup> year  
in a row



## Diversity

Top 10





# Corporate social & environmental responsibility

## Attractivity

5<sup>th</sup> in the world ranking



## UN distinction

For the 7<sup>th</sup> year in a row



Global Compact  
**LEAD**  
PARTICIPANT

## ESG Rating



FTSE4Good

Score of 4.3 / 5

**S&P Global**  
Ratings

Score of 85 / 100

**MSCI**  
ESG RATINGS



AAA score

CCC B BB BBB A AA **AAA**



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