

First quarter 2022 sales

SUSTAINED GROWTH PACE AT +13.5%¹ IN AN UNSTABLE CONTEXT

VERY STRONG REPORTED GROWTH: +19.0%

- **Sales: 9.06 billion euros**
 - +13.5% like-for-like¹
 - +13.9% at constant exchange rates
 - +19.0% based on reported figures
- **Significantly outperforming the market**
- **Balanced growth, by Division and Zone**
- **Strong upswing in brick-and-mortar sales: +15.5%¹**

Commenting on the figures, Nicolas Hieronimus, CEO of L'Oréal, said:

“ Against the backdrop of the invasion of Ukraine and strengthened sanitary measures in China, L'Oréal had a strong first quarter, with strong growth in sales, at +13.5% like-for-like and +19.0% reported.

In the first three months of the year, the growth trend continued in the global beauty market, with consumer purchasing behaviour unaffected by inflation. L'Oréal pursued its premiumisation and innovation strategy and continued to outpace the beauty market across all Zones and Divisions, recording strong growth by volume and value. L'Oréal Luxe, Professional Products and Active Cosmetics all achieved double-digit growth, and our Consumer Products Division again outperformed the market despite supply-chain challenges. We made the most of our omnichannel strategy, with a clear revival in offline sales while e-commerce² continued to grow, representing 25.8% of sales.

Our growth was balanced across all geographic Zones, with continued outstanding momentum in North America, double-digit growth in mainland China, and an acceleration in emerging markets as well as in Europe, where growth was muted by a number of lockdowns in early 2021.

In these challenging times following the invasion of Ukraine, I would like to express our support for all our Ukrainian employees, whose protection remains our absolute priority.

Thanks to the unrelenting efforts of our teams across the world, we will pursue our strategy of harnessing cutting-edge innovation and investment to drive the growth of our brands and enhance their desirability going forward.

While mindful of volatility and uncertainty, we remain optimistic about the outlook for the beauty market and confident in our ability to outperform the market in 2022 and achieve another year of growth in sales and profits.”

¹ Like-for-like: based on a comparable structure and identical exchange rates.

² Sales achieved on our brands' own websites and with e-commerce pure players + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data).

FIRST QUARTER 2022 SALES

Like-for-like, i.e. based on a comparable scope of consolidation and constant exchange rates, the growth of L'Oréal group sales was +13.5%.

The net impact of changes in the scope of consolidation was +0.4%.

Growth at constant exchange rates amounted to +13.9%.

Currency fluctuations had a positive impact of +5.1%. By extrapolating the exchange rates as of 31 March 2022, i.e. with €1 = \$1.109 up until 31 December, the impact of currency fluctuations on 2022 full-year sales would be around +4.4%.

Based on reported figures, the Group's sales, at 31 March 2022, amounted to 9.06 billion euros, an increase of +19.0%.

Sales by Division and Geographic Zone

€m	Quarterly sales		Evolution	
	1st quarter 2021	1st quarter 2022	Like-for-like	Reported
By Division				
Professional Products	848.3	1,041.3	+17.6%	+22.7%
Consumer Products	2,973.3	3,302.9	+6.9%	+11.1%
L'Oréal Luxe	2,769.7	3,463.7	+17.5%	+25.1%
Active Cosmetics	1,023.3	1,252.7	+18.0%	+22.4%
Group Total	7,614.5	9,060.5	+13.5%	+19.0%
By geographic Zone				
Europe	2,465.0	2,854.5	+16.4%	+15.8%
North America	1,813.6	2,203.9	+12.6%	+21.5%
North Asia	2,374.4	2,801.8	+9.4%	+18.0%
SAPMENA – SSA ³	573.8	681.1	+15.8%	+18.7%
Latin America	387.8	519.2	+22.2%	+33.9%
Group Total	7,614.5	9,060.5	+13.5%	+19.0%

³ SAPMENA – SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa

Summary by Division

PROFESSIONAL PRODUCTS

At the end of March, Professional Products recorded strong growth, at +17.6% like-for-like and +22.7% reported.

The Division maintained solid momentum in all geographic Zones, with outstanding performance in the United States, Germany, India and mainland China. It successfully capitalised on its omnichannel strategy, with an acceleration of in-salon sales, sustained growth across the SalonCentric network in the United States, and a sharp increase in e-commerce sales.

Haircare was still the main growth driver, largely thanks to *Serie Expert* by *L'Oréal Professionnel* and *Prescriptions* by *Redken*. *Kérastase* continued its impressive upward trend, with the successful launch of *Chroma Absolu* one of the main highlights. The outstanding performance in hair colour was largely due to the sustained growth of *Shades EQ* by *Redken*, and *Inoa* and *Dialight* by *L'Oréal Professionnel*.

CONSUMER PRODUCTS

The Consumer Products Division continued to grow in the first quarter, at +6.9% like-for-like and +11.1% reported.

The Division recorded a very positive start to the year in Europe and in the United States, despite supply difficulties. In Latin America and SAPMENA – SSA, the Division achieved standout performance, while in North Asia it was penalised by the slowdown of some e-commerce players in mainland China.

By channel, the acceleration of the Division was driven by the strong upswing in brick-and-mortar sales, while e-commerce continued to grow.

Thanks to a strong focus on successful innovations and the premiumisation strategy put in place, all major brands continued to grow. *L'Oréal Paris* enjoyed strong momentum in haircare, with the outstanding success of *Hyaluron Plump*, and in makeup, with *True Match* serum. The brand also gained more ground in emerging markets and especially in South Asia, with the launch of *Glycolic Bright*. *Garnier* showed a significant acceleration in skincare, buoyed by the global success of *Fast Bright* and its *Vitamin C Brightening Serum*. Both *Maybelline New York* and *NYX Professional Makeup* revitalised the makeup category, with highly successful launches for *Colossal Curl Bounce* mascara and *Bare With Me Concealer Serum*.

L'ORÉAL LUXE

Posting a strong first quarter, with like-for-like growth of +17.5% like-for-like and +25.1% reported, L'Oréal Luxe outperformed the global luxury beauty market.

L'Oréal Luxe achieved balanced growth across geographic Zones. At the end of March, the Division held a historic market share in North Asia and, moreover, outperformed a dynamic market in North America. L'Oréal Luxe also recorded an excellent first quarter in Europe.

The Division gained market share thanks to the strength and complementarity of its brand portfolio. The couture brands *Yves Saint Laurent*, *Giorgio Armani*, *Prada* and *Valentino* grew significantly faster than their markets. *Lancôme* consolidated its leadership in mainland China and its position among the Top 3 in the Western world.

In a very dynamic fragrance market, L'Oréal Luxe reinforced its lead with the success of 'blockbuster' prestige products for women and men, as well as rapid growth in collection fragrances such as *Maison Margiela Replica* and *Armani Privé*. In skincare, the Division's performance was driven by the ultra-premium segment, including *Lancôme Absolue* and *Helena Rubinstein*, with newly acquired brands *Takami* and *Youth to the People* showing real promise. *Shu Uemura* and *Urban Decay* recorded strong growth in makeup.

ACTIVE COSMETICS

At the end of March, the Division recorded strong growth of +18.0% like-for-like and +22.4% reported.

The Active Cosmetics Division outpaced the global dermocosmetics market, gaining market share in each Zone. All Zones achieved double-digit growth, with an exceptional performance in North America and in SAPMENA – SSA. Online sales growth continued while brick-and-mortar outlets saw a sharp upswing, driven by professional channels.

The brands continued to build on their partnership with healthcare professionals. *La Roche-Posay's* strong performance was fuelled by the ongoing success of *Cicaplast* and *Effaclar* and boosted by the launch of its breakthrough innovation: *UVMune* sun protection. Underpinned by a solid performance last year, *CeraVe* maintained outstanding momentum in all Zones. Growth at *Vichy* was fuelled by *Dercos* and a solid performance in sunscreens.

Summary by geographic Zone

EUROPE

The Zone achieved growth of +16.4% like-for-like and +15.8% reported.

The European market was buoyant in the first quarter, returning to pre-pandemic levels, driven by strong growth in the fragrance and makeup categories. The online sales channel was slightly down compared with a high baseline a year earlier, however showing a clear improvement over a two-year period. L'Oréal continued to outperform the market in this channel in the first quarter.

There was sustained sales growth in most countries, and especially in the United Kingdom, Spain and Italy. The Consumer Products Division continued to grow thanks to market-share gains in makeup. L'Oréal Luxe took full advantage of its leading position in fragrances. The Active Cosmetics Division significantly outperformed the market. The Professional Products Division maintained momentum across all major brands.

The Group's activities in Ukraine were put on hold on 24 February, following the invasion. In Russia, the Group has temporarily closed all its own stores and e-commerce sites and suspended all industrial and media investments. In accordance with European and American sanctions, it has temporarily suspended the sales of all products except essential daily products.

NORTH AMERICA

The Zone grew by +12.6% like-for-like and 21.5% reported.

Acceleration continued despite the persistence of supply chain constraints. The ongoing focus on innovations, investment in growth drivers and improvement in valorisation across all Divisions also boosted quarterly performance. By channel, e-commerce continued to grow and brick-and-mortar sales bounced back strongly.

The Consumer Products Division continued to grow with the success of consumer-centric innovation pillars across all categories. Makeup was back as the top growth contributor, gaining market share. A strong fragrance portfolio continued to drive L'Oréal Luxe share gains. The Professional Products Division grew in salons and in the SalonCentric channel, and experienced tremendous growth online. The Active Cosmetics Division continued to grow strongly.

NORTH ASIA

At the end of March, the Zone was up +9.4% like-for-like and +18.0% reported. L'Oréal significantly outperformed the market despite several headwinds due to the Covid-19 pandemic. In February, Hong Kong experienced significant disruption due to a new wave of infections. In March, several Chinese cities were in strict lockdown and travel restricted, which weighed on the market.

L'Oréal Luxe achieved strong market-share gains, thanks to the success of premium skincare and a spectacular performance in fragrance, an emerging category in the Zone. The rebound of makeup and the breakthrough in premium haircare contributed to the performance of the Consumer Products Division. Active Cosmetics recorded strong growth underpinned by its scientific and medical roots. The Professional Products Division grew strongly, both in salons and online.

With double-digit growth in mainland China, L'Oréal continued to outperform the beauty market thanks to successful campaigns for Chinese New Year, Valentine's Day and Women's Day. The Group further strengthened its lead in the country, gaining market share online and offline. In Hainan, L'Oréal outperformed the Travel Retail market, which remained very dynamic.

Performance in South Korea was driven by strong beauty market growth while *Takami*, L'Oréal's latest Japanese acquisition, fuelled sales growth in Japan.

SAPMENA – SSA ⁴

The SAPMENA Zone grew by +15.8% like-for-like and +18.7% reported.

As markets reopened international borders and relaxed public health measures, L'Oréal achieved an outstanding quarterly performance in SAPMENA, with a strong recovery in South-East Asia and in South Asia, and strong performance in India and Gulf countries. There was also a solid upswing for brick-and-mortar outlets and ongoing growth in online sales. The Consumer Products Division saw a recovery in the makeup category. L'Oréal Luxe accelerated in fragrances, which became the biggest category for the Division. Professional Products growth was led by salon reopenings, driving sales in both haircare and colour. Active Cosmetics achieved strong double-digit growth in all markets.

In Sub-Saharan Africa (SSA), L'Oréal recorded notable performance in South Africa and Kenya. Active Cosmetics achieved exceptional growth. L'Oréal Luxe posted outstanding growth, driven by ongoing momentum in both women's and men's fragrances. The Consumer Products Division experienced a clear recovery in makeup.

LATIN AMERICA

The Zone recorded very strong growth of +22.2% like-for-like and +33.9% based on reported figures.

In the first quarter of 2022, the beauty market continued to expand in all major countries, with a particularly strong recovery in Mexico compared with the first quarter of 2021.

In this context, L'Oréal achieved an outstanding performance in Mexico and Chile, while Brazil saw strong growth. The Consumer Products Division made significant market share gains. L'Oréal Luxe and Active Cosmetics reaffirmed their No.1 position. The Professional Products Division also recorded a solid performance as consumers are returning to salons.

L'Oréal enjoyed strong growth in all major categories, most notably in haircare, skincare and fragrances, driven by its superior innovations as well as the appeal of its iconic brands and products. Brick-and-mortar sales grew strongly while e-commerce sales continued to be very dynamic, thanks to the ongoing focus on digital consumer connection and online activation.

⁴ SAPMENA – SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa

IMPORTANT EVENTS DURING THE PERIOD 1/1/22 TO 31/3/22

- On 9 February 2022, the Board of Directors of L'Oréal cancelled, effective as of 10 February 2022, the 22,260,000 L'Oréal shares repurchased from Nestlé, in accordance with the Board's decisions on 7 December 2021. As of 10 February 2022, **L'Oréal's capital** is formed by 535,412,372 shares with equivalent voting rights.
- On 22 February, L'Oréal joined forces with more than 30 personal care companies and professional associations to form the **EcoBeautyScore Consortium**. The goal is to develop an industry-wide environmental impact assessment and scoring system for cosmetics products.
- On 25 February, **David Greenberg** was appointed CEO of L'Oréal USA, President of North America Zone, and member of the Executive Committee.
- On 3 March, for the fifth year in a row, L'Oréal was among the top 20 most gender-equitable companies in the world in **Equileap's Global Gender Equality Ranking**. The Group is again No.1 in France. The research examined 3,895 companies, representing 102 million employees globally, on gender equality across 23 countries based on 19 in-depth criteria.
- On 11 March, L'Oréal received a **Long-Term Issuer credit rating** from Standard and Poor's, and an Issuer Rating of Aa1 from Moody's. The outlooks assigned to the ratings by both agencies are "Stable". On 22 March, L'Oréal announced that it had successfully priced its inaugural **public bond offering⁵, including a sustainability-linked tranche**, for an aggregate nominal value of 3 billion euros. The new issuance was very well received by the market, with total demand of 10.7 billion euros, just over 3.5 times the combined total of the offering.
- On 17 March, the **2021 Universal Registration Document** was filed with the Autorité des Marchés Financiers. It is made available to the public according to the terms of the regulations in force and may be viewed on the www.loreal-finance.com website.
- On 21 March, **L'Oréal** marked International Fragrance Day by announcing a **strategic partnership** in beauty with leading neurotech company **EMOTIV**. The initiative aims to help consumers find the perfect fragrance, personalised to fit their preferences, by combining an EMOTIV neurotech device with proprietary L'Oréal scents and algorithms. Created in conjunction with EMOTIV by L'Oréal's Technology Incubator, luxury brand *Yves Saint Laurent* and a team of fragrance experts, the unique fragrance consultation experience connects neuro responses to fragrance preferences through a multi-sensor EEG-based headset.

⁵ NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, JAPAN OR AUSTRALIA

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This news release may contain some forward-looking statements. Although the Company considers that these statements are based on reasonable hypotheses at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual results to differ materially from those indicated or projected in these statements."

This is a free translation into English of the news release issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

About L'Oréal

For over 110 years, L'Oréal, the world's leading beauty player, has devoted itself to one thing only: fulfilling the beauty aspirations of consumers around the world. Our purpose, to create the beauty that moves the world, defines our approach to beauty as inclusive, ethical, generous and committed to social and environmental sustainability. With our broad portfolio of 35 international brands and ambitious sustainability commitments in our L'Oréal for the Future programme, we offer each and every person around the world the best in terms of quality, efficacy, safety, sincerity and responsibility, while celebrating beauty in its infinite plurality.

With 85,400 committed employees, a balanced geographical footprint and sales across all distribution networks (e-commerce, mass market, department stores, pharmacies, hair salons, branded and travel retail), in 2021 the Group generated sales amounting to 32.28 billion euros. With 20 research centers across 11 countries around the world and a dedicated Research and Innovation team of over 4,000 scientists and 3,000 tech professionals, L'Oréal is focused on inventing the future of beauty and becoming a Beauty Tech powerhouse. More information on <https://www.loreal.com/en/mediaroom>

L'ORÉAL CONTACTS

	Individual Shareholders and Market Authorities	Investor relations	Journalists
Switchboard +33 (0) 1 47 56 70 00	Mr Christian Munich +33 (0)1 47 56 72 06 christian.munich2@loreal.com	Ms Françoise Lauvin +33 (0)1 47 56 86 82 francoise.lauvin@loreal.com	Ms Noëlle Camilleri +33 (0)6 79 92 99 39 noelle.camilleri@loreal.com

For more information, please contact your bank, broker or financial institution (I.S.I.N. code: FR0000120321), and consult your usual newspapers, the Internet site for shareholders and investors, www.loreal-finance.com or the L'Oréal Finance app, alternatively, call +33 1 40 14 80 50.



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APPENDIX

L'Oréal group sales 2021/2022 (€ million)

	2021	2022
First quarter	7,614.5	9,060.5
Second quarter	7,582.1	
First half total	15,196.6	
Third quarter	7,996.6	
Nine months total	23,193.1	
Fourth quarter	9,094.4	
Full year total	32,287.6	