

No. 89
SPRING
SUMMER
2025

THE LETTER TO SHAREHOLDERS



ASSEMBLÉE GÉNÉRALE 2025 L'ORÉAL



SPECIAL EDITION 2025 ANNUAL GENERAL MEETING

EXTRACTS FROM SPEECHES
BY THE **CHAIRMAN**
& **CEO**

YOUR QUESTIONS
& **OUR NEWS**

L'ORÉAL
FINANCE



“L'Oréal's business model is resilient. It is the key to creating value for all.”

JEAN-PAUL AGON,
Chairman of the Board of Directors of L'Oréal

“Ladies and Gentlemen, Dear Shareholders,

Your Company is firmly focused on the future, driven by the constant desire to innovate, combined with the strength and determination embedded in its DNA. We do not yield to the world's uncertainty. On the contrary, we reaffirm both our ambition and our commitments.

Your Company consolidated its position as the world's No.1 beauty group and delivered strong earnings growth in 2024. L'Oréal's business model is resilient. It is the key to creating value for all.

The quality of our results enables us to propose a dividend of €7 per share, up +6.1%, with a record share of profits dedicated to dividends of 55.3%. In 2024, over 120,000 new individual shareholders invested in L'Oréal. The Group's long-standing shareholders are well aware of the long-term performance of the L'Oréal stock: over the last 15 years, the total shareholder return has exceeded 12% per year and invested capital has increased fivefold. As Chairman, I am proud to see the Group's constant appeal, and I would like to thank you for your trust.

We are committed to building an ever-closer relationship with our shareholders. The Individual Shareholder Relations team has developed a range of educational content designed with you in mind. It has also launched the “Rendez-Vous Extraordinaires”, giving individual shareholders the opportunity to attend exclusive events. More sharing, more proximity, more trust - that is the promise we renew to you, year after year.

Once again this year, the contribution of 90,000 “L'Oréaliens” was exemplary. They are a model of agility, perseverance and boldness. Together, they are the finest team in the world of beauty. I would like to thank them and extend my warmest congratulations. Their commitment to L'Oréal is total - and so is our confidence in them. That is why we have decided to annualise our employee share ownership plan, both in France and internationally. It is a fair way to share the rewards of their strong dedication, align their interests with yours and involve them more closely in the future of your Company.

Our teams are shaping the L'Oréal of tomorrow, while bringing to life the vision of the responsible corporate citizen we are determined to remain. L'Oréal is fully committed to tackling the universal challenges of our time - climate, equity and respect for difference.

L'Oréal will continue to pursue its strategy of dual excellence. L'Oréal will continue to shape the future of beauty.

Your Company is united by an unwavering vision and principles: an ambition for sustainable and responsible growth, excellence, scientific and technological innovation, quality, a humanistic culture and a sense of duty.

The future is being written now.
On behalf of the Group, I am happy and proud to be writing it with you.”

A highlight of the meeting was the tribute paid to Françoise Bettencourt Meyers, a director of L'Oréal for 28 years (extracts):

“Your contribution has been decisive to L'Oréal's economic success over nearly three decades. You have accompanied the company's development, providing it with both the ambition and the means to grow and thrive on an ongoing basis.

You have also been the guardian of the L'Oréal spirit. Your primary concern - and that of Jean-Pierre Meyers at your side - has always been the well-being and fulfilment of the company's employees. You have promoted employee share ownership and the idea that the Group's success should be shared with those who make it happen, aligning their interests with those of all shareholders.

You have passed on the flame that drives you to your two sons. This remarkable continuity is an invaluable asset for the Group. The greatness of L'Oréal has been your family's credo for 116 years. It has been yours from the very beginning. I know that it will continue to guide you, because you are not leaving L'Oréal, just its Board of Directors.

On behalf of the members of the Board, all L'Oréal's shareholders and all “L'Oréaliens”, I would like to express our deep respect, our sincere admiration and our warmest thanks for your immense contribution.”



“The potential to attract new consumers is vast, and L'Oréal is ideally positioned.”

NICOLAS HIERONIMUS,
Chief Executive Officer of L'Oréal

“Ladies and Gentlemen,
Dear Shareholders,

In 2024, L'Oréal once again strengthened its position as the world's No.1 beauty company. The past year was marked by the agile, real-time management of multiple crises, and at the same time by the preparation for the future through accelerating the Group's transformation. We delivered solid like-for-like revenue growth of +5.1%, outpacing the global beauty market's growth of +4.5%. **We outperformed the market in four of our five regions with a strong acceleration in emerging markets**, which accounted for 36% of the Group's overall growth.

This year, our operating margin reached a new record of 20%, while we continued to invest heavily in our brands to fuel our long-term growth. This is the power behind the virtuous circle of L'Oréal's income statement.

Against a backdrop of continuing volatility, **L'Oréal continues to stay the course, resilient in the storm, as you can see from our solid results for the first quarter of 2025.**

We firmly believe that the beauty market will continue to grow at an average rate of around +4% to 5% in the coming years.

Today, more than ever, **we are stepping up L'Oréal's transformation based on three strategic pillars:** organisational agility and resilience; scientific and technological excellence; and the sustainable transformation of our business.

Each year, we devote more than €1.3 billion to research. Our mastery of artificial intelligence enables us to better harness the power of 16,000 terabytes of data to push back the boundaries of creativity, improve the effectiveness of our advertising and strengthen the capacity for innovation of our researchers and teams across the Group.

The L'Oréal for the Future programme reflects **our belief that economic performance and corporate social responsibility go hand in hand.**

As we reach the halfway point in this programme, we are pleased to share our updated roadmap for 2030. Over the next five years, we will step up our efforts to meet the 15 new goals of L'Oréal for the Future, while remaining transparent about the means we can deploy.

I am particularly proud to announce the launch of a new Sustainable Innovation Accelerator. We are issuing a global call for startups capable of advancing innovation in climate, water, circularity, alternative packaging and ingredients, which we will support with a €100 million budget over five years.

We are setting out to conquer three new areas, each representing a new horizon for growth: geographically through new growth markets; consumer groups such as Generation Z, the over-60s and men; and new technologies which are opening new areas adjacent to the traditional beauty market, including longevity, connected beauty devices and the aesthetic beauty market.

The potential to attract new consumers is vast, and L'Oréal is ideally positioned. With our unmatched portfolio of 37 international brands, we cover all categories, all price ranges and all distribution channels.

So it is with confidence and ambition that we embark on this new chapter of the L'Oréal Adventure, firmly committed to creating financial and non-financial value over the long term.

And because the L'Oréal Adventure is above all a human one, on behalf of everyone at L'Oréal, I would like to extend my warmest thanks to Françoise Bettencourt Meyers, who has inspired an entire generation of L'Oréal people with the pioneering and family spirit that defines our company.

I am determined to carry this legacy forward and steer L'Oréal toward new horizons of growth in order to **create the beauty that moves the world.”**



To watch the full Annual
General Meeting
webcast

scan this QR code



AN ADVENTURE DRIVEN BY INTERNATIONAL EXPANSION

At the Annual General Meeting, Fabrice Megarbane, Chief Global Growth Officer, presented L'Oréal's strategy for unlocking new growth opportunities in emerging markets.

"Our new ambition to win over consumers in emerging regions comes at a time of major demographic transformation. We estimate that 45% of our 4.2 billion potential consumers live in these regions today.

Our action plan for emerging markets is based on three levers: launching new brands; mastering new e-commerce channels to capitalise on the digital boom; and delivering relevant product innovations and new ways of engaging with local consumers.

To drive our expansion and remain close to consumers, we have built a robust operational and research footprint comprising 36 production facilities and six regional Research & Innovation centres.

We have a clear strategy for accelerating our geographical expansion over the coming years and attracting new consumers worldwide."



FABRICE MEGARBANE,
Chief Global Growth Officer



Brand globalisation

The launch of CeraVe in India in 2024, driven by the superior efficacy of our products, a medical prescription model and highly effective use of social media, enabled us to reach more than 7,000 pharmacies in the country in this first year on the market.

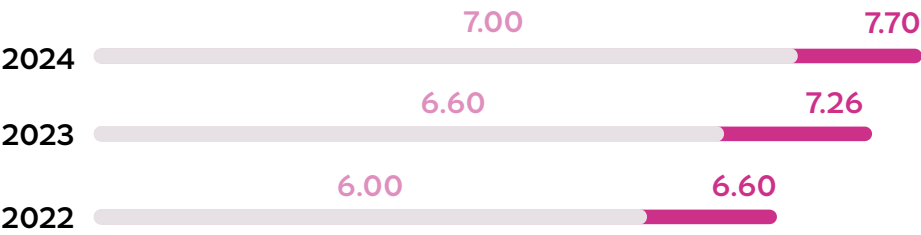


Local innovation

Thanks to our Research & Innovation centre in Rio de Janeiro, we have developed a new formula specifically adapted to the needs of Brazilian skin: Garnier Vitamina C Toque Seco moisturiser.

DYNAMIC SHAREHOLDER RETURN POLICY

DIVIDEND PER SHARE (IN EUROS)



Preferential dividend of +10% for shareholders who continuously hold their shares in registered form for a minimum of two full calendar years, up to a maximum of 0.5% of the capital for the same shareholder.

GENERAL DISCUSSION: YOUR QUESTIONS, OUR ANSWERS

During the Annual General Meeting, shareholders had the opportunity to take the floor and ask questions. Read a summary of some of the topics discussed during these exchanges between L'Oréal and its shareholders.

L'Oréal achieved a record margin in 2024. Do you intend to continue this momentum, and what impact will this have on investments in Research & Innovation and marketing?

2024 was another year of margin improvement, despite a challenging environment. In good times and bad, we consistently manage to grow our margin steadily and progressively. In 2025, we intend to build on this momentum while continuing to invest in the strategic areas that underpin the Group's strength today and into the future, namely Research & Innovation (representing 3% of sales) and advertising and promotional activities. Tight management of our gross margin and operating expenses remains a top priority.

What impact will the new US tariffs have on L'Oréal? How is the Group organised to respond effectively to these measures?

US tariffs will affect businesses worldwide. L'Oréal is in a relatively favourable position thanks to its geographical footprint, among the most diversified in our sector. We operate 36 factories worldwide, manufacturing products as close as possible to our consumers. We have strengthened this local presence and reduced our dependence on certain markets. In the United States, we have several factories that produce just over 50% of the L'Oréal products sold there, representing just under half of our sales in that market.

The estimated impact of customs measures to date, based on the current context which is very changeable, represents approximately 50 basis points for L'Oréal over the year, mainly in the second half. We anticipated these measures by building up inventories in the United States at the beginning of the year, particularly of luxury products. We also have the capacity to continue adapting our geographical footprint and leveraging our products and innovations.

Is the slowdown in China cyclical or structural?

China has been a powerful growth driver for the Group for almost a decade. L'Oréal was one of the first Western companies to truly establish its beauty business there over 25 years ago. Post-Covid Chinese consumer confidence has declined, but we believe this to be temporary. Of the 400 million Chinese consumers who could buy our products, we are currently reaching just 100 million. There is still work to be done to attract these potential consumers, especially in mid-sized and smaller cities. Furthermore, China is determined to do whatever it takes to stimulate consumption. We do not know exactly how long this will take. We also know that the Chinese love beauty, luxury and quality products.

And while local competition has intensified, L'Oréal remains the No.1 beauty company in this market. We will therefore continue to innovate to stimulate and satisfy Chinese consumers' appetite for beauty.



How are you positioned in men's products?

Men, especially the younger generations, are increasingly concerned about their appearance and are investing more in beauty. This is clearly a key growth driver for L'Oréal. Apart from men's fragrances, where L'Oréal is very strong, we are somewhat underrepresented in this segment, but we are very active and the momentum is there. One example is the successful launch of Elvive Growth Booster, a product that promotes hair regrowth. We are also capitalising on new unisex brands such as CeraVe, whose buyers are evenly split between men and women in the United States. The name, the packaging, the fragrance, the texture quality and communications all make it an appealing brand for men and women alike. L'Oréal is committed to expanding its footprint in the men's segment.

In terms of competition, are independent or local brands serious contenders?

Among the major incumbents, L'Oréal is the most resilient and continues to gain market share. Faced with competition from independent brands – Indian, Indonesian and Chinese – L'Oréal's strength lies in its ability to combine the power and economies of scale of a large group with local agility. This allows us to identify emerging trends and deliver innovations that resonate with consumers' beauty expectations. Beauty is a growing market that continues to attract many players. But there is only one world champion – and that's L'Oréal.

L'Oréal enriches its brand portfolio

L'Oréal continues to expand its brand portfolio, which is today the richest, strongest and most diverse in the global cosmetics industry.

Recently, the Group signed an exclusive long-term beauty partnership with Jacquemus, reinforced by a minority stake supporting its independent development. Jacquemus will complement L'Oréal Luxe's portfolio of iconic brands and strengthen the Division's global leadership.

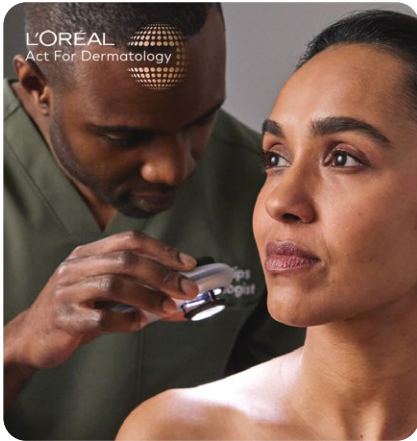
L'Oréal also took a minority stake in the high perfumery house Amouage. Founded in Oman in 1983, Amouage has redefined the Arabian art of perfumery, garnering a global reputation; its creations are present today in the world's finest luxury sales points.

Furthermore, L'Oréal finalised the acquisition of Dr.G, the Korean skincare brand, which joins the Consumer Products Division to meet rising demand for K-Beauty.



L'Oréal's dual excellence in action

At L'Oréal, we are committed to combining economic performance with positive social and environmental impact.



In March 2025, the Group launched L'Oréal Act for Dermatology, a €20 million, five-year programme spearheaded by its Dermatological Beauty Division that aims to democratise access to skin health in support of the 2.1⁽¹⁾ billion people worldwide living with skin disease.

As part of the programme, the Group is embarking on a partnership with the WHO Foundation, to support the World Health Organisation's efforts to combat common skin diseases, as well as those caused by neglected tropical diseases, and contribute to increasing global awareness of the impact of skin diseases.

L'Oréal has once again been recognised for its environmental and social commitments:

- Only company in the world to have obtained a Triple A from CDP⁽²⁾ for the 9th consecutive year;
- EcoVadis Platinum Medal: L'Oréal is ranked among the top 1% of companies for its environmental and social performance;
- Ranked among the top 5 companies in the world for Diversity and Inclusion by the FTSE Russell Diversity & Inclusion Index Top 100 for the 2nd consecutive year and No.1 French company.



A new Executive Committee role to strengthen innovation

Delphine Viguiet-Hovasse has been appointed as L'Oréal's first ever Chief Innovation & Prospective Officer and will join the Executive Committee from 1 July 2025. This new role has been established to further strengthen the Group's innovation leadership within the dynamic and fast-evolving beauty landscape.

Delphine will oversee both the existing Innovation teams and the Strategic Prospective Department, to ensure a holistic and future-focused approach to beauty innovation. She will also report to Barbara Lavernos, Deputy Chief Executive Officer, in charge of Research, Innovation & Technology.



A partnership between the Louvre and L'Oréal

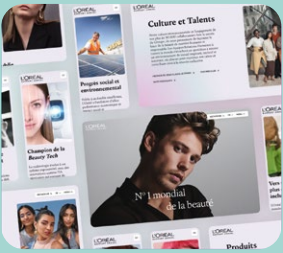
L'Oréal unveiled an exclusive partnership with the world's largest museum. The "De toutes beautés !" (Of All Beauties) tour at the Louvre features a curated selection of 108 masterpieces spanning nearly 10,000 years of human history. Visitors are invited to explore the rituals, artifacts and perceptions that have shaped the diversity and essence of beauty across the ages.



At the cutting edge of innovation: longevity science

At CES⁽³⁾ 2025, L'Oréal Groupe unveiled the L'Oréal Cell BioPrint, a tabletop hardware device that delivers a personalised skin analysis in just five minutes. L'Oréal Cell BioPrint is made possible by L'Oréal's Longevity Integrative Science, a groundbreaking approach that reveals how mechanisms in the human body can affect skin's appearance. This innovation is scheduled to pilot with a L'Oréal brand in Asia later in 2025.

CONSULT OUR PUBLICATIONS



THE ANNUAL REPORT

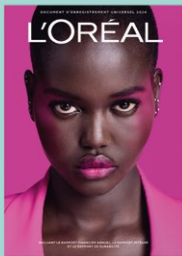
L'Oréal has received multiple awards for its Annual Report⁽⁴⁾. We invite you to discover the 2024 edition designed in accordance with a responsible digital approach. Through a variety of exclusive content (articles, videos, key figures, graphics and much more), explore the key initiatives of 2024 and L'Oréal's dual excellence in action.

lorealannualreport2024.com

THE UNIVERSAL REGISTRATION DOCUMENT (URD)

The 2024 edition which includes the Annual Financial Report, the Integrated Report and the Sustainability Report is now available. The URD presents the Group's balanced business model, strategic orientations, 2024 results, social and environmental performance and relationships with stakeholders.

loreal-finance.com



SWITCH TO THE DIGITAL VERSION OF THE LETTER TO SHAREHOLDERS

Every year, L'Oréal publishes two Letters to Shareholders: a printed edition following the General Meeting and a second edition in digital format at year-end.

To make sure you receive the next edition, enriched with content including videos:

- scan this QR code with your smartphone or go to loreal-finance.com/eng/keep-informed and fill out the form; or
- send us an email with your full contact details to info@loreal-finance.com



(1) The Lancet Global Health Metrics Volume 392, Issue 10159 p. 1789-1858, 10 November 2018.
(2) A global environmental nonprofit.

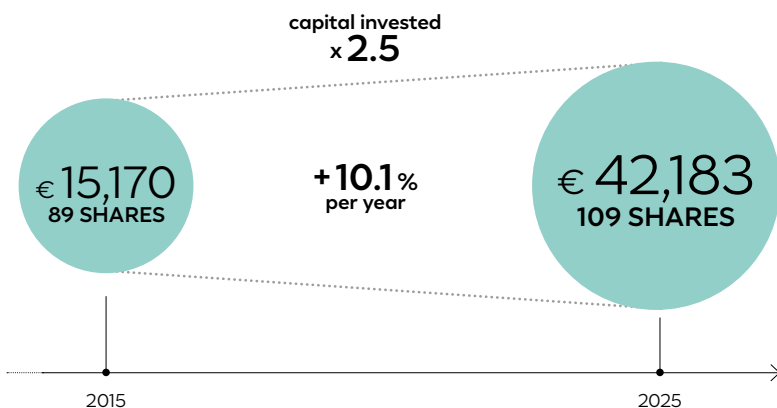
(3) Consumer Electronics Show.
(4) Grand Prix Stratégies du Luxe, Top/Com Grands Prix Corporate Business, Grands Prix de la Communication, Lovie Awards, 2023 and 2024 European Excellence Awards .

TOTAL SHAREHOLDER RETURN ⁽¹⁾

Amongst the various economic and financial measures of value creation, L'Oréal prefers Total Shareholder Return (TSR). This indicator is based on a range of criteria, including the share price and revenue received in the form of dividends excluding taxes on capital gains and dividends, based on the closing share price on 30 April 2025.

Hypothesis

Total Shareholder Return over 10 years, for €15,000 invested in L'Oréal shares, including reinvestment of dividends, excluding bank charges and tax.



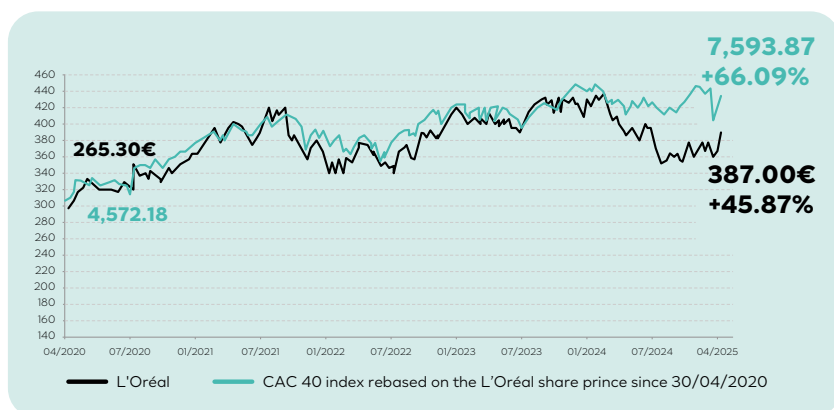
TOTAL ANNUAL RETURN

Based on the share price on 30 April 2025



L'ORÉAL SHARE EVOLUTION

L'Oréal vs CAC 40 from 30 April 2020 to 30 April 2025⁽²⁾



(1) Total Shareholder Return of the investment, assuming that the shares are sold at the closing price on 30 April 2025.

(2) CAC40 index rebased on the L'Oréal share price since 30/04/2020 // Source: Bloomberg, share price on 30/04/2025.

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A TEAM THAT IS ATTENTIVE TO SHAREHOLDERS

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AGENDA

29 July 2025: 2025 Half-Year Results (after stock market closing)

22 September 2025: Shareholder meeting in Toulouse

13 October 2025: Shareholder meeting in Nantes

21 October 2025: Sales at 30 September 2025 (after stock market closing)

For other key dates, please visit our website: loreal-finance.com

THE CONNECTED SHAREHOLDER

Download the L'Oréal Finance app and keep up to date with live news about your company. Available free on:

App Store



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To receive the Letter to Shareholders

by email, fill in your email address at: loreal-finance.com/eng/keep-informed. If your situation or address changes, please inform us at contact@loreal-finance.com

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You may also contact our Data Protection Officer by email at: dpo@loreal.com. If you feel your rights regarding your personal data are not being respected, you may lodge a complaint with your country's data protection authority.



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