



L'ORÉAL

RESILIENCE & SOLIDITY THROUGH THE CRISIS

JEAN-PAUL AGON
Chairman & Chief Executive Officer

HALF-YEAR RESULTS
31 JULY 2020

PROTECTION & SOLIDARITY

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



2...

RESILIENCE
OF THE BEAUTY MARKET

≈ -13% / -14%¹

WORLDWIDE BEAUTY MARKET

CRISIS OF SUPPLY MARKET DROP DUE TO LOCKDOWN SHOCK



SHUTDOWN OF HAIRDRESSERS, DEPARTMENT STORES, PERFUMERIES, TRAVEL RETAIL STORES

VERY CONSTRAINED BY SECTOR & CHANNEL

WORLDWIDE BEAUTY MARKET IN H1-20¹ BY SECTOR

PROFESSIONAL

≈ -28%

LUXURY

≈ -23%

MASS MARKET

≈ -6%

DERMOCOSMETICS

≈ -4%

BY CHANNEL

E-COMMERCE

≈ +36%

TRAVEL RETAIL

≈ -35%

VERY CONSTRAINED BY CATEGORY

WORLDWIDE BEAUTY MARKET IN H1-20¹

FRAGRANCES

≈ -26%

MAKE-UP

≈ -25%

SKINCARE

≈ -10%

HAIRCARE

≈ -7%

WORLDWIDE BEAUTY MARKET IN H1-20¹

BY GEOGRAPHIC ZONE

WESTERN EUROPE

≈ -18%

NEW MARKETS

≈ -13%

NORTH AMERICA

≈ -12%

LATIN AMERICA

≈ -15%

AFRICA
MIDDLE EAST

≈ -15%

ASIA PACIFIC

≈ -13%

EASTERN EUROPE

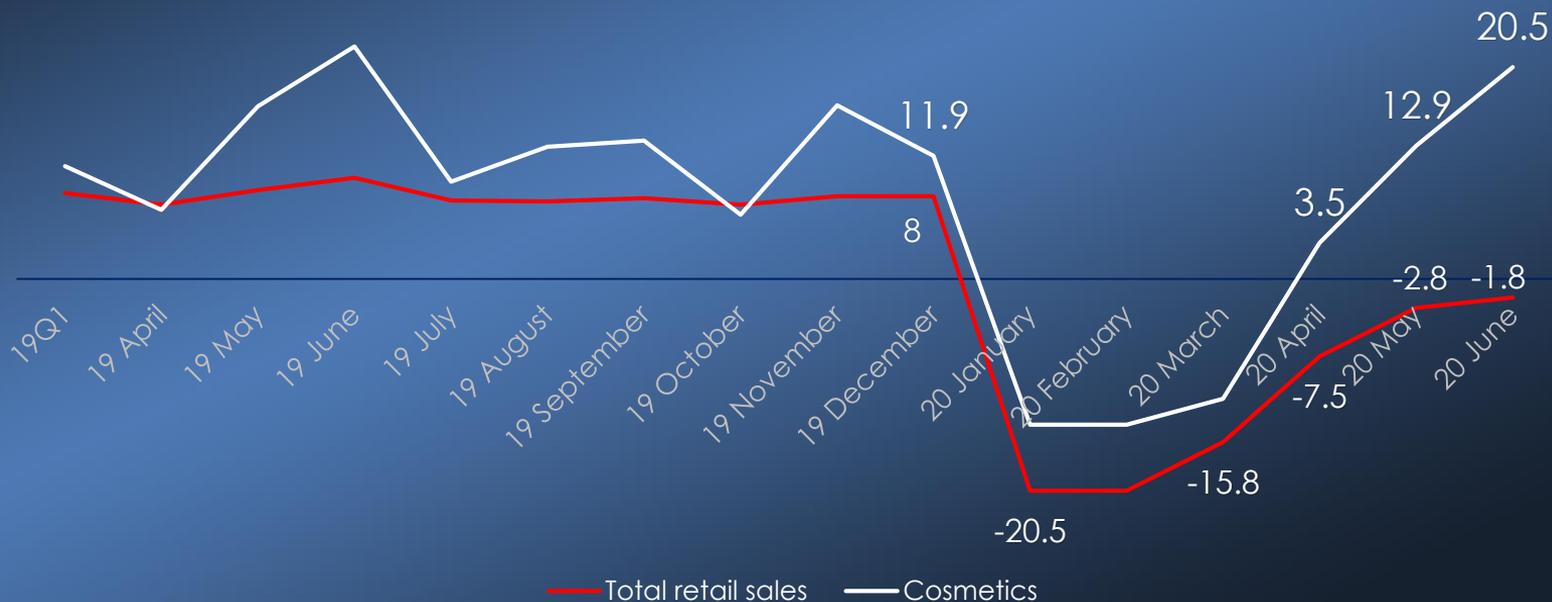
≈ -7%



STRONG REBOUND IN CHINA, BEAUTY LEADING THE RECOVERY

COMESTICS RECOVERED STRONGLY SINCE APRIL

Monthly YoY % change





STRONG GROWTH ONLINE, OFFLINE RETURNING TO NORMAL

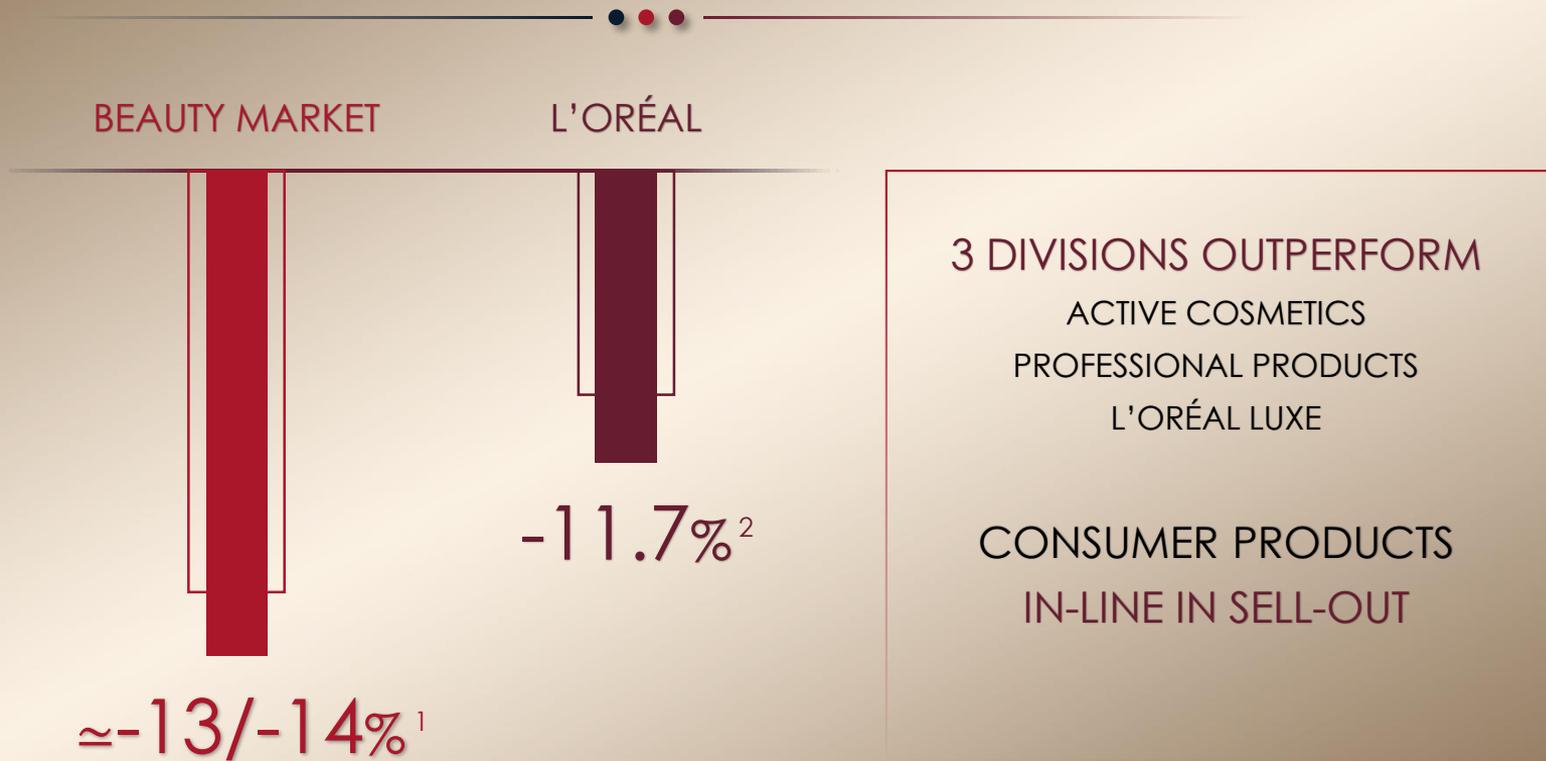


3...

RESILIENCE
OF L'ORÉAL'S ACTIVITY

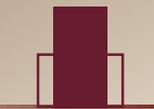


OUTPERFORMING IN H1



SALES RECOVERING MONTH BY MONTH¹

+8.4%



JANUARY

FEBRUARY



-2.3%

MARCH



-18.5%

APRIL



-34.3%

MAY



-19.1%

JUNE



-4.6%



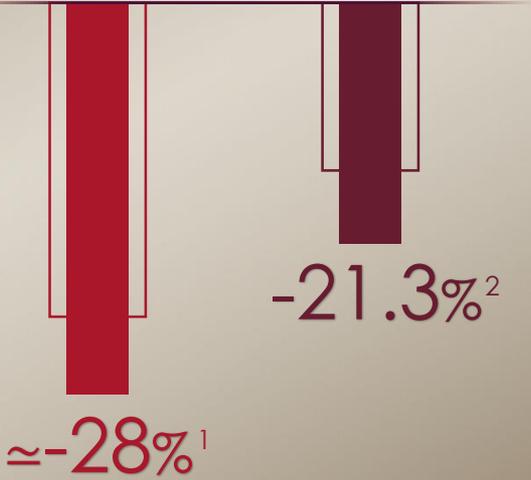
PROFESSIONAL PRODUCTS



RESILIENCE DESPITE CLOSURE OF SALONS
REBOUND SINCE END OF LOCKDOWN

MARKET

L'ORÉAL



WINNING
MARKET SHARE IN
ALL MAJOR REGIONS

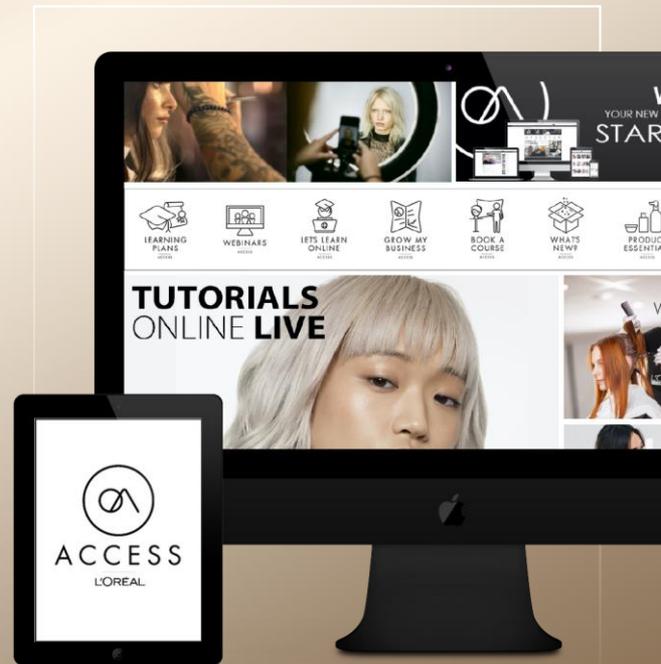
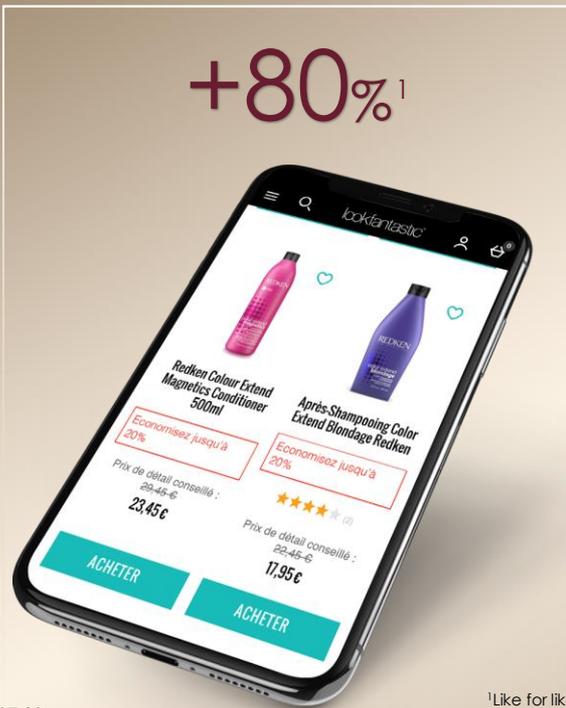
¹L'Oréal worldwide beauty market estimates, excluding razors, soaps and toothpastes. H1-2020 provisional estimates, at constant exchange rates. ²H1-2020 like-for-like sales growth.

PROFESSIONAL PRODUCTS: MAIN DRIVERS

E-COMMERCE

KERASTASE
LEADS THE RECOVERY

STRONGER RELATIONSHIP
WITH HAIRDRESSERS



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).



L'ORÉAL LUXE

PERFORMED SIGNIFICANTLY
BETTER THAN THE MARKET

GAINING SHARE IN
ALL CATEGORIES



L'ORÉAL LUXE: MAIN DRIVERS

ACCELERATION
ON E-COMMERCE

+66%¹ IN H1



CHINESE CONSUMPTION
IS BACK

>+30%² IN Q2



OUTPERFORMANCE
IN SKINCARE



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). ²Like-for-like sales growth.

CONSUMER PRODUCTS



SELL-OUT IN LINE WITH
THE MARKET DESPITE
FOOTPRINT ON MAKE-UP



SELL-IN

MARKET L'ORÉAL

$\approx -6\%^2$

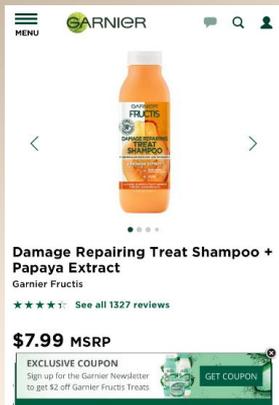
$-9.4\%^3$

EXCLUDING MAKE-UP,
SALES ARE FLAT

CONSUMER PRODUCTS: MAIN DRIVERS

ACCELERATION
IN E-COMMERCE

+53%¹
VS MARKET: \approx +35%²



OUTSTANDING
PERFORMANCE
IN CHINA

+26% IN Q2³



L'ORÉAL PARIS
& GARNIER
GAINING SHARE



MAKE-UP BRANDS
IMPACTED

MAYBELLINE
NEW YORK



NYX
PROFESSIONAL MAKEUP



ACTIVE COSMETICS

STRONGLY GAINING SHARE GLOBALLY

BIG WINS
IN NORTH AMERICA
AND ASIA-PACIFIC



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.

ACTIVE COSMETICS: MAIN DRIVERS

E-COMMERCE

3 WINNING BRANDS

EXCELLENCE IN DIGITAL

+82%¹

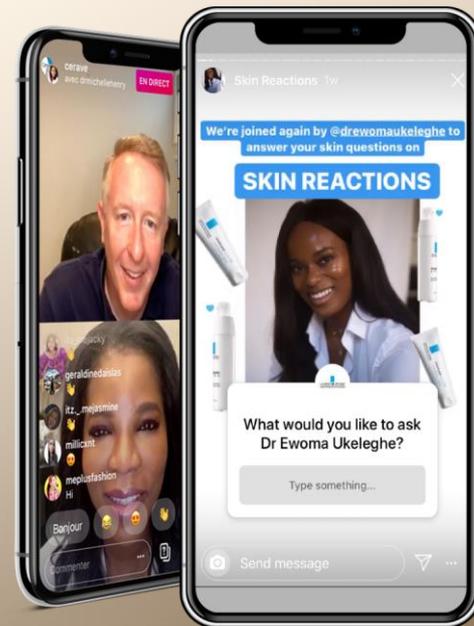


CeraVe
DEVELOPED WITH DERMATOLOGISTS

+62%²

SKINCEUTICALS
ADVANCED PROFESSIONAL SKINCARE

LA ROCHE POSAY
LABORATOIRE DERMATOLOGIQUE



SHARE GAINS IN WESTERN EUROPE & NEW MARKETS

CONSOLIDATED SALES BY GEOGRAPHIC ZONE

WESTERN EUROPE

-16.1%¹

NORTH AMERICA

-15.2%¹

NEW MARKETS

-6.9%¹

USA HEAVILY IMPACTED
BY FOOTPRINT IN MAKE-UP

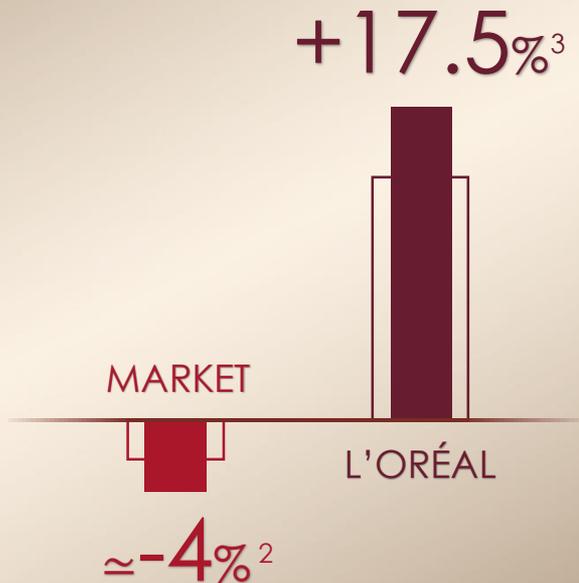
LEADING THE REBOUND IN MAINLAND CHINA



+30% IN Q2¹

STRONG GROWTH
IN E-COMMERCE

OUTPERFORMING
IN SKINCARE



E-COMMERCE BOOMING¹



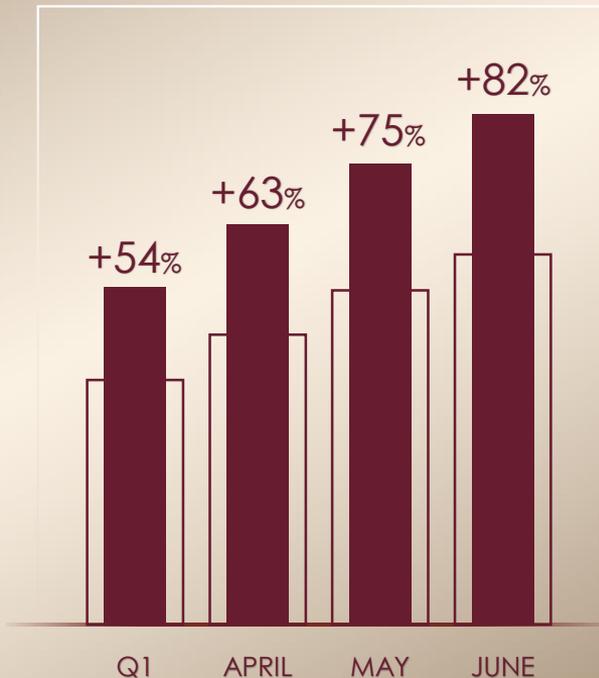
RECORD GROWTH

+65%

≈ X2
THE MARKET

25%
OF SALES

ACCELERATION
EVEN AS STORES RE-OPEN



STRONG ACCELERATION
OUTSIDE OF ASIA

USA
+119% IN Q2

WESTERN EUROPE
+91% IN Q2

DIGITAL EXCELLENCE

VALUE-ADDED SERVICES

x2.5

VIRTUAL TRY-ONS

DIAGNOSTICS

TELECONSULTATION

SHOPPABLE
LIVE-STREAMING

STRONGER RELATIONSHIPS WITH CONSUMERS

5 OF THE TOP 6 BRANDS IN L2 DIGITAL IQ IN CHINA

LANCÔME
PARIS

YVES SAINT LAURENT

L'ORÉAL
PARIS

ARMANI

Kiehl's
SINCE 1851

IMPROVED ROI

MEDIA SHIFT

60%

DIGITAL MEDIA



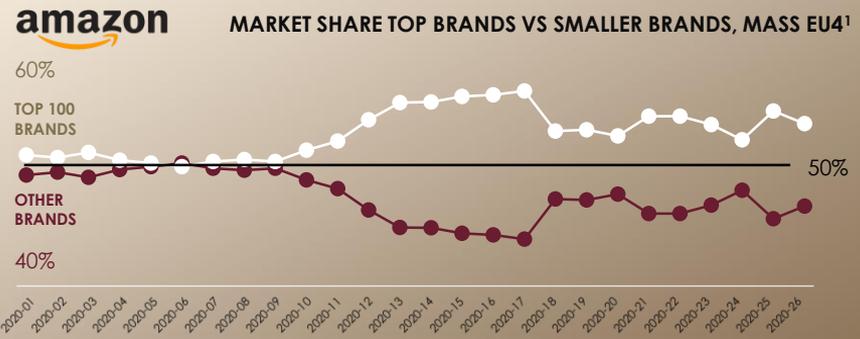
L'ORÉAL

4 MAIN REASONS FOR THIS RESILIENCE

POWER OF BRANDS & HERO PRODUCTS



- STRONG TRUSTED ASPIRATIONAL BRANDS
- PREVAIL IN TIMES OF CRISIS
- EXCEPTIONAL QUALITY, SAFETY
- TRUST, REASSURANCE
- TRANSPARENCY
- COMMITMENT TO SUSTAINABILITY
- PURPOSE DRIVEN
- STRONG CONSUMER ENGAGEMENT



¹Weekly data

4 MAIN REASONS FOR THIS RESILIENCE

STRONG DEDICATION AND AGILITY OF TEAMS



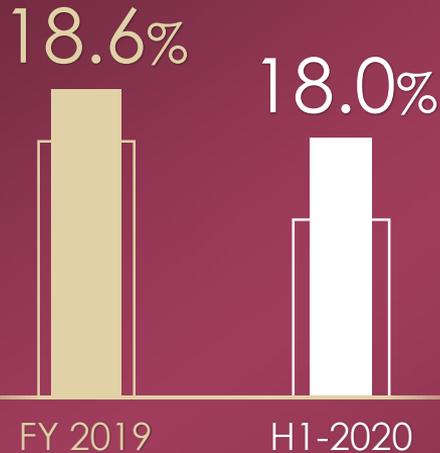


4...

SOLID
RESULTS

PROFITABILITY REMAINS HIGH

OPERATING MARGIN
CLOSE TO FY 2019
(% SALES)



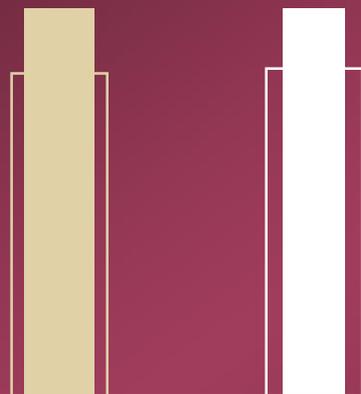
LIMITED DECLINE IN
EARNINGS PER SHARE ¹



WELL PRESERVED P&L

HIGH
GROSS MARGIN
(% SALES)

73.1% 73.1%



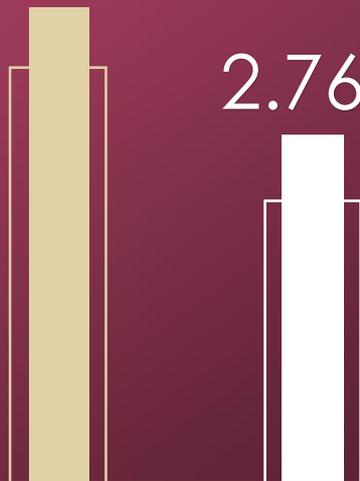
H1-2019

H1-2020

LOWER SG&As¹
THANKS TO COST DISCIPLINE

3.003

2.765

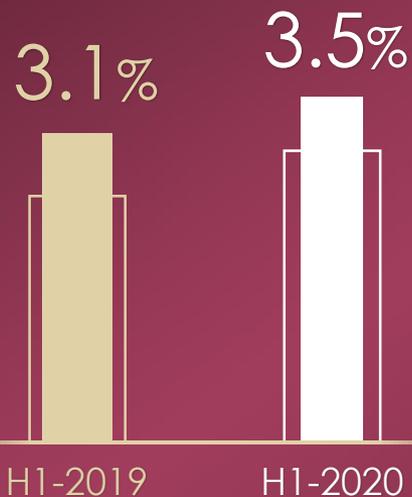


H1-2019

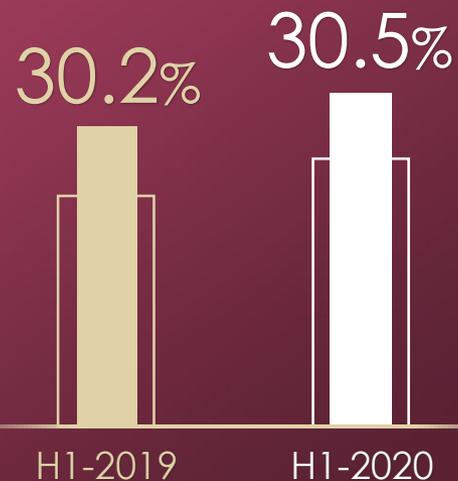
H1-2020

PROTECTING BUSINESS DRIVERS

R&I INVESTMENTS SUSTAINED (% SALES)



A&P INVESTMENTS MAINTAINED IN RELATIVE VALUE (% SALES)



5



WE ARE ENTERING THE SECOND HALF WITH
**LUCIDITY, CONFIDENCE
& RESOLVE**





ENTERING THE SECOND HALF WITH CONFIDENCE

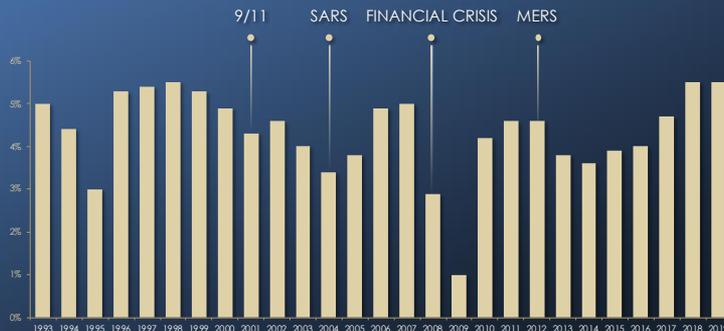
MARKET WILL BE STRONGER

APPETITE FOR BEAUTY IS INTACT

STORES SHOULD REMAIN OPEN

E-COMMERCE IS STILL GAINING POWER

THE BEAUTY MARKET IS RESILIENT¹



RESOLVE TO REDYNAMISE THE BUSINESS

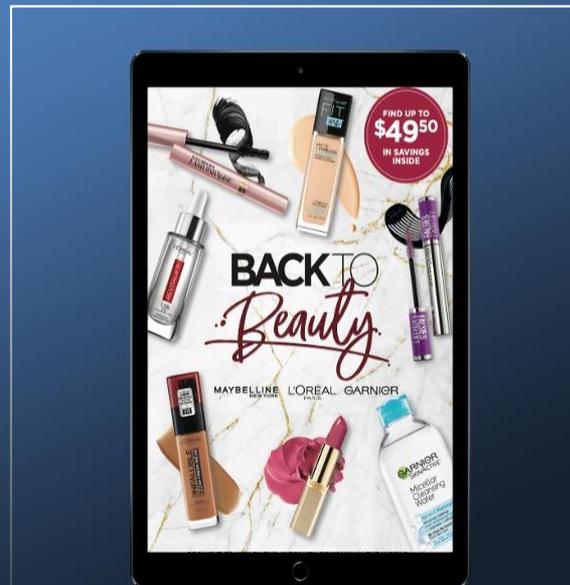
CUSTOMER PARTNERSHIPS
TO STIMULATE DEMAND



AGGRESSIVE
LAUNCH PLAN



INCREASE
OF MEDIA



AMBITIOUS RESPONSIBILITY & SUSTAINABILITY PLAN



L'ORÉAL
FOR THE FUTURE

1

TRANSFORMING
OUR ACTIVITIES TO STAY
WITHIN THE PLANETARY
BOUNDARIES

2

CONTRIBUTING
TO SOLVING URGENT
ENVIRONMENTAL AND
SOCIAL CHALLENGES



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

**L'ORÉAL WILL EMERGE
STRONGER THAN EVER**



L'ORÉAL

Q&A

----- Disclaimer -----

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