



# L'ORÉAL

## 2019 ANNUAL RESULTS

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Jean-Paul AGON  
CHAIRMAN & CHIEF EXECUTIVE OFFICER

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7 February 2020

L'ORÉAL

# BEST GROWTH

in 12 years

+8%  
LIKE-FOR-LIKE

A VERY **1**  
DYNAMIC  
Beauty market



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WORLDWIDE BEAUTY MARKET  
**+5.0% / +5.5%**

# ECONOMIC, DEMOGRAPHIC & SOCIOLOGICAL FUNDAMENTAL EVOLUTIONS



MIDDLE & UPPER CLASSES



AGEING POPULATION

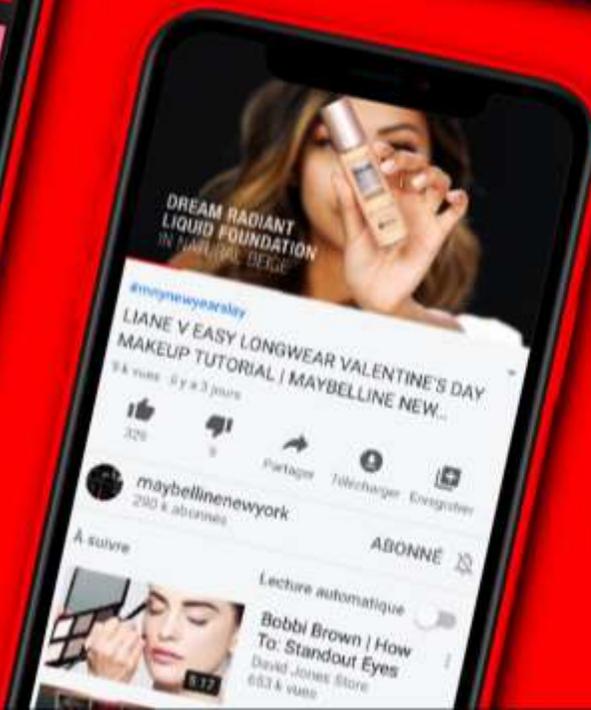
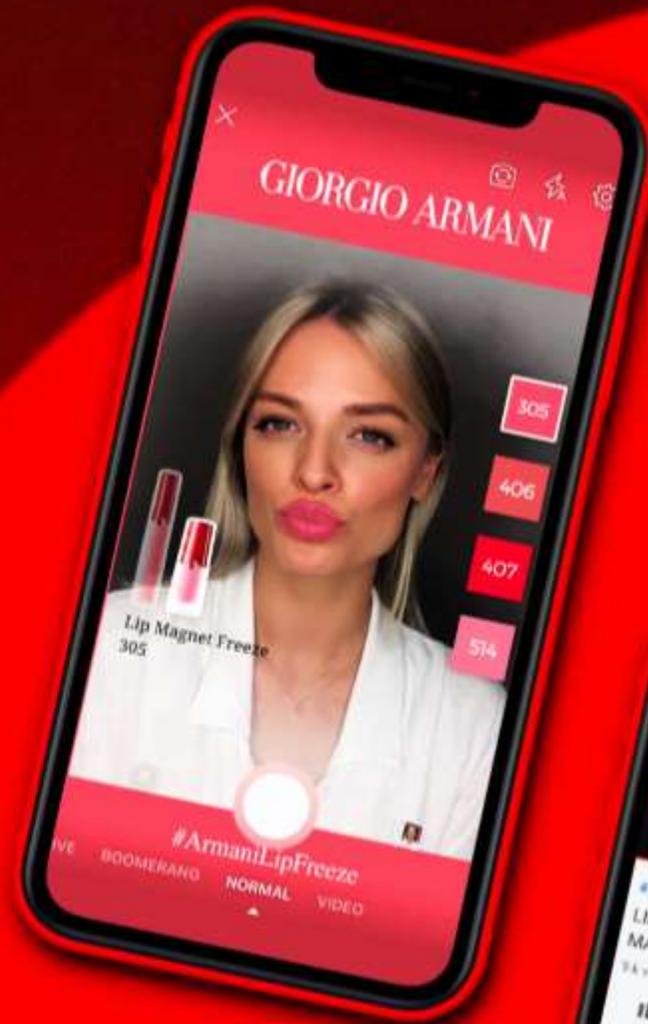


MEN'S CONSUMPTION

1

# DIGITAL REVOLUTION in beauty

BEAUTY IS VISUAL & SOCIAL



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2

# LEAPFROG of traditional distribution



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3

Appetite  
for beauty of  
**NEW  
GENERATIONS**



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4

# STRONG PREMIUMISATION of the market



A very  
**POLARISED**  
market

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# WORLDWIDE BEAUTY MARKET by sector

≈ +10%

LUXURY

≈ +7%

DERMOCOSMETICS

≈ +4%

MASS MARKET

≈ +2.5%

PROFESSIONAL

# WORLDWIDE BEAUTY MARKET by channel

≈ +27%

E-COMMERCE

≈ +22%

TRAVEL RETAIL

# WORLDWIDE BEAUTY MARKET by geographic zone

≈ +2.5%

NORTH AMERICA

≈ +1%

WESTERN EUROPE

≈ +8%

NEW MARKETS

≈ +9%

ASIA PACIFIC

≈ +4%

LATIN AMERICA

≈ +5%

EASTERN EUROPE

≈ +2%

AFRICA  
MIDDLE EAST

# WORLDWIDE BEAUTY MARKET by category

≈ +8%

SKINCARE

≈ +4%

MAKE-UP

≈ +4%

FRAGRANCES

≈ +3%

HAIRCARE



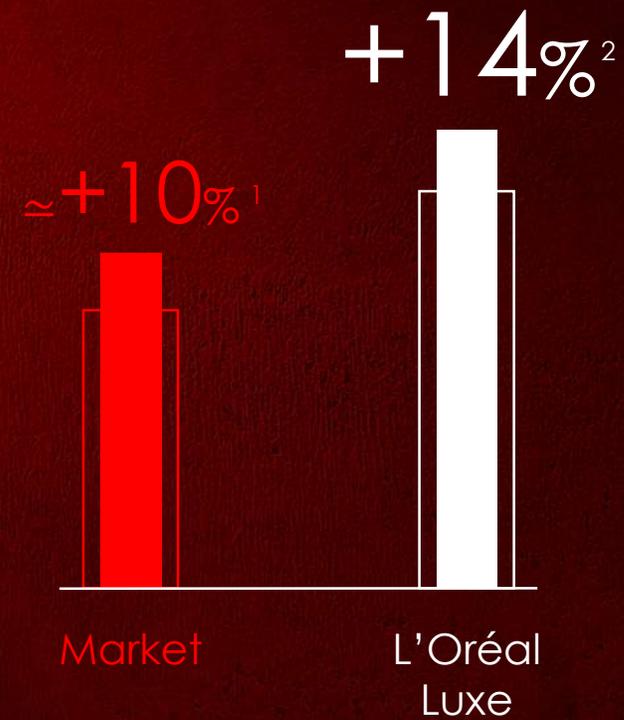
2

OUR STRATEGY  
to concentrate on the  
fastest growing segments  
and to outperform them  
HAS BEEN VERY SUCCESSFUL



GROWTH ENGINE (1)

# LUXURY



# UNIQUE PORTFOLIO OF ICONIC BRANDS

L'ORÉAL  
LUXE



LANCÔME  
PARIS



YVES SAINT LAURENT  
BEAUTE



ARMANI



VALENTINO



BIOThERM



Kiehl's  
SINCE 1851



URBAN DECAY



HR  
BEAUTE



IT COSMETICS



shu uemura



YVES SAI



Atelier Cologne  
Maison de Parfum  
PARIS



clarisonic



RALPH LAUREN  
FRAGRANCES



cacharel



VIKTOR & ROLF



DIESEL

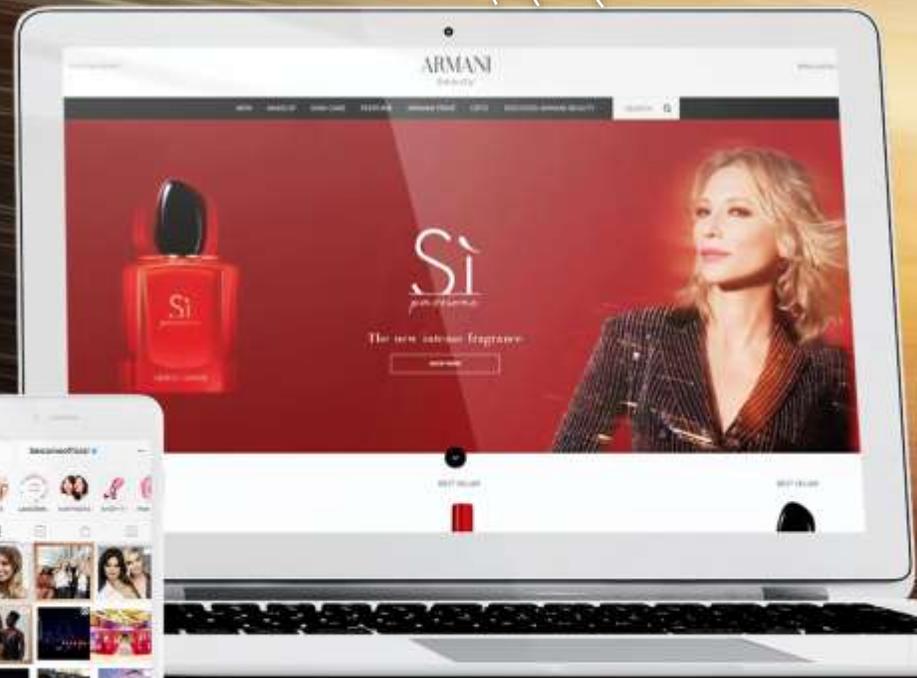
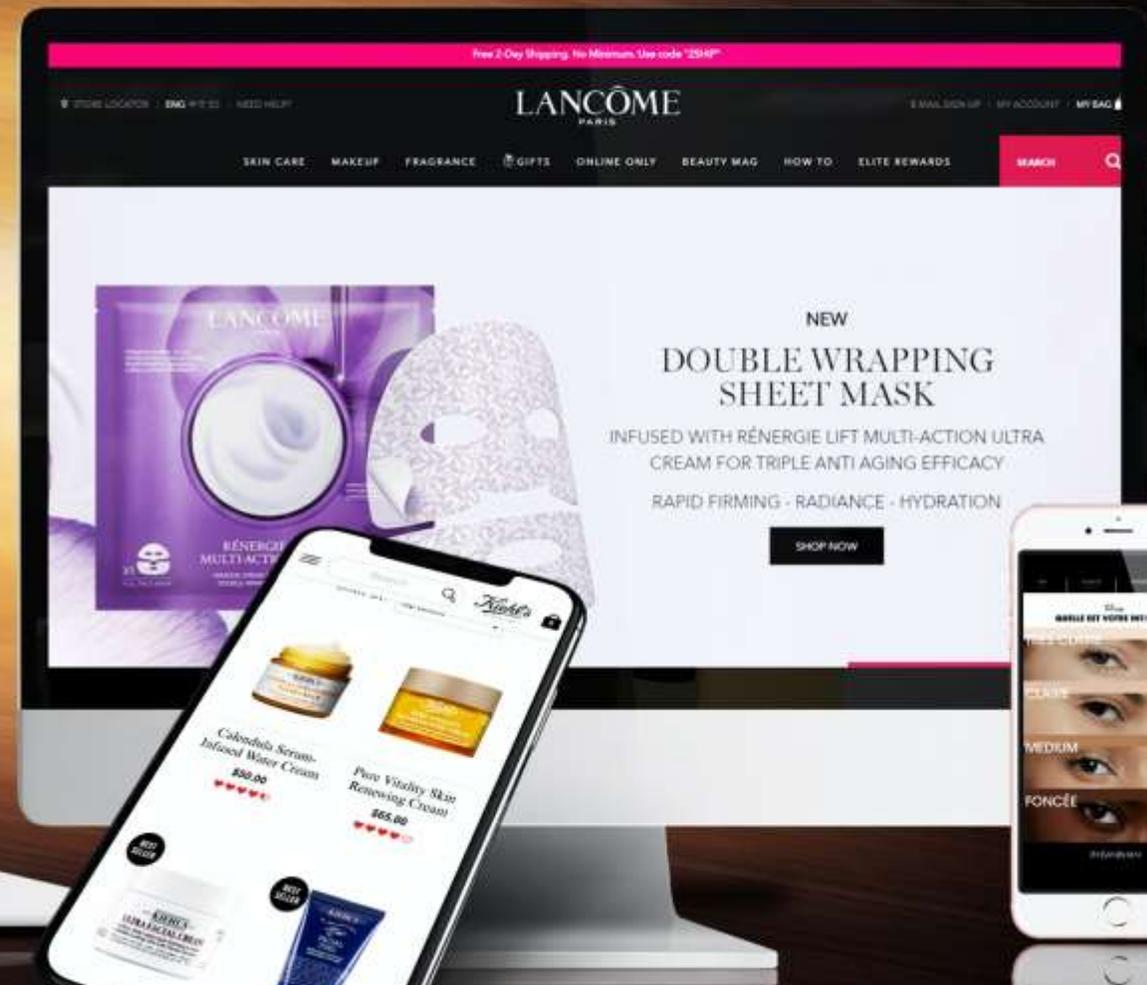
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GROWTH ENGINE (1) LUXURY

# STRONG INNOVATIONS

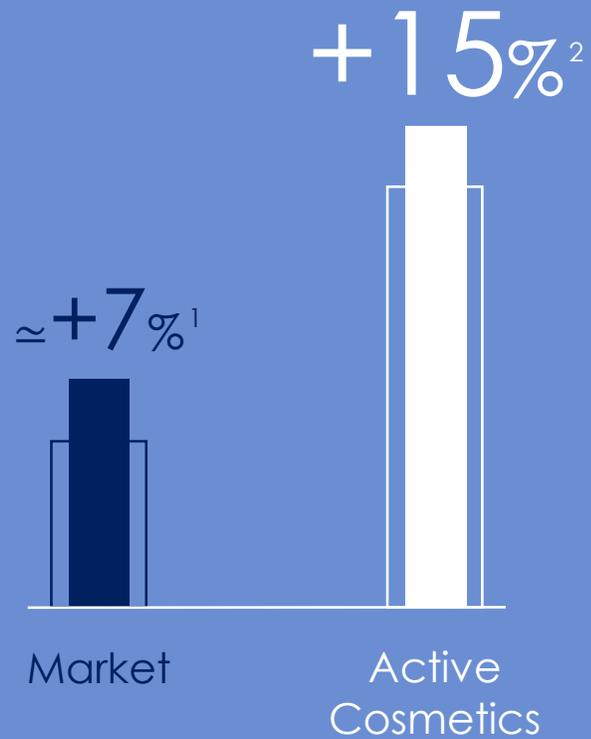


# DIGITAL AT THE CENTER of the marketing model



GROWTH ENGINE (2)

# DERMOCOSMETICS



Consumers looking for  
**HEALTH, SAFETY &  
QUALITY** in skincare



# GROWTH ENGINE (2) DERMOCOSMETICS

TRUSTED BRANDS

RECOMMENDED BY MEDICAL PROFESSIONALS

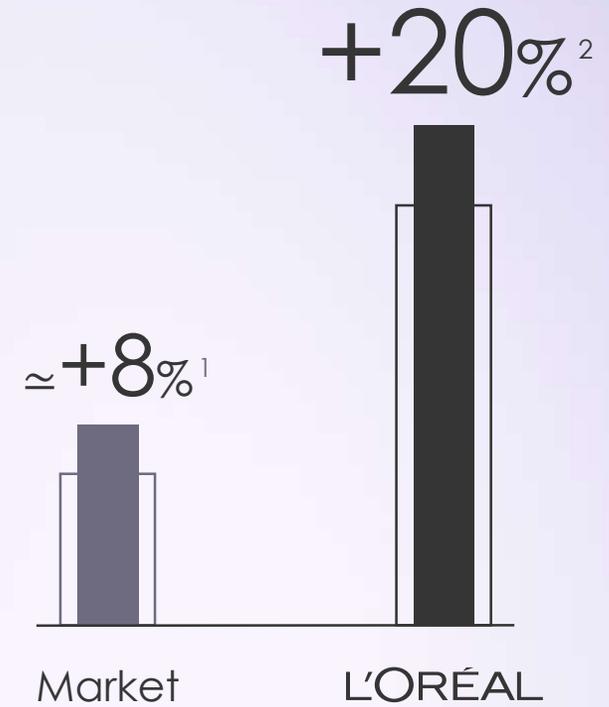
RETAIL EXCELLENCE

E-COMMERCE AND DIGITAL



GROWTH ENGINE (3)

# SKINCARE



<sup>1</sup>Source: L'Oréal 2019 estimates. Excluding razors, soaps and toothpastes. At constant exchange rates. <sup>2</sup>2019 like-for-like sales growth.

GROWTH ENGINE (3) SKINCARE

#1 RESEARCH

L'ORÉAL

GROWTH ENGINE (3) SKINCARE

# THE POWER OF INNOVATION



GROWTH ENGINE (3) SKINCARE

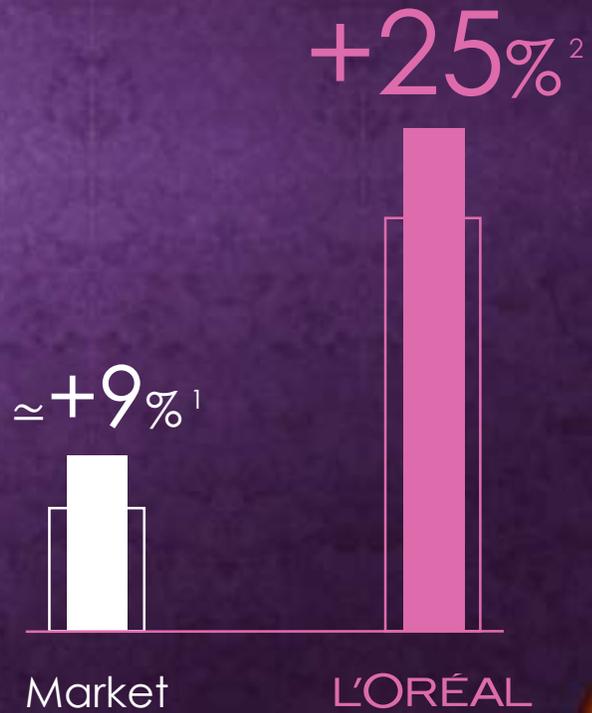
#1 CATEGORY

HUGE POTENTIAL  
for development

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GROWTH ENGINE (4)

# ASIA PACIFIC



GROWTH ENGINE (4) ASIA PACIFIC

INDIA

INDONESIA

MALAYSIA

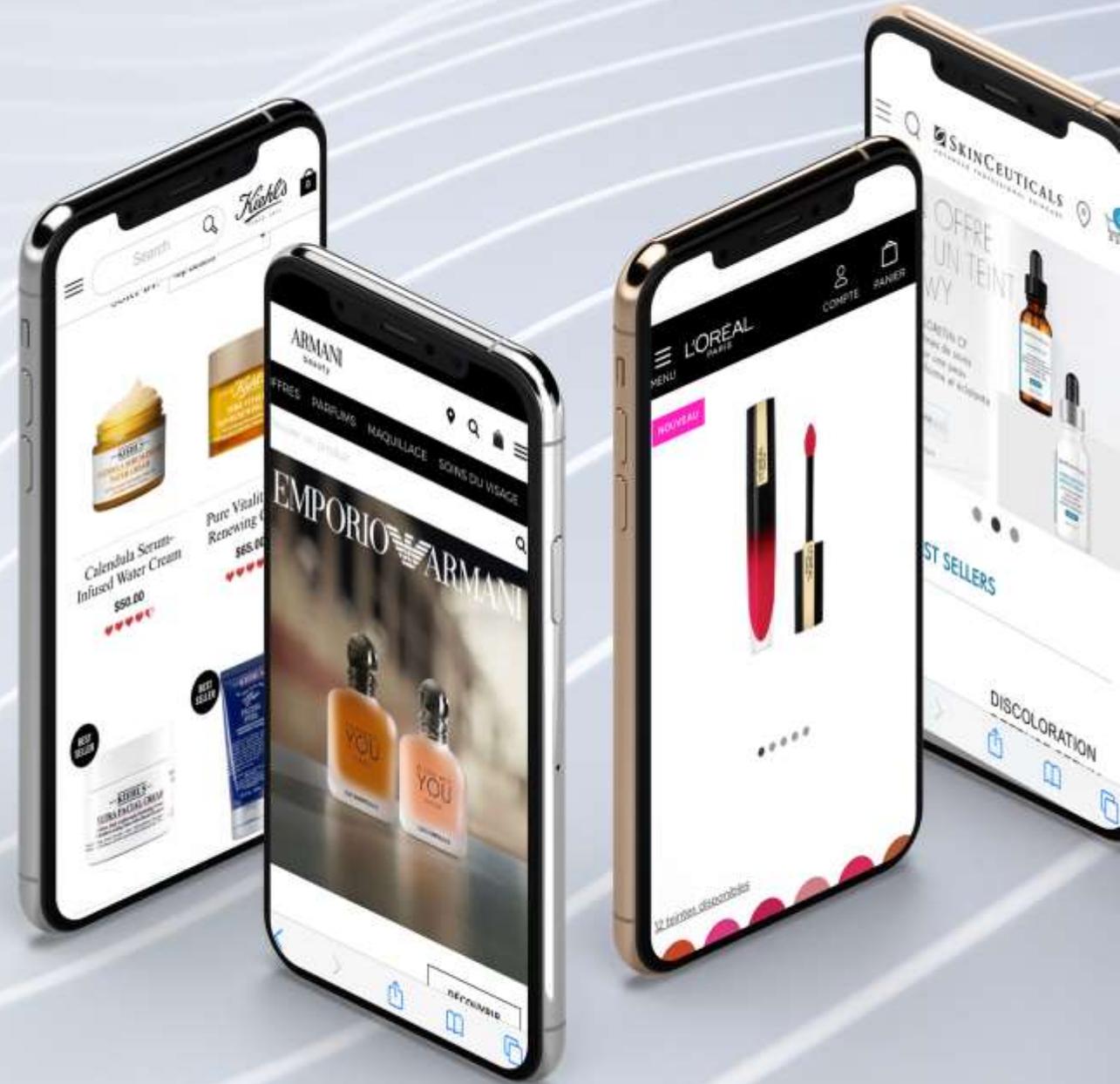
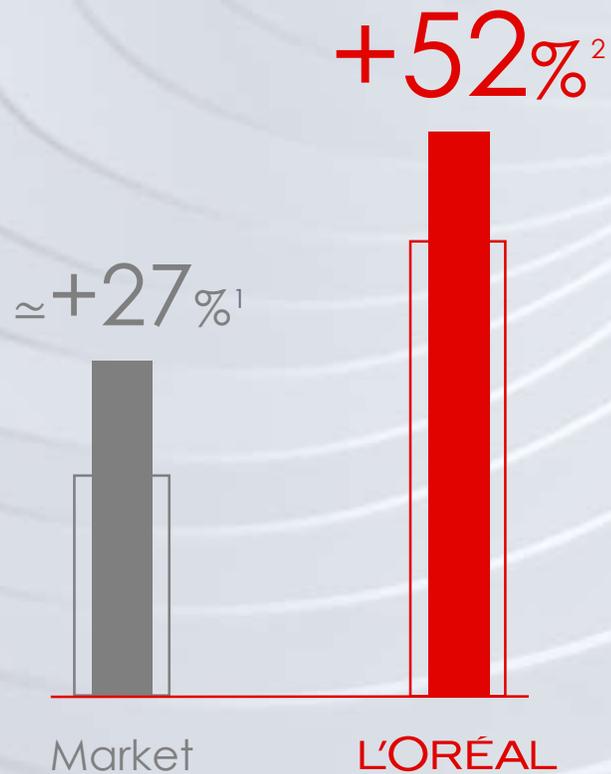
CHINA

KOREA

JAPAN

GROWTH ENGINE (5)

# E-COMMERCE



GROWTH ENGINE (6)

# TRAVEL RETAIL

+25%

THE GO

North Concourse  
Gates 100-140

WE ARE THE FUTURE  
THE WORLD IS OURS  
DREAM BIG  
STAND STRONG  
I CAN, WE WILL  
WE ARE IDOLLES

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DREAM BIG  
STAND STRONG  
I CAN, WE WILL  
WE ARE IDOLLES

2019 like-for-like sales growth.

L'ORÉAL



# PORTFOLIO OF BRANDS COVERING ALL NEEDS



# HISTORIC LEADERSHIP

L'Oréal significantly  
**OUTPERFORMED**  
the market

+5.0% / +5.5%<sup>1</sup>

Beauty market

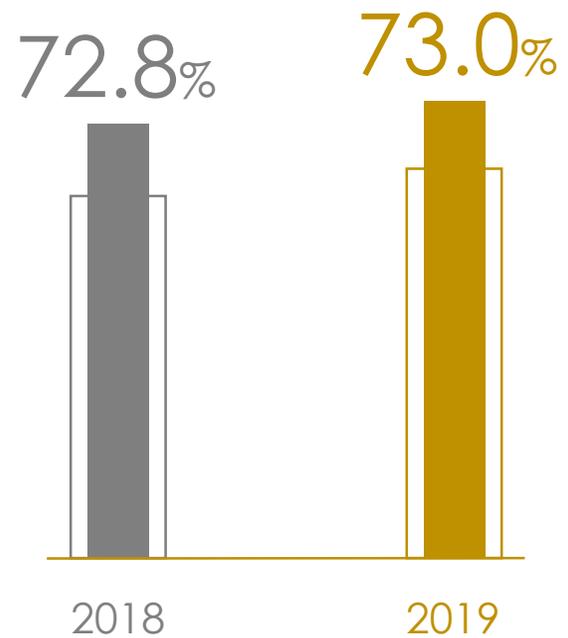
**+8%**<sup>2</sup>  
L'ORÉAL



L'ORÉAL

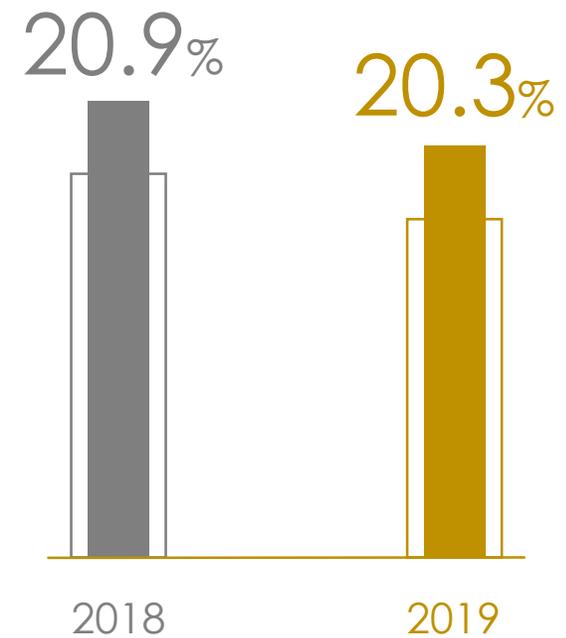
## IMPROVEMENT IN GROSS MARGIN

(% SALES)



## REDUCTION IN SG&As<sup>1</sup>

(% SALES)

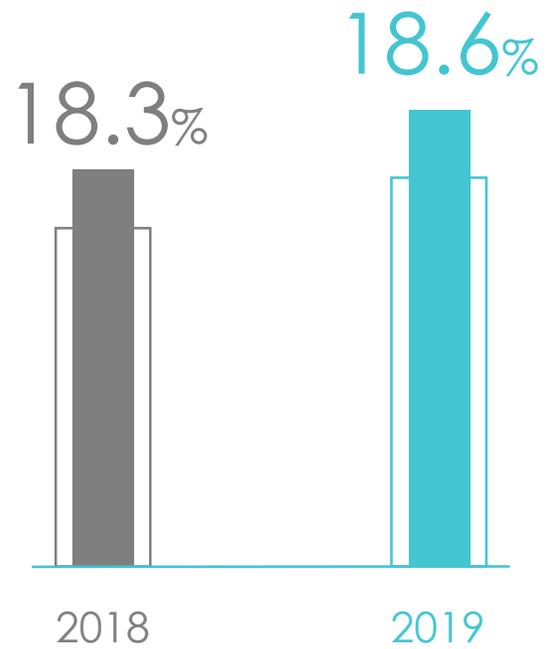


<sup>1</sup>Selling, general and administrative expenses



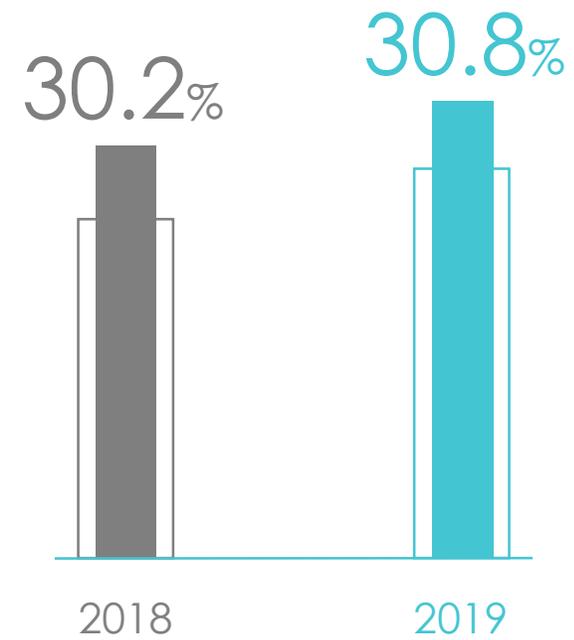
## OPERATING MARGIN

(% SALES)



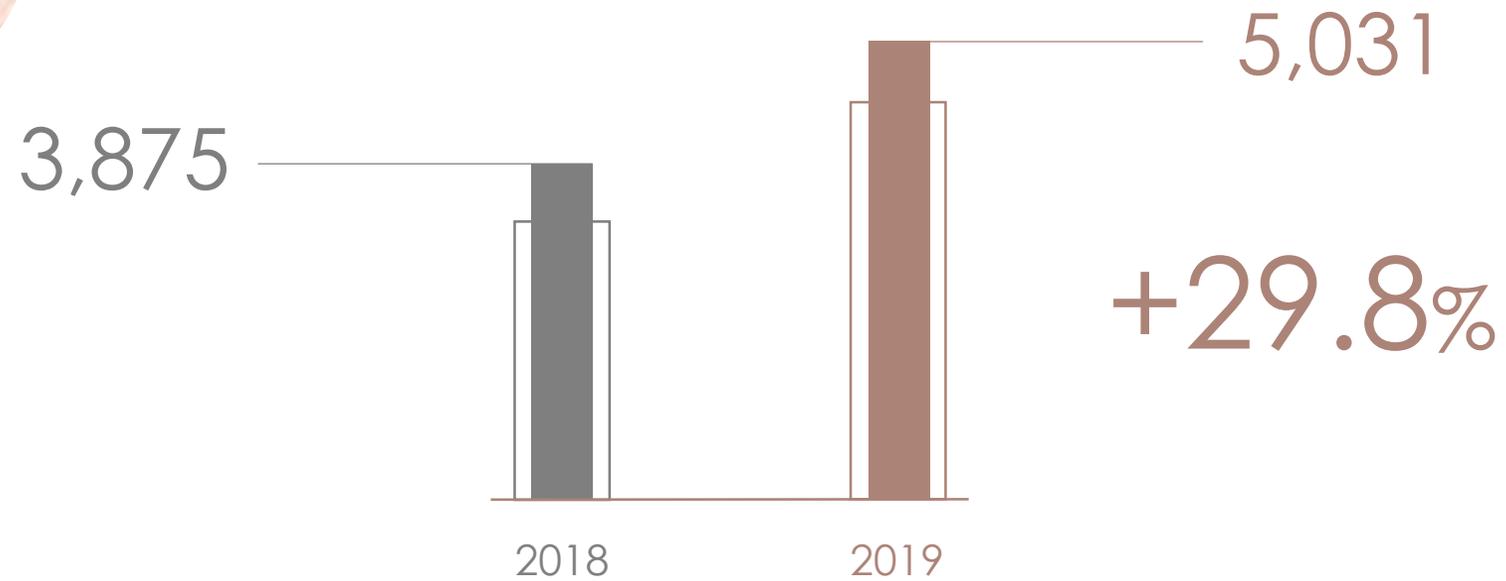
## ADVERTISING & PROMOTION EXPENSES

(% SALES)



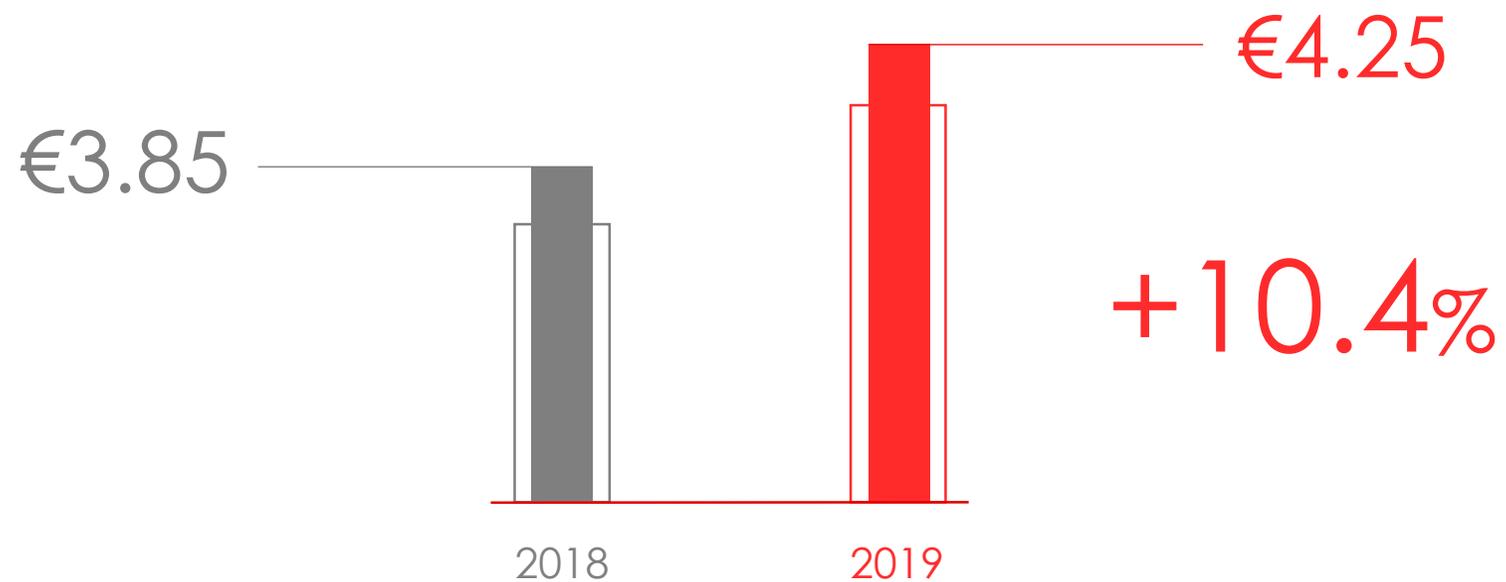
# OPERATIONAL CASH FLOW

(IN MILLION EUROS)



Operational cash flow = Gross cash flow - Change in working capital - capital expenditure.

# DIVIDEND PER SHARE



3

REINFORCING  
our major strengths  
to prepare for  
THE FUTURE



L'ORÉAL

01

# Leading the way on technologies that are REVOLUTIONISING BEAUTY



GREEN SCIENCES



EXPOSOME



MICROBIOME

# THE WORLD'S LARGEST RESEARCH FORCE

dedicated to beauty

4,100  
R&I EXPERTS

€1 Bn  
R&D EXPENSES

# 02

## Optimisation of our UNIQUE PORTFOLIO OF BRANDS

### PROFESSIONAL PRODUCTS

L'ORÉAL  
PROFESSIONNEL  
PARIS



REDKEN  
5TH AVENUE NYC



KÉRASTASE  
PARIS



MATRIX



PUREOLOGY  
serious colour care



### CONSUMER PRODUCTS

L'ORÉAL  
PARIS



GARNIER



MAYBELLINE  
NEW YORK



NYX  
PROFESSIONAL MAKEUP



3  
CE  
STYLENANDA



essie



Dark  
and  
Lovely



Niely



mg



### L'ORÉAL LUXE



LANCÔME  
PARIS

YVES SAINT LAURENT  
BEAUTE



ARMANI

Kiehl's  
SINCE 1851



BIOHERM

URBAN DECAY



shu uemura

it COSMETICS



HR RALPH LAUREN  
FRAGRANCES



VIKTOR ROLF

cacharel



DIESEL

clarisonic



YUESAI

Atelier Cologne



VALENTINO



### ACTIVE COSMETICS

LA ROCHE POSAY  
LABORATOIRE DERMATOLOGIQUE



VICHY  
LABORATOIRES



SKINCEUTICALS  
ADVANCED PROFESSIONAL SKINCARE



CeraVe



# 9 BILLIONAIRE BRANDS

L'ORÉAL  
PARIS

by GARNIER,  
*Naturally!*

MAYBELLINE  
NEW YORK

L'ORÉAL  
PROFESSIONNEL  
PARIS

LANCÔME  
PARIS

YVES SAINT LAURENT

ARMANI

*Kiehl's*  
SINCE 1851

LA ROCHE POSAY  
LABORATOIRE DERMATOLOGIQUE

L'ORÉAL

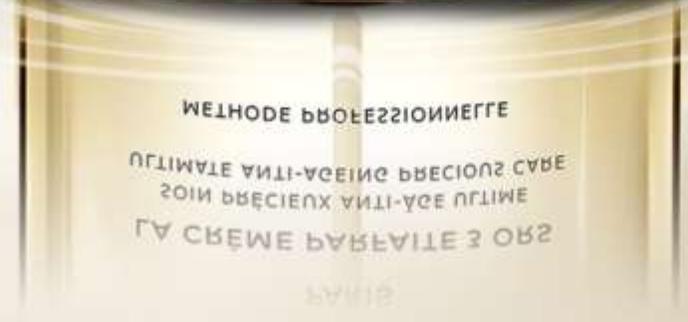
ACTIVE  
COSMETICS



**DECLÉOR**  
PARIS  
**AROMESSENCE**  
NÉROLI BIGARADE  
SÉRUM-HUILES ESSENTIELLES  
ESSENTIAL OILS-SÉRUM  
100% NATUREL/NATURAL



**CARITA**  
PARIS  
LA CRÈME PARFAITE 3 ORS  
SOIN PRÉCIEUX ANTI-ÂGE ULTIME  
ULTIMATE ANTI-AGEING PRECIOUS CARE  
METHODE PROFESSIONNELLE



METHODE PROFESSIONNELLE  
ULTIMATE ANTI-AGEING PRECIOUS CARE  
SOIN PRÉCIEUX ANTI-ÂGE ULTIME  
LA CRÈME PARFAITE 3 ORS  
PARIS

L'ORÉAL  
LUXE

L'ORÉAL

# L'ORÉAL LUXE 2 NEW BRANDS

AZZARO



MUGLER



L'ORÉAL



*Frédérique TerraVERA*

ROGER & GALLET  
PARIS  
DEPUIS 1835

EXTRAIT  
DE COLOGNE  
MAGNOLIA  
FOLIE

150 ml / 5.1 FL. OZ.  
RUE SAINT-HONORÉ | PARIS

L'ORÉAL

# THE PRADA LICENSE PERFECTLY COMPLEMENTS THE PORTFOLIO

# L'ORÉAL LUXE



LANCÔME  
PARIS



YVES SAINT LAURENT  
BEAUTE



ARMANI



VALENTINO



BIOThERM



Kiehl's  
SINCE 1851



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shu uemura



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Atelier Cologne  
Maison de Parfum  
PARIS



clarisonic



RALPH LAUREN  
FRAGRANCES



cacharel



VIKTOR & ROLF



DIESEL

# PRADA

# L'ORÉAL

# 03

# MASTERING THE NEW MARKETING MODEL

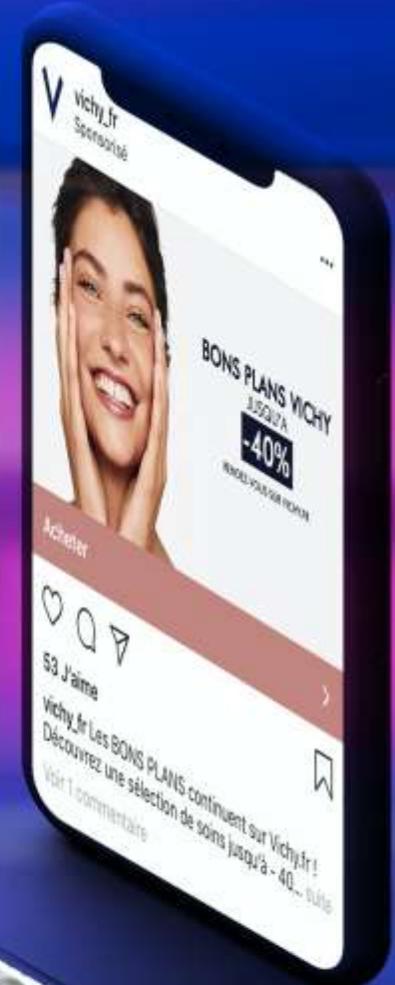
to accentuate our digital lead



# PRECISION MARKETING

≈ 50%  
OF MEDIA SPEND  
ON DIGITAL

≈ 80%  
ON PRECISION  
ADVERTISING



PERFORMANCE  
is optimised in real time

A hand is pointing at a digital dashboard displaying various charts and graphs. The dashboard is illuminated with a blue glow, and the background shows a server room with racks of equipment. The text 'PERFORMANCE is optimised in real time' is positioned at the top left, with a line connecting it to a specific data point on the dashboard. Below the dashboard, the text 'Digital Cockpit, strongly enhancing ROI' is displayed. The L'ORÉAL logo is in the bottom right corner.

Digital Cockpit,  
strongly enhancing ROI

# EXPERIENCE & SERVICES

## MODIFACE

MORE THAN  
20 BRANDS  
70 COUNTRIES





More than  
30,000 employees  
**UPSKILLED**

Many capabilities  
**INTERNALISED**

A close-up portrait of a woman's face, looking slightly to the right. The image is overlaid with vibrant, horizontal digital light streaks in shades of blue, purple, and pink. On the left side, there is a graphic consisting of three concentric white circles. The text "LEADER OF THE NEW BEAUTY TECH WORLD" is centered within these circles in a white, sans-serif font.

LEADER OF THE NEW  
**BEAUTY TECH**  
WORLD

# Mastering THE NEW E-COMMERCE MODEL



# Many countries at the BEGINNING OF THE E-COMMERCE JOURNEY

WEIGHT OF E-COMMERCE IN THE BEAUTY MARKET (in %)



05

# Extending our lead in SUSTAINABILITY



# L'ORÉAL, ONLY COMPANY WITH 3 "A" FOR THE 4<sup>th</sup> YEAR IN A ROW



# WORLD LEADER GENDER EQUALITY





ORÉAL  
G K O G



**covalence**  
ESG ratings

#1 WORLDWIDE  
ETHICAL QUOTE  
REPUTATION INDEX



# New, extremely ambitious 2030 COMMITMENTS





4

Starting this new year  
& new decade

**STRONGER**  
THAN EVER

# Deep solidarity with Chinese people



After a period of disturbance  
consumption resumes  
**STRONGER THAN BEFORE**



Assuming that the epidemic  
follows a similar pattern,

Confidence in our capacity  
to outperform the market

and

Achieve another year of growth  
in both sales and profits



THANK YOU  
MERCI

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