

## SALES AT 30 SEPTEMBER 2021

**SALES UP +18.0%<sup>1</sup>  
AT THE END OF SEPTEMBER**

### STRENGTHENED GROWTH DYNAMIC

- **Sales: 23.19 billion euros**
  - +18.0% like-for-like<sup>1</sup>
  - +18.8% at constant exchange rates
  - +15.3% based on reported figures
- **Growth acceleration over two years: +14.9% like-for-like in the third quarter compared with 2019**
- **Balanced growth: North America at +23.1%<sup>1</sup>, North Asia at +22.6%<sup>1</sup>**
- **Powerful e-commerce, up +29.7%<sup>2</sup>**

Commenting on the figures, Mr Nicolas Hieronimus, Chief Executive Officer of L'Oréal, said:

*"The Group's sales increased by +9.3% like-for-like over two years, compared with the first nine months of 2019, with a remarkable acceleration in the third quarter. All Divisions increased their growth over two years quarter after quarter.*

*As the public health situation has evolved, our employees have been safely and enthusiastically returning to the office in many countries over the last few months. As a result of our agility, relevant strategic choices and strong investment in our brands, L'Oréal continues to significantly outperform a beauty market that is gradually returning to pre-crisis levels.*

*All Zones and all Divisions are growing and contributing to the Group's well-balanced growth. The US recovery is confirmed, and mainland China has sustained strong quarterly growth over two years, despite a few upheavals in the summer. We have maintained an offensive product launch strategy, and our performance is evidence of our brands' desirability and of consumer demand for cutting-edge innovations. While in-store sales have recovered, e-commerce continues to grow rapidly and accounts for 26.6% of sales.*

*True to our dual goal for economic and corporate excellence, we are proud that L'Oréal USA has reached carbon neutrality<sup>3</sup> for all 25 of its sites. Moreover, the Group has been recognised as a Global Compact LEAD company by the United Nations for the seventh consecutive year, and ranked in Fortune's Change the World list for 2021.*

*Since the start of the pandemic, L'Oréal has been constantly gaining strength and is ideally positioned to continue to grow at its pre-crisis pace. We are more confident than ever in this growth momentum. In an environment which remains uncertain, our performance in the third quarter strengthens our ambition to outperform the market and achieve a year of growth in both sales and profits."*

<sup>1</sup> Like-for-like: based on comparable structures and identical exchange rates.

<sup>2</sup> Sales achieved on our brands' own websites + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data). Like-for-like.

<sup>3</sup> For Scope 1 & 2 emissions.

## Sales at 30 September 2021

**Like-for-like**, i.e. based on a comparable scope of consolidation and constant exchange rates, L'Oréal group sales grew by +18.0%.

**The net impact of changes in the scope of consolidation** amounted to +0.8%.

**Growth at constant exchange rates** was +18.8%.

**Currency fluctuations** had a negative impact of -3.5%. By extrapolating the exchange rates at 30 September 2021, i.e. with €1 = \$1.158 up to 31 December, the impact of currency fluctuations on sales would be around -1.9% for the whole of 2021.

**Based on reported figures**, the Group's sales at 30 September 2021 amounted to 23.19 billion euros, an increase of +15.3%.

### Sales by Division and geographic Zone

	3rd quarter 2021			At 30 September 2021		
	€m	Growth		€m	Growth	
		Like-for-like	Reported		Like-for-like	Reported
<b><u>By Division</u></b>						
Professional Products	945.6	+10.3%	+9.7%	2,724.3	+28.7%	+23.6%
Consumer Products	2,979.5	+3.2%	+4.1%	8,942.9	+5.2%	+2.6%
L'Oréal Luxe	3,120.1	+20.7%	+21.1%	8,592.2	+25.4%	+23.5%
Active Cosmetics	951.3	+28.4%	+29.0%	2,933.7	+34.5%	+31.0%
<b>Group total</b>	<b>7,996.6</b>	<b>+13.1%</b>	<b>+13.6%</b>	<b>23,193.1</b>	<b>+18.0%</b>	<b>+15.3%</b>
<b><u>By geographic Zone</u></b>						
Europe	2,567.9	+7.5%	+8.3%	7,425.0	+10.3%	+10.4%
North America	2,210.9	+22.9%	+19.2%	5,976.6	+23.1%	+15.8%
North Asia	2,165.9	+13.2%	+17.3%	6,836.7	+22.6%	+21.3%
SAPMENA – SSA <sup>4</sup>	556.8	+3.2%	-0.1%	1,650.7	+13.6%	+8.4%
Latin America	495.1	+15.7%	+21.3%	1,304.1	+25.8%	+22.2%
<b>Group total</b>	<b>7,996.6</b>	<b>+13.1%</b>	<b>+13.6%</b>	<b>23,193.1</b>	<b>+18.0%</b>	<b>+15.3%</b>

<sup>4</sup> SAPMENA-SSA: South Asia Pacific, Middle East, North Africa and Sub-Saharan Africa

## Summary by Division

### PROFESSIONAL PRODUCTS

**At the end of September, the Professional Products Division recorded strong growth, at +28.7% like-for-like and +23.6% reported.**

The Division continued to strengthen its leadership in the industry and accelerated its growth over two years, with a +22.5% increase compared with the third quarter of 2019. This dynamic is driven by three market trends: the digitalisation of salons, the development of independent stylists, and the boom in e-commerce. By winning over new salons and offering innovations that are more inclusive than ever, the Division continued its growth trend in all geographic Zones, with record performance in the United States, driven by the power of the SalonCentric distribution channel.

Haircare, the number one category in terms of growth, was led by strong performance from *Kérastase* with the success of innovations such as *Curl Manifesto* and *Genesis*, and the successful launch of *Metal Detox* by *L'Oréal Professionnel Paris* and *Acidic Bonding Concentrate* by *Redken*. In hair colour, *Shades EQ* by *Redken* and *Dialight* by *L'Oréal Professionnel Paris* recorded strong performance.

As a long-standing partner to hairstylists, L'Oréal is keen to engage the entire industry in the green transition by 2030 and is launching its in-salon sustainability programme, "Hairstylists for the Future by L'Oréal", with three priorities: reducing water consumption, managing waste and using renewable energy.

### CONSUMER PRODUCTS

**At the end of September, the Consumer Products Division was up +5.2% like-for-like and +2.6% reported.**

The Division outperformed the global market and in the third quarter exceeded its 2019 performance level, like-for-like. E-commerce continues its strong growth momentum.

Haircare drove growth thanks to the worldwide success of *Elsève*, which relies on key innovations such as *Wonder Water Dream Lengths*, the successful launch of *Hidra Hialuronico* in Latin America and a strong acceleration in mainland China. Makeup continued to recover thanks to the buoyancy of *NYX Professional Makeup* and *Maybelline New York*, which benefited from an exceptional run of launches, including *Sky High* mascara and *Ultimatte* and *Shine Loud* lipsticks. Finally, facial skincare grew thanks in particular to *L'Oréal Paris* – with the worldwide success of the *Revitalift* franchise, the successful launch of *Bright Reveal* in mainland China and *UV Defender* in emerging countries – as well as *Garnier* with *Fast Bright Booster Serum* in emerging countries and *Micellar Cleansing Water with Vitamin C* in the United States. At-home hair colour saw a decline with the reopening of salons, but nonetheless performed well over a two-year period.

### L'ORÉAL LUXE

**L'Oréal Luxe posted strong growth at the end of September: +25.4% like-for-like and +23.5% reported.**

With an increase over two years of +13.3%, compared with the third quarter of 2019, the Division significantly outperformed an already dynamic market. It saw very strong growth in North America and also consolidated its leadership in North Asia, driven by mainland China and Travel Retail. With the reopening of brick-and-mortar outlets all over the world, L'Oréal Luxe accelerated its sales both online and offline, demonstrating the strength of its selective distribution model.

Thanks to a solid launch plan, L'Oréal Luxe continued to gain market share in its three categories. In fragrances, growth was driven by the success of *Yves Saint Laurent*, *Maison Margiela* and *Valentino*, as well as highly promising launches of *Alien Goddess* by *Mugler*, *Ralph's Club* by *Ralph Lauren* and *Luna Rossa Ocean* by *Prada*. Skincare benefited from healthy sales of *Yves Saint Laurent Pure Shots* and *Helena Rubinstein, Shu Uemura* and *Takami* in Asia, as well as the exceptional worldwide growth of *Absolue* by *Lancôme*. Lastly, the Division strengthened its position in makeup, driven by the solidity of *Lancôme* and the confirmed success of *Shu Uemura* in Asia.

## ACTIVE COSMETICS

**At the end of September, the Active Cosmetics Division continued to grow very strongly, at +34.5% like-for-like and +31.0% reported.**

The Division maintained its strong momentum in the third quarter, building on last year's already high growth rate. Its portfolio of dermatological brands is more relevant than ever to address consumer aspirations in terms of health and efficacy, which strengthened during the pandemic. Sales grew in all geographic Zones. Boosted by its digital expertise, the Division maintained very strong growth in e-commerce.

The *CeraVe* brand continued its excellent breakthrough. The performance of *Skinceuticals* was driven by the revolutionary innovation *Silymarin CF*. *Vichy* continued to grow while *La Roche-Posay* maintained its strong momentum thanks to the outstanding performance of *Effaclar* and *Cicaplast*, while at the same time strengthening its footing in the dermatological sector with the launch of two products under medical device status: *Lipikar Eczema Med* and *Anthélios KA SPF 100*.

## Summary by geographic Zone

### EUROPE

At the end of September, the Zone was up +10.3% like-for-like and +10.4% reported.

In the third quarter, the European beauty market returned close to pre-pandemic levels with a rebalancing of online and offline sales. Several European countries saw a recovery in the makeup and fragrance categories. In this Zone, L'Oréal continued to win market share in the majority of countries – most notably in the United Kingdom and Germany – as well as in e-commerce.

L'Oréal Luxe again outperformed the market in the fragrance category. The Consumer Products Division contributed significantly to the recovery of makeup and continued to strengthen its positions, in particular through *Maybelline*, *NYX Professional Makeup* and *Essie*. The Active Cosmetics Division grew considerably faster than the dermocosmetics market, thanks to the strong performance of *La Roche-Posay* and *CeraVe*. Finally, the growth of the Professional Products Division was supported by the rollout of its digitalisation strategy, in close partnership with its customers.

### NORTH AMERICA

At the end of September, the Zone posted strong growth: +23.1% like-for-like and +15.8% reported. With the increase in vaccination rates and the easing of public health restrictions, the beauty market recorded a solid growth dynamic.

In the United States, L'Oréal outperformed the market. Skincare and fragrances far exceeded 2019 results while haircare and makeup continued to improve. Offline sales saw a return to growth and e-commerce more than doubled compared with 2019.

The Consumer Products Division gained market share, particularly in makeup, thanks to the continued success of the innovations *Sky High Mascara* by *Maybelline New York* and *Infallible* powder by *L'Oréal Paris*.

L'Oréal Luxe outperformed the market; its reorganisation has allowed a rebalancing of the business drivers invested in online and offline sales channels. The Division improved on its 2019 results thanks to successes in the fragrance category, with promising pre-holiday launches. The Professional Products Division took a significant leap forward compared with 2019, driven by SalonCentric and its successful transition from a retail sales model to a full-blown omnichannel model. Lastly, the Active Cosmetics Division continued to accelerate, driven by the renewed success of *CeraVe*, *La Roche-Posay* and *Skinceuticals*. The Division doubled its sales in two years in this region.

In advance of Climate Week NYC 2021, L'Oréal USA announced that it has reached carbon neutrality for Scope 1 & 2 emissions for all 25 of its US sites across twelve states, including its manufacturing and distribution facilities, administrative sites, and research and innovation sites.

## NORTH ASIA

At the end of September, the Zone posted strong growth, at +22.6% like-for-like and +21.3% reported. With a still challenging public health situation, L'Oréal once again outperformed the market in the third quarter thanks to the strength of its omnichannel model.

Japan and South Korea were confronted with a major resurgence of Covid-19, which had an adverse effect on offline sales while online sales increased significantly.

In mainland China, the market slowed down as a result of public health restrictions that led to the closure of brick-and-mortar outlets during the summer as well as restrictions on travel, particularly to Hainan. L'Oréal China nonetheless continued to post double-digit growth and significantly increased its leadership in the third quarter, with dynamic growth in all categories, especially haircare and skincare, and selective makeup making a good recovery. Over two years, L'Oréal China sustained a very high rate of growth, with third-quarter sales up +42.8% compared to 2019.

In the Zone, L'Oréal Luxe continued to outperform the market with double-digit growth, driven by the success of *Lancôme* and *Helena Rubinstein* and couture brands such as *Yves Saint Laurent* making a strong comeback. In the third quarter, Valentino opened flagship stores in Hong Kong and Shanghai. *L'Oréal Paris* and *Stylenanda 3CE* continued to drive growth in the Consumer Products Division while *Kérastase* was the force behind the Professional Products Division. The Active Cosmetics Division gained market share thanks to the excellent performance of *Skinceuticals* and *La Roche-Posay*.

## SAPMENA – SSA <sup>5</sup>

At the end of September, the SAPMENA – SSA Zone grew by +13.6% like-for-like and +8.4% based on reported figures.

In the third quarter, the SAPMENA region saw a return to pre-Covid levels, like-for-like. This performance reflects the rapid recovery in India with the reopening of brick-and-mortar outlets and a strong dynamic in the Middle East and North Africa. Countries in the Pacific and South-East Asia had to contend with restrictions due to fresh waves of Covid in the third quarter. The acceleration of e-commerce in the region made up for the closure of brick-and-mortar outlets. While the makeup category remained below pre-pandemic levels, haircare, skincare and fragrances performed well. Growth in the Professional Products Division was driven by the acceleration of e-commerce and the haircare category, thanks to the remarkable success of *Kérastase*. The Consumer Products Division was driven by the success of products developed specifically for the Zone, such as *Bright Complete* and *Color Naturals* by *Garnier*. L'Oréal Luxe continued to post strong growth in fragrances, thanks in particular to *Yves Saint Laurent* and *Armani*. The Active Cosmetics Division recorded double-digit growth.

In Sub-Saharan Africa, market recovery was more moderate due to still low vaccination levels. L'Oréal gained market share, driven by the exceptionally dynamic performance of the Active Cosmetics Division.

## LATIN AMERICA

At the end of September, the Zone posted strong growth: +25.8% like-for-like and +22.2% reported. Following occasional store closures and travel restrictions in the first half of the year, all distribution channels are now fully open. With the easing of public health measures, the resumption of social interaction and the continuation of stimulus packages, the beauty market continued to grow in almost all countries, improving on 2019 levels. L'Oréal gained market share in the Zone and posted strong double-digit growth in all Divisions and all countries, led by Chile, Mexico and Brazil.

All categories grew, thanks to the quality of innovations and the success of iconic brands and products, particularly in haircare, skincare and fragrances. *Elsève* increased its market share gains in Brazil, Mexico and Chile, thanks to the highly successful launch of *Hidra Hialuronico*. In addition, *CeraVe* continued to grow rapidly and more than doubled sales in the Zone.

<sup>5</sup> SAPMENA – SSA: South Asia Pacific, Middle East, North Africa and Sub-Saharan Africa

## Important events during the period 1/7/21 to 30/9/21 and post-closing events

- On 31 August, L'Oréal ranked first across all categories in the Vigéo Eiris indices. The international non-financial rating agency evaluates companies' governance as well as social and environmental performance, and lists L'Oréal in the CAC 40 ESG index.
- On 20 September, for the seventh consecutive year, L'Oréal was recognised as a Global Compact LEAD company by the United Nations for its continued commitment to the Ten Principles of the UN Global Compact and for placing the UN Sustainable Development Goals at the centre of its growth strategy.
- On 20 September, Henkel, L'Oréal, LVMH, Natura &Co and Unilever announced a new global collaboration to co-develop an industry-wide environmental impact assessment and scoring system for cosmetics products. The aim is to co-design an approach that is brand-agnostic, and which provides consumers with clear, transparent and comparable environmental impact information, based on a common science-based methodology.
- On 27 September, L'Oréal joined Expo 2020 Dubai as the official Beauty Products and Services Partner to share its sustainability initiatives. L'Oréal is also a partner of the World Green Economy Summit, hosted by Expo 2020 in the lead-up to COP26, which will focus on global cooperation to address the challenges facing our planet, step up sustainable development and invest in the green economy.
- On 27 September, it was announced that ADL is to honour Jean-Paul Agon, Chairman of the L'Oréal group, with its prestigious Courage Against Hate award in recognition of L'Oréal's long-standing commitment to advancing diversity, equity and inclusion within the company and to respecting human rights and combating antisemitism in society. The award will be presented during the "Never is Now" summit on 7 November.
- On 28 September, Jean-Paul Agon was granted Honorary Citizenship of Shanghai, a distinction conferred on international entrepreneurs and experts who have contributed the most to the economic and social development of the city.
- On 30 September, L'Oréal received the 2021 Grand Prix Award for Corporate Governance conferred by L'Agefi, which (in partnership with *CMS Francis Lefebvre*, *EcoVadis* and *Ethics & Boards*) conducts an independent assessment of CAC 40 and SBF 120 companies to review their corporate governance performance.
- On 6 October, L'Oréal announced that it had taken 5<sup>th</sup> place in the Universum 2021 global rankings of business students' favourite companies, moving up five spots from 2020. The Group is the highest-ranking EU multinational company in this prestigious ranking.
- On 13 October, the L'Oréal group ranked in *Fortune* magazine's Change the World 2021 List, which recognises companies that have a positive social impact through activities that are part of their core business strategy. *Fortune* identified L'Oréal as a company that is changing the world through its sustainability programme, L'Oréal for the Future.

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*"This news release does not constitute an offer to sell, or a solicitation of an offer to buy L'Oréal shares. If you wish to obtain more comprehensive information about L'Oréal, please refer to the public documents registered in France with the Autorité des Marchés Financiers, also available in English on our website [www.loreal-finance.com](http://www.loreal-finance.com).*

*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 2021 Q3 Results news release issued in the French language and is provided solely for the convenience of English-speaking readers.*

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## Appendix

L'Oréal group sales 2020/2021 (€ million)

	2020	2021
<b>First quarter</b>	7,225.2	7,614.5
<b>Second quarter</b>	5,851.3	7,582.1
<b>First half total</b>	13,076.5	15,196.6
<b>Third quarter</b>	7,036.8	7,996.6
<b>Nine months total</b>	20,113.3	23,193.1
<b>Fourth quarter</b>	7,878.8	
<b>Full year total</b>	27,992.1	

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