

First quarter 2023 sales

VERY STRONG START: +13.0% LIKE-FOR-LIKE¹, +14.6% REPORTED

- **Sales: 10.38 billion euros**, +13.0% like-for-like ¹, +14.6% based on reported figures.
- **Another quarter of market outperformance**, further strengthening L'Oréal's position as the global leader in beauty.
- **Growth in all Divisions**, with outstanding performance from the Dermatological Beauty and Consumer Products Divisions.
- **Growth in all geographic Zones**, with a spectacular performance in emerging markets. Strong double-digit growth in every Zone, except for North Asia due to a reduction of stock-in-trade in mainland China at the very beginning of the year.
- **Growth in both value and volume.**
- **Named one of the world's most ethical companies by Ethisphere**, for the 14th time.
- **Equileap Gender Equality Ranking**: 11th worldwide and number one in France, among 3,500 companies in 23 countries.
- **Agreement with Natura &Co to acquire Aēsop**, the Australian luxury beauty brand.

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

"In a beauty market that remains very dynamic, L'Oréal has maintained strong growth momentum and posted an excellent first quarter, with sales up +13.0% like-for-like¹ and +14.6% reported. Boosted by valorised innovations in all Divisions and the engagement of our teams around the world, L'Oréal has outperformed the market in all geographic Zones and strengthened its leadership position. This performance, which has yet to benefit from China's reopening, demonstrates the strength of L'Oréal's balanced multipolar model.

I am thrilled to soon welcome the magnificent Aēsop brand and its teams, which will reinforce L'Oréal Luxe.

Mindful of the current uncertainties, we remain optimistic about the outlook for the beauty market, ambitious for the future and confident in our ability to keep outperforming the market and achieve another year of growth in sales and profits in 2023."

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

FIRST QUARTER 2023 SALES

Like-for-like, i.e. based on a comparable scope of consolidation and constant exchange rates, Group sales increased by +13.0%.

The net impact of changes in the scope of consolidation was +1.0%.

Growth at constant exchange rates amounted to +14.0%.

Currency fluctuations had a positive impact of +0.6%. Extrapolating the exchange rates of 31 March 2023, (i.e. €1 = \$1.0893) until 31 December, would lead to a negative currency impact of around -4.0% on 2023 full-year sales.

On a reported basis, Group sales increased by +14.6% to 10.38 billion euros.

Sales by Division and Geographic Zone

€m	Quarterly sales		Evolution	
	1 st quarter 2022	1 st quarter 2023	Like-for-like	Reported
<u>By Division</u>				
Professional Products	1,041.3	1,143.6	+7.6%	+9.8%
Consumer Products	3,302.9	3,821.5	+14.7%	+15.7%
Luxe	3,463.7	3,729.6	+6.5%	+7.7%
Dermatological Beauty ²	1,252.7	1,685.7	+30.6%	+34.6%
Group Total	9,060.5	10,380.4	+13.0%	+14.6%
<u>By Geographic Zone</u>				
Europe	2,854.5	3,327.6	+16.0%	+16.6%
North America	2,203.9	2,693.8	+16.6%	+22.2%
North Asia	2,801.8	2,833.8	+1.9%	+1.1%
SAPMENA – SSA ³	681.1	840.8	+26.7%	+23.5%
Latin America	519.2	684.4	+22.3%	+31.8%
Group Total	9,060.5	10,380.4	+13.0%	+14.6%

² Formerly known as the Active Cosmetics Division.

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

Summary by Division

PROFESSIONAL PRODUCTS

At the end of March, the Professional Products Division recorded strong growth, at +7.6% like-for-like and +9.8% reported.

Professional Products continued to grow across all geographic Zones, with outstanding performance in mainland China, India and the United Kingdom. The Division continued to perform in all distribution channels: in salons, in its SalonCentric network in the United States, in e-commerce and in the selective channel.

Growth in the dynamic haircare market was primarily driven by *Kérastase*, with its *Symbiose* anti-dandruff range off to an excellent start, and the great success of *Série Expert* by *L'Oréal Professionnel*, with *Metal Detox*. The Division continued to grow in hair colour, with its iconic lines *Shades EQ Gloss* by *Redken* and *Inoa* by *L'Oréal Professionnel*.

As the industry leader, the Division continues the rollout of its "Hairstylists for the Future" programme, encouraging all partner hairstylists to commit to a sustainable transformation.

CONSUMER PRODUCTS

The Consumer Products Division was off to a very strong start, growing at +14.7% like-for-like and +15.7% reported.

The Division outperformed the market, successfully pursuing its premiumisation strategy while delivering significant volume growth.

The Division achieved remarkable performances in Europe and North America, and continued its strong growth momentum in emerging markets, notably in India, Mexico, Brazil and Thailand.

Each of the Division's global brands recorded double-digit growth and outperformed the market, powered by successful innovations across all categories. Makeup was the fastest growing category, with new launches including *Telescopic Lift Mascara* by *L'Oréal Paris*, *Bare With Me Blur Tint* foundation by *NYX Professional Makeup*, and the "nude" extension of *Maybelline New York's* lipstick *Superstay Vinyl Ink*. In haircare, *Elvive Bond Repair* by *L'Oréal Paris* had a spectacular start, allowing the Division to achieve exceptional growth in the category. Skincare was also very dynamic, driven by the combined success of *L'Oréal Paris' new Revitalift Clinical Vitamin C Serum* and *Garnier's* new anti-acne innovations. Hair colour achieved significant growth.

LUXE

L'Oréal Luxe recorded growth of +6.5% like-for-like and +7.7% reported in the first quarter.

The Division's growth accelerated compared with the previous quarters. Sales grew strongly in all geographic Zones except North Asia, where they were flat due to a reduction of stock-in-trade in mainland China at the very beginning of the year.

In fragrances - the most dynamic category in the luxury beauty market - the Division further expanded its lead, driven by the success of *Yves Saint Laurent* and its three main pillars *Libre*, *Y* and *Black Opium*. The couture brands' initiatives also confirmed their very strong potential, in particular *Valentino's Born In Roma*, *Mugler's Angel Elixir* and *Prada's Luna Rossa Ocean* and *Paradoxe*. The performance of *L'Oréal Luxe* in skincare was driven in particular by the remarkable success of *Helena Rubinstein* and *Takami*. The Division saw an acceleration in makeup in North America.

DERMATOLOGICAL BEAUTY⁴

At the end of March, the Division posted outstanding growth of +30.6% like-for-like and +34.6% reported.

The Division grew significantly faster than the global dermocosmetics market, which continued to expand. The Division built on its close collaboration with healthcare professionals and a brand portfolio perfectly aligned with consumers' quest for health.

The Division posted high growth in all geographic Zones, with an acceleration in Europe and in emerging markets.

La Roche-Posay, the primary contributor to the Division's growth, achieved an outstanding performance, fuelled by the ongoing success of the breakthrough suncare innovation *Anthelios UVMune 400* and the successful relaunch of *Cicaplast*, powered by the most advanced microbiome science. *CeraVe* continued its outstanding growth in both North America and the rest of the world. *SkinCeuticals* accelerated and the recently acquired brand *SkinBetter Science* had an excellent quarter.

Summary by geographic Zone

EUROPE

The Zone accelerated and recorded growth of +16.0% like-for-like and +16.6% reported.

The European beauty market remained dynamic in the first quarter, driven by the makeup, fragrance and skincare categories, again demonstrating consumers' appetite for beauty.

Growth was solid in both volume and value, with remarkable performances in Germany, the United Kingdom, France, Spain, Italy, Scandinavia and Poland. L'Oréal outperformed the market in all segments. The Consumer Products Division achieved outstanding growth, fuelled by the success of the makeup brands *Maybelline New York* and *NYX Professional Make Up*, as well as very promising launches by *L'Oréal Paris* and *Garnier*. The Dermatological Beauty Division grew significantly faster than its market, driven by *La Roche-Posay*, which strengthened its leadership, and *CeraVe*. L'Oréal Luxe benefited from strong growth in fragrances. Growth in the Professional Products Division was driven by valorisation in both hair colour and haircare.

NORTH AMERICA

The Zone grew by +16.6% like-for-like and +22.2% reported.

L'Oréal's growth continued to accelerate thanks to its innovation capacity and valorisation strategy. The Consumer Products Division benefited from successful innovations by *Maybelline New York* and *L'Oréal Paris* in makeup, *Garnier* in skincare and *L'Oréal Paris* in haircare. L'Oréal Luxe achieved strong growth, fuelled by its unique fragrance portfolio, including the remarkable success of *Prada Paradoxe*. Growth continued in the Professional Products Division, driven by haircare – especially among selective retailers and online – and the successful innovations of *L'Oréal Professionnel* and *Redken*. The Dermatological Beauty Division continued its outstanding growth, outperforming its market thanks to the success of *CeraVe*, *La Roche-Posay* and the recently acquired brand *Skinbetter Science*.

⁴ Formerly known as the Active Cosmetics Division.

NORTH ASIA

In a contrasted environment, the Zone recorded growth of +1.9% like-for-like and +1.1% reported.

The beauty market remained dynamic in Japan and South Korea but declined in continental China at the very beginning of the year as a result of the evolution of the health situation, which led to destocking in January.

From February, Chinese consumer demand for beauty resumed, as did footfall in brick-and-mortar. Its unrivalled brand portfolio coupled with its omnichannel strategy allowed L'Oréal to outperform the Chinese market, demonstrating once again its ability to navigate uncertainty with agility.

The gradual resumption of travel allowed Hong Kong, Macau and Hainan to welcome an increasing number of tourists: an opportunity that L'Oréal was ready to seize.

In Japan and South Korea, L'Oréal significantly outperformed the market and maintained strong momentum, led by the remarkable performance of the Consumer Products Division and strong growth of L'Oréal Luxe.

The Dermatological Beauty and Professional Products Divisions recorded very strong performance in the Zone.

SAPMENA – SSA ⁵

The Zone achieved remarkable growth of +26.7% like-for-like and +23.5% reported.

In SAPMENA, L'Oréal saw remarkable growth in all Divisions and categories. The Consumer Products Division, in particular, achieved exceptional growth across the entire Zone, benefiting from the recovery of makeup sales. Momentum in the Dermatological Beauty Division was fuelled by the success of *La Roche-Posay* and *CeraVe* in all markets while fragrances boosted L'Oréal Luxe growth.

Sales growth in SAPMENA was notably driven by Australia and the rebound in tourism in Thailand; in India, performance was boosted by the dynamism of e-commerce and the skincare and haircare categories in both consumer and professional channels. The Gulf States and Egypt recorded outstanding performance. In Sub-Saharan Africa (SSA), L'Oréal continued to post very strong growth, driven in particular by the Consumer Products and Dermatological Beauty Divisions.

LATIN AMERICA

The Zone recorded very strong growth of +22.3% like-for-like and +31.8% reported in a beauty market that continued to expand in key markets.

All countries and all Divisions achieved strong growth, with Brazil and Mexico being the biggest contributors, and the Consumer Products and Dermatological Beauty Divisions performing strongly. Makeup sales accelerated significantly, driven by the outstanding performance of *Maybelline New York*. In skincare, the innovations from *La Roche-Posay* and *CeraVe* enjoyed great success; other strong contributors were *L'Oréal Paris* and *Garnier*. Haircare sales increased significantly, driven by the solid performance of *Elvive*. E-commerce was very dynamic, thanks to a successful omnichannel activation strategy.

⁵ SAPMENA – SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa

IMPORTANT EVENTS DURING THE PERIOD 1/1/23 TO 31/3/23 AND POST-CLOSING EVENTS

STRATEGY

- On 3 April, L'Oréal announced that it had **signed an agreement with Natura &Co to acquire Aēsop**, the Australian luxury beauty brand. Created in 1987, Aēsop is a global super brand known for its skin, hair and body products, available across luxury retail, beauty and hospitality locations around the world. Aēsop operates online and in around 400 exclusive points of sale across the Americas, Europe, Australia and Asia, with a nascent footprint in China where the first store opened in 2022. The closing is subject to certain regulatory approvals and other customary conditions.

RESEARCH, BEAUTY TECH AND DIGITAL

- In March, the venture capital fund **BOLD (Business Opportunities for L'Oréal Development)** invested **in a biotechnology venture led by Geno**. The investment will contribute to the development of new sustainable ingredients derived from living organisms: harnessing Geno's biotechnology expertise, L'Oréal will replace traditional ingredients with biosourced alternatives, such as those produced from plant sugars. These new ingredients will be used in a range of L'Oréal's products, marking an essential step towards the Group's goals of 100% eco-designed products and 95% of ingredients in its formulas biosourced, derived from abundant minerals or circular processes by 2030.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

- In March, **L'Oréal was again ranked among the world's most gender-equitable companies by Equileap**. L'Oréal was ranked number one in France in Equileap's 2023 Gender Equality Ranking and placed 11th globally among 3,500 companies in 23 countries. Since Equileap's launch six years ago, L'Oréal has been recognised in every ranking published.
- **L'Oréal has been recognised by the international organisation Ethisphere as one of the World's Most Ethical Companies for the 14th time**. The award recognises the Group's long-term commitment and its role as a leader in applying ethical principles to its sales practices, business and corporate culture.
- The rating agency **Sustainalytics granted "Industry Top Rated" status to L'Oréal in its 2023 ESG Risk Ratings**. With a score of 19.1, the Group is classified as a "Low Risk" company and a top-rated performer within the industry, ranking 5th out of 105 in the Household Products group.
- **The Fragrance Foundation** has announced that it will honour **Nicolas Hieronimus, L'Oréal's Chief Executive Officer, with its prestigious Hall of Fame Award in New York in June 2023**. The award seeks to honour the extraordinary contribution of Nicolas Hieronimus to the fragrance industry for more than a decade, as well as his leadership and vision, reflecting the values of environmental responsibility, diversity, equity and inclusion promoted by the Foundation.

FINANCIAL INFORMATION

- On 16 March, the **2022 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.

"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.

This news release may contain some forward-looking statements. While the Company believes that these statements are based on reasonable assumptions as of the date of publication of this press release, they are by nature subject to risks and uncertainties which may lead to a discrepancy between the actual figures and those indicated or suggested 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 Groupe

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 36 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 87,400 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 2022 the Group generated sales amounting to 38.26 billion euros. With 20 research centres across 11 countries around the world and a dedicated Research and Innovation team of over 4,000 scientists and 5,500 tech and digital 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>

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L'Oréal group sales 2022/2023 (€ million)

	2022	2023
First quarter	9,060.5	10,380.4
Second quarter	9,305.8	
First half total	18,366.3	
Third quarter	9,575.2	
Nine months total	27,941.5	
Fourth quarter	10,319.1	
Full year total	38,260.6	