

## 2023 Half-Year Results

### L'ORÉAL KEEPS UP THE PACE: CONTINUED STRONG GROWTH FURTHER IMPROVEMENT IN OPERATING MARGIN

- **Sales: 20.57 billion euros**, +13.3% like-for-like<sup>1</sup>, +12.0% reported
- **Continued outperformance of the global beauty market**
- **Broad-based momentum across all Divisions**, with record growth in Consumer Products and another outstanding quarter for Dermatological Beauty
- **Growth in all Regions** with particularly impressive momentum in Europe, strong performance in the United States and sharp recovery in mainland China in the second quarter
- **Progress well-balanced between offline and online**
- **Strong growth driven by both volume and value**
- **Operating margin at 20.7%**, up 30 basis points
- **EPS<sup>2</sup> growth: +11.2%** to €6.73
- **Standard & Poor's Global** again awarded L'Oréal 85 points out of 100 in its **ESG rating**, reflecting the Group's performance in terms of sustainability

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

*"In a beauty market that is more dynamic than ever, L'Oréal delivered a remarkable performance and further strengthened its global leadership in the first half. Growth was broad-based across all Divisions, Regions, categories, and channels, once again vindicating our balanced, multi-polar model. Growth continued to be driven by the dual cylinders of volume and value – testament to the success of our innovations and the desirability of our brands. In keeping with our virtuous circle, we improved our profitability, all while significantly increasing investment in our brands. At the same time, in line with our dual ambition of economic and corporate performance, we continued to invest in the transition towards a more sustainable operating model that will ensure long-term value creation. In an economic context that is still uncertain, we remain ambitious for the future, optimistic about the outlook for the beauty market, and confident in our ability to keep outperforming the market and achieve in 2023 another year of growth in sales and profits."*

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

<sup>2</sup> Diluted earnings per share, excluding non-recurring items, after non-controlling interests.

Moreover, the Board of Directors has decided, under the authorisation voted by the Annual General Meeting of 21 April 2023, to set up a share buyback programme during the second half of 2023 amounting to a maximum of 500 million euros and with a maximum number of shares to be acquired of 2 million. The shares thus repurchased are intended to be cancelled<sup>3</sup>.

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## 2023 HALF-YEAR SALES

**Like-for-like**, i.e. based on a comparable scope of consolidation and constant exchange rates, sales of the L'Oréal group grew by +13.3%.

**The net impact of changes in the scope of consolidation** was +1.1%.

**Growth at constant exchange rates** came out at +14.4%.

**Currency fluctuations** had a negative impact of -2.4%. If the exchange rates at 30 June 2023, i.e. €1 = \$1.092, are extrapolated until 31 December, the impact of currency fluctuations on sales would be around -4.9% for the whole of 2023.

**Based on reported figures**, the Group's sales at 30 June 2023 amounted to 20.57 billion euros, an increase of +12.0%.

### Sales by Division and Region

	2 <sup>nd</sup> quarter 2023			1 <sup>st</sup> half 2023		
	€m	Growth		€m	Growth	
		Like-for-like	Reported		Like-for-like	Reported
<b>By Division</b>						
Professional Products	1,170.2	+7.7%	+4.2%	2,313.7	+7.6%	+6.9%
Consumer Products	3,865.6	+15.4%	+10.7%	7,687.2	+15.0%	+13.1%
Luxe	3,558.8	+8.6%	+4.4%	7,288.4	+7.6%	+6.1%
Dermatological Beauty <sup>4</sup>	1,599.1	+27.3%	+24.5%	3,284.8	+29.0%	+29.5%
<b>Group Total</b>	<b>10,193.7</b>	<b>+13.7%</b>	<b>+9.5%</b>	<b>20,574.1</b>	<b>+13.3%</b>	<b>+12.0%</b>
<b>By Region</b>						
Europe	3,163.3	+20.8%	+16.6%	6,491.0	+18.2%	+16.6%
North America	2,638.6	+9.7%	+7.9%	5,332.4	+13.0%	+14.7%
North Asia	2,818.7	+5.9%	+0.0%	5,652.5	+3.9%	+0.6%
SAPMENA–SSA <sup>5</sup>	807.1	+20.7%	+11.7%	1,647.9	+23.6%	+17.4%
Latin America	766.0	+24.9%	+26.4%	1,450.4	+23.6%	+28.9%
<b>Group Total</b>	<b>10,193.7</b>	<b>+13.7%</b>	<b>+9.5%</b>	<b>20,574.1</b>	<b>+13.3%</b>	<b>+12.0%</b>

<sup>3</sup> The L'Oréal Universal Registration Document filed with the AMF (Autorité des Marchés Financiers) on 16 March 2023 includes, on page 352, the other pieces of information that must appear in the share buyback programme description pursuant to Article 241-2 of the General Regulation of the AMF.

<sup>4</sup> Formerly known as the Active Cosmetics Division.

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

## Summary by Division

### PROFESSIONAL PRODUCTS

**In the first half of the year, the Professional Products Division reported continued growth of +7.6% like-for-like and +6.9% reported.**

The Division outperformed the market with remarkable growth in mainland China and India, as well as the United Kingdom. It continued to grow in all distribution channels: in salons, in its *SalonCentric* network (in North America), in e-commerce and in the selective channel.

Growth in the dynamic haircare market was driven by *Kérastase*, with an excellent start for the *Symbiose* anti-dandruff range, and by *L'Oréal Professionnel*, with the success of *Metal Detox*. The Division performed well in hair colour, thanks to its iconic lines *Shades EQ* by *Redken* and *Inoa* by *L'Oréal Professionnel*.

As the industry leader, the Division continued to pursue the rollout of its "Hairstylists for the Future" programme, supporting all partner hairstylists in their green transition.

### CONSUMER PRODUCTS

**The Consumer Products Division achieved its best half-year on record, growing +15.0% like-for-like and +13.1% reported.**

Driven by both volume and value, the Division increased its sales by around one billion euros to achieve this record performance. The Division significantly outperformed the dynamic mass market; of particular note were the exceptional performances in Europe and in the high-potential emerging markets of Mexico, Brazil, and India.

Each of the large brands grew in double-digits. All four categories advanced strongly, powered by flawless execution, best-in-class retailer partnerships, and disruptive innovations. Makeup was the most dynamic, boosted by the newly launched *Falsies Surreal Mascara* by *Maybelline New York*, *Telescopic Lift Mascara* by *L'Oréal Paris* and *Fat Oil Gloss* by *NYX Professional Makeup*. Haircare benefitted from the Division's premiumisation strategy, especially with the highly successful launch of *Elvive Bond Repair*. In hair colour, *Good by Garnier* was off to a very promising start. Skincare recorded double digit growth thanks to *L'Oréal Paris'* new *Revitalift Clinical Vitamin C SPF50+* fluid and *Garnier's* new *AHA BHA* anti-acne line.

### LUXE

**L'Oréal Luxe has accelerated quarter after quarter, posting first-half growth of +7.6% like-for-like and +6.1% reported.**

L'Oréal Luxe reported strong growth in the first six months, driven by double-digit increases in Europe, North America and emerging markets. In mainland China, L'Oréal Luxe saw a remarkable recovery during the second quarter with double-digit growth in sales and achieved another record market share.

The Division outperformed the luxury fragrance market, with double-digit growth across all Regions, spurred by standout performances from couture brands including *Yves Saint Laurent*, *Prada* and *Valentino*. In skincare, L'Oréal Luxe continued to make progress thanks to the spectacular success of *Helena Rubinstein* and the recovery of *Lancôme* in North America, along with the success of *Takami* in Japan and more recently in mainland China. Makeup also grew, buoyed by the success of *Yves Saint Laurent* and encouraging performances from specialist brands *Urban Decay* and *Shu Uemura*.

The *Aēsop* brand will be integrated in the second half once the necessary regulatory approvals have been obtained.

## DERMATOLOGICAL BEAUTY<sup>6</sup>

**The Dermatological Beauty Division reported outstanding growth of +29.0% like-for-like and +29.5% reported.**

In the first half, the Division delivered another remarkable performance, growing well ahead of the highly dynamic dermocosmetics market with a strong contribution from volume and value. This was driven by its portfolio of highly complementary brands – coupled with the continued pursuit of medical and prescription leadership. The Division posted outstanding progress in all regions with particularly impressive performances in emerging markets and Europe; in mainland China, where the market continued to gradually recover, it outperformed significantly.

All global brands advanced in double digits: *La Roche-Posay*, the Division's number one growth contributor maintained its strong momentum, driven by *Effaclar*, *Cicaplast* and *UVMune 400*. *CeraVe* remained extremely dynamic in North America and accelerated strongly in the rest of the world. *Vichy* was spurred by the success of *Dercos* and solid momentum in sun care. *SkinCeuticals* continued to progress and the newly acquired *SkinBetter Science* was off to a very promising start.

## Summary by Region

### EUROPE

**Europe posted outstanding growth of +18.2% like-for-like and +16.6% reported.**

L'Oréal outperformed a dynamic beauty market, with remarkable performances in key countries such as the Germany-Austria-Switzerland cluster, France, and the United Kingdom, as well as in dynamic countries like Poland, Turkey and the Nordics. In e-commerce, growth accelerated significantly in the second quarter.

Growth was fuelled by a sound contribution from value and an increase in volume, demonstrating the attractiveness of L'Oréal's brand portfolio among European consumers.

In the Consumer Products Division, momentum was outstanding for all major brands and in all categories, led by makeup and skincare. The Dermatological Beauty Division continued to post very strong growth and significantly outperformed the market, driven by *La Roche-Posay* and *CeraVe*, both of which continued to achieve spectacular performances. L'Oréal Luxe strengthened its leadership in fragrances, the largest segment in the European selective beauty market, driven by the ongoing success of *Paradoxe* by *Prada* and *Libre* by *Yves Saint Laurent*. The Professional Products Division continued to make gains in the strategic premium haircare segment.

### NORTH AMERICA

**In the first six months, growth in North America amounted to +13.0% like-for-like and +14.7% reported.**

Growth was broad-based across all the Divisions and driven by a strong contribution from both price and mix.

In the US, the Consumer Products Division advanced in double digits, outperforming the market in haircare and skincare; momentum remained strong in makeup, led by innovations across all key brands.

L'Oréal Luxe continued to outperform the market in fragrances, driven by couture brands including *Valentino* and *Prada*; in makeup, *Yves Saint Laurent* and *Armani* grew in double digits, driven by recent launches. Growth in e-commerce remained dynamic with strong momentum on Amazon, where the introduction of new brands, including *Lancôme*, is redefining luxury beauty on the platform.

The Professional Products Division outpaced the market, notably in haircare, driven by the ongoing success of *Redken* and *Kérastase*.

L'Oréal Dermatological Beauty maintained its tremendous growth, significantly outperforming the market, thanks to the continued success of *CeraVe* and the outstanding momentum of *La Roche-Posay*, the Division's fastest growing brand.

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<sup>6</sup> Formerly known as the Active Cosmetics Division.

## NORTH ASIA

### North Asia grew +3.9% like-for-like and +0.6% reported.

The beauty market in mainland China continued its progressive recovery in the second quarter, driven by a strong rebound in both offline and online channels. Against that backdrop, L'Oréal significantly outperformed the market and achieved strong growth across all channels and Divisions during this period. This was fuelled by the introduction of new brands like *Valentino*, *Prada* and *Takami*; a well-filled innovation pipeline; as well as the gradual expansion into new cities. During the 6.18 shopping festival, eight of the Group's brands across all four Divisions were in the Top-20; *L'Oréal Paris* and *Lancôme* ranked first and second, respectively, cumulative across all platforms and categories.

By category, the Region's growth in the first half was driven by haircare, notably *Kérastase* and *L'Oréal Professionnel*; skincare, including *Helena Rubinstein*, *SkinCeuticals* and *Takami*; and fragrance with *Maison Margiela* and the *Prada* and *Valentino* launches. After a challenging start to the year, makeup recovered significantly in the second quarter, driven by both mass and selective brands.

Growth remained strong in Hong Kong SAR, which benefited from the pick-up in travel from mainland China. In Japan, L'Oréal outperformed the market thanks to significant momentum in Consumer Products, notably with *Maybelline New York*, and L'Oréal Luxe, with standout performances for *Takami* and *Shu Uemura*.

The Travel Retail business in the Region was affected by the base effect of last year's anticipated invoicing<sup>7</sup>. In addition, sell-out was adversely impacted by Travel Retail operators' wide-ranging refocus on a model with the individual traveller at its core.

## SAPMENA–SSA<sup>8</sup>

### SAPMENA-SSA achieved outstanding growth of +23.6% like-for-like and +17.4% reported.

SAPMENA continued to deliver outstanding double-digit growth in all categories and Divisions, making gains in both volume and value. By category, skincare was the main driver, fuelled by the expansion of *CeraVe* and strong growth in *La Roche-Posay* suncare; makeup was the fastest-growing category due to the rebound of *Maybelline New York*; fragrances recorded another strong and broad-based performance. By Region, growth was well-balanced between Pacific, Southeast Asia, South Asia and Middle East & North Africa. In the Pacific region, growth was outstanding, especially in the drug store channel; in India, growth was driven by mass and professional hair colour and haircare. In Southeast Asia, L'Oréal recorded strong sales and outperformed in Thailand, Malaysia and Singapore, while the Consumer Products Division in Vietnam benefited from the expansion of e-commerce. The Gulf States recorded excellent growth over the religious holidays.

In Sub-Saharan Africa (SSA), all countries saw double-digit growth, with particularly strong momentum in South Africa and Kenya.

## LATIN AMERICA

### Latin America achieved outstanding growth of +23.6% like-for-like and +28.9% reported.

The Latin American beauty market remained dynamic across all key countries, driven by Mexico and Brazil. L'Oréal delivered excellent growth with a positive contribution from volume and value – supported by a strong innovation pipeline. All countries continued to grow in double digits, with Brazil and Mexico being the top contributors. E-commerce sales continued to display fast growth.

Makeup spearheaded double-digit growth across all categories, with the stellar success of *Maybelline New York* innovations. In skincare, growth was driven by the continued success of *La Roche-Posay* and *CeraVe*, as well as *L'Oréal Paris* and *Garnier*. Haircare sales grew thanks to the continued strength of the *Elvive* franchise.

<sup>7</sup> The Asian Travel Retail business unit was relocated on 1<sup>st</sup> July 2022, which generated anticipated invoicing of €90 million in the first half of 2022.

<sup>8</sup> SAPMENA – SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa.

## IMPORTANT EVENTS DURING THE PERIOD 01/04/23 TO 30/06/23 AND POST-CLOSING EVENTS

### STRATEGY

- On 1 July, as part of the Ambition France project, the Group established L'Oréal France as an autonomous entity, bringing together its commercial operations and shared services, as voted by the Annual General Meeting of 21 April 2023.

### RESEARCH, BEAUTY TECH AND DIGITAL

- L'Oréal launched several **major biotech initiatives**. Its venture capital fund **BOLD invested in US biotech company Debut** to co-develop a platform of over 7,000 increasingly high-performing and more sustainable ingredients; the joint development program between L'Oréal and Debut aims to accelerate their go-to-market. It also announced a **partnership with Bakar Labs, the pioneering biotech incubator of University of California Berkeley**; the collaboration gives Bakar Labs' start-ups free access to L'Oréal's 3D-reconstructed skin models, an innovative tool for animal-free safety and efficacy testing.
- **At Viva Technology 2023, L'Oréal unveiled its latest Beauty Tech innovations:** inclusive solutions such as HAPTA, designed to enable people with hand motion disorders to apply makeup; diagnostic tools (SPOTSCAN, META PROFILER™, K-SCAN); personalised solutions (3D shu:brow); and sustainable solutions like L'Oréal Professionnel's WATER SAVER, which has saved over 66 million litres of water to date.  
**L'Oréal and Verily** – an Alphabet precision health tech company – also announced the **launch of My Skin & Hair Journey**, the world's largest, most diverse multi-year skin and hair health study. Involving thousands of women in the US, the study will help researchers better understand the biological, clinical and environmental factors that contribute to skin and hair health.
- At the **World Congress of Dermatology (WCD)** in Singapore, L'Oréal unveiled new research on pigmentation and the impact of hormonal variations on women's skin and scalp.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

- L'Oréal was recognised by **Standard & Poor's Global** for its sustainability performance, with a solid **Environmental, Social & Governance (ESG) rating** of 85 points out of 100. The score underlines L'Oréal's sustainable transformation towards a more responsible and inclusive business model through the implementation of an ambitious sustainability strategy.
- At the **25<sup>th</sup> L'Oréal-UNESCO For Women in Science International Awards**, five women scientists were recognised for their outstanding work. A medal of honour and a financial endowment were also given to three researchers who have been forced to flee their country and have shown exemplary courage, resilience and commitment to science.
- To coincide with Earth Day, in April L'Oréal announced **three new projects supported by its Fund for Nature Regeneration. NetZero, ReforestTerra and Mangroves.Now** were chosen for their innovative approaches to soil carbon sequestration, reforestation and mangrove restoration as well as their potential to have a far-reaching, positive impact on the environment and local communities.
- L'Oréal featured on **Fast Company's 2023 list of 100 Best Workplaces for Innovators**, which recognises organisations around the world that demonstrate an inspiring commitment to encourage and develop innovation at all levels.

### FINANCE

- In May, L'Oréal successfully completed a **bond issue<sup>9</sup> totalling 2 billion euros**, the net proceeds of which will be used for general corporate purposes, in particular the acquisition of Aēsop.

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<sup>9</sup> NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, JAPAN OR AUSTRALIA.  
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## 2023 HALF-YEAR RESULTS

The limited review procedures of the half-year consolidated accounts have been completed. The limited review report is being prepared by the Statutory Auditors.

### Operating profitability at 20.7% of sales

Consolidated profit and loss account: from sales to operating profit.

€m	30/6/22	% of sales	31/12/22	% of sales	30/6/23	% of sales	Change H1-2023 vs. H1-2022
<b>Sales</b>	<b>18,366.3</b>	<b>100.0%</b>	<b>38,260.6</b>	<b>100.0%</b>	<b>20,574.1</b>	<b>100.0 %</b>	<b>+12.0%</b>
<i>Cost of sales</i>	-4,935.8	26.9%	-10,577.4	27.6%	-5,291.5	25.7%	
<b>Gross profit</b>	<b>13,430.6</b>	<b>73.1%</b>	<b>27,683.3</b>	<b>72.4%</b>	<b>15,282.6</b>	<b>74.3%</b>	<b>+13.8%</b>
<i>R&amp;I expenses</i>	-539.6	2.9%	-1,138.6	3.0%	-622.8	3.0%	
<i>Advertising and promotion expenses</i>	-5,793.3	31.5%	-12,059.0	31.5%	-6,682.6	32.5%	
<i>Selling, general and administrative expenses</i>	-3,352.2	18.3%	-7,028.8	18.4%	-3,718.5	18.1%	
<b>Operating profit</b>	<b>3,745.5</b>	<b>20.4%</b>	<b>7,456.9</b>	<b>19.5%</b>	<b>4,258.8</b>	<b>20.7%</b>	<b>+13.7%</b>

**Gross profit**, at 15,282.6 million euros, came out at 74.3% of sales compared with 73.1% in the first half of 2022, an increase of 120 basis points.

**Research & Innovation expenses**, at 622.8 million euros, came out at 3.0% of sales.

**Advertising and promotion expenses**, at 6,682.6 million euros, came out at 32.5% of sales, an increase of 100 basis points.

**Selling, general and administrative expenses**, at 18.1% of sales, decreased by 20 basis points.

Overall, **operating profit** increased by +13.7% to 4,258.8 million euros and amounted to 20.7% of sales, an increase of 30 basis points compared with the first half of 2022.

## Operating profit by Division

	30/6/22		31/12/22		30/6/23	
	€m	% of sales	€m	% of sales	€m	% of sales
<b>By Division</b>						
Professional Products	458.7	21.2%	953.6	21.3%	490.1	21.2%
Consumer Products	1,359.8	20.0%	2,774.9	19.8%	1,617.4	21.0%
Luxe	1,647.8	24.0%	3,350.4	22.9%	1,687.9	23.2%
Dermatological Beauty <sup>10</sup>	703.5	27.7%	1,303.0	25.4%	933.9	28.4%
<b>Total Divisions before non-allocated</b>	<b>4,169.9</b>	<b>22.7%</b>	<b>8,381.9</b>	<b>21.9%</b>	<b>4,729.3</b>	<b>23.0%</b>
Non-allocated <sup>11</sup>	-424.4	2.3%	-925.1	2.4%	-470.5	2.3%
<b>Group</b>	<b>3,745.5</b>	<b>20.4%</b>	<b>7,456.9</b>	<b>19.5%</b>	<b>4,258.8</b>	<b>20.7%</b>

The L'Oréal group is managed on an annual basis. This means that half-year operating profits cannot be extrapolated for the whole year.

The profitability of the **Professional Products Division** came out at 21.2%, in line with the first half of 2022.

The profitability of the **Consumer Products Division** increased from 20.0% to 21.0%.

The profitability of **Luxe** decreased by 80 basis points, to 23.2%.

The profitability of the **Dermatological Beauty Division** improved by 70 basis points to 28.4%.

<sup>10</sup> Formerly known as the Active Cosmetics Division.

<sup>11</sup> Non-allocated expenses = Central Group expenses, fundamental research expenses, free grant of shares expenses and miscellaneous items.

## Net profit excluding non-recurring items

Consolidated profit and loss account: from operating profit to net profit excluding non-recurring items.

€m	30/6/22	31/12/22	30/06/23	Change H1-2023 vs. H1-2022
<b>Operating profit</b>	<b>3,745.5</b>	<b>7,456.9</b>	<b>4,258.8</b>	<b>+13.7%</b>
<i>Financial revenues and expenses, excluding Sanofi dividends</i>	-16.4	-73.0	-45.3	
<i>Sanofi dividends</i>	468.2	468.2	420.9	
Profit before tax and associates excluding non-recurring items	4,197.3	7,852.1	4,634.4	
<i>Income tax excluding non-recurring items</i>	-943.0	-1,793.4	-1,013.2	
<i>Net profit excluding non-recurring items of equity consolidated companies</i>	+1.1	+1.5	-	
<i>Non-controlling interests</i>	-1.3	-6.1	-4.6	
<b>Net profit excluding non-recurring items, after non-controlling interests<sup>12</sup></b>	<b>3,254.0</b>	<b>6,054.1</b>	<b>3,616.6</b>	<b>+11.1%</b>
<b>EPS<sup>13</sup> (€)</b>	<b>6.05</b>	<b>11.26</b>	<b>6.73</b>	<b>+11.2%</b>
<b>Diluted average number of shares</b>	<b>537,541,538</b>	<b>537,657,548</b>	<b>537,136,456</b>	

**Overall financial expenses** came out at 45.3 million euros.

**Sanofi dividends** amounted to 420.9 million euros.

**Income tax excluding non-recurring items** came out at 1,013.2 million euros, i.e. a tax rate of 21.9%.

**Net profit excluding non-recurring items after non-controlling interests** came out at 3,616.6 million euros.

**Earnings per share**, at 6.73 euros, increased by +11.2% compared with the first half of 2022.

<sup>12</sup> Net profit excluding non-recurring items, after non-controlling interests, excludes mostly capital gains and losses on disposals of long-term assets, impairment of assets, restructuring costs, tax effects and non-controlling interests.

<sup>13</sup> Diluted net profit per share, excluding non-recurring items, after non-controlling interests.

## Net profit

Consolidated profit and loss account: from net profit excluding non-recurring items to net profit.

€m	30/6/22	31/12/22	30/6/23
<b>Net profit excluding non-recurring items, after non-controlling interests<sup>12</sup></b>	<b>3,254.0</b>	<b>6,054.1</b>	<b>3,616.6</b>
<b>Non-recurring items</b>	<b>-31.2</b>	<b>-347.4</b>	<b>-257.6</b>
of which:			
• <i>other income and expenses</i>	-34.5	-241.5	-321.7
• <i>tax effect</i>	+3.3	-105.9	+64.1
<b>Net profit after non-controlling interests</b>	<b>3,222.8</b>	<b>5,706.6</b>	<b>3,359.0</b>

Non-recurring items amounted to 257.6 million euros net of tax.

## Operating cash flow and balance sheet

**Gross cash flow** amounted to 4,378 million euros, an increase of 14.5%.

The **change in working capital** amounted to -1,556 million euros.

**Investments**, at 724 million euros, represented 3.5% of sales.

**Operating cash flow<sup>14</sup>** amounted to 2,097 million euros, an increase of 56.9%.

At 30 June 2023, after taking into account finance lease liabilities for 1,567 million euros, **net debt** amounted to 4,822 million euros.

<sup>14</sup> Operating cash flow = Gross cash flow + changes in working capital - capital expenditure.

"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. 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."

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### About L'Oréal

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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## APPENDICES

### Appendix 1: L'Oréal group sales 2022/2023 (€ million)

	2022	2023
First quarter	9,060.5	10,380.4
Second quarter	9,305.8	10,193.7
First half total	18,366.3	20,574.1
Third quarter	9,575.2	
Nine months total	27,941.5	
Fourth quarter	10,319.1	
Full year total	38,260.6	

## Appendix 2: Compared consolidated income statements

€ millions	1 <sup>st</sup> half 2023	1 <sup>st</sup> half 2022	2022
<b>Net sales</b>	<b>20,574.1</b>	<b>18,366.3</b>	<b>38,260.6</b>
Cost of sales	-5,291.5	-4,935.8	-10,577.4
<b>Gross profit</b>	<b>15,282.6</b>	<b>13,430.6</b>	<b>27,683.3</b>
Research & innovation expenses	-622.8	-539.6	-1,138.6
Advertising and promotion expenses	-6,682.6	-5,793.3	-12,059.0
Selling, general and administrative expenses	-3,718.5	-3,352.2	-7,028.8
<b>Operating profit</b>	<b>4,258.8</b>	<b>3,745.5</b>	<b>7,456.9</b>
Other income and expenses	-321.7	-34.5	-241.5
<b>Operational profit</b>	<b>3,937.1</b>	<b>3,711.0</b>	<b>7,215.4</b>
Finance costs on gross debt	-80.7	-14.0	-70.4
Finance income on cash and cash equivalents	65.6	29.0	69.8
<b>Finance costs, net</b>	<b>-15.1</b>	<b>15.0</b>	<b>-0.6</b>
Other financial income and expenses	-30.2	-31.4	-72.3
Sanofi dividends	420.9	468.2	468.2
<b>Profit before tax and associates</b>	<b>4,312.7</b>	<b>4,162.8</b>	<b>7,610.6</b>
Income tax	-949.1	-940.0	-1,899.4
Share of profit in associates	-	1.1	1.4
<b>Net profit</b>	<b>3,363.6</b>	<b>3,224.0</b>	<b>5,712.6</b>
Attributable to:			
• owners of the company	3,359.0	3,222.8	5,706.6
• non-controlling interests	4.6	1.2	6.0
Earnings per share attributable to owners of the company (euros)	6.27	6.02	10.65
Diluted earnings per share attributable to owners of the company (euros)	6.25	6.00	10.61
Earnings per share attributable to owners of the company, excluding non-recurring items (euros)	6.75	6.07	11.30
Diluted earnings per share attributable to owners of the company, excluding non-recurring items (euros)	6.73	6.05	11.26

## Appendix 3: Consolidated statement of comprehensive income

€ millions	1 <sup>st</sup> half 2023	1 <sup>st</sup> half 2022	2022
<b>Consolidated net profit for the period</b>	<b>3,363.6</b>	<b>3,224.0</b>	<b>5,712.6</b>
Cash flow hedges	-47.9	-38.0	288.5
Cumulative translation adjustments	-359.3	680.9	195.1
Income tax on items that may be reclassified to profit or loss <sup>(1)</sup>	6.3	6.9	-58.0
<b>Items that may be reclassified to profit or loss</b>	<b>-400.9</b>	<b>649.8</b>	<b>425.6</b>
Financial assets at fair value through other comprehensive income	972.6	913.2	152.1
Actuarial gains and losses	57.8	342.1	395.6
Income tax on items that may not be reclassified to profit or loss <sup>(1)</sup>	-45.0	-116.9	-111.5
<b>Items that may not be reclassified to profit or loss</b>	<b>985.4</b>	<b>1,138.4</b>	<b>436.2</b>
<b>Other comprehensive income</b>	<b>584.5</b>	<b>1,788.2</b>	<b>861.8</b>
<b>Consolidated comprehensive income</b>	<b>3,948.1</b>	<b>5,012.2</b>	<b>6,574.4</b>
Attributable to:			
• owners of the company	3,943.7	5,010.8	6,567.6
• non-controlling interests	4.4	1.4	6.8

<sup>(1)</sup> The tax effect is as follows:

€ millions	1 <sup>st</sup> half 2023	1 <sup>st</sup> half 2022	2022
Cash flow hedges	6.3	6.9	-58.0
<b>Items that may be reclassified to profit or loss</b>	<b>6.3</b>	<b>6.9</b>	<b>-58.0</b>
Financial assets at fair value through other comprehensive income	-30.6	-28.5	-6.1
Actuarial gains and losses	-14.4	-88.4	-105.5
<b>Items that may not be reclassified to profit or loss</b>	<b>-45.0</b>	<b>-116.8</b>	<b>-111.5</b>
<b>TOTAL</b>	<b>-38.7</b>	<b>-110.0</b>	<b>-169.5</b>

## Appendix 4: Compared consolidated balance sheets

### Assets

€ millions	30.06.2023	30.06.2022	31.12.2022
<b>Non-current assets</b>	<b>33,536.2</b>	<b>32,578.9</b>	<b>32,794.5</b>
Goodwill	11,362.0	11,353.9	11,717.7
Other intangible assets	3,610.9	3,501.0	3,640.1
Right-of-use assets	1,443.0	1,491.8	1,482.7
Property, plant and equipment	3,626.7	3,441.0	3,481.7
Non-current financial assets	12,710.3	11,956.5	11,652.8
Investments accounted for the equity method	18.2	10.9	18.4
Deferred tax assets	765.2	823.8	801.1
<b>Current assets</b>	<b>17,571.6</b>	<b>14,590.0</b>	<b>14,049.6</b>
Inventories	4,258.0	3,988.3	4,079.4
Trade accounts receivable	5,483.6	5,064.6	4,755.5
Other current assets	2,668.9	2,399.6	2,423.2
Current tax assets	164.2	150.3	173.9
Cash and cash equivalents	4,996.9	2,987.4	2,617.7
<b>TOTAL</b>	<b>51,107.9</b>	<b>47,168.9</b>	<b>46,844.2</b>

### Equity & Liabilities

€ millions	30.06.2023	30.06.2022	31.12.2022
<b>Equity</b>	<b>27,961.6</b>	<b>25,932.4</b>	<b>27,186.5</b>
Share capital	107.2	107.3	107.0
Additional paid-in capital	3,368.7	3,265.6	3,368.7
Other reserves	14,215.5	12,085.9	11,675.6
Other comprehensive income	7,348.6	6,845.8	6,404.4
Cumulative translation adjustments	-443.2	401.7	-83.8
Treasury shares	-	-	-
Net profit attributable to owners of the company	3,359.0	3,222.8	5,706.6
<b>Equity attributable to owners of the company</b>	<b>27,955.7</b>	<b>25,929.1</b>	<b>27,178.5</b>
Non-controlling interests	5.9	3.3	8.0
<b>Non-current liabilities</b>	<b>6,027.2</b>	<b>5,527.3</b>	<b>5,937.9</b>
Provisions for employee retirement obligations and related benefits	447.0	62.1	457.9
Provisions for liabilities and charges	68.3	61.9	67.7
Non-current tax liabilities	245.7	290.9	275.6
Deferred tax liabilities	849.5	896.5	905.6
Non-current borrowings and debt	3,250.2	3,009.4	3,017.6
Non-current lease debt	1,166.5	1,206.5	1,213.5
<b>Current liabilities</b>	<b>17,119.0</b>	<b>15,709.2</b>	<b>13,719.6</b>
Trade accounts payable	6,074.9	6,467.6	6,345.6
Provisions for liabilities and charges	1,149.4	1,245.0	1,205.6
Other current liabilities	4,251.9	3,821.1	4,484.6
Income tax	239.9	396.1	264.2
Current borrowings and debt	5,002.0	3,336.4	1,012.8
Current lease debt	400.9	443.0	407.0
<b>TOTAL</b>	<b>51,107.9</b>	<b>47,168.9</b>	<b>46,844.2</b>

## Appendix 5: Consolidated statements of changes in equity

€ millions	Common shares outstanding	Share capital	Additional paid-in capital	Retained earnings and net profit	Other comprehensive income	Treasury shares	Cumulative translation adjustments	Equity attributable to owners of the company	Non-controlling interests	Equity
<b>At 31.12.2021</b>	<b>535,412,360</b>	<b>111.5</b>	<b>3,265.6</b>	<b>23,689.3</b>	<b>5,738.6</b>	<b>-8,940.2</b>	<b>-279.1</b>	<b>23,585.7</b>	<b>6.9</b>	<b>23,592.6</b>
Impact of the application of the IFRIC decision on SaaS contracts				-151.2				-151.2		-151.2
<b>At 01.01.2022 <sup>(1)</sup></b>	<b>535,412,360</b>	<b>111.5</b>	<b>3,265.6</b>	<b>23,538.1</b>	<b>5,738.6</b>	<b>-8,940.2</b>	<b>-279.1</b>	<b>23,434.5</b>	<b>6.9</b>	<b>23,441.4</b>
Consolidated net profit for the period				5,706.6				5,706.6	6.0	5,712.6
Cash flow hedges					229.7			229.7	0.8	230.5
Cumulative translation adjustments							195.3	195.3	-0.2	195.1
<b>Other comprehensive income that may be reclassified to profit and loss</b>					<b>229.7</b>			<b>425.0</b>	<b>0.6</b>	<b>425.6</b>
Financial assets at fair value through other comprehensive income					146.1			146.1		146.1
Actuarial gains and losses					290.0			290.0	0.1	290.1
<b>Other comprehensive income that may not be reclassified to profit and loss</b>					<b>436.1</b>			<b>436.1</b>	<b>0.1</b>	<b>436.2</b>
<b>Consolidated comprehensive income</b>				<b>5,706.6</b>	<b>665.8</b>		<b>195.3</b>	<b>6,567.6</b>	<b>6.8</b>	<b>6,574.4</b>
Capital increase	1,317,073	0.3	103.1	-0.2				103.2		103.2
Cancellation of Treasury shares		-4.8		-9,437.7		9,442.5		-		-
Dividends paid (not paid on Treasury shares)				-2,601.2				-2,601.2	-4.4	-2,605.6
Share-based payment				169.0				169.0		169.0
Net changes in Treasury shares	-1,542,871					-502.3		-502.3		-502.3
Changes in scope of consolidation								-		-
Other movements				7.7				7.7	-1.2	6.5
<b>At 31.12.2022</b>	<b>535,186,562</b>	<b>107.0</b>	<b>3,368.7</b>	<b>17,382.2</b>	<b>6,404.4</b>	<b>-</b>	<b>-83.8</b>	<b>27,178.5</b>	<b>8.0</b>	<b>27,186.5</b>
Consolidated net profit for the period				3,359.0				3,359.0	4.6	3,363.6
Cash flow hedges					-41.2			-41.2	-0.4	-41.6
Cumulative translation adjustments							-359.5	-359.5	0.2	-359.3
<b>Other comprehensive income that may be reclassified to profit and loss</b>					<b>-41.2</b>			<b>-400.7</b>	<b>-0.2</b>	<b>-400.9</b>
Financial assets at fair value through other comprehensive income					942.0			942.0		942.0
Actuarial gains and losses					43.4			43.4		43.4
<b>Other comprehensive income that may not be reclassified to profit and loss</b>					<b>985.4</b>			<b>985.4</b>	<b>-</b>	<b>985.4</b>
<b>Consolidated comprehensive income</b>				<b>3,359.0</b>	<b>944.2</b>		<b>-359.5</b>	<b>3,943.7</b>	<b>4.4</b>	<b>3,948.1</b>
Capital increase	776,525	0.2		-0.2				-		-
Cancellation of Treasury shares								-		-
Dividends paid (not paid on Treasury shares)				-3,248.4				-3,248.4	-6.2	-3,254.6
Share-based payment				81.3				81.3		81.3
Net changes in Treasury shares								-		-
Changes in scope of consolidation								-		-
Other movements				0.6				0.6	-0.3	0.3
<b>At 30.06.2023</b>	<b>535,963,087</b>	<b>107.2</b>	<b>3,368.7</b>	<b>17,574.5</b>	<b>7,348.6</b>	<b>-</b>	<b>-443.2</b>	<b>27,955.7</b>	<b>5.9</b>	<b>27,961.6</b>

<sup>(1)</sup> After taking account of the IFRIC final decision in April 2021 on setup and customization costs for SaaS-type contracts software.

## Changes in first-half 2022

€ millions	Common shares outstanding	Share capital	Additional paid-in capital	Retained earnings and net profit	Other comprehensive income	Treasury shares	Cumulative translation adjustments	Equity attributable to owners of the company	Non-controlling interests	Equity
<b>At 31.12.2021</b>	<b>535,412,360</b>	<b>111.5</b>	<b>3,265.6</b>	<b>23,689.3</b>	<b>5,738.6</b>	<b>-8,940.2</b>	<b>-279.1</b>	<b>23,585.7</b>	<b>6.9</b>	<b>23,592.6</b>
Impact of the application of the IFRIC decision on SaaS contracts				-152.5				-152.5		-152.5
<b>At 01.01.2022 <sup>(1)</sup></b>	<b>535,412,360</b>	<b>111.5</b>	<b>3,265.6</b>	<b>23,536.8</b>	<b>5,738.6</b>	<b>-8,940.2</b>	<b>-279.1</b>	<b>23,433.2</b>	<b>6.9</b>	<b>23,440.1</b>
Consolidated net profit for the period				3,222.8				3,222.8	1.2	3,224.0
Cash flow hedges					-31.2			-31.2	0.1	-31.1
Cumulative translation adjustments							680.8	680.8	0.1	680.9
<b>Other comprehensive income that may be reclassified to profit and loss</b>					<b>-31.2</b>		<b>680.8</b>	<b>649.6</b>	<b>0.2</b>	<b>649.8</b>
Financial assets at fair value through other comprehensive income					884.7			884.7		884.7
Actuarial gains and losses					253.7			253.7		253.7
<b>Other comprehensive income that may not be reclassified to profit and loss</b>					<b>1,138.4</b>			<b>1,138.4</b>	<b>-</b>	<b>1,138.4</b>
<b>Consolidated comprehensive income</b>				<b>3,222.8</b>	<b>1,107.2</b>		<b>680.8</b>	<b>5,010.8</b>	<b>1.4</b>	<b>5,012.2</b>
Capital increase	868,249	0.2		-0.2				-		-
Cancellation of Treasury shares		-4.5		-8,935.8		8,940.2		-		-
Dividends paid (not paid on Treasury shares)				-2,601.2				-2,601.2	-4.4	-2,605.6
Share-based payment				86.8				86.8		86.8
Net changes in Treasury shares								-		-
Changes in scope of consolidation								-		-
Other movements				-0.6				-0.6	-0.5	-1.1
<b>AT 30.06.2022</b>	<b>536,280,609</b>	<b>107.3</b>	<b>3,265.6</b>	<b>15,308.6</b>	<b>6,845.8</b>	<b>—</b>	<b>401.7</b>	<b>25,929.1</b>	<b>3.3</b>	<b>25,932.4</b>

<sup>(1)</sup> After taking account of the IFRIC final decision in April 2021 on setup and customization costs for SaaS-type contracts software.

## Appendix 6: Compared consolidated statements of cash flows

€ millions	1 <sup>st</sup> half 2023	1 <sup>st</sup> half 2022	2022
<b>Cash flows from operating activities</b>			
Net profit attributable to owners of the company	3,359.0	3,222.8	5,706.6
Non-controlling interests	4.6	1.2	6.0
Elimination of expenses and income with no impact on cash flows:			
• depreciation, amortisation, provisions and non-current tax liabilities	911.3	626.8	1,536.1
• changes in deferred taxes	-5.0	-57.3	-96.5
• share-based payment (including free shares)	81.3	86.8	169.0
• capital gains and losses on disposals of assets	2.9	-0.5	7.6
Other non-cash transactions	24.2	-53.6	-38.7
Share of profit in associates net of dividends received	-	-1.1	-0.5
<b>Gross cash flow</b>	<b>4,378.3</b>	<b>3,825.1</b>	<b>7,289.6</b>
Changes in working capital	-1,556.6	-1,849.8	-1,011.3
<b>Net cash provided by operating activities (A)</b>	<b>2,821.7</b>	<b>1,975.4</b>	<b>6,278.3</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment and intangible assets	-724.1	-638.3	-1,343.2
Disposals of property, plant and equipment and intangible assets	1.7	3.6	9.2
Changes in other financial assets (including investments in non-consolidated companies)	-41.9	-54.2	-142.8
Effect of changes in the scope of consolidation	-159.4	-10.2	-746.9
<b>Net cash from investing activities (B)</b>	<b>-923.7</b>	<b>-699.1</b>	<b>-2,223.8</b>
<b>Cash flows from financing activities</b>			
Dividends paid	-3,398.2	-2,641.2	-2,689.9
Capital increase of the parent company	-	-	103.2
Capital increase of subsidiaries	-	-	-
Disposal (acquisition) of Treasury shares	-	-	-502.3
Purchase of non-controlling interests	-	-	-
Issuance (repayment) of short-term loans	2,218.2	-1,216.6	-3,563.8
Issuance of long-term borrowings	2,015.4	2,997.8	3,019.9
Repayment of long-term borrowings	-29.9	-	-
Repayment of lease debt	-211.2	-216.7	-446.9
<b>Net cash from financing activities (C)</b>	<b>594.2</b>	<b>-1,076.7</b>	<b>-4,079.9</b>
Net effect of changes in exchange rates and fair value (D)	-113.0	73.9	-70.7
<b>Change in cash and cash equivalents (A+B+C+D)</b>	<b>2,379.2</b>	<b>273.5</b>	<b>-96.1</b>
<b>Cash and cash equivalents at beginning of the period (E)</b>	<b>2,617.7</b>	<b>2,713.8</b>	<b>2,713.8</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	<b>4,996.9</b>	<b>2,987.4</b>	<b>2,617.7</b>