

2022 Half-Year Results

**EXCEPTIONAL PERFORMANCE:
+13.5% LIKE-FOR-LIKE ¹, +20.9% REPORTED**

STRONG INCREASE IN PROFITS

- **Sales: 18.36 billion euros**
 - +13.5% like-for-like ¹
 - +13.9% at constant exchange rates
 - +20.9% based on reported figures
- **Double-digit growth in selective Divisions, significant acceleration in Consumer Products**
- **Double-digit growth in all Zones, very strong growth in emerging markets**
- **Operating margin at 20.4%, an increase of 70 basis points**
- **Strong growth in EPS ²: +30.8% at €6.05**

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

"L'Oréal performed remarkably well in the first half of the year, with growth of +13.5% like-for-like and +20.9% reported. After two years of the pandemic, consumers confirm their desire to socialise and indulge themselves with innovative and superior beauty products, which in turn is fueling the growth of the beauty market. L'Oréal grew twice as fast as the market and has strengthened its position as the world's No.1 beauty company.

Our performance is increasingly balanced. Balanced between volume and value growth. Balanced between offline growth, with the reopening of retail outlets in most countries, and e-commerce ³ growth which continues at a double-digit pace. Balanced between geographic Zones, all of which posted double-digit growth, with strong performance in emerging markets (SAPMENA-SSA ⁴, Latin America) and outstanding performance in mainland China in a very challenging context, thanks to our expertise in e-commerce. Balanced across our Divisions, with our three selective Divisions achieving double-digit growth and the Consumer Products Division recording a significant acceleration in the second quarter. Lastly, every major category achieved double-digit growth.

Our proven capacity to valorise our portfolio through innovation and control our costs allowed us to absorb the impact of higher raw material prices, mitigate supply chain pressures, and continue to invest efficiently in our brands, while improving profitability and creating sustainable value.

Our L'Oréal for the Future programme reached an important milestone: after the United States in 2021, we achieved carbon neutrality across all our sites in the North Asia Zone. In addition, the success of our third employee share ownership plan, rolled out in more than 60 countries, demonstrates the strong commitment of our employees worldwide.

Mindful of the current uncertainties and instability, we are convinced that our unique, balanced model, our incredible innovation capacity, our strong brand portfolio, the passion and agility of our teams and our financial strength are the assets that will enable us to pursue our profitable and sustainable growth strategy.

We remain optimistic about the outlook for the global beauty market and confident in our ability to outperform in 2022 and achieve another year of growth in sales and profits."

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

² Diluted earnings per share, excluding non-recurring items, after non-controlling interests.

³ Sales achieved on our brands' websites and with e-commerce pure players + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data).

⁴ SAPMENA-SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa

Moreover, the Board of Directors has decided, under the authorisation voted by the Annual General Meeting of 21 April 2022, to set up a share buyback programme during the second half of 2022 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 ⁵.

⁵ The L'Oréal Universal Registration Document filed with the AMF (Autorité des Marchés Financiers) on 17 March 2022 includes, on page 416, 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.

2022 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 +13.5%.

The net impact of changes in the scope of consolidation was +0.4%.

Growth at constant exchange rates came out at +13.9%.

Currency fluctuations had a positive impact of +7.0%. If the exchange rates at 30 June 2022, i.e. €1 = \$1.042, are extrapolated until 31 December, the impact of currency fluctuations on sales would be around +6.9% for the whole of 2022.

Based on reported figures, the Group's sales at 30 June 2022 amounted to 18.36 billion euros, an increase of +20.9%.

Sales by Division and Geographic Zone

	2 nd quarter 2022			1 st half 2022		
	€m	Growth		€m	Growth	
		Like-for-like	Reported		Like-for-like	Reported
<u>By Division</u>						
Professional Products	1,122.6	+11.3%	+20.7%	2,163.8	+14.3%	+21.7%
Consumer Products	3,491.5	+9.1%	+16.8%	6,794.3	+8.0%	+13.9%
L'Oréal Luxe	3,407.9	+15.3%	+26.1%	6,871.6	+16.4%	+25.6%
Active Cosmetics	1,283.9	+23.8%	+33.9%	2,536.6	+20.9%	+28.0%
Group Total	9,305.8	+13.4%	+22.7%	18,366.3	+13.5%	+20.9%
<u>By geographic Zone</u>						
Europe	2,712.7	+12.0%	+13.4%	5,567.2	+14.3%	+14.6%
North America	2,446.5	+10.7%	+25.3%	4,650.4	+11.6%	+23.5%
North Asia	2,818.3	+11.7%	+22.7%	5,620.1	+10.5%	+20.3%
SAPMENA–SSA ⁶	722.3	+30.8%	+38.9%	1,403.4	+23.0%	+28.3%
Latin America	606.0	+22.4%	+43.9%	1,125.3	+22.3%	+39.1%
Group Total	9,305.8	+13.4%	+22.7%	18,366.3	+13.5%	+20.9%

The Asian Travel Retail business unit was relocated on 1st July 2022, which generated anticipated invoicing of €90 million in June.

This had a positive impact of 110 basis points on second quarter like-for-like growth, and 60 basis points on the first half. This impact will be reversed in the third quarter 2022.

⁶ SAPMENA–SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa

Summary by Division

PROFESSIONAL PRODUCTS

At the end of June, the Professional Products Division recorded strong growth at +14.3% like-for-like and +21.7% reported.

The Division continued to grow strongly in all geographic Zones, with outstanding performance in India, mainland China, North America and Germany. This growth confirms the success of the Division's omnichannel strategy, with a significant increase in sales in e-commerce, in salons, and within the SalonCentric distribution network in the United States.

The Division increased its leadership in the dynamic haircare market, thanks in particular to the good performance of *Kérastase* and *Serie Expert* by *L'Oréal Professionnel*. In hair colour, the Division also recorded strong growth, with the success of its iconic lines: *Shades EQ* by *Redken* and *Inoa* by *L'Oréal Professionnel*; innovation continued with *Redken Color Gels Lacquers 10 Min*, which allows hairdressers to cover 100% of white hair in 10 minutes.

Always at the cutting edge, the Division expanded its service offering by launching L'Oréal's first marketplace for beauty professionals through the SalonCentric distribution network in the United States, thus reaffirming its global leadership.

CONSUMER PRODUCTS

The Consumer Products Division posted solid growth in the first half: +8.0% like-for-like and +13.9% reported, with an outstanding second quarter at +9.1%

This performance was driven by the success of all its major brands and their product innovations. In a dynamic global makeup market, the Division progressed even faster, thanks to the performance of *NYX Professional Makeup* and blockbuster launches like *True Match* serum by *L'Oréal Paris* and *Vinyl Ink* lipstick by *Maybelline New York*. The Division also recorded double-digit growth in haircare, with the global rollout of *Elvive Hyaluron Plump* as well as a successful focus on premium ranges. In skincare, *Garnier* continued to grow in the different Zones, with the success of its *Vitamin C Brightening Serum* and micellar waters.

In mainland China, the lockdown in Shanghai curbed product deliveries early in the second quarter. In June, *L'Oréal Paris* ranked No.1 beauty brand in the 6.18 Shopping Festival on Tmall. Elsewhere, the Division gained significant market share in the United States, accelerated in Europe and recorded outstanding performance in emerging markets, especially Mexico, Brazil, India and the Middle East.

Thanks to its advanced revenue growth management, the Division was able to create growth in both volume and value, while preserving its profitability.

L'ORÉAL LUXE

In the first half of the year, L'Oréal Luxe recorded very strong growth of +16.4% like-for-like and +25.6% reported, again outperforming the global luxury beauty market.

The Division outperformed in all three of its categories. The super-premium brands *Lancôme Absolue* and *Helena Rubinstein* drove the growth in skincare along with the newly acquired brands *Takami* and *Youth to the People*. In fragrances, the Division grew by +35%; global mainstays such as *Libre* by *Yves Saint Laurent* and *Born in Roma* by *Valentino* were powerful growth drivers. Driven by the success of *Maison Margiela* and *Armani Privé*, the Collections segment is booming and showing strong potential. In makeup, the global brands *Lancôme* and *Yves Saint Laurent* and the category specialists *Shu Uemura* and *Urban Decay* grew significantly faster than the market, which continued to be dynamic.

The Division's performance is balanced across geographic Zones. L'Oréal Luxe accelerated strongly in SAPMENA-SSA and Latin America and reached very high market share levels in North Asia. Despite a difficult context in mainland China, L'Oréal Luxe achieved exceptional performance and reached a record market share there.

ACTIVE COSMETICS

At the end of June, the Division posted very strong growth of +20.9% like-for-like and +28.0% reported.

Building on a strengthened partnership with healthcare professionals, which is boosting the Division's recommendation-based model, the Active Cosmetics Division grew much faster than the dermocosmetics market. The Division achieved double-digit growth in all Zones, with remarkable performance in North America, Europe and SAPMENA–SSA.

Growth is balanced between e-commerce and brick-and-mortar, which maintained a good momentum over the half-year with a strong contribution from the drugstore and pharmacy channels.

La Roche-Posay, the primary contributor to the Division's growth, accelerated strongly, driven by *Cicaplast* and *Effaclar*, as well as the success of the patented sun protection innovation *UVMune 400*, the result of 10 years of research. *CeraVe* remained the Division's fastest growing brand, continuing to perform remarkably well in North America while pursuing its dynamic expansion in international markets. *Vichy* posted double-digit growth driven by the relaunch of *Neovadiol*, the success of the innovative *UV AGE* in a very dynamic sun protection market, and of the *Dercos* franchise in haircare. *Skinceuticals* accelerated in the second quarter, fuelled by the excellent performance of *A.G.E Interrupter* anti-wrinkle cream.

Summary by geographic Zone

EUROPE

The Zone achieved strong growth of +14.3% like-for-like and +14.6% reported.

With the lifting of public health restrictions in the majority of countries, the European beauty market was dynamic in the first half and has now exceeded 2019 levels. All categories grew, and L'Oréal outperformed the market in the majority of countries, particularly Spain-Portugal, Germany and Italy. L'Oréal continued to strengthen its positions in e-commerce.

The Active Cosmetics Division significantly increased its market share, with *La Roche-Posay* posting very strong growth and *CeraVe* expanding rapidly. Reinforcing its leadership, L'Oréal Luxe recorded outstanding performance in fragrances, despite supply chain constraints. The performance of the Consumer Products Division was driven by makeup and skincare. The Professional Products Division reported balanced growth between hair colour and haircare.

The Group's activities in Ukraine, which were put on hold on 24 February following the invasion, were resumed in a limited capacity in response to customer demand. In Russia, the Group has temporarily closed all its own stores and e-commerce sites and suspended all industrial and media investments. In accordance with European and American sanctions, it has suspended the sales of all products except essential daily products.

NORTH AMERICA

In the first half of the year, the Zone grew by +11.6% like-for-like and +23.5% reported.

Sales continued to grow amid a robust market that has returned to pre-Covid levels. As brick-and-mortar recovers, growth is balanced between online and offline. Product innovations, dedication to service improvement and a major focus on valorisation across all Divisions were key to L'Oréal's success in the first half. Despite real improvements, supply chain pressures persisted in a context of strong growth.

The Consumer Products Division continued to grow with innovations in all categories, led by *NYX Professional Makeup*, which successfully completed its transformation. The performance of L'Oréal Luxe was driven by fragrances, while the recently acquired brand *Youth to the People* bolstered the Division's skincare range. The Professional Products Division also beat the market, driven by *SalonCentric* and the recovery of salons, as well as its strong innovation strategy. The Active Cosmetics Division significantly outpaced the market, with *La Roche-Posay* and *CeraVe* achieving very strong growth.

NORTH ASIA

The Zone recorded growth of +10.5% like-for-like and +20.3% reported.

Amid the Covid-19 resurgence in the Zone, L'Oréal achieved exceptional performance, with all three selective Divisions posting double-digit growth. L'Oréal Luxe recorded spectacular market share gains, with the activations of *Lancôme*, *Helena Rubinstein* and *Yves Saint Laurent*, and also the successful rollout of *Urban Decay* and *Maison Margiela* while the Active Cosmetics and Professional Products Divisions were driven by the success of *La Roche-Posay*, *Skinceuticals* and *Kérastase*. The Consumer Products Division improved in the second quarter thanks to strong innovation initiatives from *Maybelline New York* and *L'Oréal Paris*.

In mainland China, the beauty market contracted significantly at the beginning of the second quarter due to the lockdown. Thanks to its robust supply infrastructure, L'Oréal was able to cope with disruptions and achieved solid performance, with double-digit growth in June, reinforcing its market share in all Divisions during the second quarter, with L'Oréal Luxe reaching a historic market share. The Group leveraged its excellence in e-commerce and six of its brands featured in the top 12 during the Tmall 6.18 Shopping Festival: *L'Oréal Paris* ranked No.1 in total beauty and in skincare in particular; *Kérastase* was ranked No.1 in haircare, while *Stylenanda 3CE* topped the makeup ranking. *L'Oréal Paris* also topped the rankings in the new platform created by ByteDance (TikTok/Douyin).

In the rest of the Zone, L'Oréal outperformed the market in South Korea, and, in Japan, the recently acquired *Takami* brand is growing very fast.

SAPMENA–SSA ⁷

The Zone grew sharply by +23.0% like-for-like and +28.3% reported.

In SAPMENA, L'Oréal grew much faster than the market. The Group met booming demand from brick-and-mortar outlets in the Zone, while continuing to grow online, with a strong activation strategy. The performance in SAPMENA was largely driven by the outstanding sales dynamic in India. In the Pacific region, L'Oréal confirmed its recovery in Australia with double-digit growth in the second quarter. In South-East Asia, the gradual return of tourist footfall has contributed to the recovery of sales in the region; L'Oréal saw a dramatic recovery in offline sales in Malaysia and continued to grow in Thailand and Vietnam thanks to the success of the Active Cosmetics Division. In the Middle East, the Gulf states saw spectacular sales growth.

In Sub-Saharan Africa (SSA), the Group progressed much faster than the market and achieved an outstanding performance, driven by South Africa and Kenya.

LATIN AMERICA

The Zone recorded an excellent performance, with growth of +22.3% like-for-like and +39.1% based on reported figures.

The beauty market continued to expand in all countries, with particularly strong growth in Mexico and an acceleration in Brazil and Chile.

In this context, L'Oréal gained market share, driven by the outstanding performance of the Consumer Products Division. L'Oréal recorded double-digit growth in all Divisions and all countries, with a significant acceleration in Mexico and the remarkable growth of the Consumer Products Division in Brazil. All categories posted strong growth. The weight of online sales continued to increase, and L'Oréal recorded strong growth in brick-and-mortar.

⁷ SAPMENA – SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa

IMPORTANT EVENTS DURING THE PERIOD 1/4/22 TO 30/6/22 AND POST-CLOSING EVENTS

- On 21 April, L'Oréal announced the launch of a **Circular Innovation Fund** to scale breakthrough circular innovative solutions from around the world. As an anchor investor, L'Oréal is contributing 50 million euros to this new 150 million euros fund. The investment is part of its L'Oréal for the Future sustainability programme.
- On 17 May, L'Oréal announced the launch of its **third Employee Share Ownership Plan**. The plan was successfully rolled out in more than 60 countries and gives L'Oréal employees, in France and internationally, the possibility to be even more closely linked to the Group's development.
- On 20 May, L'Oréal's corporate venture capital fund BOLD (Business Opportunities for L'Oréal Development) announced a **minority investment in SPARTY, Inc.**, a Japanese startup dedicated to personalised beauty. This investment marks the first venture capital investment by L'Oréal in Japan.
- On 24 May, after 10 years of research, L'Oréal introduced **UVMune 400**, its first sun filtering technology to effectively protect the skin against ultra-long UVA rays, which are the most insidious. With this major scientific breakthrough, L'Oréal is helping to prevent sun-induced deep skin damage, which is a major public health issue.
- On 25 May, L'Oréal announced the launch of the **L'Oréal BOLD Female Founders** initiative designed to support female-led startups. It will be developed by its venture capital fund BOLD (Business Opportunities for L'Oréal Development) with a dedicated initial allocation of 25 million euros.
- From 15 to 18 June, at **Viva Technology 2022** in Paris, L'Oréal unveiled its vision for the Future of Beauty with an **exploration of Web3 and the metaverse**, alongside **immersive beauty experiences** such as Scent-Sation by Yves Saint Laurent Beauté, in partnership with EMOTIV, to help consumers navigate the world of fragrance; or L'Oréal Water Saver, named one of TIME magazine's 100 Best Inventions of 2021, a groundbreaking showerhead that uses rocket engine technology to create a luxurious and efficient hair washing experience while reducing water consumption by 61% compared to standard methods.
- On 23 June, the Fondation L'Oréal and UNESCO celebrated 45 eminent women scientists from over 35 countries at the **For Women in Science International Awards** ceremony, a showcase of female scientific excellence. Fifteen STEM researchers received the Award in recognition of their outstanding scientific achievements, along with 30 young female scientists who earned the title of *International Rising Talents*.
- 24 June marked the 30th anniversary of **L'Oréal Brandstorm**, the innovation competition for students from all over the world, this year organised in partnership with Salesforce.
- On 28 June, at the award ceremony for the **Young Shareholders Golden Palms**, created by EDHEC Business School and the Federation of Individual Investors and Investment Clubs (F2iC), L'Oréal received the "Palme de la Pédagogie". This award recognises the company that has made the most effort to inform and communicate with its shareholders.
- On 5 July, L'Oréal was granted the **Award for ESG Purpose and Commitments** at the 2022 General Meeting and Gender Balance Awards ceremony, organised by the Institut du Capitalisme Responsable.
- On 22 July, L'Oréal announced that **all its sites in the North Asia Zone have achieved carbon neutrality** (scopes 1 & 2), by using exclusively renewable energy. This result illustrates the Group's efforts to fight climate change and is an important step towards achieving the objectives of the L'Oréal for the Future programme.

2022 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 20.4% of sales

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

€m	30/6/21	% of sales	31/12/21	% of sales	30/6/22	% of sales	Change H1-2022 vs. H1-2021
Sales	15,196.6	100.0%	32,287.6	100.0%	18,366.3	100.0%	+20.9%
<i>Cost of sales</i>	-3,869.5	25.5%	-8,433.3	26.1%	-4,935.8	-26.9%	
Gross profit	11,327.1	74.5%	23,854.3	73.9%	13,430.6	73.1%	+18.6%
<i>R&I expenses</i>	-489.1	3.2%	-1,028.7	3.2%	-539.6	2.9%	
<i>Advertising and promotion expenses</i>	-4,951.6	32.6%	-10,591.0	32.8%	-5,793.3	31.5%	
<i>Selling, general and administrative expenses</i>	-2,898.2	19.1%	-6,074.2	18.8%	-3,352.2	18.3%	
Operating profit	2,988.1	19.7%	6,160.3	19.1%	3,745.5	20.4%	+25.3%

Gross profit, at 13,430.6 million euros, came out at 73.1% of sales compared with 74.5%, a difference of 140 basis points compared with the first half of 2021.

Research & Innovation expenses, at 539.6 million euros, came out at 2.9% of sales.

Advertising and promotion expenses came out at 31.5% of sales, a decrease of 110 basis points.

Selling, general and administrative expenses, at 18.3% of sales, decreased by 80 basis points.

Overall, **operating profit** increased by +25.3% to 3,745.5 million euros and amounted to 20.4% of sales, an increase of 70 basis points compared with the first half of 2021.

Operating profit by Division

	30/6/21		31/12/21		30/6/22	
	€m	% of sales	€m	% of sales	€m	% of sales
By Division						
Professional Products	363.9	20.5%	806.9	21.3%	458.7	21.2%
Consumer Products	1,193.4	20.0%	2,466.0	20.2%	1,359.8	20.0%
L'Oréal Luxe	1,301.9	23.8%	2,816.3	22.8%	1,647.8	24.0%
Active Cosmetics	570.0	28.8%	990.5	25.2%	703.5	27.7%
Total Divisions before non-allocated	3,429.1	22.6%	7,079.7	21.9%	4,169.9	22.7%
Non-allocated ⁸	-441.0	-2.9%	-919.4	-2.8%	-424.4	-2.3%
Group	2,988.1	19.7%	6,160.3	19.1%	3,745.5	20.4%

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** increased from 20.5% to 21.2%.

The profitability of the **Consumer Products Division** came out at 20.0%, as in the first half of 2021.

The profitability of **L'Oréal Luxe** improved by 20 basis points to 24.0%.

The profitability of the **Active Cosmetics Division** decreased by 110 basis points, to 27.7%.

⁸ Non-allocated expenses = Central Group expenses, fundamental research expenses, stock options and 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	30/6/21	31/12/21	30/06/22	Change H1-2022 vs. H1-2021
Operating profit	2,988.1	6,160.3	3,745.5	+25.3%
<i>Financial revenues and expenses, excluding Sanofi dividends</i>	-29.4	-59.6	-16.4	
<i>Sanofi dividends</i>	378.3	378.3	468.2	
Profit before tax and associates excluding non-recurring items	3,337.0	6,478.9	4,197.3	
<i>Income tax excluding non-recurring items</i>	-731.9	-1,535.6	-943.0	
<i>Net profit excluding non-recurring items of equity consolidated companies</i>	+0.3	+0.6	+1.1	
<i>Non-controlling interests</i>	-5.4	-5.5	-1.3	
Net profit excluding non-recurring items, after non-controlling interests [?]	2,600.0	4,938.5	3,254.0	+25.2%
EPS ¹⁰ (€)	4.63	8.82	6.05	+30.8%
Diluted average number of shares	561,833,554	559,791,545	537,541,538	

Overall financial expenses came out at 16.4 million euros.

Sanofi dividends amounted to 468.2 million euros. This year, in addition to the annual dividend of 393.7 million euros, Sanofi paid an additional dividend-in-kind in the form of newly listed Euroapi shares for an amount of 74.5 million euros.

Income tax excluding non-recurring items came out at 943.0 million euros, i.e. a tax rate of 22.5%, higher than the first half of 2021.

Net profit excluding non-recurring items after non-controlling interests came out at 3,254.0 million euros.

Earnings per share, at 6.05 euros, increased by +30.8% compared with the first half of 2021.

[?] 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.

¹⁰ Diluted net profit per share, excluding non-recurring items, after non-controlling interests.

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Net profit

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

€m	30/6/21	31/12/21	30/6/22
Net profit excluding non-recurring items, after non-controlling interests ⁹	2,600.0	4,938.5	3,254.0
Non-recurring items	-237.4	-341.4	-31.2
of which:			
• other income and expenses	-315.3	-432.0	-34.5
• tax effect	+77.9	+90.6	+3.3
Net profit after non-controlling interests	2,362.6	4,597.1	3,222.8

Non-recurring items amounted to 31.2 million euros net of tax.

Operating cash flow and balance sheet

Gross cash flow amounted to 3,825.1 million euros, an increase of 14.7%.

The **change in working capital** amounted to -1,849 million euros.

Investments, at 638.3 million euros, represented 3.5% of sales.

Operating cash flow ¹¹ amounted to 1,337.0 million euros, a decrease of 37.5%.

At 30 June 2022, after taking into account finance lease liabilities for 1,649 million euros, **net debt** amounted to 5,007 million euros.

¹¹ Operating cash flow = Gross cash flow + changes in working capital - capital expenditure.

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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 Internet site 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 2022 Half-Year Results 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

For over 100 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 35 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 85,400 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 2021 the Group generated sales amounting to 32.28 billion euros. With 20 research centers across 11 countries around the world, a dedicated Research and Innovation team of 4,000 scientists and over 3,000 tech 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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APPENDIX

Appendix 1: L'Oréal group sales 2021/2022 (€ million)

	2021	2022
First quarter	7,614.5	9,060.5
Second quarter	7,582.1	9,305.8
First half total	15,196.6	18,366.3
Third quarter	7,996.6	
Nine months total	23,193.1	
Fourth quarter	9,094.4	
Full year total	32,287.6	

Appendix 2: Compared consolidated income statements

€ millions	1 st half 2022	1 st half 2021	2021
Net sales	18,366.3	15,196.6	32,287.6
Cost of sales	-4,935.8	-3,869.5	-8,433.3
Gross profit	13,430.6	11,327.1	23,854.3
Research & innovation expenses	-539.6	-489.1	-1,028.7
Advertising and promotion expenses	-5,793.3	-4,951.6	-10,591.0
Selling, general and administrative expenses	-3,352.2	-2,898.2	-6,074.2
Operating profit	3,745.5	2,988.1	6,160.3
Other income and expenses	-34.5	-315.3	-432.0
Operational profit	3,711.0	2,672.8	5,728.3
Finance costs on gross debt	-14.0	-22.5	-38.0
Finance income on cash and cash equivalents	29.0	12.4	18.5
Finance costs, net	15.0	-10.1	-19.4
Other financial income and expenses	-31.4	-19.2	-40.2
Sanofi dividends	468.2	378.3	378.3
Profit before tax and associates	4,162.8	3,021.7	6,046.9
Income tax	-940.0	-654.0	-1,445.4
Share of profit in associates	1.1	0.3	0.6
Net profit	3,224.0	2,368.0	4,602.2
Attributable to:			
• owners of the company	3,222.8	2,362.6	4,597.1
• non-controlling interests	1.2	5.4	5.1
Earnings per share attributable to owners of the company (euros)	6.02	4.22	8.24
Diluted earnings per share attributable to owners of the company (euros)	6.00	4.21	8.21
Earnings per share attributable to owners of the company, excluding non-recurring items (euros)	6.07	4.65	8.86
Diluted earnings per share attributable to owners of the company, excluding non-recurring items (euros)	6.05	4.63	8.82

Appendix 3: Consolidated statement of comprehensive income

€ millions	1 st half 2022	1 st half 2021	2021
Consolidated net profit for the period	3,224.0	2,368.0	4,602.2
Cash flow hedges	-38.0	-155.6	-203.7
Cumulative translation adjustments	680.9	281.5	610.5
Income tax on items that may be reclassified to profit or loss ⁽¹⁾	6.9	31.8	41.5
Items that may be reclassified to profit or loss	649.8	157.7	448.3
Financial assets at fair value through other comprehensive income	913.2	1,151.6	1,192.2
Actuarial gains and losses	342.1	386.2	585.5
Income tax on items that may not be reclassified to profit or loss ⁽¹⁾	-116.9	-130.1	-181.7
Items that may not be reclassified to profit or loss	1,138.4	1,407.6	1,596.0
Other comprehensive income	1,788.2	1,565.3	2,044.3
Consolidated comprehensive income	5,012.2	3,933.3	6,646.5
Attributable to:			
• owners of the company	5,010.8	3,927.9	6,641.4
• non-controlling interests	1.4	5.4	5.1

⁽¹⁾ The tax effect is as follows:

€ millions	1 st half 2022	1 st half 2021	2021
Cash flow hedges	6.9	31.8	41.5
Items that may be reclassified to profit or loss	6.9	31.8	41.5
Financial assets at fair value through other comprehensive income	-28.5	-36.9	-37.3
Actuarial gains and losses	-88.4	-93.3	-144.4
Items that may not be reclassified to profit or loss	-116.9	-130.1	-181.7
TOTAL	-110.0	-98.3	-140.2

Appendix 4: Compared consolidated balance sheets

Assets

€ millions	30.06.2022	30.06.2021	31.12.2021
Non-current assets	32,578.9	30,192.7	30,937.6
Goodwill	11,353.9	10,559.0	11,074.5
Other intangible assets	3,501.0	3,455.0	3,462.8
Right-of-use assets	1,491.8	1,414.3	1,507.6
Property, plant and equipment	3,441.0	3,182.9	3,266.2
Non-current financial assets	11,956.5	10,786.5	10,920.2
Investments accounted for the equity method	10.9	10.5	9.9
Deferred tax assets	823.8	784.5	696.5
Current assets	14,590.0	13,762.9	12,075.8
Inventories	3,988.3	2,948.2	3,166.9
Trade accounts receivable	5,064.6	3,991.8	4,021.0
Other current assets	2,399.6	1,869.4	2,037.9
Current tax assets	150.3	129.3	136.2
Cash and cash equivalents	2,987.4	4,824.3	2,713.8
TOTAL	47,168.9	43,955.6	43,013.4

Equity & Liabilities

€ millions	30.06.2022	30.06.2021	31.12.2021
Equity	25,932.4	29,636.8	23,592.6
Share capital	107.3	112.1	111.5
Additional paid-in capital	3,265.6	3,265.6	3,265.6
Other reserves	12,085.9	18,909.3	19,092.2
Other comprehensive income	6,845.8	5,588.5	5,738.6
Cumulative translation adjustments	401.7	-607.9	-279.1
Treasury shares	—	—	-8,940.2
Net profit attributable to owners of the company	3,222.8	2,362.6	4,597.1
Equity attributable to owners of the company	25,929.1	29,630.2	23,585.7
Non-controlling interests	3.3	6.6	6.9
Non-current liabilities	5,527.3	2,987.6	2,837.6
Provisions for employee retirement obligations and related benefits	62.1	650.0	360.6
Provisions for liabilities and charges	61.9	57.9	63.8
Non-current tax liabilities	290.9	364.2	344.8
Deferred tax liabilities	896.5	710.0	810.3
Non-current borrowings and debt	3,009.4	8.9	10.7
Non-current lease debt	1,206.5	1,196.5	1,247.5
Current liabilities	15,709.2	11,331.3	16,583.2
Trade accounts payable	6,467.6	5,386.3	6,068.1
Provisions for liabilities and charges	1,245.0	1,211.1	1,223.3
Other current liabilities	3,821.1	3,263.5	3,980.8
Income tax	396.1	224.3	268.9
Current borrowings and debt	3,336.4	863.6	4,619.4
Current lease debt	443.0	382.5	422.8
TOTAL	47,168.9	43,955.6	43,013.4

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
AT 31.12.2020	559,871,580	112.0	3,259.8	22,206.0	4,304.5	—	-889.1	28,993.0	5.8	28,998.8
Consolidated net profit for the period				4,597.1				4,597.1	5.1	4,602.2
Cash flow hedges					-161.9			-161.9	-0.3	-162.2
Cumulative translation adjustments							582.4	582.4	0.3	582.7
Hyperinflation							27.8	27.8		27.8
Other comprehensive income that may be reclassified to profit and loss					-161.9		610.2	448.3	—	448.3
Financial assets at fair value through other comprehensive income					1,154.9			1,154.9		1,154.9
Actuarial gains and losses					441.1			441.1		441.1
Other comprehensive income that may not be reclassified to profit and loss					1,596.0		—	1,596.0	—	1,596.0
Consolidated comprehensive income				4,597.1	1,434.1		610.2	6,641.4	5.1	6,646.5
Capital increase	800,780		5.8					5.8		5.8
Cancellation of Treasury shares		-0.5		-1,104.3		1,104.8				
Dividends paid (not paid on Treasury shares)				-2,264.4				-2,264.4	-4.7	-2,269.1
Share-based payment				155.2				155.2		155.2
Net changes in Treasury shares	-25,260,000						-10,045.0	-10,045.0		-10,045.0
Changes in scope of consolidation										
Other movements ⁽²⁾				99.8				99.8	0.6	100.4
At 31.12.2021	535,412,360	111.5	3,265.6	23,689.3	5,738.6	-8,940.2	-279.1	23,585.7	6.9	23,592.6
Impact of the application of the IFRIC decision on SaaS contracts				-152.5				-152.5		-152.5
At 01.01.2022⁽¹⁾	535,412,360	111.5	3,265.6	23,536.8	5,738.6	-8,940.2	-279.1	23,433.2	6.9	23,440.1
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							648.1	648.1	0.1	648.2
Hyperinflation							32.7	32.7		32.7
Other comprehensive income that may be reclassified to profit and loss					-31.2		680.8	649.6	0.2	649.8
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
Other comprehensive income that may not be reclassified to profit and loss					1,138.4		—	1,138.4	—	1,138.4
Consolidated comprehensive income				3,222.8	1,107.2		680.8	5,010.8	1.4	5,012.2
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
At 30.06.2022	536,280,609	107.3	3,265.6	15,308.6	6,845.8	—	401.7	25,929.1	3.3	25,932.4

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

⁽²⁾ Of which €102.2 million pertaining to the IFRIC 2021 interpretation on IAS19 "Employee Benefits" on Attributing Benefit to Periods of Service".

Changes in first-half 2021

€ 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
At 31.12.2020	559,871,580	112.0	3,259.8	22,206.0	4,304.5	—	-889.1	28,993.0	5.8	28,998.8
Consolidated net profit for the period				2,362.6				2,362.6	5.4	2,368.0
Cash flow hedges					-123.6			-123.6	-0.2	-123.8
Cumulative translation adjustments							266.8	266.8	0.2	267.0
Hyperinflation							14.5	14.5		14.5
Other comprehensive income that may be reclassified to profit and loss					-123.6		281.3	157.7	—	157.7
Financial assets at fair value through other comprehensive income					1,114.7			1,114.7		1,114.7
Actuarial gains and losses					292.9			292.9		292.9
Other comprehensive income that may not be reclassified to profit and loss					1,407.6		—	1,407.6	—	1,407.6
Consolidated comprehensive income				2,362.6	1,284.0		281.3	3,927.9	5.4	3,933.3
Capital increase	800,168	0.2	5.8	-0.2				5.8		5.8
Cancellation of Treasury shares								—		—
Dividends paid (not paid on Treasury shares)				-2,264.4				-2,264.4	-4.7	-2,269.1
Share-based payment				75.9				75.9		75.9
Net changes in Treasury shares	-3,000,000					-1,104.8		-1,104.8		-1,104.8
Changes in scope of consolidation								—		—
Other movements				-3.2				-3.2	0.1	-3.1
At 30.06.2021	557,671,748	112.1	3,265.6	22,376.7	5,588.5	-1,104.8	-607.9	29,630.2	6.6	29,636.8

Appendix 6: Compared consolidated statements of cash flows

€ millions	1 st half 2022	1 st half 2021	2021
Cash flows from operating activities			
Net profit attributable to owners of the company	3,222.8	2,362.6	4,597.1
Non-controlling interests	1.2	5.4	5.1
Elimination of expenses and income with no impact on cash flows:			
• depreciation, amortisation, provisions and non-current tax liabilities	626.8	910.3	1,781.0
• changes in deferred taxes	-57.3	-28.3	83.6
• share-based payment (including free shares)	86.8	75.9	155.2
• capital gains and losses on disposals of assets	-0.5	1.4	0.5
Other non-cash transactions	-53.6	8.1	16.5
Share of profit in associates net of dividends received	-1.1	0.6	1.3
Gross cash flow	3,825.1	3,336.1	6,640.4
Changes in working capital	-1,849.8	-675.1	88.0
Net cash provided by operating activities (A)	1,975.4	2,661.0	6,728.4
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	-638.3	-523.1	-1,075.2
Disposals of property, plant and equipment and intangible assets	3.6	12.5	14.5
Changes in other financial assets (including investments in non-consolidated companies)	-54.2	-23.9	-117.3
Effect of changes in the scope of consolidation	-10.2	-161.3	-455.7
Net cash from investing activities (B)	-699.1	-695.8	-1,633.7
Cash flows from financing activities			
Dividends paid	-2,641.2	-2,322.0	-2,352.1
Capital increase of the parent company	—	5.8	5.8
Disposal (acquisition) of Treasury shares	—	-1,104.8	-10,060.9
Purchase of non-controlling interests	—	—	—
Issuance (repayment) of short-term loans	-1,216.6	26.5	3,939.4
Issuance of long-term borrowings	2,997.8	—	—
Repayment of long-term borrowings	—	—	—
Repayment of lease debt	-216.7	-200.9	-396.4
Net cash from financing activities (C)	-1,076.7	-3,595.3	-8,864.2
Net effect of changes in exchange rates and fair value (D)	73.9	48.5	77.4
Change in cash and cash equivalents (A+B+C+D)	273.5	-1,581.6	-3,692.1
Cash and cash equivalents at beginning of the period (E)	2,713.8	6,405.9	6,405.9
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	2,987.4	4,824.3	2,713.8