



2022 half-year results

29 July 2022

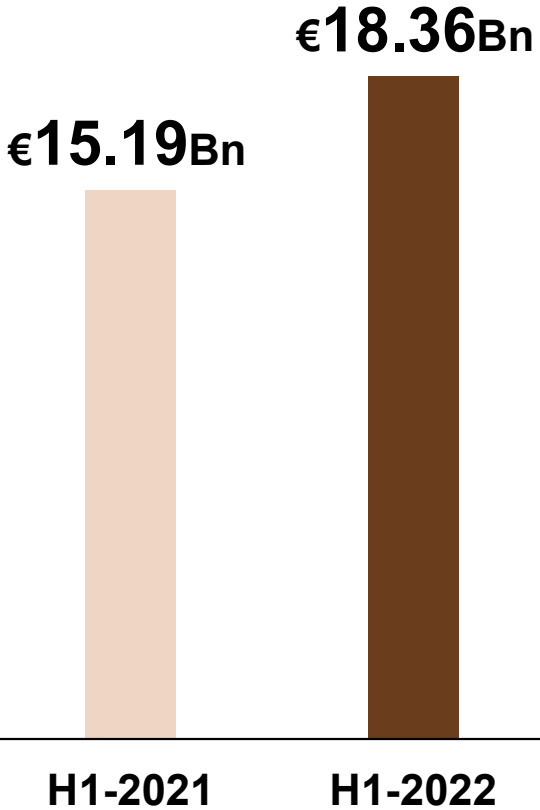
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Chief Financial Officer

L'ORÉAL



Consolidated sales



Reported growth	+20.9%
<i>of which:</i>	
➤ <i>currency impact</i>	+7.0%
Growth at constant exchange rates	+13.9%
➤ <i>change in the scope of consolidation</i>	+0.4%
Like-for-like growth	+13.5%

+13.5%*

in the first quarter

+13.4%*

in the second quarter

* like-for-like



Changes in exchange rates (against the euro)

	Weight in H1-2022 sales	Average rate H1-2021	Average rate H1-2022	% change H1-22 vs. H1-21
Euro	19.1%			
US dollar (€1=)	23.6%	1.205	1.092	+10.3%
Chinese yuan	19.4%	0.128	0.141	+10.1%
Sterling pound	3.6%	1.151	1.187	+3.1%
Canadian dollar	2.4%	0.665	0.719	+8.2%
Russian rouble	2.0%	0.011	0.012	+10.6%
Brazilian real	2.0%	0.154	0.180	+17.3%
Mexican peso	1.6%	0.041	0.045	+9.8%
Australian dollar	1.3%	0.640	0.658	+2.9%
Japanese yen (1000)	1.3%	7.706	7.455	-3.2%



Consolidated sales by division (in million euros)

	H1-2021	H1-2022	% Growth		
			Like-for-like	At constant exchange rates	Reported
Professional Products	1 778.7	2 163.8	+14.3%	+14.6%	+21.7%
Consumer Products	5 963.4	6 794.3	+8.0%	+8.2%	+13.9%
L'Oréal Luxe	5 472.2	6 871.6	+16.4%	+17.0%	+25.6%
Active Cosmetics	1 982.4	2 536.6	+20.9%	+21.4%	+28.0%
Total	15 196.6	18 366.3	+13.5%	+13.9%	+20.9%



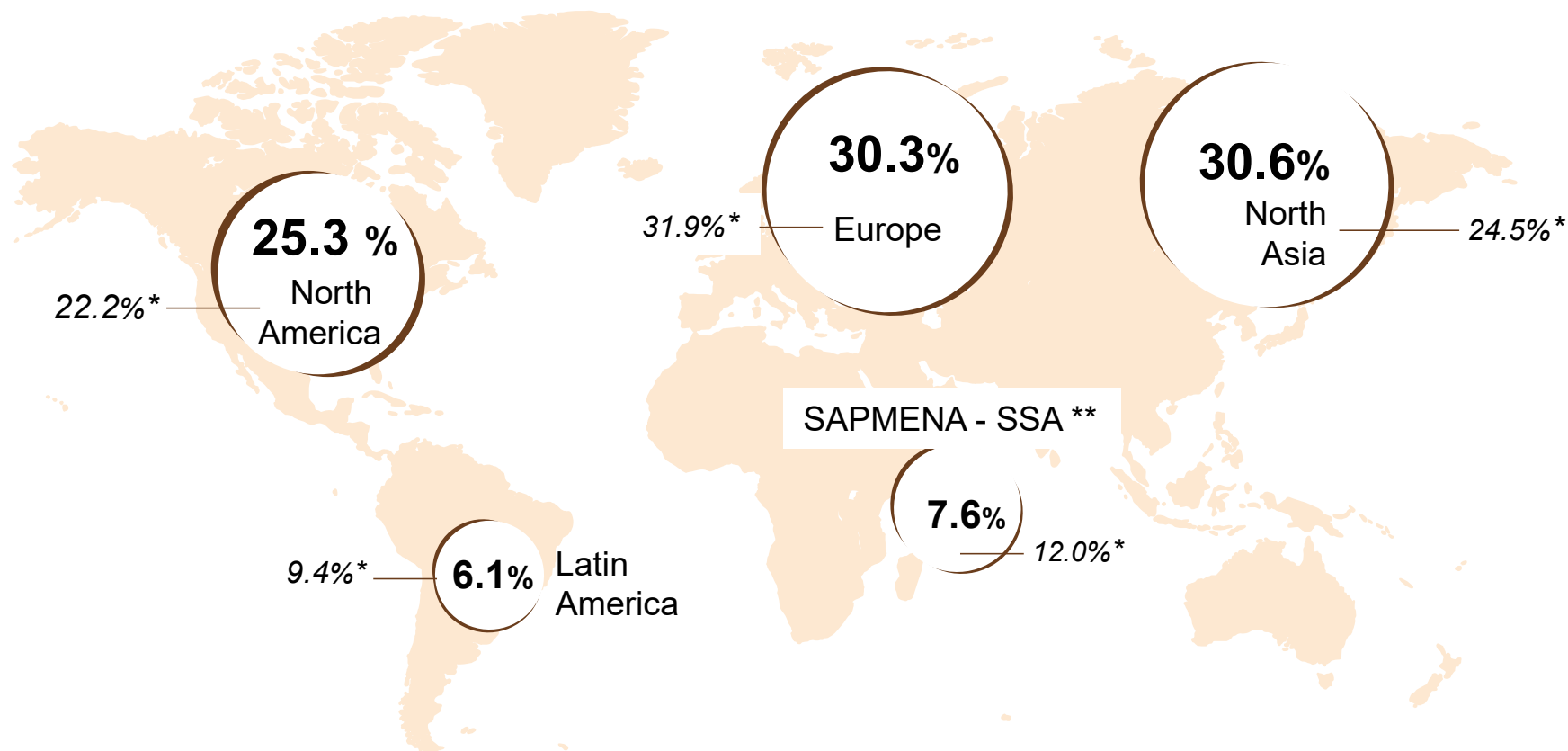
Consolidated sales by region (in million euros)

	H1-2021	H1-2022	% Growth	
			Like-for-like	Reported
Europe	4 857.1	5 567.2	+14.3%	+14.6%
North America	3 765.7	4 650.4	+11.6%	+23.5%
North Asia	4 670.9	5 620.1	+10.5%	+20.3%
SAPMENA - SSA *	1 093.9	1 403.4	+23.0%	+28.3%
Latin America	809.0	1 125.3	+22.3%	+39.1%
Total	15 196.6	18 366.3	+13.5%	+20.9%

* South Asia Pacific, Middle-East, North Africa - Sub-Saharan Africa



Breakdown of sales by region (as a % of total) Contribution to like-for-like growth



* Contribution to like-for-like growth

** South Asia Pacific, Middle-East, North Africa - Sub-Saharan Africa



Sales by category (in million euros)

	H1-2022	Like-for-like	As a % of sales
Skincare	7 576.5	+11.7%	41.3%
Make-up	3 783.4	+ 13.3%	20.6%
Haircare	2 765.3	+14.1%	15.1%
Fragrances	1 901.0	+35.1%	10.4%
Hair colouring	1 660.7	+6.2%	9.0%
Other*	679.4	+2.3%	3.7%

* Other includes sales of third party brands by US distributors



Consolidated profit and loss account: from sales to operating profit

<i>(in million euros)</i>	H1-2021	As a % of sales	2021	As a % of sales	H1-2022	As a % 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%
Cost of sales	-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%
Research and innovation expenses	- 489.1	3.2%	-1 028.7	3.2%	-539.6	2.9%	
Advertising and promotion expenses	-4 951.6	32.6%	-10 591.0	32.8%	-5 793.3	31.5%	+17.0%
Selling, general & administrative expenses	-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%	+70bp



Operating profit margin by division*

<i>(as a % of sales)</i>	H1-2021	2021	H1-2022*
Professional Products	20.5%	21.3%	21.2%
Consumer Products	20.0%	20.2%	20.0%
L'Oréal Luxe	23.8%	22.8%	24.0%
Active Cosmetics	28.8%	25.2%	27.7%
Total before non-allocated expenses	22.6%	21.9%	22.7%
Non-allocated expenses**	-2.9%	-2.8%	-2.3%
Group	19.7%	19.1%	20.4%

* In H1-2022, the operating profit margin was negatively impacted by -40bp in each division and by -20bp at group level:

- 20bp in each division, due to the reallocation of certain central costs to divisions, offset by symmetry by a 20bp decline in non-allocated expenses
- 20bp in each division and at group level, as the group expensed in 2022 the cost of configuring and customizing software used in Saas mode, in accordance with IFRIC's April 2021 decision

** Central group expenses, fundamental research expenses, free grant of shares expenses and miscellaneous items, as a % of total sales



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

<i>(in million euros)</i>	H1-2021	2021	H1-2022	% change H1-22 vs. H1-21
Operating profit	2 988.1	6 160.3	3 745.5	+25.3%
Financial revenues/expenses	-29.4	-59.6	-16.4	
Sanofi dividends	378.3	378.3	468.2	
Profit before tax and associates, excluding non-recurring items	3 337.0	6 478.9	4 197.3	+25.8%
Income tax excluding non-recurring items	-731.9	-1 535.6	-943.0	
Share of profit in associates, excluding non-recurring items	+0.3	+0.6	+1.1	
Non-controlling interests	-5.4	-5.5	-1.3	
Net profit excluding non-recurring items, attributable to owners of the company	2 600.0	4 938.5	3 254.0	+25.2%
Earnings per share (in euros) *	4.63	8.82	6.05	+30.8%
Diluted average number of shares	561 833 554	559 791 545	537 541 538	

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



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

<i>(in million euros)</i>	H1-2021	2021	H1-2022	% change H1-22 vs. H1-21
Net profit excluding non-recurring items, after non-controlling interests	2 600.0	4 938.5	3 254.0	+25.2%
Non-recurring items	-237.4	-341.4	-31.2	
- of which:				
- <i>other income and expenses</i>	-315.3	-432.0	-34.5	
- <i>non-recurring tax items</i>	+77.9	+90.6	+3.3	
Net profit after non-controlling interests	2 362.6	4 597.1	3 222.8	+36.4%

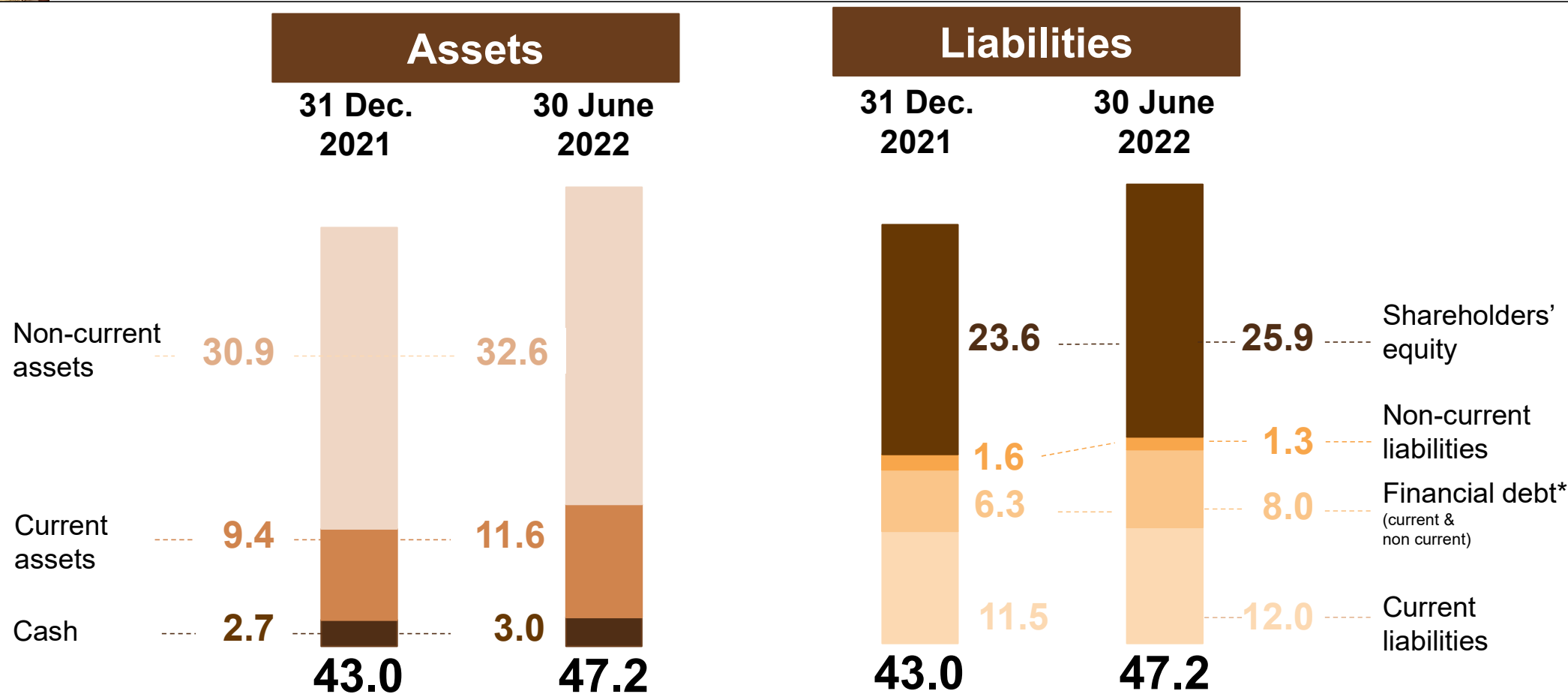


Cash flow statements

<i>(in million euros)</i>	H1-2021	2021	H1-2022	% change H1-22 vs. H1-21
Net profit	2 368.0	4 602.2	3 224.0	
Depreciation, amortisation, provisions and non-current tax liabilities	910.3	1 781.0	626.8	
Capital gains / losses on asset disposals, changes in deferred taxes, other	+57.2	+255.9	-24.6	
Share of profit in associates, net of dividends received	+0.6	+1.3	-1.1	
Gross cash flow	3 336.1	6 640.4	3 825.1	+14.7%
Changes in working capital	-675.1	+88.0	-1 849.8	
Investments	-523.1	-1 075.2	-638.3	
Net operating cash flow	2 137.9	5 653.3	1 337.0	-37.5%
Dividends paid	-2 322.0	-2 352.1	-2 641.2	
Acquisitions	-161.3	-455.7	-10.2	
Repayment of lease debt	-200.9	-396.4	-216.7	
Acquisitions of treasury stock	-1 104.8	-10 060.9	–	
Capital increase	+5.8	+5.8	–	
Other	-11.4	-102.8	-50.6	
Residual cash flow	-1 656.5	- 7 708.8	-1 581.6	



Balance sheet (in billion euros)



* Including €1 649m financial lease debt at end-June 2022 (IFRS16) vs. €1 670m at end-December 2021



Net debt and gearing

<i>(in million euros)</i>	31 December 2021	30 June 2022
Net debt	3 586.6	5 007.9
Net cash excluding financial lease debt	1 916.3	3 358.4
Gearing*	15.2%	19.3%
Leverage (net debt/EBITDA**)	0.5	0.6

* Net debt / equity attributable to owners of the company

** 12-month rolling EBITDA to end June 2022



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