L'ORÉAL

HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2024

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L'ORÉAL

Half-year Financial Report

at 30 june 2024

Half-year situation at 30 June 2024

The following statements have been examined by the Board of Directors of 30 July 2024 and have been the object of a limited review by the Statutory Auditors.

This is a free translation into English of the L'Oréal 2024 Half-year Financial Report issued in the French language and is provided solely for the convenience of English speaking readers. In case of discrepancy the French version prevails.

1 Activity Report

It should be noted that L'Oréal's half-year results are not representative of the full-year results.

1.1. The Group consolidated

In the first six months, **sales amounted to 22.12 billion euros**, up +7.5% reported.

Like-for-like, i.e., based on a comparable structure and identical exchange rates, sales grew by +7.3%.

The net impact of changes in the scope of consolidation was +2.5%.

Growth at constant exchange rates came out at +9.8%.

Currency fluctuations had a negative impact of -2.3% at the end of June 2024. If the exchange rates as of 30 June 2024, i.e., €1 = $1.0700, are extrapolated until 31 December, the impact of currency fluctuations on sales would be around -1.1% for the whole of 2024.

1.1.1. Consolidated income statements

Gross profit, at 16,552.1 million euros, came out at 74.8% of sales compared with 74.3% in the first half of 2023, an increase of 50 basis points.

Research & Innovation expenses, at 667.3 million euros, came out at 3.0% of sales.

Advertising and promotion expenses, at 7,109.1 million euros, came out at 32.1% of sales, a decrease of 40 basis points.

Selling, general and administrative expenses, at 18.9% of sales, increased by 80 basis points.

Overall, **operating profit** increased by +8.0% to 4,599.1 million euros and amounted to 20.8% of sales, an increase of 10 basis points compared with the first half of 2023.

Overall financial expenses came out at 131.0 million euros.

Sanofi dividends amounted to 444.5 million euros.

Income tax excluding non-recurring items came out at 1,163.9 million euros, i.e. a tax rate of 23.7%.

Net profit excluding non-recurring items after non-controlling interests[1] came out at 3,744.6 million euros.

Earnings per share[2], at 6.98 euros, increased by +3.7% compared with the first half of 2023.

Non-recurring items amounted to 89.0 million euros net of tax.

1.1.2. Cash flow statements / balance sheet

Gross cash flow amounted to 4,514 million euros, an increase of +3.1%.

The **change in working capital** amounted to -1,745 million euros.

Investments, at 781 million euros, represented 3.5% of sales.

Operating cash flow[3] amounted to 1,987 million euros, compared to 2,097 million euros at the end of June 2023.

As of 30 June 2024, after taking into account finance lease liabilities for 1,895 million euros, **net debt** amounted to 6,459 million euros.

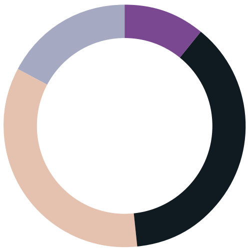
(1) Net profit excluding non-recurring items, after non-controlling interests, excludes mostly capital gains and losses on disposals of long-term assets, impairment of assets, restructuring costs, tax effects and non-controlling interests.

(2) Diluted net profit per share, excluding non-recurring items, after non-controlling interests.

(3) Operating cash flow = Gross cash flow + changes in working capital - capital expenditure.

1.2. Segment information

1.2.1. Turnover by Division



The Professional Products Division delivered robust growth of +5.7% like-for-like and +4.9% reported.

Professional Products grew across all regions: in developed markets, North Asia including China, as well as emerging markets, notably GCC[1] and Latin America. It outpaced the global professional market.

The Division continues to expand through its omnichannel strategy with strong acceleration in e-commerce and selective distribution.

In the dynamic haircare market, growth was fuelled by new product launches: *Kérastase Première* is off to an excellent start; *L'Oréal Professionnel Absolut Repair Molecular* continued its successful roll-out; *Redken* was boosted by the ongoing success of *Acidic Bonding Concentrate* and the promising debut of *Acidic Color Gloss*. In hair colour, *Shades EQ* from *Redken*, *iNOA,* as well as *Dia Color* by *L'Oréal Professionnel* maintained their momentum.

In the second half of the year, the Division will further capitalise on the market for hair devices with the debut of *AirLight Pro*, a revolutionary hair dryer by *L'Oréal Professionnel* – reinforcing the Division's commitment to bringing cutting-edge technology and innovation to the professional haircare industry.

The Consumer Products Division achieved strong growth of +8.9% like-for-like and +8.3% reported.

The first half performance reinforced the Division's democratisation and premiumisation strategy driven by strong value (combining price and mix), while maintaining positive volumes.

Growth was driven by particularly strong performances in Europe and emerging markets, notably Brazil, Mexico, and India.

All major brands advanced strongly. Most remarkable was the excellent performance of *L'Oréal Paris*, the world's number one beauty brand, which continued to grow in double digits.

All categories remained dynamic, fuelled by powerful innovations and activations. Haircare was a particular highlight, driven by continued premiumisation: *L'Oréal Paris* led the way with the remarkable success of *Elvive Glycolic Gloss*. Makeup delivered double-digit growth thanks to new launches like *L'Oréal Paris Panorama* mascara, *NYX Professional Makeup Duck Plump* lip gloss, and *Maybelline New York*'s *Sunkisser* blush. Skincare remained very dynamic, with *Garnier* democratising the daily use of UV fluids, *L'Oréal Paris* launching *Bright Reveal,* a scientific breakthrough in the fight against dark spots, and *Mixa* pursuing its successful expansion in Europe.

L'Oréal Luxe posted growth of +2.3% like-for-like, accelerating in 2024, and +4.0% reported.

Growth was robust in Europe, and in double digits in North America as well as in emerging markets; on an aggregate basis, L'Oréal Luxe outperformed the luxury beauty market across these three regions. In mainland China, the Division continued to gain share in a negative market; Travel Retail in North Asia, meanwhile, saw first signs of improvement. Japan remained very dynamic.

Fragrances were, once again, the most dynamic category, and L'Oréal Luxe outperformed the market across all regions, thanks to Couture brands like *Yves Saint Laurent*, *Valentino*, *Maison Margiela* and *Prada*, and lifestyle brands such as *Azzaro*. The rebound of makeup continued, fuelled by powerful innovations from *Yves Saint Laurent*, *Armani*, and *Urban Decay*.

Aesop pursued its expansion plan. The other recently acquired brands remained very dynamic.

Dermatological Beauty reported excellent growth of +16.4% like-for-like and +15.5% reported.

The Division maintained its strong momentum, growing significantly faster than the dermo-cosmetics market, which remains dynamic despite the slowdown in the US. This outperformance once again vindicated its successful growth strategy, boosted by its medical leadership and unparalleled R&I foundation.

Developed and emerging markets as well as North Asia grew in double digits as Dermatological Beauty pursued its global expansion. In mainland China, the Division continued to make significant inroads, driven by *SkinCeuticals* and *CeraVe*.

With strong double-digit growth across all regions, *La Roche-Posay* remained the number one growth contributor to the Division. This was fuelled by the success of breakthrough innovation *MelaB3*, addressing localised pigmentation issues based on the multi-patented *Melasyl™* molecule. *CeraVe* continued to grow strongly, significantly outperforming the global market. *Vichy* maintained its double-digit pace, supported by the success of its *Dercos* haircare franchise. *Skinbetter Science* sustained its strong momentum in the US and is off to a promising start in Canada.

(1) GCC: Gulf Cooperation Council.

1.2.2. Operating profit by Division

	30.06.2023		31.12.2023		30.06.2024	
	€ millions	% of sales	€ millions	% of sales	€ millions	% of sales
By Division						
Professional Products	490.1	21.2%	1,005.3	21.6%	536.7	22.1%
Consumer Products	1,617.4	21.0%	3,114.7	20.5%	1,833.2	22.0%
Luxe	1,687.9	23.2%	3,331.8	22.3%	1,661.2	21.9%
Dermatological Beauty	933.9	28.4%	1,670.9	26.0%	1,097.4	28.9%
Total Divisions	**4,729.3**	**23.0%**	**9,122.7**	**22.2%**	**5,128.5**	**23.2%**
Non-allocated[1]	*-470.5*	*2.3%*	*-979.4*	*2.4%*	*-529.4*	*2.4%*
GROUP	**4,258.8**	**20.7%**	**8,143.3**	**19.8%**	**4,599.1**	**20.8%**

(1) *Non-allocated expenses = Central Group expenses, fundamental research expenses, free grant of shares expenses and miscellaneous items.*

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 22.1% of sales, up 90 basis points.

The profitability of the **Consumer Products Division** came out at 22.0% of sales, up 100 basis points.

The profitability of the **Luxe Division** came out at 21.9% compared to 23.2% in 2023.

The profitability of the **Dermatological Beauty Division** came out at 28.9%, up 50 basis points.

1.2.3. Sales by geographic zone

(1) *SAPMENA – SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa.*

Europe posted impressive growth of +11.1% like-for-like and +12.2% reported.

L'Oréal continued to outperform a market that remained dynamic.

Growth was broad-based across countries with particularly strong contributions from the Germany-Austria-Switzerland, Spain-Portugal, and UK-Ireland clusters and impressive momentum across the midsized countries.

Each of the four categories advanced in double digits with makeup and skincare particularly dynamic.

Consumer Products posted strong growth with stand-out performances by *L'Oreal Paris* - notably in haircare - as well as *Maybelline New York* and *NYX Professional Makeup*, fuelled by new launches. L'Oréal Luxe performed broadly in line with the market; growth was particularly dynamic in fragrances as well as makeup. Dermatological Beauty advanced strongly across all countries thanks to the complementarity of the Division's brand portfolio. Professional Products benefited from a number of successful launches with all three key brands growing.

North America reported robust growth of +7.8% like-for-like and +8.7% reported.

Adjusted for the impact of phasing (related to the implementation of new IT systems), the region maintained a balanced rhythm throughout the first half. All Divisions grew, led by Dermatological Beauty and L'Oréal Luxe.

Growth in Consumer Products was driven by haircare as *L'Oréal Paris* continued to outpace the market; the brand recently introduced *Colorsonic*, its first at home hair colouration device. In makeup, *NYX Professional Makeup* advanced strongly thanks to the launch of *Fat Oil* and *Duck Plump*; *Maybelline New York's* recent innovation is off to a promising start.

Fuelled by the success of its unique fragrance portfolio, L'Oréal Luxe outperformed the luxury beauty market. *Valentino's Born in Roma*, now in the top-three for both men and women, and *Yves Saint Laurent's MYSLF* continued to grow strongly; *Ralph Lauren* was boosted by the launch of *Polo 67*. Following in the successful footsteps of *Lancôme*, *Kiehl's* was launched on Amazon in the second quarter.

Dermatological Beauty outpaced the dermo-cosmetics market with particularly strong contributions from *La Roche-Posay*, boosted by the *Mela B3* launch, and *Skinbetter Science*. *CeraVe* stayed the number one skincare brand.

Professional Products grew ahead of its market, driven by successful launches like *Kérastase's Première* and *Redken's Acidic Color Gloss*, as well as the continued pursuit of its omni-channel strategy.

Sales in North Asia contracted -1.7% like-for-like and -3.1% reported.

Operating conditions in the Chinese ecosystem remained challenging.

In mainland China, the beauty market was negative in the second quarter on a tough comparison base, exacerbated by lasting low consumer confidence. In the first half, L'Oréal delivered low single-digit growth and gained market share thanks to Dermatological Beauty, Professional Products as well as L'Oréal Luxe which broke new records.

While Travel Retail still weighed on growth in the first half, its momentum has been improving sequentially. Japan maintained double-digit growth, benefiting from the return of tourism.

By Division, growth was led by Dermatological Beauty with all brands contributing, as well as by Professional Products thanks to the ongoing success of *Kérastase*. Consumer Products recorded low single-digit growth, driven by *L'Oréal Paris* and *Maybelline New York*. L'Oréal Luxe was hampered by the depressed market in mainland China and Travel Retail but progressed well in other parts of the region; the Couture brands were the best performers.

Sales in SAPMENA-SSA[1] saw an outstanding growth of +15.2% like-for-like and +14.3% reported.

In SAPMENA, growth was broad-based by category and Division.

Volume and value both contributed, the latter fueled by a balanced combination of mix and price.

By country, key growth contributors were the Australia-New Zealand cluster, Thailand, Saudi Arabia, and India.

By Division, the most remarkable performances were in Dermatological Beauty, as *CeraVe* had another outstanding performance, as well as Consumer Products, driven by *L'Oréal Paris* and *Garnier*, and Luxe, where *Yves Saint Laurent* and *Prada* were the main growth contributors.

Fragrances remained the fastest-growing category, boosted by new launches. Skincare advanced strongly thanks to Dermatological Beauty and Consumer Products. Haircare was driven by premiumisation in both the consumer and professional channels.

Online remained particularly dynamic across the region, notably in South-East Asia and India.

Sub-Saharan Africa (SSA) saw remarkable growth, broad-based across countries. All categories contributed, notably skincare. By Division, the main growth contributors were Consumer Products and Dermatological Beauty, driven by *Garnier* and *La Roche-Posay*, respectively.

Latin America delivered outstanding growth of +14.2% like-for-like and +15.8% reported.

Growth was fuelled by a balanced contribution from both value and volume.

The performance was broad-based across the region, with particularly remarkable momentum in Mexico, the Group's second largest growth contributor, and Brazil. Argentina was impacted by the economic crisis and the subsequent contraction in consumption.

All Divisions grew. Consumer Products maintained exceptional momentum with *L'Oréal Paris* particularly dynamic; *Elsève* has become the number one haircare brand in Brazil in value. Growth in Dermatological Beauty was driven by *La Roche-Posay* and *CeraVe*.

By category, haircare had outstanding growth across all three Divisions. The other categories also progressed strongly with makeup and fragrances particularly dynamic.

Sales progressed faster online than offline, driven primarily by pure players.

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

1.3. Important events and post-closing events

Strategy

- Following the successful collaboration with the Prada brand, L'Oréal and Prada S.p.A announced in February a **worldwide long-term license agreement for the creation, development, and distribution of the luxury beauty products for the *Miu Miu*** brand, that is now joining the L'Oréal Luxe Division. The first fragrances under L'Oréal are expected to be launched in 2025.
- In June, CEO Nicolas Hieronimus gave a keynote speech at The **Consumer Goods Forum** in Chicago, demonstrating how L'Oréal is "Revolutionising Beauty with Technology." Consumer Products Division President Alexis Perakis-Valat joined a panel to deep dive into how L'Oréal creates a circular economy for plastics.

Research, Beauty Tech and Digital

- In February, **Asmita Dubey, Chief Digital and Marketing Officer of L'Oréal** was named by the World Federation of Advertisers 'Global Marketer of the Year' for 2023.
- In March, L'Oréal announced the launch of **Melasyl™**, a breakthrough molecule designed to address localised pigmentation issues. L'Oréal's formulations containing this proprietary ingredient work inclusively, across all skin tones, to address pigmented marks on the skin and improve their appearance. Melasyl is the result of rigorous tests involving more than 120 scientific studies.
- L'Oréal Advanced Research and the University of Oregon pioneered the **first successful development of a bioprinted skin model mimicking natural human skin**. Resulting from the L'Oréal Skin Technology Platform, this model enables the rapid and precise construction of skin-like structures. This reinforced the Group's commitment to innovation and to Beauty with no animal testing.
- At **Viva Technology in Paris**, L'Oréal unveiled a number of Beauty Tech innovations: Skin Technology, facial treatment *Renergie Nano-Surfacer|400 Booster* (*Lancôme*), skin diagnosis tool *Derma-Reader (Kiehl's)*, hair health analyser *My Hair [iD] - Hair Reader (L'Oréal Professionnel)*, personal beauty assistant *Beauty Genius (L'Oréal Paris)* and *CREAITECH*, the Gen AI Beauty Content Lab.
- In June, the **Cannes Lions International Festival of Creativity 2024** awarded *CeraVe* the **GRAND PRIX for Social & Influencer Marketing**, alongside nine other Cannes Lions Awards, making *CeraVe* one of the top-10 most awarded brands at the event.

Environmental, social and governance performance

- In February, L'Oréal ranked among Top 10 most gender-equitable companies in the world and No.1 in France, according to the **2024 Equileap Gender Equality Report and Ranking**, which evaluated 3,795 publicly listed companies in 27 markets globally.
- In March, L'Oréal was recognised as a **Supplier Engagement Leader by global environmental non-profit CDP**. This recognition pays tribute to the commitment of over 450 companies to address climate change within their supply chain. This year marks the sixth consecutive year that L'Oréal has been recognized by the CDP for its sustainability commitments across its entire supply chain.
- **L'Oréal scored a total of 69 RoSPA** (Royal Society for the Prevention of Accidents) awards across 70 sites, covering close to 46,000 employees, continuing to demonstrate its unwavering commitment to health and safety.
- In alignment with its L'Oréal for the Future sustainability ambitions, the Group announced the adoption of **EcoDesignCloud by Eviden**, which measures the environmental footprint of point-of-sale as well as promotional materials.
- In May, Fondation L'Oréal and UNESCO announced the winners of the **26th L'Oréal-UNESCO For Women in Science International Awards**, honouring them for their pioneering research in life and environmental sciences. Since the creation of the programme, 7 of the 132 laureates have received Nobel Prices in science.
- In June, **Moody's** once again awarded L'Oréal **74 points out of 100 in its ESG Assessment,** well above the sector average. The score underlines L'Oréal's sustainable transformation towards a more responsible and inclusive business model through the implementation of an ambitious sustainability strategy.
- In June, L'Oréal announced the launch of its fourth **Employee Share Ownership Plan**, which was rolled out in over 60 countries, allowing employees to be even more closely linked to the group development. The ambition is to renew the ESOP each year, subject to the usual authorisations.

Financial information

- On 19 March, the **2023 Universal Registration Document** was filed with the French Financial Markets Authority (Autorité des Marchés Financiers – AMF), in ESEF format. It is available to the public under current regulatory conditions and may be found, in French and English, on the loreal-finance.com website (under Regulated Information / Universal Registration Document).
- The **Annual General Meeting of L'Oréal** was held on Tuesday 23 April 2024 at 10 a.m. (Paris time).
- The **Board of Directors** has decided on 30 July, under the authorisation approved by the Annual General Meeting of 23 April 2024, to set up a share buyback programme during the second half of 2024 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[(1)].

1.4. Risk factors and transactions between related parties

1.4.1. Risk factors

The risk factors are the same type as those described in section 3.5. of the 2023 Universal Registration Document, which do not present any significant change over the first half of 2024.

The amounts relating to the financial and market risks as at 30 June 2024 are described in Note 8 to the financial statements in the summary half-year consolidated financial statements in this Report.

1.4.2. Transactions between related parties

Transactions between the companies consolidated under the equity method do not represent a significant amount at 30 June 2024.

Moreover, over the first six months of 2024, there was no significant transaction concluded with a member of the management bodies or a shareholder with substantial influence over the Group.

1.5. Prospects

"In the first half, we delivered strong growth of +7.3%, well-balanced between value and volume and strengthened our global leadership in a beauty market that remains dynamic.

Our continued strong momentum in emerging markets, Europe and North America allowed us to more than offset the depressed beauty market in mainland China and the unfavourable comparative in Travel Retail. In this context, I am particularly pleased to see the acceleration of L'Oréal Luxe, the dynamism of Consumer Products and the continued share gains of Dermatological Beauty and Professional Products.

The combination of our powerful R&I and unique marketing creativity allowed us to offer consumers groundbreaking innovations. The consistent increase of our A&P spend to support these innovations and our 37 international brands allowed us to, once again, outpace the global beauty market.

In an environment that continues to be marked by economic and geopolitical tensions, we remain optimistic about the outlook for the beauty market and confident that our innovation power and the robustness of our multi-polar model will allow us to keep outperforming it and to achieve another year of growth in sales and profit."

(1) The L'Oréal Universal Registration Document filed with the AMF (Autorités des Marchés Financiers) on 19 March 2024 includes, on page 400, 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.

2

2024 Condensed Consolidated Financial Statements

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2.1. Compared consolidated income statements

€ millions	Notes	1st half 2024	1st half 2023	2023
Net sales	**3.1**	**22,120.8**	**20,574.1**	**41,182.5**
Cost of sales		-5,568.7	-5,291.5	-10,767.0
Gross profit		**16,552.1**	**15,282.6**	**30,415.5**
Research & innovation expenses		-667.3	-622.8	-1,288.9
Advertising and promotion expenses		-7,109.1	-6,682.6	-13,356.6
Selling, general and administrative expenses		-4,176.6	-3,718.5	-7,626.7
Operating profit	**3.1**	**4,599.1**	**4,258.8**	**8,143.3**
Other income and expenses	4	-103.4	-321.7	-449.9
Operational profit		**4,495.7**	**3,937.1**	**7,693.4**
Finance costs on gross debt		-185.7	-80.7	-226.7
Finance income on cash and cash equivalents		83.9	65.6	162.1
Finance costs, net		**-101.8**	**-15.1**	**-64.6**
Other financial income and expenses		-29.3	-30.2	-48.8
Sanofi dividends		444.5	420.9	420.9
Profit before tax and associates		**4,809.2**	**4,312.7**	**8,001.0**
Income tax		-1,149.5	-949.1	-1,810.6
Share of profit in associates		-0.8	—	0.2
Net profit		**3,658.9**	**3,363.6**	**6,190.5**
Attributable to:				
• owners of the Company		3,655.6	3,359.0	6,184.0
• non-controlling interests		3.3	4.6	6.5
Earnings per share attributable to owners of the Company *(euros)*		6.84	6.27	11.55
Diluted earnings per share attributable to owners of the Company *(euros)*		6.82	6.25	11.52
Earnings per share attributable to owners of the Company, excluding non-recurring items *(euros)*	9.3	7.00	6.75	12.11
Diluted earnings per share attributable to owners of the Company, excluding non-recurring items *(euros)*	9.3	6.98	6.73	12.08

2.2. Consolidated statement of comprehensive income

€ millions	Notes	1st half 2024	1st half 2023	2023
Consolidated net profit for the period		**3,658.9**	**3,363.6**	**6,190.5**
Cash flow hedges		-39.1	-47.9	-137.3
Cumulative translation adjustments		206.9	-359.3	-425.8
Income tax on items that may be reclassified to profit or loss(1)		2.6	6.3	22.7
Items that may be reclassified to profit or loss		**170.5**	**-400.9**	**-540.3**
Financial assets at fair value through other comprehensive income	7.3	-2.1	972.6	-76.3
Actuarial gains and losses	5.1	210.1	57.8	-119.3
Income tax on items that may not be reclassified to profit or loss(1)		-54.3	-45.0	28.9
Items that may not be reclassified to profit or loss		**153.7**	**985.4**	**-166.7**
Other comprehensive income		**324.1**	**584.5**	**-707.0**
CONSOLIDATED COMPREHENSIVE INCOME		**3,983.0**	**3,948.1**	**5,483.6**
Attributable to:				
• owners of the Company		3,979.7	3,943.7	5,477.7
• non-controlling interests		3.3	4.4	5.9

(1) The tax effect is as follows:

€ millions	1st half 2024	1st half 2023	2023
Cash flow hedges	2.6	6.3	22.7
Items that may be reclassified to profit or loss	**2.6**	**6.3**	**22.7**
Financial assets at fair value through other comprehensive income	-1.1	-30.6	-1.3
Actuarial gains and losses	-53.2	-14.4	30.2
Items that may not be reclassified to profit or loss	**-54.3**	**-45.0**	**28.9**
TOTAL	**-51.6**	**-38.7**	**51.6**

2.3. Compared consolidated balance sheets

ASSETS

€ millions	Notes	30.06.2024	30.06.2023	31.12.2023
Non-current assets		**36,430.2**	**33,536.2**	**35,529.7**
Goodwill	6	13,235.1	11,362.0	13,102.6
Other intangible assets	6	4,441.2	3,610.9	4,287.1
Right-of-use assets	3.2	1,746.5	1,443.0	1,692.4
Property, plant and equipment	3.2	4,065.9	3,626.7	3,867.7
Non-current financial assets	7.3	11,817.2	12,710.3	11,631.6
Investments accounted for the equity method		121.5	18.2	27.0
Deferred tax assets		1,002.9	765.2	921.2
Current assets		**16,553.8**	**17,571.6**	**16,325.4**
Inventories		4,676.6	4,258.0	4,482.4
Trade accounts receivable		6,424.4	5,483.6	5,092.7
Other current assets		2,540.7	2,668.9	2,270.6
Current tax assets		183.8	164.2	191.6
Cash and cash equivalents	7.2	2,728.3	4,996.9	4,288.1
TOTAL		**52,984.0**	**51,107.9**	**51,855.1**

EQUITY & LIABILITIES

€ millions	Notes	30.06.2024	30.06.2023	31.12.2023
Equity	**9**	**29,630.6**	**27,961.6**	**29,081.6**
Share capital		106.9	107.2	106.9
Additional paid-in capital		3,370.1	3,368.7	3,370.2
Other reserves		16,556.4	14,215.5	13,799.1
Other comprehensive income		6,241.0	7,348.6	6,123.8
Cumulative translation adjustments		-302.8	-443.2	-509.6
Treasury shares		—	—	—
Net profit attributable to owners of the Company		3,655.6	3,359.0	6,184.0
Equity attributable to owners of the Company		**29,627.3**	**27,955.7**	**29,074.3**
Non-controlling interests		3.4	5.9	7.3
Non-current liabilities		**7,027.0**	**6,027.2**	**7,873.9**
Provisions for employee retirement obligations and related benefits		556.7	447.0	562.0
Provisions for liabilities and charges	10.1	74.6	68.3	68.8
Non-current tax liabilities		270.8	245.7	255.7
Deferred tax liabilities		903.7	849.5	846.6
Non-current borrowings and debt	7.1	3,804.0	3,250.2	4,746.7
Non-current lease debt	7.1	1,417.2	1,166.5	1,394.2
Current liabilities		**16,326.4**	**17,119.0**	**14,899.7**
Trade accounts payable		6,778.1	6,074.9	6,347.0
Provisions for liabilities and charges	10.1	920.0	1,149.4	977.2
Other current liabilities		4,348.3	4,251.9	4,816.1
Income tax		313.0	239.9	208.1
Current borrowings and debt	7.1	3,489.1	5,002.0	2,091.5
Current lease debt	7.1	477.8	400.9	459.8
TOTAL		**52,984.0**	**51,107.9**	**51,855.1**

2.4. Consolidated statements of changes in equity

€ millions	Common shares outstanding	Share capital	Additional paid-in capital	Retained earnings and net profit	Other compre-hensive income	Treasury shares	Cumulative translation adjustments	Equity attributable to owners of the Company	Non-controlling interests	Equity
At 31.12.2022	**535,186,562**	**107.0**	**3,368.7**	**17,382.2**	**6,404.4**	**—**	**-83.8**	**27,178.5**	**8.0**	**27,186.5**
Consolidated net profit for the period				6,184.0				6,184.0	6.5	6,190.5
Cash flow hedges					-113.9			-113.9	-0.6	-114.5
Cumulative translation adjustments							-425.9	-425.9	0.1	-425.8
Other comprehensive income that may be reclassified to profit and loss					**-113.9**		**-425.9**	**-539.8**	**-0.6**	**-540.3**
Financial assets at fair value through other comprehensive income					-77.5			-77.5		-77.5
Actuarial gains and losses					-89.2			-89.2		-89.2
Other comprehensive income that may not be reclassified to profit and loss					**-166.7**		**—**	**-166.7**	**—**	**-166.7**
Consolidated comprehensive income				**6,184.0**	**-280.6**		**-425.9**	**5,477.6**	**5.9**	**5,483.6**
Capital increase	810,545	0.2	1.5	—			—	1.7	—	1.7
Cancellation of Treasury shares		-0.3		-503.2		503.3	—	-0.2	—	-0.2
Dividends paid (not paid on Treasury shares)				-3,248.4		—	—	-3,248.4	-6.2	-3,254.6
Share-based payment				168.5		—	—	168.5	—	168.5
Net changes in Treasury shares	-1,271,632					-503.3	—	-503.3	—	-503.3
Changes in scope of consolidation						—	—	—	—	—
Other movements				-0.1		—	—	-0.1	-0.4	-0.6
At 31.12.2023	**534,725,475**	**106.9**	**3,370.2**	**19,983.1**	**6,123.8**	**—**	**-509.6**	**29,074.3**	**7.3**	**29,081.6**
Consolidated net profit for the period				3,655.6				3,655.6	3.3	3,658.9
Cash flow hedges					-36.4			-36.4	-0.1	-36.5
Cumulative translation adjustments							206.8	206.8	0.1	206.9
Other comprehensive income that may be reclassified to profit and loss					**-36.4**		**206.8**	**170.4**	**—**	**170.5**
Financial assets at fair value through other comprehensive income					-3.2			-3.2		-3.2
Actuarial gains and losses					156.9			156.9		156.9
Other comprehensive income that may not be reclassified to profit and loss					**153.7**		**—**	**153.7**	**—**	**153.7**
Consolidated comprehensive income				**3,655.6**	**117.3**	**—**	**206.8**	**3,979.7**	**3.3**	**3,983.0**
Capital increase								—		—
Cancellation of Treasury shares								—		—
Dividends paid (not paid on Treasury shares)				-3,565.1				-3,565.1	-7.1	-3,572.1
Share-based payment				135.4				135.4		135.4
Net changes in Treasury shares	—					—		—		—
Changes in scope of consolidation								—		—
Other movements			-0.1	3.0				2.9	-0.1	2.7
AT 30.06.2024	**534,725,475**	**106.9**	**3,370.1**	**20,212.0**	**6,241.0**	**—**	**-302.8**	**29,627.3**	**3.4**	**29,630.6**

CHANGES IN FIRST-HALF 2023

€ millions	Common shares outstanding	Share capital	Additional paid-in capital	Retained earnings and net profit	Other compre-hensive income	Treasury shares	Cumulative translation adjustments	Equity attributable to owners of the Company	Non-controlling interests	Equity
At 31.12.2022	**535,186,562**	**107.0**	**3,368.7**	**17,382.2**	**6,404.4**	**—**	**-83.8**	**27,178.5**	**8.0**	**27,186.5**
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
Other comprehensive income that may be reclassified to profit and loss					**-41.2**		**-359.5**	**-400.7**	**-0.2**	**-400.9**
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
Other comprehensive income that may not be reclassified to profit and loss					**985.4**		**—**	**985.4**	**—**	**985.4**
Consolidated comprehensive income				**3,359.0**	**944.2**	**—**	**-359.5**	**3,943.7**	**4.4**	**3,948.1**
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
AT 30.06.2023	**535,963,087**	**107.2**	**3,368.7**	**17,574.5**	**7,348.6**	**—**	**-443.2**	**27,955.7**	**5.9**	**27,961.6**

2.5. Compared consolidated statements of cash flows

€ millions	Notes	1st half 2024	1st half 2023	2023
Cash flows from operating activities				
Net profit attributable to owners of the Company		3,655.6	3,359.0	6,184.0
Non-controlling interests		3.3	4.6	6.5
Elimination of expenses and income with no impact on cash flows:				
• depreciation, amortisation, provisions and non-current tax liabilities		769.7	911.3	1,715.0
• changes in deferred taxes		-53.7	-5.0	-95.3
• share-based payment (including free shares)		135.4	81.3	168.5
• capital gains and losses on disposals of assets		-3.7	2.9	6.9
Other non-cash transactions		5.3	24.2	14.1
Share of profit in associates net of dividends received		2.2	—	-0.2
Gross cash flow		**4,514.0**	**4,378.3**	**7,999.5**
Changes in working capital		-1,745.8	-1,556.6	-394.9
Net cash provided by operating activities (A)		**2,768.2**	**2,821.7**	**7,604.6**
Cash flows from investing activities				
Purchases of property, plant and equipment and intangible assets		-781.1	-724.1	-1,488.7
Disposals of property, plant and equipment and intangible assets		0.3	1.7	12.8
Changes in other financial assets (including investments in non-consolidated companies)		-32.1	-41.9	-170.7
Effect of changes in the scope of consolidation		-138.0	-159.4	-2,497.2
Net cash from investing activities (B)		**-950.9**	**-923.7**	**-4,143.7**
Cash flows from financing activities				
Dividends paid		-3,605.9	-3,398.2	-3,425.6
Capital increase of the parent company		—	—	1.5
Capital increase of subsidiaries		—	—	—
Disposal (acquisition) of Treasury shares		—	—	-503.3
Purchase of non-controlling interests		—	—	—
Issuance (repayment) of short-term loans		313.6	2,218.2	-823.7
Issuance of long-term borrowings		151.6	2,015.4	3,567.1
Repayment of long-term borrowings		—	-29.9	—
Repayment of lease debt		-235.4	-211.2	-430.6
Net cash from financing activities (C)		**-3,376.1**	**594.2**	**-1,614.6**
Net effect of changes in exchange rates and fair value (D)		-1.1	-113.0	-175.9
Change in cash and cash equivalents (A+B+C+D)		**-1,559.8**	**2,379.2**	**1,670.4**
Cash and cash equivalents at beginning of the period (E)		**4,288.1**	**2,617.7**	**2,617.7**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	**7.2**	**2,728.3**	**4,996.9**	**4,288.1**

Income tax paid totalled €1,043.8 million, €1,020.7 million, and €1,995.7 million for first-half 2024, first-half 2023 and year 2023, respectively.

Interest paid (excluding interest on lease debts) amounted to €152.9 million, €58.0 million, and €184.9 million for first-half 2024, first-half 2023 and year 2023, respectively.

Dividends received totalled €446.5 million, €422.6 million, and €423.6 million for first-half 2024, first-half 2023 and year 2023, respectively. These are included within the gross cash flow.

Cash outflows relating to leases amounted to €303.6 million (of which €27.6 million related to interest paid on lease debt), €270.9 million (of which €20.1 million related to interest paid on lease debt) and €539.2 million (of which €43.8 million related to interest paid on lease debt) including leases that do not fall under the scope of IFRS 16 for first-half 2024, first-half 2023 and year 2023, respectively.

2.6. Notes to the condensed consolidated financial statements

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Note 1. Accounting principles

The condensed half-year consolidated financial statements of L'Oréal and its subsidiaries ("the Group") have been prepared in accordance with the international accounting standard IAS 34. As condensed financial statements, they do not include all the information required by IFRS, International Financial Reporting Standards, for the preparation of the annual financial statements and must therefore be read in conjunction with the Group consolidated financial statements prepared in accordance with IFRS as adopted in the European Union for the year ending at 31 December 2023.

The Board of Directors reviewed the condensed half-year consolidated financial statements as at 30 June 2024, on 30 July 2024.

The accounting policies applied are identical to those applied when preparing the annual consolidated financial statements for the year ended 31 December 2023, except as regards income tax.

The tax charge (current and deferred) is calculated for the half year financial statements by applying to the profit for the period the estimated annual tax rate for the current tax year for each entity or tax group.

The Group did not anticipate any standards not mandatorily applicable in 2024.

Established by the OECD and transposed in December 2023 in France, the Pillar 2 global tax reform aims to establish a minimum taxation of multinational groups at 15% and is applicable from the 2024 financial year. After analysis of the texts as stand current regulations and their consequences, the financial impact of this reform should be insignificant, due in particular to the consistency between the Group's tax footprint and its operational and geographic footprint.

As of 30 June 2024, the additional charge under Pillar 2 was recognised in accordance with the principles of the effective tax rate in application of IAS 34.

Note 2. Main events of the period

2.1. Changes in the scope of consolidation

2.1.1. First-half 2024

Acquisition

On 9 January 2024, L'Oréal announced the signing of an agreement to acquire the entire capital of Gjosa, the Swiss company pioneer in the development of water micronization technology. L'Oréal had already made a first minority investment in Gjosa in 2021 up to 15% via its venture capital fund, BOLD (Business Opportunities for L'Oréal Development).

The closing was finalized on 31 January 2024 and has been fully consolidated since that date.

The cost of this new acquisition represented €46.2 million for 85%. The total amount of goodwill resulting from this acquisition amounted provisionally to €14.4 million.

2.1.2. Year 2023

Acquisition

On 3 April, L'Oréal announced that it had signed an agreement with Natura & Co to acquire Aēsop, the Australian luxury beauty brand, for $2.6 billion. 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.

This acquisition was completed on 30 August 2023 and has been fully consolidate since that date.

In 2023, this acquisition represented €557.5 million in full-year net sales and €13.1 million in full-year operating profit.

The provisional allocation of the purchase price led to the recognition of goodwill of €1,690.0 million and is as follows:

€ millions	Fair value at the date of acquisition
Intangible asset[1]	577.0
Other assets	423.8
Cash	74.8
Other liabilities	-414.5
Aēsop net assets	**661.1**
Goodwill	1,690.0
ACQUISITION PRICE	**2,351.1**

(1) *Including €521.8 million of brand and €54.9 million of technological assets.*

On 4 December 2023, L'Oréal completed the acquisition of Lactobio, a leading probiotic and microbiome research company based in Copenhagen (Denmark). The strategic acquisition builds on 20 years of advanced research by L'Oréal into the microbiome scientific territory, deepening its knowledge of the microorganisms that live on the skin's surface and reinforcing the Groupe's leadership in this field. The acquisition also opens up new scientific opportunities, including leveraging Lactobio's microbiome expertise and significant IP portfolio to develop safe and effective new cosmetic solutions using live bacteria.

The cost of these new acquisitions represented €2,401.5 million. The total amount of goodwill and other intangible assets resulting from their acquisitions provisionally amounted to €2,313.6 million.

Note 3. Operating items – Segment information

3.1. Segment information

3.1.1. Information by business segment

The Group's business activities are organised into four Divisions. In its markets, each Operational Division develops and enhances a range of its own brand of consumer products:

- the Professional Products Division aims to offer professional beauty to all.

  For over 100 years, this Division has acquired extensive knowledge of, and provided tailored support solutions for, the hairdressing sector. It has built up a unique brand portfolio which currently includes L'Oréal Professionnel, Kérastase, Redken, Matrix and PureOlogy;
- the Consumer Products Division's goal is to democratise the best that the world of beauty has to offer.

  The Division is underpinned by four major global brands (L'Oréal Paris, Garnier, Maybelline New York and NYX Professional Makeup), and by the deployment of its specialised and regional brands (Stylenanda, Essie, Mixa, etc.);
- The Luxe Division creates the best in luxury beauty via breakthrough innovations, meaningful commitments and memorable experiences.

  The Division has built a unique portfolio of prestigious brands including iconic mainstream, aspirational, alternative and specialist brands (Lancôme, Yves Saint Laurent Beauté Armani Beauty, Kiehl's, Helena Rubinstein, Aēsop, Biotherm, Valentino, Prada, Shu Uemura, IT Cosmetics, Mugler, Ralph Lauren, Urban Decay, Azzaro, Maison Margiela, Viktor&Rolf, Takami, etc.);
- the Dermatological Beauty Division, whose goal is to provide sustainable and life-changing dermatological solutions.

  Its portfolio of highly complementary brands (La Roche-Posay, CeraVe, Vichy, SkinCeuticals, Skinbetter Science, etc.) is designed to keep pace with major skincare trends and recommendations of healthcare professionals.

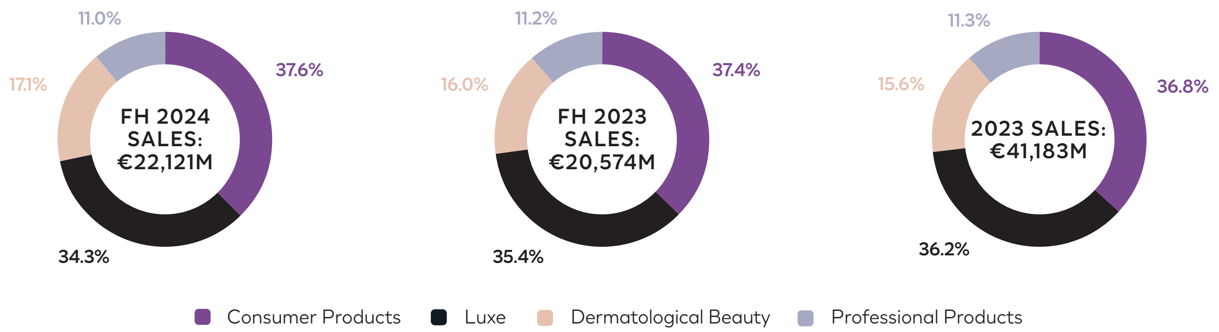
The "non-allocated" item includes expenses incurred by the Functional Divisions, fundamental research and the cost of free shares not allocated to the Divisions. It also includes non-core businesses, such as reinsurance.

Data by Division are prepared using the same accounting principles as those used for the preparation of the consolidated financial statements.

The performance of each Division is measured on the basis of operating profit.

3.1.1.1. Net sales by Division

WEIGHT OF NET SALES BY DIVISION OVER THE THREE PERIODS



€ millions	1st half 2024	Growth (%) Published data	Growth (%) Excluding exchange effect	1st half 2023	2023
Professional Products	2,426.7	4.9%	6.5%	2,313.7	4,653.9
Consumer Products	8,322.2	8.3%	10.7%	7,687.2	15,172.7
Luxe	7,578.8	4.0%	6.2%	7,288.4	14,924.0
Dermatological Beauty	3,793.0	15.5%	17.7%	3,284.8	6,432.0
GROUP	**22,120.8**	**7.5%**	**9.8%**	**20,574.1**	**41,182.5**

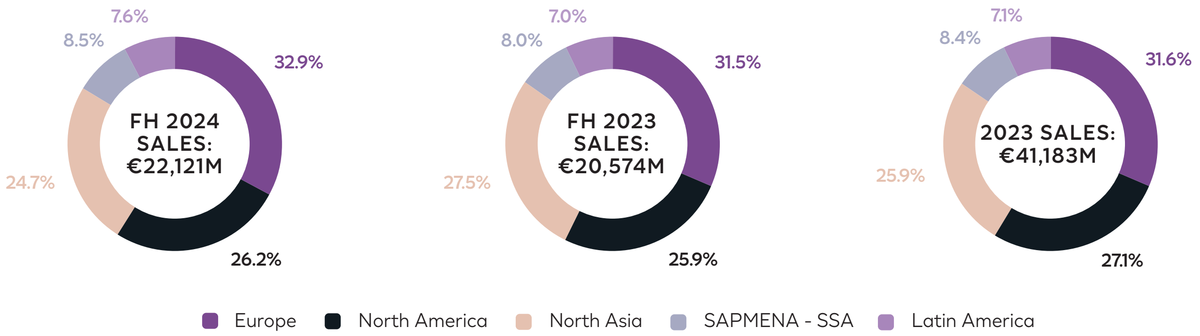
3.1.1.2. Operating profit by Division

€ millions	1st half 2024	1st half 2023	2023
Professional Products	536.7	490.1	1,005.3
Consumer Products	1,833.2	1,617.4	3,114.7
Luxe	1,661.2	1,687.9	3,331.8
Dermatological Beauty	1,097.4	933.9	1,670.9
TOTAL OF DIVISIONS	**5,128.5**	**4,729.3**	**9,122.7**
Non-allocated	-529.4	-470.5	-979.4
GROUP	**4,599.1**	**4,258.8**	**8,143.3**

3.1.2. Consolidated net sales by geographic zone

All information is presented on the basis of geographic location of the subsidiaries.

WEIGHT OF NET SALES BY GEOGRAPHIC ZONE OVER THE THREE PERIODS

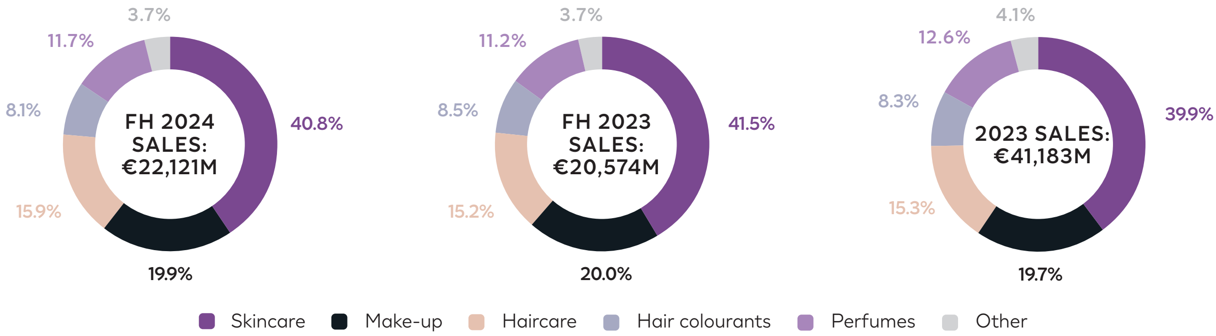


€ millions	1st half 2024	Growth (%) Published data	Growth (%) Excluding exchange effect	1st half 2023	2023
Europe	7,283.3	12.2%	13.2%	6,491.0	13,007.8
of which France[(1)]	1,675.7	3.8%	3.8%	1,613.8	3,063.3
North America	5,798.7	8.7%	8.8%	5,332.4	11,147.2
North Asia	5,474.7	-3.1%	0.4%	5,652.5	10,662.9
SAPMENA/SSA	1,884.0	14.3%	17.9%	1,647.9	3,447.7
Latin America	1,680.2	15.8%	25.5%	1,450.4	2,916.9
GROUP	**22,120.8**	**7.5%**	**9.8%**	**20,574.1**	**41,182.5**

(1) *Corresponds to sales invoiced from France and including sales to European countries.*

3.1.3. Sales by product category

WEIGHT OF NET SALES BY PRODUCT CATEGORY OVER THE THREE PERIODS



€ millions	1st half 2024	Growth (%) Published data	Growth (%) Excluding exchange effect	1st half 2023	2023
Skincare	9,019.6	5.7%	8.3%	8,530.9	16,447.1
Make-up	4,391.4	6.7%	8.8%	4,114.7	8,123.7
Haircare	3,511.1	12.4%	15.0%	3,122.9	6,319.6
Hair colourants	1,789.1	2.1%	3.9%	1,752.6	3,425.6
Perfumes	2,588.3	12.8%	14.0%	2,295.1	5,171.3
Other	821.3	8.4%	10.8%	758.0	1,695.3
GROUP	**22,120.8**	**7.5%**	**9.8%**	**20,574.1**	**41,182.5**

3.2. Depreciation and amortisation expense, Property, plant and equipment and right-of-use assets

3.2.1. Depreciation and amortisation expenses

Depreciation and amortisation of property, plant and equipment and intangible assets included in operating expenses amounted to €758.7 million, including €233.4 million for right-of-use (IFRS 16) for the first-half 2024 compared with €677.3 million, including €198.1 million for right-of-use (IFRS 16) for first-half 2023 and €1,429.7 million including €426 million for right-of-use (IFRS 16) for year 2023.

3.2.2. Property, plant and equipment and right-of-use assets

Acquisitions for first-half 2024 amounted to €826.5 million, including €251.5 million for new leases (IFRS 16) compared with €745.6 million including €200.1 million for new leases (IFRS 16) for first-half 2023 and €1,651.6 million including €500.9 million for new leases (IFRS 16) for year 2023.

Depreciation and provision for first-half 2024 amounted to €660.6 million including €233.4 million for right-of-use assets (IFRS 16) compared with €581.4 million including €204.5 million for right-of-use assets (IFRS 16) for first-half 2023 and €1,227.8 million including €430.5 million for right-of-use assets (IFRS 16) for year 2023.

Note 4. Other operational income and expenses

This item breaks down as follows:

€ millions	1st half 2024	1st half 2023	2023
Capital gains and losses on disposals of property, plant and equipment and intangible assets(1)	3.7	-2.8	-6.7
Impairment of property, plant and equipment and intangible assets(2)	-0.9	-270.5	-270.6
Restructuring costs(3)	-54.8	-24.9	-88.5
Other(4)	-51.4	-23.6	-84.1
TOTAL	**-103.4**	**-321.7**	**-449.9**

(1) Including:
- in first-half 2024, the impact of the sale of the CLOE distribution centre (€ 2.7 million);
- in first-half 2023, the residual impact of the sale of Logocos in Germany (-€2,9 million);
- in 2023, the residual impact of the sale of Logocos in Germany (-€5 million).

(2) Including:
- in first-half 2023, impairment of the goodwill of IT Cosmetics (€250 million) and that of the brand Decléor (€19.8 million);
- in 2023, the impairment of the goodwill of IT Cosmetics (€250 million) and that of the brand Decléor (€20 million).

(3) Including:
- in first-half 2024, the restructuring of the organisation and distribution of the Consumer Products and Professional Products Divisions in Europe (€18.8 million), the strategic reorganisation of the Luxe Division in France and Europe (€17.8 million) and the restructuring of the organisation and distribution of the Consumer Products in North America (€8.8 million);
- in first-half 2023, the strategic reorganisation of legal entities in France (€10 million), the recognition following French pension reforms of additional charges on advanced leave provisions from previous restructuring (€7 million) and additional impairment concerning the right of use in Brazil (€7.7 million);
- in 2023, the restructuring of the organisation and distribution of the Consumer Products and Professional Products Divisions in Europe (€39 million), the strategic reorganisation of legal entities in France (€17 million), the recognition following French pension reforms of additional charges on advanced leave provisions from previous restructuring (€7 million) and additional impairment concerning the right of use in Brazil (€9 million).

(4) Including:
- in first-half 2024, individual litigation costs in North America (€31.2 million), corporate philanthropy donations (€11.1 million) and acquisition costs and post-acquisition reorganisation costs (€13.5 million);
- in first-half 2023, corporate philanthropy donations (€14.2 million)and acquisition costs (€8.9 million);
- in 2023, corporate philanthropy donations (€29 million) and acquisition costs (€46 million).

Note 5. Employee benefits – Free shares

5.1. Employee benefits – Actuarial gains and losses

a) At 30 June 2024

The main assumptions used (including changes in discount rates and in the market value of plan assets) for the euro zone, the United States, Germany and the United Kingdom were reviewed on 30 June 2024.

The rise in the interest rates used to determine the present value of our pension obligations recorded since 31 December 2023 is around 50 basis points for France and the United States and 75 basis points for the United Kingdom. In France, hedging assets show an increase in their value compared to a decrease in their value for the United States and the United Kingdom.

These countries are showing lower impact of the pension provision for respectively €151 million for France, €43 million for the United States and €25 million for the United Kingdom. These impacts were taken into account in the accounts as of 30 June 2024.

b) At 30 June 2023

The main assumptions used (including changes in discount rates and in the market value of plan assets) for the euro zone, the United States, Germany and the United Kingdom were reviewed on 30 June 2023.

The main developments concerned the -25 basis point reduction in the euro interest rates used to determine the present value of our pension obligations recognised since 31 December 2022, which was offset by an increase in the value of plan assets.

Interest rates in the United States have been stable since 31 December 2022, but plan assets have gained in value.

Consequently, the main changes were seen in France and the United States, where pension provisions fell by €26 million and €32 million respectively.

The pension reform in France, which was adopted on 14 April 2023, constitutes a change to a plan within the meaning of IAS 19. The difference between the pre-change commitment and the entitlement accumulated on the change date, projected until the new retirement date, constitutes a past service cost, the effect of which immediately affects the profit (loss) for the period. The amount recognised at the end of June 2023 was immaterial.

5.2. Free shares

a) Vesting conditions

At 30 June 2024, no plan was implemented.

b) Capital increase reserved for employees

In June 2024, Group employees had the opportunity to join a Shareholding Plan based on a traditional format with discount and matching contribution.

The subscription price was set at €358.71, representing 80% of the average share price over the 20 trading sessions prior to the decision by the Chief Executive Officer setting the subscription period from 5 June to 19 June 2024 during which 199,641 shares were subscribed and 72,795 matching shares offered. This number does not include the subscription reserved for a Trustee under the laws of England and Wales, as part of a Share Incentive Plan established for Group employees in the UK, for which the number of shares will be finalised in April 2025

For French employees, free shares were offered upon subscription in proportion to their personal contribution to the plan with a maximum of three shares offered for six shares subscribed.

For employees in other countries, shares were offered under a free share plan with a continued employment condition for the employee and proportionate to how much the employee contributes to the plan, with a maximum of three shares offered for six shares subscribed. The shares will be allocated to employees on 31 July 2029 provided they are still with the Group on that date.

The IFRS 2 expense measuring the benefit offered to employees includes an expense recognized on the subscription date based on the value of the discount granted to employees.

The capital will be increased on 31 July 2024 by 230,423 shares including matching shares for French employees.

The total expense for shares granted for the 2024 plan amounted to €47 million.

This cost of matching shares for employees outside of France is amortised over the vesting period and corresponds to the share reference value adjusted for the expected dividends over the vesting period, namely €410.17 per share.

The IFRS 2 expense for the Employee shareholding plans recognised for the first-half 2024 amounts to €32.9 million.

Note 6. Intangible assets

There was no impairment test carried out as of 30 June 2024 in the absence of an unfavourable event. No depreciation of goodwill or other intangible assets occurred in the first-half 2024.

The €132.5 million increase of Goodwill was mainly due to favourable exchange rates effect (€110.5 million).

The €154.1 million increase in Other intangible assets was due to the acquisitions of the period, net of amortisation (€65.0 million), a favourable change in exchange rates (€41.4 million) and the allocation of a technology following the allocation of the acquisition price of Gjosa (€40.6 million).

Note 7. Financial assets and liabilities – Cost of debt

7.1. Borrowings and debt

The Group takes out bank loans to cover its medium-term financing needs and issues short-term marketable instruments in France and commercial paper in the US to cover its financing needs in the short term. None of the Group's borrowings or debt contains an early repayment clause linked to financial ratios (covenants).

7.1.1. Debt by type

	30.06.2024		30.06.2023		31.12.2023	
€ millions	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**
Short-term marketable instruments	—	2,009.0	—	3,034.2	—	—
MLT bank loans	—	—	—	—	—	—
Lease debt	1,417.2	477.8	1,166.5	400.9	1,394.2	459.8
Overdrafts	—	107.1	—	51.7	—	67.0
Other borrowings and debt	61.9	334.9	17.8	149.6	18.3	219.3
Bond	3,742.1	1,038.2	3,232.4	1,766.4	4,728.3	1,805.1
TOTAL	**5,221.3**	**3,966.9**	**4,416.7**	**5,402.8**	**6,140.8**	**2,551.3**

7.1.2. Bond and EMTN

Tranches € millions		Issuance type	Issuance date	Rate type	EIR[1]	Maturity date	30.06.2024	31.12.2023[4]
	750	—	March 2022	Floating		March 2024	—	754.5
	1,000	—	March 2022	Fixed		March 2024	—	1,002.3
	1,250	SLB[2]	March 2022	Fixed	0.96%	June 2026	1,258.7	1,252.9
	1,000	EMTN[3]	May 2023	Fixed	3.39%	May 2025	1,001.3	1,015.8
	1,000	EMTN[3]	May 2023	Fixed	3.08%	May 2028	995.9	1,009.5
	800	EMTN[3]	November 2023	Fixed	3.52%	January 2027	813.4	799.4
	700	EMTN[3]	November 2023	Fixed	3.47%	November 2029	711.0	699.0
TOTAL	**6,500**				**2.72%**		**4,780.3**	**6,533.4**

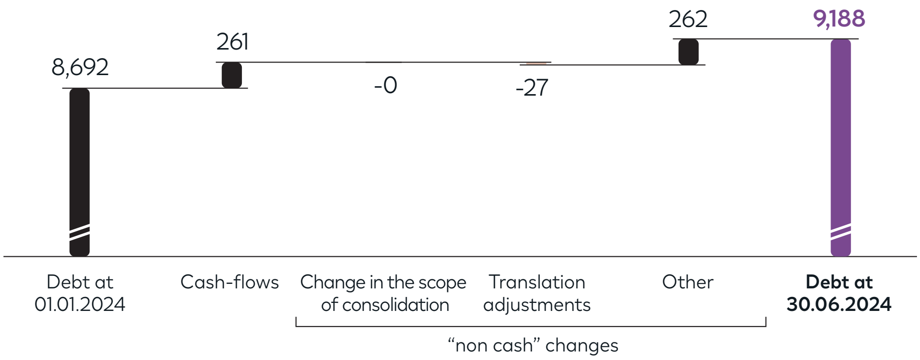
(1) Effective interest rate.
(2) Sustainability linked Bond.
(3) Euro Medium Term Notes.
(4) Including undisbursed short-term and long-term accrued interest.

Bond issues are mainly carried out as part of a "Euro Medium-Term Notes" program with a ceiling of €10.0 billion at 30 June 2024.

7.1.3. Change in debt

			Non-cash changes				
€ millions	31.12.2023	Cash-flows	Changes in the scope of consolidation	Translation adjustments	Changes in fair value	Other[1]	30.06.2024
Short-term marketable instruments	—	2,001.5	—	7.5	—	—	2,009.0
MLT bank loans	—	—	—	—	—	—	—
Lease debt	1,854.0	-235.4	—	15.9	—	260.6	1,895.0
Overdrafts	67.0	60.7	—	-20.8	—	—	107.1
Other borrowings and debt	237.7	187.7	-0.1	-29.8	—	1.3	396.8
Bond	6,533.4	-1,753.1	—	—	—	—	4,780.3
TOTAL	**8,692.1**	**261.4**	**-0.1**	**-27.2**	**—**	**261.9**	**9,188.2**

(1) These are renewals and amendments to contracts and new leases.



7.1.4. Debt by maturity date

€ millions	30.06.2024	30.06.2023	31.12.2023
Less than 1 year[(1)]	3,967.0	5,402.8	2,551.3
1 to 5 years	4,069.5	4,068.9	5,022.1
More than 5 years	1,151.8	347.8	1,118.6
TOTAL	**9,188.2**	**9,819.5**	**8,692.1**

(1) At 30 June 2024, the Group had confirmed undrawn credit lines for €5,000 million as at 30 June 2023 and 31 December 2023. These lines were not subject to any covenants.

7.1.5. Debt by currency excluding lease debts

€ millions	30.06.2024	30.06.2023	31.12.2023
Euro (EUR)	5,732.4	5,214.9	6,550.6
US Dollar (USD)	1,103.7	2,854.2	12.8
Korean Won (KRW)	118.0	15.1	105.7
Taiwan Dollar (TWD)	57.6	—	—
Chilean Peso (CLP)	47.5	30.1	15.0
Chinese Yuan (CNY)	43.4	—	—
Turkish Lira (TRY)	28.0	40.8	30.0
Argentinian Peso (ARS)	23.6	—	—
Colombian Peso (COP)	19.7	37.7	55.0
Peruvian Sol (PEN)	18.2	5.0	11.4
South African Rand (ZAR)	17.1	9.2	7.2
Indonesian Rupee (IDR)	15.7	2.4	4.0
Pakistani Rupee (PKR)	8.4	—	5.1
Other	59.9	42.8	41.3
TOTAL	**7,293.2**	**8,252.2**	**6,838.1**

7.1.6. Breakdown of fixed rate – floating rate debt

€ millions	30.06.2024	30.06.2023	31.12.2023
Floating rate	2,179.8	3,845.4	821.5
Fixed rate including lease debt	7,008.4	5,974.1	7,870.6
TOTAL	**9,188.2**	**9,819.5**	**8,692.1**

7.1.7. Effective interest rates

Effective interest rates on Group debt for short-term marketable instruments after allowing for hedging instruments are 4.31% at 30 June 2024 compared with 3.84% at 30 June 2023 and 0% at 31 December 2023 (due to marketable instruments repayment at closing).

The Effective interest rate on the bond issued by the Group in 2023 amounts to 2.72% at 30 June 2024 compared with 2.00% at 30 June 2023 and 2.35% at 31 December 2023.

There is no medium-term bank loan at 30 June 2024 as at 30 June 2023 and 31 December 2023.

7.1.8. Average debt interest rates

Average debt interest rates after allowing for hedging instruments break down as follows:

	30.06.2024	30.06.2023	31.12.2023
Euro (EUR)	2.57%	-1.85%	2.09%
US Dollar (USD)	4.54%	3.36%	3.58%

7.1.9. Fair value of borrowings and debt

The fair value of fixed-rate debt is determined for each loan by discounting future cash flows, based on bond yield curves at the balance sheet date, after allowing for the spread corresponding to the Group's risk rating.

The net carrying amount of outstanding bank loans and other floating-rate loans is a reasonable approximation of their fair value.

The fair value of borrowings and debt excluding IFRS 16 amounted to €7,293.2 million at 30 June 2024 compared with €8,252.2 million at 30 June 2023 and €6,838.1 million at 31 December 2023.

7.2. Cash and cash equivalents

	30.06.2024		30.06.2023		31.12.2023	
€ millions	Carrying amount	Acquisition cost	Carrying amount	Acquisition cost	Carrying amount	Acquisition cost
Marketable securities	690.7	690.7	1,408.0	1,408.0	624.1	624.1
Bank accounts and other cash and cash equivalents[(1)]	2,037.6	2,038.7	3,588.9	3,589.1	3,664.0	3,664.2
TOTAL	**2,728.3**	**2,729.4**	**4,996.9**	**4,997.1**	**4,288.1**	**4,288.3**

(1) Including €158.6 million in cash in countries in which cash repatriation is difficult.

Marketable securities consist mainly of SICAV money-market funds and unit trusts (on which the return is based on €ster). They are considered as financial assets at fair value through profit and loss.

Term accounts with a maturity of less than three months at inception are shown on the *Bank accounts and other cash and cash equivalents* line.

7.3. Non-current financial assets

	30.06.2024		30.06.2023		31.12.2023	
€ millions	Carrying amount	Acquisition cost	Carrying amount	Acquisition cost	Carrying amount	Acquisition cost
Investments in non-consolidated companies						
Sanofi[(1)]	10,633.4	4,033.6	11,609.9	4,033.6	10,612.1	4,033.6
Other listed securities[(2)]	36.6	103.4	84.9	96.2	60.9	103.3
Unlisted securities[(3)]	498.6	477.3	434.9	479.9	458.3	437.8
Financial assets at amortised cost						
Non-current loans and receivables	152.9	157.4	144.6	146.5	171.0	175.0
Surplus funds for pension scheme commitments held in assets	**495.7**		**436.1**		**329.4**	
TOTAL	**11,817.2**	**4,771.7**	**12,710.3**	**4,756.1**	**11,631.6**	**4,749.6**

(1) L'Oréal's stake in Sanofi was 9.34% at 30 June 2024. The carrying amounts at 30 June 2024, at 30 June 2023 and at 31 December 2023 (€10,633.4 million, €11,609.9 million and €10,612.1 million respectively) correspond to the market value of the shares based on the closing price at each of the dates (€89.94, €98.20 and €89.76 respectively) . The acquisition cost of €4,033.6 million corresponds to an entry cost of €34.12. The investment is measured at fair value through other comprehensive income.

(2) This heading includes listed securities of biotechnology start-ups as well as Euroapi shares for €13.1 million (reassessed cost).

(3) This heading mainly includes:

- strategic investments in investment funds measured at fair value through comprehensive income, including €50 million in the Circular Innovation fund, €75 million in the L'Oréal Fund for Nature Regeneration (of which €15 million subscribed over 2023), other holdings in start-ups (of which Functionalab Group, Sparty, Founders Factory, etc.) and other investment funds (of which Partech, Raise Venture, Cathay Innovation, etc.) for the remainder,

- securities of our subsidiaries in Venezuela deconsolidated since 31 December 2015, for €94.4 million fully written down were sold in December 2023.

In the absence of specific events, their acquisition cost is deemed to be the best possible estimate of fair value.

Note 8. Derivatives and exposure to market risks

To manage its exposure to currency and interest rate risks arising in the course of its normal operations, the Group uses derivatives negotiated with counterparties rated investment grade.

In accordance with Group rules, currency and interest rate derivatives are set up exclusively for hedging purposes.

8.1. Hedging of currency risk

The Group is exposed to currency risk on commercial transactions recorded on the balance sheet and on highly probable future transactions.

Based on information supplied by the subsidiaries, future operating transactions are covered by exchange rate hedges, either by options, or by purchases or sales of forward contracts.

At 30 June 2024, the change in the mark to market value of the hedging instruments allocated to future transactions and deferred through equity amounts to €94.9 million, compared with €234.1 million at 30 June 2023 and €128.5 million at 31 December 2023.

8.2. Foreign exchange gains and losses

Foreign exchange gains and losses break down as follows:

€ millions	1st half 2024	1st half 2023	2023
Time value	-6.2	-61.6	-121.7
Other foreign exchange gains and losses	6.4	-22.3	41.1
TOTAL	**0.2**	**-83.9**	**-80.6**

Foreign currency transactions are translated at the spot rate at the transaction date.

Assets and liabilities denominated in foreign currencies have been translated using the exchange rates effective at the closing date. Foreign exchange gains and losses also include the following items relating to derivative instruments:

- changes in market value linked to variations in the spot rate between the inception of the hedge and the date when the hedged transactions are completed;
- residual ineffectiveness linked to excess hedges and recognised directly in the income statement under other foreign exchange gains and losses for -€0.3 million for first-half 2024, -€7.7 million for first-half 2023 and €1.6 million for year 2023.

These amounts are allocated to the appropriate operating expense items. They are broken down as follows:

€ millions	1st half 2024	1st half 2023	2023
Cost of sales	-0.4	-61.8	-49.2
Research and innovation expenses	0.7	-1.6	-12.0
Advertising and promotion expenses	-0.1	-8.5	-8.7
Selling, general and administrative expenses	-0.1	-12.0	-10.7
FOREIGN EXCHANGE GAINS AND LOSSES	**0.2**	**-83.9**	**-80.6**

8.3. Hedging of interest rate risk

The Group did not have any interest rate hedging instruments at 30 June 2024, 30 June 2023 and 31 December 2023.

8.4. Shareholding risk

No cash has been invested in shares.

Available cash is invested with top-ranking financial institutions in the form of non-speculative instruments which can be drawn in very short periods. At 30 June 2024, marketable securities consist mainly of unit trusts (see Note 7.2.).

At 30 June 2024, the Group held 118,227,307 Sanofi shares for an amount of €10,633.4 million (see Note 7.3.). The initial share price for Sanofi shares was €34.12.

The shares are valued based on their fair value, and unrealised losses and gains are accounted for through equity in the *Other comprehensive income* item.

8.5. Fair value hierarchy

IFRS 7 as amended in 2009 requires financial assets and liabilities recognised at fair value in the balance sheet to be classified according to three levels:

- level 1: quoted prices on an active market;
- level 2: valuation techniques using observable inputs;
- level 3: valuation techniques using unobservable inputs.

The table below provides an analysis of main financial instruments recorded at fair value on the balance sheet by level of the fair value hierarchy.

€ millions **30 June 2024**	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Assets at fair value				
Foreign exchange derivatives		119.4		119.4
Sanofi shares	10,633.4			10,633.4
Other securities	36.6		498.2	534.8
Marketable securities	690.7			690.7
Time deposit	—			—
TOTAL ASSETS AT FAIR VALUE	**11,360.7**	**119.4**	**498.2**	**11,978.3**
Liabilities at fair value				
Foreign exchange derivatives		155.5		155.5
TOTAL LIABILITIES AT FAIR VALUE	**-**	**155.5**	**-**	**155.5**

€ millions **30 June 2023**	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Assets at fair value				
Foreign exchange derivatives		330.9		330.9
Sanofi shares	11,609.9			11,609.9
Other securities	84.9		433.9	518.8
Marketable securities	1,408.0			1,408.0
Time deposit	2,289.4			2,289.4
TOTAL ASSETS AT FAIR VALUE	**15,392.2**	**330.9**	**433.9**	**16,157.0**
Liabilities at fair value				
Foreign exchange derivatives		177.7		177.7
TOTAL LIABILITIES AT FAIR VALUE	**-**	**177.7**	**-**	**177.7**

€ millions **31 December 2023**	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Assets at fair value				
Foreign exchange derivatives		177.7		177.7
Sanofi shares	10,612.1			10,612.1
Other securities	60.8		457.3	518.1
Marketable securities	624.1			624.1
TOTAL ASSETS AT FAIR VALUE	**11,297.0**	**177.7**	**457.3**	**11,932.0**
Liabilities at fair value				
Foreign exchange derivatives		127.1		127.1
TOTAL LIABILITIES AT FAIR VALUE	**-**	**127.1**	**-**	**127.1**

Note 9. Equity – Earnings per share

9.1. Share capital and additional paid in capital

Share capital consisted of 534,725,475 shares with a par value of €0.20 at 30 June 2024, compared with 535,963,087 shares at 30 June 2023 and 534,725,475 shares at 31 December 2023.

9.2. Treasury shares

Shares acquired under the shareholder-approved L'Oréal share buyback programme are deducted from consolidated equity. Capital gains or losses relating to these shares are also recorded in equity net of tax.

a) First-half 2024

The change in the number of shares in first-half 2024 was as follows:

In shares	Share capital	Treasury shares	Common shares outstanding
At 01.01.2024	534,725,475	—	534,725,475
Shares cancelled	—	—	—
Options and free shares exercised	—	—	—
Treasury shares purchased		—	—
AT 30.06.2024	**534,725,475**	**—**	**534,725,475**

The change in Treasury shares in first-half 2024 was as follows:

In shares	Buyback programme	Allocated to stock options/free shares plans	Total	€ millions
At 01.01.2024	—	—	—	—
Shares cancelled	—	—	—	—
Options and free shares exercised	—	—	—	—
Treasury shares purchased	—	—	—	—
AT 30.06.2024	**—**	**—**	**—**	**—**

b) Year 2023

The change in the number of shares in 2023 was as follows:

In shares	Share capital	Treasury shares	Common shares outstanding
At 01.01.2023	535,186,562	—	535,186,562
Shares cancelled	-1,271,632	1,271,632	—
Options and free shares exercised	810,545	—	810,545
Treasury shares purchased	—	-1,271,632	-1,271,632
AT 31.12.2023	**534,725,475**	**—**	**534,725,475**

The change in Treasury shares in 2023 was as follows:

In shares	Buyback programme	Allocated to stock options/free shares plans	Total	€ millions
At 01.01.2023	—	—	—	—
Shares cancelled	-1,271,632	—	-1,271,632	-503.3
Options and free shares exercised	—	—	—	—
Treasury shares purchased	1,271,632	—	1,271,632	503.3
AT 31.12.2023	**—**	**—**	**—**	**—**

9.3. Net profit excluding non-recurring items – Earnings per share

9.3.1. Reconciliation with net profit

Net profit excluding non-recurring items reconciles as follows with net profit attributable to owners of the Company:

€ millions	1st half 2024	1st half 2023	2023
Net profit attributable to owners of the Company	**3,655.6**	**3,359.0**	**6,184.0**
Capital gains and losses on property, plant and equipment and intangible assets	-3.7	2.8	6.7
Impairment of property, plant and equipment and intangible assets	0.9	270.5	270.6
Restructuring costs	54.8	24.9	88.5
Others	51.4	23.6	84.1
Tax effect on non-recurring items	-15.5	-64.2	-100.7
Non-controlling interests on non-recurring items	—	—	-0.2
Tax effect on acquisitions and internal restructuring	1.1	0.1	-46.5
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY EXCLUDING NON-RECURRING ITEMS	**3,744.6**	**3,616.6**	**6,486.6**

9.3.2. Earnings per share attributable to owners of the Company

The tables below set out earnings per share attributable to owners of the Company rights:

1st half 2024	**Net profit attributable to owners of the Company** *(€ millions)*	**Number of shares**	**Earnings per share attributable to owners of the Company** *(€)*
Earnings per share	3,655.6	534,740,668	6.84
Free shares		1,647,302	
DILUTED EARNINGS PER SHARE	**3,655.6**	**536,387,970**	**6.82**

1st half 2023	Net profit attributable to owners of the Company *(€ millions)*	Number of shares	Earnings per share attributable to owners of the Company *(€)*
Earnings per share	3,359.0	535,499,746	6.27
Free shares		1,636,710	
DILUTED EARNINGS PER SHARE	**3,359.0**	**537,136,456**	**6.25**

2023	Net profit attributable to owners of the Company *(€ millions)*	Number of shares	Earnings per share attributable to owners of the Company *(€)*
Earnings per share	6,184.0	535,428,641	11.55
Free shares		1,592,398	
DILUTED EARNINGS PER SHARE	**6,184.0**	**537,021,039**	**11.52**

9.3.3. Earnings per share excluding non-recurring items

The tables below set out in detail earnings per share attributable to owners of the Company excluding non-recurring items:

1st half 2024	Net profit attributable to owners of the Company excluding non-recurring items *(€ millions)*	Number of shares	Earnings per share attributable to owners of the Company excluding non-recurring items *(€)*
Earnings per share excluding non-recurring items	3,744.6	534,740,668	7.00
Free shares		1,647,302	
DILUTED EARNINGS PER SHARE EXCLUDING NON-RECURRING ITEMS	**3,744.6**	**536,387,970**	**6.98**

1st half 2023	Net profit attributable to owners of the Company excluding non-recurring items *(€ millions)*	Number of shares	Earnings per share attributable to owners of the Company excluding non-recurring items *(€)*
Earnings per share excluding non-recurring items	3,616.6	535,499,746	6.75
Free shares		1,636,710	
DILUTED EARNINGS PER SHARE EXCLUDING NON-RECURRING ITEMS	**3,616.6**	**537,136,456**	**6.73**

2023	Net profit attributable to owners of the Company excluding non-recurring items *(€ millions)*	Number of shares	Earnings per share attributable to owners of the Company excluding non-recurring items *(€)*
Earnings per share excluding non-recurring items	6,486.6	535,428,641	12.11
Free shares		1,592,398	
DILUTED EARNINGS PER SHARE EXCLUDING NON-RECURRING ITEMS	**6,486.6**	**537,021,039**	**12.08**

9.3.4. Calculation of the number of shares

All potential ordinary shares are included in the calculation of earnings per share since all stock option plans have a dilutive impact on the periods presented.

Note 10. Provisions for liabilities and charges – Contingent liabilities and material ongoing disputes

10.1. Provisions for liabilities and charges

10.1.1. Closing balances

€ millions	30.06.2024	30.06.2023	31.12.2023
Non-current provisions for liabilities and charges	**74.6**	**68.3**	**68.8**
Non-current provisions[(1)]	74.6	68.3	68.8
Current provisions for liabilities and charges	**920.0**	**1,149.4**	**977.2**
Provisions for restructuring	119.1	96.1	100.3
Provisions for product returns	319.7	391.9	338.2
Other current provisions[(1)]	481.2	661.5	538.7
TOTAL	**994.6**	**1,217.7**	**1,046.0**

(1) This item notably includes provisions for tax risks and litigation excluding corporate income tax, industrial, environmental and commercial risks relating to operations (breach of contract), personnel costs, as well as risks relating to investigations carried out by competition authorities (See Note 10.2.2.a and b).

10.1.2. Changes in provisions for liabilities and charges during the period

€ millions	30.06.2023	31.12.2023	Charges(2)	Reversals (used)(2)	Reversals (not used)(2)	Other(1)	30.06.2024
Provisions for restructuring	96.1	100.3	42.7	-21.5	-3.3	0.9	119.1
Provisions for product returns	391.9	338.2	243.6	-232.8	-32.6	3.4	319.7
Other provisions for liabilities and charges	729.8	607.5	173.6	-171.3	-44.8	-9.2	555.8
TOTAL	**1,217.7**	**1,046.0**	**459.9**	**-425.6**	**-80.7**	**-4.9**	**994.6**

(1) Mainly resulting from translation differences.
(2) These figures can be analysed as follow:

€ millions	Charges	Reversals (used)	Reversals (not used)
Operating profit	393.9	-391.0	-70.9
Other income and expenses	66.0	-34.7	-9.8
Net financial income	—	—	—

10.2. Contingent liabilities and material ongoing disputes

L'Oréal is party to several material disputes, described below:

10.2.1. Tax disputes

Brazil – IPI indirect tax base challenged

In January 2015, decree 8.393/2015 stated that commercial companies in Brazil would be liable for the indirect IPI tax on certain products as from 1 May 2015. L'Oréal is challenging the legal grounds of this decree and its application. In light of changes in market practices and a favourable change in the opinion of its advisers, since 1 January 2018 L'Oréal has recognised the IPI collected under income.

L'Oréal received tax reassessment notices regarding the indirect IPI tax for financial years 2008 and 2011 to 2015 totalling €659 million, including interest and penalties. The Brazilian tax authorities are questioning the ex-works sales price to the commercial arm used to calculate the IPI tax base. After consulting with its tax advisors, L'Oréal considers that the Brazilian tax authorities' position is unfounded and has challenged these notices. L'Oréal continues its legal proceedings with the tax and legal authorities.

In light of the negative developments in administrative court decisions on the same matter for other Brazilian groups, L'Oréal funded a provision for €44 million to partially cover this risk.

India – Advertising, marketing and promotional costs challenged

L'Oréal received several tax reassessment notices regarding financial years 2007/08 to 2017/18 and 2019/20 to 2020/21 for the most part concerning the tax deductibility of advertising, marketing and promotional expenses for a total amount of €225 million including interest and penalties. After consulting with its tax advisors, L'Oréal decided to contest these notices and continues the legal proceedings with the administrative and legal authorities.

Mutual agreement procedures

Mutual agreement procedures were instigated vis-à-vis the French, Indonesian and Singaporean tax authorities in order to eliminate double taxation following disagreements between these authorities.

10.2.2. Investigations carried out by the competition authorities

The national competition authorities in several European countries have launched investigations targeting the cosmetics industry in particular.

a) Europe (excluding France)

In Germany, after the German competition authority filed a lawsuit in 2008 in the area of personal care products, which was definitively closed in 2015, distributors filed a lawsuit seeking damages against L'Oréal Germany which has resulted in dismissals by the courts at this stage. These proceedings are still ongoing. L'Oréal Germany is contesting the merits of these claims and denies that any damages occurred.

b) France

In France, on 18 December 2014, the French competition authority handed down a fine of €189.5 million against L'Oréal in the hygiene products sector for events that took place in the early 2000s. On 27 October 2016, the Paris Court of Appeal upheld this first instance decision. L'Oréal refutes all accusations of concerted practices with its competitors and regrets that the French competition authority did not take into account the highly competitive French market in household and hygiene products as illustrated by the number of manufacturers and retailers present on the market, the large choice of products available to consumers, and the high degree of innovation and number of product launches.

Following an appeal lodged by L'Oréal, on 27 March 2019, the Court of Cassation partially overturned the ruling relating to the amount of the fine imposed on L'Oréal. On 18 June 2020, the Second Court of Appeal confirmed the initial amount of the fine. L'Oréal lodged a second appeal with the Court of Cassation against this ruling that was rejected on 18 October 2023.

This final ruling has no impact on the Group's income statement and no cash flow impact, as the fine was paid in 2015.

Following this ruling, the distributors filed lawsuits for damages against L'Oréal. These proceedings are in initial stages or resulted in dismissals by the courts. These proceedings are still ongoing. L'Oréal contests the merits of these claims and denies that any damages occurred.

At the present time, no other exceptional events or disputes are highly likely to have a material impact on the earnings, financial situation, assets, or operations of the Company or the L'Oréal Group.

Note 11. Subsequent events

No significant events occurred between the balance sheet date and the date when the Board of Directors authorised the condensed half-year consolidated financial statements for issue.

3 Statutory auditors' review report on the 2024 half-year financial information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Period from January 1 to June 30, 2024

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of L'Oréal for the six months ended June 30, 2024,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject of our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July 31, 2024

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES

David Dupont-Noel

ERNST & YOUNG Audit

Celine Eydieu-Boutte

4 Declaration by the person responsible for the 2024 half-year financial report

I declare that, to the best of my knowledge, the summary consolidated financial statements for the ending semester have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit and loss of the Company and all the other companies included in the scope of consolidation, and that this Half-year Activity Report includes a fair review of the important events which occurred during the first six months of the year, their impact on the half-year financial statements and the main transactions between related parties, and describes the principal risks and uncertainties for the remaining six months of the year.

Clichy, 30th July 2024,

On the authority of the Chief Executive Officer,

Christophe BABULE

Chief Financial Officer

pwc

Design and production
Contact: fr_content_and_design@pwc.com

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For the full version of the

2023 Universal Registration Document

visit www.loreal-finance.com
or the L'Oréal Finance app

L'ORÉAL

INCORPORATED IN FRANCE AS A "SOCIÉTÉ ANONYME" WITH REGISTERED CAPITAL OF €106,991,179.60
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