



# 2020 half-year results

31 July 2020

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Mr Christophe Babule  
Chief Financial Officer

L'ORÉAL



## Consolidated sales at the end of June 2020

€14.81Bn



H1-2019

€13.07Bn



H1-2020

<b>Like-for- like % change</b>	<b>-11.7%</b>
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*of which:*

➤ <i>external growth impact</i>	<i>+0.3%</i>
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<b>Change at constant exchange rates</b>	<b>-11.4%</b>
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➤ <i>Currency impact</i>	<i>-0.3%</i>
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<b>Reported change</b>	<b>-11.7%</b>
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## Changes in exchange rates (against the euro)

	Weight in consolidated sales at 30 June 2020	Average rate January – June 2019	Average rate January – June 2020	% change H1-20 vs. H1-19
<b>Euro</b>	<b>21.4%</b>	—	—	—
<b>US Dollar (1 € =)</b>	<b>23.4%</b>	1.129	1.101	<b>+2.6%</b>
<b>Chinese Yuan</b>	<b>17.3%</b>	0.130	0.129	<b>-1.1%</b>
<b>Sterling Pound</b>	<b>3.8%</b>	1.145	1.144	<b>0.0%</b>
<b>Canadian Dollar</b>	<b>2.3%</b>	0.663	0.665	<b>+0.3%</b>
<b>Russian rouble</b>	<b>2.2%</b>	0.013	0.013	<b>-3.4%</b>
<b>Brazilian Real</b>	<b>1.9%</b>	0.230	0.186	<b>-18.9%</b>
<b>Japanese Yen (1000)</b>	<b>1.6%</b>	8.045	8.389	<b>+4.3%</b>
<b>Korean Won (1000)</b>	<b>1.6%</b>	0.772	0.752	<b>-2.6%</b>
<b>Australian Dollar</b>	<b>1.3%</b>	0.625	0.597	<b>-4.5%</b>



# Consolidated sales by division at the end of June 2020

(in million euros)

	H1-2019	H1-2020	% Change		
			Like-for-like	At constant exchange rates	Reported
Professional products	1 714.2	1 341.7	-21.3%	-21.6%	-21.7%
Consumer products	6 530.5	5 850.7	-9.4%	-9.5%	-10.4%
L'Oréal Luxe	5 150.1	4 382.2	-16.8%	-15.6%	-14.9%
Active cosmetics	1 416.7	1 501.9	+9.0%	+7.6%	+6.0%
<b>Total</b>	<b>14 811.5</b>	<b>13 076.5</b>	<b>-11.7%</b>	<b>-11.4%</b>	<b>-11.7%</b>

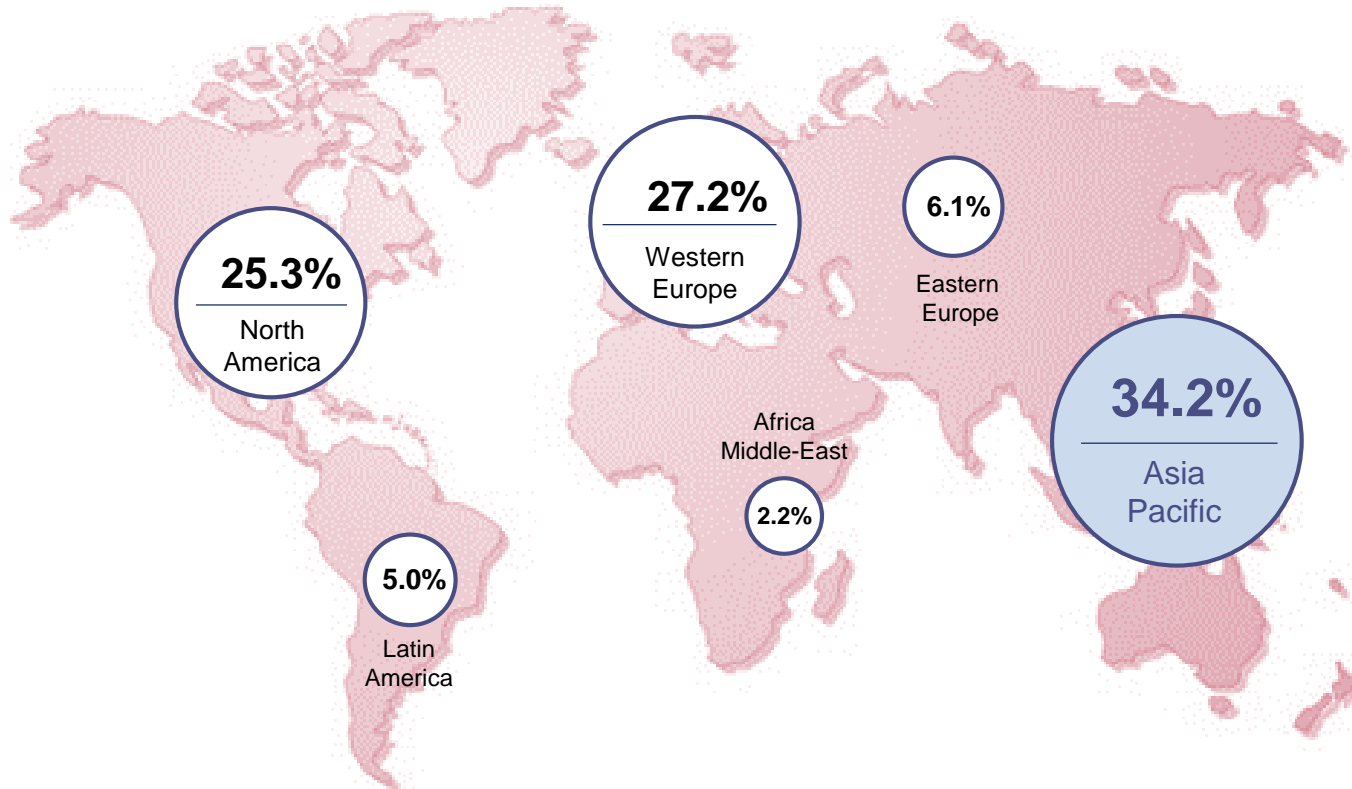


# Total sales by region at the end of June 2020 (in million euros)

	H1-2019	H1-2020	% Change	
			Like-for-like	Reported
Western Europe	4 212.6	3 553.5	-16.1%	-15.6%
North America	3 805.7	3 307.7	-15.2%	-13.1%
New Markets	6 793.1	6 215.4	-6.9%	-8.5%
<i>of which:</i>				
- <i>Asia, Pacific</i>	4 626.4	4 468.5	-3.9%	-3.4%
- <i>Eastern Europe</i>	931.3	798.9	-12.1%	-14.2%
- <i>Latin America</i>	878.6	659.2	-13.9%	-25.0%
- <i>Africa, Middle-east</i>	356.7	288.8	-17.4%	-19.1%
<b>Total</b>	<b>14 811.5</b>	<b>13 076.5</b>	<b>-11.7%</b>	<b>-11.7%</b>



# Breakdown of sales by region (as a % of total)





# Sales by category at the end of June 2020

(in million euros)

	H1-2020	% Change Like-for-like	As a % of sales
Skincare	5 288	+1.1%	40.4%
Make-up	2 880	-27.6%	22.0%
Haircare	1 971	-10.5%	15.1%
Hair colouring	1 480	-3.0%	11.3%
Fragrances	894	-28.6%	6.8%
Other	562	-9.3%	4.3%



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

<i>(in million euros)</i>	H1-2019	As a % of sales	2019	As a % of sales	H1-2020	As a % of sales	% change H1-20 vs. H1-19
<b>Sales</b>	<b>14 811.5</b>	<b>100.0%</b>	<b>29 873.6</b>	<b>100.0%</b>	<b>13 076.5</b>	<b>100.0%</b>	<b>-11.7%</b>
Cost of sales	-3 988.5	26.9%	-8 064.7	27.0%	-3 512.3	26.9%	
<b>Gross profit</b>	<b>10 823.0</b>	<b>73.1%</b>	<b>21 808.9</b>	<b>73.0%</b>	<b>9 564.2</b>	<b>73.1%</b>	<b>Stable</b>
Research and innovation expenses	-459.7	3.1%	-985.3	3.3%	-455.3	3.5%	+40bps
Advertising and promotion expenses	-4 471.7	30.2%	-9 207.8	30.8%	-3 986.5	30.5%	+30bps
Selling, general & administrative expenses	-3 003.3	20.3%	-6 068.3	20.3%	-2 765.2	21.1%	+80bps
<b>Operating profit</b>	<b>2 888.4</b>	<b>19.5%</b>	<b>5 547.5</b>	<b>18.6%</b>	<b>2 357.2</b>	<b>18.0%</b>	<b>-150bps</b>





## Operating profit margin by division

<i>(as a % of sales)</i>	H1-2019	2019	H1-2020
Professional Products	19.1%	20.1%	10.4%
Consumer Products	20.7%	20.2%	21.3%
L'Oréal Luxe	23.8%	22.6%	20.4%
Active Cosmetics	26.5%	23.3%	28.9%
<b>Total before non-allocated expenses</b>	<b>22.2%</b>	<b>21.4%</b>	<b>20.7%</b>
Non-allocated expenses*	-2.7%	-2.8%	-2.7%
<b>Total after non-allocated expenses</b>	<b>19.5%</b>	<b>18.6%</b>	<b>18.0%</b>

\* 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

(in million euros)

	H1-2019	2019	H1-2020	% Change H1-20 vs. H1-19
<b>Operating profit</b>	<b>2 888.4</b>	<b>5 547.5</b>	<b>2 357.2</b>	<b>-18.4%</b>
Financial revenues-expenses before dividends received	-30.2	-62.7	-36.5	
Sanofi dividends	363.0	363.0	372.4	
<b>Profit before tax and associates, excluding non-recurring items</b>	<b>3 221.1</b>	<b>5 847.9</b>	<b>2 693.0</b>	<b>-16.4%</b>
Income tax excluding non-recurring items	-748.8	-1 486.7	-547.9	
Share of profit in associates, excluding non-recurring items	0.0	+1.0	+0.7	
Non-controlling interests	-6.1	-5.4	-1.1	
<b>Net profit excluding non-recurring items, attributable to owners of the company</b>	<b>2 466.2</b>	<b>4 356.9</b>	<b>2 144.8</b>	
<b>Earnings per share (in euros)*</b>	<b>4.38</b>	<b>7.74</b>	<b>3.82</b>	<b>-12.7%</b>
Diluted average number of shares	563 247 153	562 813 129	561 233 745	

\* 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>	H1-2019	2019	H1-2020
<b>Net profit excluding non-recurring items, attributable to owners of the company</b>	<b>2 466.2</b>	<b>4 356.9</b>	<b>2 144.8</b>
Non-recurring items	-139.5	-606.9	-322.3
- of which:			
- <i>other income and expenses</i>	-170.3	-436.5	-407.1
- <i>non-recurring tax items</i>	+30.8	-170.4	+84.8
<b>Net profit attributable to owners of the company</b>	<b>2 326.7</b>	<b>3 750.0</b>	<b>1 822.5</b>



# Cash flow statements

<i>(in million euros)</i>	H1-2019	2019	H1-2020	% change H1-20 vs. H-19
Net profit	2 332.7	3 755.2	1 823.6	
Depreciation, amortisation and provisions	923.8	1 958.2	787.4	
Capital gains / losses on asset disposals, changes in deferred taxes, others	+48.8	+89.9	+58.4	
Share of profit in associates, net of dividends received	—	+1.0	-0.7	
<b>Cash flow</b>	<b>3 305.3</b>	<b>5 802.3</b>	<b>2 668.6</b>	<b>-19.3%</b>
Changes in working capital	-813.0	+460.4	-889.2	
Investments	-559.8	-1 231.0	-504.8	
<b>Operating net cash flow</b>	<b>1 932.5</b>	<b>5 031.8</b>	<b>1 274.6</b>	<b>-34.0%</b>
Dividends paid	-2 198.2	-2 221.1	-82.6	
Acquisitions	-7.2	-9.4	-1 316.5	
Repayment of lease debt	-158.3	-425.8	-219.7	
Acquisitions of treasury stock		-747.3		
Capital increase	+38.6	+60.0	+28.1	
Other	-14.0	-49.2	+25.2	
<b>Residual cash flow</b>	<b>-406.6</b>	<b>+1 639.1</b>	<b>-290.9</b>	



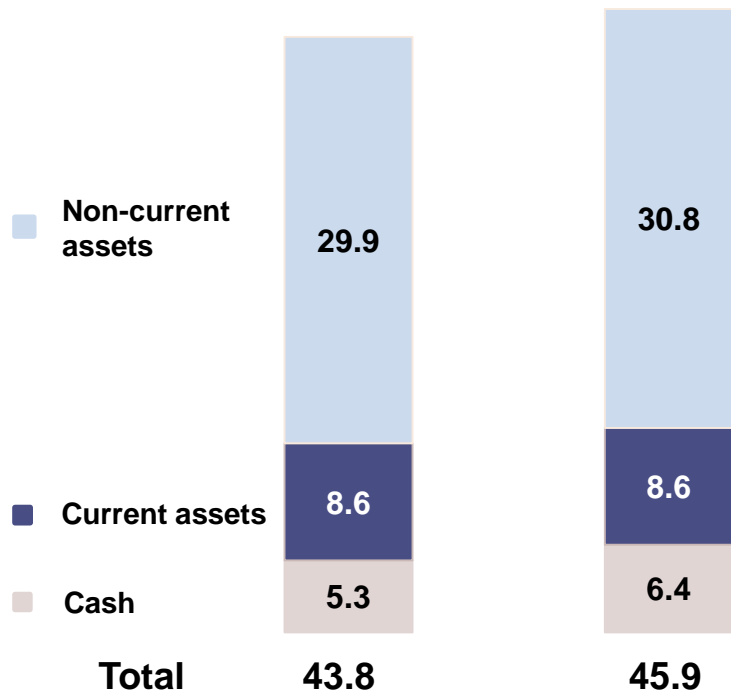
# Balance sheet

(in billion euros)

## Assets

31 Dec. 2019

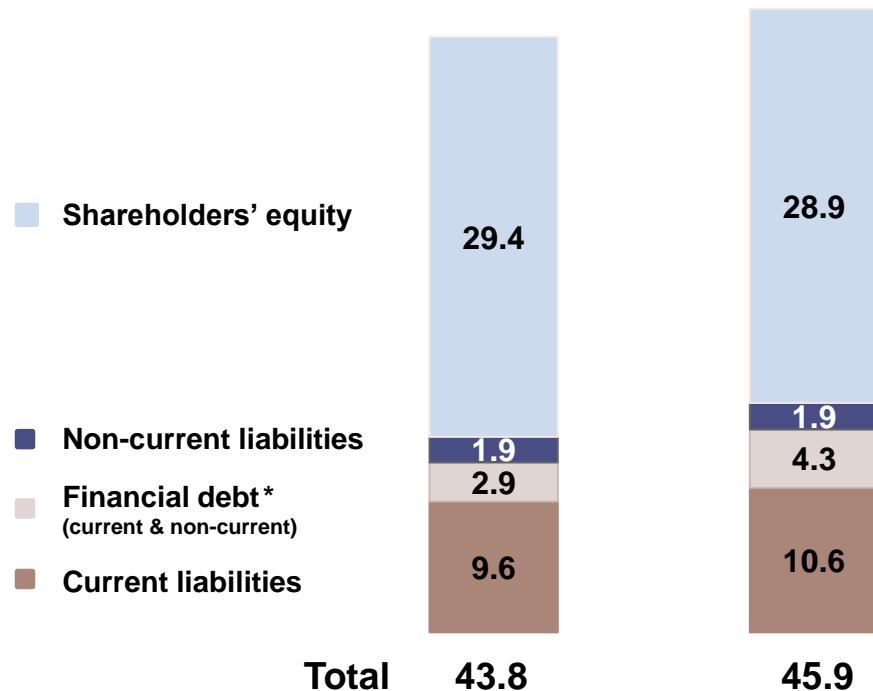
30 June 2020



## Liabilities

31 Dec. 2019

30 June 2020



\* Including €1859m financial lease debt at 30 June 2020 (IFRS 16), vs. €2036m at 31 December 2019



## Net cash/net debt and gearing

<i>(in million euros)</i>	<b>31 December 2019</b>	<b>30 June 2020</b>
Net cash	2 399.3	2 161.7
Net cash excluding financial lease debt	4 435.2	4 020.5
Gearing*	N.A.	N.A.

\* Net debt / equity attributable to owners of the company



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