

# 2025 parent company financial statements AFR

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The individual financial statements set out in this chapter are those of the L'Oréal parent company. They show the financial situation of the parent company. Unlike the consolidated financial statements, they do not include the results of the Group's subsidiaries.

The information regarding the parent company financial statements that was previously included in the Management Report of the Board of Directors is now included in this chapter. The pages concerned are the table showing the main changes and threshold crossings regarding equity investments, the five-year financial summary and the amount of expenses and charges provided for in Article 223 *quater* of the French Tax Code, and the table showing past due invoices issued and received and not paid at the closing date, provided for by Articles L. 441-14 and D. 441-6 of the French Commercial Code. The Statutory Auditor's Report on the parent company financial statements rounds out this information.

## 6.1 Comparative income statements

€ millions	Notes	31.12.2025	31.12.2024
<b>Operating revenue</b>		<b>5,999.1</b>	<b>5,794.6</b>
Sales	2	5,070.6	4,863.4
Reversals of depreciation, amortisation and provisions <sup>(1)</sup>		110.5	175.8
Other revenue <sup>(2)</sup>	3	818.0	755.4
<b>Operating expenses</b>		<b>(5,150.9)</b>	<b>(4,934.7)</b>
Purchases and change in inventories		(3.2)	(2.3)
Other purchases and external charges		(3,162.3)	(3,084.0)
Taxes and similar payments		(145.6)	(125.7)
Personnel costs	4	(1,233.0)	(1,154.9)
Depreciation, amortisation and charges to provisions	5	(225.2)	(236.9)
Other charges <sup>(2)</sup>	6	(381.6)	(331.0)
<b>Operating profit</b>		<b>848.2</b>	<b>859.9</b>
Financial income from subsidiaries and equity investments		6,041.9	5,196.0
Interest expense		(190.4)	(214.8)
Net foreign exchange gains		53.2	24.7
Change in depreciation, amortisation and provisions		(531.7)	22.1
Other financial income and expenses <sup>(3)</sup>		4.0	9.2
<b>Net financial income</b>	<b>7</b>	<b>5,377.0</b>	<b>5,037.2</b>
<b>Profit before tax and non-recurring items</b>		<b>6,225.2</b>	<b>5,897.1</b>
<b>Non-recurring items</b>	<b>8</b>	<b>2,852.2</b>	<b>(61.5)</b>
Employee profit sharing		(44.6)	(42.5)
Income tax	9	(308.0)	(115.2)
<b>NET PROFIT</b>		<b>8,724.8</b>	<b>5,678.0</b>

(1) This item included transfers of charges up to 2024. In accordance with the new Regulation ANC 2022-06, from 2025 onwards the charge transfer line is eliminated and the items concerned are recognised directly in the relevant income and expense accounts.

(2) In accordance with the new Regulation ANC 2022-06, from 2025 onwards other income and expenses include proceeds from disposals and the net carrying amount of property, plant and equipment and intangible assets sold.

(3) In accordance with the new Regulation ANC 2022-06, from 2025 onwards other income and expenses include proceeds from disposals and the net carrying amount of financial assets sold.

## 6.2 Comparative balance sheets

### ASSETS

€ millions (net values)	Notes	31.12.2025	31.12.2024
Intangible assets	12	4,754.2	4,562.3
Property, plant and equipment	13	487.5	469.4
Financial assets	14	26,905.0	23,409.5
<b>Non-current assets</b>		<b>32,146.7</b>	<b>28,441.2</b>
Inventories		—	0.9
Prepayments to suppliers		11.2	11.9
Trade accounts receivable	16	539.3	543.5
Other receivables	16	227.2	329.7
Prepaid expenses	16	49.9	51.3
Forward financial instruments	15	45.6	45.5
Cash and cash equivalents	27	2,417.6	290.7
<b>Current assets</b>		<b>3,290.8</b>	<b>1,273.6</b>
Redemption premiums		14.0	7.9
Unrealised currency translation losses and valuation differences	21	100.0	64.5
<b>TOTAL ASSETS</b>		<b>35,551.5</b>	<b>29,787.0</b>

### SHAREHOLDERS' EQUITY AND LIABILITIES

€ millions	Notes	31.12.2025	31.12.2024
Share capital		106.8	106.9
Additional paid-in capital		3,509.8	3,444.3
Reserves and retained earnings		12,432.6	11,029.2
Net profit		8,724.8	5,678.0
Regulated provisions		15.0	14.6
<b>Shareholders' equity</b>		<b>24,789.0</b>	<b>20,273.0</b>
<b>Provisions for liabilities and charges</b>	<b>18</b>	<b>361.3</b>	<b>366.5</b>
Bonds	19	8,928.5	6,080.1
Other borrowings and debt	19	1.1	1,810.3
Forward financial instruments		61.4	68.2
Prepayments received on contracts in progress		21.8	—
Trade accounts payable	20	676.1	592.7
Other current liabilities	20	626.9	556.0
<b>Accounts payable</b>		<b>10,315.8</b>	<b>9,107.3</b>
Unrealised currency translation gains and valuation differences	21	85.4	40.3
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>35,551.5</b>	<b>29,787.0</b>

## 6.3 Statement of changes in shareholders' equity

The share capital comprises 533,783,028 shares with a par value of €0.2 each following transactions carried out in financial year 2025:

- issue of 279,923 shares under the employee share ownership plan;
- issue of 547,720 free shares;
- cancellation of 1,356,636 shares.

Changes in shareholders' equity are as follows:

€ millions	Share capital	Additional paid-in capital	1976 revaluation reserve	Reserves and retained earnings <sup>(1)</sup>	Net profit for the year	Regulated provisions and investment grants <sup>(2)</sup>	Total
<b>Balance at 31 December 2023 before appropriation of net profit</b>	<b>106.9</b>	<b>3,370.2</b>	<b>42.5</b>	<b>11,225.3</b>	<b>3,826.3</b>	<b>16.9</b>	<b>18,588.1</b>
Capital increase	0.2	69.8					70.0
Cancellation of shares	(0.2)			(499.7)			(499.9)
Appropriation of 2023 net profit				261.2	(261.2)		—
Dividends paid for 2023					(3,565.1)		(3,565.1)
2024 net profit					5,678.0		5,678.0
Other movements during the period		4.3		(0.1)		(2.3)	1.9
<b>Balance at 31 December 2024 before appropriation of net profit</b>	<b>106.9</b>	<b>3,444.3</b>	<b>42.5</b>	<b>10,986.7</b>	<b>5,678.0</b>	<b>14.6</b>	<b>20,273.0</b>
Capital increase	0.2	65.5					65.7
Cancellation of shares	(0.3)			(499.7)			(500.0)
Appropriation of 2024 net profit				1,903.4	(1,903.4)		—
Dividends paid for 2024					(3,774.6)		(3,774.6)
2025 net profit					8,724.8		8,724.8
Other movements during the period				(0.3)		0.4	0.1
<b>BALANCE AT 31 DECEMBER 2025 BEFORE APPROPRIATION OF NET PROFIT</b>	<b>106.8</b>	<b>3,509.8</b>	<b>42.5</b>	<b>12,390.1</b>	<b>8,724.8</b>	<b>15.0</b>	<b>24,789.0</b>

(1) The amount added to reserves for (i) unpaid dividends on treasury shares held by L'Oréal, (ii) movements between 1 January and the dividend payment date, on maturing free share plans, (iii) and the final number of shares carrying preferential dividend rights, stood at €4.6 million overall in 2025 compared with a negative €1.1 million in 2024.

(2) The item "Regulated provisions and investment grants" amounted to €15 million at 31 December 2025, compared with €14.6 million at 31 December 2024. This item mainly consisted of accelerated tax-driven depreciation.

Details of share subscription options and free share plans are provided in note 17.

## 6.4 Statements of cash flows

€ millions	Notes	31.12.2025	31.12.2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net profit</b>		<b>8,724.8</b>	<b>5,678.0</b>
Depreciation and amortisation	12-13	149.5	113.5
Charges to provisions (net of reversals)		531.4	(74.4)
Gains and losses on disposals of non-current assets		(2,877.7)	72.3
Other non-cash transactions		3.4	(8.9)
<b>Gross cash flow</b>		<b>6,531.4</b>	<b>5,780.5</b>
Changes in working capital	25	283.9	203.7
<b>Net cash provided by operating activities</b>		<b>6,815.3</b>	<b>5,984.3</b>
<b>INVESTING ACTIVITIES</b>			
Investments in non-current assets	12-13-14	(2,026.7)	(2,795.4)
Changes in other financial assets	26	(3,057.8)	(1,209.2)
Disposals of non-current assets		3,036.9	206.4
<b>Net cash used in investing activities</b>		<b>(2,047.6)</b>	<b>(3,798.3)</b>
<b>FINANCING ACTIVITIES</b>			
Capital increase		65.9	69.9
Dividends paid		(3,774.6)	(3,565.1)
Changes in financial debt	19	1,067.8	1,234.1
<b>Net cash used in financing activities</b>		<b>(2,641.0)</b>	<b>(2,261.1)</b>
Cash acquired or sold in the period (complete transfer of assets and liabilities)		—	18.8
<b>Change in cash and cash equivalents</b>		<b>2,126.8</b>	<b>(56.3)</b>
Net cash and cash equivalents at the beginning of the year	27	290.7	347.1
<b>NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>26</b>	<b>2,417.5</b>	<b>290.7</b>

## 6.5 Notes to the financial statements of L'Oréal SA

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### Highlights of the financial year

#### Application of the new Regulation ANC 2022-06 on the modernisation of financial statements

L'Oréal SA has prepared its financial statements in accordance with the new Regulation ANC 2022-06 on the modernisation of financial statements, amending Regulation ANC 2014-03. The new regulation, effective 1 January 2025, sets out to modernise, simplify and clarify the presentation of financial statements. It:

- redefines non-recurring items;
- eliminates the transfer of charges technique;
- updates the chart of accounts accordingly;
- introduces a new presentation for disclosures in the notes to the financial statements.

Where necessary, the impact of this new regulation has been described in the relevant notes.

#### Disposal of Sanofi shares

L'Oréal Groupe announced on 3 February 2025 the signing of an agreement for the sale of approximately 29.6 million Sanofi shares, i.e. 2.14% of the share capital, to Sanofi at a price of €101.5 per share, i.e., a total consideration of €3 billion. The resulting €2,992.8 million net capital gain was recognised in non-recurring items. Following completion of the transaction and cancellation of the shares bought back, L'Oréal now holds 7.2% of Sanofi's share capital and 13.1% of the voting rights (see notes 8 and 31).

### Bond issues

#### On the US market

On 13 May 2025, L'Oréal Groupe successfully completed its first bond issue on the US market, for a total nominal amount of USD 1 billion. The bonds issued have a 10-year maturity and pay a coupon of 5.00% per annum.

#### Under the EMTN programme

On 12 November 2025, L'Oréal placed a dual tranche bond offering for a total nominal amount of €3 billion (see note 19).

#### Exceptional tax levy in France

The French Finance Act of 14 February 2025 introduced an exceptional levy on the profits of large companies (Article 48). For 2025, this new levy applies to companies subject to corporate income tax generating sales of €1 billion or more in France, and is calculated based on the average taxable profit for financial years 2024 and 2025. As a result, L'Oréal SA recognised an income tax charge of €142.4 million in 2025.

## Note 1 Accounting principles

The 2025 annual financial statements of L'Oréal SA have been prepared in accordance with French law and regulations, as set out in Regulation ANC 2014-03 (French Chart of Accounts) as amended by Regulation ANC 2022-06 and generally accepted accounting principles and basic assumptions designed to provide a true and fair view of the Company:

- going concern basis;
- consistency of methods between financial periods;
- accrual basis of accounting.

Items recorded in the financial statements are valued using the historical cost method, except for fixed assets that have been revalued for statutory purposes.

As this new regulation applies prospectively, its provisions have no impact on financial statements for previous years. Only the information that is relevant and necessary for an understanding of the changes brought about by this new regulation has been presented in the relevant notes to the financial statements.

The main accounting methods used are described below.

### 1.1 Sales

Sales have mainly comprised services and technology royalties.

### 1.2 Advertising and promotion expenses

Expenses relating to the advertisement and promotion of products to customers and consumers are recognised as expenses for the financial year in which the advertisement or promotional initiative takes place.

### 1.3 Research and innovation costs

Research and innovation costs are recognised in expenses in the period in which they are incurred.

### 1.4 Loan issue costs

Issuance costs of borrowings are expensed immediately in the financial year in which they are incurred.

### 1.5 Non-recurring items

Only income and expenses directly linked to a major and unusual event are recognised as non-recurring items (see note 8).

A major and unusual event is an event whose consequences can significantly influence the judgement made on the financial statements and which is not related to the entity's normal and ongoing business. An event is considered unusual when it has not occurred in recent accounting periods and is unlikely to recur in future accounting periods.

### 1.6 Income tax

The Company has opted for the French tax group regime. French subsidiaries included in the scope of tax consolidation recognise an income tax charge in their own accounts on the basis of their own taxable profits and losses.

L'Oréal, as the parent company of the tax group, recognises as tax income the difference between the aggregate tax charges recognised by the subsidiaries and the tax due on the basis of consolidated taxable profit or loss of the tax group.

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 (see note 9).

### 1.7 Intangible assets

Intangible assets are recorded in the balance sheet at purchase cost, including acquisition costs.

Technical merger losses are allocated to the corresponding underlying assets and amortised where appropriate.

The value of newly acquired trademarks is calculated based on a multi-criteria approach taking into consideration their reputation and their future contribution to profits.

In accordance with Regulation No. 2004-06 on assets, certain trademarks have been identified as amortisable regarding their estimated useful life.

Non-amortisable trademarks are tested for impairment at least once a year on the basis of the valuation model used at the time of their acquisition. An impairment is recorded where appropriate. Initial trademark registration costs are recorded as expenses.

Patents are amortised over a period ranging from 2 to 10 years.

Business goodwill is not amortised. It is impaired whenever the present value of future cash flows is less than the carrying amount. Impairment tests are conducted at least once a year, even when there is no evidence of impairment loss.

Software is amortised using the straight-line method over its probable useful life, generally between three and eight years.

Other intangible assets are usually amortised over periods not exceeding 20 years.

## 1.8 Property, plant and equipment

Property, plant and equipment are recognised at purchase cost, including acquisition expenses.

The useful lives of property, plant and equipment are as follows:

	Duration (years)
Buildings	20-50
Fixtures and fittings	5-10
Industrial machinery and equipment	10
Other property, plant and equipment	3-10

Both straight-line and declining-balance depreciation is calculated over the actual useful lives of the assets concerned. Exceptional depreciation may be recognised where events and circumstances lead to a review of the asset's useful life.

## 1.9 Financial assets

### 1.9.1 Equity investments

These items are recognised in the balance sheet at purchase cost, excluding incidental expenses.

Their value is assessed annually by reference to their value in use, which is mainly based on the current and forecast profitability of the subsidiary concerned and the share of shareholders' equity owned. If the value in use falls below the carrying amount, an impairment is recognised.

### 1.9.2 Other financial assets

Loans and other receivables are valued at their nominal amount and those denominated in foreign currencies are translated at the exchange rate prevailing at the end of the financial year. If necessary, impairments are also recognised against them to reflect their value in use at the end of the financial year.

Treasury shares acquired in connection with buyback programmes with a view to being cancelled are recognised in other long-term investments.

At the end of the financial year, other long-term investments are compared with their probable sale price and a provision for impairment recognised where appropriate.

### 1.10 Trade accounts receivable and other receivables

Trade accounts receivable and other receivables are recorded at their nominal value. Where appropriate, an impairment is recognised based on an assessment of the risk of non-recovery.

### 1.11 Marketable securities and cash instruments

#### Cash instruments

Derivatives that are not designated as hedges are classified as isolated open positions. These are recognised at their fair value in the balance sheet, and offset a "Translation adjustments" account.

### 1.12 Translation of foreign currency transactions and exchange rate hedges

All receivables, payables, loans and borrowings denominated in foreign currencies are translated on the balance sheet at the exchange rate prevailing as of the reporting date for the financial year. These exchange rate variations, as well as those linked to the hedging instruments taken out to cover the said receivables, payables, loans and borrowings denominated in foreign currencies, are recorded in the balance sheet under the heading "Unrealised exchange losses/gains".

A provision is recognised if the sum of these translation adjustments shows a potential exchange loss based on the overall exchange position, calculated on a currency-by-currency basis. The overall foreign exchange position excludes translation differences of hedging instruments and hedged items.

In accordance with French accounting standards, the potential gain resulting from the overall foreign exchange position is not recognised as income in the income statement.

Exchange rate hedging instruments are contracted to hedge commercial transactions recognised in the balance sheet and future transactions that are considered to be highly probable. Gains and losses generated by these instruments are recognised symmetrically with the gains and losses arising on the hedged items, in the same aggregate as profit and loss. Option premium income/discounts are recognised in profit and loss when the hedged item is recognised in profit and loss.

Hedges have already been taken out in respect of forecasted operating transactions for the next financial year. The impact of such hedges on profit or loss will be recorded during the same financial year as the transactions hedged.

### 1.13 Accounting for interest rate instruments

In the case of interest-rate hedges, for gains and losses arising on interest rate swaps and caps, hedging financial liabilities are recorded on a pro rata basis symmetrically with the gains and losses on the items hedged.

### 1.14 Provisions for liabilities and charges

Provisions for liabilities and charges are recognised to cover probable outflows of resources to third parties, without receipt of equivalent consideration by the Company. They mainly concern risks and disputes of a commercial, financial, tax or employee-related nature.

The estimated amount included in provisions corresponds to the outflow of resources that the Company is likely to incur in the settlement of its obligation. Depending on the type of provision, the estimate takes account of the most probable assumptions of realisation, or is assessed in line with statistical methods.

Contingent liabilities are potential obligations arising from past events, whose existence will only be confirmed by the occurrence of future (uncertain) events that are not wholly within the control of the Company or probable liabilities for which the outflow of resources is also not within its control. Contingent liabilities are not recognised and are disclosed where applicable.

### 1.15 Employee retirement obligations and related benefits

The L'Oréal parent company operates pension, early retirement and other benefit schemes for employees and retirees depending on local legislation and regulations. Directors and corporate officers are regarded as employees for all additional benefits relating to their remuneration, and are therefore covered by the same employee benefit schemes.

These obligations are partially funded by an external scheme where the funds are gradually built up through contributions paid. The contributions are expensed as incurred under "Other purchases and external charges".

The related obligations are measured using an actuarial valuation method based on final salaries. The method takes account of length of service, life expectancy, turnover by category of personnel and economic assumptions such as inflation and discount rates. The Company has opted for the new method provided by recommendation ANC 2013-02 on the accounting treatment of pension obligations and similar benefits as amended on 5 November 2021. That is to say, the increase in the obligation for each employee is no longer recognised on a straight-line basis over his or her term of employment but straight-line only over the vesting period for his or her benefit rights.

No provision is recognised in the balance sheet for net unfunded obligations. These thus appear as off-balance sheet commitments.

Only obligations in respect of long-service awards are no longer recognised as an off-balance sheet commitment; instead, a provision is recognised in the balance sheet based on an actuarial valuation of the obligation (see note 18).

## Note 2 Sales

€ millions	31.12.2025	31.12.2024
Services <sup>(1)</sup>	5,003.7	4,784.9
Other revenue	66.9	78.5
<b>TOTAL</b>	<b>5,070.6</b>	<b>4,863.4</b>

(1) Including invoicing of technological royalties.

The Company generated €960.8 million of its sales in France in 2025, compared with €908.5 million in 2024.

## Note 3 Other revenue

This item mainly comprises brand royalties and foreign exchange gains from operations.

€ millions	31.12.2025	31.12.2024
Brand royalties	598.6	597.8
Foreign exchange gains from operations	150.9	93.1
Other <sup>(1)</sup>	68.5	64.4
<b>TOTAL</b>	<b>818.0</b>	<b>755.4</b>

(1) In accordance with the new Regulation ANC 2022-06, proceeds from disposals of property, plant and equipment and intangible assets are now included in operating items, whereas they were previously included in non-recurring items.

## Note 4 Personnel costs

Personnel costs can be broken down as follows:

€ millions	31.12.2025	31.12.2024
Wages	(800.0)	(778.3)
Social security contributions	(433.0)	(376.6)
<b>TOTAL</b>	<b>(1,233.0)</b>	<b>(1,154.9)</b>

Average workforce can be broken down as follows:

	2025	2024
Executives	5,413	5,277
Supervisors	1,161	1,197
<b>TOTAL</b>	<b>6,574</b>	<b>6,474</b>
Apprentices	401	421

## Note 5 Depreciation, amortisation and charges to provisions - operating items

Depreciation, amortisation and charges to provisions relating to operating items can be broken down as follows:

€ millions	31.12.2025	31.12.2024
Depreciation of intangible assets and property, plant and equipment	(141.7)	(112.7)
Impairment of non-current assets	(1.9)	—
Impairment of current assets	—	(0.2)
Provisions for liabilities and charges	(81.6)	(124.0)
<b>TOTAL</b>	<b>(225.2)</b>	<b>(236.9)</b>

## Note 6 Other charges

This item mainly comprises royalties (brands, software, etc.) and foreign exchange losses from operations.

€ millions	31.12.2025	31.12.2024
Royalties	200.5	207.1
Foreign exchange losses from operations	169.3	121.8
Other <sup>(1)</sup>	11.8	2.1
<b>TOTAL</b>	<b>381.6</b>	<b>331.0</b>

(1) In accordance with the new Regulation ANC 2022-06, the net carrying amount of property, plant and equipment and intangible assets sold is now presented within operating items, and no longer under non-recurring items.

## Note 7 Net financial income

Net financial income breaks down as follows:

€ millions	31.12.2025	31.12.2024
Dividends received <sup>(1)</sup>	5,859.2	5,052.4
Revenues on other receivables and marketable securities	182.7	143.7
<b>Financial income from subsidiaries and equity investments</b>	<b>6,041.9</b>	<b>5,196.0</b>
Interest expense on bonds	(173.1)	(168.7)
Other interest expense	(17.3)	(46.1)
<b>Interest expense</b>	<b>(190.4)</b>	<b>(214.8)</b>
Foreign exchange gains	203.9	198.8
Foreign exchange losses	(150.7)	(174.1)
<b>Net foreign exchange gains</b>	<b>53.2</b>	<b>24.7</b>
Reversals of provisions for impairment of securities <sup>(2)</sup>	12.7	106.4
Charges to provisions for impairment of securities <sup>(3)</sup>	(552.2)	(43.5)
Reversals of provisions for liabilities and charges <sup>(4)</sup>	57.8	17.9
Depreciation, amortisation and charges to provisions <sup>(5)</sup>	(50.0)	(58.7)
<b>Change in depreciation, amortisation and provisions</b>	<b>(531.7)</b>	<b>22.1</b>
Other financial income <sup>(6)</sup>	51.4	9.2
Other financial expenses <sup>(7)</sup>	(47.4)	—
<b>Other financial income and expenses</b>	<b>4.0</b>	<b>9.2</b>
<b>NET FINANCIAL INCOME</b>	<b>5,377.0</b>	<b>5,037.2</b>
<b>Total financial income</b>	<b>6,367.7</b>	<b>5,528.3</b>
<b>Total financial expenses</b>	<b>(990.7)</b>	<b>(491.1)</b>

(1) Of which dividends from related companies: €5,507.4 million in 2025 and €4,607.1 million in 2024.

(2) In 2024, reversal of provisions in the amount of €106.4 million chiefly concerned the liquidation of Atelier Cologne France (€42.5 million) and L'Oréal West Africa (€25.3 million), and the disposal of Canan Kozmetik (€27.4 million).

(3) In 2025, charges to provisions in the amount of €552.2 million relate mainly to shares in Aesop UK (€458 million), L'Oréal Travel Retail Americas (€44.4 million) and Bold (€29 million).

(4) This essentially concerns the reversal of the provision for foreign exchange losses, which amounted to €56.1 million in 2025, compared with €16.5 million in 2024.

(5) This essentially concerns the charge to the provision for foreign exchange losses, which amounted to €37.6 million in 2025, compared with €56.1 million in 2024.

(6) In accordance with the new Regulation ANC 2022-06, "Other financial income" in 2025 includes proceeds from the disposal of financial assets amounting to €42.3 million, previously recognised under non-recurring items.

(7) In accordance with the new Regulation ANC 2022-06, at 31 December 2025 "Other financial expenses" includes the net carrying amount of financial assets sold for €47.4 million, previously recognised under non-recurring items.

## Note 8 Non-recurring items

In 2025, non-recurring items primarily include the net capital gain on the disposal of Sanofi shares, representing 2.14% of the capital held, at a price of €101.5 per share, or €2,992.8 million.

## Note 9 Income tax

The income tax breaks down as follows:

€ millions	31.12.2025	31.12.2024
Tax on profit before tax and non-recurring items	(81.0)	(94.8)
Tax on non-recurring items and employee profit sharing	(78.4)	10.1
Pillar Two tax charge	(6.2)	(30.4)
Exceptional levy	(142.4)	—
<b>INCOME TAX</b>	<b>(308.0)</b>	<b>(115.2)</b>

In 2025, the tax charge recognised by L'Oréal included a tax consolidation loss of €137.7 million, due mainly to the impact of the non-recurring levy on subsidiaries included in the tax consolidation group.

In 2024, the tax charge recognised by L'Oréal included a tax consolidation loss of €0.9 million.

Tax credits can be broken down as follows:

€ millions	31.12.2025	31.12.2024
Research tax credits	34.2	33.9
Tax credits on royalties under international tax treaties	51.5	49.9
Tax credits on dividends under international tax treaties	15.1	13.5
Other	12.1	20.5
<b>TAX CREDITS</b>	<b>112.9</b>	<b>117.8</b>

## Note 10 Increases or reductions in future tax liabilities

€ millions	31.12.2024		Changes		31.12.2025	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<b>TEMPORARY DIFFERENCES</b>						
Regulated provisions		3.5	0.7	0.8		3.6
Temporarily non-deductible charges	146.1		4.9	15.2	135.8	
Charges deducted (or revenue taxed) for tax purposes but not yet recognised		6.3	5.7			0.6
Temporarily non-taxable revenue						
<b>DEDUCTIBLE ITEMS</b>						
Tax losses, deferred items						
<b>POTENTIALLY TAXABLE ITEMS</b>						
Special reserve for long-term capital gains		137.0				137.0

These figures factor in the social contribution of 3.3% which is added to corporate income tax, both at normal and reduced rates.

## Note 11 Research costs

Expenses booked for Research activities in 2025 totalled €1,374.3 million, compared with €1,356.9 million in 2024. They include personnel costs, outsourced scientific services and patent costs.

## Note 12 Intangible assets

€ millions	31.12.2024	Acquisitions/ Depreciation	Disposals/ Reversals	Other movements	31.12.2025
Patents and trademarks <sup>(1)</sup>	1,242.9	12.1	(0.8)	16.0	1,270.2
Business goodwill <sup>(2)</sup>	2,660.2	41.3	(4.1)	—	2,697.4
IT solutions	666.9	43.5	(20.8)	105.6	795.2
Other intangible assets	369.4	—	—	—	369.4
Intangible assets in progress, prepayments to suppliers	600.3	216.2	(10.0)	(124.6)	681.9
<b>Gross value</b>	<b>5,539.7</b>	<b>313.1</b>	<b>(35.7)</b>	<b>(3.0)</b>	<b>5,814.1</b>
Patents and trademarks	234.0	21.9	(0.6)	—	255.2
Business goodwill	59.1	—	—	—	59.1
IT solutions	431.4	83.4	(19.4)	—	495.7
Other intangible assets	9.2	—	—	—	9.2
<b>Amortisation</b>	<b>733.7</b>	<b>105.3</b>	<b>(20.0)</b>	<b>—</b>	<b>819.0</b>
Patents and trademarks	77.3	1.3	—	—	78.5
Business goodwill	166.2	—	(4.1)	—	162.2
IT solutions	0.1	—	—	—	0.1
Other intangible assets	—	—	—	—	—
<b>Impairment</b>	<b>243.6</b>	<b>1.3</b>	<b>(4.1)</b>	<b>—</b>	<b>240.8</b>
<b>NET VALUE</b>	<b>4,562.3</b>	<b>206.5</b>	<b>(11.6)</b>	<b>(3.0)</b>	<b>4,754.2</b>

(1) Acquisitions of patents and trademarks in 2025 relate to the commissioning of Sylena technology and the acquisition of the Dr.G. brand and technology.

(2) Acquisitions in 2025 relate to Dr.G business goodwill.

At 31 December 2025, intangible assets relating to the information systems transformation programme included €158 million in net intangible assets and €608 million in intangible assets in progress.

## Note 13 Property, plant and equipment

€ millions	31.12.2024	Acquisitions/ Depreciation	Disposals/ Reversals	Other movements	31.12.2025
Land	80.6	2.5	—	10.5	93.6
Buildings	699.5	10.9	(0.1)	22.2	732.6
Industrial machinery and equipment	197.5	8.7	(1.2)	12.4	217.4
Other property, plant and equipment	55.5	0.9	(0.5)	5.4	61.3
Property, plant and equipment in progress, prepayments to suppliers	67.7	29.7	—	(48.0)	49.4
<b>Gross value</b>	<b>1,100.8</b>	<b>52.8</b>	<b>(1.8)</b>	<b>2.5</b>	<b>1,154.4</b>
Land	2.7	0.3	—	—	3.0
Buildings	414.8	22.2	(0.1)	—	436.9
Industrial machinery and equipment	167.9	10.4	(1.0)	—	177.4
Other property, plant and equipment	44.8	3.6	(0.5)	—	47.9
<b>Amortisation</b>	<b>630.2</b>	<b>36.4</b>	<b>(1.6)</b>	<b>—</b>	<b>665.1</b>
Land	—	—	—	—	—
Industrial machinery and equipment	1.2	0.6	—	—	1.8
<b>Impairment</b>	<b>1.2</b>	<b>0.6</b>	<b>—</b>	<b>—</b>	<b>1.8</b>
<b>NET VALUE</b>	<b>469.4</b>	<b>15.8</b>	<b>(0.2)</b>	<b>2.5</b>	<b>487.5</b>

The annual straight-line depreciation and amortisation charge for property, plant and equipment and intangible assets in 2025 amounted to €141.7 million.

## Note 14 Financial assets

€ millions	31.12.2024	Acquisitions/ Subscriptions	Disposals/ Reductions	Other movements	31.12.2025
Equity investments <sup>(1)</sup>	21,109.8	1,070.9	(153.4)	3.2	22,030.5
Loans and advances <sup>(2)</sup>	5,020.4	7,458.3	(4,340.9)	(3.2)	8,134.6
L'Oréal shares <sup>(3)</sup>	—	500.0	—	(500.0)	—
Other	6.4	1.4	(1.3)	—	6.5
<b>Gross value</b>	<b>26,136.5</b>	<b>9,030.6</b>	<b>(4,495.6)</b>	<b>(500.0)</b>	<b>30,171.5</b>
Equity investments <sup>(4)</sup>	2,726.8	552.2	(12.7)	—	3,266.3
Loans and advances	—	—	—	—	—
Other	0.2	—	—	—	0.2
<b>Impairment</b>	<b>2,727.0</b>	<b>552.2</b>	<b>(12.7)</b>	<b>—</b>	<b>3,266.5</b>
<b>NET VALUE</b>	<b>23,409.5</b>	<b>8,478.4</b>	<b>(4,482.9)</b>	<b>(500.0)</b>	<b>26,905.0</b>

- (1) Acquisitions/subscriptions correspond mainly to shares in CSA Topco (Medik8) for €662.1 million, shares in Federici Brands (Color Wow UK) for €143.4 million, and the Sparlys capital increase for €174.0 million (see note 31). Disposals/reductions correspond mainly to the carrying amount of Sanofi shares sold, i.e., €106.0 million. L'Oréal SA's stake in Sanofi was 7.27% at 31 December 2025. Other movements mainly concern the capitalisation of prepayments made in 2023 to L'Oréal Pakistan for €3.2 million.
- (2) Loans and advances correspond mainly to long-term investments with the Group's cash pool, amounting to €8,002.6 million (€5,000 million at 31 December 2024), with maturities between 2026 and 2036. Changes in this item correspond to short-term investments with the cash pool that we reimbursed during the year.
- (3) On 13 March 2025, the Board of Directors resolved, in connection with the authorisation approved by the Annual General Meeting of 23 April 2024, to buy back L'Oréal shares in the maximum amount of €500 million. The shares thus bought back for €500 million were cancelled in line with the Board of Directors' decision on 29 July 2025.
- (4) See note 7 "Net financial income".

The table of subsidiaries and holdings is included in note 31 to the parent company financial statements.

## Note 15 Cash instruments

The balance of cash instruments was €45.6 million at 31 December 2025, compared with €45.5 million at 31 December 2024.

## Note 16 Maturity of receivables

€ millions	1 year or less	More than 1 year	Gross	Impairment	Net
<b>Loans and other receivables with equity investments<sup>(1)</sup></b>	<b>131.9</b>	<b>8,002.6</b>	<b>8,134.5</b>	<b>—</b>	<b>8,134.5</b>
<b>Other financial assets</b>	<b>6.2</b>	<b>—</b>	<b>6.2</b>	<b>—</b>	<b>6.2</b>
<b>Trade accounts receivable</b>	<b>539.3</b>	<b>—</b>	<b>539.3</b>	<b>—</b>	<b>539.3</b>
Tax and employee-related receivables <sup>(2)</sup>	178.6	—	178.6	—	178.6
Other receivables	48.6	—	48.6	—	48.6
<b>Other receivables</b>	<b>227.2</b>	<b>—</b>	<b>227.2</b>	<b>—</b>	<b>227.2</b>
<b>Prepaid expenses</b>	<b>49.9</b>	<b>—</b>	<b>49.9</b>	<b>—</b>	<b>49.9</b>
<b>TOTAL</b>	<b>954.5</b>	<b>8,002.6</b>	<b>8,957.1</b>	<b>—</b>	<b>8,957.1</b>

- (1) Loans and advances correspond mainly to long-term investments with the Group's cash pool, amounting to €8,003 million (€5,000 million at 31 December 2024), with maturities between 2026 and 2036. This item also includes €30 million in accrued interest receivable at 31 December 2025.
- (2) Including a corporate income tax receivable in the amount of €95.9 million.

Accrued receivables included in receivables and current assets break down as follows:

€ millions	31.12.2025	31.12.2024
Trade accounts receivable	11.1	0.9
Other receivables	0.8	3.3
<b>TOTAL</b>	<b>11.9</b>	<b>4.2</b>

## Note 17 Free shares – Employee share ownership plan

### 17.1 Free shares

The table below summarises data relating to the free share plans.

Grant date	Vesting date	Number of shares granted	Number of shares issued/ allotted	Number of shares not fully vested
<b>STOCK SUBSCRIPTION PLANS</b>				
14.10.2020	15.10.2024	713,660	661,270	—
07.10.2021	08.10.2025	588,750	549,595	—
13.10.2022	14.10.2026	700,000	2,025	675,800
12.10.2023	13.10.2027	650,580	—	636,655
10.10.2024	11.10.2028	700,000	—	696,421
10.10.2025	11.10.2029	703,500	—	703,500

For the conditional grant of shares, the plan provides for a four-year vesting period after which vesting is effective and final, subject to meeting the conditions of the plan.

The performance conditions for the 7 October 2021 plan are:

- for 50%, growth in comparable cosmetics sales in 2022, 2023 and 2024 versus a panel of competitors for the period covered by the plan.
- for 50% of shares granted, the increase over the same period in the Group's consolidated operating profit.

The calculation will be made on the basis of the arithmetic average of the performance for financial years 2022, 2023 and 2024, using a predefined allocation scale based on the performance percentage achieved. No performance condition applies below a block of 200 shares.

For the 13 October 2022, 12 October 2023, 10 October 2024 and 10 October 2025 plans, the performance conditions comprise the following:

- for 80%, based on financial performance criteria that include:
  - for one half, the growth in comparable cosmetics sales – in relation to those of a panel of competitors – for the financial years:
    - 2023, 2024 and 2025 for the 2022 plan,
    - 2024, 2025 and 2026 for the 2023 plan,
    - 2025, 2026 and 2027 for the 2024 plan,
    - 2026, 2027 and 2028 for the 2025 plan,
  - for the other half, the increase over the same period in the Group's consolidated operating profit. The calculation will be made on the basis of the arithmetic average of the performances for financial years:
    - 2023, 2024 and 2025 for the 2022 plan,
    - 2024, 2025 and 2026 for the 2023 plan,
    - 2025, 2026 and 2027 for the 2024 plan,
    - 2026, 2027 and 2028 for the 2025 plan,

- for 20%, based on non-financial performance criteria that include:

- 15% associated with the fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme;
- 5% associated with the gender balance within strategic positions, including the Executive Committee.

No performance condition applies below a block of 100 shares.

As at 31 December 2025, the performance conditions of the plans in progress were deemed achieved.

### 17.2 Capital increase reserved for employees

#### June 2024 plan

In June 2024, Group employees had the opportunity to join a share ownership 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 Chief Executive Officer's decision to set the subscription period from 5 June to 19 June 2024, during which 199,641 shares were subscribed giving entitlement to 72,795 matching shares. 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 United Kingdom, in respect of which the final number of subscribed shares will not be known until April 2025.

For French employees, free matching 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 subscribed shares. The shares will be allocated to employees on 31 July 2029 provided they are still with the Group on that date.

The capital was increased on 30 July 2024 by 230,423 shares including matching shares for French employees.

### 2025 plan

In June 2025, Group employees had the opportunity to join a share ownership plan based on a traditional format with discount and matching contribution.

The subscription price was set at €301.66, representing 80% of the average share price over the 20 trading sessions prior to the Chief Executive Officer's decision to set the subscription period from 11 June to 25 June 2025, during which 218,322 shares were subscribed giving entitlement to 59,087 matching shares. 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 United Kingdom, in respect of which the final number of subscribed shares will not be known until April 2026.

For French employees, free matching 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 subscribed shares. The shares will be allocated to employees on 30 July 2030 provided they are still with the Group on that date.

The capital was increased on 29 July 2025 by 246,115 shares including matching shares for French employees.

Grant date	Vesting date France	Vesting date outside France	Number of shares granted	Number of shares issued/allotted	Number of shares not fully vested
02.10.2020	02.10.2020	03.10.2025	496,991	487,149	—
22.06.2022	22.06.2022	23.06.2027	494,433	451,651	38,243
19.06.2024	19.06.2024	20.06.2029	276,236	231,391	41,299
25.06.2025	25.06.2025	26.06.2030	277,409	246,115	31,167

## Note 18 Provisions for liabilities and charges

€ millions	31.12.2024	Charges	Reversals (used)	Reversals (not used)	Reclassifications	31.12.2025
Provisions for foreign exchange losses	57.2	38.2	(57.2)	—	—	38.2
Other provisions for liabilities <sup>(1)</sup>	135.4	74.3	(18.6)	(25.2)	18.8	184.5
<b>Total provisions for liabilities</b>	<b>192.6</b>	<b>112.5</b>	<b>(75.8)</b>	<b>(25.2)</b>	<b>18.8</b>	<b>222.7</b>
Provisions for expenses <sup>(2)</sup>	173.8	65.6	(66.2)	(16.0)	(18.8)	138.6
<b>Total provisions for charges</b>	<b>173.8</b>	<b>65.6</b>	<b>(66.2)</b>	<b>(16.0)</b>	<b>(18.8)</b>	<b>138.6</b>
<b>TOTAL</b>	<b>366.5</b>	<b>178.1</b>	<b>(142.0)</b>	<b>(41.3)</b>	<b>—</b>	<b>361.3</b>

(1) This caption mainly includes provisions set aside to cover risks related to government bodies, commercial and financial risks.

(2) This caption includes provisions for employee-related expenses.

The changes in provisions for liabilities and charges impact the 2025 income statement as follows:

€ millions	Charges	Reversals (used)	Reversals (not used)
Operating profit	81.6	(85.8)	(19.8)
Net financial income	42.5	(56.2)	(1.6)
Non-recurring items	54.1	—	(19.8)
<b>TOTAL</b>	<b>178.2</b>	<b>(142.0)</b>	<b>(41.3)</b>

## Note 19 Borrowings and debt

L'Oréal obtains financing through medium-term bond loans and issues short-term marketable instruments in France and the United States. The amounts of the programmes are €5,000 million and \$5,000 million respectively. None of the Group's borrowings or debt contain an early repayment clause linked to financial ratios (covenants).

Liquidity on the short-term marketable instruments issues is provided by confirmed undrawn short-term credit facilities with banks, which amounted to €7,000 million at 31 December 2025, compared to €5,000 million at 31 December 2024.

An undrawn confirmed credit line of €4,000 million with a maturity of less than one year was also set up in December 2025.

All borrowings and debt are denominated in euros and can be broken down as follows:

#### BREAKDOWN BY TYPE OF DEBT

€ millions	31.12.2025	31.12.2024
Bonds	8,928.5	6,080.1
Bank overdrafts and financing with the Group's cash pool	0.1	1,807.3
Other borrowings and debt	1.0	3.1
<b>TOTAL</b>	<b>8,929.6</b>	<b>7,890.4</b>

#### BONDS AND EMTNS

Tranche amount (In millions)	Type of issue	Issue date	Type of rate	Coupon	Issue price*	Maturity	Interest accrued	31.12.2025	31.12.2024
EUR 1,250	SLB <sup>(1)</sup>	March 2022	Fixed	0.875%	99.741%	June 2026	5.5	1,260.3	1,255.5
EUR 1,000	EMTN	May 2023	Fixed	3.125%	99.646%	May 2025			1,019.4
EUR 1,000	EMTN	May 2023	Fixed	2.875%	99.323%	May 2028	17.9	1,017.9	1,017.9
EUR 800	EMTN	November 2023	Fixed	3.375%	99.739%	January 2027	25.3	825.3	829.8
EUR 700	EMTN	November 2023	Fixed	3.375%	99.754%	November 2029	2.5	702.5	702.5
EUR 750	EMTN	November 2024	Fixed	2.500%	99.551%	November 2027	2.8	752.8	752.8
EUR 500	EMTN	November 2024	Fixed	2.875%	99.812%	November 2031	2.2	502.2	502.2
USD 1,000	Bond <sup>(2)</sup>	May 2025	Fixed	5.000%	99.132%	May 2035	5.0	857.5	—
EUR 850	EMTN	November 2025	Variable	—	99.850%	November 2027	2.3	852.3	—
EUR 1,000	EMTN	November 2025	Fixed	2.750%	99.776%	November 2030	3.2	1,003.2	—
EUR 1,150	EMTN	November 2025	Fixed	3.375%	99.805%	January 2036	4.6	1,154.6	—
							<b>71.2</b>	<b>8,928.5</b>	<b>6,080.1</b>

\* Net of fees.

(1) Sustainability-linked Bond

(2) Bond issue on the US market.

Bonds have notably been issued under a "Euro Medium-Term Notes" programme with a cap of €15,000 million at 31 December 2025.

#### BREAKDOWN BY MATURITY DATE

€ millions	31.12.2025	31.12.2024
Less than 1 year	1,327.0	2,889.5
1 to 5 years	5,100.0	4,500.9
More than 5 years	2,502.6	500.0
<b>TOTAL</b>	<b>8,929.6</b>	<b>7,890.4</b>

#### AVERAGE INTEREST RATE ON BORROWINGS AND DEBT

For 2025, the average rate of the debt in euros was 2.75% including the bond issue, compared to 2.66% in 2024, while the average rate of the debt in dollars in the United States stands at 3.59% versus 2.38% in 2024.

## Note 20 Maturity of payables

€ millions	1 year or less	More than 1 year	Total
<b>Trade accounts payable</b>	<b>676.1</b>	<b>—</b>	<b>676.1</b>
<b>Other current liabilities, of which</b>	<b>626.9</b>	<b>—</b>	<b>626.9</b>
Payables related to non-current assets	52.8	—	52.8
Tax and employee-related payables	527.6	—	527.6
Other liabilities	46.4	—	46.4

Accrual accounts included in trade accounts payable and other current liabilities are as follows:

€ millions	31.12.2025	31.12.2024
<b>Trade accounts payable</b>	<b>228.1</b>	<b>184.1</b>
<b>Payables related to non-current assets</b>	<b>17.5</b>	<b>13.7</b>
<b>Tax and employee-related payables, of which</b>	<b>468.5</b>	<b>420.6</b>
Provision for employee profit sharing	44.7	43.4
Provision for incentives	111.6	107.5
<b>Other liabilities</b>	<b>0.2</b>	<b>0.6</b>
<b>TOTAL</b>	<b>714.3</b>	<b>619.0</b>

## Note 21 Unrealised currency translation gains/losses and valuation differences

The revaluation of foreign currency receivables and payables at the exchange rates prevailing at 31 December, taking account of hedging instruments, led to the recognition of the following translation adjustments:

€ millions	Assets		Liabilities	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Financial receivables	44.5	0.1	0.5	0.4
Trade accounts receivable	0.5	0.8	—	0.1
Financial payables	—	—	42.5	—
Trade accounts payable	0.2	0.3	—	—
Valuation differences on financial instruments	54.8	63.4	42.4	39.8
<b>TOTAL</b>	<b>100.0</b>	<b>64.5</b>	<b>85.4</b>	<b>40.3</b>

The overall foreign exchange position, calculated on a currency-per-currency basis at 31 December 2025, is an unrealised loss of €38.2 million recorded as a provision for unrealised foreign exchange losses (see note 18).

At 31 December 2024, the overall foreign exchange position was an unrealised loss of €57.2 million.

## Note 22 Derivative financial instruments

Foreign exchange derivative financial instruments can be broken down as follows:

€ millions	Notional		Market value	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
<b>CURRENCY FUTURES</b>				
<b>Purchase of EURO against foreign currencies</b>				
EUR/AUD	—	24.9	—	0.4
EUR/BRL	245.6	172.7	(12.1)	14.5
EUR/CAD	—	20.4	—	(0.1)
EUR/CLP	1.1	13.0	—	0.1
EUR/CNY	1,364.2	1,390.6	8.7	(33.2)
EUR/CZK	0.6	14.1	—	—
EUR/DKK	—	24.3	—	(0.1)
EUR/GBP	—	95.9	—	(2.8)
EUR/IDR	67.7	64.5	0.6	(3.4)
EUR/INR	11.4	32.9	0.1	(2.0)
EUR/KRW	66.5	68.0	3.3	1.3
EUR/PEN	22.0	23.3	(1.4)	(1.8)
EUR/PHP	11.4	14.6	0.3	(0.4)
EUR/PLN	—	21.4	—	(0.3)

€ millions	Notional		Market value	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
EUR/RSD	21.2	21.5	(0.3)	(0.1)
EUR/THB	83.4	82.5	(1.8)	(6.5)
EUR/TWD	51.4	64.7	3.7	(0.6)
EUR/VND	48.1	—	(0.4)	—
EUR/ZAR	36.9	50.1	(3.2)	(1.7)
EUR/Other currencies	2.0	18.7	—	(1.0)
<b>Sale of EUR against foreign currencies</b>				
EUR/JPY	31.7	3.7	(3.3)	0.1
EUR/MXN	49.6	—	3.1	—
EUR/SGD	180.3	175.0	(3.5)	3.1
EUR/USD	693.6	136.8	(59.5)	2.6
EUR/Other currencies	39.3	2.2	0.2	—
<b>Purchase of USD against foreign currencies</b>				
USD/BRL	78.6	84.9	(5.5)	9.6
USD/CNY	143.5	164.2	(2.7)	4.6
USD/INR	20.5	15.4	0.3	0.2
USD/KRW	27.3	20.4	0.2	1.5
USD/PEN	37.2	38.2	(2.4)	(0.3)
USD/PHP	12.5	12.4	0.3	0.5
USD/THB	39.5	57.0	(1.3)	(1.7)
USD/TWD	10.2	10.2	0.5	0.5
USD/VND	34.2	—	(0.1)	—
USD/Other currencies	6.6	6.5	(0.6)	—
<b>Sale of USD against foreign currencies</b>				
USD/IDR	15.0	26.5	(0.5)	(1.2)
USD/Other currencies	—	—	—	—
<b>Purchase of CNY against foreign currencies</b>				
CNY/IDR	22.7	21.4	0.4	(0.3)
CNY/INR	19.5	18.7	0.5	(0.7)
CNY/PHP	9.7	10.4	0.3	(0.3)
CNY/THB	17.8	17.5	(0.2)	(0.1)
CNY/Other currencies	9.3	7.5	0.6	0.1
<b>Sale of CNY against foreign currencies</b>				
CNY/GBP	16.6	—	(0.2)	—
CNY/JPY	53.2	44.4	(4.2)	(3.5)
CNY/KRW	2.6	12.3	(0.3)	(0.9)
CNY/SGD	5.7	3.8	(0.1)	—
CNY/Other currencies	0.7	5.0	—	0.1
Other currencies pairs	—	—	—	—
INR/SGD	14.3	6.1	0.1	(0.2)
Other	14.3	14.6	(0.2)	(0.4)
<b>Currency futures total</b>	<b>3,639.5</b>	<b>3,133.2</b>	<b>(80.6)</b>	<b>(24.4)</b>
<b>TOTAL INSTRUMENTS</b>	<b>3,639.5</b>	<b>3,133.2</b>	<b>(80.6)</b>	<b>(24.4)</b>

## Note 23 Transactions and balances with related entities and parties

All material related-party transactions were entered into on an arm's length basis.

## Note 24 Off-balance sheet commitments

### 24.1 Lease commitments

Operating lease commitments amounted to €19.3 million due in less than one year, €27.3 million due between one and five years and €2.1 million due after five years.

### 24.2 Other off-balance sheet commitments

Confirmed credit facilities are set out in note 19.

Purchase commitments relating to equity investments are detailed in notes 29 and 30.

Other off-balance sheet commitments can be broken down as follows:

€ millions	31.12.2025	31.12.2024
Commitments in connection with employee retirement obligations and related benefits <sup>(1)</sup>	(283.7)	(242.9)
Commitments to buy out non-controlling interests <sup>(2)</sup>	354.6	15.1
Guarantees given <sup>(3)</sup>	1,797.2	2,011.8
Capital expenditure orders and service contracts <sup>(4)</sup>	782.1	472.9

(1) The discount rate used in 2025 to measure commitments was 4.00% for plans providing for the payment of capital and 4.25% for annuity plans, compared with 3.50% and 3.50% respectively in 2024. Interest rate levels resulted in a funding surplus for pension liabilities in the amount of €251.0 million at end-2025 versus €218.7 million at end-2024.

An agreement for the pooling of employee-related liabilities was set up in 2004. Pursuant to this agreement, commitments are allocated among the French companies in the Group and their financing is organised in proportion to their respective payroll costs (customised for each plan) so that the companies are joint and severally liable for meeting the aforementioned commitments within the limit of the collective funds built up.

(2) At 31 December 2025, commitments to buy out non-controlling interests mainly include the put option granted to the non-controlling shareholders of CSA Topco (Medik8) for €347.3 million.

(3) This caption includes various sureties and guarantees on behalf of direct and indirect subsidiaries amounting to €1,733.1 million at 31 December 2025, versus €1,961.6 million at 31 December 2024. It also includes funding commitments to a philanthropic fund that supports vulnerable women, and to the L'Oréal Climate Emergency Fund.

(4) Including irrevocable commitments for IT contracts and energy purchases (these services will be re-billed to Group entities).

### 24.3 Contingent liabilities

In the normal course of its activities, the Company is involved in legal proceedings and is subject to fiscal, customs and administrative controls. The Company sets aside a provision when a risk is found to exist and the related cost can be reliably estimated.

No non-recurring event or dispute is highly likely to have a material impact on the Company's earnings, financial position, assets or operations.

## Note 25 Changes in working capital

Changes in working capital can be broken down as follows:

€ millions	31.12.2025	31.12.2024
Inventories	1.5	—
Accounts receivable	81.3	187.9
Accounts payable	201.2	15.9
<b>TOTAL</b>	<b>283.9</b>	<b>203.7</b>

## Note 26 Changes in other financial assets

This caption mainly comprises long-term investments with the Group's cash pool.

## Note 27 Net cash and cash equivalents at the end of the year

Cash and cash equivalents can be broken down as follows:

€ millions	31.12.2025	31.12.2024
Cash <sup>(1)</sup>	2,417.6	290.7
Overdrafts	(0.1)	—
<b>NET CASH AND CASH EQUIVALENTS</b>	<b>2,417.5</b>	<b>290.7</b>

(1) Cash held with the Group's cash pool.

## Note 28 Other information

Statutory audit fees are presented in note 16 to the consolidated financial statements.

## Note 29 Acquisition in progress

### Strategic partnership with Kering

On 19 October 2025, Kering and L'Oréal announced that they were entering a long-term strategic partnership in luxury beauty and wellness. This binding agreement encompasses the acquisition of all of the shares of Kering Beauté, which owns the House of Creed, and the beauty and fragrance licences of iconic Houses of Kering including Gucci, Balenciaga and Bottega Veneta.

Creed stands among the leading high-end luxury fragrance Houses, celebrated for its craftsmanship and mastery of rare natural ingredients. As part of L'Oréal Luxe, Creed will be best positioned to accelerate even further its global development across both men's and women's markets.

The partnership includes the right to enter into a 50-year licence for Gucci, commencing after expiration of the current licence with Coty, and respecting the Kering group's obligations as per the existing licence agreement. The other two licences were also granted for a 50-year period, starting upon closing of the transaction.

Building on the success of Yves Saint Laurent Beauté, this partnership consolidates the long history of collaboration between two global leaders with complementary strengths: Kering's iconic luxury brands and L'Oréal's unrivalled expertise in beauty, to accelerate the development of these brands and create significant value in these fast-growing segments.

The agreement is valued at €4 billion, payable in cash at closing, expected in the first half of 2026. L'Oréal will also pay royalties to Kering for the use of its licensed brands.

## Note 30 Subsequent events

### Bond issue

On 7 January 2026, L'Oréal placed a dual tranche bond offering for a total nominal amount of €1,750 million. The offering comprised three tranches:

- a €650 million tranche with a 2-year maturity, with a fixed-rate coupon of 3-month Euribor +20 bps per year;
- a €500 million tranche with a 3-year maturity, with a fixed-rate coupon of 2.5% per year;
- a €600 million tranche with a 6-year maturity, with a fixed-rate coupon of 2.875% per year.

The net proceeds of the bonds will be used for general corporate purposes, in particular to partly fund the acquisition of the additional 10% stake in Galderma announced in December 2025. The bonds were delivered on 12 January 2026.

### Acquisition of 10% of Galderma

On 8 December 2025, L'Oréal announced it had acquired an additional 10% in Galderma Group AG. The transaction, expected to close in the first quarter of 2026, will increase L'Oréal's total shareholding in Galderma to 20%. In connection with this additional investment, Galderma's Board of Directors will consider the appointment of two non-independent director candidates representing L'Oréal to replace the members of the EQT-led consortium, with effect from the 2026 Annual General Meeting. This additional investment was finalised on 10 February 2026 for €4.2 billion.

## Note 31 Table of subsidiaries and equity investments

### DETAILED INFORMATION

<i>In thousands of euros</i>	Share capital	Reserves and retained earnings before appropriation of net profit	% interest	Carrying amount of shares held		Profit or loss in last financial year	Dividends <sup>(1)</sup> booked during the financial year
				Gross	Net		
<b>A. MAIN FRENCH SUBSIDIARIES (MORE THAN 50% INTEREST)</b>							
Azzaro Mugler Beauté France	78,723	1,058	100.00%	78,723	78,723	945	1,015
Beauté, Recherche & Industries	1,069	17,829	100.00%	9,495	9,495	(3,179)	6,510
BOLD (Business Opportunities for L'Oréal Development)	197,719	70,597	100.00%	329,603	300,623	(42,993)	—
Cosmétique Active International	19	13,947	88.97%	15,100	15,100	170,532	133,094
Cosmétique Active Production	186	27,149	80.13%	5,081	5,081	12,515	15,608
EpiSkin	13,609	12,891	99.93%	18,002	18,002	218	—
Fapagau & Cie	15	7,267	79.00%	12	12	16,760	16,316
Faporeal	11,944	6,209	100.00%	11,953	11,953	6,996	5,823
Finval	19,516	142,683	100.00%	75,677	75,677	63,662	74,410
Gemey Paris – Maybelline New York	35	8,682	99.96%	46	46	7,232	5,100
Holdial	1	11,101	98.88%	11,101	11,101	1,762	1,168
L & J Ré	27,500	15,620	100.00%	27,500	27,500	2,458	—
La Roche-Posay Laboratoire Dermatologique	380	4,437	99.98%	27,579	27,579	65,883	60,580
LOA15	50	(10)	99.98%	50	50	(3)	—
L'Oréal France	127,919	653,903	100.00%	772,495	772,495	164,801	171,549
L'Oréal Fund For Nature Regeneration	32,722	(8,008)	100.00%	27,603	25,372	(965)	—
L'Oréal International Distribution	6,414	6,841	100.00%	11,642	11,642	40,844	32,891
L'Oréal Produits de Luxe International	98	—	99.85%	2,556	2,556	14,628	7,509
L'Oréal Travel Retail	51,791	89,459	99.80%	90,977	90,977	168,776	197,015
Magic Holdings Group Limited	37	291	100.00%	63,411	11	182	991
Mugler Fashion	8	2,099	100.00%	3,929	2,962	(22)	—
Soproréal	6,525	112,482	100.00%	108,384	108,384	17,992	18,661
Noveal	9,102	49,516	100.00%	64,501	55,362	(1,815)	—
Nutricos Technologies	1,070	(378)	50.00%	38,125	—	(3)	—
Prestige & Collections International	78	7,465	99.81%	98,364	98,364	519,248	577,425
Real Campus by L'Oréal	7,205	(9,093)	100.00%	7,205	5	(1,228)	—
Sciencemd	13,005	(12,095)	100.00%	13,005	—	(1,622)	—
Sicôs & Cie	375	13,927	100.00%	1,076	1,076	16,386	12,963
Soprococ	8,250	9,893	100.00%	12,165	12,165	6,043	8,164
Sparlys	12,899	177,329	100.00%	192,553	192,553	2,416	4,977
<b>B. MAIN FRENCH INVESTMENTS (LESS THAN 50% INTEREST)</b>							
Euroapi	95,590		5.47%	74,535	11,669		—
Sanofi <sup>(2)</sup>	2,438,854		7.27%	317,916	317,916		347,589

(1) Including profits distributed by the SNCs (general partnership), and Sociétés civiles (non-trading companies), that are not tax consolidated.

(2) Listed company. At 31 December 2025, L'Oréal held 88,670,657 shares with a stock market value of €7,334,837 thousand.

<i>In thousands of euros</i>	Share capital	Reserves and retained earnings before appropriation of net profit	% interest	Carrying amount of shares held		Profit or loss in last financial year	Dividends recognised during the financial year
				Gross	Net		
<b>A. MAIN FOREIGN SUBSIDIARIES (MORE THAN 50% INTEREST)<sup>(1)</sup></b>							
Aesop UK Limited (United Kingdom)	—	20,660	100.00%	967,224	346,398	(33,835)	—
Beautylux International Cosmetics (Shanghai) Co. Ltd (China)	7,182	(1,503)	100.00%	16,871	4,871	144	—
Biotherm (Monaco)	152	16	99.80%	3,545	3,545	7,056	7,485
Cosmelor Ltd (Japan)	543	17,163	100.00%	35,810	27,370	7,843	10,719
Cosmephil Holdings Corporation (Philippines)	174	(131)	100.00%	400	14	—	—
CSA Topco Ltd (United Kingdom)	849,280	(3,852)	77.40%	662,101	662,101	(6,095)	—
Egyptelcor LLC (Egypt)	1	75	99.80%	7	7	325	398
Elebelle (Proprietary) Ltd (South Africa)	345	20,250	100.00%	61,123	18,523	3,467	1,716
Erwiton SA (Uruguay)	117	1,408	100.00%	3	3	17,871	15,626
Federici Brands Ltd (United Kingdom)	1	38,883	100.00%	143,444	143,444	8,878	—
Kosmepol Sp. z.o.o. (Poland)	43,208	58,470	99.73%	48,965	48,965	9,756	8,517
L'Oréal Adria d.o.o. (Croatia)	133	3,613	100.00%	1,503	1,503	24,307	24,338
L'Oréal Argentina SA (Argentina)	35,867	37,315	96.82%	183,864	61,964	8,073	35,841
L'Oréal Australia Pty Ltd	2,707	1,734,140	100.00%	33,867	33,867	160,373	—
L'Oréal Balkan d.o.o. (Serbia)	876	(125)	100.00%	1,285	1,285	5,120	3,005
L'Oréal Baltic SIA (Latvia)	370	47	100.00%	529	529	2,975	2,111
L'Oréal Bangladesh Ltd (Bangladesh)	2,794	(2,767)	100.00%	3,749	—	—	—
L'Oréal Belgilux SA (Belgium)	16,124	17,201	98.93%	77,150	77,150	16,101	17,729
L'Oréal Brasil Comercial de Cosméticos Ltda	87,770	(65,585)	100.00%	164,599	164,599	70,101	151,940
L'Oréal Brasil Pesquisas e Inovacao Ltda	25,673	2,260	99.99%	45,654	45,654	1,000	4,733
L'Oréal Bulgaria EOOD	102	730	100.00%	102	102	9,413	5,396
L'Oréal Canada Inc.	3,980	87,735	100.00%	146,517	146,517	114,963	106,333
L'Oréal Central America SA (Panama)	9	(8)	100.00%	8	—	(166)	—
L'Oréal Central West Africa (Nigeria)	7	(5)	99.91%	18,106	8	—	—
L'Oréal Ceska Republika s.r.o (Czech Republic)	4,414	(1,144)	100.00%	4,983	4,983	44,031	40,579
L'Oréal Chile SA (Chile)	4,383	1,861	100.00%	43,784	43,784	39,704	29,585
L'Oréal China Co Ltd (China)	55,460	(408,607)	100.00%	345,733	345,733	615,385	571,716
L'Oréal Colombia SA (Colombia)	2,942	48,630	100.00%	80,419	49,419	3,686	—
L'Oréal Cosmetics Industry S.A.E. (Egypt)	12,184	14,742	52.72%	58,363	23,363	11,693	—
L'Oréal Danmark A/S (Denmark)	269	34,468	100.00%	8,336	8,336	85,653	71,138
L'Oréal Deutschland G.m.b.H. (Germany)	12,647	59,569	100.00%	76,855	76,855	293,590	285,499
L'Oréal East Africa Ltd (Kenya)	3	(1,444)	99.98%	70,150	420	(4,985)	—
L'Oréal Espana S.A.U. (Spain)	59,911	69,398	100.00%	361,454	361,454	151,027	146,139

<i>In thousands of euros</i>	Share capital	Reserves and retained earnings before appropriation of net profit	% interest	Carrying amount of shares held		Profit or loss in last financial year	Dividends recognised during the financial year
				Gross	Net		
L'Oréal Finland Oy (Finland)	673	3,274	100.00%	1,280	1,280	3,339	3,804
L'Oréal Guatemala SA	1,174	1,224	100.00%	2,162	2,162	68	114
L'Oréal Hellas SA (Greece)	9,736	3,421	100.00%	35,307	35,307	32,768	29,443
L'Oréal Hong Kong Ltd	3	(47,941)	100.00%	24,276	24,276	100,762	74,845
L'Oréal India Private Ltd (India)	28,170	(25,075)	100.00%	75,987	75,987	34,667	64,401
L'Oréal Israel Ltd (Israel)	6,125	13,569	96.48%	45,794	45,794	21,335	22,381
L'Oréal Italia Spa	1,680	51,338	100.00%	226,469	226,469	104,400	98,501
L'Oréal Kazakhstan LLP (Kazakhstan)	130	1,164	100.00%	422	422	9,148	5,246
L'Oréal Korea Ltd (South Korea)	2,091	28,080	100.00%	506,932	506,932	(5,263)	—
L'Oréal Liban SAL	—	208	100.00%	4,136	6	2,322	1,987
L'Oréal Magyarország Kosmetikai Kft (Hungary)	291	(182)	100.00%	787	787	5,173	4,995
L'Oréal Malaysia SDN BHD	4,993	(1,890)	100.00%	6,762	6,762	29,781	14,119
L'Oréal Mexico SA de CV (Mexico)	1,579	110,958	100.00%	8,443	8,443	101,504	98,112
L'Oréal Middle East (United Arab Emirates)	9,751	11,965	100.00%	54,379	54,379	55,474	48,118
L'Oréal Nederland B.V. (Netherlands)	1,178	41,220	100.00%	22,014	22,014	60,070	43,365
L'Oréal New Zealand Ltd (New Zealand)	42	3,735	100.00%	6,110	6,110	2,746	2,449
L'Oréal Norge A/S (Norway)	979	1,729	100.00%	4,050	4,050	4,433	5,521
L'Oréal Österreich G.m.b.H. (Austria)	2,915	950	100.00%	3,818	3,818	3,827	4,407
L'Oréal Pakistan	13,177	(12,820)	100.00%	26,934	3,200	1,666	—
L'Oréal Panama SA	171	(413)	100.00%	168	168	29,545	28,449
L'Oréal Peru S.A. (Peru)	2,544	509	100.00%	3,739	3,739	10,579	11,318
L'Oréal Philippines Inc.	2,324	655	99.53%	39,107	6,697	176	—
L'Oréal Polska Sp. Z.O.O. (Poland)	447	267	100.00%	707	707	72,201	73,288
L'Oréal Portugal Unipessoal Lda	495	542	100.00%	6,459	6,459	6,138	6,069
L'Oréal Romania SRL (Romania)	529	1,342	100.00%	974	974	27,173	29,176
L'Oréal Saudi Arabia	7,131	8,575	78.16%	12,999	12,999	8,251	5,008
L'Oréal Singapore Pte Ltd (Singapore)	3,655,899	(93,916)	100.00%	6,394,939	4,656,039	(74,868)	100,318
L'Oréal Suisse SA	529	18,981	100.00%	160,311	145,311	(6,595)	6,382
L'Oréal Sverige AB (Sweden)	1,710	(814)	100.00%	2,247	2,247	10,608	15,375
L'Oréal Taiwan Co. Ltd (Taiwan Region)	217	16,655	100.00%	17,881	17,881	20,353	6,476
L'Oréal Thailand Ltd	5,413	1,126	100.00%	5,238	5,238	44,383	28,570
L'Oréal Travel Retail Americas Inc. (USA)	43	15,283	100.00%	100,317	55,870	54,513	18,512
L'Oréal Türkiye Kozmetik Sanayi Ve Ticaret Anonim Şirketi	36,047	(6,208)	100.00%	55,093	14,243	32,351	19,218
L'Oréal UAE General Trading LLC (United Arab Emirates)	21,385	10,749	100.00%	34,523	34,523	7,244	7,591

<i>In thousands of euros</i>	Share capital	Reserves and retained earnings before appropriation of net profit	% interest	Carrying amount of shares held		Profit or loss in last financial year	Dividends recognised during the financial year
				Gross	Net		
L'Oréal UK Ltd (United Kingdom)	116,277	(98,341)	100.00%	145,573	145,573	222,365	215,827
L'Oréal Ukraine	547	30,284	100.00%	2,990	—	23,368	16,265
L'Oréal Uruguay SA	356	5,204	100.00%	2,718	2,718	6,135	1,107
L'Oréal USA Inc. <sup>(2)</sup>	622,895	3,259,619	100.00%	4,851,879	4,851,879	1,088,213	1,416,795
L'Oréal Vietnam Co. Ltd	11,560	212	100.00%	13,646	13,646	19,506	14,933
Masrelor LLC (Egypt)	2,584	29	100.00%	17,573	17,573	(36)	—
Nihon L'Oréal KK (Japan)	543	123,454	100.00%	351,504	351,504	28,123	25,998
P.T. L'Oréal Indonesia	821	832	99.00%	2,305	2,305	5,186	3,992
P.T. Yasulor Indonesia	42,069	20,717	99.99%	110,022	79,022	2,406	2,284
Procosa Produtos de Beleza Ltda (Brazil)	79,578	(12,800)	100.00%	223,938	103,138	12,903	25,942
Scental Limited (Hong Kong)	5	188	100.00%	8	8	—	—
<b>B. MAIN NON-FRENCH INVESTMENTS (LESS THAN 50% INTEREST)</b>							
Galderma (Switzerland)	1,784		10.00%	1,798,506	1,798,506		3,783
LIPP Distribution (Tunisia)	6,336	14,720	49.00%	9,009	9,009	(2,634)	—
L'Oréal South Africa Holdings	35	12,720	36.00%	9,590	9,590	(1,531)	965

(1) For non-French subsidiaries and investments, the capital, reserves and retained earnings have been translated into thousands of euros on the basis of year-end exchange rates, while profits and losses have been translated at average rate. It is specified that the list above is not exclusive.

(2) Data from the L'Oréal USA Inc. sub-consolidation group.

## GLOBAL INFORMATION RELATING TO SUBSIDIARIES AND INVESTMENTS

<i>In thousands of euros</i>	Subsidiaries		Other investments	
	French	Foreign	French	Foreign
<b>BOOK VALUE OF SHARES HELD:</b>				
• Gross (after revaluation)	2,117,929	17,282,144	404,914	1,817,105
• Net	1,954,882	14,261,422	342,048	1,817,105
Amount of loans and advances granted <sup>(1)</sup>	8,002,624	8,000		
Amount of guarantees and security granted <sup>(2)</sup>	3,908	1,729,222		
Amount of dividends booked	1,351,806	4,141,249	347,910	4,749

(1) These are long-term loans granted to Finval, the Group's cash pool entity.

(2) This mainly concerns a guarantee issued for L'Oréal USA Inc. for €1,705.2 million.

## 6.6 Other information relating to the financial statements of L'Oréal SA

### 6.6.1 Expenses and charges falling under Article 223 *quater* of the French Tax Code

The total amount of expenses and charges falling under Article 223 *quater* of the French Tax Code ("sumptuary expenses") and the amount of tax applicable to such expenses and charges are as follows:

Expenses and charges	€2.0 million
Corresponding tax	€0.6 million

## 6.6.2 Past due invoices issued and received but not paid at the closing date

In accordance with the French law on the Modernisation of the Economy of 4 August 2008 and Articles L. 441-14 and D. 441-6 of the French Commercial Code, past due invoices issued and received but not paid at 31 December 2023 are broken down as follows:

	Article D. 441-6 I.-1°: Past due invoices received but not paid at the closing date						Article D. 441-6 I.-2°: Past due invoices issued but not paid at the closing date					
	0 days (indicative)	1 - 30 days	31 - 60 days	61 - 90 days	91 days or more	Total (1 day or more) <sup>(1)</sup>	0 days (indicative)	1 - 30 days	31 - 60 days	61 - 90 days	91 days or more	Total (1 day or more) <sup>(1)</sup>
<b>A. LATE PAYMENT TRANCHES</b>												
Number of invoices concerned	159					1,297	26					6,993
Total amount of invoices concerned, including taxes <sup>(2)</sup>	2,565,051	11,961,536	(85,962)	(1,123,499)	608,338	11,360,414	(443,018)	32,855,065	8,179,918	5,451,715	31,705,009	78,191,707
Percentage of total amount of purchases (including taxes) for the financial year <sup>(2)</sup>	0.06%	0.28%	0.00%	-0.03%	0.01%	0.27%						
Percentage of sales (including tax) for the financial year <sup>(2)</sup>							-0.01%	0.59%	0.15%	0.10%	0.57%	1.40%
<b>B. INVOICES EXCLUDED FROM A. BECAUSE OF DISPUTED OR UNRECOGNISED PAYABLES AND RECEIVABLES</b>												
Number of invoices excluded						468						134
Total amount of invoices excluded						4,137,506						288,976
<b>C. BENCHMARK PAYMENT TERMS USED (CONTRACTUAL OR STATUTORY TERM, ARTICLE L. 441-6 OR L. 443-1 OF THE FRENCH COMMERCIAL CODE)</b>												
Benchmark payment terms used to calculate late payments	Contractual payment terms: 45 days from end of month Statutory payment terms: 45 days from end of month											

(1) Including amount of invoices due to L'Oréal Groupe companies (intra-group). €16,077,686 for invoices received; €77,462,482 for invoices issued.

(2) The negative amounts and percentages in the table below correspond to credit notes received by the Company.

## 6.6.3 Sales (excluding taxes)

€ millions	2025	2024	% change
<b>Sales</b>			
First quarter	1,292.2	1,201.8	7.52%
Second quarter	1,266.1	1,249.8	1.31%
Third quarter	1,224.4	1,172.4	4.44%
Fourth quarter	1,287.9	1,239.5	3.91%
<b>TOTAL</b>	<b>5,070.6</b>	<b>4,863.4</b>	<b>4.26%</b>

Sales comprise services and technology royalties.

## 6.7 Five-year financial summary

### L'ORÉAL (EXCLUDING SUBSIDIARIES)

€ millions (except for earnings per share, shown in €)

	2021	2022	2023	2024	2025
<b>I. FINANCIAL SITUATION AT FINANCIAL YEAR-END</b>					
a) Share capital	111.5	107.0	106.9	106.9	106.8
b) Number of shares	557,672,360	535,186,562	534,725,475	534,312,021	533,783,028 <sup>(1)</sup>
c) Number of convertible bonds	-	-	-	-	-
<b>II. OVERALL RESULTS OF OPERATIONS</b>					
a) Pre-tax sales	5,255.4	6,282.0	5,982.7	4,863.4	5,070.6
b) Pre-tax profit before depreciation, amortisation, provisions and reversals of provisions (including provisions for investment activities and profit-sharing reserves)	4,174.1	12,579.2	6,058.7	5,874.8	9,758.3
c) Income tax	(1.7)	(250.4)	(164.1)	(115.2)	(308.0)
d) Net profit	3,860.5	12,343.1	3,826.3	5,678.0	8,724.8
e) Amount of distributed profits	2,596.7	3,248.4	3,564.0	3,779.2	3,882.2 <sup>(2)</sup>
<b>III. RESULTS OF OPERATIONS PER SHARE</b>					
a) Profit after tax and profit-sharing, but before charges to depreciation, amortisation and provisions	7.43	22.98	10.95	10.70	17.62
b) Net profit	6.92	23.06	7.16	10.63	16.35
c) Dividend paid on each share (not including tax credit)	4.80	6.00	6.60	7.00	7.20 <sup>(2)</sup>
<b>IV. PERSONNEL</b>					
a) Number of employees	9,134	9,543	8,219	6,474	6,574
b) Total salaries	860.9	945.8	879.3	778.3	800.0
c) Amount paid for welfare benefits (social security, provident schemes, etc.)	415.8	430.5	428.4	376.6	432.9

(1) The share capital comprises 533,783,028 shares with a par value of €0.2, following the issue of 279,923 shares under the employee share ownership plan, the delivery of the 2021 ACAs Plan representing 547,720 shares and the cancellation of 1,356,636 shares.

(2) The dividend will be proposed to the General Meeting of 24 April 2026.

## 6.8 Equity investments (main changes and threshold crossings)

### EQUITY INVESTMENTS

(Main changes and threshold crossings of more than 5%)

€ millions Heading	31 December 2024 (including revaluation)		Acquisitions	Subscriptions	Other	31 December 2025	
	Amount	%	Amount	Amount	Amount	Amount	%
BOLD	299.6	100.0	—	30.0	—	329.6	100.0
CSA Topco Ltd	—	—	—	662.1	—	662.1	77.4
Federici Brands Ltd	—	—	143.4	—	—	143.4	100.0
L'Oréal Fund For Nature Regeneration	75.0	100.0	—	—	(47.4) <sup>(1)</sup>	27.6	100.0
Novéal	21.5	100.0	—	43.0	—	64.5	100.0
Sanofi	423.9	9.4	—	—	(106.0) <sup>(2)</sup>	317.9	7.3
Sparlys	18.6	100.0	—	174.0	—	192.6	100.0

(1) Share acquisition.

(2) Share disposal.

## 6.9 Statutory auditors' report on the financial statement

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or the verification of the management report and the other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**L'Oréal**

**Year ended December 31, 2025**

To the Annual General Meeting of L'Oréal,,

### Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of L'Oréal for the year ended December 31, 2025.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2025 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

### Basis for Opinion

#### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

#### Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2025 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

#### Emphasis of Matter

We draw your attention to the impacts of the first-time application of ANC Regulation No. 2022-06 set out in the notes to the financial statements. Our opinion is not modified in respect of this matter.

### Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

## Valuation of investments and intangible assets (excluding IT solutions and assets in progress, advances and prepayments)

See notes "1.7 - Accounting principles - Intangible assets", "1.9.1 - Investments", "12 - Intangible assets", "14 - Financial fixed assets" and "31 - List of subsidiaries and investments" to the financial statements

Risk identified	Our response
<p>As at December 31, 2025, investments and intangible assets (excluding IT solutions and assets in progress, advances and prepayments) were recorded in your Company's balance sheet for a net book value of € 18.8 billion and € 3.8 billion, respectively, i.e. 64% of the balance sheet total. They were recorded at their date of entry at acquisition cost.</p> <p>An impairment loss is recognized if their value in use falls below their net book value.</p> <p>As described in notes 1.7 and 1.9 to the financial statements, their value is examined annually by reference to their value in use, which takes into account:</p> <ul style="list-style-type: none"> <li>• for investments: the current and projected profitability of the concerned holding and the share of equity held;</li> <li>• for intangible assets: discounted future cash flows (goodwill) or a multi-criteria valuation approach (brands).</li> </ul> <p>Estimating the value in use of these assets requires Management's judgment in determining future cash flow projections and key assumptions used.</p> <p>Given the weight of investments and intangible assets in the balance sheet and the uncertainties inherent in certain items, including the realization of forecasts used in the valuation of the value in use, we considered the valuation of these assets to be a key audit matter with a risk of material misstatements.</p>	<p>We examined the methodology employed by Management to estimate the value in use of investments and intangible assets (excluding IT solutions and assets in progress, advances and prepayments).</p> <p>Our work mainly consisted in examining, on the basis of the information provided to us, that the estimated values determined by Management were supported by appropriate justification of the valuation method, and in assessing the quality of these estimates by considering the data, assumptions and calculations used.</p> <p>We focused our work primarily on investments and intangible assets with a value in use close to their net book value.</p> <p>We assessed the appropriateness of the key estimates, and more specifically:</p> <ul style="list-style-type: none"> <li>• the consistency of revenue projections and the margin rate, compared to past performance and to the economic and financial context;</li> <li>• the corroboration of the growth rates used with the performance analyses of the global cosmetics market, taking into account the specificities of the local markets and the distribution channels in which your Company operates;</li> <li>• the discount rates applied to future cash flows by comparing their underlying parameters with external references, by including valuation experts into our team.</li> </ul>

## Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

## Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

## Information relating to corporate governance

We attest that the section of the Board of Directors' management report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to the remuneration and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

## Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

## Report on Other Legal and Regulatory Requirements

### Format of preparation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Chief Executive Officer's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the preparation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

### Appointment of the Statutory Auditors

We were appointed as statutory auditors of L'Oréal by your Annual General Meeting of April 29, 2004 for DELOITTE & ASSOCIES and of April 21, 2022 for ERNST & YOUNG Audit.

As at December 31, 2025, DELOITTE & ASSOCIES was in the twenty-second year of total uninterrupted engagement and ERNST & YOUNG Audit in the fourth year.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Financial Statements

### Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense , March 9, 2026

The Statutory Auditors  
*French original signed by*

DELOITTE & ASSOCIES  
David Dupont-Noel

ERNST & YOUNG Audit  
Céline Eydiou-Boutté