



BEAUTY

L'Oréal Q2 Organic Sales Rise 2.4 Percent

- The world's largest beauty company expects the beauty industry to continue growing this year, despite economic and geopolitical tensions.

BY JENNIFER WEIL

NEW YORK – L'Oréal reported second-quarter 2025 sales declined 1.3 percent in reported terms but rose 2.4 percent on a like-for-like basis, bolstered by its Professional Products division, emerging markets and China.

Adjusted for phasing linked to its 2024 and 2025 IT transformation, the world's largest beauty company's like-for-like sales growth was 3.7 percent in the three months ended June 30, versus 2.6 percent in the first quarter of this year.

Sales for the maker of Lancôme, Garnier and La Roche-Posay products reached 10.74 billion euros in the second quarter.

"There are a lot of moving parts (again) related to IT system prompted sales skews in the U.S. (2024) and China (2025)," wrote David Hayes, an equity analyst at Jefferies, in a note. "The conclusion, 2Q is slightly disappointing, led by Luxe and Europe sequentially slowing – somewhat offset by a step-up in [North America], perhaps via pre-tariff buying?"

For the first half, L'Oréal's sales came in at 22.47 billion euros, up 1.6 percent on a reported basis and 3 percent in like-for-like terms. Currency fluctuations negatively impacted sales by 1.9 percent.

"As anticipated, L'Oréal's like-for-like growth accelerated between first and second quarter. The ongoing strength in emerging markets, the slight rebound in mainland China and the gradual recovery in North America more than offset the expected slowdown in Europe, once again validating our multi-polar model," Nicolas Hieronimus, L'Oréal chief executive officer, said in a statement released after the market close Tuesday.

He noted that acceleration was backed by a gradual improvement in the beauty market's growth worldwide, which L'Oréal expects will continue over the upcoming two quarters, as well as by the early success of the group's beauty stimulus plan, which is driven by key product launches.

In the half, net profit excluding non-recurring items equaled 3.78 billion euros,

up 1 percent.

"Our operating margin increased by 30 basis points in the first half, particularly thanks to rigorous management of our operating expenses," said Hieronimus. "Our numerous initiatives in the second half will benefit from strong brand support, notably our major upcoming launches including our new Prada for men and first Miu Miu fragrances."

By division and on a like-for-like basis, L'Oréal's Professional Products division's sales increased 6.5 percent to 2.55 billion euros; the Dermatological Beauty division's sales gained 3.1 percent to 3.86 billion euros; the Consumer Products division's sales grew 2.8 percent to 8.41 billion euros, and the Luxe division's sales advanced 2 percent to 7.66 billion euros.

In geographic and like-for-like terms, the South Asia-Pacific, Middle East, North Africa and Sub-Saharan Africa, or SAPMENA-SSA, zone and Latin America were the group's fastest-growing regions, registering sales increases of 10.4 percent and 10.3 percent to 2.06 billion euros and 1.66 billion euros, respectively. European sales equaled 7.53 billion euros, up 3.4 percent, while those from North America were 5.82 billion euros, a 2 percent rise.

In the half, sales in North Asia declined 1.1 percent to 5.39 billion euros. On an adjusted basis, mainland China's business returned to growth, according to L'Oréal.

Fragrance and hair care were the company's fastest-growing product categories in the half.

The company remains optimistic about the beauty business overall.

"I am confident that we will continue to outperform the global beauty market – which we expect to grow, even amidst the current economic and geopolitical tensions – and to achieve another year of growth in sales and an increase in our profitability," said Hieronimus, who will discuss results further with financial analysts and journalists during a call scheduled for Wednesday.



