

# Годовой отчет за 2020 год

## В ЧЕТВЕРТОМ КВАРТАЛЕ L'ORÉAL УСКОРЯЕТ СВОЙ РОСТ, УКРЕПЛЯЕТ ПОЗИЦИИ НА РЫНКЕ И СОХРАНЯЕТ РЕНТАБЕЛЬНОСТЬ НА УРОВНЕ 18,6 %

- **Продажи: 27,99 млрд евро**
  - -4,1 % по сравнению с аналогичным показателем прошлого года <sup>1</sup>
  - -3,6 % при постоянных курсах валют
  - -6,3 % по данным отчетности
- **Операционная прибыль: 5,20 млрд евро, что соответствует 18,6 % выручки от реализации**
- **Прибыль на акцию <sup>2</sup>: 7,30 евро**
- **Чистый денежный поток <sup>3</sup>: 5,48 млрд евро, рост на 8,9 %**
- **Дивиденд <sup>4</sup>: 4,00 евро, рост на 3,9 %**

11 февраля 2021 года Правление группы L'Oréal провело заседание под председательством г-на Жан-Поля Агона (Jean-Paul Agon) в присутствии независимых аудиторов. На нем Правление подвело итоги консолидированной финансовой отчетности и финансовых отчетов за 2020 год.

Годовые результаты прокомментировал Жан-Поль Агон, президент и председатель правления L'Oréal:

*«В 2020 году пандемия COVID-19, распространившаяся по всему миру, вследствие масштабного закрытия точек продаж спровоцировала кризис поставок, что привело к беспрецедентному, надеемся, временному, спаду на рынке товаров для красоты.»*

*На протяжении года забота о сотрудниках, а также о клиентах и поставщиках, была основным приоритетом для L'Oréal, поэтому компания мобилизовала свои ресурсы, чтобы организовать производство миллионов единиц санитайзеров и крема для рук в качестве благотворительной помощи работникам здравоохранения и другим людям, находящимся на передовой борьбы с пандемией.*

*Благодаря невероятной самоотверженности всех сотрудников L'Oréal смогла преодолеть кризис в максимально хорошей форме и стала только сильнее. Как и прогнозировалось, Группа вернулась к росту во втором полугодии с ускорением в четвертом квартале на 4,8 % <sup>1</sup> и существенно расширила свое присутствие на рынке.*

*Благодаря сильным позициям в цифровых технологиях и электронной торговле, получившим в период кризиса еще большее развитие, L'Oréal смогла сохранить тесное взаимодействие со своими клиентами, что во многом компенсировало потери из-за закрытия точек продаж. В результате продажи через Интернет <sup>5</sup> выросли на целых 62 % <sup>1</sup> по всем подразделениям и регионам, достигнув рекордного уровня 26,6 % от общего объема продаж Группы за год.*

<sup>1</sup> Сопоставимые продажи: продажи, основанные на сопоставимой структуре и идентичных курсах обмена валют.

<sup>2</sup> Разводненная прибыль на акцию на основе уровня чистой прибыли за вычетом единовременных расходов и выплат по неконтролирующим долям участия.

<sup>3</sup> Чистый денежный поток = валовой денежный поток + движение оборотного капитала - капитальные затраты.

<sup>4</sup> Будет предложено на ежегодном общем собрании акционеров 20 апреля 2021 года.

<sup>5</sup> Продажи на веб-сайтах наших брендов + оценка примерного объема продаж продукции наших брендов на сайтах дистрибьюторов (данные, не прошедшие аудит).

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Для подразделения активной косметики год стал рекордным в связи с оживлением на рынке средств по уходу за кожей и особенным успехом брендов, получавших рекомендации от экспертов в сфере здравоохранения. Подразделение продукции широкого спроса вернулось к равновесию во втором полугодии, несмотря на колебания удельного веса декоративной косметики, и увеличило долю рынка по другим важным категориям. Подразделение профессиональной продукции, испытав негативные последствия закрытия салонов красоты в первой половине года, уверенно вернуло свои позиции во втором полугодии и значительно опередило остальные направления на рынке в целом по итогам года. В частности, подразделение люкс, несмотря на крайне тяжелые условия, также превзошло среднерыночные показатели и даже вернулось к росту в четвертом квартале.

В разных регионах результаты варьировались. В Западной Европе и Северной Америке рост сдерживался развитием пандемии и введением санитарных мероприятий, тем не менее L'Oréal удалось увеличить долю рынка во многих странах. На новых рынках группа L'Oréal возобновила рост во всех направлениях во втором полугодии. Впечатляющий результат показал Китай, и это важный вклад в общие достижения Группы.

Доказав свою устойчивость по итогам первого полугодия, Группа продолжила год с решительной и образцовой динамикой: внедрение масштабных инноваций, реинвестирование в драйверы бизнеса, способствующие возвращению к докризисным показателям роста, гибкость управления и строгий контроль затрат — все это привело к повышению рентабельности. В целом по итогам года, несмотря на кризис, L'Oréal сохранила прибыль от основной деятельности на уровне 18,6 % и обеспечила стабильный денежный поток от операционной деятельности.

Результаты нефинансовой деятельности Группы также можно назвать выдающимися. Специалисты CDP пятый год подряд признают L'Oréal мировым лидером в устойчивом развитии за меры компании по защите климата, охране лесов и рациональному использованию водных ресурсов. Помимо этого, Группа вошла в топ-10 рейтинга Refinitiv Diversity & Inclusion Index среди 9000 компаний. Институт «Этисфера» (Ethisphere Institute) в одиннадцатый раз подряд признал L'Oréal одной из самых этических компаний мира. В 2020 году L'Oréal запустила программу L'Oréal for the Future с новыми амбициозными целями по устойчивому развитию к 2030 году.

Благодаря уверенной стратегии и решительной динамике в течение года L'Oréal в сжатые сроки и в гибком формате адаптировалась к беспрецедентным условиям бизнеса, связанным с пандемией, сумев при этом ускорить все текущие процессы трансформации, и будет становиться только сильнее.

Начиная новый год, мы видим, что неопределенность, обусловленная развитием пандемии, все еще сохраняется. Но также остается неизменной тяга людей по всему миру к красоте, что придает нам уверенности в том, что мы сумеем вновь превзойти рынок в этом году и, действуя с учетом динамики санитарного кризиса, достичь очередных показателей роста продаж и прибыли».

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### **Annual General Meeting to be held on 20 April 2021**

In view of the extension of the state of medical emergency until 1 June 2021 and the measures that could prevent shareholders from being physically present, the Annual General Meeting usually held at the Palais des Congrès in Paris is likely to be held on a restricted attendance basis under special rules applicable to "closed doors" (*à huis clos*) shareholder meetings, at L'Oréal's headquarters, 41 rue Martre in Clichy.

For this reason and in accordance with Order No. 2020-321 of 25 March 2020 as amended by Order No. 2020-1497 of 2 December 2020, the Board of Directors in its meeting of 11 February 2021 gave full powers to the Chairman and CEO to hold the Annual General Meeting on such a basis if the circumstances so require, pursuant to the specific regulations that will be in force at such time.

Shareholders will be informed of the arrangements for the Annual General Meeting no later than the date of publication in the BALO (*Bulletin des Annonces Légales Obligatoires*) of the convening notice of the Annual

General Meeting planned for 31 March. This information will also be available on the "Annual General Meeting documents" page in the "Regulated information" section of the [loreal-finance.com](http://loreal-finance.com) website.

### **Appointments and renewals of tenure**

At its meeting of 11 February 2021, the Board of Directors decided to propose to the Annual General Meeting the renewal of the tenure as director of Ms. Françoise Bettencourt Meyers, Mr. Paul Bulcke and Ms. Virginie Morgon for a four-year term.

The Board of Directors also decided to propose the appointment of Mr. Nicolas Hieronimus as a director at the Annual General Meeting of 20 April 2021. As announced in the news release of 14 October 2020, the Board meeting that will take place after the Annual General Meeting will be called upon to appoint Mr. Hieronimus as CEO of the company, effective from 1 May 2021. The functions of Chairman and Chief Executive Officer will be dissociated from this date, Mr. Jean-Paul Agon being appointed as Chairman of the Board of Directors.

The Board of Directors will propose to the Annual General Meeting the candidacy as new independent director of Mr. Alexandre Ricard, Chairman and CEO of the Pernod Ricard group. Mr. Alexandre Ricard will bring to the Board his knowledge of consumers and his marketing and digital expertise in the luxury and mass retail markets, particularly in Asia and America.

If the Annual General Meeting approves the proposed resolutions, the Board of Directors will be composed of 16 directors, 14 appointed by the Meeting and two directors representing the employees.

The balances in terms of independence and diversity are as follows:

- Seven independent directors out of 14 directors appointed by the Annual General Meeting, i.e. 50%,
- Seven women and seven men out of 14 directors appointed by the Annual General Meeting, i.e. parity at 50%.

Additional details regarding these proposals for the renewal and appointment of directors will be available for shareholders in the Universal Registration Document, which will be published online on 16 March, and in the online convening notice on the [loreal-finance.com](http://loreal-finance.com) website from 30 March.

## 2020 Sales

**Like-for-like**, i.e. based on a comparable structure and identical exchange rates, L'Oréal group sales came out at -4.1%.

**The net impact of changes in the scope of consolidation** was +0.5%.

**Evolution at constant exchange rates** came out at -3.6%.

At the end of 2020, **currency fluctuations** had a negative impact of -2.7%.

**Based on reported figures**, the Group's sales, at 31 December 2020, amounted to 27.99 billion euros, i.e. -6.3%.

### Sales by Division and Geographic Zone

	4 <sup>th</sup> quarter 2020			At 31 December 2020		
	€m	Growth		€m	Growth	
		Like-for-like	Reported		Like-for-like	Reported
<b><u>By Division</u></b>						
Professional Products	893.8	+6.5%	-1.4%	3,097.3	-6.4%	-10.0%
Consumer Products	2,991.3	-0.4%	-6.9%	11,703.8	-4.7%	-8.2%
L'Oréal Luxe	3,222.1	+4.4%	+3.3%	10,179.9	-8.1%	-7.6%
Active Cosmetics	771.5	+30.7%	+20.4%	3,011.1	+18.9%	+13.0%
<b>Group total</b>	<b>7,878.8</b>	<b>+4.8%</b>	<b>0.0%</b>	<b>27,992.1</b>	<b>-4.1%</b>	<b>-6.3%</b>
<b><u>By geographic Zone</u></b>						
Western Europe	2,045.0	-5.9%	-4.2%	7,514.0	-10.3%	-9.2%
North America	1,741.4	-0.1%	-6.7%	6,903.4	-7.4%	-8.8%
New Markets, of which:	4,092.3	+13.5%	+5.6%	13,574.7	+1.5%	-3.2%
- <i>Asia Pacific</i>	<i>3,094.7</i>	<i>+16.6%</i>	<i>+12.5%</i>	<i>9,799.5</i>	<i>+3.5%</i>	<i>+1.5%</i>
- <i>Latin America</i>	<i>402.1</i>	<i>+11.9%</i>	<i>-10.8%</i>	<i>1,469.3</i>	<i>-1.5%</i>	<i>-17.1%</i>
- <i>Eastern Europe</i>	<i>431.0</i>	<i>-3.2%</i>	<i>-15.6%</i>	<i>1,685.3</i>	<i>-4.9%</i>	<i>-11.8%</i>
- <i>Africa, Middle East</i>	<i>164.6</i>	<i>+16.1%</i>	<i>-0.1%</i>	<i>620.6</i>	<i>-3.3%</i>	<i>-9.9%</i>
<b>Group total</b>	<b>7,878.8</b>	<b>+4.8%</b>	<b>0.0%</b>	<b>27,992.1</b>	<b>-4.1%</b>	<b>-6.3%</b>

## Summary by Division

### PROFESSIONAL PRODUCTS

**The Professional Products Division ended the year at -6.4% like-for-like and -10.0% based on reported figures.**

The Division achieved historic market share gains across all Zones with a significant recovery in the second half of the year, strengthening its leadership in the industry. The health crisis has shown more than ever how essential the hairdressing sector is and has boosted the underlying trends that the Division had anticipated: the digitalisation of salons, the development of freelance stylists, and the explosion of e-commerce.

All geographic Zones saw a return to growth in the second half, with record performance in the United States, driven by the power of the SalonCentric distribution channel. Europe also saw a remarkable recovery. The Division posted very strong growth in China, particularly on Tmall.

The number one category for growth was haircare, led by a particularly dynamic *Kérastase*, which saw double-digit growth over the year, driven by *Genesis* and *Blond Absolu*, as well as the successful launch of *Pro Longer* by *L'Oréal Professionnel*. In hair colour, *Shades EQ* by *Redken* recorded another year of strong growth. *Steampod* by *L'Oréal Professionnel* confirmed its success.

### CONSUMER PRODUCTS

**The Consumer Products Division ended the year at -4.7% like-for-like and -8.2% based on reported figures.**

The Division saw a return to equilibrium in the second half of the year, driven by *Garnier* and *L'Oréal Paris*. This dynamic was the fruit of a strong and successful innovation plan, "Back to Beauty" initiatives conducted in partnership with retailers, and powerful media investments. In addition, the Division has further accelerated in e-commerce, particularly in the United States.

Public health measures heavily impacted the makeup market. Despite its high exposure to this category, the Division grew faster than the market in the second half of the year and gained market share in its other major categories. Hair colour saw double-digit growth. Haircare was driven by the confirmed success of *Fructis Hair Food* and *Elseve Dream Long*, and the very strong start of *Elseve Full Resist* and *Ultra Doux* shampoo bars. Skincare accelerated thanks to the success of *L'Oréal Paris* serums and the *Fast Bright* range by *Garnier*, rolled out in emerging countries. In makeup, the Division strengthened its position, thanks in particular to *NYX Professional Makeup* and *3CE Stylenanda* which benefited from their mastery of digital.

The Division saw a significant improvement in performance in all Zones in the second half of the year, and notably recorded growth in China, Brazil and Germany.

### L'ORÉAL LUXE

**At year-end, L'Oréal Luxe was at -8.1% like-for-like and -7.6% reported in a global luxury beauty market down approximately 14%.**

In an extremely difficult context with the closure of many points of sale and a drastic reduction in air travel, the Division outperformed the market with a clear acceleration in the second half and a return to growth in the last quarter. This performance was the result of strategic decisions to accelerate powerfully in e-commerce, particularly in direct-to-consumer, to maintain a strong programme of major global launches and to strengthen its leadership in China.

The Division outperformed the market in its three categories, especially in skincare, driven by the power of its brands, notably *Lancôme* which resisted well, and the growth of *Kiehl's* and *Helena Rubinstein*. The latest fragrance launches - *My Way* by *Giorgio Armani*, *Voce Viva* by *Valentino* and *Libre* by *Yves Saint Laurent* - also delivered very strong performances and, with the resilience of established icons, helped to consolidate our global leadership. Makeup remains the most affected category.

L'Oréal Luxe gained market share in almost all geographic Zones. It is important to note the strong performance of the Asia Pacific Zone, especially mainland China, as well as many Western European countries. Sales in North America recovered progressively, while positions remain solid in Travel Retail.

## ACTIVE COSMETICS

**For the second year running, the Active Cosmetics Division achieved record growth of +18.9% like-for-like and +13.0% based on reported figures, with sales exceeding the 3-billion-euro mark.**

In a slightly positive market, the unique relationship that the brands have forged with healthcare professionals, combined with the growing consumer preoccupation with health, enabled the Division, particularly present in skincare, to post record annual growth, with sales accelerating in the second half. E-commerce remains the main growth driver, supported by a dynamic digital activation strategy. In-store initiatives also drove growth. Sales grew faster than the market in all Zones, with exceptional performance in North America and Asia. *CeraVe*, *La Roche-Posay* and *SkinCeuticals*, which are aligned with consumers' health aspirations and recommended by medical professionals, recorded very strong growth. *CeraVe* in particular is now one of the top five dermocosmetics brands and almost doubled in size, driven by exceptional growth in North America and a promising outlook for sales globally. Sales of *SkinCeuticals* and *La Roche-Posay* grew well ahead of the market in all Zones. The fourth quarter marked an acceleration, with all Zones and all the major brands posting growth, particularly *Vichy* which benefited from the launch of the anti-ageing serum *Liftactiv Supreme H.A. Epidermic Filler*.

## Summary by geographic Zone

### WESTERN EUROPE

The Zone ended the year at -10.3% like-for-like, and -9.2% based on reported figures. Due to the health crisis, the market was impacted by government measures in the countries: lockdowns, and the closure of hair salons, perfumeries and department stores. The fall in European air travel and a marked downturn in tourism over the summer also had an impact on consumption. Makeup and sun protection products were hit particularly hard, while other categories fared better. The market declined by around 15% over the year, improving in the second half, but remaining negative. Against this backdrop, L'Oréal significantly outperformed the market, thanks to its digital leadership and very strong growth in online sales, the launch of major innovations and well supported marketing plans. The Group strengthened its leadership in most countries, particularly France, the United Kingdom and Italy. It also gained market share in all its strategic categories. Performance was especially noteworthy in skincare, with *L'Oréal Paris*, *La Roche-Posay* and *CeraVe* performing well, in fragrance with the continued success of *Libre by Yves Saint Laurent*, and in haircare with *Kérastase* and *Garnier* strengthening their positions.

### NORTH AMERICA

The Zone ended the year at -7.4% like-for-like and -8.8% based on reported figures. Due to its footprint in brick-and-mortar and makeup, the Zone was heavily impacted by lockdown measures in the second quarter. Despite the pandemic and social and political upheavals, all Divisions managed to accelerate sales in e-commerce, which have almost doubled, and quickly adapted to shifts across channels of distribution. The Group was able to seize the trends in skincare and gain market share, while at the same time increasing its already significant share of the hair colour market. After a slowdown in the first half of the year, the Zone returned to positive territory in the second. The Consumer Products Division stabilised in the second half, thanks to strong growth in skincare and market share gains in hair colour. L'Oréal Luxe accelerated with strong fragrance launches and freed up resources to re-invest in consumer touchpoints and digital transformation. The Professional Products Division gained market share and achieved a solid performance in the second half of the year, thanks in particular to SalonCentric. The Active Cosmetics Division performed remarkably well, notably with *CeraVe*, *La Roche-Posay* and *SkinCeuticals*, significantly outperforming a dynamic market and winning important market share gains.

## NEW MARKETS

**Asia Pacific:** the Zone grew by +3.5% like-for-like and +1.5% based on reported figures, with fourth-quarter growth at +16.6% like-for-like and +12.5% based on reported figures.

**Mainland China** grew +27.0% like-for-like and +24.1% based on reported figures. The market recovered significantly in the second half, growing around +4% in the year, boosted by strong omnichannel demand for selective brands and very dynamic e-commerce. Consumers' quest for higher performance and superior product quality continued the premiumisation trend while various festivals and promotional campaigns stimulated growth. L'Oréal China significantly outperformed the market with double-digit growth in all Divisions. The unique combination of our beauty expertise, superior innovations, digital leadership and omnichannel distribution structure enables us to offer iconic brands that engage and win Chinese consumers. During the 11.11 festival, L'Oréal strengthened its leadership in skincare, thanks to *Kiehl's*, *Helena Rubinstein* and *SkinCeuticals*, in makeup with *Giorgio Armani*, *Yves Saint Laurent* and *3CE Stylenanda*, and in haircare with *Kérastase* and *L'Oréal Paris*. Our megabrands *Lancôme* and *L'Oréal Paris* ended the year as the No.1 selective and mass-market beauty brands respectively on Tmall.

In the rest of the **Asia Pacific Zone**, the situation improved in the second half of the year. Sales increased in the countries least affected by the pandemic such as Australia, New Zealand and Vietnam. The makeup market remained depressed, but the marketing shift towards haircare and skincare led to steady growth quarter on quarter. E-commerce was a powerful growth driver. In India, after a first half marked by store closures, both haircare and skincare returned to growth. Hong Kong suffers from a lack of tourism. The L'Oréal Luxe and Active Cosmetics Divisions achieved significant market share gains in all the main markets, particularly in skincare. The growth of Active Cosmetics was driven by *La Roche-Posay* and *CeraVe*. The Consumer Products Division saw an improvement in skincare, thanks to the performance of *Garnier*.

**Latin America:** the Zone is at -1.5% like-for-like and -17.1% based on reported figures. The Zone was severely impacted by the pandemic with the widespread closure of points of sale. Performance was very contrasted from one Division and quarter to another, with a strong recovery in the second half of the year. All Divisions saw a return to growth in the second half, particularly the Active Cosmetics Division which posted double-digit growth. The focus on digital strengthened consumer engagement and boosted e-commerce, which recorded triple-digit growth, most notably in Brazil and Mexico. Our innovations as well as our flagship brands and products drove the growth, most notably in haircare and skincare. Brazil recorded exceptional performance overall, growing each quarter and winning market share in Latin America's largest beauty market, a result of the far-reaching transformation of the business initiated well before the crisis. In Mexico, although challenges remain, the business is stabilising, with the Active Cosmetics Division posting double-digit growth over the year as a whole, and the Consumer Products Division seeing a return to growth in the fourth quarter.

**Eastern Europe:** the Zone was at -4.9% like-for-like and -11.8% based on reported figures. All countries and markets were affected by the pandemic and lockdown measures, with the exception of dermocosmetics which continued to grow. The Czech Republic/Slovakia/Hungary hub resisted well, Romania and Ukraine recorded growth, while Russia and Turkey were hit harder due to the depressed economic context. The Active Cosmetics, Professional Products and L'Oréal Luxe Divisions gained significant market share, while the Consumer Products Division maintained its positions. E-commerce growth was very dynamic.

**Africa, Middle East:** the Zone was at -3.3% like-for-like and -9.9% based on reported figures, with good performance in the second half, despite the lockdown measures implemented in the countries. Growth was driven by Morocco and Egypt, and by the Active Cosmetics Division. All Divisions achieved market share gains.

## Important events during the period 1/10/20 to 31/12/20 and post-closing event

- On 1 October, L'Oréal announced that it took 10<sup>th</sup> place in the Universum 2020 global rankings of business students' and graduates' favourite companies, moving up two spots from 2019. L'Oréal is the only French and European company in the top 10 of this prestigious ranking.
- On 8 October, L'Oréal announced the appointment of Barbara Lavernos as President, Research, Innovation and Technologies. Antoine Vanlaeys is appointed Chief Operations Officer. These nominations will be effective as of 1 February 2021.
- On 14 October, L'Oréal announced the succession of Jean-Paul Agon as Chief Executive Officer from 1 May 2021. L'Oréal's Board of Directors met under the chairmanship of Jean-Paul Agon. Following the recommendations of the Appointments and Governance Committee, the Board decided on new governance and a succession plan at the head of the Group. As the Company's articles of association do not provide for any exception to the legal retirement age of 65 years, Jean-Paul Agon must hand over his duties as Chief Executive Officer before July 2021. In this context, the Board of Directors announced its intention to dissociate the functions of Chairman and Chief Executive Officer. The Board announced its intention to renew Jean-Paul Agon's mandate as Chairman, a position he has held since 2011, and to appoint Nicolas Hieronimus as Chief Executive Officer.

Furthermore, in his exchanges with the Appointments and Governance Committee, Jean-Paul Agon, with the agreement of the Board of Directors and the full support of Nicolas Hieronimus, wished to maintain the role of Deputy CEO, a position held by Nicolas Hieronimus at his side since 2017. Barbara Lavernos, who will lead Research, Innovation, Technology from February 2021, will be appointed Deputy CEO on 1 May 2021.

- On 4 November, L'Oréal announced the change in the geographical scope of some of its Zones. The North Asia Zone, which will include mainland China, Hong Kong, Taiwan, Japan and South Korea, will be led by Fabrice Megarbane, who is currently CEO of L'Oréal China and a member of the Executive Committee. A new Zone - SAPMENA -, created to encompass South Asia, Pacific, Middle East and North Africa, will be entrusted to Vismay Sharma, currently Managing Director UK and Ireland, who will join the Executive Committee. Similarly, a new Sub-Saharan Africa Zone will be entrusted to Burkhard Pieroth. The Group also appointed Frédéric Rozé as Chief Global Growth Officer, to whom all Zone Presidents as well as the Travel Retail business will report.
- On 8 December, L'Oréal was recognised as a global leader in sustainable development by CDP, a non-profit organisation which scores the performance of companies in sustainability and environmental transparency. Of more than 9,600 companies scored by CDP in 2020, L'Oréal is the only one to have been awarded an 'A' score in all three areas: fighting climate change, protecting forests and sustainable water management.
- On 23 December, L'Oréal announced the signing of an agreement to acquire the Japanese company Takami Co., which develops and markets products licensed by the skincare brand Takami, owned by Dr Hiroshi Takami, the founder of two eponymous dermatology clinics in Tokyo. L'Oréal also renewed a very long-term brand licensing agreement with Dr Takami and signed a collaboration agreement with the Takami clinics. The brand posted sales of around 50 million euros in 2019. The acquisition was finalised on 1 February 2021.
- On 12 January 2021, L'Oréal announced the appointment of Blanca Juti to the Group's Executive Committee in the role of Chief Communications & Public Affairs Officer. She will take up the position officially from April 2021.



## 2020 Results

Audited financial statements, certification in progress.

### Operating profitability at 18.6% of sales

Consolidated profit and loss accounts: from sales to operating profit.

	2019		2020	
	€m	% sales	€m	% sales
<b>Sales</b>	<b>29,873.6</b>	<b>100.0%</b>	<b>27,992.1</b>	<b>100.0%</b>
<i>Cost of sales</i>	-8,064.7	27.0%	-7,532.3	26.9%
<b>Gross profit</b>	<b>21,808.9</b>	<b>73.0%</b>	<b>20,459.8</b>	<b>73.1%</b>
<i>R&amp;I expenses</i>	-985.3	3.3%	-964.4	3.4%
<i>Advertising and promotion expenses</i>	-9,207.8	30.8%	-8,647.9	30.9%
<i>Selling, general and administrative expenses</i>	-6,068.3	20.3%	-5,638.5	20.1%
<b>Operating profit</b>	<b>5,547.5</b>	<b>18.6%</b>	<b>5,209.0</b>	<b>18.6%</b>

**Gross profit**, at 20,459 million euros, came out at 73.1% of sales, compared with 73.0% in 2019, an improvement of 10 basis points.

**Research & Innovation expenses** increased by 10 basis points, at 3.4% of sales.

**Advertising and promotion expenses** increased by 10 basis points, at 30.9% of sales.

**Selling, general and administrative expenses**, at 20.1% of sales, have been reduced by 20 basis points.

Overall, **operating profit** decreased by 6.1% to 5,209 million euros, and amounted to 18.6% of sales, stable compared to 2019.

### Operating profit by Division

	2019		2020	
	€m	% sales	€m	% sales
<b>By Division</b>				
Professional Products	691.6	20.1%	581.7	18.8%
Consumer Products	2,574.6	20.2%	2,388.1	20.4%
L'Oréal Luxe	2,493.7	22.6%	2,275.9	22.4%
Active Cosmetics	620.8	23.3%	766.0	25.4%
<b>Divisions total</b>	<b>6,380.7</b>	<b>21.4%</b>	<b>6,011.6</b>	<b>21.5%</b>
<i>Non-allocated</i> <sup>6</sup>	-833.2	-2.8%	-802.6	-2.9%
<b>Group</b>	<b>5,547.5</b>	<b>18.6%</b>	<b>5,209.0</b>	<b>18.6%</b>

The profitability of the **Professional Products Division** came out at 18.8% in 2020, compared to 20.1% in 2019.

The profitability of the **Consumer Products Division** increased by 20 basis points, at 20.4%.

The profitability of **L'Oréal Luxe**, at 22.4%, decreased by 20 basis points.

The profitability of the **Active Cosmetics Division** came out at 25.4%, a rise of 210 basis points.

**Non-allocated expenses** amounted to 802 million euros.

<sup>6</sup> *Нераспределенные расходы — расходы центральной Группы, расходы на фундаментальные научные исследования, субсидии на расходы по акциям и прочие расходы. Как процент от продаж.*

## Net profit

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

€m	2019	2020	Growth
<b>Operating profit</b>	<b>5,547.5</b>	<b>5,209.0</b>	<b>-6.1%</b>
<i>Financial revenues and expenses excluding Sanofi dividends</i>	-62.7	-95.9	
<i>Sanofi dividends</i>	363.0	372.4	
Profit before tax excluding non-recurring items	5,847.9	5,485.5	-6.2%
<i>Income tax excluding non-recurring items</i>	-1,486.7	-1,383.1	
<i>Net profit excluding non-recurring items of equity consolidated companies</i>	+1.0	+0.9	
<i>Non-controlling interests</i>	-5.4	-4.2	
<b>Net profit excluding non-recurring items after non-controlling interests</b>	<b>4,356.9</b>	<b>4,099.0</b>	<b>-5.9%</b>
<b>EPS <sup>7</sup> (€)</b>	<b>7.74</b>	<b>7.30</b>	<b>-5.7%</b>
<b>Net profit after non-controlling interests</b>	<b>3,750.0</b>	<b>3,563.4</b>	<b>-5.0%</b>
Diluted EPS after non-controlling interests (€)	6.66	6.34	
<b>Diluted average number of shares</b>	<b>562,813,129</b>	<b>561,635,963</b>	

**Net finance costs** amounted to 95 million euros.

**Sanofi dividends** amounted to 372 million euros.

**Income tax excluding non-recurrent items** amounted to 1,383 million euros, representing a tax rate of 25.2%.

**Net profit excluding non-recurring items after non-controlling interests** amounted to 4,099 million euros.

**Earnings per share**, at 7.30 euros, dropped by 5.7%.

**Non-recurring items after non-controlling interests** <sup>8</sup> amounted to 535 million euros net of tax.

**Net profit after non-controlling interests** came out at 3,563 million euros.

## Cash flow statement, Balance sheet and Cash position

**Gross cash flow** amounted to 5,724 million euros, a decrease of 1.3%.

The **working capital requirement** decreased by 729 million euros.

At 972 million euros, **investments** represented 3.5% of sales.

**Net cash flow** <sup>9</sup> at 5,480 million euros, increased by 8.9%.

The **balance sheet** is particularly solid, with shareholders' equity amounting to 29 billion euros. After allowing for finance lease liabilities in an amount of 1,681 million euros, **net cash** came out at 3,859 million euros at 31 December 2020.

## Proposed dividend at the Annual General Meeting of 20 April 2021

The Board of Directors has decided to propose to the shareholders' Annual General Meeting of 20 April 2021 a dividend of 4.00 euros per share, an increase of +3.9% compared with the dividend paid in 2020. The dividend will be paid on 29 April 2020 (ex-dividend date 27 April at 0:00 a.m., Paris time).

<sup>7</sup> Разводненная прибыль на акцию на основе уровня чистой прибыли за вычетом единовременных расходов и выплат по неконтролирующим долям участия.

<sup>8</sup> Единовременные расходы включают: обесценение активов, чистую прибыль от прекращенной деятельности, затраты на реструктуризацию и налоговые последствия от единовременных расходов.

<sup>9</sup> Чистый денежный поток = валовой денежный поток + движение оборотного капитала - капитальные затраты.

## Share capital

At 31 December 2020, the capital of the company is formed by 559,871,580 shares, each with one voting right.

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*"This news release does not constitute an offer to sell, or a solicitation of an offer to buy L'Oréal shares. If you wish to obtain more comprehensive information about L'Oréal, please refer to the public documents registered in France with the Autorité des Marchés Financiers, also available in English on our Internet site [www.loreal-finance.com](http://www.loreal-finance.com).*

*This news release may contain some forward-looking statements. Although the Company considers that these statements are based on reasonable hypotheses at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual results to differ materially from those indicated or projected in these statements."*

*This is a free translation into English of the 2020 Annual Results news release issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

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## Appendices

### Appendix 1: L'Oréal group sales 2019/2020 (€ million)

	2019	2020		
		€m	Like-for-like evolution	Reported evolution
<b>First quarter</b>	7,550.5	7,225.2	-4.8%	-4.3%
<b>Second quarter</b>	7,261.0	5,851.3	-18.8%	-19.4%
<b>First half total</b>	14,811.5	13,076.5	-11.7%	-11.7%
<b>Third quarter</b>	7,182.8	7,036.8	+1.6%	-2.0%
<b>Nine months total</b>	21,994.3	20,113.3	-7.4%	-8.6%
<b>Fourth quarter</b>	7,879.3	7,878.8	+4.8%	0.0%
<b>Full year total</b>	29,873.6	27,992.1	-4.1%	-6.3%

## Appendix 2: Compared consolidated income statements

€ millions	2020	2019	2018
<b>Net sales</b>	<b>27,992.1</b>	<b>29,873.6</b>	<b>26,937.4</b>
Cost of sales	-7,532.3	-8,064.7	-7,331.6
<b>Gross profit</b>	<b>20,459.8</b>	<b>21,808.9</b>	<b>19,605.8</b>
Research and innovation	-964.4	-985.3	-914.4
Advertising and promotion	-8,647.9	-9,207.8	-8,144.7
Selling, general and administrative expenses	-5,638.5	-6,068.3	-5,624.7
<b>Operating profit</b>	<b>5,209.0</b>	<b>5,547.5</b>	<b>4,922.0</b>
Other income and expenses	-709.0	-436.5	-94.7
<b>Operational profit</b>	<b>4,500.0</b>	<b>5,111.0</b>	<b>4,827.3</b>
Finance costs on gross debt	-79.2	-75.4	-34.8
Finance income on cash and cash equivalents	19.8	28.7	47.9
<b>Finance costs, net</b>	<b>-59.4</b>	<b>-46.7</b>	<b>13.1</b>
Other financial income (expenses)	-36.5	-16.0	-15.0
Sanofi dividends	372.4	363.0	358.3
<b>Profit before tax and associates</b>	<b>4,776.5</b>	<b>5,411.4</b>	<b>5,183.7</b>
Income tax	-1,209.8	-1,657.2	-1,284.3
Share of profit in associates	0.9	1.0	0.1
<b>Net profit</b>	<b>3,567.6</b>	<b>3,755.2</b>	<b>3,899.5</b>
Attributable to:			
• owners of the company	3,563.4	3,750.0	3,895.4
• non-controlling interests	4.2	5.2	4.1
Earnings per share attributable to owners of the company (euros)	6.37	6.70	6.96
Diluted earnings per share attributable to owners of the company (euros)	6.34	6.66	6.92
Earnings per share attributable to owners of the company, excluding non-recurring items (euros)	7.33	7.78	7.13
Diluted earnings per share attributable to owners of the company, excluding non-recurring items (euros)	7.30	7.74	7.08

### Appendix 3: Consolidated statements of comprehensive income

€ millions	2020	2019	2018
<b>Consolidated net profit for the period</b>	<b>3,567.6</b>	<b>3,755.2</b>	<b>3,899.5</b>
Cash flow hedges	129.1	2.9	-60.3
Cumulative translation adjustments	-790.2	188.2	126.4
Income tax on items that may be reclassified to profit or loss <sup>(1)</sup>	-23.3	-1.9	14.8
<b>Items that may be reclassified to profit or loss</b>	<b>-684.4</b>	<b>189.2</b>	<b>80.9</b>
Financial assets at fair value through profit or loss	-1,269.1	1,650.6	450.5
Actuarial gains and losses	-225.6	-327.7	-58.5
Income tax on items that may not be reclassified to profit or loss <sup>(1)</sup>	97.8	29.7	0.5
<b>Items that may not be reclassified to profit or loss</b>	<b>-1,396.9</b>	<b>1,352.6</b>	<b>392.5</b>
<b>Other comprehensive income</b>	<b>-2,081.3</b>	<b>1,541.8</b>	<b>473.4</b>
<b>Consolidated comprehensive income</b>	<b>1,486.3</b>	<b>5,297.0</b>	<b>4,372.9</b>
Attributable to:			
• owners of the company	1,482.1	5,291.9	4,368.7
• non-controlling interests	4.2	5.1	4.2

(1) The tax effect is as follows:

€ millions	2020	2019	2018
Cash flow hedges	-23.3	-1.9	14.8
<b>Items that may be reclassified to profit or loss</b>	<b>-23.3</b>	<b>-1.9</b>	<b>14.8</b>
Financial assets at fair value through profit or loss	40.4	-51.7	-14.0
Actuarial gains and losses	57.4	81.4	14.5
<b>Items that may not be reclassified to profit or loss</b>	<b>97.8</b>	<b>29.7</b>	<b>0.5</b>
<b>TOTAL</b>	<b>74.5</b>	<b>27.8</b>	<b>15.4</b>

## Appendix 4: Compared consolidated balance sheets

### ASSETS

€ millions	31.12.2020	31.12.2019	31.12.2018
<b>Non-current assets</b>	<b>29,046.8</b>	<b>29,893.3</b>	<b>25,991.2</b>
Goodwill	10,514.2	9,585.6	9,597.1
Other intangible assets	3,356.3	3,163.8	3,087.3
Right-of-use assets	1,525.3	1,892.3	-
Property, plant and equipment	3,225.2	3,644.3	3,624.6
Non-current financial assets	9,604.8	10,819.1	9,100.5
Investments in associates	11.1	10.9	9.0
Deferred tax assets	809.9	777.3	572.7
<b>Current assets</b>	<b>14,560.1</b>	<b>13,916.5</b>	<b>12,466.3</b>
Inventories	2,675.8	2,920.8	2,821.9
Trade accounts receivable	3,511.3	4,086.7	3,983.2
Other current assets	1,732.7	1,474.9	1,509.1
Current tax assets	234.4	148.1	160.1
Cash and cash equivalents	6,405.9	5,286.0	3,992.0
<b>TOTAL</b>	<b>43,606.9</b>	<b>43,809.8</b>	<b>38,457.5</b>

### EQUITY & LIABILITIES

€ millions	31.12.2020	31.12.2019	31.12.2018
<b>Equity</b>	<b>28,998.8</b>	<b>29,426.0</b>	<b>26,933.6</b>
Share capital	112.0	111.6	112.1
Additional paid-in capital	3,259.8	3,130.2	3,070.3
Other reserves	18,642.5	16,930.9	15,952.5
Other comprehensive income	4,304.5	5,595.8	4,242.1
Cumulative translation adjustments	-889.2	-99.2	-287.4
Treasury shares	-	-	-56.5
Net profit attributable to owners of the company	3,563.4	3,750.0	3,895.4
<b>Equity attributable to owners of the company</b>	<b>28,993.0</b>	<b>29,419.3</b>	<b>26,928.4</b>
Non-controlling interests	5.8	6.7	5.2
<b>Non-current liabilities</b>	<b>3,478.0</b>	<b>3,515.3</b>	<b>1,412.2</b>
Provisions for employee retirement obligations and related benefits	1,013.5	772.9	388.9
Provisions for liabilities and charges	56.8	56.9	47.6
Non-current tax liabilities	397.9	310.2	288.5
Deferred tax liabilities	706.6	737.7	673.7
Non-current borrowings and debt	8.5	9.6	13.5
Non-current lease debt	1,294.7	1,628.0	-
<b>Current liabilities</b>	<b>11,130.1</b>	<b>10,868.5</b>	<b>10,111.6</b>
Trade accounts payable	4,764.5	4,658.4	4,550.0
Provisions for liabilities and charges	1,224.7	1,117.8	979.8
Other current liabilities	3,682.5	3,508.5	3,138.9
Income tax	215.1	334.8	215.1
Current borrowings and debt	856.4	841.2	1,227.8
Current lease debt	386.9	407.9	-
<b>TOTAL</b>	<b>43,606.9</b>	<b>43,809.8</b>	<b>38,457.5</b>

## Appendix 5: Consolidated statements of changes in equity

€ millions	Common shares outstanding	Share capital	Additional paid-in capital	Retained earnings and net profit	Other comprehensive income	Treasury shares	Cumulative translation adjustments	Equity attributable to owners of the company	Non-controlling interests	Total equity
<b>At 31.12.2017</b>	<b>559,747,963</b>	<b>112.1</b>	<b>2,935.3</b>	<b>18,343.3</b>	<b>3,895.0</b>	<b>-56.5</b>	<b>-413.5</b>	<b>24,815.7</b>	<b>2.8</b>	<b>24,818.5</b>
Changes in accounting policy at 01.01.2018				-12.0				-12.0	-0.9	-12.9
<b>At 31.12.2018 <sup>(1)</sup></b>	<b>559,747,963</b>	<b>112.1</b>	<b>2,935.3</b>	<b>18,331.3</b>	<b>3,895.0</b>	<b>-56.5</b>	<b>-413.5</b>	<b>24,803.7</b>	<b>1.9</b>	<b>24,805.6</b>
Consolidated net profit for the period				3,895.4				3,895.4	4.1	3,899.5
Cash flow hedges					-45.3			-45.3	-0.2	-45.5
Cumulative translation adjustments							114.5	114.5	0.3	114.8
Hyperinflation							11.6	11.6		11.6
<b>Other comprehensive income that may be reclassified to profit and loss</b>					<b>-45.3</b>		<b>126.1</b>	<b>80.8</b>	<b>0.1</b>	<b>80.9</b>
Financial assets at fair value through profit or loss					436.5			436.5		436.5
Actuarial gains and losses					-44.0			-44.0		-44.0
<b>Other comprehensive income that may not be reclassified to profit and loss</b>					<b>392.5</b>			<b>392.5</b>	<b>-</b>	<b>392.5</b>
<b>Consolidated comprehensive income</b>				<b>3,895.4</b>	<b>347.2</b>		<b>126.1</b>	<b>4,368.7</b>	<b>4.2</b>	<b>4,372.9</b>
Capital increase	2,375,378	0.5	135.0	-0.2				135.3		135.3
Cancellation of Treasury shares		-0.5		-498.9		499.4		-		-
Dividends paid (not paid on Treasury shares)				-2,006.6				-2,006.6	-3.8	-2,010.4
Share-based payment				126.4				126.4		126.4
Net changes in Treasury shares	-2,497,814					-499.4		-499.4		-499.4
Changes in scope of consolidation				-2.9				-2.9	2.9	
Other movements				3.4	-0.1			3.3		3.3
<b>At 31.12.2018</b>	<b>559,625,527</b>	<b>112.1</b>	<b>3,070.3</b>	<b>19,847.8</b>	<b>4,242.1</b>	<b>-56.5</b>	<b>-287.4</b>	<b>26,928.4</b>	<b>5.2</b>	<b>26,933.6</b>
Changes in accounting policies at 01.01.2019				-81.5				-81.5		-81.5
<b>At 01.01.2019 <sup>(2)</sup></b>	<b>559,625,527</b>	<b>112.1</b>	<b>3,070.3</b>	<b>19,766.3</b>	<b>4,242.1</b>	<b>-56.5</b>	<b>-287.4</b>	<b>26,847.0</b>	<b>5.2</b>	<b>26,852.2</b>
Consolidated net profit for the period				3,750.0				3,750.0	5.2	3,755.2
Cash flow hedges					1.1			1.1	-0.1	1.0
Cumulative translation adjustments							174.1	174.1	0.0	174.1
Hyperinflation							14.1	14.1	0.018	14.1
<b>Other comprehensive income that may be reclassified to profit and loss</b>					<b>1.1</b>		<b>188.2</b>	<b>189.3</b>	<b>-0.1</b>	<b>189.2</b>
Financial assets at fair value through profit or loss					1,598.9			1,598.9		1,598.9
Actuarial gains and losses					-246.3			-246.3		-246.3
<b>Other comprehensive income that may not be reclassified to profit and loss</b>					<b>1,352.6</b>			<b>1,352.6</b>	<b>-</b>	<b>1,352.6</b>
<b>Consolidated comprehensive income</b>				<b>3,750.0</b>	<b>1,353.7</b>		<b>188.2</b>	<b>5,291.9</b>	<b>5.1</b>	<b>5,297.0</b>
Capital increase	1,491,678	0.3	59.9	-0.1				60.0		60.0
Cancellation of Treasury shares		-0.8		-803.0		803.8		-		-
Dividends paid (not paid on Treasury shares)				-2,176.7				-2,176.7	-3.6	-2,180.3
Share-based payment				144.4				144.4		144.4
Net changes in Treasury shares	-3,000,000					-747.3		-747.3		-747.3
Purchase commitments for non-controlling interests								-		-
Changes in scope of consolidation								-		-
Other movements				-0.1				-0.1		-0.1
<b>At 31.12.2019</b>	<b>558,117,205</b>	<b>111.6</b>	<b>3,130.2</b>	<b>20,680.9</b>	<b>5,595.8</b>	<b>0.0</b>	<b>-99.2</b>	<b>29,419.3</b>	<b>6.7</b>	<b>29,426.0</b>

(1) After taking account of the change in accounting policy pertaining to IFRS 15 Revenue from Contracts with Customers.

(2) After taking account of the change in accounting policy pertaining to IFRS 16.



€ millions	Common shares outstanding	Share capital	Additional paid-in capital	Retained earnings and net profit	Other comprehensive income	Treasury shares	Cumulative translation adjustments	Equity attributable to owners of the company	Non-controlling interests	Total equity
<b>At 31.12.2019</b>	<b>558,117,205</b>	<b>111.6</b>	<b>3,130.2</b>	<b>20,681.0</b>	<b>5,595.8</b>	<b>0.0</b>	<b>-99.2</b>	<b>29,419.3</b>	<b>6.7</b>	<b>29,426.0</b>
Consolidated net profit for the period				3,563.4				3,563.4	4.2	3,567.6
<i>Cash flow hedges</i>					105.6			105.6	0.2	105.8
<i>Cumulative translation adjustments</i>							-801.8	-801.8	-0.3	-802.1
<i>Hyperinflation</i>							11.9	11.9		11.9
<b>Other comprehensive income that may be reclassified to profit and loss</b>					<b>105.6</b>		<b>-789.9</b>	<b>-684.3</b>	<b>-0.1</b>	<b>-684.4</b>
<i>Financial assets at fair value through profit or loss</i>					-1,228.8			-1,228.8		-1,228.8
<i>Actuarial gains and losses</i>					-168.1			-168.1		-168.1
<b>Other comprehensive income that may not be reclassified to profit and loss</b>					<b>-1,396.9</b>			<b>-1,396.9</b>		<b>-1,396.9</b>
<b>Consolidated comprehensive income</b>				<b>3,563.4</b>	<b>-1,291.3</b>		<b>-789.9</b>	<b>1,482.1</b>	<b>4.2</b>	<b>1,486.3</b>
Capital increase	1,754,375	0.4	129.6	-0.2				129.8		129.8
Cancellation of Treasury shares										
Dividends paid (not paid on Treasury shares)				-2,172.6				-2,172.6	-4.9	-2,177.5
Share-based payment				129.7				129.7		129.7
Net changes in Treasury shares										
Purchase commitments for non-controlling interests										
Changes in scope of consolidation										
Other movements				4.8				4.8	-0.1	4.7
<b>At 31.12.2020</b>	<b>559,871,580</b>	<b>112.0</b>	<b>3,259.8</b>	<b>22,206.0</b>	<b>4,304.5</b>		<b>-889.1</b>	<b>28,993.0</b>	<b>5.8</b>	<b>28,998.8</b>

## Appendix 6: Compared consolidated statements of cash flows

€ millions	2020	2019	2018
<b>Cash flows from operating activities</b>			
Net profit attributable to owners of the company	3,563.4	3,750.0	3,895.4
Non-controlling interests	4.2	5.2	4.1
Elimination of expenses and income with no impact on cash flows:			
• depreciation, amortisation, provisions and non-current tax liabilities	2,028.1	1,958.3	1,109.3
• changes in deferred taxes	-10.1	-42.5	43.0
• share-based payment (including free shares)	129.7	144.4	126.4
• capital gains and losses on disposals of assets	3.6	-14.0	-2.7
Other non-cash transactions	5.8	1.9	2.7
Share of profit in associates net of dividends received	-0.6	-1.0	-0.1
<b>Gross cash flow</b>	<b>5,724.1</b>	<b>5,802.3</b>	<b>5,178.1</b>
Changes in working capital	729.2	460.5	113.8
<b>Net cash provided by operating activities (A)</b>	<b>6,453.3</b>	<b>6,262.8</b>	<b>5,291.9</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment and intangible assets	-972.4	-1,231.0	-1,416.1
Disposals of property, plant and equipment and intangible assets	26.6	16.6	5.6
Changes in other financial assets (including investments in non-consolidated companies)	-66.5	-65.9	61.0
Effect of changes in the scope of consolidation	-1,626.8	-9.3	-666.5
<b>Net cash (used in) from investing activities (B)</b>	<b>-2,639.1</b>	<b>-1,289.6</b>	<b>-2,016.0</b>
<b>Cash flows from financing activities</b>			
Dividends paid	-2,190.6	-2,221.1	-2,061.4
Capital increase of the parent company	129.7	60.0	135.3
Disposal (acquisition) of Treasury shares	-	-747.3	-499.4
Purchase of non-controlling interests	-	-	-
Issuance (repayment) of short-term loans	-74.8	-354.9	62.3
Issuance of long-term borrowings	-	-	-
Repayment of long-term borrowings	-3.6	-0.6	-4.3
Repayment of lease debt	-451.8	-425.8	-
<b>Net cash (used in) from financing activities (C)</b>	<b>-2,591.1</b>	<b>-3,689.6</b>	<b>-2,367.5</b>
Net effect of changes in exchange rates and fair value (D)	-103.2	10.5	36.9
<b>Change in cash and cash equivalents (A+B+C+D)</b>	<b>1,119.9</b>	<b>1,294.0</b>	<b>945.4</b>
<b>Cash and cash equivalents at beginning of the year (E)</b>	<b>5,286.0</b>	<b>3,992.0</b>	<b>3,046.6</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E+F)</b>	<b>6,405.9</b>	<b>5,286.0</b>	<b>3,992.0</b>