L'Oréal

€449.80
As of Sun 8 Nov 2026, 12:00 UTC

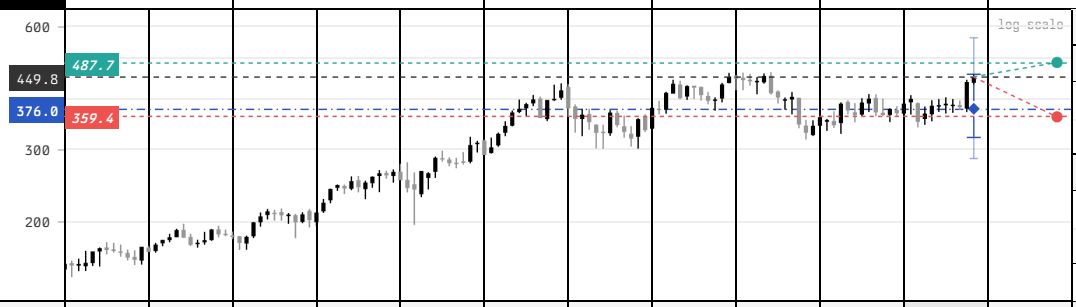
EPA:OR	Consumer Staples	Country	France	PE (Fwd)	29.55	TSR 10Y CAGR	12.42%
Household & Personal Products		Beta (5Y)	0.85	PE TTM	38.14	TSR TTM	26.47%

Div yield	1.66%	ROE	19.40%
Mkt cap	€239.5B	ROIC	16.29%

SE Grade™	★★☆
Value	☆☆☆
Quality	★★★
Moat	★★★

Consensus	Reference
€434	€376
(3.58%)	(16.40%)

Buy 11|4|7|1|1



	2H24	1H25	2H25	1H26
Earnings per share				€
	5.13	6.29	5.15	**6.63**
	(2.67%)	(7.77%)	0.41%	5.41%
Revenue				€B
	21.37	22.47	21.58	**23.78**
	3.68%	1.59%	1.00%	5.80%
Next earnings				11 Feb

TTM	FYE 31 Dec	EUR	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E	Trend	5Y	10Y	Peers
45.35	Revenue	€B	24.92	26.02	26.94	29.87	27.99	32.29	38.26	41.18	43.49	44.05	**47.68**		9.49%	6.54%	80
3.46	*Revenue growth*	*%*	–	*4.44*	*3.51*	*10.90*	*(6.30)*	*15.35*	*18.50*	*7.64*	*5.60*	*1.30*	***8.24***		*7.64*	*5.60*	53
74.38	*Gross margin*	*%*	*71.63*	*71.72*	*72.78*	*73.00*	*73.09*	*73.88*	*72.35*	*73.86*	*74.18*	*74.32*	***74.39***		*73.88*	*73.05*	87
20.30	*Operating margin*	*%*	*18.00*	*17.97*	*18.24*	*18.53*	*18.56*	*19.05*	*19.47*	*19.77*	*19.95*	*20.16*	***20.44***		*19.77*	*18.80*	50
13.90	*Net margin*	*%*	*12.46*	*13.76*	*14.46*	*12.55*	*12.73*	*14.24*	*14.92*	*15.02*	*14.74*	*13.91*	***14.73***		*14.74*	*14.07*	50
38.14	P/E ratio (avg)	x	29.76	28.47	28.70	36.74	42.26	44.04	32.66	35.49	33.19	32.17	***32.63***		33.19	32.92	7
26.76	EV/EBIT	x	20.48	21.40	22.19	24.46	28.24	33.50	25.42	27.50	25.03	22.43	***25.56***		25.42	24.74	7
3.14	*FCF yield (avg)*	*%*	*3.65*	*3.86*	*3.47*	*3.65*	*3.64*	*2.79*	*2.65*	*2.79*	*3.12*	*3.63*	***3.04***		*2.79*	*3.55*	13
16.63	*FCF margin*	*%*	*13.52*	*15.11*	*14.39*	*16.84*	*19.58*	*17.51*	*12.90*	*14.85*	*15.28*	*16.26*	***15.37***		*15.28*	*15.20*	57
1.196	FCF / Net income	x	1.085	1.098	0.995	1.342	1.538	1.230	0.865	0.989	1.037	1.169	***1.044***		1.037	1.092	60
16.29	*ROIC*	*%*	*13.43*	*16.14*	*15.70*	*15.01*	*14.88*	*17.90*	*19.49*	*19.78*	*18.58*	*17.18*	***15.63***		*18.58*	*16.66*	50
19.40	*Return on equity*	*%*	*12.68*	*14.52*	*15.06*	*13.31*	*12.20*	*17.49*	*22.48*	*21.99*	*20.60*	*18.00*	***20.34***		*20.60*	*16.27*	54
9.50	*Return on assets*	*%*	*8.72*	*10.13*	*10.13*	*8.56*	*8.17*	*10.69*	*12.18*	*11.93*	*11.37*	*9.91*	***10.37***		*11.37*	*10.13*	67
11.79	EPS	€	5.50	6.36	6.92	6.66	6.34	8.21	10.61	11.52	11.95	11.44	***13.79***		12.52%	8.48%	–
3.16	*EPS growth*	*%*	–	*15.51*	*8.85*	*(3.68)*	*(4.78)*	*29.43*	*29.25*	*8.49*	*3.82*	*(4.27)*	***8.47***		*8.49*	*8.49*	38
63.29	Bookvalue per sh	€	43.40	44.04	47.82	52.27	51.62	42.13	50.55	54.14	61.81	65.29	***65.74***		4.81%	4.64%	–
14.11	FCF per share	€	5.97	6.98	6.88	8.94	9.76	10.10	9.18	11.39	12.39	13.38	***13.69***		6.51%	9.38%	–
7.49	Dividend per sh	€	3.30	3.55	3.85	3.85	4.00	4.80	6.00	6.60	7.00	7.20	***7.71***		12.47%	9.06%	–
1.66	*Div yield (avg)*	*%*	*2.02*	*1.96*	*1.94*	*1.57*	*1.49*	*1.33*	*1.73*	*1.62*	*1.76*	*1.96*	***1.71***		*1.73*	*1.75*	14
63.54	*Payout ratio*	*%*	*59.95*	*55.87*	*55.64*	*57.81*	*63.09*	*58.47*	*56.55*	*57.29*	*58.58*	*62.94*	***58.81***		*58.47*	*58.14*	41
532.4	Shares (diluted)	M	564.5	563.5	563.1	562.8	561.6	559.8	537.7	537.0	536.1	535.4	***535.5***		(0.95%)	(0.59%)	40
0.13	*Buyback yield*	*%*	–	*0.17*	*0.08*	*0.05*	*0.21*	*0.33*	*3.95*	*0.12*	*0.18*	*0.13*	***(0.03)***		*0.18*	*0.17*	40
0.493	D/E ratio	x	0.052	0.047	0.046	0.098	0.088	0.267	0.208	0.299	0.256	0.340	***0.474***		0.267	0.153	64
246.4	Enterprise value	€B	91.89	100.1	109.0	135.4	146.7	206.1	189.4	223.9	217.2	199.2	***249.1***		6.31%	8.98%	87
11.72	LT debt	€B	0.031	0.013	0.013	1.638	1.303	1.258	4.231	6.141	6.645	9.433	***11.72***		48.57%	88.83%	53

Peers (US$268.9B)	Cap (US$)	PE
Danone S.A.	48.48B	22.23x
Pernod Ricard SA	20.10B	14.91x
Kweichow Moutai Co.…	272.3B	22.13x
Nestlé S.A.	270.8B	29.69x

Capital	TTM	5Y	10Y
Leverage x	1.224	0.461	0.055
EBIT/Int x	20.74	35.91	89.62
Own earn %	16.07	14.73	14.68
Sh yield %	1.80	1.94	1.94

Owners		
Insiders/Inst	%	1.31	15.78
Short interest	%	–
SBC / revenue	%	0.56

Record	10Y
Profitable years	10/10
Revenue growth years	8/9
EPS growth years	6/9
Dividend streak	yrs	5
Op margin range	%	18–20
$1 test	x	6.2
Incr. ROIC	%	24

L'Oréal's third quarter leaned on travel and sunshine. Hainan travel retail was very positive while Mainland China stayed a bit negative, and a very good summer sun season lifted La Roche-Posay and CeraVe sun care. Mexico was the soft spot, where makeup inventory gaps from a warehouse IT transition and customer pricing swings hurt sales. That follows a first half in which revenue rose 5.8%, below the 9.5% five-year compound rate. Strong franchises do not cover the price: SE fair value of €376 is 16.4% below the price.

Management expects the beauty market to grow about 5% in the fourth quarter, with regional differences. It says L'Oréal will keep outperforming that market, though at a slightly more moderate rate. The CEO was firm: "We will deliver on a full-year basis the promised acceleration of our top-line growth versus last year, significantly." Strategy includes taking Mixa beyond Europe and speeding Dr.G's U.S. launch. Analysts pressed on whether North Asia can accelerate again, and management pointed to tougher comparisons. On margins, it said discipline is not the priority and it would rather fuel growth.

Consensus already expects acceleration. Analysts forecast EPS growth of 8.5% for FY2026 and 10.4% for FY2027, on FY2026 revenue growth of 8.2%. That fits management's call for faster sales, but the price asks for more. It implies revenue growth of 9.6% a year over five years, above the 8.2% consensus for FY2026, and that is a demanding bar for a company that beat in 0 of the last 2 quarters on record. Even a full delivery on guidance leaves little room for any shortfall.

Margins are improving while returns are slipping. Gross margin of 74.4% is in line with its five-year median, up 1.9 points over three years and at the 90th percentile of the closest peers by size. FCF margin rose from 12.9% in FY2022 to 16.3% in FY2025. Returns moved the other way. ROE fell from 22.5% to 18.0% over the same years, and ROIC eased from 19.5% to 17.2%. Those falling returns are the weak spot in an otherwise strong quality record.

Debt/equity of 0.49x is 85% above its five-year median, and that extra leverage comes as returns soften. P/E of 38.1x sits above its 10-year median of 32.9x. SE fair value of €376 is 16.4% below the price, held with high confidence. The analyst average target of €434 is 3.6% below it. For the price to hold, revenue must compound well beyond what companies this large usually manage. If half-year growth slips back toward the low single digits, the price no longer has that support.

The SE Score is 2 of 3. Quality earns three stars because ROIC of 18% sits well above an 8.5% cost of capital, and interest cover is a comfortable 20.7 times. Moat also earns three stars: ROIC has topped 15% in 8 of the last 10 years and gross margin has stayed stable. Value earns no stars, since the price stands above SE fair value, which left the business tier unchanged. The overall score comes down from 3 because the five-year return over the hurdle ranks below the top 5% of companies.

H1 2026

L'Oréal S.A., through its subsidiaries, manufactures and sells skincare, make-up, hair colourant, haircare, perfume and hygiene products for women and men across Europe, North and Latin America, Asia, the Middle East and Africa. Its Professional Products, Consumer Products, Luxe and Dermatological Beauty divisions sell brands such as L'Oréal Paris, Garnier, Lancôme and CeraVe via hair salons, pharmacies, e-commerce and mass retail.

Profit by segment	Profit	Trend	Revenue	Rel margin
L'Oréal Luxe	43.00%		42.32%	1.02×
Consumer Products	42.45%		43.67%	0.97×
Professional Products	14.55%		14.01%	1.04×

Revenue by region	Top 3 76%	Trend
North America	26.60%	
Europe (ex-France)	26.45%	
North Asia	22.87%	

Reinvestment returns	10Y median	Trend
Reinvestment rate	26.01%	
Return on capital	16.66%	
Spread over hurdle	10.54%	

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