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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-14064

The Estée Lauder Companies Inc.

(Exact name of registrant as specified in its charter)

Delaware	**11-2408943**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
767 Fifth Avenue, New York, New York	**10153**
(Address of principal executive offices)	(Zip Code)

212-572-4200

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $.01 par value	EL	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At October 26, 2026, 247,823,116 shares of the registrant's Class A Common Stock, $.01 par value, and 114,507,344 shares of the registrant's Class B Common Stock, $.01 par value, were outstanding.

THE ESTÉE LAUDER COMPANIES INC.

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements.***

THE ESTÉE LAUDER COMPANIES INC.

CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

(In millions, except per share data)	Three Months Ended September 30, 2026	2025
Net sales	$ 3,715	$ 3,481
Cost of sales	902	927
Gross profit	2,813	2,554
Operating expenses		
Selling, general and administrative	2,365	2,296
Restructuring and other charges	40	89
Total operating expenses	2,405	2,385
Operating income	408	169
Interest expense	83	86
Interest income and investment income, net	25	30
Other components of net periodic benefit cost	5	4
Earnings before income taxes	345	109
Provision for income taxes	112	62
Net earnings	$ 233	$ 47
Net earnings per common share		
Basic	$ .64	$ .13
Diluted	$ .64	$ .13
Weighted average common shares outstanding		
Basic	363.3	361.2
Diluted	366.1	363.3

See notes to consolidated financial statements.

THE ESTÉE LAUDER COMPANIES INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended September 30, 2026	2025
Net earnings	$ 233	$ 47
Other comprehensive income (loss):		
Net cash flow hedge	(3)	16
Cross-currency swap contract - fair value hedge	(3)	3
Retirement plan and other retiree benefit adjustments	(1)	4
Translation adjustments	9	(27)
Income tax effect on components of other comprehensive income (loss)	8	(10)
Total other comprehensive income (loss), net of tax	10	(14)
Comprehensive income	$ 243	$ 33

See notes to consolidated financial statements.

THE ESTÉE LAUDER COMPANIES INC.

CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions, except share and per share data)	September 30, 2026	June 30, 2026
ASSETS		
Current assets		
Cash and cash equivalents	$ 3,198	$ 3,498
Accounts receivable, net	1,914	1,518
Inventory and promotional merchandise	2,147	1,999
Prepaid expenses and other current assets	565	597
Total current assets	7,824	7,612
Property, plant and equipment, net	2,707	2,805
Other assets		
Operating lease right-of-use assets	1,752	1,740
Goodwill	2,108	2,107
Other intangible assets, net	3,581	3,579
Other assets	1,991	1,919
Total other assets	9,432	9,345
Total assets	$ 19,963	$ 19,762
LIABILITIES AND EQUITY		
Current liabilities		
Current debt	$ 503	$ 503
Accounts payable	1,472	1,578
Operating lease liabilities	392	399
Other accrued liabilities	3,888	3,751
Total current liabilities	6,255	6,231
Noncurrent liabilities		
Long-term debt	6,748	6,803
Long-term operating lease liabilities	1,557	1,541
Other noncurrent liabilities	1,365	1,381
Total noncurrent liabilities	9,670	9,725
Commitments and contingencies		
Equity		
Common stock, $.01 par value; Class A shares authorized: 1,300,000,000 at September 30, 2026 and June 30, 2026; shares issued: 486,781,617 at September 30, 2026 and 486,257,584 at June 30, 2026; Class B shares authorized: 304,000,000 at September 30, 2026 and June 30, 2026; shares issued and outstanding: 114,507,344 at September 30, 2026 and June 30, 2026	6	6
Paid-in capital	7,497	7,378
Retained earnings	11,445	11,341
Accumulated other comprehensive loss	(1,143)	(1,153)
	17,805	17,572
Less: Treasury stock, at cost; 238,966,186 Class A shares at September 30, 2026 and 238,966,361 Class A shares at June 30, 2026	(13,767)	(13,766)
Total equity	4,038	3,806
Total liabilities and equity	$ 19,963	$ 19,762

See notes to consolidated financial statements.

THE ESTÉE LAUDER COMPANIES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Three Months Ended September 30, 2026	2025
Cash flows from operating activities		
Net earnings	$ 233	$ 47
Adjustments to reconcile net earnings to net cash flows from operating activities:		
Depreciation and amortization	191	200
Deferred income taxes	(71)	(34)
Non-cash stock-based compensation	70	88
Non-cash restructuring and other charges	12	3
Pension and post-retirement benefit expense	19	21
Pension and post-retirement benefit contributions	(11)	(28)
Other adjustments and non-cash items	3	(2)
Changes in operating assets and liabilities:		
Increase in accounts receivable, net	(399)	(358)
(Increase) decrease in inventory and promotional merchandise	(146)	6
Increase in other assets, net	(6)	(11)
Decrease in accounts payable	(111)	(204)
Increase (decrease) in other accrued and noncurrent liabilities	58	(79)
(Decrease) increase in operating lease assets and liabilities, net	(8)	11
Net cash flows used for operating activities	(166)	(340)
Cash flows from investing activities		
Capital expenditures	(69)	(96)
Proceeds from the disposition of investments	—	3
Settlement of net investment hedges	8	(23)
Net cash flows used for investing activities	(61)	(116)
Cash flows from financing activities		
Repayments of long-term debt	(1)	(1)
Payment of deferred consideration	—	(150)
Settlement of cross-currency swaps	1	9
Net proceeds from stock-based compensation transactions	47	39
Dividends paid to stockholders	(126)	(127)
Payments to acquire treasury stock	(1)	(9)
Net cash flows used for financing activities	(80)	(239)
Effect of exchange rate changes on Cash and cash equivalents	7	(7)
Net decrease in Cash and cash equivalents	(300)	(702)
Cash and cash equivalents at beginning of period	3,498	2,921
Cash and cash equivalents at end of period	$ 3,198	$ 2,219

See notes to consolidated financial statements.

THE ESTÉE LAUDER COMPANIES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements include the accounts of The Estée Lauder Companies Inc. and its subsidiaries (collectively, the "Company"). All significant intercompany balances and transactions have been eliminated.

The unaudited interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP in annual financial statements. The unaudited interim consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. The results of operations of any interim period are not necessarily indicative of the results of operations to be expected for the full fiscal year. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying footnotes included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

Management Estimates

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in those financial statements. Descriptions of the Company's significant accounting policies are discussed in the notes to consolidated financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026. Management evaluates the related estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, as relevant, and makes adjustments when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from those estimates and assumptions. Significant changes, if any, in those estimates and assumptions will be reflected in the consolidated financial statements in future periods.

Currency Translation and Transactions

All assets and liabilities of foreign subsidiaries and affiliates are translated at period-end rates of exchange, while revenue and expenses are translated at monthly average rates of exchange for the period. Unrealized translation gains (losses), net of tax, reported as translation adjustments through other comprehensive income (loss) ("OCI") were $14 million and $(32) million, net of tax, during the three months ended September 30, 2026 and 2025, respectively. For the Company's subsidiaries operating in highly inflationary economies, the U.S. dollar is the functional currency, and these subsidiaries are not material to the Company's consolidated financial statements or liquidity as of and for the three months ended September 30, 2026 and 2025. Remeasurement adjustments in financial statements in a highly inflationary economy and other transactional gains and losses are reflected in earnings.

The Company enters into foreign currency forward contracts to hedge foreign currency transactions for periods consistent with its identified exposures. The Company also uses cross-currency swap contracts to hedge the impact of foreign currency changes on certain intercompany foreign currency denominated debt. Additionally, the Company enters into foreign currency forward contracts and cross-currency swap contracts to hedge a portion of its net investment in certain foreign operations, which are designated as net investment hedges. See *Note 4 – Derivative Financial Instruments* for further discussion. The Company categorizes these instruments as entered into for purposes other than trading.

Net exchange losses on foreign currency transactions of $7 million and $6 million during the three months ended September 30, 2026 and 2025, respectively, are included within Net sales and Selling, general and administrative expenses within the accompanying consolidated statements of earnings. The impact recorded within Net sales relates solely to foreign currency forward contract derivatives. See *Note 4 - Derivative Financial Instruments* for further discussion.

Concentration of Credit Risk

The Company is a worldwide manufacturer, marketer and seller of skin care, makeup, fragrance and hair care products. The Company's sales subject to credit risk are made primarily to department stores, duty-free retailers, specialty-multi retailers, online pure players, perfumeries and pharmacies, and salons and spas. The Company grants credit to qualified customers. While the Company does not believe it is exposed significantly to any undue concentration of credit risk at this time, it continues to monitor its customers' abilities, individually and collectively, to make timely payments.

Inventory and Promotional Merchandise

Inventory and promotional merchandise consists of the following:

(In millions)	September 30, 2026	June 30, 2026
Raw materials	$ 606	$ 581
Work in process	218	241
Finished goods	1,157	1,017
Promotional merchandise	166	160
Total inventory and promotional merchandise	$ 2,147	$ 1,999

Property, Plant and Equipment

Property, plant and equipment consists of the following:

($ in millions)	September 30, 2026	June 30, 2026
Assets (Useful Life)		
Land and improvements[(1)]	$ 71	$ 71
Buildings and improvements (10 to 40 years)	1,018	1,010
Machinery and equipment (3 to 20 years)	1,407	1,391
Computer hardware and software (2 to 10 years)	2,127	2,098
Furniture and fixtures (5 to 10 years)	140	142
Leasehold improvements	2,690	2,687
Construction in progress	233	263
Total property, plant and equipment, gross	7,686	7,662
Less accumulated depreciation and amortization	(4,979)	(4,857)
Total property, plant and equipment, net	$ 2,707	$ 2,805

(1) Land improvements are depreciated over a 10 year useful life.

Depreciation and amortization of property, plant and equipment was $170 million during each of the three months ended September 30, 2026 and 2025. Depreciation and amortization related to the Company's manufacturing process is included in Cost of sales, accelerated depreciation and amortization related to the restructuring component of the Profit Recovery and Growth Plan is included in Restructuring and other charges and all other depreciation and amortization is included in Selling, general and administrative expenses in the accompanying consolidated statements of earnings.

Income Taxes

The effective rate for income taxes was 32.5% and 56.9% for the three months ended September 30, 2026 and 2025, respectively, a 2,440 basis point decrease period over period. The extent of the period-over-period change was broadly impacted by the lower earnings before taxes for the three months ended September 30, 2025. The decrease in the effective tax rate was primarily attributable to a more favorable estimated full year geographical mix of earnings partially offset by the estimated increase in unrecognized tax benefits primarily related to transfer pricing matters impacting multiple tax jurisdictions.

On July 4, 2025, the One Big Beautiful Bill Act was enacted. This legislation includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of certain business tax provisions. The estimated fiscal 2027 impact of the provisions that became effective in fiscal 2027 is not expected to be material.

As of September 30, 2026 and June 30, 2026, the gross amount of unrecognized tax benefits, exclusive of interest and penalties, totaled $178 million and $174 million, respectively. The total amount of unrecognized tax benefits at September 30, 2026 that, if recognized, would affect the effective tax rate was $172 million. The total gross interest and penalties accrued related to unrecognized tax benefits during the three months ended September 30, 2026 in the accompanying consolidated statements of earnings was $2 million. The total gross accrued interest and penalties in the accompanying consolidated balance sheets at September 30, 2026 and June 30, 2026, was $23 million and $22 million, respectively.

At September 30, 2026 and June 30, 2026, total Other assets of $1,991 million and $1,919 million included $1,509 million and $1,427 million of deferred tax assets, respectively.

Supplier Finance Programs

Under its supplier finance programs, the Company agrees to pay the banks the stated amount of confirmed invoices from its designated suppliers on the due dates of the invoices. The Company may terminate the agreements upon written notice (with notice periods ranging from 30 to 60 days) or immediately upon a breach. The supplier invoices that have been confirmed as valid under the programs require payment in full within 90 days of the invoice date.

Outstanding obligations confirmed as valid totaling $44 million and $87 million as of September 30, 2026 and June 30, 2026, respectively, are included in Accounts payable in the accompanying consolidated balance sheets.

Other Accrued Liabilities

Other accrued liabilities consist of the following:

(In millions)	September 30, 2026	June 30, 2026
Accrued employee compensation	$ 460	$ 697
Accrued income taxes	332	205
Accrued payroll and other non-income taxes	399	328
Accrued restructuring	432	531
Accrued sales incentives	320	338
Accrued selling, advertising, marketing, promotion and product development	321	276
Deferred revenue	319	282
Other	1,305	1,094
Total other accrued liabilities	$ 3,888	$ 3,751

Recently Adopted Accounting Standards

FASB ASU No. 2025-05 – Measurement of Credit Losses for Accounts Receivable and Contract Assets (Topic 326)

In July 2025, the FASB issued authoritative guidance related to the estimation of expected credit losses for current accounts receivable and current contract assets. The guidance allows entities to elect a practical expedient to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset in the development of a reasonable and supportable forecast as part of estimating expected credit losses. Entities electing the practical expedient are still required to adjust historical loss information to reflect current conditions to the extent that historical loss information does not reflect current conditions. An entity that elects to use the practical expedient is required to disclose that fact.

Effective for the Company: The guidance became effective for the Company's first quarter of fiscal 2027 and has been applied prospectively.

Impact on consolidated financial statements: The Company has elected to adopt the practical expedient related to the estimation of expected credit losses beginning in the first quarter of fiscal 2027, which assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. When determining the appropriate allowance for credit losses, the Company will continue to evaluate certain criteria, including aging and historical write-offs and the current economic condition of specific customers. The adoption of this practical expedient did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Standards

FASB ASU No. 2026-02 – Environmental Credits and Environmental Credit Obligations (Topic 818)

In May 2026, the FASB issued authoritative guidance establishing requirements for the recognition, measurement, presentation and disclosure of environmental credits and environmental credit obligations. Environmental credit assets should be recognized and measured, including both initial and subsequent measurement, based on their intended use as well as how the credits are obtained. Costs for environmental credits that do not meet the asset recognition criteria are expensed as incurred. Environmental credit obligation liabilities are measured based on the carrying amount of the environmental credit owned that are considered probable of being used to settle the obligation (funded portion), with any excess liability measured based on the fair value of the environmental credits necessary to settle that portion of the liability (unfunded portion) at the reporting date, with certain exceptions. Environmental credit assets and environmental credit obligations should be presented separately within an entity's consolidated balance sheet. Entities are required to provide several quantitative and qualitative disclosures for their environmental credits and environmental obligations in annual reporting periods.

Effective for the Company: The guidance becomes effective for the Company's first quarter of fiscal 2029 and is applied on a retrospective basis through a cumulative-effect adjustment to the opening balance of retained earnings (prior reporting periods are not recast). Early adoption is permitted as of the beginning of an annual reporting period.

Impact on consolidated financial statements: The Company is currently evaluating the impact that this guidance will have on its consolidated financial statements.

FASB ASU No. 2025-10 – Accounting for Government Grants Received by Business Entities (Topic 832)

In December 2025, the FASB issued authoritative guidance on the recognition, measurement, and presentation of government grants received by business entities. A government grant is defined as a transfer of a monetary asset or a tangible nonmonetary asset, other than in an exchange transaction, from a government to an entity. Government grants are recognized in earnings in the same periods that the costs for which the grant was intended to compensate are recognized. A government grant can be recognized once it is probable that both of the following conditions are met: (1) the company will comply with the conditions attached to the grant and (2) the grant will be received. The guidance differentiates between a grant related to an asset and a grant related to income, which is based on the purpose and conditions of the grant. A grant related to an asset is a government grant that is conditioned on the purchase, construction, or acquisition of an asset and is recognized on the balance sheet once the probable threshold is met and the related costs are incurred. The guidance allows companies to make an accounting policy election to use either a deferred income approach or a cost accumulation approach for recognition of a grant of an asset. A grant related to income is a government grant that does not meet the definition of a grant related to an asset and is recognized in earnings on a systematic and rational basis over the periods the related costs are recognized as expenses. The guidance allows alternative accounting policies for the financial statement presentation of a government grant, depending on the type of grant as well as new disclosure requirements for grants related to an asset and grants of tangible nonmonetary assets.

Effective for the Company: The guidance becomes effective for the Company's first quarter of fiscal 2030. The guidance can be applied on a modified prospective basis, modified retrospective basis or a full retrospective basis. Early adoption is permitted.

Impact on consolidated financial statements: The Company is currently evaluating the impact that this guidance will have on its consolidated financial statements.

FASB ASU No. 2025-06 – Targeted Improvements to the Accounting for Internal-Use Software (Subtopic 350-40)

In September 2025, the FASB issued authoritative guidance to modernize the accounting for the costs to develop software for internal use to align better with current software development methods, such as agile programming. Capitalization of eligible costs will begin when (1) management has authorized and committed to funding the software project, and (2) it is probable that the project will be completed and the software will be used to perform the function intended. In evaluating whether it is probable the project will be completed, entities are required to consider whether there is significant uncertainty associated with the development activities of the software. The new standard does not change the types of costs that are capitalizable once the threshold for capitalization is met. Capitalization ceases when the software project is substantially complete and ready for its intended use, which typically occurs after all substantial testing is completed. Furthermore, the guidance supersedes website development costs guidance and incorporates the recognition requirements for website-specific development costs into Subtopic 350-40. The guidance clarifies that existing disclosure requirements under ASC 360 for property, plant and equipment apply to capitalized costs under the new standard, regardless of how the internal-use software is classified on the balance sheet or how it was acquired.

Effective for the Company: The guidance becomes effective for the Company's first quarter of fiscal 2029. The guidance can be applied prospectively, retrospectively or through a modified transition approach. Early adoption is permitted.

Impact on consolidated financial statements: The Company is currently evaluating the impact that this guidance will have on its consolidated financial statements.

FASB ASU No. 2024-03 and 2025-01 – Disaggregation of Income Statement Expenses (Subtopic 220-40)

In November 2024 and January 2025, the FASB issued authoritative guidance requiring disclosures, in a tabular format in the notes to the consolidated financial statements, on the disaggregation of relevant expense captions that are included on the face of the consolidated statement of earnings within continuing operations. The relevant expense captions are required to be disaggregated into natural expense categories including purchases of inventory, employee compensation, depreciation and intangible asset amortization. The guidance also requires certain expenses, gains or losses that require disclosure under existing U.S. GAAP, and that are recorded in a relevant expense caption on the face of the consolidated statement of earnings, to be presented in the same tabular disclosure. Qualitative disclosures about any remaining amounts in relevant expense line items are required as well. In addition, companies are required to disclose the total amount of selling expenses and, on an annual basis, how it defines selling expenses.

Effective for the Company: The guidance is effective for the Company's fiscal year ending June 30, 2028 Form 10-K and then in interim periods beginning in the Company's first quarter of fiscal 2029. Early adoption is permitted. The guidance should be applied on a prospective basis; however, retrospective application is permitted.

Impact on consolidated financial statements: The Company is currently evaluating the impact that this guidance will have on its consolidated financial statement disclosures.

THE ESTÉE LAUDER COMPANIES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The Company assigns goodwill at the time of acquisition to a reporting unit, which is one level below the Company's operating segments. The skin care, makeup, fragrance and hair care product categories are the Company's operating segments.

The following table presents goodwill by product category and the related change in the carrying amount:

(In millions)	Skin Care	Makeup	Fragrance	Hair Care	Total
Balance as of June 30, 2026					
Goodwill	$ 1,543	$ 1,116	$ 271	$ 353	$ 3,283
Accumulated impairments	(401)	(745)	(30)	—	(1,176)
	1,142	371	241	353	2,107
Translation adjustments, goodwill	38	—	(1)	—	37
Translation adjustments, accumulated impairments	(36)	—	—	—	(36)
	2	—	(1)	—	1
Balance as of September 30, 2026					
Goodwill	1,581	1,116	270	353	3,320
Accumulated impairments	(437)	(745)	(30)	—	(1,212)
Total goodwill	$ 1,144	$ 371	$ 240	$ 353	$ 2,108

Other Intangible Assets

Other intangible assets consist of the following:

	September 30, 2026			June 30, 2026		
(In millions)	Gross Carrying Value	Accumulated Amortization	Total Net Book Value	Gross Carrying Value	Accumulated Amortization	Total Net Book Value
Amortizable intangible assets:						
Customer lists and other	$ 1,969	$ 1,476	$ 493	$ 1,870	$ 1,372	$ 498
Non-amortizable intangible assets:						
Trademarks			3,088			3,081
Total other intangible assets, net			$ 3,581			$ 3,579

The aggregate amortization expense related to amortizable intangible assets was $26 million for each of the three months ended September 30, 2026 and 2025. The estimated aggregate amortization expense for the remainder of fiscal 2027 and for each of the next four fiscal years related to amortizable intangible assets as of September 30, 2026 is as follows:

	Fiscal				
(In millions)	2027	2028	2029	2030	2031
Estimated aggregate amortization expense	$ 62	$ 71	$ 70	$ 68	$ 50

NOTE 3 – CHARGES ASSOCIATED WITH RESTRUCTURING AND OTHER ACTIVITIES

Restructuring Program Component of the Profit Recovery and Growth Plan

As announced on November 1, 2023, the Company launched the Profit Recovery and Growth Plan ("PRGP") to help progressively rebuild its profit margins in fiscal years 2025 and 2026.

As a component of the PRGP, on February 5, 2024, the Company announced a two-year restructuring program. The Company committed to this course of action on February 1, 2024. The Company planned to substantially complete specific initiatives under the restructuring program through fiscal 2026.

After reviewing additional potential initiatives and the progress of previously approved initiatives, on February 3, 2025, the Company committed to the expansion of the PRGP, including an expansion of the restructuring program.

The expanded component of the restructuring program began during the Company's fiscal 2025 third quarter with all initiatives expected to be approved by the end of fiscal 2026, with specific initiatives under the expanded component of the restructuring program expected to be substantially completed by the end of fiscal 2027. The focus of the overall expanded restructuring program (collectively the "Restructuring Program") includes (i) reorganization and rightsizing of certain areas, (ii) simplification and acceleration of processes, (iii) outsourcing of select services and (iv) evolution of go-to-market footprint and selling models.

As of June 30, 2026, approvals under the Restructuring Program concluded, and by the end of fiscal 2027, the cumulative approved initiatives are expected to be substantially completed.

Based on the total approved initiatives, the Company estimates a final net reduction of approximately 10,000 positions globally. This net reduction takes into account the elimination of positions after retraining and redeployment of certain employees in select areas.

Based on the total approved initiatives, the Company estimates total restructuring and other charges of approximately $1,700 million, before taxes, consisting of employee-related costs, asset-related costs, contract terminations and other costs associated with implementing these initiatives. Other than the non-cash charges, initiatives are funded from cash provided by operations.

Additional information relating to the Company's Profit Recovery and Growth Plan and related Restructuring Program, as well as the cumulative Restructuring Program approvals through June 30, 2026 by major cost type and specific actions taken since the inception of the Restructuring Program are included in *Notes to Consolidated Financial Statements, Note 7 - Charges Associated with Restructuring and Other Activities* in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

Restructuring Program Restructuring and Other Charges

The Company classifies restructuring charges as follows:

Employee-Related Costs – Employee-related costs are primarily comprised of severance and other post-employment benefit costs, calculated based on salary levels, prior service and other statutory minimum benefits, if applicable.

Asset-Related Costs – Asset-related costs primarily consist of asset write-offs or accelerated depreciation related to long-lived assets (including operating lease right-of-use assets) that will be taken out of service prior to their existing useful life as a direct result of a restructuring initiative.

Contract Terminations – Costs related to contract terminations include continuing payments to a third party after the Company has ceased benefiting from the rights conveyed in the contract, or a payment made to terminate a contract prior to its expiration.
Other Exit Costs – Other exit costs related to restructuring activities generally include costs to relocate facilities or employees, recruiting to fill positions as a result of relocation of operations, and outplacement for separated employees.

THE ESTÉE LAUDER COMPANIES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company classifies other charges associated with restructuring activities as follows:

Sales Returns and Cost of Sales – Product returns (offset by the related cost of sales) and inventory write-offs or write-downs as a direct result of an approved restructuring initiative to exit certain businesses or locations will be recorded as a component of Net sales and/or Cost of sales when estimable and reasonably assured.

Other Charges – Other charges related to the design and implementation of approved initiatives are charged to Operating expenses as incurred and primarily include the following:

- Consulting and other professional services for transition support, transformational organization design of the future structures and processes, as well as the implementation and execution thereof;
- Temporary labor backfill;
- Costs to establish and maintain a Project Management Office for the duration of the Restructuring Program, including internal costs for employees dedicated solely to project management activities, and consulting services to assist with business case development and execution; and
- Recruitment and training costs for new and reskilled employees to acquire and apply the capabilities needed to perform responsibilities as a direct result of an approved restructuring initiative.

The Company records approved charges associated with restructuring and other activities once the relevant accounting criteria have been met.

Total cumulative charges recorded associated with restructuring and other activities for the Restructuring Program were:

(In millions)	Sales Returns (included in Net Sales)	Cost of Sales	Operating Expenses		Total
			Restructuring Charges	Other Charges	
Total Charges					
Cumulative charges through June 30, 2026	$ 13	$ 7	$ 1,132	$ 282	$ 1,434
Three months ended September 30, 2026	1	—	6	34	41
Cumulative charges through September 30, 2026	$ 14	$ 7	$ 1,138	$ 316	$ 1,475

Included in the above table, cumulative restructuring charges recorded by the Company in connection with the Restructuring Program as of September 30, 2026, by major cost type were:

(In millions)	Employee-Related Costs	Asset-Related Costs	Contract Terminations	Other Exit Costs	Total
Restructuring Charges (Adjustments)					
Cumulative charges through June 30, 2026	$ 1,017	$ 77	$ 25	$ 13	$ 1,132
Three months ended September 30, 2026	(8)	14	—	—	6
Cumulative charges through September 30, 2026	$ 1,009	$ 91	$ 25	$ 13	$ 1,138

Changes in accrued restructuring charges from the Restructuring Program for the three months ended September 30, 2026 were:

(In millions)	Employee-Related Costs	Asset-Related Costs	Contract Terminations	Other Exit Costs	Total
Balance at June 30, 2026	$ 608	$ —	$ 23	$ 1	$ 632
Charges (adjustments)	(8)	14	—	—	6
Cash payments	(89)	—	(21)	(1)	(111)
Non-cash asset-related costs	—	(13)	—	—	(13)
Translation and other adjustments	(2)	—	(1)	—	(3)
Balance at September 30, 2026	$ 509	$ 1	$ 1	$ —	$ 511

Accrued restructuring charges at September 30, 2026 relating to the Restructuring Program are expected to result in cash expenditures funded from cash provided by operations of approximately $417 million, $78 million and $16 million for the remainder of fiscal 2027 and for fiscal 2028 and 2029, respectively.

Charges associated with restructuring and other activities are not allocated to the Company's product categories or geographic regions because they are centrally directed and controlled, are not included in internal measures of product category or geographic region performance and result from activities that are deemed Company-wide initiatives to redesign, resize and reorganize select areas of the business.

NOTE 4 – DERIVATIVE FINANCIAL INSTRUMENTS

The Company addresses certain financial exposures through a controlled program of risk management that includes the use of derivative financial instruments. The Company does not utilize derivative financial instruments for trading or speculative purposes. At September 30, 2026, the notional amount of derivatives not designated as hedging instruments was $3,448 million.

Fair Value Hedges

The Company enters into interest rate contracts to manage the exposure to interest rate fluctuations on its funded indebtedness. At September 30, 2026, the Company has interest rate swap contracts, with notional amounts totaling $700 million, $300 million and $600 million to effectively convert the fixed rate interest on its 2030 Senior Notes, 2031 Senior Notes and 2034 Senior Notes, respectively, to variable interest rates based on the Secured Overnight Financing Rate ("SOFR") plus a margin. These interest rate swap contracts are designated as fair value hedges of the related long-term debt, and the changes in the fair value of the interest rate swap contracts are exactly offset by the change in the fair value of the underlying long-term debt.

The Company enters into cross-currency swap contracts to manage the exposure of foreign exchange rate fluctuations on its intercompany foreign currency denominated debt. At September 30, 2026, the Company has cross-currency swap contracts with notional amounts totaling $406 million, to hedge the impact of foreign currency changes on certain intercompany foreign currency denominated debt. The cross-currency swap contracts are designated as fair value hedges of the related intercompany debt, and the gains and losses representing hedge components included in the assessment of effectiveness are presented in the same line item as the earnings effect of the hedged transaction in the consolidated statements of earnings. Gains and losses on the derivative representing hedge components excluded from the assessment of effectiveness are recognized over the life of the hedge on a systematic and rational basis. The earnings recognition of excluded components is presented in the same line item as the earnings effect of the hedged transaction in the consolidated statements of earnings. Any difference between the changes in the fair value of the excluded components and amounts recognized in earnings will be recognized in Accumulated Other Comprehensive Loss ("AOCI").

The estimated net gain on the Company’s derivative financial instruments designated as fair value hedges as of September 30, 2026 that is expected to be reclassified from AOCI into earnings, net of tax, within the next twelve months is $11 million. The accumulated net gain on derivative financial instruments designated as fair value hedges in AOCI was $3 million and $6 million as of September 30, 2026 and June 30, 2026, respectively.

Cash Flow Hedges

The Company enters into foreign currency forward contracts to hedge anticipated transactions denominated in foreign currencies, for periods consistent with the Company's identified exposures. The purpose of the hedging activities is to minimize the effect of foreign exchange rate movements on the cash flows that the Company receives from foreign subsidiaries. The foreign currency forward contracts entered into to hedge anticipated transactions denominated in foreign currencies have been designated as cash flow hedges and have varying maturities through the end of June 2027. Hedge effectiveness of the foreign currency forward contracts is based on the forward method, which includes forward points in the effectiveness assessment. At September 30, 2026, the Company had cash flow hedges outstanding with notional amounts totaling $984 million.

For foreign currency forward contracts that are no longer deemed highly effective, hedge accounting is discontinued and gains and losses in AOCI are reclassified to Net sales when the underlying forecasted transaction occurs. If it is probable that the forecasted transaction will no longer occur, then any gains or losses in AOCI are reclassified to current-period Net sales. As of September 30, 2026, the Company's foreign currency cash flow hedges were highly effective.

The Company may enter into interest rate forward contracts to hedge anticipated issuance of debt for periods consistent with the Company's identified exposures. The purpose of the hedging activities is to minimize the effect of interest rate movements on the cost of debt issuance.

The estimated net loss on the Company's derivative financial instruments designated as cash flow hedges as of September 30, 2026 that is expected to be reclassified from AOCI into earnings, net of tax, within the next twelve months is $9 million. The accumulated net gain on derivative financial instruments designated as cash flow hedges in AOCI was $22 million and $25 million as of September 30, 2026 and June 30, 2026, respectively.

Net Investment Hedges

The Company enters into foreign currency forward contracts and cross-currency swap contracts, designated as net investment hedges, to hedge a portion of its net investment in certain foreign operations. Forward points and cross-currency basis spreads, respectively, are excluded from the effectiveness assessment and are recognized under a systematic and rational method over the life of the hedging instrument in Selling, general and administrative expenses. The purpose of the hedging activities is to minimize the effect of foreign exchange rate movements on the Company's net investment in these foreign operations. The net investment hedge contracts have varying maturities through the end of November 2029. Hedge effectiveness of the net investment hedge contracts is based on the spot method. At September 30, 2026, the Company had net investment hedges outstanding with notional amounts totaling $1,113 million.

Credit Risk

As a matter of policy, the Company only enters into derivative contracts with counterparties that have a long-term credit rating of at least A- or higher by at least two nationally recognized rating agencies. The counterparties to these contracts are major financial institutions. Exposure to credit risk in the event of nonperformance by any of the counterparties is limited to the gross fair value of contracts in asset positions, which totaled $36 million at September 30, 2026. To manage this risk, the Company has strict counterparty credit guidelines that are continually monitored. Accordingly, management believes risk of loss under these hedging contracts is remote.

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The fair values of the Company's derivative financial instruments included in the consolidated balance sheets are presented as follows:

	Asset Derivatives			Liability Derivatives		
		Fair Value [1]			Fair Value [1]	
(In millions)	Balance Sheet Location	September 30, 2026	June 30, 2026	Balance Sheet Location	September 30, 2026	June 30, 2026
Derivatives Designated as Hedging Instruments:						
Foreign currency forward contracts	Prepaid expenses and other current assets	$ 10	$ 29	Other accrued liabilities	$ 21	$ 24
Cross-currency swap contracts[2]	Prepaid expenses and other current assets; Other assets	14	34	Other accrued liabilities	8	1
Interest rate contracts	Prepaid expenses and other current assets	—	—	Other accrued liabilities	175	118
Total Derivatives Designated as Hedging Instruments		24	63		204	143
Derivatives Not Designated as Hedging Instruments:						
Foreign currency forward contracts	Prepaid expenses and other current assets	12	11	Other accrued liabilities	6	23
Total derivatives		$ 36	$ 74		$ 210	$ 166

(1) See *Note 5 – Fair Value Measurements* for further information about how the fair value of derivative assets and liabilities are determined.

(2) Included in the asset derivatives for the cross-currency swap contracts at September 30, 2026 and June 30, 2026 is approximately $6 million and $17 million, respectively, classified within Other assets in the accompanying consolidated balance sheets.

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The amounts of the gains and losses related to the Company's derivative financial instruments designated as hedging instruments that are included in the assessment of effectiveness are as follows:

(In millions)	Amount of Gain (Loss) Recognized in OCI on Derivatives — Three Months Ended September 30, 2026	Amount of Gain (Loss) Recognized in OCI on Derivatives — Three Months Ended September 30, 2025	Location of Gain (Loss) Reclassified from AOCI into Earnings	Amount of Gain (Loss) Reclassified from AOCI into Earnings[1] — Three Months Ended September 30, 2026	Amount of Gain (Loss) Reclassified from AOCI into Earnings[1] — Three Months Ended September 30, 2025
Derivatives in Cash Flow Hedging Relationships:					
Foreign currency forward contracts	$ (11)	$ 16	Net sales	$ (8)	$ —
Total cash flow hedges	(11)	16		(8)	—
Derivatives in Net Investment Hedging Relationships[2]:					
Foreign currency forward contracts[3]	3	—		—	—
Cross-currency swap contracts[4]	(14)	15		—	—
Total net investment hedges	(11)	15		—	—
Total derivatives	$ (22)	$ 31		$ (8)	$ —

(1) There was no amount reclassified into the accompanying consolidated statements of earnings as a result of the discontinuance of cash flow hedges because it is probable that forecasted transactions will not occur by the end of the original time period.

(2) Included within translation adjustments as a component of AOCI on the Company's consolidated balance sheets.

(3) During each of the three months ended September 30, 2026 and 2025, the gain recognized in the accompanying consolidated statements of earnings from foreign currency forward contracts related to the amount excluded from effectiveness testing was $3 million.

(4) During each of the three months ended September 30, 2026 and 2025, the gain recognized in the accompanying consolidated statements of earnings from cross-currency swap contracts related to the amount excluded from effectiveness testing was $3 million.

(In millions)	Location of Gain (Loss) Recognized in Earnings on Derivatives	Amount of Gain (Loss) Recognized in Earnings on Derivatives — Three Months Ended September 30, 2026	Amount of Gain (Loss) Recognized in Earnings on Derivatives — Three Months Ended September 30, 2025
Derivatives in Fair Value Hedging Relationships:			
Cross-currency swap contracts[1]	Selling, general and administrative	$ (10)	$ 12
Interest rate contracts[2]	Interest expense	$ (57)	$ 4

(1) Changes in the fair value representing hedge components included in the assessment of effectiveness of the cross-currency swap contracts are exactly offset by the change in the fair value of the underlying intercompany foreign currency denominated debt. The gain recognized in the accompanying consolidated statements of earnings from cross-currency swap contracts related to the amount excluded from effectiveness testing during each of the three months ended September 30, 2026 and 2025 was $5 million.

(2) Changes in the fair value of the interest rate contracts are exactly offset by the change in the fair value of the underlying long-term debt.

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Additional information regarding the cumulative amount of fair value hedging gain (loss) recognized in the accompanying consolidated statements of earnings for items designated and qualifying as hedged items in fair value hedges is as follows:

(In millions)

Line Item in the Consolidated Balance Sheets in Which the Hedged Item is Included	Carrying Amount of the Hedged Liabilities	Cumulative Amount of Fair Value Hedging Gain (Loss) Included in the Carrying Amount of the Hedged Liability
	September 30, 2026	September 30, 2026
Long-term debt	$ 1,416	$ (175)
Intercompany debt	$ —	$ (7)

Additional information regarding the effects of fair value and cash flow hedging relationships for derivatives designated and qualifying as hedging instruments is as follows:

	Three Months Ended September 30,					
	2026			2025		
(In millions)	Net Sales	Selling, General and Administrative	Interest Expense	Net Sales	Selling, General and Administrative	Interest Expense
Total amounts of income and expense line items presented in the accompanying consolidated statements of earnings in which the effects of fair value and cash flow hedges are recorded	$ 3,715	$ 2,365	$ 83	$ 3,481	$ 2,296	$ 86
The effects of fair value and cash flow hedging relationships:						
Gain (loss) on fair value hedge relationships – interest rate contracts:						
Hedged item	N/A	N/A	57	N/A	N/A	(4)
Derivatives designated as hedging instruments	N/A	N/A	(57)	N/A	N/A	4
Gain (loss) on fair value hedge relationships – cross-currency swap contracts:						
Hedged item	N/A	10	N/A	N/A	(12)	N/A
Derivatives designated as hedging instruments	N/A	(10)	N/A	N/A	12	N/A
Loss on cash flow hedge relationships – foreign currency forward contracts:						
Amount of loss reclassified from AOCI	(8)	N/A	N/A	—	N/A	N/A

N/A (Not applicable)

The amount of gains and losses related to the Company's derivative financial instruments not designated as hedging instruments are presented as follows:

		Amount of Gain (Loss) Recognized in Earnings on Derivatives	
		Three Months Ended September 30,	
(In millions)	Location of Gain (Loss) Recognized in Earnings on Derivatives	2026	2025
Derivatives Not Designated as Hedging Instruments:			
Foreign currency forward contracts	Selling, general and administrative	$ (6)	$ 16

The Company's derivative financial instruments are subject to enforceable master netting agreements. These agreements permit the net settlement of these contracts on a per-institution basis; however, the Company records the fair value on a gross basis on its consolidated balance sheets based on maturity dates, including those subject to master netting arrangements. The following table provides information as if the Company had elected to offset the asset and liability balances of derivative financial instruments, netted in accordance with various criteria in the event of default or termination as stipulated by the terms of netting arrangements with each of the counterparties:

	As of September 30, 2026			As of June 30, 2026		
(In millions)	Gross Amounts of Assets / (Liabilities) Presented in Balance Sheet	Contracts Subject to Netting	Net Amounts of Assets / (Liabilities)	Gross Amounts of Assets / (Liabilities) Presented in Balance Sheet	Contracts Subject to Netting	Net Amounts of Assets / (Liabilities)
Derivative Financial Instruments						
Derivative assets	$ 36	$ (25)	$ 11	$ 74	$ (40)	$ 34
Derivative liabilities	(210)	25	(185)	(166)	40	(126)
Total derivatives	$ (174)	$ —	$ (174)	$ (92)	$ —	$ (92)

NOTE 5 – FAIR VALUE MEASUREMENTS

The Company records certain of its financial assets and liabilities at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability, in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date. The accounting for fair value measurements must be applied to nonfinancial assets and nonfinancial liabilities that require initial measurement or remeasurement at fair value, which principally consist of assets and liabilities acquired through business combinations and goodwill, indefinite-lived intangible assets and long-lived assets for the purposes of calculating potential impairment. The Company is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are as follows:

Level 1: Inputs based on quoted market prices for identical assets or liabilities in active markets at the measurement date.

Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. The inputs are unobservable in the market and significant to the instrument's valuation.

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The following table presents the Company's hierarchy for its financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2026:

(In millions)	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 1,008	$ —	$ —	$ 1,008
Foreign currency forward contracts	—	22	—	22
Cross-currency swap contracts	—	14	—	14
Total	$ 1,008	$ 36	$ —	$ 1,044
Liabilities:				
Foreign currency forward contracts	$ —	$ 27	$ —	$ 27
Interest rate contracts	—	175	—	175
Cross-currency swap contracts	—	8	—	8
Total	$ —	$ 210	$ —	$ 210

The following table presents the Company's hierarchy for its financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2026:

(In millions)	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 1,509	$ —	$ —	$ 1,509
Foreign currency forward contracts	—	40	—	40
Cross-currency swap contracts	—	34	—	34
Total	$ 1,509	$ 74	$ —	$ 1,583
Liabilities:				
Foreign currency forward contracts	$ —	$ 47	$ —	$ 47
Interest rate contracts	—	118	—	118
Cross-currency swap contracts	—	1	—	1
Total	$ —	$ 166	$ —	$ 166

The estimated fair values of the Company's financial instruments not measured at fair value on a recurring basis are as follows:

	September 30, 2026		June 30, 2026	
(In millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Current and long-term debt	$ 7,251	$ 6,508	$ 7,306	$ 6,814
Notes payable and deferred consideration	$ 133	$ 127	$ 123	$ 122

The following methods and assumptions were used to estimate the fair value of the Company's financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents – Cash and all highly-liquid securities with original maturities of three months or less are classified as cash and cash equivalents, primarily consisting of cash deposits in interest bearing accounts, time deposits and money market funds (classified within Level 1 of the valuation hierarchy). Cash deposits in interest bearing accounts and time deposits are carried at cost, which approximates fair value, due to the short maturity of these cash equivalent instruments.

Foreign currency forward contracts – The fair values of the Company's foreign currency forward contracts were determined using an industry-standard valuation model, which is based on an income approach. The significant observable inputs to the model, such as swap yield curves, SOFR forward curves and currency spot and forward rates, were obtained from an independent pricing service.

Cross-currency swap contracts – The fair values of the Company's cross-currency swap contracts were determined using an industry-standard valuation model, which is based on the income approach. The significant observable inputs to the model, such as swap yield curves and currency spot and forward rates, were obtained from independent pricing services.

Interest rate contracts – The fair values of the Company's interest rate contracts were determined using an industry-standard valuation model, which is based on the income approach. The significant observable inputs to the model, such as treasury yield curves, swap yield curves and SOFR forward curves, were obtained from independent pricing services.

Current and long-term debt – The fair value of the Company's debt was estimated based on the current rates offered to the Company for debt with the same remaining maturities. To a lesser extent, debt also includes finance lease obligations for which the carrying amount approximates the fair value. The Company's debt is classified within Level 2 of the valuation hierarchy.

Notes payable and deferred consideration – Notes payable and deferred consideration consist primarily of obligations to a vendor related to deferred service payments. The fair value of notes payable and deferred consideration are calculated based on the net present value of cash payments using an estimated borrowing rate based on quoted prices for a similar liability. The Company's notes payable and deferred consideration are classified within Level 2 of the valuation hierarchy.

NOTE 6 – REVENUE RECOGNITION

Disaggregation of net sales by the Company's geographic regions are as follows:

	Three Months Ended September 30,	
(In millions)	**2026**	**2025**
The Americas	$ 1,227	$ 1,174
Europe, the United Kingdom and Ireland and Emerging Markets ("EUKEM")	923	901
Asia/Pacific[(1)]	952	873
Mainland China	614	532
	3,716	3,480
Returns associated with restructuring and other activities	(1)	1
Net sales	$ 3,715	$ 3,481

(1) The net sales from the Company's travel retail business are included in the Asia/Pacific region.

Accounts Receivable

Accounts receivable, net is stated net of the allowance for doubtful accounts, including credit losses, and customer deductions totaling $48 million and $44 million as of September 30, 2026 and June 30, 2026, respectively. Payment terms are short-term in nature and are generally less than one year.

Changes in the allowance for credit losses are as follows:

(In millions)	September 30, 2026
Balance at June 30, 2026	$ 30
Provision for expected credit losses	4
Write-offs, net & other	(1)
Balance at September 30, 2026	$ 33

The remaining balance of the allowance for doubtful accounts and customer deductions of $15 million and $14 million as of September 30, 2026 and June 30, 2026, respectively, relates to non-credit losses, which are primarily due to customer deductions.

Deferred Revenue

Changes in deferred revenue are as follows:

	September 30,	
(In millions)	2026	2025
Deferred revenue, beginning of period	$ 490	$ 533
Revenue recognized that was included in the deferred revenue balance at the beginning of the period	(115)	(127)
Revenue deferred during the period	147	141
Other	1	1
Deferred revenue, end of period	$ 523	$ 548

Transaction Price Allocated to the Remaining Performance Obligations

The aggregate transaction price allocated to remaining performance obligations that are unsatisfied (or partially unsatisfied) as of September 30, 2026 was $779 million, of which approximately $351 million is expected to be recognized within the next 12 months, with the remainder thereafter. These amounts are comprised of deferred revenue and future royalty revenue from the Company's license arrangements.

At September 30, 2026, the combined estimated revenue expected to be recognized in the next twelve months related to performance obligations included in deferred revenue for customer loyalty programs, gift with purchase promotions, purchase with purchase promotions, gift card liabilities and the Marcolin license arrangement related to TOM FORD is $319 million. The remaining balance of deferred revenue as of September 30, 2026 will be recognized as revenue beyond the next twelve months, of which $195 million relates to the non-refundable upfront payment received as part of the Marcolin licensing arrangement that is being recognized on a straight-line basis over the estimated economic life of the license, which is 20 years ending in fiscal 2043.

As of September 30, 2026, the contractually guaranteed minimum royalty amounts due to the Company in connection with its license arrangements for the remainder of fiscal 2027 and future periods are as follows:

(In millions)	Minimum Remaining Royalties
Fiscal 2027	$ 24
Fiscal 2028	$ 32
Fiscal 2029	$ 34
Fiscal 2030	$ 35
Fiscal 2031	$ 35
Thereafter	$ 96

The royalty revenue associated with TOM FORD is included within the other category and within The Americas region.

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NOTE 7 – PENSION AND POST-RETIREMENT BENEFIT PLANS

The Company maintains pension plans covering substantially all of its full-time employees for its U.S. operations and a majority of its international operations. The Company also maintains post-retirement benefit plans that provide certain medical and dental benefits to eligible employees. Descriptions of these plans are included in *Notes to Consolidated Financial Statements, Note 15 – Pension and Post-retirement Benefit Plans* in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

The components of net periodic benefit cost for the three months ended September 30, 2026 and 2025 consisted of the following:

	Pension Plans				Other than Pension Plans	
	U.S.		International		Post-retirement	
(In millions)	2026	2025	2026	2025	2026	2025
Service cost	$ 8	$ 9	$ 5	$ 7	$ —	$ —
Interest cost	14	14	5	4	2	2
Expected return on plan assets	(13)	(13)	(7)	(7)	—	—
Amortization of:						
Actuarial loss	6	5	—	—	—	—
Prior service cost	—	—	—	—	(1)	(1)
Special termination benefits	—	—	—	1	—	—
Net periodic benefit cost	$ 15	$ 15	$ 3	$ 5	$ 1	$ 1

The amounts recognized in the consolidated balance sheets related to the Company's pension and post-retirement benefit plans consist of the following:

(In millions)	September 30, 2026	June 30, 2026
Other assets	$ 186	$ 200
Other accrued liabilities	(45)	(45)
Other noncurrent liabilities	(294)	(301)
Funded status	(153)	(146)
Accumulated other comprehensive loss	176	174
Net amount recognized	$ 23	$ 28

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is involved, from time to time, in litigation and other legal proceedings incidental to its business, including product liability (including asbestos-related claims), advertising, regulatory, employment, intellectual property, real estate, environmental, trade relations, securities, tax and privacy matters.

The Company records accruals for loss contingencies when a loss is probable and reasonably estimable, and estimates reasonably possible losses or ranges of losses in excess of accrued amounts, when such estimates can be made. Such estimates involve significant judgment regarding future events and uncertainties, including timing of related payments, and are adjusted as appropriate. Legal defense costs are expensed as incurred.

See below for the assessment of loss contingencies related to the Company's Securities Class Action and Derivative Matters and Cosmetic Talcum Powder Matters.

Management believes that the outcome of all other pending litigation and legal proceedings will not have a material adverse effect on the Company's operations or consolidated financial statements. Reasonably possible losses in excess of accrued amounts are not expected to be material.

Management's assessments of the Company's pending litigation and other legal proceedings, including the stockholder derivative complaints, included in the Securities Class Action and Derivative Matters section below, and Cosmetic Talcum Powder Matters, are subject to inherent uncertainties and may change based on future developments.

Securities Class Action and Derivative Matters

During the fiscal 2026 fourth quarter, the parties to the securities class action litigation (alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 based on alleged materially false and misleading statements) reached an agreement in principle to settle. As of June 30, 2026, the total settlement amount was funded, which includes the amounts paid by the insurance carriers. As such there are no amounts related to this matter reflected in the accompanying consolidated balance sheets as of September 30, 2026 or June 30, 2026. On August 20, 2026, the Company received final approval of the settlement amount from the Court. A minimal number of reported class members opted out of the settlement. At this time, no complaints have been filed by these members, and the Company believes it is not possible at this time to reasonably assess the outcome of any potential complaints or to estimate the loss or range of losses, if any. There is no impact to the fiscal 2027 consolidated financial statements for the securities class action litigation.

Additional information relating to the securities class action litigation and related settlement is included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

Stockholder derivative complaints were filed on February 1, 2024 and March 15, 2024 in the United States District Court for the Southern District of New York against certain current and former officers and directors of the Company and were voluntarily dismissed without prejudice in April 2024. The Company subsequently received stockholder litigation demands requesting that the Board investigate similar allegations. A committee of the Board has been formed to review these demands and make recommendations, as appropriate.

Two additional stockholder derivative complaints were filed on May 8, 2025 in the United States District Court for the Southern District of New York and were consolidated into a single case. Plaintiffs in that consolidated derivative action filed a consolidated amended complaint on August 21, 2026; one stockholder derivative complaint was filed on June 23, 2025 in the Supreme Court of the State of New York in Kings County; and four additional stockholder derivative complaints were filed on September 15, 2025, September 26, 2025, November 11, 2025 and November 12, 2025 in the Delaware Court of Chancery against certain current and former officers and directors, asserting claims including breach of fiduciary duty, unjust enrichment as well as claims of waste, gross mismanagement and insider trading. One of the Delaware complaints originally filed in September was voluntarily dismissed (as it was filed on behalf of an individual rather than a related trust that held Company stock) and refiled on November 11, 2025 by actual shareholders. The four Delaware stockholder derivative actions were consolidated into a single case and plaintiffs in that consolidated derivative action filed a single, consolidated complaint on August 24, 2026. An additional stockholder derivative complaint was filed on July 24, 2026 in the Delaware Court of Chancery against certain current and former officers and directors, asserting claims substantially similar to those in the other Delaware complaints; and additional stockholder derivative complaints were filed in the United States District Court for the Southern District of New York on August 14, 2026 and September 22, 2026 based on allegations similar to those in the existing complaints.

The Company believes that it is not possible at this time to reasonably assess the outcome of these derivative matters or to estimate the loss or range of losses, if any.

Cosmetic Talcum Powder Matters

The Company has been named as a defendant in civil actions alleging that certain cosmetic talcum powder products were contaminated with asbestos. These matters generally involve multiple co-defendants. The Company stands behind the safety of its products for intended use, and the Company and its legal counsel believe that the Company has strong legal grounds to contest these cases and is challenging them vigorously. The Company cannot predict the outcome of each individual case pending against it.

In fiscal 2025, in view of the number of cases pending against the Company as well as the evolution of the litigation landscape and expectations regarding future claims at that time, the Company took action from the end of August 2024 through October 2024 to mitigate a portion of its future exposure. During that period, the Company entered into agreements with certain plaintiff law firms to resolve over 200 pending matters, which was a portion of the pending matters that existed at that time, and establish a framework for resolving potential future claims brought by these plaintiff law firms from January 1, 2025 through December 31, 2029, subject to annual caps (the "Talcum litigation settlement agreements").

In connection with the Talcum litigation settlement agreements, the Company recorded a charge of $159 million in fiscal 2025, representing its best estimate of probable losses for current and potential future claims under these agreements, and as of September 30, 2026, $27 million and $63 million are recorded in Other accrued liabilities and Other noncurrent liabilities, respectively, in the accompanying consolidated balance sheet for these liabilities. Additional charges and reasonably possible losses related to these Talcum litigation settlement agreements, in excess of the initial charge have not been and are not expected to be material.

Outside of the Talcum litigation settlement agreements, other claims are brought and may be brought by plaintiff firms not party to those agreements. As of September 30, 2026, there were 116 cases pending against the Company in U.S. state courts, as compared to 118 cases as of June 30, 2026. During the three months ended September 30, 2026, 27 cases were filed and 29 cases were resolved. For certain claims brought against the Company that have advanced to later stages, specific accruals are recorded as appropriate, and for the remaining pending claims, the Company estimates losses on an aggregate basis based on historical experience.

While amounts recorded (outside the Talcum litigation settlement agreements) for the three months ended September 30, 2026 and 2025, respectively, to either settle cases, or accrue for probable losses, are not material, adverse outcomes on pending or future claims could be material. The Company cannot reasonably estimate the range of reasonably possible losses in excess of accrued amounts for these or future matters. The assessment of the Company’s current cases is ongoing and could change in light of the discovery of additional facts with respect to these cases not presently known to the Company, further legal analysis, or determinations by courts, juries or other finders of fact or deciders of law that vary from the Company’s evaluation of the probable liability or outcome of such cases. The number of new cases filed against the Company has increased in recent periods, consistent with broader trends in litigation involving talcum products generally, and the Company expects that the number of new cases filed against it, and the number of cases pending against it, may continue to increase in future periods.

For the cosmetic talcum powder matters, the Company maintains insurance policies with limited coverage that may offset a portion of defense and settlement costs, subject to policy terms. Recoveries during the period and historically have not been material.

NOTE 9 – STOCK PROGRAMS

Additional information relating to the Company's stock programs are included in *Notes to Consolidated Financial Statements, Note 18 - Stock Programs* in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

Total net stock-based compensation expense is attributable to the granting of, and the remaining requisite service periods of stock options, restricted stock units (“RSUs”) and performance share units (“PSUs”). Compensation expense attributable to net stock-based compensation was $70 million and $88 million for the three months ended September 30, 2026 and 2025, respectively.

Stock Options

During the three months ended September 30, 2026, the Company granted stock options in respect of approximately 0.7 million shares of Class A Common Stock with a weighted average exercise price per share of $106.21 and a weighted average grant date fair value per share of $42.99. The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model.

Restricted Stock Units

During the three months ended September 30, 2026, the Company granted RSUs in respect of approximately 2.3 million shares of Class A Common Stock with a weighted average grant date fair value per share of $106.06 that, at the time of grant, are scheduled to vest at 0.9 million, 0.8 million, and 0.6 million shares per year, in fiscal 2028, fiscal 2029 and fiscal 2030, respectively. Vesting of RSUs is generally subject to the continued employment or the retirement of the grantees. The RSUs are generally accompanied by dividend equivalent rights, payable upon settlement of the RSUs either in cash or shares (based on the terms of the particular award) and, as such, were generally valued at the closing market price of the Company's Class A Common Stock on the date of grant.

Performance Share Units

During the three months ended September 30, 2026, the Company granted PSUs with a target payout of approximately 0.2 million shares of Class A Common Stock with a grant date fair value per share of $106.21, the amount of which will be settled in stock subject to the achievement of the Company's net sales goals for the three fiscal years ending June 30, 2029 and operating income margin goal for the fiscal year ending June 30, 2029, all subject to continued employment or the retirement of the grantees. PSUs are accompanied by dividend equivalent rights that will be payable in cash upon settlement of the PSUs and, as such, were valued at the closing market value of the Company's Class A Common Stock on the date of grant.

For the PSUs granted in fiscal 2024 with a performance period ended June 30, 2026, the target goals set at the time of issuance were not achieved, resulting in no shares of the Company's Class A Common Stock issued related to these awards.

NOTE 10 – NET EARNINGS PER COMMON SHARE

Net earnings per common share ("basic EPS") is computed by dividing net earnings by the weighted average number of common shares outstanding and shares underlying RSUs and PSUs where the vesting conditions have been met. Net earnings per common share assuming dilution ("diluted EPS") is computed by reflecting potential dilution from stock-based awards using the treasury stock method.

A reconciliation between the numerator and denominator of the basic and diluted EPS computations is as follows:

	Three Months Ended September 30,	
(In millions, except per share data)	**2026**	**2025**
Numerator:		
Net earnings	$ 233	$ 47
Denominator:		
Weighted average common shares outstanding – Basic	363.3	361.2
Effect of dilutive stock options	—	—
Effect of RSUs	2.8	2.1
Effect of PSUs	—	—
Weighted average common shares outstanding – Diluted	366.1	363.3
Net earnings per common share:		
Basic	$ .64	$ .13
Diluted	$ .64	$ .13

THE ESTÉE LAUDER COMPANIES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The shares of Class A Common Stock underlying stock options, RSUs and PSUs that were excluded in the computation of diluted EPS because their inclusion would be anti-dilutive were as follows:

	Three Months Ended September 30,	
(In millions)	**2026**	**2025**
Stock options	8.3	8.5
RSUs and PSUs	0.9	0.7

As of September 30, 2026 and 2025, 0.6 million and 0.5 million shares, respectively, of Class A Common Stock underlying PSUs have been excluded from the computation of diluted EPS as the number of shares ultimately issued is contingent on the achievement of applicable performance targets of the Company, as discussed in *Notes to Consolidated Financial Statements, Note 18 – Stock Programs* in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 – EQUITY

Total Stockholders' Equity

(In millions, except per share data)	Three Months Ended September 30, 2026	2025
Common stock, beginning of the period	$ 6	$ 6
Stock-based compensation	—	—
Common stock, end of the period	6	6
Paid-in capital, beginning of the period	7,378	7,012
Common stock dividends	2	3
Stock-based compensation	117	126
Paid-in capital, end of the period	7,497	7,141
Retained earnings, beginning of the period	11,341	11,672
Common stock dividends	(129)	(128)
Net earnings	233	47
Retained earnings, end of the period	11,445	11,591
Accumulated other comprehensive loss, beginning of the period	(1,153)	(1,127)
Other comprehensive earnings (loss)	10	(14)
Accumulated other comprehensive loss, end of the period	(1,143)	(1,141)
Treasury stock, beginning of the period	(13,766)	(13,698)
Stock-based compensation	(1)	(9)
Treasury stock, end of the period	(13,767)	(13,707)
Total equity	$ 4,038	$ 3,890
Cash dividends declared per common share	$ .35	$ .35

The following is a summary of quarterly cash dividends declared per share on the Company's Class A and Class B Common Stock during the three months ended September 30, 2026:

Date Declared	Record Date	Payable Date	Amount per Share
August 18, 2026	August 31, 2026	September 15, 2026	$ .35

On October 30, 2026, a dividend was declared in the amount of $.35 per share on the Company's Class A and Class B Common Stock. The dividend is payable in cash on December 15, 2026 to stockholders of record at the close of business on November 30, 2026.

Common Stock

Beginning in December 2022, the Company suspended the repurchase of shares of its Class A Common Stock under its publicly announced program. The Company may resume repurchases in the future.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Accumulated Other Comprehensive Loss

The following table represents changes in accumulated other comprehensive loss, net of tax, by component for the three months ended September 30, 2026:

(In millions)	Net Cash Flow Hedge	Cross-Currency Swap Contracts - Fair Value Hedge[1]	Amounts Included in Net Periodic Benefit Cost	Translation Adjustments	Total
Balance at June 30, 2026	$ 18	$ 5	$ (130)	$ (1,046)	$ (1,153)
OCI before reclassifications [2]	(8)	1	(4)	15 [3]	4
Amounts reclassified to Net earnings	6	(4)	4	—	6
Net current-period OCI	(2)	(3)	—	15	10
Balance at September 30, 2026	$ 16	$ 2	$ (130)	$ (1,031)	$ (1,143)

[1] The gain recognized in AOCI, net of tax from cross-currency swap contracts represents the amount excluded from effectiveness testing.

[2] The tax benefit (provision) included in Net Cash Flow Hedge, Cross-Currency Swap Contracts - Fair Value Hedge, Amounts Included in Net Periodic Benefit Cost and Translation Adjustments was $3 million, $(1) million, $3 million and $5 million, respectively.

[3] See *Note 4 – Derivative Financial Instruments* for gains (losses) relating to net investment hedges.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table represents the effects of reclassification adjustments from AOCI into net earnings for the three months ended September 30, 2026 and 2025:

(In millions)	Amount Reclassified from AOCI Three Months Ended September 30, 2026	2025	Affected Line Item in Consolidated Statements of Earnings
Loss on Cash Flow Hedges			
Foreign currency forward contracts	$ (8)	$ —	Net sales
Benefit for income taxes	2	—	Provision for income taxes
Total loss on cash flow hedges, net of tax	(6)	—	Net earnings
Gain on Cross-Currency Swap Contracts - Fair Value Hedge			
Cross-currency swap contracts	5	5	Selling, general and administrative
Provision for income taxes	(1)	(1)	Provision for income taxes
Total gain on cross-currency swap contracts - fair value hedge, net of tax	4	4	Net earnings
Retirement Plan and Other Retiree Benefit Adjustments			
Amortization of prior service cost	1	1	Other components of net periodic benefit cost
Amortization of actuarial loss	(6)	(5)	Other components of net periodic benefit cost
Total retirement plan and other retiree benefit adjustments, before tax	(5)	(4)	Other components of net periodic benefit cost
Benefit for income taxes	1	1	Provision for income taxes
Total retirement plan and other retiree benefit adjustments, net of tax	(4)	(3)	Net earnings
Total reclassification adjustments, net	$ (6)	$ 1	Net earnings

NOTE 12 – STATEMENT OF CASH FLOWS

Supplemental cash flow information for the three months ended September 30, 2026 and 2025 is as follows:

(In millions)	2026	2025
Cash:		
Cash paid during the period for interest	$ 56	$ 62
Cash paid during the period for income taxes, net of refunds received	$ 29	$ 148
Non-cash investing and financing activities:		
Property, plant and equipment accrued but unpaid	$ 29	$ 24
Right-of-use assets obtained in exchange for new/modified operating lease liabilities	$ 116	$ 53

NOTE 13 – SEGMENT DATA AND RELATED INFORMATION

Operating segments include components of an enterprise for which separate financial information is available that are regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Although the Company operates in one business segment, beauty products, the chief operating decision maker evaluates performance based on its four major product categories: skin care, makeup, fragrance and hair care. These product categories meet the definition of operating and reportable segments and, accordingly, additional financial data is provided below. Royalty revenue associated with the license of the TOM FORD trademark as well as sales and related results of ancillary products and services that do not fit within the Company's definitions of skin care, makeup, fragrance and hair care are included in the other category.

Segment net sales and operating income is before the impacts of restructuring and other activities and the impacts from the other category described above. Returns and charges associated with restructuring and other activities are not allocated to the Company's segments because they are centrally directed and controlled, are not included in internal measures of segment performance and result from activities that are deemed Company-wide initiatives to redesign, resize and reorganize select areas of the business.

The assets and liabilities of the Company are managed centrally and are reported internally in the same manner as the consolidated financial statements; thus, no additional information is produced for the chief operating decision maker or included herein.

Information about the Company's four operating segments is as follows:

(In millions)	Three Months Ended September 30, 2026				
	Skin Care	**Makeup**	**Fragrance**	**Hair Care**	**Total**
Net sales					$ 3,715
Less: Other category net sales					28
Less: Returns associated with restructuring and other activities					(1)
Segment net sales	$ 1,651	$ 1,048	$ 861	$ 128	$ 3,688
Cost of sales	400	275	188	30	893
Selling, general and administrative expenses	989	770	507	93	2,359
Segment operating income	$ 262	$ 3	$ 166	$ 5	$ 436
Other category operating income					13
Charges associated with restructuring and other activities					(41)
Operating income					408
Reconciliation to earnings before income taxes:					
Interest expense					(83)
Interest income and investment income, net					25
Other components of net periodic benefit cost					(5)
Earnings before income taxes					$ 345
Segment depreciation and amortization	$ 85	$ 54	$ 44	$ 7	$ 190
Other category					1
Depreciation and amortization					$ 191

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In millions)	Three Months Ended September 30, 2025				
	Skin Care	Makeup	Fragrance	Hair Care	Total
Net sales					$ 3,481
Less: Other category net sales					25
Less: Returns associated with restructuring and other activities					1
Segment net sales	$ 1,575	$ 1,030	$ 721	$ 129	$ 3,455
Cost of sales	419	280	180	36	915
Selling, general and administrative expenses	969	765	455	105	2,294
Segment operating income (loss)	$ 187	$ (15)	$ 86	$ (12)	$ 246
Other category operating income					9
Charges associated with restructuring and other activities					(86)
Operating income					169
Reconciliation to earnings before income taxes:					
Interest expense					(86)
Interest income and investment income, net					30
Other components of net periodic benefit cost					(4)
Earnings before income taxes					$ 109
Segment depreciation and amortization	$ 90	$ 59	$ 41	$ 8	$ 198
Other category					2
Depreciation and amortization					$ 200

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 – SUBSEQUENT EVENTS

On October 5, 2026, the Company completed the acquisition of the remaining equity interest in Mountain Valley Springs India Private Limited, the owner of the Forest Essentials brand ("Forest Essentials"), an India-based beauty brand grounded in the science of modern Luxurious Ayurveda. The acquisition is expected to further strengthen the Company's portfolio and expand the global reach of the Forest Essentials brand. Prior to the acquisition, the Company held a 49% equity interest in Forest Essentials that was accounted for under the equity method. The transaction will be accounted for as a business combination.

The purchase price for the remaining 51% equity interest of $160 million was funded from cash on hand, and is subject to customary post-closing adjustments. In connection with obtaining a controlling interest in Forest Essentials, the Company expects to recognize a gain in the fiscal 2027 second quarter of approximately $94 million resulting from the remeasurement of its previously held 49% equity interest to fair value. Additionally, the Company paid $37 million related to a one-time inducement payment, which is excluded from the consideration transferred, and will be recognized as an operating expense in the fiscal 2027 second quarter.

Given the limited time since the acquisition date, the initial accounting of the transaction remains incomplete as of the date these consolidated financial statements were issued, as well as consideration of certain required disclosures.

THE ESTÉE LAUDER COMPANIES INC.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

RESULTS OF OPERATIONS

The Estée Lauder Companies Inc. is one of the world's leading manufacturers, marketers and sellers of quality skin care, makeup, fragrance and hair care products. We are a steward of over 20 luxury and prestige brands globally. Our products are sold in approximately 150 countries and territories. We operate as a wholesaler, with our products sold in brick-and-mortar locations and on various e-commerce platforms, including those operated by department stores, duty-free retailers, specialty-multi retailers, online pure players, upscale perfumeries and pharmacies, and top-tier salons and spas. Additionally, we operate a direct-to-consumer business across freestanding stores, our brands' websites and third-party online platforms.

	Three Months Ended September 30,			
	2026		2025	
($ in millions)	$	%	$	%
Net sales	$ 3,715	100.0 %	$ 3,481	100.0 %
Cost of sales	902	24.3	927	26.6
Gross profit	2,813	75.7	2,554	73.4
Operating expenses:				
Selling, general and administrative	2,365	63.7	2,296	66.0
Restructuring and other charges	40	1.1	89	2.6
Total operating expenses	2,405	64.7	2,385	68.5
Operating income	408	11.0	169	4.9
Interest expense	83	2.2	86	2.5
Interest income and investment income, net	25	0.7	30	0.9
Other components of net periodic benefit cost	5	0.1	4	0.1
Earnings before income taxes	345	9.3	109	3.1
Provision for income taxes	112	3.0	62	1.8
Net earnings	$ 233	6.3 %	$ 47	1.4 %

Not adjusted for differences caused by rounding

The following table is a comparative summary of operating results for the three months ended September 30, 2026 and 2025, for our product categories and geographic regions and reflects the basis of presentation described in *Notes to Consolidated Financial Statements, Note 1 – Summary of Significant Accounting Policies* and *Note 13 – Segment Data and Related Information*, for our product categories that meet the definition of reportable segments, for all periods presented. Royalty revenue from license arrangements, and products and services that do not fit within our definitions of skin care, makeup, fragrance and hair care have been included in the "other" category.

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(In millions)	Three Months Ended September 30, 2026	2025
NET SALES		
By Product Category:		
Skin Care	$ 1,651	$ 1,575
Makeup	1,048	1,030
Fragrance	861	721
Hair Care	128	129
Other	28	25
	3,716	3,480
Returns associated with restructuring and other activities[1]	(1)	1
Net sales	$ 3,715	$ 3,481
By Geographic Region[2]:		
The Americas	$ 1,227	$ 1,174
Europe, the United Kingdom and Ireland and Emerging Markets ("EUKEM")	923	901
Asia/Pacific	952	873
Mainland China	614	532
	3,716	3,480
Returns associated with restructuring and other activities[1]	(1)	1
Net sales	$ 3,715	$ 3,481
OPERATING INCOME (LOSS)		
By Product Category:		
Skin Care	$ 262	$ 187
Makeup	3	(15)
Fragrance	166	86
Hair Care	5	(12)
Other	13	9
	449	255
Charges associated with restructuring and other activities[1]	(41)	(86)
Operating income	$ 408	$ 169
By Geographic Region[2]:		
The Americas	$ 114	$ 87
EUKEM	44	6
Asia/Pacific	259	150
Mainland China	32	12
	449	255
Charges associated with restructuring and other activities[1]	(41)	(86)
Operating income	$ 408	$ 169

[1] Returns and charges associated with restructuring and other activities are not allocated to our product categories or geographic regions because they are centrally directed and controlled, are not included in internal measures of product category or geographic region performance and result from activities that are deemed Company-wide initiatives to redesign, resize and reorganize select areas of the business. Accordingly, the discussions of Net sales and Operating results by Product Categories and Geographic Regions below exclude the impacts of returns and charges associated with restructuring and other activities.

[2] The net sales and operating results from our travel retail business are included in the Asia/Pacific region.

Period-over-period changes in our net sales are generally attributable to the impacts from (i) pricing on our base portfolio, including changes in mix and those due to strategic pricing actions, (ii) volume on our base portfolio, combined with changes driven by the impact of new product innovation, (iii) acquisitions and/or divestitures, and/or (iv) foreign currency translation. The percentages disclosed for these impacts are calculated on an individual basis.

The net sales impact from pricing consists of changes in list prices, due to strategic pricing actions, and mix shifts within and among product categories, geographic regions, brands and distribution channels. The prices at which we sell our products vary by brand, distribution channel (e.g., wholesale or direct-to-consumer) and may also vary by country. Our brands and products cover a broad array of pricing tiers. Prices of skin care and fragrance products are typically higher than makeup and hair care products.

New product innovation includes the introduction of new products, as well as changes related to existing products or where they are sold, including reformulations, regional expansion, repackaging and sets. A product is considered "new innovation" for the twelve-month period following the initial shipment date. Our innovation is launched at different price points than existing products and value derived from innovation may vary from year to year. We continually introduce new products, support new and established products through advertising, merchandising and sampling and phase out existing products that no longer meet the needs of our consumers or our objectives. The economics of developing, producing, launching, supporting and discontinuing products impact our sales and operating performance each period. The introduction of new products often has some cannibalizing effect on sales of existing products, inclusive of potential sales returns, which we take into account in our business planning. The impact of new product introductions, including timing compared to introductions in prior periods, also affects our results. For DECIEM brands, the impact of regional expansion into new markets following the initial twelve-month period continues to be excluded from the base portfolio pricing and volume calculations until the market is on a like for like basis in the base portfolio.

Non-GAAP Financial Measures

We use certain non-GAAP financial measures, among other financial measures, to evaluate our operating performance, which represent the manner in which we conduct and view our business. Management believes that excluding certain items that are not comparable from period to period helps investors and others compare operating performance between periods. While we consider the non-GAAP measures useful in analyzing our results, they are not intended to replace, or act as a substitute for, any presentation included in the consolidated financial statements prepared in conformity with U.S. GAAP. See *Reconciliations of Non-GAAP Financial Measures* beginning on page 47 for reconciliations between non-GAAP financial measures and the most directly comparable U.S. GAAP measures.

We operate on a global basis, with the majority of our net sales generated outside the United States. Accordingly, fluctuations in foreign currency exchange rates affect our results of operations. Therefore, we present certain net sales, operating results and diluted net earnings per common share information excluding the effect of foreign currency rate fluctuations to provide a framework for assessing the performance of our underlying business outside the United States. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period. We calculate constant currency information by translating current-period results using prior-year monthly average foreign currency exchange rates and adjusting for the period-over-period impact of foreign currency cash flow hedging activities.

Outlook

While we have seen improvements within our business, we are mindful of areas of volatility and uncertainty globally that may impact our results. We continue to face challenges in key markets in the West, including markets in Western Europe and the United States. Within our Asia travel retail business, we continue to monitor the impacts of the change in duty-free retailers servicing the Beijing and Shanghai airports, including the related online businesses. We are also monitoring the conflict in the Middle East as it relates to our business in the domestic markets and travel retail locations in the region. Net sales from locations impacted by the conflict in the Middle East accounted for approximately 2% of consolidated net sales in fiscal 2026 and 2025. We continue to monitor and assess the impact that these areas of volatility and uncertainty may have on net sales and profitability, including impacts to our effective tax rate from changes to our geographical mix of earnings.

We are continuing to monitor and assess the potential effects of changing tariff conditions in the United States as well as in other markets in which we operate. These tariffs have led to significant volatility and uncertainty in global markets and difficulty in forecasting demand. We have implemented and are continuing to implement and consider additional mitigation measures. Our strategy remains optimizing our global supply chain network, by sourcing and manufacturing in the geography of sale where feasible. We also continue to leverage trade programs where available and monitor for additional opportunities as countries continue to update their trade programs. We anticipate tariffs to have an adverse effect on fiscal 2027 profitability and cash flows, and depending on actual rates and countries imposing tariffs such adverse impacts could be material.

We continue to believe that the best way to increase long-term stockholder value is to provide superior products and services in the most efficient and effective manner while recognizing shifts in consumers' behaviors and shopping practices. Accordingly, our long-term strategy has numerous initiatives across product categories, brands, geographic regions, channels of distribution and functions designed to grow our sales, provide cost efficiencies, leverage our strengths, such as our history of outstanding creativity and innovation, high quality products and services, and engaging communications, to make us more productive and profitable. We continue to execute against "Beauty Reimagined," our previously announced strategic vision which focuses on accelerating best-in-class consumer coverage, creating transformative innovation, boosting consumer-facing investments, fueling sustainable growth through bold efficiencies and reimagining the way we work, including through the execution of the Profit Recovery and Growth Plan ("PRGP").

We continue to monitor the effects of the global macro environment, including the risk of recession; currency volatility; inflationary pressures; supply chain challenges; social and political issues; competitive pressures; legal and regulatory matters, including the imposition of tariffs and sanctions; geopolitical tensions; and global security issues. We are also mindful of inflationary pressures (including those caused by tariffs) on our cost base and are monitoring the impact on consumer preferences, the impact of changes being made in the organization, including those related to Beauty Reimagined and the PRGP, as well as the actual and potential impact of changes that have been made and are expected to be made as part of the PRGP on suppliers, retailers and others, and challenges relating to successfully outsourcing select services. Declines in net sales and profitability have, and may continue to, adversely impact the goodwill and other intangible assets associated with our brands, as well as long-lived assets, potentially resulting in impairments.

Our ability to recognize deferred tax assets, inclusive of utilizing net operating loss carryforwards, tax credits, and other carryforwards is dependent on the generation of sufficient taxable income in future periods. Accordingly, there can be no assurance that additional valuation allowances on our deferred tax assets will not be required should our financial performance be negatively impacted in the future. Such valuation allowance could be material.

Restructuring Program Component of the Profit Recovery and Growth Plan

For information about the Restructuring Program Component of the Profit Recovery and Growth Plan, refer to *Notes to Consolidated Financial Statements, Note 3 – Charges Associated with Restructuring and Other Activities* herein and *Notes to Consolidated Financial Statements, Note 7 - Charges Associated with Restructuring and Other Activities* in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

NET SALES

($ in millions)	Three Months Ended September 30, 2026	2025
As Reported:		
Net sales	$ 3,715	$ 3,481
$ Change from prior-year period	234	
% Change from prior-year period	7 %	
Non-GAAP Financial Measure[(1)]:		
% Change from prior-year period in constant currency adjusting for returns associated with restructuring and other activities	6 %	

(1) See "*Reconciliations of Non-GAAP Financial Measures"* beginning on page 47 for reconciliations between non-GAAP financial measures and the most directly comparable U.S. GAAP measures.

Reported net sales increased for the three months ended September 30, 2026, driven by an increase in net sales in the fragrance and skin care product categories, and to a lesser extent, in the makeup product category.

By geographic region, reported net sales increased across all geographic regions for the three months ended September 30, 2026, led by Mainland China and Asia/Pacific.

Reported net sales were impacted by approximately $20 million of favorable foreign currency translation for the three months ended September 30, 2026.

Reported net sales increased 7% for the three months ended September 30, 2026, driven by the increase from volume of 7% and the favorable impact from foreign currency translation of 1%. These increases were partially offset by a decrease from pricing of 1%, reflecting changes in mix partially offset by the favorable impact from strategic price actions.

Product Categories

Reported net sales for our product categories for the three months ended September 30, 2026 and 2025 were as follows:

	Three Months Ended September 30,				
($ in millions)	2026	2025	$ Change	% Change	% Change in Constant Currency[1]
Skin Care	$ 1,651	$ 1,575	$ 76	5 %	4 %
Makeup	1,048	1,030	18	2	1
Fragrance	861	721	140	19	20
Hair Care	128	129	(1)	(1)	—
Other	28	25	3	12	12
	3,716	3,480	236	7	6
Returns associated with restructuring and other activities	(1)	1	(2)	(100+)	(100+)
Net sales	$ 3,715	$ 3,481	$ 234	7 %	6 %

[1] See "*Reconciliations of Non-GAAP Financial Measures"* beginning on page 47 for reconciliations between non-GAAP financial measures and the most directly comparable U.S. GAAP measures.

Skin Care

Reported skin care net sales increased $76 million, or 5%, for the three months ended September 30, 2026, primarily driven by higher net sales from La Mer and The Ordinary, combined, of approximately $97 million.

Net sales from La Mer increased, reflecting the benefit from new product innovation, including the launch of The Concentrate reformulation, as well as growth from The Treatment Lotion franchise. The increase in net sales from The Ordinary reflected growth from targeted expanded consumer reach as well as the benefit from key campaigns to drive sales growth.

Skin care net sales were impacted by approximately $18 million of favorable foreign currency translation for the three months ended September 30, 2026.

Reported skin care net sales increased 5% for the three months ended September 30, 2026, driven by an increase from volume of 3%, an increase from pricing of 1%, reflecting the favorable impact from strategic pricing actions partially offset by changes in mix, and the favorable impact from foreign currency translation of 1%.

Makeup

Reported makeup net sales increased $18 million, or 2%, for the three months ended September 30, 2026, reflecting higher net sales from M·A·C and TOM FORD, combined, of approximately $59 million. Net sales from M·A·C increased, reflecting higher net sales in the lip subcategory, including the benefit from the launch of Lustreglass Sheer-Shine Lipstick and Lustreglass Stainglass Lip Tint, as well as the benefit from targeted expanded consumer reach. The increase in net sales from TOM FORD was primarily driven by higher net sales in the lip and face subcategories, reflecting the benefit from new product innovation.

Partially offsetting the makeup net sales increase were lower net sales, primarily from Estée Lauder, Too Faced and Bobbi Brown Cosmetics, combined, of approximately $20 million. Estée Lauder net sales decreased, reflecting lower net sales in the face subcategory, including the impact from the timing of new product innovation, partially offset by incremental sales from the next-generation of Double Wear Stay-in-Place Longwear Matte Foundation that launched in the second half of fiscal 2026. The decrease in net sales from Too Faced reflected the impact of closures of certain specialty-multi retailer-operated shop-in-shop doors. Bobbi Brown Cosmetics net sales decreased, driven by lower net sales within the department store channel, which included the impact from the strategic exit from certain retailers.

Makeup net sales were impacted by approximately $4 million of favorable foreign currency translation for the three months ended September 30, 2026.

Reported makeup net sales increased 2% for the three months ended September 30, 2026, driven by an increase from volume of 5%, partially offset by a decrease from pricing of 3%, reflecting changes in mix partially offset by the favorable impact from strategic pricing actions.

Fragrance

Reported fragrance net sales increased $140 million, or 19%, for the three months ended September 30, 2026, primarily driven by higher net sales from Le Labo, TOM FORD, Jo Malone London and Estée Lauder, combined, of approximately $117 million. The increase in net sales from Le Labo was led by the Classic Collection and City Exclusives Collection, which reflected the benefit from new product innovation, targeted expanded consumer reach and the success of hero products. Net sales from TOM FORD increased, within both the Private Blend and Signature franchises, reflecting the benefit from new product innovation which created halo benefits on existing products. Net sales from Jo Malone London increased, reflecting the benefit from new product innovation and growth within hero franchises, supported by targeted expanded consumer reach. The increase in net sales from Estée Lauder was driven by higher net sales from the launch of Glimmer Eau de Parfum Spray.

Fragrance net sales were impacted by approximately $1 million of unfavorable foreign currency translation for the three months ended September 30, 2026.

Reported fragrance net sales increased 19% for the three months ended September 30, 2026, driven by an increase from volume of 20%, partially offset by a decrease from pricing of 1%, reflecting changes in mix partially offset by the favorable impact from strategic pricing actions.

Hair Care

Reported hair care net sales decreased $1 million, or 1%, for the three months ended September 30, 2026, including the unfavorable impact of foreign currency translation of 1%. Including the unfavorable impact of foreign currency translation, the decrease in hair care net sales primarily reflected lower net sales from Aveda and higher net sales from The Ordinary.

The decrease in net sales from Aveda reflected lower shipments primarily due to brand-specific supply chain logistical challenges.

The increase in net sales from The Ordinary benefitted from the Multi-Peptide Serum for Hair Density, as well as targeted expanded consumer reach.

Hair care net sales were impacted by approximately $1 million of unfavorable foreign currency translation for the three months ended September 30, 2026.

Reported hair care net sales decreased 1% for the three months ended September 30, 2026, driven by a decrease from pricing of 7%, reflecting changes in mix partially offset by the favorable impact from strategic pricing actions, and the unfavorable impact of foreign currency translation of 1%. These decreases were largely offset by an increase from volume of 7%.

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Geographic Regions

Reported net sales by geographic region for the three months ended September 30, 2026 and 2025 were as follows:

	Three Months Ended September 30,				
($ in millions)	2026	2025	$ Change	% Change	% Change in Constant Currency[2]
The Americas	$ 1,227	$ 1,174	$ 53	5 %	4 %
EUKEM	923	901	22	2	4
Asia/Pacific[1]	952	873	79	9	10
Mainland China	614	532	82	15	9
	3,716	3,480	236	7	6
Returns associated with restructuring and other activities	(1)	1	(2)	(100+)	(100+)
Net sales	$ 3,715	$ 3,481	$ 234	7 %	6 %

[1] The net sales from our travel retail business are included in the Asia/Pacific region.
[2] See "*Reconciliations of Non-GAAP Financial Measures*" beginning on page 47 for reconciliations between non-GAAP financial measures and the most directly comparable U.S. GAAP measures.

Reported net sales increased for the three months ended September 30, 2026, primarily driven by higher net sales in our travel retail business and Mainland China, combined, of approximately $169 million.

The increase in net sales in our travel retail business was led by Asia travel retail, primarily driven by (i) net sales growth from the Beijing and Shanghai airports, reflecting an increase in replenishment orders amid continued stabilization following changes in duty-free retailers, including the related online businesses, that began in the fiscal 2026 second quarter and (ii) Hainan travel retail, driven by the improvement in online retail sales.

The increase in net sales in Mainland China for the three months ended September 30, 2026 reflected growth from existing products as well as new product innovation, benefiting from success during key shopping moments and key campaigns to drive sales growth.

Reported net sales in The Americas increased 5% for the three months ended September 30, 2026, driven by an increase from volume of 7%, partially offset by a decrease from pricing of 3%, reflecting changes in mix partially offset by the favorable impact from strategic pricing actions.

Reported net sales in EUKEM increased 2% for the three months ended September 30, 2026, driven by an increase from volume of 6%. This increase was partially offset by a decrease from pricing of 2%, reflecting changes in mix partially offset by the favorable impact from strategic pricing actions, and the unfavorable impact from foreign currency translation of 1%.

Reported net sales in Asia/Pacific increased 9% for the three months ended September 30, 2026, driven by an increase from volume of 9% and an increase from pricing of 1%, reflecting the favorable impact from strategic pricing actions partially offset by changes in mix. Partially offsetting these increases was the unfavorable impact from foreign currency translation of 1%.

Reported net sales in Mainland China increased 15% for the three months ended September 30, 2026, driven by the favorable impact from foreign currency translation of 7%, an increase from volume of 6% and an increase from pricing of 2%, reflecting changes in mix and the favorable impact from strategic pricing actions.

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GROSS MARGIN

Gross margin increased to 75.7% for the three months ended September 30, 2026, as compared with 73.4% in the prior-year period.

	Favorable (Unfavorable) Basis Points
	Three Months Ended
	September 30, 2026
As Reported:	
Mix of business	155
Obsolescence charges	(5)
Manufacturing costs and other	55
Foreign exchange transactions	35
Charges associated with restructuring and other activities	(10)
As Reported Gross Margin Basis Point Variance	230
Non-GAAP Financial Measure Adjustments	
Charges associated with restructuring and other activities	10
Non-GAAP Gross Margin Basis Point Variance	240

The increase in gross margin for the three months ended September 30, 2026 reflected favorability across our mix of business, including the benefit from the increase in net sales, net strategic pricing, product mix, as well as net benefits enabled through the PRGP. Within manufacturing costs and other, net benefits enabled through the PRGP, related to the favorable impact of cost efficiencies within our global supply chain network, and the favorable impact from shifts within our manufacturing network, were partially offset by the impact from inflation on our costs.

OPERATING EXPENSES

Operating expenses as a percentage of net sales were 64.7% for the three months ended September 30, 2026, as compared with 68.5% in the prior-year period.

	Favorable (Unfavorable) Basis Points
	Three Months Ended
	September 30, 2026
As Reported:	
Selling	120
Advertising	(140)
Promotional	40
Store operating costs	(10)
Consumer-facing operating expenses[(1)]	*10*
General and administrative	30
Shipping	—
Marketing	90
Product development	20
Stock-based compensation	60
Foreign exchange transactions	20
Non-consumer-facing operating expenses	*220*
Charges associated with restructuring and other activities	150
As Reported Operating Expense Margin Basis Point Variance	380
Non-GAAP Financial Measure Adjustments:	
Impact of restructuring and other activities	140
Non-GAAP Operating Expense Margin Basis Point Variance	240

(1) Consumer-facing operating expenses in this table and within the operating expense margin discussion below do not include the impact of co-operative advertising expenses that are recorded as a reduction of revenue, however, our references to consumer-facing investments throughout the remainder of *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* include the consumer-facing operating expenses noted above as well as the impact of co-operative advertising expenses that are recorded as a reduction of revenue.

The favorability in our operating expense margin for the three months ended September 30, 2026 primarily reflected the impact of the increase in net sales which largely offset the impact from the overall increase in investments in consumer-facing areas of the business to drive sales, primarily in advertising expenses, including through new product innovation, key campaigns, and targeted expanded consumer reach. The favorability in the impact from non-consumer-facing expenses was also largely driven by the impact of the increase in net sales, and also reflected overall lower expenses collectively, driven by a reduction in employee-related costs enabled through the PRGP.

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OPERATING RESULTS

($ in millions)	Three Months Ended September 30, 2026	2025
As Reported:		
Operating income	$ 408	$ 169
$ Change from prior-year period	239	
% Change from prior-year period	100+%	
Operating margin	11.0 %	4.9 %
Non-GAAP Financial Measure[(1)]:		
% Change in operating income from the prior-year period adjusting for the impact of charges associated with restructuring and other activities	76 %	

(1) See "*Reconciliations of Non-GAAP Financial Measures"* beginning on page 47 for reconciliations between non-GAAP financial measures and the most directly comparable U.S. GAAP measures.

The increase in reported operating margin for the three months ended September 30, 2026 was primarily driven by the increase in net sales and the increase in gross margin, as discussed above.

Product Categories

Reported operating income (loss) for our product categories for the three months ended September 30, 2026 and 2025 were as follows:

($ in millions)	Three Months Ended September 30, 2026	2025	$ Change	% Change
Skin Care	$ 262	$ 187	$ 75	40 %
Makeup	3	(15)	18	100+
Fragrance	166	86	80	93
Hair Care	5	(12)	17	100+
Other	13	9	4	44
	449	255	194	76
Charges associated with restructuring and other activities	(41)	(86)	45	52
Operating income	$ 408	$ 169	$ 239	100+%

Skin Care

Reported skin care operating income increased $75 million, or 40%, for the three months ended September 30, 2026, primarily driven by an increase in net sales, as well as lower non-consumer-facing expenses, including a reduction in employee-related costs, partially offset by an increase in consumer-facing investments to drive sales growth, primarily in advertising expenses, including to support new product innovation, key campaigns and targeted expanded consumer reach.

Makeup

Reported makeup operating results increased $18 million, or over 100%, for the three months ended September 30, 2026, primarily driven by an increase in net sales, as well as lower non-consumer-facing expenses, including a reduction in employee-related costs, partially offset by an increase in consumer-facing investments to drive sales growth, including to support new product innovation, key campaigns and targeted expanded consumer reach. The overall increase in consumer-facing expenses was partially offset by the strategic reduction in selling expenses.

Fragrance

Reported fragrance operating income increased $80 million, or 93%, for the three months ended September 30, 2026, primarily driven by higher net sales, partially offset by an increase in consumer-facing investments to drive sales growth, primarily in advertising expenses, including to support new product innovation, key campaigns and targeted expanded consumer reach.

Hair Care

Reported hair care operating results increased $17 million, or over 100%, for the three months ended September 30, 2026, primarily driven by lower non-consumer-facing expenses, including a reduction in employee-related costs, and lower cost of sales.

Geographic Regions

Reported operating income for our geographic regions for the three months ended September 30, 2026 and 2025 were as follows:

	Three Months Ended September 30,			
($ in millions)	2026	2025	$ Change	% Change
The Americas	$ 114	$ 87	$ 27	31 %
EUKEM	44	6	38	100+
Asia/Pacific[1]	259	150	109	73
Mainland China	32	12	20	100+
	449	255	194	76
Charges associated with restructuring and other activities	(41)	(86)	45	52
Operating income	$ 408	$ 169	$ 239	100+%

[1] The operating results from our travel retail business are included in the Asia/Pacific region.

Reported operating income in The Americas increased $27 million, or 31%, for the three months ended September 30, 2026, primarily driven by higher net sales and lower cost of sales, partially offset by an increase in consumer-facing investments to drive sales growth, primarily in advertising expenses, including to support new product innovation, key campaigns and targeted expanded consumer reach.

Reported operating income in EUKEM increased $38 million, or over 100%, for the three months ended September 30, 2026, primarily driven by higher net sales, as well as a decrease in non-consumer-facing expenses, including a reduction in employee-related costs, partially offset by an increase in consumer-facing investments to drive sales growth, including to support new product innovation, key campaigns and targeted expanded consumer reach. The increase in overall consumer-facing investments was partially offset by the strategic reduction in selling expenses.

Reported operating income in Asia/Pacific increased $109 million, or 73%, for the three months ended September 30, 2026, primarily driven by higher net sales and, to a lesser extent, lower cost of sales.

Reported operating income in Mainland China increased $20 million, or over 100%, for the three months ended September 30, 2026, primarily driven by higher net sales, partially offset by an increase in consumer-facing investments to drive sales growth, including to support new product innovation, key shopping moments and key campaigns.

INTEREST AND INVESTMENT INCOME

(In millions)	Three Months Ended September 30, 2026	2025
Interest expense	$ 83	$ 86
Interest income and investment income, net	$ 25	$ 30

Interest expense decreased for the three months ended September 30, 2026, primarily reflecting lower average interest rates compared to the prior-year period. Interest income and investment income, net decreased, primarily driven by the unfavorable year-over-year impact related to our cost method minority investments, reflecting an impairment in the current-year period as compared to investment gains in the prior-year period.

PROVISION FOR INCOME TAXES

The provision or benefit for income taxes represents U.S. federal, foreign, state and local income taxes. The effective rate differs from the federal statutory rate primarily due to the effect of state and local income taxes, the tax impact of stock-based compensation, the taxation of foreign income and income tax reserve adjustments, which represent changes in our net liability for unrecognized tax benefits including tax settlements and lapses of the applicable statutes of limitations, as well as changes to valuation allowances based on our assessment of the realizability of deferred tax assets. Our effective tax rate will change from quarter-to-quarter based on recurring and non-recurring factors including the geographical mix of earnings, enacted tax legislation, state and local income taxes, tax reserve adjustments, the tax impact of stock-based compensation, changes to valuation allowances, the interaction of various global tax strategies and the impact from certain acquisitions. In addition, changes in judgment from the evaluation of new information resulting in the recognition, derecognition or remeasurement of a tax position taken in a prior annual period are recognized separately in the quarter of change.

	Three Months Ended September 30, 2026	2025
Effective rate for income taxes	32.50 %	56.90 %
Basis-point change from the prior-year period	(2,440)	

The effective rate for income taxes was 32.5% and 56.9% for the three months ended September 30, 2026 and 2025, respectively, a 2,440 basis point decrease period over period. The extent of the period-over-period change was broadly impacted by the lower earnings before income taxes for the three months ended September 30, 2025. The decrease in the effective tax rate was primarily attributable to a more favorable estimated full year geographical mix of earnings partially offset by the estimated increase in unrecognized tax benefits primarily related to transfer pricing matters impacting multiple tax jurisdictions.

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NET EARNINGS

($ in millions, except per share data)	Three Months Ended September 30, 2026	2025
As Reported:		
Net earnings	$ 233	$ 47
$ Change from prior-year period	186	
% Change from prior-year period	100+%	
Diluted net earnings per common share	$ .64	$ .13
% Change from prior-year period	100+%	
Non-GAAP Financial Measure[(1)]:		
% Change in diluted net earnings (loss) per common share from the prior-year period adjusting for the impact of charges associated with restructuring and other activities	100+%	

(1) See "*Reconciliations of Non-GAAP Financial Measures"* below for reconciliations between non-GAAP financial measures and the most directly comparable U.S. GAAP measures.

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RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

We use certain non-GAAP financial measures, among other financial measures, to evaluate our operating performance, which represent the manner in which we conduct and view our business. Management believes that excluding certain items that are not comparable from period to period, or do not reflect the Company's underlying ongoing business, provides transparency for such items and helps investors and others compare and analyze our operating performance from period to period. In the future, we expect to incur charges or adjustments similar in nature to those presented below; however, the impact to the Company's results in a given period may be highly variable and difficult to predict. Our non-GAAP financial measures may not be comparable to similarly titled measures used by, or determined in a manner consistent with, other companies. While we consider the non-GAAP measures useful in analyzing our results, they are not intended to replace, or act as a substitute for, any presentation included in the consolidated financial statements prepared in conformity with U.S. GAAP. The following tables present Net sales, Operating income and Diluted net earnings per common share adjusted to exclude the impact of charges associated with restructuring and other activities; and the effects of foreign currency translation.

The following table provides reconciliations between these non-GAAP financial measures and the most directly comparable U.S. GAAP measures.

($ in millions, except per share data)	Three Months Ended September 30, 2026	2025	Variance	% Change	% Change in constant currency
Net sales, as reported	$ 3,715	$ 3,481	$ 234	7 %	6 %
Returns associated with restructuring and other activities	1	(1)	2		
Net sales, as adjusted	$ 3,716	$ 3,480	$ 236	7 %	6 %
Operating income, as reported	$ 408	$ 169	$ 239	100+%	100+%
Charges associated with restructuring and other activities	41	86	(45)		
Operating income, as adjusted	$ 449	$ 255	$ 194	76 %	80 %
Diluted net earnings per common share, as reported	$ .64	$ .13	$ .51	100+%	100+%
Charges associated with restructuring and other activities	.08	.19	(.11)		
Diluted net earnings per common share, as adjusted	$ .72	$ .32	$ .40	100+%	100+%

As diluted net earnings per common share, as adjusted, is used as a measure of the Company's performance, we consider the impact of current and deferred income taxes when calculating the per-share impact of each of the reconciling items.

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The following table reconciles the change in net sales by product category and geographic region, as reported, to the change in net sales excluding the effects of foreign currency translation:

($ in millions)	As Reported: Three Months Ended September 30, 2026	As Reported: Three Months Ended September 30, 2025	Variance	Impact of foreign currency translation	Variance, in constant currency	% Change, as reported	% Change, in constant currency
By Product Category:							
Skin Care	$ 1,651	$ 1,575	$ 76	$ (18)	$ 58	5 %	4 %
Makeup	1,048	1,030	18	(4)	14	2	1
Fragrance	861	721	140	1	141	19	20
Hair Care	128	129	(1)	1	—	(1)	—
Other	28	25	3	—	3	12	12
	3,716	3,480	236	(20)	216	7	6
Returns associated with restructuring and other activities	(1)	1	(2)	—	(2)		
Total	$ 3,715	$ 3,481	$ 234	$ (20)	$ 214	7 %	6 %
By Geographic Region:							
The Americas	$ 1,227	$ 1,174	$ 53	$ (3)	$ 50	5 %	4 %
EUKEM	923	901	22	10	32	2	4
Asia/Pacific	952	873	79	9	88	9	10
Mainland China	614	532	82	(36)	46	15	9
	3,716	3,480	236	(20)	216	7	6
Returns associated with restructuring and other activities	(1)	1	(2)	—	(2)		
Total	$ 3,715	$ 3,481	$ 234	$ (20)	$ 214	7 %	6 %

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our principal sources of funds historically have been cash flows from operations, borrowings pursuant to our commercial paper program, borrowings from the issuance of long-term debt and committed and uncommitted credit lines provided by banks and other lenders in the United States and abroad. At September 30, 2026, we had cash and cash equivalents of $3,198 million compared with $3,498 million at June 30, 2026. Our cash and cash equivalents are maintained at a number of financial institutions. To mitigate the risk of uninsured balances, we select financial institutions based on their credit ratings and financial strength, and we perform ongoing evaluations of these institutions to limit our concentration risk exposure.

Based on past performance and current expectations, we believe that cash on hand, cash generated from operations, available credit lines and access to credit markets will be adequate to support seasonal working capital needs, currently planned business operations, information technology enhancements, capital expenditures, acquisitions, dividends, stock repurchases, restructuring initiatives, commitments and other contractual obligations on both a near-term and long-term basis.

The Tax Cuts and Jobs Act resulted in the Transition Tax on unrepatriated earnings of our foreign subsidiaries and changed the tax law in ways that present opportunities to repatriate cash without additional U.S. federal income tax. We continue to analyze the permanent reinvestment assertion on our remaining applicable foreign earnings. We do not believe that continuing to reinvest these remaining applicable foreign earnings impairs our ability to meet our domestic debt or working capital obligations. If these reinvested earnings were repatriated into the United States as dividends, we would be subject to state income taxes and applicable foreign taxes in certain jurisdictions.

Tariffs negatively impacted our operating results in the fiscal 2027 first quarter and we are continuing to monitor and assess the potential effects of changing tariff conditions globally.

On October 5, 2026, we completed the acquisition of the remaining equity interest in Mountain Valley Springs India Private Limited, the owner of the Forest Essentials brand, an India-based beauty brand grounded in the science of modern Luxurious Ayurveda, and paid $160 million for the purchase of the remaining 51% equity interest and $37 million related to a one-time inducement payment which is excluded from the consideration transferred, using cash on hand. For further information related to the acquisition, refer to *Note 14 - Subsequent Events.*

Credit Ratings

Changes in our credit ratings will likely result in changes in our borrowing costs. Our credit ratings also impact the cost of our revolving credit facilities. Downgrades in our credit ratings may reduce our ability to issue commercial paper and/or long-term debt and would likely increase the relative costs of borrowing. A credit rating is not a recommendation to buy, sell, or hold securities, is subject to revision or withdrawal at any time by the assigning rating organization, and should be evaluated independently of any other rating. As of October 26, 2026, our long-term debt is rated A- with a stable outlook by Standard & Poor’s and A3 with a negative outlook by Moody’s.

Debt

At September 30, 2026, our outstanding borrowings were as follows:

($ in millions)	Long-term Debt	Current Debt	Total Debt
5.150% Senior Notes, due May 15, 2053 ("2053 Senior Notes") [1], [15]	$ 591	$ —	$ 591
3.125% Senior Notes, due December 1, 2049 ("2049 Senior Notes") [2], [15]	637	—	637
4.150% Senior Notes, due March 15, 2047 ("2047 Senior Notes") [3], [15]	495	—	495
4.375% Senior Notes, due June 15, 2045 ("2045 Senior Notes") [4], [15]	454	—	454
3.700% Senior Notes, due August 15, 2042 ("2042 Senior Notes") [5], [15]	248	—	248
6.000% Senior Notes, due May 15, 2037 ("2037 Senior Notes") [6], [15]	296	—	296
5.000% Senior Notes, due February 14, 2034 ("2034 Senior Notes) [7], [15]	593	—	593
5.75% Senior Notes, due October 15, 2033 ("October 2033 Senior Notes") [8], [15]	198	—	198
4.650% Senior Notes, due May 15, 2033 ("May 2033 Senior Notes") [9], [15]	696	—	696
1.950% Senior Notes, due March 15, 2031 ("2031 Senior Notes") [10], [15]	556	—	556
2.600% Senior Notes, due April 15, 2030 ("2030 Senior Notes") [11], [15]	615	—	615
2.375% Senior Notes, due December 1, 2029 ("2029 Senior Notes") [12], [15]	646	—	646
4.375% Senior Notes, due May 15, 2028 ("2028 Senior Notes") [13], [15]	698	—	698
3.150% Senior Notes, due March 15, 2027 ("2027 Senior Notes") [14], [15]	—	500	500
Other long-term borrowings	25	3	28
	$ 6,748	$ 503	$ 7,251

[1] Consists of $600 million principal, unamortized debt discount of $3 million and debt issuance costs of $6 million.
[2] Consists of $650 million principal, unamortized debt discount of $7 million and debt issuance costs of $6 million.
[3] Consists of $500 million principal, unamortized debt discount of $1 million and debt issuance costs of $4 million.
[4] Consists of $450 million principal, net unamortized debt premium of $7 million and debt issuance costs of $3 million.
[5] Consists of $250 million principal, unamortized debt discount of $1 million and debt issuance costs of $1 million.
[6] Consists of $300 million principal, unamortized debt discount of $2 million and debt issuance costs of $2 million.
[7] Consists of $650 million principal, unamortized debt discount of $1 million, debt issuance costs of $4 million and a $52 million loss to reflect the fair value of interest rate swaps.
[8] Consists of $200 million principal, unamortized debt discount of $1 million and debt issuance costs of $1 million.
[9] Consists of $700 million principal, unamortized debt discount of $1 million and debt issuance costs of $3 million.
[10] Consists of $600 million principal, unamortized debt discount of $2 million, debt issuance costs of $2 million and a $40 million loss to reflect the fair value of interest rate swaps.
[11] Consists of $700 million principal, debt issuance costs of $2 million and a $83 million loss to reflect the fair value of interest rate swaps.
[12] Consists of $650 million principal, unamortized debt discount of $2 million and debt issuance costs of $2 million.
[13] Consists of $700 million principal and debt issuance costs of $2 million.
[14] Consists of $500 million principal.
[15] The Senior Notes contain certain customary covenants, including limitations on indebtedness secured by liens.

Total debt as a percent of total capitalization was 64% and 66% at September 30, 2026 and June 30, 2026, respectively.

Cash Flows

(In millions)	Three Months Ended September 30, 2026	2025
Net cash flows used for operating activities	$ (166)	$ (340)
Net cash flows used for investing activities	$ (61)	$ (116)
Net cash flows used for financing activities	$ (80)	$ (239)

The change in net cash flows used for operating activities was primarily driven by higher net earnings, excluding non-cash items, and to a lesser extent, the favorable change in operating assets and liabilities variances.

The change in net cash flows used for investing activities was primarily driven by a favorable year-over-year impact from the settlement of net investment hedges and lower capital expenditures compared to the prior-year period.

The change in net cash flows used for financing activities primarily reflected the payment of deferred consideration in the fiscal 2026 first quarter associated with the fiscal 2023 acquisition of TOM FORD.

Dividends
For a summary of quarterly cash dividends declared per share on our Class A and Class B Common Stock during the three months ended September 30, 2026, see *Notes to Consolidated Financial Statements, Note 11 – Equity*.

Pension and Post-retirement Plan Funding
There have been no significant changes to our pension and post-retirement funding as discussed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

Commitments, Contractual Obligations and Contingencies
There have been no significant changes to our commitments and contractual obligations as discussed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2026. For a discussion of contingencies, see *Notes to Consolidated Financial Statements, Note 8 – Commitments and Contingencies*.

Derivative Financial Instruments and Hedging Activities
For a discussion of our derivative financial instruments and hedging activities, see *Notes to Consolidated Financial Statements, Note 4 – Derivative Financial Instruments*.

Foreign Exchange Risk Management
For a discussion of foreign exchange risk management, see *Notes to Consolidated Financial Statements, Note 4 – Derivative Financial Instruments (Fair Value Hedges, Cash Flow Hedges and Net Investment Hedges)*.

Credit Risk
For a discussion of credit risk, see *Notes to Consolidated Financial Statements, Note 4 – Derivative Financial Instruments (Credit Risk)*.

Market Risk
We address certain financial exposures through a controlled program of market risk management that includes the use of foreign currency forward contracts to reduce the effects of fluctuating foreign currency exchange rates and to mitigate the change in fair value of specific assets and liabilities on the balance sheet, anticipated transactions and the net investment in certain foreign operations. To perform a sensitivity analysis of our foreign currency forward contracts, we assess the change in fair values from the impact of hypothetical changes in foreign currency exchange rates. A hypothetical 10% weakening of the U.S. dollar against the foreign exchange rates for the currencies in our portfolio would have resulted in a net decrease in the fair value of our portfolio of approximately $159 million and $164 million as of September 30, 2026 and June 30, 2026, respectively. This potential change does not consider our underlying foreign currency exposures.

We also enter into cross-currency swap contracts to hedge the impact of foreign currency changes on certain intercompany foreign currency denominated debt and to hedge a portion of the net investment in certain foreign operations. A hypothetical 10% weakening of the U.S. dollar against the foreign exchange rates for the currencies in our cross-currency swap contracts would have resulted in a net decrease in the fair value of our cross-currency swap contracts of approximately $76 million as of September 30, 2026 and June 30, 2026.

In addition, we enter into interest rate derivatives to manage the effects of interest rate movements on our funded indebtedness, including future debt issuances. Based on a hypothetical 100 basis point increase in interest rates, the estimated fair value of our interest rate derivatives would decrease by approximately $67 million and $72 million as of September 30, 2026 and June 30, 2026, respectively.

Our sensitivity analysis represents an estimate of reasonably possible net losses that would be recognized on our portfolio of derivative financial instruments assuming hypothetical movements in future market rates and is not necessarily indicative of actual results, which may or may not occur. It does not represent the maximum possible loss or any expected loss that may occur, since actual future gains and losses will differ from those estimated, based upon actual fluctuations in market rates, operating exposures, and the timing thereof, and changes in our portfolio of derivative financial instruments during the year. We believe, however, that any such loss incurred would be offset by the effects of market rate movements on the respective underlying transactions for which the derivative financial instrument was intended.

OFF-BALANCE SHEET ARRANGEMENTS

We do not maintain any off-balance sheet arrangements, transactions, obligations or other relationships with unconsolidated entities that would be expected to have a material current or future effect upon our financial condition or results of operations.

CRITICAL ACCOUNTING POLICIES

As disclosed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2026, the discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in conformity with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in those financial statements. These estimates and assumptions can be subjective and complex, and consequently, actual results could differ from those estimates. Refer to the *Critical Accounting Policies and Estimates* section within *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the fiscal year ended June 30, 2026. Since June 30, 2026, there have been no significant changes to the assumptions and estimates related to our critical accounting policies.

RECENTLY ISSUED ACCOUNTING STANDARDS

For a discussion regarding the impact of accounting standards that were recently issued but not yet effective, on our consolidated financial statements, see *Notes to Consolidated Financial Statements, Note 1 – Summary of Significant Accounting Policies*.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

We and our representatives from time to time make written or oral forward-looking statements, including in this and other filings with the Securities and Exchange Commission, in our press releases and in our reports to stockholders, which may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may address our expectations regarding sales, earnings or other future financial performance and liquidity, other performance measures, product introductions, entry into new geographic regions, information technology initiatives, new methods of sale, our long-term strategy, restructuring and other charges and resulting cost savings, and future operations or operating results. These statements may contain words like "expect," "will," "will likely result," "would," "believe," "estimate," "planned," "plans," "intends," "may," "should," "could," "anticipate," "estimate," "project," "projected," "forecast," and "forecasted" or similar expressions. Although we believe that our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, actual results may differ materially from our expectations. Factors that could cause actual results to differ from expectations include, without limitation:

(1) increased competitive activity from companies in the skin care, makeup, fragrance and hair care businesses;

(2) our ability to develop, produce and market new products on which future operating results may depend and to successfully address challenges in our business;

(3) consolidations, restructurings, bankruptcies and reorganizations in the retail industry causing a decrease in the number of stores that sell our products, an increase in the ownership concentration within the retail industry, ownership of retailers by our competitors or ownership of competitors by our customers that are retailers and our inability to collect receivables;

(4) destocking and tighter working capital management by retailers;

(5) the success, or changes in timing or scope, of new product innovation, including launches, and the success, or changes in timing or scope, of advertising, sampling and merchandising programs;

(6) shifts in the preferences of consumers as to how they perceive value and where and how they shop;

(7) social, political and economic risks to our foreign or domestic manufacturing, distribution and retail operations, including changes in foreign investment and trade policies and regulations of the host countries and of the United States;

(8) changes in the laws, regulations and policies (including the interpretations and enforcement thereof) that affect, or will affect, our business, including those relating to our products or distribution networks, changes in accounting standards, tax laws and regulations, environmental or climate change laws, regulations or accords, trade rules and customs regulations, and the outcome and expense of legal or regulatory proceedings, and any action we may take as a result;

(9) foreign currency fluctuations affecting our results of operations and the value of our foreign assets, the relative prices at which we and our foreign competitors sell products in the same markets and our operating and manufacturing costs outside of the United States;

(10) changes in global or local conditions, including those due to volatility in the global credit and equity markets, government economic policies, natural or man-made disasters, real or perceived epidemics, supply chain challenges, inflation, or increased energy costs, that could affect consumer purchasing, the willingness or ability of consumers to travel and/or purchase our products while traveling, the financial strength of our customers, suppliers or other contract counterparties, our operations, the cost and availability of capital which we may need for new equipment, facilities or acquisitions, the returns that we are able to generate on our pension assets and the resulting impact on funding obligations, the cost and availability of raw materials and the assumptions underlying our critical accounting estimates;

(11) shipment delays, commodity pricing, depletion of inventory and increased production costs resulting from disruptions of operations at any of the facilities that manufacture our products or at our distribution or inventory centers, including disruptions that may be caused by the implementation of information technology initiatives, or by restructurings;

(12) real estate rates and availability, which may affect our ability to increase or maintain the number of retail locations at which we sell our products and the costs associated with our other facilities;

(13) changes in product mix to products which are less profitable;

(14) our ability to acquire, develop or implement new information technology, including operational technology and websites, on a timely basis and within our cost estimates; to maintain continuous operations of our new and existing information technology; and to secure the data and other information that may be stored in such technologies or other systems or media;

(15) our ability to capitalize on opportunities for improved efficiency, such as publicly-announced strategies and restructuring and cost-savings initiatives, and to integrate acquired businesses and realize value therefrom;

(16) consequences attributable to local or international conflicts around the world, as well as from any terrorist action, retaliation and the threat of further action or retaliation;

(17) the timing and impact of acquisitions, investments and divestitures; and

(18) additional factors as described in our filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

We assume no responsibility to update forward-looking statements made herein or otherwise.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk.***

The information required by this item is set forth in Item 2 of this Quarterly Report on Form 10-Q under the caption *Liquidity and Capital Resources - Market Risk* and is incorporated herein by reference.

Item 4. ***Controls and Procedures.***

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and to ensure that information required to be disclosed is accumulated and communicated to management, including our principal executive and financial officers, to allow timely decisions regarding disclosure. The Chief Executive Officer and the Chief Financial Officer, with assistance from other members of management, have reviewed the effectiveness of our disclosure controls and procedures as of September 30, 2026 and, based on their evaluation, have concluded that the disclosure controls and procedures were effective as of such date.

As part of our review of internal control over financial reporting, we make changes to systems and processes to improve such controls and increase efficiencies, while ensuring that we maintain an effective internal control environment. There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the first quarter of fiscal 2027 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings.***

For a discussion of legal proceedings, see *Notes to Consolidated Financial Statements, Note 8 – Commitments and Contingencies*.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds.***

Share Repurchase Program

We are authorized by the Board of Directors to repurchase shares of our Class A Common Stock in the open market or in privately negotiated transactions, depending on market conditions and other factors. The following table provides information relating to our repurchase of Class A Common Stock during the referenced periods:

Period	Total Number of Shares Purchased[1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Number of Shares that May Yet Be Purchased Under the Program[2]
July 2026	—	$ —	—	25,073,242
August 2026	6,591	106.06	—	25,073,242
September 2026	—	—	—	25,073,242
	6,591	106.06	—	

(1) Reflects shares that were repurchased by the Company to satisfy tax withholding obligations upon the payout of certain stock-based compensation arrangements.

(2) The Board of Directors has authorized the current repurchase program for up to 256.0 million shares. The total amount was last increased by the Board on October 31, 2018. Our repurchase program does not have an expiration date.

Beginning in December 2022, we suspended the repurchase of shares of our Class A Common Stock under our publicly announced program. We may resume repurchases in the future.

Item 5. Other Information.

Trading Arrangements

During the fiscal 2027 first quarter, none of the Company's directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Item 408(a) of Regulation S-K under the Exchange Act.

Disclosure Required Pursuant to Section 13(r) of the Securities Exchange Act of 1934

During the fiscal 2027 first quarter, the Company made payments of eighty-seven U.S. dollars to maintain its intellectual property rights in Iran, as part of its intellectual property protection efforts, under a specific license granted by the U.S. Department of Treasury's Office of Foreign Asset Control (OFAC). The Company does not generate any revenues or profits from this activity, and plans to continue these activities, as authorized under the specific license. These trademarks are registered with the Intellectual Property Center of the Islamic Republic of Iran (IPC) through intellectual property counsel and service providers located in the United Arab Emirates and Iran. The payments were made to IPC at its account at the Central Bank of Iran, which was designated by OFAC as sanctioned under its counterterrorism authority pursuant to Executive Order 13224 on September 20, 2019.

Item 6. *Exhibits.*

Exhibit Number	Description
10.1	The Estée Lauder Companies Inc. Amended and Restated Non-Employee Director Share Incentive Plan (as of November 17, 2026).†
10.2	Form of Restricted Stock Unit Award Agreement for Annual Stock Units under The Estée Lauder Companies Inc. Amended and Restated Non-Employee Director Share Incentive Plan (including Form of Notice of Grant).†
10.3	Summary of Compensation for Non-Employee Directors of the Company.†
31.1	Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (CEO).
31.2	Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (CFO).
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (CEO). (furnished)
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (CFO). (furnished)
101.1	The following materials from The Estée Lauder Companies Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2026 are formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statements of Earnings, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows and (v) Notes to Consolidated Financial Statements
104	The cover page from The Estée Lauder Companies Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2026 is formatted in iXBRL

† Exhibit is a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE ESTÉE LAUDER COMPANIES INC.

By: /s/ AKHIL SHRIVASTAVA

Akhil Shrivastava
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: November 2, 2026

Exhibit 10.1

THE ESTÉE LAUDER COMPANIES INC.
AMENDED AND RESTATED
NON-EMPLOYEE DIRECTOR SHARE INCENTIVE PLAN
(Amended and Restated effective as of November 17, 2026)

1. **Purpose.** The Estée Lauder Companies Inc. Non-Employee Director Share Incentive Plan (the "Plan") is intended (i) to provide incentives which will attract, retain and motivate highly competent persons as non-employee directors of The Estée Lauder Companies Inc. (the "Company"), and (ii) to assist in further aligning the interests of the Company's non-employee directors with those of its other stockholders, by providing non-employee directors with opportunities to acquire shares of the Class A Common Stock, par value $0.01 per share, of the Company ("Class A Common Stock") or to receive monetary payments based on the value of such shares pursuant to the Benefits (as defined below) described herein.

2. **Administration.** The Plan will be administered by the Board of Directors of the Company (the "Board") or a committee appointed by the Board from among its members (and references herein to the Board shall be deemed to include references to any such committee, except as the context otherwise requires). The Board is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan and to make such determinations and interpretations and to take such action in connection with the Plan and any Benefits (as defined below) granted hereunder as it deems necessary or advisable. All determinations and interpretations made by the Board shall be binding and conclusive on all participants and their legal representatives. The Board may employ such legal or other counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion or computation received from any such counsel, consultant or agent. Expenses incurred by the Board in the engagement of such counsel, consultant or agent shall be paid by the Company.

3. **Participants.** Each member of the Board who is not an employee of the Company or any subsidiary of the Company (a "Non-Employee Director") shall be eligible to participate in the Plan.

4. **Type of Benefits.** Benefits under the Plan shall be granted in a combination of (a) Stock Options, (b) Stock Awards and/or (c) Stock Units (each as described below, and collectively, the "Benefits"). Benefits may be evidenced by agreements (which need not be identical) in such forms as the Board may from time to time approve (each a "Benefit Agreement"); provided, however, that in the event of any conflict between the provisions of the Plan and any such Benefit Agreements, the provisions of the Plan shall prevail. A "Stock Award" means an award of Class A Common Stock.

5. **Common Stock Available Under The Plan.**

(a) Subject to the provisions of this Section 5 and any adjustments made in accordance with Section 9 hereof, the maximum number of shares of Class A Common Stock that may be delivered to Non-Employee Directors and their beneficiaries under the Plan shall be 1,800,000 shares of Class A Common Stock, which may be authorized and unissued or treasury shares. Any shares of Class A Common Stock covered by a Stock Option or Stock Unit granted under the Plan, which is forfeited, is canceled, or expires, shall be deemed not to have been delivered for purposes of determining the maximum number of shares of Class A Common Stock available for delivery under the Plan.

(b) If any Stock Option is exercised by tendering shares of Class A Common Stock, either actually or by attestation, to the Company as full or partial payment in connection with the exercise of a Stock Option under the Plan, only the number of shares of Class A Common Stock issued net of the shares of Class A Common Stock tendered shall be deemed delivered for purposes of determining the maximum number of shares of Class A Common Stock available for delivery under the Plan.

6. **Annual Stock Options.**

(a) **Grant.** On the date of each Annual Meeting of Stockholders of the Company during the term of the Plan, each Non-Employee Director in office immediately following such Annual Meeting shall be granted automatically a Stock Option to purchase that number of whole shares of Class A Common Stock such that the value, as determined in accordance with procedures generally utilized by the Company for its financial reporting at the time of the grant, does not exceed such dollar amount determined from time to time by the Board; provided that in no event shall the grant to each Non-Employee Director exceed 10,000 shares of Class A Common Stock (subject to adjustments made in accordance with Section 9 hereof). Stock Options are not intended to constitute "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

(b) **Exercise Price.** Each Stock Option granted hereunder shall have a per-share exercise price equal to the Fair Market Value (as defined herein) of a share of Class A Common Stock on the date of grant (subject to adjustments made in accordance with Section 9 hereof).

(c) **Payment of Exercise Price.** The option exercise price may be paid in cash or, in the discretion of the Board, by the delivery of shares of Class A Common Stock then owned by the Non-Employee Director (to be valued at their Fair Market Value on the date of exercise), by the withholding of shares of Class A Common Stock for which a Stock Option is exercisable, or by a combination of these methods. In the discretion of the Board, payment may also be made by delivering a properly executed exercise notice to the Company together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds to pay the exercise price. To facilitate the foregoing, the Company may enter into agreements for coordinated procedures with one or more brokerage firms. The Board may prescribe any other method of paying the exercise price that it determines to be consistent with applicable law and the purpose of the Plan, including, without limitation, in lieu of the exercise of a Stock Option by delivery of shares of Class A Common Stock then owned by a Non-Employee Director, providing the Company with a notarized statement attesting to the number of shares owned, in which case upon verification by the Company, the Company would issue to the Non- Employee Director only the number of incremental shares to which the Non- Employee Director is entitled upon exercise of the Stock Option. In determining which methods a Non-Employee Director may utilize to pay the exercise price, the Board may consider such factors as it determines are appropriate.

(d) **Exercise Period.**

(i) **General.** Each Stock Option granted to a Non-Employee Director hereunder shall become exercisable beginning on the first anniversary of the date of grant, provided that the Non-Employee Director continues to serve as a director of the Company on such anniversary date; provided, however, any such Stock Option granted to a Non-Employee Director shall become immediately exercisable in the event of (A) a Change in Control of the Company (as defined in Section 9(b) hereof), subject to Section 9(b) hereof or (B) the death of the Non-Employee Director. Each Stock Option shall terminate on the tenth anniversary of the date of grant unless terminated earlier pursuant to the Plan or Benefit Agreement. If a Non-Employee Director ceases to serve as a director of the Company for any reason other than as a result of a Change in Control or his or her death, each Stock Option granted to such person less than one year prior to cessation of service shall immediately terminate and become null and void upon such cessation of service.

(ii) **Termination of Directorship**. If a Non-Employee Director ceases to serve as a director of the Company, any exercisable outstanding Stock Option previously granted to such Non-Employee Director shall, to the extent not theretofore exercised, remain exercisable at any time up to and including a date that is five years after the date of such cessation of service, at which time such Stock Option shall terminate and become null and void; provided, however, that no Stock Option shall be exercisable later than ten years after the date of grant; provided, further, however, if the service of a Non-Employee Director ceases by reason other than (A) death, (B) disability (as described in Section 22(e)(3) of the Code), (C) voluntary retirement from service as a director of the Company, or (D) the failure of the Company to nominate for re-election such Non- Employee Director who is otherwise eligible, unless such failure to nominate for re-election is due to any act of (1) fraud or intentional misrepresentation or (2) embezzlement, misappropriation or conversion of assets or opportunities of the Company or any subsidiary, in which case such Stock Option shall immediately terminate and become null and void.

(e) **Post-Directorship Exercises.** The exercise of any Stock Option after a Non-Employee Director ceases to serve as a director shall be subject to satisfaction of the conditions precedent that the former Non- Employee Director neither (i) competes with, or takes employment with or renders services to a competitor of, the Company, its subsidiaries or affiliates without the written consent of the Company, nor (ii) conducts himself or herself in a manner adversely affecting the Company. If a Stock Option shall be exercised by the legal or personal representative of a deceased Non-Employee Director or former Non-Employee Director, or by a person who acquired a Stock Option granted hereunder by bequest or inheritance or by reason of the death of any Non-Employee Director or former Non-Employee Director, written notice of such exercise shall be accompanied by a certified copy of letters testamentary or equivalent proof of the right of such legal representative or other person to exercise such Stock Option.

7. **Initial Stock Units for New Non-Employee Directors.**

(a) On the date of the first Annual Meeting of Stockholders of the Company which is at least six months after the date a Non-Employee Director is first elected to the Board, such Non-Employee Director (provided that he or she is in office immediately following the Annual Meeting) shall be granted automatically that number of Stock Units obtained by dividing (i) a dollar amount determined from time to time by the Board by (ii) the average closing price of the Class A Common Stock for the twenty days on which trading occurred immediately preceding the date of grant of the Stock Units. Each grant of a Stock Unit shall be accompanied by a Dividend Equivalent Right (as defined below) with respect to such Stock Unit, which shall be subject to the same vesting terms as the related Stock Unit.

(b) On the first business day of the calendar year following the year in which a Non-Employee Director ceases to serve as a director, the shares of Class A Common Stock representing the Stock Units granted to the Non-Employee Director pursuant to this Section 7 shall be distributed to him or her or, in the case of his or her death, to his or her legal or personal representative.

(c) The Board may, in its discretion, allow a Non-Employee Director to defer receipt of shares of Class A Common Stock in a manner which complies with Section 409A of the Internal Revenue Code of 1986, as amended.

(d) As used in this Section 7, a "Stock Unit" and a "Dividend Equivalent Right" shall have the same meanings for such terms as set forth in Section 8(e) below. Additional Stock Units paid in respect of Dividend Equivalent Rights shall be subject to the same terms and conditions as the Stock Units with which the Dividend Equivalent Rights are associated.

8. **Annual Stock Units.**

(a) On the date of each Annual Meeting of Stockholders of the Company during the term of the Plan, each Non-Employee Director in office immediately following such Annual Meeting shall be granted automatically that number of Stock Units obtained by dividing (i) a dollar amount determined from time to time by the Board by (ii) the average closing price of the Class A Common Stock for the twenty days on which trading occurred immediately preceding the date of grant of the Stock Units. Each grant of a Stock Unit shall be accompanied by a Dividend Equivalent Right (as defined below) with respect to such Stock Unit, which shall be subject to the same vesting terms as the related Stock Unit.

(b) Unless otherwise determined by the Board and provided in the applicable award agreement, the Stock Units granted pursuant to this Section 8 shall vest on the earliest to occur of (i) the first anniversary of the date of grant, (ii) the date of the first Annual Meeting of Stockholders of the Company following the date of grant, (iii) the date of death or disability (as described in Section 22(e)(3) of the Code) of the Non-Employee Director, and (iv) the effective date of a Change in Control of the Company (as provided in Section 9(b) hereof), in each case provided that the Non-Employee Director continues to serve as a director of the Company until such vesting date.

(c) Unless otherwise determined by the Board, the Non-Employee Director may elect to receive the shares of Class A Common Stock representing his or her vested Stock Units upon either (i) the vesting date of the award, or (ii) the date such Non-Employee Director ceases to serve as a director. The shares of Class A Common Stock shall be distributed to the Non-Employee Director (or, in the case of his or her death, to his or her legal or personal representative), within fifteen (15) days following the applicable date as provided above. Notwithstanding the foregoing, the shares of Class A Common Stock representing the vested Stock Units granted at the 2026 Annual Meeting shall be distributed on the first business day of the calendar year following the year in which the Non-Employee Director ceases to serve as a director.

(d) Any election by a Non-Employee Director with respect to the timing of receipt of shares of Class A Common Stock under this Section 8 shall be made at a time and in the manner that complies with Section 409A of the Internal Revenue Code of 1986, as amended.

(e) A "Stock Unit" means a notional account representing one share of Class A Common Stock. A "Dividend Equivalent Right" means the right to receive the amount of any dividend paid on the share of Class A Common Stock represented by a Stock Unit, which shall be payable in the form of additional Stock Units. Additional Stock Units paid in respect of Dividend Equivalent Rights shall be subject to the same terms and conditions as the Stock Units with which the Dividend Equivalent Rights are associated.

(f) Notwithstanding the foregoing, in no event shall a Non-Employee Director be granted Stock Units (including Dividend Equivalent Rights), as the case may be, pursuant to this Section 8 for greater than 10,000 shares of Class A Common Stock (subject to amendment from time to time by the Board, and to adjustments made in accordance with Section 9 hereof) in

any calendar year.

9. **Adjustment Provisions; Change in Control.**

(a) If there shall be any change in the Class A Common Stock, through merger, consolidation, reorganization, recapitalization, stock dividend, stock split, reverse stock split, split up, spin-off, combination of shares, exchange of shares, dividend in kind or other like change in capital structure or distribution (other than normal cash dividends) to stockholders of the Company, the Board shall adjust, in a fair and equitable manner, the Plan and each outstanding Benefit thereunder, to prevent dilution or enlargement of participants' rights under the Plan, and such an adjustment shall be made successively each time any such change shall occur. Such adjustment shall be effected by one or more of the following, as applicable, as determined by the Board of Directors: (i) adjustment of the number of Class A Common Stock and/or kind of shares of common stock of the Company or other securities that may be issued under the Plan, adjustment of the number of Class A Common Stock and/or kind of shares of common stock of the Company or other securities that are subject to outstanding Benefits, and/or where applicable, the exercise price or purchase price applicable to such Benefits; (ii) grant of a right to receive one or more payments of securities, cash and/or property (which right may be evidenced as an additional Benefit under this Plan) in respect of any outstanding Benefit, (iii) provision for the settlement of any outstanding Benefit (other than a Stock Option) in such securities, cash and/or other property as would have been received had the Benefit been settled in full immediately prior to the change; provided, however, that any adjustment pursuant to this Section 9 shall comply with or otherwise ensure exemption from Section 409A of the Code, as applicable.

(b) Notwithstanding any other provision of this Plan, if there is a Change in Control of the Company, all then outstanding Stock Options shall immediately become exercisable and all outstanding Stock Units shall immediately vest and become payable. For purposes of this Section 9(b), a "Change in Control" of the Company shall be deemed to have occurred upon any of the following events:

(i) On or after the date there are no shares of Class B Common Stock, par value $.01 per share, of the Company outstanding, any person as such term is used in Section 13(d) of the Exchange Act or person(s) acting together which would constitute a "group" for purposes of Section 13(d) of the Exchange Act (other than the Company, any subsidiary, any employee benefit plan sponsored by the Company or any member of the Lauder family or any family-controlled entities (collectively, the "Lauder Family")) shall acquire (or shall have acquired during the 12-month period ending on the date of the most recent acquisition by such person(s)) and shall "beneficially own" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, at least 30% of the total voting power of all classes of capital stock of the Company entitled to vote generally in the election of the Board; or

(ii) During any period of twelve consecutive months, either (A) the individuals who at the beginning of such period constitute the Board of Directors or any individuals who would be "Continuing Directors" (as hereinafter defined) cease for any reason to constitute at least a majority thereof or (B) at any meeting of the shareholders of the Company called for the purpose of electing directors, a majority of the persons nominated by the Board for election as directors shall fail to be elected; or

(iii) Consummation of a sale or other disposition (in one transaction or a series of transactions) of all or substantially all of the assets of the Company; or

(iv) Consummation of a merger or consolidation of the Company (A) in which the Company is not the continuing or surviving corporation (other than a consolidation or merger with a wholly-owned subsidiary of the Company in which all shares of the Company's common stock outstanding immediately prior to the effectiveness thereof are changed into or exchanged for common stock of the subsidiary) or (B) pursuant to which all shares of the Company's common stock are converted into cash, securities or other property, except in either case, a consolidation or merger of the Company in which the holders of the shares of Common Stock immediately prior to the consolidation or merger have, directly or indirectly, at least a majority of the shares of Common Stock of the continuing or surviving corporation immediately after such consolidation or merger or in which the Board immediately prior to the merger or consolidation would, immediately after the merger or consolidation, constitute a majority of the board of directors of the continuing or surviving corporation.

Notwithstanding the foregoing, (I) none of the following shall constitute a Change in Control of the Company: (A) changes in the relative beneficial ownership among members of the Lauder Family, without other changes that would constitute a Change in Control; or (B) any spin-off of a division or subsidiary of the Company to its stockholders and (II) if "Change in Control" is used as a payment date for "nonqualified deferred compensation" within the meaning of Section 409A of the Code, the event must also constitute a "change in control event" within the meaning of Section 409A of the Code.

For purposes of this Section 9(b), "Continuing Directors" shall mean (x) the directors of the Company in office on the Effective Date (as defined below) and (y) any successor to any such director and any additional director who after the Effective Date whose appointment or election is endorsed by a majority of the Continuing Directors at the time of his or her nomination or election.

The Board, in its discretion, may determine that, upon the occurrence of a Change in Control of the Company, each Stock Option outstanding hereunder shall terminate within a specified number of days after notice to the holder, and such holder shall receive, with respect to each share of Class A Common Stock subject to such Stock Option, an amount equal to the excess of the Fair Market Value of such shares of Class A Common Stock immediately prior to the occurrence of such Change in Control over the exercise price per share of such Stock Option; such amount to be payable in cash, in one or more kinds of property (including the property, if any, payable in the transaction constituting the Change in Control) or in a combination thereof, as the Board, in its discretion, shall determine. The provisions contained in the preceding sentence shall be inapplicable to a Stock Option granted within six (6) months before the occurrence of a Change in Control if the holder of such Stock Option is subject to the reporting requirements of Section 16(a) of the Exchange Act and no exception from liability under Section 16(b) of the Exchange Act is otherwise available to such holder.

10. **Nontransferability.** Stock Options and Stock Units granted under the Plan to a Non-Employee Director shall not be transferable otherwise than by will or the laws of descent and distribution, and shall be exercisable, during the Non-Employee Director's lifetime, only by the Non-Employee Director. In the event of the death of a Non-Employee Director, each Stock Option theretofore granted to him or her shall be exercisable during such period after his or her death and by such persons as set forth in Section 6 above. Notwithstanding the foregoing, at the discretion of the Board, an award of a Stock Option or Stock Unit may permit the transferability of any such Stock Option or Stock Unit by a Non-Employee Director solely to the Non-Employee Director's spouse, siblings, parents, children and/or grandchildren, or to trusts for the benefit of such persons, or to partnerships, corporations, limited liability companies or other entities owned solely by such persons, including trusts for such persons, subject to any restriction included in the award of the Stock Option or Stock Unit.

11. **Other Awards and Provisions.** The award of any Benefit under the Plan may also be subject to such other provisions (whether or not applicable to the Benefit awarded to any other Non-Employee Director) as the Board determines appropriate. The Board also may make any other awards to Non- Employee Directors as are consistent with the purposes of this Plan with such terms and conditions as the Board may determine in its sole discretion.

12. **Issuance of Stock Certificates and Related Matters.** The Company may endorse such legend or legends upon the certificates or book entries for shares of Class A Common Stock issued under this Plan and may issue such "stop transfer" instructions to its transfer agent in respect of such shares as the Board, in its sole discretion, determines to be necessary or appropriate to (i) prevent a violation of, or to perfect an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act") or (ii) implement the provisions of the Plan and any agreement between the Company and the Non-Employee Director. Notwithstanding any other provision of the Plan, the Company shall have no obligation to deliver any shares of Class A Common Stock under the Plan or make any other distribution of Benefits under the Plan unless such delivery or distribution would comply with all applicable laws (including, without limitation the Securities Act), and the applicable requirements of any securities exchange or similar entity.

13. **Fair Market Value.** For purposes of this Plan and any Benefits awarded hereunder, Fair Market Value shall be the closing price of the Class A Common Stock on the date of calculation (or on the last preceding trading date if Class A Common Stock was not traded on such date) if the Class A Common Stock is readily tradable on a national securities exchange or other market system, and if the Class A Common Stock is not readily tradable, Fair Market Value shall mean the amount determined in good faith by the Board as the fair market value of the Class A Common Stock; provided that for purposes of determining the exercise price of Stock Options, the Fair Market Value will be determined in accordance with the requirements of Section 409A of the Code and the regulations thereunder.

14. **Tenure.** A Non-Employee Director's right, if any, to continue to serve as a director of the Company or any of its subsidiaries or affiliates shall not be enlarged or otherwise affected by his or her designation as a participant under this Plan.

15. **Unfunded Plan.** Non-Employee Directors shall have no right, title, or interest whatsoever in or to any investments that the Company may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Non-Employee Director, beneficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the

right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended.

16. **No Fractional Shares.** No fractional shares of Class A Common Stock shall be issued or delivered pursuant to the Plan. The Board shall determine whether cash or other property shall be issued or paid in lieu of fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

17. **Amendment and Termination.** The Board may amend the Plan from time to time or suspend or terminate the Plan at any time. However, no amendment shall have a material adverse effect on an outstanding Stock Option or Stock Unit without the consent of the holder. No amendment of the Plan may be made without approval of the stockholders of the Company if required by applicable law or by any listing agreement to which the Company is a party with a national securities exchange or other market system.

18. **Compliance with Section 409A of the Code and Section 457A of the Code.**

(a) **General.** The Company intends that any Benefits be structured in compliance with, or to satisfy an exemption from, Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder ("Section 409A"), such that there are no adverse tax consequences, interest, or penalties pursuant to Section 409A as a result of the Benefits. Notwithstanding the Company's intention, in the event any Benefit is subject to Section 409A, the Committee may, in its sole discretion and without a participant's prior consent, amend the Plan and/or outstanding Benefits, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and actions with retroactive effect) as are necessary or appropriate to (i) exempt the Plan and/or any Benefit from the application of Section 409A, (ii) preserve the intended tax treatment of any such Benefit, or (iii) comply with the requirements of Section 409A, including without limitation any such regulations guidance, compliance programs and other interpretative authority that may be issued after the date of grant of a Benefit. This Plan shall be interpreted at all times in such a manner that the terms and provisions of the Plan and Benefits are exempt from or comply with Section 409A.

(b) **Separation from Service.** A termination of service as a member of the Board shall not be deemed to have occurred for purposes of any provision of the Plan or any Benefit Agreement providing for the payment of any amounts or benefits that are considered "nonqualified deferred compensation" (within the meaning of Section 409A) under Section 409A upon or following a termination of service as a member of the Board, unless such termination is also a "separation from service" within the meaning of Section 409A and the payment thereof prior to a "separation from service" would violate Section 409A. For purposes of any such provision of the Plan or any Benefit Agreement relating to any such payments or benefits, references to a "termination," "ceasing to serve," "termination of continuous service" or like terms shall mean "separation from service." Notwithstanding any contrary provision in the Plan or any Benefit Agreement, if any participant in the Plan subsequently commences employment with the Company or its subsidiaries and is deemed a "specified employee" (as defined under Section 409A) at the time of his or her "separation from service", any payment(s) of nonqualified deferred compensation that are otherwise required to be made under the Plan to such a participant as a result of his or her separation from service (other than a payment that is not subject to Section 409A) shall be delayed for the first six (6) months following such "separation from service" and shall instead be paid (in a manner set forth in the Benefit Agreement, if any) on the payment date that immediately follows the end of such six-month period (or, if earlier, within 10 business days following the date of death of such participant) or as soon as administratively practicable within 90 days thereafter, but in no event later than the end of the applicable taxable year.

(c) **Section 457A.** The Company intends that any Benefits be structured in compliance with, or to satisfy an exemption from, Section 457A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder ("Section 457A"), such that there are no adverse tax consequences, interest, or penalties as a result of the Benefits and Section 457A. Notwithstanding the Company's intention, in the event any Benefit is subject to Section 457A, the Committee may, in its sole discretion and without a participant's prior consent, amend the Plan and/or Benefits, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and actions with retroactive effect) as are necessary or appropriate to (i) exempt the Plan and/or any Benefit from the application of Section 457A, (ii) preserve the intended tax treatment of any such Benefit, or (iii) comply with the requirements of Section 457A, including without limitation any such regulations, guidance, compliance programs and other interpretative authority that may be issued after the date of the grant.

(d) **No Guarantee.** Nothing in this Plan shall be a guarantee of any particular tax treatment.

19. **Governing Law.** This Plan, Benefits granted hereunder and actions taken in connection herewith shall be governed and construed in accordance with the laws of the State of New York (regardless of the law that might otherwise govern under applicable New York principles of conflict of laws).

20. **Effective Date.** The Plan was effective as of November 9, 2000 (the "Effective Date") and was amended and restated effective November 9, 2007, amended effective July 14, 2011, and amended and restated effective as of (i) November 12, 2015, (ii) November 1, 2017, (iii) August 22, 2019, (iv) July 13, 2021, and (v) November 17, 2026.

Exhibit 10.2

Restricted Stock Unit Award Agreement
The Estée Lauder Companies Inc.
Amended and Restated Non-Employee Director Share Incentive Plan
(as of November 17, 2026) (the "Plan")

This **RESTRICTED STOCK UNIT AWARD AGREEMENT** ("Agreement") provides for the granting by The Estée Lauder Companies Inc., a Delaware corporation (the "Company"), to the participant, a non-employee director of the Company (the "Non-Employee Director"), of Stock Units under the Plan representing a notional account equal to a corresponding number of shares of the Company's Class A Common Stock, par value $0.01 (the "Shares"), subject to the terms below (the "Restricted Stock Units"). The name of the "Non-Employee Director," the "Grant Date," the "Number of Restricted Stock Units," the "Vesting Date," the "Vesting Period," [and the "Deferral Election Form"][1] are stated in the "Notice of Grant" attached or posted electronically together with this Agreement and are incorporated by reference. The other terms of this award are stated in this Agreement and in the Plan (with the Plan controlling in the event of any conflicting or inconsistent provisions). Terms not defined in this Agreement are defined in the Plan, as amended. The Plan is referred to as the "Grant Plan" in the electronic Notice of Grant. The "Company Group" means the Company and/or any of its subsidiaries and affiliates.

1. Award Grant. The Company hereby awards to the Non-Employee Director an award of Restricted Stock Units in respect of the number of Shares set forth in the Notice of Grant.

2. Vesting. The Restricted Stock Units granted to the Non-Employee Director will vest and become payable in accordance with the terms set forth in the Notice of Grant. The Notice of Grant indicates the Vesting Date upon which the Non-Employee Director will be entitled to receive Shares. Except as otherwise provided in this Agreement, any Restricted Stock Units that are unvested when the Non-Employee Director ceases to serve as a director of the Company will be forfeited.

3. Payment of Award.

(a) Each Restricted Stock Unit represents the right to receive one (1) Share when the Restricted Stock Unit vests. [The Shares representing such vested Restricted Stock Units shall be distributed on the first business day of the calendar year following the year in which the Non-Employee Director ceases to serve as a director of the Company.][2] ***OR*** [The Shares representing such vested Restricted Stock Units shall be distributed upon either (i) the Vesting Date, or (ii) the date the Non-Employee Director ceases to serve as a director of the Company, as elected by the Non-Employee Director in the Deferral Election Form and subject to the terms therein. Within fifteen (15) days following the applicable settlement date, the Company shall issue to the Non-Employee Director the number of Shares equal to the number of vested Restricted Stock Units.][3]

(b) Each Restricted Stock Unit carries a Dividend Equivalent Right, payable in additional whole and/or fractional Restricted Stock Units, the amount of which is based on the number of Shares that could be purchased with the dividend amount. The Dividend Equivalent Rights shall be payable at the same time as payment of Restricted Stock Units in accordance with this Section 3 and Section 4. Dividend Equivalent Rights are deemed part of the related Restricted Stock Units under this Agreement.

(c) In the event of a Change in Control that constitutes a "change in control event" within the

[1] **Note:** Reference the "Deferral Election Form" only for the grants issued in 2027 and thereafter.
[2] **Note**: Use this settlement for the 2026 grants.
[3] **Note**: Use this settlement for the grants issued in 2027 and thereafter.

meaning of Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), the Restricted Stock Units shall immediately vest and become payable on the effective date of such Change in Control. If the Shares cease to be outstanding immediately after the Change in Control (e.g., due to a merger with and into another entity), then the consideration to be received per Share will equal the consideration paid to each shareholder per Share generally upon the Change in Control.

(d) Any dividends or other distributions on Shares received after vesting of the Restricted Stock Units, after applicable withholdings, that are held in an account for the Non-Employee Director at the agent engaged by the Company for the purposes of holding the Shares for the Non-Employee Director upon Vesting (the "Stock Plan Service Provider," more fully defined below), will be automatically reinvested by default, in accordance with the Stock Plan Service Provider's applicable procedures, in additional whole and/or fractional Shares.

4. Termination of Directorship. If the Non-Employee Director ceases to serve as a director of the Company during the Vesting Period, by reason other than (A) death or (B) "permanent and total disability" (as defined in Section 22(e)(3) of the Code), all unvested Restricted Stock Units as of the effective date of the resignation or removal will be forfeited.

5. No Rights of Stock Ownership. This grant of Restricted Stock Units does not entitle the Non-Employee Director to any interest in or to any voting or other rights normally attributable to Share ownership other than the Dividend Equivalent Rights earned under Section 3 above.

6. Withholding Taxes. To the extent applicable, with respect to the payment and withholding of all income and other tax items related to the Non-Employee Director's participation in the Plan and this Agreement and legally applicable to the Non-Employee Director ("Tax-Related Items"), the Non-Employee Director acknowledges that the ultimate liability for all Tax-Related Items legally due by the Non-Employee Director is and remains the Non-Employee Director's responsibility, and the Non-Employee Director shall remit all Tax-Related Items to the Internal Revenue Service and any other required governmental agencies. Furthermore, the Non-Employee Director acknowledges that the Company (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired under the Plan and the receipt of any dividends and/or any Dividend Equivalent Rights, and (ii) do not commit to and are under no obligation to structure the terms of the grant of the Restricted Stock Units or any aspect of the Non-Employee Director's participation in the Plan to reduce or eliminate the Non-Employee Director's liability for Tax-Related Items or achieve any particular tax result.

7. Nontransferability. The Restricted Stock Units granted hereby are not transferable except by will or the laws of descent and distribution. Notwithstanding the preceding sentence, the Board may in its discretion allow the Restricted Stock Units granted hereby to be transferred by the Non-Employee Director for no consideration, solely to the Non-Employee Director's spouse, siblings, parents, children and/or grandchildren, or to trusts for the benefit of such persons, or to partnerships, corporations, limited liability companies or other entities owned solely by such persons, including trusts for such persons, subject to all restrictions included in this Agreement and subject to the Non-Employee Director and permitted transferee executing an agreement of transfer satisfactory to the Board in its sole discretion.

8. Electronic Notice, Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by email or other electronic means. The Non-Employee Director hereby consents to receive such documents by email or other electronic delivery and agrees to access information concerning the Plan through an on-line or electronic system established and maintained by the Company or by another third party designated by the Company.

9. Data Privacy. *The Company is located at 767 Fifth Avenue, New York, New York 10153, United States of America and grants Restricted Stock Units under the Plan to non-employee directors of the Company in its sole discretion. In conjunction with the Company's grant of the Restricted Stock Units under the Plan and its ongoing administration of such awards, the Company is providing the following information about its data collection, processing and transfer practices ("Personal Data Activities"). In accepting the grant of the Restricted Stock Units, the Non-Employee Director expressly and explicitly consents to the Personal Data Activities as described herein.*

(a) *Data Collection, Processing and Usage. The Company collects, processes and uses the Non-Employee Director's personal data, including, to the extent applicable, the Non-Employee Director's name, home address, email address, and telephone number, date of birth, social insurance/passport number or other identification number (e.g. resident registration number), salary, citizenship, job title, any Shares or directorships held in the Company, and details of all Restricted Stock Units or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Non-Employee Director's favor, which the Company receives from the Non-Employee Director ("Personal Information"). In granting the Restricted Stock Units under the Plan, the Company will collect the Non-Employee Director's Personal Information for purposes of allocating Shares and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing and usage of the Non-Employee Director's Personal Information is the Non-Employee Director's consent.*

(b) *Stock Plan Service Provider. The Company transfers the Non-Employee Director's Personal Information to E*TRADE Financial Corporate Services, Inc. and E*TRADE Securities LLC, an independent service provider based in the United States which assists the Company with the implementation, administration and management of the Plan (the "Stock Plan Service Provider"). In the future, the Company may select a different Stock Plan Service Provider and share the Non-Employee Director's Personal Information with another company that serves in a similar manner. The Stock Plan Service Provider will open an account for the Non-Employee Director to receive and trade Shares acquired under the Plan. The Non-Employee Director will be asked to agree on separate terms and data processing practices with the Stock Plan Service Provider, which is a condition to the Non-Employee Director's ability to participate in the Plan.*

(c) *International Data Transfers. The Company and the Stock Plan Service Provider are based in the United States. The Non-Employee Director should note that the Non-Employee Director's country of residence may have enacted data privacy laws that are different from the United States. The Company's legal basis for the transfer of the Non-Employee Director's Personal Information to the United States is the Non-Employee Director's separate consent as provided herein.*

(d) *Data Retention. The Company will use the Non-Employee Director's Personal Information only as long as is necessary to implement, administer and manage the Non-Employee Director's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and securities laws. When the Company no longer needs the Non-Employee Director's Personal Information, the Company will remove it from its systems. If the Company keeps the*

Non-Employee Director's Personal Information longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be for compliance with relevant laws or regulations.

(e) *Voluntariness and Consequences of Consent Denial or Withdrawal. The Non-Employee Director's participation in the Plan and the Non-Employee Director's grant of consent is purely voluntary. The Non-Employee Director may deny or withdraw the Non-Employee Director's consent at any time. If the Non-Employee Director does not consent, or if the Non-Employee Director later withdraws the Non-Employee Director's consent, the Non-Employee Director may be unable to participate in the Plan. This would not affect the Non-Employee Director's existing engagement or compensation; instead, the Non-Employee Director merely may forfeit the opportunities associated with the Plan.*

(f) *Data Subject Rights. The Non-Employee Director may have a number of rights under data privacy laws in the Non-Employee Director's country of engagement (and country of residence, if different). For example, the Non-Employee Director's rights may include the right to (i) request access or copies of Personal Information the Company processes pursuant to the Agreement, (ii) request rectification of incorrect Personal Information, (iii) request deletion of Personal Information, (iv) request restrictions on or object to the processing of Personal Information, (v) withdraw the Non-Employee Director's consent, and/or (vi) lodge complaints with competent authorities in the Non-Employee Director's country of engagement (and country of residence, if different).*

10. Failure to Enforce Not a Waiver. The Company's failure to enforce at any time any provision of this Agreement does not constitute a waiver of that provision or of any other provision of this Agreement.

11. Governing Law. The Agreement is governed by and is to be construed according to the laws of the State of New York, that apply to agreements made and performed in that state, without regard to its choice of law provisions.

12. Partial Invalidity. The invalidity or illegality of any provision of the Agreement will be deemed not to affect the validity of any other provision. Furthermore, it is the parties' intent that any order striking any portion of this Agreement and/or the Plan should modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties hereunder.

13. Entire Agreement. This Agreement, Notice of Grant, the Plan, [the Deferral Election Form][4] and the Country Addendum (as defined below) constitute the entire agreement between the Non-Employee Director and the Company regarding the award and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the award. Except as expressly set forth herein, this Agreement (and any provision of this Agreement) may not be modified, changed, clarified, or interpreted by the parties, except in a writing specifying the modification, change, clarification, or interpretation, and signed by a duly authorized Company officer.

14. Section 409A Compliance. This Agreement is intended to comply with Section 409A of the Code, and any regulations, rulings, or guidance provided thereunder. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may the Non-Employee Director, directly or indirectly, designate the calendar year of any payment to be made under this Agreement[, except pursuant to the Deferral Election Form in accordance with Section 3(a)][5]. The Company reserves the unilateral

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[4] **Note:** Reference the "Deferral Election Form" only for the grants issued in 2027 and thereafter.

[5] **Note:** Deferral election language for grants issued in 2027 and thereafter.

right to amend this Agreement upon written notice to the Non-Employee Director to prevent taxation under Section 409A of the Code.

15. Exchange Control, Tax and/or Foreign Asset/Account Reporting. The Non-Employee Director acknowledges that there may be exchange control, tax, foreign asset and/or account reporting requirements that may affect the Non-Employee Director's ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including from any Dividend Equivalents Rights paid with respect to the Restricted Stock Units or dividends paid on Shares acquired under the Plan) in a brokerage/bank account or legal entity outside the Non-Employee Director's country of engagement (and country of residence, if different). The Non-Employee Director may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the tax or other authorities in the Non-Employee Director's country of engagement (and country of residence, if different). The Non-Employee Director also may be required to repatriate sale proceeds or other funds received as a result of the Non-Employee Director's participation in the Plan to the Non-Employee Director's country of engagement (and country of residence, if different) through a designated bank or broker within a certain time after receipt. The Non-Employee Director acknowledges that it is the Non-Employee Director's responsibility to be compliant with such regulations, and the Non-Employee Director should consult the Non-Employee Director's personal legal advisor for any details.

16. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Non-Employee Director's participation in the Plan, on the Restricted Stock Units and on any Shares acquired under the Plan, to the extent the Company determines, in its sole discretion, it is necessary or advisable for legal or administrative reasons, and to require the Non-Employee Director to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

17. Hedging Policy and Pledging Policy. The Non-Employee Director is subject to the Company's Hedging Policy that, among other things, prohibits directors from hedging outstanding equity grants. This means the Non-Employee Director may not hedge the equity award represented by this Agreement or any outstanding equity awards represented by previous agreements. Reference is also made to the Company's Pledging Policy.

18. Country Addendum. The award of Restricted Stock Units shall be subject to any terms and conditions for the Non-Employee Director's country of engagement (and country of residence, if different) set forth in an addendum attached hereto as **Exhibit A** (the "Country Addendum"). Moreover, if the Non-Employee Director transfers residence and/or engagement to another country reflected in the Country Addendum, the terms and conditions for such country will apply to the Non-Employee Director to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Restricted Stock Unit and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Non-Employee Director's transfer).

19. Legal and Tax Compliance; Cooperation. If the Non-Employee Director resides or provides service outside of the United States, the Non-Employee Director agrees, as a condition of the grant of the Restricted Stock Units, to take any and all actions as may be required to comply with the Non-Employee Director's personal legal, regulatory and tax obligations under local laws, rules and regulations in the Non-Employee Director's country of engagement (and country of residence, if different), including (but not limited to) any obligations to repatriate all payments attributable to the Shares and/or cash acquired under the Plan (e.g., dividends and any proceeds derived from the sale of Shares acquired pursuant to the Restricted Stock Units). In addition, the Non-Employee Director also agrees to take any and all actions, and consent to any and all actions taken by the Company Group, as may be required to allow the Company Group to comply with local laws, rules and regulations in the Non-Employee Director's country of engagement (and country of residence, if different). Finally, the Non-Employee Director agrees to take any and all actions as may be required to comply with the

Non-Employee Director's personal legal and tax obligations under local laws, rules and regulations in the Non-Employee Director's country of residence (and country of engagement, if different).

20. Deemed Acceptance and Acknowledgement. The Non-Employee Director shall be deemed to have accepted the award of Restricted Stock Units unless the Non-Employee Director objects to the award by notifying the Company at [XXXX] no later than fifteen (15) days from the Grant Date. By accepting the grant of Restricted Stock Units, the Non-Employee Director affirmatively and expressly acknowledges that: (a) the Company has provided the Non-Employee Director with a copy of the Plan and the U.S. prospectus for the Plan; (b) the Non-Employee Director has reviewed the Plan and the U.S. prospectus for the Plan and is familiar with the terms and provisions contained therein; and (c) the Non-Employee Director has carefully read this Agreement and the Country Addendum, and specifically accepts and agrees to the terms and conditions governing the Restricted Stock Units as reflected herein. The Non-Employee Director also affirmatively and expressly acknowledges that the Company, in its sole discretion, may amend the terms and conditions reflected in this Agreement and the Country Addendum without the Non-Employee Director's consent, either prospectively or retroactively: (a) to comply with applicable laws, rules and regulations; or (b) to the extent that such amendment does not materially impair the Non-Employee Director's rights under this award of Restricted Stock Units, and the Non-Employee Director expressly agrees to be bound by such amendment regardless of whether notice is given to the Non-Employee Director of such change.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer as of the Grant Date set forth in the Notice of Grant.

The Estée Lauder Companies Inc.

By: _____
[XXXX]

NOTICE OF GRANT UNDER
THE ESTÉE LAUDER COMPANIES INC.
AMENDED AND RESTATED NON-EMPLOYEE DIRECTOR SHARE INCENTIVE PLAN (the "Plan")

This is to confirm that you were awarded a grant of Restricted Stock Units representing the right upon vesting of such units to receive shares of Class A Common Stock of The Estée Lauder Companies Inc. (the "Shares") in accordance with the Plan. This Restricted Stock Unit award is granted under and governed by the terms and conditions of the Plan and the Restricted Stock Unit Award Agreement (the "Agreement") attached hereto and made part hereof. Please read these documents and keep them for future reference. The specific terms of your award are as follows:

Non-Employee Director: [XXXX]

Number of Restricted Stock Units: [XXXX]

Grant Date: [XXXX]

Grant Plan: The Estée Lauder Companies Inc. Amended and Restated Non-Employee Director Share Incentive Plan

Vesting Period: The Grant Date through the applicable Vesting Date.

Vesting Date: Subject to your continuous service as a director of the Company, the Restricted Stock Units shall vest on the earlier of (i) the first anniversary of the Grant Date and (ii) the date of the first Annual Meeting of Stockholders of the Company following the Grant Date, subject to Section 3(c) of the Agreement. In the event of your death or disability (as described in the Agreement), the Restricted Stock Units will vest on the date of such death or disability, respectively.

[Deferral Election Form: The Estée Lauder Companies Inc. Election Form – Restricted Stock Unit Deferral, attached hereto.][1]

Questions regarding the Share Incentive Plan can be directed to the equity team at [XXXX].

If you wish to accept this grant, please sign this Notice of Grant and return by e-mail immediately to [XXXX].

The undersigned hereby accepts, and agrees to, all terms and provisions of the Agreement, including those contained in this Notice of Grant.

By_____ Date_____

ESTĒE LAUDER COMPANIES

Sign and Return this Notice of Grant Immediately!

[1] **Note:** Reference the "Deferral Election Form" only for the grants issued in 2027 and thereafter.

Exhibit 10.3

Summary of Compensation for Non-Employee Directors of the Company
(Effective November 17, 2026)

The following summary describes compensation for non-employee directors.

Annual Cash Retainers

- ***Board Service.*** Each non-employee director receives an annual cash retainer of $100,000, payable quarterly.

- ***Committee and Chair Service.*** Each non-employee director who serves on a committee receives an additional annual cash retainer in the following amounts: $12,000 per year for service on the Audit Committee, $8,000 per year for service on the Compensation Committee (including service on the Stock Plan Subcommittee), and $8,000 per year for service on the Nominating and ESG Committee. The committee chairs each receive an additional annual cash retainer. The Audit Committee Chair receives an additional $45,000; the Compensation Committee Chair receives an additional $35,000; and the Nominating and ESG Committee Chair receives an additional $30,000. Cash retainers for committee and chair service are payable quarterly.

- ***Chair of the Board.*** The Chair of the Board receives an additional annual cash retainer of $225,000, payable quarterly.

- ***Lead Independent Director.*** The Lead Independent Director receives an additional annual cash retainer of $50,000, payable quarterly.

Deferral of Annual Cash Retainers. Non-employee directors may elect to defer receipt of all or part of their cash-based compensation. Specifically, pursuant to Deferred Compensation Agreements, they may defer any or all of the above-referenced annual cash retainers into either (i) stock units (accompanied by dividend equivalent rights) or (ii) an interest-bearing cash account, in each case to be paid out in a lump sum in cash as of the first business day of the calendar year following the date on which the director ceases to be a member of the Board.

Annual Stock Units Retainer for Board Service. An additional $80,000 is payable to each non-employee director by a grant of stock units (accompanied by dividend equivalent rights) as an annual stock retainer, pursuant to the Amended and Restated Non-Employee Director Share Incentive Plan (the ‘‘Director Share Plan’’). This grant is made on the date of each annual meeting of stockholders. The number of stock units awarded is determined by dividing a dollar amount determined by the Board by the average closing price of the Class A Common Stock on the twenty trading days preceding the date of grant. The amount of this annual stock units retainer is $80,000, and the grant to occur at the 2026 Annual Meeting of Stockholders will require one year of continued Board service to vest, subject to certain exceptions. Each stock unit is convertible into one share of Class A Common Stock. The shares, represented by vested stock units granted at the 2026 Annual Meeting, of Stockholders are distributed to the director on the first business day of the calendar year following the date the director ceases to be a member of the Board.

Annual Stock Options. In addition to the cash and stock portion of the retainer, each non-employee director receives an annual grant of options valued at no more than $120,000 on the date of grant, pursuant to the Director Share Plan. This grant is made on the date of each annual meeting of stockholders. The exercise price of the options is equal to the closing price of the Class A Common Stock on the date of grant. The options vest and are exercisable one year after the date of grant, provided that the director continues to serve as of such date.

Initial Equity Grant for New Non-employee Directors. Each new non-employee director is granted stock units (accompanied by dividend equivalent rights), pursuant to the Director Share Plan, on the date of the first annual meeting of stockholders that is more than six months after such non-employee director’s initial election to the Board. The number of stock units to be awarded is determined by dividing a dollar amount determined by the Board from time to time by the average closing price of the Class A Common Stock on the twenty trading days preceding

the date of grant. The initial stock unit grant is based on a dollar value fixed at $200,000. Each stock unit is convertible into one share of Class A Common Stock. The shares represented by the stock units are distributed to the director on or after the first business day of the calendar year following the date on which the director ceases to be a member of the Board.

Company Products. The Company provides directors with certain Company products from different brands and product categories. The Company believes that providing these products serves a business purpose by expanding the directors' knowledge of the Company's business. The Company also provides each non-employee director with the opportunity to purchase up to $1,280 worth of the Company's products each calendar year (based on suggested retail prices) at no charge; if a director chooses to take advantage of this opportunity and purchase more than $640 worth of the Company's products, the excess is imputed as taxable income to the director. Non-employee directors may also purchase Company products at a price equal to 50% off the suggested retail price, which is the same discount made available to officers and other employees of the Company.

Reimbursement of Expenses. Non-employee directors are reimbursed for their reasonable expenses (including costs of travel, food, and lodging), incurred in attending Board, committee and stockholder meetings. Directors are also reimbursed for any other reasonable expenses relating to their service on the Board, including participating in director continuing education and Company site visits.

Exhibit 31.1

Certification

I, Stéphane de La Faverie, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Estée Lauder Companies Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2026

/s/ Stéphane de La Faverie

Stéphane de La Faverie
President and Chief Executive Officer

Exhibit 31.2

Certification

I, Akhil Shrivastava, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Estée Lauder Companies Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2026

/s/ Akhil Shrivastava

Akhil Shrivastava
Executive Vice President and Chief Financial Officer

Exhibit 32.1

Certification
Pursuant to 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002)

Pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), the undersigned officer of The Estée Lauder Companies Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 (the "10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78m or 78o(d)), and the information contained in the 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2026

/s/ Stéphane de La Faverie

Stéphane de La Faverie
President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002) and for no other purpose.

Exhibit 32.2

Certification
Pursuant to 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002)

Pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), the undersigned officer of The Estée Lauder Companies Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 (the "10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78m or 78o(d)), and the information contained in the 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2026

/s/ Akhil Shrivastava

Akhil Shrivastava
Executive Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002) and for no other purpose.