RECONCILIATIONS OF FINANCIAL RESULTS

The following tables present a reconciliation of the Company's financial results for the three months ended June 30, 2026 and 2025 and for the fiscal years ended June 30, 2026, 2025 and 2024 as reported in conformity with generally accepted accounting principles in the United States ("GAAP") and those results adjusted to exclude certain charges described each table. The following is a reconciliation between the non-GAAP financial measures and the most directly comparable GAAP measures for certain consolidated statements of (loss) earnings accounts and consolidated statements of cash flow line items before and after these items. The Company uses certain non-GAAP financial measures, among other financial measures, to evaluate its operating performance, which represent the manner in which the Company conducts and views its 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 operating performance from period-to-period. In the future, the Company expects to incur charges or adjustments similar in nature to those presented herein; however, the impact to the Company's results in a given period may be highly variable and difficult to predict. For free cash flow, this measure represents how much cash the Company has available from operations after the deduction of capital expenditures, which are a recurring and necessary use of cash. The Company's non-GAAP financial measures may not be comparable to similarly titled measures used by, or determined in a manner consistent with, other companies. While the Company considers the non-GAAP measures useful in analyzing its 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 Company operates on a global basis, with the majority of its net sales generated outside the United States. Accordingly, fluctuations in foreign currency exchange rates can affect the Company's results of operations. Therefore, the Company presents certain net sales, operating results, provision for income taxes and diluted net (loss) earnings per common share information excluding the effect of foreign currency rate fluctuations to provide a framework for assessing the performance of its underlying business outside the United States. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period. The Company calculates constant currency information by translating current-period results using prior-year period monthly average foreign currency exchange rates and adjusting for the period-over-period impact of foreign currency cash flow hedging activities.

Organic net sales represents net sales excluding returns associated with restructuring and other activities; non-comparable impacts of acquisitions, divestitures and brand closures; as well as the impact of foreign currency translation. The Company believes that the Non-GAAP measure of organic net sales growth provides year-over-year sales comparisons on a consistent basis.

Also included herein are the Return on Invested Capital ("ROIC") reconciliations for the fiscal years ended June 30, 2026, 2025, 2024, 2023 and 2022.

FISCAL 2026

The PRGP, coupled with Beauty Reimagined, has transformed the Company's operating model to (i) create greater capacity to invest behind sales growth by streamlining its fixed-cost base, (ii) support the recovery toward a solid double-digit adjusted operating margin and (iii) enhance agility to mitigate external volatility. The Company's ongoing transformation has fundamentally reshaped the way it operates, creating a faster, more efficient organization with a culture of continuous improvement that drives ongoing operational optimization, process simplification and greater operating leverage as it scales. As of June 30, 2026, the Company concluded approvals relating to the restructuring component of the PRGP.

Reconciliation between GAAP and Non-GAAP Net Sales
(Unaudited)

($ in millions)	Three Months Ended June 30		Percentage Change	Twelve Months Ended June 30		Percentage Change
	2026	2025		2026	2025	
Net Sales	**$ 3,627**	**$ 3,411**	**6 %**	**$ 15,049**	**$ 14,326**	**5 %**
Non-GAAP Adjustments						
Returns associated with restructuring and other activities	13	(3)		12	(3)	
Adjusted Net Sales, Non-GAAP	3,640	3,408		15,061	14,323	
Impact of foreign currency translation	(50)	—		(250)	—	
Organic Net Sales, Non-GAAP	$ 3,590	$ 3,408	5 %	$ 14,811	$ 14,323	3 %

Reconciliation of Certain Consolidated Statements of (Loss) Earnings Accounts
Before and After Returns, Charges and Other Adjustments
(Unaudited)[1]

($ in millions, except per share data)	Three Months Ended June 30		Percentage Change	Twelve Months Ended June 30		Percentage Change
	2026	2025		2026	2025	
Gross Profit	**$ 2,737**	**$ 2,456**	**11 %**	**$ 11,362**	**$ 10,597**	**7 %**
Non-GAAP Adjustments						
Restructuring and other activities	13	(4)		10	5	
Adjusted Gross Profit, Non-GAAP	$ 2,750	$ 2,452	12 %	$ 11,372	$ 10,602	7 %
Impact of foreign currency translation	(31)	—		(175)	—	
Adjusted Gross Profit, Non-GAAP constant currency	$ 2,719	$ 2,452	11 %	$ 11,197	$ 10,602	6 %
Gross Margin	**75.5 %**	**72.0 %**		**75.5 %**	**74.0 %**	
Non-GAAP Adjustments						
Restructuring and other activities	—	(0.1)		—	—	
Adjusted Gross Margin, Non-GAAP	75.5 %	71.9 %		75.5 %	74.0 %	
Operating (Loss) Income	**$ (39)**	**$ (390)**	**90 %**	**$ 780**	**$ (785)**	**100+%**
Non-GAAP Adjustments						
Restructuring and other charges	306	102		823	486	
Securities class action litigation settlement	—	—		84	—	
Goodwill and other intangible asset impairments	—	425		—	1,286	
Talcum litigation settlement agreements[3]	—	—		—	159	
Adjusted Operating Income, Non-GAAP	267	137	95 %	1,687	1,146	47 %
Impact of foreign currency translation	2	—		(20)	—	
Adjusted Operating Income, Non-GAAP constant currency	$ 269	$ 137	96 %	$ 1,667	$ 1,146	45 %
Operating Margin	**(1.1)%**	**(11.4)%**		**5.2 %**	**(5.5)%**	
Non-GAAP Adjustments						
Restructuring and other charges	8.4	3.0		5.4	3.4	
Securities class action litigation settlement	—	—		0.6	—	
Goodwill and other intangible asset impairments	—	12.5		—	9.0	
Talcum litigation settlement agreements[3]	—	—		—	1.1	
Adjusted Operating Margin, Non-GAAP	7.3 %	4.0 %		11.2 %	8.0 %	
Provision for Income Taxes	**$ 12**	**$ 95**	**(87)%**	**$ 335**	**$ 93**	**100+%**
Effective Tax Rate ("ETR")	**(11.5)%**	**(21.1)%**		**64.8 %**	**(8.9)%**	
Tax Impact on Non-GAAP adjustments						
Restructuring and other charges	48	21		156	105	
Securities class action litigation settlement	—	—		18	—	
Goodwill and other intangible asset impairments	—	98			285	
U.S. deferred tax asset valuation allowance adjustment	—	(172)		—	(172)	
Talcum litigation settlement agreements[3]	—	—		—	35	
Adjusted Provision for Income Taxes, Non-GAAP	$ 60	$ 42		$ 509	$ 346	
Adjusted ETR, Non-GAAP	29.7 %	55.3 %		35.7 %	38.8 %	
Diluted Net (Loss) Earnings Per Common Share	**$ (.32)**	**$ (1.51)**	**79 %**	**$ .50**	**$ (3.15)**	**100+%**
Non-GAAP Adjustments						
Restructuring and other charges	.71	.23		1.83	1.06	
Securities class action litigation settlement	—	—		.18	—	
Goodwill and other intangible asset impairments	—	.89		—	2.78	
U.S. deferred tax asset valuation allowance adjustment	—	.48		—	.48	
Talcum litigation settlement agreements[3]	—	—		—	.34	
Adjusted Diluted Net Earnings Per Common Share, Non-GAAP[2]	$ .39	$ .09	100+%	$ 2.51	$ 1.51	66 %
Impact of foreign currency translation	—	—		(.04)	—	
Adjusted Diluted Net Earnings Per Common Share, Non-GAAP constant currency[2]	$ .39	$ .09	100+%	$ 2.47	$ 1.51	64 %

[1] *Percentages are calculated on an individual basis.*

[2]For the three months ended June 30, 2026, and the three and twelve months ended June 30, 2025, the effects of potentially dilutive stock options, performance share units, and restricted stock units of approximately 2.2 million shares, 1.2 million shares, and 1.2 million shares, respectively, were excluded from the computation of As Reported and adjustments to Non-GAAP diluted loss per common share as they were anti-dilutive due to the net loss incurred during the periods. These shares were added to the weighted-average common shares outstanding to calculate Non-GAAP diluted earnings per common share.

[3]From the end of August 2024 through October 2024, the Company entered into agreements with certain plaintiff law firms to resolve over 200 pending cosmetic talcum powder 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 firms from January 1, 2025 through December 31, 2029 (mitigating a portion of its future exposure), 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 the fiscal 2025 first quarter, representing its best estimate of probable losses for current and potential future claims under these agreements.

Reconciliation of Certain Consolidated Statements of Cash Flows Accounts
Cash Flows from Operating Activities to Free Cash Flow
(Unaudited)

($ in millions)	Twelve Months Ended June 30	
	2026	**2025**
Net cash flows provided by operating activities	$ 1,773	$ 1,272
Less: capital expenditures	(457)	(602)
Free cash flow	$ 1,316	$ 670

Results by Product Category
(Unaudited)

($ in millions)	Three Months Ended June 30							
	Net Sales		Percentage Change[1]			Operating (Loss) Income		Percentage Change
	2026	2025	Reported Basis	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)	2026	2025	Reported Basis
Skin Care	$ 1,853	$ 1,705	9 %	(2)%	7 %	$ 331	$ (210)	100+%
Makeup	1,010	982	3	(1)	2	(70)	(59)	(19)
Fragrance	618	560	10	—	10	(8)	(24)	67
Hair Care	140	141	(1)	—	(1)	(5)	(7)	29
Other	19	20	(5)	—	(5)	19	12	58
Subtotal	**$ 3,640**	**$ 3,408**	**7 %**	**(1)%**	**5 %**	**$ 267**	**$ (288)**	**100+%**
Returns/charges associated with restructuring and other activities	(13)	3				(306)	(102)	
Total	**$ 3,627**	**$ 3,411**	**6 %**	**(1)%**	**5 %**	**$ (39)**	**$ (390)**	**90 %**
Non-GAAP Adjustments to As Reported Operating (Loss) Income:								
Returns/charges associated with restructuring and other activities						306	102	
Skin Care - Other intangible asset impairments						—	375	
Makeup - Other intangible asset impairment						—	50	
Adjusted Operating Income - Non-GAAP						**$ 267**	**$ 137**	**95 %**

[1]*Percentages are calculated on an individual basis.*

Results by Product Category
(Unaudited)

($ in millions)	Year Ended June 30							
	Net Sales		Percentage Change[1]			Operating Income (Loss)		Percentage Change
	2026	2025	Reported Basis	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)	2026	2025	Reported Basis
Skin Care	$ 7,338	$ 6,962	5 %	(2)%	4 %	$ 1,416	$ 574	100+%
Makeup	4,276	4,205	2	(2)	—	(70)	(441)	84
Fragrance	2,779	2,491	12	(2)	10	204	(378)	100+
Hair Care	565	565	—	(1)	(1)	(4)	(41)	90
Other	103	100	3	—	3	57	(13)	100+
Subtotal	**$15,061**	**$14,323**	**5 %**	**(2)%**	**3 %**	**$ 1,603**	**$ (299)**	**100+%**
Returns/charges associated with restructuring and other activities	(12)	3				(823)	(486)	
Total	**$15,049**	**$14,326**	**5 %**	**(2)%**	**3 %**	**$ 780**	**$ (785)**	**100+%**
Non-GAAP Adjustments to As Reported Operating Income (Loss):								
Returns/charges associated with restructuring and other activities						823	486	
Skin Care - Securities class action litigation settlement						27	—	
Makeup - Securities class action litigation settlement						35	—	
Fragrance - Securities class action litigation settlement						13	—	
Hair Care - Securities class action litigation settlement						9	—	
Skin Care - Other intangible asset impairments						—	375	
Makeup - Goodwill and other intangible asset impairments						—	308	
Fragrance - Other intangible asset impairment						—	549	
Other - Other intangible asset impairment						—	54	
Makeup - Talcum litigation settlement agreements[2]						—	159	
Adjusted Operating Income - Non-GAAP						**$ 1,687**	**$ 1,146**	**47 %**

[1]*Percentages are calculated on an individual basis.*

[2]*From the end of August 2024 through October 2024, the Company entered into agreements with certain plaintiff law firms to resolve over 200 pending cosmetic talcum powder 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 firms from January 1, 2025 through December 31, 2029 (mitigating a portion of its future exposure), 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 the fiscal 2025 first quarter, representing its best estimate of probable losses for current and potential future claims under these agreements.*

Results by Geographic Region
(Unaudited)

($ in millions)	Three Months Ended June 30							
	Net Sales		Percentage Change[1]			Operating (Loss) Income		Percentage Change
	2026	2025	Reported Basis	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)	2026	2025	Reported Basis
The Americas	$ 995	$ 941	6 %	(1)%	5 %	$ (1)	$ (29)	97 %
EUKEM	851	828	3	(2)	1	2	(38)	100+
Asia/Pacific	970	906	7	2	9	212	(280)	100+
Mainland China	824	733	12	(6)	7	54	59	(8)
Subtotal	**$ 3,640**	**$ 3,408**	**7 %**	**(1)%**	**5 %**	**$ 267**	**$ (288)**	**100+%**
Returns/charges associated with restructuring and other activities	(13)	3				(306)	(102)	
Total	**$ 3,627**	**$ 3,411**	**6 %**	**(1)%**	**5 %**	**$ (39)**	**$ (390)**	**90 %**
Non-GAAP Adjustments to As Reported Operating (Loss) Income:								
Returns/charges associated with restructuring and other activities						306	102	
The Americas - Other intangible asset impairments						—	50	
Asia/Pacific - Other intangible asset impairments						—	375	
Adjusted Operating Income - Non-GAAP						**$ 267**	**$ 137**	**95 %**

[1]*Percentages are calculated on an individual basis.*

Results by Geographic Region
(Unaudited)

($ in millions)	Year Ended June 30							
	Net Sales		Percentage Change[1]			Operating Income (Loss)		Percentage Change
	2026	2025	Reported Basis	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)	2026	2025	Reported Basis
The Americas	$ 4,463	$ 4,410	1 %	— %	1 %	$ 211	$ (818)	100+%
EUKEM	3,794	3,566	6	(5)	1	196	145	35
Asia/Pacific	3,746	3,606	4	1	4	823	180	100+
Mainland China	3,058	2,741	12	(3)	9	373	194	92
Subtotal	**$15,061**	**$14,323**	**5 %**	**(2)%**	**3 %**	**$ 1,603**	**$ (299)**	**100+%**
Returns/charges associated with restructuring and other activities	(12)	3				(823)	(486)	
Total	**$15,049**	**$14,326**	**5 %**	**(2)%**	**3 %**	**$ 780**	**$ (785)**	**100+%**
Non-GAAP Adjustments to As Reported Operating Income (Loss):								
Returns/charges associated with restructuring and other activities						823	486	
The Americas - Securities class action litigation settlement						84	—	
The Americas - Goodwill and other intangible asset impairments						—	911	
Asia/Pacific - Other intangible asset impairments						—	375	
The Americas - Talcum litigation settlement agreements[2]						—	159	
Adjusted Operating Income - Non-GAAP						**$ 1,687**	**$ 1,146**	**47 %**

[1]*Percentages are calculated on an individual basis.*

[2]*From the end of August 2024 through October 2024, the Company entered into agreements with certain plaintiff law firms to resolve over 200 pending cosmetic talcum powder 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 firms from January 1, 2025 through December 31, 2029 (mitigating a portion of its future exposure), 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 the fiscal 2025 first quarter, representing its best estimate of probable losses for current and potential future claims under these agreements.*

Reconciliation between GAAP and Non-GAAP - Net Sales Growth
(Unaudited)

	Twelve Months Ending June 30, 2027[F]
As Reported - GAAP	**3% - 5%**
Impact of foreign currency translation	—
Returns associated with restructuring and other activities	—
Organic, Non-GAAP	**3% - 5%**

[F]Represents forecast, using spot rates as of June 25, 2026.

Reconciliation between GAAP and Non-GAAP - Diluted Net Earnings Per Common Share ("EPS")
(Unaudited)

	Twelve Months Ending June 30		
	2027[F]	2026	Growth
Forecasted/As Reported EPS - GAAP	**$2.52 - $2.85**	**$ .50**	**100+%**
Non-GAAP			
Restructuring and other charges	.50 - .58	1.83	
Securities class action litigation settlements	—	.18	
Forecasted/Adjusted EPS - Non-GAAP	**$3.10 - $3.35**	**$ 2.51**	**24% - 34%**
Impact of foreign currency translation	(.04)		
Forecasted/Adjusted Constant Currency EPS - Non-GAAP	**$3.06 - $3.31**	**$ 2.51**	**22% - 32%**

[F]Represents forecast, using spot rates as of June 25, 2026.

FISCAL 2025

In February 2025, the Company announced the expansion of its PRGP, including the restructuring program. The restructuring program's main focus includes the reorganization and rightsizing of certain areas, simplification and acceleration of processes, outsourcing of select services and evolution of go-to-market footprint and selling models. The Company plans to substantially complete specific initiatives under the restructuring program through fiscal 2027. Relating specifically to the restructuring program component of the PRGP, once fully implemented, the Company expects to take restructuring and other charges of between $1.2 billion and $1.6 billion, before taxes, consisting of employee-related costs, asset-related costs, contract terminations and other costs associated with implementing these initiatives.

Reconciliation between GAAP and Non-GAAP Net Sales
(Unaudited)

($ in millions)	Three Months Ended June 30			Twelve Months Ended June 30		
	2025	2024	Percentage Change	2025	2024	Percentage Change
Net Sales	**$ 3,411**	**$ 3,871**	**(12)%**	**$ 14,326**	**$ 15,608**	**(8)%**
Non-GAAP Adjustments						
Returns associated with restructuring and other activities	(3)	—		(3)	1	
Adjusted Net Sales, Non-GAAP	3,408	3,871		14,323	15,609	
Impact of foreign currency translation	(27)	—		28	—	
Organic Net Sales, Non-GAAP[1]	$ 3,381	$ 3,871	(13)%	$ 14,351	$ 15,609	(8)%

[1]Organic net sales represents net sales excluding returns associated with restructuring and other activities; non-comparable impacts of acquisitions, divestitures and brand closures; as well as the impact from foreign currency translation. The Company believes that the Non-GAAP measure of organic net sales growth provides year-over-year sales comparisons on a consistent basis.

Reconciliation of Certain Consolidated Statements of (Loss) Earnings Accounts
Before and After Returns, Charges and Other Adjustments
(Unaudited)[1]

($ in millions, except per share data)	Three Months Ended June 30			Twelve Months Ended June 30		
	2025	2024	Percentage Change	2025	2024	Percentage Change
Gross Profit	**$ 2,456**	**$ 2,778**	**(12)%**	**$ 10,597**	**$ 11,184**	**(5)%**
Non-GAAP Adjustments						
Restructuring and other activities	(4)	—		5	2	
Adjusted Gross Profit, Non-GAAP	$ 2,452	$ 2,778	(12)%	$ 10,602	$ 11,186	(5)%
Gross Margin	**72.0 %**	**71.8 %**		**74.0 %**	**71.7 %**	
Non-GAAP Adjustments						
Restructuring and other activities	(0.1)	—		—	—	
Adjusted Gross Margin, Non-GAAP	71.9 %	71.8 %		74.0 %	71.7 %	
Operating (Loss) Income	**$ (390)**	**$ (233)**	**(67)%**	**$ (785)**	**$ 970**	**(100+)%**
Non-GAAP Adjustments						
Restructuring and other charges	102	96		486	124	
Goodwill and other intangible asset impairments	425	471		1,286	471	
Talcum litigation settlement agreements	—	—		159	—	
Change in fair value of DECIEM acquisition-related stock options	—	15		—	23	
Adjusted Operating Income, Non-GAAP	$ 137	$ 349	(61)%	$ 1,146	$ 1,588	(28)%
Operating Margin	**(11.4)%**	**(6.0)%**		**(5.5)%**	**6.2 %**	
Non-GAAP Adjustments						
Restructuring and other charges	3.0	2.5		3.4	0.8	
Goodwill and other intangible asset impairments	12.5	12.2		9.0	3.0	
Talcum litigation settlement agreements	—	—		1.1	—	
Change in fair value of DECIEM acquisition-related stock options	—	0.4		—	0.1	
Adjusted Operating Margin, Non-GAAP	4.0 %	9.0 %		8.0 %	10.2 %	
Provision for Income Taxes	**$ 95**	**$ 7**	**100+%**	**$ 93**	**$ 363**	**(74)%**
Effective Tax Rate ("ETR")	**(21.1)%**	**(2.5)%**		**(8.9)%**	**47.0 %**	
Tax Impact on Non-GAAP adjustments						
Restructuring and other charges	21	21		105	27	
Goodwill and other intangible asset impairments	98	41		285	41	
U.S. deferred tax asset valuation allowance adjustment	(172)	—		(172)	—	
Talcum litigation settlement agreements	—	—		35	—	
Adjusted Provision for Income Taxes, Non-GAAP	$ 42	$ 69		$ 346	$ 431	
Adjusted ETR, Non-GAAP	55.3 %	22.8 %		38.8 %	31.0 %	
Diluted Net (Loss) Earnings Per Common Share	**$ (1.51)**	**$ (.79)**	**(92)%**	**$ (3.15)**	**$ 1.08**	**(100+)%**
Non-GAAP Adjustments						
Restructuring and other charges	.23	.21		1.06	.27	
Goodwill and other intangible asset impairments	.89	1.19		2.78	1.19	
U.S. deferred tax asset valuation allowance adjustment	.48	—		.48	—	
Talcum litigation settlement agreements	—	—		.34	—	
Change in fair value of DECIEM acquisition-related stock options (less the portion attributable to redeemable noncontrolling interest)	—	.03		—	.05	
Adjusted Diluted Net Earnings Per Common Share, Non-GAAP[2]	$ .09	$ .64	(85)%	$ 1.51	$ 2.59	(42)%

[1]Percentages are calculated on an individual basis.

[2]For the three and twelve months ended June 30, 2025 the effects of potentially dilutive stock options, performance share units, and restricted stock units of approximately 1.2 million shares were excluded from the computation of As Reported and adjustments to Non-GAAP diluted loss per common share as they were anti-dilutive due to the net loss incurred during the periods. These shares were added to the weighted-average common shares outstanding to calculate Non-GAAP diluted earnings per common share.

Results by Product Category
(Unaudited)

($ in millions)	Three Months Ended June 30							
	Net Sales		Percentage Change[1]			Operating (Loss) Income		Percentage Change
	2025	2024	Reported Basis	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)	2025	2024	Reported Basis
Skin Care	$ 1,705	$ 2,035	(16)%	(1)%	(17)%	$ (210)	$ (185)	(14)%
Makeup	982	1,105	(11)	(1)	(12)	(59)	37	(100+)
Fragrance	560	539	4	(1)	2	(24)	(2)	(100+)
Hair Care	141	165	(15)	—	(15)	(7)	(2)	(100+)
Other	20	27	(26)	—	(26)	12	15	(20)
Subtotal	**$ 3,408**	**$ 3,871**	**(12)%**	**(1)%**	**(13)%**	**$ (288)**	**$ (137)**	**(100+%)**
Returns/charges associated with restructuring and other activities	3	—				(102)	(96)	
Total	**$ 3,411**	**$ 3,871**	**(12)%**	**(1)%**	**(13)%**	**$ (390)**	**$ (233)**	**(67)%**
Non-GAAP Adjustments to As Reported Operating Loss:								
Returns/charges associated with restructuring and other activities						102	96	
Skin Care - Goodwill and other intangible asset impairments						375	471	
Makeup - Other intangible asset impairment						50	—	
Skin Care - Changes in fair value of DECIEM acquisition-related stock options inclusive of payroll tax						—	15	
Adjusted Operating Income - Non-GAAP						**$ 137**	**$ 349**	**(61)%**

[1]*Percentages are calculated on an individual basis.*

Results by Product Category
(Unaudited)

($ in millions)	Year Ended June 30							
	Net Sales		Percentage Change[1]			Operating (Loss) Income		Percentage Change
	2025	2024	Reported Basis	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)	2025	2024	Reported Basis
Skin Care	$ 6,962	$ 7,908	(12)%	— %	(12)%	$ 574	$ 735	(22)%
Makeup	4,205	4,470	(6)	—	(5)	(441)	93	(100+)
Fragrance	2,491	2,487	—	—	—	(378)	265	(100+)
Hair Care	565	629	(10)	—	(10)	(41)	(52)	21
Other	100	115	(13)	—	(13)	(13)	53	(100+)
Subtotal	**$14,323**	**$15,609**	**(8)%**	**— %**	**(8)%**	**$ (299)**	**$ 1,094**	**(100+)%**
Returns/charges associated with restructuring and other activities	3	(1)				(486)	(124)	
Total	**$14,326**	**$15,608**	**(8)%**	**— %**	**(8)%**	**$ (785)**	**$ 970**	**(100+)%**
Non-GAAP Adjustments to As Reported Operating (Loss) Income:								
Returns/charges associated with restructuring and other activities						486	124	
Skin Care - Goodwill and other intangible asset impairments						375	471	
Makeup - Goodwill and other intangible asset impairments						308	—	
Fragrance - Other intangible asset impairment						549	—	
Other - Other intangible asset impairment						54	—	
Makeup - Talcum litigation settlement agreements						159	—	
Skin Care - Change in fair value of DECIEM acquisition-related stock options inclusive of payroll tax						—	23	
Adjusted Operating Income - Non-GAAP						**$ 1,146**	**$ 1,588**	**(28)%**

[1]*Percentages are calculated on an individual basis.*

Results by Geographic Region
(Unaudited)

($ in millions)	Three Months Ended June 30							
	Net Sales		Percentage Change[1]			Operating (Loss) Income		Percentage Change
	2025	2024	Reported Basis	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)	2025	2024	Reported Basis
The Americas	$ 949	$ 1,014	(6)%	1 %	(5)%	$ 65	$ 277	(77)%
Europe, the Middle East & Africa	1,293	1,652	(22)	(2)	(24)	(35)	11	(100+)
Asia/Pacific	1,166	1,205	(3)	(1)	(4)	(318)	(425)	25
Subtotal	**$ 3,408**	**$ 3,871**	**(12)%**	**(1)%**	**(13)%**	**$ (288)**	**$ (137)**	**(100+%)**
Returns/charges associated with restructuring and other activities	3	—				(102)	(96)	
Total	**$ 3,411**	**$ 3,871**	**(12)%**	**(1)%**	**(13)%**	**$ (390)**	**$ (233)**	**(67)%**
Non-GAAP Adjustments to As Reported Operating Loss:								
Returns/charges associated with restructuring and other activities						102	96	
The Americas - Other intangible asset impairments						50	—	
Asia/Pacific - Goodwill and other intangible asset impairments						375	471	
The Americas - Changes in fair value of DECIEM acquisition-related stock options inclusive of payroll tax						—	6	
Europe, the Middle East & Africa - Changes in fair value of DECIEM acquisition-related stock options inclusive of payroll tax						—	9	
Adjusted Operating Income - Non-GAAP						**$ 137**	**$ 349**	**(61)%**

[1]Percentages are calculated on an individual basis.

Results by Geographic Region
(Unaudited)

($ in millions)	Year Ended June 30							
	Net Sales		Percentage Change[1]			Operating (Loss) Income		Percentage Change
	2025	2024	Reported Basis	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)	2025	2024	Reported Basis
The Americas	$ 4,411	$ 4,581	(4)%	1 %	(3)%	$ (918)	$ 34	(100+)%
Europe, the Middle East & Africa	5,375	6,140	(12)	—	(13)	610	836	(27)
Asia/Pacific	4,537	4,888	(7)	—	(7)	9	224	(96)
Subtotal	**$14,323**	**$15,609**	**(8)%**	**— %**	**(8)%**	**$ (299)**	**$ 1,094**	**(100+)%**
Returns/charges associated with restructuring and other activities	3	(1)				(486)	(124)	
Total	**$14,326**	**$15,608**	**(8)%**	**— %**	**(8)%**	**$ (785)**	**$ 970**	**(100+)%**
Non-GAAP Adjustments to As Reported Operating (Loss) Income:								
Returns/charges associated with restructuring and other activities						486	124	
The Americas - Goodwill and other intangible asset impairments						911	—	
Asia/Pacific - Goodwill and other intangible asset impairments						375	471	
The Americas - Talcum litigation settlement agreements						159	—	
The Americas - Changes in fair value of DECIEM acquisition-related stock options inclusive of payroll tax						—	14	
Europe, the Middle East & Africa - Changes in fair value of DECIEM acquisition-related stock options inclusive of payroll tax						—	9	
Adjusted Operating Income - Non-GAAP						**$ 1,146**	**$ 1,588**	**(28)%**

[1]Percentages are calculated on an individual basis.

Beginning with fiscal 2026, the Company is providing only an annual outlook. This approach gives the Company more agility and flexibility to navigate ongoing volatility while better aligning with its long-term value creation and strategic priorities.

Reconciliation between GAAP and Non-GAAP - Net Sales Growth
(Unaudited)

	Twelve Months Ending June 30, 2026[F]
As Reported - GAAP	**2% - 5%**
Impact of foreign currency translation	2
Returns associated with restructuring and other activities[1]	—
Organic, Non-GAAP	**0% - 3%**

[F] Represents forecast, using spot rates as of June 30, 2025.

[1] The net sales growth impact of returns associated with restructuring and other activities includes approvals to date. Additional returns associated with restructuring and other activities are anticipated as initiatives are approved in fiscal 2026.

Reconciliation between GAAP and Non-GAAP - Diluted Net Earnings (Loss) Per Common Share ("EPS")
(Unaudited)

	Twelve Months Ending June 30		
	2026[F]	2025	Growth
Forecasted/As Reported EPS - GAAP	**$1.63 - $1.87**	**$ (3.15)**	**100+%**
Non-GAAP			
Restructuring and other charges[1]	.23 - .27	1.06	
Goodwill and other intangible asset impairments	—	2.78	
U.S. deferred tax asset valuation allowance adjustment	—	.48	
Talcum litigation settlement agreements[2]	—	.34	
Forecasted/Adjusted EPS - Non-GAAP	**$1.90 - $2.10**	**$ 1.51**	**26% - 39%**
Impact of foreign currency translation	(.03)		
Forecasted/Adjusted Constant Currency EPS - Non-GAAP	**$1.87 - $2.07**	**$ 1.51**	**24% - 37%**

[F] Represents forecast, using spot rates as of June 30, 2025.

[1] The diluted net earnings per common share impact of restructuring and other charges includes approvals to date. Additional restructuring and other charges are anticipated as initiatives are approved in fiscal 2026.

[2] No assumptions included in the fiscal 2026 forecast.

As the Company has done historically, it continues to develop its strategy, assess performance and allocate resources by product category and will continue to report results by product category. To enhance accountability and streamline operations within the organization, as well as to align with its recently announced leadership changes, the Company has reorganized its geographic regions. Beginning with the fiscal 2026 first quarter, the Company will be reporting its fiscal 2026 and comparable fiscal 2025 results by geographic region under the new regional structure.

The Company's four new geographic regions are:

- The Americas, including North America and Latin America
- Europe, the United Kingdom and Ireland and Emerging Markets ("EUKEM"), including the markets of the Company's previously reported EMEA region, as well as the Southeast Asian Emerging Markets, which were previously reported in its Asia/Pacific region—Indonesia, Malaysia, the Philippines, Thailand, and Vietnam
- Asia/Pacific, including the Company's global travel retail business, which was previously reported in the EMEA region
- Mainland China, which was previously reported in the Company's Asia/Pacific region, will now be reported as a separate region

Presented below are the fiscal 2025 and 2024 full-year and fourth quarter net sales results by geographic region under this new regional structure:

Results by Geographic Region
(Unaudited)

($ in millions)	Year Ended June 30				
	Net Sales		Percentage Change[1]		
	2025	2024	Reported Basis	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)
The Americas	$ 4,410	$ 4,579	(4) %	1 %	(3) %
EUKEM	3,566	3,539	1	(1)	(1)
Asia/Pacific	3,606	4,587	(21)	1	(21)
Mainland China	2,741	2,904	(6)	—	(6)
Subtotal	**$ 14,323**	**$ 15,609**	**(8) %**	**— %**	**(8) %**
Returns/charges associated with restructuring and other activities	3	(1)			
Total	**$ 14,326**	**$ 15,608**	**(8) %**	**— %**	**(8) %**

[1]*Percentages are calculated on an individual basis.*

($ in millions)	Three Months Ended June 30				
	Net Sales		Percentage Change[1]		
	2025	2024	Reported Basis	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)
The Americas	$ 941	$ 994	(5) %	1 %	(4) %
EUKEM	828	814	2	(5)	(3)
Asia/Pacific	906	1,318	(31)	—	(31)
Mainland China	733	745	(2)	—	(1)
Subtotal	**$ 3,408**	**$ 3,871**	**(12) %**	**(1) %**	**(13) %**
Returns/charges associated with restructuring and other activities	3	—			
Total	**$ 3,411**	**$ 3,871**	**(12) %**	**(1) %**	**(13) %**

[1]*Percentages are calculated on an individual basis.*

FISCAL 2024

As a component of the Profit Recovery Plan, now known as the Profit Recovery and Growth Plan, communicated on November 1, 2023, on February 5, 2024, the Company announced a two-year restructuring program. The restructuring program's main focus includes the reorganization and rightsizing of certain areas of the Company's business as well as simplification and acceleration of processes. The Company plans to substantially complete specific initiatives under the restructuring program through fiscal 2026. The Company expects that the restructuring program will result in restructuring and other charges totaling between $500 million and $700 million, before taxes, consisting of employee-related costs, contract terminations, asset write-offs and other costs associated with implementing these initiatives.

Reconciliation between GAAP and Non-GAAP Net Sales Growth
(Unaudited)

	Year Ended June 30, 2024[1]
As Reported-GAAP	**(1.9)%**
Impact of royalty revenue from the acquisition of the TOM FORD brand	(0.3)
Impact of foreign currency translation	0.7
Returns associated with restructuring and other activities	(0.2)
Organic, Non-GAAP	**(1.7)%**

[1] *Percentages are calculated on an individual basis*

Reconciliation between GAAP and Non-GAAP - Diluted Net Earnings Per Common Share ("EPS")
(Unaudited)

	Year Ended June 30		
	2024	2023	Growth
As Reported EPS - GAAP	**$ 1.08**	**$ 2.79**	**(61)%**
Non-GAAP			
Restructuring and other charges	.27	.18	
Change in fair value of DECIEM acquisition-related stock options inclusive of payroll tax (less the portion attributable to redeemable noncontrolling interest)	.05	.05	
Goodwill and other intangible asset impairments	1.19	.44	
Adjusted EPS - Non-GAAP	**$ 2.59**	**$ 3.46**	**(25)%**
Impact of foreign currency translation on earnings per share	.10		
Adjusted Constant Currency EPS - Non-GAAP	**$ 2.69**	**$ 3.46**	**(22)%**

Results by Product Category
(Unaudited)

($ in millions)	Three Months Ended June 30								
	Net Sales		Percentage Change[1]				Operating Income (Loss)		Percentage Change
	2024	2023	Reported Basis	Impact of Royalty Revenue from the Acquisition of the TOM FORD Brand	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)	2024	2023	Reported Basis
Skin Care	$ 2,035	$ 1,795	13 %	— %	2 %	15 %	$ (185)	$ 39	(100+%)
Makeup	1,105	1,108	—	—	1	1	37	(12)	100+
Fragrance	539	544	(1)	—	1	1	(2)	27	(100+)
Hair Care	165	164	1	—	2	2	(2)	(4)	50
Other	27	15	80	(40)	(7)	33	15	(3)	100+
Subtotal	**$ 3,871**	**$ 3,626**	**7 %**	**— %**	**1 %**	**8 %**	**$ (137)**	**$ 47**	**(100+%)**
Returns/charges associated with restructuring and other activities	—	(17)					(96)	(52)	
Total	**$ 3,871**	**$ 3,609**	**7 %**	**— %**	**1 %**	**8 %**	**$ (233)**	**$ (5)**	**(100+%)**
Non-GAAP Adjustments to As Reported Operating Income:									
Returns/charges associated with restructuring and other activities							96	52	
Skin Care - Changes in fair value of DECIEM acquisition-related stock options inclusive of payroll tax							15	24	
Skin Care - Goodwill and other intangible asset impairments							471	—	
Adjusted Operating Income - Non-GAAP							**$ 349**	**$ 71**	**100+%**

[1]*Percentages are calculated on an individual basis*

Results by Product Category
(Unaudited)

($ in millions)	Year Ended June 30								
	Net Sales		Percentage Change[1]				Operating Income (Loss)		Percentage Change
	2024	2023	Reported Basis	Impact of Royalty Revenue from the Acquisition of the TOM FORD Brand	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)	2024	2023	Reported Basis
Skin Care	$ 7,908	$ 8,249	(4)%	— %	1 %	(3)%	$ 735	$ 1,277	(42)%
Makeup	4,470	4,532	(1)	—	—	(1)	93	(21)	100+
Fragrance	2,487	2,451	1	—	—	2	265	370	(28)
Hair Care	629	652	(4)	—	—	(4)	(52)	(36)	(44)
Other	115	53	100+	(100+)	—	15	53	4	100+
Subtotal	**$15,609**	**$15,937**	**(2)%**	**— %**	**1 %**	**(2)%**	**$ 1,094**	**$ 1,594**	**(31)%**
Returns/charges associated with restructuring and other activities	(1)	(27)					(124)	(85)	
Total	**$15,608**	**$15,910**	**(2)%**	**— %**	**1 %**	**(2)%**	**$ 970**	**$ 1,509**	**(36)%**
Non-GAAP Adjustments to As Reported Operating Income:									
Returns/charges associated with restructuring and other activities							124	85	
Skin Care - Changes in fair value of DECIEM acquisition-related stock options inclusive of payroll tax							23	22	
Skin Care - Goodwill and other intangible asset impairments							471	100	
Makeup - Other intangible asset impairments							—	107	
Adjusted Operating Income - Non-GAAP							**$ 1,588**	**$ 1,823**	**(13)%**

[1]*Percentages are calculated on an individual basis. Refer to the Reconciliation between GAAP and Non-GAAP Net Sales Growth on page 2 for additional detail on the organic impacts to reported net sales.*

Results by Geographic Region
(Unaudited)

($ in millions)	Three Months Ended June 30								
	Net Sales		Percentage Change[1]				Operating Income (Loss)		Percentage Change
	2024	2023	Reported Basis	Impact of Royalty Revenue from the Acquisition of the TOM FORD Brand	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)	2024	2023	Reported Basis
The Americas	$ 1,014	$ 1,071	(5) %	(1) %	— %	(5) %	$ 277	$ (20)	100+%
Europe, the Middle East & Africa	1,652	1,253	32	—	—	32	11	(76)	100+
Asia/Pacific	1,205	1,302	(7)	—	4	(4)	(425)	143	(100+)
Subtotal	**$ 3,871**	**$ 3,626**	**7 %**	**— %**	**1 %**	**8 %**	**$ (137)**	**$ 47**	**(100+%)**
Returns/charges associated with restructuring and other activities	—	(17)					(96)	(52)	
Total	**$ 3,871**	**$ 3,609**	**7 %**	**— %**	**1 %**	**8 %**	**$ (233)**	**$ (5)**	**(100+%)**
Non-GAAP Adjustments to As Reported Operating Income:									
Returns/charges associated with restructuring and other activities							96	52	
The Americas - Changes in fair value of DECIEM acquisition-related stock options inclusive of payroll tax							6	24	
Europe, the Middle East & Africa - Changes in fair value of DECIEM acquisition-related stock options inclusive of payroll tax							9	—	
Asia/Pacific - Goodwill and other intangible asset impairments							471	—	
Adjusted Operating Income - Non-GAAP							**$ 349**	**$ 71**	**100+%**

[1]Percentages are calculated on an individual basis

Results by Geographic Region
(Unaudited)

($ in millions)	Year Ended June 30								
	Net Sales		Percentage Change[1]				Operating Income (Loss)		Percentage Change
	2024	2023	Reported Basis	Impact of Royalty Revenue from the Acquisition of the TOM FORD Brand	Impact of Foreign Currency Translation	Organic Net Sales (Non-GAAP)	2024	2023	Reported Basis
The Americas	$ 4,581	$ 4,518	1 %	(1) %	— %	— %	$ 34	$ (73)	100+%
Europe, the Middle East & Africa	6,140	6,225	(1)	—	(1)	(2)	836	843	(1)
Asia/Pacific	4,888	5,194	(6)	—	3	(3)	224	824	(73)
Subtotal	**$15,609**	**$15,937**	**(2)%**	**— %**	**1 %**	**(2)%**	**$ 1,094**	**$ 1,594**	**(31)%**
Returns/charges associated with restructuring and other activities	(1)	(27)					(124)	(85)	
Total	**$15,608**	**$15,910**	**(2)%**	**— %**	**1 %**	**(2)%**	**$ 970**	**$ 1,509**	**(36)%**
Non-GAAP Adjustments to As Reported Operating Income:									
Returns/charges associated with restructuring and other activities							124	85	
The Americas - Changes in fair value of DECIEM acquisition-related stock options inclusive of payroll tax							14	22	
Europe, the Middle East & Africa - Changes in fair value of DECIEM acquisition-related stock options inclusive of payroll tax							9	—	
The Americas - Other intangible asset impairments							—	107	
Asia/Pacific - Goodwill and other intangible asset impairments							471	100	
Adjusted Operating Income - Non-GAAP							**$ 1,588**	**$ 1,823**	**(13)%**

[1]Percentages are calculated on an individual basis. Refer to the Reconciliation between GAAP and Non-GAAP Net Sales Growth on page 2 for additional detail on the organic impacts to reported net sales.

Reconciliation between GAAP and Non-GAAP - Net Sales Growth
(Unaudited)

	Three Months Ending	Twelve Months Ending
	September 30, 2024[F]	June 30, 2025[F]
As Reported - GAAP	(5%) - (3%)	(1%) - 2%
Impact of foreign currency translation	—	—
Returns associated with restructuring and other activities	—	—
Organic, Non-GAAP	(5%) - (3%)	(1%) - 2%

[F] Represents forecast

Reconciliation between GAAP and Non-GAAP - Diluted Earnings Per Common Share ("EPS")
(Unaudited)

	Three Months Ending			Twelve Months Ending		
	September 30			June 30		
	2024[F]	2023	Growth	2025[F]	2024	Growth
Forecasted/As Reported EPS - GAAP	$(.09) - $.00	$ .09	(100+)%	$2.52 - $2.76	$ 1.08	100+%
Non-GAAP						
Restructuring and other charges	.10 - .11	—		.19 - .23	.27	
Change in fair value of DECIEM acquisition-related stock options inclusive of payroll tax (less the portion attributable to redeemable noncontrolling interest)	—	.02		—	.05	
Goodwill and other intangible asset impairments	—	—		—	1.19	
Forecasted/Adjusted EPS - Non-GAAP	$.02 - $.10	$ .11	(82%) - (10%)	$2.75 - $2.95	$ 2.59	6% - 14%
Impact of foreign currency translation	(.01)			.03		
Forecasted/Adjusted Constant Currency EPS - Non-GAAP	$.01 - $.09	$ .11	(89%) - (17%)	$2.78 - $2.98	$ 2.59	7% - 15%

[F] Represents forecast

Returns and Charges Associated With Restructuring and Other Activities and Other Adjustments
(Unaudited)

(In millions, except per share data)	Three Months Ended June 30, 2024						
	Sales Returns	Cost of Sales	Operating Expenses		Total	After Redeemable Noncontrolling Interest and Tax	Diluted EPS
			Restructuring Charges	Other Charges/ Adjustments			
Leading Beauty Forward	$ —	$ —	$ (1)	$ —	$ (1)	$ (1)	$ —
PCBA Program	—	—	(3)	2	(1)	(1)	—
Restructuring Program Component of Profit Recovery Plan	—	—	86	12	98	77	.21
Change in fair value of DECIEM acquisition-related stock options inclusive of payroll tax	—	—	—	15	15	11	.03
Goodwill and other intangible asset impairments	—	—	—	471	471	430	1.19
Total	**$ —**	**$ —**	**$ 82**	**$ 500**	**$ 582**	**$ 516**	**$ 1.43**

(In millions, except per share data)	Year Ended June 30, 2024						
	Sales Returns	Cost of Sales	Operating Expenses		Total	After Redeemable Noncontrolling Interest and Tax	Diluted EPS
			Restructuring Charges	Other Charges/ Adjustments			
Leading Beauty Forward	$ —	$ —	$ (1)	$ —	$ (1)	$ (1)	$ —
PCBA Program	1	1	1	7	10	8	.02
Restructuring Program Component of Profit Recovery Plan	—	—	92	23	115	90	.25
Change in fair value of DECIEM acquisition-related stock options inclusive of payroll tax	—	—	—	23	23	18	.05
Goodwill and other intangible asset impairments	—	—	—	471	471	430	1.19
Total	**$ 1**	**$ 1**	**$ 92**	**$ 524**	**$ 618**	**$ 545**	**$ 1.51**

(In millions, except per share data)	Three Months Ended June 30, 2023						
	Sales Returns	Cost of Sales	Operating Expenses		Total	After Redeemable Noncontrolling Interest and Tax	Diluted EPS
			Restructuring Charges	Other Charges/ Adjustments			
Leading Beauty Forward	$ —	$ —	$ —	$ 3	$ 3	$ 1	$ —
PCBA Program	17	4	23	5	49	40	.11
Change in fair value of DECIEM acquisition-related stock options	—	—	—	24	24	19	.05
Total	**$ 17**	**$ 4**	**$ 23**	**$ 32**	**$ 76**	**$ 60**	**$ .16**

(In millions, except per share data)	Year Ended June 30, 2023						
	Sales Returns	Cost of Sales	Operating Expenses		Total	After Redeemable Noncontrolling Interest and Tax	Diluted EPS
			Restructuring Charges	Other Charges/ Adjustments			
Leading Beauty Forward	$ —	$ —	$ 1	$ 7	$ 8	$ 6	$ .02
PCBA Program	27	3	35	12	77	60	.16
Change in fair value of DECIEM acquisition-related stock options	—	—	—	22	22	17	.05
Other intangible asset impairments	—	—	—	207	207	159	.44
Total	**$ 27**	**$ 3**	**$ 36**	**$ 248**	**$ 314**	**$ 242**	**$ .67**

Reconciliation of Certain Consolidated Statements of Earnings Accounts
Before and After Returns, Charges and Other Adjustments
(Unaudited)

($ in millions, except per share data)	Three Months Ended June 30									
	2024					2023			% Change	
	As Reported	Returns/ Charges/ Adjustments	Non-GAAP	Impact of Foreign Currency Translation	Non-GAAP, Constant Currency	As Reported	Returns/ Charges/ Adjustments	Non-GAAP	Non-GAAP	Non-GAAP, Constant Currency
Net sales	$ 3,871	$ —	$ 3,871	$ 51	$ 3,922	$ 3,609	$ 17	$ 3,626	7 %	8 %
Gross profit	2,778	—	2,778	41	2,819	2,446	21	2,467	13 %	14 %
Operating (loss) income	(233)	582	349	10	359	(5)	76	71	100+%	100+%
Diluted EPS	$ (.79)	$ 1.43	$ .64	$ .03	$ .67	$ (.09)	$ .16	$ .07	100+%	100+%

Reconciliation of Certain Consolidated Statements of Earnings Accounts
Before and After Returns, Charges and Other Adjustments
(Unaudited)

($ in millions, except per share data)	Year Ended June 30									
	2024					2023			% Change	
	As Reported	Returns/ Charges/ Adjustments	Non-GAAP	Impact of Foreign Currency Translation	Non-GAAP, Constant Currency	As Reported	Returns/ Charges/ Adjustments	Non-GAAP	Non-GAAP	Non-GAAP, Constant Currency
Net sales	$ 15,608	$ 1	$ 15,609	$ 105	$ 15,714	$ 15,910	$ 27	$ 15,937	(2)%	(1)%
Gross profit	11,184	2	11,186	84	11,270	11,346	30	11,376	(2)%	(1)%
Operating income	970	618	1,588	50	1,638	1,509	314	1,823	(13)%	(10)%
Diluted EPS	$ 1.08	$ 1.51	$ 2.59	$ .10	$ 2.69	$ 2.79	$ .67	$ 3.46	(25)%	(22)%

RETURN ON INVESTED CAPITAL ("ROIC") RECONCILIATIONS

	For the year ended June 30,				
	2026	**2025**	**2024**	**2023**	**2022**
Net Operating Profit After Tax (Numerator)					
Operating income (loss), as reported	$ 780	$ (785)	$ 970	$ 1,509	$ 3,170
Non-GAAP adjustments					
Add: Charges associated with restructuring and other activities	823	486	124	85	144
Add: Securities class action litigation settlement	84	-	-	-	-
Add: Goodwill and other intangible asset impairments	-	1,286	471	207	241
Add: Talcum litigation settlement agreements	-	159	-	-	-
Add: Change in fair value of DECIEM acquisition-related stock options inclusive of payroll	-	-	23	22	(55)
Operating income, as adjusted	1,687	1,146	1,588	1,823	3,500
Income Tax adjustment[1]	(603)	(445)	(492)	(483)	(746)
Net Operating Profit After Tax	**$ 1,084**	**$ 701**	**$ 1,096**	**$ 1,340**	**$ 2,754**
Invested Capital (Denominator)[2]					
Total debt	$ 7,316	$ 7,497	$ 7,978	$ 6,328	$ 5,503
Redeemable noncontrolling interest	-	-	670	824	849
Common stock	6	6	6	6	6
Paid in capital	7,220	6,866	6,384	5,985	5,586
Retained earnings	11,563	12,557	13,802	14,138	13,366
Accumulated other comprehensive loss	(1,131)	(1,188)	(1,001)	(896)	(626)
Treasury stock	(13,740)	(13,686)	(13,651)	(13,540)	(12,314)
Noncontrolling interest	-	-	-	-	28
Invested Capital	**$ 11,234**	**$ 12,052**	**$ 14,188**	**$ 12,845**	**$ 12,398**
Return on Invested Capital	**9.6%**	**5.8%**	**7.7%**	**10.4%**	**22.2%**

[1] The income tax adjustment is calculated utilizing the adjusted effective tax rate (the effective tax rate on earnings (loss) before taxes after adjusting for the non-GAAP items noted for each respective year), applied to the operating income, as adjusted. For fiscal 2025, in addition to the non-GAAP items noted, the income tax adjustment also reflects the adjustment for the U.S. deferred tax asset valuation allowance.

[2] Each item comprising the Invested Capital amount for each fiscal year is calculated using a trailing five-quarter average from June 30th of each respective year based on the period-end amounts as reported in each respective Form 10-Q and Form 10-K filing with the SEC.