

Coty Sets Out Comprehensive Strategy to Double Skincare Sales by FY25

- Company to Host Investor Event at its Monaco Skincare R&D and Manufacturing Center of Excellence Today
- Details Plan to Achieve Skincare Sales of \$500m-600M by FY25 and Accelerate Growth in FY26 and Beyond
- Unveils New Launches and Expansion Plans for Key Skincare Brands
 - Raises 1Q23 Revenue and Gross Margin Guidance
 - Reiterates FY23 & Medium-Term Growth Outlook

NEW YORK--(BUSINESS WIRE)-- Coty Inc. (NYSE: COTY) (“Coty” or “the Company”), one of the world’s leading beauty companies, today will host an in-person Investor Event at Coty’s Monaco skincare R&D and manufacturing facility. Monaco is also the manufacturing center of excellence for Coty’s flagship Lancaster skincare brand. The main presentations will be webcast live starting at approximately 2:00 P.M. CET or 8:00 A.M. EST for around 90 minutes.

At the event, Coty will provide a comprehensive update on the Company’s Skincare strategy, one of Coty’s six strategic growth pillars, with a focus on its Prestige brands. The company will detail its distinct and superior skincare intellectual property, upcoming operational and portfolio milestones, early evidence of success, and Coty’s financial goals through FY25 and beyond.

Sue Y. Nabi, Chief Executive Officer of Coty, said: *“Coty’s skincare portfolio is one of the most exciting growth areas in our business, with revenues on track to double to \$500M-600M by FY25. Our strategy is underpinned by world-recognized brands serving key white space opportunities and consumer needs, 75-years of scientific innovation and leadership, superior patents and distinct intellectual property, and a large and growing team of skincare experts across the organization. We have begun our skincare revolution in Hainan and mainland China, where we are already seeing proof that our brands, formulations, and communication can win over consumers. At the same time, our research & development efforts are focused on the fastest growing consumer needs and health trends. All of this gives us confidence that we can capture significant opportunities in the \$150 billion global skincare market.”*

Event Overview

During today’s event, Coty’s Chief Executive Officer, Sue Y. Nabi, will present, along with Dr. Shimei Fan, Coty’s Chief Scientific Officer; Constantin Sklavenitis, Coty’s Chief Prestige Brands Officer; and Laurent Mercier, Coty’s Chief Financial Officer. Coty’s leaders will outline how the Company is successfully building a skincare business across its Prestige and Consumer Beauty divisions.

Skincare Portfolio Update

Coty’s scientific update will focus on the Company’s distinct and superior technologies in five key areas: full-light protection, oxygen delivery, retinol vectorization, DNA repair,

and bio-fermented blends. Coty's research in these critical skincare areas goes back several decades, with key patents extending for the next 5-10 years.

Dr. Shimei Fan, Chief Scientific Officer of Coty, said: *"The combination of Coty's deep skincare heritage and continuing development of innovative IP anchored in the fastest growing consumer health trends, has crafted a unique position for Coty in the beauty market. Through ground-breaking scientific advances, Coty is helping protect consumers from skin disorders, afflictions resulting from pollution and our changing climate, and aging."*

Coty's brand overview and commercial update will center on the Company's robust portfolio of prestige skincare brands, including Lancaster, Orveda, philosophy, Kylie Skin and SKKN by Kim. Coty's prestige skincare brands cover the most promising segments of the skincare market, while offering a unique proposition and clear sense of purpose to today's consumers.

Constantin Sklavenitis, Coty's Chief Prestige Brands Officer, said: *"Our five prestige skincare brands each offer their own sense of purpose, technology, and cater to a specific market segment that shows great potential. The transformation of our skincare portfolio has already begun with Lancaster, which in the past year has become one of the fastest growing brands in Hainan amongst key retailers. This is critical confirmation that Coty has the technology, brands, strategic clarity, and commercial capabilities to win in skincare in the coming years."*

Financial Outlook

With all the key elements of Coty's strategy now in place, the Company expects to double its skincare revenues from FY22 to FY25, with further acceleration in FY26 and beyond. This coupled with the continued momentum in the rest of the Coty business, reinforces the Company's commitment to its medium-term financial targets laid out at the Investor Day in November 2021. This includes 6-8% LFL sales growth, 9-11% adjusted EBITDA growth, a low 20s EPS CAGR through FY25, and approximately 2x leverage by CY25.

In the near term, Coty is seeing stronger beauty demand, leading the Company to raise its 1QFY23 LFL sales growth outlook to +8-9%, from previous +6-8%, adjusting for the impact of the Russia exit. The improved outlook is being fueled by both Prestige and Consumer Beauty, and across Europe, the Americas, and Global Travel Retail. The strong sales momentum also underpins a stronger Q1 gross margin outlook, despite continued inflationary pressures.

This Q1 upside reinforces Coty's confidence in its previously issued FY23 guidance, even as the current macro-economic uncertainty factor into the Company's decision to maintain its FY23, including 6-8% LFL sales growth, adjusting for the impact of the Russia exit; adjusted EBITDA of \$955-965M; adjusted EPS growth in the mid-teens percentage to \$0.32-0.33; and leverage towards 4x exiting CY22.

Webcast Information

The livestream can be accessed on Coty's Investor Relations website at <https://investors.coty.com>. The replay of the event and associated presentation materials will also be available under the 'Events & Presentations' section following the completion of the event.

About Coty Inc.

Founded in Paris in 1904, Coty is one of the world's largest beauty companies with a portfolio of iconic brands across fragrance, color cosmetics, and skin and body care. Coty serves consumers around the world, selling prestige and mass market products in more than 130 countries and territories. Coty and our brands empower people to express themselves freely, creating their own visions of beauty; and we are committed to making a positive impact on the planet. Learn more at coty.com or on LinkedIn and Instagram.

Cautionary Note Regarding Forward-looking Statements

The statements contained in this press release include certain "forward-looking statements" within the meaning of the securities laws. These forward-looking statements reflect Coty's current views with respect to, among other things, its outlook, expected guidance, trends and strategic information. These forward-looking statements are generally identified by words or phrases, such as "anticipate," "are going to," "estimate," "plan," "project," "expect," "believe," "intend," "foresee," "forecast," "will," "may," "should," "outlook," "continue," "target," "aim," "potential" and similar words or phrases. These statements are based on certain assumptions and estimates that Coty considers reasonable and are not guarantees of Coty's future performance, but are subject to a number of risks and uncertainties, many of which are beyond Coty's control, which could cause actual events or results to differ materially from such statements, including the factors identified in "Risk Factors" included in Coty's Annual Report on Form 10-K for the fiscal year ended June 30, 2022 and its subsequent quarterly reports on Form 10-Q. All forward-looking statements made in this press release are qualified by these cautionary statements. These forward-looking statements are made only as of the date of this press release, and Coty does not undertake any obligation, other than as may be required by law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, or changes in future operating results over time or otherwise.

Coty provides guidance only on a non-GAAP basis and does not provide reconciliations of such forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, including adjustments that could be made for restructuring, integration and acquisition-related expenses, amortization expenses, adjustments to inventory, and other charges reflected in our reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

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