COTY 1Q24 EARNINGS CALL

November 7, 2023



KEY MESSAGES

1

MARKET LEADING Q1 GROWTH, FUELED BY CATEGORY STRENGTH & TOP NOTCH INNOVATION

- Q1 LFL REVENUE GROWTH OF +18%, AHEAD OF 1H24 UPDATED LFL GUIDANCE OF +10-12%, WITH PARTICULAR STRENGTH IN PRESTIGE, DRIVEN BY EXISTING ICONS AND NEW LAUNCHES, COUPLED WITH STRONG 10% LFL GROWTH IN CONSUMER BEAUTY

2

STRONG PROFIT DELIVERY, DESPITE REINVESTMENTS AND SUSTAINED COGS INFLATION

- Q1 ADJ OP INCOME GREW +21% YOY AND ADJ EBITDA GREW +17%, DESPITE ELEVATED INFLATION AND REINVESTMENTS IN GROWTH CAPABILITIES; FULLY ON TRACK FOR LEVERAGE ~3X EXITING CY23 AND ~2.5X EXITING CY24

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PROGRESS ACROSS EACH STRATEGIC PILLAR

- STRONG EXECUTION ACROSS ALL OF OUR STRATEGIC PILLARS

4

RAISING FY24 OUTLOOK DRIVEN BY THE VERY STRONG Q1 DELIVERY

- FY24 LFL SALES TO GROW AT +9-11%, UP FROM RECENTLY RAISED GUIDANCE OF +8-10% LFL, WITH OUTPERFORMANCE BY PRESTIGE; MODEST GROSS MARGIN EXPANSION; 10-30 BPS ADJ EBITDA MARGIN GROWTH TO $1,080-1,090M; AND +16-25% ADJ EPS GROWTH (EX SWAP)

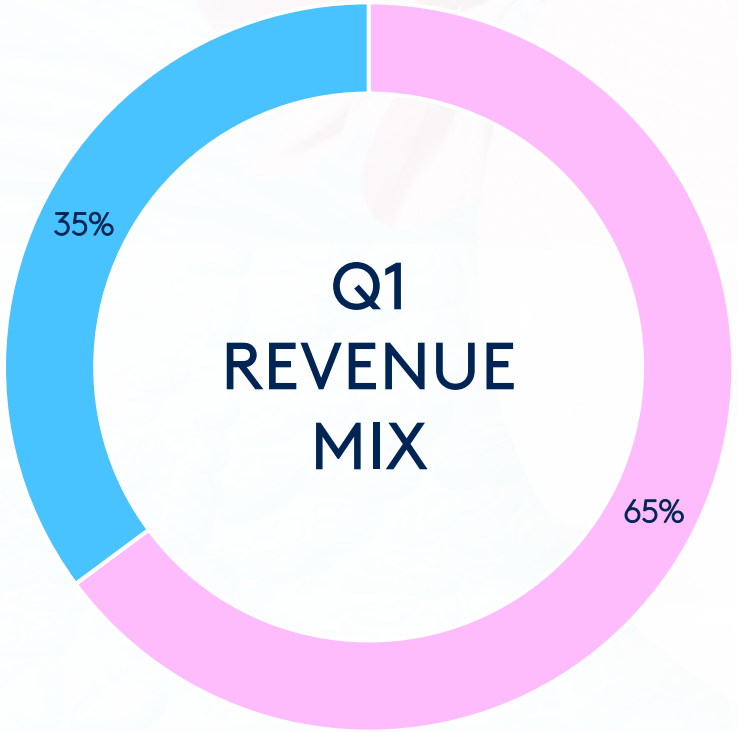
SIGNIFICANT SALES GROWTH



1Q24 LFL GROWTH OF +18% SIGNIFICANTLY AHEAD OF RAISED GUIDANCE OF +10-12% IN 1H24

CB +10% LFL

PRESTIGE +22% LFL



LFL REVENUE **+18% LFL** IN Q1, AHEAD OF 1H24 GUIDANCE

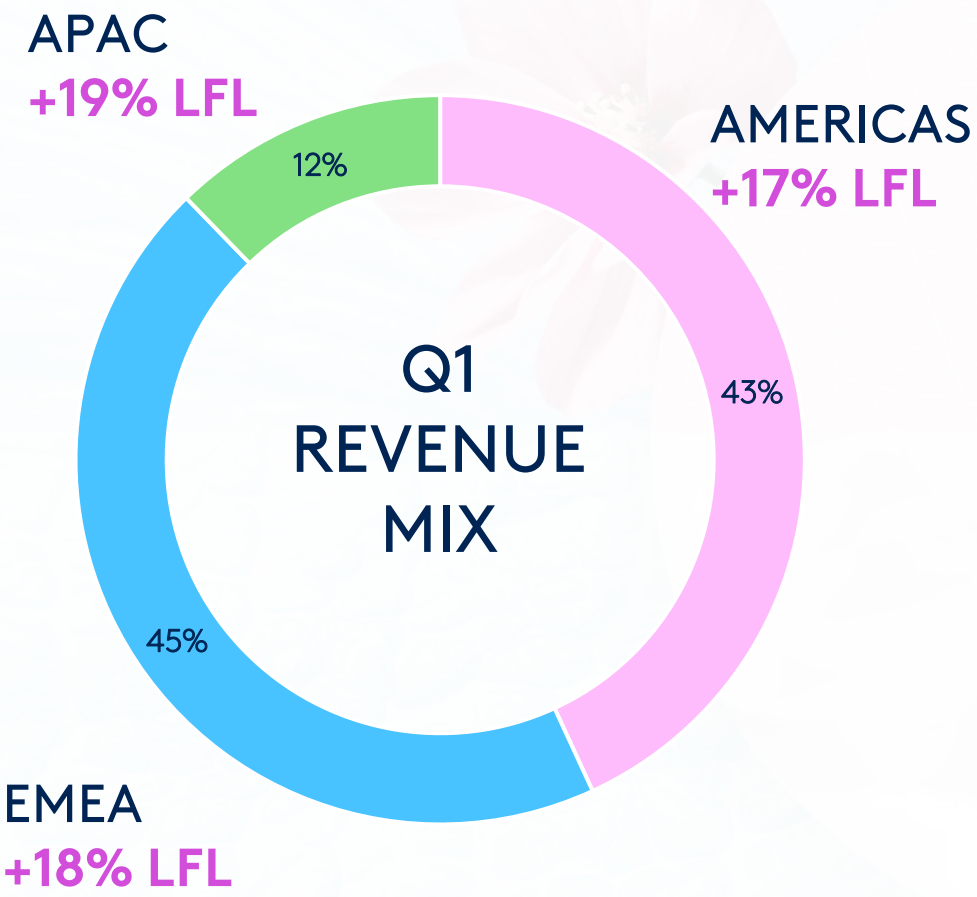
PRESTIGE LFL +22% IN Q1

- VERY STRONG LFL GROWTH PARTICULARLY IN FRAGRANCES AND ACROSS ALL REGIONS, HELPED BY IMPROVED SERVICE LEVELS
- MOMENTUM FUELED BY OUTPERFORMANCE IN VOLUMES WHICH GREW DOUBLE-DIGIT %, COUPLED WITH PRICING AND MIX
- RETAILER INVENTORIES IN KEY MARKETS AT HEALTHY LEVELS

CONSUMER BEAUTY LFL +10% IN Q1

- ACCELERATION IN FRAGRANCES, SOLID GROWTH IN COSMETICS AND SKIN & BODYCARE
- PARTICULAR STRENGTH IN NORTH AMERICA AND LATIN AMERICA

GROWTH ACROSS ALL REGIONS



AMERICAS +17% WITH DOUBLE-DIGIT % GROWTH IN EVERY MARKET AND TRAVEL RETAIL

EMEA +18% DRIVEN BY DOUBLE-DIGIT % GROWTH ACROSS MOST MARKETS AND TRAVEL RETAIL

ASIA PACIFIC +19% FUELED BY VERY STRONG GROWTH ACROSS MOST MARKETS. COTY'S PRESTIGE REVENUES IN CHINA CONTINUED TO GROW, WHILE CONSUMER BEAUTY REVENUES WERE LOWER

GROWTH FUELED BY BOTH VOLUMES AND PRICE & MIX

1Q24	
+ LSD %	Volume
+HSD %	Price
+HSD %	Mix & Other

DOUBLE DIGIT % VOLUME GROWTH IN PRESTIGE FUELED BY BOTH CORE BUSINESS AND NEW LAUNCHES

STABLE VOLUMES IN CONSUMER BEAUTY

SOLID PROFIT PERFORMANCE



STRONG SERVICE LEVELS & VISIBILITY TO EASING INFLATION

- PRESTIGE AND CONSUMER BEAUTY SERVICE LEVELS EXCEEDED EXPECTATIONS, ~96% IN Q1
- COGS INFLATION OF ~2% OF REVENUES IN 1Q24, IN LINE WITH EXPECTATIONS
  - NOW EXPECT EASING COGS INFLATION IN 2Q AND 2H24 BENEFITTING FROM STABILIZATION IN COMMODITIES AND TRANSPORTATION INFLATION
  - COTY BALANCING INFLATIONARY IMPACTS THROUGH PREMIUMIZATION, MIX MANAGEMENT, AND PRODUCTIVITY EFFORTS, COMPLEMENTED WITH TARGETED PRICE INCREASES



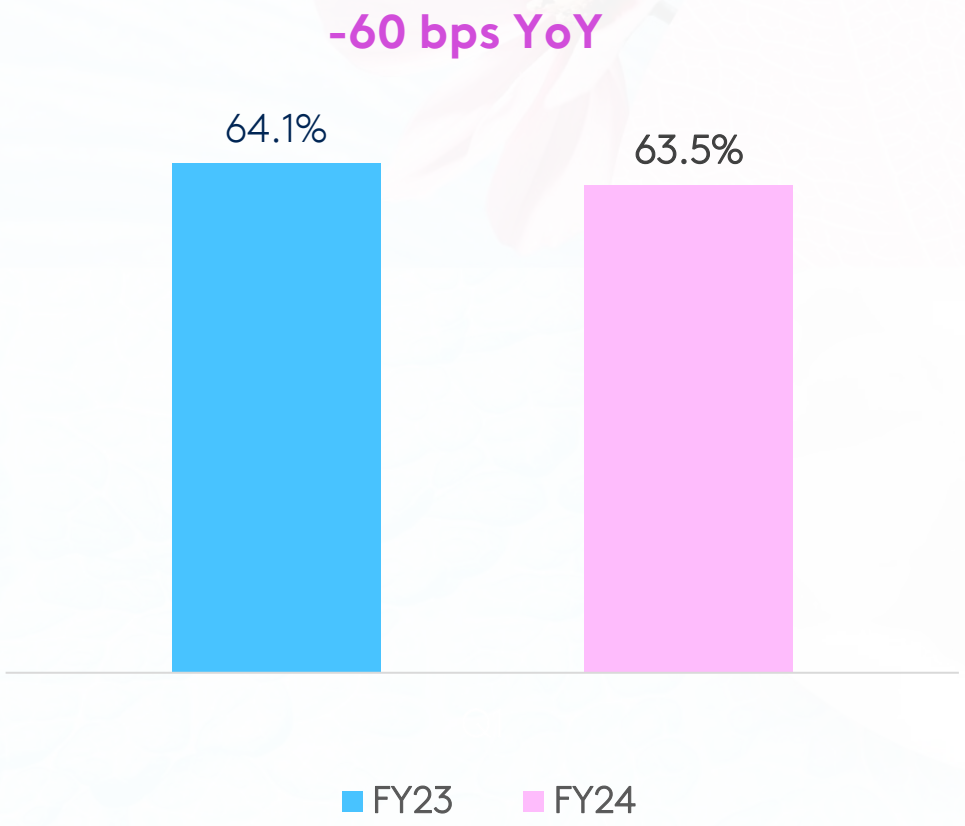
FY24 & FY25 SAVINGS TARGETS ON TRACK

- Q1 SAVINGS DELIVERED OF ~$35M
- REMAIN ON TRACK FOR FY24 SAVINGS OF >$100M
  - DRIVEN BY MATERIAL COSTS AND STRUCTURAL A&CP SAVINGS
- FY25 SAVINGS TARGET OF ~$75M REAFFIRMED
- ESTABLISH ENABLERS FOR BUSINESS ACCELERATION
  - INCREASED SAVINGS AND SALES GROWTH TO FUEL BOTH PROFIT EXPANSION & REINVESTMENT



Q1 GROSS MARGIN IN LINE WITH EXPECTATIONS, WITH EASING INFLATION TO AID GROSS MARGINS IN FY24

ADJUSTED GROSS MARGIN



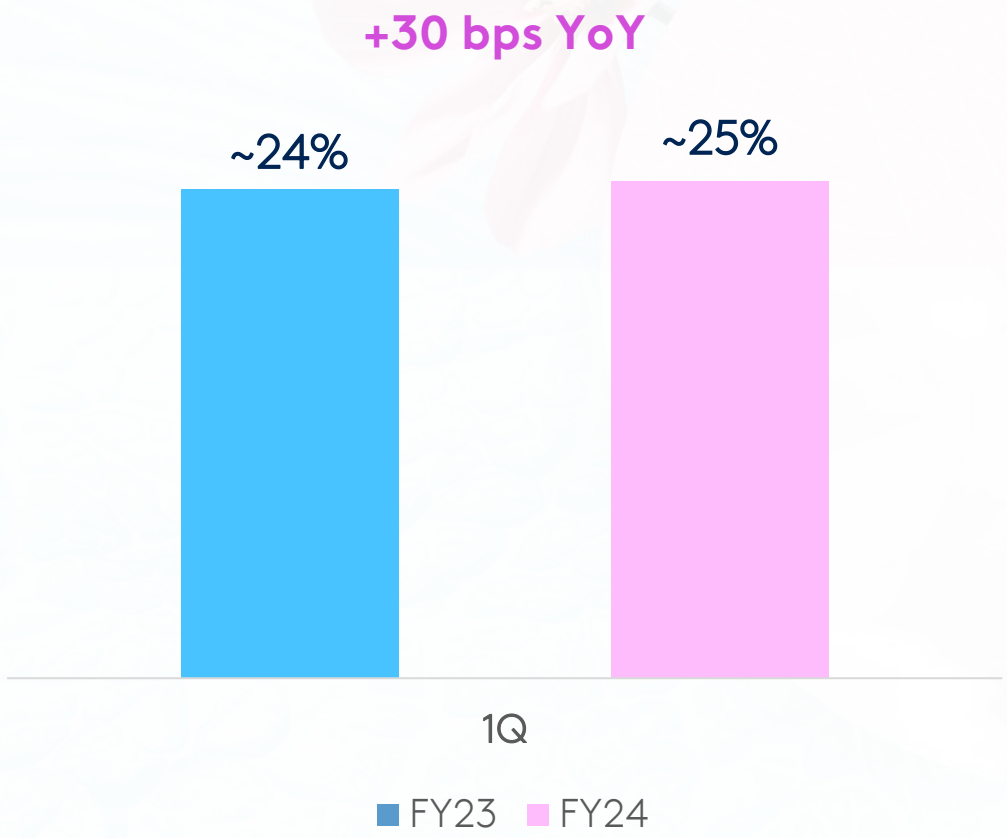
GROSS MARGIN 60 BPS LOWER YOY IN Q1, IN LINE WITH EXPECTATIONS, DRIVEN BY:

- ELEVATED COGS INFLATION ~2% OF REVENUES CARRIED OVER FROM FY23
- RETURN TO FRAGRANCE GIFTSETS, WHICH HAD DECLINED IN THE MIX LAST YEAR DUE TO SIGNIFICANT SUPPLY CHAIN CONSTRAINTS
- INCREASED EXCESS & OBSOLESCENCE TIED TO THE INVENTORY BUILD-UP IN THE PRESTIGE BUSINESS TO SUPPORT STRONG SERVICE LEVELS

EXPECT SIGNIFICANT EASING OF COGS INFLATION IN Q2 AND BEYOND, AIDING YOY GROSS MARGIN TRAJECTORY AND SUPPORTING FY24 GROSS MARGIN EXPANSION

MAINTAINING STRONG MARKETING INVESTMENTS

A&CP AS PERCENT OF SALES

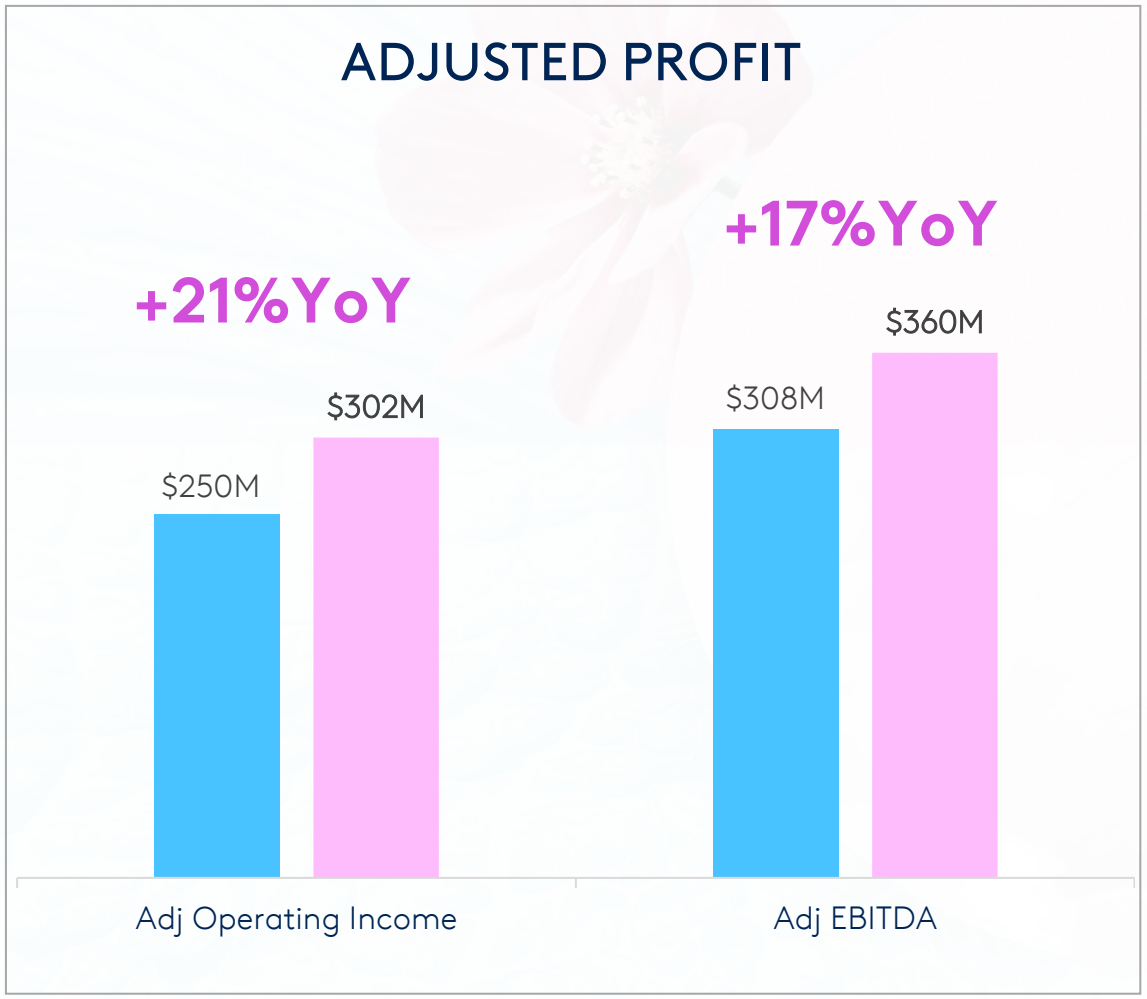


A&CP AT ~25% DURING Q1, +30 BPS YOY, INLINE WITH EXPECTATIONS

CONTINUING TO SHIFT MEDIA SPEND TOWARD DIGITAL AND SOCIAL MEDIA ACTIVATIONS, NOW ACCOUNTING FOR MAJORITY OF SPEND

CONTINUE TO EXPECT A&CP TO BE IN THE HIGH 20% LEVEL OF SALES

Q1 OPERATING INCOME AND EBITDA GROWTH



- 1Q24 ADJ OP INCOME +21% YOY
- 1Q24 ADJ OP MARGIN OF 18.4% INCREASED 40 BPS YOY, FUELED BY OPERATING LEVERAGE ON FIXED COSTS
- 1Q24 ADJ EBITDA +17% YOY
- 1Q24 ADJ EBITDA MARGIN OF 22.0% DECREASED 20 BPS YOY, AHEAD OF EXPECTATIONS

STRONG 1Q24 ADJUSTED EPS DELIVERY

$ Millions	Q1
Adjusted EBITDA	360
Depreciation	(58)
Net Interest	(70)
Income Tax	(68)
Other	(87)
Adj Preferred Dividend	(3.3)
Diluted Share Count	867M
Diluted Adjusted EPS *	0.09
Diluted Adj EPS excl. equity swap	0.15

- Q1 ADJ EPS EXCLUDING EQUITY SWAP OF $0.15, FLAT YOY
- Q1 EPS IMPACTED BY CHANGE IN SWISS STATUTORY TAX RATE, RESULTING IN ONE-TIME NON-CASH TAX IMPACT OF ~$24M OR 3 CENTS
- Q1 ADJ EPS INCLUDES A NEGATIVE NON-CASH IMPACT FROM TOTAL RETURN SWAP MARK-TO-MARKET OF ~$58M OR 6 CENTS IN EPS DUE TO STOCK PRICE DECLINE IN Q1

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* Diluted adjusted EPS calculated under the "if-converted" method for the Convertible Preferred Stock
Figures may not foot due to rounding

1Q24 FREE CASH FLOW INLINE WITH EXPECTATIONS

$ Millions	Q1
Adjusted EBITDA	360
Capex, WC, one-offs	(185)
Interest and tax	(51)
FREE CASH FLOW	124

FREE CASH FLOW

- 1Q24 FCF OF $124M, UP 41% YOY FROM $88M IN PRIOR YEAR QUARTER
  - ➢ INCREASE DRIVEN BY HIGHER ADJUSTED EBITDA
- **EXPECTING STRONG FY24 FCF GROWTH YOY**

COTY LISTED ON EURONEXT PARIS ON SEPTEMBER 28, 2023



Coty shares now trading on NYSE and the professional segment of Euronext Paris

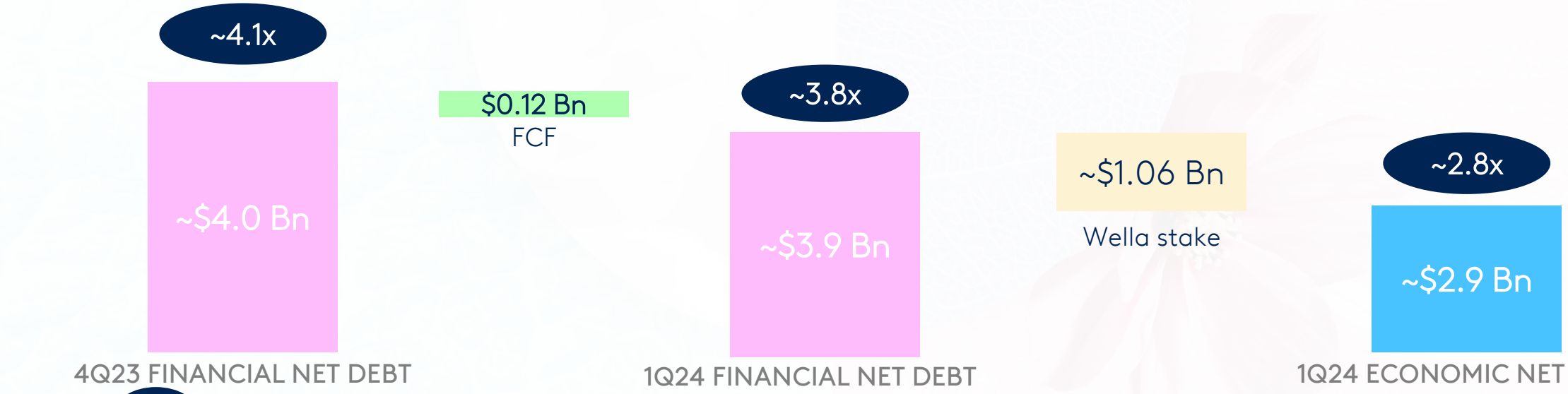
To facilitate ownership by European investors, Coty issued 33M shares at price of $10.80 /€10.28 in a well-oversubscribed transaction

27M share buyback planned in Q3 via equity swap should largely offset share issuance, resulting in negligible dilution exiting FY24

Targeting further share count reduction via 23M buyback in FY25 (2nd equity swap), with goal to reduce share count towards ~800M by FY26

LEVERAGE ON TRACK FOR ~3X EXITING CY23

- LEVERAGE EXITING 1Q24 OF ~3.8X
- ISSUED €500M OF 2028 NOTES, EXTENDING DEBT MATURITY PROFILE, WITH FIXED RATE DEBT NOW CLOSE TO 100%
- LAUNCHING A TENDER TO RETIRE UP TO $400M OF OUTSTANDING 2026 USD BONDS
- IN LIGHT OF COTY'S STRONG FREE CASH FLOW TRAJECTORY IN 1H24, ITS SUCCESSFUL PARIS DUAL LISTING, AND GIVEN MISALIGNMENT ON FINAL DEAL TERMS, COTY AND ITS COUNTERPARTIES HAVE DECIDED TO END THE PARTIAL SALE OF ITS WELLA STAKE
- COTY REMAINS COMMITTED TO REACHING INVESTMENT GRADE PROFILE, TARGETING LEVERAGE OF ~3X EXITING CY23, ~2.5X EXITING CY24 AND ~2X EXITING CY25, AND CONTINUES TO TARGET FULL WELLA SALE BY END OF CY25



COTY

Financial leverage
(financial net debt / LTM Adj. EBITDA)

EXECUTING ON STRATEGIC PILLARS



CONTINUED MOMENTUM IN CONSUMER BEAUTY





Coty Consumer Beauty Revenues Grew **~10% LFL,** inline with Mass Beauty market

Coty sales growth **acceleration in Mass Fragrances** and solid sales growth in Cosmetics and Skin & Bodycare in Brazil

Mass color cosmetics category continues to **premiumize across key markets**

STEP-CHANGING INFLUENCER ENGAGEMENT IN FY24





Established in-house TikTok studios across **15 countries**

Strong momentum already in U.K., with **Rimmel #4** and **Max Factor #6** cosmetics brands in EMV / VIT, which tripled YoY

Newly introduced 9-person Rimmel Creator Crew to drive brand **buzz, engagement and product co-creation**

COTY'S TOP 7 BRANDS GREW IN THE HIGH 20S % LFL YOY





Prestige Fragrance Market Grew **>10% YoY** in Q1

Coty Prestige Fragrance Revenue Grew **~25% LFL YoY** in Q1 fueled by existing icons and new launches

"Fragrance Index" in full effect

BURBERRY GODDESS LAUNCH **SETS NEW RECORDS**





#1 Female Fragrance Launch in Key Markets

Top 6 Fragrance Line Amongst New and Existing Fragrance Lines

Burberry Fragrance **revenues nearly doubled YoY**, Driven By *Burberry Goddess* & Halo on *Hero* and *Her* icons

STEADILY STRENGTHENING PRESTIGE MAKEUP



Building full makeup assortment under Kylie, with Kylash mascara now **#2 franchise**



Double digit % growth in Burberry makeup



Strong **growth in China sell-out** for Burberry and Gucci makeup

BUILDING MOMENTUM IN SKINCARE:

philosophy
dermatologic *wisdom*™

DOUBLE DIGIT % BRAND REVENUE GROWTH IN Q1 AND LAST 6 MONTHS

STRONG MOMENTUM IN BOTH CORE SKINCARE AND NEW DOSE OF WISDOM SERUM

#1 SKINCARE BRAND IN ADVOCACY IN U.S.

UPGRADED MERCHANDISING IN **>1,000 DOORS**



BUILDING MOMENTUM IN SKINCARE: LANCASTER

DOUBLE DIGIT % BRAND REVENUE GROWTH IN Q1 AND LAST 6 MONTHS

ELEVATING LANCASTER'S AWARENESS AND CREDENTIALS IN CHINA BY **WINNING TWO PRESTIGIOUS SKINCARE AWARDS**



BEAUTY AWARDS 2023
CHINA VOGUE
WINNER

VOGUE 美容大奖2023

CHINA ELLE BEAUTY STAR 2023
ELLE年度美妆之星

BUILDING MOMENTUM IN SKINCARE: ORVEDA



marie claire

The 12 Best Beauty Launches of September 2023, According to Marie Claire Editors

It's a big month for beauty.

We're only halfway through September, and it's already been pretty buzzy beauty-wise. New York Fashion Week signaled the start of dozens of new beauty trends, ranging from bows and barrettes as hair accessories to balmy skin and black lip liner. In fact, a handful of just launched products made their grand debut on the catwalk (read: Lancôme's new serum concealer on the LaQuan Smith runway or Addiction Tokyo's stateside debut at Staud). We've seen techy innovations enter the beauty biotech space (looking at you, Orveda) and even watched big-name celebrities like Christy Turlington endorse just-launched face oils.

In short: It's been busy. Naturally, we've been keeping tabs on the chaos, logging the new launches that are worth your time and money. I've found myself obsessing over a do-it-all serum from a new-to-the-scene brand called Basic Principle, while other members of the *Marie Claire* team discovered new go-to eyeliners and lip balms. To get the scoop on our favorites, read ahead.

Orveda The Omnipotent Concentrate

$460 at Orveda

"You've heard of hyaluronic acid, niacinamide, lactic acid, so on and so forth, but Orveda is on a mission to create new ingredients with some help from biotechnology. Their newest creation is The Omnipotent Concentrate, which features a newly-discovered active called Schisandra Sphenanthera. It's job: Soothe the skin. It claims to reduce redness by 50 percent, and after testing it out on my rosacea-prone skin, I can confirm it lives up to the promise. The texture is smooth, lightweight, and leaves the most gorgeous glow behind." — Samantha Holender, Beauty Editor



PASADO, PRESENTE Y FUTURO DE LA PIEL

EL SÉRUM 'LE CONCENTRÉ OMNIPOTENT™', LA ÚLTIMA INCORPORACIÓN DE LA FAMILIA ORVEDA, RALENTIZA EL PROCESO DE ENVEJECIMIENTO Y PROLONGA LA JUVENTUD DE LA TEZ.

por **Celia Gijón**

Trabajar con la piel, no contra ella. Esta fue la idea que dio vida a Orveda, una marca francesa de belleza vegana, sostenible, unisex y con fórmulas basadas en la biotecnología. Productos como su más reciente lanzamiento, el sérum *Le Concentré Omnipotent™* (a la dcha.), han marcado un hito dentro de la marca. Se trata de un potente tratamiento creado para reparar el pasado, proteger contra el envejecimiento presente y embellecer la juventud de la piel. Está ela-
ntas-
más
ejos

POPSUGAR.

BEAUTY · HAIR

51 Beauty Launches Our Editors Can't Get Enough of This Month

By Ariel Beker

With the colder months hovering just right around the corner, a common theme we're looking at can be summed up in one word: rich. From decadent body oils, pumpkin-scented candles, and hydrating hair and face creams, there's something comforting about refreshing your beauty routine and cabinet this season. Should you also be an early bird, you can even get a head start on your holiday shopping and beat the crowds. A win-win.

To help make the narrowing down process easier, POPSUGAR beauty editors have tried dozens (if not hundreds) of new product launches in order to recommend you the best of the best. If you're looking for a starting point, use this list to kick off your October beauty shopping. Keep reading ahead for the best new beauty launches this month.





The BEAUTY

SUSTAINABLE SKIN

Orveda, the French biotech skincare brand cofounded by the CEO of Coty, is the new darling of the celebrity set

Words by LAURA JANE BROWN

W



2023 BAZAAR BEAUTY ICON



SMARTER SERUMS



VOGUE GERMANY

STAR-BEAUTY

Pamela Anderson verrät, warum sie kein Make-up mehr trägt

Auch für andere Shows verzichtet Pamela Anderson bewusst auf Make-up – aus diesem Grund

Ihr natürlicher Look blieb keine Ausnahme: Wenige Tage später zeigte sich die Schauspielerin bei der Show von Vivienne Westwood wieder ohne Make-up – und sah einfach fantastisch aus. In einem Video verriet sie gegenüber der französischen VOGUE, dass sie sich aktiv entschieden habe, bei der Fashion Week in Paris auf Make-up zu verzichten. Sie wolle den Fokus nicht von der Kleidung ablenken, und sagte zudem: "Ich versuche nicht, das hübscheste Mädchen im Raum zu sein." Dass sie weder ein Haare- und Make-up-Team noch einen Stylist:in für ihren Look bei der Show von Vivienne Westwood benötige, erklärte sie stolz weiter.

The 56 Most Innovative Beauty Products of 2023

The future of beauty starts here, with our picks of the latest breakthrough products, formulas, and solutions

BY KATIE INTNER AND JAMIE WILSON PUBLISHED: SEP 14, 2023

DTC launch of **Omnipotent Concentrate**, with leading 24% concentration of actives

Authentic endorsements by leading celebrities and KOLs, including Pamela Anderson during Paris Fashion Week

Monthly sales at leading Orveda counters accelerating, **>2x YoY**

BROAD-BASED DIGITAL MOMENTUM



Q1 e-commerce revenue LFL growth **>25% YoY** in both Prestige and Consumer Beauty

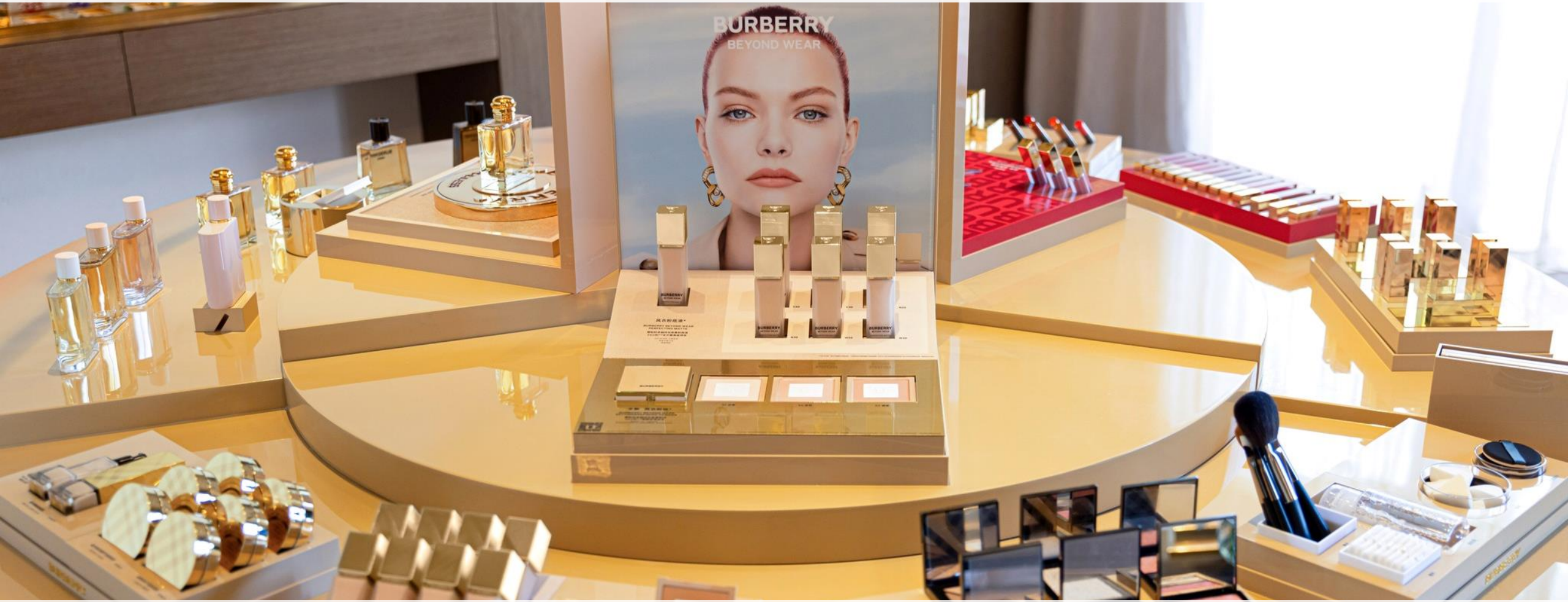


Both Prestige and Consumer Beauty **growing market share online**



Building Lancaster China e-com presence, with Q1 sales on Tmall and Douyin **1.5-3x higher QoQ**

COTY'S CHINA PRESTIGE SALES EXPANDING AND OUTPACING MARKET



Coty Prestige sales continuing to grow, led by mainland China, while Consumer Beauty lower

Sell-out growth in Coty's Prestige business well ahead of the market, up double digits % in mainland China and triple digits % in Hainan

OUTSTANDING GROWTH IN TRAVEL RETAIL BUSINESS



Coty's Travel Retail revenues grew **>20% YoY**

Double digit % sales growth in Europe, Americas and APAC

Chinese cohort **travel recovering** but still at **~50% of pre-COVID levels**

ESG UPDATES TO COME IN OUR FY23 SUSTAINABILITY REPORT
PROGRESS ACROSS OUR THREE PILLARS





Three carbon neutral factories*: Spain, Monaco, Brazil

Continuing to deliver on our gender equity commitment

Strengthened governance with **dedicated Sustainability Office and four new specialists**

*For Scope 1 and 2 emissions

1H24 FRAMEWORK

LFL	NOW EXPECTING +11-13%, UP FROM PREVIOUS +10-12%, WITH OUTPERFORMANCE BY PRESTIGE
REPORTED REVENUE IMPACTS	FX BENEFIT ~2%
ADJ GROSS MARGIN	IMPROVING TRENDS, WITH Q2 FLATTISH YOY
ADJ EBITDA MARGIN	ADJ EBITDA MARGIN +10-30 BPS, CONSISTENT WITH FY24
ADJ EPS (EXCL. SWAP)	$0.32-0.34 INCLUDING ONE-TIME NON-CASH IMPACT FROM TAX IN 1H24

COTY

* Reflects current EUR/USD of ~1.07 and GBP/USD of ~1.24

UPDATED FY24 GUIDANCE

CORE LFL	NOW EXPECT FY24 REVENUES OF +9-11%, UP FROM RECENTLY RAISED GUIDANCE OF +8-10% LFL, WITH OUTPERFORMANCE BY PRESTIGE
REPORTED REVENUE IMPACTS	NEUTRAL TO 2% BENEFIT FROM FX PRIMARILY IN 1H24, AND 1-2% HEADWIND FROM THE DIVESTITURE OF LACOSTE LICENSE PRIMARILY IN 2H24
ADJ GROSS MARGIN	MODEST EXPANSION YOY
ADJ EBITDA MARGIN	ADJ EBITDA MARGIN EXPANSION OF +10-30BPS, IMPLYING ADJ EBITDA OF $1,080-1,090M BASED ON CURRENT FX RATES, ABOVE THE PREVIOUS ADJ EBITDA GUIDANCE OF $1,075-1,085M
ADJ EPS (EXCL. SWAP)	$0.44-0.47 (+16-25% YOY), REFLECTING STRONGER EBITDA OUTLOOK BALANCED BY ONE-TIME NON-CASH TAX IMPACT
LEVERAGE	~3X EXITING CY23, ~2.5X EXITING CY24, AND ~2X EXITING CY25 FUELED BY CASH GENERATION

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COTY

SINCE 1904

DISCLAIMER

Forward-Looking Statements

Certain statements in this presentation are forward-looking statements. These forward-looking statements reflect the Company's current views with respect to, among other things, strategic planning, targets and outlook for future reporting periods (including the extent, timing and concentration of revenue, expense and profit trends, gross margin trends, changes in operating cash flows and cash flows from operating activities and investing activities, expected drivers of sales and profitability in future periods, expected future tax rates, the impact of currency exchange rate volatility, the impact of inflationary pressures, and the expected timing and impact of pricing and other measures to offset inflationary pressures), the Company's future operations and strategy including the expected implementation and related impact of its strategic priorities), allocation and amount of advertising and consumer promotion costs, expected shelf space trends, plans with respect to research and development and innovation pipeline, allocation and amount of research and development investments, investments, licenses and portfolio changes, product launches and relaunches or rebranding (including their expected timing and impact), ongoing and future cost efficiency, optimization and restructuring initiatives and programs, strategic transactions (including their expected timing and impact), and synergies, savings, performance, cost, timing and integration of acquisitions and investments, plans with respect to opportunities to leverage assets including through public offerings, expectations and/or plans with respect to joint ventures (including Wella, any potential future divestiture, and the timing and size of any related divestiture, distribution or return of capital), the Company's capital allocation strategy and payment of dividends (including suspension of dividend payments and the duration thereof, and any plans to resume cash dividends on common stock or continue to pay dividends in cash on preferred stock), future share repurchases, future cash flows, liquidity and borrowing capacity (including any debt refinancing or deleveraging activities), timing and size of cash outflows and debt deleveraging, the timing and extent of any future impairments, synergies, savings, impact, cost, timing and implementation of the Company's ongoing transformation agenda (including operational execution and simplification initiatives, cost reductions and supply chain changes), expected impact, cost, timing and implementation of e-commerce and digital initiatives, expected impact, cost, timing and implementation of sustainability initiatives (including progress, plans and goals), the wind down of the Company's operations in Russia (including timing and expected impact), the expected impact of geopolitical risks including the ongoing war in Ukraine and/or the armed conflict in the Middle East on our business operations, sales outlook and strategy, the expected impact of global supply chain challenges and/or inflationary pressures (including as a result of COVID-19 and/or the war in Ukraine and/or armed conflict in the Middle East) and expectations regarding future service levels and inventory levels, expectations regarding economic recovery in Asia, the timing and impact of the application for dual-listing on Euronext Paris, the priorities of senior management, and the Company's ability to support its planned business operations in the near-term and long-term basis. 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", "temporary", "target", "aim", "potential", "goal" and similar words or phrases. These statements are based on certain assumptions and estimates that we consider reasonable, but are subject to a number of risks and uncertainties, many of which are beyond the control of the Company, which could cause actual results to differ materially from such statements. Such risks and uncertainties are identified in the periodic reports Coty has filed and may file with the Securities and Exchange Commission (the "SEC") including, but not limited to: the Company's ability successfully implement its multi-year transformation agenda and to develop and achieve its global business strategies and strategic priorities, compete effectively in the beauty industry and achieve the benefits contemplated by its strategic initiatives within the expected time frame or at all; the timing, costs and impacts of future divestitures (and the amount and use of proceeds from any such transactions); the integration of acquisitions with the Company's business, operations, systems, financial data and culture and the ability to realize synergies, avoid future supply chain and other business disruptions, reduce costs and realize other potential efficiencies and benefits (including through its restructuring initiatives) at the levels and at the costs and within the time frames contemplated or at all; disruptions in the availability and distribution of raw materials and components needed to manufacture the Company's products; managerial, operational, regulatory, legal and financial risks, including diversion of management attention to and management of cash flows, expenses and costs associated with multiple ongoing and future strategic initiatives, internal reorganizations and restructuring activities, including its transformation agenda; any unanticipated problems, liabilities or integration or other challenges associated with a past or future acquired business, joint ventures or strategic partnerships which could result in increased risk or new, unanticipated or unknown liabilities, including with respect to environmental, competition and other regulatory, compliance or legal matters and litigation or investigations by governmental authorities; currency exchange rate volatility and currency devaluation and/or inflation; changes in the demand for the Company's products due to declining or depressed global or regional economic conditions, and declines in consumer confidence or spending; the impact of COVID-19 (or future similar events); global political and/or economic uncertainties, disruptions or major regulatory or policy changes, and/or the enforcement thereof that affect the Company's business, financial performance, operations or products, including the impact of the war in Ukraine and/or armed conflict in the Middle East and any related escalation or expansion thereof; the Company's ability to retain and attract key personnel; the Company's ability to adapt its business to address climate change concerns and to respond to increasing governmental and regulatory measures relating to ESG matters; and the impact of senior management transitions and organizational structure changes.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included elsewhere. More information about potential risks and uncertainties that could affect Coty's business and financial results is included under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Coty's Annual Report on Form 10-K for the year ended June 30, 2023 and other periodic reports Coty has filed and may file with the SEC from time to time. Any forward-looking statements made in this presentation are qualified in their entirety by these cautionary statements. All forward-looking statements are made only as of the date of this presentation, and, Coty undertakes no obligation, other than as may be required by applicable law, 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.

Non-GAAP Financial Measures

In this presentation, Coty presents certain non-GAAP financial measures that we believe enable management and investors to analyze and compare the underlying business results from period to period, including constant currency, organic like-for-like (LFL) and adjusted metrics, adjusted operating income, adjusted gross margin, as well as adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), adjusted EPS, net debt or financial net debt, economic net debt, free cash flow and immediate liquidity. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period, with the current period's results calculated at the prior-year period's rates. The term "like-for-like" describes the Coty's core operating performance, excluding the financial impact of (i) acquired brands or businesses in the current year period until Coty has twelve months of comparable financial results, (ii) divested brands or businesses or early terminated brands , generally, in the prior year non-comparable periods, to maintain comparable financial results with the current fiscal year period and (iii) foreign currency exchange translations to the extent applicable. Adjusted metrics exclude nonrecurring items, purchase price accounting-related amortization, acquisition-related costs, restructuring costs, stock-based compensation, costs related to market exit, loss on early extinguishment of debt, asset impairment charges, and certain other information as noted within this presentation. Free cash flow is defined as net cash provided by operating activities, less capital expenditures, and net debt is defined as total debt less cash and cash equivalents. "Immediate liquidity" is defined as the sum of available cash and cash equivalents and available borrowings under Coty's Revolving Credit Facility. These non-GAAP financial measures should not be considered in isolation, or as a substitute for, or superior to, financial measures calculated in accordance with GAAP. To the extent that Coty provides guidance, it does so 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. Reconciliation of these non-GAAP financial measures to the nearest comparable GAAP financial measures are contained in the press release attached as Exhibit 99.1 to the Form 8-K filed with the SEC November 7, 2023.

Outlook Information

In this presentation, Coty presents outlook information as of November 7, 2023.