COTY
FIRST QUARTER FY20 RESULTS

November 6, 2019

COTY

BEAUTY, CELEBRATED & LIBERATED

1Q20: COTY IN MOTION

- Turnaround activation
- A solid start to the year
- FY20 targets confirmed

TURNAROUND ACTIVATION

Progress to Date

BACK TO MARKETING FUNDAMENTALS

- 11% increase in working media, with biggest step-up in Consumer Beauty, behind priority brand-country combos[1]
- Return to distinctive brand assets

GROSS MARGIN FOCUS

- Better alignment between sell-in and sell-out
- Activated price increases in several countries

LEANER & MORE ALIGNED ORGANIZATION

- Organizational structures defined and communicated
- Amsterdam HQ building signed – ready by Q4
- New Supply Chain leader – 18 years experience in Beauty (L'Oréal)

[1] Represents brands with leading in-market positions and strong brand equity

OPERATIONAL EXCELLENCE PROGRAM DEPLOYMENT

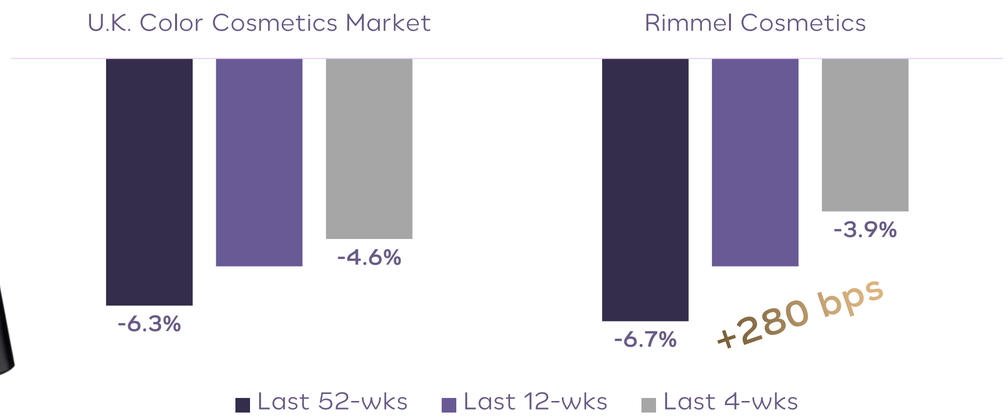
Detailed review of assortment, SKU complexity, pricing architecture, brand saliency and media sufficiency

2H19	1H20	2H20	1H21
CB: U.S., U.K.	**CB**: Russia, Poland, Canada		**CB**: Mexico, LATAM
CB: Germany, Brazil		**CB**: Japan, Middle East	
Lux: philosophy, UK		**Lux**: Italy, Spain, Russia, Canada	
	Lux: U.S., Germany	**Lux**: Japan, Middle East	

INITIAL POSITIVE SIGNALS - EUROPE

DRIVEN BY MEDIA SUPPORT AND IN-STORE EXECUTION

Rimmel – U.K.



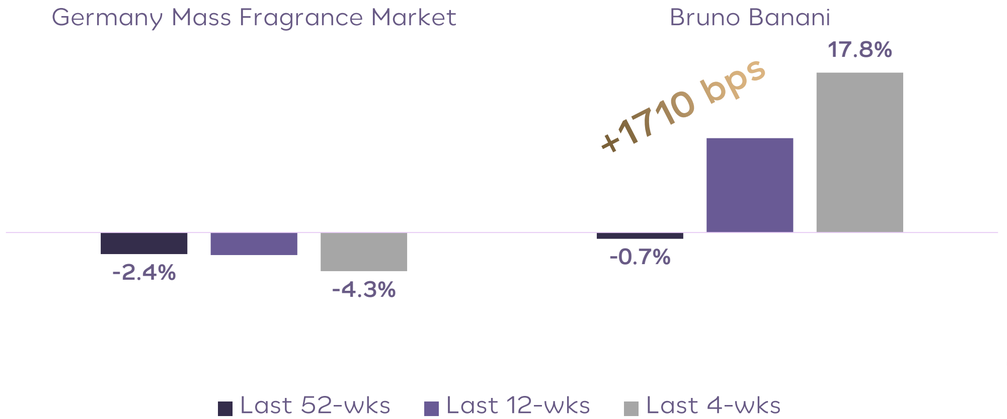
Drivers of Improvement:

- Ramp-up of TV media support
- Strong performance of new innovations, launched at premium pricing (Wonderluxe mascara, Lasting Matte foundation)
- Early indicators support limited demand elasticity from pricing actions

Drivers of Improvement:

- Strong launch of Loyal Man fragrance
- Media support for male and female lines
- Successful entry into shower gels, reaching 4.5% share

Bruno Banani – Germany

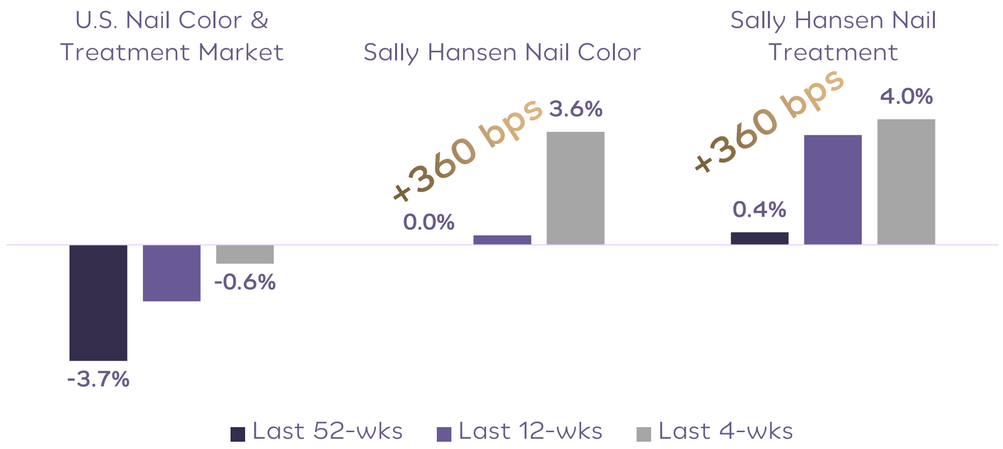


Source: Nielsen

INITIAL POSITIVE SIGNALS - U.S.

DRIVEN BY MEDIA SUPPORT AND IN-STORE EXECUTION

Sally Hansen – U.S.



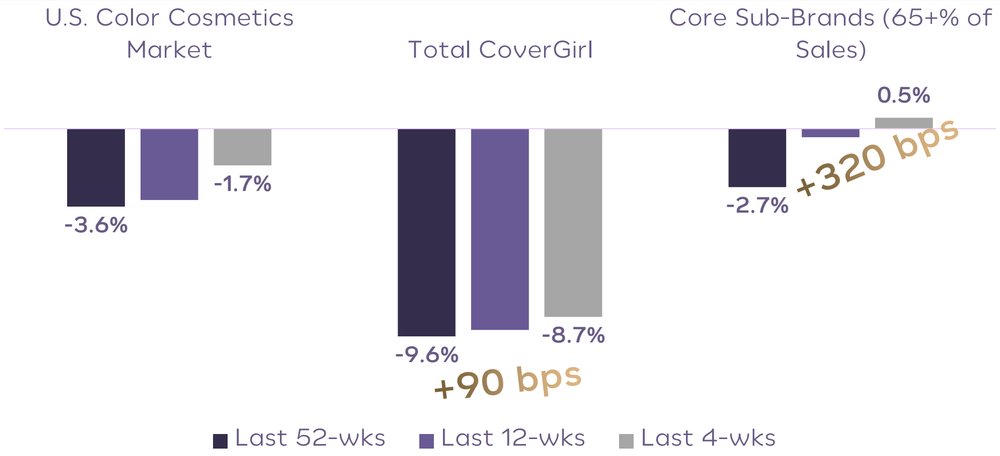
Drivers of Improvement:

- Digital media support behind Miracle Gel
- Nail Treatment packaging refresh
- Seasonally relevant collections and displays in core sub-brands

Drivers of Improvement:

- Strong TV support behind core sub-brands (i.e. Exhibitionist, Clean, Lash Blast, etc.)
- Improved execution and productivity at key retailers, including Amazon
- New CoverGirl recently announced

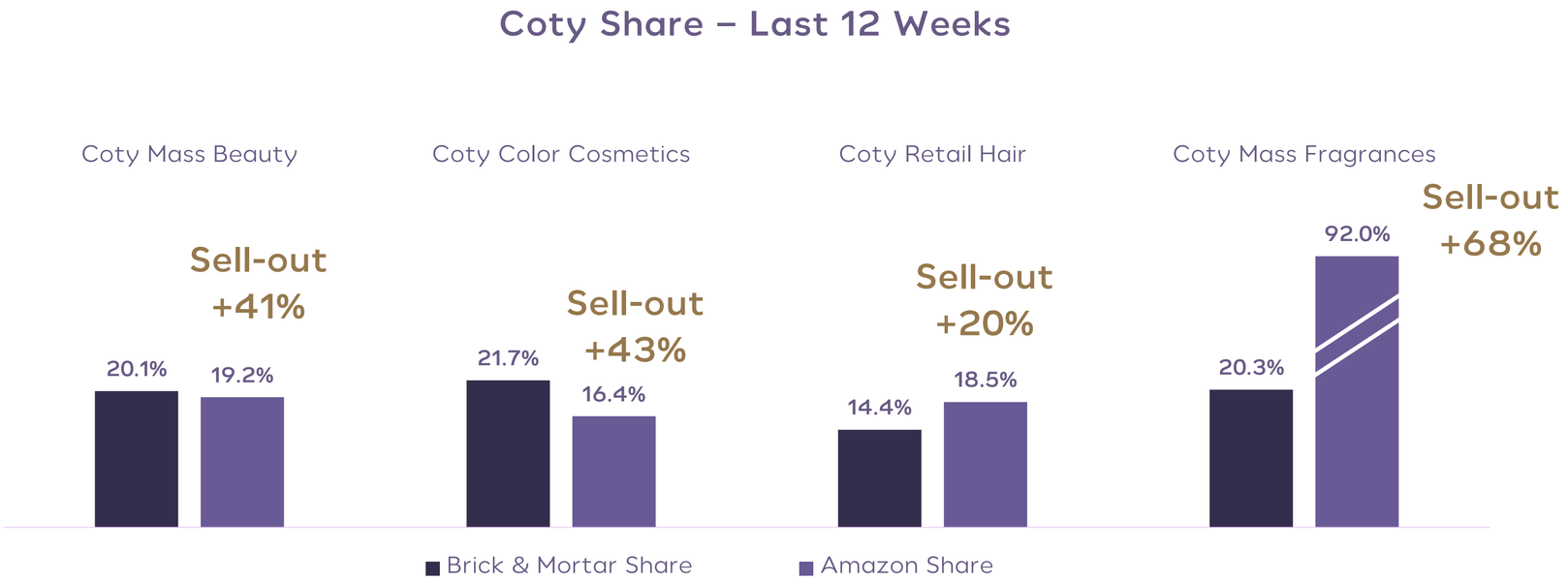
CoverGirl – U.S.



Source: Nielsen

INITIAL POSITIVE SIGNALS – AMAZON U.S.

- **We are reaching fair share on Amazon**
- Strong sales growth on Amazon driven by:
  - Close collaboration with Amazon as part of Global Vendor Management Program
  - TV support for hero sub-brands
  - Execution focus on core Amazon SKUs



Source: Nielsen, Amazon

LUXURY AND PROFESSIONAL BEAUTY

Continuing to Execute on Growth Strategies

LUXURY

- **Premiumization**: Elevating brand positioning with the launch of ultra premium fragrance collections (Gucci's Alchemist Garden, Chloé's Atelier des Fleurs)
- **Category Extension**: Luxury color cosmetics revenues (Gucci, Burberry) up 3x YoY

PROFESSIONAL BEAUTY

- **Premiumization**: Continuing to drive conversion of leading salons to the premium Wella Koleston Perfect with ME+ line
- **Strong Innovation**: ghd continuing to drive penetration and growth with new Glide hot brush

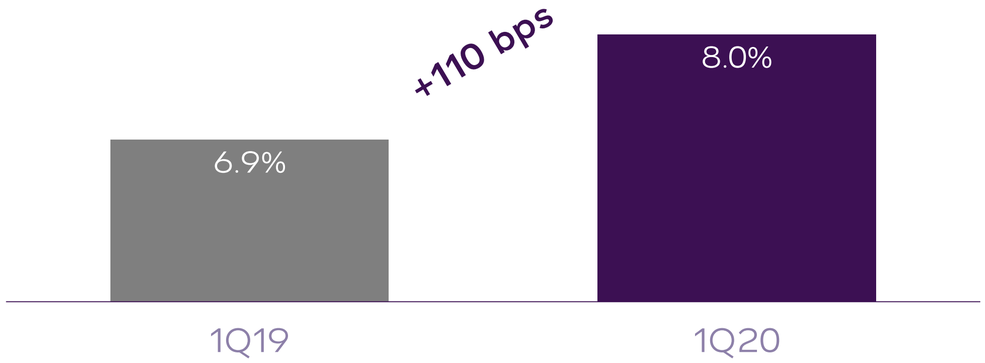
1Q20 REVENUE & OPERATING PROFIT

Results In-line with Expectations

- 1Q20 revenue trend in-line with guidance
- Strong Professional Beauty and Luxury LFL, with Consumer Beauty improvement (ex-Younique)
- Gross margin improvement and strong cost control drove solid profit delivery

LFL NET REVENUE TREND

ADJUSTED OPERATING MARGIN



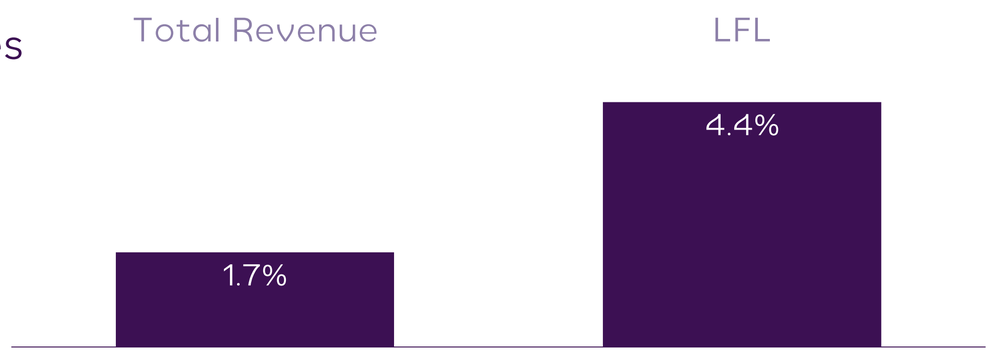
LUXURY BRAND HIGHLIGHTS

LUXURY 1Q20 RESULTS

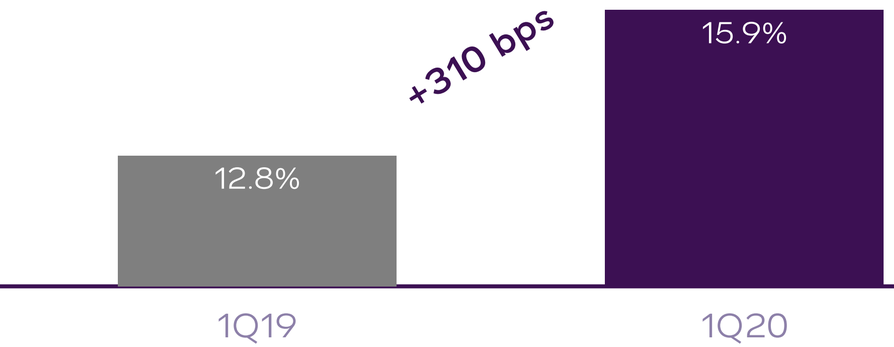
Strong Topline and Profit Growth

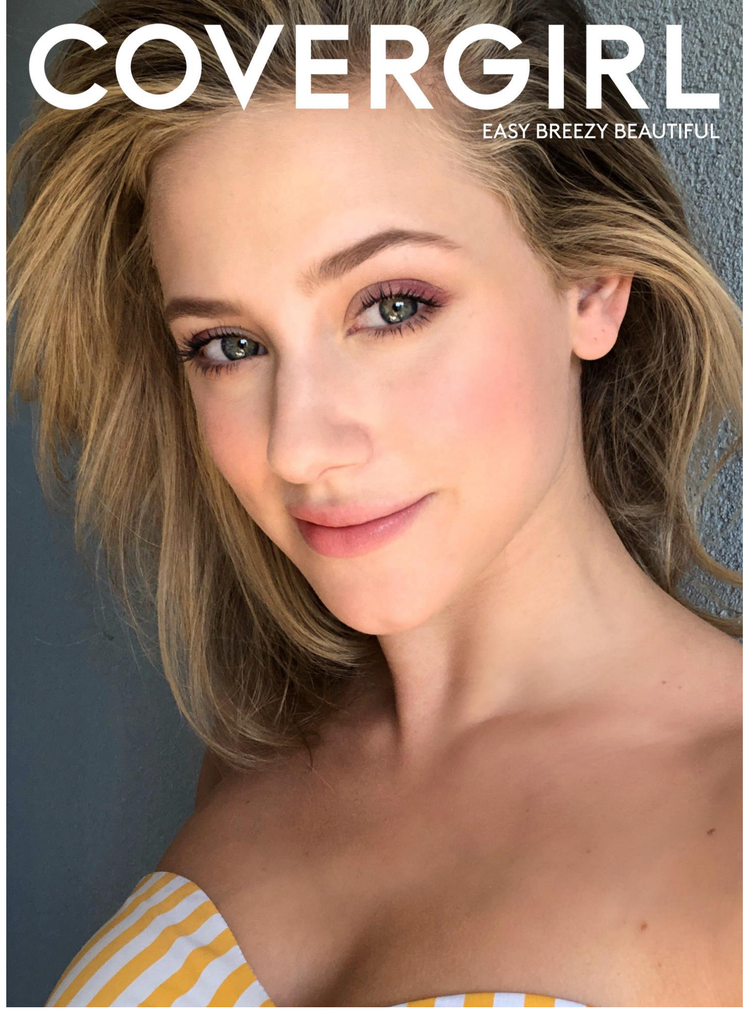
- Growth in Europe on low comps, while Asia & Travel Retail negatively impacted by HK protests
- Strong growth in Gucci, Burberry, and Hugo Boss fragrances
- Solid innovation performance:
  - Momentum in Gucci and Burberry make-up
  - Tiffany & Love off to strong start
  - Gucci Memoire solid addition to the expanding Gucci portfolio
  - Continued success of Hugo Boss Bottled Infinite

1Q20 REVENUE GROWTH



ADJUSTED OPERATING MARGIN





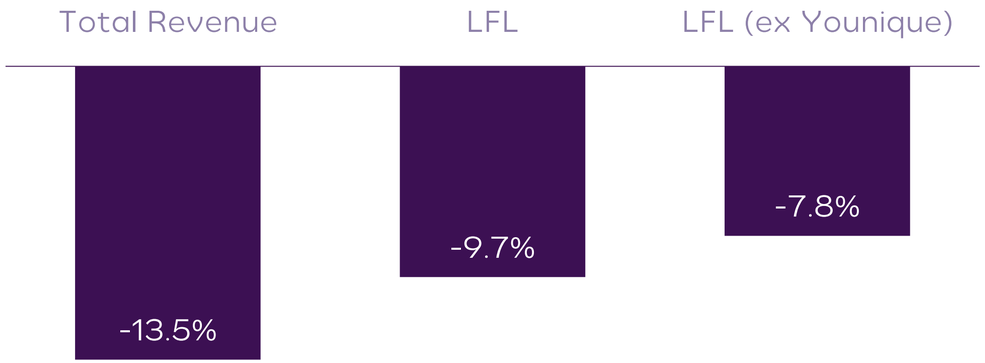
CONSUMER BEAUTY BRAND HIGHLIGHTS

CONSUMER BEAUTY 1Q20 RESULTS

Gradual Improvement

- Step-up in A&CP
- Priority brand-country combos declined low single digits, fueled by +38% increase in working media
- Solid Europe results balanced by weaker ALMEA post curtailment of low-value sales channels

1Q20 Revenue Growth



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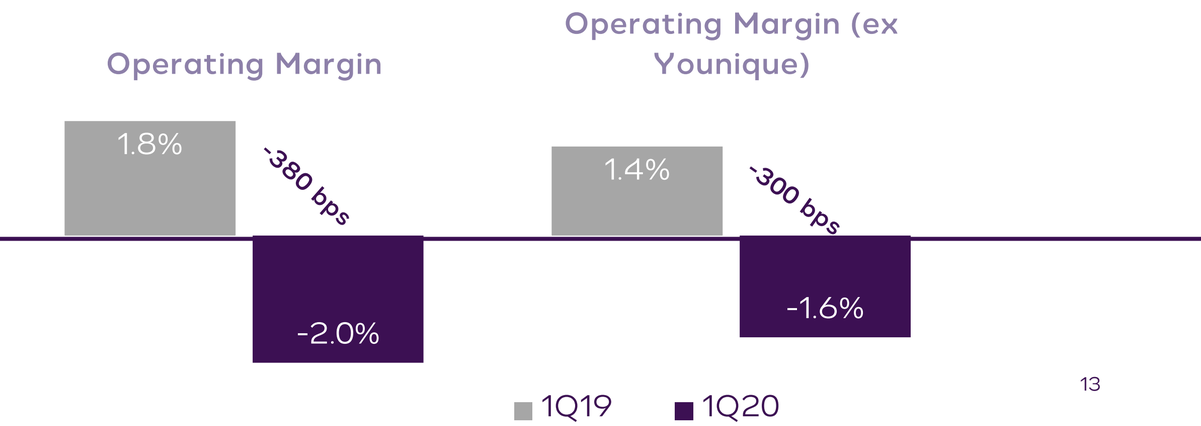


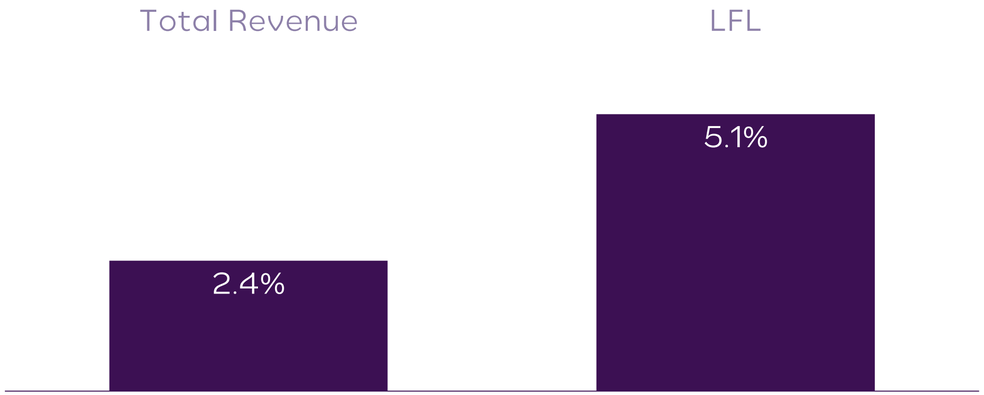
PROFESSIONAL BEAUTY BRAND HIGHLIGHTS

PROFESSIONAL BEAUTY 1Q20 RESULTS

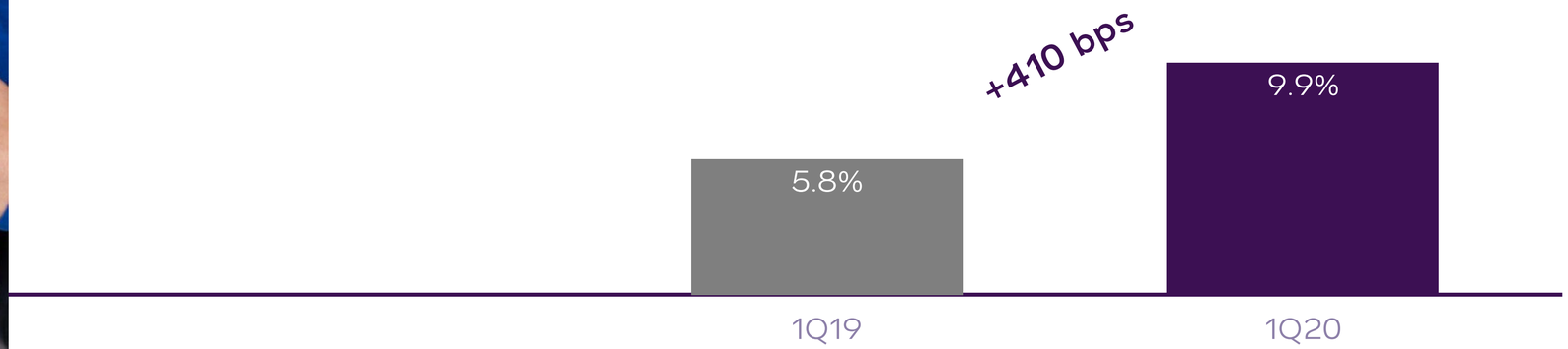
Strong Revenue Growth

- Solid growth in Europe and North America, on low comps in the US
- ghd continues to deliver very good performance, fueled by innovation and execution
- Strong margin expansion - topline growth and cost discipline

LFL REVENUE TREND

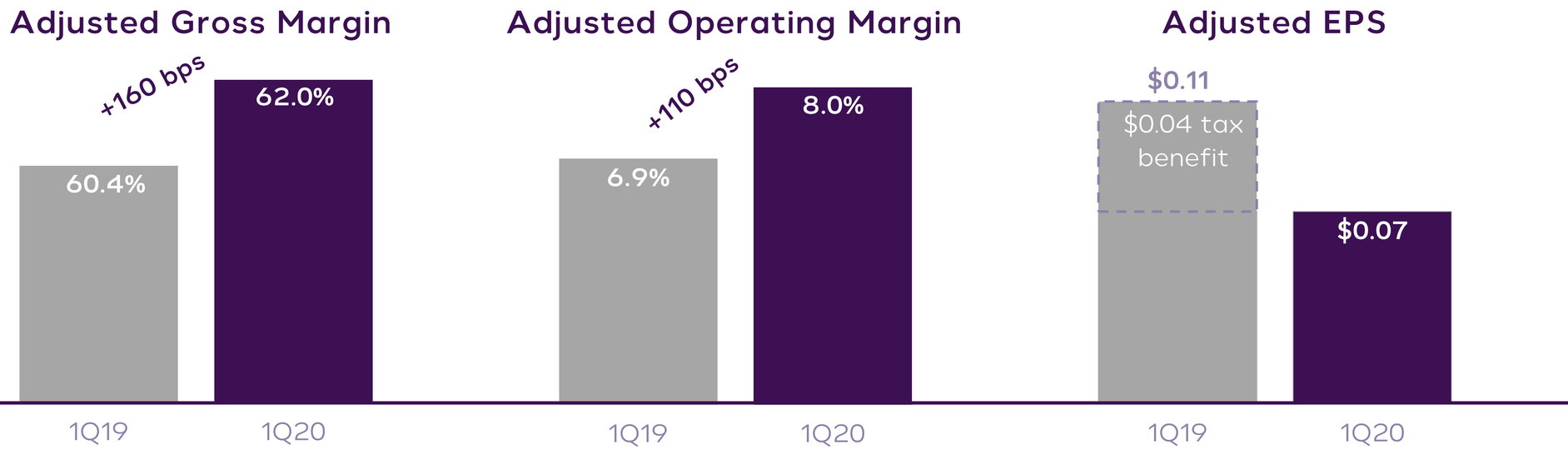


ADJUSTED OPERATING MARGIN



1Q20 COTY P&L FOCUSED ON HEALTHIER BUSINESS

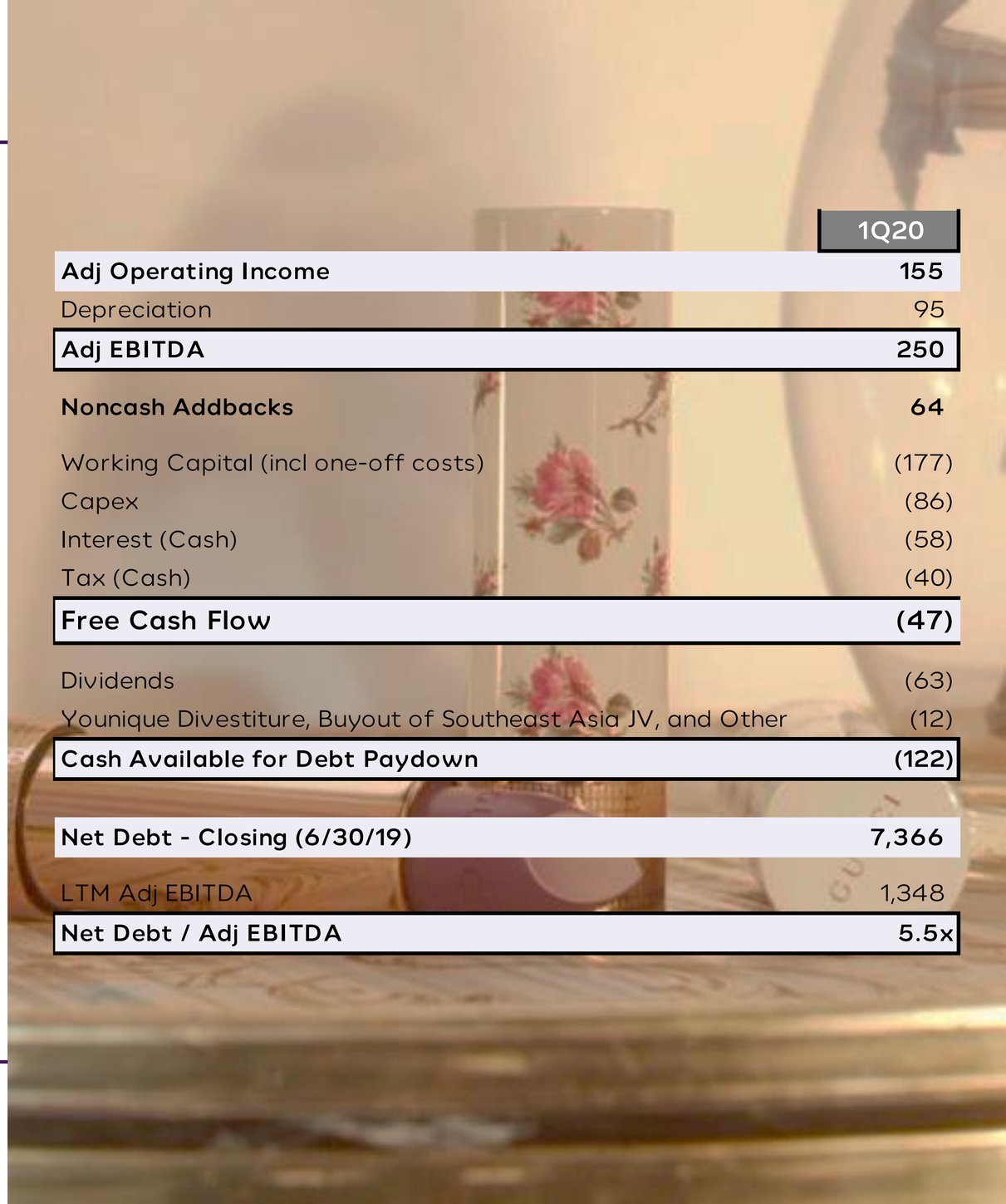
- Strong gross margin growth in Luxury and Professional Beauty
- Working media up meaningfully, while overall A&CP stable
- Robust adjusted operating margin expansion
- EPS declined YoY following a tax benefit last year



Refer to the Nov. 6, 2019 Press Release on Form 8-K for complete reconciliations of reported operating income to adjusted operating income and reported net income to adjusted net income, including descriptions of the adjustments.

Q1 FREE CASH FLOW GROWTH

- 1Q20 FCF up significantly YoY in seasonally weak period, partially helped by factoring
- Dividend cash payment of $63M in 1Q20 reflects 69% participation in the DRIP
- Deleveraging remains a key priority



	1Q20
Adj Operating Income	**155**
Depreciation	95
Adj EBITDA	**250**
Noncash Addbacks	**64**
Working Capital (incl one-off costs)	(177)
Capex	(86)
Interest (Cash)	(58)
Tax (Cash)	(40)
Free Cash Flow	**(47)**
Dividends	(63)
Younique Divestiture, Buyout of Southeast Asia JV, and Other	(12)
Cash Available for Debt Paydown	**(122)**
Net Debt - Closing (6/30/19)	**7,366**
LTM Adj EBITDA	1,348
Net Debt / Adj EBITDA	**5.5x**

FY20 OUTLOOK

Targets Confirmed

LFL NET REVENUES	**Stable to slightly down YoY**
ADJUSTED OI	**+5-10% YoY**
(At Constant Scope and Currency)	Strong A&CP reinvestment
ADJUSTED EPS	**Mid-single digit growth YoY**
FREE CASH FLOW	**Moderate improvement YoY**

STRATEGIC REVIEW NEXT STEP IN ONGOING TRANSFORMATION

- Announced Strategic Review of the Professional Beauty business and associated hair brands, as well as the Brazilian operations aimed at:
  - Unlocking shareholder value
  - Sharpening focus on fragrance, color cosmetics, and skincare core businesses
  - Reducing complexity
  - Deleveraging the remaining business with a target pro forma leverage of ~3x

Q&A

DISCLAIMER

Forward-Looking Statements

Certain statements in this presentation are forward-looking statements. These forward-looking statements reflect Coty Inc.'s ("Coty's") current views with respect to, among other things, Coty's turnaround plan announced on July 1, 2019 (the "Turnaround Plan"), strategic planning, targets, segment reporting and outlook for fiscal year 2020 and future reporting periods (including the extent and timing of revenue, profit and EPS trends and changes in operating cash flows and cash flows from operating activities and investing activities), the strategic review of Coty's Professional Beauty business, associated hair and nail brands sold by its Consumer Beauty division and Brazilian operations and any transaction related thereto (the "Strategic Review"), including timing of such Strategic Review and any transaction and the use of proceeds from any such transaction, Coty's future operations and strategy, allocation and amount of advertising and consumer promotion costs, allocation and amount of research and development investments, ongoing and future cost efficiency and restructuring initiatives and programs (including the expected timing and impact), investments, licenses and portfolio changes, synergies, savings, performance, cost, timing and integration of acquisitions, future cash flows, liquidity and borrowing capacity, timing and size of cash outflows and debt deleveraging, the performance of launches or relaunches, the timing and impact of current or future destocking or shelf spaces losses, the impact and timing of supply chain disruptions and the resolution thereof, timing and extent of any future impairments, and the synergies, savings, impact, cost, timing and implementation of Coty's Turnaround Plan, including operational and organizational structure changes, segment reporting changes, operational execution and simplification initiatives, the move of Coty's headquarters (including expectations about roles and staffing), and the priorities of senior management. 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 Coty, 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: Coty's ability successfully implement its multi-year Turnaround Plan and to develop and achieve its global business strategies, compete effectively in the beauty industry and achieve the benefits contemplated by its strategic initiatives within the expected time frame or at all, the result of the Strategic Review and whether such Strategic Review will result in any transactions and the amount and use of proceeds from any such transactions, the integration of acquisitions with Coty'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, and managerial, integration, 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 (including the Strategic Review), internal reorganizations and restructuring activities, including the Turnaround Plan, and Coty's ability to retain and attract key personnel 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 fiscal year ended June 30, 2019, and other periodic reports Coty has filed and may file with the Securities and Exchange Commission (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, as well as free cash flow and net debt. 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 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. 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.

Outlook Information

In this presentation, Coty presents outlook information as of November 6, 2019.

Definitions and Notes

Fiscal year represents Coty's fiscal year ended June 30