COTY 3Q22 EARNINGS CALL

May 9, 2022

COTY



KEY MESSAGES

1

3Q22 REVENUES GROWTH ACCELERATED

- Q3 LFL REVENUE GROWTH ACCELERATED TO +19%, AHEAD OF MID TEENS GROWTH GUIDANCE, WITH ALIGNED SELL-IN AND SELL-OUT

2

ACHIEVED STRONG GROSS MARGIN EXPANSION AND MOMENTUM ON DELEVERING

- 3Q22 ADJ GROSS MARGIN +240 BPS YOY; NET DEBT LOWERED BY $0.2B TO $4.2B WITH LEVERAGE ~4.7X

3

SUSTAINED STRATEGIC MOMENTUM

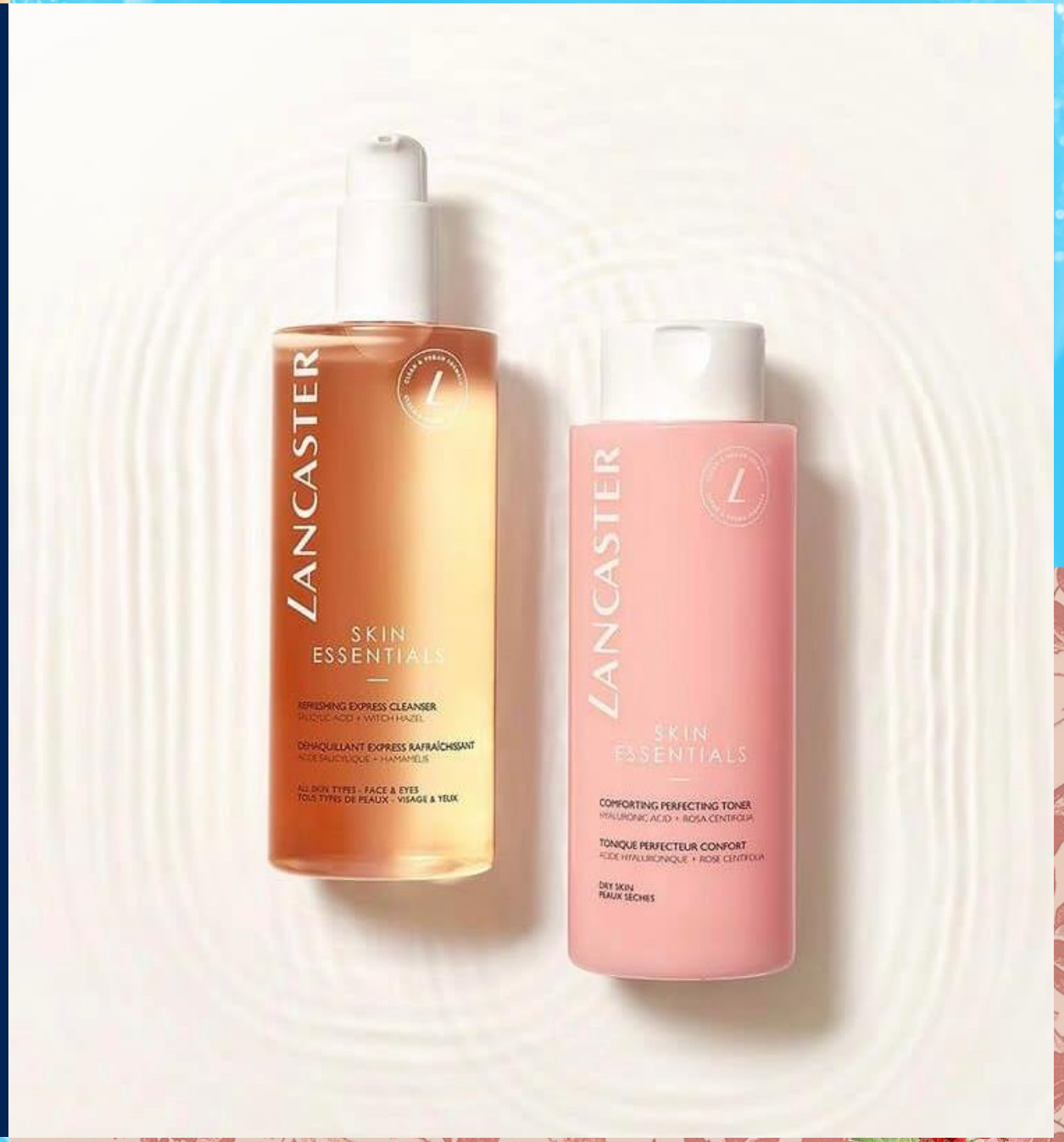
- CONTINUED TO EXECUTE ACROSS OUR STRATEGIC PILLARS

4

CONFIDENCE IN DELIVERING FY22, WITH EPS GUIDANCE RAISED

- ON-TRACK TO DELIVER FY22 REVENUE AND EBITDA GUIDANCE, WITH ADJ EPS GUIDANCE RAISED TO $0.23-0.27

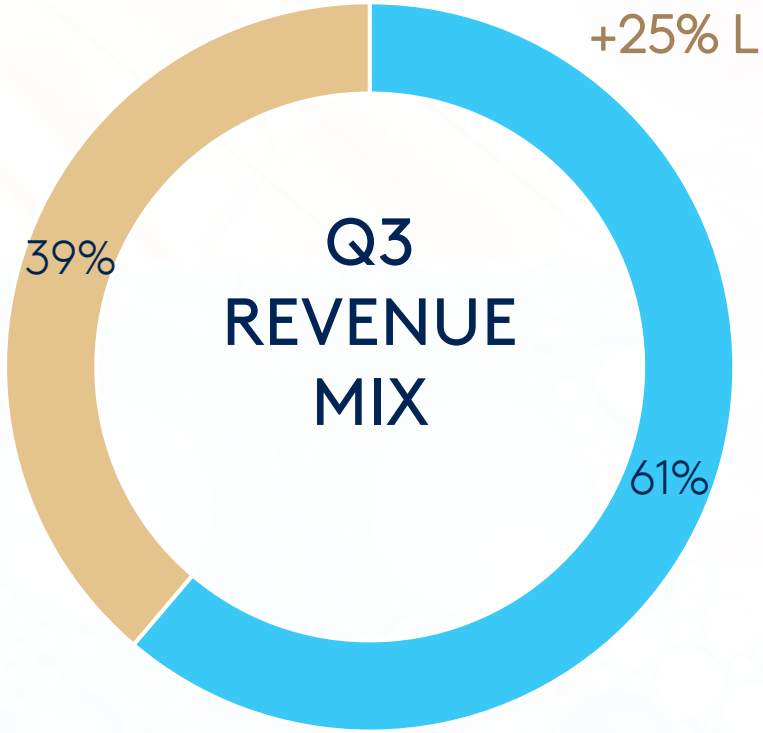
ACCELERATED REVENUE GROWTH



Q3 REVENUE GROWTH AHEAD OF EXPECTATIONS

CONSUMER BEAUTY
+10% LFL

PRESTIGE
+25% LFL



Q3 REVENUES +19% LFL, ABOVE GUIDANCE, WITH ALIGNED TOTAL SELL-IN AND SELL-OUT

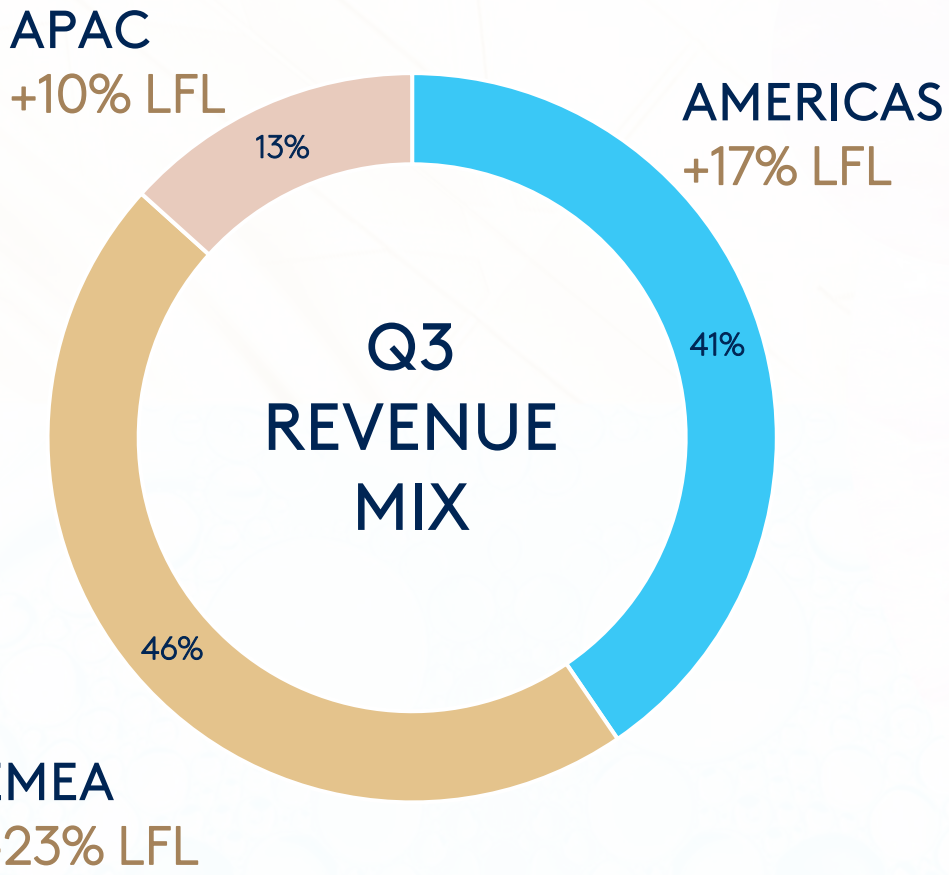
PRESTIGE +25% LFL, WITH STRONG CONTRIBUTIONS FROM BOTH VOLUMES AND PRICE/MIX, FUELED BY:

- STRONG MOMENTUM IN GUCCI BEAUTY, BURBERRY, HUGO BOSS, AND CHLOE FRAGRANCES
- PRESTIGE MAKEUP NEARLY DOUBLING YOY

CONSUMER BEAUTY +10% LFL, WITH STRONG CONTRIBUTIONS FROM BOTH VOLUMES AND PRICE/MIX, INCLUDING:

- GROWTH ACROSS COSMETICS, MASS FRAGRANCES AND BODYCARE
- COTY GAINING MARKET SHARE GLOBALLY

GROWTH LED BY U.S., EUROPE AND TRAVEL RETAIL



AMERICAS +17% LFL IN Q3, DRIVEN BY BROAD BASED STRENGTH IN NEARLY EVERY MARKET

EMEA +23% LFL, FUELED BY DOUBLE-DIGIT GROWTH ACROSS NEARLY EVERY MARKET AND PARTICULARLY STRONG TRAVEL RETAIL MOMENTUM

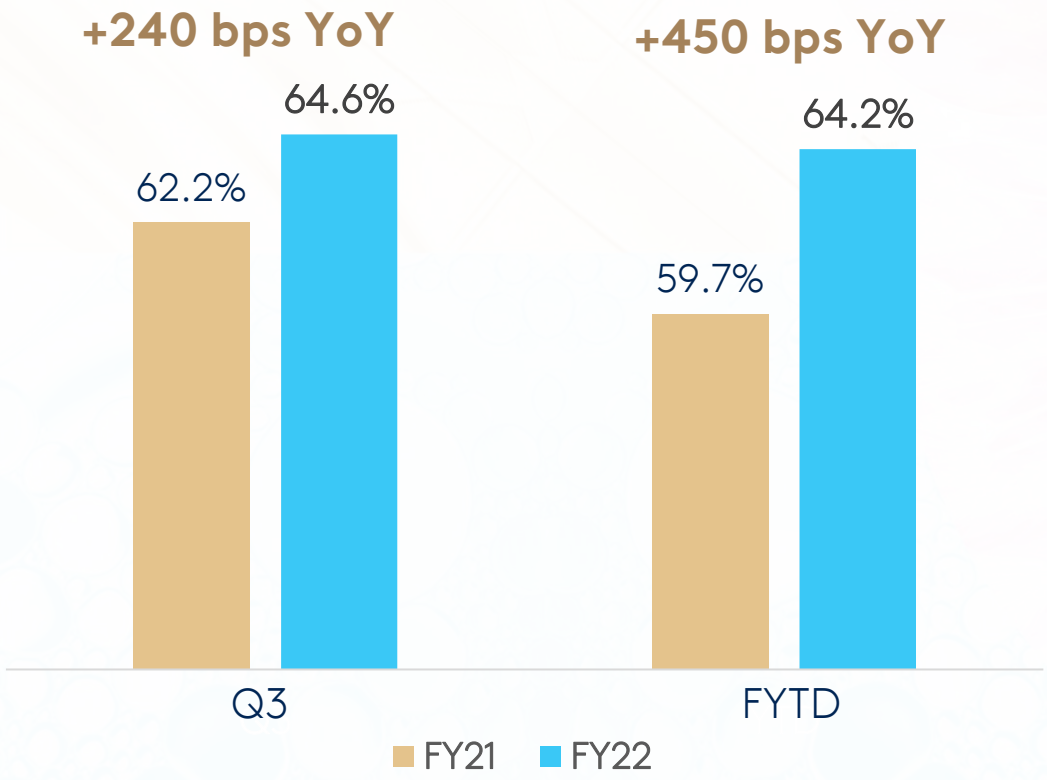
ASIA PACIFIC +10% LFL, FUELED BY SIGNIFICANT MOMENTUM IN APAC TRAVEL RETAIL TO SURPASS PRE-COVID LEVELS

STRONG PROFIT PERFORMANCE



STRONG GROSS MARGIN EXPANSION IN DIFFICULT BACKDROP

ADJUSTED GROSS MARGIN



Q3 GROSS MARGIN UP STRONGLY AT **+240BPS YOY**

GROSS MARGIN EXPANSION DRIVEN BY:

- STRONG MARGIN EXPANSION IN PRESTIGE
- MIX SHIFT TOWARDS PRESTIGE BRANDS
- PRICING & REVENUE MANAGEMENT
- SUPPLY CHAIN PRODUCTIVITY
- HIGHER ABSORPTION ON STRONGER VOLUMES

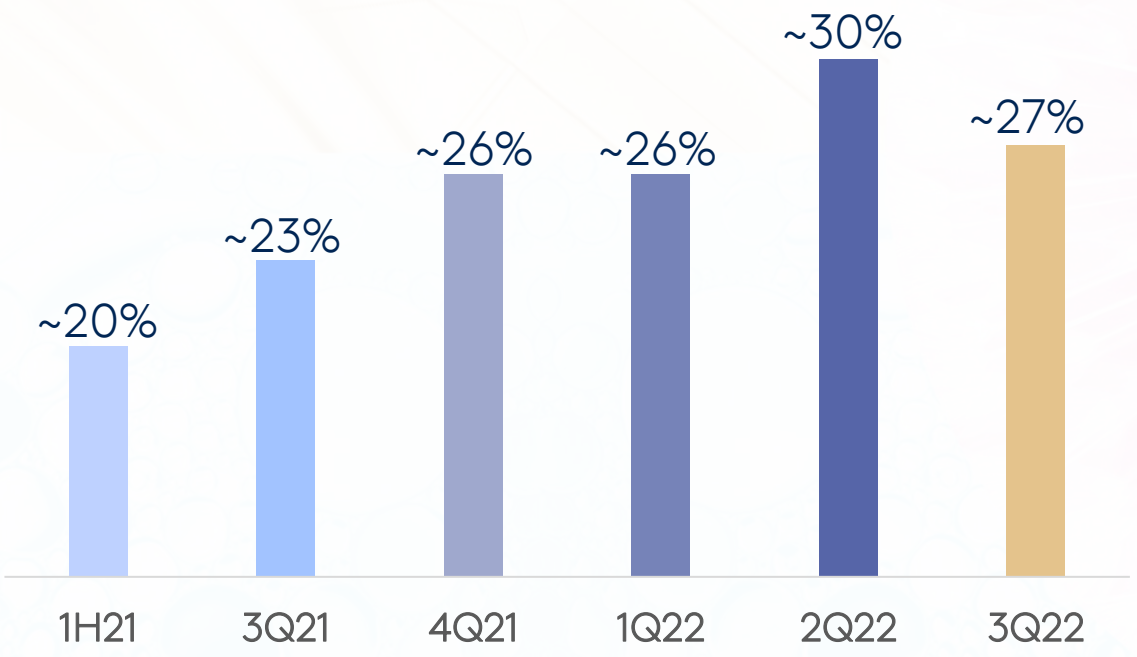
NAVIGATING THROUGH INCREASINGLY COMPLEX ENVIRONMENT

- INCREASINGLY COMPLEX SUPPLY AND INFLATION ENVIRONMENT:
  - COTY IMPACTED BY SELECT COMPONENT CONSTRAINTS AND LONG LEAD-TIME DISTANCES IN U.S. AND TRAVEL RETAIL
  - ACTIVELY MANAGING CONSTRAINTS THROUGH SAFETY STOCKS, ALTERNATIVE MATERIALS, DUAL SOURCING
  - STEP-UP IN INFLATIONARY PRESSURE IN Q3 TO ~1.5% OF REVENUES, AND FURTHER INCREASE EXPECTED IN Q4
- DESPITE CHALLENGING BACKDROP, **DELIVERED STRONG Q3 RESULTS:**
  - Q3 SERVICE LEVELS IN LOW 90S
  - Q3 REVENUES AHEAD OF GUIDANCE AND GROSS MARGINS +240BPS YOY



MAINTAINING STEPPED UP MARKETING INVESTMENTS

A&CP AS PERCENT OF SALES



A&CP AT ~27% LEVEL IN 3Q, WITH WORKING MEDIA UP SIGNIFICANTLY YOY

INVESTMENTS SUPPORTING INITIATIVES WITH STRONG ROI, FUELING SALES GROWTH ACCELERATION IN 3Q22:

- KEY INNOVATIONS (I.E. GUCCI FLORA, BURBERRY HERO AND HER, BOSS THE SCENT, RIMMEL KIND & FREE)
- WHITE SPACE EXPANSION (I.E. SKINCARE, PRESTIGE MAKE-UP)
- MARKET SHARE GROWTH IN KEY CB BRANDS

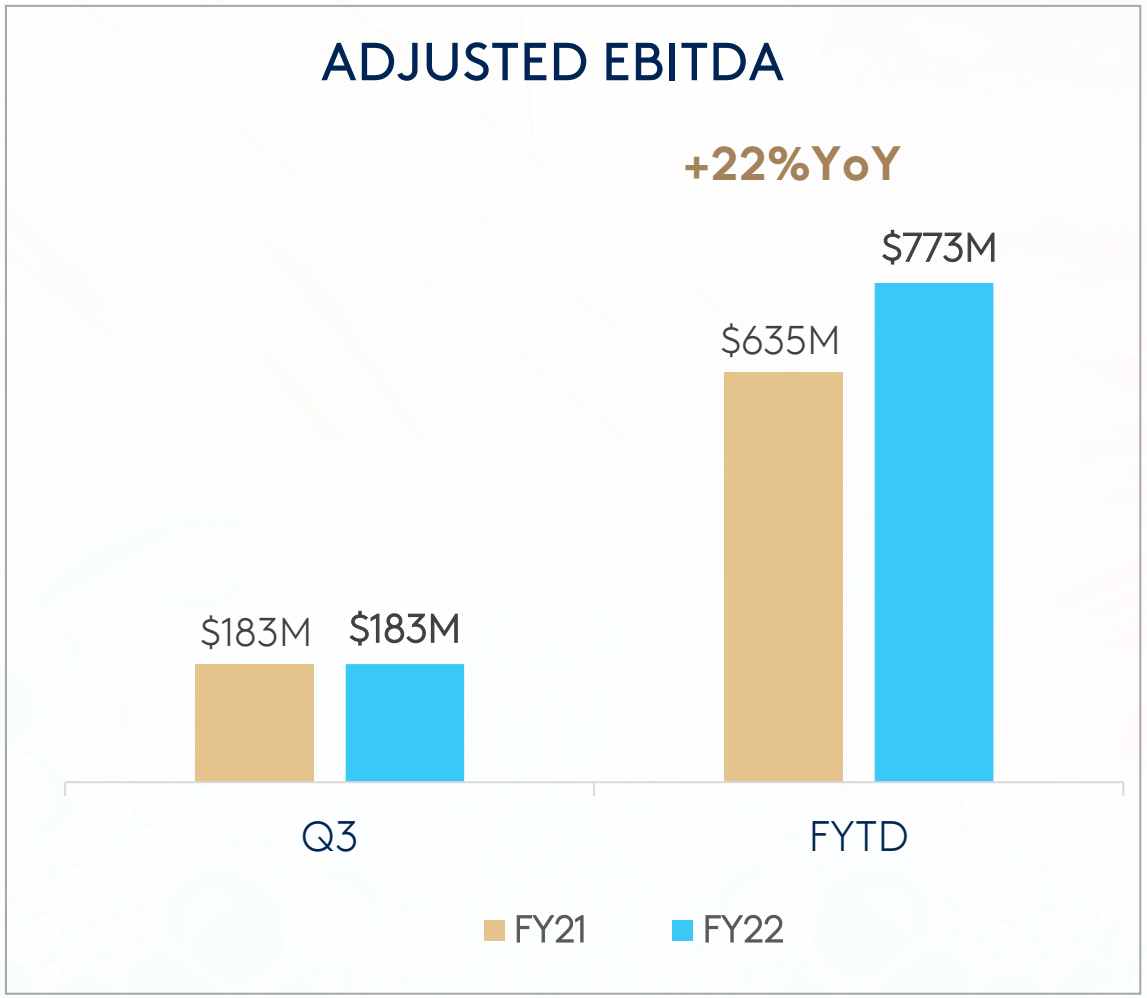
EXPECT A SIMILAR A&CP LEVEL IN 4Q22

CONTINUED PROGRESS ON ALL-IN-TO-WIN PROGRAM

- AS EXPECTED, NEUTRAL NET SAVINGS IN Q3 AND EXPECTED IN Q4
  - CORE SAVINGS PROJECTS CONTINUE THROUGH THE YEAR
  - GROSS SAVINGS IN 2H22 OFFSET BY:
    - STEPPED UP RE-INVESTMENT IN GROWTH PILLARS
    - PLANNED INFLATION
    - LAPPING OF SEVERAL GROSS MARGIN INITIATIVES BEGUN IN 2H21
- REMAIN ON TRACK FOR NET SAVINGS OF OVER $90M IN FY22
- SIGNIFICANT PROGRESS IN AITW TRANSFORMATION PROGRAM, ACROSS THE 5 KEY WORK STREAMS



PROFIT AHEAD OF GUIDANCE



- ADJ EBITDA DELIVERY AHEAD OF EXPECTATIONS
- YTD ADJ EBITDA +22% YOY, WITH MARGIN OF 18.7%
- PROFIT GROWTH YTD SUPPORTED BY:
  - STRONG SALES GROWTH
  - SIGNIFICANT GROSS MARGIN EXPANSION
  - FIXED COST LEVERAGE
  - DESPITE A&CP +600BPS YOY

SOLID ADJUSTED EPS DELIVERY

$ Millions	Q3	FYTD
Adjusted EBITDA *(Continuing Ops)*	183	773
Depreciation	(69)	(222)
Net Interest	(63)	(184)
Income Tax	(18)	(74)
Other	(3)	(20)
Adj Preferred Dividend	(3)	(35)
Diluted Share Count	853	828
Diluted Adjusted EPS *	3 cents	29 cents

- 3Q22 ADJ EPS OF $0.03, UP $0.02 YOY
- YTD ADJ EPS OF $0.29, UP $0.16 YOY
  - STRONG PROFIT EXPANSION
  - BENEFIT FROM EXITING KKR PREFERREDS
- Q3 TAX RATE AT ~34%
  - ➢ CONTINUE TO EXPECTED FY22 TAX RATE IN LOW 20S %
- PREFERRED DIVIDEND AT ~$3M FOLLOWING FULL KKR EXIT
- WELLA FAIR MARKET VALUE DECLINED TO REFLECT THE $210M DISTRIBUTION BUT FAIR VALUE INCREASED BY $61M IN Q3
  - ➢ WELLA MARK-TO-MARKET CHANGE IS EXCLUDED FROM ADJUSTED EPS

* Diluted adjusted EPS calculated under the "if-converted" method for the Convertible Preferred Stock
FYTD22 figures may not foot due to rounding

STRONG FREE CASH FLOW IMPROVEMENT

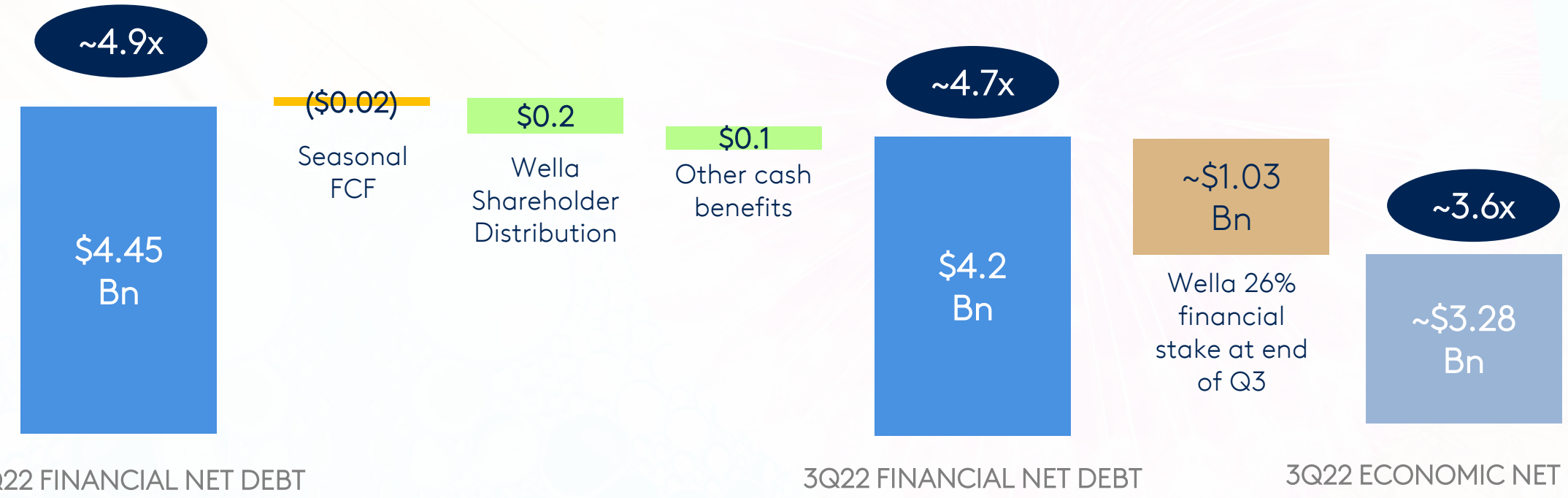
$ Millions	Q3	FYTD
Adjusted EBITDA	183	773
Capex, WC, one-offs	(168)	43
Interest and tax	(37)	(189)
FREE CASH FLOW	(22)	627

FREE CASH FLOW

- SEASONALLY WEAKER Q3 FCF AIDED BY ONE-TIME BENEFIT FROM TSA EXIT
- YTD FCF OF $627M (+$484M YOY)
  - ILLUSTRATES THE STRENGTHENING CASH CULTURE ACROSS THE ORGANIZATION

CONTINUED LEVERAGE IMPROVEMENT

- WELLA DISTRIBUTION DRIVES ~$200M REDUCTION IN NET DEBT
- LEVERAGE EXITING 3Q22 OF ~4.7X, A REDUCTION OF 0.2X FROM Q2



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

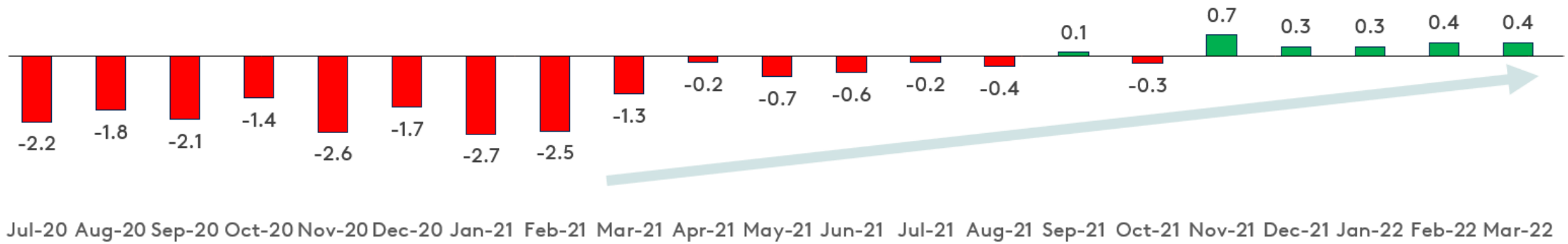
EXECUTING ON STRATEGIC PILLARS



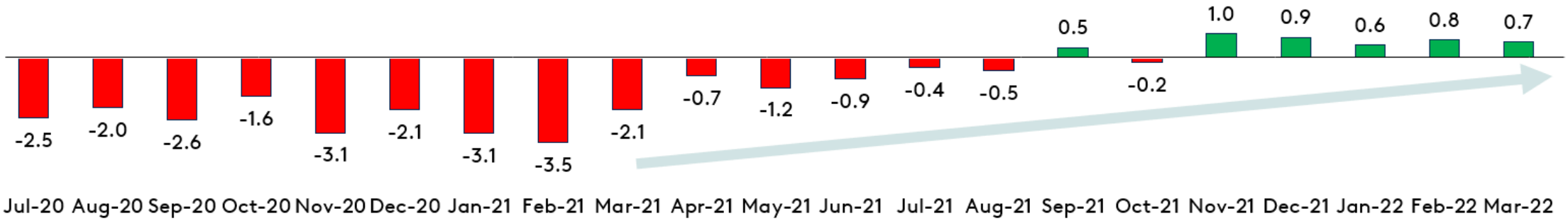
CONSUMER BEAUTY MAINTAINS GLOBAL SHARE GAINS, FOR THE FIRST TIME IN 5 YEARS

Global Consumer Beauty market moderately positive YoY

Coty Total Consumer Beauty (Global Share Pts YoY)



Coty Color Cosmetics (Global Share Pts YoY)



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Source: NielsenIQ through Feb. 2022 Market: B&M and E-com (Amazon)
Total Countries: Argentina, Australia, Brazil, Canada, China, Czech Republic, France, Germany, Great Britain, Italy, Netherland, Poland, Spain, Switzerland, USA

COLOR COSMETICS BRANDS GAINING SHARE GLOBALLY

SUCCESSFUL KIND & FREE CAMPAIGN, WITH ~5.5BN TIK TOK VIEWS, FUELING GLOBAL SHARE GAINS

STRONG SHARE GROWTH THROUGH FEB; RECENT PERFORMANCE IMPACTED BY SUPPLY CONSTRAINTS

GROWING GLOBAL SHARE DRIVEN BY UK, SPAIN, CZECH REPUBLIC & POLAND

RETURNED TO #3 IN FRANCE AND GROWING ~4X THE MARKET IN MARCH



RIMMEL



COVERGIRL



MAX FACTOR



BOURJOIS

COTY

Source: NielsenIQ through Feb. 2022 Market: B&M and E-com (Amazon)
Total Countries: Argentina, Australia, Brazil, Canada, China, Czech Republic, France, Germany, Great Britain, Italy, Netherland, Poland, Spain, Switzerland, USA

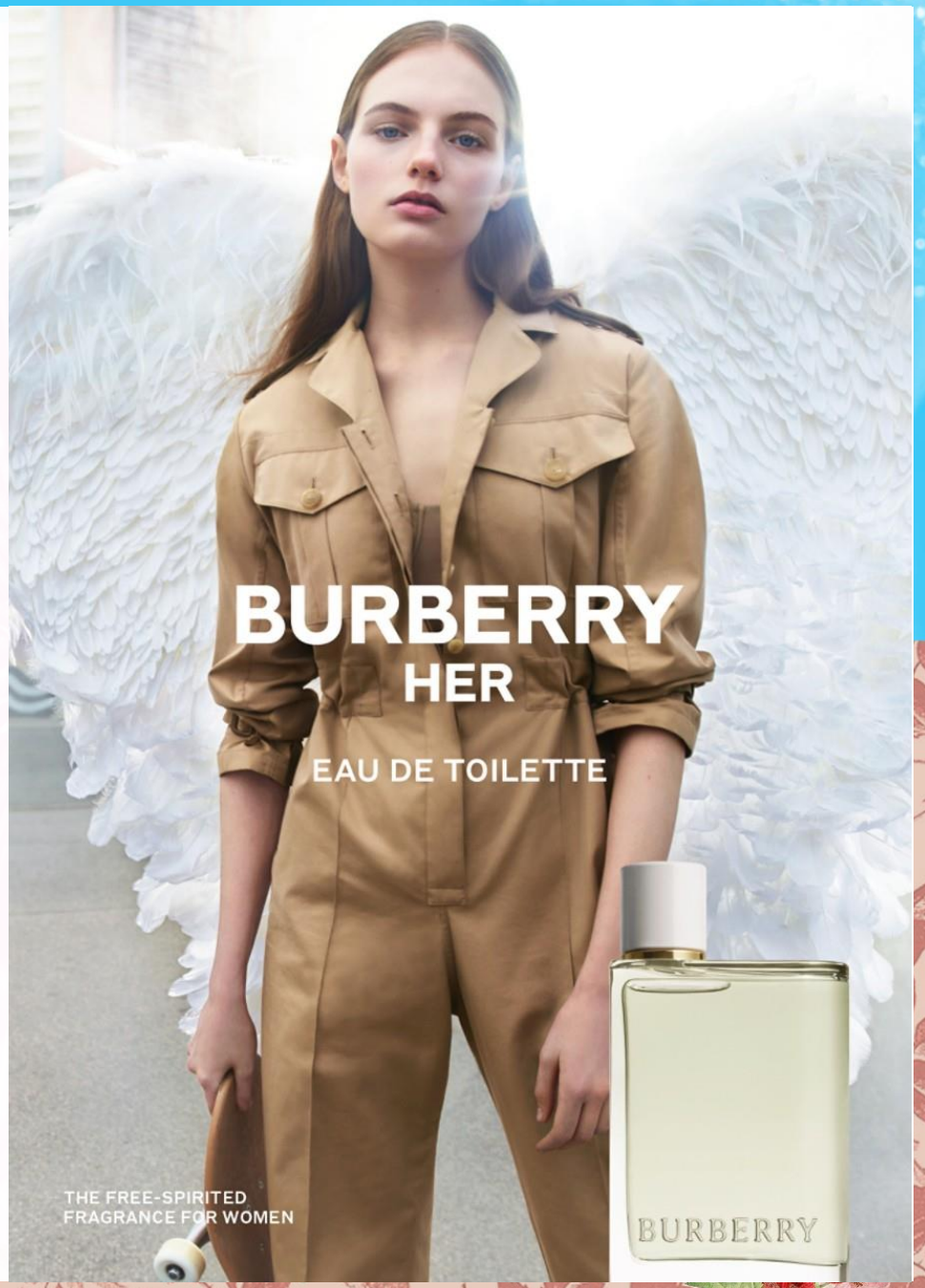
ACCELERATING LUXURY FRAGRANCES

FRAGRANCE MARKET BACKDROP REMAINS FAVORABLE

- GLOBAL FRAGRANCE MARKET CONTINUES TO GROW >20% YOY
- U.S., EUROPE AND CHINA MARKETS UP VS. 2019

CONTINUING STRONG INNOVATION RESULTS

- GUCCI FLORA REMAINS #1 FEMALE INNOVATION OF FY22 IN U.S., WITH STRONG POSITIONS GLOBALLY
- BURBERRY HERO REMAINS #3 MALE INNOVATION OF FY22 IN U.S., WITH STRONG POSITIONS GLOBALLY
- HUGO BOSS THE SCENT DRIVING TOTAL BRAND SHARE GAINS ACROSS GERMANY, UK, AND ITALY
- BURBERRY HER FRANCHISE REACHED #3 RANKING IN U.S.
- CHLOE ATELIER DES FLEURS FASTEST GROWING AMONGST KEY COTY FRAGRANCE BRANDS IN CHINA AND APAC TRAVEL RETAIL

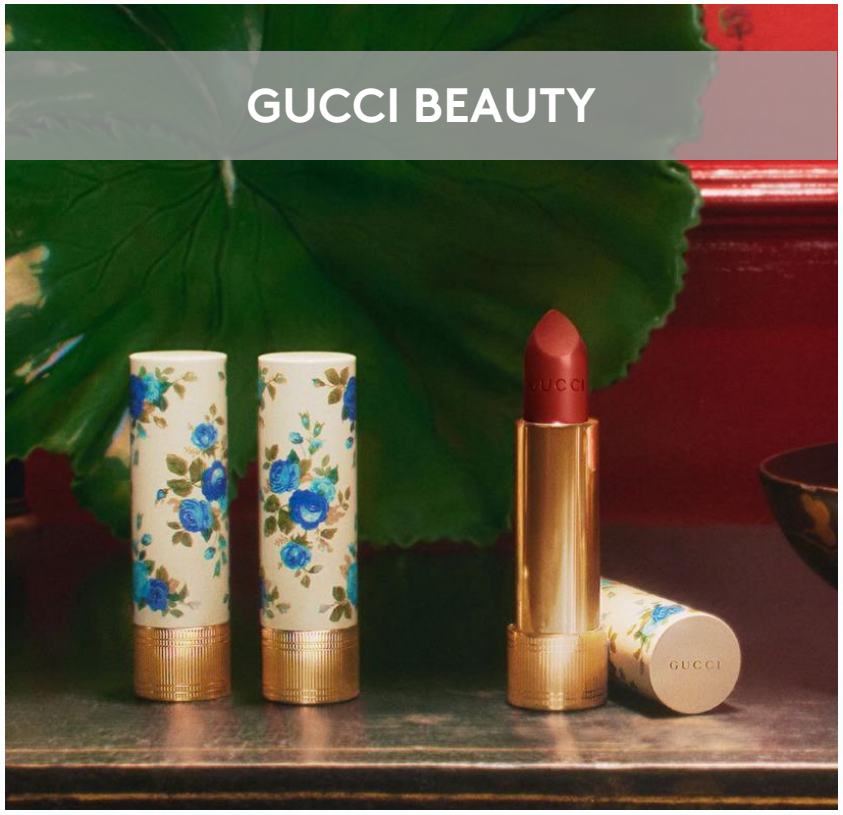


BECOMING A KEY PLAYER IN PRESTIGE MAKEUP

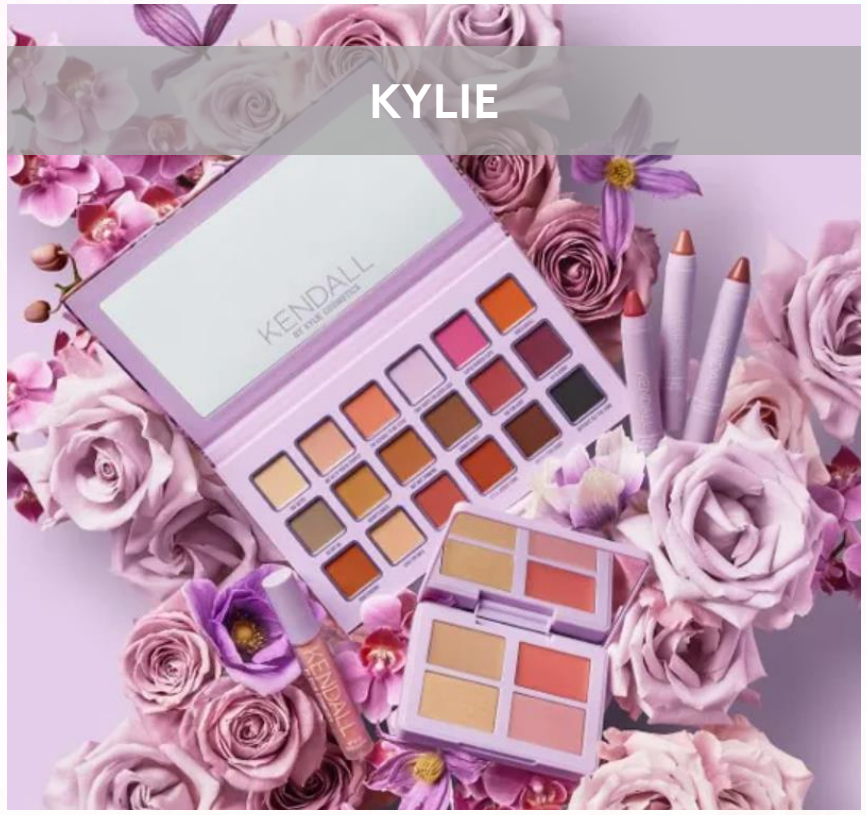
3Q22 AND FYTD TOTAL PRESTIGE MAKEUP REVENUES ~2X YOY

MAINTAINING STRONG DOOR EXPANSION ACROSS ALL BRANDS, SUPPLEMENTED BY E-COM

MAKEUP IS NOW ~50% OF CHINA SALES FOR BOTH GUCCI BEAUTY AND BURBERRY FYTD







BUILDING OUT SKINCARE

LANCASTER ACHIEVED RECORD MONTH OF SALES IN HAINAN & BECAME #1 EXCLUSIVE BRAND IN CHINA SEPHORA

LANCASTER'S 365 SKIN REPAIR SERUM BECOMING BRAND'S HERO SKU

CONTINUING TO BUILD CONSUMER AWARENESS FOR COVERGIRL SKINCARE





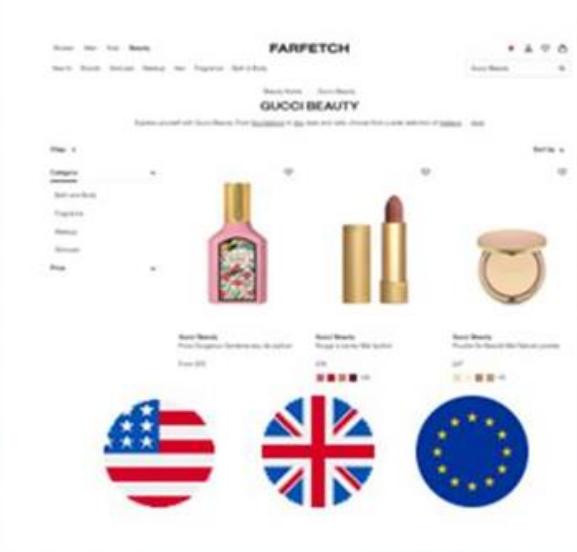
BUILDING E-COMMERCE & DTC EXPERTISE

	Q3	FYTD % OF REVENUES
PRESTIGE	+11% YoY	MID 20S %
CONSUMER BEAUTY	+12% YoY	~10%
COTY	+11% YoY	HIGH TEENS %

E-commerce revenues and penetration cover the vast majority of Coty's markets, and exclude certain markets like Travel Retail in EMEA and Americas. Additionally, the data includes estimated data for Brick and Click sales, which may be subject to change.

BUILDING E-COMMERCE & DTC EXPERTISE

NEW DISTRIBUTION



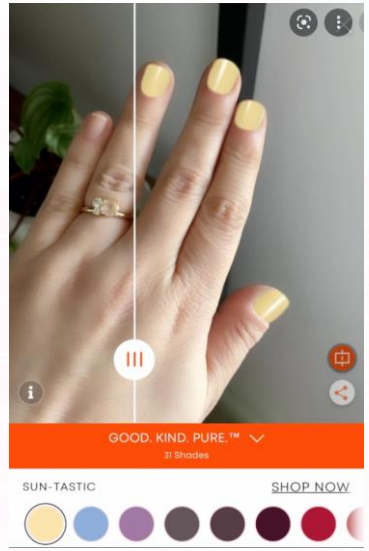
- 10 COTY BRANDS LAUNCHED ON FARFETCH – WORLD'S LEADING ONLINE LUXURY SITE – ON APRIL 20
- IN 1ST WEEK OF LAUNCH, GUCCI BEAUTY ALREADY IN TOP 5 MAKEUP BRANDS

NEW MODELS



- STRONG WW LIVESTREAMING RESULTS IN PRESTIGE AND CB
- BOOSTING OF VIRAL TIK TOK POST DROVE SELL-OUT OF RIMMEL LIPSTICK ON AMAZON U.S.

NEW TOOLS



- SALLY HANSEN VIRTUAL TRY ON TOOL DOUBLING INTENT TO PURCHASE AND TIME ON SITE
- ROLLOUT OF TOOL ACROSS KEY BRANDS / MARKETS IN NEXT 6-9 MOS

EXPANDING IN CHINA

- COTY CHINA TOTAL REVENUES POSITIVE IN Q3
- COTY PRESTIGE AGAIN FASTEST GROWING BEAUTY CO IN TOP 10, WITH +14% SELL-OUT GROWTH IN FLAT MARKET
- KEY ELEMENTS IN PLACE TO ACCELERATE BUSINESS ONCE LOCKDOWNS EASE:
  - TMALL & OTHER E-COM ALREADY ~30% OF SALES
  - MAKEUP ALREADY ~50% OF GUCCI BEAUTY AND BURBERRY SALES
  - ULTRA-PREMIUM COLLECTIONS ALREADY ~10% OF BRANDS' FRAGRANCE SALES





4Q22 AND FY22 OUTLOOK

4Q22

ON TRACK WITH GUIDANCE FOR 2H22 LFL SALES GROWTH IN THE MID TEENS % (HIGH TEENS Q3, LOW DOUBLE DIGITS Q4)

EXPECT Q4 FX HEADWIND OF ~4-5% TO SALES (AT CURRENT RATES)

RISING INFLATIONARY HEADWINDS LIMITING GROSS MARGIN EXPANSION YOY

DISCRETE TAX HEADWINDS IN 2H22, WITH FY22 ADJ EFFECTIVE TAX RATE IN LOW 20S

RUSSIA OPERATIONS EXIT TO HAVE LIMITED IMPACT ON Q4 RESULTS, GIVEN SEASONALITY

FY22

CONTINUE TO EXPECT FY22 LFL SALES AT UPPER END OF OUR GUIDANCE RANGE OF LOW-TO-MID TEENS GROWTH (ASSUMING NO SIGNIFICANT DETERIORATION IN COVID OR MACRO ENVIRONMENT)

CONFIRM ADJ EBITDA OF $900M, WITH YTD FAVORABLE FX AT EBITDA LEVEL SUPPORTING REINVESTMENT TO DRIVE TOPLINE MOMENTUM

INCREASING FY22 ADJ EPS GUIDANCE TO $0.23-0.27 (FROM $0.22-0.26)

RUSSIA OPS REPRESENT ~3% OF ANNUAL SALES AND MSD % OF ANNUAL ADJ EBITDA, WITH COTY ON TRACK FOR CY22 ADJ EBITDA (EX RUSSIA) APPROACHING ~$950M

CONTINUE TO TARGET LEVERAGE TOWARDS 4X EXITING CY22, AND FURTHER REDUCTION IN LEVERAGE TO ~2X EXITING CY25

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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, the impact of COVID-19 and potential recovery scenarios, strategic planning, targets and outlook for future reporting periods (including the extent, timing and concentration of revenue, expense and profit 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 and the impact of inflationary pressures), the impact of the Wella business and the related transition services (the "Wella TSA"), the wind down of the Company's operations in Russia, 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, 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), plans with respect to opportunities to leverage assets including through public offerings, plans with respect to joint ventures (including Wella and the timing and size of any related 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), synergies, savings, performance, cost, timing and integration of acquisitions and investments, including the strategic partnerships with Kylie Jenner and Kim Kardashian, 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 comprehensive transformation agenda (the "Transformation Plan") (including operational and organizational structure changes, operational execution and simplification initiatives, cost reductions and supply chain changes), e-commerce, digital and direct-to-consumer initiatives, sustainability initiatives, the expected impact of geopolitical risks including the ongoing war in Ukraine on our business operations, sales outlook and strategy, the expected impact of global supply chain challenges or inflationary pressures, 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 impact of COVID-19 (or future similar events), including demand for the Company's products, illness, quarantines, government actions, facility closures, store closures or other restrictions in connection with the COVID-19 pandemic, and the extent and duration thereof, the availability and widespread distribution of effective vaccines, related impact on the Company's ability to meet customer needs and on the ability of third parties on which the Company relies, including its suppliers, customers, contract manufacturers, distributors, contractors, commercial bank and joint-venture partners, to meet their obligations to the Company, in particular, collections from customers, and the ability to successfully implement measures to respond to such impacts; the Company's ability successfully implement its multi-year Transformation Plan and to develop and achieve its global business strategies and strategic priorities (including mix management, select price increases, more disciplined promotions, and foregoing low value sales), 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; and managerial, operational, regulatory, legal and financial risks, including diversion of management attention to and management of cash flows, expenses and costs associated with the Company's response to COVID-19 and multiple ongoing and future strategic initiatives (including the Wella TSA), internal reorganizations and restructuring activities, including the Transformation Plan, any unanticipated problems, liabilities or integration or other challenges associated with a past or future acquired business, joint ventures or strategic partnerships (including with Kylie Jenner and Kim Kardashian West) 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; 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 any related escalation or expansion thereof, the Company'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, 2021, 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, 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 May 9, 2022.

Outlook Information

In this presentation, Coty presents outlook information as of May 9, 2022.

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