COTY 2Q FY25 EARNINGS CALL

February 10, 2025

COTY
SINCE 1904



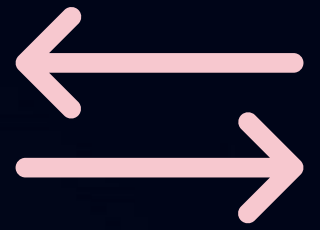
2Q25 SUMMARY

SUE NABI
CHIEF EXECUTIVE OFFICER





BEAUTY MARKET REMAINS BROADLY HEALTHY



FY25 TRANSITION YEAR, WITH PRESSURE IN SELECT MARKETS

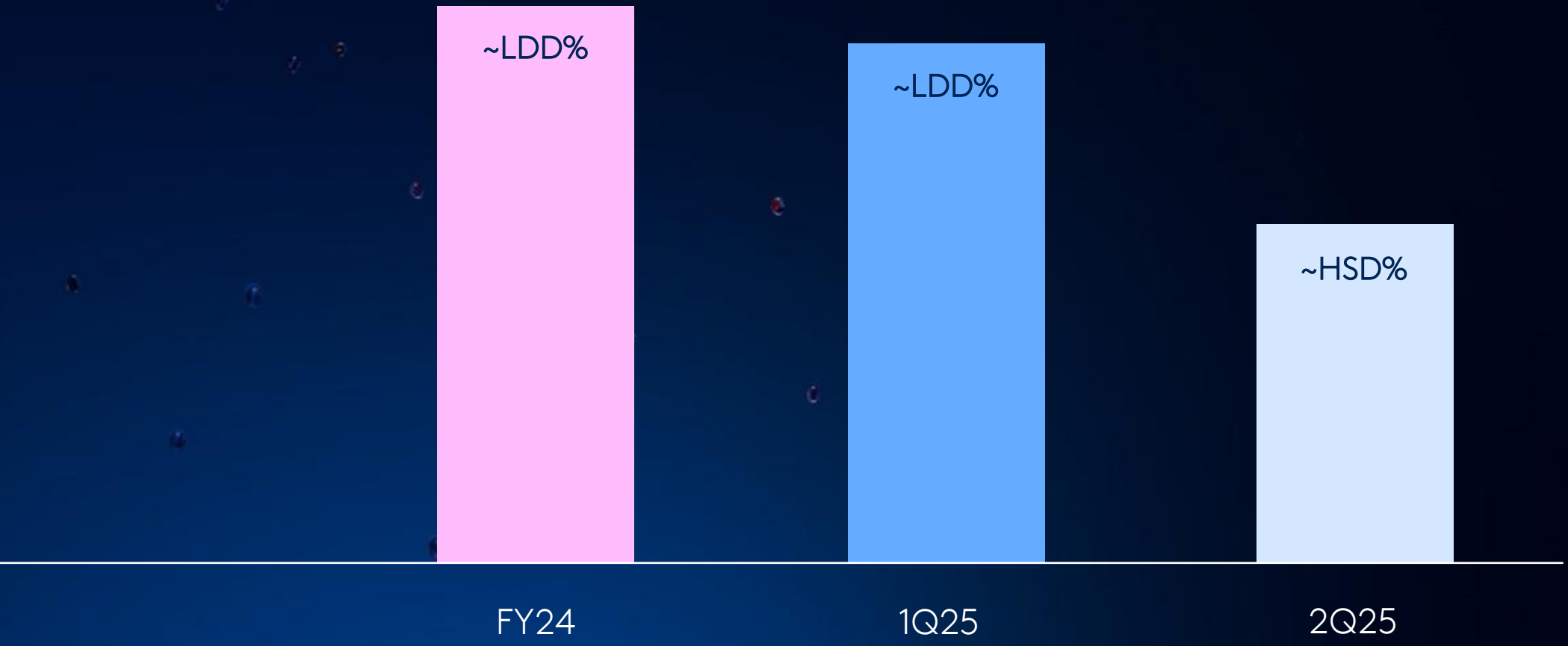


CONTINUED GROSS AND EBITDA MARGIN EXPANSION



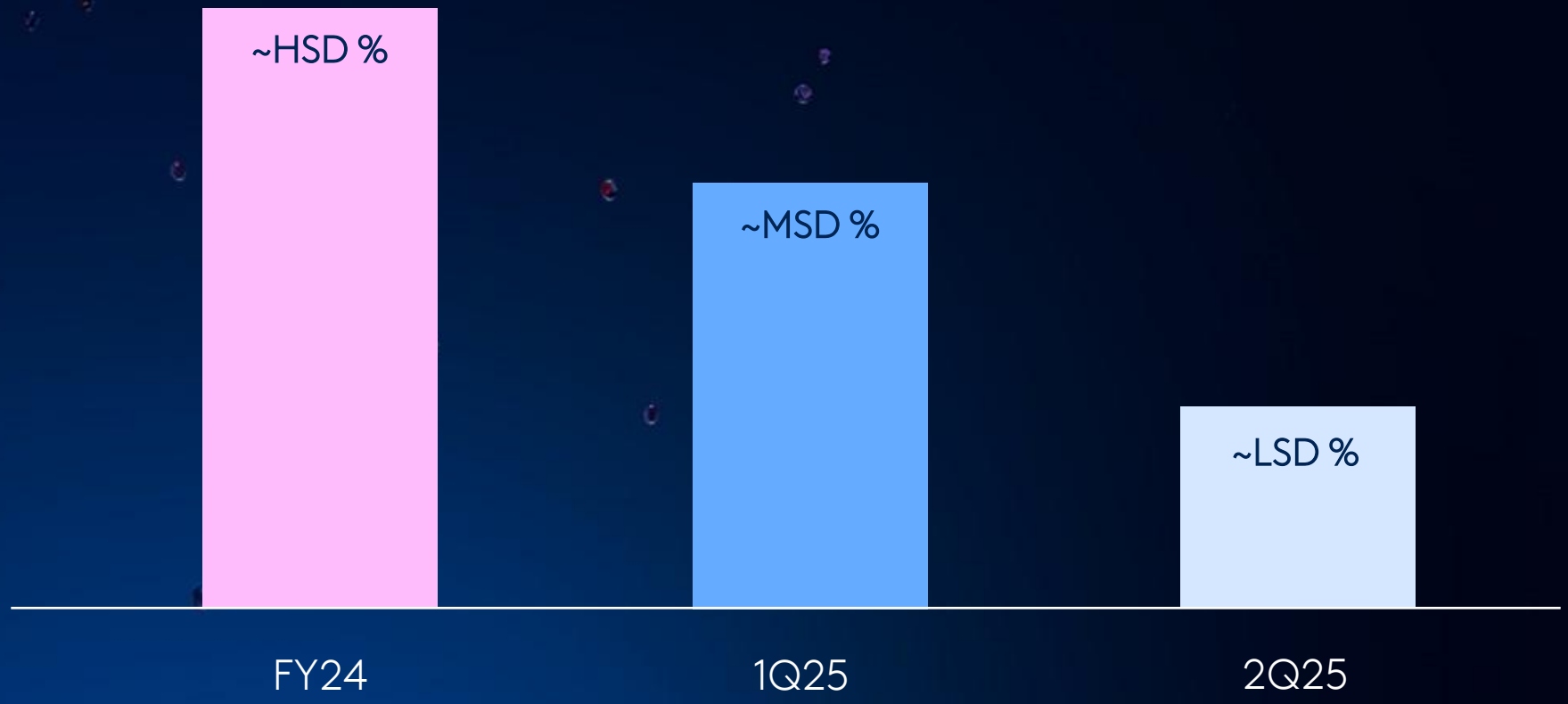
PROTECTING FREE CASH FLOW AND DELEVERAGING PATH

STRONG BUT NORMALIZING PRESTIGE FRAGRANCE MARKET GROWTH



Retail Panel (NPD) – EUR5+NA+MX - Selective Distribution

MASS BEAUTY MARKET CONTINUED TO SLOW



NielsenIQ GTC covering B&M and e-commerce channels and countries: Argentina, Australia, Brazil, Canada, France, Germany, Great Britain, Italy, Netherland, Poland, Spain, Switzerland, USA.

CONTINUED PRESSURE IN POCKETS OF THE BUSINESS

COMBINED IMPACT OF ~3% LFL IN Q2



1H25 LFL GROWTH

PER SEGMENT/ PRICE POINT	
4%	Prestige
-2%	Consumer Beauty

PER REGION	
5%	EMEA
1%	Americas
-8%	APAC

Notes: All figures refer to LFL growth.
LFL results for 1H25 included a contribution from the Argentina hyperinflationary environment of 1% for total Coty, 1% for the Prestige division, 2% for the Consumer Beauty division and 3% for the Americas region.

1H25 VOLUME PRICE MIX DYNAMICS

VOLUME / PRICE / MIX DYNAMICS		
Volume	(LSD)%	**Growth** in fragrance volumes (Prestige & Consumer Beauty); **Declines** in most other categories
Price (est.)	LSD-MSD %	
Mix & Other (est.)	NEUTRAL	Benefit from premiumization continues

Notes: All figures refer to LFL growth.

In 9 of the last 14 quarters,
we have grown ahead of the
leading global beauty companies

LFL Growth	3Q CY21	4Q CY21	1Q CY22	2Q CY22	3Q CY22	4Q CY22	Q1 CY23	Q2 CY23	Q3 CY23	Q4 CY23	Q1 CY24	Q2 CY24	Q3 CY24	Q4 CY24
COTY SINCE 1904	21%	12%	19%	16%	9%	4%	15%	17%	18%	11%	10%	5%	4.5%	-1%
Leading Beauty Company #1	13%	11%	14%	13%	9%	8%	13%	14%	11%	7%	9%	5%	3%	2.5%
Leading Beauty Company #2	18%	11%	9%	-8%	-5%	-11%	-8%	4%	-11%	-8%	6%	8%	-5%	-6%
Leading Beauty Company #3	19%	20%	17%	8%	10%	5%	10%	16%	9%	10%	7%	4%	3%	2%
Leading Beauty Company #4	5%	8%	-1%	-1%	7%	-1%	7%	10%	-2%	-6%	3%	-4%	-8%	4%
COTY SINCE 1904 #1	✓	✗	✓	✓	✗	✗	✓	✓	✓	✓	✓	✗	✓	✗

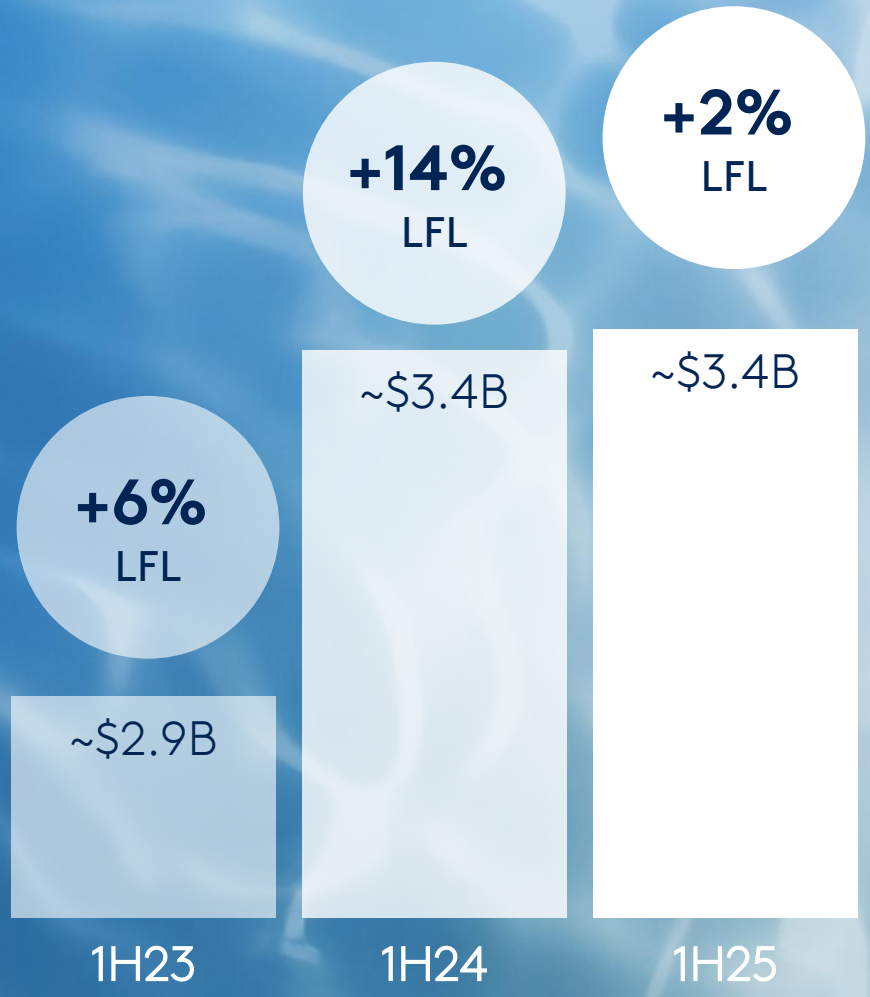
Source: Public company disclosures of LFL sales growth for Coty, Estee Lauder, L'Oréal, LVMH Perfume & Cosmetics division, and Shiseido.

FINANCIAL RESULTS & FY25 GUIDANCE



LAURENT MERCIER
CHIEF FINANCIAL OFFICER

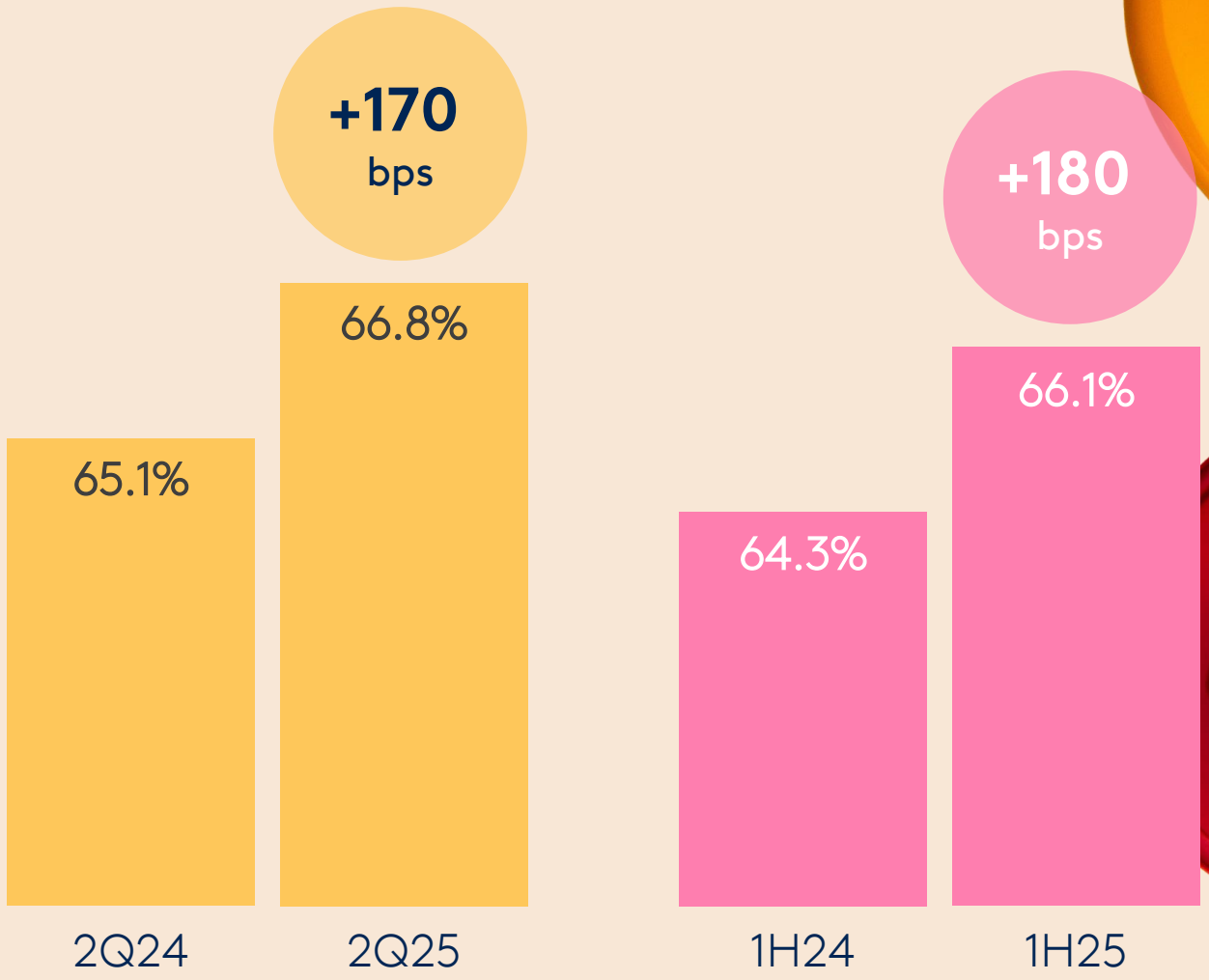
2% LFL GROWTH IN 1H25 ON ELEVATED COMPARISONS





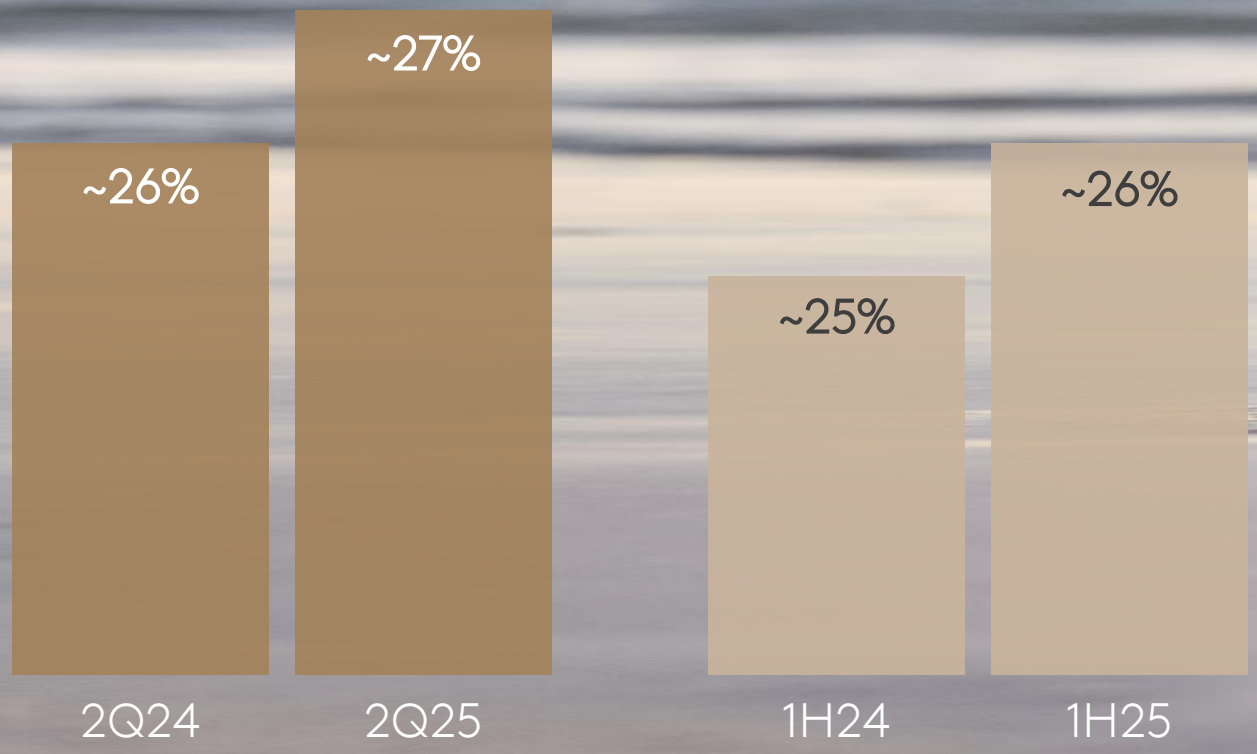
LFL results for 1H25 included a contribution from the Argentina hyperinflationary environment of 1% for total Coty.

STRONG ADJUSTED GROSS MARGIN EXPANSION



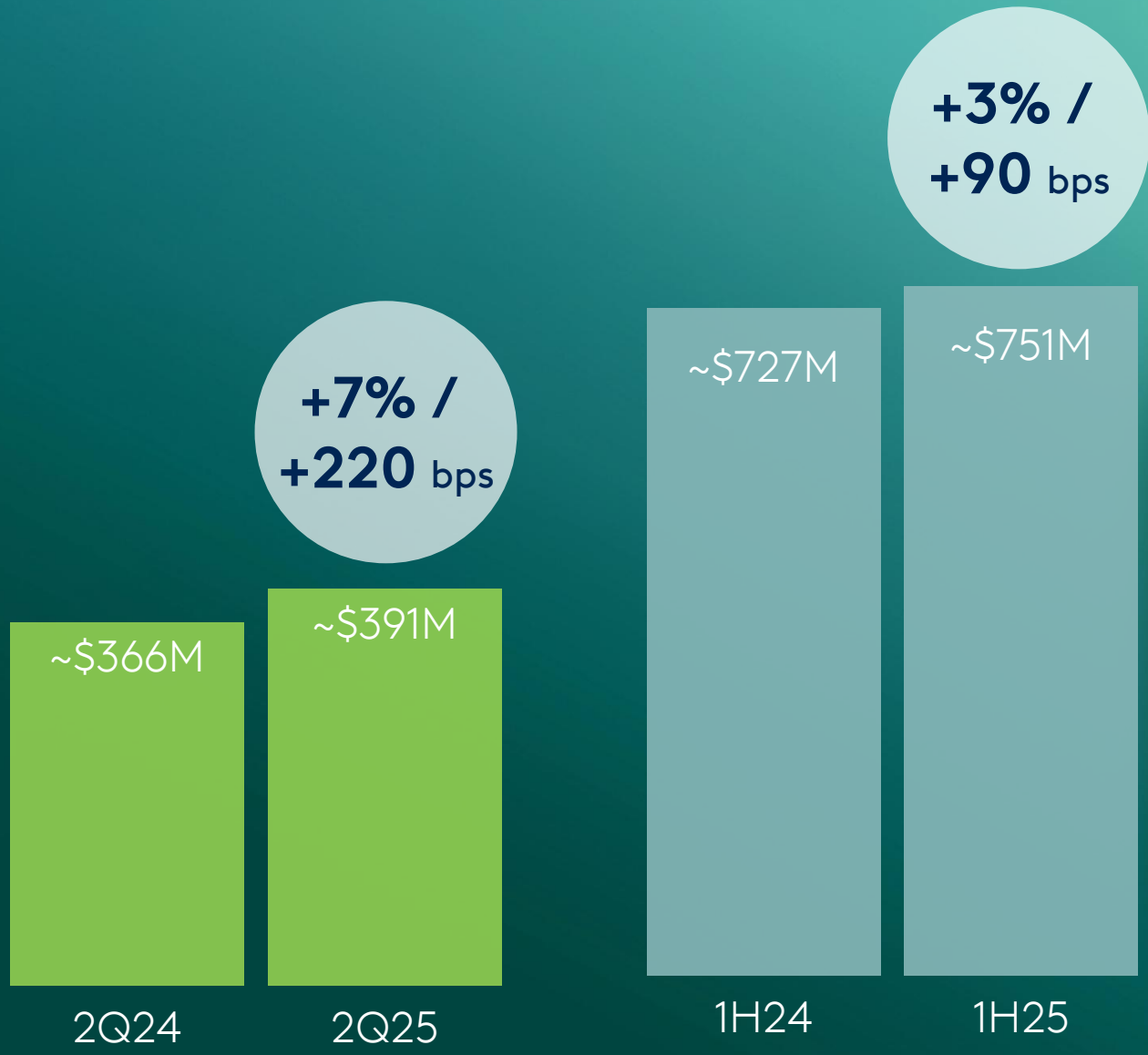


MAINTAINING STRONG A&CP SUPPORT





STRONG ADJ EBITDA GROWTH





FUTURE PROOFING THE ORGANIZATION
DRIVING AGILITY AND ADDITIONAL EFFICIENCIES

~$55M

SAVINGS in 1H25

>$120M

SAVINGS TARGET FOR FY25



STRONG ACTION PLANS UNDER 5 PILLARS

1 CENTERS OF EXCELLENCE

2 OMNICHANNEL APPROACH

3 SPEED TO MARKET

4 MAXIMIZING EMERGING TECH AND AI BENEFITS

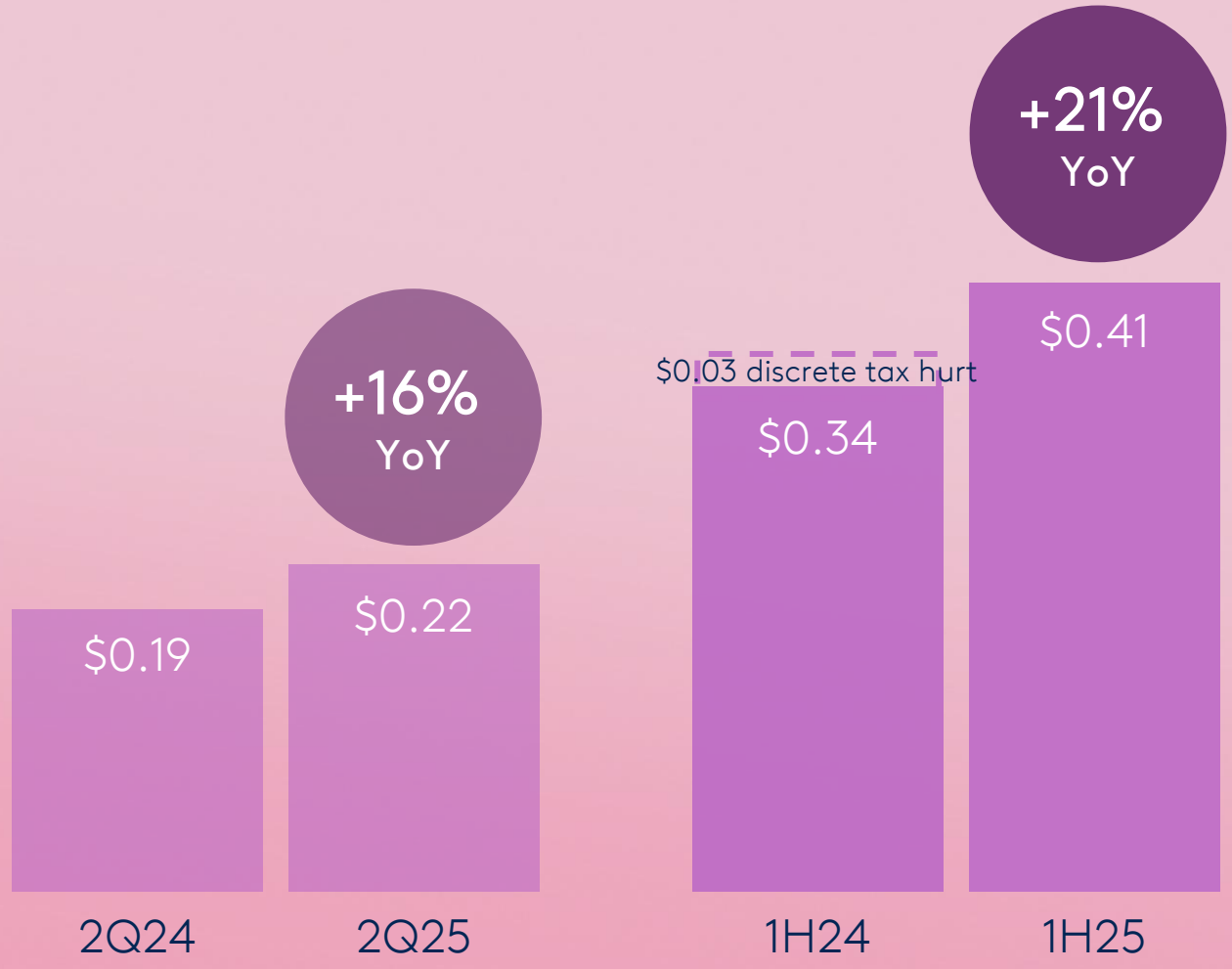
5 REGIONAL FOOTPRINT ALIGNMENT



DECLINING INTEREST EXPENSE ACCELERATING EPS GROWTH



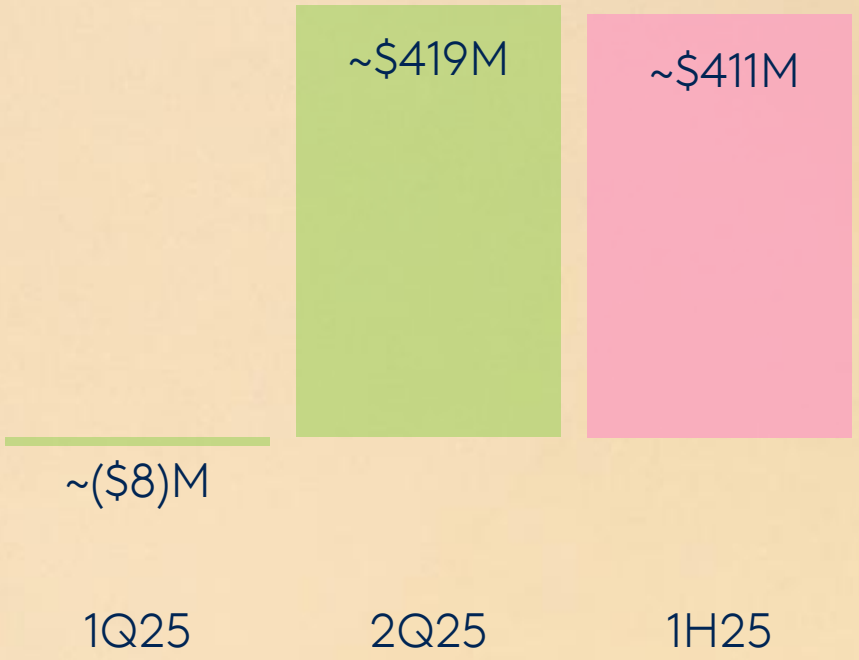
STRONG ADJ EPS GROWTH
EXCLUDING THE EQUITY SWAP



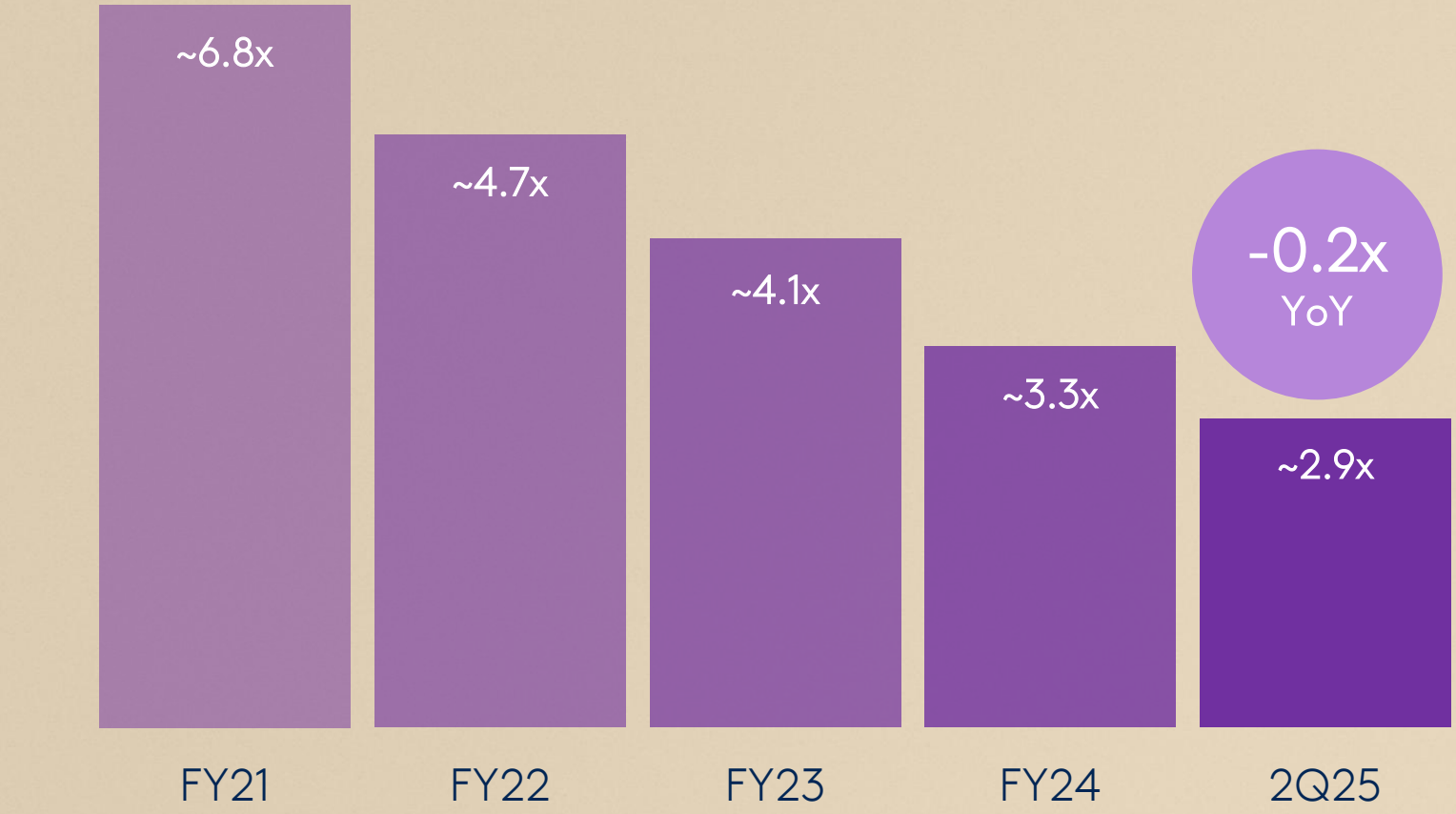


Reflects diluted adjusted EPS excluding equity swap.

SOLID 1H25 FREE CASH FLOW



CONTINUING DELEVERAGING PATH
TARGETING INVESTMENT GRADE PROFILE





Leverage calculated using financial net debt to TTM adjusted EBITDA.

TRANSITION YEAR IN FY25, WHILE PROFIT, EPS AND FCF ON SOLID GROWTH PATH



CY25 BEAUTY MARKET TO GROW

L-MSD%

WITH SELL-IN TRACKING BELOW



2H25 FRAMEWORK

REVENUE LFL	LFL trends broadly consistent with Q2 at -1% to -2%
REPORTED REVENUE	-MSD%; including approx. 3% to 4% headwind from FX
ADJ GROSS MARGIN	Slightly lower YoY, and up ~100 basis points vs. 2H23
ADJ EBITDA	Adj EBITDA margin expansion of 70 to 90 basis points, implying +LSD% adj EBITDA growth which includes MSD% headwind from FX; EBITDA to be relatively balanced between Q3 & Q4
ADJ EPS (EXCL. SWAP)	$0.09 to $0.11

FY25 GUIDANCE

REVENUE LFL	Flattish LFL
REPORTED REVENUES	-LSD% YoY, including ~3% headwind from FX and ~1% scope headwind in 1H25 from the divestiture of Lacoste license
ADJ GROSS MARGIN	Continued expansion YoY
ADJ EBITDA	Adj EBITDA margin expansion of 70 to 90 basis points, implying +LSD% adj EBITDA growth to $1,115-1,125M, which includes LSD-MSD% headwind from FX
ADJ EPS (EXCL. SWAP)	+MSD-HSD% YoY to $0.50 to $0.52
FREE CASH FLOW	~$400M
LEVERAGE	-0.5x or higher leverage ratio reduction YoY to <2.5x exiting CY25, which does not include potential proceeds from the targeted Wella divestiture

MULTIPLE INITIATIVES TO SUPPORT ACCELERATION IN FY26



CONTINUED MOMENTUM & NEW GROWTH OPPORTUNITIES

SUE NABI
CHIEF EXECUTIVE OFFICER




1
OVERDRIVING IN PRESTIGE & MASS FRAGRANCE
2
FUELING COSMETICS BRANDS THROUGH ADVOCACY AND AGILE INNOVATION
3
CAPTURING SIGNIFICANT GROWTH OPPORTUNITIES
4
REACHING KEY ESG MILESTONES



1

LEADING IN FRAGRANCES ACROSS ALL PRICE POINTS



COTY'S 1H PRESTIGE FRAGRANCE SELL-OUT +HSD%

&

MASS FRAGRANCE Q2 LFL SALES +MSD%

Prestige sell-out data is sourced from third-party market research firms, including but not limited to Circana, as well as retailer data, and supplemented by Coty's internal estimates for markets where external data is unavailable. While efforts are made to ensure accuracy, reported figures may be subject to revisions based on updated market insights and methodological adjustments.


HUGO BOSS
#2
MALE BRAND IN EUR (+1 RANK YOY)
&
1H25 SALES
+MSD% LFL
BOSS
BOTTLED ABSOLU
BOSS
BOSS
BOTTLED ELIXIR



BURBERRY CY24 SELL-OUT GROWTH

>30%

&

3x

THE MARKET

CHLOE

STRONG ENTRY INTO

U.S.



1H25 SALES

+MID-TEENS%

LFL

MARC JACOBS

DAISY #1 FRANCHISE IN UK

&

1H25 MARC JACOBS SALES

+MSD% LFL

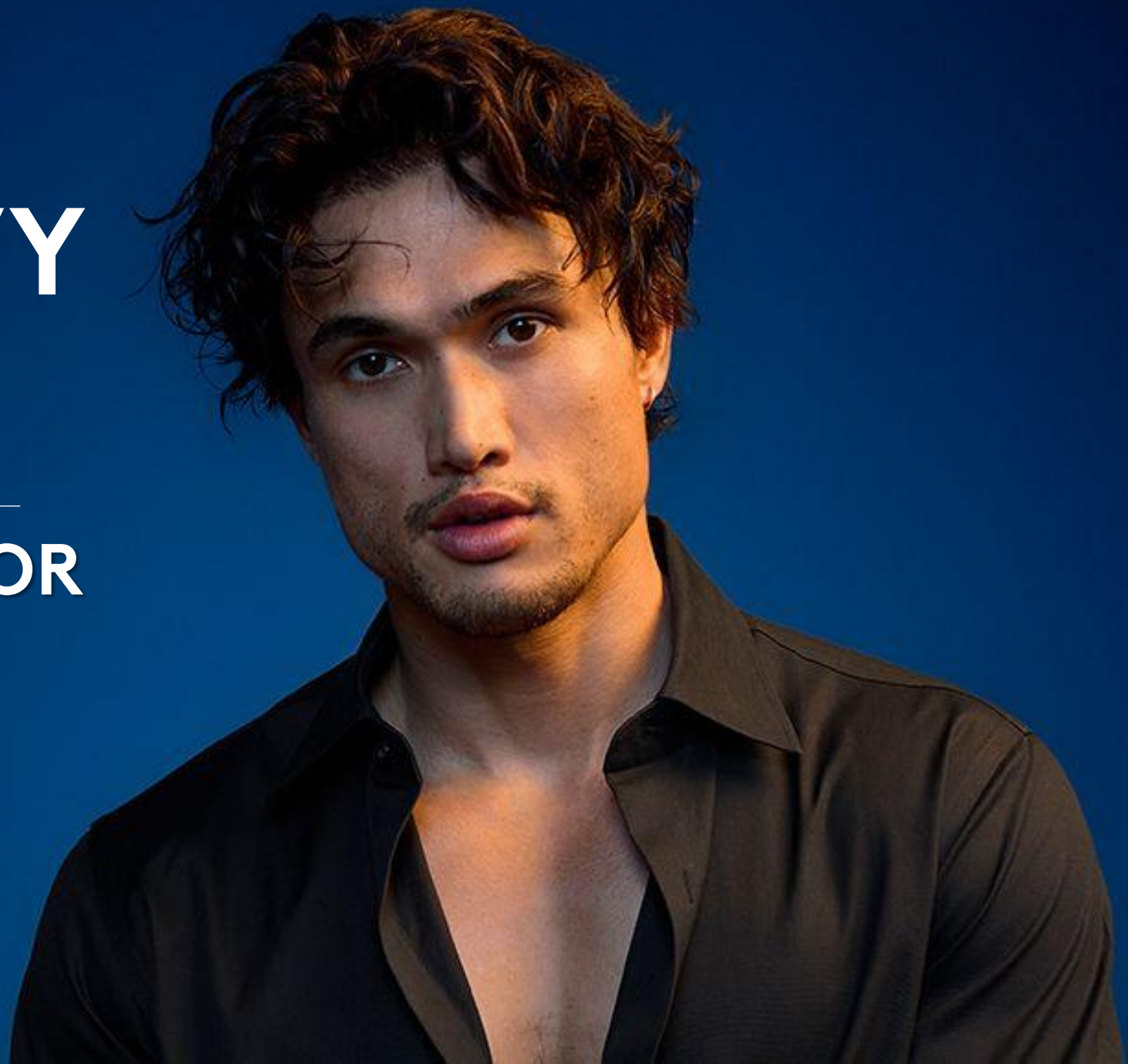


DAVIDOFF

+HSD% Y/Y

GROWTH IN LFL SALES IN 1H25

NEW AMBASSADOR ANNOUNCED & KEY INITIATIVE IN 2H25





ACCELERATING MASS FRAGRANCE

ADIDAS VIBES

LARGEST CB LAUNCH IN
6 YEARS

& FUELING
+DD% Y/Y
GROWTH IN ADIDAS
FRAGRANCE 1H25 SALES



APPLYING AGILE BEAUTY TO MASS FRAGRANCES


SWAROVSKI
2022
NEW LICENSE AGREEMENT
WITH FRAGRANCE LAUNCH IN CY26



2

FUELING COSMETICS BRANDS THROUGH ADVOCACY AND AGILE INNOVATION

COVERGIRL

STEP-CHANGING SOCIAL MEDIA & ONLINE MARKET SHARE

EMV

+339%

YoY

#5 RANK

L3M MKT SHARE

+60 bps

ONLINE



Global EMV ranking is tracked within our competitive set. Source: Traacker.
Market share source: Nielsen P3M Nov 2024 - CB total Online Market defined as US + UK + DE + ES + FR + NL + ARG – Excludes China.

RIMMEL
STEP-CHANGING SOCIAL MEDIA & ONLINE MARKET SHARE



EMV
+13%
YoY

#7 RANK

L3M MKT SHARE
+30 bps
ONLINE

Global EMV ranking is tracked within our competitive set. Source: Traacker.
Market share source: Nielsen P3M Nov 2024 - CB total Online Market defined as US + UK + DE + ES + FR + NL + ARG – Excludes China

COTY BRANDS
BROADLY AHEAD OF LEGACY BRANDS GLOBALLY



Omnichannel Market Share YoY (L3M)



Market share source: CC Mass NIQ xAOC + Amazon 1P.
Period ending 11/30/2024.

COVERGIRL OUTPERFORMS OTHER LEGACY BRANDS IN THE US

U.S. Omnichannel Market Share (L3M)





Market share source: CC Mass NIQ xAOC + Amazon 1P.
Period ending 11/30/2024.



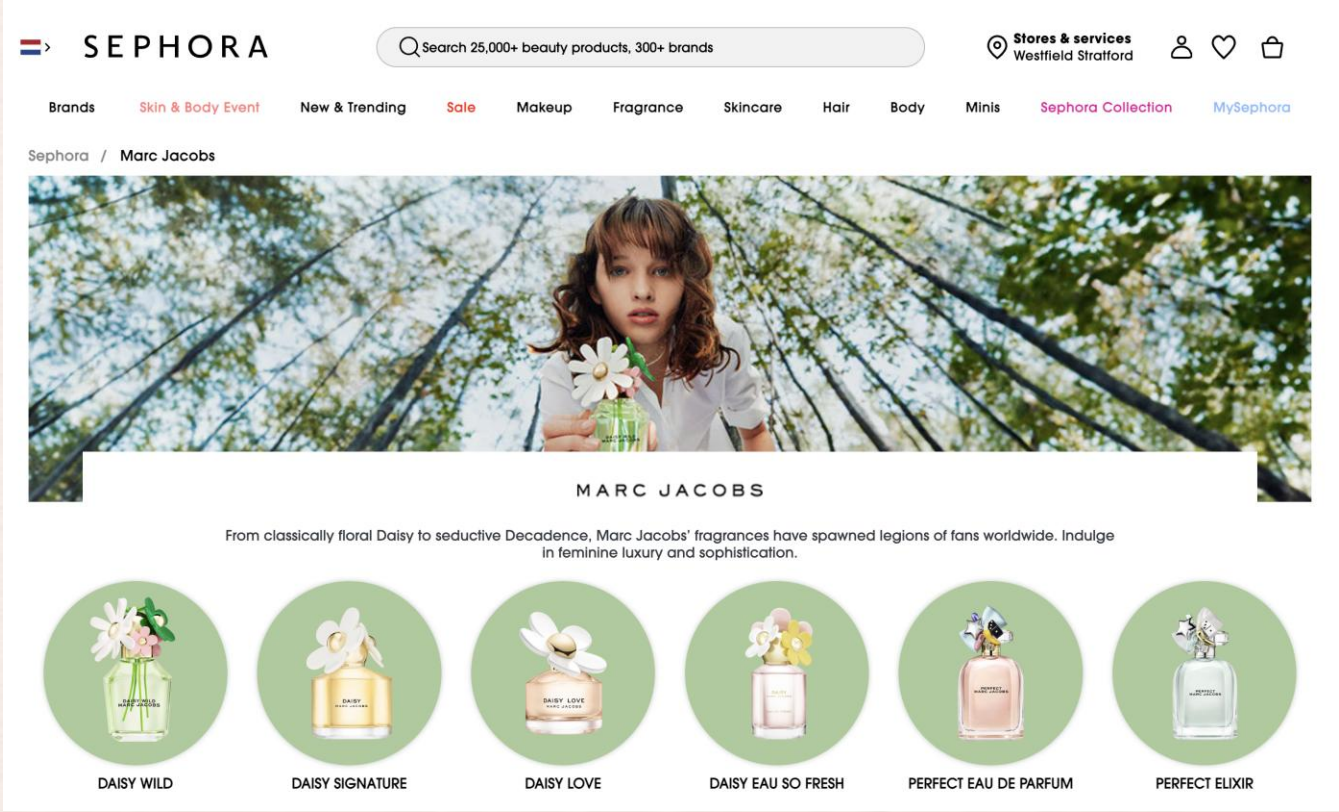
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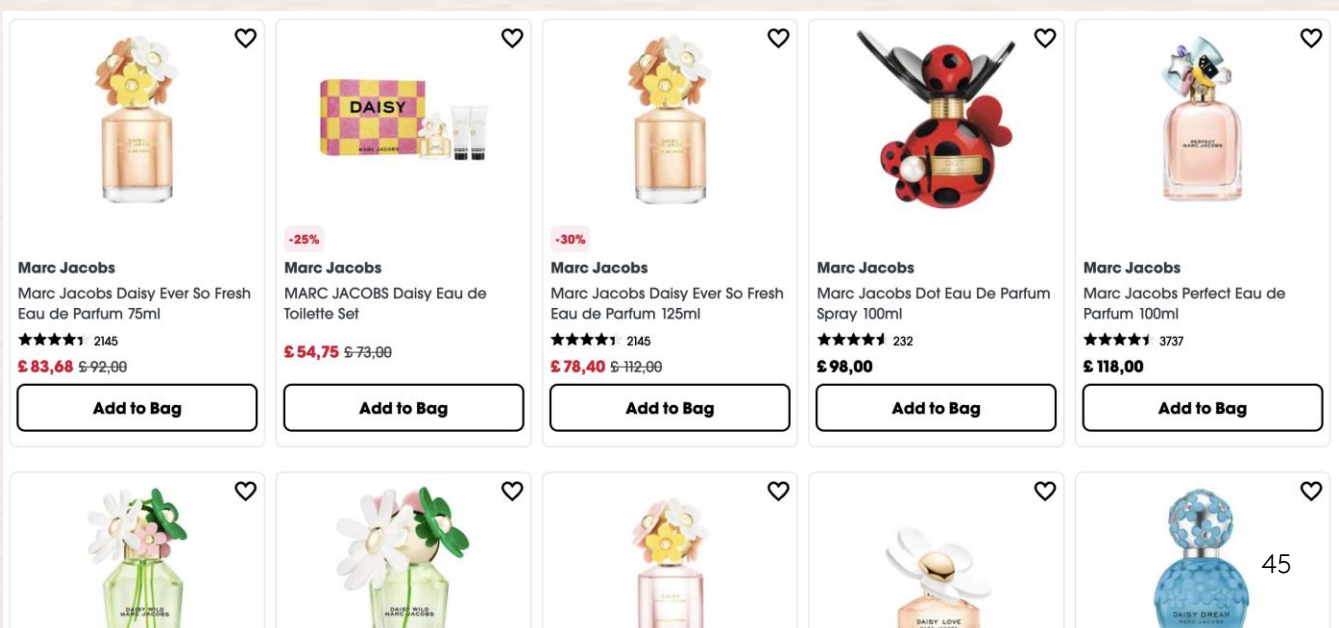
CAPTURING SIGNIFICANT GROWTH OPPORTUNITIES

COTY'S Q2 E-COMMERCE SELL-OUT +DD%

AHEAD OF MARKET WITH SELL-IN WELL BELOW

E -com penetration and contribution based on countries where e -com info is available covering approx. 86% of total Coty. Sources: Circana (Prestige) and Nielsen (CB) December 2024. Additionally, the data includes estimated data for Brick and Click sales, which is subject to change.





REINVIGORATING LANCASTER ACROSS EUROPE & CHINA



+DD % Y/Y

GROWTH IN LFL SALES IN 2Q25

&

13x

GROWTH IN EUROPE EMV

EXPANDING IN GROWTH ENGINE MARKETS



~21%
of Coty's sales

Up ~10%
LFL in 1H25

LFL results for 1H25 included a contribution from the Argentina hyperinflationary environment of 5% for growth engine markets.



LATAM INCL. BRAZIL

~9%

OF COTY'S SALES

&

GROWING

MSD%

IN 1H25 *

* Excludes the benefit from hyperinflation in Argentina.



4

REACHING KEY
SUSTAINABILITY MILESTONES

COTY ACHIEVEMENT IN 2024 CDP DISCLOSURE

CLIMATE SCORE:

A-

(IMPROVED FROM B)




PIVOTAL YEAR IN FY25,
WITH GROWTH ACCELERATION
INTO FY26 & BEYOND

APPENDIX

ADJUSTED EPS DELIVERY

	Q2	1H25
ADJUSTED EBITDA	391	751
DEPRECIATION	(57)	(114)
NET INTEREST	(54)	(116)
INCOME TAX	44	101
OTHER	(134)	(187)
ADJ PREFERRED DIVIDEND	(3)	(7)
DILUTED SHARE COUNT	875M	875M
DILUTED ADJUSTED EPS *	0.11	0.26
DILUTED ADJ EPS EXCL. EQUITY SWAP	0.22	0.41

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

DISCLAIMER

Forward-Looking Statements

Certain statements in this presentation are forward-looking statements. These forward-looking statements reflect Coty'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/or profitability in future periods, volume and mix trends, savings targets, expected future tax rates, the impact of currency exchange rate volatility, expectations for inflation and the impact of inflationary pressures, and the expected timing and impact of pricing and other measures to offset inflationary pressures), Coty'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 impact of social media advocacy strategy, expected shelf space, restocking and sell-in and sell-out trends, plans with respect to research and development and innovation pipeline, allocation, amount and timing of research and development investments and expected impact thereof, allocation and amount of investments in growth capabilities and teams (including skincare, digital and DTC) and expected impact thereof, plans for growth in growth engine markets, channels and other white spaces, 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 and related savings targets, 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, full or partial, divestiture, and the timing and size of any such divestiture, related distribution or return of capital or other use of proceeds), Coty'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 and costs thereof and timing and amount of expected future outstanding share count reductions, 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 magnitude of any "true up" payments in connection with Coty's forward repurchase contracts, the timing and extent of any future impairments, synergies, savings, impact, cost, timing and implementation of Coty's ongoing transformation agenda (including operational execution and simplification initiatives, cost reductions, savings plans 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 and its ability to achieve its targets), 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, expectations regarding the impact of tariffs (including magnitude, scope and timing) and plans to manage such impact, the expected impact of global supply chain challenges and/or inflationary pressures (including as a result of the war in Ukraine and/or armed conflict in the Middle East and/or due to changes in tariffs or trade policies impacting raw materials) and expectations regarding future service levels, inventory levels and excess & obsolescence trends, expectations regarding economic recovery in Asia, consumer purchasing trends and the related impact on our plans for growth in China, the priorities of senior management, and Coty'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 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 strategic 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 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; disruptions in the availability and distribution of raw materials and components needed to manufacture Coty's products or disruptions in the international flow of goods (including risks related to tariffs); Coty's ability to manage changing tariff scenarios and the success of its mitigation strategy, 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 strategic 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 Coty's products due to declining or depressed global or regional economic conditions, and declines in consumer confidence or spending; global political and/or economic uncertainties, disruptions or major regulatory or policy changes (including related to taxation and trade policies) and/or the enforcement thereof that affect Coty'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; Coty's ability to retain and attract key personnel; Coty'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, 2024 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 operating income margin, adjusted gross margin, as well as adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), adjusted EBITDA margin, adjusted EPS, net debt or financial net debt, economic net debt and free cash flow. 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, "net debt" or "financial net debt" is defined as total debt less cash and cash equivalents, and "economic net debt" is defined as total debt less cash and cash equivalents less the value of the Wella Stake. "Adjusted operating income margin" and "adjusted EBITDA margin" are calculated by dividing Adjusted operating income and Adjusted EBITDA, respectively, by net revenues. 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 on February 10, 2025.

Outlook Information

In this presentation, Coty presents outlook information as of February 10, 2025.