

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM TO
COMMISSION FILE NUMBER 001-35964

COTY INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

13-3823358
(I.R.S. Employer Identification No.)

350 Fifth Avenue,
New York, NY
(Address of principal executive offices)

10118
(Zip Code)

(212) 389-7300
Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.01 par value	COTY	New York Stock Exchange

At April 30, 2025, 872,289,960 shares of the registrant's Class A Common Stock, \$0.01 par value, were outstanding.

COTY INC.
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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

COTY INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Net revenues	\$ 1,299.1	\$ 1,385.6	\$ 4,640.5	\$ 4,754.6
Cost of sales	466.7	487.8	1,599.3	1,690.8
Gross profit	832.4	897.8	3,041.2	3,063.8
Selling, general and administrative expenses	777.5	770.6	2,382.8	2,371.4
Amortization expense	45.9	48.5	141.3	145.4
Restructuring costs	76.6	0.9	78.7	35.0
Asset impairment charges	212.8	—	212.8	—
Operating (loss) income	(280.4)	77.8	225.6	512.0
Interest expense, net	47.9	60.4	164.1	190.3
Other expense, net	132.3	14.0	332.8	9.8
(Loss) Income before income taxes	(460.6)	3.4	(271.3)	311.9
(Benefit) provision for income taxes	(58.4)	(5.4)	9.6	106.9
Net (loss) income	(402.2)	8.8	(280.9)	205.0
Net income attributable to noncontrolling interests	2.0	2.4	5.7	4.0
Net income attributable to redeemable noncontrolling interests	1.5	2.6	12.5	14.7
Net (loss) income attributable to Coty Inc.	\$ (405.7)	\$ 3.8	\$ (299.1)	\$ 186.3
Amounts attributable to Coty Inc.				
Net (loss) income attributable to Coty Inc.	(405.7)	3.8	(299.1)	186.3
Convertible Series B Preferred Stock dividends	(3.3)	(3.3)	(9.9)	(9.9)
Net (loss) income attributable to common stockholders	\$ (409.0)	\$ 0.5	\$ (309.0)	\$ 176.4
Earnings per common share:				
Earnings per common share - basic	(0.47)	—	(0.36)	0.20
Earnings per common share - diluted	(0.47)	—	(0.36)	0.20
Weighted-average common shares outstanding:				
Basic	872.1	883.1	870.4	876.7
Diluted	872.1	892.0	870.4	886.1

See notes to Condensed Consolidated Financial Statements.

COTY INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Net (loss) income	\$ (402.2)	\$ 8.8	\$ (280.9)	\$ 205.0
Other comprehensive income (loss):				
Foreign currency translation adjustment	119.5	(104.1)	(41.9)	(47.1)
Net unrealized derivative (loss) gain on cash flow hedges, net of taxes of \$0.8 and \$(0.2), and \$0.9 and \$(0.6) during the three and nine months ended, respectively	(1.7)	0.1	(2.2)	0.5
Pension and other post-employment benefits adjustment, net of tax of \$(0.4) and \$0.9, and \$0.5 and \$1.4 during the three and nine months ended, respectively	0.6	(2.2)	(1.7)	(3.7)
Total other comprehensive income (loss), net of tax	118.4	(106.2)	(45.8)	(50.3)
Comprehensive (loss) income	(283.8)	(97.4)	(326.7)	154.7
Comprehensive income attributable to noncontrolling interests:				
Net income	2.0	2.4	5.7	4.0
Foreign currency translation adjustment	—	(0.1)	(0.2)	(0.1)
Total comprehensive income attributable to noncontrolling interests	2.0	2.3	5.5	3.9
Comprehensive income attributable to redeemable noncontrolling interests:				
Net income	1.5	2.6	12.5	14.7
Foreign currency translation adjustment	0.2	(0.1)	0.1	—
Total comprehensive income attributable to redeemable noncontrolling interests	1.7	2.5	12.6	14.7
Comprehensive (loss) income attributable to Coty Inc.	\$ (287.5)	\$ (102.2)	\$ (344.8)	\$ 136.1

See notes to Condensed Consolidated Financial Statements.

COTY INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except per share data)
(Unaudited)

	March 31, 2025	June 30, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 243.5	\$ 300.8
Restricted cash	15.9	19.8
Trade receivables—less allowances of \$34.8 and \$24.3, respectively	572.9	441.6
Inventories	717.3	764.1
Prepaid expenses and other current assets	380.5	437.2
Total current assets	1,930.1	1,963.5
Property and equipment, net	673.9	718.9
Goodwill	3,903.5	3,905.7
Other intangible assets, net	3,099.0	3,565.6
Equity investments	1,000.0	1,090.6
Operating lease right-of-use assets	262.9	255.3
Deferred income taxes	495.8	490.8
Other noncurrent assets	105.3	92.1
TOTAL ASSETS	\$ 11,470.5	\$ 12,082.5
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,279.8	\$ 1,405.6
Accrued expenses and other current liabilities	962.7	1,067.3
Short-term debt and current portion of long-term debt	9.4	3.0
Current operating lease liabilities	58.6	57.8
Income and other taxes payable	49.1	68.1
Total current liabilities	2,359.6	2,601.8
Long-term debt, net	3,796.1	3,841.8
Long-term operating lease liabilities	224.8	218.7
Pension and other post-employment benefits	274.9	275.2
Deferred income taxes	511.3	549.9
Other noncurrent liabilities	384.3	347.4
Total liabilities	7,551.0	7,834.8
COMMITMENTS AND CONTINGENCIES (See Note 17)		
CONVERTIBLE SERIES B PREFERRED STOCK, \$0.01 par value; 1.0 shares authorized; 0.1 issued and outstanding at March 31, 2025 and June 30, 2024	142.4	142.4
REDEEMABLE NONCONTROLLING INTERESTS	101.9	93.6
EQUITY:		
Preferred Stock, \$0.01 par value; 20.0 shares authorized, 1.0 issued and outstanding at March 31, 2025 and June 30, 2024	—	—
Class A Common Stock, \$0.01 par value; 1,250.0 shares authorized, 966.5 and 962.1 issued and 872.3 and 867.8 outstanding at March 31, 2025 and June 30, 2024, respectively	9.6	9.6
Additional paid-in capital	11,320.7	11,308.0
Accumulated deficit	(5,197.6)	(4,898.5)
Accumulated other comprehensive loss	(840.8)	(795.1)
Treasury stock—at cost, shares: 94.3 at March 31, 2025 and June 30, 2024	(1,796.9)	(1,796.9)
Total Coty Inc. stockholders' equity	3,495.0	3,827.1
Noncontrolling interests	180.2	184.6
Total equity	3,675.2	4,011.7
TOTAL LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY	\$ 11,470.5	\$ 12,082.5

See notes to Condensed Consolidated Financial Statements.

COTY INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the Three and Nine Months Ended March 31, 2025
(In millions, except per share data)
(Unaudited)

	Preferred Stock		Class A Common Stock		Additional Paid-in Capital	(Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Treasury Stock		Total Coty Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests	Convertible Series B Preferred Stock
	Shares	Amount	Shares	Amount				Shares	Amount					
BALANCE—July 1, 2024	1.0	\$ —	962.1	\$ 9.6	\$ 11,308.0	\$ (4,898.5)	\$ (795.1)	94.3	\$ (1,796.9)	\$ 3,827.1	\$ 184.6	\$ 4,011.7	\$ 93.6	\$ 142.4
Share-based compensation expense					16.9					16.9		16.9		
Equity Investment contribution for share-based compensation					0.4					0.4		0.4		
Changes in dividends accrued					—					—		—		
Dividends Accrued - Convertible Series B Preferred Stock					(3.3)					(3.3)		(3.3)		3.3
Dividends Paid - Convertible Series B Preferred Stock										—		—		(3.3)
Net income						82.9				82.9	2.1	85.0	5.7	
Other comprehensive income							120.6			120.6	—	120.6	0.1	
Adjustment of redeemable noncontrolling interests to redemption value					0.6					0.6		0.6	(0.6)	
Distribution to noncontrolling interests, net										—	—	—		
BALANCE—September 30, 2024	1.0	\$ —	962.1	\$ 9.6	\$ 11,322.6	\$ (4,815.6)	\$ (674.5)	94.3	\$ (1,796.9)	\$ 4,045.2	\$ 186.7	\$ 4,231.9	\$ 98.8	\$ 142.4
Exercise of employee stock options and restricted stock units			4.2	—										
Shares withheld for employee taxes					(12.7)					(12.7)		(12.7)		
Share-based compensation expense					15.2					15.2		15.2		
Equity Investment contribution for share-based compensation					0.3					0.3		0.3		
Dividends Accrued - Convertible Series B Preferred Stock					(3.3)					(3.3)		(3.3)		3.3
Dividends Paid - Convertible Series B Preferred Stock										—		—		(3.3)
Net income						23.7				23.7	1.6	25.3	5.3	
Other comprehensive income							(284.5)			(284.5)	(0.2)	(284.7)	(0.2)	
Distribution to noncontrolling interests, net										—	(3.9)	(3.9)		
Adjustment of redeemable noncontrolling interests to redemption value					0.8					0.8		0.8	(0.8)	
BALANCE—December 31, 2024	1.0	\$ —	966.3	\$ 9.6	\$ 11,322.9	\$ (4,791.9)	\$ (959.0)	94.3	\$ (1,796.9)	\$ 3,784.7	\$ 184.2	\$ 3,968.9	\$ 103.1	\$ 142.4
Exercise of employee stock options and restricted stock units and issuance of restricted stock			0.2	—						—		—		
Shares withheld for employee taxes					(0.3)					(0.3)		(0.3)		
Share-based compensation expense					12.6					12.6		12.6		
Equity Investment contribution for share-based compensation					(0.1)					(0.1)		(0.1)		
Changes in dividends accrued										—		—		
Dividends Accrued - Convertible Series B Preferred Stock					(3.3)					(3.3)		(3.3)		3.3

	Preferred Stock		Class A Common Stock		Additional Paid-in Capital	(Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Treasury Stock		Total Coty Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests	Convertible Series B Preferred Stock
	Shares	Amount	Shares	Amount				Shares	Amount					
Dividends Paid - Convertible Series B Preferred Stock					—					—		—		(3.3)
Net (loss) income						(405.7)				(405.7)	2.0	(403.7)	1.5	
Other comprehensive income							118.2			118.2	—	118.2	0.2	
Distributions to noncontrolling interests, net										—	(6.0)	(6.0)	(14.0)	
Adjustment of redeemable noncontrolling interests to redemption value					(11.1)					(11.1)		(11.1)	11.1	
BALANCE—March 31, 2025	1.0	\$ —	966.5	\$ 9.6	\$ 11,320.7	\$ (5,197.6)	\$ (840.8)	94.3	\$ (1,796.9)	\$ 3,495.0	\$ 180.2	\$ 3,675.2	\$ 101.9	\$ 142.4

See notes to Condensed Consolidated Financial Statements.

COTY INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the Three and Nine Months Ended March 31, 2024
(In millions, except per share data)
(Unaudited)

	Preferred Stock		Class A Common Stock		Stock to be issued	Additional Paid-in Capital	Receivable from sale of stock	(Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Treasury Stock		Total Coty Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests	Convertible Series B Preferred Stock
	Shares	Amount	Shares	Amount						Shares	Amount					
BALANCE—July 1, 2023	1.0	\$ —	919.3	\$ 9.1	\$ —	\$ 10,898.6	\$ —	\$ (4,987.9)	\$ (662.4)	66.5	\$ (1,446.3)	\$ 3,811.1	\$ 186.3	\$ 3,997.4	\$ 93.5	\$ 142.4
Issuance of Class A common stock in connection with global offering, net of offering costs			30.0	0.3	31.5	311.2	(348.5)					(5.5)		(5.5)		
Exercise of employee stock options and restricted stock units			5.2	0.1		(0.1)						—		—		
Shares withheld for employee taxes						(0.8)						(0.8)		(0.8)		
Share-based compensation expense						30.2						30.2		30.2		
Equity investment contribution for share-based compensation						0.7						0.7		0.7		
Changes in dividends accrued						—						—		—		
Dividends accrued- Convertible Series B Preferred Stock						(3.3)						(3.3)		(3.3)		3.3
Dividends paid - Convertible Series B Preferred Stock												—		—		(3.3)
Net income								1.6				1.6	1.1	2.7	7.5	
Other comprehensive loss									(115.0)			(115.0)	—	(115.0)	(0.1)	
Adjustment of redeemable noncontrolling interests to redemption value						2.3						2.3		2.3	(2.3)	
BALANCE—September 30, 2023	1.0	\$ —	954.5	\$ 9.5	\$ 31.5	\$ 11,238.8	\$ (348.5)	\$ (4,986.3)	\$ (777.4)	66.5	\$ (1,446.3)	\$ 3,721.3	\$ 187.4	\$ 3,908.7	\$ 98.6	\$ 142.4
Issuance of Class A common stock in connection with global offering, net of offering costs			3.0		(31.5)	30.9	348.5					347.9		347.9		
Reacquired Class A Common Stock for employee taxes										0.1		—		—		
Exercise of employee stock options and restricted stock units			4.2	0.1		11.2						11.3		11.3		
Shares withheld for employee taxes						(17.3)						(17.3)		(17.3)		
Share-based compensation expense						19.9						19.9		19.9		
Equity investment contribution for share-based compensation						0.6						0.6		0.6		
Changes in dividends accrued						—						—		—		
Dividends accrued- Convertible Series B Preferred Stock						(3.3)						(3.3)		(3.3)		3.3
Dividends paid - Convertible Series B Preferred Stock												—		—		(3.3)
Net income								180.9				180.9	0.5	181.4	4.6	
Other comprehensive income									170.8			170.8		170.8	0.2	
Distribution to noncontrolling interests, net												—		—	(8.5)	
Adjustment of redeemable noncontrolling interests to redemption value						(7.3)						(7.3)		(7.3)	7.3	
BALANCE—December 31, 2023	1.0	\$ —	961.7	\$ 9.6	\$ —	\$ 11,273.5	\$ —	\$ (4,805.4)	\$ (606.6)	66.6	\$ (1,446.3)	\$ 4,424.8	\$ 187.9	\$ 4,612.7	\$ 102.2	\$ 142.4
Repurchase of Class A Common Stock pursuant to forward repurchase contracts										27.0	\$ (350.6)	(350.6)		(350.6)		

	Preferred Stock		Class A Common Stock		Stock to be issued	Additional Paid-in Capital	Receivable from sale of stock	(Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Treasury Stock		Total City Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests	Convertible Series B Preferred Stock
	Shares	Amount	Shares	Amount						Shares	Amount					
Reacquired Class A Common Stock for employee taxes and cancellation of restricted stock										0.6	\$ —	—		—		
Exercise of employee stock options and restricted stock units and issuance of restricted stock			0.4	—		2.3						2.3		2.3		
Shares withheld for employee taxes						(1.0)						(1.0)		(1.0)		
Share-based compensation expense						20.2						20.2		20.2		
Equity Investment contribution for share-based compensation						0.5						0.5		0.5		
Dividends accrued- Convertible Series B Preferred Stock						(3.3)						(3.3)		(3.3)		3.3
Dividends paid - Convertible Series B Preferred Stock						—						—		—		(3.3)
Net income								3.8				3.8	2.4	6.2	2.6	
Other comprehensive loss									(106.0)			(106.0)	(0.1)	(106.1)	(0.1)	
Distribution to noncontrolling interests, net												—	(1.0)	(1.0)	(8.6)	
Adjustment of redeemable noncontrolling interests to redemption value						1.9						1.9		1.9	(1.9)	
BALANCE—March 31, 2024	1.0	\$ —	962.1	\$ 9.6	\$ —	\$ 11,294.1	\$ —	\$ (4,801.6)	\$ (712.6)	94.2	\$ (1,796.9)	\$ 3,992.6	\$ 189.2	\$ 4,181.8	\$ 94.2	\$ 142.4

See notes to Condensed Consolidated Financial Statements.

COTY INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine Months Ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	\$ (280.9)	\$ 205.0
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	315.3	316.6
Asset impairment charges	212.8	—
Non-cash lease expense	46.8	46.7
Deferred income taxes	(41.2)	39.0
Provision for bad debts	8.7	3.5
Provision for pension and other post-employment benefits	8.2	7.6
Share-based compensation	44.7	70.4
Losses on termination of collaboration agreement/sale of equity investment, and disposal of other assets	73.7	1.7
Losses/(gains) from equity investments, net	87.6	(17.6)
Foreign exchange effects	12.9	17.6
Losses (gains) on forward repurchase contracts, net	216.2	(15.9)
Other	34.5	40.1
Change in operating assets and liabilities		
Trade receivables	(156.0)	(131.9)
Inventories	46.9	83.5
Prepaid expenses and other current assets	23.3	8.4
Accounts payable	(82.9)	(165.5)
Accrued expenses and other current liabilities	(141.4)	47.4
Operating lease liabilities	(42.7)	(44.4)
Income and other taxes payable	(18.1)	(69.1)
Other noncurrent assets	(10.5)	(4.9)
Other noncurrent liabilities	51.5	(0.1)
Net cash provided by operating activities	409.4	438.1
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(166.7)	(185.4)
Proceeds from contingent consideration, license agreements, and sale of other long-lived assets, net	12.6	23.9
Proceeds from termination of collaboration agreement/sale of equity investment	74.0	—
Net cash used in investing activities	(80.1)	(161.5)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from short-term debt	5.0	—
Proceeds from revolving loan facilities	1,951.3	1,745.2
Repayments of revolving loan facilities	(1,562.7)	(1,704.0)
Proceeds from issuance of other long-term debt	—	1,284.3
Repayments of term loans and other long-term debt	(490.6)	(1,613.6)
Net proceeds from issuance of Class A Common Stock	—	355.5
Dividend payments on Common Stock and Convertible Series B Preferred Stock	(9.9)	(10.1)
Net payments of foreign currency contracts	(14.0)	(2.8)
Payments related to forward repurchase contracts and settlement, including hedge valuation adjustment	(282.3)	(234.0)
Refunds related to hedge valuation adjustment	61.8	—
Distributions to noncontrolling interests and redeemable noncontrolling interests	(23.9)	(18.1)

Payment of deferred financing fees	(2.0)	(40.4)
All other	(16.8)	(26.1)
Net cash used in financing activities	(384.1)	(264.1)
EFFECT OF EXCHANGE RATES ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(6.4)	(10.1)
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(61.2)	2.4
CASH, CASH EQUIVALENTS AND RESTRICTED CASH—Beginning of period	320.6	283.8
CASH, CASH EQUIVALENTS AND RESTRICTED CASH—End of period	\$ 259.4	\$ 286.2
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Cash paid for interest	\$ 171.6	\$ 148.8
Cash paid for income taxes, net of refunds received	66.8	121.4
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Accrued capital expenditure additions	\$ 64.4	\$ 85.6
Non-cash exchange of June 2022 forward repurchase contracts for treasury stock	\$ —	\$ 150.6

See notes to Condensed Consolidated Financial Statements.

COTY INC. & SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(\$ in millions, except per share data)
(Unaudited)

1. DESCRIPTION OF BUSINESS

Coty Inc. and its subsidiaries (collectively, the “Company” or “Coty”) manufacture, market, sell and distribute branded beauty products, including fragrances, color cosmetics and skin & body related products throughout the world. Coty is a global beauty company with a rich entrepreneurial history and an iconic portfolio of brands.

The Company operates on a fiscal year basis with a year-end of June 30. Unless otherwise noted, any reference to a year preceded by the word “fiscal” refers to the fiscal year ended June 30 of that year. For example, references to “fiscal 2025” refer to the fiscal year ending June 30, 2025. When used in this Quarterly Report on Form 10-Q, the term “includes” and “including” means, unless the context otherwise indicates, including without limitation.

The Company’s sales generally increase during the second fiscal quarter as a result of increased demand associated with the winter holiday season. Financial performance, working capital requirements, sales, cash flows and borrowings generally experience variability during the three to six months preceding the holiday season. Product innovations, new product launches and the size and timing of orders from the Company’s customers may also result in variability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The unaudited interim Condensed Consolidated Financial Statements are presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and include the Company’s consolidated domestic and international subsidiaries. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, these unaudited interim Condensed Consolidated Financial Statements and accompanying footnotes should be read in conjunction with the Company’s Consolidated Financial Statements as of and for the year ended June 30, 2024. In the opinion of management, all adjustments, of a normal recurring nature, considered necessary for a fair presentation have been included in the Condensed Consolidated Financial Statements. The results of operations for the three and nine months ended March 31, 2025 are not necessarily indicative of the results of operations to be expected for the full fiscal year ending June 30, 2025. All dollar amounts (other than per share amounts) in the following discussion are in millions of United States (“U.S.”) dollars, unless otherwise indicated.

Restricted Cash

Restricted cash represents funds that are not readily available for general purpose cash needs due to contractual limitations. Restricted cash is classified as a current or long-term asset based on the timing and nature of when or how the cash is expected to be used or when the restrictions are expected to lapse. As of March 31, 2025 and June 30, 2024, the Company had restricted cash of \$15.9 and \$19.8, respectively, included in Restricted cash in the Condensed Consolidated Balance Sheets. The Restricted cash balance as of March 31, 2025 primarily provides collateral for certain bank guarantees on rent, customs and duty accounts and also consists of collections on factored receivables that remain unremitted to the factor as of March 31, 2025. Restricted cash is included as a component of Cash, cash equivalents and restricted cash in the Condensed Consolidated Statement of Cash Flows.

Equity Investments

The Company elected the fair value option to account for its investment in Rainbow JVCO LTD and subsidiaries (together, “Wella” or the “Wella Company”) to align with the Company’s strategy for this investment. The fair value is updated on a quarterly basis. The investment is classified within Level 3 in the fair value hierarchy because the Company estimates the fair value of the investment using a combination of the income approach, the market approach and private transactions, when applicable. Changes in the fair value of equity investment under the fair value option are recorded in Other expense, net within the Condensed Consolidated Statements of Operations (see Note 6—Equity Investments).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Significant accounting policies that contain subjective management estimates and assumptions include those related to revenue recognition, the net realizable value of inventory, the fair value of equity investments, the assessment of goodwill, other intangible assets and long-lived assets for

impairment and income taxes. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from those estimates and assumptions. Significant changes, if any, in those estimates and assumptions will be reflected in the Condensed Consolidated Financial Statements in future periods.

Tax Information

The effective income tax rate for the three and nine months ended March 31, 2025 and 2024 was 12.7% and (158.8)%, respectively, and (3.5)% and 34.3%, respectively. The change in the effective tax rate for the three and nine months ended March 31, 2025, as compared with the three and nine months ended March 31, 2024 is primarily attributable to a capital loss realized on the sale of the Company's investment in KKW Holdings during the period for which no tax benefit can be recognized, the loss on forward repurchase contracts having a higher proportional impact in the current period, as well as the impact of fair value losses related to the investment in Wella taxed at a rate below the statutory rate of 21%.

The effective tax rate of 12.7% for the three months ended March 31, 2025 results from reporting losses before income taxes and a benefit for income taxes. The effective rate was lower than the Federal statutory rate of 21% primarily due to a capital loss realized on the sale of the Company's investment in KKW Holdings during the period for which no tax benefit can be recognized, the loss on forward repurchase contracts having a higher proportional impact in the current period, as well as the impact of fair value losses related to the investment in Wella taxed at a rate below the statutory rate of 21%.

The effective tax rate of (158.8)% in the three months ended March 31, 2024 results from reporting income before taxes and a benefit for income taxes. The effective rate was lower than the Federal statutory rate of 21% primarily due to a benefit of \$8.5 on the resolution of foreign uncertain tax positions compared to \$3.4 of income in the period.

The effective tax rate of (3.5)% in the nine months ended March 31, 2025 results from reporting losses before income taxes and a provision for income taxes. The effective rate was lower than the statutory tax rate of 21% due to a capital loss realized on the sale of the Company's investment in KKW Holdings during the period for which no tax benefit can be recognized, the loss on forward repurchase contracts having a higher proportional impact in the current period, as well as the impact of fair value losses related to the investment in Wella taxed at a rate below the statutory rate of 21%.

The effective tax rate of 34.3% in the nine months ended March 31, 2024 was higher than the statutory tax rate of 21% primarily due to an expense of \$24.3 in the period recognized on the revaluation of the Company's deferred tax liabilities due to a tax rate increase enacted in Switzerland.

The effective income tax rates vary from the U.S. federal statutory rate of 21% due to the effect of (i) jurisdictions with different statutory rates, including impacts of rate changes, (ii) adjustments to the Company's unrealized tax benefits ("UTBs") and accrued interest, (iii) non-deductible expenses, (iv) audit settlements and (v) valuation allowance changes.

As of March 31, 2025 and June 30, 2024, the gross amount of UTBs was \$204.7 and \$215.3, respectively. As of March 31, 2025, the total amount of UTBs that, if recognized, would impact the effective income tax rate is \$170.6. As of March 31, 2025 and June 30, 2024, the liability associated with UTBs, including accrued interest and penalties, was \$205.0 and \$200.2, respectively, which was recorded in Income and other taxes payable and Other noncurrent liabilities in the Condensed Consolidated Balance Sheets. The total interest and penalties recorded in the Condensed Consolidated Statements of Operations related to UTBs was \$(0.9) and \$0.0 for the three months ended March 31, 2025 and 2024, respectively, and \$3.7 and \$2.0 for the nine months ended March 31, 2025 and 2024, respectively. The total gross accrued interest and penalties recorded in the Condensed Consolidated Balance Sheets as of March 31, 2025 and June 30, 2024 was \$33.9 and \$30.2, respectively. On the basis of the information available as of March 31, 2025, it is reasonably possible that a decrease of up to \$19.2 in UTBs may occur within twelve months as a result of projected resolutions of global tax examinations and a potential lapse of the applicable statutes of limitations.

Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. The standard requires, in the notes to the financial statements, disclosure of specified information about certain costs and expenses, including purchases of inventory, employee compensation, depreciation, and intangible asset amortization from each relevant expense caption. The amendments in ASU 2024-03 are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption and retrospective application are permitted, but not required. The Company plans to adopt the standard and make the additional required annual disclosures beginning in the fourth quarter of fiscal 2028 and the required interim disclosures beginning in the first quarter of fiscal 2029.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which expands reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in the ASU require that a public entity discloses, on an annual and interim basis, significant segment expenses that are regularly provided to an entity's chief operating decision maker ("CODM"), a description of other segment items by reportable segment, and any additional measures of a segment's profit or loss used by the CODM when deciding how to allocate resources. Annual disclosures are required for the Company in fiscal 2025. Interim disclosures are required for periods within fiscal years beginning in the first quarter of fiscal 2026. Retrospective application is required for all prior periods presented, and early adoption is permitted. The Company will adopt the standard and make the additional required disclosures beginning in the fourth quarter of fiscal 2025.

3. SEGMENT REPORTING

Operating and reportable segments (referred to as "segments") reflect the way the Company is managed and for which separate financial information is available and evaluated regularly by the Company's CODM in deciding how to allocate resources and assess performance. The Company has designated its Chief Executive Officer ("CEO") as the CODM.

Certain income and shared costs and the results of corporate initiatives are managed by Corporate. Corporate primarily includes stock compensation expense, restructuring and realignment costs, costs related to acquisition, divestiture and early license termination activities, and impairments of long-lived assets, goodwill and intangibles that are not attributable to ongoing operating activities of the segments. Corporate costs are not used by the CODM to measure the underlying performance of the segments.

With the exception of goodwill, the Company does not identify or monitor assets by segment. The Company does not present assets by reportable segment since various assets are shared between reportable segments. The allocation of goodwill by segment is presented in Note 7—Goodwill and Other Intangible Assets, net.

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
SEGMENT DATA				
Net revenues:				
Prestige	\$ 829.4	\$ 867.2	\$ 3,059.6	\$ 3,054.5
Consumer Beauty	469.7	518.4	1,580.9	1,700.1
Total	<u>\$ 1,299.1</u>	<u>\$ 1,385.6</u>	<u>\$ 4,640.5</u>	<u>\$ 4,754.6</u>
Operating income (loss):				
Prestige	78.7	108.7	542.5	531.0
Consumer Beauty	(189.5)	(13.3)	(111.4)	79.0
Corporate	(169.6)	(17.6)	(205.5)	(98.0)
Total	<u>\$ (280.4)</u>	<u>\$ 77.8</u>	<u>\$ 225.6</u>	<u>\$ 512.0</u>
Reconciliation:				
Operating (loss) income	(280.4)	77.8	225.6	512.0
Interest expense, net	47.9	60.4	164.1	190.3
Other expense, net	132.3	14.0	332.8	9.8
(Loss) income before income taxes	<u>\$ (460.6)</u>	<u>\$ 3.4</u>	<u>\$ (271.3)</u>	<u>\$ 311.9</u>

During the first quarter of fiscal 2025, the Company revised the definitions of its product categories to better monitor against its long-term strategic objectives and to refine the presentation of certain multi-category brands. As a result, the Company has made certain reclassifications of its product sales among its product categories. The prior period has been recast to reflect the current period presentation.

Fragrance products include a variety of perfumes and colognes offering various scents to suit individual preferences and occasions. Color Cosmetic products include lip, eye, facial and other color products including nail color. Body care and other products include shower gels, body sprays, and deodorants. Skincare products include moisturizers, serums, sun treatment, cleansers, toners and anti-aging creams designed to nourish, protect and improve the skin's appearance and health.

Presented below are the percentage of net revenues associated with the Company's product categories:

PRODUCT CATEGORY	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Fragrance	65.4 %	61.6 %	69.0 %	65.3 %
Color Cosmetics	24.5	28.4	22.8	25.5
Body Care & Other	5.8	6.0	4.9	5.8
Skincare	4.3	4.0	3.3	3.4
Total	100.0 %	100.0 %	100.0 %	100.0 %

4. RESTRUCTURING COSTS

Restructuring costs for the three and nine months ended March 31, 2025 and 2024 are presented below:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Fixed Cost Restructuring	74.4	—	74.4	—
Current Restructuring Actions and Other	2.2	0.9	4.3	35.0
Total Restructuring Actions	\$ 76.6	\$ 0.9	\$ 78.7	\$ 35.0

Fixed Cost Reduction Plan

During the quarter ended March 31, 2025, the Company formulated a new plan, which was announced on April 24, 2025, to strengthen its operating model and simplify its fixed cost structure (the "Fixed Cost Reduction Plan"). This newly announced program will be executed through the first half of fiscal 2027. Total restructuring charges, which consisted of employee severance, have been recorded in Corporate. The restructuring charges and related liability balance at March 31, 2025 were \$74.4. The Company currently estimates that the total accrual will result in cash expenditures of approximately \$0.0, \$37.2, and \$37.2 in fiscal 2025, 2026 and thereafter, respectively.

Current Restructuring Actions and Other Costs

The Company continues to analyze its cost structure and evaluate opportunities to streamline operations through a range of smaller initiatives and other cost reduction activities to optimize operations in select businesses. The liability balances were \$34.6 and \$42.6 (including certain actions that were accrued during fiscal 2023) at March 31, 2025 and June 30, 2024 respectively. The Company estimates that the total remaining accrual of \$34.6 will result in cash expenditures of approximately \$4.3, \$21.5, and \$8.8 in fiscal 2025, 2026 and thereafter, respectively.

5. INVENTORIES

Inventories as of March 31, 2025 and June 30, 2024 are presented below:

	March 31, 2025	June 30, 2024
Raw materials	\$ 197.8	\$ 201.2
Work-in-process	11.5	10.4
Finished goods	508.0	552.5
Total inventories	<u>\$ 717.3</u>	<u>\$ 764.1</u>

6. EQUITY INVESTMENTS

The Company's equity investments, classified as Equity investments in the Condensed Consolidated Balance Sheets are represented by the following:

	March 31, 2025	June 30, 2024
<i>Equity method investments:</i>		
KKW Holdings ^(a)	\$ —	\$ 5.6
<i>Equity investments at fair value:</i>		
Wella ^(b)	1,000.0	1,085.0
Total equity investments	<u>\$ 1,000.0</u>	<u>\$ 1,090.6</u>

^(a) On January 4, 2021, the Company completed its purchase of 20% of the outstanding equity of KKW Holdings, LLC ("KKW Holdings"). The Company accounted for this minority investment under the equity method, given it had the ability to exercise significant influence over, but not control, the investee. The carrying value of the Company's investment included basis differences allocated to amortizable intangible assets. On March 21, 2025, the Company sold and derecognized its investment in KKW Holdings.

The Company recognized \$0.7 and \$0.7, respectively, during the three months ended March 31, 2025 and 2024, and \$2.6 and \$2.4 respectively, during the nine months ended March 31, 2025 and 2024 representing its share of the investee's net loss in Other expense, net within the Condensed Consolidated Statements of Operations.

^(b) As of March 31, 2025 and June 30, 2024, the Company's stake in Wella was 25.84%.

On March 21, 2025, the Company sold its 20% equity investment in KKW Holdings pursuant to an agreement entered into between the Company, KKW Holdings, and New KKW Holdings, LLC (the "KKW Sale Agreement"). This agreement terminated the collaboration agreement, which gave the Company the right and license to manufacture, advertise, promote, distribute, and sell certain Kim Kardashian beauty products and use certain intellectual property owned by or licensed to KKW Holdings (the "KKW Collaboration Agreement"). The total consideration received in this transaction was \$74.0.

As a result of this transaction, the Company derecognized the remaining book value of the KKW Collaboration Agreement and related assets (See Footnote 7— Goodwill and Other Intangibles, net), and its investment in KKW Holdings. The Company recognized a loss of \$71.0 related to the termination of the KKW Collaboration Agreement and a loss of \$1.5 on the sale of its investment in KKW Holdings, included in Selling, General and Administrative expenses and Other expense, net, respectively in the Condensed Consolidated Statements of Operations.

The following table presents summarized financial information of the Company's equity method investees for the period ending March 31, 2025. Amounts presented represent combined totals at the investee level and not the Company's proportionate share:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Summarized Statements of Operations information:				
Net revenues	\$ 616.3	\$ 597.5	\$ 2,009.7	\$ 1,938.7
Gross profit	426.0	401.0	1,379.1	1,299.9
Operating income	45.3	28.5	193.1	153.0
Income before income taxes	—	(28.0)	48.8	(10.6)
Net income (loss)	4.2	(40.3)	(2.7)	17.2

The following table summarizes movements in equity investments with fair value option that are classified within Level 3 for the period ended March 31, 2025. There were no internal movements to or from Level 3 and Level 1 or Level 2 for the period ended March 31, 2025.

Equity investments at fair value:

Balance as of June 30, 2024	\$ 1,085.0
Total losses included in earnings	(85.0)
Balance as of March 31, 2025	<u>\$ 1,000.0</u>

Level 3 significant unobservable inputs sensitivity

The following table summarizes the significant unobservable inputs used in Level 3 valuation of the Company's investments carried at fair value as of March 31, 2025. Included in the table are the inputs or range of possible inputs that have an effect on the overall valuation of the financial instruments.

	Fair value	Valuation technique	Unobservable input	Range
Equity investments at fair value	\$ 1,000.0	Discounted cash flows	Discount rate	9.25% ^(a)
			Growth rate	1.8% - 6.1% ^(a)
		Market multiple	Revenue multiple	2.0x - 2.1x ^(b)
			EBITDA multiple	9.4x - 10.3x ^(b)

^(a) The primary unobservable inputs used in the fair value measurement of the Company's equity investments with fair value option, when using a discounted cash flow method, are the discount rate and revenue growth rate. Significant increases (decreases) in the discount rate in isolation would result in a significantly lower (higher) fair value measurement. The Company estimates the discount rate based on the investees' projected cost of equity and debt. The revenue growth rate is forecasted for future years by the investee based on their best estimates. Significant increases (decreases) in the revenue growth rate in isolation would result in a significantly higher (lower) fair value measurement.

^(b) The primary unobservable inputs used in the fair value measurement of the Company's equity investments with fair value option, when using a market multiple method, are the revenue multiple and EBITDA multiple. Significant increases (decreases) in the revenue multiple or EBITDA multiple in isolation would result in a significantly higher (lower) fair value measurement. The market multiples are derived from a group of guideline public companies.

7. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

Assessment for Impairments

The Company tests goodwill and indefinite-lived intangible assets for impairment at least annually as of May 1, or more frequently, if certain events or circumstances warrant. At this time, the Company does not believe a triggering event for an interim impairment test was warranted based on its qualitative assessments. As such, there were no impairments of goodwill at the Company's reporting units as of March 31, 2025.

During the third quarter of fiscal 2025, the Company concluded that weakening demand in the color cosmetics market, particularly in the United States and Europe, combined with broader macroeconomic disruptions, signaled a deterioration in

business climate. As a result, the Company determined that an interim impairment measurement for certain other intangible assets was warranted as of March 31, 2025.

For the three and nine months ended March 31, 2025, the Company recognized asset impairment charges of \$84.0, \$61.0, and \$24.9 related to the Max Factor, CoverGirl and Bourjois trademarks within the Consumer Beauty Segment and \$42.9 related to the Philosophy trademark within the Prestige Segment. These impairments are recorded as Asset impairment charges in the Condensed Consolidated Statements of Operations.

Goodwill

Goodwill as of March 31, 2025 and June 30, 2024 is presented below:

	Prestige	Consumer Beauty	Total
Gross balance at June 30, 2024	\$ 6,214.6	\$ 1,731.2	\$ 7,945.8
Accumulated impairments	(3,110.3)	(929.8)	(4,040.1)
Net balance at June 30, 2024	<u>\$ 3,104.3</u>	<u>\$ 801.4</u>	<u>\$ 3,905.7</u>
Changes during the period ended March 31, 2025			
Foreign currency translation	(1.2)	(1.0)	(2.2)
Gross balance at March 31, 2025	\$ 6,213.4	\$ 1,730.2	\$ 7,943.6
Accumulated impairments	(3,110.3)	(929.8)	(4,040.1)
Net balance at March 31, 2025	<u>\$ 3,103.1</u>	<u>\$ 800.4</u>	<u>\$ 3,903.5</u>

Other Intangible Assets, net

Other intangible assets, net as of March 31, 2025 and June 30, 2024 are presented below:

	March 31, 2025	June 30, 2024
Indefinite-lived other intangible assets	\$ 736.5	\$ 944.6
Finite-lived other intangible assets, net	2,362.5	2,621.0
Total Other intangible assets, net	<u>\$ 3,099.0</u>	<u>\$ 3,565.6</u>

The changes in the carrying amount of indefinite-lived other intangible assets are presented below:

	Trademarks	Total
Gross balance at June 30, 2024	\$ 1,889.5	\$ 1,889.5
Accumulated impairments	(944.9)	(944.9)
Net balance at June 30, 2024	<u>\$ 944.6</u>	<u>\$ 944.6</u>
Changes during the period ended March 31, 2025		
Foreign currency translation	4.7	4.7
Impairment charges	(212.8)	(212.8)
Gross balance at March 31, 2025	\$ 1,894.2	\$ 1,894.2
Accumulated impairments	(1,157.7)	(1,157.7)
Net balance at March 31, 2025	<u>\$ 736.5</u>	<u>\$ 736.5</u>

Intangible assets subject to amortization are presented below:

	Cost	Accumulated Amortization	Accumulated Impairment	Net
June 30, 2024				
License agreements and collaboration agreements	\$ 3,715.1	\$ (1,422.5)	\$ (19.6)	\$ 2,273.0
Customer relationships	741.8	(527.8)	(5.5)	208.5
Trademarks	311.7	(192.4)	(0.5)	118.8
Product formulations and technology	83.7	(63.0)	—	20.7
Total	<u>\$ 4,852.3</u>	<u>\$ (2,205.7)</u>	<u>\$ (25.6)</u>	<u>\$ 2,621.0</u>
March 31, 2025				
License agreements and collaboration agreements*	\$ 3,569.9	\$ (1,508.4)	\$ (19.6)	\$ 2,041.9
Customer relationships	743.5	(547.6)	(5.5)	190.4
Trademarks	312.6	(202.1)	(0.5)	110.0
Product formulations and technology	83.8	(63.6)	—	20.2
Total	<u>\$ 4,709.8</u>	<u>\$ (2,321.7)</u>	<u>\$ (25.6)</u>	<u>\$ 2,362.5</u>

* On March 21, 2025, the KKW Collaboration Agreement was terminated pursuant to the KKW Sale Agreement. As such, the Company derecognized the remaining KKW Collaboration Agreement carrying amount of \$142.5 as of the termination date.

Amortization expense was \$45.9 and \$48.5 for the three months ended March 31, 2025 and 2024, respectively and \$141.3 and \$145.4 for the nine months ended March 31, 2025 and 2024, respectively.

8. LEASES

The Company leases office facilities under non-cancelable operating leases with terms generally ranging between 4 and 25 years. The Company utilizes these leased office facilities for use by its employees in countries in which the Company conducts its business. Leases are negotiated with third parties and, in some instances contain renewal, expansion and termination options. The Company also subleases certain office facilities to third parties when the Company no longer intends to utilize the space. None of the Company's leases restricts the payment of dividends or the incurrence of debt or additional lease obligations, or contain significant purchase options.

The following chart provides additional information about the Company's operating leases:

Lease Cost:	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Operating lease cost	\$ 17.7	\$ 18.8	\$ 55.9	\$ 56.6
Short-term lease cost	0.8	1.2	2.2	2.0
Variable lease cost	10.9	11.5	33.4	31.1
Sublease income	(3.1)	(4.2)	(10.5)	(12.6)
Net lease cost	<u>\$ 26.3</u>	<u>\$ 27.3</u>	<u>\$ 81.0</u>	<u>\$ 77.1</u>
Other information:				
Operating cash outflows from operating leases	\$ (16.8)	\$ (18.0)	\$ (51.7)	\$ (55.2)
Right-of-use assets obtained in exchange for lease obligations	\$ 33.6	\$ (2.0)	\$ 52.7	\$ 30.7
Weighted-average remaining lease term - real estate			6.4 years	6.9 years
Weighted-average discount rate - real estate leases			4.32 %	4.51 %

Future minimum lease payments for the Company's operating leases are as follows:

Fiscal Year Ending June 30,		
2025, remaining	\$	18.6
2026		66.9
2027		60.0
2028		49.5
2029		42.3
Thereafter		90.8
Total future lease payments	\$	328.1
Less: imputed interest		(44.7)
Total present value of lease liabilities	\$	283.4
Current operating lease liabilities		58.6
Long-term operating lease liabilities		224.8
Total operating lease liabilities	\$	283.4

9. DEBT

The Company's debt balances consisted of the following as of March 31, 2025 and June 30, 2024, respectively:

	March 31, 2025	June 30, 2024
Short-term debt	\$ 5.1	\$ —
Senior Secured Notes (a)		
2026 Dollar Senior Secured Notes due April 2026	350.0	650.0
2026 Euro Senior Secured Notes due April 2026	758.3	748.1
2027 Euro Senior Secured Notes due May 2027	541.6	534.3
2028 Euro Senior Secured Notes due September 2028	541.6	534.3
2029 Dollar Senior Secured Notes due January 2029	500.0	500.0
2030 Dollar Senior Secured Notes due July 2030	750.0	750.0
2018 Coty Credit Agreement		
Coty Revolving Credit Facility due July 2028 (b)	401.7	—
Senior Unsecured Notes		
2026 Euro Notes due April 2026	—	192.7
Finance lease obligations & other long term debt	10.5	4.3
Total debt	3,858.8	3,913.7
Less: Short-term debt and current portion of long-term debt	(9.4)	(3.0)
Total Long-term debt	3,849.4	3,910.7
Less: Unamortized financing fees and discounts on long-term debt	(53.3)	(68.9)
Total Long-term debt, net	\$ 3,796.1	\$ 3,841.8

^(a) As described further below, a covenant suspension period is in effect for each of the Senior Secured Notes, and in certain cases a collateral release, due to the achievement of investment grade ratings for such notes in September 2024.

^(b) The current portion of long-term debt includes swingline loans outstanding under the Company's revolving credit facility of \$0.0 and \$0.0 as of March 31, 2025 and June 30, 2024, respectively.

Short-Term Debt

The Company maintains short-term lines of credit and other short-term debt with financial institutions around the world. As of March 31, 2025, total short-term debt increased by \$5.1 from nil as of June 30, 2024. In addition, the Company had undrawn letters of credit of \$4.1 and \$4.1, and bank guarantees of \$16.9 and \$18.4 as of March 31, 2025 and June 30, 2024, respectively.

Long-Term Debt

Recent Developments

Redemption

On December 6, 2024, the Company redeemed the remaining €180.3 (approximately \$190.6) of the 2026 Euro Notes.

Cash Tender Offer

On December 10, 2024, the Company completed its previously announced cash tender offer and redeemed \$300.0 of the Company's 2026 Dollar Senior Secured Notes (as defined below).

Senior Secured Notes

On July 26, 2023, the Company issued an aggregate principal amount of \$750.0 of 6.625% senior secured notes due 2030 ("2030 Dollar Senior Secured Notes") in a private offering. Coty received net proceeds of \$740.6 in connection with the offering of the 2030 Dollar Senior Secured Notes.

On September 19, 2023, the Company issued an aggregate principal amount of €500.0 million of 5.750% senior secured notes due 2028 ("2028 Euro Senior Secured Notes") in a private offering. Coty received net proceeds of €493.8 million in connection with the offering of the 2028 Euro Senior Secured Notes.

On May 30, 2024, the Company issued an aggregate principal amount of €500.0 million of 4.50% senior secured notes due 2027 ("2027 Euro Senior Secured Notes" and, together with the 2026 Dollar Senior Secured Notes, 2026 Euro Senior Secured Notes, 2028 Euro Senior Secured Notes, 2029 Dollar Senior Secured Notes and 2030 Dollar Senior Secured Notes, the "Senior Secured Notes") in a private offering. Coty received net proceeds of €493.7 million in connection with the offering of the 2027 Euro Senior Secured Notes.

The Senior Secured Notes are senior secured obligations of Coty and are guaranteed on a senior secured basis by each of Coty's wholly-owned domestic subsidiaries that guarantees Coty's obligations under its existing senior secured credit facilities and are secured by first priority liens on the same collateral that secures Coty's obligations under its existing senior secured credit facilities, as described above. The Senior Secured Notes and the guarantees are equal in right of payment with all of Coty's and the guarantors' respective existing and future senior indebtedness and are *pari passu* with all of Coty's and the guarantors' respective existing and future indebtedness that is secured by a first priority lien on the collateral, including the existing senior secured credit facilities, to the extent of the value of such collateral. Upon the respective Senior Secured Notes achieving investment grade ratings from two out of the three ratings agencies, the Senior Secured Notes provide for certain collateral release and covenant suspension provisions, as follows:

- for the 2026 Dollar Senior Secured Notes and the 2026 Euro Senior Secured Notes, the guarantees and certain covenants will be released;
- for the 2027 Euro Senior Secured Notes, the 2028 Euro Senior Secured Notes and the 2030 Dollar Senior Secured Notes, the collateral security, the guarantees and certain covenants will be released; and
- for the 2029 Dollar Senior Secured Notes, the collateral security relating to the co-issuers and guarantors, the guarantees and certain covenants will be released;

in each case subject to reinstatement if those ratings agencies withdraw their investment grade rating for the respective notes. As of September 2024, each of the Senior Secured Notes achieved an investment grade rating from two ratings agencies, and therefore, the applicable collateral release and covenant suspension periods are in effect for the respective Senior Secured Notes as described above.

For prior debt issuances not disclosed above, please refer to Note 14 — Debt in Coty's Annual Report on Form 10-K for the fiscal year ended June 30, 2024 ("Fiscal 2024 Form 10-K").

Optional Redemption

Applicable Premium

The indentures governing the Senior Secured Notes specify the Applicable Premium (as defined in the respective indentures) to be paid upon early redemption of some or all of the Senior Secured Notes prior to, and on or after, April 15, 2023 for the 2026 Euro Senior Secured Notes and 2026 Dollar Senior Secured Notes, September 15, 2025 for the 2028 Euro Senior Secured Notes, May 15, 2026 for the 2027 Euro Senior Secured Notes, January 15, 2025 for the 2029 Dollar Senior Secured Notes and July 15, 2026 for the 2030 Dollar Senior Secured Notes (the "Early Redemption Dates").

The Applicable Premium related to the respective Senior Secured Notes on any redemption date and as calculated by the Company is the greater of:

- (1) 1.0% of the then outstanding principal amount of the respective Senior Secured Notes; and
- (2) the excess, if any, of (a) the present value at such redemption date of (i) the redemption price of such respective Senior Secured Notes that would apply if such respective notes were redeemed on the respective Early Redemption Dates, (such redemption price is expressed as a percentage of the principal amount being set forth in the table appearing in the Redemption Pricing section below), plus (ii) all remaining scheduled payments of interest due on the respective Senior Secured Notes to and including the respective Early Redemption Dates, (excluding accrued but unpaid interest, if any, to, but excluding, the redemption date), with respect to each of subclause (i) and (ii), computed using a discount rate equal to the Treasury Rate in the case of the 2026 Dollar Senior Secured Notes, 2029 Dollar Senior Secured Notes and 2030 Dollar Senior Secured Notes, or Bund Rate in the case of the 2026 Euro Senior Secured Notes and the 2028 Euro Senior Secured Notes (both Treasury Rate and Bund Rate as defined in the respective indentures) as of such redemption date plus 50 basis points; over (b) the principal amount of the respective Senior Secured Notes.

Redemption Pricing

At any time and from time to time prior to the Early Redemption Dates, the Company may redeem some or all of the respective notes at redemption prices equal to 100% of the respective principal amounts being redeemed plus the Applicable Premium, plus accrued and unpaid interest, if any, to, but excluding, the redemption dates.

At any time on or after the Early Redemption Dates, the Company may redeem some or all of the respective notes at the redemption prices (expressed in percentage of principal amount) set forth below, plus accrued and unpaid interest, if any, to, but excluding, the redemption dates, if redeemed during the twelve-month period beginning on respective dates of each of the years indicated below:

For the period beginning	Price						
	2026 Dollar Senior Secured Notes	2026 Euro Senior Secured Notes	2027 Euro Senior Secured Notes		2028 Euro Senior Secured Notes	2029 Dollar Senior Secured Notes	2030 Dollar Senior Secured Notes
Year	April 15,		May 15,	November 15,	September 15	January 15,	July 15,
2025	100.000%	100.000%	N/A	N/A	102.875%	102.375%	N/A
2026	N/A	N/A	102.250%	100.000%	101.438%	101.188%	103.313%
2027	N/A	N/A	100.000%	N/A	100.000%	100.000%	101.656%
2028 and thereafter	N/A	N/A	N/A	N/A	100.000%	100.000%	100.000%

2018 Coty Credit Agreement

On April 5, 2018, the Company entered into an amended and restated credit agreement (the "2018 Coty Credit Agreement"), which, as previously disclosed, was amended most recently in July 2023.

As amended and restated through July 2023, the 2018 Coty Credit Agreement provides for (a) the incurrence by the Company of (1) a senior secured term A facility in an aggregate principal amount of (i) \$1,000.0 million denominated in U.S. dollars and (ii) €2,035.0 million denominated in euros (the "2018 Coty Term A Facility") and (2) a senior secured term B facility in an aggregate principal amount of (i) \$1,400.0 million denominated in U.S. dollars and (ii) €850.0 million denominated in euros (the "2018 Coty Term B Facility") and (b) the incurrence by the Company and Coty B.V., a Dutch subsidiary of the Company (the "Dutch Borrower" and, together with the Company, the "Borrowers"), of two tranches of senior secured revolving credit commitments, one in an aggregate principal amount of \$1,670.0 million available in U.S. dollars and certain other currencies and the other in an aggregate principal amount of €300.0 million available in euros, maturing in July 2028 (together, the "Coty Revolving Credit Facility" (and together with the 2018 Coty Term A Facility and the 2018 Coty Term B Facility, the "Coty Credit Facilities"). The July 2023 amendment also (i) provided for a credit spread adjustment of 0.10% for all interest periods, with respect to Secured Overnight Financing Rate ("SOFR") loans, (ii) added Fitch as a relevant rating agency for purposes of the collateral release provisions and determining applicable interest rates and fees and (iii) provided that certain covenants will cease to apply during a collateral release period. As previously disclosed, the Company has repaid all outstanding balances under the 2018 Coty Term A Facility and 2018 Coty Term B Facility and no amounts are outstanding as of September 30, 2024.

The 2018 Coty Credit Agreement, as amended, provides that with respect to the Coty Revolving Credit Facility, up to \$150.0 is available for letters of credit and up to \$150.0 is available for swing line loans. The 2018 Coty Credit Agreement, as amended, also permits, subject to certain terms and conditions, the incurrence of incremental facilities thereunder in an aggregate amount of (i) \$1,700.0 plus (ii) an unlimited amount if the First Lien Net Leverage Ratio (as defined in the 2018 Coty Credit Agreement, as amended), at the time of incurrence of such incremental facilities and after giving effect thereto on a pro forma basis, is less than or equal to 3.00 to 1.00.

The obligations of the Company under the 2018 Coty Credit Agreement, as amended, are guaranteed by the material wholly-owned subsidiaries of the Company organized in the U.S., subject to certain exceptions (the “Guarantors”) and the obligations of the Company and the Guarantors under the 2018 Coty Credit Agreement, as amended, are secured by a perfected first priority lien (subject to permitted liens) on substantially all of the assets of the Company and the Guarantors, subject to certain exceptions. The Dutch Borrower does not guarantee the obligations of the Company under the 2018 Coty Credit Agreement or grant any liens on its assets to secure any obligations under the 2018 Coty Credit Agreement. The collateral security and certain covenants will be released upon the Company achieving investment grade ratings on its corporate rating from two out of the three ratings agencies, subject to certain additional conditions and subject to reversion if those ratings agencies withdraw their investment grade rating.

Senior Unsecured Notes

On April 5, 2018 the Company issued, at par, \$550.0 of 6.50% senior unsecured notes due 2026 (the “2026 Dollar Notes”), €550.0 million of 4.00% senior unsecured notes due 2023 (the “2023 Euro Notes”) and €250.0 million of 4.75% senior unsecured notes due 2026 (the “2026 Euro Notes” and, together with the 2023 Euro Notes, the “Euro Notes,” and the Euro Notes together with the 2026 Dollar Notes, the “Senior Unsecured Notes”) in a private offering.

On December 7, 2023, the Company redeemed \$150.0 of the 2026 Dollar Notes, and on May 30, 2024, the Company redeemed the remaining \$323.0 of the 2026 Dollar Notes.

On December 6, 2024, the Company redeemed the remaining €180.3 (approximately \$190.6) of the 2026 Euro Notes.

Deferred Financing Costs

The Company wrote off unamortized deferred issuance fees and discounts of \$0.0 and \$0.0 during the three months ended March 31, 2025 and 2024, respectively, and \$1.6 and \$7.4 during the nine months ended March 31, 2025 and 2024, respectively, which were recorded in Other expense, net in the Condensed Consolidated Statement of Operations. Additionally, the Company capitalized deferred issuance fees of \$0.0 and \$0.0 during the three months ended March 31, 2025 and 2024, respectively and \$0.0 and \$40.4 during the nine months ended March 31, 2025 and 2024.

Interest

The 2018 Coty Credit Agreement facilities will bear interest at rates equal to, at the Company’s option, either:

(1) SOFR of the applicable qualified currency, of which the Company can elect the applicable one, two, three, six or twelve month rate, plus the applicable margin; or

(2) Alternate base rate (“ABR”) plus the applicable margin.

In the case of the Coty Revolving Credit Facility, the applicable margin means the lesser of a percentage per annum to be determined in accordance with the leverage-based pricing grid and the debt rating-based grid below:

Pricing Tier	Total Net Leverage Ratio:	SOFR plus:	Alternative Base Rate Margin:
1.0	Greater than or equal to 4.75:1	2.000%	1.000%
2.0	Less than 4.75:1 but greater than or equal to 4.00:1	1.750%	0.750%
3.0	Less than 4.00:1 but greater than or equal to 2.75:1	1.500%	0.500%
4.0	Less than 2.75:1 but greater than or equal to 2.00:1	1.250%	0.250%
5.0	Less than 2.00:1 but greater than or equal to 1.50:1	1.125%	0.125%
6.0	Less than 1.50:1	1.000%	—%

Pricing Tier	Debt Ratings (S&P/Fitch/Moody’s):	SOFR plus:	Alternative Base Rate Margin:
5.0	Less than BB+/Ba1	2.000%	1.000%
4.0	BB+/Ba1	1.750%	0.750%
3.0	BBB-/Baa3	1.500%	0.500%
2.0	BBB/Baa2	1.250%	0.250%
1.0	BBB+/Baa1 or higher	1.125%	0.125%

Fair Value of Debt

	March 31, 2025		June 30, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Senior Secured Notes	\$ 3,441.5	\$ 3,472.9	\$ 3,716.7	\$ 3,719.7
2018 Coty Credit Agreement	401.7	401.7	—	—
Senior Unsecured Notes	—	—	192.7	192.8

The fair value of the Coty Revolving Credit Facility is equal to its carrying value, as the Company has the ability to repay the outstanding principal at par value at any time. The Company uses the market approach to value its other debt instruments. The Company obtains fair values from independent pricing services or utilizes the U.S. dollar SOFR curve to determine the fair value of these debt instruments. Based on the assumptions used to value these liabilities at fair value, these debt instruments are categorized as Level 2 in the fair value hierarchy.

Debt Maturities Schedule

Aggregate maturities of the Company's long-term debt, including the current portion of long-term debt and excluding short-term debt and finance lease obligations as of March 31, 2025, are presented below:

Fiscal Year Ending June 30,	
2025, remaining	\$ —
2026	1,108.3
2027	541.6
2028	—
2029	1,443.3
Thereafter	750.0
Total	<u>\$ 3,843.2</u>

Covenants

The 2018 Coty Credit Agreement contains affirmative and negative covenants. The negative covenants include, among other things, limitations on debt, liens, dispositions, investments, fundamental changes, restricted payments and affiliate transactions. With certain exceptions as described below, the 2018 Coty Credit Agreement, as amended, includes a financial covenant that requires us to maintain a Total Net Leverage Ratio (as defined below), equal to or less than the ratios shown below for each respective test period.

Quarterly Test Period Ending	Total Net Leverage Ratio ^(a)
March 31, 2025 through July 11, 2028	4.00 to 1.00

^(a) Total Net Leverage Ratio means, as of any date of determination, the ratio of: (a) (i) Total Indebtedness minus (ii) unrestricted and Cash Equivalents of the Parent Borrower and its Restricted Subsidiaries as determined in accordance with GAAP to (b) Adjusted EBITDA for the most recently ended Test Period (each of the defined terms, including Adjusted EBITDA, used within the definition of Total Net Leverage Ratio have the meanings ascribed to them within the 2018 Coty Credit Agreement, as amended). Adjusted EBITDA, as defined in the 2018 Coty Credit Agreement, as amended, includes certain add backs related to cost savings, unusual events such as COVID-19, operating expense reductions and future unrealized synergies subject to certain limits and conditions as specified in the 2018 Coty Credit Agreement, as amended.

In the four fiscal quarters following the closing of any Material Acquisition (as defined in the 2018 Coty Credit Agreement, as amended), including the fiscal quarter in which such Material Acquisition occurs, the maximum Total Net Leverage Ratio shall be the lesser of (i) 5.95 to 1.00 and (ii) 1.00 higher than the otherwise applicable maximum Total Net Leverage Ratio for such quarter (as set forth in the table above). Immediately after any such four fiscal quarter period, there shall be at least two consecutive fiscal quarters during which the Company's Total Net Leverage Ratio is no greater than the maximum Total Net Leverage Ratio that would otherwise have been required in the absence of such Material Acquisition, regardless of whether any additional Material Acquisitions are consummated during such period.

As of March 31, 2025, the Company was in compliance with all covenants contained within the 2018 Coty Credit Agreement, as amended.

10. INTEREST EXPENSE, NET

Interest expense, net for the three and nine months ended March 31, 2025 and 2024, respectively, is presented below:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Interest expense	\$ 50.2	\$ 58.8	\$ 167.3	\$ 187.3
Foreign exchange losses, net of derivative contracts	1.9	4.6	8.0	15.1
Interest income	(4.2)	(3.0)	(11.2)	(12.1)
Total interest expense, net	<u>\$ 47.9</u>	<u>\$ 60.4</u>	<u>\$ 164.1</u>	<u>\$ 190.3</u>

11. EMPLOYEE BENEFIT PLANS

The components of net periodic benefit cost for pension plans and other post-employment benefit plans recognized in the Condensed Consolidated Statements of Operations are presented below:

	Three Months Ended March 31,							
	Pension Plans				Other Post-Employment Benefits		Total	
	U.S.		International					
	2025	2024	2025	2024	2025	2024	2025	2024
Service cost	—	—	1.4	1.3	0.1	0.2	1.5	1.5
Interest cost	0.2	0.2	3.0	3.2	0.4	0.4	3.6	3.8
Expected return on plan assets	—	—	(1.3)	(1.2)	—	—	(1.3)	(1.2)
Amortization of prior service credit	—	—	—	—	—	(0.1)	—	(0.1)
Amortization of net (gain) loss	—	(0.2)	(0.3)	(0.6)	(0.7)	(0.6)	(1.0)	(1.4)
Net periodic benefit cost (credit)	<u>0.2</u>	<u>—</u>	<u>2.8</u>	<u>2.7</u>	<u>(0.2)</u>	<u>(0.1)</u>	<u>2.8</u>	<u>2.6</u>
	Nine Months Ended March 31,							
	Pension Plans				Other Post-Employment Benefits		Total	
	U.S.		International					
	2025	2024	2025	2024	2025	2024	2025	2024
Service cost	—	—	4.0	3.9	0.3	0.4	4.3	4.3
Interest cost	0.6	0.6	9.0	9.6	1.2	1.2	10.8	11.4
Expected return on plan assets	—	—	(3.9)	(3.6)	—	—	(3.9)	(3.6)
Amortization of prior service credit	—	—	—	—	—	(0.3)	—	(0.3)
Amortization of net (gain) loss	—	(0.6)	(0.9)	(1.8)	(2.1)	(1.8)	(3.0)	(4.2)
Net periodic benefit cost (credit)	<u>0.6</u>	<u>—</u>	<u>8.2</u>	<u>8.1</u>	<u>(0.6)</u>	<u>(0.5)</u>	<u>8.2</u>	<u>7.6</u>

12. DERIVATIVE INSTRUMENTS

Foreign Exchange Risk

The Company is exposed to foreign currency exchange fluctuations through its global operations. The Company may reduce its exposure to fluctuations in the cash flows associated with changes in foreign exchange rates by creating offsetting positions through the use of derivative instruments and also by designating foreign currency denominated borrowings and cross-currency swaps as hedges of net investments in foreign subsidiaries. The Company expects that through hedging, any gain or loss on the derivative instruments would generally offset the expected increase or decrease in the value of the underlying forecasted transactions.

As of March 31, 2025 and June 30, 2024, the notional amount of the outstanding forward foreign exchange contracts designated as cash flow hedges were \$17.3 and \$22.3, respectively.

The Company also uses certain derivatives not designated as hedging instruments consisting primarily of foreign currency forward contracts and cross-currency swaps to hedge intercompany transactions and foreign currency denominated external debt. Although these derivatives were not designated for hedge accounting, the overall objective of mitigating foreign currency exposure is the same for all derivative instruments. For derivatives not designated as hedging instruments, changes in fair value are recorded in the line item in the Condensed Consolidated Statements of Operations to which the derivative relates. As of March 31, 2025 and June 30, 2024, the notional amounts of these outstanding non-designated foreign currency forward contracts were \$930.6 and \$1,797.6, respectively.

Interest Rate Risk

The Company is exposed to interest rate fluctuations related to its variable rate debt instruments. The Company may reduce its exposure to fluctuations in the cash flows associated with changes in the variable interest rates by entering into offsetting positions through the use of derivative instruments, such as interest rate swap contracts. The interest rate swap contracts result in recognizing a fixed interest rate for the portion of the Company's variable rate debt that was hedged. This will reduce the negative and positive impact of increases in the variable rates over the term of the contracts. Hedge effectiveness of interest rate swap contracts is based on a long-haul hypothetical derivative methodology and includes all changes in value.

In December 2023, the Company fully terminated interest rate swap contracts in the notional amount of \$200.0 for a cash receipt of \$2.1. As the forecasted interest expense under the original swap agreements is still probable, the related gain in accumulated other comprehensive income (loss) ("AOCI/L") will be amortized over the remaining life of the swaps. These interest rate swaps had been designated and qualified as cash flow hedges and were highly effective prior to termination. The Company had no outstanding interest rate swap contracts as of March 31, 2025.

Net Investment Hedge

Foreign currency gains and losses on borrowings designated as a net investment hedge, except ineffective portions, are reported in the cumulative translation adjustment ("CTA") component of AOCI/(L), along with the foreign currency translation adjustments on those investments.

In January 2025, the Company expanded its net investment hedge activity by entering into cross-currency swaps with a gross notional value at inception of \$750.0 and F676.9 (Swiss Franc) maturing in July 2030 and designated these cross-currency swaps as hedges of its net investment in a certain foreign subsidiary.

As of March 31, 2025 and June 30, 2024, the nominal exposures of foreign currency denominated borrowings designated as net investment hedges were €1,576.6 million and €1,611.6 million, respectively. All designated hedge amounts were considered highly effective.

Forward Repurchase Contracts

In December 2022 and November 2023, the Company entered into certain forward repurchase contracts to start hedging for potential \$196.0 and \$294.0 share buyback programs, in 2025 and 2026, respectively. These forward repurchase contracts are accounted for at fair value, with changes in the fair value recorded in Other expense, net in the Condensed Consolidated Statements of Operations.

In December 2024, the Company entered into an agreement to extend the maturity date of the December 2022 forward repurchase contracts by one year to fiscal 2026. Refer to Note 13—Equity and Convertible Preferred Stock.

The Company's forward repurchase contracts include a provision for a potential true-up in cash upon specified changes in the price of Coty's Class A Common Stock relative to the counterparties' initial purchase price (the "Hedge Valuation Adjustment"). In February 2025, the Company paid \$191.1 in Hedge Valuation Adjustments on the forward repurchase contracts. Refer to Note 13—Equity and Convertible Preferred Stock.

Derivative and non-derivative financial instruments which are designated as hedging instruments:

The accumulated gain on foreign currency borrowings classified as net investment hedges in the foreign currency translation adjustment component of AOCI/(L) was \$20.1 and \$14.6 as of March 31, 2025 and June 30, 2024, respectively.

In September 2020, the Company terminated its net investment cross-currency swap derivative with a notional amount of \$550.0 in exchange for a cash payment of \$37.6. The loss related to this termination of \$(37.6) is included in AOCI/(L) as of March 31, 2025 and June 30, 2024, and will remain until the sale or substantial liquidation of the underlying net investments.

The accumulated loss on derivative instruments classified as net investment hedges in the foreign currency translation adjustment component of AOCI/(L) was \$(46.6) and \$(37.6) as of March 31, 2025 and June 30, 2024, respectively.

The amount of gains and losses recognized in Other comprehensive income (loss) ("OCI") in the Condensed Consolidated Balance Sheets related to the Company's derivative and non-derivative financial instruments which are designated as hedging instruments is presented below:

Gain (Loss) Recognized in OCI	Three Months Ended March 31,			Nine Months Ended March 31,	
	2025	2024		2025	2024
Foreign exchange forward contracts	\$ (1.3)	\$ 0.4	\$	(0.2)	\$ 0.4
Interest rate swap contracts	—	—	—	—	(0.1)
Cross-currency swap contracts	(9.0)	—	(9.0)	—	—
Net investment hedges	(40.1)	22.1	5.5	12.2	

The accumulated gain on derivative instruments classified as cash flow hedges in AOCI/(L), net of tax, was \$(0.1) and \$2.1 as of March 31, 2025 and June 30, 2024, respectively. The estimated net gain related to these effective hedges that is expected to be reclassified from AOCI/(L) into earnings within the next twelve months is \$(0.1). As of March 31, 2025, all of the Company's remaining foreign currency forward contracts designated as hedges were highly effective.

The amount of gains and losses reclassified from AOCI/(L) to the Condensed Consolidated Statements of Operations related to the Company's derivative financial instruments which are designated as hedging instruments is presented below:

Location and Amount of Gain (Loss) Recognized in Income on Cash Flow Hedging Relationships		Three Months Ended March 31,			
		2025		2024	
		Cost of sales	Interest expense, net	Cost of sales	Interest expense, net
Foreign exchange forward contracts:					
Amount of gain (loss) reclassified from AOCI into income		\$ 0.8	\$ —	\$ (0.3)	\$ —
Interest rate swap contracts:					
Amount of gain (loss) reclassified from AOCI into income		—	0.4	—	0.4

Location and Amount of Gain (Loss) Recognized in Income on Cash Flow Hedging Relationships		Nine Months Ended March 31,			
		2025		2024	
		Cost of sales	Interest expense, net	Cost of sales	Interest expense, net
Foreign exchange forward contracts:					
Amount of gain (loss) reclassified from AOCI into income		\$ 1.7	\$ —	\$ (2.4)	\$ —
Interest rate swap contracts:					
Amount of gain (loss) reclassified from AOCI into income		—	1.2	—	1.6

Derivatives not designated as hedging:

The amount of gains and losses related to the Company's derivative financial instruments not designated as hedging instruments is presented below:

Condensed Consolidated Statements of Operations Classification of Gain (Loss) Recognized in Operations		Three Months Ended March 31,		Nine Months Ended March 31,	
		2025	2024	2025	2024
Foreign exchange contracts	Selling, general and administrative expenses	\$ (0.7)	\$ —	\$ (0.3)	\$ (0.1)
Foreign exchange contracts ^(a)	Interest expense, net	12.0	(23.1)	(10.8)	(20.4)
Foreign exchange and forward repurchase contracts	Other income (expense), net	(78.5)	(17.0)	(246.6)	(20.6)

^(a) The losses and gains for these foreign exchange contracts were offset against the gains and losses from revaluation of debt denominated in foreign currency included in Interest expense, net.

13. EQUITY AND CONVERTIBLE PREFERRED STOCK

Common Stock

As of March 31, 2025, the Company's common stock consisted of Class A Common Stock with a par value of \$0.01 per share. The holders of Class A Common Stock are entitled to one vote per share. As of March 31, 2025, total authorized shares of Class A Common Stock was 1,250.0 million and total outstanding shares of Class A Common Stock was 872.3 million.

On September 29, 2023 and October 2, 2023, the Company issued a total of 33.0 million shares of Class A common stock, par value \$0.01 per share, at a public offering price of \$10.80 (or €10.28) per share in a global offering (the "Offering"). The Company also announced the admission to listing and trading of its Common Stock on the professional segment of the Euronext Paris.

The Company received \$348.4 from the Offering, net of \$10.0 of underwriting fees. Additionally, the Company incurred \$6.0 in other professional fees. The underwriting fees and other professional fees incurred in connection with the Offering were incremental costs directly attributable to the issuance and thus were presented as a reduction of Equity in the Condensed Consolidated Balance Sheets.

The Company's Majority Stockholder

As of March 31, 2025, JAB Beauty B.V. ("JAB"), the Company's largest stockholder, may be deemed to beneficially own approximately 54% of Coty's Class A Common Stock. This is inclusive of all voting interests of Mr. Peter Harf, the Company's Chairman, and HFS Holdings S.à r.l. ("HFS"), which is beneficially owned by Mr. Harf, including its shares of Convertible Series B Preferred Stock (the "Series B Preferred Stock") on an if converted basis.

The Company's CEO, Sue Nabi, was granted a one-time sign-on award of restricted stock units on June 30, 2021. On October 29, 2021 and September 18, 2023, JAB completed the transfer of 10.0 million and 5.0 million shares of Common Stock, respectively, to Ms. Nabi pursuant to an equity transfer agreement. See Note 14—Share-Based Compensation Plans for additional information.

Series A Preferred Stock

As of March 31, 2025, total authorized shares of preferred stock are 20.0 million. There is one class of Preferred Stock, Series A Preferred Stock with a par value of \$0.01 per share.

As of March 31, 2025, there were 1.0 million shares of Series A authorized, issued, and outstanding. Series A Preferred Stock are not entitled to receive any dividends and have no voting rights except as required by law.

On March 27, 2017, a Series A Preferred Stock subscription agreement was entered into with Lambertus J.H. Becht ("Mr. Becht"), the Company's former Chairman of the Board. Under the terms provided in the subscription agreement, the Series A Preferred Stock immediately vested on the grant date and the holder was entitled to exchange the vested shares after the fifth anniversary of the date of issuance. This exchange right expired on March 27, 2024. The Company has the right to redeem the Series A Preferred Stock (1.0 million shares) at a redemption price of \$0.01 per share. The Company plans to redeem these shares of Series A Preferred Stock in accordance with their terms.

Convertible Series B Preferred Stock

In 2020, the Company completed the issuance and sale to KKR Rainbow Aggregator L.P. ("KKR Aggregator") of 1.0 million shares of Series B Preferred Stock, par value \$0.01 per share, for an aggregate purchase price of \$1,000 per share. On August 27, 2021, KKR Aggregator and its affiliated investment funds sold 146,057 shares of Series B Preferred Stock, to HFS, that is beneficially owned by Peter Harf, a director of the Company.

As a result of various conversions and exchanges of KKR Aggregator's shares of the Series B Preferred Stock, as of December 31, 2021, Kohlberg Kravis Roberts & Co. L.P. and its affiliates ("KKR") has fully redeemed/exchanged all of their Series B Preferred Stock.

Cumulative preferred dividends accrue daily on the Series B Preferred Stock at a rate of 9.0% per year. During the three months ended March 31, 2025 and 2024, the Board of Directors declared dividends on the Series B Preferred Stock of \$3.3 and paid accrued dividends of \$3.3. During the nine months ended March 31, 2025 and 2024, the Board of Directors declared dividends on the Series B Preferred Stock of \$9.9 and paid accrued dividends of \$9.9. As of March 31, 2025 and June 30, 2024, the Series B Preferred Stock had outstanding accrued dividends of \$3.3.

Treasury Stock

Share Repurchase Program

Since February 2014, the Board has authorized the Company to repurchase its Class A Common Stock under approved repurchase programs. On February 3, 2016, the Board authorized the Company to repurchase up to \$500.0 of its Class A Common Stock, and on November 13, 2023, the Board increased the Company's share repurchase authorization by an additional \$600.0 (the "Share Repurchase Program"). Repurchases may be made from time to time at the Company's discretion, based on ongoing assessments of the capital needs of the business, the market price of its Class A Common Stock, and general market conditions. As of March 31, 2025, the Company has \$796.8 remaining under the Share Repurchase Program.

In December 2022 and November 2023, the Company entered into forward repurchase contracts (the "Forward" and together the "Forwards") with three large financial institutions ("Counterparties") to start hedging for potential \$196.0 and \$294.0 share buyback programs in 2025 and 2026, respectively. In December 2024, the Company entered into an agreement to extend the maturity date of the December 2022 forward repurchase contracts by one year to fiscal 2026.

As part of the Forward agreements, the Company will pay interest on the outstanding underlying notional amount of the Forwards held by the Counterparties during the contract periods. The interest rates are variable, based on the United States secured overnight funding rate ("SOFR") plus a spread. The weighted average interest rate plus applicable spread for the December 2022 and November 2023 Forward transactions were 7.3% and 7.7%, respectively, as of March 31, 2025.

In addition, the Forwards include a provision for a potential true-up in cash upon specified changes in the price of the Company's Class A Common Stock relative to the Initial Price ("Hedge Valuation Adjustment"). Such Hedge Valuation adjustment shall not result in a termination date or any adjustment of the number of Coty's Class A Common Stock shares purchased by the Counterparties at inception.

In October 2024, the price of Coty's Class A shares declined below the threshold specified in the Hedge Valuation Adjustment for the November 2023 Forward, which resulted in a cash payment of \$61.8 to the Counterparties. In November 2024, the Company entered into agreements with the Counterparties for a temporary contractual amendment to the Hedge Valuation Adjustment, which was effective from October 2024 through February 2025, resulting in a refund of \$61.8 from the Counterparties. The amendment does not apply to the December 2022 Forward.

In February 2025, the price of Coty's Class A shares declined below the threshold specified in the Hedge Valuation Adjustment for the December 2022 Forward and the November 2023 Forward, which resulted in a cash payment of \$191.1 to the Counterparties. This resulted in a downward adjustment to the initial price at acquisition for these Forwards.

Since the Forwards permit a net cash settlement alternative in addition to the physical settlement, the Company accounted for the Forwards initially and subsequently at their fair value, with changes in the fair value recorded in Other expense, net in the Condensed Consolidated Statement of Operations. See Note 12—Derivative Instruments for additional information.

Dividends

On April 29, 2020, the Board of Directors suspended the payment of dividends on Common Stock. No dividends on Common Stock were declared for the period ended March 31, 2025.

The change in dividends accrued recorded to APIC in the Condensed Consolidated Balance Sheet as of March 31, 2025 and 2024 was nil, which represent dividends no longer expected to vest as a result of forfeitures of outstanding restricted stock units ("RSUs"). In addition, the Company made payments of \$0.1 and \$0.3, of which nil and \$0.1 related to employee taxes, for the previously accrued dividends on RSUs that vested during the nine months ended March 31, 2025 and 2024, respectively.

Total accrued dividends on unvested RSUs and phantom units included in Accrued expenses and other current liabilities are \$0.7 as of March 31, 2025 and June 30, 2024.

Accumulated Other Comprehensive Income (Loss)

	Gain (loss) on Cash Flow Hedges	Foreign Currency Translation Adjustments		Pension and Other Post-Employment Benefit Plans ^(a)	Total
		Loss on Net Investment Hedge	Other Foreign Currency Translation Adjustments		
Balance—July 1, 2024	\$ 2.1	\$ (23.0)	\$ (823.0)	\$ 48.8	\$ (795.1)
Other comprehensive (loss) income before reclassifications	(0.2)	(3.5)	(38.3)	0.8	(41.2)
Net amounts reclassified from AOCI/(L)	(2.0)	—	—	(2.5)	(4.5)
Net current-period other comprehensive loss	(2.2)	(3.5)	(38.3)	(1.7)	(45.7)
Balance—March 31, 2025	<u>\$ (0.1)</u>	<u>\$ (26.5)</u>	<u>\$ (861.3)</u>	<u>\$ 47.1</u>	<u>\$ (840.8)</u>

^(a) For the nine months ended March 31, 2025, other comprehensive income before reclassifications of \$0.8 and net amounts reclassified from AOCI/(L) related to pensions and other post-employment benefit plans included amortization of prior service credits and actuarial losses of \$3.0, net of tax of \$0.5.

	Loss on Cash Flow Hedges	Foreign Currency Translation Adjustments		Pension and Other Post-Employment Benefit Plans	Total
		(Loss) gain on Net Investment Hedge	Other Foreign Currency Translation Adjustments		
Balance—July 1, 2023	\$ 0.7	\$ (49.8)	\$ (667.9)	\$ 54.6	\$ (662.4)
Other comprehensive income (loss) before reclassifications	0.1	12.2	(59.2)	(0.6)	(47.5)
Net amounts reclassified from AOCI/(L)	0.4	—	—	(3.1)	(2.7)
Net current-period other comprehensive income (loss)	0.5	12.2	(59.2)	(3.7)	(50.2)
Balance—March 31, 2024	<u>\$ 1.2</u>	<u>\$ (37.6)</u>	<u>\$ (727.1)</u>	<u>\$ 50.9</u>	<u>\$ (712.6)</u>

14. SHARE-BASED COMPENSATION PLANS

Share-based compensation expense is recognized on a straight-line basis over the requisite service period. Total share-based compensation is shown in the table below:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Equity plan expense ^(a)	\$ 12.6	\$ 20.2	\$ 44.7	\$ 70.3
Liability plan (income) expense	(0.4)	0.3	—	0.1
Fringe expense	—	(0.1)	3.0	3.0
Total share-based compensation expense	<u>\$ 12.2</u>	<u>\$ 20.4</u>	<u>\$ 47.7</u>	<u>\$ 73.4</u>

^(a) Equity plan share-based compensation expense was recorded to additional paid in capital and presented in the Condensed Consolidated Statements of Equity.

As of March 31, 2025, the total unrecognized share-based compensation expense related to stock options, restricted stock units and other share awards, and performance restricted stock units ("PRSUs") is \$0.0, \$116.3, and \$14.5, respectively. The unrecognized share-based compensation expense related to stock options, restricted stock units and other share awards, and PRSUs, is expected to be recognized over a weighted-average period of 0.00, 2.91, and 1.62 years, respectively.

Restricted Stock Units and Other Share Awards

The Company granted nil shares and 3.8 million shares of RSUs and other share awards during the three and nine months ended March 31, 2025, respectively, and nil shares and 4.5 million shares of RSUs and other share awards during the three and nine months ended March 31, 2024, respectively. The Company recognized share-based compensation expense of \$12.8 and \$15.0 for the three months ended March 31, 2025 and 2024, respectively, of which \$5.1 related to Ms. Nabi's award, as described below. The Company recognized share-based compensation expense of \$43.6 and \$63.7 for the nine months ended March 31, 2025 and 2024, respectively, of which \$15.4 and \$31.3 related to Ms. Nabi's award, as described below.

Performance Restricted Stock Units

The Company granted nil and 4.1 million shares of PRSUs, during the three and nine months ended March 31, 2025. The Company granted nil and 3.7 million shares of PRSUs, during the three and nine months ended March 31, 2024. The Company recognized share-based compensation expense of \$(0.6) and \$3.3 for the three months ended March 31, 2025 and 2024, respectively, of which \$(0.8) and \$1.8 related to Ms. Nabi's award, as described below. The Company recognized share-based compensation expense of \$4.0 and \$7.1 for the nine months ended March 31, 2025 and 2024, respectively, of which \$1.1 and \$3.6 related to Ms. Nabi's award, as described below.

Long-term Equity Program for CEO

The Company's CEO, Sue Nabi, was granted a one-time sign-on award of restricted stock units (the "Award") on June 30, 2021. The Award vested and settled in 10.0 million shares of the Company's Class A Common Stock, par value \$0.01 per share, on each of August 31, 2021, August 31, 2022 and August 31, 2023.

In connection with this Award, on October 29, 2021 and September 18, 2023, JAB, the Company's largest stockholder and a wholly-owned subsidiary of JAB Holding Company S.à r.l., completed the transfer of 10.0 million and 5.0 million shares of Class A Common Stock, respectively, to Ms. Nabi.

On August 31, 2023 and 2022, the Company issued 5.0 million and 10.0 million shares of Class A Common Stock, respectively, to Ms. Nabi in connection with the third and second vesting of the Award.

Pursuant to the term of the amended employment agreement on May 4, 2023, the Company granted Ms. Nabi a one-time award of 10,416,667 RSUs and will grant a total of 10,416,665 PRSUs in five equal tranches over the next five years. These two awards will vest periodically over the next seven years in accordance with the terms discussed below.

Ms. Nabi's 10,416,667 RSUs will vest and settle in shares of the Company's Class A Common Stock, par value \$0.01 per share over five years on the following vesting schedule: (i) 15% on September 1, 2024, (ii) 15% on September 1, 2025, (iii) 20% on September 1, 2026, (iv) 20% on September 1, 2027; and (v) 30% on September 1, 2028, in each case subject to Ms. Nabi's continued employment through the applicable vesting date. The Company will recognize approximately \$109.6 of share-based compensation expense, on a straight-line basis over the vesting period, based on the fair value on the grant date, net of forfeitures. The amount of compensation cost recognized at each vesting date must at least equal the portion of the award legally vested.

The first and second tranche of Ms. Nabi's PRSU award of 2,083,333 shares each shall fully vest on September 1, 2026 and 2027, respectively, subject to the achievement of three-year performance objectives determined by the Board on September 28, 2023 and October 2, 2024 (the grant dates), respectively, and subject to Ms. Nabi's continued employment. The next three tranches of 2,083,333 PRSUs will be granted on or around each September 1 of 2025 through 2027, which shall vest on the third-year anniversary of the respective grant date, subject in each case to the achievement of three-year performance objectives to be determined by the Board. The Company will recognize share-based compensation expense associated with these PRSUs, on a straight-line basis over the vesting period, based on the fair value on the grant date when it is probable that the performance condition will be achieved.

In the event that JAB and Ms. Nabi sell shares of Common Stock for cash in a privately negotiated transaction, subject to Board approval, the Company will grant Ms. Nabi new options to acquire shares of Common Stock (the "Reload Options") in an amount equal to the number of shares sold by Ms. Nabi in such transaction. The Reload Options will have a strike price equal to the greater of the volume weighted average price for shares at the time of the relevant transaction and the fair market value on the date of grant. The potential expense attributed to the Reload Options will be recognized when the Reload Options are granted.

Restricted Stock

The Company granted no shares of restricted stock during the three and nine months ended March 31, 2025, and nil and 0.3 million shares of restricted stock during the three and nine months ended March 31, 2024, respectively. The Company recognized share-based compensation expense of \$0.0 and \$2.0 for the three months ended March 31, 2025 and 2024, respectively, and \$0.0 and \$3.1 for the nine months ended March 31, 2025 and 2024, respectively.

Series A Preferred Stock

The Company granted no shares of Series A Preferred Stock during the three and nine months ended March 31, 2025 and 2024. The Company recognized share-based compensation (income) expense of \$0.0 and \$(0.1) for the three months ended March 31, 2025 and 2024, respectively, and \$0.0 and \$(0.8) for the nine months ended March 31, 2025 and 2024, respectively.

Non-Qualified Stock Options

The Company granted no non-qualified stock options during the three and nine months ended March 31, 2025 and 2024. The Company recognized share-based compensation expense of \$0.0 and \$0.2 for the three months ended March 31, 2025 and 2024, respectively, and \$0.1 and \$0.3 for the nine months ended March 31, 2025 and 2024, respectively.

15. NET (LOSS) INCOME ATTRIBUTABLE TO COTY INC. PER COMMON SHARE

Reconciliation between the numerators and denominators of the basic and diluted income per share ("EPS") computations is presented below:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Amounts attributable to Coty Inc.:				
Net income attributable to Coty Inc.	\$ (405.7)	\$ 3.8	\$ (299.1)	\$ 186.3
Convertible Series B Preferred Stock dividends	(3.3)	(3.3)	(9.9)	(9.9)
Net income (loss) attributable to common stockholders	\$ (409.0)	\$ 0.5	\$ (309.0)	\$ 176.4
Weighted-average common shares outstanding:				
Weighted-average common shares outstanding—Basic	872.1	883.1	870.4	876.7
Effect of dilutive stock options and Series A Preferred Stock ^(a)	—	0.2	—	0.1
Effect of restricted stock and RSUs ^(b)	—	8.7	—	9.3
Effect of Convertible Series B Preferred Stock ^(c)	—	—	—	—
Effect of Forward Repurchase Contracts ^(d)	—	—	—	—
Weighted-average common shares outstanding—Diluted	872.1	892.0	870.4	886.1
Earnings per common share:				
Earnings per common share - basic	\$ (0.47)	\$ —	\$ (0.36)	\$ 0.20
Earnings per common share - diluted ^(e)	(0.47)	—	(0.36)	0.20

^(a) For the three months ended March 31, 2025 and 2024, outstanding stock options with rights to purchase 3.4 million and 1.7 million shares of Common Stock were anti-dilutive and excluded from the computation of diluted EPS. Series A Preferred Stock had no dilutive effect, as the exchange right expired on March 27, 2024. For the nine months ended March 31, 2025 and 2024, outstanding stock options with purchase or conversion rights to purchase 3.5 million and 2.5 million weighted average shares of Common Stock, respectively, were anti-dilutive and excluded from the computation of diluted EPS.

^(b) For the three months ended March 31, 2025 and 2024, there were 14.9 million and nil anti-dilutive RSUs, respectively, excluded from the computation of Diluted EPS. For the three months ended March 31, 2025 and 2024, there were no restricted stock outstanding. For the nine months ended March 31, 2025 and 2024, there were 9.5 million and 1.3 million weighted average anti-dilutive RSUs, respectively, excluded from the computation of diluted EPS.

^(c) For the three and nine months ended March 31, 2025 and 2024, no dilutive shares of Convertible Series B Preferred Stock were included in the computation of diluted EPS as their inclusion would be anti-dilutive.

^(d) For the three and nine months ended March 31, 2025 and 2024, no dilutive shares of the Forward Repurchase Contracts were included in the computation of diluted EPS as their inclusion would be anti-dilutive.

^(e) Diluted EPS is adjusted by the effect of dilutive securities, including awards under the Company's equity compensation plans, the Convertible Series B Preferred Stock, and the Forward Repurchase Contracts. When calculating any potential dilutive effect of stock options, Series A Preferred Stock, restricted stock, and RSUs, the Company uses the treasury method and the if-converted method for the Convertible Series B Preferred Stock and the Forward Repurchase Contracts. The treasury method typically does not adjust the net income attributable to Coty Inc., while the if-converted method requires an adjustment to reverse the impact of the preferred stock dividends of \$3.3, and to reverse the impact of fair market value losses for contracts with the option to settle in shares or cash of \$60.1 and \$7.1.

respectively, if dilutive, for the three months ended March 31, 2025 and 2024 on net income applicable to common stockholders during the period. The if-converted method requires an adjustment to reverse the impact of the preferred stock dividends of \$9.9, and to reverse the impact of fair market value losses for contracts with the option to settle in shares or cash of \$188.9 and \$6.9 respectively, if dilutive, for the nine months ended March 31, 2025 and 2024 on net income applicable to common stockholders during the period.

16. REDEEMABLE NONCONTROLLING INTERESTS

Subsidiary in the Middle East

As of March 31, 2025, the noncontrolling interest holder in the Company's subsidiary in the Middle East had a 25% ownership share. The Company adjusts the redeemable noncontrolling interests ("RNCI") to redemption value at the end of each reporting period with changes recognized as adjustments to APIC. The Company recognized \$101.9 and \$93.6 as the RNCI balances as of March 31, 2025 and June 30, 2024, respectively.

17. COMMITMENTS AND CONTINGENCIES

Legal Matters

The Company is involved, from time to time, in various litigation, administrative and other legal proceedings, including regulatory actions, incidental or related to its business, including consumer class or collective actions, personal injury (mostly involving allegations related to alleged asbestos in the Company's talc-based cosmetic products as described below), intellectual property, competition, compliance and advertising claims litigation and disputes, among others (collectively, "Legal Proceedings"). While the Company cannot predict any final outcomes relating thereto, management believes that the outcome of current Legal Proceedings will not have a material effect upon its business, prospects, financial condition, results of operations, cash flows or the trading price of the Company's securities. However, management's assessment of the Company's current Legal Proceedings is ongoing, and could change in light of the discovery of additional facts with respect to Legal Proceedings not presently known to the Company, further legal analysis, or determinations by judges, arbitrators, juries or other finders of fact or deciders of law which are not in accord with management's evaluation of the probable liability or outcome of such Legal Proceedings. From time to time, the Company is in discussions with regulators, including discussions initiated by the Company, about actual or potential violations of law in order to remediate or mitigate associated legal or compliance risks and liabilities or penalties. As the outcomes of such proceedings are unpredictable, the Company can give no assurance that the results of any such proceedings will not materially affect its reputation, business, prospects, financial condition, results of operations, cash flows or the trading price of its securities.

Cosmetic Talcum Powder Matters. The Company has been named as a defendant in numerous civil actions alleging that certain cosmetic talcum powder products sold by the Company were contaminated with asbestos leading to bodily injury. Most of these actions involve a number of co-defendants and, to date, many such actions have been resolved by settlement or other resolution acceptable to the Company. In each of the previous fiscal years the value of settlements, both individually and in the aggregate, has not been material but, due to the rising number of filed and pending cases against the Company, as well as the evolving litigation landscape, settlement values and other costs associated with these cases are likely to increase in the future. The Company believes that a limited portion of its costs incurred in defending and resolving certain of these claims will be covered by insurance policies issued by several insurance carriers, subject to deductibles, exclusions, retentions and policy limits and in some cases there may be indemnity obligations of third parties. While the Company and its legal counsel intend to continue to defend these cases vigorously, there can be no assurances regarding the ultimate resolution of these matters, individually or collectively. The Company has accrued for such litigation when the likelihood of loss is probable and a reasonable estimate of such loss can be made, and such accruals are not material to the Company's condensed consolidated financial statements. However, the range of reasonably possible losses in excess of accrued liabilities currently cannot be reasonably estimated.

Brazilian Tax Assessments

The Company's Brazilian subsidiaries receive tax assessments from local, state and federal tax authorities in Brazil from time to time. Current open tax assessments as of March 31, 2025 are:

Assessment received	Type of assessment	Type of Tax	Tax period impacted	Estimated amount, including interest and penalties as of March 31, 2025
Aug-20	State sales tax credits, which the Treasury Office of the State of Goiás considers as improperly registered	ICMS	2017-2019	R\$687.2 million (approximately \$119.3)
Oct-20	Federal excise taxes, which the Treasury Office of the Brazil's Internal Revenue Service considers as improperly calculated	IPI	2016-2017	R\$460.0 million (approximately \$79.9)
Nov-22		IPI	2018-2019	R\$625.2 million (approximately \$108.6)
Mar-24		IPI	2020	R\$35.4 million (approximately \$6.2)
Nov-20	State sales taxes, which the Treasury Office of the State of Minas Gerais considers as improperly calculated	ICMS	2016-2019	R\$239.1 million (approximately \$41.5)
Jun-21	State sales tax, which the Treasury Office of the State of Goiás considers as improperly calculated	ICMS	2016-2020	R\$55.7 million (approximately \$9.7)

For the Goiás State tax ICMS assessment received in August 2020, the Company has in parallel a judicial case about an additional claim for fees over the tax incentive ("the Protege Fee") wherein the Company asserts such fee was not enforceable against Coty due to its prior contractual agreement with the Goiás State, for which the Company received an unfavorable first and second instances ruling. In the second quarter of fiscal 2024, the Company filed appeals to be remitted to the third instance Brazilian Superior Court of Justice and, in parallel, filed a motion to grant the suspension of the state's ability to collect the above tax incentives to the Goiás State Court as the case is under discussion. The motion to grant the suspension of the state's ability to collect the above tax incentives was dismissed and, in the last quarter of fiscal 2024, a judge of the Superior Court of Justice ruled against the Company. The Company filed an interlocutory appeal for the full bench of judges on the Superior Court of Justice to review the case. The case was heard in the first half of the current fiscal year, but the case is on hold for review by one of the judges and is now expected to conclude in the second half of the current fiscal year. The Company has been required to provide surety bonds of R\$135.2 million (approximately \$23.5) and cash deposits of R\$151.6 million (approximately \$26.3) as of March 31, 2025, to guarantee payment if the case is resolved against Coty. The cash deposits are included in the Other Noncurrent Assets on the Condensed Consolidated Balance Sheet.

In relation to the judicial case for the Goiás State tax ICMS assessment received in August 2020, an additional case has moved into the judicial court in October 2024, relating to a tax assessment demanding payment of the underlying ICMS taxes due to non-payment of the Protege Fee. The case is running in parallel of the Protege Fee case above. In the third quarter of fiscal 2025, the Goiás State filed a tax enforcement against the Company to collect the ICMS taxes. In response to the enforcement, the Company has filed a motion to stay against the Goiás State seeking the dismissal of the ICMS tax collection and is currently awaiting a decision from the tax authorities. The Company has been required to provide surety bonds of R\$446.2 million (approximately \$77.5) as of March 31, 2025, to guarantee payment if the case is resolved against Coty.

The Minas Gerais State tax ICMS assessment received in November 2020 is currently at the judicial process. The Company has been required to provide surety bonds of R\$311.9 million (approximately \$54.2) as of March 31, 2025, to guarantee payment if the case is resolved against the Company.

All other cases are currently in the administrative process.

The Company expects that cases may move from the administrative to the judicial process in case Coty does not receive a favorable decision at the administrative level, although the exact timing is uncertain. For cases in the judicial process, the Company will be required to make a judicial deposit or enter into a surety bond for the disputed tax assessment, interest and penalties. The judicial process in Brazil is likely to take a number of years to conclude. The Company is seeking favorable judicial and administrative decisions on the tax enforcement actions filed by the tax authorities for these assessments. The Company believes it has meritorious defenses and it has not recognized a loss for these assessments as the Company does not believe a loss is probable.

18. RELATED PARTY TRANSACTIONS

Wella

On December 22, 2021, the Company entered into an agreement with Rainbow UK Bidco Limited (“KKR Bidco”) (an affiliate of funds and/or separately managed accounts advised and/or managed by KKR), related to post-closing adjustments to the purchase consideration for the Coty’s Professional and Retail Hair businesses, including the Wella, Clairol, OPI and ghd brands, (together, the “Wella Business”). In relation to this agreement, the Company recognized a gain of \$2.6 and \$7.2 in the three and nine months ended March 31, 2025, and \$1.4 and \$9.9 in the three and nine months ended March 31, 2024, which is reported in Other expense, net in the Condensed Consolidated Statements of Operations. During the nine months ended March 31, 2025, net cash proceeds received from this contingent consideration arrangement totaled \$15.6.

As of March 31, 2025, Coty owned 25.84% of Wella as an equity investment and performs certain services to Wella. Refer to Note 6— Equity Investments.

In connection with the sale of the Wella Business, the Company and Wella entered into a Transitional Services Agreement (“TSA”) and the Company performed services for Wella in exchange for related service fees. The Company and Wella have mutually agreed to end the contracted TSA services on January 31, 2022, as well as previously existing distribution services in Brazil during the third quarter of fiscal 2024. The Company and Wella continue to have in place manufacturing arrangements to facilitate the Wella Business transition in the U.S. and Brazil. TSA fees and other fees earned were \$0.0 and \$1.4, respectively, for the three months ended March 31, 2025 and \$0.4 and \$4.8, respectively, for the three months ended March 31, 2024. TSA fees and other fees earned were \$0.1 and \$4.4, respectively, for the nine months ended March 31, 2025 and \$2.2 and \$9.8, respectively, for the nine months ended March 31, 2024. Fees are principally invoiced on a cost plus basis and were included in Selling, general and administrative expenses and Cost of sales, respectively, in the Company's Condensed Consolidated Statement of Operations.

The Company also entered into an agreement with Wella to provide management, consulting and financial services. The Company earned \$0.3 and \$1.0 in the three and nine months ended March 31, 2025, respectively, and \$0.3 and \$0.9 in the three and nine months ended March 31, 2024, respectively, which are reflected in Other expense, net in the Condensed Consolidated Statements of Operations.

As of March 31, 2025, accounts receivable from Wella of \$32.4 included in Prepaid expenses and other current assets , in the Company's Condensed Consolidated Balance Sheets. Additionally, as of March 31, 2025, the Company has accrued \$33.3 related to long-term payables due to Wella included in Other noncurrent liabilities in the Company's Condensed Consolidated Balance Sheet.

Coty will continue to recognize the share-based compensation expense for Wella employees until the existing equity awards reach their vesting date. For the three and nine months ended March 31, 2025, Coty recorded \$0.0 and \$0.7, respectively, and for the three and nine months ended March 31, 2024, Coty recorded \$0.5 and \$1.8, respectively, of share-based compensation expense related to Wella employees, which was presented as part of Other expense, net in the Condensed Consolidated Statements of Operations.

The Company has certain sublease arrangements with Wella after the sale of the Wella Business. For the three and nine months ended March 31, 2025, the Company reported sublease income from Wella of \$2.0 and \$6.3, respectively. For the three and nine months ended March 31, 2024, the Company reported sublease income from Wella of \$2.1 and \$6.2, respectively.

19. SUBSEQUENT EVENTS

The Company evaluated the effect of events and transactions subsequent to the condensed consolidated balance sheet date of March 31, 2025 through the date of issuance of the Condensed Consolidated Financial Statements and determined that no subsequent events have occurred that require recognition in the Condensed Consolidated Financial Statements or disclosure in the notes to the Condensed Consolidated Financial Statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of the financial condition and results of operations of Coty Inc. and its consolidated subsidiaries, should be read in conjunction with the information contained in the Condensed Consolidated Financial Statements and related notes included elsewhere in this document, and in our other public filings with the Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K for the fiscal year ended June 30, 2024 ("Fiscal 2024 Form 10-K"). When used in this discussion, the terms "Coty," the "Company," "we," "our," or "us" mean, unless the context otherwise indicates, Coty Inc. and its majority and wholly-owned subsidiaries. Also, when used in this Quarterly Report on Form 10-Q, the term "includes" and "including" means, unless the context otherwise indicates, including without limitation. The following report includes certain non-GAAP financial measures. See "Overview—Non-GAAP Financial Measures" for a discussion of non-GAAP financial measures and how they are calculated.

All dollar amounts in the following discussion are in millions of United States ("U.S.") dollars, unless otherwise indicated.

More information about potential risks and uncertainties that could affect our business and financial results is included under the heading "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report on Form 10-Q and other periodic reports we have filed and may file with the SEC from time to time.

Forward-looking Statements

Certain statements in this Form 10-Q are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, strategic planning, targets and outlook for future reporting periods (including the extent and timing of revenue, expense and profit trends and changes in operating cash flows and cash flows from operating activities and investing activities), the Company's future operations and strategy (including the expected implementation and related impact of its strategic priorities), ongoing and future cost efficiency, optimization and restructuring initiatives and programs, expectations of the impact of inflationary pressures and the timing, magnitude and impact of pricing actions to offset inflationary costs, strategic transactions (including their expected timing and impact), expectations and/or plans with respect to joint ventures (including Wella 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 to continue to pay dividends in cash on preferred stock) and expectations for stock repurchases, investments, licenses and portfolio changes, product launches, relaunches or rebranding (including the expected timing or impact thereof), plans for growth in growth engine markets, channels and other white spaces, synergies, savings, performance, cost, timing and integration of acquisitions, future cash flows, liquidity and borrowing capacity (including any 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 our forward repurchase contracts, the timing and extent of any future impairments, and synergies, savings, impact, cost, timing and implementation of the Company's ongoing strategic transformation agenda (including operational and organizational structure changes, operational execution and simplification initiatives, fixed cost reductions (including our Fixed Cost Reduction Plan), continued process improvements and supply chain changes), the impact, cost, timing and implementation of e-commerce and digital initiatives, the expected impact, cost, timing and implementation of sustainability initiatives (including progress, plans, goals and our ability to achieve sustainability 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, expectations regarding economic recovery in Asia, consumer purchasing trends and the related impact on our plans for growth in China, 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, or due to a change in tariffs or trade policy impacting raw materials) and expectations regarding future service levels and inventory levels, 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 our control, which could cause actual events or results (including our financial condition, results of operations, cash flows and prospects) to differ materially from such statements, including risks and uncertainties relating to:

- our ability to successfully implement our multi-year strategic transformation agenda and compete effectively in the beauty industry, achieve the benefits contemplated by our strategic initiatives (including revenue growth, cost control, gross margin growth and debt deleveraging) and successfully implement our strategic priorities (including stabilizing our consumer beauty brands through leading innovation and improved execution, accelerating our prestige fragrance brands and ongoing expansion into prestige cosmetics, building a comprehensive skincare portfolio, enhancing our organizational growth capabilities including digital, direct-to-consumer ("DTC") and research and development, expanding our presence in growth channels, in China and other growth engine markets, and establishing Coty as an industry leader in sustainability) in each case within the expected time frame or at all;
- our ability to anticipate, gauge and respond to market trends and consumer preferences, which may change rapidly, and the market acceptance of new products, including new products in our skincare and prestige cosmetics portfolios,

- any relaunched or rebranded products and the anticipated costs and discounting associated with such relaunches and rebrands, and consumer receptiveness to our current and future marketing philosophy and consumer engagement activities (including digital marketing and media), and our ability to effectively manage our production and inventory levels in response to demand;
- use of estimates and assumptions in preparing our financial statements, including with regard to revenue recognition, income taxes (including the expected timing and amount of the release of any tax valuation allowance), the assessment of goodwill, other intangible and long-lived assets for impairments, the market value of inventory, and the fair value of the equity investment;
 - the impact of any future impairments;
 - managerial, transformational, operational, regulatory, legal and financial risks, including diversion of management attention to and management of cash flows, expenses and costs associated with our transformation agenda, our global business strategies, the integration and management of our strategic partnerships, and future strategic initiatives, and, in particular, our ability to manage and execute many initiatives simultaneously including any resulting complexity, employee attrition or diversion of resources;
 - the timing, costs and impacts of divestitures and the amount and use of proceeds from any such transactions;
 - future divestitures and the impact thereof on, and future acquisitions, new licenses and joint ventures and the integration thereof with, our business, operations, systems, financial data and culture and the ability to realize synergies, manage supply chain challenges and other business disruptions, reduce costs (including through our cash efficiency initiatives), avoid liabilities and realize potential efficiencies and benefits (including through our restructuring initiatives) at the levels and at the costs and within the time frames contemplated or at all;
 - increased competition, consolidation among retailers, shifts in consumers' preferred distribution and marketing channels (including to digital and prestige channels), distribution and shelf-space resets or reductions, compression of go-to-market cycles, changes in product and marketing requirements by retailers, reductions in retailer inventory levels and order lead-times or changes in purchasing patterns, impact from COVID-19 or similar public health events on retail revenues, and other changes in the retail, e-commerce and wholesale environment in which we do business and sell our products and our ability to respond to such changes (including our ability to expand our digital, direct-to-consumer and e-commerce capabilities within contemplated timeframes or at all);
 - our and our joint ventures', business partners' and licensors' abilities to obtain, maintain and protect the intellectual property used in our and their respective businesses, protect our and their respective reputations (including those of our and their executives or influencers) and public goodwill, and defend claims by third parties for infringement of intellectual property rights;
 - any change to our capital allocation and/or cash management priorities, including any change in our dividend policy and any change in our stock repurchase plans;
 - 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 specifically in connection with our strategic partnerships, risks related to the entry into a new distribution channel, the potential for channel conflict, risks of retaining customers and key employees, difficulties of integration (or the risks associated with limiting integration) and management of the partnerships, our relationships with our strategic partners, our ability to protect trademarks and brand names, litigation, investigations by governmental authorities, and changes in law, regulations and policies that affect the business or products of our strategic partnerships, including risk that direct selling laws and regulations may be modified, interpreted or enforced in a manner that results in a negative impact to the business model, revenue, sales force or business of any of our strategic partnerships;
 - our international operations and joint ventures, including enforceability and effectiveness of our joint venture agreements and reputational, compliance, regulatory, economic and foreign political risks, including difficulties and costs associated with maintaining compliance with a broad variety of complex local and international regulations;
 - our dependence on certain licenses (especially in the fragrance category) and our ability to renew expiring licenses on favorable terms or at all;
 - our dependence on entities performing outsourced functions, including outsourcing of distribution functions, and third-party manufacturers, logistics and supply chain suppliers, and other suppliers, including third-party software providers, web-hosting and e-commerce providers;

- administrative, product development and other difficulties in meeting the expected timing of market expansions, product launches, re-launches and marketing efforts, including in connection with new products in our skincare and prestige cosmetics portfolios;
- changes in the demand for our products due to declining or depressed global or regional economic conditions, and declines in consumer confidence or spending, whether related to the economy (such as austerity measures, tax increases, high fuel costs, or higher unemployment), wars and other hostilities and armed conflicts, natural or other disasters, weather, pandemics, security concerns, terrorist attacks or other factors;
- global political and/or economic uncertainties, disruptions or major regulatory or policy changes, and/or the enforcement thereof that affect our business, financial performance, operations or products, including the impact of the war in Ukraine and any escalation or expansion thereof, armed conflict in the Middle East, the current administration in the U.S. and related changes to regulatory and trade policies, changes in the U.S. tax code and/or tax regulations in other jurisdictions where we operate (including recent and pending implementation of the global minimum corporate tax (part of the “Pillar Two Model Rules”) that may impact our tax liability in the European Union (“EU”)), and recent changes and future changes in tariffs, retaliatory or trade protection measures, trade policies and other international trade regulations in the U.S., the EU, and Asia and in other regions where we operate (and our ability to manage the impact of such changes), potential regulatory limits on payment terms in the EU, future changes in sanctions regulations, recent and future changes in regulations impacting the beauty industry, including regulatory measures addressing products, formulations, raw materials and packaging, and recent and future regulatory measures restricting or otherwise impacting the use of web sites, mobile applications or social media platforms that we use in connection with our digital marketing and e-commerce activities;
- currency exchange rate volatility and currency devaluation and/or inflation;
- our ability to implement and maintain pricing actions to effectively mitigate increased costs and inflationary pressures, and the reaction of customers or consumers to such pricing actions;
- the number, type, outcomes (by judgment, order or settlement) and costs of current or future legal, compliance, tax, regulatory or administrative proceedings, investigations and/or litigation, including product liability cases (including asbestos and talc-related litigation for which indemnities and/or insurance may not be available), distributor or licensor litigation, and compliance, litigation or investigations relating to our joint ventures or strategic partnerships;
- our ability to manage seasonal factors and other variability and to anticipate future business trends and needs;
- disruptions in the availability and distribution of raw materials and components needed to manufacture our products, and our ability to effectively manage our production and inventory levels in response to supply challenges;
- disruptions in operations, sales and in other areas, including due to disruptions in our supply chain, restructurings and other business alignment activities, manufacturing or information technology systems, labor disputes, extreme weather and natural disasters, impact from public health events, the outbreak of war or hostilities (including the war in Ukraine and armed conflict in the Middle East, and any escalation or expansion thereof), the impact of global supply chain challenges or other disruptions in the international flow of goods (including disruptions arising from changing tariff scenarios), and the impact of such disruptions on our ability to generate profits, stabilize or grow revenues or cash flows, comply with our contractual obligations and accurately forecast demand and supply needs and/or future results;
- our ability to adapt our business to address climate change concerns, including through the implementation of new or unproven technologies or processes, and to respond to increasing governmental and regulatory measures relating to environmental, social and governance matters, including expanding mandatory and voluntary reporting, diligence and disclosure, as well as new taxes (including on energy and plastic), new diligence requirements and the impact of such measures or processes on our costs, business operations and strategy;
- restrictions imposed on us through our license agreements, credit facilities and senior unsecured bonds or other material contracts, our ability to generate cash flow to repay, refinance or recapitalize debt and otherwise comply with our debt instruments, and changes in the manner in which we finance our debt and future capital needs;
- increasing dependency on information technology, including as a result of remote working practices, and our ability or the ability of any of the third-party service providers we use to support our business, to protect against service interruptions, data corruption, cyber-based attacks or network security breaches, including ransomware attacks, costs and timing of implementation and effectiveness of any upgrades or other changes to information technology systems, and the cost of compliance or our failure to comply with any privacy or data security laws (including the European Union General Data Protection Regulation (the “GDPR”), the California Consumer Privacy Act and similar state laws, the Brazil General Data Protection Law, and the China Data Security Law and Personal Information Protection Law) or to protect against theft of customer, employee and corporate sensitive information;
- our ability to attract and retain key personnel and the impact of senior management transitions;

- the distribution and sale by third parties of counterfeit and/or gray market versions of our products;
- the impact of our ongoing strategic transformation agenda and continued process improvements on our relationships with key customers and suppliers and certain material contracts;
- our relationship with JAB Beauty B.V., as our majority stockholder, and its affiliates, and any related conflicts of interest or litigation;
- our relationship with KKR, whose affiliate KKR Bidco, is an investor in the Wella Company, and any related conflicts of interest or litigation;
- future sales of a significant number of shares by our majority stockholder or the perception that such sales could occur; and
- other factors described elsewhere in this document and in documents that we file with the SEC from time to time.

More information about potential risks and uncertainties that could affect our business and financial results is included under the heading “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report on Form 10-Q and other periodic reports we have filed and may file with the SEC from time to time.

All forward-looking statements made in this document are qualified by these cautionary statements. These forward-looking statements are made only as of the date of this document, and we do not undertake any obligation, other than as may be required by applicable law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, or changes in future operating results over time or otherwise.

Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance unless expressed as such, and should only be viewed as historical data.

Industry, Ranking and Market Data

Unless otherwise indicated, information contained in this Quarterly Report on Form 10-Q concerning our industry and the markets in which we operate, including our general expectations about our industry, market position, market opportunity and market sizes, is based on data from various sources including internal data and estimates as well as third-party sources widely available to the public, such as independent industry publications, government publications, reports by market research firms or other published independent sources and on our assumptions based on that data and other similar sources. We did not fund and are not otherwise affiliated with the third-party sources that we cite. Industry publications and other published sources generally state that the information contained therein has been obtained from third-party sources believed to be reliable. Internal data and estimates are based upon information obtained from trade and business organizations and other contacts in the markets in which we operate and management’s understanding of industry conditions, and such information has not been verified by any independent sources. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we generally believe the market, industry and other information included in this Quarterly Report on Form 10-Q to be the most recently available and to be reliable, such information is inherently imprecise and we have not independently verified any third-party information or verified that more recent information is not available.

Our fiscal year ends on June 30. Unless otherwise noted, any reference to a year preceded by the word “fiscal” refers to the fiscal year ended June 30 of that year. For example, references to “fiscal 2025” refer to the fiscal year ending June 30, 2025. Any reference to a year not preceded by “fiscal” refers to a calendar year.

OVERVIEW

We are one of the world’s largest beauty companies, with an iconic portfolio of brands across fragrance, color cosmetics, skincare, and body care. Our brands empower people to express themselves freely, creating their own visions of beauty and we are committed to protecting the planet. Our strategic priorities include stabilizing and growing our Consumer Beauty brands, accelerating our Prestige fragrance business and ongoing expansion into Prestige cosmetics, building a comprehensive skincare portfolio, enhancing our organizational growth capabilities including digital and research and development, expanding our presence in growth channels such as the Travel Retail channel, in growth engine markets (Latin America, including Brazil, the Middle East, North and South East Asia, China, Africa, and India), and establishing Coty as an industry leader in sustainability.

Strategic Progress

We have been making progress on our strategic priorities. In Consumer Beauty, we have implemented the relaunch of our top brands. We are now focusing on accelerating our digital advocacy strategy to amplify our brand and product innovations and leveraging consumer analytics and insights to improve the return on investment of our marketing activities. In Prestige, we are accelerating our fragrance business with exceptional new launches and franchise-building extensions, and expanding our premium and ultra-premium category portfolio, while also enhancing the assortment of our Prestige cosmetic products. We are continuing to thoughtfully expand our skincare portfolio (which contributed a low single digit percentage of our first nine months fiscal 2025 net revenue). We continue to expand our e-commerce capabilities across our portfolio, through online launches, our digital advocacy strategy and active participation in key online shopping events. We are adjusting our strategy in step with the beauty market evolution. Our aim is to continue expanding our footprint and diversifying into a limited number of structurally profitable and growing beauty categories and geographic markets at scale. We are leveraging and overdriving our leadership position and best-in-class capabilities in global fragrances to fuel strong expansion—with fragrances already constituting more than 60% of our fiscal 2024 net revenues and an even larger portion of our profits.

During the third quarter of fiscal 2025, we formulated a new plan, which was announced on April 24, 2025, to strengthen our operating model and simplify our fixed cost structure (the “Fixed Cost Reduction Plan”). Cash costs associated with the program include restructuring and business structure realignment costs and are expected to be approximately \$80.0, roughly evenly split between fiscal 2026 and fiscal 2027.

Global Economic Landscape and Business Impact

Our products are sold in approximately 121 countries and territories. As a geographically diverse company we are susceptible to global economic trends, geopolitical conflicts, domestic and foreign governmental policies, and changes in foreign exchange rates. In particular, challenging economic conditions in China have had, and are expected to continue to have, an impact on our strategic initiatives, including our growth agenda in the region for Prestige products and our skincare growth priorities. We remain attentive to economic and geopolitical conditions that may materially impact our business. We also continue to monitor and take actions to address the impact to our Consumer Beauty brands in China.

Recent changes in U.S. and international trade policies—particularly tariff increases—and the ongoing uncertainty surrounding such policies may present challenges to our business operations and financial condition. These challenges may include supply chain disruptions and commodity price volatility, resulting in increases in our cost of goods sold. Under the current tariff framework, the biggest areas of potential challenges for us are prestige fragrances shipped to the U.S. from our Barcelona plant, and the sourcing of various components and marketing materials from China. We estimate additional costs related to tariff increases to be in the range of approximately \$90.0 to \$130.0. The vast majority of these costs are expected to be incurred in fiscal 2026, based on a preliminary analysis of announcements made by the U.S. administration beginning on April 2, 2025, and announcements by U.S. trade partners. In response, we may consider more diversified sourcing strategies, strategic pricing adjustments and cost-reduction initiatives to help offset these pressures and protect our profitability. In addition, reductions in consumer confidence and discretionary spending could impact demand for our products and negatively affect our sales. We are closely monitoring developments, evaluating potential impacts, and proactively taking steps to mitigate adverse effects on our business.

Market Trends and Sales Performance

Changing market trends continue to impact sales of our products across and within product categories and geographic regions.

- *Fragrances:* In the first nine months of fiscal 2025, our fragrance category experienced mid-single digit percentage net revenue growth compared to the previous fiscal year, driven by high-single digit percentage but decelerating growth in the overall fragrance market. Net revenues from prestige fragrances increased by a low-single digit percentage in the first nine months of fiscal 2025, reflecting a deceleration in growth compared to the prior year, as the contribution from our fragrance innovation this fiscal year was more moderate than the contribution from major innovations in the previous fiscal year.
- *Color Cosmetics:* Our net revenues from mass color cosmetics declined by low-double digits percentage during the same period due to a weakening in market demand, particularly in the United States and in several European markets. Our net revenues from prestige color cosmetics declined by a double-digits percentage, impacted by economic conditions in Asia affecting a key brand in the region.
- *Skin and Body Care:* Our skincare portfolio contributed a low-single digit percentage of our first nine months fiscal 2025 net revenue. Competitive pricing actions in Brazil negatively impacted demand for certain of our deodorant brands leading to a high-double digit percentage decline in our body care net revenues during the first nine months of fiscal 2025, despite positive trends in the overall mass body care market.

- *Geographic Regions:* Net revenues in the Americas declined by a mid-single digit percentage during the first nine months fiscal 2025, driven by softness within the color cosmetics market in the United States. Revenues from EMEA increased by a low-single digit percentage due to decelerating growth across most European markets. Net revenues in the Asia Pacific region declined by high-single digit percentage in the first nine months of fiscal 2025, impacted by China and a decline in sales in the Asia Travel Retail channel. Asia Travel Retail channel sales were negatively affected by regulatory restrictions in Asia aimed at formalizing cross-border shopping, which reduced *daigou* (surrogate shopping) purchases.

We expect that some of the market trends may continue into fiscal 2026.

Financial Outlook

We expect that our reported net revenue for fiscal 2025 will decline in the mid-single digit percentage versus the prior year, which includes an estimated low-single digit percentage negative impact of foreign exchange. We anticipate that our annual gross margin will remain in the mid-sixties, providing us with opportunities to fund new product initiatives and support our brands through advertising and consumer promotional investments. In anticipation of a more uncertain demand backdrop, including cautious retailer behavior and a complex macroeconomic environment, we are re-accelerating our cost reduction efforts across to deliver savings of approximately \$120.0 in fiscal 2025. We continue to target advertising and consumer promotional spending in the high-twenties percentage of net revenues. However, our level of advertising and consumer promotional spending will depend on various factors, including seasonality, the timing of product launches, and budgetary considerations.

Non-GAAP Financial Measures

To supplement the financial measures prepared in accordance with GAAP, we use non-GAAP financial measures for continuing operations and Coty Inc. including Adjusted operating income (loss), Adjusted EBITDA, Adjusted net income (loss), and Adjusted net income (loss) attributable to Coty Inc. to common stockholders (collectively, the “Adjusted Performance Measures”). The reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are shown in tables below. These non-GAAP financial measures should not be considered in isolation from, or as a substitute for or superior to, financial measures reported in accordance with GAAP. Moreover, these non-GAAP financial measures have limitations in that they do not reflect all the items associated with the operations of the business as determined in accordance with GAAP. Other companies, including companies in the beauty industry, may calculate similarly titled non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

Despite the limitations of these non-GAAP financial measures, our management uses the Adjusted Performance Measures as key metrics in the evaluation of our performance and annual budgets and to benchmark performance of our business against our competitors. The following are examples of how these Adjusted Performance Measures are utilized by our management:

- strategic plans and annual budgets are prepared using the Adjusted Performance Measures;
- senior management receives a monthly analysis comparing budget to actual operating results that is prepared using the Adjusted Performance Measures; and
- senior management’s annual compensation is calculated, in part, by using some of the Adjusted Performance Measures.

In addition, our financial covenant compliance calculations under our debt agreements are substantially derived from these Adjusted Performance Measures.

Our management believes that Adjusted Performance Measures are useful to investors in their assessment of our operating performance and the valuation of the Company. In addition, these non-GAAP financial measures address questions we routinely receive from analysts and investors and, in order to ensure that all investors have access to the same data, our management has determined that it is appropriate to make this data available to all investors. The Adjusted Performance Measures exclude the impact of certain items (as further described below) and provide supplemental information regarding our operating performance. By disclosing these non-GAAP financial measures, our management intends to provide investors with a supplemental comparison of our operating results and trends for the periods presented. Our management believes these measures are also useful to investors as such measures allow investors to evaluate our performance using the same metrics that our management uses to evaluate past performance and prospects for future performance. We provide disclosure of the effects of these non-GAAP financial measures by presenting the corresponding measure prepared in conformity with GAAP in our

financial statements, and by providing a reconciliation to the corresponding GAAP measure so that investors may understand the adjustments made in arriving at the non-GAAP financial measures and use the information to perform their own analyses.

Adjusted operating income/Adjusted EBITDA from continuing operations excludes restructuring costs and business structure realignment programs, amortization, acquisition- and divestiture-related costs and acquisition accounting impacts, stock-based compensation, and asset impairment charges and other adjustments as described below. For adjusted EBITDA, in addition to the preceding, we exclude adjusted depreciation as defined below. We do not consider these items to be reflective of our core operating performance due to the variability of such items from period-to-period in terms of size, nature and significance. They are primarily incurred to realign our operating structure and integrate new acquisitions, and implement divestitures of components of our business, and fluctuate based on specific facts and circumstances. Additionally, Adjusted net income attributable to Coty Inc. and Adjusted net income attributable to Coty Inc. per common share are adjusted for certain interest and other (income) expense items and preferred stock deemed dividends, as described below, and the related tax effects of each of the items used to derive Adjusted net income as such charges are not used by our management in assessing our operating performance period-to-period.

Adjusted Performance Measures reflect adjustments based on the following items:

- Costs related to acquisition and divestiture activities: We have excluded acquisition- and divestiture-related costs and the accounting impacts such as those related to transaction costs and costs associated with the revaluation of acquired inventory in connection with business combinations because these costs are unique to each transaction. Additionally, for divestitures, we exclude write-offs of assets that are no longer recoverable and contract related costs due to the divestiture. The nature and amount of such costs vary significantly based on the size and timing of the acquisitions and divestitures, and the maturities of the businesses being acquired or divested. Also, the size, complexity and/or volume of past transactions, which often drives the magnitude of such expenses, may not be indicative of the size, complexity and/or volume of any future acquisitions or divestitures.
- Restructuring and other business realignment costs: We have excluded costs associated with restructuring and business structure realignment programs to allow for comparable financial results to historical operations and forward-looking guidance. In addition, the nature and amount of such charges vary significantly based on the size and timing of the programs. By excluding the referenced expenses from our non-GAAP financial measures, our management is able to further evaluate our ability to utilize existing assets and estimate their long-term value. Furthermore, our management believes that the adjustment of these items supplements the GAAP information with a measure that can be used to assess the sustainability of our operating performance.
- Asset impairment charges: We have excluded the impact of asset impairments as such non-cash amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions. Our management believes that the adjustment of these items supplements the GAAP information with a measure that can be used to assess the sustainability of our operating performance.
- Amortization expense: We have excluded the impact of amortization of finite-lived intangible assets, as such non-cash amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions. Our management believes that the adjustment of these items supplements the GAAP information with a measure that can be used to assess the sustainability of our operating performance. Although we exclude amortization of intangible assets from our non-GAAP expenses, our management believes that it is important for investors to understand that such intangible assets contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets.
- Gain on sale and early license termination: We have excluded the impact of gain on sale and early license termination as such amounts are inconsistent in amount and frequency and are significantly impacted by the size of the sale and early license termination.
- Costs related to market exit: We have excluded the impact of direct incremental costs related to our decision to wind down our business operations in Russia. We believe that these direct and incremental costs are inconsistent and infrequent in nature. Consequently, our management believes that the adjustment of these items supplements the GAAP information with a measure that can be used to assess the sustainability of our operating performance.
- Gains on sale of real estate: We have excluded the impact of gains on sale of real estate as such amounts are inconsistent in amount and frequency and are significantly impacted by the size of the sale. Our management believes that the adjustment of these items supplements the GAAP information with a measure that can be used to assess the sustainability of our operating performance.
- Stock-based compensation: Although stock-based compensation is a key incentive offered to our employees, we have excluded the effect of these expenses from the calculation of adjusted operating income and adjusted EBITDA. This is

due to their primarily non-cash nature; in addition, the amount and timing of these expenses may be highly variable and unpredictable, which may negatively affect comparability between periods.

- **Depreciation and Adjusted depreciation:** Our adjusted operating income excludes the impact of accelerated depreciation for certain restructuring projects that affect the expected useful lives of Property, Plant and Equipment, as such charges vary significantly based on the size and timing of the programs. Further, we have excluded adjusted depreciation, which represents depreciation expense net of accelerated depreciation charges, from our adjusted EBITDA. Our management believes that the adjustment of these items supplements the GAAP information with a measure that can be used to assess the sustainability of our operating performance.
- **Other (income) expense:** We have excluded the impact of pension curtailment (gains) and losses and pension settlements as such events are triggered by our restructuring and other business realignment activities and the amount of such charges vary significantly based on the size and timing of the programs. Further, we have excluded the change in fair value of the investment in Wella, as well as expenses related to potential or actual sales transactions reducing equity investments, as our management believes these unrealized (gains) and losses do not reflect our underlying ongoing business, and the adjustment of such impact helps investors and others compare and analyze performance from period to period. Such transactions do not reflect our operating results and we have excluded the impact as our management believes that the adjustment of these items supplements the GAAP information with a measure that can be used to assess the sustainability of our operating performance.
- **Noncontrolling interest:** This adjustment represents the after-tax impact of the non-GAAP adjustments included in Net income attributable to noncontrolling interests based on the relevant noncontrolling interest percentage.
- **Tax:** This adjustment represents the impact of the tax effect of the pretax items excluded from Adjusted net income. The tax impact of the non-GAAP adjustments is based on the tax rates related to the jurisdiction in which the adjusted items are received or incurred. Additionally, adjustments are made for the tax impact of any intra-entity transfer of assets and liabilities. Also, in connection with our market exit in Russia, we have adjusted for the release of tax charges previously taken related to certain direct incremental impacts of the decision.

Constant Currency

We operate on a global basis, with the majority of our net revenues generated outside of the U.S. Accordingly, fluctuations in foreign currency exchange rates can affect our results of operations. Therefore, to supplement financial results presented in accordance with GAAP, certain financial information is presented in “constant currency”, excluding the impact of foreign currency exchange translations to provide a framework for assessing how our underlying businesses performed excluding the impact of foreign currency exchange translations. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period. We calculate constant currency information by translating current and prior-period results for entities reporting in currencies other than U.S. dollars into U.S. dollars using prior year foreign currency exchange rates. The constant currency calculations do not adjust for the impact of revaluing specific transactions denominated in a currency that is different to the functional currency of that entity when exchange rates fluctuate. The constant currency information we present may not be comparable to similarly titled measures reported by other companies.

Basis of Presentation of Acquisitions, Divestitures, Terminations or Market Exit

During the period when we complete an acquisition, divestiture, early license termination, or market exit, the financial results of the current year period are not comparable to the financial results presented in the prior year period. When explaining such changes from period to period and to maintain a consistent basis between periods, we exclude the financial contribution of: (i) the acquired brands or businesses in the current year period until we have twelve months of comparable financial results, and (ii) the divested brands or businesses or early terminated brands or markets exited in the prior year period, to maintain comparable financial results with the current fiscal year period. Acquisitions, divestitures, early license terminations, and market exits that would impact the comparability of financial results between periods presented in the Management’s Discussion and Analysis of Financial Condition and Results of Operations are shown in the table below.

Period of acquisition, divestiture, termination	Acquisition, divestiture, termination	Impact on basis of first, second and third quarter 2025/2024 presentation
Third quarter fiscal 2024	Termination: Lacoste	First and second quarter fiscal 2024 net revenue excluded.

THREE MONTHS ENDED MARCH 31, 2025 AS COMPARED TO THREE MONTHS ENDED MARCH 31, 2024

NET REVENUES

In the three months ended March 31, 2025, net revenues decreased 6%, or \$86.5, to \$1,299.1 from \$1,385.6 in the three months ended March 31, 2024, reflecting a negative price and mix impact of 3% (primarily due to a higher proportion of the total sales coming from lower priced Brazil brands) and negative foreign currency exchange translation impact of 3% (primarily driven by the weakening of the Brazilian Real versus the U.S. dollar). The overall decrease in net revenues reflects declines within color cosmetics across both divisions—primarily due to negative market trends in the United States, China, and several European markets—and declines within Prestige fragrance—primarily due to the expiration of the *Roberto Cavalli* license in the prior year. Net revenues declined across all regions.

Digital and e-commerce channel sales declines also contributed to the decrease in net revenues.

Net Revenues by Segment

(in millions)	Three Months Ended March 31,		Change %
	2025	2024	
NET REVENUES			
Prestige	\$ 829.4	\$ 867.2	(4)%
Consumer Beauty	469.7	518.4	(9)%
Total	\$ 1,299.1	\$ 1,385.6	(6)%

Prestige

In the three months ended March 31, 2025, net revenues from the Prestige segment decreased 4%, or \$37.8 to \$829.4 compared to \$867.2 in the three months ended March 31, 2024, reflecting a decrease in unit volume of 3% (primarily due to [negative market trends in the cosmetics category] and lower sales through the Travel retail channel for Prestige cosmetics) and negative foreign currency exchange translation impact of 1%. The decrease in net revenues primarily reflects:

- Prestige cosmetic sales declines of \$20.6, primarily due to declines from *Kylie* makeup as a result of fewer innovations and declines in sales volume in the Asia Travel Retail channel from *Gucci* makeup as a result of regulations impacting the surrogate shopping purchases. The overall category sales decline can also be attributed to negative market trends in China; and
- Prestige fragrance sales declines of \$12.9, primarily due to the expiration of the *Roberto Cavalli* license in the prior year and negative performance of *Calvin Klein* and *Marc Jacobs*. *Calvin Klein* net revenue was negatively impacted by a reduction in certain channel sales and *Marc Jacobs* net revenue was negatively impacted by lower sales within the United States after lapping the *Marc Jacobs Daisy Wild* launch in the same period last year. The category sales decline was partially offset by successful performance of *Gucci* and *Chloe* from existing brand lines and due to successful innovations such as *Kylie Cosmic 2.0* and *Burberry Hero EDP Intense*. The overall category sales growth from existing brand lines reflect positive but decelerating market trends in North America and Europe.
- Prestige skincare sales declines of \$4.3.

Consumer Beauty

In the three months ended March 31, 2025, net revenues from the Consumer Beauty segment decreased 9%, or \$48.7, to \$469.7 from \$518.4 in the three months ended March 31, 2024, reflecting a negative price and mix impact of 5% (primarily due to negative mix impact from a higher proportion of the net revenues coming from lower priced Brazilian brands and higher discounts and returns in the current period) and a negative foreign currency exchange translation impact of 4% (primarily driven by the weakening of the Brazilian Real versus the U.S. dollar). Volumes for the segment were roughly flat, supported by volume growth in the Brazil skincare and body care categories. Excluding the contribution from the Brazilian brands, the Consumer Beauty segment experienced a decline in sales volume primarily in the color cosmetics category. The decrease in net revenues primarily reflects:

- Color cosmetics sales decline of \$54.2, primarily due to negative market trends in the color cosmetics market in the United States which impacted net revenues from *Sally Hansen* and *Covergirl*. The category sales decline can also be attributed to negative market trends in several European markets. Category net revenue declines were also impacted by increased discounts and returns compared to the prior period; and
- Mass body care decline of \$7.3.

These decreases were partially offset by:

- Mass fragrance sales growth of \$8.5; and
- Mass skincare sales growth of \$4.3.

COST OF SALES

In the three months ended March 31, 2025, cost of sales decreased 4%, or \$21.1, to \$466.7 from \$487.8 in the three months ended March 31, 2024. Cost of sales as a percentage of net revenues increased to 35.9% in the three months ended March 31, 2025 from 35.2% in the three months ended March 31, 2024, resulting in a gross margin decrease of approximately 70 basis points, primarily reflecting:

- (i) approximately 70 basis points, primarily due to an increase in manufacturing and material costs as a percentage of net revenues. This increase in cost ratio was driven by lower net revenues in the current period—reflecting higher returns, discounts, and promotions. Although we achieved improvements in manufacturing efficiency, productivity, and procurement cost optimization, these benefits only partially offset the impact of the reduced net revenue base; and
- (ii) approximately 20 basis points related to an increase in designer license fees due to licensed Prestige brands comprising a larger portion of overall net revenues in the current period and expanded Consumer Beauty collections under licensed brands driving increased license fees.

These increases were partially offset by:

- (i) approximately 20 basis points related to decreased excess and obsolescence costs.

The above reflects a positive impact from pricing net of inflation of approximately 50 basis points.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

In the three months ended March 31, 2025, selling, general and administrative expenses increased 1%, or \$6.9, to \$777.5 from \$770.6 in the three months ended March 31, 2024. Selling, general and administrative expenses as a percentage of net revenues increased to 59.8% in the three months ended March 31, 2025 from 55.6% in the three months ended March 31, 2024, or approximately 420 basis points. This increase primarily reflects:

- (i) 550 basis points due to the loss on the termination of the KKW Collaboration Agreement in the current period;
- (ii) 90 basis points due to unfavorable transactional impact from our exposure to foreign currency as a percentage of net revenues;
- (iii) 30 basis points due to an increase in advertising and consumer promotional costs as a percentage of net revenues; and
- (iv) 20 basis points due to an increase in bad debt expense as a percentage of net revenues.

These increases were partially offset by the following decreases:

- (i) 220 basis points due to a decrease in administrative costs as a result of decreased discretionary compensation for employees;
- (ii) 50 basis points due to a decrease in stock-based compensation expense primarily related to a reduction in expense recognized in connection with awards granted to the CEO; and
- (iii) 20 basis points due to a decrease in logistics costs as a percentage of net revenues.

OPERATING (LOSS)/INCOME

In the three months ended March 31, 2025, operating loss was \$280.4 compared to income of \$77.8 in the three months ended March 31, 2024. Operating loss margin, decreased to (21.6)% in the three months ended March 31, 2025 as compared to operating income margin of 5.6% in the three months ended March 31, 2024. The decrease in operating margin is primarily driven by an increase in asset impairment charges (approximately 1,640 basis points), higher restructuring costs in the current period (approximately 580 basis points), a loss on the termination of the KKW Collaboration Agreement (approximately 550 basis points), unfavorable transactional impact from our exposure to foreign currency (approximately 90 basis points), increase in cost of goods sold as a percentage of net revenues (approximately 70 basis points), an increase in advertising and consumer promotional costs as a percentage of net revenues (approximately 30 basis points), an increase in bad debt expense as a percentage of net revenues (approximately 20 basis points), partially offset by a decrease in fixed costs as a percentage of net revenues (approximately 240 basis points) primarily related to decreased discretionary compensation for employees, and a decrease in stock-based compensation expense (approximately 50 basis points) primarily related to a reduction in expense recognized in connection with a prior year's grant made to the CEO. In addition, a greater proportion of total sales came from higher margin Prestige brands in the current period which positively benefited our operating margin.

Operating Income (Loss) by Segment

(in millions)	Three Months Ended March 31,		Change %
	2025	2024	
Operating income (loss)			
Prestige	\$ 78.7	\$ 108.7	(28)%
Consumer Beauty	(189.5)	(13.3)	<(100)%
Corporate	(169.6)	(17.6)	<(100)%
Total	\$ (280.4)	\$ 77.8	<(100)%

Prestige

In the three months ended March 31, 2025, operating income for Prestige was \$78.7 compared to income of \$108.7 in the three months ended March 31, 2024. Operating margin decreased to 9.5% of net revenues in the three months ended March 31, 2025 as compared to 12.5% in the three months ended March 31, 2024, driven by an increase in asset impairment charges (approximately 520 basis points), unfavorable transactional impact from our exposure to foreign currency (approximately 80 basis points), an increase in advertising and consumer promotional costs as a percentage of net revenues (approximately 40 basis points), partially offset by a decrease in fixed costs as a percentage of net revenues primarily related to decreased discretionary compensation for employees (approximately 310 basis points), and a decrease in cost of goods sold as a percentage of net revenues (approximately 20 basis points).

Consumer Beauty

In the three months ended March 31, 2025, operating loss for Consumer Beauty was \$189.5 compared to loss of \$13.3 in the three months ended March 31, 2024. Operating loss margin decreased to (40.3)% of net revenues in the three months ended March 31, 2025 as compared to (2.6)% in the three months ended March 31, 2024, driven by an increase in asset impairment charges (approximately 3620 basis points), an increase in cost of goods sold as a percentage of net revenues (approximately 230 basis points), an increase in miscellaneous expense primarily related to unfavorable transactional impact from our exposure to foreign currency and other miscellaneous accruals (approximately 200 basis points), partially offset by a decrease in fixed costs as a percentage of net revenues primarily related to decreased discretionary compensation for employees (approximately 270 basis points). Our Consumer Beauty operating income margin was negatively impacted by a higher proportion of Consumer Beauty net revenues generated by the lower margin brands from our Brazilian business.

Corporate

Corporate primarily includes income and expenses not directly relating to our operating activities. These items are included in Corporate since we consider them to be Corporate responsibilities, and these items are not used by our management to measure the underlying performance of the segments.

In the three months ended March 31, 2025, the operating loss for Corporate was \$169.6 compared to a loss of \$17.6 in the three months ended March 31, 2024, as described under "Adjusted Operating Income for Coty Inc." below. The increase in the operating loss for Corporate was primarily driven by a \$88.9 increase in restructuring and other business realignment costs, the loss on the termination of the KKW Collaboration Agreement of \$71.0, partially offset by a \$8.3 decrease in stock-based compensation expense.

Adjusted Operating Income (Loss) by Segment

We believe that adjusted operating income by segment further enhances an investor's understanding of our performance. See "Overview—Non-GAAP Financial Measures." A reconciliation of reported operating income to adjusted operating income is presented below, by segment:

(in millions)	Three Months Ended March 31, 2025		
	Reported (GAAP)	Adjustments ^(a)	Adjusted (Non-GAAP)
Operating income			
Prestige	\$ 78.7	\$ 80.1	\$ 158.8
Consumer Beauty	(189.5)	178.6	(10.9)
Corporate	(169.6)	169.6	—
Total	\$ (280.4)	\$ 428.3	\$ 147.9

(in millions)	Three Months Ended March 31, 2024		
	Reported (GAAP)	Adjustments ^(a)	Adjusted (Non-GAAP)
Operating income			
Prestige	\$ 108.7	\$ 38.6	\$ 147.3
Consumer Beauty	(13.3)	9.9	(3.4)
Corporate	(17.6)	17.6	—
Total	\$ 77.8	\$ 66.1	\$ 143.9

^(a) See a reconciliation of reported net income to operating income (loss) to adjusted operating income (loss) and adjusted EBITDA for Coty Inc. and reconciliations of segment operating income (loss) to segment adjusted operating income (loss) and segment adjusted EBITDA for the Prestige, Consumer Beauty and Corporate segments with a description of the adjustments under "Net Income, Adjusted Operating Income and Adjusted EBITDA for Coty Inc." and "Segment Operating Income (Loss), Segment Adjusted Operating Income (Loss) and Segment Adjusted EBITDA", below. All adjustments are reflected in Corporate, except for amortization and asset impairment charges on goodwill, indefinite-lived intangible assets, and finite-lived intangible assets, which are reflected in the Prestige and Consumer Beauty segments.

Net Income, Adjusted Operating Income and Adjusted EBITDA for Coty Inc.

We believe that adjusted operating income further enhances an investor's understanding of our performance. See "Overview—Non-GAAP Financial Measures." Reconciliation of reported net income to adjusted operating income and adjusted EBITDA is presented below:

(in millions)	Three Months Ended March 31,		Change %
	2025	2024	
Net (loss) income	\$ (402.2)	\$ 8.8	<(100%)
<i>Net (loss) income margin</i>	<i>(31.0)%</i>	<i>0.6 %</i>	
Benefit for income taxes	(58.4)	(5.4)	<(100%)
(Loss) income before income taxes	\$ (460.6)	\$ 3.4	<(100%)
Interest expense, net	47.9	60.4	(21)%
Other expense, net	132.3	14.0	>100%
Reported operating (loss) income	\$ (280.4)	\$ 77.8	<(100%)
<i>Reported operating (loss) income margin</i>	<i>(21.6)%</i>	<i>5.6 %</i>	
Amortization expense	45.9	48.5	(5)%
Restructuring and other business realignment costs	87.2	(1.7)	>100%
Stock-based compensation	12.1	20.5	(41)%
Early license termination and market exit costs	70.3	(1.2)	>100%
Asset impairment charges	212.8	—	N/A
Total adjustments to reported operating income	\$ 428.3	\$ 66.1	>100%
Adjusted operating income	\$ 147.9	\$ 143.9	3 %
<i>Adjusted operating income margin</i>	<i>11.4 %</i>	<i>10.4 %</i>	
Adjusted depreciation	56.3	56.0	1 %
Adjusted EBITDA	\$ 204.2	\$ 199.9	2 %
<i>Adjusted EBITDA margin</i>	<i>15.7 %</i>	<i>14.4 %</i>	

In the three months ended March 31, 2025, adjusted operating income increased \$4.0 to \$147.9 from \$143.9 in the three months ended March 31, 2024. Adjusted operating margin increased to 11.4% of net revenues in the three months ended March 31, 2025 from 10.4% in the three months ended March 31, 2024. In the three months ended March 31, 2025, adjusted EBITDA increased \$4.3 to \$204.2 from \$199.9 in the three months ended March 31, 2024. Adjusted EBITDA margin increased to 15.7% of net revenues in the three months ended March 31, 2025 from 14.4% in the three months ended March 31, 2024.

Segment Operating Income (Loss), Segment Adjusted Operating Income (Loss) and Segment Adjusted EBITDA
Operating Income, Adjusted Operating Income and Adjusted EBITDA - Prestige Segment

(in millions)	Three Months Ended March 31,		Change %
	2025	2024	
Reported operating income	\$ 78.7	\$ 108.7	(28)%
<i>Reported operating income margin</i>	<i>9.5 %</i>	<i>12.5 %</i>	
Amortization expense	37.2	38.6	(4)%
Asset impairment charges	42.9	—	N/A
Total adjustments to reported operating income	\$ 80.1	\$ 38.6	>100%
Adjusted operating income	\$ 158.8	\$ 147.3	8 %
<i>Adjusted operating income margin</i>	<i>19.1 %</i>	<i>17.0 %</i>	
Adjusted depreciation	27.1	25.7	5 %
Adjusted EBITDA	\$ 185.9	\$ 173.0	7 %
<i>Adjusted EBITDA margin</i>	<i>22.4 %</i>	<i>19.9 %</i>	

Operating Loss, Adjusted Operating Loss and Adjusted EBITDA - Consumer Beauty Segment

(in millions)	Three Months Ended March 31,		Change %
	2025	2024	
Reported operating loss	\$ (189.5)	\$ (13.3)	<(100)%
<i>Reported operating loss margin</i>	<i>(40.3)%</i>	<i>(2.6)%</i>	
Amortization expense	8.7	9.9	(12)%
Asset impairment charges	169.9	—	N/A
Total adjustments to reported operating income	\$ 178.6	\$ 9.9	>100%
Adjusted operating loss	\$ (10.9)	\$ (3.4)	<(100)%
<i>Adjusted operating loss margin</i>	<i>(2.3)%</i>	<i>(0.7)%</i>	
Adjusted depreciation	29.2	30.3	(4)%
Adjusted EBITDA	\$ 18.3	\$ 26.9	(32)%
<i>Adjusted EBITDA margin</i>	<i>3.9 %</i>	<i>5.2 %</i>	

Operating Loss, Adjusted Operating Loss and Adjusted EBITDA - Corporate Segment

(in millions)	Three Months Ended March 31,		Change %
	2025	2024	
Reported operating loss	\$ (169.6)	\$ (17.6)	<(100)%
<i>Reported operating loss margin</i>	<i>N/A</i>	<i>N/A</i>	
Restructuring and other business realignment costs	87.2	(1.7)	>100%
Stock-based compensation	12.1	20.5	(41)%
Early license termination and market exit costs	70.3	(1.2)	>100%
Total adjustments to reported operating income	\$ 169.6	\$ 17.6	>100%
Adjusted operating income	\$ —	\$ —	N/A
<i>Adjusted operating income margin</i>	<i>N/A</i>	<i>N/A</i>	
Adjusted depreciation	—	—	N/A
Adjusted EBITDA	\$ —	\$ —	N/A
<i>Adjusted EBITDA margin</i>	<i>N/A</i>	<i>N/A</i>	

Amortization Expense

In the three months ended March 31, 2025, amortization expense decreased to \$45.9 from \$48.5 in the three months ended March 31, 2024. In the three months ended March 31, 2025, amortization expense of \$37.2 and \$8.7 was reported in the Prestige and Consumer Beauty segments, respectively. In the three months ended March 31, 2024, amortization expense of \$38.6 and \$9.9 was reported in the Prestige and Consumer Beauty segments, respectively.

Restructuring and Other Business Realignment Costs

During the third quarter of fiscal 2025, we formulated a new plan, which was announced on April 24, 2025, to strengthen our operating model and simplify our fixed cost structure (the “Fixed Cost Reduction Plan”). Cash costs associated with the program include restructuring and business structure realignment costs and are expected to be approximately \$80.0, roughly evenly split between fiscal 2026 and fiscal 2027.

In the three months ended March 31, 2025, we incurred restructuring and other business structure realignment costs of \$87.2 as follows:

- We incurred restructuring costs of \$76.6, of which \$74.4 related to the Fixed Cost Reduction Plan included in the Condensed Consolidated Statements of Operations; and
- We incurred business structure realignment costs of \$10.6, which is reported in selling, general and administrative expenses and cost of sales, primarily related to the Fixed Cost Reduction Plan.

In the three months ended March 31, 2024, we incurred a credit in restructuring and other business structure realignment costs of \$(1.7) as follows:

- We incurred restructuring costs of \$0.9 primarily related to the Restructuring Actions, included in the Condensed Consolidated Statements of Operations; and
- We incurred a credit in business structure realignment costs of \$(2.6), which is reported in selling, general and administrative expenses.

Stock-Based Compensation

In the three months ended March 31, 2025, stock-based compensation was \$12.1 as compared with \$20.5 in the three months ended March 31, 2024. The decrease in stock-based compensation is primarily related to a reduction in expense recognized in connection with awards granted to the CEO.

Early License Termination and Market Exit Costs

In the three months ended March 31, 2025, we incurred a net loss of \$71.0 related to the loss on the termination of the KKW Collaboration Agreement and recognized a gain of \$(0.7) related to our decision to wind down our business in Russia.

In the three months ended March 31, 2024, we recognized a gain of \$(1.2) related to our decision to wind down our business in Russia.

Asset Impairment Charges

In the three months ended March 31, 2025, we incurred \$212.8 of asset impairment charges of which \$84.0, \$61.0, and \$24.9 related to the *Max Factor*, *CoverGirl* and *Bourjois* trademarks, respectively, totaling \$169.9 within the Consumer Beauty segment and \$42.9 related to the *philosophy* trademark within the Prestige Segment.

In the three months ended March 31, 2024, we did not incur any asset impairment charges.

Adjusted Depreciation Expense

In the three months ended March 31, 2025, adjusted depreciation expense of \$27.1 and \$29.2 was reported in the Prestige and Consumer Beauty segments, respectively. In the three months ended March 31, 2024, adjusted depreciation expense of \$25.7 and \$30.3 was reported in the Prestige and Consumer Beauty segments, respectively.

INTEREST EXPENSE, NET

In the three months ended March 31, 2025, net interest expense was \$47.9 as compared with \$60.4 in the three months ended March 31, 2024. The decrease in interest expense is primarily due to lower debt balances in the current period as well as lower interest rates.

OTHER EXPENSE

In the three months ended March 31, 2025, other expense was \$132.3 as compared with other expense of \$14.0 in the three months ended March 31, 2024.

Other expense of \$132.3 in the three months ended March 31, 2025 was principally comprised of net losses on forward repurchase contracts of \$78.5 and equity investment related impacts of \$53.0.

Other expense of \$14.0 in the three months ended March 31, 2024 was principally comprised of net losses on forward repurchase contracts of \$17.2.

The increase in Other expense of \$118.3 is primarily due to higher net losses on forward repurchase contracts of \$61.3 compared to the prior year period and higher losses from equity investments of \$53.0 as a result of an unfavorable fair market value adjustment related to our equity investment in Wella in the current period.

INCOME TAXES

The effective income tax rate for the three months ended March 31, 2025 and 2024 was 12.7% and (158.8)%, respectively. The increase in the effective tax rate was primarily attributable to a capital loss realized on the sale of the Company's investment in KKW Holdings during the period for which no tax benefit can be recognized, the loss on forward repurchase contracts having a higher proportional impact in the current period, as well as the impact of fair value losses related to the investment in Wella taxed at a rate below the statutory rate of 21%.

The effective tax rate of 12.7% for the three months ended March 31, 2025, results from reporting losses before income taxes and a benefit for income taxes. The effective rate was lower than the Federal statutory rate of 21% primarily due to a capital loss realized on the sale of the Company's investment in KKW Holdings during the period for which no tax benefit can be recognized, the loss on forward repurchase contracts having a higher proportional impact in the current period, as well as the impact of fair value losses related to the investment in Wella taxed at a rate below the statutory rate of 21%.

The effective tax rate of (158.8)% in the three months ended March 31, 2024 results from reporting income before taxes and a benefit for income taxes. The effective rate was lower than the statutory tax rate of 21% primarily due to a benefit of \$8.5 on the resolution of foreign uncertain tax positions compared to \$3.4 of income in the period.

The effective income tax rates vary from the U.S. federal statutory rate of 21% due to the effect of (i) jurisdictions with different statutory rates, including impacts of rate changes, (ii) adjustments to the Company's unrealized tax benefits ("UTBs") and accrued interest, (iii) non-deductible expenses, (iv) audit settlements and (v) valuation allowance changes. Our effective tax rate could fluctuate significantly and could be adversely affected to the extent earnings are lower than anticipated in countries that have lower statutory rates and higher than anticipated in countries that have higher statutory rates.

Reconciliation of Reported Income Before Income Taxes to Adjusted Income Before Income Taxes and Effective Tax Rates:

(in millions)	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024		
	Income Before Income Taxes	(Benefit) Provision for Income Taxes	Effective Tax Rate	Income Before Income Taxes	(Benefit) Provision for Income Taxes	Effective Tax Rate
Reported income before income taxes	\$ (460.6)	\$ (58.4)	12.7 %	\$ 3.4	\$ (5.4)	(158.8)%
Adjustments to reported operating income ^(a)	428.3			66.1		
Change in fair value of investment in Wella Company ^(c)	53.0			(3.0)		
Other adjustments ^(d)	0.8			0.2		
Total Adjustments ^(b)	482.1	64.6		63.3	18.3	
Adjusted income before income taxes	\$ 21.5	\$ 6.2	28.8 %	\$ 66.7	\$ 12.9	19.3 %

^(a) See a description of adjustments under "Net Income, Adjusted Operating Income and Adjusted EBITDA for Coty Inc."

^(b) The tax effects of each of the items included in adjusted income are calculated in a manner that results in a corresponding income tax expense/provision for adjusted income. In preparing the calculation, each adjustment to reported income is first analyzed to determine if the adjustment has an income tax consequence. The provision for taxes is then calculated based on the jurisdiction in which the adjusted items are incurred, multiplied by the respective statutory rates and offset by the increase or reversal of any valuation allowances commensurate with the non-GAAP measure of profitability. The total tax impact on adjustments in the current period includes a tax benefit of \$10.0 on the resolution of uncertain tax positions associated with the Company's exit from Russia in fiscal 2022.

^(c) The amount represents the unrealized (gain) loss recognized for the change in fair value of the investment in the Wella Company.

^(d) For the three months ended March 31, 2025, this primarily represents recovery of previously written-off non-income tax credits, the amortization of basis differences in certain equity method investments, and net loss on the sale of an equity investment. For the three months ended March 31, 2024, this primarily represents loss from our equity investment in KKW.

The adjusted effective tax rate was 28.8% for the three months ended March 31, 2025 compared to 19.3% for the three months ended March 31, 2024. The difference is primarily due to the loss on forward repurchase contracts having a higher proportional impact in the current period.

NET INCOME (LOSS) ATTRIBUTABLE TO COTY INC.

Net loss attributable to Coty Inc. was \$405.7 in the three months ended March 31, 2025 as compared to net income of \$3.8 in the three months ended March 31, 2024. The increase in the loss was primarily driven by asset impairment charges of \$212.8, higher restructuring costs of \$75.7, a loss on the termination of the KKW Collaboration Agreement of \$71.0 in the current period, higher net losses on forward repurchase contracts of \$61.3, higher losses from equity investments of \$53.0 as a result of an unfavorable fair market value adjustment in the current period, partially offset by a higher benefit for income taxes of \$53.0 and lower interest expense of \$12.5 in the current period.

We believe that adjusted net income attributable to Coty Inc. provides an enhanced understanding of our performance. See “Overview—Non-GAAP Financial Measures.”

(in millions)	Three Months Ended March 31,		Change %
	2025	2024	
Net (loss) income attributable to Coty Inc.	\$ (405.7)	\$ 3.8	<(100%)
Convertible Series B Preferred Stock dividends ^(a)	(3.3)	(3.3)	— %
Reported net (loss) income attributable to common stockholders	\$ (409.0)	\$ 0.5	<(100%)
% of net revenues	(31.5)%	— %	
Adjustments to reported operating income ^(b)	428.3	66.1	>100%
Change in fair value of investment in Wella Company ^(c)	53.0	(3.0)	>100%
Adjustment to other expense ^(d)	0.8	0.2	>100%
Adjustments to noncontrolling interests ^(e)	(1.7)	(1.7)	— %
Change in tax provision due to adjustments to reported net income (loss) attributable to Coty Inc.	(64.6)	(18.3)	<(100%)
Adjusted net (loss) income attributable to Coty Inc.	\$ 6.8	\$ 43.8	(84)%
% of net revenues	0.5 %	3.2 %	
Per Share Data			
Adjusted weighted-average common shares			
Basic	872.1	883.1	
Diluted ^(a)	875.0	892.0	
Adjusted net income attributable to Coty Inc. per common share			
Basic	\$ 0.01	\$ 0.05	
Diluted ^(a)	\$ 0.01	\$ 0.05	

^(a) Adjusted Diluted EPS is adjusted by the effect of dilutive securities. For the three months ended March 31, 2025 and 2024, no dilutive shares of the Forward Repurchase Contracts were included in the computation of adjusted diluted EPS as their inclusion would be anti-dilutive. Accordingly, we did not reverse the impact of the fair market value losses for contracts with the option to settle in shares or cash of \$60.1 and \$7.1, respectively. For the three months ended March 31, 2025 and 2024, Convertible Series B Preferred Stock (23.7 million weighted average dilutive shares) was anti-dilutive. Accordingly, we excluded these shares from the diluted shares and did not adjust the earnings for the related dividend of \$3.3.

^(b) See a description of adjustments under “Net Income, Adjusted Operating Income and Adjusted EBITDA for Coty Inc.”

^(c) The amount represents the unrealized (gain) loss recognized for the change in fair value of the investment in the Wella Company.

^(d) For the three months ended March 31, 2025, this primarily represents recovery of previously written-off non-income tax credits, the amortization of basis differences in certain equity method investments, and net loss on the sale of an equity investment. For the three months ended March 31, 2024, this primarily represents adjustments for equity loss from KKW.

^(e) The amounts represent the after-tax impact of the non-GAAP adjustments included in net income attributable to noncontrolling interests based on the relevant noncontrolling interest percentage in the Condensed Consolidated Statements of Operations.

NINE MONTHS ENDED MARCH 31, 2025 AS COMPARED TO NINE MONTHS ENDED MARCH 31, 2024

NET REVENUES

In the nine months ended March 31, 2025, net revenues decreased 2%, or \$114.1, to \$4,640.5 from \$4,754.6 in the nine months ended March 31, 2024. Excluding net revenue from the first and second quarters of the prior period from Lacoste, net revenues decreased 2%, decreasing \$85.5 to \$4,640.5 from \$4,726.0 in the nine months ended March 31, 2024, reflecting a negative foreign currency exchange translation impact of 2% (primarily driven by the weakening of the Brazilian Real versus the U.S. dollar) and a decrease in unit volume of 2% (primarily due to body care brands from *Monange* in Brazil as a result of competitive pricing action in the deodorant market), partially offset by a positive price and mix impact of 2% (primarily due to positive pricing impact as a result of prior year period and current year period price increases and in line with the overall premiumization strategy). The overall decrease in net revenues reflects declines within color cosmetics across both divisions—primarily due to negative market trends in the United States, China, across several European markets—and as a result of a decline in the Travel Retail Asia channel as a result of regulations impacting surrogate shopping purchases. The decline can also be attributed to mass bodycare in Brazil—primarily due to competitive pricing action in the Brazilian deodorant market—and from Prestige skincare primarily due to negative performance from our brands. These declines were partially offset by growth in our prestige and mass fragrance categories due to the positive but decelerating market trends in most major markets and geographical expansion of certain brands. Net revenues declined in the Americas and Asia Pacific but grew within Europe, the Middle East and Africa.

Digital and e-commerce channel sales declines also contributed to the decrease in net revenues.

Net Revenues by Segment

(in millions)	Nine Months Ended March 31,		Change %
	2025	2024	
NET REVENUES			
Prestige	\$ 3,059.6	\$ 3,054.5	— %
Consumer Beauty	1,580.9	1,700.1	(7)%
Total	\$ 4,640.5	\$ 4,754.6	(2)%

Prestige

In the nine months ended March 31, 2025, net revenues from the Prestige segment remained relatively flat, or increased \$5.1, to \$3,059.6 from \$3,054.5 in the nine months ended March 31, 2024. Excluding net revenue from the first and second quarters of the prior period from Lacoste, net revenues from the Prestige segment increased 1% or \$33.7 to \$3,059.6 from \$3,025.9 in the nine months ended March 31, 2024, reflecting a positive price and mix impact of 3% (primarily due to positive pricing impact as a result of prior year period and current year period price increases and in line with the overall premiumization strategy), partially offset by a decrease in unit volume of 1% (primarily due to negative performance for Prestige cosmetics brands) and negative foreign currency exchange translation impact of 1%. The increase in net revenues primarily reflects:

- Prestige fragrance sales growth of \$89.2, due to successful performance of *Burberry*, *Chloe*, *Gucci* and *Hugo Boss* from existing fragrance lines. In addition, continued brand innovation such as *Gucci Flora Gorgeous Orchid*, *Burberry Goddess Intense*, *Chloe Signature Intense*, *Boss Bottled Absolu*, *Kylie Cosmic 2.0*, and *Burberry Hero EDP Intense* contributed to the category sales growth. The category sales growth was partially offset by declines in *Calvin Klein* due to a reduction in certain channel sales and tight inventory management from certain retailers, declines in *Tiffany & Co.* as a result of negative performance and no innovation in the current period, declines in *philosophy* resulting from negative performance, as well as due to the expiration of the *Roberto Cavalli* license in the prior year. The overall category sales growth from existing brands can also be attributed to positive but decelerating market trends in most major markets.

These increases were partially offset by:

- Prestige cosmetic sales declines of \$41.9, primarily due to declines in sales volume in the Asia Travel Retail channel from *Gucci* makeup as a result of regulations impacting the surrogate shopping purchases and declines in sales from *Kylie* makeup as a result of less innovations and negative market trends in the category; and
- Prestige skincare sales declines of \$13.6, primarily due to negative performance from *philosophy*.

Consumer Beauty

In the nine months ended March 31, 2025, net revenues from the Consumer Beauty segment decreased 7%, or \$119.2, to \$1,580.9 from \$1,700.1 in the nine months ended March 31, 2024, reflecting a negative foreign currency exchange translation impact of 4% (primarily driven by the weakening of the Brazilian Real versus the U.S. dollar), a negative price and mix impact of 1% (primarily due to higher returns and discounts and promotions in the current period) and a decrease in unit volume of 2% (primarily due to body care brands in Brazil). The decrease in net revenues primarily reflects:

- Color cosmetics sales declines of \$111.6, primarily due to negative market trends in the color cosmetics market in the United States which impacted net revenues from *Covergirl*, *Sally Hansen*, and *Rimmel*. Negative market trends for color cosmetics in several European markets also impacted net revenues from *Max Factor*, *Bourjois*, and *Rimmel*. Category net sales declines were also impacted by increased discounts and promotions compared to the prior period; and
- Mass body care sales declines of \$48.5, primarily due to declines in sales volumes from *Monange* in Brazil due to competitive pricing action in the deodorant market.

These decreases were partially offset by:

- Mass fragrance sales growth of \$34.1, due to geographical expansion of existing products from *Nautica* into growth-engine markets and brand innovation such as *adidas Vibes*; and
- Mass skincare sales growth of \$6.8.

COST OF SALES

In the nine months ended March 31, 2025, cost of sales decreased 5%, or \$91.5, to \$1,599.3 from \$1,690.8 in the nine months ended March 31, 2024. Cost of sales as a percentage of net revenues decreased to 34.5% in the nine months ended March 31, 2025 from 35.6% in the nine months ended March 31, 2024 resulting in a gross margin increase of approximately 110 basis points primarily reflecting:

- (i) approximately 70 basis points related to a decrease in manufacturing and material costs as a percentage of net revenues, driven by increased manufacturing efficiencies, improvements in productivity, as well as procurement and material cost optimization; and
- (ii) approximately 50 basis points related to an decrease in excess and obsolescence costs.

The above reflects a positive impact from pricing net of inflation of approximately 80 basis points.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

In the nine months ended March 31, 2025, selling, general and administrative expenses remained relatively flat, or increased \$11.4, to \$2,382.8 from \$2,371.4 in the nine months ended March 31, 2024. Selling, general and administrative expenses as a percentage of net revenues increased to 51.3% in the nine months ended March 31, 2025 from 49.9% in the nine months ended March 31, 2024, or approximately 140 basis points. This increase was primarily due to:

- (i) 180 basis points primarily due to the loss on the termination of the KKW Collaboration Agreement in the current period; and
- (ii) 30 basis points due to an increase in advertising and consumer promotional costs as a percentage of net revenues.

These increases were partially offset by the following decreases:

- (i) 50 basis points due to a decrease in stock-based compensation cost primarily related to a reduction in expense recognized in connection with awards granted to the CEO; and
- (ii) 20 basis points due to a decrease in administrative costs as a result of decreased discretionary compensation for employees.

OPERATING INCOME

In the nine months ended March 31, 2025, operating income was \$225.6 compared to income of \$512.0 in the nine months ended March 31, 2024. Operating margin as a percentage of net revenues, decreased to 4.9% in the nine months ended March 31, 2025 as compared to an operating margin of 10.8% in the nine months ended March 31, 2024. The decrease in operating margin is largely driven by the asset impairment charges (approximately 460 basis points), a loss on the termination of the KKW Collaboration Agreement (150 basis points), higher restructuring costs in the current period (approximately 100 basis points) and an increase in advertising and consumer promotional costs as a percentage of net revenues (approximately 40 basis points), partially offset by lower cost of goods sold as a percentage of net revenues (approximately 110 basis points), and a decrease in stock-based compensation expense (approximately 50 basis points) primarily related to a reduction in expense recognized in connection with a prior year's grant made to the CEO, and a decrease in fixed costs as a percentage of net revenues (approximately 20 basis points) primarily related to decreased discretionary compensation for employees. In addition, a greater proportion of total sales came from higher margin Prestige brands in the current period which positively benefited our operating margin.

Operating Income (Loss) by Segment

(in millions)	Nine Months Ended March 31,		Change %
	2025	2024	
Operating income (loss)			
Prestige	\$ 542.5	\$ 531.0	2 %
Consumer Beauty	(111.4)	79.0	<(100)%
Corporate	(205.5)	(98.0)	<(100)%
Total	\$ 225.6	\$ 512.0	(56)%

Prestige

In the nine months ended March 31, 2025, operating income for Prestige was \$542.5 compared to income of \$531.0 in the nine months ended March 31, 2024. Operating margin increased to 17.7% of net revenues in the nine months ended March 31, 2025 as compared to 17.4% in the nine months ended March 31, 2024, driven primarily by lower cost of goods sold as a percentage of net revenues (approximately 160 basis points), lower fixed costs as a percentage of net revenues (approximately 50 basis points) primarily related to decreased discretionary compensation for employees, partially offset by asset impairment charges (approximately 140 basis points) and an increase in advertising and consumer promotional expense (approximately 30 basis points). Our Prestige operating income margin was positively impacted by a higher proportion of net revenues generated by the higher margin fragrance brands.

Consumer Beauty

In the nine months ended March 31, 2025, operating loss for Consumer Beauty was \$111.4 compared to income of \$79.0 in the nine months ended March 31, 2024. Operating margin decreased to (7.0)% of net revenues in the nine months ended March 31, 2025 as compared to 4.6% in the nine months ended March 31, 2024, driven by asset impairment charges (approximately 1,070 basis points), an increase in miscellaneous accruals (approximately 60 basis points), an increase in advertising and consumer promotional expense as a percentage of net revenues (approximately 50 basis points), and higher costs of goods sold as a percentage of net revenues (approximately 30 basis points), partially offset by lower fixed costs as a percentage of net revenues (approximately 30 basis points) primarily related to decreased discretionary compensation for employees. Our Consumer Beauty operating income margin was negatively impacted by a greater proportion of net revenues generated by the lower margin brands in Brazil compared to the prior year.

Corporate

Corporate primarily includes corporate expenses not directly related to our operating activities. These items are included in Corporate since we consider them to be Corporate responsibilities, and these items are not used by our management to measure the underlying performance of the segments.

In the nine months ended March 31, 2025, the operating loss for Corporate was \$205.5 compared to a loss of \$98.0 in the nine months ended March 31, 2024, as described under “Adjusted Operating Income for Coty Inc.” below. The increase to the operating loss for Corporate was primarily driven by the loss on the termination of the KKW Collaboration Agreement of \$71.0, \$61.0 related to an increase in restructuring and business realignment costs in the current period, partially offset by a decrease of \$25.8 in stock compensation expense in the current period.

Adjusted Operating Income by Segment

We believe that Adjusted Operating income by segment further enhances an investor's understanding of our performance. See “Overview—Non-GAAP Financial Measures.” A reconciliation of reported Operating income to Adjusted Operating income is presented below, by segment:

(in millions)	Nine Months Ended March 31, 2025		
	Reported (GAAP)	Adjustments ^(a)	Adjusted (Non-GAAP)
Operating income			
Prestige	542.5	\$ 156.0	\$ 698.5
Consumer Beauty	(111.4)	198.1	86.7
Corporate	(205.5)	205.5	—
Total	\$ 225.6	\$ 559.6	\$ 785.2

(in millions)	Nine Months Ended March 31, 2024		
	Reported (GAAP)	Adjustments ^(a)	Adjusted (Non-GAAP)
Operating income			
Prestige	531.0	\$ 115.6	\$ 646.6
Consumer Beauty	79.0	29.8	108.8
Corporate	(98.0)	98.0	—
Total	\$ 512.0	\$ 243.4	\$ 755.4

(a) See a reconciliation of reported net income to operating income (loss) to adjusted operating income (loss) and adjusted EBITDA for Coty Inc. and reconciliations of segment operating income (loss) to segment adjusted operating income (loss) and segment adjusted EBITDA for the Prestige, Consumer Beauty and Corporate segments with a description of the adjustments under “Net Income, Adjusted Operating Income and Adjusted EBITDA for Coty Inc.” and “Segment Operating Income (Loss), Segment Adjusted Operating Income (Loss) and Segment Adjusted EBITDA”, below. All adjustments are reflected in Corporate, except for amortization and asset impairment charges on goodwill, indefinite-lived intangible assets, and finite-lived intangible assets, which are reflected in the Prestige and Consumer Beauty segments.

Net Income, Adjusted Operating Income and Adjusted EBITDA for Coty Inc.

We believe that adjusted operating income further enhances an investor’s understanding of our performance. See “Overview—Non-GAAP Financial Measures.” A reconciliation of reported operating income to adjusted operating income is presented below:

(in millions)	Nine Months Ended March 31,		Change %
	2025	2024	
Net (loss) income	\$ (280.9)	\$ 205.0	<(100%)
<i>Net (loss) income margin</i>	<i>(6.1)%</i>	<i>4.3 %</i>	
Provision for income taxes	9.6	106.9	(91)%
(Loss) income before income taxes	\$ (271.3)	\$ 311.9	<(100%)
Interest expense, net	164.1	190.3	(14)%
Other expense, net	332.8	9.8	>100%
Reported operating income	\$ 225.6	\$ 512.0	(56)%
<i>Reported operating income margin</i>	<i>4.9 %</i>	<i>10.8 %</i>	
Amortization expense	141.3	145.4	(3)%
Restructuring and other business realignment costs	90.6	29.6	>100%
Stock-based compensation	44.6	70.4	(37)%
Gain on sale of real estate	—	(1.6)	100 %
Early license termination and market exit costs	70.3	(0.4)	>100%
Asset impairment charges	212.8	—	N/A
Total adjustments to reported operating income	\$ 559.6	\$ 243.4	>100%
Adjusted operating income	\$ 785.2	\$ 755.4	4 %
<i>Adjusted operating income margin</i>	<i>16.9 %</i>	<i>15.9 %</i>	
Adjusted depreciation	169.8	171.2	(1)%
Adjusted EBITDA	\$ 955.0	\$ 926.6	3 %
<i>Adjusted EBITDA margin</i>	<i>20.6 %</i>	<i>19.5 %</i>	

In the nine months ended March 31, 2025, adjusted operating income increased \$29.8, to \$785.2 from \$755.4 in the nine months ended March 31, 2024. Adjusted operating margin increased to 16.9% of net revenues in the nine months ended March 31, 2025 from 15.9% in the nine months ended March 31, 2024. In the nine months ended March 31, 2025, adjusted EBITDA increased \$28.4 to \$955.0 from \$926.6 in the nine months ended March 31, 2024. Adjusted EBITDA margin increased to 20.6% of net revenues in the nine months ended March 31, 2025 from 19.5% in the nine months ended March 31, 2024.

Segment Operating Income (Loss), Segment Adjusted Operating Income (Loss) and Segment Adjusted EBITDA
Operating Income, Adjusted Operating Income and Adjusted EBITDA - Prestige Segment

	Nine Months Ended March 31,		
(in millions)	2025	2024	Change %
Reported operating income	542.5	531.0	2 %
<i>Reported operating income margin</i>	<i>17.7 %</i>	<i>17.4 %</i>	
Amortization expense	113.1	115.6	(2)%
Asset impairment charges	42.9	—	N/A
Total adjustments to reported operating income	\$ 156.0	\$ 115.6	35 %
Adjusted operating income	\$ 698.5	\$ 646.6	8 %
<i>Adjusted operating income margin</i>	<i>22.8 %</i>	<i>21.2 %</i>	
Adjusted depreciation	83.2	80.2	4 %
Adjusted EBITDA	\$ 781.7	\$ 726.8	8 %
<i>Adjusted EBITDA margin</i>	<i>25.5 %</i>	<i>23.8 %</i>	

Operating Income, Adjusted Operating Income and Adjusted EBITDA - Consumer Beauty Segment

	Nine Months Ended March 31,		
(in millions)	2025	2024	Change %
Reported operating (loss) income	(111.4)	79.0	<(100)%
<i>Reported operating (loss) income margin</i>	<i>(7.0)%</i>	<i>4.6 %</i>	
Amortization expense	28.2	29.8	(5)%
Asset impairment charges	169.9	—	N/A
Total adjustments to reported operating income	\$ 198.1	\$ 29.8	>100%
Adjusted operating income	\$ 86.7	\$ 108.8	(20)%
<i>Adjusted operating income margin</i>	<i>5.5 %</i>	<i>6.4 %</i>	
Adjusted depreciation	86.6	91.0	(5) %
Adjusted EBITDA	\$ 173.3	\$ 199.8	(13)%
<i>Adjusted EBITDA margin</i>	<i>11.0 %</i>	<i>11.8 %</i>	

Operating Loss, Adjusted Operating Loss and Adjusted EBITDA - Corporate Segment

	Nine Months Ended March 31,		
(in millions)	2025	2024	Change %
Reported operating loss	\$ (205.5)	\$ (98.0)	<(100)%
<i>Reported operating income (loss) margin</i>	<i>N/A</i>	<i>N/A</i>	
Restructuring and other business realignment costs	90.6	29.6	>100%
Stock-based compensation	44.6	70.4	(37)%
Gain on sale of real estate	—	(1.6)	100 %
Early license termination and market exit costs	70.3	(0.4)	>100%
Total adjustments to reported operating income	\$ 205.5	\$ 98.0	>100%
Adjusted operating income	\$ —	\$ —	N/A
<i>Adjusted operating income margin</i>	<i>N/A</i>	<i>N/A</i>	
Adjusted depreciation	—	—	N/A
Adjusted EBITDA	\$ —	\$ —	N/A
<i>Adjusted EBITDA margin</i>	<i>N/A</i>	<i>N/A</i>	

Amortization Expense

In the nine months ended March 31, 2025, amortization expense decreased to \$141.3 from \$145.4 in the nine months ended March 31, 2024. In the nine months ended March 31, 2025, amortization expense of \$113.1 and \$28.2 was reported in the

Prestige and Consumer Beauty segments, respectively. In the nine months ended March 31, 2024, amortization expense of \$115.6 and \$29.8 was reported in the Prestige and Consumer Beauty segments, respectively.

Restructuring and Other Business Realignment Costs

During the third quarter of fiscal 2025, we formulated a new plan, which was announced on April 24, 2025, to strengthen our operating model and simplify our fixed cost structure (the “Fixed Cost Reduction Plan”). Cash costs associated with the program include restructuring and business structure realignment costs and are expected to be approximately \$80.0, roughly evenly split between fiscal 2026 and fiscal 2027.

In the nine months ended March 31, 2025, we incurred restructuring and other business structure realignment costs of \$90.6 as follows:

- We incurred restructuring costs of \$78.7, of which \$74.4 related to the Fixed Cost Reduction Plan, included in the Condensed Consolidated Statements of Operations; and
- We incurred business structure realignment costs of \$11.9 which is reported in Selling, general and administrative expenses and cost of sales, primarily related to the Fixed Cost Reduction Plan.

In the nine months ended March 31, 2024, we incurred restructuring and other business structure realignment costs of \$29.6 as follows:

- We incurred restructuring costs of \$35.0 primarily related to the Restructuring Actions, included in the Condensed Consolidated Statements of Operations; and
- We incurred a credit in business structure realignment costs of \$(5.4) which is reported in Selling, general and administrative expenses.

Stock-based compensation

In the nine months ended March 31, 2025, stock-based compensation was \$44.6 as compared with \$70.4 in the nine months ended March 31, 2024. The decrease in stock-based compensation is primarily related to a reduction in expense recognized in connection with awards granted to the CEO.

Gain on Sale of Real Estate

In the nine months ended March 31, 2025 and 2024, we recognized \$0.0 and a gain of \$(1.6) related to sale of real estate, respectively.

Early License Termination and Market Exit Costs

In the nine months ended March 31, 2025, we incurred a net loss of \$71.0 related to the loss on the termination of the KKW Collaboration Agreement and recognized a gain of \$(0.7) related to our decision to wind down our business in Russia.

In the nine months ended March 31, 2024, we recognized a gain of \$(0.4) related to the early termination of a license and market exit activity.

Asset Impairment Charges

In the nine months ended March 31, 2025, we incurred \$212.8 of asset impairment charges of which \$84.0, \$61.0, and \$24.9 related to the *Max Factor*, *CoverGirl* and *Bourjois* trademarks, respectively, totaling \$169.9 within the Consumer Beauty segment and \$42.9 related to the *philosophy* trademark within the Prestige Segment.

In the nine months ended March 31, 2024, we did not incur any asset impairment charges.

Adjusted Depreciation Expense

In the nine months ended March 31, 2025, adjusted depreciation expense of \$83.2 and \$86.6 was reported in the Prestige and Consumer Beauty segments, respectively. In the nine months ended March 31, 2024, adjusted depreciation expense of \$80.2 and \$91.0 was reported in the Prestige and Consumer Beauty segments, respectively.

INTEREST EXPENSE, NET

In the nine months ended March 31, 2025, net interest expense was \$164.1 as compared with \$190.3 in the nine months ended March 31, 2024. This decrease is primarily due to lower debt balances in the current period as well as lower interest rates.

OTHER EXPENSE

In the nine months ended March 31, 2025, other expense was \$332.8 as compared to other expense of \$9.8 in the nine months ended March 31, 2024.

Other expense of \$332.8 in the nine months ended March 31, 2025 was principally comprised of net losses on forward repurchase contracts of \$246.6 and equity investment related impacts of \$85.0.

Other expense of \$9.8 in the nine months ended March 31, 2024 was principally comprised of net losses on forward repurchase contracts of \$20.8 and deferred financing fees of \$7.4, partially offset by fair value gains related to our equity investment in Wella of \$20.0, and gains associated with earn-out provisions related to our sale of Wella of \$9.9.

This increase in Other expense of \$323.0 is primarily due to higher net losses on forward repurchase contracts of \$225.8 and higher losses from equity investments of \$105.0 as a result of an unfavorable fair market value adjustment in the current period compared to favorable adjustments in the prior year period.

INCOME TAXES

The effective income tax rate for the nine months ended March 31, 2025 and 2024 was (3.5)% and 34.3%, respectively. The change in the effective rate is primarily due to a capital loss realized on the sale of the Company's investment in KKW Holdings during the period for which no tax benefit can be recognized, the loss on forward repurchase contracts having a higher proportional impact in the current period, as well as the impact of fair value losses related to the investment in Wella taxed at a rate below the statutory rate of 21%.

The effective tax rate of (3.5)% for the nine months ended March 31, 2025, results from reporting losses before income taxes and a provision for income taxes. The effective rate was lower than the statutory tax rate of 21% due to a capital loss realized on the sale of the Company's investment in KKW Holdings during the period for which no tax benefit can be recognized, the loss on forward repurchase contracts having a higher proportional impact in the current period, as well as the impact of fair value losses related to the investment in Wella taxed at a rate below the statutory rate of 21%.

The effective tax rate of 34.3% for the nine months ended March 31, 2024 was higher than the statutory tax rate of 21% due to an expense of \$24.3 in the period recognized on the revaluation of the Company's deferred tax liabilities due to a tax rate increase enacted in Switzerland.

The effective income tax rates vary from the U.S. federal statutory rate of 21% due to the effect of: (i) jurisdictions with different statutory rates, including impacts of rate changes, (ii) adjustments to our unrecognized tax benefits and accrued interest; (iii) non-deductible expenses, (iv) audit settlements and (v) valuation allowance changes. Our effective tax rate could fluctuate significantly and could be adversely affected to the extent earnings are lower than anticipated in countries that have lower statutory rates and higher than anticipated in countries that have higher statutory rates.

Reconciliation of Reported Income Before Income Taxes to Adjusted Income Before Income Taxes and Effective Tax Rates:

(in millions)	Nine Months Ended March 31, 2025			Nine Months Ended March 31, 2024		
	Income Before Income Taxes	Provision for Income Taxes	Effective Tax Rate	Income Before Income Taxes	Provision for Income Taxes	Effective Tax Rate
Reported income before income taxes	\$ (271.3)	\$ 9.6	(3.5)%	\$ 311.9	\$ 106.9	34.3 %
Other adjustments to reported operating income ^(a)	559.6			243.4		
Change in fair value of investment in Wella Company ^(c)	85.0			(20.0)		
Other adjustments ^(d)	0.4			4.3		
Total Adjustments ^(b)	645.0	97.2		227.7	52.0	
Adjusted income before income taxes	\$ 373.7	\$ 106.8	28.6 %	\$ 539.6	\$ 158.9	29.4 %

^(a) See a description of adjustments under "Net Income, Adjusted Operating Income and Adjusted EBITDA for Coty Inc."

^(b) The tax effects of each of the items included in adjusted income are calculated in a manner that results in a corresponding income tax expense/provision for adjusted income. In preparing the calculation, each adjustment to reported income is first analyzed to determine if the adjustment has an income tax consequence. The provision for taxes is then calculated based on the jurisdiction in which the adjusted items are incurred, multiplied by the respective statutory rates and offset by the increase or reversal of any valuation allowances commensurate with the non-GAAP measure of profitability. The total tax impact on adjustments in the current period includes a tax benefit of \$10.0 on the resolution of uncertain tax positions associated with the Company's exit from Russia in fiscal 2022.

^(c) The amount represents the unrealized (gain) loss recognized for the change in fair value of the investment in the Wella Company.

^(d) For the nine months ended March 31, 2025, this primarily represents recovery of previously written-off non-income tax credits, the amortization of basis differences in certain equity method investments, and net loss on the sale of an equity investment. For the nine months ended March 31, 2024, this primarily represents divestiture-related costs related to our equity investments and loss from our equity investment in KKW.

The adjusted effective tax rate was 28.6% for the nine months ended March 31, 2025 compared to 29.4% for the nine months ended March 31, 2024. The difference is primarily due to an expense of \$24.3 recognized on the revaluation of the Company's deferred tax liabilities due to a tax rate increase enacted in Switzerland in the prior period.

NET (LOSS) INCOME ATTRIBUTABLE TO COTY INC.

Net loss attributable to Coty Inc. was \$299.1 in the nine months ended March 31, 2025, as compared to net income of \$186.3 in the nine months ended March 31, 2024. This increase in net loss was primarily driven by higher net losses on forward repurchase contracts of \$225.8, asset impairment charges of \$212.8, higher losses from equity investments of \$105.0 as a result of an unfavorable fair market value adjustment in the current period compared to favorable adjustments in the prior year period, and higher restructuring costs of \$43.7, partially offset by a lower provision for income taxes of \$97.3 in the current period, and lower interest expense of \$26.2 in the current period.

We believe that adjusted net income attributable to Coty Inc. provides an enhanced understanding of our performance. See “Overview—Non-GAAP Financial Measures.”

(in millions)	Nine Months Ended March 31,		Change %
	2025	2024	
Net (loss) income attributable to Coty Inc.	(299.1)	186.3	<(100)%
Convertible Series B Preferred Stock dividends ^(a)	(9.9)	(9.9)	— %
Reported net (loss) income attributable to common stockholders	(309.0)	176.4	<(100)%
% of net revenues	(6.7)%	3.7 %	
Adjustments to reported operating income ^(b)	559.6	243.4	>100%
Change in fair value of investment in Wella Company ^(c)	85.0	(20.0)	>100%
Adjustment to other expense ^(d)	0.4	4.3	(91)%
Adjustments to noncontrolling interests ^(c)	(5.1)	(5.1)	— %
Change in tax provision due to adjustments to reported net income attributable to Coty Inc.	(97.2)	(52.0)	(87)%
Adjusted net income attributable to Coty Inc.	233.7	347.0	(33)%
% of net revenues	5.0 %	7.3 %	
Per Share Data			
Adjusted weighted-average common shares			
Basic	870.4	876.7	
Diluted ^(a)	875.5	886.1	
Adjusted net income attributable to Coty Inc. per common share			
Basic	\$ 0.27	\$ 0.40	
Diluted ^(a)	\$ 0.27	\$ 0.39	

^(a) Adjusted Diluted EPS is adjusted by the effect of dilutive securities. For the nine months ended March 31, 2025 and 2024, no dilutive shares of the Forward Repurchase Contracts were included in the computation of adjusted diluted EPS as their inclusion would be anti-dilutive. Accordingly, we did not reverse the impact of the fair market value losses for contracts with the option to settle in shares or cash of \$188.9 and \$6.9, respectively. For the nine months ended March 31, 2025 and 2024, Convertible Series B Preferred Stock (23.7 million weighted average dilutive shares) were anti-dilutive. Accordingly, we excluded these shares from the diluted shares and did not adjust the earnings for the related dividend of \$9.9.

^(b) See a description of adjustments under “Net Income, Adjusted Operating Income and Adjusted EBITDA for Coty Inc.”

^(c) The amount represents the unrealized (gain) loss recognized for the change in fair value of the investment in the Wella Company.

^(d) For the nine months ended March 31, 2025, this primarily represents recovery of previously written-off non-income tax credits, the amortization of basis differences in certain equity method investments, and net loss on the sale of an equity investment. For the nine

months ended March 31, 2024, this primarily represents divestiture-related costs related to our equity investments and loss from our equity investment in KKW.

⁽⁴⁾ The amounts represent the after-tax impact of the non-GAAP adjustments included in Net income attributable to noncontrolling interests based on the relevant noncontrolling interest percentage in the Condensed Consolidated Statements of Operations.

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our primary sources of funds include cash expected to be generated from operations, borrowings from issuance of debt and lines of credit provided by banks and lenders in the U.S. and abroad.

Our cash flows are subject to seasonal variation throughout the year, including demands on cash made during our first fiscal quarter in anticipation of higher global sales during the second fiscal quarter and strong cash generation in the second fiscal quarter as a result of increased demand by retailers associated with the holiday season.

Our principal uses of cash are to fund planned operating expenditures, capital expenditures, interest payments, dividends, share repurchases, any principal payments on debt, and from time to time, acquisitions, and business structure realignment expenditures. Working capital movements are influenced by the sourcing of materials related to the manufacturing of products. Cash and working capital management initiatives, including the phasing of vendor and tax payments and factoring of trade receivables from time-to-time, may also impact the timing and amount of our operating cash flows.

We remain focused on deleveraging our balance sheet using cash flows generated from our operations and other targeted initiatives. We continue to take steps to permanently reduce our debt to reduce interest costs and improve our long-term profitability and cash flows. Our 25.84% investment in Wella continues to give us the opportunity for further permanent debt reductions when our equity position is divested.

We have substantially completed the exit of our commercial activities in Russia. However, we anticipate that the process related to the liquidation of the Russian legal entity will take an extended period of time. We anticipate that we will incur an immaterial amount of additional costs through the completion of the wind down, and future net cash costs of \$1.0 to \$1.5, which will be funded by our Russian subsidiary. The amount of future costs, including cash costs, will be subject to various factors, such as additional government regulation and the resolution of legal contingencies.

Recent changes in U.S. and international trade policies—particularly tariff increases—and the ongoing uncertainty surrounding such policies may present challenges to our business operations and financial condition. These challenges may include supply chain disruptions and commodity price volatility, resulting in increases in our cost of goods sold. Under the current tariff framework, the biggest areas of potential challenges for us are prestige fragrances shipped to the U.S. from our Barcelona plant, and the sourcing of various components and marketing materials from China. We estimate additional costs related to tariff increases to be in the range of approximately \$90.0 to \$130.0, the vast majority of which are expected to be incurred in fiscal 2026, based on a preliminary analysis of announcements made by the U.S. administration beginning on April 2, 2025 and announcements by U.S. trade partners. In response, we may consider more diversified sourcing strategies, strategic pricing adjustments and cost-reduction initiatives to help offset these pressures and protect our profitability. In addition, reductions in consumer confidence and discretionary spending could impact demand for our products and negatively affect our sales. We are closely monitoring developments, evaluating potential impacts, and proactively taking steps to mitigate adverse effects on our business.

During the third quarter of fiscal 2025, we formulated a new plan, which was announced on April 24, 2025, to strengthen our operating model and simplify our fixed cost structure (the “Fixed Cost Reduction Plan”). Cash costs associated with the program include restructuring and business structure realignment costs and are expected to be approximately \$80.0, roughly evenly split between fiscal 2026 and fiscal 2027.

Debt Financing

We are in the process of deleveraging our company and improving the maturity mix of our debt, including through refinancing or repayment of a portion of our debt. We expect to continue to take actions to improve the maturity mix of our debt, including through redemptions and/or tender offers for near-dated maturities, from time to time as market conditions permit.

We have taken action to reduce variability in our interest payments including paying down variable interest rate debt outstanding under our 2018 Coty Term A and 2018 Coty Term B Facility, and issuing fixed rate bonds. While our revolving credit facility, which we draw on from time to time, is subject to variable interest rates, all of our non-revolving credit facility long-term debt outstanding as of March 31, 2025 is fixed rate debt.

Share Repurchases

In connection with our Share Repurchase Program, we entered into forward repurchase contracts in June 2022, December 2022, and November 2023 with three large financial institutions to hedge for \$200.0, and a potential \$196.0 and \$294.0 of share repurchases in 2024, 2025 and 2026, respectively. We physically settled the June 2022 forward repurchase contracts by delivering approximately \$200.0 cash in exchange for 27.0 million shares of our Class A Common Stock during fiscal 2024.

Our remaining forward repurchase contracts permit a net cash settlement alternative in addition to the physical settlement. We may elect net cash settlement of all, or some of the remaining forward repurchase contracts based on factors such as timing, the market value of the underlying shares at the settlement date and other internal cash management considerations. We will continue to incur costs associated with the remaining forward repurchase contracts before settlement. Cash costs incurred in the current fiscal year to date for all forward repurchase contracts amounted to \$29.4.

Our forward repurchase contracts include a provision for a potential true-up in cash upon specified changes in the price of Coty's Class A Common Stock relative to the counterparties' initial purchase price (the "Hedge Valuation Adjustment"). In October 2024, the price of Coty's Class A Common Stock declined, resulting in a potential Hedge Valuation Adjustment event under the November 2023 forward repurchase contracts, with a corresponding potential cash true-up obligation. During the second quarter of fiscal 2025, we paid \$61.8 to the counterparties, which was refunded to us during the same period after entering into agreements with the applicable counterparties in November 2024 for a temporary contractual amendment to the November 2023 forward repurchase contracts' Hedge Valuation Adjustment mechanism.

The amendments were effective from October 2024 to February 2025 and did not apply to the forward repurchase contracts executed in December 2022. The share price further declined during the amendment period, triggering cash settlements under our December 2022 and November 2023 forward repurchase contracts of \$191.1 million, in February 2025.

Future reductions in the price of Coty's Class A Common Stock may trigger additional payments under our remaining forward repurchase contracts. The cash settlement liability under all our forward repurchase contracts based on Coty's share price as of May 6, 2025 totaled approximately \$53.0, a \$14.0 increase from March 31, 2025. See Footnote 13—Equity for additional information on the Company's forward repurchase contracts.

Factoring of Receivables

From time to time, we supplement the timing of our cash flows through the factoring of trade receivables. In this regard, we have entered into factoring arrangements with financial institutions.

The net amount factored under the factoring facilities was \$216.6 and \$195.3 as of March 31, 2025 and June 30, 2024, respectively. The aggregate amount of trade receivable invoices factored on a worldwide basis amounted to \$1,148.9 and \$1,196.9 during the nine months ended March 31, 2025 and 2024, respectively.

Cash Flows

	Nine Months Ended March 31,	
	2025	2024
Condensed Consolidated Statements of Cash Flows Data: (in millions)		
Net cash provided by operating activities	\$ 409.4	\$ 438.1
Net cash used in investing activities	(80.1)	(161.5)
Net cash used in financing activities	(384.1)	(264.1)

Net cash provided by operating activities

Net cash provided by operating activities was \$409.4 and \$438.1 for the nine months ended March 31, 2025 and 2024, respectively. The decrease in cash provided by operating activities of \$28.7 was mainly driven by the impact of higher cash outflows from working capital and higher year-over-year cash-related Net Income. Higher net cash outflows from working capital was primarily driven by lower net cash flows from changes in accrued expenses and other current liabilities, mainly due to lower discretionary compensation accruals for employees, higher cash paid for interest resulting from the phasing of interest payments on third-party debt, and the net impact from timing of invoice processing which caused an increase in cash flows from accounts payable. Working capital cash flows also reflect the impact of the prior-year Wella reimbursement for working capital which did not recur in the current year. The decrease in cash provided by operating activities was partially offset by lower cash outflows related to the timing of payments for income taxes.

Net cash used in investing activities

Net cash used in investing activities was \$80.1 and \$161.5 for the nine months ended March 31, 2025 and 2024, respectively. The decrease in cash used in investing activities of \$81.4 primarily reflects the \$74.0 cash proceeds from the termination of the KKW Collaboration Agreement and sale of the 20% KKW Holdings equity investment, and lower capital expenditures year-over-year. This was partially offset by lower inflows in the current year, driven by the prior year impact of cash proceeds from an early license termination that did not recur in the current year.

Net cash used in financing activities

Net cash used in financing activities during the nine months ended March 31, 2025 and 2024 was \$384.1 and \$264.1, respectively. The increase in cash used in financing activities of \$120.0 was primarily driven by the impact of the prior year cash proceeds from issuance of Class A Common Stock in connection with the global offering which did not recur, and higher net repayments relating to other long-term debt. This was partially offset by higher net proceeds from the Company's revolving credit facility and lower cash payments for deferred financing fees in the current year. Net cash used in financing activities as it relates to the forward repurchase contracts was relatively flat year-over-year, reflecting the cash payment for the settlement of the June 2022 forward repurchase contract in the prior year, and cash payments and refund for the hedge valuation adjustments in the current year.

Dividends

On April 29, 2020, the Board of Directors suspended the payment of dividends on Common Stock. As previously disclosed, we expect to suspend the payment of dividends until we approach a Net debt to Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") target of 2x. We expect to consider any future resumption of dividends in line with that target while continuing to pursue our deleveraging agenda and implementing our strategic initiatives. Any determination to pay dividends in the future will be at the discretion of our Board of Directors.

Dividends on the Convertible Series B Preferred Stock are payable in cash, or by increasing the amount of accrued dividends on Convertible Series B Preferred Stock, or any combination thereof, at the sole discretion of the Company. We expect to pay such dividends in cash on a quarterly basis, subject to the declaration thereof by our Board of Directors. The terms of the Convertible Series B Preferred Stock restrict our ability to declare cash dividends on our common stock until all accrued dividends on the Convertible Series B Preferred Stock have been declared and paid in cash.

For additional information on our dividends, see Note 13—Equity and Convertible Preferred Stock in the notes to our Condensed Consolidated Financial Statements.

Treasury Stock - Share Repurchase Program

For information on our Share Repurchase Program, see Note 13—Equity and Convertible Preferred Stock in the notes to our Condensed Consolidated Financial Statements.

Commitments and Contingencies

See Note 16—Redeemable Noncontrolling Interests in the notes to our Condensed Consolidated Financial Statements for information on our subsidiary in the Middle East.

Legal Contingencies

For information on our litigation matters and Brazilian tax assessments, see Note 17—Commitments and Contingencies in the notes to our Condensed Consolidated Financial Statements. In relation to the appeal of our Brazilian tax assessments, we have entered into surety bonds of R\$899.4 million (approximately \$156.2) as of March 31, 2025.

Off-Balance Sheet Arrangements

We had undrawn letters of credit of \$4.1 and \$4.1 and bank guarantees of \$16.9 and \$18.4 as of March 31, 2025 and June 30, 2024, respectively.

Contractual Obligations

Our principal contractual obligations and commitments as of June 30, 2024 are summarized in Item 7 - “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Contractual Obligations and Commitments,” of our Fiscal 2024 Form 10-K. Refer to Item 2 - “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Share Repurchases” above for discussion of the obligations related to our announced share repurchase during fiscal 2024. For the nine months ended March 31, 2025, there have been no other material changes in our contractual obligations outside the ordinary course of business.

Critical Accounting Policies

We believe that the critical accounting policies listed below involve our more significant judgments, assumptions and estimates and, therefore, could have the greatest potential impact on our Condensed Consolidated Financial Statements:

- Revenue Recognition;
- Equity Investments;
- Goodwill, Other Intangible Assets and Long-Lived Assets;
- Inventory; and
- Income Taxes.

As of March 31, 2025, there have been no material changes to the items disclosed as critical accounting policies and estimates in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II—Item 7 of our Fiscal 2024 Form 10-K.

Goodwill

Based on the annual impairment test performed at May 1, 2024, we determined that the fair values of our reporting units exceeded their respective carrying values at that date by approximately 143.6% for Prestige and 69.9% for Consumer Beauty. The impact of recent weakening demand in the color cosmetics market, particularly in the United States and Europe, combined with broader macroeconomic disruptions, could lower the overall cushion for the reporting units. However, at this time, we do not believe a triggering event for an interim impairment test was warranted based on our qualitative assessments. As such, there were no impairments of goodwill at the Company's reporting units as of March 31, 2025.

Other Intangible Assets

The carrying value of our indefinite-lived other intangible assets was \$736.5 as of March 31, 2025, and is comprised of trademarks for the following brands: CoverGirl of \$266.4, Sally Hansen of \$159.2, Philosophy of \$80.5, Max Factor of \$64.4, Bourjois of \$11.6, and other brands totaling \$154.4.

Approach

The trademarks’ fair values are based upon the income approach, primarily utilizing the relief from royalty methodology. This methodology assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to obtain the rights to use the comparable asset. An impairment loss is recognized when the estimated fair value of the intangible asset is less than the carrying value. Fair value calculation requires significant judgments in determining both the assets’ estimated cash flows as well as the appropriate discount and royalty rates applied to those cash flows to determine fair value. Variations in the economic conditions or a change in general consumer demands, operating results estimates or the application of alternative assumptions could produce significantly different results.

Results

As noted above, the Company was adversely impacted by weakening demand in the color cosmetics market, particularly in the United States and Europe, combined with broader macroeconomic disruptions. As a result, the Company determined that an interim impairment measurement for certain other intangible assets was warranted as of March 31, 2025.

As a result of the lower revenue projections, the interim impairment test of indefinite-lived intangible assets resulted in the carrying values of certain trademarks exceeding their estimated fair values. Accordingly, we recorded an impairment charge of \$212.8 for the three and nine months ended March 31, 2025 to reflect such intangible assets at their estimated fair values. These impairments related to the Max Factor (\$84.0), CoverGirl (\$61.0) and Bourjois (\$24.9) trademarks within the Consumer Beauty segment and the Philosophy (\$42.9) trademark within the Prestige segment.

The fair value of the Max Factor trademark fell below its carrying value using a flat annual growth rate and a discount rate of 13.4%. The fair value of the CoverGirl trademark fell below its carrying value using projections that assumed an average annual growth rate of 2.0% and a discount rate of 12.2%. The fair value of the Bourjois trademark fell below its carrying value using a flat annual growth rate and a discount rate of 20.0%. The fair value of the Philosophy trademark fell below its carrying value using a flat annual growth rate and a discount rate of 11.5%.

As the trademarks for which impairment charges were recorded in the three and nine months ended March 31, 2025 no longer have any excess of their fair values over their carrying values, any material decline in assumed average annual revenue growth rates or increase in the discount rate could result in additional impairment charges. For instance, with regards to the Max Factor trademark, if the annual revenue declined by 5% it may cause an additional impairment of \$3.1. If the discount rate increased by 50 basis points, it may cause an additional impairment of \$2.4. With regards to the CoverGirl trademark, if the annual revenue declined by 5% it may cause an additional impairment of \$13.0. If the discount rate increased by 50 basis points, it may cause an additional impairment of \$12.1. With regards to the Bourjois trademark, if the annual revenue declined by 5% it may cause an additional impairment of \$0.6. If the discount rate increased by 50 basis points, it may cause an additional impairment of \$0.3. With regards to the Philosophy trademark, if the annual revenue declined by 5% it may cause an additional impairment of \$3.9. If the discount rate increased by 50 basis points, it may cause an additional impairment of \$3.8.

Some of the inherent estimates and assumptions used in determining fair value of the indefinite-lived other intangible assets are outside the control of management, including interest rates, cost of capital, tax rates, credit ratings and industry growth. Given the weakening demand in the color cosmetics market, particularly in the United States and Europe, combined with broader macroeconomic disruptions and the potential financial impact on the Company's business, there can be no assurance that the Company's estimates and assumptions regarding the macroeconomic factors made for purposes of the indefinite-lived intangible asset interim impairment testing performed during the third quarter of our 2025 fiscal year will prove to be accurate predictions of the future. While the Company believes it has made reasonable estimates and assumptions to calculate the fair values of the other indefinite-lived intangible assets, it is possible changes could occur. Regarding the indefinite-lived intangible assets, the most significant assumptions used are the revenue growth rate and the discount rate, a decrease in the revenue growth rate or an increase in the discount rate could result in a future impairment. The Company will continue to monitor its indefinite-lived trademarks for any triggering events or other signs of impairment. The Company may be required to perform additional impairment testing based on changes in the economic environment, disruptions to the Company's business, significant declines in operating results of the Company's trademarks. Although management cannot predict when improvements in macroeconomic conditions will occur, if consumer confidence and consumer spending decline significantly in the future, it is reasonably likely the Company will be required to record impairment charges in the future.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

See Note 12—Derivative Instruments for updates to our foreign currency risk management and interest rate risk management. There have been no material changes in market risk from the information provided in Item 7A. Quantitative and Qualitative Disclosures About Market Risk of our Fiscal 2024 Form 10-K.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer (the "CEO") and our Chief Financial Officer ("CFO"), evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2025. Based on the evaluation

of our disclosure controls and procedures as of March 31, 2025, our CEO and CFO concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(f) of the Exchange Act during the third fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our CEO and CFO, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving our objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Part II. OTHER INFORMATION

Item 1. *Legal Proceedings.*

For information on our legal matters, see Note 17—Commitments and Contingencies in the notes to our Condensed Consolidated Financial Statements.

Item 1A. *Risk Factors.*

We have disclosed information about the risk factors that could adversely affect our business in Part I, Item 1A under the heading "Risk Factors" in our Annual Report on Form 10-K for fiscal 2024.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds.*

No shares of our Class A Common Stock were repurchased during the fiscal quarter ended March 31, 2025.

Item 5. *Other Information*

During the three months ended March 31, 2025, none of the Company's directors or Section 16 reporting officers adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of the SEC's Regulation S-K).

Item 6. Exhibits, Financial Statement Schedules.

The exhibits listed below are filed as part of this Quarterly Report on Form 10-Q:

Exhibit Number	Description
31.1	Certification of Chief Executive Officer, pursuant to Rule 13a-14(a).
31.2	Certification of Chief Financial Officer, pursuant to Rule 13a-14(a).
32.1	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350.
32.2	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.
COTY INC.

Date: May 7, 2025

By: /s/Sue Nabi
Name: Sue Nabi
Title: Chief Executive Officer
(Principal Executive Officer)

/s/Laurent Mercier
Name: Laurent Mercier
Title: Chief Financial Officer
(Principal Financial Officer)

Certification

I, Sue Nabi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coty Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

/s/Sue Nabi
Sue Nabi
Chief Executive Officer

Certification

I, Laurent Mercier, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coty Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

/s/Laurent Mercier
Laurent Mercier
Chief Financial Officer

Certification
Pursuant to Rule 13a-14(b) or
Rule 15d-14(b) and 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002)

Pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), the undersigned officer of Coty Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The quarterly report on Form 10-Q for the quarter ended March 31, 2025 (the "Report") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78m or 78o(d)), and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

/s/ Sue Nabi

Sue Nabi
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and for no other purpose.

Certification
Pursuant to Rule 13a-14(b) or
Rule 15d-14(b) and 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002)

Pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), the undersigned officer of Coty Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The quarterly report on Form 10-Q for the quarter ended March 31, 2025 (the "Report") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78m or 78o(d)), and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

/s/Laurent Mercier
Laurent Mercier
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and for no other purpose.