COTY

ICONIC BRAND BUILDER

MORGAN STANLEY CONFERENCE
December 4, 2019



WE HAVE

A strong asset base and a phased roadmap to unlock significant value



COTY'S ROADMAP

1: Turnaround

- Detailed **4-year roadmap** to return Coty to revenue growth, expand margins to 14-16%, and delever to <4x

2: Refocus

- Launched **strategic review** of the Professional Beauty division, associated hair brands, and Brazil
- Announced intention to **focus** on core **fragrances, cosmetics, and skincare** businesses

3: Accelerate

- Amplify growth potential of the portfolio
- With Kylie partnership:
  - **Step-changing growth profile** of Coty through partnership with high-growth, digitally native beauty brand
  - Expanding presence in **premium cosmetics and skincare**

1 TURNAROUND





LUXURY BUSINESS

COTY IS THE GLOBAL LEADER IN FRAGRANCES

#1 Global Fragrance Maker

3 out of Top 10 Luxury Fragrance Brands

Average remaining license life ~8 years

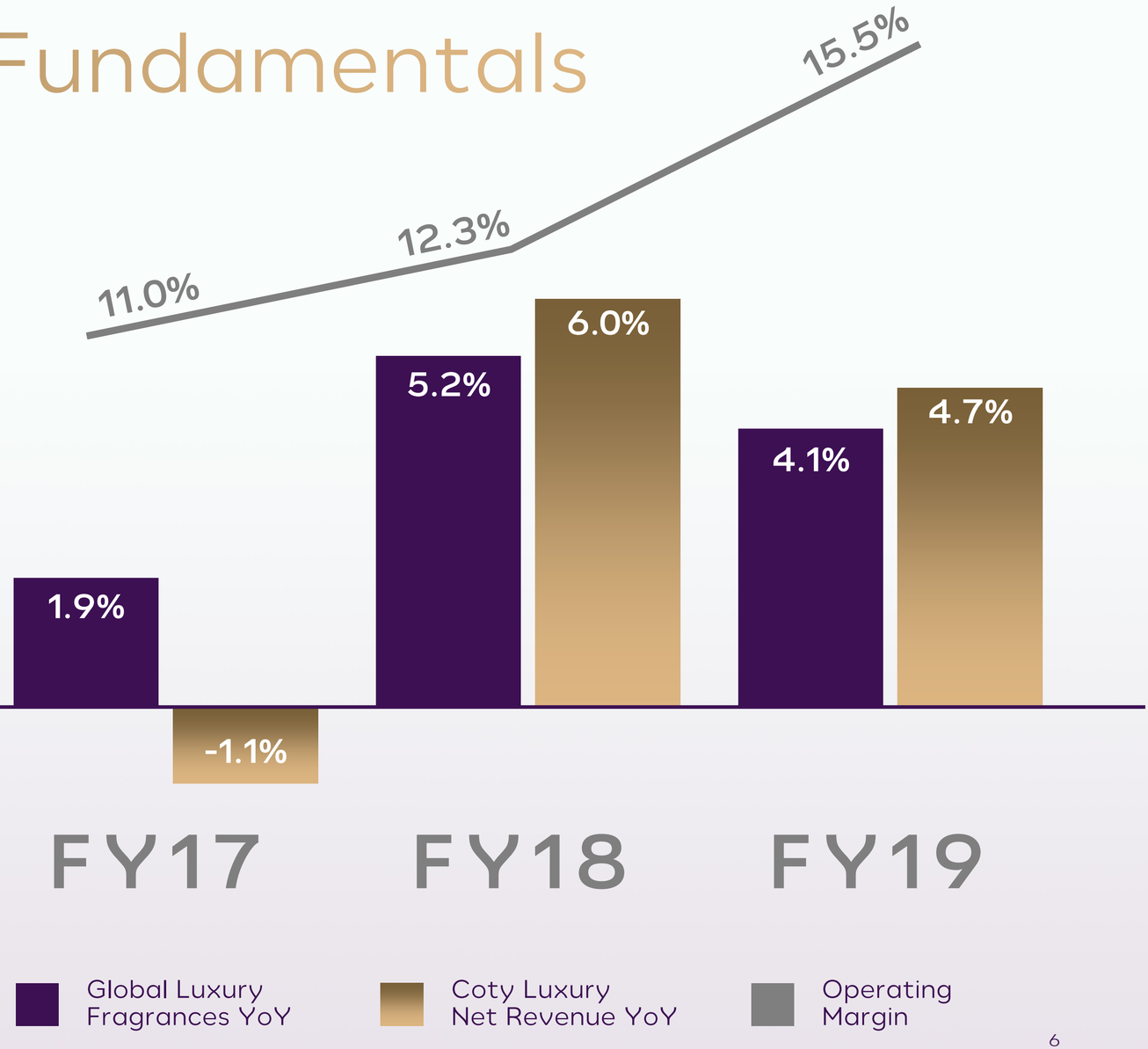
LUXURY BUSINESS

Strong and Growing Fundamentals

Coty luxury net revenues growing in-line to ahead of global luxury fragrance market

Steadily improving margins, with room for further expansion

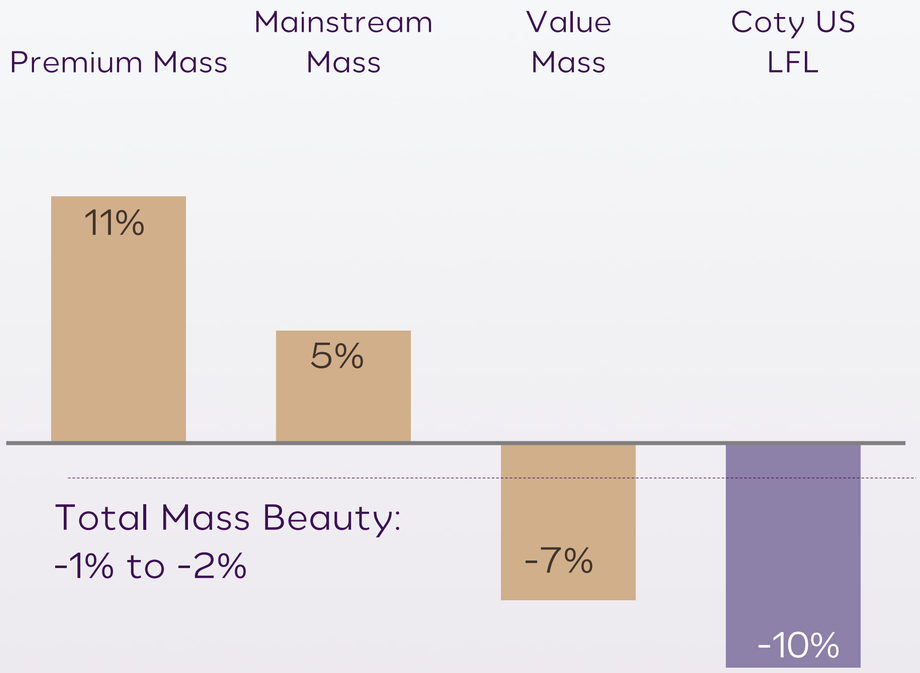




Source: NPD, Euromonitor, Coty estimates
Global Luxury fragrance category trends for FY17/FY18 correspond to CY16/CY17 data, respectively.

MASS BEAUTY SEGMENT IN MODERATE DECLINE

Opportunity for value creation through better execution



US Color Cosmetics CAGR ('16-'18)

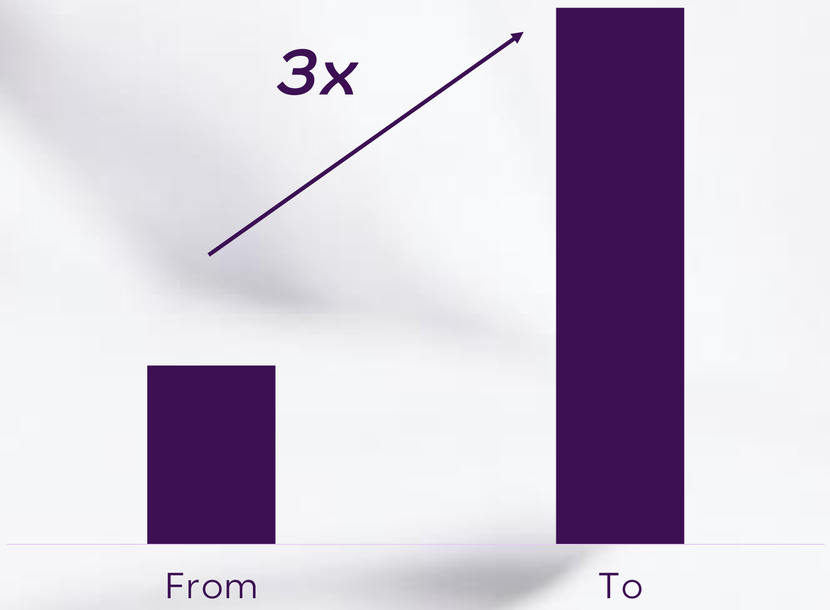
Coty US Consumer Beauty LFL CAGR (FY17-FY19)

- **Context**: Measured mass beauty segment declining -1-2% annually in the last 3 years
- **Drivers**: Growing penetration of indie brands in unmeasured channels
- **Our goal**: Moderate revenue decline through better execution and increased support to be in line with the market of -1-2% by FY23

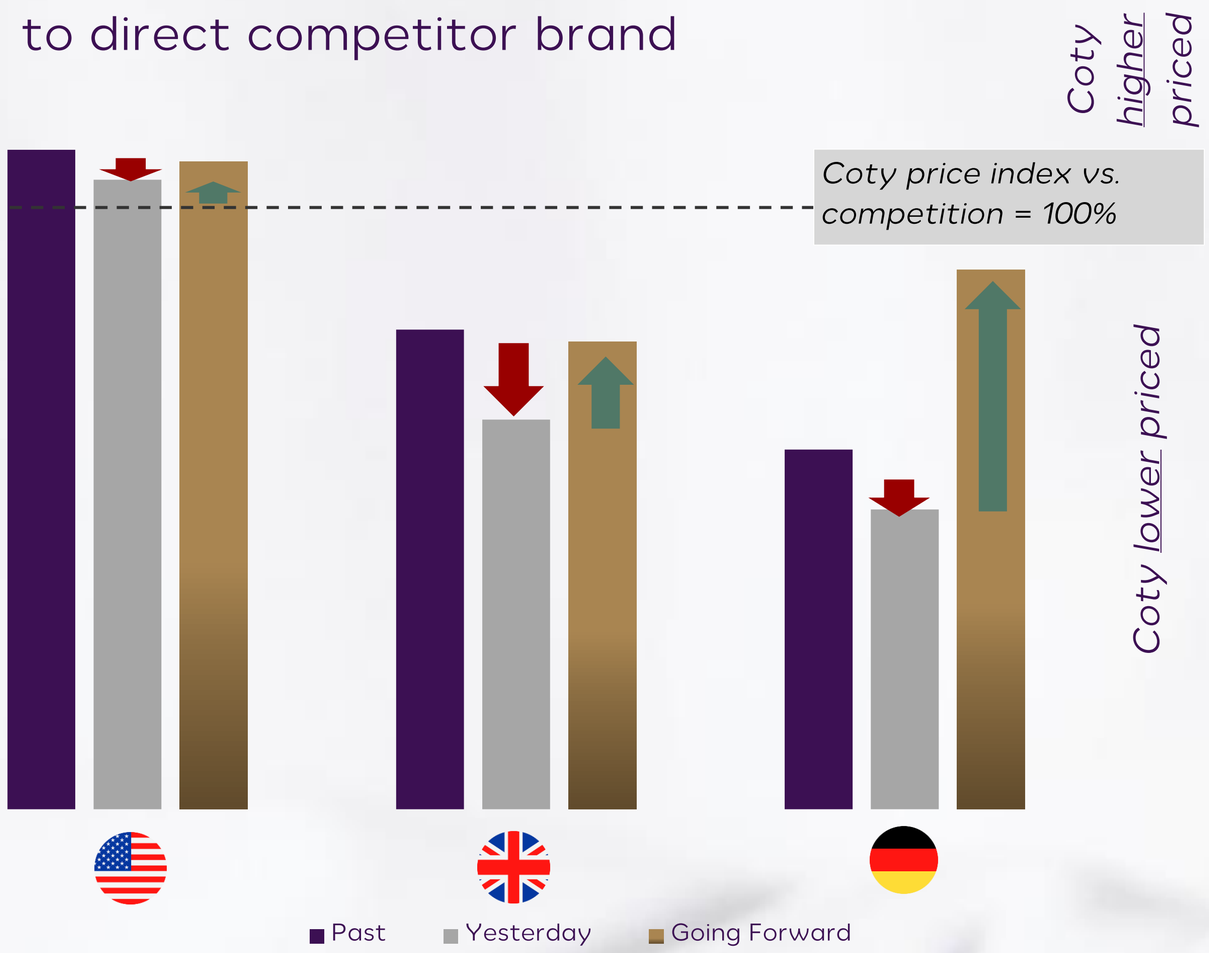
*Coty US Consumer Beauty excludes Younique
Source: Nielsen, Coty Inc

INCREASE AT-SCALE ADVERTISING AND REVERSE PRICE EROSION

Number of priority brands in key markets supported through advertising at-scale

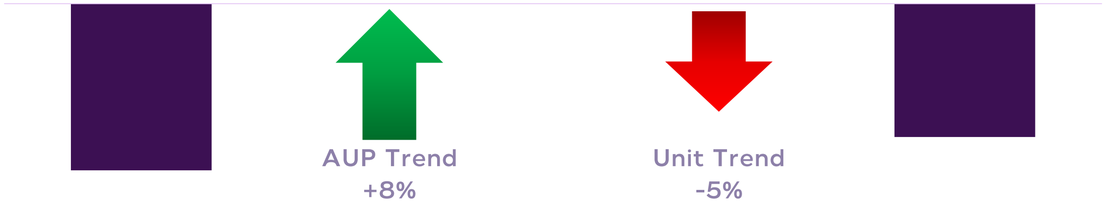


Coty sample brand price index relative to direct competitor brand



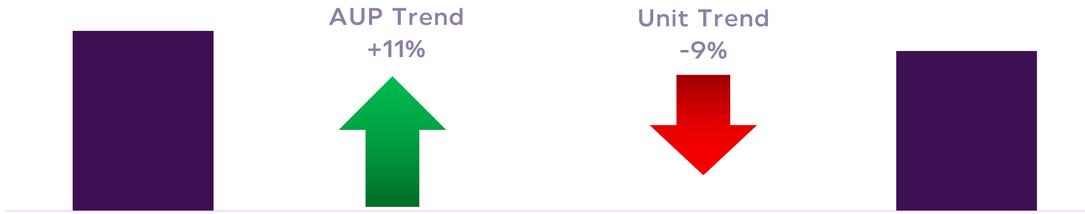
INITIAL EUROPE DEMAND ELASTICITY RESULTS CONFIRM OPPORTUNITIES FOR VALUE EXPANSION

Max Factor – Key EU Retailer





Rimmel – Key EU Retailer





Pricing changes and results:

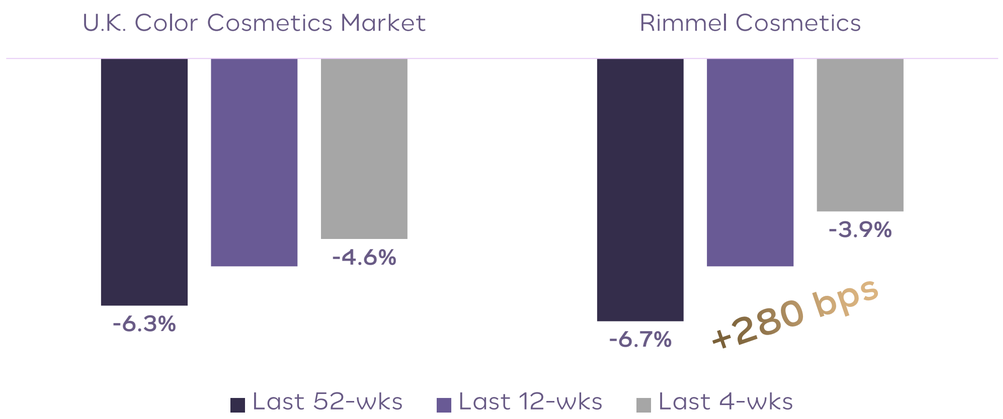
- Initial pricing actions delivering results in line with expectations, with limited volume elasticity on SKUs with double-digit list price increases
- Average unit price increases driven by combination of list price, mix and promos
- Net positive impact on sell-out and gross margin

Source: Nielsen, Coty Inc

INITIAL POSITIVE SIGNALS – EUROPE & U.S.
DRIVEN BY MEDIA SUPPORT AND IN-STORE EXECUTION

Rimmel – U.K.





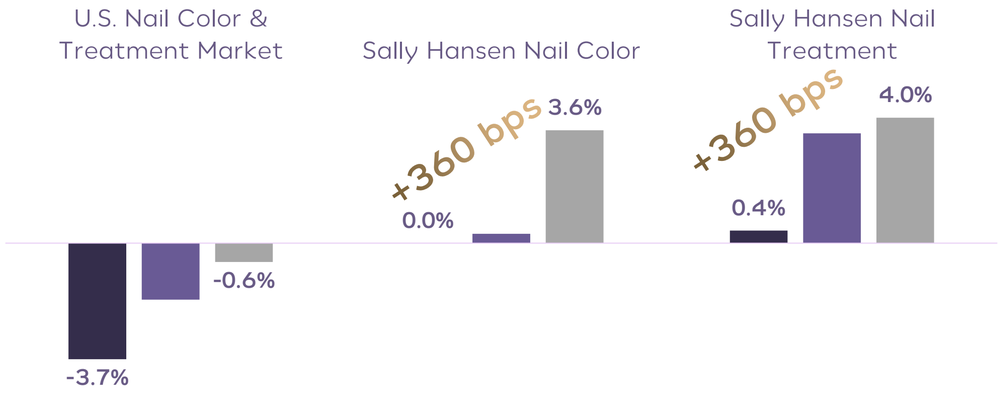
Drivers of Improvement:

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

Sally Hansen – U.S.

Drivers of Improvement:

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





Source: Nielsen

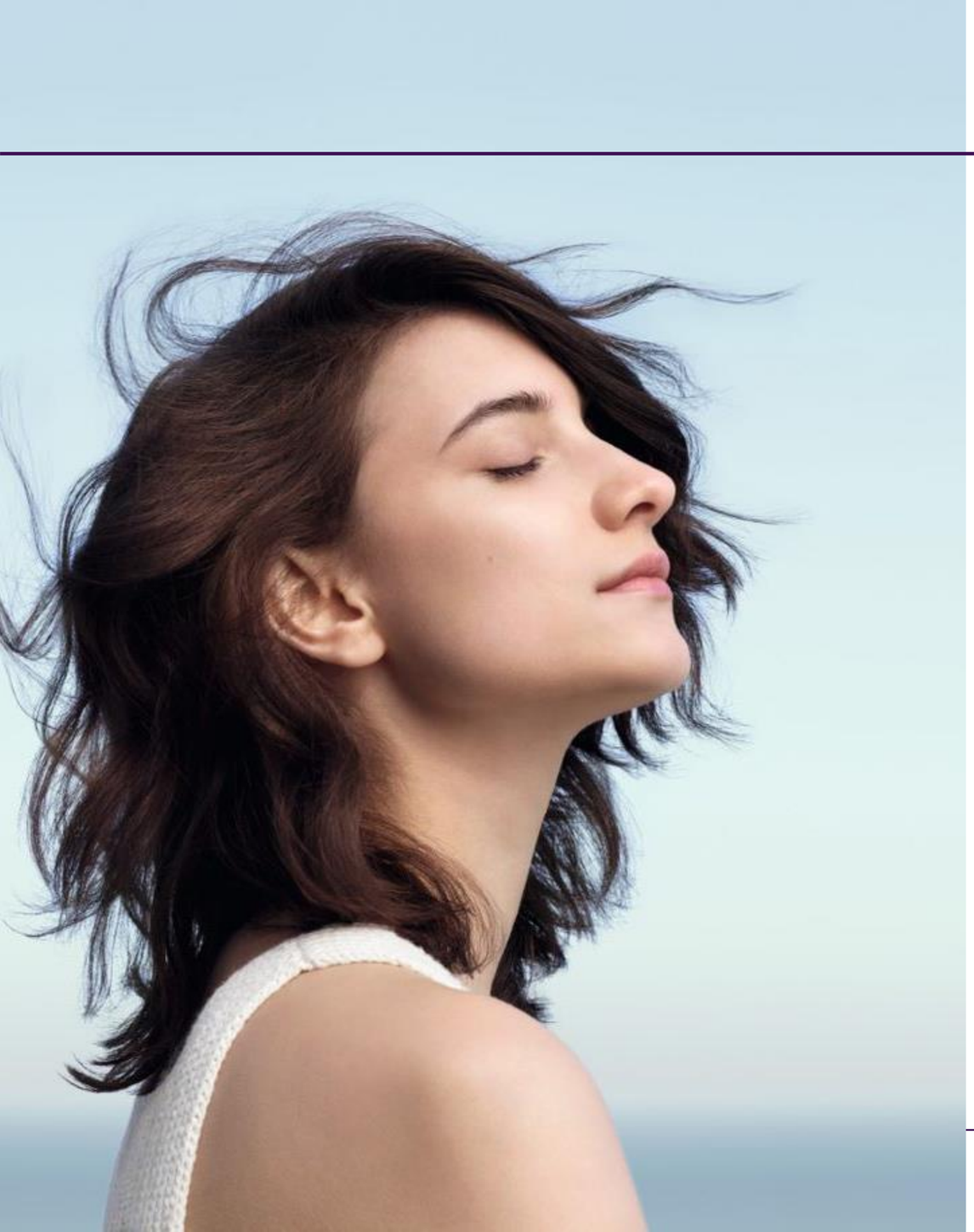
REFOCUS 2



STRATEGIC REVIEW NEXT STEP IN ONGOING TRANSFORMATION

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





OVERVIEW OF BUSINESS UNDER REVIEW

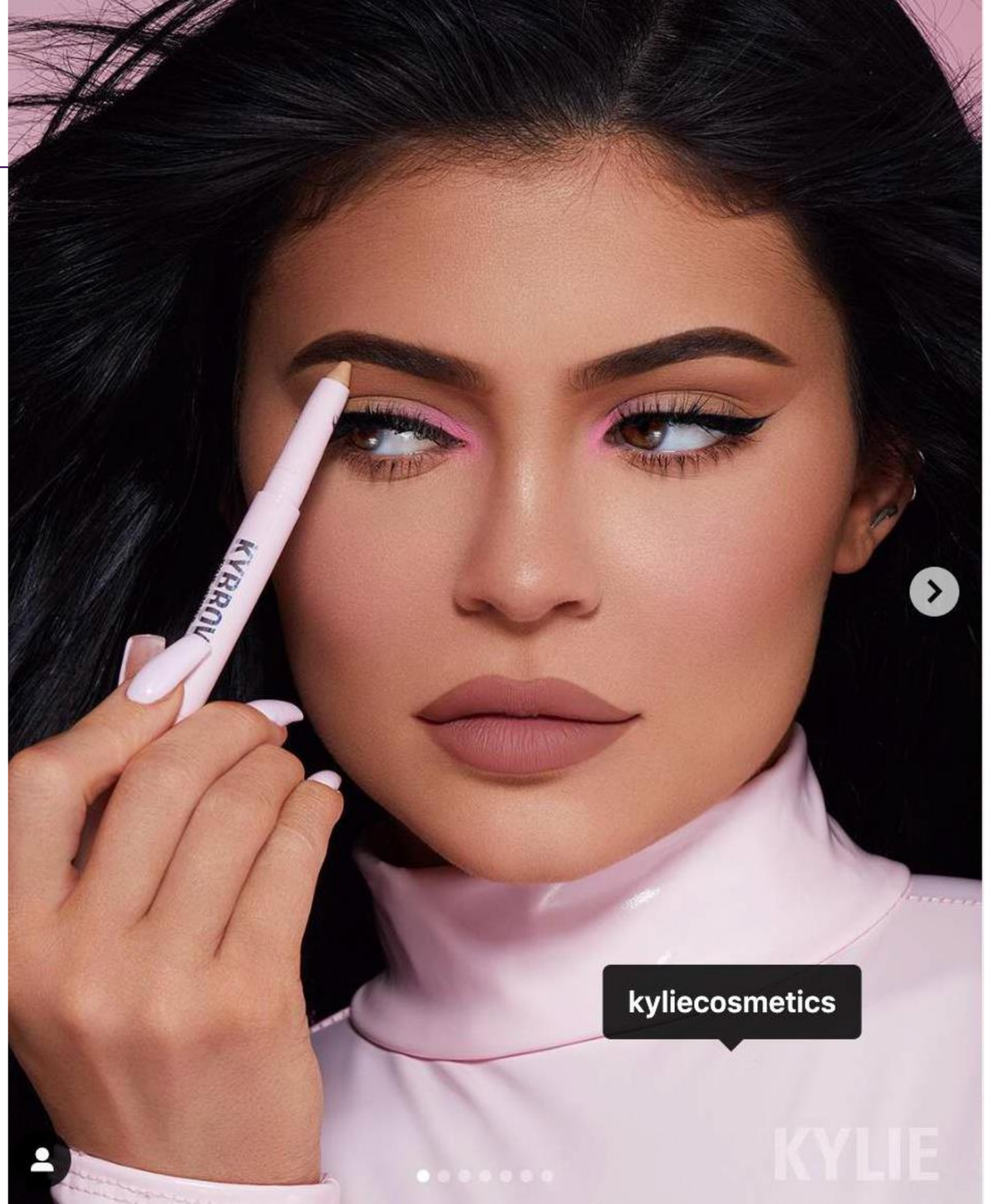
- ~$2.7B of annual revenues
  - ~$1.8B Professional Beauty division (steady growth, high loyalty market)
  - ~$900M across retail hair and Brazil
- Operating margin profile similar to Professional Beauty
  - Margin further elevated by removal of some allocated overhead costs
- Strong incoming interest from strategic and financial buyers

ACCELERATE



NEW BEAUTY PARTNERSHIP WITH KYLIE JENNER

- Coty + Kylie strategic partnership sets foundation for a **global beauty business**
- Partnership combines:
  - ➢ Kylie's strong brand equity and unparalleled social media reach, particularly amongst Gen Z
  - ➢ Coty's global R&D, manufacturing, distribution knowledge and capabilities, and multi-category expertise
- Expected to be **growth accretive** and exceed cost of capital by Year 3



COTY

KYLIE BEAUTY BUSINESS OVERVIEW





REVENUES

- **~$177M TTM[1]** (>40% Growth vs CY18)
- **Growth fueled by:**
  - Steady quarterly sales run-rate on DTC
  - Positive contribution from launching in Ulta (Nov 2018)
  - Skincare intro in May 2019

EBITDA Margin

- >25%

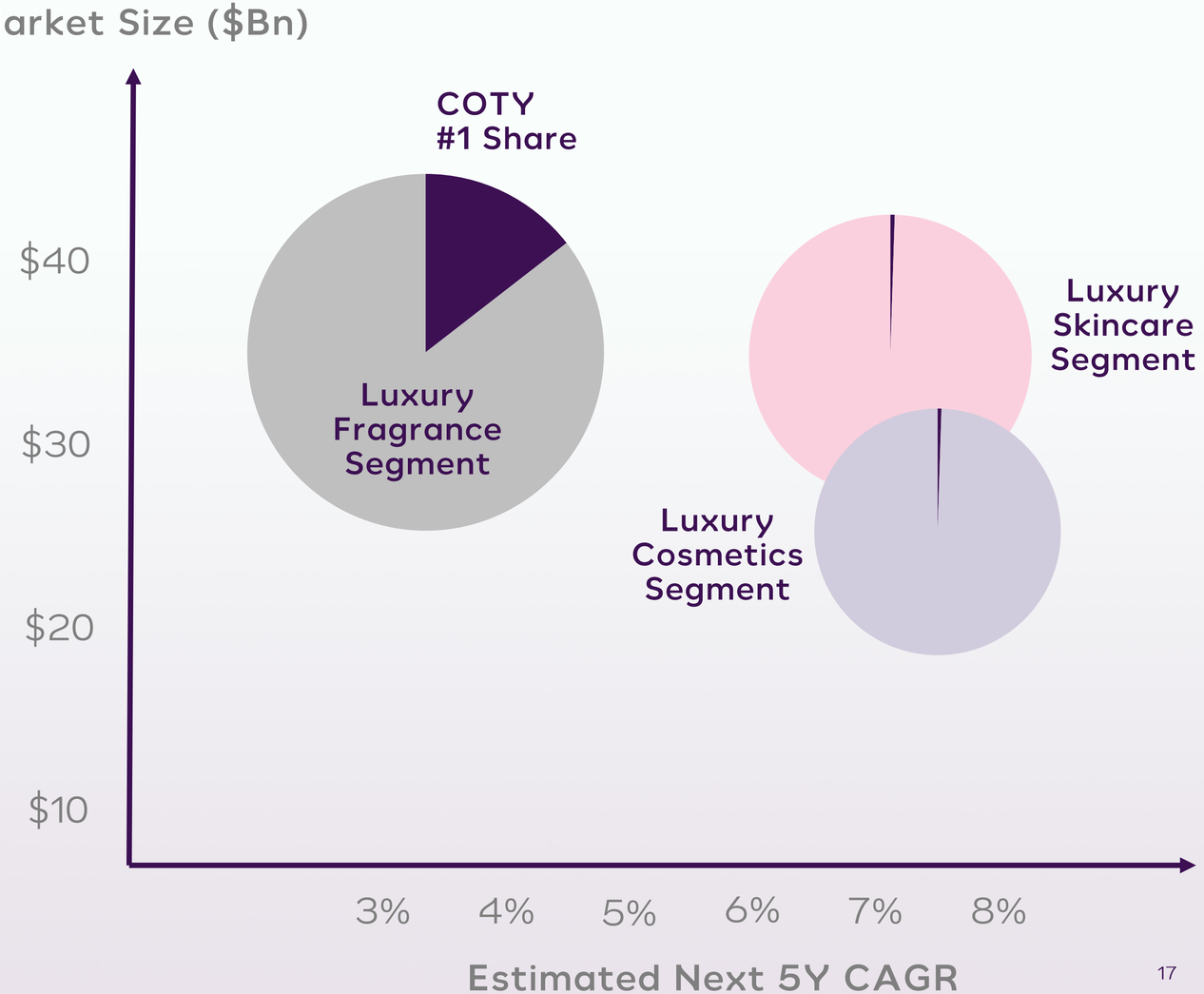
[1] TTM sales estimate through September 30, 2019

LUXURY BUSINESS

Opportunity to leverage brands into adjacent categories

- License agreements allow expansion into cosmetics and skincare
- Major growth opportunities in the ~$24B luxury cosmetics and ~$35B luxury skincare segments
- Gucci make-up relaunch off to a very strong start





Source: NPD, Euromonitor, Coty estimates

SIGNIFICANT UNTAPPED POTENTIAL IN SKINCARE

LANCASTER

<$100M in Revenues

#6 Skincare brand in China Sephora



philosophy

~$200M in Revenues

#6 skincare brand in the U.S.



SIGNIFICANT UNTAPPED POTENTIAL IN COSMETICS

GUCCI



BURBERRY





FINANCIAL OUTLOOK

FY20 OUTLOOK

Targets Confirmed

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





COTY

ICONIC BRAND BUILDER

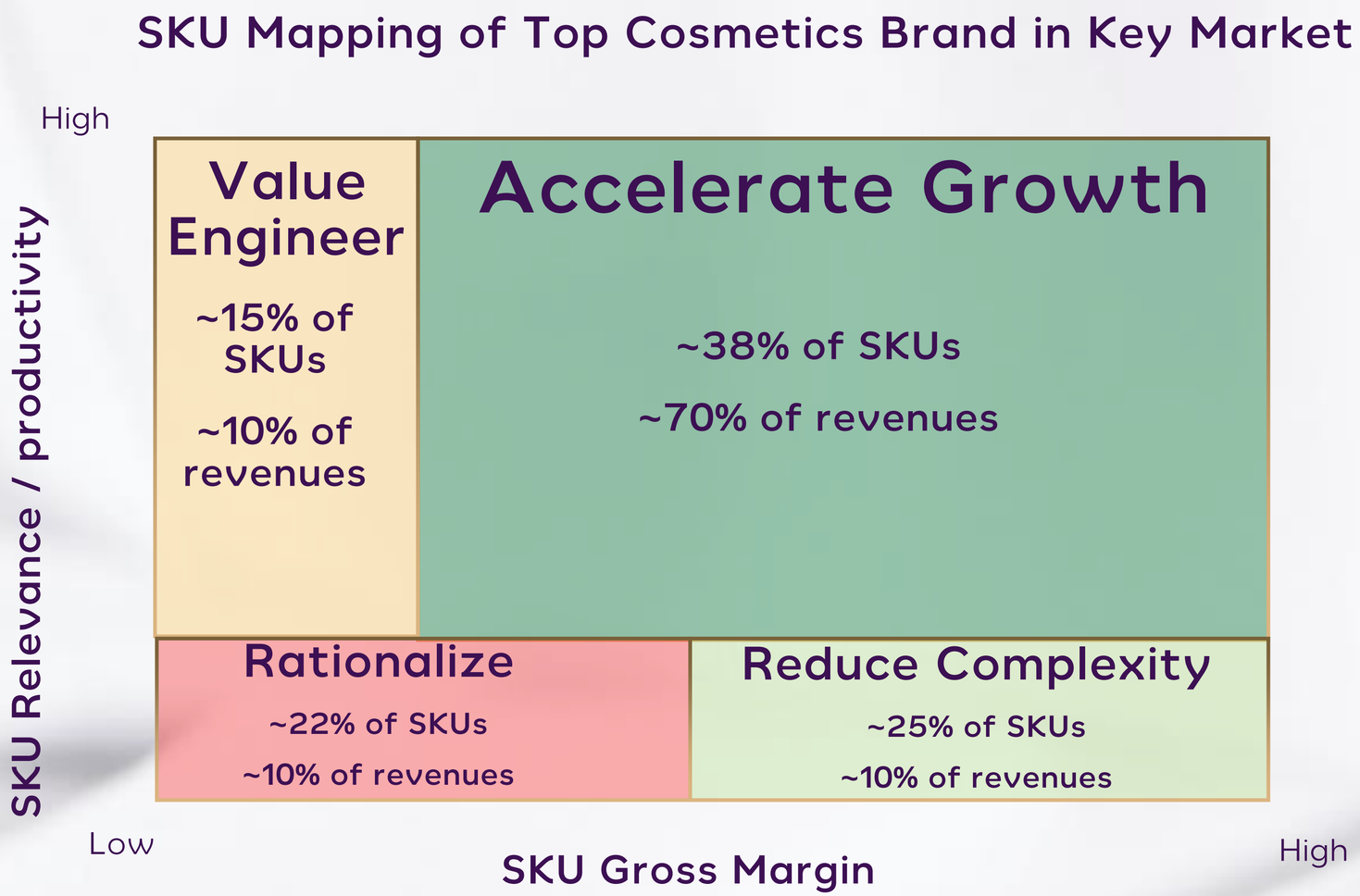
Q&A

APPENDIX

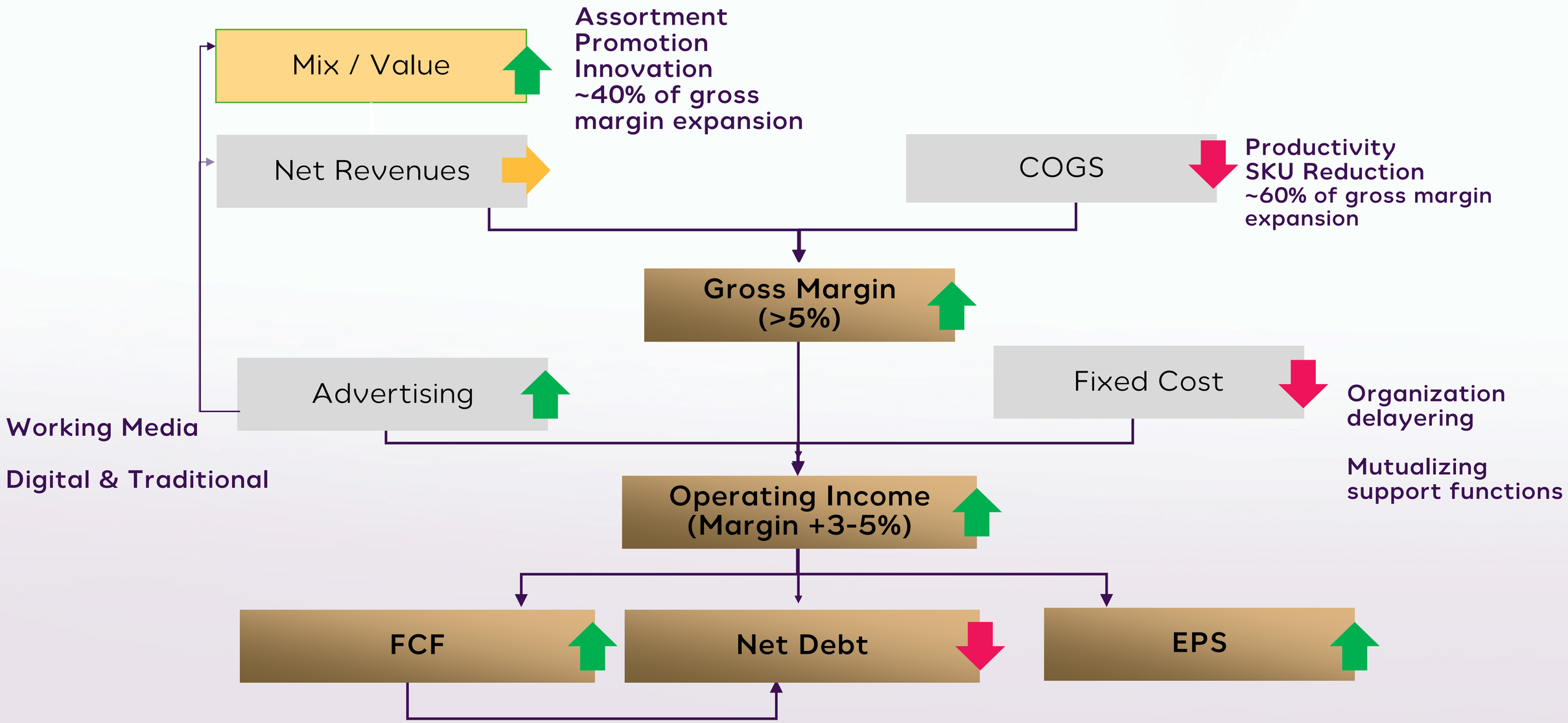


GRADUALLY RATIONALIZE OUR SKUS

Simplify our business and drive gross margin expansion



PROFITS - BUILDING SUSTAINABLE INCOME GROWTH



Note: Based on current scope of the business

DISCLAIMER

Forward-Looking Statements

Certain statements in this presentation are forward-looking statements. These forward-looking statements reflect Coty Inc.'s ("Coty's") current views with respect to, among other things, Coty's turnaround plan announced on July 1, 2019 (the "Turnaround Plan"), strategic planning, targets, segment reporting and outlook for fiscal year 2020 and future reporting periods (including the extent and timing of revenue, profit and EPS trends and changes in operating cash flows and cash flows from operating activities and investing activities), the strategic review of Coty's Professional Beauty business, associated hair and nail brands sold by its Consumer Beauty division and Brazilian operations and any transaction related thereto (the "Strategic Review"), including timing of such Strategic Review and any transaction and the use of proceeds from any such transaction, Coty's future operations and strategy, allocation and amount of advertising and consumer promotion costs, allocation and amount of research and development investments, ongoing and future cost efficiency and restructuring initiatives and programs (including the expected timing and impact), investments, licenses and portfolio changes, synergies, savings, performance, cost, timing and integration of acquisitions, future cash flows, liquidity and borrowing capacity, timing and size of cash outflows and debt deleveraging, the performance of launches or relaunches, the timing and impact of current or future destocking or shelf spaces losses, the impact and timing of supply chain disruptions and the resolution thereof, timing and extent of any future impairments, and the synergies, savings, impact, cost, timing and implementation of Coty's Turnaround Plan, including operational and organizational structure changes, segment reporting changes, operational execution and simplification initiatives, the move of Coty's headquarters (including expectations about roles and staffing), and the priorities of senior management. These forward-looking statements are generally identified by words or phrases, such as "anticipate", "are going to", "estimate", "plan", "project", "expect", "believe", "intend", "foresee", "forecast", "will", "may", "should", "outlook", "continue", "temporary", "target", "aim", "potential", "goal" and similar words or phrases. These statements are based on certain assumptions and estimates that we consider reasonable, but are subject to a number of risks and uncertainties, many of which are beyond the control of Coty, which could cause actual results to differ materially from such statements. Such risks and uncertainties are identified in the periodic reports Coty has filed and may file with the Securities and Exchange Commission (the "SEC") including, but not limited to: Coty's ability successfully implement its multi-year Turnaround Plan and to develop and achieve its global business strategies, compete effectively in the beauty industry and achieve the benefits contemplated by its strategic initiatives within the expected time frame or at all, the result of the Strategic Review and whether such Strategic Review will result in any transactions and the amount and use of proceeds from any such transactions, the integration of acquisitions with Coty's business, operations, systems, financial data and culture and the ability to realize synergies, avoid future supply chain and other business disruptions, reduce costs and realize other potential efficiencies and benefits (including through its restructuring initiatives) at the levels and at the costs and within the time frames contemplated or at all, and managerial, integration, operational, regulatory, legal and financial risks, including diversion of management attention to and management of cash flows, expenses and costs associated with multiple ongoing and future strategic initiatives (including the Strategic Review), internal reorganizations and restructuring activities, including the Turnaround Plan, and Coty's ability to retain and attract key personnel and the impact of senior management transitions and organizational structure changes.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included elsewhere. More information about potential risks and uncertainties that could affect Coty's business and financial results is included under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Coty's Annual Report on Form 10-K for the fiscal year ended June 30, 2019, and other periodic reports Coty has filed and may file with the Securities and Exchange Commission (the "SEC") from time to time. Any forward-looking statements made in this presentation are qualified in their entirety by these cautionary statements. All forward-looking statements are made only as of the date of this presentation, and, Coty undertakes no obligation, other than as may be required by applicable law, update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, or changes in future operating results over time or otherwise.

Non-GAAP Financial Measures

In this presentation, Coty presents certain non-GAAP financial measures that we believe enable management and investors to analyze and compare the underlying business results from period to period, including constant currency, organic like-for-like (LFL) and adjusted metrics, as well as free cash flow and net debt. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period, with the current period's results calculated at the prior-year period's rates. The term "like-for-like" describes the Coty's core operating performance, excluding the financial impact of (i) acquired brands or businesses in the current year period until Coty has twelve months of comparable financial results, (ii) divested brands or businesses or early terminated brands , generally, in the prior year non-comparable periods, to maintain comparable financial results with the current fiscal year period and (iii) foreign currency exchange translations to the extent applicable. Adjusted metrics exclude nonrecurring items, purchase price accounting related amortization, acquisition-related costs, restructuring costs and certain other information as noted within this presentation. Free cash flow is defined as net cash provided by operating activities, less capital expenditures, and net debt is defined as total debt less cash and cash equivalents. These non-GAAP financial measures should not be considered in isolation, or as a substitute for, or superior to, financial measures calculated in accordance with GAAP. To the extent that Coty provides guidance, it does so only on a non-GAAP basis and does not provide reconciliations of such forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, including adjustments that could be made for restructuring, integration and acquisition-related expenses, amortization expenses, adjustments to inventory, and other charges reflected in our reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

Outlook Information

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

Definitions and Notes

Fiscal year represents Coty's fiscal year ended June 30