GROWING CHINA AND **TRAVEL RETAIL**

COTY



CHINA

GUILHEM SOUCHE

MANAGING DIRECTOR OF CHINA

CHINA IS A KEY STRATEGIC PILLAR FOR COTY'S GROWTH AND PROFITABILITY

#1

Stabilize consumer beauty makeup brands & mass fragrances

#2

Accelerate luxury fragrances & become a key player in prestige makeup

#3

Build skincare portfolio across both divisions

#4

Build e-commerce and direct-to-consumer expertise and capabilities

#5

Expand in China on luxury and select consumer beauty brands

#6

Become a beauty leader in sustainability

CHINA TRENDS



Repatriation of **Luxury** consumption



Hainan 65M Chinese Travelers



Omni-Channel Retail **Experiences**



Gen-Z the most valuable age group



Booming **e-commerce**



931 M Netizens **One Click Away**

CHINA, A HIGHLY RESILIENT MARKET

WORLD

	2015 -2019 CAGR	COVID	2020-2024 CAGR
Total	+2.6%	-2.7%	+3.3%
Mass	+1.4%	-2.1%	+1.9%
Luxury	+4.8	-3.7%	+5.6%

CHINA

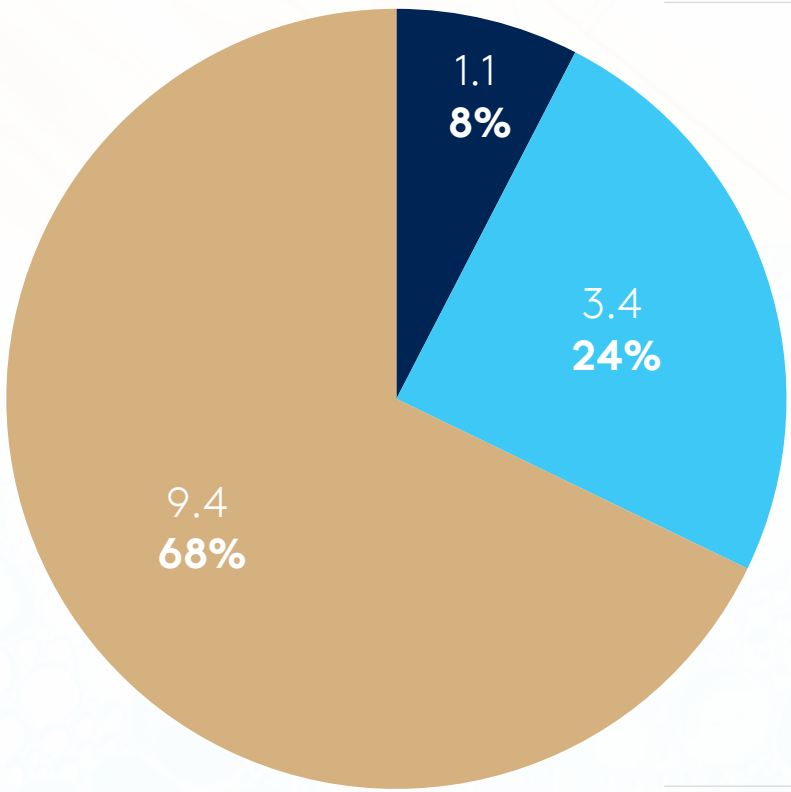
	2015 -2019 CAGR	COVID	2020-2024 CAGR
Total	+10%	+3.8%	***+13%***
Mass	+4.5%	+1.1%	***+8%***
Luxury	+21.2	+8.0%	***+16%***



COTY Source: Euromonitor, Beaute Research, Coty

A MARKET LED BY SKINCARE WITH FRAGRANCES GROWING FASTEST

CY2020 SELL-OUT ($B)



TOTAL MARKET: $13.9B

2019 / 2021 CAGR

- Fragrance: **+30%**
- Makeup: **+11%**
- Skincare: **+25%**

COTY

Source: Beaute Research Retail Sales Prestige

6

CHINA IS A YOUNG SUBSIDIARY

SINCE 2016

BACKGROUND

- Before 2016: Brands managed by agents
- 2016 July Coty opened China subsidiary
- 2016 Oct: Coty completed acquisition of P&G Beauty Brands

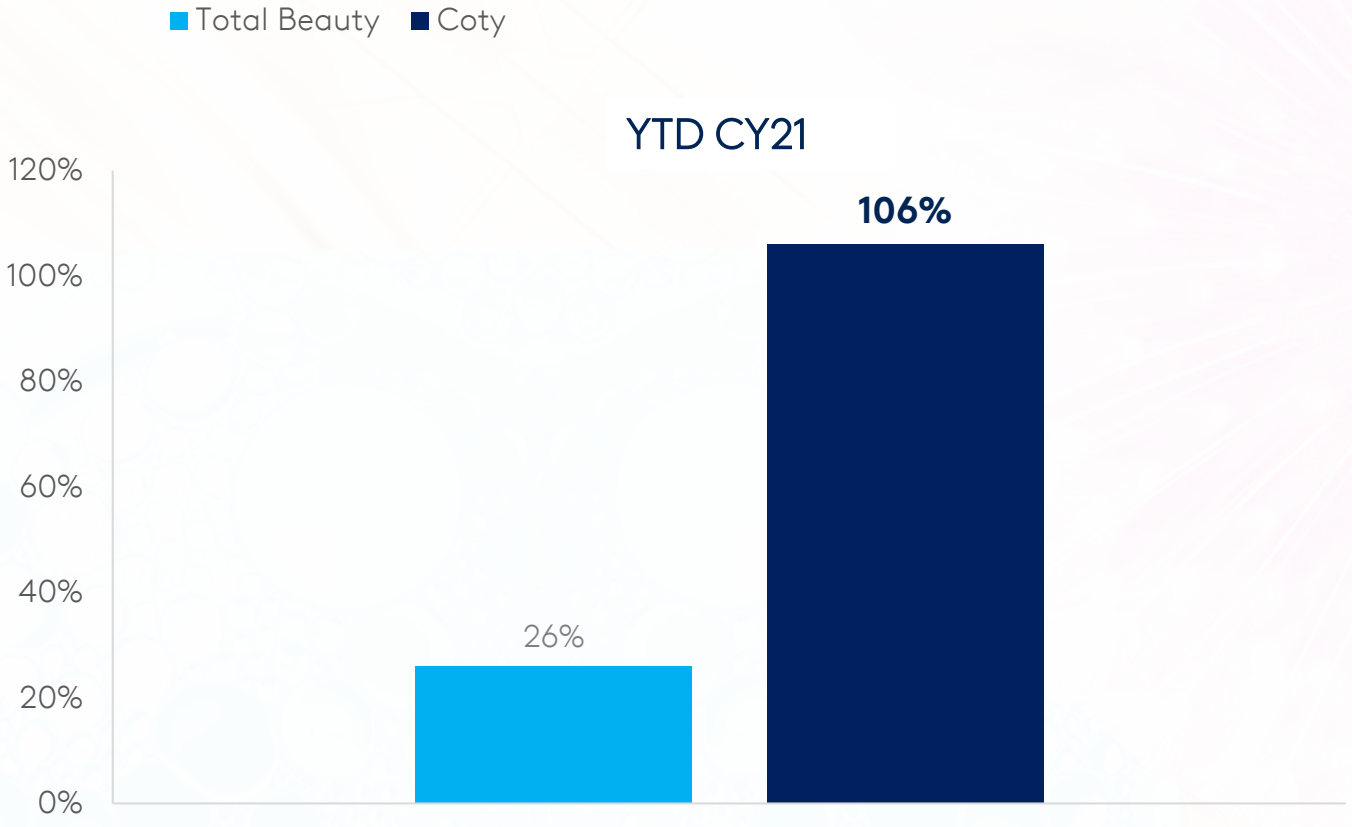
TODAY

- A team of 336 associates
- 213 associates based HQ in Shanghai
- 1 factory in Wujiang
- 1 lab in Suzhou
- >600 sales team members
- Currently China accounts for **4%** of Coty sales



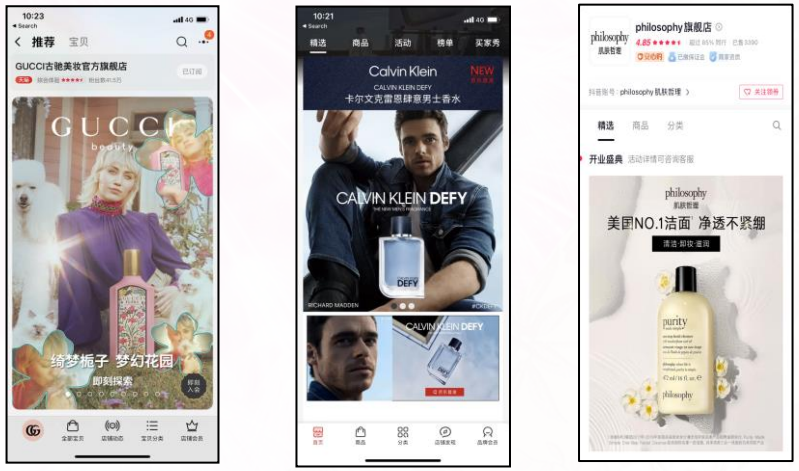
PRESTIGE: COTY PRESTIGE IS GROWING AT *4X* THE CATEGORY

YOY Growth



Source: Beaute Research Retail Sales Prestige

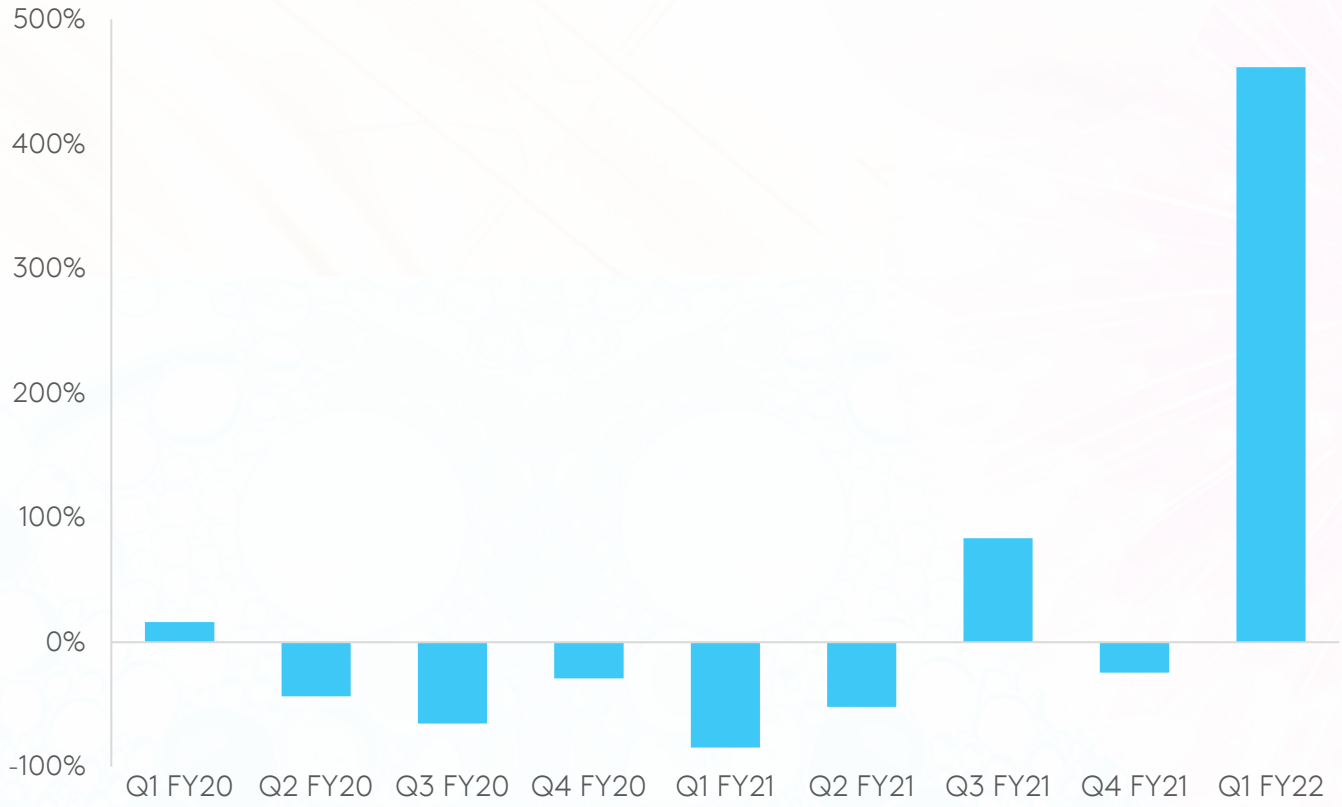
Coty Prestige e-commerce penetration is *24%* vs Prestige Beauty Market *32%* with significant opportunity




COTY CHINA
COTY PRESTIGE GROWING
X4
vs MARKET
GROSS MARGIN
>800BPS
vs COTY
PRESTIGE
85%
OF COTY CHINA

CONSUMER BEAUTY BACK TO POSITIVE

Consumer Beauty Net Revenue by Quarter







COTY Source: Coty

BUILDING A CHINA POWERHOUSE

Greater than

2X

Sales of China in 3 years

Building **ICONIC BRANDS & INNOVATIONS** in each category

GUCCI

Chloé

BURBERRY LONDON ENGLAND

LANCASTER

ORVEDA

adidas

MAX FACTOR

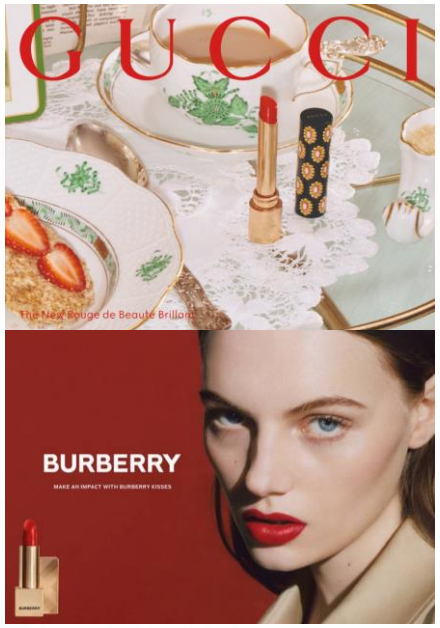
DOUBLING

e-commerce penetration by FY25

Moving from predominantly fragrances to **60%** of sales from new categories: **MAKEUP & SKINCARE**

BEAUTY THAT LASTS – PEOPLE, PRODUCTS, PLANET

BRAND PRIORITIES



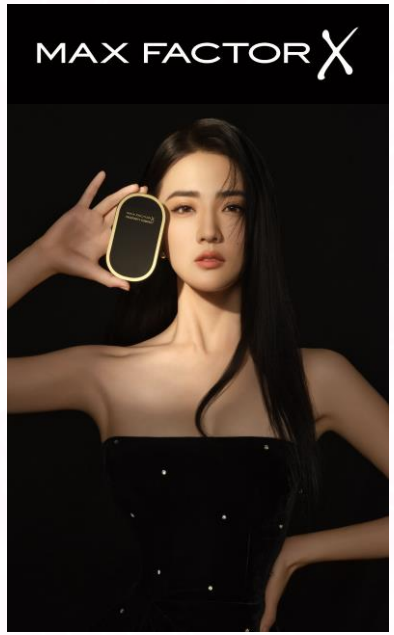
COUTURE FRAGRANCES & MAKEUP



ARTISANAL FRAGRANCES



SKINCARE



MASS COLOR COSMETICS



ACTIVE BODY CARE

WINNING IN RETAIL





COTY PRESTIGE GROWTH BY CHANNEL

Net Revenue Q1 FY22

DEPARTMENT STORES & BOUTIQUES	+20%
SEPHORA	+44%
TMALL FLAGSHIPS	+600%

COTY Data Source: Beaute Research Q1 CY 2021 total category by channel growth



EXPANDING OUR DISTRIBUTION: GUCCI

FY21

12 Provinces

14 Cities

27 Makeup & Fragrance Doors

FY22

20 Provinces, **+8 NEW**

24 Cities, **+10 NEW**

52 Makeup & Fragrance Doors

+25 NEW


GUCCI
GUCCI
GUCCI


GUCCI


BURBERRY
BURBERRY
DIESEL


Chloé
ATELIER DES FLEURS
PAPYRUS
Chloé
ATELIER DES FLEURS
MAGNOLIA ALBA
TIFFANY & Co.
Chloé
ATELIER DES FLEURS
Chloé


LANCASTER
MONACO
植根于修护


ORVEDA
ACTIVATEUR D'ÉCLAT
GLOW ACTIVATOR
LA SÈVE PRIMORDIALE™
THE HEALING SAP™
ORVEDA
LA CRÈME BOTANIQUE BRASSÉE FERME
FIRM BREW BOTANICAL CREAM
ORVEDA
ACTIVATEUR D'ÉCLAT
GLOW ACTIVATOR
MASQUE EFFET LIFT

PRESTIGE E-COMMERCE +246% IN Q1 FY22

COTY IS DIVERSIFYING E-COMMERCE PRESENCE

TMALL天猫 BURBERRY

AUGUST 2020



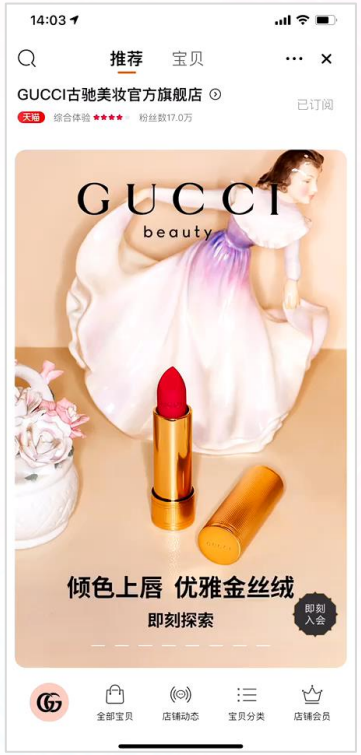
京东 CALVIN KLEIN

NOVEMBER 2020



TMALL天猫 GUCCI beauty

FEBRUARY 2021



抖音 MAX FACTOR X

JUNE 2021



抖音 philosophy

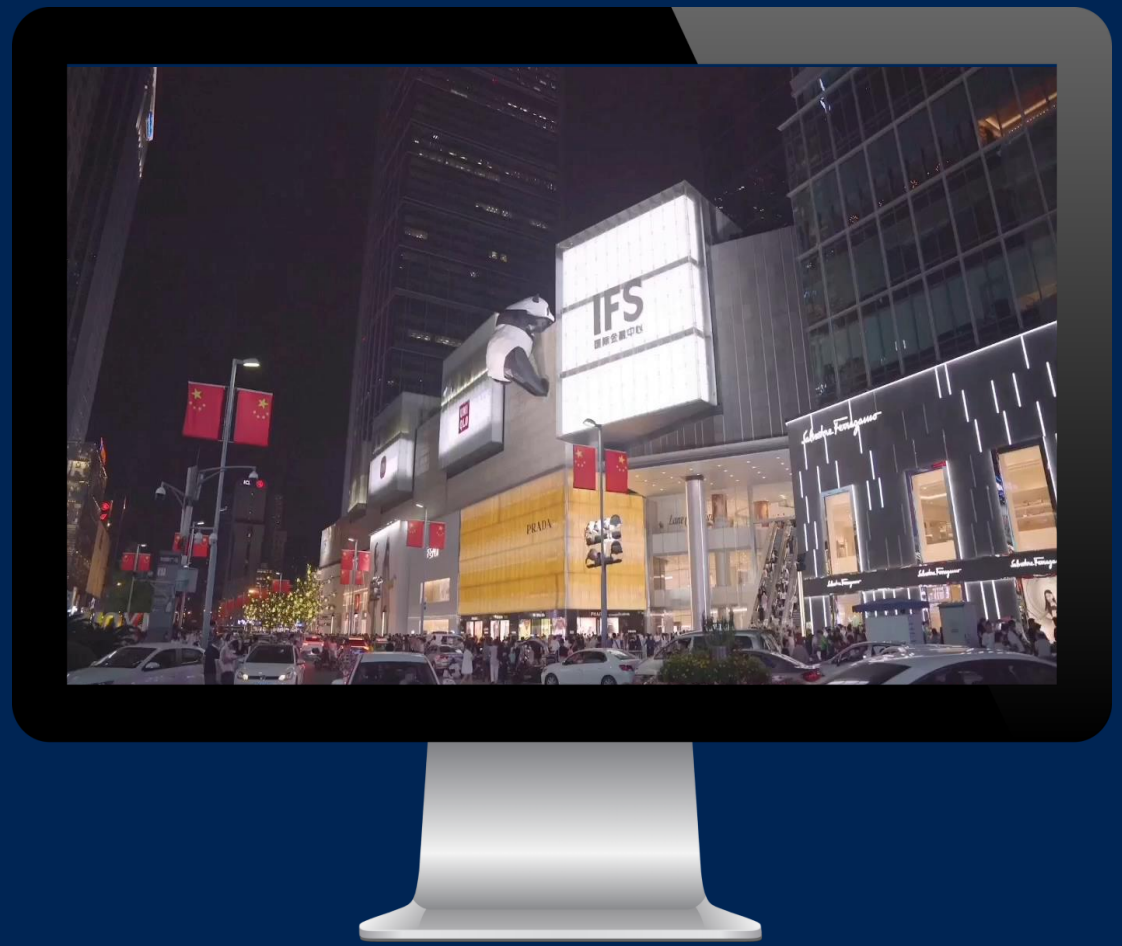
AUGUST 2021



COTY DEBUTS IN CHINA INTERNATIONAL IMPORT EXPO (CIIE)



KEY TAKEAWAYS



- China is a secular growth market, driven by expanding middle class, growing disposable income and expanding per capita beauty spend
- Coty is the fastest growing leading Prestige beauty company in China and targeting to **more than double sales**
- Our growth is anchored in 3 engines: fragrances, makeup and skincare
- Diversifying ecommerce growth, targeting ~50% of business in e-commerce
- Building consumer beauty business in a limited number of brands
- Piloting coordinated approach for mainland China and Hainan







WE ARE STILL YOUNG...IN CHINA

BUT READY TO GROW AT CHINA SPEED

谢谢













TRAVEL RETAIL

CAROLINE ANDREOTTI, EVP, GLOBAL TRAVEL RETAIL

COTY TRAVEL RETAIL POISED FOR A STRONG RECOVERY



Pre-COVID FY19

In FY19 TR represented 7% of Coty Business



FY20-21

In FY21 TR was 4% of Coty Business & Passenger traffic down 90%



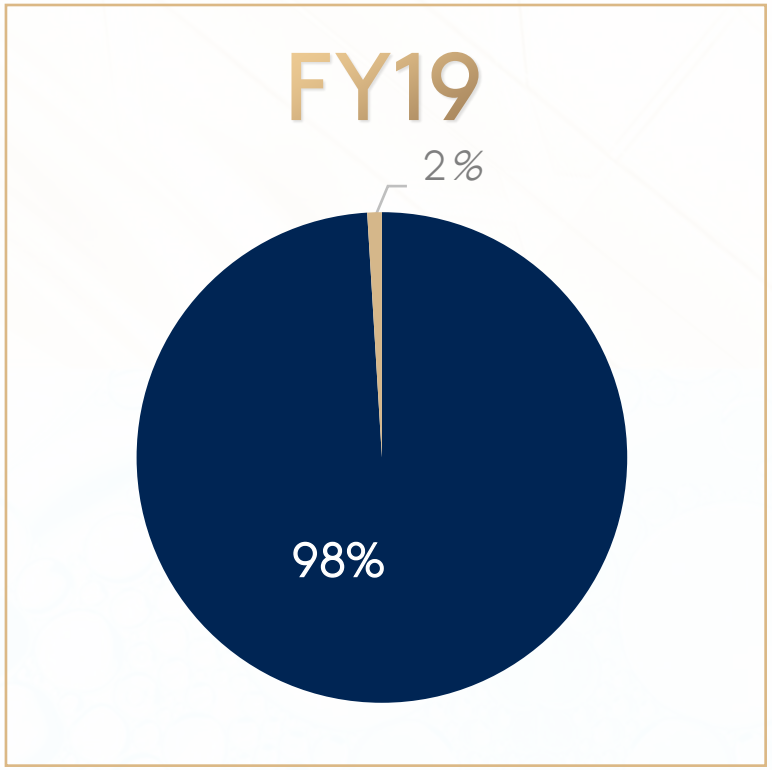
FY25

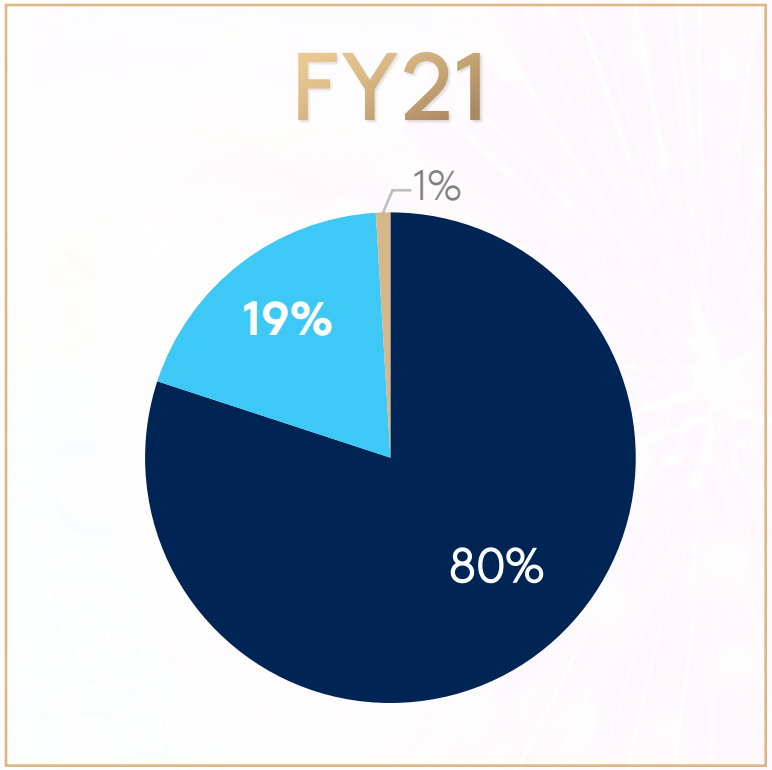
In FY25 Passenger traffic back to FY19 levels

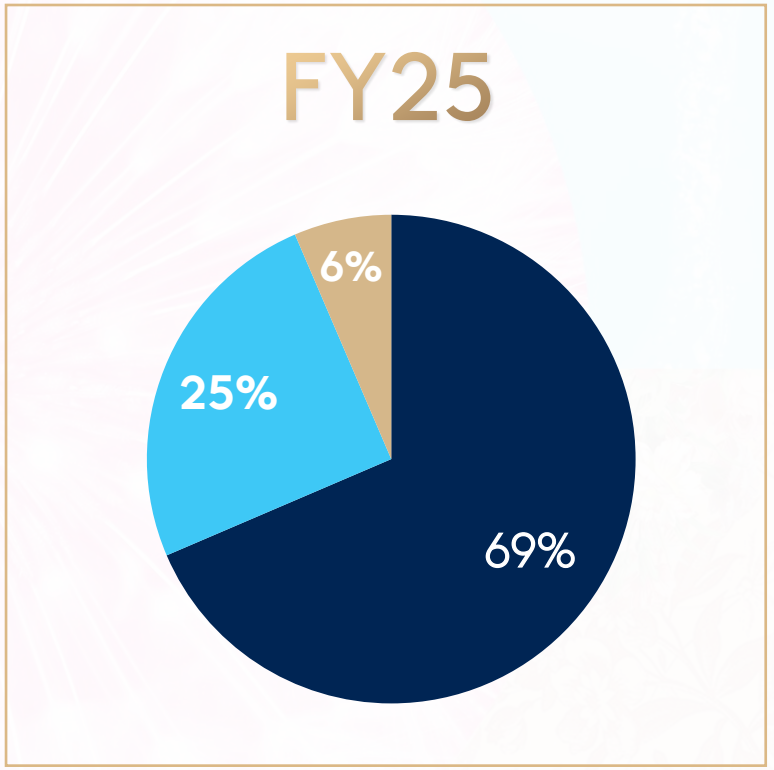
Coty Total Retail Net Revenue



COTY TRAVEL RETAIL BUSINESS TRANSFORMING FROM FRAGRANCE ONLY TO 3-AXIS BEAUTY HOUSE

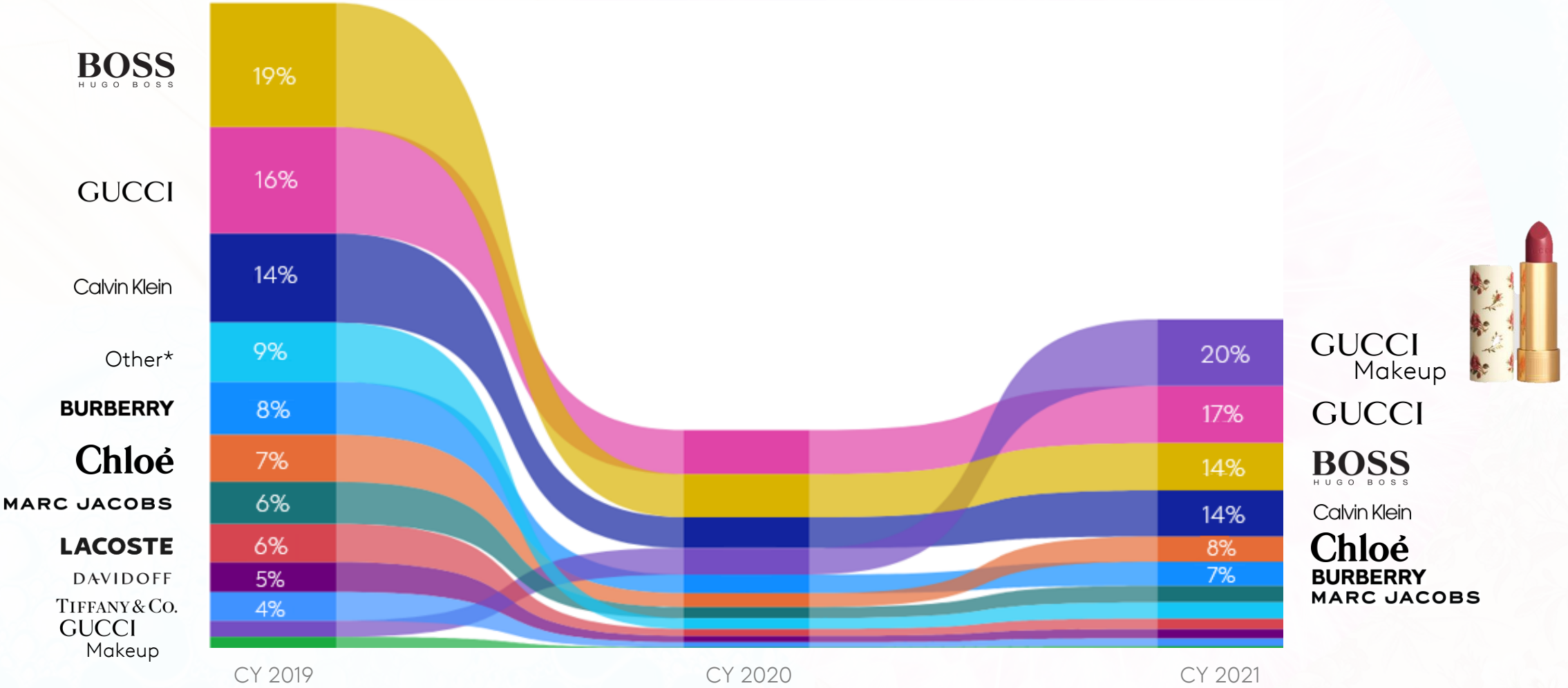






Fragrance Makeup Skincare

WITH GUCCI MAKEUP AS #1 BRAND

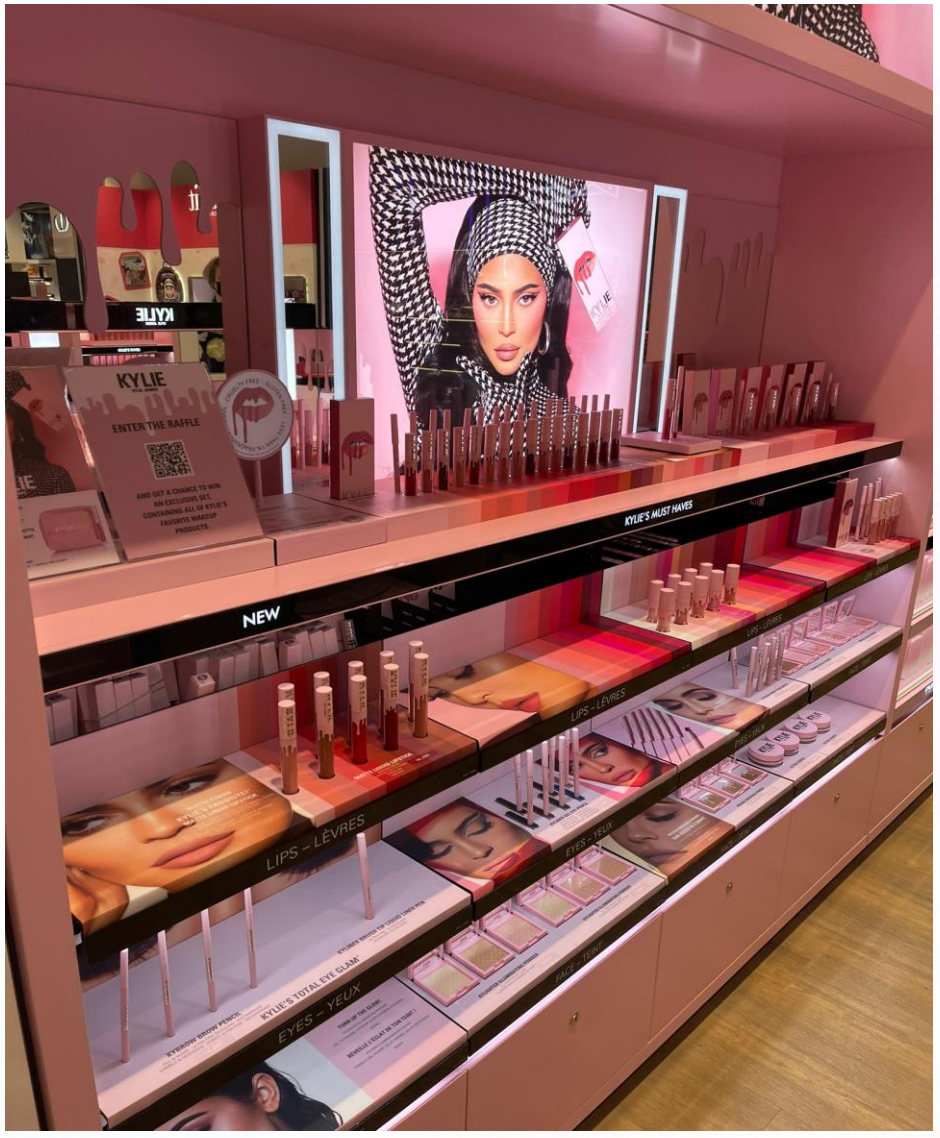


* Other incl. OPI before divestiture in 2020


GUCCI
GUCCI
GUCCI
#ForeverGuilty

KYLIE LAUNCHED IN 5 PARIS AIRPORTS STORES IN NOVEMBER 2021. RANK #1 IN ORLY & #2 IN CHARLES DE GAULLE FIRST WEEK



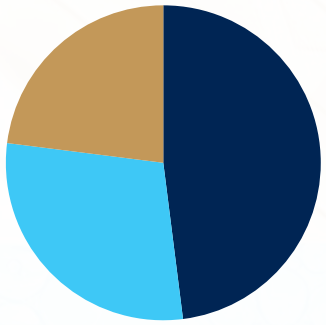




LARGEST SHARE OF BUSINESS SHIFTING FROM EUROPE TO APAC, ~50% OF TOTAL TRAVEL RETAIL IN FY25

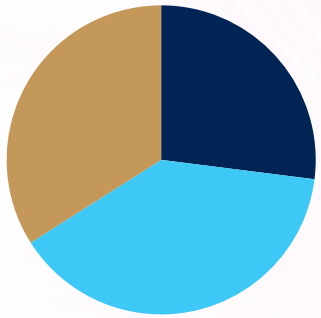
SHARE OF TRAVEL RETAIL PER REGION

FY19



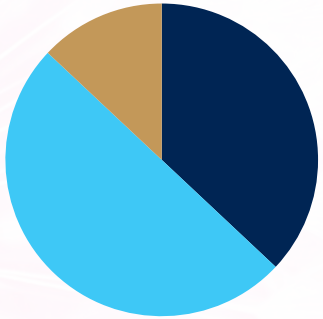
- Europe 47%
- APAC 30%
- Americas 23%

FY21



- Europe 27%
- APAC 39%
- Americas 34%

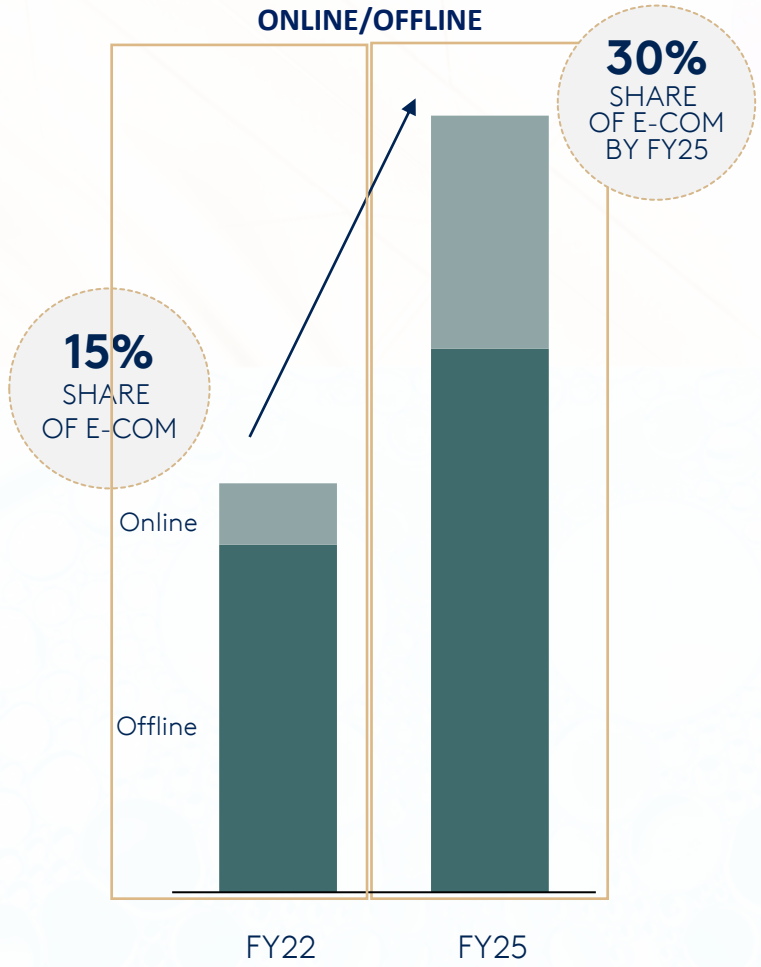
FY25

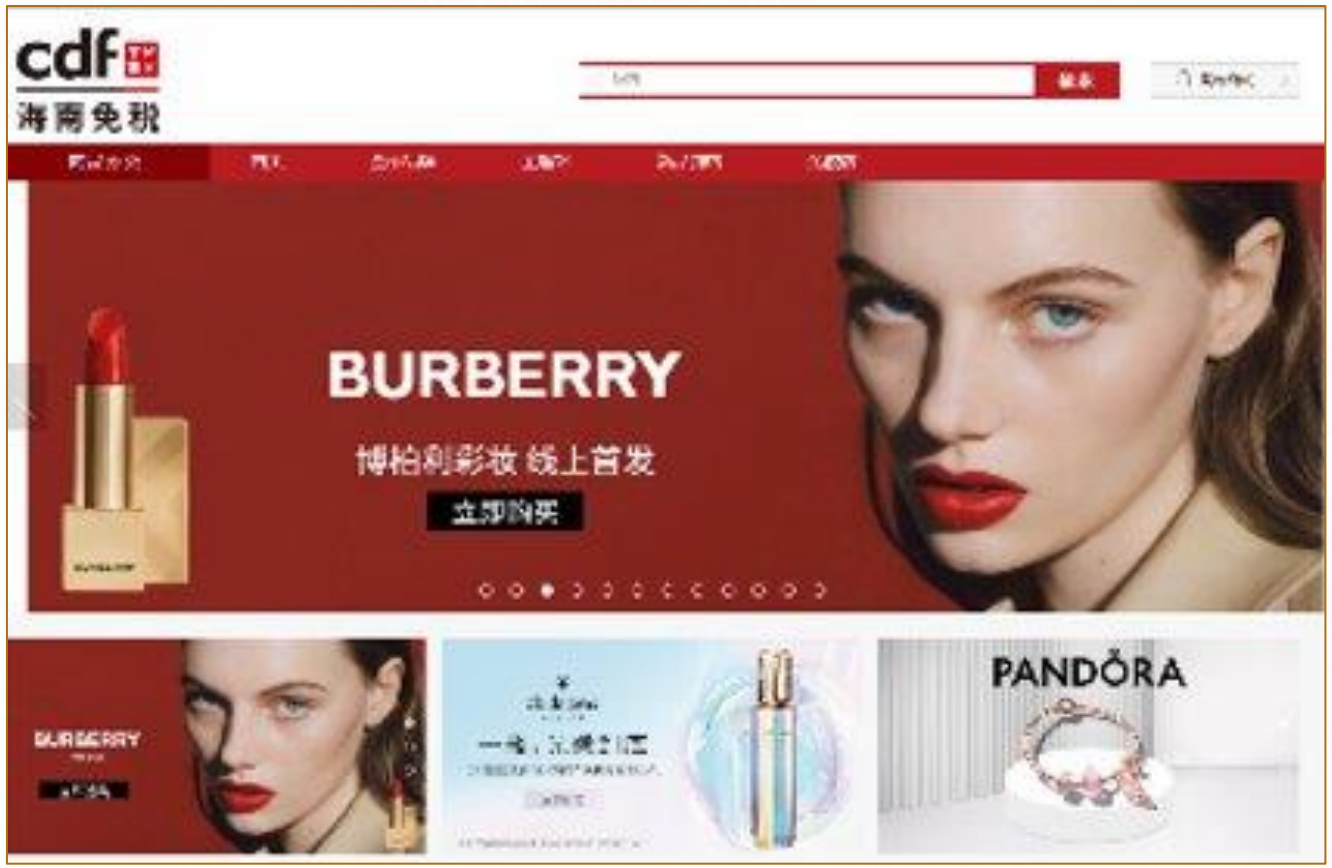


- Europe 35%
- APAC 52%
- Americas 13%

COTY TRAVEL RETAIL DOUBLING PENETRATION

CONTINUE TO DRIVE THE 5 KEY GROWTH ENGINES, NEARLY TRIPLING THE BUSINESS IN ASIA





4 KEY STRATEGIC PRIORITIES TO WIN IN TRAVEL RETAIL

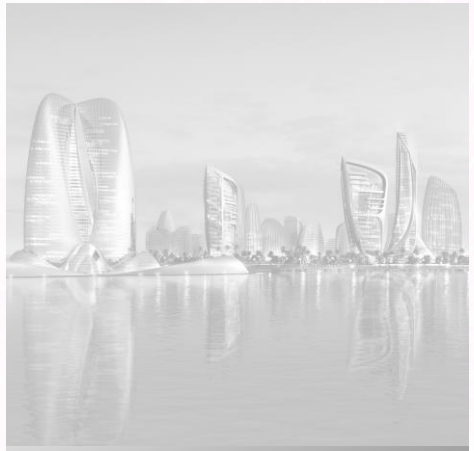
COTY IS A GLOBAL LEADER IN BEAUTY



Maintain Fragrance Leadership



Drive Skin Expansion



Accelerate Asia TR / Hainan



Drive Omni-channel Retail Excellence

1 GLOCALIZING COTY PORTFOLIO PER REGION

WORLDWIDE LANDSCAPE OF COTY TRAVEL RETAIL ICONS



1 LEAD THE FRAGRANCE CATEGORY BY GROWING NICHE COLLECTIONS

10% OF TOTAL COTY TRAVEL RETAIL IN FY25

CHLOE
–
ATELIER DES FLEURS



GUCCI
–
ALCHEMIST GARDEN



BURBERRY
-
SIGNATURE




Chloé
Chloé
Chloé
Chloé
Chloé

4 KEY STRATEGIC PRIORITIES TO WIN IN TRAVEL RETAIL

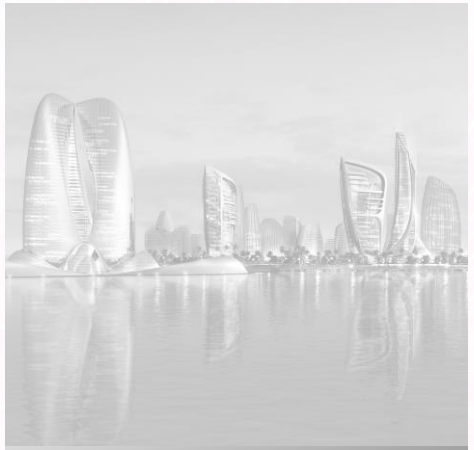
COTY IS A GLOBAL LEADER IN BEAUTY



Maintain Fragrance Leadership



Drive Skin & Makeup Expansion



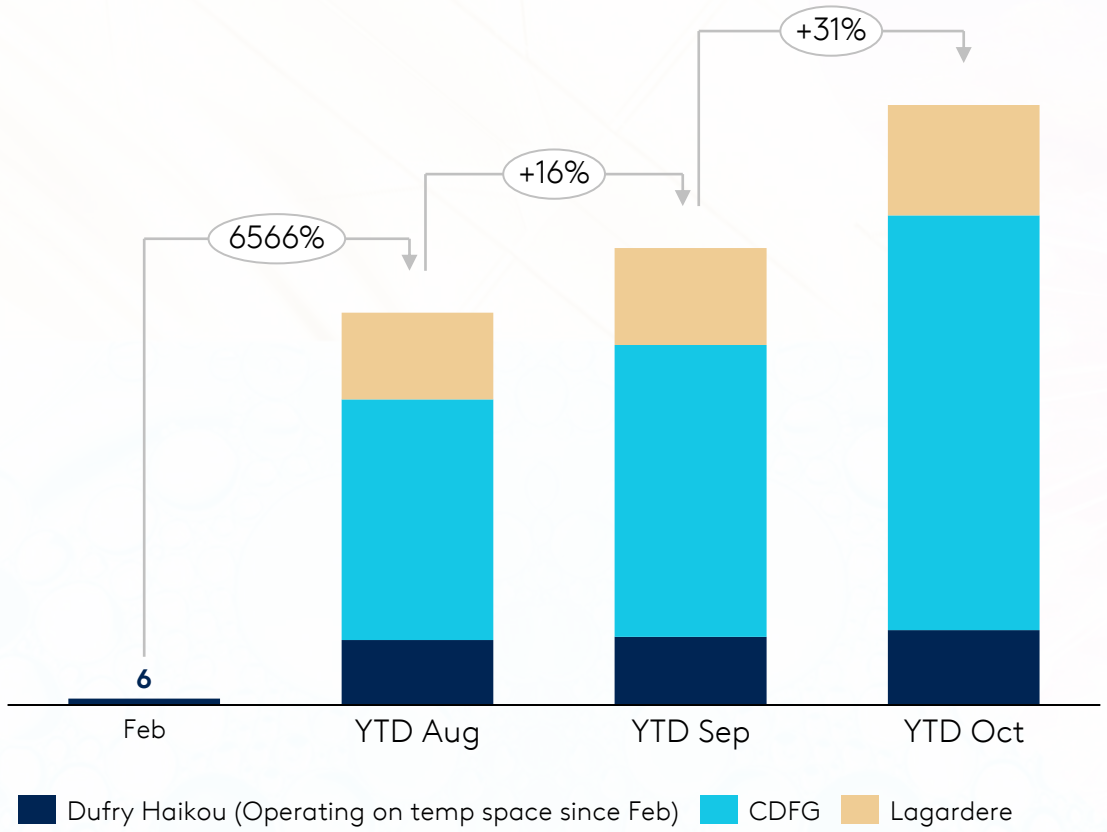
Accelerate Asia TR / Hainan

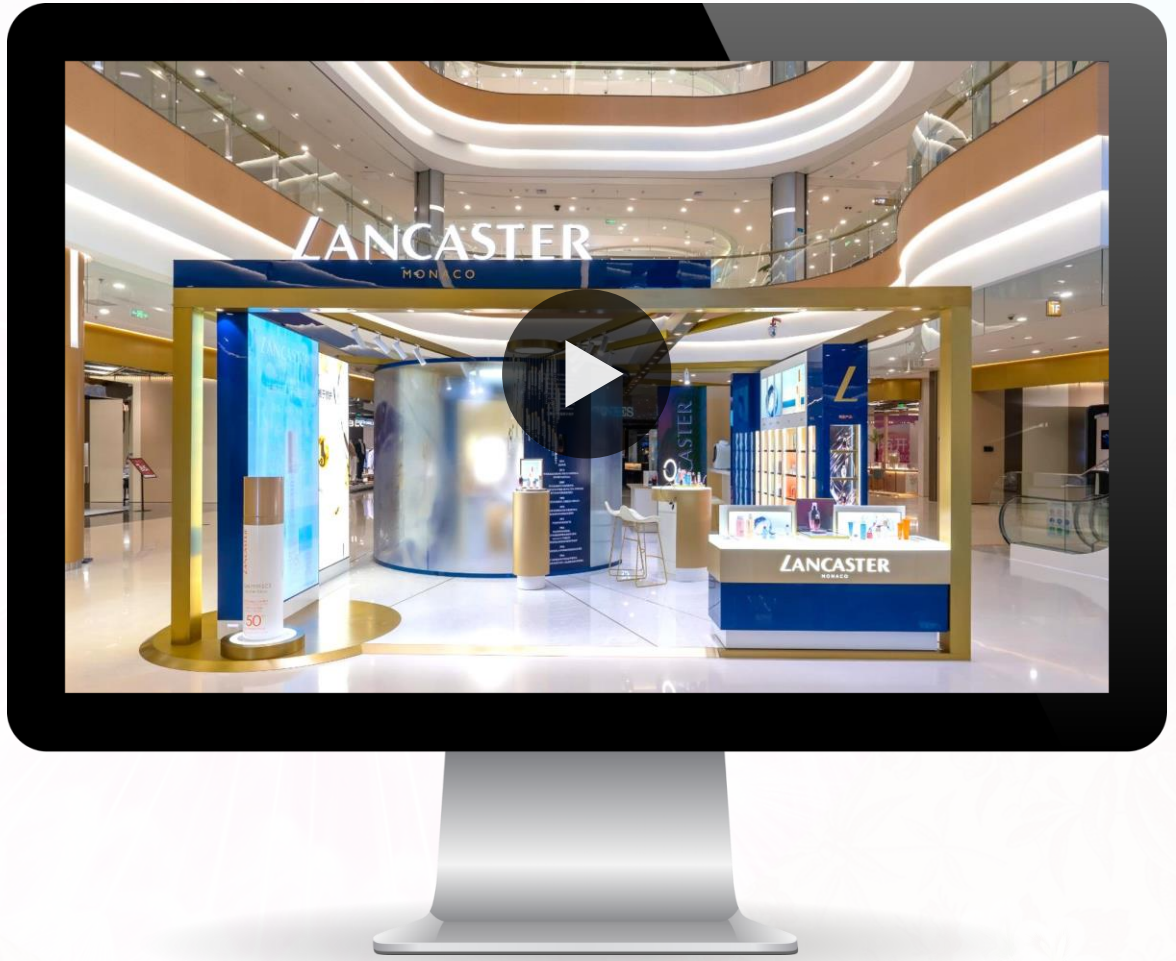


Drive Omni-channel Retail Excellence

2 EXPANDING INTO SKINCARE

Lancaster 2021 Sales





4 KEY STRATEGIC PRIORITIES TO WIN IN TRAVEL RETAIL

COTY IS A GLOBAL LEADER IN BEAUTY



Maintain Fragrance Leadership



Drive Skin Expansion



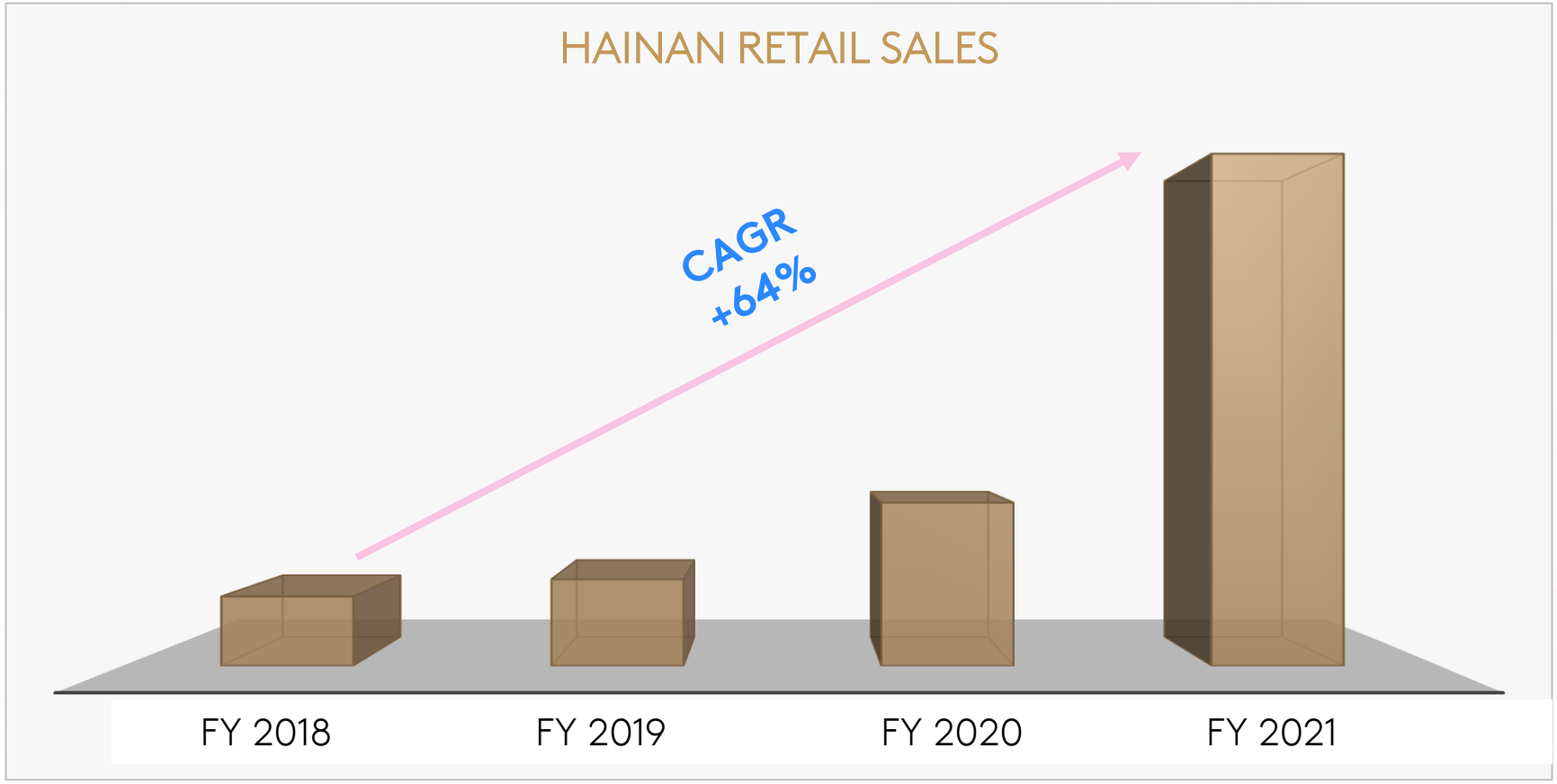
Accelerate Asia TR / Hainan



Drive Omni-channel Retail Excellence

3 FY21 HAINAN SELL-OUT GROWING TRIPLE DIGITS VS. LAST YEAR

GUCCI, CHLOE AND BURBERRY LEADING THE GROWTH



3 COTY STRONGLY EXPANDING ITS BRANDS DISTRIBUTION & VISIBILITY IN HAINAN

INVESTING IN BOTH SANYA AND HAIKOU

HAINAN TO REPRESENT 20% OF TRAVEL RETAIL BUSINESS BY FY25

DUFRY MOVA, HAIKOU



LAGARDERE, SANYA



DUFRY MOVA, HAIKOU




BURBERRY
BURBERRY
BURBERRY
Whoo

4 KEY STRATEGIC PRIORITIES TO WIN IN TRAVEL RETAIL

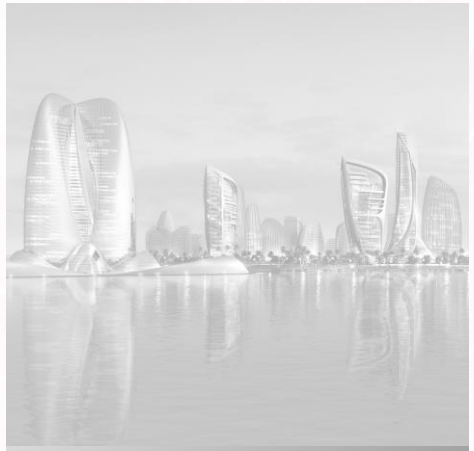
COTY IS A GLOBAL LEADER IN BEAUTY



Maintain Fragrance Leadership



Drive Skin Expansion

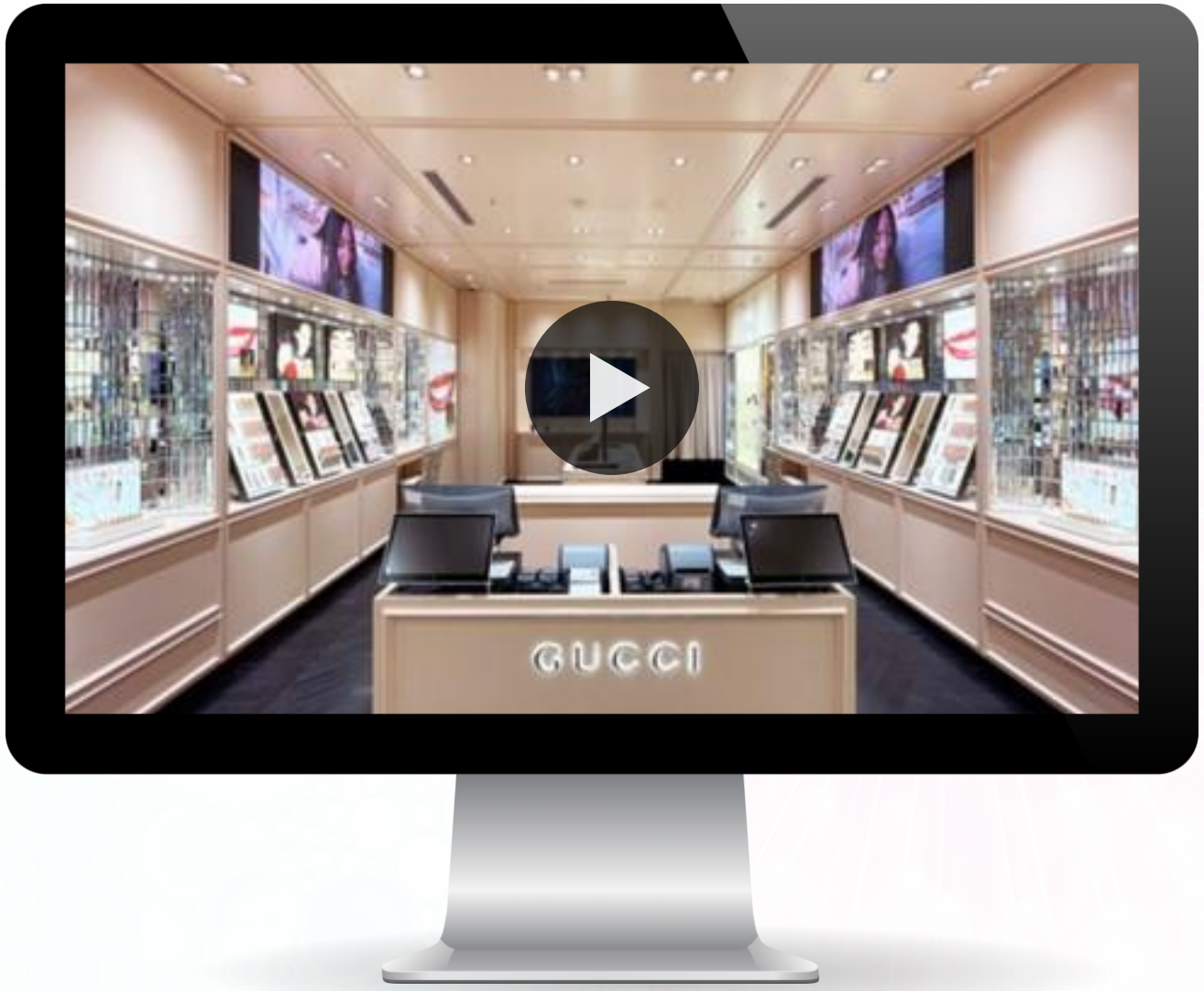


Accelerate Asia TR / Hainan



Drive Omni-channel Retail Excellence

4



4 COTY DRIVING OMNICHANNEL & RETAIL EXCELLENCE

POINT OF SALES DIGITALIZATION & INNOVATIVE TESTING TOOLS

TOUCHLESS DISPENSER





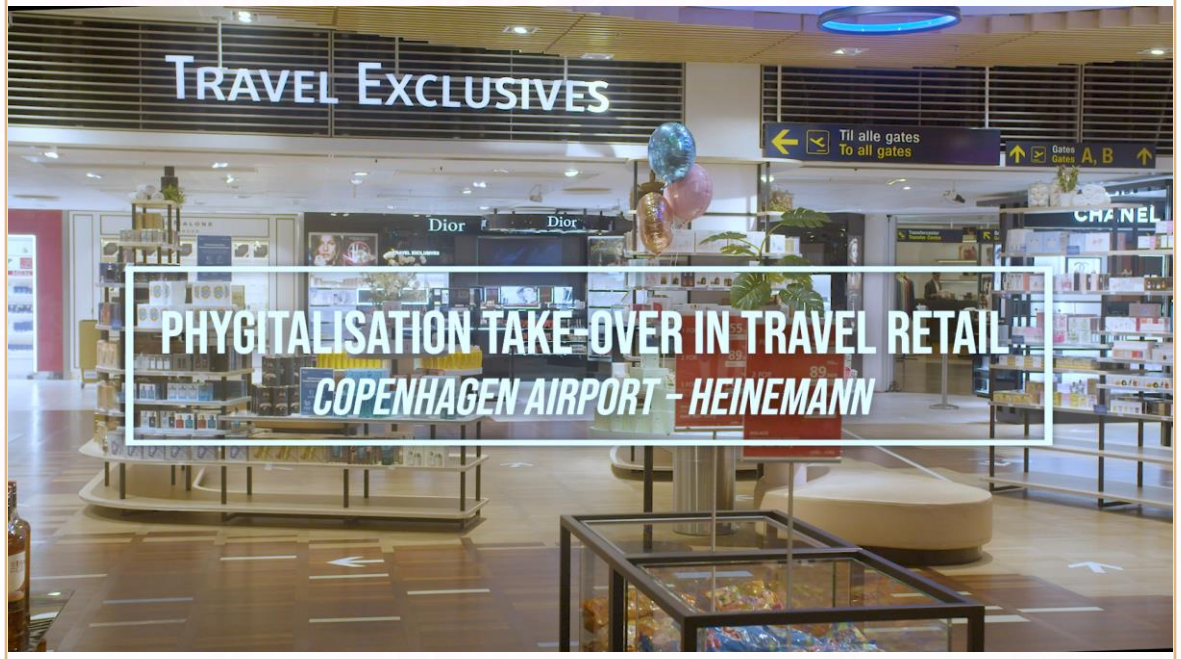
Normal tester
100 ml
1'000 pulverizations
100 micro liters

VS



Drop tester
100 ml
6'250 pulverizations
16 micro liters

NEW MULTI-SCENT TABLET CONCEPT



TRAVEL RETAIL KEY TAKEWAYS



GROW NICHE FRAGRANCE

- Investing behind 5 iconic brands, ultra premium and niche collections, as well as exclusive Travel Retail offers and gifting



BUILD SKINCARE & COLOUR

- Focus on building skincare with Lancaster, Orveda, Kim Kardashian West. Accelerate colour with Gucci , Burberry and Kylie



ACCELERATE OUR RETAIL GROWTH

- Coty Travel Retail to grow at a 20%-25% CAGR from FY22 to FY25 with focus on APAC and Hainan China specifically
- APAC share of business to represent 50% of global Travel Retail by FY25
- Focus on retail excellence, premiumization, education, control over distribution



TRANSFORM TO OMNI-CHANNEL

- Digitalization of POS, CRM and collection of consumer data
- Drive e-commerce and e-content

DISCLAIMER

Forward-Looking Statements

Certain statements in this presentation are forward-looking statements. These forward-looking statements reflect the Company's current views with respect to, among other things, the impact of COVID-19 and potential recovery scenarios, strategic planning, targets, segment reporting and outlook for future reporting periods (including the extent, timing and concentration of revenue, expense and profit trends, changes in operating cash flows and cash flows from operating activities and investing activities, and expected drivers of sales and profitability in future periods), the impact of the sale of the Wella business and the related transition services (the "Wella TSA"), the Company's future operations and strategy including the expected implementation and related impact of its strategic priorities), allocation and amount of advertising and consumer promotion costs, expected shelf space trends, allocation and amount of research and development investments, investments, licenses and portfolio changes, product launches and relaunches or rebranding (including their expected timing and impact), ongoing and future cost efficiency, optimization and restructuring initiatives and programs, strategic transactions (including their expected timing and impact), plans with respect to opportunities to leverage assets including through public offerings, plans with respect to joint ventures (including Wella), 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 and any plans to resume cash dividends on common stock or continue to pay cash dividends on preferred stock), synergies, savings, performance, cost, timing and integration of acquisitions and investments, including the strategic partnerships with Kylie Jenner and Kim Kardashian West, future cash flows, liquidity and borrowing capacity (including any debt refinancing activities), timing and size of cash outflows and debt deleveraging, the timing and extent of any future impairments, synergies, savings, impact, cost, timing and implementation of the Company's comprehensive transformation agenda (the "Transformation Plan") (including operational and organizational structure changes, operational execution and simplification initiatives, cost reductions and supply chain changes), e-commerce, digital and direct-to-consumer initiatives, sustainability initiatives, management changes, the priorities of senior management, the expected impact of global supply chain challenges or inflationary pressures, and the Company's ability to support its planned business operations in the near-term and long-term basis. These forward-looking statements are generally identified by words or phrases, such as "anticipate", "are going to", "estimate", "plan", "project", "expect", "believe", "intend", "foresee", "forecast", "will", "may", "should", "outlook", "continue", "temporary", "target", "aim", "potential", "goal" and similar words or phrases. These statements are based on certain assumptions and estimates that we consider reasonable, but are subject to a number of risks and uncertainties, many of which are beyond the control of the Company, which could cause actual results to differ materially from such statements. Such risks and uncertainties are identified in the periodic reports Coty has filed and may file with the Securities and Exchange Commission (the "SEC") including, but not limited to: the impact of COVID-19 (or future similar events), including demand for the Company's products, illness, quarantines, government actions, facility closures, store closures or other restrictions in connection with the COVID-19 pandemic, and the extent and duration thereof, the availability and widespread distribution of a safe and effective vaccine, related impact on the Company's ability to meet customer needs and on the ability of third parties on which the Company relies, including its suppliers, customers, contract manufacturers, distributors, contractors, commercial bank and joint-venture partners, to meet their obligations to the Company, in particular, collections from customers, the extent that government funding and reimbursement programs in connection with COVID-19 are available to the Company, and the ability to successfully implement measures to respond to such impacts; the Company's ability successfully implement its multi-year Transformation Plan and to develop and achieve its global business strategies and strategic priorities, compete effectively in the beauty industry and achieve the benefits contemplated by its strategic initiatives within the expected time frame or at all; the timing, costs and impacts of future divestitures (and the amount and use of proceeds from any such transactions); the integration of acquisitions with the Company's business, operations, systems, financial data and culture and the ability to realize synergies, avoid future supply chain and other business disruptions, reduce costs and realize other potential efficiencies and benefits (including through its restructuring initiatives) at the levels and at the costs and within the time frames contemplated or at all; and managerial, integration, operational, regulatory, legal and financial risks, including diversion of management attention to and management of cash flows, expenses and costs associated with the Company's response to COVID-19 and multiple ongoing and future strategic initiatives (including the Wella TSA), internal reorganizations and restructuring activities, including the Transformation Plan, any unanticipated problems, liabilities or integration or other challenges associated with a past or future acquired business, joint ventures or strategic partnerships (including with Kylie Jenner and Kim Kardashian West) which could result in increased risk or new, unanticipated or unknown liabilities, including with respect to environmental, competition and other regulatory, compliance or legal matters and litigation or investigations by governmental authorities; the Company's ability to retain and attract key personnel and the impact of senior management transitions and organizational structure changes.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included elsewhere. More information about potential risks and uncertainties that could affect Coty's business and financial results is included under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Coty's Annual Report on Form 10-K for the fiscal year ended June 30, 2021, and other periodic reports Coty has filed and may file with the SEC from time to time. Any forward-looking statements made in this presentation are qualified in their entirety by these cautionary statements. All forward-looking statements are made only as of the date of this presentation, and, Coty undertakes no obligation, other than as may be required by applicable law, update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, or changes in future operating results over time or otherwise.

Non-GAAP Financial Measures

In this presentation, Coty presents certain non-GAAP financial measures that we believe enable management and investors to analyze and compare the underlying business results from period to period, including constant currency, organic like-for-like (LFL) and adjusted metrics, adjusted operating income, adjusted gross margin, as well as adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), adjusted EPS, net debt or financial net debt, economic net debt, free cash flow and immediate liquidity. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period, with the current period's results calculated at the prior-year period's rates. The term "like-for-like" describes the Coty's core operating performance, excluding the financial impact of (i) acquired brands or businesses in the current year period until Coty has twelve months of comparable financial results, (ii) divested brands or businesses or early terminated brands , generally, in the prior year non-comparable periods, to maintain comparable financial results with the current fiscal year period and (iii) foreign currency exchange translations to the extent applicable. Adjusted metrics exclude nonrecurring items, purchase price accounting-related amortization, acquisition-related costs, restructuring costs, stock-based compensation, and certain other information as noted within this presentation. Free cash flow is defined as net cash provided by operating activities, less capital expenditures, and net debt is defined as total debt less cash and cash equivalents. "Immediate liquidity" is defined as the sum of available cash and cash equivalents and available borrowings under Coty's Revolving Credit Facility. These non-GAAP financial measures should not be considered in isolation, or as a substitute for, or superior to, financial measures calculated in accordance with GAAP. To the extent that Coty provides guidance, it does so only on a non-GAAP basis and does not provide reconciliations of such forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, including adjustments that could be made for restructuring, integration and acquisition-related expenses, amortization expenses, adjustments to inventory, and other charges reflected in our reconciliation of historic numbers, the amount of which, based on historical experience, could be significant. Reconciliation of these non-GAAP financial measures to the nearest comparable GAAP financial measures are contained in the press release attached as Exhibit 99.1 to the Form 8-K filed with the SEC on November 8, 2021.

Outlook Information

In this presentation, Coty presents certain outlook information as of November 18, 2021