OUR FINANCIAL JOURNEY

LAURENT MERCIER

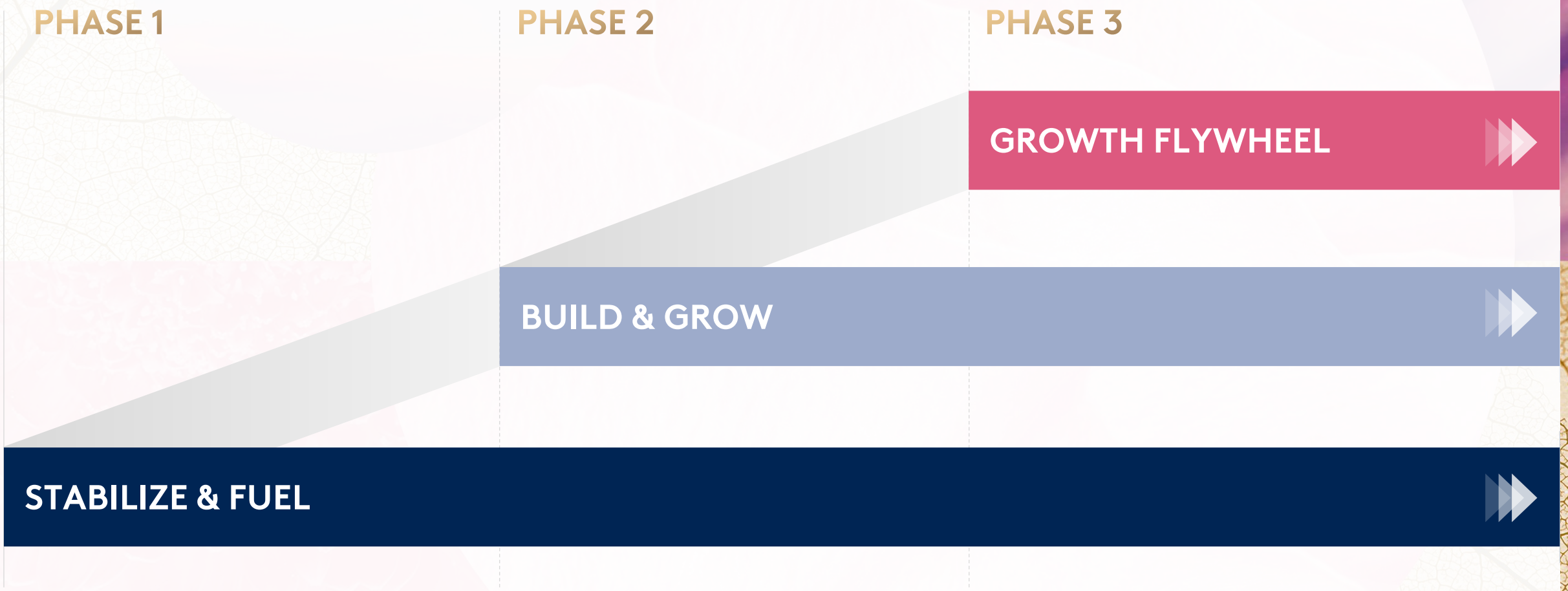
COTY



INVESTMENT HIGHLIGHTS

1. ONE OF THE MOST BEAUTIFUL PORTFOLIOS, WITH TWO COMPLEMENTARY BUSINESSES
2. RAPIDLY EXECUTING ON ALL KEY STRATEGIC GROWTH PILLARS
3. GROSS MARGIN AND COST REDUCTIONS ARE FUELING OUR GROWTH PLANS AND PROFIT EXPANSION
4. STRONG EPS ACCRETION VIA CAPITAL STRUCTURE IMPROVEMENT
5. CLEAR PATHWAY TO ACCELERATE DELEVERAGE

3 PHASES OF COTY'S **FINANCIAL JOURNEY**



PHASE 1 OF OUR JOURNEY:

STABILIZE & FUEL

1H FY21: **STABILIZE**

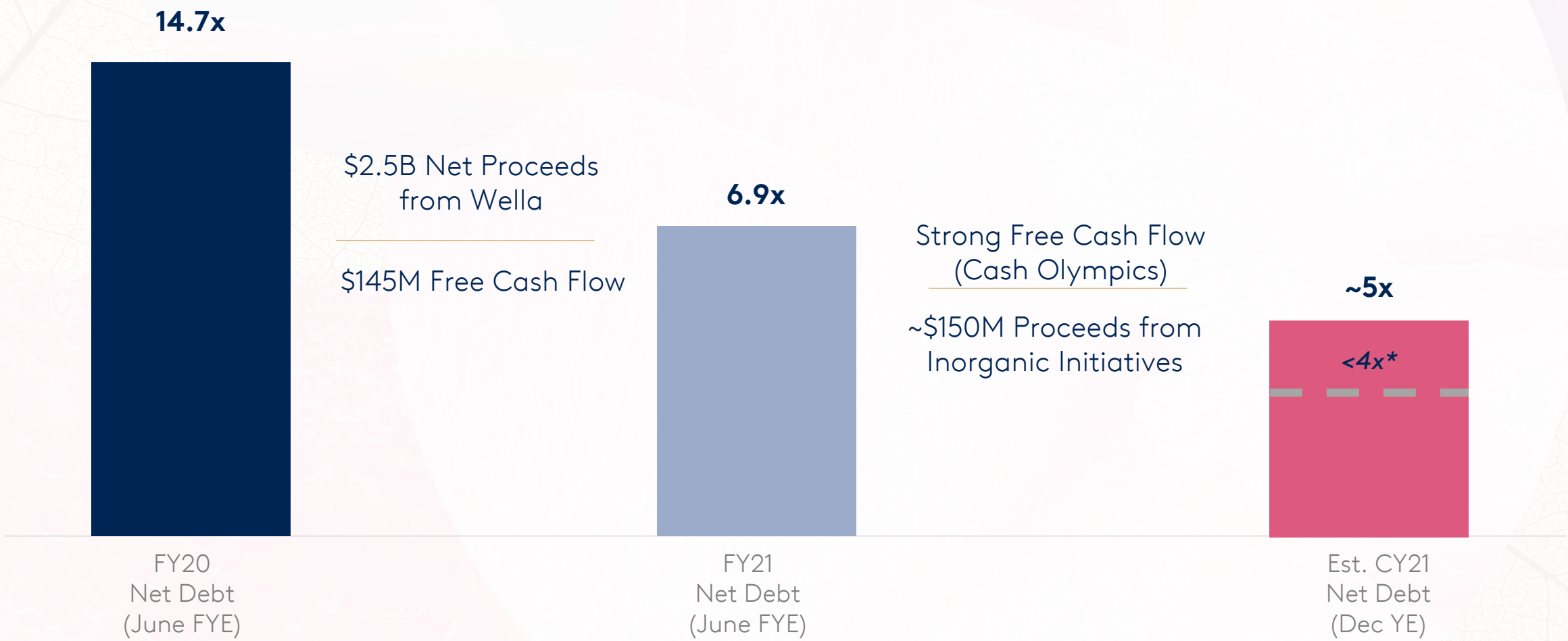
ACTIONS INITIATED

- Streamlining of organization
- Non-people fixed costs cut to minimum
- Salary freezes and bonuses at zero
- Completed 60% Wella sale
- **Cash protection #1 imperative**

FY21 RESULTS

- ✓ Fixed costs **-16% YoY**
- ✓ Net **savings of >$330M**, ahead of initial target of >$200M
- ✓ EBITDA **margins 300bps above** pre-COVID levels despite a much lower sales base
- ✓ Net debt **reduced by $2.6B**
- ✓ **Extended ~$2B** of debt maturities from FY23 to FY26

SIGNIFICANT DELEVERAGING



*Represents economic net debt on updated ~26% stake in Wella, based on implied value of KKR transactions

2H FY21: **FUEL**

UNVEILED OUR STRATEGIC PRIORITIES IN APRIL

#1

Stabilize and grow Consumer Beauty make-up brands & mass fragrances

#2

Accelerate Luxury fragrances & become a key player in Prestige make up

#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

FINANCE PARTNERING TO FUEL STRATEGIC EXECUTION

BUSINESS OBJECTIVE	FINANCE AS ENABLER	RESULTS
Launch Marc Jacobs Perfect fragrance mid pandemic	Targeted investment behind fully digital launch	Record ROI with Perfect as #1 fragrance launch in US over last 3 years
Reposition CoverGirl & launch Lash Blast Clean mascara in Spring 2021	Innovative & cost effective "Selfie" video campaign; nimble resource allocation	Lash Blast Clean now CG's #2 mascara; CG back to market share gains after many years
Successfully launch multiple iconic fragrances in Summer 2021 (Gucci Flora, BBY Hero)	Strong cost and revenue management initiatives allowed significant working media step-up in 4Q21 / 1Q22	Both launches leading across markets and fueling sales momentum for overall brands

PHASE 2 OF OUR JOURNEY:

BUILD & GROW

BUILDING TOP CLASS FINANCE ORGANIZATION

Leverage **new technologies/platforms** such as AI, machine learning to develop **advanced planning, reporting & analytics**

Develop best in class **business process outsourcing** (BPO) operations through the multi-year partnership with Accenture

Upgrade the transactional platform



BUILDING FOUNDATIONS FOR GROWTH ENGINE

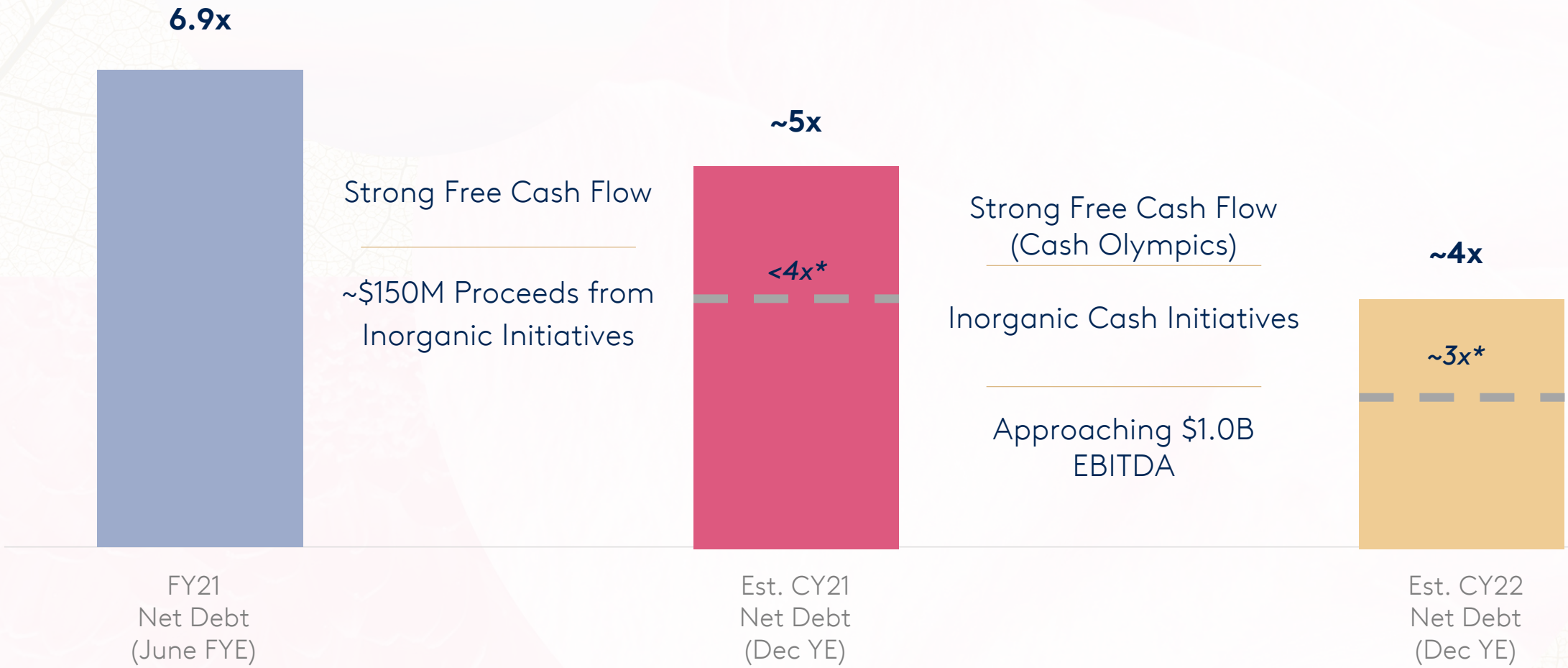
- #1 Maintain discipline on **fixed costs**
- #2 Improve **gross margin**
- #3 Targeted and competitive **marketing spend**, with ROI mindset
- #4 Strong **cash generation**
- #5 Simplified **capital structure**



FY22: INCREASED EPS GUIDANCE

		INITIAL GUIDANCE	ACTUAL / LATEST VIEW
1Q22	LFL SALES	High Teens % Growth	+21%
	GROSS MARGIN	Expansion	+480bps YoY / +250bps Q/Q
FY22	LFL SALES	Low Teens % Growth	Low-to-Mid Teens % Growth
	GROSS MARGIN	Expansion	Expansion
	ADJ EBITDA	~$900M (constant FX)	Minimum $900M (constant FX)
	EPS	N/A	$0.20-$0.24

ACCELERATE DELEVERAGING



*Represents economic net debt on updated ~26% stake in Wella, based on implied value of KKR transactions

PHASE 3 OF OUR JOURNEY:

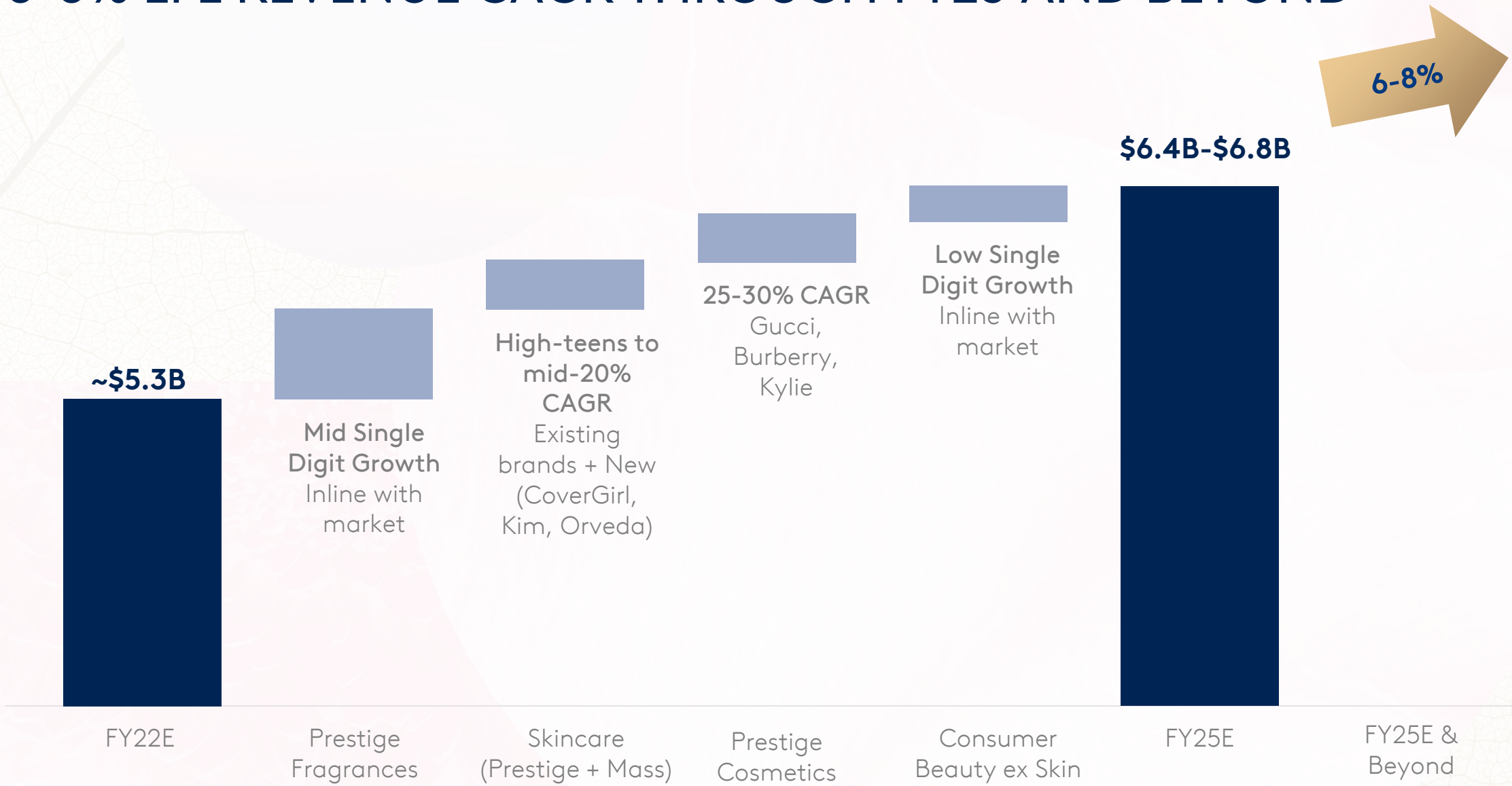
GROWTH FLYWHEEL

FY23 THROUGH FY25 & BEYOND: **AMPLIFY OUR GROWTH ENGINE**

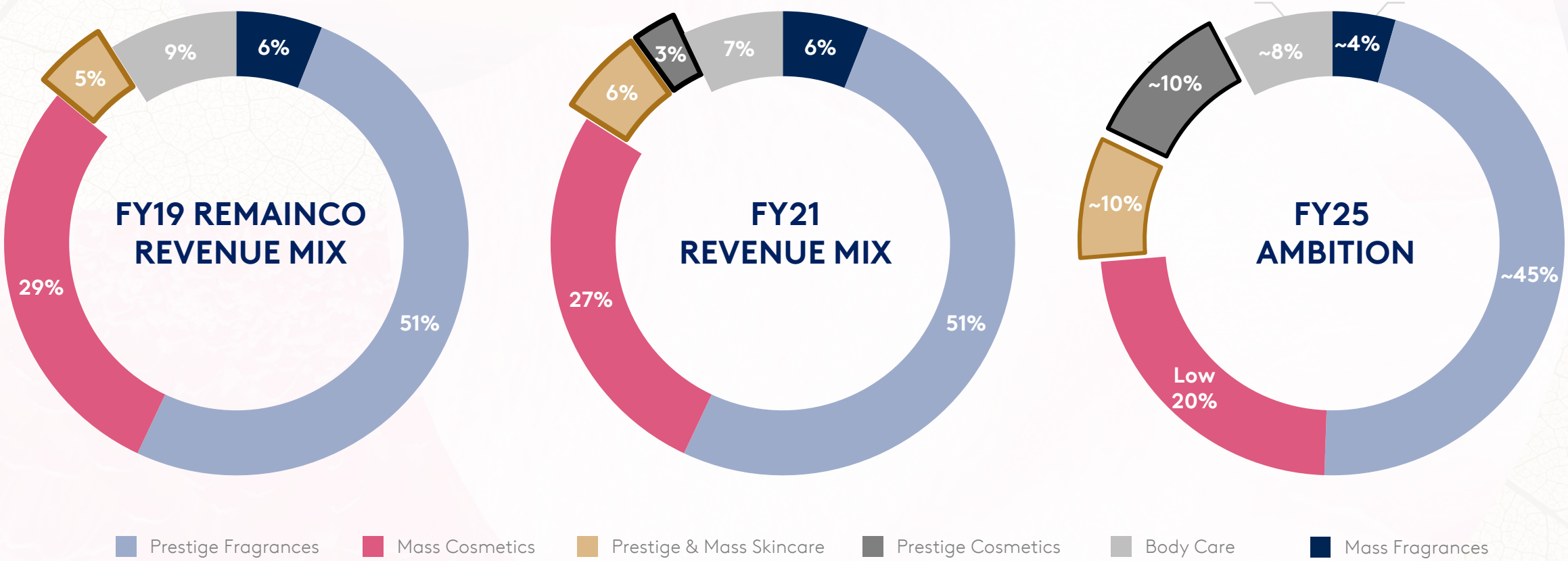
- #1 Operating at **full potential** as a leading beauty company
- #2 **Complete execution** of 6 strategic pillars and transformation program
- #3 Virtuous P&L, with **sales growth ahead of beauty market and profit growth ahead of sales growth**
- #4 **Gross margin growth** fueled by optimal portfolio mix, pricing, and cost actions
- #5 Simplified **balance sheet**



6-8% LFL REVENUE CAGR THROUGH FY25 AND BEYOND

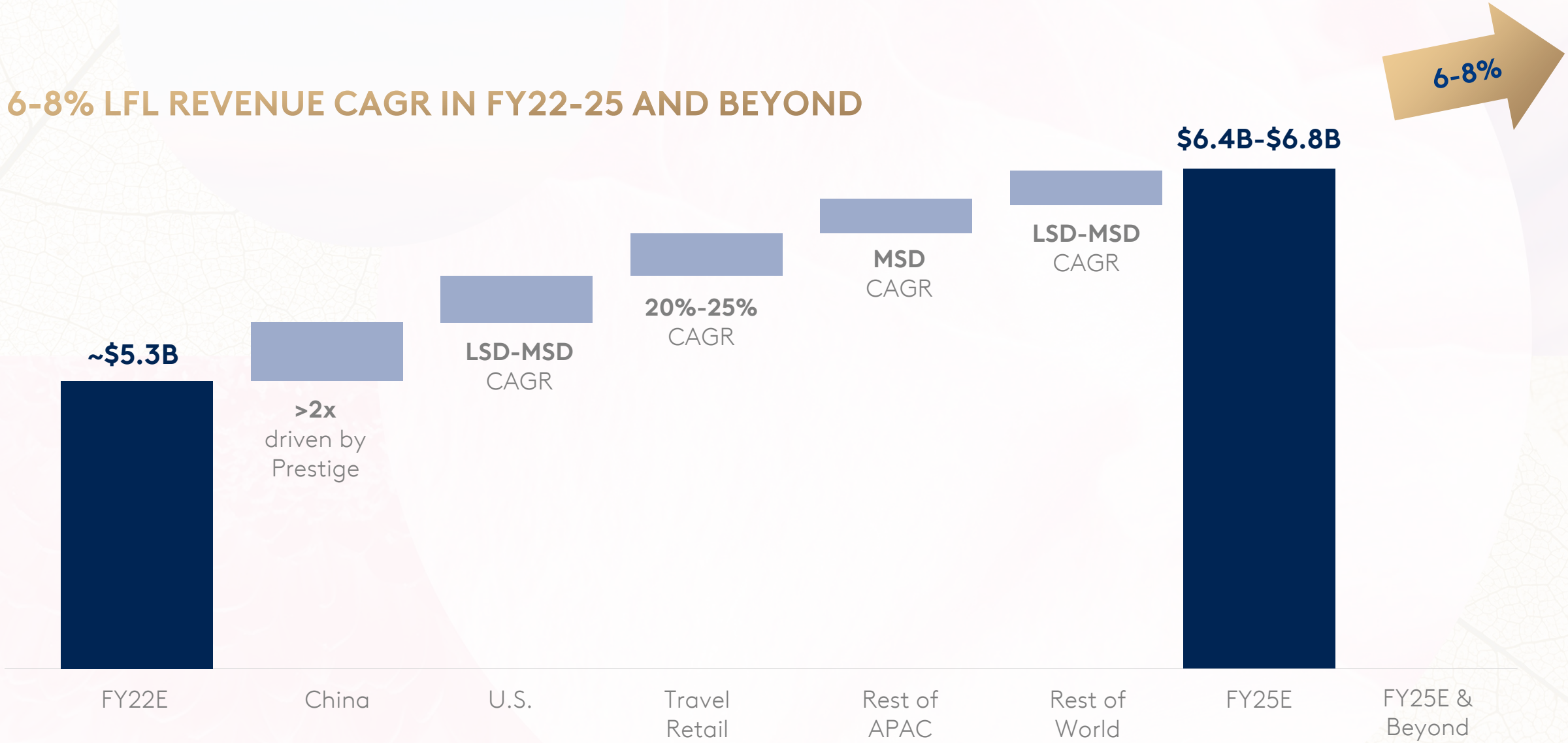


SHIFTING PORTFOLIO TO CAPTURE KEY BEAUTY GROWTH AREAS

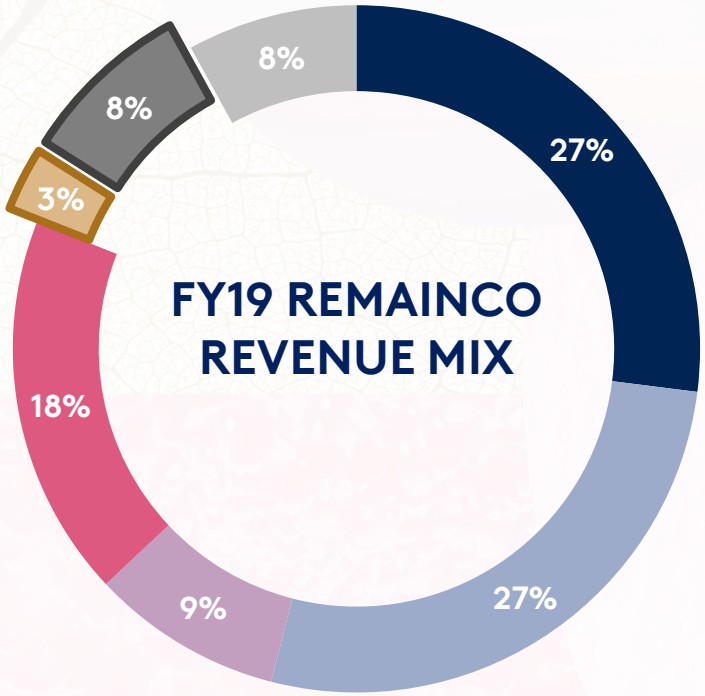


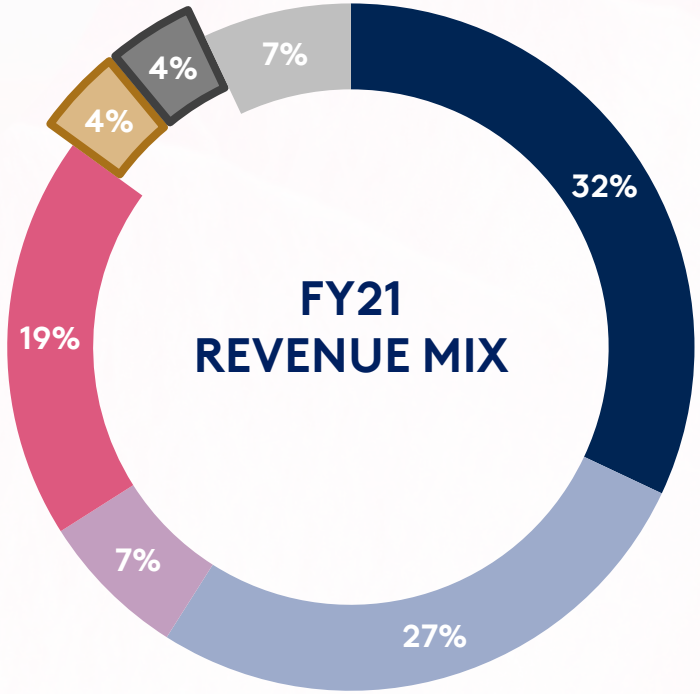
OUTSIZED GROWTH FROM CHINA & TRAVEL RETAIL

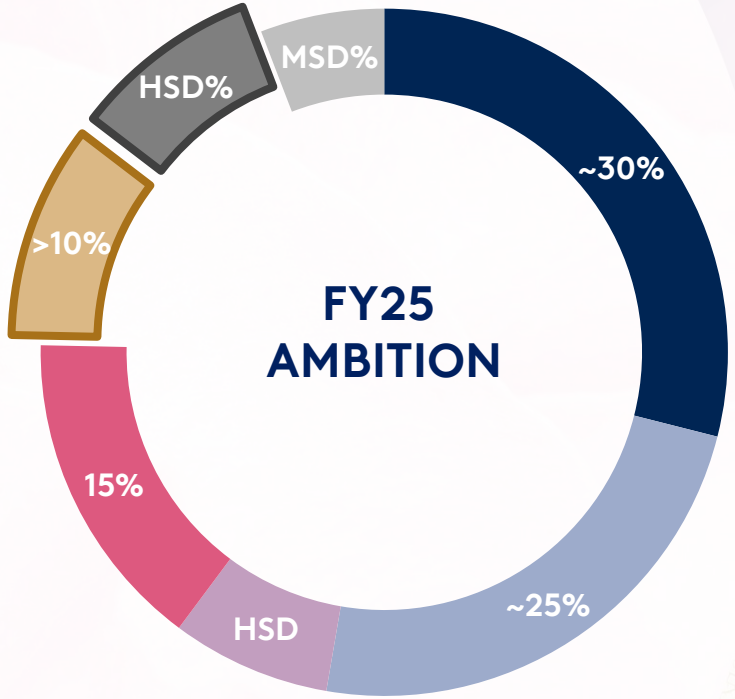
6-8% LFL REVENUE CAGR IN FY22-25 AND BEYOND



CAPTURING KEY BEAUTY GROWTH MARKETS







E-Com Mix (Total Coty)	High Single Digit %	High Teens %	Mid Twenties %

North America | W. Europe | Brazil & LatAm | E. Europe & Middle East | China | Travel Retail* | APAC

*includes Hainan

FINANCIAL OVERVIEW OF

TRANSFORMATION PLAN

MULTI-PRONGED GROSS MARGIN EXPANSION PROGRAM

GROSS MARGIN ATTACK PROGRAM: ~500BPS OPPORTUNITY IN NEXT 4 YEARS

COMMERCIAL GM ATTACK

- Pricing and Net Revenue Management
- Excess & Obsolescence
- Value Distribution Reduction

SUPPLY CHAIN ATTACK

- Manufacturing
- Distribution
- Planning

Gross Margin Attack

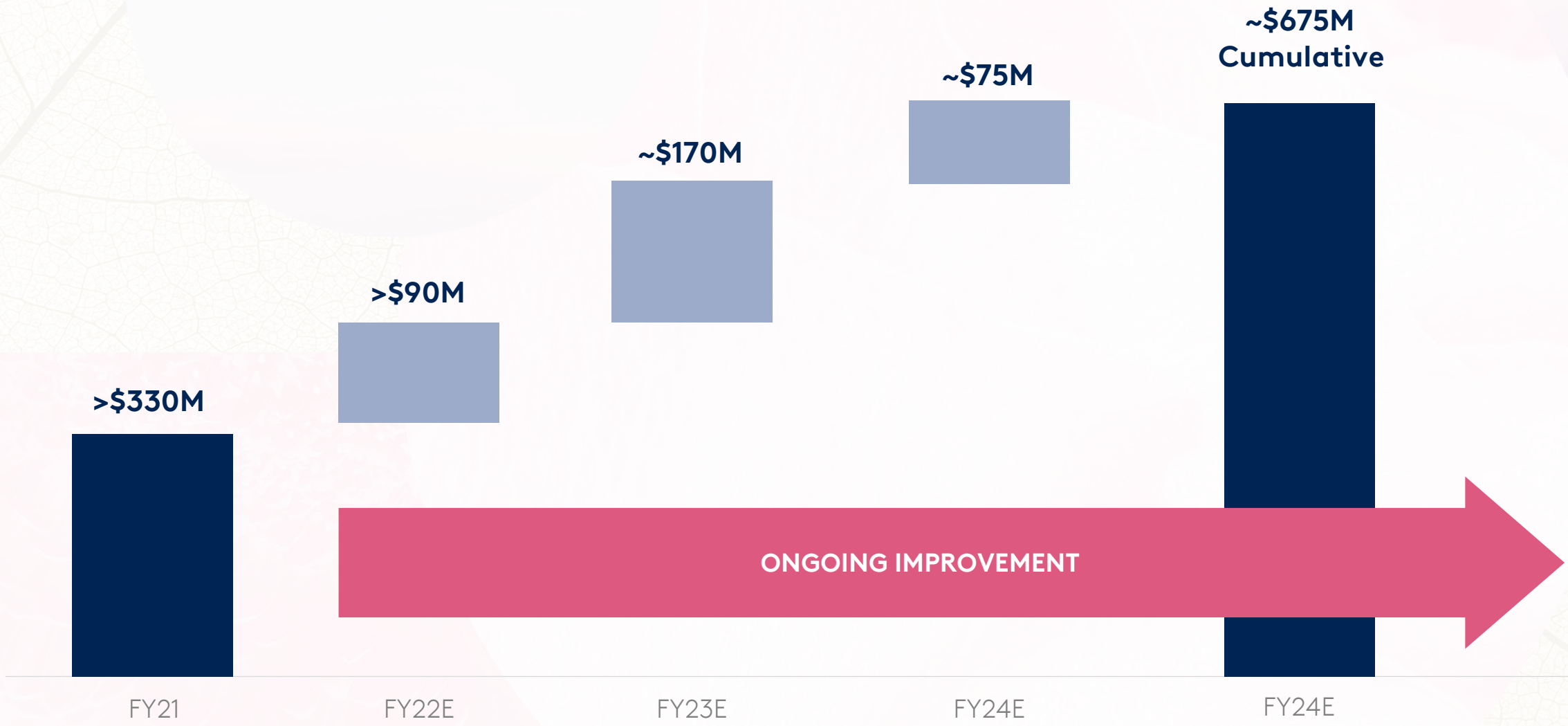
MATERIAL COST ATTACK

- Strategic Sourcing
- Material Value Analysis

PORTFOLIO GM ATTACK

- Portfolio Mix
- Portfolio Management
- Platforming

COST SAVINGS DELIVERY TIMELINE

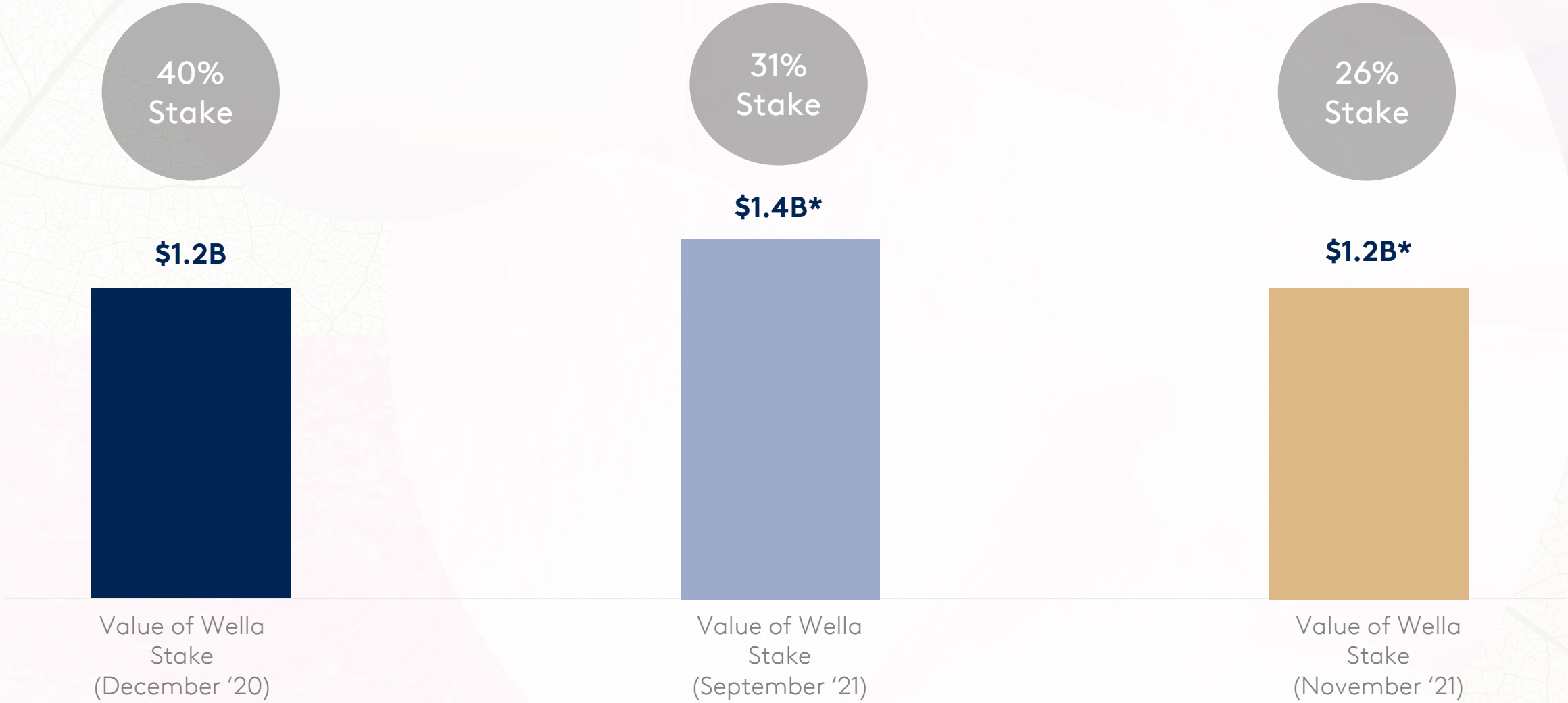


MID-TERM FINANCIAL ALGORITHM

ACCELERATING SALES AND PROFIT MOMENTUM

	FY21	FY22E	FY22-25	FY25 & Beyond
NET REVENUES	$4.63B	+ Low to Mid Teens LFL	+6-8% LFL CAGR	+6-8% LFL CAGR
GROSS MARGIN	60%	Growing	Mid 60% by '25	Expanding
EBITDA	$762M	$900M Minimum	+9-11% CAGR	+9-11% CAGR
TAX RATE	21%	High 20%	High 20%	High 20%
EPS	$0.05	$0.20-$0.24	Above 30% CAGR	Mid to High Teens %
SHARES	765M	~898M	~900M	~900M
LEVERAGE		~4x by CY22 with EBITDA approaching $1B	~3x CY23 ~2x CY25	<2x

TARGETING SALE OF REMAINING WELLA STAKE BY FY25



*Based on implied value of KKR transactions

ACCELERATE FREE CASH FLOW GENERATION

	FY21	FY22E	FY25E
ADJ EBITDA	$762M	$900M Minimum	$1.1Bn - $1.2Bn
1X CASH COSTS	<$200M	~$100M	NM
INTEREST	$231M	Low $200s	Mid $100M
CASH TAXES	$16M	Approx $100M	Low $100M
WORKING CAP	Negative	Positive	Positive
CAPEX	$174M	<$200M	~$200M
FREE CASH FLOW	$145M	↑↑	↑↑↑
LEVERAGE RATIO	6.9x	~4x CY22	~3x by CY23 ~2x by CY25

CAPITAL ALLOCATION PRIORITIES

FUEL THE GROWTH IN EXISTING PORTFOLIO

OPTIMAL CAPITAL STRUCTURE INCLUDES LEVERAGE BELOW 2X



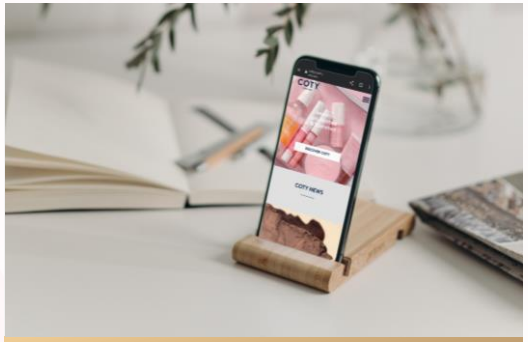
MEDIA



R&D



CAPABILITIES



DIGITAL



CHINA



SKIN

KEY TAKEAWAYS

INVESTMENT HIGHLIGHTS

1 **ONE OF THE MOST BEAUTIFUL PORTFOLIOS, WITH TWO COMPLEMENTARY BUSINESSES**

One of the most beautiful & comprehensive brand portfolios in the industry, and the only group at this level to operate two complementary businesses

2 **RAPIDLY EXECUTING ON ALL KEY STRATEGIC GROWTH PILLARS**

Targeting revenue CAGR of 6%-8% (FY22-FY25 & beyond), above beauty market growth

3 **GROSS MARGIN AND COST REDUCTIONS WILL FUEL OUR GROWTH PLANS**

Targeting mid 60% gross margin by FY25, and expanding thereafter

4 **STRONG EPS ACCRETION VIA CAPITAL STRUCTURE IMPROVEMENT**

Expect above 30% EPS CAGR (FY22-25), and mid to high teens % CAGR thereafter

5 **MULTIPLE LEVERS TO ACCELERATE DELEVERAGE**

Leverage ratio of ~3x by CY23, with optimal ratio of below 2x

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