COTY

BEAUTY, CELEBRATED & LIBERATED

ANALYST AND INVESTOR MEETINGS

September 2018



FY18 OVERVIEW

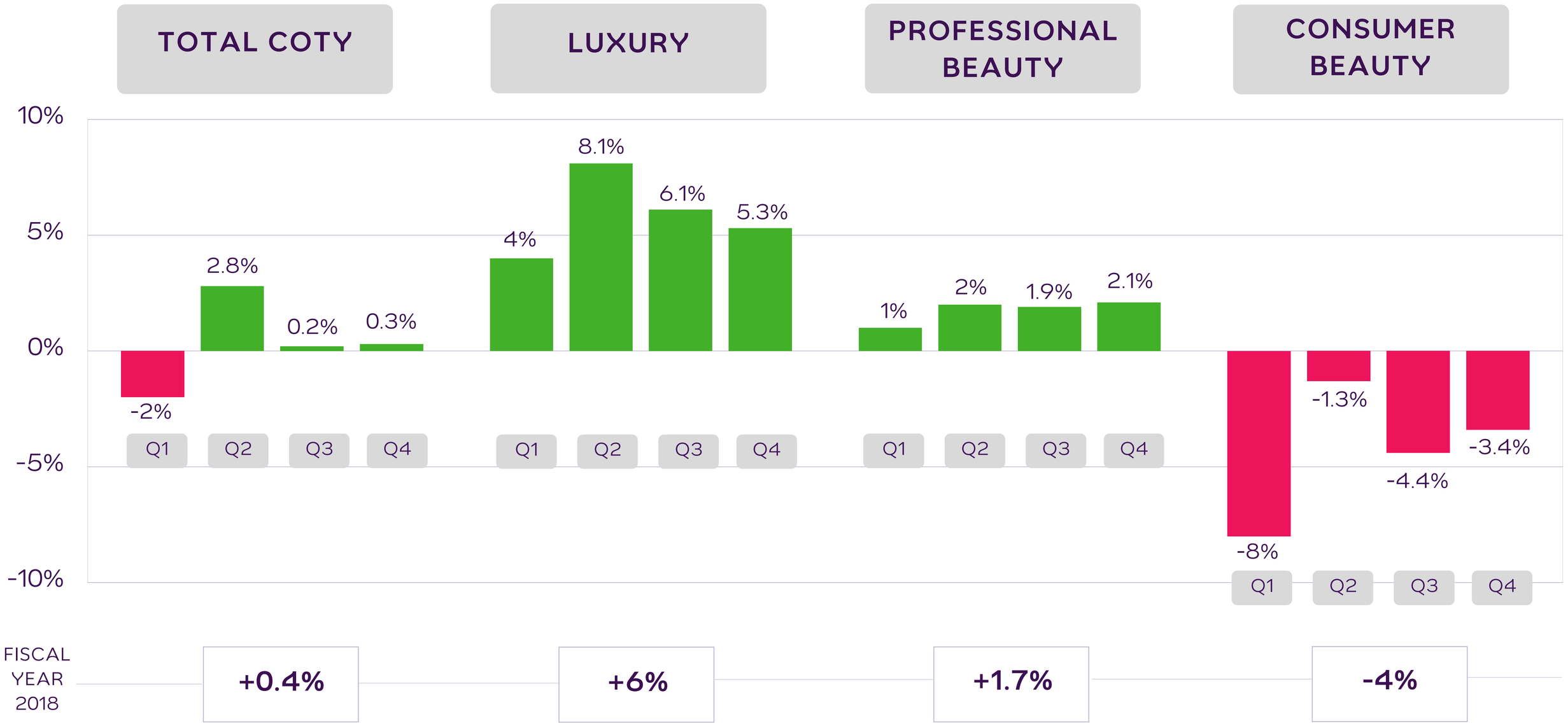


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FY18 FINANCIAL HIGHLIGHTS

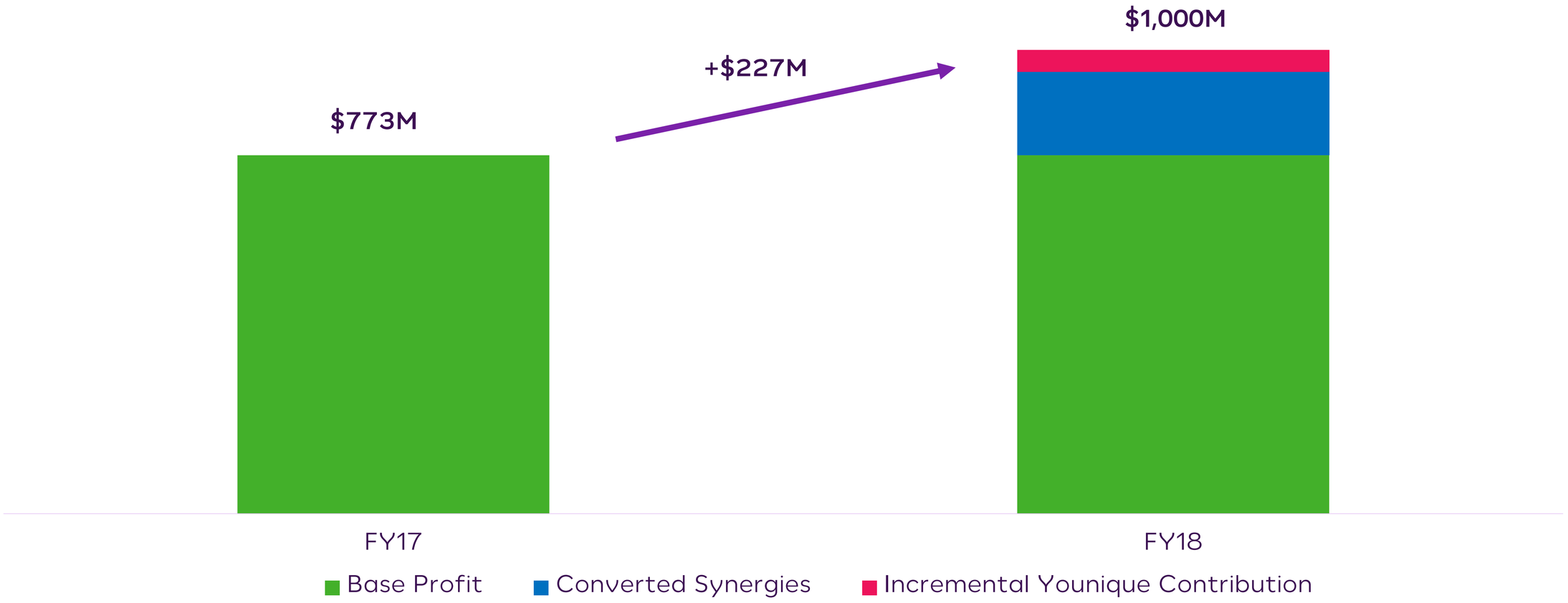
NET REVENUE	ADJUSTED OPERATING INCOME	ADJUSTED OPERATING MARGIN	ECOMMERCE as % of NET REVENUE
$9.4bn	**~$1bn**	**10.6%**	**~10%**
ORGANIC GROWTH **+0.4%**	**+29%**		

FY18 SHOWED A RECOVERY IN NET REVENUE TRENDS



FY18 SYNERGY CONVERSION CONFIRMS THE STABILIZATION OF OUR BUSINESS

We delivered $225M of Synergies in FY18, with ~80% Converted to Profit



IN FY18, WE DELIVERED ON OUR COMMITMENTS

Target: Modest Like for Like (LFL) net revenue growth in 2nd half of FY18

Actual:
- +0.2% LFL net revenue growth in 2H18
- +1.1% in 2Q18-4Q18

Target: Very healthy adjusted operating margin improvement in 2H18

Actual: +313 bps adjusted operating margin growth in 2H18

FY19 OUTLOOK



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FY19 OUTLOOK *

LFL net revenue:

Flat to modest growth

Adj Operating Income:

Mid-teens growth

Adj Operating Margin:

Well over 100bps margin expansion

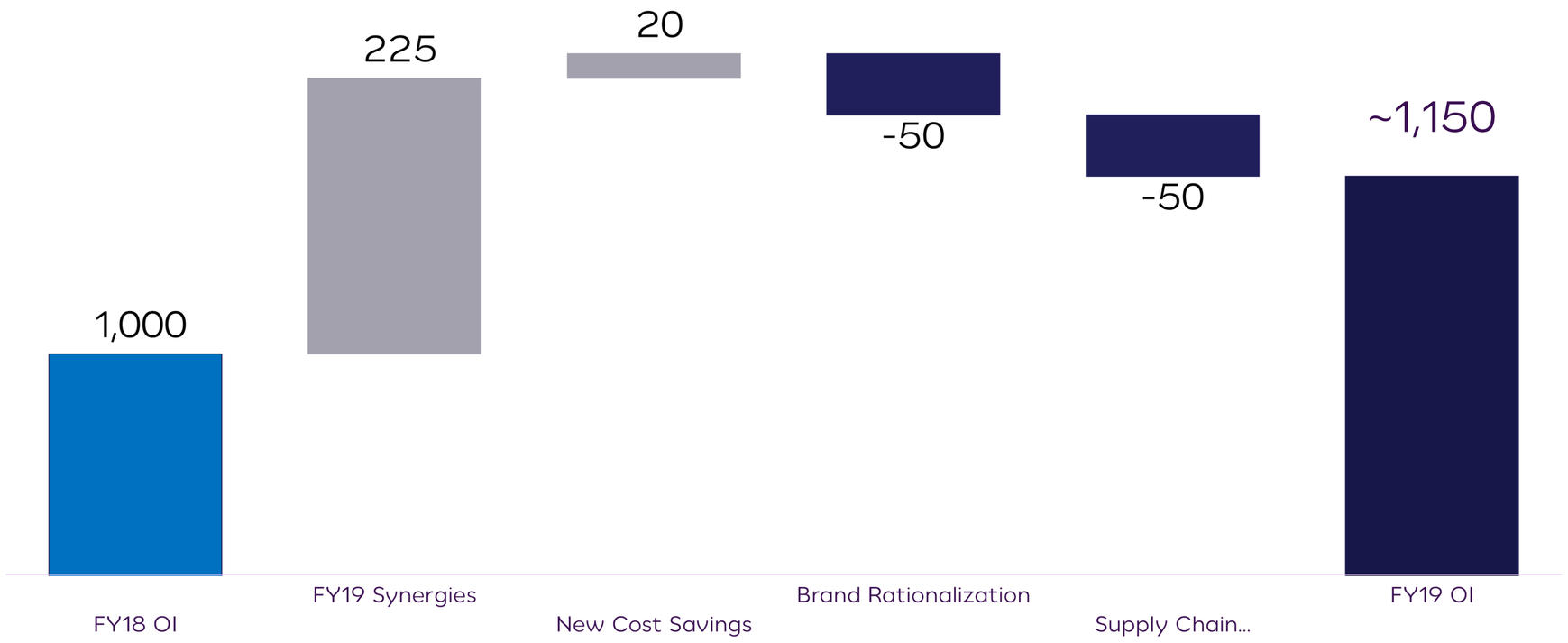
Adj EPS:

$0.74-0.78

* As of Earnings Release dated August 21, 2018

FY19 OPERATING INCOME GROWTH FUELED BY SYNERGIES AND COST SAVINGS

FY19 Adj Operating Income Bridge



SUPPLY DISRUPTION – EXPECT TO RESOLVE BY 2H FY19

Nature of disruptions

As part of our substantial supply chain transformation in the last 2 years, we encountered 2 key disruptions in 4Q18:

- The biggest impact related to the ramp-up of one of our new cosmetics planning hubs and consolidated plant in the U.K. => affected the Rimmel and Max Factor brands in Consumer Beauty
- A smaller impact related to the consolidation of one of our distribution centers in the US => affected Professional Beauty results in North America

Actions taken

- In the U.K., we have been staffing up and training the demand planners, as well as putting in place temporary support to assure sufficient stock levels for cosmetics brands are restored in Q2
- In the U.S., temporary support in place, with service levels steadily improving (in recent months) month after month

Financial impact *

- The peak of the impact of the supply chain disruptions will come in 1Q19, with a smaller tail end in 2Q19
- This will have a significant impact on both top and bottom line, driven primarily by lost sales as well as incremental costs incurred to restore stock and service levels

* As of Earnings Release dated August 21, 2018

FY19 & FY20 FREE CASH FLOW BUILDING BLOCKS

FY19

- Adj Operating Income growth of ~$150M implying total of ~$1,150M
- Offset by cash outlay related to one-time costs of over $400M, which is ~$100M less than FY18 cash outlay
- Capex broadly inline with FY18 capex of ~$446M
- Focus on driving net working capital moving from a use of cash in FY18 to a source of cash in FY19

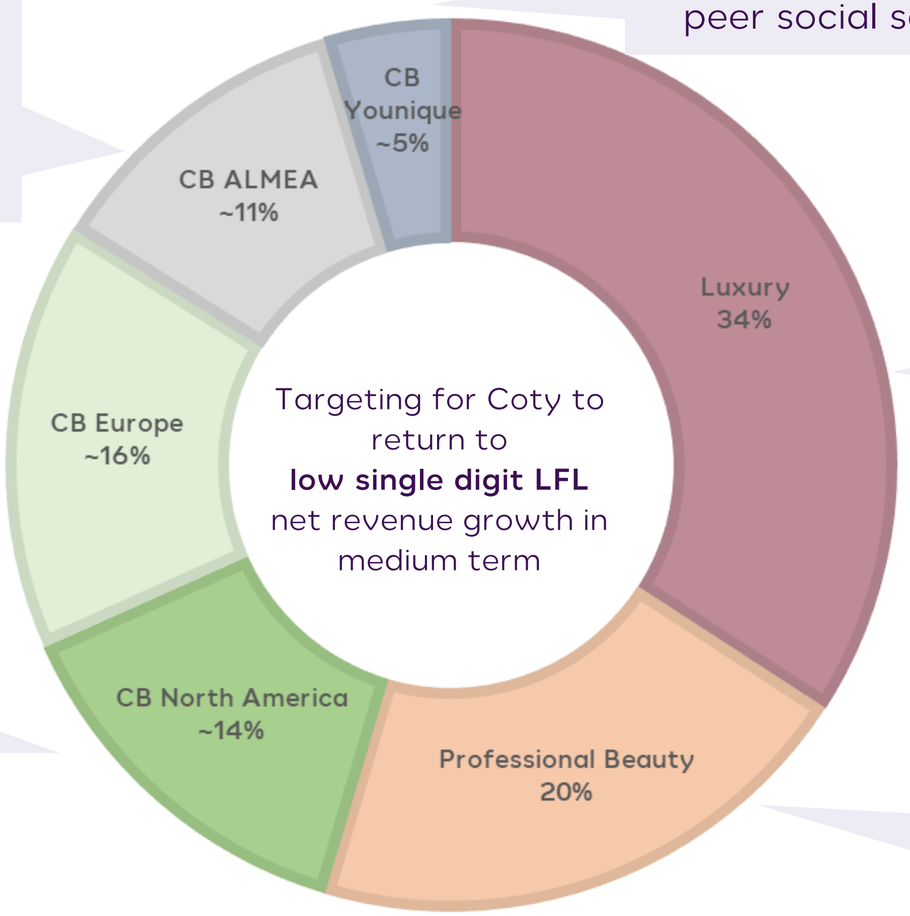
FY20

- Continued Adj Operating Income growth, supported by further capture of ~$170M of synergies & cost savings
- Cash outlay related to one-time costs to step down substantially to approximately $100M
- Capex to decline meaningfully as one-time capex is completed
- Continued progress on net working capital

BUSINESS DRIVERS SUPPORT RETURN TO GROWTH *

- **FY18 Results**: Strong growth on a full year basis
- **Medium Term Outlook**: Continued strong growth fueled by pure e-commerce peer-to-peer social selling model

- **FY18 Results**: Stable, with strong double digit growth in most markets offset by pressure in Brazil
- **Medium Term Outlook**: Strong growth across markets, including Brazil



- **FY18 Results**: +6.0% LFL
- **Medium Term Outlook**: Growth ahead of the prestige fragrance market

- **FY18 Results**: Mid-to-high single digit decline
- **Medium Term Outlook**: Continued pressure due to mass retail declines partially offset by market share improvement and channel diversification

- **FY18 Results**: +1.7% LFL
- **Medium Term Outlook**: Accelerate growth through OPI, ghd, and Wella

EARNINGS MODEL TO REACH HIGH TEEN ADJ OPERATING MARGIN

Top line growth

Professional Beauty	Accelerate growth of untapped potential of OPI and ghd and capitalize on Wella's market-leading position
Luxury	Sustain above-market top line expansion through strong innovation capabilities, geographic expansion & development of prestige skincare and colour cosmetics offering
Consumer Beauty	Stabilize the business by driving aggressive growth from new channels, new markets, and new businesses, & by improving our share performance in Western Europe & North America

Reduced costs

Cost synergies	Fully deliver remaining cost synergies and continued operating leverage
Cost saving Program	New program to drive simplicity and generate flexibility in our P&L to fuel strategic investments

High teen adjusted operating margin in FY23

DIVISIONAL STRATEGY



LUXURY - FY18 ACHIEVEMENTS AND SUCCESS



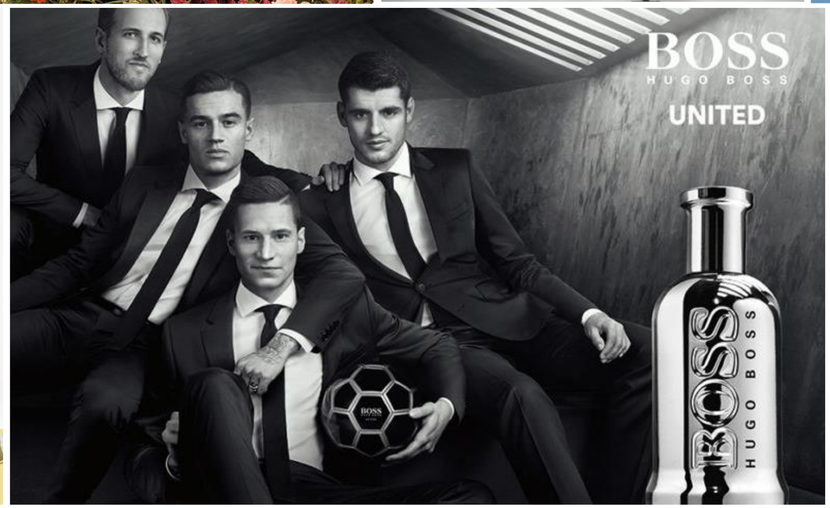


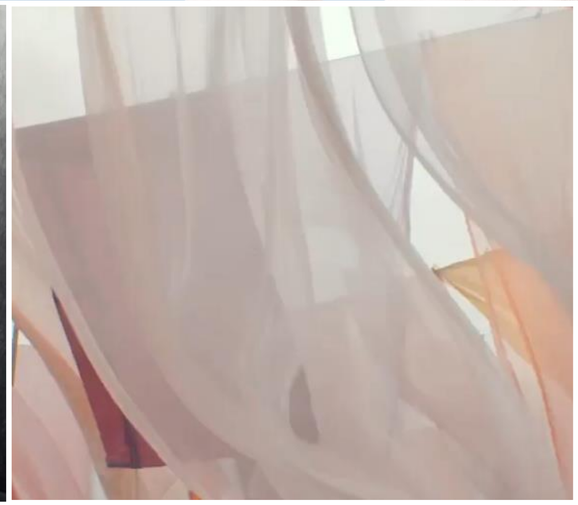
















CONSUMER BEAUTY - MAJOR BRAND RESTAGES TO RE-ENGAGE CONSUMERS











PROFESSIONAL BEAUTY – GROWTH IN ALL CATEGORIES

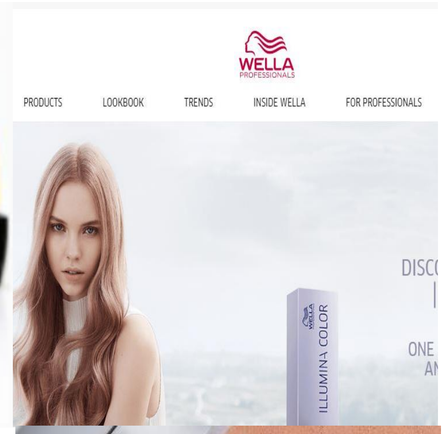


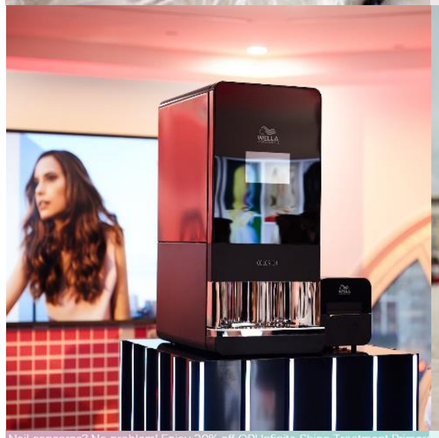




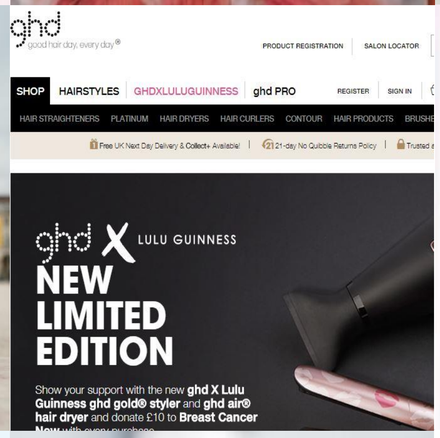


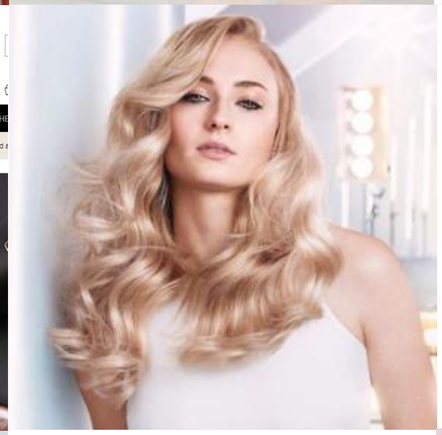






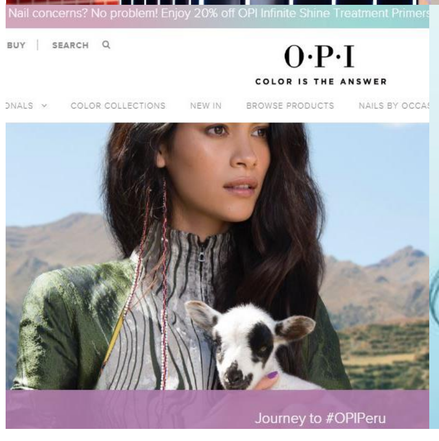








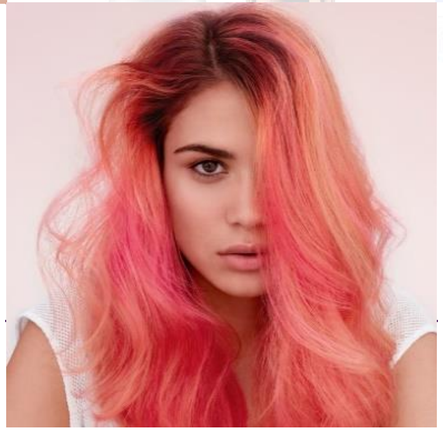














DISCLAIMER

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 targets and outlook for future reporting periods (including the extent and timing of revenue and profit trends and the Consumer Beauty division's stabilization), establishing Coty as a global leader and challenger in beauty, its future operations and strategy (including brand relaunches and performance in emerging markets and channels), synergies, savings, performance, cost, timing and integration relating to our recent acquisitions (including The Proctor & Gamble Company's beauty business (the "P&G Beauty Business")), ongoing and future cost efficiency and restructuring initiatives and programs, strategic transactions (including mergers and acquisitions, joint ventures, investments, divestitures, licenses and portfolio rationalizations), future cash flows and liquidity, future performance in digital and e-commerce and the expected impact of our digital transformation agenda, future effective tax rates, timing and size of cash outflows and debt deleveraging, and impact and timing of supply chain disruptions. 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", "target", "aim", "potential" and similar words or phrases. Actual results may differ materially from the results predicted due to risks and uncertainties, including inaccuracies in Coty's assumptions in evaluating the transaction, difficulties in integrating The Procter & Gamble Company's ("P&G") Fine Fragrance, Color Cosmetics, Salon Professional and Hair Color business and a portion of its Hair Styling businesses ("P&G Beauty Business") into Coty and other difficulties in achieving the expected benefits of the transaction. All statements in this communication, other than those relating to historical information or current conditions, are forward-looking statements. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the Private Securities Litigation Reform Act of 1995. These forward-looking statements 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, including, but not limited to: Coty's ability to 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 continued integration of the P&G Beauty Business and other recent 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 our 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, internal reorganizations and restructuring activities.

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, 2018, 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 communication are qualified in their entirety by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us or our business or operations. Except to the extent required by applicable law, Coty undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Non-GAAP Financial Measures

In this presentation, Coty presents certain-GAAP financial measures that we believe enable management and investors to analyze and compare the underlying business results from period to period. Adjusted and pro forma metrics exclude nonrecurring items, purchase price accounting related amortization, acquisition-related costs, restructuring costs and certain other information as noted within this presentation. 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. A reconciliation from reported to adjusted results can be found in our Earnings Release dated August 21, 2018, available in the "Investor Relations" section of our website at Coty.com.

Outlook Information

In this presentation, Coty presents outlook information as of August 21, 2018, as reported in its Earnings Release of such date.

Definitions and Notes

Fiscal year represents Coty's fiscal year ended June 30.