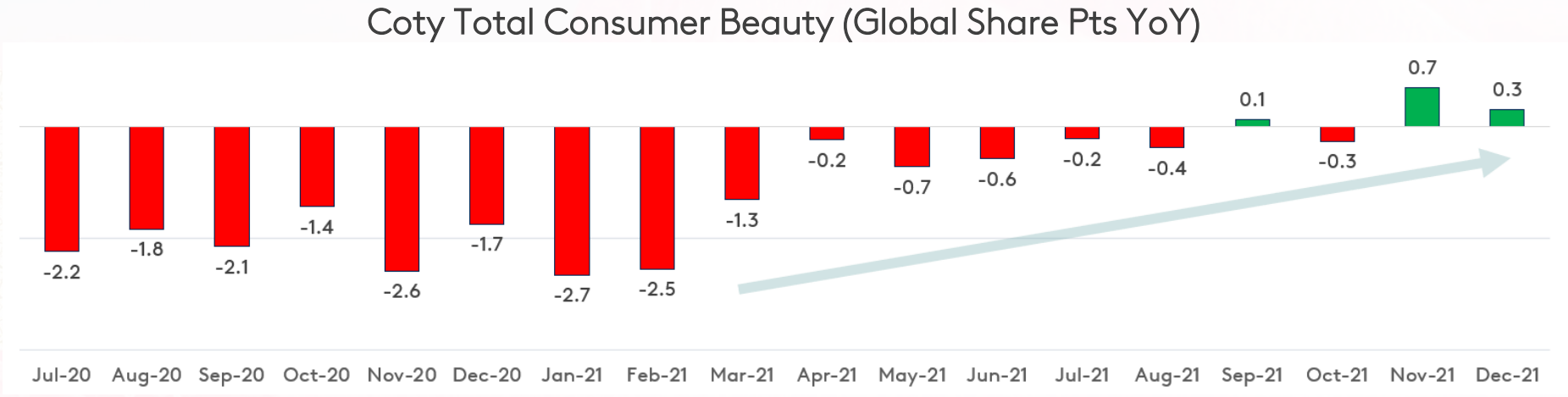


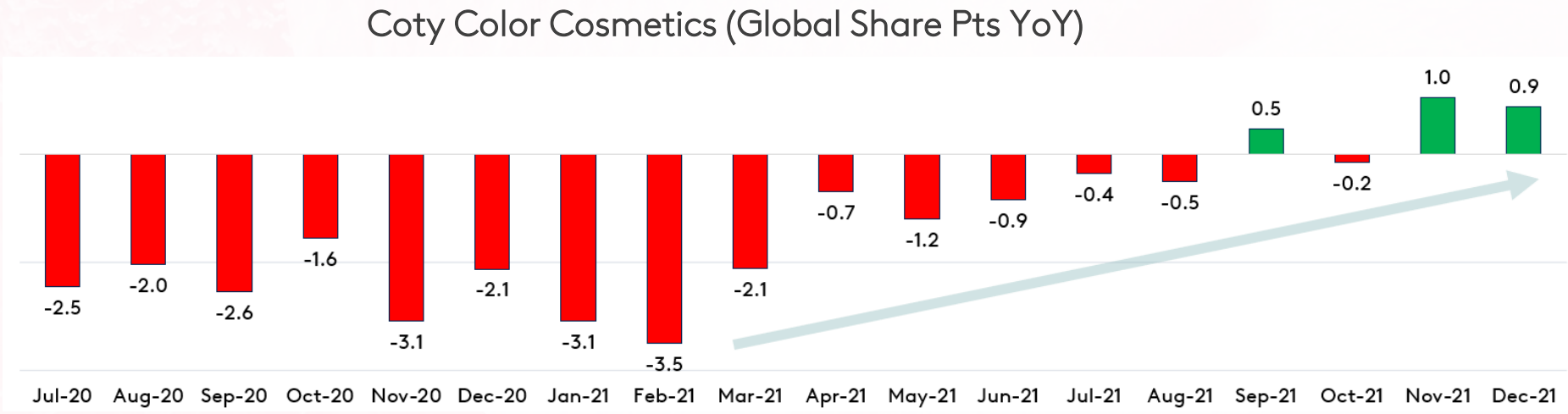
EVERCORE ISI FIRESIDE CHAT

March 1, 2022

COTY

RECAP OF STRONG 2Q22 CONSUMER BEAUTY PERFORMANCE
GAINING MARKET SHARE GLOBALLY FOR FIRST TIME IN 5 YEARS





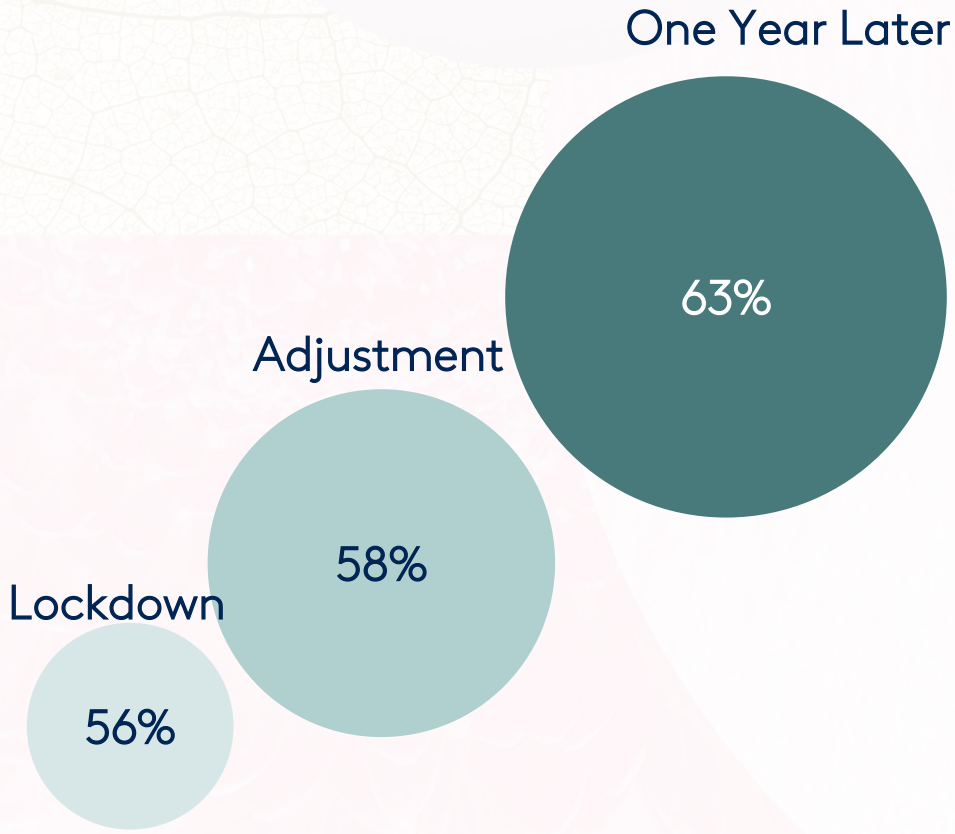
COTY

Source: NielsenIQ through Dec. 2021 Market: B&M and E-com (Amazon)
Total Countries: Argentina, Australia, Brazil, Canada, China, Czech Republic, France, Germany, Great Britain, Italy, Netherland, Poland, Spain, Switzerland, USA

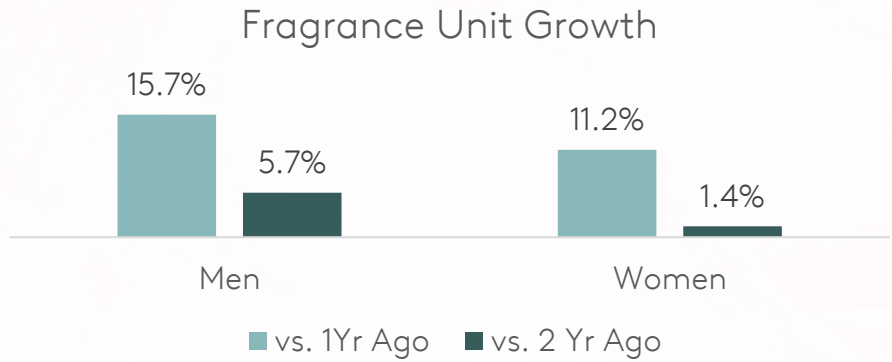
DRIVERS OF U.S. PRESTIGE FRAGRANCE GROWTH

Power of Scent is Amplifying

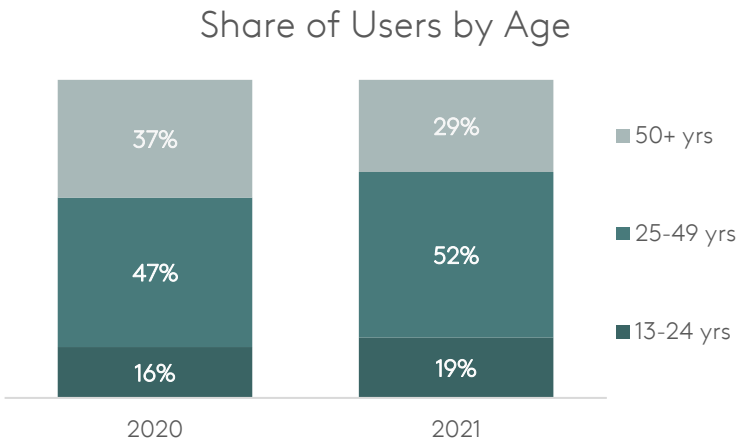
% of Population who Appreciate Scent More



Increasing Use Among **MEN**



Increasing Use Among **GEN Z**



COTY

Source: 1) NPD POS DATA; 2) Kantar Usage Panel

DRIVERS OF U.S. PRESTIGE FRAGRANCE GROWTH

Volume Growth Accompanied by Strong Premiumization

LUXURY FRAGRANCE

CAGR P3Y

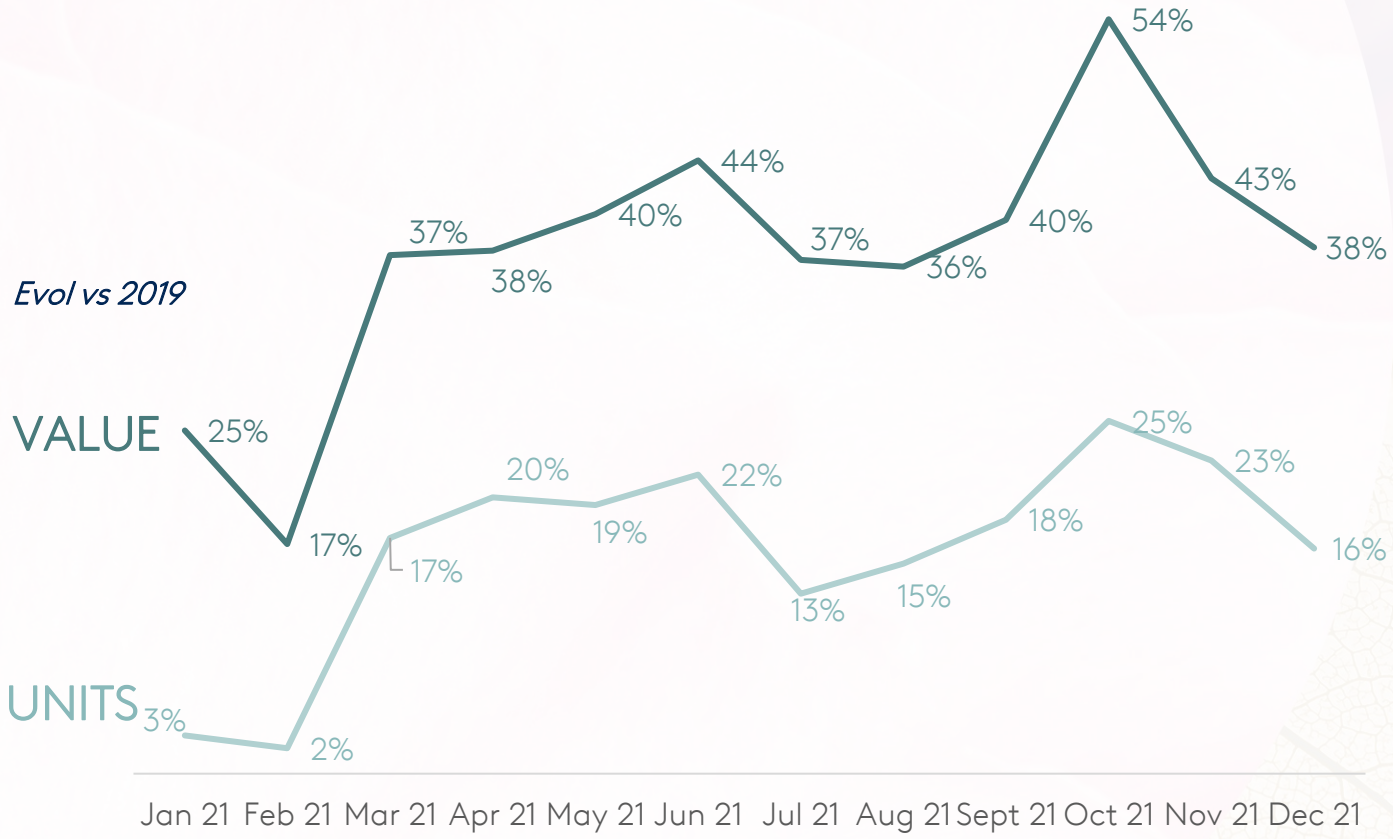
Ultra Premium

+30%

Vs Market +15%

10%

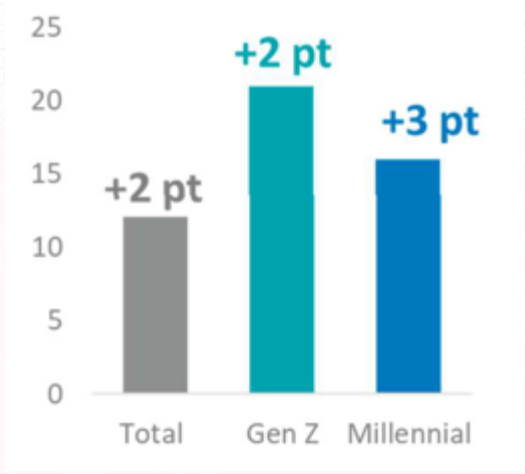
Vs 8% 2YA



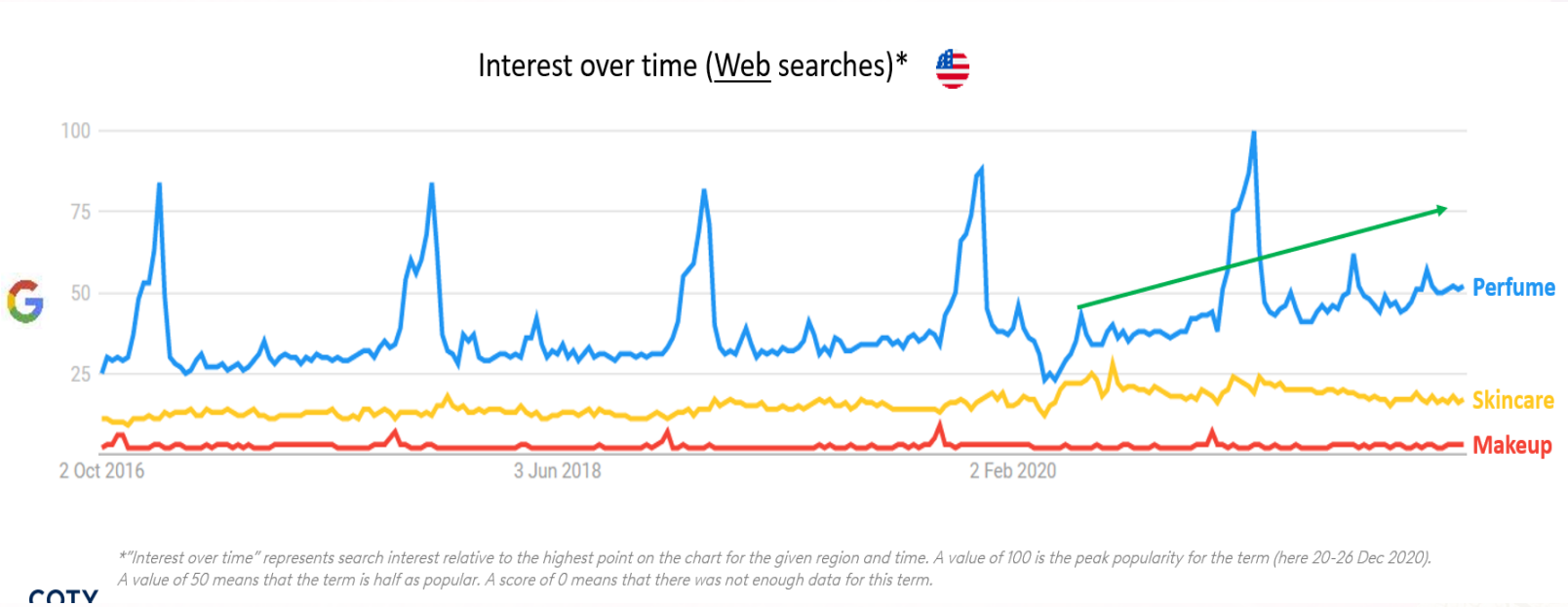
Source: Retail Panel (NPD)

GROWING FRAGRANCE USAGE BY GEN Z CONSUMERS DRIVEN BY SOCIAL MEDIA AND USAGE HABITS

Social Media as a Fragrance Purchase Influencer



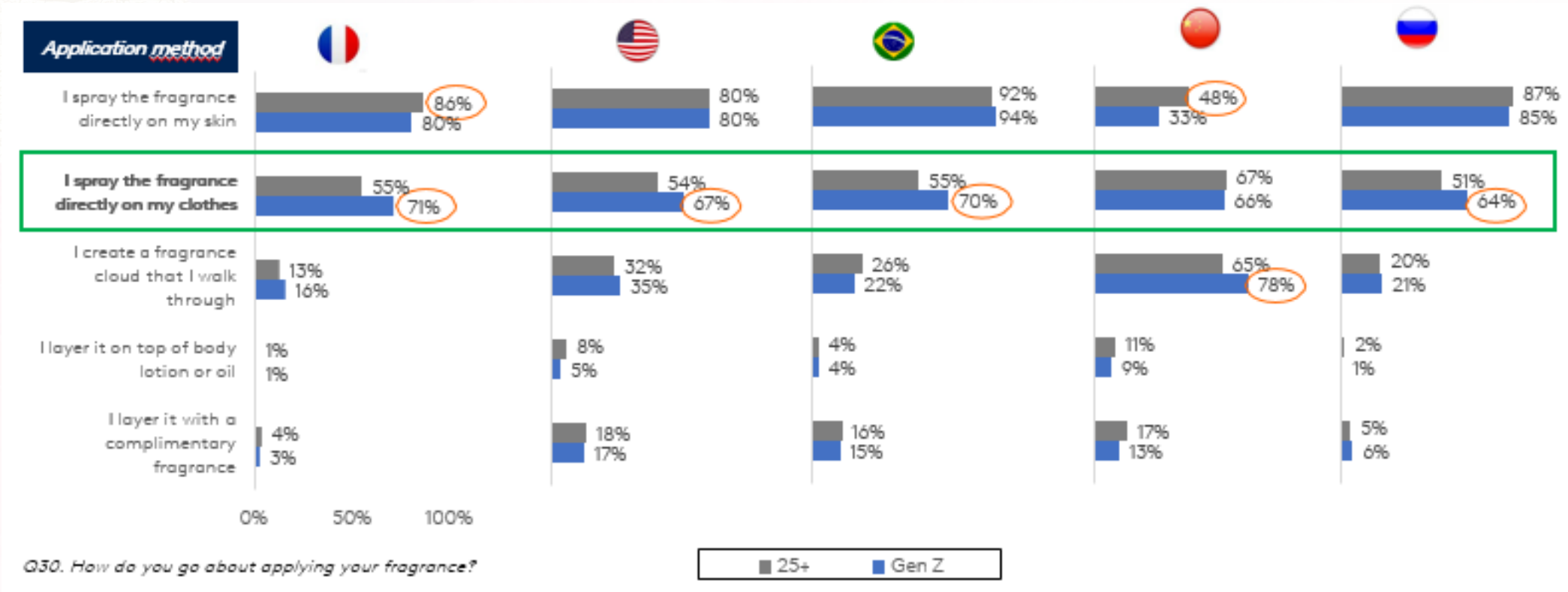
Google Searches on Perfumes Have Accelerated



*"Interest over time" represents search interest relative to the highest point on the chart for the given region and time. A value of 100 is the peak popularity for the term (here 20-26 Dec 2020). A value of 50 means that the term is half as popular. A score of 0 means that there was not enough data for this term.

GROWING FRAGRANCE USAGE BY GEN Z CONSUMERS DRIVEN BY SOCIAL MEDIA AND USAGE HABITS

Younger Consumer Fragrance Usage Boosted By Application Method



#PERFUMETOK - TIK TOK AS A FRAGRANCE DISCOVERY PLATFORM

#PerfumeTok
506Mviews

#PerfumeTikTok
1.7B views

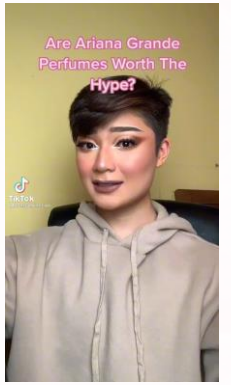
Key driver of consumer engagement and conversion for fragrance posts is **creator commentary**, rather than demonstration

Most Viral Tik Tok Fragrance Content



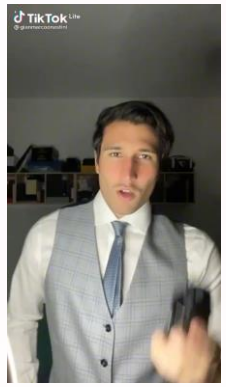
4.8M
812K
14K

Smells like



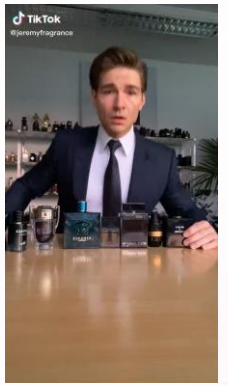
6.9M
1.4M
5.6K

Reaction to trend



4.8M
768K
5.8K

How to apply



10M
673K
135K

Top 5-10
Most complimented

Source: TikTok

CHINA FRAGRANCE MARKET GROWTH DRIVERS

Fragrances Are an Affordable Luxury Item



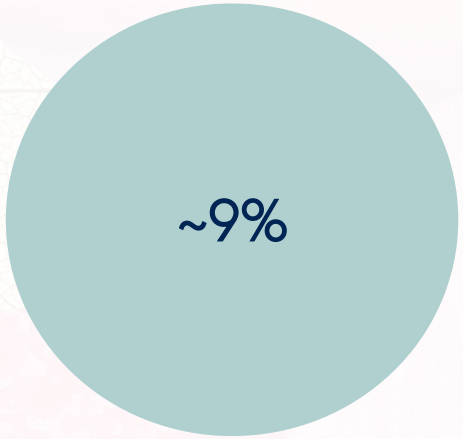
Fragrances Are Seen as an Item of Self Expression



Continued Premiumization of Fragrances



FRAGRANCE PENETRATION IN CHINA STILL LOW, BUT GROWING RAPIDLY



Fragrance penetration amongst urban women



Fragrance penetration amongst urban men



Fragrance penetration amongst total China population

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Source: Kantar Beauty Purchaser Panel 2017-2019

HIGHER APPETITE FOR ULTRA PREMIUM FRAGRANCES IN CHINA

67% of Fine Fragrance users have used **ultra-premium fragrances** (vs 26% av in EU5-US)

Ultra-premium is strongly driven by private collections as:

51% have bought/used Private Collections

41% have bought/used Niche brands



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- *Sources: U&A 2020, Kantar*
- *All data on Tier1/2 cities*

CHINA FRAGRANCE MARKET APPROACHING THE SIZE OF UK AND GERMANY

$4.3Bn
FY25 Forecast
Based on FY19-21 CAGR



$5.5Bn
FY21

+8.6%
CAGR FY18-21



$2.3Bn
FY21

-1.4%
CAGR FY18-21



$1.7Bn
FY21

-2.9%
CAGR FY18-21



$1.7Bn
FY21

-2.7%
CAGR FY18-21



$1.5Bn
FY21

+30.6%
CAGR FY19-21



$1.1Bn
FY21

+1.6%
CAGR FY18-21



$1.0Bn
FY21

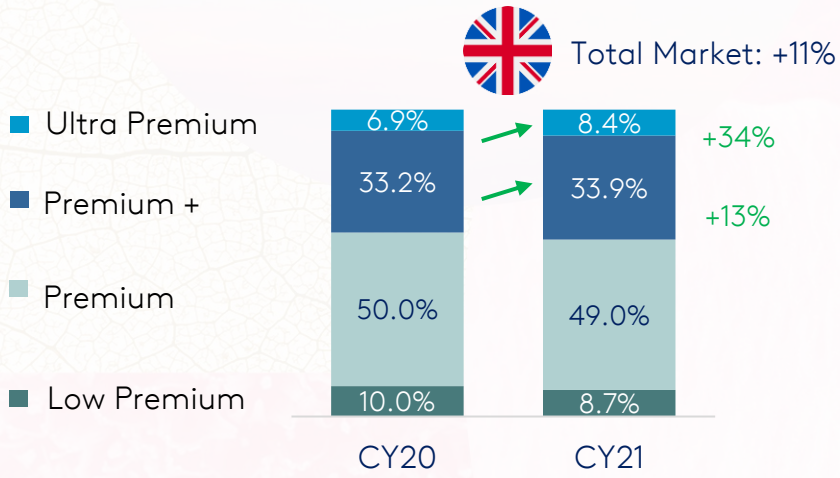
+1.9%
CAGR FY18-21

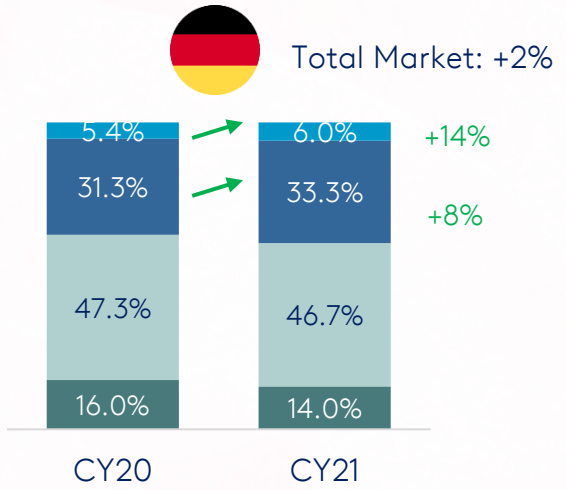


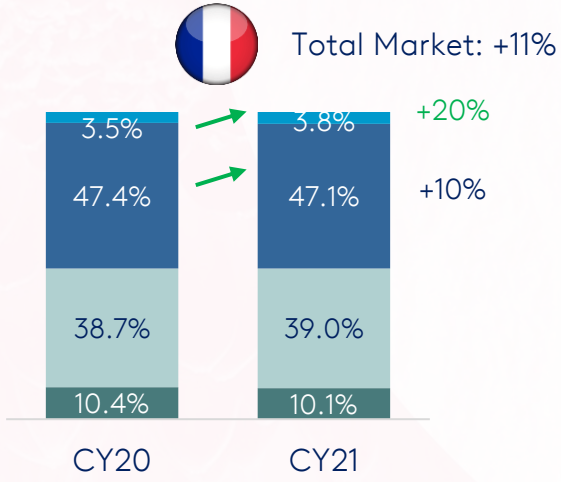
$0.5Bn
FY21

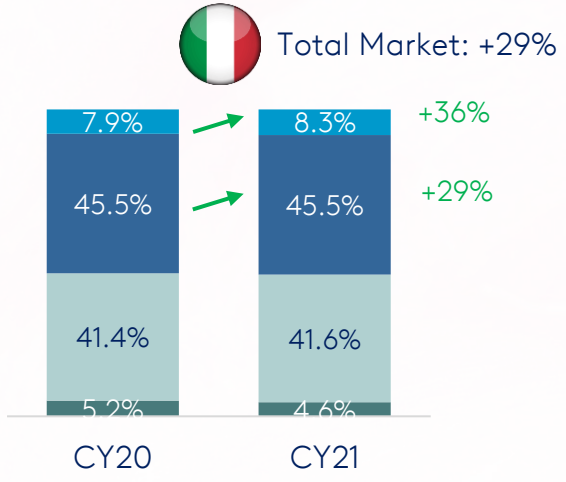
+5.1%
CAGR FY18-21

ULTRA PREMIUM AND PREMIUM+ GAINING IN EUROPEAN MARKETS









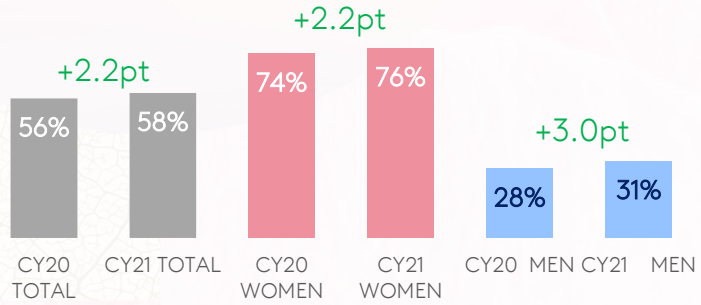
COTY

Source: Retail Panel (NPD) – EUR4+US+CA CY21 DATA - Selective Distribution (TMM for US)

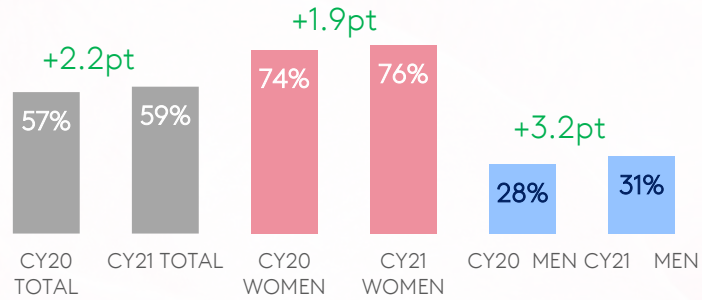
HIGHER CONCENTRATION EDP'S GAINING IN EUROPEAN MARKETS

EDP weight in Total Juices (%)

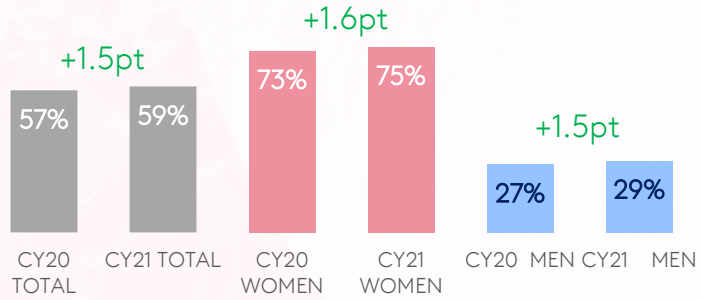
Total Juices +15%



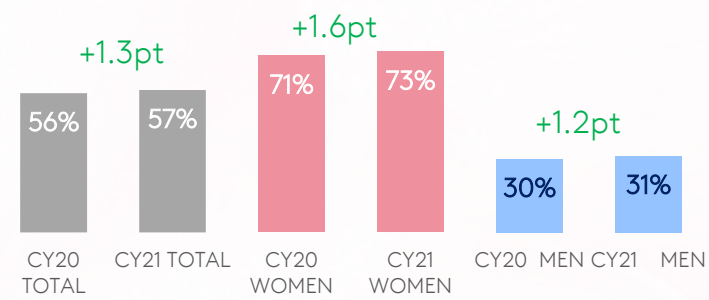
Total Juices +3%



Total Juices +12%



Total Juices +32%



COTY

Source: Retail Panel (NPD) – EUR4+US+CA CY21 DATA - Selective Distribution (TMM for US)

COUTURE AND PREMIUM FASHION BRANDS CONSISTENTLY LEAD FRAGRANCE CATEGORY

	2012	2016	2021
1	CHANEL	CHANEL	CHANEL
2	Dior	Dior	Dior
3	ESTĒE LAUDER	LANCÔME PARIS	LANCÔME PARIS
4	CALVIN KLEIN	YSL	YSL
5	LANCÔME PARIS	ESTĒE LAUDER	GIORGIO ARMANI
6	D&G	CALVIN KLEIN	MARC JACOBS
7	GUERLAIN	GIORGIO ARMANI	CH HC
8	YSL	Thierry Mugler	GUCCI
9	Thierry Mugler	GUERLAIN	Thierry Mugler
10	GUCCI	D&G	GUERLAIN

- All top 10 women's fragrance brands over the last 9 years have been couture or premium fashion brands
  - No niche or celebrity fragrances have entered the Top 10
- Top 10 women's fragrance brands have remained very consistent
  - 60% of the top 10 in 2021 were also in top 10 in 2012
- In 2021, 2 of the 3 brands entering the top 10 were Coty brands: Marc Jacobs & Gucci

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Source: Retail Panels (NPD) – EUR4+US – P12M ending DEC 21 DATA - Selective Distribution (TMM for US) Historical Database from 2012 to 2015

COTY FRAGRANCES ALIGNING WITH HEALTH AND WELLNESS TREND



Makes me feel good



Joyfulness

COTY FRAGRANCES PROVEN TO ELICIT POSITIVE EMOTIONS AND BETTER COGNITIVE RESPONSES



Better Cognitive Responses & Emotions



Seduction

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, expected drivers of sales and profitability in future periods, and the expected impact of currency exchange rate volatility or inflationary pressures), the impact 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 on common stock or continue to pay dividends in cash 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 or deleveraging 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 (including mix management, select price increases, more disciplined promotions, and foregoing low value sales),, 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; currency exchange rate volatility and currency devaluation and/or inflation; 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 February 8, 2022.

Outlook Information

In this presentation, the Company affirms certain guidance and trend information that was discussed in its earnings press release dated February 8, 2022 and related earnings call on February 8, 2022, a transcript of which is available at the Company's Investors Relations website at https://investors.coty.com. Coty does not intend to further update or comment upon its guidance except during its regularly scheduled quarterly earnings calls.

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