

COTY INC.
SUPPLEMENTAL SCHEDULES INCLUDING NON-GAAP FINANCIAL MEASURES

COTY INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share data)	Year Ended June 30,			Quarter Ended June 30,		
	2018	2017	2016	2018	2017	2016
Net revenues	\$ 9,398.0	\$ 7,650.3	\$ 4,349.1	\$ 2,299.4	\$ 2,241.3	\$ 1,075.6
Cost of sales	3,608.4	3,028.5	1,746.0	896.7	875.3	465.6
<i>as % of Net revenues</i>	38.4%	39.6%	40.1%	39.0%	39.1%	43.3%
Gross profit	5,789.6	4,621.8	2,603.1	1,402.7	1,366.0	610.0
<i>Gross margin</i>	61.6%	60.4%	59.9%	61.0%	60.9%	56.7%
 Selling, general and administrative expenses	 5,009.6	 4,060.0	 2,027.8	 1,245.6	 1,315.4	 533.9
<i>as % of Net revenues</i>	53.3%	53.1%	46.6%	54.2%	58.7%	49.6%
Amortization expense	352.8	275.1	79.5	92.2	56.1	20.5
Restructuring costs	173.2	372.2	86.9	97.6	193.2	7.6
Acquisition-related costs	64.2	355.4	174.0	0.5	80.3	75.7
Asset impairment charges	—	—	5.5	—	—	—
Loss (gain) on sale of asset	28.6	(3.1)	(24.8)	28.6	—	(24.8)
Operating income (loss)	161.2	(437.8)	254.2	(61.8)	(279.0)	(2.9)
<i>as % of Net revenues</i>	1.7%	(5.7%)	5.8%	(2.7%)	(12.4%)	(0.3%)
Interest expense, net	265.0	218.6	81.9	65.7	59.5	26.2
Loss on early extinguishment of debt	10.7	—	3.1	10.7	—	—
Other expense, net	38.0	1.6	30.4	27.9	1.4	—
(Loss) income before income taxes	(152.5)	(658.0)	138.8	(166.1)	(339.9)	(29.1)
<i>as % of Net revenues</i>	(1.6%)	(8.6%)	3.2%	(7.2%)	(15.2%)	(2.7%)
Provision (benefit) for income taxes	(24.7)	(259.5)	(40.4)	4.1	(38.9)	2.1
Net (loss) income	(127.8)	(398.5)	179.2	(170.2)	(301.0)	(31.2)
<i>as % of Net revenues</i>	(1.4%)	(5.2%)	4.1%	(7.4%)	(13.4%)	(2.9%)
Net income (loss) attributable to noncontrolling interests	2.0	15.4	7.6	5.0	1.2	(4.5)
Net income attributable to redeemable noncontrolling interests	39.0	8.3	14.7	6.1	2.6	4.3
Net (loss) income attributable to Coty Inc.	\$ (168.8)	\$ (422.2)	\$ 156.9	\$ (181.3)	\$ (304.8)	\$ (31.0)
<i>as % of Net revenues</i>	(1.8%)	(5.5%)	3.6%	(7.9%)	(13.6%)	(2.9%)
Net (loss) income attributable to Coty Inc. per common share:						
Basic	\$ (0.23)	\$ (0.66)	\$ 0.45	\$ (0.24)	\$ (0.41)	\$ (0.09)
Diluted	\$ (0.23)	\$ (0.66)	\$ 0.44	\$ (0.24)	\$ (0.41)	\$ (0.09)
Weighted-average common shares outstanding:						
Basic	749.7	642.8	345.5	750.6	747.7	338.8
Diluted	749.7	642.8	354.2	750.6	747.7	338.8

RECONCILIATION OF REPORTED TO ADJUSTED RESULTS FOR THE CONSOLIDATED STATEMENTS OF OPERATIONS

These supplemental schedules provide adjusted Non-GAAP financial information and a quantitative reconciliation of the difference between the Non-GAAP financial measure and the financial measure calculated and reported in accordance with GAAP.

Year Ended June 30, 2018					
(in millions)	Reported (GAAP)	Adjustments ^(a)	Adjusted (Non-GAAP)	Foreign Currency Translation	Adjusted Results at Constant Currency
Net revenues	\$ 9,398.0	\$ —	\$ 9,398.0	\$ (311.1)	\$ 9,086.9
Gross profit	5,789.6	62.8	5,852.4	(199.1)	5,653.3
<i>Gross margin</i>	61.6%		62.3%		62.2%
Operating income	161.2	838.6	999.8	(11.7)	988.1
<i>as % of Net revenues</i>	1.7%		10.6%		10.9%
Net (loss) income attributable to Coty Inc.	\$ (168.8)	\$ 685.1	\$ 516.3		
<i>as % of Net revenues</i>	(1.8%)		5.5%		
EPS (diluted)	\$ (0.23)		\$ 0.69		
Year Ended June 30, 2017					
(in millions)	Reported (GAAP)	Adjustments ^(a)	Adjusted (Non-GAAP)		
Net revenues	\$ 7,650.3	\$ —	\$ 7,650.3		
Gross profit	4,621.8	151.9	4,773.7		
<i>Gross margin</i>	60.4%		62.4%		
Operating (loss) income	(437.8)	1,210.6	772.8		
<i>as % of Net revenues</i>	(5.7%)		10.1%		
Net (loss) income attributable to Coty Inc.	\$ (422.2)	\$ 830.7	\$ 408.5		
<i>as % of Net revenues</i>	(5.5%)		5.3%		
EPS (diluted)	\$ (0.66)		\$ 0.63		

^(a) See “Reconciliation of Reported Operating (Loss) Income to Adjusted Operated Income” and “Reconciliation of Reported Net (Loss) Income to Adjusted Net Income” for a detailed description of adjusted items.

Three Months Ended June 30, 2018					
(in millions)	Reported (GAAP)	Adjustments ^(a)	Adjusted (Non-GAAP)	Foreign Currency Translation	Adjusted Results at Constant Currency
Net revenues	\$ 2,299.4	\$ —	\$ 2,299.4	\$ (44.2)	\$ 2,255.2
Gross profit	1,402.7	19.5	1,422.2	(32.6)	1,389.6
<i>Gross margin</i>	61.0%		61.9%		61.6%
Operating (loss) income	(61.8)	291.2	229.4	2.0	231.4
<i>as % of Net revenues</i>	(2.7%)		10.0%		10.3%
Net (loss) income attributable to Coty Inc.	\$ (181.3)	\$ 287.9	\$ 106.6		
<i>as % of Net revenues</i>	(7.9%)		4.6%		
EPS (diluted)	\$ (0.24)		\$ 0.14		
Three Months Ended June 30, 2017					
(in millions)	Reported (GAAP)	Adjustments ^(a)	Adjusted (Non-GAAP)		
Net revenues	\$ 2,241.3	\$ —	\$ 2,241.3		
Gross profit	1,366.0	25.0	1,391.0		
<i>Gross margin</i>	60.9%		62.1%		
Operating (loss) income	(279.0)	369.1	90.1		
<i>as % of Net revenues</i>	(12.4%)		4.0%		
Net (loss) income attributable to Coty Inc.	\$ (304.8)	\$ 301.4	\$ (3.4)		
<i>as % of Net revenues</i>	(13.6%)		(0.2%)		
EPS (diluted)	\$ (0.41)		\$ —		

^(a) See “Reconciliation of Reported Operating (Loss) Income to Adjusted Operated Income” and “Reconciliation of Reported Net (Loss) Income to Adjusted Net Income” for a detailed description of adjusted items.

RECONCILIATION OF REPORTED OPERATING (LOSS) INCOME TO ADJUSTED OPERATING INCOME

(in millions)	Three Months Ended June 30,			Year Ended June 30,		
	2018	2017	Change	2018	2017	Change
Reported Operating (Loss) Income	\$ (61.8)	\$ (279.0)	78%	\$ 161.2	\$ (437.8)	>100%
<i>% of Net revenues</i>	<i>(2.7%)</i>	<i>(12.4%)</i>		<i>1.7%</i>	<i>(5.7%)</i>	
Costs related to acquisition activities ^(a)	6.5	99.2	(93%)	76.1	494.9	(85%)
Amortization expense ^(b)	92.2	56.1	64%	352.8	275.1	28%
Restructuring and other business realignment costs ^(c)	163.9	212.2	(23%)	381.1	426.2	(11%)
Pension settlement ^(d)	—	1.6	(100%)	—	17.5	(100%)
Loss (gain) on sale of asset ^(e)	28.6	—	>100%	28.6	(3.1)	>100%
Total adjustments to Reported Operating (Loss) Income	291.2	369.1	(21%)	838.6	1,210.6	(31%)
Adjusted Operating Income	\$ 229.4	\$ 90.1	>100%	\$ 999.8	\$ 772.8	29%
<i>% of Net revenues</i>	<i>10.0%</i>	<i>4.0%</i>		<i>10.6%</i>	<i>10.1%</i>	

^(a) In the three months ended June 30, 2018, we incurred \$6.5 of costs related to acquisition activities. We recognized acquisition-related costs of \$0.5 in the Consolidated Statements of Operations, primarily in connection with current year acquisitions. These costs may include finder's fees, legal, accounting, valuation, and other professional or consulting fees, and other internal costs which may include compensation related expenses for dedicated internal resources. We also incurred \$6.0 in costs of sales primarily reflecting the destruction of excess acquired inventory in connection with the acquisition of the Burberry Beauty Business, in the Consolidated Statements of Operations. In the three months ended June 30, 2017, we incurred \$99.2 of costs related to acquisition activities. We recognized acquisition-related costs of \$80.3 in the Consolidated Statements of Operations, primarily in connection with the acquisition of the P&G Beauty Business, ghd and Younique. These costs may include finder's fees, legal, accounting, valuation, and other professional or consulting fees, and other internal costs which may include compensation related expenses for dedicated internal resources. We also incurred \$18.6 in costs of sales primarily reflecting revaluation of acquired inventory in connection with the acquisition of ghd, Younique and the P&G Beauty Business in the Consolidated Statements of Operations.

In fiscal 2018, we incurred \$76.1 of costs related to acquisition activities. We recognized Acquisition-related costs of \$64.2, primarily in connection with the acquisitions of the P&G Beauty Business, the Burberry Beauty Business, ghd and Younique. These costs may include finder's fees, legal, accounting, valuation, and other professional or consulting fees, and other internal costs which may include compensation related expenses for dedicated internal resources. We also incurred \$7.1 of cost related to acquired inventory step-up amortization in connection with the acquisitions of Younique and the Burberry Beauty Business, as well as \$4.8 in excess inventory-related costs associated with the Burberry Beauty Business acquisition, included in Cost of sales in the Consolidated Statements of Operations. In fiscal 2017, we incurred \$494.9 of costs related to acquisition activities. We recognized Acquisition-related costs of \$355.4, primarily in connection with the acquisition of the P&G Beauty Business, ghd and Younique, included in the Consolidated Statements of Operations. These may include finder's fees, legal, accounting, valuation, and other professional or consulting fees, and other internal costs which may include compensation related expenses for dedicated internal resources. We also incurred \$48.8, \$44.4, and \$40.8 in costs of sales primarily reflecting revaluation of acquired inventory in connection with the acquisitions of the P&G Beauty Business, ghd, and Younique, respectively in the Consolidated Statements of Operations.

^(b) In the three months ended June 30, 2018, amortization expense increased to \$92.2 from \$56.1 in the three months ended June 30, 2017, primarily as a result of acquisitions. In the three months ended June 30, 2018, amortization expense of \$30.6, \$40.1 and \$21.5 was reported in the Luxury, Consumer Beauty and Professional Beauty segments, respectively. In the three months ended June 30, 2017, amortization expense of \$53.8, \$(15.9), and \$18.2 was reported in the Luxury, Consumer Beauty, and Professional Beauty segments, respectively.

In fiscal 2018, amortization expense increased to \$352.8 from \$275.1 in fiscal 2017 primarily as a result of acquisitions. In fiscal 2018, amortization expense of \$145.1, \$132.2, and \$75.5 were reported in the Luxury, Consumer Beauty, and Professional Beauty segments, respectively. In fiscal 2017, amortization expense of \$124.4, \$94.9, and \$55.8 were reported in the Luxury, Consumer Beauty, and Professional Beauty segments, respectively.

^(c) In the three months ended June 30, 2018, we incurred restructuring and other business structure realignment costs of \$163.9. We incurred restructuring costs of \$97.6 primarily related to integrating and optimizing the combined company following the acquisition of the P&G Beauty Business (the "Global Integration Activities") and the new cost restructuring program ("2018 Restructuring Actions"), included in the Consolidated Statements of Operations. We incurred business structure realignment costs of \$66.3 primarily related to our Global Integration Activities, organizational redesign and certain other programs. Of this amount, \$52.4 is included in selling, general and administrative expenses and \$13.9 is included in cost of sales. In the three months ended June 30, 2017, we incurred restructuring and other business structure realignment costs of \$212.2. We incurred restructuring costs of \$193.2 primarily related to Global Integration Activities, included in the Consolidated Statements of Operations. We incurred business structure realignment costs of \$19.0 primarily related to our Global Integration Activities, organizational redesign and certain other programs. Of this amount, \$13.9 is included in selling, general and administrative expenses and \$5.1 is included in cost of sales.

In fiscal 2018, we incurred restructuring and other business structure realignment costs of \$381.1. We incurred restructuring costs of \$173.2 primarily related to the Global Integration Activities and 2018 Restructuring Actions, included in the Consolidated Statements of Operations. We incurred business structure realignment costs of \$207.9 primarily related to our Global Integration Activities. Of this amount \$156.8 is included in selling, general and administrative expenses, \$51.1 is included in cost of sales. In fiscal 2017, we incurred restructuring and other business structure realignment costs of \$426.2. We incurred restructuring costs of \$372.2 primarily related to the Global Integration Activities, included in the Consolidated Statements of Operations. We incurred business structure realignment costs of \$54.0 primarily related to our Global Integration Activities, organizational redesign and certain other programs. Of this amount \$37.4 is included in selling, general and administrative expenses, \$16.6 is included in cost of sales.

^(d) In fiscal 2017, we incurred a charge of \$17.5, primarily in connection with the settlement of obligations related to the U.S. Del Laboratories, Inc. pension plan. The settlement of the plan was effectuated through lump sum payments to eligible participants during the three months ended September 30, 2016, in addition to, the 15 purchase of annuity contracts from a third-party insurance provider, effectively transferring the U.S. Del Laboratories, Inc. pension plan obligation to the insurance provider, during the three months ended December 31, 2016. The settlement charge is as a result of accelerating the recognition of losses previously deferred in other comprehensive income (loss).

^(e) In fiscal 2018, we sold certain assets relating to two of our fragrance brands and recorded a loss of \$28.6 which has been reflected in Loss (Gain) on sale of assets in the Consolidated Statements of Operations. In fiscal 2017, we sold certain assets relating to the J.Lo brand and recorded a gain of \$3.1 which has been reflected in Gain on sale of assets in the Consolidated Statements of Operations.

RECONCILIATION OF REPORTED (LOSS) INCOME BEFORE INCOME TAXES AND EFFECTIVE TAX RATES TO ADJUSTED INCOME BEFORE INCOME TAXES AND ADJUSTED EFFECTIVE TAX RATES

(in millions)	Three Months Ended June 30, 2018			Three Months Ended June 30, 2017		
	(Loss) income before income taxes	Provision for income taxes	Effective tax rate	(Loss) income before income taxes	(Benefit) provision for taxes	Effective tax rate
Reported loss before income taxes	\$ (166.1)	\$ 4.1	(2.5)%	\$ (339.9)	\$ (38.9)	11.4%
Adjustments to Reported Operating (Loss) (a)(b)	291.2	23.9		369.1	42.0	
Other adjustments (b) (c)	33.4	10.4		—	(0.2)	
Adjusted income before income taxes	\$ 158.5	\$ 38.4	24.2%	\$ 29.2	\$ 2.9	9.9%

(a) See a description on adjustments under "Reconciliation of Reported Operating (Loss) Income to Adjusted Operating Income".

(b) The tax effects of each of the items included in adjusted income are calculated in a manner that results in a corresponding income tax expense/provision for adjusted income. In preparing the calculation, each adjustment to reported income is first analyzed to determine if the adjustment has an income tax consequence. The provision for taxes is then calculated based on the jurisdiction in which the adjusted items are incurred, multiplied by the respective statutory rates and offset by the increase or reversal of any valuation allowances commensurate with the non-GAAP measure of profitability.

(c) See "Reconciliation of Reported Net (Loss) Income to Adjusted Net Income."

The adjusted effective tax rate was 24.2% for the three months ended June 30, 2018 compared to 9.9% for the three months ended June 30, 2017. The differences were primarily due to the increased accrual of uncertain tax position reserves during the current year.

(in millions)	Year Ended June 30, 2018			Year Ended June 30, 2017		
	(Loss)/ income before income taxes	(Benefit) provision for income taxes	Effective tax rate	(Loss)/ income before income taxes	(Benefit) provision for income taxes	Effective tax rate
Reported (loss) income before income taxes	\$ (152.5)	\$ (24.7)	16.2%	\$ (658.0)	\$ (259.5)	39.4%
Adjustments to reported operating income (loss) (a) (b)	838.6	152.5		1210.6	355.0	
Other adjustments (b) (c)	33.4	10.4		1.4	0.4	
Adjusted income before income taxes	\$ 719.5	\$ 138.2	19.2%	\$ 554.0	\$ 95.9	17.3%

(a) See a description on adjustments under "Reconciliation of Reported Operating (Loss) Income to Adjusted Operating Income".

(b) The tax effects of each of the items included in adjusted income are calculated in a manner that results in a corresponding income tax expense/provision for adjusted income. In preparing the calculation, each adjustment to reported income is first analyzed to determine if the adjustment has an income tax consequence. The provision for taxes is then calculated based on the jurisdiction in which the adjusted items are incurred, multiplied by the respective statutory rates and offset by the increase or reversal of any valuation allowances commensurate with the non-GAAP measure of profitability.

(c) See "Reconciliation of Reported Net (Loss) Income to Adjusted Net Income."

The adjusted effective tax rate was 19.2% compared to 17.3% in the prior-year period. The differences were primarily due to the release of a valuation allowance in the US in the prior period as a result of the P&G Beauty Business acquisition.

RECONCILIATION OF REPORTED NET (LOSS) INCOME TO ADJUSTED NET INCOME

(in millions)	Three Months Ended June 30,			Year Ended June 30,		
	2018	2017	Change	2018	2017	Change
Reported Net (Loss) Income Attributable to Coty Inc.	\$ (181.3)	\$ (304.8)	41%	\$ (168.8)	\$ (422.2)	60%
<i>% of Net revenues</i>	<i>(7.9%)</i>	<i>(13.6%)</i>		<i>(1.8%)</i>	<i>(5.5%)</i>	
Adjustments to Reported Operating (Loss) Income ^(a)	291.2	369.1	(21%)	838.6	1,210.6	(31%)
Adjustments to other expense ^(b)	24.1	—	>100%	24.1	—	>100%
Loss on early extinguishment of debt ^(c)	10.7	—	>100%	10.7	—	>100%
Adjustments to interest (income) expense ^(d)	(1.4)	—	<(100)%	(1.4)	1.4	<(100)%
Adjustments to noncontrolling interest expense ^(e)	(2.4)	(25.9)	91%	(24.0)	(25.9)	(100%)
Change in tax provision due to adjustments to Reported Net Income (Loss) Attributable to Coty Inc.	(34.3)	(41.8)	18%	(162.9)	(355.4)	>100%
Adjusted Net Income Attributable to Coty Inc.	\$ 106.6	\$ (3.4)	>100%	\$ 516.3	\$ 408.5	26%
<i>% of Net revenues</i>	<i>4.6%</i>	<i>(0.2%)</i>		<i>5.5%</i>	<i>5.3%</i>	

Per Share Data

Adjusted weighted-average common shares

Basic	750.6	747.7	749.7	642.8
Diluted	753.1	747.7	753.1	647.8

Adjusted Net Income Attributable to Coty Inc. per Common Share

Basic	\$ 0.14	\$ —	\$ 0.69	\$ 0.64
Diluted	\$ 0.14	\$ —	\$ 0.69	\$ 0.63

^(a) See a description of adjustments under “Reconciliation of Reported Operating (Loss) Income to Adjusted Operating Income”.

^(b) In fiscal 2018, we incurred \$24.1 in third-party debt issuance costs incurred in connection with the refinancing of the Coty Credit Agreement and Galleria Credit Agreement.

^(c) In fiscal 2018, the amount represents the write-off of debt discount and deferred financing costs in connection with the refinancing of the Coty Credit Agreement and Galleria Credit Agreement, included in Loss on early extinguishment of debt in the Consolidated Statements of Operations.

^(d) The amount in fiscal 2018 primarily represents one-time gains of \$1.4 on short-term forward contracts to exchange Euros for U.S. dollars to repay U.S. Dollar debt balances outstanding under the Coty Credit Agreement and Galleria Credit Agreement, in connection with the refinancing of those respective agreements in April 2018, included in Interest expense, net in the Consolidated Statements of Operations. The amount in fiscal 2017 represents a net loss of \$1.4 incurred in connection with the acquisition of the Hypermarcas Brands and subsequent intercompany loans, included in Interest expense, net in the Consolidated Statements of Operations.

^(e) The amounts represent the after-tax impact of the non-GAAP adjustments included in Net income attributable to noncontrolling interest based on the relevant noncontrolling interest percentage in the Consolidated Statements of Operations.

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW

(in millions)	Year Ended June 30,		
	2018	2017	2016
Net cash provided by operating activities	\$ 413.7	\$ 757.5	\$ 501.4
Capital expenditures	(446.4)	(432.3)	(150.1)
Free cash flow	\$ (32.7)	\$ 325.2	\$ 351.3

RECONCILIATION OF TOTAL DEBT TO NET DEBT

(in millions)	Year Ended June 30, 2018
Total debt	\$ 7,623.2
Cash	331.6
Net debt	\$ 7,291.6

RECONCILIATION OF ADJUSTED OPERATING INCOME TO ADJUSTED EBITDA

(in millions)	Year Ended June 30, 2018
Adjusted operating income ^(a)	\$ 999.8
Depreciation	384.2
Adjusted EBITDA ^(b)	\$ 1,384.0

^a Refer to Reconciliation of Reported Operating Income (loss) to Adjusted Operating Income

^b Defined as Adjusted operating income less Depreciation

NET DEBT/ADJUSTED EBITDA

	Year Ended June 30, 2018
Net Debt/Adjusted EBITDA	5.27

NET REVENUES AND ADJUSTED OPERATING INCOME BY SEGMENT

Three Months Ended June 30,								
	Net Revenues		Change		Reported Operating Income (Loss)		Adjusted Operating Income (Loss)	
(in millions)	2018	2017	Reported Basis	Constant Currency	2018	Change	2018	Change
Luxury	\$ 742.4	\$ 648.0	15%	11%	\$ 47.5	>100%	\$ 78.1	>100%
Consumer Beauty	1,064.4	1,126.0	(5%)	(6%)	53.5	(34)%	93.6	44%
Professional	492.6	467.3	5%	2%	36.2	>100%	57.7	>100%
Corporate	—	—	N/A	N/A	(199.0)	36 %	—	N/A
Total	\$ 2,299.4	\$ 2,241.3	3%	1%	\$ (61.8)	78 %	\$ 229.4	>100%

Year Ended June 30,									
	Net Revenues		Change		Reported Operating Income (Loss)		Adjusted Operating Income (Loss)		
(in millions)	2018	2017	Reported Basis	Combined Company Year-Over-Year	Combined Company Reported At Constant Currency	2018	Change	2018	Change
Luxury	\$ 3,210.5	\$ 2,566.6	25%	13%	9%	\$ 248.7	57%	\$ 393.8	39%
Consumer Beauty	4,268.1	3,688.2	16%	4%	1%	278.9	7%	411.1	16%
Professional	1,919.4	1,395.5	38%	12%	8%	119.4	52%	194.9	45%
Corporate	—	—	N/A	N/A	N/A	(485.8)	48%	—	N/A
Total	\$ 9,398.0	\$ 7,650.3	23%	8%	5%	\$ 161.2	>100%	\$ 999.8	29%

NET REVENUES BY GEOGRAPHIC REGION

Three Months Ended June 30,					
(in millions)	Net Revenues		Change		
	2018	2017	Reported Basis	Combined Company Organic (LFL)	
North America	\$ 760.8	\$ 779.5	(2%)	(3%)	
Europe	959.1	896.3	7%	0%	
ALMEA	579.5	565.5	2%	5%	
Total	\$ 2,299.4	\$ 2,241.3	3%	0%	

Year Ended June 30,					
(in millions)	Net Revenues		Change		
	2018	2017	Reported Basis	Combined Company Year-Over-Year	Combined Company Organic (LFL)
North America	\$ 2,966.0	\$ 2,506.9	18%	4%	(4%)
Europe	4,201.6	3,325.7	26%	11%	(1%)
ALMEA	2,230.4	1,817.7	23%	10%	8%
Total	\$ 9,398.0	\$ 7,650.3	23%	8%	0%

RECONCILIATION OF REPORTED OPERATING INCOME TO ADJUSTED OPERATING INCOME BY SEGMENT

Three Months Ended June 30, 2018					
(in millions)	Reported (GAAP)	Adjustments ^(a)	Adjusted (Non-GAAP)	Foreign Currency Translation	Adjusted Results at Constant Currency
OPERATING INCOME (LOSS)					
Luxury	\$ 47.5	\$ (30.6)	\$ 78.1	\$ 0.3	\$ 78.4
Consumer Beauty	53.5	(40.1)	93.6	2.7	96.3
Professional	36.2	(21.5)	57.7	(1.1)	56.6
Corporate	(199.0)	(199.0)	—	—	—
Total	<u>\$ (61.8)</u>	<u>\$ (291.2)</u>	<u>\$ 229.4</u>	<u>\$ 1.9</u>	<u>\$ 231.3</u>
OPERATING MARGIN					
Luxury	6.4%		10.5%		10.9%
Consumer Beauty	5.0%		8.8%		9.1%
Professional	7.3%		11.7%		11.9%
Corporate	N/A		N/A		N/A
Total	<u>(2.7%)</u>		<u>10.0%</u>		<u>10.3%</u>

Three Months Ended June 30, 2017			
(in millions)	Reported (GAAP)	Adjustments ^(a)	Adjusted (Non-GAAP)
OPERATING INCOME (LOSS)			
Luxury	\$ (43.8)	\$ (53.8)	\$ 10.0
Consumer Beauty	80.9	16.0	64.9
Professional	(3.1)	(18.3)	15.2
Corporate	(313.0)	(313.0)	—
Total	<u>\$ (279.0)</u>	<u>\$ (369.1)</u>	<u>\$ 90.1</u>
OPERATING MARGIN			
Luxury	(6.8%)		1.5%
Consumer Beauty	7.2%		5.8%
Professional	(0.7%)		3.3%
Corporate	N/A		N/A
Total	<u>(12.4%)</u>		<u>4.0%</u>

^(a) See "Reconciliation of Reported Operating Income to Adjusted Operating (Loss) Income" for a detailed description of adjusted items.

Year Ended June 30, 2018					
(in millions)	Reported (GAAP)	Adjustments ^(a)	Adjusted (Non-GAAP)	Foreign Currency Translation	Adjusted Results at Constant Currency
OPERATING INCOME (LOSS)					
Luxury	\$ 248.7	\$ (145.1)	\$ 393.8	\$ (1.4)	\$ 392.4
Consumer Beauty	278.9	(132.2)	411.1	(5.1)	406.0
Professional	119.4	(75.5)	194.9	(5.2)	189.7
Corporate	(485.8)	(485.8)	—	—	—
Total	<u>\$ 161.2</u>	<u>\$ (838.6)</u>	<u>\$ 999.8</u>	<u>\$ (11.7)</u>	<u>\$ 988.1</u>
OPERATING MARGIN					
Luxury	7.7%		12.3%		12.7%
Consumer Beauty	6.5%		9.6%		9.8%
Professional	6.2%		10.2%		10.3%
Corporate	N/A		N/A		N/A
Total	<u>1.7%</u>		<u>10.6%</u>		<u>10.9%</u>

Year Ended June 30, 2017			
(in millions)	Reported (GAAP)	Adjustments ^(a)	Adjusted (Non-GAAP)
OPERATING INCOME (LOSS)			
Luxury	\$ 158.0	\$ (125.0)	\$ 283.0
Consumer Beauty	261.2	(94.5)	355.7
Professional	78.5	(55.6)	134.1
Corporate	(935.5)	(935.5)	—
Total	<u>\$ (437.8)</u>	<u>\$ (1,210.6)</u>	<u>\$ 772.8</u>
OPERATING MARGIN			
Luxury	6.2%		11.0%
Consumer Beauty	7.1%		9.6%
Professional	5.6%		9.6%
Corporate	N/A		N/A
Total	<u>(5.7%)</u>		<u>10.1%</u>

^(a) See "Reconciliation of Reported Operating Income (Loss) to Adjusted Operating Income" for a detailed description of adjusted items.

RECONCILIATION OF REPORTED NET REVENUES INCOME TO LIKE-FOR-LIKE NET REVENUES

Three Months Ended June 30, 2018 vs. Three Months Ended June 30, 2017 Net Revenue Change				
	of which			
Net Revenues Change YoY	Reported Basis	Constant Currency	Impact from Acquisitions ¹	Organic (LFL)
Luxury	15 %	11 %	6 %	5 %
Consumer Beauty	(5)%	(6)%	(3)%	(3)%
Professional Beauty	5%	2 %	—%	2%
Total Company	<u>3 %</u>	<u>1 %</u>	<u>1 %</u>	<u>— %</u>

¹ Acquisitions reflect the net revenue contribution from the acquisition of Burberry net of the decreased net revenues from the termination of Guess and the divestitures of Playboy and Cerruti in the fourth quarter of fiscal 2018 and the divestiture of J.Lo in the third quarter of 2017, in each case for the periods of non-comparability.

Year Ended June 30, 2018 vs. Year Ended June 30, 2017 Net Revenue Change					
				of which	
Net Revenues Change YoY	Reported Basis vs Legacy Coty	Combined Company Reported ¹	Combined Company Reported at Constant Currency	Impact from Acquisitions ²	Combined Company Organic (LFL)
Luxury	25%	13%	9%	3%	6 %
Consumer Beauty	16%	4%	1%	5%	(4)%
Professional Beauty	38%	12%	8%	6%	2%
Total Company	23%	8%	5%	5%	— %

¹ Combined Company reflects combined Legacy-Coty and P&G Beauty Business net revenues in the current and prior-year period, as if the acquisition of the P&G Beauty Business was completed on July 1, 2016.

² Acquisitions reflect the net revenue contribution in the current period from the acquisition Burberry, seven months of the Younique acquisition and five months of the ghd acquisition net of the decreased net revenues from the termination of Guess and the divestitures of Playboy and Cerruti in the fourth quarter of fiscal 2018 and the divestiture of J.Lo in the third quarter of 2017, in each case for the periods of non-comparability.

COTY INC. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in millions)	June 30,	
	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 331.6	\$ 535.4
Restricted cash	30.6	35.3
Trade receivables—less allowances of \$81.8 and \$58.5, respectively	1,536.0	1,470.3
Inventories	1,148.9	1,052.6
Prepaid expenses and other current assets	603.9	487.9
Total current assets	3,651.0	3,581.5
Property and equipment, net	1,680.8	1,632.1
Goodwill	8,607.1	8,555.5
Other intangible assets, net	8,284.4	8,425.2
Deferred income taxes	107.4	72.6
Other noncurrent assets	299.5	281.3
TOTAL ASSETS	\$ 22,630.2	\$ 22,548.2
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 1,928.6	\$ 1,732.1
Accrued expenses and other current liabilities	1,844.4	1,796.4
Short-term debt and current portion of long-term debt	218.9	209.1
Income and other taxes payable	52.1	66.0
Total current liabilities	4,044.0	3,803.6
Long-term debt, net	7,305.4	6,928.3
Pension and other post-employment benefits	533.3	549.2
Deferred income taxes	842.5	924.9
Other noncurrent liabilities	388.5	473.4
Total liabilities	13,113.7	12,679.4
COMMITMENTS AND CONTINGENCIES		
REDEEMABLE NONCONTROLLING INTERESTS	661.3	551.1
EQUITY:		
Preferred Stock	—	—
Class A Common Stock	8.1	8.1
Additional paid-in capital	10,750.8	11,203.2
Accumulated deficit	(626.2)	(459.2)
Accumulated other comprehensive income	158.8	4.4
Treasury stock	(1,441.8)	(1,441.8)
Total Coty Inc. stockholders' equity	8,849.7	9,314.7
Noncontrolling interests	5.5	3.0
Total equity	8,855.2	9,317.7
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY	\$ 22,630.2	\$ 22,548.2

COTY INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended June 30,		
	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	\$ (127.8)	\$ (398.5)	\$ 179.2
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	737.0	555.1	232.0
Asset impairment charges	—	—	5.5
Deferred income taxes	(101.7)	(390.0)	(139.2)
Provision for bad debts	24.0	23.4	21.9
Provision for pension and other post-employment benefits	32.4	53.6	9.2
Share-based compensation	30.6	24.6	22.2
Loss (gain) on sale of assets	28.6	(3.1)	(24.8)
Loss on early extinguishment of debt	10.7	—	3.1
Other	(1.3)	25.9	12.8
Change in operating assets and liabilities, net of effects from purchase of acquired companies:			
Trade receivables	(79.6)	(279.8)	(44.5)
Inventories	(60.0)	162.3	27.2
Prepaid expenses and other current assets	(107.6)	(105.7)	6.7
Accounts payable	159.5	540.9	148.2
Accrued expenses and other current liabilities	(22.5)	479.2	23.3
Income and other taxes payable	(83.2)	85.0	15.7
Other noncurrent assets	(17.9)	23.4	9.0
Other noncurrent liabilities	(7.5)	(38.8)	(6.1)
Net cash provided by operating activities	413.7	757.5	501.4
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(446.4)	(432.3)	(150.1)
Payments for business combinations, net of cash acquired	(278.0)	(742.6)	(908.7)
Proceeds from sale of assets	36.8	11.3	29.2
Payments related to loss on foreign currency contracts	—	—	(29.6)
Net cash used in investing activities	(687.6)	(1,163.6)	(1,059.2)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from short-term debt, original maturity more than three months	—	9.5	19.1
Repayments of short-term debt, original maturity more than three months	—	(10.2)	(28.3)
Net proceeds from (repayments of) short-term debt, original maturity less than three months	21.0	(49.2)	25.4
Proceeds from revolving loan facilities	3,185.5	2,244.4	1,940.0
Repayments of revolving loan facilities	(3,643.2)	(2,074.4)	(1,430.0)
Proceeds from term loans and other long term debt	7,467.2	1,075.0	3,506.2
Repayments of term loans and other long term debt	(6,492.6)	(136.1)	(2,499.4)
Dividend payment	(375.8)	(372.6)	(89.0)
Net proceeds from issuance of Class A Common Stock and Series A Preferred Stock and related tax benefits	22.6	22.8	44.7
Payments for purchases of Class A Common Stock held as Treasury Stock	—	(36.3)	(794.9)
Net proceeds (payments) for foreign currency contracts	12.4	(1.2)	(9.7)
Distributions to mandatorily redeemable financial interests, redeemable noncontrolling interests and noncontrolling interests	(66.4)	(42.3)	(33.2)
Purchase of additional mandatorily redeemable noncontrolling interests, redeemable noncontrolling interests and noncontrolling interests	—	(9.8)	(0.7)
Payment of debt issuance costs	(55.1)	(24.4)	(57.6)
All other	(6.3)	—	—
Net cash provided by financing activities	69.3	595.2	592.6
EFFECT OF EXCHANGE RATES ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(3.9)	9.2	(3.7)
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(208.5)	198.3	31.1
CASH, CASH EQUIVALENTS AND RESTRICTED CASH—Beginning of period	570.7	372.4	341.3
CASH, CASH EQUIVALENTS AND RESTRICTED CASH—End of period	362.2	570.7	372.4
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:			
Cash paid during the year for interest	242.8	190.2	90.3
Cash paid during the year for income taxes, net of refunds received	124.6	90.1	118.1
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING AND INVESTING ACTIVITIES:			
Accrued capital expenditure additions	158.8	106.7	78.0

Non-cash stock issued for business combination	—	9,628.6	—
Non-cash debt assumed for business combination	—	1,943.0	—
Non-cash capital contribution associated with special share purchase transaction	—	—	13.8
Non-cash acquisition of additional redeemable noncontrolling interests	—	415.9	10.1
Non-cash reclassification from noncontrolling interest to mandatorily redeemable financial interest	—	49.9	—
Non-cash contingent consideration for business combination	8.3	—	—