

**COTY INC.**  
**SUPPLEMENTAL SCHEDULES INCLUDING NON-GAAP FINANCIAL MEASURES**

**COTY INC. & SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

(in millions, except per share data)	Three Months Ended December 31,		Six Months Ended December 31,	
	2019	2018	2019	2018
<b>Net revenues</b>	<b>\$ 2,345.0</b>	<b>\$ 2,511.2</b>	<b>\$ 4,287.8</b>	<b>\$ 4,542.5</b>
Cost of sales	859.3	956.7	1,597.7	1,765.8
<i>as % of Net revenues</i>	36.6 %	38.1 %	37.3 %	38.9 %
<b>Gross profit</b>	<b>1,485.7</b>	<b>1,554.5</b>	<b>2,690.1</b>	<b>2,776.7</b>
<i>Gross margin</i>	63.4 %	61.9 %	62.7 %	61.1 %
Selling, general and administrative expenses	1,202.6	1,284.0	2,275.2	2,406.3
<i>as % of Net revenues</i>	51.3 %	51.1 %	53.1 %	53.0 %
Gain on sale of business	—	—	(84.5)	—
Amortization expense	76.8	88.5	161.1	181.0
Restructuring costs	134.9	21.5	140.9	37.0
Acquisition and divestiture-related costs	36.0	—	36.0	—
Asset impairment charges	—	965.1	—	977.7
Operating income (loss)	<b>35.4</b>	<b>(804.6)</b>	<b>161.4</b>	<b>(825.3)</b>
<i>as % of Net revenues</i>	1.5 %	(32.0)%	3.8 %	(18.2)%
Interest expense, net	71.1	68.3	148.5	132.4
Other expense, net	1.3	4.8	3.5	7.5
<b>(Loss) income before income taxes</b>	<b>(37.0)</b>	<b>(877.7)</b>	<b>9.4</b>	<b>(965.2)</b>
<i>as % of Net revenues</i>	(1.6)%	(35.0)%	0.2 %	(21.2)%
(Benefit) provision for income taxes	(20.6)	78.3	(30.5)	0.9
<b>Net (loss) income</b>	<b>(16.4)</b>	<b>(956.0)</b>	<b>39.9</b>	<b>(966.1)</b>
<i>as % of Net revenues</i>	(0.7)%	(38.1)%	0.9 %	(21.3)%
Net income attributable to noncontrolling interests	0.5	0.6	3.3	1.8
Net income attributable to redeemable noncontrolling interests	4.2	4.0	5.4	4.8
<b>Net (loss) income attributable to Coty Inc.</b>	<b>\$ (21.1)</b>	<b>\$ (960.6)</b>	<b>\$ 31.2</b>	<b>\$ (972.7)</b>
<i>as % of Net revenues</i>	(0.9)%	(38.3)%	0.7 %	(21.4)%
<b>Net (loss) income attributable to Coty Inc. per common share:</b>				
Basic	\$ (0.03)	\$ (1.28)	\$ 0.04	\$ (1.30)
Diluted	\$ (0.03)	\$ (1.28)	\$ 0.04	\$ (1.30)
<b>Weighted-average common shares outstanding:</b>				
Basic	758.1	751.1	756.1	751.0
Diluted	758.1	751.1	761.2	751.0

**COTY INC.**  
**SUPPLEMENTAL SCHEDULES INCLUDING NON-GAAP FINANCIAL MEASURES**

**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.

Three Months Ended December 31, 2019					
(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)	Foreign Currency Translation	Adjusted Results at Constant Currency
<b>Net revenues</b>	\$ 2,345.0	—	\$ 2,345.0	\$ 38.5	\$ 2,383.5
<b>Gross profit</b>	1,485.7	—	1,485.7	24.1	1,509.8
<i>Gross margin</i>	63.4 %		63.4 %		63.3 %
<b>Operating income</b>	35.4	289.6	325.0	6.7	331.7
<i>as % of Net revenues</i>	1.5 %		13.9 %		13.9 %
<b>Net (loss) income attributable to Coty Inc.</b>	\$ (21.1)	\$ 226.3	\$ 205.2		
<i>as % of Net revenues</i>	(0.9)%		8.8 %		
<b>EPS (diluted)</b>	\$ (0.03)		\$ 0.27		
Three Months Ended December 31, 2018					
(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)		
<b>Net revenues</b>	\$ 2,511.2	—	\$ 2,511.2		
<b>Gross profit</b>	1,554.5	4.6	1,559.1		
<i>Gross margin</i>	61.9 %		62.1 %		
<b>Operating (loss) income</b>	(804.6)	1,126.9	322.3		
<i>as % of Net revenues</i>	(32.0)%		12.8 %		
<b>Net (loss) income attributable to Coty Inc.</b>	\$ (960.6)	\$ 1,142.5	\$ 181.9		
<i>as % of Net revenues</i>	(38.3)%		7.2 %		
<b>EPS (diluted)</b>	\$ (1.28)		\$ 0.24		

<sup>(a)</sup> See "Reconciliation of Reported Operating Income (Loss) to Adjusted Operated Income" and "Reconciliation of Reported Net Income (Loss) to Adjusted Net Income" for a detailed description of adjusted items.

**Six Months Ended December 31, 2019**

(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)	Foreign Currency Translation	Adjusted Results at Constant Currency
<b>Net revenues</b>	\$ 4,287.8	\$ —	\$ 4,287.8	\$ 87.1	\$ 4,374.9
<b>Gross profit</b>	2,690.1	—	2,690.1	55.5	2,745.6
<i>Gross margin</i>	62.7 %		62.7 %		62.8 %
<b>Operating income</b>	161.4	318.3	479.7	12.7	492.4
<i>as % of Net revenues</i>	3.8 %		11.2 %		11.3 %
<b>Net income attributable to Coty Inc.</b>	\$ 31.2	\$ 224.5	\$ 255.7		
<i>as % of Net revenues</i>	0.7 %		6.0 %		
<b>EPS (diluted)</b>	\$ 0.04		\$ 0.34		

**Six Months Ended December 31, 2018**

(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)
<b>Net revenues</b>	\$ 4,542.5	\$ —	\$ 4,542.5
<b>Gross profit</b>	2,776.7	9.8	2,786.5
<i>Gross margin</i>	61.1 %		61.3 %
<b>Operating (loss) income</b>	(825.3)	1,288.4	463.1
<i>as % of Net revenues</i>	(18.2)%		10.2 %
<b>Net (loss) income attributable to Coty Inc.</b>	\$ (972.7)	\$ 1,235.1	\$ 262.4
<i>as % of Net revenues</i>	(21.4)%		5.8 %
<b>EPS (diluted)</b>	\$ (1.30)		\$ 0.35

<sup>(a)</sup> See "Reconciliation of Reported Operating Income (Loss) to Adjusted Operated Income" and "Reconciliation of Reported Net Income (Loss) to Adjusted Net Income" for a detailed description of adjusted items.

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

(in millions)	Three Months Ended December 31,			Six Months Ended December 31,		
	2019	2018	Change	2019	2018	Change
<b>Reported Operating Income (Loss)</b>	<b>35.4</b>	<b>(804.6)</b>	<b>&gt;100%</b>	<b>161.4</b>	<b>(825.3)</b>	<b>&gt;100%</b>
<i>% of Net revenues</i>	1.5 %	(32.0)%		3.8 %	(18.2)%	
Restructuring and other business realignment costs <sup>(a)</sup>	176.8	73.3	>100%	205.7	129.7	59 %
Amortization expense <sup>(b)</sup>	76.8	88.5	(13)%	161.1	181.0	(11)%
Costs related to acquisition and divestiture activities <sup>(c)</sup>	36.0	—	N/A	36.0	—	N/A
Gain on sale of business <sup>(d)</sup>	—	—	N/A	(84.5)	—	N/A
Asset impairment charges <sup>(e)</sup>	—	965.1	(100)%	—	977.7	(100)%
<b>Total adjustments to Reported Operating Income</b>	<b>289.6</b>	<b>1,126.9</b>	<b>(74)%</b>	<b>318.3</b>	<b>1,288.4</b>	<b>(75)%</b>
<b>Adjusted Operating Income</b>	<b>325.0</b>	<b>322.3</b>	<b>1 %</b>	<b>479.7</b>	<b>463.1</b>	<b>4 %</b>
<i>% of Net revenues</i>	13.9 %	12.8 %		11.2 %	10.2 %	

(a) In the three months ended December 31, 2019, we incurred restructuring and other business structure realignment costs of \$176.8. We incurred Restructuring costs of \$134.9 primarily related to the Turnaround Plan, included in the Condensed Consolidated Statements of Operations. We incurred business structure realignment costs of \$41.9 primarily related to the Turnaround Plan, included in Selling, general and administrative expenses in the Condensed Consolidated Statement of Operations. In the three months ended December 31, 2018, we incurred restructuring and other business structure realignment costs of \$73.3. We incurred Restructuring costs of \$21.5 primarily related to our global integration activities, included in the Condensed Consolidated Statements of Operations. We incurred business structure realignment costs of \$51.8 primarily related to our global integration activities and certain other programs. This amount primarily includes \$47.2 in Selling, general and administrative expense and \$4.6 in Cost of sales in the Condensed Consolidated Statement of Operations.

In the six months ended December 31, 2019, we incurred restructuring and other business structure realignment costs of \$205.7. We incurred Restructuring costs of \$140.9 primarily related to the Turnaround Plan, included in the Condensed Consolidated Statements of Operations. We incurred business structure realignment costs of \$64.8 primarily related to the Turnaround Plan, included in Selling, general and administrative expenses in the Condensed Consolidated Statement of Operations. In the six months ended December 31, 2018, we incurred restructuring and other business structure realignment costs of \$129.7. We incurred Restructuring costs of \$37.0 primarily related to global integration activities and 2018 Restructuring Actions, included in the Condensed Consolidated Statements of Operations. We incurred business structure realignment costs of \$92.7 primarily related to our global integration activities and certain other programs. This amount primarily includes \$82.9 in Selling, general and administrative expense and \$9.8 in Cost of sales in the Condensed Consolidated Statement of Operations.

(b) In the three months ended December 31, 2019, amortization expense decreased to \$76.8 from \$88.5 in the three months ended December 31, 2018. In the three months ended December 31, 2019, amortization expense of \$37.7, \$21.8, and \$17.3 was reported in the Luxury, Consumer Beauty and Professional Beauty segments, respectively. In three months ended December 31, 2018, amortization expense of \$40.5, \$30.7, and \$17.3 was reported in the Luxury, Consumer Beauty, and Professional Beauty segments, respectively.

In the six months ended December 31, 2019, amortization expense decreased to \$161.1 from \$181.0 in the six months ended December 31, 2018. In the three months ended December 31, 2019, amortization expense of \$75.7, \$50.9, and \$34.5 was reported in the Luxury, Consumer Beauty and Professional Beauty segments, respectively. In the six months ended December 31, 2018, amortization expense of \$80.8, \$64.1, and \$36.1 was reported in the Luxury, Consumer Beauty, and Professional Beauty segments, respectively.

(c) In the three months ended December 31, 2019 we incurred \$36.0 of costs related to acquisition and divestiture activities. These costs were partially driven by consulting and legal fees associated with the King Kylie purchase agreement, as well as consulting and legal fees associated with the process to explore strategic alternatives, including divestment, of the Professional Beauty business including associated hair brands sold by the Consumer Beauty division, as well as the Company's Brazilian operations. In the three months ended December 31, 2018 there were no acquisition related charges incurred.

In the six months ended December 31, 2019, we incurred \$36.0 of cost relating to consulting and legal fees associated with the King Kylie purchase agreement, as well as consulting and legal fees associated with the process to explore strategic alternatives, including divestment, of the Professional Beauty business including associated hair brands sold by the Consumer Beauty division, as well as the Company's Brazilian operations. In the six months ended December 31, 2018, there were no acquisition and divestiture related charges incurred.

(d) In the three months ended December 31, 2019 and in three months ended December 31, 2018, we did not divest any business.

In the six months ended December 31, 2019, we completed the divestiture of Younique resulting in income of \$84.5 included in Gain on sale of business in the Condensed Consolidated Statements of Operations. In six months ended December 31, 2018, we did not divest any business.

(e) In the three months ended December 31, 2019, we did not incur any asset impairment charges. In the three months ended December 31, 2018, we incurred \$965.1 of asset impairment charges primarily due to \$832.5 related to goodwill, \$90.8 related to indefinite-lived other intangible assets (mainly related to the CoverGirl and Clairol trademarks) and \$7.0 related to finite-lived other intangible assets. Additionally, the Company identified indicators of impairment related to the philosophy trademark that is part of the Luxury reporting unit and recorded an asset impairment charge of \$22.8. The Company also fully impaired a Corporate equity security investment and recorded an asset impairment charge of \$12.0.

In the six months ended December 31, 2019, we did not incur any asset impairment charges. In the six months ended December 31, 2018, we incurred \$977.7 of asset impairment charges primarily due to \$832.5 related to goodwill, \$90.8 related to indefinite-lived other intangible assets (mainly related to the CoverGirl and Clairol trademarks) and \$7.0 related to finite-lived other intangible assets. Additionally, the Company identified indicators of impairment related to the philosophy trademark that is part of the Luxury reporting unit and recorded an asset impairment charge of \$22.8 and a \$12.6 charge in the first quarter due to an acquired trademark associated with a terminated pre-existing license as a result of the acquisition. The Company also fully impaired a Corporate equity security investment and recorded an asset impairment charge of \$12.0.

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

(in millions)	Three Months Ended December 31, 2019			Three Months Ended December 31, 2018		
	(Loss) Income Before Income Taxes	(Benefit) Provision for Taxes	Effective Tax Rate	(Loss) Income Before Income Taxes	Provision for Taxes	Effective Tax Rate
<b>Reported (Loss) Before Taxes</b>	\$ (37.0)	\$ (20.6)	55.7 %	\$ (877.7)	\$ 78.3	(8.9)%
Adjustments to reported operating income <sup>(a) (b)</sup>	289.6	63.3		1,126.9	(19.2)	
<b>Adjusted Income Before Taxes</b>	<b>\$ 252.6</b>	<b>\$ 42.7</b>	<b>16.9 %</b>	<b>\$ 249.2</b>	<b>\$ 59.1</b>	<b>23.7 %</b>

(a) See a description of adjustments under "Reconciliation of Reported Operating Income (Loss) 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 benefit/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 benefit/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.

The adjusted effective tax rate was 16.9% for the three months ended December 31, 2019 compared to 23.7% for the three months ended December 31, 2018. The differences were primarily due to the resolution of foreign uncertain tax positions of \$11.8 in the current period.

(in millions)	Six Months Ended December 31, 2019			Six Months Ended December 31, 2018		
	Income Before Income Taxes	(Benefit) Provision for Income Taxes	Effective Tax Rate	(Loss) Income Before Income Taxes	Provision for Income Taxes	Effective Tax Rate
<b>Reported Income (Loss) Before Taxes</b>	\$ 9.4	\$ (30.5)	(324.5)%	\$ (965.2)	\$ 0.9	(0.1)%
Gain on sale of business adjustment <sup>(a)(b)</sup>	\$ (84.5)	\$ 4.8				
Other adjustments to reported operating income <sup>(a) (b)</sup>	402.8	86.0		1,288.4	45.9	
<b>Adjusted Income Before Taxes</b>	<b>\$ 327.7</b>	<b>\$ 60.3</b>	<b>18.4 %</b>	<b>\$ 323.2</b>	<b>\$ 46.8</b>	<b>14.5 %</b>

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

The adjusted effective tax rate was 18.4% for the six months ended December 31, 2019 compared to 14.5% for the six months ended December 31, 2018. The differences were primarily due to a \$30.0 tax benefit recognized in the prior period as a result of a favorable Swiss tax ruling.

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

(in millions)	Three Months Ended December 31,			Six Months Ended December 31,		
	2019	2018	Change	2019	2018	Change
<b>Reported Net (Loss) Income Attributable to Coty Inc.</b>	<b>\$ (21.1)</b>	<b>\$ (960.6)</b>	<b>98 %</b>	<b>\$ 31.2</b>	<b>\$ (972.7)</b>	<b>&gt;100%</b>
<i>% of Net revenues</i>	<i>(0.9)%</i>	<i>(38.3)%</i>		<i>0.7 %</i>	<i>(21.4)%</i>	
Adjustments to Reported Operating Income <sup>(a)</sup>	289.6	1,126.9	(74)%	318.3	1,288.4	(75)%
Adjustments to noncontrolling interests <sup>(b)</sup>	—	(3.6)	100 %	(3.0)	(7.4)	59 %
Change in tax provision due to adjustments to Reported Net Income Attributable to Coty Inc.	(63.3)	19.2	<(100)%	(90.8)	(45.9)	(98)%
<b>Adjusted Net Income Attributable to Coty Inc.</b>	<b>\$ 205.2</b>	<b>\$ 181.9</b>	<b>13 %</b>	<b>\$ 255.7</b>	<b>\$ 262.4</b>	<b>(3)%</b>
<i>% of Net revenues</i>	<i>8.8 %</i>	<i>7.2 %</i>		<i>6.0 %</i>	<i>5.8 %</i>	

### Per Share Data

Adjusted weighted-average common shares

Basic	758.1	751.1	756.1	751.0
Diluted	763.5	752.5	761.2	752.6

Adjusted Net Income Attributable to Coty Inc. per Common Share

Basic	\$ 0.27	\$ 0.24	\$ 0.34	\$ 0.35
Diluted	\$ 0.27	\$ 0.24	\$ 0.34	\$ 0.35

<sup>(a)</sup> See a description of adjustments under "Reconciliation of Reported Operating Income (Loss) to Adjusted Operating Income".

<sup>(b)</sup> The amounts represent the impact of non-GAAP adjustments to Net income attributable to noncontrolling interest related to the Company's majority-owned consolidated subsidiaries. The amounts are based on the relevant noncontrolling interest's percentage ownership in the related subsidiary, for which the non-GAAP adjustments were made.

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

(in millions)	Three Months Ended December 31,		Six Months Ended December 31,	
	2019	2018	2019	2018
<b>Net cash provided by operating</b>	\$ 422.1	\$ 319.6	\$ 462.0	\$ 237.7
Capital expenditures	(58.6)	(125.7)	(145.0)	(259.3)
<b>Free cash flow</b>	<b>\$ 363.5</b>	<b>\$ 193.9</b>	<b>\$ 317.0</b>	<b>\$ (21.6)</b>

## RECONCILIATION OF TOTAL DEBT TO NET DEBT

(in millions)	December 31, 2019
Total debt	\$ 7,494.7
Cash and cash equivalents	288.8
<b>Net debt</b>	<b>\$ 7,205.9</b>

## RECONCILIATION OF ADJUSTED OPERATING INCOME TO ADJUSTED EBITDA

(in millions)	Twelve Months Ended December 31, 2019
Adjusted operating income <sup>(a)</sup>	\$ 966.3
Depreciation <sup>(b)</sup>	383.9
Pension Adjustment <sup>(c)</sup>	2.0
<b>Adjusted EBITDA</b>	<b>1,352.2</b>

<sup>a</sup> Adjusted operating income for the twelve months ended December 31, 2019 represents the summation of the adjusted operating income for each of the three months ended March 31, 2019, June 30, 2019, September 30, 2019, and December 31, 2019. For a reconciliation of adjusted operating income to operating income for each of those periods, see the tables entitled "Reconciliation of Reported Operating Income to Adjusted Operating Income" and "Reconciliation of Reported Operating Income to Adjusted Operating Income by Segment" for each of those periods.

<sup>b</sup> The depreciation adjustment for the twelve months ended December 31, 2019 represents the summation of depreciation expense for each of the three months ended March 31, 2019, June 30, 2019, September 30, 2019, and December 31, 2019 as adjusted by \$0.2, \$0, \$0.2, and \$7.8 respectively, for accelerated depreciation. The accelerated depreciation for the three months ended December 31, 2019 reflects the useful life modifications on assets impacted by Turnaround Plan activities.

<sup>c</sup> The pension expense adjustment for the twelve months ended December 31, 2019 represents the summation of the non-service cost components of net periodic pension cost for each of the three months ended March 31, 2019, June 30, 2019, September 30, 2019, and December 31, 2019.

## NET DEBT/ADJUSTED EBITDA

	December 31, 2019
<b>Net Debt</b>	<b>7,205.9</b>
<b>EBITDA</b>	<b>1,352.2</b>
<b>Net Debt/Adjusted EBITDA</b>	<b>5.33</b>

## NET REVENUES AND ADJUSTED OPERATING INCOME BY SEGMENT

Three Months Ended December 31,								
	Net Revenues		Change		Reported Operating Income		Adjusted Operating Income	
(in millions)	2019	2018	Reported Basis	Constant Currency	2019	Change	2019	Change
Luxury	\$ 1,016.5	\$ 1,017.5	— %	1 %	\$ 148.1	30 %	\$ 185.8	5 %
Consumer Beauty	799.7	967.8	(17)%	(16)%	26.9	>100%	48.7	(10)%
Professional	528.8	525.9	1 %	2 %	73.5	— %	90.8	— %
Corporate	—	—	N/A	N/A	(213.1)	<(100)%	(0.3)	<(100)%
<b>Total</b>	<b>\$ 2,345.0</b>	<b>\$ 2,511.2</b>	<b>(7)%</b>	<b>(5)%</b>	<b>\$ 35.4</b>	<b>&gt;100%</b>	<b>\$ 325.0</b>	<b>1 %</b>

Six Months Ended December 31,								
	Net Revenues		Change		Reported Operating Income		Adjusted Operating Income	
(in millions)	2019	2018	Reported Basis	Constant Currency	2019	Change	2019	Change
Luxury	\$ 1,823.2	\$ 1,810.4	1 %	3 %	\$ 238.4	47 %	\$ 314.1	13 %
Consumer Beauty	1,516.2	1,796.6	(16)%	(14)%	(16.4)	98 %	34.5	(50)%
Professional	948.4	935.5	1 %	4 %	97.9	24 %	132.4	15 %
Corporate	—	—	N/A	N/A	(158.5)	(12)%	(1.3)	<(100)%
<b>Total</b>	<b>\$ 4,287.8</b>	<b>\$ 4,542.5</b>	<b>(6)%</b>	<b>(4)%</b>	<b>\$ 161.4</b>	<b>&gt;100%</b>	<b>\$ 479.7</b>	<b>4 %</b>

## NET REVENUES BY GEOGRAPHIC REGION

Three Months Ended December 31,				
	Net Revenues		Change	
(in millions)	2019	2018	Reported Basis	Constant Currency
North America	\$ 635.0	\$ 742.2	(14)%	(14)%
Europe	1,172.9	1,201.6	(2)%	(1)%
ALMEA	537.1	567.4	(5)%	(3)%
<b>Total</b>	<b>\$ 2,345.0</b>	<b>\$ 2,511.2</b>	<b>(7)%</b>	<b>(5)%</b>

Six Months Ended December 31,				
	Net Revenues		Change	
(in millions)	2019	2018	Reported Basis	Constant Currency
North America	\$ 1,221.6	\$ 1,387.1	(12)%	(12)%
Europe	2,042.5	2,073.8	(2)%	1 %
ALMEA	1,023.7	1,081.6	(5)%	(3)%
<b>Total</b>	<b>\$ 4,287.8</b>	<b>\$ 4,542.5</b>	<b>(6)%</b>	<b>(4)%</b>

## RECONCILIATION OF REPORTED OPERATING INCOME (LOSS) TO ADJUSTED OPERATING INCOME BY SEGMENT

### Three Months Ended December 31, 2019

(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)	Foreign Currency Translation	Adjusted Results at Constant Currency
<b>OPERATING INCOME (LOSS)</b>					
Luxury	\$ 148.1	\$ (37.7)	\$ 185.8	\$ 6.5	\$ 192.3
Consumer Beauty	26.9	(21.8)	48.7	(0.1)	48.6
Professional Beauty	73.5	(17.3)	90.8	0.3	91.1
Corporate	(213.1)	(212.8)	(0.3)	—	(0.3)
<b>Total</b>	<b>\$ 35.4</b>	<b>\$ (289.6)</b>	<b>\$ 325.0</b>	<b>\$ 6.7</b>	<b>\$ 331.7</b>
<b>OPERATING MARGIN</b>					
Luxury	14.6 %		18.3 %		18.7 %
Consumer Beauty	3.4 %		6.1 %		6.0 %
Professional Beauty	13.9 %		17.2 %		17.0 %
Corporate	N/A		N/A		N/A
<b>Total</b>	<b>1.5 %</b>		<b>13.9 %</b>		<b>13.9 %</b>

### Three Months Ended December 31, 2018

(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)
<b>OPERATING (LOSS) INCOME</b>			
Luxury	\$ 113.6	\$ (63.3)	\$ 176.9
Consumer Beauty	(906.9)	(961.0)	54.1
Professional Beauty	73.8	(17.3)	91.1
Corporate	(85.1)	(85.3)	0.2
<b>Total</b>	<b>\$ (804.6)</b>	<b>\$ (1,126.9)</b>	<b>\$ 322.3</b>
<b>OPERATING MARGIN</b>			
Luxury	11.2 %		17.4 %
Consumer Beauty	(93.7)%		5.6 %
Professional Beauty	14.0 %		17.3 %
Corporate	N/A		N/A
<b>Total</b>	<b>(32.0)%</b>		<b>12.8 %</b>

<sup>(a)</sup> See "Reconciliation of Reported Operating Income (Loss) to Adjusted Operated Income" for a detailed description of adjusted items.



**Six Months Ended December 31, 2019**

(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)	Foreign Currency Translation	Adjusted Results at Constant Currency
<b>OPERATING INCOME (LOSS)</b>					
Luxury	\$ 238.4	\$ (75.7)	\$ 314.1	\$ 7.1	\$ 321.2
Consumer Beauty	(16.4)	(50.9)	34.5	3.0	37.5
Professional Beauty	97.9	(34.5)	132.4	2.6	135.0
Corporate	(158.5)	(157.2)	(1.3)	—	(1.3)
<b>Total</b>	<b>\$ 161.4</b>	<b>\$ (318.3)</b>	<b>\$ 479.7</b>	<b>\$ 12.7</b>	<b>\$ 492.4</b>
<b>OPERATING MARGIN</b>					
Luxury	13.1 %		17.2 %		17.3 %
Consumer Beauty	(1.1)%		2.3 %		2.4 %
Professional Beauty	10.3 %		14.0 %		13.9 %
Corporate	N/A		N/A		N/A
<b>Total</b>	<b>3.8 %</b>		<b>11.2 %</b>		<b>11.3 %</b>

**Six Months Ended December 31, 2018**

(in millions)	Reported (GAAP)	Adjustments <sup>(a)</sup>	Adjusted (Non-GAAP)
<b>OPERATING INCOME (LOSS)</b>			
Luxury	\$ 162.3	\$ (116.2)	\$ 278.5
Consumer Beauty	(925.5)	(994.4)	68.9
Professional Beauty	78.8	(36.1)	114.9
Corporate	(140.9)	(141.7)	0.8
<b>Total</b>	<b>\$ (825.3)</b>	<b>\$ (1,288.4)</b>	<b>\$ 463.1</b>
<b>OPERATING MARGIN</b>			
Luxury	9.0 %		15.4 %
Consumer Beauty	(51.5)%		3.8 %
Professional Beauty	8.4 %		12.3 %
Corporate	N/A		N/A
<b>Total</b>	<b>(18.2)%</b>		<b>10.2 %</b>

<sup>(a)</sup> See "Reconciliation of Reported Operating Income to Adjusted Operated Income" for a detailed description of adjusted items.

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

**Three Months Ended December 31, 2019 vs. Three Months Ended December 31, 2018**  
**Net Revenue Change**

<b>Net Revenues Change YoY</b>	Reported Basis	Constant Currency	Impact from Divestiture <sup>1</sup>	Organic (LFL)
Luxury	— %	1 %	— %	1 %
Consumer Beauty	(17)%	(16)%	(9)%	(7)%
Professional Beauty	1 %	2 %	— %	2 %
<b>Total Company</b>	<b>(7)%</b>	<b>(5)%</b>	<b>(4)%</b>	<b>(1)%</b>

<sup>1</sup> Divestiture reflects the net revenue reduction from the divestiture of Younique in the three months ended December 31, 2018.

**Six Months Ended December 31, 2019 vs. Six Months Ended December 31, 2018**  
**Net Revenue Change**

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<b>Net Revenues Change YoY</b>	Reported	Constant Currency	Impact from the Divestiture <sup>1</sup>	Organic (LFL)
Luxury	1 %	3 %	— %	3 %
Consumer Beauty	(16)%	(14)%	(6)%	(8)%
Professional Beauty	1 %	4 %	— %	4 %
<b>Total Company</b>	<b>(6)%</b>	<b>(4)%</b>	<b>(3)%</b>	<b>(1)%</b>

1. Divestiture reflects the net revenue reduction from the divestiture of Younique in the month ended September 30, 2019 as compared to three month ended September 30, 2018 and three months ended December 31, 2018 from Younique.

**COTY INC. & SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

(in millions)	December 31, 2019	June 30, 2019
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 288.8	\$ 340.4
Restricted cash	50.7	40.0
Trade receivables	1,110.0	1,161.2
Inventories	1,015.8	1,153.3
Prepaid expenses and other current assets	558.0	577.8
<b>Total current assets</b>	<b>3,023.3</b>	<b>3,272.7</b>
<b>Property and equipment, net</b>	1,461.7	1,600.6
<b>Goodwill</b>	5,016.0	5,073.8
<b>Other intangible assets, net</b>	6,992.5	7,422.3
<b>Operating lease right-of-use assets<sup>(a)</sup></b>	505.7	—
<b>Other noncurrent assets</b>	361.7	296.0
<b>TOTAL ASSETS</b>	<b>\$ 17,360.9</b>	<b>\$ 17,665.4</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,574.8	\$ 1,732.7
Short-term debt and current portion of long-term debt	188.0	193.8
Current operating lease liabilities <sup>(a)</sup>	109.3	—
Other current liabilities	1,641.5	1,550.6
<b>Total current liabilities</b>	<b>3,513.6</b>	<b>3,477.1</b>
<b>Long-term debt, net</b>	7,233.8	7,469.9
<b>Long-term operating lease liabilities<sup>(a)</sup></b>	454.2	—
<b>Other noncurrent liabilities</b>	1,579.1	1,673.2
<b>Total liabilities</b>	<b>12,780.7</b>	<b>12,620.2</b>
<b>REDEEMABLE NONCONTROLLING INTERESTS</b>	<b>98.6</b>	<b>451.8</b>
<b>Total Coty Inc. stockholders' equity</b>	<b>4,471.7</b>	<b>4,586.9</b>
<b>Noncontrolling interests</b>	<b>9.9</b>	<b>6.5</b>
<b>Total equity</b>	<b>4,481.6</b>	<b>4,593.4</b>
<b>TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY</b>	<b>\$ 17,360.9</b>	<b>\$ 17,665.4</b>

<sup>(a)</sup> Reflects the July 1, 2019 modified retrospective adoption of ASU 2016-02, Leases.

**COTY INC. & SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

(in millions)	Six Months Ended December 31,	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net income (loss)</b>	\$ 39.9	\$ (966.1)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	357.3	367.7
Non-cash lease expense <sup>(a)</sup>	51.8	—
Deferred income taxes	(50.4)	(55.9)
Share-based compensation	16.5	8.2
Gain on sale of business	(84.5)	—
Other	70.1	1,055.5
Change in operating assets and liabilities, net of effects from purchase of acquired companies and sale of business:		
Trade receivables	12.3	(45.5)
Inventories	85.3	(35.2)
Accounts payable	(118.9)	(28.6)
Operating lease liabilities <sup>(a)</sup>	(53.7)	—
Other	136.3	(62.4)
<b>Net cash provided by operating activities</b>	<b>462.0</b>	<b>237.7</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(145.0)	(259.3)
Proceeds from sale of business, net of cash disposed <sup>(b)</sup>	25.6	—
Payment for asset acquisitions	—	(40.8)
<b>Net cash used in investing activities</b>	<b>(119.4)</b>	<b>(300.1)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from debt, net	(189.3)	375.9
Dividend payment	(130.4)	(188.4)
Purchase of remaining mandatorily redeemable noncontrolling interest	(45.0)	—
Other financing activities	(16.0)	(33.8)
<b>Net cash (used in) provided by financing activities</b>	<b>(380.7)</b>	<b>153.7</b>
<b>EFFECT OF EXCHANGE RATES ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(2.8)</b>	<b>(8.5)</b>
<b>NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(40.9)</b>	<b>82.8</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH—Beginning of period</b>	<b>380.4</b>	<b>362.2</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH—End of period</b>	<b>\$ 339.5</b>	<b>\$ 445.0</b>

<sup>(a)</sup> Reflects the July 1, 2019 modified retrospective adoption of ASU 2016-02, Leases.

<sup>(b)</sup> On August 27, 2019, the Company entered into a Contribution and Redemption Agreement to transfer all of its membership interest in Foundation, LLC ("Foundation"), which held the net assets of Younique, LLC ("Younique"), to an existing noncontrolling interest holder. Consideration received at the Closing Date consisted of \$50.0 cash and a secured promissory note with a face value of \$27.9.