



Coty Commences Next Phase of Transformation Program to Boost Agility and Scale, While Driving Operational Efficiency

Targeting ~\$130M of Fixed Cost Savings in Addition to ~\$240M of Ongoing Productivity Savings Over Next 2 Years

Cumulative Savings Expected to Reach ~\$1.2B Since Program Initiation in FY21

NEW YORK, NY – Coty, Inc. (NYSE: COTY) (Paris: COTY), one of the world's largest beauty companies with a portfolio of iconic brands across fragrance, color cosmetics, and skin and body care, today launched the next phase of its transformative "All-in to Win" program. The strategic initiative will establish a simplified and scaled operating model, reduce complexity across functions and markets, and sharpen its focus on top innovation and market priorities.

Sue Nabi, CEO of Coty, said: "We are committed to building a stronger, more resilient Coty that is well-positioned for sustainable growth. When we first announced our All-in to Win Program in FY20, at the peak of COVID disruptions, our goal was to boost our margin profile and brand reinvestment firepower through a significantly lower fixed cost structure, supply chain simplification, procurement savings and strategic revenue management initiatives.

The successful implementation of our plans despite the very challenged macro backdrop generated over \$700M of savings between FY21-FY24, with over 400 basis points of gross margin expansion, over 400 basis point of A&CP investment expansion, and 130 basis points of EBITDA margin expansion, all while delivering a very strong revenue CAGR of 13% LFL.

With the cyclical and structural changes in the beauty industry and the global economy in recent years, including the rapid acceleration of e-commerce, the consolidation of retail channels and customers, and the new ways of consumer brand discovery, Coty must once again adapt and evolve.

This next phase of our transformation program will further strengthen our operating model and simplify our fixed cost structure. We fully anticipate these changes will strongly position Coty to outperform the beauty market in the coming years, cementing our global leadership position in fragrances while expanding into certain growing and profitable beauty categories, all while steadily expanding our gross margins and EBITDA margins."

Key Pillars of the Next Phase of Transformation:

- **Scaled Markets and Regions:** Coty will be streamlining the organizational structure across key markets to unlock operational efficiencies, reduce duplication and better align with the consolidation in the local and regional retail landscape. These market organizations will be part of a more scaled and agile regional set-up, with the regional leaders empowered to accelerate decision-making and faster execution, in keeping with the rapid evolution in today's global beauty markets.



- **Streamlined Support Functions:** Consolidate and centralize support function activities, better aligning with the new regional structures. Coty has already started consolidating demand planning into a single hub, enabled by a state-of-the-art AI-driven demand planning system.
- **Boost Innovation Impact:** Step-change innovation impact by identifying key launch priorities early in the process, and focus organizational efforts and resources into fewer and more impactful initiatives. These will be supplemented by smaller agile innovations to capture short-term opportunities.
- **Optimize General & Administrative Spending:** Structurally reduce non-people fixed costs across all areas of spend.

This newly announced next phase of its All-in to Win program, which will be executed through the first half of FY27, should both significantly strengthen the effectiveness of Coty's operating model and improve efficiency. The program is expected to generate annual fixed cost savings of approximately \$130M before taxes, including approximately \$80M in FY26 and approximately \$50M in FY27.

The one-time cash costs associated with the program are expected to be approximately \$80M, roughly evenly split between FY26 and FY27. Coty estimates this initiative to impact approximately 700 positions, following all necessary regulations.

Coty will continue its ongoing productivity program, with FY25 savings on track with its original target of approximately \$120M across the P&L, and is committed to the same targeted productivity savings for FY26 and beyond, primarily in supply chain and procurement.

The combination of the fixed cost savings program and ongoing productivity savings is expected to deliver close to \$500M of savings between FY25-FY27.

About Coty Inc.

Founded in Paris in 1904, Coty is one of the world's largest beauty companies with a portfolio of iconic brands across fragrance, color cosmetics, and skin and body care. Coty serves consumers around the world, selling prestige and mass market products in over 120 countries and territories. Coty and our brands empower people to express themselves freely, creating their own visions of beauty; and we are committed to protecting the planet. Learn more at coty.com or on LinkedIn and Instagram.

Investor Relations

Olga Levinzon

212-389-7733

Olga_Levinzon@cotyinc.com



Media

Antonia Werther

+31621394495

antonia_werther@cotyinc.com