

## **Coty to Receive an Upsized Shareholder Distribution From Wella of \$250M at a Minimum**

*Cash Proceeds to be Utilized For Debt Reduction, Accelerating the Progress to Reach its Leverage Target of ~4x Exiting CY22*

NEW YORK – March 1, 2022 -- Coty Inc. (NYSE: COTY) ("Coty" or "the Company") today announced it now expects to receive a shareholder distribution of \$250 million at a minimum from its equity stake in Wella, a significant increase from the prior expectation of approximately \$175 million. The upsized shareholder distribution is due to Wella finalizing the intended use of proceeds from its recent refinancing. The Company expects to receive this shareholder distribution in the next two months.

As previously announced, Coty intends to utilize this distribution plus excess cash on the balance sheet to redeem its 2023 EUR 550M unsecured bonds in full, following the time that the bond call premium drops to par on April 15<sup>th</sup>, 2022, thereby accelerating the Company's deleveraging trajectory.

Importantly, this distribution represents a strong milestone to reaching Coty's CY22 leverage ratio target of approximately 4x, as Coty's net debt declines from the \$4.45B exiting CY21 and the Company's CY22 adjusted EBITDA approaches \$1B. Coty continues to target leverage of approximately 2x exiting CY25.

Sue Y. Nabi, Coty's Chief Executive Officer, stated, "Deleveraging our balance sheet remains a key priority at Coty and a driver of further value expansion. Following our strong deleveraging progress during 2Q22, the expected upsized shareholder distribution from Wella should be a meaningful step in the further reduction of debt.

While we continue to monitor global market conditions, I am very encouraged by our LFL revenue trends quarter-to-date. We remain confident in our guidance for mid teens LFL sales growth in 3Q22, assuming no significant deterioration in the demand backdrop. This is further evidence that our decision to step-up marketing reinvestment in 2Q22 is having the intended effect of accelerating our sales growth, and is an additional proof point of the virtuous cycle we have created."

### **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 more than 130 countries and territories. Coty and our brands empower people to express themselves freely, creating their own visions of beauty; and we are committed to making a positive impact on the planet. Learn more at [coty.com](http://coty.com) or on LinkedIn and Instagram.

### **Cautionary Note Regarding Forward-looking Statements**

The statements contained in this press release include certain "forward-looking statements" within the meaning of the securities laws. These forward-looking statements reflect Coty's current views with respect to, among other things, its leverage targets and deleveraging plans, as well as its outlook, expected guidance, trends and strategic information. 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. These statements are based on certain assumptions and estimates that Coty considers reasonable and are not guarantees of Coty's future performance, but are subject to a number of risks and uncertainties, many of which are beyond Coty's control, which could cause actual events or results to differ materially from such statements, including the factors identified in "Risk Factors" included in Coty's Annual Report on Form 10-K for the fiscal year ended June 30, 2021 and its

subsequent quarterly reports on Form 10-Q. All forward-looking statements made in this press release are qualified by these cautionary statements. These forward-looking statements are made only as of the date of this press release, and Coty does not undertake any obligation, other than as may be required by law, to 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.

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