



COTY AGREES TO SELL \$150M OF ITS RETAINED WELLA STAKE

- Coty Expects to Sell 3.6% Stake in Wella to IGF Wealth Management,
- Cash Proceeds of Proposed Transaction will be used to Pay Down Debt
- Coty Remains on Track to Drive Leverage Towards 3x Exiting CY23
- Coty Committed to Divest Remaining 22.3% Stake by CY25

New York, July 17, 2023 – Coty Inc. (NYSE: COTY) (“Coty” or “the Company”), one of the world’s largest beauty companies with a portfolio of iconic brands across fragrance, color cosmetics, and skin and body care, today announced that it has entered into a binding letter of intent to sell a portion of its Wella stake to investment firm, IGF Wealth Management.

Coty will sell a 3.6% stake in Wella for \$150 million, subject to the completion of due diligence, reflecting a 4% premium to the book value of Wella as of March 31, 2023. Following this transaction, which is expected to close in the next two months subject to certain closing conditions (including the approval of Kohlberg Kravis Roberts & Co. L.P. (“KKR”)), Coty will retain a 22.3% stake in Wella with an implied valuation of approximately \$900 million. The announced transaction advances the Company’s objectives to actively deleverage, including reaching its target of driving leverage towards 3x exiting CY23.

Laurent Mercier, Chief Financial Officer of Coty, said: “Today’s announcement is a milestone for Coty, as the partial monetization of our Wella stake reinforces the strength of our balance sheet, with no debt maturities in the next 2 years and our remaining Wella stake carrying an implied valuation of approximately \$900 million. The expected transaction is a concrete step in our commitment to both fully divest our retained Wella stake and reach leverage of approximately 2x by end of CY25. Coupling this deleveraging with a best-in-class medium term growth algorithm, an active capital return program, including \$400 million in targeted future share buybacks, and the continued momentum in our business, it is clear that we are reinforcing Coty’s position as a beauty powerhouse.”

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 protecting the planet. Learn more at [coty.com](https://www.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 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, 2022 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.

Coty provides guidance 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.

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