

## Coty, Inc. (COTY)

**\$3.27** (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$4.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 11/24/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**3-Hold**

Zacks Style Scores:

VGM: D

Value: B

Growth: D

Momentum: F

### Summary

Coty's performance is supported by its strategic priorities, improving digital execution and a resilient fragrance portfolio that continues to outperform, driven by strong ultra-premium growth, incremental fragrance mists and robust innovation. The company is also advancing its All In to Win transformation program, delivering meaningful fixed-cost and productivity savings while reinforcing its balance sheet through improved free cash flow and ongoing deleveraging. However, Coty faces near-term challenges, including notable weakness in the Consumer Beauty segment, softer Prestige sell-in and broad margin pressure from lower volumes and tariff impacts. Guidance for the second quarter also reflects continued top-line and profitability headwinds. We expect LFL sales to decline 3.8% in the second quarter of fiscal 2026.

### Price, Consensus & Surprise<sup>(1)</sup>



### Data Overview

52 Week High-Low	\$7.71 - \$3.12
20 Day Average Volume (sh)	5,218,243
Market Cap	\$2.9 B
YTD Price Change	-53.0%
Beta	0.95
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<a href="#">Cosmetics</a>
Zacks Industry Rank	Bottom 18% (198 out of 243)

### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



Last EPS Surprise	-20.0%
Last Sales Surprise	-0.4%
EPS F1 Est- 4 week change	-2.4%
Expected Report Date	02/09/2026
Earnings ESP	-1.4%

### Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	1,618 E	1,694 E	1,363 E	1,336 E	6,011 E
2026	1,577 A	1,661 E	1,339 E	1,313 E	5,891 E
2025	1,672 A	1,670 A	1,299 A	1,252 A	5,893 A

### EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	0.15 E	0.20 E	0.09 E	0.03 E	0.47 E
2026	0.12 A	0.19 E	0.07 E	0.03 E	0.41 E
2025	0.15 A	0.11 A	0.01 A	-0.05 A	0.22 A

\*Quarterly figures may not add up to annual.

P/E TTM	17.2
P/E F1	8.0
PEG F1	0.2
P/S TTM	0.5

(1) The data in the charts and tables, except the estimates, is as of 12/16/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 11/25/2025.

## Overview

New York-based Coty Inc., along with its subsidiaries, manufactures, markets, and distributes beauty products worldwide. The company sells its products through retailers, including hypermarkets, supermarkets, independent and chain drug stores and pharmacies, upscale perfumeries, upscale and mid-tier department stores, nail salons, specialty retailers, duty-free shops and traditional food, and drug and mass retailers. It also markets products under the Astor, Coty, Joop!, Jovan, Manhattan, and N.Y.C. New York Color brands.

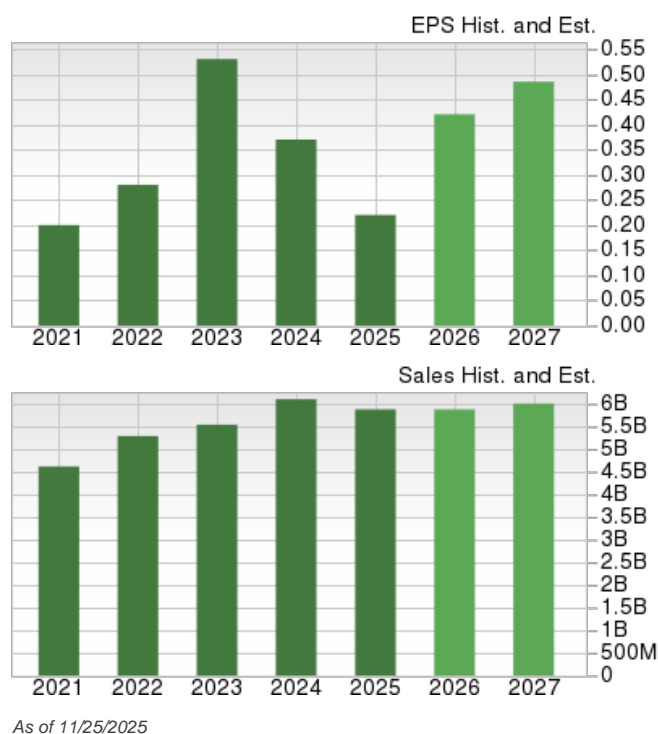
On Nov 11, 2021, the company announced the sale of KKR & Co. Inc.'s remaining 2.4% ownership stake in Coty. The move comes after three previous transactions in the last three months, resulting in KKR's complete exit from Coty.

Coty has three segments for its continuing operations, which include Americas (40.3% of fiscal 2025 revenues), EMEA (47.7%) and Asia Pacific (12%).

The three segments are supported by central marketing teams and include businesses focused on prestige fragrances, prestige skin care, prestige cosmetics, mass fragrance, mass skin care, mass color cosmetics and body care.

Apart from this, Coty operates through the Prestige as well as Consumer Beauty channels. These accounted for 64.8% and 35.2% of the company's net revenues from continuing operations, respectively, as of fiscal 2025.

(Note: Zacks identifies fiscal years by the month in which the fiscal year ends, while COTY identifies their fiscal year by the calendar year in which it begins; so comparable figures for any given fiscal year, as published by COTY, will refer to this same fiscal year as being the year before the same year, as identified by Zacks)



## Reasons To Buy:

▲ **Focus on Core Priorities:** The company has been benefiting from its focus on six strategic pillars that are aimed at sustainable growth. These include stabilizing Consumer Beauty make-up brands and mass fragrances; accelerating luxury fragrances and setting up Coty as a core player in prestige make-up; establishing a skincare portfolio in prestige and mass channels; strengthening e-commerce and Direct-to-Consumer (DTC) capabilities; growing presence in China via Prestige and certain Consumer Beauty brands; as well as setting Coty as an industry leader in sustainability. With respect to stabilizing and growing its consumer beauty business, the company is on track with repositioning campaigns and disruptive advertising.

Coty drives growth through strategic priorities, digital expansion, fragrance innovation and operational efficiency, strengthening brand leadership and supporting long-term performance.

Coty delivered mid-single-digit e-commerce sell-out growth across both Prestige and Consumer Beauty in the first quarter of fiscal 2026, supported by the continued effectiveness of its digital strategy and strong online demand for the brands. E-commerce now accounts for roughly 20% of company sales, with penetration increasing during the quarter as Coty continued to outperform the market online. Building on the multi-year partnership with Amazon, the company broadened its presence this summer by adding Marc Jacobs to the former's Premium Beauty Marketplace, further enhancing visibility and reach. Coty has also strengthened its digital advantage by embedding e-commerce and digital teams directly within local markets and brands, enabling faster, more integrated execution across channels. These actions underscore the company's robust digital capabilities, improved organizational agility, and the continued relevance of its brands across channels.

▲ **Fragrance Business Solid:** Coty's fragrance business remains its core revenue and profit engine, continuing to outperform the broader beauty market and driving its strategic shift toward becoming a global fragrance and scenting powerhouse. In the first quarter of fiscal 2026, Coty delivered strong momentum across key fragrance growth vectors. The company's ultra-premium fragrance collections grew 17% on a reported basis, fueled by robust consumer demand for high-end offerings such as Chloe Atelier des Fleurs, Jil Sander Olfactory Series 1, and the expanding Infiniment Coty Paris portfolio. At the same time, Coty continued to capture meaningful adjacencies, with fragrance mists contributing 1-2% of total fragrance sales. These patented, margin-accretive mists, launched under Calvin Klein, philosophy, Kylie, adidas and Nautica, have proven strongly incremental, driving halo effects and double-digit category sell-out for participating brands.

Looking ahead, Coty's Prestige fragrance business is accelerating with the global rollout of BOSS Bottled Beyond, which is tracking as the #2 male fragrance launch of the fall in Europe, #1 by volume in Germany, #1 male SKU in Australia and already #6 among U.S. innovations, an especially strong result for a brand historically underpenetrated in the U.S. market. The innovation pipeline remains robust, with additional Prestige launches planned under Swarovski, Etro and Marni, and the debut of Marc Jacobs Beauty makeup in 2026. Coty is also expanding its presence in the fast-growing fragrance mist segment, where early launches under Calvin Klein and philosophy are delivering strong incrementality and positioning Calvin Klein as the #4 mist brand in Europe and #1 in Italy. In Consumer Beauty, Coty continues to build its mass fragrance portfolio with expansions across adidas, Nautica and in-house creations, supported by rising demand for accessible scenting formats. These initiatives, combined with strong execution across Amazon and other high-growth digital channels, are helping bring in new consumers and enhance mix. Altogether, Coty's concentrated innovation efforts and strong early launch results reinforce its leadership in global fragrance and support ongoing growth across the most profitable category.

▲ **Improving Sell-Out Trends and U.S. Prestige Recovery:** Coty delivered a notable improvement in sell-out trends during the first quarter of fiscal 2026, driven by healthier retailer inventory levels and stronger market execution. In the United States, previously a significant headwind, the company achieved approximately 7% sell-out growth in prestige fragrances, performing fully in line with the broader market and marking a clear inflection compared with the last fiscal year. Management highlighted that this momentum positions the U.S. prestige business for a return to sell-in growth in the second quarter, improving visibility for the crucial holiday period and supporting the expected acceleration in the second half of fiscal 2026.

▲ **Cost-Saving Efforts:** Management is committed to optimizing the overall cost structure. Coty is progressing well with the All In to Win transformation program across five key work areas, driving notable improvement in cost, gross margins, sales growth and cash. The company has now entered the next phase of the program, targeting \$130 million in annual fixed cost savings by fiscal 2027, incremental to its ongoing productivity initiatives. For fiscal 2026, Coty expects to achieve approximately \$200 million in cumulative savings. In the first quarter of fiscal 2026 alone, the company generated over \$10 million in fixed cost savings and more than \$40 million in productivity savings, reinforcing the strong early execution of its cost agenda. With cumulative savings now approaching \$900 million between fiscal 2021 and the first quarter of fiscal 2026, Coty continues to demonstrate disciplined operational management. These initiatives underscore Coty's continued commitment to operational excellence, providing flexibility to reinvest in growth while supporting sustainable margin expansion.

▲ **Financial Health:** Coty exited the first quarter of fiscal 2026 with cash and cash equivalents of \$264.6 million. The company reported free cash flow of \$11.2 million, an improvement from the prior year. Total debt stood at \$4,069.3 million, resulting in financial net debt of \$3,804.7 million at quarter-end. Management reiterated expectations for seasonally strong free cash flow in the first half of fiscal 2026 of more than \$350 million, supporting leverage in line with prior-year levels and reinforcing the company's focus on continued deleveraging over the calendar year 2026 and beyond. Together, these factors reflect a solid financial footing and provide Coty with the flexibility to invest in its strategic priorities while continuing to strengthen the balance sheet.

## Reasons To Sell:

- ▼ **Consumer Beauty Weakness:** Coty's Consumer Beauty segment continued to underperform in the first quarter of fiscal 2026. Segment net revenues declined 9% on a reported basis and 11% like-for-like ("LFL"), driven by persistent weakness across most European markets and some trade destocking in mass fragrances. The revenue shortfall resulted in significant profitability erosion: adjusted operating income fell to \$1.5 million from \$23.9 million in the prior-year period, with adjusted operating margin collapsing to 0.3% compared with 4.3% a year ago. Adjusted EBITDA decreased to \$28.5 million from \$52.5 million, and the adjusted EBITDA margin contracted to 5.6%, down 380 basis points year over year. These results underscore the segment's ongoing challenges and the continued pressure it exerts on Coty's broader financial performance. We foresee sales from the Consumer Beauty segment to decline 1.7% in the second quarter of fiscal 2026.
- Coty faces broad pressure as Consumer Beauty and Prestige weaken, margins compress and guidance points to further declines, highlighting persistent headwinds and a tough near-term outlook.
- ▼ **Prestige Underperformance:** Coty's Prestige segment delivered a meaningfully weaker performance in the first quarter of fiscal 2026, highlighting mounting pressure in its core business. Prestige net revenues declined 4% on a reported basis and 6% LFL basis, despite the global prestige fragrance market growing mid-single digits over the same period. Reported revenues were further constrained by Coty's decision to rightsize retailer inventories to align with current demand trends in prestige fragrances. The segment was additionally weighed down due to declines in prestige makeup and skincare, further softening overall performance. Profitability also deteriorated, with adjusted operating income falling to \$239 million from \$279.7 million in the prior year, and adjusted operating margin contracting 280 basis points to 22.3%. Adjusted EBITDA decreased to \$267.6 million from \$307.6 million, and the adjusted EBITDA margin fell 260 basis points to 25%. These pressures were compounded by ongoing retailer inventory adjustments and added further weight to the segment's reported results.
- ▼ **Margin Concerns:** Coty's profitability weakened significantly in the first quarter of fiscal 2026, with margin pressure evident across all levels of the P&L. Adjusted gross margin declined 100 basis points year over year to 64.5%, reflecting lower sales volumes and a 40-basis-point tariff headwind. This flowed through to operating performance, where adjusted operating income fell 21% to \$240.5 million from \$303.6 million in the prior-year period, and adjusted operating margin decreased to 15.2%, down 300 basis points. At the EBITDA level, adjusted EBITDA declined 18% to \$296.1 million, resulting in a 270-basis-point contraction in EBITDA margin to 18.8%. These declines underscore the broad-based margin pressures stemming from weaker top-line performance, tariff impacts and an increasingly promotional environment.
- ▼ **Tough Road Ahead:** Coty signaled that near-term challenges will persist, with management guiding to a 3-5% LFL sales decline in the second quarter of fiscal 2026, despite sequential improvement. The company also expects continued gross margin pressure in the fiscal second quarter, caused by lower sales and a higher net tariff impact. Profitability is set to weaken further, with adjusted EBITDA projected to decline by a low-to-mid-teens percentage in the quarter. Coty forecasts second-quarter adjusted EPS, excluding the equity swap, of 18-21 cents, below the 22 cents reported in the prior-year period, bringing first-half adjusted EPS to 33-36 cents, implying a high-single- to mid-teens percentage decline year over year. While Coty anticipates a return to EBITDA and EPS growth in the second half of fiscal 2026, the weak outlook for the fiscal second quarter underscores ongoing headwinds that could keep sentiment cautious until improvement becomes visible. We expect LFL sales to decline 3.8% in the second quarter of fiscal 2026.

## Last Earnings Report

### Coty's Q1 Earnings Miss Estimates, Revenues Decline 6% Y/Y

Coty posted first-quarter fiscal 2026 results, wherein both top and bottom lines missed the Zacks Consensus Estimate. Both net sales and earnings also experienced year-over-year declines.

Coty highlighted continued progress on the strategy to position it primarily as a Prestige-focused beauty player centered on fragrances. The company plans to invest behind brands with the strongest long-term potential, expand further into ultra-premium fragrances and fragrance mists, and improve performance in the mass cosmetics portfolio while evaluating strategic options for Consumer Beauty and Brazil. Management noted that underlying business trends are beginning to improve, particularly in Prestige, and expects second-quarter sales to land toward the favorable end of prior guidance, with both sales and profit growth anticipated in the second half of fiscal 2026.

In the fiscal first quarter, Coty delivered adjusted earnings of 12 cents per share, which missed the Zacks Consensus Estimate of 15 cents. Also, the bottom line declined from 15 cents reported in the year-ago quarter. Results included a 3-cent negative impact from the equity swap mark-to-market.

Coty's net revenues were \$1,577.2 million, down 6% year over year. The metric reflected a 2% benefit from foreign currency exchange. Quarterly net revenues missed the Zacks Consensus Estimate of \$1,583 million. On a like-for-like ("LFL") basis, net revenues declined 8%, reflecting a decrease in Prestige and Consumer Beauty.

### Taking a Closer Look at Coty's Q1 Results

The adjusted and reported gross margin was 64.5%, down 100 basis points. This reflected lower sales and a 40-basis-point headwind from tariffs. Coty reported an adjusted operating income of \$240.5 million, a 21% decline from the prior year's level. The company's adjusted operating margin was 15.2%, reflecting a 300 basis-point decrease year over year.

Adjusted EBITDA of \$296.1 million declined 18% year over year, reflecting reduced sales and gross profit, partially offset by fixed cost savings. The adjusted EBITDA margin was 18.8%, down 270 basis points year over year.

### Q1 Insights of Coty's Segments

**Prestige:** Net revenues in the segment were \$1,069.5 million, accounting for 68% of total company sales. This represented a 4% decline on a reported basis, including a 2% benefit from foreign exchange. On a LFL basis, revenues declined 6%. The decline reflects the company's actions to adjust retailer inventory levels to better align with current demand trends in the prestige fragrance category. The Prestige segment also faced softer demand in prestige makeup and skincare during the quarter.

The segment's reported operating income was \$208.9 million compared with \$241.5 million in the year-ago quarter. Adjusted operating income was \$239 million, down from \$279.7 million in the prior-year quarter. The adjusted operating margin was 22.3%, down 280 basis points year over year. Prestige's adjusted EBITDA was \$267.6 million compared with \$307.6 million in the year-ago quarter.

Looking ahead, the Prestige segment is poised to benefit from a strong pipeline of blockbuster launches, including the global launch of BOSS Bottled Beyond, which is underway, alongside the relaunch and expanded U.S. distribution of the Hugo Boss fragrance portfolio. Coty is also expanding into the growing fragrance mist category, with recent launches under Calvin Klein, philosophy and Kylie Cosmetics, and additional introductions planned.

A major new flagship brand launch is expected in the second half of fiscal 2026. Etro ultra-premium fragrances are set to debut in the calendar year 2026, with Etro Nectar already being re-promoted. Marc Jacobs Beauty makeup is targeted for calendar year 2026, followed by a new Swarovski fragrance in calendar year 2027.

**Consumer Beauty:** Net revenues amounted to \$507.7 million, accounting for 32% of total sales. This represented a 9% decline on a reported basis, including a 2% benefit from foreign exchange. The decrease was broad-based across the segment's categories, with both reported and LFL sales impacted by softer demand in several European markets and some trade destocking in mass fragrances.

The segment reported a loss, with an operating loss of \$7.7 million in contrast to an operating income of \$14 million in the prior-year quarter. Adjusted operating income was \$1.5 million compared with \$23.9 million in the year-ago quarter. The adjusted operating margin was 0.3% compared with 4.3% in the prior year. Adjusted EBITDA declined to \$28.5 million from \$52.5 million, with margins contracting 380 basis points to 5.6%.

For fiscal 2026 and beyond, the Consumer Beauty segment is focused on reigniting growth through new innovations across mass fragrance brands such as adidas, Nautica, Vera Wang and bruno banani, alongside the rollout of the new Jawhara fragrance collection in Europe and on Amazon in the United States, with broader distribution to follow. Coty is also expanding into scent adjacencies with recent hair and body mist launches under adidas Vibes, Nautica and Jawhara.

At the same time, the company is focused on improving performance in the mass color cosmetics business while conducting a strategic review, including evaluating its Brazil business, and leveraging high-growth digital channels such as Amazon and TikTok Shop to fuel demand.

### Coty's Regional Revenue Results

**FY Quarter Ending** **6/30/2025**

Earnings Reporting Date	Nov 05, 2025
Sales Surprise	-0.35%
EPS Surprise	-20.00%
Quarterly EPS	0.12
Annual EPS (TTM)	0.19

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Coty's Americas segment reported net revenues of \$649.6 million, accounting for 41.2% of total sales. This reflected a 6% decline on a reported basis and on an LFL basis. The decrease was primarily caused by lower Prestige revenues, reflecting retailer inventory rightsizing to better match current demand trends in the fragrance category. In addition, Consumer Beauty net revenue in U.S. cosmetics declined due to sell-out underperformance relative to the broader category.

Coty's EMEA segment generated net revenues of \$754.8 million, accounting for 47.9% of total sales. This marked a 4% decline on a reported basis, including a 5% favorable impact from foreign exchange. On a LFL basis, revenues declined 9% in the quarter. Both reported and LFL performance reflected lower net revenues in the Consumer Beauty color cosmetics business.

Coty's Asia Pacific segment reported net revenues of \$172.8 million, representing 11% of total sales. This reflected a 9% decline on a reported and LFL basis. The decline reflects broad softness across most markets. However, beauty market trends in China are showing gradual improvement, with the fragrance category continuing to outperform other beauty segments as consumer penetration increases.

### **Coty's Financial Health Snapshot**

The company ended the fiscal first quarter with cash and cash equivalents of \$264.6 million, total debt of \$4,069.3 million and financial net debt of \$3,804.7 million, implying a leverage ratio of 3.7x. In the fiscal first quarter, cash provided by operating activities amounted to \$65.2 million, while free cash flow was \$11.2 million.

### **What to Expect From Coty in FY26**

Consumer demand for beauty remains steady, with fragrances continuing to outperform. However, ongoing macro and tariff uncertainty has led retailers to order more cautiously, resulting in a more promotional environment. In response, Coty is advancing key launches, expanding its presence in higher-end and mist fragrance formats, broadening distribution and working with retailers to keep inventory levels better aligned with underlying demand.

Management expects sales trends to improve gradually through fiscal 2026 from the fiscal fourth quarter baseline reset. Strong October performance, particularly in Prestige, positions fiscal second-quarter LFL revenues toward the favorable end of its prior LFL outlook of a 3% to 5% decline, with sequential momentum anticipated in both Prestige and Consumer Beauty. Reported revenues in the quarter are also expected to benefit modestly from foreign exchange. Coty continues to anticipate a return to LFL revenue growth in the second half of the fiscal year, supported by improving sell-in and sell-out alignment and several significant Prestige launches.

Profitability is expected to follow a similar pattern, with adjusted EBITDA projected to decline by a low-to-mid-teens percentage in the fiscal second quarter before returning to growth in the back half of the year. The company continues to target approximately \$1 billion in adjusted EBITDA for fiscal 2026.

Coty forecasts fiscal second-quarter adjusted EPS (excluding the equity swap) of 18 cents to 21 cents, bringing the first half of fiscal 2026 to 33 cents to 36 cents.

## Valuation

Coty shares are down 54.8% in the year-to-date period and 57.5% for the trailing 12-month period. Stocks in the Zacks sub-industry are down 4.7% and the Zacks Consumer Staples sector up 2.2% in the year-to-date period. Over the past year, the Zacks sub-industry went down 4.1% and the sector declined 2.6%.

The S&P 500 index is up 15.7% in the year-to-date period and 13.7% in the past year.

The stock is currently trading at 0.46X forward 12-month sales, which compares to 1.97X for the Zacks sub-industry, 7.84X for the Zacks sector and 5.14X for the S&P 500 index.

Over the past five years, the stock has traded as high as 1.95X and as low as 0.46X, with a 5-year median of 1.29X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$4 price target reflects 0.55X forward 12-month sales.

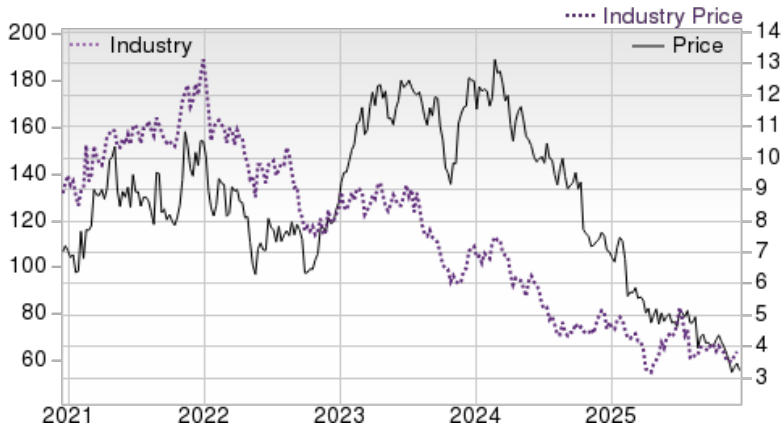
The table below shows summary valuation data for COTY

Valuation Multiples - COTY					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.46	1.97	7.84	5.14
	5-Year High	1.95	7.21	10.8	5.5
	5-Year Low	0.46	1.55	6.5	3.83
	5-Year Median	1.29	4.07	8.78	5.04
P/B TTM	Current	0.72	4.32	16.45	8.19
	5-Year High	2.88	17.06	21.1	9.16
	5-Year Low	0.71	2.88	11.79	6.6
	5-Year Median	2.02	8.91	15.07	8.03
EV/EBITDA TTM	Current	5.68	15.49	34.11	17.91
	5-Year High	182.76	102.24	44.86	22.4
	5-Year Low	5.66	10.56	33.17	13.87
	5-Year Median	12.96	27.84	39.7	17.95

As of 11/24/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 18% (198 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
The Estee Lauder Com...(EL)	Outperform	1
DSM Firmenich AG - S...(DSFIY)	Neutral	3
European Wax Center,...(EWCZ)	Neutral	3
Nu Skin Enterprises,...(NUS)	Neutral	3
Shiseido Co. (SSDOY)	Neutral	
Waldencast PLC (WALD)	Neutral	4
e.l.f. Beauty (ELF)	Underperform	5
Helen of Troy Limite...(HELE)	Underperform	5

## Industry Comparison<sup>(1)</sup> Industry: Cosmetics

	COTY	X Industry	S&P 500	HELE	NUS	SSDOY
Zacks Recommendation (Long Term)	Neutral	-	-	Underperform	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	5	3	
VGM Score	D	-	-	B	B	
Market Cap	2.86 B	236.83 M	38.58 B	468.64 M	512.36 M	6.08 B
# of Analysts	7	3	22	4	1	
Dividend Yield	0.00%	0.00%	1.42%	0.00%	2.28%	1.14%
Value Score	B	-	-	A	A	
Cash/Price	0.10	0.06	0.04	0.05	0.49	0.12
EV/EBITDA	22.84	12.42	14.55	6.59	-5.94	13.72
PEG Ratio	0.17	0.83	2.20	NA	NA	NA
Price/Book (P/B)	0.75	1.53	3.33	0.50	0.65	1.53
Price/Cash Flow (P/CF)	4.59	15.54	15.10	2.31	4.68	14.80
P/E (F1)	8.05	8.08	19.71	5.02	8.08	NA
Price/Sales (P/S)	0.49	0.94	3.09	0.26	0.33	0.94
Earnings Yield	12.84%	8.68%	5.06%	19.90%	12.37%	NA%
Debt/Equity	1.05	0.53	0.57	0.94	0.26	0.43
Cash Flow (\$/share)	0.71	0.64	8.99	8.82	2.25	1.03
Growth Score	D	-	-	C	C	NA
Hist. EPS Growth (3-5 yrs)	8.77%	-14.15%	8.16%	-15.34%	-30.56%	-8.76%
Proj. EPS Growth (F1/F0)	86.36%	32.45%	8.57%	-43.51%	54.76%	NA
Curr. Cash Flow Growth	-17.88%	-21.99%	6.75%	-14.02%	-31.52%	-40.26%
Hist. Cash Flow Growth (3-5 yrs)	12.04%	-4.48%	7.43%	-4.48%	-14.91%	-19.62%
Current Ratio	0.85	1.70	1.18	1.71	2.15	1.35
Debt/Capital	51.84%	34.29%	38.01%	48.47%	20.72%	30.23%
Net Margin	-6.60%	-5.80%	12.78%	-36.20%	7.02%	-5.80%
Return on Equity	4.74%	8.72%	17.00%	8.72%	9.15%	-1.36%
Sales/Assets	0.49	0.76	0.53	0.65	1.09	0.76
Proj. Sales Growth (F1/F0)	0.00%	0.00%	5.79%	-7.50%	-13.50%	-4.20%
Momentum Score	F	-	-	C	D	
Daily Price Chg	-0.30%	0.00%	-0.24%	-2.59%	0.10%	-3.06%
1 Week Price Chg	-6.67%	0.00%	-0.59%	1.35%	6.31%	2.56%
4 Week Price Chg	-1.21%	0.00%	2.76%	14.97%	10.28%	-0.21%
12 Week Price Chg	-18.25%	-7.69%	2.15%	-9.07%	-14.83%	-10.58%
52 Week Price Chg	-55.33%	-35.86%	12.39%	-69.56%	43.58%	-16.81%
20 Day Average Volume	5,218,243	91,459	2,743,646	750,624	407,464	91,459
(F1) EPS Est 1 week change	-0.70%	0.00%	0.00%	-1.47%	0.00%	NA
(F1) EPS Est 4 week change	-2.36%	-0.74%	0.00%	-1.47%	0.00%	NA
(F1) EPS Est 12 week change	-7.05%	-11.31%	0.69%	-18.65%	3.17%	NA
(Q1) EPS Est Mthly Chg	-1.97%	-1.97%	0.00%	0.00%	0.00%	NA

## Analyst Earnings Model<sup>(2)</sup>

### Coty Inc. (COTY)

In SMM, except per share data

	2023A	2024A	2025A	1Q	2Q	2026E	3Q	4Q	FY	1Q	2Q	2027E	3Q	4Q	FY	2028E	FY
FY Ends June 30th	Jun-23	Jun-24	Jun-25	30-Sep-25	31-Dec-25	31-Mar-26	30-Jun-26	Jun-26	30-Sep-26	31-Dec-26	31-Mar-27	30-Jun-27	Jun-27	Jun-28			
<b>Income Statement</b>																	
<b>Net Revenues</b>	<b>\$5,554.1</b>	<b>\$6,118.0</b>	<b>\$5,892.9</b>	<b>\$1,577.2</b>	<b>\$1,661.4</b>	<b>\$1,339.4</b>	<b>\$1,313.0</b>	<b>\$5,891.1</b>	<b>\$1,618.4</b>	<b>\$1,694.2</b>	<b>\$1,362.6</b>	<b>\$1,335.5</b>	<b>\$6,010.6</b>	<b>\$6,144.9</b>			
Organic (LFL)	10.0%	11.0%	(2.0%)	(8.0%)	(3.8%)	0.5%	3.8%	(2.4%)	2.6%	2.0%	1.7%	1.7%	2.0%	2.2%			
Currency/ M & A Impact	(5.0%)	(1.0%)	(1.0%)	2.0%	3.3%	2.6%	1.0%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Cost of Sales, Adjusted	\$2,004.9	\$2,178.8	\$2,072.0	\$560.4	\$579.3	\$479.6	\$488.1	\$2,107.3	\$573.3	\$588.4	\$481.7	\$494.2	\$2,137.6	\$2,174.7			
Cost of Sales, GAAP	\$2,006.8	\$2,178.8	\$2,072.0	\$560.4	\$579.9	\$481.1	\$488.1	\$2,109.6	\$573.3	\$589.4	\$484.0	\$494.2	\$2,141.0	\$2,177.5			
<b>Gross Profit, Adjusted</b>	<b>\$3,549.2</b>	<b>\$3,939.2</b>	<b>\$3,820.9</b>	<b>\$1,016.8</b>	<b>\$1,082.2</b>	<b>\$859.9</b>	<b>\$825.0</b>	<b>\$3,783.8</b>	<b>\$1,045.1</b>	<b>\$1,105.7</b>	<b>\$880.9</b>	<b>\$841.2</b>	<b>\$3,873.0</b>	<b>\$3,970.3</b>			
<b>Gross Profit, GAAP</b>	<b>\$3,547.3</b>	<b>\$3,939.2</b>	<b>\$3,820.9</b>	<b>\$1,016.8</b>	<b>\$1,081.5</b>	<b>\$858.3</b>	<b>\$825.0</b>	<b>\$3,781.6</b>	<b>\$1,045.1</b>	<b>\$1,104.7</b>	<b>\$878.6</b>	<b>\$841.2</b>	<b>\$3,869.6</b>	<b>\$3,967.4</b>			
Selling, General and Administrative Expenses, Adjusted	\$2,810.4	\$3,075.8	\$2,968.0	\$776.3	\$799.0	\$708.1	\$729.6	\$3,013.0	\$795.8	\$812.4	\$718.0	\$741.3	\$3,067.5	\$3,141.8			
Selling, General and Administrative Expenses, GAAP	\$2,818.3	\$3,162.4	\$3,103.4	\$793.5	\$815.6	\$762.6	\$745.5	\$3,117.2	\$812.8	\$828.8	\$792.9	\$754.0	\$3,188.5	\$3,257.9			
Amortization Expense	\$191.8	\$193.4	\$186.9	\$39.3	\$46.8	\$47.1	\$47.0	\$180.2	\$43.4	\$47.8	\$48.0	\$48.2	\$187.5	\$189.8			
Restructuring Costs	\$6.5	(\$36.7)	(\$76.7)	\$1.0	\$1.0	\$1.0	\$1.0	\$4.0	\$1.0	\$1.0	\$1.0	\$1.0	\$4.0	\$4.0			
Acquisition and Divestiture Related Costs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0			
Asset Impairment Charges	\$0.0	\$0.0	\$212.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0			
<b>Adjusted EBITDA</b>	<b>\$972.8</b>	<b>\$1,091.1</b>	<b>\$1,081.7</b>	<b>\$296.1</b>	<b>\$339.0</b>	<b>\$209.2</b>	<b>\$156.1</b>	<b>\$1,000.3</b>	<b>\$305.2</b>	<b>\$349.0</b>	<b>\$219.6</b>	<b>\$158.3</b>	<b>\$1,032.1</b>	<b>\$1,055.8</b>			
Adjusted Depreciation	\$234.0	\$227.7	\$228.8	\$55.6	\$55.8	\$57.4	\$60.8	\$229.6	\$55.9	\$55.7	\$56.7	\$58.3	\$226.6	\$227.3			
Depreciation and Amortization	\$428.7	\$421.1	\$420.0	\$94.9	\$102.6	\$104.5	\$107.8	\$409.8	\$99.3	\$103.5	\$104.7	\$106.6	\$414.1	\$417.1			
<b>Operating Income, Adjusted</b>	<b>\$738.8</b>	<b>\$863.4</b>	<b>\$852.9</b>	<b>\$240.5</b>	<b>\$283.2</b>	<b>\$151.8</b>	<b>\$95.3</b>	<b>\$770.7</b>	<b>\$249.3</b>	<b>\$293.3</b>	<b>\$162.9</b>	<b>\$99.9</b>	<b>\$805.5</b>	<b>\$828.5</b>			
<b>Operating Income, GAAP</b>	<b>\$543.7</b>	<b>\$546.7</b>	<b>\$241.1</b>	<b>\$185.0</b>	<b>\$220.1</b>	<b>\$49.6</b>	<b>\$33.4</b>	<b>\$488.2</b>	<b>\$189.8</b>	<b>\$229.1</b>	<b>\$38.6</b>	<b>\$40.0</b>	<b>\$497.6</b>	<b>\$523.7</b>			
Interest Expense, Net	\$257.9	\$252.0	\$214.2	\$46.6	\$47.7	\$47.9	\$48.1	\$190.2	\$47.4	\$46.8	\$45.4	\$47.2	\$186.7	\$182.3			
Other (Income) Expense, Net, Adjusted	(\$189.2)	\$117.6	\$289.3	\$32.3	\$3.1	\$3.0	\$3.3	\$41.7	\$18.3	\$5.8	\$4.6	\$4.0	\$32.6	\$40.3			
Other (Income) Expense, Net, GAAP	(\$419.0)	\$90.2	\$371.7	\$31.3	\$3.1	\$3.3	\$3.3	\$41.0	\$17.6	\$5.1	\$4.3	\$3.7	\$30.7	\$39.0			
<b>Pre-Tax Income, Adjusted</b>	<b>\$670.1</b>	<b>\$493.8</b>	<b>\$349.4</b>	<b>\$161.6</b>	<b>\$232.5</b>	<b>\$100.9</b>	<b>\$43.9</b>	<b>\$538.8</b>	<b>\$183.7</b>	<b>\$240.7</b>	<b>\$113.0</b>	<b>\$48.8</b>	<b>\$586.2</b>	<b>\$605.8</b>			
<b>Pre-Tax Income, GAAP</b>	<b>\$704.8</b>	<b>\$204.5</b>	<b>(\$344.8)</b>	<b>\$107.1</b>	<b>\$169.3</b>	<b>(\$1.5)</b>	<b>(\$18.0)</b>	<b>\$256.9</b>	<b>\$124.9</b>	<b>\$177.2</b>	<b>(\$11.0)</b>	<b>(\$10.8)</b>	<b>\$280.2</b>	<b>\$302.4</b>			
Income Tax, Adjusted	\$177.1	\$130.7	\$122.8	\$44.5	\$58.1	\$25.2	\$11.0	\$138.8	\$45.9	\$60.2	\$28.2	\$12.2	\$146.5	\$151.5			
Income Tax, GAAP	\$181.6	\$95.1	\$5.4	\$33.1	\$42.3	(\$0.4)	(\$4.5)	\$70.6	\$31.2	\$44.3	(\$2.8)	(\$2.7)	\$70.1	\$75.6			
Tax Rate, Adjusted	26.4%	26.5%	35.1%	27.5%	25.0%	25.0%	25.0%	25.8%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%			
Tax Rate, GAAP	25.8%	46.5%	(1.6%)	30.9%	25.0%	25.0%	25.0%	27.5%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%			
Net Income from Discontinued Operation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0			
Non-Controlling Interest, GAAP	(\$1.8)	\$5.3	\$5.3	\$2.1	\$2.1	\$2.1	\$2.1	\$8.4	\$2.1	\$2.1	\$2.1	\$2.1	\$8.4	\$8.4			
Non-Controlling Interest, Adjusted	\$6.9	\$6.8	\$6.9	\$1.7	\$1.7	\$1.7	\$1.7	\$6.8	\$1.7	\$1.7	\$1.7	\$1.7	\$6.8	\$6.8			
Redeemable Non-Controlling Interest	\$16.8	\$14.7	\$12.4	\$4.0	\$4.0	\$4.0	\$4.0	\$16.0	\$4.0	\$4.0	\$4.0	\$4.0	\$16.0	\$16.0			
<b>Net Income (Loss) from Continuing Operations before Preferred Dividend</b>	<b>\$508.2</b>	<b>\$89.4</b>	<b>(\$367.9)</b>	<b>\$67.9</b>	<b>\$120.9</b>	<b>(\$7.3)</b>	<b>(\$19.6)</b>	<b>\$162.0</b>	<b>\$87.6</b>	<b>\$126.8</b>	<b>(\$14.4)</b>	<b>(\$14.2)</b>	<b>\$185.8</b>	<b>\$202.4</b>			
Preferred Stock Dividend	\$13.2	\$13.2	\$13.2	\$3.3	\$3.3	\$3.3	\$3.3	\$13.2	\$3.3	\$3.3	\$3.3	\$3.3	\$13.2	\$13.2			
<b>Net Income (Loss) from Continuing Operations</b>	<b>\$495.0</b>	<b>\$76.2</b>	<b>(\$381.1)</b>	<b>\$64.6</b>	<b>\$117.6</b>	<b>(\$10.6)</b>	<b>(\$22.9)</b>	<b>\$148.8</b>	<b>\$84.3</b>	<b>\$123.5</b>	<b>(\$17.7)</b>	<b>(\$17.5)</b>	<b>\$172.6</b>	<b>\$189.2</b>			
<b>Net Income, Adjusted</b>	<b>\$457.9</b>	<b>\$323.1</b>	<b>\$188.8</b>	<b>\$106.0</b>	<b>\$163.2</b>	<b>\$64.5</b>	<b>\$21.8</b>	<b>\$355.6</b>	<b>\$126.7</b>	<b>\$169.4</b>	<b>\$73.6</b>	<b>\$25.5</b>	<b>\$395.2</b>	<b>\$410.0</b>			
<b>Net Income, GAAP</b>	<b>\$495.0</b>	<b>\$76.2</b>	<b>(\$381.1)</b>	<b>\$64.6</b>	<b>\$117.6</b>	<b>(\$10.6)</b>	<b>(\$22.9)</b>	<b>\$148.8</b>	<b>\$84.3</b>	<b>\$123.5</b>	<b>(\$17.7)</b>	<b>(\$17.5)</b>	<b>\$172.6</b>	<b>\$189.2</b>			
Diluted Shares Outstanding, Adjusted	886.5	883.4	867.9	876.3	869.3	862.3	855.3	865.8	848.3	841.3	834.3	827.3	837.8	809.8			
Diluted Shares Outstanding, GAAP	862.8	883.4	867.9	876.3	869.3	862.3	855.3	865.8	848.3	841.3	834.3	827.3	837.8	809.8			
<b>Adjusted EPS, Excluding Equity Swap</b>	<b>\$0.38</b>	<b>\$0.48</b>	<b>\$0.50</b>	<b>\$0.15</b>	<b>\$0.19</b>	<b>\$0.07</b>	<b>\$0.03</b>	<b>\$0.44</b>	<b>\$0.15</b>	<b>\$0.20</b>	<b>\$0.09</b>	<b>\$0.03</b>	<b>\$0.47</b>	<b>\$0.50</b>			
<b>Diluted EPS, Adjusted</b>	<b>\$0.53</b>	<b>\$0.37</b>	<b>\$0.22</b>	<b>\$0.12</b>	<b>\$0.19</b>	<b>\$0.07</b>	<b>\$0.03</b>	<b>\$0.41</b>	<b>\$0.15</b>	<b>\$0.20</b>	<b>\$0.09</b>	<b>\$0.03</b>	<b>\$0.47</b>	<b>\$0.50</b>			
<b>Diluted EPS, GAAP</b>	<b>\$0.57</b>	<b>\$0.09</b>	<b>(\$0.44)</b>	<b>\$0.07</b>	<b>\$0.14</b>	<b>(\$0.01)</b>	<b>(\$0.03)</b>	<b>\$0.17</b>	<b>\$0.10</b>	<b>\$0.15</b>	<b>(\$0.02)</b>	<b>(\$0.02)</b>	<b>\$0.20</b>	<b>\$0.23</b>			

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

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The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

## Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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Value Score	<b>B</b>
Growth Score	<b>D</b>
Momentum Score	<b>F</b>
VGM Score	<b>D</b>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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