

COTY INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)

	Year Ended June 30,		
	2018	2017	2016
Net revenues	\$ 9,398.0	\$ 7,650.3	\$ 4,349.1
Cost of sales	3,608.4	3,028.5	1,746.0
Gross profit	5,789.6	4,621.8	2,603.1
Selling, general and administrative expenses	5,009.6	4,060.0	2,027.8
Amortization expense	352.8	275.1	79.5
Restructuring costs	173.2	372.2	86.9
Acquisition-related costs	64.2	355.4	174.0
Asset impairment charges	—	—	5.5
Loss (gain) on sale of assets	28.6	(3.1)	(24.8)
Operating income (loss)	161.2	(437.8)	254.2
Interest expense, net	265.0	218.6	81.9
Loss on early extinguishment of debt	10.7	—	3.1
Other expense, net	38.0	1.6	30.4
(Loss) income before income taxes	(152.5)	(658.0)	138.8
Benefit for income taxes	(24.7)	(259.5)	(40.4)
Net (loss) income	(127.8)	(398.5)	179.2
Net income attributable to noncontrolling interests	2.0	15.4	7.6
Net income attributable to redeemable noncontrolling interests	39.0	8.3	14.7
Net (loss) income attributable to Coty Inc.	\$ (168.8)	\$ (422.2)	\$ 156.9
Net (loss) income attributable to Coty Inc. per common share:			
Basic	\$ (0.23)	\$ (0.66)	\$ 0.45
Diluted	(0.23)	(0.66)	0.44
Weighted-average common shares outstanding:			
Basic	749.7	642.8	345.5
Diluted	749.7	642.8	354.2

See notes to Consolidated Financial Statements.

COTY INC. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except per share data)

	June 30, 2018	June 30, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 331.6	\$ 535.4
Restricted cash	30.6	35.3
Trade receivables—less allowances of \$81.8 and \$58.5, respectively	1,536.0	1,470.3
Inventories	1,148.9	1,052.6
Prepaid expenses and other current assets	603.9	487.9
Total current assets	3,651.0	3,581.5
Property and equipment, net	1,680.8	1,632.1
Goodwill	8,607.1	8,555.5
Other intangible assets, net	8,284.4	8,425.2
Deferred income taxes	107.4	72.6
Other noncurrent assets	299.5	281.3
TOTAL ASSETS	\$ 22,630.2	\$ 22,548.2
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 1,928.6	\$ 1,732.1
Accrued expenses and other current liabilities	1,844.4	1,796.4
Short-term debt and current portion of long-term debt	218.9	209.1
Income and other taxes payable	52.1	66.0
Total current liabilities	4,044.0	3,803.6
Long-term debt, net	7,305.4	6,928.3
Pension and other post-employment benefits	533.3	549.2
Deferred income taxes	842.5	924.9
Other noncurrent liabilities	388.5	473.4
Total liabilities	13,113.7	12,679.4
COMMITMENTS AND CONTINGENCIES (See Note 24)		
REDEEMABLE NONCONTROLLING INTERESTS	661.3	551.1
EQUITY:		
Preferred stock, \$0.01 par value; 20.0 shares authorized; 5.0 and 4.2 issued and outstanding, at June 30, 2018 and 2017, respectively	—	—
Class A Common Stock, \$0.01 par value; 1,000.0 shares authorized, 815.8 and 812.9 issued and 750.7 and 747.9 outstanding at June 30, 2018 and 2017, respectively	8.1	8.1
Additional paid-in capital	10,750.8	11,203.2
Accumulated deficit	(626.2)	(459.2)
Accumulated other comprehensive income	158.8	4.4
Treasury stock—at cost, shares: 65.0 at June 30, 2018 and 2017, respectively	(1,441.8)	(1,441.8)
Total Coty Inc. stockholders' equity	8,849.7	9,314.7
Noncontrolling interests	5.5	3.0
Total equity	8,855.2	9,317.7
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY	\$ 22,630.2	\$ 22,548.2

See notes to Consolidated Financial Statements.

COTY INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended June 30,		
	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	\$ (127.8)	\$ (398.5)	\$ 179.2
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	737.0	555.1	232.0
Asset impairment charges	—	—	5.5
Deferred income taxes	(101.7)	(390.0)	(139.2)
Provision for bad debts	24.0	23.4	21.9
Provision for pension and other post-employment benefits	32.4	53.6	9.2
Share-based compensation	30.6	24.6	22.2
Loss (gain) on sale of assets	28.6	(3.1)	(24.8)
Loss on early extinguishment of debt	10.7	—	3.1
Other	(1.3)	25.9	12.8
Change in operating assets and liabilities, net of effects from purchase of acquired companies:			
Trade receivables	(79.6)	(279.8)	(44.5)
Inventories	(60.0)	162.3	27.2
Prepaid expenses and other current assets	(107.6)	(105.7)	6.7
Accounts payable	159.5	540.9	148.2
Accrued expenses and other current liabilities	(22.5)	479.2	23.3
Income and other taxes payable	(83.2)	85.0	15.7
Other noncurrent assets	(17.9)	23.4	9.0
Other noncurrent liabilities	(7.5)	(38.8)	(6.1)
Net cash provided by operating activities	413.7	757.5	501.4
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(446.4)	(432.3)	(150.1)
Payments for business combinations, net of cash acquired	(278.0)	(742.6)	(908.7)
Proceeds from sale of assets	36.8	11.3	29.2
Payments related to loss on foreign currency contracts	—	—	(29.6)
Net cash used in investing activities	(687.6)	(1,163.6)	(1,059.2)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from short-term debt, original maturity more than three months	—	9.5	19.1
Repayments of short-term debt, original maturity more than three months	—	(10.2)	(28.3)
Net proceeds from (repayments of) short-term debt, original maturity less than three months	21.0	(49.2)	25.4
Proceeds from revolving loan facilities	3,185.5	2,244.4	1,940.0
Repayments of revolving loan facilities	(3,643.2)	(2,074.4)	(1,430.0)
Proceeds from term loans and other long term debt	7,467.2	1,075.0	3,506.2
Repayments of term loans and other long term debt	(6,492.6)	(136.1)	(2,499.4)
Dividend payment	(375.8)	(372.6)	(89.0)
Net proceeds from issuance of Class A Common Stock and Series A Preferred Stock and related tax benefits	22.6	22.8	44.7
Payments for purchases of Class A Common Stock held as Treasury Stock	—	(36.3)	(794.9)
Net proceeds (payments) for foreign currency contracts	12.4	(1.2)	(9.7)
Distributions to mandatorily redeemable financial interests, redeemable noncontrolling interests and noncontrolling interests	(66.4)	(42.3)	(33.2)
Purchase of additional mandatorily redeemable financial interests, redeemable noncontrolling interests and noncontrolling interests	—	(9.8)	(0.7)
Payment of debt issuance costs	(55.1)	(24.4)	(57.6)