

COTY INC.  
Form 10-Q  
February 09, 2017

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Form 10-Q  
(Mark One)

QUARTERLY REPORT  
PURSUANT TO SECTION 13  
OR 15(d) OF THE  
SECURITIES EXCHANGE  
ACT OF 1934  
FOR THE QUARTERLY  
PERIOD ENDED  
DECEMBER 31, 2016

OR

TRANSITION REPORT  
PURSUANT TO SECTION 13  
OR 15(d) OF THE  
SECURITIES EXCHANGE  
ACT OF 1934  
FOR THE TRANSITION  
PERIOD  
FROM TO  
COMMISSION FILE  
NUMBER

COTY INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

13-3823358

(I.R.S. Employer Identification Number)

350 Fifth Avenue, New York, NY

(Address of principal executive offices)

(212) 389-7300

10118

(Zip Code)

Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

At February 6, 2017, 747,117,746 shares of the registrant’s Class A Common Stock, \$0.01 par value, were outstanding.

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## PART I. FINANCIAL INFORMATION

## Item 1. Condensed Consolidated Financial Statements

## COTY INC. &amp; SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share data)

(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2016	2015	2016	2015
Net revenues	\$2,296.7	\$1,210.5	\$3,376.9	\$2,322.8
Cost of sales	892.3	467.7	1,337.1	911.4
Gross profit	1,404.4	742.8	2,039.8	1,411.4
Selling, general and administrative expenses	1,170.2	515.4	1,649.1	999.7
Amortization expense	95.2	18.9	116.4	38.1
Restructuring costs	15.8	10.6	23.2	72.7
Acquisition-related costs	135.9	45.5	217.4	61.3
Asset impairment charges	—	—	—	5.5
Operating (loss) income	(12.7 )	152.4	33.7	234.1
Interest expense, net	57.9	14.6	98.3	30.6
Loss on early extinguishment of debt	—	3.1	—	3.1
Other (income) expense, net	(0.6 )	24.1	0.7	23.8
(Loss) income before income taxes	(70.0 )	110.6	(65.3 )	176.6
(Benefit) provision for income taxes	(122.1 )	13.0	(127.2 )	(54.1 )
Net income	52.1	97.6	61.9	230.7
Net income attributable to noncontrolling interests	2.5	5.3	10.7	9.7
Net income attributable to redeemable noncontrolling interests	2.8	3.3	4.4	6.3
Net income attributable to Coty Inc.	\$46.8	\$89.0	\$46.8	\$214.7
Net income attributable to Coty Inc. per common share:				
Basic	\$0.06	\$0.26	\$0.09	\$0.61
Diluted	0.06	0.25	0.09	0.59
Weighted-average common shares outstanding:				
Basic	746.6	345.0	539.8	352.5
Diluted	752.4	354.3	545.8	362.0
Cash dividend declared per common share	\$0.125	\$—	\$0.400	\$0.250

See notes to Condensed Consolidated Financial Statements.

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COTY INC. & SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

(Unaudited)

	Three		Six Months	
	Months		Months	
	Ended		Ended	
	December		December 31,	
	31,		31,	
	2016	2015	2016	2015
Net income	\$52.1	\$97.6	\$61.9	\$230.7