

COTY INC.  
Form 10-Q  
May 03, 2016

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 MARCH  
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

Registrant's telephone number, including area code

10118

(Zip 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 April 29, 2016, 77,024,731 shares of the registrant’s Class A Common Stock, \$0.01 par value, and 262,062,370 shares of the registrant’s Class B 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 March 31,		Nine Months Ended March 31,	
	2016	2015	2016	2015
Net revenues	\$950.7	\$933.8	\$3,273.5	\$3,375.7
Cost of sales	369.0	351.8	1,280.4	1,342.9
Gross profit	581.7	582.0	1,993.1	2,032.8
Selling, general and administrative expenses	494.2	445.0	1,493.9	1,500.5
Amortization expense	20.9	18.1	59.0	55.5
Restructuring costs	6.6	3.9	79.3	56.4
Acquisition-related costs	37.0	0.3	98.3	1.9
Asset impairment charges	—	—	5.5	—
Operating income	23.0	114.7	257.1	418.5
Interest expense, net	25.1	17.6	55.7	56.3
Loss on early extinguishment of debt	—	—	3.1	88.8
Other expense (income), net	6.6	(0.5 )	30.4	(0.2 )
(Loss) income before income taxes	(8.7 )	97.6	167.9	273.6
Provision (benefit) for income taxes	11.6	15.4	(42.5 )	39.8
Net (loss) income	(20.3 )	82.2	210.4	233.8
Net income attributable to noncontrolling interests	2.4	2.9	12.1	14.0
Net income attributable to redeemable noncontrolling interests	4.1	3.8	10.4	8.3
Net (loss) income attributable to Coty Inc.	\$(26.8 )	\$75.5	\$187.9	\$211.5
Net (loss) income attributable to Coty Inc. per common share:				
Basic	\$(0.08 )	\$0.22	\$0.54	\$0.60
Diluted	(0.08 )	0.21	0.53	0.59
Weighted-average common shares outstanding:				
Basic	337.9	344.7	347.8	350.9
Diluted	337.9	354.8	356.9	360.7
Cash dividend declared per common share	\$—	\$—	\$0.25	\$0.20

See notes to Condensed Consolidated Financial Statements.

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COTY INC. & SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In millions)

(Unaudited)

	Three Months		Nine Months	
	Ended		Ended	
	March 31,		March 31,	
	2016	2015	2016	2015
Net (loss) income	\$(20.3)	\$82.2	\$210.4	\$233.8
Other comprehensive income (loss):				