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Coty reports high earnings in FY2018 after merger with Procter & Gamble

August 23, 2018



Coty reported high earnings from the luxury sector specifically. Image credit: Coty

By STAFF REPORTS

A year after merging with Procter & Gamble, beauty group Coty has reported a 22.8 percent growth in overall revenue in fiscal year 2018.

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The company was reportedly pleased with the progress that was made over the past fiscal year and with its strong sales. Coty believes that a full integration with P&G will be complete by the end of the 2019 fiscal year.

"Coty made good progress in fiscal year 2018 although much remains to be done," said Camillo Pane, CEO of Coty, in a statement. "We delivered our target of modest like-for-like net revenue growth and, importantly, a very healthy improvement in adjusted operating margin in the second half of the year."

High earnings

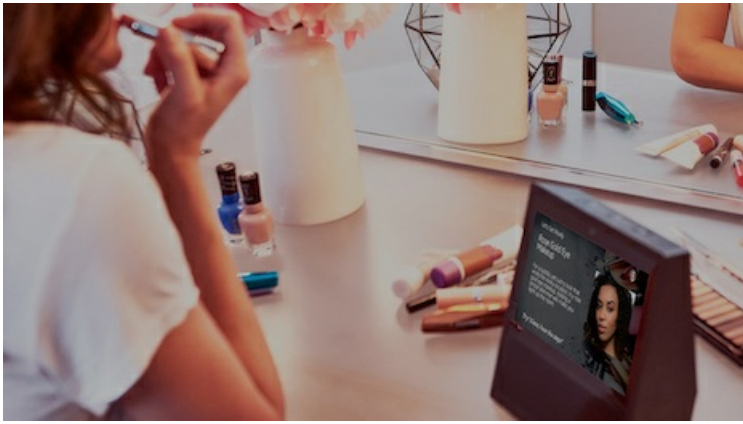
Pulling off a large merger is an immense drain on a company's resources.

In its fourth quarter earnings report for the three months ended June 30, Coty expects total costs of integrating with P&G to reach \$1.3 billion.

The group will be implementing cost-cutting measures to ensure that these costs can be safely handled.

Luckily for Coty, the group reported a significant increase in revenue over the past fiscal year.

Coty reported strong growth from the luxury division of its brands, which includes licensed beauty labels for Burberry and Gucci, among others. Luxury sales were up by 25 percent around the world, driven strongly by ecommerce.



Coty's senior vice president will serve as interim CFO. Image credit: Coty

This period of transition for Coty also extends to its high-level leadership. Coty has announced a major transition at its executive level with the departure of chief financial officer Patrice de Talhout.

Mr. de Talhout served as CFO of the company since 2014, helping the group monetize its brands as the luxury cosmetics industry has undergone a transformation. Coty has no replacement lined up at the moment ([see story](#)).

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