

FRAGRANCE AND PERSONAL CARE

Coty turnaround plan includes new president of luxury brands

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Burberry's beauty business is licensed to Coty. Image credit: Burberry

By STAFF REPORTS

Beauty group Coty is launching a turnaround plan aimed at establishing a path towards growth, which includes a new leadership structure.

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Amid the changes that will be rolling out at Coty is the introduction of marketing leadership for each division. Simona Cattaneo, current chief marketing officer of Coty Luxury, will become president of luxury brands in January 2020.

Multi-year makeover

Despite buzz around luxury beauty, cosmetics maker Coty Inc. had lower-than-expected sales with a drop of 10 percent year-over-year in this year's third quarter.

Coty has stated that it believes the reason for this decline is a change in revenue recognition accounting and moderate supply chain headwinds. Luxury sales revenue also dropped by 3 percent compared to the previous year ([see story](#)).

In an effort to optimize its business from a cultural, growth and leadership perspective, Coty is instituting a turnaround plan. Working towards targets for 2023, the company is expecting to spend about \$600 million in cash throughout the next four years.

Key focuses of the plan include raising gross margins and lowering costs. Coty will also work on building its brands, including finding countries where brands have significant opportunities and investing on a national basis.

To improve the performance of its brands at retail, Coty will be streamlining its product ranges.

As part of the overhaul, the executive committee is getting a makeover, effective Jan. 1.

The commercial side of the business will be led by regional teams. Leading these teams will be Edgar Huber, who has been appointed president of Americas and Asia Pacific, and newly named president of EMEA Gianni Pieraccioni.



Marc Jacobs fragrances are produced by Coty. Image credit: Marc Jacobs

Marketing will be overseen globally by teams centered on product divisions. Along with Ms. Cattaneo, current consumer beauty CMO Fiona Hughes will become the president of consumer beauty brands.

Other members of the executive committee will be staying in their current roles.

Coty will also be centralizing its management with a headquarters in Amsterdam.

"Over the past few months, we have focused on both stabilizing our operations and identifying a path towards turning around the company," said Pierre Laubies, CEO of Coty, in a statement. "Our turnaround plan will enable us to build a better business in the coming four years, while we gradually prepare for growth.

"We are fortunate to have a strong brand portfolio and talented and engaged people around the world, and we will provide the right framework to enable their success," he said. "We will focus our strategic effort and investments on fewer brands globally while simplifying our operations and organization. At the same time, we will make our cultural transformation agenda a key building block of our plan.

"Our financial priorities are clear as well to improve profitability and deleverage and we are intent on setting realistic targets and delivering them. Today starts our new agenda - we will progress it as a team, with the right balance of discipline and creativity."

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