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

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 27, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 1-16153

Tapestry, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**52-2242751**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

10 Hudson Yards, New York, NY 10001
(Address of principal executive offices); (Zip Code)

(212) 946-8400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on which Registered
Common Stock, par value $.01 per share	TPR	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 such files). ☑ Yes ☐ No

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 definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐						

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

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

On April 23, 2021, the Registrant had 278,858,331 outstanding shares of common stock, which is the Registrant's only class of common stock.

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In this Form 10-Q, references to “we,” “our,” “us,” "Tapestry" and the “Company” refer to Tapestry, Inc., including consolidated subsidiaries. References to "Coach," "Kate Spade," "kate spade new york" or "Stuart Weitzman" refer only to the referenced brand.

SPECIAL NOTE ON FORWARD-LOOKING INFORMATION

This document, and the documents incorporated by reference in this document, in our press releases and in oral statements made from time to time by us or on our behalf, contain certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and are based on management’s current expectations, that involve risks and uncertainties that could cause our actual results to differ materially from our current expectations. These forward-looking statements can be identified by the use of forward-looking terminology such as "believes," "may," "will," "should," "expect," "confidence," "trends," "intend," "estimate," "on track," "are positioned to," "on course," "opportunity," "continue," "project," "guidance," "target," "forecast," "anticipated," "plan," "potential," the negative of these terms or comparable terms. The Company's actual results could differ materially from the results contemplated by these forward-looking statements and are subject to a number of risks, uncertainties, estimates and assumptions that may cause actual results to differ materially from current expectations due to a number of important factors, including but not limited to: (i) the impact of the novel coronavirus ("Covid-19") global pandemic on our business and financial results; (ii) our ability to successfully execute our multi-year growth agenda under our Acceleration Program; (iii) the impact of economic conditions; (iv) our ability to control costs; (v) our exposure to international risks, including currency fluctuations, changes in economic or political conditions in the markets where we sell or source our products and increased regulation impacting our global sourcing activities as well as shipping constraints; (vi) the risk of cyber security threats and privacy or data security breaches; (vii) the effect of existing and new competition in the marketplace; (viii) our ability to retain the value of our brands and to respond to changing fashion and retail trends in a timely manner; (ix) the effect of seasonal and quarterly fluctuations on our sales or operating results; (x) our ability to protect against infringement of our trademarks and other proprietary rights; (xi) the impact of tax and other legislation; (xii) our ability to achieve intended benefits, cost savings and synergies from acquisitions; (xiii) the risks associated with potential changes to international trade agreements and the imposition of additional duties on importing our products; (xiv) the impact of pending and potential future legal proceedings, (xv) the risks associated with climate change and other corporate responsibility issues; and (xvi) such other risk factors as set forth in Part II, Item 1A. "Risk Factors". The Company assumes no obligation to revise or update any such forward-looking statements for any reason, except as required by law.

WHERE YOU CAN FIND MORE INFORMATION

Tapestry's quarterly financial results and other important information are available by calling the Investor Relations Department at (212) 629-2618.

Tapestry maintains its website at www.tapestry.com where investors and other interested parties may obtain, free of charge, press releases and other information as well as gain access to our periodic filings with the SEC.

TAPESTRY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 27, 2021	June 27, 2020
	(millions) (unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 1,651.7**	$ 1,426.3
Short-term investments	**7.5**	8.1
Trade accounts receivable, less allowances for credit losses of $3.6 and $15.9, respectively	**240.6**	193.3
Inventories	**700.3**	736.9
Prepaid expenses	**65.0**	57.5
Income tax receivable	**152.9**	46.0
Other current assets	**78.6**	85.0
Total current assets	**2,896.6**	2,553.1
Property and equipment, net	**673.8**	775.2
Operating lease right-of-use assets	**1,555.2**	1,757.0
Goodwill	**1,300.2**	1,301.1
Intangible assets	**1,374.7**	1,379.4
Deferred income taxes	**58.8**	55.9
Other assets	**106.7**	102.5
Total assets	**$ 7,966.0**	$ 7,924.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	**$ 409.5**	$ 130.8
Accrued liabilities	**508.1**	410.5
Current portion of operating lease liabilities	**354.6**	388.8
Accrued income taxes	**18.9**	100.5
Current debt	**—**	711.5
Total current liabilities	**1,291.1**	1,742.1
Long-term debt	**1,590.0**	1,587.9
Long-term operating lease liabilities	**1,576.3**	1,799.8
Deferred income taxes	**118.0**	155.1
Long-term income taxes payable	**131.3**	144.0
Other liabilities	**244.3**	218.9
Total liabilities	**4,951.0**	5,647.8
See Note 16 on commitments and contingencies		
Stockholders' Equity:		
Preferred stock: (authorized 25.0 million shares; $0.01 par value per share) none issued	**—**	—
Common stock: (authorized 1.0 billion shares; $0.01 par value per share) issued and outstanding - 278.8 million and 276.2 million shares, respectively	**2.8**	2.8
Additional paid-in-capital	**3,442.3**	3,358.5
Retained earnings (accumulated deficit)	**(358.3)**	(992.7)
Accumulated other comprehensive income (loss)	**(71.8)**	(92.2)
Total stockholders' equity	**3,015.0**	2,276.4
Total liabilities and stockholders' equity	**$ 7,966.0**	$ 7,924.2

See accompanying Notes.

TAPESTRY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	March 27, 2021	March 28, 2020	**March 27, 2021**	March 28, 2020
	(millions, except per share data) (unaudited)		(millions, except per share data) (unaudited)	
Net sales	**$ 1,273.3**	$ 1,072.7	**$ 4,130.9**	$ 4,246.6
Cost of sales	**361.4**	456.5	**1,215.1**	1,506.2
Gross profit	**911.9**	616.2	**2,915.8**	2,740.4
Selling, general and administrative expenses	**795.2**	824.0	**2,207.5**	2,533.5
Impairment of goodwill and intangible assets	**—**	477.7	**—**	477.7
Total selling, general and administrative expenses	**795.2**	1,301.7	**2,207.5**	3,011.2
Operating income (loss)	**116.7**	(685.5)	**708.3**	(270.8)
Interest expense, net	**16.9**	13.5	**55.0**	39.8
Other expense (income)	**4.4**	6.0	**(1.8)**	12.8
Income (loss) before provision for income taxes	**95.4**	(705.0)	**655.1**	(323.4)
Provision for income taxes	**3.7**	(27.9)	**20.7**	34.9
Net income (loss)	**$ 91.7**	$ (677.1)	**$ 634.4**	$ (358.3)
Net income (loss) per share:				
Basic	**$ 0.33**	$ (2.45)	**$ 2.29**	$ (1.28)
Diluted	**$ 0.32**	$ (2.45)	**$ 2.25**	$ (1.28)
Shares used in computing net income (loss) per share:				
Basic	**278.2**	276.1	**277.5**	279.4
Diluted	**285.6**	276.1	**281.5**	279.4
Cash dividends declared per common share	**$ —**	$ 0.3375	**$ —**	$ 1.0125

See accompanying Notes.

TAPESTRY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME (LOSS)

	Three Months Ended		Nine Months Ended	
	March 27, 2021	March 28, 2020	**March 27, 2021**	March 28, 2020
	(millions) (unaudited)		(millions) (unaudited)	
Net income (loss)	**$ 91.7**	$ (677.1)	**$ 634.4**	$ (358.3)
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) on cash flow hedging derivatives, net	**2.2**	1.2	**(3.1)**	6.5
Foreign currency translation adjustments	**(23.6)**	(12.9)	**23.5**	(18.3)
Other	**—**	—	**—**	(1.7)
Other comprehensive income (loss), net of tax	**(21.4)**	(11.7)	**20.4**	(13.5)
Comprehensive income (loss)	**$ 70.3**	$ (688.8)	**$ 654.8**	$ (371.8)

See accompanying Notes.

TAPESTRY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	March 27, 2021	March 28, 2020
	(millions) **(unaudited)**	
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Net income (loss)	**$ 634.4**	$ (358.3)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	**167.2**	194.9
Provision for bad debt	**—**	16.8
Share-based compensation	**46.7**	47.0
Acceleration Program charges	**6.1**	—
Organization-related and integration activities	**—**	15.2
Impairment charges	**45.8**	697.6
Changes to lease related balances, net	**(103.3)**	26.1
Deferred income taxes	**(27.9)**	(33.3)
Gain on sale of building	**(13.2)**	—
Gain on deferred purchase price	**(12.5)**	—
Other non-cash charges, net	**20.0**	4.7
Changes in operating assets and liabilities:		
Trade accounts receivable	**(49.3)**	75.2
Inventories	**63.9**	(171.6)
Accounts payable	**275.0**	(18.5)
Accrued liabilities	**7.6**	(31.2)
Other liabilities	**(10.2)**	(37.6)
Other assets	**(105.7)**	19.1
Net cash provided by operating activities	**944.6**	446.1
CASH FLOWS USED IN INVESTING ACTIVITIES		
Proceeds from sale of building	**23.9**	—
Purchases of investments	**(0.5)**	(212.4)
Proceeds from maturities and sales of investments	**1.9**	316.1
Purchases of property and equipment	**(68.9)**	(172.9)
Net cash used in investing activities	**(43.6)**	(69.2)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividend payments	**—**	(287.1)
Repurchase of common stock	**—**	(300.0)
Proceeds from share-based awards	**37.8**	1.7
Repayment of short-term debt	**(11.5)**	—
Repayment of revolving credit facility	**(700.0)**	—
Taxes paid to net settle share-based awards	**(6.9)**	(14.7)
Payments of finance lease liabilities	**(0.6)**	(0.6)
Payment of deferred purchase price	**(7.4)**	(2.4)
Net cash used in financing activities	**(688.6)**	(603.1)
Effect of exchange rate changes on cash and cash equivalents	**13.0**	(0.4)
Net decrease in cash and cash equivalents	**225.4**	(226.6)
Cash and cash equivalents at beginning of period	**1,426.3**	969.2
Cash and cash equivalents at end of period	**$ 1,651.7**	$ 742.6
Supplemental information:		
Cash paid for income taxes, net	**$ 218.2**	$ 80.5
Cash paid for interest	**$ 56.3**	$ 50.4
Noncash investing activity - property and equipment obligations	**$ 14.6**	$ 22.4

See accompanying Notes.

1. NATURE OF OPERATIONS

Tapestry, Inc. (the "Company") is a leading New York-based house of modern luxury accessories and lifestyle brands. Tapestry owns the Coach, Kate Spade and Stuart Weitzman brands. The Company’s primary product offerings, manufactured by third-party suppliers, include women’s and men’s bags, small leather goods, footwear, ready-to-wear including outerwear, watches, weekend and travel accessories, scarves, eyewear, fragrance, jewelry and other lifestyle products.

The Coach segment includes global sales of Coach products to customers through Coach operated stores, including the Internet and concession shop-in-shops, and sales to wholesale customers and through independent third party distributors.

The Kate Spade segment includes global sales primarily of kate spade new york brand products to customers through Kate Spade operated stores, including the Internet, sales to wholesale customers, through concession shop-in-shops and through independent third party distributors.

The Stuart Weitzman segment includes global sales of Stuart Weitzman brand products primarily through Stuart Weitzman operated stores, including the Internet, sales to wholesale customers and through numerous independent third party distributors.

2. BASIS OF PRESENTATION AND ORGANIZATION

Interim Financial Statements

These unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and are unaudited. In the opinion of management, such condensed consolidated financial statements contain all normal and recurring adjustments necessary to present fairly the consolidated financial position, results of operations, comprehensive income (loss) and cash flows of the Company for the interim periods presented. In addition, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP") have been condensed or omitted from this report as is permitted by the SEC's rules and regulations. However, the Company believes that the disclosures provided herein are adequate to prevent the information presented from being misleading. This report should be read in conjunction with the audited consolidated financial statements and notes thereto, included in the Company’s Annual Report on Form 10-K for the year ended June 27, 2020 ("fiscal 2020") and other filings filed with the SEC.

The results of operations, cash flows and comprehensive income for the nine months ended March 27, 2021 are not necessarily indicative of results to be expected for the entire fiscal year, which will end on July 3, 2021 ("fiscal 2021").

Fiscal Periods

The Company utilizes a 52-53 week fiscal year ending on the Saturday closest to June 30. Fiscal 2021 will be a 53-week period. Fiscal 2020, ended on June 27, 2020, was a 52-week period. The third quarter of fiscal 2021 ended on March 27, 2021 and the third quarter of fiscal 2020 ended on March 28, 2020, both of which were 13-week periods.

Covid-19 Pandemic

The outbreak of a novel strain of coronavirus continues to impact a significant majority of the regions in which we operate. In March 2020, the outbreak was labeled a global pandemic by the World Health Organization. National, state and local governments responded to the Covid-19 pandemic in a variety of ways, including, but not limited to, declaring states of emergency, restricting people from gathering in groups or interacting within a certain physical distance (i.e., social distancing), requiring individuals to stay at home, and in most cases, ordering non-essential businesses to close or limit operations. The Company had temporarily closed the majority of its directly operated stores globally for some period of time to help reduce the spread of Covid-19 during fiscal 2020. The vast majority of the Company's stores re-opened for either in-store or pick-up service and have continued to operate since then, however, some store locations have experienced temporary re-closures or are operating under tighter restrictions in compliance with local government regulation. Many of the Company's wholesale and licensing partners also closed their bricks and mortar stores as required by government orders during the third and fourth quarters of fiscal 2020, and while the majority of stores have reopened, they have also been subject to temporary re-closures and tighter capacity restrictions operating in compliance with the rules of certain local governments.

The global Covid-19 pandemic is continuously evolving and the extent to which this impacts the Company - including unforeseen increased costs to the Company's business - will depend on future developments, which are highly uncertain and cannot be predicted, including the ultimate duration, severity and geographic resurgence of the virus and the success of actions to contain the virus, including variants of the novel strain, or treat its impact, among others. As the full magnitude of the effects on the Company's business is difficult to predict at this time, the Covid-19 pandemic has and is expected to continue to have a material adverse impact on the Company's business, financial condition, results of operations and cash flows for the foreseeable future. The Company believes that cash flows from operations, access to the credit and capital markets and our credit lines, on-hand cash and cash equivalents and our investments provide adequate funds to support our operating, capital, and debt service requirements for the remainder of fiscal 2021 and beyond. There can be no assurance, however, that any such capital will be available to the Company on acceptable terms or at all. The Company could experience other potential adverse impacts as a result of the Covid-19 pandemic, including, but not limited to, further charges from adjustments to the carrying amount of goodwill and other intangible assets, long-lived asset impairment charges, reserves for uncollectible accounts receivable and reserves for the realizability of inventory. In addition, the negative impacts of the Covid-19 pandemic could result in the establishment of additional valuation allowances in certain jurisdictions.

In response to the Covid-19 pandemic, the Company took actions to reinforce its liquidity and financial flexibility. Specific actions included: suspending its quarterly dividend and all share repurchases, actively reducing non-essential SG&A expense, reducing its corporate and retail workforce, temporarily reducing corporate compensation, tightly managing inventory and reducing capital expenditures. During the second quarter of fiscal 2021, compensation resumed normal levels.

Furthermore, in fiscal 2020, the Company borrowed $700 million under its $900 million definitive credit agreement, as entered into on October 24, 2019 ("Revolving Credit Facility") as a precautionary measure. Of the $700 million borrowed, all was repaid in fiscal 2021.

If stores are required to close again for an extended period of time due to a resurgence of increased infections, the Company's liquidity may be negatively impacted. On May 19, 2020, the Company entered into Amendment No. 1 (the “Amendment”) to the Revolving Credit Facility, which sets forth the modifications pertaining to the leverage ratio financial covenant required. Refer to Note 12, "Debt", for additional information regarding the Company's outstanding notes payable and applicable amendments.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and footnotes thereto. Actual results could differ from estimates in amounts that may be material to the financial statements.

Significant estimates inherent in the preparation of the condensed consolidated financial statements include useful lives and impairments of long-lived tangible and intangible assets; reserves for the realizability of inventory; customer returns, end-of-season markdowns and operational chargebacks; accounting for income taxes (including the impacts of tax legislation) and related uncertain tax positions; accounting for business combinations; the valuation of stock-based compensation awards and related expected forfeiture rates; reserves for restructuring; and reserves for litigation and other contingencies, amongst others.

Share Repurchases

The Company accounts for share repurchases by allocating the repurchase price to common stock and retained earnings. As a result, all repurchased shares are authorized but unissued shares. Under Maryland law, the Company's state of incorporation, there are no treasury shares. The Company accrues for the shares purchased under the share repurchase plan based on the trade date. Purchases of the Company's common stock are executed through open market purchases, including through a purchase agreement under Rule 10b5-1. The Company may terminate or limit the share repurchase program at any time.

Principles of Consolidation

These unaudited interim condensed consolidated financial statements include the accounts of the Company and all 100% owned and controlled subsidiaries. All intercompany transactions and balances are eliminated in consolidation.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-13, "Fair Value Measurement (Topic 820)" ("ASU 2018-13"), which is intended to improve the effectiveness of fair value disclosures. The ASU removes or modifies certain disclosure requirements related to fair value information, as well as adds new disclosure requirements for Level 3 fair value measurements. The Company adopted ASU 2018-13 as of the beginning of Fiscal 2021. The adoption of ASU 2018-13 did not have a material impact on the Company's condensed consolidated financial statements and notes thereto.

In August 2018, the FASB issued ASU No. 2018-15, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40)" ("ASU 2018-15"), which is intended to clarify the accounting for implementation costs of cloud computing arrangements which are deemed to be a service contract rather than a software license. The Company adopted ASU 2018-15 as of the beginning of Fiscal 2021 on a prospective basis. The adoption of ASU 2018-15 did not have a material impact on the Company's condensed consolidated financial statements and notes thereto.

In June 2016, the FASB issued ASU No. 2016-13, “Measurement of Credit Losses on Financial Instruments” (“ASU 2016-13”), and subsequent clarifying updates, which requires companies to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. The standard requires upfront recognition of an allowance for credit losses expected to be incurred over an asset's contractual life based on relevant information about past events, current conditions, and supportable forecasts impacting its ultimate collectability. The Company adopted ASU 2016-13 as of the beginning of Fiscal 2021 using the modified retrospective basis. The adoption of ASU 2016-13 did not have a material impact on the Company’s condensed consolidated financial statements and notes thereto.

Recently Issued Accounting Pronouncements

The Company has considered all new accounting pronouncements and have concluded that there are no new pronouncements that may have a material impact on our results of operations, financial condition or cash flows based on current information.

4. REVENUE

The Company recognizes revenue primarily from sales of the products of its brands through retail and wholesale channels, including the Internet. The Company also generates revenue from royalties related to licensing its trademarks, as well as sales in ancillary channels. In all cases, revenue is recognized upon the transfer of control of the promised products or services to the customer, which may be at a point in time or over time. Control is transferred when the customer obtains the ability to direct the use of and obtain substantially all of the remaining benefits from the products or services. The amount of revenue recognized is the amount of consideration to which the Company expects to be entitled, including estimation of sale terms that may create variability in the consideration. Revenue subject to variability is constrained to an amount which will not result in a significant reversal in future periods when the contingency that creates variability is resolved.

The Company recognizes revenue in its retail stores, including concession shop-in-shops, at the point-of-sale when the customer obtains physical possession of the products. Internet revenue from sales of products ordered through the Company's e-commerce sites is recognized upon delivery and receipt of the shipment by its customers and includes shipping and handling charges paid by customers. Retail and Internet revenues are recorded net of estimated returns, which are estimated by developing an expected value based on historical experience. Payment is due at the point of sale.

Gift cards issued by the Company are recorded as a liability until redeemed by the customer, at which point revenue is recognized. The Company also uses historical information to estimate the amount of gift card balances that will never be redeemed and recognizes that amount as revenue over time in proportion to actual customer redemptions if the Company does not have a legal obligation to remit unredeemed gift cards to any jurisdiction as unclaimed property.

The Company recognizes revenue within the wholesale channel at the time title passes and risk of loss is transferred to customers, which is generally at the point of shipment of products but may occur upon receipt of the shipment by the customer in certain cases. Payment is generally due 30 to 90 days after shipment. Wholesale revenue is recorded net of estimates for returns, discounts, end-of-season markdowns, cooperative advertising allowances and other consideration provided to the customer. Discounts are based on contract terms with the customer, while cooperative advertising allowances and other consideration may be based on contract terms or negotiated on a case-by-case basis. Returns and markdowns generally require approval from the Company and are estimated based on historical trends, current season results and inventory positions at the wholesale locations, current market and economic conditions as well as, in select cases, contractual terms. The Company's historical estimates of these variable amounts have not differed materially from actual results.

The Company recognizes licensing revenue over time during the contract period in which licensees are granted access to the Company's trademarks. These arrangements require licensees to pay a sales-based royalty and may include a contractually guaranteed minimum royalty amount. Revenue for contractually guaranteed minimum royalty amounts is recognized ratably over the license year and any excess sales-based royalties are recognized as earned once the minimum royalty threshold is achieved. Payments from the customer are generally due quarterly in an amount based on the licensee's sales of goods bearing the licensed trademarks during the period, which may differ from the amount of revenue recorded during the period thereby generating a contract asset or liability. Contract assets and liabilities and contract costs related to the licensing arrangements are immaterial as the licensing business represents approximately 1% of total net sales in the nine months ended March 27, 2021.

The Company has elected not to disclose the remaining performance obligations that are unsatisfied as of the end of the period related to contracts with an original duration of one year or less or variable consideration related to sales-based royalty arrangements. There are no other contracts with transaction price allocated to remaining performance obligations other than future minimum royalties as discussed above, which are not material.

Other elections made by the Company include (i) assuming no significant financing component exists for any contract with a duration of one year or less, (ii) accounting for shipping and handling as a fulfillment activity within SG&A expense regardless of the timing of the shipment in relation to the transfer of control and (iii) excluding sales and value added tax from the transaction price.

Disaggregated Net Sales

The following table disaggregates the Company's net sales into geographies that depict how economic factors may impact the revenues and cash flows for the periods presented. Each geography presented includes net sales related to the Company's directly operated channels, global travel retail business and to wholesale customers, including distributors, in locations within the specified geographic area.

	North America	Greater China[1]	Other Asia[2]	Other[3]	Total
	(millions)				
Three Months Ended March 27, 2021					
Coach	**$ 515.1**	**$ 247.6**	**$ 163.8**	**$ 37.0**	**$ 963.5**
Kate Spade	**184.8**	**13.0**	**35.8**	**18.8**	**252.4**
Stuart Weitzman	**26.6**	**24.9**	**0.8**	**5.1**	**57.4**
Total	**$ 726.5**	**$ 285.5**	**$ 200.4**	**$ 60.9**	**$ 1,273.3**
Three Months Ended March 28, 2020					
Coach	$ 427.6	$ 103.7	$ 193.8	$ 47.4	$ 772.5
Kate Spade	181.4	8.9	41.1	18.1	249.5
Stuart Weitzman	28.7	10.6	4.5	6.9	50.7
Total	$ 637.7	$ 123.2	$ 239.4	$ 72.4	$ 1,072.7
Nine Months Ended March 27, 2021					
Coach	**$ 1,724.4**	**$ 686.4**	**$ 514.1**	**$ 139.3**	**$ 3,064.2**
Kate Spade	**660.8**	**40.2**	**105.8**	**61.6**	**868.4**
Stuart Weitzman	**94.8**	**78.2**	**3.6**	**21.7**	**198.3**
Total	**$ 2,480.0**	**$ 804.8**	**$ 623.5**	**$ 222.6**	**$ 4,130.9**
Nine Months Ended March 28, 2020					
Coach	$ 1,751.3	$ 451.0	$ 622.0	$ 184.0	$ 3,008.3
Kate Spade	761.8	34.8	125.2	63.6	985.4
Stuart Weitzman	137.7	62.7	16.4	36.1	252.9
Total	$ 2,650.8	$ 548.5	$ 763.6	$ 283.7	$ 4,246.6

(1) Greater China includes mainland China, Taiwan, Hong Kong SAR and Macao SAR.

(2) Other Asia includes Japan, Australia, New Zealand, South Korea, Thailand and other countries within Asia.

(3) Other sales primarily represents sales in Europe, the Middle East and royalties related to licensing.

Deferred Revenue

Deferred revenue results from cash payments received or receivable from customers prior to the transfer of the promised goods or services, and is generally comprised of unredeemed gift cards, net of breakage which has been recognized. Additional deferred revenue may result from sales-based royalty payments received or receivable which exceed the revenue recognized during the contractual period. The balance of such amounts as of March 27, 2021 and June 27, 2020 was $34.4 million and $28.1 million, respectively, which were primarily recorded within Accrued liabilities on the Company's Condensed Consolidated Balance Sheets and are generally expected to be recognized as revenue within a year. For the nine months ended March 27, 2021, net sales of $9.6 million were recognized from amounts recorded as deferred revenue as of June 27, 2020. For the nine months ended March 28, 2020, net sales of $11.3 million were recognized from amounts recorded as deferred revenue as of June 29, 2019.

5. INTEGRATION

The Company did not incur integration costs during the three and nine months ended March 27, 2021.

During the three and nine months ended March 28, 2020, the Company incurred integration costs of $3.4 million and $11.6 million. The charges recorded in Cost of sales for the nine months ended March 28, 2020 were $5.6 million. There were no charges recorded for the three months ended March 28, 2020. Of the amount recorded to Cost of sales for the nine months ended March 28, 2020, $4.3 million was recorded in the Stuart Weitzman segment, $1.2 million was recorded in the Kate Spade segment and $0.1 million was recorded in the Coach segment, respectively. The charges recorded to SG&A expenses for the three and nine months ended March 28, 2020 were $3.4 million and $6.0 million, respectively. Of the amount recorded to SG&A expenses, $2.9 million and $6.9 million was recorded within Corporate, $0.2 million and a reduction of expense of $1.9 million was recorded in the Stuart Weitzman segment, $0.3 million and $1.1 million was recorded in the Kate Spade segment and $0.0 million and a reduction of expense of $0.1 million was recorded in the Coach segment, respectively. Of the total costs of $3.4 million, a reduction of expense of $0.1 million were non-cash charges. Of the total costs of $11.6 million, $3.8 million were non-cash charges related to inventory charges, organization-related costs and purchase accounting adjustments.

A summary of the integration charges for the three and nine months ended March 28, 2020 is as follows:

	Three Months Ended March 28, 2020	Nine Months Ended March 28, 2020
	(millions)	
Purchase accounting adjustments[1]	$ —	$ 0.8
Inventory-related charges[2]	—	4.9
Other[3]	3.4	5.9
Total	$ 3.4	$ 11.6

(1) Purchase accounting adjustments primarily relate to the short-term impact of the amortization of fair value adjustments.

(2) Inventory-related charges primarily relate to inventory reserves.

(3) Other primarily relates to share-based compensation, severance charges, professional fees and asset write-offs.

6. RESTRUCTURING ACTIVITIES

Acceleration Program

The Company has implemented a strategic growth plan after undergoing a review of its business under its multi-year growth agenda. This multi-faceted, multi-year strategic growth plan (the "Acceleration Program") reflects: (i) actions to streamline the Company's organization; (ii) select store closures as the Company optimizes its fleet (including store closure costs incurred as the Company exits certain regions in which it currently operates); and (iii) professional fees and compensation costs incurred as a result of the development and execution of the Company's comprehensive strategic initiatives aimed at increasing profitability. Under the Acceleration Program, the Company now expects to incur total pre-tax charges of approximately $205 - $220 million. Charges expected related to the Acceleration Program increased modestly due to additional professional fees and performance-based compensation. The Acceleration Program is expected to be substantially complete by the end of fiscal 2022.

Under the Acceleration Program, the Company incurred charges of $20.4 million and $68.7 million during the three and nine months ended March 27, 2021, respectively, all of which was recorded within SG&A expenses. Of the $20.4 million and $68.7 million recorded within SG&A expenses, $11.4 million and $44.5 million was recorded within Corporate, $4.7 million and $21.2 million was recorded within the Coach segment, $0.9 million and $4.3 million was recorded within the Kate Spade segment and $3.4 million and a reduction of expense of $1.3 million was recorded within the Stuart Weitzman segment, respectively. A summary of charges and related liabilities under the Acceleration Program is as follows:

	Organization-Related[1]	Store Closure[2]	Other[3]	Total
	(millions)			
Fiscal 2020 charges	$ 44.7	$ 32.3	$ 10.0	$ 87.0
Cash payments	(15.8)	(11.0)	(7.1)	(33.9)
Non-cash charges	(4.0)	(20.8)	—	(24.8)
Liability balance as of June 27, 2020	$ 24.9	$ 0.5	$ 2.9	$ 28.3
Fiscal 2021 charges	**$ 16.2**	**$ 7.8**	**$ 44.7**	**$ 68.7**
Cash payments	**(35.1)**	**(8.3)**	**(27.5)**	**(70.9)**
Non-cash charges	**—**	**0.3**	**(6.4)**	**(6.1)**
Liability balance as of March 27, 2021	**$ 6.0**	**$ 0.3**	**$ 13.7**	**$ 20.0**

(1) Organization-related charges, recorded within SG&A expenses, primarily relates to severance and other related costs.

(2) Store closure charges represent lease termination penalties, removal or modification of lease assets and liabilities, establishing inventory reserves, accelerated depreciation and severance.

(3) Other charges, recorded within SG&A, primarily relates to professional fees incurred related to the Acceleration Program.

The Company expects to incur approximately $50 - $65 million in additional charges under the Acceleration Program, of which the majority is estimated to be cash.

7. GOODWILL AND OTHER INTANGIBLE ASSETS

Interim Impairment Assessment

The Company performs its annual impairment assessment of goodwill as well as brand intangibles at the beginning of the fourth quarter of each fiscal year or if an event occurs that would more likely than not reduce the fair value below its carrying amount.

No events occurred during the three months ended March 27, 2021 that would more likely than not reduce the fair value below its carrying value.

During the three months ended March 28, 2020, profitability trends continued to decline from those that were expected for the Stuart Weitzman brand. This reduction in cash flows for the three months ended March 28, 2020 and expected future cash flows was exacerbated by the Covid-19 pandemic, which resulted in a decline in sales driven by full and partial closures of a significant portion of our stores globally. As a result of these macroeconomic conditions, the Company concluded that a triggering event had occurred during the third quarter of fiscal year 2020, resulting in the need to perform a quantitative interim impairment assessment over the Company’s Stuart Weitzman reporting unit and indefinite-lived brand intangible assets. The assessment concluded that the fair values of the Stuart Weitzman reporting unit and indefinite-lived brand intangible asset as of March 28, 2020 did not exceed their respective carrying values.

Accordingly, during the three months ended March 28, 2020, the Company recorded a goodwill impairment charge of $210.7 million related to the Stuart Weitzman reporting unit, resulting in a full impairment. The Company also recorded an impairment charge of $267.0 million related to the Stuart Weitzman indefinite-lived brand, resulting in a full impairment. The goodwill and brand intangible impairment charges were recorded within total SG&A expenses on the Company's Condensed Consolidated Statement of Operations for the three and nine months ended March 28, 2020.

The estimated fair value of the Stuart Weitzman reporting unit was based on a weighted average of the income and market approaches. The income approach is based on estimated discounted future cash flows, while the market approach is based on earnings multiples of selected guideline companies. The approach, which qualifies as level 3 in the fair value hierarchy, incorporated a number of significant assumptions and judgments, including, but not limited to, estimated future cash flows, discount rates, income tax rates, terminal growth rates and valuation multiples derived from comparable publicly traded companies. In considering the excess of the fair value over its carrying value for the Coach and Kate Spade reporting units and indefinite-lived brand intangibles, management did not perform an interim assessment for these reporting units during the three months ended March 28, 2020.

Goodwill

The change in the carrying amount of the Company’s goodwill by segment is as follows:

	Coach	Kate Spade	Stuart Weitzman[1]	Total
		(millions)		
Balance at June 27, 2020	$ 661.7	$ 639.4	$ —	$ 1,301.1
Foreign exchange impact	**(2.5)**	**1.6**	**—**	**(0.9)**
Balance at March 27, 2021	**$ 659.2**	**$ 641.0**	**$ —**	**$ 1,300.2**

(1) Amount is net of accumulated goodwill impairment charges of $210.7 million as of March 27, 2021 and June 27, 2020.

Intangible Assets

Intangible assets consist of the following:

	March 27, 2021			June 27, 2020		
	Gross Carrying Amount	Accum. Amort.	Net	Gross Carrying Amount	Accum. Amort.	Net
	(millions)					
Intangible assets subject to amortization:						
Customer relationships	$ 100.5	$ (35.7)	$ 64.8	$ 100.6	$ (31.0)	$ 69.6
Intangible assets not subject to amortization:						
Trademarks and trade names	1,309.9	—	1,309.9	1,309.8	—	1,309.8
Total intangible assets	$ 1,410.4	$ (35.7)	$ 1,374.7	$ 1,410.4	$ (31.0)	$ 1,379.4

As of March 27, 2021, the expected amortization expense for intangible assets is as follows:

	Amortization Expense
	(millions)
Remainder of fiscal 2021	$ 1.7
Fiscal 2022	6.5
Fiscal 2023	6.5
Fiscal 2024	6.5
Fiscal 2025	6.5
Fiscal 2026	6.5
Fiscal 2027 and thereafter	30.6
Total	**$ 64.8**

The expected amortization expense above reflects remaining useful lives ranging from approximately 9.1 to 11.3 years for customer relationships.

8. STOCKHOLDERS' EQUITY

A reconciliation of stockholders' equity is presented below:

	Shares of Common Stock	Common Stock	Additional Paid-in-Capital	Retained Earnings / (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(millions, except per share data)					
Balance at June 29, 2019	286.8	$ 2.9	$ 3,302.1	$ 291.6	$ (83.2)	$ 3,513.4
Net income (loss)	—	—	—	20.0	—	20.0
Other comprehensive income (loss)	—	—	—	—	(12.8)	(12.8)
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	1.0	—	(14.5)	—	—	(14.5)
Share-based compensation	—	—	26.8	—	—	26.8
Repurchase of common stock	(11.9)	(0.1)	—	(299.9)	—	(300.0)
Dividends declared ($0.3375 per share)	—	—	—	(97.1)	—	(97.1)
Cumulative adjustment from adoption of new accounting standard	—	—	—	(48.9)	—	(48.9)
Balance at September 28, 2019	275.9	$ 2.8	$ 3,314.4	$ (134.3)	$ (96.0)	$ 3,086.9
Net income (loss)	—	—	—	298.8	—	298.8
Other comprehensive income (loss)	—	—	—	—	11.0	11.0
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	0.1	—	2.1	—	—	2.1
Share-based compensation	—	—	16.8	—	—	16.8
Dividends declared ($0.3375 per share)	—	—	—	(93.2)	—	(93.2)
Balance at December 28, 2019	276.0	$ 2.8	$ 3,333.3	$ 71.3	$ (85.0)	$ 3,322.4
Net income (loss)	—	—	—	(677.1)	—	(677.1)
Other comprehensive income	—	—	—	—	(11.7)	(11.7)
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	0.1	—	(0.5)	—	—	(0.5)
Share-based compensation	—	—	13.2	—	—	13.2
Dividends declared ($0.3375 per share)	—	—	—	(93.2)	—	(93.2)
Balance at March 28, 2020	276.1	$ 2.8	$ 3,346.0	$ (699.0)	$ (96.7)	$ 2,553.1

	Shares of Common Stock	Common Stock	Additional Paid-in-Capital	Retained Earnings / (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
			(millions, except per share data)			
Balance at June 27, 2020	**276.2**	**$ 2.8**	**$ 3,358.5**	**$ (992.7)**	**$ (92.2)**	**$ 2,276.4**
Net income (loss)	**—**	**—**	**—**	**231.7**	**—**	**231.7**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**15.7**	**15.7**
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	**1.2**	**—**	**(8.3)**	**—**	**—**	**(8.3)**
Share-based compensation	**—**	**—**	**14.6**	**—**	**—**	**14.6**
Balance at September 26, 2020	**277.4**	**$ 2.8**	**$ 3,364.8**	**$ (761.0)**	**$ (76.5)**	**$ 2,530.1**
Net income (loss)	**—**	**—**	**—**	**311.0**	**—**	**311.0**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**26.1**	**26.1**
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	**0.4**	**—**	**6.1**	**—**	**—**	**6.1**
Share-based compensation	**—**	**—**	**17.4**	**—**	**—**	**17.4**
Balance at December 26, 2020	**277.8**	**$ 2.8**	**$ 3,388.3**	**$ (450.0)**	**$ (50.4)**	**$ 2,890.7**
Net income (loss)	**—**	**—**	**—**	**91.7**	**—**	**91.7**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**(21.4)**	**(21.4)**
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	**1.0**	**—**	**32.9**	**—**	**—**	**32.9**
Share-based compensation	**—**	**—**	**21.1**	**—**	**—**	**21.1**
Balance at March 27, 2021	**278.8**	**$ 2.8**	**$ 3,442.3**	**$ (358.3)**	**$ (71.8)**	**$ 3,015.0**

The components of accumulated other comprehensive income (loss) ("AOCI"), as of the dates indicated, are as follows:

	Unrealized Gains (Losses) on Cash Flow Hedging Derivatives[1]	Unrealized Gains (Losses) on Available-for-Sale Investments	Cumulative Translation Adjustment	Other	Total
			(millions)		
Balances at June 29, 2019	$ (4.5)	$ (0.5)	$ (79.9)	$ 1.7	$ (83.2)
Other comprehensive income (loss) before reclassifications	(1.7)	—	(18.3)	—	(20.0)
Less: amounts reclassified from accumulated other comprehensive income to earnings	(8.2)	—	—	1.7	(6.5)
Net current-period other comprehensive income (loss)	6.5	—	(18.3)	(1.7)	(13.5)
Balances at March 28, 2020	$ 2.0	$ (0.5)	$ (98.2)	$ —	$ (96.7)
Balances at June 27, 2020	**$ 1.1**	**$ —**	**$ (93.3)**	**$ —**	**$ (92.2)**
Other comprehensive income (loss) before reclassifications	**(6.1)**	**—**	**23.5**	**—**	**17.4**
Less: amounts reclassified from accumulated other comprehensive income to earnings	**(3.0)**	**—**	**—**	**—**	**(3.0)**
Net current-period other comprehensive income (loss)	**(3.1)**	**—**	**23.5**	**—**	**20.4**
Balances at March 27, 2021	**$ (2.0)**	**$ —**	**$ (69.8)**	**$ —**	**$ (71.8)**

(1) The ending balances of AOCI related to cash flow hedges are net of tax of $0.3 million and ($0.4) million as of March 27, 2021 and March 28, 2020, respectively. The amounts reclassified from AOCI are net of tax of less than $0.1 million and $4.1 million as of March 27, 2021 and March 28, 2020, respectively.

9. LEASES

The Company leases retail space, office space, warehouse facilities, distribution centers, storage space, machinery, equipment and certain other items under operating leases. The Company's leases have initial terms ranging from 1 to 20 years and may have renewal or early termination options ranging from 1 to 10 years. These leases may also include rent escalation clauses or lease incentives in the form of construction allowances and rent reduction. In determining the lease term used in the lease right-of-use ("ROU") asset and lease liability calculations, the Company considers various factors such as market conditions and the terms of any renewal or termination options that may exist. When deemed reasonably certain, the renewal and termination options are included in the determination of the lease term and calculation of the lease ROU asset and lease liability. The Company is typically required to make fixed minimum rent payments, variable rent payments primarily based on performance (i.e., percentage-of-sales-based payments), or a combination thereof, directly related to its ROU asset. The Company is also often required, by the lease, to pay for certain other costs including real estate taxes, insurance, common area maintenance fees, and/or certain other costs, which may be fixed or variable, depending upon the terms of the respective lease agreement. To the extent these payments are fixed, the Company has included them in calculating the lease ROU assets and lease liabilities.

The Company calculates lease ROU assets and lease liabilities as the present value of fixed lease payments over the reasonably certain lease term beginning at the commencement date. As the rate implicit in the Company's leases is not readily determinable, the Company uses its incremental borrowing rate to determine the present value of lease payments. The incremental borrowing rate is based on the information available at the lease commencement date, including the lease term, currency, country, Company specific risk premium and adjustments for collateral.

For operating leases, fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term. For finance leases and impaired operating leases, the ROU asset is depreciated on a straight-line basis over the remaining lease term, along with recognition of interest expense associated with accretion of the lease liability. For leases with a lease term of 12 months or less ("short-term lease"), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the Condensed Consolidated Balance Sheets. Variable lease cost for both operating and finance leases, if any, is recognized as incurred.

The Company acts as sublessor in certain leasing arrangements, primarily related to a sublease of a portion the Company's leased headquarters space as well as certain retail locations. Fixed sublease payments received are recognized on a straight-line basis over the sublease term.

ROU assets, along with any other related long-lived assets, are periodically evaluated for impairment.

The following table summarizes the ROU assets and lease liabilities recorded on the Company's Condensed Consolidated Balance Sheets as of March 27, 2021 and June 27, 2020:

	March 27, 2021	June 27, 2020	**Location Recorded on Balance Sheet**
	(millions)		
Assets:			
Operating leases	**$ 1,555.2**	$ 1,757.0	Operating lease right-of-use assets
Finance leases	**2.7**	3.3	Property and equipment, net
Total lease assets	**$ 1,557.9**	$ 1,760.3	
Liabilities:			
Operating leases:			
Current lease liabilities	**$ 354.6**	$ 388.8	Current lease liabilities
Long-term lease liabilities	**1,576.3**	1,799.8	Long-term lease liabilities
Total operating lease liabilities	**$ 1,930.9**	$ 2,188.6	
Finance leases:			
Current lease liabilities	**$ 0.9**	$ 0.9	Accrued liabilities
Long-term lease liabilities	**3.7**	4.4	Other liabilities
Total finance lease liabilities	**$ 4.6**	$ 5.3	
Total lease liabilities	**$ 1,935.5**	$ 2,193.9	

The following table summarizes the composition of net lease costs, primarily recorded within SG&A expenses on the Company's Condensed Consolidated Statements of Operations for the three and nine months March 27, 2021 and March 28, 2020:

	Three Months Ended		**Nine Months Ended**	
	March 27, 2021	March 28, 2020	**March 27, 2021**	March 28, 2020
		(millions)		
Finance lease cost:				
Amortization of right-of-use assets	**$ 0.2**	$ 0.2	**$ 0.6**	$ 0.6
Interest on lease liabilities[1]	**0.1**	0.2	**0.4**	0.5
Total finance lease cost	**0.3**	0.4	**1.0**	1.1
Operating lease cost	**87.3**	107.3	**263.2**	324.6
Short-term lease cost	**24.6**	3.5	**37.7**	7.1
Variable lease cost[2]	**32.6**	39.6	**89.9**	151.7
Operating lease right-of-use impairment	**46.2**	27.9	**48.3**	63.7
Less: sublease income	**(6.0)**	(4.5)	**(15.2)**	(15.2)
Total net lease cost	**$ 185.0**	$ 174.2	**$ 424.9**	$ 533.0

(1) Interest on lease liabilities is recorded within Interest expense, net on the Company's Condensed Consolidated Statement of Operations.

(2) Rent concessions negotiated related to Covid-19 are recorded in variable lease expense.

The following table summarizes certain cash flow information related to the Company's leases for the nine months March 27, 2021 and March 28, 2020:

	Nine Months Ended	
	March 27, 2021	March 28, 2020
	(millions)	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	**$ 376.8**	$ 322.8
Operating cash flows from finance leases	**0.4**	0.5
Financing cash flows from finance leases	**0.6**	0.6
Non-cash transactions:		
Right-of-use assets obtained in exchange for operating lease liabilities	**49.0**	184.7
Right-of-use assets obtained in exchange for finance lease liabilities	**—**	—

Additionally, the Company did not have future payment obligations related to executed lease agreements for which the related lease has not yet commenced as of March 27, 2021.

10. EARNINGS PER SHARE

Basic net income per share is calculated by dividing net income by the weighted-average number of shares outstanding during the period. Diluted net income per share is calculated similarly but includes potential dilution from the exercise of stock options and restricted stock units and any other potentially dilutive instruments, only in the periods in which such effects are dilutive under the treasury stock method.

The following is a reconciliation of the weighted-average shares outstanding and calculation of basic and diluted earnings per share:

	Three Months Ended		Nine Months Ended	
	March 27, 2021	March 28, 2020	**March 27, 2021**	March 28, 2020
	(millions, except per share data)			
Net income (loss)	**$ 91.7**	$ (677.1)	**$ 634.4**	$ (358.3)
Weighted-average basic shares	**278.2**	276.1	**277.5**	279.4
Dilutive securities:				
Effect of dilutive securities[(1)]	**7.4**	—	**4.0**	—
Weighted-average diluted shares	**285.6**	276.1	**281.5**	279.4
Net income per share:				
Basic	**$ 0.33**	$ (2.45)	**$ 2.29**	$ (1.28)
Diluted	**$ 0.32**	$ (2.45)	**$ 2.25**	$ (1.28)

(1) There was no dilutive effect for the three and nine months ended March 28, 2020 as the impact of these items would be anti-dilutive as a result of the net loss incurred during the period.

Earnings per share amounts have been calculated based on unrounded numbers. Options to purchase shares of the Company's common stock at an exercise price greater than the average market price of the common stock during the reporting period are anti-dilutive and therefore not included in the computation of diluted net income per common share. In addition, the Company has outstanding restricted stock unit awards that are issuable only upon the achievement of certain performance goals. Performance-based restricted stock unit awards are included in the computation of diluted shares only to the extent that the underlying performance conditions (i) are satisfied as of the end of the reporting period or (ii) would be considered satisfied if the end of the reporting period were the end of the related contingency period and the result would be dilutive under the treasury stock method. As of March 27, 2021 and March 28, 2020, there were 8.7 million and 17.6 million, respectively, of additional shares issuable upon exercise of anti-dilutive options and contingent vesting of performance-based restricted stock unit awards, which were excluded from the diluted share calculations.

11. SHARE-BASED COMPENSATION

The following table shows the share-based compensation expense and the related tax benefits recognized in the Company's Condensed Consolidated Statements of Operations for the periods indicated:

	Three Months Ended		Nine Months Ended	
	March 27, 2021	March 28, 2020	**March 27, 2021**	March 28, 2020
	(millions)			
Share-based compensation expense[1]	**$ 21.1**	$ 13.2	**$ 53.1**	$ 56.8
Income tax benefit related to share-based compensation expense	**4.2**	2.9	**10.0**	11.8

[1] During the three and nine months ended March 27, 2021, the Company incurred $3.3 million and $6.4 million of share-based compensation expense related to its Acceleration Program. During the three and nine months ended March 28, 2020, the Company incurred $0.0 million and $9.8 million of share-based compensation expense related to its organization-related and integration activities, respectively.

Stock Options

A summary of stock option activity during the nine months ended March 27, 2021 is as follows:

	Number of Options Outstanding
	(millions)
Outstanding at June 27, 2020	15.0
Granted	**1.5**
Exercised	**(1.2)**
Forfeited or expired	**(1.3)**
Outstanding at March 27, 2021	**14.0**

The weighted-average grant-date fair value of options granted during the nine months ended March 27, 2021 and March 28, 2020 was $7.09 and $3.83, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model and the following weighted-average assumptions:

	March 27, 2021	March 28, 2020
Expected term (years)	**5.1**	5.1
Expected volatility	**48.8 %**	37.6 %
Risk-free interest rate	**0.3 %**	1.5 %
Dividend yield	**— %**	6.4 %

Service-based Restricted Stock Unit Awards ("RSUs")

A summary of service-based RSU activity during the nine months ended March 27, 2021 is as follows:

	Number of Non-vested RSUs
	(millions)
Non-vested at June 27, 2020	4.9
Granted	**4.7**
Vested	**(1.6)**
Forfeited	**(0.5)**
Non-vested at March 27, 2021	**7.5**

The weighted-average grant-date fair value of share awards granted during the nine months ended March 27, 2021 and March 28, 2020 was $15.96 and $21.34, respectively.

Performance-based Restricted Stock Unit Awards ("PRSUs")

A summary of PRSU activity during the nine months ended March 27, 2021 is as follows:

	Number of Non-vested PRSUs
	(millions)
Non-vested at June 27, 2020	0.8
Granted	**0.9**
Change due to performance condition achievement	**—**
Vested	**(0.2)**
Forfeited	**(0.1)**
Non-vested at March 27, 2021	**1.4**

The PRSU awards included in the non-vested amount are based on certain Company-specific financial metrics. The effect of the change due to performance condition on the non-vested amount is recognized at the conclusion of the performance period, which may differ from the date on which the award vests.

The weighted-average grant-date fair value per share of PRSU awards granted during the nine months ended March 27, 2021 and March 28, 2020 was $16.71 and $21.30, respectively.

12. DEBT

The following table summarizes the components of the Company's outstanding debt:

	March 27, 2021	June 27, 2020
	(millions)	
Current debt:		
Revolving Credit Facility	$ —	$ 700.0
Note Payable	—	11.5
Total current debt	$ —	$ 711.5
Long-term debt:		
4.250% Senior Notes due 2025	$ **600.0**	$ 600.0
3.000% Senior Notes due 2022	**400.0**	400.0
4.125% Senior Notes due 2027	**600.0**	600.0
Total long-term debt	**1,600.0**	1,600.0
Less: Unamortized discount and debt issuance costs on Senior Notes	**(10.0)**	(12.1)
Total long-term debt, net	$ **1,590.0**	$ 1,587.9

During the three and nine months ended March 27, 2021, the Company recognized interest expense related to its debt of $17.3 million and $56.6 million, respectively. During the three-month and nine-month periods ended March 28, 2020, the Company recognized interest expense related to its debt of $16.7 million and $50.2 million, respectively.

Revolving Credit Facility

On October 24, 2019, the Company entered into a definitive credit agreement whereby Bank of America, N.A., as administrative agent, the other agents party thereto, and a syndicate of banks and financial institutions have made available to the Company a $900.0 million revolving credit facility, including sub-facilities for letters of credit, with a maturity date of October 24, 2024. The Revolving Credit Facility may be used to finance the working capital needs, capital expenditures, permitted investments, share purchases, dividends and other general corporate purposes of the Company and its subsidiaries (which may include commercial paper back-up). Letters of credit and swing line loans may be issued under the Revolving Credit Facility as described below.

Borrowings under the Revolving Credit Facility bear interest at a rate per annum equal to, at the Borrowers' option, either (a) an alternate base rate (which is a rate equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1% or (iii) the Adjusted LIBO Rate for a one month Interest Period on such day plus 1% or (b) a rate based on the rates applicable for deposits in the interbank market for U.S. Dollars or the applicable currency in which the loans are made plus, in each case, an applicable margin. The applicable margin will be determined by reference to a grid, as defined in the Credit Agreement, based on the ratio of (a) consolidated debt plus operating lease liability to (b) consolidated EBITDAR. Additionally, the Company pays a commitment fee at a rate determined by the reference to the aforementioned pricing grid.

On May 19, 2020, the Company entered into Amendment No. 1 (the "Amendment") to the Revolving Credit Facility under the terms of the Amendment, during the period from the Effective Date until October 2, 2021, the Company must maintain available liquidity of $700 million (with available liquidity defined as the sum of unrestricted cash and cash equivalents and available commitments under credit facilities, including the Revolving Credit Facility). Following the period from the Effective Date until the compliance certificate is delivered for the fiscal quarter ending July 3, 2021 (the "Covenant Relief Period"), the Company must comply on a quarterly basis with a maximum net leverage ratio of 4.0 to 1.0. In addition, the Amendment provides that during the Covenant Relief Period, if any two of the Company's three credit ratings are non-investment grade, the Revolving Credit Facility will be guaranteed by the Company's material domestic subsidiaries and will be subject to liens on accounts receivable, inventory and intellectual property, in each case subject to customary exceptions. The Amendment also contains negative covenants that limit the ability of the Company and its subsidiaries to, among other things, incur certain debt, incur certain liens, dispose of assets, make investments, loans or advances, and engage in share buybacks during the Covenant Relief Period. An increased interest rate will be applicable during the Covenant Relief Period when the Company's gross leverage ratio exceeds 4.0 to 1.0. The $900 million aggregate commitment amount under the revolving credit facility remains unchanged. There were no outstanding borrowings on the Revolving Credit Facility as of March 27, 2021.

4.250% Senior Notes due 2025

On March 2, 2015, the Company issued $600.0 million aggregate principal amount of 4.250% senior unsecured notes due April 1, 2025 at 99.445% of par (the “2025 Senior Notes”). Interest is payable semi-annually on April 1 and October 1 beginning October 1, 2015. Prior to January 1, 2025 (90 days prior to the scheduled maturity date), the Company may redeem the 2025 Senior Notes in whole or in part, at its option at any time or from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the 2025 Senior Notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon that would have been payable in respect of the 2025 Senior Notes calculated as if the maturity date of the 2025 Senior Notes was January 1, 2025 (not including any portion of payments of interest accrued to the date of redemption), discounted to the redemption date on a semi-annual basis at the Adjusted Treasury Rate (as defined in the indenture for the 2025 Senior Notes) plus 35 basis points, plus, in the case of each of (1) and (2), accrued and unpaid interest to the redemption date. On and after January 1, 2025 (90 days prior to the scheduled maturity date), the Company may redeem the 2025 Senior Notes in whole or in part, at its option at any time or from time to time, at a redemption price equal to 100% of the principal amount of the 2025 Senior Notes to be redeemed, plus accrued and unpaid interest to the redemption date.

3.000% Senior Notes due 2022

On June 20, 2017, the Company issued $400.0 million aggregate principal amount of 3.000% senior unsecured notes due July 15, 2022 at 99.505% of par (the "2022 Senior Notes"). Interest is payable semi-annually on January 15 and July 15 beginning January 15, 2018. Prior to June 15, 2022 (one month prior to the scheduled maturity date), the Company may redeem the 2022 Senior Notes in whole or in part, at its option at any time or from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the 2022 Senior Notes to be redeemed or (2) as determined by a Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest thereon that would have been payable in respect of the 2022 Senior Notes calculated as if the maturity date of the 2022 Senior Notes was June 15, 2022 (not including any portion of payments of interest accrued to the date of redemption), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate (as defined in the Prospectus Supplement) plus 25 basis points, plus, in the case of each of (1) and (2), accrued and unpaid interest to the redemption date.

4.125% Senior Notes due 2027

On June 20, 2017, the Company issued $600.0 million aggregate principal amount of 4.125% senior unsecured notes due July 15, 2027 at 99.858% of par (the "2027 Senior Notes"). Interest is payable semi-annually on January 15 and July 15 beginning January 15, 2018. Prior to April 15, 2027 (the date that is three months prior to the scheduled maturity date), the Company may redeem the 2027 Senior Notes in whole or in part, at its option at any time or from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the 2027 Senior Notes to be redeemed or (2) as determined by a Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest thereon that would have been payable in respect of the 2027 Senior Notes calculated as if the maturity date of the 2027 Senior Notes was April 15, 2027 (not including any portion of payments of interest accrued to the date of redemption), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate (as defined in the Prospectus Supplement) plus 30 basis points, plus, in the case of each of (1) and (2), accrued and unpaid interest to the redemption date.

At March 27, 2021, the fair value of the 2025, 2022 and 2027 Senior Notes was approximately $650.7 million, $409.8 million, and $653.0 million, respectively, based on external pricing data, including available quoted market prices of these instruments, and consideration of comparable debt instruments with similar interest rates and trading frequency, among other factors, and is classified as a Level 2 measurement within the fair value hierarchy. At June 27, 2020, the fair value of the 2025, 2022 and 2027 Senior Notes was approximately $576.6 million, $393.4 million and $565.0 million, respectively.

Note Payable

As a result of taking operational control of the Kate Spade Joint Ventures in China, the Company had an outstanding Note Payable of $11.5 million as of June 27, 2020, to the other partner of the Kate Spade Joint Ventures. The Note Payable was fully repaid as of March 27, 2021.

13. FAIR VALUE MEASUREMENTS

The Company categorizes its assets and liabilities, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy as set forth below. The three levels of the hierarchy are defined as follows:

Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than quoted prices included in Level 1. Level 2 inputs include quoted prices for identical assets or liabilities in non-active markets, quoted prices for similar assets or liabilities in active markets, and inputs other than quoted prices that are observable for substantially the full term of the asset or liability.

Level 3 — Unobservable inputs reflecting management’s own assumptions about the input used in pricing the asset or liability. The Company does not have any Level 3 investments.

The following table shows the fair value measurements of the Company’s financial assets and liabilities at March 27, 2021 and June 27, 2020:

	Level 1		Level 2	
	March 27, 2021	June 27, 2020	**March 27, 2021**	June 27, 2020
		(millions)		
Assets:				
Cash equivalents[1]	**$ 594.9**	$ 569.4	**$ 8.1**	$ 0.3
Short-term investments:				
Time deposits[2]	**—**	—	**0.7**	0.7
Other	**—**	—	**6.8**	7.4
Long-term investments:				
Other	**—**	—	**0.1**	0.1
Derivative assets:				
Inventory-related instruments[3]	**—**	—	**0.7**	2.8
Intercompany loan and payable hedges[3]	**—**	—	**1.2**	0.1
Liabilities:				
Derivative liabilities:				
Inventory-related instruments[3]	**—**	—	**1.7**	1.3
Intercompany loan and payable hedges[3]	**—**	—	**0.1**	0.4

(1) Cash equivalents consist of money market funds and time deposits with maturities of three months or less at the date of purchase. Due to their short-term maturity, management believes that their carrying value approximates fair value.

(2) Short-term investments are recorded at fair value, which approximates their carrying value, and are primarily based upon quoted vendor or broker priced securities in active markets.

(3) The fair value of these hedges is primarily based on the forward curves of the specific indices upon which settlement is based and includes an adjustment for the counterparty’s or Company’s credit risk.

Refer to Note 12, "Debt," for the fair value of the Company's outstanding debt instruments.

Non-Financial Assets and Liabilities

The Company’s non-financial instruments, which primarily consist of goodwill, intangible assets and property and equipment, are not required to be measured at fair value on a recurring basis and are reported at carrying value. However, on a periodic basis whenever events or changes in circumstances indicate that their carrying value may not be fully recoverable (and at least annually for goodwill and indefinite-lived intangible assets), non-financial instruments are assessed for impairment and, if applicable, written-down to and recorded at fair value, considering market participant assumptions.

During the three months ended March 28, 2020, the Company recorded a full impairment of $267.0 million to the Stuart Weitzman indefinite-lived brand intangibles, and a full impairment of $210.7 million to goodwill pertaining to the Stuart Weitzman reporting unit. Refer to Note 7, "Goodwill and Other Intangible Asset" for further information.

During the three and nine months ended March 27, 2021, the Company recorded $12.6 million of impairment charges to reduce the carrying amount of certain store assets within property and equipment, net to their estimated fair values. During the three and nine months ended March 27, 2021, the Company recorded $46.2 million and $48.3 million, respectively, of impairment charges to reduce the carrying amount of certain operating lease right-of-use assets to their estimated fair values.

During the three and nine months ended March 28, 2020, the Company recorded $46.7 million and $86.5 million of impairment charges to reduce the carrying amount of certain store assets within property and equipment, net to their estimated fair values. During the three and nine months ended March 28, 2020, the Company recorded $27.9 million and $63.7 million of impairment charges to reduce the carrying amount of certain operating lease right-of-use assets to their estimated fair values.

The fair value of store assets were determined based on Level 3 measurements. Inputs to these fair value measurements included estimates of the amounts and the timing of the stores' net future discounted cash flows based on historical experience, current trends and market conditions.

14. INVESTMENTS

The following table summarizes the Company’s U.S. dollar-denominated investments, recorded within the Company's Condensed Consolidated Balance Sheets as of March 27, 2021 and June 27, 2020:

	March 27, 2021			June 27, 2020		
	Short-term	**Long-term**	**Total**	Short-term	Long-term	Total
			(millions)			
Other:						
Time deposits[1]	**$ 0.7**	**$ —**	**$ 0.7**	$ 0.7	$ —	$ 0.7
Other	**6.8**	**0.1**	**6.9**	7.4	0.1	7.5
Total Investments	**$ 7.5**	**$ 0.1**	**$ 7.6**	$ 8.1	$ 0.1	$ 8.2

(1) These securities have original maturities greater than three months and are recorded at fair value.

15. INCOME TAXES

The Company's effective tax rate for the nine months ended March 27, 2021 was 3.1%, as compared to (10.8)% for the nine months ended March 28, 2020. The effective tax rate for the current year was impacted by the geographic mix of earnings and the benefit from the net operating loss ("NOL") carryback claim recognized under the Coronavirus Aid, Relief and Economic Security ("CARES") Act during the nine months ended March 27, 2021. The negative effective tax rate recorded for the nine months ended March 28, 2020 was primarily attributable to tax expense being recorded on an overall operating loss for the period. Additionally, the effective tax rate for the nine months ended March 28, 2020 was impacted by certain trade name and goodwill impairments that were non-deductible for tax purposes and the decline in net sales from Covid-19. On March 27, 2020, H.R. 748, known as the CARES Act, was enacted. The provisions of the Act most applicable to the Company are the modification to allow for a five-year carryback of net operating losses and the technical amendment allowing businesses to claim an immediate deduction for costs associated with qualified improvement property.

16. COMMITMENTS AND CONTINGENCIES

Letters of Credit

The Company had standby letters of credit, surety bonds and bank guarantees totaling $42.0 million and $33.3 million outstanding at March 27, 2021 and June 27, 2020, respectively. The agreements, which expire at various dates through calendar 2025, primarily collateralize the Company's obligation to third parties for duty, leases, insurance claims and materials used in product manufacturing. The Company pays certain fees with respect to these instruments that are issued.

Other

The Company had other contractual cash obligations as of March 27, 2021 related to debt repayments. Refer to Note 12, "Debt," for further information.

The Company is involved in various routine legal proceedings as both plaintiff and defendant incident to the ordinary course of its business, including proceedings to protect Tapestry's intellectual property rights, litigation instituted by persons alleged to have been injured by advertising claims or upon premises within the Company's control, litigation involving contractual disputes and litigation with present or former employees.

As part of Tapestry Inc.'s policing program for its intellectual property rights, from time to time, the Company files lawsuits in the U.S. and abroad alleging acts of trademark counterfeiting, trademark infringement, patent infringement, trade dress infringement, copyright infringement, unfair competition, trademark dilution and/or state or foreign law claims. At any given point in time, Tapestry may have a number of such actions pending. These actions often result in seizure of counterfeit merchandise and/or out of court settlements with defendants. From time to time, defendants will raise, either as affirmative defenses or as counterclaims, the invalidity or unenforceability of certain of Tapestry's intellectual properties.

Although the Company's litigation as a defendant is routine and incidental to the conduct of Tapestry's business, as well as for any business of its size, such litigation can result in large monetary awards, such as when a civil jury is allowed to determine compensatory and/or punitive damages.

The Company believes that the outcome of all such pending routine legal proceedings in the aggregate will not have a material effect on the Company's business or condensed consolidated financial statements.

In addition to such routine legal proceedings, a putative class action complaint was filed in the Delaware Court of Chancery on May 7, 2020, naming the former chief executive officer and director of Kate Spade & Company and the other former directors of Kate Spade & Company, which the Company acquired on July 11, 2017 (the "Acquisition"), as defendants, and captioned Butler v. Leavitt, et al., C.A. No. 2020-0343-JTL. The complaint asserted claims on behalf of former Kate Spade & Company shareholders alleging breaches of fiduciary duty in connection with the Acquisition, including with respect to the defendants' decision to pursue the Acquisition and Kate Spade & Company's disclosures to stockholders in connection with the Acquisition. Under the terms of the agreement pursuant to which the Company acquired Kate Spade & Company, the Company was required to indemnify the defendants under this claim. The Company filed a motion to dismiss the complaint with prejudice, which was granted by the Delaware Court of Chancery on February 9, 2021. The matter, which has been concluded, did not have a material effect on the Company's business or condensed consolidated financial statements.

17. SEGMENT INFORMATION

The Company has three reportable segments:

- *Coach* - Includes global sales of Coach brand products to customers through Coach operated stores, including the Internet and concession shop-in-shops, sales to wholesale customers and through independent third party distributors.
- *Kate Spade* - Includes global sales primarily of kate spade new york brand products to customers through Kate Spade operated stores, including the Internet, sales to wholesale customers, through concession shop-in-shops and through independent third party distributors.
- *Stuart Weitzman* - Includes global sales of Stuart Weitzman brand products to customers primarily through Stuart Weitzman operated stores, including the Internet, sales to wholesale customers and through numerous independent third party distributors.

In deciding how to allocate resources and assess performance, the Company's chief operating decision maker regularly evaluates the sales and operating income of these segments. Operating income is the gross margin of the segment less direct expenses of the segment.

The following table summarizes segment performance for the three and nine months ended March 27, 2021 and March 28, 2020:

	Coach	Kate Spade	Stuart Weitzman	Corporate[1]	Total
			(millions)		
Three Months Ended March 27, 2021					
Net sales	**$ 963.5**	**$ 252.4**	**$ 57.4**	**$ —**	**$ 1,273.3**
Gross profit	**718.0**	**160.2**	**33.7**	**—**	**911.9**
Operating income (loss)	**251.4**	**(8.7)**	**(17.5)**	**(108.5)**	**116.7**
Income (loss) before provision for income taxes	**251.4**	**(8.7)**	**(17.5)**	**(129.8)**	**95.4**
Depreciation and amortization expense[3]	**32.1**	**14.1**	**5.4**	**14.9**	**66.5**
Additions to long-lived assets[4]	**5.4**	**0.8**	**0.9**	**12.1**	**19.2**
Three Months Ended March 28, 2020					
Net sales	$ 772.5	$ 249.5	$ 50.7	$ —	$ 1,072.7
Gross profit[2]	475.7	122.5	18.0	—	616.2
Operating income (loss)	38.1	(91.3)	(530.7)	(101.6)	(685.5)
Income (loss) before provision for income taxes	38.1	(91.3)	(530.7)	(121.1)	(705.0)
Depreciation and amortization expense[3]	42.0	42.1	487.5	13.6	585.2
Additions to long-lived assets[4]	21.5	19.2	3.0	7.0	50.7
Nine Months Ended March 27, 2021					
Net sales	**$ 3,064.2**	**$ 868.4**	**$ 198.3**	**$ —**	**$ 4,130.9**
Gross profit	**2,251.0**	**547.4**	**117.4**	**—**	**2,915.8**
Operating income (loss)	**933.4**	**73.3**	**(5.6)**	**(292.8)**	**708.3**
Income (loss) before provision for income taxes	**933.4**	**73.3**	**(5.6)**	**(346.0)**	**655.1**
Depreciation and amortization expense[3]	**80.4**	**35.8**	**10.8**	**42.2**	**169.2**
Additions to long-lived assets[4]	**25.1**	**9.4**	**2.2**	**32.2**	**68.9**
Nine Months Ended March 28, 2020					
Net sales	$ 3,008.3	$ 985.4	$ 252.9	$ —	$ 4,246.6
Gross profit[2]	2,030.6	576.4	133.4	—	2,740.4
Operating income (loss)	620.4	(30.6)	(540.4)	(320.2)	(270.8)
Income (loss) before provision for income taxes	620.4	(30.6)	(540.4)	(372.8)	(323.4)
Depreciation and amortization expense[3]	121.1	84.1	505.2	39.8	750.2
Additions to long-lived assets[4]	66.2	54.5	13.3	38.9	172.9

(1) Corporate, which is not a reportable segment, represents certain costs that are not directly attributable to a brand. These costs primarily include administration and certain information systems expense.

(2) Gross profit reflects charges recorded within Cost of sales of $61.9 million within the Coach segment, $32.3 million within the Kate Spade segment and $9.8 million within the Stuart Weitzman segment for the three and nine months ended March 28, 2020 as a result of establishing inventory reserves directly related to the expected impact of Covid-19 on the Company's future sales projections. The non-cash portion of these charges are presented within Impairment charges on the Condensed Consolidated Statement of Cash Flows.

(3) Depreciation and amortization expense includes $1.7 million and $2.0 million of Acceleration Program costs for the three and nine months ended March 27, 2021 and $0.0 million and $0.2 million of integration costs recorded within the Kate Spade segment for the three and nine months ended March 28, 2020, respectively. Depreciation and amortization expense

includes impairment charges of $11.9 million for Coach, $21.0 million for Kate Spade and $482.4 million for Stuart Weitzman for the three months ended March 28, 2020, as a result of impairment of Stuart Weitzman intangible assets as well as store impairments due to the Covid-19 pandemic. Depreciation and amortization expense includes impairment charges of $31.4 million for Coach, $33.0 million for Kate Spade and $490.7 million for Stuart Weitzman for the nine months ended March 28, 2020. Refer to Note 7, "Goodwill and Other Intangible Assets" and Note 13, "Fair Value Measurements," for further information. Depreciation and amortization expense for the segments includes an allocation of expense related to assets which support multiple segments.

(4) Additions to long-lived assets for the reportable segments primarily includes store assets as well as assets that support a specific brand. Corporate additions include all other assets which include a combination of Corporate assets, as well as assets that may support all segments. As such, depreciation expense for these assets may be subsequently allocated to a reportable segment.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Company's financial condition and results of operations should be read together with the Company's condensed consolidated financial statements and notes to those financial statements included elsewhere in this document. When used herein, the terms "the Company," "Tapestry," "we," "us" and "our" refer to Tapestry, Inc., including consolidated subsidiaries. References to "Coach," "Stuart Weitzman," "Kate Spade" or "kate spade new york" refer only to the referenced brand.

EXECUTIVE OVERVIEW

Tapestry is a leading New York-based house of modern luxury accessories and lifestyle brands. Tapestry is powered by optimism, innovation and inclusivity. Our brands are approachable and inviting and create joy every day for people around the world. Defined by quality, craftsmanship and creativity, our house of brands gives global audiences the opportunity for exploration and self-expression. Tapestry is comprised of the Coach, Kate Spade and Stuart Weitzman brands, all of which have been part of the American landscape for over 25 years.

The Company has three reportable segments:

- *Coach* - Includes global sales of Coach products to customers through Coach operated stores, including the Internet and concession shop-in-shops, and sales to wholesale customers and through independent third party distributors.
- *Kate Spade* - Includes global sales primarily of kate spade new york brand products to customers through Kate Spade operated stores, including the Internet, sales to wholesale customers, through concession shop-in-shops and through independent third party distributors.
- *Stuart Weitzman* - Includes global sales of Stuart Weitzman brand products primarily to customers through Stuart Weitzman operated stores, including the Internet, sales to wholesale customers and through numerous independent third party distributors.

Each of our brands is unique and independent, while sharing a commitment to innovation and authenticity defined by distinctive products and differentiated customer experiences across channels and geographies. Our success does not depend solely on the performance of a single channel, geographic area or brand.

Acceleration Program

The guiding principle of the Company’s multi-year growth agenda under the Acceleration Program is to better meet the needs of each of its brands' unique customers by:

- **Sharpening our Focus on the Consumer:** Operating with a clearly defined purpose and strategy for each brand and an unwavering focus on the consumer at the core of everything we do
- **Leveraging Data and Leading with a Digital-First Mindset:** Building significant data and analytics capabilities to drive decision-making and increase efficiency; Offering immersive customer experiences across our e-commerce and social channels to meet the needs of consumers who are increasingly utilizing digital platforms to engage with brands; Rethinking the role of stores with an intent to optimize our fleet
- **Transforming into a Leaner and More Responsive Organization:** Moving with greater agility, simplifying internal processes and empowering teams to act quickly to meet the rapidly changing needs of the consumer

In the third fiscal quarter, the Company made meaningful progress against its previously announced Acceleration Program to sharpen its focus on the consumer, leverage data to lead with a digital-first mindset and transform into a leaner and more responsive organization:

- **Recruited approximately 700,000 new customers through our e-commerce channels in North America,** a meaningful increase versus prior year, as we continue to meet consumers where they choose to shop and leverage social media platforms to build awareness and drive engagement, notably with Millennial and Gen Z consumers;
- **Delivered an increase in purchase frequency** versus prior year through enhanced and consistent brand experiences across touchpoints and **reactivated lapsed customers across brands;**
- **Achieved significant growth in China compared to both FY20 and FY19** through integrated, comprehensive brand-building strategies, bringing innovative product, marketing, and experiences to Chinese consumers; **Drove revenue gains with Chinese consumers** globally compared to pre-pandemic levels;

- **Effectively reduced stock keeping unit** ("**SKU") counts by 30% to 50% and improved assortment productivity,** resulting in more focused product messaging and compelling offerings, which in turn, contributed to stronger overall average unit retail ("AUR") and gross margin through higher initial markups ("IMU") and lower promotional activity;
- **Utilized data and analytics tools across Tapestry's platform** to provide us with a deeper understanding of customer behavior through measurement, enabling a 'test-and-learn' environment that empowers our teams to more quickly respond to changes in consumer preferences and demand as well as **scale opportunities across brands;**
- **Continued to enhance the flexibility of our operating model,** through a streamlined organizational structure and **optimized global fleet,** with 49 net closures year-to-date, representing a net decrease of 94 stores from the prior year; **Remain on track to achieve gross run-rate savings of $300 million,** including gross savings of $200 million in fiscal 2021.

Recent Developments

Covid-19 Pandemic

The Covid-19 virus has impacted regions all around the world, resulting in restrictions and shutdowns implemented by national, state, and local authorities. Consequently, the spread of Covid-19 has caused significant global business disruptions. As a result of the widespread impact of Covid-19, Tapestry had temporarily closed the majority of its directly operated stores globally for some period of time to help reduce the spread of Covid-19. The vast majority of the Company's stores re-opened for either in-store or pick-up service and they have continued to operate since then, however, some store locations have experienced temporary re-closures or are operating under tighter restrictions in compliance with local government regulation. Many of the Company's wholesale and licensing partners also closed their bricks and mortar stores as required by government orders during the third and fourth quarters of fiscal 2020, and while the majority of stores have reopened, they have also been subject to temporary re-closures and tighter capacity restrictions operating in compliance with the rules of certain local governments. However, there is still uncertainty around the duration of these disruptions and the possibility of other effects on the business. We will continue to monitor the rapidly evolving situation pertaining to the Covid-19 outbreak, including guidance from international and domestic authorities. In these circumstances, the Company will need to make adjustments to our operating plan. Refer to Part II, Item 1A. "Risk Factors" herein and as disclosed in our Quarterly Report on Form 10-Q for the quarterly period ended December 26, 2020.

In response to the challenges that Covid-19 has imposed on our business, the Company implemented the following actions to mitigate these headwinds:

- Re-opened stores as quickly as possible, while following governmental and public health guidelines.
- Driving with a digital-first mindset for all brands. Implemented practices designed to support the continued operations of our e-commerce platforms and distribution centers remain operational across all major regions.
- Reduced capital expenditures through optimization of our fleet and prioritizing investment in digital.
- Continue to drive SG&A savings, including actions taken under the Acceleration Program, through the reduction of corporate and retail workforce, right-sizing of marketing expenses, reduction of fixed costs such as rent as well as procurement savings, including reducing external third party services.
- Did not pay out bonuses under the Annual Incentive Plan for fiscal year 2020, eliminated merit salary increases for all employees and temporarily reduced compensation for the Board of Directors and corporate employees above a certain salary threshold. During the second quarter of fiscal 2021, compensation resumed normal levels.
- Tightly managed inventories by reflowing product introductions and cancelling inventory receipts as well as planned reduction of SKUs.
- Drew down $700 million from its $900 million Revolving Credit Facility to add to cash balances, all of which was repaid during fiscal 2021.
- Suspended its quarterly cash dividend and share repurchase program beginning in the fourth quarter of fiscal 2020.

The Company will continue to consider near-term exigencies and the long-term financial health of the business as clear steps are taken to mitigate the consequences of the Covid-19 pandemic.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") was signed into law in response to the Covid-19 pandemic. The CARES Act contains numerous tax provisions, such as refundable payroll tax credits, deferral of the employer portion of certain payroll taxes, net operating loss carrybacks, modifications to net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. Additionally, on December 27, 2020, the Covid-19 stimulus package was signed into law, which contained enhancements to certain tax credits enacted under the CARES Act. Certain provisions impacted the results of the Company. Refer to Note 15, "Income Taxes" for additional information on these provisions.

Since March 2020, the governments of numerous countries in which we operate have issued relief packages in response to Covid-19. These packages include, amongst other things, extended filing deadlines, wage subsidies, social security relief, rent relief and deferred tax payments. The Company is seeking select relief under these provisions where eligible. The Company has to make certain judgements in interpretation of the law and/or await guidance from the local authorities.

Acceleration Program

The Company has implemented a strategic growth plan after undergoing a review of its business under the Acceleration Program and expects to incur certain costs reflecting: (i) actions to streamline the Company's organization; (ii) select store closures as the Company optimizes its fleet (including store closure costs incurred as the Company exits certain regions in which it currently operates); and (iii) professional fees and compensation costs incurred as a result of the development and execution of the Company's comprehensive strategic initiatives aimed at increasing profitability. Including charges taken in fiscal 2020, the Company now expects to incur total pre-tax charges of approximately $205 - $220 million related to the Acceleration Program. Charges expected related to the Acceleration Program increased modestly due to additional professional fees and performance-based compensation. The Acceleration Program is expected to be substantially complete by the end of fiscal 2022. Refer to Note 6, "Restructuring Activities," and the "GAAP to Non-GAAP Reconciliation," herein, for further information. The Company estimates that it will realize approximately $300 million in gross run rate expense savings from these initiatives, including $200 million projected for fiscal 2021.

Impairment

During the third quarter of fiscal 2021, the Company recorded $45.8 million of impairment charges related to lease right-of-use assets, which were primarily driven by the continued impacts of Covid-19. Refer to Note 13, "Fair Value Measurements" for further information.

Current Trends and Outlook

The environment in which we operate is subject to a number of different factors driving global consumer spending. Consumer preferences, macroeconomic conditions, foreign currency fluctuations and geopolitical events continue to impact overall levels of consumer travel and spending on discretionary items, with inconsistent patterns across channels and geographies.

As previously noted, Covid-19 was officially declared a global pandemic by the World Health Organization in March 2020. The disruptions related to Covid-19 have materially adversely impacted our operations, cash flow, and liquidity. The virus has impacted regions all around the world, resulting in restrictions and shutdowns implemented by national, state, and local authorities. These requirements have resulted in full and partial store closures globally, causing a significant reduction in sales starting in the third quarter of fiscal 2020. While the vast majority of the Company's stores reopened for either in-store or curb-side service and have continued to operate since then, some store locations have experienced temporary re-closures or are operating under tighter restrictions in compliance with local government regulation, and other stores may be required to close again for an extended period of time due to the possibility of a resurgence of increased infections. Covid-19 may also cause disruptions in the Company’s supply chain, resulting in facility closures, labor instability, potential inability to source raw materials and disrupted operating procedures in attempts to curb the spread of Covid-19 within our third-party manufacturers, distribution centers, and other vendors.

In addition, the Company has been experiencing delays as a result of port congestion, vessel availability and container shortages for imported products, which has resulted in longer lead times or increased inbound freight costs. These issues are expected to be exacerbated by the disruption in the Suez Canal in March 2021, resulting in a modest impact to the Company. Furthermore, the Kate Spade brand had inventory on the Maersk Essen and One Apus cargo ships, which experienced weather related incidents that resulted in delays of inventory receipts, as well as some loss of product. The Company was able to mitigate the impact of these incidents through various actions, resulting in an immaterial impact to the Company.

The Biden Administration may enact additional stimulus legislation or support public health policies, including the widespread distribution of vaccines, which may mitigate the impact of the pandemic. Furthermore, during the third quarter of fiscal 2021, the Biden Administration proposed an infrastructure plan that includes provisions to increase the U.S. corporate tax rate from 21% to 28%, increase the U.S. taxation of our international business operations and impose a global minimum tax. While the proposal is not finalized, if passed as currently communicated, it would have an adverse impact on our tax rate and financial results.

Several organizations that monitor the world’s economy, including the International Monetary Fund, observed that the outbreak of the Covid-19 pandemic has negatively shocked the global economy and may have a sustained negative impact on the global economic growth as compared to pre-pandemic estimates. However, economic data for the end of calendar 2020 leading into the beginning of 2021 has indicated stronger-than-projected momentum, resulting in upward revisions of estimated growth. Nevertheless, the global economy still faces lingering concerns pertaining to uncertainties around Covid-19 that might hinder expected growth rates and progress. Thus, the revisions to estimated growth are heavily dependent on continued strong multilateral cooperation to bring the pandemic under control, including funding and support from local policymakers to make strategic investments that aid economic activity.

Furthermore, currency volatility, political instability and potential changes to trade agreements or duty rates may contribute to a worsening of the macroeconomic environment or adversely impact our business. Continued increases in trade tensions could impact the Company's ability to grow its business, particularly with the Chinese consumer globally. Since fiscal 2019, the U.S. and China have both imposed tariffs on the importation of certain product categories into the respective country. There continues to be a possibility under the Biden Administration of increases in tariffs on goods imported into the U.S. from China, Vietnam, Spain, or other countries.

Additional macroeconomic impacts include but are not limited to the United Kingdom ("U.K.") voting to leave the European Union ("E.U."), commonly known as "Brexit." The U.K. officially terminated its membership of the E.U. on January 31, 2020 under the terms of a withdrawal agreement concluded between the U.K. and E.U. and concluded the transition phase on December 31, 2020. On December 24, 2020, the U.K. and E.U. announced an agreement on their future relationship. This includes, but is not limited to, the free movement of U.K. and E.U. originating products. However, products originating outside the U.K. and E.U. going to and coming from the E.U. will be subject to tariffs beginning on January 1, 2021. The Company does not expect Brexit to materially impact our business.

As part of our efforts to improve our working capital efficiency, we have worked with certain suppliers to revisit terms and conditions, including the extension of payment terms. As an alternative to our payment terms, available to certain suppliers is a voluntary supply chain finance (“SCF”) program that enables our suppliers to sell their receivables from the Company to a global financial institution on a non-recourse basis at a rate that leverages our credit rating. We do not have the ability to refinance or modify payment terms to the global financial institution through the SCF program. No guarantees are provided by the Company or any of our subsidiaries under the SCF program.

We will continue to monitor these trends and evaluate and adjust our operating strategies and cost management opportunities to mitigate the related impact on our results of operations, while remaining focused on the long-term growth of our business and protecting the value of our brands.

For a detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations, see Part II, Item 1A. "Risk Factors" herein and as disclosed in our Quarterly Report on Form 10-Q for the quarterly period ended December 26, 2020.

THIRD QUARTER FISCAL 2021 COMPARED TO THIRD QUARTER FISCAL 2020

The following table summarizes results of operations for the third quarter of fiscal 2021 compared to the third quarter of fiscal 2020. All percentages shown in the table below and the discussion that follows have been calculated using unrounded numbers.

	Three Months Ended					
	March 27, 2021		March 28, 2020		Variance	
	(millions, except per share data)					
	Amount	**% of net sales**	Amount	% of net sales	Amount	%
Net sales	**$ 1,273.3**	**100.0 %**	$ 1,072.7	100.0 %	$ 200.6	18.7 %
Gross profit	**911.9**	**71.6**	616.2	57.4	295.7	48.0
SG&A expenses	**795.2**	**62.5**	1,301.7	NM	(506.5)	(38.9)
Operating income (loss)	**116.7**	**9.2**	(685.5)	(63.9)	802.2	NM
Interest expense, net	**16.9**	**1.3**	13.5	1.3	3.4	25.4
Other expense (income)	**4.4**	**0.4**	6.0	0.6	(1.6)	(25.5)
Provision for income taxes	**3.7**	**0.3**	(27.9)	(2.6)	31.6	NM
Net income (loss)	**91.7**	**7.2**	(677.1)	(63.1)	768.8	NM
Net income (loss) per share:						
Basic	**$ 0.33**		$ (2.45)		$ 2.78	NM
Diluted	**$ 0.32**		$ (2.45)		$ 2.77	NM

NM - Not meaningful

GAAP to Non-GAAP Reconciliation

The Company’s reported results are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The reported results during the third quarter of fiscal 2021 and fiscal 2020 reflect the costs attributable to the Acceleration Program, Impairment charges, ERP system implementation efforts and Organization-related and Integration costs, as noted in the following tables. Refer to "Non-GAAP Measures" herein for further discussion on the Non-GAAP measures.

Third Quarter Fiscal 2021 Items

	Three Months Ended March 27, 2021			
		Items Affecting Comparability		
	GAAP Basis (As Reported)	Acceleration Program	Impairment	Non-GAAP Basis (Excluding Items)
	(millions, except per share data)			
Coach	718.0	—	—	718.0
Kate Spade	160.2	—	—	160.2
Stuart Weitzman	33.7	—	—	33.7
Gross profit[(1)]	$ 911.9	$ —	$ —	$ 911.9
Coach	466.6	4.7	20.4	441.5
Kate Spade	168.9	0.9	19.3	148.7
Stuart Weitzman	51.2	3.4	6.1	41.7
Corporate	108.5	11.4	—	97.1
SG&A expenses	$ 795.2	$ 20.4	$ 45.8	$ 729.0
Coach	251.4	(4.7)	(20.4)	276.5
Kate Spade	(8.7)	(0.9)	(19.3)	11.5
Stuart Weitzman	(17.5)	(3.4)	(6.1)	(8.0)
Corporate	(108.5)	(11.4)	—	(97.1)
Operating income (loss)	$ 116.7	$ (20.4)	$ (45.8)	$ 182.9
Provision for income taxes	3.7	(3.2)	(9.8)	16.7
Net income (loss)	$ 91.7	$ (17.2)	$ (36.0)	$ 144.9
Net income (loss) per diluted common share	$ 0.32	$ (0.06)	$ (0.13)	$ 0.51

(1) Adjustments within Gross profit are recorded within Cost of sales.

In the third quarter of fiscal 2021 the Company incurred charges as follows:

- *Acceleration Program* - Total charges incurred under the Acceleration Program are primarily professional fees incurred as a result of the development and execution of the Company's comprehensive strategic initiatives, as well as actions to streamline the Company's organization, which include severance. Refer to the "Executive Overview" herein and Note 6, "Restructuring Activities," for further information.
- *Impairment* - Total charges are primarily due to impairment charges on lease right-of-use ("ROU") assets. Refer to the "Executive Overview" herein and Note 13, "Fair Value Measurements," for further information.

These actions taken together increased the Company's SG&A expenses by $66.2 million and reduced Provision for income taxes by $13.0 million, negatively impacting Net income by $53.2 million or $0.19 per diluted share.

Third Quarter Fiscal 2020 Items

	Three Months Ended March 28, 2020				
		Items Affecting Comparability			
	GAAP Basis (As Reported)	ERP Implementation	Organization-related & Integration costs	Impairment	Non-GAAP Basis (Excluding Items)
	(millions, except per share data)				
Coach	475.7	—	—	(61.9)	537.6
Kate Spade	122.5	—	—	(32.3)	154.8
Stuart Weitzman	18.0	—	—	(9.8)	27.8
Gross profit[1]	$ 616.2	$ —	$ —	$ (104.0)	$ 720.2
Coach	437.6	—	—	16.4	421.2
Kate Spade	213.8	—	0.3	41.5	172.0
Stuart Weitzman	548.7	—	0.2	485.8	62.7
Corporate	101.6	2.8	2.9	—	95.9
SG&A expenses	$ 1,301.7	$ 2.8	$ 3.4	$ 543.7	$ 751.8
Coach	38.1	—	—	(78.3)	116.4
Kate Spade	(91.3)	—	(0.3)	(73.8)	(17.2)
Stuart Weitzman	(530.7)	—	(0.2)	(495.6)	(34.9)
Corporate	(101.6)	(2.8)	(2.9)	—	(95.9)
Operating income (loss)	$ (685.5)	$ (2.8)	$ (3.4)	$ (647.7)	$ (31.6)
Provision for income taxes	(27.9)	(0.7)	(2.5)	(49.4)	24.7
Net income (loss)	$ (677.1)	$ (2.1)	$ (0.9)	$ (598.3)	$ (75.8)
Net income (loss) per diluted common share	$ (2.45)	$ (0.01)	$ —	$ (2.17)	$ (0.27)

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(1)Adjustments within Gross profit are recorded within Cost of sales.

In the third quarter of fiscal 2020, the Company incurred the following:

- *ERP Implementation* - Total charges represent technology implementation costs.
- *Organization-related and Integration costs* - Total charges represent integration costs primarily related to professional fees. Refer to Note 5, "Integration," for more information regarding integration costs.
- *Impairment* - Total charges are primarily due to impairment charges on the indefinite-lived brand intangible asset and goodwill for Stuart Weitzman, impairment charges on property and equipment assets and lease ROU assets, as well as increases in inventory reserves. Refer to Note 7, "Goodwill and Other Intangible Assets," Note 13, "Fair Value Measurements," and Note 17, "Segment Information," for further information.

These actions taken together increased the Company's SG&A expenses by $549.9 million, Cost of sales by $104.0 million and reduced Provision for income taxes by $52.6 million, negatively impacting Net income by $601.3 million or $2.18 per diluted share.

Tapestry, Inc. Summary – Third Quarter of Fiscal 2021

Currency Fluctuation Effects

The change in net sales and gross margin for the third quarter of fiscal 2021 compared to the third quarter of fiscal 2020 has been presented both including and excluding currency fluctuation effects. All percentages shown in the tables below and the discussion that follows have been calculated using unrounded numbers.

Net Sales

The Company has provided comparisons to certain fiscal year 2019 results, which the Company believes is useful to investors and others in evaluating the Company's results, due to the significant impact of the Covid-19 pandemic on the Company's operations and financial results, notably in the second half of fiscal year 2020.

	Three Months Ended		Variance			
	March 27, 2021	March 28, 2020	**Amount**	**%**	**Constant Currency Change**	**% Change versus FY19**
		(millions)				
Coach	**$ 963.5**	$ 772.5	$ 191.0	24.7 %	21.6 %	(0.2)%
Kate Spade	**252.4**	249.5	2.9	1.2	0.2	(10.2)
Stuart Weitzman	**57.4**	50.7	6.7	12.9	9.3	(32.7)
Total Tapestry	**$ 1,273.3**	$ 1,072.7	$ 200.6	18.7	16.0	(4.4)

Net sales in the third quarter of fiscal 2021 increased 18.7% or $200.6 million to $1.27 billion. Excluding the effects of foreign currency, net sales increased by 16.0% or $172.0 million.

- *Coach Net Sales* increased 24.7% or $191.0 million to $963.5 million in the third quarter of fiscal 2021. Excluding the impact of foreign currency, net sales increased 21.6% or $166.8 million. This increase in net sales is primarily attributed to an increase of $157.3 million in net global retail sales driven by higher global e-commerce sales and store sales in mainland China, partially offset by lower store sales in North America, Other Asia, including Japan, and Europe, due to the impact of Covid-19. This increase in net sales is also partially attributed to an $8.3 million increase in wholesale sales.
- *Kate Spade Net Sales* increased 1.2% or $2.9 million to $252.4 million in the third quarter of fiscal 2021. Excluding the impact of foreign currency, net sales increased 0.2% or $0.4 million. This increase is primarily due to an increase of $12.8 million in net global retail sales driven by higher global e-commerce sales and store sales in mainland China, partially offset by lower store sales in Other Asia, including Japan, and North America. This increase in net sales was partially offset by a decline of $12.1 million in wholesale sales, primarily due to lower wholesale shipments and a strategic pullback in disposition.
- *Stuart Weitzman Net Sales* increased 12.9% or $6.7 million to $57.4 million in the third quarter of fiscal 2021. Excluding the impact of foreign currency, net sales increased 9.3% or $4.7 million. This increase was primarily due to a net increase of $5.4 million in the retail business, which is attributed to an increase in store sales in mainland China and an increase in global e-commerce sales, partially offset by store closures related to fleet optimization under the Acceleration Program.

Gross Profit

	Three Months Ended					
	March 27, 2021		March 28, 2020		**Variance**	
			(millions)			
	Amount	**% of Net Sales**	Amount	% of Net Sales	Amount	%
Coach	**$ 718.0**	**74.5 %**	$ 475.7	61.6 %	$ 242.3	50.9 %
Kate Spade	**160.2**	**63.5**	122.5	49.1	37.7	30.8
Stuart Weitzman	**33.7**	**58.9**	18.0	35.4	15.7	87.7
Tapestry	**$ 911.9**	**71.6**	$ 616.2	57.4	$ 295.7	48.0

Gross profit increased 48.0% or $295.7 million to $911.9 million in the third quarter of fiscal 2021 from $616.2 million in the third quarter of fiscal 2020. Gross margin for the third quarter of fiscal 2021 was 71.6% as compared to 57.4% in the third quarter of fiscal 2020. Excluding items affecting comparability of $104.0 million in the third quarter of fiscal 2020 as discussed in the "GAAP to non-GAAP Reconciliation" herein, gross profit increased 26.6% or $191.7 million to $911.9 million from $720.2 million in the third quarter of fiscal 2020. Excluding items affecting comparability, gross margin increased 450 basis points to 71.6% compared to 67.1% in the third quarter of fiscal 2020, and on a constant currency basis, gross margin increased 440 basis points from the third quarter of fiscal 2020.

The Company includes inbound product-related transportation costs from our service providers within Cost of sales. The Company, similar to some companies, includes certain transportation-related costs due to our distribution network in SG&A expenses rather than in Cost of sales; for this reason, our gross margins may not be comparable to that of entities that include all costs related to their distribution network in Cost of sales.

- *Coach Gross Profit* increased 50.9% or $242.3 million to $718.0 million in the third quarter of fiscal 2021 from $475.7 million in the third quarter of fiscal 2020. Gross margin increased to 74.5% in the third quarter of fiscal 2021 from 61.6% in the third quarter of fiscal 2020. Excluding items affecting comparability of $61.9 million in the third quarter of fiscal 2020, gross profit increased 33.6% or $180.4 million to $718.0 million from $537.6 million in the third quarter of fiscal 2020. Excluding items affecting comparability, gross margin increased 490 basis points to 74.5% from 69.6% in the third quarter of fiscal 2020, and on a constant currency basis gross margin increased 510 basis points from the third quarter of fiscal 2020. This increase in gross margin was primarily due to reduced promotional activity.

- *Kate Spade Gross Profit* increased 30.8% or $37.7 million to $160.2 million in the third quarter of fiscal 2021 from $122.5 million in the third quarter of fiscal 2020. Gross margin increased to 63.5% in the third quarter of fiscal 2021 from 49.1% in the third quarter of fiscal 2020. Excluding items affecting comparability of $32.3 million in the third quarter of fiscal 2020, gross profit increased 3.5% or $5.4 million to $160.2 million from $154.8 million in the third quarter of fiscal 2020. Excluding items affecting comparability, gross margin increased 150 basis points to 63.5% from 62.0% in the third quarter of fiscal 2020. Kate Spade gross margin was not materially impacted by foreign currency. This increase in gross margin was primarily due to a strategic pullback in disposition and reduced promotional activity.

- *Stuart Weitzman Gross Profit* increased 87.7% or $15.7 million to $33.7 million during the third quarter of fiscal 2021 from $18.0 million in the third quarter of fiscal 2020. Gross margin increased to 58.9% in the third quarter of fiscal 2021 from 35.4% in the third quarter of fiscal 2020. Excluding items affecting comparability of $9.8 million in the third quarter of fiscal 2020, Stuart Weitzman gross profit increased 21.5% or $5.9 million to $33.7 million from $27.8 million in the third quarter of fiscal 2020. Excluding items affecting comparability, gross margin increased 420 basis points to 58.9% from 54.7% in the third quarter of fiscal 2020, and on a constant currency basis gross margin increased 30 basis points from the third quarter of fiscal 2020.

Selling, General and Administrative Expenses ("SG&A")

	Three Months Ended					
	March 27, 2021		March 28, 2020		**Variance**	
	(millions)					
	Amount	**% of Net Sales**	Amount	% of Net Sales	Amount	%
Coach	**$ 466.6**	**48.4 %**	$ 437.6	56.6 %	$ 29.0	6.6 %
Kate Spade	**168.9**	**66.9**	213.8	85.7	(44.9)	(21.0)
Stuart Weitzman	**51.2**	**89.4**	548.7	NM	(497.5)	(90.7)
Corporate	**108.5**	**NA**	101.6	NA	6.9	6.8
Tapestry	**$ 795.2**	**62.5**	$ 1,301.7	NM	$ (506.5)	(38.9)

SG&A expenses decreased 38.9% or $506.5 million to $795.2 million in the third quarter of fiscal 2021 as compared to $1.30 billion in the third quarter of fiscal 2020. As a percentage of net sales, SG&A expenses decreased to 62.5% during the third quarter of fiscal 2021. Excluding items affecting comparability of $66.2 million and $549.9 million in the third quarter of fiscal 2021 and fiscal 2020, respectively, SG&A expenses decreased 3.0% or $22.8 million to $729.0 million from $751.8 million in the third quarter of fiscal 2020. SG&A as a percentage of sales decreased to 57.3% as compared to 70.1% during the third quarter of fiscal 2020. This decrease in SG&A expenses includes actions taken as part of the Acceleration Program partially offset by an increase in accrued Annual Incentive Plan expenses.

- *Coach SG&A Expenses* decreased 6.6% or $29.0 million to $466.6 million in the third quarter of fiscal 2021 as compared to $437.6 million in the third quarter of fiscal 2020. SG&A expenses as a percentage of net sales decreased to 48.4% during the third quarter of fiscal 2021 from 56.6% during the third quarter of fiscal 2020. Excluding items affecting comparability of $25.1 million and $16.4 million in the third quarter of fiscal 2021 and fiscal 2020, respectively, SG&A expenses increased 4.8% or $20.3 million to $441.5 million during the third quarter of fiscal 2021; and SG&A expenses as a percentage of net sales decreased to 45.8% in the third quarter of fiscal 2021 from 54.5% in the third quarter of fiscal 2020. This increase in SG&A expenses is primarily due to an increase in digital marketing spend and e-commerce related operational and selling costs in support of higher e-commerce sales, partially offset by a decline in compensation costs.

- *Kate Spade SG&A Expenses* decreased 21.0% or $44.9 million to $168.9 million in the third quarter of fiscal 2021 as compared to $213.8 million in the third quarter of fiscal 2020. As a percentage of net sales, SG&A expenses decreased to 66.9% during the third quarter of fiscal 2021 as compared to 85.7% during the third quarter of fiscal 2020. Excluding items affecting comparability of $20.2 million and $41.8 million in the third quarter of fiscal 2021 and fiscal 2020, respectively, SG&A expenses decreased 13.5% or $23.3 million to $148.7 million during the third quarter of fiscal 2021; and SG&A expenses as a percentage of net sales decreased to 58.9% in the third quarter of fiscal 2021 from 68.9% in the third quarter of fiscal 2020. This decrease in SG&A expenses is primarily due to a decline in occupancy costs, compensation costs and depreciation expense, partially offset by an increase in e-commerce related operational and selling costs in support of higher e-commerce sales.

- *Stuart Weitzman SG&A Expenses* decreased 90.7% or $497.5 million to $51.2 million in the third quarter of fiscal 2021 as compared to $548.7 million in the third quarter of fiscal 2021. As a percentage of net sales, SG&A expenses decreased to 89.4% during the third quarter of fiscal 2021. Excluding items affecting comparability of $9.5 million and $486.0 million in the third quarter of fiscal 2021 and fiscal 2020, respectively, SG&A expenses decreased 33.5% or $21.0 million to $41.7 million during the third quarter of fiscal 2021 from $62.7 million during the third quarter of fiscal 2020; and SG&A expenses as a percentage of net sales decreased to 72.8% in the third quarter of fiscal 2021. This decrease is primarily due to higher bad debt reserves in prior year due to Covid-19, as well as a decline in occupancy and compensation costs, mainly as a result of fleet optimization under the Acceleration Program.

- Corporate expenses, which are included within SG&A expenses discussed above but are not directly attributable to a reportable segment, increased 6.8% or $6.9 million to $108.5 million in the third quarter of fiscal 2021 as compared to $101.6 million in the third quarter of fiscal 2020. Excluding items affecting comparability of $11.4 million and $5.7 million in the third quarter of fiscal 2021 and fiscal 2020, respectively, SG&A expenses increased 1.3% or $1.2 million to $97.1 million in the third quarter of fiscal 2021 as compared to $95.9 million in the third quarter of fiscal 2020. This increase in SG&A expenses was primarily driven by an increase in accrued Annual Incentive Plan expenses partially offset by lower variable occupancy costs.

Operating Income (Loss)

	Three Months Ended					
	March 27, 2021		March 28, 2020		**Variance**	
	(millions)					
	Amount	**% of Net Sales**	Amount	% of Net Sales	Amount	%
Coach	**$ 251.4**	**26.1 %**	$ 38.1	4.9 %	$ 213.3	NM
Kate Spade	**(8.7)**	**(3.4)**	(91.3)	(36.6)	82.6	90.5
Stuart Weitzman	**(17.5)**	**(30.5)**	(530.7)	NM	513.2	(96.7)
Corporate	**(108.5)**	**NA**	(101.6)	NA	(6.9)	(6.8)
Tapestry	**$ 116.7**	**9.2**	$ (685.5)	(63.9)	$ 802.2	NM

Operating income increased $802.2 million to $116.7 million in the third quarter of fiscal 2021 as compared to an operating loss of $685.5 million in the third quarter of fiscal 2020. Operating margin was 9.2% in the third quarter of fiscal 2021 as compared to (63.9)% in the third quarter of fiscal 2020. Excluding items affecting comparability of $66.2 million and $653.9 million in the third quarter of fiscal 2021 and fiscal 2020, respectively, operating income increased $214.5 million to $182.9 million in the third quarter of fiscal 2021 from an operating loss of $31.6 million in the third quarter of fiscal 2020; and operating margin increased to 14.4% in the third quarter of fiscal 2021 as compared to (2.9)% in the third quarter of fiscal 2020.

- *Coach Operating Income* increased $213.3 million to $251.4 million in the third quarter of fiscal 2021, resulting in an operating margin of 26.1%, as compared to $38.1 million and 4.9%, respectively, in the third quarter of fiscal 2020. Excluding items affecting comparability, Coach operating income increased $160.1 million to $276.5 million from $116.4 million in the third quarter of fiscal 2020; and operating margin was 28.7% in the third quarter of fiscal 2021 as compared to 15.1% in the third quarter of fiscal 2020. This increase in operating income was due to higher gross profit, partially offset by higher SG&A expenses.

- *Kate Spade Operating Loss* decreased 90.5% or $82.6 million to $8.7 million in the third quarter of fiscal 2021, resulting in an operating margin of (3.4)%, as compared to an operating loss of $91.3 million and operating margin of (36.6)% in the third quarter of fiscal 2020. Excluding items affecting comparability, Kate Spade operating income increased $28.7 million to $11.5 million from an operating loss of $17.2 million in the third quarter of fiscal 2020; and operating margin was 4.6% in the third quarter of fiscal 2021 as compared to (6.9)% in the third quarter of fiscal 2020. This increase in operating income was due to lower SG&A expenses and higher gross profit.

- *Stuart Weitzman Operating Loss* decreased 96.7% or $513.2 million to $17.5 million in the third quarter of fiscal 2021, resulting in an operating margin of (30.5)%, as compared to an operating loss of $530.7 million in the third quarter of fiscal 2020. Excluding items affecting comparability, Stuart Weitzman operating loss decreased 77.2% or $26.9 million to $8.0 million, resulting in an operating margin of (13.9)%, as compared to operating loss of $34.9 million in the third quarter of fiscal 2020. This decrease in operating loss was due to lower SG&A expenses and higher gross profit.

Interest Expense, net

Interest expense, net increased 25.4% or $3.4 million to $16.9 million in the third quarter of fiscal 2021 as compared to $13.5 million in the third quarter of fiscal 2020. The increase in interest expense, net is mainly due to lower interest income.

Other Expense (Income)

Other expense decreased 25.5% or $1.6 million to $4.4 million in the third quarter of fiscal 2021 as compared to $6.0 million in the third quarter of fiscal 2020. The decrease in other expense is related to a decrease in foreign exchange losses.

Provision for Income Taxes

The effective tax rate was 3.8% in the third quarter of fiscal 2021 as compared to 4.0% in the third quarter of fiscal 2020. Excluding items affecting comparability, the effective tax rate was 10.3% in the third quarter of 2021 as compared to (48.2)% in the third quarter of fiscal 2020. The increase in our effective tax rate was primarily attributable to the geographic mix of earnings and the tax provision for the third quarter of fiscal 2020 being based on an operating loss due to a decline in net sales from Covid-19.

Net Income (Loss)

Net income increased $768.8 million to $91.7 million in the third quarter of fiscal 2021 as compared to net loss of $677.1 million in the third quarter of fiscal 2020. Excluding items affecting comparability, net income increased $220.7 million to a net income of $144.9 million in the third quarter of fiscal 2021 as compared to a net loss of $75.8 million in the third quarter of fiscal 2020. This increase was primarily due to higher operating income.

Net Income (Loss) per Share

Net income per diluted share increased $2.77 to $0.32 in the third quarter of fiscal 2021 as compared to net loss per diluted share of $2.45 in the third quarter of fiscal 2020. Excluding items affecting comparability, net income per diluted share increased $0.78 to $0.51 in the third quarter of fiscal 2021 as compared to net loss per diluted share of $0.27 in the third quarter of fiscal 2020. This change was primarily due to higher net income.

FIRST NINE MONTHS FISCAL 2021 COMPARED TO FIRST NINE MONTHS FISCAL 2020

The following table summarizes results of operations for the first nine months of fiscal 2021 compared to the first nine months of fiscal 2020. All percentages shown in the table below and the discussion that follows have been calculated using unrounded numbers.

	Nine Months Ended								
	March 27, 2021			March 28, 2020			Variance		
	(millions, except per share data)								
		Amount	**% of net sales**		Amount	% of net sales		Amount	%
Net sales	**$**	**4,130.9**	**100.0 %**	$	4,246.6	100.0 %	$	(115.7)	(2.7)%
Gross profit		**2,915.8**	**70.6**		2,740.4	64.5		175.4	6.4
SG&A expenses		**2,207.5**	**53.4**		3,011.2	70.9		(803.7)	(26.7)
Operating income (loss)		**708.3**	**17.1**		(270.8)	(6.4)		979.1	NM
Interest expense, net		**55.0**	**1.3**		39.8	0.9		15.2	38.2
Other expense (income)		**(1.8)**	**—**		12.8	0.3		(14.6)	NM
Provision for income taxes		**20.7**	**0.5**		34.9	0.8		(14.2)	(40.9)
Net income (loss)		**634.4**	**15.4**		(358.3)	(8.4)		992.7	NM
Net income (loss) per share:									
Basic	**$**	**2.29**		$	(1.28)		$	3.57	NM
Diluted	**$**	**2.25**		$	(1.28)		$	3.53	NM

NM - Not meaningful

GAAP to Non-GAAP Reconciliation

The Company’s reported results are presented in accordance with GAAP. The reported results during the first nine months of fiscal 2021 and fiscal 2020 reflect the impact of the costs attributable to the CARES Act Tax Impact, the Acceleration Program, Impairment charges, ERP system implementation efforts and Organization-related and Integration costs, as noted in the following tables. Refer to "Non-GAAP Measures" herein for further discussion on the Non-GAAP measures.

First Nine Months of Fiscal 2021 Items

	Nine Months Ended March 27, 2021				
		Items Affecting Comparability			
	GAAP Basis (As Reported)	CARES Act Tax Impact	Acceleration Program	Impairment	Non-GAAP Basis (Excluding Items)
	(millions, except per share data)				
Cost of sales					
Coach	2,251.0	—	—	—	2,251.0
Kate Spade	547.4	—	—	—	547.4
Stuart Weitzman	117.4	—	—	—	117.4
Gross profit[1]	$ 2,915.8	$ —	$ —	$ —	$ 2,915.8
SG&A expenses					
Coach	1,317.6	—	21.2	20.4	1,276.0
Kate Spade	474.1	—	4.3	19.3	450.5
Stuart Weitzman	123.0	—	(1.3)	6.1	118.2
Corporate	292.8	—	44.5	—	248.3
SG&A expenses	$ 2,207.5	$ —	$ 68.7	$ 45.8	$ 2,093.0
Operating income (loss)					
Coach	933.4	—	(21.2)	(20.4)	975.0
Kate Spade	73.3	—	(4.3)	(19.3)	96.9
Stuart Weitzman	(5.6)	—	1.3	(6.1)	(0.8)
Corporate	(292.8)	—	(44.5)	—	(248.3)
Operating income (loss)	$ 708.3	$ —	$ (68.7)	$ (45.8)	$ 822.8
Provision for income taxes	20.7	(95.0)	(15.4)	(9.8)	140.9
Net income (loss)	$ 634.4	$ 95.0	$ (53.3)	$ (36.0)	$ 628.7
Net income (loss) per diluted common share	$ 2.25	$ 0.27	$ (0.15)	$ (0.10)	$ 2.23

[1] Adjustments within Gross profit are recorded within Cost of sales.

In the first nine months of fiscal 2021 the Company incurred charges as follows:

- *CARES Act Tax Impact* - Total amount relates to the income tax benefits under the CARES Act, most notably the Net Operating Loss ("NOL") carryback claim. Refer to Note 15, "Income Taxes" for further information.
- *Acceleration Program* - Total charges incurred under the Acceleration Program are primarily professional fees incurred as a result of the development and execution of the Company's comprehensive strategic initiatives, as well as actions to streamline the Company's organization, which include severance. Refer to the "Executive Overview" herein and Note 6, "Restructuring Activities," for further information.
- *Impairment* - Total charges are primarily due to impairment charges on lease ROU assets. Refer to the "Executive Overview" herein and Note 13, "Fair Value Measurements," for further information.

These actions taken together increased the Company's SG&A expenses by $114.5 million and decreased Provision for income taxes by $120.2 million, positively impacting Net income by $5.7 million or $0.02 per diluted share.

First Nine Months of Fiscal 2020 Items

	Nine Months Ended March 28, 2020				
		Items Affecting Comparability			
	GAAP Basis (As Reported)	ERP Implementation	Organization-related & Integration costs	Impairment	Non-GAAP Basis (Excluding Items)
	(millions, except per share data)				
Cost of sales					
Coach	2,030.6	—	(0.1)	(61.9)	2,092.6
Kate Spade	576.4	—	(1.2)	(32.3)	609.9
Stuart Weitzman	133.4	—	(4.3)	(9.8)	147.5
Gross profit[1]	$ 2,740.4	$ —	$ (5.6)	$ (104.0)	$ 2,850.0
SG&A expenses					
Coach	1,410.2	—	(0.1)	57.9	1,352.4
Kate Spade	607.0	—	1.1	66.7	539.2
Stuart Weitzman	673.8	—	(1.9)	494.7	181.0
Corporate	320.2	23.6	27.4	—	269.2
SG&A expenses	$ 3,011.2	$ 23.6	$ 26.5	$ 619.3	$ 2,341.8
Operating income (loss)					
Coach	620.4	—	—	(119.8)	740.2
Kate Spade	(30.6)	—	(2.3)	(99.0)	70.7
Stuart Weitzman	(540.4)	—	(2.4)	(504.5)	(33.5)
Corporate	(320.2)	(23.6)	(27.4)	—	(269.2)
Operating income (loss)	$ (270.8)	$ (23.6)	$ (32.1)	$ (723.3)	$ 508.2
Provision for income taxes	34.9	(5.7)	(11.9)	(61.5)	114.0
Net income (loss)	$ (358.3)	$ (17.9)	$ (20.2)	$ (661.8)	$ 341.6
Net income (loss) per diluted common share	$ (1.28)	$ (0.06)	$ (0.07)	$ (2.37)	$ 1.22

[1]Adjustments within Gross profit are recorded within Cost of sales.

In the first nine months of fiscal 2020, the Company incurred charges as follows:

- *ERP Implementation* - Total charges represent technology implementation costs.
- *Organization-related and Integration costs* - Total charges represent organization-related costs as a result of the departure of the Company's former CEO in September 2019 and integration costs related to inventory, professional fees and share-based compensation. Refer to Note 5, "Integration," for more information regarding integration costs.
- *Impairment* - Total charges are primarily due to impairment charges on the indefinite-lived brand intangible asset and goodwill for Stuart Weitzman, impairment charges on property and equipment assets and lease ROU assets, as well as increases in inventory reserves. Refer to Note 7, "Goodwill and Other Intangible Assets," Note 13, "Fair Value Measurements," and Note 17, "Segment Information," for further information.

These actions taken together increased the Company's Cost of sales by $109.6 million, increased SG&A expenses by $669.4 million and decreased Provision for income taxes by $79.1 million, negatively impacting Net income by $699.9 million or $2.50 per diluted share.

Tapestry, Inc. Summary – First Nine Months of Fiscal 2021

Currency Fluctuation Effects

The change in net sales and gross margin for the first nine months of fiscal 2021 compared to fiscal 2020 has been presented both including and excluding currency fluctuation effects.

Net Sales

The Company has provided comparisons to certain fiscal year 2019 results, which the Company believes is useful to investors and others in evaluating the Company's results, due to the significant impact of the Covid-19 pandemic on the Company's operations and financial results, notably in the second half of fiscal year 2020.

	Nine Months Ended		Variance			
	March 27, 2021	March 28, 2020	**Amount**	**%**	**Constant Currency Change**	**% Change versus FY19**
	(millions)					
Coach	**$ 3,064.2**	$ 3,008.3	$ 55.9	1.9 %	0.4 %	(3.5)%
Kate Spade	**868.4**	985.4	(117.0)	(11.9)	(12.4)	(16.1)
Stuart Weitzman	**198.3**	252.9	(54.6)	(21.6)	(23.1)	(34.8)
Total Tapestry	**$ 4,130.9**	$ 4,246.6	$ (115.7)	(2.7)	(4.0)	(8.5)

Net sales in the first nine months of fiscal 2021 decreased 2.7% or $115.7 million to $4.13 billion. Excluding the effects of foreign currency, net sales decreased by 4.0% or $169.6 million.

- *Coach Net Sales* increased 1.9% or $55.9 million to $3.06 billion in the first nine months of fiscal 2021. Excluding the impact of foreign currency, net sales increased 0.4% or $10.8 million. This increase in net sales is primarily attributed to a net increase of $5.7 million in net global retail sales driven by higher global e-commerce sales and store sales in mainland China, partially offset by lower store sales in North America, Other Asia, including Japan, and Europe, due to the impact of Covid-19. This increase in net sales is also partially attributed to a $3.1 million increase in wholesale sales.

- *Kate Spade Net Sales* decreased 11.9% or $117.0 million to $868.4 million in the first nine months of fiscal 2021. Excluding the impact of foreign currency, net sales decreased 12.4% or $121.9 million. This decrease in net sales is driven by a decline of $54.8 million in net global retail sales driven by lower store sales, primarily in North America, due to the impact of the Covid-19, partially offset by an increase in global e-commerce sales. Wholesale sales also declined $65.8 million, primarily due to a strategic pullback in disposition and lower demand as a result of the Covid-19 outbreak.

- *Stuart Weitzman Net Sales* decreased 21.6% or $54.6 million to $198.3 million in the first nine months of fiscal 2021. Excluding the impact of foreign currency, net sales decreased 23.1% or $58.6 million. This decrease was primarily due to a net decline of $33.7 million in the retail business, which is attributed to store closures related to fleet optimization under the Acceleration Program, as well as a decline in demand as a result of Covid-19. Additionally, wholesale sales decreased $24.9 million, which is primarily due to a decline in demand as a result of Covid-19.

Gross Profit

	Nine Months Ended					
	March 27, 2021		March 28, 2020		**Variance**	
	(millions)					
	Amount	**% of Net Sales**	Amount	% of Net Sales	Amount	%
Coach	**$ 2,251.0**	**73.5 %**	$ 2,030.6	67.5 %	$ 220.4	10.8 %
Kate Spade	**547.4**	**63.0**	576.4	58.5	(29.0)	(5.0)
Stuart Weitzman	**117.4**	**59.2**	133.4	52.7	(16.0)	(12.0)
Tapestry	**$ 2,915.8**	**70.6**	$ 2,740.4	64.5	$ 175.4	6.4

Gross profit increased 6.4% or $175.4 million to $2.92 billion during the first nine months of fiscal 2021 from $2.74 billion in the first nine months of fiscal 2020. Gross margin for the first nine months of fiscal 2021 was 70.6% as compared to 64.5% in the first nine months of fiscal 2020. Excluding items affecting comparability of $109.6 million in the first nine months of fiscal 2020, as discussed in the "GAAP to Non-GAAP Reconciliation" herein, gross profit increased 2.3% or $65.8 million to $2.92 billion in the first nine months of fiscal 2021, and gross margin increased to 70.6% from 67.1% in the first nine months of fiscal 2020, and on a constant currency basis, gross margin increased 340 basis points from the first nine months of fiscal 2020.

The Company includes inbound product-related transportation costs from our service providers within Cost of sales. The Company, similar to some companies, includes certain transportation-related costs due to our distribution network in SG&A expenses rather than in Cost of sales; for this reason, our gross margins may not be comparable to that of entities that include all costs related to their distribution network in Cost of sales.

- *Coach Gross Profit* increased 10.8% or $220.4 million to $2.25 billion in the first nine months of fiscal 2021 from $2.03 billion in the first nine months of fiscal 2020. Gross margin increased 600 basis points to 73.5% in the first nine months of fiscal 2021 from 67.5% in the first nine months of fiscal 2020. Excluding items affecting comparability of $62.0 million in the first nine months of fiscal 2020, Coach gross profit increased 7.6% or $158.4 million to $2.25 billion in the first nine months of fiscal 2021 from $2.09 billion in the first nine months of fiscal 2020. Excluding items affecting comparability, gross margin increased 390 basis points to 73.5% from 69.6% in the first nine months of fiscal 2020, and was not materially impacted by foreign currency. This increase in gross margin is primarily attributed to reduced promotional activity.
- *Kate Spade Gross Profit* decreased 5.0% or $29.0 million to $547.4 million in the first nine months of fiscal 2021 from $576.4 million in the first nine months of fiscal 2020. Gross margin increased 450 basis points to 63.0% in the first nine months of fiscal 2021 from 58.5% in the first nine months of fiscal 2020. Excluding items affecting comparability of $33.5 million in the first nine months of fiscal 2020, Kate Spade gross profit decreased 10.2% or $62.5 million to $547.4 million in the first nine months of fiscal 2021 from $609.9 million in the first nine months of fiscal 2020. Excluding items affecting comparability, gross margin increased 110 basis points to 63.0% from 61.9% in the first nine months of fiscal 2020, and was not materially impacted by foreign currency. This increase in gross margin was primarily due to favorable channel mix including a strategic pullback in disposition and reduced promotional activity, which was partially offset by the impact of directly operating the footwear business.
- *Stuart Weitzman Gross Profit* decreased 12.0% or $16.0 million to $117.4 million during the first nine months of fiscal 2021 from $133.4 million in the first nine months of fiscal 2020. Gross margin increased 650 basis points to 59.2% in the first nine months of fiscal 2021 from 52.7% in the first nine months of fiscal 2020. Excluding items affecting comparability of $14.1 million in the first nine months of fiscal 2020, Stuart Weitzman gross profit decreased 20.4% or $30.1 million to $117.4 million in the first nine months of fiscal 2021 compared to $147.5 million in the first nine months of fiscal 2020, and gross margin increased 90 basis points to 59.2% from 58.3% in the first nine months of fiscal 2020. On a constant currency basis, gross margin decreased 110 basis points. This decrease in gross margin was primarily attributed to increased promotional activity partially offset by channel mix.

Selling, General and Administrative Expenses

	Nine Months Ended					
	March 27, 2021		March 28, 2020		**Variance**	
	(millions)					
	Amount	**% of Net Sales**	Amount	% of Net Sales	Amount	%
Coach	**$ 1,317.6**	**43.0 %**	$ 1,410.2	46.9 %	$ (92.6)	(6.6)%
Kate Spade	**474.1**	**54.6**	607.0	61.6	(132.9)	(21.9)
Stuart Weitzman	**123.0**	**62.0**	673.8	NM	(550.8)	(81.7)
Corporate	**292.8**	**NA**	320.2	NA	(27.4)	(8.5)
Tapestry	**$ 2,207.5**	**53.4**	$ 3,011.2	70.9	$ (803.7)	(26.7)

SG&A expenses decreased 26.7% or $803.7 million to $2.21 billion in the first nine months of fiscal 2021 as compared to $3.01 billion in the first nine months of fiscal 2020. As a percentage of net sales, SG&A expenses decreased to 53.4% during the first nine months of fiscal 2021 as compared to 70.9% during the first nine months of fiscal 2020. Excluding items affecting comparability of $114.5 million and $669.4 million in the first nine months of fiscal 2021 and 2020, respectively, SG&A expenses decreased 10.6% or $248.8 million from the first nine months of fiscal 2020. Excluding items affecting comparability, SG&A expenses as a percentage of net sales decreased to 50.7% in the first nine months of fiscal 2021 from 55.1% in the first nine months of fiscal 2020. This decrease in SG&A expenses includes actions taken as part of the Acceleration Program as well as benefits from wage subsidies and rent concessions, partially offset by an increase in accrued Annual Incentive Plan expenses.

- *Coach SG&A Expenses* decreased 6.6% or $92.6 million to $1.32 billion in the first nine months of fiscal 2021 as compared to $1.41 billion in the first nine months of fiscal 2020. As a percentage of net sales, SG&A expenses decreased to 43.0% during the first nine months of fiscal 2021 as compared to 46.9% during the first nine months of fiscal 2020. Excluding items affecting comparability of $41.6 million and $57.8 million in the first nine months of fiscal 2021 and fiscal 2020, respectively, SG&A expenses decreased 5.6% or $76.4 million to $1.28 billion in the first nine months of fiscal 2021; and SG&A expenses as a percentage of net sales decreased to 41.6% in the first nine months of fiscal 2021 from 45.0% in the first nine months of fiscal 2020. This decrease in SG&A expenses was primarily due to a decline in compensation costs, occupancy costs and depreciation expense, partially offset by an increase in digital marketing spend and e-commerce related operational and selling costs in support of higher e-commerce sales.

- *Kate Spade SG&A Expenses* decreased 21.9% or $132.9 million to $474.1 million in the first nine months of fiscal 2021 from $607.0 million in the first nine months of fiscal 2020. As a percentage of net sales, SG&A expenses decreased to 54.6% during the first nine months of fiscal 2021 as compared to 61.6% during the first nine months of fiscal 2020. Excluding items affecting comparability of $23.6 million and $67.8 million in the first nine months of fiscal 2021 and 2020, respectively, SG&A expenses decreased 16.4% or $88.7 million to $450.5 million in the first nine months of fiscal 2021; and SG&A expenses as a percentage of net sales decreased to 51.9% in the first nine months of fiscal 2021 from 54.7% in the first nine months of fiscal 2020. This decrease in SG&A expenses was due to a decline in compensation costs, occupancy costs and depreciation expense, partially offset by an increase in digital marketing spend and e-commerce related operational and selling costs in support of higher e-commerce sales.

- *Stuart Weitzman SG&A Expenses* decreased 81.7% or $550.8 million to $123.0 million in the first nine months of fiscal 2021 as compared to $673.8 million in the first nine months of fiscal 2020. As a percentage of net sales, SG&A expenses was 62.0% during the first nine months of fiscal 2021. Excluding items affecting comparability of $4.8 million and $492.8 million in the first nine months of fiscal 2021 and 2020, respectively, SG&A expenses decreased 34.7% or $62.8 million to $118.2 million in the first nine months of fiscal 2021; and SG&A expenses as a percentage of net sales decreased to 59.7% in the first nine months of fiscal 2021. This decrease in SG&A expenses is primarily due to a decline in occupancy and compensation costs mainly as a result of fleet optimization under the Acceleration Program, higher bad debt reserves in prior year due to Covid-19, as well as declines in marketing spend.

- Corporate expenses, which are included within SG&A expenses discussed above but are not directly attributable to a reportable segment, decreased 8.5% or $27.4 million to $292.8 million in the first nine months of fiscal 2021 as compared to $320.2 million in the first nine months of fiscal 2020. Excluding items affecting comparability of $44.5 million and $51.0 million in the first nine months of fiscal 2021 and 2020, respectively, SG&A expenses decreased by 7.8% or $20.9 million to $248.3 million in the first nine months of fiscal 2021 as compared to $269.2 million in the first nine months of fiscal 2020. This decrease in corporate expenses is due to a gain realized on the sale of our corporate office in Hong Kong, a gain realized on the deferred purchase price of the Kate Spade joint venture and lower variable occupancy cost, partially offset by an increase in accrued Annual Incentive Plan expenses.

Operating Income (Loss)

	Nine Months Ended					
	March 27, 2021		March 28, 2020		**Variance**	
	(millions)					
	Amount	**% of Net Sales**	Amount	% of Net Sales	Amount	%
Coach	**$ 933.4**	**30.5 %**	$ 620.4	20.6 %	$ 313.0	50.4 %
Kate Spade	**73.3**	**8.4**	(30.6)	(3.1)	103.9	NM
Stuart Weitzman	**(5.6)**	**(2.8)**	(540.4)	NM	534.8	99.0
Corporate	**(292.8)**	**NA**	(320.2)	NA	27.4	8.5
Tapestry	**$ 708.3**	**17.1**	$ (270.8)	(6.4)	$ 979.1	NM

Operating income increased $979.1 million to $708.3 million in the first nine months of fiscal 2021 as compared to operating loss of $270.8 million in the first nine months of fiscal 2020. Operating margin was 17.1% in the first nine months of fiscal 2021 as compared to (6.4)% in the first nine months of fiscal 2020. Excluding items affecting comparability of $114.5 million and $779.0 million in the first nine months of fiscal 2021 and fiscal 2020, respectively, operating income increased $314.6 million to $822.8 million from $508.2 million in the first nine months of fiscal 2020; and operating margin was 19.9% in the first nine months of fiscal 2021 as compared to 12.0% in the first nine months of fiscal 2020.

- *Coach Operating Income* increased 50.4% or $313.0 million to $933.4 million in the first nine months of fiscal 2021, resulting in an operating margin of 30.5%, as compared to $620.4 million and 20.6%, respectively, in the first nine months of fiscal 2020. Excluding items affecting comparability, Coach operating income increased 31.7% or $234.8 million to $975.0 million from $740.2 million in the first nine months of fiscal 2020; and operating margin was 31.8% in the first nine months of fiscal 2021 as compared to 24.6% in the first nine months of fiscal 2020. This increase in operating income was due to an increase in gross profit and lower SG&A expense.
- *Kate Spade Operating Income* increased $103.9 million to $73.3 million in the first nine months of fiscal 2021, resulting in an operating margin of 8.4%, as compared to operating loss of $30.6 million and (3.1)%, respectively, in the first nine months of fiscal 2020. Excluding items affecting comparability, Kate Spade operating income increased $26.2 million to $96.9 million from $70.7 million in the first nine months of fiscal 2020; and operating margin was 11.2% in the first nine months of fiscal 2021 as compared to 7.2% in the first nine months of fiscal 2020. This increase in operating income was due lower SG&A expenses partially offset by a decrease in gross profit.
- *Stuart Weitzman Operating Loss* decreased 99.0% or $534.8 million to $5.6 million in the first nine months of fiscal 2021, resulting in an operating margin of (2.8)%, as compared to operating loss of $540.4 million in first nine months of fiscal 2020. Excluding items affecting comparability, Stuart Weitzman operating loss decreased 97.5% or $32.7 million to $0.8 million from $33.5 million in the first nine months of fiscal 2020; and operating margin was (0.4)% in the first nine months of fiscal 2021. This decrease in operating loss was due to lower SG&A expenses, partially offset by a decrease in gross profit.

Interest Expense, net

Interest expense, net increased 38.2% or $15.2 million to $55.0 million in the first nine months of fiscal 2021 as compared to $39.8 million in the first nine months of fiscal 2020. This increase in interest expense, net is due to lower interest income and additional interest expense related to the draw down on the Revolving Credit Facility in the fourth quarter of fiscal 2020.

Other Expense (Income)

Other income increased $14.6 million to income of $1.8 million in the first nine months of fiscal 2021 as compared to expense of $12.8 million in the first nine months of fiscal 2020. This increase in other income is related to an increase in foreign exchange gains.

Provision for Income Taxes

The effective tax rate was 3.1% in the first nine months of fiscal 2021 as compared to (10.8)% in the first nine months of fiscal 2020. Excluding items affecting comparability, the effective tax rate was 18.3% in the first nine months of fiscal 2021 as compared to 25.0% in the first nine months of fiscal 2020. This decrease in our effective tax rate was primarily attributable to geographic mix of earnings and the impact of nondeductible expenses on lower pretax operating income in the first nine months of fiscal 2020.

Net Income (Loss)

Net income increased $992.7 million to $634.4 million in the first nine months of fiscal 2021 as compared to net loss of $358.3 million in the first nine months of fiscal 2020. Excluding items affecting comparability, net income increased $287.1 million to $628.7 million in the first nine months of fiscal 2021 as compared to $341.6 million in the first nine months of fiscal 2020. This increase was primarily due to higher operating income.

Net Income (Loss) per Share

Net income per diluted share increased $3.53 to $2.25 in the first nine months of fiscal 2021 as compared to net loss per diluted share of $1.28 in the first nine months of fiscal 2020. Excluding items affecting comparability, net income per diluted share increased $1.01 to $2.23 in the first nine months of fiscal 2021 from $1.22 in the first nine months of fiscal 2020. This change was primarily due to higher net income.

NON-GAAP MEASURES

The Company’s reported results are presented in accordance with GAAP. The reported gross profit, SG&A expenses, operating income, provision for income taxes, net income and earnings per diluted share in the third quarter and the first nine months of fiscal 2021 and fiscal 2020 reflect certain items, including the impact of ERP Implementation and Organization-related and Integration costs in fiscal 2020, Impairment costs in fiscal 2020 and fiscal 2021, and Acceleration Program costs and CARES Act Tax Impact in fiscal 2021. As a supplement to the Company's reported results, these metrics are also reported on a non-GAAP basis to exclude the impact of these items, along with a reconciliation to the most directly comparable GAAP measures.

The Company has historically reported comparable store sales, which reflects sales performance at stores that have been open for at least 12 months, and includes sales from the Internet. The Company excludes new stores, including newly acquired locations, from the comparable store base for the first twelve months of operation. The Company excludes closed stores from the calculation. Comparable store sales are not adjusted for store expansions. Due to the uncertain business environment resulting from the impact of the Covid-19 pandemic, comparable store sales are not reported for the three and nine months ended March 27, 2021 as the Company does not believe this metric is currently meaningful to the readers of its financial statements for this period.

These non-GAAP performance measures were used by management to conduct and evaluate its business during its regular review of operating results for the periods affected. Management and the Company’s Board utilized these non-GAAP measures to make decisions about the uses of Company resources, analyze performance between periods, develop internal projections and measure management performance. The Company’s internal management reporting excluded these items. In addition, the Human Resources Committee of the Company’s Board uses these non-GAAP measures when setting and assessing achievement of incentive compensation goals.

The Company operates on a global basis and reports financial results in U.S. dollars in accordance with GAAP. Fluctuations in foreign currency exchange rates can affect the amounts reported by the Company in U.S. dollars with respect to its foreign revenues and profit. Accordingly, certain material increases and decreases in operating results for the Company and its segments have been presented both including and excluding currency fluctuation effects. These effects occur from translating foreign-denominated amounts into U.S. dollars and comparing to the same period in the prior fiscal year. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period. The Company calculates constant currency results by translating current period Net sales and Cost of sales, in local currency using the prior year period's currency conversion rate. The constant currency gross margin results are reported excluding items affecting comparability.

We believe these non-GAAP measures are useful to investors and others in evaluating the Company’s ongoing operating and financial results in a manner that is consistent with management's evaluation of business performance and understanding how such results compare with the Company’s historical performance. Additionally, we believe presenting certain increases and decreases in constant currency provides a framework for assessing the performance of the Company's business outside the United States and helps investors and analysts understand the effect of significant year-over-year currency fluctuations. We believe excluding these items assists investors and others in developing expectations of future performance.

By providing the non-GAAP measures, as a supplement to GAAP information, we believe we are enhancing investors’ understanding of our business and our results of operations. The non-GAAP financial measures are limited in their usefulness and should be considered in addition to, and not in lieu of, GAAP financial measures. Further, these non-GAAP measures may be unique to the Company, as they may be different from non-GAAP measures used by other companies.

For a detailed discussion on these non-GAAP measures, see Item 2. "Management’s Discussion and Analysis of Financial Condition and Results of Operations."

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	Nine Months Ended		
	March 27, 2021	March 28, 2020	Change
		(millions)	
Net cash provided by (used in) operating activities	**$ 944.6**	$ 446.1	$ 498.5
Net cash used in investing activities	**(43.6)**	(69.2)	25.6
Net cash used in financing activities	**(688.6)**	(603.1)	(85.5)
Effect of exchange rate changes on cash and cash equivalents	**13.0**	(0.4)	13.4
Net increase/ (decrease) in cash and cash equivalents	**$ 225.4**	$ (226.6)	$ 452.0

The Company's cash and cash equivalents increased by $225.4 million in the first nine months of fiscal 2021 as compared to a decrease of $226.6 million in the first nine months of fiscal 2020, as discussed below.

Net cash provided by (used in) operating activities

Net cash provided by operating activities increased $498.5 million due to higher net income of $992.7 million and changes in operating assets and liabilities of $345.9 million, partially off by the impact of non-cash adjustments of $840.1 million.

The $345.9 million increase in changes in operating asset and liability balances were primarily driven by the following:

- Accounts payable were a source of cash of $275.0 million in the first nine months of fiscal 2021 compared to a use of cash of $18.5 million in the first nine months of fiscal 2020, primarily due to the extension of payment terms to certain vendors in addition to higher inventory in transit compared to the prior period.
- Inventories were a source of cash of $63.9 million in the first nine months of fiscal 2021 compared to a use of cash of $171.6 million in the first nine months of fiscal 2020, primarily driven by higher than expected sales, more disciplined inventory management and actions taken to exit certain markets.
- Accrued liabilities were a source of cash of $7.6 million in the first nine months of fiscal 2021 compared to a use of cash of $31.2 million in the first nine months of fiscal 2020, primarily attributed to increased accruals for Annual Incentive Plan payments compared to the prior period and the timing of payments related to other taxes.
- Other liabilities were a use of cash of $10.2 million in the first nine months of fiscal 2021 compared to a use of cash of $37.6 million in the first nine months of fiscal 2020, primarily due to the timing of tax payments.
- Other assets were a use of cash of $105.7 million in the first nine months of fiscal 2021 compared to a source of cash of $19.1 million in the first nine months of fiscal 2020, primarily related to an increase in income tax receivable primarily due to the NOL carryback claim under the CARES Act.
- Trade accounts receivable were a use of cash of $49.3 million in the first nine months of fiscal 2021 compared to a source of cash of $75.2 million in the first nine months of fiscal 2020, primarily driven by a lower balance in the fourth quarter of fiscal 2020 due to impacts from Covid-19.

Net cash used in investing activities

Net cash used in investing activities in the first nine months of fiscal 2021 was $43.6 million as compared to a use of cash of $69.2 million in the first nine months of fiscal 2020, resulting in a $25.6 million decrease in net cash used in investing activities.

The $43.6 million use of cash in the first nine months of fiscal 2021 is primarily due to capital expenditures of $68.9 million partially offset by proceeds from the sale of building of $23.9 million.

The $69.2 million use of cash in the first nine months of fiscal 2020 is primarily due to cash used for purchases of investments of $212.4 million in the nine months of fiscal 2020 and capital expenditures of $172.9 million, partially offset by proceeds from maturities and sales of investments of $316.1 million.

Net cash used in financing activities

Net cash used in financing activities was $688.6 million in the first nine months of fiscal 2021 as compared to a use of cash of $603.1 million in the first nine months of fiscal 2020, resulting in a net increase in use of cash for financing activities of $85.5 million.

The $688.6 million of cash used in the first nine months of fiscal 2021 was primarily due to repayments on the revolving credit facility of $700.0 million and note payable of $11.5 million, partially offset by proceeds from share-based awards of $37.8 million.

The $603.1 million use of cash in the first nine months of fiscal 2020 was primarily due to repurchases of common stock of $300.0 million and dividend payments of $287.1 million.

Working Capital and Capital Expenditures

As of March 27, 2021, in addition to our cash flows from operations, our sources of liquidity and capital resources were comprised of the following:

	Sources of Liquidity	Outstanding Indebtedness	Total Available Liquidity[1]
		(millions)	
Cash and cash equivalents[1]	$ 1,651.7	$ —	$ 1,651.7
Short-term investments[1]	7.5	—	7.5
Revolving Credit Facility[2]	900.0	—	900.0
3.000% Senior Notes due 2022[3]	400.0	400.0	—
4.250% Senior Notes due 2025[3]	600.0	600.0	—
4.125% Senior Notes due 2027[3]	600.0	600.0	—
Total	$ 4,159.2	$ 1,600.0	$ 2,559.2

(1) As of March 27, 2021, approximately 39% of our cash and short-term investments were held outside the United States. The Company will likely repatriate some portion of available foreign cash in the foreseeable future, and has recorded deferred taxes on certain earnings of non-US subsidiaries that are deemed likely to be repatriated.

(2) In October 2019, the Company entered into a definitive credit agreement whereby Bank of America, N.A., as administrative agent, the other agents party thereto, and a syndicate of banks and financial institutions have made available to the Company a $900.0 million revolving credit facility, including sub-facilities for letters of credit, with a maturity date of October 24, 2024 (the "Revolving Credit Facility"). Borrowings under the Revolving Credit Facility bear interest at a rate per annum equal to, at the Borrowers' option, either (a) an alternate base rate (which is a rate equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1% or (iii) the Adjusted LIBO Rate for a one month Interest Period on such day plus 1%) or (b) a rate based on the rates applicable for deposits in the interbank market for U.S. Dollars or the applicable currency in which the loans are made plus, in each case, an applicable margin. The applicable margin will be determined by reference to a grid, defined in the Credit Agreement, based on the ratio of (a) consolidated debt plus operating lease liability to (b) consolidated EBITDAR. Additionally, the Company pays a commitment fee at a rate determined by the reference to the aforementioned pricing grid. On May 19, 2020, the Company entered into Amendment No. 1 (the "Amendment") to the Revolving Credit Facility. Under the terms of the Amendment, during the period from the Effective Date until October 2, 2021, the Company must maintain available liquidity of $700 million (with available liquidity defined as the sum of unrestricted cash and cash equivalents and available commitments under credit facilities, including the Revolving Credit Facility). Following the period from the Effective Date until the compliance certificate is delivered for the fiscal quarter ending July 3, 2021 (the "Covenant Relief Period"), the Company must comply on a quarterly basis with a maximum net leverage ratio of 4.0 to 1.0. In addition, the Amendment provides that during the Covenant Relief Period, if any two of the Company's three credit ratings are non-investment grade, the Revolving Credit Facility will be guaranteed by the Company's material domestic subsidiaries and will be subject to liens on accounts receivable, inventory and intellectual property, in each case subject to customary exceptions. The Amendment also contains negative covenants that limit the ability of the Company and its subsidiaries to, among other things, incur certain debt, incur certain liens, dispose of assets, make investments, loans or advances, and engage in share buybacks during the Covenant Relief Period. An increased interest rate will be applicable during the Covenant Relief Period when the Company's gross leverage ratio exceeds 4.0 to 1.0. The $900 million aggregate commitment amount under the revolving credit facility remains unchanged. As of March 27, 2021, there were no borrowings outstanding under the Revolving Credit Facility. Refer to Note 12, "Debt," for further information on our existing debt instruments.

(3) In March 2015, the Company issued $600.0 million aggregate principal amount of 4.250% senior unsecured notes due April 1, 2025 at 99.445% of par (the "2025 Senior Notes"). Furthermore, in June 2017, the Company issued $400.0 million aggregate principal amount of 3.000% senior unsecured notes due July 15, 2022 at 99.505% of par (the "2022 Senior

Notes"), and $600.0 million aggregate principal amount of 4.125% senior unsecured notes due July 15, 2027 at 99.858% of par (the "2027 Senior Notes"). Furthermore, the indentures for the 2025 Senior Notes, 2022 Senior Notes and 2027 Senior Notes contain certain covenants limiting the Company's ability to: (i) create certain liens, (ii) enter into certain sale and leaseback transactions and (iii) merge, or consolidate or transfer, sell or lease all or substantially all of the Company's assets. As of March 27, 2021, no known events of default have occurred. Refer to Note 12, "Debt," for further information on our existing debt instruments.

We believe that our Revolving Credit Facility is adequately diversified with no undue concentrations in any one financial institution. As of March 27, 2021, there were 12 financial institutions participating in the Revolving Credit Facility, with no one participant maintaining a combined maximum commitment percentage in excess of 14%.

We have the ability to draw on our credit facilities or access other sources of financing options available to us in the credit and capital markets for, among other things, acquisition or integration-related costs, our restructuring initiatives, settlement of a material contingency, or a material adverse business or macroeconomic development, as well as for other general corporate business purposes.

Management believes that cash flows from operations, access to the credit and capital markets and our credit lines, on-hand cash and cash equivalents and our investments will provide adequate funds to support our operating, capital, and debt service requirements for the remainder of fiscal 2021 and beyond. There can be no assurance that any such capital will be available to the Company on acceptable terms or at all. Our ability to fund working capital needs, planned capital expenditures, and scheduled debt payments, as well as to comply with all of the financial covenants under our debt agreements, depends on future operating performance and cash flow. This future operating performance and cash flow are subject to prevailing economic conditions, which is uncertain as a result of Covid-19, and to financial, business and other factors, some of which are beyond the Company's control.

Reference should be made to our most recent Annual Report on Form 10-K and other filings with the SEC for additional information regarding liquidity and capital resources. The Company expects total fiscal 2021 capital expenditures to be approximately $100 million.

Seasonality

The Company's results are typically affected by seasonal trends. During the first fiscal quarter, we build inventory for the holiday selling season. In the second fiscal quarter, working capital requirements are reduced substantially as we generate higher net sales and operating income, especially during the holiday months of November and December. Accordingly, the Company's net sales, operating income and operating cash flows for the three months ended March 27, 2021 are not necessarily indicative of that expected for the full fiscal 2021. However, fluctuations in net sales, operating income and operating cash flows of the Company in any fiscal quarter may be affected by the timing of wholesale shipments and other events affecting retail sales, including adverse weather conditions or other macroeconomic events.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies are described in Note 3 to the audited consolidated financial statements in our Annual Report on Form 10-K for fiscal 2020. Our discussion of results of operations and financial condition relies on our condensed consolidated financial statements that are prepared based on certain critical accounting policies that require management to make judgments and estimates which are subject to varying degrees of uncertainty. While we believe that these accounting policies are based on sound measurement criteria, actual future events can and often do result in outcomes that can be materially different from these estimates or forecasts.

For a complete discussion of our critical accounting policies and estimates, see the "Critical Accounting Policies and Estimates" section of the Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for fiscal 2020. As of March 27, 2021, there have been no material changes to any of the critical accounting policies.

The Company performs its annual impairment assessment of goodwill as well as brand intangibles at the beginning of the fourth quarter of each fiscal year. In all fiscal years, the fair values of our Coach brand reporting units significantly exceeded their respective carrying values. The fair values of the Kate Spade brand reporting unit and indefinite-lived brand as of the fiscal 2020 testing date exceeded their respective carrying values by approximately 13% and 35%, respectively. Several factors could impact the Kate Spade brand's ability to achieve expected future cash flows, including continued economic volatility and potential operational challenges related to the Covid-19 pandemic, the reception of new collections in all channels, the success of international expansion strategies including the direct operation of certain previous distributor and joint venture businesses, the optimization of the store fleet productivity, the impact of promotional activity in department stores, and the simplification of certain corporate overhead structures and other initiatives aimed at increasing profitability of the business. Given the relatively small excess of fair value over carrying value as noted above, if profitability trends decline from those that are expected it is possible that these assets could be impaired.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk inherent in our financial instruments represents the potential loss in fair value, earnings or cash flows, arising from adverse changes in foreign currency exchange rates or interest rates. The Company manages these exposures through operating and financing activities and, when appropriate, through the use of derivative financial instruments. The use of derivative financial instruments is in accordance with the Company's risk management policies, and we do not enter into derivative transactions for speculative or trading purposes.

The quantitative disclosures in the following discussion are based on quoted market prices obtained through independent pricing sources for the same or similar types of financial instruments, taking into consideration the underlying terms and maturities and theoretical pricing models. These quantitative disclosures do not represent the maximum possible loss or any expected loss that may occur, since actual results may differ from those estimates.

Foreign Currency Exchange Rate Risk

Foreign currency exposures arise from transactions, including firm commitments and anticipated contracts, denominated in a currency other than the entity’s functional currency, and from foreign-denominated revenues and expenses translated into U.S. dollars. The majority of the Company's purchases and sales involving international parties, excluding international consumer sales, are denominated in U.S. dollars and, therefore, our foreign currency exchange risk is limited. The Company is exposed to risk from foreign currency exchange rate fluctuations resulting from its operating subsidiaries’ transactions denominated in foreign currencies. To mitigate such risk, certain subsidiaries enter into forward currency contracts. As of March 27, 2021 and June 27, 2020, forward currency contracts designated as cash flow hedges with a notional amount of $70.4 million and $586.2 million, respectively, were outstanding. As a result of the use of derivative instruments, we are exposed to the risk that counterparties to the derivative instruments will fail to meet their contractual obligations. To mitigate the counterparty credit risk, we only enter into derivative contracts with carefully selected financial institutions. The Company also reviews the creditworthiness of our counterparties on a regular basis. As a result of the above considerations, we do not believe that we are exposed to any undue concentration of counterparty credit risk associated with our derivative contracts as of March 27, 2021.

The Company is also exposed to transaction risk from foreign currency exchange rate fluctuations with respect to various cross-currency intercompany loans and payables. This primarily includes exposure to exchange rate fluctuations in the Chinese Renminbi, the British Pound Sterling and the Euro. To manage the exchange rate risk related to these balances, the Company enters into forward currency contracts. As of March 27, 2021 and June 27, 2020 the total notional values of outstanding forward foreign currency contracts related to these loans were $238.5 million and $76.9 million, respectively.

The fair value of outstanding forward currency contracts included in current assets at March 27, 2021 and June 27, 2020 was $1.9 million and $2.9 million, respectively. The fair value of outstanding foreign currency contracts included in current liabilities at March 27, 2021 and June 27, 2020 was $1.8 million and $1.7 million, respectively. The fair value of these contracts is sensitive to changes in foreign currency exchange rates. A sensitivity analysis of the effects of foreign exchange rate fluctuations on the fair values of our derivative contracts was performed to assess the risk of loss.

Interest Rate Risk

The Company is exposed to interest rate risk in relation to its Revolving Credit Facility entered into under the credit agreement dated October 24, 2019 as amended on May 19, 2020, the 2025 Senior Notes, 2022 Senior Notes, 2027 Senior Notes (collectively the "Senior Notes") and investments.

Our exposure to changes in interest rates is primarily attributable to debt outstanding under the Revolving Credit Facility. Borrowings under the Revolving Credit Facility bear interest at a rate per annum equal to, at the Company’s option, either (a) an alternate base rate (which is a rate equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1% or (iii) the Adjusted LIBO Rate for a one month Interest Period on such day plus 1%) or (b) a rate based on the rates applicable for deposits in the interbank market for U.S. dollars or the applicable currency in which the loans are made plus, in each case, an applicable margin. The applicable margin will be determined by reference to a grid, as set forth in the credit agreement, based on the ratio of (a) consolidated debt plus operating lease liability to (b) consolidated EBITDAR. Furthermore, a prolonged disruption on our business resulting from the Covid-19 pandemic may impact our ability to satisfy the terms of our Revolving Credit Facility, including our liquidity covenant.

The Company is exposed to changes in interest rates related to the fair value of the Senior Notes. At March 27, 2021, the fair value of the 2025 Senior Notes, 2022 Senior Notes and 2027 Senior Notes was approximately $651 million, $410 million and $653 million, respectively. At June 27, 2020, the fair value of the 2025 Senior Notes, 2022 Senior Notes and 2027 Senior Notes was approximately $577 million, $393 million and $565 million, respectively. These fair values are based on external pricing data, including available quoted market prices of these instruments, and consideration of comparable debt instruments with similar interest rates and trading frequency, among other factors, and are classified as Level 2 measurements within the fair value hierarchy. The interest rate payable on the 2022 and 2027 Senior Notes will be subject to adjustments from time to time if either Moody’s or S&P or a substitute rating agency (as defined in the Prospectus Supplement furnished with the SEC on June 7, 2017) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the respective Senior Notes of such series.

The Company’s investment portfolio is maintained in accordance with the Company’s investment policy, which defines our investment principles including credit quality standards and limits the credit exposure of any single issuer. The primary objective of our investment activities is the preservation of principal while maximizing interest income and minimizing risk. We do not hold any investments for trading purposes.

ITEM 4. CONTROLS AND PROCEDURES

Based on the evaluation of the Company's disclosure controls and procedures, as that term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, the Chief Executive Officer of the Company and the Chief Financial Officer of the Company have concluded that the Company's disclosure controls and procedures are effective as of March 27, 2021.

Reference should be made to our most recent Annual Report on Form 10-K for additional information regarding discussion of the effectiveness of the Company’s controls and procedures. There were no changes in our internal control over financial reporting during the quarter ended March 27, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is involved in various routine legal proceedings as both plaintiff and defendant incident to the ordinary course of its business, including proceedings to protect Tapestry's intellectual property rights, litigation instituted by persons alleged to have been injured by advertising claims or upon premises within the Company’s control, litigation involving contractual disputes and litigation with present or former employees.

As part of Tapestry Inc.’s policing program for its intellectual property rights, from time to time, the Company files lawsuits in the U.S. and abroad alleging acts of trademark counterfeiting, trademark infringement, patent infringement, trade dress infringement, copyright infringement, unfair competition, trademark dilution and/or state or foreign law claims. At any given point in time, Tapestry may have a number of such actions pending. These actions often result in seizure of counterfeit merchandise and/or out of court settlements with defendants. From time to time, defendants will raise, either as affirmative defenses or as counterclaims, the invalidity or unenforceability of certain of Tapestry’s intellectual properties.

Although the Company’s litigation as a defendant is routine and incidental to the conduct of Tapestry’s business, as well as for any business of its size, such litigation can result in large monetary awards, such as when a civil jury is allowed to determine compensatory and/or punitive damages.

The Company believes that the outcome of all such pending routine legal proceedings in the aggregate will not have a material effect on the Company's business or condensed consolidated financial statements.

In addition to such routine legal proceedings, a putative class action complaint was filed in the Delaware Court of Chancery on May 7, 2020, naming the former chief executive officer and director of Kate Spade & Company and the other former directors of Kate Spade & Company, which the Company acquired on July 11, 2017 (the “Acquisition”), as defendants, and captioned Butler v. Leavitt, et al., C.A. No. 2020-0343-JTL. The complaint asserted claims on behalf of former Kate Spade & Company shareholders alleging breaches of fiduciary duty in connection with the Acquisition, including with respect to the defendants’ decision to pursue the Acquisition and Kate Spade & Company’s disclosures to stockholders in connection with the Acquisition. Under the terms of the agreement pursuant to which the Company acquired Kate Spade & Company, the Company was required to indemnify the defendants under this claim. The Company filed a motion to dismiss the complaint with prejudice, which was granted by the Delaware Court of Chancery on February 9, 2021. The matter, which has been concluded, did not have a material effect on the Company’s business or condensed consolidated financial statements.

Tapestry has not entered into any transactions that have been identified by the IRS as abusive or that have a significant tax avoidance purpose. Accordingly, we have not been required to pay a penalty to the IRS for failing to make disclosures required with respect to certain transactions that have been identified by the IRS as abusive or that have a significant tax avoidance purpose.

ITEM 1A. RISK FACTORS

There are no material changes from the risk factors previously disclosed in Part II, Item 1A., Risk Factors of our Quarterly Report on Form 10-Q for the quarterly period ended December 26, 2020.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The Company did not repurchase any shares of common stock during the third quarter of fiscal 2021. As of March 27, 2021, the Company had $600 million availability remaining in the stock repurchase program. The Company may terminate or limit the share repurchase program at any time. The Company is restricted from engaging in share buybacks during the Covenant Relief Period under Amendment No.1 to its Credit Facility.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 6. EXHIBITS

10.1*	First Amendment to Lease, dated as of March 12, 2021, between Legacy Yards Tenant LP, a Delaware limited partnership and Tapestry, Inc.
10.2*†	Letter Agreement, dated April 12, 2021, between the Registrant and Todd Kahn
10.3*†	Letter Agreement, dated April 26, 2021, between the Registrant and Andrea Shaw Resnick
10.4*†	Letter Agreement, dated April 26, 2021, between the Registrant and Scott Roe
31.1*	Rule 13(a) – 14(a)/15(d) – 14(a) Certifications
32.1*	Section 1350 Certifications
101.INS*	XBRL Instance Document
	Note: the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase

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* Filed Herewith

† Management contract or compensatory plan or arrangement

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TAPESTRY, INC.
(Registrant)

By:	/s/ Manesh B. Dadlani
Name:	Manesh B. Dadlani
Title:	Corporate Controller (Principal Accounting Officer)

Dated: May 6, 2021

FIRST AMENDMENT TO LEASE

FIRST AMENDMENT TO LEASE, dated as of March 12, 2021 (this "Amendment"), between **LEGACY YARDS TENANT LP**, a Delaware limited partnership whose address is c/o Related Companies, 60 Columbus Circle, New York, New York 10023 ("Landlord"), and **Tapestry, Inc.** (f/k/a Coach, Inc.), a Maryland corporation whose address is 10 Hudson Yards, New York, New York 10001 ("Tenant").

WITNESSETH:

WHEREAS, pursuant to a Lease, dated as of August 1, 2016 (the "Lease"), between Landlord and Tenant, Tenant is leasing from Landlord certain space in the building known as 10 Hudson Yards, New York, New York, as is more particularly described in the Lease (the "Building"); and

WHEREAS, Landlord and Tenant desire to amend the Lease on the terms and conditions hereinafter set forth.

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. Defined Terms. All capitalized terms used herein but not defined shall have the meanings ascribed to them in the Lease.

2. Rent Credit. Provided this Lease has not been terminated at such time, Tenant shall receive a one-time credit against the Fixed Rent payable for the month of March 2021 in an amount equal to $250,000.00.

3. Lease Modifications. (a) Each of Landlord and Tenant acknowledges and agrees that Tenant did not exercise the First Expansion Option and, accordingly, the First Expansion Option is expired.

(b) Section 10.02 of the Lease is hereby deleted in its entirety and replaced with the following:

"**10.02 Second Expansion Option**. (a) Provided that on the date Tenant exercises the Second Expansion Option (i) this Lease has not been terminated, (ii) Landlord has not delivered to Tenant a notice electing to terminate this Lease in accordance with Section 6.05 which remains in effect and (iii) Tenant is a Coach Tenant or a successor of a Coach Tenant by assignment of this Lease in accordance with Article 5, Tenant shall have the option (the "Second Expansion Option") to lease the entire 25th floor of the Building (the "Second Expansion Space"). The Second Expansion Option shall be exercisable by Tenant giving Landlord notice thereof (the "Second Expansion Notice") on or prior to June 29, 2025 (time being of the essence).

(b) If Tenant timely gives the Second Expansion Notice, then (i) on or before the later of (x) the date that is 90 days after the giving of the Second Expansion Notice and (y) the date that is 270 days before the first day of the Second ES Delivery Period, Landlord shall give to Tenant a notice designating (A) the date during the Second ES Delivery Period on which Landlord expects that the Second Expansion Space will become Available, subject to holdover by the existing occupant and Unavoidable Delay (such date, the "Anticipated Second ES Inclusion Date") and (B) the rentable square footage of the Second Expansion Space and (ii) subject to Section 10.02(d) below, on the Second ES Inclusion Date, the Second Expansion Space shall become part of the Office Premises and the Premises, without any further act on the part of Landlord or Tenant and upon all of the terms and conditions of this Lease applicable to the Office Premises, except that, from and after the Second ES Inclusion Date:

(i) Fixed Rent shall be increased by the Second ES Fair Market Rent for the Second Expansion Space and the rentable square footage of the Premises shall be adjusted by adding the rentable square footage of the Second Expansion Space (which shall be determined in accordance with the Measurement Standard);

(ii) Each of Tenant's Tax Share and Tenant's Operating Share shall be appropriately increased (provided that the method of calculating the numerator shall be the same as the method of calculating the denominator at such time of calculation);

(iii) Tenant shall be entitled to any rent abatement and/or work allowance determined in accordance with Section 10.02(f) below; and

(iv) Other than as expressly set forth in Section 10.02(a) and this Section 10.02(b), Landlord shall not be required to perform any work, to pay any other work allowance or any other amount, or to render any services to make the Building or the Second Expansion Space ready for Tenant's use or occupancy or to provide any abatement of Fixed Rent or Additional Charges, and Tenant shall accept the Second Expansion Space in its "as is" condition on the Second ES Inclusion Date; provided, that the Second Expansion Space shall be delivered in the condition to be negotiated in good faith by Landlord and Tenant, which shall include, at a minimum, the core bathroom finishes and all foundations, columns, girders, beams, supports, and all support and other features necessary for the installation of raised flooring, as constructed and existing therein on the date hereof.

(c) The "Second ES Delivery Period" means the 12-month period commencing July 1, 2026 and ending on June 30, 2027.

(d) The "Second ES Inclusion Date" means the date upon which Landlord delivers to Tenant vacant possession of the Second Expansion Space (vacant and free and clear of any and all tenancies and other rights of occupancy or possession), which date shall not be prior to the first day of the Second ES Delivery Period, and upon such date the Second Expansion Space shall become part of the Office Premises and the Premises, upon all of the terms and conditions set forth in Section 10.02. Notwithstanding the foregoing, if Landlord reasonably anticipates that the Second Expansion Space will become vacant sooner than the first day of the Second ES Delivery Period due to a default by the existing tenant of the Second Expansion Space or Landlord's acceptance of an early surrender of the Second Expansion Space from the existing tenant as a result of such tenant's bankruptcy or default, then the Second ES Inclusion Date may be up to six (6) months earlier than the first day of the Second ES Delivery

Period, provided that Landlord delivers at least one hundred twenty (120) days prior notice of such earlier date to Tenant. Landlord shall use reasonable efforts to deliver possession of the Second Expansion Space to Tenant on or before the Anticipated Second ES Inclusion Date, including the institution and prosecution of holdover or other appropriate proceedings against any occupant of the applicable portion of the Second Expansion Space. If Landlord is unable to deliver possession of the Second Expansion Space to Tenant for any reason on or before the Anticipated Second ES Inclusion Date, Landlord shall have no liability to Tenant therefor and this Lease shall not in any way be impaired (unless such inability is due to a voluntary agreement by Landlord to let the existing occupant remain in the applicable portion of the Second Expansion Space for any period on or after the Anticipated Second ES Inclusion Date); provided, that if Landlord is unable to deliver possession of the Second Expansion Space to Tenant on or prior to the date which is 270 days after the Anticipated Second ES Inclusion Date, then, as Tenant's sole and exclusive remedy therefor, Tenant may thereafter cancel the Second Expansion Notice by giving notice to Landlord of Tenant's intention to cancel the Second Expansion Notice on the date set forth in Tenant's notice, which date for cancellation shall be no later than 30 days after Tenant's delivery of such notice and which Tenant's notice shall be given not less than 270 days nor more than 300 days after the Anticipated Second ES Inclusion Date and, if the Second ES Inclusion Date shall not occur on or before the date set forth in Tenant's notice for such cancellation, then upon the date so set forth for such cancellation, the Second Expansion Notice with respect to the Second Expansion Space shall be deemed canceled and terminated and neither party shall have any further liabilities or obligations to the other with respect to the Second Expansion Option or Second Expansion Notice with respect to the Second Expansion Space. This Section 10.02(d) constitutes "an express provision to the contrary" within the meaning of said Section 223-a of the New York Real Property Law and any other law of like import now or hereafter in effect.

(e) Promptly after the occurrence of the Second ES Inclusion Date, Landlord and Tenant shall confirm the occurrence thereof, the inclusion of the Second Expansion Space in the Premises and the rentable square footage of the Second Expansion Space by executing an instrument reasonably satisfactory to Landlord and Tenant; provided, that failure by Landlord or Tenant to execute such instrument shall not affect the inclusion of the applicable portion of the Second Expansion Space in the Premises in accordance with this Section 10.02.

(f) "Second ES Fair Market Rent" means 95% of the fixed annual rent that a willing lessee would pay and a willing lessor would accept for the Second Expansion Space on the date that is one (1) year prior to the first day of the Second ES Delivery Period, taking into account all relevant factors (including, without limitation, the location of the Second Expansion Space, the Class A classification of the Building and the date on which construction thereof was completed, any additional rent that would be payable by Tenant in respect of PILOT Payments, Impositions, Taxes (taking into account any burn-off or loss of any tax abatements and any reset of real estate taxes occurring during the Renewal Term) and Operating Expenses in respect of the Second Expansion Space, the applicable delivery condition of the Second Expansion Space and the cost (if any) to Tenant of demolishing any existing leasehold improvements therein, and all other relevant terms and conditions of this Lease). If Tenant timely exercises the Second Expansion Option, the Second ES Fair Market Rent shall be determined in accordance with the provisions of Sections 9.02(c) and 9.02(d) hereof; provided, that (i) all references in said Sections 9.02(c) and 9.02(d) to "Fair Market Rent" shall be deemed to refer to "Second ES Fair Market Rent" and (ii) in conjunction with, and as a component of, the determination of Second ES Fair Market Rent, Landlord and Tenant shall establish the amount of any rent abatement or work allowance to which Tenant shall be entitled for the Second Expansion Space, if any, based on the amount of any rent abatement or work allowance that a willing lessee and a willing lessor would accept for the Second Expansion Space, taking into account all relevant factors (including, without limitation, the amount of the Second ES Fair Market Rent and the terms set forth in Sections 10.02(a) and 10.02(b) and this Section 10.02(f)). Each party shall indicate its determination of the amount of any rent abatement and/or work allowance to which Tenant should be entitled in connection with the leasing of the Second Expansion Space in Landlord's Determination or Tenant's Determination, as applicable.

(g) If the final determination of the Second ES Fair Market Rent shall not be made on or before the applicable Second ES Inclusion Date, then, pending such final determination, Tenant shall pay, as Fixed Rent for the Second Expansion Space, an amount equal to the average of Landlord's Determination and Tenant's Determination. If, based upon the final determination of Second ES Fair Market Rent, the Fixed Rent payments made by Tenant for the Second Expansion Space were (x) greater than the Second ES Fair Market Rent, Landlord shall credit (i) the amount of such excess and (ii) interest on such excess at the Base Rate from the date paid until credited, against future installments of Fixed Rent and/or Additional Charges payable by Tenant under this Lease and (y) less than the Second ES Fair Market Rent, Tenant shall pay to Landlord within thirty (30) days after such final determination an amount equal to (i) the deficiency and (ii) interest on such deficiency at the Base Rate from the date such unpaid amount should have been paid until paid by Tenant.

(h) "Second Expansion Space Work Allowance" means any work allowance that Tenant is entitled to pursuant to Section 10.02(f).

10.03 **Third Expansion Option**. (a) Provided that on the date Tenant exercises the Third Expansion Option (i) this Lease has not been terminated, (ii) Landlord has not delivered to Tenant a notice electing to terminate this Lease in accordance with Section 6.05 which remains in effect and (iii) Tenant is a Coach Tenant or a successor of a Coach Tenant by assignment of this Lease in accordance with Article 5, Tenant shall have the option (the "Third Expansion Option") to lease a single portion of the 24th floor of the Building designated by Landlord in the Third ES Response Notice (as defined below) which shall consist of approximately 50% of the rentable square footage of such floor (the "Third Expansion Space"). The approximately 50% of the rentable square footage of the 24th floor of the Building designated by Landlord in the Third ES Response Notice to be included in the Third Expansion Space shall (A) be configured in a commercially reasonable manner, (B) constitute a marketable unit of space, (C) have entry doors at the elevator lobby and (D) be a continuous unit of space without any barriers or partitions within such space; the remaining rentable square footage of such floor shall be configured in a commercially reasonable manner, constitute a marketable unit of space and have entry doors at the elevator lobby. The Third Expansion Option shall be exercisable by Tenant giving Landlord notice thereof (the "Third Expansion Notice") on or prior to December 1, 2029 (time being of the essence).

(b) If Tenant timely gives the Third Expansion Notice, then (i) on or before the later of (x) the date that is 90 days after the giving of the Third Expansion Notice and (y) the date that is 270 days before the first day of the Third ES Delivery Period, Landlord shall give to Tenant a notice (the "Third ES Response Notice") designating (A) the date during the Third ES Delivery Period on which Landlord expects that the Third Expansion Space will become Available, subject to holdover by the existing occupant and Unavoidable Delay (such date, the "Anticipated Third ES Inclusion Date") and (B) the rentable square footage and location on the 24th floor of the Building of the Third Expansion Space and (ii) subject to Section 10.03(d) below, on the Third ES Inclusion Date, the Third Expansion Space shall become part of the Office Premises and the Premises, without any further act on the part of Landlord or Tenant and upon all of the terms and conditions of this Lease applicable to the Office Premises, except that, from and after the Third ES Inclusion Date:

(i) Fixed Rent shall be increased by the Third ES Fair Market Rent for the Third Expansion Space and the rentable square footage of the Premises shall be adjusted by adding the rentable square footage of the Third Expansion Space (which shall be determined in accordance with the Measurement Standard);

(ii) Each of Tenant's Tax Share and Tenant's Operating Share shall be appropriately increased (provided that the method of calculating the numerator shall be the same as the method of calculating the denominator at such time of calculation);

(iii) Tenant shall be entitled to any rent abatement and/or work allowance determined in accordance with Section 10.03(f) below; and

(iv) Other than as expressly set forth in Section 10.03(a) and this Section 10.03(b), Landlord shall not be required to perform any work, to pay any other work allowance or any other amount, or to render any services to make the Building or the Third Expansion Space ready for Tenant's use or occupancy or to provide any abatement of Fixed Rent or Additional Charges, provided that, unless otherwise agreed by Tenant, Landlord shall deliver such space in shell-and-core form and such space shall include, at a minimum, the core bathroom finishes and all foundations, columns, girders, beams, supports, and all support and other features necessary for the installation of raised flooring, as constructed and existing therein on the date hereof.

(c) The "Third ES Delivery Period" means the 12-month period commencing February 1, 2031 and ending on January 31, 2032.

(d) The "Third ES Inclusion Date" means the date upon which Landlord delivers to Tenant vacant possession of the Third Expansion Space (vacant and free and clear of any and all tenancies and other rights of occupancy or possession), which date shall not be prior to the first day of the Third ES Delivery Period, and upon such date the Third Expansion Space shall become part of the Office Premises and the Premises, upon all of the terms and conditions set forth in Section 10.03. Notwithstanding the foregoing, if Landlord reasonably anticipates that the Third Expansion Space will become vacant sooner than the first day of the Third ES Delivery Period due to a default by the existing tenant of the Third Expansion Space or Landlord's acceptance of an early surrender of the Third Expansion Space from the existing tenant as a result of such tenant's bankruptcy or default, then the Third ES Inclusion Date may be up to six (6) months earlier than the first day of the Third ES Delivery Period, provided that Landlord delivers at least one hundred twenty (120) days prior notice of such earlier date to Tenant. Landlord shall use reasonable efforts to deliver possession of the Third Expansion Space to Tenant on or before the Anticipated Third ES Inclusion Date, including the institution and prosecution of holdover or other appropriate proceedings against any occupant of the applicable portion of the Third Expansion Space. If Landlord is unable to deliver possession of the Third Expansion Space to Tenant for any reason on or before the Anticipated Third ES Inclusion Date, Landlord shall have no liability to Tenant therefor and this Lease shall not in any way be impaired (unless such inability is due to a voluntary agreement by Landlord to let the existing occupant remain in the applicable portion of the Third Expansion Space for any period on or after the Anticipated Third ES Inclusion Date); provided, that if Landlord is unable to deliver possession of the Third Expansion Space to Tenant on or prior to the date which is 270 days after the Anticipated Third ES Inclusion Date, then, as Tenant's sole and exclusive remedy therefor, Tenant may thereafter cancel the Third Expansion Notice by giving notice to Landlord of Tenant's intention to cancel the Third Expansion Notice on the date set forth in Tenant's notice, which date for cancellation shall be no later than 30 days after Tenant's delivery of such notice and which Tenant's notice shall be given not less than 270 days nor more than 300 days after the Anticipated Third ES Inclusion Date and, if the Third ES Inclusion Date shall not occur on or before the date set forth in Tenant's notice for such cancellation, then upon the date so set forth for such cancellation, the Third Expansion Notice with respect to the Third Expansion Space shall be deemed canceled and terminated and neither party shall have any further liabilities or obligations to the other with respect to the Third Expansion Option or Third Expansion Notice with respect to the Third Expansion Space. This Section 10.03(d) constitutes "an express provision to the contrary" within the meaning of said Section 223-a of the New York Real Property Law and any other law of like import now or hereafter in effect.

(e) Promptly after the occurrence of the Third ES Inclusion Date, Landlord and Tenant shall confirm the occurrence thereof, the inclusion of the Third Expansion Space in the Premises and the rentable square footage of the Third Expansion Space by executing an instrument reasonably satisfactory to Landlord and Tenant; provided, that failure by Landlord or Tenant to execute such instrument shall not affect the inclusion of the applicable portion of the Third Expansion Space in the Premises in accordance with this Section 10.03.

(f) "Third ES Fair Market Rent" means 95% of the fixed annual rent that a willing lessee would pay and a willing lessor would accept for the Third Expansion Space on the date that is one (1) year prior to the first day of the Third ES Delivery Period, taking into account all relevant factors (including, without limitation, the location of the Third Expansion Space, the Class A classification of the Building and the date on which construction thereof was completed, any additional rent that would be payable by Tenant in respect of PILOT Payments, Impositions, Taxes (taking into account any burn-off or loss of any tax abatements and any reset of real estate taxes occurring during the Renewal Term) and Operating Expenses in respect of the Third Expansion Space, the applicable delivery condition of the Third Expansion Space and the cost (if any) to Tenant of demolishing any existing leasehold improvements therein, and all other relevant terms and conditions of this Lease). If Tenant timely exercises the Third Expansion Option, the Third ES Fair Market Rent shall be determined in accordance with the provisions of Sections 9.02(c) and 9.02(d) hereof; provided, that (i) all references in said Sections 9.02(c) and 9.02(d) to "Fair Market Rent" shall be deemed to refer to "Third ES Fair Market Rent" and (ii) in conjunction with, and as a component of, the determination of Third ES Fair Market Rent, Landlord and Tenant shall establish the amount of any rent abatement or work allowance to which Tenant shall be entitled for the Third Expansion Space, if any, based on the amount of any rent abatement or work allowance that a willing lessee and a willing lessor would accept for the Third Expansion Space, taking into account all relevant factors (including, without limitation, the amount of the Third ES Fair Market Rent and the terms set forth in Sections 10.03(a) and 10.03(b) and this Section 10.03(f)). Each party shall indicate its determination of the amount of any rent abatement and/or work allowance to which Tenant should be entitled in connection with the leasing of the Third Expansion Space in Landlord's Determination or Tenant's Determination, as applicable.

(g) If the final determination of the Third ES Fair Market Rent shall not be made on or before the applicable Third ES Inclusion Date, then, pending such final determination, Tenant shall pay, as Fixed Rent for the Third Expansion Space, an amount equal to the average of Landlord's Determination and Tenant's Determination. If, based upon the final determination of Third ES Fair Market Rent, the Fixed Rent payments made by Tenant for the Third Expansion Space were (x) greater than the Third ES Fair Market Rent, Landlord shall credit (i) the amount of such excess and (ii) interest on such excess at the Base Rate from the date paid until credited, against future installments of Fixed Rent and/or Additional Charges payable by Tenant under this Lease and (y) less than the Third ES Fair Market Rent, Tenant shall pay to Landlord within thirty (30) days after such final determination an amount equal to (i) the deficiency and (ii) interest on such deficiency at the Base Rate from the date such unpaid amount should have been paid until paid by Tenant.

(h) "Third Expansion Space Work Allowance" means any work allowance that Tenant is entitled to pursuant to Section 10.03(f). "Expansion Space Work Allowance" means the Second Expansion Space Work Allowance and the Third Expansion Space Work Allowance, as applicable."

4. Notices. Each of Landlord's and Tenant's addresses for notices under Section 8.01 of the Lease are hereby modified such that from and after the date hereof all Notices to each of Landlord and Tenant under the Lease shall be delivered to:

If to Landlord:

c/o The Related Companies, L.P.
30 Hudson Yards, 72nd Floor
New York, New York 10001

Attention: Jeff T. Blau and Andrew Rosen

with a copy to each of the following:

c/o The Related Companies, L.P.
30 Hudson Yards, 72nd Floor
New York, New York 10001
Attention: Hudson Yards Legal Department

c/o Related Hudson Yards Manager LLC
10 Hudson Yards
New York, New York 10001
Attention: Senior General Manager

c/o Related Hudson Yards Manager LLC
423 55th Street
New York, New York 10019
Attention: Lease Administration

Oxford Hudson Yards LLC
450 Park Avenue, Suite 900
New York, New York 10022
Attention: Dean J. Shapiro

Oxford Properties Group
EY Tower
100 Adelaide Street West, Suite 900
Toronto, Ontario M5H 0E2, Canada
Attention: Chief Legal Officer

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Robert J. Sorin, Esq.

and

DLA Piper LLP
1251 Avenue of the Americas, 27th Floor
New York, New York 10020-1104
Attention: Fonda Duvanel

If to Tenant:

Tapestry, Inc.
10 Hudson Yards

New York, NY 10001
Attention: Todd Kahn

with copy to:

Tapestry, Inc.
10 Hudson Yards
New York, NY 10001
Attention: Mitchell L. Feinberg

with copy to:

Tapestry, Inc.
10 Hudson Yards
New York, NY 10001
Attention: Law Department

and with copy to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Jonathan L. Mechanic, Esq. and Ross Z. Silver, Esq.

5. No Broker. Each party represents to the other that such party has dealt with no broker in connection with this Amendment and each party shall indemnify and hold the other harmless from and against all loss, cost, liability and expense (including, without limitation, reasonable attorneys' fees and disbursements) arising out of any claim for a commission or other compensation by any broker who alleges that it has dealt with the indemnifying party in connection with this Amendment. The provisions of this Section 5 shall survive the Expiration Date or sooner termination of the Lease.

6. No Other Changes. Except as expressly set forth in this Amendment, the Lease shall remain unmodified and in full force and effect, and the Lease as modified herein is ratified and confirmed. All references in the Lease to "this Lease" shall hereafter be deemed to refer to the Lease as amended by this Amendment.

7. Miscellaneous. This Amendment contains the entire agreement of the parties with respect to the subject matter hereof and all prior negotiations, understandings or agreements between the parties with respect to the subject matter hereof are merged herein. This Amendment may be executed in counterparts each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement. An executed counterpart delivered by ".pdf", facsimile or email shall be binding upon the parties. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any principles of conflicts of laws.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the day and year first above written.

LANDLORD:

LEGACY YARDS TENANT LP

By: Legacy Yards Tenant GP LLC,
its general partner

By: /s/ Andrew Rosen
Name: Andrew Rosen
Title: Chief Operating Officer

TENANT:

TAPESTRY, INC.

By: /s/ Todd Kahn
Name: Todd Kahn
Title: President & Chief Administrative Officer

tapestry

COACH | kate spade | STUART WEITZMAN

April 12, 2021

Todd Kahn

Dear Todd,
It is with great pleasure that I confirm our offer to appoint you as Chief Executive Officer and Brand President, Coach, of Tapestry, Inc. (“Tapestry” or the “Company”), reporting to the Chief Executive Officer of Tapestry. Upon effectiveness of the appointment, you will continue to be a member of Tapestry’s Executive Committee. You will continue to be considered an “officer” under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as well as an “Executive Officer” of Tapestry pursuant to Rule 3b-7 of the Exchange Act.

Reference is hereby made to your prior employment letters dated as of January 7, 2008, as amended June 22, 2015 and August 11, 2016, in connection with your appointment as the Company’s President and Chief Administrative Officer and prior positions, and July 20, 2020, in connection with your appointment as interim Chief Executive Officer and Brand President, Coach (collectively, the “Prior Letter Agreements”). This letter details your base salary, bonus opportunity, annual equity opportunity and your eligibility for other benefits. It also lays out the conditions of your continued employment with Tapestry and supersedes the Prior Letter Agreements, except to the extent expressly set forth herein or set forth in the applicable equity award agreements granted prior to the Effective Date (defined below). Upon the Effective Date, you will no longer serve, and you hereby relinquish your position as the Company’s President and Chief Administrative Officer. If you accept our offer, you agree to start in your new role no later than April 15, 2021 (the “Effective Date”). You hereby agree and acknowledge that such relinquishment of your current role and acceptance of your new role does not trigger any rights, payments or benefits to you under the Prior Letter Agreements or otherwise.

1. **Base Salary**

$950,000 per annum.

Your salary will be paid in accordance with the Company’s payroll practices, currently bi-weekly, which are subject to change from time-to-time at the discretion of the Company, and will be paid less withholding and deductions authorized under applicable law.

Performance reviews are typically conducted at the end of our fiscal year, which presently runs from approximately July 1 through June 30. Any merit increases for which you may be eligible would be determined at that time, and would take effect in September. Following the Effective date, you will next be eligible for a merit increase in September 2022.

2. **Incentive Compensation**

You will continue to be eligible to participate in the Company's Performance-Based Annual Incentive Plan ("AIP"), a cash incentive program under which your payout is based on Tapestry's and your brand's financial performance, subject to its terms and conditions. As of the Effective Date, your target bonus will be 125% of your salary actually paid during the fiscal year (or a salary amount otherwise determined by the Human Resources Committee of the Board of Directors). The actual AIP bonus payout may range from 0% of target for performance below established thresholds to 200% of target for maximum performance, with performance components, measures and target values to be established by the Company's Board of Directors or the Human Resources Committee of the Board of Directors (the "Committee").

Any AIP bonus is paid within three months of the end of the fiscal year and you must be an employee in good standing with the Company on the AIP bonus payment date in order to be eligible to receive any such AIP bonus payment. If you resign your employment or are terminated for "cause," you are not eligible for this bonus for the fiscal year in which you provide the required notice of your intent to resign your employment (or resign without notice) or your employment is terminated, as applicable. For the purposes of this letter, termination for "cause" is defined in the Addendum. Please refer to the Corporate Pay section of Tapestry's intranet, the *Loop*, for the governing terms and conditions of the AIP bonus plan. In addition, Tapestry's Board of Directors has adopted an incentive repayment policy (attached) for members of the Executive Committee, which you must sign and return to me coincident with your acceptance of this offer.

3. **Equity Compensation**

Your compensation package includes a guideline annual equity grant value of $2,000,000, to be granted in a fixed proportion of different equity vehicles, which may include restricted stock units ("RSUs"), performance restricted stock units ("PRSUs"), and/or stock options, as determined annually by the Committee and normally granted in August. Subject to you accepting your appointment and starting in your role by the Effective Date, your next annual grant will be made in August 2021. The current mix of equity vehicles for your role is 20% RSUs, 40% PRSUs and 40% stock options. Currently, PRSUs cliff vest on the third anniversary of the grant date and may vest between 0 to 200% of target shares depending on performance, RSUs vest and stock options are exercisable one fourth each year over four years beginning on the first anniversary of the grant date, in each case, subject to your continued employment or other service with the Company from the grant date to each applicable vesting date. The number of stock options you receive will be based on the grant price (closing price of Tapestry, Inc. stock on the grant date) and on an industry standard valuation model, Black-Scholes (as determined by the Company), which determines the value of a stock option. The number of PRSUs and RSUs you receive will be based on the grant price. The grant value and vehicle mix of any future equity grants will be determined based on your position, performance, time in job and other criteria Tapestry determines in its discretion, which are subject to change. All equity awards are subject to approval by the Committee.

With respect to equity grants made prior to the Effective Date, the provisions of the Prior Letter Agreements and the applicable award agreements will continue to apply in full force and effect.

You are subject to the terms and conditions of the grant agreements, including, but not limited to, the provisions relating to claw back of equity gains in certain post-employment scenarios. Notwithstanding anything to the contrary in this letter, the terms of the Amended and Restated Tapestry, Inc. 2018 Stock Incentive Plan (as it may be amended from time to time, the "Stock Plan") and related grant agreements, as they may be changed from time to time, are controlling.

4. Severance

If your employment at the Company should cease involuntarily for any reason other than for "cause" (e.g., position elimination) as defined in the attached Addendum, and subject to compliance with the Restrictive Covenants set forth in Section 4 in the attached Addendum, you will be eligible to receive twelve (12) months of base salary under the Company's Severance Pay Plan for Vice Presidents and Above (the "VP Severance Plan"), subject to its terms and conditions (including with regard to the time and form of payment). For more information, please view the severance plan document on the *Loop* or contact Human Resources. To receive separation pay, you will be required to sign a waiver and release agreement in the form provided by the Company. This agreement will include restrictions on your ability to compete with the Company and solicit Company employees, customers and vendors.

5. Section 409A of the Internal Revenue Code

It is expressly intended and contemplated that this letter comply with the provisions of Section 409A of the Code and the applicable guidance thereunder ("Section 409A") and that the payments hereunder will either be exempt from Section 409A or will comply with the provisions of Section 409A. This letter will be administered and interpreted in a manner consistent with this intent, and, notwithstanding any provision of this letter to the contrary, in the event that the Company determines that any amounts payable hereunder would be immediately taxable to you under Section 409A, the Company reserves the right (without any obligation to do so or to indemnify you for failure to do so) to amend this letter to satisfy Section 409A or be exempt therefrom (which amendment may be retroactive to the extent permitted by Section 409A).

Notwithstanding any other provision of this letter, if you are a "specified employee" within the meaning of Treas. Reg. §1.409A-1(i)(1), then the payment of any amount or the provision of any benefit under this letter which is considered deferred compensation subject to Section 409A shall be deferred for six (6) months after your "separation from service" or, if earlier, the date of your death to the extent required by Section 409A(a)(2)(B)(i) (the "409A Deferral Period"). In the event payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum on the Company's first standard payroll date that arises on or after the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. For purposes of any provision of this letter providing for reimbursements to you, such reimbursements shall be made no later than the end of the calendar year following the calendar year in which you incurred such expenses, and in no event shall the unused reimbursement amount during one calendar year be carried over into a subsequent calendar year. For purposes of this letter, you shall not be deemed to have terminated employment unless you have a "separation from service" within the meaning of Treas. Reg. § 1.409A-1(h). All rights to payments and benefits under this letter shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Section 409A. In no event shall any liability for failure to comply with the requirements of Section

409A be transferred from you or any other individual to the Company or any of its affiliates, employees or agents.

6. Benefits

Your other major benefits will continue to include medical, dental, vision, retirement savings, life insurance, short and long term disability, Employee Stock Purchase Plan, employee discount program and 25 business days of vacation per calendar year, as generally provided by the Company to employees at a comparable level in accordance with the plans, practices and programs of the Company, and subject to your satisfaction of applicable eligibility requirements. These benefits are subject to change from time-to-time in the discretion of the Company

7. Confidentiality

The Company believes strongly in respecting the proprietary rights of third parties and expects each of its employees to honor their confidentiality obligations to former employers and otherwise. Accordingly, we expect you to fully comply with any and all obligations you may have, including non-compete, non-solicitation and confidentiality obligations. As a reminder, we are offering you this position based upon your talent and the skills you have acquired throughout your career.

As a continuing employee of the Company, and as a part of this offer, you will be subject to the various policies set forth in the attached Addendum. Such policies include, but are not limited to, the following:

- Incentive Repayment Policy;
- Executive Stock Ownership Policy;
- Notice of Intent to Terminate Employment;
- Post-Employment Restrictions;
- Code of Conduct;
- Confidentiality, Information Security and Privacy Agreement;
- Consensual Relationship Policy; and
- Other Terms and Conditions of Employment.

By accepting this offer, you are also expressly accepting and agreeing to be bound by and adhere to the Company policies set forth in the attached Addendum and in the packet of materials that accompany this offer letter. This letter, along with the documents attached hereto or referred to herein, constitute the entire agreement and understanding between you and the Company with respect to your employment, and supersedes all prior discussions, promises, negotiations and agreements (whether written or oral) between you and the Company, except as expressly set forth herein with respect to the Prior Letter Agreements.

Todd, we are excited about your appointment as Chief Executive Officer and Brand President, Coach. This letter and the documents provided herewith constitute the Company's entire offer. As you review this offer, please feel free to contact me with any questions. To accept the offer, and acknowledge you are not relying on any promise or representation that is not contained in this letter, please sign in the space below and return one of the attached copies to me no later than April 12, 2021.

Sincerely,

/s/ Sarah J. Dunn____________________
Sarah J. Dunn
Global Human Resources Officer
Tapestry, Inc.

Agreed and accepted by:

/s/ Todd Kahn_________________ _4/12/21____________________________
Todd Kahn Date

ADDENDUM
COMPANY POLICIES & CONDITIONS OF EMPLOYMENT

As an employee of Tapestry, Inc. (the "Company") in a new role, you will continue to be subject to the following policies. Please sign the acknowledgement at the end noting your understanding and agreement.

1. **Incentive Repayment Policy**

Tapestry's Board of Directors has adopted an incentive repayment policy affecting all performance-based compensation that the Company pays to members of its Executive Committee. Information on this policy is attached. You agree that you remain subject to this repayment policy and that it may change from time-to-time as the Committee deems appropriate and/or as is required by law.

2. **Executive Stock Ownership Policy**

Tapestry's Board of Directors has implemented a stock ownership policy for all "Key Executives" and Directors. Information on this policy and the required amounts of stock ownership for your position is attached. As a Key Executive and Section 16(b) officer you will be required to obtain pre-approval of all Tapestry stock transactions from the Tapestry Law Department and Tapestry's CEO.

3. **Notice of Intent to Terminate Employment**

If at any time you elect to terminate your employment with the Company, including a valid retirement from the Company, you agree to provide six (6) months' advance written notice of your intent to terminate your employment and such notice shall be provided via email to the Chief Executive Officer and Global Human Resources Officer of Tapestry. Such notice shall include, if applicable, the identity of the prospective employer or entity, your proposed title and duties with that business, person or enterprise, as well as the proposed starting date of that employment or consulting services. After you have provided your required notice, you will continue to be an employee of the Company. Your duties and other obligations as an employee of the Company will continue and you will be expected to cooperate in the transition of your responsibilities. The Company shall, however, have the right in its sole discretion to direct that you no longer come to work or to shorten the notice period; *provided that* if the Company elects to shorten such notice period, you will be entitled to continue to receive your base salary through the end of such notice period. Nothing herein alters your status as an employee at-will. The Company reserves all legal and equitable rights to enforce the advance notice provisions of this paragraph. You acknowledge and agree that your failure to comply with the notice requirements set forth in this paragraph shall result in: (i) the Company being entitled to an immediate injunction, prohibiting you from commencing employment elsewhere for the length of the required notice, (ii) the Company being entitled to claw back any bonus paid to you within 180 days of your last day of employment with the Company, (iii) the forfeiture of any unpaid bonus as of your last day of employment with the Company, (iv) any unvested equity awards and any vested but unexercised stock option awards held by you shall be automatically forfeited on your last day of employment with the Company, and (v) the Company being entitled to claw back any Financial Gain (as defined below) you realize from the vesting of any Tapestry equity award within the twelve (12) month period immediately preceding your last day of employment with the Company. “Financial Gain” shall have the meaning set forth in the various equity award grant agreements that you receive during your employment with the Company.

4. Post-Employment Restrictions

(a) Non-Competition. You are prohibited from, directly or indirectly, counseling, advising, consulting for, becoming employed by or providing services in any capacity to a “competitor” (as defined below) of the Company or any of its operating divisions, brands, subsidiaries or affiliates (collectively, the “Tapestry Group”) during your employment and the twelve (12) month period beginning on your last day of employment with the Company (the “Restricted Period”).

“Competitor” includes: the companies, together with their respective subsidiaries, parent entities, and all other affiliates as set forth on Exhibit A, attached hereto (such companies subject to change from time-to-time as posted on Tapestry’s intranet, the *Loop*). In the event your employment is terminated for any reason (other than for “cause,” as defined below), the Company, at its sole discretion, elects to enforce its right to enjoin you from joining a competitor at any time during the Restricted Period, including prohibiting you from engaging in any of the activities prohibited by this Section 4(a), the Company shall compensate you at your most recent base salary, subject to usual withholdings, to be paid on normal pay cycles, during the remainder of the Restricted Period. The foregoing payments will be made to you solely to the extent that severance or other termination payments are not paid to you during the remainder of the Restricted Period. Nothing herein shall impact or limit your right to receive any severance payments and benefits pursuant to the terms of your offer letter, except that it is expressly understood and agreed that (i) you will not be entitled to receive payments pursuant to this paragraph during any period you are receiving severance or other termination payments and (ii) your receipt of any severance or other termination payments shall not impact the Company’s right to enforce its rights under this Section 4(a) or otherwise.

You agree that if you are offered and desire to accept employment with, or provide consulting services to, another business, person or enterprise, including, but not limited to, a “competitor,” during the Restricted Period, you will promptly inform Tapestry’s Global Human Resources Officer, in writing, of the identity of the prospective employer or entity, your proposed title and duties with that business, person or enterprise, and the proposed starting date of that employment or consulting services. You also agree that you will inform that prospective employer or entity of the terms of these provisions. Failure to abide by the requirements of this Section 4(a) will also be deemed a failure to provide the required advance written notice set forth above under **Notice of Intent to Terminate Employment**.

(b) Non-Solicitation. You agree that during the Restricted Period, you will not, directly or indirectly, whether alone or in association with or for the benefit of others, without the prior written consent of the Company, hire or attempt to hire, employ or solicit for employment, consulting or other service, any officer, employee or agent of the Tapestry Group (each, a “Protected Person”), or encourage, persuade or induce any Protected Person to terminate, diminish or otherwise alter such Protected Person’s relationship with the Tapestry Group.

For purposes of this Section 4(b) and to avoid any ambiguity, you and the Company agree that it will be a rebuttable presumption that you solicited any Protected Person if such Protected Person commences employment or other service for or on behalf of you or any entity to which you provide services or terminates, diminishes or otherwise alters such Protected Person’s relationship with the Tapestry Group prior to the end of the Restricted Period.

(c) Non-Interference. During the Restricted Period, you will not, directly or indirectly, whether alone or in association with or for the benefit of others, whether as an employee, owner, stockholder, partner, director, officer, consultant, advisor or otherwise, assist, attempt to or encourage (i) any vendor, supplier, customer or client of, or any other person or entity in a business relationship with the Tapestry Group to terminate, reduce, limit or otherwise alter such relationship, whether contractual or otherwise, (ii) any prospective vendor, supplier, customer or client not to enter into a business or contractual relationship with the Tapestry Group or (iii) to impair or attempt to impair any relationship, contractual or otherwise, between the Tapestry Group and any vendor, supplier, customer or client or any other person or entity in a business relationship with the Tapestry Group.

(d) Remedies. You acknowledge that compliance with Section 4 is necessary to protect the business, good will and proprietary and confidential information of the Tapestry Group and that a breach or threatened breach of any provision in Section 4 will irreparably and continually damage the Tapestry Group, for which money damages may not be adequate. Accordingly, in the event that you breach any provision in Section 4, you will forfeit any remaining earned but unpaid bonus and the Company shall be entitled to claw back any bonus paid to you within 180 days of your last day of employment with the Company. In addition, the Company will be entitled to preliminarily or permanently enjoin you from violating Section 4 in order to prevent the continuation of such harm.

(e) Reasonableness of Restrictions. You acknowledge: (i) that the scope and duration of the restrictions on your activities under Section 4 are reasonable and necessary to protect the legitimate business interests, goodwill and confidential and proprietary information of the Tapestry Group; (ii) that the Tapestry Group does business worldwide and, therefore, you specifically agree that, in order to adequately protect the Tapestry Group, the scope of the restrictions in this provision is reasonable; and (iii) that you will be reasonably able to earn a living without violating the terms of these provisions.

(f) Judicial Modification. If any court of competent jurisdiction determines that any of the covenants in Section 4, or any part of them, is invalid or unenforceable, the remainder of such covenants and parts thereof shall not thereby be affected and shall be given full effect, without regard to the invalid portion. If any court of competent jurisdiction determines that any of the covenants in Section 4, or any part of them, is invalid or unenforceable because of the geographic or temporal scope of such provisions, such court shall reduce such scope to the minimum extent necessary to make such covenants valid and enforceable. You agree that in the event that any court of competent jurisdiction finally holds that any provision of Section 4 constitutes an unreasonable restriction against you, such provision shall not be rendered void but shall apply to such extent as such court may judicially determine constitutes a reasonable restriction under the circumstances.

5. Other Terms and Conditions of Employment

If you accept the Company's offer, our relationship is "employment-at-will." That means you are free, at any time, for any reason, to end your employment with the Company and that the Company may do the same, subject to the advance notice requirements set forth above under **Notice of Intent to Terminate Employment**. You hereby represent and warrant that you are not currently, and have never been, the subject of any allegation or complaint of harassment, discrimination, retaliation, or sexual or other misconduct in connection with prior employment or otherwise, and have not been a party to any settlement agreement or nondisclosure agreement relating to such matters (the "Representations").

For the purposes of this letter, termination for "cause" means a determination by the Company that your employment should be terminated for any of the following reasons: (i) your violation of the Company's Code of Conduct, employee guides, or any other written policies or procedures of the Company, which is not remedied within 30 days of written notice to you, via email, (ii) your violation of any of the Company's policies regarding sexual harassment and misconduct, (iii) your indictment, conviction of, or plea of guilty or *nolo contendere* to, a felony or a crime involving moral turpitude, (iv) your willful or grossly negligent breach of your duties, (v) any act of fraud, embezzlement or other similar dishonest conduct, (vi) any act or omission that the Company determines could have a material adverse effect on the Company, including without limitation, its reputation, business interests or financial condition, (vii) your failure to follow the lawful directives of your supervisor, (viii) your breach of this offer letter or any other written agreement between you and the Company or any of its affiliates, or (ix) your breach of the Representations set forth in this Section 5 above or the Restrictive Covenants set forth in Section 4 above.

For any dispute arising between the parties regarding or relating to this letter and/or any aspect of your employment, the parties hereby consent to the exclusive jurisdiction in the state and Federal courts located in New York, New York. This Agreement will be construed and enforced in accordance with the laws of the state of New York, without regard to conflicts of laws principles.

Our agreement regarding employment-at-will may not be changed, except specifically in writing signed by both the Chief Executive Officer and you. However, the Company may in its discretion add to, discontinue, or change compensation, duties, reporting lines, Company committees, Section 16 and/or executive officer status benefits and policies. Nothing in the preceding two sentences shall be construed as diminishing the financial obligations of either of the parties hereunder, including, without limitation, the Company's obligations to pay salary, bonus, equity compensation, severance etc., pursuant to the pertinent provisions set forth above. All payments made hereunder are subject to the usual withholdings required by law. In the event of a breach by you of any provision of this offer letter and/or any of the Company policies which are included herewith, you agree to reimburse the Company for any and all reasonable attorney's fees and expenses related to the enforcement of this agreement, including, but not limited to, the clawback of gains specified hereunder.

Our offer of employment is contingent on the following:

- Formal ratification of this agreement by the Human Resources Committee;
- You passing a background check;
- Your returning a signed copy of this offer letter by April 12, 2021;
- Your agreement to be bound by, and adhere to, all of the Company's policies in effect during your employment with the Company, including, but not limited to, the Executive Stock Ownership Policy, Incentive Repayment Policy, Code of Conduct, Consensual Relationship Policy, and our Confidentiality, Information Security and Privacy Agreement; and
- The terms and conditions of individual equity award agreements.

Agreed and Accepted by:

/s/ Todd Kahn________ 4/12/21_______________
Name Date

EXHIBIT A

Competitor List
(as of Effective Date)

Adidas AG

Burberry Group PLC

Capri Holdings Limited

Cole Haan LLC

Fast Retailing Co., Ltd.

Compagnie Financiere Richemont SA

Fung Group

G-III Apparel Group, Ltd.

The Gap, Inc.

Kering

L Brands, Inc.

LVMH Moet Hennessy Louis Vuitton SA

Nike, Inc.

Prada, S.p.A.

PVH Corp.

Ralph Lauren Corporation

Samsonite International S.A.

Tory Burch LLC

V.F. Corporation

Under Armour, Inc.

tapestry

COACH | kate spade | STUART WEITZMAN

April 26, 2021

Andrea Shaw Resnick

Dear Andrea,

Reference is hereby made to your current employment letter dated as of August 10, 2016 (the "Employment Letter") pursuant to which you are employed as the Global Head of Investor Relations and Corporate Communications of Tapestry, Inc. ("Tapestry" or the "Company"), as supplemented by your letter agreement dated, July 20, 2020 (the "Interim CFO Letter" and, together with the Employment Letter, the "Prior Letter Agreements") pursuant to which you are employed as the Company's Interim Chief Financial Officer ("Interim CFO"). This letter is being provided in connection with your appointment as Chief Communications Officer, reporting to the Chief Executive Officer of Tapestry. Upon effectiveness of the appointment, you will continue to be a member of Tapestry's Executive Committee. By signing below where indicated, you will be accepting this appointment effective the later of June 1, 2021 or the date your successor to the role of Chief Financial Officer begins employment (the "Effective Date").

This letter details the changes to your base salary, bonus opportunity, annual equity opportunity and other terms that will apply in connection with your appointment as Chief Communications Officer. Except as set forth herein, the terms of your Prior Letter Agreements will continue to apply. As of the Effective Date, you will no longer serve, and you hereby relinquish your position as the Company's Interim CFO and principal financial officer, and will no longer be an "officer" under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or an "Executive Officer" of Tapestry pursuant to Rule 3b-7 of the Exchange Act. You also agree to relinquish your position as the Company's Global Head of Investor Relations and Corporate Communications. You hereby agree and acknowledge that such relinquishment of these roles and acceptance of your new role does not trigger any rights, payments or benefits to you under the Prior Letter Agreements or otherwise.

Base Salary

As set forth in the Interim CFO Letter, the annual base salary rate in effect during your Interim CFO appointment will remain in effect through July 3, 2021, the last date of the fiscal quarter in which your Interim CFO term ends. Effective as of July 4, 2021, the first day of the Company's fiscal year 2022, your annual base salary rate will be $535,000.

Your salary will be paid in accordance with the Company's payroll practices, currently bi-weekly, which are subject to change from time-to-time at the discretion of the Company, and will be paid less withholding and deductions authorized under applicable law.

Performance reviews are typically conducted at the end of our fiscal year, which presently runs from approximately July 1 through June 30. Any merit increases for which you may be eligible would be determined at that time, and would take effect in September. Following the Effective date, you will next be eligible for a merit increase in September 2022.

Incentive Compensation

You will continue to be eligible to participate in the Company's Performance-Based Annual Incentive Plan ("AIP"). Your target bonus will remain 80% of your salary through July 3, 2021, the last date of the fiscal quarter in which the Interim CFO Term ends. For avoidance of doubt, for fiscal year 2021, your target AIP will be calculated as follows: 60% of salary from the start of fiscal year 2021 until July 21, 2020, the effective date of your appointment as Interim CFO, and 80% thereafter.

Effective as of July 4, 2021, your target bonus will be 70% of your salary. The actual bonus payout may range from 0% of target for performance below established thresholds to 200% of target for maximum performance.

Any AIP bonus is paid within three months of the end of the fiscal year and you must be an employee in good standing with the Company on the AIP bonus payment date in order to be eligible to receive any such AIP bonus payment. If you resign your employment or are terminated for "cause," you are not eligible for this bonus for the fiscal year in which you provide the required notice of your intent to resign your employment (or resign without notice) or your employment is terminated, as applicable.

Equity Compensation

Your compensation package includes a guideline annual equity grant value of $500,000, to be granted in a fixed proportion of different equity vehicles, which may include restricted stock units ("RSUs"), performance restricted stock units ("PRSUs"), and/or stock options, as determined annually by the Committee and normally granted in August. Subject to you accepting your appointment and starting in your role by the Effective Date, your next annual grant will be made in August 2021. The current mix of equity vehicles for your role is 1/3 RSUs, 1/3 PRSUs and 1/3 stock options. Currently, PRSUs cliff vest on the third anniversary of the grant date and may vest between 0 to 200% of target shares depending on performance, RSUs vest and stock options are exercisable one fourth each year over four years beginning on the first anniversary of the grant date, in each case, subject to your continued employment or other service with the Company from the grant date to each applicable vesting date. The number of stock options you receive will be based on the grant price (closing price of Tapestry, Inc. stock on the grant date) and on an industry standard valuation model, Black-Scholes (as determined by the Company), which determines the value of a stock option. The number of PRSUs and RSUs you receive will be based on the grant price. The grant value and vehicle mix of any future equity grants will be determined based on your position, performance, time in job and other criteria Tapestry determines in its discretion, which are subject to change. All equity awards are subject to approval by the Committee.

With respect to equity grants made prior to the Effective Date, the provisions of the Prior Letter Agreements and the applicable award agreements will continue to apply in full force and effect.

You are subject to the terms and conditions of the grant agreements, including, but not limited to, the provisions relating to claw back of equity gains in certain post-employment scenarios.

Notwithstanding anything to the contrary in this letter, the terms of the Amended and Restated Tapestry, Inc. 2018 Stock Incentive Plan (as it may be amended from time to time, the "Stock Plan") and related grant agreements, as they may be changed from time to time, are controlling.

Notice Period

If at any time you elect to terminate your employment with the Company, including a valid retirement from the Company, you agree to provide six (6) months' advance written notice of your intent to terminate your employment and such notice shall be provided via email to the Chief Executive Officer and Global Human Resources Officer of Tapestry. Such notice shall include, if applicable, the identity of the prospective employer or entity, your proposed title and duties with that business, person or enterprise, as well as the proposed starting date of that employment or consulting services. After you have provided your required notice, you will continue to be an employee of the Company. Your duties and other obligations as an employee of the Company will continue and you will be expected to cooperate in the transition of your responsibilities. The Company shall, however, have the right in its sole discretion to direct that you no longer come to work or to shorten the notice period. Nothing herein alters your status as an employee at-will. The Company reserves all legal and equitable rights to enforce the advance notice provisions of this paragraph. You acknowledge and agree that your failure to comply with the notice requirements set forth in this paragraph shall result in: (i) the Company being entitled to an immediate injunction, prohibiting you from commencing employment elsewhere for the length of the required notice, (ii) the Company being entitled to claw back any bonus paid to you within 180 days of your last day of employment with the Company, (iii) the forfeiture of any unpaid bonus as of your last day of employment with the Company, (iv) any unvested equity awards and any vested but unexercised stock option awards held by you shall be automatically forfeited on your last day of employment with the Company, and (v) the Company being entitled to claw back any Financial Gain (as defined below) you realize from the vesting of any Tapestry equity award within the twelve (12) month period immediately preceding your last day of employment with the Company. “Financial Gain” shall have the meaning set forth in the various equity award grant agreements that you receive during your employment with the Company.

Andrea, if the foregoing accurately reflects your understanding of the terms that will apply in connection with your appointment as Chief Communications Officer, kindly acknowledge your agreement by signing below where indicated and returning a signed copy to me.

Sincerely,

_/s/ Sarah Dunn________________________
Sarah J. Dunn

Global Human Resources Officer
Tapestry, Inc.

Agreed and accepted by:

_/s/ Andrea Shaw Resnick_______ _4/26/21_____________________________
Name: Andrea Shaw Resnick Date

tapestry

COACH | kate spade | STUART WEITZMAN

April 26, 2021

Dear Scott,
It is with great pleasure that I confirm our offer to appoint you as Chief Financial Officer & Head of Strategy of Tapestry, Inc. (“Tapestry” or the “Company”), reporting to the Chief Executive Officer of Tapestry. Upon effectiveness of the appointment, you will be a member of Tapestry’s Executive Committee. You will be considered an “officer” under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as well as an “Executive Officer” of Tapestry pursuant to Rule 3b-7 of the Exchange Act.

This letter details your base salary, bonus opportunity, annual equity opportunity, joining compensation and eligibility for other benefits. It also lays out the conditions of your employment with Tapestry. This offer is contingent on your acceptance no later than April 27, 2021. If you accept our offer, you agree to start in your new role no later than June 1, 2021 (the “Effective Date”).

1. **Base Salary**

$925,000 per annum.

Your salary will be paid in accordance with the Company’s payroll practices, currently bi-weekly, which are subject to change from time-to-time at the discretion of the Company, and will be paid less withholding and deductions authorized under applicable law.

Performance reviews are typically conducted at the end of our fiscal year, which presently runs from approximately July 1 through June 30. Any merit increases for which you may be eligible would be determined at that time, and would take effect in September. Provided your start date is on or before June 1, 2021, you will first be eligible for a merit increase in September 2022.

2. **Incentive Compensation**

You will be eligible to participate in the Company’s Performance-Based Annual Incentive Plan ("AIP"), a cash incentive program under which your payout is based on Tapestry’s financial performance, subject to its terms and conditions. Your target bonus will be 125% of your salary actually paid during the fiscal year (or a salary amount otherwise determined by the Human Resources Committee of the Board of Directors). The actual bonus payout may range from 0% of target for performance below established thresholds to 200% of target for maximum performance, with performance components, measures and target values to be established by the Company’s Board of Directors or the Human Resources Committee of the Board of

Directors (the “Committee”). Provided your start date is on or before June 1, 2021, you will be eligible for the AIP beginning in fiscal year 2022.

Any AIP bonus is paid within three months of the end of the fiscal year and you must be an employee in good standing with the Company on the AIP bonus payment date in order to be eligible to receive any such AIP bonus payment. If you resign your employment or are terminated for "cause," you are not eligible for this bonus for the fiscal year in which you provide the required notice of your intent to resign your employment (or resign without notice) or your employment is terminated, as applicable. For the purposes of this letter, termination for “cause” is defined in the Addendum. Please refer to the Corporate Pay section of Tapestry’s intranet, the *Loop*, for the governing terms and conditions of the AIP bonus plan. In addition, Tapestry’s Board of Directors has adopted an incentive repayment policy (attached) for members of the Executive Committee, which you must sign and return to me coincident with your acceptance of this offer.

3. Equity Compensation

Your compensation package includes a guideline annual equity grant value of $2,750,000, to be granted in a fixed proportion of different equity vehicles, which may include restricted stock units ("RSUs"), performance restricted stock units ("PRSUs"), and/or stock options, as determined annually by the Committee in its discretion. Subject to you starting employment with the Company by June 1, 2021, your first annual equity grant will be made, with respect to the RSUs and stock options, on the first business day of the calendar month coincident with or following your Effective Date, and, with respect to the PRSUs, on the date in 2021 as determined by the Committee in its discretion and normally granted in August, in each case subject to your continued employment from the Effective Date until the grant date. Thereafter, your annual equity grant will be granted on the date determined annually by the Committee and normally granted in August in its discretion. Notwithstanding your joining grant outlined below, the current mix of equity vehicles for your role is 20% RSUs, 40% PRSUs and 40% stock options. Currently, PRSUs cliff vest on the third anniversary of the grant date and may vest between 0 to 200% of target shares depending on performance, RSUs vest and stock options are exercisable one fourth each year over four years beginning on the first anniversary of the grant date, in each case, subject to your continued employment or other service with the Company from the grant date to each applicable vesting date. The number of stock options you receive will be based on the grant price (closing price of Tapestry, Inc. stock on the grant date) and on an industry standard valuation model, Black-Scholes (as determined by the Company), which determines the value of a stock option. The number of PRSUs and RSUs you receive will be based on the grant price. The grant value and vehicle mix of any future equity grants will be determined based on your position, performance, time in job and other criteria Tapestry determines in its discretion, which are subject to change. All equity awards are subject to approval by the Committee.

You are subject to the terms and conditions of the grant agreements, including, but not limited to, the provisions relating to claw back of equity gains in certain post-employment scenarios. Notwithstanding anything to the contrary in this letter, the terms of the Amended and Restated Tapestry, Inc. 2018 Stock Incentive Plan (as it may be amended from time to time, the "Stock Plan") and related grant agreements, as they may be changed from time to time, are controlling. For avoidance of doubt, if you resign for “Good Reason,” it will be treated as a severance event termination under the terms of the equity award grant agreements.

4. **Special New Hire Compensation**

You will receive a gross sign-on cash bonus of $500,000, 50% to be paid within 6 weeks of joining and 50% after 6 months of service, in each case subject to your continued employment from the Effective Date until the payment date and subject to normal tax withholding**.** In accepting our offer, you agree that you will repay the full cash value of $500,000 if you provide notice of your intent to resign your employment without Good Reason (or resign without notice) at any time within 24 months of your Effective Date, or if your employment is terminated for “cause,” as defined in the Addendum Full repayment of this gross sign-on bonus must occur within one (1) month of your termination date

5. **Severance**

If your employment at the Company should cease involuntarily for any reason other than for "cause" (e.g., position elimination) or if you resign for “Good Reason”, each as defined in the attached Addendum, and subject to compliance with the Restrictive Covenants set forth in Section 4 in the attached Addendum, you will be eligible to receive twelve (12) months of base salary under the Company’s Severance Pay Plan for Vice Presidents and Above (the “VP Severance Plan”), subject to its terms and conditions (including with regard to the time and form of payment) For more information, please view the severance plan document on the *Loop* or contact Human Resources. To receive separation pay, you will be required to sign a waiver and release agreement in the form provided by the Company. This agreement will include restrictions on your ability to compete with the Company and solicit Company employees, customers and vendors.

6. **Retirement**

Upon your voluntary resignation from the Company after attaining age 62 with not less than five (5) completed years of service with the Company and its affiliates, your voluntary resignation will be deemed a “Retirement,” as such term is defined in applicable award agreements, provided that you continue to comply with the terms and conditions of any restrictive covenants (e.g., non-competition, non-investment in a company competitor, non-solicitation of company employees and customers and nondisclosure of confidential company information), and provided further, that any such awards shall be subject to the terms and conditions of the applicable award agreements and the Stock Plan. For avoidance of doubt, the definition of Retirement above shall supersede the definition of Retirement in your applicable award agreements, unless otherwise mutually agreed between you and the Company.

7. **Section 409A of the Internal Revenue Code**

It is expressly intended and contemplated that this letter comply with the provisions of Section 409A of the Code and the applicable guidance thereunder ("Section 409A") and that the payments hereunder will either be exempt from Section 409A or will comply with the provisions of Section 409A. This letter will be administered and interpreted in a manner consistent with this intent, and, notwithstanding any provision of this letter to the contrary, in the event that the Company determines that any amounts payable hereunder would be immediately taxable to you under Section 409A, the Company reserves the right (without any obligation to do so or to indemnify you for failure to do so) to amend this letter to satisfy Section 409A or be exempt therefrom (which amendment may be retroactive to the extent permitted by Section 409A).

Notwithstanding any other provision of this letter, if you are a "specified employee" within the meaning of Treas. Reg. §1.409A-1(i)(1), then the payment of any amount or the provision of any benefit under this letter which is considered deferred compensation subject to Section 409A shall be deferred for six (6) months after your "separation from service" or, if earlier, the date of your death to the extent required by Section 409A(a)(2)(B)(i) (the "409A Deferral Period"). In the event payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum on the Company's first standard payroll date that arises on or after the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. For purposes of any provision of this letter providing for reimbursements to you, such reimbursements shall be made no later than the end of the calendar year following the calendar year in which you incurred such expenses, and in no event shall the unused reimbursement amount during one calendar year be carried over into a subsequent calendar year. For purposes of this letter, you shall not be deemed to have terminated employment unless you have a "separation from service" within the meaning of Treas. Reg. § 1.409A-1(h). All rights to payments and benefits under this letter shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Section 409A. In no event shall any liability for failure to comply with the requirements of Section 409A be transferred from you or any other individual to the Company or any of its affiliates, employees or agents.

8. Benefits

Your other major benefits will include medical, dental, vision, retirement savings, life insurance, short and long term disability, Employee Stock Purchase Plan, employee discount program and 25 business days of vacation per calendar year, as generally provided by the Company to employees at a comparable level in accordance with the plans, practices and programs of the Company, and subject to your satisfaction of applicable eligibility requirements. These benefits are subject to change from time-to-time in the discretion of the Company. We are enclosing a summary of benefits highlighting these programs in Your Tapestry Benefits Overview.

9. **Relocation**

You are eligible for relocation under the Tapestry Relocation Policy. Upon your acceptance, a member of the Human Resources Global Mobility team will be in touch with you to get started. Should you provide notice of your intent to resign your employment (or resign without notice) at any time within 24 months of your Effective Date, or if your employment is terminated for "cause," as defined in the Addendum, Tapestry may require you to repay relocation expenses. You will be required to sign a repayment agreement prior to receiving relocation benefits.

10. Confidentiality

The Company believes strongly in respecting the proprietary rights of third parties and expects each of its employees to honor their confidentiality obligations to former employers. Accordingly, we expect you to fully comply with any and all obligations you may have, including non-compete, non-solicitation and confidentiality obligations.

By accepting this offer, you are confirming your representation to the Company that you are not subject to any existing non-compete obligations with your current or former employer that would prevent you from commencing employment with the Company on the Effective Date without restriction or penalty. Further, you are confirming your representation that you are currently in compliance with any non-solicitation obligation(s) you have with respect to your current or former employer and that you have not had any discussions with anyone or referred any individuals to the Company in violation of those obligations. The Company does not want, and specifically instructs you not to violate any non-compete or non-solicitation obligations you may have with respect to your current and former employers and to maintain in confidence, and not destroy, delete or alter, information that is confidential and/or proprietary to your current and former employers. As a reminder, we are offering you this position based upon your talent and the skills you have acquired throughout your career.

As an employee of the Company, and as a part of this offer, you will be subject to the various policies set forth in the attached Addendum, as well as those set forth in the Your Tapestry Benefits Overview that accompanies this offer. Such policies include, but are not limited to, the following:

- Incentive Repayment Policy;
- Executive Stock Ownership Policy;
- Notice of Intent to Terminate Employment;
- Post-Employment Restrictions;
- Code of Conduct;
- Confidentiality, Information Security and Privacy Agreement;
- Consensual Relationship Policy; and
- Other Terms and Conditions of Employment.

By accepting this offer, you are also expressly accepting and agreeing to be bound by and adhere to the Company policies set forth in the attached Addendum and in the packet of materials that accompany this offer letter. This letter, along with the documents attached hereto or referred to herein, constitute the entire agreement and understanding between you and the Company with respect to your employment, and supersedes all prior discussions, promises, negotiations and agreements (whether written or oral) between you and the Company.

Scott, we are excited at the prospect of your joining us. This letter and the documents provided herewith constitute the Company's entire offer. As you review this offer, please feel free to contact me with any questions. To accept the offer, and acknowledge you are not relying on any promise or representation that is not contained in this letter, please sign in the space below and return one of the attached copies to me no later than April 27, 2021.

Sincerely,

_/s/ Sarah Dunn_____________________
Sarah J. Dunn
Global Human Resources Officer
Tapestry, Inc.

Agreed and accepted by:

/s/ Scott Roe_______________ 26 April, 2021_________________
Scott Roe Date

ADDENDUM
COMPANY POLICIES & CONDITIONS OF EMPLOYMENT

As an employee of Tapestry, Inc. (the “Company”), you will be subject to the following policies. Please sign the acknowledgement at the end noting your understanding and agreement.

1. Incentive Repayment Policy

Tapestry’s Board of Directors has adopted an incentive repayment policy affecting all performance-based compensation that the Company pays to members of its Executive Committee. Information on this policy is attached. You agree that you remain subject to this repayment policy and that it may change from time-to-time as the Committee deems appropriate and/or as is required by law.

2. Executive Stock Ownership Policy

Tapestry’s Board of Directors has implemented a stock ownership policy for all “Key Executives” and Directors. Information on this policy and the required amounts of stock ownership for your position is attached. As a Key Executive and Section 16(b) officer you will be required to obtain pre-approval of all Tapestry stock transactions from the Tapestry Law Department and Tapestry’s CEO.

3. Notice of Intent to Terminate Employment

If at any time you elect to terminate your employment with the Company, including a valid retirement from the Company, you agree to provide six (6) months’ advance written notice of your intent to terminate your employment and such notice shall be provided via email to the Chief Executive Officer and Global Human Resources Officer of Tapestry. Such notice shall include, if applicable, the identity of the prospective employer or entity, your proposed title and duties with that business, person or enterprise, as well as the proposed starting date of that employment or consulting services. After you have provided your required notice, you will continue to be an employee of the Company. Your duties and other obligations as an employee of the Company will continue and you will be expected to cooperate in the transition of your responsibilities. The Company shall, however, have the right in its sole discretion to direct that you no longer come to work or to shorten the notice period. Nothing herein alters your status as an employee at-will. The Company reserves all legal and equitable rights to enforce the advance notice provisions of this paragraph. You acknowledge and agree that your failure to comply with the notice requirements set forth in this paragraph shall result in: (i) the Company being entitled to an immediate injunction, prohibiting you from commencing employment elsewhere for the length of the required notice, (ii) the Company being entitled to claw back any bonus paid to you within 180 days of your last day of employment with the Company, (iii) the forfeiture of any unpaid bonus as of your last day of employment with the Company, (iv) any unvested equity awards and any vested but unexercised stock option awards held by you shall be automatically forfeited on your last day of employment with the Company, and (v) the Company being entitled to claw back any Financial Gain (as defined below) you realize from the vesting of any Tapestry equity award within the twelve (12) month period immediately preceding your last day of employment with the Company. “Financial Gain” shall have the meaning set forth in the various equity award grant agreements that you receive during your employment with the Company.

4. Post-Employment Restrictions

(a) Non-Competition. You are prohibited from, directly or indirectly, counseling, advising, consulting for, becoming employed by or providing services in any capacity to a “competitor” (as defined below) of the Company or any of its operating divisions, brands, subsidiaries or affiliates (collectively, the “Tapestry Group”) during your employment and the twelve (12) month period beginning on your last day of employment with the Company (the “Restricted Period”).

“Competitor” includes: the companies, together with their respective subsidiaries, parent entities, and all other affiliates as set forth on Exhibit A, attached hereto (such companies subject to change from time-to-time as posted on Tapestry’s intranet, the *Loop*). In the event your employment is terminated for any reason (other than for “cause,” as defined below), the Company, at its sole discretion, elects to enforce its right to enjoin you from joining a competitor at any time during the Restricted Period, including prohibiting you from engaging in any of the activities prohibited by this Section 4(a), the Company shall compensate you at your most recent base salary, subject to usual withholdings, to be paid on normal pay cycles, during the remainder of the Restricted Period. The foregoing payments will be made to you solely to the extent that severance or other termination payments are not paid to you during the remainder of the Restricted Period. Nothing herein shall impact or limit your right to receive any severance payments and benefits pursuant to the terms of your offer letter, except that it is expressly understood and agreed that (i) you will not be entitled to receive payments pursuant to this paragraph during any period you are receiving severance or other termination payments and (ii) your receipt of any severance or other termination payments shall not impact the Company’s right to enforce its rights under this Section 4(a) or otherwise.

You agree that if you are offered and desire to accept employment with, or provide consulting services to, another business, person or enterprise, including, but not limited to, a “competitor,” during the Restricted Period, you will promptly inform Tapestry’s Global Human Resources Officer, in writing, of the identity of the prospective employer or entity, your proposed title and duties with that business, person or enterprise, and the proposed starting date of that employment or consulting services. You also agree that you will inform that prospective employer or entity of the terms of these provisions. Failure to abide by the requirements of this Section 4(a) will also be deemed a failure to provide the required advance written notice set forth above under **Notice of Intent to Terminate Employment**.

(b) Non-Solicitation. You agree that during the Restricted Period, you will not, directly or indirectly, whether alone or in association with or for the benefit of others, without the prior written consent of the Company, hire or attempt to hire, employ or solicit for employment, consulting or other service, any officer, employee or agent of the Tapestry Group (each, a “Protected Person”), or encourage, persuade or induce any Protected Person to terminate, diminish or otherwise alter such Protected Person’s relationship with the Tapestry Group.

(c) Non-Interference. During the Restricted Period, you will not, directly or indirectly, whether alone or in association with or for the benefit of others, whether as an employee, owner, stockholder, partner, director, officer, consultant, advisor or otherwise, assist, attempt to or encourage (i) any vendor, supplier, customer or client of, or any other person or entity in a business relationship with the Tapestry Group to terminate, reduce, limit or otherwise alter such relationship, whether contractual or otherwise, (ii) any prospective vendor, supplier, customer or client not to enter into a business or contractual relationship with the Tapestry Group or (iii) to impair or attempt to impair any relationship, contractual or otherwise, between the Tapestry Group and any vendor, supplier, customer or client or any other person or entity in a business relationship with the Tapestry Group.

(d) Remedies. You acknowledge that compliance with Section 4 is necessary to protect the business, good will and proprietary and confidential information of the Tapestry Group and that a breach or threatened breach of any provision in Section 4 will irreparably and continually damage the Tapestry Group, for which money damages may not be adequate. Accordingly, in the event that you breach any provision in Section 4, you will forfeit any remaining earned but unpaid bonus and the Company shall be entitled to claw back any bonus paid to you within 180 days of your last day of employment with the Company. In addition, the Company will be entitled to preliminarily or permanently enjoin you from violating Section 4 in order to prevent the continuation of such harm.

(e) Reasonableness of Restrictions. You acknowledge: (i) that the scope and duration of the restrictions on your activities under Section 4 are reasonable and necessary to protect the legitimate business interests, goodwill and confidential and proprietary information of the Tapestry Group; (ii) that the Tapestry Group does business worldwide and, therefore, you specifically agree that, in order to adequately protect the Tapestry Group, the scope of the restrictions in this provision is reasonable; and (iii) that you will be reasonably able to earn a living without violating the terms of these provisions.

(f) Judicial Modification. If any court of competent jurisdiction determines that any of the covenants in Section 4, or any part of them, is invalid or unenforceable, the remainder of such covenants and parts thereof shall not thereby be affected and shall be given full effect, without regard to the invalid portion. If any court of competent jurisdiction determines that any of the covenants in Section 4, or any part of them, is invalid or unenforceable because of the geographic or temporal scope of such provisions, such court shall reduce such scope to the minimum extent necessary to make such covenants valid and enforceable. You agree that in the event that any court of competent jurisdiction finally holds that any provision of Section 4 constitutes an unreasonable restriction against you, such provision shall not be rendered void but shall apply to such extent as such court may judicially determine constitutes a reasonable restriction under the circumstances.

5. Other Terms and Conditions of Employment

If you accept the Company’s offer, our relationship is "employment-at-will." That means you are free, at any time, for any reason, to end your employment with the Company and that the Company may do the same, subject to the advance notice requirements set forth above under **Notice of Intent to Terminate Employment**. You hereby represent and warrant that you are not currently, and have never been, the subject of any allegation or complaint of harassment, discrimination, retaliation, or sexual or other misconduct in connection with prior employment or otherwise, and have not been a party to any settlement agreement or nondisclosure agreement relating to such matters (the “Representations”).

For the purposes of this letter, termination for “cause” means a determination by the Company that your employment should be terminated for any of the following reasons: (i) your violation of the Company’s Code of Conduct, employee guides, or any other written policies or procedures of the Company, which is not remedied within 30 days of written notice to you, via email, (ii) your violation of any of the Company’s policies regarding sexual harassment and misconduct, (iii) your indictment, conviction of, or plea of guilty or *nolo contendere* to, a felony or a crime involving moral turpitude, (iv) your willful or grossly negligent breach of your duties, (v) any act of fraud, embezzlement or other similar dishonest conduct, (vi) any act or omission that the Company determines could have a material adverse effect on the Company, including without limitation, its reputation, business interests or financial condition, (vii) your failure to follow the lawful directives of your supervisor, (viii) your breach of this offer letter or any other written agreement between you and the Company or any of its affiliates, or (ix) your breach of the Representations set forth in this Section 5 above or the Restrictive Covenants set forth in Section 4 above.

For any dispute arising between the parties regarding or relating to this letter and/or any aspect of your employment, the parties hereby consent to the exclusive jurisdiction in the state and Federal courts located in New York, New York. This Agreement will be construed and enforced in accordance with the laws of the state of New York, without regard to conflicts of laws principles.

You have “Good Reason” to resign your employment upon your ceasing to be the Company’s Chief Financial Officer (principal financial officer) without your consent; provided however, that notwithstanding the foregoing you may not resign your employment for Good Reason unless: (x) you provide the Company with at least 30 days prior written notice of your intent to resign for Good Reason (which notice is provided not later than the 60th day following the occurrence of the event constituting Good Reason) and (y) the Company does not remedy the alleged violation(s) within such 30-day period.

Our agreement regarding employment-at-will may not be changed, except specifically in writing signed by both the Chief Executive Officer and you. However, the Company may in its discretion add to, discontinue, or change compensation, duties, reporting lines, Company committees, benefits and policies. Nothing in the preceding two sentences shall be construed as diminishing the financial obligations of either of the parties hereunder, including, without limitation, the Company’s obligations to pay salary, bonus, equity compensation, severance etc., pursuant to the pertinent provisions set forth above. All payments made hereunder are subject to the usual withholdings required by law. In the event of a breach by you of any provision of this offer letter and/or any of the Company policies which are included herewith, you agree to reimburse the Company for any and all reasonable attorney’s fees and expenses related to the enforcement of this agreement, including, but not limited to, the clawback of gains specified hereunder.

Our offer of employment is contingent on the following:

- Formal ratification of this agreement by the Human Resources Committee;
- Formal appointment to your position by the Board;
- Completion of satisfactory references;
- You passing a credit/background check and verification of your identity and authorization to be employed in the United States;
- Your returning a signed copy of this offer letter by April 27, 2021;

- Your agreement to be bound by, and adhere to, all of the Company’s policies in effect during your employment with the Company, including, but not limited to, the Executive Stock Ownership Policy, Incentive Repayment Policy, Code of Conduct, Consensual Relationship Policy and our Confidentiality, Information Security and Privacy Agreement; and
- The terms and conditions of individual equity award agreements.

Agreed and Accepted by:

/s/ Scott Roe_____ 26 April, 2021___________
Name Date

EXHIBIT A

Competitor List
(as of the Effective Date)

Adidas AG
Burberry Group PLC
Capri Holdings Limited
Cole Haan LLC
Fast Retailing Co., Ltd.
Compagnie Financiere Richemont SA
Fung Group
G-III Apparel Group, Ltd.
The Gap, Inc.
Kering
L Brands, Inc.
LVMH Moet Hennessy Louis Vuitton SA
Nike, Inc.
Prada, S.p.A.
PVH Corp.
Ralph Lauren Corporation
Samsonite International S.A.
Tory Burch LLC
V.F. Corporation
Under Armour, Inc.

EXHIBIT 31.1

I, Joanne C. Crevoiserat, certify that,

1. I have reviewed this Quarterly Report on Form 10-Q of Tapestry, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2021

By: /s/ Joanne C. Crevoiserat

Name: Joanne C. Crevoiserat

Title: Chief Executive Officer

I, Andrea Shaw Resnick, certify that,

1. I have reviewed this Quarterly Report on Form 10-Q of Tapestry, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2021

By: /s/ Andrea Shaw Resnick

Name: Andrea Shaw Resnick

Title: Interim Chief Financial Officer

EXHIBIT 32.1

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tapestry, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended March 27, 2021 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2021

By: /s/ Joanne C. Crevoiserat

Name: Joanne C. Crevoiserat

Title: Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tapestry, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended March 27, 2021 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2021

By: /s/ Andrea Shaw Resnick

Name: Andrea Shaw Resnick

Title: Interim Chief Financial Officer