

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): August 14, 2018

Tapestry, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State of
Incorporation)

1-16153
(Commission File Number)

52-2242751
(IRS Employer
Identification No.)

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

(212) 594-1850
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On August 14, 2018, Tapestry, Inc. (the “Company”) issued a press release (the “Press Release”) in which the Company announced its financial results for its fourth fiscal quarter and fiscal year ended June 30, 2018. The Company also posted a slide presentation entitled “Investor Presentation” dated August 14, 2018 on the “Presentations & Financial Reports” investor section of its website (www.tapestry.com). Copies of the Press Release and slide presentation are furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively. Information on the Company’s website is not, and will not be deemed to be, a part of this Current Report on Form 8-K or incorporated into any other filings the Company may make with the Securities and Exchange Commission.

The information in this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2, is being furnished to the Securities and Exchange Commission and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to liability under that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.* The following exhibits are being furnished herewith:

- 99.1 Text of Press Release, dated August 14, 2018
 - 99.2 Slide Presentation entitled “Investor Presentation,” dated August 14, 2018
-

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 hereunto duly authorized.

Dated: August 14, 2018

TAPESTRY, INC.

By: /s/ Todd Kahn
Todd Kahn
President, Chief Administrative Officer and
Secretary

EXHIBIT INDEX

[99.1](#) [Text of Press Release, dated August 14, 2018](#)

[99.2](#) [Slide Presentation entitled "Investor Presentation," dated August 14, 2018](#)

Tapestry, Inc. Reports Fiscal 2018 Fourth Quarter and Full Year Results

- **Fourth Quarter and Fiscal Year Net Sales Increased 31% Driven by the Acquisition of Kate Spade and Organic Growth**
- **Fourth Quarter Earnings per Diluted Share Rose 36% on a GAAP Basis to \$0.73 and 21% on a Non-GAAP Basis to \$0.60**
- **Full Year Earnings per Diluted Share Exceeded Guidance**
- **Board Declares Quarterly Dividend**

NEW YORK--(BUSINESS WIRE)--August 14, 2018--Tapestry, Inc. (NYSE:TPR), a leading New York-based house of modern luxury accessories and lifestyle brands, today reported fourth quarter and full year results for the periods ended June 30, 2018.

Victor Luis, Chief Executive Officer of Tapestry, Inc., said, “Our strong fourth quarter results capped an excellent FY18 performance for Tapestry which demonstrated the power of our multi-brand model. We achieved our annual sales and operating income guidance, driving significant growth while earnings per share outpaced our forecast. It was also a year of many milestones, as we completed the acquisition of Kate Spade and evolved into a true House of Brands, establishing Tapestry as our new corporate identity. Our company is built on shared values and a common operating platform while our brands retain their distinctive personalities, individual narratives and unique positioning.”

“We strengthened our executive and creative leadership across our brands, with a clear focus on executing our strategic vision. In addition, we expanded our Board with the appointment of new Directors who bring fresh perspectives and extensive and relevant business experience. Finally, we announced several important business development initiatives during the year, which allow each of our brands to assume greater direct control over their international distribution and, in keeping with our strategic priority, maximize the opportunity with Chinese consumers globally across our portfolio. To this end, we’re excited to announce that we’ve entered into purchase agreements to acquire Kate Spade’s operations in Singapore, Malaysia and Australia as well as Stuart Weitzman’s business in Southern China.”

“Coach posted a strong finish to fiscal 2018, with positive fourth quarter comparable store sales, again led by outperformance in North America and driven by fashion innovation across materials and price points. In addition, and as expected, at Coach we drove significant gross margin expansion in the quarter, driving the full year margin above prior year levels. Taken together with tightly controlled expenses, we achieved operating income growth and operating margin expansion for the quarter and year.”

“The successful integration of Kate Spade onto the Tapestry platform continued, as we achieved the anticipated synergies for the year. Kate Spade fourth quarter results exceeded our expectations from both a top- and bottom-line perspective with both sales and operating margin increasing from reported prior year results. In its first year within Tapestry, Kate Spade delivered double digit earnings per share accretion, despite the strategic pullback in online flash and wholesale disposition.”

“Finally at Stuart Weitzman, as anticipated, fourth quarter results continued to be negatively impacted by development and delivery delays which pressured sales and margins. For the year, sales were essentially unchanged, reflecting the second half challenges. During the quarter, we continued to implement the production and planning processes necessary to drive the business forward and remain confident in the long term opportunities for the brand.”

Non-GAAP Reconciliation Items:

During the fiscal fourth quarter, the Company recorded pre-tax charges associated with Integration and Acquisition activities and its Operational Efficiency Plan. In addition, during the quarter, the Company recorded certain favorable tax impacts associated with the recently enacted U.S. tax legislation as well as a one-time reversal of certain valuation allowances that were established in connection with purchase accounting for the Kate Spade acquisition and subsequently released in the fiscal fourth quarter due, in part, to the enactment of the tax legislation changes. Taken together, these items increased the Company’s fourth quarter reported net income by \$36 million or about \$0.13 per diluted share. On a full year basis, these items reduced the Company’s reported net income by \$362 million or about \$1.25 per diluted share. Please refer to the financial tables included herein for a detailed reconciliation of the Company’s reported to non-GAAP results.

Overview of Fourth Quarter 2018 Tapestry, Inc. Results:

Fiscal 2018 fourth quarter performance includes the contribution of Kate Spade, which the Company acquired on July 11, 2017 and therefore is not included in the prior year results.

- **Net sales** totaled \$1.48 billion for the fourth fiscal quarter as compared to \$1.13 billion in the prior year, an increase of 31% on a reported basis. On a constant currency basis, net sales increased 29%.
- **Gross profit** totaled \$1.00 billion on a reported basis, while gross margin for the quarter was 67.6% on a reported basis compared to 66.5% in the prior year. On a non-GAAP basis, gross profit totaled \$1.01 billion, while gross margin was 68.0% as compared to 66.8% in the prior year.
- **SG&A expenses** totaled \$816 million on a reported basis and represented 55.0% of sales compared to 49.5% in the year-ago quarter. On a non-GAAP basis, SG&A expenses were \$781 million and represented 52.7% of sales as compared to 50.9% in the year-ago period.
- **Operating income** for the quarter was \$187 million on a reported basis, while operating margin was 12.6% versus 17.0% in the prior year. On a non-GAAP basis, operating income was \$228 million, an increase of 27% versus prior year, while operating margin was 15.3% versus 15.8% in last year’s fourth quarter.
- **Net interest expense** was \$14 million in the quarter on a reported and non-GAAP basis as compared to \$14 million on a reported basis in the year ago period, which included \$10 million in expense associated with bridge financing in connection with the acquisition of Kate Spade. On a non-GAAP basis, net interest expense was \$4 million in the fourth quarter of fiscal 2017.
- **Net income** for the quarter was \$212 million on a reported basis, with earnings per diluted share of \$0.73. This compared to reported net income of \$152 million with earnings per diluted share of \$0.53 in the prior year period. The reported tax rate for the quarter was (22.5)%, primarily due to favorable tax impacts associated with tax legislation changes as well as a one-time reversal of valuation allowances, as noted above. This compared to a reported tax rate of 15.5% in the prior year. On a non-GAAP basis, net income for the quarter totaled \$176 million, with earnings per diluted share of \$0.60. This compared to non-GAAP net income of \$142 million with earnings per diluted share of \$0.50 in the prior year period. The non-GAAP tax rate for the quarter was 17.4% compared to a 19.2% in the prior year.

- **Inventory** was \$674 million at the end of quarter versus ending inventory of \$470 million in the year ago period. The increase over prior year was primarily driven by the acquisition of Kate Spade as well as the inventory associated with regional buyback activity this fiscal year.

Fourth fiscal quarter results in each of the Company's reportable segments were as follows:

Coach Fourth Quarter of 2018 Results:

- **Net sales** for Coach totaled \$1.10 billion for the fourth fiscal quarter as compared to \$1.05 billion in the prior year, an increase of 5% on a reported basis and 3% on a constant currency basis. Global comparable store sales rose 2% in aggregate, including e-commerce, as well as for bricks and mortar stores.
- **Gross profit** for Coach totaled \$762 million on a reported basis, while gross margin for the quarter was 69.3%. On a non-GAAP basis, gross profit totaled \$765 million, while gross margin was 69.6%, including a benefit of approximately 30 basis points from currency. This compared to gross margin of 67.4% in the prior year period on both a reported and non-GAAP basis.
- **SG&A expenses** totaled \$478 million for Coach on a reported and non-GAAP basis, while SG&A expenses as a percentage of sales were 43.5% as compared to 43.9% in the prior year.
- **Operating income** for Coach was \$284 million on a reported basis, while operating margin was 25.8%. On a non-GAAP basis, operating income was \$287 million, while operating margin was 26.1%. This compared to operating margin of 23.5% in the prior year, both on a reported and non-GAAP basis.

Kate Spade Fourth Quarter of 2018 Results:

- **Net sales** for Kate Spade totaled \$312 million, reflecting, in part, the strategic pullback in wholesale disposition and online flash sales, partially offset by the consolidation of the joint ventures for Mainland China, Hong Kong, Macau and Taiwan. Global comparable store sales declined 3%, including the negative impact of approximately half a point from a decline in global e-commerce due to the reduction in online flash sales, as noted.
- **Gross profit** for Kate Spade totaled \$205 million on a reported basis, while gross margin for the period was 65.5%. On a non-GAAP basis, gross profit was \$205 million, while gross margin was 65.6%.
- **SG&A expenses** for Kate Spade were \$181 million on a reported basis and represented 57.9% of sales. On a non-GAAP basis, SG&A expenses were \$174 million and represented 55.7% of sales.
- **Operating income** for Kate Spade was \$24 million on a reported basis, representing an operating margin of 7.6%. On a non-GAAP basis, operating income totaled \$31 million, while operating margin was 9.9%.

Stuart Weitzman Fourth Quarter of 2018 Results:

- **Net sales** for Stuart Weitzman totaled \$73 million for the fourth fiscal quarter compared to \$88 million reported in the same period of the prior year.
- **Gross profit** for Stuart Weitzman totaled \$37 million on a reported basis, while gross margin for the quarter was 50.3% on a reported basis compared to 56.2% in the prior year. On a non-GAAP basis, gross profit totaled \$39 million, while gross margin was 53.5% as compared to 58.9% in the prior year.
- **SG&A expenses** for Stuart Weitzman were \$57 million on a reported basis and represented 78.6% of sales as compared to 59.5% of sales in the prior year's fourth quarter. On a non-GAAP basis, SG&A expenses were \$56 million or 76.7% of sales as compared to 53.9% of sales in the prior year.
- **Operating income** for Stuart Weitzman was a loss of \$21 million on a reported basis, while operating margin was (28.3)% versus (3.2)% in the prior year. On a non-GAAP basis, operating income was a loss of \$17 million, while operating margin was (23.2)% versus 5.0% in the prior year.

Overview of Full Year 2018 Tapestry, Inc. Results:

Fiscal 2018 performance includes the contribution of Kate Spade for the period subsequent to the closing of the acquisition on July 11, 2017 through the end of the fiscal year on June 30, 2018. Kate Spade is not included in the prior year results.

- **Net sales** totaled \$5.88 billion for the fiscal year 2018 as compared to \$4.49 billion in the prior year, an increase of 31% on reported basis. On a constant currency basis, total sales increased 30%.
- **Gross profit** totaled \$3.85 billion on a reported basis, while gross margin was 65.5% on a reported basis compared to 68.6% in the prior year. On a non-GAAP basis, gross profit totaled \$3.97 billion, while gross margin was 67.5% as compared to 68.7% in the prior year.
- **SG&A expenses** totaled \$3.18 billion on a reported basis and represented 54.1% of sales compared to 51.1% in the prior year. On a non-GAAP basis, SG&A expenses were \$2.98 billion and represented 50.7% of sales as compared to 50.6% in the prior year.
- **Operating income** was \$671 million on a reported basis, while operating margin was 11.4% versus 17.5% in the prior year. On a non-GAAP basis, operating income was \$992 million, an increase of 22% versus prior year, while operating margin was 16.9% versus 18.1% last year.
- **Net interest expense** was \$74 million on a reported and non-GAAP basis as compared to \$28 million in the year ago period on a reported basis, which included \$10 million in expense associated with bridge financing in connection with the acquisition of Kate Spade. On a non-GAAP basis, net interest expense was \$19 million in fiscal 2017.
- **Net income** was \$398 million on a reported basis, with earnings per diluted share of \$1.38. This compared to reported net income of \$591 million with earnings per diluted share of \$2.09 in the prior year. On a non-GAAP basis, net income totaled \$760 million, with earnings per diluted share of \$2.63. This compared to non-GAAP net income of \$609 million with earnings per diluted share of \$2.15 in the prior year period. The reported tax rate for the year was 33.4% as compared to 22.1% in the prior year. On a non-GAAP basis, the tax rate for the year was 17.2% as compared to 23.2% in the prior year.

Fiscal 2018 results in each of the Company's reportable segments were as follows:

Coach Full Year 2018 Results:

- **Net sales** for Coach totaled \$4.22 billion as compared to \$4.11 billion in the prior year, an increase of 3% on a reported basis and 2% on a constant currency basis. Global comparable store sales rose over 1% including a benefit of approximately half a point from an increase in global e-commerce.
- **Gross profit** for Coach totaled \$2.93 billion on a reported basis, while reported gross margin was 69.4%. On a non-GAAP basis, gross profit was \$2.94 billion, while gross margin was 69.5% on both a nominal and constant currency basis. This compared to gross margin of 69.4% in the prior year on both a reported and non-GAAP basis.
- **SG&A expenses** totaled approximately \$1.85 billion for Coach on a reported and non-GAAP basis. As a percentage of sales, SG&A expenses were 43.8% on a reported basis and 43.7% on a non-GAAP basis, compared to 44.1% in the prior year on both a reported and non-GAAP basis.
- **Operating income** for Coach was \$1.08 billion on a reported basis, while operating margin was 25.7%. On a non-GAAP basis, operating income was \$1.09 billion, while operating margin was 25.8%. This compared to operating margin of 25.3% in the prior year both on a reported and non-GAAP basis.

Kate Spade Full Year 2018 Results (for the post-acquisition period):

- **Net sales** for Kate Spade totaled \$1.28 billion, reflecting, in part, the strategic pullback in wholesale disposition and online flash sales, partially offset by the consolidation of the joint ventures for Mainland China, Hong Kong, Macau and Taiwan. Global comparable store sales declined 7%, including the negative impact of nearly 500 basis points from a decline in global e-commerce.
- **Gross profit** for Kate Spade totaled \$711 million on a reported basis, while gross margin for the period was 55.4%. On a non-GAAP basis, gross profit was \$818 million, while gross margin was 63.6%.
- **SG&A expenses** for Kate Spade were \$773 million on a reported basis and represented 60.2% of sales. On a non-GAAP basis, SG&A expenses were \$659 million and represented 51.3% of sales.
- **Operating income** for Kate Spade was a loss of \$62 million on a reported basis, representing an operating margin of (4.8)%. On a non-GAAP basis, operating income totaled \$158 million, while operating margin was 12.3%.

Stuart Weitzman Full Year 2018 Results:

- **Net sales** for Stuart Weitzman totaled \$374 million compared to \$374 million reported in the prior year.
- **Gross profit** for Stuart Weitzman totaled \$211 million on a reported basis, while gross margin was 56.5% on a reported basis compared to 60.5% in the prior year. On a non-GAAP basis, gross profit totaled \$217 million, while gross margin was 58.1% as compared to 61.3% in the prior year.
- **SG&A expenses** for Stuart Weitzman were \$214 million on a reported basis and represented 57.2% of sales as compared to 56.4% of sales in the prior year. On a non-GAAP basis, SG&A expenses were \$206 million or 55.1% of sales as compared to 51.6% of sales in the prior year.
- **Operating income** for Stuart Weitzman was a loss of \$3 million on a reported basis, while operating margin was (0.7)% versus 4.2% in the prior year. On a non-GAAP basis, operating income was \$11 million or 3.0% of sales versus 9.7% in the prior year.

The Company also announced that its Board of Directors declared a quarterly cash dividend of \$0.3375 per common share, maintaining an annual rate of \$1.35. The dividend is payable on October 1, 2018 to shareholders of record as of the close of business on September 7, 2018.

Mr. Luis added, “Our strong fiscal 2018 performance reflected the benefits of diversification across brands, geographies and categories. Looking ahead, we are focused first and foremost on execution. Our goal is to deliver strong revenue and operating income growth in fiscal 2019, while making the right strategic investments to support our long-term vision and drive a return to both double-digit operating income and earnings per share growth in fiscal 2020. We will continue to harness the power of our multi-brand model, fuel innovation across brands, drive global growth with an emphasis on the Chinese consumer, and advance our digital and data analytics capabilities.”

“At Coach, we will offer a heightened level of newness throughout the pyramid of fashion, price and occasion across channels and geographies. In addition, we will build on the successful re-launch of Signature as a coveted brand icon. Beyond bags, we’re excited about the opportunities for women’s footwear and ready-to-wear as well as men’s across all categories. In stores, we will be utilizing technology and digital to enhance and modernize the customer experience, notably through customization. And, we will amplify our initiatives with marketing that balances unexpected brand placement and campaigns with broad appeal.”

“Fiscal 2019 will be a pivotal year at Kate Spade as we evolve the brand with the launch of Creative Director Nicola Glass’s new collection. We will focus on global expansion, notably in China where the brand is nascent and we see boundless opportunity. We will also continue to leverage the Tapestry platform and brand development expertise, driving significant incremental synergies and fueling accelerated growth.”

“At Stuart Weitzman, our near-term focus continues to be building the infrastructure and capacity to support the brand’s creative vision. We now expect to return to topline growth in the second fiscal quarter and remain confident in our long-term strategy to evolve into a global, multi-channel, multi-category fashion brand grounded in quality and design.”

“Overall, we are proud of the progress we’ve made in FY18 and couldn’t be more excited about the opportunities ahead for Tapestry and each of our brands,” Mr. Luis concluded.

Fiscal Year 2019 Outlook

The following fiscal 2019 guidance is provided on a non-GAAP basis.

The Company expects revenues for fiscal 2019 to increase at a mid-single-digit rate from fiscal 2018 to \$6.1-\$6.2 billion.

The Company is also projecting the operating income growth rate to exceed the revenue growth rate, reflecting the organic growth of the business, the realization of incremental synergies from the Kate Spade acquisition as well as the impact of distributor consolidations and buybacks and

systems investments. As previously announced, the Company expects that cost savings resulting from synergies related to the Kate Spade acquisition will total \$100-\$115 million in FY19.

Net interest expense is expected to be approximately \$50 million for the year. The full year fiscal 2019 tax rate is projected at about 21% to 22% with the increase over prior year due primarily to the introduction of a new tax regime requiring a current inclusion in U.S. federal taxable income of certain earnings of controlled foreign corporations (known as "GILTI").

Overall, the Company projects earnings per diluted share in the range of \$2.70-\$2.80.

Fiscal Year 2019 Outlook - Non-GAAP Adjustments:

The company is not able to provide a full reconciliation of the non-GAAP financial measures to GAAP presented in this release and on the Company's conference call because certain material items that impact these measures, such as the timing and exact amount of charges related to Integration and Acquisition, the costs associated with the Company's ERP implementation as well as the impact of the tax legislation changes recently enacted in the U.S, have not yet occurred or are out of the Company's control. Accordingly, a reconciliation of our non-GAAP financial measure guidance to the corresponding GAAP measures is not available without unreasonable effort. Where possible, the Company has identified the estimated impact of the items excluded from its fiscal 2019 guidance.

This fiscal 2019 non-GAAP guidance excludes (1) expected pre-tax charges of \$10-\$15 million attributable to the Company's ERP implementation efforts; and (2) estimated pre-tax Integration and Acquisition charges of \$50-\$60 million (of which approximately \$5-\$10 million is estimated to be non-cash) as the Company continues to develop its integration plan.

Conference Call Details:

The Company will host a conference call to review these results at 8:30 a.m. (ET) today, August 14, 2018. Interested parties may listen to the conference call via live webcast by accessing www.tapestry.com/investors on the Internet or calling 1-877-510-8087 or 1-862-298-9015 and providing the Conference ID 88865692. A telephone replay will be available starting at 12:00 p.m. (ET) today, for a period of five business days. To access the telephone replay, call 1-800-585-8367 or 1-404-537-3406 and enter the Conference ID 88865692. A webcast replay of the earnings conference call will also be available for five business days on the Tapestry website. Presentation slides have also been posted to the Company's website at www.tapestry.com/investors.

The Company expects to report fiscal 2019 first quarter financial results on Tuesday, October 30, 2018. To receive notification of future announcements, please register at www.tapestry.com/investors ("Subscribe to E-Mail Alerts").

Tapestry, Inc. is a New York-based house of modern luxury lifestyle brands. The Company's portfolio includes Coach, Kate Spade and Stuart Weitzman. Our Company and our brands are founded upon a creative and consumer-led view of luxury that stands for inclusivity and approachability. Each of our brands are unique and independent, while sharing a commitment to innovation and authenticity defined by distinctive products and differentiated customer experiences across channels and geographies. To learn more about Tapestry, please visit www.tapestry.com. The Company's common stock is traded on the New York Stock Exchange under the symbol TPR.

This information to be made available in this press release may contain forward-looking statements based on management's current expectations. Forward-looking statements include, but are not limited to, the statements under "Fiscal Year 2019 Outlook," as well as statements that can be identified by the use of forward-looking terminology such as "may," "will," "can," "should," "expect," "intend," "estimate," "continue," "project," "guidance," "forecast," "outlook," "anticipate," "moving," "leveraging," "capitalizing," "developing," "drive," "targeting," "assume," "plan," "build," "pursue," "maintain," "on track," "well positioned to," "look forward to," "to acquire," "achieve," "strategic vision," "growth opportunities" or comparable terms. Future results may differ materially from management's current expectations, based upon a number of important factors, including risks and uncertainties such as expected economic trends, the ability to anticipate consumer preferences, the ability to control costs and successfully execute our transformation and operational efficiency initiatives and growth strategies and our ability to achieve intended benefits, cost savings and synergies from acquisitions, the impact of tax legislation, etc. Please refer to the Company's latest Annual Report on Form 10-K, its Quarterly Report on Form 10-Q for the period ended December 30, 2017 and its other filings with the Securities and Exchange Commission for a complete list of risks and important factors. The Company assumes no obligation to revise or update any such forward-looking statements for any reason, except as required by law.

TAPESTRY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Quarters and Years Ended June 30, 2018 and July 1, 2017
(in millions, except per share data)

	(unaudited) QUARTER ENDED		(unaudited) YEAR ENDED		(audited)
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017	July 1, 2017
Net sales	\$ 1,483.7	\$ 1,133.8	\$ 5,880.0	\$ 4,488.3	
Cost of sales	480.5	379.3	2,026.1	1,407.2	
Gross Profit	1,003.2	754.5	3,853.9	3,081.1	
Selling, general and administrative expenses	816.0	561.5	3,183.1	2,293.7	
Operating income	187.2	193.0	670.8	787.4	
Interest expense, net	14.4	13.6	74.0	28.4	
Income before provision for income taxes	172.8	179.4	596.8	759.0	
Provision for income taxes	(38.9)	27.7	199.3	168.0	
Net income	<u>\$ 211.7</u>	<u>\$ 151.7</u>	<u>\$ 397.5</u>	<u>\$ 591.0</u>	
Net income per share:					
Basic	<u>\$ 0.74</u>	<u>\$ 0.54</u>	<u>\$ 1.39</u>	<u>\$ 2.11</u>	

Diluted		\$	0.73	\$	0.53	\$	1.38	\$	2.09
Shares used in computing net income per share:									
Basic			287.9		281.5		285.4		280.6
Diluted			291.3		284.7		288.6		282.8

TAPESTRY, INC.
GAAP TO NON-GAAP RECONCILIATION
For the Quarters Ended June 30, 2018 and July 1, 2017
(in millions, except per share data)
(unaudited)

	June 30, 2018				
	GAAP Basis (As Reported)	Operational Efficiency Plan ⁽¹⁾	Integration & Acquisition ⁽²⁾	Impact of Tax Legislation ⁽³⁾	Non-GAAP Basis (Excluding Items)
Gross profit	\$ 1,003.2	\$ —	\$ (5.5)	\$ —	\$ 1,008.7
Selling, general and administrative expenses	816.0	10.0	24.8	—	781.2
Operating income	187.2	(10.0)	(30.3)	—	227.5
Income before provision for income taxes	172.8	(10.0)	(30.3)	—	213.1
Provision for income taxes	(38.9)	(3.1)	(51.4)	(21.4)	37.0
Net income	211.7	(6.9)	21.1	21.4	176.1
Diluted net income per share	0.73	(0.03)	0.09	0.07	0.60
July 1, 2017					
	GAAP Basis (As Reported)	Operational Efficiency Plan ⁽¹⁾	Integration & Acquisition ⁽²⁾	Non-GAAP Basis (Excluding Items)	
Gross profit	\$ 754.5	\$ —	\$ (2.3)	\$ 756.8	
Selling, general and administrative expenses	561.5	6.8	(22.6)	577.3	
Operating income	193.0	(6.8)	20.3	179.5	
Income before provision for income taxes	179.4	(6.8)	10.8	175.4	
Provision for income taxes	27.7	(4.0)	(2.0)	33.7	
Net income	151.7	(2.8)	12.8	141.7	
Diluted net income per share	0.53	(0.01)	0.04	0.50	

(1) Amounts as of June 30, 2018 represent technology infrastructure costs. Amounts as of July 1, 2017 represent charges primarily related to organizational efficiency and technology infrastructure costs.

(2) Amounts as of June 30, 2018 represent charges attributable to acquisition and integration costs related to the purchase of Kate Spade & Company, the acquisition of certain distributors for the Coach and Stuart Weitzman brands and assumed operational control of Kate Spade joint ventures. Provision for income taxes has been favorably impacted as a result of the reversal of certain valuation allowances that were established during purchase accounting. These charges include:

- Professional fees
- Limited life purchase accounting adjustments
- Organizational costs as a result of integration

Amounts as of July 1, 2017 represent acquisition costs and limited life purchase accounting impacts related to the acquisition of Stuart Weitzman Holdings LLC, more than offset by the reversal of an accrual related to estimated contingent purchase price payments which were not paid, and integration-related costs for the Kate Spade & Company acquisition.

(3) Amounts as of June 30, 2018 represent charges due to the net impact of the transition tax and re-measurement of deferred tax balances.

TAPESTRY, INC.
GAAP TO NON-GAAP RECONCILIATION
For the Years Ended June 30, 2018 and July 1, 2017
(in millions, except per share data)
(unaudited)

	June 30, 2018				
	GAAP Basis (As Reported)	Operational Efficiency Plan ⁽¹⁾	Integration & Acquisition ⁽²⁾	Impact of Tax Legislation ⁽³⁾	Non-GAAP Basis (Excluding Items)
Gross profit	\$ 3,853.9	\$ —	\$ (116.4)	\$ —	\$ 3,970.3
Selling, general and administrative expenses	3,183.1	19.5	185.2	—	2,978.4
Operating income	670.8	(19.5)	(301.6)	—	991.9
Income before provision for income taxes	596.8	(19.5)	(301.6)	—	917.9
Provision for income taxes	199.3	(6.2)	(130.7)	178.2	158.0
Net income	397.5	(13.3)	(170.9)	(178.2)	759.9
Diluted net income per share	1.38	(0.05)	(0.58)	(0.62)	2.63
July 1, 2017					
	GAAP Basis (As Reported)	Operational Efficiency Plan ⁽¹⁾	Integration & Acquisition ⁽²⁾	Non-GAAP Basis (Excluding Items)	
Gross profit	\$ 3,081.1	\$ —	\$ (2.9)	\$ 3,084.0	
Selling, general and administrative expenses	2,293.7	24.0	(1.7)	2,271.4	
Operating income	787.4	(24.0)	(1.2)	812.6	
Income before provision for income taxes	759.0	(24.0)	(10.7)	793.7	

Provision for income taxes	168.0	(8.3)	(8.1)	184.4
Net income	591.0	(15.7)	(2.6)	609.3
Diluted net income per share	2.09	(0.05)	(0.01)	2.15

(1) Amounts as of June 30, 2018 primarily represent technology infrastructure costs. Amounts as of July 1, 2017 represent charges primarily related to organizational efficiency costs, technology infrastructure costs and to a lesser extent, network optimization costs.

(2) Amounts as of June 30, 2018 represent charges attributable to acquisition and integration costs related to the purchase of Kate Spade & Company, and to a lesser extent the acquisition of certain distributors for the Coach and Stuart Weitzman brands and assumed operational control of Kate Spade joint ventures. Provision for income taxes has been favorably impacted as a result of the reversal of certain valuation allowances that were established during purchase accounting. These charges include:

- Limited life purchase accounting adjustments
- Professional fees
- Severance and other costs related to contractual payments with certain Kate Spade executives
- Organizational costs as a result of integration
- Inventory reserves established for the destruction of inventory

Amounts as of July 1, 2017 represent acquisition costs and limited life purchase accounting impacts related to the acquisition of Stuart Weitzman Holdings LLC, more than offset by the reversal of an accrual related to estimated contingent purchase price payments which were not paid, and integration-related costs for the Kate Spade & Company acquisition.

(3) Amounts as of June 30, 2018 represent charges due to the net impact of the transition tax and re-measurement of deferred tax balances.

TAPESTRY, INC.
GAAP TO NON-GAAP RECONCILIATION - FOR SEGMENT RESULTS
For the Quarters Ended June 30, 2018 and July 1, 2017
(in millions)
(unaudited)

	June 30, 2018					
	GAAP	Coach	Kate Spade	Stuart Weitzman	Corporate	
COGS						
Integration & Acquisition		(3.1)	(0.1)	(2.3)	—	
Gross profit	\$ 1,003.2	\$ (3.1)	\$ (0.1)	\$ (2.3)	\$ —	\$ 1,008.7
SG&A						
Integration & Acquisition		0.3	7.1	1.3	16.1	
Operational Efficiency Plan		—	—	—	10.0	
SG&A	\$ 816.0	\$ 0.3	\$ 7.1	\$ 1.3	\$ 26.1	\$ 781.2
Operating income	\$ 187.2	\$ (3.4)	\$ (7.2)	\$ (3.6)	\$ (26.1)	\$ 227.5
	July 1, 2017					
	GAAP	Coach	Kate Spade	Stuart Weitzman	Corporate ⁽¹⁾	Non-GAAP
COGS						
Integration & Acquisition		—	—	(2.3)	—	
Gross profit	\$ 754.5	\$ —	\$ —	\$ (2.3)	\$ —	\$ 756.8
SG&A						
Integration & Acquisition		—	—	5.0	(27.6)	
Operational Efficiency Plan		—	—	—	6.8	
SG&A	\$ 561.5	\$ —	\$ —	\$ 5.0	\$ (20.8)	\$ 577.3
Operating income	\$ 193.0	\$ —	\$ —	\$ (7.3)	\$ 20.8	\$ 179.5

(1) The Company incurred \$9.5 million related to bridge financing fees recorded in interest expense within Corporate, which is not included in the above table.

TAPESTRY, INC.
GAAP TO NON-GAAP RECONCILIATION - FOR SEGMENT RESULTS
For the Years Ended June 30, 2018 and July 1, 2017
(in millions)
(unaudited)

	June 30, 2018					
	GAAP	Coach	Kate Spade	Stuart Weitzman	Corporate	
COGS						
Integration & Acquisition ⁽¹⁾		(4.1)	(106.5)	(5.8)	—	
Gross profit	\$ 3,853.9	\$ (4.1)	\$ (106.5)	\$ (5.8)	\$ —	\$ 3,970.3
SG&A						
Integration & Acquisition ⁽¹⁾		0.5	113.7	7.8	63.2	
Operational Efficiency Plan		—	—	—	19.5	
SG&A	\$ 3,183.1	\$ 0.5	\$ 113.7	\$ 7.8	\$ 82.7	\$ 2,978.4
Operating income	\$ 670.8	\$ (4.6)	\$ (220.2)	\$ (13.6)	\$ (82.7)	\$ 991.9
	July 1, 2017					
	GAAP	Coach	Kate Spade	Stuart Weitzman	Corporate ⁽²⁾	Non-GAAP
COGS						
Integration & Acquisition		—	—	(2.9)	—	
Gross profit	\$ 3,081.1	\$ —	\$ —	\$ (2.9)	\$ —	\$ 3,084.0
SG&A						
Integration & Acquisition		—	—	17.7	(19.4)	
Operational Efficiency Plan		—	—	—	24.0	
SG&A	\$ 2,293.7	\$ —	\$ —	\$ 17.7	\$ 4.6	\$ 2,271.4
Operating income	\$ 787.4	\$ —	\$ —	\$ (20.6)	\$ (4.6)	\$ 812.6

(1) During the first quarter of fiscal 2018, the Company completed its acquisition of Kate Spade & Company. During the third quarter of fiscal 2018, the Company completed its acquisition of certain distributors for the Coach and Stuart Weitzman brands and assumed operational control of Kate Spade joint ventures. The operating results of the respective entity have been consolidated in the Company's operating results commencing on the date of each acquisition.

(2) The Company incurred \$9.5 million related to bridge financing fees recorded in interest expense within Corporate, which is not included in the above table.

The Company reports information in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). The Company's management does not, nor does it suggest that investors should, consider non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Further, the non-GAAP measures utilized by the Company may be unique to the Company, as they may be different from non-GAAP measures used by other companies. The financial information presented above, as well as gross margin, SG&A expense ratio, and operating margin, have been presented both including and excluding the effect of certain items related to our Operational Efficiency Plan, Integration & Acquisition-Related Costs and the impact of tax legislation for Tapestry, Inc. and separately by segment.

The Company operates on a global basis and reports financial results in U.S. dollars in accordance with GAAP. Percentage increases/decreases in net sales for the Company and the Coach brand have been presented both including and excluding currency fluctuation effects from translating foreign-denominated sales into U.S. dollars and compared to the same periods in the prior quarter and fiscal year. The Company calculates constant currency revenue results by translating current period revenue in local currency using the prior period's monthly average currency conversion rate.

Guidance for certain financial information for the fiscal year ending June 29, 2019 has also been presented on a non-GAAP basis.

Management utilizes these non-GAAP and constant currency measures to conduct and evaluate its business during its regular review of operating results for the periods affected and to make decisions about Company resources and performance. The Company believes presenting these non-GAAP measures, which exclude items that are not comparable from period to period, is 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, the Company believes presenting these metrics on a constant currency basis will help investors and analysts to understand the effect of significant year-over-year foreign currency exchange rate fluctuations on these performance measures and provide a framework to assess how business is performing and expected to perform excluding these effects.

TAPESTRY, INC.
SEGMENT INFORMATION
For the Quarters and Years Ended June 30, 2018 and July 1, 2017
(in millions)
(unaudited)

	Coach ⁽¹⁾	Kate Spade ⁽¹⁾	Stuart Weitzman ⁽¹⁾	Corporate	Total
Three Months Ended June 30, 2018					
Net sales	\$ 1,098.9	\$ 311.9	\$ 72.9	\$ —	\$ 1,483.7
Gross profit	762.1	204.5	36.6	—	1,003.2
Operating income (loss)	283.8	23.9	(20.7)	(99.8)	187.2
Income (loss) before provision for income taxes	283.8	23.9	(20.7)	(114.2)	172.8
Three Months Ended July 1, 2017					
Net sales	\$ 1,045.9	\$ —	\$ 87.9	\$ —	\$ 1,133.8
Gross profit	705.1	—	49.4	—	754.5
Operating income (loss)	246.1	—	(2.9)	(50.2)	193.0
Income (loss) before provision for income taxes	246.1	—	(2.9)	(63.8)	179.4
Year Ended June 30, 2018					
Net sales	\$ 4,221.5	\$ 1,284.7	\$ 373.8	\$ —	\$ 5,880.0
Gross profit	2,931.5	711.1	211.3	—	3,853.9
Operating income (loss)	1,084.2	(61.9)	(2.6)	(348.9)	670.8
Income (loss) before provision for income taxes	1,084.2	(61.9)	(2.6)	(422.9)	596.8
Year Ended July 1, 2017					
Net sales	\$ 4,114.7	\$ —	\$ 373.6	\$ —	\$ 4,488.3
Gross profit	2,855.0	—	226.1	—	3,081.1
Operating income (loss)	1,040.0	—	15.5	(268.1)	787.4
Income (loss) before provision for income taxes	1,040.0	—	15.5	(296.5)	759.0

⁽¹⁾ During the first quarter of fiscal 2018, the Company completed its acquisition of Kate Spade & Company. During the third quarter of fiscal 2018, the Company completed its acquisition of certain distributors for the Coach and Stuart Weitzman brands and assumed operational control of Kate Spade joint ventures. The operating results of the respective entity have been consolidated in the Company's operating results commencing on the date of each acquisition.

TAPESTRY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
At June 30, 2018 and July 1, 2017
(in millions)

	(unaudited) June 30, 2018	(audited) July 1, 2017
ASSETS		
Cash, cash equivalents and short-term investments	\$ 1,250.0	\$ 3,083.6
Receivables	314.1	268.0
Inventories	673.8	469.7
Other current assets	194.7	132.0
Total current assets	2,432.6	3,953.3
Property and equipment, net	885.4	691.4
Other noncurrent assets	3,360.3	1,186.9
Total assets	\$ 6,678.3	\$ 5,831.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 264.3	\$ 194.6
Accrued liabilities	673.2	559.2
Current debt	0.7	—
Total current liabilities	938.2	753.8

Long-term debt	1,599.9	1,579.5
Other liabilities	895.6	496.4
Stockholders' equity	3,244.6	3,001.9
Total liabilities and stockholders' equity	<u>\$ 6,678.3</u>	<u>\$ 5,831.6</u>

TAPESTRY, INC.
STORE COUNT
At March 31, 2018 and June 30, 2018
(unaudited)

<u>Directly-Operated Store Count:</u>	<u>As of</u> <u>March 31, 2018</u>	<u>Openings</u>	<u>(Closures)</u>	<u>As of</u> <u>June 30, 2018</u>
<u>Coach</u>				
North America	405	—	(3)	402
International	575	12	(2)	585
<u>Kate Spade</u>				
North America	188	15	(3)	200
International	144	4	(6)	142
<u>Stuart Weitzman</u>				
North America	70	—	(2)	68
International	33	2	—	35

TAPESTRY, INC.
STORE COUNT
At July 1, 2017 and June 30, 2018
(unaudited)

<u>Directly-Operated Store Count:</u>	<u>As of</u> <u>July 1, 2017</u>	<u>Acquired</u> <u>Stores</u>	<u>Openings</u>	<u>(Closures)</u>	<u>As of</u> <u>June 30, 2018</u>
<u>Coach</u>					
North America	419	—	3	(20)	402
International	543	21	41	(20)	585
<u>Kate Spade</u>					
North America	—	180	32	(12)	200
International	—	145	10	(13)	142
<u>Stuart Weitzman</u>					
North America	69	—	2	(3)	68
International	12	20	3	—	35

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tapestry

COACH | kate spade | STUART WEITZMAN

This presentation contains certain “forward-looking statements” based on management’s current expectations. Forward-looking statements include, but are not limited to, the information provided on the slide entitled “Fiscal 2019 Outlook”, as well as statements which can be identified by the use of forward-looking terminology such as “may,” “will,” “can,” “should,” “expect,” “intend,” “estimate,” “continue,” “project,” “guidance,” “forecast,” “outlook,” “anticipate,” “moving,” “leveraging,” “capitalizing,” “developing,” “drive,” “targeting,” “assume,” “plan,” “build,” “pursue,” “maintain,” “on track,” “well positioned to,” “look forward to,” “to acquire,” “achieve,” “strategic vision,” “growth opportunities” or comparable terms, and similar or other references to future periods. Statements herein regarding our business and transformation strategies; our plans, objectives, goals, beliefs, future events, business conditions, results of operations and financial position; and our business outlook and business trends are forward-looking statements.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements due to a number of important factors. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following:

- risks and uncertainties such as expected economic trends;
- the ability to anticipate consumer preferences;
- the ability to control costs;
- the ability to successfully execute our transformation and operational efficiency initiatives and growth strategies;
- the ability to achieve intended benefits, cost savings and synergies from acquisitions; and
- the impact of tax legislation.

Please refer to the Company’s latest Annual Report on Form 10-K, its Quarterly Report on Form 10-Q for the period ended December 30, 2017 and its other filings with the Securities and Exchange Commission for a complete list of risks and important factors.

We assume no obligation to revise or update any such forward-looking statements for any reason, except as required by law.

DEFINED BY INCLUSIVITY RATHER THAN EXCLUSIVITY, we are a global house of brands that embraces the exploration of individuality. We believe that true luxury is a freedom of expression that ignites confidence and authenticity.

Approachable and inviting, we celebrate brands that create joy every day for people around the world. Our passion, detailed approach and genuine love of what we do enables us to develop and nurture brands so that they can reach their full potential.

The value of our brands is not bestowed by previous generations or borrowed from tradition. It is determined by quality, craftsmanship, creativity and the opportunity for self-expression they provide. We believe anyone from anywhere can have the best idea, and with hard work and dedication anything is possible.



“We’re a different kind of company. We have a collection of brands that have very specific and unique identities. All of our brands are based on great design, quality and craftsmanship. At the end of the day, all of our teams are focused on providing tremendous value for customers.”

VICTOR LUIS, CEO

**OPTIMISTIC
INNOVATIVE
INCLUSIVE**

LEADERSHIP TEAM

Victor Luis
Chief Executive Officer



Todd Kahn
President, Chief Administrative Officer
and Secretary



Ian Bickley
President, Global Business Development
and Strategic Alliances



Kevin Wills
Chief Financial Officer



Anna Bakst
CEO and Brand President,
Kate Spade



Joshua Schulman
CEO and Brand President,
Coach



Eraldo Poletto
CEO and Brand President,
Stuart Weitzman



Sarah Dunn
Global Human Resources Officer



Peter Charles
Global Head of Supply Chain



Michael Braine
Chief Information Officer



Zeynep Schoenwaelder
Global Head of Strategy and Data Labs



Andrea Shaw Resnick
Global Head of Investor Relations and
Corporate Communications



Adrienne Kirszner
Global Head of Inventory Management
and Merchandise Planning



FISCAL 2018 MILESTONES

Successfully **completed the acquisition of Kate Spade and evolved into a true house of brands**, establishing Tapestry as our new corporate identity.

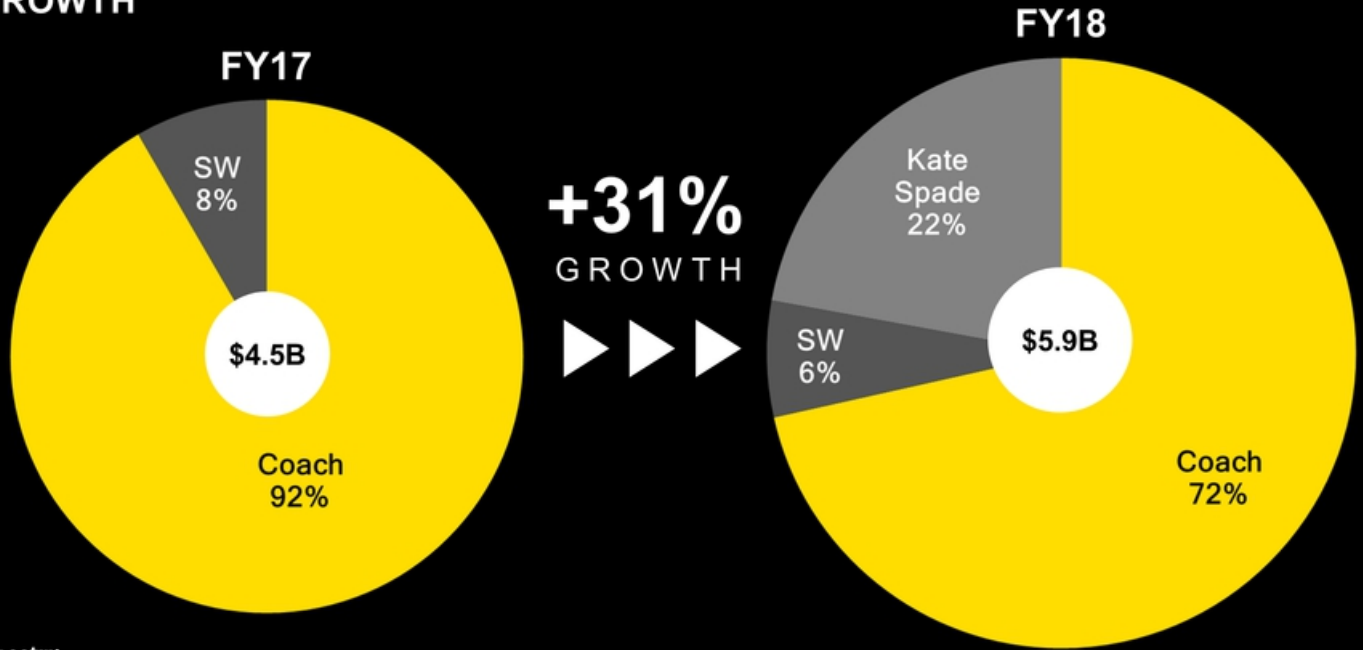
Strengthened our executive and creative leadership across our brands with a clear focus on executing our strategic vision.

Brought fresh perspectives to our Board, with the **appointment of new Directors**, all with extensive and relevant business experience.

Announced several important **business development initiatives**, which allow each of our brands to assume greater direct control over their international distribution, and, in keeping with our strategic priority, maximize the opportunity with Chinese consumers globally across our portfolio.

FY18 FINANCIAL OVERVIEW: REVENUE

STRONG RESULTS DRIVEN BY KATE SPADE ACQUISITION AND ORGANIC GROWTH



FY18 FINANCIAL OVERVIEW: OPERATING INCOME

STRONG RESULTS DRIVEN BY KATE SPADE ACQUISITION AND ORGANIC GROWTH

FY17

\$813M

FY18

\$992M

GROWTH

+22%

**FY18 FINANCIAL OVERVIEW: EARNINGS PER DILUTED SHARE
STRONG RESULTS DRIVEN BY KATE SPADE ACQUISITION AND ORGANIC
GROWTH**

FY17

\$2.15

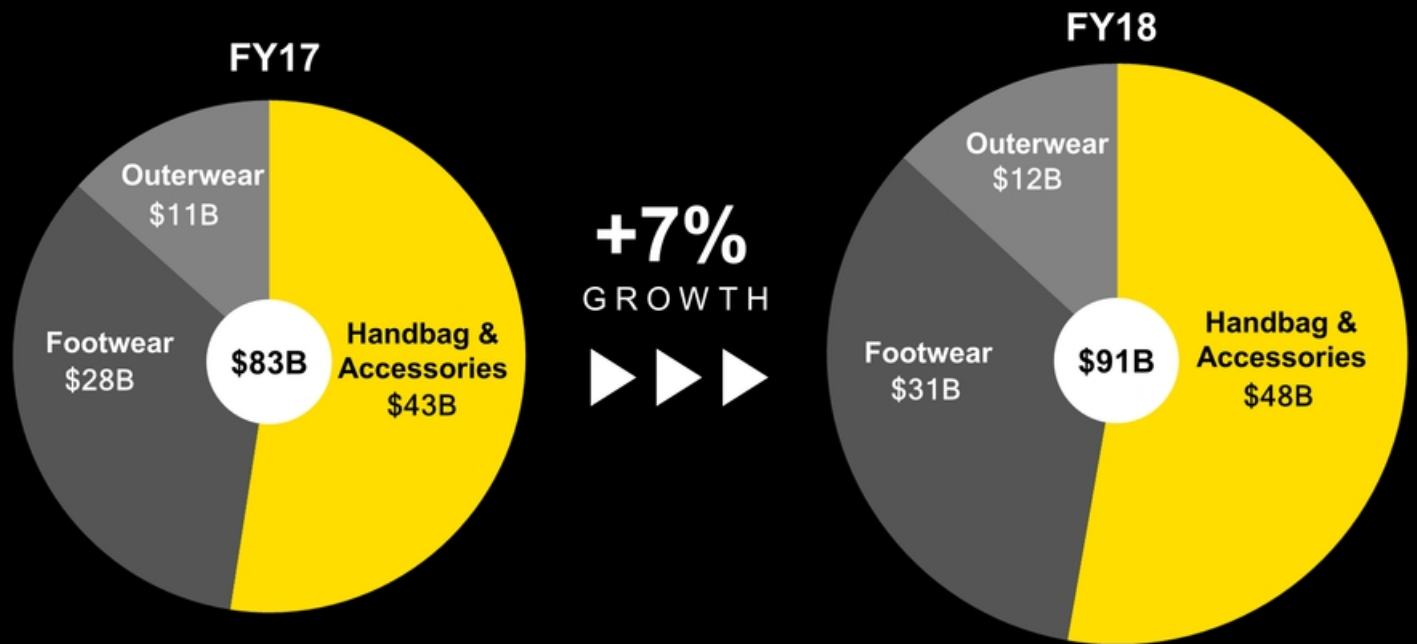
FY18

\$2.63

GROWTH

+22%

OPPORTUNITY ACROSS BRANDS IN THE ATTRACTIVE AND GROWING GLOBAL PREMIUM HANDBAG AND ACCESSORIES, FOOTWEAR AND OUTERWEAR MARKET



tapestry

Source: Tapestry Global Market Sizing Model, Euromonitor, Public Filings, Analyst Reports, NPD and Yano.
Note: Growth noted is constant currency.



~ 70 COUNTRIES 6 CONTINENTS

As of FY18.



1,400+ DIRECTLY OPERATED LOCATIONS

As of FY18.

FISCAL 2019 STRATEGIC PRIORITIES
FOCUS ON **execution**

HARNESS *the*
POWER *of*
MULTIBRAND

- Capture **full benefit** of multi-brand structure and synergies
- Provide **opportunities for talent** movement across brands, regions and functions

FUEL
BRAND
INNOVATION

- **Accelerate product newness** across all brands

DRIVE
GLOBAL
GROWTH

- Maximize the opportunity with the Chinese consumer **globally and across brands**

INVEST *in*
DIGITAL
&
DATA

- Develop industry-leading capabilities **in Digital and Data Labs**



COACH

NEW YORK




COACH
NEW YORK

“For over 75 years, Coach has been part of the American landscape. As we write our next chapter, we’re building on our heritage of craftsmanship and confident New York style to deliver a complete lifestyle brand for modern lives.”

JOSHUA SCHULMAN, CEO & BRAND PRESIDENT, COACH



OUR VISION

Coach inspires the dreamer
in all of us, connecting our
modern lives with the spirit
of the open road.





\$4.22B

ANNUAL REVENUE

—
987

DIRECTLY OPERATED STORES

—
13,500

EMPLOYEES

As of FY18.

COACH FISCAL 2018 MILESTONES

Successfully reinvigorated the \$300-\$400 handbag price segment.

Stuart Vevers created new expression of Signature and the customer immediately embraced his iteration of this brand icon.

Grew categories outside of Women's bags and small leathers— notably footwear, ready-to-wear and Men's.

Drove fashion authority through well-received runway shows and broadened the brand reach through the collaboration with Selena Gomez.

Improved brand momentum with the Broad Premium consumer, and specifically millennials, as evidenced in our U.S. brand tracking survey.

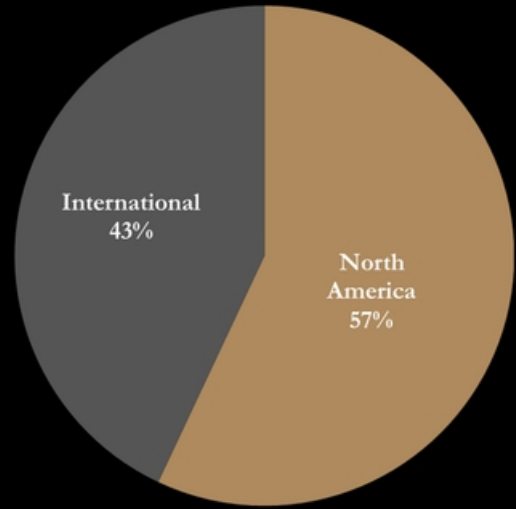
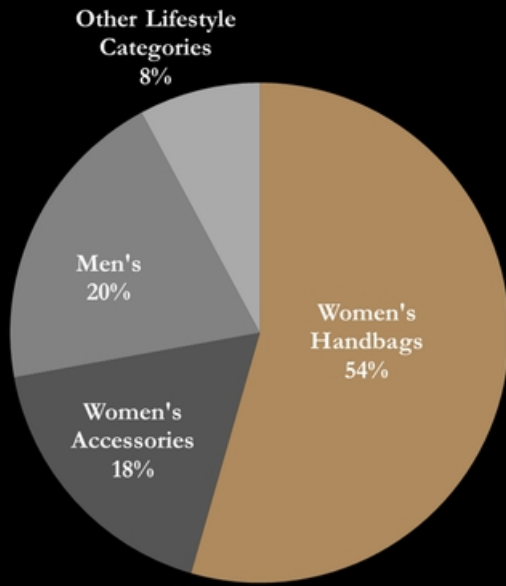


SELENA GOMEZ
The TATTOO DREAMER Bag
coach.com


COACH
NEW YORK

COACH PRODUCT & GEOGRAPHIC BREAKDOWN

DIVERSIFIED ACROSS PRODUCT CATEGORIES AND GEOGRAPHIES



As of FY18.

COACH FISCAL 2019 STRATEGIC PRIORITIES

CASCADE
LEATHERGOODS
INNOVATION

DRIVE GROWTH
BEYOND
BAGS

BALANCE
FASHION
AUTHORITY &
UNIVERSAL
APPEAL IN
MARKETING

MODERNIZE,
CUSTOMIZE &
PERSONALIZE

FUEL DIGITAL
INNOVATION &
ECOMMERCE
GROWTH





kate spade

NEW YORK



“Kate Spade has tremendous opportunity across product categories, channels and geographies. We are leveraging the brand’s global potential, bringing its unique and empowering feminine positioning to women around the world.”

ANNA BAKST, CEO & BRAND PRESIDENT, KATE SPADE



OUR VISION

A globally admired aspirational life & style brand, delivering brand-enhancing profitable growth,
where people — our customers and teams —
are
at the center of everything we do.





\$1.28B

ANNUAL REVENUE

342

DIRECTLY OPERATED STORES

5,500

EMPLOYEES

As of FY18.

KATE SPADE FISCAL 2018 MILESTONES

Built the foundation to support global growth with significant progress integrating the brand onto the Tapestry platform.

Executed strategies to ensure long-term brand relevance, including the deliberate pullback in promotional flash and disposition sales.

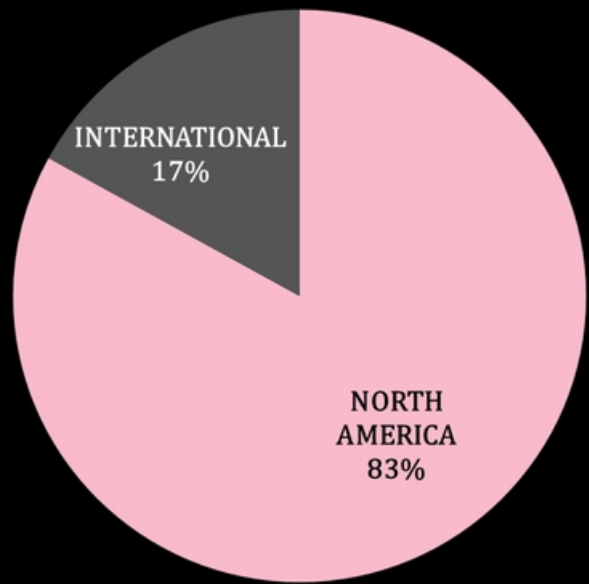
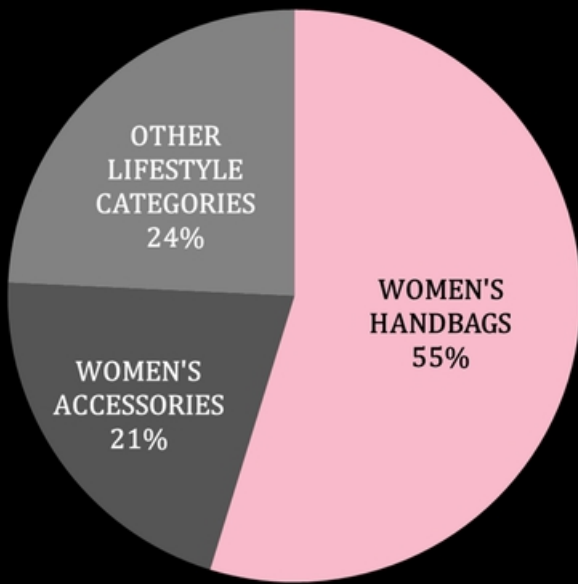
Strengthened the leadership team, notably with the hires of Anna Bakst, CEO & Brand President, and Nicola Glass, Creative Director.

Established operational control of the brand's joint ventures for Greater China – a key area of opportunity for growth.



KATE SPADE PRODUCT & GEOGRAPHIC BREAKDOWN

OPPORTUNITY TO EXPAND INTERNATIONALLY AND DEVELOP CLEAR GLOBAL POSITIONING



As of FY18.

KATE SPADE FISCAL 2019 STRATEGIC PRIORITIES

EXPAND
GLOBALLY:
THINK GLOBAL,
ACT LOCAL

INTRODUCE
EXCEPTIONAL
AND INSPIRING
PRODUCTS

LAUNCH
LIFESTYLE-
FOCUSED
BRANDING

CREATE
IMMERSIVE
CHANNEL
EXPERIENCES

LEVERAGE
TAPESTRY
PLATFORM



STUART WEITZMAN



“Stuart Weitzman footwear has long represented quality, style and the beautiful combination of form and fit. We are building on this foundation as we evolve into a global, multi-channel and multi-category fashion brand.”

ERALDO POLETTO, CEO & BRAND PRESIDENT, STUART WEITZMAN

OUR VISION

STUART WEITZMAN IS ON A JOURNEY TO EVOLVE INTO A GLOBAL MULTI-CATEGORY ACCESSORIES BRAND. LOOKING FORWARD, THE BRAND WILL PRODUCE INNOVATIVE ACCESSORIES BASED ON A FOUNDATION OF WARDROBE ESSENTIALS THAT FOSTER AN EMOTIONAL CONNECTION WITH WOMEN OF ALL AGES. THE GOAL IS TO ESTABLISH STUART WEITZMAN AS THE ACCESSORIES DESTINATION FOR EVERY WOMAN FOR EVERY OCCASION.



\$374M

ANNUAL REVENUE

103

DIRECTLY OPERATED STORES

940

EMPLOYEES

As of FY18.

STUART WEITZMAN FISCAL 2018 MILESTONES

ACQUIRED STUART WEITZMAN NORTHERN CHINA BUSINESS FROM DISTRIBUTOR PARTNER.

APPOINTED ERALDO POLETTO, CEO & BRAND PRESIDENT, EDMUNDO CASTILLO, HEAD OF PRODUCT DESIGN, AND FRANCESCA BERTONCINI, HEAD MERCHANT, TO EXECUTE THE LONG-TERM VISION.

GAINED TRACTION IN EVOLVING FROM A FOUNDER-LED BUSINESS TO A GLOBAL MULTI-CATEGORY BRAND THAT IS NIMBLE AND ENTREPRENEURIAL.

STRENGTHENED THE BRAND'S SUPPLY CHAIN TO SUPPORT A HIGHER LEVEL OF INNOVATION, ADDRESSING THE NEAR-TERM CHALLENGES WHILE BUILDING THE FOUNDATION TO DRIVE SUSTAINABLE GROWTH.

STUART WEITZMAN



STUART WEITZMAN FISCAL 2019 STRATEGIC PILLARS

RESET
SUPPLY CHAIN
ORGANIZATION
& PROCESS

MAINTAIN
BOOT & SANDAL
AUTHORITY
WHILE
EXPANDING OUR
FOOTWEAR
EXPRESSION

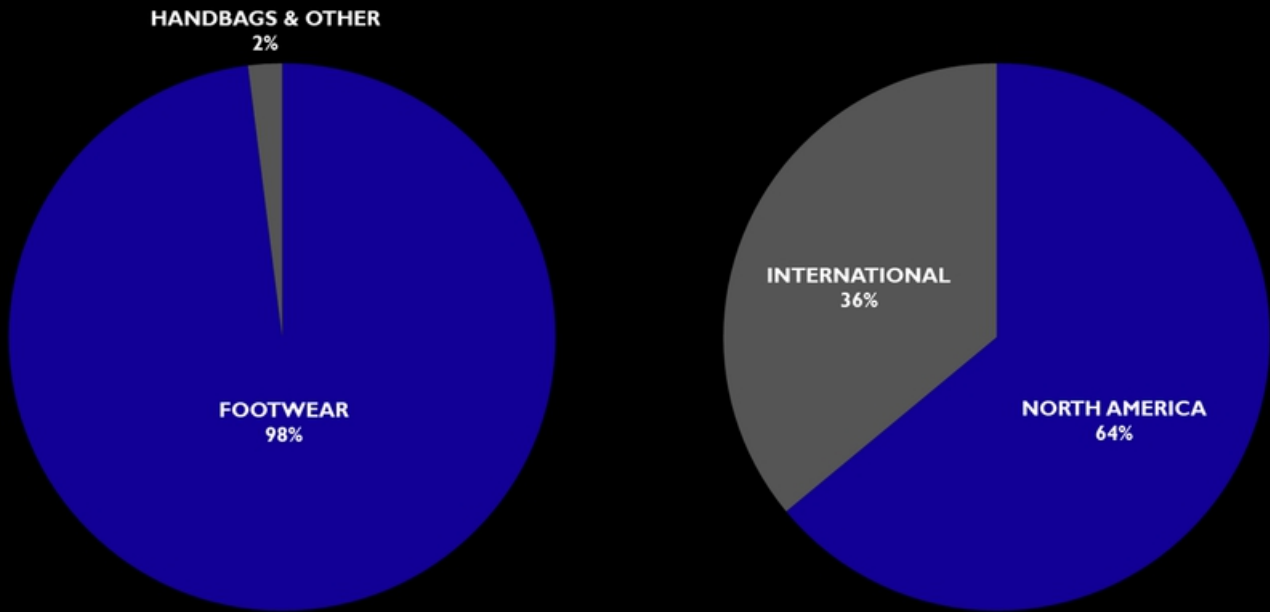
EXPAND
GLOBALLY,
WITH FOCUS ON
CHINA

GROW BEYOND
FOOTWEAR:
ESTABLISH
HANDBAG
BUSINESS

DRIVE
CONSUMER
DESIRE & ELEVATE
RELATIONSHIP
WITH THE
CUSTOMER

STUART WEITZMAN PRODUCT & GEOGRAPHIC BREAKDOWN

OPPORTUNITY TO EXPAND THE BRAND INTERNATIONALLY AND ACROSS CATEGORIES



financial
OUTLOOK

FISCAL 2019 OUTLOOK
FOCUS ON *execution*

revenue

mid-single-digit growth

*operating
income*

leverage to bottom line

*earnings per
diluted share*

\$2.70 to \$2.80

CAPITAL ALLOCATION PRIORITIES

MAINTAINING A STRONG AND FLEXIBLE BALANCE SHEET

- 1 Invest in our brands and business**
- 2 Acquire new brands on a strategic and opportunistic basis**
- 3 Return capital to shareholders, with a focus on dividends**

“We want Tapestry to be a company where employees love to work, great brands aspire to be part of and investors believe in.”

VICTOR LUIS, CEO

APPENDIX

The Company reports information in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). The Company's management does not, nor does it suggest that investors should, consider non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Further, the non-GAAP measures utilized by the Company may be unique to the Company, as they may be different from non-GAAP measures used by other companies. The financial information presented below has been presented both including and excluding the effect of certain items related to our Operational Efficiency Plan, Integration & Acquisition-Related Costs and the impact of tax legislation for Tapestry, Inc.

Guidance for certain financial information for the fiscal year ending June 29, 2019 has also been presented on a non-GAAP basis. A reconciliation of our non-GAAP financial measure guidance to the corresponding GAAP measures is not available without unreasonable effort because certain material items that impact these measures, such as the timing and exact amount of charges related to Integration and Acquisition, the costs associated with the Company's ERP implementation as well as the impact of the tax legislation changes recently enacted in the U.S., have not yet occurred or are out of the Company's control.

Management utilizes these non-GAAP measures to conduct and evaluate its business during its regular review of operating results for the periods affected and to make decisions about Company resources and performance. The Company believes presenting these non-GAAP measures, which exclude items that are not comparable from period to period, is 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.

GAAP TO NON-GAAP RECONCILIATION
FOR THE YEARS ENDED JUNE 30, 2018 AND JULY 1, 2017

<i>(in millions, except per share data)</i>		GAAP BASIS (AS REPORTED)	OPERATIONAL EFFICIENCY PLAN ⁽¹⁾	INTEGRATION & ACQUISITION ⁽²⁾	IMPACT OF TAX LEGISLATION ⁽³⁾	NON-GAAP BASIS (EXCLUDING ITEMS)
JUNE 30, 2018	Gross profit	\$ 3,853.9	\$—	\$ (116.4)	\$—	\$3,970.3
	Selling, general and administrative expenses	3,183.1	19.5	185.2	—	2,978.4
	Operating income	670.8	(19.5)	(301.6)	—	991.9
	Income before provision for income taxes	596.8	(19.5)	(301.6)	—	917.9
	Provision for income taxes	199.3	(6.2)	(130.7)	178.2	158.0
	Net income	397.5	(13.3)	(170.9)	(178.2)	759.9
	Diluted net income per share	1.38	(0.05)	(0.58)	(0.62)	2.63
JULY 1, 2017	Gross profit	\$3,081.1	\$—	\$(2.9)	\$—	\$3,084.0
	Selling, general and administrative expenses	2,293.7	24.0	(1.7)	—	2,271.4
	Operating income	787.4	(24.0)	(1.2)	—	812.6
	Income before provision for income taxes	759.0	(24.0)	(10.7)	—	793.7
	Provision for income taxes	168.0	(8.3)	(8.1)	—	184.4
	Net income	591.0	(15.7)	(2.6)	—	609.3
	Diluted net income per share	2.09	(0.05)	(0.01)	—	2.15

- (1) Amounts as of June 30, 2018 primarily represent technology infrastructure costs. Amounts as of July 1, 2017 represent charges primarily related to organizational efficiency costs, technology infrastructure costs and to a lesser extent, network optimization costs.
- (2) Amounts as of June 30, 2018 represent charges attributable to acquisition and integration costs related to the purchase of Kate Spade & Company, and to a lesser extent the acquisition of certain distributors for the Coach and Stuart Weitzman brands and assumed operational control of Kate Spade joint ventures. Provision for income taxes has been favorably impacted as a result of the reversal of certain valuation allowances that were established during purchase accounting. These charges include:
- Limited life purchase accounting adjustments
 - Professional fees
 - Severance and other costs related to contractual payments with certain Kate Spade executives
 - Organizational costs as a result of integration
 - Inventory reserves established for the destruction of inventory
- Amounts as of July 1, 2017 represent acquisition costs and limited life purchase accounting impacts related to the acquisition of Stuart Weitzman Holdings LLC, more than offset by the reversal of an accrual related to estimated contingent purchase price payments which were not paid, and integration-related costs for the Kate Spade & Company acquisition.
- (3) Amounts as of June 30, 2018 represent charges due to the net impact of the transition tax and re-measurement of deferred tax balances.

tapestry

COACH | kate spade | STUART WEITZMAN