**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): October 30, 2018

Tapestry, Inc.
(Exact name of registrant as specified in its charter)

| Maryland | 1-16153 | 52-2242751 |
| --- | --- | --- |
| (State of Incorporation) | (Commission File Number) | (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 October 30, 2018, Tapestry, Inc. (the “Company”) issued a press release (the “Press Release”) in which the Company announced its financial results for its first fiscal quarter ended September 29, 2018. The Company also posted a slide presentation entitled “Investor Presentation” dated October 30, 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 8.01 Other Events.**

The Company has three reportable segments: Coach, Kate Spade and Stuart Weitzman. In addition to these reportable segments, the Company also has one non-reportable segment, Corporate, which represents certain costs that are not directly attributable to a brand.

Beginning in the fiscal year ending June 29, 2019 (“fiscal 2019”), the Company changed its expense reporting to more closely align with the organizational structure and management of the business. Accordingly, certain Selling, general and administrative ("SG&A") expenses that were reported within our reportable segments in fiscal 2018 and 2017 are now reflected as Corporate expense. The costs primarily relate to employee costs within shared functional groups. Additionally, and to a lesser extent, certain amounts within the Kate Spade segment have been reclassified from SG&A expenses to Cost of sales relating to compensation of the supply chain function for Kate Spade.

The below tables provide recast segment reporting by quarter and for the fiscal year ended June 30, 2018 ("fiscal 2018"), and for the fiscal year ended July 1, 2017 ("fiscal 2017") to provide historical financial information that is consistent with the Company's fiscal 2019 segment results. This Form 8-K does not reflect any subsequent information or events, other than as required to reflect the changes in segment and consolidated totals as described above. This Form 8-K should be read in conjunction with the fiscal 2018 Form 10-K and the Company’s subsequent filings with the Securities and Exchange Commission.

The following table summarizes the recast results for each quarter in fiscal 2018:

| | Fiscal 2018 | | | | |
|---|---|---|---|---|---|
| | Coach | Kate Spade | Stuart Weitzman | Corporate | Total |
| | | | (millions) (unaudited) | | |
| **Three Months Ended September 30, 2017** | | | | | |
| Net sales | $ 923.7 | $ 268.8 | $ 96.4 | $ — | $ 1,288.9 |
| Gross profit | 632.1 | 74.8 | 56.0 | — | 762.9 |
| Operating income (loss) | 208.1 | (123.3) | 8.9 | (115.5) | (21.8) |
| **Three Months Ended December 30, 2017** | | | | | |
| Net sales | $ 1,229.6 | $ 434.7 | $ 120.7 | $ — | $ 1,785.0 |
| Gross profit | 846.0 | 256.8 | 73.4 | — | 1,176.2 |
| Operating income (loss) | 368.2 | 54.8 | 21.8 | (98.4) | 346.4 |
| **Three Months Ended March 31, 2018** | | | | | |
| Net sales | $ 969.3 | $ 269.3 | $ 83.8 | $ — | $ 1,322.4 |
| Gross profit | 691.3 | 171.0 | 45.3 | — | 907.6 |
| Operating income (loss) | 250.4 | 12.7 | (11.0) | (93.1) | 159.0 |
| **Three Months Ended June 30, 2018** | | | | | |
| Net sales | $ 1,098.9 | $ 311.9 | $ 72.9 | $ — | $ 1,483.7 |
| Gross profit | 762.1 | 203.1 | 36.6 | — | 1,001.8 |
| Operating income (loss) | 290.5 | 33.1 | (20.0) | (116.4) | 187.2 |

The following tables summarize the recast results for fiscal 2018 and fiscal 2017:

| | Fiscal 2018 | | | | |
|---|---|---|---|---|---|
| | Coach | Kate Spade | Stuart Weitzman | Corporate | Total |
| | | | (millions) (unaudited) | | |
| **Twelve Months Ended June 30, 2018** | | | | | |
| Net sales | $ 4,221.5 | $ 1,284.7 | $ 373.8 | $ — | $ 5,880.0 |
| Gross profit | 2,931.5 | 705.7 | 211.3 | — | 3,848.5 |
| Operating income (loss) | 1,117.2 | (22.7) | (0.3) | (423.4) | 670.8 |

| | Fiscal 2017 | | | | |
|---|---|---|---|---|---|
| | Coach | Kate Spade | Stuart Weitzman | Corporate | Total |
| | | | (millions) (unaudited) | | |
| **Twelve Months 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) | 1,072.4 | — | 15.4 | (300.4) | 787.4 |

The above amounts include charges incurred under the Company's previously announced Operational Efficiency Plan, as well as non-recurring Integration and Acquisition-related charges. These charges were recorded within Cost of sales and SG&A.

The following tables summarizes these charges for each quarter in fiscal 2018 and for the fiscal years 2018 and 2017:

***Coach***

| | Three Months Ended | | | | Twelve Months Ended | |
|---|---|---|---|---|---|---|
| | **September 30, 2017** | **December 30, 2017** | **March 31, 2018** | **June 30, 2018** | **June 30, 2018** | **July 1, 2017** |
| | | | **(millions) (unaudited)** | | | |
| **Cost of sales** | | | | | | |
| Integration & Acquisition (1) | — | — | 1.0 | 3.1 | 4.1 | — |
| **Gross profit** | $ — | $ — | $ 1.0 | $ 3.1 | $ 4.1 | $ — |
| **SG&A expenses** | | | | | | |
| Integration & Acquisition (1) | — | — | 0.2 | 0.3 | 0.5 | — |
| **SG&A expenses** | $ — | $ — | $ 0.2 | $ 0.3 | $ 0.5 | $ — |

***Kate Spade***

| | Three Months Ended | | | | Twelve Months Ended | |
|---|---|---|---|---|---|---|
| | **September 30, 2017** | **December 30, 2017** | **March 31, 2018** | **June 30, 2018** | **June 30, 2018** | **July 1, 2017** |
| | | | **(millions) (unaudited)** | | | |
| **Cost of sales** | | | | | | |
| Integration & Acquisition (1) | 88.4 | 17.0 | 1.0 | 0.1 | 106.5 | — |
| **Gross profit** | $ 88.4 | $ 17.0 | $ 1.0 | $ 0.1 | $ 106.5 | $ — |
| **SG&A expenses** | | | | | | |
| Integration & Acquisition (1) | 67.8 | 29.7 | 9.1 | 7.1 | 113.7 | — |
| **SG&A expenses** | $ 67.8 | $ 29.7 | $ 9.1 | $ 7.1 | $ 113.7 | $ — |

*Stuart Weitzman*

| | Three Months Ended | | | | Twelve Months Ended | |
|---|---|---|---|---|---|---|
| | **September 30, 2017** | **December 30, 2017** | **March 31, 2018** | **June 30, 2018** | **June 30, 2018** | **July 1, 2017** |
| | | | **(millions) (unaudited)** | | | |
| **Cost of sales** | | | | | | |
| Integration & Acquisition [1] | — | 1.4 | 2.1 | 2.3 | 5.8 | 2.9 |
| **Gross profit** | $ — | $ 1.4 | $ 2.1 | $ 2.3 | $ 5.8 | $ 2.9 |
| **SG&A expenses** | | | | | | |
| Integration & Acquisition [1] | 0.9 | 0.9 | 4.7 | 1.3 | 7.8 | 17.7 |
| **SG&A expenses** | $ 0.9 | $ 0.9 | $ 4.7 | $ 1.3 | $ 7.8 | $ 17.7 |

*Corporate*

| | Three Months Ended | | | | Twelve Months Ended | |
|---|---|---|---|---|---|---|
| | **September 30, 2017** | **December 30, 2017** | **March 31, 2018** | **June 30, 2018** | **June 30, 2018** | **July 1, 2017[3]** |
| | | | **(millions) (unaudited)** | | | |
| **SG&A expenses** | | | | | | |
| Integration & Acquisition [1] | 30.4 | 12.4 | 4.3 | 16.1 | 63.2 | (19.4) |
| Operational Efficiency Plan [2] | 3.1 | 3.5 | 2.9 | 10.0 | 19.5 | 24.0 |
| **SG&A expenses** | $ 33.5 | $ 15.9 | $ 7.2 | $ 26.1 | $ 82.7 | $ 4.6 |

(1) Represent charges attributable to the integration and acquisition of Kate Spade & Company, Stuart Weitzman Holdings LLC and certain distributors for the Coach and Stuart Weitzman brands, as well as charges from obtaining operational control of the KS China Co., Limited and KS HMT Co., Limited joint ventures ("Kate Spade Joint Ventures").
(2) Fiscal 2018 charges primarily reflect technology infrastructure costs. Fiscal 2017 charges primarily reflect organizational efficiency, technology infrastructure costs, and to a lesser extent, network optimization costs.
(3) The Company incurred $9.5 million related to bridge financing fees recorded in interest expense within Corporate, which is not included in the amounts presented.

**Item 9.01 Financial Statements and Exhibits.**

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

| | |
|---|---|
| 99.1 | Text of Press Release, dated October 30, 2018 |
| 99.2 | Slide Presentation entitled ““Investor Presentation” dated October 30, 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: October 30, 2018

TAPESTRY, INC.

By: /s/ Todd Kahn

Todd Kahn

President, Chief Administrative Officer, Chief Legal Officer and Secretary

**EXHIBIT INDEX**

**Exhibit 99.1**

# Tapestry, Inc. Reports Fiscal 2019 First Quarter Results

***Delivers Strong Sales, Operating Income and Earnings Per Diluted Share Growth***

NEW YORK--(BUSINESS WIRE)--October 30, 2018--Tapestry, Inc. (NYSE: TPR), a leading New York-based house of modern luxury accessories and lifestyle brands, today reported first quarter results for the period ended September 29, 2018.

Victor Luis, Chief Executive Officer of Tapestry, Inc., said "At the one year anniversary of establishing Tapestry as our new corporate identity, our results continue to reflect the benefits of our diversified multi-brand model. First quarter performance was consistent with our expectations as we achieved strong increases in sales and operating income, while earnings per share gains were further enhanced by a favorable tax rate."

"Results were driven by continued growth at Coach, where global comparable store sales rose 4%, led by outperformance in digital, and reflected our compelling offering across categories and channels. Further, we drove leverage to the operating income line through significant gross margin expansion."

"Kate Spade contributed to our overall performance, as we made continued progress on our integration efforts including the realization of synergies and the execution of strategic initiatives. Most importantly, we were delighted by the very positive editorial and trade reception to Creative Director Nicola Glass's inaugural collection presented at the brand's Spring 2019 New York Fashion Week runway show in September. This underscores our confidence in the anticipated return to positive comps in the second half of the fiscal year when the full collection launches globally."

"At Stuart Weitzman, trends improved from the prior quarter, though results, as anticipated, continued to be negatively impacted by development and delivery delays which pressured sales and margins. Production levels and shipments have now stabilized, reflecting the investment in talent and processes as well as added manufacturing capacity. As a result, we remain on track to achieve profitable sales growth in the holiday quarter."

"Across Tapestry, we remain focused on executing our strategic priorities. To this end, during September and October we completed the buybacks of the Kate Spade operations in Singapore, Malaysia and Australia as well as the Stuart Weitzman business in Southern China. We are also excited to announce an agreement to acquire the Stuart Weitzman business in Australia from our distribution partner, which is expected to close next summer. These initiatives will allow us to accelerate international growth and enhance each brand's development in these markets."

*Non-GAAP Reconciliation and Recast of Prior Year Results:*

During the fiscal first quarter, the Company recorded pre-tax charges associated with Integration and Acquisition activities and the Company's ERP implementation efforts. Taken together, these items decreased the Company's first quarter reported net income by approximately $19 million or about $0.06 per diluted share. Please refer to the financial tables included herein for a detailed reconciliation of the Company's reported to non-GAAP results.

As previously announced, beginning in fiscal 2019, the Company changed its expense reporting to more closely align with the organizational structure and management of the business. Accordingly, certain SG&A expenses that were reported within the Company's reportable segments in fiscal 2018 are now reflected as Corporate expense. These costs primarily relate to employee costs within shared functional groups. Additionally, and to a lesser extent, certain amounts within the Kate Spade segment, primarily relating to compensation in the supply chain function, have been reclassified from SG&A to Cost of Sales. Information consistent with this recast, including restated prior year results, can be found below as well as in the Form 8-K filed with the SEC today.

**<u>Overview of First Quarter 2019 Tapestry, Inc. Results:</u>**

Please note that comparable fiscal 2018 first quarter 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 quarter on September 30, 2017.

- **Net sales** totaled $1.38 billion for the first fiscal quarter as compared to $1.29 billion in the prior year, an increase of 7% on a reported and constant currency basis.
- **Gross profit** totaled $935 million on a reported basis, while gross margin for the quarter was 67.7% compared to $763 million and 59.2%, respectively, in the prior year. On a non-GAAP basis, gross profit totaled $936 million, while gross margin was 67.8% as compared to $851 million and 66.1%, respectively, in the prior year.
- **SG&A expenses** totaled $777 million on a reported basis and represented 56.3% of sales compared to $785 million and 60.9%, respectively in the year-ago quarter. On a non-GAAP basis, SG&A expenses were $755 million and represented 54.6% of sales as compared to $683 million and 52.9%, respectively, in the year-ago period.
- **Operating income** totaled $158 million on a reported basis, while operating margin was 11.4% versus a loss of $22 million and an operating margin of (1.7%) in the prior year. On a non-GAAP basis, operating income was $181 million, an increase of 7% versus the prior year's operating income of $169 million, while operating margin was 13.1%, consistent with prior year.
- **Net interest expense** was $13 million in the quarter as compared to $21 million in the year ago period.
- **Net income** for the quarter was $122 million on a reported basis, with earnings per diluted share of $0.42. This compared to a reported net loss of $18 million with earnings per diluted share of ($0.06) in the prior year period. The reported tax rate for the quarter was 15.5% compared to a reported tax rate of 58.1% in the prior year. On a non-GAAP basis, net income for the quarter totaled $142 million, with earnings per diluted share of $0.48. This compared to non-GAAP net income of $120 million with earnings per diluted share of $0.42 in the prior year period. The non-GAAP tax rate for the quarter was 15.8% compared to a 19.3% in the prior year.
- **Inventory** was $821 million at the end of quarter versus ending inventory of $853 million in the year ago period.

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

**<u>Coach First Quarter of 2019 Results:</u>**

- **Net sales** for Coach totaled $961 million for the first fiscal quarter as compared to $924 million in the prior year, an increase of 4% on a reported and constant currency basis. Global comparable store sales increased 4%, including a benefit of approximately 50 basis points driven by an increase in global e-commerce.
- **Gross profit** for Coach totaled $680 million on a reported basis, while gross margin was 70.8%. On a non-GAAP basis, gross profit was $682 million, while gross margin was 71.0%. This compared to prior year gross profit and gross margin of $632 million and 68.4%, respectively, on both a reported and non-GAAP basis.
- **SG&A expenses** totaled $449 million for Coach and represented 46.7% of sales as compared to $424 million and 45.9%, respectively, in the year-ago quarter on both a reported and non-GAAP basis.
- **Operating income** for Coach totaled $231 million on a reported basis, while operating margin was 24.0%. On a non-GAAP basis, operating income for Coach was $233 million, while operating margin was 24.2%. This compared to operating income of $208 million and an operating margin of 22.5% in the prior year on both a reported and non-GAAP basis.

**Kate Spade First Quarter of 2019 Results:**

- **Net sales** for Kate Spade totaled $325 million for the first fiscal quarter as compared to $269 million in the prior year, an increase of 21% on a reported and constant currency basis. The prior year's first quarter results are for the period subsequent to the closing of the acquisition on July 11, 2017 through the end of the fiscal quarter on September 30, 2017. Global comparable store sales declined 5%, including the positive impact of approximately 300 basis points from an increase in global e-commerce.
- **Gross profit** for Kate Spade totaled $208 million on a reported basis, while gross margin for the quarter was 63.8% as compared to $75 million and 27.8%, respectively, in the prior year. On a non-GAAP basis, first quarter gross profit was $206 million, while gross margin was 63.4% as compared to $163 million and 60.7%, respectively, in the year ago period.
- **SG&A expenses** for Kate Spade were $163 million on a reported basis and represented 50.1% of sales. This compared to reported SG&A expenses of $198 million in the year ago period, which represented 73.7% of sales. On a non-GAAP basis, SG&A expenses were $159 million and represented 49.0% of sales. This compared to expenses of $130 million or 48.5% of sales on a non-GAAP basis in the previous year.
- **Operating income** for Kate Spade was $45 million on a reported basis, representing an operating margin of 13.8%. This compared to a loss of $123 million and an operating margin of (45.9%) on a reported basis in the year ago period. On a non-GAAP basis, operating income totaled $47 million, while operating margin was 14.4%. This compared to operating income of $33 million and an operating margin of 12.2% on a non-GAAP basis in the previous year.

**Stuart Weitzman First Quarter of 2018 Results:**

- **Net sales** for Stuart Weitzman totaled $95 million for the first fiscal quarter compared to $96 million reported in the same period of the prior year, a decrease of 1% on a reported and constant currency basis.
- **Gross profit** for Stuart Weitzman totaled $48 million on a reported basis and non-GAAP basis, while gross margin for the quarter was 50.2%. This compared to gross profit of $56 million and a gross margin of 58.1% in the prior year's first quarter on a reported and non-GAAP basis.
- **SG&A expenses** for Stuart Weitzman were $66 million on a reported basis and represented 69.6% of sales as compared to $47 million or 48.9% of sales in the prior year's first quarter. On a non-GAAP basis, SG&A expenses were $55 million or 57.5% of sales as compared to $46 million or 48.0% of sales in the prior year.
- **Operating income** for Stuart Weitzman was a loss of $18 million on a reported basis, while operating margin was (19.4)% versus income of $8.9 million and 9.2%, respectively, in the prior year. On a non-GAAP basis, operating income was a loss of $7 million or (7.3)% of sales versus income of $9.8 million and 10.1%, respectively, in the prior year.

Mr. Luis added, "Our first quarter performance and progress on our strategic priorities to date, give us confidence in our ability to achieve the goals we've set out for fiscal 2019. We continue to expect to deliver strong revenue and operating income growth, while making 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, and advance our digital and data analytics capabilities."

"As we look forward to holiday and beyond, we are excited about the level of fashion innovation we'll be introducing across our brands. We remain well positioned to drive positive comparable store sales for Coach driven by a broad and compelling product assortment across price points, categories, usage occasions, channels and geographies augmented by an enhanced shopping experience, whether in stores or online. For Kate, we look forward to continued distribution growth, notably in international markets, and the arrival of Nicola's first collection in January. And, for Stuart Weitzman, where we've made significant progress in creating the infrastructure to support our evolution strategy, we remain on track to return to growth during the holiday season."

"Overall, we are proud of our continued progress and are very 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 continues to expect 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 maintaining its guidance for 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 still expected to be approximately $50 million for the year. The full year fiscal 2019 tax rate is now projected at about 19% to 20% 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"). The decrease from the previous FY19 tax rate guidance of 21-

22% reflects additional clarification around the impact of the GILTI provision, the expected benefit from the foreign-derived intangible income ('FDII') deduction and the actualized impact of the ASU 2016-09 equity compensation deduction in the first quarter.

Overall, the Company now projects earnings per diluted share in the range of $2.75-$2.80, up from the previous guidance 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 approximately $20 million attributable to the Company's ERP implementation efforts; and (2) estimated pre-tax Integration and Acquisition charges of approximately $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, October 30, 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 5699274. 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 5699274. 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 second quarter financial results on Tuesday, February 5, 2019. 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," "excited about," "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 risk of cybersecurity threats and privacy or data security breaches, the impact of tax legislation, etc. Please refer to the Company's latest Annual Report on Form 10-K 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 Ended September 29, 2018 and September 30, 2017**
**(in millions, except per share data)**

| | (unaudited) QUARTER ENDED | |
|---|---|---|
| | September 29, 2018 | September 30, 2017 |
| Net sales | $ 1,381.2 | $ 1,288.9 |
| Cost of sales | 446.1 | 526.0 |
| Gross Profit | 935.1 | 762.9 |
| Selling, general and administrative expenses | 777.4 | 784.7 |
| Operating income (loss) | 157.7 | (21.8) |
| Interest expense, net | 13.1 | 20.5 |
| Income (loss) before provision for income taxes | 144.6 | (42.3) |
| Provision for income taxes | 22.3 | (24.6) |
| Net income (loss) | $ 122.3 | $ (17.7) |
| Net income (loss) per share: | | |
| Basic | $ 0.42 | $ (0.06) |
| Diluted | $ 0.42 | $ (0.06) |
| Shares used in computing net income (loss) per share: | | |
| Basic | 288.8 | 283.2 |

| | | |
|---|---|---|
| Diluted | 292.0 | 286.7 |

**TAPESTRY, INC.**
**GAAP TO NON-GAAP RECONCILIATION**
**For the Quarters Ended September 29, 2018 and September 30, 2017**
**(in millions, except per share data)**
**(unaudited)**

| | September 29, 2018 | | | |
|---|---|---|---|---|
| | GAAP Basis (As Reported) | ERP Implementation[1] | Integration & Acquisition[2] | Non-GAAP Basis (Excluding Items) |
| Gross profit | $ 935.1 | $ — | $ (0.6) | $ 935.7 |
| Selling, general and administrative expenses | 777.4 | 4.0 | 18.9 | 754.5 |
| Operating income | 157.7 | (4.0) | (19.5) | 181.2 |
| Income before provision for income taxes | 144.6 | (4.0) | (19.5) | 168.1 |
| Provision for income taxes | 22.3 | (1.0) | (3.2) | 26.5 |
| Net income | 122.3 | (3.0) | (16.3) | 141.6 |
| Diluted net income per share | 0.42 | (0.01) | (0.05) | 0.48 |
| | **September 30, 2017** | | | |
| | **GAAP Basis (As Reported)** | **Operational Efficiency Plan[3]** | **Integration & Acquisition[2]** | **Non-GAAP Basis (Excluding Items)** |
| Gross profit | $ 762.9 | $ — | $ (88.4) | $ 851.3 |
| Selling, general and administrative expenses | 784.7 | 3.1 | 99.1 | 682.5 |
| Operating (loss) income | (21.8) | (3.1) | (187.5) | 168.8 |
| (Loss) income before provision for income taxes | (42.3) | (3.1) | (187.5) | 148.3 |
| Provision for income taxes | (24.6) | (1.0) | (52.2) | 28.6 |
| Net (loss) income | (17.7) | (2.1) | (135.3) | 119.7 |
| Diluted net (loss) income per share | (0.06) | (0.01) | (0.47) | 0.42 |

(1) Amounts as of September 29, 2018 represent technology implementation costs.
(2) Amounts as of September 29, 2018 represent integration and acquisition costs related to contract termination charges, professional fees and limited life purchase accounting adjustments.

Amounts as of September 30, 2017 represent charges primarily attributable to acquisition and integration costs related to the purchase of Kate Spade & Company. These charges include:
- Limited life purchase accounting adjustments
- Acquisition costs
- Inventory reserves established for the destruction of inventory
- Severance and other costs related to contractual payments with certain Kate Spade executives
- Organizational costs as a result of integration

(3) Amounts as of September 30, 2017 represent technology infrastructure and organizational efficiency costs.

**TAPESTRY, INC.**
**GAAP TO NON-GAAP RECONCILIATION - FOR SEGMENT RESULTS**
**For the Quarters Ended September 29, 2018 and September 30, 2017**
**(in millions)**
**(unaudited)**

| | September 29, 2018 | | | | | |
|---|---|---|---|---|---|---|
| | GAAP | Coach | Kate Spade | Stuart Weitzman | Corporate | Non-GAAP |
| **COGS** | | | | | | |
| Integration & Acquisition | | (2.0) | 1.4 | — | — | |
| **Gross profit** | $ 935.1 | $ (2.0) | $ 1.4 | $ — | $ — | $ 935.7 |
| **SG&A** | | | | | | |
| Integration & Acquisition | | — | 3.4 | 11.5 | 4.0 | |
| ERP Implementation | | — | — | — | 4.0 | |
| **SG&A** | $ 777.4 | $ — | $ 3.4 | $ 11.5 | $ 8.0 | $ 754.5 |
| **Operating income** | $ 157.7 | $ (2.0) | $ (2.0) | $ (11.5) | $ (8.0) | $ 181.2 |
| | **September 30, 2017** | | | | | |
| | **GAAP** | **Coach** | **Kate Spade** | **Stuart Weitzman** | **Corporate** | **Non-GAAP** |
| **COGS** | | | | | | |
| Integration & Acquisition | | — | (88.4) | — | — | |
| **Gross profit** | $ 762.9 | $ — | $ (88.4) | $ — | $ — | $ 851.3 |
| **SG&A** | | | | | | |
| Integration & Acquisition | | — | 67.8 | 0.9 | 30.4 | |
| Operational Efficiency Plan | | — | — | — | 3.1 | |
| **SG&A** | $ 784.7 | $ — | $ 67.8 | $ 0.9 | $ 33.5 | $ 682.5 |
| **Operating (loss) income** | $ (21.8) | $ — | $ (156.2) | $ (0.9) | $ (33.5) | $ 168.8 |

**TAPESTRY, INC.**
**SEGMENT INFORMATION**
**For the Quarters Ended September 29, 2018 and September 30, 2017**
**(in millions)**
**(unaudited)**

| | Coach | Kate Spade | Stuart Weitzman | Corporate | Total |
|---|---|---|---|---|---|
| **Three Months Ended September 29, 2018** | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Net sales | $ 960.7 | $ 325.4 | $ 95.1 | $ — | $ 1,381.2 |
| Gross profit | 679.7 | 207.7 | 47.7 | — | 935.1 |
| Operating income (loss) | 230.9 | 44.8 | (18.4) | (99.6) | 157.7 |
| Income (loss) before provision for income taxes | 230.9 | 44.8 | (18.4) | (112.7) | 144.6 |
| **Three Months Ended September 30, 2017** | | | | | |
| Net sales | $ 923.7 | $ 268.8 | $ 96.4 | $ — | $ 1,288.9 |
| Gross profit | 632.1 | 74.8 | 56.0 | — | 762.9 |
| Operating income (loss) | 208.1 | (123.3) | 8.9 | (115.5) | (21.8) |
| Income (loss) before provision for income taxes | 208.1 | (123.3) | 8.9 | (136.0) | (42.3) |

*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 Integration & Acquisition-Related Costs and ERP Implementation-Related costs 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 each segment 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 year period’s 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.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**At September 29, 2018 and June 30, 2018**
**(in millions)**

| | (unaudited) September 29, 2018 | (audited) June 30, 2018 |
|---|---|---|
| **ASSETS** | | |
| Cash, cash equivalents and short-term investments | $ 1,063.2 | $ 1,250.0 |
| Receivables | 283.1 | 314.1 |
| Inventories | 820.9 | 673.8 |
| Other current assets | 300.3 | 194.7 |
| Total current assets | 2,467.5 | 2,432.6 |
| Property and equipment, net | 888.3 | 885.4 |
| Other noncurrent assets | 3,347.5 | 3,360.3 |
| Total assets | $ 6,703.3 | $ 6,678.3 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Accounts payable | $ 292.9 | $ 264.3 |
| Accrued liabilities | 605.8 | 673.2 |
| Current debt | 0.7 | 0.7 |
| Total current liabilities | 899.4 | 938.2 |
| Long-term debt | 1,600.5 | 1,599.9 |
| Other liabilities | 893.8 | 895.6 |
| Stockholders' equity | 3,309.6 | 3,244.6 |
| Total liabilities and stockholders' equity | $ 6,703.3 | $ 6,678.3 |

**TAPESTRY, INC.**
**STORE COUNT**
**At June 30, 2018 and September 29, 2018**
**(unaudited)**

| Directly-Operated Store Count: | As of June 30, 2018 | Acquired Stores | Openings | (Closures) | As of September 29, 2018 |
|---|---|---|---|---|---|
| **Coach** | | | | | |
| North America | 402 | — | 1 | (5) | 398 |
| International | 585 | — | 8 | (9) | 584 |
| **Kate Spade** | | | | | |
| North America | 200 | — | 12 | (1) | 211 |
| International | 142 | 6 | 10 | (6) | 152 |
| **Stuart Weitzman** | | | | | |
| North America | 68 | — | — | (1) | 67 |
| International | 35 | 6 | 3 | — | 44 |

CONTACT:
Tapestry, Inc.

Analysts & Media:
Andrea Shaw Resnick, 212-629-2618
Global Head of Investor Relations and Corporate Communications
or
Christina Colone, 212-946-7252
Vice President, Investor Relations

Exhibit 99.2

# 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;
- the risk of cybersecurity threats and privacy or data security breaches; and
- the impact of tax legislation.

Please refer to the Company's latest Annual Report on Form 10-K 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.

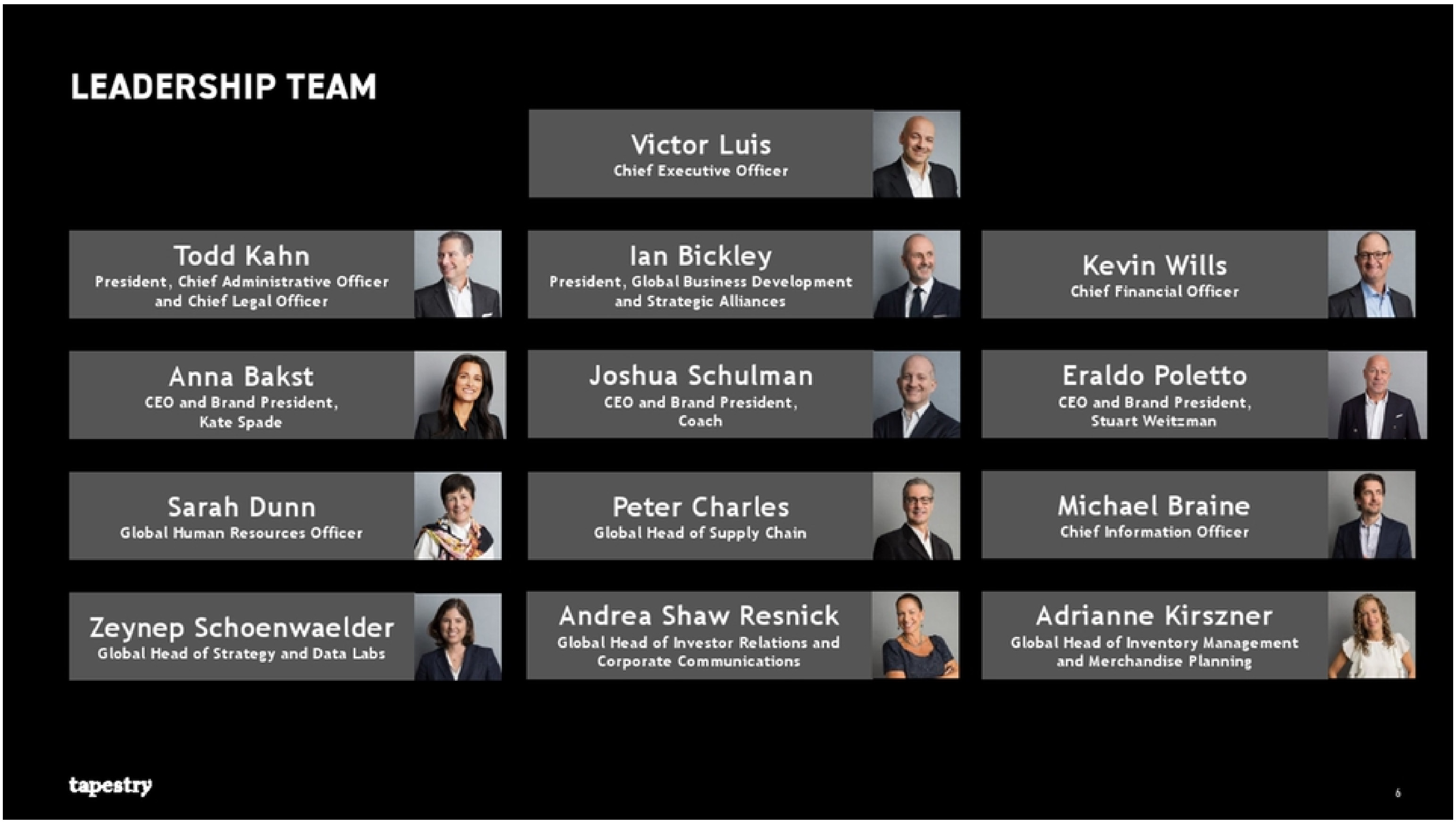
The value of our brands is not bestowed by previous generations or borrowed from tradition. It is determined by quality, craftsmanship, creativity and the opportunity for self-expression they provide. We believe anyone from anywhere can have the best idea, and with hard work and dedication anything is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

tapestry


LEADERSHIP TEAM
Victor Luis
Chief Executive Officer
Todd Kahn
President, Chief Administrative Officer and Chief Legal Officer
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
Adrianne Kirszner
Global Head of Inventory Management and Merchandise Planning
tapestry
6

# fiscal 2019

# 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**

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## FY19 FIRST QUARTER MILESTONES

AT THE ONE YEAR ANNIVERSARY OF ESTABLISHING TAPESTRY AS OUR NEW CORPORATE IDENTITY, RESULTS CONTINUE TO REFLECT THE BENEFITS OF OUR *diversified multi-brand model*

Achieved **strong increases** in sales, operating income and earnings per diluted share in the first quarter.

Drove operating margin expansion for **Coach**, fueled by positive comps and significant gross margin improvement.

Presented Creative Director Nicola Glass's inaugural collection for **Kate Spade** at New York Fashion Week to positive editorial and trade reception, reinforcing our confidence in the anticipated return to positive comps in 2H FY19.

Experienced improvement in trends at **Stuart Weitzman**, reflecting investment in talent and processes as well as additional manufacturing capacity; continue to project profitable sales growth in holiday quarter.

Successfully completed key distributor buybacks for Kate Spade and Stuart Weitzman in September and October, in keeping with our **global business development initiatives**. Announced agreement to acquire Stuart Weitzman's business in Australia from our distribution partner.

Remain **on track to deliver anticipated run-rate synergies** of $100 to $115 million in fiscal 2019.

Refined fiscal **2019 EPS outlook to upper end of previous guidance** range.

## FY19 FIRST QUARTER: FINANCIAL OVERVIEW

DELIVERED STRONG TOP AND BOTTOM LINE GROWTH

| | FY18 | FY19 | GROWTH |
|---|---|---|---|
| *revenue* | \$1.3B | \$1.4B | +7% |
| *operating income* | \$169M | \$181M | +7% |
| *earnings per diluted share* | \$0.42 | \$0.48 | +16% |

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*Note: Non-GAAP Financials. Non-GAAP reconciliation in Appendix.*

fiscal

2018

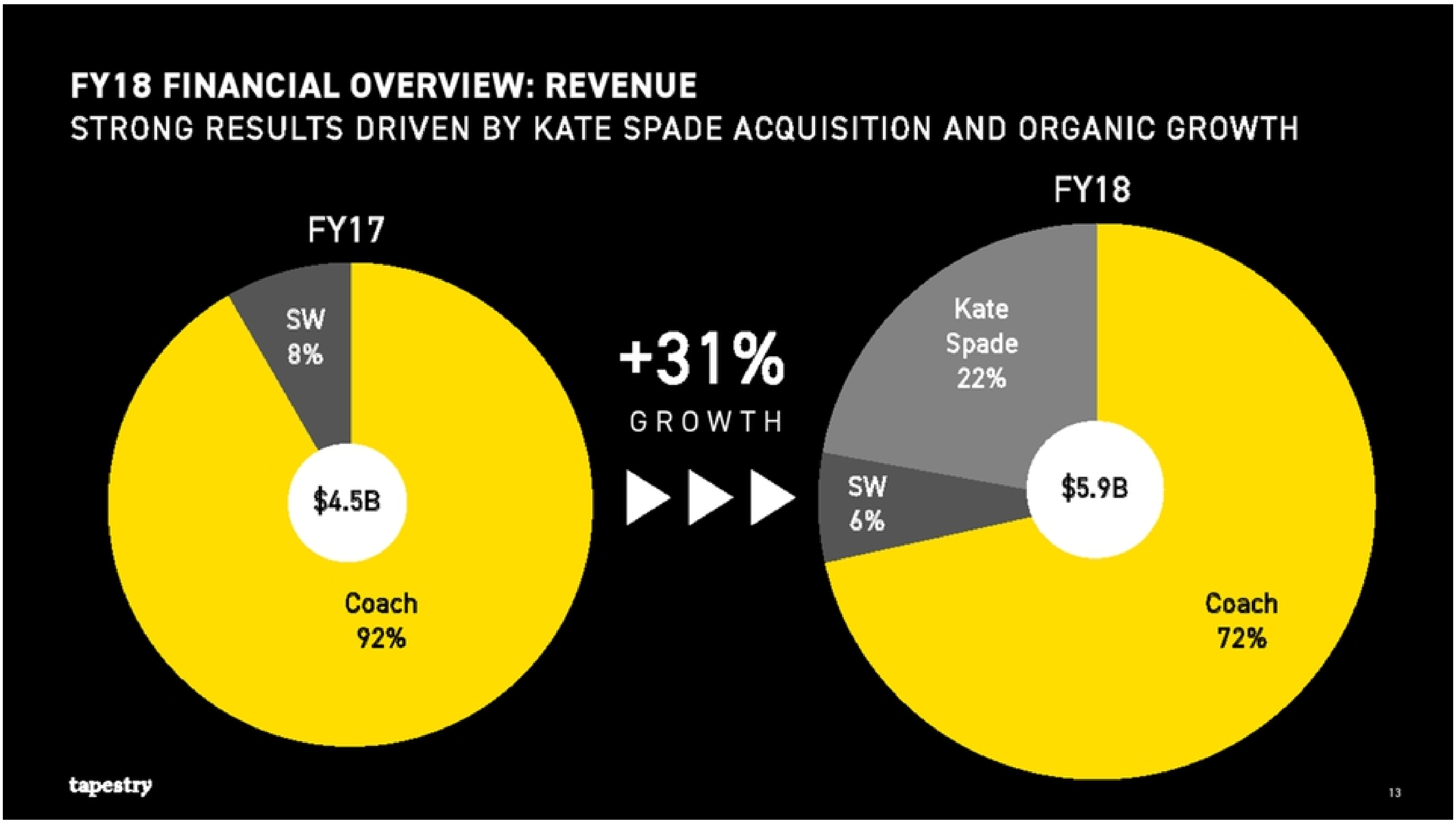
## FISCAL 2018 MILESTONES

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
FY17
SW
8%
$4.5B
Coach
92%
+31%
GROWTH
FY18
Kate
Spade
22%
SW
6%
$5.9B
Coach
72%
tapestry
13

## FY18 FINANCIAL OVERVIEW: OPERATING INCOME

STRONG RESULTS DRIVEN BY KATE SPADE ACQUISITION AND ORGANIC GROWTH

| FY17 | FY18 | *GROWTH* |
|---|---|---|
| **$813M** | **$992M** | ***+22%*** |



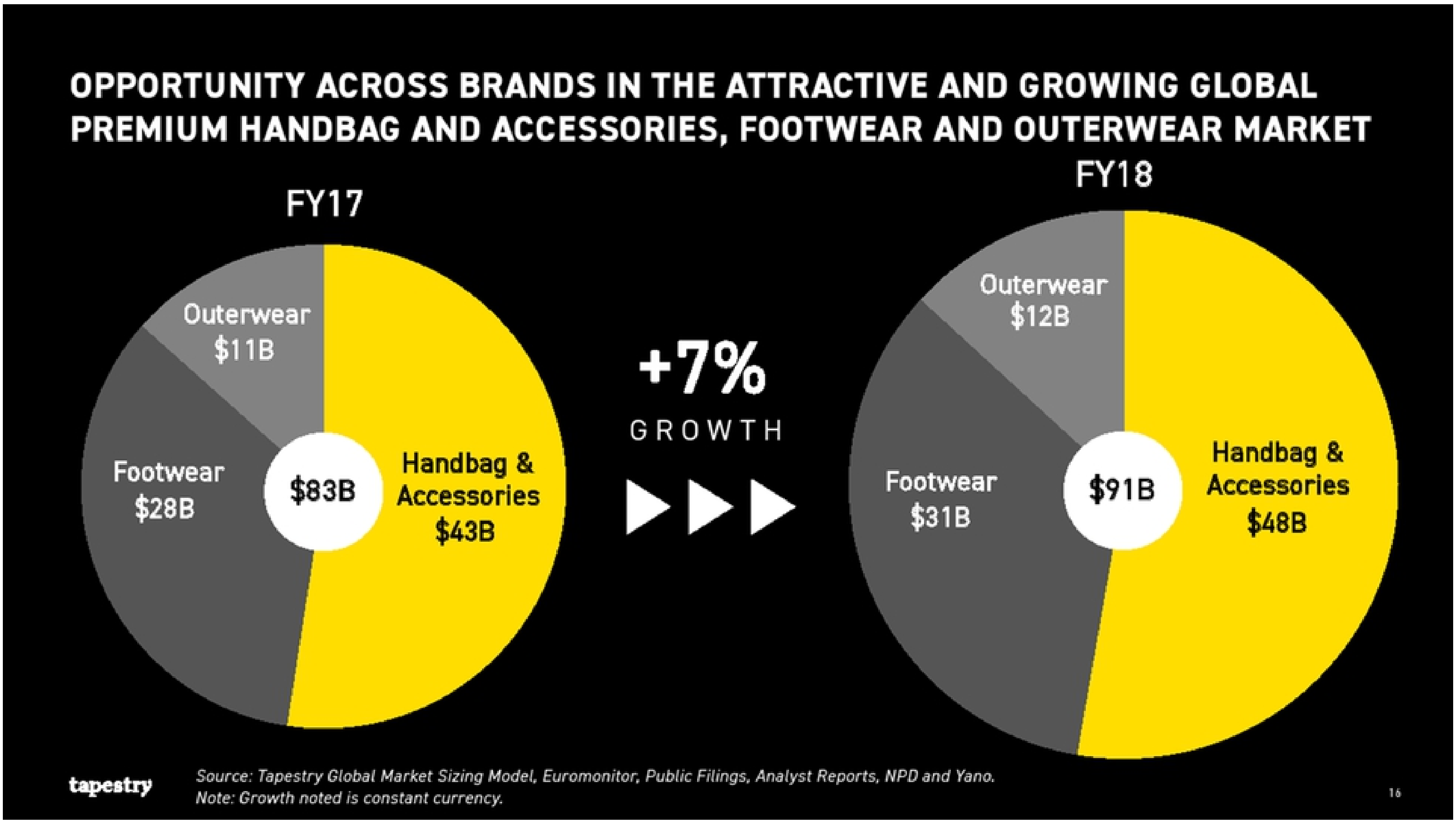
*Note: Non-GAAP Financials. Non-GAAP reconciliation in Appendix.*

## FY18 FINANCIAL OVERVIEW: EARNINGS PER DILUTED SHARE

STRONG RESULTS DRIVEN BY KATE SPADE ACQUISITION AND ORGANIC GROWTH

| FY17 | FY18 | *GROWTH* |
|---|---|---|
| **$2.15** | **$2.63** | ***+22%*** |

tapestry *Note: Non-GAAP Financials. Non-GAAP reconciliation in Appendix.*


OPPORTUNITY ACROSS BRANDS IN THE ATTRACTIVE AND GROWING GLOBAL PREMIUM HANDBAG AND ACCESSORIES, FOOTWEAR AND OUTERWEAR MARKET
FY17
Outerwear $11B
Footwear $28B
$83B
Handbag & Accessories $43B
+7%
GROWTH
FY18
Outerwear $12B
Footwear $31B
$91B
Handbag & Accessories $48B
tapestry
Source: Tapestry Global Market Sizing Model, Euromonitor, Public Filings, Analyst Reports, NPD and Yano.
Note: Growth noted is constant currency.
16


~ 70 COUNTRIES
6 CONTINENTS
As of FY18.
17


1,400+ DIRECTLY
OPERATED LOCATIONS
As of FY18.
18

# OVERVIEW *by* BRAND

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.

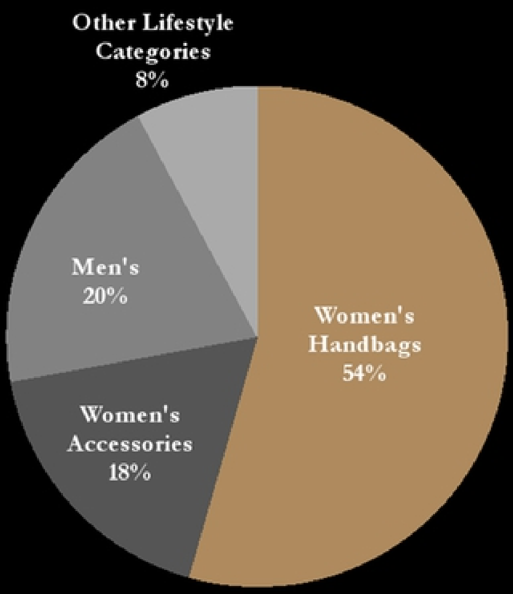
Stuart Vevers created new expression of Signature and the customer immediately embraced his iteration of this brand icon.

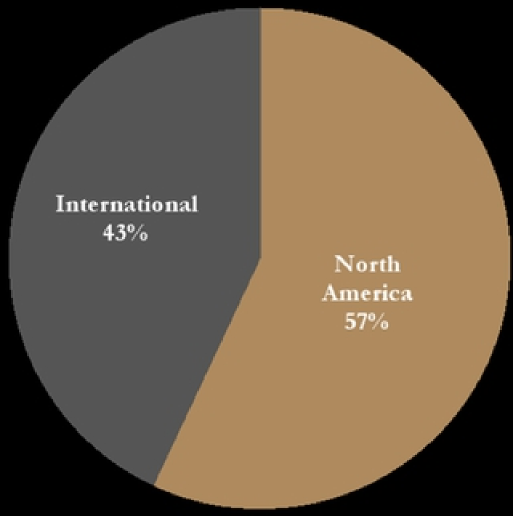
Grew categories outside of Women's bags and small leathergoods– notably footwear, ready-to-wear and Men's.

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.

# 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.

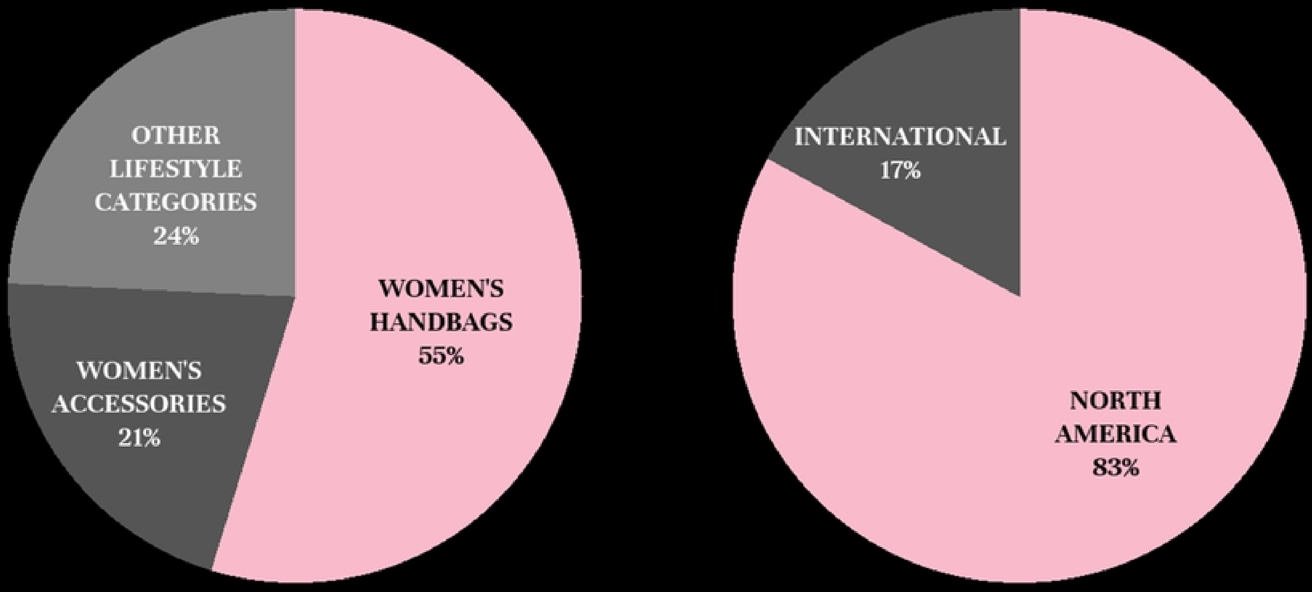
Executed strategies to ensure long-term brand relevance, including the deliberate pullback in promotional flash and disposition sales.

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.

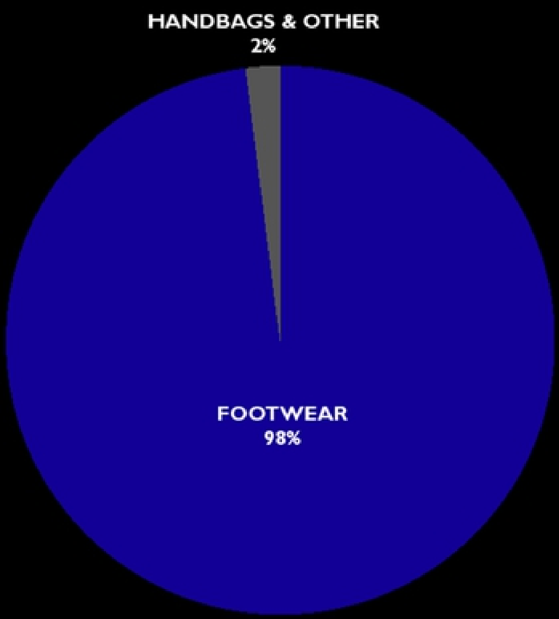
STRENGTHENED THE BRAND'S SUPPLY CHAIN TO SUPPORT A HIGHER LEVEL OF INNOVATION, ADDRESSING THE NEAR-TERM CHALLENGES WHILE BUILDING THE FOUNDATION TO DRIVE SUSTAINABLE GROWTH.

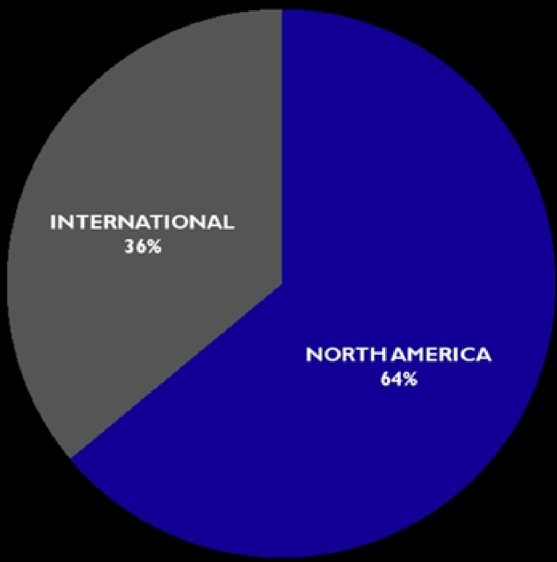
## STUART WEITZMAN FISCAL 2019 STRATEGIC PILLARS

| | | | | |
|---|---|---|---|---|
| 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




*As of FY18. Product breakdown penetration figures for Direct businesses (excluding China).*

# *financial* OUTLOOK

## FISCAL 2019 OUTLOOK
## FOCUS ON *execution*

| | |
|---|---|
| *revenue* | mid-single-digit growth |
| *operating income* | leverage to bottom line |
| *earnings per diluted share* | $2.75 to $2.80 |



*Note: Non-GAAP Financials.*

## 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

# *corporate*
# RESPONSIBILITY

## CORPORATE SOCIAL RESPONSIBILITY
## OUR PROGRAM IS FOCUSED ON THREE *strategic pillars*

### 1 ENVIRONMENT *and* SUPPLY CHAIN

- Corporate Governance
- Global Business Integrity Program
- Supply Chain & Human Rights
- Environmental Sustainability

### 2 COMMUNITY ENGAGEMENT

- The Coach and Kate Spade Foundations
- Coach's *Dream It Real* initiative
- Kate Spade's *on purpose* program

### 3 EMPLOYEE EMPOWERMENT

- Employee Development
- Inclusion & Diversity

tapestry

*we strive to operate in an ethical and responsible manner throughout our operational footprint and supply chain.*

## CORPORATE SOCIAL RESPONSIBILITY

### 1 *environment & supply chain*

Achieved a 13.4% absolute $CO_2e$ reduction across Coach brand corporate and store locations in fiscal 2017.

Provided in-person compliance and anti-corruption training to over 120 suppliers and manufacturers in fiscal 2017 and early fiscal 2018.

Signed the UN Global Compact in October 2018, reinforcing our commitment to sustainability.

Implemented a Coach fur-free policy, beginning with the Fall 2019 collection.

## CORPORATE SOCIAL RESPONSIBILITY

### 2 *community engagement*

***we believe in giving back to the communities where we operate and responding globally in times of need.***

Donated over $48 million through The Coach Foundation since its inception in 2008, including $1.4 million in 2018 towards the placement of "Dream Directors" in high schools nationwide, as part of the brand's *Dream It Real* initiative.

Employed and empowered 162 women in Masoro, Rwanda through the Kate Spade *on purpose* program in 2017.

Engaged 1,850 employees in fiscal 2018 to volunteer in projects supporting their local communities.

Distributed numerous grants worldwide to nonprofit organizations through the Coach and Kate Spade Foundations.

Provided humanitarian response to victims of hurricanes and other natural disasters in fiscal 2017.

*we are committed to helping our employees grow and to providing an engaging work environment and competitive compensation.*

## CORPORATE SOCIAL RESPONSIBILITY

### 3 *employee empowerment*

Expanded our maternity leave in 2018 in the United States.

Donated approximately $500,000 in fiscal 2018 to organizations that our employees are passionate about through our matching gift programs.

Achieved a score of 100 for the fourth consecutive year on the Human Rights Campaign's Best Places to Work for LGBTQ Equality.

Recognized on the Forbes Diversity & Inclusion List in 2018.

Signed the CEO Action Pledge for Diversity & Inclusion in 2017.

Maintained a Board of Directors with ethnic, gender and national diversity.

Recognized by 2020 Women on Boards and Women's Forum of New York for Board diversity in fiscal 2017.

*"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, ERP implementation efforts 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 QUARTERS ENDED SEPTEMBER 29, 2018 AND SEPTEMBER 30, 2017

| *(in millions, except per share data)* | GAAP BASIS (AS REPORTED) | ERP IMPLEMENTATION[1] | INTEGRATION & ACQUISITION[2] | NON-GAAP BASIS (EXCLUDING ITEMS) |
|---|---|---|---|---|
| **SEPTEMBER 29, 2018** | | | | |
| Gross profit | $ 935.1 | $– | $ (0.6) | $935.7 |
| Selling, general and administrative expenses | 777.4 | 4.0 | 18.9 | 754.5 |
| Operating income | 157.7 | (4.0) | (19.5) | 181.2 |
| Income before provision for income taxes | 144.6 | (4.0) | (19.5) | 168.1 |
| Provision for income taxes | 22.3 | (1.0) | (3.2) | 26.5 |
| Net income | 122.3 | (3.0) | (16.3) | 141.6 |
| Diluted net income per share | 0.42 | (0.01) | (0.05) | 0.48 |

| | GAAP BASIS (AS REPORTED) | OPERATIONAL EFFICIENCY PLAN[3] | INTEGRATION & ACQUISITION[2] | NON-GAAP BASIS (EXCLUDING ITEMS) |
|---|---|---|---|---|
| **SEPTEMBER 30, 2017** | | | | |
| Gross profit | $762.9 | $– | $(88.4) | $851.3 |
| Selling, general and administrative expenses | 784.7 | 3.1 | 99.1 | 682.5 |
| Operating (loss) income | (21.8) | (3.1) | (187.5) | 168.8 |
| (Loss) income before provision for income taxes | (42.3) | (3.1) | (187.5) | 148.3 |
| Provision for income taxes | (24.6) | (1.0) | (52.2) | 28.6 |
| Net (loss) income | (17.7) | (2.1) | (135.3) | 119.7 |
| Diluted net (loss) income per share | (0.06) | (0.01) | (0.47) | 0.42 |

(1) Amounts as of September 29, 2018 represent technology implementation costs.
(2) Amounts as of September 29, 2018 represent integration and acquisition costs related to contract termination charges, professional fees and limited life purchase accounting adjustments.
Amounts as of September 30, 2017 represent charges primarily attributable to acquisition and integration costs related to the purchase of Kate Spade & Company. These charges include:
- Limited life purchase accounting adjustments
- Acquisition costs
- Inventory reserves established for the destruction of inventory
- Severance and other costs related to contractual payments with certain Kate Spade executives
- Organizational costs as a result of integration

(3) Amounts as of September 30, 2017 represent technology infrastructure and organizational efficiency costs.

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

| | *(in millions, except per share data)* | 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 | $ 3,848.5 | $– | $ (116.4) | $– | $3,964.9 |
| | Selling, general and administrative expenses | 3,177.7 | 19.5 | 185.2 | – | 2,973.0 |
| | 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