

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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):** February 6, 2020

**Tapestry, Inc.**  
(Exact Name of Registrant as Specified in Charter)

Maryland  
(State or Other Jurisdiction  
of Incorporation)

001-16153  
(Commission  
File Number)

52-2242751  
(I.R.S. Employer  
Identification No.)

10 Hudson Yards, New York, New York 10001  
(Address of Principal Executive Offices, and Zip Code)

(212) 946-8400  
Registrant's Telephone Number, Including Area Code

(Former Name or Former Address, if Changed Since Last Report)

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 (see General Instruction A.2. below):

- Written communication 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 communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	TPR	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 February 6, 2020, Tapestry, Inc. (the “Company”) issued a press release (the “Press Release”) in which the Company announced its financial results for its second fiscal quarter ended December 28, 2019. The Company also posted a slide presentation entitled “Investor Presentation” dated February 6, 2020 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 7.01 Regulation FD Disclosure.**

On February 6, 2020, the Company issued a press release concerning certain appointments and updates to the Company’s senior management team. A copy of the press release is attached as Exhibit 99.3 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K, including Exhibit 99.3, 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 February 6, 2020                               |
| 99.2 | Slide Presentation entitled “Investor Presentation,” dated February 6, 2020 |
| 99.3 | Text of Press Release, dated February 6, 2020                               |
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**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: February 6, 2020

TAPESTRY, INC.

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

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<a href="#"><u>99.1</u></a>	<a href="#"><u>Text of Press Release, dated February 6, 2020</u></a>
<a href="#"><u>99.2</u></a>	<a href="#"><u>Slide Presentation entitled "Investor Presentation," dated February 6, 2020</u></a>
<a href="#"><u>99.3</u></a>	<a href="#"><u>Text of Press Release, dated February 6, 2020</u></a>



## Tapestry, Inc. Reports Fiscal 2020 Second Quarter Results

NEW YORK--(BUSINESS WIRE)--February 6, 2020--Tapestry, Inc. (NYSE: TPR), a leading New York-based house of modern luxury accessories and lifestyle brands, today reported results for the fiscal second quarter ended December 28, 2019.

Jide Zeitlin, Chairman and Chief Executive Officer of Tapestry, Inc., said, “We are pleased with our overall holiday results, which outperformed plan driven by continued momentum at Coach and a sequential improvement at Kate Spade. In addition, we exited the quarter in a good inventory position.”

“Coach delivered its ninth consecutive quarter of positive comparable store sales growth. North America led the global comp, with notable strength online, and higher average unit retail driving gross margin expansion. In aggregate our international business was even with the prior year with strong comp growth in Other Asia, Europe and Mainland China, offsetting continued weakness in Hong Kong SAR and a slight decline in Japan, reflecting the impact of the consumption tax increase.”

“Kate Spade’s comparable store sales improved sequentially as we further implemented key product and merchandising actions to strengthen the assortment and enhance the brand’s novelty offering, while also moving through excess inventory.”

“Stuart Weitzman sales were impacted by softer demand across channels as we lacked compelling newness in our heritage boot offering. We have built on these learnings and are reinvigorating our footwear icons, while injecting innovation into the overall assortment in keeping with market trends.”

Mr. Zeitlin continued, “At Tapestry, we entered our third fiscal quarter with strong underlying trends, notably at Coach, as sales growth accelerated from the holiday period. Therefore, we had anticipated maintaining our FY20 guidance despite continuing headwinds in Hong Kong SAR and challenges at Stuart Weitzman. However, the escalating coronavirus outbreak is now significantly impacting our business in China, resulting in the closure of the majority of our stores on the Mainland.”

“We now expect that our second half results could be negatively impacted by approximately \$200-\$250 million in sales and \$0.35-\$0.45 in earnings per diluted share, given current trends in China. If the situation further deteriorates, or the outbreak affects demand outside of the country, this impact could be worse.”

“We are confident in our ability to effectively navigate through this period of uncertainty. We are managing our response to best protect our people, our brands and every aspect of our business.”

“Our primary concern is the health and well-being of our team, their families and their local communities who are dealing with the daily reality of this situation. We believe in the resilience of the Chinese people and our view that China represents a significant opportunity for our brands is unchanged. Our strong balance sheet, cash position and globally diversified sourcing base and supply chain provide the flexibility to operate our Company for the long term and to emerge stronger, as we have many times in the past.”

### Non-GAAP Reconciliation:

During the fiscal second quarter, the Company recorded certain charges associated with its ERP implementation efforts and Organization-related and Integration activities. Taken together, these items decreased the Company’s second quarter reported net income by \$5 million or about \$0.02 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 Second Quarter 2020 Tapestry, Inc. Results:

- **Net sales** totaled \$1.82 billion for the fiscal second quarter as compared to \$1.80 billion in the prior year, an increase of 1% on a reported and constant currency basis.
- **Gross profit** totaled \$1.21 billion on a reported basis, while gross margin for the quarter was 66.6% compared to \$1.20 billion and 66.8%, respectively, in the prior year. On a non-GAAP basis, gross profit totaled \$1.21 billion, while gross margin was 66.7% as compared to \$1.21 billion and 67.0%, respectively, in the prior year.
- **SG&A expenses** totaled \$847 million on a reported basis and represented 46.6% of sales compared to \$827 million and 45.9%, respectively, in the year ago quarter. On a non-GAAP basis, SG&A expenses were \$838 million and represented 46.1% of sales as compared to \$809 million and 44.9%, respectively, in the year-ago period.
- **Operating income** totaled \$363 million on a reported basis, while operating margin was 20.0% versus approximately \$376 million and an operating margin of 20.9% in the prior year. On a non-GAAP basis, operating income was \$373 million, while operating margin was 20.6% versus \$398 million and an operating margin of 22.1% in the prior year.
- **Net interest expense** was \$14 million in the quarter as compared to \$13 million in the year ago period.
- **Other income** was \$6 million versus \$4 million in the prior year.
- **Net income** for the quarter was \$299 million on a reported basis, with earnings per diluted share of \$1.08. This compared to net income of \$255 million with earnings per diluted share of \$0.88 in the prior year period. The reported tax rate for the quarter of 15.8% compared to the prior year reported rate of 30.7%. On a non-GAAP basis, net income for the quarter totaled approximately \$304 million with earnings per diluted share of \$1.10. This compared to non-GAAP net income of \$310 million with earnings per diluted share of \$1.07 in the prior year period. The non-GAAP tax rate for the quarter was 16.9% compared to 20.3% in the prior year.
- **Inventory** was \$748 million at the end of quarter versus ending inventory of \$732 million in the year ago period.

Fiscal second quarter results by brand were as follows:

### Coach Second Quarter 2020 Results:

- **Net sales** for Coach totaled \$1.27 billion for the fiscal second quarter, 2% above prior year on a reported and constant currency basis. Global comparable store sales increased 2%, including a benefit of approximately 200 basis points driven by an increase in global e-commerce.
- **Gross profit** for Coach totaled \$877 million, while gross margin was 69.1%, on a reported and non-GAAP basis. This compared to gross profit and gross margin in the prior year of \$860 million and 68.9%, respectively, on a reported and non-GAAP basis.
- **SG&A expenses** for Coach were approximately \$494 million on a reported basis and represented 38.9% of sales. On a non-GAAP basis, SG&A expenses were \$495 million and represented 39.0% of sales. This compared to expenses of \$486 million or 38.9% of sales in the year-ago quarter on both a reported and non-GAAP basis.
- **Operating income** for Coach totaled \$383 million compared to reported operating income of \$374 million in the prior year, while operating margin was 30.1% versus 30.0% a year ago. On a non-GAAP basis, operating income was \$382 million compared to \$374 million in the prior year, while operating margin was 30.1% versus 30.0% a year ago.

### Kate Spade Second Quarter 2020 Results:

- **Net sales** for Kate Spade totaled \$430 million for the fiscal second quarter as compared to \$428 million in the prior year. Global comparable store sales declined 4%, including the benefit of approximately 300 basis points from global e-commerce.
- **Gross profit** for Kate Spade totaled \$262 million, while gross margin for the quarter was 61.0%, on a reported and non-GAAP basis. This compared to reported gross profit and gross margin of \$272 million and 63.6%, respectively, in the prior year. On a non-GAAP basis, gross profit and gross margin was \$275 million and 64.2%, respectively, in the previous year.
- **SG&A expenses** for Kate Spade were approximately \$194 million on a reported basis and represented 45.2% of sales. This compared to reported SG&A expenses of \$184 million in the year ago period, which represented 43.0% of sales. On a non-GAAP basis, SG&A expenses were \$194 million and represented 45.0% of sales. This compared to expenses of \$180 million or 42.1% of sales on a non-GAAP basis in the previous year.
- **Operating income** for Kate Spade was \$68 million on a reported basis, representing an operating margin of 15.8%. This compared to operating income of \$88 million and an operating margin of 20.6% on a reported basis in the year ago period. On a non-GAAP basis, operating income totaled \$69 million, while operating margin was 15.9%. This compared to operating income of approximately \$95 million and an operating margin of 22.1% on a non-GAAP basis in the previous year.

### Stuart Weitzman Second Quarter 2020 Results:

- **Net sales** for Stuart Weitzman totaled \$116 million for the fiscal second quarter compared to \$124 million reported in the same period of the prior year, a decrease of 7% and 6% on a reported and constant currency basis, respectively.
- **Gross profit** for Stuart Weitzman totaled \$70 million on a reported basis, while gross margin for the quarter was 60.5% as compared to \$71 million and 57.3%, respectively, in the prior year. On a non-GAAP basis, second quarter gross profit was approximately \$72 million, while gross margin was 61.8% as compared to \$72 million and 58.1%, respectively, in the year ago period.
- **SG&A expenses** for Stuart Weitzman were \$60 million on a reported basis and represented 52.3% of sales as compared to \$61 million or 49.3% of sales in the prior year’s second quarter. On a non-GAAP basis, SG&A expenses were \$60 million or 52.0% of sales as compared to approximately \$60 million or 48.8% of sales in the prior year.
- **Operating income** for Stuart Weitzman was \$10 million on a reported basis, while operating margin was 8.2% versus income of \$10 million and 8.0%, respectively, in the prior year. On a non-GAAP basis, operating income was \$11 million or 9.8% of sales versus approximately \$11 million or 9.2% of sales in the prior year.

Mr. Zeitlin added, “Our strategic intent to drive organic growth and profitability is unwavering. As discussed during our first quarter earnings call, we recently embarked on a comprehensive review of our business. Our findings show there is an opportunity to accelerate long-term growth in all three of our brands. To realize this potential, we need to become

more responsive to changing consumer demands. This requires integrating data analytics and consumer insights in all aspects of the business, from design to product development to planning and allocation to marketing. We bring a sense of urgency to this work and are dedicating resources to formulate and implement our strategy to drive value and shareholder returns. We will share the key components of this plan at an analyst and investor day this summer.”

“We are stewards of three powerful brands and, with the executive appointments announced separately this morning, we believe we have the leadership team and the capabilities to deliver strong, sustainable growth which will define the next chapter at Tapestry,” Mr. Zeitlin concluded.

#### **Fiscal Year 2020 Outlook:**

The following outlook is provided on a non-GAAP basis and replaces all previous guidance. Our guidance now includes an estimated negative impact of the coronavirus outbreak in China of approximately \$200-\$250 million in sales and \$0.35-\$0.45 in diluted earnings per share. Given the dynamic nature of the situation, the potential financial impact to our business could be materially different.

Therefore, the Company expects revenues for Fiscal 2020 to approximate \$5.9 billion. In addition, the Company now projects earnings per diluted share to be approximately \$2.15-\$2.25.

#### **Fiscal Year 2020 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 costs associated with Organization-related and Integration activities, the Company’s ERP implementation, impairment charges and the impact of select store closures have not yet occurred as the Company continues to refine its plans. 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 2020 guidance.

This Fiscal 2020 non-GAAP guidance excludes (1) expected pre-tax charges of approximately \$30 to \$40 million attributable to the Company’s ERP implementation efforts; (2) estimated pre-tax Organization-related and Integration charges of approximately \$40 to \$50 million; (3) impairment charges on right-of-use assets and property and equipment of approximately \$76 million incurred in the fiscal first quarter; and (4) projected charges related to select store closures as the Company seeks to optimize its fleet.

#### **Conference Call Details:**

The Company will host a conference call to review these results at 8:30 a.m. (ET) today, February 6, 2020. Interested parties may listen to the conference call via live webcast by accessing [www.tapestry.com/investors](http://www.tapestry.com/investors) on the Internet or calling 1-877-510-8087 or 1-862-298-9015 and providing the Conference ID 6445579. 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 6445579. 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](http://www.tapestry.com/investors).

#### **Upcoming Events:**

The Company expects to report Fiscal 2020 third quarter results on Thursday April 30, 2020. To receive notification of future announcements, please register at [www.tapestry.com/investors](http://www.tapestry.com/investors) (“Subscribe to E-Mail Alerts”).

The Company intends to host an analyst and investor day at its headquarters in New York City in the summer of 2020 to discuss strategic initiatives. More details, including webcast registration, will be provided in the future.

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](http://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 2020 Outlook,” statements regarding the potential impact of the coronavirus outbreak and 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,” “roadmap,” “anticipate,” “excited,” “moving,” “leveraging,” “capitalizing,” “developing,” “drive,” “targeting,” “assume,” “plan,” “build,” “pursue,” “maintain,” “progress,” “future,” “on track,” “well positioned to,” “look forward to,” “looking ahead,” “to acquire,” “achieve,” “strategic vision,” “ongoing headwinds,” “growth opportunities,” “view,” 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 growth strategies, our 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, and the impact of the coronavirus outbreak on our financial results, 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 Quarter & Six Months Ended December 28, 2019 and December 29, 2018**

**(in millions, except per share data)**

	<b>(unaudited)</b>		<b>(unaudited)</b>	
	<b>QUARTER ENDED</b>		<b>SIX MONTHS ENDED</b>	
	<b>December 28, 2019</b>	<b>December 29, 2018</b>	<b>December 28, 2019</b>	<b>December 29, 2018</b>
Net sales	\$ 1,816.0	\$ 1,800.8	\$ 3,173.9	\$ 3,182.0
Cost of sales	606.3	597.3	1,049.7	1,043.4
Gross profit	1,209.7	1,203.5	2,124.2	2,138.6
Selling, general and administrative expenses	846.6	827.0	1,709.5	1,599.8
Operating income	363.1	376.5	414.7	538.8
Interest expense, net	14.0	13.2	26.3	26.3
Other expense (gain)	(5.9)	(4.2)	6.8	0.4
Income before provision for income taxes	355.0	367.5	381.6	512.1
Provision for income taxes	56.2	112.7	62.8	135.0
Net income	\$ 298.8	\$ 254.8	\$ 318.8	\$ 377.1
Net income per share:				
Basic	\$ 1.08	\$ 0.88	\$ 1.14	\$ 1.30
Diluted	\$ 1.08	\$ 0.88	\$ 1.13	\$ 1.29

Shares used in computing net income per share:

Basic	276.0	289.9	280.8	289.3
Diluted	276.7	291.0	281.8	291.4

**TAPESTRY, INC.**

**DETAIL TO NET SALES**

**For the Quarter & Six Months Ended December 28, 2019 and December 29, 2018**

(in millions)

(unaudited)

**Quarter Ended**

	December 28, 2019		December 29, 2018		% Change	Constant Currency % Change	Comparable Sales
Coach	\$	1,269.9	\$	1,248.6	2 %	2 %	2 %
Kate Spade		430.4		428.4	- %	- %	(4)%
Stuart Weitzman		115.7		123.8	(7)%	(6)%	N/A
Total Tapestry	\$	1,816.0	\$	1,800.8	1 %	1 %	

**Six Months Ended**

	December 28, 2019		December 29, 2018		% Change	Constant Currency % Change	Comparable Sales
Coach	\$	2,235.8	\$	2,209.3	1 %	1 %	1 %
Kate Spade		735.9		753.8	(2)%	(3)%	(9)%
Stuart Weitzman		202.2		218.9	(8)%	(7)%	N/A
Total Tapestry	\$	3,173.9	\$	3,182.0	- %	- %	

**TAPESTRY, INC.**

**GAAP TO NON-GAAP RECONCILIATION**

**For the Quarter Ended December 28, 2019**

(in millions, except per share data)

(unaudited)

	December 28, 2019			
	GAAP Basis (As Reported)	ERP Implementation	Organization-related & Integration Costs	Non-GAAP Basis (Excluding Items)
Cost of sales				
Coach	877.3	-	-	877.3
Kate Spade	262.4	-	-	262.4
Stuart Weitzman	70.0	-	(1.5)	71.5
Gross profit <sup>(1)</sup>	\$ 1,209.7	\$ -	\$ (1.5)	\$ 1,211.2
SG&A expenses				
Coach	494.5	-	(0.4)	494.9
Kate Spade	194.5	-	0.7	193.8
Stuart Weitzman	60.4	-	0.3	60.1
Corporate	97.2	6.3	1.8	89.1
SG&A expenses	\$ 846.6	\$ 6.3	\$ 2.4	\$ 837.9
Operating income (loss)				
Coach	382.8	-	0.4	382.4
Kate Spade	67.9	-	(0.7)	68.6
Stuart Weitzman	9.6	-	(1.8)	11.4
Corporate	(97.2)	(6.3)	(1.8)	(89.1)
Operating income (loss)	\$ 363.1	\$ (6.3)	\$ (3.9)	\$ 373.3
Provision for income taxes	56.2	(1.5)	(4.0)	61.7
Net income	\$ 298.8	\$ (4.8)	\$ 0.1	\$ 303.5
Net income per diluted common share	\$ 1.08	\$ (0.02)	\$ -	\$ 1.10

<sup>(1)</sup> Adjustments within Gross profit are recorded within Cost of sales.

**TAPESTRY, INC.**

**GAAP TO NON-GAAP RECONCILIATION**

**For the Six Months Ended December 28, 2019**

(in millions, except per share data)

(unaudited)

	December 28, 2019			
	GAAP Basis (As Reported)	ERP Implementation	Organization-related & Integration Costs	Non-GAAP Basis Impairment (Excluding Items)
Cost of sales				
Coach	1,554.9	-	(0.1)	1,555.0
Kate Spade	453.9	-	(1.2)	455.1
Stuart Weitzman	115.4	-	(4.3)	119.7
Gross profit <sup>(1)</sup>	\$ 2,124.2	\$ -	\$ (5.6)	\$ 2,129.8
SG&A expenses				
Coach	972.6	-	(0.1)	931.2
Kate Spade	393.2	-	0.8	367.2

Stuart Weitzman	125.1	-	(2.1)	8.9	118.3
Corporate	218.6	20.8	24.5	-	173.3
SG&A expenses	\$ 1,709.5	\$ 20.8	\$ 23.1	\$ 75.6	\$ 1,590.0
Operating income (loss)					
Coach	582.3	-	-	(41.5)	623.8
Kate Spade	60.7	-	(2.0)	(25.2)	87.9
Stuart Weitzman	(9.7)	-	(2.2)	(8.9)	1.4
Corporate	(218.6)	(20.8)	(24.5)	-	(173.3)
Operating income (loss)	\$ 414.7	\$ (20.8)	\$ (28.7)	\$ (75.6)	\$ 539.8
Provision for income taxes	62.8	(5.0)	(9.4)	(12.1)	89.3
Net income	\$ 318.8	\$ (15.8)	\$ (19.3)	\$ (63.5)	\$ 417.4
Net income per diluted common share	\$ 1.13	\$ (0.06)	\$ (0.07)	\$ (0.22)	\$ 1.48

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

**TAPESTRY, INC.**  
**GAAP TO NON-GAAP RECONCILIATION**  
**For the Quarter Ended December 29, 2018**  
**(in millions, except per share data)**  
**(unaudited)**

	December 29, 2018				
	GAAP Basis (As Reported)	ERP Implementation	Acquisition	Legislation	Integration & Impact of Tax Non-GAAP Basis (Excluding Items)
Cost of sales					
Coach	860.1	-	-	-	860.1
Kate Spade	272.4	-	(2.5)	-	274.9
Stuart Weitzman	71.0	-	(1.0)	-	72.0
Gross profit <sup>(1)</sup>	\$ 1,203.5	-	(3.5)	-	\$ 1,207.0
SG&A expenses					
Coach	485.7	-	-	-	485.7
Kate Spade	184.1	-	3.7	-	180.4
Stuart Weitzman	61.1	-	0.6	-	60.5
Corporate	96.1	6.4	7.4	-	82.3
SG&A expenses	\$ 827.0	\$ 6.4	\$ 11.7	\$ -	\$ 808.9
Operating income (loss)					
Coach	374.4	-	-	-	374.4
Kate Spade	88.3	-	(6.2)	-	94.5
Stuart Weitzman	9.9	-	(1.6)	-	11.5
Corporate	(96.1)	(6.4)	(7.4)	-	(82.3)
Operating income (loss)	\$ 376.5	\$ (6.4)	\$ (15.2)	\$ -	\$ 398.1
Provision for income taxes	112.7	(1.6)	1.1	34.1	79.1
Net income	\$ 254.8	\$ (4.8)	\$ (16.3)	\$ (34.1)	\$ 310.0
Net income per diluted common share	\$ 0.88	\$ (0.01)	\$ (0.06)	\$ (0.12)	\$ 1.07

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

**TAPESTRY, INC.**  
**GAAP TO NON-GAAP RECONCILIATION**  
**For the Six Months Ended December 29, 2018**  
**(in millions, except per share data)**  
**(unaudited)**

	December 29, 2018				
	GAAP Basis (As Reported)	ERP Implementation	Acquisition	Legislation	Integration & Impact of Tax Non-GAAP Basis (Excluding Items)
Cost of sales					
Coach	1,539.8	-	(2.0)	-	1,541.8
Kate Spade	480.1	-	(1.1)	-	481.2
Stuart Weitzman	118.7	-	(1.0)	-	119.7
Gross profit <sup>(1)</sup>	\$ 2,138.6	\$ -	\$ (4.1)	\$ -	\$ 2,142.7
SG&A expenses					
Coach	930.3	-	-	-	930.3
Kate Spade	347.1	-	7.1	-	340.0
Stuart Weitzman	126.5	-	12.1	-	114.4
Corporate	195.9	10.4	11.4	-	174.1
SG&A expenses	\$ 1,599.8	\$ 10.4	\$ 30.6	\$ -	\$ 1,558.8
Operating income (loss)					
Coach	609.5	-	(2.0)	-	611.5
Kate Spade	133.0	-	(8.2)	-	141.2
Stuart Weitzman	(7.8)	-	(13.1)	-	5.3
Corporate	(195.9)	(10.4)	(11.4)	-	(174.1)
Operating income (loss)	\$ 538.8	\$ (10.4)	\$ (34.7)	\$ -	\$ 583.9
Provision for income taxes	135.0	(2.6)	(2.1)	34.1	105.6
Net income	\$ 377.1	\$ (7.8)	\$ (32.6)	\$ (34.1)	\$ 451.6
Net income per diluted common share	\$ 1.29	\$ (0.03)	\$ (0.11)	\$ (0.12)	\$ 1.55

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

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 the Company's ERP Implementation and Organization-related and Integration Costs for the second quarter of fiscal year 2020 and ERP Implementation and Integration & Acquisition-Related Costs for the second quarter of fiscal year 2019.

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 27, 2020 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 December 28, 2019 and June 29, 2019**

**(in millions)**

	<b>(unaudited)</b>	<b>(audited)</b>
	<b>December 28, 2019</b>	<b>June 29, 2019</b>
<b>ASSETS</b>		
Cash, cash equivalents and short-term investments	\$ 1,166.7	\$ 1,233.8
Receivables	363.5	298.1
Inventories	748.3	778.3
Other current assets	232.9	246.6
	<hr/>	<hr/>
Total current assets	2,511.4	2,556.8
Property and equipment, net	886.3	938.8
Lease right-of-use assets	1,996.5	-
Other noncurrent assets	3,305.9	3,381.7
	<hr/>	<hr/>
Total assets	<b>\$ 8,700.1</b>	<b>\$ 6,877.3</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable	\$ 252.4	\$ 243.6
Accrued liabilities	670.1	673.6
Short-term lease liabilities	329.8	-
Current debt	-	0.8
	<hr/>	<hr/>
Total current liabilities	1,252.3	918.0
Long-term debt	1,598.0	1,601.9
Long-term lease liabilities	1,901.2	-
Other liabilities	626.2	844.0
	<hr/>	<hr/>
Stockholders' equity	3,322.4	3,513.4
	<hr/>	<hr/>
Total liabilities and stockholders' equity	<b>\$ 8,700.1</b>	<b>\$ 6,877.3</b>

**TAPESTRY, INC.**

**STORE COUNT**

**At September 28, 2019 and December 28, 2019**

**(unaudited)**

	<b>As of</b>			<b>As of</b>
<b>Directly-Operated Store Count:</b>	<b>September 28, 2019</b>	<b>Openings</b>	<b>(Closures)</b>	<b>December 28, 2019</b>
<b><u>Coach</u></b>				
North America	392	3	(2)	393
International	592	11	(7)	596
<b><u>Kate Spade</u></b>				
North America	212	10	-	222
International	198	11	(4)	205
<b><u>Stuart Weitzman</u></b>				
North America	72	1	(1)	72
International	78	10	(1)	87

**Contacts**

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Global Head of Investor Relations and Corporate Communications  
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aresnick@tapestry.com  
Christina Colone  
Vice President, Investor Relations



# tapestry

**COACH** | kate spade | STUART WEITZMAN

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This presentation contains certain “forward-looking statements” based on management’s current expectations. Forward-looking statements include, but are not limited to 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 growth 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 ERP implementation 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;
- the impact of tax legislation; and
- the impact of the coronavirus outbreak on our financial results.

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.

**tapestry**



# tapestry

OUR VALUES: *optimistic innovative, inclusive*

OUR PRINCIPLES: *brand-led, consumer-centric meritocracy*

OUR BRANDS: *global, unique & differentiated*

OUR MODEL: *disciplined, shared & scalable*

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.





*established 1941*

**C O N F I D E N T  
M O D E R N  
A U T H E N T I C**



*established 1986*

**P O L I S H E D  
S O P H I S T I C A T E D  
E M P O W E R E D**



*established 1993*

**F E M I N I N E  
O P T I M I S T I C  
J O Y F U L**

**tapestry**

**\$6.0B**

*revenue*

**15.8%**

*operating margin*

**1,540**

*stores*

  
**COACH**  
NEW YORK

**\$4.3B**

*revenue*

**27.1%**

*operating margin*

**986**

*stores*

  
kate spade  
NEW YORK

**\$1.4B**

*revenue*

**13.6%**

*operating margin*

**407**

*stores*

**SW**

**\$389M**

*revenue*

**(4.3%)**

*operating margin*

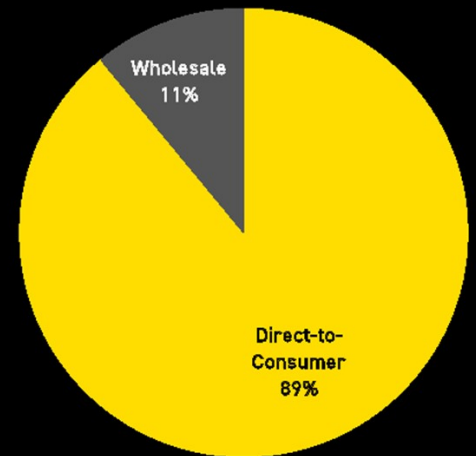
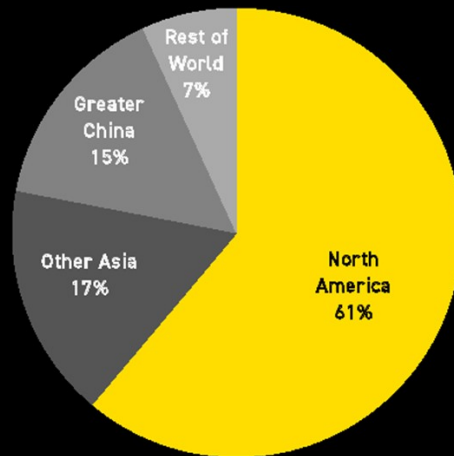
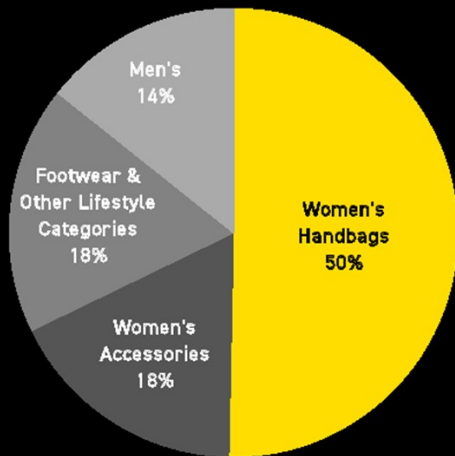
**147**

*stores*

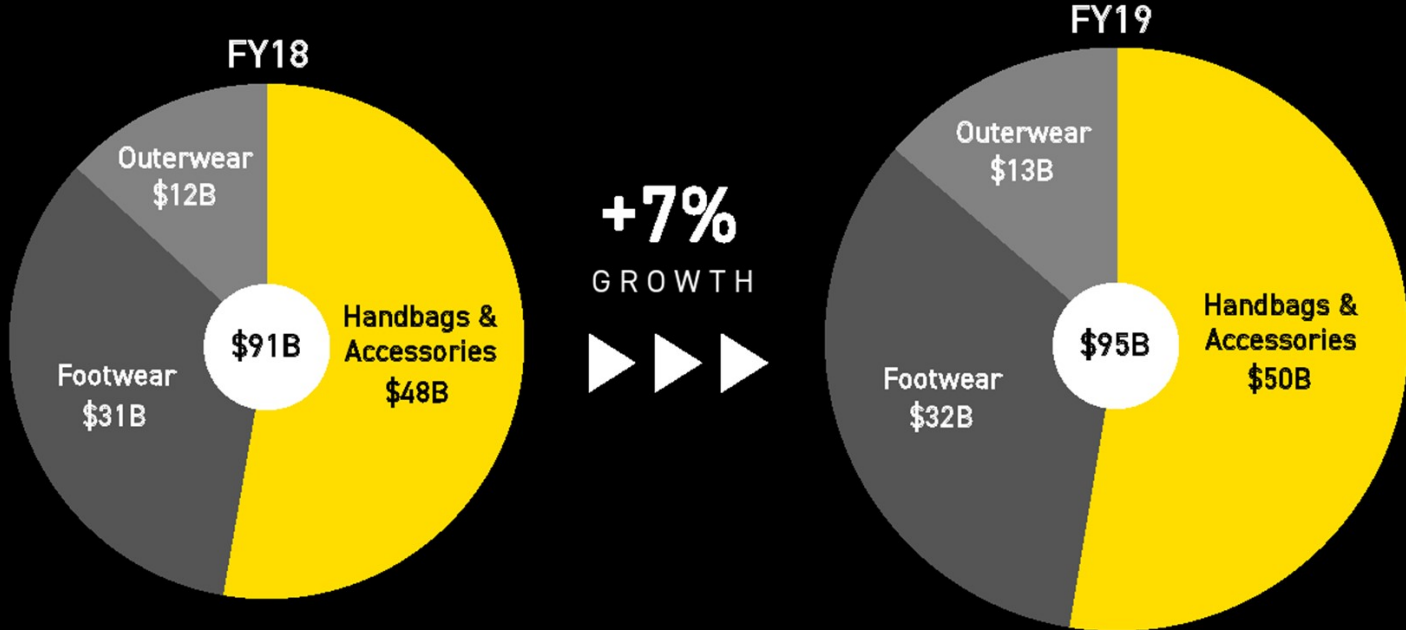
**tapestry** As of FY19. Non-GAAP Financials. As of Fiscal 2020, foreign currency gains and losses previously reported in SG&A expenses are reflected in Other Expense/(Income). Prior year results have been recast for comparability. Store counts reflect directly operated locations.

# TAPESTRY PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

GLOBAL HOUSE OF MODERN LUXURY BRANDS WITH FOCUS ON INTERNATIONAL GROWTH & DIRECT-TO-CONSUMER DISTRIBUTION



# OPPORTUNITY ACROSS BRANDS IN THE ATTRACTIVE AND GROWING GLOBAL PREMIUM HANDBAG & ACCESSORIES, FOOTWEAR AND OUTERWEAR MARKETS



**tapestry** Source: Tapestry proprietary global market sizing model & Euromonitor. Growth noted is in constant currency.

# LEADERSHIP TEAM

**Jide Zeitlin**  
Chairman and Chief Executive Officer



**Joshua Schulman**  
CEO and Brand President,  
Coach



**Eraldo Poletto**  
CEO and Brand President,  
Stuart Weitzman



**Todd Kahn**  
President, Chief Administrative Officer  
and Chief Legal Officer



**Joanne Crevoiserat**  
Chief Financial Officer



**Tom Glaser**  
Chief Operations Officer



**Zeynep Schoenwaelder**  
Global Head of Strategy & Data Labs



**Sarah Dunn**  
Global Human Resources Officer



**Noam Paransky**  
Chief Digital Officer



**Andrea Shaw Resnick**  
Global Head of Investor Relations &  
Corporate Communications



**2020**  
*overview*

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# FISCAL 2020 STRATEGIC PRIORITIES

## INNOVATION AND EXCELLENCE IN *execution*

### FUEL BRAND INNOVATION

- Accelerate **product newness**
- Build brand connections through **cultural relevance**

### DRIVE GLOBAL GROWTH

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

### INVEST *in* DIGITAL & DATA

- **Increase power of digital platforms:** e-commerce, customer experience & marketing
- Further integrate **Data Labs** into core processes

### HARNESS *the* POWER *of* MULTI-BRAND

- Capture full benefit of **multi-brand structure**
- Increase speed and flexibility of **Supply Chain**
- Provide opportunities for **talent movement** across brands, regions and functions

## FISCAL 2020 CAPITAL ALLOCATION PRIORITIES

*we are dedicated to driving organic growth, rather than pursuing strategic acquisitions, while returning capital to shareholders.*

### ORGANIC GROWTH

- With continued momentum at Coach, our main priority is to fuel an acceleration in our acquired businesses to unlock the power of our multi-brand platform.
- At this time, we do not expect to pursue strategic acquisitions.

### COMMITMENT TO SHAREHOLDER RETURNS

- Consistent with our expectations, we bought back \$300M of common stock in the first quarter. Together with our current annual dividend payout, we are on track to return approximately \$700M to shareholders during the fiscal year, which represents the vast majority of our free cash flow.

## RECENT HIGHLIGHTS

**Pleased with our holiday quarter performance**, which outperformed plan.

Drove continued momentum at **Coach** – the largest brand of our house – highlighted by the ninth consecutive quarter of positive comparable store sales growth.

Realized sequential improvement at **Kate Spade** as we further implemented key product and merchandising actions to optimize the assortment and enhance the brand's novelty offering, while also moving through excess inventory.

Continued to experience challenges at **Stuart Weitzman** due to softer demand across channels; building on our learnings, we are reinvigorating our footwear icons, while injecting innovation into the overall assortment in keeping with market trends.

**Made key changes to our executive leadership team**: appointed Liz Fraser CEO & Brand President of Kate Spade and announced the promotions of Giorgio Sarné, to CEO & Brand President of Stuart Weitzman, and Yann Bozec, to President of Tapestry Asia Pacific.

**Completed comprehensive review of our business**, which pointed to the **opportunity to accelerate long-term growth across our brands**; we believe we have the team and the means to effect significant and positive change at our Company.

**Entered the third fiscal quarter with strong underlying trends**; however, the escalating coronavirus outbreak in China is now materially impacting our business, which resulted in a revision to our annual outlook.

Remain **confident in our ability to effectively navigate** through this period of uncertainty in order to best protect our people, our brands and every aspect of our business. Our strong balance sheet, cash position and globally diversified sourcing base and supply chain provide us **flexibility to operate our Company for the long term**.

**tapestry**

*highlights*  
*from*  
**2019**

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## FISCAL 2019 MILESTONES A YEAR OF *meaningful evolution*

Achieved ongoing **strength in our businesses internationally**, while navigating a challenging retail backdrop in North America.

**Advanced our strategic initiatives**, most notably **building the foundation of our multi-brand platform**, as we generated the anticipated synergies from the successful integration of Kate Spade, which funded, in part, material investments in systems, as well as our international development.

**Strengthened Tapestry's leadership team** with key hires: Noam Paransky, Chief Digital Officer; Tom Glaser, Chief Operations Officer; Joanne Crevoiserat, Chief Financial Officer.

Delivered strong results at **Coach** – the largest and most globally diversified brand of our house – highlighted by positive comparable store sales growth and gross margin expansion, underscoring its health and vibrancy.

Debuted Nicola Glass's creative vision at **Kate Spade** with the new iconic branding elements garnering a positive response from consumers; identified learnings and action items to inform go-forward strategy.

Drove top-line growth at **Stuart Weitzman**, reflecting important progress across people, processes and product.

Established and commenced **\$1B share repurchase program**, underscoring our confidence in the future; returned \$490M to shareholders through dividend and share repurchase program.

**Remain steadfast in our long-term strategic vision** and focused on maximizing the benefits of our differentiated multi-brand model.

## FISCAL 2019 P&L OVERVIEW BY BRAND

	TAPESTRY	COACH	KATE SPADE	STUART WEITZMAN
NET REVENUE	\$6,027M +3% growth	\$4,271M +1% growth	\$1,367M +6% growth	\$389M +4% growth
GROSS PROFIT	\$4,081M 67.7% margin; +30bps vs. LY	\$2,998M 70.2% margin; +70bps vs. LY	\$870M 63.6% margin; +40bps vs. LY	\$213M 54.8% margin; (330bps) vs. LY
SG&A EXPENSES	\$3,131M 51.9% of sales; +140bps vs. LY	\$1,841M 43.1% of sales; +20bps vs. LY	\$684M 50.0% of sales; +210bps vs. LY	\$230M 59.1% of sales; +390bps vs. LY
OPERATING INCOME	\$951M 15.8% margin; (110bps) vs. LY	\$1,157M 27.1% margin; +50bps vs. LY	\$186M 13.6% margin; (170bps) vs. LY	(\$17M) (4.3%) margin; (720bps) vs. LY
EARNINGS PER DILUTED SHARE	\$2.57 (2%) vs. LY			

**tapestry** Non-GAAP Financials. Tapestry includes Corporate segment SG&A expenses of \$376M (not shown). As of Fiscal 2020, foreign currency gains and losses previously reported in SG&A expenses are reflected in Other Expense/(Income). Prior year results have been recast for comparability.

**FISCAL 2019 CAPITAL ALLOCATION MILESTONES**  
**RETURNED *95% of free cash flow* TO SHAREHOLDERS THROUGH DIVIDEND & SHARE REPURCHASE PROGRAM**

Board of Directors  
approved

**\$1B**

share repurchase  
program.

Company returned

**\$490M**

to shareholders through dividends  
& share repurchases.

**OVERVIEW**

*by*

**BRAND**

---





**COACH**

NEW YORK

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CitySole Court Sneaker

©2017 Coach Inc.



Michael B. Jordan, Pacer Belt Bag, Edge, New York City



THE SHOPS  
AT HUDSON YARDS  
NEW YORK CITY





HORSE & CARRIAGE POP-UP  
AT DAVID PLAZA  
ZHENGZHOU, CHINA



REXY FLOAT AT MACY'S  
THANKSGIVING DAY PARADE  
NEW YORK CITY



*“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



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





**\$4.27B**

ANNUAL REVENUE

**986**

DIRECTLY OPERATED STORES

**13,500**

EMPLOYEES

*As of FY19.*



## COACH FISCAL 2019 MILESTONES

Achieved seven consecutive quarters of global comparable store sales increases and gross margin expansion for the fiscal year.

Delivered strong international growth and outperformed accessible luxury peers in North America; drove e-commerce gains globally.

Cascaded leathergoods innovation across the pyramid of fashion, occasion and price; realized continued growth in iconic Signature platform.

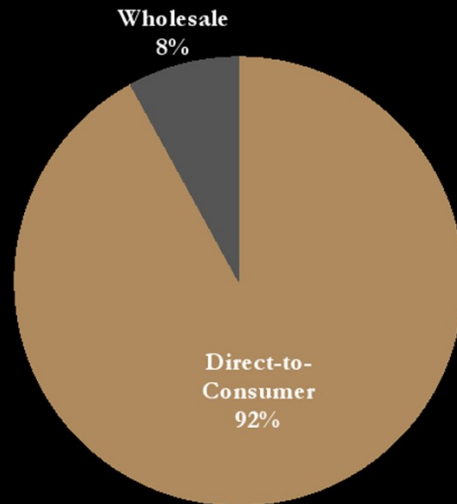
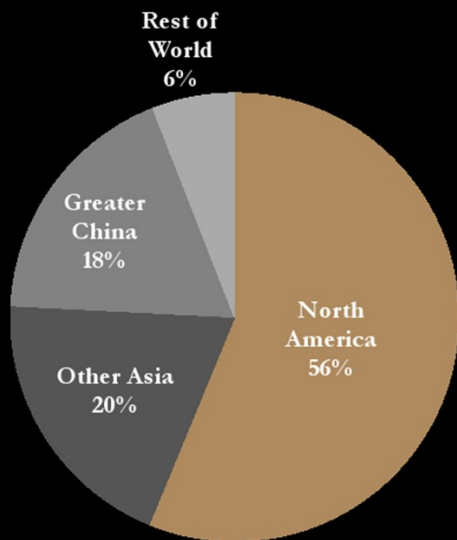
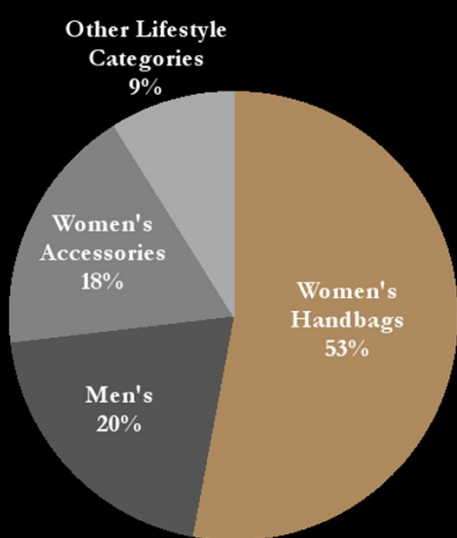
Gained traction in lifestyle categories, including footwear and ready-to-wear; grew men's business to nearly \$900M at POS.

Fueled brand momentum and cultural relevance through collaborations, store initiatives and disruptive marketing campaigns, reinforcing Coach's distinctive global positioning.



# COACH PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

DIRECT-TO-CONSUMER FOCUSED WITH DIVERSIFIED PRODUCT CATEGORIES & GEOGRAPHIES



As of FY19.

# COACH FISCAL 2020 STRATEGIC PRIORITIES

---

DRIVE PRODUCT  
INNOVATION &  
DISRUPTION

ENFORCE  
FASHION  
AUTHORITY  
THROUGH  
CULTURAL  
RELEVANCE

INJECT  
EXCITEMENT  
INTO STORES

FUEL DIGITAL  
INNOVATION &  
E-COMMERCE  
GROWTH





kate spade

NEW YORK

---







THE SHOPS  
AT HUDSON YARDS  
NEW YORK CITY

*“Since our founding, our brand has inspired generations of women to live their lives with substance, sophistication and a smile. Today, we continue to offer a distinct and positive point of view through a combination of pragmatic and witty designs, color and a unique celebratory approach to living. We are committed to delighting our customers by igniting their minds, spirit and very own sense of style.”*

NICOLA GLASS, CREATIVE DIRECTOR, 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.







**\$1.37B**

ANNUAL REVENUE

—  
**407**

DIRECTLY OPERATED STORES

—  
**4,800**

EMPLOYEES

*As of FY19.*

## KATE SPADE FISCAL 2019 MILESTONES

Debuted Nicola Glass's creative vision with new & iconic brand elements, garnering a positive response; identified clear learnings to inform go-forward strategy.

Maintained unique brand positioning with leadership in attributes of Fun, Fashionable & Feminine per U.S. Brand Tracking Survey.

Expanded international presence through new store openings and acquisition of operations in Singapore, Malaysia & Australia.

Gained notable traction in Greater China, a significant area of opportunity for the brand, highlighted by positive comparable store sales.

Announced plans to take footwear business in-house, building on the brand's strong lifestyle offering.\*

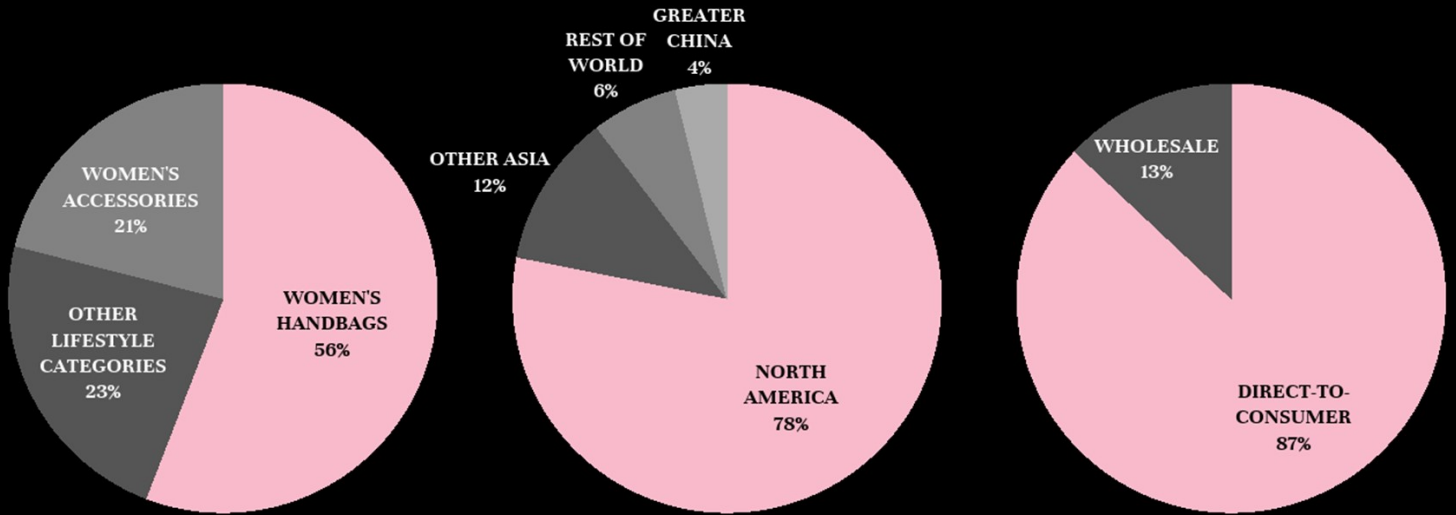


*\*Kate Spade intends to bring women's footwear business in-house from licensed partner, Steve Madden, in the second half of fiscal 2020.*



# KATE SPADE PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

OPPORTUNITY TO EXPAND INTERNATIONALLY WITH UNIQUE AND GLOBALLY-RELEVANT POSITIONING



As of FY19.

# KATE SPADE FISCAL 2020 STRATEGIC PRIORITIES

**SOLIDIFY BRAND  
AUTHORITY**

**INTRODUCE  
EXCEPTIONAL  
AND INSPIRING  
PRODUCTS**

**ENHANCE  
OMNI-CHANNEL  
PLATFORM  
GLOBALLY**

**CREATE  
IMMERSIVE  
CHANNEL  
EXPERIENCES**

**ENGAGE WITH  
CHINESE  
CONSUMERS  
GLOBALLY**



STUART WEITZMAN

---







**THE SHOPS  
AT HUDSON YARDS  
NEW YORK CITY**

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

ERALDO POLETTO, CEO & BRAND PRESIDENT, STUART WEITZMAN

SW



OUR VISION

STUART WEITZMAN IS THE EMBODIMENT OF  
STRENGTH IN FEMININITY – EMPOWERING AND  
INSPIRING WOMEN TO TAKE ON THE WORLD  
IN FASHION AND FUNCTIONAL FOOTWEAR  
& ACCESSORIES.

SW



**\$389M**

ANNUAL REVENUE

—  
**147**

DIRECTLY OPERATED STORES

—  
**1,100**

EMPLOYEES

As of FY19.

## STUART WEITZMAN FISCAL 2019 MILESTONES

DELIVERED TOP-LINE GROWTH, ADDRESSING AREAS OF OPPORTUNITY EXITING FISCAL 2018.

FOCUSED ON PRODUCT FIT AND CONSTRUCTION, CREATING FOUNDATIONAL PIECES CONSISTENT WITH THE BRAND'S DNA.

GAINED FURTHER CREDIBILITY IN HANDBAGS AND LEATHERGOODS, A CONTINUED AREA OF OPPORTUNITY FOR THE BRAND.

DROVE INTERNATIONAL EXPANSION WITH NEW STORE OPENINGS IN NORTHERN CHINA AND THE BUY-BACK OF OUR OPERATIONS IN SOUTHERN CHINA & AUSTRALIA.

EVOLVED MARKETING, FEATURING NEW AND CULTURALLY RELEVANT GLOBAL BRAND AMBASSADORS.

SW



# STUART WEITZMAN FISCAL 2020 STRATEGIC PRIORITIES

ENHANCE SYSTEMS  
AND PROCESSES

MAINTAIN  
BOOT & SANDAL  
AUTHORITY  
WHILE  
EXPANDING  
FOOTWEAR  
EXPRESSION

DRIVE CREDIBILITY  
IN HANDBAGS

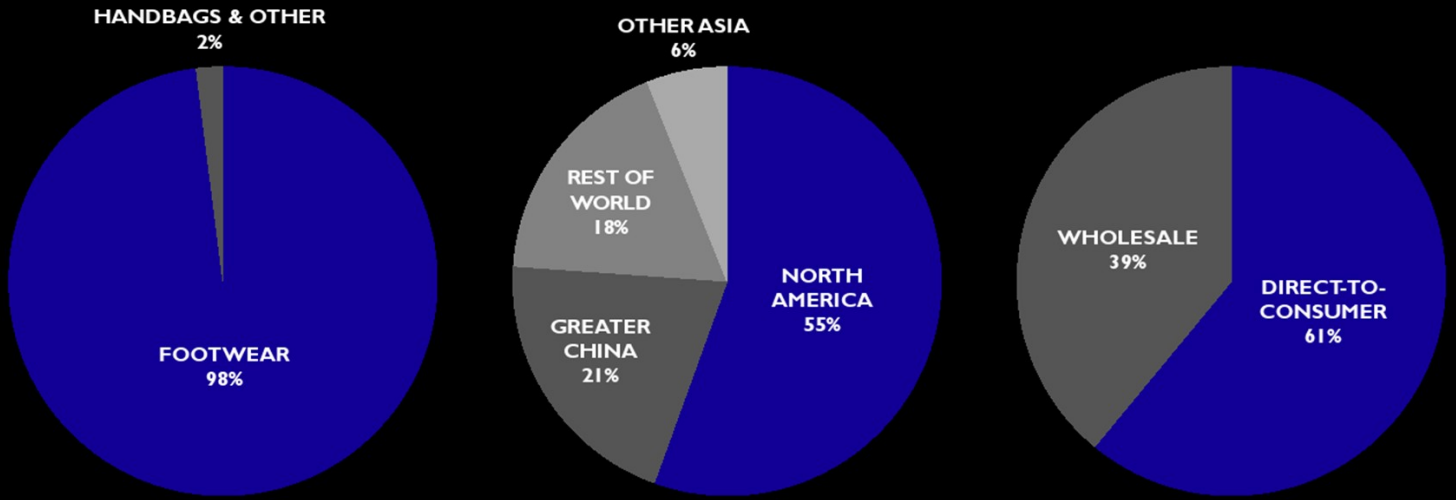
FUEL CONSUMER  
DESIRE & BRAND  
AWARENESS

EXPAND  
GLOBALLY,  
WITH FOCUS ON  
CHINA

SW

# STUART WEITZMAN PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

OPPORTUNITY TO EXPAND INTERNATIONALLY WITH SOPHISTICATED FOOTWEAR & ACCESSORIES OFFERING COMBINING FUNCTION AND FIT



As of FY19.

*corporate*  
**RESPONSIBILITY**

---

OUR  
PEOPLE  
OUR  
PLANET  
OUR  
COMMUN  
NITIES

# 2025 CORPORATE RESPONSIBILITY STRATEGY & GOALS

*Built on our values of Optimism, Innovation and Inclusivity, these goals solidify our commitment to responsible citizenship, as we recognize our role as a leader in our industry to effect real, measurable change. Addressing pressing global issues and contributing to a world that is inclusive, sustainable and safe is a responsibility that we all share.*

# CORPORATE SOCIAL RESPONSIBILITY

## OUR PROGRAM IS FOCUSED ON THREE *strategic pillars*

1

### OUR PEOPLE

Having individuals from different backgrounds with different experiences around the table creates a diversity of perspectives that enrich our organization.

2

### OUR PLANET

Tapestry is dedicated to reducing its environmental impact across the world through continuous innovation.

3

### OUR COMMUNITIES

Tapestry engages closely with the communities in which our employees live and work, helping to strengthen them.



## CORPORATE SOCIAL RESPONSIBILITY

### 1 *our people*

Build diversity in North America Tapestry and brand leadership teams by increasing the number of North America-based ethnic minority leaders to better reflect the company's general corporate population.

Reduce gender and ethnicity differences in the Employee Inclusion Index scores from our Employee Engagement Survey.

Demonstrate a focus on career progression, development and mobility by filling 60% of leadership roles (VP+) internally.

Enable employees to manage their work and personal life balance by achieving a global core benefit standard for self-care, parental and family care leave policies.

tapestry





## CORPORATE SOCIAL RESPONSIBILITY

### 1 *our people*

Expanded our maternity leave in 2018 in the United States.

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

Achieved a score of 100 for the sixth consecutive year on the Human Rights Campaign Corporate Equality Index, earning the designation as a Best Place to Work for LGBTQ Equality.

Recognized on the Forbes Diversity & Inclusion List in 2019 for the third consecutive year.

Signed the CEO Action Pledge for Diversity & Inclusion, the Open to All Pledge and the Fashion Pact in 2019.

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

## CORPORATE SOCIAL RESPONSIBILITY

### 2 *our planet*

Achieve a 20% reduction in absolute Scope 1 & Scope 2 CO<sub>2</sub>e emissions & 20% reduction in absolute Scope 3 emissions from freight shipping over a 2017 baseline.

Attain a 95% traceability & mapping of our raw materials to ensure a transparent & responsible supply chain.

Ensure that 90% of leather is sourced from Silver- and Gold-rated *Leather Working Group* tanneries.

Achieve 75% recycled content in packaging and 25% reduction in North America corporate & distribution center waste.

Achieve a 10% reduction in water usage across Tapestry and its supply chain.

tapestry

Photo courtesy of Friends of the High Line.







## CORPORATE SOCIAL RESPONSIBILITY

### 2 *our planet*

Achieved a 4.4% reduction in absolute Scope 1 and 2 CO<sub>2</sub>e emissions across Tapestry in fiscal 2018 over a 2017 baseline.

Provided in-person compliance and anti-corruption training to over 100 suppliers and manufacturers in fiscal 2019.

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

### 3 *our communities*

Dedicate 100,000 volunteer service hours completed by our employees around the globe.

Give \$75M in financial and product donations to nonprofit organizations globally.

Provide 50,000 people crafting Coach, kate spade new york and Stuart Weitzman products access to empowerment programs during the workday.

tapestry





## CORPORATE SOCIAL RESPONSIBILITY

### 3 *our communities*

Donated over \$48M through The Coach Foundation since its inception in 2008 and launched the “Dream It Real” initiative which supports young people as they pursue their dreams.

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

Engaged 1,850 employees to volunteer a combined 6,000 hours across projects to support their local communities in fiscal 2018.

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.

**tapestry**

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*“We are stewards of three powerful brands and we believe we have the leadership team and the means to effect significant and positive change to define the next chapter of sustainable growth at our Company.”*

JIDE ZEITLIN, CHAIRMAN & CEO



# APPENDIX

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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 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 27, 2020 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 and the costs associated with the Company's ERP implementation have not yet occurred.

The Company operates on a global basis and reports financial results in U.S. dollars in accordance with GAAP. Sales and gross margin for each segment have been described excluding currency fluctuation effects from translating foreign-denominated sales into U.S. dollars. The Company calculates constant currency revenue results by translating current period revenue in local currency using the prior year period's currency conversion rate.

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 YEAR ENDED JUNE 29, 2019

*in millions, except per share data; unaudited*

	GAAP BASIS (AS REPORTED)	ERP IMPLEMENTATION	INTEGRATION & ACQUISITION	IMPACT OF TAX LEGISLATION	NON-GAAP BASIS (EXCLUDING ITEMS)
Coach	\$2,996.4	\$—	\$(1.9)	\$—	\$2,998.3
Kate Spade	863.6	—	(6.3)	—	869.9
Stuart Weitzman	193.7	—	(19.6)	—	213.3
<b>Gross profit<sup>(1)</sup></b>	<b>4,053.7</b>	<b>—</b>	<b>(27.8)</b>	<b>—</b>	<b>4,081.5</b>
Coach	1,848.0	—	7.1	—	1,840.9
Kate Spade	698.2	—	14.5	—	683.7
Stuart Weitzman	245.2	—	15.0	—	230.2
Corporate	442.6	36.9	30.0	—	375.7
<b>Selling, general and administrative expenses</b>	<b>3,234.0</b>	<b>36.9</b>	<b>66.6</b>	<b>—</b>	<b>3,130.5</b>
Coach	1,148.4	—	(9.0)	—	1,157.4
Kate Spade	165.4	—	(20.8)	—	186.2
Stuart Weitzman	(51.5)	—	(34.6)	—	(16.9)
Corporate	(442.6)	(36.9)	(30.0)	—	(375.7)
<b>Operating income (loss)</b>	<b>819.7</b>	<b>(36.9)</b>	<b>(94.4)</b>	<b>—</b>	<b>951.0</b>
<b>Provision for Income taxes</b>	<b>122.8</b>	<b>(9.6)</b>	<b>(25.8)</b>	<b>9.2</b>	<b>168.8</b>
<b>Net Income</b>	<b>643.4</b>	<b>(27.5)</b>	<b>(68.6)</b>	<b>(9.2)</b>	<b>748.7</b>
<b>Net income per diluted common share</b>	<b>2.21</b>	<b>(0.09)</b>	<b>(0.24)</b>	<b>(0.03)</b>	<b>2.57</b>

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

# GAAP TO NON-GAAP RECONCILIATION FOR THE YEAR ENDED JUNE 30, 2018

*in millions, except per share data; unaudited*

	GAAP BASIS (AS REPORTED)	OPERATIONAL EFFICIENCY PLAN	INTEGRATION & ACQUISITION	IMPACT OF TAX LEGISLATION	NON-GAAP BASIS (EXCLUDING ITEMS)
Coach	\$2,931.5	\$—	\$(4.1)	\$—	\$2,935.6
Kate Spade	705.7	—	(106.5)	—	812.2
Stuart Weitzman	211.3	—	(5.8)	—	217.1
<b>Gross profit<sup>(1)</sup></b>	<b>3,848.5</b>	<b>—</b>	<b>(116.4)</b>	<b>—</b>	<b>3,964.9</b>
Coach	1,812.1	—	0.5	—	1,811.6
Kate Spade	728.6	—	113.7	—	614.9
Stuart Weitzman	214.1	—	7.8	—	206.3
Corporate	421.7	19.5	63.2	—	339.0
<b>Selling, general and administrative expenses</b>	<b>3,176.5</b>	<b>19.5</b>	<b>185.2</b>	<b>—</b>	<b>2,971.8</b>
Coach	1,119.4	—	(4.6)	—	1,124.0
Kate Spade	(22.9)	—	(220.2)	—	197.3
Stuart Weitzman	(2.8)	—	(13.6)	—	10.8
Corporate	(421.7)	(19.5)	(63.2)	—	(339.0)
<b>Operating income (loss)</b>	<b>672.0</b>	<b>(19.5)</b>	<b>(301.6)</b>	<b>—</b>	<b>993.1</b>
<b>Provision for income taxes</b>	<b>199.3</b>	<b>(6.2)</b>	<b>(130.7)</b>	<b>178.2</b>	<b>158.0</b>
<b>Net income</b>	<b>397.5</b>	<b>(13.3)</b>	<b>(170.9)</b>	<b>(178.2)</b>	<b>759.9</b>
<b>Net income per diluted common share</b>	<b>1.38</b>	<b>(0.05)</b>	<b>(0.58)</b>	<b>(0.62)</b>	<b>2.63</b>

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

## FISCAL 2019 FOREIGN EXCHANGE GAIN/LOSS RECAST BY QUARTER

<i>in millions; Non-GAAP financials</i>		1Q19	2Q19	3Q19	4Q19	FY19
FY19 SG&A (as previously reported)	Coach	\$448.8	\$481.6	\$446.7	\$463.8	\$1,840.9
	Kate Spade	159.5	179.5	168.8	175.6	683.4
	Stuart Weitzman	54.6	59.2	59.8	56.3	229.9
	Corporate	91.6	84.4	104.5	101.4	381.9
	<b>Selling, general and administrative expenses</b>	<b>754.5</b>	<b>804.7</b>	<b>779.8</b>	<b>797.1</b>	<b>3,136.1</b>
FX (Gain) / Loss	Coach	4.2	(4.1)	(0.6)	0.5	--
	Kate Spade	(0.1)	(0.9)	1.0	(0.3)	(0.3)
	Stuart Weitzman	0.7	(1.3)	(0.5)	0.8	(0.3)
	Corporate	(0.2)	2.1	4.1	0.2	6.2
	<b>Foreign Exchange (Gain)/Loss</b>	<b>4.6</b>	<b>(4.2)</b>	<b>4.0</b>	<b>1.2</b>	<b>5.6</b>
FY19 SG&A (recast)	Coach	444.6	485.7	447.3	463.3	1,840.9
	Kate Spade	159.6	180.4	167.8	175.9	683.7
	Stuart Weitzman	53.9	60.5	60.3	55.5	230.2
	Corporate	91.8	82.3	100.4	101.2	375.7
	<b>Selling, general and administrative expenses</b>	<b>749.9</b>	<b>808.9</b>	<b>775.7</b>	<b>796.1</b>	<b>3,130.5</b>

# tapestry

COACH | kate spade | STUART WEITZMAN

## Tapestry, Inc. Strengthens Leadership Team with Key Executive Appointments

### *Announces Appointments of Liz Fraser as CEO & Brand President, Kate Spade, Giorgio Sarné as CEO & Brand President, Stuart Weitzman and Yann Bozec as President, Tapestry Asia Pacific*

NEW YORK--(BUSINESS WIRE)--February 6, 2020--Tapestry, Inc. (NYSE: TPR), a leading New York-based house of modern luxury accessories and lifestyle brands, today announced a number of appointments to the Company's senior management team. These appointments will strengthen Tapestry's ability to drive sustained long-term growth at each of its three brands.

Liz Fraser has been named CEO and Brand President of Kate Spade. She is expected to join the Company on March 1, 2020 and will assume operational control of the brand from Joanne Crevoiserat, Tapestry's Chief Financial Officer, who has been leading the brand in an interim capacity since December 2019. In this role, Ms. Fraser will be responsible for all aspects of Kate Spade globally, working alongside the brand's Creative Director, Nicola Glass and its leadership team. Since 2018, Ms. Fraser has been the President of Lafayette 148, a New York-based, vertically integrated, women's fashion brand, where she was responsible for global sales and marketing, as well as design and merchandising, for apparel and accessories. She joined Lafayette 148 from Anne Klein, where she was Chief Executive Officer, and before that, Marc by Marc Jacobs, where she was President and a member of the launch team that built the business into a multichannel, multi-category global lifestyle brand.

In addition, the Company announced that Giorgio Sarné, currently President, Tapestry Asia and President & CEO Coach Asia, will be promoted to CEO and Brand President of Stuart Weitzman. He will succeed Eraldo Poletto, the brand's current CEO and Brand President, who has decided to leave the Company effective March 1, 2020. In this role, Mr. Sarné will be responsible for all aspects of Stuart Weitzman globally, partnering closely with the brand's Head of Product Design, Edmundo Castillo. Mr. Sarné has been with the Company since November 2013, holding progressively senior roles both in North America and Asia.

Mr. Emmanuel Ruelland, currently Vice President, General Manager, Tapestry Southeast Asia & Oceania, will succeed Mr. Sarné as President of Coach Asia (Japan, Korea, Southeast Asia, Australia and New Zealand) and will report to Joshua Schulman, CEO and Brand President of Coach.

The Company also announced that Yann Bozec, currently President, Tapestry China and President & CEO of Coach China will be promoted to President, Tapestry Asia Pacific, while continuing as President & CEO of Coach China. Mr. Bozec joined Coach Japan in 2008 and has been instrumental in the brand's development and growth in the region, notably its success in China. More recently, he has overseen the integration of both Kate Spade's and Stuart Weitzman's China operations onto the Tapestry platform.

Ms. Fraser, Mr. Sarné and Mr. Bozec will all join Tapestry's Executive Committee.

"We thank Eraldo for the dedication he brought to Stuart Weitzman and Tapestry and wish him every success in the future," Mr. Zeitlin said. "We are delighted with the appointments of Liz, Giorgio and Yann, all three talented leaders who have best-in-class knowledge that is directly aligned to our long-term strategic plan. With Liz's career in fashion spanning over three decades and the deep experience in brand building at Coach and Tapestry that both Giorgio and Yann bring to their new roles, we believe we are well positioned to drive sustained sales and margin growth and shareholder returns."

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](http://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, 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," "roadmap," "anticipate," "excited," "moving," "leveraging," "capitalizing," "developing," "drive," "targeting," "assume," "plan," "build," "pursue," "maintain," "progress," "future," "on track," "well positioned to," "look forward to," "looking ahead," "to acquire," "achieve," "strategic vision," "ongoing headwinds" "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 growth strategies, our 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, and the impact of the coronavirus outbreak on our financial results, 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.*

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