

**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): October 24, 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 October 29, 2020, Tapestry, Inc. (“Tapestry” or the “Company”) issued a press release (the “Press Release”) in which the Company announced its financial results for its first fiscal quarter ended September 26, 2020. The Company also posted a slide presentation entitled “Investor Presentation” dated October 29, 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 “Commission”).

The information in this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2, is being furnished to the 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.*Appointment of Chief Executive Officer*

On October 27, 2020, the Company announced that the Board of Directors (the “Board”) of the Company appointed Joanne Crevoiserat, age 56, as Chief Executive Officer of the Company, effective as of October 27, 2020 (the “Effective Date”). Ms. Crevoiserat will serve as the Company’s principal executive officer. Ms. Crevoiserat has served as the Company’s Interim Chief Executive Officer since July 21, 2020. Prior to this role, she served as the Company’s Chief Financial Officer since August 2019. Prior to joining the Company, Ms. Crevoiserat was Executive Vice President and Chief Operating Officer at Abercrombie & Fitch Co. from February 2017 to June 2019. She joined Abercrombie & Fitch in May 2014 as Chief Financial Officer and also served as Executive Vice President, CFO and COO, and Interim Principal Executive Officer during her tenure with the company. Prior to joining Abercrombie & Fitch, she served in a number of senior management roles at Kohl’s Corporation including Executive Vice President of Finance and Executive Vice President of Merchandise Planning and Allocation. Prior to her time with Kohl’s, Ms. Crevoiserat held senior finance positions with Wal-Mart Stores and May Department Stores, including Chief Financial Officer of the Filene’s, Foley’s and Famous-Barr brands. She is a graduate of the University of Connecticut where she received a Bachelor of Science degree in Finance. Ms. Crevoiserat has served on the board of directors of At Home Group Inc. since January 2019.

In connection with her appointment as Chief Executive Officer, Ms. Crevoiserat and the Company entered into a letter agreement (the “Letter Agreement”). The material terms of the Letter Agreement are summarized below.

Ms. Crevoiserat will be an employee at-will of the Company, meaning either Ms. Crevoiserat or the Company may terminate Ms. Crevoiserat's employment at any time, although Ms. Crevoiserat is required to provide the Company with six months' advance written notice of her intention to resign.

Pursuant to the Letter Agreement, Ms. Crevoiserat will receive a base salary of \$1,300,000 per year, which will be temporarily reduced by 20% as part of the Company-wide salary reductions that were announced in a Form 8-K filed with the Commission on April 20, 2020 for so long as such salary reductions are in effect. See "*Salary Reinstatement Actions*" below for information on the Company-wide salary reductions. She will be eligible for a target bonus of 175% of salary actually paid under the Company's Performance-Based Annual Incentive Plan ("AIP"), starting on the Effective Date (with payment ranging from 0-200% of target subject to performance). Ms. Crevoiserat's bonus for the portion of fiscal year 2021 prior to the Effective Date will be based on her target bonus percentage in effect at that time. The actual amount of this bonus will be based on the Company attaining criteria determined by the Company's Board in accordance with the terms of the Performance-Based Annual Incentive Plan. All performance-based compensation paid to Ms. Crevoiserat is subject to the Company's incentive repayment policy applicable in the event of a material restatement of the Company's financial results.

Ms. Crevoiserat will receive appointment equity awards under the Amended and Restated Tapestry, Inc. 2018 Stock Incentive Plan with an aggregate grant date value of \$3,500,000 (the "Appointment Grant"). The Appointment Grant will be made up of stock options that will vest ratably over four years and performance restricted stock units ("RSUs") that are eligible to vest on the second anniversary of the grant date based on the Company's achievement of performance goals established by the Company's Board. Ms. Crevoiserat will be required to retain all of the net shares earned upon vesting of the RSUs for two years following the vesting date.

Ms. Crevoiserat has a guideline annual equity grant with a fair market value on the grant date of \$6,500,000 for fiscal year 2022, to be granted in a fixed proportion of different equity vehicles as determined by the Board and normally granted in August, which may include RSUs, stock options and/or restricted stock units ("RSUs").

If the Company terminates Ms. Crevoiserat's employment without "Cause", or if she resigns for "Good Reason" (as each such term is defined in the Letter Agreement), she will be eligible to receive (i) cash severance equal to twenty-four (24) months of base salary, (ii) a pro-rated portion of her AIP bonus for the fiscal year in which any termination occurs, based on actual Company performance, to be paid on the regular AIP payout date, and (iii) payment of her AIP bonus on the regular payout date for AIP that was earned and payable for the prior fiscal year based on actual performance, which has not been paid as of the date of termination. Ms. Crevoiserat will be subject to the noncompetition and nonsolicitation covenants set forth in the Agreement, both during her employment with the Company as well as during the twenty-four (24) months following termination.

There are no family relationships between Ms. Crevoiserat and any director or executive officer of the Company and she has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

The foregoing summary of the material terms of the Letter Agreement is not complete and is qualified entirely by reference to the full text of the Letter Agreement, which will be filed as an exhibit to the Company's next annual report on Form 10-Q.

Salary Reinstatement Actions

The Company announced on April 20, 2020 that, due to the economic impacts of the COVID-19 global pandemic, it was reducing the base salaries of its executives and certain employees above a certain salary threshold, effective June 28, 2020, the first day of the Company's fiscal year 2021. Effective November 1, 2020, all impacted employees will have their salaries restored to full salary levels going forward. As of November 1, 2020, the base salary of:

- Joanne Crevoiserat, the Company's Chief Executive Officer, which had been reduced by 20%, will revert from the reduced rate of \$1,040,000 to the full rate of \$1,300,000;
- Andrea Shaw Resnick, the Company's Interim Chief Financial Officer; Global Head of Investor Relations and Corporate Communications, which had been reduced by 15%, will revert from the reduced rate of \$595,000 to the full rate of \$700,000;
- Todd Kahn, Interim Chief Executive Officer & Brand President, Coach; President, Chief Administrative Officer, which had been reduced by 20%, will revert from the reduced rate of \$720,000 to the full rate of \$900,000; and
- Tom Glaser, Chief Operations Officer, which had been reduced by 20%, will revert from the reduced rate of \$640,000 to the full rate of \$800,000.

In addition, in conjunction with the corporate salary reductions, the Board had determined to reduce the value of the Board's cash retainers by 50%. Effective November 1, 2020, such cash retainers will be restored to their full values going forward.

Item 9.01 Financial Statements and Exhibits.

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

99.1 Text of Press Release, dated October 29, 2020

99.2 Slide Presentation entitled "Investor Presentation," dated October 29, 2020

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 29, 2020

TAPESTRY, INC.

By: /s/ David E. Howard
David E. Howard
Senior Vice President, General Counsel and Secretary

<u>99.1</u>	<u>Text of Press Release, dated October 29, 2020</u>
<u>99.2</u>	<u>Slide Presentation entitled "Investor Presentation," dated October 29, 2020</u>

Tapestry, Inc. Reports Fiscal 2021 First Quarter Results

Strong Operating Income & EPS Growth Demonstrates Progress on Acceleration Program

- **Gross Margin Increased By More Than 300 Basis Points And SG&A Declined Significantly, Driving Over 700 Basis Points of Operating Margin Expansion Year-Over-Year**
- **GAAP Operating Income was \$202 Million vs. \$52 Million a Year Ago; Non-GAAP Operating Income was \$229 Million vs. \$167 Million a Year Ago**
- **GAAP EPS was \$0.83 vs. \$0.07 a Year Ago; Non-GAAP EPS was \$0.58 vs. \$0.40 a Year Ago**

NEW YORK--(BUSINESS WIRE)--October 29, 2020--Tapestry, Inc. (NYSE: TPR), a leading New York-based house of modern luxury accessories and lifestyle brands, today reported results for the fiscal first quarter ended September 26, 2020.

Joanne Crevoiserat, Chief Executive Officer of Tapestry, Inc., said, “We are very pleased with our first quarter results, which exceeded expectations and demonstrated the bold actions we are implementing as part of our Acceleration Program. We delivered strong profit growth across our portfolio of brands in the face of an unprecedented and challenging backdrop. We drove a meaningful sequential improvement in topline trends, supported by strength in Digital and China. At the same time, we expanded gross margin by deliberately reducing promotional activity and raising AUR, while also tightly controlling SG&A expense. Taken together, we achieved a significant increase in EPS and generated positive free cash flow.”

Ms. Crevoiserat continued, “Our performance underscores the power of our brands, the agility of our talented teams and the competitive advantage of Tapestry’s enabling platform. Importantly, it also reinforces the potential of our Acceleration Program. Guided by an unwavering focus on the consumer and supported by new ways of working, we are positioning the Company to successfully navigate the dynamic environment and drive long-term, sustainable growth.”

Tapestry, Inc. Fiscal First Quarter 2021 Highlights

- Delivered top and bottom line results materially ahead of expectations
- Achieved sequential improvement in revenue trends across all brands
- Drove a second consecutive quarter of triple-digit e-commerce growth versus prior year, while simultaneously improving global store sales trends
- Posted double-digit year-over-year revenue growth in Mainland China
- Significantly expanded gross margins by over 300 basis points driven in part by lower, more disciplined promotional activity
- Realized substantial decline in SG&A of 27% on a reported basis and 20% on a non-GAAP basis, reflecting effective expense management and previously announced actions to transform the Company’s operating model, including a 20% reduction in Tapestry’s run-rate corporate headcount costs
- Increased operating margin by over 700 basis points on a GAAP and non-GAAP basis
- Tightly managed inventories, which declined 8% from prior year and are well-positioned heading into the holiday quarter
- Generated positive free cash flow of \$64 million as compared to an outflow of \$66 million in the prior year
- Ended the quarter with \$1.5 billion in cash and equivalents

Acceleration Program Highlights

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

- **Recruited nearly 800,000 new customers across brands in North America** through our e-commerce channels, meeting consumers where they choose to shop and leveraging marketing capabilities to drive engagement and enhance the customer’s digital journey;
- **Drove significant growth in China** through compelling product assortments, enhanced marketing and expanded reach across direct channels and third party online distribution; Coach is the number one ranked handbag brand on Tmall;
- **Leveraged data and analytics** to optimize marketing messaging, assortment planning and promotional levels to support higher AUR;
- **Made further progress in creating an agile and scalable operating model**, with a streamlined organizational structure and empowered teams, while **optimizing our global fleet** with 15 net store closures in the first fiscal quarter representing a net decrease of 50 stores from the prior year; Remain on track to achieve gross run-rate savings of \$300 million, including gross savings of \$200 million in fiscal 2021.

Through these initiatives, the Company is better meeting the needs of each of its brands' unique customers to drive engagement and desire for its products among new and existing customers, creating a strong foundation for profitable expansion.

Overview of First Quarter 2021 Tapestry, Inc. Results

- **Net sales** totaled \$1.17 billion for the fiscal first quarter as compared to \$1.36 billion in the prior year, representing a 14% decline.
- **Gross profit** totaled \$830 million, while gross margin was 70.8%, on a reported and non-GAAP basis. This compared to prior year reported gross profit of approximately \$914 million and gross margin of 67.3%. On a non-GAAP basis, gross profit in the year ago period totaled \$919 million with gross margin of 67.6%.
- **SG&A expenses** totaled \$628 million on a reported basis and represented 53.6% of sales compared to \$863 million and 63.5%, respectively, in the year ago quarter. On a non-GAAP basis, SG&A expenses were \$601 million and represented 51.3% of sales as compared to \$752 million and 55.4%, respectively, in the year ago period.
- **Operating income** was \$202 million on a reported basis, while operating margin was 17.3% versus operating income of \$52 million and an operating margin of 3.8% in the prior year. On a non-GAAP basis, operating income was \$229 million, while operating margin was 19.5% versus operating income of \$167 million and an operating margin of 12.3% in the prior year.
- **Net interest expense** was \$19 million in the quarter as compared to \$12 million in the year ago period.
- **Other income** was \$3 million versus an expense of \$13 million in the prior year.
- **Net income** for the quarter was \$232 million on a reported basis, with earnings per diluted share of \$0.83. This compared to net income of \$20 million with earnings per diluted share of \$0.07 in the prior year period. The reported tax rate for the quarter was (25.0)%, reflecting the benefit under the Coronavirus Aid, Relief and Economic Security (“CARES”) Act, most notably the Net Operating Loss (“NOL”) carryback claim. This compared to the prior year reported tax rate of 24.8%. On a non-GAAP basis, net income for the quarter was \$161 million with earnings per diluted share of \$0.58. This compared to non-GAAP net income of \$114 million with earnings per diluted share of \$0.40 in the prior year period. The non-GAAP tax rate for the quarter, which excludes the tax impact under the CARES Act, was 24.1% compared to 19.6% in the prior year.
- **Inventory** was \$811 million at the end of quarter versus ending inventory of \$880 million in the year ago period.

Fiscal first quarter results by brand were as follows:

Coach First Quarter 2021 Results

- **Net sales** for Coach totaled \$875 million for the fiscal first quarter as compared to \$966 million in the prior year, representing a decline of 9%.
- **Gross profit** for Coach totaled \$645 million, while gross margin was 73.7% on a reported and non-GAAP basis. This compared to prior year gross profit of \$678 million on a reported and non-GAAP basis, while gross margin was 70.1% and 70.2% on a reported and non-GAAP basis, respectively.
- **SG&A expenses** for Coach were \$375 million on a reported basis and represented 42.8% of sales compared to \$478 million and 49.5%, respectively, in the year ago period. On a non-GAAP basis, SG&A expenses were \$364 million and represented 41.6% of sales compared to expenses of \$436 million or 45.2% of sales in the prior year.
- **Operating income** for Coach was \$270 million compared to reported operating income of approximately \$200 million in the prior year, while operating margin was 30.8% versus 20.7% a year ago. On a non-GAAP basis, operating income was \$281 million compared to \$241 million in the prior year, while operating margin was 32.1% versus 25.0% a year ago.

Kate Spade First Quarter 2021 Results

- **Net sales** for Kate Spade totaled \$240 million for the fiscal first quarter as compared to \$306 million in the prior year, representing a decline of 21%, which included the impact related to a strategic pullback in lower margin wholesale disposition sales.
- **Gross profit** for Kate Spade totaled \$154 million on both a reported basis and non-GAAP basis, while gross margin was 64.1%. This compared to reported gross profit and margin in the prior year of \$192 million and 62.7%, respectively. On a non-GAAP basis, prior year gross profit was \$193 million, while gross margin was 63.1%.
- **SG&A expenses** for Kate Spade were \$131 million on a reported basis and represented 54.5% of sales. This compared to reported SG&A expenses of \$199 million in the year ago period, which represented 65.0% of sales. On a non-GAAP basis, SG&A expenses were \$130 million and represented 54.0% of sales. This compared to SG&A expenses of \$173 million or 56.7% of sales on a non-GAAP basis in the previous year.
- **Operating income** for Kate Spade was \$23 million on a reported basis, representing an operating margin of 9.6%. This compared to an operating loss of \$7 million and an operating margin of (2.4)% on a reported basis in the year ago period. On a non-GAAP basis, operating income was \$24 million, while operating margin was 10.1%. This compared to operating income of \$19 million and an operating margin of 6.3% on a non-GAAP basis in the previous year.

Stuart Weitzman First Quarter 2021 Results

- **Net sales** for Stuart Weitzman totaled \$56 million for the fiscal first quarter compared to \$87 million in the same period of the prior year, representing a 35% decline.
- **Gross profit** for Stuart Weitzman totaled \$31 million on both a reported and non-GAAP basis, while gross margin for the quarter was 55.3%. This compared to prior year reported gross profit of \$45 million and gross margin of 52.5%. On a non-GAAP basis, prior year gross profit was \$48 million, while gross margin was 55.7%.
- **SG&A expenses** for Stuart Weitzman were \$31 million on a reported basis and represented 55.2% of sales. This compared to reported SG&A expenses of \$65 million in the year ago period, which represented 74.8% of sales. On a non-GAAP basis, SG&A expenses were approximately \$34 million and represented 59.5% of sales as compared to \$58 million or 67.2% of sales in the prior year period.
- **Operating profit** was breakeven on a reported basis, representing an operating margin of 0.0%, compared to an operating loss of \$19 million and operating margin of (22.2)% in the year ago period. On a non-GAAP basis, the operating loss was approximately \$2 million or a (4.2)% operating margin versus an operating loss of \$10 million and operating margin of (11.5)% in the prior year.

Non-GAAP Reconciliation

During the first fiscal quarter of 2021, the Company recorded the following on a reported basis:

- **CARES Act Tax Impact:** \$92 million of tax benefits under the CARES Act, most notably the NOL carryback claim. This reflects the Company's provisional estimate and is subject to adjustment as estimation approaches are refined.
- **Acceleration Program:** \$27 million of pre-tax charges primarily associated with professional fees incurred as a result of the development and execution of the Company's comprehensive strategic initiatives, as well as actions to streamline the Company's organization, which includes severance. The Company continues to expect to incur total charges of \$185 to \$200 million over the life of the Acceleration Program, including \$75 to \$90 million in remaining charges. The majority of these future costs are estimated to be cash and recorded primarily in fiscal 2021.

Taken together, on a reported basis, these items decreased the Company's operating income by \$27 million, while increasing net income and earnings per diluted share by \$71 million and \$0.25, respectively. Please refer to the financial tables included herein for a detailed reconciliation of the Company's reported to non-GAAP results.

Conclusion

Ms. Crevoiserat continued, "We are confident in the strong foundation we're building and our ability to create long-term value for our stakeholders. As we enter the holiday season, our teams continue to focus on the factors within our control. We are putting the consumer first, delivering innovative, relevant and beautifully crafted product, while staying true to the unique purpose of each of our brands. We are also leaning into the opportunity to evolve with the changing landscape and shifting consumer needs and preferences. Given the strength of the first quarter, we are increasingly optimistic in our ability to drive sustainable top and bottom line growth over our planning horizon."

Fiscal Year 2021 Outlook

Due to the dynamic nature of the Covid-19 crisis and lack of visibility, the potential financial impact to our business cannot be accurately projected. Therefore, the Company is not providing detailed guidance for fiscal 2021. However, given the strong start to the fiscal year and assuming a continued steady recovery emerging from the pandemic, the Company continues to expect a topline inflection in the second half of the fiscal year, with both revenue and bottom line growth now projected for fiscal 2021.

The Company also notes that fiscal 2021 includes a 53rd week in its fourth fiscal quarter.

Conference Call Details

The Company will host a conference call to review these results at 7:30 a.m. (ET) today, October 29, 2020. 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 9406188. 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 9406188. 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.

Upcoming Events

The Company expects to report fiscal 2021 second quarter results on Thursday, February 4, 2021. 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 2021 Outlook," and statements regarding the Acceleration Program, including future charges under and future impacts of this program, the potential impact of the Covid-19 pandemic and success of mitigating actions, 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," "sharpening," "transforming," "deepening," "creating," "accelerating," "enhancing," "leaning into," "strengthening," "developing," "drive," "targeting," "assume," "plan," "build," "pursue," "maintain," "progress," "future," "emerge," "assure," "on track," "well positioned to," "look forward to," "looking ahead," "to acquire," "achieve," "strategic vision," "strategic agenda," "long-term objectives," "steady recovery," "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 the impact of the Covid-19 pandemic, the ability to control costs and successfully execute our growth strategies, expected economic trends, the ability to anticipate consumer preferences, risks associated with operating in international markets, 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 legislation, etc. Please refer to the Company's latest Annual Report on Form 10-K, quarterly report on 10-Q 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 26, 2020 and September 28, 2019

(in millions, except per share data)

	(unaudited)	
	QUARTER ENDED	
	September 26, 2020	September 28, 2019
Net sales	\$ 1,172.2	\$ 1,357.9
Cost of sales	342.0	443.4
Gross profit	830.2	914.5
Selling, general and administrative expenses	628.0	862.9
Operating income (loss)	202.2	51.6
Interest expense, net	19.4	12.3
Other expense (income)	(2.6)	12.7
Income (loss) before provision for income taxes	185.4	26.6
Provision for income taxes	(46.3)	6.6
Net income (loss)	\$ 231.7	\$ 20.0
Net income (loss) per share:		
Basic	\$ 0.84	\$ 0.07
Diluted	\$ 0.83	\$ 0.07
Shares used in computing net income per share:		
Basic	276.8	284.4
Diluted	277.9	285.7

TAPESTRY, INC.

DETAIL TO NET SALES

For the Quarters Ended September 26, 2020 and September 28, 2019

(in millions)

(unaudited)

QUARTER ENDED

	September 26, 2020	September 28, 2019	% Change	Constant Currency % Change
Coach	\$ 875.4	\$ 965.9	(9)%	(10)%
Kate Spade	240.4	305.5	(21)%	(21)%
Stuart Weitzman	56.4	86.5	(35)%	(35)%
Total Tapestry	\$ 1,172.2	\$ 1,357.9	(14)%	(14)%

TAPESTRY, INC.
GAAP TO NON-GAAP RECONCILIATION
(in millions, except per share data)
(unaudited)

	For the Quarter Ended September 26, 2020			
	Items Affecting Comparability			
	GAAP Basis (As Reported)	CARES Act Tax Impact	Acceleration Program	Non-GAAP Basis (Excluding Items)
Cost of sales				
Coach	644.9	-	-	644.9
Kate Spade	154.1	-	-	154.1
Stuart Weitzman	31.2	-	-	31.2
Gross profit⁽¹⁾	\$ 830.2	\$ -	\$ -	\$ 830.2
SG&A expenses				
Coach	374.9	-	10.7	364.2
Kate Spade	130.9	-	1.0	129.9
Stuart Weitzman	31.2	-	(2.4)	33.6
Corporate	91.0	-	17.3	73.7
SG&A expenses	\$ 628.0	\$ -	\$ 26.6	\$ 601.4
Operating income (loss)				
Coach	270.0	-	(10.7)	280.7
Kate Spade	23.2	-	(1.0)	24.2
Stuart Weitzman	-	-	2.4	(2.4)
Corporate	(91.0)	-	(17.3)	(73.7)
Operating income (loss)	\$ 202.2	\$ -	\$ (26.6)	\$ 228.8
Provision for income taxes	(46.3)	(91.7)	(5.8)	51.2
Net income (loss)	\$ 231.7	\$ 91.7	\$ (20.8)	\$ 160.8
Net income (loss) per diluted common share	\$ 0.83	\$ 0.33	\$ (0.08)	\$ 0.58

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

TAPESTRY, INC.
GAAP TO NON-GAAP RECONCILIATION
(in millions, except per share data)
(unaudited)

	For the Quarter Ended September 28, 2019				
	Items Affecting Comparability				
	GAAP Basis (As Reported)	ERP Implementation	Organization-related & Integration costs	Impairment	Non-GAAP Basis (Excluding Items)
Cost of sales					
Coach	677.6	-	(0.1)	-	677.7
Kate Spade	191.5	-	(1.2)	-	192.7
Stuart Weitzman	45.4	-	(2.8)	-	48.2
Gross profit⁽¹⁾	\$ 914.5	\$ -	\$ (4.1)	\$ -	\$ 918.6
SG&A expenses					
Coach	478.1	-	0.3	41.5	436.3
Kate Spade	198.7	-	0.1	25.2	173.4
Stuart Weitzman	64.7	-	(2.4)	8.9	58.2
Corporate	121.4	14.5	22.7	-	84.2
SG&A expenses	\$ 862.9	\$ 14.5	\$ 20.7	\$ 75.6	\$ 752.1
Operating income (loss)					
Coach	199.5	-	(0.4)	(41.5)	241.4
Kate Spade	(7.2)	-	(1.3)	(25.2)	19.3
Stuart Weitzman	(19.3)	-	(0.4)	(8.9)	(10.0)
Corporate	(121.4)	(14.5)	(22.7)	-	(84.2)
Operating income (loss)	\$ 51.6	\$ (14.5)	\$ (24.8)	\$ (75.6)	\$ 166.5
Provision for income taxes	6.6	(3.5)	(5.4)	(12.1)	27.6
Net income (loss)	\$ 20.0	\$ (11.0)	\$ (19.4)	\$ (63.5)	\$ 113.9

Kate Spade

North America	213	3	-	216
International	207	6	(5)	208

Stuart Weitzman

North America	58	-	(3)	55
International	73	3	(18)	58

Contacts

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tapestry

COACH | kate spade | STUART WEITZMAN

This presentation contains certain “forward-looking statements” based on management’s current expectations. Forward-looking statements include, but are not limited to 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,” “focus,” “strategic vision,” “growth opportunities,” “Acceleration Program,” “we are accelerating” 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:

- the impact of the Covid-19 pandemic;
- the ability to control costs and successfully execute our growth strategies and our Acceleration Program;
- the impact of economic conditions;
- the ability to anticipate consumer preferences;
- the risks associated with operating in international markets;
- 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 legislation.

Please refer to the Company’s latest Annual Report on Form 10-K, Quarterly Report on Form 10-Q 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.





COACH

established 1941

**AUTHENTIC
COURAGEOUS
INCLUSIVE**

STUART WEITZMAN



established 1986

**STYLISH
CONFIDENT
SOPHISTICATED**

kate spade
NEW YORK

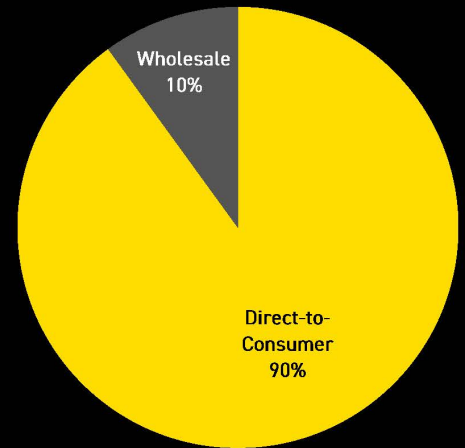
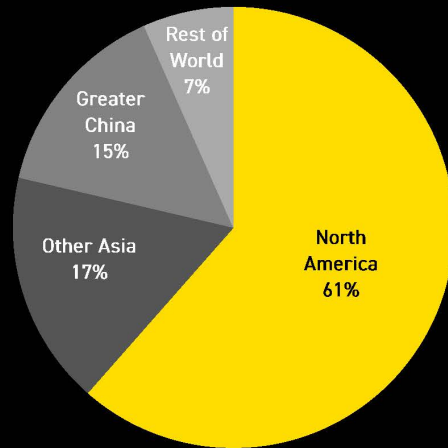
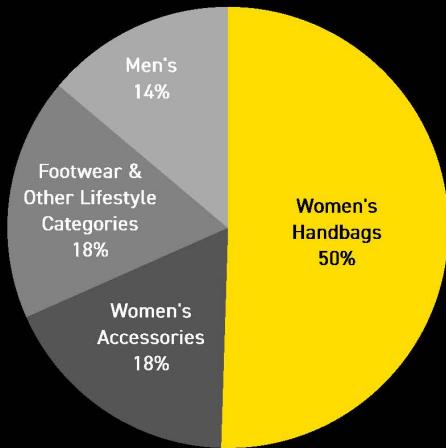


established 1993

**JOYFUL
OPTIMISTIC
COLORFUL**

TAPESTRY PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

GLOBAL HOUSE OF BRANDS WITH STRONG DIRECT-TO-CONSUMER DISTRIBUTION



tapestry As of FY20. Reflects adjustments to Wholesale penetration figure from previously reported number.

LEADERSHIP TEAM

Joanne Crevoiserat
Chief Executive Officer



Todd Kahn
Interim CEO and Brand President, Coach;
President and Chief
Administrative Officer



Liz Fraser
CEO and Brand President,
Kate Spade



Giorgio Sarné
CEO and Brand President,
Stuart Weitzman



Andrea Shaw Resnick
Interim Chief Financial Officer;
Global Head of Investor Relations &
Corporate Communications



Tom Glaser
Chief Operations Officer



Noam Paransky
Chief Digital Officer



David Howard
Senior Vice President,
General Counsel and Secretary



Sarah Dunn
Global Human Resources Officer



Yann Bozec
President, Tapestry Asia Pacific;
CEO and President, Coach China



1Q21
update

1Q21 RESULTS OVERVIEW

DEMONSTRATED PROGRESS ON *acceleration program*

DELIVERED TOP AND BOTTOM-LINE RESULTS MATERIALLY AHEAD OF EXPECTATIONS

- Generated strong profit growth across our portfolio of brands in the face of a challenging backdrop
- Achieved a significant increase in EPS and generated positive free cash flow of \$64 million

REMAIN CONFIDENT IN OUR STRATEGY AND LONG-TERM POTENTIAL

- Strength of our first quarter results demonstrates the bold actions we are implementing as part of our Acceleration Program
- We are increasingly confident in our ability to drive sustainable top and bottom-line growth that will create long-term value for all of our stakeholders

1Q21 RESULTS EXCEEDED EXPECTATIONS, HIGHLIGHTING THE *power*
OF OUR BRANDS & *resilience* OF OUR BUSINESS

Year-over-year revenue trends

improved

sequentially across
all brands

Second consecutive quarter of

triple-digit

e-commerce revenue growth,
while simultaneously improving
global store sales trends

Delivered

double-digit

revenue growth
in China

Gross margin increased by

320 bps

year-over-year, driven in part by
lower, more disciplined
promotional activity

Realized a significant

20%

reduction in SG&A expense
year-over-year, reflecting
effective cost management

Generated

720 bps

of operating margin
expansion compared to
prior year

acceleration
PROGRAM

acceleration

/ak selə 'rāSH(ə)n/
noun

the act of accelerating; increase of speed or velocity.

- > we are *accelerating* growth & profitability
- > we are *accelerating* our focus on the consumer
- > we are *accelerating* with agility & urgency together

OUR *acceleration program* IS FOCUSED ON BETTER MEETING THE NEEDS OF OUR CUSTOMERS

**SHARPEN OUR
FOCUS ON THE
CONSUMER**

- Operate with a clearly defined purpose and strategy for each brand and an unwavering focus on the consumer at the core of everything we do

**LEVERAGE DATA &
LEAD WITH A
DIGITAL-FIRST
MINDSET**

- Build significant data and analytics capabilities to drive decision-making and increase efficiency
- Offer immersive customer experiences across our e-commerce and social channels
- Reevaluate the role of stores with an intent to optimize our fleet

**TRANSFORM INTO A
LEANER & MORE
RESPONSIVE
ORGANIZATION**

- Move with greater agility
- Simplify internal processes
- Empower teams to act quickly to meet the rapidly changing needs of the consumer

**RESULTING IN ACCELERATED GROWTH & ENHANCED PROFITABILITY
ACROSS THE PORTFOLIO**

acceleration program HIGHLIGHTS

MEANINGFUL PROGRESS AGAINST ACCELERATION PROGRAM IN THE FIRST QUARTER



Recruited nearly **800,000 new customers** across brands in North America through our e-commerce channels



Drove significant growth in China through **compelling product assortments, enhanced marketing** and **expanded reach** across direct channels and third party online distribution; Coach is now the number one ranked handbag brand on Tmall



Leveraged data and analytics to optimize marketing messaging, assortment planning and promotional levels to support higher AUR



Made further progress in creating an **agile and scalable operating model**, with a streamlined organizational structure and empowered teams, while optimizing our global fleet; Remain on track to achieve gross run-rate savings of \$300 million

TAPESTRY IS AN *enabling platform* THAT ENHANCES OPPORTUNITIES FOR OUR BRANDS

*tapestry's
differentiated
platform
provides:*

**CONSUMER
INSIGHTS**

**GLOBALLY
DIVERSIFIED
SUPPLY CHAIN**

**DIGITAL
INFRASTRUCTURE
& CAPABILITIES**

**ACCESS TO
GLOBAL TALENT**



FINANCIAL OUTLOOK

NEAR-TERM

drive efficiency-led profit growth

➤ In FY21, we will focus on factors within our control to create a strong foundation for profitable expansion

Given our strong Q1 performance and assuming a continued slow and steady recovery from the pandemic, we now project fiscal year revenue to increase at a mid-single-digit rate over prior year on both a 52-week and 53-week basis. This includes the expectation for a low double-digit sales decline in the second quarter, with a significant topline inflection in the second half.

Project gross margin expansion through deliberate actions to raise AUR while aggressively controlling SG&A, including structural changes representing \$300M in gross run-rate savings, including \$200M in gross savings projected in FY21.

LONG-TERM

create a flywheel

➤ As revenues inflect, we will drive bottom-line growth in excess of top-line gains over the planning horizon

CAPITAL ALLOCATION PRIORITIES

NEAR-TERM

PRESERVE CASH

- In the near-term, our priority is to preserve our cash on-hand and utilize free cash flow for revolver paydown in FY21. We will start this paydown in the second quarter.

LONG-TERM

COMMITTED TO SHAREHOLDER RETURNS

- Over the long-term, our strategic intent is to return to sustainable top and bottom-line growth and strong free cash flow generation, which we intend to utilize for debt paydown as well as capital return to shareholders.
- Our commitment to driving organic growth, profitability and shareholder value long-term is unwavering.

“Given the strength of the first quarter, we are increasingly confident in our ability to drive sustainable top and bottom line growth that will create long-term value for all of our stakeholders.”

JOANNE CREVOISERAT, CHIEF EXECUTIVE OFFICER

OVERVIEW

by

BRAND



COACH

NEW YORK

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OUR VISION

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





958

DIRECTLY OPERATED STORES



55+

COUNTRIES



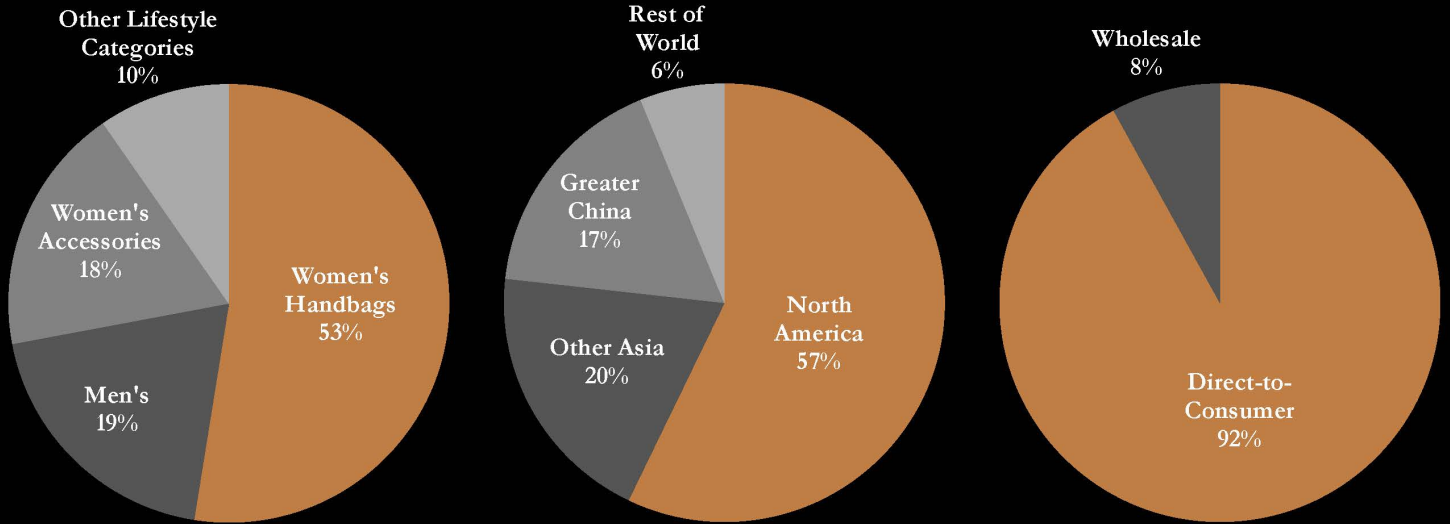
11,000+

EMPLOYEES

As of FY20.

COACH PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

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



As of FY20. Reflects adjustments to Wholesale penetration figure from previously reported number.

COACH MULTI-YEAR GROWTH STRATEGIES

DEEPEN ENGAGEMENT WITH CONSUMERS

- Enhance brand & cultural relevance

CREATE INNOVATIVE & COMPELLING PRODUCT

- Exceed the expectations of our target consumers by geography and customer segments

DRIVE DIGITAL SALES & NEW CUSTOMER RECRUITMENT

- Offer a true omnichannel experience

ACCELERATE GROWTH IN CHINA

- Tailor and optimize assortments
- Enhance marketing
- Expand reach across direct channels and third party online distribution

ENHANCE PROFITABILITY

- Improve AUR and increase gross margin through more focused assortments and a disciplined approach to promotions
- Achieve operational excellence by right-sizing SG&A cost structure and store fleet



“We’re ready to reignite the accessible luxury segment by evolving our message from one rooted in high fashion imagery to one that is inclusive, culturally relevant and consumer-centric. We will focus on authentic communications that are grounded in our values and embody the courageous spirit of New York City.”

TODD KAHN, INTERIM CEO & BRAND PRESIDENT, COACH





kate spade

NEW YORK



OUR VISION

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





420

DIRECTLY OPERATED STORES



35+

COUNTRIES

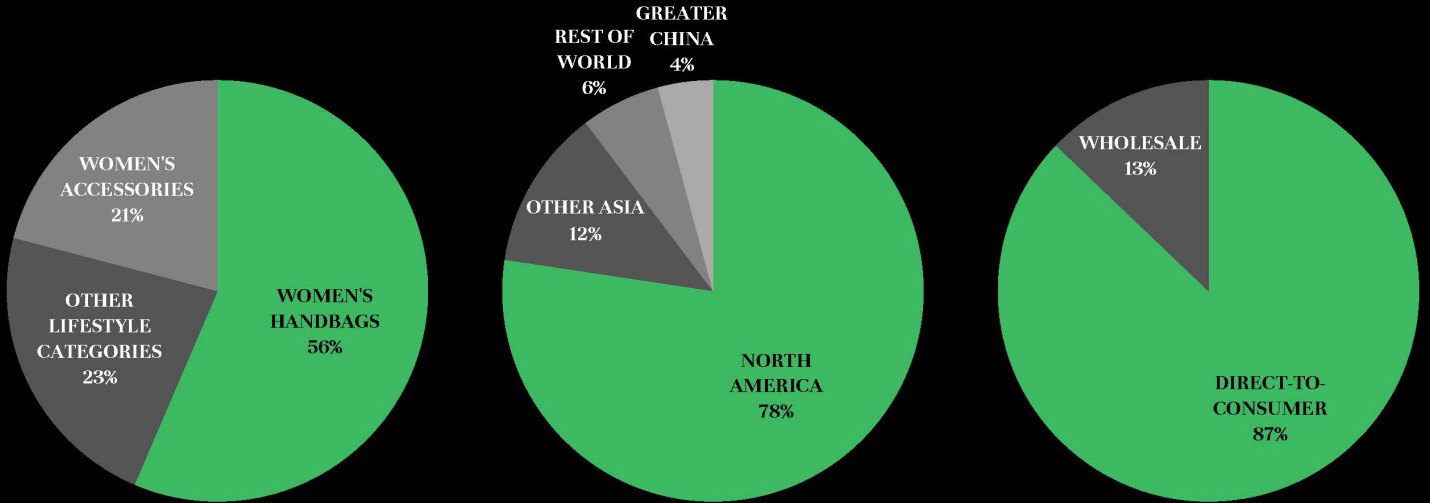


3,900+

EMPLOYEES

As of FY20.

KATE SPADE PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN
OPPORTUNITY TO REENERGIZE & GROW HANDBAGS, WHILE FOCUSING ON MARKETS WITH HIGH BRAND AWARENESS



As of FY20. Reflects adjustments to Wholesale penetration figure from previously reported number.

KATE SPADE MULTI-YEAR GROWTH STRATEGIES

CRYSTALLIZE BRAND PURPOSE & RETURN TO A POSITION OF STRENGTH

- Fulfill our promise as a lifestyle brand representing joy, optimism and color
- Amplify brand messages through unique, best-in-class storytelling on a multi-category lifestyle platform

INSTILL A LASER FOCUS ON THE CUSTOMER

- Foster a community of women emotionally connected to and inspired by the brand's story and values

REENERGIZE AND GROW HANDBAGS & LEATHERGOODS

- Reintroduce non-negotiable brand elements
- Rebuild core offering
- Capitalize on a new Signature platform

LEAN INTO DIGITAL STRENGTH

- Modernize and create engaging brand experiences across all digital platforms
- Unleash the power of the Kate Spade community

CAPTURE MARKET SHARE AND IMPROVE PROFITABILITY

- Acquire, reengage and retain customers, driving top and bottom line growth



“I am incredibly optimistic about the long-term potential for Kate Spade. We have a brand that has a universal language of Joy, Optimism and Color. Our customers have historically deeply connected to our brand emotionally. If we embed this language in our product, marketing and customer experience, we are more confident than ever that we can delight our existing customers and attract new ones.”

LIZ FRASER, CEO & BRAND PRESIDENT, KATE SPADE



STUART WEITZMAN

STUART WEITZMAN



OUR VISION

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

SW



131

DIRECTLY OPERATED STORES



40+

COUNTRIES



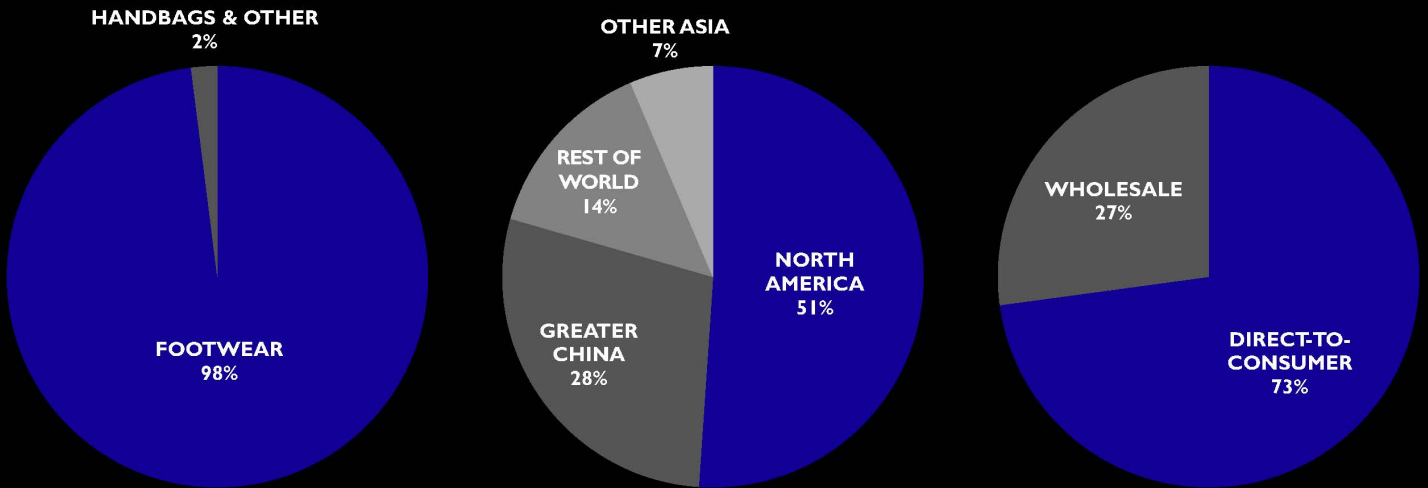
950+

EMPLOYEES

As of FY20.

STUART WEITZMAN PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

OPPORTUNITY TO FOCUS ON KEY GEOGRAPHIES & CHANNELS WITH A COMPELLING FOOTWEAR ASSORTMENT



SW

As of FY20.

STUART WEITZMAN MULTI-YEAR GROWTH STRATEGIES

RENEW REPUTATION FOR FIT, COMFORT & QUALITY

- Listen and respond to our customers' needs in order to design beautiful and on-trend shoes

GROW KEY CATEGORIES

- Build a leading presence in boots, booties and sandals
- Expand the casual assortment
- Dramatically simplify the product offering

RESTORE PROFITABILITY

- Focus distribution on markets and channels of greatest opportunity, notably China where the brand has strong momentum and high margins

STRENGTHEN RELATIONSHIP WITH WHOLESALE PARTNERS

- Provide relevant products and faster, more consistent execution

ESTABLISH A ROBUST DIGITAL PRESENCE

- Support best-in-class multi-media content and depth of assortment

“For nearly 35 years, Stuart Weitzman has empowered women to feel confident, stylish and sophisticated through its unmatched combination of fit, comfort and quality. Looking ahead, our long-term strategy centers on one principle: focus. Focus on the customer. Focus on tightening the product offering. And, focus on the most important geographic and channel opportunities.”

GIORGIO SARNÉ, CEO & BRAND PRESIDENT, STUART WEITZMAN

SW

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*

Established an Inclusion Council to ensure that people with diverse perspectives and backgrounds are included in business decisions.

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

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

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

Piloted in-person Inclusion training for our NA employees to foster a welcoming and open workplace where we fully embrace diverse perspectives to drive innovation and business results.

CORPORATE SOCIAL RESPONSIBILITY

2 *our planet*

Achieve a 20% reduction in absolute Scope 1 & Scope 2 CO₂e 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.

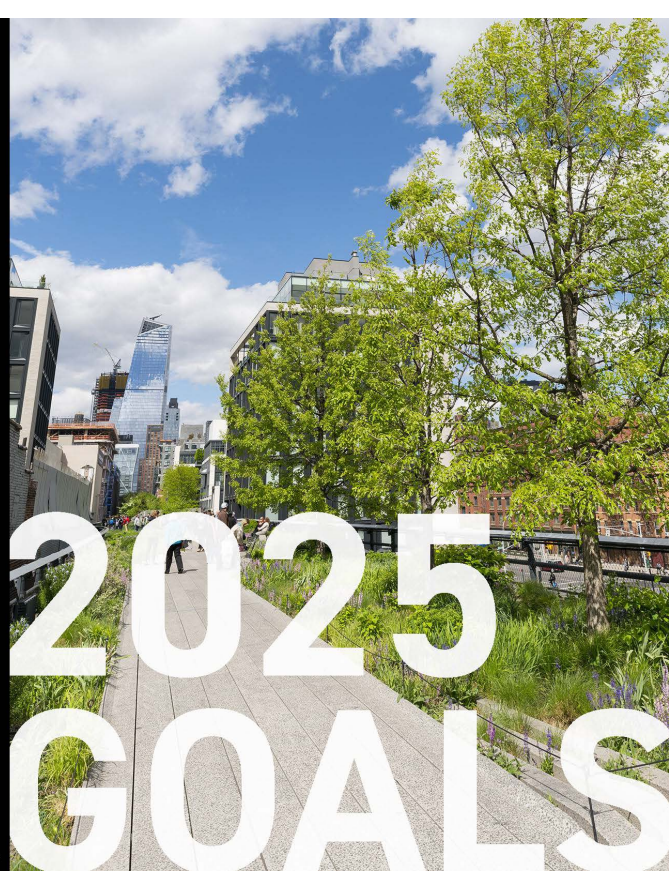
Ensure that 90% of leather is sourced from Silver and Gold-rated *Leather Working Group* tanneries.

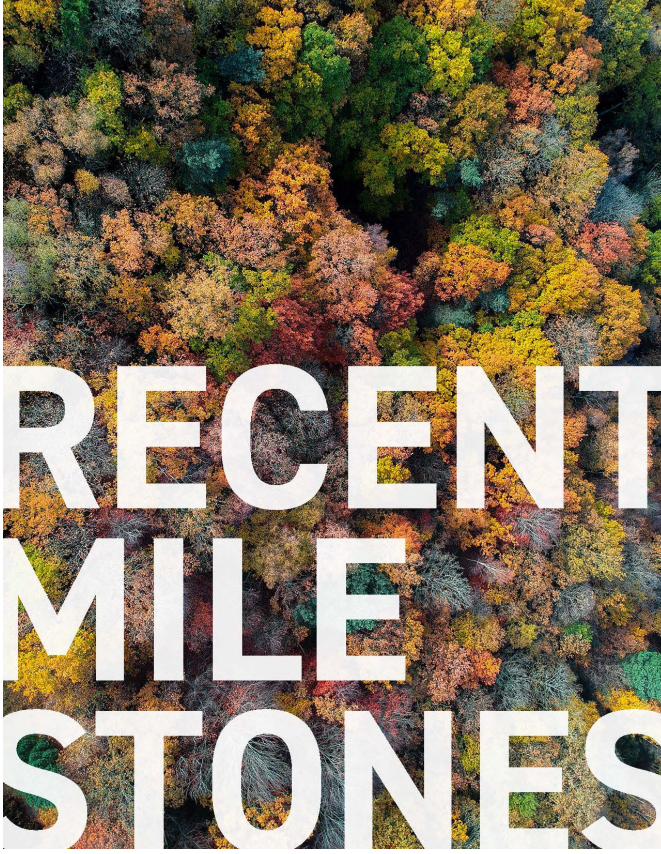
Achieve 75% recycled content in packaging and 25% reduction in North America corporate & distribution center waste.

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*

Reduced our 2019 carbon footprint by 2.4% from 2018 and a total of 6.7% from our 2017 baseline.

Commercialized five different lining textiles and purchased an aggregate one million pounds of REPREVE® recycled polyester for use in kate spade new york handbags, representing 27 million plastic bottles prevented from entering landfills.

Increased Renewable Energy Certificate purchases from 1,335 MWh in FY18 to 3,433 MWh in FY19.

Sourced 63% of leather from *Leather Working Group* Silver- and Gold-rated tanneries, with 79% achieving a PASS or higher.

Restored 45,678 Coach products in our Carlstadt, New Jersey repair facility in fiscal 2019 (86% of all products received to repair) compared to 43,087 in fiscal 2018 (86% of all products received to repair).

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.





CORPORATE SOCIAL RESPONSIBILITY

3 *our communities*

Donated \$22M in fiscal 2019 via grants from the Coach Foundation and kate spade new york Foundation, as well as through brand product donations.

Engaged our employees to volunteer over 5,750 hours, serving our communities globally.

Made \$429,000 in charitable donations matched through our Foundations' employee matching gift program.

In 2019, *on purpose*, kate spade new york's social enterprise initiative, worked with its contract supply partner, Abahizi Rwanda, to produce over 40,000 handbags for kate spade new york. The factory is 90% female, with 85% holding leadership roles, and is a certified B Corporation.

tapestry

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 has been presented both including and excluding the effect of certain items impacting comparability related to the CARES Act Tax Impact and the Acceleration Program for the first quarter of fiscal year 2021 and our ERP Implementation, Organization-Related and Integration Costs and Impairment for the first quarter of fiscal year 2020.

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 QUARTER ENDED SEPTEMBER 26, 2020

in millions, except per share data; unaudited

	GAAP BASIS (AS REPORTED)	CARES ACT TAX IMPACT	ACCELERATION PROGRAM	NON-GAAP BASIS (EXCLUDING ITEMS)
Coach	\$644.9	\$—	\$—	\$644.9
Kate Spade	154.1	—	—	154.1
Stuart Weitzman	31.2	—	—	31.2
Gross profit ⁽¹⁾	830.2	—	—	830.2
Coach	374.9	—	10.7	364.2
Kate Spade	130.9	—	1.0	129.9
Stuart Weitzman	31.2	—	(2.4)	33.6
Corporate	91.0	—	17.3	73.7
Selling, general and administrative expenses	628.0	—	26.6	601.4
Coach	270.0	—	(10.7)	280.7
Kate Spade	23.2	—	(1.0)	24.2
Stuart Weitzman	—	—	2.4	(2.4)
Corporate	(91.0)	—	(17.3)	(73.7)
Operating income (loss)	202.2	—	(26.6)	228.8
Provision for income taxes	(46.3)	(91.7)	(5.8)	51.2
Net income	231.7	91.7	(20.8)	160.8
Net income per diluted common share	0.83	0.33	(0.08)	0.58

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

GAAP TO NON-GAAP RECONCILIATION

FOR THE QUARTER ENDED SEPTEMBER 28, 2019

in millions, except per share data; unaudited

	GAAP BASIS (AS REPORTED)	ERP IMPLEMENTATION	ORGANIZATION- RELATED & INTEGRATION COSTS	IMPAIRMENT	NON-GAAP BASIS (EXCLUDING ITEMS)
Coach	\$677.6	\$—	\$(0.1)	\$—	\$677.7
Kate Spade	191.5	—	(1.2)	—	192.7
Stuart Weitzman	45.4	—	(2.8)	—	48.2
Gross profit ⁽¹⁾	914.5	—	(4.1)	—	918.6
Coach	478.1	—	0.3	41.5	436.3
Kate Spade	198.7	—	0.1	25.2	173.4
Stuart Weitzman	64.7	—	(2.4)	8.9	58.2
Corporate	121.4	14.5	22.7	—	84.2
Selling, general and administrative expenses	862.9	14.5	20.7	75.6	752.1
Coach	199.5	—	(0.4)	(41.5)	241.4
Kate Spade	(7.2)	—	(1.3)	(25.2)	19.3
Stuart Weitzman	(19.3)	—	(0.4)	(8.9)	(10.0)
Corporate	(121.4)	(14.5)	(22.7)	—	(84.2)
Operating income (loss)	51.6	(14.5)	(24.8)	(75.6)	166.5
Provision for income taxes	6.6	(3.5)	(5.4)	(12.1)	27.6
Net income	20.0	(11.0)	(19.4)	(63.5)	113.9
Net income per diluted common share	0.07	(0.04)	(0.07)	(0.22)	0.40

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

tapestry

COACH | kate spade | STUART WEITZMAN