

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): May 6, 2021

**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 May 6, 2021, Tapestry, Inc. (“Tapestry” or the “Company”) issued a press release (the “Press Release”) in which the Company announced its financial results for its third fiscal quarter ended March 27, 2021. The Company also posted a slide presentation entitled “Investor Presentation” dated May 6, 2021 on the “Presentations & Financial Reports” investor section of its website (www.tapestry.com). Copies of the Press Release and slide presentation are furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively. Information on the Company’s website is not, and will not be deemed to be, a part of this Current Report on Form 8-K or incorporated into any other filings the Company may make with the Securities and Exchange Commission.

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

**Item 9.01 Financial Statements and Exhibits.**

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

99.1 Text of Press Release, dated May 6, 2021

99.2 Slide Presentation entitled “Investor Presentation,” dated May 6, 2021

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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: May 6, 2021

TAPESTRY, INC.

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

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EXHIBIT INDEX

<a href="#"><u>99.1</u></a>	<a href="#"><u>Text of Press Release, dated May 6, 2021</u></a>
<a href="#"><u>99.2</u></a>	<a href="#"><u>Slide Presentation entitled "Investor Presentation," dated May 6, 2021</u></a>

## Tapestry, Inc. Reports Fiscal 2021 Third Quarter Results

### *Results Significantly Ahead of Expectations With Operating Income Exceeding Pre-Pandemic Levels*

- **Drove Sequential Improvement in Topline Trends and Outperformed Third Quarter Revenue Outlook**
- **Generated Triple-Digit Increase in Global Digital Sales, Fueled by New Customer Acquisition**
- **Delivered Strong Gross Margin Expansion Across Brands**
- **Now On Track to Exceed FY19 EPS for the Fiscal Year**

NEW YORK--(BUSINESS WIRE)--May 6, 2021--Tapestry, Inc. (NYSE: TPR), a leading New York-based house of modern luxury accessories and lifestyle brands, today reported results for the fiscal third quarter ended March 27, 2021.

Joanne Crevoiserat, Chief Executive Officer of Tapestry, Inc., said, “Our third quarter results significantly outpaced expectations, underscoring the power of the Acceleration Program and enthusiasm for our brands. Through a sharpened focus on the consumer, we fueled new customer acquisition at Coach, Kate Spade, and Stuart Weitzman and delivered robust sales growth led by Digital and China. Importantly, for the third consecutive quarter, we achieved operating income gains – compared to both FY20 and FY19 – supported by a continued reduction in promotional activity, higher AUR, and disciplined expense management. This performance is a testament to our talented teams around the world, whose creativity, agility, and resilience have enabled us to successfully navigate a challenging backdrop and deliver for our customers, while positioning Tapestry to emerge from the pandemic stronger.”

Ms. Crevoiserat continued, “Building on this momentum, we are increasingly optimistic about our ability to generate sustainable top and bottom-line growth. Looking forward, while the environment remains volatile, we see encouraging signs of recovery as vaccination efforts progress, resulting in increased consumer confidence, strong demand for our categories, and improving in-store traffic trends. In this context, we remain focused on driving brand relevance and customer engagement through product innovation and compelling marketing, supported by data-driven insights and a digital-first mindset. We will also continue to lean into our competitive advantages, including our globally diversified, direct-to-consumer model, and distort investments to high-growth opportunities. We are confident that our clear, consumer-centric strategy, powerful brands, and differentiated, scalable platform uniquely position us to capture market share at higher levels of profitability.”

### Tapestry, Inc. Fiscal Third Quarter 2021 Highlights

- Achieved sequential improvement in year-over-year revenue trends compared to both FY20 and FY19
- Realized continued momentum in Digital, driving triple-digit growth versus prior year, while improving revenue trends in-stores on both a one and two-year basis
- Posted a revenue increase of approximately 175% in Mainland China versus FY20 and 40% growth compared to FY19
- Drove a mid-teens sales increase versus prior year in North America, representing a return to pre-pandemic levels
- Expanded gross margin across brands year-over-year, primarily driven by lower, more disciplined promotional activity overall
- Reduced SG&A costs compared to last year, reflecting effective expense management and previously announced actions to transform the Company’s operating model, while reinvesting in the business and increasing marketing spend
- Delivered operating income growth and margin expansion – ahead of both FY20 and FY19 – for the third consecutive quarter
- Generated \$876 million of free cash flow year-to-date, underscoring the Company’s financial strength and flexibility

### Acceleration Program Highlights

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

- **Recruited approximately 700,000 new customers through our e-commerce channels in North America**, a meaningful increase versus prior year, as we continue to meet consumers where they choose to shop and leverage social media platforms to build awareness and drive engagement, notably with Millennial and Gen Z consumers;
- **Delivered an increase in purchase frequency** versus prior year through enhanced and consistent brand experiences across touchpoints and **reactivated lapsed customers across brands**;
- **Achieved significant growth in China compared to both FY20 and FY19** through integrated, comprehensive brand-building strategies, bringing innovative product, marketing, and experiences to Chinese consumers; **Drove revenue gains with Chinese consumers globally** compared to pre-pandemic levels;
- **Effectively reduced SKU counts by 30% to 50% and improved assortment productivity**, resulting in more focused product messaging and compelling offerings, which in turn, contributed to stronger overall AUR and gross margin through higher IMUs and lower promotional activity;
- **Utilized data and analytics tools across Tapestry’s platform** to provide us with a deeper understanding of customer behavior through measurement, enabling a ‘test-and-learn’ environment that empowers our teams to more quickly respond to changes in consumer preferences and demand as well as **scale opportunities across brands**;
- **Continued to enhance the flexibility of our operating model**, through a streamlined organizational structure and **optimized global fleet**, with 49 net closures year-to-date, representing a net decrease of 94 stores from the prior year; **Remain on track to achieve gross run-rate savings of \$300 million**, including gross savings of \$200 million in fiscal 2021.

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, creating a strong foundation for profitable expansion.

### Overview of Third Quarter 2021 Tapestry, Inc. Results

- **Net sales** totaled \$1.27 billion for the third quarter as compared to \$1.07 billion in the prior year, representing a 19% increase.
- **Gross profit** totaled \$912 million, while gross margin was 71.6% on both a reported and non-GAAP basis. This compared to prior year reported gross profit of \$616 million and gross margin of 57.4%. On a non-GAAP basis, prior year gross profit was \$720 million, while gross margin was 67.1%.
- **SG&A expenses** totaled \$795 million on a reported basis and represented 62.5% of sales compared to \$1.30 billion and 121.3%, respectively, in the year ago quarter. On a non-GAAP basis, SG&A expenses were \$729 million and represented 57.3% of sales as compared to \$752 million and 70.1%, respectively, in the year ago period.
- **Operating income** was \$117 million on a reported basis, while operating margin was 9.2% versus an operating loss of \$685 million and an operating margin of (63.9)% in the prior year. On a non-GAAP basis, operating income was \$183 million, while operating margin was 14.4%, which compares to an operating loss of \$32 million and an operating margin of (2.9)% in the prior year.
- **Net interest expense** was \$17 million in the quarter as compared to approximately \$13 million in the year ago period.
- **Other expense** was \$4 million versus \$6 million in the prior year.
- **Net income** for the quarter was \$92 million on a reported basis, with earnings per diluted share of \$0.32. This compared to a net loss of \$677 million with a loss per diluted share of \$2.45 in the prior year period. The reported tax rate for the quarter was 3.8% compared to 4.0% in the prior year period. On a non-GAAP basis, net income for the quarter was \$145 million with earnings per diluted share of \$0.51. This compared to a non-GAAP net loss of \$76 million with a loss per diluted share of \$0.27 in the prior year period. The non-GAAP tax rate for the quarter was 10.3% compared to (48.2)% in the prior year.
- **Inventory** was \$700 million at quarter-end versus ending inventory of \$853 million in the year ago period.

Fiscal third quarter results by brand were as follows:

### Coach Third Quarter 2021 Results

- **Net sales** for Coach totaled \$964 million for the fiscal third quarter as compared to approximately \$772 million in the prior year, representing an increase of 25% and a return to pre-pandemic revenue levels.
- **Gross profit** for Coach totaled \$718 million, while gross margin was 74.5% on both a reported and non-GAAP basis. This compared to prior year gross profit of \$476 million and gross margin of 61.6% on a reported basis. On a non-GAAP basis, gross profit was \$538 million, while gross margin was 69.6% in the year ago quarter.
- **SG&A expenses** for Coach were \$467 million on a reported basis and represented 48.4% of sales compared to \$438 million and 56.6%, respectively, in the year ago period. On a non-GAAP basis, SG&A expenses were \$442 million and represented 45.8% of sales compared to expenses of \$421 million and 54.5% of sales in the prior year.
- **Operating income** for Coach was \$251 million compared to reported operating income of \$38 million in the prior year, while operating margin was 26.1% versus 4.9% a year ago. On a non-GAAP basis, operating income was approximately \$276 million compared to \$116 million in the prior year, while operating margin was 28.7% versus 15.1% a year ago.

### Kate Spade Third Quarter 2021 Results

- **Net sales** for Kate Spade totaled \$252 million for the fiscal third quarter as compared to \$250 million in the prior year, representing an increase of 1%, which included an impact related to a strategic pullback in lower margin wholesale disposition sales.
- **Gross profit** for Kate Spade totaled \$160 million, while gross margin was 63.5% on a reported and non-GAAP basis. This compared to gross profit of approximately \$123 million and gross margin of 49.1% in the prior year on a reported basis, and \$155 million and 62.0%, respectively, on a non-GAAP basis.
- **SG&A expenses** for Kate Spade were \$169 million on a reported basis and represented 66.9% of sales. This compared to reported SG&A expenses of \$214 million in the year ago period, which represented 85.7% of sales. On a non-GAAP basis, SG&A expenses were \$149 million and represented 58.9% of sales, which compared to \$172 million and 68.9% of sales, respectively, in the prior year period.
- **Operating loss** for Kate Spade was \$9 million on a reported basis, representing an operating margin of (3.4)%. This compared to an operating loss of \$91 million and an operating margin of (36.6)% on a reported basis in the year ago period. On a non-GAAP basis, operating income was approximately \$12 million, while operating margin was 4.6%. This compared to an operating loss of \$17 million and an operating margin of (6.9)% on a non-GAAP basis in the previous year.

### Stuart Weitzman Third Quarter 2021 Results

- **Net sales** for Stuart Weitzman totaled \$57 million for the fiscal third quarter compared to \$51 million in the same period of the prior year, representing a 13% increase. These results included the negative impact of a North America wholesale timing shift into the fourth fiscal quarter.
- **Gross profit** for Stuart Weitzman totaled \$34 million on both a reported and non-GAAP basis, while gross margin for the quarter was 58.9%. This compared to prior year reported gross profit of \$18 million and gross margin of 35.4%. On a non-GAAP basis, prior year gross profit was \$28 million, while gross margin was 54.7%.
- **SG&A expenses** for Stuart Weitzman were \$51 million on a reported basis, which compared to reported SG&A expenses of \$549 million in the year ago period. On a non-GAAP basis, SG&A expenses were \$42 million as compared to \$63 million in the prior year period.
- **Operating loss** for Stuart Weitzman was approximately \$18 million on a reported basis, compared to an operating loss of \$531 million in the year ago period. On a non-GAAP basis, operating loss was \$8 million versus an operating loss of \$35 million in the prior year.

### Non-GAAP Reconciliation

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

- **Impairment:** \$46 million of pre-tax charges related to store assets primarily as a result of the continued impact of Covid-19.
- **Acceleration Program:** \$20 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 now expects to incur total charges of \$205 to \$220 million over the life of the Acceleration Program, including \$50 to \$65 million in remaining charges. The majority of these future costs are estimated to be cash.

Taken together, these items decreased the Company's net income and earnings per diluted share by \$53 million and \$0.19, respectively. Please refer to the financial tables included herein for a detailed reconciliation of the Company's reported to non-GAAP results.

### Fiscal Year 2021 Outlook

Due to the dynamic nature of the Covid-19 crisis and lack of visibility, the Company is not providing detailed guidance for fiscal 2021. However, given Tapestry's better-than-anticipated results year-to-date, and assuming a continued recovery emerging from the pandemic, the Company now expects revenue for the fiscal year to increase at a mid-teens rate compared to prior year on both a 52 and 53-week basis. This outlook now includes the expectation for fiscal year 2021 operating income and earnings per diluted to share to increase versus fiscal year 2019 on a 52 and 53-week basis.

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 8:00 a.m. (ET) today, May 6, 2021. 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 5689959. 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 5689959. 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 2021 fourth quarter and full year results on Thursday, August 19, 2021. To receive notification of future announcements, please register at [www.tapestry.com/investors](http://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](http://www.tapestry.com). For important news and information regarding Tapestry, visit the Investor Relations section of our website at [www.tapestry.com/investors](http://www.tapestry.com/investors). In addition, investors should continue to review our news releases and filings with the SEC. We use each of these channels of distribution as primary channels for publishing key information to our investors, some of which may contain material and previously non-public information. 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," "anticipate," "leveraging," "sharpening," "transforming," "creating," "accelerating," "enhancing," "leaning into," "innovation," "drive,"*

“targeting,” “assume,” “plan,” “progress,” “optimistic,” “confident,” “future,” “uncertain backdrop,” “emerge,” “on track,” “positioned to,” “look forward to,” “looking ahead,” “to acquire,” “achieve,” “strategic,” “steady recovery,” “growth,” “view,” “stretching what’s possible,” 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 and our global sourcing activities, our ability to achieve intended benefits, cost savings and synergies from acquisitions, the risk of cybersecurity threats and privacy or data security breaches, the impact of pending and potential future legal proceedings, 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 Quarter & Nine Months Ended March 27, 2021 and March 28, 2020**

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

	<b>(unaudited)</b>		<b>(unaudited)</b>	
	<b>QUARTER ENDED</b>		<b>NINE MONTHS ENDED</b>	
	<b>March 27, 2021</b>	<b>March 28, 2020</b>	<b>March 27, 2021</b>	<b>March 28, 2020</b>
Net sales	\$ 1,273.3	\$ 1,072.7	\$ 4,130.9	\$ 4,246.6
Cost of sales	361.4	456.5	1,215.1	1,506.2
Gross profit	911.9	616.2	2,915.8	2,740.4
Selling, general and administrative expenses	795.2	1,301.7	2,207.5	3,011.2
Operating income (loss)	116.7	(685.5)	708.3	(270.8)
Interest expense, net	16.9	13.5	55.0	39.8
Other expense (gain)	4.4	6.0	(1.8)	12.8
Income before provision for income taxes	95.4	(705.0)	655.1	(323.4)
Provision for income taxes	3.7	(27.9)	20.7	34.9
Net income (loss)	\$ 91.7	\$ (677.1)	\$ 634.4	\$ (358.3)
Net income (loss) per share:				
Basic	\$ 0.33	\$ (2.45)	\$ 2.29	\$ (1.28)
Diluted	\$ 0.32	\$ (2.45)	\$ 2.25	\$ (1.28)
Shares used in computing net income per share:				
Basic	278.2	276.1	277.5	279.4
Diluted	285.6	276.1	281.5	279.4

**TAPESTRY, INC.**

**DETAIL TO NET SALES**

**For the Quarter & Nine Months Ended March 27, 2021 and March 28, 2020**

**(in millions)**

**(unaudited)**

**QUARTER ENDED**

			<b>Constant Currency</b>		
	<b>March 27, 2021</b>	<b>March 28, 2020</b>	<b>% Change vs. FY20</b>	<b>% Change vs. FY19</b>	<b>% Change vs. FY20</b>
Coach	\$ 963.5	\$ 772.5	25%	-%	22%
Kate Spade	252.4	249.5	1%	(10)%	-%
Stuart Weitzman	57.4	50.7	13%	(33)%	9%
Total Tapestry	\$ 1,273.3	\$ 1,072.7	19%	(4)%	16%

**NINE MONTHS ENDED**

			<b>Constant Currency</b>		
	<b>March 27, 2021</b>	<b>March 28, 2020</b>	<b>% Change vs. FY20</b>	<b>% Change vs. FY19</b>	<b>% Change vs. FY20</b>
Coach	\$ 3,064.2	\$ 3,008.3	2%	(4)%	-%
Kate Spade	868.4	985.4	(12)%	(16)%	(12)%
Stuart Weitzman	198.3	252.9	(22)%	(35)%	(23)%
Total Tapestry	\$ 4,130.9	\$ 4,246.6	(3)%	(9)%	(4)%

**TAPESTRY, INC.**

**GAAP TO NON-GAAP RECONCILIATION**

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

**(unaudited)**

**For the Quarter Ended March 27, 2021**

**Items Affecting Comparability**

GAAP Basis (As Reported)	Acceleration Program	Impairment	Non-GAAP Basis (Excluding Items)
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<b>Cost of sales</b>				
Coach	718.0	-	-	718.0
Kate Spade	160.2	-	-	160.2
Stuart Weitzman	33.7	-	-	33.7
<b>Gross profit<sup>(1)</sup></b>	<b>\$ 911.9</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 911.9</b>
<b>SG&amp;A expenses</b>				
Coach	466.6	4.7	20.4	441.5
Kate Spade	168.9	0.9	19.3	148.7
Stuart Weitzman	51.2	3.4	6.1	41.7
Corporate	108.5	11.4	-	97.1
<b>SG&amp;A expenses</b>	<b>\$ 795.2</b>	<b>\$ 20.4</b>	<b>\$ 45.8</b>	<b>\$ 729.0</b>
<b>Operating income (loss)</b>				
Coach	251.4	(4.7)	(20.4)	276.5
Kate Spade	(8.7)	(0.9)	(19.3)	11.5
Stuart Weitzman	(17.5)	(3.4)	(6.1)	(8.0)
Corporate	(108.5)	(11.4)	-	(97.1)
<b>Operating income (loss)</b>	<b>\$ 116.7</b>	<b>\$ (20.4)</b>	<b>\$ (45.8)</b>	<b>\$ 182.9</b>
<b>Provision for income taxes</b>	3.7	(3.2)	(9.8)	16.7
<b>Net income (loss)</b>	<b>\$ 91.7</b>	<b>\$ (17.2)</b>	<b>\$ (36.0)</b>	<b>\$ 144.9</b>
<b>Net income (loss) per diluted common share</b>	<b>\$ 0.32</b>	<b>\$ (0.06)</b>	<b>\$ (0.13)</b>	<b>\$ 0.51</b>

(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 Nine Months Ended March 27, 2021**

**Items Affecting Comparability**

GAAP Basis (As Reported)	CARES Act Impact	Tax Acceleration Program	Impairment	Non-GAAP Basis (Excluding Items)
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<b>Cost of sales</b>				
Coach	2,251.0	-	-	2,251.0
Kate Spade	547.4	-	-	547.4
Stuart Weitzman	117.4	-	-	117.4
<b>Gross profit<sup>(1)</sup></b>	<b>\$ 2,915.8</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,915.8</b>
<b>SG&amp;A expenses</b>				
Coach	1,317.6	-	21.2	1,276.0
Kate Spade	474.1	-	4.3	450.5
Stuart Weitzman	123.0	-	(1.3)	118.2
Corporate	292.8	-	44.5	248.3
<b>SG&amp;A expenses</b>	<b>\$ 2,207.5</b>	<b>\$ -</b>	<b>\$ 68.7</b>	<b>\$ 2,093.0</b>
<b>Operating income (loss)</b>				
Coach	933.4	-	(21.2)	975.0
Kate Spade	73.3	-	(4.3)	96.9
Stuart Weitzman	(5.6)	-	1.3	(0.8)
Corporate	(292.8)	-	(44.5)	(248.3)
<b>Operating income (loss)</b>	<b>\$ 708.3</b>	<b>\$ -</b>	<b>\$ (68.7)</b>	<b>\$ 822.8</b>
<b>Provision for income taxes</b>	20.7	(95.0)	(15.4)	140.9
<b>Net income (loss)</b>	<b>\$ 634.4</b>	<b>\$ 95.0</b>	<b>\$ (53.3)</b>	<b>\$ 628.7</b>
<b>Net income (loss) per diluted common share</b>	<b>\$ 2.25</b>	<b>\$ 0.27</b>	<b>\$ (0.15)</b>	<b>\$ 2.23</b>

(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 March 28, 2020**

**Items Affecting Comparability**

GAAP Basis (As Reported)	Organization-related & ERP Implementation	Integration costs	Non-GAAP Basis (Excluding Items)
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<b>Cost of sales</b>			
Coach	475.7	-	(61.9)
Kate Spade	122.5	-	(32.3)

537.6  
154.8



Stuart Weitzman	18.0	-	-	(9.8)	27.8
<b>Gross profit<sup>(1)</sup></b>	<b>\$ 616.2</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (104.0)</b>	<b>\$ 720.2</b>
<b>SG&amp;A expenses</b>					
Coach	437.6	-	-	16.4	421.2
Kate Spade	213.8	-	0.3	41.5	172.0
Stuart Weitzman	548.7	-	0.2	485.8	62.7
Corporate	101.6	2.8	2.9	-	95.9
<b>SG&amp;A expenses</b>	<b>\$ 1,301.7</b>	<b>\$ 2.8</b>	<b>\$ 3.4</b>	<b>\$ 543.7</b>	<b>\$ 751.8</b>
<b>Operating income (loss)</b>					
Coach	38.1	-	-	(78.3)	116.4
Kate Spade	(91.3)	-	(0.3)	(73.8)	(17.2)
Stuart Weitzman	(530.7)	-	(0.2)	(495.6)	(34.9)
Corporate	(101.6)	(2.8)	(2.9)	-	(95.9)
<b>Operating income (loss)</b>	<b>\$ (685.5)</b>	<b>\$ (2.8)</b>	<b>\$ (3.4)</b>	<b>\$ (647.7)</b>	<b>\$ (31.6)</b>
<b>Provision for income taxes</b>	<b>(27.9)</b>	<b>(0.7)</b>	<b>(2.5)</b>	<b>(49.4)</b>	<b>24.7</b>
<b>Net income (loss)</b>	<b>\$ (677.1)</b>	<b>\$ (2.1)</b>	<b>\$ (0.9)</b>	<b>\$ (598.3)</b>	<b>\$ (75.8)</b>
<b>Net income (loss) per diluted common share</b>	<b>\$ (2.45)</b>	<b>\$ (0.01)</b>	<b>\$ -</b>	<b>\$ (2.17)</b>	<b>\$ (0.27)</b>

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

(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 Acceleration Program and Impairment costs for the third quarter of fiscal year 2021 and the effect of certain items related to the tax benefit the Company received under the CARES Act, the Acceleration Program and Impairment costs for the first nine months of fiscal year 2021 and ERP Implementation, Organization-related & Integration Costs, and Impairment costs for the third quarter and first nine months of fiscal year 2020.

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 net sales results by translating current period net sales in local currency using the prior year period's currency conversion rate.

Net sales changes for the Company and each segment are based on absolute sales dollar changes and are not presented in accordance with the Company's comparable sales definition utilized historically due to the uncertain business environment resulting from the impact of the Covid-19 pandemic.

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.

In addition to these non-GAAP measures, the Company has provided comparisons to certain fiscal year 2019 results and trends, which the Company believes is useful to investors and others in evaluating the Company's results, due to the significant impact of the Covid-19 pandemic on the Company's operations and

financial results, notably in the second half of fiscal year 2020.

**TAPESTRY, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**At March 27, 2021 and June 27, 2020**  
**(in millions)**

	<b>(unaudited)</b>	<b>(audited)</b>
	<b>March 27, 2021</b>	<b>June 27, 2020</b>
<b>ASSETS</b>		
Cash, cash equivalents and short-term investments	\$ 1,659.2	\$ 1,434.4
Receivables	240.6	193.3
Inventories	700.3	736.9
Other current assets	296.5	188.5
	<u>2,896.6</u>	<u>2,553.1</u>
Total current assets	2,896.6	2,553.1
Property and equipment, net	673.8	775.2
Lease right-of-use assets	1,555.2	1,757.0
Other noncurrent assets	2,840.4	2,838.9
	<u>2,840.4</u>	<u>2,838.9</u>
Total assets	<u>\$ 7,966.0</u>	<u>\$ 7,924.2</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Accounts payable	\$ 409.5	\$ 130.8
Accrued liabilities	527.0	511.0
Short-term lease liabilities	354.6	388.8
Current debt	-	711.5
	<u>1,291.1</u>	<u>1,742.1</u>
Total current liabilities	1,291.1	1,742.1
Long-term debt	1,590.0	1,587.9
Long-term lease liabilities	1,576.3	1,799.8
Other liabilities	493.6	518.0
Stockholders' equity	<u>3,015.0</u>	<u>2,276.4</u>
Total liabilities and stockholders' equity	<u>\$ 7,966.0</u>	<u>\$ 7,924.2</u>

**TAPESTRY, INC.**  
**STORE COUNT**  
**At December 26, 2020 and March 27, 2021**  
**(unaudited)**

**As of** **As of**  
**Directly-Operated Store Count: December 26, 2020 Openings (Closures) March 27, 2021**

<b><u>Coach</u></b>				
North America	374	-	(17)	357
International	586	8	(7)	587

<b><u>Kate Spade</u></b>				
North America	216	-	(5)	211
International	206	1	(5)	202

<b><u>Stuart Weitzman</u></b>				
North America	54	-	(5)	49
International	55	4	(5)	54

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# 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," "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 and global sourcing activities, as well as shipping constraints;
- 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 pending and potential future legal proceedings; 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*



Jennifer Lopez

**COACH**

*established 1941*

**AUTHENTIC  
COURAGEOUS  
INCLUSIVE**



STUART WEITZMAN

*established 1986*

**STYLISH  
CONFIDENT  
SOPHISTICATED**

kate spade  
NEW YORK

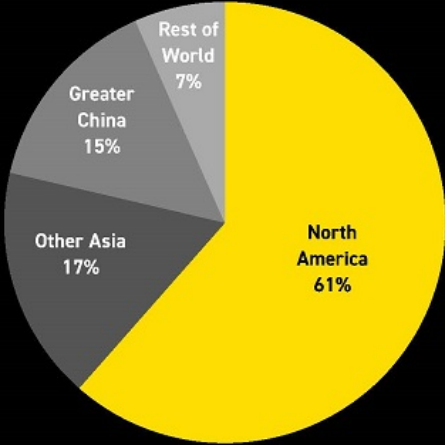
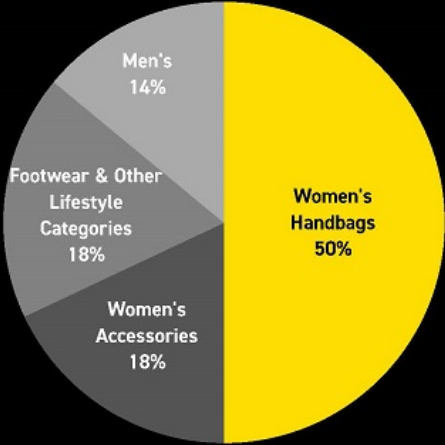


*established 1993*

**JOYFUL  
OPTIMISTIC  
COLORFUL**

# TAPESTRY PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

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



# LEADERSHIP TEAM

**Joanne Crevoiserat**  
Chief Executive Officer



**Todd Kahn**  
CEO and Brand President, Coach



**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**  
General Counsel and Secretary



**Sarah Dunn**  
Global Human Resources Officer



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





# 3Q21 *update*

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## THIRD QUARTER RESULTS CONTINUED TO OUTPERFORM EXPECTATIONS

### OPERATING INCOME EXCEEDED PRE-PANDEMIC LEVELS

Delivered sequential improvement in topline trends and drove robust sales growth, led by Digital and China

Fueled new customer acquisition and drove improved purchase frequency rates across brands through a sharpened focus on the consumer

Generated operating income above both FY20 and FY19 levels for the third consecutive quarter, supported by a continued reduction in promotional activity, higher AUR, and disciplined expense management

Now on track to exceed pre-pandemic levels of EPS for the fiscal year

### INCREASINGLY OPTIMISTIC ABOUT OUR ABILITY TO GENERATE SUSTAINABLE TOP AND BOTTOM-LINE GROWTH

Further conviction in our long-term growth potential despite the volatile environment given momentum year-to-date and encouraging signs of recovery

Remain focused on driving brand relevance and customer engagement through product innovation and compelling marketing, supported by data-driven insights

Continuing to lean into our competitive advantages and distort investments to high-growth opportunities

THIRD QUARTER RESULTS HIGHLIGHT THE *power* OF OUR BRANDS & THE *advantages* OF TAPESTRY'S PLATFORM

Revenue trends

**improved sequentially**

vs. both FY20 and FY19

Drove continued

**triple-digit**

growth in global Digital sales

Mainland China revenue increased

**40%**

vs. FY19 and rose significantly vs. FY20

Gross margin expanded by

**450 bps**

with gains across all brands

Delivered brick & mortar operating margin

**above FY19**

despite continued traffic pressures

Realized operating income and EPS growth of

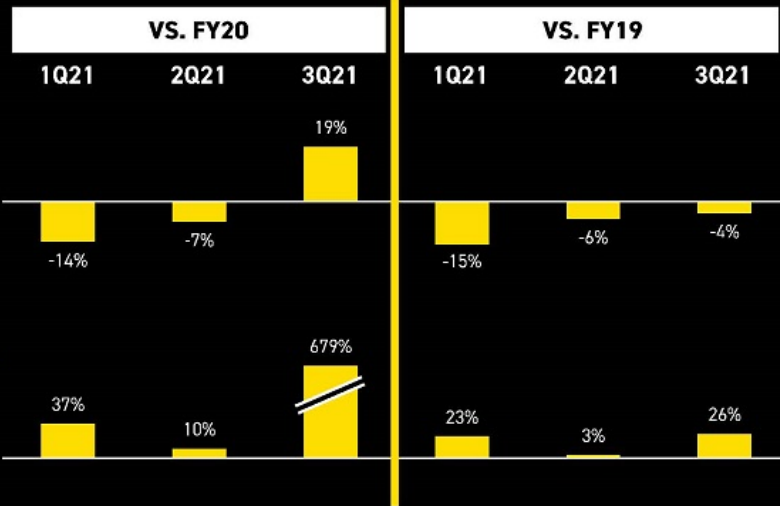
**over 20%**

compared to pre-pandemic levels

CONTINUED TO GENERATE *operating income growth* AS REVENUE TRENDS IMPROVED SEQUENTIALLY

**REVENUE**

% growth



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

## FINANCIAL OUTLOOK

### *drive efficiency-led profit growth*

➤ **In FY21, we will continue to focus on driving profitability through a sharpened focus on the consumer**

Given better-than anticipated results year-to date, and assuming a continued recovery from the pandemic, we expect FY21 mid-teens revenue growth vs. prior year on a 52 and 53-week basis. This includes the expectation for fourth quarter sales to increase approximately 110% (on a 13-week basis), thereby approaching FY19 levels of revenue.

Now expect operating income and EPS to exceed pre-pandemic levels

### *create a flywheel*

➤ **As we continue to emerge from the pandemic, we expect to deliver top and bottom-line growth over our planning horizon**

## CAPITAL ALLOCATION PRIORITIES

### NEAR-TERM

- Generated \$876 million of free cash flow year-to-date, underscoring our financial strength and flexibility
- Paid down revolver in full in January
- Continue to preserve our cash-on-hand while re-investing in the business

### LONG-TERM

- Return to sustainable top and bottom-line growth, resulting in strong free cash flow generation, enabling continued debt paydown and capital returns to shareholders
- Remain committed to driving organic growth, profitability, and shareholder value

*acceleration*  
**PROGRAM**

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# *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* THIRD QUARTER HIGHLIGHTS



Recruited approximately **700,000 new customers** through our e-commerce channels in North America, a meaningful increase versus prior year



Delivered an **increase in purchase frequency** versus prior year through enhanced and consistent brand experiences across touchpoints and **reactivated lapsed customers** across brands



Achieved **significant growth in China** compared to both FY20 and FY19 through integrated, comprehensive brand-building strategies, bringing innovative product, marketing, and experiences to Chinese consumers



Utilized **data and analytics** capabilities to provide a deeper understanding of customer behavior and enhance processes, which supported **strong financial outcomes**, including gross margin expansion, higher AUR, and an increase in SKU productivity



Continued to enhance the flexibility of our operating model, with **49 net closures** year-to-date, representing a net decrease of 94 stores from the prior year; Remain on track to achieve gross run-rate savings of **\$300 million**, including gross savings of \$200 million in FY21

## THE FOUNDATIONAL CHANGES WE HAVE MADE THROUGH OUR *acceleration program* ARE FUELING PROFIT GAINS & STRUCTURALLY HIGHER MARGINS...

### *foundational changes >>> sustainable gains*

- Reduced total SKU counts by 30-50% across brands
- Implemented tighter inventory management; Inventory turn now tied to compensation
- Raised profitability threshold of stores; closed 94 net locations over the past year
- Simplified organizational structure & reduced corporate headcount by 20%
- Continued to embed and utilize data across the organization to increase agility and responsiveness, notably through optimized assortment planning, informed pricing decisions, and door clustering efforts
- Sustainably higher AUR and significant gross margin expansion
- Improved SKU productivity, in turn increasing inventory turn and providing clearer messages to consumers
- \$300M in gross run-rate SG&A savings, which, in part, will fund future investments
- On track to exceed peak operating margin as Tapestry

...WE ARE NOW TRANSITIONING TO A PERIOD OF *sustainable, demand-driven* REVENUE AND PROFIT GROWTH TO FULLY UNLOCK THE FLYWHEEL

## BRANDS

PURPOSE-LED  
ACCESSIBLE LUXURY

## PRODUCTS

DESIGN-FORWARD  
FOCUSED ASSORTMENT  
INFORMED BY DATA

## CHANNELS

DIRECT TO CONSUMER MODEL  
OUTSIZED OPPORTUNITY IN  
CHINA & DIGITAL



DRIVING  
RECRUITMENT OF  
NEW CUSTOMERS



INCREASING RETENTION  
AND LIFETIME VALUE  
OF EACH CUSTOMER



**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**



*“We are increasingly optimistic about our ability to generate long-term top and bottom-line growth, building on our strong performance to date. The changes we have made through our Acceleration Program are foundational – as we embed a consumer-centric approach into our organization, unlock new ways of working, and distort our focus to high-return initiatives, we are establishing sustainable growth drivers for Tapestry and our brands.”*

JOANNE CREVOISERAT, CHIEF EXECUTIVE OFFICER

**OVERVIEW**

*by*

**BRAND**

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**COACH**

NEW YORK

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Quincy



**COACH**



## OUR VISION

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





Binx Walton

**COACH**

958

DIRECTLY OPERATED STORES



55+

COUNTRIES



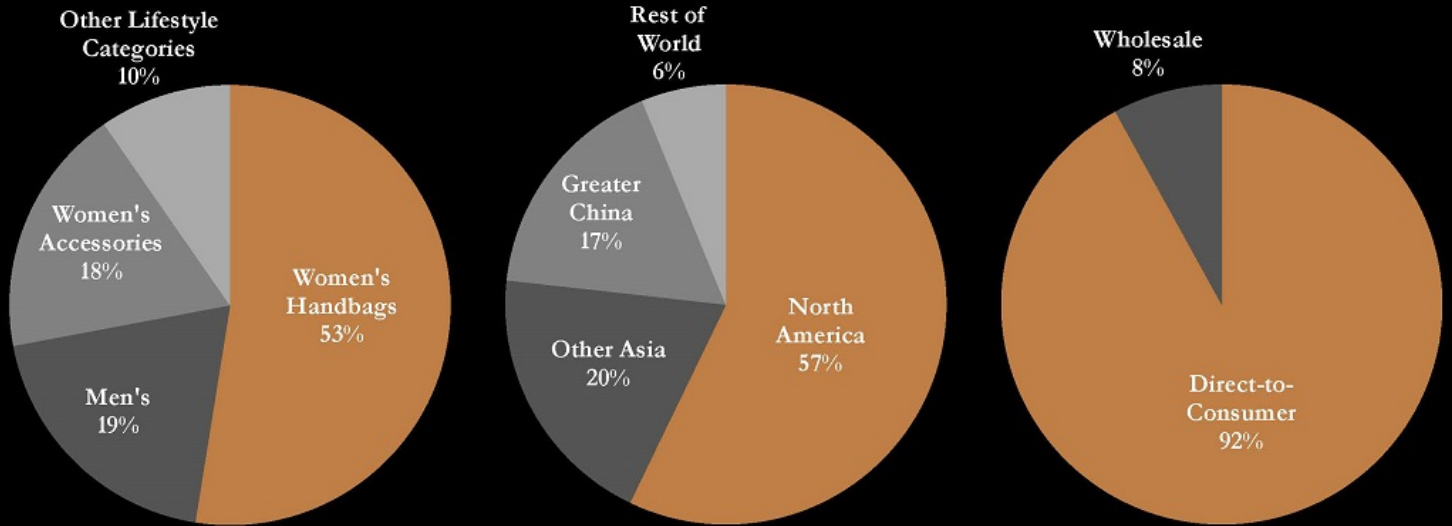
11,000+

EMPLOYEES

As of FY20.

# COACH PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

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



As of FY20.

# 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, CEO & BRAND PRESIDENT, COACH**





kate spade

NEW YORK

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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

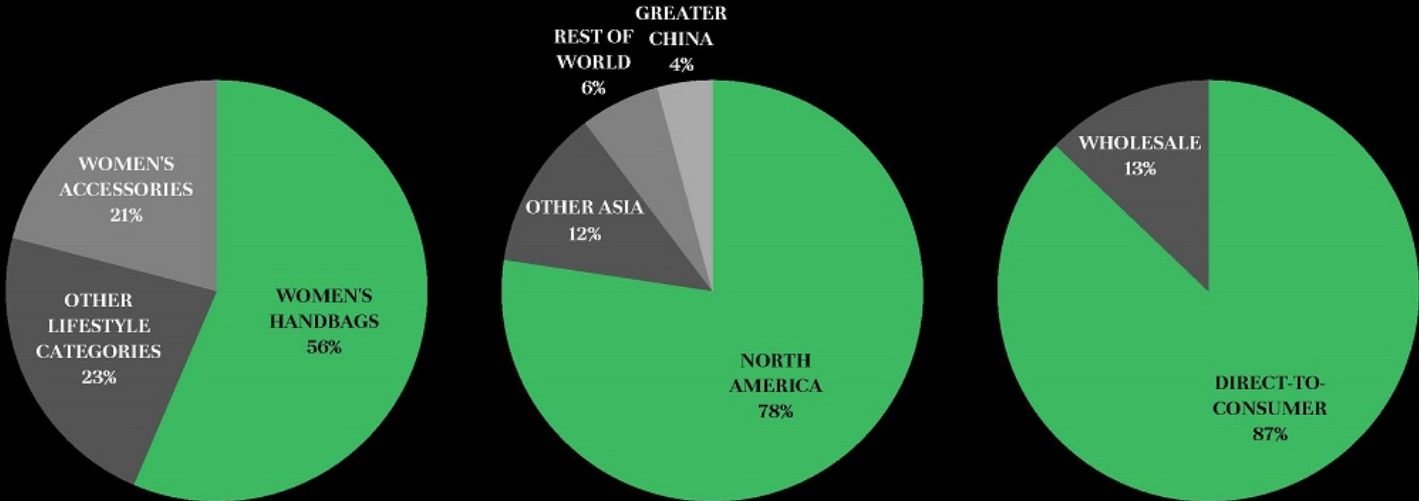


3,900+

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.

# 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

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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+

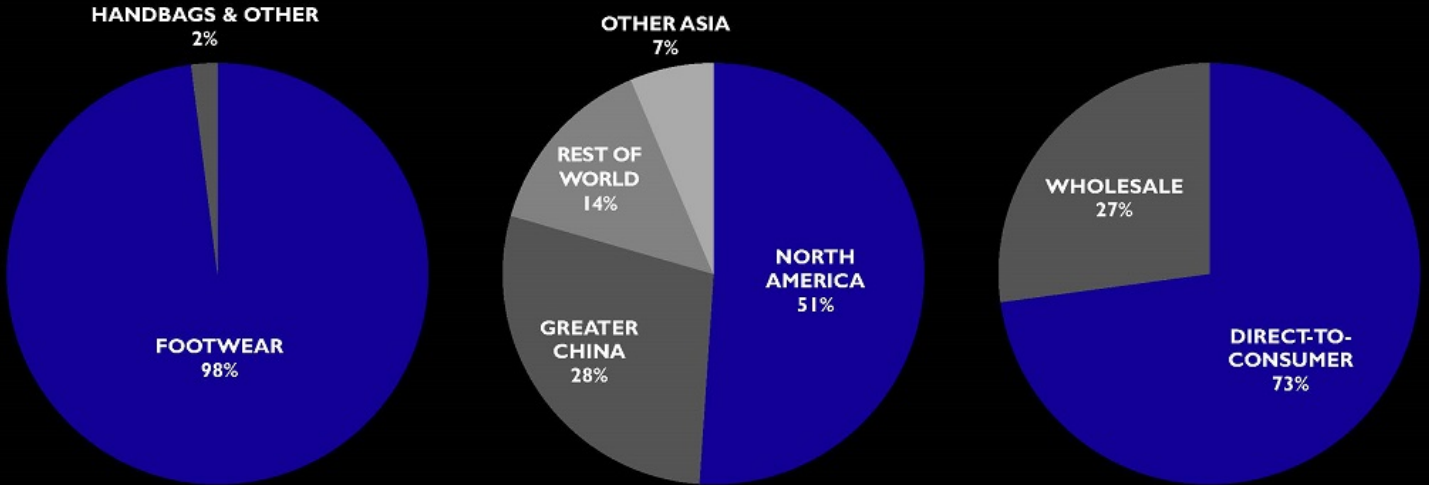
EMPLOYEES

*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

**our**  
*social fabric*

---

**corporate responsibility**

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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.*

## OUR SOCIAL FABRIC: CORPORATE SOCIAL RESPONSIBILITY

THE 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.

## OUR SOCIAL FABRIC

### 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.

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## OUR SOCIAL FABRIC

### 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 seventh 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.



## OUR SOCIAL FABRIC

### 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.

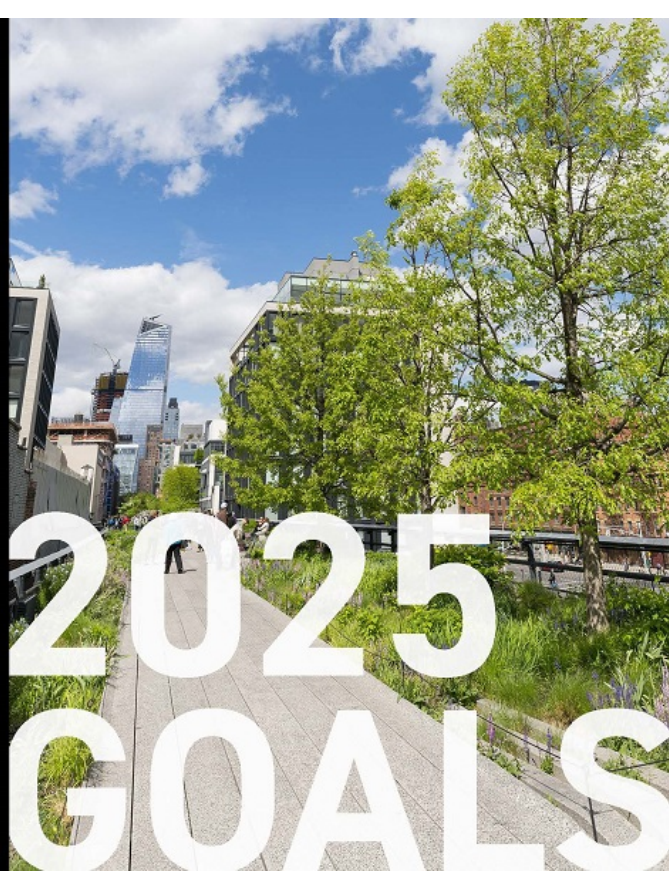
Ensure that 90% of leather is sourced from Silver and Gold-rated *Leather Working Group* tanneries.

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.

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Photo courtesy of Friends of the High Line.





## OUR SOCIAL FABRIC

### 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 REPVE® 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).

## OUR SOCIAL FABRIC

### 3 *our communities*

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

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

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

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## OUR SOCIAL FABRIC

### 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**

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# 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 has been presented both including and excluding the effect of certain items impacting comparability related to the Acceleration Program and Impairment costs for the third quarter of fiscal year 2021 and our ERP Implementation and Organization-Related, Integration Costs, and Impairment costs for the third 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 MARCH 27, 2021

*in millions, except per share data; unaudited*

	GAAP BASIS (AS REPORTED)	ACCELERATION PROGRAM	IMPAIRMENT	NON-GAAP BASIS (EXCLUDING ITEMS)
Coach	\$718.0	\$—	\$—	\$718.0
Kate Spade	160.2	—	—	160.2
Stuart Weitzman	33.7	—	—	33.7
<b>Gross profit<sup>(1)</sup></b>	<b>911.9</b>	<b>—</b>	<b>—</b>	<b>911.9</b>
Coach	466.6	4.7	20.4	441.5
Kate Spade	168.9	0.9	19.3	148.7
Stuart Weitzman	51.2	3.4	6.1	41.7
Corporate	108.5	11.4	—	97.1
<b>Selling, general and administrative expenses</b>	<b>795.2</b>	<b>20.4</b>	<b>45.8</b>	<b>729.0</b>
Coach	251.4	(4.7)	(20.4)	276.5
Kate Spade	(8.7)	(0.9)	(19.3)	11.5
Stuart Weitzman	(17.5)	(3.4)	(6.1)	(8.0)
Corporate	(108.5)	(11.4)	—	(97.1)
<b>Operating income (loss)</b>	<b>116.7</b>	<b>(20.4)</b>	<b>(45.8)</b>	<b>182.9</b>
Provision for income taxes	3.7	(3.2)	(9.8)	16.7
<b>Net income (loss)</b>	<b>91.7</b>	<b>(17.2)</b>	<b>(36.0)</b>	<b>144.9</b>
<b>Net income (loss) per diluted common share</b>	<b>0.32</b>	<b>(0.06)</b>	<b>(0.13)</b>	<b>0.51</b>

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



# GAAP TO NON-GAAP RECONCILIATION

## FOR THE QUARTER ENDED MARCH 28, 2020

*in millions, except per share data; unaudited*

	GAAP BASIS (AS REPORTED)	ERP IMPLEMENTATION	ORGANIZATION- RELATED & INTEGRATION COSTS	IMPAIRMENT	NON-GAAP BASIS (EXCLUDING ITEMS)
Coach	\$475.7	\$—	\$—	(\$61.9)	\$537.6
Kate Spade	122.5	—	—	(32.3)	154.8
Stuart Weitzman	18.0	—	—	(9.8)	27.8
<b>Gross profit<sup>(1)</sup></b>	<b>616.2</b>	<b>—</b>	<b>—</b>	<b>(104.0)</b>	<b>720.2</b>
Coach	437.6	—	—	16.4	421.2
Kate Spade	213.8	—	0.3	41.5	172.0
Stuart Weitzman	548.7	—	0.2	485.8	62.7
Corporate	101.6	2.8	2.9	—	95.9
<b>Selling, general and administrative expenses</b>	<b>1,301.7</b>	<b>2.8</b>	<b>3.4</b>	<b>543.7</b>	<b>751.8</b>
Coach	38.1	—	—	(78.3)	116.4
Kate Spade	(91.3)	—	(0.3)	(73.8)	(17.2)
Stuart Weitzman	(530.7)	—	(0.2)	(495.6)	(34.9)
Corporate	(101.6)	(2.8)	(2.9)	—	(95.9)
<b>Operating income (loss)</b>	<b>(685.5)</b>	<b>(2.8)</b>	<b>(3.4)</b>	<b>(647.7)</b>	<b>(31.6)</b>
Provision for income taxes	(27.9)	(0.7)	(2.5)	(49.4)	24.7
<b>Net income (loss)</b>	<b>(677.1)</b>	<b>(2.1)</b>	<b>(0.9)</b>	<b>(598.3)</b>	<b>(75.8)</b>
<b>Net income (loss) per diluted common share</b>	<b>(2.45)</b>	<b>(0.01)</b>	<b>—</b>	<b>(2.17)</b>	<b>(0.27)</b>

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

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COACH | kate spade | STUART WEITZMAN