

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

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

Date of report (Date of earliest event reported): February 4, 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 February 4, 2021, Tapestry, Inc. (“Tapestry” or the “Company”) issued a press release (the “Press Release”) in which the Company announced its financial results for its second fiscal quarter ended December 26, 2020. The Company also posted a slide presentation entitled “Investor Presentation” dated February 4, 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 February 4, 2021

99.2 Slide Presentation entitled “Investor Presentation,” dated February 4, 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: February 4, 2021

TAPESTRY, INC.

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

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[99.1](#) [Text of Press Release, dated February 4, 2021](#)  
[99.2](#) [Slide Presentation entitled "Investor Presentation," dated February 4, 2021](#)



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

### *Holiday Quarter Exceeded Expectations Underscoring Power of Acceleration Program*

- **Drove Significant Sequential Improvement in Revenue Trends**
- **Generated Triple-Digit Increase in Global Digital Sales**
- **Delivered Strong Gross Margin Expansion of Approximately 300 Basis Points**
- **Achieved Second Consecutive Quarter of Operating Income and EPS Growth**

NEW YORK--(BUSINESS WIRE)--February 4, 2021--Tapestry, Inc. (NYSE: TPR), a leading New York-based house of modern luxury accessories and lifestyle brands, today reported results for the fiscal second quarter ended December 26, 2020.

Joanne Crevoiserat, Chief Executive Officer of Tapestry, Inc., said, “Our results significantly outpaced expectations driven by the successful execution of our Acceleration Program. Our sharpened focus on the consumer fueled new customer acquisition across all brands with notable sales gains in Digital and China. Importantly, for the second consecutive quarter, we generated strong operating income growth supported by a reduction in promotional activity and higher AUR, as well as disciplined inventory and expense management. Further, we delivered this profit growth in the face of unprecedented Covid-related external headwinds, including pressured bricks and mortar traffic, store closures and capacity limits, as well as higher freight costs and shipping constraints. I’m incredibly proud of our teams around the world for their unwavering passion, agility, and resilience this holiday season.”

“As we enter the second half of our fiscal year, we are optimistic for the future in spite of the uncertain backdrop. We are listening closely to consumers and responding in real-time to changes in their values, shopping behaviors, and brand engagement. We are leaning into the competitive advantages of our platform, bringing innovation to both product and how we connect with customers. As a result, we are driving demand for our categories and stretching what’s possible for our brands. Looking forward, I am confident that Tapestry will emerge from the pandemic stronger, well-positioned to both capture market share at higher levels of profitability and fully unlock the flywheel of sustainable, long-term growth,” Ms. Crevoiserat concluded.

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

- Achieved significant sequential improvement in revenue trends across all brands, led by North America
- Drove triple-digit e-commerce growth versus prior year, with digital representing approximately one-third of global sales, including nearly half of revenue in North America
- Posted over 30% year-over-year revenue growth in Mainland China
- Increased gross margin, primarily driven by lower, more disciplined promotional activity, resulting approximately 300 basis points of improvement year-over-year
- Reduced SG&A costs, which declined high-single digits versus prior 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
- Generated strong operating income growth and margin expansion for the second consecutive quarter
- Funded the pay down of \$500 million of the Company’s \$700 million revolver with positive free cash flow of \$697 million year-to-date; paid down remaining \$200 million balance subsequent to quarter-end

#### Acceleration Program Highlights

In the fiscal second 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 over 1.5 million new customers in North America** across brands through our e-commerce channels, a meaningful increase versus prior year, as we continue to meet consumers where they choose to shop and utilize marketing capabilities to drive engagement and enhance the customer’s digital journey;
- **Leveraged Tapestry’s scale and agility to deliver triple-digit digital growth by expanding our network** through added fulfillment capacity and the diversification of parcel carrier partnerships, swiftly adapting to the current environment and navigating market constraints to support increased customer demand;
- **Drove significant growth in China** through compelling product assortments, enhanced marketing and expanded reach across direct channels and third party online distribution;
- **Achieved record sales during the 11.11 Global Shopping Festival on Tmall Luxury Pavilion**, with Coach as the number one ranked brand in the handbags, luggage, and leather goods category and Stuart Weitzman as the number one ranked footwear brand over this key holiday period;
- **Deployed new data and analytics tools** to drive strategic, data-driven decision making to optimize marketing messaging, assortment planning, and promotional levels, supporting higher AUR and conversion rates;
- **Continued to enhance the flexibility of our operating model**, with a streamlined organizational structure and empowered teams, while **optimizing our global fleet** with 18 net closures in the fiscal first half representing a net decrease of 84 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 Second Quarter 2021 Tapestry, Inc. Results

- **Net sales** totaled \$1.69 billion for the second quarter as compared to \$1.82 billion in the prior year, representing a 7% decline.
- **Gross profit** totaled \$1.17 billion, while gross margin was 69.6% on both a reported and non-GAAP basis. This compared to prior year gross profit of approximately \$1.21 billion on a reported and non-GAAP basis and gross margin of 66.6% and 66.7% on a reported and non-GAAP basis, respectively.
- **SG&A expenses** totaled \$784 million on a reported basis and represented 46.5% of sales compared to \$847 million and 46.6%, respectively, in the year ago quarter. On a non-GAAP basis, SG&A expenses were \$763 million and represented 45.2% of sales as compared to \$838 million and 46.1%, respectively, in the year ago period.
- **Operating income** was \$389 million on a reported basis, while operating margin was 23.1% versus operating income of \$363 million and an operating margin of 20.0% in the prior year. On a non-GAAP basis, operating income was \$411 million, while operating margin was 24.4% versus operating income of \$373 million and an operating margin of 20.6% in the prior year.
- **Net interest expense** was \$19 million in the quarter as compared to \$14 million in the year ago period.
- **Other income** was \$4 million versus \$6 million in the prior year.
- **Net income** for the quarter was \$311 million on a reported basis, with earnings per diluted share of \$1.11. This compared to net income of \$299 million with earnings per diluted share of \$1.08 in the prior year period. The reported tax rate for the quarter was 16.9% compared to 15.8% in the prior year period. On a non-GAAP basis, net income for the quarter was \$323 million with earnings per diluted share of \$1.15. This compared to non-GAAP net income of \$304 million with earnings per diluted share of \$1.10 in the prior year period. The non-GAAP tax rate for the quarter was 18.5% compared to 16.9% in the prior year.
- **Inventory** was \$632 million at the end of quarter versus ending inventory of \$748 million in the year ago period.

Fiscal second quarter results by brand were as follows:

#### Coach Second Quarter 2021 Results

- **Net sales** for Coach totaled \$1.23 billion for the fiscal second quarter as compared to \$1.27 billion in the prior year, representing a decline of 4%.
- **Gross profit** for Coach totaled \$888 million, while gross margin was 72.5% on a reported and non-GAAP basis. This compared to prior year gross profit of \$877 million and gross margin of 69.1% on a reported and non-GAAP basis.
- **SG&A expenses** for Coach were \$476 million on a reported basis and represented 38.9% of sales compared to approximately \$494 million and 38.9%, respectively, in the year ago period. On a non-GAAP basis, SG&A expenses were \$470 million and represented 38.4% of sales compared to expenses of \$495 million and 39.0% of sales in the prior year.
- **Operating income** for Coach was \$412 million compared to reported operating income of approximately \$383 million in the prior year, while operating margin was 33.6% versus 30.1% a year ago. On a non-GAAP basis, operating income was \$418 million compared to \$382 million in the prior year, while operating margin was 34.1% versus 30.1% a year ago.

#### Kate Spade Second Quarter 2021 Results

- **Net sales** for Kate Spade totaled \$376 million for the fiscal second quarter as compared to \$430 million in the prior year, representing a decline of 13%, which included the impact related to a strategic pullback in lower margin wholesale disposition sales.
- **Gross profit** for Kate Spade totaled \$233 million, while gross margin was 62.1% on a reported and non-GAAP basis. This compared to gross profit of \$262 million and gross margin of 61.0% in the prior year on a reported and non-GAAP basis.
- **SG&A expenses** for Kate Spade were \$174 million on a reported basis and represented 46.4% of sales. This compared to reported SG&A expenses of \$194 million in the year ago period, which represented 45.2% of sales. On a non-GAAP basis, SG&A expenses were \$172 million and represented 45.8% of sales. This compared to SG&A expenses of approximately \$194 million in the prior year, which represented 45.0% of sales on a non-GAAP basis.
- **Operating income** for Kate Spade was \$59 million on a reported basis, representing an operating margin of 15.7%. This compared to operating income of \$68 million and an operating margin of 15.8% on a reported basis in the year ago period. On a non-GAAP basis, operating income was \$61 million, while operating margin was 16.3%. This compared to operating income of \$69 million and an operating margin of 15.9% on a non-GAAP basis in the previous year.

#### Stuart Weitzman Second Quarter 2021 Results

- **Net sales** for Stuart Weitzman totaled \$85 million for the fiscal second quarter compared to \$116 million in the same period of the prior year, representing a 27% decline.
- **Gross profit** for Stuart Weitzman totaled \$53 million on both a reported and non-GAAP basis, while gross margin for the quarter was 62.2%. This compared to prior year reported gross profit of \$70 million and gross margin of 60.5%. On a non-GAAP basis, prior year gross profit was \$72 million, while gross margin was 61.8%.
- **SG&A expenses** for Stuart Weitzman were \$41 million on a reported basis and represented 48.0% of sales. This compared to reported SG&A expenses of approximately \$60 million in the year ago period, which represented 52.3% of sales. On a non-GAAP basis, SG&A expenses were approximately \$43 million and represented 50.9% of sales as compared to \$60 million or 52.0% of sales in the prior year period.
- **Operating income** was \$12 million on a reported basis, representing an operating margin of 14.1%, compared to operating income of \$10 million and operating margin of 8.2% in the year ago period. On a non-GAAP basis, operating income was approximately \$10 million, while operating margin was 11.3% versus operating income of \$11 million and operating margin of 9.8% in the prior year.

### Non-GAAP Reconciliation

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

- **Acceleration Program:** \$22 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 \$50 to \$65 million in remaining charges. The majority of these future costs are estimated to be cash and recorded primarily in fiscal 2021.
- **CARES Act Tax Impact:** \$3 million of tax benefits under the Coronavirus Aid, Relief, and Economic Securities Act, most notably the NOL carryback claim. This reflects the adjustment to the Company's provisional estimate.

Taken together, these items decreased the Company's net income and earnings per diluted share by \$12 million and \$0.04, 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 in the fiscal first half, and assuming a continued recovery emerging from the pandemic, the Company now expects revenue for the fiscal year to increase at a high-single digit rate on a 52-week basis and in the area of 10% on 53-week basis. This outlook continues to include the expectation for a topline inflection and strong bottom line growth during the second half of the fiscal year.

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, February 4, 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 4990276. 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 4990276. 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 third quarter results on Thursday, May 6, 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," "future," "uncertain backdrop," "emerge," "on track," "well 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 & Six Months Ended December 26, 2020 and December 28, 2019**  
**(in millions, except per share data)**

	(unaudited) QUARTER ENDED		(unaudited) SIX MONTHS ENDED	
	December 26, 2020	December 28, 2019	December 26, 2020	December 28, 2019
Net sales	\$ 1,685.4	\$ 1,816.0	\$ 2,857.6	\$ 3,173.9
Cost of sales	511.7	606.3	853.7	1,049.7
Gross profit	1,173.7	1,209.7	2,003.9	2,124.2
Selling, general and administrative expenses	784.3	846.6	1,412.3	1,709.5
Operating income (loss)	389.4	363.1	591.6	414.7
Interest expense, net	18.7	14.0	38.1	26.3
Other expense (gain)	(3.6)	(5.9)	(6.2)	6.8
Income before provision for income taxes	374.3	355.0	559.7	381.6
Provision for income taxes	63.3	56.2	17.0	62.8
Net income (loss)	\$ 311.0	\$ 298.8	\$ 542.7	\$ 318.8
Net income (loss) per share:				
Basic	\$ 1.12	\$ 1.08	\$ 1.96	\$ 1.14
Diluted	\$ 1.11	\$ 1.08	\$ 1.94	\$ 1.13
Shares used in computing net income per share:				
Basic	277.5	276.0	277.1	280.8

**TAPESTRY, INC.**  
**DETAIL TO NET SALES**

For the Quarter & Six Months Ended December 26, 2020 and December 28, 2019

(in millions)  
(unaudited)

**QUARTER ENDED**

	QUARTER ENDED		Constant Currency	
	December 26, 2020	December 28, 2019	% Change	% Change
Coach	\$ 1,225.3	\$ 1,269.9	(4)%	(5)%
Kate Spade	375.6	430.4	(13)%	(13)%
Stuart Weitzman	84.5	115.7	(27)%	(28)%
Total Tapestry	\$ 1,685.4	\$ 1,816.0	(7)%	(8)%

**SIX MONTHS ENDED**

	SIX MONTHS ENDED		Constant Currency	
	December 26, 2020	December 28, 2019	% Change	% Change
Coach	\$ 2,100.7	\$ 2,235.8	(6)%	(7)%
Kate Spade	616.0	735.9	(16)%	(17)%
Stuart Weitzman	140.9	202.2	(30)%	(31)%
Total Tapestry	\$ 2,857.6	\$ 3,173.9	(10)%	(11)%

**TAPESTRY, INC.**  
**GAAP TO NON-GAAP RECONCILIATION**

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

	For the Quarter Ended December 26, 2020			
	Items Affecting Comparability			Non-GAAP Basis (Excluding Items)
	GAAP Basis (As Reported)	CARES Act Tax Impact	Acceleration Program	
<b>Cost of sales</b>				
Coach	888.1	-	-	888.1
Kate Spade	233.1	-	-	233.1
Stuart Weitzman	52.5	-	-	52.5
<b>Gross profit<sup>(1)</sup></b>	<b>\$ 1,173.7</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,173.7</b>
<b>SG&amp;A expenses</b>				
Coach	476.1	-	5.8	476.3
Kate Spade	174.3	-	2.4	171.9
Stuart Weitzman	40.6	-	(2.3)	42.9
Corporate	93.3	-	15.8	77.5
<b>SG&amp;A expenses</b>	<b>\$ 784.3</b>	<b>\$ -</b>	<b>\$ 21.7</b>	<b>\$ 762.6</b>
<b>Operating income (loss)</b>				
Coach	412.0	-	(5.8)	417.8
Kate Spade	58.8	-	(2.4)	61.2
Stuart Weitzman	11.9	-	2.3	9.6
Corporate	(93.3)	-	(15.8)	(77.5)
<b>Operating income (loss)</b>	<b>\$ 389.4</b>	<b>\$ -</b>	<b>\$ (21.7)</b>	<b>\$ 411.1</b>
<b>Provision for income taxes</b>	63.3	(3.3)	(6.4)	73.0
<b>Net income (loss)</b>	<b>\$ 311.0</b>	<b>\$ 3.3</b>	<b>\$ (15.3)</b>	<b>\$ 323.0</b>
<b>Net income (loss) per diluted common share</b>	<b>\$ 1.11</b>	<b>\$ 0.01</b>	<b>\$ (0.05)</b>	<b>\$ 1.15</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 Six Months Ended December 26, 2020			
	Items Affecting Comparability			Non-GAAP Basis (Excluding Items)
	GAAP Basis (As Reported)	CARES Act Tax Impact	Acceleration Program	
<b>Cost of sales</b>				
Coach	1,533.0	-	-	1,533.0
Kate Spade	387.2	-	-	387.2
Stuart Weitzman	83.7	-	-	83.7
<b>Gross profit<sup>(1)</sup></b>	<b>\$ 2,003.9</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,003.9</b>
<b>SG&amp;A expenses</b>				
Coach	851.0	-	16.5	834.5
Kate Spade	305.2	-	3.4	301.8
Stuart Weitzman	71.8	-	(4.7)	76.5
Corporate	184.3	-	33.1	151.2
<b>SG&amp;A expenses</b>	<b>\$ 1,412.3</b>	<b>\$ -</b>	<b>\$ 48.3</b>	<b>\$ 1,364.0</b>
<b>Operating income (loss)</b>				
Coach	682.0	-	(16.5)	698.5
Kate Spade	82.0	-	(3.4)	85.4
Stuart Weitzman	11.9	-	4.7	7.2
Corporate	(184.3)	-	(33.1)	(151.2)
<b>Operating income (loss)</b>	<b>\$ 591.6</b>	<b>\$ -</b>	<b>\$ (48.3)</b>	<b>\$ 639.9</b>
<b>Provision for income taxes</b>	17.0	(95.0)	(12.2)	124.2
<b>Net income (loss)</b>	<b>\$ 542.7</b>	<b>\$ 95.0</b>	<b>\$ (36.1)</b>	<b>\$ 483.8</b>
<b>Net income (loss) per diluted common share</b>	<b>\$ 1.94</b>	<b>\$ 0.34</b>	<b>\$ (0.13)</b>	<b>\$ 1.73</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 December 28, 2019			
	Items Affecting Comparability			
	GAAP Basis (As Reported)	ERP Implementation	Organization-related & Integration costs	Non-GAAP Basis (Excluding Items)
<b>Cost of sales</b>				
Coach	877.3	-	-	877.3
Kate Spade	262.4	-	-	262.4
Stuart Weitzman	70.0	-	(1.5)	71.5
<b>Gross profit(1)</b>	<u>\$ 1,209.7</u>	<u>\$ -</u>	<u>\$ (1.5)</u>	<u>\$ 1,211.2</u>
<b>SG&amp;A expenses</b>				
Coach	494.5	-	(0.4)	494.9
Kate Spade	194.5	-	0.7	193.8
Stuart Weitzman	60.4	-	0.3	60.1
Corporate	97.2	6.3	1.8	89.1
<b>SG&amp;A expenses</b>	<u>\$ 846.6</u>	<u>\$ 6.3</u>	<u>\$ 2.4</u>	<u>\$ 837.9</u>
<b>Operating income (loss)</b>				
Coach	382.8	-	0.4	382.4
Kate Spade	67.9	-	(0.7)	68.6
Stuart Weitzman	9.6	-	(1.8)	11.4
Corporate	(97.2)	(6.3)	(1.8)	(89.1)
<b>Operating income (loss)</b>	<u>\$ 363.1</u>	<u>\$ (6.3)</u>	<u>\$ (3.9)</u>	<u>\$ 373.3</u>
<b>Provision for income taxes</b>	56.2	(1.5)	(4.0)	61.7
<b>Net income (loss)</b>	<u>\$ 298.8</u>	<u>\$ (4.8)</u>	<u>\$ 0.1</u>	<u>\$ 303.5</u>
<b>Net income (loss) per diluted common share</b>	<u>\$ 1.08</u>	<u>\$ (0.02)</u>	<u>\$ -</u>	<u>\$ 1.10</u>

(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 Six Months Ended December 28, 2019				
	Items Affecting Comparability				
	GAAP Basis (As Reported)	ERP Implementation	Organization-related & Integration costs	Impairment	Non-GAAP Basis (Excluding Items)
<b>Cost of sales</b>					
Coach	1,554.9	-	(0.1)	-	1,555.0
Kate Spade	453.9	-	(1.2)	-	455.1
Stuart Weitzman	115.4	-	(4.3)	-	119.7
<b>Gross profit(1)</b>	<u>\$ 2,124.2</u>	<u>\$ -</u>	<u>\$ (5.6)</u>	<u>\$ -</u>	<u>\$ 2,129.8</u>
<b>SG&amp;A expenses</b>					
Coach	972.6	-	(0.1)	41.5	931.2
Kate Spade	393.2	-	0.8	25.2	367.2
Stuart Weitzman	125.1	-	(2.1)	8.9	118.3
Corporate	218.6	20.8	24.5	-	173.3
<b>SG&amp;A expenses</b>	<u>\$ 1,709.5</u>	<u>\$ 20.8</u>	<u>\$ 23.1</u>	<u>\$ 75.6</u>	<u>\$ 1,590.0</u>
<b>Operating income (loss)</b>					
Coach	582.3	-	-	(41.5)	623.8
Kate Spade	60.7	-	(2.0)	(25.2)	87.9
Stuart Weitzman	(9.7)	-	(2.2)	(8.9)	1.4
Corporate	(218.6)	(20.8)	(24.5)	-	(173.3)
<b>Operating income (loss)</b>	<u>\$ 414.7</u>	<u>\$ (20.8)</u>	<u>\$ (28.7)</u>	<u>\$ (75.6)</u>	<u>\$ 539.8</u>
<b>Provision for income taxes</b>	62.8	(5.0)	(9.4)	(12.1)	89.3
<b>Net income (loss)</b>	<u>\$ 318.8</u>	<u>\$ (15.8)</u>	<u>\$ (19.3)</u>	<u>\$ (63.5)</u>	<u>\$ 417.4</u>
<b>Net income (loss) per diluted common share</b>	<u>\$ 1.13</u>	<u>\$ (0.06)</u>	<u>\$ (0.07)</u>	<u>\$ (0.22)</u>	<u>\$ 1.48</u>

(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 tax benefit the Company received under the CARES Act and the Acceleration Program for the second quarter and first six months of fiscal year 2021 and ERP Implementation and Organization-related & Integration Costs for second quarter of fiscal year 2020 and ERP Implementation, Organization-related & Integration Costs and Impairment for the first six 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.

	(unaudited)	(audited)
	December 26, 2020	June 27, 2020
<b>ASSETS</b>		
Cash, cash equivalents and short-term investments	\$ 1,651.8	\$1,434.4
Receivables	331.7	193.3
Inventories	631.9	736.9
Other current assets	261.8	188.5
Total current assets	2,877.2	2,553.1
Property and equipment, net	730.2	775.2
Lease right-of-use assets	1,674.9	1,757.0
Other noncurrent assets	2,868.1	2,838.9
Total assets	<u>\$ 8,150.4</u>	<u>\$7,924.2</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Accounts payable	\$ 386.3	\$ 130.8
Accrued liabilities	586.4	511.0
Short-term lease liabilities	360.4	388.8
Current debt	200.0	711.5
Total current liabilities	1,533.1	1,742.1
Long-term debt	1,589.3	1,587.9
Long-term lease liabilities	1,658.9	1,799.8
Other liabilities	478.4	518.0
Stockholders' equity	2,890.7	2,276.4
Total liabilities and stockholders' equity	<u>\$ 8,150.4</u>	<u>\$7,924.2</u>

**TAPESTRY, INC.**  
**STORE COUNT**  
**At September 26, 2020 and December 26, 2020**  
**(unaudited)**

	As of		As of	
<b><u>Directly-Operated Store Count:</u></b>	<b><u>September 26, 2020</u></b>	<b><u>Openings (Closures)</u></b>	<b><u>December 26, 2020</u></b>	
<b><u>Coach</u></b>				
North America	374	1	(1)	374
International	583	7	(4)	586
<b><u>Kate Spade</u></b>				
North America	216	-	-	216
International	208	2	(4)	206
<b><u>Stuart Weitzman</u></b>				
North America	55	1	(2)	54
International	58	1	(4)	55

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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;
- 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*



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.





Jennifer Lopez

**COACH**

*established 1941*

**AUTHENTIC  
COURAGEOUS  
INCLUSIVE**



**STUART WEITZMAN**

*established 1986*

**STYLISH  
CONFIDENT  
SOPHISTICATED**



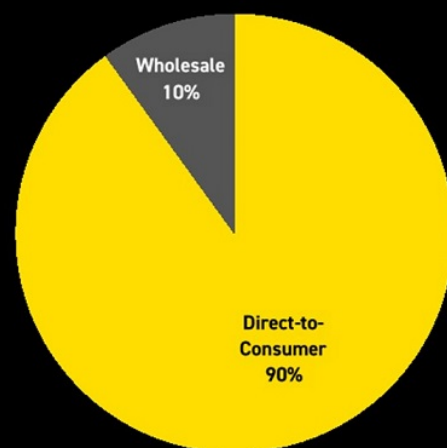
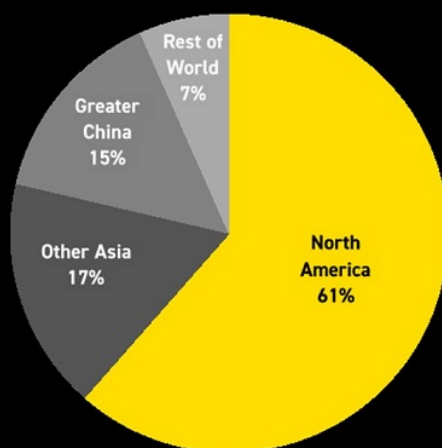
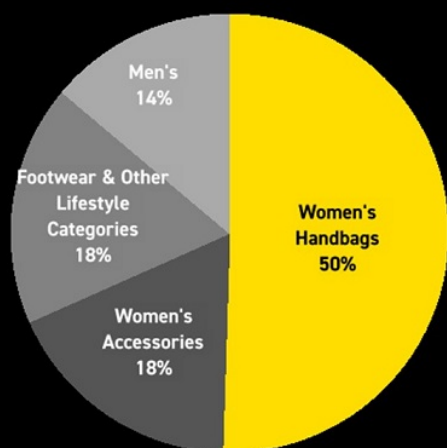
kate spade  
NEW YORK

*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**  
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



**2021**  
*update*

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## 2Q21 RESULTS OVERVIEW

# STRONG RESULTS UNDERSCORING POWER OF *acceleration program*

## HOLIDAY QUARTER EXCEEDED EXPECTATIONS

Sharpened our focus on the consumer, which fueled new customer acquisition across brands, supporting notable sales gains in Digital and China

Reduced promotional activity and increased AUR while remaining disciplined in inventory and expense management

Generated strong operating income growth for the second consecutive quarter despite unprecedented Covid-related external headwinds

## CREATING A FLYWHEEL OF SUSTAINABLE LONG-TERM GROWTH

Made significant headway on our Acceleration Program, as evidenced by our strong results and key strategic milestones throughout the quarter

Remain optimistic for the future – in spite of an uncertain backdrop – as we focus on the factors within our control and build the foundation for long-term growth that will create value for all our stakeholders

2Q21 RESULTS HIGHLIGHT THE *power* OF OUR BRANDS & THE *advantages* OF TAPESTRY'S PLATFORM

Revenue trends improved

**7 points**

quarter over quarter

Drove

**triple-digit**

growth in global digital sales

Posted

**over 30%**

higher revenue in Mainland China compared to last year

Gross margin increased by

**290 bps**

year-over-year, primarily driven by lower, more disciplined promotional activity

Operating margin expanded

**380 bps**

versus last year

Realized second consecutive quarter of

**double-digit**

operating income growth

*acceleration*  
**PROGRAM**



# *acceleration*

*/akˌseləˈrāSH(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* SECOND QUARTER HIGHLIGHTS



Recruited over **1.5 million new customers** in North America across brands through our digital channels, a meaningful increase versus prior year



Leveraged Tapestry's **scale and agility** to deliver **triple-digit digital growth** by adding fulfillment capacity and diversifying parcel carrier partnerships to meet demand



Achieved **record sales** during the 11.11 Global Shopping Festival on Tmall Luxury Pavilion, with Coach and Stuart Weitzman ranked as the number one brands in their respective categories



Deployed **new data and analytics tools** to drive strategic, data-driven decision making, supporting higher AUR and conversion rates



Continued to enhance **flexibility of our operating model** while optimizing our global fleet; on track to achieve gross run-rate savings of **\$300 million**, including gross savings of \$200 million in fiscal 2021

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



## 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 the strong fiscal first half, and assuming a continued recovery emerging from the pandemic, we now expect revenue to increase high-single-digits on a 52-week basis and in the area of 10% on a 53-week basis

Continue to expect revenue to inflect in the second half, with low double-digit growth in Q3

Anticipate gross margin expansion for the fiscal year 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 in FY21

### LONG-TERM

*create a flywheel*

➤ As revenues inflect, we expect to drive bottom-line growth well in excess of top-line gains over our planning horizon

## CAPITAL ALLOCATION PRIORITIES

### NEAR-TERM

#### PRESERVE CASH

- The strength of our business and free cash flow generation enabled us to fully pay down our revolver as of January 2021
- We will continue to preserve our cash-on-hand while re-investing in the business

### LONG-TERM

#### COMMITTED TO SHAREHOLDER RETURNS

- Long-term, our strategic intent is to return to sustainable top and bottom-line growth, resulting in strong free cash flow generation, which will enable us to continue to pay down debt, as well as return capital to shareholders
- Our commitment to driving organic growth, profitability and shareholder value long-term is unwavering

*“Our first half performance proves the power of our platform, the resilience and agility of our team, and the strength of our portfolio of brands. I am confident that Tapestry will emerge from the pandemic stronger, well-positioned to both capture market share at higher levels of profitability and fully unlock the flywheel of sustainable growth.”*

JOANNE CREVOISERAT, CHIEF EXECUTIVE OFFICER

**OVERVIEW**

*by*

**BRAND**





**COACH**

NEW YORK

©2011 Coach



# COACH

Michael B. Jordan



DRONE LIGHTSHOW  
AT THE BUND  
SHANGHAI

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

—

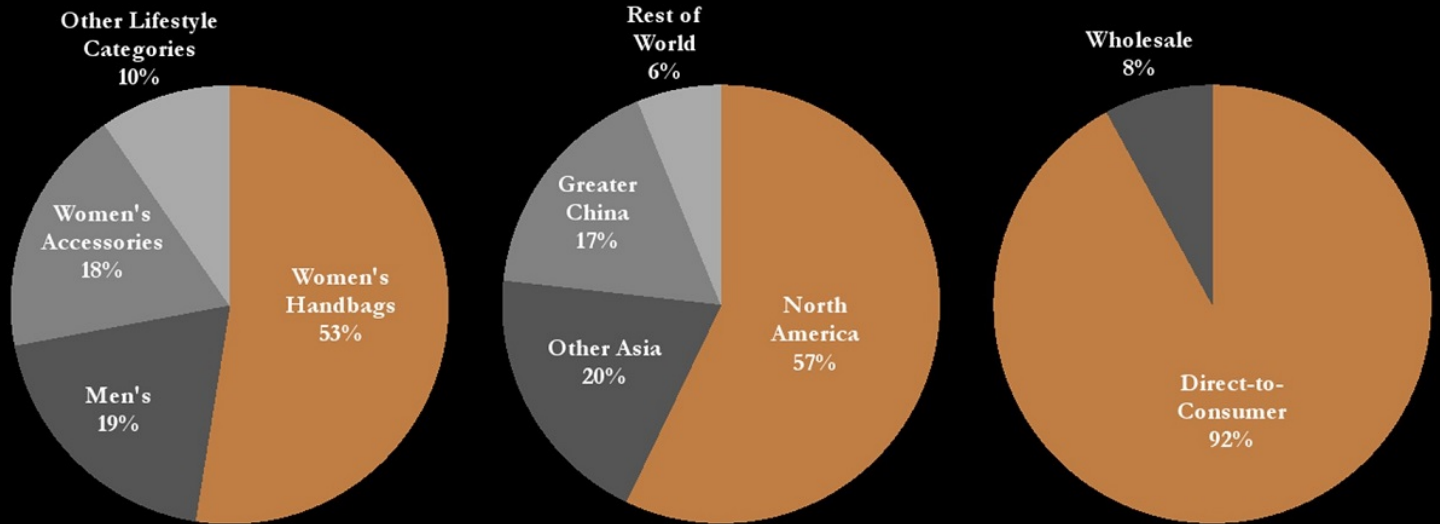
11,000+

EMPLOYEES

As of FY20.

# COACH PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

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



As of FY20.

# 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



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



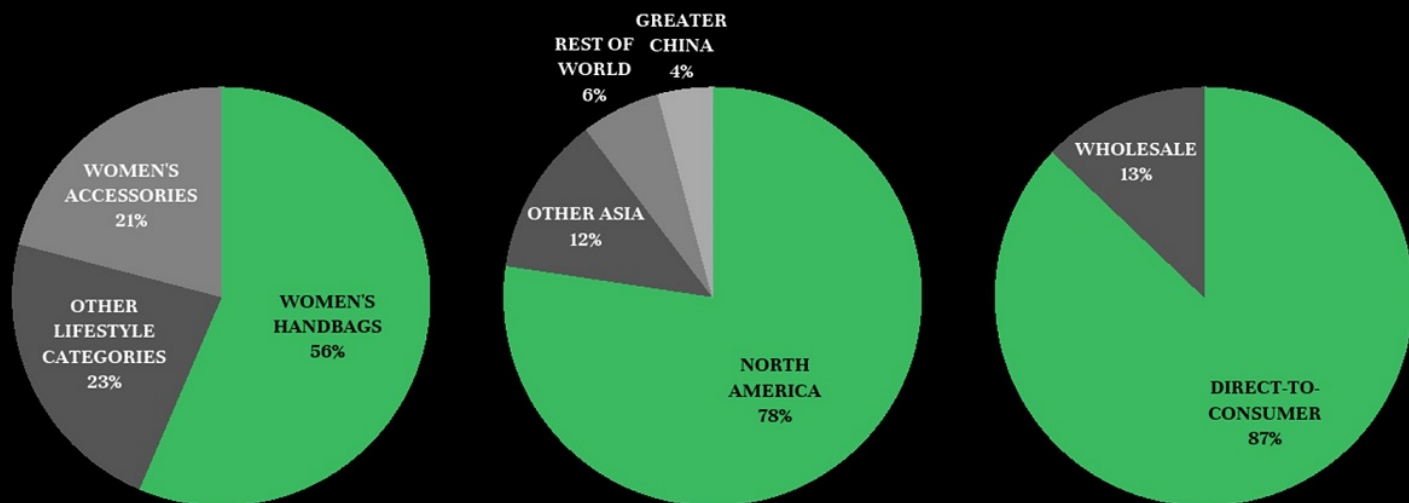
3,900+

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

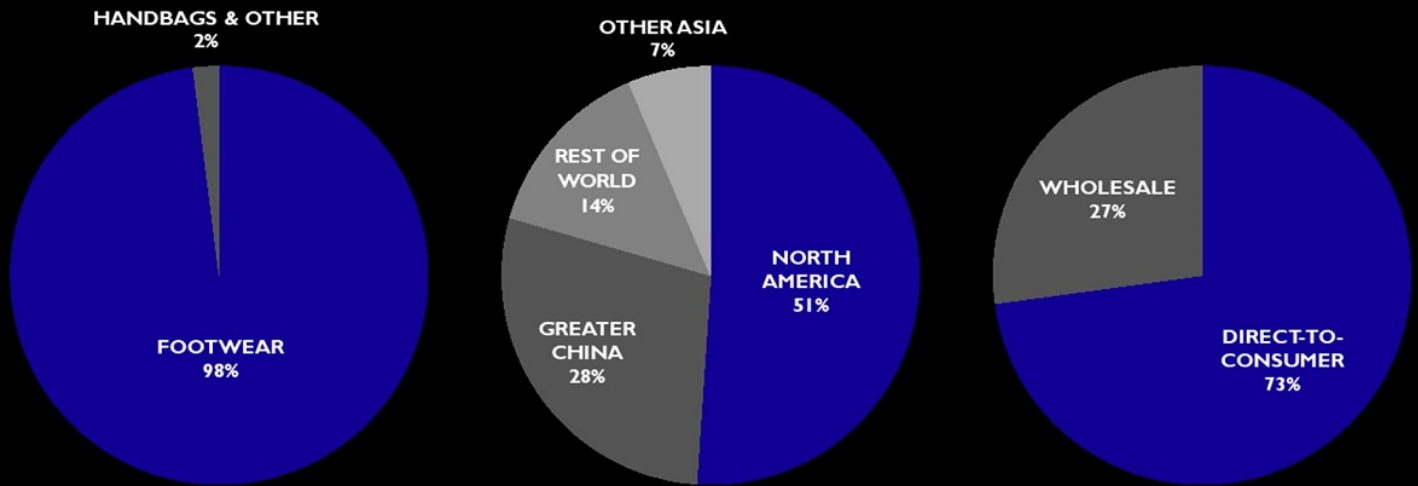
950+

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*

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corporate responsibility

OUR  
PEOPLE  
OUR  
PLANET  
OUR  
COMMU  
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.

tapestry





## 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.

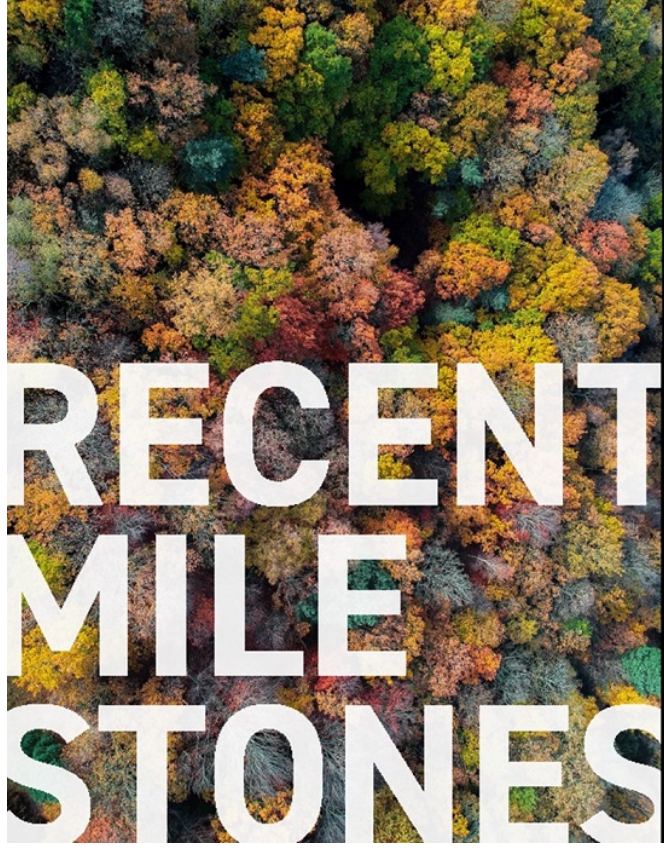
tapestry

Photo courtesy of Friends of the High Line.



# 2025 GOALS





## 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 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).

## OUR SOCIAL FABRIC

### 3 *our communities*

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

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

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

tapestry



2025  
GOALS



## 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

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 second quarter of fiscal year 2021 and our ERP Implementation and Organization-Related and Integration Costs for the second 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 DECEMBER 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	\$888.1	\$—	\$—	\$888.1
Kate Spade	233.1	—	—	233.1
Stuart Weitzman	52.5	—	—	52.5
<b>Gross profit<sup>(1)</sup></b>	<b>1,173.7</b>	<b>—</b>	<b>—</b>	<b>1,173.7</b>
Coach	476.1	—	5.8	470.3
Kate Spade	174.3	—	2.4	171.9
Stuart Weitzman	40.6	—	(2.3)	42.9
Corporate	93.3	—	15.8	77.5
<b>Selling, general and administrative expenses</b>	<b>784.3</b>	<b>—</b>	<b>21.7</b>	<b>762.6</b>
Coach	412.0	—	(5.8)	417.8
Kate Spade	58.8	—	(2.4)	61.2
Stuart Weitzman	11.9	—	2.3	9.6
Corporate	(93.3)	—	(15.8)	(77.5)
<b>Operating income (loss)</b>	<b>389.4</b>	<b>—</b>	<b>(21.7)</b>	<b>411.1</b>
Provision for income taxes	63.3	(3.3)	(6.4)	73.0
<b>Net income (loss)</b>	<b>311.0</b>	<b>3.3</b>	<b>(15.3)</b>	<b>323.0</b>
<b>Net income (loss) per diluted common share</b>	<b>1.11</b>	<b>0.01</b>	<b>(0.05)</b>	<b>1.15</b>

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

# GAAP TO NON-GAAP RECONCILIATION

## FOR THE QUARTER ENDED DECEMBER 28, 2019

*in millions, except per share data; unaudited*

	GAAP BASIS (AS REPORTED)	ERP IMPLEMENTATION	ORGANIZATION- RELATED & INTEGRATION COSTS	NON-GAAP BASIS (EXCLUDING ITEMS)
Coach	\$877.3	\$—	\$—	\$877.3
Kate Spade	262.4	—	—	262.4
Stuart Weitzman	70.0	—	(1.5)	71.5
<b>Gross profit<sup>(1)</sup></b>	<b>1,209.7</b>	<b>—</b>	<b>(1.5)</b>	<b>1,211.2</b>
Coach	494.5	—	(0.4)	494.9
Kate Spade	194.5	—	0.7	193.8
Stuart Weitzman	60.4	—	0.3	60.1
Corporate	97.2	6.3	1.8	89.1
<b>Selling, general and administrative expenses</b>	<b>846.6</b>	<b>6.3</b>	<b>2.4</b>	<b>837.9</b>
Coach	382.8	—	0.4	382.4
Kate Spade	67.9	—	(0.7)	68.6
Stuart Weitzman	9.6	—	(1.8)	11.4
Corporate	(97.2)	(6.3)	(1.8)	(89.1)
<b>Operating income (loss)</b>	<b>363.1</b>	<b>(6.3)</b>	<b>(3.9)</b>	<b>373.3</b>
Provision for income taxes	56.2	(1.5)	(4.0)	61.7
<b>Net income (loss)</b>	<b>298.8</b>	<b>(4.8)</b>	<b>0.1</b>	<b>303.5</b>
<b>Net income (loss) per diluted common share</b>	<b>1.08</b>	<b>(0.02)</b>	<b>—</b>	<b>1.10</b>

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

# tapestry

COACH | kate spade | STUART WEITZMAN