

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): May 9, 2019

Tapestry, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State of
Incorporation)

1-16153
(Commission File Number)

52-2242751
(IRS Employer
Identification No.)

10 Hudson Yards, New York, NY 10001
(Address of principal executive offices) (Zip Code)

(212) 594-1850
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Item 2.02 Results of Operations and Financial Condition.

On May 9, 2019, Tapestry, Inc. (the “Company”) issued a press release (the “Press Release”) in which the Company announced its financial results for its third fiscal quarter ended March 30, 2019. The Company also posted a slide presentation entitled “Investor Presentation” dated May 9, 2019 on the “Presentations & Financial Reports” investor section of its website (www.tapestry.com). Copies of the Press Release and slide presentation are furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively. Information on the Company’s website is not, and will not be deemed to be, a part of this Current Report on Form 8-K or incorporated into any other filings the Company may make with the Securities and Exchange Commission.

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

Item 8.01 Other Events.

On May 9, 2019, the Company announced that its Board of Directors had authorized the repurchase of up to \$1.00 billion of its outstanding common stock. Pursuant to this program, purchases of the Company’s common stock will be made subject to market conditions and at prevailing market prices, through open market purchases. Repurchased shares of common stock will become authorized but unissued shares. These shares may be issued in the future for general corporate and other purposes. In addition, the Company may terminate or limit the stock repurchase program at any time.

Item 9.01 Financial Statements and Exhibits.

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

99.1 Text of Press Release, dated May 9, 2019

99.2 Slide Presentation entitled “Investor Presentation,” dated May 9, 2019

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 9, 2019

TAPESTRY, INC.

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

EXHIBIT INDEX

- [99.1](#) [Text of Press Release, dated May 9, 2019](#)
- [99.2](#) [Slide Presentation entitled "Investor Presentation," dated May 9, 2019](#)

Tapestry, Inc. Reports Fiscal 2019 Third Quarter Results

Announces \$1 Billion Share Repurchase Authorization

NEW YORK--(BUSINESS WIRE)--May 9, 2019--Tapestry, Inc. (NYSE: TPR), a leading New York-based house of modern luxury accessories and lifestyle brands, today reported third quarter results for the period ended March 30, 2019.

Discussion of Financial Results:

Victor Luis, Chief Executive Officer of Tapestry, Inc., said, “We are pleased with our third quarter performance, highlighted by increases in sales and gross margin on a constant currency basis in each of our three brands. Most notably, we again drove positive comps at Coach and generated a significant sequential comp improvement at Kate Spade with Nicola Glass’s new collection resonating with consumers globally. Further, we continued to make key investments across our portfolio and to realize meaningful synergies from the successful integration of Kate Spade as we harness the power of our multi-brand model. Taken together, adjusted EPS was in-line with our expectations for the quarter.”

Share Repurchase Authorization:

The Company announced its Board of Directors has authorized the repurchase of up to \$1 billion of its outstanding common stock. Pursuant to this program, purchases of shares of the Company’s common stock will be made subject to market conditions and at prevailing market prices, through open market purchases. Repurchased shares of common stock will become authorized but unissued shares. These shares may be issued in the future for general corporate and other purposes. In addition, the Company may terminate or limit the stock repurchase program at any time.

Mr. Luis continued, “We’re also excited to announce the approval of a \$1 billion share repurchase authorization, demonstrating our confidence in driving long-term, sustainable growth and value. Through this program we will optimize our capital deployment and enhance shareholder return, while maintaining our financial and strategic flexibility. Importantly, we remain committed to our longstanding capital allocation priorities supported by our strong balance sheet and free cash flow: investing in our brands and business, pursuing strategic acquisitions on an opportunistic basis and maintaining our dividend.”

Non-GAAP Reconciliation:

During the fiscal third quarter, the Company recorded certain charges associated with its Integration and Acquisition activities and ERP implementation efforts as well as the benefit of Tax Legislation changes. Taken together, these items decreased the Company’s third quarter reported net income by approximately \$4 million or about \$0.02 per diluted share. Please refer to the financial tables included herein for a detailed reconciliation of the Company’s reported to non-GAAP results.

Overview of Third Quarter 2019 Tapestry, Inc. Results:

- **Net sales** totaled \$1.33 billion for the third fiscal quarter as compared to \$1.32 billion in the prior year, an increase of 1% on a reported basis and 2% in constant currency.
- **Gross profit** totaled \$916 million on a reported basis, while gross margin for the quarter was 68.8% compared to \$908 million and 68.6%, respectively, in the prior year. On a non-GAAP basis, gross profit totaled \$921 million, while gross margin was 69.2% as compared to \$912 million and 68.9%, respectively, in the prior year.
- **SG&A expenses** totaled \$810 million on a reported basis and represented 60.8% of sales compared to \$749 million and 56.6%, respectively in the year-ago quarter. On a non-GAAP basis, SG&A expenses were \$780 million and represented 58.6% of sales as compared to approximately \$727 million and 55.0%, respectively, in the year-ago period.
- **Operating income** totaled \$106 million on a reported basis, while operating margin was 7.9% versus \$159 million and an operating margin of 12.0% in the prior year. On a non-GAAP basis, operating income was \$141 million, while operating margin was 10.6% versus \$184 million and an operating margin of 13.9% in the prior year.
- **Net interest expense** was \$11 million in the quarter as compared to \$17 million in the year ago period.
- **Net income** for the quarter was \$117 million on a reported basis, with earnings per diluted share of \$0.40. This compared to net income of \$140 million with earnings per diluted share of \$0.48 in the prior year period. The reported tax rate for the quarter of (23.4)% compared to the prior year reported rate of 1.3%. Additional Transition Tax guidance was released by the U.S. Treasury this quarter, which resulted in the reduction of the tax rate for the third fiscal quarter as compared to prior year. On a non-GAAP basis, net income for the quarter totaled \$122 million, with earnings per diluted share of \$0.42. This compared to non-GAAP net income of \$158 million with earnings per diluted share of \$0.54 in the prior year period. The non-GAAP tax rate for the quarter was 6.8% compared to a 5.6% in the prior year.
- **Inventory** was \$811 million at the end of quarter versus ending inventory of \$714 million in the year ago period.

Third fiscal quarter results in each of the Company’s reportable segments were as follows:

Coach Third Quarter of 2019 Results:

- **Net sales** for Coach totaled \$965 million for the third fiscal quarter, as compared to \$969 million in the prior year on a reported basis, or an increase of 1% on a constant currency basis. Global comparable store sales increased 1%, including a benefit of approximately 100 basis points driven by an increase in global e-commerce.
- **Gross profit** for Coach totaled \$692 million, while gross margin was 71.7% on a reported and non-GAAP basis. This compared to reported gross profit and margin in the prior year of \$691 million and 71.3%, respectively. On a non-GAAP basis, gross profit was \$692 million, while gross margin was 71.4% in the prior year’s third quarter.
- **SG&A expenses** for Coach were \$452 million on a reported basis and represented 46.8% of sales. On a non-GAAP basis, SG&A expenses were \$447 million and represented 46.3% of sales. This compared to expenses of \$441 million or 45.5% of sales in the year-ago quarter on both a reported and non-GAAP basis.
- **Operating income** for Coach totaled \$239 million compared to reported operating income of \$250 million in the prior year, while operating margin was 24.8% versus 25.8% a year ago. On a non-GAAP basis, operating income was \$245 million compared to \$252 million in the prior year, while operating margin was 25.4% versus 26.0% a year ago.

Kate Spade Third Quarter of 2019 Results:

- **Net sales** for Kate Spade totaled \$281 million for the third fiscal quarter as compared to \$269 million in the prior year, an increase of 4% on a reported basis and 5% in constant currency. Global comparable store sales declined 3%, including the positive impact of approximately 700 basis points from global e-commerce.
- **Gross profit** for Kate Spade totaled \$178 million on a reported basis, while gross margin for the quarter was 63.3% as compared to \$171 million and 63.5%, respectively, in the prior year. On a non-GAAP basis, third quarter gross profit was \$182 million, while gross margin was 64.8% as compared to \$172 million and 63.9%, respectively, in the year ago period.
- **SG&A expenses** for Kate Spade were \$172 million on a reported basis and represented 61.2% of sales. This compared to reported SG&A expenses of \$158 million in the year ago period, which represented 58.8% of sales. On a non-GAAP basis, SG&A expenses were \$169 million and represented 60.1% of sales. This compared to expenses of \$149 million or 55.4% of sales on a non-GAAP basis in the previous year.
- **Operating income** for Kate Spade was \$6 million on a reported basis, representing an operating margin of 2.2%. This compared to operating income of \$13 million and an operating margin of 4.7% on a reported basis in the year ago period. On a non-GAAP basis, operating income totaled \$13 million, while operating margin was 4.7%. This compared to operating income of \$23 million and an operating margin of 8.4% on a non-GAAP basis in the previous year.

Stuart Weitzman Third Quarter of 2019 Results:

- **Net sales** for Stuart Weitzman totaled \$85 million for the third fiscal quarter compared to \$84 million reported in the same period of the prior year, an increase of 2% on a reported basis and 4% in constant currency.
- **Gross profit** for Stuart Weitzman totaled \$46 million on a reported basis, while gross margin for the quarter was 54.3% as compared to \$45 million and 54.1%, respectively, in the prior year. On a non-GAAP basis, third quarter gross profit was \$47 million, while gross margin was 55.2% as compared to \$47 million and 56.6%, respectively, in the year ago period. Excluding the impact of currency, non-GAAP gross margin increased 70 basis points versus prior year.
- **SG&A expenses** for Stuart Weitzman were \$60 million on a reported basis and represented 70.2% of sales as compared to \$56 million or 67.3% of sales in the prior year's third quarter. On a non-GAAP basis, SG&A expenses were approximately \$60 million or 70.0% of sales as compared to \$52 million or 61.8% of sales in the prior year.
- **Operating income** for Stuart Weitzman was a loss of \$14 million on a reported basis, while operating margin was (15.9)% versus a loss of \$11 million and (13.2)%, respectively, in the prior year. On a non-GAAP basis, the operating loss was \$13 million or (14.9)% of sales versus a loss of \$4 million or (5.1)% of sales, respectively, in the prior year.

Mr. Luis added, "As we look ahead, we are committed to executing our strategic plan and achieving our near-term and long-range financial targets. This includes our expectation of delivering positive comps at both Coach and Kate Spade along with profitability improvements at Stuart Weitzman, both in the fourth fiscal quarter and in the years ahead. As such, we are maintaining our EPS guidance for fiscal 2019 and our outlook for double-digit operating income and EPS growth in fiscal 2020."

"We are confident in the clarity of our vision, the strength of our team and the benefits of our global, multi-brand platform. Our model is distinctive – we are brand-led and consumer-centric – with a culture built upon the values of optimism, innovation and inclusivity. Each of our brands have differentiated attitudes, bringing diversification to our portfolio. At the same time, each can leverage Tapestry's core capabilities and infrastructure to drive meaningful synergies. Taken together, we are uniquely positioned to capture the vast opportunities within the attractive and growing global accessories, footwear and outerwear markets," Mr. Luis concluded.

Fiscal Year 2019 Outlook

The following fiscal 2019 outlook is provided on a non-GAAP basis and replaces all previous guidance.

The Company expects revenues for fiscal 2019 to increase at a low-to-mid-single-digit rate from fiscal 2018.

In addition, the Company projects earnings per diluted share in the range of \$2.55 to \$2.60. This guidance continues to reflect cost savings resulting from expected synergies related to the Kate Spade acquisition of \$100 to \$115 million as well as the impact of distributor consolidations and buybacks and systems investments. This guidance includes the expectation for net interest expense to be in the area of \$50 million for the year. Further, the full year fiscal 2019 tax rate is projected at about 18%.

Fiscal Year 2019 Outlook - Non-GAAP Adjustments:

The Company is not able to provide a full reconciliation of the non-GAAP financial measures to GAAP presented in this release and on the Company's conference call because certain material items that impact these measures, such as the timing and exact amount of charges related to Integration and Acquisition and the costs associated with the Company's ERP implementation have not yet occurred. Accordingly, a reconciliation of our non-GAAP financial measure guidance to the corresponding GAAP measures is not available without unreasonable effort. Where possible, the Company has identified the estimated impact of the items excluded from its fiscal 2019 guidance.

This fiscal 2019 non-GAAP guidance excludes (1) expected pre-tax charges of approximately \$35 million attributable to the Company's ERP implementation efforts; (2) estimated pre-tax Integration and Acquisition charges of approximately \$80 to \$90 million (of which approximately \$15 million is estimated to be non-cash); and (3) the impact of Tax Legislation of \$9 million incurred in the second and third quarters of fiscal 2019. The Company continues to refine its integration plan and estimates for the ERP implementation efforts.

Conference Call Details:

The Company will host a conference call to review these results at 8:30 a.m. (ET) today, May 9, 2019. Interested parties may listen to the conference call via live webcast by accessing www.tapestry.com/investors on the Internet or calling 1-877-510-8087 or 1-862-298-9015 and providing the Conference ID 9287715. 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 9287715. A webcast replay of the earnings conference call will also be available for five business days on the Tapestry website. Presentation slides have also been posted to the Company's website at www.tapestry.com/investors.

The Company expects to report fiscal 2019 fourth quarter and full year financial results on Thursday August 15, 2019. To receive notification of future announcements, please register at www.tapestry.com/investors ("Subscribe to E-Mail Alerts").

Tapestry, Inc. is a New York-based house of modern luxury lifestyle brands. The Company's portfolio includes Coach, Kate Spade and Stuart Weitzman. Our Company and our brands are founded upon a creative and consumer-led view of luxury that stands for inclusivity and approachability. Each of our brands are unique and independent, while sharing a commitment to innovation and authenticity defined by distinctive products and differentiated customer experiences across channels and geographies. To learn more about Tapestry, please visit www.tapestry.com. The Company's common stock is traded on the New York Stock Exchange under the symbol TPR.

This information to be made available in this press release may contain forward-looking statements based on management's current expectations. Forward-looking statements include, but are not limited to, the statements under "Fiscal Year 2019 Outlook," as well as statements that can be identified by the use of forward-looking terminology such as "may," "will," "can," "should," "expect," "intend," "estimate," "continue," "project," "guidance," "forecast," "outlook," "anticipate," "excited," "moving," "leveraging," "capitalizing," "developing," "drive," "targeting," "assume," "plan," "build," "pursue," "maintain," "on track," "well positioned to," "look forward to," "looking ahead," "to acquire," "achieve," "strategic vision," "growth opportunities" or comparable terms. Future results may differ materially from management's current expectations, based upon a number of important factors, including risks and uncertainties such as expected economic trends, the ability to anticipate consumer preferences, the ability to control costs and successfully execute our ERP implementation and growth strategies, our ability to achieve intended benefits, cost savings and synergies from acquisitions, the risk of cybersecurity threats and privacy or data security breaches, and the impact of tax legislation, etc. Please refer to the Company's latest Annual Report on Form 10-K and its other filings with the Securities and Exchange Commission for a complete list of risks and important factors. The Company assumes no obligation to revise or update any such forward-looking statements for any reason, except as required by law.

TAPESTRY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Quarters and Nine Months Ended March 30, 2019 and March 31, 2018
(in millions, except per share data)

	(unaudited) QUARTER ENDED		(unaudited) NINE MONTHS ENDED	
	March 30, 2019	March 31, 2018	March 30, 2019	March 31, 2018
Net sales	\$ 1,331.4	\$ 1,322.4	\$ 4,513.4	\$ 4,396.3
Cost of sales	415.5	414.8	1,458.9	1,549.6
Gross profit	915.9	907.6	3,054.5	2,846.7
Selling, general and administrative expenses	810.1	748.6	2,410.3	2,363.1
Operating income	105.8	159.0	644.2	483.6
Interest expense, net	10.6	16.9	36.9	59.6
Income before provision for income taxes	95.2	142.1	607.3	424.0
Provision for income taxes	(22.2)	1.8	112.8	238.2
Net income	<u>\$ 117.4</u>	<u>\$ 140.3</u>	<u>\$ 494.5</u>	<u>\$ 185.8</u>
Net income per share:				
Basic	<u>\$ 0.40</u>	<u>\$ 0.49</u>	<u>\$ 1.71</u>	<u>\$ 0.65</u>
Diluted	<u>\$ 0.40</u>	<u>\$ 0.48</u>	<u>\$ 1.70</u>	<u>\$ 0.65</u>
Shares used in computing net income per share:				
Basic	<u>290.0</u>	<u>286.2</u>	<u>289.5</u>	<u>284.7</u>
Diluted	<u>290.9</u>	<u>290.1</u>	<u>291.2</u>	<u>287.8</u>

TAPESTRY, INC.
GAAP TO NON-GAAP RECONCILIATION
For the Quarters Ended March 30, 2019 and March 31, 2018
(in millions, except per share data)
(unaudited)

	March 30, 2019				
	GAAP Basis (As Reported)	ERP Implementation ⁽¹⁾	Integration & Acquisition ⁽²⁾	Impact of Tax Legislation ⁽³⁾	Non-GAAP Basis (Excluding Items)
Gross profit	\$ 915.9	\$ -	\$ (5.0)	\$ -	\$ 920.9
Selling, general and administrative expenses	810.1	14.7	15.6	-	779.8
Operating income	105.8	(14.7)	(20.6)	-	141.1
Income before provision for income taxes	95.2	(14.7)	(20.6)	-	130.5
Provision for income taxes	(22.2)	(3.7)	(2.4)	(24.9)	8.8
Net income	117.4	(11.0)	(18.2)	24.9	121.7
Diluted net income per share	0.40	(0.05)	(0.06)	0.09	0.42
	March 31, 2018				
	GAAP Basis (As Reported)	Operational Efficiency Plan ⁽⁴⁾	Integration & Acquisition ⁽²⁾	Impact of Tax Legislation ⁽³⁾	Non-GAAP Basis (Excluding Items)
Gross profit	\$ 907.6	\$ -	\$ (4.1)	\$ -	\$ 911.7
Selling, general and administrative expenses	748.6	2.9	18.3	-	727.4
Operating income	159.0	(2.9)	(22.4)	-	184.3
Income before provision for income taxes	142.1	(2.9)	(22.4)	-	167.4
Provision for income taxes	1.8	(1.0)	(12.1)	5.4	9.5
Net income	140.3	(1.9)	(10.3)	(5.4)	157.9
Diluted net income per share	0.48	-	(0.04)	(0.02)	0.54

(1) Amounts as of March 30, 2019 represent technology implementation costs.
(2) Amounts as of March 30, 2019 and March 31, 2018 represent charges primarily attributable to acquisition and integration costs related to the purchase of Kate Spade & Company, certain distributors for the Coach and Stuart Weitzman brands and assumed operational control of Kate Spade joint ventures. These charges include:

- Organization-related costs
- Limited life purchase accounting adjustments
- Professional fees

(3) Amounts as of March 30, 2019 represent a tax benefit primarily due to the transition tax related to foreign earnings deemed to be repatriated.

Amounts as of March 31, 2018 represent charges due to the transition tax related to foreign earnings deemed to be repatriated partially offset by the re-measurement of deferred tax assets and liabilities.

(4) Amounts as of March 31, 2018 represent technology infrastructure costs.

TAPESTRY, INC.
GAAP TO NON-GAAP RECONCILIATION
For the Nine Months Ended March 30, 2019 and March 31, 2018
(in millions, except per share data)
(unaudited)

	March 30, 2019				
	GAAP Basis (As Reported)	ERP Implementation ⁽¹⁾	Integration & Acquisition ⁽²⁾	Impact of Tax Legislation ⁽³⁾	Non-GAAP Basis (Excluding Items)
Gross profit	\$ 3,054.5	\$ -	\$ (9.1)	\$ -	\$ 3,063.6
Selling, general and administrative expenses	2,410.3	25.1	46.2	-	2,339.0
Operating income	644.2	(25.1)	(55.3)	-	724.6
Income before provision for income taxes	607.3	(25.1)	(55.3)	-	687.7
Provision for income taxes	112.8	(6.3)	(4.5)	9.2	114.4
Net income	494.5	(18.8)	(50.8)	(9.2)	573.3
Diluted net income per share	1.70	(0.06)	(0.17)	(0.04)	1.97
	March 31, 2018				
	GAAP Basis (As Reported)	Operational Efficiency Plan ⁽⁴⁾	Integration & Acquisition ⁽²⁾	Impact of Tax Legislation ⁽³⁾	Non-GAAP Basis (Excluding Items)
Gross profit	\$ 2,846.7	\$ -	\$ (110.9)	\$ -	\$ 2,957.6
Selling, general and administrative expenses	2,363.1	9.5	160.4	-	2,193.2
Operating income	483.6	(9.5)	(271.3)	-	764.4
Income before provision for income taxes	424.0	(9.5)	(271.3)	-	704.8
Provision for income taxes	238.2	(3.1)	(79.3)	199.6	121.0
Net income	185.8	(6.4)	(192.0)	(199.6)	583.8
Diluted net income per share	0.65	(0.02)	(0.67)	(0.69)	2.03

(1) Amounts as of March 30, 2019 primarily represent technology implementation costs.

(2) Amounts as of March 30, 2019 and March 31, 2018 represent charges primarily attributable to acquisition and integration costs related to the purchase of Kate Spade & Company, certain distributors of the Coach and Stuart Weitzman brands and assumed operational control of Kate Spade joint ventures. These charges include:

- Limited life purchase accounting adjustments
- Professional fees
- Severance and other costs related to contractual payments with certain Kate Spade executives
- Organization-related costs
- Inventory reserves established for the destruction of inventory

(3) Amounts as of March 30, 2019 represent charges primarily due to the transition tax related to foreign earnings deemed to be repatriated.

Amounts as of March 31, 2018 represent charges due to the transition tax related to foreign earnings deemed to be repatriated partially offset by the re-measurement of deferred tax assets and liabilities.

(4) Amounts as of March 31, 2018 primarily represent technology infrastructure costs.

TAPESTRY, INC.
GAAP TO NON-GAAP RECONCILIATION - FOR SEGMENT RESULTS
For the Quarters Ended March 30, 2019 and March 31, 2018
(in millions)
(unaudited)

	March 30, 2019					
	GAAP	Coach	Kate Spade	Stuart Weitzman	Corporate	Non-GAAP
Cost of sales						
Integration & Acquisition		-	(4.3)	(0.7)	-	
Gross profit	\$ 915.9	\$ -	\$ (4.3)	\$ (0.7)	\$ -	\$ 920.9
SG&A expenses						
Integration & Acquisition		5.5	3.0	0.1	7.0	
ERP Implementation		-	-	-	14.7	
SG&A expenses	\$ 810.1	\$ 5.5	\$ 3.0	\$ 0.1	\$ 21.7	\$ 779.8
Operating income	\$ 105.8	\$ (5.5)	\$ (7.3)	\$ (0.8)	\$ (21.7)	\$ 141.1
	March 31, 2018					
	GAAP	Coach	Kate Spade	Stuart Weitzman	Corporate	Non-GAAP
Cost of sales						
Integration & Acquisition		(1.0)	(1.0)	(2.1)	-	
Gross profit	\$ 907.6	\$ (1.0)	\$ (1.0)	\$ (2.1)	\$ -	\$ 911.7
SG&A expenses						
Integration & Acquisition		0.2	9.1	4.7	4.3	
Operational Efficiency Plan		-	-	-	2.9	
SG&A expenses	\$ 748.6	\$ 0.2	\$ 9.1	\$ 4.7	\$ 7.2	\$ 727.4
Operating income	\$ 159.0	\$ (1.2)	\$ (10.1)	\$ (6.8)	\$ (7.2)	\$ 184.3

TAPESTRY, INC.
GAAP TO NON-GAAP RECONCILIATION - FOR SEGMENT RESULTS
For the Nine Months Ended March 30, 2019 and March 31, 2018
(in millions)
(unaudited)

	March 30, 2019					
	GAAP	Coach	Kate Spade	Stuart Weitzman	Corporate	Non-GAAP
Cost of sales						
Integration & Acquisition		(2.0)	(5.4)	(1.7)	-	

Gross profit	\$ 3,054.5	\$ (2.0)	\$ (5.4)	\$ (1.7)	\$ -	\$ 3,063.6
SG&A expenses						
Integration & Acquisition		5.5	10.1	12.2	18.4	
ERP Implementation		-	-	-	25.1	
SG&A expenses	\$ 2,410.3	\$ 5.5	\$ 10.1	\$ 12.2	\$ 43.5	\$ 2,339.0
Operating income	\$ 644.2	\$ (7.5)	\$ (15.5)	\$ (13.9)	\$ (43.5)	\$ 724.6
March 31, 2018						
	GAAP	Coach	Kate Spade	Stuart Weitzman	Corporate	Non-GAAP
Cost of sales						
Integration & Acquisition		(1.0)	(106.4)	(3.5)	-	
Gross profit	\$ 2,846.7	\$ (1.0)	\$ (106.4)	\$ (3.5)	\$ -	\$ 2,957.6
SG&A expenses						
Integration & Acquisition		0.2	106.6	6.5	47.1	
Operational Efficiency Plan		-	-	-	9.5	
SG&A expenses	\$ 2,363.1	\$ 0.2	\$ 106.6	\$ 6.5	\$ 56.6	\$ 2,193.2
Operating income	\$ 483.6	\$ (1.2)	\$ (213.0)	\$ (10.0)	\$ (56.6)	\$ 764.4

The Company reports information in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). The Company's management does not, nor does it suggest that investors should, consider non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Further, the non-GAAP measures utilized by the Company may be unique to the Company, as they may be different from non-GAAP measures used by other companies. The financial information presented above, as well as gross margin, SG&A expense ratio, and operating margin, have been presented both including and excluding the effect of certain items related to Integration & Acquisition-Related Costs and ERP Implementation-Related costs for Tapestry, Inc. and separately by segment and the impact of tax legislation for Tapestry, Inc.

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 and gross margin for the Stuart Weitzman segment have been presented both including and excluding currency fluctuation effects from translating foreign-denominated sales into U.S. dollars and compared to the same periods in the prior quarter and fiscal year. The Company calculates constant currency revenue results by translating current period revenue in local currency using the prior year period's currency conversion rate.

Guidance for certain financial information for the fiscal year ending June 29, 2019 has also been presented on a non-GAAP basis.

Management utilizes these non-GAAP and constant currency measures to conduct and evaluate its business during its regular review of operating results for the periods affected and to make decisions about Company resources and performance. The Company believes presenting these non-GAAP measures, which exclude items that are not comparable from period to period, is useful to investors and others in evaluating the Company's ongoing operating and financial results in a manner that is consistent with management's evaluation of business performance and understanding how such results compare with the Company's historical performance. Additionally, the Company believes presenting these metrics on a constant currency basis will help investors and analysts to understand the effect of significant year-over-year foreign currency exchange rate fluctuations on these performance measures and provide a framework to assess how business is performing and expected to perform excluding these effects.

TAPESTRY, INC.
SEGMENT INFORMATION
For the Quarters and Nine Months Ended March 30, 2019 and March 31, 2018
(in millions)
(unaudited)

	Coach	Kate Spade	Stuart Weitzman	Corporate	Total
Three Months Ended March 30, 2019					
Net sales	\$ 965.0	\$ 281.1	\$ 85.3	\$ -	\$ 1,331.4
Gross profit	691.7	177.9	46.3	-	915.9
Operating income (loss)	239.5	6.1	(13.6)	(126.2)	105.8
Income (loss) before provision for income taxes	239.5	6.1	(13.6)	(136.8)	95.2
Three Months Ended March 31, 2018					
Net sales	\$ 969.3	\$ 269.3	\$ 83.8	\$ -	\$ 1,322.4
Gross profit	691.3	171.0	45.3	-	907.6
Operating income (loss)	250.4	12.7	(11.0)	(93.1)	159.0
Income (loss) before provision for income taxes	250.4	12.7	(11.0)	(110.0)	142.1
Nine Months Ended March 30, 2019					
Net sales	\$ 3,174.3	1,034.9	\$ 304.2	\$ -	\$ 4,513.4
Gross profit	2,231.5	658.0	165.0	-	3,054.5
Operating income (loss)	848.9	140.1	(20.8)	(324.0)	644.2
Income (loss) before provision for income taxes	848.9	140.1	(20.8)	(360.9)	607.3
Nine Months Ended March 31, 2018					
Net sales	\$ 3,122.6	\$ 972.8	\$ 300.9	\$ -	\$ 4,396.3
Gross profit	2,169.4	502.6	174.7	-	2,846.7
Operating income (loss)	826.7	(55.8)	19.7	(307.0)	483.6
Income (loss) before provision for income taxes	826.7	(55.8)	19.7	(366.6)	424.0

TAPESTRY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
At March 30, 2019 and June 30, 2018
(in millions)

	(unaudited) March 30, 2019	(audited) June 30, 2018
ASSETS		
Cash, cash equivalents and short-term investments	\$ 1,337.3	\$ 1,250.0
Receivables	285.7	314.1
Inventories	811.1	673.8
Other current assets	228.3	194.7
Total current assets	2,662.4	2,432.6

Property and equipment, net	921.6	885.4
Other noncurrent assets	3,385.9	3,360.3
Total assets	<u>\$ 6,969.9</u>	<u>\$ 6,678.3</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 260.6	\$ 264.3
Accrued liabilities	735.3	673.2
Current debt	<u>0.7</u>	<u>0.7</u>
Total current liabilities	996.6	938.2
Long-term debt	1,601.5	1,599.9
Other liabilities	840.6	895.6
Stockholders' equity	<u>3,531.2</u>	<u>3,244.6</u>
Total liabilities and stockholders' equity	<u>\$ 6,969.9</u>	<u>\$ 6,678.3</u>

TAPESTRY, INC.
STORE COUNT
At December 29, 2018 and March 30, 2019
(unaudited)

Directly-Operated Store Count:	As of December 29, 2018	Openings	(Closures)	As of March 30, 2019
<u>Coach</u>				
North America	399	1	(8)	392
International	585	11	(7)	589
<u>Kate Spade</u>				
North America	218	1	(7)	212
International	176	7	(2)	181
<u>Stuart Weitzman</u>				
North America	68	3	(1)	70
International	50	8	-	58

CONTACT:
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Interim Chief Financial Officer
Global Head of Investor Relations and Corporate Communications
212/629-2618
Christina Colone
Vice President, Investor Relations
212/946-7252

tapestry

COACH | kate spade | STUART WEITZMAN

This presentation contains certain "forward-looking statements" based on management's current expectations. Forward-looking statements include, but are not limited to, the information provided on the slide entitled "Fiscal 2019 Financial Outlook", as well as statements which can be identified by the use of forward-looking terminology such as "may," "will," "can," "should," "expect," "intend," "estimate," "continue," "project," "guidance," "forecast," "outlook," "anticipate," "moving," "leveraging," "capitalizing," "developing," "drive," "targeting," "assume," "plan," "build," "pursue," "maintain," "on track," "well positioned to," "look forward to," "to acquire," "achieve," "strategic vision," "growth opportunities" or comparable terms, and similar or other references to future periods. Statements herein regarding our business and transformation strategies; our plans, objectives, goals, beliefs, future events, business conditions, results of operations and financial position; and our business outlook and business trends are forward-looking statements.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements due to a number of important factors. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following:

- risks and uncertainties such as expected economic trends;
- the ability to anticipate consumer preferences;
- the ability to control costs;
- the ability to successfully execute our operational efficiency initiatives and growth strategies;
- the ability to achieve intended benefits, cost savings and synergies from acquisitions;
- the risk of cybersecurity threats and privacy or data security breaches; and
- the impact of tax legislation.

Please refer to the Company's latest Annual Report on Form 10-K and its other filings with the Securities and Exchange Commission for a complete list of risks and important factors.

We assume no obligation to revise or update any such forward-looking statements for any reason, except as required by law.

tapestry

highlights
from the
QUARTER

FY19 THIRD QUARTER RESULTS

Delivered **sales growth and gross margin expansion** in each of our brands on a constant currency basis.

Drove continued positive global comparable store sales growth at **Coach** led by international markets and e-commerce channels.

Generated eight-point sequential improvement in comparable store sales growth at **Kate Spade**, as Nicola Glass's debut collection resonated with consumers globally; continue to project positive comparable store sales in fiscal Q4.

Achieved sales growth at **Stuart Weitzman**, reflecting ongoing progress in executing the brand's strategic priorities.

Realized **significant synergies** and made **key investments** across the portfolio as we harness the power of our differentiated **multi-brand model**; remain on track to deliver anticipated run-rate synergies of \$100 to \$115 million in fiscal 2019.

Announced \$1 billion share repurchase authorization, demonstrating our confidence in driving sustainable growth and value; reiterated commitment to longstanding capital allocation priorities supported by our strong balance sheet and free cash flow.

Maintained near-term and long-range financial targets, including EPS guidance for fiscal 2019 and outlook for fiscal 2020.

FY19 THIRD QUARTER & YEAR-TO-DATE: FINANCIAL SNAPSHOT
DELIVERED TOPLINE *growth* & EXPECTED *synergies*

	FY19 3Q	FY19 YTD
<i>revenue</i>	\$1.33B	\$4.51B
<i>operating income</i>	\$141M	\$725M
<i>earnings per diluted share</i>	\$0.42	\$1.97

**BOARD APPROVED \$1B SHARE REPURCHASE PROGRAM
UNDERSCORING *confidence* IN DRIVING LONG-TERM, SUSTAINABLE GROWTH**



through this program, we will:

- | *optimize our capital deployment*
- | *enhance shareholder return*
- | *maintain financial and strategic flexibility*

LONGSTANDING CAPITAL ALLOCATION PRIORITIES SUPPORTED BY STRONG BALANCE SHEET & CASH FLOW

- 1 Invest in our current brands and business
- 2 Acquire new brands on a strategic and opportunistic basis
- 3 Return capital to shareholders through our dividend and recently announced share repurchase authorization

FISCAL 2019 FINANCIAL OUTLOOK
FOCUS ON *execution*

revenue

low-to-mid single digit growth

*earnings per
diluted share*

\$2.55 to \$2.60

We are focused on harnessing the power of our multi-brand model, unlocking the full potential of the strategic investments, to drive a return to double-digit operating income and EPS growth in fiscal 2020.

company
OVERVIEW

DEFINED BY INCLUSIVITY RATHER THAN EXCLUSIVITY, we are a global house of brands that embraces the exploration of individuality. We believe that true luxury is a freedom of expression that ignites confidence and authenticity.

Approachable and inviting, we celebrate brands that create joy every day for people around the world. Our passion, detailed approach and genuine love of what we do enables us to develop and nurture brands so that they can reach their full potential.

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



“We’re a different kind of company. We have a collection of brands that have very specific and unique identities. All of our brands are based on great design, quality and craftsmanship. At the end of the day, all of our teams are focused on providing tremendous value for customers.”

VICTOR LUIS, CEO

OPTIMISTIC
INNOVATIVE
INCLUSIVE

*our
values*

「BRAND-LED
CONSUMER-CENTRIC
MERITOCRACY」

*our
principles*

「GLOBAL & UNIQUE
DIFFERENTIATED」

*our
brands*

「SHARED &
SCALABLE
DISCIPLINED」

*our
model*

FISCAL 2019 STRATEGIC PRIORITIES FOCUS ON *execution*

HARNESS *the* POWER *of* MULTIBRAND

- Capture **full benefit** of multi-brand structure and synergies
- Provide **opportunities for talent** movement across brands, regions and functions

FUEL BRAND INNOVATION

- **Accelerate product newness** across all brands

DRIVE GLOBAL GROWTH

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

INVEST *in* DIGITAL & DATA

- Develop industry-leading capabilities **in Digital and Data Labs**

LEADERSHIP TEAM

Victor Luis
Chief Executive Officer



Joshua Schulman
CEO and Brand President,
Coach



Anna Bakst
CEO and Brand President,
Kate Spade



Eraldo Poletto
CEO and Brand President,
Stuart Weitzman



Todd Kahn
President, Chief Administrative Officer
and Chief Legal Officer



Andrea Shaw Resnick
Interim CFO and Global Head of Investor
Relations & Corporate Communications



Zeynep Schoenwaelder
Global Head of Strategy & Data Labs



Adrienne Kirszner
Global Head of Inventory Management &
Merchandise Planning



Peter Charles
Global Head of Supply Chain



Michael Braine
Chief Information Officer



Noam Paransky
Chief Digital Officer



Sarah Dunn
Global Human Resources Officer



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.”

VICTOR LUIS, CEO

CORPORATE SOCIAL RESPONSIBILITY

OUR PROGRAM IS FOCUSED ON THREE *strategic pillars*

1

OUR PEOPLE

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

2

OUR PLANET

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

3

OUR COMMUNITIES

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

CORPORATE SOCIAL RESPONSIBILITY

1 *our people*

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

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

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

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

tapestry





RECENT MILE STONES

CORPORATE SOCIAL RESPONSIBILITY

1 *our people*

Expanded our maternity leave in 2018 in the United States.

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

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

2 *our planet*

Achieve a 20% reduction in absolute Scope 1 & Scope 2 CO₂e emissions & 20% reduction in absolute Scope 3 emissions from freight shipping over a 2017 baseline.

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

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

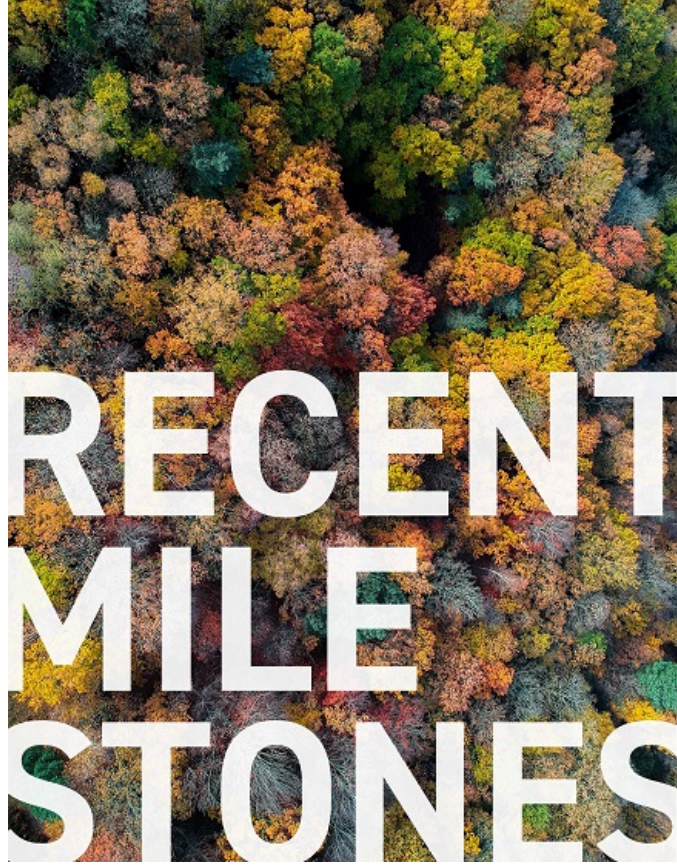
Achieve 75% recycled content in packaging and 25% reduction in North America corporate & distribution center waste.

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

tapestry

Photo courtesy of Friends of the High Line.





CORPORATE SOCIAL RESPONSIBILITY

2 *our planet*

Achieved a 4.4% reduction in absolute Scope 1 and 2 CO₂e emissions across Tapestry in fiscal 2018 over a 2017 baseline.

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

3 *our communities*

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

Give \$75,000,000 in financial and product donations to nonprofit organizations globally.

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





CORPORATE SOCIAL RESPONSIBILITY

3 *our communities*

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

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

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

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

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

fiscal
2018

FY18 MILESTONES

Successfully **completed the acquisition of Kate Spade and evolved into a true house of brands**, establishing Tapestry as our new corporate identity.

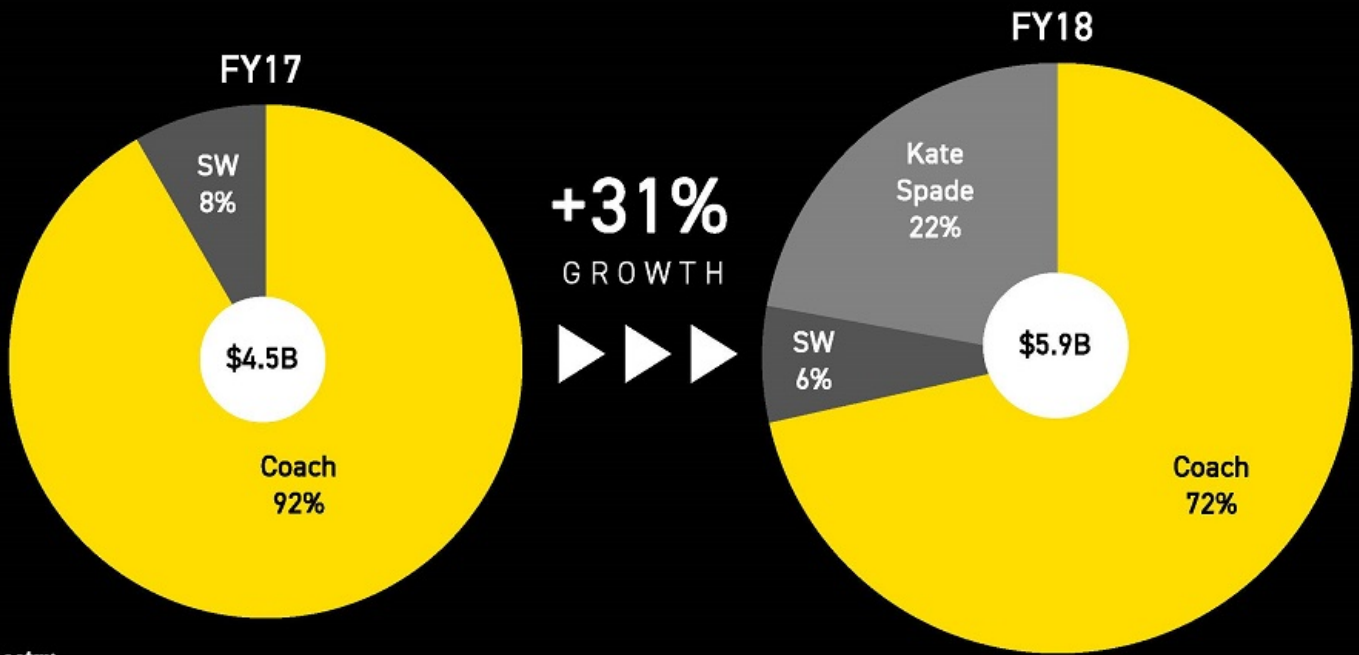
Strengthened our executive and creative leadership across our brands with a clear focus on executing our strategic vision.

Brought fresh perspectives to our Board, with the **appointment of new Directors**, all with extensive and relevant business experience.

Announced several important **business development initiatives**, which allow each of our brands to assume greater direct control over their international distribution, and, in keeping with our strategic priority, maximize the opportunity with Chinese consumers globally across our portfolio.

FY18 FINANCIAL OVERVIEW: REVENUE

STRONG RESULTS DRIVEN BY KATE SPADE ACQUISITION AND ORGANIC GROWTH



FY18 FINANCIAL OVERVIEW: OPERATING INCOME
STRONG RESULTS DRIVEN BY KATE SPADE ACQUISITION AND ORGANIC GROWTH

FY17

\$813M

FY18

\$992M

GROWTH

+22%

FY18 FINANCIAL OVERVIEW: EARNINGS PER DILUTED SHARE
STRONG RESULTS DRIVEN BY KATE SPADE ACQUISITION AND ORGANIC GROWTH

FY17
\$2.15

FY18
\$2.63

GROWTH
+22%

OPPORTUNITY ACROSS BRANDS IN THE ATTRACTIVE AND GROWING GLOBAL PREMIUM HANDBAG AND ACCESSORIES, FOOTWEAR AND OUTERWEAR MARKET



tapestry

Source: Tapestry Global Market Sizing Model, Euromonitor, Public Filings, Analyst Reports, NPD and Yano.
Note: Growth noted is constant currency.



As of FY18.





1,400+ DIRECTLY OPERATED LOCATIONS

As of FY18.

OVERVIEW

by

BRAND



COACH

NEW YORK





THE SHOPS
AT HUDSON YARDS
NEW YORK CITY



COACH CREATE POP-UP
THE STAGE AT ISETAN SHINJUKU
TOKYO, JAPAN

“For over 75 years, Coach has been part of the American landscape. As we write our next chapter, we’re building on our heritage of craftsmanship and confident New York style to deliver a complete lifestyle brand for modern lives.”

JOSHUA SCHULMAN, CEO & BRAND PRESIDENT, COACH



OUR VISION

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





\$4.22B

ANNUAL REVENUE

—

987

DIRECTLY OPERATED STORES

—

13,500

EMPLOYEES

As of FY18.

COACH FISCAL 2018 MILESTONES

Successfully reinvigorated the \$300-\$400 handbag price segment.

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

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

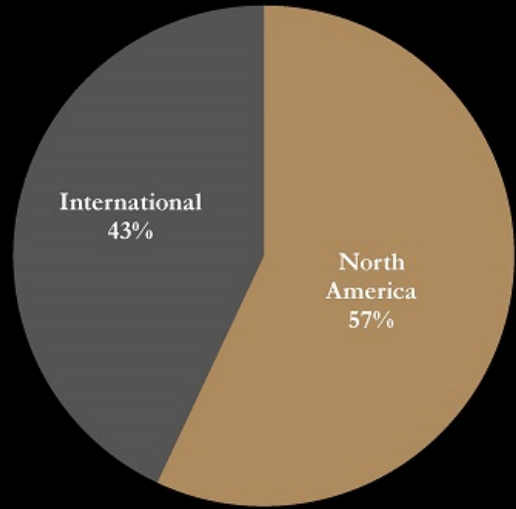
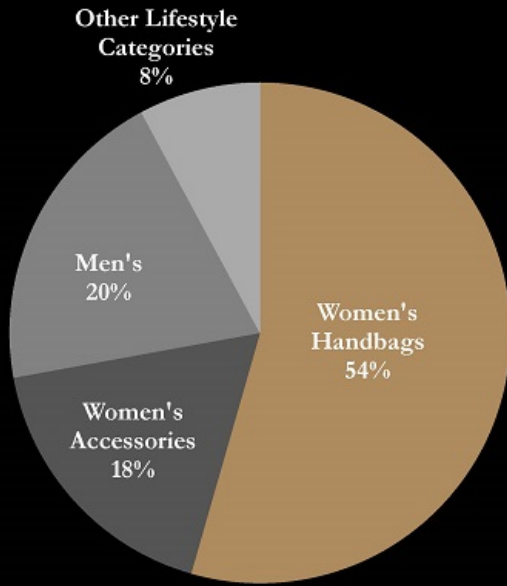
Drove fashion authority through well-received runway shows and broadened the brand reach through the collaboration with Selena Gomez.

Improved brand momentum with the Broad Premium consumer, and specifically millennials, as evidenced in our U.S. brand tracking survey.



COACH PRODUCT & GEOGRAPHIC BREAKDOWN

DIVERSIFIED ACROSS PRODUCT CATEGORIES AND GEOGRAPHIES



As of FY18.

COACH FISCAL 2019 STRATEGIC PRIORITIES

CASCADE
LEATHERGOODS
INNOVATION

DRIVE GROWTH
BEYOND
BAGS

BALANCE
FASHION
AUTHORITY &
UNIVERSAL
APPEAL IN
MARKETING

MODERNIZE,
CUSTOMIZE &
PERSONALIZE

FUEL DIGITAL
INNOVATION &
ECOMMERCE
GROWTH





kate spade

NEW YORK





THE SHOPS
AT HUDSON YARDS
NEW YORK CITY

“Kate Spade has tremendous opportunity across product categories, channels and geographies. We are leveraging the brand’s global potential, bringing its unique and empowering feminine positioning to women around the world.”

ANNA BAKST, CEO & BRAND PRESIDENT, KATE SPADE



OUR VISION

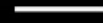
A globally admired aspirational life & style brand,
delivering brand-enhancing profitable growth,
where people — our customers and teams — are
at the center of everything we do.





\$1.28B

ANNUAL REVENUE



342

DIRECTLY OPERATED STORES



5,500

EMPLOYEES

As of FY18.

KATE SPADE FISCAL 2018 MILESTONES

Built the foundation to support global growth with significant progress integrating the brand onto the Tapestry platform.

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

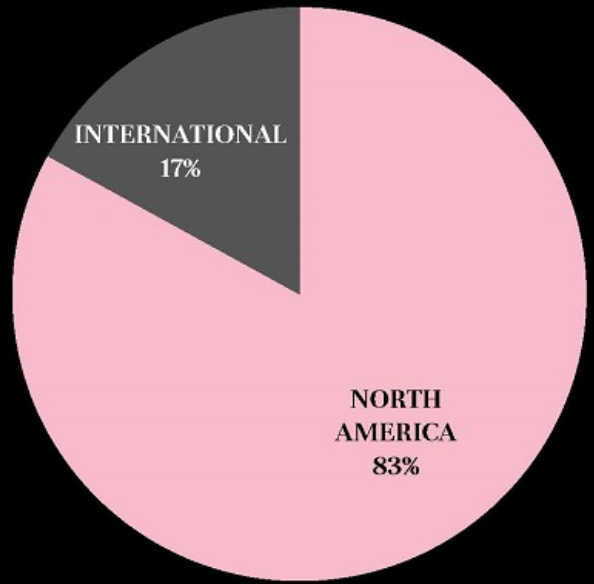
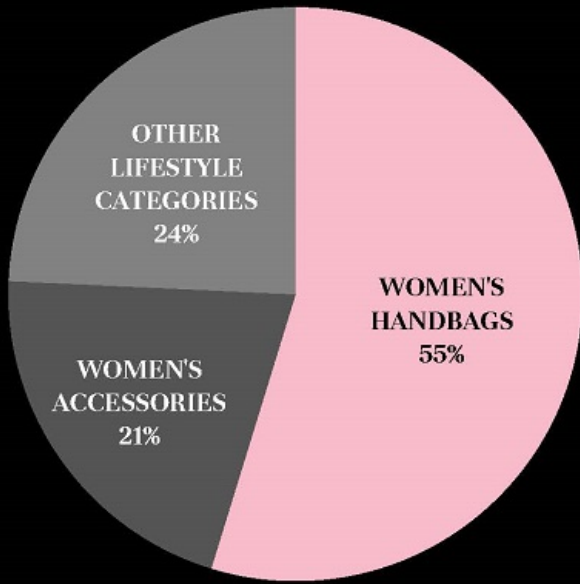
Strengthened the leadership team, notably with the hires of Anna Bakst, CEO & Brand President, and Nicola Glass, Creative Director.

Established operational control of the brand's joint ventures for Greater China – a key area of opportunity for growth.



KATE SPADE PRODUCT & GEOGRAPHIC BREAKDOWN

OPPORTUNITY TO EXPAND INTERNATIONALLY AND DEVELOP CLEAR GLOBAL POSITIONING



As of FY18.

KATE SPADE FISCAL 2019 STRATEGIC PRIORITIES

**EXPAND
GLOBALLY:
THINK GLOBAL,
ACT LOCAL**

**INTRODUCE
EXCEPTIONAL
AND INSPIRING
PRODUCTS**

**LAUNCH
LIFESTYLE-
FOCUSED
BRANDING**

**CREATE
IMMERSIVE
CHANNEL
EXPERIENCES**

**LEVERAGE
TAPESTRY
PLATFORM**



STUART WEITZMAN



STUART WEITZMAN



THE SHOPS
AT HUDSON YARDS
NEW YORK CITY

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

ERALDO POLETTO, CEO & BRAND PRESIDENT, STUART WEITZMAN

OUR VISION

STUART WEITZMAN IS ON A JOURNEY TO EVOLVE INTO A GLOBAL MULTI-CATEGORY ACCESSORIES BRAND. LOOKING FORWARD, THE BRAND WILL PRODUCE INNOVATIVE ACCESSORIES BASED ON A FOUNDATION OF WARDROBE ESSENTIALS THAT FOSTER AN EMOTIONAL CONNECTION WITH WOMEN OF ALL AGES. THE GOAL IS TO ESTABLISH STUART WEITZMAN AS THE ACCESSORIES DESTINATION FOR EVERY WOMAN FOR EVERY OCCASION.



\$374M

ANNUAL REVENUE



103

DIRECTLY OPERATED STORES



940

EMPLOYEES

As of FY18.

STUART WEITZMAN FISCAL 2018 MILESTONES

ACQUIRED STUART WEITZMAN NORTHERN CHINA BUSINESS FROM DISTRIBUTOR PARTNER.

APPOINTED ERALDO POLETTO, CEO & BRAND PRESIDENT, EDMUNDO CASTILLO, HEAD OF PRODUCT DESIGN, AND FRANCESCA BERTONCINI, HEAD MERCHANT, TO EXECUTE THE LONG-TERM VISION.

GAINED TRACTION IN EVOLVING FROM A FOUNDER-LED BUSINESS TO A GLOBAL MULTI-CATEGORY BRAND THAT IS NIMBLE AND ENTREPRENEURIAL.

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

STUART WEITZMAN



STUART WEITZMAN FISCAL 2019 STRATEGIC PRIORITIES

RESET
SUPPLY CHAIN
ORGANIZATION
& PROCESS

MAINTAIN
BOOT & SANDAL
AUTHORITY
WHILE
EXPANDING OUR
FOOTWEAR
EXPRESSION

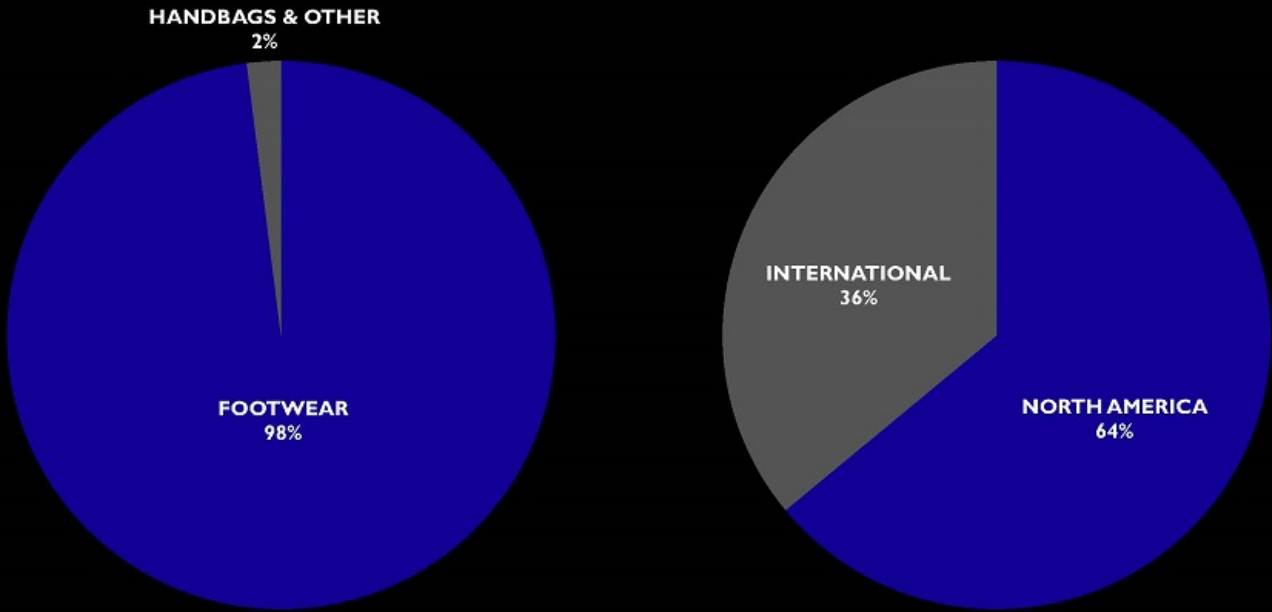
EXPAND
GLOBALLY,
WITH FOCUS ON
CHINA

GROW BEYOND
FOOTWEAR:
ESTABLISH
HANDBAG
BUSINESS

DRIVE
CONSUMER
DESIRE & ELEVATE
RELATIONSHIP
WITH THE
CUSTOMER

STUART WEITZMAN PRODUCT & GEOGRAPHIC BREAKDOWN

OPPORTUNITY TO EXPAND THE BRAND INTERNATIONALLY AND ACROSS CATEGORIES



tapestry

“We want Tapestry to be a company where employees love to work, great brands aspire to be part of and investors believe in.”

VICTOR LUIS, CEO

APPENDIX

The Company reports information in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). The Company's management does not, nor does it suggest that investors should, consider non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Further, the non-GAAP measures utilized by the Company may be unique to the Company, as they may be different from non-GAAP measures used by other companies. The financial information presented has been presented both including and excluding the effect of certain items related to our Operational Efficiency Plan, Integration & Acquisition-Related Costs, ERP implementation efforts and the impact of tax legislation for Tapestry, Inc.

Guidance for certain financial information for the fiscal year ending June 29, 2019 has also been presented on a non-GAAP basis. A reconciliation of our non-GAAP financial measure guidance to the corresponding GAAP measures is not available without unreasonable effort because certain material items that impact these measures, such as the timing and exact amount of charges related to Integration and Acquisition and the costs associated with the Company's ERP implementation have not yet occurred.

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

Management utilizes these non-GAAP measures to conduct and evaluate its business during its regular review of operating results for the periods affected and to make decisions about Company resources and performance. The Company believes presenting these non-GAAP measures, which exclude items that are not comparable from period to period, is useful to investors and others in evaluating the Company's ongoing operating and financial results in a manner that is consistent with management's evaluation of business performance and understanding how such results compare with the Company's historical performance.

GAAP TO NON-GAAP RECONCILIATION

FOR THE QUARTERS ENDED MARCH 30, 2019 AND MARCH 31, 2018

(in millions, except per share data)

	GAAP BASIS (AS REPORTED)	ERP IMPLEMENTATION ⁽¹⁾	INTEGRATION & ACQUISITION ⁽²⁾	IMPACT OF TAX LEGISLATION ⁽³⁾	NON-GAAP BASIS (EXCLUDING ITEMS)	
MARCH 30, 2019	Gross profit	\$915.9	\$—	\$ (5.0)	\$—	\$920.9
	Selling, general and administrative expenses	810.1	14.7	15.6	—	779.8
	Operating income	105.8	(14.7)	(20.6)	—	141.1
	Income before provision for income taxes	95.2	(14.7)	(20.6)	—	130.5
	Provision for income taxes	(22.2)	(3.7)	(2.4)	(24.9)	8.8
	Net income	117.4	(11.0)	(18.2)	24.9	121.7
	Diluted net income per share	0.40	(0.05)	(0.06)	0.09	0.42

	GAAP BASIS (AS REPORTED)	OPERATIONAL EFFICIENCY PLAN ⁽⁴⁾	INTEGRATION & ACQUISITION ⁽²⁾	IMPACT OF TAX LEGISLATION ⁽³⁾	NON-GAAP BASIS (EXCLUDING ITEMS)	
MARCH 31, 2018	Gross profit	\$907.6	\$—	\$(4.1)	\$—	\$911.7
	Selling, general and administrative expenses	748.6	2.9	18.3	—	727.4
	Operating income	159.0	(2.9)	(22.4)	—	184.3
	Income before provision for income taxes	142.1	(2.9)	(22.4)	—	167.4
	Provision for income taxes	1.8	(1.0)	(12.1)	5.4	9.5
	Net income	140.3	(1.9)	(10.3)	(5.4)	157.9
	Diluted net income per share	0.48	—	(0.04)	(0.02)	0.54

(1) Amounts as of March 31, 2019 represent technology implementation costs.

(2) Amounts as of March 30, 2019 and March 31, 2018 represent charges primarily attributable to acquisition and integration costs related to the purchase of Kate Spade & Company, certain distributors for the Coach and Stuart Weitzman brands and assumed operational control of Kate Spade joint ventures. These charges include:

- organization-related costs
- limited life purchase accounting adjustments
- professional fees

(3) Amounts as of March 30, 2019 represent a tax benefit primarily due to the transition tax related to foreign earnings deemed to be repatriated.

(4) Amounts as of March 31, 2018 represent charges due to the transition tax related to foreign earnings deemed to be repatriated partially offset by the remeasurement of deferred tax assets and liabilities.

(5) Amounts as of March 31, 2018 represent technology and structure costs.

GAAP TO NON-GAAP RECONCILIATION

FOR THE NINE MONTHS ENDED MARCH 30, 2019 AND MARCH 31, 2018

(in millions, except per share data)

	GAAP BASIS (AS REPORTED)	ERP IMPLEMENTATION ⁽¹⁾	INTEGRATION & ACQUISITION ⁽²⁾	IMPACT OF TAX LEGISLATION ⁽³⁾	NON-GAAP BASIS (EXCLUDING ITEMS)
MARCH 30, 2019					
Gross profit	\$3,054.5	\$—	\$ (9.1)	\$—	\$3,063.6
Selling, general and administrative expenses	2,410.3	25.1	46.2	—	2,339.0
Operating income	644.2	(25.1)	(55.3)	—	724.6
Income before provision for income taxes	607.3	(25.1)	(55.3)	—	687.7
Provision for income taxes	112.8	(6.3)	(4.5)	9.2	114.4
Net income	494.5	(18.8)	(50.8)	(9.2)	573.3
Diluted net income per share	1.70	(0.06)	(0.17)	(0.04)	1.97

	GAAP BASIS (AS REPORTED)	OPERATIONAL EFFICIENCY PLAN ⁽⁴⁾	INTEGRATION & ACQUISITION ⁽²⁾	IMPACT OF TAX LEGISLATION ⁽³⁾	NON-GAAP BASIS (EXCLUDING ITEMS)
MARCH 31, 2018					
Gross profit	\$2,846.7	\$—	\$(110.9)	\$—	\$2,957.6
Selling, general and administrative expenses	2,363.1	9.5	160.4	—	2,193.2
Operating income	483.6	(9.5)	(271.3)	—	764.4
Income before provision for income taxes	424.0	(9.5)	(271.3)	—	704.8
Provision for income taxes	238.2	(3.1)	(79.3)	199.6	121.0
Net income	185.8	(6.4)	(192.0)	(199.6)	583.8
Diluted net income per share	0.65	(0.02)	(0.67)	(0.69)	2.03

(1) Amounts as of March 31, 2019 represent technology implementation costs.

(2) Amounts as of March 30, 2019 and March 31, 2018 represent charges primarily attributable to acquisition and integration costs related to the purchase of Kate Spade & Company, certain distributors of the Coach and Stuart Weitzman brands and assumed operational control of Kate Spade joint ventures. These charges include:

- Limited life purchase accounting adjustments
- Professional fees
- Severance and other costs related to contractual payments with certain Kate Spade executives
- Organization-related costs

(3) Inventory expense recognized for the destruction of inventory.

(4) Amounts as of March 30, 2019 represent charges primarily due to the transition tax related to foreign earnings deemed to be repatriated.

Amounts as of March 31, 2018 represent charges due to the transition tax related to foreign earnings deemed to be repatriated and the re-measurement of deferred tax assets and liabilities.

(5) Amounts as of March 31, 2018 primarily represent technology infrastructure costs.

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GAAP TO NON-GAAP RECONCILIATION

FOR THE YEARS ENDED JUNE 30, 2018 AND JULY 1, 2017

	GAAP BASIS (AS REPORTED)	OPERATIONAL EFFICIENCY PLAN ⁽¹⁾	INTEGRATION & ACQUISITION ⁽²⁾	IMPACT OF TAX LEGISLATION ⁽³⁾	NON-GAAP BASIS (EXCLUDING ITEMS)	
<i>(in millions, except per share data)</i>						
JUNE 30, 2018	Gross profit	\$ 3,848.5	\$—	\$ (116.4)	\$—	\$3,964.9
	Selling, general and administrative expenses	3,177.7	19.5	185.2	—	2,973.0
	Operating income	670.8	(19.5)	(301.6)	—	991.9
	Income before provision for income taxes	596.8	(19.5)	(301.6)	—	917.9
	Provision for income taxes	199.3	(6.2)	(130.7)	178.2	158.0
	Net income	397.5	(13.3)	(170.9)	(178.2)	759.9
	Diluted net income per share	1.38	(0.05)	(0.58)	(0.62)	2.63
JULY 1, 2017	Gross profit	\$3,081.1	\$—	\$(2.9)	\$—	\$3,084.0
	Selling, general and administrative expenses	2,293.7	24.0	(1.7)	—	2,271.4
	Operating income	787.4	(24.0)	(1.2)	—	812.6
	Income before provision for income taxes	759.0	(24.0)	(10.7)	—	793.7
	Provision for income taxes	168.0	(8.3)	(8.1)	—	184.4
	Net income	591.0	(15.7)	(2.6)	—	609.3
	Diluted net income per share	2.09	(0.05)	(0.01)	—	2.15

- (1) Amounts as of June 30, 2018 primarily represent technology infrastructure costs. Amounts as of July 1, 2017 represent charges primarily related to organizational efficiency costs, technology infrastructure costs and to a lesser extent, network optimization costs.
- (2) Amounts as of June 30, 2018 represent charges attributable to acquisition and integration costs related to the purchase of Kate Spade & Company, and to a lesser extent the acquisition of certain distributors for the Coach and Stuart Weitzman brands and assumed operational control of Kate Spade joint ventures. Provision for income taxes has been favorably impacted as a result of the reversal of certain valuation allowances that were established during purchase accounting. These charges include:
- Limited life purchase accounting adjustments
 - Professional fees
 - Severance and other costs related to contractual payments with certain Kate Spade executives
 - Organizational costs as a result of integration
 - Inventory reserves established for the destruction of inventory
- Amounts as of July 1, 2017 represent acquisition costs and limited life purchase accounting impacts related to the acquisition of Stuart Weitzman Holdings LLC, more than offset by the reversal of an accrual related to estimated contingent purchase price payments which were not paid, and integration-related costs for the Kate Spade & Company acquisition.
- (3) Amounts as of June 30, 2018 represent charges due to the net impact of the transition tax and re-measurement of deferred tax balances.

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