

**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): November 5, 2019

**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).

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.  Emerging growth company

**Item 2.02 Results of Operations and Financial Condition.**

On November 5, 2019, Tapestry, Inc. (the "Company") issued a press release (the "Press Release") in which the Company announced its financial results for its first fiscal quarter ended September 28, 2019. The Company also posted a slide presentation entitled "Investor Presentation" dated November 5, 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 9.01 Financial Statements and Exhibits.**

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

99.1 Text of Press Release, dated November 5, 2019

99.2 Slide Presentation entitled "Investor Presentation," dated November 5, 2019

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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: November 5, 2019

TAPESTRY, INC.

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

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EXHIBIT INDEX

<a href="#"><u>99.1</u></a>	<a href="#"><u>Text of Press Release, dated November 5, 2019</u></a>
<a href="#"><u>99.2</u></a>	<a href="#"><u>Slide Presentation entitled "Investor Presentation," dated November 5, 2019</u></a>

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

### Company Repurchased \$300 Million of Common Stock

NEW YORK--(BUSINESS WIRE)--November 5, 2019--Tapestry, Inc. (NYSE: TPR), a leading New York-based house of modern luxury accessories and lifestyle brands, today reported results for the fiscal first quarter ended September 28, 2019.

Jide Zeitlin, Chairman and Chief Executive Officer of Tapestry, Inc., said, "Fiscal first quarter revenue was consistent with our expectations. Our business internationally was stronger than in North America where we managed continued industry headwinds. Further, adjusted operating income and earnings per diluted share were better than forecast, including favorable expense timing. We repurchased \$300 million of common stock during the quarter, underscoring our commitment to returning capital to shareholders."

"Coach delivered its eighth consecutive quarter of positive comparable store sales growth led by digital and international channels. Comps in Europe, Japan and Mainland China were strong, offsetting weakness in Hong Kong, while North America was even with prior year."

"Kate Spade's comparable store sales declined in line with expectations, reflecting the product and merchandising challenges we've previously identified, while Stuart Weitzman sales were negatively impacted by softer wholesale demand and continued operational challenges."

#### Returning Capital to Shareholders:

During the fiscal first quarter, the Company repurchased approximately 12 million shares of its common stock at an average cost of \$25.18 for a total of approximately \$300 million. Currently, \$600 million remains under the Company's repurchase authorization.

#### Non-GAAP Reconciliation and Recast of Prior Year Results:

During the fiscal first quarter, the Company recorded certain charges associated with its Organization-related and Integration activities and its ERP implementation efforts. Furthermore, the Company adopted Accounting Standards Update ("ASU") No. 2016-02, "Leases (Topic 842)," which established right to use assets on the Company's balance sheet. In addition, the Company recorded impairment charges of \$76 million related to store assets, including the lease assets recorded in connection with the adoption of the new lease accounting standard. Taken together, these items decreased the Company's first quarter reported net income by approximately \$94 million or about \$0.33 per diluted share. Please refer to the financial tables included herein for a detailed reconciliation of the Company's reported to non-GAAP results.

Beginning in Fiscal 2020, the Company presented the impact of foreign currency gains and losses within Other expense (income) within its Condensed Consolidated Statements of Operations. Accordingly, foreign currency gains and losses that were reported within Selling, general and administrative expenses ("SG&A") in Fiscal 2019 are now reflected within Other expense (income). As a result, the Company reclassified the following from SG&A to Other expense (income) in Fiscal 2019: expense of \$4.6 million in the first quarter, income of \$4.2 million in the second quarter, expense of \$4.0 million in the third quarter and expense of \$1.2 million in the fourth quarter.

#### Overview of First Quarter 2020 Tapestry, Inc. Results:

- **Net sales** totaled \$1.36 billion for the fiscal first quarter as compared to \$1.38 billion in the prior year, a decrease of 2% on a reported basis and 1% in constant currency.
- **Gross profit** totaled \$914 million on a reported basis, while gross margin for the quarter was 67.3% compared to \$935 million and 67.7%, respectively, in the prior year. On a non-GAAP basis, gross profit totaled \$919 million, while gross margin was 67.6% as compared to \$936 million and 67.8%, respectively, in the prior year.
- **SG&A expenses** totaled \$863 million on a reported basis and represented 63.5% of sales compared to \$773 million and 56.0%, respectively in the year ago quarter. On a non-GAAP basis, SG&A expenses were \$752 million and represented 55.4% of sales as compared to approximately \$750 million and 54.3%, respectively, in the year-ago period.
- **Operating income** totaled \$52 million on a reported basis, while operating margin was 3.8% versus \$162 million and an operating margin of 11.7% in the prior year. On a non-GAAP basis, operating income was \$167 million, while operating margin was 12.3% versus \$186 million and an operating margin of 13.4% in the prior year.
- **Net interest expense** was \$12 million in the quarter as compared to \$13 million in the year ago period.
- **Other expense** was \$13 million versus \$5 million in the prior year.
- **Net income** for the quarter was \$20 million on a reported basis, with earnings per diluted share of \$0.07. This compared to net income of \$122 million with earnings per diluted share of \$0.42 in the prior year period. The reported tax rate for the quarter of 24.8% compared to the prior year reported rate of 15.5%. On a non-GAAP basis, net income for the quarter totaled \$114 million with earnings per diluted share of \$0.40. This compared to non-GAAP net income of \$142 million with earnings per diluted share of \$0.48 in the prior year period. The non-GAAP tax rate for the quarter was 19.6% compared to 15.8% in the prior year.
- **Inventory** was \$880 million at the end of quarter versus ending inventory of \$821 million in the year ago period.

Fiscal first quarter results by brand were as follows:

#### Coach First Quarter 2020 Results:

- **Net sales** for Coach totaled \$966 million for the fiscal first quarter, 1% above prior year on a reported and 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 \$678 million on a reported basis, while gross margin was 70.1%. This compared to reported gross profit and margin in the prior year of \$680 million and 70.8%, respectively. On a non-GAAP basis, gross profit was \$678 million, while gross margin was 70.2% as compared to \$682 million and 71.0%, respectively, in the year ago period.
- **SG&A expenses** for Coach were \$478 million on a reported basis and represented 49.5% of sales. On a non-GAAP basis, SG&A expenses were \$436 million and represented 45.2% of sales. This compared to expenses of \$445 million or 46.3% of sales in the year-ago quarter on both a reported and non-GAAP basis.
- **Operating income** for Coach totaled \$200 million compared to reported operating income of \$235 million in the prior year, while operating margin was 20.7% versus 24.5% a year ago. On a non-GAAP basis, operating income was \$241 million compared to \$237 million in the prior year, while operating margin was 25.0% versus 24.7% a year ago.

#### Kate Spade First Quarter 2020 Results:

- **Net sales** for Kate Spade totaled \$306 million for the fiscal first quarter as compared to \$325 million in the prior year, a decrease of 6% on both a reported and constant currency basis. Global comparable store sales declined 16%, including the negative impact of approximately 200 basis points from global e-commerce.
- **Gross profit** for Kate Spade totaled \$192 million on a reported basis, while gross margin for the quarter was 62.7% as compared to \$208 million and 63.8%, respectively, in the prior year. On a non-GAAP basis, first quarter gross profit was \$193 million, while gross margin was 63.1% as compared to \$206 million and 63.4%, respectively, in the year ago period.
- **SG&A expenses** for Kate Spade were \$199 million on a reported basis and represented 65.0% of sales. This compared to reported SG&A expenses of \$163 million in the year ago period, which represented 50.1% of sales. On a non-GAAP basis, SG&A expenses were \$173 million and represented 56.7% of sales. This compared to expenses of \$160 million or 49.0% of sales on a non-GAAP basis in the previous year.
- **Operating income** for Kate Spade was a loss of \$7 million on a reported basis, representing an operating margin of (2.4)%. This compared to operating income of \$45 million and an operating margin of 13.7% on a reported basis in the year ago period. On a non-GAAP basis, operating income totaled \$19 million, while operating margin was 6.3%. This compared to operating income of \$47 million and an operating margin of 14.4% on a non-GAAP basis in the previous year.

#### Stuart Weitzman First Quarter 2020 Results:

- **Net sales** for Stuart Weitzman totaled \$87 million for the fiscal first quarter compared to \$95 million reported in the same period of the prior year, a decrease of 9% on a reported basis and 8% in constant currency.
- **Gross profit** for Stuart Weitzman totaled \$45 million on a reported basis, while gross margin for the quarter was 52.5% as compared to \$48 million and 50.2%, respectively, in the prior year. On a non-GAAP basis, first quarter gross profit was \$48 million, while gross margin was 55.7% as compared to \$48 million and 50.2%, respectively, in the year ago period.
- **SG&A expenses** for Stuart Weitzman were \$65 million on a reported basis and represented 74.8% of sales as compared to \$65 million or 68.8% of sales in the prior year's first quarter. On a non-GAAP basis, SG&A expenses were approximately \$58 million or 67.2% of sales as compared to \$54 million or 56.8% of sales in the prior year.
- **Operating income** for Stuart Weitzman was a loss of \$19 million on a reported basis, while operating margin was (22.2)% versus a loss of \$18 million and (18.6)%, respectively, in the prior year. On a non-GAAP basis, the operating loss was \$10 million or (11.5)% of sales versus a loss of \$6 million or (6.6)% of sales in the prior year.

Mr. Zeitlin added, "Our imperative is to fuel desire for our brands and make investment decisions through a consumer-centric lens. We are focused on becoming more agile, continuously leveraging data and technology, to increase our productivity and speed to market. These improvements will enable us to fund additional brand-building initiatives and to return capital to shareholders. To this end, we have commenced an in-depth, comprehensive and efficient review of our business to address both near-term and long-term opportunities to drive organic growth and profitability across the portfolio. Importantly, we are maintaining our outlook for Fiscal 2020."

"My time as CEO has deepened my conviction that our three brands have powerful equities that connect meaningfully with significant and distinct consumer segments globally and together form a foundation for growth. I am confident that the passionate and dedicated people of Tapestry, led by our seasoned management team, can materially strengthen our operational performance and unlock the value inherent in our brands."

#### Fiscal Year 2020 Outlook

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

The Company expects revenues for Fiscal 2020 to increase at a low-single-digit rate from Fiscal 2019. In addition, the Company projects earnings per diluted share to be approximately even with prior year. Net interest expense for the year is expected to be approximately \$50 million and the full year Fiscal 2020 tax rate is projected to be in the area of 17.5%.

Fiscal Year 2020 Outlook - Non-GAAP Adjustments:

The Company is not able to provide a full reconciliation of the non-GAAP financial measures to GAAP presented in this release and on the Company's conference call because certain material items that impact these measures, such as the timing and exact amount of costs associated with Organization-related and Integration activities, the Company's ERP implementation, impairment charges and the impact of select store closures have not yet occurred as the Company continues to refine its plans. Accordingly, a reconciliation of our non-GAAP financial measure guidance to the corresponding GAAP measures is not available without unreasonable effort. Where possible, the Company has identified the estimated impact of the items excluded from its Fiscal 2020 guidance.

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

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

The Company will host a conference call to review these results at 8:30 a.m. (ET) today, November 5, 2019. 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 6853119. 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 6853119. 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).

The Company expects to report Fiscal 2020 second quarter results on Thursday February 6, 2020. 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). The Company's common stock is traded on the New York Stock Exchange under the symbol TPR.

*This information to be made available in this press release may contain forward-looking statements based on management's current expectations. Forward-looking statements include, but are not limited to, the statements under "Fiscal Year 2020 Outlook," and statements regarding the Company's planned share repurchase program and anticipated dividend payments for future quarters, 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," "roadmap," "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.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**For the Quarters Ended September 28, 2019 and September 29, 2018**  
**(in millions, except per share data)**

	(unaudited)	
	QUARTER ENDED	
	September 28, 2019	September 29, 2018
Net sales	\$ 1,357.9	\$ 1,381.2
Cost of sales	443.4	446.1
Gross profit	914.5	935.1
Selling, general and administrative expenses	862.9	772.8
Operating income	51.6	162.3
Interest expense, net	12.3	13.1
Other expense (income)	12.7	4.6
Income before provision for income taxes	26.6	144.6
Provision for income taxes	6.6	22.3
Net income	\$ 20.0	\$ 122.3
Net income per share:		
Basic	\$ 0.07	\$ 0.42
Diluted	\$ 0.07	\$ 0.42
Shares used in computing net income per share:		
Basic	284.4	288.8
Diluted	285.7	292.0

**TAPESTRY, INC.**  
**DETAIL TO NET SALES**  
**For the Quarters Ended September 28, 2019 and September 29, 2018**  
**(in millions)**  
**(unaudited)**

	Quarters Ended		% Change	Constant Currency Change	% Comparable Sales
	September 28, 2019	September 29, 2018			
Coach	\$ 965.9	\$ 960.7	1%	1%	1%
Kate Spade	305.5	325.4	(6)%	(6)%	(16)%
Stuart Weitzman	86.5	95.1	(9)%	(8)%	N/A
Total Tapestry	\$ 1,357.9	\$ 1,381.2	(2)%	(1)%	

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

**For the Quarter Ended September 28, 2019**  
**(in millions, except per share data)**  
**(unaudited)**

September 28, 2019					
	GAAP Basis (As Reported)	Organization-related ERP Implementation & Integration Costs		Impairment	Non-GAAP Basis (Excluding Items)
Coach	677.6	-	(0.1)	-	677.7
Kate Spade	191.5	-	(1.2)	-	192.7
Stuart Weitzman	45.4	-	(2.8)	-	48.2
Gross profit <sup>(1)</sup>	\$ 914.5	\$ -	\$ (4.1)	\$ -	\$ 918.6
Coach	478.1	-	0.3	41.5	436.3
Kate Spade	198.7	-	0.1	25.2	173.4
Stuart Weitzman	64.7	-	(2.4)	8.9	58.2
Corporate	121.4	14.5	22.7	-	84.2
SG&A expenses	\$ 862.9	\$ 14.5	\$ 20.7	\$ 75.6	\$ 752.1
Coach	199.5	-	(0.4)	(41.5)	241.4
Kate Spade	(7.2)	-	(1.3)	(25.2)	19.3
Stuart Weitzman	(19.3)	-	(0.4)	(8.9)	(10.0)
Corporate	(121.4)	(14.5)	(22.7)	-	(84.2)
Operating income (loss)	\$ 51.6	\$ (14.5)	\$ (24.8)	\$ (75.6)	\$ 166.5
Provision for income taxes	6.6	(3.5)	(5.4)	(12.1)	27.6
Net income	\$ 20.0	\$ (11.0)	\$ (19.4)	\$ (63.5)	\$ 113.9
Net income per diluted common share	\$ 0.07	\$ (0.04)	\$ (0.07)	\$ (0.22)	\$ 0.40

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

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

September 29, 2018					
	GAAP Basis (As Reported)	ERP Implementation & Acquisition		Integration	Non-GAAP Basis (Excluding Items)
Coach	679.7	-	(2.0)	-	681.7
Kate Spade	207.7	-	1.4	-	206.3
Stuart Weitzman	47.7	-	-	-	47.7
Gross profit <sup>(1)</sup>	\$ 935.1	\$ -	\$ (0.6)	\$ -	\$ 935.7
Coach	444.6	-	-	-	444.6
Kate Spade	163.0	-	3.4	-	159.6
Stuart Weitzman	65.4	-	11.5	-	53.9
Corporate	99.8	4.0	4.0	-	91.8
SG&A expenses	\$ 772.8	\$ 4.0	\$ 18.9	\$ -	\$ 749.9
Coach	235.1	-	(2.0)	-	237.1
Kate Spade	44.7	-	(2.0)	-	46.7
Stuart Weitzman	(17.7)	-	(11.5)	-	(6.2)
Corporate	(99.8)	(4.0)	(4.0)	-	(91.8)
Operating income (loss)	\$ 162.3	\$ (4.0)	\$ (19.5)	\$ -	\$ 185.8
Provision for income taxes	22.3	(1.0)	(3.2)	-	26.5
Net income	\$ 122.3	\$ (3.0)	\$ (16.3)	\$ -	\$ 141.6
Net income per diluted common share	\$ 0.42	\$ (0.01)	\$ (0.05)	\$ -	\$ 0.48

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

The Company reports information in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). The Company's management does not, nor does it suggest that investors should, consider non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Further, the non-GAAP measures utilized by the Company may be unique to the Company, as they may be different from non-GAAP measures used by other companies. The financial information presented above, as well as gross margin, SG&A expense ratio, and operating margin, have been presented both including and excluding the effect of certain items related to the Company's ERP Implementation, Organization-related and Integration Costs and Impairment Costs for the first quarter of fiscal year 2020 and Integration & Acquisition-Related Costs and ERP Implementation-Related costs for the first quarter of fiscal year 2019.

The Company operates on a global basis and reports financial results in U.S. dollars in accordance with GAAP. Percentage increases/decreases in net sales for the Company and each segment have been presented both including and excluding currency fluctuation effects from translating foreign-denominated sales into U.S. dollars and compared to the same periods in the prior quarter and fiscal year. The Company calculates constant currency revenue results by translating current period revenue in local currency using the prior year period's currency conversion rate.

Guidance for certain financial information for the fiscal year ending June 27, 2020 has also been presented on a non-GAAP basis.

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

(in millions)

	(unaudited) September 28, 2019	(audited) June 29, 2019
<b>ASSETS</b>		
Cash, cash equivalents and short-term investments	\$ 788.4	\$ 1,233.8
Receivables	313.1	298.1
Inventories	880.2	778.3
Other current assets	222.2	246.6
Total current assets	2,203.9	2,556.8
Property and equipment, net	889.3	938.8
Operating lease right-of-use assets	2,057.1	-
Other noncurrent assets	3,299.8	3,381.7
Total assets	\$ 8,450.1	\$ 6,877.3
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable	\$ 254.3	\$ 243.6
Accrued liabilities	628.8	673.6
Current portion of operating lease liabilities	328.9	-
Current debt	-	0.8
Total current liabilities	1,212.0	918.0
Long-term debt	1,597.3	1,601.9
Long-term operating lease liabilities	1,965.4	-
Other liabilities	588.5	844.0
Stockholders' equity	3,086.9	3,513.4
Total liabilities and stockholders' equity	\$ 8,450.1	\$ 6,877.3

**TAPESTRY, INC.**

**STORE COUNT**

At June 29, 2019 and September 28, 2019

(unaudited)

<b>Directly-Operated Store Count:</b>	<b>As of June 29, 2019</b>	<b>Openings (Closures)</b>	<b>As of September 28, 2019</b>
<b>Coach</b>			
North America	391	2 (1)	392
International	595	5 (8)	592
<b>Kate Spade</b>			
North America	213	2 (3)	212
International	194	9 (5)	198
<b>Stuart Weitzman</b>			
North America	71	3 (2)	72
International	76	5 (3)	78

**Contacts**

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Vice President, Investor Relations  
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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, the information provided on the slide entitled "Fiscal 2020 Financial Outlook", and statements regarding the Company's planned share repurchase program and anticipated dividend payments for future quarters, 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 growth strategies; our plans, objectives, goals, beliefs, future events, business conditions, results of operations and financial position; and our business outlook and business trends are forward-looking statements.

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

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

# 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.

tapestry

4





*established 1941*

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



*established 1986*

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



*established 1993*

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

**tapestry**

**\$6.0B**

*revenue*

**15.8%**  
*operating margin*

**1,540**

*stores*

  
**COACH**  
NEW YORK

**\$4.3B**

*revenue*

**27.1%**  
*operating margin*

**986**

*stores*

  
kate spade  
NEW YORK

**\$1.4B**

*revenue*

**13.6%**  
*operating margin*

**407**

*stores*

**SW**

**\$389M**

*revenue*

**(4.3%)**  
*operating margin*

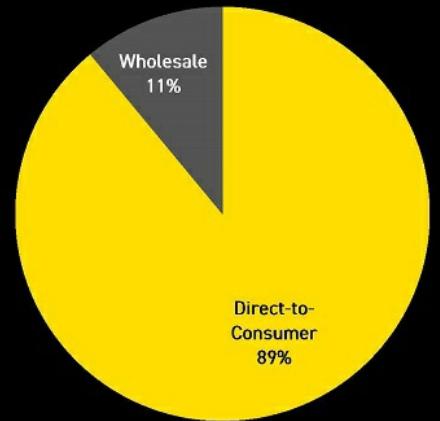
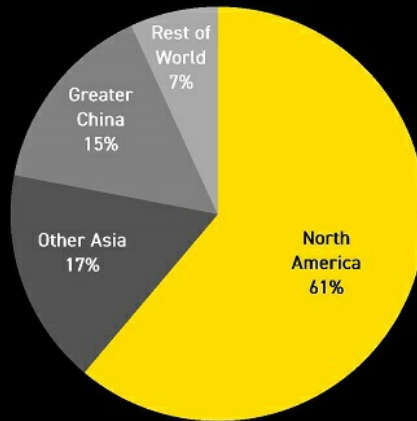
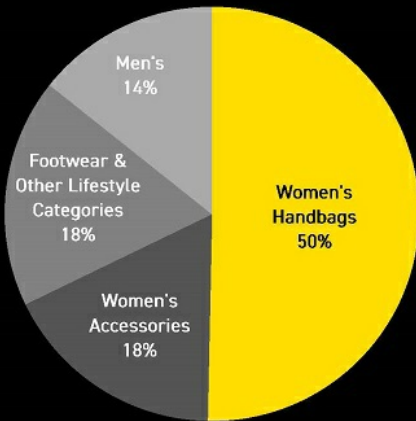
**147**

*stores*

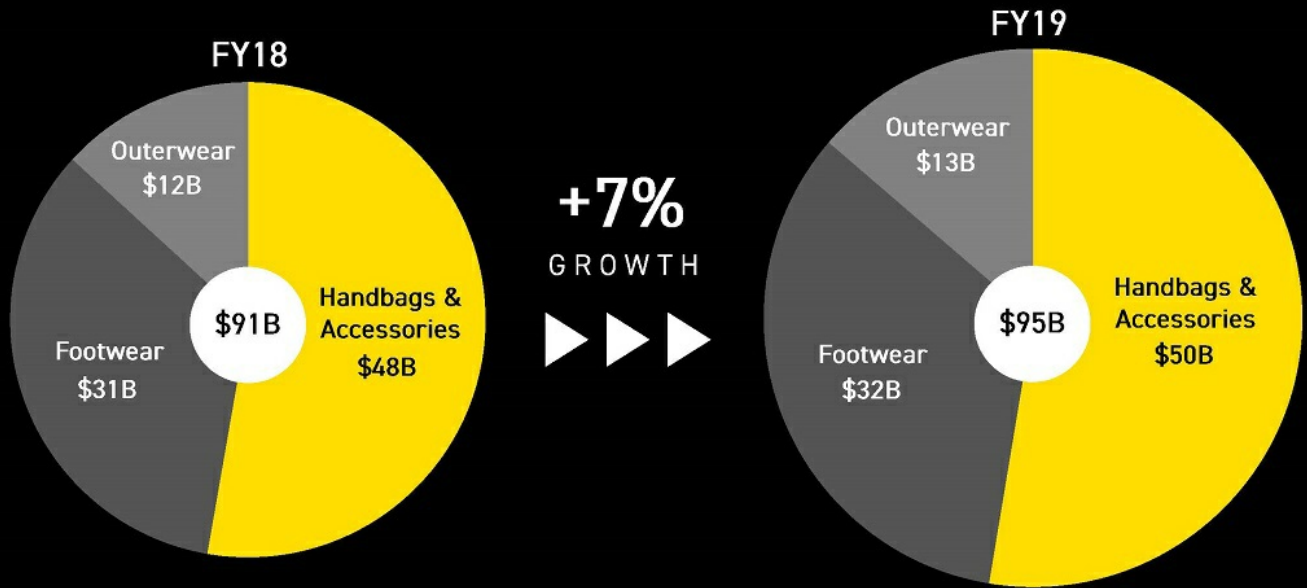
**tapestry** As of FY19. Non-GAAP Financials. As of Fiscal 2020, foreign currency gains and losses previously reported in SG&A expenses are reflected in Other Expense/(Income). Prior year results have been recast for comparability. Store counts reflect directly operated locations.

# TAPESTRY PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

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



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



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



# LEADERSHIP TEAM

**Jide Zeitlin**  
Chairman and Chief Executive Officer



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



**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



**Tom Glaser**  
Chief Operations Officer



**Joanne Crevoiserat**  
Chief Financial Officer



**Sarah Dunn**  
Global Human Resources Officer



**Noam Paransky**  
Chief Digital Officer



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



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



# 2020 *overview*

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# FISCAL 2020 STRATEGIC PRIORITIES

## INNOVATION AND EXCELLENCE IN *execution*

### FUEL BRAND INNOVATION

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

### DRIVE GLOBAL GROWTH

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

### INVEST *in* DIGITAL & DATA

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

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

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

## FISCAL 2020 CAPITAL ALLOCATION PRIORITIES

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

### ORGANIC GROWTH

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

### COMMITMENT TO SHAREHOLDER RETURNS

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

## FY20 FIRST QUARTER RESULTS

**Achieved revenue consistent with our expectations; adjusted operating income and EPS ahead of forecast,** including favorable expense timing.

Delivered solid and consistent performance at **Coach** – the largest brand of our house – highlighted by the eighth consecutive quarter of positive comparable store sales growth.

Realized comparable store sales decline in-line with forecast at **Kate Spade**, reflecting previously identified product and merchandising challenges currently being addressed.

Progressed on key strategic initiatives at **Stuart Weitzman** despite negative top-line impact from soft wholesale demand and continued operational challenges.

**Repurchased \$300 million in common stock**, underscoring our commitment to returning capital to shareholders; together with our current annual dividend, on track to **return approximately \$700 million to stockholders** in fiscal 2020.

Commenced an in-depth, comprehensive and efficient review of our business to address both near-term and long-term opportunities **to drive organic growth and profitability across the portfolio.**

**Maintained key elements of financial guidance** for FY20.

## FISCAL 2020 FINANCIAL OUTLOOK

### REVENUE

*low-single-digit growth*

- | low-single-digit sales growth at Coach driven by positive comparable store sales growth
- | low to mid-single-digit sales growth at Kate Spade driven by distribution
- | slight sales growth at Stuart Weitzman

### GROSS MARGIN

*modest year over year decline*

- | reflects pressure from bringing Kate Spade footwear in-house and currency headwinds

### SG&A EXPENSES

*approximately in-line with top-line growth*

- | growth includes ongoing impact from strategic investments in new stores, regional buy-backs & systems

### EARNINGS PER DILUTED SHARE

*roughly even with prior year*

- | net interest expense of approximately \$50M
- | tax rate in the area of 17.5%

*highlights*  
*from*  
**2019**

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

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

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

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

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

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

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

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

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



## FISCAL 2019 P&L OVERVIEW BY BRAND

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

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

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

Board of Directors  
approved

**\$1B**

share repurchase  
program.

Company returned

**\$490M**

to shareholders through dividends  
& share repurchases.

**OVERVIEW**

*by*

**BRAND**

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**COACH**

NEW YORK

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Kate Moss, Upper West Side, New York City



The Kar Bag



THE SHOPS  
AT HUDSON YARDS  
NEW YORK CITY



NEW YORK FASHION WEEK  
COACH ORIGINALS POP-UP  
MADISON AVENUE, NEW YORK CITY

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

JOSHUA SCHULMAN, CEO & BRAND PRESIDENT, COACH





OUR VISION

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





**\$4.27B**

ANNUAL REVENUE

—  
**986**

DIRECTLY OPERATED STORES

—  
**13,500**

EMPLOYEES

As of FY19.

## COACH FISCAL 2019 MILESTONES

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

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

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

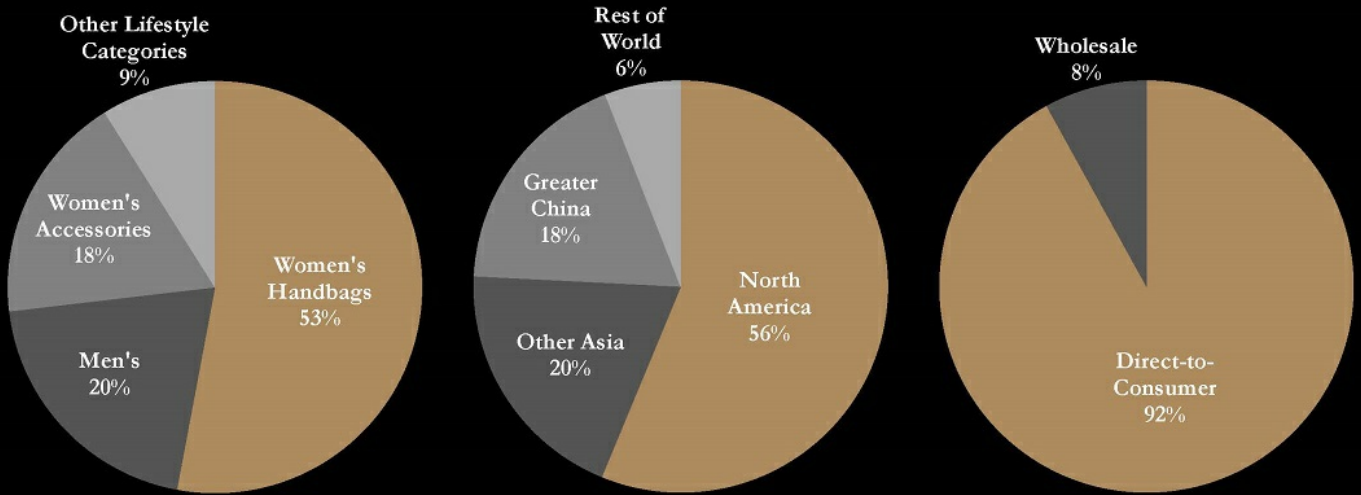
Gained traction in lifestyle categories, including footwear and ready-to-wear; grew men's business to nearly \$900M at POS.

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



# COACH PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

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



# COACH FISCAL 2020 STRATEGIC PRIORITIES

**DRIVE PRODUCT  
INNOVATION &  
DISRUPTION**

**ENFORCE  
FASHION  
AUTHORITY  
THROUGH  
CULTURAL  
RELEVANCE**

**INJECT  
EXCITEMENT  
INTO STORES**

**FUEL DIGITAL  
INNOVATION &  
E-COMMERCE  
GROWTH**





kate spade

NEW YORK

---





THE SHOPS  
AT HUDSON YARDS  
NEW YORK CITY



*“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.





**\$1.37B**

ANNUAL REVENUE

—  
**407**

DIRECTLY OPERATED STORES

—  
**4,800**

EMPLOYEES

*As of FY19.*

## KATE SPADE FISCAL 2019 MILESTONES

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

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

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

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

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

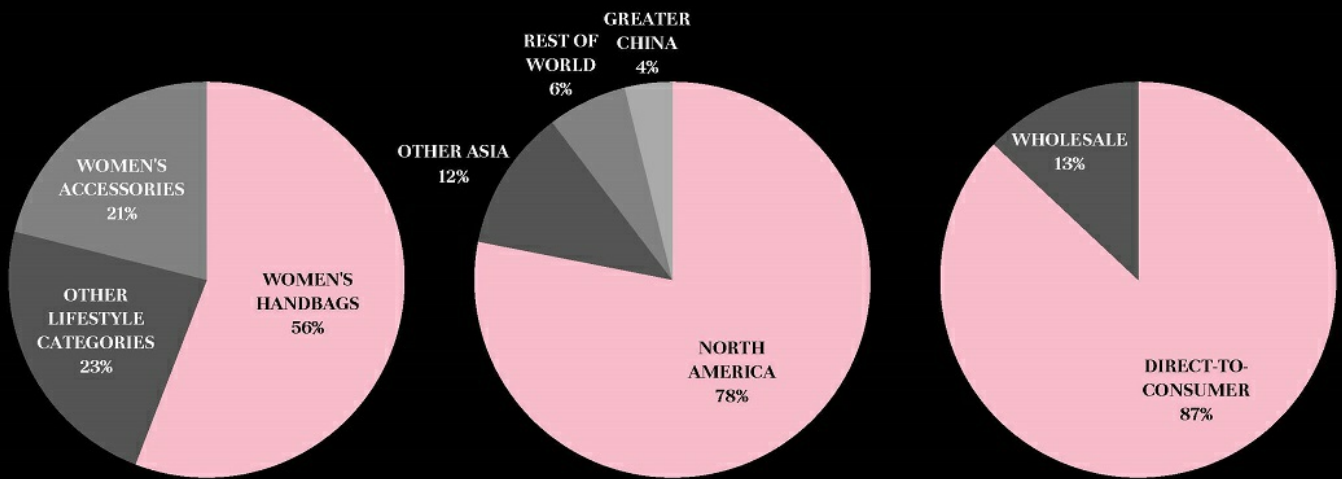


*\*Kate Spade intends to bring women's footwear business in-house from licensed partner, Steve Madden, in the second half of fiscal 2020.*



# KATE SPADE PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

OPPORTUNITY TO EXPAND INTERNATIONALLY WITH UNIQUE AND GLOBALLY-RELEVANT POSITIONING



As of FY19.

# KATE SPADE FISCAL 2020 STRATEGIC PRIORITIES

**SOLIDIFY BRAND  
AUTHORITY**

**INTRODUCE  
EXCEPTIONAL  
AND INSPIRING  
PRODUCTS**

**ENHANCE  
OMNI-CHANNEL  
PLATFORM  
GLOBALLY**

**CREATE  
IMMERSIVE  
CHANNEL  
EXPERIENCES**

**ENGAGE WITH  
CHINESE  
CONSUMERS  
GLOBALLY**



STUART WEITZMAN

---







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

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

ERALDO POLETTO, CEO & BRAND PRESIDENT, STUART WEITZMAN

SW

## OUR VISION

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

SW



**\$389M**

ANNUAL REVENUE

—

**147**

DIRECTLY OPERATED STORES

—

**1,100**

EMPLOYEES

*As of FY19.*

## STUART WEITZMAN FISCAL 2019 MILESTONES

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

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

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

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

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

SW



# STUART WEITZMAN FISCAL 2020 STRATEGIC PRIORITIES

ENHANCE SYSTEMS  
AND PROCESSES

MAINTAIN  
BOOT & SANDAL  
AUTHORITY  
WHILE  
EXPANDING  
FOOTWEAR  
EXPRESSION

DRIVE CREDIBILITY  
IN HANDBAGS

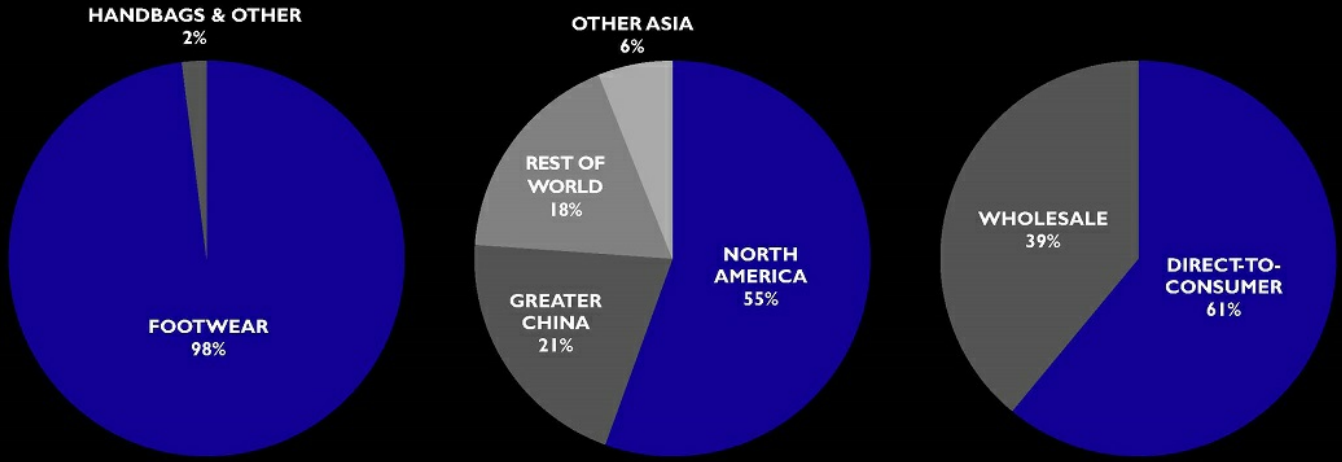
FUEL CONSUMER  
DESIRE & BRAND  
AWARENESS

EXPAND  
GLOBALLY,  
WITH FOCUS ON  
CHINA

SW

# STUART WEITZMAN PRODUCT, GEOGRAPHIC & CHANNEL BREAKDOWN

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



As of FY19.

*corporate*  
**RESPONSIBILITY**

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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.*

## CORPORATE SOCIAL RESPONSIBILITY

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

1

#### OUR PEOPLE

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

2

#### OUR PLANET

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

3

#### OUR COMMUNITIES

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

## CORPORATE SOCIAL RESPONSIBILITY

### 1 *our people*

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

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

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

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

tapestry





## CORPORATE SOCIAL RESPONSIBILITY

### 1 *our people*

Expanded our maternity leave in 2018 in the United States.

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

Achieved a score of 100 for the 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 of Directors diversity in fiscal 2017.

## CORPORATE SOCIAL RESPONSIBILITY

### 2 *our planet*

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

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

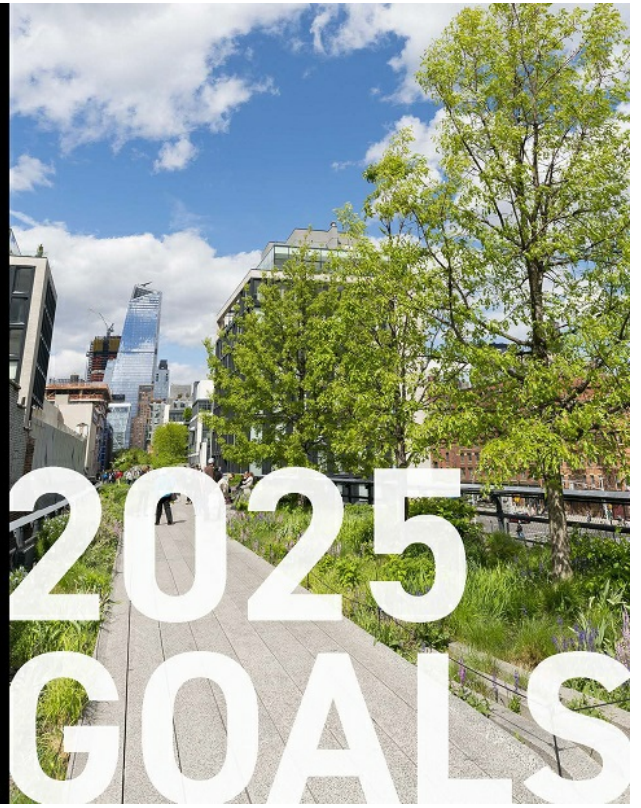
Ensure that 90% of leather is sourced from Silver- and Gold-rated *Leather Working Group* tanneries.

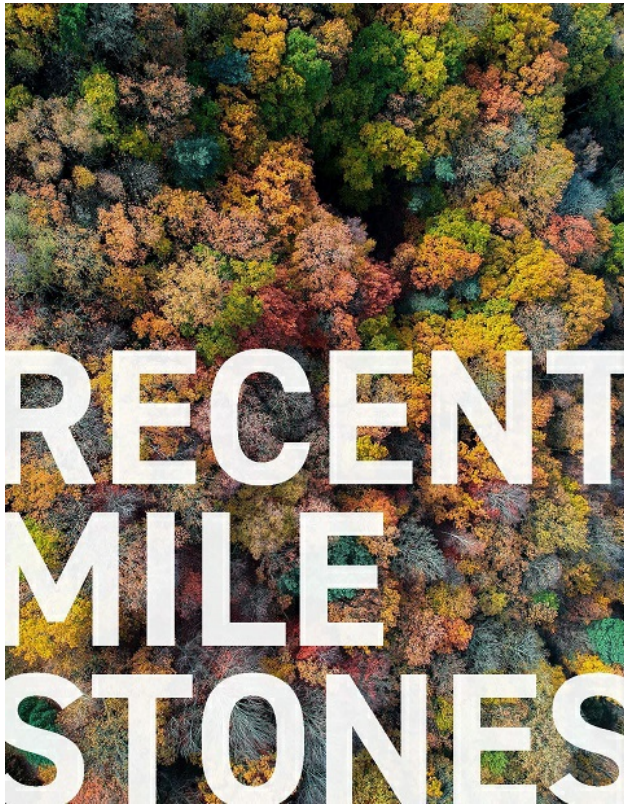
Achieve 75% recycled content in packaging and 25% reduction in North America corporate & distribution center waste.

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

tapestry

Photo courtesy of Friends of the High Line.





## CORPORATE SOCIAL RESPONSIBILITY

### 2 *our planet*

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

Provided in-person compliance and anti-corruption training to over 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 \$75M in financial and product donations to nonprofit organizations globally.

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





## CORPORATE SOCIAL RESPONSIBILITY

### 3 *our communities*

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

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

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

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

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



**tapestry**

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*“I have profound belief in Tapestry’s people and culture, as well as our ability to enhance returns for all stakeholders. Together with a talented management team that combines long-tenured executives with new leaders who bring fresh perspectives, we will act with urgency to drive sustainable organic growth.”*

JIDE ZEITLIN, CHAIRMAN & CEO

# APPENDIX

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

Guidance for certain financial information for the fiscal year ending June 27, 2020 has also been presented on a non-GAAP basis. A reconciliation of our non-GAAP financial measure guidance to the corresponding GAAP measures is not available without unreasonable effort because certain material items that impact these measures, such as the timing and exact amount of charges related to Integration and Acquisition and the costs associated with the Company's ERP implementation have not yet occurred.

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

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

## GAAP TO NON-GAAP RECONCILIATION FOR THE YEAR ENDED JUNE 29, 2019

*in millions, except per share data; unaudited*

	GAAP BASIS (AS REPORTED)	ERP IMPLEMENTATION	INTEGRATION & ACQUISITION	IMPACT OF TAX LEGISLATION	NON-GAAP BASIS (EXCLUDING ITEMS)
Coach	\$2,996.4	\$—	\$(1.9)	\$—	\$2,998.3
Kate Spade	863.6	—	(6.3)	—	869.9
Stuart Weitzman	193.7	—	(19.6)	—	213.3
Gross profit <sup>(1)</sup>	4,053.7	—	(27.8)	—	4,081.5
Coach	1,848.0	—	7.1	—	1,840.9
Kate Spade	698.2	—	14.5	—	683.7
Stuart Weitzman	245.2	—	15.0	—	230.2
Corporate	442.6	36.9	30.0	—	375.7
Selling, general and administrative expenses	3,234.0	36.9	66.6	—	3,130.5
Coach	1,148.4	—	(9.0)	—	1,157.4
Kate Spade	165.4	—	(20.8)	—	186.2
Stuart Weitzman	(51.5)	—	(34.6)	—	(16.9)
Corporate	(442.6)	(36.9)	(30.0)	—	(375.7)
Operating income (loss)	819.7	(36.9)	(94.4)	—	951.0
Provision for income taxes	122.8	(9.4)	(25.8)	9.2	148.8
Net income	643.4	(27.5)	(68.6)	(9.2)	748.7
Net income per diluted common share	2.21	(0.09)	(0.24)	(0.03)	2.57

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

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

*in millions, except per share data; unaudited*

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

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

# tapestry

COACH | kate spade | STUART WEITZMAN

