

# MICHAEL KORS: THE GROWTH OF LUXURY

JOHN IDOL, CHAIRMAN & CEO  
JOE PARSONS, CFO / COO / TREASURER



# DISCLAIMER

## FORWARD LOOKING STATEMENTS

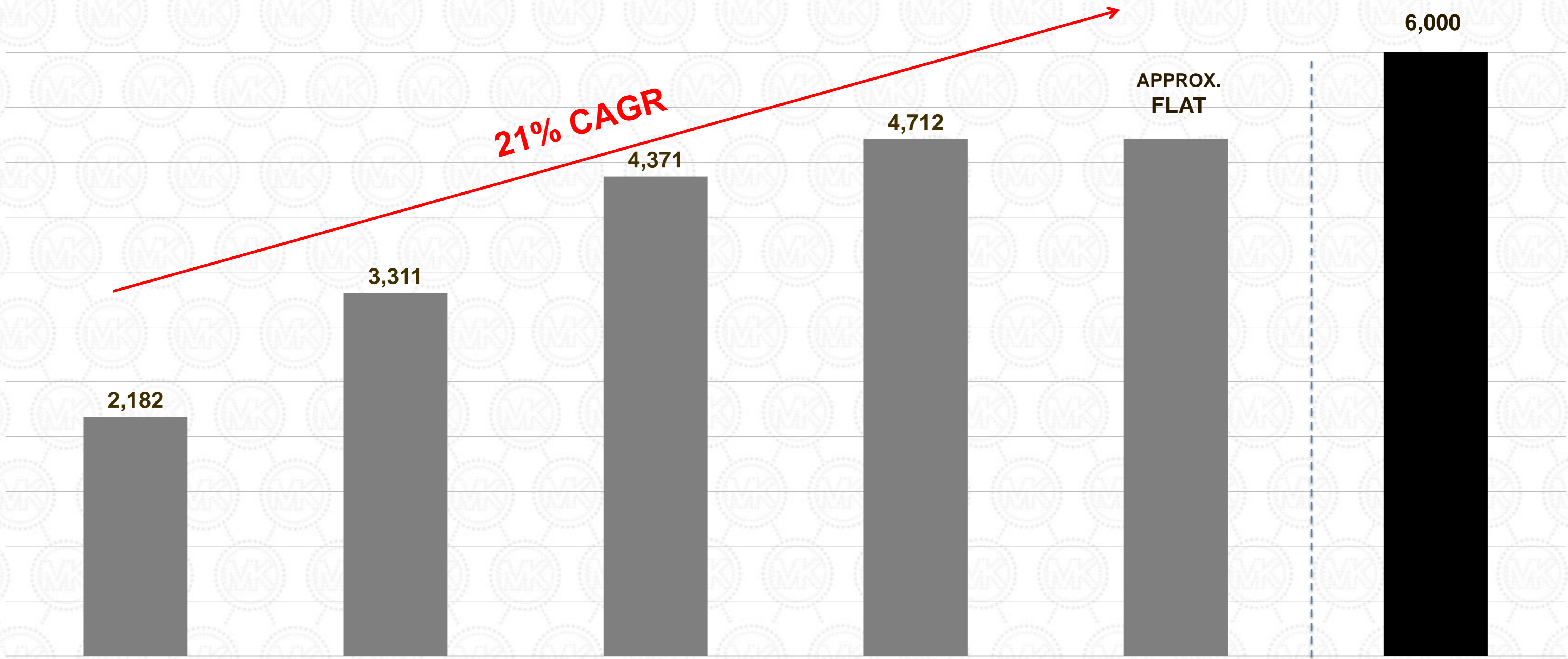
Certain information contained in this presentation, particularly information regarding future economic performance, finances, and expectations and objectives of management, constitutes forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and generally contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates” or “anticipates” or similar expressions. Our forward-looking statements are subject to risks and uncertainties, which may cause actual results to differ materially from those projected or implied by the forward-looking statement. For discussion of some of the important factors that could cause these variations, please read the “Risk Factors” section and elsewhere in the Company’s Annual Report on Form 10-K (File No. 001-35368), filed on June 1, 2016 with the U.S. Securities and Exchange Commission.

Forward-looking statements contained in this presentation are based on assumptions that we have made in light of our management’s experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors that we believe are appropriate under the circumstances. You should not place undue reliance on forward-looking statements, which speak only as of the date hereof. We do not undertake to update or revise any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, except as required by applicable law.

## USE OF NON-GAAP FINANCIAL MEASURES

This presentation may include certain measures presented on a basis other than in accordance with generally accepted accounting principles (GAAP). These amounts are not an alternative to GAAP. Management believes that these measures provide investors with transparency by helping to illustrate the underlying financial and business trends relating to the Company's results of operations and financial condition and comparability between current and prior periods. Investors are encouraged to review the reconciliation of such measures to the most directly comparable GAAP term.

# TOTAL REVENUE



FY 2013

FY 2014

FY 2015

FY 2016

FY 2017

GOAL

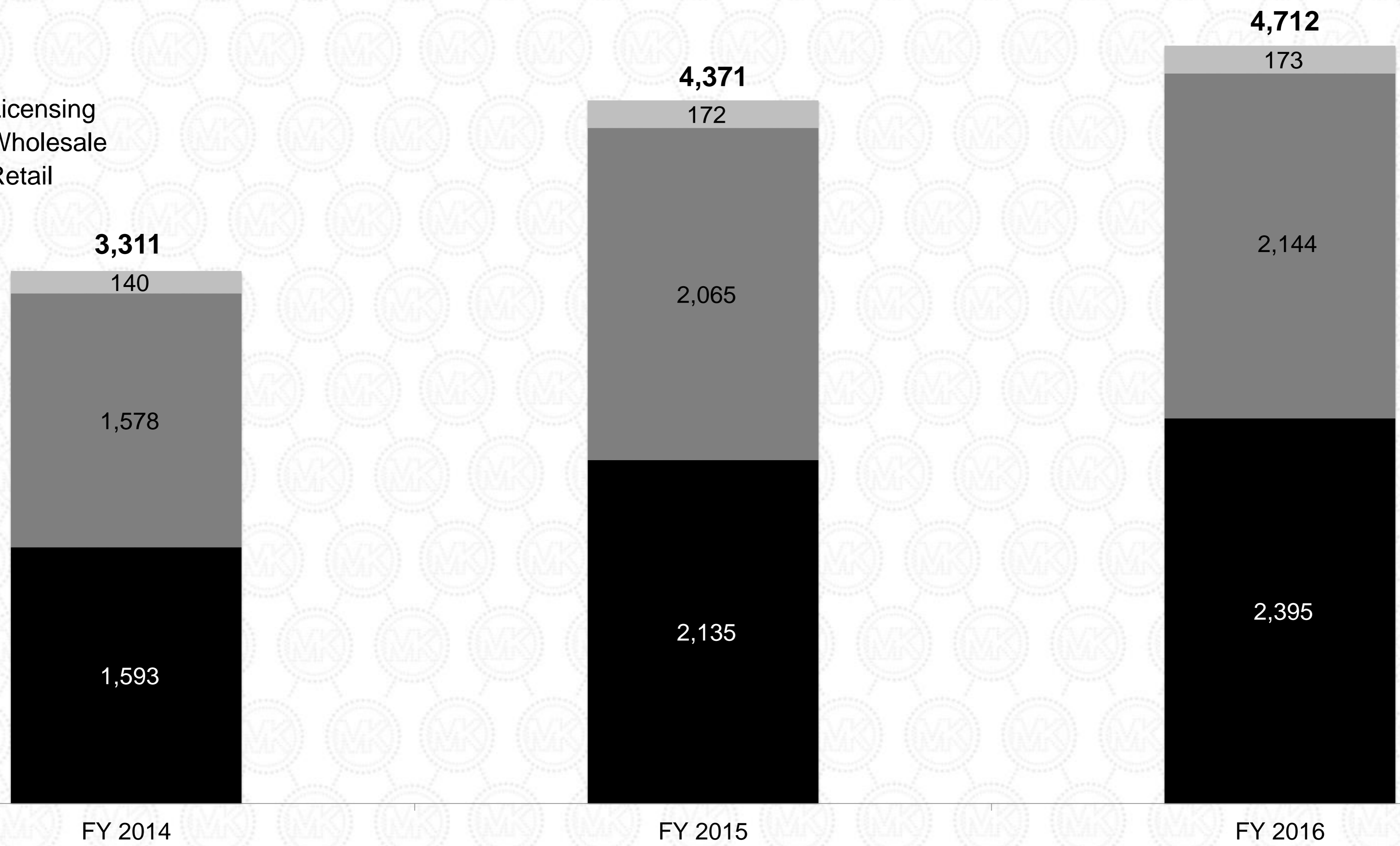
IN MILLIONS OF DOLLARS

GUIDANCE\*

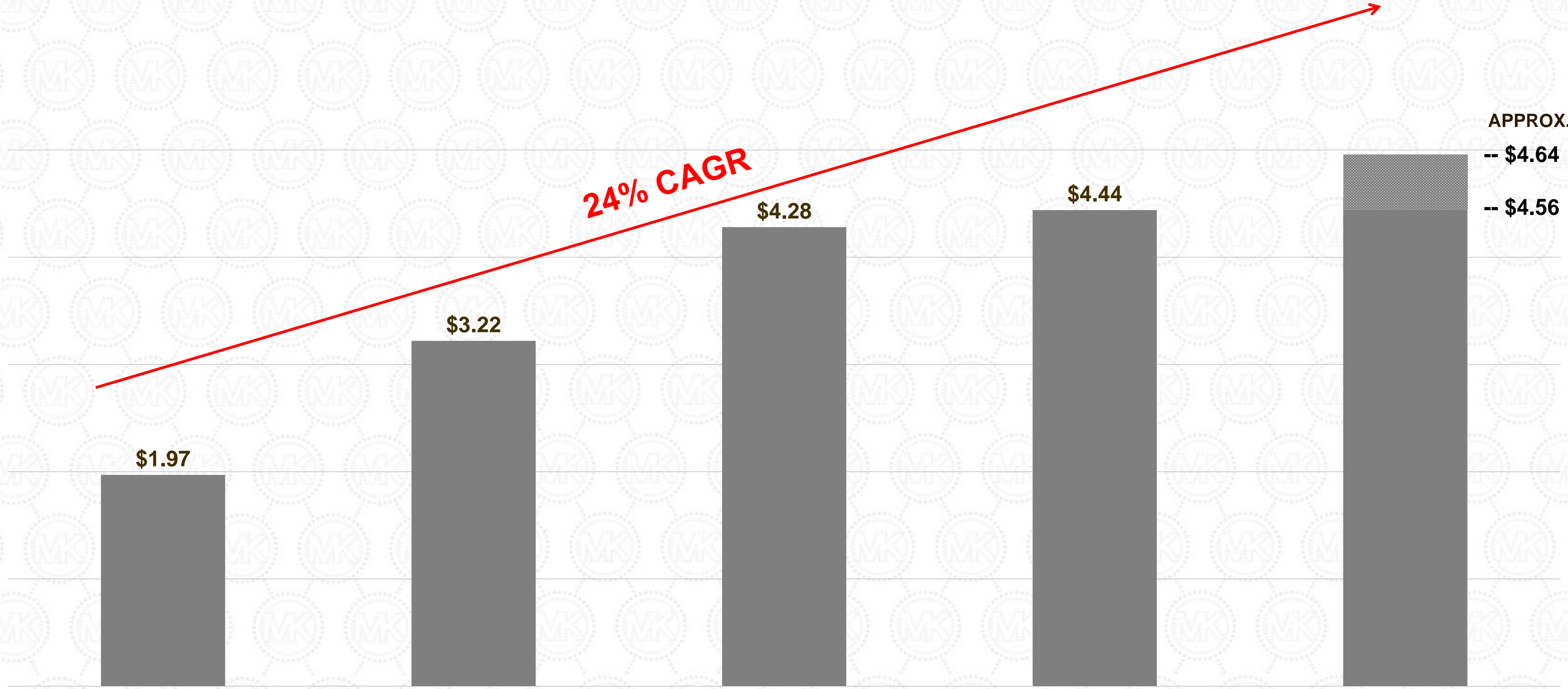
\*AS REPORTED IN THE COMPANY'S JUNE 1, 2016 EARNINGS RELEASE

# MKHL REVENUE BY SEGMENT (IN MILLIONS)

- Licensing
- Wholesale
- Retail



# DILUTED EARNINGS PER SHARE



**24% CAGR**

NON-GAAP  
GUIDANCE RANGE\*

\*AS REPORTED IN THE COMPANY'S JUNE 1, 2016 EARNINGS RELEASE (excluding \$15 MM of one-time costs related to the acquisition of the Greater China licensee)

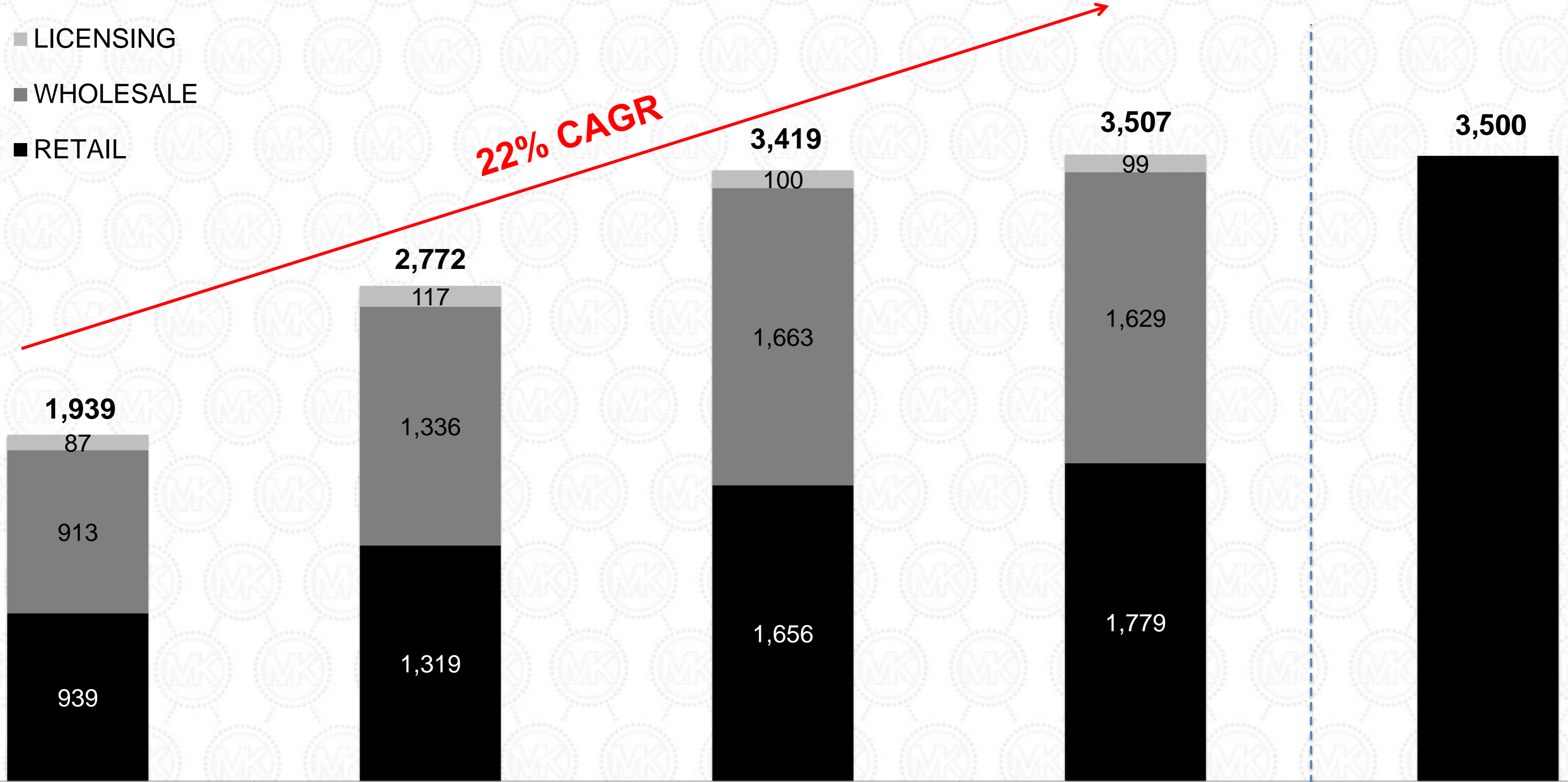


# REGIONAL GROWTH

# THE AMERICAS REVENUE

- LICENSING
- WHOLESALE
- RETAIL

**22% CAGR**



FY 2013

FY 2014

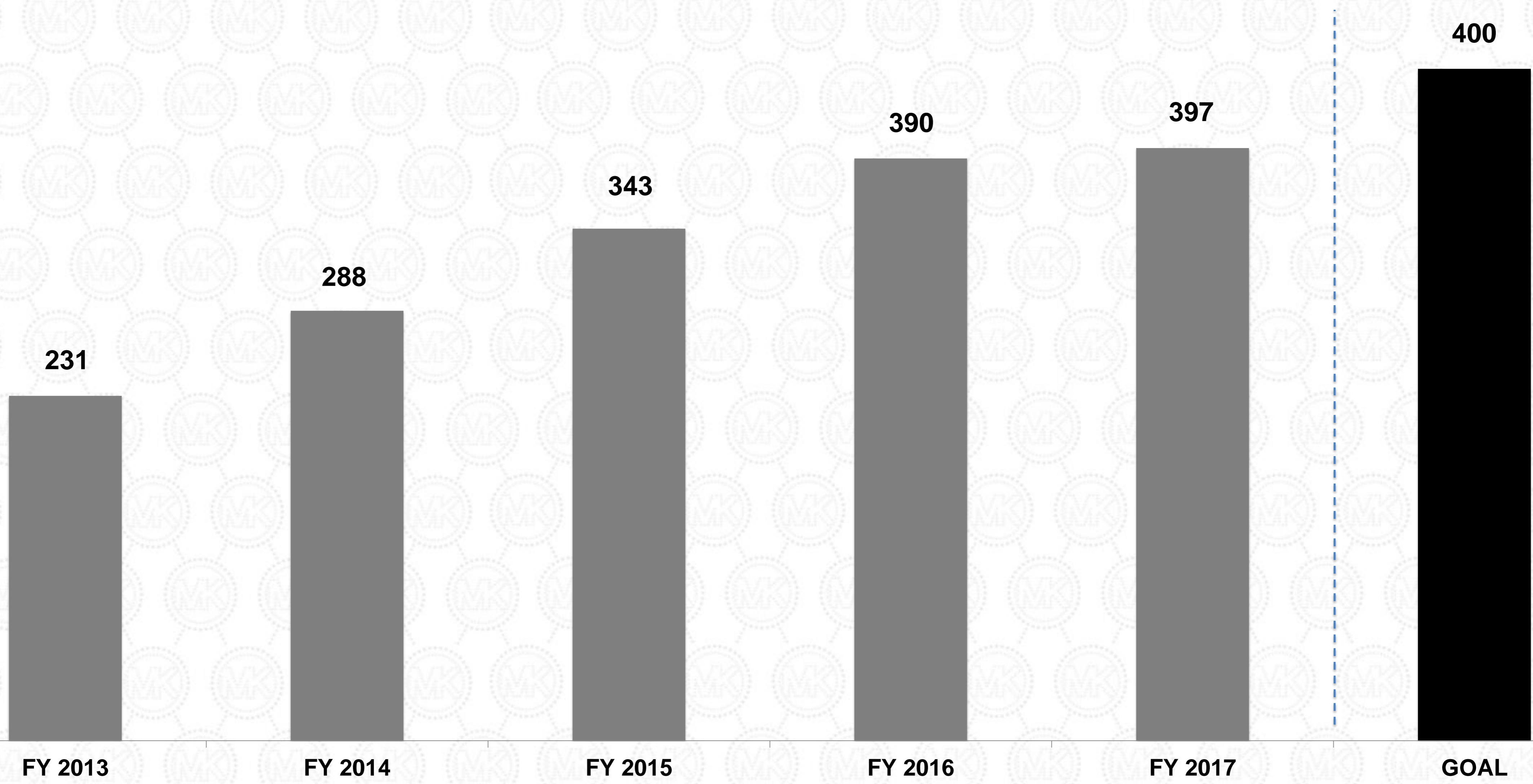
FY 2015

FY 2016

GOAL

IN MILLIONS OF DOLLARS

# THE AMERICAS RETAIL STORE COUNT



\*AS REPORTED IN THE COMPANY'S JUNE 1, 2016 EARNINGS RELEASE (net of store closures)



## THE AMERICAS: FY 2017

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GROW DIGITAL FLAGSHIP BUSINESS

OPEN APPROXIMATELY 15 NEW RETAIL LOCATIONS

DEVELOP MENS' SPORTSWEAR AND LEATHER GOODS BUSINESS

LAUNCH MICHAEL KORS ACCESS WEARABLE TECHNOLOGY LINE

CONTINUE DEVELOPMENT OF ACCESSORIES, READY-TO-WEAR,  
FOOTWEAR, FRAGRANCE, JEWELRY AND EYEWEAR CATEGORIES







MICHAEL KORS

MICHAEL KORS















# MICHAEL KORS



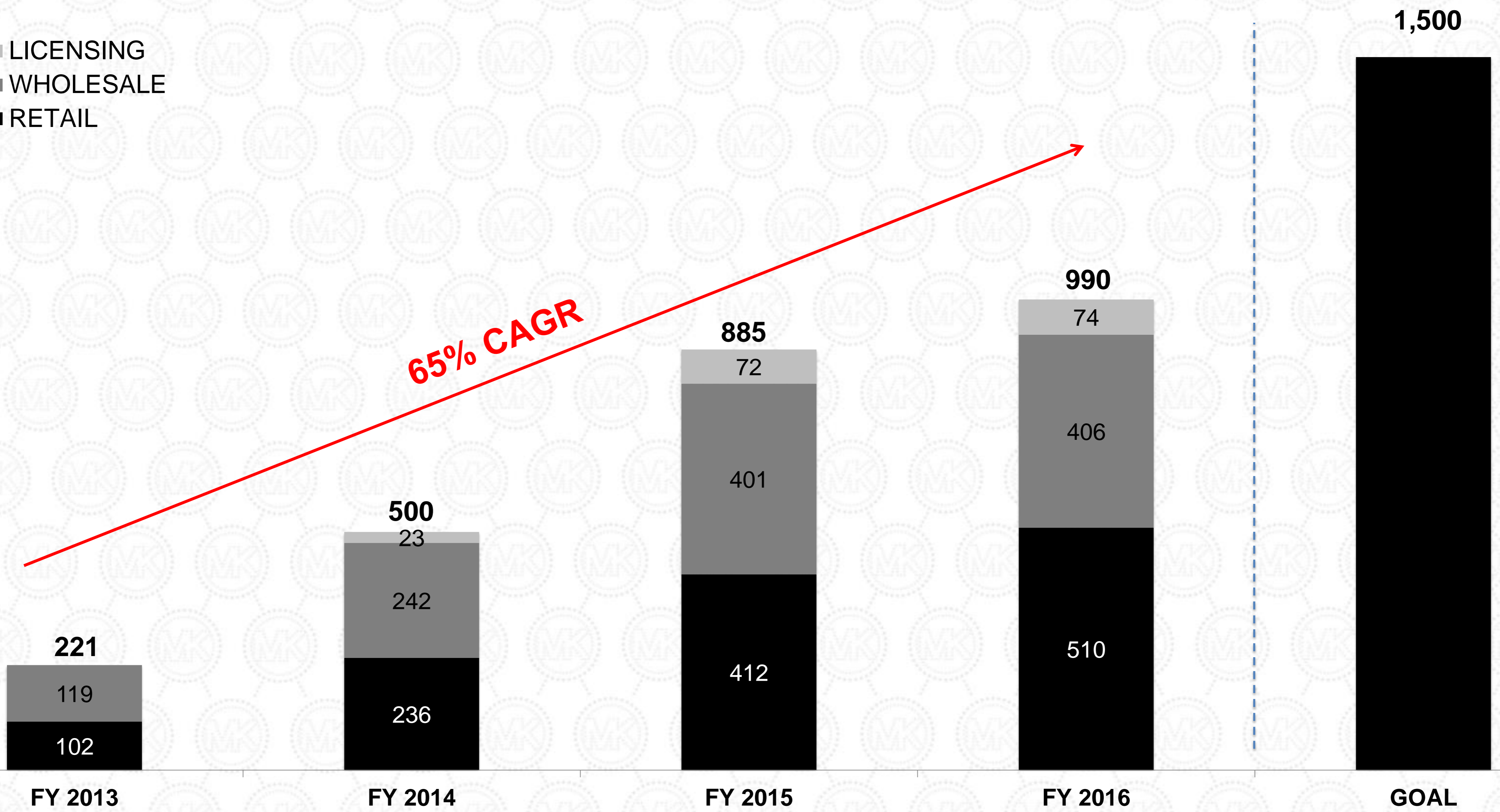
# MICHAEL KORS





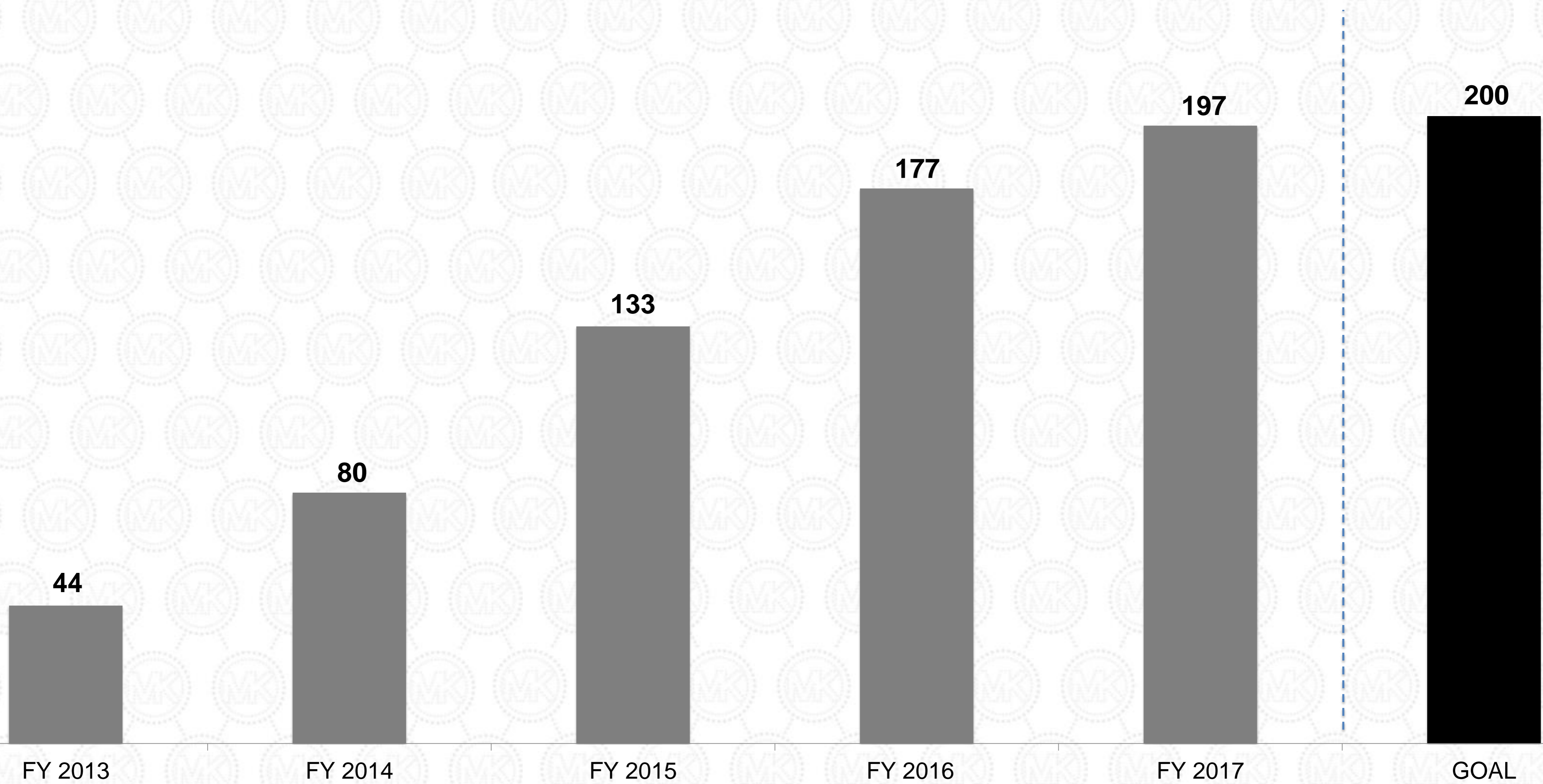
# EUROPE REVENUE

- LICENSING
- WHOLESALE
- RETAIL



IN MILLIONS OF DOLLARS

# EUROPE RETAIL STORE COUNT



\*AS REPORTED IN THE COMPANY'S JUNE 1, 2016 EARNINGS RELEASE



## EUROPE: FY 2017

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LAUNCH DIGITAL FLAGSHIPS IN 6 COUNTRIES ACROSS EUROPE

OPEN APPROXIMATELY 20 RETAIL LOCATIONS

DEVELOP MENS' SPORTSWEAR AND LEATHER GOODS BUSINESS

LAUNCH MICHAEL KORS ACCESS WEARABLE TECHNOLOGY LINE

CONTINUE DEVELOPMENT OF ACCESSORIES, READY-TO-WEAR,  
FOOTWEAR, FRAGRANCE, JEWELRY AND EYEWEAR CATEGORIES











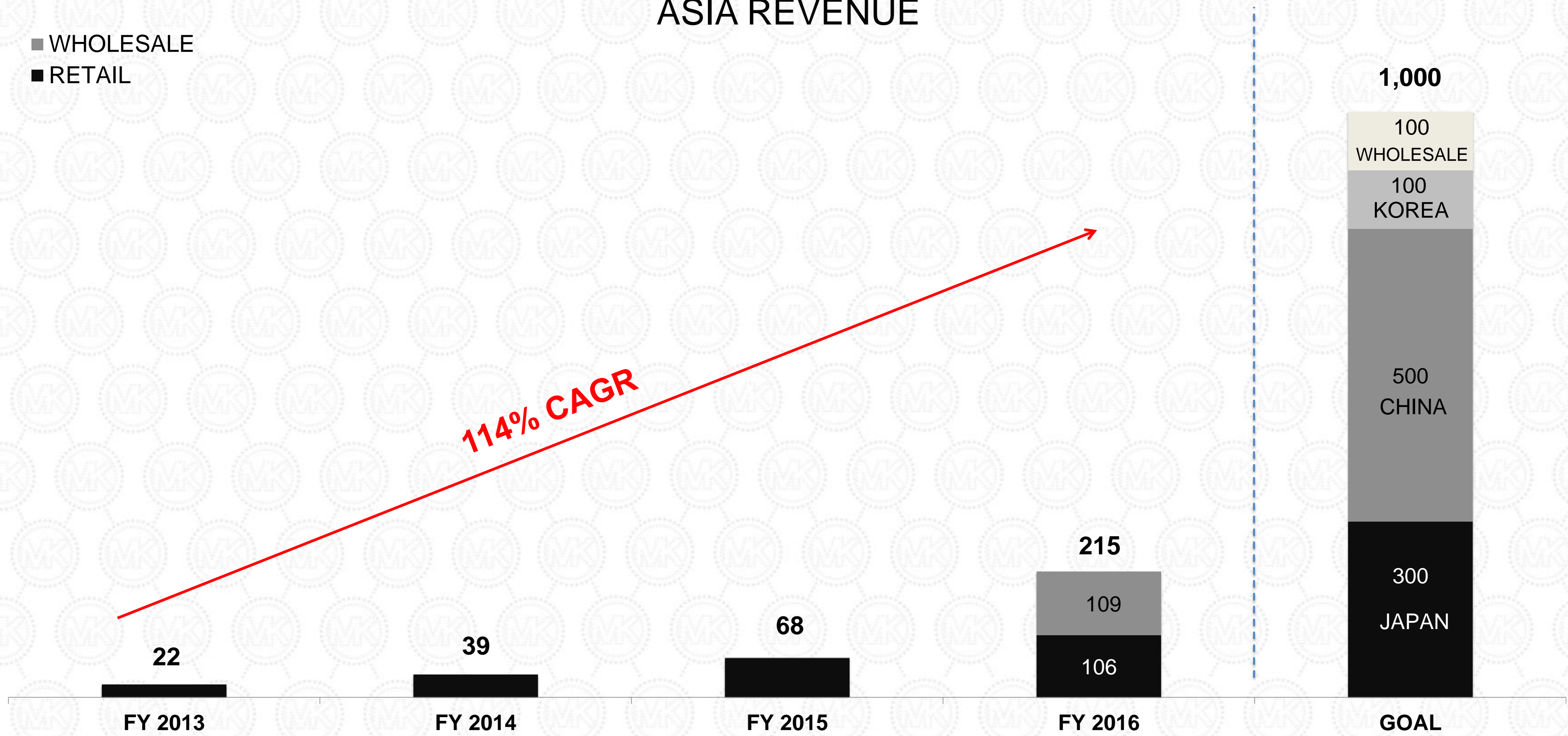






# ASIA REVENUE

- WHOLESALE
- RETAIL



**1,000**

100  
WHOLESALE

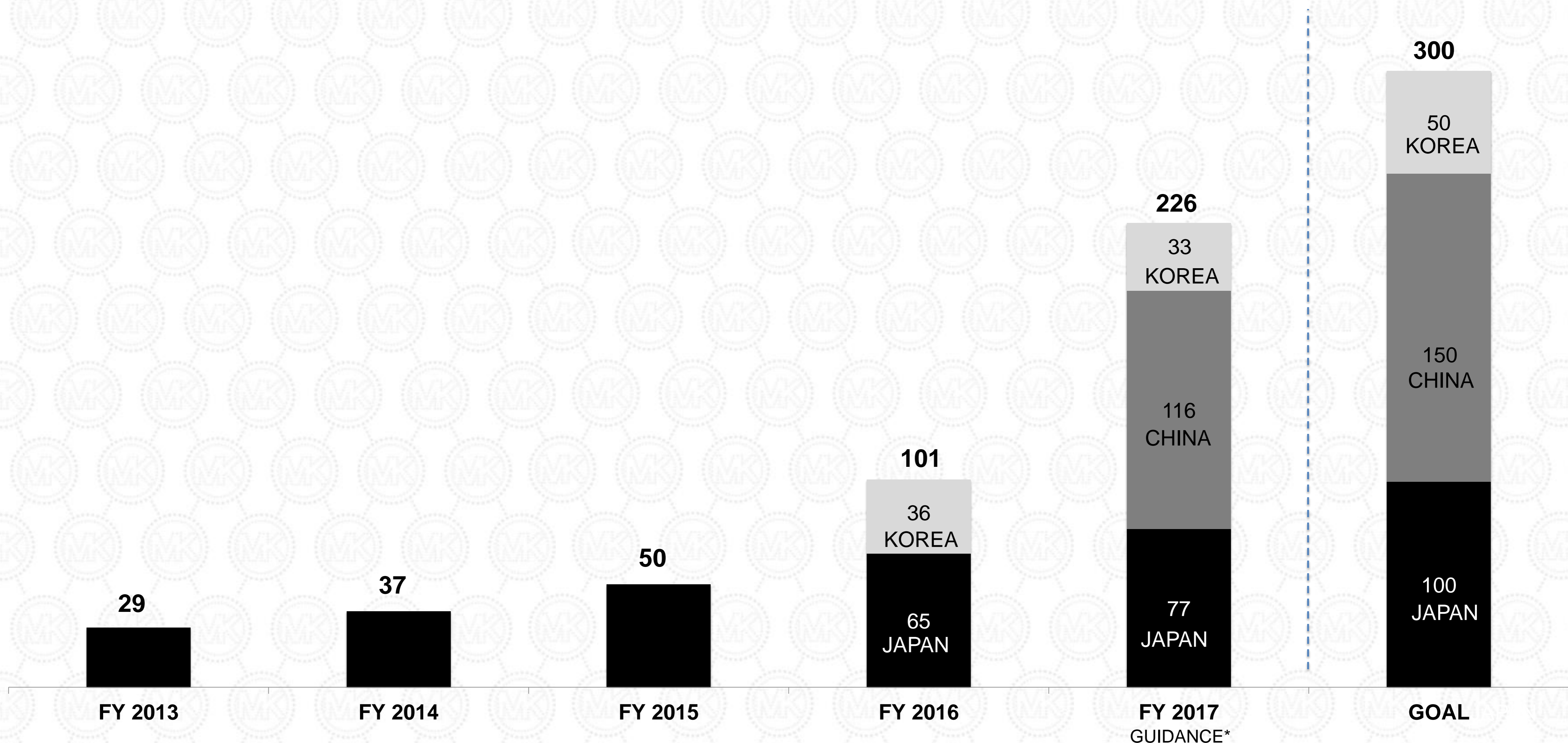
100  
KOREA

500  
CHINA

300  
JAPAN

IN MILLIONS OF DOLLARS

# ASIA RETAIL STORE COUNT



\*AS REPORTED IN THE COMPANY'S JUNE 1, 2016 EARNINGS RELEASE



## ASIA: FY 2017

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DRIVE GROWTH OF NEWLY ACQUIRED GREATER CHINA & KOREA BUSINESSES

ESTABLISH DIGITAL FLAGSHIPS THROUGH 3<sup>RD</sup> PARTIES

OPEN APPROXIMATELY 40 RETAIL LOCATIONS

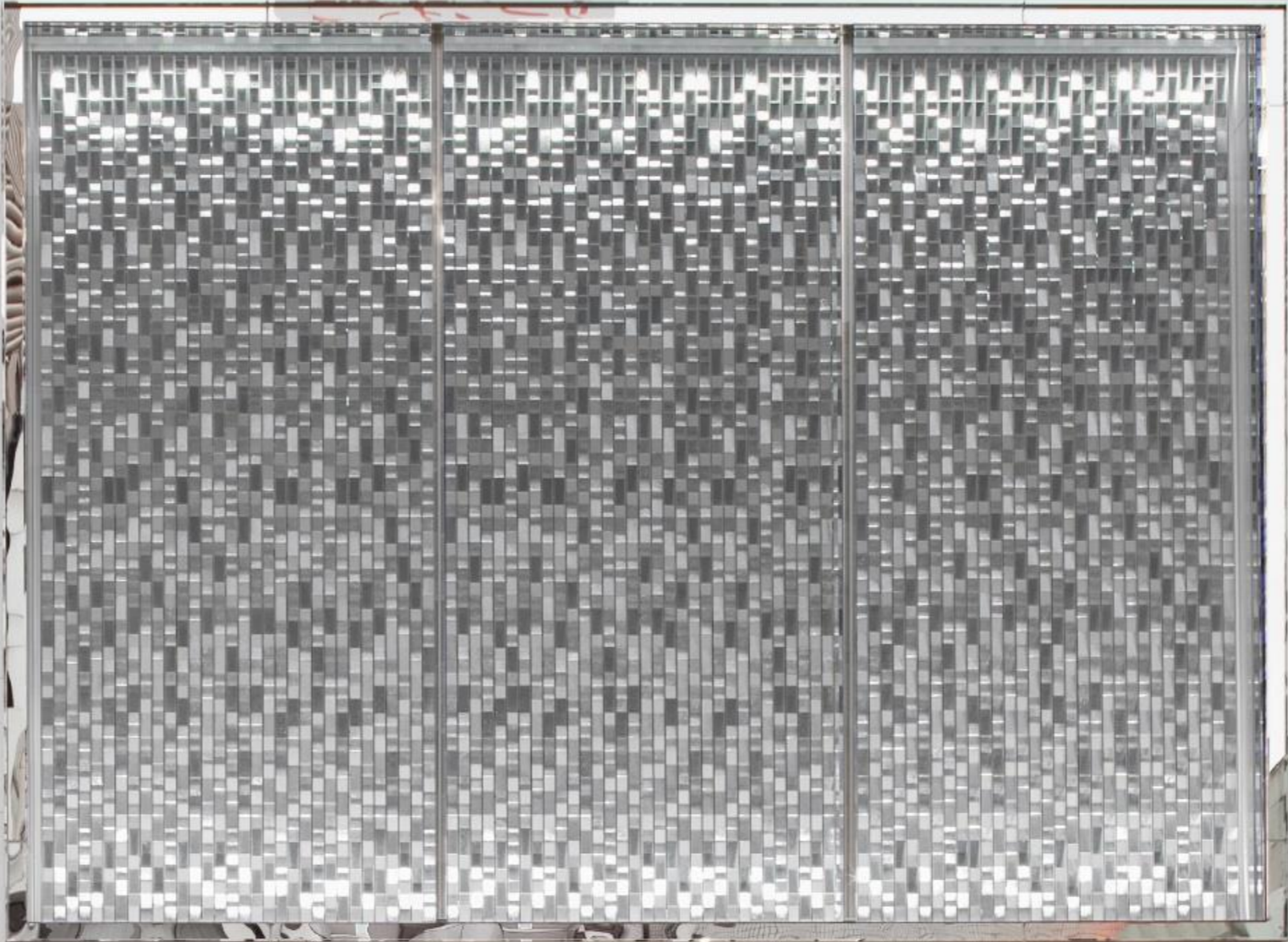
DEVELOP MENS' SPORTSWEAR AND LEATHER GOODS BUSINESS

LAUNCH MICHAEL KORS ACCESS WEARABLE TECHNOLOGY LINE

CONTINUE EXPANSION OF SOUTHEAST ASIA LICENSED BUSINESS

CONTINUE DEVELOPMENT OF ACCESSORIES, READY-TO-WEAR, FOOTWEAR,  
FRAGRANCE, JEWELRY AND EYEWEAR CATEGORIES

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# MICHAEL KORS





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WHAT ARE THE KEY DRIVERS TO THIS GROWTH?





RUNWAY COLLECTION

# LUXURY PRODUCT



# JET SET BRAND IMAGING






# RETAIL STRATEGY

FREE GROUND SHIPPING ENDS TOMORROW. [DETAILS >](#)

 [FIND A STORE](#) [MY ACCOUNT](#)



# MICHAEL KORS

[WOMEN](#) [MEN](#) [HANDBAGS](#) [SHOES](#) [WATCHES](#) [ACCESSORIES](#) [GIFTS](#) [SALE](#) [DESTINATION KORS](#) [SEARCH](#) 



## THE DALIA BACKPACK

OUR NEWEST LEADER OF THE PACK IS ROOMY ENOUGH TO FIT ALL YOUR ESSENTIALS, AND STYLISH ENOUGH TO TAKE EVERYWHERE.

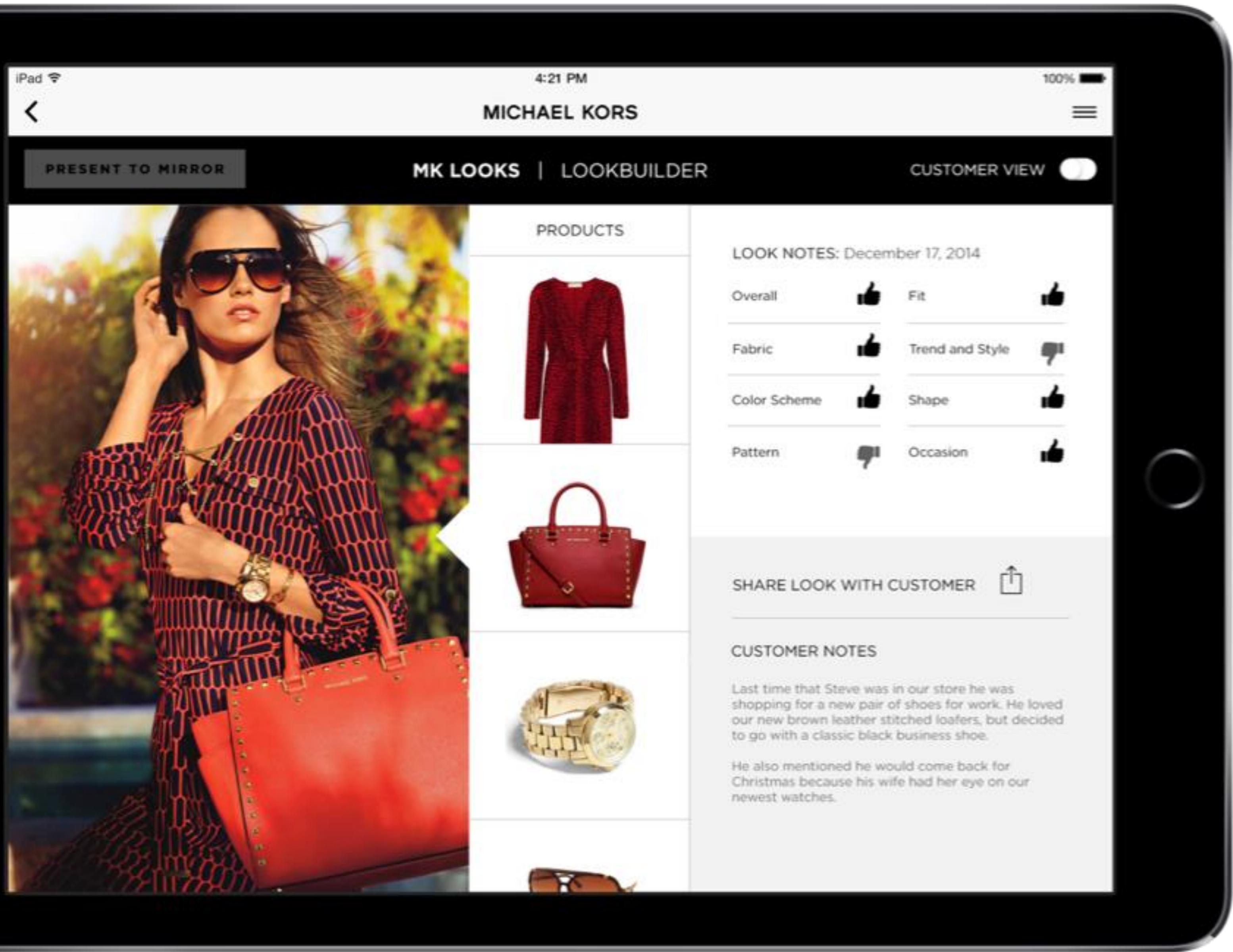
[SHOP BACKPACKS >](#)

[SHOP ALL HANDBAGS >](#)

[VIEW ALL](#) [NEW ARRIVALS](#) [TOTES](#) [SACHELS](#) [SHOULDER BAGS](#) [CROSSBODIES](#) [BACKPACKS](#) [WALLETS](#) [COLLECTION](#)

MacBook Air

DIGITAL FLAGSHIP



# KORSCONCIERGE

PERSONAL STYLIST IN-STORE

CONNECTING THE PHYSICAL  
TO THE DIGITAL

ENHANCE CUSTOMER ENGAGEMENT



## RETAIL INITIATIVES

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FURTHER DEVELOP GLOBAL DIGITAL FLAGSHIP STRATEGY AND  
PROVIDE AN OMNICHANNEL CUSTOMER EXPERIENCE

EXPAND OUR GLOBAL STORE PRESENCE

OPEN FREE STANDING MEN'S STORES GLOBALLY

# WHOLESALE STRATEGY



# GLOBAL WHOLESALE CUSTOMERS

## NORTH AMERICA

**BERGDORF GOODMAN**

*Saks Fifth Avenue* *Neiman Marcus*  
the magic of **MACY'S**

bloomingdale's

**NORDSTROM**

## AMERICAS

*El Palacio de Hierro*

**HOLT RENFREW**

## EUROPE

**B** breuninger

*Harrods*

**I | Y | M**  
T S U M M O S C O W

G A L E R I E S  
*Lafayette*

**PRINTEMPS**

**SELFRIDGES & CO**

**BROWN THOMAS**

*la Rinascente*

**BEYMEN**

## ASIA

**ISETAN**

*Lane Crawford*

**MITSUKOSHI**

**Takashimaya**

**DAIMARU**

DEPARTMENT STORE  
**LOTTE**

**HYUNDAI**  
DEPARTMENT STORE







# MICHAEL KORS







## WHOLESALE INITIATIVES

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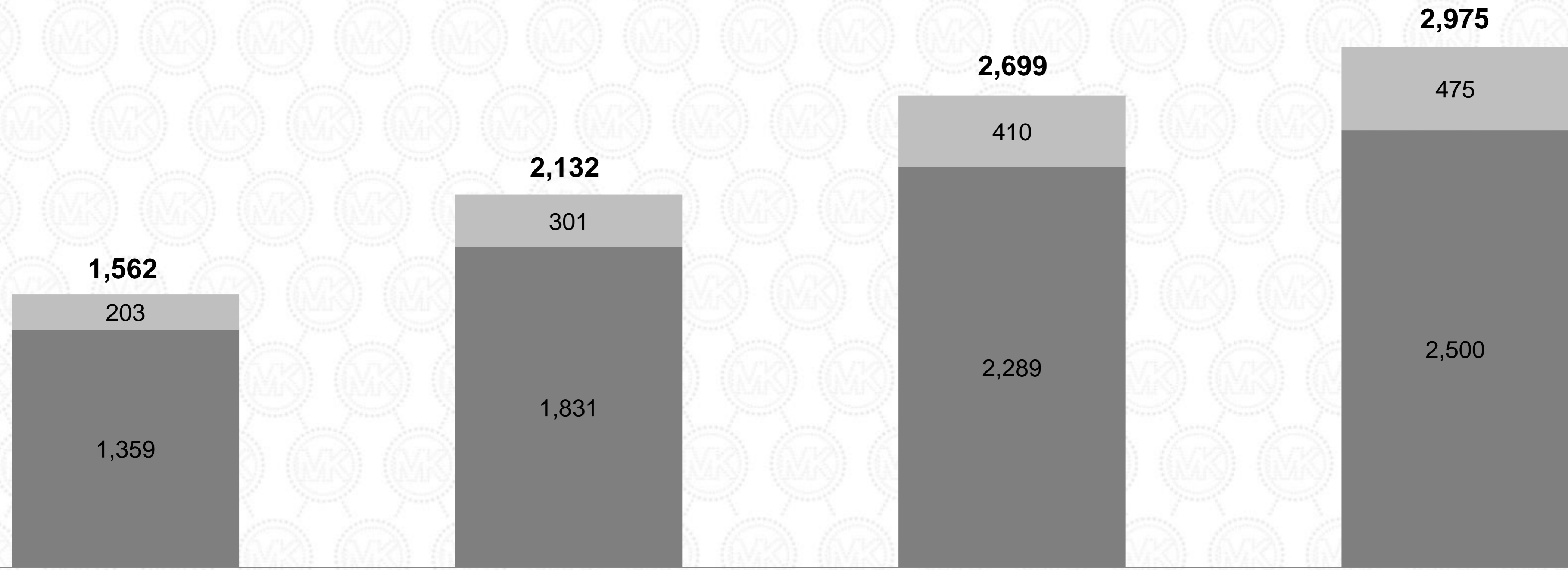
STRATEGICALLY DECREASE EXPOSURE TO NORTH AMERICAN WHOLESALE CHANNEL BY REDUCING INVENTORY TO PROTECT BRAND

CONTINUE TO TRANSFORM DEPARTMENT STORE LOCATIONS INTO BRANDED SHOP-IN-SHOPS GLOBALLY

EXPAND MARKET SHARE ACROSS CATEGORIES INCLUDING FOOTWEAR, WOMEN'S READY TO WEAR AND MENSWEAR

# SHOP-IN-SHOP COUNT

■ NORTH AMERICA   ■ INTERNATIONAL



FY 2014

FY 2015

FY 2016

FY 2017  
GUIDANCE\*

\*AS REPORTED IN THE COMPANY'S JUNE 1, 2016 EARNINGS RELEASE

# LICENSING STRATEGY



# LICENSING PARTNERS

**WATCHES**  
(FOSSIL)



**JEWELRY**  
(FOSSIL)



**FRAGRANCES**  
(ESTEE LAUDER)



**EYEWEAR**  
(LUXOTTICA)



*Launch*  
*of*  
**MICHAEL KORS**  
**ACCESS**



MICHAEL KORS



*Launch*  
*of*  
**MICHAEL KORS**  
**WONDERLUST**



## LICENSING INITIATIVES

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DEBUT MICHAEL KORS ACCESS CONNECTED ACCESSORIES LINE

INTRODUCE SMART JEWELRY AS PART OF OUR  
UNIFIED WEARABLE STRATEGY

CONTINUE FRAGRANCE AND BEAUTY EXPANSION  
TO BECOME ONE OF THE MOST SIGNIFICANT BRANDS IN THE  
LUXURY FRAGRANCE AND BEAUTY MARKET GLOBALLY

CAPITALIZE ON EXPANDING GLOBAL GROWTH POTENTIAL IN  
JEWELRY BUSINESS

EXPAND EYEWEAR BUSINESS GLOBALLY



# MARKETING STRATEGY

# 360 COMMUNICATION STRATEGY

CUSTOMER-CENTRIC  
CONTINUOUSLY ENGAGED  
ACROSS ALL CHANNELS



# MICHAEL KORS

MEN HANDBAGS SHOES WATCHES ACCESSORIES GIFTS SALE **DESTINATION KORS** SEARCH Q

JET SET MICHAEL'S EDIT RUNWAY **KORS CARES**



RIGHT ON

KYLIE



TREND REPORT

EASY OPULENCE



TREND REPORT

CULOTTES TO COVET

MacBook Air

DIGITAL FLAGSHIP

NATIONAL ADVERTISING



E-MAIL

MICHAEL KORS

WOMEN | HANDBAGS | SHOES | WATCHES & JEWELRY

DOUBLE UP

CRUISE THROUGH SPRING WITH COOL, CHIC PIECES (LIKE A LUXE LEATHER JACKET AND THE NEW CAMDEN GATHERED TOTE).

SHOP HANDBAGS > SHOP NEW ARRIVALS >



THE CHANNING

OUR NEWEST WATCH DEBUTS IN ROSE GOLD-TONE WITH A TIGER'S EYE DIAL—PERFECT FOR PAIRING WITH SPRING'S NEW NEUTRALS.



SHOP WATCHES >

TOP: CAMDEN LARGE DRAWSTRING SHOULDER TOTE IN PALE GOLD, \$398; LEATHER MOTO JACKET IN MANILA, \$450 BOTTOM: CHANNING WATCH IN ROSE GOLD-TONE WITH TIGER'S EYE DIAL, \$250

MEN | GIFTS | SALE | STORE LOCATOR

MICHAEL KORS

WOMEN | HANDBAGS | SHOES | WATCHES & JEWELRY

TIME TRAVELER

The ultimate travel accessories—gilded accents to mix and match, from one country to the next.

SHOP WATCHES >

SHOP JEWELRY >



LOGO-PLATE RING IN GOLD-TONE; LOGO-PLAQUE BANGLE IN GOLD-TONE; BLAIR GLITZ WATCH IN GOLD-TONE

MEN | GIFTS | SALE | STORE LOCATOR

MICHAEL KORS

WOMEN | HANDBAGS | SHOES | WATCHES & JEWELRY



WHAT SHE WANTS

Vibrant prints and a sea of blues.

SHOP NEW ARRIVALS >



SHAPE SHIFTER

Available in multiple hues, it's everything you love about the Hamilton now in messenger form.

SHOP CROSSBODIES >

Mother's Day Gifts

UNDER \$100 > UNDER \$200 > UNDER \$350 >

TOP: TRIBAL PRINT LONG SLEEVE DRESS IN VINTAGE YELLOW BOTTOM: HAMILTON LARGE MESSENGER IN NAVY

MEN | GIFTS | SALE | STORE LOCATOR

# BUILT A GLOBAL SOCIAL AUDIENCE of *over* 44M ENGAGED fans.

FACEBOOK



**MOST  
ENGAGED  
BRAND**



**16.7M**

TWITTER



**TOP  
LIVING  
DESIGNER**



**3.3M**

INSTAGRAM



**TOP LUXURY  
FASHION  
BRAND**



**7.6M**

WEIBO



**CHINESE  
SOCIAL  
PLATFORM**



**530K**

YOUTUBE



**BEAUTIFUL  
VIDEO  
CONTENT**



**16.1M**

GOOGLE+



**HIGH GROWTH  
PLATFORM**



**533K**

PR & VIP



KATE HUDSON



ZENDAYA



BLAKE LIVELY



# **YOUNG CHINA**

*MICHAEL KORS AND VOGUE CHINA CELEBRATE  
THE OPENING OF PACE BEIJING'S NEWEST EXHIBIT*

MICHAEL KORS WITH ACTRESS YANG MI

A man with long dark hair and a beard, wearing a brown double-breasted coat over a white knit sweater and a long white scarf, stands on a tarmac. He is holding a brown leather bag in his left hand and a pair of ski poles in his right. To his right is a white car with its driver-side door open. In the background, the tail section and engine of a white airplane are visible. The scene is set in a bright, open environment, possibly an airport or a desert. The text "POSITIONED FOR FUTURE GROWTH" is overlaid in white, bold, sans-serif capital letters across the center of the image.

POSITIONED FOR FUTURE GROWTH



## GROWTH STRATEGIES

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FURTHER DEVELOP GLOBAL DIGITAL FLAGSHIP STRATEGY AND  
PROVIDE AN OMNICHANNEL CUSTOMER EXPERIENCE

EXPAND GLOBAL PRESENCE ACROSS EUROPE AND ASIA

EXTEND LIFESTYLE PRESENCE THROUGH EXPANSION OF MEN'S  
BUSINESS

GROW LICENSED PRODUCT CATEGORY THROUGH THE EXPANSION  
OF EYEWEAR, FRAGRANCE, JEWELRY, AND WEARABLE TECHNOLOGY  
OFFERINGS



## STRONG FINANCIAL POSITION

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### CONTINUED EPS GROWTH

GENERATING STRONG FREE CASH FLOW, ENDING FISCAL 2016  
WITH CASH AND CASH EQUIVALENTS OF ~ \$700 MILLION

CONTINUED STRATEGIC INVESTMENT IN CORPORATE  
INFRASTRUCTURE, INCLUDING DISTRIBUTION AND  
INFORMATION SYSTEMS, TO SUPPORT GLOBAL LONG TERM  
GROWTH STRATEGIES

NEW \$1 BILLION SHARE REPURCHASE PROGRAM REFLECTS  
COMMITMENT TO RETURNING VALUE TO SHAREHOLDERS,  
WHILE MAINTAINING FINANCIAL FLEXIBILITY TO STRATEGICALLY  
INVEST IN THE BUSINESS



**MICHAEL KORS**