MICHAEL KORS

JOHN IDOL, CHAIRMAN & CEO
TOM EDWARDS, CFO & COO

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements. You should not place undue reliance on such statements because they are subject to numerous uncertainties and factors relating to the Company's operations and business environment, all of which are difficult to predict and many of which are beyond the Company's control. Forward-looking statements include information concerning the Company's possible or assumed future results of operations, including descriptions of its business strategy. These statements often include words such as "may," "will," "should," "believe," "expect," "seek," "anticipate," "intend," "plan,"
"estimate" or similar expressions. The forward-looking statements contained in this press release are based on assumptions that the Company has made in light of management's experience in the industry as well as its perceptions of historical trends, current conditions, expected future developments and other factors that it believes are appropriate under the circumstances. You should understand that these statements are not guarantees of performance or results. They involve known and unknown risks, uncertainties and assumptions. Although the Company believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect its actual financial results or results of operations and could cause actual results to differ materially from those in these forward-looking statements. These factors include, but are not limited to, the Company's ability to successfully execute its business and transformation strategies, the Company's ability to achieve the anticipated cost savings, efficiencies and other benefits related to its retail fleet optimization, the Company's ability to control costs, the seasonal and quarterly fluctuations in the Company's sales or operating results and such other risks factors that are more fully discussed in the "Risk Factors" section and elsewhere in the Company's Annual Report on Form 10-K for the fiscal year ended April 1, 2017(File No. 001-35368), filed on May 31, 2017 with the U.S. Securities and Exchange Commission.

UNIQUE BRAND POSITIONING

JET SET LIFESTYLE

A FAST-PACED, 24/7 LIFE
FILLED WITH GLAMOUR, TRAVEL AND ADVENTURE.










N717MK

THE MICHAEL KORS BRANDS







MICHAEL KORS
COLLECTION

A GLAMOROUS, SOPHISTICATED COLLECTION
FOR THE CONSUMMATE LUXURY JET SETTER.







MICHAEL
MICHAEL KORS

SHE IS SUBTLY SEXY, IMPOSSIBLY POLISHED.
AND ABOVE ALL, GLAMOROUS 24/7.







MICHAEL KORS

MENS

HE IS CONFIDENT, CONNECTED, ADVENTUROUS,
AND HAS EFFORTLESS STYLE WITH A MODERN EDGE.







WHAT MAKES MICHAEL KORS GREAT TODAY

STRENGTH 1

POWERFUL ICONIC BRAND WITH DEEP ROOTS IN FASHION



STRENGTH 2

PRODUCT & TREND LEADERSHIP



ACCESSORIES



FOOTWEAR



READY TO WEAR



MENS
SPORTSWEAR



MENS
LEATHER GOODS



WATCHES & SMARTWATCHES

STRENGTH 3

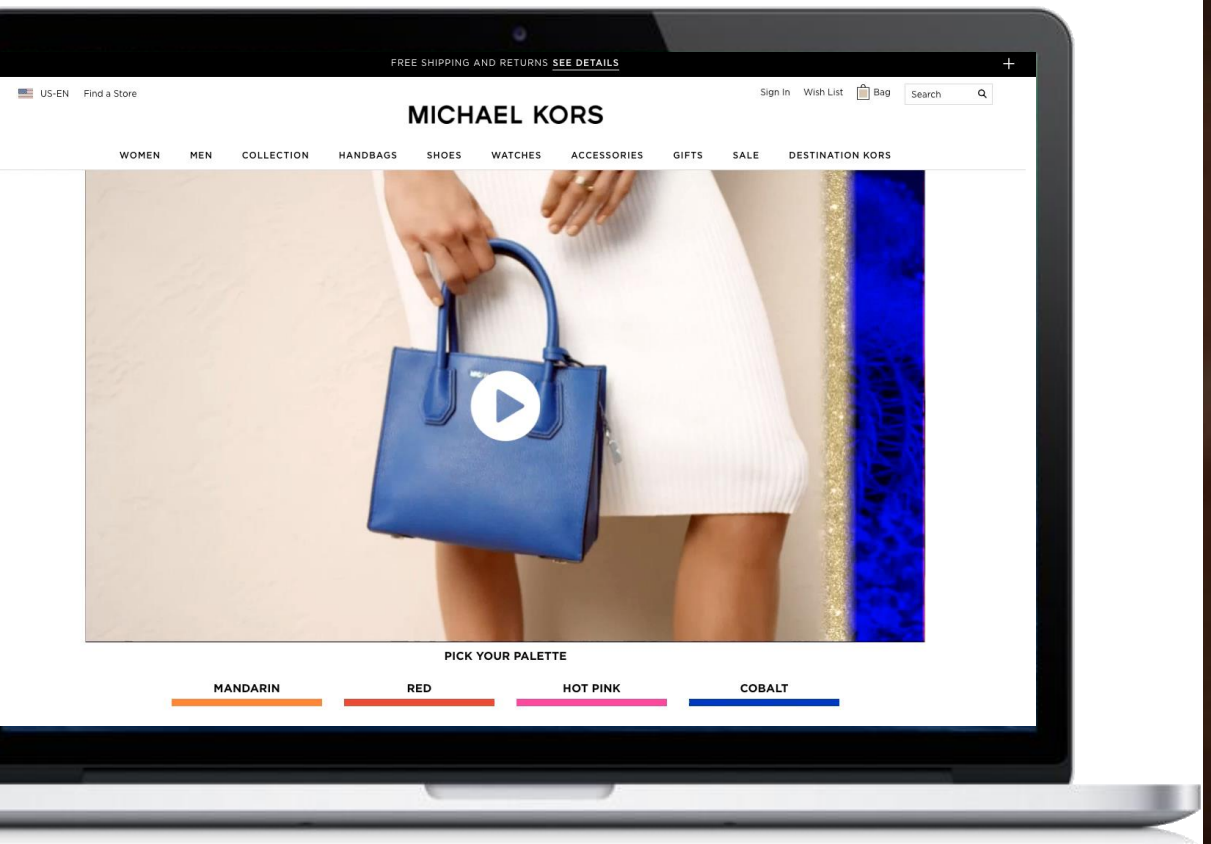
GLOBAL STORE FLEET

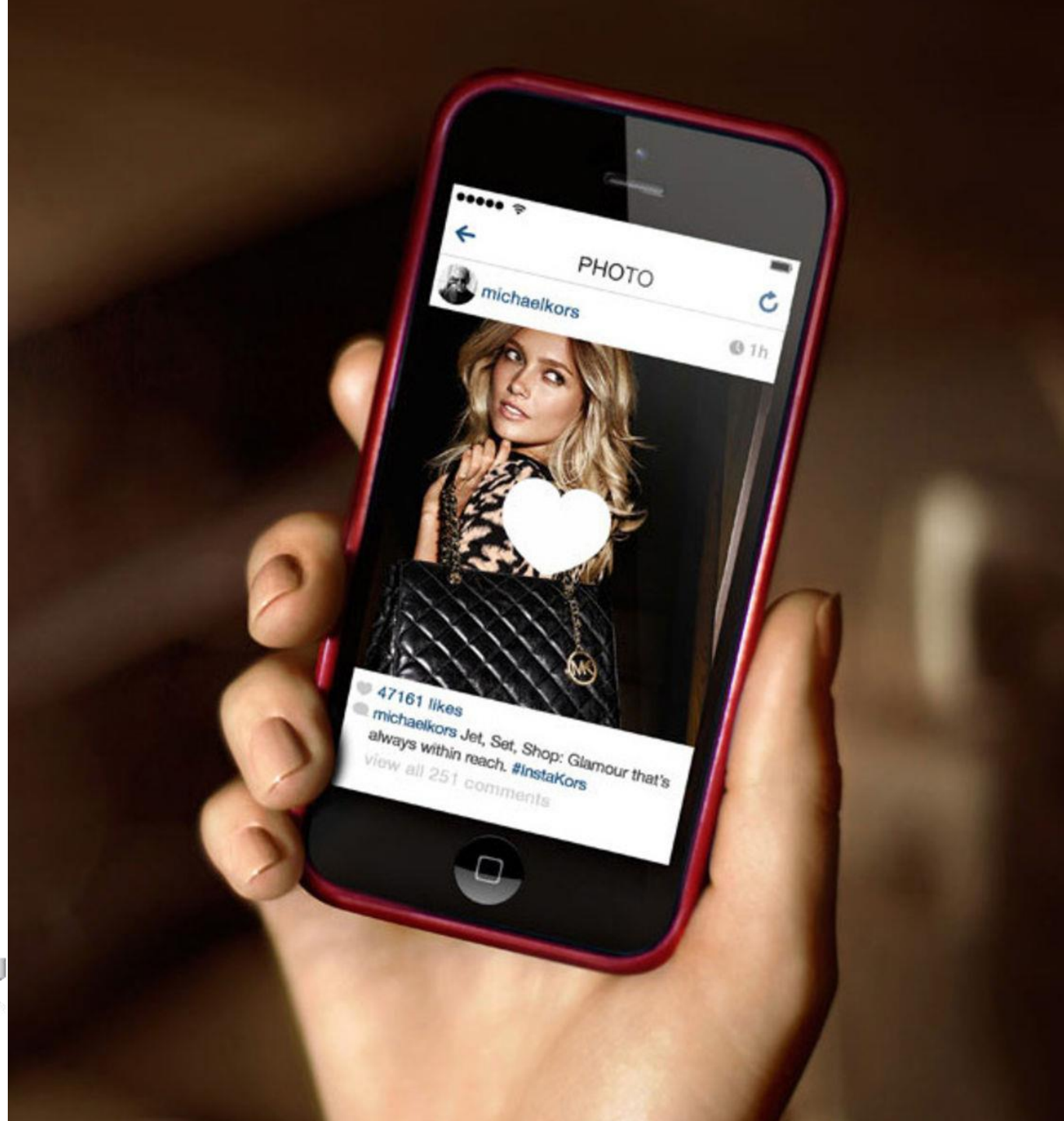


960 GLOBAL STORE NETWORK

STRENGTH 4

DIGITAL INNOVATION





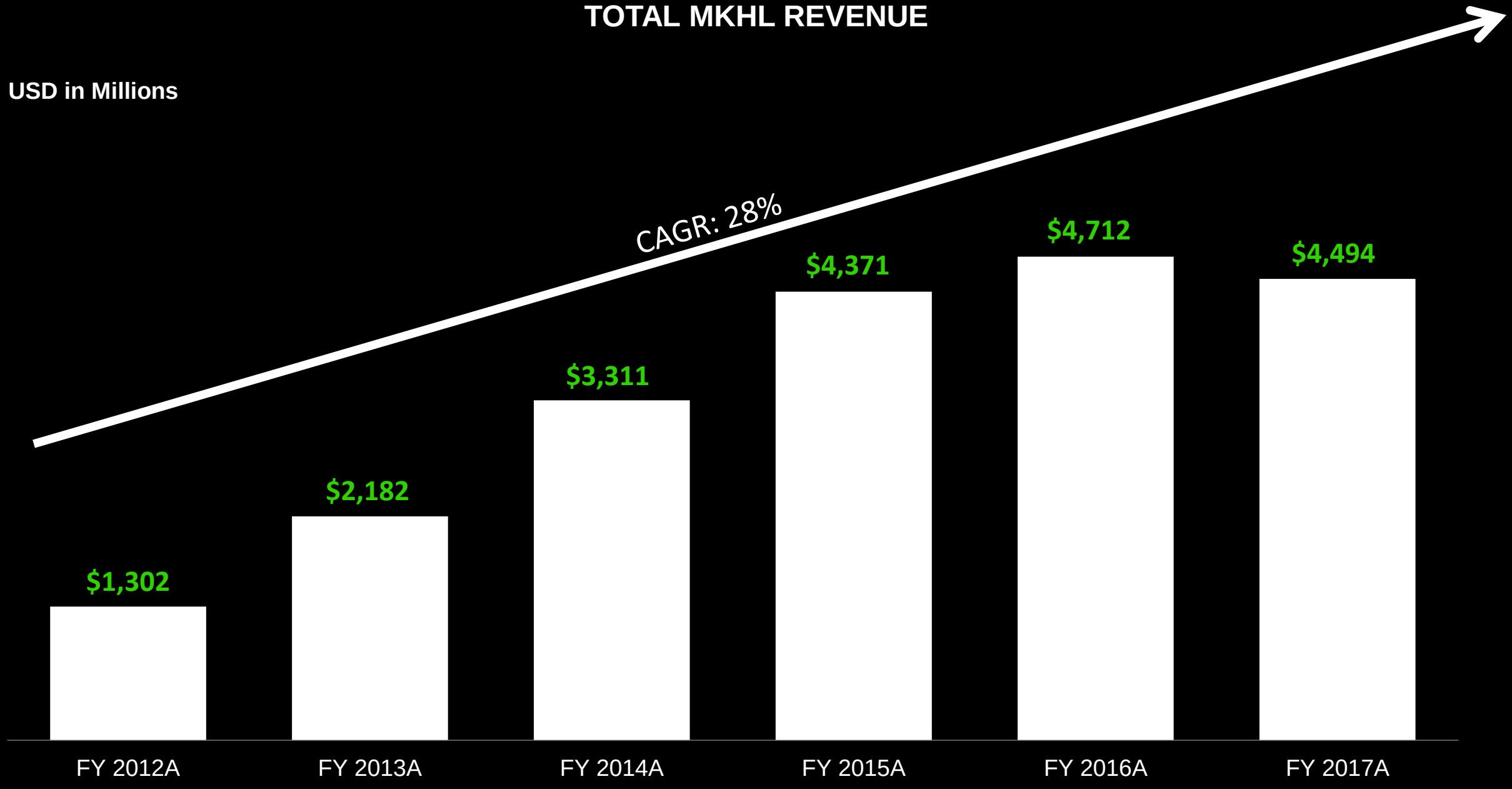
STRENGTH 5

STRONG BALANCE SHEET & CASH GENERATION

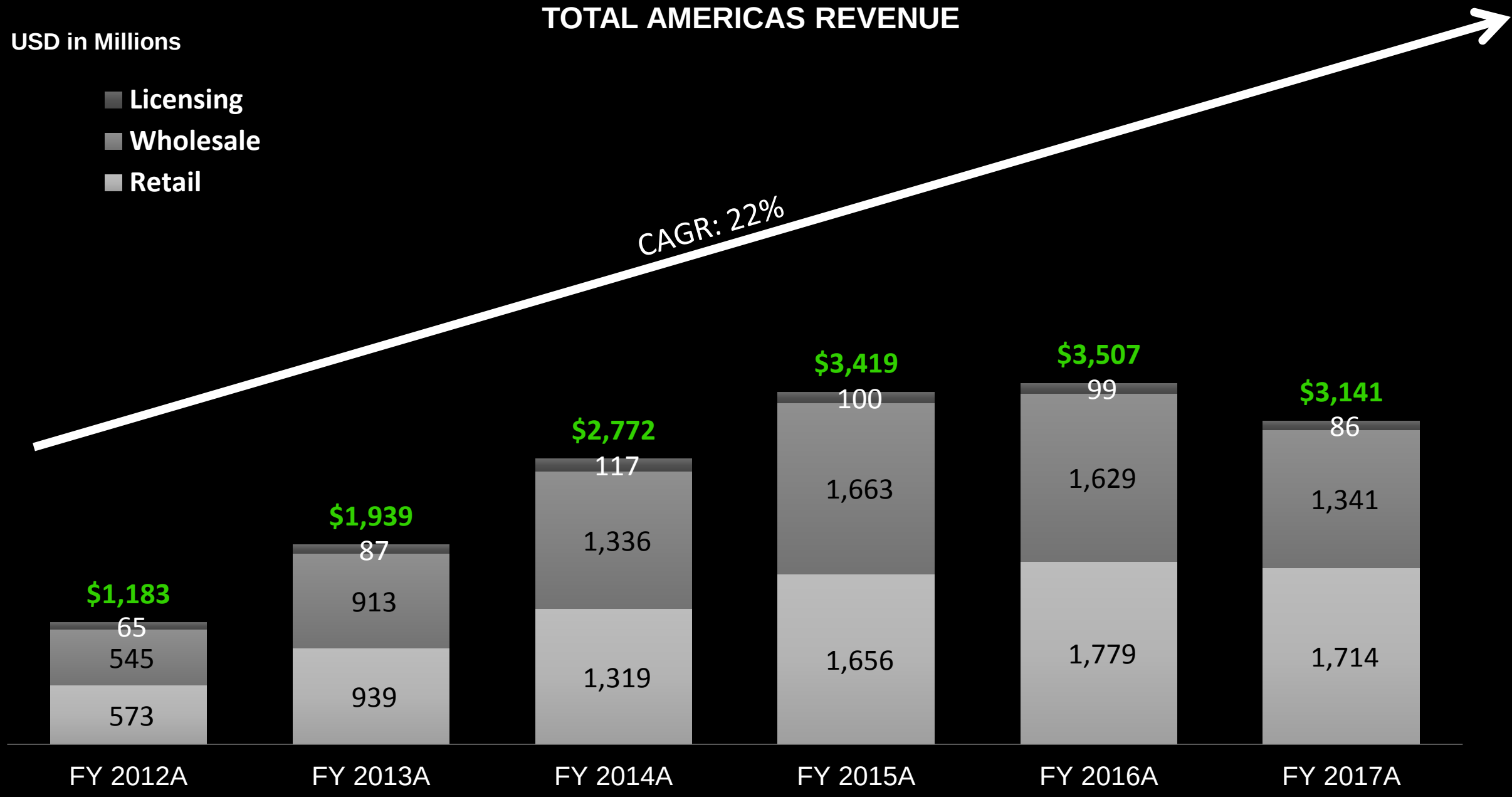


TOTAL MKHL REVENUE

USD in Millions

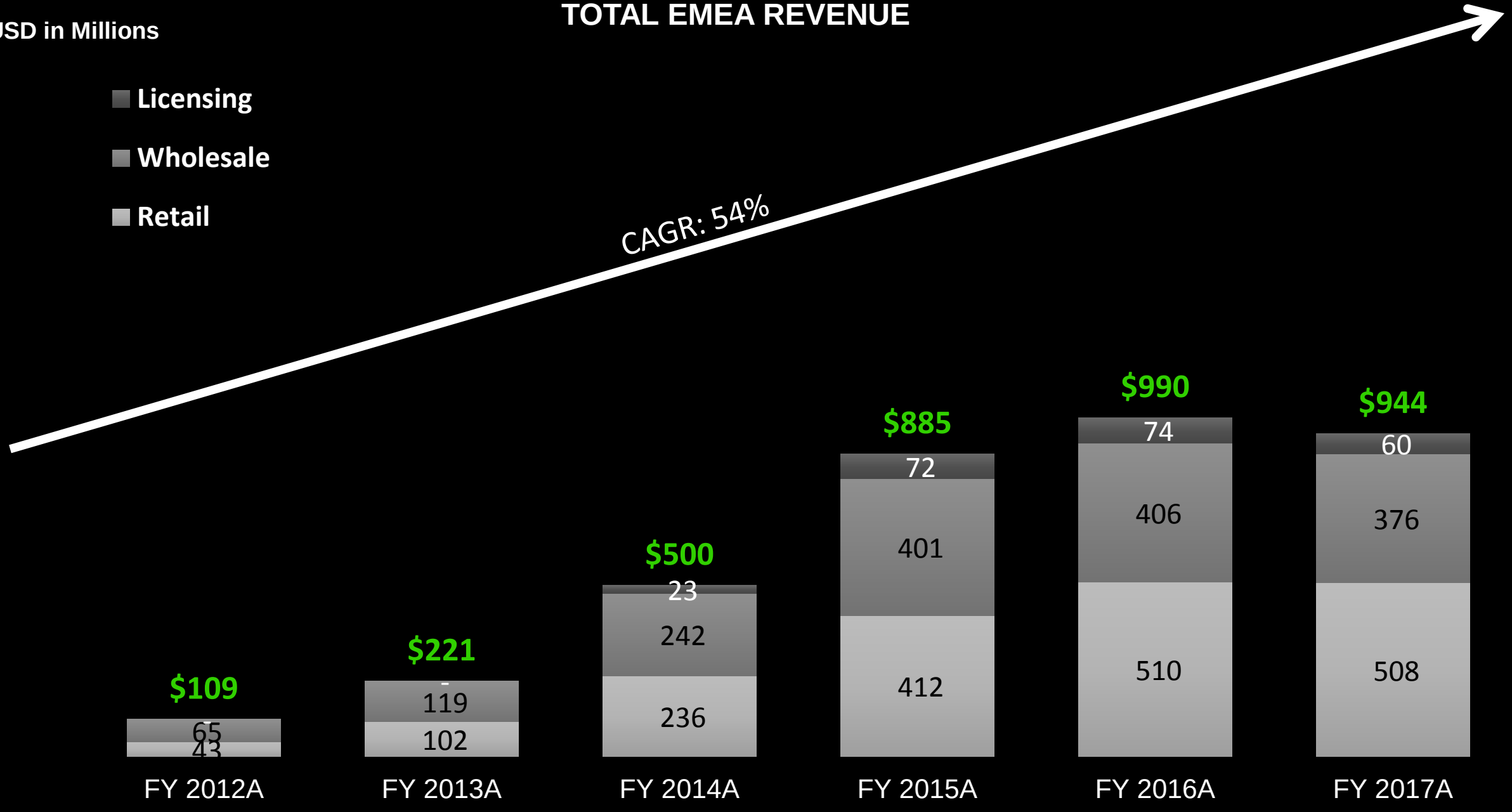


TOTAL AMERICAS REVENUE

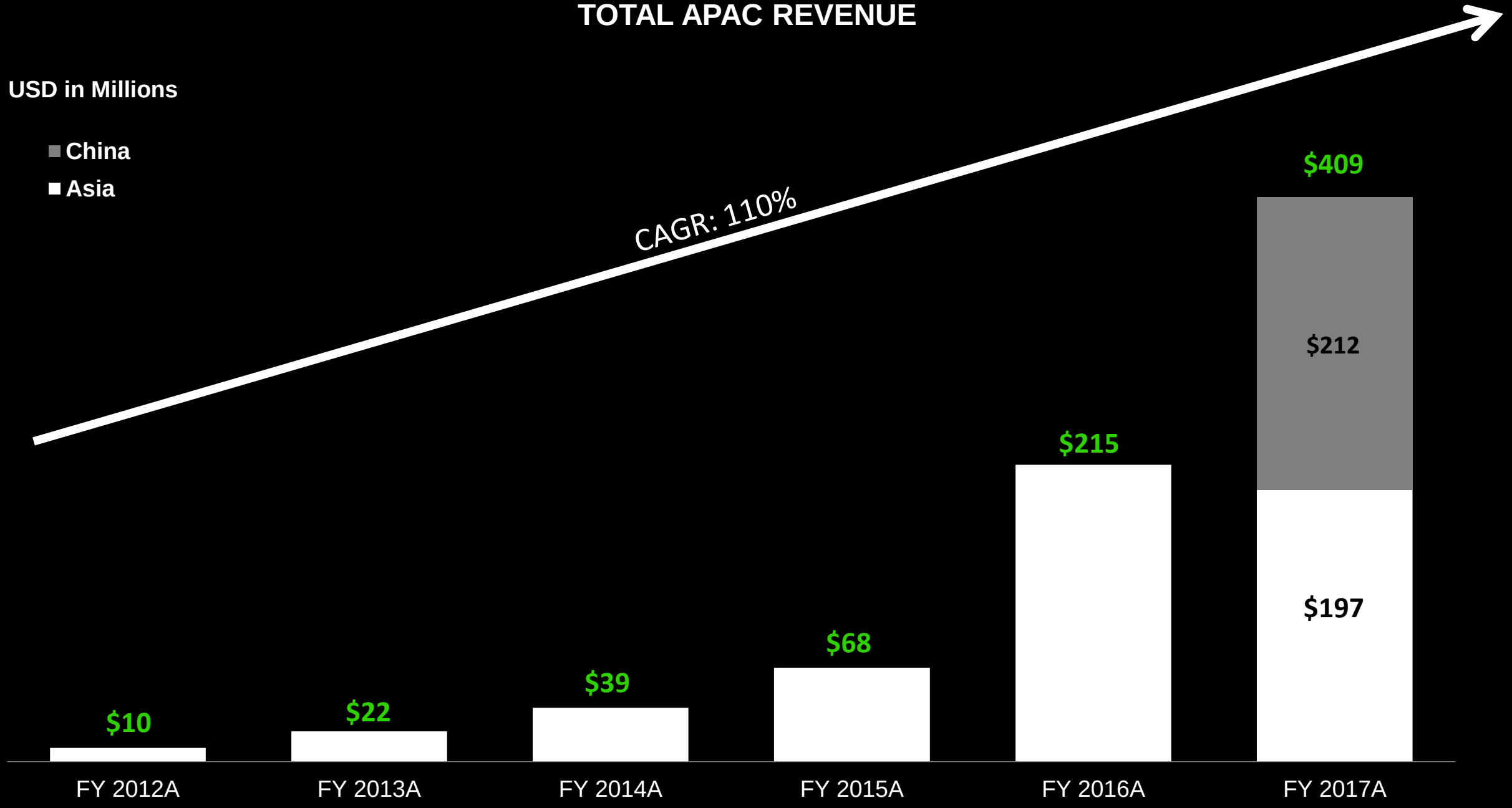


TOTAL EMEA REVENUE

USD in Millions



TOTAL APAC REVENUE



RUNWAY 2020



MICHAEL KORS' GLOBAL COMPANY-WIDE VISION FOR THE FUTURE, ELEVATING THE BRAND FOR THE MODERN DAY JET SETTER

RUNWAY2020
VISION

PRODUCT & DESIGN

- **MICHAEL KORS FASHION LEADERSHIP**
- **PRODUCT INNOVATION**
- **REBALANCE PRODUCT MIX**
- **PRODUCT PERSONALIZATION**

BRAND COMMUNICATION

- **MICHAEL'S VOICE**
- **RUNWAY LEADERSHIP**
- **JET SET LIFESTYLE**
- **STYLE EXPERIENCE**

CUSTOMER EXPERIENCE

- **DIGITAL FLAGSHIPS**
- **FLAGSHIP MODEL**
- **NEW FLEET CONCEPT**
- **LUXURY SERVICE**
- **LOYALTY**



RUNWAY2020
PRODUCT

MICHAEL KORS FASHION LEADERSHIP

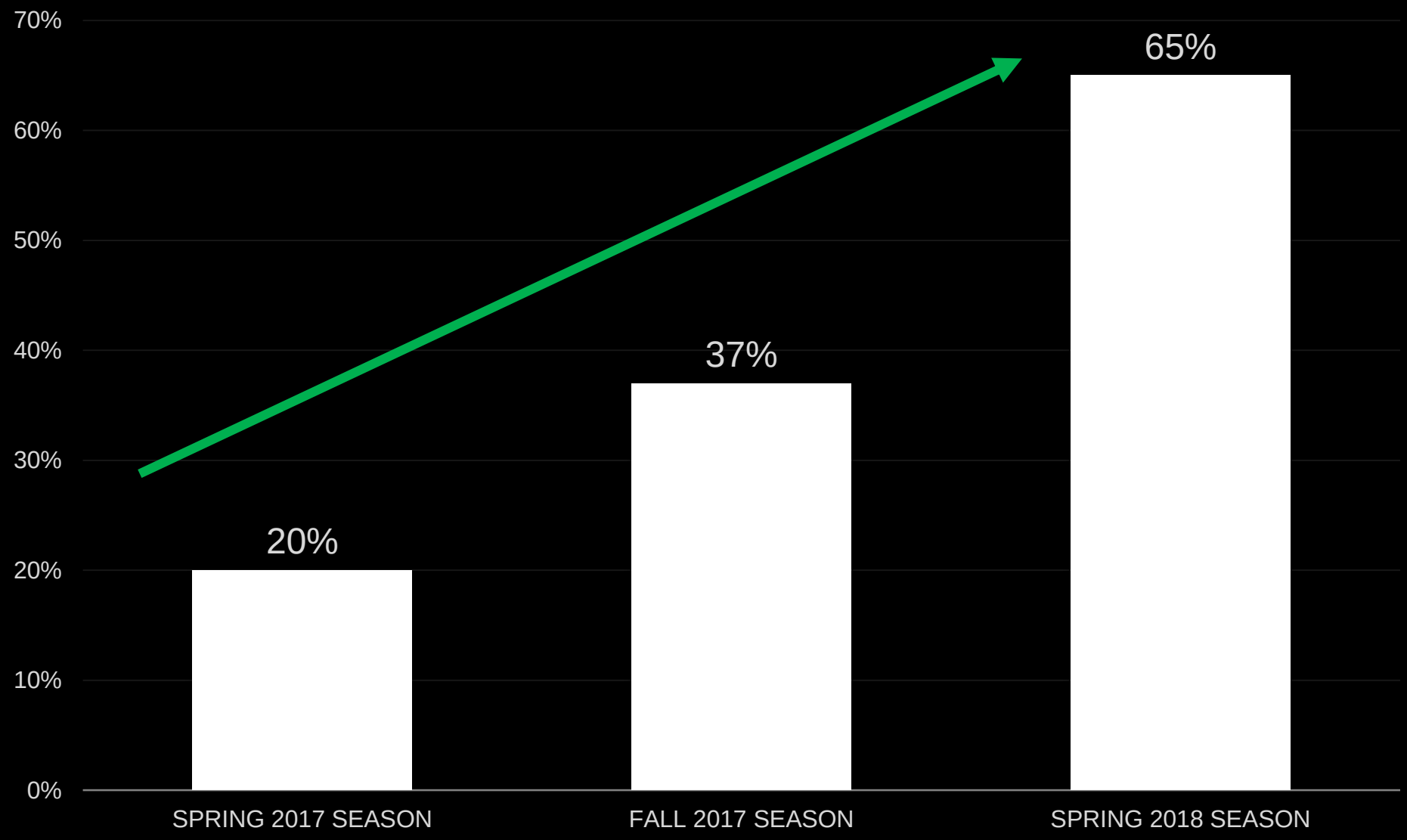
PRODUCT INNOVATION & NOVELTY

DIVERSIFY PRODUCT MIX





BY NEXT YEAR, PENETRATION OF NEW COLLECTIONS IN ACCESSORIES TO GROW 3X








FASHION & TECHNOLOGY
ARE MERGING

introducing
SOFIE


5ANS621

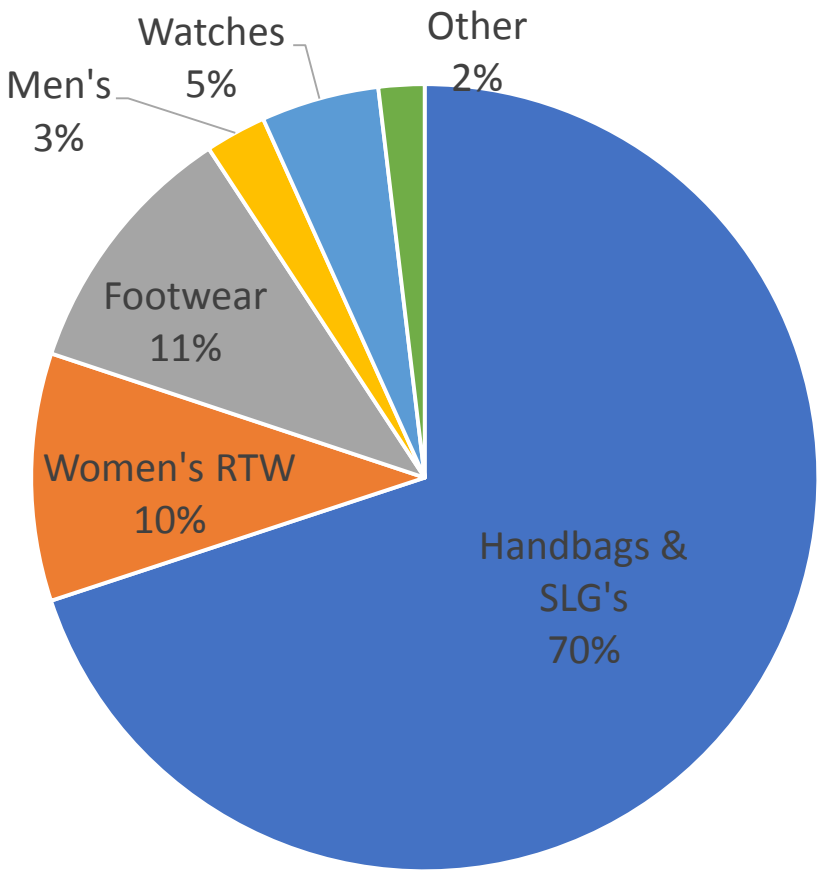
introducing
GRAYSON



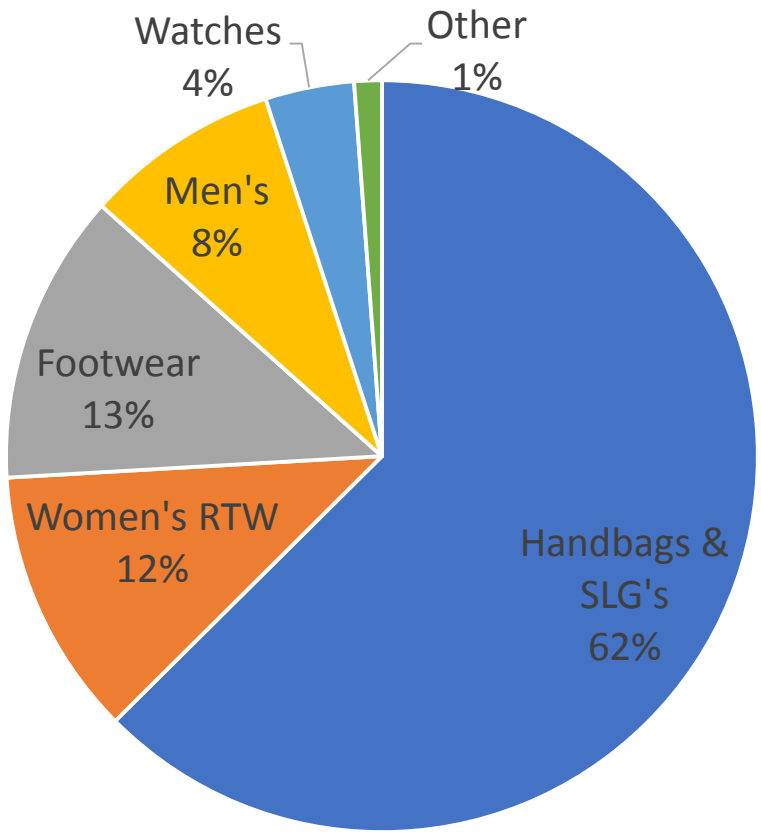


DIVERSIFY THE PRODUCT MIX

FY17



FY20



RUNWAY2020
BRAND COMMUNICATION

MICHAEL’S VOICE

360 MARKETING STRATEGY

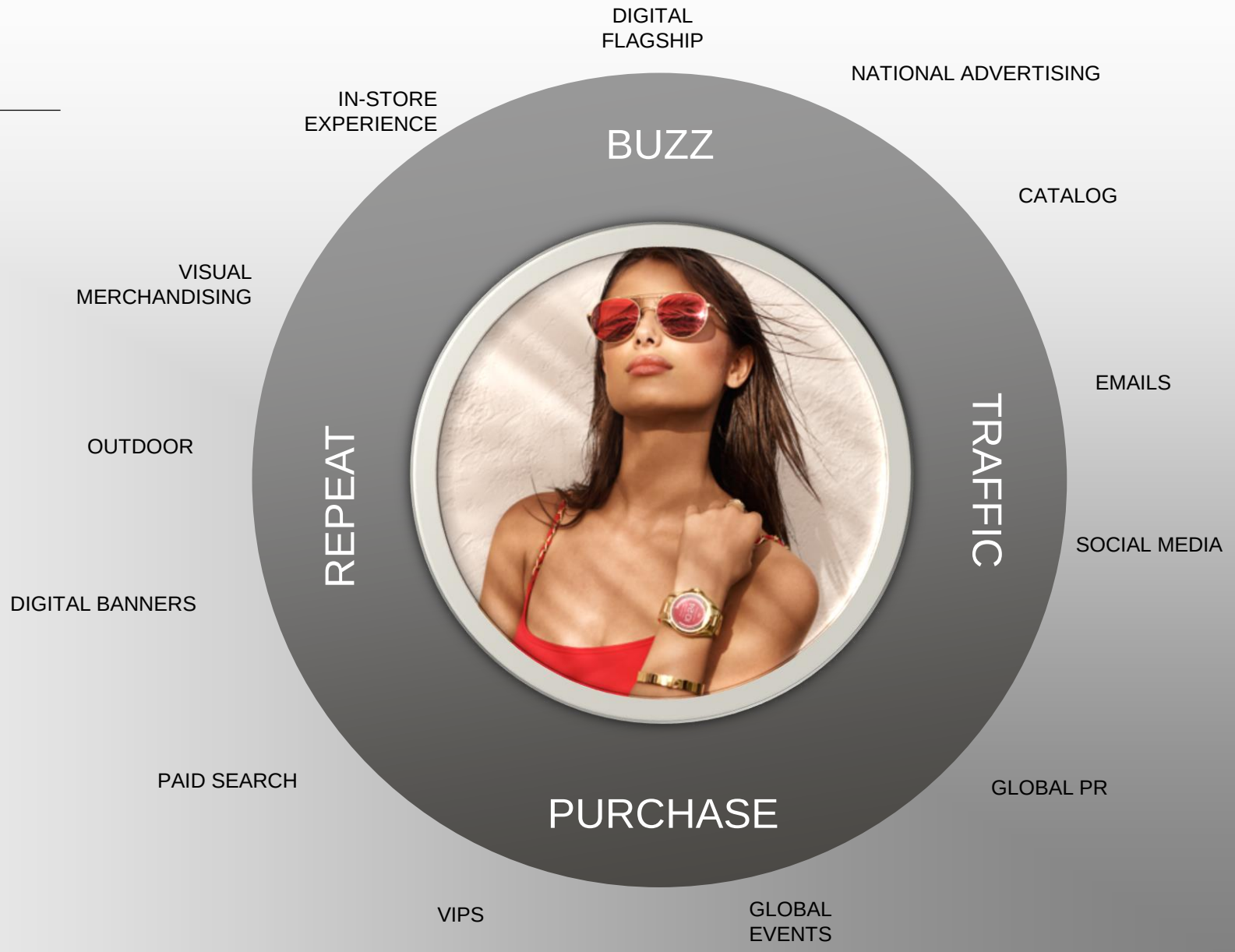
DIGITAL FLAGSHIPS



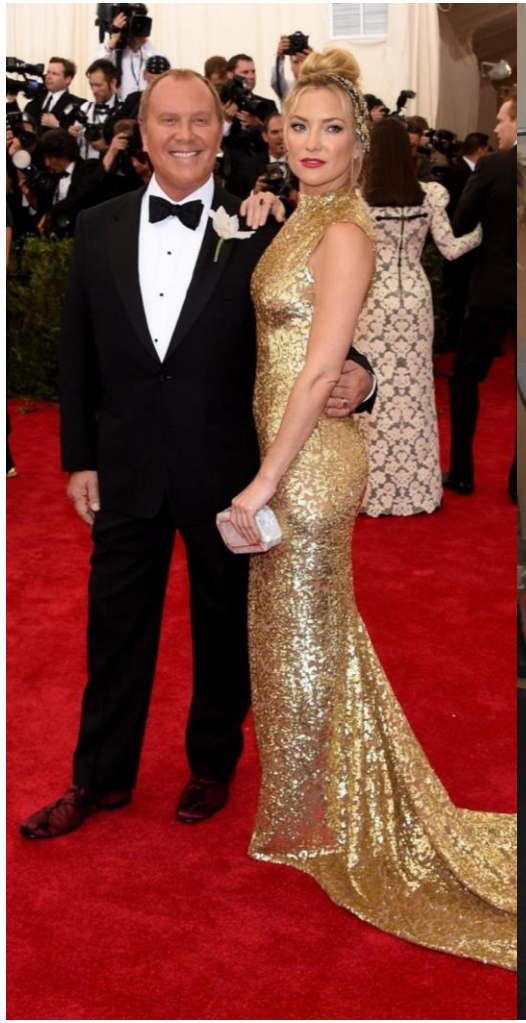
MICHAEL KORS IS A 360 MARKETING LEADER

CUSTOMER-CENTRIC

CONTINUOUSLY ENGAGED ACROSS ALL CHANNELS



MICHAEL KORS IS *RED CARPET GLAMOUR*



KATE HUDSON



MING XI



ROSIE HUNTINGTON WHITELEY



MIRANDA KERR



YANG MI

MICHAEL KORS IS *A-LIST*



OLIVIA WILDE



HEIDI KLUM



VIOLA DAVIS



LILY ALDRIDGE



MICHELLE OBAMA



CATHERINE
DUCHESS OF
CAMBRIDGE



JENNIFER LOPEZ

MARKETING CELEBRITIES

CHINA TOP INFLUENCERS/CELEBRITIES (WEIBO/WECHAT)





YANG MI, 72M FOLLOWERS



STRONG GLOBAL *BRAND AWARENESS*

US	92%
CANADA	87%
UK	86%
GERMANY	79%
SOUTH KOREA	68%
FRANCE	58%
CHINA	54%
JAPAN	46%

***2016 BRAND AWARENESS STUDY**

SOCIAL LEADERSHIP

With a global audience[1] of 35.8 million ENGAGED fans (+25% vs. LY)

FACEBOOK	TWITTER	INSTAGRAM	WEIBO	YOUTUBE	LINE
MOST ENGAGED BRAND	TOP LIVING DESIGNER	TOP LUXURY FASHION BRAND	CHINESE SOCIAL PLATFORM	BEAUTIFUL VIDEO CONTENT	JAPANESE SOCIAL PLATFORM
17M	3.5M	**10M**	**604K**	**52K**	**3.7M**

RUNWAY2020
CUSTOMER EXPERIENCE



ELEVATE FLAGSHIPS

RIGHT SIZE & FLEET OPTIMIZATION

RENOVATE STORES GLOBALLY

MICHAEL KORS REGENT STREET, LONDON



MICHAEL KORS REGENT STREET, LONDON



MICHAEL KORS REGENT STREET, LONDON



MICHAEL KORS REGENT STREET, LONDON



MICHAEL KORS REGENT STREET, LONDON



MICHAEL KORS REGENT STREET, LONDON



MICHAEL KORS REGENT STREET, LONDON



MICHAEL KORS REGENT STREET, LONDON



MICHAEL KORS REGENT STREET, LONDON



MICHAEL KORS REGENT STREET, LONDON



MICHAEL KORS MADISON AVENUE SPRING 17 COLLECTION, NEW YORK

WINDOWS



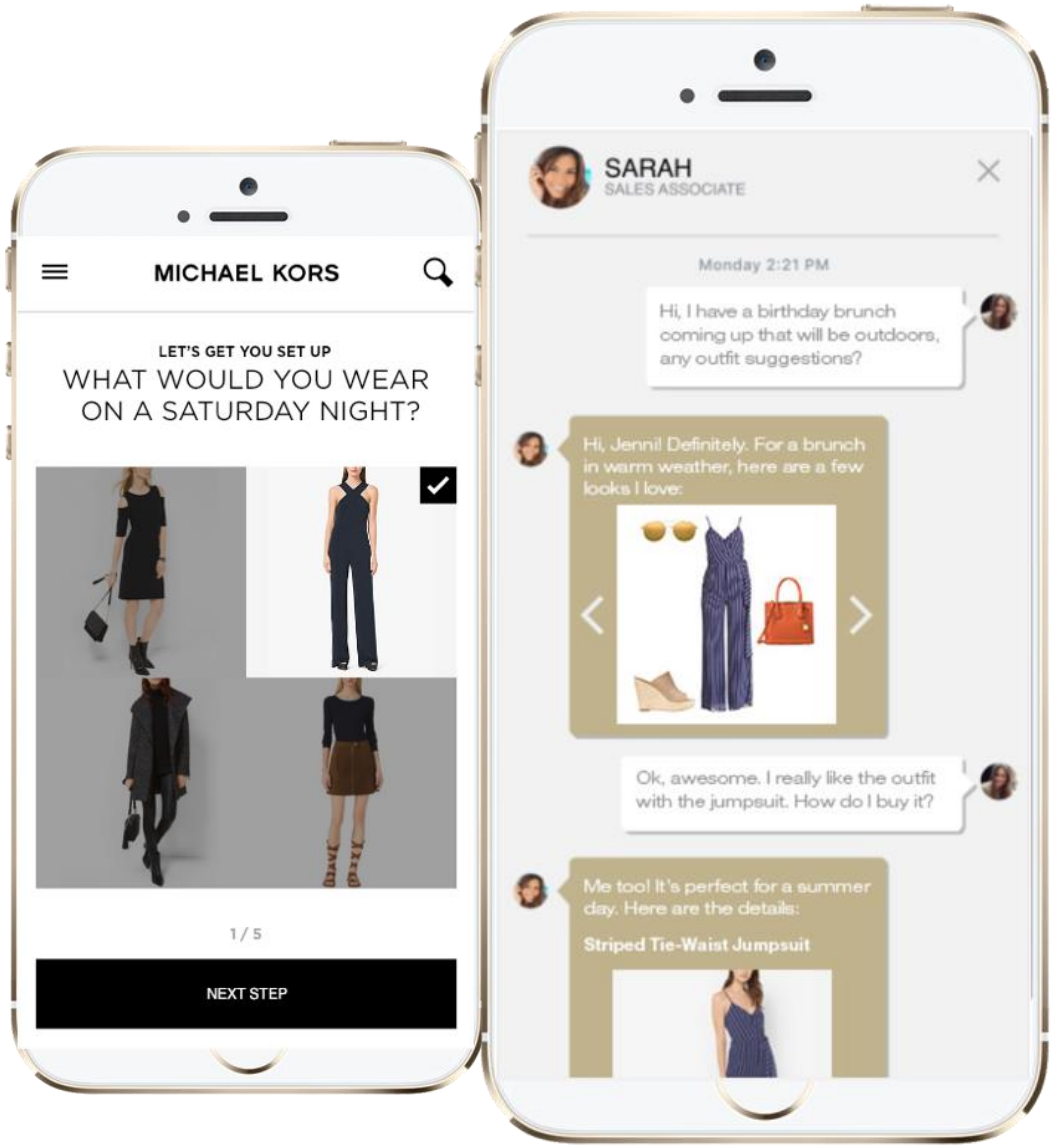
MICHAEL KORS MADISON AVENUE – MOTHER'S DAY, NEW YORK



LOYALTY, STYLING & SERVICE

- **LOYALTY PROGRAM: KORS*VIP***
  - **FASHION/STYLE**
  - **INSIDER ACCESS**
  - **SERVICE**

- **KORS*VIP* APP**
  - **STYLE CHAT**
  - **BOOK APPOINTMENTS**
  - **VIP SERVICES & REWARDS**
  - **LUXURY SERVICE IN STORE**
  - **SAME DAY DELIVERY & OMNI SERVICES**



STORE FLEET OPTIMIZATION

- MODERNIZE 100 STORES
- RIGHT SIZE GLOBAL FLEET
- CLOSE 100-125 STORES OVER TWO YEAR PERIOD
- INCREASE PROFITABILITY; ULTIMATELY ANNUALIZED PICK UP OF $60M



WHOLESALE STRATEGY

- ENHANCE THE CONSUMER EXPERIENCE THROUGH A MORE ELEVATED PRODUCT AND SHOP DESIGN

- RENOVATE FLAGSHIP SHOPS WITH NEW STORE DESIGN CONCEPT



MICHAEL KORS SOGO, HONG KONG



MICHAEL KORS SOGO, HONG KONG

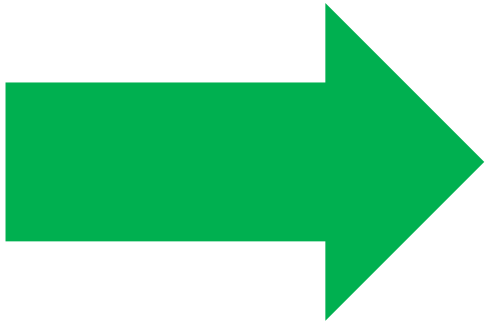


RUNWAY 2020

FINANCIAL PLAN

RUNWAY2020 EXPECTED TO DRIVE IMPROVED FINANCIAL PERFORMANCE

- **PRODUCT & DESIGN**
  - MICHAEL KORS FASHION LEADERSHIP
  - PRODUCT INNOVATION
  - REBALANCE PRODUCT MIX
  - CUSTOMIZATION
  - COLLABORATIONS
- **BRAND COMMUNICATION**
  - MICHAEL'S VOICE
  - RUNWAY
  - JET SET LIFESTYLE
  - STYLE EXPERIENCE
- **CUSTOMER EXPERIENCE**
  - DIGITAL FLAGSHIPS
  - FLAGSHIP MODEL
  - NEW FLEET CONCEPT
  - LUXURY SERVICE
  - LOYALTY



RETURN TO REVENUE GROWTH

- PRODUCT INNOVATION AND EXPANSION
- STABILIZE THE BASE
- GLOBAL EXPANSION

IMPROVING OPERATING MARGIN

- SEGMENT MIX
- GEOGRAPHIC MIX
- BETTER MANAGE PROMOTIONS & MARKDOWNS

STRONG FREE CASH FLOW

- EBITDA GROWTH
- WORKING CAPITAL MANAGEMENT

FINANCIAL OUTLOOK

	FY 2018	FY 2019	FY 2020
REVENUE	APPROXIMATELY $4.25B	LOW SINGLE DIGIT GROWTH	LOW SINGLE DIGIT GROWTH
COMPARABLE SALES	HIGH SINGLE DIGIT DECLINE	EVEN	POSITIVE
GROSS MARGIN	APPROXIMATELY 60%	STABLE	IMPROVING
OPERATING EXPENSE PERCENT*	APPROXIMATELY 44%	STABLE	STABLE
OPERATING MARGIN*	APPROXIMATELY 16%	STABLE	IMPROVING
NET INCOME*	DECLINING	IN LINE WITH SALES	GROWING
EPS*	$3.57 - $3.67	LOW TO MID SINGLE DIGIT GROWTH	MID TO HIGH SINGLE DIGIT GROWTH
CAP EX	APPROXIMATELY $200M	$200M - $250M	$200M - $250M

***US GAAP RESULTS ADJUSTED FOR NON-RECURRING & SPECIAL ITEMS**

EFFICIENT CAPITAL DEPLOYMENT

BUILD ON OUR STRONG FINANCIAL FOUNDATION:

- **STRONG FREE CASH FLOW**
- **STRONG BALANCE SHEET**

CAPITAL ALLOCATION PRIORITIES:

- **INVEST IN THE BUSINESS**
- **RETURN EXCESS CASH TO SHAREHOLDERS**
- **OPPORTUNISTIC M&A**



Q & A