CAPRI

HOLDINGS LIMITED



VERSACE



JIMMY CHOO



MICHAEL KORS

BofA Securities 2022 Consumer and Retail Technology Conference Presentation

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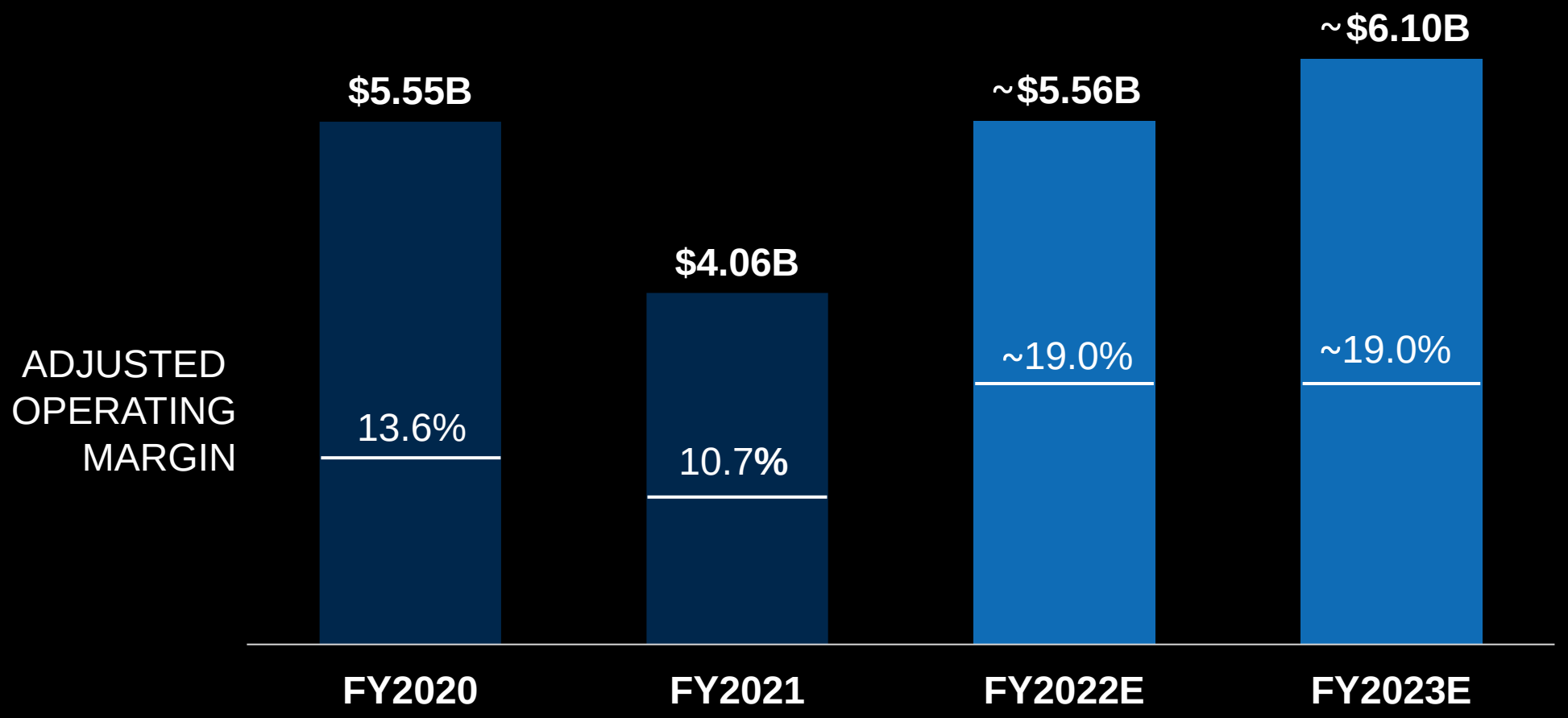
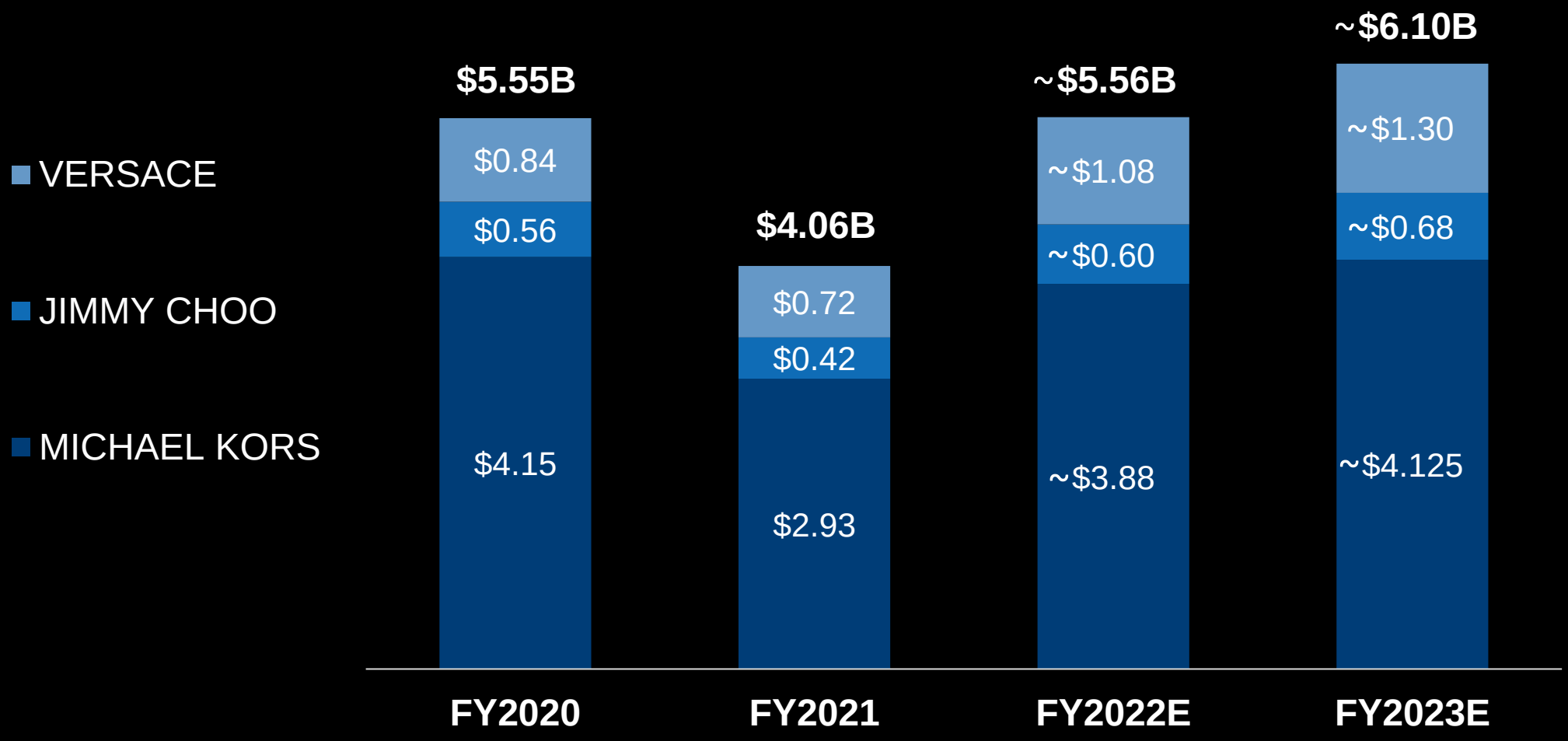
HIGHEST REVENUE & EPS IN COMPANY HISTORY*



	FY2020	FY2021	FY2022E	FY2023E
Adj. EPS	$3.89	$1.90	~$6.00	~$6.60

** Based on Outlook*

CAPRI REVENUE BY BRAND



NON-GAAP MEASURES

This presentation includes certain non-GAAP financial measures that exclude certain costs associated with COVID-19 related charges, long-lived asset impairments, ERP implementation costs, Capri transformation costs, restructuring and other charges. The Company uses non-GAAP financial measures, among other things, to evaluate its operating performance and in order to represent the manner in which the Company conducts and views its business. The Company believes that excluding these items helps its management and investors compare operating performance based on its ongoing operations. While the Company considers the non-GAAP measures to be useful supplemental measures in analyzing its results, they are not intended to replace, nor act as a substitute for, any amounts presented in its consolidated financial statements prepared in conformity with U.S. GAAP and may be different from non-GAAP measures reported by other companies.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(In millions, except per share data)

	Fiscal Year Ended March 27, 2021							
	As Reported	Impairment Charges [1]	Restructuring and Other Charges [2]	Charitable Donations	COVID-19 Related Charges	ERP Implementation	Capri Transformation	As Adjusted
Gross profit	$ 2,597	$ —	$ —	$ —	$ 10	$ —	$ —	$ 2,607
Operating expenses	$ 2,578	$ (316)	$ (32)	$ (20)	$ (32)	$ (2)	$ (4)	$ 2,172
Total income from operations	$ 19	$ 316	$ 32	$ 20	$ 42	$ 2	$ 4	$ 435
Income before provision for income taxes	$ 3	$ 316	$ 32	$ 20	$ 42	$ 2	$ 4	$ 419
Provision for (benefit from) income taxes	$ 66	$ 51	$ 4	$ 5	$ 4	$ (1)	$ 1	$ 130
Net (loss) income attributable to Capri	$ (62)	$ 265	$ 28	$ 15	$ 38	$ 3	$ 3	$ 290
Weighted average diluted ordinary shares outstanding	150,453,568							152,157,901
Diluted net (loss) income per ordinary share - Capri	$ (0.41)	$ 1.74	$ 0.18	$ 0.10	$ 0.25	$ 0.02	$ 0.02	$ 1.90

(1) Includes impairment charges of $153 million primarily related to operating lease right-of-use assets and fixed assets of our retail store locations. This amount also includes $94 million related to goodwill associated with the Jimmy Choo wholesale and licensing reporting units and $69 million related to the Jimmy Choo brand indefinite-lived intangible assets. The Jimmy Choo impairment charges were primarily related to higher discount rates in the current year driven by a change in market factors as well as a shift in expected revenue and earnings mix to the retail segment.

(2) Includes store closure costs which have been incorporated into the Capri Retail Store Optimization Program, other restructuring initiatives, and other costs recorded in connection with the acquisitions of Gianni Versace S.r.l. and Jimmy Choo Group Limited.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(In millions, except per share data)

	Fiscal Year Ended March 28, 2020								
	As Reported	Impairment Charges [1]	Restructuring and Other Charges [2]	Inventory Step-up Adjustment	ERP Implementation	Capri Transformation	Acquisition Foreign Currency Effects	COVID-19 Related Charges	As Adjusted
Gross profit	$ 3,271	$ —	$ —	$ 13	$ —	$ —	$ —	$ 92	$ 3,376
Total operating expenses	$ 3,463	$ (708)	$ (42)	$ —	$ (41)	$ (24)	$ —	$ (27)	$ 2,621
Total (loss) income from operations	$ (192)	$ 708	$ 42	$ 13	$ 41	$ 24	$ —	$ 119	$ 755
Foreign currency loss (gain)	$ 11	$ —	$ —	$ —	$ —	$ —	$ (1)	$ —	$ 10
(Loss) income before provision for income taxes	$ (215)	$ 708	$ 42	$ 13	$ 41	$ 24	$ 1	$ 119	$ 733
Provision for income taxes	$ 10	$ 92	$ 7	$ 3	$ 10	$ 6	$ —	$ 16	$ 144
Net (loss) income attributable to Capri	$ (223)	$ 616	$ 35	$ 10	$ 31	$ 18	$ 1	$ 103	$ 591
Weighted average diluted ordinary shares outstanding	150,714,598								151,922,050
Diluted net (loss) income per ordinary share - Capri	$ (1.48)	$ 4.05	$ 0.23	$ 0.07	$ 0.21	$ 0.12	$ 0.01	$ 0.68	$ 3.89

(1) Includes impairment charges of $357 million primarily related to operating lease right-of-use assets and fixed assets of our retail store locations, $180 million related to the Jimmy Choo brand indefinite-lived intangible assets and $171 million related to goodwill associated with the Jimmy Choo retail and licensing reporting units.

(2) Includes store closure costs recorded in connection with the Michael Kors Retail Fleet Optimization Plan and other restructuring initiatives, and other costs recorded in connection with the acquisitions of Gianni Versace S.r.l and Jimmy Choo Group Limited.

SAFE HARBOR STATEMENT

This presentation contains statements which are, or may be deemed to be, “forward-looking statements.” Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Capri Holdings Limited (the “Company”) about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. All statements other than statements of historical facts included herein, may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words “plans”, “believes”, “expects”, “intends”, “will”, “should”, “could”, “would”, “may”, “anticipates”, “might” or similar words or phrases, are forward-looking statements. These forward-looking statements are not guarantees of future financial performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions, which could cause actual results to differ materially from those projected or implied in any forward-looking statements. These risks, uncertainties and other factors include the effect of the COVID-19 pandemic and its potential material and significant impact on the Company’s future financial and operational results if retail stores are forced to close again and the pandemic is prolonged, including that our estimates could materially differ if the severity of the COVID-19 situation worsens, or if there are further supply chain disruptions, including additional production delays and increased costs, the length and severity of such outbreak across the globe and the pace of recovery following the COVID-19 pandemic; levels of cash flow and future availability of credit; compliance with restrictive covenants under the Company’s credit agreement; the Company’s ability to integrate successfully and to achieve anticipated benefits of any acquisition and to successfully execute our growth strategies; the risk of disruptions to the Company’s businesses; risks associated with operating in international markets (including the impact of the Russia-Ukraine conflict) and our global sourcing activities; the risk of cybersecurity threats and privacy or data security breaches; the negative effects of events on the market price of the Company’s ordinary shares and its operating results; significant transaction costs; unknown liabilities; the risk of litigation and/or regulatory actions related to the Company’s businesses; fluctuations in demand for the Company’s products; levels of indebtedness (including the indebtedness incurred in connection with acquisitions); the timing and scope of future share buybacks, which may be made in open market or privately negotiated transactions, and are subject to market conditions, applicable legal requirements, trading restrictions under the Company’s insider trading policy and other relevant factors, and such share repurchases may be suspended or discontinued at any time; the level of other investing activities and uses of cash; changes in consumer traffic and retail trends; loss of market share and industry competition; fluctuations in the capital markets; fluctuations in interest and exchange rates; the occurrence of unforeseen epidemics and pandemics, disasters or catastrophes; political or economic instability in principal markets; adverse outcomes in litigation; and general, local and global economic, political, business and market conditions, as well as those risks set forth in the Company’s filings with the U.S. Securities and Exchange Commission, including the Company’s Annual Report on Form 10-K for the fiscal year ended March 27, 2021 (File No. 001-35368). Any forward-looking statement in this press release speaks only as of the date made and the Company disclaims any obligation to update or revise any forward-looking or other statements contained herein other than in accordance with legal and regulatory obligations.