

CAPRI

HOLDINGS LIMITED



VERSACE



JIMMY CHOO



MICHAEL KORS

3Q Fiscal Year 2022 Earnings Presentation

February 2, 2022

THIRD QUARTER FISCAL 2022 HIGHLIGHTS



- Revenue increased 24%, with strong double-digit growth across all three luxury houses
- Adjusted gross margin of 65.1% expanded 40 bps vs LY and 560 bps vs LLY, despite increased supply chain costs
- Adjusted operating margin of 22.3% expanded 260 bps vs LY and 550 bps vs LLY
- Increased customer database by 11.5 M versus prior year across our luxury houses
- Raised FY 2022 adjusted EPS outlook to \$6.00
- Anticipate double-digit revenue and EPS growth in FY 2023

VERSACE

GROWTH INITIATIVES

• COMMUNICATION STRATEGY

- Capitalize on high brand engagement and awareness
- Reinforce three house pillars
- Accelerate database growth

• PRODUCT STRATEGY

- Expand accessories to \$1 billion
- More than double footwear revenue
- Further capitalize on iconic brand codes
- Drive Signature across all product categories

• OMNI-CHANNEL STRATEGY

- Increase omni capabilities to grow E-commerce to \$500M
- Increase global retail footprint to 300 stores
- Increase store sales density





VERSACE

3Q 2022 HIGHLIGHTS

- Revenue increased 29%
- Meaningful gross margin expansion
- Operating margin expanded 600 bps to 12.7%
- Global database +30% year-over-year
- La Greca signature represented 17% of sales

JIMMY CHOO

GROWTH INITIATIVES

• COMMUNICATION STRATEGY

- Own glamour through *Time to Dare* campaign
- Combine storytelling with data analytics
- Double database size

• PRODUCT STRATEGY

- Capitalize on iconic brand codes
- Grow accessories to 30% of revenue
- Maximize casual opportunity
- Introduce new categories

• OMNI-CHANNEL STRATEGY

- Triple E-commerce revenue
- Enhance omni-channel services
- Increase global retail footprint to 300 stores



JIMMY CHOO

3Q 2022 HIGHLIGHTS

- Revenue increased 47%
- Significant gross margin expansion
- Operating margin of 9%, substantially above expectations
- Global database +23% year-over-year
- Now anticipate positive operating profit in FY 2022



MICHAEL KORS

GROWTH INITIATIVES

• COMMUNICATION STRATEGY

- Emotional brand engagement
- Combine storytelling with data analytics
- Accelerate database growth

• PRODUCT STRATEGY

- Increase Signature to 50% of the business
- Grow MKGO to \$500M
- Build Men's to \$500M

• OMNI-CHANNEL STRATEGY

- Leverage seamless omni-channel experience
- Double E-commerce revenue
- Optimize global store fleet





MICHAEL KORS

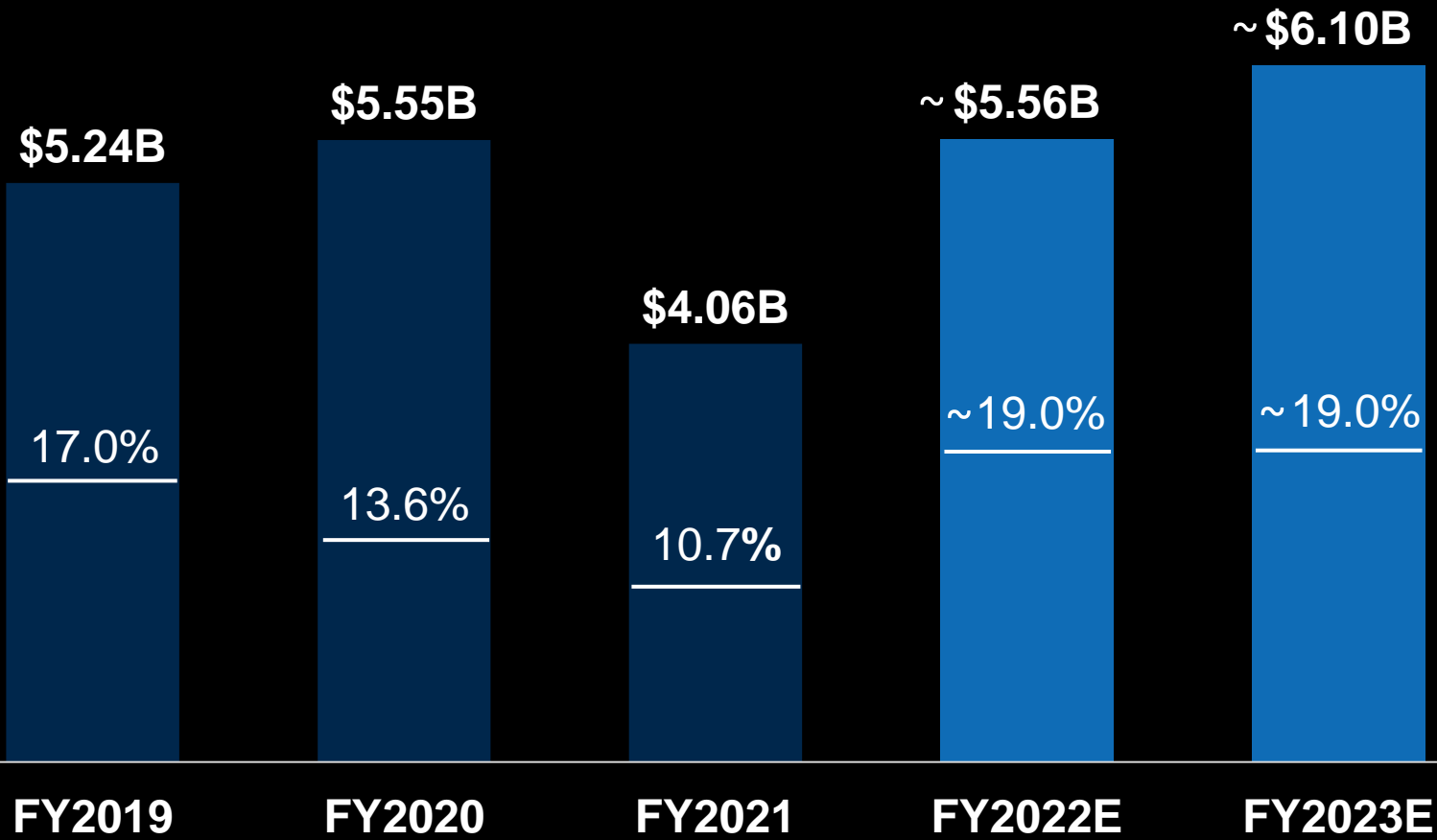
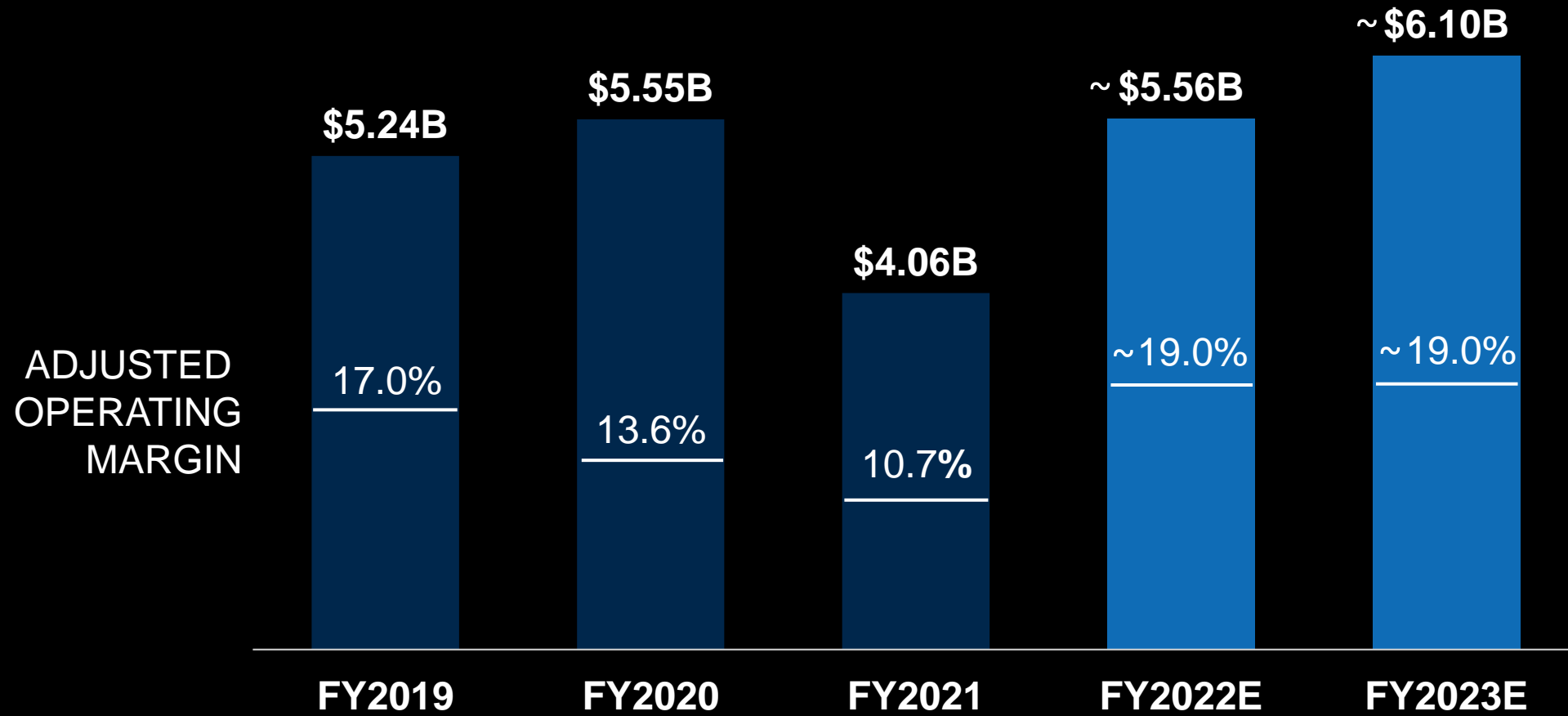
3Q 2022 HIGHLIGHTS

- Revenue increased 20%
- GM impacted by higher than anticipated supply chain costs
- Operating margin ~flat to LY and +460bps vs LLY to 28.4%
- Global database +20% year-over-year
- Global retail AUR increased high teens

FISCAL YEAR 2023 OUTLOOK

	1Q	2Q	3Q	4Q	FY
Revenue	~\$1.35B	~\$1.45B	~\$1.75B	~\$1.55B	~\$6.1B
Versace					~\$1.3B
Jimmy Choo					~\$675M
Michael Kors					~\$4.125B
Adjusted Operating Margin	~18.5%	~18.0%	~23.5%	~15.0%	~19.0%
Versace					~18.0%
Jimmy Choo					~8.0%
Michael Kors					~25.0%
Adjusted EPS	~\$1.45	~\$1.60	~\$2.50	~\$1.05	~\$6.60

HIGHEST REVENUE & EPS IN COMPANY HISTORY*



	FY2019	FY2020	FY2021	FY2022E	FY2023E
Adj. EPS	\$4.97	\$3.89	\$1.90	~\$6.00	~\$6.60

* Based on Outlook

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)

	Three Months Ended December 25, 2021							As Adjusted
	As Reported	Impairment Charges	Restructuring and Other Charges ⁽¹⁾	COVID-19 Related Charges	ERP Implementation	Capri Transformation		
Gross profit	\$ 1,048	\$ —	\$ —	\$ (1)	\$ —	\$ —	\$ 1,047	
Operating expenses	\$ 717	\$ —	\$ (14)	\$ (2)	\$ (3)	\$ (10)	\$ 688	
Total income from operations	\$ 331	\$ —	\$ 14	\$ 1	\$ 3	\$ 10	\$ 359	
Income before provision for income taxes	\$ 342	\$ —	\$ 14	\$ 1	\$ 3	\$ 10	\$ 370	
Provision for income taxes	\$ 19	\$ —	\$ 1	\$ 1	\$ 1	\$ 8	\$ 30	
Net income attributable to Capri	\$ 322	\$ —	\$ 13	\$ —	\$ 2	\$ 2	\$ 339	
Diluted net income per ordinary share - Capri	\$ 2.11	\$ —	\$ 0.09	\$ —	\$ 0.01	\$ 0.01	\$ 2.22	

⁽¹⁾ 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)

Nine Months Ended December 25, 2021

	As Reported	Impairment Charges	Restructuring and Other Charges ⁽¹⁾	COVID-19 Related Charges	ERP Implementation	Capri Transformation	As Adjusted
Gross profit	\$ 2,788	\$ —	\$ —	\$ (9)	\$ —	\$ —	\$ 2,779
Operating expenses	\$ 2,004	\$ (33)	\$ (25)	\$ (2)	\$ (11)	\$ (15)	\$ 1,918
Total income from operations	\$ 784	\$ 33	\$ 25	\$ (7)	\$ 11	\$ 15	\$ 861
Income before provision for income taxes	\$ 796	\$ 33	\$ 25	\$ (7)	\$ 11	\$ 15	\$ 873
Provision for income taxes	\$ 54	\$ 8	\$ 2	\$ —	\$ 4	\$ 9	\$ 77
Net income attributable to Capri	\$ 741	\$ 25	\$ 23	\$ (7)	\$ 7	\$ 6	\$ 795
Diluted net income per ordinary share – Capri	\$ 4.82	\$ 0.16	\$ 0.15	\$ (0.05)	\$ 0.05	\$ 0.04	\$ 5.17

⁽¹⁾ 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)

Three Months Ended December 26, 2020

	As Reported	Impairment Charges	Restructuring and Other Charges ⁽¹⁾	COVID-19 Related Charges	As Adjusted
Gross profit	\$ 848	\$ —	\$ —	\$ (5)	\$ 843
Operating expenses	\$ 681	\$ (90)	\$ (1)	\$ (4)	\$ 586
Total income from operations	\$ 16	\$ 90	\$ 1	\$ (1)	\$ 257
Income before provision for income taxes	\$ 173	\$ 90	\$ 1	\$ (1)	\$ 263
(Benefit) provision for income taxes	\$ (5)	\$ 19	\$ (1)	\$ 1	\$ 14
Net income attributable to Capri	\$ 179	\$ 71	\$ 2	\$ (2)	\$ 250
Diluted net income per ordinary share - Capri	\$ 1.18	\$ 0.47	\$ 0.01	\$ (0.01)	\$ 1.65

⁽¹⁾ 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)

Nine Months Ended December 26, 2020

	As Reported	Impairment Charges	Restructuring and Other Charges ⁽¹⁾	COVID-19 Related Charges	Capri Transformation	ERP Implementation	As Adjusted
Gross profit	\$ 1,860	\$ —	\$ —	\$ (13)	\$ —	\$ —	\$ 1,847
Total operating expenses	\$ 1,702	\$ (110)	\$ (18)	\$ (15)	\$ (2)	\$ (2)	\$ 1,555
Total income from operations	\$ 158	\$ 110	\$ 18	\$ 2	\$ 2	\$ 2	\$ 292
Income before provision for income taxes	\$ 139	\$ 110	\$ 18	\$ 2	\$ 2	\$ 2	\$ 273
Provision for income taxes	20	\$ 28	\$ (2)	\$ (2)	\$ 1	\$ (1)	44
Net income attributable to Capri	\$ 121	\$ 82	\$ 20	\$ 4	\$ 1	\$ 3	\$ 231
Diluted net income per ordinary share - Capri	\$ 0.80	\$ 0.53	\$ 0.13	\$ 0.03	\$ 0.01	\$ 0.02	\$ 1.52

⁽¹⁾ 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.

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 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.