

CAPRI

HOLDINGS LIMITED



VERSACE



JIMMY CHOO



MICHAEL KORS

4Q Fiscal Year 2022 Earnings Presentation

June 1, 2022

FISCAL YEAR 2022 HIGHLIGHTS



- Revenue increased 39%, to the highest level in the Company's history
- Increased customer database by 11.5M versus prior year
- Record adjusted gross margin expanded 180 bps to 66.0%
- Adjusted operating margin expanded 830 bps to 19.0%
- Adjusted EPS increased 230% to \$6.21, the highest level in the Company's history

FOURTH QUARTER FISCAL 2022 HIGHLIGHTS

- Revenue increased 25% (+28% constant currency)
- Record adjusted 4Q gross margin expanded 20 bps to 63.7%
- Adjusted operating margin expanded 230 bps to 14.2%
- Adjusted EPS increased 170% to \$1.02





VERSACE

FY 2022 HIGHLIGHTS

- Revenue increased over 50%, surpassing \$1B
- Global retail AUR increased low double digits
- Global database +35% year-over-year
- Accessories sales increased ~90%
- Operating margin expanded over 1,000 bps to 17.0%, the highest level in Versace's history

VERSACE

4Q 2022 HIGHLIGHTS

- Revenue increased 34% (+44% constant currency)
- Global retail AUR increased high single digits
- Accessories sales increased ~75%
- Operating margin expanded 360 bps to 15.9%





JIMMY CHOO

FY 2022 HIGHLIGHTS

- Revenue increased 47% to record level
- Global retail AUR increased low double digits
- Global database +30% year-over-year
- Accessories sales increased ~60%
- Operating margin expanded over 1,000 bps to 2.1%, substantially above original expectations

JIMMY CHOO

4Q 2022 HIGHLIGHTS

- Revenue increased 26% (+29% constant currency)
- Global retail AUR increased high teens
- Accessories sales increased ~30%
- Expanded lifestyle positioning with successful launch of jewelry collection
- Operating margin improved 490 bps





MICHAEL KORS

FY 2022 HIGHLIGHTS

- Revenue increased 35%
- Global retail AUR increased low double digits
- Global database +18% year-over-year
- Operating margin expanded 510 bps to 25.4%, substantially above original expectations

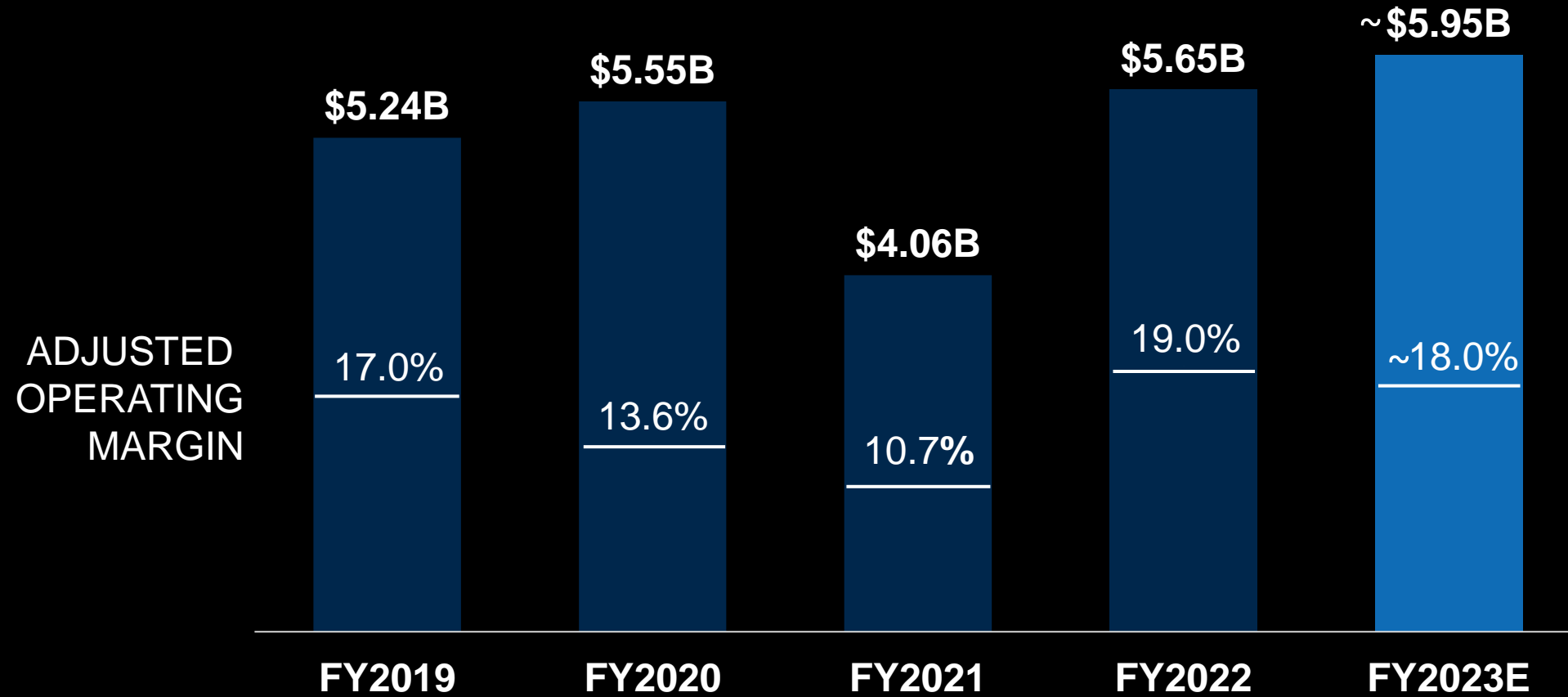
MICHAEL KORS

4Q 2022 HIGHLIGHTS

- Revenue increased 22% (+24% constant currency)
- Global retail AUR increased low double digits
- Signature represented ~45% of the assortment across all categories, compared to ~35% LY
- Operating margin expanded 10 bps to 20.6%



HIGHEST REVENUE & EPS IN COMPANY HISTORY



Adj. EPS	\$4.97	\$3.89	\$1.90	\$6.21	~ \$6.85
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FISCAL YEAR 2023 OUTLOOK

	1Q	2Q	3Q	4Q	FY
Revenue	~\$1.30B	~\$1.425B	~\$1.725B	~\$1.50B	~\$5.95B
Versace	~\$265M				~\$1.225B
Jimmy Choo	~\$155M				~\$650M
Michael Kors	~\$880M				~\$4.075B
Adjusted Operating Margin	~16.5%	~17.0%	~23.5%	~14.5%	~18%
Versace	LDD				~16%
Jimmy Choo	MSD				~5%
Michael Kors	low-mid 20%				~24%
Adjusted EPS	~\$1.35	~\$1.60	~\$2.55	~\$1.35	~\$6.85

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, charitable donations and the war in Ukraine. 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 April 2, 2022									
	As Reported	Impairment Charges	Restructuring and Other Charges ⁽¹⁾	Charitable Donations	COVID-19 Related Charges	ERP Implementation	Capri Transformation	War in Ukraine	As Adjusted	
Gross profit	\$ 956	\$ —	\$ —	\$ —	\$ (7)	\$ —	\$ —	\$ 2	\$ 951	
Operating expenses	\$ 837	\$ (40)	\$ (17)	\$ (10)	\$ —	\$ (8)	\$ (16)	\$ (7)	\$ 739	
Total income from operations	\$ 119	\$ 40	\$ 17	\$ 10	\$ (7)	\$ 8	\$ 16	\$ 9	\$ 212	
Income before provision for income taxes	\$ 119	\$ 40	\$ 17	\$ 10	\$ (7)	\$ 8	\$ 16	\$ 9	\$ 212	
Provision for income taxes	\$ 38	\$ 8	\$ 6	\$ —	\$ 6	\$ 2	\$ —	\$ —	\$ 60	
Net income attributable to Capri	\$ 81	\$ 32	\$ 11	\$ 10	\$ (13)	\$ 6	\$ 16	\$ 9	\$ 152	
Diluted net income per ordinary share - Capri	\$ 0.54	\$ 0.22	\$ 0.07	\$ 0.07	\$ (0.09)	\$ 0.04	\$ 0.11	\$ 0.06	\$ 1.02	

⁽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 acquisition of Gianni Versace S.r.l.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(In millions, except per share data)

	Fiscal Year Ended April 2, 2022										As Adjusted
	As Reported	Impairment Charges	Restructuring and Other Charges ⁽¹⁾	Charitable Donations	COVID-19 Related Charges	ERP Implementation	Capri Transformation	War in Ukraine			
Gross profit	\$ 3,744	\$ —	\$ —	\$ —	\$ (16)	\$ —	\$ —	\$ 2			\$ 3,730
Operating expenses	\$ 2,841	\$ (73)	\$ (42)	\$ (10)	\$ (2)	\$ (19)	\$ (31)	\$ (7)			\$ 2,657
Total income from operations	\$ 903	\$ 73	\$ 42	\$ 10	\$ (14)	\$ 19	\$ 31	\$ 9			\$ 1,073
Income before provision for income taxes	\$ 91	\$ 73	\$ 42	\$ 10	\$ (14)	\$ 19	\$ 31	\$ 9			\$ 1,085
Provision for income taxes	\$ 92	\$ 16	\$ 8	\$ —	\$ 6	\$ 6	\$ 9	\$ —			\$ 137
Net income attributable to Capri	\$ 822	\$ 57	\$ 34	\$ 10	\$ (20)	\$ 13	\$ 22	\$ 9			\$ 947
Diluted net income per ordinary share - Capri	\$ 5.39	\$ 0.37	\$ 0.22	\$ 0.07	\$ (0.13)	\$ 0.09	\$ 0.14	\$ 0.06			\$ 6.21

⁽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 acquisition of Gianni Versace S.r.l.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(In millions, except per share data)

	Three Months Ended March 27, 2021						
	As Reported	Impairment Charges ⁽¹⁾	Restructuring and Other Charges ⁽²⁾	Charitable Donations	COVID-19 Related Charges	Capri Transformation	As Adjusted
Gross profit	\$ 737	\$ —	\$ —	\$ —	\$ 23	\$ —	\$ 760
Operating expenses	\$ 876	\$ (206)	\$ (14)	\$ (20)	\$ (17)	\$ (2)	\$ 617
Total (loss) income from operations	\$ (139)	\$ 206	\$ 14	\$ 20	\$ 40	\$ 2	\$ 143
(Loss) income before provision for income taxes	\$ (136)	\$ 206	\$ 14	\$ 20	\$ 40	\$ 2	\$ 146
Provision for income taxes	\$ 46	\$ 23	\$ 6	\$ 5	\$ 6	\$ —	\$ 86
Net (loss) income attributable to Capri	\$ (183)	\$ 183	\$ 8	\$ 15	\$ 34	\$ 2	\$ 59
Diluted net (loss) income per ordinary share - Capri	\$ (1.21)	\$ 1.19	\$ 0.06	\$ 0.10	\$ 0.22	\$ 0.02	\$ 0.38

⁽¹⁾ Includes impairment charges of \$94 million related to goodwill associated with the Jimmy Choo wholesale and licensing reporting units, \$69 million related to the Jimmy Choo brand indefinite-lived intangible assets. These 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. This amount also includes \$43 million primarily related to operating lease right-of-use assets and fixed assets of our retail store locations.

⁽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 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 income taxes	\$ 66	\$ 51	\$ 4	\$ 5	\$ 4	\$ (1)	\$ 1	\$ 130	
Net (loss) income attributable to Capri	\$ (62)	\$ 265	\$ 28	\$ 15	\$ 38	\$ 3	\$ 3	\$ 290	
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.

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 impact of 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, including disruptions or delays in manufacturing or shipments; 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 which 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; high consumer debt levels, recession and inflationary pressures; 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; extreme weather conditions and natural disasters; political or economic instability in principal markets; adverse outcomes in litigation; and general, local and global economic, political, business and market conditions including acts of war and other geopolitical conflicts; as well as those risks set forth in the Company’s filings with the U.S. Securities and Exchange Commission (the “SEC”), including in 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 presentation 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.