



# VF Corporation To Explore Strategic Alternatives for Occupational Portion of Work Segment

January 21, 2020



# Safe Harbor Statement

Certain statements included in this presentation are "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements are made based on our expectations and beliefs concerning future events impacting VF and therefore involve several risks and uncertainties. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "should," and "may" and other words and terms of similar meaning or use of future dates. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements. Potential risks and uncertainties that could cause the actual results of operations or financial condition of VF to differ materially from those expressed or implied by forward-looking statements in this presentation include, but are not limited to: risks associated with the spin-off of our Jeanswear business completed on May 22, 2019, including the risk that VF will not realize all of the expected benefits of the spin-off; the risk that the spin-off will not be tax-free for U.S. federal income tax purposes; and the risk that there will be a loss of synergies from separating the businesses that could negatively impact the balance sheet, profit margins or earnings of VF. There are also risks associated with the relocation of our global headquarters and a number of brands to the metro Denver area, including the risk of significant disruption to our operations, the temporary diversion of management resources and loss of key employees who have substantial experience and expertise in our business, the risk that we may encounter difficulties retaining employees who elect to transfer and attracting new talent in the Denver area to replace our employees who are unwilling to relocate, and the risk that the relocation may involve significant additional costs to us and that the expected benefits of the move may not be fully realized. Other risks include foreign currency fluctuations; the level of consumer demand for apparel, footwear and accessories; disruption to VF's distribution system; the financial strength of VF's customers; fluctuations in the price, availability and quality of raw materials and contracted products; disruption and volatility in the global capital and credit markets; VF's response to changing fashion trends, evolving consumer preferences and changing patterns of consumer behavior, intense competition from online retailers, manufacturing and product innovation; increasing pressure on margins; VF's ability to implement its business strategy; VF's ability to grow its international and direct-to-consumer businesses; VF's and its vendors' ability to maintain the strength and security of information technology systems; the risk that VF's facilities and systems and those of our third-party service providers may be vulnerable to and unable to anticipate or detect data security breaches and data or financial loss; VF's ability to properly collect, use, manage and secure consumer and employee data; stability of VF's manufacturing facilities and foreign suppliers; continued use by VF's suppliers of ethical business practices; VF's ability to accurately forecast demand for products; continuity of members of VF's management; VF's ability to protect trademarks and other intellectual property rights; possible goodwill and other asset impairment; maintenance by VF's licensees and distributors of the value of VF's brands; VF's ability to execute and integrate acquisitions; changes in tax laws and liabilities; legal, regulatory, political and economic risks; the risk of economic uncertainty associated with the pending exit of the United Kingdom from the European Union ("Brexit") or any other similar referendums that may be held; and adverse or unexpected weather conditions. More information on potential factors that could affect VF's financial results is included from time to time in VF's public reports filed with the Securities and Exchange Commission, including VF's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

# Portfolio Management Remains a Top Strategic Priority

**DRIVE AND  
OPTIMIZE OUR  
PORTFOLIO**

**DISTORT TO  
ASIA**

**ELEVATE  
DIRECT  
CHANNELS**

**ACCELERATE CONSUMER-MINDED, RETAIL-  
CENTRIC, HYPER-DIGITAL BUSINESS MODEL  
TRANSFORMATION**

# Potential Transaction Overview

- VF to explore strategic alternatives for the occupational portion of its Work segment
- The occupational portion of the Work segment consists of primarily 9 brands, which contributed ~\$865 million and ~\$130 million of revenue and adjusted operating income<sup>1</sup>, respectively, in VF's fiscal 2019
- VF remains committed to the Work segment; Dickies® and Timberland Pro® brands will not be included in any potential transaction and will remain part of VF Corporation



1: Adjusted operating income excludes approximately \$7M of integration costs from the Williamson-Dickie acquisition

# VF Is Repositioning Its Work Portfolio...



Revenue Growth Profile

+ *Low- to Mid-single digits*

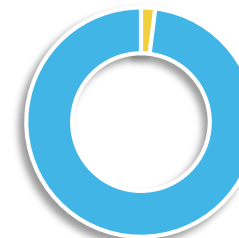
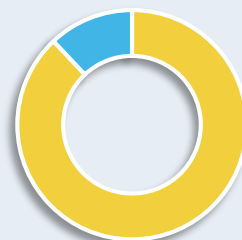
+ *Mid- to High-single digits*

Gross Margin Profile

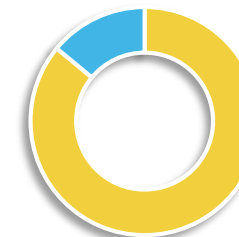
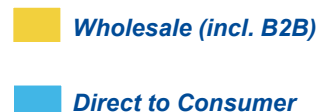
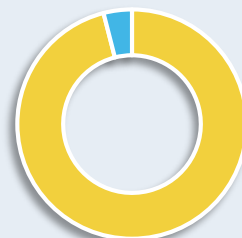
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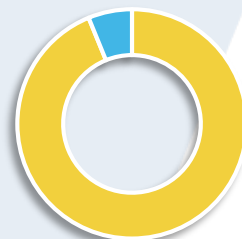
Distribution Profile



DTC Penetration

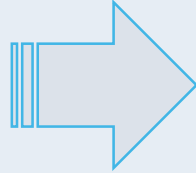
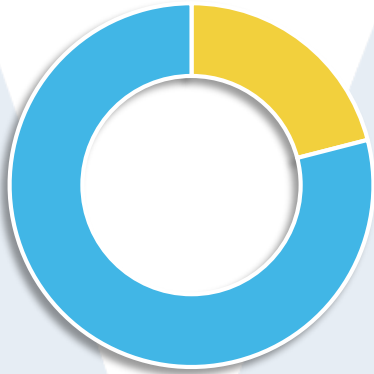


International Penetration

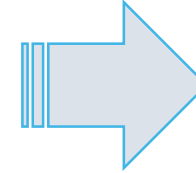
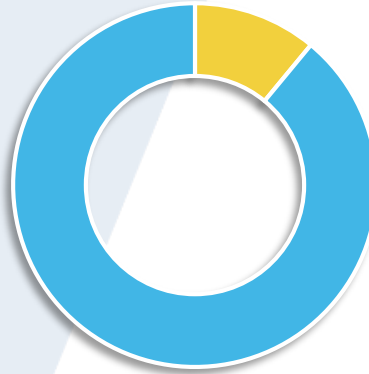


# ...And Evolving Its Supply Chain Footprint

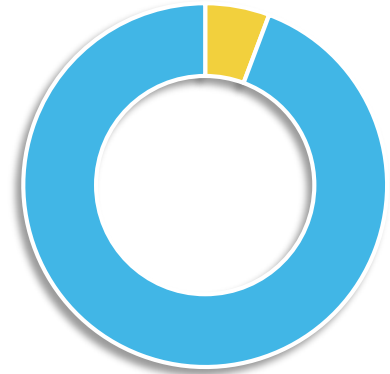
Prior to Kontoor  
Brands Spin-Off



Portfolio  
Today



Post Occupational  
Work Exit



*Internal Manufacturing*



*Sourced*

# Separation Rationale

- ✓ Enhances management focus on simplified, higher growth-oriented portfolio; Post occupational Work exit, VF's portfolio simplifies to 12 brands
- ✓ Improves business model alignment with growing international and DTC platforms
- ✓ Creates opportunity to focus investment on strategic priorities
- ✓ Reduces operational complexity, simplifies supply chain footprint
- ✓ Enhances VF growth, profitability and TSR profile
- ✓ Allows an independent occupational Work business to pursue its own strategies and investment opportunities