



# Q3'FY23 EARNINGS

FEBRUARY 7, 2023



# Safe Harbor Statement

Certain statements included in this release 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, however, the absence of these words or similar expressions does not mean that a statement is not forward-looking. All statements regarding VF's plans, objectives, projections and expectations relating to VF's operations or financial performance, and assumptions related thereto are forward-looking statements. 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. VF undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. 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 include, but are not limited to: risks arising from the widespread outbreak of an illness or any other communicable disease, or any other public health crisis, including the coronavirus (COVID-19) global pandemic; the level of consumer demand for apparel, footwear and accessories; disruption to VF's distribution system; changes in global economic conditions and the financial strength of VF's customers, including as a result of current inflationary pressures; 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 and other direct-to-consumer business risks; third-party manufacturing and product innovation; increasing pressure on margins; VF's ability to implement its business strategy; VF's ability to grow its international, direct-to-consumer and digital businesses; VF's ability to transform its model to be more consumer-minded, retail-centric and hyper-digital; retail industry changes and challenges; VF's ability to create and maintain an agile and efficient operating model and organizational structure; 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 or information security breaches and data or financial loss; VF's ability to properly collect, use, manage and secure business, consumer and employee data and comply with privacy and security regulations; foreign currency fluctuations; stability of VF's vendors' manufacturing facilities and VF's ability to establish and maintain effective supply chain capabilities; 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 recruit, develop or retain qualified employees; VF's ability to protect trademarks and other intellectual property rights; possible goodwill and other asset impairment such as the recent impairment charges related to the Supreme reporting unit goodwill and indefinite-lived trademark intangible asset; maintenance by VF's licensees and distributors of the value of VF's brands; VF's ability to execute acquisitions and dispositions and integrate acquisitions; business resiliency in response to natural or man-made economic, political or environmental disruptions; changes in tax laws and additional tax liabilities, including for the timing of income inclusion associated with our acquisition of the *Timberland*<sup>®</sup> brand in 2011; legal, regulatory, political, economic, and geopolitical risks, including those related to the current conflict in Ukraine; changes to laws and regulations; adverse or unexpected weather conditions; VF's indebtedness and its ability to obtain financing on favorable terms, if needed, could prevent VF from fulfilling its financial obligations; VF's ability to pay and declare dividends or repurchase its stock in the future; climate change and increased focus on environmental, social and governance issues; and tax risks associated with the spin-off of our Jeanswear business completed in 2019. 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 SEC, including VF's Annual Report on Form 10-K, and Quarterly Reports on Form 10-Q, and Forms 8-K filed or furnished with the SEC.

# GAAP to Non-GAAP

All numbers and information presented are on a continuing operations basis, and thus exclude the Occupational Workwear business. Additionally, all quarter-to-date numbers noted on an “adjusted” basis exclude costs related to VF’s business model transformation, costs related to a transformation initiative for our Asia-Pacific regional operations, and a discrete tax benefit. The year-to-date period numbers on an “adjusted” basis also exclude transaction and deal related activities associated primarily with the acquisition and integration of Supreme Holdings, Inc., noncash impairment charges and a pension settlement charge.

This presentation also refers to “reported” amounts in accordance with U.S. generally accepted accounting principles (“GAAP”), which include translation and transactional impacts from foreign currency exchange rates. This release also refers to “constant dollar” amounts, which exclude the impact of translating foreign currencies into U.S. dollars. Reconciliations of GAAP to Non-GAAP measures are presented in the Appendix to this presentation. These reconciliations identify and quantify all excluded items, and provide management’s view of why this information is useful to investors.

Please refer to the press release dated February 7, 2023 for more information.



# **BENNO DORER**

INTERIM PRESIDENT & CEO



# Focus on execution near term, with targeted actions to deliver strong & sustainable returns over the long term

1. **Q3 performance (Revenue +3% C\$) delivered in a very challenging environment**, highlighted examples of success while showcasing clear areas to improve
2. **Near term focus** is to invest in ensuring consistency of execution to drive greater value for consumers, prioritizing Vans and supply chain
3. We are taking prudent steps to **strengthen our financial position** and **build a stronger company** with greater focus on our highest value creation opportunities
4. **We are confident in VF's future** and ability to return to strong ongoing value creation, starting with a solid performance expected in FY24

# Q3'FY23 Revenue +3% in a challenging environment

Two near-term priorities to improve execution: Vans, Supply Chain

## Q3 HIGHLIGHTS

- Broad-based **growth in EMEA** +10%
  - The North Face EMEA +13%
  - Vans EMEA +7%
- Strong, consistent **Outdoor brands**
  - Global The North Face +13%
  - Global Timberland +6%
  - Global Outdoor Emerging Brands +10%
- Sequential **improvement in Asia** +4%
  - Better results in Greater China -1%

## NEAR-TERM PRIORITIES

- Turning around **Vans**
  - Americas -13%, largely due to execution
  - Four growth drivers unchanged:
    - Consumer, products, marketplace, operating model
- Returning to **supply chain excellence**
  - Inventories
  - Customer service
  - Costs

# Improve Vans execution, particularly in North America

Action plans address consumer, products, marketplace and operating model

## CONSUMER



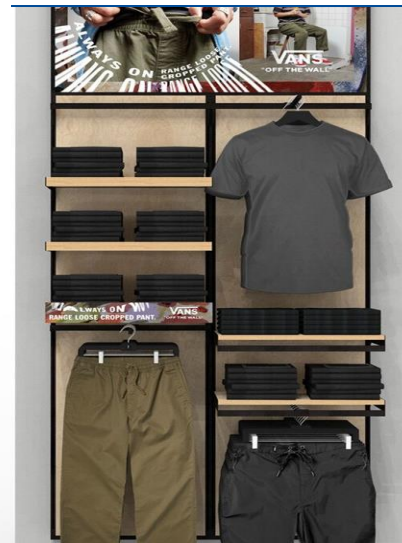
## PRODUCT



## MARKETPLACE



## OPERATING MODEL



# The North Face: An execution blueprint

Q3 Revenue +7% (+13% C\$)

- Strong consumer engagement
- Iconic products with robust product line excitement
- Broad-based growth across channels and regions





# Returning to supply chain excellence

Committed to better serving our consumers and customers at a more normalized cost for VF



Supply chain performance negatively impacted revenue and profits in the high volume Q3

Taking aggressive actions to improve service levels and reduce inventory and costs

Return to VF's hallmark standard of supply chain excellence in FY24

# Taking prudent steps to strengthen financial position

Significant actions to generate profitable and sustained growth

- Near-term focus on current portfolio to **reinforce core strength**
- Pursue strategic alternatives for global **Packs\*** business
- **Lean into cost savings** to enable strong investments in brands and consumer
- **Right-size dividend** to target payout with reduction of ~40% and maintain strong commitment to dividend going forward
- Return to **profitable top and bottom-line growth in FY24**



# High degree of confidence in VF's future

Ability to return to strong and sustainable long-term shareholder value creation

- Brands in the portfolio benefit from long-term category and consumer tailwinds
- Clear focus on Vans and supply chain as near-term priorities to improve performance
- Sharpening our consumer growth strategies with the right investments
- Permission from consumers to enter new categories and geographies
- Committed to returning to strong operational discipline

# Taking the right steps to realize VF's full potential

Guided by our consumers, people, shareholders, and purpose

- World-class leadership and talent
- Improved execution near-term
- Greater focus on the consumer
- Financial strength and predictability





# MATT PUCKETT

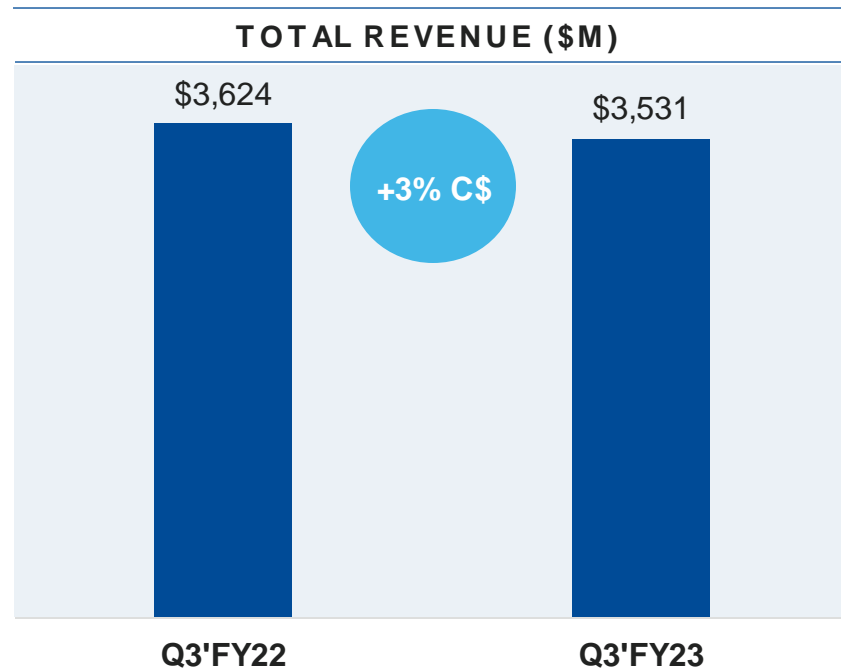
EVP, CFO



# Q3'FY23 Financial Overview

Grew C\$ revenue despite challenging environment and operational hurdles

- **Revenue** of \$3.5B, -3%/+3% C\$
  - Balanced growth across Wholesale +2% C\$ and DTC +3% C\$
- **Adjusted Gross Margin** of 54.9%, -140bps
- **Adjusted Operating Margin** of 14.9%, -280bps
- **Adjusted Diluted EPS** of \$1.12, -17%/-10% C\$
- **Liquidity** of ~\$1.9B at end of Q3'FY23



# EMEA momentum continues with APAC improving

Americas impacted largely by softer results in Vans and Dickies



A light blue world map is centered on the slide. Three semi-transparent blue callout boxes are overlaid on the map, each containing percentage change data for a specific region. The callouts are positioned over North America, Europe/Middle East/Africa, and Asia/Pacific.

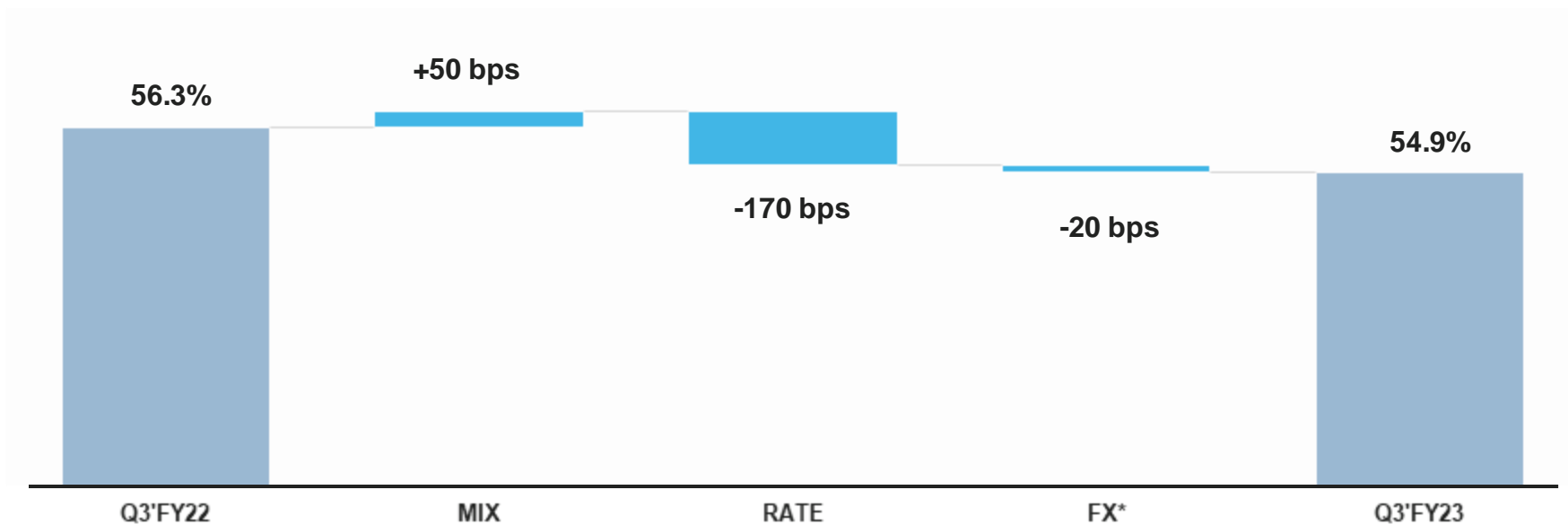
**-2% / -1% C\$**  
**AMERICAS**

**-2% / +10% C\$**  
**EMEA**

**-7% / +4% C\$**  
**APAC**

# Gross Margin Bridge

Impacted primarily by elevated inventories, discounts and promotional activity; partially offset by favorable mix and strategic pricing actions

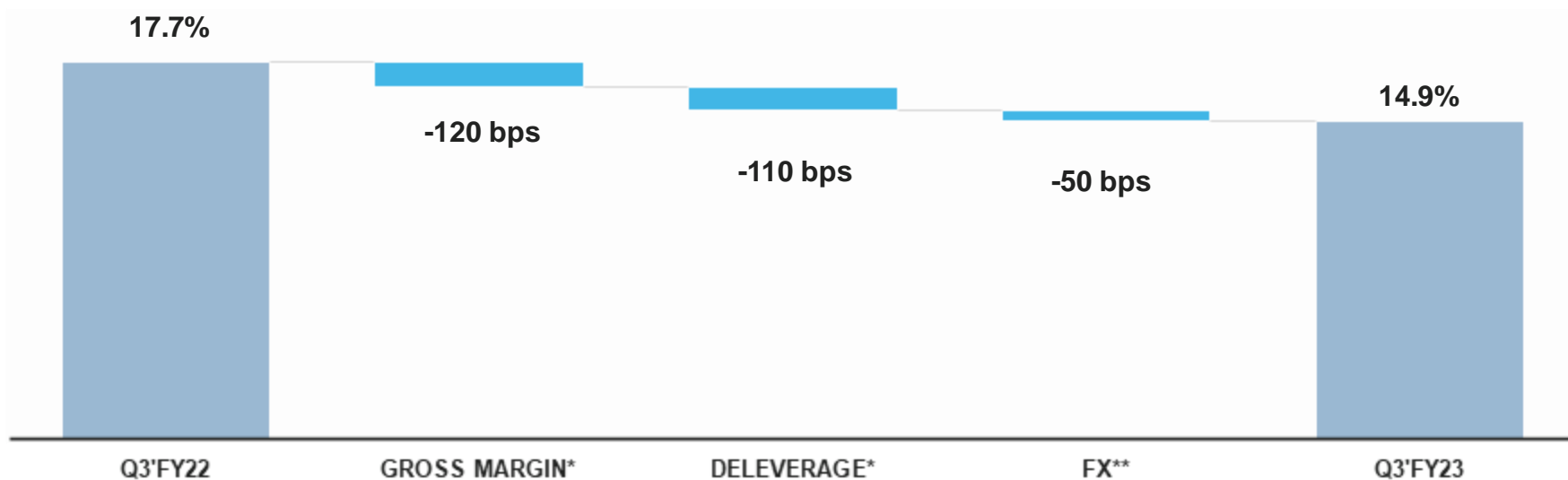


Note: Gross Margin on an adjusted basis  
\* Reflects the impact of FX translation only



# Operating Margin Bridge

Reflecting lower Gross Margin and cost deleverage, primarily higher marketing



Note: Operating Margin on an adjusted basis

\*Numbers on an adjusted basis, excluding FX

\*\* Reflects the impact of FX translation only

# Supply chain improving into next season

Taking immediate and specific actions to address internal and external issues

## Q3 impacts

- Elevated lead times in manufacturing and distribution
- Higher order cancellations
- Increased volatility in distribution and logistics, particularly in the Americas
- Higher volume quarter with event-driven demand spikes

## Easing disruption and cost starting Fall 2023

- Improving lead times, leading to better on-time performance
  - Better reliability of ex-factory dates
- More normalized air freight volumes
- Easing ocean/air rates, though they remain elevated
- Moderating FOB inflationary impacts

# FY23 Outlook

Affirming EPS guidance at midpoint of, and revenue outlook within, previous range

|   | FY23                         |                          |
|---|------------------------------|--------------------------|
|   | PREVIOUS GUIDANCE*           | CURRENT GUIDANCE         |
| <b>Revenue (C\$)</b>                      | +3% to +4%                   | ~+3%                     |
| <i>The North Face®</i>                    | up at least +12%             | up at least +14%         |
| <i>Vans®</i>                              | down mid-single digit %      | down high single digit % |
| <b>Adjusted gross margin</b>              | down 100bps to 150bps vs. LY | down ~200bps vs. LY      |
| <b>Adjusted operating margin</b>          | ~11%                         | ~9.5%                    |
| <b>Tax rate</b>                           | ~16%                         | ~13%                     |
| <b>Adjusted EPS</b>                       | \$2.00 to \$2.20             | \$2.05 to \$2.15         |
| <b>Adjusted cash flow from operations</b> | at least \$900M              | ~\$700M                  |
| <b>CapEx</b>                              | ~\$230M                      | ~\$200M                  |

\*Previous guidance reflects Revenue and EPS adjustments made on 5-Dec-2022; the remaining metrics were last updated on 26-Oct-2022

Note: Outlook for Fiscal 2023 is based on these assumptions: No additional significant COVID-19 related lockdowns in any key commercial or production regions and no significant worsening in global inflation rates and consumer sentiment.

# Return to more profitable and consistent growth in FY24

## FY24 FINANCIAL EXPECTATIONS

### REVENUE

**+ at least low  
single digit %**

C\$

### MARGINS

**+ Gross and  
Operating  
Margin  
expansion**

### OPERATING EARNINGS

**+ double-digit %**

C\$

### OPERATING CASH FLOW

**+ growth faster  
than EPS**

# Strategic actions to strengthen financial position

## Sharpen focus on highest value creation opportunities

- Capital allocation focus on the current portfolio, reducing leverage and returning capital to shareholders, through the dividend
- Right-sized dividend toward target payout ratio of ~50% and accelerating path to target leverage
- Exploring strategic alternatives for global Packs\* business
- Concluding a number of asset sales during H2'FY23
- Reducing working capital, align inventories to optimal levels
- Increasing efforts to realign costs towards highest value creation opportunities



# Returning to strong and consistent shareholder value creation

VF's brand portfolio remains well positioned to deliver **long-term sustainable and profitable growth**

Near term, we are taking decisive action to strengthen our financial position, improve our operating performance and deliver **consistent earnings and cash flow growth**

Confident these steps will lead to **strong and consistent shareholder value creation**





# *APPENDIX*

# COVID-19 Operational Update as of January 27, 2023

|                             |   |
|-----------------------------|---|
| <b>North America</b>        | <ul style="list-style-type: none"><li>▪ All offices open</li><li>▪ No stores were closed during the third quarter; all stores are currently open</li></ul>  |
| <b>EMEA</b>                 | <ul style="list-style-type: none"><li>▪ All offices open</li><li>▪ No stores were closed during the third quarter due to COVID-19; all stores are currently open</li></ul>  |
| <b>APAC</b>                 | <ul style="list-style-type: none"><li>▪ All offices open</li><li>▪ 4% of stores were closed at the beginning of the third quarter with a peak of 27% of stores (including partner doors) closed and an average of 11% of stores closed throughout the quarter. At the end of the third quarter, 3% of stores were closed and, as of today, no stores are closed</li></ul>   |
| <b>Digital Business</b>     | <ul style="list-style-type: none"><li>▪ Has remained operational in all geographic regions</li></ul>  |
| <b>Distribution Centers</b> | <ul style="list-style-type: none"><li>▪ In accordance with local government guidelines, DCs are operational</li></ul>   |
| <b>Supply Chain</b>         | <ul style="list-style-type: none"><li>▪ VF's supply chain is currently fully operational; suppliers are complying with local public health advisories and governmental restrictions</li><li>▪ Suppliers are back to normal operating levels after COVID-related lockdowns earlier in the fiscal year, though manufacturing and freight lead times remain elevated</li><li>▪ VF is working with its suppliers to minimize disruption and is employing expedited freight strategically where needed</li></ul> |



# Q3'FY23: Revenue Breakdown

TOTAL

\$3,531 M

-3% Reported



## BIG 4 BRANDS -3% (+2% C\$):

- Vans® -13% (-9% C\$)
- The North Face® +7% (+13% C\$)
- Timberland® flat (+6% C\$)
- Dickies® -16% (-13% C\$)

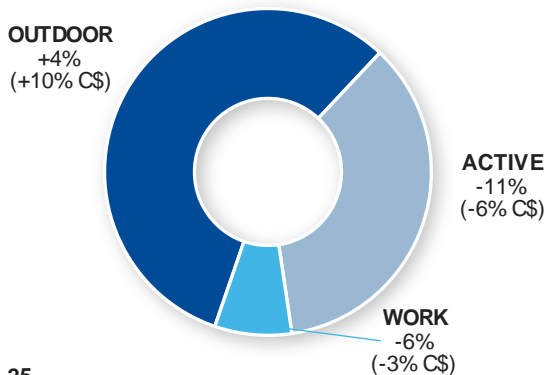
## INTERNATIONAL -3% (+8% C\$)

- APAC -7% (+4% C\$), including Greater China -11% (-1% C\$) and Mainland China -15% (-5% C\$)
- EMEA -2% (+10% C\$)

## WHOLESALE -3% (+2% C\$)

DTC -2% (+3% C\$) with DIGITAL flat (+6% C\$)

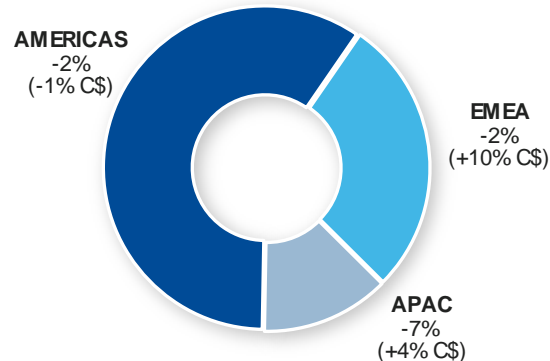
### BY SEGMENT



### BY CHANNEL



### BY REGION



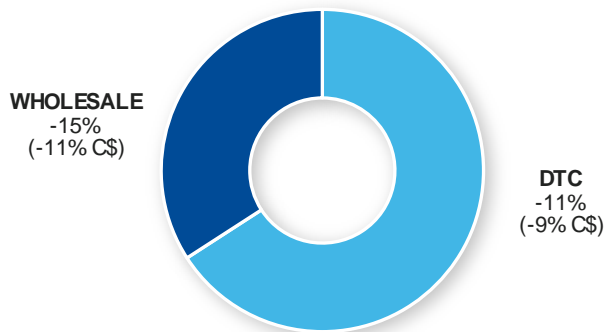
# Vans® Global Performance



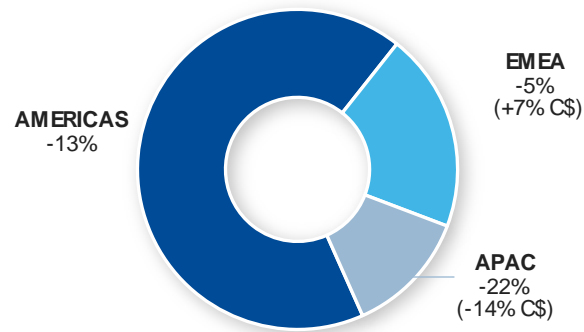
## REVENUE OF \$927 MILLION, -13% VS PRIOR YEAR (-9% C\$)

- DTC declines resulting from lower traffic in the Americas and ongoing COVID disruption in China
- Wholesale impacted by higher promotional environment in the channel and excess inventory in the marketplace also reflecting weaker brand performance, particularly in the Americas
- Continued growth in EMEA and in Asia outside China, reflecting a clear growth strategy and stronger marketplace execution
- Progression remains strong, accounting for ~30% of footwear revenue, within which UltraRange +34% despite low awareness
- Continued growth in the Vans Family program with membership exceeding 26M at end Q3'FY23
- World-class talent in place with arrival in Dec 2022 of new Chief Product and Merchandising Officer and new Chief Digital Officer

### BY CHANNEL



### BY REGION



# The North Face® Global Performance

REVENUE OF \$1,321 MILLION, +7% VS PRIOR YEAR (+13% C\$)



- Strong performance across all regions and global channels
- Continued global DTC growth driven by strong double-digit growth in both channels
- Global launch of second chapter of the "It's More than a Jacket" marketing campaign, helping drive growth and momentum in Outerwear, Snowsports, & Footwear; specifically, Nuptse Remastered and Summit Series saw strong consumer response
- TNF x KAWS represented the first ever global, performance-led collab, generating 990M+ impressions with strong sell-out across all regions
- Featured in Fast Company's *Brands That Matter*, highlighting work with the Explore Fund, key product innovations (VECTIV & FUTURELIGHT), and collaborations (KAWS, Online Ceramics, and more)
- XPLR PASS™ global loyalty membership grew by >2M new members in the quarter (17M+ members total at end Q3)

## BY CHANNEL



## BY REGION



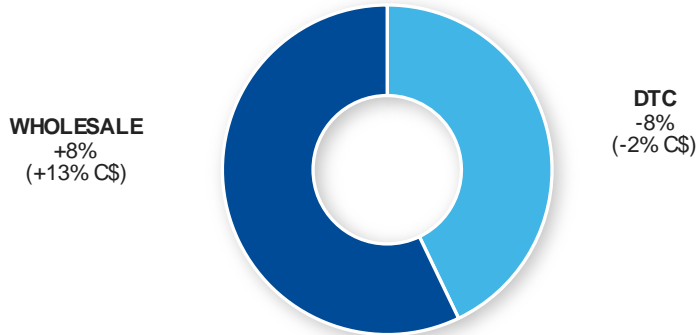
# Timberland® Global Performance



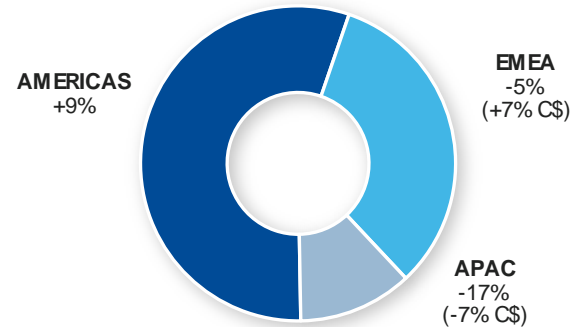
**REVENUE OF \$595 MILLION, FLAT VS PRIOR YEAR (+6% C\$)**

- Global performance driven by EMEA and Americas wholesale, despite supply challenges affecting these regions; Americas wholesale benefited from timing shifts vs prior year
- Global DTC impacted by a weak performance in the Americas
- EMEA remains strong with broad-based growth achieved across channels and products, YTD +18% C\$
- Outdoor, primarily hiking boots, and Timberland PRO® up double digits vs prior year
- Brand momentum and engagement growing in all regions fueled by 'Built for the Bold' global campaign and strong loyalty membership increases in EMEA

**BY CHANNEL**



**BY REGION**





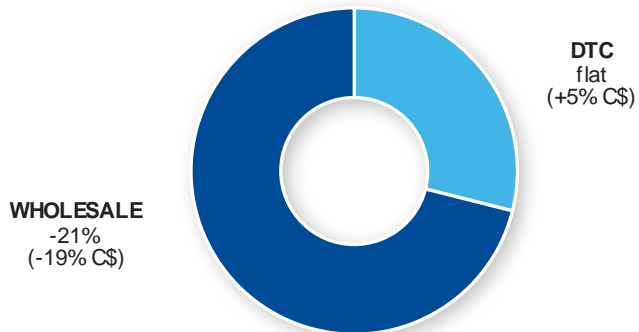
# Dickies® Global Performance



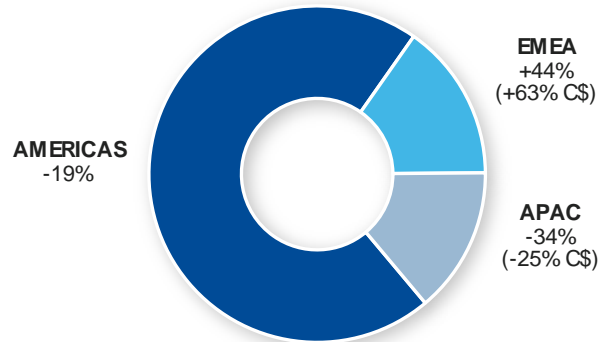
## REVENUE OF \$177 MILLION, -16% VS PRIOR YEAR (-13% C\$)

- Mixed results across regions led to third consecutive quarter of global revenue declines
- Americas challenged across channels as key accounts experienced lower traffic and implemented inventory management strategies; modest sell-through growth despite impact of inflationary pressures on brand consumer
- Continued strong performance in EMEA, with growth in both Work-Inspired Lifestyle and Workwear segments and across channels
- DTC down in Americas but sequentially improving through the quarter, benefitting from an effective holiday campaign
- APAC wholesale impacted by continued elevated inventory levels in the channel, more than offsetting Digital growth
- Concluded celebration of Dickies 100-Year Anniversary, with continued success from Icon styles and the 'Made in Dickies' campaign; brand awareness strong, as proven by strong growth in impressions and organic engagement on prominent social media platforms

### BY CHANNEL



### BY REGION



# Appendix: GAAP to Non-GAAP

VF CORPORATION  
Supplemental Financial Information  
Reconciliation of Select GAAP Measures to Non-GAAP Measures - Three and Nine Months Ended December 2022  
(Unaudited)  
(In thousands, except per share amounts)

| Three Months Ended December 2022                                     | As Reported<br>under GAAP | Transaction and<br>Deal Related<br>Activities <sup>(a)</sup> | Specified Strategic<br>Business Decisions <sup>(b)</sup> | Impairment and<br>Pension Settlement<br>Charge <sup>(c)</sup> | Tax Item <sup>(d)</sup> | Adjusted     |
|--|---------------------------|--|--|---|-------------------------|--------------|
| Revenues   | \$ 3,530,667              | \$ —   | \$ —   | \$ —  | \$ —                    | \$ 3,530,667 |
| Gross profit   | 1,937,619                 | —  | 1,582  | —   | —                       | 1,939,201    |
| Percent  | 54.9 %                    |  |  |   |                         | 54.9 %       |
| Operating income   | 516,033                   | —  | 10,609   | —   | —                       | 526,642      |
| Percent  | 14.6 %                    |  |  |   |                         | 14.9 %       |
| Diluted earnings per share from continuing operations <sup>(e)</sup> | 1.31                      | —  | 0.02   | 0.03  | (0.24)                  | 1.12         |
| Nine Months Ended December 2022                                      | As Reported<br>under GAAP | Transaction and<br>Deal Related<br>Activities <sup>(a)</sup> | Specified Strategic<br>Business Decisions <sup>(b)</sup> | Impairment and<br>Pension Settlement<br>Charge <sup>(c)</sup> | Tax Item <sup>(d)</sup> | Adjusted     |
| Revenues   | \$ 8,872,862              | \$ —   | \$ —   | \$ —  | \$ —                    | \$ 8,872,862 |
| Gross profit   | 4,738,655                 | —  | 9,946  | —   | —                       | 4,748,601    |
| Percent  | 53.4 %                    |  |  |   |                         | 53.5 %       |
| Operating income   | 488,576                   | 331  | 72,031   | 421,922   | —                       | 982,860      |
| Percent  | 5.5 %                     |  |  |   |                         | 11.1 %       |
| Diluted earnings per share from continuing operations <sup>(e)</sup> | 0.86                      | —  | 0.15   | 1.17  | (0.24)                  | 1.93         |

<sup>(a)</sup> Transaction and deal related activities reflect activities associated with the acquisition of Supreme Holdings, Inc. and include integration costs of \$0.3 million for the nine months ended December 2022. The transaction and deal related activities resulted in a net tax benefit of \$0.1 million in the nine months ended December 2022.

<sup>(b)</sup> Specified strategic business decisions include costs related to VF's business model transformation of \$8.3 million and \$59.5 million during the three and nine months ended December 2022, respectively, related primarily to Corporate actions and resulting restructuring costs. Specified strategic business decisions also include costs related to a transformation initiative for our Asia-Pacific regional operations of \$2.3 million and \$12.5 million in the three and nine months ended December 2022, respectively. The specified strategic business decisions resulted in a net tax benefit of \$2.7 million and \$15.0 million in the three and nine months ended December 2022, respectively.

<sup>(c)</sup> VF recognized noncash impairment charges related to the Supreme reporting unit goodwill and indefinite-lived trademark intangible asset of \$421.9 million during the nine months ended December 2022. The impairment charges were driven by non-operating factors including higher interest rates and foreign currency fluctuations.

A noncash pension settlement charge of \$91.8 million was recorded in the Other income (expense), net line item during the nine months ended December 2022. The pension settlement charge resulted from the purchase of a group annuity contract, which was an action taken to streamline administration, manage financial risk associated with pension plans, and to transfer a portion of the liability associated with VF's U.S. pension plan to an insurance company.

The impairment and pension settlement charges resulted in a net tax expense of \$12.2 million and net tax benefit of \$60.2 million in the three and nine months ended December 2022, respectively.

<sup>(d)</sup> Tax item includes a \$94.9 million discrete tax benefit recognized during the three and nine months ended December 2022 related to the Internal Revenue Service examinations for tax year 2017 and short-tax year 2018 resulting in a favorable adjustment to VF's transition tax liability under the Tax Cuts and Jobs Act.

<sup>(e)</sup> Amounts shown in the table have been calculated using unrounded numbers. The diluted earnings per share was calculated using 388,192,000 and 388,357,000 weighted average common shares for the three and nine months ended December 2022, respectively.

## Non-GAAP Financial Information

The financial information above has been presented on a GAAP basis and on an adjusted basis, which excludes the impact of transaction and deal related activities, activity related to specified strategic business decisions, impairment, a pension settlement charge and a tax item. The adjusted presentation provides non-GAAP measures.

Management believes these measures provide investors with useful supplemental information regarding VF's underlying business trends and the performance of VF's ongoing operations and are useful for period-over-period comparisons of such operations.

Management uses the above financial measures internally in its budgeting and review process and, in some cases, as a factor in determining compensation. While management believes that these non-GAAP financial measures are useful in evaluating the business, this information should be considered as supplemental in nature and should be viewed in addition to, and not in lieu of or superior to, VF's operating performance measures calculated in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similarly titled measures presented by other companies.

# Appendix: GAAP to Non-GAAP

**VF CORPORATION**  
**Supplemental Financial Information**  
**Reconciliation of Select GAAP Measures to Non-GAAP Measures - Three and Nine Months Ended December 2021**  
**(Unaudited)**

(In thousands, except per share amounts)

| Three Months Ended December 2021  | As Reported<br>under GAAP | Transaction and Deal<br>Related Activities <sup>(a)</sup> | Specified Strategic<br>Business Decisions <sup>(b)</sup> | Tax Items <sup>(c)</sup> | Adjusted     |
|---|---------------------------|---|--|--------------------------|--------------|
| <b>Revenues</b>   | \$ 3,624,384              | \$ —  | \$ —   | \$ —                     | \$ 3,624,384 |
| <b>Gross profit</b>   | 2,031,780                 | —   | 9,875  | —                        | 2,041,655    |
| <i>Percent</i>  | 56.1 %                    |   |  |                          | 56.3 %       |
| <b>Operating income</b>   | 678,442                   | (49,398)  | 13,809   | —                        | 642,853      |
| <i>Percent</i>  | 18.7 %                    |   |  |                          | 17.7 %       |
| <b>Diluted earnings per share from continuing operations<sup>(d)</sup></b>        | 1.32                      | (0.13)  | 0.03   | 0.13                     | 1.35         |
| Nine Months Ended December 2021   | As Reported<br>under GAAP | Transaction and Deal<br>Related Activities <sup>(a)</sup> | Specified Strategic<br>Business Decisions <sup>(b)</sup> | Tax Items <sup>(c)</sup> | Adjusted     |
| <b>Revenues</b>   | \$ 9,017,176              | \$ —  | \$ —   | \$ —                     | \$ 9,017,176 |
| <b>Gross profit</b>   | 4,989,575                 | —   | 21,944   | —                        | 5,011,519    |
| <i>Percent</i>  | 55.3 %                    |   |  |                          | 55.6 %       |
| <b>Operating income</b>   | 1,439,812                 | (151,880)   | 37,671   | —                        | 1,325,603    |
| <i>Percent</i>  | 16.0 %                    |   |  |                          | 14.7 %       |
| <b>Diluted earnings (loss) per share from continuing operations<sup>(d)</sup></b> | 2.89                      | (0.37)  | 0.08   | 0.13                     | 2.72         |

<sup>(a)</sup> Transaction and deal related activities include activities associated with the acquisition of Supreme Holdings, Inc. ("Supreme") for the three and nine months ended December 2021. Transaction and deal related activities include a decrease in the estimated fair value of the contingent consideration liability of \$50.0 million and \$158.0 million for the three and nine months ended December 2021, respectively, and integration costs of \$0.6 million and \$6.1 million for the three and nine months ended December 2021, respectively. The transaction and deal related activities resulted in a net tax benefit of \$3.2 million and net tax expense of \$5.1 million in the three and nine months ended December 2021, respectively, primarily related to the impact of the decreases in the estimated fair value of the contingent consideration liability on the interim tax rate calculations.

<sup>(b)</sup> Specified strategic business decisions for the three and nine months ended December 2021 include costs related to VFs business model transformation of \$0.5 million and \$2.2 million in the three and nine months ended December 2021, respectively, related primarily to restructuring and other costs. Specified strategic business decisions also include costs related to a transformation initiative for our Asia-Pacific regional operations of \$13.7 million and \$35.5 million in the three and nine months ended December 2021, respectively. Specified strategic business decisions also include cost optimization charges and other activities, including the sale of certain assets, indirectly related to the divestiture of the Occupational Workwear business, which totaled income of \$0.4 million during the three months ended December 2021. The specified strategic business decisions also include non-operating expense of \$0.2 million and income of \$1.5 million during the three and nine months ended December 2021, respectively, associated with VFs transformation initiatives. The specified strategic business decisions resulted in a net tax benefit of \$2.0 million and \$5.2 million in the three and nine months ended December 2021, respectively.

<sup>(c)</sup> Tax items include \$51.9 million net tax expense associated with certain discrete tax activities recognized during the three and nine months ended December 2021. This is comprised of \$87.1 million tax expense for unrecognized tax benefits resulting from updated estimates related to intellectual property transfers completed in a prior period, and \$35.2 million tax benefit related to the reorganization of certain foreign operations.

<sup>(d)</sup> Amounts shown in the table have been calculated using unrounded numbers. The diluted earnings per share impacts were calculated using 392,495,000 and 393,547,000 weighted average common shares for the three and nine months ended December 2021, respectively.

## Non-GAAP Financial Information

The financial information above has been presented on a GAAP basis and on an adjusted basis, which excludes the impact of transaction and deal related activities, activity related to specified strategic business decisions and certain tax items. The adjusted presentation provides non-GAAP measures. Management believes these measures provide investors with useful supplemental information regarding VFs underlying business trends and the performance of VFs ongoing operations and are useful for period-over-period comparisons of such operations.

Management uses the above financial measures internally in its budgeting and review process and, in some cases, as a factor in determining compensation. While management believes that these non-GAAP financial measures are useful in evaluating the business, this information should be considered as supplemental in nature and should be viewed in addition to, and not in lieu of or superior to, VFs operating performance measures calculated in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similarly titled measures presented by other companies.

# Appendix: Top 4 Brand Revenue

**VF CORPORATION**  
**Supplemental Financial Information**  
**Top 4 Brand Revenue Information**  
**(Unaudited)**

| Top 4 Brand Revenue Growth                | Three Months Ended December 2022 |      |       |        | Nine Months Ended December 2022 |      |       |        |
|---|----------------------------------|------|-------|--------|---------------------------------|------|-------|--------|
|   | Americas                         | EMEA | APAC  | Global | Americas                        | EMEA | APAC  | Global |
| <b><i>Vans</i></b> *                      |                                  |      |       |        |                                 |      |       |        |
| % change                                  | (13)%                            | (5)% | (22)% | (13)%  | (7)%                            | (9)% | (27)% | (11)%  |
| % change constant currency <sup>(a)</sup> | (13)%                            | 7 %  | (14)% | (9)%   | (7)%                            | 3 %  | (22)% | (7)%   |
| <b><i>The North Face</i></b> *            |                                  |      |       |        |                                 |      |       |        |
| % change                                  | 8 %                              | 1 %  | 17 %  | 7 %    | 13 %                            | 3 %  | 21 %  | 11 %   |
| % change constant currency <sup>(a)</sup> | 9 %                              | 13 % | 29 %  | 13 %   | 14 %                            | 17 % | 30 %  | 17 %   |
| <b><i>Timberland</i></b> *                |                                  |      |       |        |                                 |      |       |        |
| % change                                  | 9 %                              | (5)% | (17)% | 0 %    | 0 %                             | 3 %  | (9)%  | 0 %    |
| % change constant currency <sup>(a)</sup> | 9 %                              | 7 %  | (7)%  | 6 %    | 1 %                             | 18 % | (1)%  | 7 %    |
| <b><i>Dickies</i></b> *                   |                                  |      |       |        |                                 |      |       |        |
| % change                                  | (19)%                            | 44 % | (34)% | (16)%  | (18)%                           | 17 % | (29)% | (17)%  |
| % change constant currency <sup>(a)</sup> | (19)%                            | 63 % | (25)% | (13)%  | (18)%                           | 34 % | (22)% | (14)%  |

<sup>(a)</sup> Refer to the "Reportable Segment, Geographic and Channel Revenue Growth - Three and Nine Months Ended December 2022" table for the definition of 'constant currency'.



# Appendix: Segment, Geographic & Channel Revenue – Q3'23

VF CORPORATION  
Supplemental Financial Information  
Reportable Segment, Geographic and Channel Revenue Growth - Three and Nine Months Ended December 2022  
(Unaudited)

|   | Three Months Ended December 2022 |                   | Nine Months Ended December 2022 |                   |
|---|----------------------------------|-------------------|---------------------------------|-------------------|
|   | % Change                         | % Change Constant | % Change                        | % Change Constant |
| <b><u>Segment Revenue Growth</u></b>    |                                  |                   |                                 |                   |
| Outdoor                                 | 4 %                              | 10 %              | 7 %                             | 13 %              |
| Active                                  | (11)%                            | (6)%              | (8)%                            | (3)%              |
| Work                                    | (6)%                             | (3)%              | (10)%                           | (8)%              |
| <b>Total segment revenues</b>           | <b>(3)%</b>                      | <b>3 %</b>        | <b>(2)%</b>                     | <b>4 %</b>        |
| <b><u>Geographic Revenue Growth</u></b> |                                  |                   |                                 |                   |
| Americas                                | (2)%                             | (1)%              | 0 %                             | 0 %               |
| EMEA                                    | (2)%                             | 10 %              | 0 %                             | 14 %              |
| APAC                                    | (7)%                             | 4 %               | (10)%                           | (2)%              |
| Greater China                           | (11)%                            | (1)%              | (18)%                           | (12)%             |
| International                           | (3)%                             | 8 %               | (3)%                            | 8 %               |
| <b>Global</b>                           | <b>(3)%</b>                      | <b>3 %</b>        | <b>(2)%</b>                     | <b>4 %</b>        |
| <br>                                    |                                  |                   |                                 |                   |
|   | Three Months Ended December 2022 |                   | Nine Months Ended December 2022 |                   |
|   | % Change                         | % Change Constant | % Change                        | % Change Constant |
| <b><u>Channel Revenue Growth</u></b>    |                                  |                   |                                 |                   |
| Wholesale <sup>(a)</sup>                | (3)%                             | 2 %               | 0 %                             | 6 %               |
| Direct-to-consumer                      | (2)%                             | 3 %               | (4)%                            | 1 %               |
| Digital                                 | 0%                               | 6 %               | (6)%                            | (1)%              |

<sup>(a)</sup> Royalty revenues are included in the wholesale channel for all periods.

\* Constant Currency Financial Information: VF is a global company that reports financial information in U.S. dollars in accordance with GAAP. Foreign currency exchange rate fluctuations affect the amounts reported by VF from translating its foreign revenues and expenses into U.S. dollars. These rate fluctuations can have a significant effect on reported operating results. As a supplement to our reported operating results, we present constant currency financial information, which is a non-GAAP financial measure that excludes the impact of translating foreign currencies into U.S. dollars. We use constant currency information to provide a framework to assess how our business performed excluding the effects of changes in the rates used to calculate foreign currency translation. Management believes this information is useful to investors to facilitate comparison of operating results and better identify trends in our businesses.

To calculate foreign currency translation on a constant currency basis, operating results for the current year period for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the average exchange rates in effect during the comparable period of the prior year (rather than the actual exchange rates in effect during the current year period).

These constant currency performance measures should be viewed in addition to, and not in lieu of or superior to, our operating performance measures calculated in accordance with GAAP. The constant currency information presented may not be comparable to similarly titled measures reported by other companies.