

# FY19

PVH Corp. summary

We are PVH, one of the world's largest apparel companies with \$9.9 billion in 2019 revenues

## OUR BUSINESS STRATEGY

We see opportunities for long-term growth as we employ our strategic priorities across our organization. Our global growth strategies include:

- Driving consumer engagement through innovative designs and personalized brand and shopping experiences that capture the heart of the consumer.
- Leveraging data driven marketing to deepen the relationships with our consumers through segmented product assortments and personalized content.
- Expanding our worldwide reach through organic growth and acquisitions.
- Investing in and evolving how we operate by leveraging technology and data to be dynamic, nimble and forward-thinking.
- Evolving our supply chain to adapt more quickly to change and reduce lead times.
- Developing a talented and skilled workforce that embodies our values and an entrepreneurial spirit, while empowering our associates to design their future.
- Delivering sustainable, profitable growth and generating free cash flow to create long-term stockholder value.

Our strategies are complemented by our purpose to power brands that **DRIVE FASHION FORWARD - FOR GOOD.**

PVH

Visit us at [pvh.com](http://pvh.com)

## 2019 BUSINESS RECAP

PVH

Global retail sales: ~\$22BN  
Reported revenue: \$9.9BN  
EBIT margin\*: 9.4%

CALVIN KLEIN

Global retail sales: \$9.4BN  
Reported revenue: \$3.7BN  
EBIT margin\*: 11.3%

TOMMY HILFIGER

Global retail sales: \$9.2BN  
Reported revenue: \$4.7BN  
EBIT margin\*: 13.5%

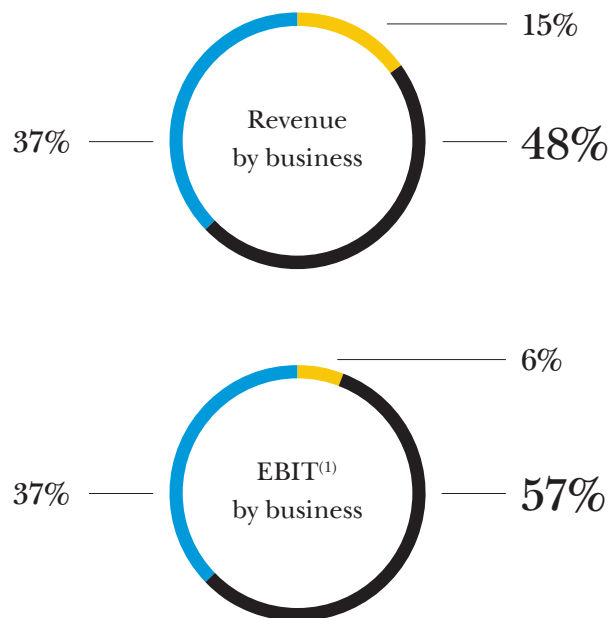
HERITAGE BRANDS

Global retail sales: \$3.3BN  
Reported revenue: \$1.5BN  
EBIT margin\*: 4.0%

\*Figures exclude certain amounts that were deemed non-recurring or non-operational. See second page for GAAP to non-GAAP reconciliations.

## 2019 FINANCIAL BREAKDOWN BY BUSINESS

Tommy Hilfiger & Calvin Klein currently account for ~85% of PVH's revenues and nearly 95% of PVH's EBIT<sup>(1)</sup>

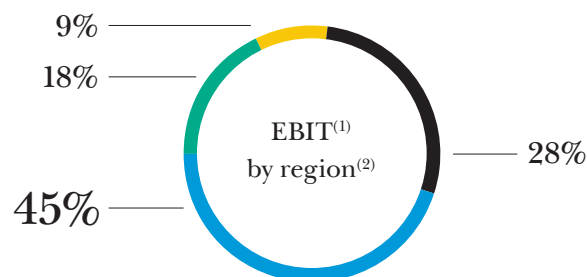
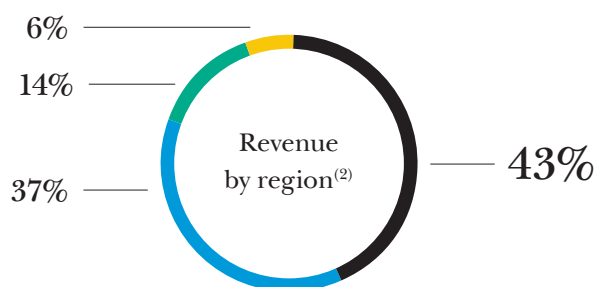


- Tommy Hilfiger
- Calvin Klein
- Heritage Brands

<sup>(1)</sup> Figures exclude certain amounts that were deemed non-recurring or non-operational, as well as corporate expenses. See second page for GAAP to non-GAAP reconciliations.

## 2019 FINANCIAL BREAKDOWN BY REGION

Over 50% of PVH's revenues and approximately 70% of PVH's EBIT<sup>(1)</sup> are generated outside the U.S.



■ U.S. ■ Europe ■ Asia Pacific ■ Americas (Excluding U.S.)

<sup>(1)</sup> Figures exclude certain amounts that were deemed non-recurring or non-operational, as well as corporate expenses.

<sup>(2)</sup> Americas (excluding U.S.) includes Canada, Mexico, South America, Central America and the Caribbean; Europe includes the Middle East and Africa; Asia Pacific includes Australia and New Zealand.

## 2019 GAAP TO NON-GAAP RECONCILIATIONS

(\$ in millions, except per share data)

	GAAP	Adjustments <sup>(1)</sup>	Non-GAAP	Non-GAAP EBIT%
<b>Gross profit</b>				
TOTAL GROSS PROFIT	\$5,388	\$(30)	\$5,418	
<b>EBIT</b>				
TOMMY HILFINGER	\$562	\$(73)	\$635	13.5%
CALVIN KLEIN	\$253	\$(161)	\$414	11.3%
HERITAGE BRANDS	\$(82)	\$(144)	\$62	4.0%
CORPORATE	\$(174)	\$7	\$(181)	
TOTAL EBIT	\$559	\$(372)	\$931	9.4%

## NET INCOME PER COMMON SHARE ATTRIBUTABLE TO PVH CALCULATION

NET INCOME	\$417	\$(294)	\$711
TOTAL SHARES FOR DILUTED NET INCOME PER COMMON SHARE	75		75

<sup>(1)</sup> Adjustments for 2019 represent the elimination of (i) the costs incurred related to the restructuring associated with the strategic changes for our CALVIN KLEIN business announced in January 2019 ("the CALVIN KLEIN restructuring"); (ii) the costs incurred in connection with the closure of our TOMMY HILFINGER flagship and anchor stores in the United States; (iii) the costs incurred in connection with the refinancing of our senior credit facilities; (iv) the costs incurred related to the acquisition of the approximately 78% interest in Gazal Corporation Limited ("Gazal") that we did not already own (the "Australia acquisition") and the acquisition of the TOMMY HILFINGER retail business in Central and Southeast Asia from our previous licensee in that market, primarily consisting of noncash valuation adjustments; (v) the noncash gain recorded to write up our equity investments in Gazal and PVH Brands Australia Pty. Limited ("PVH Australia") to fair value in connection with the Australia acquisition; (vi) the one-time costs recorded on our equity investments in Gazal and PVH Australia prior to the Australia acquisition closing; (vii) the costs incurred in connection with the agreements to terminate early the licenses for the global CALVIN KLEIN and TOMMY HILFINGER North America socks and hosiery businesses in order to consolidate the socks and hosiery businesses for all our brands in North America in a newly formed joint venture, which began operations in December 2019, and to bring in-house the international CALVIN KLEIN socks and hosiery wholesale businesses; (viii) the expense resulting from the remeasurement of our mandatorily redeemable non-controlling interest recognized in connection with the Australia acquisition; (ix) the noncash loss related to the pending sale of the Speedo North America business ("the Speedo transaction") and the expected deconsolidation of the net assets of the business; (x) the recognized actuarial loss on retirement plans; (xi) the discrete tax benefit related to the write-off of deferred tax liabilities in connection with the Speedo transaction; and (xii) the tax effects associated with the other foregoing pre-tax items.

## 2015-2019 FINANCIAL SUMMARY<sup>(1)</sup>

(\$ in millions, except per share data)

	2015	2016	2017	2018	2019
Total revenue	\$8,020	\$8,203	\$8,915	\$9,657	\$9,909
Revenue growth	(3)%	+2%	+9%	+8%	+3%
Gross profit	\$4,142	\$4,378	\$4,894	\$5,310	\$5,418
Gross profit margin	51.6%	53.4%	54.9%	55.0%	54.7%
EBIT	\$842	\$794	\$864	\$971	\$931
EBIT margin	10.5%	9.7%	9.7%	10.1%	9.4%
Earnings per share (EPS)	\$7.05	\$6.80	\$7.94	\$9.60	\$9.54
EPS growth	(3)%	(4)%	+17%	+21%	(1)%

<sup>(1)</sup> Some figures exclude certain amounts that were deemed non-recurring or non-operational. 2015-2018 figures reconciled in PVH's current reports on form 8-k filed with the SEC on 3/22/17 and 3/27/19, which are available on sec.gov and through the investors page on PVH.com. See GAAP to non-GAAP reconciliations of 2019 figures.