REFINITIV

DELTA REPORT

10-Q

CPRI - CAPRI HOLDINGS LTD

10-Q - DECEMBER 28, 2024 COMPARED TO 10-Q - SEPTEMBER 28, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1815
CHANGES	561
DELETIONS	425
ADDITIONS	829

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 28, 2024 December 28, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________to __________

Commission file number: 001-35368

caprilogo2019a03.jpg

(Exact Name of Registrant as Specified in Its Charter)

British Virgin Islands	**N/A**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

90 Whitfield Street
2nd Floor
London, United Kingdom
W1T 4EZ
(Address of principal executive offices)

(Registrant's telephone number, including area code: 44 207 632 8600)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on which Registered
Ordinary Shares, no par value	**CPRI**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

As of October 31, 2024 January 31, 2025, Capri Holdings Limited had 117,894,437 117,909,795 ordinary shares outstanding.

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Special Note on Forward-Looking Statements

This report 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 management of Capri Holdings Limited (“Capri” or 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, including regarding the proposed merger with Tapestry, Inc. (the “Merger”). statements. These risks, uncertainties and other factors include, but are not limited to, our ability to respond to changing fashion, consumer traffic and retail trends; fluctuations in demand for our products; high consumer debt levels, recession and inflationary pressures; loss of market share and increased competition; reductions in our wholesale channel; the impact of the COVID-19 pandemic, or other unforeseen epidemics, pandemics, disasters or catastrophes; levels of cash flow and future availability of credit, Capri's ability to successfully execute its growth strategies; departure of key employees or failure to attract and retain highly qualified personnel; risks associated with operating in international markets and global sourcing activities, including disruptions or delays in manufacturing or shipments; the risk of cybersecurity threats and privacy or data security breaches; extreme weather conditions and natural disasters; general economic, political, business or market conditions; acts of war and other geopolitical conflicts; the U.S. District Court for the Southern District of New York (the "District Court") decision to grant the U.S. Federal Trade Commission's ("FTC") motion for a preliminary injunction to enjoin the Merger pending the completion of the FTC's in-house administrative proceeding (the "Preliminary Injunction"); the risk that the parties to the merger agreement may not be successful in their efforts to appeal the Preliminary Injunction and that the appeal may not be heard on a timely basis; the occurrence of any other event, change or other circumstances that could give rise to the termination of the merger agreement entered into in connection with the proposed Merger; the risk that the parties to the merger agreement may not be able to satisfy the conditions to the proposed Merger in a timely manner or at all; the risk that if the merger agreement terminates our remedy may be limited to reimbursement of certain expenses or we may not be entitled to receive any reimbursement; risks related to disruption of management time from ongoing business operations due to the proposed Merger; the risk that any announcements relating to the proposed Merger (including the Preliminary Injunction and appeal process) could have adverse effects on the market price of Capri's ordinary shares; the significant costs, expenses and fees for professional services and other transaction costs in connection with the proposed Merger; the risk of any litigation relating to the Company's previously proposed Merger; merger with Tapestry, Inc., the risk that termination of the proposed Merger could have an adverse effect on the ability of Capri to retain and maintain relationships with customers, suppliers and other business partners and retain and hire key personnel and on its operating results and business generally, merger agreement and/or public disclosures related thereto, as well as those risks that are outlined in Capri's disclosure filings and materials, which you can find on http://www.capriholdings.com, such as its Form 10-K, Form 10-Q and Form 8-K reports that have been filed with the SEC. Please consult these documents for a more complete understanding of these risks and uncertainties. Any forward-looking statement in this report speaks only as of the date made and Capri disclaims any obligation to update or revise any forward-looking or other statements contained herein other than in accordance with legal and regulatory obligations.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CAPRI HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)
(Unaudited)

	September 28, 2024	March 30, 2024
	December 28, 2024	March 30, 2024
Assets		
Current assets		
Current assets		
Current assets		
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents		
Receivables, net		
Inventories, net		
Prepaid expenses and other current assets		
Total current assets		
Property and equipment, net		
Operating lease right-of-use assets		
Intangible assets, net		
Goodwill		
Deferred tax assets		
Other assets		
Total assets		
Liabilities and Shareholders' Equity		
Current liabilities		
Current liabilities		
Current liabilities		
Accounts payable		
Accounts payable		
Accounts payable		
Accrued payroll and payroll related expenses		
Accrued income taxes		
Short-term operating lease liabilities		
Short-term debt		
Accrued expenses and other current liabilities		
Total current liabilities		
Long-term operating lease liabilities		
Deferred tax liabilities		
Long-term debt		
Other long-term liabilities		

Total liabilities		
Commitments and contingencies	Commitments and contingencies	Commitments and contingencies
Shareholders’ equity		
Ordinary shares, no par value; 650,000,000 shares authorized; 227,571,175 shares issued and 117,824,265 outstanding at September 28, 2024; 226,271,074 shares issued and 116,629,634 outstanding at March 30, 2024		
Ordinary shares, no par value; 650,000,000 shares authorized; 227,571,175 shares issued and 117,824,265 outstanding at September 28, 2024; 226,271,074 shares issued and 116,629,634 outstanding at March 30, 2024		
Ordinary shares, no par value; 650,000,000 shares authorized; 227,571,175 shares issued and 117,824,265 outstanding at September 28, 2024; 226,271,074 shares issued and 116,629,634 outstanding at March 30, 2024		
Treasury shares, at cost (109,746,910 shares at September 28, 2024 and 109,641,440 shares at March 30, 2024)		
Ordinary shares, no par value; 650,000,000 shares authorized; 227,667,624 shares issued and 117,908,474 outstanding at December 28, 2024; 226,271,074 shares issued and 116,629,634 outstanding at March 30, 2024		
Ordinary shares, no par value; 650,000,000 shares authorized; 227,667,624 shares issued and 117,908,474 outstanding at December 28, 2024; 226,271,074 shares issued and 116,629,634 outstanding at March 30, 2024		
Ordinary shares, no par value; 650,000,000 shares authorized; 227,667,624 shares issued and 117,908,474 outstanding at December 28, 2024; 226,271,074 shares issued and 116,629,634 outstanding at March 30, 2024		
Treasury shares, at cost (109,759,150 shares at December 28, 2024 and 109,641,440 shares at March 30, 2024)		
Additional paid-in capital		
Accumulated other comprehensive income		
Retained earnings		
Total shareholders’ equity of Capri		
Noncontrolling interest		
Total shareholders’ equity		
Total liabilities and shareholders’ equity		

See accompanying notes to consolidated financial statements.

CAPRI HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(In millions, except share and per share data)
(Unaudited)

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Total revenue								
Cost of goods sold								
Gross profit								
Selling, general and administrative expenses								
Depreciation and amortization								
Impairment of assets								
Restructuring and other expense (income)								
Restructuring and other (income) expense								
Total operating expenses								
(Loss) income from operations								
Other income, net								
Interest (income) expense, net								
Foreign currency (gain) loss								
Interest (income) expense, net								
Interest (income) expense, net								
Foreign currency loss (gain)								

(Loss) income before income taxes
(Benefit) provision for income taxes
Net income
Less: Net (loss) income attributable to noncontrolling interest
Net income attributable to Capri
Net (loss) income
Less: Net income attributable to noncontrolling interest
Net (loss) income attributable to Capri
Weighted average ordinary shares outstanding:
Weighted average ordinary shares outstanding:
Weighted average ordinary shares outstanding:
Basic
Basic
Basic
Diluted
Net income per ordinary share attributable to Capri:
Net (loss) income per ordinary share attributable to Capri:
Basic
Basic
Basic
Diluted
Statements of Comprehensive (Loss) Income:
Statements of Comprehensive (Loss) Income:
Statements of Comprehensive (Loss) Income:
Net income
Net income
Net income
Net (loss) income
Net (loss) income
Net (loss) income
Foreign currency translation adjustments
Net loss on derivatives
Comprehensive (loss) income
Less: Net (loss) income attributable to noncontrolling interest
Less: Net income attributable to noncontrolling interest
Comprehensive (loss) income attributable to Capri
Comprehensive (loss) income attributable to Capri
Comprehensive (loss) income attributable to Capri

See accompanying notes to consolidated financial statements.

CAPRI HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS’ EQUITY
(In millions, except share data which is in thousands)
(Unaudited)

	Ordinary Shares	Additional Paid-in Capital	Treasury Shares	Accumulated Other Comprehensive Income	Retained Earnings	Total Equity of Capri	Non-controlling Interest	Total Equity	Ordinary Shares	Additional Paid-in Capital	Treasury Shares	Accumulated Other Comprehensive Income	Retained Earnings	Total Equity of Capri	Non-controlling Interest	Total Equity
Balance at June 29, 2024																

Balance at June 29, 2024
Balance at June 29, 2024
Net income (loss)
Other comprehensive loss
Total comprehensive loss
Balance at September 28, 2024
Balance at September 28, 2024
Balance at September 28, 2024
Net (loss) income
Other comprehensive income
Total comprehensive (loss) income
Vesting of restricted awards, net of forfeitures
Share-based compensation expense
Share-based compensation expense
Share-based compensation expense
Repurchase of ordinary shares
Balance at September 28, 2024
Balance at September 28, 2024
Balance at September 28, 2024
Balance at December 28, 2024
Balance at December 28, 2024
Balance at December 28, 2024

	Ordinary Shares	**Additional Paid-in Capital**	**Treasury Shares**	**Accumulated Other Comprehensive Income**	**Retained Earnings**	**Total Equity of Capri**	**Non-controlling Interest**	**Total Equity**	**Ordinary Shares**	**Additional Paid-in Capital**	**Treasury Shares**	**Accumulated Other Comprehensive Income**	**Retained Earnings**	**Total Equity of Capri**	**Non-controlling Interest**	**Total Equity**
Balance at March 30, 2024																
Balance at March 30, 2024																
Balance at March 30, 2024																
Net income																
Net (loss) income																
Other comprehensive loss																
Total comprehensive (loss) income																

Vesting of restricted awards, net of forfeitures
Share-based compensation expense
Share-based compensation expense
Share-based compensation expense
Repurchase of ordinary shares
Balance at September 28, 2024
Balance at September 28, 2024
Balance at September 28, 2024
Balance at December 28, 2024
Balance at December 28, 2024
Balance at December 28, 2024

CAPRI HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS’ EQUITY
(In millions, except share data which is in thousands)
(Unaudited)

	Ordinary Shares	Additional Paid-in Capital	Treasury Shares	Accumulated Other Comprehensive Income	Retained Earnings	Total Equity of Capri	Non-controlling Interest	Total Equity	Ordinary Shares	Additional Paid-in Capital	Treasury Shares	Accumulated Other Comprehensive Income	Retained Earnings	Total Equity of Capri	Non-controlling Interest	Total Equity
Balance at July 1, 2023																
Balance at July 1, 2023																
Balance at July 1, 2023																
Balance at September 30, 2023																
Balance at September 30, 2023																
Balance at September 30, 2023																
Net income																
Other comprehensive loss																
Total comprehensive income																
Vesting of restricted awards, net of forfeitures																
Share-based compensation expense																
Share-based compensation expense																
Share-based compensation expense																

Repurchase of ordinary shares
Balance at September 30, 2023
Balance at December 30, 2023

	Ordinary Shares	**Additional Paid-in Capital**	**Treasury Shares**	**Accumulated Other Comprehensive Income**	**Retained Earnings**	**Total Equity of Capri**	**Non-controlling Interest**	**Total Equity**	**Ordinary Shares**	**Additional Paid-in Capital**	**Treasury Shares**	**Accumulated Other Comprehensive Income**	**Retained Earnings**	**Total Equity of Capri**	**Non-controlling Interest**	**Total Equity**
Balance at April 1, 2023																
Balance at April 1, 2023																
Balance at April 1, 2023																
Net income																
Other comprehensive loss																
Total comprehensive income																
Vesting of restricted awards, net of forfeitures																
Exercise of employee share options																
Share-based compensation expense																
Repurchase of ordinary shares																
Balance at September 30, 2023																
Balance at December 30, 2023																

See accompanying notes to consolidated financial statements.

CAPRI HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Six Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023
Cash flows from operating activities				
Net income				
Net income				
Net income				
Adjustments to reconcile net income to net cash provided by operating activities:				
Net (loss) income				
Net (loss) income				
Net (loss) income				
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				
Share-based compensation expense				

Deferred income taxes
Deferred income taxes
Deferred income taxes
Impairment of assets
Changes to lease related balances, net
Foreign currency (gain) loss
Foreign currency loss
Foreign currency (gain) loss
Foreign currency loss
Foreign currency (gain) loss
Foreign currency loss
Other non-cash adjustments
Other non-cash adjustments
Other non-cash adjustments
Change in assets and liabilities:
Receivables, net
Receivables, net
Receivables, net
Inventories, net
Prepaid expenses and other current assets
Accounts payable
Accrued expenses and other current liabilities
Other long-term assets and liabilities
Other long-term assets and liabilities
Other long-term assets and liabilities
Net cash provided by (used in) operating activities
Net cash provided by operating activities
Cash flows from investing activities
Capital expenditures
Capital expenditures
Capital expenditures
Cash paid for business acquisitions, net of cash acquired
Settlement of net investment hedges
Settlement of net investment hedges
Settlement of net investment hedges
Net cash used in investing activities
Net cash used in investing activities
Net cash used in investing activities
Cash flows from financing activities
Debt borrowings
Debt borrowings
Debt borrowings
Debt repayments
Debt issuance costs
Repurchase of ordinary shares
Exercise of employee share options
Net cash (used in) provided by financing activities
Net cash (used in) provided by financing activities
Net cash (used in) provided by financing activities
Net cash used in financing activities
Net cash used in financing activities

Net cash used in financing activities
Effect of exchange rate changes on cash, cash equivalents and restricted cash
Net decrease in cash, cash equivalents and restricted cash
Net increase (decrease) in cash, cash equivalents and restricted cash
Beginning of period
End of period
Supplemental disclosures of cash flow information
Cash paid for interest
Cash paid for interest
Cash paid for interest
Net cash paid for income taxes
Supplemental disclosure of non-cash investing and financing activities
Accrued capital expenditures
Accrued capital expenditures
Accrued capital expenditures

See accompanying notes to consolidated financial statements.

CAPRI HOLDINGS LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Business and Basis of Presentation

The Company was incorporated in the British Virgin Islands on December 13, 2002 as Michael Kors Holdings Limited and changed its name to Capri Holdings Limited ("Capri," Capri", and together with its subsidiaries, the "Company") on December 31, 2018. The Company is a holding company that owns brands that are leading designers, marketers, distributors and retailers of branded women's and men's accessories, apparel and footwear bearing the Versace, Jimmy Choo and Michael Kors tradenames and related trademarks and logos. The Company operates in three reportable segments: Versace, Jimmy Choo and Michael Kors. See Note 17 for additional information.

The interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and include the accounts of the Company and its wholly-owned or controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The interim consolidated financial statements as of September 28, 2024 December 28, 2024 and for the three and six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023 are unaudited. The Company consolidates the results of its Versace business on a one-month lag, as consistent with prior periods. In addition, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. The interim consolidated financial statements reflect all normal and recurring adjustments, which are, in the opinion of management, necessary for a fair presentation in conformity with U.S. GAAP. The interim consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended March 30, 2024, as filed with the Securities and Exchange Commission on May 29, 2024, in the Company's Annual Report on Form 10-K. The results of operations for the interim periods should not be considered indicative of results to be expected for the full fiscal year.

The Company utilizes a 52- to 53-week fiscal year and the term "Fiscal Year" or "Fiscal" refers to that 52-week or 53-week period. The results for the three and six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023 are based on 13-week and 26-week 39-week periods, respectively. The Company's Fiscal Year 2025 is a 52-week period ending March 29, 2025.

2. Termination of the Merger Agreement

On As previously disclosed, on August 10, 2023, Capri entered into an Agreement and Plan of Merger (the "Merger Agreement") with Tapestry, Inc., a Maryland corporation ("Tapestry"), and Sunrise Merger Sub, Inc., a British Virgin Islands business company limited by shares and a direct wholly owned subsidiary of Tapestry ("Merger Sub" and, together with Capri and Tapestry, the "Parties").

The Merger Agreement provides provided that, among other things and on the terms and subject to the conditions set forth therein, Tapestry will would acquire Capri in an all-cash transaction by means of a merger of Merger Sub with and into Capri (the "Merger"), with Capri surviving the Merger as a wholly owned subsidiary of Tapestry. For additional information related to the Merger Agreement, please refer to Capri's Definitive Proxy Statement on Schedule 14A filed with the U.S. Securities and Exchange Commission (the "SEC") on September 20, 2023, as well as the supplemental disclosures contained in Capri's Current Report on Form 8-K filed with the SEC on October 17, 2023.

The Merger has had been approved by the boards of directors of Capri and Tapestry and by the shareholders of Capri. Completion of the Merger is was subject to, among other customary conditions, the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. 1976, as amended. The Company has received regulatory approval from all countries except for the United States. In connection with the Merger, on April 22, 2024, the U.S. Federal Trade Commission ("FTC") filed a lawsuit in the United States District Court for the Southern District of New York (the "District Court") against Tapestry and the Company seeking to block the Merger, claiming that the Merger would violate Section 7 of the Clayton Act and that the Merger Agreement and the Merger constitute constituted unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act and should be enjoined. The preliminary injunction hearing concluded in September 2024, and on October 24, 2024, the District Court granted the FTC's motion for a preliminary injunction to enjoin the Merger pending the completion of the FTC's in-house administrative proceeding which is currently expected to begin on December 9, 2024. proceeding. On October 28, 2024, Tapestry and Capri jointly filed a notice of appeal to the U.S. Court of Appeals for the Second Circuit. Circuit (the "Second Circuit").

On November 13, 2024, the Parties entered into a Termination Agreement (the "Termination Agreement"), pursuant to which the Parties agreed to terminate the Merger Agreement, effective immediately. In connection with the termination, consistent with the Merger Agreement, Tapestry agreed to reimburse the Company approximately $45 million in cash for certain expenses on November 14, 2024. This reimbursement was recorded within selling, general and administrative expenses in the Company's consolidated statements of operations and comprehensive (loss) income. The Parties also agreed to release each other and their related parties may not be successful on appeal from any and all liability, claims, rights, actions, causes of action, suits, liens, obligations, accounts, debts, demands, agreements, promises, liabilities, controversies, costs, charges, damages, expenses and fees (including attorney's, financial advisor's or other fees) in connection with, arising out of or related to the Merger Agreement or the transactions contemplated therein or thereby. On November 15, 2024, Capri and Tapestry stipulated to the dismissal of the appeal may not be heard on a timely basis. If to the Merger is unable to be consummated, there can be no assurance that any other transaction acceptable to us will be offered and our business, prospects and/or results of operations may be adversely affected. Second Circuit. On December 4, 2024, the FTC's in-house administrative proceeding was dismissed without prejudice.

3. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to use judgment and make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The level of uncertainty in estimates and assumptions increases with the length of time until the underlying transactions are completed. The most significant assumptions and estimates involved in preparing the financial statements include allowances for customer deductions, sales returns, credit losses, estimates of inventory net realizable value, the valuation of share-based compensation, the valuation of deferred taxes, goodwill, intangible assets, operating lease right-of-use assets and property and equipment, along with the estimated useful lives assigned to these assets. Actual results could differ from those estimates.

Seasonality

The Company experiences certain effects of seasonality with respect to its business. The Company generally experiences greater sales during its third fiscal quarter, primarily driven by holiday season sales, and the lowest sales during its first fiscal quarter.

Cash, Cash Equivalents and Restricted Cash

All highly liquid investments with original maturities of three months or less are considered to be cash equivalents. Included in the Company's cash and cash equivalents as of September 28, 2024 December 28, 2024 and March 30, 2024 are credit card receivables of $26 million $40 million and $28 million, respectively, which generally settle within two to three business days.

A reconciliation of cash, cash equivalents and restricted cash as of September 28, 2024 December 28, 2024 and March 30, 2024 from the consolidated balance sheets to the consolidated statements of cash flows is as follows (in millions):

	September 28, 2024	March 30, 2024	December 28, 2024	March 30, 2024
Reconciliation of cash, cash equivalents and restricted cash				
Cash and cash equivalents				
Cash and cash equivalents				
Cash and cash equivalents				
Restricted cash included within prepaid expenses and other current assets				
Total cash, cash equivalents and restricted cash shown on the consolidated statements of cash flows				

Inventories

Inventories primarily consist of finished goods with the exception of raw materials and work in process. The combined total of raw materials and work in process recorded on the Company's consolidated balance sheets was $48 $41 million and $45 million as of September 28, 2024 December 28, 2024 and March 30, 2024, respectively.

Derivative Financial Instruments

Forward Foreign Currency Exchange Contracts

The Company may use forward foreign currency exchange contracts to manage its exposure to fluctuations in foreign currencies for certain transactions. The Company, in its normal course of business, enters into transactions with foreign suppliers and seeks to minimize risks related to these transactions. The Company employs these forward contracts to hedge the Company's cash flows, as they relate to transactions denominated in foreign currencies. Certain of these contracts are designated as hedges for accounting purposes, while others remain undesignated. All of the Company's derivative instruments are recorded on the Company's consolidated balance sheets at fair value on a gross basis, regardless of their hedge designation.

The Company designates certain contracts related to the purchase of inventory that qualify for hedge accounting as cash flow hedges. Formal hedge documentation is prepared for all derivative instruments designated as hedges, including a description of the hedged transaction, the hedging instrument and the risk being hedged. The changes in the fair value for contracts designated as cash flow hedges are recorded in equity as a component of accumulated other comprehensive income until the hedged item affects earnings. When the inventory related to the forecasted inventory purchases that are being hedged is sold to a third-party, the gains or losses deferred in accumulated other comprehensive income are recognized within cost of goods sold. The Company uses regression analysis to assess effectiveness of derivative instruments that are designated as hedges, which compares the change in the fair value of the derivative instrument to the change in the related hedged item. If the hedge is no longer expected to be highly effective, future changes in the fair value are recognized in earnings. For those contracts that are not designated as hedges, changes in the fair value are recorded to foreign currency loss (gain) loss in the Company's consolidated statements of operations and comprehensive (loss) income. The Company classifies cash flows relating to its forward foreign currency exchange contracts related to purchase of inventory consistently with the classification of the hedged item, within cash flows from operating activities.

The Company is exposed to the risk that counterparties to derivative contracts will fail to meet their contractual obligations. In order to mitigate counterparty credit risk, the Company only enters into contracts with carefully selected financial institutions based upon their credit ratings and certain other financial factors, adhering to established limits for credit exposure. The aforementioned These forward contracts generally have a term of no more than 12 months. The period of these contracts is directly related to the transactions they are intended to hedge.

Net Investment Hedges

The Company uses cross-currency swap agreements to hedge its net investments in foreign operations against future volatility in the exchange rates between different currencies. The Company has elected the spot method of designating these contracts under Accounting Standards Update ("ASU") 2017-12, *"Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities",* and has designated these contracts as net investment hedges. The net gain or loss on the net investment hedge is reported within foreign currency translation adjustments ("CTA"), as a component of accumulated other comprehensive income on the Company's consolidated balance sheets. Interest accruals and coupon payments are recognized directly in interest (income) expense, net, in the Company's consolidated statements of operations and comprehensive (loss) income. Upon discontinuation of a hedge, all previously recognized amounts remain in CTA until the net investment is sold or liquidated.

Fair Value Hedges

When a cross-currency swap is designated as a fair value hedge and qualifies as highly effective, the fair value hedge will be recorded at fair value each period on the Company's consolidated balance sheets, with the difference resulting from the changes in the spot rate recognized in foreign currency loss (gain) loss on the Company's consolidated statements of operations and comprehensive (loss) income, which will offset the earnings impact of the original underlying transaction being hedged. If the fair value hedge is terminated and the underlying intercompany loans transactions are settled, the accumulated other comprehensive income ("AOCI") remaining from the hedge at the time of termination will be reclassified to foreign currency loss (gain) loss on the Company's consolidated statements of operations and comprehensive (loss) income.

Interest Rate Swap Agreements

The Company also uses interest rate swap agreements to hedge the variability of its cash flows resulting from variable interest rates on the Company's borrowings. When an interest rate swap agreement qualifies for hedge accounting as a cash flow hedge, the changes in the fair value are recorded in equity as a component of accumulated other comprehensive income and are reclassified into interest (income) expense, net, in the same period during which the hedged transactions affect earnings.

All of the Company's derivative instruments are recorded on the Company's consolidated balance sheets at fair value on a gross basis, regardless of their hedge designation.

The Company is exposed to the risk that counterparties to derivative contracts will fail to meet their contractual obligations. In order to mitigate counterparty credit risk, the Company only enters into contracts with carefully selected financial institutions based upon their credit ratings and certain other financial factors, adhering to established limits for credit exposure.

Leases

The Company leases retail stores, office space and warehouse space under operating lease agreements that expire at various dates through September 2043. The Company's leases generally have terms of up to ten years, generally require fixed rent payments and may require the payment of additional rent if store sales exceed a negotiated amount. Although most of the Company's equipment is owned, the Company has limited equipment leases that expire on various dates through December 2028. The Company acts as sublessor in certain leasing arrangements, primarily related to closed stores under its restructuring initiatives, as defined in Note 9. The Company recognizes sublease income on a straight-line basis over the sublease term. The Company determines the sublease term based on the date it provides possession to the subtenant through the expiration date of the sublease.

The Company recognizes operating lease right-of-use assets and lease liabilities at the lease commencement date, based on the present value of fixed lease payments over the expected lease term. The Company uses its incremental borrowing rates to determine the present value of fixed lease payments based on the information available at the lease commencement date, as the rate implicit in the lease is not readily determinable for the Company's leases. The Company's incremental borrowing rates are based on the term of the leases, the economic environment of the leases and reflect the expected interest rate it would incur to borrow on a secured basis. Certain leases include one or more renewal options, generally for the same period as the initial term of the lease. The exercise of lease renewal options is generally at the Company's sole discretion and as such, the Company typically determines that exercise of these renewal options is not reasonably certain. As a result, the Company generally does not include the renewal option period in the expected lease term and the associated lease payments are not included in the initial measurement of the operating lease right-of-use asset and lease liability. Certain leases also contain termination options with an associated penalty. Generally, the Company is reasonably certain not to exercise these options and as such, they are not included in the determination of the expected lease term. The Company recognizes operating lease expense on a straight-line basis over the lease term.

Leases with an initial lease term of 12 months or less are not recorded on the balance sheet. The Company recognizes lease expense for its short-term leases on a straight-line basis over the lease term.

The Company's leases generally provide for payments of non-lease components, such as common area maintenance, real estate taxes and other costs associated with the leased property. The Company accounts for lease and non-lease components of its real estate leases together as a single lease component and, as such, includes fixed payments of non-lease components in the measurement of the operating lease right-of-use assets and lease liabilities for its real estate leases. Variable lease payments, such as percentage rent based on location sales, periodic adjustments for inflation, reimbursement of real estate taxes, any variable common area maintenance and any other variable costs associated with the leased property, are expensed as incurred as variable lease costs and are not recorded on the balance sheet. The Company's lease agreements do not contain any material residual value guarantees or material restrictions or covenants.

The following table presents the Company's supplemental cash flow information related to leases (in millions):

	Six Months Ended	
	September 28, 2024	September 30, 2023
	Nine Months Ended	
	December 28, 2024	December 30, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used in operating leases		
Operating cash flows used in operating leases		
Operating cash flows used in operating leases		

During the three and six nine months ended September 28, 2024 December 28, 2024, the Company recorded sublease income of $3 $2 million and $5 $7 million, respectively, within selling, general and administrative expenses. During the three and six nine months ended September 30, 2023 December 30, 2023, the Company recorded sublease income of $2 million and $4 $6 million, respectively, within selling, general and administrative expenses.

Net Income per Share

The Company's basic net income per ordinary share is calculated by dividing net income by the weighted average number of ordinary shares outstanding during the period. Diluted net income per ordinary share reflects the potential dilution that would occur if restricted share units ("RSUs") or any other potentially dilutive instruments, including share options, were converted or exercised into ordinary shares. These potentially dilutive securities are included in diluted shares to the extent they are dilutive under the treasury stock method for the applicable periods. Performance-based RSUs are included in diluted shares if the related performance conditions are considered satisfied as of the end of the reporting period and to the extent they are dilutive under the treasury stock method.

The components of the calculation of basic net income per ordinary share and diluted net income per ordinary share are as follows (in millions, except share and per share data):

	Three Months Ended		Six Months Ended	Three Months Ended	Nine Months Ended
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023	
Numerator:					
Net income attributable to Capri					
Net income attributable to Capri					
Net income attributable to Capri					
Net (loss) income attributable to Capri					
Net (loss) income attributable to Capri					
Net (loss) income attributable to Capri					
Denominator:					
Basic weighted average shares					
Basic weighted average shares					
Basic weighted average shares					
Weighted average dilutive share equivalents:					
Share options, restricted stock units, and performance restricted stock units					
Share options, restricted stock units, and performance restricted stock units					
Share options, restricted stock units, and performance restricted stock units					
Diluted weighted average shares					
Basic net income per share (1)					
Basic net income per share (1)					
Basic net income per share (1)					
Diluted net income per share (1)					
Basic net (loss) income per share (1)					
Basic net (loss) income per share (1)					
Basic net (loss) income per share (1)					

Diluted net (loss) income per share (1)

(1) Basic and diluted net (loss) income per share are calculated using unrounded numbers.

During Diluted net loss per share attributable to Capri for the three and six nine months ended September 28, 2024, share equivalents December 28, 2024 excluded all potentially dilutive securities because there was a net loss attributable to Capri for the period and, as such, the inclusion of 486,717 and 354,607 shares, respectively, these securities would have been excluded from the above calculations due to their anti-dilutive effect. anti-dilutive.

Share equivalents of 441,685 192,867 and 364,628 307,375 shares have been excluded from the above calculations for the three and six nine months ended September 30, 2023 December 30, 2023, respectively, due to their anti-dilutive effect.

See Note 3 in the Company's Annual Report on Form 10-K for the fiscal year ended March 30, 2024 for a complete disclosure of the Company's significant accounting policies.

Recently Adopted Accounting Pronouncements

Supplier Finance Programs

In September 2022, the FASB issued ASU 2022-04, "Disclosure of Supplier Finance Program Obligations" which makes a number of changes. The amendments require a buyer in a supplier finance program to disclose sufficient information about the program to allow users of the financial statements to understand the program's nature, activity during the period, changes from period to period and potential magnitude. The amendments in this update do not affect the recognition, measurement or financial statement presentation of obligations covered by supplier finance programs. The Company adopted the update in the first quarter of Fiscal 2024 on a retrospective basis, except for the requirement to disclose rollforward information, which will be effective for the Company in Fiscal 2025 for annual disclosure on a prospective basis. See Note 10 for the Company's disclosures relating to this update.

Recently Issued Accounting Pronouncements

The Company has considered all new accounting pronouncements and, other than the recent pronouncements discussed below, has concluded that there are no new pronouncements that may have a material impact on the Company's results of operations, financial condition or cash flows based on current information.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". The ASU expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. The ASU is effective for the Company in Fiscal 2025 for annual disclosure, and subsequent interim periods, with early adoption permitted. The Company is evaluating the impact of adopting this ASU on the consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures", to enhance transparency and decision usefulness of income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, on a prospective basis, with early adoption permitted. The Company is evaluating the impact of adopting this ASU on the consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)", which requires public entities to disaggregate specific types of expenses, including disclosures for purchases of inventory, employee compensation, depreciation, and intangible asset amortization, as well as selling expenses. ASU 2024-03 is effective for annual periods beginning after December 15, 2026. Interim disclosures are required for periods within annual periods beginning after December 15, 2027. Prospective application is required, and retrospective application is permitted. Early adoption is permitted. We are currently assessing the impact of the requirements on our consolidated financial statements and disclosures.

Tax Legislation

On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law by the Biden Administration, with tax provisions primarily focused on implementing a 15% corporate alternative minimum tax on global adjusted financial statement income ("CAMT") and a 1% excise tax on share repurchases. The CAMT was effective beginning Fiscal 2024 and is not expected to have a material impact on the Company's effective tax rate, however, the Company will continue to monitor for any potential impact as additional guidance becomes available. With respect to the 1% excise tax on net share repurchases, this provision of the Inflation Reduction Act was effective on January 1, 2023 and did not have a material impact on the Company's consolidated financial statements.

On December 12, 2022, the European Union member states reached an agreement to implement the OECD's reform of international taxation known as Pillar Two Global Anti-Base Erosion ("GloBE") Rules, which broadly mirrors certain provisions of the Inflation Reduction Act by imposing a 15% global minimum tax on multinational companies. GloBE has become effective for the Company during Fiscal 2025. Based upon the Company's initial analysis, the Pillar Two initiatives are not projected to have a material impact on the Company's consolidated financial statements. The Company will continue to evaluate its impact as further information becomes available.

On August 6, 2024 January 10, 2025, the United States Treasury and the Internal Revenue Service ("IRS") released proposed IRS issued final regulations that address several long-standing issues related to dual consolidated losses and introduce new rules for disregarded payment losses. If finalized as proposed, the The changes related to disregarded payment losses could impact how the Company utilizes certain deductions and losses to offset its U.S. income as part of its global financing activities. activities, beginning in Fiscal 2027. The Company will continue to evaluate its impact as further information becomes available.

4. Revenue Recognition

The Company accounts for contracts with its customers when there is approval and commitment from both parties, the rights of the parties and payment terms have been identified, the contract has commercial substance and collectability of consideration is probable. Revenue is recognized when control of the promised goods or services is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for goods or services.

The Company sells its products through three primary channels of distribution: retail, wholesale and licensing. Within the retail and wholesale channels, substantially all of the Company's revenues consist of sales of products that represent a single performance obligation where control transfers at a point in time to the customer. For licensing arrangements, royalty and advertising revenue is recognized over time based on access provided to the Company's brands.

The Company has chosen to apply the practical expedient allowing it not to disclose the amount of the transaction price allocated to remaining performance obligations that have an expected duration of 12 months or less.

Retail

The Company generates sales through directly operated stores and e-commerce sites throughout the Americas (United States, Canada and Latin America), certain parts of EMEA (Europe, Middle East and Africa) and certain parts of Asia (Asia and Oceania). Retail revenue is recognized when control of the product is transferred at the point of sale at Company owned stores, including concessions. For e-commerce transactions, control is transferred and revenue is recognized when products are delivered to the customer. To arrive at net sales for retail, gross sales are reduced by actual customer returns, as well as by a provision for estimated future customer returns.

Sales tax and other related taxes collected from retail customers are presented on a net basis and, as such, are excluded from revenue. Shipping and handling costs that are billed to customers are included in net sales, with the related costs recorded in cost of goods sold. Shipping and handling costs that are not billed to customers are accounted for as fulfillment costs.

Gift Cards. The Company sells gift cards that can be redeemed for merchandise, resulting in a contract liability upon issuance. Revenue is recognized when a gift card is redeemed or upon "breakage" for the estimated portion of gift cards that are not expected to be redeemed. "Breakage" revenue is calculated under the proportional redemption methodology, which considers the historical patterns of redemption in jurisdictions where the Company is not required to remit the value of the unredeemed gift cards as unclaimed property. The Company anticipates that substantially all of its outstanding gift cards will be redeemed within the next 12 months. The contract liability related to gift cards, net of estimated "breakage", was $14 million and of $15 million as of September 28, 2024 December 28, 2024 and March 30, 2024, respectively, is included in accrued expenses and other current liabilities on the Company's consolidated balance sheets.

Loyalty Program. The Company offers a loyalty program, which allows its Michael Kors North America customers to earn points on qualifying purchases toward monetary and non-monetary rewards, which may be redeemed for purchases at Michael Kors retail stores and e-commerce sites. The Company defers a portion of the initial sales transaction based on the estimated relative fair value of the benefits based on projected timing of future redemptions and historical activity. These amounts include estimated "breakage" for points that are not expected to be redeemed.

Wholesale

The Company's products are sold primarily to major department stores, specialty stores and travel retail shops throughout the Americas, EMEA and Asia. The Company also has arrangements where its products are sold to geographic licensees in certain parts of EMEA, Asia and South America. Wholesale revenue is recognized net of estimates for sales returns, discounts, markdowns and allowances, when merchandise is shipped and control of the underlying product is transferred to the Company's wholesale customers. To arrive at net sales for wholesale, gross sales are reduced by provisions for estimated future returns, as well as trade discounts, markdowns, allowances, operational chargebacks and certain cooperative selling expenses. These estimates are developed based on historical trends, actual and forecasted performance and market conditions, and are reviewed by management on a quarterly basis. Unfulfilled, non-cancelable purchase orders for products from wholesale customers (including the Company's geographic licensees) are expected to be fulfilled within the next 12 months.

Licensing

The Company provides its third-party licensees with the right to access its Versace, Jimmy Choo and Michael Kors trademarks under product and geographic licensing arrangements. Under product licensing arrangements, the Company allows third-parties to manufacture and sell luxury goods, including watches and jewelry, fragrances, eyewear and home furnishings, using the Company's trademarks. Under geographic licensing arrangements, third party licensees receive the right to distribute and sell products bearing the Company's trademarks in retail and/or wholesale channels within certain geographical areas, including Brazil, the Middle East, Eastern Europe, South Africa and certain parts of Asia.

The Company recognizes royalty revenue and advertising contributions based on the percentage of sales made by the licensees. Advertising contributions are received to support the Company's branded advertising and marketing campaigns and are viewed as part of a single performance obligation with the right to access the Company's trademarks. Royalty revenue generated from licenses, licensees, which includes contributions for advertising, may be subject to contractual minimum levels, as defined in the contract. Such minimums are generally fixed annually, based on the previous year's sales. Licensing revenue is based on reported current period sales of licensed products at rates that are specified in the license agreements for contracts that are expected to exceed the related guaranteed minimums. If the Company expects the minimum guaranteed amounts to exceed amounts calculated based on actual sales, the guaranteed minimums are recognized ratably over the contractual year to which they relate. Generally, the Company's guaranteed minimum royalty amounts due from licensees relate to contractual periods that do not exceed 12 months, however, some of the Company's guaranteed minimums for Versace are multi-year based.

As of September 28, 2024 December 28, 2024, contractually guaranteed minimum fees from the Company's license agreements expected to be recognized as revenue during future periods were as follows (in millions):

		Contractually Guaranteed Minimum Fees
Remainder of Fiscal 2025	$	19 9
Fiscal 2026		34
Fiscal 2027		30 32
Fiscal 2028		22
Fiscal 2029		19
Fiscal 2030 and thereafter		15
Total	$	139 131

Sales Returns

The refund liability recorded as of September 28, 2024 December 28, 2024 was $37 million $54 million, and the related asset for the right to recover returned product as of September 28, 2024 December 28, 2024 was $11 million $13 million. The refund liability recorded as of March 30, 2024 was $48 million, and the related asset for the right to recover returned product as of March 30, 2024 was $14 million.

Contract Balances

Total contract liabilities were $25 million $24 million and $23 million as of September 28, 2024 December 28, 2024 and March 30, 2024, respectively. For the three and six nine months ended September 28, 2024 December 28, 2024, the Company recognized $4 million and $16 million $20 million, respectively, in revenue which related to contract liabilities that existed at March 30, 2024. For the three and six nine months ended September 30, 2023 December 30, 2023, the Company recognized $2 million $21 million and $7 million $28 million, respectively, in revenue which related to contract liabilities that existed at April 1, 2023. There were no material contract assets recorded as of September 28, 2024 December 28, 2024 and March 30, 2024.

There were no changes in historical variable consideration estimates that were materially different from actual results.

Disaggregation of Revenue

The following table presents the Company's segment revenue disaggregated by geographic location (in millions):

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Versace - the Americas								
Versace - EMEA								
Versace - Asia								
Total Versace								
Jimmy Choo - the Americas								
Jimmy Choo - the Americas								
Jimmy Choo - the Americas								
Jimmy Choo - EMEA								
Jimmy Choo - Asia								
Total Jimmy Choo								
Michael Kors - the Americas								
Michael Kors - the Americas								
Michael Kors - the Americas								
Michael Kors - EMEA								

Michael Kors - Asia
Total Michael Kors
Total - the Americas
Total - the Americas
Total - the Americas
Total - EMEA
Total - Asia
Total revenue

See Note 4 in the Company's Annual Report on Form 10-K for the fiscal year ended March 30, 2024 for a complete disclosure of the Company's revenue recognition policy.

5. Receivables, net

Receivables, net, consist of (in millions):

	September 28, 2024	March 30, 2024
	December 28, 2024	March 30, 2024
Trade receivables (1)		
Receivables due from licensees		
348		
322		
Less: allowances		
Total receivables, net		

(1) As of September 28, 2024 December 28, 2024 and March 30, 2024, $68 million $65 million and $102 million, respectively, of trade receivables were insured.

Receivables are presented net of allowances for discounts, markdowns, operational chargebacks and credit losses. Discounts are based on open invoices where trade discounts have been extended to customers. Markdowns are based on wholesale customers' sales performance, seasonal negotiations with customers, historical deduction trends and an evaluation of current market conditions. Operational chargebacks are based on deductions taken by customers, net of expected recoveries. Such provisions, and related recoveries, are reflected in revenues.

The Company's allowance for credit losses is determined through analysis of periodic aging of receivables and assessments of collectibility based on an evaluation of historic and anticipated trends, the financial condition of the Company's customers and the impact of general economic conditions. The past due status of a receivable is based on its contractual terms. Amounts deemed uncollectible are written off against the allowance when it is probable the amounts will not be recovered. Allowance for credit losses was $17 million $11 million and $13 million as of September 28, 2024 December 28, 2024 and March 30, 2024, respectively. The Company had credit losses of $3 million and $4 million $(4) million for the three and six months ended September 28, 2024, respectively. December 28, 2024 and immaterial net credit losses for the nine months ended December 28, 2024. The Company had credit losses of $1 million and $2 million $3 million for the three and six nine months ended September 30, 2023 December 30, 2023, respectively.

6. Property and Equipment, net

Property and equipment, net, consists of (in millions):

	September 28, 2024	March 30, 2024
	December 28, 2024	March 30, 2024
Leasehold improvements		
Computer equipment and software		
Furniture and fixtures		
Equipment		
Building		
In-store shops		
Land		
Total property and equipment, gross		
Less: accumulated depreciation and amortization		
Subtotal		
Construction-in-progress		

Total property and equipment, net

Depreciation and amortization of property and equipment for the three and six nine months ended September 28, 2024 December 28, 2024 was $37 million $38 million and $73 million $111 million, respectively. Depreciation and amortization of property and equipment for the three and six nine months ended September 30, 2023 December 30, 2023 was $37 million $35 million and $71 million $106 million, respectively. During the three and six months ended September 28, 2024 and September 30, 2023, the The Company recorded $6 million $2 million in property and equipment impairment charges respectively. for the three months ended December 28, 2024 and $8 million in property and equipment impairment charges for the nine months ended December 28, 2024. The Company recorded $1 million in property and equipment impairment charges for the three months ended December 30, 2023 and $7 million in property and equipment impairment charges for the nine months ended December 30, 2023.

7. Intangible Assets and Goodwill

Interim Impairment Assessment

The Company performs its annual impairment assessment of goodwill and intangible assets during the fourth quarter of each fiscal year or whenever impairment indicators exist. During the third quarter of Fiscal 2025, the Company identified impairment indicators due to the reduction of the Company's share price following the termination of the Merger Agreement, continued softening of consumer demand for fashion luxury goods globally and the continuing decline in operating results during the third quarter impacting all three of the Company's brands. As a result of these factors, the Company concluded that impairment indicators existed during the third quarter of Fiscal 2025, resulting in an interim impairment assessment of goodwill and intangible assets.

The Company performed its goodwill impairment assessment for its Michael Kors reporting units using a qualitative assessment. Based on the results of the Company's qualitative impairment assessment, the Company concluded that it is more likely than not that the fair value of the Michael Kors' reporting units exceeded their carrying values and, therefore, were not impaired.

The Company performed a goodwill impairment analysis for both the Versace and Jimmy Choo reporting units, using a combination of income and market approaches to estimate the fair value of each brands' reporting units. The Company also performed an impairment analysis for both the Versace and Jimmy Choo brand indefinite-lived intangible assets and definite-lived customer relationship intangible assets using an income approach to estimate their fair values.

Based on the results of these assessments, the Company determined there was no impairment for the Versace and Jimmy Choo Licensing reporting units' goodwill as the fair values of the reporting units exceeded the related carrying amounts.

However, the Company concluded that the fair value of the Jimmy Choo Wholesale reporting unit goodwill and Retail and Wholesale brand indefinite-lived intangible assets did not exceed their related carrying amounts and recorded impairment charges. The Jimmy Choo Retail reporting unit goodwill was fully impaired during Fiscal 2024. Additionally, the Versace Retail and Wholesale reporting units goodwill and Retail and Wholesale brand indefinite-lived intangible assets did not exceed their related carrying amounts. These impairment charges were primarily related to a decline in revenue driven predominantly by softening demand globally for fashion luxury goods as well as Versace's recent efforts to reposition the brand to place a greater emphasis on luxury and craftsmanship.

Accordingly, the Company recorded goodwill impairment charges of $66 million related to the Jimmy Choo Wholesale reporting unit, $15 million related to the Jimmy Choo Retail and Wholesale brand intangible assets, $364 million related to the Versace Retail and Wholesale reporting units goodwill and $216 million related to the Versace Retail and Wholesale brand intangible assets during the third quarter of Fiscal 2025.

In total, $661 million of impairment was recorded related to goodwill and indefinite-lived intangible assets within impairment of assets on the Company's consolidated statement of operations and comprehensive (loss) income for the period ended December 28, 2024.

During the third quarter of Fiscal 2025 the Company also performed an impairment assessment for its definite-lived intangible assets and concluded that the Versace Wholesale reporting unit customer relationship intangible asset did not exceed its related carrying amounts. Accordingly, the Company recorded $10 million of impairment related to definite-lived intangible assets within impairment of assets on the Company's consolidated statement of operations and comprehensive (loss) income for the period ended December 28, 2024.

The following table details the carrying values changes in goodwill for each of the Company's intangible assets and goodwill reportable segments (in millions):

	September 28, 2024	March 30, 2024
Definite-lived intangible assets:		
Reacquired rights	$ 400	$ 400
Trademarks	23	23
Customer relationships (1)	420	401
Gross definite-lived intangible assets	843	824
Less: accumulated amortization	(344)	(314)
Net definite-lived intangible assets	499	510
Indefinite-lived intangible assets:		
Jimmy Choo brand (2)	227	215
Versace brand (3)	692	669
Net indefinite-lived intangible assets	919	884
Total intangible assets, excluding goodwill	$ 1,418	$ 1,394

Goodwill (4)	$ 1,153	$ 1,106

	Versace	Jimmy Choo	Michael Kors	Total
Balance at March 30, 2024	853	133	120	1,106
Acquisition(1)	—	9	—	9
Impairment charges(2)	(364)	(66)	—	(430)
Foreign currency translation	(18)	—	—	(18)
Balance at December 28, 2024	$ 471	$ 76	$ 120	$ 667

(1) The change in the carrying value since March 30, 2024 reflects the impact of foreign currency translation adjustments.

(2) Includes accumulated impairment of $343 million as of September 28, 2024 and March 30, 2024. The change in the carrying value since March 30, 2024 reflects the impact of foreign currency translation adjustments.

(3) Includes accumulated impairment of $227 million as of September 28, 2024 and March 30, 2024. The change in the carrying value since March 30, 2024 reflects the impact of foreign currency translation adjustments.

(4) Includes accumulated impairment of $539 million related to the Jimmy Choo reporting units as of September 28, 2024 and March 30, 2024. The change in the carrying value since March 30, 2024 reflects the impact of the Sicla Acquisition, as well as the impact of foreign currency translation adjustments.

On May 2, 2024, the Company completed the acquisition of Calzaturificio Sicla S.r.l. ("Sicla Acquisition"), an Italian shoe manufacturer, for cash consideration of $9 million, net of cash acquired. The acquired identifiable assets and liabilities net to a nominal amount, with $9 million $9 million recognized in goodwill allocated to the Jimmy Choo reportable segment.

(2) The Company recorded impairment charges of $430 million during Fiscal 2025 related to the Versace Retail and Wholesale reporting units and the Jimmy Choo Wholesale reporting unit. As of December 28, 2024, the Company had accumulated impairment charges of $605 million related to its Jimmy Choo reporting units and $364 million related to its Versace reporting units, respectively.

The following table details the carrying values of the Company's intangible assets (in millions):

	December 28, 2024	March 30, 2024
Definite-lived intangible assets:		
Reacquired rights	$ 400	$ 400
Trademarks	23	23
Customer relationships (1)	394	401
Gross definite-lived intangible assets	817	824
Less: accumulated amortization (2)	(353)	(314)
Net definite-lived intangible assets	464	510
Indefinite-lived intangible assets:		
Jimmy Choo brand (3)	199	215
Versace brand (4)	436	669
Net indefinite-lived intangible assets	635	884
Total intangible assets, excluding goodwill	$ 1,099	$ 1,394

(1) The change in the carrying value since March 30, 2024 reflects the impact of foreign currency translation adjustments.

(2) The change in accumulated amortization since March 30, 2024 includes an impairment charge of $10 million.

(3) The change in the carrying value since March 30, 2024 reflects an impairment charge of $15 million and the impact of foreign currency translation adjustments. As of December 28, 2024, the Company had accumulated impairment charges of $358 million related to its Jimmy Choo brand intangible assets.

(4) The change in the carrying value since March 30, 2024 reflects and impairment charge of $216 million and the impact of foreign currency translation adjustments. As of December 28, 2024, the Company had accumulated impairment charges of $443 million related to its Versace brand intangible assets.

Amortization expense for the Company's definite-lived intangible assets was $12 million $11 million and $23 million $34 million, respectively, for the three and six nine months ended September 28, 2024 December 28, 2024. Amortization expense for the Company's definite-lived intangible assets was $11 million and $22 million $33 million, respectively, for the three and six nine months ended September 30, 2023 December 30, 2023.

Estimated amortization expense for each of the next five years is as follows (in millions):

Remainder of Fiscal 2025	$	10
Fiscal 2026		41
Fiscal 2027		41
Fiscal 2028		41
Fiscal 2029		41
Fiscal 2030 and thereafter		290
Total	$	464

The future amortization expense above reflects weighted-average estimated remaining useful lives of sixteen years for reacquired rights and nine years for customer relationships.

8. Current Assets and Current Liabilities

Prepaid expenses and other current assets consist of the following (in millions):

	September 28, 2024	March 30, 2024
	December 28, 2024	March 30, 2024
Prepaid taxes		
Prepaid contracts		
Interest receivable related to hedges		
Prepaid contracts		
Restricted cash		
Other accounts receivables		
Other		
Other		
Other		
Total prepaid expenses and other current assets		

Accrued expenses and other current liabilities consist of the following (in millions):

	September 28, 2024	March 30, 2024
	December 28, 2024	March 30, 2024
Return liabilities		
Other taxes payable		
Return liabilities		
Professional services		
Accrued advertising and marketing		
Professional services		
Accrued E-commerce		
Accrued purchases and samples		
Accrued rent (1)		
Accrued capital expenditures		
Accrued E-commerce		
Gift cards and retail store credits		
Accrued interest		
Accrued capital expenditures		
Short-term derivative liability		
Accrued retail store expense		
Advance royalties		
Restructuring liability		
Restructuring liability		

Restructuring liability	
Accrued litigation	
Accrued litigation	
Accrued litigation	
Other	
Total accrued expenses and other current liabilities	

(1) The accrued rent balance relates to variable lease payments.

9. Restructuring and Other (Income) Expense (Income)

Restructuring Charges - Global Optimization Plan

As previously announced during the fourth quarter of Fiscal 2024, the Board of Directors of the Company approved a Global Optimization Plan in order to streamline the Company's operating model, maximize efficiency and support long-term profitable growth.

During the three and six nine months ended September 28, 2024 December 28, 2024, the Company closed 8 24 and 19, 43, respectively, of its retail stores which have been incorporated into the Global Optimization Plan. Net restructuring expenses income recorded in connection with the Global Optimization Plan during the three and six months ended September 28, 2024 were $1 million and was $2 million, respectively, primarily related to gains on lease termination terminations partially offset by severance and store closure costs. During the nine months ended December 28, 2024, there was an immaterial amount of net restructuring expenses recorded in connection with the Global Optimization Plan. The below table presents a roll forward of the Company's restructuring liability related to its Global Optimization Plan (in millions):

	Severance and benefit costs	Severance and benefit costs	Lease-related and other costs	Total	Severance and benefit costs	Lease-related and other costs	Total
Balance at March 30, 2024							
Additions charged to expense							
Payments							
Balance at September 28, 2024							
Balance at September 28, 2024							
Balance at September 28, 2024							
Balance at December 28, 2024							
Balance at December 28, 2024							
Balance at December 28, 2024							

(1) Excludes $1 $8 million of a gain gains on lease termination terminations and store closure costs related to operating lease right-of-use assets recorded within restructuring and other (income) expense (income) on the consolidated statements of operations and comprehensive (loss) income for the six nine months ended September 28, 2024 December 28, 2024.

Other Restructuring Costs Expenses

During the three months ended September 30, 2023 December 30, 2023, the Company recorded no net restructuring and other expense (income) which was the result costs of gains on the termination of leases fully offset by expenses $5 million, primarily related to equity awards associated with the acquisition of Versace. Versace and severance expenses incurred during the third quarter.

During the six nine months ended September 30, 2023 December 30, 2023, the Company recorded other income costs of $2 $3 million, primarily related to expenses related to equity awards associated with the acquisition of Versace and severance for certain employees, partially offset by a $10 million gain on the sale of a long-lived corporate asset, partially offset by expenses related to equity awards associated with the acquisition of Versace. asset.

10. Debt Obligations

The following table presents the Company's debt obligations (in millions):

	September 28, 2024	March 30, 2024
	December 28, 2024	March 30, 2024
Revolving Credit Facilities		
Versace Term Loan (1)		
Senior Notes due 2024 (1)		
Senior Notes due 2024 (1)		
Senior Notes due 2024 (1)		
Other		

Other	
364 Day Term Loan (1)	
Senior Notes due 2024	
Other	
Total debt	
Less: Unamortized debt issuance costs	
Total carrying value of debt	
Total carrying value of debt	
Total carrying value of debt	
Less: Short-term debt (1)	
Total long-term debt	

(1) As of September 28, 2024 December 28, 2024, the Senior Notes, due in November 2024, Versace Term Loan and the 364 Day Term Loan are recorded within short-term as long-term debt on the Company's consolidated balance sheets. sheets as a result of the refinancing activities associated with the amended and restated revolving credit facility and new term loans entered into on February 4, 2025. See Note 18 for additional information.

Senior Revolving Credit Facility

On July 1, 2022, the Company entered into a revolving credit facility (the "2022 Credit Facility") with, among others, JPMorgan Chase Bank, N.A. ("JPMorgan Chase"), as administrative agent (the "Administrative Agent"), which refinanced its existing senior unsecured revolving credit facility. The Company, a U.S. subsidiary of the Company, a Canadian subsidiary of the Company, a Dutch subsidiary of the Company and a Swiss subsidiary of the Company are the borrowers under the 2022 Credit Facility, and the borrowers and certain subsidiaries of the Company provide unsecured guaranties of the 2022 Credit Facility. The 2022 Credit Facility replaced the third amended and restated senior unsecured credit facility, dated as of November 15, 2018 (the "2018 Credit Facility"), and matures on July 1, 2027.

The 2022 Credit Facility provides for a $1.5 billion revolving credit facility (the "2022 Revolving Credit Facility"), which may be denominated in U.S. dollars and other currencies, including Euros, Pounds Sterling, Japanese Yen and Swiss Francs. The 2022 Revolving Credit Facility also includes sub-facilities for the issuance of letters of credit of up to $125 million and swing line loans at the Administrative Agent's discretion of up to $100 million. The Company has the ability to expand its borrowing availability under the 2022 Credit Facility in the form of increased revolving commitments or one or more tranches of term loans by up to an additional $500 million, subject to the agreement of the participating lenders and certain other customary conditions. See Note 11 to the Company's Fiscal 2024 Annual Report on Form 10-K for information regarding the Company's interest rates associated with borrowings under the 2022 Credit Facility.

The 2022 Credit Facility provides for an annual administration fee and a commitment fee equal to 7.5 basis points to 17.5 basis points per annum, which was 15.0 basis points as of September 28, 2024 December 28, 2024. The fees are based on the Company's public debt ratings and/or net leverage ratio, applied to the average daily unused amount of the 2022 Credit Facility.

Loans under the 2022 Credit Facility may be prepaid and commitments may be terminated or reduced by the borrowers without premium or penalty other than customary "breakage" costs with respect to loans bearing interest based upon Adjusted Term SOFR, the Adjusted EURIBOR Rate and the Adjusted TIBOR Rate.

The 2022 Credit Facility requires the Company to maintain a net leverage ratio as of the end of each fiscal quarter of no greater than 4.0 to 1.0. Such net leverage ratio is calculated as the ratio of the sum of total indebtedness as of the date of the measurement plus the capitalized amount of all operating lease obligations, minus unrestricted cash and cash equivalents not to exceed $200 million, to Consolidated EBITDAR for the last four consecutive fiscal quarters. Consolidated EBITDAR is defined as consolidated net income plus provision for taxes based on income, profits or capital, net interest expense, depreciation and amortization expense, consolidated rent expense and other non-cash losses, charges and expenses, subject to certain additions and deductions. The 2022 Credit Facility also includes covenants that limit additional indebtedness, liens, acquisitions and other investments, restricted payments and affiliate transactions.

The 2022 Credit Facility also contains events of default customary for financings of this type, including, but not limited to, payment defaults, material inaccuracy of representations and warranties, covenant defaults, cross-defaults to certain indebtedness, certain events of bankruptcy or insolvency, certain events under the Employee Retirement Income Security Act, material judgments, actual or asserted failure of any guaranty supporting the 2022 Credit Facility to be in full force and effect, and changes of control. If such an event of default occurs and is continuing, the lenders under the 2022 Credit Facility would be entitled to take various actions, including, but not limited to, terminating the commitments and accelerating amounts outstanding under the 2022 Credit Facility.

As of September 28, 2024 December 28, 2024 and March 30, 2024, the Company had $719 million $521 million and $764 million of borrowings outstanding under the 2022 Revolving Credit Facility, respectively. In addition, stand-by letters of credit of $1 million and $2 million were outstanding as of both September 28, 2024 December 28, 2024 and March 30, 2024., , respectively. As of September 28, 2024 December 28, 2024 and March 30, 2024, the amount available for future borrowings under the 2022 Revolving Credit Facility was $779 million $978 million and $734 million, respectively. The Company had $4 million and $5 million of deferred financing fees related to Revolving Credit Facilities for September 28, 2024 December 28, 2024 and March 30, 2024, respectively, and are recorded within other assets on the Company's consolidated balance sheets.

On August 23, 2024, the Company entered into a first incremental term loan amendment (the "Amendment") to its existing 2022 Credit Facility with, among others, JPMorgan Chase Bank, N.A., as Administrative Agent. The Amendment amended the Existing Credit Facility, to, among other things, provide for a $450 million senior unsecured delayed draw term loan facility (the "364 Day Term Loan") that is available until November 1, 2024, which was drawn upon during the proceeds which must be used third quarter to repay the Company's 4.25% senior unsecured notes issued by Michael Kors (USA), Inc., which matured on November 1, 2024. The 364 Day Term Loan will mature on November 1, 2024 October 30, 2025.

The borrowing of the delayed draw term loan is subject to customary conditions, including pro forma compliance with the financial covenant in the Credit Facility, which requires the Company to maintain a net leverage ratio as of the end of each fiscal quarter of no greater than 4.0 to 1.0. When borrowed, the term loan will have a maturity date that is 364 days after the borrowing date. Amounts repaid or prepaid with respect of the term loan may not be reborrowed. The term loan will bear interest, at the Company's option, at (i) an alternate base rate, which is the greatest of (x) the prime rate publicly announced from time to time by JPMorgan Chase, (y) the greater of the federal funds effective rate and the Federal Reserve Bank of New York overnight bank funding rate and zero, plus 50 basis points, and (z) the greater of term SOFR for an interest period of one month plus 10 basis points and zero, plus 100 basis points, or (ii) the greater of term SOFR for the applicable interest period plus 10 basis points ("Adjusted Term SOFR") and zero; in each case, plus an applicable margin based on the Company's public debt ratings and/or net leverage ratio. The 364 Day Term Loan is subject to a commitment fee which begins to accrue 45 days after the effective date of the Amendment until the facility terminates or the term loans are funded,

which is equal to 10 basis points to 20 basis points per annum, based on the Company's public debt ratings and/or net leverage ratio, applied to the average daily unused amount of the 364 Day Term Loan.

The term loan may be prepaid and commitments may be terminated or reduced by the Company without premium or penalty other than customary "breakage" costs with respect to loans bearing interest based upon Adjusted Term SOFR. In addition, the Company is required to apply an amount equal to the net proceeds from certain incurrences of indebtedness for borrowed money, issuances of equity interests and dispositions of assets (subject to customary reinvestment rights) to reduce the commitments under the 364 Day Term Loan, or after the term loan is funded, to prepay the term loan, subject to certain qualifications and exceptions.

As of September 28, 2024 December 28, 2024, there was no the carrying value of the 364 Day Term Loan as it is yet to be drawn upon. As of September 28, 2024, $2 was $449 million, net of deferred financing fees, were which was recorded within prepaid and other current assets on the Company's consolidated balance sheet until the 364 Day Term Loan is drawn upon, which then will be recorded within short-term long-term debt on the Company's consolidated balance sheets. sheets as it was refinanced as part of the amended and restated revolving credit facility and new term loans entered into on February 4, 2025. See Note 18 for additional information.

As of September 28, 2024 December 28, 2024, and the date these financial statements were issued, the Company was in compliance with all covenants related to the 2022 Credit Facility. its credit facilities as in effect on such date.

Versace Term Loan

On December 5, 2022, Gianni Versace S.r.l., a wholly owned subsidiary of Capri Holdings Limited, entered into a credit facility with Intesa Sanpaolo S.p.A., Banco Banca Nazionale del Lavoro S.p.A., and UniCredit S.p.A., as arrangers and lenders, and Intesa Sanpaolo S.p.A., as agent, which provides a senior unsecured term loan (the "Versace Term Loan") in an aggregate principal amount of €450 million. The Versace Term Loan is not subject to amortization and matures on December 5, 2025. The Company provides an unsecured guaranty of the Versace Term Loan.

The Versace Term Loan bears interest at a rate per annum equal to the greater of EURIBOR for the applicable interest period and zero, plus a margin of 1.35%.

The Versace Term Loan may be prepaid without premium or penalty other than customary "breakage" costs. The Versace Term Loan requires the Company to maintain a net leverage ratio as of the end of each fiscal quarter of no greater than 4.0 to 1.0. Such net leverage ratio is calculated as the ratio of the sum of total indebtedness as of the date of the measurement plus the capitalized amount of all operating lease obligations, minus unrestricted cash and cash equivalents not to exceed $200 million, to Consolidated EBITDAR for the last four consecutive fiscal quarters. Consolidated EBITDAR is defined as consolidated net income plus provision for taxes based on income, profits or capital, net interest expense, depreciation and amortization expense, consolidated rent expense and other non-cash losses, charges and expenses, subject to certain additions and deductions. The Versace Term Loan also includes covenants that limit additional financial indebtedness, liens, acquisitions, loans and guarantees, restricted payments and mergers of GIVI Holding S.r.l., Gianni Versace S.r.l. and their respective subsidiaries.

The Versace Term Loan contains events of default customary for financings of this type, including, but not limited to payment defaults, material inaccuracy of representations and warranties, covenant defaults, cross-defaults to material financial indebtedness, certain events of bankruptcy or insolvency, illegality or repudiation of any loan document under the Versace Term Loan or any failure thereof to be in full force and effect, and changes of control. If such an event of default occurs and is continuing, the lenders under the Versace Term Loan would be entitled to take various actions, including, but not limited to, accelerating amounts outstanding under the Versace Term Loan.

As of September 28, 2024 and March 30, 2024 December 28, 2024, the carrying value of the Versace Term Loan was $501 $469 million, which was recorded within long-term debt on the Company's consolidated balance sheets as it was refinanced as part of the amended and restated revolving credit facility and new term loans entered into on February 4, 2025. See Note 18 for additional information.

As of March 30, 2024, the carrying value was $485 million, respectively, net of $1 million of deferred financing fees, which were recorded within long-term debt on the Company's consolidated balance sheets.

As of September 28, 2024 December 28, 2024, and the date these financial statements were issued, the Company was in compliance with all covenants related to the Versace Term Loan.

Senior Notes

On October 20, 2017, Michael Kors (USA), Inc. (the "Issuer"), the Company's wholly owned subsidiary, completed its offering of $450 million aggregate principal amount senior notes due November 1, 2024 (the "Senior Notes"), pursuant to an exemption from registration under the Securities Act of 1933, as amended. The Senior Notes were issued under an indenture dated October 20, 2017, among the Issuer, the Company, the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee (the "Indenture").

As During the second quarter of September 28, 2024, Fiscal 2025, the Company drew on its 364 Day Term Loan in order to repay its $450 million Senior Notes at maturity. Accordingly, the Senior Notes bear interest at a rate were repaid in full as of 4.250% per year, subject to adjustments from time to time if either Moody's or S&P (or a substitute rating agency therefore) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the Senior Notes. Interest on the Senior Notes is payable semi-annually on May 1 and November 1 of each year, beginning on May 1, 2018 November 1, 2024.

The Senior Notes are were unsecured and are were guaranteed by the Company and its existing and future subsidiaries that guarantee guaranteed or are were borrowers under the 2022 Credit Facility (subject to certain exceptions, including subsidiaries organized in China). The Senior Notes may be redeemed were redeemable at the Company's option at any time in whole or in part at a price equal to 100% of the principal amount, plus accrued and unpaid interest, plus a "make-whole" amount calculated at the applicable Treasury Rate plus 30 basis points.

The Indenture contains contained covenants, including those that limit limited the Company's ability to create certain liens and enter into certain sale and leaseback transactions. In the event of a "Change of Control Triggering Event," as defined in the Indenture, the Issuer will be was required to make an offer to repurchase the Senior Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of the Senior Notes being repurchased plus any unpaid interest. These covenants are were subject to important limitations and exceptions, as per the Indenture.

As of both September 28, 2024 and March 30, 2024, the carrying value of the Senior Notes was $450 million, $450 million, which is recorded within short-term debt on the Company's consolidated balance sheets.

Versace Facilities

During Fiscal 2022, the Company's subsidiary, GIVI Holding S.r.l, entered into an agreement with Banco BPM Banking Group ("the Bank") to sell certain tax receivables to the Bank in exchange for cash. The arrangement was determined to be a financing arrangement because the de-recognition criteria for the receivables was not met at the time of the cash receipt from the Bank. As of September 28, 2024 and December 28, 2024, the outstanding balance was $9 million recorded within long-term debt on the Company's consolidated balance sheets. As of March 30, 2024, the outstanding balance was $11 million, with $1 million and $10 million recorded within short-term debt and long-term debt, respectively, on the Company's consolidated balance sheets.

Supplier Financing Program

The Company offers a supplier financing program which enables the Company's inventory suppliers, at their sole discretion, to sell their receivables (i.e., the Company's payment obligations to suppliers) to a financial institution on a non-recourse basis in order to be paid earlier than current payment terms provide. The Company's obligations, including the amount due and scheduled payment dates, which generally do not exceed 90 days, are not impacted by a suppliers' decision to participate in this program. The Company does not reimburse suppliers for any costs they incur to participate in the program and their participation is voluntary. The amount outstanding under this program as of September 28, 2024 December 28, 2024 and March 30, 2024 was $20 $25 million and $11 million, respectively, and is presented as short-term debt on the Company's consolidated balance sheets.

See Note 12 to the Company's Fiscal 2024 Annual Report on Form 10-K for additional information regarding the Company's credit facilities and debt obligations.

11. Commitments and Contingencies

We are The Company is involved in various routine legal proceedings incident to the ordinary course of our its business. We believe The Company believes that the outcome of all pending, routine legal proceedings, in the aggregate, will not have a material adverse effect on our its business, results of operations and financial condition.

See the matters in Item 1 1. Legal Proceedings to the accompanying Part II Other Information for additional information on Merger-Related Litigation. certain non-routine legal proceedings against the Company which may be material.

Please also refer to the *Contractual Obligations and Commercial Commitments* disclosure within the *Liquidity and Capital Resources* section of the Company's Annual Report on Form 10-K for the fiscal year ended March 30, 2024 for a detailed disclosure of other commitments and contractual obligations as of March 30, 2024.

12. Fair Value Measurements

Financial assets and liabilities are measured at fair value using the three-level valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy of a particular asset or liability depends on the inputs used in the valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally derived (unobservable). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs are inputs based on a company's own assumptions about market participant assumptions based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that a company has the ability to access at the measurement date.

Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability and inputs derived principally from or corroborated by observable market data.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At September 28, 2024 December 28, 2024 and March 30, 2024, the fair values of the Company's derivative contracts were determined using broker quotations, which were calculations derived from observable market information: the applicable currency rates at the balance sheet date and those forward rates particular to the contract at inception. The Company makes no adjustments to these broker obtained quotes or prices, but assesses the credit risk of the counterparty and would adjust the provided valuations for counterparty credit risk when appropriate. The fair value of the Company's derivative instruments are included in prepaid expenses and other current assets, other assets, accrued expenses and other current liabilities, and in other long-term liabilities on the consolidated balance sheets depending on whether they represent assets or liabilities of the Company and based on the maturity date of each individual hedge contract to classify as either short-term or long-term. contract. See Note 13 for further detail.

All contracts are measured and recorded at fair value on a recurring basis and are categorized in Level 2 of the fair value hierarchy, as shown in the following table (in millions):

	Fair value at September 28, 2024 using:			Fair value at March 30, 2024 using:	Fair value at December 28, 2024 using:			Fair value at March 30, 2024 using:				
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Derivative assets:												
Net investment hedges												
Net investment hedges												
Net investment hedges												
Total derivative assets												
Total derivative assets												
Total derivative assets												
Derivative liabilities:												
Derivative liabilities:												
Derivative liabilities:												
Net investment hedges												
Net investment hedges												
Net investment hedges												
Interest rate swaps												
Interest rate swaps												
Interest rate swaps												
Total derivative liabilities												

The Company's debt obligations are recorded on its consolidated balance sheets at carrying values, which may differ from the related fair values. The fair value of the Company's debt is estimated using external pricing data, including any available quoted market prices and based on other debt instruments with similar characteristics. Borrowings under revolving credit facilities, if outstanding, are recorded at carrying value, which approximates fair value due to the frequent nature of such borrowings and repayments. See Note 10 for detailed information related to carrying values of the Company's outstanding debt. The following table summarizes the carrying values and estimated fair values of the Company's debt, based on Level 2 measurements (in millions):

	September 28, 2024	March 30, 2024

	December 28, 2024		March 30, 2024						
	Carrying Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Revolving Credit Facilities									
Versace Term Loan									
Senior Notes due 2024									

The Company's cash and cash equivalents, accounts receivable, and accounts payable and 364 Day Term Loan are recorded at carrying value, which approximates fair value.

Non-Financial Assets and Liabilities

The Company's non-financial assets include goodwill, intangible assets, operating lease right-of-use assets and property and equipment. Such assets are reported at their carrying values and are not subject to recurring fair value measurements. The Company's goodwill and its indefinite-lived intangible assets (Versace and Jimmy Choo brands) are assessed for impairment at least annually, while its other long-lived assets, including operating lease right-of-use assets, property and equipment and definite-lived intangible assets, are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of any such asset may not be recoverable. The Company determines the fair values of these assets based on Level 3 measurements using the Company's best estimates of the amount and timing of future discounted cash flows, based on historical experience, market conditions, current trends and performance expectations.

The Company recorded $43 million impairment charges during the three $675 million and six months ended September 28, 2024. The Company recorded $20 million $718 million of impairment charges during the three and six nine months ended September 30, 2023 December 28, 2024, respectively. The Company recorded $6 million and $26 million of impairment charges during the three and nine months ended December 30, 2023. The following table details the carrying values and fair values of the Company's assets that have been impaired during the three and six nine months ended September 28, 2024 December 28, 2024 and the three and six nine months ended September 30, 2023 December 30, 2023 (in millions):

	Three and Six Months Ended September 28, 2024
	Three and Six Months Ended September 28, 2024
	Three and Six Months Ended September 28, 2024
	Three Months Ended December 28, 2024
	Three Months Ended December 28, 2024
	Three Months Ended December 28, 2024
	Carrying Value Prior to Impairment
	Carrying Value Prior to Impairment
	Carrying Value Prior to Impairment
Goodwill	
Goodwill	
Goodwill	
Brands	
Brands	
Brands	
Customer Relationships	
Customer Relationships	
Customer Relationships	
Operating Lease Right-of-Use Assets	
Operating Lease Right-of-Use Assets	
Operating Lease Right-of-Use Assets	
Property and Equipment, net	
Property and Equipment, net	
Property and Equipment, net	
Total	
Total	
Total	

	Three Months Ended December 30, 2023			Nine Months Ended December 30, 2023		
	Carrying Value Prior to Impairment	Fair Value	Impairment Charge	Carrying Value Prior to Impairment	Fair Value	Impairment Charge
Operating Lease Right-of-Use Assets	$ 10	$ 5	$ 5	$ 34	$ 15	$ 19
Property and Equipment, net	4	3	1	12	5	7
Total	$ 14	$ 8	$ 6	$ 46	$ 20	$ 26

13. Derivative Financial Instruments

Forward Foreign Currency Exchange Contracts

The Company may use forward foreign currency exchange contracts to manage its exposure to fluctuations in foreign currencies for certain of its transactions. The Company, in its normal course of business, enters into transactions with foreign suppliers and seeks to minimize risks related to certain forecasted inventory purchases by using forward foreign currency exchange contracts. The Company only enters into derivative instruments with highly credit-rated counterparties. The Company does not enter into derivative contracts for trading or speculative purposes.

Changes in the fair value of the Company's forward foreign currency exchange contracts that are designated as accounting hedges are recorded in equity as a component of accumulated other comprehensive income and are reclassified from accumulated other comprehensive income into earnings when the items underlying the hedged transactions are recognized into earnings, as a component of cost of goods sold within the Company's consolidated statements of operations and comprehensive (loss) income. As of September 28, 2024 December 28, 2024, there were no forward foreign currency exchange contracts outstanding.

Net Investment Hedges

As of March 30, 2024, the Company had $2.5 billion of hedges outstanding to hedge its net investment in Swiss Franc ("CHF") denominated subsidiaries, of which the Company will exchange semi-annual fixed rate payments on United States Dollar notional amounts for fixed rate payments of 0.0% in CHF. During the first quarter of Fiscal 2025, the Company entered into additional fixed-to-fixed cross-currency swap agreements with aggregate notional amounts of $450 million, of which the Company will exchange monthly fixed rate payments on United States Dollar notional amounts for fixed rate payments of 0.0% in CHF.

During the second quarter of Fiscal 2025, the Company terminated multiple fixed-to-fixed cross-currency swap agreements with aggregate notional amounts of $325 million related to its net investment in CHF denominated subsidiaries of which resulted in the Company receiving an immaterial amount of cash. Subsequently, the Company entered into multiple fixed-to-fixed cross-currency swap agreements with aggregate notional amounts of $325 million related to its net investment in CHF denominated subsidiaries, of which the Company will exchange monthly fixed rate payments on United States Dollar notional amounts for fixed rate payments of 0.0% in CHF. As of September 28, 2024 December 28, 2024, the Company had $2.95 billion of hedges outstanding to hedge its net investment in CHF denominated subsidiaries. These contracts have maturity dates between July 2025 and October 2030 and are designated as net investment hedges.

As of March 30, 2024 and September 28, 2024, the Company had $1 $1.35 billion of float-to-float cross-currency hedges outstanding to hedge its net investment in Euro denominated subsidiaries. The Company will exchange Euro floating rate payments based on EURIBOR for the United States dollar floating rate amounts based on SOFR CME Term over the life of the agreement. The fixed rate component of semi-annual Euro payments range from 1.149% to 1.215%. These contracts have maturity dates between May 2028 and August 2030 and are designated as net investment hedges.

As of March 30, 2024, the Company had $350 million of fixed-to-fixed cross-currency hedges outstanding related to its net investment in Euro denominated subsidiaries, of which the Company will exchange semi-annual fixed rate payments on United States Dollar notional amounts for fixed rate payments of 0.0% in Euro. $1 billion was related to float-to-float cross-currency hedges and $350 million was related to fixed-to-fixed cross currency hedges. During the first quarter of Fiscal 2025, the Company entered into additional fixed-to-fixed cross-currency swap agreements with aggregate notional amounts of $534 million, of which the Company will exchange monthly fixed rate payments on United States Dollar notional amounts for fixed rate payments of 0.0% in Euro.

During the second quarter of Fiscal 2025, the Company entered into additional fixed-to-fixed cross-currency swap agreements with aggregate notional amounts of $500 million, of which the Company will exchange monthly fixed rate payments on United States Dollar notional amounts for fixed rate payments of 0.0% in Euro.

During the third quarter of Fiscal 2025, the Company terminated its float-to-float cross-currency swap agreements with an aggregate notional amount of $1 billion, which resulted in the Company receiving $42 million of cash. These were subsequently replaced by fixed-to-fixed cross-currency swap agreements with aggregate notional amounts of $1 billion related to its net investment in Euro denominated subsidiaries, of which the Company will exchange monthly fixed rate payments on United States Dollar notional amounts for fixed rate payments of 0.0% in Euro. As of September 28, 2024 December 28, 2024, the Company had $1.384 $2.384 billion of fixed-to-fixed cross-currency hedges outstanding related to its net investment in Euro denominated subsidiaries. These contracts have maturity dates between January 2027 and July 2031 and have been designated as net investment hedges.

When a cross-currency swap is used as a hedging instrument in a net investment hedge assessed under the spot method, the cross-currency basis spread is excluded from the assessment of hedge effectiveness and is recognized as a reduction in interest expense in the Company's consolidated statements of operations and comprehensive (loss) income. Accordingly, the Company recorded interest income of $29 $30 million and $53 $83 million during the three and six nine months ended September 28, 2024 December 28, 2024, respectively, and $25 $26 million and $40 $66 million during the three and six nine months ended September 30, 2023 December 30, 2023, respectively.

The net gain or loss on net investment hedges are reported within CTA as a component of accumulated other comprehensive income on the Company's consolidated balance sheets. Upon discontinuation of the hedge, such amounts remain in CTA until the related net investment is sold or liquidated.

Interest Rate Swaps

During the second quarter of Fiscal 2025, the Company entered into multiple interest rate swaps with aggregate notional amounts of €800 million. The swaps were designed to mitigate the impact of adverse interest rate fluctuations for a portion of the Company's variable rate debt. €500 million of the total interest rate swaps entered into relate to the Company's

Senior Revolving Credit Facility expiring July 2027. The Company will exchange monthly fixed rate payments of 2.922% and receive variable interest based on 1 month EURIBOR rate. The remaining €300 million of the interest rate swaps entered into relate to the Company's Versace Term Loan expiring December 2025. The Company will exchange monthly fixed rate payments of 3.371% and receive variable interest based on 6 month EURIBOR rate. As of March 30, 2024, the Company did not have any interest rate swap agreements outstanding.

When an interest rate swap agreement qualifies for hedge accounting as a cash flow hedge, the changes in the fair value are recorded in equity as a component of accumulated other comprehensive income and are reclassified into interest (income) expense, net, in the same period in which the hedged transactions affect earnings. During the three and six nine months ended September 28, 2024 December 28, 2024, the Company recorded $1 million and $2 million, respectively, of interest income related to this agreement. As of September 30, 2023 December 30, 2023, the Company did not have interest income related to interest rate swap agreements as they were entered into during the second quarter of Fiscal 2025.

Fair Value Hedges

The Company is exposed to transaction risk from foreign currency exchange rate fluctuations with respect to various cross-currency intercompany loans which will impact earnings on a consolidated basis. To manage the foreign currency exchange rate risk related to these balances, the Company had previously entered into cross-currency swap agreements to hedge its exposure in GBP denominated subsidiaries (the "GBP Fair Value Hedge") on Euro denominated intercompany loans. As of March 30, 2024 and September 28, 2024 December 28, 2024, there were no fair value hedges outstanding.

When a cross-currency swap is designated as a fair value hedge and qualifies as highly effective, the fair value hedge will be recorded at fair value each period on the Company's consolidated balance sheets, with the difference resulting from the changes in the spot rate recognized in foreign currency loss (gain) loss on the Company's consolidated statements of operations and comprehensive (loss) income, which will offset the earnings impact of the underlying transaction being hedged. If the fair value hedge is terminated and the underlying intercompany loans are settled, the accumulated other comprehensive income ("AOCI") remaining from the hedge at the time of termination will be reclassified to foreign currency loss (gain) loss on the Company's consolidated statements of operations and comprehensive (loss) income. Accordingly, the Company recorded a foreign currency loss gain of $7 $2 million and a foreign currency gain of $21 $23 million during the three and six nine months ended September 30, 2023 December 30, 2023, respectively.

The Company only enters into derivative instruments with highly credit-rated counterparties. The Company does not enter into derivative contracts for trading or speculative purposes.

The following table details the fair value of the Company's derivative contracts, which are recorded on a gross basis on the consolidated balance sheets as of September 28, 2024 December 28, 2024 and March 30, 2024 (in millions):

	Fair Value
	Fair Value
	Fair Value
Designated net investment hedges	
Designated net investment hedges	
Designated net investment hedges	
Designated interest rate swaps	
Designated interest rate swaps	
Designated interest rate swaps	
Total	
Total	
Total	

(1) Recorded within other assets on the Company's consolidated balance sheets.

(2) As of September 28, 2024 December 28, 2024, the Company recorded $23 $9 million within accrued expenses and current liabilities and $334 $166 million within other long-term liabilities on the Company's consolidated balance sheets. As of March 30, 2024, the Company recorded $3 million within accrued expenses and current liabilities and $85 million within other long-term liabilities on the Company's consolidated balance sheets.

The Company records and presents the fair value of all of its derivative assets and liabilities on its consolidated balance sheets on a gross basis, as shown in the above table. However, if the Company were to offset and record the asset and liability balances for its derivative instruments on a net basis in accordance with the terms of its master netting arrangements, which provide for the right to set-off amounts for similar transactions denominated in the same currencies and with the same banks, the resulting impact as of September 28, 2024 December 28, 2024 and March 30, 2024 would be as follows (in millions):

	Net Investment Hedges
	Net Investment Hedges
	Net Investment Hedges
	September 28, 2024
	September 28, 2024
	September 28, 2024
	December 28, 2024
	December 28, 2024
	December 28, 2024
Assets subject to master netting arrangements	
Assets subject to master netting arrangements	
Assets subject to master netting arrangements	
Liabilities subject to master netting arrangements	
Liabilities subject to master netting arrangements	
Liabilities subject to master netting arrangements	
Derivative assets, net	
Derivative assets, net	
Derivative assets, net	
Derivative liabilities, net	
Derivative liabilities, net	
Derivative liabilities, net	

Currently, the Company's master netting arrangements do not require cash collateral to be pledged by the Company or its counterparties.

The following table summarizes the pre-tax impact of the gains and losses on the Company's designated net investment hedges, fair value hedges and interest rate swaps (in millions):

	Three Months Ended	Three Months Ended		Six Months Ended			Three Months Ended	Nine Months Ended
	September 28, 2024	September 30, 2023	September 28, 2024			September 30, 2023		
	Pre-Tax Losses Recognized in OCI			Pre-Tax Losses Recognized in OCI				
	December 28, 2024	December 30, 2023	December 28, 2024			December 30, 2023		
	Pre-Tax Gains Recognized in OCI	Pre-Tax (Losses) Gains Recognized in OCI			Pre-Tax Losses Recognized in OCI			
Designated net investment hedges								
Designated net investment hedges								
Designated net investment hedges								
Designated interest rate swaps								
Designated fair value hedge								

For the three months ended December 28, 2024 and December 30, 2023, there was no pre-tax activity recorded within the consolidated statements of operations and comprehensive (loss) income related to designated forward foreign currency exchange contracts. The following tables summarize table summarizes the pre-tax impact of the gains within the consolidated statements of operations and comprehensive (loss) income related to the designated forward foreign currency exchange contracts for the three and six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023 (in millions):

	Three Nine Months Ended		
	Pre-Tax Gain Reclassified from Accumulated OCI		
	September December 28, 2024	September 30, 2023	Location of Gain Recognized
Designated forward foreign currency exchange contracts	$ —	$ 1	Cost of goods sold

	Six Months Ended		
	Pre-Tax Gain Reclassified from Accumulated OCI		
	September 28, 2024	September December 30, 2023	Location of Gain Recognized
Designated forward foreign currency exchange contracts	$ —	$ 4	Cost of goods sold

14. Shareholders' Equity

Share Repurchase Program

On November 9, 2022, the Company announced its Board of Directors approved a two-year share repurchase program (the "Existing Share Repurchase Plan") to purchase up to $1.0 billion of its outstanding ordinary shares, providing additional capacity to return cash to shareholders over the longer term. shares. Share repurchases may be made in open market or privately negotiated transactions and/or pursuant to Rule 10b5-1 trading plans, subject to market conditions, applicable legal requirements, trading restrictions under the Company's insider trading policy and other relevant factors; however, factors. However, pursuant to the terms of the Merger Agreement, and subject to certain limited exceptions, the Company may not repurchase its ordinary was prohibited from repurchasing its ordinary shares other than the acceptance of Company ordinary shares as payment of the exercise price of Company options or for withholding taxes with respect of Company equity awards. Accordingly, the Company did not repurchase any of its ordinary shares since entering into during the pendency of the Merger Agreement pursuant to the Existing Share Repurchase Plan, and the Company does not expect to repurchase any of its ordinary shares in connection with the Plan. The Existing Share Repurchase Plan prior to the Merger or earlier termination of the Merger Agreement. expired on November 9, 2024.

During the six nine months ended September 28, 2024 December 28, 2024, and for the reasons set forth above, the Company did not purchase any shares including commissions, through open market transactions under the Existing Share Repurchase Plan. As of September 28, 2024 December 28, 2024, the Company had no remaining availability under the Company's Existing Share Repurchase Plan was $300 million. as it expired on November 9, 2024.

During the six nine months ended September 30, 2023 December 30, 2023, the Company purchased 2,637,102 shares for a total cost of approximately $100 million including commissions, through open market transactions under the Existing Share Repurchase Plan.

The Company also has in place a "withhold to cover" repurchase program, which allows the Company to withhold ordinary shares from certain executive officers and directors to satisfy minimum tax withholding obligations relating to the vesting of their restricted share awards. During the six nine month periods ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, the Company withheld 105,470 117,710 shares and 172,112 185,133 shares, respectively, with a fair value of $4 million and $6 million $7 million, respectively, in satisfaction of minimum tax withholding obligations relating to the vesting of restricted share awards.

Accumulated Other Comprehensive Income

The following table details changes in the components of accumulated other comprehensive income ("AOCI"), net of taxes, for the six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, respectively (in millions):

	Foreign Currency Translation Adjustments (1)
	Foreign Currency Translation Adjustments (1)
	Foreign Currency Translation Adjustments (1)
Balance at March 30, 2024	
Balance at March 30, 2024	
Balance at March 30, 2024	
Other comprehensive loss before reclassifications	
Other comprehensive loss before reclassifications	
Other comprehensive loss before reclassifications	
Less: amounts reclassified from AOCI to earnings	
Less: amounts reclassified from AOCI to earnings	
Less: amounts reclassified from AOCI to earnings	
Other comprehensive loss, net of tax	

Other comprehensive loss, net of tax
Other comprehensive loss, net of tax
Balance at September 28, 2024
Balance at September 28, 2024
Balance at September 28, 2024
Balance at December 28, 2024
Balance at December 28, 2024
Balance at December 28, 2024
Balance at April 1, 2023
Balance at April 1, 2023
Balance at April 1, 2023
Other comprehensive loss before reclassifications
Other comprehensive loss before reclassifications
Other comprehensive loss before reclassifications
Less: amounts reclassified from AOCI to earnings
Less: amounts reclassified from AOCI to earnings
Less: amounts reclassified from AOCI to earnings
Other comprehensive loss, net of tax
Other comprehensive loss, net of tax
Other comprehensive loss, net of tax
Balance at September 30, 2023
Balance at September 30, 2023
Balance at September 30, 2023
Balance at December 30, 2023
Balance at December 30, 2023
Balance at December 30, 2023

(1) Foreign currency translation adjustments for the six nine months ended September 28, 2024 December 28, 2024 primarily include a $199 million $19 million loss, net of taxes of $67 million $7 million, relating to the Company's net investment hedges, partially offset by as well as a net $52 million $9 million translation gain. loss. Foreign currency translation adjustments for the six nine months ended September 30, 2023 December 30, 2023 primarily include a net $29 $159 million translation loss, partially offset by a $16 million gain, net of taxes of $59 million, relating to the Company's net investment and fair value hedges. hedges partially offset by a net $47 million translation gain.

(2) Reclassified For the nine months ended December 28, 2024, reclassified amounts primarily relate to the Company's interest rate swaps, net of taxes of $3 million, and are recorded within interest (income) expense, net, in the Company's consolidated statements of operations and comprehensive (loss) income. For the nine months ended December 30, 2023, reclassified amounts primarily relate to the Company's forward foreign currency exchange contracts for inventory purchases and are recorded within cost of goods sold in the Company's consolidated statements of operations and comprehensive (loss) income. All tax effects were not material for the periods presented. nine months ended December 30, 2023.

15. Share-Based Compensation

The Company grants equity awards to certain employees and directors of the Company at the discretion of the Company's Compensation and Talent Committee. The Company has two equity plans, plans: one stock option plan adopted in Fiscal 2008 (as amended and restated, the "2008 Plan"), and an Omnibus Incentive Plan adopted in the third fiscal quarter of Fiscal 2012 and amended and restated with shareholder approval in May 2015, and again in June 2020 (the "Incentive Plan"). The 2008 Plan only provided for grants of share options and was authorized to issue up to 23,980,823 ordinary shares. As of September 28, 2024 December 28, 2024, there were no shares available to grant equity awards under the 2008 Plan.

The Incentive Plan allows for grants of share options, restricted shares and RSUs, and other equity awards, and authorizes a total issuance of up to 22,471,000 ordinary shares after amendments in August 2022. At September 28, 2024 December 28, 2024, there were 2,506,038 2,528,848 ordinary shares available for future grants of equity awards under the Incentive Plan. Option grants issued from the 2008 Plan generally expire ten years from the date of the grant, and those issued under the Incentive Plan generally expire seven years from the date of the grant.

The following table summarizes the Company's share-based compensation activity during the six nine months ended September 28, 2024 December 28, 2024:

	Options	Service-Based RSUs	Performance-Based RSUs	Options	Service-Based RSUs	Performance-Based RSUs
Outstanding/Unvested at March 30, 2024						
Granted						

Exercised/Vested				
Canceled/Forfeited				
Canceled/Forfeited				
Canceled/Forfeited				
Outstanding/Unvested at September 28, 2024				
Outstanding/Unvested at December 28, 2024				

The weighted average grant date fair value of service-based RSUs granted during the six nine months ended September 28, 2024 December 28, 2024 was $32.20. $32.21. There were no performance-based RSUs granted during the six nine months ended September 28, 2024 December 28, 2024. The weighted average grant date fair value of service-based and performance-based RSUs granted during the six nine months ended September 30, 2023 December 30, 2023 was $36.87 $36.90 and $36.82, respectively.

Share-Based Compensation Expense

The following table summarizes compensation expense attributable to share-based compensation for the three and six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023 (in millions):

	Three Months Ended	Three Months Ended		Six Months Ended	Three Months Ended	Nine Months Ended
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023		
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023		
Share-based compensation expense						
Tax benefit related to share-based compensation expense						

Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company estimates forfeitures based on historical forfeiture rates. The estimated value of future forfeitures for equity awards as of September 28, 2024 December 28, 2024 is approximately $7 million. There are no forfeitures for performance-based RSUs.

See Note 17 in the Company's Fiscal 2024 Annual Report on Form 10-K for additional information relating to the Company's share-based compensation awards.

16. Income Taxes

The Company's effective tax rate for the three and six nine months ended September 28, 2024 December 28, 2024 was 309.1% 9.8% and 155.0% 14.4%, respectively. This rate differs from the United Kingdom ("U.K.") federal statutory rate of 25% primarily related to the release impact of $29 million the non-deductible goodwill impairment charges recorded partially offset by unfavorable geographic mix of an uncertain tax provision related earnings and the unfavorable impact of global financing activities due to Italian share-based compensation tax deductions as a result of a recently issued tax ruling net loss for both the three and six nine months ended September 28, 2024 December 28, 2024.

The Company's effective tax rate for the three and six months ended September 30, 2023 December 30, 2023 was 10.9% and 8.6%, respectively. 14.6%. This rate differs from the United Kingdom ("U.K.") federal statutory rate of 25% primarily due to the favorable impact of global financing activities the release of uncertain tax positions outside the U.S. for the three and six months ended September 30, 2023 and the release of a valuation allowance on Korean deferred tax assets, partially offset by unfavorable changes in uncertain tax positions during the three months ended December 30, 2023.

The Company's effective tax rate for the nine months ended December 30, 2023 was 11.3%. This rate differs from the United Kingdom ("U.K.") federal statutory rate of 25% primarily due to the favorable impact of global financing activities and the release of valuation allowance on Korean deferred tax assets during the six nine months ended September 30, 2023 December 30, 2023.

The global financing activities are related to the Company's 2014 move of its principal executive office from Hong Kong to the U.K. and decision to become a U.K. tax resident. In connection with this decision, the Company funded its international growth strategy through intercompany debt financing arrangements. These debt financing arrangements reside between certain of our U.S. and U.K. subsidiaries. Due to the difference in the statutory income tax rates between these jurisdictions, the Company generally realizes lower effective tax rates compared to its statutory rate as a result of these financing activities.

On August 6, 2024 January 10, 2025, the United States Treasury and the IRS released proposed issued final regulations that address several long-standing issues related to dual consolidated losses and introduce new rules for disregarded payment losses. If finalized as proposed, the The changes related to disregarded payment losses could impact how the Company utilizes certain deductions and losses to offset its U.S. income as part of its global financing activities. activities beginning in Fiscal 2027. The Company will continue to evaluate its impact as further information becomes available.

17. Segment Information

The Company operates its business through three operating segments — Versace, Jimmy Choo and Michael Kors, which are based on its business activities and organization. The reportable segments are segments of the Company for which separate financial information is available and for which operating results are evaluated regularly by the Company's chief operating decision maker ("CODM") in deciding how to allocate resources, as well as in assessing performance. The primary key performance indicators are revenue and operating income for each segment. The Company's reportable segments represent components of the business that offer similar merchandise, customer experience and sales/marketing strategies.

The Company’s three reportable segments are as follows:

- Versace — segment includes revenue generated through the sale of Versace luxury ready-to-wear, accessories and footwear through directly operated Versace boutiques throughout the Americas, certain parts of EMEA and certain parts of Asia, as well as through Versace outlet stores and e-commerce sites. In addition, revenue is generated through wholesale sales to distribution partners (including geographic licensing arrangements that allow third parties to use the Versace trademarks in connection with retail and/or wholesale sales of Versace branded products in specific geographic regions), multi-brand department stores and specialty stores worldwide, as well as through product license agreements in connection with the manufacturing and sale of jeans, the Versace Jeans Couture product line, fragrances, watches, jewelry, eyewear and home furnishings.

- Jimmy Choo — segment includes revenue generated through the sale of Jimmy Choo luxury footwear, handbags and small leather goods through directly operated Jimmy Choo retail and outlet stores throughout the Americas, certain parts of EMEA and certain parts of Asia, through its e-commerce sites, as well as through wholesale sales of luxury goods to distribution partners (including geographic licensing arrangements that allow third parties to use the Jimmy Choo trademarks in connection with retail and/or wholesale sales of Jimmy Choo branded products in specific geographic regions), multi-brand department stores and specialty stores worldwide. In addition, revenue is generated through product licensing agreements, which allow third parties to use the Jimmy Choo brand name and trademarks in connection with the manufacturing and sale of fragrances and eyewear.

- Michael Kors — segment includes revenue generated through the sale of Michael Kors products through four primary Michael Kors retail formats: “Collection” stores, “Lifestyle” stores (including concessions), outlet stores and e-commerce sites, through which the Company sells Michael Kors products, as well as licensed products bearing the Michael Kors name, directly to consumers throughout the Americas, certain parts of EMEA and certain parts of Asia. The Company also sells Michael Kors products directly to department stores, primarily located across the Americas and Europe, to specialty stores and travel retail shops, and to its geographic licensees. In addition, revenue is generated through product and geographic licensing arrangements, which allow third parties to use the Michael Kors brand name and trademarks in connection with the manufacturing and sale of products, including watches, jewelry, fragrances and eyewear.

In addition to these reportable segments, the Company has certain corporate costs that are not directly attributable to its brands and, therefore, are not allocated to its segments. Such costs primarily include certain administrative, corporate occupancy, shared service and information technology system expenses, including enterprise resource planning system implementation costs and Capri transformation program costs. In addition, certain other costs are not allocated to segments, including Merger related costs, income (costs), impairment charges and restructuring and other income (expense) income. . The segment structure is consistent with how the Company’s CODM plans and allocates resources, manages the business and assesses performance. All intercompany revenues are eliminated in consolidation and are not reviewed when evaluating segment performance.

The following table presents the key performance information of the Company’s reportable segments (in millions):

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Total revenue:								
Versace								
Versace								
Versace								
Jimmy Choo								
Michael Kors								
Total revenue								
Income (loss) from operations:								
Income (loss) from operations:								
Income (loss) from operations:								
Versace								
Versace								
Versace								
Jimmy Choo								
Michael Kors								
Total segment income from operations								
Less: Corporate expenses								
Impairment of assets (1)								

Merger related costs
Restructuring and other (expense) income
Merger related income (costs)
Restructuring and other income (expense)
Total (loss) income from operations
Total (loss) income from operations
Total (loss) income from operations

(1) Impairment of assets during the nine months ended December 28, 2024 includes $617 million, $83 million and $18 million of impairment charges related to the Versace, Jimmy Choo and Michael Kors reportable segments, respectively. Impairment of assets during the three and six nine months ended September 28, 2024 and September 30, 2023 December 30, 2023 primarily related to operating lease right-of-use assets at certain Versace and Michael Kors store locations.

Depreciation and amortization expense for each segment are as follows (in millions):

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Depreciation and amortization:								
Versace								
Versace								
Versace								
Jimmy Choo								
Michael Kors								
Corporate								
Total depreciation and amortization								

Total revenue (based on country of origin) by geographic location are as follows (in millions):

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Revenue:								
The Americas (United States, Canada and Latin America) (1)								
The Americas (United States, Canada and Latin America) (1)								
The Americas (United States, Canada and Latin America) (1)								
EMEA								
Asia								
Total revenue								

(1) Total revenue earned in the U.S. was $529 million $689 million and $1.052 billion $1.741 billion, respectively, for the three and six nine months ended September 28, 2024 December 28, 2024. Total revenue earned in the U.S. was $617 million $764 million and $1.195 billion $1.959 billion, respectively, for the three and six nine months ended September 30, 2023 December 30, 2023.

18. Subsequent Events

Net Investment Hedges

During the fourth quarter of Fiscal 2025, the Company terminated its fixed-to-fixed cross-currency swap portfolio with an aggregate notional amount of $2.384 billion related to its net investment in Euro denominated subsidiaries, while subsequently replacing these contracts with the same approximate aggregate notional amounts to hedge its net investment in Euro denominated subsidiaries. The modification of these hedges resulted in the Company receiving $42 million in cash.

Amended and Restated Credit Agreement and New Term Loans

On October 24, 2024 February 4, 2025 (the "Closing Date"), the District Court granted Company entered into an amended and restated credit agreement (the "Amended and Restated Credit Agreement") with, among others, JPMorgan Chase Bank, N.A., as administrative agent, which amended and restated the FTC's motion Company's existing credit agreement, dated as of July 1, 2022 (as previously amended, the "Existing Credit Agreement"). The Amended and Restated Credit Agreement provides for a preliminary injunction to enjoin senior secured credit facilities in the Merger pending the completion aggregate principal amount of the FTC's in-house administrative proceeding U.S. Dollar equivalent of $2.2 billion (the "2025 Credit Facilities"), under which is currently expected to begin the Company, a U.S. subsidiary of the Company, a Canadian subsidiary of the Company and a Swiss subsidiary of the Company are borrowers, and which will be guaranteed by the borrowers and certain other subsidiaries of the Company. The 2025 Credit Facilities are comprised of (i) a new $700 million senior secured term loan facility comprised of (a) a $392 million tranche of terms loans in U.S. Dollars (the "USD Term Loans"), which was fully drawn by Michael Kors (USA), Inc. on December 9, 2024. On October 28, 2024, Tapestry the Closing Date, and Capri jointly filed (b) a notice tranche of appeal term loans in Euros in an amount equal to the Euro equivalent of $302 million (the "Euro Term Loans," and together with the USD Term Loans, the "New Term Loans"), which were fully drawn by Michael Kors (Switzerland) GmbH on the Closing Date, and (ii) the existing $1.5 billion revolving credit facility (the "Revolving Credit Facility") as provided under the Existing Credit Agreement, which may be denominated in U.S. Court of Appeals Dollars and other currencies, including Euros, Canadian Dollars, Pounds Sterling, Japanese Yen and Swiss Francs, and which includes sub-facilities for the Second Circuit. See Note 2 for additional information related issuance of letters of credit up to $125 million and swing line loans at the administrative agent's discretion of up to $100 million.

The Revolving Credit Facility and the New Term Loans mature on July 1, 2027. The applicable borrower is required to make quarterly principal payments in respect to the proposed Merger. New Term Loans on the last business day of each calendar quarter, commencing with the last business day of the first full calendar quarter ending after the Closing Date, in equal installments equal to 1.25% of the original principal amount of the applicable New Term Loans on the Closing Date.Amounts repaid or prepaid in respect of the term loans may not be reborrowed.

On November 1, 2024, The Amended and Restated Credit Agreement adds a requirement that the Company's Senior Notes matured. In order to pay obligations under the Senior Notes at maturity, 2025 Credit Facilities will be secured by liens on substantially all of the assets of the Company and its U.S. subsidiaries that are borrowers and guarantors, excluding real property and other customary exceptions, and substantially all of the registered intellectual property of the Company and its subsidiaries. With respect to certain non-ordinary course asset sales, the Company may elect to reinvest the net cash proceeds from such sales in the business of the Company and its subsidiaries, and to the extent it does not do so, the Company is required to apply such net cash proceeds to prepay the New Term Loans, subject to certain thresholds and exceptions. The New Term Loans are also required to be prepaid with the net cash proceeds of any indebtedness for borrowed money that is not permitted under the Amended and Restated Credit Agreement, as well as from certain equity issuances by the Company.

Borrowings under the Revolving Credit Facility were used on the Closing Date to repay in part the $450 million under its 364 Day Term Loan which is due November 1, 2025 outstanding under the Existing Credit Agreement (the "Existing Term Loans") and to pay transaction costs, and may be used to finance working capital needs and other general corporate purposes of the Company and its subsidiaries. The New Term Loans were borrowed on October 31, 2025. See Note 10 the Closing Date to repay outstanding indebtedness, including the Existing Term Loans, to pay transactions costs and for additional information related general corporate purposes of the Company and its subsidiaries. It was a condition to the 364 Day effectiveness of the Amended and Restated Credit Agreement that the Company repay all amounts outstanding in respect of the €450 million senior unsecured term loan under the Versace Term Loan. Loan Agreement dated as of December 5, 2022 among Gianni Versace S.r.l., as borrower, Intesa Sanpaolo S.p.A., Banca Nazionale Del Lavoro S.p.A. and UniCredit S.p.A., as arrangers and lenders, and Intesa Sanpaolo S.p.A., as agent.

The Amended and Restated Credit Agreement continues to require the Company to maintain a net leverage ratio as of the end of each fiscal quarter of no greater than 4.0 to 1. Such net leverage ratio is calculated as the ratio of the sum of total indebtedness, plus the capitalized amount of all operating lease obligations, as of the date of the measurement, minus unrestricted cash and cash equivalents not to exceed $200,000,000, to Consolidated EBITDAR. The Amended and Restated Credit Agreement also includes covenants that limit additional indebtedness, liens, acquisitions and other investments, dispositions, restricted payments and affiliate transactions. The Amended and Restated Credit Agreement contains events of default customary for financings of this type, including, but not limited to, payment defaults, material inaccuracy of representations and warranties, covenant defaults, cross-defaults to certain indebtedness, certain events of bankruptcy or insolvency, certain events under ERISA, material judgments, actual or asserted failure of any guaranty or collateral document supporting the 2025 Credit Facilities to be in full force and effect, and changes of control. If such an event of default occurs and is continuing, the lenders under the 2025 Credit Facilities would be entitled to take various actions, including, but not limited to, terminating the commitments and accelerating amounts outstanding under the 2025 Credit Facilities and exercising remedies against collateral.

Additional information about the Amended and Restated Credit Agreement is set forth in the Company's Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on February 4, 2025.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Termination of the Agreement and Plan of Merger

On As previously disclosed, on August 10, 2023, Capri entered into an Agreement and Plan of Merger with Tapestry, Inc., a Maryland corporation, and Sunrise Merger Sub, Inc., a British Virgin Islands business company limited by shares and a direct wholly owned subsidiary of Tapestry. The Merger Agreement provides that, among other things and on the terms and subject to the conditions set forth therein, Tapestry will would acquire Capri in an all-cash transaction by means of a merger of Merger Sub with and into Capri, with Capri surviving the Merger as a wholly owned subsidiary of Tapestry. For additional information related to the Merger Agreement, please refer to Capri's Definitive Proxy Statement on Schedule 14A filed with the U.S. Securities and Exchange Commission (the "SEC") on September 20, 2023, as well as the supplemental disclosures contained in Capri's Current Report on Form 8-K filed with the SEC on October 17, 2023.

The Merger has had been approved by the boards of directors of Capri and Tapestry and by the shareholders of Capri. Completion of the Merger is was subject to, among other customary conditions, the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. 1976, as amended. The Company has received regulatory approval from all countries except for the United States. In connection with Tapestry's proposed acquisition of Capri, on April 22, 2024, the U.S. FTC filed a lawsuit in the United States District Court for the Southern District of New York (the “District Court”) against Tapestry and the Company seeking to block the Merger, claiming that the Merger would violate Section 7 of the Clayton Act and that the Merger Agreement and the Merger constitute constituted unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act and should be enjoined. The preliminary injunction hearing concluded in September 2024, and on October 24, 2024, the District Court granted the FTC's motion for a preliminary injunction to enjoin the Merger pending the completion of the FTC's in-house administrative proceeding which is currently expected to begin on December 9, 2024. proceeding. On October 28, 2024, Tapestry and Capri jointly filed a notice of appeal to the U.S. Court of Appeals for the Second Circuit. Circuit (the “Second Circuit”).

On November 13, 2024, the parties to the Merger Agreement entered into a termination agreement pursuant to which they agreed to terminate the Merger Agreement, effective immediately. In connection with the termination, consistent with the Merger Agreement, Tapestry agreed to reimburse the Company approximately $45 million in cash for certain expenses on November 14, 2024. The parties may not be successful on appeal to the Merger Agreement also agreed to release each other and their related parties from any and all liability, claims, rights, actions, causes of action, suits, liens, obligations, accounts, debts, demands, agreements, promises, liabilities, controversies, costs, charges, damages, expenses and fees (including attorney's, financial advisor's or other fees) in connection with, arising out of or related to the Merger Agreement or the transactions contemplated therein or thereby. On November 15, 2024, Capri and Tapestry stipulated to the dismissal of the appeal may not be heard on a timely basis. If to the Merger is unable to be consummated, there can be no assurance that any other transaction acceptable to us will be offered and our business, prospects and/or results of operations may be adversely affected. Second Circuit. On December 4, 2024, the FTC's in-house administrative proceeding was dismissed without prejudice.

Our Business

Capri Holdings Limited is a global fashion luxury group consisting of iconic, founder-led brands Versace, Jimmy Choo and Michael Kors. Our commitment to glamorous style and craftsmanship is at the heart of each of our luxury brands. We have built our reputation on designing exceptional, innovative products that cover the full spectrum of fashion luxury categories. Our strength lies in the unique DNA and heritage of each of our brands, the diversity and passion of our people and our dedication to the clients and communities we serve.

Our Versace brand has long been recognized as one of the world's leading international fashion design houses and is synonymous with Italian glamour and style. Founded in 1978 in Milan, Versace is known for its iconic and unmistakable style and unparalleled craftsmanship. Over the past several decades, the House of Versace has grown globally from its roots in haute couture, expanding into the design, manufacturing, distribution and retailing of ready-to-wear, accessories, footwear, eyewear, watches, jewelry, fragrance and home furnishing. Versace's design team is led by Donatella Versace, who has been the brand's Artistic Director for over 20 years. Versace distributes its products through a worldwide distribution network, which includes boutiques in some of the world's most fashionable cities, its e-commerce sites, as well as through the most prestigious department and specialty stores worldwide.

Our Jimmy Choo brand offers a distinctive, glamorous and fashion-forward product range, enabling it to develop into a leading global luxury accessory brand, whose core product offering is women's luxury shoes, complemented by accessories, including handbags, small leather goods, jewelry, scarves and belts, as well as men's luxury shoes and accessories. In addition, certain categories, such as fragrances and eyewear, are produced under licensing agreements. Jimmy Choo's design team is led by Sandra Choi, who has been the Creative Director for the brand since its inception in 1996. Jimmy Choo products are unique, chic, glamorous and instinctively seductive and chic. seductive. The brand offers classic and timeless luxury products, alongside innovative collections that are intended to set and lead fashion trends. Jimmy Choo is represented through its global store network, its e-commerce sites, as well as through the most prestigious department and specialty stores worldwide.

Our Michael Kors brand was launched over 40 years ago by Michael Kors, a world renowned designer, whose vision has taken the Company from its beginnings as an American luxury sportswear house to a global accessories, ready-to-wear, and footwear company with a global distribution network that has presence in over 100 countries through Company-operated retail stores and e-commerce sites, leading department stores, specialty stores and select licensing partners. Michael Kors is a highly recognized luxury fashion brand in the Americas and Europe with growing brand awareness in other international markets. Michael Kors features distinctive designs, materials and craftsmanship that combines stylish elegance and a sporty attitude. Michael Kors offers three primary collections: the Michael Kors Collection line, the MICHAEL Michael Kors line and the Michael Kors Mens line. The Michael Kors Collection establishes the aesthetic authority of the entire brand and is carried by select retail stores, our e-commerce sites, as well as in the finest luxury department stores in the world. MICHAEL Michael Kors has a strong focus on accessories, in addition to offering ready-to-wear and footwear. We have also been developing our men's business in recognition of the significant opportunity afforded by the Michael Kors brand's established fashion authority and the expanding men's market. Taken together, our Michael Kors collections target a broad customer base while retaining our premium luxury image.

Certain Factors Affecting Financial Condition and Results of Operations

Impairment losses. During the third quarter of Fiscal 2025, we identified impairment indicators due to the termination of the Merger Agreement, the decline in our share price, continued softening of consumer demand for fashion luxury goods globally and the continuing decline in operating results during the third quarter impacting all three of our brands. As we determined that it was more likely than not that the fair values of certain reporting units and/or brands were below their carrying amounts, we performed an interim impairment test during the third quarter of Fiscal 2025. As a result of our impairment assessment, we recorded $671 million of impairment charges related to our Jimmy Choo and Versace goodwill and intangible assets during the three and nine months ended December 28, 2024. It is possible that our conclusions regarding impairment or recoverability of goodwill or other intangible assets could change in future periods. Such changes could result in future impairment charges of goodwill or other intangible assets and such amounts could be significant. See Item 1A. Risk Factors “We may incur significant goodwill and/or intangible asset impairment charges with respect to one or more of our brands which could have a material adverse impact on our results of operations and financial condition.”

Macroeconomic conditions and inflationary pressures. Global economic conditions and the related impact on levels of consumer spending worldwide impacted our business in the first half nine months of Fiscal 2025, and are likely to continue to impact our business and the luxury accessories, footwear and apparel industry overall for the foreseeable future. Inflation, rising interest rates, higher fuel and energy costs and commodity prices, reductions in net worth based on stock market declines and uncertainty, home prices, credit availability and consumer debt levels, concerns of a global banking crisis, political instability due to war or other geopolitical factors, including national elections such as the presidential change in the U.S. presidential election, , and other macroeconomic pressures and general uncertainty regarding the overall future economic environment have created a challenging retail environment, which is expected to continue in the near term. Purchases of discretionary luxury items, such as the accessories, footwear and apparel that we produce, tend to decline when disposable income is lower or when there are recessions, inflationary pressures or other economic uncertainty which could negatively affect our financial condition and results of operations.

Luxury goods trends and demand for our accessories and related merchandise. Our performance is affected by trends in the luxury goods industry, global consumer spending, macroeconomic factors, overall levels of consumer travel and spending on discretionary items as well as shifts in demographics and changes in lifestyle preferences. Future growth is expected We have experienced, and may continue to be experience, material reductions in revenues across our brands and regions driven predominantly by e-commerce, Chinese consumers softening demand globally for fashion luxury goods as well as Versace and younger generations, however, growth Michael Kors' brand repositioning efforts. If demand for global fashion luxury goods continues to soften and/or if we do not correctly gauge consumer needs and fashion trends and respond appropriately, our future results of operations may be limited by concerns over inflation, the possibility of a global recession, foreign currency volatility or worsening economic conditions. materially impacted.

Foreign currency fluctuation. Our consolidated operations are impacted by the relationships between our reporting currency, the United States dollar, and those of our non-United States subsidiaries whose functional/local currency is other than the United States dollar, primarily the Euro, the British Pound, the Chinese Renminbi and the Japanese Yen, the Korean Won and the Canadian dollar, among others. We continue to expect volatility in the global foreign currency exchange rates, which may have a negative impact on the reported results of certain of our non-United States subsidiaries in the future, when translated to the United States dollar.

Disruptions or delays in shipping and distribution and other supply chain constraints. Any disruptions in our shipping and distribution network, including port congestion, vessel availability, container shortages and temporary factory closures, could have a negative impact on our results of operations. These disruptions include the recent attacks on commercial shipping vessels in the Red Sea that have led to disruption and instability in global supply chains, which have resulted in shipment delays. These shipping disruptions have also resulted in, and may continue to result in, increased freight costs. See Item 1A — "Risk Factors" — "We primarily use foreign manufacturing contractors and independent third-party agents to source our finished goods" and "Our business is subject to risks inherent in global sourcing activities, including disruptions or delays in manufacturing or shipments" of our Annual Report on Form 10-K for the fiscal year ended March 30, 2024 for additional discussion.

Costs of manufacturing, tariffs and import regulations. Our industry is subject to volatility in costs related to certain raw materials used in the manufacturing of our products. This volatility applies primarily to costs driven by commodity prices, which can increase or decrease dramatically over a short period of time. In addition, our costs may be impacted by sanction tariffs imposed on our products due to changes in trade terms. We rely on free trade agreements and other supply chain initiatives in order to maximize efficiencies relating to product importation. We are also subject to government import regulations, including United States Customs and Border Protection ("CBP") withhold release orders. The imposition of taxes, duties and quotas, the withdrawal from or material modification to trade agreements, and/or if CBP detains shipments of our goods pursuant to a withhold release order could have a material adverse effect on our business, results of operations and

financial condition. If additional tariffs or trade restrictions are implemented by the United States or other countries, the cost of our products could increase which could adversely affect our business. In addition, commodity prices and tariffs may have an adverse impact on our revenues, results of operations and cash flows. We use commercially reasonable efforts to mitigate these effects by sourcing our products as efficiently as possible and diversifying the countries where we produce. In addition, manufacturing labor costs are also subject to degrees of volatility based on local and global economic conditions. We use commercially reasonable efforts to source from localities that suit our manufacturing standards and result in more favorable labor driven costs of our product.

Implementing and updating information technology systems. During Fiscal 2024, we began implementing a new state of the art e-commerce platform across certain of our brands which is expected to continue through was completed in Fiscal 2025. While the new platform is designed to improve the user experience and enhance consumer engagement, the transition created unanticipated challenges which negatively impacted our results of operations. The continued implementation of this platform may also negatively impact our future results of operations. See Item 1A — "Risk Factors" — "A material delay or disruption in our information technology systems or e-commerce websites or our failure or inability to upgrade our information technology systems precisely and efficiently could have a material adverse effect on our business, results of operations and financial condition" of our Annual Report on Form 10-K for the fiscal year ended March 30, 2024 for additional discussion.

Segment Information

We operate in three reportable segments, which are as follows:

Versace

We generate revenue through the sale of Versace luxury accessories, ready-to-wear and footwear through directly operated Versace boutiques throughout North America (United States and Canada), certain parts of EMEA (Europe, Middle East and Africa) and certain parts of Asia (Asia and Oceania), as well as through Versace outlet stores and e-commerce sites. In addition, revenue is generated through wholesale sales to distribution partners (including geographic licensing arrangements), multi-brand department stores and specialty stores worldwide, as well as through product license agreements in connection with the manufacturing and sale of products, including jeans, the Versace Jeans Couture product line, fragrances, watches, jewelry, eyewear and home furnishings.

Jimmy Choo

We generate revenue through the sale of Jimmy Choo luxury goods through directly operated Jimmy Choo retail and outlet stores throughout the Americas (United States, Canada and Latin America), certain parts of EMEA and certain parts of Asia, through our e-commerce sites, as well as through wholesale sales of luxury goods to distribution partners (including geographic licensing arrangements that allow third parties to use the Jimmy Choo tradename in connection with retail and/or wholesale sales of Jimmy Choo branded products in specific geographic regions), multi-brand department stores and specialty stores worldwide. In addition, revenue is generated through product licensing agreements, which allow third parties to use the Jimmy Choo brand name and trademarks in connection with the manufacturing and sale of products, including fragrances and eyewear.

Michael Kors

We generate revenue through the sale of Michael Kors products through four primary Michael Kors retail formats: “Collection” stores, “Lifestyle” stores (including concessions), outlet stores and e-commerce, through which we sell our products, as well as licensed products bearing our name, directly to consumers throughout the Americas, certain parts of EMEA and certain parts of Asia. Our Michael Kors e-commerce business includes e-commerce sites in the United States, Canada, EMEA and Asia. We also sell Michael Kors products directly to department stores, primarily located across the Americas and EMEA, to specialty stores and travel retail shops in the Americas, Europe and Asia, and to our geographic licensees in certain parts of EMEA, Asia and Brazil. In addition, revenue is generated through product and geographic licensing arrangements, which allow third parties to use the Michael Kors brand name and trademarks in connection with the manufacturing and sale of products, including watches, jewelry, fragrances and eyewear, as well as through geographic licensing arrangements, which allow third parties to use the Michael Kors tradename in connection with the retail and/or wholesale sales of our Michael Kors branded products in specific geographic regions.

Unallocated Corporate Expenses

In addition to the reportable segments discussed above, we have certain corporate costs that are not directly attributable to our brands and, therefore, are not allocated to segments. Such costs primarily include certain administrative, corporate occupancy, shared service and information technology systems expenses, including system implementation costs and Capri transformation program costs. In addition, certain other costs are not allocated to segments, including Merger related costs, expenses, impairment charges and restructuring and other income (expense) income. . The segment structure is consistent with how our chief operating decision maker plans and allocates resources, manages the business and assesses performance. The following table presents our total revenue and income from operations by segment for the three and six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023 (in millions):

	Three Months Ended		Six Months Ended	Three Months Ended		Nine Months Ended		
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Total revenue:								
Versace								
Versace								
Versace								
Jimmy Choo								
Michael Kors								
Total revenue								
Income (loss) from operations:								
Income (loss) from operations:								
Income (loss) from operations:								
Versace								
Versace								
Versace								
Jimmy Choo								
Michael Kors								
Total segment income from operations								
Less: Corporate expenses								
Impairment of assets (1)								
Merger related costs								
Restructuring and other (expense) income								
Merger related income (costs)								
Restructuring and other income (expense)								
Total (loss) income from operations								
Total (loss) income from operations								
Total (loss) income from operations								

(1) Impairment of assets during the nine months ended December 28, 2024 includes $617 million, $83 million and $18 million of impairment charges related to the Versace, Jimmy Choo and Michael Kors reportable segments, respectively. Impairment of assets during the three and six nine months ended September 28, 2024 and September 30, 2023 December 30, 2023 primarily related to operating lease right-of-use assets at certain Versace and Michael Kors store locations.

The following table presents our global network of retail stores by brand:

	As of	
	September 28, 2024	September 30, 2023
Number of full price retail stores (including concessions):		
Versace	176	167
Jimmy Choo	169	180
Michael Kors	446	496
	791	843
Number of outlet stores:		
Versace	60	63
Jimmy Choo	57	57
Michael Kors	309	306
	426	426
Total number of retail stores	1,217	1,269

	As of	
	December 28, 2024	December 30, 2023
Number of full price retail stores (including concessions):		
Versace	174	170
Jimmy Choo	168	180
Michael Kors	435	493
	777	843
Number of outlet stores:		
Versace	60	63
Jimmy Choo	56	57
Michael Kors	312	307
	428	427
Total number of retail stores	1,205	1,270

The following table presents our retail stores by geographic location:

							As of				
				September 28, 2024				September 30, 2023			
				December 28, 2024				December 30, 2023			
	Versace		Versace		Jimmy Choo		Michael Kors	Versace		Jimmy Choo	
Store count by region:											
The Americas											
The Americas											
The Americas		47	43	43	292	292	43		43		309
EMEA	EMEA	58	66	66	153	153	61	61		71	
Asia	Asia	131	117	117	310	310	126	126		123	
	236										
	234										

Key Consolidated Performance Indicators and Statistics

We use a number of key indicators of operating results to evaluate our performance, including the following (dollars in millions):

		Three Months Ended		Six Months Ended			Three Months Ended		Nine Months Ended	
		September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023		December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Total revenue										
Gross profit as a percent of total revenue	Gross profit as a percent of total revenue	64.3 %	64.4 %	64.4 %	65.2 %	Gross profit as a percent of total revenue	64.4 %	65.0 %	64.4 %	65.2 %
(Loss) income from operations										
(Loss) income from operations as a percent of total revenue	(Loss) income from operations as a percent of total revenue	(3.5) %	7.7 %	(2.1) %	7.1 %	(Loss) income from operations as a percent of total revenue	(46.8) %	8.5 %	(18.7) %	7.7 %

Seasonality

We experience certain effects of seasonality with respect to our business. We generally experience greater sales during our third fiscal quarter, primarily driven by holiday season sales, and the lowest sales during our first fiscal quarter.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Critical accounting policies are those that are the most important to the portrayal of our results of operations and financial condition and that require our most difficult, subjective and complex judgments to make estimates about the effect of matters that are inherently uncertain. In applying such policies, we must use certain assumptions that are based on our informed judgments, assessments of probability and best estimates. Estimates, by their nature, are subjective and are based on analysis of available information, including current and historical factors and the experience and judgment of management. We evaluate our assumptions and estimates on an ongoing basis. While our significant accounting policies are detailed in Note 3 to the accompanying consolidated financial statements, our critical accounting policies are disclosed, in full, in the MD&A section of our Annual Report on Form 10-K for the fiscal year ended March 30, 2024. There have been no significant changes to our critical accounting policies and estimates since March 30, 2024.

Goodwill and Other Intangible Assets

We perform our annual impairment assessment of goodwill and intangible assets during the fourth quarter of each fiscal year, or whenever impairment indicators exist. During the third quarter of Fiscal 2025, we identified impairment indicators due to the reduction of our share price following the termination of the Merger Agreement, continued softening of consumer demand for fashion luxury goods globally and the continuing decline in operating results during the third quarter impacting all three of our brands. As a result of these factors, we concluded that impairment indicators existed during the third quarter of Fiscal 2025, resulting in the need to perform an interim impairment assessment of goodwill and intangible assets.

We performed our goodwill impairment assessment for our Michael Kors reporting units using a qualitative assessment. Based on the results of our qualitative impairment assessment, we concluded that it is more likely than not that the fair value of the Michael Kors' reporting units exceeded their carrying values and, therefore, were not impaired. We performed a quantitative impairment analyses for the Versace and Jimmy Choo reporting units, using a combination of income and market approaches to estimate the fair values of reporting units. We also performed a quantitative impairment analysis for the Versace and Jimmy Choo brand intangible assets using an income approach to estimate the fair values.

Based on the results of these assessments, we determined there was no impairment for the Jimmy Choo Licensing reporting unit goodwill as the fair value exceeded the related carrying value. However, we concluded that the fair value of the Jimmy Choo Wholesale reporting unit goodwill and Retail and Wholesale brand indefinite-lived intangible assets did not exceed their related carrying amounts and we recorded impairment. These impairment charges were primarily related to a decline in revenue driven predominantly by softening demand globally for fashion luxury goods, as well as, Versace's recent efforts to reposition the brand by placing a greater emphasis on luxury and craftsmanship. Accordingly, we recorded goodwill impairment charges of $66 million related to the Jimmy Choo Wholesale reporting unit that has a remaining balance of $26 million. The Jimmy Choo Retail reporting unit's goodwill balance was fully impaired during Fiscal 2024. We also recorded impairment charges of $15 million related to the Jimmy Choo Retail and Wholesale brand intangible assets that have remaining balances of $147 million and $52 million, respectively. The impairment charges were recorded within impairment of assets on our consolidated statement of operations and comprehensive (loss) income for the period ended December 28, 2024.

Further, based on the results of these assessments, we determined that there was no impairment for the Versace Licensing reporting unit goodwill as the fair value exceeded the related carrying value. However, the fair value of the Versace Retail and Wholesale reporting units goodwill and Retail and Wholesale brand indefinite-lived intangible assets did not exceed their related carrying amounts. These impairment charges were primarily related to a decline in revenue driven predominantly by softening demand globally for fashion luxury goods as well as Versace's recent efforts to reposition the brand to place a greater emphasis on luxury and craftsmanship. Accordingly, we recorded goodwill impairment charges of $364 million related to the Versace Retail and Wholesale reporting units goodwill that have remaining balances of $97 million and $22 million, respectively. We also recorded impairment charges of $216 million related to the Versace Retail and Wholesale brand intangible assets that have remaining balances of $351 million and $85 million, respectively. The impairment charges were recorded within impairment of assets on our consolidated statement of operations and comprehensive (loss) income for the period ended December 28, 2024.

It is possible that our conclusions regarding impairment or recoverability of goodwill or other intangible assets could change in future periods if, for example, (i) our businesses do not perform as projected, (ii) overall economic conditions in future years vary from current assumptions, (iii) business conditions or strategies change from our current assumptions, (iv) discount rates change, (v) market multiples change or (vi) the identification of our reporting units change, among other factors. Such changes could result in a future impairment charge of goodwill or other intangible assets.

Results of Operations

Comparison of the three months ended September 28, 2024 December 28, 2024 with the three months ended September 30, 2023 December 30, 2023

The following table details the results of our operations for the three months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, and expresses the relationship of certain line items to total revenue as a percentage (dollars in millions):

		Three Months Ended							% of Total Revenue for the Three Months Ended		Three Months Ended	
		September 28, 2024		September 30, 2023	$ Change		% Change		September 28, 2024	September 30, 2023	December 28, 2024	
Statements of Operations Data:												
Total revenue												
Total revenue												
Total revenue												
Cost of goods sold												
Cost of goods sold												
Cost of goods sold		385	459	459	(74)	(74)	(16.1)	(16.1)%	35.7 %	35.6 %	449	
Gross profit	Gross profit	694	832	832	(138)	(138)	(16.6)	(16.6)%	64.3 %	64.4 %		Gross profit
Selling, general and administrative expenses	Selling, general and administrative expenses	639	664	664	(25)	(25)	(3.8)	(3.8)%	59.2 %	51.4 %		Selling, general and administrative expenses
Depreciation and amortization	Depreciation and amortization	49	48	48	1	1	2.1	2.1 %	4.5 %	3.7 %		Depreciation and amortization
Impairment of assets	Impairment of assets	43	20	20	23	23	NM	NM	4.0 %	1.5 %		Impairment of assets
Restructuring and other expense		1		—	1		NM		0.1 %	— %		
Restructuring and other (income) expense		(2)		5	(7)		NM		(0.2)%	0.4 %		
Total operating expenses	Total operating expenses	732	732	732	—	—	—	— %	67.8 %	56.7 %		Total operating expenses
(Loss) income from operations	(Loss) income from operations	(38)	100	100	(138)	(138)	NM	NM	(3.5) %	7.7 %		(Loss) income f operations
Other income, net		—		(1)	1		NM		— %	(0.1) %		
Interest (income) expense, net	Interest (income) expense, net	(10)	3	3	(13)	(13)	NM	NM	(0.9) %	0.2 %		
Foreign currency gain		(17)		(3)	(14)		NM		(1.6)%	(0.2) %		
Interest (income) expense, net												
Interest (income) expense, net		(8)		1	(9)		NM		(0.6)%	0.1 %		
Foreign currency loss (gain)		23		(2)	25		NM		1.8 %	(0.1) %		
(Loss) income before income taxes	(Loss) income before income taxes	(11)	101	101	(112)	(112)	NM	NM	(1.0) %	7.8 %		(Loss) income before inc taxes
(Benefit) provision for income taxes	(Benefit) provision for income taxes	(34)	11	11	(45)	(45)	NM	NM	(3.2) %	0.9 %		(Benefit) provision for income taxes

Net income

Less: Net loss attributable to noncontrolling interest

Less: Net loss attributable to noncontrolling interest

Less: Net loss attributable to noncontrolling interest

Net income attributable to Capri

Net income attributable to Capri

Net income attributable to Capri

Net (loss) income

Less: Net income attributable to noncontrolling interest

Less: Net income attributable to noncontrolling interest

Less: Net income attributable to noncontrolling interest

Net (loss) income attributable to Capri

Net (loss) income attributable to Capri

Net (loss) income attributable to Capri

NM Not meaningful

Total Revenue

Total revenue decreased $212 million $166 million, or 16.4% 11.6%, to $1.079 billion $1.261 billion for the three months ended December 28, 2024, compared to $1.427 billion for the three months ended December 30, 2023, which included net unfavorable foreign currency effects of approximately $4 million, as a result of the strengthening of the United States dollar compared to the Euro and Japanese Yen for the three months ended December 28, 2024. On a constant currency basis, our total revenue decreased $162 million, or 11.4%. The decrease is primarily attributable to an overall slowdown in demand for luxury fashion goods globally, as well as the result of certain strategic initiatives previously put in place at Versace and Michael Kors that did not perform as expected.

(in millions)	Three Months Ended December 28, 2024	Three Months Ended December 30, 2023	$ Change	% Change As Reported	% Change Constant Currency
Versace	$ 193	$ 227	$ (34)	(15.0)%	(15.0)%
Jimmy Choo	159	166	(7)	(4.2)%	(4.2)%
Michael Kors	909	1,034	(125)	(12.1)%	(11.7)%
Total revenue	$ 1,261	$ 1,427	$ (166)	(11.6)%	(11.4)%

- *Versace* revenues decreased $34 million, or 15.0%, to $193 million on both a reported and constant currency basis for the three months ended September 28, 2024 December 28, 2024, compared to $1.291 billion $227 million for the three months ended September 30, 2023,

  December 30, 2023, primarily attributable due to continuing macroeconomic headwinds resulting in softening demand globally for fashion luxury goods primarily impacting our Michael Kors along with Versace's recent efforts to reposition the brand to place a greater emphasis on luxury and Versace brands.

(in millions)	Three Months Ended September 28, 2024	Three Months Ended September 30, 2023	$ Change	% Change As Reported	% Change Constant Currency
Versace	$ 201	$ 280	$ (79)	(28.2)%	(28.2)%
Jimmy Choo	140	132	8	6.1 %	5.3 %
Michael Kors	738	879	(141)	(16.0)%	(15.9)%
Total revenue	$ 1,079	$ 1,291	$ (212)	(16.4)%	(16.4)%

craftsmanship.

- *Versace* *Jimmy Choo* revenues decreased $79 million $7 million, or 28.2% 4.2%, to $201 million $159 million on both a reported and constant currency basis for the three months ended September 28, 2024 December 28, 2024, compared to $280 million $166 million for the three months ended September 30, 2023 December 30, 2023, primarily attributable to lower revenues in Asia and the Americas partially offset by higher revenues in EMEA.

- *Michael Kors* revenue decreased $125 million, or 12.1%, to $909 million for the three months ended December 28, 2024, compared to $1.034 billion for the three months ended December 30, 2023, which included unfavorable foreign currency effects of $4 million. On a constant currency basis, revenue decreased $121 million, or 11.7%, primarily due to softening demand globally for fashion luxury goods.

- *Jimmy Choo* revenues increased $8 million, or 6.1%, to $140 million for goods, as well as the three months ended September 28, 2024, compared to $132 million for the three months ended September 30, 2023, which included favorable foreign

  currency effects result of $1 million. On a constant currency basis, revenue increased $7 million, or 5.3%, primarily attributable to higher revenues from our licensing business and the timing of wholesale shipments.

- *certain strategic initiatives previously put in place at* *Michael Kors* revenue decreased $141 million, or 16.0%, to $738 million for the three months ended September 28, 2024, compared to $879 million for the three months ended September 30, 2023, which included unfavorable foreign currency effects of $1 million. On a constant currency basis, revenue decreased $140 million, or 15.9%, primarily due to softening demand globally for fashion luxury goods. that did not perform as expected.

Gross Profit

Gross profit decreased $138 million $116 million, or 16.6% 12.5%, to $694 million $812 million for the three months ended September 28, 2024 December 28, 2024, compared to $832 million $928 million for the three months ended September 30, 2023 December 30, 2023, which included net unfavorable foreign currency effects of $2 million. Gross profit as a percentage of total revenue was 64.3% 64.4% and 64.4% 65.0% for the three months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, respectively. The gross profit margin decrease was primarily related to lower full price sell-throughs offset by favorable channel mix for the three months ended September 28, 2024 December 28, 2024, as compared to the three months ended September 30, 2023 December 30, 2023.

Total Operating Expenses

Total operating expenses were $732 million increased $596 million, or 73.9%, to $1.402 billion for both the three months ended September 28, 2024 and December 28, 2024, compared to $806 million for the three months ended September 30, 2023, respectively. December 30, 2023. Our operating expenses included a net unfavorable favorable foreign currency impact of approximately $1 million. Total operating expenses increased to 67.8% 111.2% as a percentage of total revenue for the three months ended September 28, 2024 December 28, 2024, compared to 56.7% 56.5% for the three months ended September 30, 2023 December 30, 2023. The components that comprise total operating expenses are explained below.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased $25 million $69 million, or 3.8% 9.2%, to $639 million $680 million for the three months ended September 28, 2024 December 28, 2024, compared to $664 million $749 million for the three months ended September 30, 2023 December 30, 2023, primarily due to decreased retail store costs, marketing spend and unallocated corporate expenses for the three months ended September 28, 2024 December 28, 2024.

As a percentage of total revenue, selling, general and administrative expenses increased to 59.2% 53.9% for the three months ended September 28, 2024 December 28, 2024, compared to 51.4% 52.5% for the three months ended September 30, 2023 December 30, 2023, primarily due to deleveraging of expenses on lower revenues for the three months ended September 28, 2024 December 28, 2024.

Unallocated corporate expenses, which are included within selling, general and administrative expenses discussed above, but are not directly attributable to a reportable segment, decreased $8 million $17 million, or 11.3% 25.0%, to $63 million $51 million for the three months ended September 28, 2024 December 28, 2024 as compared to $71 million $68 million for the three months ended September 30, 2023 December 30, 2023, primarily due to a decrease in professional fees and information technology costs related to certain Capri transformation projects which are now complete.

Impairment of Assets

For the three months ended September 28, 2024 December 28, 2024, we recognized asset impairment charges of $43 million $675 million primarily related to operating lease right-of-use assets at certain the impairment of the Jimmy Choo Wholesale and Versace Retail and Wholesale reporting units' goodwill and Versace and Michael Kors store locations. Jimmy Choo brand intangible assets. For the three months ended September 30, 2023 December 30, 2023, we recognized asset impairment charges of $20 million $6 million primarily related to operating lease right-of-use assets at certain Versace and Michael Kors store locations. See Note 12 to the accompanying consolidated financial statements for additional information.

Restructuring and Other (Income) Expense (Income)

During the three months ended September 28, 2024 December 28, 2024, we recorded expenses income of $1 million $2 million primarily related to gains on lease termination terminations partially offset by severance and store closure costs. During the three months ended September 30, 2023 December 30, 2023, we recorded no net restructuring and other expense which was the result expenses of gains on the termination of leases fully offset by expenses $5 million primarily related to equity awards associated with the acquisition of Versace. See Note 9 to the accompanying consolidated financial statements for additional information.

Restructuring and other (income) expense is not evaluated as part of our reportable segments' results (See *Segment Information* above for additional information).

(Loss) Income from Operations

As a result, of the foregoing, loss from operations was $38 million $590 million for three months ended September 28, 2024 December 28, 2024, compared to income from operations of $100 million $122 million for the three months ended September 30, 2023 December 30, 2023. Loss from operations as a percentage of total revenue was 3.5% 46.8% for the three months ended September 28, 2024 December 28, 2024, compared to income from operations of 7.7% 8.5% for the three months ended September 30, 2023 December 30, 2023. See *Segment Information* above for a reconciliation of our segment operating income to total operating (loss) income.

(in millions)

(in millions)

(in millions)		September 28, 2024	September 30, 2023		$ Change		% Change		December 28, 2024		December 30, 2023		$ Change		% Chang
Income (loss) from operations:															
Versace															
Versace															
Versace		$ (3)	$	$ 35	$	$ (38)	NM	NM	$ (21)	$	$ (14)	$	$ (7)	50.0	
Jimmy Choo	Jimmy Choo	(5)	(9)	(9)	4	4	(44.4)	(44.4) %	Jimmy Choo	(6)	4	4	(10)	(10)	
Michael Kors	Michael Kors	87	169	169	(82)	(82)	(48.5)	(48.5) %	Michael Kors	147	219	219	(72)	(72)	
Total segment income from operations	**Total segment income from operations**	$ 79	$	$ 195	$	$ (116)	(59.5)	(59.5) %	**Total segment income from operations**	$ 120	$	$ 209	$	$ (89)	(42.6)
Operating Margin:															
Versace															
Versace															
Versace															
Jimmy Choo															
Jimmy Choo															
Jimmy Choo															
Michael Kors															
Michael Kors															
Michael Kors															

NM Not meaningful

- *Versace* recorded a loss from operations of $3 $21 million for the three months ended September 28, 2024 December 28, 2024, compared to income of $35 $14 million for the three months ended September 30, 2023 December 30, 2023. Operating margin decreased from 12.5% a loss of 6.2% for the three months ended September 30, 2023 December 30, 2023, to an operating loss of 1.5% 10.9% for the three months ended September 28, 2024 December 28, 2024, primarily due to deleveraging of operating expenses on lower revenues partially offset by favorable channel mix compared to the prior year. year, partially offset by lower marketing expenses.

- *Jimmy Choo* recorded a loss from operations of $5 million $6 million for the three months ended September 28, 2024 December 28, 2024, compared to $9 million income of $4 million for the three months ended September 30, 2023 December 30, 2023. Operating margin improved decreased from a loss of 6.8% 2.4% for the three months ended September 30, 2023 December 30, 2023 to an operating loss of 3.6% 3.8% for the three months ended September 28, 2024 December 28, 2024, primarily due to leveraging deleveraging of operating expenses on higher revenues and lower marketing expenses compared to the prior year. revenues.

- *Michael Kors* recorded income from operations of $87 million $147 million for the three months ended September 28, 2024 December 28, 2024, compared to $169 million $219 million for the three months ended September 30, 2023 December 30, 2023. Operating margin decreased from 19.2% 21.2% for the three months ended September 30, 2023 December 30, 2023, to 11.8% 16.2% for the three months ended September 28, 2024 December 28, 2024, primarily due to deleveraging of operating expenses on lower revenues compared to the prior year.

Interest (Income) Expense, net

For the three months ended September 28, 2024 December 28, 2024, we recognized $10 million $8 million of interest income compared to $3 million $1 million of interest expense for the three months ended September 30, 2023 December 30, 2023. The $13 million $9 million improvement in interest (income) expense, net, is primarily due to higher interest income from our net investment hedges and lower average borrowings and effective interest rates on our outstanding debt and higher interest income from our net investment hedges (see Note 10 and Note 13 to the accompanying consolidated financial statements for additional information).

Foreign Currency Gain Loss (Gain)

For the three months ended September 28, 2024 and September 30, 2023 December 28, 2024, we recognized a net foreign currency loss of $23 million compared to a gain of $17 million and $3 million $2 million for the three months ended December 30, 2023, respectively, primarily attributable to the remeasurement of intercompany transactions with certain of our subsidiaries.

(Benefit) Provision for Income Taxes

The benefit for income taxes was $34 million $59 million on a pre-tax loss of $11 million $605 million for the three months ended September 28, 2024 December 28, 2024, compared to a provision of $11 million $18 million on pre-tax income of $101 million $123 million for the three months ended September 30, 2023 December 30, 2023. Our effective tax rate for the three months ended September 28, 2024 December 28, 2024 compared to our effective tax rate for the three months ended September 30, 2023 December 30, 2023 is not a meaningful metric due to the pre-tax loss in the current year and pre-tax income for the prior year. Our effective tax rate differs from the United Kingdom ("U.K.") federal statutory rate of 25% primarily related to the release impact of $29 million the non-deductible goodwill impairment charges recorded partially offset by unfavorable geographic mix of an uncertain tax provision related earnings and the unfavorable impact of global financing activities due to Italian share-based compensation tax deductions as a result of a recently issued, favorable tax ruling. net loss for the three months ended December 28, 2024.

Our effective tax rate may fluctuate from time to time due to the effects of changes in United States federal, state and local taxes and tax rates in foreign jurisdictions. In addition, factors such as the geographic mix of earnings, enacted tax legislation and the results of various global tax strategies, may also impact our effective tax rate in future periods.

On August 6, 2024 January 10, 2025, the United States Treasury and the Internal Revenue Service ("IRS") released proposed issued final regulations that address several long-standing issues related to dual consolidated losses and introduce new rules for disregarded payment losses. If finalized as proposed, the The changes related to disregarded payment losses could impact how we utilize certain deductions and losses to offset our U.S. income as part of our global financing activities. As a result, this could increase our effective tax rate activities beginning in Fiscal 2026 and beyond. 2027. We will continue to evaluate its impact as further information becomes available.

Net (Loss) Income Attributable to Capri

As a result of the foregoing, our net income decreased $66 million to $24 million loss was $547 million for the three months ended September 28, 2024 December 28, 2024, compared to $90 million net income of $105 million for the three months ended September 30, 2023 December 30, 2023.

Results of Operations

Comparison of the six nine months ended September 28, 2024 December 28, 2024 with the six nine months ended September 30, 2023 December 30, 2023

The following table details the results of our operations for the six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023, and expresses the relationship of certain line items to total revenue as a percentage (dollars in millions):

		Six Months Ended							% of
		September 28, 2024	September 30, 2023		$ Change		% Change		September 28, 2024
Statements of Operations Data:									
Total revenue									
Total revenue									
Total revenue									
Cost of goods sold									
Cost of goods sold									
Cost of goods sold		763	876	876	(113)	(113)	(12.9)	(12.9)	%
Gross profit	Gross profit	1,383	1,644	1,644	(261)	(261)	(15.9)	(15.9)	%
Selling, general and administrative expenses	Selling, general and administrative expenses	1,288	1,353	1,353	(65)	(65)	(4.8)	(4.8)	%
Depreciation and amortization	Depreciation and amortization	96	93	93	3	3	3.2	3.2	%

Impairment of assets	Impairment of assets	43	20		20	23		23	NM					NM
Restructuring and other expense (income)		2		(2)			4				NM			
Restructuring and other expense		—		3			(3)				NM			
Total operating expenses	Total operating expenses	1,429	1,464		1,464	(35)		(35)	(2.4)			(2.4)	%	
(Loss) income from operations	(Loss) income from operations	(46)	180		180	(226)		(226)	NM					NM
Interest (income) expense, net														
Interest (income) expense, net														
Interest (income) expense, net		(14)	11		11	(25)		(25)	NM					NM
Foreign currency (gain) loss		(12)		18			(30)				NM			
Foreign currency loss		11		16			(5)			(31.3)	%			
(Loss) income before income taxes	(Loss) income before income taxes	(20)	151		151	(171)		(171)	NM					NM
(Benefit) provision for income taxes	(Benefit) provision for income taxes	(31)	13		13	(44)		(44)	NM					NM
Net income														
Net (loss) income														
Less: Net income attributable to noncontrolling interest														
Less: Net income attributable to noncontrolling interest														
Less: Net income attributable to noncontrolling interest														
Net income attributable to Capri														
Net income attributable to Capri														
Net income attributable to Capri														
Net (loss) income attributable to Capri														
Net (loss) income attributable to Capri														
Net (loss) income attributable to Capri														

NM Not meaningful

Total Revenue

Total revenue decreased $374 million $540 million, or 14.8% 13.7%, to $2.146 billion $3.407 billion for the six nine months ended September 28, 2024 December 28, 2024, compared to $2.520 billion $3.947 billion for the six nine months ended September 30, 2023 December 30, 2023, which included net unfavorable foreign currency effects of approximately $13 million $17 million, as a result of the strengthening of the United States dollar compared to the Japanese Yen, Chinese Renminbi and Euro all major currencies in which we operate for the six nine months ended September 28, 2024 December 28, 2024. On a constant currency basis, our total revenue decreased $361 million $523 million, or 14.3% 13.3%. The decrease is primarily attributable to continuing macroeconomic headwinds resulting an overall slowdown in softening demand for luxury fashion goods globally, for fashion luxury goods impacting each as well as the result of our brands. certain strategic initiatives previously put in place at Versace and Michael Kors that did not perform as expected.

Six Months Ended		% Change	Nine Months Ended		% Change

(in millions)	(in millions)	September 28, 2024		September 30, 2023		$ Change		As Reported		Constant Currency	(in millions)	December 28, 2024		December 30, 2023		$ Change		
Versace	Versace	$ 420	$	$ 539	$	$(119)	(22.1)	(22.1)	%	(21.5)	% Versace	$ 613	$	$ 766	$	$(153)	(20.0)	
Jimmy Choo	Jimmy Choo	313	315	315	(2)	(2)	(0.6)	(0.6)%		—	% Jimmy Choo	472	481	481	(9)		(9)	
Michael Kors	Michael Kors	1,413	1,666	1,666	(253)	(253)	(15.2)	(15.2)%		(14.7)	% Michael Kors	2,322	2,700	2,700	(378)		(378)	(
Total revenue	**Total revenue**	$ 2,146	$	$ 2,520	$	$(374)	(14.8)	(14.8)	%	(14.3)	% **Total revenue**	$ 3,407	$	$ 3,947	$	$(540)	(13.7)	

- *Versace* revenues decreased $119 million $153 million, or 22.1% 20.0%, to $420 million $613 million for the six nine months ended September 28, 2024 December 28, 2024, compared to $539 million $766 million for the six nine months ended September 30, 2023 December 30, 2023, which included unfavorable foreign currency effects of $3 million. On a constant currency basis, revenue decreased $116 million $150 million, or 21.5% 19.6%, primarily due to softening demand globally for fashion luxury goods. goods along with Versace's recent efforts to reposition the brand to place a greater emphasis on luxury and craftsmanship.

- *Jimmy Choo* revenues decreased $2 million $9 million, or 0.6% 1.9%, to $313 million $472 million for the six nine months ended September 28, 2024 December 28, 2024, compared to $315 million $481 million for the six nine months ended September 30, 2023 December 30, 2023, which included unfavorable foreign currency effects of $2 million. On a constant currency basis, revenue was flat, decreased $7 million, or 1.5%, primarily attributable to lower revenues in Asia and the Americas partially offset by higher revenues in EMEA offset by lower revenues in Asia. EMEA.

- *Michael Kors* revenues decreased $253 million $378 million, or 15.2% 14.0%, to $1.413 billion $2.322 billion for the six nine months ended September 28, 2024 December 28, 2024, compared to $1.666 billion $2.700 billion for the six nine months ended September 30, 2023 December 30, 2023, which included unfavorable foreign currency effects of $8 million $12 million. On a constant currency basis, revenue decreased $245 million $366 million, or 14.7% 13.6%, primarily due to softening demand globally for fashion luxury goods. goods, as well as the result of certain strategic initiatives previously put in place at Michael Kors that did not perform as expected.

Gross Profit

Gross profit decreased $261 million $377 million, or 15.9% 14.7%, to $1.383 billion $2.195 billion for the six nine months ended September 28, 2024 December 28, 2024, compared to $1.644 billion $2.572 billion for the six nine months ended September 30, 2023 December 30, 2023, which included net unfavorable foreign currency effects of $6 million $7 million. Gross profit as a percentage of total revenue was 64.4% for the six nine months ended September 28, 2024 December 28, 2024, compared to 65.2% for the six nine months ended September 30, 2023 December 30, 2023. The decrease in gross profit margin primarily related to lower full price sell-throughs partially offset by favorable channel mix for the six nine months ended September 28, 2024 December 28, 2024, as compared to the six nine months ended September 30, 2023 December 30, 2023.

Total Operating Expenses

Total operating expenses decreased $35 million increased $561 million, or 2.4% 24.7%, to $1.429 billion $2.831 billion for the six nine months ended September 28, 2024 December 28, 2024, compared to $1.464 billion $2.270 billion for the six nine months ended September 30, 2023 December 30, 2023. Our operating expenses included a net favorable foreign currency impact of approximately $7 million $6 million. Total operating expenses increased to 66.6% 83.1% as a percentage of total revenue for the six nine months ended September 28, 2024 December 28, 2024, compared to 58.1% 57.5% for the six nine months ended September 30, 2023 December 30, 2023. The components that comprise total operating expenses are explained below.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased $65 million $134 million, or 4.8% 6.4%, to $1.288 billion $1.968 billion for the six nine months ended September 28, 2024 December 28, 2024, compared to $1.353 billion $2.102 billion for the six nine months ended September 30, 2023 December 30, 2023, primarily due to the timing of marketing spend in the prior year, particularly related to the timing of the Versace fall fashion show, decreased retail store costs and decreased unallocated corporate expenses.

As a percentage of total revenue, selling, general and administrative expenses increased to 60.0% 57.8% for the six nine months ended September 28, 2024 December 28, 2024, compared to 53.7% 53.3% for the six nine months ended September 30, 2023 December 30, 2023, primarily due to deleveraging of expenses on lower revenues for the six nine months ended September 28, 2024 December 28, 2024.

Unallocated corporate expenses, which are included within selling, general and administrative expenses discussed above, but are not directly attributable to a reportable segment, decreased $15 million $32 million, or 10.6% 15.2%, to $127 million $178 million for the six nine months ended September 28, 2024 December 28, 2024 as compared to $142 million $210 million for the six nine months ended September 30, 2023 December 30, 2023, primarily due to a decrease in professional fees and information technology costs related to certain Capri transformation projects which are now complete.

Impairment of Assets

For the six nine months ended September 28, 2024 December 28, 2024, we recognized asset impairment charges of $43 million $718 million primarily related to the impairment of the Jimmy Choo Wholesale and Versace Retail and Wholesale reporting units' goodwill and Versace and Jimmy Choo brand intangible assets as well as operating lease right-of-use assets at certain Versace and Michael Kors store locations. For the six nine months ended September 30, 2023 December 30, 2023, we recognized asset impairment charges of $20 million $26 million primarily related to operating lease right-of-use assets at certain Versace and Michael Kors store locations. See Note 12 to the accompanying consolidated financial statements for additional information.

Restructuring and Other Expense (Income)

During the six nine months ended September 28, 2024 December 28, 2024, we recorded expenses immaterial net restructuring and other expense which was the result of $2 million, primarily related to gains on lease termination terminations fully offset by severance and store closure costs. During the six nine months ended September 30, 2023 December 30, 2023, we recorded other income expense of $2 million $3 million, primarily related to expenses related to equity awards associated with the acquisition of Versace and severance for certain employees, partially offset by a $10 million gain on the sale of a long-lived corporate asset, partially offset by expenses related to equity awards issued in connection with the acquisition of Versace. asset. See Note 9 to the accompanying consolidated financial statements for additional information.

Restructuring and other expense is not evaluated as part of our reportable segments' results (see Segment Information above for additional information).

(Loss) Income from Operations

As a result, of the foregoing, loss from operations was $46 million $636 million for the six nine months ended September 28, 2024 December 28, 2024, compared to income from operations of $180 million $302 million for the six nine months ended September 30, 2023 December 30, 2023. Loss from operations as a percentage of total revenue was 2.1% 18.7% for the six nine months ended September 28, 2024 December 28, 2024, compared to income from operations of 7.1% 7.7% for the six nine months ended September 30, 2023 December 30, 2023. See *Segment Information* above for a reconciliation of our segment operating income to total operating (loss) income.

(in millions)

(in millions)

(in millions)	September 28, 2024	September 30, 2023	$ Change	% Change	December 28, 2024	December 30, 2023	$ Change	% Change
Income (loss) from operations:								
Versace								
Versace								
Versace	$ (20) $	$ 38 $	$ (58)	NM NM	$ (41)	$ $ 24	$ $ (65)	NM
Jimmy Choo	Jimmy Choo (1)	7 7	(8) (8)	NM NM	Jimmy Choo (7)	11 11	(18)	(1
Michael Kors	Michael Kors 162	299 299	(137) (137)	(45.8) (45.8) %	Michael Kors 309	518 518	(209)	(209)
Total segment income from operations	**Total segment income from operations** $ 141 $	$ 344 $	$ (203)	(59.0) (59.0) %	**Total segment income from operations** $ 261 $	$ 553 $	$ (292)	(52.8)
Operating Margin:								
Versace								
Versace								
Versace								
Jimmy Choo								
Jimmy Choo								
Jimmy Choo								
Michael Kors								
Michael Kors								
Michael Kors								

NM Not meaningful

- *Versace* recorded a loss from operations of $20 $41 million for the six nine months ended September 28, 2024 December 28, 2024, compared to income of $38 $24 million for the six nine months ended September 30, 2023 December 30, 2023. Operating margin decreased from 7.1% 3.1% for the six nine months ended September 30, 2023 December 30, 2023, to an operating loss of 4.8% 6.7% for the six nine months ended September 28, 2024 December 28, 2024, primarily due to deleveraging of operating expenses on lower revenues partially offset by decreased lower marketing expenses compared to the prior year as noted above.

- *Jimmy Choo* recorded a loss from operations of $1 million $7 million for the six nine months ended September 28, 2024 December 28, 2024, compared to income of $7 million $11 million for the six nine months ended September 30, 2023 December 30, 2023. Operating margin decreased from 2.2% 2.3% for the six nine months ended September 30, 2023 December 30, 2023, to an operating loss of 0.3% 1.5% for the six nine months ended September 28, 2024 December 28, 2024, primarily due to lower full price sell-throughs compared to the prior year and increased retail store costs.

- *Michael Kors* recorded income from operations of $162 million $309 million for the six nine months ended September 28, 2024 December 28, 2024, compared to $299 million $518 million for the six nine months ended September 30, 2023 December 30, 2023. Operating margin decreased from 17.9% 19.2% for the six nine months ended September 30, 2023 December 30, 2023, to 11.5% 13.3% for the six nine months ended September 28, 2024 December 28, 2024, primarily due to deleveraging of operating expenses on lower revenues compared to the prior year. year partially offset by lower retail store and marketing expenses.

Interest (Income) Expense, net

We recognized $14 million $22 million of interest income for the six nine months ended September 28, 2024 December 28, 2024 compared to $11 million $12 million of interest expense for the six nine months ended September 30, 2023 December 30, 2023. The $25 million $34 million improvement in interest (income) expense, net, is primarily due to higher interest income from our net investment hedges and lower average borrowings and effective interest rates on our outstanding debt (see Note 10 and Note 13 to the accompanying consolidated financial statements for additional information).

Foreign Currency (Gain) Loss

For the six nine months ended September 28, 2024, we recognized a net foreign currency gain of $12 million, primarily attributable to the remeasurement of intercompany transactions with certain of our subsidiaries. For the six months ended September 30, 2023 December 28, 2024 and December 30, 2023, we recognized a net foreign currency loss of $18 million $11 million and $16 million, respectively, primarily attributable to the remeasurement of intercompany transactions with certain of our subsidiaries.

(Benefit) Provision for Income Taxes

The benefit for income taxes was $31 million $90 million on a pre-tax loss of $20 million $625 million for the six nine months ended September 28, 2024 December 28, 2024, compared to a provision of $13 million $31 million on pre-tax income of $151 million $274 million for the six nine months ended September 30, 2023 December 30, 2023. Our effective tax rate for the six nine months ended September 28, 2024 December 28, 2024 compared to our effective tax rate for the six nine months ended September 30, 2023 December 30, 2023 is not a meaningful metric due to the pre-tax loss in the current year and pre-tax income for the prior year. Our effective tax rate differs from the U.K. federal statutory rate of 25% primarily related to the release impact of $29 million the non-deductible goodwill impairment charges recorded partially offset by unfavorable geographic mix of an uncertain tax provision related earnings and the unfavorable impact of global financing activities due to Italian share-based compensation tax deductions as a result of a recently issued, favorable tax ruling. net loss for the nine months ended December 28, 2024.

Our effective tax rate may fluctuate from time to time due to the effects of changes in United States federal, state and local taxes and tax rates in foreign jurisdictions. In addition, factors such as the geographic mix of earnings, enacted tax legislation and the results of various global tax strategies, may also impact our effective tax rate in future periods.

On August 6, 2024 January 10, 2025, the United States Treasury and the IRS released proposed issued final regulations that address several long-standing issues related to dual consolidated losses and introduce new rules for disregarded payment losses. If finalized as proposed, the The changes related to disregarded payment losses could impact how we utilize certain deductions and losses to offset our U.S. income as part of our global financing activities. As a result, this could increase our effective tax rate activities beginning in Fiscal 2026 and beyond. 2027. We will continue to evaluate its impact as further information becomes available.

Net (Loss) Income Attributable to Capri

As a result of the foregoing, our net income decreased $128 million to $10 million loss was $537 million for the six nine months ended September 28, 2024 December 28, 2024, compared to $138 million net income of $243 million for the six nine months ended September 30, 2023 December 30, 2023.

Liquidity and Capital Resources

Liquidity

Our primary sources of liquidity are the cash flows generated from our operations, along with borrowings available under our credit facilities (see below discussion regarding "Revolving Credit Facilities") and available cash and cash equivalents. Our primary use of this liquidity is to fund the ongoing cash requirements, including our working capital needs and capital investments in our business, debt repayments, acquisitions, returns of capital, including share repurchases and other corporate activities. We believe that the cash generated from our operations, together with borrowings available under our revolving credit facilities and 364 Day Term Loan and available cash and cash equivalents, will be sufficient to meet our working capital needs for the next 12 months and beyond, including investments made and expenses incurred in connection with our store opening and renovation plans, investments in corporate and distribution facilities, continued IT system development, e-commerce and marketing initiatives. We spent $70 million $101 million on capital expenditures during the six nine months ended September 28, 2024 December 28, 2024.

The Capri transformation program represents a multi-year, multi-project initiative extending through Fiscal 2026 intended to improve the operating effectiveness and efficiency of our organization by creating best in class shared platforms across our brands and by expanding our digital capabilities. These initiatives cover multiple aspects of our operations including supply chain, marketing, omni-channel customer experience, e-commerce, data analytics and IT infrastructure. During Fiscal 2024, the remaining operational and IT transformation projects were paused and we will reassess this program, along with related timing, during Fiscal 2025. 2026.

The following table sets forth key indicators of our liquidity and capital resources (in millions):

	As of		As of	
	September 28, 2024	March 30, 2024	December 28, 2024	March 30, 2024
Balance Sheet Data:				
Cash and cash equivalents				
Cash and cash equivalents				

Cash and cash equivalents
Working capital
Total assets
Short-term debt
Long-term debt

	Six Months Ended	
	September 28, 2024	September 30, 2023
	Nine Months Ended	
	December 28, 2024	December 30, 2023
Cash Flows Provided by (Used In):		
Operating activities		
Operating activities		
Operating activities		
Investing activities		
Financing activities		
Effect of exchange rate changes		
Net decrease in cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents		

Cash Provided by (used in) Operating Activities

Net cash provided by operating activities was $133 million $442 million during the six nine months ended September 28, 2024 December 28, 2024, as compared to net cash used provided by in operating activities of $97 million $265 million for the six nine months ended September 30, 2023 December 30, 2023. The increase in net cash provided by operating activities were was primarily attributable to a more favorable working capital position in the current year including timing of payments due to improved management of Accounts Payable and Accounts Receivable positions, in the current year, partially offset by a decrease in our net income after non-cash adjustments.

Cash Used in Investing Activities

Net cash used in investing activities was $79 million $68 million during the six nine months ended September 28, 2024 December 28, 2024, as compared to net cash used in investing activities of $90 million $139 million during the six nine months ended September 30, 2023 December 30, 2023. The decrease in net cash used in investing activities were was primarily attributable the receipt of $42 million related to the settlement of certain net investment hedges and lower capital expenditures of $20 $38 million, partially offset by $9 million of acquisition related payments compared to prior year.

Cash (Used in) Provided by Used in Financing Activities

Net cash used in financing activities was $67 million $212 million during the six nine months ended September 28, 2024 December 28, 2024, as compared to net cash provided by used in financing activities of $198 million $116 million during the six nine months ended September 30, 2023 December 30, 2023. The increase in cash used by financing activities of $265 million $96 million was primarily attributable to lower net higher debt borrowings repayments of $364 million $196 million partially offset by a decrease in cash payments used to repurchase our ordinary shares of $102 million $103 million compared to prior year.

Debt Facilities

The following table presents a summary of our borrowing capacity and amounts outstanding as of September 28, 2024 December 28, 2024 and March 30, 2024 (in millions):

	As of	
	September 28, 2024	March 30, 2024
	December 28, 2024	March 30, 2024
Senior Unsecured Revolving Credit Facility:		
Revolving Credit Facility (excluding up to a $500 million accordion feature) *(1)*		
Revolving Credit Facility (excluding up to a $500 million accordion feature) *(1)*		
Revolving Credit Facility (excluding up to a $500 million accordion feature) *(1)*		
Total availability		
Total availability		
Total availability		

Borrowings outstanding (2)
Letter of credit outstanding
Remaining availability
364 Day Term Loan ($450 million) (1) (3)
364 Day Term Loan ($450 million) (1) (3)
364 Day Term Loan ($450 million) (1) (3)
Total availability
Total availability
Total availability
Remaining availability
Borrowings outstanding, net of debt issuance costs (1)
Borrowings outstanding, net of debt issuance costs (1)
Borrowings outstanding, net of debt issuance costs (1)
Versace Term Loan (450 Million Euro)
Versace Term Loan (450 Million Euro)
Versace Term Loan (450 Million Euro)
Borrowings outstanding, net of debt issuance costs (3)
Borrowings outstanding, net of debt issuance costs (3)
Borrowings outstanding, net of debt issuance costs (3)
Senior Notes due 2024
Senior Notes due 2024
Senior Notes due 2024
Borrowings outstanding, net of debt issuance costs and discount amortization (2)
Borrowings outstanding, net of debt issuance costs and discount amortization (2)
Borrowings outstanding, net of debt issuance costs and discount amortization (2)
Versace Term Loan (450 Million Euro) (3)
Versace Term Loan (450 Million Euro) (3)
Versace Term Loan (450 Million Euro) (3)
Borrowings outstanding, net of debt issuance costs (4)
Borrowings outstanding, net of debt issuance costs (4)
Borrowings outstanding, net of debt issuance costs (4)
Senior Notes due 2024 (3)
Senior Notes due 2024 (3)
Senior Notes due 2024 (3)
Borrowings outstanding, net of debt issuance costs and discount amortization
Borrowings outstanding, net of debt issuance costs and discount amortization
Borrowings outstanding, net of debt issuance costs and discount amortization
Other Borrowings (4)
Other Borrowings (4)
Other Borrowings (4)
Hong Kong Uncommitted Credit Facility:
Hong Kong Uncommitted Credit Facility:
Hong Kong Uncommitted Credit Facility:
Total availability (70 million Hong Kong Dollars) (5)
Total availability (70 million Hong Kong Dollars) (5)
Total availability (70 million Hong Kong Dollars) (5)
Total availability (70 million Hong Kong Dollars) (6)
Total availability (70 million Hong Kong Dollars) (6)
Total availability (70 million Hong Kong Dollars) (6)
Borrowings outstanding
Borrowings outstanding

Borrowings outstanding
Remaining availability (70 million Hong Kong Dollars)
China Uncommitted Credit Facility:
China Uncommitted Credit Facility:
China Uncommitted Credit Facility:
Total availability (75 million Chinese Yuan) (5)
Total availability (75 million Chinese Yuan) (5)
Total availability (75 million Chinese Yuan) (5)
Total availability (75 million Chinese Yuan) (6)
Total availability (75 million Chinese Yuan) (6)
Total availability (75 million Chinese Yuan) (6)
Borrowings outstanding
Total and remaining availability (75 million Chinese Yuan)
Japan Credit Facility:
Japan Credit Facility:
Japan Credit Facility:
Total availability (1.0 billion Japanese Yen)
Total availability (1.0 billion Japanese Yen)
Total availability (1.0 billion Japanese Yen)
Borrowings outstanding
Remaining availability (1.0 billion Japanese Yen)
Versace Uncommitted Credit Facilities:
Versace Uncommitted Credit Facilities:
Versace Uncommitted Credit Facilities:
Total availability (40 million Euro) (5)
Total availability (40 million Euro) (5)
Total availability (40 million Euro) (5)
Total availability (40 million Euro) (6)
Total availability (40 million Euro) (6)
Total availability (40 million Euro) (6)
Borrowings outstanding
Remaining availability (40 million Euro)
Total borrowings outstanding (1)
Total borrowings outstanding (1)
Total borrowings outstanding (1)
Total remaining availability

(1) The financial covenant in our 2022 Credit Facility requires us to comply with the quarterly maximum net leverage ratio test of 4.00 to 1.0. As of September 28, 2024 December 28, 2024 and March 30, 2024, we were in compliance with all covenants related to the agreements then in effect governing our debt. On August 23, 2024, we entered into a first incremental term loan amendment to provide for a $450 million 364 Day Term Loan which utilized the $500 million accordion feature. The $500 million accordion feature was fully available to us as of March 30, 2024. See Note 10 and Note 18 to the accompanying consolidated financial statements for additional information.

(2) As of September 28, 2024 December 28, 2024 and March 30, 2024, all amounts are recorded as long-term debt on our consolidated balance sheets, besides the Senior Notes, due in November 2024, which are recorded within short-term debt on our consolidated balance sheets as of September 28, 2024 March 30, 2024.

(3) During the third quarter of Fiscal 2025, we fully utilized our 364 Day Term Loan to repay our $450 million Senior Notes due in November 2024. The 364 Day Term Loan was recorded within long-term debt on our consolidated balance sheets as of December 28, 2024 as it was refinanced as part of the amended and restated revolving credit facility and new term loans entered into on February 4, 2025. See Note 18 to the accompanying consolidated financial statements for additional information.

(4) On December 5, 2022, Gianni Versace S.r.l., our wholly owned subsidiary, entered into a credit facility, which provides a senior unsecured term loan in an aggregate principal amount of €450 million. As of September 28, 2024 December 28, 2024, all amounts are recorded within long-term debt on our consolidated balance sheets, as it was refinanced as part of the amended and restated revolving credit facility and new term loans entered into on February 4, 2025. See Note 18 to the accompanying consolidated financial statements for additional information. As of March 30, 2024, all amounts are recorded as long-term debt on our consolidated balance sheets.

(4) (5) The balance as of September 28, 2024 December 28, 2024 consists of $20 million $25 million related to our supplier financing program recorded within short-term debt on our consolidated balance sheets, $11 million $9 million related to the sale of certain Versace tax receivables, with $1 million and $10 million, respectively, recorded

within short-term debt and long-term debt on our consolidated balance sheets and $7 million of other loans recorded as long-term debt on our consolidated balance sheets. The balance as of March 30, 2024 consists of $11 million related to our supplier finance program recorded within short-term debt on our consolidated balance sheets, $11 million related to the sale of certain Versace tax receivables, with $1 million and $10 million recorded within short-term debt and long-term debt, respectively, and $2 million of other loans recorded as long-term debt on our consolidated balance sheets.

(5) (6) The balance as of September 28, 2024 December 28, 2024 and March 30, 2024 represents the total availability of the credit facility, which excludes bank guarantees.

We believe that our 2022 Credit Facility is adequately diversified with no undue concentration in any one financial institution. As of September 28, 2024 December 28, 2024, there were 17 financial institutions participating in the facility, with none maintaining a maximum commitment percentage in excess of 10%. We have no reason to believe that the participating institutions will be unable to fulfill their obligations to provide financing in accordance with the terms of the 2022 Credit Facility.

See Note 10 in the accompanying financial statements and Note 12 in our Fiscal 2024 Annual Report on Form 10-K for detailed information relating to our credit facilities and debt obligations.

Share Repurchase Program

The following table presents our treasury share repurchases during the six nine months ended September 28, 2024 December 28, 2024 and September 30, 2023 December 30, 2023 (dollars in millions):

	Six Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	December 28, 2024	December 30, 2023
Cost of shares repurchased under share repurchase program				
Fair value of shares withheld to cover tax obligations for vested restricted share awards				
Total cost of treasury shares repurchased				
Shares repurchased under share repurchase program				
Shares repurchased under share repurchase program				
Shares repurchased under share repurchase program				
Shares withheld to cover tax withholding obligations				
	105,470			
	117,710			

On November 9, 2022, we announced our Board of Directors approved a two-year share repurchase program (the “Existing Share Repurchase Plan”) to purchase up to $1.0 billion of our outstanding ordinary shares, providing additional capacity to return cash to shareholders over the longer term. As of September 28, 2024, the remaining availability under the Existing Share Repurchase Plan was $300 million.

shares. Share repurchases may be made in open market or privately negotiated transactions and/or pursuant to Rule 10b5-1 trading plans, subject to market conditions, applicable legal requirements, trading restrictions under our the Company’s insider trading policy and other relevant factors; however, factors. However, pursuant to the terms of the Merger Agreement, and subject to certain limited exceptions, we may not repurchase its were prohibited from repurchasing our ordinary shares other than the acceptance of our ordinary shares as payment of the exercise price of our options or for withholding taxes in with respect of our equity awards. Accordingly, we did not repurchase any of our ordinary shares since entering into during the pendency of the Merger Agreement pursuant to the Existing Share Repurchase Plan, and we do not expect to repurchase any of our ordinary shares in connection with the Plan. The Existing Share Repurchase Plan prior to the Merger or earlier termination of the Merger Agreement. expired on November 9, 2024.

Contractual Obligations and Commercial Commitments

Please refer to the “Contractual Obligations and Commercial Commitments” disclosure within the “Liquidity and Capital Resources” section of our Fiscal 2024 Form 10-K for a detailed disclosure of our other contractual obligations and commitments as of March 30, 2024.

Off-Balance Sheet Arrangements

We have not created, and are not party to, any special-purpose or off-balance sheet entities for the purpose of raising capital, incurring debt or operating our business. Our off-balance sheet commitments relating to our outstanding letters of credit were $30 $29 million at September 28, 2024 December 28, 2024, including $28 million in letters of credit issued outside of the 2022 Credit Facility. In addition, as of September 28, 2024 December 28, 2024, bank guarantees of approximately $40 million $38 million were supported by our various credit facilities. We do not have any other off-balance sheet arrangements or relationships with entities that are not consolidated into our financial statements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

Recent Accounting Pronouncements

See Note 3 to the accompanying interim consolidated financial statements for recently issued accounting standards, which may have an impact on our financial statements and/or disclosures upon adoption.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks during the normal course of our business, such as credit risk arising from fluctuations in foreign currency exchange rates, as well as fluctuations in interest rates. In order to manage these risks, we employ certain strategies to mitigate the effect of these fluctuations. We may enter into foreign currency forward contracts, net investment hedges, fair value hedges and interest rate swaps to manage our foreign currency exposure to the fluctuations of certain foreign currencies. We do not use derivatives for trading or speculative purposes.

Foreign Currency Exchange Risk

Forward Foreign Currency Exchange Contracts

We are exposed to risks on certain purchase commitments to foreign suppliers based on the value of our purchasing subsidiaries' local currency relative to the currency requirement of the supplier on the date of the commitment. As such, we may enter into forward foreign currency exchange contracts that generally mature in 12 months or less and are consistent with the related purchase commitments to manage our exposure to the changes in the value of the Euro and the Canadian Dollar. These contracts are recorded at fair value on our consolidated balance sheets as either an asset or liability and are derivative contracts to hedge cash flow risks. Certain of these contracts are designated as hedges for hedge accounting purposes, while certain of these contracts are not designated as hedges for accounting purposes. Accordingly, the changes in the fair value of the majority of these contracts at the balance sheet date are recorded in equity as a component of accumulated other comprehensive income and upon maturity (settlement) are recorded in, or reclassified into our cost of goods sold, or operating expenses, in our consolidated statements of operations and comprehensive (loss) income as when the applicable to the transactions for which the forward foreign currency exchange contracts were established. established impact earnings.

There were no forward foreign currency exchange contracts outstanding as of September 28, 2024 December 28, 2024.

Net Investment Hedges

We are exposed to adverse risks related to foreign currency exchange rate movements related to on our net investment hedges. investments in foreign operations due to the volatility in the exchange rates between different functional currencies. As of September 28, 2024 December 28, 2024, we have multiple fixed to fixed cross-currency swap agreements with aggregate notional amounts of $2.95 billion to hedge our net investment in CHF denominated subsidiaries against future volatility in the exchange rates between the United States dollar and CHF. Under the terms of these contracts, we will exchange the monthly and semi-annual fixed rate payments on United States notional amounts for fixed rate payments of 0% in CHF. Based on the net investment hedges outstanding as of September 28, 2024 December 28, 2024, a 10% appreciation or devaluation of the United States dollar compared to the level of foreign currency exchange rates for currencies under contract as of September 28, 2024 December 28, 2024, would result in a net increase or decrease, respectively, of approximately $322 $303 million in the fair value of these contracts. These contracts have maturity dates between July 2025 and October 2030.

As of September 28, 2024, we have multiple float-to-float cross-currency swap agreements with aggregate notional amounts of $1 billion to hedge our net investment in Euro denominated subsidiaries against future volatility in the exchange rates between the United States dollar and Euro. We will exchange Euro floating rate payments based on EURIBOR for the United States dollar floating rate amounts based on SOFR CME Term over the life of the agreement. The fixed rate component of semi-annual Euro payments range from 1.149% to 1.215%. Based on the net investment hedges outstanding as of September 28, 2024, a 10% appreciation or devaluation of the United States dollar compared to the level of foreign currency exchange rates for currencies under contract as of September 28, 2024, would result in a net increase or decrease, respectively, of approximately $110 million in the fair value of these contracts. These contracts have maturity dates between May 2028 and August 2030.

As of September 28, 2024 December 28, 2024, we have multiple fixed to fixed cross-currency swap agreements with aggregate notional amounts of $1.384 $2.384 billion to hedge our net investment in Euro denominated subsidiaries against future volatility in the exchange rates between the United States dollar and Euro. Under the terms of these contracts, we will exchange the monthly and semi-annual fixed rate payments on United States dollar notional amounts for fixed rate payments of 0% in Euros. Based on the net investment hedges outstanding as of September 28, 2024 December 28, 2024, a 10% appreciation or devaluation of the United States dollar compared to the level of foreign currency exchange rates for currencies under contract as of September 28, 2024 December 28, 2024, would result in a net increase or decrease, respectively, of approximately $132 $213 million in the fair value of these contracts. These contracts have maturity dates between January 2027 and July 2031.

Interest Rate Risk

We are exposed to interest rate risk related to borrowings outstanding under our 2022 Credit Facility, 364 Day Term Loan and our Versace Term Loan. Our 2022 Credit Facility and 364 Day Term Loan carries interest rates that are tied to the prime rate and other institutional lending rates

(depending (depending on the particular origination of borrowing), as further described in Note 10 to the accompanying consolidated financial statements. Our Versace Term Loan carries interest rates that are tied to EURIBOR. Our Hong Kong Credit Facility carries interest at a rate that is tied to the Hong Kong Interbank Offered Rate. Our China Credit Facility carries interest at a rate that is tied to the People's Bank of China's Benchmark lending rate. Our Japan Credit Facility carries interest at a rate posted by the Mitsubishi UFJ Financial Group. Our Uncommitted Versace Credit Facilities carries interest at a rate set by the bank on the date of borrowing that is tied to the European Central Bank.

As part of our strategy to limit exposure to interest rate risk, we entered into multiple interest rate swaps with aggregate notional amounts of €800 million, of which €500 million was related to the Company's revolving credit facility expiring July

2027 and €300 million was related to the Company's Versace Term Loan expiring December 2025. The swap was designated as a cash flow hedge designed to mitigate the impact of adverse interest rate fluctuations for a portion of our variable-rate debt equal to the notional amount of the swap. Therefore, our consolidated statements of operations and comprehensive (loss) income and cash flows are exposed to changes in those interest rates. At September 28, 2024 December 28, 2024, we had $719 $521 million borrowings outstanding under our 2022 Credit Facility, and $501 $449 million outstanding, net of debt issuance costs, deferred financing fees, under our 364 Day Term Loan and $469 million outstanding, net of deferred financing fees, under our Versace Term Loan.

At March 30, 2024, we had $764 million borrowings outstanding under our 2022 Credit Facility and $485 million, outstanding, net of debt issuance costs, under our Versace Term Loan. These balances are not indicative of future balances that may be outstanding under our revolving credit facilities that may be subject to fluctuations in interest rates. Any increases in the applicable interest rates would cause an increase to the interest expense relative to any outstanding balance at that date.

Credit Risk

As of September 28, 2024, our $450 million Senior Notes, due in November 2024, bear interest at a fixed rate equal to 4.250% per year, payable semi-annually. Our Senior Notes interest rate payable may be subject to adjustments from time to time if either Moody's or S&P (or a substitute rating agency), downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the Senior Notes. See Note 18 to the accompanying consolidated financial statements for additional information.

On an overall basis, our exposure to market risk has not significantly changed from what we reported in our Annual Report on Form 10-K. Macroeconomic conditions and inflationary pressures continue to present new and emerging uncertainty to the financial markets. See Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 30, 2024 for additional information.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities and Exchange Act of 1934 (the "Exchange Act")) as of September 28, 2024 December 28, 2024. This evaluation was performed based on the criteria set forth in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the 2013 Framework. Based on this assessment, our CEO and CFO concluded that our disclosure controls and procedures as of September 28, 2024 December 28, 2024 are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms, and is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

Except as discussed below, there have been no changes in our internal control over financial reporting during the three months ended September 28, 2024 December 28, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

We are currently undertaking a major, multi-year ERP implementation to upgrade our information technology platforms and systems worldwide. The implementation is occurring in phases over several years. We have launched the finance functionality of the ERP system in certain regions starting in Fiscal 2023 and which has continued in Fiscal 2025.

As a result of this multi-year implementation, we expect certain changes to our processes and procedures, which in turn, could result in changes to our internal control over financial reporting. While we expect this implementation to strengthen our internal control over financial reporting by automating certain manual processes and standardizing business processes and reporting across our organization, we will continue to evaluate and monitor our internal control over financial reporting as processes and procedures in the affected areas evolve. See Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 30, 2024 for additional information.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Ordinary Course Litigation

We are involved in various routine legal proceedings incident to the ordinary course of our business. We believe that the outcome of all pending legal proceedings, in the aggregate, will not have a material adverse effect on our business, results of operations and financial condition.

Merger-Related Litigation

Shareholder Complaints. In connection with the Merger Agreement, a number of complaints have been were filed in federal and state court as individual actions, which we refer to collectively as the "Complaints". The Complaints allege alleged that the preliminary proxy statement filed by Capri on September 8, 2023 in connection with the Merger Agreement (the "Preliminary Proxy") or the definitive proxy statement filed by Capri on September 20, 2023 (the "Definitive Proxy," and together with the Preliminary Proxy, the "Merger Proxy"), as applicable, misrepresents misrepresented and/or omits omitted certain purportedly material information. The Complaints also assert asserted violations of Sections 14(a) and 20(a) of the U.S. Securities Exchange Act of 1934, as amended, and Rule 14a-9 promulgated thereunder against Capri and the Board of Directors. The Complaints seek, among other things: (i) an injunction enjoining the consummation of the Merger and the other transactions contemplated by the Merger Agreement; (ii) rescission or rescissory damages in the event the Merger and the other transactions contemplated by the Merger Agreement are consummated; (iii) direction that defendants account for all damages suffered as a result of any wrongdoing; (iv) costs of the action, including plaintiffs' attorneys' and expert fees and expenses; and (v) other relief the court may deem just and proper. In addition to the Complaints, purported shareholders of Capri have sent demand letters (which we refer to as the "Demands," and together with the Complaints, the "Matters") alleging similar deficiencies regarding the disclosures made in the Merger Proxy. However, in order to avoid the risk that the Matters delay delayed or otherwise adversely affect affected the Merger, and to minimize the costs, risks and uncertainties inherent in litigation, and without admitting any liability or wrongdoing, Capri provided supplemental disclosures to the Merger Proxy in Capri's Current Report on Form 8-K, filed with the SEC on October 17, 2023. All of these Complaints have been dismissed. Capri management believes that the Matters are without merit. merit and that in light of the fact that the merger agreement has been terminated should be moot. Capri cannot provide assurance regarding the outcomes of the Matters and may be subject to additional demands or filed actions. If additional similar complaints or demands are filed or sent, absent new or significantly different allegations, Capri will not necessarily disclose such additional filings or demands.

Federal Trade Commission Lawsuit. As previously disclosed, on August 10, 2023, the Company we entered into an Agreement and Plan of Merger by and among Tapestry, Sunrise Merger Sub, Inc., a direct wholly owned subsidiary of Tapestry and Capri, pursuant to which, among other things, Merger Sub will merge would have merged with and into Capri with Capri surviving the Merger and continuing as a wholly owned subsidiary of Tapestry. The Merger has had been approved by the boards of directors of Capri and Tapestry and by the shareholders of Capri. Completion of the Merger is was subject to, among other customary conditions, the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The Company has 1976, as amended. We received regulatory approval from all countries except for the United States. In connection with the Merger, on April 22, 2024, the U.S. FTC filed a lawsuit in the District Court against Tapestry and us seeking to block the Merger, claiming that the Merger would violate Section 7 of the Clayton Act and that the Merger Agreement and the Merger constitute unfair methods of competition in violation of Section 5 of the Federal Trade

Commission Act and should be enjoined. The preliminary injunction hearing concluded in September 2024, and on October 24, 2024, the District Court granted the FTC's motion for a preliminary injunction to enjoin the Merger pending the completion of the FTC's in-house administrative proceeding which is currently expected to begin on December 9, 2024. proceeding.

On October 28, 2024, Tapestry and Capri jointly filed a notice of appeal to the U.S. Court of Appeals for the Second Circuit (the “Second Circuit”). On November 13, 2024, the Parties entered into a Termination Agreement (the “Termination Agreement”), pursuant to which the Parties agreed to terminate the Merger Agreement, effective immediately. In connection with the termination, consistent with the Merger Agreement, Tapestry agreed to reimburse the Company approximately $45 million in cash for certain expenses on November 14, 2024. The Parties also agreed to release each other and their related parties from any and all liability, claims, rights, actions, causes of action, suits, liens, obligations, accounts, debts, demands, agreements, promises, liabilities, controversies, costs, charges, damages, expenses and fees (including attorney’s, financial advisor’s or other fees) in connection with, arising out of or related to the Merger Agreement or the transactions contemplated therein or thereby. On November 15, 2024, Capri and Tapestry stipulated to the dismissal of the appeal to the Second Circuit. On December 4, 2024, the FTC’s in-house administrative proceeding was dismissed without prejudice.

Securities Claims. On December 23, 2024 and January 28, 2025, two purported shareholders of Capri filed putative class action complaints in the United States District Court for the District of Delaware against Capri, Tapestry and certain of their officers (including John D. Idol, our Chairman and Chief Executive Officer, and Thomas J. Edwards, Jr., our Chief Financial and Chief Operating Officer) alleging violations of the federal securities laws based on public statements relating to the previously terminated merger between Capri and Tapestry (“the Federal Securities Law Complaints”). The parties Federal Securities Law Complaints seek to bring federal securities claims on behalf of a class of all persons who purchased Capri stock and sold Capri puts between August 10, 2023 and October 24, 2024. We may incur substantial costs defending these Federal Securities

Law Complaints (or other similar actions), and we cannot provide assurance regarding the outcome of these Federal Securities Law Complaints or any similar matters. An unfavorable judgment or ruling could result in substantial liability. We may also be subject to additional demands or filed actions. Our potential liability to shareholders for federal securities claims or other matters related to the previously terminated Merger may be covered in part by our insurance policies, but we may not be successful on appeal and the appeal may not be heard on a timely basis or at all. If the Merger is unable always have adequate insurance to be consummated, there can be no assurance that any other transaction acceptable to us will be offered and our business, prospects and/or results of operations may be adversely affected. defend all claims.

ITEM 1A. RISK FACTORS

There are no material changes from the The risk factors previously disclosed in Part I, Item IA. Risk Factors, included in our Annual Report on Form 10-K for the fiscal year ended March 30, 2024 under the heading "Risk Factors" are updated to include the following:

Risks Relating to the Terminated Merger with Tapestry

Our inability to execute on our standalone business strategies following the termination of the Merger Agreement could have a material adverse effect on our business, results of operations and financial condition.

The uncertainties and restrictions on our business during the pendency of the Merger limited us from pursuing certain business opportunities and taking certain actions. The long-term growth of our business depends on the successful execution of our strategic initiatives. Our achievement of revenue and profitability growth will depend largely upon our ability to offer trendsetting and innovative products, increase brand engagement, and optimize customer experience. We cannot assure you that we can execute successfully any of these actions or deliver growth and profitability for our brands. If we are unable to successfully execute our business strategies, our business, results of operations and financial condition could be materially adversely affected.

We are subject to shareholder litigation relating to the terminated Merger.

On December 23, 2024 and January 28, 2025, two purported shareholders of Capri filed putative class action complaints in the United States District Court for the District of Delaware against Capri, Tapestry and certain of their officers (including John D. Idol, our Chairman and Chief Executive Officer, and Thomas J. Edwards, Jr., our Chief Financial and Chief Operating Officer) alleging violations of the federal securities laws based on public statements relating to the previously terminated merger between Capri and Tapestry. The Federal Securities Law Complaints seek to bring federal securities claims on behalf of a class of all persons who purchased Capri stock and sold Capri puts between August 10, 2023 and October 24, 2024. We may incur substantial costs defending these Federal Securities Law Complaints (or other similar actions), and we cannot provide assurance regarding the outcome of these Federal Securities Law Complaints or any similar matters. An unfavorable judgment or ruling could result in substantial liability. We may also be subject to additional demands or filed actions. Our potential liability to shareholders for federal securities claims or other matters related to the previously terminated Merger may be covered in part by our insurance policies, but we may not always have adequate insurance to defend all claims.

Risks Related to Our Business

We may incur significant goodwill and/or intangible asset impairment charges with respect to one or more of our brands which could have a material adverse impact on our results of operations and financial condition.

If the carrying value of the reporting units for one or more of our brands exceeds the related fair value we are required to record impairment charges for the difference, and those impairment charges could be significant. During the third quarter of Fiscal 2025, the Company identified impairment indicators due to the reduction of our share price following the termination of the Merger Agreement, continued softening of consumer demand for fashion luxury goods globally and the continuing decline in operating results during the third quarter impacting all three of the Company’s brands. As a result of the Company’s impairment assessment, the Company recorded $671 million of impairment charges, related to our Jimmy Choo and Versace goodwill and intangible assets during the three and nine months ended December 28, 2024. It is possible that our conclusions regarding impairment or recoverability of goodwill or other intangible assets could change in future periods if, for example, (i) our businesses do not perform as projected, (ii) overall economic conditions in future years vary from current assumptions, (iii) business conditions or strategies change from our current assumptions, (iv) discount rates change, (v) market multiples change or (vi) the identification of our reporting units change, among other factors. Such changes could result in future impairment charges of goodwill or other intangible assets and such amounts could be significant, which could have a material adverse impact on our results of operations and financial condition.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) Issuer Purchases of Equity Securities

The following table provides information of our ordinary shares repurchased or withheld during the three months ended September 28, 2024 December 28, 2024:

	Total Number of Shares(1)	Average Price per Share		Total Number of Shares Purchased as Part of Publicly Announced Programs	Remaining Dollar Value of Shares That May Be Purchased Under the Programs (in millions)	
June 30 - July 27	—	$	—	—	$	300
July 28 - August 24	11,732	$	33.20	—	$	300
August 25 - September 28	—	$	—	—	$	300
	11,732			—		

	Total Number of Shares(1)	Average Price per Share		Total Number of Shares Purchased as Part of Publicly Announced Programs	Remaining Dollar Value of Shares That May Be Purchased Under the Programs (in millions)(2)	
September 29 - October 26	—	$	—	—	$	300
October 27 - November 23	—	$	—	—	$	—
November 24 - December 28	12,240	$	22.15	—	$	—
	12,240			—		

(1) Share repurchases may be made in open market or privately negotiated transactions and/or pursuant to Rule 10b5-1 trading plans, subject to market conditions, applicable legal requirements, trading restrictions under the Company's insider trading policy and other relevant factors; however, pursuant to the terms of the Merger Agreement, and subject to certain limited exceptions, we factors. The program may not repurchase our ordinary shares other than the acceptance of our ordinary shares as payment of the exercise price of our options be suspended or for withholding taxes in respect of our equity awards. Accordingly, we did not repurchase discontinued at any of our ordinary shares during the three months ended September 28, 2024 pursuant to the time.

(2) The Existing Share Repurchase Plan and we do not expect to repurchase any of our ordinary shares in connection with the Existing Share Repurchase Plan prior to the Merger or earlier termination of the Merger Agreement, except withhold to cover, which these shares relate to. expired on November 9, 2024.

ITEM 5. OTHER INFORMATION

(a) As previously announced during the fourth quarter of Fiscal 2024, the Board of Directors of the Company approved a Global Optimization Plan in order to streamline the Company's operating model, maximize efficiency and support long-term profitable growth. This Item 5 is being filed solely to update the Item 9B disclosure included in the Company's Annual Report on Form 10-K for the fiscal year ended March 30, 2024, filed with the SEC on May 29, 2024, in order to provide the amount of any material charges relating to the Global Optimization Plan by major type of cost that the Company believes are now determinable.

During the three and six nine months ended September 28, 2024 December 28, 2024, the Company closed 8 24 and 19, respectively, of its 43 retail stores, which have been incorporated into respectively, as part of the Global Optimization Plan. Net restructuring expenses income recorded in connection with the Global Optimization Plan during the three and six months ended September 28, 2024 were $1 million and December 28, 2024 was $2 million, respectively, primarily related to gains on lease termination terminations partially offset by severance and store closure costs. During the nine months ended December 28, 2024, there were immaterial net restructuring expenses recorded in connection with the Global Optimization Plan.

The exact amounts or range of amounts and timing of the Global Optimization Plan charges and future cash expenditures associated therewith are undeterminable at this time, time; however, the Company continues to evaluate its store fleet for further optimization and store closures in addition to the previously announced plan. The Company will either disclose in a Current Report on Form 8-K or disclose in another periodic filing with the U.S. Securities and Exchange Commission the amount of any material charges relating to the Global Optimization Plan by major type of cost once such amounts or range of amounts are determinable.

This disclosure is intended to satisfy the requirements of Item 2.05 of Form 8-K.

(c) During the quarterly period ended September 28, 2024 December 28, 2024, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

a. Exhibits

Please refer to the accompanying Exhibit Index included after the signature page of this report for a list of exhibits filed or furnished with this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on November 7, 2024 February 5, 2025.

CAPRI HOLDINGS LIMITED

By:	/s/ John D. Idol
Name:	John D. Idol
Title:	Chairman & Chief Executive Officer
By:	/s/ Thomas J. Edwards, Jr.
Name:	Thomas J. Edwards, Jr.
Title:	Executive Vice President, Chief Financial Officer and Chief Operating Officer

INDEX TO EXHIBITS

Exhibit No.	Description
10.1 †	First Incremental Term Loan Amendment dated as of August 23, 2024 to Revolving Credit Termination Agreement, dated as of July 1, 2022 November 13, 2024, by and among Tapestry, Inc., Capri Holdings Limited Michael Kors (USA), and Sunrise Merger Sub, Inc., the foreign subsidiary borrowers party thereto, the guarantors party thereto, the financial institutions party thereto as lenders and issuing banks and JPMorgan Chase Bank, N.A., as administrative agent (included as Exhibit 10.1 to the Company's Current Report on Form 8-K/A 8-K (File No. 001-35368), filed on August 27, 2024 November 14, 2024 and incorporated herein by reference).
10.2	Letter Agreement, dated November 14, 2024, between Capri Holdings Limited and Thomas J. Edwards, Jr.
10.3	Letter Agreement, dated November 14, 2024, between Capri Holdings Limited and Jenna Hendricks.
10.4	Letter Agreement, dated November 14, 2024, between Capri Holdings Limited and Krista A. McDonough.
10.5	Separation and General Release Agreement, dated December 10, 2024, between Michael Kors (USA), Inc. and Cedric Wilmotte.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.1	The following financial information from the Company's Quarterly Report on Form 10-Q for the period ended September 28, 2024 December 28, 2024 formatted in Inline eXtensible Business Reporting Language: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations and Comprehensive Income, (iii) Consolidated Statements of Shareholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements.
†	Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant hereby undertakes to furnish supplementally copies of any of the omitted schedules upon request by the SEC.

Exhibit 10.2

Capri Holdings Limited

November 14, 2024

Thomas J. Edwards, Jr.
At the address on file with the Company

Dear Tom:

As you know, Capri Holdings Limited (the "Company") has terminated the Agreement and Plan of Merger by and between Tapestry, Inc., Sunrise Merger Sub, Inc. and the Company, dated as of August 10, 2023 (the "Merger Agreement"). We understand that this announcement may create uncertainty for you. In recognition of your substantial efforts and the time that you have devoted to the Company's anticipated merger and to ensure your continued employment and dedication following the termination of the Merger Agreement, we are providing you with the retention and special performance bonuses described below.

In recognition of your service and to provide an incentive for you to remain employed with the Company, the Company is pleased to offer you (i) a 2025 target retention bonus in the amount of $800,000 (the "Target Retention Award") and (ii) a special performance bonus in the amount of $250,000 (the "Special Performance Bonus"), on the terms set forth in this letter.

The Target Retention Award will vest and be paid in two equal installments. The first installment will be paid as soon as reasonably practicable after the date hereof and no later than December 13, 2024. The second installment will be paid on June 13, 2025, subject to your employment on such date (except as set forth below). If prior to June 13, 2025, your employment terminates (i) due to your death or "disability," (ii) by the Company without "Cause" or (iii) by you for "Good Reason" (each such term as defined below) (the termination events in clauses (i), (ii) and (iii) each referred to as a "Covered Termination"), the second installment of the Target Retention Award will vest and become immediately payable in full, subject (other than in the case of your death) to your timely delivery and the effectiveness (without revocation) of a release of claims consistent with that contemplated under Section 5(b) of the Amended and Restated Employment Agreement between you and the Company, dated as of May 30, 2023 (the "Employment Agreement"), upon a termination prior to a Change in Control (as defined in the Change in Control Continuity Agreement between you and the Company, dated as of May 30, 2023 (the "CIC Agreement")), and the release of claims in the form attached to the Change in Control Continuity upon a termination from and after a Change in Control. Upon a Covered Termination, the second installment of the Target Retention Award will be paid as soon as reasonably practicable and no later than thirty (30) days after the effective date of the release. On all other terminations of your employment prior to June 13, 2025, the second installment of the Target Retention Award will be forfeited. For purposes of this letter, the terms disability, Cause and Good Reason shall have the meanings given to each such term (or any similar term or derivation thereof) under the Employment Agreement prior to a Change in Control and shall have the meanings given to each such term in the CIC Agreement from and after a Change in Control.

The Special Performance Bonus will vest and be paid in full as soon as reasonably practicable after the date hereof and no later than December 13, 2024; *provided* that, if, prior to December 13, 2025, your employment is terminated by the Company for Cause or by you other than for Good Reason, you will be obligated to pay the Company the full amount of the Special Performance Bonus ($250,000) within ten (10) days following the effective date of such termination of employment. The payment

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Exhibit 10.2

Capri Holdings Limited

obligation described in this paragraph will immediately lapse in full upon the first to occur of (i) December 13, 2025, (ii) a Covered Termination and (iii) the occurrence of a Change in Control.

This letter contains all the terms and conditions of the bonus opportunity being offered to you in connection with the termination of the Merger Agreement and supersedes all prior understandings and agreements, written or oral, between you and the Company with respect thereto. This letter may be amended only by a writing signed by both parties hereto. Nothing in this letter shall be construed as an employment contract between you and the Company. You understand and agree that you will not be entitled to an annual bonus for the current fiscal year, including if your employment is terminated under circumstances entitling you to a bonus or prorated bonus for the 2025 fiscal year under the Employment Agreement.

The payments provided under this letter will be subject to withholding for applicable income and payroll taxes or otherwise as required by law. It is intended that payments under this letter will qualify for the "short-term deferral" exception under Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), and shall be paid under the applicable exception. To the extent that any provision in this letter is ambiguous as to its exemption from, or compliance with, Section 409A, the provision shall be read in such a manner so that all payments hereunder shall comply with Section 409A.

Sections 7(b) (*Notices*), 7(d) (*Waiver*), 7(e) (*Assignment*), 7(f) (*Counterparts*), 7(h) (*Governing Law*), 7(i) (*Arbitration*) and 7(l) (*No Mitigation*) of the Employment Agreement are hereby incorporated by reference into this letter and will apply as if set forth herein, *mutatis mutandis*, with such interpretive modifications as are necessary to preserve the intent and meaning of such provisions.

We thank you for your contributions to the Company. If you are in agreement with the terms of this Amendment, it is important that you sign this letter and return it to Jenna Hendricks as soon as practicable.

Sincerely yours,

By: /s/ John D. Idol
Name: John D. Idol
Title: Chairman and Chief Executive Officer

Accepted and Acknowledged as of
this 19th day of November, 2024:

Thomas J. Edwards, Jr.
Thomas J. Edwards, Jr.

image_1b.jpg

Exhibit 10.3

Capri Holdings Limited

November 14, 2024

Jenna A. Hendricks
At the address on file with the Company

Dear Jenna:

As you know, Capri Holdings Limited (the "Company") has terminated the Agreement and Plan of Merger, by and between Tapestry, Inc., Sunrise Merger Sub, Inc. and the Company, dated as of August 10, 2023 (the "Merger Agreement"). We understand that this announcement may create uncertainty for you. In recognition of your substantial efforts and the time that you have devoted to the Company's anticipated merger and to ensure your continued employment and dedication following the termination of the Merger Agreement, pursuant to this letter (this "Amendment"), we are amending the letter agreement between you and the Company, dated as of December 15, 2023 (the "Acceleration Letter"), to eliminate your obligation to pay the Company certain amounts as a result of the termination of the Merger Agreement. For purposes of this Amendment, capitalized terms that are not otherwise defined herein will have the meanings set forth in the Acceleration Letter.

Pursuant to this Amendment, your obligation to pay the Company the full amount of the Special Bonus Award as set forth in the third paragraph of the Acceleration Letter is hereby terminated effective as of the date hereof; *provided* that, if, prior to December 13, 2025, your employment is terminated for any reason other than a Covered Termination or due to your death or "disability" (as such term is defined in Section 4(a) of the Employment Agreement), you will pay to the Company $250,000 within ten (10) days following the effective date of such termination of employment. The payment obligation described in this paragraph will immediately lapse in full upon the first to occur of (i) December 13, 2025, (ii) a Covered Termination, (iii) a termination due to your death or disability and (iv) the occurrence of a Change in Control (as defined in the Change in Control Continuity Agreement between you and the Company, dated as of May 30, 2023).

This Amendment contains all the terms and conditions of the modification to the Acceleration Letter being offered to you in connection with the termination of the Merger Agreement and supersedes all prior understandings and agreements, written or oral, between you and the Company with respect thereto. In all other respects, the Acceleration Letter remains in full force and effect. This Amendment may be amended only by a writing signed by both parties hereto. Nothing in this Amendment shall be construed as an employment contract between you and the Company. In addition, you understand and agree that you will not be entitled to an annual bonus for the 2025 fiscal year, including if your employment is terminated under circumstances entitling you to a bonus or prorated bonus for the 2025 fiscal year under the Employment Agreement.

Sections 7(b) (*Notices*), 7(d) (*Waiver*), 7(e) (*Assignment*), 7(f) (*Counterparts*), 7(h) (*Governing Law*), 7(i) (*Arbitration*) and 7(l) (*No Mitigation*) of the Employment Agreement are hereby incorporated by reference into this Amendment and will apply as if set forth herein, *mutatis mutandis*, with such interpretive modifications as are necessary to preserve the intent and meaning of such provisions.

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Exhibit 10.3

Capri Holdings Limited

We thank you for your contributions to the Company. If you are in agreement with the terms of this Amendment, it is important that you sign this Amendment and return it to Krista McDonough as soon as practicable.

Sincerely,

By: /s/ John D. Idol
Name: John D. Idol
Title: Chairman and Chief Executive Officer

Accepted and Acknowledged as of
this 18th day of November, 2024:

/s/ Jenna A. Hendricks
Jenna A. Hendricks

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Exhibit 10.4

Capri Holdings Limited

November 14, 2024

Krista A. McDonough
At the address on file with the Company

Dear Krista:

As you know, Capri Holdings Limited (the "Company") has terminated the Agreement and Plan of Merger by and between Tapestry, Inc., Sunrise Merger Sub, Inc. and the Company, dated as of August 10, 2023 (the "Merger Agreement"). We understand that this announcement may create uncertainty for you. In recognition of your substantial efforts and the time that you have devoted to the Company's anticipated merger and to ensure your continued employment and dedication following the termination of the Merger Agreement, we are providing you with the retention and special performance bonuses described below.

In recognition of your service and to provide an incentive for you to remain employed with the Company, the Company is pleased to offer you (i) a 2025 target retention bonus in the amount of $275,000 (the "Target Retention Award") and (ii) a special performance bonus in the amount of $250,000 (the "Special Performance Bonus"), on the terms set forth in this letter.

The Target Retention Award will vest and be paid in two equal installments. The first installment will be paid as soon as reasonably practicable after the date hereof and no later than December 13, 2024. The second installment will be paid on June 13, 2025, subject to your employment on such date (except as set forth below). If prior to June 13, 2025, your employment terminates (i) due to your death or "disability," (ii) by the Company without "Cause" or (iii) by you for "Good

Reason" (each such term as defined below) (the termination events in clauses (i), (ii) and (iii) each referred to as a "Covered Termination"), the second installment of the Target Retention Award will vest and become immediately payable in full, subject (other than in the case of your death) to your timely delivery and the effectiveness (without revocation) of a release of claims consistent with that contemplated under Section 5(b) of the Amended and Restated Employment Agreement between you and the Company, dated as of May 30, 2023 (the "Employment Agreement"), upon a termination prior to a Change in Control (as defined in the Change in Control Continuity Agreement between you and the Company, dated as of May 30, 2023 (the "CIC Agreement")), and the release of claims in the form attached to the Change in Control Continuity upon a termination from and after a Change in Control. Upon a Covered Termination, the second installment of the Target Retention Award will be paid as soon as reasonably practicable and no later than thirty (30) days after the effective date of the release. On all other terminations of your employment prior to June 13, 2025, the second installment of the Target Retention Award will be forfeited. For purposes of this letter, the terms disability, Cause and Good Reason shall have the meanings given to each such term (or any similar term or derivation thereof) under the Employment Agreement prior to a Change in Control and shall have the meanings given to each such term in the CIC Agreement from and after a Change in Control.

The Special Performance Bonus will vest and be paid in full as soon as reasonably practicable after the date hereof and no later than December 13, 2024; *provided* that, if, prior to December 13, 2025, your employment is terminated by the Company for Cause or by you other than for Good Reason, you will be obligated to pay the Company the full amount of the Special Performance Bonus ($250,000) within ten (10) days following the effective date of such termination of employment. The payment

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Exhibit 10.4

Capri Holdings Limited

obligation described in this paragraph will immediately lapse in full upon the first to occur of (i) December 13, 2025, (ii) a Covered Termination and (iii) the occurrence of a Change in Control.

This letter contains all the terms and conditions of the bonus opportunity being offered to you in connection with the termination of the Merger Agreement and supersedes all prior understandings and agreements, written or oral, between you and the Company with respect thereto. This letter may be amended only by a writing signed by both parties hereto. Nothing in this letter shall be construed as an employment contract between you and the Company. You understand and agree that you will not be entitled to an annual bonus for the current fiscal year, including if your employment is terminated under circumstances entitling you to a bonus or prorated bonus for the 2025 fiscal year under the Employment Agreement.

The payments provided under this letter will be subject to withholding for applicable income and payroll taxes or otherwise as required by law. It is intended that payments under this letter will qualify for the "short-term deferral" exception under Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), and shall be paid under the applicable exception. To the extent that any provision in this letter is ambiguous as to its exemption from, or compliance with, Section 409A, the provision shall be read in such a manner so that all payments hereunder shall comply with Section 409A.

Sections 7(b) (*Notices*), 7(d) (*Waiver*), 7(e) (*Assignment*), 7(f) (*Counterparts*), 7(h) (*Governing Law*), 7(i) (*Arbitration*) and 7(l) (*No Mitigation*) of the Employment Agreement are hereby incorporated by reference into this letter and will apply as if set forth herein, *mutatis mutandis*, with such interpretive modifications as are necessary to preserve the intent and meaning of such provisions.

We thank you for your contributions to the Company. If you are in agreement with the terms of this Amendment, it is important that you sign this letter and return it to Jenna Hendricks as soon as practicable.

Sincerely yours,

By: /s/ John D. Idol
Name: John D. Idol
Title: Chairman and Chief Executive Officer

Accepted and Acknowledged as of
this 19th day of November, 2024:

/s/ Krista A. McDonough
Krista A. McDonough

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SEPARATION AND GENERAL RELEASE AGREEMENT

This Separation and General Release Agreement (the "Agreement") is entered into by and between Cedric Wilmotte ("Executive" or "you") and Michael Kors (USA), Inc. ("Michael Kors", and together with all of its affiliates, the "Company"). Capitalized terms used and not defined in this Agreement have the meaning set forth in the Employment Agreement, dated January 23, 2023, between Executive and Michael Kors (the "Employment Agreement").

1. Separation of Employment. Executive acknowledges that his employment with the Company shall be irrevocably terminated as of March 29, 2025 (the "Termination Date"). The Termination Date shall be the termination date of your employment for purposes of participation in and coverage under all benefit plans and programs sponsored by or through any "Company Entities" (as defined in paragraph 4 hereof), including but not limited to the Company's 401(k) Plan and your Michael Kors sponsored visa to work in the United States. Beginning on November 26, 2024 (the "Separation Date") through the Termination Date, Executive shall be placed on a paid administrative leave (the period from the Separation Date through the Termination Date is hereinafter referred to as the "Garden Leave Period"). During the Garden Leave Period, provided that you timely execute this Agreement in accordance with paragraph 18, and do not revoke this Agreement within the period specified in paragraph 18, then, subject to the terms and conditions of this Agreement, including your compliance with paragraph 11 and continued compliance with paragraphs 6 and 8 of this Agreement, you will be entitled to (a) continued payment of your Base Salary, (b) participate in the Company benefit plans and programs referenced in Section 4(d) of your Employment Agreement (excluding any equity incentive plans or bonus plans), (c) payment or reimbursement, up to the cap provided in Section 4(i) of your Employment Agreement, for the Professional Tax Preparation Expenses in calendar year 2024 and (d) reimbursement for appropriate business expenses incurred by you during your employment (and not previously reimbursed) prior to the Separation Date (subject to your promptly submitting appropriate supporting documentation with respect thereto). Except as expressly set forth in this paragraph or paragraph 2 below, you shall not be entitled to any other payments or benefits during the Garden Leave Period. In addition, during the Garden Leave Period, you will not be required to come to the office but should be available upon reasonable notice to answer questions and assist the Chief Executive Officer of Capri Holdings Limited with the transition. As of the Separation Date, neither you nor the Company shall represent that you are an employee, officer, agent or representative of the Company for any purpose. Executive agrees to promptly execute such documents as the Company may request to effectuate such cessation of service as of the Separation Date.

2. Payment. Provided that Executive timely executes this Agreement in accordance with paragraph 18, and does not revoke this Agreement within the period specified in paragraph 18, then, subject to the terms and conditions of this Agreement, including Executive's compliance with paragraph 11 and continued compliance with paragraphs 6 and 8 of this Agreement, Michael Kors will pay the Executive (a) the severance payments to which Executive is entitled pursuant to the Employment Agreement which consist of continuation of Executive's then-current Base Salary and medical, dental and insurance benefits by Michael Kors for a one (1) year period commencing on the Termination Date, which amounts shall be payable in

substantially equal installments in accordance with the normal payroll practices of the Company plus Executive's target annual cash incentive payment for Fiscal 2025, which shall be paid in a lump sum at the same time as the Fiscal 2025 annual cash incentive is paid to similarly situated executives in June 2025 and (b) a cash payment in the amount of $500,000, which will be payable as soon as administratively feasible following the Effective Date ((a) and (b) collectively are herein after referred to as, the "Separation Payments"). The Separation Payments shall be made less applicable tax withholdings and other payroll deductions.

3. Acknowledgment. You acknowledge and agree that the Separation Payments provided pursuant to paragraph 2 of this Agreement: (a) are in full discharge of any and all liabilities and obligations of all Company Entities to you, monetarily or with respect to employee benefits or

otherwise, including but not limited to any and all obligations arising under any alleged written or oral employment agreement, policy, plan or procedure of the Company and/or any alleged understanding or arrangement between you and the Company; and (b) is in addition to any payment, benefit, or other thing of value to which you might otherwise be entitled under any policy, plan or procedure of the Company and/or any agreement between you and the Company. You further acknowledge and agree that you are not and will not be due any additional compensation or severance, including, but not limited to, compensation for unpaid salary (except for Accrued Obligations prior to the Termination Date). You understand that in order to be reimbursed for appropriate business expenses incurred by you during your employment (and not previously reimbursed) you must promptly submit appropriate supporting documentation with respect thereto. You additionally acknowledge that it is the Company's policy not to provide for the accrual and payout of vacation days to its employees and any accrued and unused vacation days prior the Separation Date will be cancelled without payment, and Michael Kors does not owe you any further payments with respect to accrued but unused vacation days.

4. General Release.

(a) In consideration for the Separation Payments to be provided to you pursuant to paragraph 2 above, and for other valuable consideration as set forth in the Agreement, you, for yourself and for your heirs, executors, administrators, trustees, legal representatives and assigns (hereinafter referred to collectively as "Releasors"), forever release and discharge the Company and its past, present and future parent entities, subsidiaries, divisions, affiliates and related business entities, successors and assigns, assets, employee benefit and/or pension plans or funds (including qualified and nonqualified plans or funds), and any of its or their respective past, present and/or future directors, officers, fiduciaries, agents, trustees, administrators, employees, insurers, attorneys and assigns, whether acting on behalf of the Company or in their individual capacities (collectively, the "Company Entities") from any and all claims, demands, causes of action, fees and liabilities of any kind whatsoever (upon any legal or equitable theory, whether contractual, common-law, statutory, federal, state, local or otherwise), whether known or unknown, that you ever had, now have or may have against any of the Company Entities by reason of any act, omission, transaction, practice, plan, policy, procedure, conduct, occurrence or other matter up to and including the date on which you sign this Agreement.

(b) Without limiting the generality of the foregoing, this Agreement is intended to and shall release the Company Entities from any and all claims, whether known or unknown, which Releasors ever had, now have, or may have against the Companies Entities arising out of your employment and/or your separation from that employment, including, but not limited to, any claim under: (i) the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act, (ii) Title VII of the Civil Rights Act of 1964 or under the Civil Rights Act of 1991, (iii) the Americans with Disabilities Act, (iv) the Employee Retirement Income Security Act of 1974 (excluding claims for accrued, vested benefits under any employee benefit or pension plan of the Company Entities subject to the terms and conditions of such plan and applicable law), (v) the Family and Medical Leave Act, (vi) 42 USC §§ 1981-86, (vii) the Equal Pay Act, (viii) the Sarbanes-Oxley Act of 2002, (ix) Section 922 of the Dodd-Frank Act, (x) the Federal False Claims Act, (xi) the New York State Human Rights Law; (xii) the New York City Administrative Code; (xiii) the New York Labor Law; (xiv) the New York Minimum Wage Act; (xv) the statutory provisions regarding retaliation/discrimination under the New York Worker's Compensation Law; and (xvi) the New York City Earned Sick Time Act, as all of those statutes may have been amended. Without limiting the generality of the foregoing, this Agreement is also intended to and shall release the Company Entities from any and all claims, whether known or unknown, which Releasors ever had, now have, or may have against the Companies Entities, whether based on federal, state, or local law, statutory or decisional, arising out of your employment, the termination of such employment, and/or any of the events relating directly or indirectly to or surrounding the termination of that employment, including, but not limited to, any claims for wrongful or retaliatory discharge, breach of contract (express, implied or otherwise), breach of the covenant of good faith and fair dealing, detrimental reliance, interference with contractual relations or any prospective business advantage, defamation, slander or libel, invasion of privacy, intentional and negligent infliction of emotional distress, false imprisonment, compensatory or punitive damages, any claims for attorneys' fees, costs, disbursements and/or the like, any claims for wages, bonuses, or other benefits, and any claims for negligence or intentional tort.

(c) Nothing in this Agreement prevents you from providing truthful information to any governmental entity, nor does it interfere with your right to file a charge with or participate in any investigation or proceeding conducted by the Equal Employment Opportunity Commission or a state or local fair employment practices agency. Nevertheless, you acknowledge and agree that you hereby waive any right to seek or to share in any relief, monetary or otherwise, relating to any claim released herein whether such claim was initiated by you or not.

(d) This Agreement will not, however, apply to or affect (i) any obligation of the Company pursuant to this Agreement or applicable law, (ii) any indemnification or similar rights from the Company Entities you may have as a current or former officer, director, employee or agent of the Company, including, without limitation, any and all rights thereto under applicable law, the bylaws or other governance documents of any member of the Company Entities, or any rights with respect to coverage under any directors' and officers' insurance policies and/or indemnification agreements, as applicable, (iii) any claim you may have as the

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holder or beneficial owner of securities of any of the Company Entities or other rights relating to securities or equity awards in respect of the shares of any of the Company Entities, (iv) any benefits or the right to seek benefits under applicable workers' compensation and/or unemployment compensation statutes, (v) any benefit to which you are entitled under any tax qualified pension plan of the Company Entities, continuation coverage benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, vested benefits under any other benefit plans of the Company Entities or any other welfare benefits required to be provided pursuant to the terms of the applicable plan, (vi) rights to accrued but unpaid salary or other compensation through the Termination Date, (vii) any unreimbursed business expenses, and (viii) any claims that may arise in the future from events or actions occurring after the Termination Date or which may not be released through an agreement such as this Release Agreement under applicable law.

(e) The Company Entities forever release and discharge the Executive, and his successors, heirs, assigns, fiduciaries, agents, insurers, and attorneys (collectively, the "Executive Releasees") from any and all claims, demands, causes of action, fees and liabilities of any kind whatsoever (upon any legal or equitable theory, whether contractual, common-law, statutory, federal, state, local or otherwise), whether known or unknown, that the Company Entities ever had, now have or may have against any of the Executive Releasees by reason of any act, omission, transaction, practice, plan, policy, procedure, conduct, occurrence or other matter up to and including the date you sign this Agreement.

5. No Prior or Pending Proceedings. You acknowledge and agree that you have not commenced, maintained, prosecuted or participated in any action, suit, charge, grievance, complaint or proceeding of any kind against the Company Entities in any court or before any administrative or investigative body or agency and/or that you are hereby withdrawing with prejudice any such complaints, charges, or actions that you may have filed against the Company Entities. You further acknowledge and agree that by virtue of the foregoing, you have waived all relief available to you (including without limitation, monetary damages, equitable relief and reinstatement) under any of the claims and/or causes of action waived in paragraph 4 above.

6. Non-Disparagement.

(a) Executive agrees not to disparage the Company Entities or any of their respective directors, officers, employees, agents, representatives or licensees and not to publish or make any statement that is reasonably foreseeable to become public with respect to any of such entities or persons. Michael Kors likewise agrees not to disparage Executive or publish or make any statement that is reasonably foreseeable to become public with respect to Executive without Executive's prior written consent, excluding statements required to be made about Executive in any Capri Holdings filing under U.S. securities laws or stock exchange rules and regulations.

(b) Nothing in this paragraph or this Agreement shall preclude you from providing truthful information about your employment as may be required by law in response to a subpoena or court order or to a government agency in connection with any investigation it is

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conducting or may conduct or limit your rights not waived as described in paragraph 4. Additionally, for avoidance of doubt, nothing in this Agreement shall preclude you from generally describing your work responsibilities at the Company in connection with seeking future employment.

7. Cooperation in Litigation.

(a) You agree that you will reasonably cooperate with the Company and/or the Company Entities and its or their respective counsel in connection with any investigation, administrative proceeding or litigation relating to any matter that occurred during your employment in which you were involved or of which you have knowledge.

(b) You agree that, in the event you are subpoenaed by any person or entity (including, but not limited to, any government agency) to give testimony (in a deposition, court proceeding or otherwise) that in any way relates to your employment by the Company and/or the Company Entities, you will give prompt notice of such request to the Company's Senior Vice President, General Counsel at 11 West 42nd Street, New York, New York, 10036 and will make no disclosure until the Company and/or the Company Entities have had a reasonable opportunity to contest the right of the requesting person or entity to such disclosure. However, no notice shall be required if you are prohibited from providing such notice by law or to the extent such notice would be deemed to interfere with or chill your rights not waived in paragraph 4(c).

8. Restrictive Covenants. The restrictive covenants set forth in Section 7(a) and (b) of the Employment Agreement shall continue to apply for the applicable period commencing with the Termination Date and shall be deemed made a part hereof as if set forth herein in full and the remedy provision in Section 7(e) of the Employment Agreement shall apply.

9. Return of Company Property. You represent that, except as may otherwise be agreed, you have returned (or will return) to the Company all property belonging to the Company and/or the Company Entities, including but not limited to laptop, cell phone, keys, card access to the building and office floors, phone card, computer username and password, disks and/or voicemail code. You further represent that you have paid all personal charges that may have been made on any Company credit card and submitted accurate expense reports with appropriate documentation of all business expenses through the Termination Date. You further acknowledge and agree that Company shall have no obligation to make the payment referred to in paragraph 2 above unless and until you have returned all Company property as set forth above, paid all outstanding personal charges on any Company credit card, as well as all business-related expenses for which the Company has previously reimbursed you, and submitted your final expense report and documentation for all charges as set forth above.

10. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, void or unenforceable, such provision shall have no effect; however, the remaining provisions shall be enforced to the maximum extent possible. Further, if a court should determine that any portion of this Agreement is overbroad or unreasonable, such provision shall be given effect to the maximum extent possible by narrowing or enforcing in part

that aspect of the provision found overbroad or unreasonable. In the event the release set forth in paragraph 4 of this Agreement may be held to be invalid or unenforceable, you will, at the Company's request, execute a new release that is valid and enforceable to effectuate the purposes of this Agreement. Additionally, you agree that if you breach the terms of paragraphs 4, 5, 6, 7, 8 and/or 9, it shall constitute a material breach of this Agreement as to which the Company Entities may seek all relief available under the law.

11. Non-Admission. This Agreement and compliance with this Agreement is not intended, and shall not be construed, as an admission that any of the Company Entities has violated any federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract or committed any wrong whatsoever against you.

12. Interpretation. Should any provision of this Agreement require interpretation or construction, it is agreed by the parties that the entity interpreting or constructing this Agreement shall not apply a presumption against one party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared the document.

13. Binding Agreement. This Agreement is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.

14. Choice of Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New York without regard to the principles of conflicts of law.

15. Arbitration. Any controversy or claim arising out of, or relating to, this Agreement, or the breach thereof, shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in the Supreme Court of the State of New York, New York County.

16. Entire Agreement. You understand that this Agreement constitutes the complete understanding between the Company and you, and supersedes any and all agreements, understandings, and discussions, whether written or oral, between you and any of the Company Entities. No other promises or agreements shall be binding unless in writing and signed by both the Company and you after the Separation Date of this Agreement.

17. Knowing and Voluntary Agreement. You acknowledge that you: (a) have carefully read this Agreement in its entirety; (b) have had an opportunity to consider it for at least twenty-one days (21); (c) are hereby advised by the Company in writing to consult with an attorney of your choice in connection with this Agreement; (d) fully understand the significance of all of the terms and conditions of this Agreement and have discussed them with your independent legal counsel, or have had a reasonable opportunity to do so; (e) have had answered to your satisfaction by your independent legal counsel any questions you have asked with regard to the meaning and significance of any of the provisions of this Agreement; and (f) are signing

this Agreement voluntarily and of your own free will and agree to abide by all the terms and conditions contained herein.

18. No Assignment of Claims. You hereby expressly warrant and represent that you are the owner of all claims released by you herein, that you have not assigned or transferred or purported to have assigned or transferred voluntarily or by operation of law or otherwise any of the claims released by you herein or any portion thereof. You further agree that you will defend, indemnify and hold harmless the Company and/or any and all of the Company Entities from any and all claims so assigned or transferred.

19. Effective Date. You understand that you will have at least twenty-one days (21) days from the date of receipt of this Agreement to consider the terms and conditions of this Agreement. You may accept this Agreement by signing it and returning it to Michael Kors (attn.: Jenna Hendricks, SVP, Chief People Officer) 11 West 42nd Street, New York, NY 10036 on or before 21 days after delivery. After executing this Agreement, you shall have seven (7) days (the "Revocation Period") to revoke this Agreement by indicating your desire to do so in writing delivered to the SVP, Chief People Officer at the address set forth above by no later than 5:00 p.m. on the seventh (7th) day after the date you sign this Agreement. The effective date of this Agreement shall be the eighth (8th) day after you sign the Agreement (the "Effective Date"). If the last day of the Revocation Period falls on a Saturday, Sunday or holiday, the last day of the Revocation Period will be deemed to be the next business day. In the event you do not accept this Agreement as set forth above, or in the event you revoke this Agreement during the Revocation Period, this Agreement, including but not limited to the obligation of the Company to provide the Separation Payments referred to in paragraph 2 above, shall be deemed automatically null and void.

20. Counterparts. This Agreement may be executed in multiple counterpart originals and shall have the same force and effect as if all signatures appeared on the same original. It is the intent of the parties that each and every provision in this Agreement be enforced.

Print Name: Cedric Wilmotte Date: December 10, 2024

Employee Signature: /s/ Cedric Wilmotte

Michael Kors (USA), Inc.

By: /s/ John D. Idol Date: December 10, 2024

Exhibit 31.1

CERTIFICATIONS

I, John D. Idol, certify that:

1. I have reviewed this Form 10-Q of Capri Holdings Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024 February 5, 2025

By: /s/ John D. Idol

John D. Idol

Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Thomas J. Edwards, Jr., certify that:

1. I have reviewed this Form 10-Q of Capri Holdings Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024 February 5, 2025

By: /s/ Thomas J. Edwards, Jr.
Thomas J. Edwards, Jr.
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this quarterly report on Form 10-Q of Capri Holdings Limited (the "Company") for the quarter ended September 28, 2024 December 28, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John D. Idol, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Capri Holdings Limited.

Date: November 7, 2024 February 5, 2025

/s/ John D. Idol
John D. Idol
Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this quarterly report on Form 10-Q of Capri Holdings Limited (the “Company”) for the quarter ended September 28, 2024 December 28, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Thomas J. Edwards, Jr., Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Capri Holdings Limited.

Date: November 7, 2024 February 5, 2025

/s/ Thomas J. Edwards, Jr.

Thomas J. Edwards, Jr.

Chief Financial Officer

(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.