

# FY19

## Calvin Klein summary

CALVIN KLEIN

*CALVIN KLEIN* products generated \$9.4 billion in 2019 global retail sales

### BUSINESS STRATEGIES

We believe growth opportunities exist to drive further global retail sales of *CALVIN KLEIN* product and improvements in the operating margin of our Calvin Klein business over time, including through:

- Reigniting the brand and driving conversion with consumer engagement initiatives that include brand ambassadors, capsule collections, consumer activations and experiential events.
- Delivering compelling products that reflect *CALVIN KLEIN*'s accessible premium positioning and seductive aesthetic, with a focus on sustainable product creation.
- Product improvement and expansion, particularly within men's and women's sportswear, jeanswear, accessories and women's intimates.
- Regional expansion, particularly in Europe and the Asia-Pacific region.
- Further digitizing the brand by growing online sales and expanding omni-channel capabilities.
- Identifying operating efficiencies across the business to drive improvements in our operating margins.

PVH

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### BRAND OVERVIEW



#### CK CALVIN KLEIN

Our "contemporary" brand, offering modern, sophisticated items including apparel and accessories.



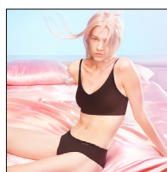
#### CALVIN KLEIN

Our "master" brand, offering men's and women's sportswear, swimwear, outerwear, fragrance, accessories, footwear, men's dress furnishings, women's dresses, suits and handbags, and items for the home.



#### CALVIN KLEIN JEANS

The casual expression of the *CALVIN KLEIN* brand with roots in denim, offering men's and women's jeanswear, related apparel and accessories. *CALVIN KLEIN JEANS* is known for its unique details and innovative washes.



#### CALVIN KLEIN UNDERWEAR

Known across the globe for provocative, cutting-edge products and marketing campaigns and consistently delivering innovative designs with superior fit and quality. Offerings include men's and women's underwear, women's intimates, sleepwear and loungewear.



#### CALVIN KLEIN PERFORMANCE

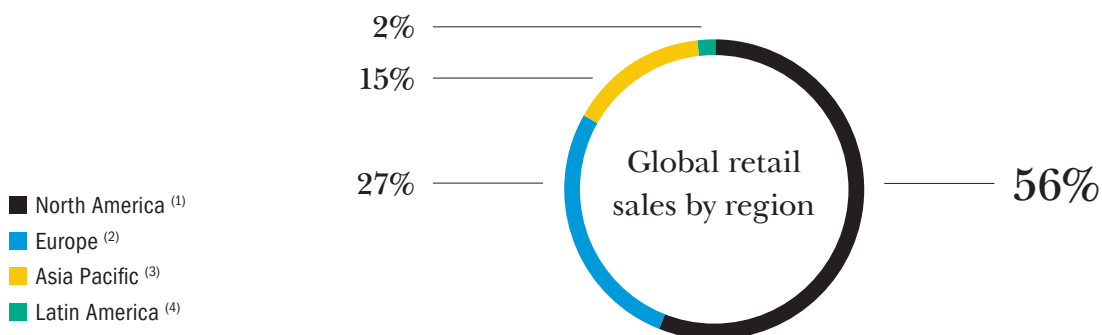
Built on the foundation of innovation, fit and function. Designs are fashion-inspired and feature trend-driven, modern pieces that unite innovative fabric technology with classic American design elements.

### FINANCIAL HISTORY

(\$ in millions)	2017	2018	2019
Total revenue	\$3,462	\$3,731	<b>\$3,668</b>
Revenue growth	+10%	+8%	<b>-2%</b>
EBIT*	\$411	\$419	<b>\$414</b>
EBIT Margin*	11.9%	11.2%	<b>11.3%</b>

\*2018 and 2019 EBIT figures exclude certain amounts that were deemed non-recurring or non-operational. See second page for GAAP to non-GAAP reconciliations

## 2019 GLOBAL RETAIL SALES OVERVIEW



<sup>(1)</sup> Includes the U.S., Canada and Mexico. <sup>(2)</sup> Includes the Middle East and Africa. <sup>(3)</sup> Includes Australia and New Zealand. <sup>(4)</sup> Includes Central and South America and the Caribbean.

## EBIT RECONCILIATIONS

(\$ in millions)		GAAP EBIT	Adjustments	Non-GAAP EBIT	Non-GAAP EBIT %
2019 <sup>(1)</sup>	TOTAL CALVIN KLEIN	\$253	\$(161)	\$414	11.3%
2018 <sup>(2)</sup>	TOTAL CALVIN KLEIN	\$378	\$(41)	\$419	11.2%

<sup>(1)</sup> Adjustments for 2019 represent the elimination of (i) the costs related to the restructuring associated with the strategic changes for our *CALVIN KLEIN* business announced in January 2019 ("the *CALVIN KLEIN* restructuring"); (ii) the costs incurred related to the acquisition of the approximately 78% interest in Gazal Corporation Limited ("Gazal") that we did not already own (the "Australia acquisition") and the acquisition of the *TOMMY HILFIGER* retail business in Central and Southeast Asia from our previous licensee in that market, primarily consisting of noncash valuation adjustments; (iii) the one-time costs recorded on our equity investments in Gazal and PVH Brands Australia Pty. Limited prior to the Australia acquisition closing; and (iv) the costs incurred in connection with the agreements to terminate early the licenses for the global *CALVIN KLEIN* and *TOMMY HILFIGER* North America socks and hosiery businesses in order to consolidate the socks and hosiery businesses for all our brands in North America in a newly formed joint venture, which began operations in December 2019, and to bring in-house the international *CALVIN KLEIN* socks and hosiery wholesale businesses.

<sup>(2)</sup> Adjustments for 2018 represent the costs incurred related to the *CALVIN KLEIN* restructuring.