



NIBC

VANCOUVER TORONTO NEW YORK



NIBC 2018-2019 First Round Case
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**NATIONAL INVESTMENT BANKING
COMPETITION & CONFERENCE**

SUMMARY CASE EXCERPTS ONLY – FOR PREVIEW

This summary provides a preview of key case components for individuals looking to compete. Please sign up a team at www.nibc.ca to download the full case package & templates.



Welcome Letter

Dear 2018-2019 Competitors,

Thank you for competing in the NIBC 2018 Global Investment Banking Competition. Since inception, our goal has been to create a unique opportunity for investment banking candidates to develop their skills and be recognized by recruiters on a global stage.

The First Round puts you in the position of an Analyst and Associate at an origination desk developing new ideas for a client, while the Final Round places you in the Director seat on a live transaction.

Once you have worked through this package, you will have learned how to create a full-fledged investment banking pitchbook ready to be sent to a client. To help you on this journey, you have been provided with model templates, slide templates, past case examples and detailed instructions, which you customarily would have access to at an investment bank. This approach is designed to help you adopt best practices and produce client-ready work within quick turnaround times.

We would like to thank our growing number of past organizing team members, who have pursued investment banking careers in New York, London, Hong Kong, Toronto, Calgary and Vancouver and have contributed to the case, templates and training materials.

Please take the time to review the rules & regulations outlined in this package and direct any inquiries to Eric Hall (Eric.Hall@nibc.ca) and Mehtaab Chandi (Mehtaab.Chandi@nibc.ca) copied to both team members.

We wish all teams much success and hope to see you at the Final Round in Vancouver, Canada on March 13th to 15th, 2019.

The NIBC Board & Organizing Team,

Eric Hall | Associate Director, Competition

Mehtaab Chandi | Case Manager





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SUMMARY EXCERPTS ONLY – FOR PREVIEW

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Legal Disclaimer

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1. Templates

Industry Templates & Resources

Please see below a list of suggested resources to aid you in the submission for the Corporate Valuation and Strategic Review of Tapestry.

- **Originality:** You may use all of the templates provided by NIBC subject to modifying and creating your own designs; as a deal team you cannot replicate the templates of other banks without making some meaningful modifications.
- The key to delivering high-quality work product under time-pressure is to utilize existing materials and then allocate more time to customizing and improving them.
- Make sure you do not submit slides populated with irrelevant or old information relating to a different pitch or deal, which looks extremely unprofessional.
- Please note that past case examples are meant to be used as reference only as each pitch needs to emphasize a different set of topics relevant to the particular situation.

Required Resources (Requires Access to Competitor Portal)

2018 Model Template (Excel)	Required model template to filled in
Attachment A: Industry Overview (PDF)	Required model outputs for pitchbook appendix
Attachment B: Precedent Transactions (PDF)	Precedent transaction summaries
Attachment C: Team Profile Template (PDF , PPT)	Team member profile template for pitchbook
Attachment D: Model Outputs Template (PDF , PPT)	Model outputs template for pitchbook

Suggested Resources

IB Research Guide (PDF)	Investment banking research guide
Pitchbook Templates Library (Web)	Collection of slide templates for valuation pitchbooks
Pitchbook Tutorials (Video Series)	Pitchbook Instructions (Chapter 1 MANDATORY)
CV & CL Writing Guide (PDF)	Guidelines of refining resumes and cover letters
CV & CL Sample (Word)	Example of model resume and cover letter
CV Blank Template (Word)	Blank resume template
Full Sample Case Pitchbook (PDF)	Example of valuation & strategic review pitchbook
Full Sample Case Model (Excel)	Example of valuation model

Fundamental Concepts

IB Competitor Workshop (PDF)	Introduction to fundamental corporate finance concepts
Corporate Finance Industry (Video)	Overview of capital markets
Full-Service Investment Bank (Video)	Overview of full-service investment bank
IB Interview Topics (PDF)	Common IB topics discussed in interviews

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2. The Scenario

From: Head of Consumer Retail, Managing Director
To: Consumer Retail Group (New York)
Subject: Tapestry Initiating Coverage – Valuation & Strategic Review

Deal Team,

Greetings from the Maldives – incredible weather here vs NYC. Just got a call from the CFO of Tapestry. As you know, I've been meeting with a few corporates looking at potential transactions in consumer retail. They are particularly interested in our views on secular trends and consolidation in luxury fashion.

One of the hot topics is Michael Kors given its recent acquisition of Versace (\$2.1bn). Our competitor snapped up the role due to their relationship with the PE firm (even my Wharton network didn't help!) They now have a growing foothold in the emerging North American luxury market. Shame we missed out.

That being said, I believe the space has significant fee potential if we build the right relationships and position ourselves for the next deal. I've initiated coverage on Tapestry and told the CFO they can expect some valuation work and strategic alternatives in the next few weeks.

Sorry for the short turnaround but I'm hoping it won't be quite as bad if we use our templates. We will need to demonstrate that we know the company and industry like no one else and can pitch quality ideas.

Also note the VP is taking advantage of some well-deserved vacation days (congrats on the deal) so this engagement falls entirely in the hands of our talented juniors.

I realize the holidays are fast approaching but this is a great opportunity for you to step up and come closer to replacing the VP and perhaps even myself ... lol (not)

Thanks in advance. Please have this fully vetted on my desk before I'm back on January 30th.

Cheers and best of the season (from the Maldives)!

MD

3. Company Information

Corporate Overview

Name: Tapestry, Inc.

Exchange / Ticker: NYSE / TPR

Share Price: \$38.93

52-Week Range: \$36.72 – \$55.50

Market Cap: \$11,282m

As of Nov 30, 2018

Cash and Equivalents: \$1,243m

Total Debt: \$1,601m

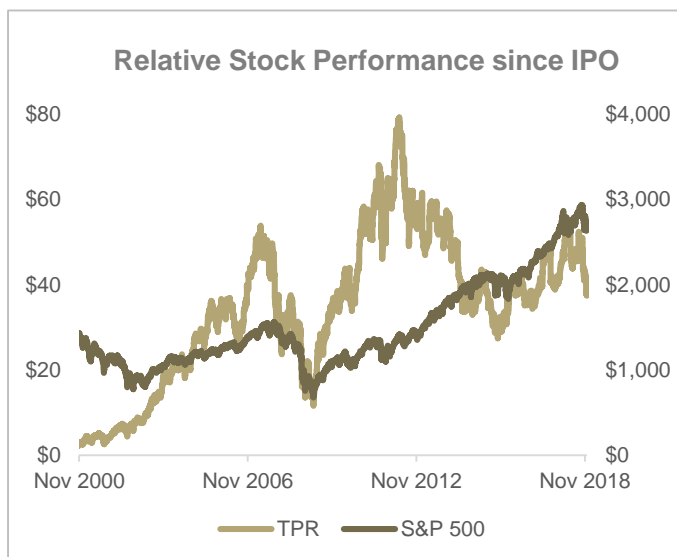
FY 2018 Revenues: \$5,880m

FY 2018 EBITDA: \$1,147m

FY 2018 Net Income: \$398m

FY 2018 Diluted EPS: \$0.42

Fiscal Year 2018 ended Jun 30, 2018



Tapestry, Inc., previously known as Coach Inc., is an American multinational company with the rights to luxury fashion houses Coach, Kate Spade, and Stuart Weitzman. The company's namesake brand, Coach, was founded in 1941 out of a Manhattan loft and did an IPO for \$118m at the turn of the century. Since then, Coach has acquired Stuart Weitzman (\$574m) in 2015 followed by Kate Spade (\$2.4b) in 2017. As a result of their Kate Spade acquisition, Coach folded all three brands under their current name, Tapestry. Headquartered in Manhattan, New York, this American fashion conglomerate operates over 670 stores across North America and 762 internationally. In addition to the revenue derived from brick and mortar locations and online, Tapestry plays an active role in licensing their brands to partners such as Luxottica for eyewear, and various wholesale distributors such as Nordstrom.

Amidst a consolidation trend within the market for luxury brands, Tapestry continues to face fierce competition against other fashion conglomerates and one-off brands. The company remains committed towards driving global growth, however, fueling brand innovation and meticulously engineering products made from the finest materials for a flawless fit – both on and off the red carpet.

Net Sales Components	Net Sales (FY 2018)	
Coach	\$4,222m	71.79%
Kate Spade	\$1,285m	21.85%
Stuart Weitzman	\$374m	6.36%
Total	\$5,880m	100%

Sources: Company reports, all figures USD unless specified otherwise

3. Company Information

Fiscal 2018 Highlights

Acquisition Synergies	<p>Tapestry experienced strong results driven by their recent acquisition of Kate Spade and organic growth. While revenues grew to \$5.9b, up 31% to 2017's \$4.5b, operating income increased 22% from \$813m to \$992m.</p> <p>Diluted EPS had a growth of 22%, standing at \$2.63 vs last year's \$2.15, highlighting the success of Tapestry's newfound stature as a true house of brands.</p>
Sales Outlook	<p>For brands Coach and Stuart Weitzman, sales increased by 2.60% and 0.05% respectively YoY.</p> <p>Excluding the favorable impact of foreign currency, real sales increased only 1.6% for Coach while decreasing the same amount for Stuart Weitzman.</p>
Competitive Environment	<p>Tapestry operates in a fiercely competitive environment where the right capital allocation and strategic positioning is critical.</p> <p>Coach is on its way to becoming one of the first true American 'fashion conglomerates', with only Michael Kors and L Brands on its heels.</p>

Select Management Comments

Q1 2019 Earnings Call | October 30th, 2018

"[Of] course, our New York Fashion Week presentation again received praise from the editorial community."

"[We] remain focused first and foremost on execution. As you know, our goal is to deliver strong revenue and operating income growth in fiscal 2019, while making the right strategic investments to support our long term vision and return to double digit operating income and EPS growth in FY 2020. Overall, we are proud of our continued progress in the first quarter and remain very excited about the opportunities ahead for Tapestry and each of our brands."

"Our [new] Data Labs team is focused on [using advanced] data tools to drive aggregate business insights across the organization [and] innovating with advanced analytics to optimize key processes, for example using machine learning on product allocation, pricing or promotion planning."

"We continue to reinforce [Coach] Signature as a coveted brand icon by [...] significantly expanding the platform's reach. In September, we continued our partnership with Selena Gomez launching our new cross category collection."

– Victor Luis, Chief Executive Officer of Tapestry, Inc.

"[We] couldn't be more excited about having Michael B. Jordan as our first global face for the Coach men's and it's currently about 20% business. We've talked before [on] the importance of men's as a driver for total Coach growth of our business and we see a clear path to \$1 billion and beyond."

– Joshua Schulman, Chief Executive Officer and Brand President of Coach

3. Company Information

Research Analyst Comments



“TPR’s underlying fundamentals appear solid, with Coach brand comps having increased for four consecutive quarters, Kate Spade’s turnaround continuing to progress, and Stuart Weitzman remaining on course to return to sales growth in F2Q19.”

GUGGENHEIM

“Trends at Coach and Kate appear firmly on track, with Kate on pace to deliver positive [results in the near future] and both brands delivering strong gross margin results.”
“We continue to see significant synergy opportunity with Kate.”

J.P.Morgan

“[Although] Tapestry [has added] to its multi-branded portfolio with a further accretive acquisition, [we expect] brand dilution from outlet distribution, particularly at Kate Spade as it further expands into this channel.”



“Stuart Weitzman has had its share of issues – from management turnover to distribution while Kate Spade is undergoing its own turnaround as management works to elevate the brand. Both Acquisitions are a ‘wait and see’ story.”
“TPR’s acquisitions of Stuart Weitzman and Kate Spade helped diversify its product mix slightly, but have increased total exposure to the U.S. and to the same accessible luxury market.”

Morgan Stanley

“[We remain cautious as] F1Q19 had its puts and takes. Total revenue beat, however, operating results were mixed”



“TPR shares appear to be over-sold on China fears. [We believe that the] valuation [is now] attractive for [this] global brand portfolio with longer-term double digit EPS and free cash flow algorithm.”
“[The real question] is when/if investors will start to feel more comfortable on sustainability of China spending...”



“Tapestry is a growth stock with more EPS upside than the market prices in.”
“We predict the Coach brand will grow faster and the Kate Spade deal will prove more accretive than the Street believes.”
“[Both] Coach and Kate Spade have big China opportunities”

4. Deliverables

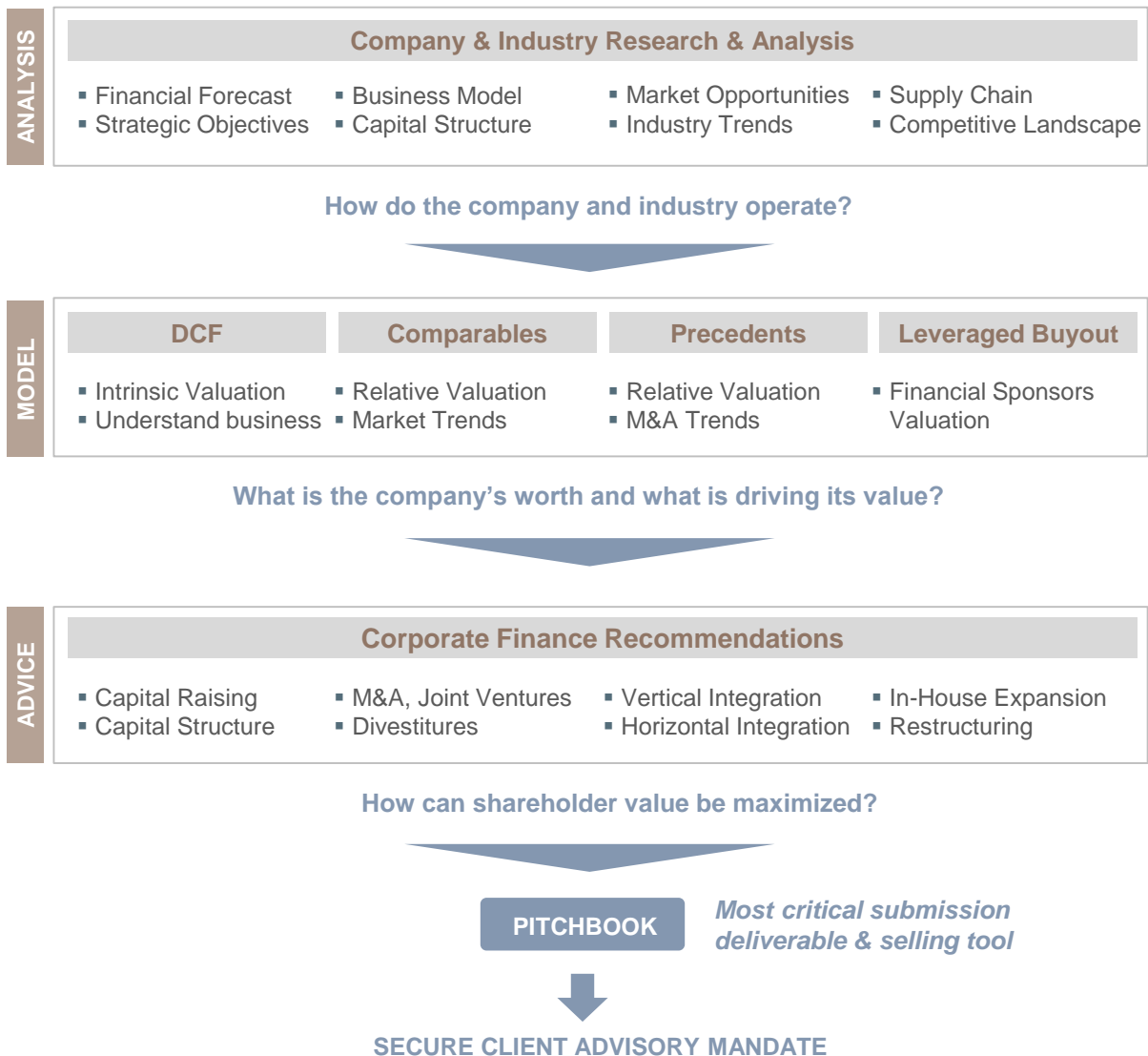
DEVELOPMENT PROCESS

Development Process – Corporate Valuation & Strategic Review

The Corporate Valuation and Strategic Review will be presented in one of first meetings you will have with a new client and must meet all of the following objectives:

- ✓ Demonstrate you understand the company and its industry
- ✓ Present perspectives on the value of the company
- ✓ Introduce actionable corporate finance ideas
- ✓ Showcase capabilities, professionalism and communication skills

Below diagram illustrates the typical steps and topics that need to be covered to secure a mandate.



4. Deliverables

ANALYTICAL COMPONENTS (A-F)

Key Steps – Corporate Valuation & Strategic Review

An high-level overview of the purpose of the key components underlying your analysis and recommendations is provided below.

Company & Industry Analysis (A) <i>Fundamentals</i>	In order to credibly position yourself for an advisory mandate and have a meaningful discussion senior with management and shareholders, you need to develop a comprehensive understanding of the company and the industry it operates in.
Discounted Cashflows (B) <i>Intrinsic Valuation</i>	Your first task will be to forecast financial statements from historical data and public information in order to calculate free cash flows to capital providers and discount them by an appropriate cost of capital. This analysis estimates the present value of the company's cash flows and ensures you have a detailed understanding of the company.
Trading Comparables (C) <i>Relative Valuation</i>	You are required to complete a dataset of trading comparables and select the multiples which are the most suitable for valuing Tapestry. You should also identify current valuation themes including how the market is valuing specific characteristics of companies in the sector.
Precedent Transactions (D) <i>Relative Valuation</i>	You will need to discuss relevant precedent transactions in the space and how those relate to the valuation of Tapestry. You are required to identify the appropriate metrics for each transaction and outline how specific transactions and their context might relate to Tapestry.
Leveraged Buyout (E) <i>Financial Sponsor Valuation</i>	You are also requested to produce an analysis on the viability and implied share price for a Leveraged Buyout (LBO) and provide some perspectives on the LBO market in the space.
Corporate Finance Advice (F) <i>Strategic Recommendations</i>	Your client has emphasized that Tapestry operates in an increasingly competitive environment and that they expect to have an informed discussion on how Tapestry might allocate capital to maximize shareholder value. They also want to understand how shareholders are reacting to Tapestry and other luxury fashion players pursuing external growth opportunities into specific market segments. In preparation for this discussion, you are required to provide an analysis of potential corporate finance transactions from a strategic, financial and operational perspective as well as identify relevant transactions themes in the broader sector.

4. Deliverables

PITCHBOOK CONTENT (H)

Pitchbook Content – Corporate Valuation & Strategic Review

Your pitchbook needs to incorporate all of the information you want to convey to your client including team credentials, model outputs and supporting information in appendices.

The expectation is that your client has to only look at your pitchbook to access all of the information relevant to your pitch and the work you have completed.

THE PITCH BOOK | “All-in-One Selling Tool”

PITCHBOOK CONTENT

COMPANY OVERVIEW

- Financial Forecast
- Strategic Objectives
- Business Model
- Capital Requirements
- Capital Structure

INDUSTRY OVERVIEW

- Market Opportunities
- Industry Trends
- Competitive Landscape

VALUATION ANALYSIS

- Share Price Analysis
- Trading Comparables
- Precedent Transactions
- Discounted Cashflows
- Leveraged Buyout

CORPORATE FINANCE ADVICE

- Capital Raising
- M&A, Divestitures

APPENDICES

RESEARCH & ANALYSIS

VALUATION MODEL

Outputs Summaries

- Results Overview
- Assumptions Overview

Discounted Cashflow Valuation

- Cashflow Forecast
- Discount Rate Assumptions

Relative Valuation

- Trading Comparables
- Precedent Transactions
- Analysis of Results

Leveraged Buyout Valuation

- Financing Assumptions
- Buyer Landscape

STRATEGIC ADVICE

VIDEO PRESENTATION

TEAM CREDENTIALS

5. Technical Guidance

(A) COMPANY & INDUSTRY ANALYSIS

A. COMPANY & INDUSTRY ANALYSIS

When you are pitching to a corporate client, you are expected to have done your homework on the company, its key competitors and the industry environment. This is an essential prerequisite to having a meaningful discussion with management and shareholders about strategic corporate finance recommendations. The types of transactions you are proposing typically involve millions (or billions) of dollars changing hands and may have a transformational impact on a company.

Please refer to the separate research guide sent to you for additional instructions.

COMPANY RESEARCH TOPICS

- Financial performance
- Growth rates & margins
- Capital requirements
- Capital structure
- Corporate finance activity
- Shareholder base
- Stock performance
- Key valuation metrics
- Recent news
- Analyst recommendations
- Valuation methodologies
- Volatility & risks
- Strategic objectives
- Business model
- Competitive advantage
- Competitors
- Company history
- Customers & suppliers

INDUSTRY RESEARCH TOPICS

- Market segments
- Key players
- Growth rates & margins
- Capital requirements
- Corporate finance activity
- Sector index performance
- Sector trends
- Valuation methodologies
- Return on assets
- Volatility & risks
- Sector value-chain
- Business models
- Competitiveness
- Sector history
- Customers & suppliers

QUICK COMPANY CHECKLIST (complete first draft in < 2-5 hours per company)

Quantitative	Qualitative
✓ Revenues and EBITDA	✓ Major market segments, properties or assets
✓ Historic & forecasted CAGRs (Revenue, EBITDA)	✓ Proportion of revenues from segments / assets
✓ EBITDA Margin	✓ Overall market growth and trends by segment
✓ EV and Market Cap	✓ Growth due to market, market share, price
✓ EV/EBITDA, EV/Sales, EV/Volume Metric, P/E	✓ Business model and supply chain
✓ Multiples relative to historic & future metrics	✓ Key competitors and competitive advantage
✓ Debt/EV and Debt/EBITDA	✓ New developments and capacity expansions
✓ Historic and forecasted capital expenditures	✓ Capital requirements, return on assets, payback
✓ Stock chart relative to S&P and sector index	✓ Leverage, refinancing, spin-off, M&A, other
✓ Analysis of peaks and troughs in stock price	✓ Sources of financing
✓ WACC, beta	✓ Marketing strategy
✓ Cost of Debt, Credit Rating	✓ Ownership

INFORMATION SOURCES

✓ Annual/Quarterly Reports	✓ Financial News	✓ Industry Associations	✓ Company Initiating Coverage Research
✓ Earnings Calls	✓ Data Aggregators	✓ Wikipedia	✓ Company Earnings Research
✓ Investor Presentations	✓ Sector Research	✓ Google	

5. Technical Guidance

(B) DISCOUNTED CASHFLOW VALUATION (Page 1 of 9)

B. Discounted Cashflow Analysis

DCF Summary - Operating Cashflows						Cashflow Forecast							
*All dollar amounts in millions	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Coach revenues	4,806	4,192	4,147	4,115	4,222	-	-	-	-	-	-	-	-
Kate Spade revenues	-	-	-	-	1,285	-	-	-	-	-	-	-	-
Stuart Weizman revenues	-	-	345	374	374	-	-	-	-	-	-	-	-
Total Revenues	4,806	4,192	4,492	4,488	5,880	-	-	-	-	-	-	-	-
Revenue growth		(12.8%)	7.2%	(0.1%)	31.0%	(100.0%)	-	-	-	-	-	-	-
Coach COGS	(1,509)	(1,283)	(1,298)	(1,260)	(1,290)	-	-	-	-	-	-	-	-
Kate Spade COGS	-	-	-	-	(574)	-	-	-	-	-	-	-	-
Stuart Weizman COGS	-	-	(142)	(148)	(163)	-	-	-	-	-	-	-	-
Total COGS	(1,509)	(1,283)	(1,441)	(1,407)	(2,026)	-	-	-	-	-	-	-	-
Coach SG&A	(1,865)	(1,963)	(1,825)	(1,815)	(1,847)	-	-	-	-	-	-	-	-
Kate Spade SG&A	-	-	-	-	(773)	-	-	-	-	-	-	-	-
Stuart Weizman SG&A	-	-	(170)	(211)	(214)	-	-	-	-	-	-	-	-
Corporate SG&A	(312)	(328)	(403)	(268)	(349)	-	-	-	-	-	-	-	-
Total SG&A	(2,177)	(2,291)	(2,398)	(2,294)	(3,183)	-	-	-	-	-	-	-	-
Coach EBIT	1,432	946	1,024	1,040	1,084	-	-	-	-	-	-	-	-
Kate Spade EBIT	-	-	-	-	(62)	-	-	-	-	-	-	-	-
Stuart Weizman EBIT	-	-	33	16	(3)	-	-	-	-	-	-	-	-
Corporate SG&A	(312)	(328)	(403)	(268)	(349)	-	-	-	-	-	-	-	-
Total EBIT	1,120	618	654	787	671	-	-	-	-	-	-	-	-
EBIT growth		(44.8%)	5.7%	20.5%	(14.8%)	(100.0%)	-	-	-	-	-	-	-
EBIT margin	23.3%	14.7%	14.5%	17.5%	11.4%	-	-	-	-	-	-	-	-
Add: Total D&A	189	192	211	213	260	-	-	-	-	-	-	-	-
Add: Stock-based compensation	84	95	96	77	81	-	-	-	-	-	-	-	-
Add: Integration and restructuring activities	108	60	18	9	135	-	-	-	-	-	-	-	-
EBITDA	1,501	964	978	1,086	1,147	-	-	-	-	-	-	-	-
EBITDA growth		(35.8%)	1.4%	11.1%	5.6%	(100.0%)	-	-	-	-	-	-	-
EBITDA margin	31.2%	23.0%	21.8%	24.2%	19.5%	-	-	-	-	-	-	-	-

DCF Summary - Financing Cashflows						Cashflow Forecast							
*All dollar amounts in millions	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
EBITDA	1,501	964	978	1,086	1,147	-	-	-	-	-	-	-	-
Purchases of PPE	(220)	(199)	(396)	(283)	(267)	-	-	-	-	-	-	-	-
Provision for income taxes	(341)	(209)	(166)	(168)	(199)	-	-	-	-	-	-	-	-
Working capital and other adjustments	(178)	175	(23)	(38)	111	-	-	-	-	-	-	-	-
Free Cashflows / Cashflows for Debt Service	763	731	393	597	792	-	-	-	-	-	-	-	-
Interest expense	2	(6)	(27)	(28)	(74)	-	-	-	-	-	-	-	-
Issuance / repayment of long-term debt	140	756	(15)	712	-	-	-	-	-	-	-	-	-
Sale (purchase) of investments	(484)	106	(388)	876	478	-	-	-	-	-	-	-	-
Acquisitions	10	(515)	(21)	35	(2,242)	-	-	-	-	-	-	-	-
Cashflow Available for Equity Distributions	431	1,072	(58)	2,192	(1,045)	-	-	-	-	-	-	-	-
Equity issuance / repurchase	(525)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (incl. distributions of cash balance)	(377)	(372)	(375)	(378)	(384)	-	-	-	-	-	-	-	-
Net Cashflows	(471)	700	(433)	1,814	(1,430)	-	-	-	-	-	-	-	-

DCF Summary - Valuation Results						Cashflow Forecast								
*All dollar amounts in millions	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	
Free cash flows to the firm for valuation (FCFF)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Enterprise Value EBITDA Multiple Method	Enterprise Value Perpetual Growth Method					WACC Assumptions								
EBITDA multiple	0.0x	Perpetual growth of firm cash flow					Valuation date							31-Jan-19
Terminal year EBITDA	-	Present value of terminal value					10-yr US government bond rate							0.0%
Revenue multiple	0.0x	Present value of forecast FCF					Expected market return							0.0%
Terminal year Revenue	-	Enterprise Value					Market risk premium							0.0%
Present value of terminal value	-	Debt					Beta							0.00
Present value of forecast FCF	-	Cash					CAPM Cost of Equity							0.0%
Enterprise Value	-	Enterprise Value (Market Cap)					Cost of debt							0.0%
Debt	-	Shares outstanding					Tax rate							0.0%
Cash	-	Fair Value Share Price					After Tax Cost of Debt							0.0%
Equity Value (Market Cap)	-	\$0.00					Target gearing							0.0%
Shares outstanding	-						WACC							0.0%
Fair Value Share Price	\$0.00													

5. Technical Guidance

(D) PRECEDENT TRANSACTIONS VALUATION (Page 1 of 3)

D. Precedent Transactions

Michael Kors Acquires Versace (2018)	Apax Partners Acquires Cole Haan (2012)
Randa Attempted Acquisition of Perry Ellis (2018)	PPR (Kering) Acquires Brioni (2011)
Michael Kors Acquires Jimmy Choo (2017)	Blackstone Acquires Jack Wolfskin (2011)
Coach (Tapestry) Acquires Kate Spade (2017)	Eurazeo Acquires Stake in Moncler (2011)
Semyrhamis Acquires Stake in Christian Dior (2017)	JAB Luxury Acquires Jimmy Choo (2011)
Essilor Acquires Majority Stake in Luxottica (2017)	PPR (Kering) Acquires Volcom (2011)
PFC and Zignago Holding Acquire Stake in Hugo Boss (2015)	LVMH Acquires Stake in Bulgari (2011)
Coach (Tapestry) Acquires Stuart Weitzman (2015)	LVMH Acquires Stake in Bulgari (2011)
Sycamore Acquires The Jones Group (2013)	Carlyle Acquires Moncler (2008)
LVMH Acquires Loro Piana (2013)	

Target		Buyer			Transaction			LTM		EV/LTM ⁽²⁾		
Company	Type	Company	Type	EV ⁽¹⁾	Date	Year	Rationale	Impl. EV	Revenue	EBITDA	Revenue	EBITDA
<i>(all figures presented in USD millions, except per share figures or where otherwise noted)</i>												
Versace		Michael Kors			September 25, 2018	2018						
Perry Ellis		Perry Ellis			July 2, 2018	2018						
Jimmy Choo		Michael Kors			July 25, 2017	2017						
Christian Dior		Semyrhamis			April 25, 2017	2017						
Luxottica		Essilor			January 16, 2017	2017						
Hugo Boss		PFC and Zignago			February 10, 2015	2015						
The Jones Group		Sycamore			December 19, 2013	2013						
Loro Piana		LVMH			July 8, 2013	2013						
Cole Haan		Apax Partners			November 16, 2012	2012						
Brioni		Kering			July 29, 2011	2011						
Jack Wolfskin		Blackstone			July 21, 2011	2011						
Moncler		Eurazeo			June 6, 2011	2011						
Jimmy Choo		JAB Luxury			May 22, 2011	2011						
Volcom		Kering			May 2, 2011	2011						
Bulgari		LVMH			March 6, 2011	2011						
Bulgari		LVMH			March 6, 2011	2011						
Moncler		Carlyle			August 5, 2008	2008						
Average												
Tapestry												

Target	Combined Entity				Relevance to Target Valuation
	Incl.?	EV/Revenue LTM	Incl.?	EV/EBITDA LTM	
<i>(all figures presented in USD millions, except per share figures or where otherwise noted)</i>					
Versace	Yes	0.0x	Yes	0.0x	
Perry Ellis	Yes	0.0x	Yes	0.0x	
Jimmy Choo	Yes	0.0x	Yes	0.0x	
Christian Dior	Yes	0.0x	Yes	0.0x	
Luxottica	Yes	0.0x	Yes	0.0x	
Hugo Boss	Yes	0.0x	Yes	0.0x	
The Jones Group	Yes	0.0x	Yes	0.0x	
Loro Piana	Yes	0.0x	Yes	0.0x	
Cole Haan	Yes	0.0x	Yes	0.0x	
Brioni	Yes	0.0x	Yes	0.0x	
Jack Wolfskin	Yes	0.0x	Yes	0.0x	
Moncler	Yes	0.0x	Yes	0.0x	
Jimmy Choo	Yes	0.0x	Yes	0.0x	
Volcom	Yes	0.0x	Yes	0.0x	
Bulgari	Yes	0.0x	Yes	0.0x	
Bulgari	Yes	0.0x	Yes	0.0x	
Moncler	Yes	0.0x	Yes	0.0x	
Moncler	Yes	0.0x	Yes	0.0x	
Average		0.0x		0.0x	
Tapestry					
Implied Enterprise Value					
Total Enterprise Value					
- Debt					
- Preferred & Other					
+ Cash					
Equity Value					
Shares Outstanding (millions)					
Fair Value Share Price					

5. Technical Guidance

(E) LEVERAGED BUYOUT VALUATION (Page 1 of 2)

E. Leveraged Buyout (LBO) Valuation

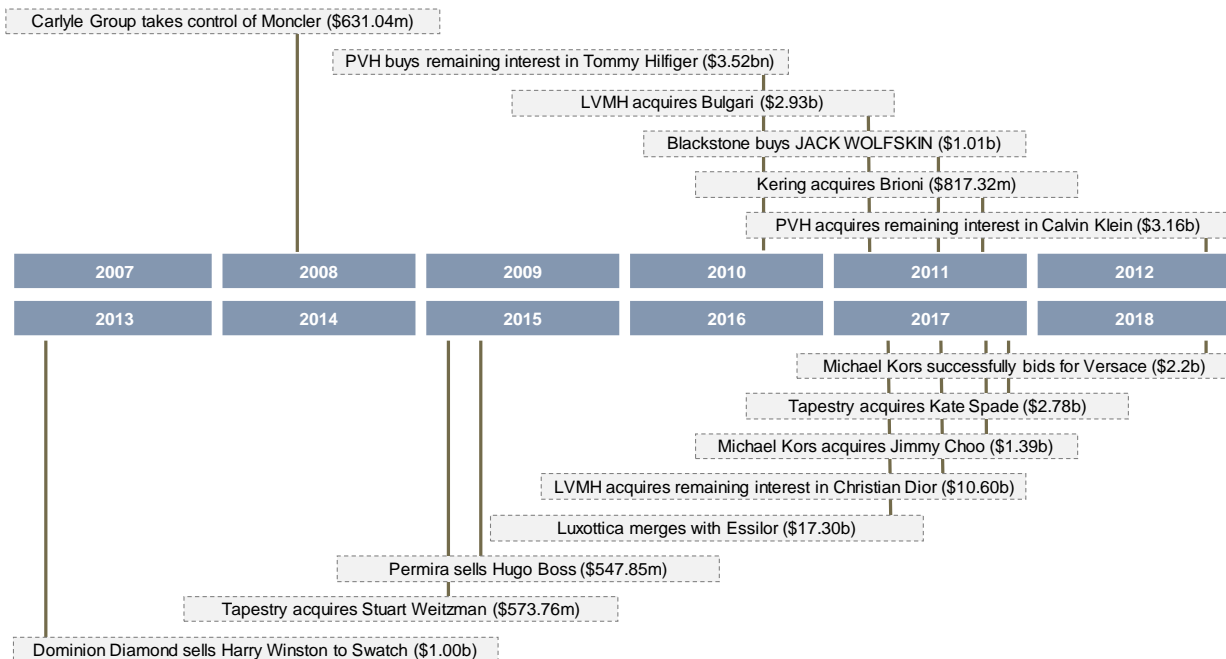
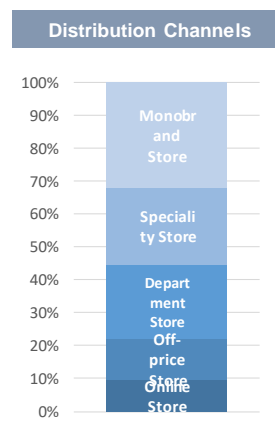
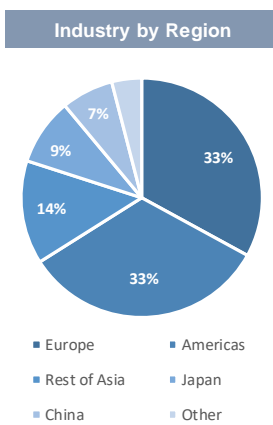
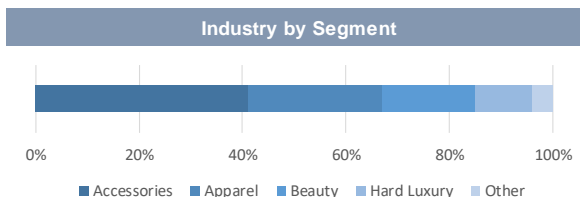
Assumed LBO Transaction Summary												
Use of Funds		Source of Funds										
Tapestry	-	0.0%	Senior Debt	-	-%							
Parent Equity Premium (0%)	-	0.0%	Junior Debt	-	-%							
Equity Value	-	-%	Revolver	-	-%							
Debt Retired / Assumed	1,734	100.0%	Assumed Debt	-	-%							
Transaction Costs	-	0.0%	Total Debt	-	-%							
Total Funds Uses	1,734	100%	Sponsor Equity	491	28.3%							
			Excess Balance Sheet Cash (Shortfall)	1,243	71.7%							
			Total Funds Sources	1,734	100%							
Equity Cashflows				Post-LBO Transaction								
				2019E	2020E	2021E	2022E	2023E	2024E	2025E		
Proforma Revenue Forecast	Annual Revenue % Growth	0.0%		-	-	-	-	-	-	-		
Revenue & Margin Synergies EBITDA Contribution	Annual Margin Improvement	0.0%		-	-	-	-	-	-	-		
Proforma EBITDA Forecast	Average EBITDA Margin	0.0%		-	-	-	-	-	-	-		
Cashflow for Debt Service (post Taxes, Capex, & WC)				-	-	-	-	-	-	-		
Mandatory Debt Service (Interest Expense)				-	-	-	-	-	-	-		
Repayment of LBO Debt				-	-	-	-	-	-	-		
Operating Cashflow for Equity				-	-	-	-	-	-	-		
LBO Sponsor Equity				(491)	-	-	-	-	-	-		
Sales Proceeds (based on 0.0x LTM EBITDA multiple)				-	-	-	-	-	-	-		
(-) Exit Transaction Costs				-	-	-	-	-	-	-		
(-) Remaining Debt at Exit	Current Offered Premium	\$38.93 \$38.93 0%		-	-	-	-	-	-	-		
(+) Excess Cash				-	-	-	-	-	-	-		
(+) Residual Cash Flows				-	-	-	-	-	-	-		
Net Equity Cashflows	IRR	0.00%		(491)	-	-	-	-	-	-		
Outstanding Debt Balance				Post-LBO Transaction								
				2019E	2020E	2021E	2022E	2023E	2024E	2025E		
Senior Debt at 0.0%				-	-	-	-	-	-	-		
Junior Debt at 0.0%				-	-	-	-	-	-	-		
Revolver Debt at 0.0%				-	-	-	-	-	-	-		
Assumed Debt at 0.0%				-	-	-	-	-	-	-		
Total Debt Ending Balance				-	-	-	-	-	-	-		
Debt/EBITDA				NM	NM	NM	NM	NM	NM	NM		
Cashflows for Debt Service / Total Interest Expense				0.0x	NM	NM	NM	NM	NM	NM		
Cashflows for Debt Service / Senior Interest Expense				0.0x	NM	NM	NM	NM	NM	NM		
Detailed LBO Cashflow Summary												
*All dollar amounts in millions												
	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Standalone Revenues	4,806	4,192	4,492	4,488	5,880	-	-	-	-	-	-	-
Revenue Synergies	-	-	-	-	-	-	-	-	-	-	-	-
Proforma Revenue Forecast	4,806	4,192	4,492	4,488	5,880	-	-	-	-	-	-	-
Revenue Growth		(12.8)%	7.2%	(0.1)%	31.0%	(100.0)%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Standalone EBITDA	1,501	964	978	1,086	1,147	-	-	-	-	-	-	-
Revenue & Margin Synergies EBITDA Contribution	-	-	-	-	-	-	-	-	-	-	-	-
Proforma EBITDA Forecast	1,501	964	978	1,086	1,147	-	-	-	-	-	-	-
EBITDA Margin	31.2%	23.0%	21.8%	24.2%	19.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taxes	(341)	(209)	(166)	(168)	(199)	-	-	-	-	-	-	-
Capex	(220)	(199)	(396)	(283)	(267)	-	-	-	-	-	-	-
Change in Working Capital	(178)	175	(23)	(38)	111	-	-	-	-	-	-	-
Cashflow for Debt Service (post Taxes, Capex, & WC)	763	731	393	597	792	-	-	-	-	-	-	-
Interest Expense on Existing Debt	2	(6)	(27)	(28)	(74)	-	-	-	-	-	-	-
Senior LBO Debt Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Junior LBO Debt Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Mandatory Debt Service (Interest Expense)	2	(6)	(27)	(28)	(74)	-	-	-	-	-	-	-
Debt/EBITDA						NM	NM	NM	NM	NM	NM	NM
Cashflows for Debt Service / Total Interest Expense						NM	NM	NM	NM	NM	NM	NM
Cashflows for Debt Service / Senior Interest Expense						NM	NM	NM	NM	NM	NM	NM
FCF for LBO Debt Repayment	765	724	366	568	718	-	-	-	-	-	-	-
Repayment of LBO Debt	-	-	-	-	-	-	-	-	-	-	-	-
Residual Cashflow after LBO Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
LBO Purchase												
Excess Cash on Balance Sheet						1,243	-	-	-	-	-	-
Equity Issuance for LBO						491	-	-	-	-	-	-
Senior LBO Debt Issuance						-	-	-	-	-	-	-
Junior LBO Debt Issuance						-	-	-	-	-	-	-
LBO Purchase Price						(1,734)	-	-	-	-	-	-
Equity IRR Calculation												
LBO Sponsor Equity						(491)	-	-	-	-	-	-
Sale Proceeds						-	-	-	-	-	-	-
Transaction Costs (Exit)						-	-	-	-	-	-	-
Repayment of Debt						-	-	-	-	-	-	-
Excess Cash						-	-	-	-	-	-	-
Residual Cashflows						-	-	-	-	-	-	-
Cash Flows to Equity	IRR:	-%				(491)	-	-	-	-	-	-

5. Technical Guidance

(F) CORPORATE FINANCE ADVICE (Page 1 of 2)

F. Corporate Finance Advice

Luxury Fashion Industry Overview	
Revenue by Major Segment	
Accessories	\$118bn
Apparel	\$75bn
Beauty	\$52bn
Hard Luxury	\$32bn
Other	\$12bn
Total revenue	\$289bn
5-year revenue growth	4.7%
Industry Characteristics	
Total Debt/EBITDA	2.9x
EBITDA/Interest Expense	8.3x
Average EBITDA margin	7.7%
Quick Ratio	1.4x
EV/Revenue	2.0x
EV/EBITDA	12.8x
Global Industry	
Total revenue 3-year CAGR	8.1%
Forecasted 5-year revenue growth	4.4%



5. Technical Guidance

(H) PITCHBOOK SUBMISSION (Page 1 of 2)

H. The Pitchbook

Other than your live discussions in a meeting, the pitchbook is your ultimate selling-tool to convince your client to consider hiring you as a financial advisor. All critical information can and should be conveyed in a **well structured, concise and visually appealing** pitchbook with supporting information included in appendices.

Overview of Key Topics

Designates mandatory sections although note that relative emphasis will differ for each pitch

INTRO

Cover Page

Team Profile Slide **1**

Table of Contents

Executive Summary **2**

1 One-slide team profile (see package attachment)

2 All key conclusions to be immediately apparent

COMPANY

Company Overview

Operating Forecast

Business Model & Objectives

Capital Structure

Ownership

INDUSTRY

Industry Overview & Supply Chain

Market Segments

Competitive Landscape

Industry Trends

VALUATION

Historical Share Price

Valuation Football Field

Valuation Analysis

DCF Overview

Comparables Overview

Precedents Overview

LBO Overview

3 List and rank 3-5 recommendations on one slide
Add one slide per recommendation for at least 3 recommendations with rationale, concerns and high-level expected financial / valuation impact

4 List of most likely corporate finance transactions among key competitors

ADVICE

Strategic Review

Corporate Finance Advice **3**

Corporate Finance Industry Activity **4**

5 Model outputs (see package attachment)

Appendix I: Model Outputs **5**

Appendix II: Team Member Profiles **6**

6 Full team profiles (see package attachment)

Appendix III Other Supporting Info **7**

7 Any relevant info too lengthy for main body

5. Technical Guidance

(J) TEAM MEMBER PROFILES SUBMISSION

I. Team Member Profiles

Every team is required to submit updated profiles for each team member in the pitchbook and as separate PDFs.

Evaluation: Please note that personal qualifications will not be used in evaluating your advancement to the Final Round, which is determined based on the quality of your submission. However, your ability to present your team and accomplishments in a polished and professional manner will factor into your overall submission.

Separate CV Submission: Your standard-form one-page CVs will be made accessible to judges and sponsors upon request .



- Please follow our suggested guidelines in Section 3 for writing and refining your CV.
- Include any upcoming future work placements.
- Create and upload one combined PDF (entire team) and one separate PDF per team member (one person).
- Each CV must not take up more than one page per person.
- Upload all CV files in PDF format.

Team Profiles in Pitchbook: Irrespective of your current experience and qualification, it is critical that you and your team present yourself in the pitchbook in a polished and professional manner. This is one of the most important skills for securing a high-profile advisory role and you are encouraged to closely follow the below guidelines.

Profile Photo: Please watch Pitchbooks Chapter 1 on NIBCLive.com for formatting profile pictures. In particular, please limit the excess space above the head for any portrait-style pictures.



- This slide should be added at the **beginning** of the pitchbook and **repeated in the appendix** and serves as a general introduction.
- Introduce every team member in a short paragraph-style format.
- Include the most important work experience and personal details.
- Create your own design (do not copy the template like-for-like)



- This slide should be added to the **appendix** and summarizes key accomplishments of all team members on one slide.
- Follow the template and divide up the information into roles & organizations and accomplishments.
- You may use the template provided (recommend no modifications)



- This slide should be added to the **appendix** and should include all of the information highlighted in your CV.
- Create **one slide per team members**.
- You may use the template provided (recommend modifying to include and highlight team-specific experiences)

7. CONTACT US

Competition Inquiries

Please note that NIBC typically does not provide additional guidance on producing the case submission unless some corrections are required to the materials provided. This is to ensure a fair process but also recognizing that this is a real life situation and you are expected to utilize all information and past examples provided to deliver the best submission.

Should you need to get in contact with a team member regarding any queries, please contact the respective representatives below via email and **be sure to copy both individuals on the email**.

Kind regards,

The NIBC Organizing Team

*For inquiries about the **case and competition rules**:*

Eric Hall



NIBC
Associate Director, Competition

[*Eric.Hall@nibc.ca*](mailto:Eric.Hall@nibc.ca)

Mehtaab Chandi



NIBC
Case Manager

[*Mehtaab.Chandi@nibc.ca*](mailto:Mehtaab.Chandi@nibc.ca)

*For inquiries about **competition and conference logistics**:*

Sofiia Salimova



NIBC
Director, Conference

[*Sofiia.Salimova@nibc.ca*](mailto:Sofiia.Salimova@nibc.ca)

Tennille Robertson



NIBC
Competition Manager

(604)
[*Tennille.Robertson@nibc.ca*](mailto:Tennille.Robertson@nibc.ca)

*For **organizational and any other inquiries**:*

James Huang



NIBC
Director, Operations

[*James.Huang@nibc.ca*](mailto:James.Huang@nibc.ca)

Maori Hayashi



NIBC
Operations Manager

[*Maori.Hayashi@nibc.ca*](mailto:Maori.Hayashi@nibc.ca)

8. Participating School

Select Canadian Universities



Select US Universities



Select International Universities





9. Sponsors & Partners



Past Participating Firms, Sponsors & Judges



10. NIBC Final Round



Hotel Venue



10. NIBC Final Round



Opening Reception



10. NIBC Final Round



Gala Dinner Final Round



NIBC

VANCOUVER TORONTO NEW YORK



About NIBC

Established in 2007, the National Investment Banking Competition (NIBC) brings together over 1,600 competitors from 150 universities and 150 professionals in an annual transaction advisory competition. NIBC was founded on the guiding principle of giving students from any background an equal opportunity to showcase their skills on a global stage and connect with recruiters from financial centers around the world. Run by a team of dedicated students and with the generous support of corporate sponsors and board members, NIBC has become the first and largest international investment banking competition globally.

Competition & Case Contact Information

The NIBC Organizing Team would like to thank you for your interest in NIBC 2018. For further inquiries, please copy the following contacts:

Eric Hall | Associate Director, Competition | 604.700.4120 | Eric.Hall@nibc.ca
Mehtaab Chandi | Case Manager | 778.834.6040 | Mehtaab.Chandi@nibc.ca

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Appendix A: Industry Overview

NIBC 2018 Global Competition | First Round

Industry Overview

Luxury Fashion Industry Overview

Revenue by Major Segment

Accessories	\$118bn
Apparel	\$75bn
Beauty	\$52bn
Hard Luxury	\$32bn
Other	\$12bn
Total revenue	\$289bn
5-year revenue growth	4.7%

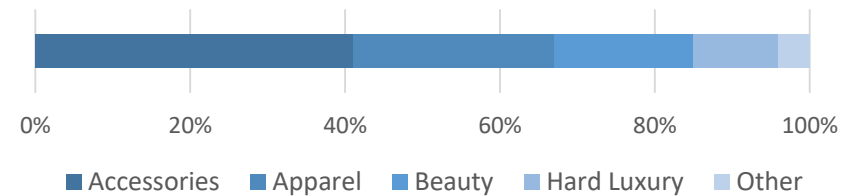
Industry Characteristics

Total Debt/EBITDA	2.9x
EBITDA/Interest Expense	8.3x
Average EBITDA margin	7.7%
Quick Ratio	1.4x
EV/Revenue	2.0x
EV/EBITDA	12.8x

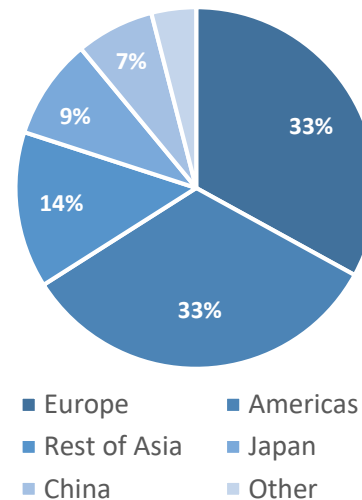
Global Industry

Total revenue 3-year CAGR	8.1%
Forecasted 5-year revenue growth	4.4%

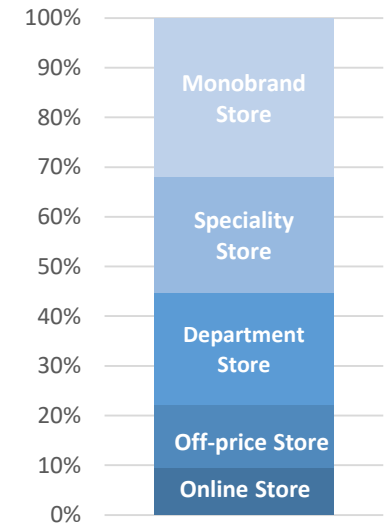
Industry by Segment



Industry by Region



Distribution Channels



Industry Trends



Trends

- **Millennials:** The industry is transitioning into a new market where Millennials are contributing to significant portion of sales.
- **Digital Media:** Marketing through influencers on social media is becoming an increasingly dominant arena for brand development
- **Chinese Consumer:** Luxury products are in high demand in the Asian markets with mixed impacts from the macroeconomic

Competition

- **Brand Acquisition:** Quality companies with attractive brands are in strong demand for conglomerates and financial buyers
- **Market Share:** Potential to expand market share and monopolize profits via acquisition

Regional Characteristics

- **Europe:** Heart of the luxury fashion, accessories, and jewelry origination markets, and home to major conglomerates and brands
- **North America:** Less history and symbolism in relation to branding but strong contender via private equity investments
- **Asia / International:** Strong consumer demand but limited home-grown and owned luxury brands

Key Players (% Luxury Goods Market, 2017)

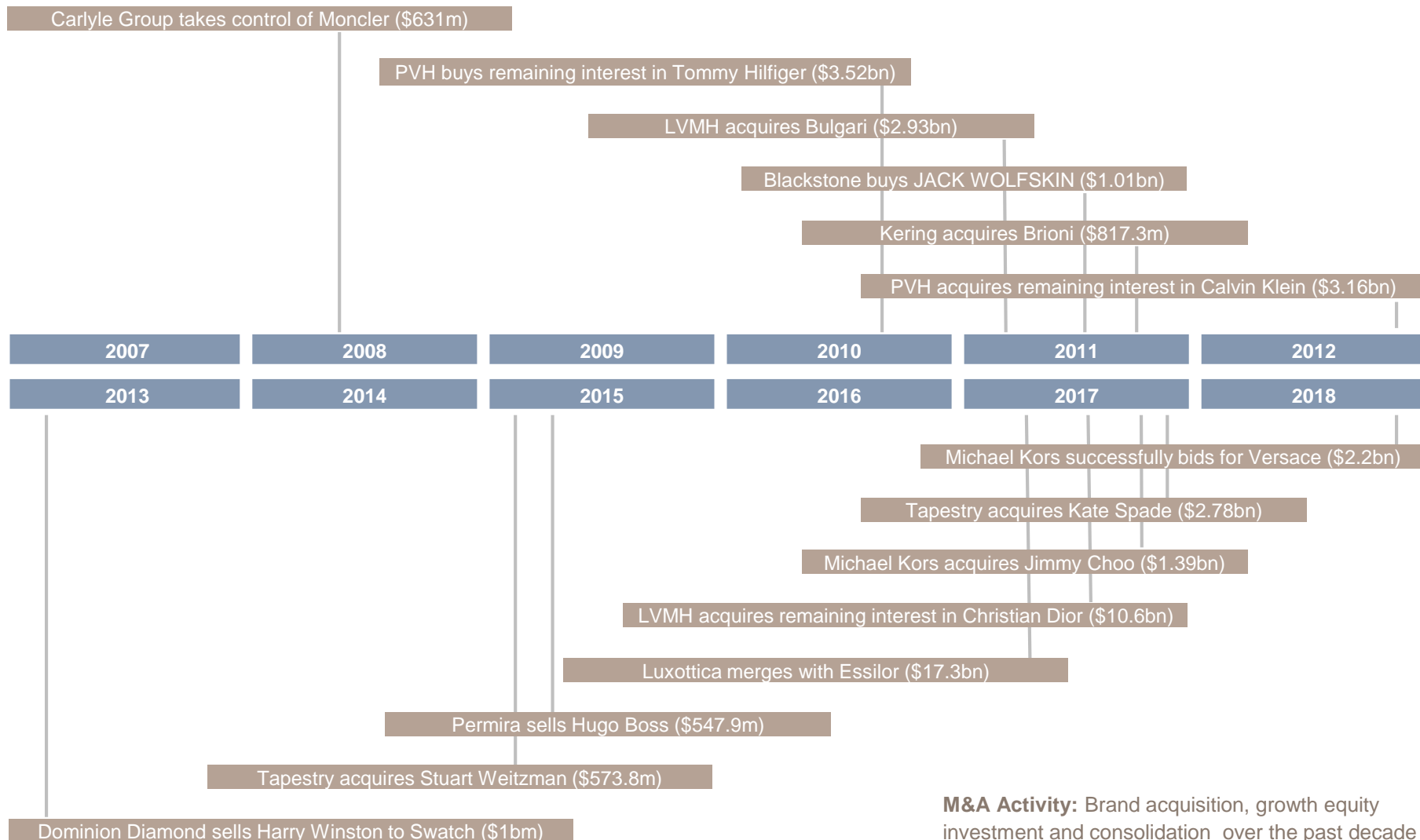
- **LVMH** (10.6% - European luxury conglomerate)
- **Kering** (4.1% - European luxury conglomerate)
- **Luxottica** (0.02% - luxury accessories)
- **Tapestry** (0.01% - American luxury conglomerate)
- **Michael Kors** (0.01% - American luxury conglomerate)

Key Players

5-Year Share Price Performance and Notable Events

	tapestry	LVMH	K E R I N G 	 MICHAEL KORS	 RALPH LAUREN
Genre	High-End	Luxury	Luxury	Luxury, High-End, Upscale	Upscale
Core Product Focus	Modern luxury and lifestyle	Fully diversified luxury products	Fully diversified luxury products	Accessories, footwear and apparel	Premium lifestyle products
Key Brands	Coach, Kate Spade, Stuart Weitzman	Louis Vuitton, Dior, Celine, Marc Jacobs, Givenchy, Fendi, etc	Gucci, Bottega Veneta, Brioni, Yves Saint Laurent, etc	Michael Kors, Jimmy Choo, Versace	Ralph Lauren, Club Monaco
Geography	North America (59%) Asia (24%) Other (17%)	North America (23%) Europe (28%) Asia (37%) Other (12%)	North America (19%) Europe (35%) Asia (40%) Other (6%)	North America (64%) Europe (23%) Asia (13%)	North America (56%) Europe (40%) Asia (3%) Other (1%)
CEO	Victor Luis	Bernard Arnault	François-Henri Pinault	John Idol	Patrice Louvet
Headquarters	New York City	Paris	Paris	New York City	New York City
Recent Events	Recently acquired Kate Spade	Bought remaining interest in Christian Dior brand	Sold Puma back to original shareholders	Recently acquired Versace	Closed flagship store on Fifth Avenue, New York City

Corporate Finance Activity



Recent Brand Acquisitions

Tapestry	LVMH	Kering
 kate spade <small>NEW YORK</small>	 <small>LOUIS VUITTON</small>	 <small>PARIS</small>
STUART WEITZMAN	 FENDI	 GUCCI
	 <small>GIVENCHY</small>	 BOTTEGA VENETA
	Dior	
	CELINE	

Michael Kors	Ralph Lauren	PVH
 VERSACE	CLUB MONACO	CALVIN KLEIN
 <small>MICHAEL KORS</small>		TOMMY HILFINGER
JIMMY CHOO	RALPH LAUREN	IZOD

Recent Transactions in Luxury Segment

Tapestry acquires Kate Spade (\$2.78bn)

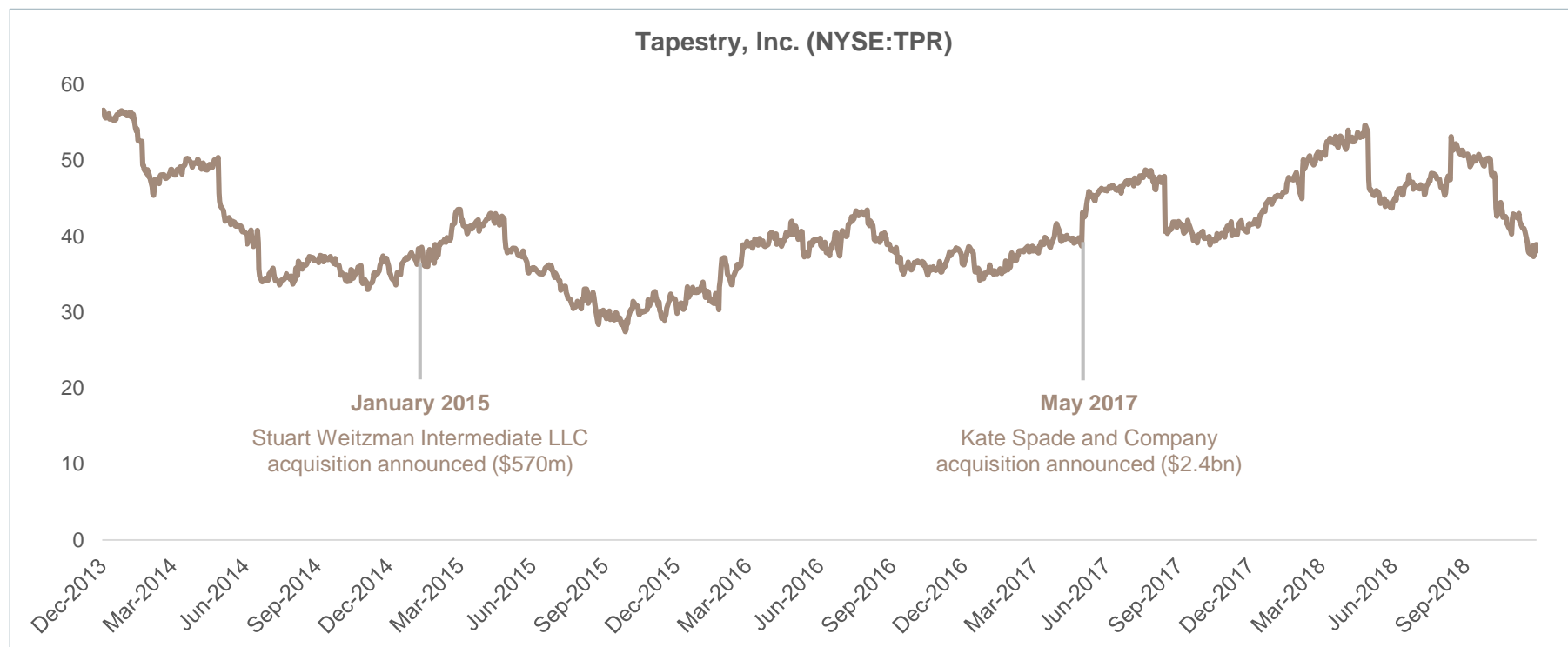
Michael Kors successfully bids for Versace (\$2.2bn)

LVMH acquires remaining interest in Christian Dior (\$10.6bn)

Michael Kors acquires Jimmy Choo (\$1.39bn)

Tapestry Share Price Performance

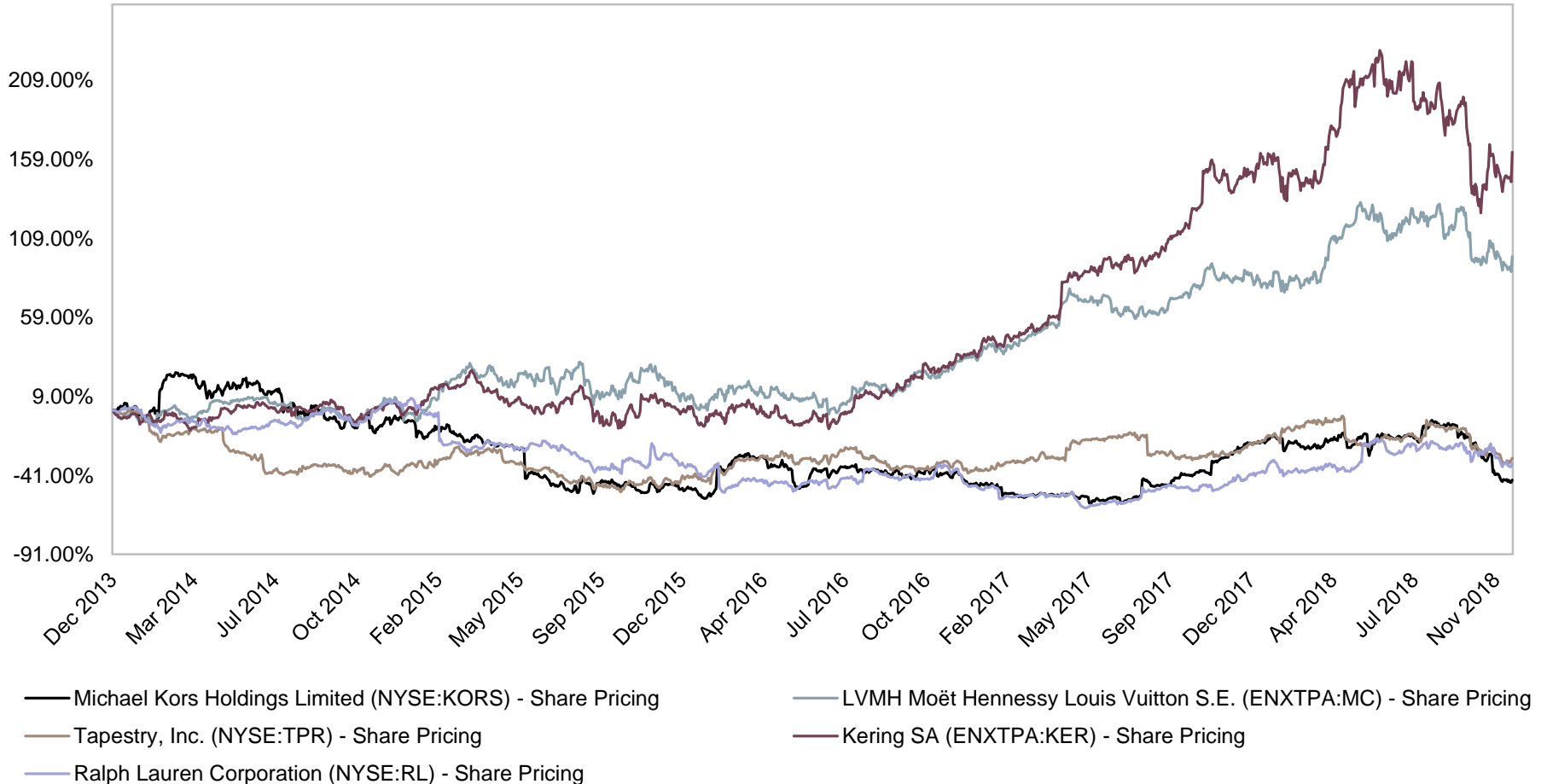
5-Year Share Price Performance and Notable Events



- **January 2015** – Tapestry announced \$570m cash agreement to acquire Stuart Weitzman Intermediate LLC
- **May 2017** – Tapestry announced \$2.4bn all cash tender offer to acquire Kate Spade & Company
- **Oct 2017** – Rebrands company from Coach to Tapestry to reflect diversified brand portfolio resulting from M&A

Luxury Segment Share Price Performance

5-Year Share Price of Key Competitors



Source: Capital IQ

Company Profile: Tapestry

Tapestry, Inc

tapestry

History

- The company's namesake brand, Coach, was founded in 1941 out of a family-run workshop in a Manhattan workshop
- Has since grown into a multinational holding company for luxury fashion houses Coach, Kate Spade, and Stuart Weitzman

Operations

- Operates three core brands: Coach, Stuart Weitzman, and Kate Spade
- Sells products through Tapestry operated stores, wholesale, online, and third-party distributors / licensors
- Fun fact: Coach branded women's handbags account for 39% of revenue

Select Financial Stats

- Exchange / Ticker: NYSE / TPR
- Stock Price: \$38.93
- Market Capitalization: \$11.46bn
- Revenue: \$5.9bn; Gross Profit: \$3.9bn; EBITDA: \$1.2bn
- Total Debt: \$1.6bn; Cash: \$1.0bn
- EV/EBITDA: 10.2x; EV/Revenue: 2.0x

Business Strategy

- Diversification through M&A – have acquired both Stuart Weitzman and Kate Spade brands to gain market share
- Moderately grow retail presence with a focus on mainland China and Europe
- Use the data analytics to drive retail and department store traffic, with an ecommerce platform integrated into the retail experience

Select Corporate Finance Transactions

- Acquired Kate Spade (2017): \$2.4bn
- Acquired Stuart Weitzman (2015): \$574m

Structure

- Reported revenue in 2018 through three business segments:
- Coach (72%)
 - Kate Spade (22%)
 - Stuart Weitzman (6%)

Source: Capital IQ as of November 30, 2018; Tapestry 2018 Annual Report

Company Profile: LVMH

LVMH Moët Hennessy Louis Vuitton S.E.

LVMH

History

- LVMH was formed by the merger of fashion house Louis Vuitton and wine and spirits producer Moët Hennessy in 1987
- With M&A history stretching as far back as the 80's, LVMH has come to own and operate exclusive brands across all luxury segments

Operations

- Operates five core business groups: Wines & Spirits, Fashion & Leather Goods, Perfumes & Cosmetics, Watches & Jewelry, and Selective Retailing

Select Financial Stats

- Exchange / Ticker: EPA / MC
- Stock Price: €252.55
- Market Capitalization: €126.84bn
- Revenue: €44.67bn; Gross Profit: €29.64bn; EBITDA: €10.90bn
- Total Debt: €12.37bn; Cash: €4.96bn
- EV/EBITDA: 12.4x; EV/Revenue: 3.0x

Business Strategy

- Focus on organic growth and invests heavily in their brands
- Both upstream and downstream vertical integration enabling control over the entire value chain (protecting brand image)
- Heavy diversification to ensure stable profits and shareholder return

Select Corporate Finance Transactions

- Acquired Christian Dior Couture S.A. (2017): \$7bn
- Purchased 80% stake in Rimowa (2016): \$716m
- Purchased 42% stake in Repossi (2015): Undisclosed
- Acquired Bulgari (2011): \$5.2bn

Structure

- Reported revenue in 2017 through the following business segments:
- Fashion & Luxury Goods (36%)
 - Selective Retailing (30%)
 - Perfume & Cosmetics (13%)
 - Wines & Spirits (12%)
 - Watches & Jewelry (9%)

Source: Capital IQ as of November 30, 2018; LVMH 2017 Annual Report

Company Profile: Kering

Kering SA

K E R I N G



History

- Founded in 1963 by François Pinault as a timber trading company
- Transitioned to luxury goods in 1999, purchasing a 42% stake in Gucci Group with further acquisitions in later years

Operations

- Three core brands (Gucci, Bottega Veneta, and Saint Laurent) represent over 50% of revenue
- Operates in all international markets through traditional retail and e-commerce

Select Financial Stats

- Exchange / Ticker: EPA / KER
- Stock Price: €384.00
- Market Capitalization: €48.41bn
- Revenue: €16.84bn; Gross Profit: €11.24bn; EBITDA: €4.13bn
- Total Debt: €4.72bn; Cash: €1.93bn
- EV/EBITDA: 12.4x; EV/Revenue: 3.0x

Business Strategy

- Strong focus on in-store organic sales growth – increasing sales per square meter with new concepts and unique storytelling
- Leverage social media through the GucciApp and #GucciGram
- Continue to build e-commerce platform (86% growth for Gucci sales) alongside their refocus on becoming a luxury pure player

Select Corporate Finance Transactions

- Acquiring Stella McCartney (2018): Undisclosed
- PUMA spin-off (2018): \$4.5bn
- Sold 1,500sqm retail property (2017): Undisclosed
- Sold Kering Eyewear (2017): Undisclosed
- Sold Sergio Rossi (2017): \$65.9m

Structure

- Reported revenue in 2017 through two business segments:
- Luxury (71%)
 - Sports & Lifestyle (29%)

Source: Capital IQ as of November 30, 2018; Kering SA 2017 Annual Report

Company Profile: Michael Kors

Michael Kors Holdings Limited



MICHAEL KORS

History

- Founded by designer Michael Kors in 1990 as a licensee of Bergdorf Goodman
- Went bankrupt in 1990 but remerged in 2003 after a \$100m investment
- Completed IPO at \$3.4bn valuation on the NYSE in 2011

Operations

- Offer four primary collections: Michael Kors Collection, MICHAEL Michael Kors, Michael Kors Men, and Jimmy Choo
- Primary revenue generation is through retail and wholesale operations
- Preparing corporate rebrand as Capri Holdings after Versace acquisition

Select Financial Stats

- Exchange / Ticker: NYSE / KORS
- Stock Price: \$43.75
- Market Capitalization: \$6.57bn
- Revenue: \$5.07bn; Gross Profit: \$3.10bn; EBITDA: \$1.16bn
- Total Debt: \$759m; Cash: \$155m
- EV/EBITDA: 6.2x; EV/Revenue: 1.4x

Business Strategy

- Dependent on trendsetting and innovation – unique design and style is the key differentiator in the luxury fashion industry
- Brand engagement through product placement is a core marketing strategy – leveraged celebrities through red carpet product placement and social media campaigns
- Asia market penetration – Jimmy Choo acquisition to help drive growth

Select Corporate Finance Transactions

- Acquired Gianni Versace S.p.A. (2018): \$2.1bn
- Acquired Jimmy Choo Group Plc. (2017): \$1.3bn
- Share buyback (2017): \$1.0bn
- Share buyback (2016): \$1.0bn
- Share buyback (2014): \$1.6bn

Structure

Reported revenue in 2018 through four business segments:

- MK Retail (57.5%)
- MK Wholesale (34.7%)
- Jimmy Choo (4.7%)
- MK Licensing (3.1%)

Source: Capital IQ as of November 30, 2018; Michael Kors Holdings Limited 2018 Annual Report

Company Profile: Ralph Lauren

Ralph Lauren Corporation



History

- Founded by designer Ralph Lauren in 1967 by creating men's ties in New York City
- IPO'd on the NYSE in 1997
- Ralph Lauren and his family retain 83% of voting shares

Operations

- Producer and distributor of mid range to luxury products
- Uses wholesale, retail and licensing deals to generate revenue
- Merchandise is available in over 13,000 stores worldwide

Select Financial Stats

- Exchange / Ticker: NYSE / RL
- Stock Price: \$111.40
- Market Capitalization: \$8.96bn
- Revenue: \$6.25bn; EBITDA: \$962mm
- Total Debt: \$8.26bn; Cash: \$384mm
- EV/EBITDA: 8.4x; EV/Revenue: 1.3x

Business Strategy

- Strategy shift to focus on e-commerce verses traditional brick and mortar
- Shut down Firth Avenue flagship store in New York City
- Heavily investing in Salesforce e-commerce platform
- Further segmentation of mid range clientele from luxury clientele – luxury brand only available through premier retail outlets

Select Corporate Finance Transactions

- Share buyback (2018): \$1bn
- Share buyback (2014): \$2.5bn
- Acquired Impact 21 (2007): \$346mm
- Acquired Ralph Lauren Media LLC (2007): \$175mm
- Acquired Sun Apparel (2005): \$355mm

Structure

Reported revenue in 2017 through four business segments:

- North America (57%)
- Europe (23%)
- Asia (13%)
- Other (7%)

Source: Capital IQ as of November 30, 2018; Ralph Lauren Corporation 2017 Annual Report

NIBC

NIBC 2018-2019 First Round Case
Tapestry

Appendix B: Precedent Transactions

Contents

Michael Kors Acquires Versace (Sep 25, 2018)
Randa Attempted Acquisition of Perry Ellis (Jul 02, 2018)
Michael Kors Acquires Jimmy Choo (Jul 25, 2017)
Coach (Tapestry) Acquires Kate Spade (May 08, 2017)
Semyrhamis Acquires Additional 25.7% Stake in Christian Dior (Apr 25, 2017)
Essilor Acquires Majority Stake in Luxottica (Jan 16, 2017)
PFC and Zignago Holding Acquires 7.2% Stake in Hugo Boss (Feb 10, 2015)
Coach (Tapestry) Acquires Stuart Weitzman (Jan 6, 2015)
Sycamore Acquires The Jones Group (Dec 19, 2013)
LVMH Acquires Loro Piana (Jul 8, 2013)
Apax Partners Acquires Cole Haan (Nov 16, 2012)
PPR (Kering) Acquires Brioni (Jul 29, 2011)
Blackstone Acquires Jack Wolfskin (Jul 21, 2011)
Eurazeo Acquires 45% Stake in Moncler (Jun 6, 2011)
JAB Luxury Acquires Jimmy Choo (May 22, 2011)
PPR (Kering) Acquires Volcom (May 2, 2011)
LVMH Acquires 50.43% Stake in Bulgari (Mar 6, 2011)
LVMH Acquires 49.57% Stake in Bulgari (Mar 6, 2011)
Carlyle Acquires Moncler (Aug 5, 2008)

FIRST ROUND CASE EXCERPTS – FOR PREVIEW ONLY
Please sign up a team at www.nibc.ca for full technical guidance & templates

Please note all supplied IEV and LTM figures are in USD.

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Precedent Transactions

Michael Kors Acquires Versace (Sep 25, 2018)

Michael Kors Holdings Limited (NYSE:KORS) signed a definitive agreement to acquire all of the outstanding shares of Gianni Versace S.p.A. from Versace family, Borgo Luxembourg S.à r.l., Blackstone GPV Capital Partners (Mauritius) VI-D FDI Ltd., Blackstone GPV Tactical Partners (Mauritius)—N Ltd. and manages of Gianni Versace for an enterprise value of approximately €1.8 billion on September 24, 2018. The purchase price is subject to certain adjustments, including, subject to limited exceptions, reductions for any liabilities of Gianni Versace as of the closing and for dividends, distributions or other payments made by Versace during the period beginning on July 1, 2018 through the closing. The deal value is primarily in cash with €150 million of the consideration to be paid in shares. In addition, €100 million of the purchase price that would otherwise be payable at the closing to the Versace Parties will be placed in an escrow account to secure certain indemnification obligations of sellers. Concurrent to the transaction, Versace Parties will reinvest an aggregate of €150 million of the cash received in Gianni Versace. Following acquisition, Donatella Versace, Santo Versace and Allegra Versace Beck will become shareholders in Michael Kors Holdings. The cash portion of the purchase price is expected to be funded by a combination of cash on hand, drawings under the company's existing revolving credit facility, and committed underwritten bank term loans from JPMorgan Chase Bank, N.A. and Barclays. Pursuant to debt commitment letter, JPMorgan Chase Bank and Barclays Bank have committed to arrange and provide Michael Kors a senior unsecured term loan facility in an aggregate principal amount of \$1.6 billion (€1.359 billion), to the extent that certain amendments are not obtained under the Michael Kors existing credit facilities prior to the closing of the acquisition, a \$1 billion (€849.5 million) backstop senior unsecured revolving credit facility. The proceeds will be used for the acquisition and to fund the refinancing of Versace's existing debt and credit facilities. Capri Holdings Limited (NYSE:CPRI) is the new name to be adopted by Michael Kors Holdings Limited upon the closing of the transaction.

Versace's management team will continue to be led by Chief Executive Officer, Jonathan Akeroyd. Donatella Versace agreed to serve as Chief Creative Director for Versace for an additional five-year term following deal completion. The transaction is subject to specified closing conditions, including the approval of all of the antitrust authorities. The transaction is not subject to a financing condition. As of October 18, 2018, the Federal Trade Commission approved the deal. As of November 8, 2018, European Commission has approved the deal. The transaction is expected to close in the company's fourth fiscal quarter of 2019. Michael Kors Holdings believes that the acquisition of Versace enhances the company's economic value and will drive improved long-term shareholder value by accelerating long-term revenue and EPS growth potential. On a non-GAAP basis the acquisition is expected to be dilutive to earnings per share in the high-single digits in fiscal 2020, accretive in the low-single digits in fiscal 2021, and accretive in the high-single digits in fiscal 2022.

Implied Enterprise Value: \$2,154.21

Buyer Description

Michael Kors Holdings Limited design, markets, distributes, and retails branded women's and men's apparel and accessories. It operates in four segments: MK Retail, MK Wholesale, MK Licensing, and Jimmy Choo. The MK Retail segment sells women's apparel; handbags and small leather goods; men's apparel; footwear; and licensed products comprising watches, jewelry, fragrances, and beauty and eyewear. It operates collection stores and lifestyle stores, including concessions and outlets. As of March 31, 2018, this segment operated 379 Michael Kors retail stores, including concessions in the United States and Canada (North America), and Latin America (the Americas); and 450 international retail stores, including concessions in Europe and Asia, as well as e-commerce sites in North America, Canada, Europe, China, Japan, and South Korea. The MK Wholesale segment sells handbags and small leather goods; footwear; and women's and men's apparel to department stores and specialty shops in the Americas, Europe, and Asia. The MK Licensing segment licenses its trademarks to third parties to operate retail stores and/or sell the its products in Brazil, the Middle East, South Africa, Eastern Europe, Asia, and Australia. The Jimmy Choo segment sells luxury footwear, handbags, and small leather goods through directly operated Jimmy Choo stores in North America; Europe, the Middle East, and Africa; and Asia, as well as through Jimmy Choo e-commerce sites. It is also involved in the wholesale distribution activities to partners, multi-brand department stores, and specialty stores worldwide; and licensing agreements related to the manufacture and sale of fragrance, sunglasses, and eyewear. As of March 31, 2018, this segment operated 629 wholesale doors. The

company sells its products under the names of MICHAEL KORS, MICHAEL MICHAEL KORS, JIMMY CHOO, and various other trademarks and logos. Michael Kors Holdings Limited was founded in 1981 and is based in London, the United Kingdom.

Buyer LTM Financial Information

Revenue:	\$4,258m
EBITDA:	\$1,013m
EBIT:	\$827m
Net Income:	\$560m

Buyer LTM Balance Sheet

Debt:	\$704m
Cash and Cash Equivalents:	\$146m

Target Description

Gianni Versace S.p.A. manufactures and distributes clothes and accessories for men and women. The company offers bags, shoes, pens, eyewear, fragrances, watches, jewelry, and home products. It sells products online, as well as through its stores and boutiques in Europe, the Russian Federation and Central Asia, the Middle East, the Asia Pacific and Australia, China Mainland, Japan, the United States, Canada, and Central and South America. The company was founded in 1978 and is based in Milan, Italy. Gianni Versace S.p.A. operates as a subsidiary of GIVI Holding S.p.A.



Appendix C: Team Profile Templates

NIBC 2018 Global Competition | First Round

Team Introduction



**James
Huang**

James is in his third year at the University of British Columbia. He will be joining Macquarie Capital as an incoming Summer Analyst in Calgary. James is an Analyst for the Association of Canadian Intercollegiate Investment Clubs (ACIIC) and previously worked for the Corporate Finance Institute. He has worked in fine-dining at two of the most high-end restaurants in Vancouver.

James.Huang@nibc.ca
+1 (778) 865-9319
Vancouver, Canada

Education

- University of British Columbia (Bachelor, 3rd Year Finance)

Key Experiences

- Macquarie Capital, Calgary (Incoming Summer Analyst)
- Corporate Finance Institute, Vancouver (Summer Analyst)



**Maori
Hayashi**

Maori is a third-year student at the University of British Columbia. She worked as a summer analyst at M&A Cloud, an advisory firm focusing on small to mid-sized businesses and will be joining Citigroup as incoming Summer Analyst in Tokyo. Maori played competitive basketball in Japan and placed 3rd in the Osaka City Marathon.

Maori.Hayashi@nibc.ca
+1 (778) 710-2392
Vancouver Canada

Education

- University of British Columbia (Bachelor, 3rd Year Finance)

Key Experiences

- Citigroup, Tokyo (Incoming Summer Analyst)
- M&A Cloud, Tokyo (Summer Analyst)



**Tennille
Robertson**

Tennille is in her third year at the University of British Columbia. She has interned within Canaccord Genuity's Wealth Management and corporate finance team supporting advisory and IPO financings. Tennille co-founded an events group and is a former competitive athlete on the BC provincial track & field and basketball team.

Tennille.Robertson@nibc.ca
+1 (604) 671-0593
Vancouver Canada

Education

- University of British Columbia (Bachelor, 3rd Year Finance)

Key Experiences

- CanaccordGenuity, Vancouver (Wealth Management & Advisory)
- Events Media Group, Vancouver (Founding Member)



**Nina
Erdevicki**

Nina is in her second year at the University of British Columbia. She most recently completed an internship at Gravitas Securities focusing on early-stage and mature technology clients. Nina competed nationally in women's tennis and was ranked 1st in BC and 7th in Canada and is currently competing for the UBC women's tennis team.

Nina.Erdevicki@nibc.ca
+1 (778) 836-4191
Vancouver Canada

Education

- University of British Columbia (Bachelor, 2nd Year Finance)

Key Experiences

- Gravitas Securities, Vancouver (Summer Analyst)
- Professional Tennis (Ranked 1st in BC / 7th in Canada)

Team Member Accomplishments

EXPERIENCES



James Huang (Undergrad | Finance 2020)

- **Macquarie Capital (Calgary):** Incoming IB Summer Analyst
- **Corporate Finance Institute:** Research Analyst
- **ACIIC:** Research Analyst
- **Fine Dining:** CinCin Ristorante & Bar, Minami Restaurant



Maori Hayashi (Undergrad | Finance 2020)

- **Citigroup (Tokyo):** Incoming IB Summer Analyst
- **M&A Cloud:** Analyst, Mid-Market Advisory
- **Prime Focus World:** Accounting Assistant, Film & Visual Effects
- **Young Investor Program:** Director, Sponsorships



Tennille Robertson (Undergrad | Finance 2020)

- **Canaccord Genuity:** Wealth Management, Advisory
- **Community:** Free the Children, Events Media Group (Founder)
- **Upstat Marketing:** Sales Consultant
- **Kappa Kappa Gamma Sorority:** Marshal Associate



Nina Erdevicki (Undergrad, Finance 2021)

- **Gravitas Securities:** IB Summer Analyst
- **Canadian National Tennis:** Professional Competitor
- **Community:** Help Change My City, The Surrey Project (Leader)
- **Erdevicki Structural Engineering:** Administrative Assistant

SKILLS & ACHIEVEMENTS

Corporate Finance, Investment Research, Hospitality Operation

- Published reports on **Henry Hub, National Balancing Point, AECO**
- Oversaw dining service and **front-of-house / back-of-house systems**
- **4.20/4.33 Cumulative GPA** for years 1 & 2, **financial modeling training**
- **Best Player** (Basketball), 1st in Regional **4x100m Relay / Discus Throw**

Corporate Finance, Accounting, Sponsorship

- Invited **speakers & sponsors** and **coached workshops** for **YI Program**
- **Equity research** (Bloomberg Certificate), **Valuation modeling training**
- **85% GPA** in 2nd Year, **Piano** (Yamaha Music Foundation: Japan)
- **3rd in City Marathon** (Osaka Japan), **Regional basketball** (Vice-Captain)

Wealth Management, Professional Events, Direct Sales

- Research for M&A and IPO investment strategies
- Raised **\$100,000+** in funds for **WE Free the Children** public initiatives
- Exceeded sales target for **100% commission-based door-to-door sales**
- **97th percentile PSAT Math**, **3rd in Provincial Basketball** (Captain)

Corporate Finance, High-Performance Competition, Leadership

- Raised sponsorship for **Black Dress Fashion Gala at Fairmont** (500+)
- Co-founder, workshop leader and web developer for **community project**
- 6-time Canadian Tennis Nationals Competitor, **1st in BC / 7th in Canada**
- International Tennis Federation competing in **North America, Europe, Asia**



+1 (778) 836-4191
Nina.Erdevicki@nibc.ca
Vancouver, Canada

Education & Skills

- **Bachelor of Commerce (UBC)**
Finance Specialization, 2nd Year
- **Other Education & Skills Training**
Financial Modeling
Corporate Finance Research
High-Performance Tennis
Web Development & Marketing

Awards & Achievements

- **Ranked 1st in BC & 7th in Canada**
Canadian Tennis Ranking
- **Competed in Europe, Asia, & America**
International Tennis Federation
- **“STEM” TELUS Panel Speaker**
Science, Tech, Engineering, Math
- **2018 Mayoral Campaign**
Supported runner-up Ken Sim
- **Associate, Competition**
NIBC 2018 Organizing Team

Professional Experience

Gravitas Securities
Vancouver, Canada
Summer 2018

- Completed investment banking summer internship and directly supported Canadian Head of Capital Markets covering Canadian and US clients as fully licensed broker
 - Assisted with pitchbook creation, contract due diligence and financial research
 - Worked on two financing engagements involving early-stage and mid-size technology clients
 - Awarded internship during first year and received return offer with high performance ranking

National Investment Banking Competition
Vancouver, Toronto, New York
2018-Present

- NIBC runs the largest investment banking competition globally with 2,000+ competitors and 17 investment banks
- Selected by senior board member and investment banking professionals to join team as only first year
 - Asked to moderate fireside chat with Ken Sim, EY Entrepreneur of the Year, who I also assisted in a very close 2018 Vancouver mayoral campaign

International Tennis Federation & Tennis Canada
2012-2017

- Competed in International Tennis Federation (ITF) tournaments in North America, Europe, Asia, and Canada
- Maintained first place ranking in British Columbia for junior high performance tennis from 2012-2016
- Competed in Nationals 6 times and attained top Canadian National Ranking of 7th in Canada.

Help Change my City
Vancouver, Canada
2016-2017

- Help Change my City & the Surrey Project are philanthropic endeavors to help marginalized youth in Vancouver
- **Co-Founder, Marketing Executive & Workshop Leader**
 - Helped organize two Little Black Dress Gala's in Fairmont hotels with 500+ attendees.
 - Led workshops and mentored troubled youth and participated in step-by-step support system





Appendix D: Model Output Templates

NIBC 2018 Global Competition | First Round

Discounted Cashflow Valuation | Operating Cashflows (1/5)

DCF Summary - Operating Cashflows													
*All dollar amounts in millions	2014	2015	2016	2017	2018	Cashflow Forecast							
						2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Coach revenues	4,806	4,192	4,147	4,115	4,222	-	-	-	-	-	-	-	-
Kate Spade revenues	-	-	-	-	1,285	-	-	-	-	-	-	-	-
Stuart Weizman revenues	-	-	345	374	374	-	-	-	-	-	-	-	-
Total Revenues	4,806	4,192	4,492	4,488	5,880	-	-	-	-	-	-	-	-
<i>Revenue growth</i>		(12.8%)	7.2%	(0.1%)	31.0%	(100.0%)	-	-	-	-	-	-	-
Coach COGS	(1,509)	(1,283)	(1,298)	(1,260)	(1,290)	-	-	-	-	-	-	-	-
Kate Spade COGS	-	-	-	-	(574)	-	-	-	-	-	-	-	-
Stuart Weizman COGS	-	-	(142)	(148)	(163)	-	-	-	-	-	-	-	-
Total COGS	(1,509)	(1,283)	(1,441)	(1,407)	(2,026)	-	-	-	-	-	-	-	-
Coach SG&A	(1,865)	(1,963)	(1,825)	(1,815)	(1,847)	-	-	-	-	-	-	-	-
Kate Spade SG&A	-	-	-	-	(773)	-	-	-	-	-	-	-	-
Stuart Weizman SG&A	-	-	(170)	(211)	(214)	-	-	-	-	-	-	-	-
Corporate SG&A	(312)	(328)	(403)	(268)	(349)	-	-	-	-	-	-	-	-
Total SG&A	(2,177)	(2,291)	(2,398)	(2,294)	(3,183)	-	-	-	-	-	-	-	-
Coach EBIT	1,432	946	1,024	1,040	1,084	-	-	-	-	-	-	-	-
Kate Spade EBIT	-	-	-	-	(62)	-	-	-	-	-	-	-	-
Stuart Weizman EBIT	-	-	33	16	(3)	-	-	-	-	-	-	-	-
Corporate SG&A	(312)	(328)	(403)	(268)	(349)	-	-	-	-	-	-	-	-
Total EBIT	1,120	618	654	787	671	-	-	-	-	-	-	-	-
<i>EBIT growth</i>		(44.8%)	5.7%	20.5%	(14.8%)	(100.0%)	-	-	-	-	-	-	-
<i>EBIT margin</i>	23.3%	14.7%	14.5%	17.5%	11.4%	-	-	-	-	-	-	-	-
Add: Total D&A	189	192	211	213	260	-	-	-	-	-	-	-	-
Add: Stock-based compensation	84	95	96	77	81	-	-	-	-	-	-	-	-
Add: Integration and restructuring activities	108	60	18	9	135	-	-	-	-	-	-	-	-
EBITDA	1,501	964	978	1,086	1,147	-	-	-	-	-	-	-	-
<i>EBITDA growth</i>		(35.8%)	1.4%	11.1%	5.6%	(100.0%)	-	-	-	-	-	-	-
<i>EBITDA margin</i>	31.2%	23.0%	21.8%	24.2%	19.5%	-	-	-	-	-	-	-	-

Discounted Cashflow Valuation | Segmented Operating Metrics (2/5)

DCF Summary - Segmented Operating Metrics													
*All dollar amounts in millions	2014	2015	2016	2017	2018	Cashflow Forecast							
						2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Total Revenue Growth	(12.8%)	7.2%	0.1%	31.0%	(100.0%)	-%	-%	-%	-%	-%	-%	-%	-%
Coach Revenue Growth	(12.8%)	(1.1%)	(0.8%)	2.6%	(100.0%)	-%	-%	-%	-%	-%	-%	-%	-%
Kate Spade Revenue Growth	-%	-%	-%	-%	(100.0%)	-%	-%	-%	-%	-%	-%	-%	-%
Stuart Weizman Revenue Growth	-%	-%	8.4%	0.1%	(100.0%)	-%	-%	-%	-%	-%	-%	-%	-%
Coach % of Total Revenues	100.0%	92.3%	91.7%	71.8%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Kate Spade % of Total Revenues	-%	-%	-%	21.8%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Stuart Weizman % of Total Revenues	-%	7.7%	8.3%	6.4%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Total EBIT Growth	(44.8%)	5.7%	20.5%	(14.8%)	-%	-%	-%	-%	-%	-%	-%	-%	-%
Coach EBIT Growth	(33.9%)	8.3%	1.5%	4.3%	(100.0%)	-%	-%	-%	-%	-%	-%	-%	-%
Kate Spade EBIT Growth	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Sturat Weizman EBIT Growth	-%	-%	(52.3%)	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Total EBIT Margin	14.7%	14.5%	17.5%	11.4%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Coach EBIT Margin	22.6%	24.7%	25.3%	25.7%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Kate Spade EBIT Margin	-%	-%	-%	(4.8%)	-%	-%	-%	-%	-%	-%	-%	-%	-%
Stuart Weizman EBIT Margin	-%	9.4%	4.1%	(0.7%)	-%	-%	-%	-%	-%	-%	-%	-%	-%
EBITDA Growth	(35.8%)	1.4%	11.1%	5.6%	(100.0%)	-%	-%	-%	-%	-%	-%	-%	-%
EBITDA Margin	23.0%	21.8%	24.2%	19.5%	-%	-%	-%	-%	-%	-%	-%	-%	-%

Discounted Cashflow Valuation | Financing Cashflow (3/5)

DCF Summary - Financing Cashflows													
*All dollar amounts in millions	2014	2015	2016	2017	2018	Cashflow Forecast							
						2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
EBITDA	1,501	964	978	1,086	1,147	-	-	-	-	-	-	-	-
Purchases of PPE	(220)	(199)	(396)	(283)	(267)	-	-	-	-	-	-	-	-
Provision for income taxes	(341)	(209)	(166)	(168)	(199)	-	-	-	-	-	-	-	-
Working capital and other adjustments	(178)	175	(23)	(38)	111	-	-	-	-	-	-	-	-
Free Cashflows / Cashflows for Debt Service	763	731	393	597	792	-	-	-	-	-	-	-	-
Interest expense	2	(6)	(27)	(28)	(74)	-	-	-	-	-	-	-	-
Issuance / repayment of long-term debt	140	756	(15)	712	-	-	-	-	-	-	-	-	-
Sale (purchase) of investments	(484)	106	(388)	876	478	-	-	-	-	-	-	-	-
Acquisitions	10	(515)	(21)	35	(2,242)	-	-	-	-	-	-	-	-
Cashflow Available for Equity Distributions	431	1,072	(58)	2,192	(1,045)	-	-	-	-	-	-	-	-
Equity issuance / repurchase	(525)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (incl. distributions of cash balance)	(377)	(372)	(375)	(378)	(384)	-	-	-	-	-	-	-	-
Net Cashflows	(471)	700	(433)	1,814	(1,430)	-	-	-	-	-	-	-	-
Ending Cash Balance	592	1,292	859	2,673	1,243	-	-	-	-	-	-	-	-
Ending Debt Balance	141	1,037	1,022	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734
Ending Net Debt Balance	(451)	(255)	163	(939)	491	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734
Adjusted Interest Expense (for debt sizing only)		6	27	28	74	-	-	-	-	-	-	-	-
<i>Net Debt to EBITDA</i>	-	(0.3 x)	0.2 x	(0.9 x)	0.4 x	-	-	-	-	-	-	-	-
<i>EBITDA / Notional Interest Expense</i>	-	150.6 x	36.3 x	38.2 x	15.5 x	-	-	-	-	-	-	-	-
<i>Basic shares outstanding (millions)</i>	278	276	278	281	285	285	285	285	285	285	285	285	285
<i>Diluted shares outstanding (millions)</i>	280	277	279	283	289	289	289	289	289	289	289	289	289
<i>Diluted adjusted earnings (loss) per share</i>	\$ 2.79	\$ 1.45	\$ 1.65	\$ 2.09	\$ 1.38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Dividend per share (diluted)</i>	\$ 1.34	\$ 1.34	\$ 1.34	\$ 1.34	\$ 1.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Equity cashflow per share (diluted including debt drawdowns)</i>	\$ 4.83	\$ 6.50	\$ 4.36	\$ 9.78	\$ 1.83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Check: Change in cash & equivalents	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK

Discounted Cashflow Valuation | Valuation Results (4/5)

DCF Summary - Valuation Results													
*All dollar amounts in millions	2014	2015	2016	2017	2018	Cashflow Forecast							
						2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Free cash flows to the firm for valuation (FCFF)	-	-	-	-	-	-	-	-	-	-	-	-	-
Enterprise Value EBITDA Multiple Method		Enterprise Value Perpetual Growth Method				WACC Assumptions							
EBITDA multiple	0.0x					Valuation date 31-Jan-19							
Terminal year EBITDA	-					10-yr US government bond rate 0.0%							
Revenue multiple	0.0x					Expected market return 0.0%							
Terminal year Revenue	-	Perpetual growth of firm cash flow		0.00%		Market risk premium 0.0%							
Present value of terminal value	-	Present value of terminal value		-		Beta 0.00							
Present value of forecast FCF	-	Present value of forecast FCF		-		CAPM Cost of Equity 0.0%							
Enterprise Value	-	Enterprise Value		-		Cost of debt 0.0%							
Debt	-	Debt		-		Tax rate 0.0%							
Cash	-	Cash		-		After Tax Cost of Debt 0.0%							
Equity Value (Market Cap)	-	Equity Value (Market Cap)		-		Target gearing 0.0%							
Shares outstanding	-	Shares outstanding		-		WACC 0.0%							
Fair Value Share Price	\$0.00	Fair Value Share Price		\$0.00									

Discounted Cashflow Valuation | Assumptions Document (5/5)

Operating Assumptions			
Key Metrics	CAGR/Avg	Long-Term	Justification
Total Revenue (CAGR '18-26)	(100.0)%		
Coach Revenue (CAGR '18-26)	(100.0)%		
Kate Spade Revenue (CAGR '18-26)	0.0%		
Stuart Weizman Revenue (CAGR '18-26)	(100.0)%		
Total EBIT Margin (Avg '19-26)	0.0%	0.0%	
Coach EBIT Margin (Avg '19-26)	0.0%	0.0%	
Kate Spade EBIT Margin (Avg '19-26)	0.0%	0.0%	
Stuart Weizman EBIT Margin (Avg '19-26)	0.0%	0.0%	
Total EBITDA (CAGR '18-26)	(100.0)%		
Total EBITDA Margin (Avg '19-26)	0.0%	0.0%	
Capex (% of revenue) (Avg '19-26)	0.0%		
Valuation Assumptions			
Key Metrics	Key Metric		Justification
Beta	0.00		
Risk-free rate	0.0%		
Cost of debt (pre-tax)	0.0%		
Perpetual growth rate	0.0%		
Exit multiple	0.0x		

Trading Comparables Valuation | Summary (1/5)

Company Name	Market	Enterprise	Total	Cash &	Revenue	EBITDA	Earnings	Net Debt /	EV/Revenue ⁽²⁾			EV/EBITDA ⁽²⁾			P/E ⁽²⁾		EBITDA CAGR ⁽²⁾		Revenue CAGR ⁽²⁾		EBITDA	WACC		
	Cap.	Value ⁽¹⁾	Debt	S-t Inv.	NTM	NTM	NTM	EV	LTM	NTM	2020E	LTM	NTM	2020E	LTM	NTM	3-Yr Hist.	2-Yr Fcst.	3-Yr Hist.	2-Yr Fcst.	Margin (%)			
<i>(all figures presented in USD millions, except per share figures or where noted)</i>																								
European Luxury Conglomerates																								
LVMH	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Kering	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Inditex	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Richemont	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Average	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
American Luxury Conglomerates																								
L Brands	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Tapestry	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Michael Kors	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Average	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Luxury Apparel																								
Christian Dior	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Burberry	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Moncler	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Hugo Boss	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Ted Baker	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Average	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Luxury Accessories																								
Hermes	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Luxottica	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Swatch Group	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Tiffany & Co.	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Prada	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Pandora	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Salvatore Ferragamo	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Brunello Cucinelli	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Padini	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Tod's	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Average	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Luxury Segments Average																								
Tapestry	0	0	0	0	0	0	0	-	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%

Trading Comparables Valuation | Summary (2/5)

Company Name	Market	Enterprise	Total	Cash & ST	Revenue	EBITDA	Earnings	Net Debt /	EV/Revenue ⁽²⁾			EV/EBITDA ⁽²⁾			P/E ⁽²⁾		EBITDA CAGR ⁽²⁾		Revenue CAGR ⁽²⁾		EBITDA	WACC		
	Cap.	Value ⁽¹⁾	Debt	Investm.	NTM	NTM	NTM	EV	LTM	NTM	2020E	LTM	NTM	2020E	LTM	NTM	3-Yr Hist.	2-Yr Fcst.	3-Yr Hist.	2-Yr Fcst.	Margin (%)			
<i>(all figures presented in USD millions, except per share figures or where noted)</i>																								
Upscale Brands																								
Tommy Hilfiger	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Ralph Lauren Corporation	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Marks & Spencer	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Steve Madden	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Average	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Everyday Brands																								
H&M	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Gap	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
American Eagle	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Express, Inc	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Average	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Athletic Wear																								
Nike	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Adidas	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Lululemon Athletica	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Under Armour	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Average	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Fashion Retailers																								
Nordstrom	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Hudson's Bay	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
FarFetch	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Buckle	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Noni B	-	-	-	-	-	-	-	-%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Average	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Related Segments Average	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Cumulative Average	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
Tapestry	0	0	0	0	0	0	0	-	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-%	-%	-%	-%	-%	0.0%
<i>Sources: Bloomberg, Company Information</i>																								
<i>(1) Enterprise Value is defined as market capitalization, plus total debt and minority interests less cash and short-term investments; ignores equity investments</i>																								
<i>(2) Based on analyst consensus forecasts</i>																								

Trading Comparables Valuation | Selection (3/5)

Company Name	Yes	EV/Rev	Yes	EV/EBITDA	Valuation Rationale
	Incl.?	NTM	Incl.?	NTM	
European Luxury Conglomerates					
LVMH	Yes	0.0x	Yes	0.0x	
Kering	Yes	0.0x	Yes	0.0x	
Inditex	Yes	0.0x	Yes	0.0x	
Richemont	Yes	0.0x	Yes	0.0x	
Average Selection		0.0x		0.0x	
American Luxury Conglomerates					
L Brands	Yes	0.0x	Yes	0.0x	
Tapestry	Yes	0.0x	Yes	0.0x	
Michael Kors	Yes	0.0x	Yes	0.0x	
Average Selection		0.0x		0.0x	
Luxury Apparel					
Christian Dior	Yes	0.0x	Yes	0.0x	
Burberry	Yes	0.0x	Yes	0.0x	
Moncler	Yes	0.0x	Yes	0.0x	
Hugo Boss	Yes	0.0x	Yes	0.0x	
Ted Baker	Yes	0.0x	Yes	0.0x	
Average Selection		0.0x		0.0x	
Luxury Accessories					
Hermes	Yes	0.0x	Yes	0.0x	
Luxottica	Yes	0.0x	Yes	0.0x	
Swatch Group	Yes	0.0x	Yes	0.0x	
Tiffany & Co.	Yes	0.0x	Yes	0.0x	
Prada	Yes	0.0x	Yes	0.0x	
Pandora	Yes	0.0x	Yes	0.0x	
Salvatore Ferragamo	Yes	0.0x	Yes	0.0x	
Brunello Cucinelli	Yes	0.0x	Yes	0.0x	
Padini	Yes	0.0x	Yes	0.0x	
Tod's	Yes	0.0x	Yes	0.0x	
Average Selection		0.0x		0.0x	
Luxury Segments Selection		0.0x		0.0x	
Tapestry		0.0x		0.0x	

Trading Comparables Valuation | Selection (4/5)

Company Name	Yes	EV/Rev	Yes	EV/EBITDA	Valuation Rationale
	Incl.?	NTM	Incl.?	NTM	
Upscale Brands					
Tommy Hilfiger	Yes	0.0x	Yes	0.0x	
Ralph Lauren Corporation	Yes	0.0x	Yes	0.0x	
Marks & Spencer	Yes	0.0x	Yes	0.0x	
Steve Madden	Yes	0.0x	Yes	0.0x	
Average Selection		0.0x		0.0x	
Everyday Brands					
H&M	Yes	0.0x	Yes	0.0x	
Gap	Yes	0.0x	Yes	0.0x	
American Eagle	Yes	0.0x	Yes	0.0x	
Express, Inc	Yes	0.0x	Yes	0.0x	
Average Selection		0.0x		0.0x	
Athletic Wear					
Nike	Yes	0.0x	Yes	0.0x	
Adidas	Yes	0.0x	Yes	0.0x	
Lululemon Athletica	Yes	0.0x	Yes	0.0x	
Under Armour	Yes	0.0x	Yes	0.0x	
Average Selection		0.0x		0.0x	
Fashion Retailers					
Nordstrom	Yes	0.00	Yes	0.00	
Hudson's Bay	Yes	0.00	Yes	0.00	
FarFetch	Yes	0.0x	Yes	0.0x	
Buckle	Yes	0.0x	Yes	0.0x	
Noni B	Yes	0.0x	Yes	0.0x	
Average Selection		0.0x		0.0x	
Related Segments Selection		0.0x		0.0x	
Cumulative Selection		0.0x		0.0x	
Tapestry		0.0x		0.0x	
Selected Industry Multiple					Note: Use "Incl.?" column to indicate whether a company should be included in the valuation [0 - No; 1 - Yes]
Tapestry Metric (2019E)					
Total Enterprise Value					
- Total Debt					
- Preferred & ST Inv					
+ Cash					
Equity Value					
Shares Outstanding (m)					
Fair Value Share Price					

Trading Comparables Valuation | Calculations (5/5)

Company Name	Share Price (USD)	Market Cap.	Enterprise Value	Total Debt	Cash & ST Investm.	Revenue NTM	EBITDA NTM	Earnings NTM	Tot. Debt / Tot. Cap.	Net Debt / EBITDA	Total Debt / EV	Net Debt / EV	EV/Revenue									EBITDA CAGR ⁽¹⁾			Revenue CAGR			EBITDA Margin (%)	BETA	WACC						
													2020E			2017A			2019E			3-Yr Hist.	2-Yr Fcst.	3-Yr Hist.	2-Yr Fcst.											
													LTM	NTM	2020E	LTM	NTM	2020E	LTM	NTM	2019E															
(all figures presented in USD millions, except per share figures or where noted)													[use =IF(\$B9/\$W9<0,"N/A", \$B9/\$W9) to avoid errors]																							
European Luxury Conglomerates																																				
LVMH																																				
Kering																																				
Inditex																																				
Richemont																																				
Average																																				
American Luxury Conglomerates																																				
L Brands																																				
Tapestry																																				
Michael Kors																																				
Average																																				
Luxury Apparel																																				
Christian Dior																																				
Burberry																																				
Moncler																																				
Hugo Boss																																				
Ted Baker																																				
Average																																				
Luxury Accessories																																				
Hermes																																				
Luxottica																																				
Swatch Group																																				
Tiffany & Co.																																				
Prada																																				
Pandora																																				
Salvatore Ferragamo																																				
Brunello Cucinelli																																				
Padini																																				
Tods																																				
Average																																				
Upscale Brands																																				
Tommy Hilfger																																				
Ralph Lauren Corporation																																				
Marks & Spencer																																				
Steve Madden																																				
Average																																				
Everyday Brands																																				
H&M																																				
Gap																																				
American Eagle																																				
Express, Inc																																				
Average																																				
Athletic Wear																																				
Nike																																				
Adidas																																				
Lululemon Athletica																																				
Under Armour																																				
Average																																				
Fashion Retailers																																				
Nordstrom																																				
Hudson's Bay																																				
Fairfatch																																				
Buckle																																				
Nori B																																				
Average																																				
Tapestry																																				

Precedent Transactions Valuation | Summary (1/2)

Target	Combined Entity				Relevance to Target Valuation
	Incl.?	EV/Revenue LTM	Incl.?	EV/EBITDA LTM	
<i>(all figures presented in USD millions, except per share figures or where otherwise noted)</i>					
Versace	Yes	0.00	Yes	0.00	
Perry Ellis	Yes	0.00	Yes	0.00	
Jimmy Choo	Yes	0.00	Yes	0.00	
Christian Dior	Yes	0.00	Yes	0.00	
Luxottica	Yes	0.00	Yes	0.00	
Hugo Boss	Yes	0.00	Yes	0.00	
The Jones Group	Yes	0.00	Yes	0.00	
Loro Piana	Yes	0.00	Yes	0.00	
Cole Haan	Yes	0.00	Yes	0.00	
Brioni	Yes	0.00	Yes	0.00	
Jack Wolfskin	Yes	0.00	Yes	0.00	
Moncler	Yes	0.00	Yes	0.00	
Jimmy Choo	Yes	0.00	Yes	0.00	
Volcom	Yes	0.00	Yes	0.00	
Bulgari	Yes	0.00	Yes	0.00	
Bulgari	Yes	0.00	Yes	0.00	
Moncler	Yes	0.00	Yes	0.00	
Average		0.0x		0.0x	
Tapestry					
Implied Enterprise Value					
Total Enterprise Value					
- Debt					
- Preferred & Other					
+ Cash					
Equity Value					
Shares Outstanding (millions)					
Fair Value Share Price					

Precedent Transactions Valuation | Calculations (2/2)

Target		Buyer			Transaction				LTM		EV/LTM ⁽²⁾	
Company	Type	Company	Type	EV ⁽¹⁾	Date	Year	Rationale	Impl, EV	Revenue	EBITDA	Revenue	EBITDA
<i>(all figures presented in USD millions, except per share figures or where otherwise noted)</i>												
Versace		Michael Kors			September 25, 2018	2018						
Perry Ellis		Perry Ellis			July 2, 2018	2018						
Jimmy Choo		Michael Kors			July 25, 2017	2017						
Christian Dior		Semyrhamis			April 25, 2017	2017						
Luxottica		Essilor			January 16, 2017	2017						
Hugo Boss		PFC and Zignago			February 10, 2015	2015						
The Jones Group		Sycamore			December 19, 2013	2013						
Loro Piana		LVMH			July 8, 2013	2013						
Cole Haan		Apax Partners			November 16, 2012	2012						
Brioni		Kering			July 29, 2011	2011						
Jack Wolfskin		Blackstone			July 21, 2011	2011						
Moncler		Eurazeo			June 6, 2011	2011						
Jimmy Choo		JAB Luxury			May 22, 2011	2011						
Volcom		Kering			May 2, 2011	2011						
Bulgari		LVMH			March 6, 2011	2011						
Bulgari		LVMH			March 6, 2011	2011						
Moncler		Carlyle			August 5, 2008	2008						
Average												
Tapestry												

(1) Current EV

(2) EV/LTM multiple should be calculated based on Transaction EV

Leveraged Buyout Valuation | Transaction Summary (1/3)

Assumed LBO Transaction Summary							
Use of Funds				Source of Funds			
Tapestry	-	0.0%		Senior Debt	-	-%	
Parent Equity Premium (0%)	-	0.0%		Junior Debt	-	-%	
Equity Value	-	-%		Revolver	-	-%	
Debt Retired / Assumed	1,734	100.0%		Assumed Debt	-	-%	
Transaction Costs	-	0.0%		Total Debt	-	-%	
Total Funds Uses	1,734	100%		Sponsor Equity	491	28.3%	
				Excess Balance Sheet Cash (Shortfall)	1,243	71.7%	
				Total Funds Sources	1,734	100%	
Post-LBO Transaction							
Equity Cashflows				2019E	2020E	2021E	2022E
Proforma Revenue Forecast	Annual Revenue % Growth	0.0%		-	-	-	-
Revenue & Margin Synergies EBITDA Contribution	Annual Margin Improvement	0.0%		-	-	-	-
Proforma EBITDA Forecast	Average EBITDA Margin	0.0%		-	-	-	-
Cashflow for Debt Service (post Taxes, Capex, & WC)				-	-	-	-
Mandatory Debt Service (Interest Expense)				-	-	-	-
Repayment of LBO Debt				-	-	-	-
Operating Cashflow for Equity				-	-	-	-
LBO Sponsor Equity				(491)	-	-	-
Sales Proceeds (based on 0.0x LTM EBITDA multiple)				-	-	-	-
(-) Exit Transaction Costs	Current	\$38.93		-	-	-	-
(-) Remaining Debt at Exit	Offered	\$38.93		-	-	-	-
(+) Excess Cash	Premium	0%		-	-	-	-
(+) Residual Cash Flows				-	-	-	-
Net Equity Cashflows	IRR	0.00%		(491)	-	-	-
Post-LBO Transaction							
Outstanding Debt Balance				2019E	2020E	2021E	2022E
Junior Debt Repayment				-	-	-	-
Junior Debt Ending Balance at 0.0%				-	-	-	-
Senior Debt Repayment				-	-	-	-
Senior Debt Ending Balance at 0.0%				-	-	-	-
Revolver Debt Repayment				-	-	-	-
Revolver Debt Ending Balance at 0.0%				-	-	-	-
Assumed Debt Repayment				-	-	-	-
Assumed Debt Ending Balance at 0.0%				-	-	-	-
Total Debt Ending Balance				-	-	-	-
Debt/EBITDA				NM	NM	NM	NM
Cashflows for Debt Service / Total Interest Expense				0.0x	NM	NM	NM
Cashflows for Debt Service / Senior Interest Expense				0.0x	NM	NM	NM

Leveraged Buyout Valuation | Cashflow Summary (2/3)

Detailed LBO Cashflow Summary												
*All dollar amounts in millions	2014	2015	2016	2017	2018	2019E	Post-LBO Transaction					
							2020E	2021E	2022E	2023E	2024E	2025E
Standalone Revenues	4,806	4,192	4,492	4,488	5,880	-	-	-	-	-	-	-
Revenue Synergies	-	-	-	-	-	-	-	-	-	-	-	-
Proforma Revenue Forecast	4,806	4,192	4,492	4,488	5,880	-	-	-	-	-	-	-
Revenue Growth		(12.8)%	7.2%	(0.1)%	31.0%	(100.0)%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Standalone EBITDA	1,501	964	978	1,086	1,147	-	-	-	-	-	-	-
Revenue & Margin Synergies EBITDA Contribution	-	-	-	-	-	-	-	-	-	-	-	-
Proforma EBITDA Forecast	1,501	964	978	1,086	1,147	-	-	-	-	-	-	-
EBITDA Margin	31.2%	23.0%	21.8%	24.2%	19.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taxes	(341)	(209)	(166)	(168)	(199)	-	-	-	-	-	-	-
Capex	(220)	(199)	(396)	(283)	(267)	-	-	-	-	-	-	-
Change in Working Capital	(178)	175	(23)	(38)	111	-	-	-	-	-	-	-
Cashflow for Debt Service (post Taxes, Capex, & WC)	763	731	393	597	792	-	-	-	-	-	-	-
Interest Expense on Existing Debt	2	(6)	(27)	(28)	(74)	-	-	-	-	-	-	-
Senior LBO Debt Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Junior LBO Debt Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Mandatory Debt Service (Interest Expense)	2	(6)	(27)	(28)	(74)	-	-	-	-	-	-	-
Debt/EBITDA						NM	NM	NM	NM	NM	NM	NM
Cashflows for Debt Service / Total Interest Expense							NM	NM	NM	NM	NM	NM
Cashflows for Debt Service / Senior Interest Expense							NM	NM	NM	NM	NM	NM
FCF for LBO Debt Repayment	765	724	366	568	718	-	-	-	-	-	-	-
Repayment of LBO Debt						-	-	-	-	-	-	-
Residual Cashflow after LBO Debt Service												
LBO Purchase												
Excess Cash on Balance Sheet						1,243	-	-	-	-	-	-
Equity Issuance for LBO						491	-	-	-	-	-	-
Senior LBO Debt Issuance						-	-	-	-	-	-	-
Junior LBO Debt Issuance						-	-	-	-	-	-	-
LBO Purchase Price						(1,734)	-	-	-	-	-	-
Equity IRR Calculation												
LBO Sponsor Equity						(491)	-	-	-	-	-	-
Sale Proceeds						-	-	-	-	-	-	-
Transaction Costs (Exit)						-	-	-	-	-	-	-
Repayment of Debt						-	-	-	-	-	-	-
Excess Cash						-	-	-	-	-	-	-
Residual Cashflows						-	-	-	-	-	-	-
Cash Flows to Equity												
IRR:	-%					(491)	-	-	-	-	-	-

Leveraged Buyout Valuation | Assumptions Document (3/3)

LBO Assumptions		
Key Levers	Values	Justification
Debt/EBITDA	NM	
Interest Rates (Senior / Junior)	0.0% / 0.0%	
Premium	0.0%	
Exit Multiple	0.0x	
Revenue Increase	0.0%	
EBITDA Margin Improvement	0.0%	

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Competition & Case Contact Information

The NIBC Organizing Team would like to thank you for your interest in NIBC 2018. For further inquiries, please copy the following contacts:

Eric Hall | Associate Director, Competition | 604.700.4120 | Eric.Hall@nibc.ca
Mehtaab Chandi | Case Manager | 778.834.6040 | Mehtaab.Chandi@nibc.ca

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