VGR

// Q1 FY2027

CAPRI

HOLDINGS LIMITED

MICHAEL KORS JIMMY CHOO

VGR MARKET INTELLIGENCE

VERYGOODRETAIL.AI

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01

Executive Summary

Revenue fell 3.5% to $769m; Michael Kors in the Americas lost $41m, more than the group's $28m fall, and Jimmy Choo's $17m gain offset 37.8% of the Michael Kors decline

Capri Holdings reported first-quarter revenue from continuing operations of $769m against $797m, down 3.5% as reported and 4.1% in constant currency. Operating income was $17m against $16m, a margin of 2.2% against 2.0%, and net income attributable to Capri $69m against $56m, or $0.60 a diluted share against $0.47. Revenue, adjusted operating income and adjusted earnings per share beat the company's own May guidance for the quarter: revenue of about $750m, adjusted operating income of about $10m (actual $28m) and adjusted earnings of about $0.40 a share (actual $0.67). The company cut full-year revenue guidance to about $3.4bn from about $3.525bn and kept earnings per share at about $2.15.

Versace, sold to Prada on 2 December 2025, is a discontinued operation in both quarters, so both columns hold the same two brands and no perimeter restatement is needed. In points of prior-year revenue, Michael Kors took 6.0 in constant currency, Jimmy Choo added 1.9 and currency added 0.6. Michael Kors revenue fell $45m, 7.1%, to $590m; its Americas region fell $41m, 9.9%, to $372m, which is 91.1% of the brand's decline and 146.4% of the group's. Jimmy Choo rose $17m, 10.5%, to $179m, $12m of it in the Americas. The release attributes about $10m of Michael Kors revenue to wholesale shipments earlier than planned; without it the brand's constant-currency decline is about 9.1%. The second-quarter 10-Q region table will show whether Michael Kors Americas keeps falling at this rate.

Gross margin rose 200bp to 65.0%, 215bp of it from Michael Kors' own rate; operating expenses rose 183bp as a share of revenue and the operating margin rose 20bp to 2.2%

Gross profit was $500m against $502m. On the rounded millions the gross margin moved 203bp: Michael Kors' rate, up 280bp to 63.9%, contributed 215bp at its current weight; Jimmy Choo's rate, down 170bp to 68.7%, took 39bp; the shift in mix toward Jimmy Choo, 23.3% of revenue against 20.3%, added 27bp. Total operating expenses fell $3m to $483m but rose to 62.8% of revenue from 61.0%. Michael Kors' operating margin fell 60bp to 9.3%, its expense ratio up 340bp against a 280bp gain in gross margin. Jimmy Choo's rose 480bp to 7.3%, on revenue up $17m and SG&A up $1m. On the company's adjusted basis, which removes $11m of transaction, restructuring, renovation and transformation costs, the operating margin rose 113bp to 3.6%.

Inventory fell 19.9% to $624m, 29.2 days lower, and the company cut second-quarter Michael Kors revenue by about $50m for inventory delays

Inventory fell $155m year on year against revenue down 3.5%, a gap of 16.4 points. Days on quarterly cost of goods sold were 211.1 against 240.3. The balance rose $43m from March. The second-quarter guidance of about $780m revenue includes

about $50m of lower Michael Kors revenue from inventory delays, and the full-year cut of about $125m includes the same $50m. Free cash flow was $48m against $7m; $40m of the $41m improvement is lower cash tax paid, which the 10-Q attributes to timing. Net debt, excluding leases, was $224m against $1,542m a year earlier, after the Versace proceeds.

WHAT TO WATCH

Q2 FY2027 10-Q; release date not stated in the Q1 filings. Michael Kors revenue in the Americas in the region table (Q1: $372m, −9.9%). A continuation is a second decline of 5.0% or more; a break is a decline below 5.0% or growth.

Same release. Michael Kors revenue against the guided figure of about $645m, which already carries about $50m of inventory delays and the reversal of about $10m of wholesale timing, and inventories on the balance sheet. A continuation is revenue at or below $645m with inventory below the prior-year level; a break is revenue above $645m.

Same release. Interest income, net ($31m in Q1). Full-year guidance of about $100m net interest and other income carries the unchanged $2.15 of earnings per share while guided operating income fell $20m. A continuation is about $25m or more in the quarter; a break is a figure below $25m.

VGR will publish the Q2 FY2027 analysis when the figures are released.

02

The period in figures

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CAPRI HOLDINGS LIMITED · NYSE: CPRI · FIRST QUARTER FY2027 · USD AS PUBLISHED

FINANCIAL YEAR ENDS 3 APRIL 2027 · PERIOD ENDED 27 JUNE 2026 · REPORTED 5 AUGUST 2026 · ANALYSIS 30 SEPTEMBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
−3.5%	−0.4%	+6.3%	+23.2%
769 vs 797	500 vs 502	17 vs 16	69 vs 56

GROSS MARGIN	OPERATING MARGIN	RoS
65.0%	2.2%	9.0%
from 63.0%	from 2.0%	from 7.0%

$m, quarter against the same quarter a year earlier; continuing operations (Michael Kors and Jimmy Choo) in both years, as reported under US GAAP; net profit is net income attributable to Capri from continuing operations; margins as the company states them; changes and RoS are VGR arithmetic on rounded millions

Capri reports under US GAAP; the quarterly statements are unaudited and published in rounded millions. The table sets the reported lines beside the company's adjusted figures.

$M	Q1 27	Q1 26	CHANGE
Revenue, reported	769	797	−3.5%
Revenue, constant currency	764	797	−4.1%
Operating income, adjusted	28	20	+8
Operating margin, adjusted	3.6%	2.5%	+113bp
Net income, adjusted, continuing	76	60	+26.7%
Diluted EPS, adjusted	0.67	0.50	+34.0%
Free cash flow	48	7	+41

$M	Q1 27	Q1 26	CHANGE
Net debt excluding leases, end of quarter	224	1,542	−1,318

Capri Holdings, Q1 FY2027 release, 5 August 2026 (8-K Exhibit 99.1), Schedules 6 and 7; Source: Capri Holdings, Form 10-Q for the quarter ended 27 June 2026, balance sheets and cash flows. Constant-currency revenue is reported revenue less the $5m currency effect stated in the MD&A. Prior-year free cash flow and both net-debt figures are VGR arithmetic; the release states $224m and $1.5bn.

03

The restatement bridge: Versace, currency and one-offs

ITEM	TREATMENT	EFFECT ON THE COMPARISON
Perimeter: Versace	Discontinued in both quarters	None on continuing revenue; prior-year Versace revenue of $183m sits outside both columns
Calendar	13 weeks in both quarters	None; the 53rd week falls in FY2027
Currency	Company constant-currency figures	+$5m, 0.6 points of revenue
One-offs	Company adjusted basis, both years	$11m of costs this year, $4m last year

Source: Capri Holdings, Form 10-Q for the quarter ended 27 June 2026, Notes 1 and 3 and MD&A; Capri Holdings, Q1 FY2027 release, 5 August 2026 (8-K Exhibit 99.1), Schedule 7.

Net income from discontinued operations was nil this year and a $3m loss last year. The $3m of other income is transition-service income from Versace, which the company removes from adjusted net income; the $5m of transaction costs in operating expenses relates to the same agreement.

04

Growth composition

$M	MICHAEL KORS	JIMMY CHOO	GROUP
Revenue, Q1 FY26	635	162	797
Constant-currency change	**−48**	+15	**−33**
Currency	+3	+2	+5
Revenue, Q1 FY27	590	179	769
Reported change	**−7.1%**	+10.5%	**−3.5%**
Constant-currency change	**−7.6%**	+9.3%	**−4.1%**

$M	MICHAEL KORS	JIMMY CHOO	GROUP
Points of group revenue, constant currency	**−6.0**	+1.9	**−4.1**

Source: Capri Holdings, Form 10-Q for the quarter ended 27 June 2026, MD&A; percentage changes as the company states them. Points of group revenue are VGR arithmetic; currency adds 0.6 points and the components sum to −3.5 after rounding.

$M	Q1 27	Q1 26	CHANGE
Michael Kors, Americas	372	413	**−9.9%**
Michael Kors, EMEA	142	150	**−5.3%**
Michael Kors, Asia	76	72	+5.6%
Jimmy Choo, Americas	58	46	+26.1%
Jimmy Choo, EMEA	82	78	+5.1%
Jimmy Choo, Asia	39	38	+2.6%
Group, Americas	430	459	**−6.3%**
Group, EMEA	224	228	**−1.8%**
Group, Asia	115	110	+4.5%

Source: Capri Holdings, Form 10-Q for the quarter ended 27 June 2026, Note 4. Reported dollars. Changes are VGR arithmetic.

The Americas lost $29m against a group decline of $28m; EMEA and Asia together added $1m. No channel, like-for-like or price and volume split is disclosed, so the decomposition of organic growth stops at brand and region. The company attributes the Michael Kors decline to lower promotional activity and the Jimmy Choo growth to all channels.

Cross-section, the same calendar quarter: Ralph Lauren revenue rose 14.0% in its first quarter to 27 June 2026; Tapestry's fourth-quarter net sales rose 8.9% as reported. Capri's constant-currency change was −4.1%.

05

The estate

STORES AT QUARTER END	Q1 27	Q1 26	CHANGE
Michael Kors, full price incl. concessions	329	384	**−55**
Michael Kors, outlet	333	311	+22
Jimmy Choo, full price	154	161	**−7**
Jimmy Choo, outlet	55	56	**−1**

STORES AT QUARTER END	Q1 27	Q1 26	CHANGE
Total	871	912	**−4.5%**

Source: Capri Holdings, Form 10-Q for the quarter ended 27 June 2026, MD&A.

Outlets rose to 50.3% of Michael Kors stores from 44.7%. The 10-Q gives no comparable-store sales, selling space or retail revenue, so productivity per store is not calculable. Noted, not material.

06

Margin architecture

GROSS MARGIN BRIDGE	BP
Q1 FY26 gross margin, 63.0%	
Michael Kors rate, +280bp at 76.7% weight	+215
Jimmy Choo rate, −166bp at 23.3% weight	**−39**
Mix toward Jimmy Choo	+27
Q1 FY27 gross margin, 65.0%, change	+203

Source: Capri Holdings, Form 10-Q for the quarter ended 27 June 2026, segment note. VGR arithmetic on rounded millions; the company states +200bp. Tariff, price and sell-through effects inside each rate are not quantified in the filing.

% OF REVENUE	Q1 27	Q1 26	CHANGE, BP
Gross margin	65.0%	63.0%	+203
SG&A	58.6%	57.1%	**−156**
Depreciation, restructuring and other	4.2%	3.9%	**−27**
Operating margin, reported	2.2%	2.0%	+20
Operating margin, adjusted	3.6%	2.5%	+113
Michael Kors operating margin	9.3%	9.9%	**−60**
Jimmy Choo operating margin	7.3%	2.5%	+480

Source: Capri Holdings, Form 10-Q for the quarter ended 27 June 2026. Cost lines signed by their effect on the margin; rows may not sum because of rounding. VGR arithmetic.

Michael Kors SG&A fell $3m, 1.0%, on revenue down 7.1%; the 10-Q attributes the saving to lower store and personnel costs. Jimmy Choo SG&A rose $1m on revenue up $17m. Unallocated corporate SG&A fell $2m to $43m. Segment operating income rose $1m to $68m; corporate expenses and restructuring together were $51m in both years.

07

Inventory

$M	Q1 27	Q1 26	CHANGE
Inventories, net	624	779	**−19.9%**
Revenue	769	797	**−3.5%**
Days on quarterly cost of goods sold	211.1	240.3	−29.2
Inventory, 28 March 2026	581		+43 in the quarter

Source: Capri Holdings, Form 10-Q for the quarter ended 27 June 2026, balance sheets. Days = inventory ÷ quarterly cost of goods sold × 91. VGR arithmetic.

Raw materials and work in process were $16m. No provision or ageing figure is disclosed for the quarter. The company links part of the full-year revenue cut to lower Michael Kors inventory in the second quarter, about $50m. Material by size.

08

Working capital, cash and capital structure

$M	Q1 27	Q1 26	CHANGE
Operating cash flow, continuing	73	20	+53
of which cash taxes paid	(6)	(46)	+40
of which inventories	(45)	(55)	+10
of which accounts payable	40	15	+25
Capital expenditure	(25)	(13)	**−12**
Free cash flow	48	7	+41
Total debt, end of quarter	338	1,671	−1,333
Cash, end of quarter	114	129	**−15**
Net debt excluding leases	224	1,542	−1,318
Operating lease liabilities	1,054	1,049	+5

Source: Capri Holdings, Form 10-Q for the quarter ended 27 June 2026, balance sheets and cash flows. Cash taxes paid are a supplemental disclosure and are shown here only to explain the change. VGR arithmetic.

Debt is $321m drawn on the revolving credit facility and $17m of other borrowings. Total shareholders' equity was $143m against $84m in March and a deficit of $13m a year earlier. The IEEPA tariff refund receivable was $59m at quarter end; the company received $43m more by 31 July 2026.

09

Capital allocation

Capital expenditure was $25m, 3.3% of revenue, against full-year guidance of about $125m. The company bought about 2.6m shares for $50m at about $19.31; $871m of authorisation remains. Diluted shares fell 2.6%, so diluted earnings per share rose 27.7% on net income up 23.2%. No dividend is paid. Noted.

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Earnings quality

$M	Q1 27	Q1 26	CHANGE
Operating income	17	16	+1
Interest income, net	31	18	+13
Other income, net (Versace transition services)	3	1	+2
Foreign currency gain	1	5	**−4**
Income before taxes	52	40	+12
Benefit for income taxes	18	16	+2
Net income attributable to Capri, continuing	69	56	+13
Effective tax rate	−34.6%	−40.0%	

Source: Capri Holdings, Form 10-Q for the quarter ended 27 June 2026, statements of operations and MD&A.

Operating income was 32.7% of pre-tax income; net interest income was 59.6%. Net income was 4.1 times operating income because a tax benefit was booked on positive pre-tax income; the 10-Q attributes the negative rate to changes in valuation allowances. The 10-Q attributes the $13m rise in net interest income to lower average borrowings; its accounting-policy note states that interest accruals on the cross-currency swaps that hedge net investments are recorded in the same line. The split is not given. Material: 59.6% of pre-tax income comes from outside operating income.

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Guidance and the implied requirement

ITEM	GUIDED 27 MAY	Q1 OUTTURN OR NEW GUIDE	DIFFERENCE
Q1 revenue	≈ $750m	$769m	+$19m
Q1 adjusted operating income	≈ $10m	$28m	+$18m
Q1 adjusted diluted EPS	≈ $0.40	$0.67	+$0.27
FY27 revenue	≈ $3.525bn	≈ $3.4bn	−$125m
FY27 Michael Kors revenue	≈ $2.9bn	≈ $2.765bn	−$135m
FY27 Jimmy Choo revenue	≈ $625m	≈ $635m	+$10m
FY27 adjusted operating income	≈ $190m	≈ $170m	−$20m
FY27 net interest and other income	≈ $85–90m	≈ $100m	+$10m to +$15m
FY27 diluted shares	≈ 112m	≈ 110m	−2m
FY27 adjusted diluted EPS	≈ $2.15	≈ $2.15	unchanged

Capri Holdings, Q1 FY2027 release, 5 August 2026 (8-K Exhibit 99.1); Capri Holdings, Q4 FY2026 release, 27 May 2026. All guidance on the company's adjusted basis. Differences are VGR arithmetic.

Full-year guidance less the first-quarter outturn and the second-quarter guidance of about $780m revenue and $10m operating income leaves about $1,851m of revenue and $132m of adjusted operating income for the second half, which includes the 53rd week: Michael Kors about $1,530m and Jimmy Choo about $321m. Net interest and other income rises to 37.0% of guided pre-tax income from 31.5% in May. The prior-year second-half base is not given in the Q1 documents, so the implied growth rate is not calculable here.

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Disclosure delta and metrics not reported

- Comparable-store sales and a retail, wholesale and licensing revenue split by brand.
- The tariff cost inside cost of goods sold for the quarter, needed to split the gross-margin gain.

— The composition of interest income, net, between swap accruals and interest on cash and borrowings.

— The size of the Michael Kors wholesale timing effect beyond "approximately $10 million".

— The second-quarter release date.

The 10-Q gives cost of goods sold by segment, so segment gross margin is derivable, and store counts by brand, format and region.

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The company's account, tested

CLAIM	DISPOSITION
"Revenue, Operating Income and Earnings Per Share Exceed Expectations" (release)	Supported by the disclosed figures, against the company's own 27 May guidance
Gross margin up 200bp, "primarily driven by higher full-price sell-throughs and lower tariff rates" (release)	Not verifiable from the disclosure: no bp split and no tariff cost for the quarter
Michael Kors decline "primarily driven by our quality of sale initiatives, as we reduced promotional activity" (10-Q)	Partially supported: Michael Kors gross margin +280bp; no promotional data
Jimmy Choo growth "across all channels" (10-Q)	Not verifiable from the disclosure: no channel split; all three regions grew
Michael Kors margin decline "primarily due to deleveraging of operating expenses" (10-Q)	Supported by the disclosed figures: expense ratio +340bp against gross margin +280bp
Operating cash flow up "primarily" on "the timing of tax payments" (10-Q)	Supported by the disclosed figures: cash taxes $6m against $46m
Interest income up "primarily due to lower average borrowings" (10-Q)	Partially supported: debt $338m against $1,671m; the swap share is not given
EPS of about $2.15 "representing 40% growth over the prior year" (release)	Not verifiable from the Q1 documents: the FY2026 adjusted base is not restated there

Capri Holdings, Q1 FY2027 release, 5 August 2026 (8-K Exhibit 99.1); Source: Capri Holdings, Form 10-Q for the quarter ended 27 June 2026. Dispositions are VGR's, arithmetic in Capri_Q1_FY2027_Source_Figures.md.

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Method, sources and precision

Primary source: the Form 10-Q (US GAAP, unaudited), with the release of the same day for adjusted figures, guidance and claims, and the 27 May 2026 release for the prior guidance. Cross-foot checks: segments and regions to group revenue; segment cost lines to the income statement; segment operating income to group; the balance sheet; the cash-flow ending balance to balance-sheet cash plus restricted cash; debt note to balance sheet. All reconcile to the million.

FIGURE	PRECISION
Growth rates and margins stated by the company	Exact, as published
Growth rates, shares and bp derived from rounded millions	Bounded, about ±0.1 point or ±10bp
Gross-margin bridge by brand and mix	Bounded, on rounded millions
Michael Kors change excluding wholesale timing	Bounded: the $10m is approximate
Store productivity, like-for-like, channel mix	Not calculable
Second-half growth requirement	Not calculable: no prior-year base in the Q1 documents

VGR arithmetic.

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METHODOLOGY

VGR Standardised Financial Analysis Methodology v5. Revised 30 September 2026 to methodology v5; first published August 2026.

PRIMARY SOURCE

Capri Holdings Limited, Form 10-Q for the quarter ended 27 June 2026, filed 5 August 2026 (accepted 16:09 ET): https://www.sec.gov/Archives/edgar/data/1530721/000153072126000081/cpri-20260627.htm. Release, London, 5 August 2026 (8-K accepted 06:49 ET): https://www.sec.gov/Archives/edgar/data/1530721/000153072126000078/cpri8-k6272026exhibit991.htm. Prior guidance: release of 27 May 2026: https://www.sec.gov/Archives/edgar/data/1530721/000153072126000044/cpri8-k03282026exhibit991.htm

WORKING RECORD

Capri_Q1_FY2027_Source_Figures.md and _source_manifest_rework.json.

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