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// Q2 FY2027

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01

Executive Summary

Primary source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, "Ralph Lauren Reports Second Quarter Fiscal 2027 Results Ahead of Expectations and Raises Fiscal 2027 Outlook", 5 November 2026.
https://www.sec.gov/Archives/edgar/data/1037038/000162828026070619/rl-20260926ex991xpressrele.htm

Net of donations, the tariff refund added $49.1m to operating income

Ralph Lauren reported second-quarter net revenues of $2,193.3m, up 9.1% and 9.6% in constant currency, and operating income of $363.7m, up 48.0%. Gross profit includes $82.3m of tariff refund recoveries, and $33.2m of charitable donations funded from the refund sits in operating expenses. On the company's adjusted basis operating income is $344.6m, up 21.8%, and the margin is 15.7% against 14.1%.

Asia supplied 69% of the revenue increase

Asia revenue rose 28.2% to $571.3m, which is $125.7m of the $182.6m increase. North America added $53.2m and Europe $7.7m. Asia is 26.0% of revenue against 22.2%. Europe comparable store sales fell 1%, with brick and mortar down 4% and digital up 9%.

Average unit retail rose 9% and adjusted gross margin 251bp

Comparable store sales rose 10% and average unit retail 9%. Adjusted gross margin was 70.5% against 68.0%; the company attributes the gain to average unit retail, geographic mix and lower product costs. The adjusted expense rate rose 88bp to 54.8%, so the adjusted operating margin gained 164bp.

Inventories fell 8.7% while revenue rose 9.1%

Inventories were $1,151.2m against $1,261.3m, down 8.2% in constant currency. Net cash and short-term investments were $581.8m against $407.8m. Six-month free cash flow was $504.0m against minus $51.8m, and dividends plus repurchases of $741.0m were 147% of it.

The full-year growth guide of 6% to 7% implies a slower second half

The company raised constant-currency revenue growth for the year to a centre of 6% to 7% from 5% to 6%, and operating margin expansion to 80 to 100bp in constant currency. The first half grew 11.3%, and the third quarter is guided to 3% to 4%, including about 1 point of negative wholesale timing and off-price reductions.

WHAT TO WATCH

Continuation: Asia comparable store sales above 20% and third-quarter constant-currency revenue growth of 3% to 4%, as guided.

Break: Europe brick and mortar comparable sales below the minus 4% printed in the second quarter.

VGR will publish the third-quarter analysis when the figures are released.

02 · THE PERIOD IN FIGURES

The period in figures

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RALPH LAUREN CORPORATION · NYSE: RL · Q2 FISCAL 2027 · USD AS PUBLISHED

FINANCIAL YEAR ENDS 3 APRIL 2027 · PERIOD ENDED 26 SEPTEMBER 2026 · REPORTED 5 NOVEMBER 2026 · ANALYSIS 7 NOVEMBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
+9.1%	+19.1%	+48.0%	+42.9%
2,193.3 vs 2,010.7	1,627.9 vs 1,366.4	363.7 vs 245.7	296.6 vs 207.5
	GROSS MARGIN	OPERATING MARGIN	RoS
	74.2%	16.6%	13.5%
	from 68.0%	from 12.2%	from 10.3%
ADJ. OP. MARGIN	ADJ. DILUTED EPS	INVENTORIES	NET CASH
15.7%	$4.64	$1,151m	$581.8m
from 14.1%	from $3.79	from $1,261m	from $407.8m

$m, quarter against the same quarter a year earlier, reported basis; including tariff refund recoveries of $82.3m in gross profit

03 · THE TARIFF REFUND BRIDGE

The refund is 70% of the operating income rise

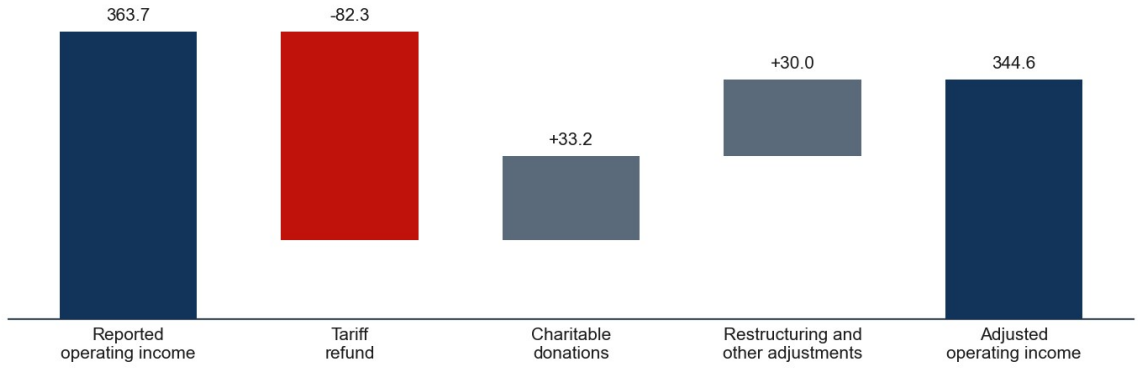
The release records refunds of tariffs previously paid under the IEEPA as $82.3m in gross profit, and charitable donations using a portion of the refund as $33.2m in operating expenses. The adjusted figures remove both. Reported operating income rose $118.0m and adjusted operating income $61.6m. The refund is 31.5% of the $261.5m rise in gross profit and 69.7% of the rise in reported operating income; net of the donations it is 41.6%. Without the refund and the donations, and keeping $30.0m of restructuring-related charges, operating income would be $314.6m, 14.3% of revenue against 12.2%.

$M	Q2 27 REPORTED	Q2 27 ADJUSTED	Q2 26 REPORTED	Q2 26 ADJUSTED
Gross profit	1,627.9	1,545.6	1,366.4	1,366.4
Gross margin	74.2%	70.5%	68.0%	68.0%
Operating income	363.7	344.6	245.7	283.0
Operating margin	16.6%	15.7%	12.2%	14.1%
Net income	296.6	282.7	207.5	236.8
Diluted EPS ($)	4.87	4.64	3.32	3.79

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

Net of donations, the tariff refund added $49.1m to operating income

Ralph Lauren operating income, second quarter fiscal 2027, reported to adjusted · $m



Source: Ralph Lauren Corporation, 8-K Exhibit 99.1. Bridge: VGR arithmetic on the reconciliation. Axis from $250m.

04 · GROWTH COMPOSITION

Asia grew 28.2% and added 69% of the revenue increase

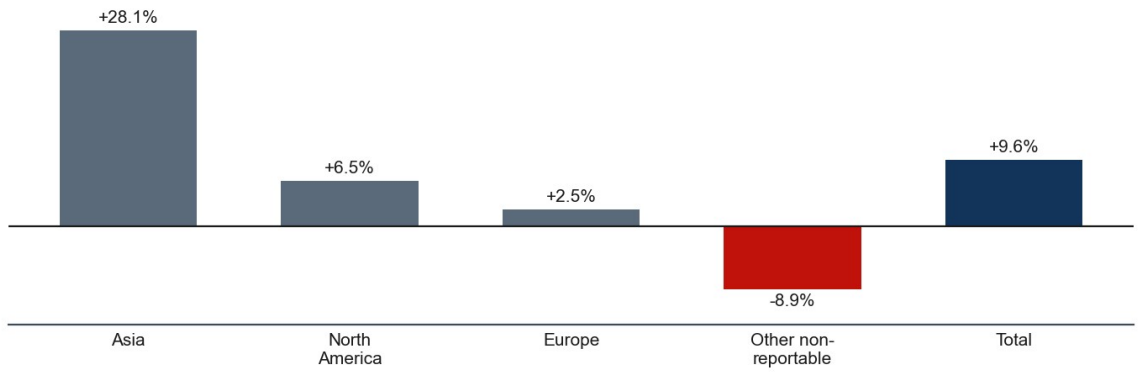
Net revenues rose $182.6m. Asia added $125.7m, North America $53.2m and Europe $7.7m; the other non-reportable segments subtracted $4.0m. Asia is 26.0% of revenue against 22.2%, and Europe 31.7% against 34.2%. China revenue rose more than 35% on both bases, with new distribution as well as comparable store growth. North America wholesale includes about 4 points of benefit from shipments moved forward from the second half.

NET REVENUES, $M	Q2 27	Q2 26	REPORTED	CONSTANT CURRENCY
North America	885.6	832.4	**+6.4%**	+6.5%
Europe	696.0	688.3	**+1.1%**	+2.5%
Asia	571.3	445.6	**+28.2%**	+28.1%
Other non-reportable	40.4	44.4	**(8.8%)**	(8.9%)
Total	2,193.3	2,010.7	**+9.1%**	+9.6%

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026.

Asia grew 28.1% in constant currency; Europe grew 2.5%

Ralph Lauren net revenues by segment, second quarter fiscal 2027 against 2026 · constant-currency %



Source: Ralph Lauren Corporation, 8-K Exhibit 99.1.

Channel

Retail grew 11.8% to $1,413.5m and is 64.4% of revenue against 62.9%. Asia retail grew 29.2% and North America retail 5.4%; Europe retail fell 0.7%. Wholesale grew 5.4%, with Europe wholesale up 2.7% (the release prints 3% reported and 4% in constant currency) and North America wholesale up 8.0%. The release gives no constant-currency growth by channel for the group.

NET REVENUES, $M	Q2 27	Q2 26	REPORTED
Retail	1,413.5	1,264.5	+11.8%
Wholesale	739.4	701.8	+5.4%
Licensing	40.4	44.4	(9.0%)

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

05 · THE ESTATE

Comparable store sales rose 10%; Europe stores fell 4%

Total comparable store sales rose 10% in constant currency and 11% over six months. The company opened 22 owned and partnered stores in the quarter and had 1.7 million new consumers in direct-to-consumer. Directly operated stores rose by 24 to 606 while concessions fell by 47 to 620, mostly in Asia.

COMPARABLE STORE SALES, CONSTANT CURRENCY	DIGITAL	BRICK AND MORTAR	TOTAL
North America	+5%	+6%	+6%
Europe	+9%	(4%)	(1%)
Asia	+31%	+23%	+24%
Total Ralph Lauren	not disclosed	not disclosed	+10%

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026.

STORE NETWORK	26 SEP 26	27 SEP 25	CHANGE
Ralph Lauren stores	301	272	+29
Outlet stores	305	310	(5)
Directly operated stores	606	582	+24
Concessions	620	667	(47)
Licensed partner stores	145	127	+18

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

06 · MARGIN ARCHITECTURE

The adjusted gross margin gained 251bp and the expense rate cost 88bp

The company names average unit retail growth, favorable geographic mix and lower product costs for the adjusted gross margin. Total segment operating income rose 13.4% to $582.3m, 26.5% of revenue against 25.5%. Corporate expenses fell $75.0m to $155.4m; the release does not say how the refund is allocated between the segments and corporate.

SHARE OF REVENUE	Q2 27	Q2 26	CHANGE
Gross margin, reported	74.2%	68.0%	**+627bp**
Gross margin, adjusted	70.5%	68.0%	**+251bp**
Operating expense rate, adjusted	54.8%	53.9%	**+88bp**
Operating margin, adjusted	15.7%	14.1%	**+164bp**
Operating margin, reported	16.6%	12.2%	**+436bp**

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. The release prints rounded changes (620bp, 250bp, 160bp).

SEGMENT OPERATING MARGIN	Q2 27	Q2 26	CHANGE
North America	21.0%	19.4%	**+160bp**
Europe	29.4%	29.4%	(1bp)
Asia	27.4%	25.0%	**+246bp**

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. The release prints Asia as up 240bp.

07 · INVENTORY

Inventories fell 8.7% while revenue rose 9.1%

Inventories were $1,151.2m against $1,261.3m a year earlier, down 8.2% in constant currency, and $1,014.3m at 28 March 2026. Days of inventory on 91 days of reported quarter cost of goods sold were 185.3 against 178.1. The refund lowers reported cost of goods sold: on adjusted cost of goods sold of $647.7m, days are 161.7, so the first pair is the wider reading and the second the narrower. The company describes inventories as well positioned for global demand; the disclosed fall in stock against growth in revenue supports it. Accounts receivable rose 8.2% and accounts payable fell 6.6%.

08 · CASH FLOW AND BALANCE SHEET

Six-month free cash flow was $504.0m against minus $51.8m

$M	26 SEP 26	27 SEP 25	CHANGE
Cash and short-term investments	1,821.8	1,645.5	+176.3
Net cash and short-term investments	581.8	407.8	+174.0
Inventories	1,151.2	1,261.3	(110.1)
Accounts receivable	567.5	524.6	+42.9
Accounts payable	497.5	532.7	(35.2)
Long-term debt	1,240.0	1,237.7	+2.3

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

SIX MONTHS, $M	FY27	FY26	CHANGE
Net cash from operating activities	618.2	229.3	+388.9
Capital expenditures	(114.2)	(281.1)	+166.9
Free cash flow	504.0	(51.8)	+555.8
Inventories (cash flow line)	(134.2)	(281.6)	+147.4

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. Free cash flow is operating cash flow less capital expenditures.

Capital expenditure was $114.2m, 2.7% of six-month revenue, against the 4% to 5% of revenue the company still expects for the year, so the second half carries the larger share.

09 · CAPITAL ALLOCATION

Dividends and repurchases were 147% of six-month free cash flow

The cash flow statement shows dividends of $114.4m and repurchases of $626.6m, including shares surrendered for tax withholdings, a total of $741.0m. The text gives $500 million of Class A repurchases this fiscal year, $250 million of it in the second quarter, and states that this completes the fiscal 2027 repurchase plans. Diluted shares fell 2.4% to 60.9m. The quarterly dividend is $1.00 a share against $0.9125.

10 · EARNINGS QUALITY

Adjusted net income rose 19.4% against 42.9% reported

Reported diluted EPS rose 46.7% to $4.87 and adjusted EPS 22.4% to $4.64. The effective tax rate was 19.7% against 14.6%, because the prior year had favorable discrete tax benefits that did not repeat; adjusted, 19.3% against 15.5%. Share count contributed about 2.4 points to EPS growth. Next Generation Transformation project charges were $23.9m in the quarter and $44.7m over six months.

GROWTH	REPORTED	ADJUSTED
Operating income	**+48.0%**	**+21.8%**
Net income	**+42.9%**	**+19.4%**
Diluted EPS	**+46.7%**	**+22.4%**

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

11 · GUIDANCE AND THE IMPLIED REQUIREMENT

The guide implies second-half growth below 6% to 7%

GUIDE	PREVIOUS	CURRENT	VGR CHECK
FY constant-currency revenue	5% to 6%	6% to 7%	H1 +11.3%
FY operating margin, constant currency	not disclosed	+80 to +100bp	H1 +308bp reported
FY currency effect on revenue	not disclosed	(40) to (60)bp	Q2 about (50)bp
Q3 constant-currency revenue	not disclosed	3% to 4%	Includes about (1) point
Q3 operating margin, constant currency	not disclosed	+50 to +70bp	Q2 adjusted +164bp
FY capital expenditure	4% to 5% of revenue	4% to 5% of revenue	H1 2.7%
H2 revenue growth	not disclosed	not disclosed	Below 6% to 7%

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. The 6% to 7% is on a 52-week comparable basis; fiscal 2027 has 53 weeks, adding about 1 point.

Growth of 11.3% in the first half against a year of 6% to 7% and a third quarter of 3% to 4% means the second half grows below the full-year centre. The release gives no fiscal 2026 quarterly weights, so the fourth-quarter rate cannot be calculated from this document. Margin expansion is still expected to be stronger in the first half, for marketing timing and wholesale shipment shifts.

12 · DISCLOSURE DELTA AND METRICS NOT REPORTED

Seven measures are not reported in the release

METRIC	STATUS	WHAT IT WOULD SETTLE
Refund by segment or channel	not disclosed	Where the $82.3m sits in segment margins
Prior second-quarter outlook	not disclosed	Size of the beat on adjusted margins
Fiscal 2026 quarterly weights	not disclosed	The fourth-quarter rate implied by the guide
Average unit retail in dollars	not disclosed	Price against volume in the 10% comparable
Revenue by category or brand	not disclosed	The core and high-potential split
Wholesale shipment shift outside North America	not disclosed	Underlying Europe wholesale growth
Total digital and brick and mortar comparables	not disclosed	The balance the headline claims

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026.

13 · THE COMPANY'S ACCOUNT, TESTED

Three of five claims are supported by the disclosed figures

CLAIM	TEST	DISPOSITION
"Every Region Contributing to Growth"	North America +6.4%, Europe +1.1%, Asia +28.2%; other segments (8.8%)	Supported for the three reportable regions.
"Balanced Growth Across Digital and Brick-and-Mortar Channels"	Europe brick and mortar (4%) against digital +9%; Asia +23% and +31%	Partially supported.
"Adjusted Gross and Operating Margin Expansion Exceeded Our Outlook"	The prior outlook is not in the release; adjusted expansion is +251bp and +164bp	Not verifiable from the disclosure.
Inventories "Well-Positioned to Global Demand"	Down 8.7% against revenue +9.1%	Supported by the disclosed figures.
"Returned More Than $600 Million to Shareholders"	Dividends and repurchases $741.0m in the cash flow statement	Supported by the disclosed figures.

Source: Ralph Lauren Corporation, Form 8-K Exhibit 99.1, 5 November 2026.

14 · METHOD, SOURCES AND PRECISION

Method, sources and precision

All current-period figures come from the release named in the Executive Summary, which prints the prior-year comparatives used here. The financial year end of 3 April 2027 comes from the Q1 fiscal 2027 Form 10-Q as recorded in the VGR record. Margins are calculated from figures in millions.

ITEM	PRECISION	NOTE
Margins, growth and contributions	Exact	Calculated from disclosed figures
Basis-point changes	Exact	The release prints rounded changes
Days of inventory	Bounded	91 days, 13 weeks of quarter cost of goods sold
Free cash flow	Exact	Operating cash flow less capital expenditures
Fourth-quarter growth	Not calculable	Fiscal 2026 quarterly weights not disclosed

VGR precision register.

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Analysis by Pau Almar, VGR.

METHODOLOGY

VGR Standardised Financial Analysis Methodology v5. Arithmetic before language; every finding names the disclosure that would settle it.

PRIMARY SOURCE

Ralph Lauren Corporation (NYSE: RL), Form 8-K Exhibit 99.1, "Ralph Lauren Reports Second Quarter Fiscal 2027 Results Ahead of Expectations and Raises Fiscal 2027 Outlook", 5 November 2026.
https://www.sec.gov/Archives/edgar/data/1037038/000162828026070619/rl-20260926ex991xpressrele.htm

WORKING RECORD

Ralph_Lauren_Q2_FY2027_Source_Figures.md, with company-disclosed figures, VGR arithmetic, the claims register and metrics not reported in separate parts, alongside the source file in _src.

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