VGR

// Q1 FY2027



VGR MARKET INTELLIGENCE

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01

Executive Summary

Revenue fell 5.2% to $1,669.4m: the Dickies sale took 6.4 points, currency added 1.4, and organic revenue fell $3.0m as Active lost $41.0m

VF Corporation reported first-quarter revenue of $1,669.4m against $1,760.7m, down 5.2%. The operating loss was $83.1m against $86.6m and the net loss $97.2m against $116.4m, or $0.25 a share against $0.30. Gross margin was 54.9% against 53.9%. The company raised its full-year revenue guidance to growth of 2% or better in constant dollars, from 1% to 2%, and states that the quarter beat its revenue and operating-income guidance.

The 10-Q bridges the $91.3m fall in three terms. The sale of Dickies, completed on 12 November 2025, removed $113.5m of prior-year revenue, 6.4 points. Currency added $25.2m, 1.4 points. Organic revenue fell $3.0m, 0.2 points. On the company's own basis excluding Dickies, revenue rose $22.2m, 1.3%, as reported and fell 0.2% in constant dollars. Inside the organic figure Outdoor added $29.3m (3.6%) and the brands left in All Other $8.8m; Active lost $41.0m (5.9%). Vans, 27.5% of group revenue, fell $38.2m, or 7.7%; Europe and Asia-Pacific supplied $29.3m of that, 76.7%. The North Face rose $33.5m (6.0%) and Timberland $11.0m (4.3%). The second-quarter 10-Q will show whether Active's organic decline persists; Dickies stays in the prior-year base until the third quarter.

On the company's adjusted basis excluding Dickies, the operating margin fell 203bp to −5.7%; 12bp came from gross margin and 215bp from SG&A

The reported operating margin moved 6bp, to −5.0% from −4.9%. The comparable figure moved 203bp. The company's reconciliation removes Reinvent, its transformation programme, from both years and Dickies from the prior year. Reinvent was a $30.8m charge in the prior-year quarter and a net $11.5m benefit in this one, mainly a $17.6m gain on the sale of a distribution centre. Adjusted gross margin was 54.9% against 54.8%, up 12bp; of the 103bp reported rise, 91bp is Reinvent and the removal of Dickies. Adjusted SG&A was $1,011.6m against $962.7m, up 5.1% on revenue up 1.3%, and rose 215bp of revenue to 60.6%. The adjusted operating loss widened $34.7m to $94.5m. In the segment note Active's profit fell $9.4m to $47.4m and its margin 102bp to 7.1%; Outdoor's loss narrowed to $41.6m from $42.3m.

Net debt fell $1,061.0m in a year to $4,283.6m, and net interest expense fell 40.1%; free cash flow was −$115.8m against −$190.9m

Short-term borrowings fell to $9.7m from $392.9m and gross debt to $3,512.5m from $4,539.9m. The Dickies proceeds and the February 2026 redemption of €500.0m of notes sit between the two balance sheets. Net interest expense fell to $24.6m from $41.1m. Operating cash flow was −$62.5m against −$145.5m; free cash flow on the company's definition was −$115.8m, $75.1m better. Cash fell

$153.9m from March to $670.1m after $35.4m of dividends. $500.0m of notes due April 2027 moved into current liabilities in the quarter.

WHAT TO WATCH

Q2 FY2027 10-Q, quarter ending 26 September 2026; release date not stated in the Q1 filings. Active segment organic revenue change in the MD&A bridge. A continuation is a second organic decline after −$41.0m in Q1; a break is organic growth in Active.

Same release. Adjusted SG&A as a percentage of revenue, excluding Dickies from the prior year. A continuation is a further year-on-year rise after +215bp; a break is a fall, which the full-year adjusted operating margin of about 8% requires over the year.

Full-year FY2027 cash flow statement, after 3 April 2027. Free cash flow of at least $405m requires $520.8m or more from the remaining three quarters, including the 53rd week. A continuation of the guidance is a full-year figure at or above $405m; a break is a figure below it.

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

02

The period in figures

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VF CORPORATION · NYSE: VFC · FIRST QUARTER FY2027 · USD AS PUBLISHED

FINANCIAL YEAR ENDS 3 APRIL 2027 · PERIOD ENDED 27 JUNE 2026 · REPORTED 29 JULY 2026 · ANALYSIS 30 SEPTEMBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
−5.2%	**−3.4%**	**+$3.5m**	**+$19.3m**
1,669.4 vs 1,760.7	917.0 vs 949.0	(83.1) vs (86.6)	(97.2) vs (116.4)

GROSS MARGIN	OPERATING MARGIN	RoS
54.9%	**−5.0%**	**−5.8%**
from 53.9%	from −4.9%	from −6.6%

$m, quarter against the same quarter a year earlier; all lines as reported under US GAAP; operating and net profit are losses in both years, so the change is printed in dollars; Q1 FY2026 includes Dickies; changes, margins and RoS are VGR arithmetic

VF reports under US GAAP; the quarterly statements are unaudited. The table sets the reported lines beside the company's adjusted basis excluding Dickies, which the rest of this analysis uses.

$M	Q1 27	Q1 26	CHANGE
Revenue, reported	1,669.4	1,760.7	**−5.2%**
Revenue, prior year ex Dickies	1,669.4	1,647.2	+1.3%
Revenue, constant currency, ex Dickies	1,644.2	1,647.2	**−0.2%**
Gross margin, adjusted ex Dickies	54.9%	54.8%	+12bp
SG&A, adjusted ex Dickies	1,011.6	962.7	+5.1%
Operating loss, adjusted ex Dickies	(94.5)	(59.8)	**−34.7**
Operating margin, adjusted ex Dickies	−5.7%	−3.6%	**−203bp**

$M	Q1 27	Q1 26	CHANGE
Diluted loss per share, adjusted	(0.27)	(0.24)	**−0.03**
Free cash flow	(115.8)	(190.9)	+75.1
Net debt, 30 June	4,283.6	5,344.7	−1,061.0

VF Corporation, Q1 FY2027 release, 29 July 2026 (8-K Exhibit 99.2), non-GAAP reconciliations; Source: VF Corporation, Form 10-Q for the quarter ended 27 June 2026, balance sheet and cash flows. Net debt on the company's definition, including lease liabilities, reconstructed from the balance sheet. Changes are VGR arithmetic.

03

The restatement bridge: Dickies, Reinvent and currency

Three items separate the reported comparison from a comparable one. Dickies is in the prior-year quarter and not in this one. Reinvent charges and gains fall in both years with opposite sign. Currency translation added revenue this year. The company publishes all three; VGR uses its figures.

$M	REVENUE	GROSS PROFIT	OPERATING LOSS
Q1 FY26 as reported	1,760.7	949.0	(86.6)
Remove Reinvent		+4.3	+30.8
Remove Dickies (adjusted contribution)	(113.5)	(50.4)	(4.0)
Q1 FY26, adjusted ex Dickies	1,647.2	902.8	(59.8)
Q1 FY27 as reported	1,669.4	917.0	(83.1)
Remove Reinvent (net benefit)			(11.5)
Q1 FY27, adjusted	1,669.4	917.0	(94.5)

VF Corporation, Q1 FY2027 release, 29 July 2026 (8-K Exhibit 99.2), reconciliation tables. Rounded components; the company's thousands govern.

The fiscal year has 53 weeks, the extra week in the fourth quarter. Both first quarters are 13 weeks, so the quarter needs no calendar restatement; the full-year guidance includes the 53rd week.

04

Growth composition

$M	OUTDOOR	ACTIVE	ALL OTHER	GROUP
Revenue, Q1 FY26	812.5	699.7	248.5	1,760.7
Organic	+29.3	**−41.0**	+8.8	**−3.0**

$M	OUTDOOR	ACTIVE	ALL OTHER	GROUP
Dickies divestiture			**−113.5**	**−113.5**
Currency	+15.2	+8.6	+1.3	+25.2
Revenue, Q1 FY27	857.0	667.3	145.1	1,669.4
Reported change	+5.5%	**−4.6%**	**−41.6%**	**−5.2%**
Organic change	+3.6%	**−5.9%**	+6.5%	**−0.2%**

Source: VF Corporation, Form 10-Q for the quarter ended 27 June 2026, MD&A revenue bridges. All Other organic change on the base excluding Dickies ($135.0m). Percentages are VGR arithmetic.

The Growth Composition Index for the quarter, in points of prior-year revenue: perimeter −6.4, currency +1.4, organic −0.2. No space or like-for-like split is disclosed. The organic figure nets $38.1m of growth in Outdoor and All Other against $41.0m of decline in Active.

$M	Q1 27	Q1 26	CHANGE
The North Face	590.9	557.4	+6.0%
Vans	459.8	498.0	**−7.7%**
Vans Americas	286.8	295.7	**−3.0%**
Vans Europe	116.0	136.3	**−14.9%**
Vans Asia-Pacific	57.0	66.0	**−13.6%**
Timberland	266.1	255.1	+4.3%
Wholesale	924.8	1,024.5	**−9.7%**
Direct-to-consumer	738.4	720.7	+2.5%
Americas	895.5	937.6	**−4.5%**
Europe	511.1	551.3	**−7.3%**
Asia-Pacific	262.7	271.8	**−3.3%**

Source: VF Corporation, Form 10-Q for the quarter ended 27 June 2026, revenue note and MD&A top-brand table. Reported dollars, prior year including Dickies in channel and region lines. Changes are VGR arithmetic.

Cross-section, same calendar quarter: Crocs revenue +2.6% reported and +2.0% in constant currency; Amer Sports +32.1% reported and 30% in constant currency, as the company states it. VF's constant-currency change excluding Dickies was −0.2%.

05

The estate

The 10-Q gives no store count, selling space or comparable-store sales. Direct-to-consumer revenue rose 2.5% as reported, including Dickies in the base. Estate productivity is not calculable. No flag.

06

Margin architecture

% OF REVENUE	Q1 27	Q1 26	CHANGE, BP
Gross margin, reported	54.9%	53.9%	+103
SG&A, reported	59.9%	58.8%	**−109**
Operating margin, reported	−5.0%	−4.9%	**−6**
Gross margin, adjusted ex Dickies	54.9%	54.8%	+12
SG&A, adjusted ex Dickies	60.6%	58.4%	**−215**
Operating margin, adjusted ex Dickies	−5.7%	−3.6%	**−203**

VF Corporation, Q1 FY2027 release, 29 July 2026 (8-K Exhibit 99.2) and Source: VF Corporation, Form 10-Q for the quarter ended 27 June 2026. Cost lines signed by their effect on the margin. VGR arithmetic on the company's thousands.

The company attributes the reported gross-margin rise to the Dickies divestiture, tactical price increases, lower product costs, mix and lower discounts, offset in part by currency. On the adjusted basis 12bp of the 103bp remains. Dickies carried an adjusted gross margin of 44.4% in the prior-year quarter against 54.8% for the rest of the group, so its removal raises the reported rate.

$M	OUTDOOR	ACTIVE	CORPORATE
Segment profit, Q1 27	(41.6)	47.4	(72.6)
Segment profit, Q1 26	(42.3)	56.8	(104.6)
Margin, Q1 27	−4.9%	7.1%	
Margin, Q1 26	−5.2%	8.1%	
Margin change, bp	+35	**−102**	
Marketing, Q1 27 against Q1 26	84.0 / 71.6	56.1 / 53.1	

Source: VF Corporation, Form 10-Q for the quarter ended 27 June 2026, segment note. Margins and changes are VGR arithmetic.

Corporate and other expenses fell $31.9m, which the company attributes to lower Reinvent charges and project costs, including the distribution-centre gain, and Reinvent savings. All Other moved to a $15.4m loss from a $4.5m profit that included Dickies.

07

Inventory

Inventories were $1,899.5m at 27 June 2026 against $2,135.5m a year earlier, down 11.1%. The 10-Q states that Dickies held $146.8m of the prior-year balance; excluding it, inventory fell 4.5% on revenue that rose 1.3% on the same basis. Days on quarterly cost of sales were 229.8 against 239.4, with Dickies in the base. Inventory rose $528.2m from March, which the company attributes to seasonality. The movement is material by size and supports the margin reading in section 06.

08

Working capital, cash and capital structure

$M	Q1 27	Q1 26	CHANGE
Operating cash flow	(62.5)	(145.5)	+83.0
of which inventories	(537.0)	(450.8)	**−86.3**
of which accounts payable	467.9	348.0	+120.0
Capital expenditure and software	(53.3)	(45.4)	**−7.9**
Free cash flow (company definition)	(115.8)	(190.9)	+75.1
Short-term borrowings, 30 June	9.7	392.9	−383.2
Gross debt, 30 June	3,512.5	4,539.9	−1,027.4
Net debt incl. leases, 30 June	4,283.6	5,344.7	−1,061.0
Net debt excl. leases, 30 June	2,842.4	3,897.5	−1,055.1

Source: VF Corporation, Form 10-Q for the quarter ended 27 June 2026, balance sheets and cash flows. Net debt reconstructed on the company's definition; the release states a fall of $1.1B, 20%. VGR arithmetic.

Net debt to total capital was 70.8% against 80.5% a year earlier. Receivables rose 3.7% and payables 9.3% year on year. The leverage ratio the company guides to is not calculable: no EBITDA figure is published in the 10-Q or the release.

09

Capital allocation

Capital expenditure and software purchases were $53.3m, 3.2% of revenue. Dividends paid were $35.4m, $0.09 a share, and a further $0.09 was declared. Asset sales raised $22.5m and the company paid $11.9m of working-capital adjustment on the Dickies sale. No share repurchase is reported. No flag.

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Earnings quality

$M	Q1 27	Q1 26	CHANGE
Reinvent in operating result	+11.5	(30.8)	+42.3
gain on sale of fixed assets	17.6		
asset impairments and write-downs	(6.4)	(2.2)	
Other restructuring (not adjusted)	(2.4)		
Net interest expense	(24.6)	(41.1)	+16.5
Effective tax rate	9.1%	8.0%	
Effective tax rate excluding discrete items	15.7%	17.2%	

Source: VF Corporation, Form 10-Q for the quarter ended 27 June 2026, restructuring note and MD&A; VF Corporation, Q1 FY2027 release, 29 July 2026 (8-K Exhibit 99.2) for the Reinvent adjustment of $11.5m.

The reported operating loss improved $3.5m; on the adjusted basis it widened $34.7m. The $42.3m difference in Reinvent between the two quarters, a charge last year and a net gain this year, carries the reported improvement. The net loss narrowed $19.3m, with lower net interest expense the other contributor. Adjusted diluted loss per share was $0.27 against $0.24.

11

Guidance and the implied requirement

ITEM	GUIDANCE	OUTTURN OR CURRENT	COMMENT
Q1 revenue ex Dickies, constant dollars	down low single digits	−0.2%	above the range

ITEM	GUIDANCE	OUTTURN OR CURRENT	COMMENT
Q1 adjusted operating loss	about ($100m)	($94.5m)	$5.5m better
FY27 revenue, constant dollars	+1% to +2%	+2% or better	raised
FY27 adjusted operating margin		about 8%	Q1 −5.7%
FY27 free cash flow		flat to up on $405m	Q1 −$115.8m
FY27 year-end leverage		2.6x to 2.9x	not calculable

VF Corporation, Q1 FY2027 release, 29 July 2026 (8-K Exhibit 99.2). Revenue guidance excludes Dickies from FY2026 and includes the 53rd week in FY2027; the free-cash-flow base excludes a $100m net pension-termination effect.

Free cash flow of at least $405m requires $520.8m or more from the remaining three quarters and the 53rd week. The implied revenue and operating-profit requirement for the rest of the year is not calculable from these documents: neither gives full-year FY2026 revenue excluding Dickies.

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Disclosure delta and metrics not reported

- Store count, selling space and comparable-store sales.
- Channel split by brand, including Vans wholesale, which the release names as the driver of the second-half improvement.
- EBITDA, needed to check the guided leverage ratio.
- Full-year FY2026 revenue excluding Dickies, the base of the revenue guidance.
- Second-quarter guidance and the next release date.

The segment note gives cost of goods sold by segment, so segment gross margin is derivable: Outdoor 52.6% against 52.5%, Active 58.2% against 57.3%. The release reports on both a reported basis and an adjusted basis excluding Dickies, and states which applies to each figure.

13

The company's account, tested

CLAIM	DISPOSITION
First quarter "ahead of guidance" (release)	Supported by the disclosed figures: adjusted operating loss $94.5m against about $100m; constant-currency revenue ex Dickies −0.2% against down low single digits
Gross margin up 100bp "primarily due to the divestiture of Dickies, tactical price increases, lower product costs, mix and lower discounts" (10-Q)	The disclosed figures show a different weighting: 12bp of the 103bp remains after Dickies and Reinvent
SG&A rate up on "lower leverage of operating expenses due to decreased revenues" (10-Q)	Partially supported: adjusted SG&A ex Dickies rose 5.1% on revenue up 1.3%
Lower net loss per share driven by lower Reinvent charges and lower net interest expense (10-Q)	Supported by the disclosed figures: Reinvent swing $42.3m; net interest −$16.5m
"We expect Vans Wholesale to improve significantly in the second half" (release)	Not verifiable from the disclosure: no Vans channel split is published
Net debt down $1.1B or 20% (release)	Supported by the disclosed figures: −$1,061.0m, −19.9%

VF Corporation, Q1 FY2027 release, 29 July 2026 (8-K Exhibit 99.2); Source: VF Corporation, Form 10-Q for the quarter ended 27 June 2026. Dispositions are VGR's, arithmetic in VF_Corp_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 the adjusted figures, guidance and claims. Cross-foot checks: segments, channels and regions to group revenue; the revenue bridge; segment profit to pre-tax loss; the balance sheet; the cash-flow ending balance to balance-sheet cash; the Reinvent components. All reconcile within $0.1m of rounding.

FIGURE	PRECISION
Growth rates, margins and bp changes on disclosed figures	Exact
Points of growth by driver	Exact, on the company's bridge
Net debt	Exact, reconstructed on the company's definition

FIGURE	PRECISION
Inventory change excluding Dickies	Exact, on the disclosed $146.8m
Store productivity, leverage ratio	Not calculable
Rest-of-year revenue requirement	Not calculable: no FY2026 ex-Dickies base

VGR arithmetic.

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METHODOLOGY

VGR Standardised Financial Analysis Methodology v5. Revised 30 September 2026 to methodology v5; first published 17 August 2026.

PRIMARY SOURCE

VF Corporation, Form 10-Q for the quarter ended 27 June 2026, filed 29 July 2026: https://www.sec.gov/Archives/edgar/data/103379/000010337926000114/vfc-20260627.htm. Release, Denver, 29 July 2026: https://www.sec.gov/Archives/edgar/data/103379/000010337926000113/q12027earningspressrelease.htm

WORKING RECORD

VF_Corp_Q1_FY2027_Source_Figures.md and _source_manifest_rework.json.

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