VGR

// Q2 FY2027





VGR MARKET INTELLIGENCE

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01

Executive Summary

Primary source: VF Corporation, "VF Corporation Exceeds Guidance in Second Quarter Fiscal 2027", press release, Form 8-K Exhibit 99.1, 28 October 2026. https://www.sec.gov/Archives/edgar/data/103379/000010337926000134/q22027earningspressrelease.htm

Revenue fell 3.8% to $2,695.1m; without Dickies it rose 1.2%, and Vans took 2.2 points off that

VF Corporation earned operating income of $367.9m in the quarter ended 26 September 2026, up 17.7%, on revenue of $2,695.1m, down 3.8%. The operating margin was 13.7% against 11.2%; net income was $285.3m against $189.8m. Adjusted operating income of $363.7m compares with guidance of about $315m. Of the $107.6m fall in revenue, the Dickies sale removed $140.0m, 5.0 points, and currency added $2.9m; the rest grew 1.1% in constant dollars. Excluding Dickies, The North Face added $50.2m, Timberland $19.5m and the other brands $22.0m, while Vans lost $59.3m, 9.8%. Without Vans and Dickies, revenue rose 4.5%. The third-quarter release will show whether Vans' decline narrows.

Adjusted gross margin rose 290bp to 55.4%; SG&A grew 4.3% on revenue up 1.2% and gave back 123bp

On the company's adjusted basis excluding Dickies, the gross margin went to 55.4% from 52.5%, while SG&A rose $46.5m and its rate to 41.9% from 40.7%; the operating margin rose 167bp to 13.5%. The release gives no bridge for the gross margin. Below operating income, lower interest, $22.5m, and lower tax, $16.8m, with the tax rate at 17.8% against 29.3%, supplied $39.4m, 41%, of the $95.5m rise in net income. The release does not explain the tax rate.

Inventory rose 6.9% against revenue up 1.2%; the year's cash target needs at least $837.7m in the second half

Inventories were $1,984.4m against $1,855.9m. Days of inventory rose by 16.5 to 23.9, depending on whether Dickies is taken out of last year's cost of goods sold. Free cash flow for the six months was -$322.7m against -$453.1m; the company's floor of $515m for the year requires at least $837.7m in the second half.

WHAT TO WATCH

Q3 FY2027 release, date not yet announced: Vans revenue growth, reported. It was -7.7% in the first quarter and -9.8% in the second. Continuation: a third fall near 10%. Break: a fall narrower than 5%.

Same release: adjusted SG&A excluding Dickies as a share of revenue, up 215bp in the first quarter and 123bp in the second. Continuation: a third rise. Break: a fall.

Same release: inventory growth against revenue growth excluding Dickies. Continuation: inventory up more than 5% with revenue near 1%. Break: inventory growth at or below revenue growth.

VGR will publish the Q3 FY2027 analysis when the figures are released.

02 · THE PERIOD IN FIGURES

Operating income rose 17.7% on revenue down 3.8%

DISCLAIMER

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

FINANCIAL YEAR ENDS 3 APRIL 2027 · PERIOD ENDED 26 SEPTEMBER 2026 · REPORTED 28 OCTOBER 2026 · ANALYSIS 29 OCTOBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
-3.8%	+2.1%	+17.7%	+50.3%
2,695.1 vs 2,802.7	1,492.7 vs 1,462.4	367.9 vs 312.6	285.3 vs 189.8
	GROSS MARGIN	OPERATING MARGIN	RoS
	55.4%	13.7%	10.6%
	from 52.2%	from 11.2%	from 6.8%
REVENUE EX DICKIES	ADJ. OP. MARGIN	INVENTORIES	NET DEBT
+1.2%	13.5%	+6.9%	-19.7%
2,695.1 vs 2,662.7	ex Dickies, from 11.8%	1,984.4 vs 1,855.9	4,557.9 vs 5,679.1

$m, quarter against the same quarter a year earlier; all lines as reported under US GAAP, prior year including Dickies; changes, margins and RoS (net income / revenue) are VGR arithmetic

$M	Q2 27	Q2 26	CHANGE	ADJ. Q2 27	ADJ. Q2 26	CHANGE
Revenue	2,695.1	2,802.7	-3.8%	2,695.1	2,662.7	+1.2%
Gross profit	1,492.7	1,462.4	+2.1%	1,492.7	1,397.5	+6.8%
Gross margin	55.4%	52.2%	+320bp	55.4%	52.5%	+290bp
SG&A	1,124.8	1,149.8	-2.2%	1,129.0	1,082.5	+4.3%
SG&A rate	41.7%	41.0%	+71bp	41.9%	40.7%	+123bp
Operating income	367.9	312.6	+17.7%	363.7	315.0	+15.5%
Operating margin	13.7%	11.2%	+250bp	13.5%	11.8%	+167bp
Diluted EPS ($)	0.71	0.48	+47.9%	0.70	0.49	+42.9%

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). Adjusted columns are the company's reconciliation, prior year excluding Dickies (Reinvent, pension refund and, in the prior year, deal costs and the adjusted Dickies

contribution removed). Changes, margins and contributions are VGR arithmetic on the disclosed figures. Released before the 8:00 a.m. ET call.

03 · THE RESTATEMENT BRIDGE

Dickies is 5.0 points of the revenue fall; Reinvent runs in opposite directions in the two years

REVENUE BRIDGE	$M	POINTS	BASIS
Q2 FY26 revenue, reported	2,802.7		Disclosed
Less Dickies, Q2 FY26	**(140.0)**	**-5.0**	Disclosed
Q2 FY26 excluding Dickies	2,662.7		Disclosed
Constant-dollar growth	**+29.5**	**+1.1**	VGR: 2,692.2 less 2,662.7
Currency translation	**+2.9**	**+0.1**	Disclosed FX adjustment
Q2 FY27 revenue, reported	2,695.1	-3.8	Disclosed

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). Points are on the reported Q2 FY26 base of $2,802.7m, except constant-dollar growth, which is on the $2,662.7m base excluding Dickies. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

OPERATING INCOME BRIDGE	$M	Q2 FY26	Q2 FY27
Reported operating income		312.6	367.9
Reinvent (charge added back / benefit removed)		+15.5	**-4.2**
Dickies transaction and deal costs		+2.0	-
Adjusted contribution from Dickies		**-15.2**	-
Adjusted operating income ex Dickies		315.0	363.7

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). Reconciliation of select GAAP measures to non-GAAP measures. Reinvent in Q2 FY27 is a net benefit of $4.2m, the change in fair value of contingent consulting fees.

The one-offs run in both directions. A year ago Reinvent was a $15.5m charge and deal costs $2.0m, which the adjusted figure adds back. This year Reinvent was a $4.2m benefit, which the adjusted figure removes. That is why the reported margin gain, 250bp, exceeds the adjusted gain, 167bp. The consulting contract carries up to $75.0m of fees contingent on VF's share price through June 2027; the release puts total possible fees at $146.0m. Currency is immaterial at group level this quarter, at 0.1 point, but not by brand: The North Face grew 1% in APAC as reported and fell 4% in constant dollars.

04 · GROWTH COMPOSITION

Three brands grew $91.7m excluding Dickies; Vans lost $59.3m

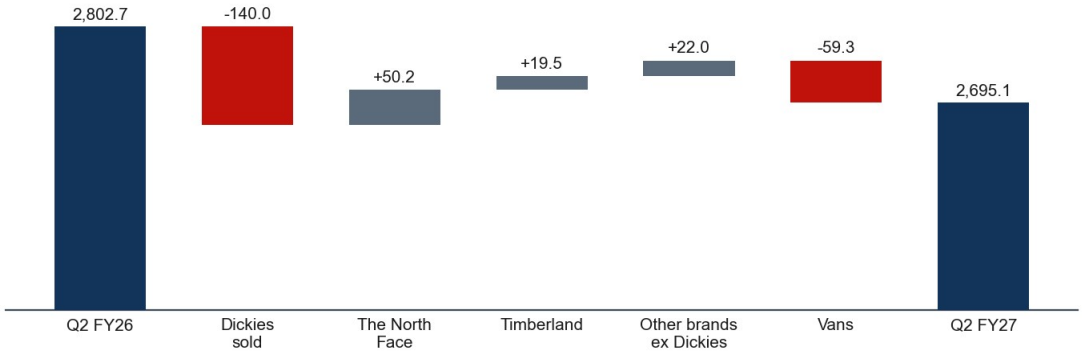
BRAND, $M	Q2 27	Q2 26	CHANGE	GROWTH	POINTS OF EX-D GROWTH
The North Face	1,207.3	1,157.1	**+50.2**	**+4.3%**	**+1.9**
Vans	547.6	606.9	**-59.3**	**-9.8%**	**-2.2**
Timberland	525.9	506.4	**+19.5**	**+3.9%**	**+0.7**
Other brands ex Dickies	414.3	392.3	**+22.0**	**+5.6%**	**+0.8**
VF excluding Dickies	2,695.1	2,662.7	**+32.4**	**+1.2%**	**+1.2**
Dickies	-	140.0	**-140.0**		
VF reported	2,695.1	2,802.7	**-107.6**	**-3.8%**	

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). Other brands ex Dickies in Q2 FY26 is VGR arithmetic (532.3 less 140.0); points are on the $2,662.7m base and include currency. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

The revenue bridge by brand

Without Dickies, Vans lost more than The North Face added

VF revenue, second quarter FY2027 against FY2026, change by brand · $m



Source: VF Corporation, Q2 FY2027 release. Other brands ex Dickies: VGR arithmetic. Changes include currency. Axis from $2,400m.

The North Face is 44.8% of revenue and Vans 20.3%, against 21.7% a year ago. Excluding Vans and Dickies, revenue rose 4.5%, from $2,055.8m to $2,147.5m. In segment terms Outdoor rose 4.2% to $1,733.2m and Active fell 8.0% to $700.3m. All Other, which held Dickies, fell 30.9%; excluding the $140.0m of Dickies from the base it rose 9.7%. The company says Altra grew more than 40% but does not give its revenue.

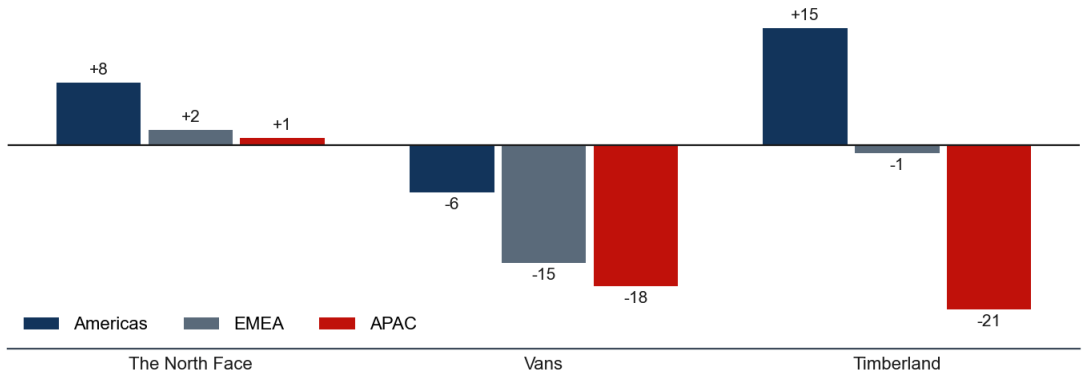
REGION AND CHANNEL	Q2 27, $M	Q2 26, $M	REPORTED	EX DICKIES	C$ EX DICK-IES
Americas	1,322.4	1,343.5	-2%	+6%	+5%
EMEA	1,011.8	1,072.7	-6%	-2%	-1%
APAC	361.0	386.6	-7%	-4%	-7%
Greater China	n.d.	n.d.	-5%	-2%	-7%
DTC	915.2	909.9	+1%	+3%	+3%
Digital	n.d.	n.d.	+2%	+8%	+8%
Wholesale incl. royal-ties	1,779.9	1,892.8	-6%	0%	0%

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). Growth rates are the company's, whole points as printed. Regions sum to 2,695.2 and 2,802.8 against the 2,695.1 and 2,802.7 totals, a rounding residual the company notes. n.d.: not disclosed.

The three largest brands by region

Vans fell in every region; Timberland grew only in the Americas

Revenue growth of the three largest brands by region, second quarter FY2027 · %



Source: VF Corporation, Q2 FY2027 release, 28 October 2026, top 3 brand revenue table. Reported growth, whole points as printed.

Vans fell in every region, by 6% in the Americas, 15% in EMEA and 18% in APAC. Timberland rose 15% in the Americas and fell 21% in APAC. The North Face grew in all three regions as reported. The Americas is the only region that grew excluding Dickies, and the company credits it to growth across channels without giving the regional channel split. In APAC, currency added three points: revenue fell 4% excluding Dickies as reported and 7% in constant dollars.

05 · THE ESTATE

Ten fewer stores; DTC grew 3% excluding Dickies

ESTATE	SEP 2026	SEP 2025	CHANGE
VF-operated stores, excl. concessions	1,095	1,105	-10
DTC revenue, $m	915.2	909.9	+0.6%
Digital growth ex Dickies, C$	+8%	n.d.	

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). Comparable-store sales, selling area and store revenue are not disclosed. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

With store revenue and comparable sales not disclosed, productivity per store cannot be measured. Digital grew 8% excluding Dickies, so stores grew less than the 3% DTC total, by an amount the release does not allow VGR to calculate.

06 · MARGIN ARCHITECTURE

Gross margin added 290bp, SG&A took back 123bp

ADJUSTED BASIS EXCLUDING DICKIES	Q2 26	Q2 27	BP
Gross margin	52.5%	55.4%	**+290**
SG&A as % of revenue	40.7%	41.9%	**-123**
Operating margin	11.8%	13.5%	**+167**
Reported gross margin	52.2%	55.4%	**+320**
Reported SG&A rate	41.0%	41.7%	**-71**
Reported operating margin	11.2%	13.7%	**+250**

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). bp computed on unrounded figures; the company prints +290bp, +170bp, +320bp and +250bp. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

SEGMENT	REVENUE Q2 27	PROFIT Q2 27	MARGIN Q2 27	MARGIN Q2 26	BP
Outdoor	1,733.2	362.2	20.9%	18.1%	**+282**
Active	700.3	50.3	7.2%	8.6%	**-146**
All Other (incl. Dickies in Q2 26)	261.7	32.7	12.5%	11.5%	**+96**
Corporate and other expenses		**(74.6)**			

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). Segment information, $m. Corporate and other expenses were $95.7m a year earlier. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

Outdoor's profit rose $61.5m and Active's fell $15.5m; corporate expenses fell $21.1m. Adjusted SG&A excluding Dickies rose 4.3% while revenue rose 1.2%, so the gross margin gain paid for the cost growth with 167bp to spare. The release does not split the gross margin gain between price, mix, product cost and currency. For six months the adjusted operating margin excluding Dickies is 6.2% against 5.9%, up 25bp, because the first quarter lost 203bp on the same basis.

07 · INVENTORY

Inventory up 6.9%; days of inventory up 16.5 to 23.9

INVENTORY	SEP 2026	SEP 2025	CHANGE
Inventories, $m	1,984.4	1,855.9	**+6.9%**
Quarter COGS, $m	1,202.5	1,340.3	-10.3%
Days of inventory, reported COGS	148.5	124.6	**+23.9**
Days of inventory, prior COGS ex Dickies	148.5	132.0	**+16.5**
Accounts payable, $m	1,284.2	1,061.0	+21.0%
Payables / inventory	64.7%	57.2%	+7.5 pt

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). Days = inventory / quarter COGS x 90. Prior COGS ex Dickies is 1,340.3 less Dickies COGS of 75.3 (revenue 140.0 less gross profit 64.8). Changes, margins and contributions are VGR arithmetic on the disclosed figures.

The range is a bound, not two estimates. The September 2025 balance sheet carried $536.5m of current assets held for sale, after the 15 September 2025 agreement to sell Dickies; if Dickies inventory sat there, the like-for-like prior figure is 132.0 days and the increase 16.5 days. The release does not itemise the held-for-sale line. The company says inventory rose "to support demand in H2'27". The third-quarter balance sheet will show whether the build cleared.

08 · WORKING CAPITAL, CASH AND CAPITAL STRUCTURE

Net debt fell $1,121.2m in a year; six-month free cash flow improved $130.4m

$M	SEP 2026	SEP 2025	CHANGE
Short-term borrowings	34.2	502.1	-467.9
Current portion of long-term debt	499.6	583.9	-84.4
Long-term debt	3,004.8	3,544.2	-539.4
Operating lease liabilities	1,462.2	1,467.9	-5.7
Less cash	(443.0)	(419.1)	-23.8
Net debt, company definition	4,557.9	5,679.1	**-19.7%**

$M	SEP 2026	SEP 2025	CHANGE
Net debt excluding leases	3,095.6	4,211.2	**-26.5%**
Free cash flow, six months	(322.7)	(453.1)	**+130.4**

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). Net debt and free cash flow on the company's definitions (CFO less capex and software). Changes, margins and contributions are VGR arithmetic on the disclosed figures.

Operating cash flow for six months was -$214.0m against -$372.5m. Capital expenditure and software rose to $108.6m from $80.6m. Net interest expense fell to $23.7m from $46.2m in the quarter. Leverage cannot be checked against the 2.6x to 2.9x target, because the release does not give adjusted EBITDA or the quarterly depreciation charge. $499.6m of debt is current.

09 · CAPITAL ALLOCATION

Dividend held at $0.09

Dividends paid in six months were $70.8m against $70.3m; the quarterly dividend stays at $0.09, payable on 17 December 2026. Asset sales brought in $22.6m, and $11.9m was paid as a working-capital adjustment on the Dickies sale. No buyback is reported. Returns on capital are not calculable from the release.

10 · EARNINGS QUALITY

41% of the rise in net income came from interest and tax

NET INCOME BRIDGE	$M	SHARE	NOTE
Q2 FY26 net income	189.8		Disclosed
Higher operating income	**+55.3**	57.9%	OI 367.9 vs 312.6
Lower net interest expense	**+22.5**	23.6%	23.7 vs 46.2
Other income	**+0.8**	0.9%	incl. $3.1m pension refund
Lower income tax	**+16.8**	17.6%	rate 17.8% vs 29.3%
Q2 FY27 net income	285.3	100%	+50.3%

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). Shares are of the $95.5m increase. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

The tax rate fell 11.5 points and the release gives no reason. At last year's 29.3% rate, tax on this year's pre-tax income would have been about $101.5m, $39.9m more than the $61.7m charged. Adjusted EPS of $0.70 removes the Reinvent benefit and the pension refund, $0.01 each.

11 · GUIDANCE AND THE IMPLIED REQUIREMENT

Both guided lines beat; the full-year outlook is unchanged

ITEM	GUIDED	ACTUAL / STATUS
Q2 revenue, C$ ex Dickies	About flat	+1% (VGR: +1.1%)
Q2 adjusted operating income	About $315m	$363.7m, $48.7m above
FY27 revenue, C$ (ex Dickies in FY26, incl. 53rd week)	+2% or better	Reaffirmed
FY27 adjusted operating margin	About 8%	Reaffirmed; 6M at 6.2%
FY27 free cash flow	Normalized flat to up on $405m; actual $515m or higher	6M -$322.7m; H2 needs at least $837.7m
FYE27 leverage	2.6x to 2.9x	Not calculable from the release

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). The "actual free cash flow" figure does not appear in the FY27 guidance recorded in VGR's Q1 working record. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

Scored against VGR's Q1 watch items: Active's revenue fell again, 8.0% as reported and 8% in constant dollars, after the first-quarter decline, so that item continued. Adjusted SG&A rose as a share of revenue for a second quarter, by 123bp after 215bp. The implied second-half margin cannot be computed, because the release does not give the FY26 revenue base excluding Dickies or the size of the 53rd week.

12 · DISCLOSURE DELTA AND METRICS NOT REPORTED

What the release does not give

METRIC	STATUS	EFFECT ON THIS ANALYSIS
Vans revenue by channel	not disclosed	The DTC return to growth cannot be sized.
Altra and other small-brand revenue	not disclosed	The "more than 40%" claim cannot be checked.
Comparable-store sales, selling area	not disclosed	No store productivity measure.
Quarterly D&A, adjusted EBITDA	not disclosed	Leverage not calculable.
Inventory ex Dickies at Sep 2025	not disclosed	Days of inventory given as a bound.
Gross margin bridge	not disclosed	The 290bp cannot be split by driver.
Tax-rate drivers	not disclosed	The 11.5-point fall is unexplained.

METRIC	STATUS	EFFECT ON THIS ANALYSIS
Q3 guidance; FY26 base ex Dickies	not disclosed	No implied second-half margin.

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). Each row is an absence from the primary source, not an estimate VGR declined to make. New this quarter: an "actual free cash flow" floor of $515m.

13 · THE COMPANY'S ACCOUNT, TESTED

The release's claims against its own tables

CLAIM	SOURCE	DISPOSITION
"Exceeds guidance"	Headline	Supported by the disclosed figures. C$ ex Dickies +1.1% against about flat; adjusted OI $363.7m against about $315m.
"Continued gross margin expansion"	Subtitle	Supported by the disclosed figures. +320bp reported, +290bp adjusted ex Dickies.
"Global DTC continues to grow"	Highlights	Supported by the disclosed figures. $915.2m against $909.9m.
Americas "sustained growth across channels"	Highlights	Partially supported. +6% ex Dickies; no regional channel split.
Vans "global DTC returned to growth"	Highlights	Not verifiable from the disclosure. Vans channel revenue is not given; Vans fell 9.8%.
Timberland growth "driven by continued strength in the Americas"	Highlights	Supported by the disclosed figures. Americas +15%, EMEA -1%, APAC -21%.
Inventories up 7% "to support demand in H2'27"	Highlights	Partially supported. +6.9% is exact; the purpose is tested by second-half revenue.
"Altra grew more than 40%"	CEO quote	Not verifiable from the disclosure. Other brands ex Dickies grew 5.6%.
"Strong orders from Wholesale partners"	CEO quote	Not verifiable from the disclosure. No order book is given.
"Net debt down $1.1B or (20%)"	Highlights	Supported by the disclosed figures. -$1,121.2m, -19.7%.

Source: VF Corporation, Q2 FY2027 release, 28 October 2026 (Form 8-K, Exhibit 99.1). Dispositions use the fixed terms of the VGR methodology.

14 · METHOD, SOURCES AND PRECISION

One primary source, the release of 28 October 2026

Every figure comes from VF Corporation's second-quarter release, filed with the SEC as Exhibit 99.1 to a Form 8-K on 28 October 2026. First-quarter comparisons come from VGR's own Q1 working record, itself built from VF's Q1 10-Q. No press report, broker note, aggregator or consensus figure was used. Growth rates printed by the company are in whole points; VGR-derived percentages carry one decimal. No peer comparison is included in this document.

CLASS	MEANING	EXAMPLES IN THIS DOCUMENT
Exact	Arithmetic on disclosed figures	Revenue bridge, margins, brand contributions, net debt, free cash flow, net income bridge.
Bounded	Both ends stated with the central reading	Days of inventory: +16.5 to +23.9 days, central +16.5.
Not calculable	The input is missing and nothing has been substituted	Leverage, implied second-half margin, store productivity, Vans by channel.

VGR precision register.

VGR | VERY GOOD RETAIL

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

VF Corporation (NYSE: VFC), "VF Corporation Exceeds Guidance in Second Quarter Fiscal 2027", press release, Form 8-K Exhibit 99.1, 28 October 2026, released before the 8:00 a.m. ET call.
https://www.sec.gov/Archives/edgar/data/103379/000010337926000134/q22027earningspressrelease.htm

WORKING RECORD

VF_Corp_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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