

Michael Kors Holdings Ltd (KORS) - Profile & Summary, Expected IPO on Dec 14, 2011

Highlights:

- Global luxury lifestyle brand offering apparel and accessories, as well as small amount of select footwear and outerwear at better department stores and its own branded retail stores, plus licensing of watches, eyewear, jewelry & fragrances
- Sells 'accessible luxury' goods, with handbags priced starting at \$400 to \$500, as opposed to those starting at \$800
- One of the fastest-growing retailers worldwide, with total YoY revenue growth of 61.0% in the first six months of FY 2012, 58.1% in FY 2011 and a 3-YR CAGR of 37.0%
- Positive comparable store sales growth in every quarter in the last five fiscal years
- Initially known for its luxury women's sportswear lines sold at high-end department stores, it has successfully expanded beyond apparel into accessories (including handbags, small leather goods, eyewear, jewelry and watches) and footwear
 - Accessories accounted for 62.3% of total sales in FY 2011 and grew at a 57.6% CAGR over the last 3 years
- Huge retail expansion has grown its branded store base from just 23 in March 2007 to 221 as of the end of November (184 in North America & 37 internationally) and retail sales accounted for 46.5% in the first six months of FY 2012 compared to just 28.7% in FY 2009

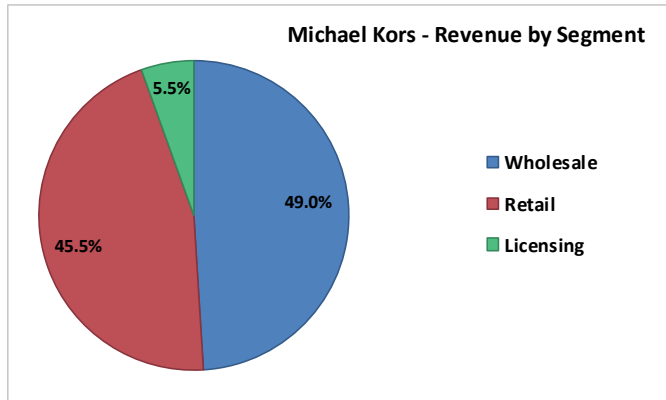
Valuation Measures*	
Market Cap (millions)	\$3,434
Price to Revenue	3.40
Trailing P/E	29.75
*assuming mid-point of \$17-\$19 price range	
Trailing 12-Month Statistics	
Retail Sales (1,000's)	\$459,933
Wholesale Sales (1,000's)	\$495,634
Licensing Revenue (1,000's)	\$55,546
Total Revenue (1,000's)	\$1,011,113
Gross Margin	56.7%
Operating Margin	19.0%
Net Income (1,000's)	\$109,884
Diluted EPS	\$0.60
Profit Margin	10.9%
Avg Retail Sales / Square Ft	\$1,202
Avg Retail Sales / Store	\$2,441,547
Avg Wholesale Sales / Door	\$241,498
Avg Revenue / Employee	\$343,332

Global Stores & Wholesale Locations*	
Full-Price Stores ¹	132
Full-Price Store Square Ft	267,276
Average Store Square Ft	2,025
Outlet Stores	71
Outlet Store Square Ft	195,482
Average Store Square Ft	2,753
Total Stores	203
Total Gross Square Footage	462,758
Average Store Square Ft	2,280
N. American Wholesale Doors	1,801
International Wholesale Doors	549
Total Wholesale Doors	2,350
*as of Oct 1, 2011 ¹ includes 24 concessions	

Annual Growth Rates	FY 2011	FY 2010	YoY Chg	3-YR CAGR
Net Sales (1,000's)	\$757,800	\$483,452	56.7%	36.8%
Royalty Revenue (1,000's)	\$45,539	\$24,647	84.8%	40.3%
Total Revenue (1,000's)	\$803,339	\$508,099	58.1%	37.0%
Operating Income (1,000's)	\$136,866	\$56,174	143.6%	73.6%
Net Income (1,000's)	\$72,506	\$39,248	84.7%	6.4%
Diluted EPS	\$0.40	\$0.22	81.8%	5.6%
Retail Stores	166	106	56.6%	51.2%
Gross Store Sq Footage	370,713	263,468	40.7%	40.6%
Wholesale Doors	2,032	1,600	27.0%	20.3%
Employees	2,945	1,645	79.0%	51.3%

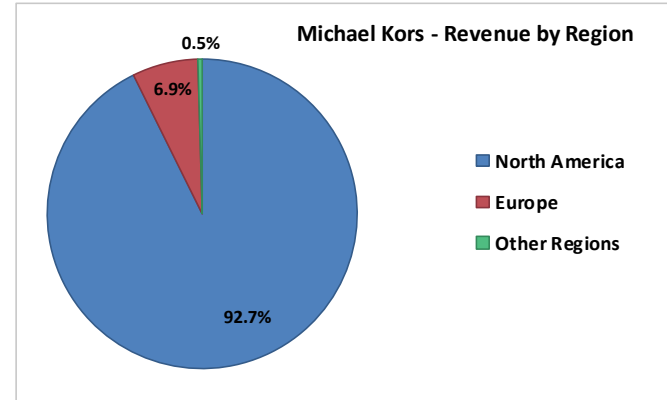
Revenue by Segment (as % of Total)

	TTM	FY 2011	FY 2010	FY 2009
Wholesale	49.0%	51.5%	58.4%	66.2%
Retail	45.5%	42.8%	36.7%	28.7%
Licensing	5.5%	5.7%	4.9%	5.0%

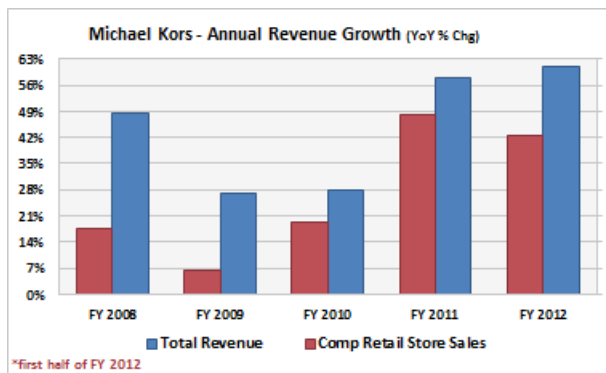


Revenue by Region (as % of Total)

	TTM	FY 2011	FY 2010	FY 2009
North America	92.7%	95.1%	97.9%	99.9%
Europe	6.9%	4.8%	2.1%	0.1%
Other Regions	0.5%	0.1%	0.0%	0.0%

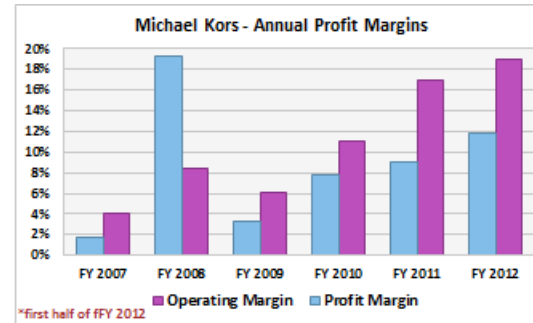
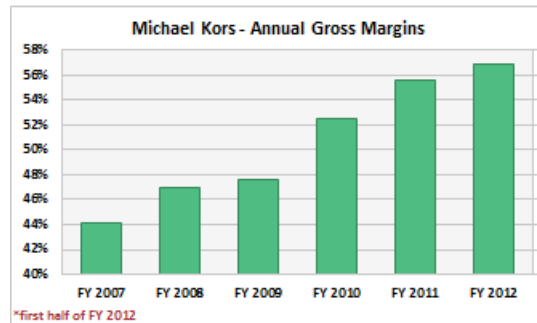


	FIRST HALF	FULL YEAR				
	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
Revenue Data						
Net Sales (1,000's)	\$520,207	\$757,800	\$483,452	\$377,058	\$296,176	\$197,442
YoY Chg	61.3%	56.7%	28.2%	27.3%	50.0%	N/A
Comp Retail Store Sales	42.3%	48.2%	19.2%	6.3%	17.5%	16.0%
Royalties (1,000's)	\$28,451	\$45,539	\$24,647	\$20,016	\$16,479	\$13,310
YoY Chg	54.3%	84.8%	23.1%	21.5%	23.8%	N/A
Total Revenue (1,000's)	\$548,658	\$803,339	\$508,099	\$397,074	\$312,655	\$210,752
YoY Chg	61.0%	58.1%	28.0%	27.0%	48.4%	



	FIRST HALF	FULL YEAR				
	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
Earnings Data						
Net Income (1,000's)	\$64,721	\$72,506	\$39,248	\$13,039	\$60,117	\$3,530
YoY Chg	136.7%	84.7%	201.0%	-78.3%	1,603.0%	N/A
Diluted EPS	\$0.35	\$0.40	\$0.22	\$0.07	\$0.34	\$0.02
YoY Chg	133.3%	81.8%	214.3%	-79.4%	1,600.0%	N/A

Margin Data	FIRST HALF	FULL YEAR				
	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
Gross Margin	56.9%	55.5%	52.5%	47.5%	46.9%	44.1%
Operating Margin	19.0%	17.0%	11.1%	6.1%	8.4%	4.0%
Profit Margin	11.8%	9.0%	7.7%	3.3%	19.2%	1.7%



Retail Segment:

- Store base has gone from just 23 in March 2007 to 221 as of the end of November (184 in North America & 37 internationally)
- Long-term potential for 400 stores in North America and 100 each in Europe and Japan
 - Collection stores in the world's most prestigious shopping areas, such as Madison Avenue in New York and Bond Street in London, averaging 3,100 square feet per store
 - Lifestyle stores in the world's most frequented metropolitan shopping locations and leading regional shopping centers, averaging 2,100 square feet per store
 - Outlet Stores averaging 2,700 square feet per store

Retail Metrics	Six Months Ended		Fiscal Year Ended		
	1-Oct-11	2-Oct-10	2-Apr-11	3-Apr-10	28-Mar-09
Retail Sales (1,000's)	\$255,377	\$139,639	\$344,195	\$186,538	\$114,031
YoY Chg	82.9%	N/A	84.5%	63.6%	N/A
Same-Store Sales	42.3%	39.5%	48.2%	19.2%	6.3%
Retail Stores	203	140	166	106	74
Gross Store Square Ft	462,758	314,345	370,713	263,468	186,362
Average Store Size	2,280	2,245	2,233	2,486	2,518
Avg Sales / Square Ft	\$613	\$483	\$1,085	\$829	\$738
Avg Sales / Store	\$1,384,157	\$1,135,276	\$2,530,846	\$2,072,644	\$1,869,361

Wholesale Segment:

- Higher-end Michael Kors collection carried in own retail stores & luxury department stores worldwide including Bergdorf Goodman, Saks Fifth Avenue, Neiman Marcus, Holt Renfrew, Harrods, Harvey Nichols, Selfridges, Le Bon Marché and Printemps
- Accessible luxury MICHAEL by Michael Kors collection carried in own retail & better department stores Bloomingdale's, Nordstrom, Macy's, Harrod's, Harvey Nichols, Selfridges, Printemps, Lotte, Hyundai, Isetan and Lane Crawford
- In the process of converting existing wholesale door space into shop-in-shops and expanding the size of existing shop-in-shops, which offer customized freestanding fixtures, wall casings and components, decorative items and flooring, as well as enabling the deployment of specially trained staff

Wholesale Metrics	Six Months Ended		Fiscal Year Ended		
	1-Oct-11	2-Oct-10	2-Apr-11	3-Apr-10	28-Mar-09
Wholesale Sales (1,000's)	\$264,830	\$182,801	\$413,605	\$296,914	\$263,027
YoY Chg	44.9%	N/A	39.3%	12.9%	N/A
Wholesale Doors	2,350	1,775	2,032	1,600	1,313
Avg Sales / Door	\$116,557	\$82,749	\$189,535	\$128,073	\$91,923

Licensing Segment:

- Watches: Fossil has been exclusive licensee since 2004, sold in Michael Kors retail stores and to wholesale customers in addition to select watch retailers, generally retail for between \$150 and \$500
 - Opportunity to build brand loyalty globally with younger consumers
- Eyewear: Marchon has been exclusive licensee since 2004, sold in Michael Kors retail stores and to wholesale customers in addition to select sunglass retailers and prescription eyewear providers, generally retail for between \$85 and \$285
 - Focused on status eyewear with sunglasses serving as a key category
- Jewelry: Fossil has been exclusive licensee since 2010, sold in Michael Kors retail stores and to wholesale customers in addition to other specialty stores, generally retail for between \$45 and \$400
 - complementary to watches/accessories lines and is comprised of bracelets, necklaces, rings and earrings
- Fragrances: Estee Lauder has been exclusive licensee since 2003, sold in Michael Kors retail stores and to wholesale customers in addition to select fragrance retailers, generally retail for between \$20 and \$115

Licensing Metrics	Six Months Ended		Fiscal Year Ended		
	1-Oct-11	2-Oct-10	2-Apr-11	3-Apr-10	28-Mar-09
Licensing Royalties (1,000's)	\$28,451	\$18,444	\$45,539	\$24,647	\$20,016
YoY Chg	54.3%	N/A	84.8%	23.1%	21.5%
% of Total Revenue	5.2%	5.4%	5.7%	4.9%	5.0%

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