Engaged Capital: Investment Presentation
13D Monitor Active-Passive Investor Summit

October 2023
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Engaged Capital Overview

- Investment management firm founded in 2012 by Glenn Welling
  - Based in Newport Beach, CA
  - Founding team previously worked together at Relational Investors

- Private equity investors in the public markets
  - Highly concentrated portfolio of 6 – 10 investments

- Extensive experience and specialization in operational turnarounds

Select Turnaround Investments:

[Images of company logos]

Engaged Capital catalyzes value creation by working with management and boards to improve the strategic, operational, and financial performance of selected investments.
Executive Summary – VF Corp.

High Quality Business
- Portfolio focused on global multi-billion-dollar brands with significant scale and exposure to attractive end markets
- Majority of portfolio concentrated in The North Face and Vans, both of which have high customer affinity and awareness globally

Failed Strategic Shift Under Tenure of Previous CEO Steve Rendle
- Mr. Rendle spent aggressively to expand the role of the corporate center which drove a step change in costs
- Reduced brand-level autonomy, removing management of key functions that were previously sources of competitive advantage
- Underinvested in the Company’s then largest brand, Vans, starving it of resources and disrupting the brand’s momentum
- Pursued a risky M&A strategy to bolster growth through Supreme acquisition, significantly increasing balance sheet leverage

Trough Margins and Trough Valuation
- EBITDA margins historically fluctuated in 12%-17% range during the last ten years as compared to current expectation of ~12%
- NTM EV/EBITDA multiples have ranged from 8x to 15x during last ten years compared to today’s multiple of ~8x

Engaged Plan to Accelerate Value Creation

Unwind Duplicative Costs
- Engaged believes there is a path to >$300M in cost reductions through elimination of duplicative costs and corporate excess

Restore Brand Autonomy
- Engaged estimates $100M of savings could be reinvested to accelerate innovation and support the Company’s largest brands

Address the Capital Structure
- Allocate the significant excess cash flow enabled by cost reductions to accelerate leverage reduction
- Hire advisors to perform full review of non-core assets / divestitures and owned real estate
- Management should publicly commit to no further acquisitions for the foreseeable future

Governance / Board Changes
- Existing Board allowed strategic mistakes and corporate excess to continue unchecked
- Board would benefit from business transformation experience and greater sense of urgency to address underperformance

Significant Upside to Shares Through Engaged’s Plan
- We believe gross margin improvement and cost reductions can drive >300bps of EBITDA margin recovery
- Engaged sees a path to driving a mid-$40’s share price within three years through execution of plan

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1. Historical EBITDA margin range excludes COVID impacted FYE March 2021.
Source: Company filings, Factset, EC Estimates.
Why Are We Talking About VF Corp.?

VFC Share Price Performance Since the End of 2019

VFC shares have lost ~85% of their value. Going from ~$100 prior to the pandemic to $15.45 today.

1. Closing price as of 10/13/23.
Source: Factset.

VFC shares are trading at ~15% of their pre-pandemic price.
Ripe Opportunity for an Active Owner

✓ High quality business
  - Attractive long-term growth prospects and solid returns on capital

✓ Significantly under-earning its potential
  - Margins compressed due to company-specific issues

✓ Trading at a significant discount to intrinsic value
  - Strong free cash flow provides optionality

✓ Issues impacting performance are fixable

VFC has many of the attributes that we believe will lead to a successful turnaround
VF Corporation is a storied consolidator of consumer footwear and apparel brands.

Key Items

<table>
<thead>
<tr>
<th>Ticker / Share Price</th>
<th>“VFC” / $15.45</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Value</td>
<td>$11.9B</td>
</tr>
<tr>
<td>Market Cap</td>
<td>$6.0B</td>
</tr>
</tbody>
</table>

FYE March 2023 Financials:

<table>
<thead>
<tr>
<th>Revenue</th>
<th>$11.6B</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>$1.4B</td>
</tr>
<tr>
<td>EPS</td>
<td>$2.10</td>
</tr>
</tbody>
</table>

Portfolio Details – FYE March 2023

- Vans and TNF combine for $7.3B of revenue

Source: Company filings, Factset, EC Estimates.
VFC owns a global portfolio of brands with revenue concentrated in highly attractive, growing end markets in footwear and outdoor apparel categories.

Source: Company filings, EC estimates.

1. End market revenue based on EC estimates.
Capital Efficient Model Enables High Returns

Channel Revenue – FYE March 2023

E-Comm 19%
Owned Retail 27%
Wholesale 54%

73% of sales in Wholesale and E-Commerce

Historical ROIC (Ex-Intangibles)

<table>
<thead>
<tr>
<th>Year</th>
<th>ROIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 3/20A</td>
<td>39%</td>
</tr>
<tr>
<td>FYE 3/21A</td>
<td>24%</td>
</tr>
<tr>
<td>FYE 3/22A</td>
<td>58%</td>
</tr>
<tr>
<td>FYE 3/23A</td>
<td>24%</td>
</tr>
<tr>
<td>FYE 3/24E</td>
<td>21%</td>
</tr>
<tr>
<td>EC Plan</td>
<td>~35%</td>
</tr>
</tbody>
</table>

High exposure to capital light distribution channels drives attractive organic return on invested capital

2. FYE 3/22A tangible ROIC positively impacted by temporarily low working capital balances in that fiscal year driving a reduction in the average invested capital base.

Source: Company filings, EC estimates.
Proprietary Survey Highlights Strong Brand Positioning

Brand Sentiment is Strong Worldwide

Avg. % of global customers who view the brand as more popular vs less popular relative to the past

<table>
<thead>
<tr>
<th>Brand</th>
<th>% of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nike</td>
<td>40%</td>
</tr>
<tr>
<td>TNF</td>
<td>27%</td>
</tr>
<tr>
<td>Vans</td>
<td>10%</td>
</tr>
<tr>
<td>Skechers</td>
<td>9%</td>
</tr>
<tr>
<td>Columbia</td>
<td>4%</td>
</tr>
<tr>
<td>Uggs</td>
<td>(5%)</td>
</tr>
</tbody>
</table>

Innovation Divergence Demonstrates Recent Issues

% of U.S. customers who describe the brand as “innovative”

<table>
<thead>
<tr>
<th>Brand</th>
<th>% of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patagonia</td>
<td>21%</td>
</tr>
<tr>
<td>Hoka</td>
<td>20%</td>
</tr>
<tr>
<td>TNF</td>
<td>19%</td>
</tr>
<tr>
<td>Nike</td>
<td>16%</td>
</tr>
<tr>
<td>Columbia</td>
<td>15%</td>
</tr>
<tr>
<td>Adidas</td>
<td>12%</td>
</tr>
<tr>
<td>Skechers</td>
<td>8%</td>
</tr>
<tr>
<td>Crocs</td>
<td>4%</td>
</tr>
<tr>
<td>Vans</td>
<td>3%</td>
</tr>
</tbody>
</table>

Survey demonstrates worldwide brand momentum at The North Face and pockets of strength at Vans, but innovation gap provides insight on recent performance at Vans in the U.S.

Note: Survey results as of September 2023. Survey included 3,374 consumers in the U.S., 1,675 consumers in the U.K., 2,005 consumers in France, 2,151 consumers in Germany, 3,546 consumers in Japan, and 2,733 consumers in China.

Source: Roth MKM proprietary survey.
VFC Was a Long-Term Outperformer Prior to Strategy Shift

VFC 15-Yr Total Shareholder Return Prior to Mr. Rendle’s Hiring

Prior to Mr. Rendle’s hiring as CEO, VFC had established itself as a blue chip value compounding company.

1. Total shareholder return includes reinvested dividends. Measured between 12/31/01 and 12/31/16.
Source: Factset.
What Went Wrong?

✖ Failed succession process
  - Mr. Rendle’s appointment as Chairman and CEO was a mistake

✖ Mr. Rendle enacted an extremely risky strategy
  - Dramatically expanded the corporate cost structure
  - Pursued growth M&A at high valuations
  - Reduced autonomy of brands to manage key functions

✖ Starved core brands to offset investments in corporate center
  - Lack of marketing / innovation disrupted Vans momentum

✖ The Board allowed this strategy to occur and neglected to act with urgency when it failed
  - Board of current / former CEOs overly deferential to management

We believe VFC’s value destruction is directly attributable to Mr. Rendle’s failed strategy and the Board’s seeming unwillingness to intervene.

Source: Company filings, EC expert interviews.
Costly Denver Headquarters Move Underscored Strategic Shift

New Corporate HQ – Denver, CO

Outdoor apparel giant VF Corp. moving headquarters from North Carolina to Denver area


HQ move from Greensboro, NC to Denver, CO drove massive spend and significant employee turnover
Mr. Rendle’s Failed, Overly-Complex Reorganization of the Business

VFC’s Corporate “Centers of Excellence”

Illustrative Structure Demonstrates Redundancies

We believe the overly complex administrative structure bred a corporate culture burdened by excess bureaucracy, internal politics, and a lack of accountability.

Source: VFC 2017 investor day, EC expert interviews.
VFC’s Acquisition of Supreme Was the Culmination of a Flawed Strategy

The Supreme acquisition was, in our view, a break-down in risk management, paying a full multiple for a high fashion brand and lowering financial flexibility due to the assumption of debt.


Source: Supreme M&A Presentation, Company filings, Factset.
### The Board and Prior CEO Responsible for Cost Explosion

<table>
<thead>
<tr>
<th>EBITDA Margin</th>
<th>Reported Corp. Segment Expenses(^1)</th>
<th>Total Corp. Expenses(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 3/20A</td>
<td>15.4%</td>
<td>$419</td>
</tr>
<tr>
<td>FYE 3/23A</td>
<td>12.0%</td>
<td>$453</td>
</tr>
</tbody>
</table>

\(^1\) Figure shown 3/20A adjusts reported $514.4M net corporate expense to exclude $48.3M in currency translation associated with South America liquidation, $27.4M pension write-down, and $19.4M in restructuring expenses included in the corporate segment. Figure shown 3/23A adjusts reported $617.8M to exclude pension write-down of $91.8M and restructuring expense in corporate segment of $73.2M. \(^2\) Figure shown 3/20A adds back to adjusted net corporate expense of $419.3M, $212M in information systems and shared services expenses allocated to the segments per 2021 10-K filing. The Company stopped disclosing the information systems and shared services amounts expensed to the segments in their 2022 10-K, but the above analysis assumes those costs expensed to segments have increased to $391M based on net to gross extrapolation of the information and technology cost increases included in net corporate expense of $74.9M in FYE 3/22 and $38.8M in FYE 3/23 as disclosed in 2023 and 2022 10-K filings.

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Center-out corporate strategy diverted resources from core brands to the corporate center, resulting in a culture of bureaucracy and waste that accelerated margin contraction.

Source: Company filings, EC estimates.
Misallocation of Resources is Driving Vans’ Recent Underperformance

Vans Annual CAGR Evolution

1. FYE March 2017 Vans revenue based on EC estimates due to fiscal year transition.
2. FYE March 2023 segment margin based on management commentary.
Source: Company filings, EC estimates.

Weak financial performance in the portfolio’s formerly most profitable brand has been a key driver of margin erosion in the consolidated portfolio.

Vans Segment Margin

15% 19% (3%) (13%)

> 23% > (1,000) bps

~13%

FYE 3/20A FYE 3/23A
VFC’s Margins and Valuation at Trough Levels

EV / NTM EBITDA Valuation vs. Peers – Last 10 Years

Current valuation is a ~35% discount to peers vs. historical ~7% premium

VFC Pre-Covid Avg: 14.3x
Pre-Covid Peer Avg: 13.4x

VFC is in a unique “trough / trough” situation with valuation dramatically below peers concurrent with EBITDA margins at 10-yr lows

1. Peer group includes SKX, YETI, GOOSS, DECK, ADS-DI, NKE, LULU, and COLM.

Source: Company filings, Factset.

10-yr Margin Range

16.8%
12.0%
Pessimistic View of Recovery Reflected in EBITDA Expectations

Consensus EBITDA as of:

FYE March 2022 EBITDA: $1,816

FYE March 2024

FYE March 2025

FYE March 2026

Sell side estimates for the next three years have re-rated dramatically lower with limited expectation for future recovery

Source: Factset.
Margin Contraction Driving Leverage Concerns

**Quarterly LTM Net Leverage**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>LTM Net Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 22</td>
<td>2.3x</td>
</tr>
<tr>
<td>Q1 23</td>
<td>2.7x</td>
</tr>
<tr>
<td>Q2 23</td>
<td>3.5x</td>
</tr>
<tr>
<td>Q3 23</td>
<td>4.0x</td>
</tr>
<tr>
<td>Q4 23</td>
<td>4.2x</td>
</tr>
<tr>
<td>Q1 24</td>
<td>4.5x</td>
</tr>
</tbody>
</table>

**Quarterly Dividend Per Share**

- **Pre-Cut**: $0.51
- **Post-Cut**: $0.30

(41%)

Guidance misses and expanding leverage catalyzed a material dividend cut in February 2023.

1. FYE March 31. Net leverage calculated as (total balance sheet debt – unrestricted cash – short term investments) / LTM adjusted EBITDA.

Source: Company filings.
Projected Free Cash Flow is Crucial Value Creation Driver

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</thead>
<tbody>
<tr>
<td>$767</td>
<td>$795</td>
<td>$1,024</td>
<td>$1,246</td>
<td>$1,330</td>
<td>$5,162</td>
<td>$6,000</td>
</tr>
</tbody>
</table>

Free cash flow generation not only demonstrates valuation dislocation but provides resources to invest in the core brands while substantially reducing leverage and stabilizing the capital structure.

2. FYE March 2025 free cash flow impacted by $125M of restructuring costs. FYE March 2026 free cash flow impacted by $75M of restructuring costs.

Source: Company filings, EC estimates.
New CEO Commentary

- Bracken Darrell became CEO of VFC in July 2023
- Previously spent 10 years as CEO of Logitech (“LOGI”)
- Executed a major business transformation at LOGI
  - Immediately launched a material cost restructuring
  - Reinvested in design and innovation
  - Accelerated revenue and profitability growth
- LOGI shares returned >900% during Mr. Darrell’s tenure¹

LOGI Financials During Mr. Darrell’s Tenure²

<table>
<thead>
<tr>
<th></th>
<th>Total Revenue</th>
<th>Total EBITDA and Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>($ in millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FYE 3/13A</td>
<td>$2,100</td>
<td>$101</td>
</tr>
<tr>
<td>FYE 3/23A</td>
<td>$4,539</td>
<td>$665</td>
</tr>
</tbody>
</table>

Mr. Darrell appears to have the transformation experience VFC urgently requires

1. Total shareholder return measured between 12/31/12 and 6/12/23.
2. FYE March 2013 EBITDA adjusted to add back stock compensation to conform with FYE March 2023 reported EBITDA.

Source: LOGI filings, sell side research, EC expert interviews, Factset.
Engaged Capital’s Plan to Accelerate Value Creation

1. **Unwind duplicative costs**
   - Clear path to >$300M in immediate cost reductions

2. **Restore brand autonomy**
   - Reinvest a portion of savings to accelerate innovation and support growth

3. **Address the capital structure**
   - Allocate all excess cash flow and divestiture proceeds to reduce leverage
   - Publicly commit to no further acquisitions
   - Hire advisors to perform full review of non-core divestitures

4. **Governance / Board changes**
   - Existing Board allowed strategic mistakes and corporate excess to continue unchecked, demonstrating the need for new Board members who will prioritize value creation

We believe executing on these four focus areas can help drive material value creation at VFC

Source: EC estimates.
Cost Reductions Expected to Drive EBITDA Margin Improvement

We believe significant cost reductions and a normalized promotional environment will drive margin recovery back to historical levels.

1. FYE March 2024 consensus EBITDA margin. Margin enhancement based on EC estimates. Assumes $300M of cost reduction with $100M reinvested in core brands.

Source: Company filings, EC estimates.
Margin Enhancement Catalyzes Debt to Equity Shift

Multiple Levers to Accelerate Debt Paydown

- Cost reductions drive substantial free cash flow to enable organic deleveraging over time
- Management has publicly committed to allocate all excess cash to debt paydown
- To address investor concerns, we believe management must further commit to the following:
  1. No acquisitions
  2. Evaluate divestments of non-core assets
  3. Review discretionary capital spending

Net Leverage Reduction Before Divestitures\(^1\)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Leverage</td>
<td>4.3x</td>
<td>3.4x</td>
<td>2.4x</td>
<td>1.8x</td>
</tr>
</tbody>
</table>

Cost reductions and cash generation are expected to drive material organic deleveraging, which will, in our view, remove the valuation overhang and lead to substantial upside for equity holders.

\(^1\) Current FYE 3/24 represents projected net leverage at completion of current fiscal year. Net leverage calculated as (total balance sheet debt – unrestricted cash – short term investments) / LTM adjusted EBITDA. Net debt to LTM EBITDA projections are based on EC forecast which assumes $300M cost reduction with $100M of reinvestment, $0.20 dividend per quarter starting in Q4 of FYE 3/24 until full restoration to $0.30 in Q1-FYE 3/27, and assumes no asset sales of non-core brands or other Company assets to highlight organic deleveraging potential. Source: Company filings, EC estimates.
Pathway to Triple VFC’s Share Price Within Three Years

SOTP Valuation Bridge: FYE March 2026 Value per Share

Current Price: $28
The North Face: $15 (13x)
Vans: $20 (11x)
Sale Candidates: $15 (8x)
Corporate Expense: $8
Forecasted Net Debt & Dividend: $9
Forecasted Share Price: $46 (~200%)

We believe unlocking the value of VFC’s leading brands through an operational and strategic transformation has the potential to generate IRRs >50%

1. Projected financials based on forward multiples applied to FYE March 2027 EBITDA. Projected 13x TNF EBITDA of $859M, 11x Vans EBITDA of $707M, 8x Sale Candidates EBITDA of $722M, and 10.8x corporate EBITDA of ($290M) which includes impact of net cost reductions. Sale Candidates is a blended average considering multiples ranging from 12x to 6x for individual brands including Altra, Supreme, Napapijri, Dickies, Timberland, Smartwool, Icebreaker, and Packs. Projected net debt of $4.3B as of FYE March 2026 offset by cumulative dividends distributed to equity holders over investment horizon.

Source: EC estimates.