

# KONTOOR™

INSPIRING CONFIDENCE,  
EVERY DAY

## Kontoor Brands Enters Into Definitive Agreement To Sell Lee® Business To Authentic Brands Group

May 21, 2026



## Forward-Looking Statements

Certain statements included in this document are "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements are made based on our expectations and beliefs concerning future events impacting the Company and therefore involve several risks and uncertainties. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "should," "may" and other words and terms of similar meaning, including statements herein regarding the expected benefits, financial impact and timing of the sale of the Lee business, including the use of proceeds therefrom for debt reduction or share purchases, or use of future dates. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements. Potential risks and uncertainties include, but are not limited to, such things as, whether and when the required regulatory approvals for the proposed sale of the Lee business will be obtained, whether and when the closing conditions will be satisfied and whether and when the proposed sale of the Lee business will close, if at all; our ability to execute, and realize benefits, successfully, or at all, from the proposed sale of the Lee business; trends associated with our business, our ability to implement successfully, or at all, Project Jeanius; the rapidly changing retail environment and the level of consumer demand; the effects of any geopolitical conflicts or public health emergencies or severe global health crises, including effects on consumer spending, global supply chains, critical supply routes and the financial markets; our ability to deleverage on the anticipated time frame or at all; any inadequacy, interruption, integration failure or security failure with respect to our information technology; future intangible assets or goodwill impairment due to changes in our business, market conditions, or other factors, including any sale of the Lee business; significant fluctuations in foreign exchange rates; legal, regulatory, political and economic risks related to our international operations; our ability to effectively manage our complex international tax structure; our ability to successfully utilize our share repurchase program; our future financial performance; and other risks identified from time to time in our most recent Securities and Exchange Commission reports, including our annual report on Form 10-K. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and we do not intend to update any of these forward-looking statements or publicly announce the results of any revisions to these forward-looking statements, other than as required under the U.S. federal securities laws.

## Non-GAAP Financial Measures

For forward-looking non-GAAP measures included in this investor presentation, the Company does not provide a reconciliation to the most comparable GAAP financial measures because the information needed to reconcile these measures is unavailable due to the inherent difficulty of forecasting the timing and/or amount of various items that have not yet occurred and have been excluded from adjusted measures. Additionally, estimating such GAAP measures and providing a meaningful reconciliation consistent with the Company's accounting policies for future periods requires a level of precision that is unavailable for these future periods and cannot be accomplished without unreasonable effort.

Reconciliations of historical non-GAAP measures to the most comparable GAAP measures are presented in the supplemental financial information included with this investor presentation that identifies and quantifies all reconciling adjustments and provides management's view of why this non-GAAP information is useful to investors. While management believes that these non-GAAP measures are useful in evaluating the business, this information should be viewed in addition to, and not as an alternate for, reported results under GAAP. The non-GAAP measures used by the Company in this release may be different from similarly titled measures used by other companies.

# Strategic Rationale For the Lee® Business Divestiture

KONTOOR™



Sharpens Portfolio Focus on High-Performing, Strategically Aligned Brands



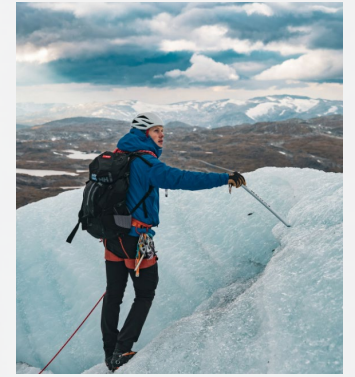
Favorably Shifts Portfolio Towards Higher Growth Categories, Channels, Geographies and Consumers



Significantly Increases Capital Allocation Optionality and Financial Flexibility



Wrangler®  
+  
HH®  
HELLY HANSEN



# Transaction Summary

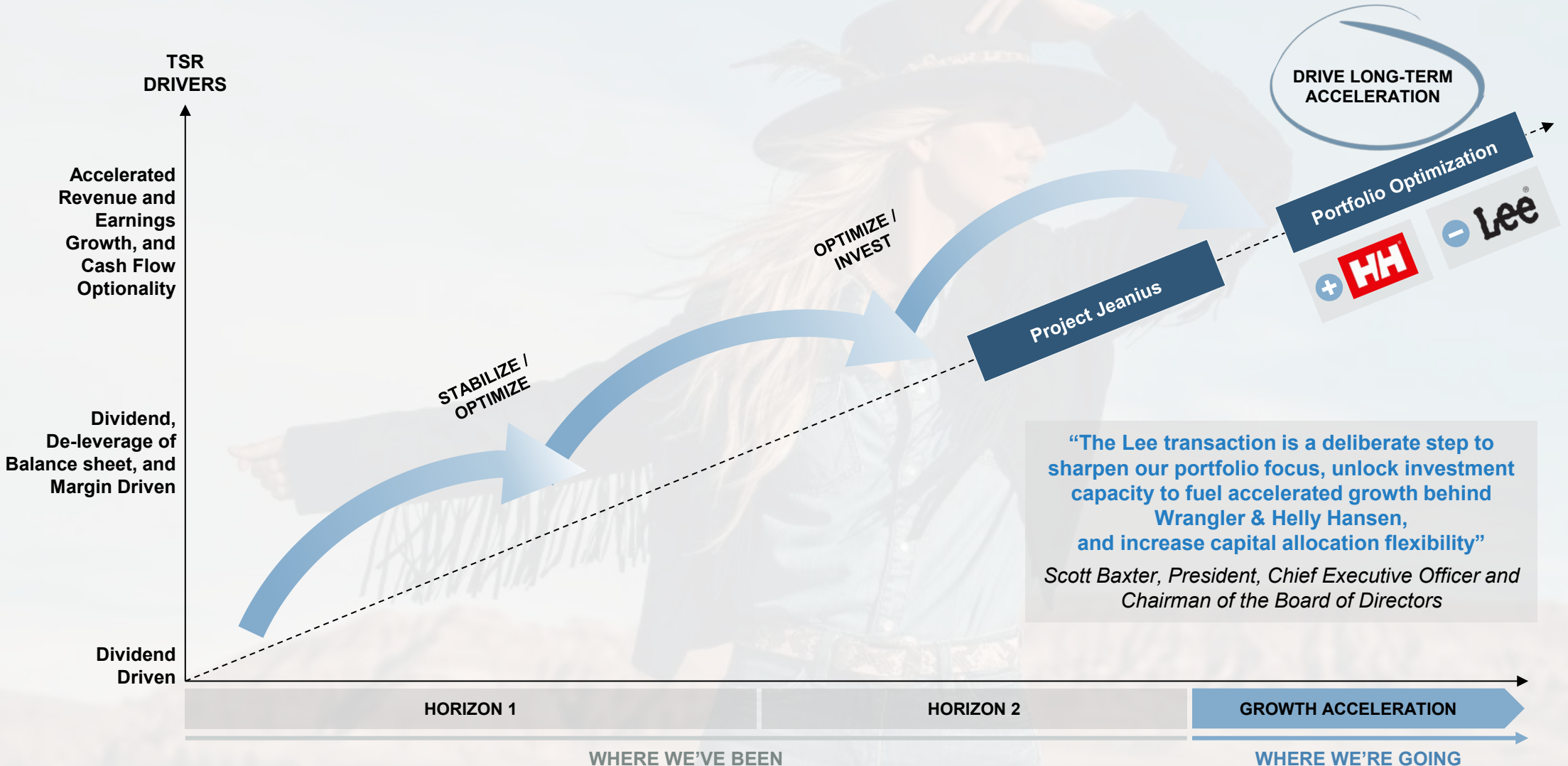


<b>Transaction Value</b>	Total cash consideration of up to \$1 billion, including an initial transaction value of \$750 million and a \$250 million earnout opportunity, subject to customary closing adjustments
<b>Transaction Multiple</b>	~1x 2026E Revenue at initial transaction value ~10x 2026E Adjusted EBITDA at initial transaction value <sup>(1)</sup>
<b>Use Of Proceeds</b>	Primary use of proceeds expected to be for accelerated share repurchases under new \$750 million authorization as well as continued voluntary term loan payments
<b>Timeline</b>	Expected to close in 2H26, subject to required regulatory approvals and customary closing conditions
<b>EPS Impact</b>	Transaction expected to be immaterial to EPS over a 12-to-18-month period through strong capital deployment and cost mitigating actions

**Notes:**

1. Reflects EBITDA before reclassification of allocated expenses

# Kontoor Has Deliberately Transformed Its Portfolio...



**“The Lee transaction is a deliberate step to sharpen our portfolio focus, unlock investment capacity to fuel accelerated growth behind Wrangler & Helly Hansen, and increase capital allocation flexibility”**

*Scott Baxter, President, Chief Executive Officer and Chairman of the Board of Directors*

# ...While Accelerating Growth & Total Shareholder Returns

	WHERE WE'VE BEEN		WHERE WE'RE GOING
	Post VF Corp Spin (2019)	Post Helly Hansen Acquisition (2025)	Post Lee Transaction (2026+)
<b>Topline Growth Profile</b>	Flat to LSD	L/MSD	MSD+
<b>Adjusted Gross Margin</b>	40.8% <sup>(1)</sup>	46.6% <sup>(1)</sup> Project Jeanius	48.4% <sup>(2)</sup>
<b>Addressable Market Focus</b>	Denim (~\$100Bn TAM)	Denim / Workwear / Outerwear (~\$400Bn TAM)	Denim / Workwear / Outerwear (~\$400Bn TAM)
<b>Net Leverage Target</b>	~2.5x <sup>(3)</sup>	~1x - 2x	<1.5x
<b>Capital Allocation Priorities</b>	Support and Grow Dividend, Debt Paydown, Share Repurchases	Support and Grow Dividend, Debt Paydown, Share Repurchases, Opportunistic M&A	Share Repurchases, Debt Paydown, Support and Grow Dividend, Opportunistic M&A

**Creating the Opportunity for Improved Total Shareholder Return**

Source: Circana, Statista, Grandview Research, Euromonitor, Company estimates

**Notes:**

1. GAAP to non-GAAP reconciliations are included in the appendix to this presentation
2. Reflects 2026 outlook at the mid-point on a continuing operations basis, as reported in the Company's Q1 FY2026 earnings release dated May 7, 2026
3. Net leverage at time of the spin

# Use of Proceeds & Cost Mitigation to Neutralize EPS Impact Over 12-18 Month Period

2026E Adjusted EPS Bridge <sup>(1)</sup>



**Notes:**  
 1. As reported in the Company's Q1 FY2026 earnings release dated May 7, 2026, when the Company began to report the Lee business as discontinued operations  
 2. Approximately \$65 million from Lee's 2026E operating profit  
 3. Approximately \$40 million reclassification of 2026E expenses previously allocated to the Lee business  
 4. Presented on an annualized basis

# Kontoor's Enhanced TSR Model

**ACCELERATING  
LONG-TERM  
REVENUE &  
EARNINGS  
GROWTH**



**INCREASING  
CAPITAL  
ALLOCATION  
OPTIONALITY**

**= STRONGER TSR ALGORITHM AND  
LONG-TERM SHAREHOLDER VALUE CREATION**

KONTOOR™

## Appendix: Supplemental Financial Information

### Reconciliation of Adjusted Gross Margin for FY2019 and FY2025

(\$ in millions)	Twelve Months Ended <sup>(d)</sup>	
	December 2019	December 2025
<b>Net revenues - as reported under GAAP</b>	\$ 2,548.8	\$ 3,152.5
Business model changes <sup>(a)</sup>	(25.8)	-
<b>Adjusted net revenues</b>	<u>\$ 2,523.0</u>	<u>\$ 3,152.5</u>
<b>Cost of goods sold - as reported under GAAP</b>	\$ 1,544.5	\$ 1,729.1
Restructuring costs <sup>(b)</sup>	(24.2)	(46.3)
Business model changes <sup>(a)</sup>	(24.2)	-
Other adjustments <sup>(c)</sup>	(1.8)	-
<b>Adjusted cost of goods sold</b>	<u>\$ 1,494.3</u>	<u>\$ 1,682.7</u>
<b>Gross margin</b>	\$ 1,004.4	\$ 1,423.4
Gross margin percentage	39.4%	45.2%
<b>Adjusted gross margin</b>	\$ 1,028.8	\$ 1,469.7
Adjusted gross margin percentage	40.8%	46.6%

(a) During the twelve months ended December 2019, business model changes relate to the exit of unprofitable markets in Europe, the transition of our former Central and South America region to a licensed model, and the discontinuation of manufacturing for the Company's former parent VF Corporation.

(b) During the twelve months ended December 2019, restructuring costs relate to strategic actions taken to achieve cost savings, costs related to the spin-off from the Company's former parent VF Corporation and costs to establish Kontoor as a separate public company, including the implementation of a new global ERP system and information technology infrastructure. During the twelve months ended December 2025, restructuring costs relate to the closure of a portion of our manufacturing facilities and business optimization activities.

(c) During the twelve months ended December 2019, other adjustments include the impact taken to exit certain points of distribution in India and to revise historical corporate allocations, primarily attributable to the carve-out basis of accounting, to reflect the anticipated cost structure of Kontoor as a separate public company.

(d) Financial information as reported under GAAP is presented on a historical basis as reported in the Company's 2019 and 2025 Form 10-Ks. The Company operates and reports using a 52/53-week fiscal year ending on the Saturday closest to December 31 each year. For presentation purposes herein, all references to the period ended December 2019 correspond to the 52-week fiscal period ended December 28, 2019, and references to the period ended December 2025 correspond to the 53-week fiscal period ended January 3, 2026. Amounts herein may not recalculate due to the use of unrounded numbers.

Management uses non-GAAP financial measures internally in its budgeting and review process and, in some cases, as a factor in determining compensation. While management believes that these non-GAAP measures are useful in evaluating the business, this information should be considered supplemental in nature and should be viewed in addition to, and not as an alternate for, reported results under GAAP. In addition, these non-GAAP measures may be different from similarly titled measures used by other companies.