



December 3rd, 2025

Team Number: 4

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INVESTMENT SUMMARY





Buy VF Corp 2.95% Senior Unsecured Notes due 2030

VF Corp owns and operates a portfolio of leading consumer apparel and lifestyle brands. Flagship brands include activewear like **Vans** and outdoor outfitters like **The North Face** and **Timberland**, supported by niche favorites such as **Napapijri**.

Investment Thesis

We are paid ~6% yield / ~235 bps OAS for a deleveraging, brand-backed BB credit where Outdoor (TNF/Timberland) underpins cash flows and Vans stabilization is upside, not underwriting.

Recent sales of Supreme and Dickies provide meaningful cash for deleveraging and liquidity, reducing dependence on a rapid Vans turnaround.

Financial Overview (LTM as of Q3 2025)								
Revenue	\$9.941B	EBITDA %	14.4%					
Adj. EBITDA	\$1.373B	Net Debt	\$4.685B					
Net Income	\$90.3M	TEV	\$11.019B					
Net Leverage	3.4x	(EBITDA - Capex)/ Int	7.0x					

Trade Data	
Note	VFC 2.95% 4/23/30 Sr. Unsecured
Recommendation	Buy
Target Hold	1 Year
Bond Rating	Ba3/BB
Amount Outstanding	\$750M
Price	\$88.5 235 bps OAS 5.9% YTM
Target	\$92.9 165 bps OAS Tot. Return: 8.3%
Delta	70 bps compression

Source: Bloomberg, Company Filings



CAPITALIZATION TABLE



LEVERAGE AND DEBT WALL

Facility/Instrument	Out (\$M)	Net Leverage	Maturity	Coupon	Price	Yield	OAS	Duration	Rating
ABS Revolving Credit Facility (\$1.5B)	491.3		8/30	Variable	-	-	-	-	BB/Ba2
Total Secured	491.3	0.4x							
4.125% Senior Notes (€500)	576.7		3/26	4.125%	100.29	2.607%	67.1	0.20	BB/Ba3
2.800% Senior Notes	500.0		4/27	2.800%	97.29	4.803%	126.9	1.35	BB/Ba3
0.250% Senior Notes (€500)	576.7		2/28	0.250%	91.78	4.146%	202.8	2.20	BB/Ba3
4.250% Senior Notes (€500)	576.7		3/29	4.250%	99.91	4.273%	201.4	2.94	BB/Ba3
2.950% Senior Notes	750.0		4/30	2.950%	88.51	5.950%	235.1	4.02	BB/Ba3
0.625% Senior Notes (€500)	576.7		2/32	0.625%	77.60	4.865%	219.6	6.01	BB/Ba3
6.000% Senior Notes	277.0		10/33	6.000%	96.45	6.582%	269.0	6.17	BB/Ba3
6.450% Senior Notes	287.0		11/37	6.450%	93.15	7.320%	310.6	8.15	BB/Ba3
Other Debt (Supply Chain Financing)	492.6								
Total Senior Unsecured Debt	4,613.2								
Total Debt Outstanding	5,104.5	3.7x							
(-) Cash	419.1								
Net Debt	4,685.3								
(+) Total Minority Interest	-								
(+) Equity Market Cap	6,333.6	_							
Enterprise Value	11,018.9								

Key Covenants: IG-Style, covenant-lite; No maintenance leverage tests on the notes; only a *springing* 1.0× FCCR in the secured ABL when liquidity is tight; otherwise governed by standard IG negative covenants (liens / sale-leaseback limits) and a 101% double-trigger change-of-control put.



QUALITATIVE ANALYSIS

COMPANY OVERVIEW

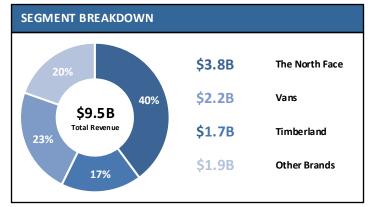


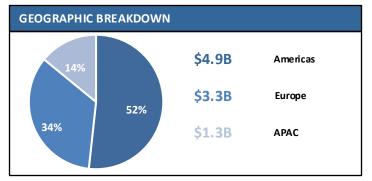
 Identity: VF Corporation is the owner and operator of leading consumer brands across the activewear and lifestyle segments. Flagship brands include The North Face, Timberland, and Vans, and are complemented by a suite of smaller active wear and pack brands.

• 4 Principal Brands:

- The North Face (Outdoor)
- Timberland (Outdoor)
- Vans (Active)
- Other (inc. Packs)
- **Spin-Off History:** The current iteration of VF Corp took shape following the spinoff of jeans and outlet store assets into Kontoor Brands in May 2019.
- Scale: Owns and operates a global portfolio of brands, distributed in more than 125 countries through wholesale, retail, and digital channels, with approximately 19,000 employees worldwide.
- Recent Financials: Generated \$9.5 billion in revenue and \$1.3 billion in adjusted EBITDA in fiscal year 2025, representing 14% margins.
- Dickies Divestiture: Recently completed sale of Dickies brand to Bluestar Alliance for \$600M, providing liquidity for planned deleveraging.









QUALITATIVE ANALYSIS

MANAGEMENT & STRATEGIC FOCUS



Past Context: VF Corp spent the latter half of the past decade attempting to consolidate various brand leadership and operations under a centralized corporate umbrella, with limited success. Bracken Darrell was brought onboard to replace interim CEO Benno Dorer in July 2023 following the departure of prior CEO/Chairman Steve Rendle in December 2022.

Management Focus: Darrell is emphasizing a return to the unique cultures that led to such historic success from cornerstone brands such as The North Face, Vans, and Timberland while ensuring that the right people with the right tools are in place to lead those brands. Strategic divestitures and a reorganization of their brand portfolio provide the stability needed to leverage existing success and revitalize struggling brands.

Executive Team Snapshot:

- Bracken Darrell (President & CEO, appointed July 2023):
 - A proven change catalyst with over 30 years of history at revitalizing brands like Old Spice and Braun, recently credited with turning around Logitech as CEO from 2013-2023.
- Paul Vogel (SVP & CFO, appointed July 2024):
 Brings extensive financial leadership background, including previous experience as CFO at Spotify.

Brand Leadership:

- The North Face: Led by Caroline Brown who has extensive experience both investing in and operating apparel brands, previously as head of DKNY.
- Vans: Led by Sun Choe, a tenured cross-functional executive who most recently served as Chief Product Officer of Iululemon.
- Timberland: Led by Nina Flood, a veteran of VF Corp who previously led the VF Global Packs portfolio and sits on the executive leadership team.

Strategic Initiati	Strategic Initiatives									
Initiative	Action									
Brand-Specific	Positioning The North Face as a 365-day brand rather than solely fall and winterwear, emphasizing skate culture roots for Vans while partnering with influencers to capture Gen-Z market, and growth of Timberland boat shoe product line.									
Portfolio	Reverting to more decentralized culture and operations, reorganizing brands into Active and Outdoor segments, and overhauling brand leadership.									
Corporate	Sale of Supreme and Dickies brands with proceeds to be used for reinvestment in remaining brand portfolio as well as deleveraging of balance sheet.									



QUALITATIVE ANALYSIS



HOW VF CORP MAKES MONEY

VF Corporation makes money through three brand platforms: resilient outdoor/lifestyle franchises (**Outdoor**), a fashion-sensitive sneaker and bags portfolio (**Active**), and a collection of niche performance and lifestyle brands (**Other**) sold globally through wholesale partners and a growing direct-to-consumer channel.

Outdoor: The North Face, Timberland

Market Position: Leading global outdoor and boot brands that now drive the majority of group profit.

End Markets: Outdoor/lifestyle apparel and footwear sold through specialty/outdoor retailers, sporting goods, VF stores, and e-commerce.

Pricing: Strong brand equity supports premium pricing and lower

promotional intensity than mainstream apparel.

Active: Vans, Kipling, Eastpak, JanSport

Market Position: Vans is a global action-sports sneaker brand, complemented by student/commuter backpack brands.

End Markets: Fashion-sensitive footwear and bags for teens and young adults across wholesale and DTC.

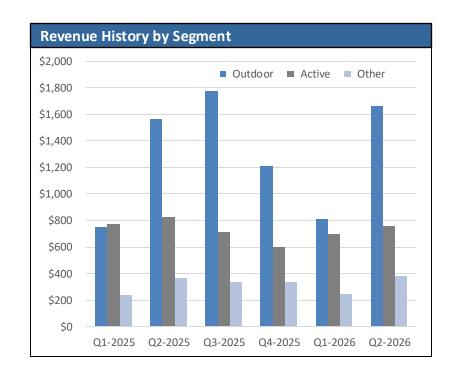
Pricing: More promotional and trend-driven; margins depend on full-price sell-through of key franchises and disciplined distribution.

Other: Altra, Smartwool, Napapijri, Icebreaker

Market Position: Smaller performance and lifestyle brands in running, merino base layers, and premium outerwear.

End Markets: Niche consumer segments reached mainly via specialty retail and select DTC.

Pricing: Premium positioning and technical materials support decent pricing power, but smaller scale makes earnings more volatile; VF has shown willingness to monetize non-core assets.





WHAT WENT WRONG?

WHY THIS OPPORTUNITY EXISTS



Forced Shift in Operations and Culture

- VF always thrived when it let individual brands succeed through their own cultures and operations
- Attempts to reorganize business under corporate monoculture diluted brand identity and lowered morale, exemplified by moving company HQ to Colorado from North Carolina

Unnecessary Acquisitions

- · Supreme did not fit into overall operating portfolio, leaning on manufactured scarcity and exposed themselves to changes in ashion trends
- Dickies was acquired while VF was already exploring the spinoff of existing denim brands through VF Outlet

Margin Erosion from Inventory Mismanagement

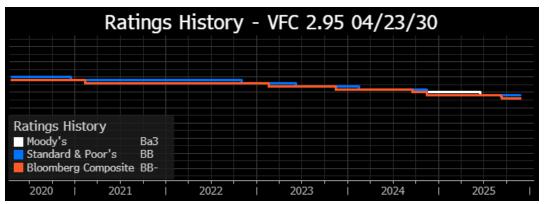
- Excess inventory led to heavy promotions, compressing gross margins
- Hurt Vans brand equity and weakened DTC profitability
- Forced clearance activity into mid-2024, driving earnings trough

End of post-COVID tailwinds

- Boom in outdoor activity during and after COVID lockdowns provided significant earnings boost in 2021 and 2022, masking operational difficulties
- Financial metrics bottomed out mid-2024, showing indications of a potential recovery

Result:

These issues drove downgrades and ~100 bps spread widening, creating today's dislocation.



Source: Company Filings, Bloomberg



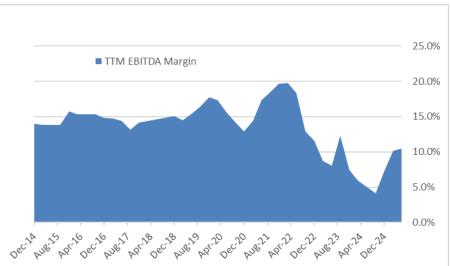
EARNINGS AND MARGIN TRENDS

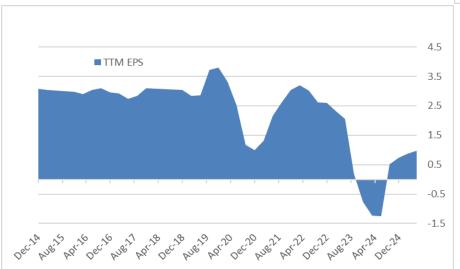
DECLINE AND TROUGH



As post-COVID tailwinds dissipated, earnings and margins declined through mid-2024

- -Margins bottomed at 4.2% in Fiscal 2Q25 (Calendar 3Q24)
- -EPS bottomed at -\$1.26 in Fiscal 1Q25 (Calendar 2Q24)





Signs of an early recovery...

- -TTM EBITDA Margins back above 10%
- -A return to positive earnings



V

PORTFOLIO SIMPLIFICATION AND ASSET MONETIZATION

1. Strategic Refocus on Core Brands

- VF has actively simplified the portfolio to focus capital on TNF, Timberland, and Vans.
- Supreme sale completed (2024) and Dickies sale completed (2025).
- Reduced brand complexity improves execution, SG&A efficiency, and margin visibility.

2. Tangible, Completed Deleveraging Actions

- Supreme proceeds used to retire term debt + commercial paper.
- Dickies sale adds another **meaningful cash inflow**, directly applied to debt reduction.
- These actions reduce net leverage **independent** of the Vans turnaround.

3. Remaining Optionality to Monetize Niche Brands

- Smaller brands (Altra, Smartwool, Icebreaker, Napapijri) offer additional future divestiture optionality.
- Low integration makes selective sales feasible with minimal disruption.
- Provides a repeatable non-core cash source through FY27–FY28.

Two major asset sales already completed, and additional monetizable brands remain, creating a credible, ongoing deleveraging engine over the life of the 2030 notes.

Asset Sale & Deleveraging Timeline

2023

Supreme Sale Completed

- · Non-core asset monetized (\$1.5B)
- · Immediate balance-sheet de-risking
- · Established playbook for divestitures

2024

Debt Paydown

- · Term loan + CP retirement
- · Proceeds used to retire near-term maturities
- · Reduced interest burden
- · Strengthened liquidity + ABL availability

2025

Dickies Sale Completed

- · Second major portfolio simplification
- · Additional deleveraging capacity
- · Focus shifted fully to Outdoor/Active core

2026+

Future Optionality

- · Altra, Smartwool, Icebreaker, Napapijri
- · Remaining non-core brands monetizable
- · Low-integration assets enable clean sales
- Provides incremental deleveraging levers if needed



CORPORATE AND BRAND STRATEGY



Corporate Strategy

- Reorganized company into current Active/Outdoor segments
- Put the right people in charge to lead brands (Sun Choe at Vans and Caroline Brown at the North Face)

Brand Strategy

- Vans Reemphasis on place in historic skateboarding culture while partnering with influencers to attract Gen Z
- **Timberland** Strength of legacy boots bolstered by increased demand for boat shoes
- North Face Expansion of product line to position itself as "365 day" brand rather than solely Fall/Winter

SZA Partnership



Timberland Boat Shoes



North Face Summer Line









Liquidity & Coverage Position

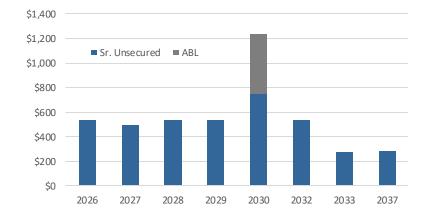
- \$1.4B liquidity (Cash + ABL)
- ABL due 2030: long-dated liquidity backstop
- Seasonal working-capital fully supported through cycle
- Dividend cut + suspended repurchases signal strong capital preservation

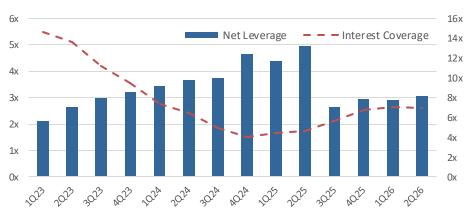
Maturity Profile & Refinancing Comfort

- Only one maturity in FY26 (€500M Mar-26 note); intends to repay from cash + ABL
- No additional maturities until 2027, providing a multi-year runway
- Core 2027-2030 stack manageable given liquidity, asset sales, and credit flexibility
- Covenant-lite structure supports orderly liability management

Deleveraging Drivers & Balance-Sheet Trajectory

- Net leverage already down from F2Q25 peak
- Tracking toward ≤3.0× by FY27 and ≤2.5× by FY28
- Current leverage: ~5.1× net / ~3.4× adj net
- Outdoor EBITDA provides stable FCF foundation





Long runway, ample liquidity, and multiple liability-management levers support a clear, sustainable deleveraging path through the life of the 2030 notes.





OUTDOOR BACKSTOP, VANS STABILIZATION OPTIONALITY

Outdoor = Cash-Flow Backstop

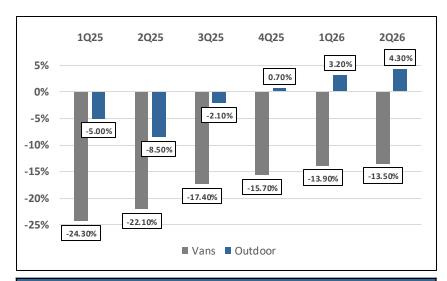
- TNF + Timberland are VF's most resilient, highest-margin brands
- Consistent mid-single-digit growth and low promotional dependency
- Provides the earnings floor that services the unsecured stack

Vans = Stabilization Optionality

- Sequential stabilization after channel cleanup + new leadership
- Early improvement in product/marketing and DTC indicators
- Base case assumes flat Vans, not a full revival; upside if recovery sticks
- 2030s work even if Vans merely stabilizes

Diversified Brand Mix Limits Volatility

- Bags (JanSport, Eastpak, Kipling) provide steady, low-volatility revenue
- Other niche brands add diversification without driving the P&L
- Outdoor carries the load; everything else simply must not deteriorate



TTM Revenue Growth	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Vans	-24.3%	-22.1%	-17.4%	-15.7%	-13.9%	-13.5%
Outdoor	-5.0%	-8.5%	-2.1%	0.7%	3.2%	4.3%

Outdoor provides the floor; Vans provides the optionality. The 2030s work even if Vans simply stabilizes.



FINANCIAL PROJECTIONS

BASE CASE



\$ in millions		2022	2023		2024	2025	2	2026E	2027E	:	2028E
Segment Performance:											
Segment Net Sales:											
Active	\$	5,380	\$ 4,905	\$	3,523	\$ 2,914	\$	2,709	\$ 2,574	\$	2,471
Outdoor		5,328	5,648		5,501	5,311		5,617	5,954		6,311
Other/Corporate		1,134	1,060		892	1,279		1,239	1,215		1,203
Total Company Net Sales	\$	11,842	\$ 11,612	\$	9,916	\$ 9,505	\$	9,566	\$ 9,743	\$	9,985
yoy growth		28%	-2%		-15%	-4%		1%	2%		2%
Segment EBIT											
Active	\$	980	\$ 655	\$	225	\$ 134	\$	130	\$ 129	\$	124
Outdoor		795	785		603	709		721	774		820
Other/Corporate		(143)	(1,112)		(971)	(539)		(375)	(350)		(350)
Total Company EBIT		1,632	328		(144)	304		476	553		594
Reconciliation/Adjustments		(83)	898		615	340		233	212		217
Cost of Capitalizing Operating Leases		436	406		410	404		398	403		413
D&A		267	262		319	256		281	292		300
Total Adj. EBITDA	\$	2,252	\$ 1,894	\$	1,201	\$ 1,304	\$	1,388	\$ 1,460	\$	1,524
margin		19%	16%		12%	14%		15%	15%		15%
Free Cash Flow											
Adj. EBITDA	\$	2,252	\$ 1,894	\$	1,201	\$ 1,304	\$	1,388	\$ 1,460	\$	1,524
Less: Capex		(328)	(261)	ľ	(211)	(126)	ľ	(148)	(190)		(240)
Less: Interest Expense		(136)	(174)		(245)	(174)		(191)	(186)		(183)
Less: Chg. In WC/Other		(995)	(479)		208	(633)		(636)	(662)		(432)
Less: Taxes		201	(1,149)		(155)	` 9		(79)	(148)		(234)
Free Cash Flow	\$	994	\$ (170)	\$	798	\$ 381	\$	333	\$ 274	\$	435
FCF yield		8%	-1%		8%	4%		3%	3%		4%
Less: Debt Proceeds (Payments)		(182)	400		(653)	(2,003)		229	(190)		(79)
Less: Dividends/Share Rep.		(1,087)	(706)		(306)	(143)		(145)	(145)		(271)
Net Cash Flow	\$	(275)	\$ (475)	\$	(161)	\$ (1,765)	\$	418	\$ (61)	\$	85
Cash		1,276	815		656	429		847	786		871
Secured Debt		1,270	813		030	423		047	780		8/1
Total Debt		5.775	6.980		6,262	4,287		4.845	4,655		4,576
Liquidity		3,526	1,815		1,656	1,429		2,347	2,236		2,321
		3,320	1,613		1,030	1,423		2,347	2,230		2,321
Credit Metrics											
Net Leverage		2.0x	3.3x		4.7x	3.0x		2.9x	2.6x		2.4x
EBITDA - Capex / Interest		14.1x	9.4x		4.0x	6.8x		6.5x	6.8x		7.0x
Segment Performance											
Sales Growth											
Active		29%	-9%	l	-28%	-17%		-7%	-5%		-4%
Outdoor	1	29%	6%	l	-3%	-3%		6%	6%		6%
Other/Corporate	1	19%	-6%	l	-16%	43%		-3%	-2%		-1%
EBIT Margin				l							
Active		18%	13%	l	6%	5%		5%	5%		5%
Outdoor		15%	14%	l	11%	13%		13%	13%		13%

Assumptions and Commentary

Operations

- Vans performance begins to stabilize, stemming losses while North Face continues to provide ballast to returns as overall company sales growth returns to positive territory
- Reorganized segmentation provides stability for ongoing recovery
- Adj. EBITDA margin expands back toward 15%

Credit Metrics

- Deleveraging continues with net leverage trending towards 2.5x target, ultimately being achieved in FY28
- Cash proceeds from Dickies sale provide liquidity cushion while allowing for reinvestment into existing brands



FINANCIAL PROJECTIONS

BEAR CASE



\$ in millions		2022		2023		2024		2025	:	2026E	2	2027E	:	2028E
Segment Performance:														
Segment Net Sales:														
Active	\$	5,380	\$	4,905	\$	3,523	\$	2,914	\$	2,661	\$	2,422	\$	2,204
Outdoor		5,328		5,648		5,501		5,311		5,586		5,866		6,042
Other/Corporate		1,134		1,060		892		1,279		1,227		1,202		1,178
Total Company Net Sales	\$	11,842	\$	11,612	\$	9,916	\$	9,505	\$	9,474	\$	9,490	\$	9,424
yoy growth		28%		-2%		-15%		-4%		0%		0%		-1%
Segment EBIT														
Active	\$	980	\$	655	\$	225	\$	134	\$	130	\$	97	\$	88
Outdoor		795		785		603		709		574		528		544
Other/Corporate	<u>l</u>	(143)		(1,112)		(971)		(539)		(449)		(370)		(380)
Total Company EBIT		1,632		328		(144)		304		255		255		252
Reconciliation/Adjustments		(83)		898		615		340		233		201		200
Cost of Capitalizing Operating Leases		436		406		410		404		394		405		402
D&A		267		262		319		256		278		285		283
Total Adj. EBITDA	\$	2,252	\$	1,894	\$	1,201	\$	1,304	\$	1,161	\$	1,145	\$	1,136
margin		19%		16%		12%		14%		12%		12%		12%
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Less: Interest Expense		(136)		(174)		(245)		(174)		(191)		(186)		(183)
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Less: Taxes		201		(1,149)		(155)		. 9		(68)		(48)		(40)
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FCF yield		8%		-1%		8%		4%		2%		1%		1%
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Net Cash Flow	\$	(275)	\$	(475)	\$	(161)	\$	(1,765)	Ś	229	\$	(246)	\$	(149)
Cash	7	1,276	1	815	-	656	7	429	-	658	7	412	7	263
Secured Debt		· -		-		_		_		_		_		_
Total Debt		5,775		6,980		6,262		4,287		4,845		4,655		4,576
Liquidity		3,526		1,815		1,656		1,429		2,158		1,862		1,713
Credit Metrics	t													
Net Leverage		2.0x		3.3x		4.7x		3.0x		3.6x		3.7x		3.8x
EBITDA - Capex / Interest		14.1x		9.4x		4.0x		6.8x		5.3x		5.1x		5.2x
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Sales Growth														
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Outdoor		29%		6%		-3%		-3%		5%		5%		3%
Other/Corporate		19%		-6%		-16%		43%		-4%		-2%		-2%
EBIT Margin		1370		570		1070		4370		770		2/0		2/0
Active		18%		13%		6%		5%		5%		4%		4%
Outdoor		15%		14%		11%		13%		10%		9%		9%
Outdool		1370		1470		1170		1370		1070		370		370

Assumptions and Commentary

Operations

- Vans unable to stymie slowdown with overall company margins compressing as consumer feels pressure from tariff burden
- Cash from Dickies sale unable to be reinvested into existing business as effectively without reversing deleveraging plan

Credit Metrics

- Net leverage stuck in mid 3s while interest coverage falls to low 5s
- Liquidity remains adequate, backed up by undrawn asset-backed revolver



TRADE ANALYSIS

CARRY, CURVE, AND RELATIVE VALUE

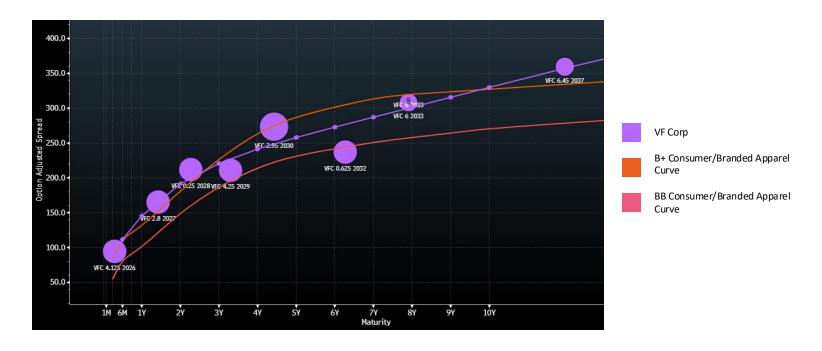


Carry Profile

- ~6.0% YTM at ~88–89 price; ~235 bps OAS
- Strong carry-per-unit-of-duration (~4y dur) vs BB Consumer peers
- Roll-down provides natural uplift as it migrates into shorter buckets
- No call optionality driving returns -> pure spread + carry trade

Relative Value

- **+100 bps** over 2027s for modest extra duration
- Less duration risk than 2032s for similar spreads
- Trades 40–60 bps wide of BB Consumer/Branded Apparel curve despite real deleveraging actions
- Clean unsecured IG-style structure supports spread compression



Source: Company Filings, Bloomberg



TRADE ANALYSIS SCENARIO OUTCOMES



Base Case	Bear Case
Outdoor stable; Vans troughing; cost actions support deleveraging.	Vans continues to see weakness; macro/tariffs add incremental margin pressure.
 Management path to ≤2.5× leverage by FY28 intact 	Slower deleveraging; leverage stuck mid-3 ×
Spreads tighten ~70 bps; price ~93	Spreads widen ~120 bps; price ~87.5
Spread: 232 → 165	Spread: 232 → 350
Price: 88.5 → 92.9	Price: 88.5 → 87.6
Total Return: 8.3%	Total Return: 2.3%
Net Leverage: 2.6x	Net Leverage: 3.7x
Interest Coverage: 6.8x	Interest Coverage: 5.2x

1-year trade horizon: capture spread tightening as liquidity derisks and the 2026 maturity is retired.

Source: Company Filings, Bloomberg, Capital IQ







Risks	Mitigants
Vans Turnaround Failure; continues to see stress with fashion pivot away from streetwear	 Outdoor backstop: TNF & Timberland provide the majority of EBIT and FCF; the credit does not rely on a Vans-driven recovery. Sequential improvement already visible: channel cleanup largely complete; new leadership + early product wins support stabilization. Stabilization, not growth, is our bar: 2030s work even if Vans flattens; the thesis does not assume outsized Vans-led margin expansion. Liquidity protects runway: pro forma cash from the Dickies sale plus revolver/CP capacity gives VF ample time to execute the turnaround without stressing the capital structure.
Macro / Consumer Slowdown & Tariffs	 Outdoor category resilience: TNF and Timberland historically hold pricing and margins better during soft consumer cycles. Cost and inventory flex: VF can pull back capex, reduce inventories, and manage SG&A quickly to preserve liquidity. Sourcing + selective pricing levers: VF has tariff-mitigation tools (country-of-origin mix, vendor negotiation, targeted price moves) already modeled into FY25/FY26 guidance. Liquidity supports downside: cash from portfolio divestitures (e.g., Dickies) and revolver/CP access provide cushion against macro volatility.
Execution Risk on Reinvent / Restructuring Fatigue	 Proof of execution to date: asset sales (Supreme/Dickies), debt repaid, and cost actions already reflected in lower SG&A. Simplifying the portfolio: reduces organizational complexity and focuses resources on TNF/Timberland/Vans. Realistic targets: leverage goal (≤2.5x by FY28) is driven by cost savings + asset monetization, not heroic revenue assumptions.
Capital Allocation Backslide	 ABL covenants restrict dividends/buybacks: unless availability and FCCR thresholds are met. Ratings pressure creates discipline: agencies have made further downgrades contingent on deleveraging progress; management messaging is fully aligned with debt-first capital allocation. Recent behavior reinforces the pivot: management has used all incremental cash from asset sales for debt reduction and halted buybacks.

Source: Company Filings, Bloomberg

INVESTMENT RECAP





Buy VF Corp 2.95% Senior Notes due 2030

Current Price: 88.5; Current Yield: 5.9%; Current Spread: 235bps

Target Price: 92.9; Target Yield: 5.2%; Target Spread: 165bps

Base Case Total Return: 8.3%



APPENDIX I DEBT COMPS



Debt comparables for VF Corp's 2.95% 2030 notes include peers across the consumer discretionary and apparel sectors, highlighting similar maturity profiles but wide dispersion in trading levels driven by credit quality and idiosyncratic risk.

Issuer	Security	Yield	Spread	EBITDA Margin	Net Leverage	(EBITDA - Capex) / Interest	Credit Rating
Crocs	CROX 4.25 03/15/29	5.5%	232	25.0%	1.3x	12.3x	BB
GAP	GAP 3.625 10/01/29	5.3%	211	10.8%	1.0x	28.1x	BB
Macy's	M 5.875 03/15/30	5.9%	271	6.2%	2.7x	12.3x	BB+
Nordstrom	JWN 4.375 04/01/30	5.9%	266	7.7%	2.1x	7.4x	BB+
Under Armour	UA 7.25 07/15/30	7.6%	450	4.6%	3.2x	17.4x	BB-
Victoria's Secret	VSCO 4.25 03/15/29	6.0%	286	9.0%	2.5x	11.5x	BB-
Wayfair	W 7.75 09/15/30	6.0%	274	0%	11.1x	1.1x	BB-
Kohl's	KSS 7.25 06/01/29	10.4%	712	7.7%	4.5x	3.5x	BB-
Michael's	MIK 7.875 05/01/29	11.9%	862	13.8%	2.3x	7.6x	ccc
QVC	QVCN 6.875 04/15/29	39.5%	3641	8.4%	4.9x	2.8x	CCC-
VF Corp	VFC 2.95 04/23/30	5.9%	235	14.4%	3.9x	7.0x	ВВ

Stressed/Distressed Names



APPENDIX IITRADING COMPS



Company	TEV (\$M)	EBITDA Margin %	3-Year Revenue CAGR	TEV / EBITDA	TEV / Revenue	P/E	P/B
Abercrombie & Fitch (ANF)	\$3,800	17.0%	10.1%	2.9x	0.7x	6.6x	2.5x
Adidas (ADS)	\$36,042	15.4%	3.1%	10.4x	1.3x	22.4x	4.8x
American Eagle Outfitters (AEO)	\$5,012	10.5%	2.1%	4.9x	1.0x	17.4x	2.0x
Columbia Sportswear (COLM)	\$3,119	9.0%	-0.4%	6.3x	0.9x	15.8x	1.7x
Crocs (CROX)	\$5,780	25.0%	4.6%	4.9x	1.4x	25.6x	3.1x
Deckers Outdoor (DECK)	\$11,343	22.4%	16.5%	7.9x	2.2x	12.6x	5.0x
Kontoor Brands (KTB)	\$5,329	16.3%	4.6%	10.7x	1.9x	18.1x	7.4x
Puma (PUM)	\$5,525	4.4%	-0.8%	8.1x	0.6x	-	1.1x
PVH (PVH)	\$7,724	10.9%	-1.4%	4.8x	0.9x	8.7x	0.8x
Ralph Lauren (RL)	\$21,837	17.3%	6.8%	11.0x	2.9x	25.1x	8.0x
Tapestry (TPR)	\$24,993	24.2%	2.5%	11.3x	3.5x	84.1x	54.2x
Under Armour (UAA)	\$3,280	4.6%	-4.1%	7.0x	0.6x	-	1.0x
Wolverine World Wide (WWW)	\$2,006	11.1%	-8.5%	9.7x	1.1x	14.9x	3.5x
Mean	\$10,445	14.5%	2.7%	7.7x	1.5x	19.3x	7.3x
Median	\$5,525	15.4%	2.5%	7.9x	1.1x	15.8x	3.1x
VF Corp (NYSE: VFC)	\$11,019	14.4%	-6.9%	8.1x	1.2x	18.2x	4.3x

Source: Bloomberg, Capital IQ



APPENDIX III GOING CONCERN VALUATION



Under a going-concern valuation, the business supports ~\$1.1–1.2B of sustainable EBITDA, implying ~75–100% recovery for unsecured creditors. The 2030 notes screen money-good even in a reorganized scenario.

	Low Case	High Case
Normalized EBITDA (\$mm)	1100.00	1200.00
Distressed Exit Multiple	5.00	6.00
Enterprise Value (EV)	5500.00	7200.00
Less: Secured Debt (ABL)	491.30	491.30
Less: Admin & Restructuring Costs	250.00	250.00
Less: Minimum Operating Cash	200.00	200.00
Value Available to Unsecured	\$4,558.70	\$6,258.70
Total Unsecured Claims (\$mm)	6154.30	6154.30
Unsecured Recovery %	75%	100%

Normalized EBITDA represents a conservative mid-cycle EBITDA level that VFC can produce post-restructuring, excluding peak Vans and excluding current trough conditions. We use a \$1.1 to 1.2B range based on Outdoor stability, cost reductions, and historical mid-cycle performance.



APPENDIX IV LIQUIDATION ANALYSIS



Liquidation of Assets	2Q26	Recovery %		Recovery \$	
\$ in millions		Low	High	Low	High
Cash & Equivalents	419.60	100%	100%	419.60	419.60
Accounts Receivable	1881.60	85%	90%	1599.36	1693.44
Inventory	1855.90	70%	80%	1299.13	1484.72
Other Current Assets	425.80	25%	35%	106.45	149.03
Assets Held for Sale (Dickies)	536.50	50%	70%	268.25	375.55
Total Current Assets	\$5,119 <i>.</i> 40			\$3,692.79	\$4,122.34
Net PP&E	688.50	35%	45%	240.98	309.83
Intangible Assets	1475.80	10%	20%	147.58	295.16
Goodwill	620.60	0%	0%	0.00	0.00
Operating Lease ROU Assets	1347.10	0%	5%	0.00	67.36
Other Non-Current Assets	1393.20	30%	40%	417.96	557.28
Total Non-Current Assets	\$5,525.20	3070	1070	\$806.52	\$1,229.62
Total Assets	\$10,644.60			\$4,499.31	\$5,351.96
Administrative Claims & Liquidation Costs				Low (\$)	High (\$)
Truste e Fees (3%)				(134.98)	(160.56)
Trustee Counsel (75% of Trustee Fees)				(101.23)	(120.42)
Wind-Down Costs (6 months SG&A)				(150.00)	(150.00)
Contingency (1%)				(44.99)	(53.52)
Employee/Severance Costs				(20.00)	(20.00)
Total Liquidation Costs				(451.21)	(504.50)
Proceeds Available to Creditors				\$4,048.10	\$4,847.46
Creditor Recovery				Low (\$)	High (\$)
ABS/ABL Facility				491.30	491.30
ABS/ABL Recovery				100%	100%
Remaining Proceeds to Unsecured				3556.80	4356.16
Senior Unsecured Claims				4613.20	4613.20
Trade Payables / SCF / Other GUCs				1541.10	1541.10
Total Unsecured Claims				6154.30	6154.30
Total Unsecured Recovery				57.79%	70.78%

General Business Liquidation

- A liquidation scenario is remote given VF Corp's substantial liquidity (ABL availability, cash balance, ongoing FCF, and recent asset-sale proceeds).
- We consider liquidation only as a tail-risk framework, not a base- or even bear-case outcome.
- Under a hypothetical liquidation, the 2030 senior unsecured notes screen at ~60– 70% recovery, supported by a strong working-capital asset base and monetizable brands.
- This downside protection reinforces that the notes are money-good even in stressed scenarios, with ample cushion above trading levels.

Source: Bloomberg, Company Filings



APPENDIX V COVENANTS



Cove na nt Area	Key Terms / Metric	Significance to Thesis
Ranking & Guarantees		
Status	Senior Unsecured Notes; rank pari passu with all other VF senior unsecured debt and any unsecured revolver borrowings.	Same recovery as rest of unsecured stack; structurally subordinate to secured ABL/ABS and subsidiary liabilities.
Guarantees	No subsidiary guarantees. Obligations of the parent only.	Adds structural subordination to debt at operating subs and to ABL/ABS; reinforces focus on net leverage + secured usage.
Call Schedule		
Before 1/23/2030	Redeemable at greater of (i) 100% or (ii) PV of remaining payments to 1/23/2030 discounted at Treasury + 40 bps, plus accrued interest.	Economically non-call below par; upside is mainly from spread tightening and roll-down, not from a high call premium.
After 1/23/230	Redeemable at 100% of principal plus accrued interest.	Small par-call window; we could be taken out slightly early at par, but at an 88–89 entry price most value is already in carry / spread.
Negative Covenants		
Secured Debt Cap	Limitation on Liens on "Principal Property"; if VF or certain subs grant liens securing other debt, notes must be equally and ratably secured, subject to standard permitted-lien baskets.	Limits ability to issue large priming secured bonds without giving notes the same collateral; normal ABL/working-capital liens are still allowed.
General Lien Basket	IG-style permitted lien list (purchase-money, ordinary-course, small general basket) plus interplay with sale-lease back covenant.	Provides flexibility for day-to-day secured borrowing but not enough to structurally shove the unsecured stack far down the capital structure.
Sale-Lease back Limitation	Restrictions on sale-leaseback transactions involving Principal Property unless proceeds are used to repay debt or transactions fit within exceptions.	Reduces asset-stripping risk and protects bondholders from value leakage through aggressive real-estate monetization.
Financial Covenants	None. Indenture has no leverage or coverage maintenance test on the notes themselves.	All hard tests live in the secured ABL ; the notes are effectively high-grade style , covenant-lite instruments.
Events of Default (EoD)		
Cross Acceleration	EoD if $>$ \$100mm of other debt is in default and accelerated (threshold for all notes other than the 2033s).	Ensures we are dragged into any broad default with banks/other notes; no risk that a large facility blows up while bonds sit outstanding.
Judgment Default	Material, final judgment against the company not paid or stayed constitutes an EoD.	Captures tail legal risk (e.g., big litigation); not central to thesis, standard.
Change of Control Put	Change of Control Repurchase Event = CoC + "Below Investment Grade Rating Event." On that double trigger, VF must offer to repurchase at 101% of principal + accrued interest .	Protects against an LBO/sponsor take-private that re-levers the balance sheet; likely outcome -> taken out at 101
Financial Reporting		
Reporting Requirement	Company must remain an SEC-reporting issuer and deliver annual/quarterly financials to the Trustee; failure (after cure periods) is an Event of Default.	Ensures ongoing transparency ; any miss or late filing would be a strong distress signal.



APPENDIX VI RECENT PRICE AND TRADING HISTORY



Date	Price	Vol(K)	
November 2025	\$87.91	78,900	
11/21/25	\$87.91	969	
11/20/25	\$88.20	4,946	
11/19/25	\$88.12	8,631	
11/18/25	\$88.00	6,061	
11/17/25	\$87.90	979	
11/14/25	\$88.49	1,780	
11/13/25	\$88.39	1,612	
11/12/25	\$88.83	10,814	
11/10/25	\$88.05	922	
11/07/25	\$87.86	7,403	
11/06/25	\$87.94	3,229	
11/05/25	\$87.96	11,203	
11/04/25	\$87.93	11,176	
11/03/25	\$88.04	9,175	



Source: Bloomberg