

PVH CORP.

CONSOLIDATED INCOME STATEMENTS
(In millions, except per share data)

	2018	2017	2016
Net sales	\$ 9,154.2	\$ 8,439.4	\$ 7,791.4
Royalty revenue	375.9	366.3	320.6
Advertising and other revenue	126.7	109.1	91.1
Total revenue	9,656.8	8,914.8	8,203.1
Cost of goods sold (exclusive of depreciation and amortization)	4,348.5	4,020.4	3,832.8
Gross profit	5,308.3	4,894.4	4,370.3
Selling, general and administrative expenses	4,432.8	4,245.2	3,677.9
Non-service related pension and postretirement cost (income)	5.1	3.0	(41.2)
Debt modification and extinguishment costs	—	23.9	15.8
Other noncash gain, net	—	—	71.3
Equity in net income of unconsolidated affiliates	21.3	10.1	0.1
Income before interest and taxes	891.7	632.4	789.2
Interest expense	120.8	128.5	120.9
Interest income	4.7	6.3	5.9
Income before taxes	775.6	510.2	674.2
Income tax expense (benefit)	31.0	(25.9)	125.5
Net income	744.6	536.1	548.7
Less: Net loss attributable to redeemable non-controlling interest	(1.8)	(1.7)	(0.3)
Net income attributable to PVH Corp.	\$ 746.4	\$ 537.8	\$ 549.0
Basic net income per common share attributable to PVH Corp.	\$ 9.75	\$ 6.93	\$ 6.84
Diluted net income per common share attributable to PVH Corp.	\$ 9.65	\$ 6.84	\$ 6.79

See notes to consolidated financial statements.

PVH CORP.

CONSOLIDATED BALANCE SHEETS
(In millions, except share and per share data)

	February 3, 2019	February 4, 2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 452.0	\$ 493.9
Trade receivables, net of allowances for doubtful accounts of \$21.6 and \$21.1	777.8	658.5
Other receivables	26.0	37.9
Inventories, net	1,732.4	1,591.3
Prepaid expenses	168.7	184.5
Other	81.7	64.7
Total Current Assets	3,238.6	3,030.8
Property, Plant and Equipment, net	984.5	899.8
Goodwill	3,670.5	3,834.7
Tradenames	2,863.7	2,928.4
Other Intangibles, net	705.5	798.2
Other Assets, including deferred taxes of \$40.5 and \$25.4	400.9	393.8
Total Assets	\$ 11,863.7	\$ 11,885.7
LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 924.2	\$ 889.8
Accrued expenses	891.6	923.1
Deferred revenue	65.3	39.2
Short-term borrowings	12.8	19.5
Current portion of long-term debt	—	—
Total Current Liabilities	1,893.9	1,871.6
Long-Term Debt	2,819.4	3,061.3
Other Liabilities, including deferred taxes of \$565.2 and \$663.0	1,322.4	1,414.4
Redeemable Non-Controlling Interest	0.2	2.0
Stockholders' Equity:		
Preferred stock, par value \$100 per share; 150,000 total shares authorized	—	—
Common stock, par value \$1 per share; 240,000,000 shares authorized; 85,446,141 and 84,851,079 shares issued	85.4	84.9
Additional paid in capital – common stock	3,017.3	2,941.2
Retained earnings	4,350.1	3,625.2
Accumulated other comprehensive loss	(507.9)	(321.5)
Less: 10,042,510 and 7,672,317 shares of common stock held in treasury, at cost	(1,117.1)	(793.4)
Total Stockholders' Equity	5,827.8	5,536.4
Total Liabilities, Redeemable Non-Controlling Interest and Stockholders' Equity	\$ 11,863.7	\$ 11,885.7

See notes to consolidated financial statements.

PVH CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	2018	2017	2016
OPERATING ACTIVITIES			
Net income	\$ 744.6	\$ 536.1	\$ 548.7
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization	334.8	324.9	321.8
Equity in net income of unconsolidated affiliates	(21.3)	(10.1)	(0.1)
Deferred taxes	(113.3) ⁽¹⁾	(224.6) ⁽¹⁾	1.3
Stock-based compensation expense	56.2	44.9	38.2
Impairment of long-lived assets	17.9	7.5	10.1
Actuarial loss (gain) on retirement and benefit plans	15.0	2.5	(39.1)
Settlement loss on retirement plans	—	9.4	—
Debt modification and extinguishment costs	—	23.9	15.8
Gain to write-up equity investment in joint venture to fair value	—	—	(153.1)
Net loss on deconsolidation of subsidiary	—	—	81.8
Changes in operating assets and liabilities:			
Trade receivables, net	(151.4)	3.3	22.3
Other receivables	10.7	(11.7)	4.2
Inventories, net	(212.1)	(163.5)	2.2
Accounts payable, accrued expenses and deferred revenue	112.9	185.9	166.9
Prepaid expenses	8.5	(41.0)	19.2
Employer pension contributions	(10.0)	(0.3)	(100.0)
Contingent purchase price payments to Mr. Calvin Klein	(15.9)	(55.6)	(53.1)
Other, net	75.9	12.6	15.5
Net cash provided by operating activities	852.5	644.2	902.6
INVESTING ACTIVITIES ⁽²⁾			
Acquisitions, net of cash acquired	(15.9)	(40.1)	(157.7)
Purchases of property, plant and equipment	(379.5)	(358.1)	(246.6)
Proceeds from sale of building	—	3.4	16.7
Investments in and advance to unconsolidated affiliates	—	(14.2)	(32.0)
Payment received on advance to unconsolidated affiliate	—	6.3	6.2
Loan to a supplier	—	—	(13.8)
Net cash used by investing activities	(395.4)	(402.7)	(427.2)
FINANCING ACTIVITIES ⁽²⁾			
Net (payments on) proceeds from short-term borrowings	(6.7)	0.4	(6.8)
Proceeds from 3 1/8% senior notes, net of related fees	—	701.6	—
Redemption of 4 1/2% senior notes, including premium	—	(715.8)	—
Proceeds from 2016 facilities, net of related fees	—	—	571.1
Repayment of Term Loan B in connection with amendment to 2014 facilities	—	—	(582.0)
Repayment of 2016/2014 facilities	(150.0)	(250.0)	(350.0)
Proceeds from 3 5/8% senior notes, net of related fees	—	—	389.6
Net proceeds from settlement of awards under stock plans	20.4	30.0	13.1
Cash dividends	(11.6)	(11.9)	(12.2)
Acquisition of treasury shares	(325.2)	(259.1)	(322.1)
Payments of capital lease obligations	(5.4)	(5.1)	(7.0)
Tommy Hilfiger India contingent purchase price payments	—	(0.8)	(0.6)
Contributions from non-controlling interest	—	1.7	2.2
Net cash used by financing activities	(478.5)	(509.0)	(304.7)
Effect of exchange rate changes on cash and cash equivalents	(20.5)	31.3	3.0
(Decrease) increase in cash and cash equivalents	(41.9)	(236.2)	173.7
Cash and cash equivalents at beginning of year	493.9	730.1	556.4
Cash and cash equivalents at end of year	\$ 452.0	\$ 493.9	\$ 730.1

⁽¹⁾ Includes the impact of the U.S. Tax Legislation in 2018 and 2017 and the impact of the 2019 Dutch Tax Plan in 2018. Please see Note 9 for further information.

⁽²⁾ Please see Note 19 for information on noncash investing and financing transactions.