

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): March 25, 2020

**KONTOOR BRANDS, INC.**

(Exact name of registrant as specified in charter)

North Carolina

(State or Other Jurisdiction of Incorporation)

001-38854

(Commission File Number)

83-2680248

(I.R.S. Employer Identification Number)

400 N. Elm Street  
Greensboro, North Carolina 27401

(Address of principal executive offices)

(336) 332-3400

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on which Registered
Common Stock, no par value	KTB	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

As previously disclosed, Kontoor Brands, Inc. (the "Company") and its wholly-owned subsidiary, Lee Wrangler International Sagl, are party to a Credit Agreement dated as of May 17, 2019 (the "Credit Agreement"). The Credit Agreement provides the Company with, among other things, a \$500.0 million revolving credit facility (the "Revolving Credit Facility"). A copy of the Credit Agreement was filed as Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 23, 2019.

On March 25, 2020, the Company borrowed a principal amount of \$375.0 million under the Revolving Credit Facility. As a result of this borrowing, other borrowings to date and \$1.3 million of outstanding standby letters of credit issued on behalf of the Company, there is approximately \$23.7 million available for borrowing against the Revolving Credit Facility.

**Item 7.01. Regulation FD Disclosure.**

On March 26, 2020, the Company issued a press release announcing, among other things, the \$475.0 million draw down of the Revolving Credit Facility to date and the withdrawal of the Company's 2020 guidance provided on March 5, 2020. The Company is not providing an updated outlook at this time. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">99.1</a>	Press release issued by Kontoor Brands, Inc., dated March 26, 2020.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 26, 2020

**KONTOOR BRANDS, INC.**

By: /s/ Laurel Krueger

Name: Laurel Krueger

Title: Executive Vice President, General Counsel & Corporate Secretary



## **Kontoor Brands Announces Actions to Strengthen Financial Position Including Drawing Down on Revolving Credit Facility**

**GREENSBORO, N.C. - March 26, 2020** - Kontoor Brands, Inc. (NYSE: KTB), a global lifestyle apparel company, with a portfolio led by two of the world's most iconic consumer brands, *Wrangler*<sup>®</sup> and *Lee*<sup>®</sup>, today announced several actions being taken to navigate the uncertainty associated with the COVID-19 virus.

"Our thoughts are with those affected during this difficult time. We are implementing additional strategic measures that will strengthen our operational and financial position and enable us to achieve continued success when conditions normalize," said Scott Baxter, President and Chief Executive Officer, Kontoor Brands.

- As a precautionary measure, the Company has drawn down \$475.0 million from its revolving credit facility to increase financial flexibility, strengthen the Company's near-term cash position and provide additional funding for working capital.
- As a result of the uncertainty and significant business impacts caused by COVID-19, Kontoor is withdrawing its 2020 guidance provided on March 5, 2020, and is not providing an updated outlook at this time. More information on the financial and operating impacts will be provided during the Company's first quarter 2020 conference call or as warranted.
- Kontoor continues to monitor the rapidly changing situation and has taken proactive actions, including reducing select operating and capital expenditures, strengthening liquidity, managing inventory and adjusting near-term supply chain capacity to better align with demand.
- As previously announced, the Company's owned and operated retail locations are closed across North America and Europe. The Company expects these closures to continue through at least Tuesday, March 31, 2020, or such later date as required by local governments. The company continues to monitor recommendations of state and local governments relating to the health and safety of our employees, customers and communities.

As the COVID-19 pandemic is complex and evolving rapidly, the Company's actions as outlined above may be subject to change. The Company is monitoring and complying with orders of local and state governments in all jurisdictions in which it operates.

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## About Kontoor Brands

Kontoor Brands, Inc. (NYSE: KTB) is a global lifestyle apparel company, with a portfolio led by two of the world's most iconic consumer brands: *Wrangler*<sup>®</sup> and *Lee*<sup>®</sup>. Kontoor designs, manufactures and distributes superior high-quality products that look good and fit right, giving people around the world the freedom and confidence to express themselves. Kontoor Brands is a purpose-led organization focused on leveraging its global platform, strategic sourcing model and best-in-class supply chain to drive brand growth and deliver long-term value for its stakeholders. For more information about Kontoor Brands, please visit [www.KontoorBrands.com](http://www.KontoorBrands.com).

## Forward-Looking Statements

Certain statements included in this release and attachments 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 Kontoor Brands 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 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. 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. Potential risks and uncertainties that could cause the actual results of operations or financial condition of Kontoor to differ materially from those expressed or implied by forward-looking statements in this release include, but are not limited to: risks associated with Kontoor Brands' spin-off from VF Corporation, including the risk of disruption to Kontoor's business in connection with the spin-off and that Kontoor could lose revenue as a result of such disruption; the risk that Kontoor does not realize all of the expected benefits of the spin-off; the risk that the spin-off will not be tax-free for U.S. federal income tax purposes; and the risk that there will be a loss of synergies from separating the businesses that could negatively impact the balance sheet, profit margins or earnings of Kontoor. Other risks for Kontoor include foreign currency fluctuations; the level of consumer demand for apparel; disruption to distribution systems; reliance on a small number of large customers; the financial strength of customers; fluctuations in the price, availability and quality of raw materials and contracted products; disruption and volatility in the global capital and credit markets; diseases, epidemics and health related concerns, such as the recent impact of coronavirus, which could continue to result in closed factories, reduced workforces, supply chain interruption, and reduced consumer traffic and purchasing; response to changing fashion trends, evolving consumer preferences and changing patterns of consumer behavior, intense competition from online retailers, manufacturing and product innovation; increasing pressure on margins; ability to implement its business strategy; ability to grow its international and direct-to-consumer businesses; Kontoor's and its vendors' ability to maintain the strength and security of information technology systems; the risk that Kontoor's facilities and systems and those of third-party service providers may be vulnerable to and unable to anticipate or detect data security breaches and data or financial loss; ability to properly collect, use, manage and secure consumer and employee data; stability of manufacturing facilities and foreign suppliers; continued use by suppliers of ethical business practices; ability to accurately forecast demand for products; continuity of members of management; ability to protect trademarks and other intellectual property rights; possible goodwill and other asset impairment; maintenance by licensees and distributors of the value of Kontoor's brands; ability to execute and integrate acquisitions; changes in tax laws and liabilities; legal,

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regulatory, political and economic risks; the risk of economic uncertainty associated with the transition period for the exit of the United Kingdom from the European Union ("Brexit") or any other similar referendums that may be held; and adverse or unexpected weather conditions. More information on potential factors that could affect Kontoor's financial results is included in Kontoor's most recent Annual Report on Form 10-K and other filings with the SEC.

**Contacts**

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