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

FORM 10-Q

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

For the quarterly period ended December 28, 2019

or

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

For the transition period from __________ to __________

Commission file number: 1-5256

V. F. CORPORATION
(Exact name of registrant as specified in its charter)

Pennsylvania	**23-1180120**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. employer identification number)*

8505 E. Orchard Road
Greenwood Village, Colorado 80111
(Address of principal executive offices)

(720) 778-4000
(Registrant's telephone number, including area code)

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, without par value, stated capital, $0.25 per share	**VFC**	**New York Stock Exchange**
0.625% Senior Notes due 2023	**VFC23**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

On January 25, 2020, there were 394,720,284 shares of the registrant's common stock outstanding.

VF CORPORATION
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PART I — FINANCIAL INFORMATION

ITEM 1 — FINANCIAL STATEMENTS (UNAUDITED).

VF CORPORATION

Consolidated Balance Sheets
(Unaudited)

(In thousands, except share amounts)	December 2019	March 2019	December 2018
ASSETS			
Current assets			
Cash and equivalents	$ 583,951	$ 445,119	$ 451,978
Accounts receivable, less allowance for doubtful accounts of: December 2019 - $21,283; March 2019 - $19,638; December 2018 - $20,932	1,641,758	1,465,855	1,566,202
Inventories	1,564,970	1,432,660	1,401,621
Other current assets	365,019	433,793	391,800
Current assets of discontinued operations	—	896,030	800,490
Total current assets	4,155,698	4,673,457	4,612,091
Property, plant and equipment, net	908,771	915,177	902,665
Intangible assets, net	1,948,232	1,972,364	2,002,906
Goodwill	1,539,579	1,541,314	1,536,544
Operating lease right-of-use assets	1,298,631	—	—
Other assets	963,351	772,755	756,065
Other assets of discontinued operations	—	481,718	474,039
TOTAL ASSETS	**$ 10,814,262**	**$ 10,356,785**	**$ 10,284,310**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	$ 56,001	$ 659,060	$ 674,676
Current portion of long-term debt	4,677	5,263	5,576
Accounts payable	456,993	580,867	536,406
Accrued liabilities	1,444,421	1,154,932	1,115,371
Current liabilities of discontinued operations	—	261,482	231,018
Total current liabilities	1,962,092	2,661,604	2,563,047
Long-term debt	2,110,488	2,115,884	2,135,240
Operating lease liabilities	1,052,854	—	—
Other liabilities	1,121,238	1,232,200	1,239,503
Other liabilities of discontinued operations	—	48,581	45,896
Commitments and contingencies			
Total liabilities	**6,246,672**	**6,058,269**	**5,983,686**
Stockholders' equity			
Preferred Stock, par value $1; shares authorized, 25,000,000; no shares outstanding at December 2019, March 2019 or December 2018	—	—	—
Common Stock, stated value $0.25; shares authorized, 1,200,000,000; shares outstanding at December 2019 - 394,528,067; March 2019 - 396,824,662; December 2018 - 395,472,173	98,632	99,206	98,868
Additional paid-in capital	4,182,102	3,921,784	3,829,994
Accumulated other comprehensive income (loss)	(895,372)	(902,075)	(886,565)
Retained earnings	1,182,228	1,179,601	1,258,327
Total stockholders' equity	**4,567,590**	**4,298,516**	**4,300,624**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 10,814,262**	**$ 10,356,785**	**$ 10,284,310**

See notes to consolidated financial statements.

VF CORPORATION

Consolidated Statements of Income
(Unaudited)

(In thousands, except per share amounts)	Three Months Ended December				Nine Months Ended December			
	2019		2018		2019		2018	
Net revenues	**$**	**3,384,746**	**$**	**3,227,712**	**$**	**9,049,493**	**$**	**8,584,237**
Costs and operating expenses								
Cost of goods sold		1,500,463		1,464,761		4,133,884		4,015,441
Selling, general and administrative expenses		1,305,481		1,242,131		3,624,450		3,389,891
Total costs and operating expenses		**2,805,944**		**2,706,892**		**7,758,334**		**7,405,332**
Operating income		**578,802**		**520,820**		**1,291,159**		**1,178,905**
Interest income		5,489		3,116		17,601		6,746
Interest expense		(22,303)		(28,336)		(65,240)		(83,640)
Other income (expense), net		(22,152)		(1,027)		(18,367)		(52,422)
Income from continuing operations before income taxes		**539,836**		**494,573**		**1,225,153**		**1,049,589**
Income tax expense		87,089		85,453		26,156		162,981
Income from continuing operations		**452,747**		**409,120**		**1,198,997**		**886,608**
Income (loss) from discontinued operations, net of tax		12,256		54,389		(35,772)		244,380
Net income	**$**	**465,003**	**$**	**463,509**	**$**	**1,163,225**	**$**	**1,130,988**
Earnings (loss) per common share - basic								
Continuing operations	$	1.14	$	1.03	$	3.02	$	2.24
Discontinued operations		0.03		0.14		(0.09)		0.62
Total earnings per common share - basic	**$**	**1.17**	**$**	**1.17**	**$**	**2.93**	**$**	**2.86**
Earnings (loss) per common share - diluted								
Continuing operations	$	1.13	$	1.02	$	2.99	$	2.21
Discontinued operations		0.03		0.14		(0.09)		0.61
Total earnings per common share - diluted	**$**	**1.16**	**$**	**1.16**	**$**	**2.90**	**$**	**2.82**
Weighted average shares outstanding								
Basic		395,940		395,294		396,806		395,117
Diluted		400,322		399,767		401,499		400,418

See notes to consolidated financial statements.

VF CORPORATION

Consolidated Statements of Comprehensive Income
(Unaudited)

(In thousands)	Three Months Ended December 2019	Three Months Ended December 2018	Nine Months Ended December 2019	Nine Months Ended December 2018
Net income	**$ 465,003**	**$ 463,509**	**$ 1,163,225**	**$ 1,130,988**
Other comprehensive income (loss)				
Foreign currency translation and other				
Gains (losses) arising during the period	46,813	(67,820)	(10,831)	(241,578)
Income tax effect	5,154	(3,345)	(815)	(18,680)
Defined benefit pension plans				
Current period actuarial gains	35,971	1,428	21,361	53,470
Amortization of net deferred actuarial losses	4,203	6,676	12,236	22,153
Amortization of deferred prior service costs (credits)	13	(58)	38	552
Reclassification of net actuarial loss from settlement charge	24,943	662	25,462	8,846
Reclassification of deferred prior service cost due to curtailments	—	—	—	9,483
Income tax effect	(16,334)	(2,313)	(15,835)	(24,530)
Derivative financial instruments				
Gains (losses) arising during the period	(56,699)	43,836	9,471	153,705
Income tax effect	10,163	(7,217)	(759)	(18,664)
Reclassification to net income for (gains) losses realized	(22,563)	5,391	(56,746)	35,554
Income tax effect	3,689	(889)	9,689	(2,846)
Other comprehensive income (loss)	**35,353**	**(23,649)**	**(6,729)**	**(22,535)**
Comprehensive income	**$ 500,356**	**$ 439,860**	**$ 1,156,496**	**$ 1,108,453**

See notes to consolidated financial statements.

VF CORPORATION

Consolidated Statements of Cash Flows

(Unaudited)

(In thousands)	Nine Months Ended December 2019	2018
OPERATING ACTIVITIES		
Net income	$ 1,163,225	$ 1,130,988
Income (loss) from discontinued operations, net of tax	(35,772)	244,380
Income from continuing operations, net of tax	1,198,997	886,608
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	204,341	192,049
Amortization of operating lease right-of-use assets	287,439	—
Stock-based compensation	95,304	67,577
Provision for doubtful accounts	9,592	11,413
Pension expense in excess of contributions	9,428	2,932
Loss on sale of businesses, net of tax	—	33,501
Other, net	(124,056)	(36,393)
Changes in operating assets and liabilities:		
Accounts receivable	(185,259)	(418,983)
Inventories	(132,862)	(69,211)
Accounts payable	(121,532)	54,306
Income taxes	(44,092)	(43,935)
Accrued liabilities	(82,948)	444,424
Operating lease right-of-use assets and liabilities	(318,636)	—
Other assets and liabilities	32,697	(12,562)
Cash provided by operating activities - continuing operations	828,413	1,111,726
Cash provided by operating activities - discontinued operations	13,213	324,937
Cash provided by operating activities	**841,626**	**1,436,663**
INVESTING ACTIVITIES		
Business acquisitions, net of cash received	—	(320,405)
Proceeds from sale of businesses, net of cash sold	—	430,273
Capital expenditures	(186,281)	(180,241)
Software purchases	(37,333)	(42,533)
Other, net	51,985	(16,189)
Cash used by investing activities - continuing operations	(171,629)	(129,095)
Cash used by investing activities - discontinued operations	(2,327)	(19,451)
Cash used by investing activities	**(173,956)**	**(148,546)**
FINANCING ACTIVITIES		
Net decrease in short-term borrowings	(596,559)	(852,547)
Payments on long-term debt	(4,496)	(4,675)
Payment of debt issuance costs	—	(2,123)
Purchases of treasury stock	(500,003)	(150,676)
Cash dividends paid	(562,298)	(565,176)
Cash received from Kontoor Brands, net of cash transferred of $126.8 million	906,148	—
Proceeds from issuance of Common Stock, net of shares withheld for taxes	135,086	137,470
Cash used by financing activities	**(622,122)**	**(1,437,727)**
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	(4,927)	(681)
Net change in cash, cash equivalents and restricted cash	**40,621**	**(150,291)**
Cash, cash equivalents and restricted cash – beginning of year	**556,587**	**689,190**
Cash, cash equivalents and restricted cash – end of period	**$ 597,208**	**$ 538,899**

Continued on next page.

See notes to consolidated financial statements.

VF CORPORATION

Consolidated Statements of Cash Flows

(Unaudited)

(In thousands)	Nine Months Ended December 2019		Nine Months Ended December 2018	
Balances per Consolidated Balance Sheets:				
Cash and cash equivalents	$	583,951	$	451,978
Other current assets		3,448		2,855
Current and other assets of discontinued operations		—		83,351
Other assets		9,809		715
Total cash, cash equivalents and restricted cash	**$**	**597,208**	**$**	**538,899**

See notes to consolidated financial statements.

VF CORPORATION

Consolidated Statements of Stockholders' Equity
(Unaudited)

	Three Months Ended December 2019					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
(In thousands, except share amounts)	Shares	Amounts				
Balance, September 2019	**398,865,790**	**$ 99,716**	**$ 4,072,640**	**$ (930,725)**	**$ 1,405,988**	**$ 4,647,619**
Net income	—	—	—	—	465,003	465,003
Dividends on Common Stock ($0.48 per share)	—	—	—	—	(188,694)	(188,694)
Purchase of treasury stock	(5,840,550)	(1,460)	—	—	(498,543)	(500,003)
Stock-based compensation, net	1,502,827	376	109,462	—	(1,526)	108,312
Foreign currency translation and other	—	—	—	51,967	—	51,967
Defined benefit pension plans	—	—	—	48,796	—	48,796
Derivative financial instruments	—	—	—	(65,410)	—	(65,410)
Balance, December 2019	**394,528,067**	**$ 98,632**	**$ 4,182,102**	**$ (895,372)**	**$ 1,182,228**	**$ 4,567,590**

	Three Months Ended December 2018					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
(In thousands, except share amounts)	Shares	Amounts				
Balance, September 2018	**397,161,808**	**$ 99,290**	**$ 3,795,395**	**$ (862,916)**	**$ 1,147,787**	**$ 4,179,556**
Net income	—	—	—	—	463,509	463,509
Dividends on Common Stock ($0.51 per share)	—	—	—	—	(201,325)	(201,325)
Purchase of treasury stock	(1,863,724)	(466)	—	—	(149,730)	(150,196)
Stock-based compensation, net	174,089	44	34,599	—	(1,914)	32,729
Foreign currency translation and other	—	—	—	(71,165)	—	(71,165)
Defined benefit pension plans	—	—	—	6,395	—	6,395
Derivative financial instruments	—	—	—	41,121	—	41,121
Balance, December 2018	**395,472,173**	**$ 98,868**	**$ 3,829,994**	**$ (886,565)**	**$ 1,258,327**	**$ 4,300,624**

Continued on next page.

See notes to consolidated financial statements.

VF CORPORATION

Consolidated Statements of Stockholders' Equity
(Unaudited)

(In thousands, except share amounts)	Nine Months Ended December 2019					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Amounts				
Balance, March 2019	**396,824,662**	**$ 99,206**	**$ 3,921,784**	**$ (902,075)**	**$ 1,179,601**	**$ 4,298,516**
Adoption of new accounting standard, ASU 2016-02	—	—	—	—	(2,491)	(2,491)
Adoption of new accounting standard, ASU 2018-02	—	—	—	(61,861)	61,861	—
Net income	—	—	—	—	1,163,225	1,163,225
Dividends on Common Stock ($1.42 per share)	—	—	—	—	(562,298)	(562,298)
Purchase of treasury stock	(5,840,550)	(1,460)	—	—	(498,543)	(500,003)
Stock-based compensation, net	3,543,955	886	260,318	—	(28,919)	232,285
Foreign currency translation and other	—	—	—	(11,646)	—	(11,646)
Defined benefit pension plans	—	—	—	43,262	—	43,262
Derivative financial instruments	—	—	—	(38,345)	—	(38,345)
Spin-off of Jeans Business	—	—	—	75,293	(130,208)	(54,915)
Balance, December 2019	**394,528,067**	**$ 98,632**	**$ 4,182,102**	**$ (895,372)**	**$ 1,182,228**	**$ 4,567,590**

(In thousands, except share amounts)	Nine Months Ended December 2018					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Amounts				
Balance, March 2018	**394,313,070**	**$ 98,578**	**$ 3,607,424**	**$ (864,030)**	**$ 846,124**	**$ 3,688,096**
Adoption of new accounting standard, ASU 2014-09	—	—	—	—	1,956	1,956
Net income	—	—	—	—	1,130,988	1,130,988
Dividends on Common Stock ($1.43 per share)	—	—	—	—	(565,176)	(565,176)
Purchase of treasury stock	(1,868,934)	(467)	—	—	(150,209)	(150,676)
Stock-based compensation, net	3,028,037	757	222,570	—	(5,356)	217,971
Foreign currency translation and other	—	—	—	(260,258)	—	(260,258)
Defined benefit pension plans	—	—	—	69,974	—	69,974
Derivative financial instruments	—	—	—	167,749	—	167,749
Balance, December 2018	**395,472,173**	**$ 98,868**	**$ 3,829,994**	**$ (886,565)**	**$ 1,258,327**	**$ 4,300,624**

See notes to consolidated financial statements.

NOTE 1 — BASIS OF PRESENTATION

VF Corporation (together with its subsidiaries, collectively known as "VF" or the "Company") uses a 52/53 week fiscal year ending on the Saturday closest to March 31 of each year. The Company's current fiscal year runs from March 31, 2019 through March 28, 2020 ("Fiscal 2020"). Accordingly, this Form 10-Q presents our third quarter of Fiscal 2020. For presentation purposes herein, all references to periods ended December 2019 and December 2018 relate to the fiscal periods ended on December 28, 2019 and December 29, 2018, respectively. References to March 2019 relate to information as of March 30, 2019.

On May 22, 2019, VF completed the spin-off of its Jeans business, which included the *Wrangler*®, *Lee*® and *Rock & Republic*® brands, as well as the *VF Outlet*™ business, into an independent, publicly traded company. As a result, VF reported the operating results for the Jeans business in the income (loss) from discontinued operations, net of tax line item in the Consolidated Statements of Income and the related cash flows have been reported as discontinued operations in the Consolidated Statements of Cash Flows, for all periods presented. In addition, the related assets and liabilities have been reported as assets and liabilities of discontinued operations in the Consolidated Balance Sheets, through the date the spin-off was completed.

On April 30, 2018, VF completed the sale of the *Nautica*® brand business. As a result, the *Nautica*® brand business has been reported as discontinued operations in our Consolidated Statements of Income and Consolidated Statements of Cash Flows.

Unless otherwise noted, discussion within these notes to the consolidated financial statements relates to continuing operations. Refer to Note 5 for additional information on discontinued operations.

Certain prior year amounts have been reclassified to conform to the Fiscal 2020 presentation.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X and do not include all of the information and notes required by generally accepted accounting principles in the United States of America ("GAAP") for complete financial statements. Similarly, the March 2019 condensed consolidated balance sheet was derived from audited financial statements but does not include all disclosures required by GAAP. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all normal and recurring adjustments necessary to fairly state the consolidated financial position, results of operations and cash flows of VF for the interim periods presented. Operating results for the three and nine months ended December 2019 are not necessarily indicative of results that may be expected for any other interim period or for Fiscal 2020. For further information, refer to the consolidated financial statements and notes included in VF's Annual Report on Form 10-K for the year ended March 30, 2019 ("Fiscal 2019 Form 10-K").

NOTE 2 — RECENTLY ADOPTED AND ISSUED ACCOUNTING STANDARDS

Recently Adopted Accounting Standards

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *"Leases (Topic 842)"*, a new accounting standard on leasing. The FASB subsequently issued updates to the standard to provide additional clarification on specific topics, including permitted transition methods. Collectively, the guidance is referred to as FASB Accounting Standards Codification ("ASC") 842. This standard requires companies to record most leased assets and liabilities on the balance sheet, and also retains a dual model approach for assessing lease classification and recognizing expense. The Company adopted this standard on March 31, 2019, utilizing the modified retrospective method and has recognized the cumulative effect of initially applying the new standard in retained earnings. The effective date of the adoption has been used as the date of initial application, and thus comparative prior period financial information has not been restated and continues to be reported under accounting standards in effect for those periods.

The standard provides certain optional practical expedients for transition. The Company elected the transition relief package of practical expedients by applying previous accounting conclusions under ASC Topic 840, *Leases* ("ASC 840"), to all leases that existed prior to the transition date. As a result, VF did not reassess (i) whether existing or expired contracts contain leases, (ii) lease classification for any existing or expired leases, or (iii) whether lease origination costs qualified as initial direct costs. The Company also elected the land easement practical expedient, which allows the Company to apply ASC 842 prospectively to land easements after the adoption date if they were not previously accounted for under ASC 840. Certain leases contain both lease and non-lease components. For leases associated with specific asset classes, including certain real estate, vehicles, manufacturing machinery and IT equipment, VF has elected the practical expedient which permits entities to account for separate lease and non-lease components as a single component. For all other lease contracts, the Company has elected to account for each lease component separately from the non-lease components of the contract. When applicable, VF will measure the consideration to be paid pursuant to the agreement and allocate this consideration to the lease and non-lease components based on relative stand-alone prices. Further, the Company made an accounting policy election to not recognize right-of-use assets and lease liabilities for leases with terms of 12 months or less.

The adoption of ASC 842 resulted in a net decrease of $2.5 million in the retained earnings line item of the Consolidated Balance Sheet as of March 31, 2019. The adoption of ASC 842 also resulted in the recognition of operating lease right-of-use assets and operating lease liabilities within the Consolidated Balance Sheet. Refer to Note 10 for additional lease disclosures.

In August 2017, the FASB issued ASU No. 2017-12, *"Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities"*, an update that amends and simplifies certain aspects of hedge accounting rules to better portray the economic results of risk management activities in the financial statements. The FASB subsequently issued updates to the standard to provide additional guidance on specific topics. This guidance became effective for VF in the first quarter of Fiscal 2020, but did not impact VF's consolidated financial statements.

In February 2018, the FASB issued ASU No. 2018-02, *"Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*", an update that addresses the effect of the change in the U.S. federal corporate income tax rate due to the enactment of the Tax Cuts and Jobs Act ("U.S. Tax Act") on items within accumulated other comprehensive income (loss). The guidance became effective for VF in the first quarter of Fiscal 2020. The Company elected to reclassify the income tax effects of the U.S. Tax Act on items within accumulated other comprehensive income (loss) of $61.9 million to retained earnings, which primarily related to deferred taxes previously recorded for pension benefits. The adoption of this guidance did not have an impact on VF's consolidated results of operations or cash flows.

In June 2018, the FASB issued ASU No. 2018-07, "*Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting"*, an update that expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. This guidance became effective for VF in the first quarter of Fiscal 2020, but did not impact VF's consolidated financial statements.

In July 2018, the FASB issued ASU No. 2018-09, *"Codification Improvements"*, an update that provides technical corrections, clarifications and other improvements across a variety of accounting topics. The transition and effective date guidance is based on the facts and circumstances of each update; however, many of them became effective for VF in the first quarter of Fiscal 2020. The guidance did not impact VF's consolidated financial statements.

Recently Issued Accounting Standards

In June 2016, the FASB issued ASU No. 2016-13, *"Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments"*, which requires entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. The FASB has subsequently issued updates to the standard to provide additional clarification on specific topics. This guidance will be effective for VF in the first quarter of the year ending April 3, 2021 ("Fiscal 2021") with early adoption permitted. The Company does not expect the adoption of this guidance to have a material impact on VF's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *"Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement"*, an update that modifies the disclosure requirements for fair value measurements by removing, modifying or adding certain disclosures. The guidance will be effective for VF in the first quarter of Fiscal 2021 with early adoption permitted. The Company does not expect the adoption of this guidance to have a material impact on VF's disclosures.

In August 2018, the FASB issued ASU No. 2018-14, *"Compensation — Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans"*, an update that modifies the disclosure requirements for employers who sponsor defined benefit pension or other postretirement plans. The guidance will be effective for VF in Fiscal 2021 with early adoption permitted.The Company does not expect the adoption of this guidance to have a material impact on VF's disclosures.

In August 2018, the FASB issued ASU No. 2018-15, *"Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract"*, an update that aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The guidance will be effective for VF in the first quarter of Fiscal 2021 with early adoption permitted. The Company does not expect the adoption of this guidance to have a material impact on VF's consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, "*Income Taxes (Topic 740): Simplifying the Accounting for Income Tax*es", an update that amends and simplifies the accounting for income taxes by removing certain exceptions in existing guidance and providing new guidance to reduce complexity in certain areas. The guidance will be effective for VF in the first quarter of the year ending April 2, 2022 ("Fiscal 2022") with early adoption permitted. The Company is evaluating the impact that adopting this guidance will have on VF's consolidated financial statements.

NOTE 3 — REVENUES

The following table provides information about accounts receivable, contract assets and contract liabilities:

(In thousands)	December 2019	March 2019	December 2018
Accounts receivable, net	$ 1,641,758	$ 1,465,855	$ 1,566,202
Contract assets [a]	1,789	2,569	550
Contract liabilities [b]	56,356	30,181	37,875

[a] Included in the other current assets line item in the Consolidated Balance Sheets.

[b] Included in the accrued liabilities and other liabilities line items in the Consolidated Balance Sheets.

For the three and nine months ended December 2019, the Company recognized $106.2 million and $151.2 million, respectively, of revenue that was included in the contract liability balance during the periods, including amounts recorded as a contract liability and subsequently recognized as revenue as performance obligations are satisfied within the same period, such as order deposits from customers. The change in the contract asset and contract liability balances primarily results from the timing differences between the Company's satisfaction of performance obligations and the customer's payment.

For the three and nine months ended December 2019, revenue recognized from performance obligations satisfied, or partially satisfied, in prior periods was not material.

As of December 2019, the Company expects to recognize $68.6 million of fixed consideration related to the future minimum guarantees in effect under its licensing agreements and expects such amounts to be recognized over time through December 2024. The variable consideration related to licensing arrangements is not disclosed as a remaining performance obligation as it qualifies for the sales-based royalty exemption. VF has also elected the practical expedient to not disclose the transaction price allocated to remaining performance obligations for contracts with an original expected duration of one year or less.

As of December 2019, there were no arrangements with transaction price allocated to remaining performance obligations other than contracts for which the Company has applied the practical expedients and the fixed consideration related to future minimum guarantees discussed above.

Disaggregation of Revenue

The following tables disaggregate our revenues by channel and geography, which provides a meaningful depiction of how the nature, timing and uncertainty of revenues are affected by economic factors. The wholesale channel includes fees generated from sourcing activities as the customers and point-in-time revenue recognition are similar to other wholesale arrangements.

	Three Months Ended December 2019				
(In thousands)	Outdoor	Active	Work	Other	Total
Channel revenues					
Wholesale	$ 857,939	$ 527,206	$ 415,262	$ 4,750	$ 1,805,157
Direct-to-consumer	796,632	706,186	56,059	1,340	1,560,217
Royalty	4,537	6,070	8,765	—	19,372
Total	**$ 1,659,108**	**$ 1,239,462**	**$ 480,086**	**$ 6,090**	**$ 3,384,746**
Geographic revenues					
United States	$ 903,184	$ 686,733	$ 372,808	$ —	$ 1,962,725
International	755,924	552,729	107,278	6,090	1,422,021
Total	**$ 1,659,108**	**$ 1,239,462**	**$ 480,086**	**$ 6,090**	**$ 3,384,746**

(In thousands)	Three Months Ended December 2018 Outdoor		Active		Work		Other		Total
Channel revenues									
Wholesale	$	839,579	$	490,985	$	414,333	$	652	$ 1,745,549
Direct-to-consumer		769,775		642,571		49,152		—	1,461,498
Royalty		3,251		9,024		8,390		—	20,665
Total	**$**	**1,612,605**	**$**	**1,142,580**	**$**	**471,875**	**$**	**652**	**$ 3,227,712**
Geographic revenues									
United States	$	889,298	$	638,179	$	379,237	$	652	$ 1,907,366
International		723,307		504,401		92,638		—	1,320,346
Total	**$**	**1,612,605**	**$**	**1,142,580**	**$**	**471,875**	**$**	**652**	**$ 3,227,712**

(In thousands)	Nine Months Ended December 2019 Outdoor		Active		Work		Other		Total
Channel revenues									
Wholesale	$	2,375,117	$	1,897,118	$	1,185,716	$	22,730	$ 5,480,681
Direct-to-consumer		1,410,658		1,969,700		134,026		7,692	3,522,076
Royalty		9,890		18,404		18,442		—	46,736
Total	**$**	**3,795,665**	**$**	**3,885,222**	**$**	**1,338,184**	**$**	**30,422**	**$ 9,049,493**
Geographic revenues									
United States	$	1,943,491	$	2,109,479	$	1,064,516	$	—	$ 5,117,486
International		1,852,174		1,775,743		273,668		30,422	3,932,007
Total	**$**	**3,795,665**	**$**	**3,885,222**	**$**	**1,338,184**	**$**	**30,422**	**$ 9,049,493**

(In thousands)	Nine Months Ended December 2018 Outdoor		Active		Work		Other		Total
Channel revenues									
Wholesale	$	2,280,071	$	1,829,861	$	1,209,150	$	10,222	$ 5,329,304
Direct-to-consumer		1,358,287		1,728,779		119,347		—	3,206,413
Royalty		9,350		20,838		18,332		—	48,520
Total	**$**	**3,647,708**	**$**	**3,579,478**	**$**	**1,346,829**	**$**	**10,222**	**$ 8,584,237**
Geographic revenues									
United States	$	1,826,230	$	1,934,778	$	1,065,774	$	10,222	$ 4,837,004
International		1,821,478		1,644,700		281,055		—	3,747,233
Total	**$**	**3,647,708**	**$**	**3,579,478**	**$**	**1,346,829**	**$**	**10,222**	**$ 8,584,237**

NOTE 4 — ACQUISITIONS

Icebreaker

On April 3, 2018, VF acquired 100% of the stock of Icebreaker Holdings Limited ("Icebreaker") for NZ$274.4 million ($198.5 million) in cash, subject to working capital and other adjustments. The purchase price was primarily funded with short-term borrowings. The purchase price decreased NZ$1.4 million ($0.9 million) during the year ended March 2019, related to working capital adjustments, resulting in a revised purchase price of NZ $273.0 million ($197.6 million). The purchase price allocation was finalized during the three months ended March 2019.

Icebreaker was a privately held company based in Auckland, New Zealand. *Icebreaker*®, the primary brand, specializes in high-performance apparel based on natural fibers, including Merino wool, plant-based fibers and recycled fibers. It is an ideal complement to VF's *Smartwool*® brand, which also features Merino wool in its clothing and accessories. Together, the *Smartwool*® and *Icebreaker*® brands position VF as a global leader in the Merino wool and natural fiber categories.

The following table summarizes the estimated fair values of the Icebreaker assets acquired and liabilities assumed at the date of acquisition:

(In thousands)		April 3, 2018
Cash and equivalents	$	6,444
Accounts receivable		16,781
Inventories		31,728
Other current assets		3,931
Property, plant and equipment		3,858
Intangible assets		98,041
Other assets		4,758
Total assets acquired		**165,541**
Short-term borrowings		7,235
Accounts payable		2,075
Other current liabilities		21,262
Deferred income tax liabilities		26,870
Other noncurrent liabilities		433
Total liabilities assumed		**57,875**
Net assets acquired		107,666
Goodwill		89,943
Purchase price	**$**	**197,609**

The goodwill is attributable to the acquired workforce of Icebreaker and the significant synergies expected to arise as a result of the acquisition. All of the goodwill has been assigned to the Outdoor segment and none is expected to be deductible for tax purposes.

The *Icebreaker*® trademark, which management determined to have an indefinite life, was valued at $70.1 million. Amortizable intangible assets were assigned values of $27.8 million for customer relationships and $0.2 million for distribution agreements. Customer relationships are being amortized using an accelerated method over 11.5 years. Distribution agreements are being amortized on a straight-line basis over four years.

Total transaction expenses for the Icebreaker acquisition of $7.4 million were recognized in the selling, general and administrative expenses line item in the Consolidated Statements of Income, of which $4.1 million was recognized during the nine months ended December 2018 and the remainder was recognized prior to Fiscal 2019. In addition, the Company recognized a $9.9 million gain on derivatives used to hedge the purchase price of Icebreaker in the other income (expense), net line item in the Consolidated Statements of Income, of which $0.3 million was recognized during the nine months ended December 2018 and the remainder was recognized prior to Fiscal 2019.

Pro forma results of operations of the Company would not be materially different as a result of the Icebreaker acquisition and therefore are not presented.

Altra

On June 1, 2018, VF acquired 100% of the stock of Icon-Altra LLC, plus certain assets in Europe ("Altra"). The purchase price was $131.7 million in cash, subject to working capital and other adjustments and was primarily funded with short-term borrowings. The purchase price decreased $0.1 million during the year ended March 2019, related to working capital adjustments, resulting in a revised purchase price of $131.6 million. The allocation of the purchase price was finalized during the three months ended December 2018, resulting in a decrease of goodwill by $1.5 million related to a final adjustment to working capital balances.

Altra®, the primary brand, is an athletic and performance-based lifestyle footwear brand. Altra provides VF with a unique and differentiated technical footwear brand and a capability that, when applied across VF's footwear platforms, will serve as a catalyst for growth.

The following table summarizes the estimated fair values of the Altra assets acquired and liabilities assumed at the date of acquisition:

(In thousands)		June 1, 2018
Accounts receivable	$	11,629
Inventories		9,310
Other current assets		575
Property, plant and equipment		1,107
Intangible assets		59,700
Total assets acquired		**82,321**
Accounts payable		5,068
Other current liabilities		7,415
Total liabilities assumed		**12,483**
Net assets acquired		69,838
Goodwill		61,719
Purchase price	**$**	**131,557**

The goodwill is attributable to the significant growth and synergies expected to arise as a result of the acquisition. All of the goodwill was assigned to the Outdoor segment and is expected to be deductible for tax purposes.

The *Altra*® trademark, which management determined to have an indefinite life, was valued at $46.4 million. Amortizable intangible assets were assigned values of $13.0 million for customer relationships and $0.3 million for distribution agreements. Customer relationships are being amortized using an accelerated method over 15 years. Distribution agreements are being amortized on a straight-line basis over four years.

Total transaction expenses for the Altra acquisition were $2.3 million, all of which were recognized in the selling, general and administrative expenses line item in the Consolidated Statement of Income during the nine months ended December 2018.

Pro forma results of operations of the Company would not be materially different as a result of the Altra acquisition and therefore are not presented.

NOTE 5 — DISCONTINUED OPERATIONS AND OTHER DIVESTITURES

The Company continuously assesses the composition of its portfolio to ensure it is aligned with its strategic objectives and positioned to maximize growth and return to shareholders.

Discontinued Operations

Jeans Business

On May 22, 2019, VF completed the spin-off its Jeans business, which included the *Wrangler*®, *Lee*® and *Rock & Republic*® brands, as well as the *VF Outlet*™ business, into an independent, publicly traded company now operating under the name Kontoor Brands, Inc. ("Kontoor Brands") and trading under the symbol "KTB" on the New York Stock Exchange. The spin-off was effected through a distribution to VF shareholders of one share of Kontoor Brands common stock for every seven shares of VF common stock held on the record date of May 10, 2019. Accordingly, the Company has reported the results of the Jeans business and the related cash flows as discontinued operations in the Consolidated Statements of Income and Consolidated Statements of Cash Flows, respectively, and presented the related assets and liabilities as assets and liabilities of discontinued operations in the Consolidated Balance Sheets, through the date the spin-off was completed.

In connection with the spin-off, Kontoor Brands entered into a credit agreement with respect to $1.55 billion in senior secured credit facilities consisting of a senior secured five-year $750.0 million term loan A facility, a senior secured seven-year $300.0 million term loan B facility and a five-year $500.0 million senior secured revolving credit facility (collectively, the "Kontoor Credit Facilities"). Prior to the effective date of the spin-off, Kontoor Brands incurred $1.05 billion of indebtedness under the Kontoor Credit Facilities, which was primarily used to fund a transfer of $906.1 million to VF and its subsidiaries, net of $126.8 million of cash received from VF. As a result of the spin-off, VF divested net assets of $54.9 million, including the indebtedness under the Kontoor Credit Facilities. Also included in the net assets divested was $75.3 million of net accumulated other comprehensive losses attributable to the Jeans business, primarily related to foreign currency translation.

The results of the *Wrangler*®, *Lee*® and *Rock & Republic*® brands were previously reported in the Jeans segment, the results of the *Wrangler® RIGGS* brand were previously reported in the Work segment, and the results of the non-VF products sold in *VF Outlet*™ stores were previously reported in the Other category included in the reconciliation of segment revenues and segment profit. The results of the Jeans business recorded in the income (loss) from discontinued operations, net of tax line item in the Consolidated Statements of Income were income of $12.3 million and a loss of $35.8 million for the three and nine months ended December 2019, respectively, and income of $54.0 million and $243.6 million for the three and nine months ended December 2018, respectively.

Certain corporate overhead costs and segment costs previously allocated to the Jeans business for segment reporting purposes did not qualify for classification within discontinued operations and have been reallocated to continuing operations. The results of the Jeans business reported as discontinued operations include $59.5 million of separation and related expenses during the nine months ended December 2019.

In connection with the spin-off of the Jeans business, the Company entered into several agreements with Kontoor Brands that govern the relationship of the parties following the spin-off including the Separation and Distribution Agreement, the Tax Matters Agreement, the Transition Services Agreement, the VF Intellectual Property License Agreement and the Employee Matters Agreement. Under the terms of the Transition Services Agreement, the Company and Kontoor Brands agreed to provide each other certain transitional services including information technology, information management, human resources, employee benefits administration, supply chain, facilities, and other limited finance and accounting related services for periods up to 24 months. Payments and operating expense reimbursements for transition services are recorded within the reportable segments or within the corporate and other expenses line item, in the reconciliation of segment profit in Note 15, based on the function providing the service.

Nautica® Brand Business

During the three months ended December 30, 2017, the Company reached the strategic decision to exit the *Nautica*® brand business, and determined that it met the held-for-sale and discontinued operations accounting criteria. Accordingly, the Company has reported the results of the *Nautica*® brand business and the related cash flows as discontinued operations in the Consolidated Statements of Income and Consolidated Statements of Cash Flows, respectively.

On April 30, 2018, VF completed the sale of the *Nautica*® brand business. The Company received proceeds of $285.8 million, net of cash sold, resulting in a final after-tax loss on sale of $38.2 million, of which a $0.4 million and $5.4 million decrease in the estimated loss on sale was included in the income (loss) from discontinued operations, net of tax line item in the Consolidated Statements of Income for the three and nine months ended December 2018, respectively.

The results of the *Nautica*® brand business recorded in the income (loss) from discontinued operations, net of tax line item in the Consolidated Statements of Income were income of $0.4 million (reflecting a $0.4 million decrease in the estimated loss on sale) and $0.8 million (including a $5.4 million decrease in the estimated loss on sale) for the three and nine months ended December 2018, respectively.

Under the terms of the transition services agreement, the Company provided certain services for periods up to 12 months from the closing date of the transaction. Revenue and related expense items associated with the transition services were recorded in the Other category, and operating expense reimbursements were recorded within the corporate and other expenses line item, in the reconciliation of segment revenues and segment profit in Note 15.

Summarized Discontinued Operations Financial Information

The following table summarizes the major line items for the Jeans business and *Nautica*® brand business that are included in the income (loss) from discontinued operations, net of tax line item in the Consolidated Statements of Income:

	Three Months Ended December		Nine Months Ended December	
(In thousands)	2019	2018	2019	2018
Net revenues	$ —	$ 712,447	$ 335,203	$ 2,073,367
Cost of goods sold	—	431,711	203,124	1,231,315
Selling, general and administrative expenses	—	209,651	152,798	544,685
Interest, net	—	1,373	(552)	3,650
Other income (expense), net	—	(747)	(667)	(3,801)
Income (loss) from discontinued operations before income taxes	**—**	**71,711**	**(21,938)**	**297,216**
Gain on the sale of discontinued operations before income taxes	—	383	—	4,589
Total income (loss) from discontinued operations before income taxes	**—**	**72,094**	**(21,938)**	**301,805**
Income tax benefit (expense) [a]	12,256	(17,705)	(13,834)	(57,425)
Income (loss) from discontinued operations, net of tax	**$ 12,256**	**$ 54,389**	**$ (35,772)**	**$ 244,380**

[a] Income tax benefit for the three months ended December 2019 reflects a return to accrual adjustment to the previously recorded tax expense. Income tax expense for the nine months ended December 2019 includes additional tax expense on nondeductible transaction costs and uncertain tax positions.

The following table summarizes the carrying amounts of major classes of assets and liabilities of discontinued operations for each of the periods presented:

(In thousands)	December 2019	March 2019	December 2018
Cash and equivalents	$ —	$ 97,892	$ 83,334
Accounts receivable, net	—	242,941	208,258
Inventories	—	510,370	464,454
Other current assets	—	44,827	44,444
Property, plant and equipment, net	—	142,091	138,975
Intangible assets	—	51,913	53,059
Goodwill	—	213,570	219,612
Other assets	—	74,144	62,393
Total assets of discontinued operations	**$ —**	**$ 1,377,748**	**$ 1,274,529**
Short-term borrowings	$ —	$ 5,995	$ 3,215
Accounts payable	—	113,866	109,272
Accrued liabilities	—	141,621	118,531
Other liabilities	—	48,581	45,896
Total liabilities of discontinued operations	**$ —**	**$ 310,063**	**$ 276,914**

Other Divestitures

Reef® Brand Business

During the three months ended September 29, 2018, the Company reached the decision to sell the *Reef®* brand business, which was included in the Active segment.

VF signed a definitive agreement for the sale of the *Reef®* brand business on October 2, 2018, and completed the transaction on October 26, 2018. VF received cash proceeds of $139.4 million, and recorded a $14.4 million final loss on sale, of which $4.5 million and $14.4 million were recorded in the three and nine months ended December 2018, respectively. The loss was included in the other income (expense), net line item in the Consolidated Statements of Income.

Van Moer Business

During the three months ended September 29, 2018, the Company reached the decision to sell the Van Moer business, which was acquired in connection with the Williamson-Dickie business and included in the Work segment.

VF completed the sale of the Van Moer business on October 5, 2018, and received cash proceeds of €7.0 million ($8.1 million). VF recorded a $22.4 million final loss on sale, which was included in the other income (expense), net line item in the Consolidated Statement of Income for the nine months ended December 2018.

NOTE 6 — SALE OF ACCOUNTS RECEIVABLE

In connection with the spin-off of its Jeans business, VF terminated its agreement with the financial institution to sell trade accounts receivable on a recurring, non-recourse basis. As of December 2019, the Company had no outstanding amounts related to accounts receivable previously sold to the financial institution and no other obligations or liabilities related to the agreement.

NOTE 7 — INVENTORIES

(In thousands)	December 2019	March 2019	December 2018
Finished products	$ 1,422,605	$ 1,284,293	$ 1,250,764
Work-in-process	80,338	73,968	73,480
Raw materials	62,027	74,399	77,377
Total inventories	**$ 1,564,970**	**$ 1,432,660**	**$ 1,401,621**

NOTE 8 — INTANGIBLE ASSETS

			December 2019			March 2019
(In thousands)	Weighted Average Amortization Period	Amortization Method	Cost	Accumulated Amortization	Net Carrying Amount	Net Carrying Amount
Amortizable intangible assets:						
Customer relationships	17 years	Accelerated	$ 330,196	$ 151,286	$ 178,910	$ 197,129
License agreements	19 years	Accelerated	7,516	4,893	2,623	2,807
Trademark	3 years	Straight-line	800	575	225	399
Other	8 years	Straight-line	8,213	4,976	3,237	4,032
Amortizable intangible assets, net					184,995	204,367
Indefinite-lived intangible assets:						
Trademarks and trade names					1,763,237	1,767,997
Intangible assets, net					**$ 1,948,232**	**$ 1,972,364**

Intangible assets decreased during the nine months ended December 2019 due to amortization and the impact of foreign currency fluctuations.

Amortization expense for the three and nine months ended December 2019 was $6.1 million and $18.6 million, respectively. Based on the carrying amounts of amortizable intangible assets noted above, estimated amortization expense for the next five years beginning in Fiscal 2020 is $25.5 million, $24.1 million, $22.6 million, $21.2 million and $20.4 million, respectively.

NOTE 9 — GOODWILL

Changes in goodwill are summarized by reportable segment as follows:

(In thousands)	Outdoor	Active	Work	Total
Balance, March 2019	$ 983,889	$ 393,956	$ 163,469	$ 1,541,314
Currency translation	(1,201)	(309)	(225)	(1,735)
Balance, December 2019	**$ 982,688**	**$ 393,647**	**$ 163,244**	**$ 1,539,579**

No impairment charges were recorded during the nine months ended December 2019 and there are no remaining accumulated impairment charges.

NOTE 10 — LEASES

VF determines if an arrangement is or contains a lease at contract inception and determines its classification as an operating or finance lease at lease commencement. The Company leases certain retail locations, office space, distribution facilities, machinery and equipment, and vehicles. While the substantial majority of these leases are operating leases, certain distribution centers and office spaces are finance leases.

Leases for real estate typically have initial terms ranging from 3 to 15 years, generally with renewal options. Leases for equipment typically have initial terms ranging from 2 to 5 years and vehicle leases typically have initial terms ranging from 1 to 8 years. In determining the lease term used in the lease right-of-use asset and lease liability calculations, the Company considers various factors such as market conditions and the terms of any renewal or termination options that may exist. When deemed reasonably certain, the renewal and termination options are included in the determination of the lease term and calculation of the lease right-of-use assets and lease liabilities.

Most leases have fixed rental payments. Many of the real estate leases also require additional variable payments for occupancy-related costs, real estate taxes and insurance, as well as other payments (i.e., contingent rent) owed when sales at individual retail store locations exceed a stated base amount. Variable lease payments are excluded from the measurement of the lease liability and are recognized in profit and loss in the period in which the event or conditions that triggers those payments occur.

VF estimates the amount it expects to pay to the lessor under a residual value guarantee and includes it in lease payments used to measure the lease liability only for amounts probable of being owed by VF at the commencement date.

VF calculates lease right-of-use assets and lease liabilities as the present value of lease payments over the lease term at commencement date. When readily determinable, the Company uses the implicit rate to determine the present value of lease payments, which generally does not happen in practice. As the rate implicit in the majority of the Company's leases is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the lease commencement date, including the lease term, currency, country specific risk premium and adjustments for collateralized debt.

Operating lease expense is recorded as a single lease cost on a straight-line basis over the lease term. For finance leases, right-of-use asset amortization and interest on lease liabilities are included separately in the Consolidated Statements of Income.

The Company assesses whether a sale leaseback transaction qualifies as a sale when the transaction occurs. For transactions qualifying as a sale, VF derecognizes the underlying asset and recognizes the entire gain or loss at the time of the sale. The corresponding lease entered into with the buyer-lessor is accounted for as an operating lease. During the nine months ended December 2019, the Company entered into a sale leaseback transaction for certain office real estate and related assets. The transaction qualified as a sale, and thus the Company recognized a gain of $11.3 million resulting from the transaction during the nine months ended December 2019.

As of December 2019, the Company has signed certain distribution center leases that have not yet commenced but will create significant rights and obligations. The leases will commence in Fiscal 2020 and Fiscal 2021 and have lease terms of 15 years. Other leases signed that have not yet commenced are not individually significant. The Company does not have material subleases.

The assets and liabilities related to operating and finance leases were as follows:

(In thousands)	Location in Consolidated Balance Sheet		December 2019
Assets:			
Operating lease assets	Operating lease right-of-use assets	$	1,298,631
Finance lease assets	Property, plant and equipment		22,499
Total lease assets		**$**	**1,321,130**
Liabilities:			
Current			
Operating lease liabilities	Accrued liabilities	$	312,704
Finance lease liabilities	Current portion of long-term debt		4,677
Noncurrent			
Operating lease liabilities	Operating lease liabilities		1,052,854
Finance lease liabilities	Long-term debt		24,959
Total lease liabilities		**$**	**1,395,194**

The components of lease costs were as follows:

(In thousands)		Three Months Ended December 2019		Nine Months Ended December 2019
Operating lease cost	$	105,510	$	315,938
Finance lease cost – amortization of right-of-use assets		970		3,002
Finance lease cost – interest on lease liabilities		253		807
Short-term lease cost		672		1,937
Variable lease cost		31,707		89,693
Impairment		3,035		3,035
Gain recognized from sale-leaseback transactions		—		(11,329)
Total lease cost	**$**	**142,147**	**$**	**403,083**

Supplemental cash flow information related to leases was as follows:

(In thousands)		Nine Months Ended December 2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows – operating leases	$	320,589
Operating cash flows – finance leases		807
Financing cash flows – finance leases		3,967
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases [a]		358,159
Finance leases		—

[a] Excludes amounts recorded upon adoption of ASC 842.

Lease terms and discount rates were as follows:

	December 2019
Weighted average remaining lease term:	
Operating leases	5.54 years
Finance leases	13.64 years
Weighted average discount rate:	
Operating leases	2.43%
Finance leases	3.12%

Maturities of operating and finance lease liabilities for the next five fiscal years (including the remainder of Fiscal 2020) and thereafter as of December 2019 were as follows:

(In thousands)	Operating Leases	Finance Leases	Total
Remainder of 2020	$ 42,116	$ 1,006	$ 43,122
2021	417,892	6,532	424,424
2022	300,452	1,910	302,362
2023	223,579	1,626	225,205
2024	146,783	1,550	148,333
Thereafter	334,070	23,495	357,565
Total lease payments	**1,464,892**	**36,119**	**1,501,011**
Less: present value adjustment	99,334	6,483	105,817
Present value of lease liabilities	**$ 1,365,558**	**$ 29,636**	**$ 1,395,194**

The Company excluded approximately $295.0 million of leases (undiscounted basis) that have not yet commenced. These leases will commence beginning in Fiscal 2020 with lease terms of 2 to 15 years.

Future minimum lease payments under operating leases with noncancelable lease terms in excess of one year from continuing operations as of March 2019, prior to the adoption of ASC 842, were as follows:

(In thousands)	Operating Leases
2020	$ 320,224
2021	287,829
2022	212,918
2023	154,920
2024	100,789
Thereafter	251,228
Total lease payments	**$ 1,327,908**

NOTE 11 — PENSION PLANS

The components of pension cost (income) for VF's defined benefit plans were as follows:

(In thousands)	Three Months Ended December 2019	Three Months Ended December 2018	Nine Months Ended December 2019	Nine Months Ended December 2018
Service cost – benefits earned during the period	$ 3,401	$ 6,097	$ 10,192	$ 17,882
Interest cost on projected benefit obligations	14,581	15,807	44,085	47,638
Expected return on plan assets	(23,176)	(23,185)	(69,505)	(70,216)
Settlement charges	24,943	662	25,462	8,846
Curtailments	—	—	—	9,483
Amortization of deferred amounts:				
Net deferred actuarial losses	4,203	6,676	12,236	22,153
Deferred prior service costs (credits)	13	(58)	38	552
Net periodic pension cost (income)	**$ 23,965**	**$ 5,999**	**$ 22,508**	**$ 36,338**

The amounts reported in these disclosures for prior periods have not been segregated between continuing and discontinued operations.

VF has reported the service cost component of net periodic pension cost (income) in operating income and the other components (which include interest cost, expected return on plan assets, amortization of prior service costs (credits) and actuarial losses) in the other income (expense), net line item in the Consolidated Statements of Income.

VF contributed $13.1 million to its defined benefit plans during the nine months ended December 2019, and intends to make approximately $13.2 million of contributions during the remainder of Fiscal 2020.

In the first quarter of Fiscal 2019, VF approved a freeze of all future benefit accruals under the U.S. qualified defined benefit pension plan and the supplemental defined benefit pension plan, effective December 31, 2018. Accordingly, the Company recognized a $9.5 million pension curtailment loss in the other income (expense), net line item in the Consolidated Statement of Income for the nine months ended December 2018.

During the three months ended December 2019, the Company offered former employees in the U.S. qualified plan a one-time option to receive a distribution of their deferred vested benefits. Approximately 2,400 participants accepted a distribution, representing approximately 40% of offered participants and an approximate 10% reduction in the total number of plan participants. In December 2019, the plan paid approximately $130 million in lump-sum distributions to settle approximately $170 million of projected benefit obligations related to these participants. VF recorded a $22.9 million settlement charge in the other income (expense), net line item in the Consolidated Statement of Income during the three months ended December 2019 to recognize the related deferred actuarial losses in accumulated OCI.

Additionally, VF reported $2.0 million and $2.5 million of settlement charges in the other income (expense), net line item in the Consolidated Statements of Income for the three and nine months ended December 2019, respectively, as well as $0.7 million and $8.8 million for the three and nine months ended December 2018, respectively. The settlement charges related to the recognition of deferred actuarial losses resulting from lump sum payments of retirement benefits in the supplemental defined benefit pension plan.

Actuarial assumptions used in the interim valuations were reviewed and revised as appropriate. The discount rates used to determine the pension obligations were as follows:

	December 31, 2019	September 30, 2019
U.S. qualified defined benefit pension plan	3.34%	N/A
Supplemental defined benefit pension plan	3.35%	3.23%

NOTE 12 — CAPITAL AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Common Stock

During the nine months ended December 2019, the Company purchased 5.8 million shares of Common Stock in open market transactions for $500.0 million under its share repurchase program authorized by VF's Board of Directors. These transactions were treated as treasury stock transactions.

Common Stock outstanding is net of shares held in treasury which are, in substance, retired. During the nine months ended December 2019, VF restored 5.8 million treasury shares to an unissued status, after which they were no longer recognized as shares held in treasury. There were no shares held in treasury at the end of December 2019, March 2019 or December 2018. The excess of the cost of treasury shares acquired over the $0.25 per share stated value of Common Stock is deducted from retained earnings.

Prior to March 2019, VF Common Stock was also held by the Company's deferred compensation plans and was treated as treasury shares for financial reporting purposes. As of December 2019, there were no shares held in the Company's deferred compensation plans.

Balances related to shares held for deferred compensation plans were as follows:

(In thousands, except share amounts)	December 2019	March 2019	December 2018
Shares held for deferred compensation plans	—	—	147,464
Cost of shares held for deferred compensation plans	$ —	$ —	$ 2,126

Accumulated Other Comprehensive Income (Loss)

Comprehensive income consists of net income and specified components of other comprehensive income ("OCI"), which relates to changes in assets and liabilities that are not included in net income under GAAP but are instead deferred and accumulated within a separate component of stockholders' equity in the balance sheet. VF's comprehensive income is presented in the Consolidated Statements of Comprehensive Income. The deferred components of OCI are reported, net of related income taxes, in accumulated OCI in stockholders' equity, as follows:

(In thousands)	December 2019	March 2019	December 2018
Foreign currency translation and other	$ (663,319)	$ (725,679)	$ (737,127)
Defined benefit pension plans	(249,530)	(243,184)	(219,644)
Derivative financial instruments	17,477	66,788	70,206
Accumulated other comprehensive income (loss)	**$ (895,372)**	**$ (902,075)**	**$ (886,565)**

The changes in accumulated OCI, net of related taxes, were as follows:

	Three Months Ended December 2019			
(In thousands)	Foreign Currency Translation and Other	Defined Benefit Pension Plans	Derivative Financial Instruments	Total
Balance, September 2019	**$ (715,286)**	**$ (298,326)**	**$ 82,887**	**$ (930,725)**
Other comprehensive income (loss) before reclassifications	51,967	26,827	(46,536)	32,258
Amounts reclassified from accumulated other comprehensive income (loss)	—	21,969	(18,874)	3,095
Net other comprehensive income (loss)	51,967	48,796	(65,410)	35,353
Balance, December 2019	**$ (663,319)**	**$ (249,530)**	**$ 17,477**	**$ (895,372)**

	Three Months Ended December 2018			
(In thousands)	Foreign Currency Translation and Other	Defined Benefit Pension Plans	Derivative Financial Instruments	Total
Balance, September 2018	**$ (665,962)**	**$ (226,039)**	**$ 29,085**	**$ (862,916)**
Other comprehensive income (loss) before reclassifications	(71,165)	1,065	36,619	(33,481)
Amounts reclassified from accumulated other comprehensive income (loss)	—	5,330	4,502	9,832
Net other comprehensive income (loss)	(71,165)	6,395	41,121	(23,649)
Balance, December 2018	**$ (737,127)**	**$ (219,644)**	**$ 70,206**	**$ (886,565)**

In thousands	Nine Months Ended December 2019 Foreign Currency Translation and Other	Defined Benefit Pension Plans	Derivative Financial Instruments	Total
Balance, Balance, March 2019	$ (725,679)	$ (243,184)	$ 66,788	$ (902,075)
Adoption of new accounting standard, ASU 2018-02	(9,088)	(50,402)	(2,371)	(61,861)
Other comprehensive income (loss) before reclassifications	(11,646)	15,108	8,712	12,174
Amounts reclassified from accumulated other comprehensive income (loss)	—	28,154	(47,057)	(18,903)
Spin-off of Jeans Business	83,094	794	(8,595)	75,293
Net other comprehensive income (loss)	62,360	(6,346)	(49,311)	6,703
Balance, December 2019	**$ (663,319)**	**$ (249,530)**	**$ 17,477**	**$ (895,372)**

In thousands	Nine Months Ended December 2018 Foreign Currency Translation and Other	Defined Benefit Pension Plans	Derivative Financial Instruments	Total
Balance, March 2018	$ (476,869)	$ (289,618)	$ (97,543)	$ (864,030)
Other comprehensive income (loss) before reclassifications	(260,258)	39,877	135,041	(85,340)
Amounts reclassified from accumulated other comprehensive income (loss)	—	30,097	32,708	62,805
Net other comprehensive income (loss)	(260,258)	69,974	167,749	(22,535)
Balance, December 2018	**$ (737,127)**	**$ (219,644)**	**$ 70,206**	**$ (886,565)**

Reclassifications out of accumulated OCI were as follows:

(In thousands) Details About Accumulated Other Comprehensive Income (Loss) Components	Affected Line Item in the Consolidated Statements of Income	Three Months Ended December 2019	Three Months Ended December 2018	Nine Months Ended December 2019	Nine Months Ended December 2018
Amortization of defined benefit pension plans:					
Net deferred actuarial losses	Other income (expense), net	$ (4,203)	$ (6,676)	$ (12,236)	$ (22,153)
Deferred prior service (costs) credits	Other income (expense), net	(13)	58	(38)	(552)
Pension curtailment losses and settlement charges	Other income (expense), net	(24,943)	(662)	(25,462)	(18,329)
Total before tax		(29,159)	(7,280)	(37,736)	(41,034)
Tax benefit		7,190	1,950	9,582	10,937
Net of tax		(21,969)	(5,330)	(28,154)	(30,097)
Gains (losses) on derivative financial instruments:					
Foreign exchange contracts	Net sales	(5,507)	772	(11,226)	6,244
Foreign exchange contracts	Cost of goods sold	27,157	(4,570)	60,989	(31,146)
Foreign exchange contracts	Selling, general and administrative expenses	1,231	(1,020)	3,329	(5,240)
Foreign exchange contracts	Other income (expense), net	1,006	690	7,574	(1,673)
Interest rate contracts	Interest expense	(1,324)	(1,263)	(3,920)	(3,739)
Total before tax		22,563	(5,391)	56,746	(35,554)
Tax (expense) benefit		(3,689)	889	(9,689)	2,846
Net of tax		18,874	(4,502)	47,057	(32,708)
Total reclassifications for the period, net of tax		**$ (3,095)**	**$ (9,832)**	**$ 18,903**	**$ (62,805)**

NOTE 13 — STOCK-BASED COMPENSATION

Spin-Off of Jeans Business

In connection with the spin-off of the Jeans business on May 22, 2019, the Company adjusted its outstanding equity awards in accordance with the terms of the Employee Matters Agreement between the Company and Kontoor Brands. Adjustments to the underlying shares and terms of outstanding stock options, restricted stock units ("RSUs") and restricted stock were made to preserve the intrinsic value of the awards immediately before the separation. The adjustment of the underlying shares and exercise prices, as applicable, was determined using a ratio based on the relative values of the VF pre-distribution stock value and the VF post-distribution stock value as determined by the Company. The outstanding awards continue to vest over their original vesting periods. The Company will recognize $13.0 million of total incremental compensation cost related to the adjustment of the VF equity awards, of which $0.2 million and $12.5 million were recognized during the three and nine months ended December 2019, respectively.

In connection with the spin-off, stock options to purchase 756,709 shares of VF Common Stock, 52,018 performance-based RSUs, 79,187 nonperformance-based RSUs and 112,763 restricted shares of VF Common Stock were converted into Kontoor Brands equity awards.

Incentive Equity Awards Granted

During the nine months ended December 2019, VF granted stock options to employees and nonemployee members of VF's Board of Directors to purchase 1,505,009 shares of its Common Stock at a weighted average exercise price of $84.28 per share. The exercise price of each option granted was equal to the fair market value of VF Common Stock on the date of grant. Employee stock options vest in equal annual installments over three years. Stock options granted to nonemployee members of VF's Board of Directors vest upon grant and become exercisable one year from the date of grant.

The grant date fair value of each option award was calculated using a lattice option-pricing valuation model, which incorporated a range of assumptions for inputs as follows:

	Nine Months Ended December 2019
Expected volatility	24% to 27%
Weighted average expected volatility	25%
Expected term (in years)	6.1 to 7.6
Weighted average dividend yield	2.5%
Risk-free interest rate	1.6% to 2.4%
Weighted average fair value at date of grant	$17.19

Also during the nine months ended December 2019, VF granted 274,512 performance-based RSUs to employees that enable them to receive shares of VF Common Stock at the end of a three-year performance cycle. Each performance-based RSU has a potential final payout ranging from zero to two shares of VF Common Stock. The number of shares earned by participants, if any, is based on achievement of three-year financial targets set by the Talent and Compensation Committee of the Board of Directors. Shares will be issued to participants in the year following the conclusion of the three-year performance period. The weighted average fair market value of VF Common Stock at the dates the units were granted was $84.28 per share.

The actual number of performance-based RSUs earned may also be adjusted upward or downward by 25% of the target award, based on how VF's total shareholder return ("TSR") over the three-year period compares to the TSR for companies included in the Standard & Poor's 500 Consumer Discretionary Index. The grant date fair value of the TSR-based adjustment related to the performance-based RSU grants was determined using a Monte Carlo simulation technique that incorporates option-pricing model inputs, and was $7.11 per share.

VF granted 10,780 nonperformance-based RSUs to nonemployee members of the Board of Directors during the nine months ended December 2019. These units vest upon grant and will be settled in shares of VF Common Stock one year from the date of grant. The fair market value of VF Common Stock at the date the units were granted was $84.23 per share.

VF granted 7,500 nonperformance-based RSUs to certain key employees in international jurisdictions during the nine months ended December 2019. These units vest 50% over a two-year period and 50% over a four-year period from the date of grant and each unit entitles the holder to one share of VF Common Stock. The fair market value of VF Common Stock at the date the units were granted was $84.23 per share.

In addition, VF granted 174,042 nonperformance-based RSUs to employees during the nine months ended December 2019. These awards vest 50% over a two-year period and 50% over a four-year period from the date of grant and entitle the holder to one share of VF Common Stock. The weighted average fair market value of VF Common Stock at the dates the units were granted was $84.25 per share.

VF granted 70,884 restricted shares of VF Common Stock to certain members of management during the nine months ended December 2019. These shares vest over periods of up to four years from the date of grant. The weighted average fair market value of VF Common Stock at the dates the shares were granted was $85.63 per share.

NOTE 14 — INCOME TAXES

On May 19, 2019, Switzerland voted to approve the Federal Act on Tax Reform and AHV Financing ("Swiss Tax Act"). Certain provisions of the Swiss Tax Act were enacted during the second quarter of Fiscal 2020, which resulted in adjustments to deferred tax assets and liabilities. A net tax benefit of $164.4 million was recorded during the second quarter. Subsequent to the end of VF's third quarter, the Swiss Tax Act was enacted for purposes of GAAP in the canton of Ticino. As a result, it is expected that adjustments to the amounts previously recorded will be made in VF's fourth quarter, which is the period of enactment in Ticino.

The effective income tax rate for the nine months ended December 2019 was 2.1% compared to 15.5% in the 2018 period. The nine months ended December 2019 included a net discrete tax benefit of $169.7 million, which primarily related to the $164.4 million tax benefit recognized due to the enactment of the Swiss Tax Act. The $169.7 million net discrete tax benefit in the 2019 period reduced the effective income tax rate by 13.9%. The 2018 period included a net discrete tax expense of $14.8 million, which primarily related to a $17.8 million tax benefit related to stock compensation, a $3.4 million net tax expense related to unrecognized tax benefits and interest, a $5.9 million net tax expense related to return to accrual adjustments and a $23.3 million net tax expense related to adjustments to provisional amounts recorded in 2017 under the U.S. Tax Act. The $14.8 million net discrete tax expense in the 2018 period increased the effective income tax rate by 1.4%. Without discrete items, the effective income tax rate for the nine months ended December 2019 increased by 1.9% compared with the 2018 period primarily due to a lower percentage of income in lower tax rate jurisdictions.

VF files a consolidated U.S. federal income tax return, as well as separate and combined income tax returns in numerous state and international jurisdictions. In the U.S., the Internal Revenue Service ("IRS") examinations for tax years through 2015 have been effectively settled. The examination of Timberland's 2011 tax return is ongoing.

In addition, VF is currently subject to examination by various state and international tax authorities. Management regularly assesses the potential outcomes of both ongoing and future examinations for the current and prior years, and has concluded that VF's provision for income taxes is adequate. The outcome of any one examination is not expected to have a material impact on VF's consolidated financial statements. Management believes that some of these audits and negotiations will conclude during the next 12 months.

VF was granted a ruling which lowered the effective income tax rate on taxable earnings for years 2010 through 2014 under Belgium's excess profit tax regime. In February 2015, the European Union Commission ("EU") opened a state aid investigation into Belgium's rulings. On January 11, 2016, the EU announced its decision that these rulings were illegal and ordered that tax benefits granted under these rulings should be collected from the affected companies, including VF.

On March 22, 2016, the Belgium government filed an appeal seeking annulment of the EU decision. Additionally, on June 21, 2016, VF Europe BVBA filed its own application for annulment of the EU decision.

On December 22, 2016, Belgium adopted a law which entitled the Belgium tax authorities to issue tax assessments, and demand timely payments from companies which benefited from the excess profits regime. On January 10, 2017, VF Europe BVBA received an assessment for €31.9 million tax and interest related to excess profits benefits received in prior years. VF Europe BVBA remitted €31.9 million ($33.9 million) on January 13, 2017, which was recorded as an income tax receivable based on the expected success of the aforementioned requests for annulment. An additional assessment of €3.1 million ($3.8 million) was received and paid in January 2018. On February 14, 2019 the General Court annulled the EU decision and on April 26, 2019 the EU appealed the General Court's annulment. Both listed requests for annulment remain open and unresolved. Additionally, the EU has initiated proceedings related to individual rulings granted by Belgium, including the ruling granted to VF. If this matter is adversely resolved, these amounts will not be collected by VF.

During the nine months ended December 2019, the amount of net unrecognized tax benefits and associated interest decreased by $24.4 million to $149.5 million. Management believes that it is reasonably possible that the amount of unrecognized income tax benefits and interest may decrease during the next 12 months by approximately $15.1 million related to the completion of examinations and other settlements with tax authorities and the expiration of statutes of limitations, of which $11.0 million would reduce income tax expense.

NOTE 15 — REPORTABLE SEGMENT INFORMATION

The chief operating decision maker allocates resources and assesses performance based on a global brand view which represents VF's operating segments. The operating segments have been evaluated and combined into reportable segments because they meet the similar economic characteristics and qualitative aggregation criteria set forth in the relevant accounting guidance.

The Company's reportable segments have been identified as: Outdoor, Active and Work. We have included an Other category in the table below for purposes of reconciliation of revenues and profit, but it is not considered a reportable segment. Other includes results related to the sale of non-VF products and transition services primarily related to the sale of the *Nautica*® brand business.

Financial information for VF's reportable segments was as follows:

	Three Months Ended December		Nine Months Ended December	
(In thousands)	2019	2018	2019	2018
Segment revenues:				
Outdoor	$ 1,659,108	$ 1,612,605	$ 3,795,665	$ 3,647,708
Active	1,239,462	1,142,580	3,885,222	3,579,478
Work	480,086	471,875	1,338,184	1,346,829
Other	6,090	652	30,422	10,222
Total segment revenues	**$ 3,384,746**	**$ 3,227,712**	**$ 9,049,493**	**$ 8,584,237**
Segment profit (loss):				
Outdoor	$ 348,995	$ 338,009	$ 525,107	$ 512,635
Active	286,474	272,862	982,240	893,110
Work	54,556	56,178	140,791	156,425
Other	(2,800)	520	(2,035)	3,470
Total segment profit	**687,225**	**667,569**	**1,646,103**	**1,565,640**
Corporate and other expenses [a]	(130,575)	(147,776)	(373,311)	(439,157)
Interest expense, net	(16,814)	(25,220)	(47,639)	(76,894)
Income from continuing operations before income taxes	**$ 539,836**	**$ 494,573**	**$ 1,225,153**	**$ 1,049,589**

[a] Certain corporate overhead and other costs of $25.3 million and $70.9 million for the three and nine-month periods ended December 2018, respectively, previously allocated to the former Jeans segment and Other category for segment reporting purposes, have been reallocated to continuing operations.

NOTE 16 — EARNINGS PER SHARE

(In thousands, except per share amounts)	Three Months Ended December 2019	Three Months Ended December 2018	Nine Months Ended December 2019	Nine Months Ended December 2018
Earnings per share – basic:				
Income from continuing operations	$ 452,747	$ 409,120	$ 1,198,997	$ 886,608
Weighted average common shares outstanding	395,940	395,294	396,806	395,117
Earnings per share from continuing operations	**$ 1.14**	**$ 1.03**	**$ 3.02**	**$ 2.24**
Earnings per share – diluted:				
Income from continuing operations	$ 452,747	$ 409,120	$ 1,198,997	$ 886,608
Weighted average common shares outstanding	395,940	395,294	396,806	395,117
Incremental shares from stock options and other dilutive securities	4,382	4,473	4,693	5,301
Adjusted weighted average common shares outstanding	400,322	399,767	401,499	400,418
Earnings per share from continuing operations	**$ 1.13**	**$ 1.02**	**$ 2.99**	**$ 2.21**

Outstanding options to purchase approximately 1.5 million shares were excluded from the calculations of diluted earnings per share for both the three and nine-month periods ended December 2019, and outstanding options to purchase approximately 0.1 million and 0.6 million shares were excluded from the calculations of diluted earnings per share for the three and nine-month periods ended December 2018, respectively, because the effect of their inclusion would have been anti-dilutive.

In addition, 0.8 million shares of performance-based RSUs were excluded from the calculations of diluted earnings per share for both the three and nine-month periods ended December 2019, and 0.9 million shares of performance-based RSUs were excluded from the calculations of diluted earnings per share for both the three and nine-month periods ended December 2018, because these units were not considered to be contingent outstanding shares in those periods.

NOTE 17 — FAIR VALUE MEASUREMENTS

Financial assets and financial liabilities measured and reported at fair value are classified in a three-level hierarchy that prioritizes the inputs used in the valuation process. A financial instrument's categorization within the valuation hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The hierarchy is based on the observability and objectivity of the pricing inputs, as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Significant directly observable data (other than Level 1 quoted prices) or significant indirectly observable data through corroboration with observable market data. Inputs would normally be (i) quoted prices in active markets for similar assets or liabilities, (ii) quoted prices in inactive markets for identical or similar assets or liabilities, or (iii) information derived from or corroborated by observable market data.
- Level 3 — Prices or valuation techniques that require significant unobservable data inputs. These inputs would normally be VF's own data and judgments about assumptions that market participants would use in pricing the asset or liability.

Recurring Fair Value Measurements

The following table summarizes financial assets and financial liabilities that are measured and recorded in the consolidated financial statements at fair value on a recurring basis:

(In thousands)	Total Fair Value	Fair Value Measurement Using [a] Level 1	Level 2	Level 3
December 2019				
Financial assets:				
Cash equivalents:				
Money market funds	$ 247,270	$ 247,270	$ —	$ —
Time deposits	2,689	2,689	—	—
Derivative financial instruments	51,643	—	51,643	—
Investment securities	134,026	128,409	5,617	—
Financial liabilities:				
Derivative financial instruments	42,979	—	42,979	—
Deferred compensation	145,814	—	145,814	—

(In thousands)	Total Fair Value	Fair Value Measurement Using [a] Level 1	Level 2	Level 3
March 2019				
Financial assets:				
Cash equivalents:				
Money market funds	$ 248,560	$ 248,560	$ —	$ —
Time deposits	8,257	8,257	—	—
Derivative financial instruments	92,771	—	92,771	—
Investment securities	186,698	176,209	10,489	—
Financial liabilities:				
Derivative financial instruments	22,337	—	22,337	—
Deferred compensation	199,336	—	199,336	—

The amounts reported in the table above for the prior period have not been segregated between continuing and discontinued operations. The March 2019 balances include $50.8 million of deferred compensation liabilities and associated assets related to the Jeans business, which were transferred in connection with the spin-off.

[a] There were no transfers among the levels within the fair value hierarchy during the nine months ended December 2019 or the year ended March 2019.

VF's cash equivalents include money market funds and short-term time deposits that approximate fair value based on Level 1 measurements. The fair value of derivative financial instruments, which consist of foreign exchange forward contracts, is determined based on observable market inputs (Level 2), including spot and forward exchange rates for foreign currencies, and considers the credit risk of the Company and its counterparties. Investment securities are held in VF's deferred compensation plans as an economic hedge of the related deferred compensation liabilities. These investments primarily include mutual funds (Level 1) that are valued based on quoted prices in active markets and a separately managed fixed-income fund (Level 2) with underlying investments that are valued based on quoted prices for similar assets in active markets or quoted prices in inactive markets for identical assets. Liabilities related to VF's deferred compensation plans are recorded at amounts due to participants, based on the fair value of the participants' selection of hypothetical investments.

All other financial assets and financial liabilities are recorded in the consolidated financial statements at cost, except life insurance contracts which are recorded at cash surrender value. These other financial assets and financial liabilities include cash held as demand deposits, accounts receivable, short-term borrowings, accounts payable and accrued liabilities. At December 2019 and March 2019, their carrying values approximated fair value. Additionally, at December 2019 and March 2019, the carrying values of VF's long-term debt, including the current portion, were $2,115.2 million and $2,121.1 million, respectively, compared with fair values of $2,392.0 million and $2,318.6 million at those respective dates. Fair value for long-term debt is a Level 2 estimate based on quoted market prices or values of comparable borrowings.

Nonrecurring Fair Value Measurements

Certain non-financial assets, primarily property, plant and equipment, goodwill and intangible assets, are not required to be measured at fair value on a recurring basis and are reported at carrying value. However, these assets are required to be assessed for impairment whenever events or circumstances indicate that their carrying value may not be fully recoverable, and at least annually for goodwill and indefinite-lived intangible assets. In the event an impairment is required, the asset is adjusted to estimated fair value, using market-based assumptions.

During the three months ended September 28, 2019, management performed a quantitative impairment analysis of the Timberland reporting unit goodwill and indefinite-lived trademark intangible asset. Based on the analysis, management concluded both the goodwill and indefinite-lived trademark intangible asset were not impaired. See Critical Accounting Policies and Estimates within Management's Discussion and Analysis for additional discussion.

NOTE 18 — DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Summary of Derivative Financial Instruments

All of VF's outstanding derivative financial instruments are foreign exchange forward contracts. Although derivatives meet the criteria for hedge accounting at the inception of the hedging relationship, a limited number of derivative contracts intended to hedge assets and liabilities are not designated as hedges for accounting purposes. The notional amounts of all outstanding derivative contracts were $2.8 billion at December 2019, $2.8 billion at March 2019 and $2.7 billion at December 2018, consisting primarily of contracts hedging exposures to the euro, British pound, Canadian dollar, Mexican peso, Swiss franc, South Korean won, Swedish krona, Polish zloty, Japanese yen and New Zealand dollar. Derivative contracts have maturities up to 20 months.

The following table presents outstanding derivatives on an individual contract basis:

	Fair Value of Derivatives with Unrealized Gains			Fair Value of Derivatives with Unrealized Losses		
(In thousands)	December 2019	March 2019	December 2018	December 2019	March 2019	December 2018
Foreign currency exchange contracts designated as hedging instruments	$ 46,573	$ 92,356	$ 88,910	$ (42,050)	$ (21,798)	$ (7,197)
Foreign currency exchange contracts not designated as hedging instruments	5,070	415	—	(929)	(539)	(164)
Total derivatives	**$ 51,643**	**$ 92,771**	**$ 88,910**	**$ (42,979)**	**$ (22,337)**	**$ (7,361)**

VF records and presents the fair values of all of its derivative assets and liabilities in the Consolidated Balance Sheets on a gross basis, even though they are subject to master netting agreements. If VF were to offset and record the asset and liability balances of its foreign exchange forward contracts on a net basis in accordance with the terms of its master netting agreements, the amounts presented in the Consolidated Balance Sheets would be adjusted from the current gross presentation to the net amounts as detailed in the following table:

	December 2019		March 2019		December 2018	
(In thousands)	Derivative Asset	Derivative Liability	Derivative Asset	Derivative Liability	Derivative Asset	Derivative Liability
Gross amounts presented in the Consolidated Balance Sheets	$ 51,643	$ (42,979)	$ 92,771	$ (22,337)	$ 88,910	$ (7,361)
Gross amounts not offset in the Consolidated Balance Sheets	(27,958)	27,958	(22,274)	22,274	(7,273)	7,273
Net amounts	**$ 23,685**	**$ (15,021)**	**$ 70,497**	**$ (63)**	**$ 81,637**	**$ (88)**

Derivatives are classified as current or non-current based on maturity dates, as follows:

(In thousands)	December 2019	March 2019	December 2018
Other current assets	$ 49,650	$ 83,582	$ 78,594
Accrued liabilities	(34,710)	(18,590)	(5,540)
Other assets	1,993	9,189	10,316
Other liabilities	(8,269)	(3,747)	(1,821)

Cash Flow Hedges

VF uses derivative contracts primarily to hedge a portion of the exchange risk for its forecasted sales, purchases, production costs, operating costs and intercompany royalties. The effects of cash flow hedging included in VF's Consolidated Statements of Income and Consolidated Statements of Comprehensive Income are summarized as follows:

(In thousands)	Gain (Loss) on Derivatives Recognized in OCI Three Months Ended December		Gain (Loss) on Derivatives Recognized in OCI Nine Months Ended December	
Cash Flow Hedging Relationships	2019	2018	2019	2018
Foreign currency exchange	$ (56,699)	$ 43,836	$ 9,471	$ 153,705

(In thousands)	Gain (Loss) Reclassified from Accumulated OCI into Income Three Months Ended December		Gain (Loss) Reclassified from Accumulated OCI into Income Nine Months Ended December	
Location of Gain (Loss)	**2019**	**2018**	**2019**	**2018**
Net sales	$ (5,507)	$ 772	$ (11,226)	$ 6,244
Cost of goods sold	27,157	(4,570)	60,989	(31,146)
Selling, general and administrative expenses	1,231	(1,020)	3,329	(5,240)
Other income (expense), net	1,006	690	7,574	(1,673)
Interest expense	(1,324)	(1,263)	(3,920)	(3,739)
Total	**$ 22,563**	**$ (5,391)**	**$ 56,746**	**$ (35,554)**

Derivative Contracts Not Designated as Hedges

VF uses derivative contracts to manage foreign currency exchange risk on third-party accounts receivable and payable, as well as intercompany borrowings. These contracts are not designated as hedges, and are recorded at fair value in the Consolidated Balance Sheets. Changes in the fair values of these instruments are recognized directly in earnings. Gains or losses on these contracts largely offset the net transaction losses or gains on the related assets and liabilities. In the case of derivative contracts executed on foreign currency exposures that are no longer probable of occurring, VF de-designates these hedges and the fair value changes of these instruments are also recognized directly in earnings.

Foreign currency exchange contracts not designated as hedges as of December 2019 also include contracts still owned by VF that are related to the former Jeans business. In connection with the spin-off, VF transferred the value of the unrecognized gain on these contracts to Kontoor Brands.

The changes in fair value of derivative contracts not designated as hedges that have been recognized as gains or losses in VF's Consolidated Statements of Income were not material for the three and nine months ended December 2019 and December 2018.

Other Derivative Information

At December 2019, accumulated OCI included $25.5 million of pre-tax net deferred gains for foreign currency exchange contracts that are expected to be reclassified to earnings during the next 12 months. The amounts ultimately reclassified to earnings will depend on exchange rates in effect when outstanding derivative contracts are settled.

VF entered into interest rate swap derivative contracts in 2011 and 2003 to hedge the interest rate risk for issuance of long-term debt due in 2021 and 2033, respectively. In each case, the contracts were terminated concurrent with the issuance of the debt, and the realized gain or loss was deferred in accumulated OCI. The remaining pre-tax net deferred loss in accumulated OCI was $7.8 million at December 2019, which will be reclassified into interest expense in the Consolidated Statements of Income over the remaining terms of the associated debt instruments. VF reclassified $1.3 million and $3.9 million of net deferred losses from accumulated OCI into interest expense for the three and nine-month periods ended December 2019, respectively, and $1.3 million and $3.7 million for the three and nine-month periods ended December 2018, respectively. VF expects to reclassify $5.4 million to interest expense during the next 12 months.

Net Investment Hedge

The Company has designated its €850.0 million of euro-denominated fixed-rate notes as a net investment hedge of VF's investment in certain foreign operations. Because this debt qualified as a nonderivative hedging instrument, foreign currency transaction gains or losses of the debt are deferred in the foreign currency translation and other component of accumulated OCI as an offset to the foreign currency translation adjustments on the hedged investments. During the three and nine-month periods ended December 2019, the Company recognized an after-tax loss of $15.3 million and an after-tax gain of $2.3 million, respectively, in OCI related to the net investment hedge, and an after-tax gain of $10.9 million and $55.8 million for the three and nine-month periods ended December 2018, respectively. Any amounts deferred in accumulated OCI will remain until the hedged investment is sold or substantially liquidated.

NOTE 19 — RESTRUCTURING

The Company typically incurs restructuring charges related to strategic initiatives and cost optimization of business activities, primarily related to severance and employee-related benefits. During the three and nine months ended December 2019, VF leadership approved $3.9 million and $9.7 million, respectively, of restructuring charges. VF recognized $3.7 million and $7.1 million in selling, general and administrative expenses for the three and nine months ended December 2019, respectively, and $0.2 million and $2.6 million in cost of goods sold for the three and nine months ended December 2019, respectively. The Company has not recognized significant incremental costs related to the actions for the year ended March 2019 or prior periods.

Of the $34.9 million total restructuring accrual at December 2019, $34.2 million is expected to be paid out within the next 12 months and is classified within accrued liabilities. The remaining $0.7 million will be paid out beyond the next 12 months and thus is classified within other liabilities.

The activity in the restructuring accrual for the nine-month period ended December 2019 was as follows:

(In thousands)	Severance	Other	Total
Accrual at March 2019	$ 58,106	$ 11,035	$ 69,141
Charges	7,116	2,564	9,680
Cash payments	(33,965)	(11,246)	(45,211)
Adjustments to accruals	3,101	1,144	4,245
Impact of foreign currency	(2,285)	(713)	(2,998)
Accrual at December 2019	**$ 32,073**	**$ 2,784**	**$ 34,857**

Restructuring charges were incurred as follows:

	Three Months Ended December		Nine Months Ended December	
(In thousands)	2019	2018	2019	2018
Outdoor	$ 1,670	$ 2,276	$ 6,400	$ 15,171
Active	322	485	789	3,537
Work	1,460	—	2,084	3,939
Corporate and other	407	1,045	407	3,546
Total	**$ 3,859**	**$ 3,806**	**$ 9,680**	**$ 26,193**

NOTE 20 — CONTINGENCIES

The Company petitioned the U.S. Tax Court to resolve an IRS dispute regarding the timing of income inclusion associated with the 2011 Timberland acquisition. The Company remains confident in our timing and treatment of the income inclusion, and therefore this matter is not reflected in our financial statements. We are vigorously defending our position, and do not expect the resolution to have a material adverse impact on the Company's financial position, results of operations or cash flows. While the IRS argues immediate income inclusion, the Company's position is to include the income over a period of years. As the matter relates to 2011, nearly half of the timing at dispute has passed with the Company including the income, and paying the related tax, on our income tax returns. The Company notes that should the IRS prevail in this timing matter, the net interest expense would be up to $151 million. Further, this timing matter is impacted by the U.S. Tax Act that reduced the U.S. corporate income tax rate from 35% to 21%. If the IRS is successful, this rate differential would increase tax expense by approximately $136 million.

The Company is currently involved in other legal proceedings that are ordinary, routine litigation incidental to the business. The resolution of any particular proceeding is not currently expected to have a material adverse impact on the Company's financial position, results of operations or cash flows.

NOTE 21 — SUBSEQUENT EVENTS

On January 17, 2020, VF's Board of Directors declared a quarterly cash dividend of $0.48 per share, payable on March 20, 2020 to stockholders of record on March 10, 2020.

On January 21, 2020, VF announced that it is considering the divestiture of the occupational portion of its Work segment. The occupational portion of the Work segment is comprised primarily of the following brands and businesses: *Red Kap*®, *VF Solutions*®, *Bulwark*®, *Workrite*®, *Walls*®, *Terra*®, *Kodiak*®, *Work Authority*® and *Horace Small*®.

From December 30, 2019 to February 3, 2020, the Company repurchased approximately 1.9 million shares of Common Stock in open market transactions for $160.5 million (average price per share of $83.59). VF's current intent is to repurchase up to $500.0 million of Common Stock in open market transactions during the fourth quarter of Fiscal 2020. The repurchases are at the Company's discretion and are subject to change based on circumstances.

On February 3, 2020, VF announced the commencement of cash tender offers for any and all of its $300.0 million aggregate principal amount of outstanding 6.00% notes due 2033 and $350.0 million aggregate principal amount of outstanding 6.45% notes due 2037. Additionally, VF issued a notice of redemption for its $500.0 million aggregate principal amount of outstanding 3.50% notes due 2021.

ITEM 2 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

VF Corporation (together with its subsidiaries, collectively known as "VF" or the "Company") uses a 52/53 week fiscal year ending on the Saturday closest to March 31 of each year. The Company's current fiscal year runs from March 31, 2019 through March 28, 2020 ("Fiscal 2020"). Accordingly, this Form 10-Q presents our third quarter of Fiscal 2020. For presentation purposes herein, all references to periods ended December 2019 and December 2018 relate to the fiscal periods ended on December 28, 2019 and December 29, 2018, respectively. References to March 2019 relate to information as of March 30, 2019.

All per share amounts are presented on a diluted basis and all percentages shown in the tables below and the following discussion have been calculated using unrounded numbers. All references to foreign currency amounts below reflect the changes in foreign currency exchange rates from the same period in 2018 and their impact on translating foreign currencies into U.S. dollars. All references to foreign currency amounts also reflect the impact of foreign currency-denominated transactions in countries with highly inflationary economies. VF's most significant foreign currency exposure relates to business conducted in euro-based countries. Additionally, VF conducts business in other developed and emerging markets around the world with exposure to foreign currencies other than the euro, such as Argentina, which is a highly inflationary economy.

On June 1, 2018, VF acquired 100% of the stock of Icon-Altra LLC, plus certain assets in Europe ("Altra"). The business results for Altra have been included in the Outdoor segment. All references to contributions from acquisition below represent the operating results of Altra for the two months ended May 2019, which reflects the one-year anniversary of the acquisition. Refer to Note 4 to VF's consolidated financial statements for additional information on acquisitions.

On October 5, 2018, VF completed the sale of the Van Moer business, which was included in the Work segment. On October 26, 2018, VF completed the sale of the *Reef*® brand business, which was included in the Active segment. All references to dispositions below represent the impact of operating results of the *Reef*® brand and Van Moer businesses through their dates of disposition, for the three and nine months ended December 2018.

On May 22, 2019, VF completed the spin-off of its Jeans business, which included the *Wrangler*®, *Lee*® and *Rock & Republic*® brands, as well as the *VF Outlet*™ business, into an independent, publicly traded company now operating under the name Kontoor Brands, Inc. ("Kontoor Brands"). As a result, VF reported the operating results for the Jeans business in the income (loss) from discontinued operations, net of tax line item in the Consolidated Statements of Income and the related cash flows have been reported as discontinued operations in the Consolidated Statements of Cash Flows, for all periods presented. In addition, the related assets and liabilities have been reported as assets and liabilities of discontinued operations in the Consolidated Balance Sheets, through the date the spin-off was completed.

On April 30, 2018, VF completed the sale of the *Nautica*® brand business. As a result, the *Nautica*® brand business has been reported as discontinued operations in our Consolidated Statements of Income and Consolidated Statements of Cash Flows.

Unless otherwise noted, amounts, percentages and discussion for all periods included below reflect the results of operations and financial condition from VF's continuing operations.

Refer to Note 5 to VF's consolidated financial statements for additional information on discontinued operations and other divestitures.

HIGHLIGHTS OF THE THIRD QUARTER OF FISCAL 2020

- Revenues were up 5% to $3.4 billion compared to the three months ended December 2018, primarily due to the $183.8 million contribution from organic growth, partially offset by a 1% unfavorable impact from foreign currency.
- Active segment revenues increased 8% to $1.2 billion compared to the three months ended December 2018, including a 1% unfavorable impact from foreign currency.
- Outdoor segment revenues increased 3% to $1.7 billion compared to the three months ended December 2018, including a 1% unfavorable impact from foreign currency.
- Direct-to-consumer revenues were up 7% over the 2018 period. E-commerce revenues increased 16% in the current period, including a 1% unfavorable impact from foreign currency. Direct-to-consumer revenues accounted for 46% of net revenues for the three months ended December 2019.
- International revenues increased 8% compared to the three months ended December 2018, including a 1% unfavorable impact from foreign currency. International revenues represented 42% of net revenues in the current period.
- Gross margin increased 110 basis points to 55.7% compared to the three months ended December 2018 primarily driven by a mix-shift to higher margin businesses and a favorable net foreign currency transaction impact.
- Earnings per share increased 11% to $1.13 from $1.02 in the 2018 period. The increase was driven by organic growth in all segments, and continued strength in our direct-to-consumer and international businesses. These improvements were partially offset by the impact from a pension settlement charge, costs related to the relocation of our global headquarters and certain brands to Denver, Colorado, specified strategic business decisions in South America, continued investments in our key strategic growth initiatives and the unfavorable impacts from foreign currency.

ANALYSIS OF RESULTS OF OPERATIONS

Consolidated Statements of Income

The following table presents a summary of the changes in net revenues for the three and nine months ended December 2019 from the comparable periods in 2018:

(In millions)	Three Months Ended December	Nine Months Ended December
Net revenues — 2018	**$ 3,227.7**	**$ 8,584.2**
Organic	183.8	681.7
Acquisition	—	11.8
Dispositions	(4.4)	(96.3)
Impact of foreign currency	(22.4)	(131.9)
Net revenues — 2019	**$ 3,384.7**	**$ 9,049.5**

VF reported a 5% increase in revenues for both the three and nine months ended December 2019, compared to the 2018 periods. The revenue increase in both periods was attributable to organic growth in all segments and continued strength in our direct-to-consumer and international businesses. The increases in both periods were partially offset by lower revenues due to the *Reef*® brand and Van Moer business dispositions and an unfavorable impact from foreign currency. Excluding the impact of foreign currency, international sales grew in every region in both the three and nine months ended December 2019.

Additional details on revenues are provided in the section titled "Information by Reportable Segment."

The following table presents the percentage relationships to net revenues for components of the Consolidated Statements of Income:

	Three Months Ended December		Nine Months Ended December	
	2019	**2018**	**2019**	**2018**
Gross margin (net revenues less cost of goods sold)	55.7%	54.6%	54.3%	53.2%
Selling, general and administrative expenses	38.6	38.5	40.1	39.5
Operating margin	**17.1%**	**16.1%**	**14.3%**	**13.7%**

Gross margin increased 110 basis points in both the three and nine months ended December 2019, compared to the 2018 periods. Gross margin in both the three and nine months ended December 2019 was positively impacted by a mix-shift to higher margin businesses and a favorable net foreign currency transaction impact.

Selling, general and administrative expenses as a percentage of total revenues increased 10 and 60 basis points during the three and nine months ended December 2019, respectively, compared to the 2018 periods. The increase in both periods was primarily due to costs related to the relocation of our global headquarters and certain brands to Denver, Colorado and specified strategic business decisions in South America. The increase in both periods was also due to continued investments in our key strategic growth initiatives. These costs were partially offset by leverage of operating expenses on higher revenues and lower transaction and deal-related costs in both the three and nine months ended December 2019, and a gain of approximately $11 million in the nine months ended December 2019 on the sale of office real estate and related assets in connection with the relocation of VF's global headquarters and certain brands to Denver, Colorado.

Net interest expense decreased $8.4 million and $29.3 million during the three and nine months ended December 2019, respectively, compared to the 2018 periods. The decrease in net interest expense in both the three and nine months ended December 2019 was primarily due to lower rates on decreased borrowings of short-term debt, partially due to repayment activity funded by the cash received from Kontoor Brands, and higher international cash balances in higher yielding currencies. Total outstanding debt averaged $2.6 billion in the nine months ended December 2019 and $3.6 billion in the same period in 2018, with weighted average interest rates of 3.2% and 3.0%, respectively.

Other income (expense), net increased $21.1 million and decreased $34.1 million during the three and nine months ended December 2019, respectively, compared to the 2018 periods. The increase in the three months ended December 2019 was primarily due to higher pension settlement charges of $24.3 million. The increase was partially offset by the estimated loss on sale of $4.5 million recorded in the three months ended December 2018, related to the divestiture of the *Reef*® brand. The decrease in the nine months ended December 2019 was primarily due to losses on sale of $14.4 million and $22.4 million recorded in the nine months ended December 2018, related to the divestitures of the *Reef*® brand and Van Moer businesses, respectively.

The effective income tax rate for the nine months ended December 2019 was 2.1% compared to 15.5% in the 2018 period. The nine months ended December 2019 included a net discrete tax benefit of $169.7 million, which primarily related to the $164.4 million tax benefit recognized due to the enactment of Switzerland's Federal Act on Tax Reform and AHV Financing ("Swiss Tax Act"). The $169.7 million net discrete tax benefit in the 2019 period reduced the effective income tax rate by 13.9%. The 2018 period included a net discrete tax expense of $14.8 million, which primarily related to a $17.8 million tax benefit related to stock compensation, a $3.4 million net tax expense related to unrecognized tax benefits and interest, a $5.9 million net tax expense related to return to accrual adjustments and a $23.3 million net tax expense related to adjustments to provisional amounts recorded in 2017 under the U.S. Tax Cuts and Jobs Act. The $14.8 million net discrete tax expense in the 2018 period increased the effective income tax rate by 1.4%. Without discrete items, the effective income tax rate for the nine months ended December 2019 increased by 1.9% compared with the 2018 period primarily due to a lower percentage of income in lower tax rate jurisdictions.

As a result of the above, income from continuing operations in the three months ended December 2019 was $452.7 million ($1.13 per diluted share) compared to $409.1 million ($1.02 per diluted share) in the 2018 period, and income from continuing operations in the nine months ended December 2019 was $1,199.0 million ($2.99 per diluted share) compared to $886.6 million ($2.21 per diluted share) in the 2018 period. Refer to additional discussion in the "Information by Reportable Segment" section below.

Information by Reportable Segment

VF's reportable segments are: Outdoor, Active and Work. We have included an Other category in the tables below for purposes of reconciliation of revenues and profit, but it is not considered a reportable segment. Included in this Other category are results related to the sale of non-VF products and transition services primarily related to the sale of the *Nautica*® brand business.

Refer to Note 15 to the consolidated financial statements for a summary of results of operations by segment, along with a reconciliation of segment profit to income before income taxes.

The following tables present a summary of the changes in segment revenues and profit in the three and nine months ended December 2019 from the comparable periods in 2018:

Segment Revenues:

	Three Months Ended December				
(In millions)	Outdoor	Active	Work	Other [a]	Total
Segment revenues — 2018	$ 1,612.6	$ 1,142.6	$ 471.9	$ 0.6	$ 3,227.7
Organic	58.7	109.8	10.1	5.2	183.8
Dispositions	—	(3.1)	(1.3)	—	(4.4)
Impact of foreign currency	(12.2)	(9.8)	(0.6)	0.2	(22.4)
Segment revenues — 2019	**$ 1,659.1**	**$ 1,239.5**	**$ 480.1**	**$ 6.0**	**$ 3,384.7**

	Nine Months Ended December				
(In millions)	Outdoor	Active	Work	Other [a]	Total
Segment revenues — 2018	$ 3,647.7	$ 3,579.5	$ 1,346.8	$ 10.2	$ 8,584.2
Organic	195.6	439.0	22.9	24.2	681.7
Acquisition	11.8	—	—	—	11.8
Dispositions	—	(71.3)	(25.0)	—	(96.3)
Impact of foreign currency	(59.4)	(62.0)	(6.5)	(4.0)	(131.9)
Segment revenues — 2019	**$ 3,795.7**	**$ 3,885.2**	**$ 1,338.2**	**$ 30.4**	**$ 9,049.5**

Segment Profit:

	Three Months Ended December				
(In millions)	Outdoor	Active	Work	Other [a]	Total
Segment profit — 2018	$ 338.0	$ 272.9	$ 56.2	$ 0.5	$ 667.6
Organic	12.7	14.4	(1.7)	(5.5)	19.9
Dispositions	—	0.9	0.2	—	1.1
Impact of foreign currency	(1.7)	(1.7)	(0.1)	2.1	(1.4)
Segment profit — 2019	**$ 349.0**	**$ 286.5**	**$ 54.6**	**$ (2.9)**	**$ 687.2**

(In millions)	Nine Months Ended December Outdoor	Active	Work	Other [a]	Total
Segment profit — 2018	**$ 512.6**	**$ 893.1**	**$ 156.4**	**$ 3.5**	**$ 1,565.6**
Organic	19.3	111.9	(14.1)	(8.2)	108.9
Acquisition	(0.2)	—	—	—	(0.2)
Dispositions	—	(6.6)	(0.9)	—	(7.5)
Impact of foreign currency	(6.6)	(16.2)	(0.6)	2.7	(20.7)
Segment profit — 2019	**$ 525.1**	**$ 982.2**	**$ 140.8**	**$ (2.0)**	**$ 1,646.1**

[a] Included in the Other category for the three and nine months ended December 2019 are results primarily related to the sale of non-VF products. The three and nine months ended December 2018 reflect results primarily from transition services related to the sale of the *Nautica*® brand business. Differences in the results as compared to the prior year, other than the impact of foreign currency, are reflected within the "organic" activity.

The following sections discuss the changes in revenues and profitability by segment. For purposes of this analysis, royalty revenues have been included in the wholesale channel for all periods.

Outdoor

(Dollars in millions)	Three Months Ended December 2019	2018	Percent Change	Nine Months Ended December 2019	2018	Percent Change
Segment revenues	$ 1,659.1	$ 1,612.6	2.9%	$ 3,795.7	$ 3,647.7	4.1%
Segment profit	349.0	338.0	3.3%	525.1	512.6	2.4%
Operating margin	21.0%	21.0%		13.8%	14.1%	

The Outdoor segment includes the following brands: *The North Face*®, *Timberland*® (excluding *Timberland PRO*®), *Icebreaker*®, *Smartwool*® and *Altra*®.

Global revenues for Outdoor increased 3% in the three months ended December 2019 compared to 2018, including a 1% unfavorable impact due to foreign currency. Revenues in the Americas region increased 2%. Revenues in the Europe region increased 3%, including a 2% unfavorable impact from foreign currency. Revenues in the Asia-Pacific region increased 6%, including a 1% unfavorable impact from foreign currency.

Global revenues for Outdoor increased 4% in the nine months ended December 2019 compared to the 2018 period, including a 2% unfavorable impact due to foreign currency. Revenues in the Americas region increased 6%, including a 1% unfavorable impact from foreign currency. Revenues in the Europe region decreased 1%, including a 4% unfavorable impact from foreign currency. Revenues in the Asia-Pacific region increased 6%, including a 2% unfavorable impact from foreign currency.

Global revenues for *The North Face*® brand increased 8% in both the three and nine months ended December 2019 compared to the 2018 periods. This includes a 1% unfavorable impact from foreign currency in the nine months ended December 2019. The increase in both periods was due to strong operational growth across all channels and regions, including strong wholesale performance and growth in the direct-to-consumer channel driven by an expanding e-commerce business and comparable store growth.

Global revenues for the *Timberland*® brand (excluding *Timberland PRO*®) decreased 6% and 4% in the three and nine months ended December 2019, respectively, compared to the 2018 periods. The decrease in the three months ended December 2019 reflects overall declines in the wholesale and direct-to-consumer channels and an overall 1% unfavorable impact from foreign currency, which were partially offset by e-commerce growth and increases in China. The decrease in the nine months ended December 2019 was primarily due to an overall decline in the wholesale channel and an overall 2% unfavorable impact from foreign currency, which were partially offset by e-commerce growth and increases in China.

Global direct-to-consumer revenues for Outdoor increased 3% and 4% in the three and nine months ended December 2019, respectively, compared to the 2018 periods. This includes a 1% unfavorable impact from foreign currency in both the three and nine months ended December 2019. The increase in both periods was primarily due to a growing e-commerce business across all regions. Global wholesale revenues increased 2% and 4% in the three and nine months ended December 2019, respectively, compared to the 2018 periods, driven by global growth in *The North Face*® brand in both periods. The changes included a 1% and a 2% unfavorable impact from foreign currency in the three and nine months ended December 2019, respectively.

Operating margin was flat and decreased 30 basis points in the three and nine months ended December 2019, respectively, compared to the 2018 periods. In the three months ended December 2019, increased pricing, leverage of operating expenses on higher revenues, a mix-shift to higher margin businesses and a favorable net foreign currency transaction impact were offset by relocation costs, higher product costs and increased investments in product innovation, demand creation and technology. The decrease in the nine months ended December 2019 was due to relocation costs, higher product costs and increased investments in product innovation, demand creation and technology. The decline was partially offset by leverage of operating expenses on higher revenues, increased pricing, a mix-shift to higher margin businesses and a favorable net foreign currency transaction impact. The decrease in the nine months ended December 2019 was also partially offset by a gain of approximately $11 million on the sale of office real estate and related assets in connection with the relocation of VF's global headquarters and certain brands to Denver, Colorado during the first quarter.

Active

(Dollars in millions)	Three Months Ended December			Nine Months Ended December		
	2019	2018	Percent Change	2019	2018	Percent Change
Segment revenues	$ 1,239.5	$ 1,142.6	8.5%	$ 3,885.2	$ 3,579.5	8.5%
Segment profit	286.5	272.9	5.0%	982.2	893.1	10.0%
Operating margin	23.1%	23.9%		25.3%	25.0%	

The Active segment includes the following brands: *Vans®*, *Kipling®*, *Napapijri®*, *Eastpak®*, *JanSport®*, *Reef®* (through the date of sale) and *Eagle Creek®*.

Global revenues for Active increased 8% in the three months ended December 2019, compared to the 2018 period, driven by growth across all channels and regions. The overall increase includes a 1% unfavorable impact from foreign currency. Revenues in the Americas region increased 8%. Revenues in the Europe region increased 5%, including a 3% unfavorable impact from foreign currency. Revenues in the Asia-Pacific region increased 17%, with a 2% unfavorable impact from foreign currency. The three months ended December 2019 were negatively impacted by the sale of the *Reef®* brand business in October 2018, which resulted in lower revenues of $3.1 million. Excluding the impact of the disposition, revenues in the three months ended December 2019 increased 9% compared to the 2018 period, including a 1% unfavorable impact from foreign currency.

Global revenues for Active increased 9% in the nine months ended December 2019, compared to the 2018 period, driven by growth across all channels and regions. The overall increase includes a 1% unfavorable impact from foreign currency. Revenues in the Americas region increased 9%. Revenues in the Europe region increased 2%, including a 5% unfavorable impact from foreign currency. Revenues in the Asia-Pacific region increased 19%, with a 4% unfavorable impact from foreign currency. The nine months ended December 2019 were negatively impacted by the sale of the *Reef®* brand business in October 2018, which resulted in lower revenues of $71.3 million. Excluding the impact of the disposition, revenues in the nine months ended December 2019 increased 11% compared to the 2018 period, including a 2% unfavorable impact from foreign currency.

Vans® brand global revenues increased 12% and 15% in the three and nine months ended December 2019, respectively, compared to the 2018 periods. These include a 1% and 2% unfavorable impact from foreign currency in the three and nine months ended December 2019, respectively. The increase in both periods was due to strong operational growth across all channels and regions, including strong wholesale performance and direct-to-consumer growth driven by an expanding e-commerce business, comparable store growth and new store openings.

Global direct-to-consumer revenues for Active grew 10% and 14% in the three and nine months ended December 2019, respectively, compared to the 2018 periods, including a 1% unfavorable impact from foreign currency in the nine months ended December 2019. Growth in the direct-to-consumer channel was driven by a growing e-commerce business, comparable store growth and new store openings. Wholesale revenues increased 7% and 4% in the three and nine months ended December 2019, respectively, driven by global growth in the *Vans®* brand in both periods, and included a 1% and a 2% unfavorable impact from foreign currency in the three and nine months ended December 2019, respectively. Excluding the impact of the *Reef®* brand disposition, wholesale revenues increased 7% in both the three and nine months ended December 2019, compared to the 2018 periods. These include a 2% and a 3% unfavorable impact from foreign currency in the three and nine months ended December 2019, respectively.

Operating margin decreased 80 and increased 30 basis points in the three and nine months ended December 2019, respectively, compared to the 2018 periods. The decrease in the three months ended December 2019 reflects increased investments in direct-to-consumer and demand creation, partially offset by leverage of operating expenses on higher revenues, a mix-shift to higher margin businesses and a favorable net foreign currency transaction impact. The increase in the nine months ended December 2019 reflects gross margin expansion driven by a mix-shift to higher margin businesses and products, leverage of operating expenses on higher revenues and a favorable net foreign currency transaction impact, partially offset by increased investments in direct-to-consumer and demand creation.

Work

(Dollars in millions)	Three Months Ended December 2019		Three Months Ended December 2018		Percent Change	Nine Months Ended December 2019		Nine Months Ended December 2018		Percent Change
Segment revenues	$	480.1	$	471.9	1.7 %	$	1,338.2	$	1,346.8	(0.6)%
Segment profit		54.6		56.2	(2.9)%		140.8		156.4	(10.0)%
Operating margin		11.4%		11.9%			10.5%		11.6%	

The Work segment includes the following brands: *Dickies®, Red Kap®, Bulwark®, Timberland PRO®, VF Solutions®, Walls®, Terra®, Workrite®, Kodiak®* and *Horace Small®*.

Global Work revenues increased 2% in the three months ended December 2019, compared to the 2018 period. The revenue increase was primarily due to growth in the *Dickies®* brand and an overall increase in the direct-to-consumer channel driven by e-commerce growth, which was partially offset by declines in the *Red Kap®* and *Bulwark®* brands.

Global Work revenues decreased 1% in the nine months ended December 2019, including a 1% unfavorable impact from foreign currency, compared to the 2018 period. The nine months ended December 2019 were negatively impacted by the sale of the Van Moer business in October 2018, which resulted in lower revenues of $25.0 million. Excluding the impact of the disposition, revenues in the nine months ended December 2019 increased 1%, compared to the 2018 period, including a 1% unfavorable impact from foreign currency. The revenue increase was due to growth in the *Dickies®*, *Timberland PRO®* and *VF Solutions®* brands and an overall increase in the direct-to-consumer channel driven by e-commerce growth. The increase was partially offset by declines in the *Red Kap®* and *Bulwark®* brands.

Dickies® brand global revenues increased 13% and 3% in the three and nine months ended December 2019, respectively, compared to the 2018 periods, including a 1% unfavorable impact from foreign currency in the nine months ended December 2019. The increase in the three months ended December 2019 was primarily due to growth in the Asia-Pacific region, specifically in China, and the Americas region and reflects strong performance in the wholesale and direct-to-consumer channels. The increase in the nine months ended December 2019 was primarily due to growth in the Asia-Pacific region, specifically in China, and reflects increases in the wholesale and direct-to-consumer channels.

Operating margin decreased 50 and 110 basis points in the three and nine months ended December 2019, respectively, compared to the 2018 periods. The decrease in both periods reflects certain higher product costs, increased investments in direct-to-consumer and demand creation and declines in the occupational work businesses. These decreases were partially offset by increased pricing and lower transaction and deal-related costs from the acquisition of the Williamson-Dickie business.

On January 21, 2020, VF announced that it is considering the divestiture of the occupational portion of its Work segment. The occupational portion of the Work segment is comprised primarily of the following brands and businesses: *Red Kap®*, *VF Solutions®*, *Bulwark®*, *Workrite®*, *Walls®*, *Terra®*, *Kodiak®*, *Work Authority®* and *Horace Small®*. Revenues associated with these brands and businesses represent approximately 50% of the total Work segment.

Reconciliation of Segment Profit to Income Before Income Taxes

There are two types of costs necessary to reconcile total segment profit, as discussed in the preceding paragraphs, to consolidated income from continuing operations before income taxes. These costs are (i) corporate and other expenses, discussed below, and (ii) interest expense, net, which was discussed in the "Consolidated Statements of Income" section.

(Dollars in millions)	Three Months Ended December 2019		Three Months Ended December 2018		Percent Change	Nine Months Ended December 2019		Nine Months Ended December 2018		Percent Change
Corporate and other expenses	$	130.6	$	147.8	(11.6)%	$	373.3	$	439.2	(15.0)%
Interest expense, net		16.8		25.2	(33.3)%		47.6		76.9	(38.0)%

Corporate and other expenses are those that have not been allocated to the segments for internal management reporting, including (i) information systems and shared service costs, (ii) corporate headquarters costs, and (iii) certain other income and expenses. The decrease in the three and nine months ended December 2019 was driven by losses on sale of $4.5 million and $14.4 million, respectively, related to the divestiture of the *Reef®* brand that were recorded in the three and nine months ended December 2018, and a $22.4 million loss related to the divestiture of the Van Moer business that was recorded in the nine months ended December 2018. The decrease in both periods was also attributed to corporate overhead and other costs previously allocated to the former Jeans segment that have been reallocated to "Corporate and other expenses" in the three and nine-month periods ended December 2018. Certain of these costs in the three and nine-month periods ended December 2019 have been offset by reimbursements from Kontoor Brands related to transition services. The decrease in the three and nine months ended December 2019 was also due to lower charitable contributions compared to the 2018 periods. The decrease was also attributed to lower transaction and deal related costs in the three and nine months ended December 2019 compared to the 2018 periods. The decrease was partially offset by increased costs related to the relocation of our global headquarters and certain brands to Denver, Colorado and higher pension settlement charges in the three and nine months ended December 2019.

International Operations

International revenues increased 8% and 5% in the three and nine months ended December 2019, respectively, compared to the 2018 periods. Foreign currency negatively impacted international revenue growth by 1% and 3% in the three and nine months ended December 2019, respectively. Revenues in Europe increased 4% and remained flat in the three and nine months ended December 2019, respectively, including a 2% and a 4% unfavorable impact from foreign currency in the three and nine months ended December 2019, respectively. In the Asia-Pacific region, revenues increased 14% and 13% in the three and nine months ended December 2019, respectively, driven by growth in China. Foreign currency negatively impacted revenues in the Asia-Pacific region by 1% and 3% in the three and nine months ended December 2019, respectively. Revenues in the Americas (non-U.S.) region increased 9% in both the three and nine months ended December 2019, including a 2% unfavorable impact from foreign currencies in the nine months ended December 2019. Excluding the impact of dispositions, international revenues increased 8% and 6% in the three and nine months ended December 2019, respectively, including a 2% and a 4% unfavorable impact from foreign currency in the three and nine months ended December 2019, respectively. International revenues were 42% and 41% of total revenues in the three-month periods ended December 2019 and 2018, respectively, and 43% and 44% of total revenues in the nine-month periods ended December 2019 and 2018, respectively.

Direct-to-Consumer Operations

Direct-to-consumer revenues increased 7% and 10% in the three and nine months ended December 2019, respectively, reflecting growth in all regions. Foreign currency negatively impacted direct-to-consumer revenue growth by 1% in the nine months ended December 2019. The increase in direct-to-consumer revenues for both periods was due to an expanding e-commerce business, which grew 16% and 17% in the three and nine months ended December 2019, respectively. The e-commerce growth includes a 1% and a 2% unfavorable impact from foreign currency in the three and nine months ended December 2019, respectively. The increase in direct-to-consumer revenues for both periods was also due to comparable store growth for locations open at least twelve months at each reporting date, and new store openings. There were 1,438 VF-owned retail stores at December 2019 compared to 1,420 at December 2018. Direct-to-consumer revenues were 46% and 45% of total revenues in the three-month periods ended December 2019 and 2018, respectively. Direct-to-consumer revenues were 39% and 37% of total revenues in the nine-month periods ended December 2019 and 2018, respectively.

Consolidated Balance Sheets

The following discussion refers to significant changes in balances at December 2019 compared to March 2019:

- *Increase in accounts receivable* — primarily due to the seasonality of the business and increased wholesale shipments.
- *Increase in inventories* — primarily due to the seasonality of the business, including mixed results during the 2019 holiday season, primarily impacting the Americas region, and higher inventory levels in the occupational work businesses.
- *Decrease in other current assets* — due to lower prepaid expenses and a decrease in derivative assets.
- *Increase in operating lease right-of-use assets* — due to amounts recorded in connection with the adoption of Financial Accounting Standards Board Accounting Standards Codification Topic 842, *Leases* ("ASC 842").
- *Increase in other assets* — primarily due to an increase in deferred tax assets due to the enactment of certain provisions of the Swiss Tax Act.
- *Decrease in short-term borrowings* — due to net repayment of commercial paper borrowings including the use of funds provided by the cash received from Kontoor Brands.
- *Decrease in accounts payable* — due to the timing of payments to vendors.
- *Increase in accrued liabilities* — primarily due to amounts recorded for operating lease liabilities in connection with the adoption of ASC 842.
- *Increase in operating lease liabilities* — due to amounts recorded for operating lease liabilities in connection with the adoption of ASC 842.
- *Decrease in other liabilities* — primarily due to the reclassification of deferred rent credits from other liabilities to operating lease right-of-use assets in connection with the adoption of ASC 842.

The following discussion refers to significant changes in balances at December 2019 compared to December 2018:

- *Increase in inventories* — driven by growth in the business, higher inventory levels in the occupational work businesses and mixed results during the 2019 holiday season, primarily impacting the Americas region.
- *Increase in operating lease right-of-use assets* — due to amounts recorded in connection with the adoption of ASC 842.
- *Increase in other assets* — primarily due to an increase in deferred tax assets due to the enactment of certain provisions of the Swiss Tax Act.
- *Decrease in short-term borrowings* — due to net repayment of commercial paper borrowings including the use of funds provided by the cash received from Kontoor Brands.
- *Decrease in accounts payable* — driven by the timing of payments to vendors.
- *Increase in accrued liabilities* — primarily due to amounts recorded for the current portion of operating lease liabilities in connection with the adoption of ASC 842.
- *Increase in operating lease liabilities* — due to amounts recorded for operating lease liabilities in connection with the adoption of ASC 842.
- *Decrease in other liabilities* — primarily due to the reclassification of deferred rent credits from other liabilities to operating lease right-of-use assets in connection with the adoption of ASC 842.

Liquidity and Capital Resources

The financial condition of VF is reflected in the following:

(Dollars in millions)	December 2019	March 2019	December 2018
Working capital	$2,193.6	$1,377.3	$1,479.6
Current ratio	2.1 to 1	1.6 to 1	1.6 to 1
Debt to total capital	43.6%	39.3%	39.6%

The increase in the current ratio at December 2019 compared to both March 2019 and December 2018 was primarily due to a net decrease in current liabilities driven by lower short-term borrowings and a net increase in current assets driven by higher inventory balances, as discussed in the "Consolidated Balance Sheets" section above and higher cash balances due to cash received from Kontoor Brands, as discussed in the "Cash Used by Financing Activities" section below. The increase in the current ratio at December 2019 compared to March 2019 was also due to higher accounts receivable balances, as discussed in the "Consolidated Balance Sheets" section above. Both comparisons were negatively impacted by the recording of the current portion of operating lease liabilities in accrued liabilities in the December 2019 period in connection with the adoption of ASC 842.

For the ratio of debt to total capital, debt is defined as short-term and long-term borrowings, in addition to operating lease liabilities, beginning in the Fiscal 2020 periods. Total capital is defined as debt plus stockholders' equity. The increase in the debt to total capital ratio at December 2019 compared to both March 2019 and December 2018 was attributed to the increase in operating lease liabilities, partially offset by the decrease in short-term borrowing, as discussed in the "Consolidated Balance Sheets" section above, and increases in stockholders' equity in both periods. The increase in stockholders' equity in both periods was driven by net income and stock-based compensation activity, partially offset by payments of dividends and purchases of treasury stock. Excluding the operating lease liabilities, the debt to total capital ratio was 32.2% as of December 2019.

VF's primary source of liquidity is the strong annual cash flow from operating activities. Cash from operations is typically lower in the first half of the calendar year as inventory builds to support peak sales periods in the second half of the calendar year. Cash provided by operating activities in the second half of the calendar year is substantially higher as inventories are sold and accounts receivable are collected. Additionally, direct-to-consumer sales are highest in the fourth quarter of the calendar year.

In summary, our cash flows from continuing operations were as follows:

	Nine Months Ended December	
(In thousands)	2019	2018
Cash provided by operating activities	$ 828,413	$ 1,111,726
Cash used by investing activities	(171,629)	(129,095)
Cash used by financing activities	(622,122)	(1,437,727)

Cash Provided by Operating Activities

Cash flow related to operating activities is dependent on net income, adjustments to net income and changes in working capital. The decrease in cash provided by operating activities in the nine months ended December 2019 compared to December 2018 is primarily due to an increase in net cash usage for working capital, partially offset by higher net income in the nine months ended December 2019. The increase in net cash usage for working capital includes timing differences related to VF's annual bonus payouts and timing of payments for transaction and deal-related costs, relocation and other strategic business decisions.

Cash Used by Investing Activities

The increase in cash used by investing activities in the nine months ended December 2019 related primarily to $430.3 million of proceeds from the sale of businesses, net of cash sold in the nine months ended December 2018, partially offset by $320.4 million of net cash paid for acquisitions in the nine months ended December 2018 and $63.7 million from the sale of office real estate and related assets in connection with the relocation of VF's global headquarters and certain brands to Denver, Colorado in the nine months ended December 2019. Capital expenditures increased $6.0 million compared to the 2018 period.

Cash Used by Financing Activities

The decrease in cash used by financing activities during the nine months ended December 2019 was primarily due to $906.1 million of cash received from Kontoor Brands, net of cash transferred, and a decrease in cash used for short-term borrowings, partially offset by a $349.3 million increase in treasury stock purchases during the nine months ended December 2019.

During the nine months ended December 2019, VF purchased 5.8 million shares of its Common Stock in open market transactions at a total cost of $500.0 million (average price per share of $85.61) under the share repurchase program authorized by VF's Board of Directors. During the nine months ended December 2018, VF purchased 1.9 million shares of its Common Stock in open market transactions at a total cost of $150.7 million (average price per share of $80.62).

As of the end of December 2019, the Company had $3.3 billion remaining for future repurchases under its share repurchase program. From December 30, 2019 to February 3, 2020, the Company repurchased approximately 1.9 million shares of Common Stock in open market transactions for $160.5 million (average price per share of $83.59). VF's current intent is to repurchase up to $500.0 million of Common Stock in open market transactions during the fourth quarter of Fiscal 2020. The repurchases are at the Company's discretion and are subject to change based on circumstances. VF will continue to evaluate its use of capital, giving first priority to business acquisitions and then to direct shareholder return in the form of dividends and share repurchases.

VF relies on continued strong cash generation to finance its ongoing operations. In addition, VF has significant liquidity from its available cash balances and credit facilities. VF maintains a $2.25 billion senior unsecured revolving line of credit (the "Global Credit Facility") that expires December 2023. VF may request an unlimited number of one year extensions so long as each extension does not cause the remaining life of the Global Credit Facility to exceed five years, subject to stated terms and conditions. The Global Credit Facility may be used to borrow funds in both U.S. dollar and certain non-U.S. dollar currencies, and has a $50.0 million letter of credit sublimit. In addition, the Global Credit Facility supports VF's U.S. commercial paper program for short-term, seasonal working capital requirements and general corporate purposes, including share repurchases and acquisitions. Outstanding short-term balances may vary from period to period depending on the level of corporate requirements.

VF has a commercial paper program that allows for borrowings of up to $2.25 billion to the extent that it has borrowing capacity under the Global Credit Facility. Commercial paper borrowings and standby letters of credit issued as of December 2019 were $40.0 million and $14.8 million, respectively, leaving approximately $2.2 billion available for borrowing against the Global Credit Facility at December 2019.

VF has $186.0 million of international lines of credit with various banks, which are uncommitted and may be terminated at any time by either VF or the banks. Total outstanding balances under these arrangements were $16.0 million at December 2019.

VF's credit agency ratings allow for access to additional liquidity at competitive rates. At the end of December 2019, VF's long-term debt ratings were 'A' by Standard & Poor's Ratings Services and 'A3' by Moody's Investors Service, and commercial paper ratings by those rating agencies were 'A-1' and 'Prime-2', respectively.

None of VF's long-term debt agreements contain acceleration of maturity clauses based solely on changes in credit ratings.

However, if there were a change in control of VF and, as a result of the change in control, the 2021, 2023 and 2037 notes were rated below investment grade by recognized rating agencies, VF would be obligated to repurchase the notes at 101% of the aggregate principal amount, plus any accrued and unpaid interest.

On February 3, 2020, VF announced the commencement of cash tender offers for any and all of its $300.0 million aggregate principal amount of outstanding 6.00% notes due 2033 and $350.0 million aggregate principal amount of outstanding 6.45% notes due 2037. Additionally, VF issued a notice of redemption for its $500.0 million aggregate principal amount of outstanding 3.50% notes due 2021.

Management's Discussion and Analysis in the Fiscal 2019 Form 10-K provided a table summarizing VF's contractual obligations and commercial commitments at the end of Fiscal 2019 that would require the use of funds. As of December 2019, there have been no material changes in the amounts disclosed in the Fiscal 2019 Form 10-K, except as noted below:

- Contractual obligations and commercial commitments at the end of Fiscal 2019 included approximately $349 million of inventory obligations related to the Jeans business, which is now classified as discontinued operations.
- Inventory purchase obligations decreased by approximately $600 million at the end of December 2019 primarily due to the timing of sourcing activities.
- In addition to operating lease liabilities recorded in VF's Consolidated Balance Sheet, the Company has entered into approximately $295 million of leases that have not yet commenced, primarily related to certain distribution center facilities.

Management believes that VF's cash balances and funds provided by operating activities, as well as its Global Credit Facility, additional borrowing capacity and access to capital markets, taken as a whole, provide (i) adequate liquidity to meet all of its current and long-term obligations when due, (ii) adequate liquidity to fund capital expenditures and to maintain the planned dividend payout rate, and (iii) flexibility to meet investment opportunities, including acquisitions, that may arise.

Recent Accounting Pronouncements

Refer to Note 2 to VF's consolidated financial statements for information on recently issued and adopted accounting standards.

Critical Accounting Policies and Estimates

Management has chosen accounting policies it considers to be appropriate to accurately and fairly report VF's operating results and financial position in conformity with generally accepted accounting principles in the United States of America. Our critical accounting policies are applied in a consistent manner. Significant accounting policies are summarized in Note 1 to the consolidated financial statements included in the Fiscal 2019 Form 10-K.

The application of these accounting policies requires management to make estimates and assumptions about future events and apply judgments that affect the reported amounts of assets, liabilities, revenues, expenses, contingent assets and liabilities, and related disclosures. These estimates, assumptions and judgments are based on historical experience, current trends and other factors believed to be reasonable under the circumstances. Management evaluates these estimates and assumptions, and may retain outside consultants to assist in the evaluation. If actual results ultimately differ from previous estimates, the revisions are included in results of operations in the period in which the actual amounts become known.

The accounting policies that involve the most significant estimates, assumptions and management judgments used in preparation of the consolidated financial statements, or are the most sensitive to change from outside factors, are discussed in Management's Discussion and Analysis in the Fiscal 2019 Form 10-K.

Except as it relates to VF's adoption of ASC 842 as disclosed in Note 2 and Note 10 to VF's consolidated financial statements, there have been no material changes in VF's accounting policies.

The following discussion provides additional detail of critical accounting estimates during the nine months ended December 2019.

Timberland Reporting Unit and Indefinite-Lived Intangible Asset Impairment Analysis

During the three months ended September 28, 2019 ("September 2019"), management determined that the recent downturn in the historical financial results, combined with a downward revision to the forecast included in VF's updated strategic growth plan, was a triggering event that required management to perform a quantitative impairment analysis of both the Timberland reporting unit goodwill, which includes the *Timberland®* brand, and the Timberland indefinite-lived trademark intangible asset, which includes both the *Timberland®* and *Timberland PRO®* brands. Based on the analysis, management concluded both the goodwill and indefinite-lived intangible asset were not impaired. For goodwill, the estimated fair value of the reporting unit exceeded the carrying value by 27%. The estimated fair value of the indefinite-lived trademark intangible asset exceeded its carrying value by a significant amount. The carrying values of the goodwill and indefinite-lived trademark intangible asset at the August 24, 2019 testing date were $733.5 million and $1,010.1 million, respectively. The Timberland reporting unit is included in the Outdoor reportable segment.

The fair values of the Timberland reporting unit and indefinite-lived trademark intangible asset were estimated using valuation techniques consistent with those discussed in the Critical Accounting Policies and Estimates section included in Management's Discussion and Analysis in the Fiscal 2019 Form 10-K.

Management's revenue and profitability forecasts used in the Timberland reporting unit and indefinite-lived trademark intangible asset valuations considered historical performance, strategic initiatives and industry trends. Assumptions used in the valuations were similar to those that would be used by market participants performing independent valuations of the business.

Key assumptions developed by management and used in the quantitative analysis of the Timberland reporting unit and indefinite-lived trademark intangible asset include:

- Financial projections and future cash flows, including terminal growth rates based on the expected long-term growth rate of the brand;
- Royalty rates based on market data as well as active license agreements of the brand; and,
- Market-based discount rates.

The valuation model used by management in the impairment testing assumes recovery from the recent downturn in the brand's operating results and the return to growth rates and profitability more in-line with historical operating trends. If the brand is unable to achieve the financial projections, an impairment could occur in the future.

Management's estimates were based on information available as of the date of our assessment. Although management believes the estimates and assumptions used in the impairment testing are reasonable and appropriate, it is possible that VF's assumptions and conclusions regarding impairment of the Timberland reporting unit goodwill or indefinite-lived trademark intangible asset could change in future periods. There can be no assurance the estimates and assumptions, particularly our long-term financial projections, used in our impairment testing during the three months ended September 2019 will prove to be accurate predictions of the future. For example, variations in our assumptions related to brand performance and execution of planned growth strategies, discount rates, or comparable company market approach inputs could impact future conclusions. A future impairment charge of the Timberland reporting unit goodwill or indefinite-lived trademark intangible asset could have a material effect on VF's consolidated financial position and results of operations.

Management performed a sensitivity analysis on the impairment model used to test the Timberland reporting unit goodwill. In doing so, management determined that individual changes of a 100 basis point decrease in the compound annual growth rate for revenues, a 100 basis point decrease in the compound annual growth rate for earnings before interest, tax, depreciation and amortization ("EBITDA"), or a 100 basis point increase in the discount rate used in the discounted cash flow model did not cause the estimated fair value of the reporting unit to decline below its carrying value.

The Company owns a broad, diverse portfolio of other brands and businesses for which material amounts of goodwill and intangible assets have been recorded in the Consolidated Balance Sheets. Management continuously evaluates the current and future performance of VF's brands and businesses, as well as other relevant factors, in assessing the recoverability of these assets. There can be no assurances that the estimates and assumptions used in our long-term financial projections, among other factors, will prove to be accurate predictions of the future. As such, a future impairment charge of goodwill or intangible assets could occur, and if so, could have a material effect on VF's consolidated financial position and results of operations.

Cautionary Statement on Forward-looking Statements

From time to time, VF may make oral or written statements, including statements in this quarterly report that constitute "forward-looking statements" within the meaning of the federal securities laws. These include statements concerning plans, objectives, projections and expectations relating to VF's operations or economic performance and assumptions related thereto. Forward-looking statements are made based on management's expectations and beliefs concerning future events impacting VF and therefore involve a number of risks and uncertainties. Forward-looking statements are not guarantees, and actual results could differ materially from those expressed or implied in the forward-looking statements.

Potential risks and uncertainties that could cause the actual results of operations or financial condition of VF to differ materially from those expressed or implied by forward-looking statements in this release include, but are not limited to: risks associated with the spin-off of our Jeanswear business completed on May 22, 2019, including the risk that VF will 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 VF. There are also risks associated with the relocation of our global headquarters and a number of brands to the metro Denver area, including the risk of significant disruption to our operations, the temporary diversion of management resources and loss of key employees who have substantial experience and expertise in our business, the risk that we may encounter difficulties retaining employees who elect to transfer and attracting new talent in the Denver area to replace our employees who are unwilling to relocate, the risk that the relocation may involve significant additional costs to us and that the expected benefits of the move may not be fully realized. Other risks include foreign currency fluctuations; the level of consumer demand for apparel, footwear and accessories; disruption to VF's distribution system; the financial strength of VF's customers; fluctuations in the price, availability and quality of raw materials and contracted products; disruption and volatility in the global capital and credit markets; VF's 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; VF's ability to implement its business strategy; VF's ability to grow its international and direct-to-consumer businesses; VF's and its vendors' ability to maintain the strength and security of information technology systems; the risk that VF's facilities and systems and those of our third-party service providers may be vulnerable to and unable to anticipate or detect data security breaches and data or financial loss; VF's ability to properly collect, use, manage and secure consumer and employee data; stability of VF's manufacturing facilities and foreign suppliers; continued use by VF's suppliers of ethical business practices; VF's ability to accurately forecast demand for products; continuity of members of VF's management; VF's ability to protect trademarks and other intellectual property rights; possible goodwill and other asset impairment; maintenance by VF's licensees and distributors of the value of VF's brands; VF's ability to execute and integrate acquisitions; changes in tax laws and liabilities; legal, regulatory, political and economic risks; the risk of economic uncertainty associated with 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 VF's financial results is included from time to time in VF's public reports filed with the Securities and Exchange Commission, including VF's Annual Report on Form 10-K.

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There have been no significant changes in VF's market risk exposures from what was disclosed in Item 7A in the Fiscal 2019 Form 10-K.

ITEM 4 — CONTROLS AND PROCEDURES.

Disclosure controls and procedures:

Under the supervision of the Chief Executive Officer and Chief Financial Officer, a Disclosure Committee comprising various members of management has evaluated the effectiveness of the disclosure controls and procedures at VF and its subsidiaries as of the end of the period covered by this quarterly report (the "Evaluation Date"). Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded as of the Evaluation Date that such controls and procedures were effective.

Changes in internal control over financial reporting:

There have been no changes during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, VF's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS.

Information on VF's legal proceedings is set forth under Part I, Item 3, "Legal Proceedings," in the Fiscal 2019 Form 10-K. There have been no material changes to the legal proceedings from those described in the Fiscal 2019 Form 10-K.

ITEM 1A — RISK FACTORS.

You should carefully consider the risk factors set forth under Part I, Item 1A, "Risk Factors," in the Fiscal 2019 Form 10-K. There have been no material changes to the risk factors from those disclosed in the Fiscal 2019 Form 10-K.

ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

(c) Issuer purchases of equity securities:

The following table sets forth VF's repurchases of our Common Stock during the fiscal quarter ended December 28, 2019 under the share repurchase program authorized by VF's Board of Directors in 2017.

Third Quarter Fiscal 2020	Total Number of Shares Purchased	Weighted Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Dollar Value of Shares that May Yet be Purchased Under the Program
September 29 - October 26, 2019	—	$ —	—	$ 3,836,982,574
October 27 - November 23, 2019	5,168,698	85.37	5,168,698	3,395,709,327
November 24 - December 28, 2019	671,852	87.42	671,852	3,336,979,318
Total	**5,840,550**		**5,840,550**	

VF will continue to evaluate future share repurchases, considering funding required for business acquisitions, VF's Common Stock price and levels of stock option exercises.

10.1	Executive Deferred Savings Plan II, as amended and restated as of January 1, 2020
31.1	Certification of Steven E. Rendle, Chairman, President and Chief Executive Officer, pursuant to 15 U.S.C. Section 10A, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Scott A. Roe, Executive Vice President and Chief Financial Officer, pursuant to 15 U.S.C. Section 10A, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Steven E. Rendle, Chairman, President and Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Scott A. Roe, Executive Vice President and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

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 thereunto duly authorized.

V.F. CORPORATION
(Registrant)

By: /s/ Scott A. Roe
Scott A. Roe
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: February 4, 2020

By: /s/ Bryan H. McNeill
Bryan H. McNeill
Vice President, Controller and Chief Accounting Officer
(Principal Accounting Officer)

VF EXECUTIVE DEFERRED SAVINGS PLAN II

(Adopted January 1, 2005 and amended and restated effective January 1, 2020)

Prior to 2005, VF Corporation maintained the VF Executive Deferred Savings Plan (the "Old EDSP"). In response to the addition of section 409A to the Internal Revenue Code of 1986, as amended (the "Code"), VF Corporation ceased participation in the Old EDSP effective December 31, 2004 and adopted the VF Executive Deferred Savings Plan II (the "Plan") effective January 1, 2005 which served as an interim plan until necessary revisions, effective January 1, 2009, could be made to bring the Plan into documentary compliance with Code section 409A. The Old EDSP shall continue to hold those vested accounts under the Old Plan as of December 31, 2004. The Plan was amended and restated pursuant to a document effective January 1, 2009 and dated October 30, 2008, and again amended and restated effective December 1, 2012 and further amended and restated effective January 1, 2015. The Company now amends and restates the Plan document, effective January 1, 2020, to, among other things, (i) permit deferrals of compensation below the limit under section 401(a)(17) of the Code, (ii) change the definition of eligible employee and (iii) add an in-service distribution option.

The intention of VF Corporation is that the Plan be at all times maintained on an unfunded basis for federal income tax purposes, administered as a "top hat" plan exempt from the substantive requirements of the Employee Retirement Income Security Act of 1974, as amended, and operated in accordance with the requirements of section 409A of the Code.

SECTION I

DEFINITIONS

Unless otherwise required by the context, the terms used herein shall have the meanings as set forth below:

1. "**Accrued Benefit**" means the sum of a Participant's Basic Deferrals and the vested portion of the Participating Employer's Matching Deferrals and Company Retirement Deferrals. A Participant's Accrued Benefit shall also include any Matching Deferrals that, as of December 31, 2004, were not vested under the Old EDSP.

2. "**Basic Deferral**" means that percentage of a Participant's Earnings elected to be deferred under the terms of this Plan.

3. "**Beneficiary**" means the individual or entity named pursuant to the Plan to receive benefit payments hereunder in the event of the death of the Participant. In the case of any Participant who also was a participant in the Old EDSP, such Participant's Beneficiary under this Plan shall be the same Beneficiary designated by the Participant under the Old EDSP unless and until a different Beneficiary is otherwise designated.

4. "**Change of Control**" means, for purposes of vesting under Article III, the same as it does in the Company's change of control agreements with its senior management in place at the relevant time; provided, however, that if there is ever a time that the Company no longer has any such agreements in place with its senior management, then the Committee shall determine the meaning of "Change of Control." Notwithstanding the foregoing, for purposes of benefit entitlement under Article VI and payment rights under Article VII, when used in connection with a Participating Employer (including the Company), "Change of Control" means the same as "change in the ownership or effective control of a corporation" under Code section 409A.

5. "**Code**" means the Internal Revenue Code of 1986, as amended.

6. "**Code Section 409A**" means, collectively, Section 409A of the Code and any Treasury regulations and guidance issued thereunder.

7. "**Committee**" means the VF Retirement Plans Committee, as appointed from time to time by the Chief Executive Officer of the Company.

8. "**Company**" means VF Corporation, a Pennsylvania corporation.

9. "**Company Controlled Group**" shall include the Company and each related company or business which is part of the same controlled group under Code sections 414(b) or 414(c); provided that in applying Code sections 1563(a)(1) - (a)(3) for purposes of determining a controlled group of corporations under Code section 414(b) and in applying Treasury Regulation section 1.414(c)-2 for purposes of determining whether trades or businesses are under common control under Code section 414(c), the phrase "at least 50 percent" is used instead of "at least 80 percent."

10. "**Company Retirement Deferral**" means the additional deferral amount credited to a Participant by a Participating Employer under the terms of Subsection 3 of Section III of this Plan.

11. "**Deferrals"** means, collectively, a Participant's Basic, Matching, and Company Retirement Deferrals under the Plan (and, unless specified otherwise, shall include any gains or losses attributable thereto).

12. "**Earnings**" means the Participant's salary and any cash bonus payments made to Participant by a Participating Employer in the relevant year under a Participating Employer's performance-based incentive compensation plans. For purposes of the Plan, Earnings shall be determined without regard to any salary or bonus deferrals or reductions which may be made by a Participant pursuant to section 401(k) or section 125 of the Code. However, earnings shall not include: (i) any reimbursement for expenses paid to a Participant by a Participating Employer; (ii) any payments or contributions made by a Participating Employer to a plan or arrangement, on behalf of a Participant, which results in imputed income to the Participant for federal income tax purposes; or (iii) any compensation attributable to stock incentives such as stock option exercises, restricted stock, or restricted stock units. The Committee may, in its discretion and from time to time, identify additional forms of compensation to be included in or excluded from the Participant's Earnings.

13. "**Initial Eligibility Date**" means the earliest date on which a newly eligible employee may participate in the Plan. The Initial Eligibility Date of an employee hired after December 31, 2019 shall be the date on which the employee completes a three (3) consecutive month period of employment with a Participating Employer. Notwithstanding the foregoing, the Initial Eligibility Date may not be earlier than the date the employee is notified, in writing, by the Participating Employer of the material terms of the Plan.

14. "**Matching Deferral**" means the additional deferral amount credited to a Participant by a Participating Employer under the terms of Subsection 2 of Section III of this Plan. In addition, the term "Matching Deferral" shall include any matching deferrals (and any gains and losses credited thereon) that, as of December 31, 2004, were not vested under the Old EDSP.

15. "**Old EDSP"** means the VF Executive Deferred Savings Plan, as it may be amended from time to time.

16. "**Participant**" means an eligible employee who participates in this Plan in accordance with its provisions.

17. "**Participating Employer**" means the Company and each related company or business within the Company Controlled Group the eligible employees of which are designated by the Committee to participate in this Plan with respect to Basic and Matching Deferrals. and/or Company Retirement Deferrals (if such deferrals are provided).

18. "**Performance-Based Compensation**" shall have the meaning as set forth under Code section 409A.

19. "**Plan**" means the VF Executive Deferred Savings Plan II as it may be amended subsequently from time to time.

20. "**Plan Year**" means the calendar year.

21. "**Service**" means the vesting service as is recognized for the Participant under the VF 401k Savings Plan.

22. "**Severance from Service**" shall have the same meaning as the term "separation from service" as set forth under Code section 409A. Notwithstanding the foregoing, a Severance from Service does not occur if a Participant is transferred to another Participating Employer or any member of the Company Controlled Group.

23. "**Specified Employee**" means as of any given date, the one-hundred (100) highest compensated employees as of the end of the preceding Plan Year; provided that the group of one-hundred (100) employees shall include at least fifty (50) officers (except to the extent that there are fewer than fifty (50) officers, in which case the group shall include all officers), and provided further that such group of employees and officers shall be determined from a listing of same drawn from the Company Controlled Group, and complied as of the end of such preceding Plan Year.

24. "**Spouse**" means the person to whom the Participant is legally married at the time relevant to any determination under the Plan.

25. "**Total Disability**" means a physical or mental impairment that qualifies a Participant for disability benefits under a long-term disability benefits plan maintained by the Participant's Participating Employer and/or eligibility for disability benefits under the Social Security Act; provided that such impairment would also qualify as a "disability" as defined in Code section 409A. All determinations of Total Disability for purposes of this Plan shall be based on the fact that the Participant is in receipt of disability payments under either or both the above-referenced disability benefits plans.

SECTION II

ELIGIBILITY

1. **Requirements**. An individual shall be eligible to elect to contribute Basic Deferrals and be credited with Matching Deferrals if he or she is working for a Participating Employer in a capacity classified by the Participating Employer as that of an employee and, for compensation purposes, is assigned by the Participating Employer to global job level 8 or above and is earning $200,000 or more in annual base salary. An employee shall be eligible to participate only if the employee is so notified, in writing, by the Participating Employer of the material terms of the Plan.

2. **Participation**. Participation in this Plan by an eligible employee is voluntary with respect to the right to elect to contribute Basic Deferrals and be credited with Matching Deferrals but is mandatory with respect to any Company Retirement Deferrals credited under Section 3.4(d).

3. **Termination of Participation**. In the event that a Participant ceases to be an eligible employee, the Participant's Basic Deferral election shall remain in effect through the end of the Plan Year in which the Participant remains employed but has ceased to be an eligible employee, and thereafter, the Participant shall make no further Basic Deferrals unless and until the Participant again becomes an eligible employee.

SECTION III

DEFERRALS

1. **Basic Deferrals**.

(a) **Election**. A Participant may elect to defer any portion of his or her Earnings ("Basic Deferral Election") by directing his or her Participating Employer to reduce his or her Earnings by an amount authorized by the Participant in the form and manner designated by the Committee.

(i) Amount of deferral. A Participant may not elect to defer an amount under this Plan that would, (A) with regard to annual salary, result in a reduction of his or her annual salary below fifty percent (50%) of annual salary for any payroll period, or (B) with regard to bonuses that constitute Performance-Based Compensation, exceed seventy-five percent (75%) of any cash bonus payment that qualifies as Earnings;

(ii) Timing of deferral.

(A) With respect to deferrals of Earnings other than Performance-Based Compensation, a Participant's Basic Deferral Election shall be made no later than the December immediately preceding the Plan Year to which the election relates; however, VF determines annually the specified annual enrollment window;

(B) With respect to deferrals of Earnings that are Performance-Based Compensation, a Participant's Basic Deferral Election shall be made no later than six (6) months preceding the end of the performance period to which the Performance-Based Compensation relates;

(C) Notwithstanding the foregoing, with respect to an individual who is first eligible to participate in the Plan, such individual may submit a Basic Deferral Election within the first thirty (30) days after the individual's Initial Eligibility Date with respect to Earnings comprised of: (A) salary to be paid for services to be performed after the Basic Deferral Election is submitted, and (B) Performance-Based Compensation, if so permitted by the Committee at the time, provided that such election shall be prorated in accordance with Code section 409A; and

(b) **Vesting**. A Participant shall have a nonforfeitable right to his or her Basic Deferrals.

(c) **Change of Election**. The percentage or amount of Earnings designated by a Participant as a Basic Deferral for any given Plan Year shall continue in effect for such Plan Year, notwithstanding any change in Earnings. In the event a Participant is on a bona fide leave of absence with the Participating Employer's consent, or in military service in conformity with the Participating Employer's policies, such Participant's Basic Deferrals shall continue if Earnings are being continued by the Participating Employer and if the Participant has Earnings. If Earnings are not being continued or if the Participant does not have Earnings, then, upon the Participant's return to employment, his or her Basic Deferrals will be resumed, but no additional deferrals will be required or permitted to make up for amounts not deferred during periods of no or insufficient Earnings.

(d) **Manner of Deferral**. A Participant's Basic Deferral election shall apply only to Earnings at the time such amounts are otherwise payable to the Participant. In the discretion of the Committee, a Participant's deferral election may identify the particular forms of compensation to be included for purposes of such election.

2. **Matching Deferrals**.

(a) **Amount**. The Company will credit Matching Deferrals after the end of the Plan Year in an amount equal to one hundred percent (100%) on the first six percent (6%) of Basic Deferrals for such Plan Year less the maximum matching contribution that could be made in the VF 401(k) Savings Plan, regardless of whether the Participant actually receives the maximum match under the VF 401(k) Savings Plan. The Company credits Matching Deferrals to Participants after the end of the Plan Year and Participants must be employed on the last day of the Plan Year to receive Matching Deferrals for that Plan Year.

Following the end of the 2015 and 2016 Plan Years, the Participating Employer credited an additional deferral ("Transitional Deferral") to each employee: (i) who was eligible for the Plan on December 31, 2014, (ii) who remained employed by the Participating Employer and eligible to participate as of the end of the applicable Plan Year (2015 and 2016), and (iii) whose Earnings for the Plan Year were below $208,334. The Transitional Deferral equaled the excess, if any, of $12,500 over the product of the Participant's Earnings for the Plan Year and six percent (6%) (*i.e.*, $12,500 - (Earnings x 6%). Such Transitional Deferrals were credited as Matching Deferrals and shall be subject to the same vesting, forfeiture, and other provisions applicable to Matching Deferrals, except as otherwise provided herein.

(b) **Vesting**. With respect to Matching Deferrals (together with all gains and losses attributable thereto) contributed from Plan years prior to 2020 a Participant shall become vested in his or her Matching Deferrals at the rate of one-sixtieth (1/60th) per month of Service. With respect to Matching Deferrals (together with all gains and losses attributable thereto) contributed on or after January 1, 2020, a Participant shall become vested in such amounts after 3 years of Service.

Notwithstanding the foregoing, a Participant shall become 100% vested in his or her Matching Deferrals if, prior to his or her Severance from Service the Participant attains age sixty-five (65), incurs a Total Disability, dies, or a Change of Control of the Company occurs.

(c) **Forfeitures**. A Participant shall forfeit, upon his or her Severance from Service prior to becoming vested in accordance with Subsection 2(b) of this Section III, any right to Matching Deferrals in which he or she is not vested.

3. **Company Retirement Deferrals**.

(a) **Amount**. With respect to Earnings prior to 2015, a Participating Employer credited an additional deferral amount ("Company Retirement Deferral") under the terms of the Plan in effect at such time. A Participant was eligible for Company Retirement Deferrals under the Plan only if he or she began employment with the Participating Employer on or after January 1, 2005 (or earlier, if determined by the Committee) and was either not covered by the VF Corporation Pension Plan or not eligible to actively participate in the VF Corporation Pension Plan. Notwithstanding the foregoing, no Company Retirement Deferrals shall be credited under this Subsection 3(a) after 2014.

(b) **Vesting**. A Participant shall become vested in his or her Company Retirement Deferrals at the rate of one-sixtieth (1/60th) per month of Service. Notwithstanding the foregoing, a Participant shall become 100% vested in his or her Company Retirement Deferrals if, prior to his or her Severance from Service, the Participant attains age sixty-five (65), incurs a Total Disability, dies, or a Change of Control of the Company occurs.

(c) **Forfeitures**. A Participant shall forfeit upon his or her Severance from Service prior to becoming vested in accordance with Subsection 3(b) of this Section III, any right to Company Retirement Deferrals in which he or she is not vested.

(d) **Other Participating Employer Deferrals**. A Participating Employer may, in its discretion and from time to time, and with the consent of the Company, credit a Participant's Account with different or additional amounts of Company Retirement Deferrals for any reason as determined by the Participating Employer. Notwithstanding any provision herein to the contrary, the Committee may, with respect to such amounts, establish such terms and conditions as it deems appropriate.

SECTION IV

INVESTMENT

1. **Investment Election**. A Participant may elect, pursuant to procedures established by the Committee and subject to applicable limitations herein, that his or her Basic, Matching, and Company Retirement Deferrals be credited with gains and losses as if such Deferrals had been invested (in increments of at least one percent (1%)) in one or more of the investment funds offered under the Plan, as may be determined by the Committee from time to time.

2. **Change of Investment Election**. A Participant may elect, pursuant to procedures established by the Committee and subject to applicable limitations herein, a change with respect to his or her previously-made investment election.

SECTION V

RECORDS

The Committee shall create and maintain, or may direct a third party to create and maintain, adequate records, in book entry form, for each Participant of Basic, Matching, and Company Retirement Deferrals. Each Participant shall, to the extent permitted by the Committee, have electronic access to the status of his or her account balance and vested percentage.

SECTION VI

PLAN BENEFITS

1. **Severance from Service**. Upon a Participant's Severance from Service, he or she shall be entitled to his or her Accrued Benefit payable in accordance with Section VII.

2. **Death**. In the event of the death of a Participant prior to Severance from Service, the Participant's Beneficiary shall be entitled to a benefit equal to the Participant's Accrued Benefit payable in accordance with Section VII. In the event of the death of a Participant after a Severance from Service, the Participant's Beneficiary shall be entitled to that part, if any, of the Participant's Accrued Benefit which has not yet been paid to the Participant payable in accordance with Section VII.

3. **Total Disability**. In the event a Participant incurs a Total Disability prior to Severance from Service, the Participant shall be entitled to his or her Accrued Benefit payable in accordance with Section VII.

4. **Change of Control**. In the event a Participant's Participating Employer undergoes a Change of Control prior to a Participant's Severance from Service, the Participant shall be entitled to his or her Accrued Benefit payable in accordance with Section VII.

5. **In-Service Distribution**. Beginning with Basic Deferrals and Matching Deferrals contributed on or after January 1, 2020, a Participant may elect to receive such Basic Deferrals and / or Matching Deferrals (together with all gains and losses attributable thereto) on a scheduled date while still employed by the Company if such scheduled date occurs before any of the events provided under Subsections 1-4 of this Section VI. If a Participant elects to receive payment of such Basic Deferrals and / or Matching Deferrals while still employed by the Company, payment cannot begin until at least five years from the Plan Year in which such Basic Deferrals and Matching Deferrals were contributed. If a Participant elects to begin payments while employed with the Company, the Participant may postpone the scheduled distribution date for those contributions as long as the Participant (i) makes the election to postpone at least twelve (12) months before the originally scheduled distribution date and (ii) the new distribution date is at least five (5) years after their originally scheduled distribution date. If their benefit would be paid earlier as a result of their Severance from Service, death, Total Disability or a Change of Control, payment of those Deferrals will be made following such event rather than on their in-service distribution date.

6. **Beneficiary**. Each Participant may designate a Beneficiary (along with alternate beneficiaries) to whom, in the event of the Participant's death, any benefit is payable hereunder. Each Participant has the right to change any designation of Beneficiary and such change automatically revokes any prior designation. A designation or change of Beneficiary must be in writing on forms supplied by the Committee and any change of Beneficiary shall not become effective until filed with the Committee; provided, however, that the Committee shall not recognize the validity of any designation received after the death of the Participant. The interest of any Beneficiary who dies before the Participant shall terminate unless otherwise provided. If a Beneficiary is not validly designated, or is not living or cannot be found at the date of payment, any amount payable pursuant to this Plan shall be paid to the Spouse of the Participant if living at the time of payment, otherwise in equal shares to such of the children of the Participant as may be living at the time of payment; provided, however, that if there is no surviving Spouse or child at the time of payment, such payment shall be made to the estate of the Participant.

SECTION VII

PAYMENT OF BENEFITS

1. **Normal Form**. The normal form for the payment of a Participant's Accrued Benefit shall be a lump-sum payment in cash payable to the Participant not earlier than the first business day of the month occurring three full calendar months following the event giving rise to the distribution and not later than the close of the Plan Year during which such three month period ends or any such later date as may be permitted under Code section 409A.

2. **Installments**. Notwithstanding the foregoing, a Participant may elect in the form and manner designated by the Committee, that payment of his or her Basic Deferrals for a Plan Year be made in annual installments over a period of not more than ten (10) years with such payments commencing not earlier than the first business day of the month occurring three full calendar months following the event giving rise to the distribution and not later than the close of the Plan Year during which such three month period ends or any such later date as may be permitted under Code section 409A. Such election must be made to the Committee at the same time that the Participant makes his or her Basic Deferral Elections for such Plan Year in accordance with Subsection 1 of Section III. Any such installment payment election with respect to salary deferred by a Participant for a Plan Year shall also apply with respect to the Matching Deferrals credited on account of such salary deferrals, any Company Retirement Deferrals credited on behalf of the Participant for the Plan Year, and any Transitional Deferrals for the Plan Year. Any such installment payment election with respect to Performance-Based Compensation deferred by a Participant for a Plan Year shall also apply with respect to the Matching Deferrals credited on account of such Performance-Based Compensation deferral for the Plan Year.

3. **Death**.

(a) If a Participant dies prior to a Severance from Service, his or her Accrued Benefit shall be distributed to his or her Beneficiary in a lump-sum payment in cash in accordance with Subsection 1 of this Section VII unless the Participant has elected an installment form of distribution in accordance with Subsection 2 of this Section VII, in which case, distribution to the Beneficiary shall be made in accordance with such election.

(b) If a Participant dies after a Severance from Service, his or her Accrued Benefit shall be distributed to his or her Beneficiary in the same form and at the same time as it would have been paid to the Participant had he or she survived.

Payment under Subsections 3(a) and 3(b) shall commence not earlier than the first business day of the month occurring three full calendar months following the event giving rise to the distribution and not later than the close of the Plan Year during which such three month period ends or any such later date as may be permitted under Code section 409A.

4. **Change of Control**.

(a) In the event of a Change of Control of a Participant's Participating Employer (other than the Company), his or her Accrued Benefit shall be distributed in a lump sum payment in accordance with Subsection 1 of this Section VII unless the Participant has elected an installment form of distribution in accordance with Subsection 2 of this Section VII, in which case, distribution to the Participant shall be made in accordance with such election.

(b) In the event of a Change of Control of the Company, all Accrued Benefits under the Plan (regardless of whether or not in pay status) shall be distributed in a lump sum payment as soon as practicable and in accordance with procedures determined by the Committee.

5. **Specified Employee Restrictions**. During any period in which the stock of any member of the Company Controlled Group is publicly traded on an established securities market, in the event benefits become payable to a Participant who is a Specified Employee due to the Participant's Severance from Service, distribution

of the Participant's Accrued Benefit shall not commence any earlier than six (6) months following the Participant's Severance from Service. Any payment that would have been made during such six (6) month period shall be retained in the Plan as part of the Participant's Accrued Benefit (and credited with any applicable earnings and losses) and paid as soon as administratively feasible following the end of the six (6) month period.

SECTION VIII

HARDSHIP WITHDRAWALS

Distribution may be made to a Participant of some or all of his or her Accrued Benefit (excluding any Company Retirement Deferrals) in the event of an unforeseeable emergency. The Participant shall file a written request with the Committee, and the Committee shall determine in its sole discretion, if an unforeseeable emergency exists, based on the facts of each case. For this purpose, "unforeseeable emergency" shall have the meaning as set forth under Code section 409A.

SECTION IX

FUNDING STATUS

This Plan is unfunded. All obligations hereunder shall constitute an unsecured promise of the Company to pay a Participant's benefit out of the general assets of the Company, subject to all of the terms and conditions of the Plan, as amended from time to time, and applicable law. A Participant shall have no greater right to benefits provided hereunder than that of any unsecured general creditor of the Company.

SECTION X

ADMINISTRATION

1. **Powers and Responsibilities**. The Plan shall be administered by the Committee which shall have the following powers and responsibilities.

(a) to construe the Plan, make factual determinations, decide all benefit requests made by a Participant or any other person, correct defects, and take any and all similar actions considered by the Committee to be necessary to administer the Plan, with any such determinations under or interpretations of the Plan made in good faith by the Committee to be final and conclusive for all purposes;

(b) determine the investment options which may be utilized under the Plan, including any default option to be utilized if a Participant makes no investment request;

(c) to designate a related company or business as a Participating Employer and to revoke such status if, in the Committee's discretion, such action is in the best interest of the Company; and

(d) to take all other actions and do all other things which are considered by the Committee to be necessary to the administration of the Plan.

2. **Actions Conclusive**. The Committee shall have complete discretion in carrying out its powers and responsibilities under the Plan, and its exercise of discretion hereunder shall be final and conclusive.

3. **Delegation**. The Committee may, in writing, delegate some or all of its powers and responsibilities to any other person or entity.

4. **Meetings**. The Committee may hold meetings upon such notice, at such time or times, and at such place or places as it may determine. The majority of the members of the Committee at the time in office shall constitute a quorum for the transaction of business at all meetings and a majority vote of those present and constituting a quorum at any meeting shall be required for action. The Committee may also act by written consent of a majority of its members.

5. **Rules of Administration**. The Committee may adopt such rules for administration of the Plan as is considered desirable, provided they do not conflict with the Plan.

6. **Agents**. The Committee may retain such counsel, and actuarial, medical, accounting, clerical and other services as it may require to carry out the provisions and purposes of the Plan.

7. **Reliance**. The Committee shall be entitled to rely upon all tables, valuations, certificates, and reports furnished by any duly appointed auditor, or actuary, upon all certificates and reports made by any investment manager, or any duly appointed accountant, and upon all opinions given by any duly appointed legal counsel.

8. **Liability and Indemnification**. No member of the Committee shall be personally liable by virtue of any instrument executed by the member, or on the member's behalf, as a member of the Committee. Neither the Company nor a Participating Employer, nor any of their respective officers or directors, nor any member of the Committee, shall be personally liable for any action or inaction with respect to any duty or responsibility imposed upon such person by the terms of the Plan except when the same is finally judicially determined to be due to the self dealing, willful misconduct or recklessness of such person. The Company shall indemnify and hold harmless its officers, directors, and those of any Participating Employer, and each member of the Committee against any and all claims, losses, damages, expenses (including attorneys' fees and the advancement thereof), and liability (including, in each case, amounts paid in settlement), arising from any action or failure to act regarding the Plan, to the greatest extent permitted by applicable law. The foregoing right of indemnification shall be in addition to any other rights to which any such person may be entitled.

9. **Conflict of Interest**. If any Participant is a member of the Committee, he or she shall not participate as a member of the Committee in any determination under the Plan relating specifically to his or her Basic, Matching, or Company Retirement Deferrals.

SECTION XI

MODIFICATION AND TERMINATION

The Company reserves the right to terminate this Plan at any time or to modify, amend or suspend it from time to time, such right to include, without limitation, the right to distribute any and all Accrued Benefits following a termination of the Plan. Any such termination, modification, amendment or suspension shall be effective at such date as the Company may determine and may be effective as to all Participating Employers, or as to one or more Participating Employers, and their respective employees. The Company shall notify all affected Participants of any such termination, modification, amendment or suspension and, in appropriate circumstances as determined by the Company, shall also notify the relevant Participating Employers. A termination, modification, amendment or suspension may affect Participants generally, by class or individually, and may apply irrespective of whether they are past, current or future Participants; provided, however, that any such action may not eliminate or reduce the Accrued Benefit of any Participant as of the effective date of such action.

SECTION XII

GENERAL PROVISIONS

1. **No Employment Right**. Nothing contained herein shall be deemed to give any employee the right to be retained in the service of the Company or a Participating Employer, as applicable, or to interfere with the rights of any such employer to discharge any employee at any time.

2. **Interest Not Assignable**. It is a condition of this Plan, and all rights of each Participant shall be subject thereto, that no right or interest of any Participant under this Plan or in his or her credited Deferrals shall be assignable or transferable in whole or in part, either directly or by operation of law or otherwise, including without limitation, execution, levy, garnishment, attachment, pledge, bankruptcy, or in any other manner, subject, however, to applicable law, but excluding devolution by death or mental incompetency, and no right or interest of any

Participant under this Plan or in his or her credited Deferrals shall be liable for or subject to any obligation or liability of such Participant, subject, however, to applicable law.

3. **Taxes and Withholding**. All Deferrals and payments under the Plan shall be subject to such taxes and other withholdings (federal, state or local) as may be due thereon, and the determination of the Committee as to withholding with respect to Deferrals and payments shall be binding upon the Participant and each Beneficiary.

4. **Sale of Assets**. The sale of all or substantially all of the assets of the Company, or a merger, consolidation or reorganization of the Company wherein the Company is not the surviving corporation, or any other transaction which, in effect, amounts to a sale of the Company or voting control thereof, shall not terminate this Plan or any related agreements and the obligations created hereunder or thereby and the same shall be binding upon the successors and assigns of the Company.

5. **Legal Incapacity**. If a Participant or Beneficiary entitled to receive any benefits hereunder is deemed by the Committee or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, the benefits will be paid to such persons as the Committee designates or to the duly appointed guardian.

6. **Governing Law**. This Plan shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, notwithstanding the conflict of law rules applicable therein.

7. **Compliance with Code Section 409A**. Notwithstanding any other provision of the Plan to the contrary, the Plan shall be administered in accordance with all applicable requirements of Code section 409A and the regulations or guidance issued with regard thereto, and any distribution, acceleration or election feature that could result in the early inclusion in gross income shall be deemed restricted or limited to the extent necessary to avoid such result.

Pursuant to its authority under Sections XI of the Plan, the Company, as evidenced by the signature of its duly authorized officer below, hereby amends and restates the Plan effective January 1, 2020 for the stated purposes set forth herein and this amended and restated Plan shall, on and after such effective date, be applicable to all Participating Employers and their respective employees until such time as the Company or Committee may, in its discretion, further amend or take any other authorized action with respect to the Plan.

APPROVED ON DECEMBER 11, 2019 BY:

/s/ Anita Z. Graham

Anita Z. Graham

Executive Vice President - Chief Human Resources Officer

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 15 U.S.C. SECTION 10A, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven E. Rendle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of V.F. Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 4, 2020

/s/ Steven E. Rendle

Steven E. Rendle
Chairman, President and Chief Executive Officer

Exhibit 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 15 U.S.C. SECTION 10A, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Scott A. Roe, certify that:

1. I have reviewed this quarterly report on Form 10-Q of V.F. Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 4, 2020

/s/ Scott A. Roe

Scott A. Roe

Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of V.F. Corporation (the "Company") on Form 10-Q for the period ending December 28, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven E. Rendle, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 4, 2020

/s/ Steven E. Rendle

Steven E. Rendle
Chairman, President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of V.F. Corporation (the "Company") on Form 10-Q for the period ending December 28, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott A. Roe, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 4, 2020

/s/ Scott A. Roe

Scott A. Roe
Executive Vice President and Chief Financial Officer