

Abercrombie & Fitch Co.

INVESTOR PRESENTATION: FIRST QUARTER 2021



SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

A&F cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this presentation or made by management or spokespeople of A&F involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond the company's control. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," and similar expressions may identify forward-looking statements. Except as may be required by applicable law, we assume no obligation to publicly update or revise our forward-looking statements. Risks and uncertainties related to the duration and impact of the COVID-19 pandemic on the Company and the factors disclosed in "ITEM 1A. RISK FACTORS" of A&F's Annual Report on Form 10-K for the fiscal year ended January 30, 2021, in some cases have affected, and in the future could affect, the company's financial performance and could cause actual results for the 2021 fiscal year and beyond to differ materially from those expressed or implied in any of the forward-looking statements included in this presentation or otherwise made by management.

OTHER INFORMATION

The following presentation includes certain adjusted non-GAAP financial measures. Additional details about non-GAAP financial measures and a reconciliation of GAAP financial measures to non-GAAP financial measures is included in the news release issued by the company on May 26, 2021 which is available in the "Investors" section of the company's website, located at corporate.abercrombie.com. As used in the presentation, "GAAP" refers to accounting principles generally accepted in the United States of America. As used in the presentation, "Hollister" refers to the company's Hollister and Gilly Hicks brands and "Abercrombie" refers to the company's Abercrombie & Fitch and abercrombie kids brands. Sub-totals and totals may not foot due to rounding. Net income (loss) and net income (loss) per share financial measures included herein are attributable to Abercrombie & Fitch Co., excluding net income attributable to noncontrolling interests.

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COMPANY OVERVIEW

OUR FIVE GLOBAL BRANDS

HOLLISTER



The quintessential apparel brand of the global teen consumer, Hollister Co. believes in liberating the spirit of an endless summer inside everyone. At Hollister, summer isn't just a season, it's a state of mind. Hollister creates carefree style designed to make all teens feel celebrated and comfortable in their own skin, so they can live in a summer mindset all year long, whatever the season.

ABERCROMBIE & FITCH



Abercrombie & Fitch believes that every day should feel as exceptional as the start of the long weekend. Since 1892, the brand has been a specialty retailer of quality apparel, outerwear and fragrance - designed to inspire our global customers to feel confident, be comfortable and face their Fierce.

GILLY HICKS



Hollister also carries an intimates brand, Gilly Hicks, which offers intimates, loungewear and sleepwear. Its products are designed to invite everyone to embrace who they are underneath it all.

ABERCROMBIE KIDS



A global specialty retailer of quality, comfortable, made-to-play favorites, abercrombie kids sees the world through kids' eyes, where play is life and every day is an opportunity to be anything and better everything.

SOCIAL TOURIST



Social Tourist is the creative vision of Hollister, the teen brand liberating the spirit of an endless summer, and social media personalities Dixie and Charli D'Amelio. The lifestyle brand creates trend forward apparel that allows teens to experiment with their style, while exploring the duality of who they are both on social media and in real life.

COMPANY OVERVIEW

GLOBAL, DIGITALLY-LED OMNICHANNEL RETAILER

THE COMPANY'S PRODUCTS ARE SOLD GLOBALLY, PRIMARILY THROUGH ITS COMPANY-OWNED DIGITAL AND STORE CHANNELS, AS WELL AS THROUGH VARIOUS THIRD-PARTY ARRANGEMENTS





OUR PREVIOUSLY-STATED TRANSFORMATION INITIATIVES

THE FOLLOWING TRANSFORMATION INITIATIVES HAVE CREATED THE FOUNDATION TO ALLOW US TO QUICKLY RESPOND TO COVID-19 AND FOCUS ON LONG-TERM SUSTAINABLE GROWTH:

- OPTIMIZING OUR GLOBAL STORE NETWORK
 - Rightsizing store fleet and adapting to the evolving role of the store as customers' shopping preferences shift
- 2 ENHANCING DIGITAL AND OMNICHANNEL CAPABILITIES
 - Creating best-in-class customer experiences while growing profitably across channels/
- INCREASING THE SPEED AND EFFICIENCY OF OUR CONCEPT-TO-CUSTOMER PRODUCT LIFE CYCLE
 - Investing in capabilities to position supply chain for greater speed, agility and flexibility
 - Utilizing data and analytics to offer the right product at the right time and the right price
- IMPROVING OUR CUSTOMER ENGAGEMENT THROUGH OUR LOYALTY PROGRAMS AND MARKETING OPTIMIZATION
 - Leveraging data, including our loyalty programs, to engage with customers across channels
 - Driving more efficient and effective marketing spend

OUR FOCUS AREAS FOR 2021

WE ENTERED 2021 ON THE OFFENSE WHILE WORKING TOWARDS RECAPTURING LOST SALES DUE TO COVID-19. WHILE WE CONTINUE TO OPERATE IN AN UNCERTAIN ENVIRONMENT WE WILL FOCUS ON WHAT WE CAN CONTROL

ACCELERATING DIGITAL, DATA AND TECHNOLOGY INVESTMENTS TO INCREASE AGILITY
AND IMPROVE CUSTOMER EXPERIENCE

INCREASING OUR MARKETING INVESTMENTS TO BUILD ON THE MOMENTUM
WE SEE ACROSS BRANDS AND GEOGRAPHIES

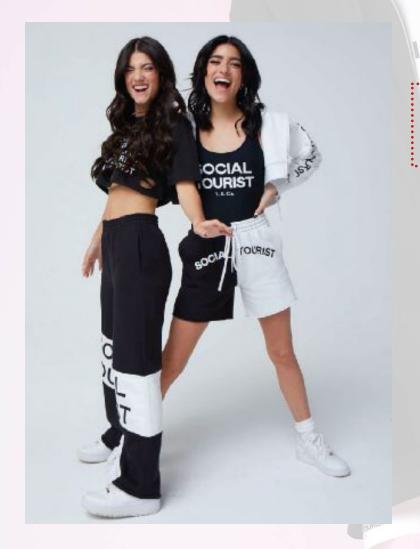
DEDICATING RESOURCES TOWARDS CONTINUING GILLY HICKS GROWTH
AND LAUNCHING SOCIAL TOURIST

OPTIMIZING SQUARE FOOTAGE WHILE BEING OPPORTUNISTIC IN GLOBAL STORE EXPANSION

INTEGRATING ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES
AND STANDARDS THROUGHOUT THE ORGANIZATION

LAUNCH OF NEW BRAND "SOCIAL TOURIST"

THE COMPANY RECENTLY ANNOUNCED THAT SOCIAL MEDIA STARS, DIXIE AND CHARLI D'AMELIO, EXPANDED THEIR RELATIONSHIP WITH HOLLISTER TO CO-CREATE A TREND-FORWARD GLOBAL APPAREL BRAND



AN EXCLUSIVE, MULTI-YEAR APPAREL AGREEMENT BETWEEN THE COMPANY AND THE D'AMELIOS

ANNOUNCED: May 6, 2021

LAUNCHED: May 20, 2021

AVAILABLE AT: Hollister stores globally and online at www.socialtourist.com

FEATURES FOUR DISTINCT APPAREL LINES: Gender-inclusive items, trend pieces such as dresses and skirts, everyday essentials featuring premium basics, and swim

EACH COLLECTION WILL INCLUDE: Limited edition items, with new product dropping approximately every month

HOW WE ARE NAVIGATING COVID-19

FOCUSING ON THE WELL-BEING OF ASSOCIATES AND CUSTOMERS

• Implemented a range of health and safety measures with the well-being of the Company's customers, associates and business partners in mind, including, but not limited to temporary store closures, reduced store hours, enhanced cleaning and social distancing measures

OPTIMIZING DIGITAL OPERATIONS

- Following recommended cleaning and distancing measures in the company's distribution centers to continue digital operations and mitigate shipping delays
- Focusing on a seamless digital checkout experience for customers
- Continuing to offer Purchase-Online-Pickup-in-Store, including curbside pickup at a majority of U.S. locations.
- Working cross-functionally and utilizing Ship-from-Store capabilities to best leverage in-store inventory
- Offered flexible return dates as stores reopened and extended our return policy to cover the period of store closures

CONSERVATIVELY MANAGING CASH FLOWS IN THE NEAR-TERM GIVEN CONTINUED GLOBAL UNCERTAINTY AND TEMPORARY STORE CLOSURES

- Partnering with merchandise and non-merchandise vendors in regards to payment terms
- Reevaluating budgeted expenses to better align operating costs with expected sales
- Tightly managing inventories
- Continuing suspension of the company's dividend program
- Assessing government policy and economic stimulus responses to COVID-19



DIGITAL EVOLUTION

DIGITALLY-LED GLOBAL RETAILER

INVESTMENTS IN DIGITAL AND OMNICHANNEL CAPABILITIES OF

\$150M+

FISCAL 2017 - FISCAL 2020

EXPECTED DIGITAL AND OMNICHANNEL INVESTMENTS FOR THE YEAR OF

\$50M+

FISCAL 2021

FISCAL 2017

Digital sales penetration of

28%, <\$1.0B

FISCAL 2020*

Digital sales penetration of

54%, \$1.7B+

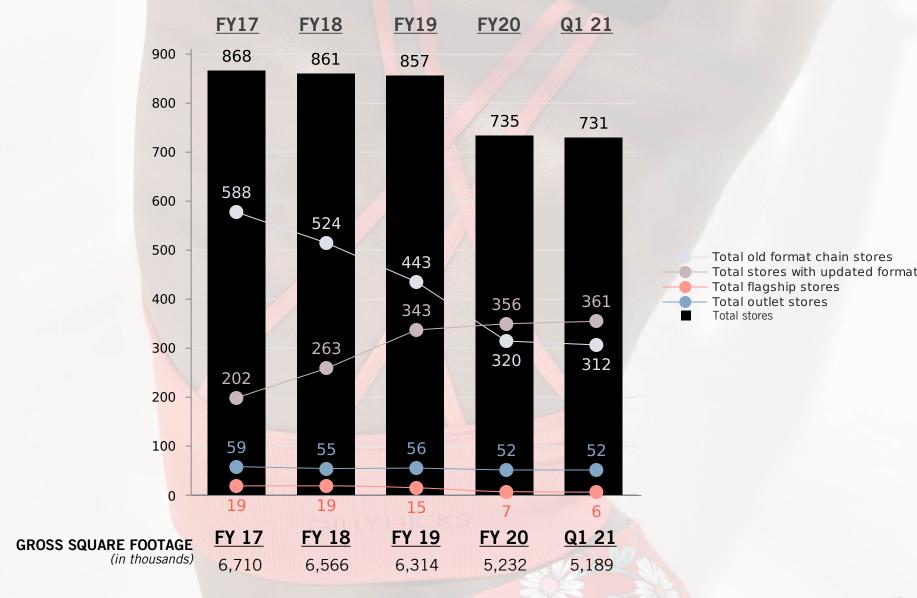
In fiscal 2020, the company was impacted by the COVID-19 pandemic and experienced widespread temporary store closures, while the company's digital operations continued to serve the customers during this unprecedented period.





GLOBAL STORE NETWORK OPTIMIZATION

ROUGHLY HALF OF GLOBAL STORE FLEET IN UPDATED FORMATS & GROSS SQUARE FOOTAGE REDUCED 23% SINCE 2017



GLOBAL STORE NETWORK OPTIMIZATION

90% OF U.S. STORES LOCATED IN A/B MALLS

YTD STORE OPTIMIZATION ACTIVITY

	HOLLISTER	ABERCROMBIE	TOTAL
NEW STORES	3	1	4
REMODELS			_
RIGHT-SIZES	1	2 -	1
NEW EXPERIENCES	4	1	5
PERMANENT CLOSURES	(1)	(7)	(8)

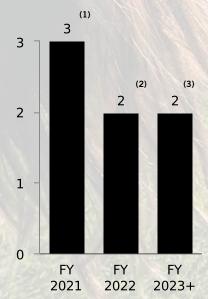
Q1 2021 STORE FLEET DETAIL

	HOLLISTER		ABERCR	OMBIE	TOTAL COMPANY		
	# OF % OF		# OF % OF		# OF	% OF	
	STORES	FLEET	STORES	FLEET	STORES	FLEET	
LEGACY STORES	195	39%	117	50%	312	43%	
UPDATED FORMATS	291	58%	70	30%	361	49%	
OUTLETS	12	2%	40	17%	52	7%	
FLAGSHIPS	1	—%	5	2%	6	1%	
TOTAL	499	100%	232	100%	731	100%	

Q1 2021 U.S. STORE FLEET *

	A MALL	B MALL	C MALL	FLAGSHIPS	TOTAL
# OF STORES	236	246	49	2	533
% OF U.S. FLEET	44%	46%	9%	—%	100%

FLAGSHIP STORE CLOSURES/ LEASE EXPIRATIONS



- (1) Includes the A&F Singapore location, which closed in the first quarter of 2021, as well as the A&F 5th Avenue, New York City and A&F Hamburg, Germany locations.
- (2) Includes the A&F Amsterdam, Netherlands and the A&F Shanghai, China locations.
- (3) Includes the Hollister 5th Avenue, New York City and the A&F Ginza, Japan locations.

^{*} Mall rating based on Green Street Advisors as of March 2021.

GLOBAL STORE NETWORK OPTIMIZATION

731 STORES AS OF Q1 2021

NEW STORE OPENINGS & CLOSINGS

TOTAL COMPANY (1)	TOTAL	UNITED STATES	CANADA	EUROPE	ASIA	MIDDLE EAST
END OF Q4 2020	735	537	17	123	46	12
OPENINGS	4	2		1	1	_
PERMANENT CLOSINGS	(8)	(6)	_	(1)	(1)	-
END OF Q1 2021	731	533	17	123	46	12
HOLLISTER (2)	TOTAL	UNITED STATES	CANADA	EUROPE	ASIA	MIDDLE EAST
END OF Q4 2020	497	347	10	107	27	6
OPENINGS	3	2	-07		1	_
PERMANENT CLOSINGS	(1)			(1)		_
END OF Q1 2021	499	349	10	106	28	6
ABERCROMBIE (3)	TOTAL	UNITED STATES	CANADA	EUROPE	ASIA	MIDDLE EAST
END OF Q4 2020	238	190	7	16	19	6
OPENINGS	1		_ =	OPP		-
PERMANENT CLOSINGS	(7)	(6)	- ID	\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \	(1)	_
END OF Q1 2021	232	184	7	17	18	6

GROSS SQUARE FOOTAGE

	HOL	LISTER	ABER	CROMBIE		TOTAL COMPANY	
(in thousands)	U.S.	INTERNATIONAL	U.S.	INTERNATIONAL	U.S.	INTERNATIONAL	TOTAL
Q4 2020	2,309	1,219	1,311	393	3,620	1,612	5,232
Q1 2021	2,324	1,212	1,275	378	3,599	1,590	5,189

⁽¹⁾ Store count excludes one international third-party operated multi-brand outlet store as of each of May 1, 2021 and January 30, 2021.

Hollister includes the company's Hollister and Gilly Hicks brands. Locations with Gilly Hicks carveouts within Hollister stores are represented as a single store count. Excludes 10 international franchise stores as of May 1, 2021 and nine January 30, 2021. Excludes 12 Company-operated temporary stores as of each of May 1, 2021 and January 30, 2021.

Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands. Locations with abercrombie kids carveouts within Abercrombie & Fitch stores are represented as a single store count. Excludes 12 international franchise stores as of May 1, 2021 and 10 international franchise stores as of January 30, 2021. Excludes four Company-operated temporary stores as of May 1, 2021 and two Company-operated temporary stores as of January 30, 2021.



Q1 2021 RESULTS CEO COMMENTARY

"2021 is off to a strong start. We built on the significant progress we made in 2020, registering our best first quarter operating income since 2008. The first quarter is evidence that our shift to a digitally-led global business model is working. Total net sales grew 61% year-over-year, with digital sales up 45% to 52% of total sales. Inventories remained tightly controlled and product resonated with both new and existing customers, fueling improved price realization and benefiting gross margin rate, which expanded by 900 basis points. We remained focused on funding key investments in customer-facing initiatives and delivered significant first quarter operating leverage."

"Results were well-ahead of first quarter 2019 pre-COVID levels, with net sales 6% higher, including up 18% in our largest market, the U.S., gross margin expansion of 290 basis points and operating margin increasing 1,100 basis points. Sales growth was achieved despite the reduction of 1.3 million gross square feet of store space, or 20%, compared to the first quarter of 2019."

"Momentum has continued into the second quarter across brands, and early reaction to our newest member of the A&F Co. family, Social Tourist, has been amazing. Our solid foundation and strong liquidity position enables us to be on the offense. We remain focused on profitable topline growth, our ongoing digital evolution and our growth vehicles, including Gilly Hicks, and are committed to thoughtful expense management and global square footage optimization. Although the global landscape remains uncertain, I am excited about the future and more confident than ever in our ability to drive sustainable, long-term operating margin expansion."

FRAN HOROWITZ, CHIEF EXECUTIVE OFFICER

NET INCOME (LOSS) PER SHARE

SIGNIFICANT ITEMS IMPACTING Q1 2021 RESULTS

- Net sales increased 61%, or \$296M, as compared to last year, reflecting an increase in both store and digital sales as the company anniversaries prior year COVID-19 related store closures.
- Store occupancy expense decreased \$32M, reflecting a decrease in store count and favorable rent negotiations.
- Store payroll expense increased \$13M, reflecting the return of certain expenses saved last year during COVID-19 temporary store closures.
- Shipping and fulfillment expense increased \$9M as compared to last year, driven by year-over-year digital sales growth of approximately 45%.
- Asset impairment charges of \$3M and \$43M for this year and last year, respectively.

	Q1 2021	Q1 2020
GAAP	\$0.64	\$(3.90)
EXCLUDED ITEMS, NET OF TAX EFFECT (1)	(0.03)	(0.62)
ADJUSTED NON-GAAP	\$0.67	\$(3.29)
IMPACT FROM FOREIGN CURRENCY EXCHANGE RATES (2)	\ <u>-</u>	(0.01)
ADJUSTED NON-GAAP ON A CONSTANT CURRENCY BASIS	\$0.67	\$(3.30)

⁽¹⁾ Adjusted non-GAAP results exclude the effect of certain items set out of page 31.

The estimated impact from foreign currency is calculated by applying current period exchange rates to prior year results using a 26% tax rate.

Q1 2021 RESULTS NET SALES

TOTAL COMPANY NET SALES UP 61% AND 6% COMPARED TO Q1 2020 AND Q1 2019, RESPECTIVELY, TO \$781M

DIGITAL SALES UP 45% AND 81% TO LAST YEAR AND 2019, RESPECTIVELY, RESULTING IN Q1 2021 DIGITAL SALES OF \$403M, OR 52% OF TOTAL NET SALES

HOLLISTER \$442M

UP 62% TO LAST YEAR
56.6% OF TOTAL NET SALES

ABERCROMBIE

\$339M

UP 60% TO LAST YEAR
43.4% OF TOTAL NET SALES

\$554M

UP 72% TO LAST YEAR
70.9% OF TOTAL NET SALES

*159M

UP 41% TO LAST YEAR
20.3% OF TOTAL NET SALES

APAC \$46M

UP 42% TO LAST YEAR
5.9% OF TOTAL NET SALES

other \$23M

UP 29% TO LAST YEAR
2.9% OF TOTAL NET SALES

OPERATING EXPENSE

GAAP

(in thousands)	Q1 2021	% OF NET SALES	Q1 2020	% OF NET SALES	Δ BPS ⁽³⁾
STORE OCCUPANCY (1)	\$107,277	13.7%	\$138,962	28.6%	(1,490)
ALL OTHER (2)	209,331	26.8%	183,162	37.7%	(1,090)
STORES AND DISTRIBUTION	316,608	40.5%	322,124	66.4%	(2,590)
MARKETING, GENERAL & ADMINISTRATIVE	120,947	15.5%	108,257	22.3%	(680)
FLAGSHIP STORE EXIT BENEFITS	(1,100)	(0.1)%	(543)	(0.1)%	_
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	2,664	0.3%	42,928	8.8%	(850)
TOTAL	\$439,119	56.2%	\$472,766	97.4%	(4,120)

NON-GAAP*

(in thousands)	Q1 2021	% OF NET SALES	Q1 2020	% OF NET SALES	Δ BPS ⁽³⁾
STORE OCCUPANCY (1)	\$107,277	13.7%	\$138,962	28.6%	(1,490)
ALL OTHER (2)	209,331	26.8%	183,162	37.7%	(1,090)
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MARKETING, GENERAL & ADMINISTRATIVE	120,947	15.5%	108,257	22.3%	(680)
FLAGSHIP STORE EXIT BENEFITS	(1,100)	(0.1)%	(543)	(0.1)%	_
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES		0.0%	_	0.0%	-
TOTAL	\$436,455	55.9%	\$429,838	88.6%	(3,270)

^{*} Q1 non-GAAP operating expense is presented on an adjusted non-GAAP basis, and excludes the effect of certain items set out of page 31.

Includes operating lease costs, other landlord charges, utilities, depreciation and other occupancy expense.

Rounded based on reported percentages.

Includes selling payroll, store management and support, other store expense, direct-to-consumer expense, and distribution center costs.

Q1 2021 RESULTS INCOME STATEMENT

	GAAP					
(in thousands)	Q1 2021	% OF NET SALES	Q1 2020	% OF NET SALES	Q1 2019	% OF NET SALES
NET SALES	\$781,405	100.0%	\$485,359	100.0%	\$733,972	100.0%
GROSS PROFIT (1)	495,134	63.4%	264,145	54.4%	444,090	60.5%
OPERATING EXPENSE	439,119	56.2%	472,766	97.4%	471,965	64.3%
OTHER OPERATING (INCOME) LOSS, NET	(1,418)	(0.2)%	506	0.1%	(617)	(0.1)%
OPERATING INCOME (LOSS)	57,433	7.3%	(209,127)	(43.1)%	(27,258)	(3.7)%
INTEREST EXPENSE, NET	8,606	1.1%	3,371	0.7%	616	0.1%
INCOME (LOSS) BEFORE INCOME TAXES	48,827	6.2%	(212,498)	(43.8)%	(27,874)	(3.8)%
INCOME TAX EXPENSE (BENEFIT)	6,121	0.8%	31,533	6.5%	(9,588)	(1.3)%
NET INCOME (LOSS)	\$41,768	5.3%	\$(244,148)	(50.3)%	\$(19,155)	(2.6)%
NET INCOME (LOSS) PER SHARE						
BASIC	\$0.67	William .	\$(3.90)		\$(0.29)	
DILUTED	\$0.64		\$(3.90)		\$(0.29)	
WEIGHTED-AVERAGE SHARES						
BASIC	62,380		62,541		66,540	
DILUTED	65,305		62,541		66,540	

⁽¹⁾ Gross profit is derived from cost of sales, exclusive of depreciation and amortization.



FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

FINANCIAL POSITION AND LIQUIDITY SUMMARY



CASH & EQUIVALENTS

\$909M AS COMPARED TO \$704M LAST YEAR

SHORT-TERM BORROWINGS

NO BORROWINGS OUTSTANDING UNDER ABL FACILITY AS COMPARED TO \$210M LAST YEAR

\$223M OF BORROWING AVAILABLE UNDER ABL FACILITY
AS OF MAY 1, 2021

GROSS LONG-TERM BORROWINGS

\$350M OUTSTANDING AS COMPARED TO \$233M LAST YEAR

INVENTORIES

\$389M DOWN 9% FROM LAST YEAR

Liquidity is comprised of cash and equivalents and borrowing available under the ABL Facility.

FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION CASH FLOW SUMMARY

	YEAR TO DATE PERIOD ENDED			
(in thousands)	MAY 1, 2021	MAY 2, 2020		
NET CASH USED FOR OPERATING ACTIVITIES	\$(131,350)	\$(140,776)		
NET CASH (USED FOR) PROVIDED BY INVESTING ACTIVITIES	\$(14,404)	\$3,010		
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	\$(53,191)	\$171,668		

(in thousands)	NET CASH PROVIDED BY OPERATING ACTIVITIES	CAPITAL EXPENDITURES	FREE CASH FLOW ⁽¹⁾
FY 2016	\$185, <mark>169</mark>	\$140,844	\$44,325
FY 2017	\$287,6 <mark>58</mark>	\$107,001	\$180,657
FY 2018	\$352,9 <mark>33</mark>	\$152,393	\$200,540
FY <mark>2019</mark>	\$300,68 <mark>5</mark>	\$202,784	\$97,901
FY 2020	\$404,91 <mark>8</mark>	\$101,910	\$303,008

Free cash flow is a non-GAAP measure and is computed by subtracting capital expenditures from net cash provided by operating activities, both of which are disclosed in the table above, preceding the measure of free cash flow.

FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

SHARE REPURCHASES AND DIVIDENDS

In order to preserve liquidity and increase financial flexibility in light of COVID-19, during fiscal 2020 the company suspended its share repurchase and dividend programs. The Company has since resumed share repurchase activity.

At the end of Q1 2021, the Company had approximately 8.9 million shares remaining available for purchase under its publicly announced February 2021 stock repurchase authorization.

(in thousands, except for average cost)	NUMBER OF SHARES	COST	AVERAGE COST	DIVIDENDS	TOTAL
FY 2016		\$—	\$—	\$54,066	\$54,066
FY 2017	975 <u>—</u>	\$—	\$	\$54,392	\$54,392
FY 2018	2,932	\$68,670	\$23.42	\$53,714	\$122,384
FY 2019	3,957	\$63,542	\$16.06	\$51,510	\$115,052
FY 2020	1,397	\$15,172	\$10.86	\$12,556	\$27,728
YTD 2021	1,077	\$35,249	\$32.72	\$	\$35,249

(in thousands)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Q1 2021
ENDING SHARES OUTSTANDING	67,758	68,195	66,227	62,786	62,399	61,935

FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION BALANCE SHEET

(in thousands)	MAY 1, 2021	JANUARY 30, 2021	MAY 2, 2020	
CASH AND EQUIVALENTS	\$909,008	\$1,104,862	\$703,989	
RECEIVABLES	107,821	83,857	88,639	
INVENTORIES	388,633	404,053	426,594	
OTHER CURRENT ASSETS	78,727	68,857	67,412	
TOTAL CURRENT ASSETS	\$1,484,189	\$1,661,629	\$1,286,634	
PROPERTY AND EQUIPMENT, NET	533,773	550,587	654,784	
OPERATING LEASE RIGHT-OF-USE ASSETS	839,003	893,989	1,133,618	
OTHER ASSETS	213,585	208,697	216,795	
TOTAL ASSETS	\$3,070,550	\$3,314,902	\$3,291,831	
ACCOUNTS PAYABLE	\$236,667	\$289,396	\$162,747	
ACCRUED EXPENSES	321,906	396,365	285,799	
SHORT-TERM PORTION OF BORROWINGS			210,000	
SHORT-TERM PORTION OF OPERATING LEASE LIABILITIES	231,750	248,846	307,173	
INCOME TAXES PAYABLE	26,672	24,792	8,232	
TOTAL CURRENT LIABILITIES	\$816,995	\$959,399	\$973,951	
LONG-TERM PORTION OF OPERATING LEASE LIABILITIES	844,401	957,588	1,184,448	
LONG-TERM BORROWINGS, NET	344,278	343,910	232,178	
OTHER LIABILITIES	114,926	104,693	103,188	
TOTAL LONG-TERM LIABILITIES	\$1,303,605	\$1, <mark>406,191</mark>	\$1,519,814	
TOTAL ABERCROMBIE & FITCH CO. STOCKHOLDERS EQUITY	941,174	936,628	790,239	
NONCONTROLLING INTEREST	8,776	12,684	7,827	
TOTAL STOCKHOLDERS' EQUITY	\$949,950	\$949,312	\$798,066	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$3,070,550	\$3,314,902	\$3,291,831	

FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION STATEMENT OF CASH FLOWS

	YEAR TO DATE PERIOD ENDED		
(in thousands)	MAY 1, 2021	MAY 2, 2020	
NET CASH USED FOR OPERATING ACTIVITIES	\$(131,350)	\$(140,776)	
PURCHASES OF PROPERTY AND EQUIPMENT	(14,404)	(46,990)	
WITHDRAWAL OF FUNDS FROM RABBI TRUST ASSETS		50,000	
NET CASH (USED FOR) PROVIDED BY INVESTING ACTIVITIES	\$(14,404)	\$3,010	
PROCEEDS FROM BORROWINGS UNDER THE ABL FACILITY	<u> </u>	210,000	
PAYMENT OF DEBT ISSUANCE OR MODIFICATION COSTS AND FEES	(1,490)	4	
PURCHASES OF COMMON STOCK	(35, <mark>249</mark>)	(15,172)	
DIVIDENDS PAID		(12,556)	
OTHER FINANCING ACTIVITIES	(16,452)	(10,604)	
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	\$(53,191)	\$171,668	
EFFECT OF FOREIGN CURRENCY EXCHANGE RATES ON CASH	(1,021)	(3,891)	
NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS	\$(199,966)	\$30,011	
CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS, BEGINNING OF PERIOD	\$1,124,157	\$692,264	
CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS, END OF PERIOD	\$924,191	\$722,275	



APPENDIX

RECONCILIATION OF GAAP TO NON-GAAP RESULTS

NET SALES	Q1 2021	Q1 2020	Δ%
GAAP	\$781,405	\$485,359	61%
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES (1)		12,273	(4)%
NON-GAAP CONSTANT CURRENCY BASIS	\$781,405	\$497,632	57%
GROSS PROFIT	Q1 2021	Q1 2020	Δ BPS ⁽²⁾
GAAP	\$495,134	\$264,145	900
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES (1)	_	7,384	(20)
NON-GAAP CONSTANT CURRENCY BASIS	\$495,134	\$271,529	880
OPERATING INCOME (LOSS)	Q1 2021	Q1 2020	Δ BPS ⁽²⁾
GAAP	\$57,433	\$(209,127)	5,040
EXCLUDED ITEMS (3)	(2,664)	(42,928)	850
ADJUSTED NON-GAAP	\$60,097	\$(166,199)	4,190
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES (1)	<u>/</u>	(900)	(60)
ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS	\$60,097	\$(167,099)	4,130
NET INCOME (LOSS) PER DILUTED SHARE	Q1 2021	Q1 2020	Δ\$
GAAP	\$0.64	\$(3.90)	\$4.54
EXCLUDED ITEMS, NET OF TAX (3)	(0.03)	(0.62)	0.59
ADJUSTED NON-GAAP	\$0.67	\$(3.29)	\$3.96
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES (1)		(0.01)	0.01
ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS	\$0.67	\$(3.30)	\$3.97

The impact from foreign currency is determined by applying current period exchange rates to prior year results and is net of the year-over-year impact from hedging.

The per diluted share impact from foreign currency is calculated using a 26% tax rate.

(3) Excludes pre-tax store asset impairment charges.

The estimated basis point impact has been rounded based on the percentage change.

APPENDIX

RECONCILIATION OF GAAP TO NON-GAAP RESULTS

(in thousands)	Q1 2021 GAAP	EXCLUDED ITEMS	Q1 2021 NON-GAAP
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	\$2,664	\$ 2,664	\$—
OPERATING INCOME	57,433	(2,664)	60,097
INCOME BEFORE INCOME TAXES	48,827	(2,664)	51,491
INCOME TAX EXPENSE (1)	6,121	(449)	6,570
NET INCOME	\$41,768	\$(2,215)	\$43,983
NET INCOME PER DILUTED SHARE	\$0.64	\$(0.03)	\$0.67
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	65,305		65,305

(in thousands)	Q1 2020 GAAP	EXCLUDED ITEMS	Q1 2020 NON-GAAP
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	\$42,928	\$42,928	\$—
OPERATING LOSS	(209,127)	(42,928)	(166,199)
LOSS BEFORE INCOME TAXES	(212,498)	(42,928)	(169,570)
INCOME TAX EXPENSE (1)	31,533	(4,432)	35,965
NET LOSS	\$(244,148)	\$(38,496)	\$(205,652)
NET LOSS PER DILUTED SHARE	\$(3.90)	\$(0.62)	\$(3.29)
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	62,541		62,541

The tax effect of excluded items, calculated as the difference between the tax provision on a GAAP basis and an adjusted non-GAAP basis.



Abercrombie & Fitch Co.

