

Abercrombie & Fitch Co.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(Unaudited)

	Fourteen Weeks Ended		Thirteen Weeks Ended	
	February 3, 2024	% of Net Sales	January 28, 2023	% of Net Sales
Net sales	\$ 1,452,907	100.0 %	\$ 1,199,814	100.0 %
Cost of sales, exclusive of depreciation and amortization	539,338	37.1 %	531,529	44.3 %
Gross profit	913,569	62.9 %	668,285	55.7 %
Stores and distribution expense	499,075	34.4 %	441,959	36.8 %
Marketing, general and administrative expense	193,234	13.3 %	138,084	11.5 %
Other operating (income) expense, net	(1,541)	(0.1)%	1,220	0.1 %
Operating income	222,801	15.3 %	87,022	7.3 %
Interest (income) expense, net	(4,839)	(0.3)%	4,113	0.3 %
Income before income taxes	227,640	15.7 %	82,909	6.9 %
Income tax expense	66,537	4.6 %	42,218	3.5 %
Net income	161,103	11.1 %	40,691	3.4 %
Less: Net income attributable to noncontrolling interests	2,656	0.2 %	2,358	0.2 %
Net income attributable to A&F	<u>\$ 158,447</u>	10.9 %	<u>\$ 38,333</u>	3.2 %

Net income per share attributable to A&F

Basic	\$ 3.13	\$ 0.78
Diluted	\$ 2.97	\$ 0.75

Weighted-average shares outstanding:

Basic	50,559	49,216
Diluted	53,399	51,217

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	Fifty-Three Weeks Ended		Fifty-Two Weeks Ended	
	February 3, 2024	% of Net Sales	January 28, 2023	% of Net Sales
Net sales	\$ 4,280,677	100.0 %	\$ 3,697,751	100.0 %
Cost of sales, exclusive of depreciation and amortization	1,587,265	37.1 %	1,593,213	43.1 %
Gross profit	2,693,412	62.9 %	2,104,538	56.9 %
Stores and distribution expense	1,571,737	36.7 %	1,496,962	40.5 %
Marketing, general and administrative expense	642,877	15.0 %	517,602	14.0 %
Other operating income, net	(5,873)	(0.1) %	(2,674)	(0.1) %
Operating income	484,671	11.3 %	92,648	2.5 %
Interest expense, net	372	0.0 %	25,632	0.7 %
Income before income taxes	484,299	11.3 %	67,016	1.8 %
Income tax expense	148,886	3.5 %	56,631	1.5 %
Net income	335,413	7.8 %	10,385	0.3 %
Less: Net income attributable to noncontrolling interests	7,290	0.2 %	7,569	0.2 %
Net income attributable to A&F	<u>\$ 328,123</u>	7.7 %	<u>\$ 2,816</u>	0.1 %

Net income per share attributable to A&F

Basic	\$ 6.53	\$ 0.06
Diluted	\$ 6.22	\$ 0.05

Weighted-average shares outstanding:

Basic	50,250	50,307
Diluted	52,726	52,327

Reporting and Use of GAAP and Non-GAAP Measures

The company believes that each of the non-GAAP financial measures presented are useful to investors as they provide a measure of the company's operating performance excluding the effect of certain items which the company believes do not reflect its future operating outlook, such as asset impairment charges, therefore supplementing investors' understanding of comparability of operations across periods. Management used these non-GAAP financial measures during the periods presented to assess the company's performance and to develop expectations for future operating performance. Non-GAAP financial measures should be used supplemental to, and not as an alternative to, the company's GAAP financial results, and may not be calculated in the same manner as similar measures presented by other companies.

In addition, at times the company provides comparable sales, defined as the percentage year-over-year change in the aggregate of: (1) sales for stores that have been open as the same brand at least one year and whose square footage has not been expanded or reduced by more than 20% within the past year, with prior year's net sales converted at the current year's foreign currency exchange rate to remove the impact of foreign currency rate fluctuation, and (2) digital net sales with prior year's net sales converted at the current year's foreign currency exchange rate to remove the impact of foreign currency rate fluctuation.

The company also provides certain financial information on a constant currency basis to enhance investors' understanding of underlying business trends and operating performance, by removing the impact of foreign currency exchange rate fluctuations. The effect from foreign currency, calculated on a constant currency basis, is determined by applying current year average exchange rates to prior year results and is net of the year-over-year impact from hedging. The per diluted share effect from foreign currency is calculated using a 26% tax rate.

Abercrombie & Fitch Co.
Schedule of Non-GAAP Financial Measures
Fifty-Three Weeks Ended February 3, 2024
(in thousands, except per share data)
(Unaudited)

	GAAP ⁽¹⁾	Excluded items	Adjusted non-GAAP
Asset impairment ⁽²⁾	\$ 4,436	\$ 4,436	\$ —
Operating income	484,671	(4,436)	489,107
Income before income taxes	484,299	(4,436)	488,735
Income tax expense ⁽³⁾	148,886	(1,231)	150,117
Net income attributable to A&F	\$ 328,123	\$ (3,205)	\$ 331,328
Net income per diluted share attributable to A&F	\$ 6.22	\$ (0.06)	\$ 6.28
Diluted weighted-average shares outstanding:	52,726		52,726

⁽¹⁾ "GAAP" refers to accounting principles generally accepted in the United States of America.

⁽²⁾ Excluded items consist of pre-tax store impairment charges of \$4.4 million.

⁽³⁾ The tax effect of excluded items is the difference between the tax provision calculated on a GAAP basis and an adjusted non-GAAP basis.

Abercrombie & Fitch Co.
Schedule of Non-GAAP Financial Measures
Fifty-Two Weeks Ended January 28, 2023
(in thousands, except per share data)
(Unaudited)

	GAAP ⁽¹⁾	Excluded Items	Adjusted Non-GAAP
Asset impairment ⁽²⁾	\$ 14,031	\$ 14,031	\$ —
Operating income	92,648	(14,031)	106,679
Income before income taxes	67,016	(14,031)	81,047
Income tax expense ⁽³⁾	56,631	(3,802)	60,433
Net income attributable to A&F	\$ 2,816	\$ (10,229)	\$ 13,045
Net income per diluted share attributable to A&F	\$ 0.05	\$ (0.20)	\$ 0.25
Diluted weighted-average shares outstanding:	52,327		52,327

⁽¹⁾ "GAAP" refers to accounting principles generally accepted in the United States of America.

⁽²⁾ Excluded items consist of pre-tax store and other asset impairment charges of \$14.0 million.

⁽³⁾ The tax effect of excluded items is the difference between the tax provision calculated on a GAAP basis and an adjusted non-GAAP basis.

Abercrombie & Fitch Co.
Reconciliation of Constant Currency Financial Measures
Fourteen Weeks Ended February 3, 2024 and Thirteen Weeks Ended January 28, 2023
(in thousands, except percentage and basis point changes and per share data)
(Unaudited)

Net sales	2023	2022	% Change
GAAP ⁽¹⁾	\$ 1,452,907	\$ 1,199,814	21%
Impact from changes in foreign currency exchange rates ⁽²⁾	—	5,287	0%
Net sales on a constant currency basis	\$ 1,452,907	\$ 1,205,101	21%
Gross profit	2023	2022	BPS Change ⁽³⁾
GAAP ⁽¹⁾	\$ 913,569	\$ 668,285	720
Impact from changes in foreign currency exchange rates ⁽²⁾	—	3,702	(10)
Gross profit on a constant currency basis	\$ 913,569	\$ 671,987	710
Operating income	2023	2022	BPS Change ⁽³⁾
GAAP ⁽¹⁾	\$ 222,801	\$ 87,022	800
Excluded items ⁽⁴⁾	—	(4,695)	(30)
Adjusted non-GAAP	\$ 222,801	\$ 91,717	770
Impact from changes in foreign currency exchange rates ⁽²⁾	—	4,232	(40)
Adjusted non-GAAP constant currency basis	\$ 222,801	\$ 95,949	730
Net income per share attributable to A&F	2023	2022	\$ Change
GAAP ⁽¹⁾	\$ 2.97	\$ 0.75	\$2.22
Excluded items, net of tax ⁽⁴⁾	—	(0.07)	(0.07)
Adjusted non-GAAP	\$ 2.97	\$ 0.81	\$2.16
Impact from changes in foreign currency exchange rates ⁽²⁾	—	0.07	(0.07)
Adjusted non-GAAP on a constant currency basis	\$ 2.97	\$ 0.88	\$2.09

⁽¹⁾ "GAAP" refers to accounting principles generally accepted in the United States of America.

⁽²⁾ The estimated 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 estimated impact from foreign currency is calculated using a 26% tax rate.

⁽³⁾ The estimated basis point change has been rounded based on the percentage change.

⁽⁴⁾ Excluded items consist of pre-tax asset store impairment charges of \$4.7 million for the prior year.

Abercrombie & Fitch Co.
Reconciliation of Constant Currency Financial Measures
Fifty-Three Weeks Ended February 3, 2024 and Fifty-Two Weeks Ended January 28, 2023
(in thousands, except percentage and basis point changes and per share data)
(Unaudited)

Net sales	2023	2022	% Change
GAAP ⁽¹⁾	\$ 4,280,677	\$ 3,697,751	16%
Impact from changes in foreign currency exchange rates ⁽²⁾	—	6,500	0%
Net sales on a constant currency basis	\$ 4,280,677	\$ 3,704,251	16%
Gross profit	2023	2022	BPS Change ⁽³⁾
GAAP ⁽¹⁾	\$ 2,693,412	\$ 2,104,538	600
Impact from changes in foreign currency exchange rates ⁽²⁾	—	(8,969)	30
Gross profit on a constant currency basis	\$ 2,693,412	\$ 2,095,569	630
Operating income	2023	2022	BPS Change ⁽³⁾
GAAP ⁽¹⁾	\$ 484,671	\$ 92,648	880
Excluded items ⁽⁴⁾	(4,436)	(14,031)	(30)
Adjusted non-GAAP	\$ 489,107	\$ 106,679	850
Impact from changes in foreign currency exchange rates ⁽²⁾	—	(9,608)	30
Adjusted non-GAAP on a constant currency basis	\$ 489,107	\$ 97,071	880
Net income per share attributable to A&F	2023	2022	\$ Change
GAAP ⁽¹⁾	\$ 6.22	\$ 0.05	\$6.17
Excluded items, net of tax ⁽⁴⁾	(0.06)	(0.20)	(0.14)
Adjusted non-GAAP	\$ 6.28	\$ 0.25	\$6.03
Impact from changes in foreign currency exchange rates ⁽²⁾	—	(0.13)	0.13
Adjusted non-GAAP on a constant currency basis	\$ 6.28	\$ 0.12	\$6.16

⁽¹⁾ "GAAP" refers to accounting principles generally accepted in the United States of America.

⁽²⁾ The estimated 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 estimated impact from foreign currency is calculated using a 26% tax rate.

⁽³⁾ The estimated basis point change has been rounded based on the percentage change.

⁽⁴⁾ Excluded items consist of pre-tax asset store impairment charges of \$4.4 million and \$14.0 million for the current year and prior year, respectively.

Abercrombie & Fitch Co.
Reconciliation of Constant Currency Net Sales by Segment and Brand
Fourteen Weeks Ended February 3, 2024 and Thirteen Weeks Ended January 28, 2023
(in thousands, except percentage changes)
(Unaudited)

	2023		2022		GAAP % Change	Non-GAAP Constant Currency Basis % Change
	GAAP	GAAP	Impact From Changes In Foreign Currency Exchanges Rates	Non-GAAP Constant Currency Basis		
Net sales by segment: ⁽²⁾						
Americas ⁽³⁾	\$ 1,191,259	\$ 971,091	\$ (58)	\$ 971,033	23%	23%
EMEA ⁽⁴⁾	219,050	193,400	6,374	199,774	13%	10%
APAC ⁽⁵⁾	42,598	35,323	(1,029)	34,294	21%	24%
Total company	<u>\$ 1,452,907</u>	<u>\$ 1,199,814</u>	<u>\$ 5,287</u>	<u>\$ 1,205,101</u>	21%	21%

	2023		2022		GAAP % Change	Non-GAAP Constant Currency Basis % Change
	GAAP	GAAP	Impact From Changes In Foreign Currency Exchanges Rates	Non-GAAP Constant Currency Basis		
Net sales by brand:						
Abercrombie ⁽⁶⁾	755,203	560,438	843	561,281	35%	35%
Hollister ⁽⁷⁾	\$ 697,704	\$ 639,376	\$ 4,444	\$ 643,820	9%	8%
Total company	<u>\$ 1,452,907</u>	<u>\$ 1,199,814</u>	<u>\$ 5,287</u>	<u>\$ 1,205,101</u>	21%	21%

⁽¹⁾ The estimated 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.

⁽²⁾ Net sales by segment are presented by attributing revenues to an individual country on the basis of the segment that fulfills the order.

⁽³⁾ The Americas segment includes the results of operations in North America and South America.

⁽⁴⁾ The EMEA segment includes the results of operations in Europe, the Middle East and Africa.

⁽⁵⁾ The APAC segment includes the results of operations in the Asia-Pacific region, including Asia and Oceania.

⁽⁶⁾ Abercrombie brands includes Abercrombie & Fitch and abercrombie kids.

⁽⁷⁾ Hollister brands includes Hollister and Gilly Hicks.

Abercrombie & Fitch Co.
Reconciliation of Constant Currency Net Sales by Segment and Brand
Fifty-Three Weeks Ended February 3, 2024 and Fifty-Two Weeks Ended January 28, 2023
(in thousands, except percentage changes)
(Unaudited)

	2023		2022		GAAP % Change	Non-GAAP Constant Currency Basis % Change
	GAAP	GAAP	Impact From Changes In Foreign Currency Exchanges Rates	Non-GAAP Constant Currency Basis		
Net sales by segment: ⁽²⁾						
Americas ⁽³⁾	\$3,455,674	\$2,920,157	\$(3,925)	\$2,916,232	18%	18%
EMEA ⁽⁴⁾	687,095	658,794	15,498	674,292	4%	2%
APAC ⁽⁵⁾	137,908	118,800	(5,073)	113,727	16%	21%
Total company	\$4,280,677	\$3,697,751	\$6,500	\$3,704,251	16%	16%

	2023		2022		GAAP % Change	Non-GAAP Constant Currency Basis % Change
	GAAP	GAAP	Impact From Changes In Foreign Currency Exchanges Rates	Non-GAAP Constant Currency Basis		
Net sales by brand:						
Abercrombie ⁽⁶⁾	\$2,201,686	\$1,734,866	\$(1,234)	\$1,733,632	27%	27%
Hollister ⁽⁷⁾	2,078,991	1,962,885	7,734	1,970,619	6%	5%
Total company	\$4,280,677	\$3,697,751	\$6,500	\$3,704,251	16%	16%

- ⁽¹⁾ The estimated 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.
- ⁽²⁾ Net sales by segment are presented by attributing revenues to an individual country on the basis of the segment that fulfills the order.
- ⁽³⁾ The Americas segment includes the results of operations in North America and South America.
- ⁽⁴⁾ The EMEA segment includes the results of operations in Europe, the Middle East and Africa.
- ⁽⁵⁾ The APAC segment includes the results of operations in the Asia-Pacific region, including Asia and Oceania.
- ⁽⁶⁾ Abercrombie brands includes Abercrombie & Fitch and abercrombie kids.
- ⁽⁷⁾ Hollister brands includes Hollister and Gilly Hicks.

Abercrombie & Fitch Co.
Condensed Consolidated Balance Sheets
(in thousands)
(Unaudited)

	<u>February 3, 2024</u>	<u>January 28, 2023</u>
<u>Assets</u>		
Current assets:		
Cash and equivalents	\$ 900,884	\$ 517,602
Receivables	78,346	104,506
Inventories	469,466	505,621
Other current assets	88,569	100,289
Total current assets	1,537,265	1,228,018
Property and equipment, net	538,033	551,585
Operating lease right-of-use assets	678,256	723,550
Other assets	220,679	209,947
Total assets	<u>\$ 2,974,233</u>	<u>\$ 2,713,100</u>
<u>Liabilities and stockholders' equity</u>		
Current liabilities:		
Accounts payable	\$ 296,976	\$ 258,895
Accrued expenses	436,655	413,303
Short-term portion of operating lease liabilities	179,625	213,979
Income taxes payable	53,564	16,023
Total current liabilities	966,820	902,200
Long-term liabilities:		
Long-term portion of operating lease liabilities	\$ 646,624	\$ 713,361
Long-term borrowings, net	222,119	296,852
Other liabilities	88,683	94,118
Total long-term liabilities	957,426	1,104,331
Total Abercrombie & Fitch Co. stockholders' equity	1,035,160	694,841
Noncontrolling interests	14,827	11,728
Total stockholders' equity	1,049,987	706,569
Total liabilities and stockholders' equity	<u>\$ 2,974,233</u>	<u>\$ 2,713,100</u>

Abercrombie & Fitch Co.
Condensed Consolidated Statements of Cash Flows
(in thousands, except per share data)
(Unaudited)

	<u>Fifty-Three Weeks Ended</u>	<u>Fifty-Two Weeks Ended</u>
	<u>February 3, 2024</u>	<u>January 28, 2023</u>
Operating activities		
Net cash provided by (used for) operating activities	\$ 653,422	\$ (2,343)
Investing activities		
Purchases of property and equipment	\$ (157,797)	\$ (164,566)
Proceeds from the sale of property and equipment	615	11,891
Withdrawal of Rabbi Trust assets	—	12,000
Net cash used for investing activities	\$ (157,182)	\$ (140,675)
Financing activities		
Purchase of senior secured notes	(77,972)	(7,862)
Payment of debt issuance costs and fees	(180)	(181)
Purchases of common stock	—	(125,775)
Other financing activities	(33,049)	(21,511)
Net cash used for financing activities	\$ (111,201)	\$ (155,329)
Effect of foreign currency exchange rates on cash	\$ (2,923)	\$ (8,452)
Net increase (decrease) in cash and equivalents, and restricted cash and equivalents	\$ 382,116	\$ (306,799)
Cash and equivalents, and restricted cash and equivalents, beginning of period	\$ 527,569	\$ 834,368
Cash and equivalents, and restricted cash and equivalents, end of period	<u>\$ 909,685</u>	<u>\$ 527,569</u>

Abercrombie & Fitch Co.
Store Count Activity

Fifty-Three Weeks Ended February 3, 2024

	AMERICAS ⁽¹⁾		EMEA ⁽²⁾		APAC ⁽³⁾		Total Company		
	Abercrombie ⁽⁴⁾	Hollister ⁽⁵⁾	Abercrombie ⁽⁴⁾	Hollister ⁽⁵⁾	Abercrombie ⁽⁴⁾	Hollister ⁽⁵⁾	Abercrombie ⁽⁴⁾	Hollister ⁽⁵⁾	Total ⁽⁶⁾
January 28, 2023	184	389	29	112	20	28	233	529	762
New	14	7	4	6	4	—	22	13	35
Permanently closed	(4)	(12)	(4)	(10)	—	(2)	(8)	(24)	(32)
February 3, 2024	<u>194</u>	<u>384</u>	<u>29</u>	<u>108</u>	<u>24</u>	<u>26</u>	<u>247</u>	<u>518</u>	<u>765</u>

⁽¹⁾ The Americas segment includes the results of operations in North America and South America.

⁽²⁾ The EMEA segment includes the results of operations in Europe, the Middle East and Africa.

⁽³⁾ The APAC segment includes the results of operations in the Asia-Pacific region, including Asia and Oceania.

⁽⁴⁾ Abercrombie brands includes Abercrombie & Fitch and abercrombie kids.

⁽⁵⁾ Hollister brands includes Hollister and Gilly Hicks.

⁽⁶⁾ Store count excludes temporary and international franchise stores.