

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

	Thirteen Weeks Ended		Thirteen Weeks Ended	
	January 29, 2022	% of Net Sales	January 30, 2021	% of Net Sales
Net sales	\$ 1,161,353	100.0 %	\$ 1,122,044	100.0 %
Cost of sales, exclusive of depreciation and amortization	484,221	41.7 %	443,025	39.5 %
Gross profit	677,132	58.3 %	679,019	60.5 %
Stores and distribution expense	435,129	37.5 %	412,827	36.8 %
Marketing, general and administrative expense	145,686	12.5 %	137,334	12.2 %
Flagship store exit charges	24	0.0 %	854	0.1 %
Asset impairment, exclusive of flagship store exit charges	1,901	0.2 %	15,597	1.4 %
Other operating income, net	(3,741)	(0.3)%	(3,492)	(0.3)%
Operating income	98,133	8.4 %	115,899	10.3 %
Interest expense, net	6,959	0.6 %	8,997	0.8 %
Income before income taxes	91,174	7.9 %	106,902	9.5 %
Income tax expense	23,348	2.0 %	21,646	1.9 %
Net income	67,826	5.8 %	85,256	7.6 %
Less: Net income attributable to noncontrolling interests	2,317	0.2 %	2,864	0.3 %
Net income attributable to Abercrombie & Fitch Co.	<u>\$ 65,509</u>	5.6 %	<u>\$ 82,392</u>	7.3 %

Net income per share attributable to Abercrombie & Fitch Co.:

Basic	\$ 1.18	\$ 1.32
Diluted	\$ 1.12	\$ 1.27

Weighted-average shares outstanding:

Basic	55,740	62,581
Diluted	58,700	64,788

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	Fifty-Two Weeks Ended		Fifty-Two Weeks Ended	
	January 29, 2022	% of Net Sales	January 30, 2021	% of Net Sales
Net sales	\$ 3,712,768	100.0 %	\$ 3,125,384	100.0 %
Cost of sales, exclusive of depreciation and amortization	1,400,773	37.7 %	1,234,179	39.5 %
Gross profit	2,311,995	62.3 %	1,891,205	60.5 %
Stores and distribution expense	1,429,476	38.5 %	1,391,584	44.5 %
Marketing, general and administrative expense	536,815	14.5 %	463,843	14.8 %
Flagship store exit (benefit) charges	(1,153)	0.0 %	(11,636)	(0.4)%
Asset impairment, exclusive of flagship store exit charges	12,100	0.3 %	72,937	2.3 %
Other operating income, net	(8,327)	(0.2)%	(5,054)	(0.2)%
Operating income (loss)	343,084	9.2 %	(20,469)	(0.7)%
Interest expense, net	34,110	0.9 %	28,274	0.9 %
Income (loss) before income taxes	308,974	8.3 %	(48,743)	(1.6)%
Income tax expense	38,908	1.0 %	60,211	1.9 %
Net income (loss)	270,066	7.3 %	(108,954)	(3.5)%
Less: Net income attributable to noncontrolling interests	7,056	0.2 %	5,067	0.2 %
Net income (loss) attributable to Abercrombie & Fitch Co.	<u>\$ 263,010</u>	7.1 %	<u>\$ (114,021)</u>	(3.6)%
Net income (loss) per share attributable to Abercrombie & Fitch Co.:				
Basic	\$ 4.41		\$ (1.82)	
Diluted	\$ 4.20		\$ (1.82)	
Weighted-average shares outstanding:				
Basic	59,597		62,551	
Diluted	62,636		62,551	

## 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 primarily attributable to the COVID-19 pandemic or related to the company's flagship stores, 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. In light of store closures related to COVID-19, the Company has not disclosed comparable sales for Fiscal 2021.

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**  
**Thirteen Weeks Ended January 29, 2022**  
**(in thousands, except per share data)**  
**(Unaudited)**

	GAAP <sup>(1)</sup>	Excluded items	Adjusted non-GAAP
Asset impairment, exclusive of flagship store exit charges <sup>(2)</sup>	\$ 1,901	\$ 1,901	\$ —
Operating income	98,133	(1,901)	100,034
Income before income taxes	91,174	(1,901)	93,075
Income tax expense <sup>(3)</sup>	23,348	(373)	23,721
Net income attributable to Abercrombie & Fitch Co.	\$ 65,509	\$ (1,528)	\$ 67,037
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 1.12	\$ (0.03)	\$ 1.14
Diluted weighted-average shares outstanding:	58,700		58,700

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

<sup>(2)</sup> Excluded items consist of pre-tax store asset impairment charges of \$1.9 million.

<sup>(3)</sup> 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**  
**Thirteen Weeks Ended January 30, 2021**  
(in thousands, except per share data)  
(Unaudited)

	<u>GAAP <sup>(1)</sup></u>	<u>Excluded items</u>	<u>Adjusted non-GAAP</u>
Asset impairment, exclusive of flagship store exit charges <sup>(2)</sup>	\$ 15,597	\$ 15,597	\$ —
Operating income	115,899	(15,597)	131,496
Income before income taxes <sup>(2)</sup>	106,902	(15,597)	122,499
Income tax expense <sup>(3)</sup>	21,646	(664)	22,310
Net income attributable to Abercrombie & Fitch Co.	\$ 82,392	\$ (14,933)	\$ 97,325
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 1.27	\$ (0.23)	\$ 1.50
Diluted weighted-average shares outstanding:	64,788		64,788

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

<sup>(2)</sup> Excluded items consist of pre-tax store asset impairment charges of \$15.6 million related to certain of the company's flagship stores.

<sup>(3)</sup> 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 29, 2022**  
(in thousands, except per share data)  
**(Unaudited)**

	GAAP <sup>(1)</sup>	Excluded items	Adjusted non-GAAP
Asset impairment, exclusive of flagship store exit charges <sup>(2)</sup>	\$ 12,100	\$ 12,100	\$ —
Operating income	343,084	(12,100)	355,184
Income before income taxes	308,974	(12,100)	321,074
Income tax expense <sup>(3)</sup>	38,908	(2,421)	41,329
Net income attributable to Abercrombie & Fitch Co.	\$ 263,010	\$ (9,679)	\$ 272,689
Net loss per diluted share attributable to Abercrombie & Fitch Co.	\$ 4.20	\$ (0.15)	\$ 4.35
Diluted weighted-average shares outstanding:	62,636		62,636

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

<sup>(2)</sup> Excluded items consist of pre-tax store asset impairment charges of \$12.1 million.

<sup>(3)</sup> 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 30, 2021**  
(in thousands, except per share data)  
**(Unaudited)**

	GAAP <sup>(1)</sup>	Excluded Items	Adjusted Non-GAAP
Asset impairment, exclusive of flagship store exit charges <sup>(2)</sup>	\$ 72,937	\$ 72,937	\$ —
Operating (loss) income	(20,469)	(72,937)	52,468
(Loss) income before income taxes	(48,743)	(72,937)	24,194
Income tax expense <sup>(3)</sup>	60,211	(4,299)	64,510
Net (loss) income attributable to Abercrombie & Fitch Co.	\$ (114,021)	\$ (68,638)	\$ (45,383)
Net (loss) income per diluted share attributable to Abercrombie & Fitch Co.	\$ (1.82)	\$ (1.10)	\$ (0.73)
Diluted weighted-average shares outstanding:	62,551		62,551

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

<sup>(2)</sup> Excluded items consist of pre-tax store asset impairment charges of \$72.9 million, which are principally the result of the impact of COVID-19 on store cash flows related to certain of the company's flagship stores.

<sup>(3)</sup> 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**  
**Thirteen Weeks Ended January 29, 2022**  
(in thousands, except percentage and basis point changes and per share data)  
(Unaudited)

<b>Net sales</b>	<b>2021</b>	<b>2020</b>	<b>% Change</b>
GAAP <sup>(1)</sup>	\$ 1,161,353	\$ 1,122,044	4%
Impact from changes in foreign currency exchange rates <sup>(2)</sup>	—	(6,591)	(1)%
Net sales on a constant currency basis	\$ 1,161,353	\$ 1,115,453	4%
<b>Gross profit</b>	<b>2021</b>	<b>2020</b>	<b>BPS Change <sup>(3)</sup></b>
GAAP <sup>(1)</sup>	\$ 677,132	\$ 679,019	(220)
Impact from changes in foreign currency exchange rates <sup>(2)</sup>	—	(3,996)	0
Gross profit on a constant currency basis	\$ 677,132	\$ 675,023	(220)
<b>Operating income</b>	<b>2021</b>	<b>2020</b>	<b>BPS Change <sup>(3)</sup></b>
GAAP <sup>(1)</sup>	\$ 98,133	\$ 115,899	(190)
Excluded items <sup>(4)</sup>	(1,901)	(15,597)	120
Adjusted non-GAAP	\$ 100,034	\$ 131,496	(310)
Impact from changes in foreign currency exchange rates <sup>(2)</sup>	—	151	(10)
Adjusted non-GAAP constant currency basis	\$ 100,034	\$ 131,647	(320)
<b>Net income per diluted share attributable to Abercrombie &amp; Fitch Co.</b>	<b>2021</b>	<b>2020</b>	<b>\$ Change</b>
GAAP <sup>(1)</sup>	\$ 1.12	\$ 1.27	\$(0.15)
Excluded items, net of tax <sup>(4)</sup>	(0.03)	(0.23)	0.20
Adjusted non-GAAP	\$ 1.14	\$ 1.50	\$(0.36)
Impact from changes in foreign currency exchange rates <sup>(2)</sup>	—	(0.01)	0.01
Adjusted non-GAAP on a constant currency basis	\$ 1.14	\$ 1.51	\$(0.37)

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

<sup>(2)</sup> 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.

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

<sup>(4)</sup> Excluded items consist of pre-tax asset store impairment charges of \$1.9 million and \$15.6 million for the current year and prior year, respectively.

**Abercrombie & Fitch Co.**  
**Reconciliation of Constant Currency Financial Measures**  
**Fifty-two Weeks Ended January 30, 2021**  
(in thousands, except percentage and basis point changes and per share data)  
(Unaudited)

<b>Net sales</b>	<b>2021</b>	<b>2020</b>	<b>% Change</b>
GAAP <sup>(1)</sup>	\$ 3,712,768	\$ 3,125,384	19%
Impact from changes in foreign currency exchange rates <sup>(2)</sup>	—	25,927	1%
Net sales on a constant currency basis	\$ 3,712,768	\$ 3,151,311	18%
<b>Gross profit</b>	<b>2021</b>	<b>2020</b>	<b>BPS Change <sup>(3)</sup></b>
GAAP <sup>(1)</sup>	\$ 2,311,995	\$ 1,891,205	180
Impact from changes in foreign currency exchange rates <sup>(2)</sup>	—	13,865	0
Gross profit on a constant currency basis	\$ 2,311,995	\$ 1,905,070	180
<b>Operating income (loss)</b>	<b>2021</b>	<b>2020</b>	<b>BPS Change <sup>(3)</sup></b>
GAAP <sup>(1)</sup>	\$ 343,084	\$ (20,469)	990
Excluded items <sup>(4)</sup>	(12,100)	(72,937)	200
Adjusted non-GAAP	\$ 355,184	\$ 52,468	790
Impact from changes in foreign currency exchange rates <sup>(2)</sup>	—	(1,399)	10
Adjusted non-GAAP on a constant currency basis	\$ 355,184	\$ 51,069	800
<b>Net income (loss) per diluted share attributable to Abercrombie &amp; Fitch Co.</b>	<b>2021</b>	<b>2020</b>	<b>\$ Change</b>
GAAP <sup>(1)</sup>	\$ 4.20	\$ (1.82)	\$6.02
Excluded items, net of tax <sup>(4)</sup>	(0.15)	(1.10)	0.95
Adjusted non-GAAP	\$ 4.35	\$ (0.73)	\$5.08
Impact from changes in foreign currency exchange rates <sup>(2)</sup>	—	0.01	(0.01)
Adjusted non-GAAP on a constant currency basis	\$ 4.35	\$ (0.74)	\$5.09

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

<sup>(2)</sup> 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.

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

<sup>(4)</sup> Excluded items consist of pre-tax asset store impairment charges of \$12.1 million and \$72.9 million for the current year and prior year, respectively.



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

	<u>January 29, 2022</u>	<u>January 30, 2021</u>
<u>Assets</u>		
Current assets:		
Cash and equivalents	\$ 823,139	\$ 1,104,862
Receivables	69,102	83,857
Inventories	525,864	404,053
Other current assets	89,654	68,857
Total current assets	1,507,759	1,661,629
Property and equipment, net	508,336	550,587
Operating lease right-of-use assets	698,231	893,989
Other assets	225,165	208,697
Total assets	<u>\$ 2,939,491</u>	<u>\$ 3,314,902</u>
<u>Liabilities and stockholders' equity</u>		
Current liabilities:		
Accounts payable	\$ 374,829	\$ 289,396
Accrued expenses	395,815	396,365
Short-term portion of operating lease liabilities	222,823	248,846
Income taxes payable	21,773	24,792
Total current liabilities	1,015,240	959,399
Long-term liabilities:		
Long-term portion of operating lease liabilities	\$ 697,264	\$ 957,588
Long-term borrowings, net	303,574	343,910
Other liabilities	86,089	104,693
Total long-term liabilities	1,086,927	1,406,191
Total Abercrombie & Fitch Co. stockholders' equity	826,090	936,628
Noncontrolling interests	11,234	12,684
Total stockholders' equity	837,324	949,312
Total liabilities and stockholders' equity	<u>\$ 2,939,491</u>	<u>\$ 3,314,902</u>

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

	Fifty-Two Weeks Ended	
	January 29, 2022	January 30, 2021
<b>Operating activities</b>		
Net cash provided by operating activities	\$ 273,997	\$ 404,918
<b>Investing activities</b>		
Purchases of property and equipment	\$ (96,979)	\$ (101,910)
Withdrawal of Rabbi Trust assets	—	50,000
Net cash used for investing activities	\$ (96,979)	\$ (51,910)
<b>Financing activities</b>		
Proceeds from issuance of senior secured notes	\$ —	\$ 350,000
Proceeds from borrowings under the asset-based senior secured credit facility	—	210,000
Repayment of term loan facility borrowings	—	(233,250)
Repayment of borrowings under the asset-based senior secured credit facility	—	(210,000)
Purchase of senior secured notes	(46,969)	—
Payment of debt issuance costs and fees	(2,016)	(7,318)
Purchases of common stock	(377,290)	(15,172)
Dividends paid	—	(12,556)
Other financing activities	(20,623)	(11,987)
Net cash (used for) provided by financing activities	\$ (446,898)	\$ 69,717
Effect of foreign currency exchange rates on cash	\$ (19,909)	\$ 9,168
Net increase (decrease) in cash and equivalents, and restricted cash and equivalents	\$ (289,789)	\$ 431,893
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	<u>\$ 834,368</u>	<u>\$ 1,124,157</u>

**Abercrombie & Fitch Co.**  
**Store Count Activity**

**Thirteen Weeks Ended January 29, 2022**

	<b>Hollister <sup>(1)</sup></b>		<b>Abercrombie <sup>(2)</sup></b>		<b>Total Company <sup>(3)</sup></b>		<b>Total</b>
	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>	
October 30, 2021	355	151	181	48	536	199	735
New	1	7	1	6	2	13	15
Permanently closed	(5)	(4)	(9)	(3)	(14)	(7)	(21)
January 29, 2022	<u>351</u>	<u>154</u>	<u>173</u>	<u>51</u>	<u>524</u>	<u>205</u>	<u>729</u>

**Fifty-Two Weeks Ended January 29, 2022**

	<b>Hollister <sup>(1)</sup></b>		<b>Abercrombie <sup>(2)</sup></b>		<b>Total Company <sup>(3)</sup></b>		<b>Total</b>
	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>	
January 30, 2021	347	150	190	48	537	198	735
New	10	12	7	9	17	21	38
Permanently closed	(6)	(8)	(24)	(6)	(30)	(14)	(44)
January 29, 2022	<u>351</u>	<u>154</u>	<u>173</u>	<u>51</u>	<u>524</u>	<u>205</u>	<u>729</u>

<sup>(1)</sup> 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 9 international franchise stores as of January 29, 2022, 10 international franchise stores as of October 30, 2021, and 9 international franchise stores as of January 30, 2021. Excludes 14 Company-operated temporary stores as of each of January 29, 2022 and October 30, 2021, and 12 Company-operated temporary stores as of January 30, 2021.

<sup>(2)</sup> 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 14 international franchise stores as of January 29, 2022, 13 international franchise stores as of and October 30, 2021, and 10 international franchise stores as of January 30, 2021. Excludes five Company-operated temporary stores as of January 29, 2022, four temporary stores as of October 30, 2021, and two Company-operated temporary stores as of January 30, 2021.

<sup>(3)</sup> This store count excludes one international third-party operated multi-brand outlet store as of each of January 29, 2022, October 30, 2021, and January 30, 2021