



Abercrombie & Fitch Co.

Abercrombie & Fitch

abercrombie kids

HOLLISTER

GILLY HICKS

SOCIAL TOURIST

INVESTOR PRESENTATION: **SECOND 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," "should," "are confident," 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 August 26, 2021 which is available in the "Investors" section of the company's website, located at corporate.bercrombie.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, Gilly Hicks, and Social Tourist 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.

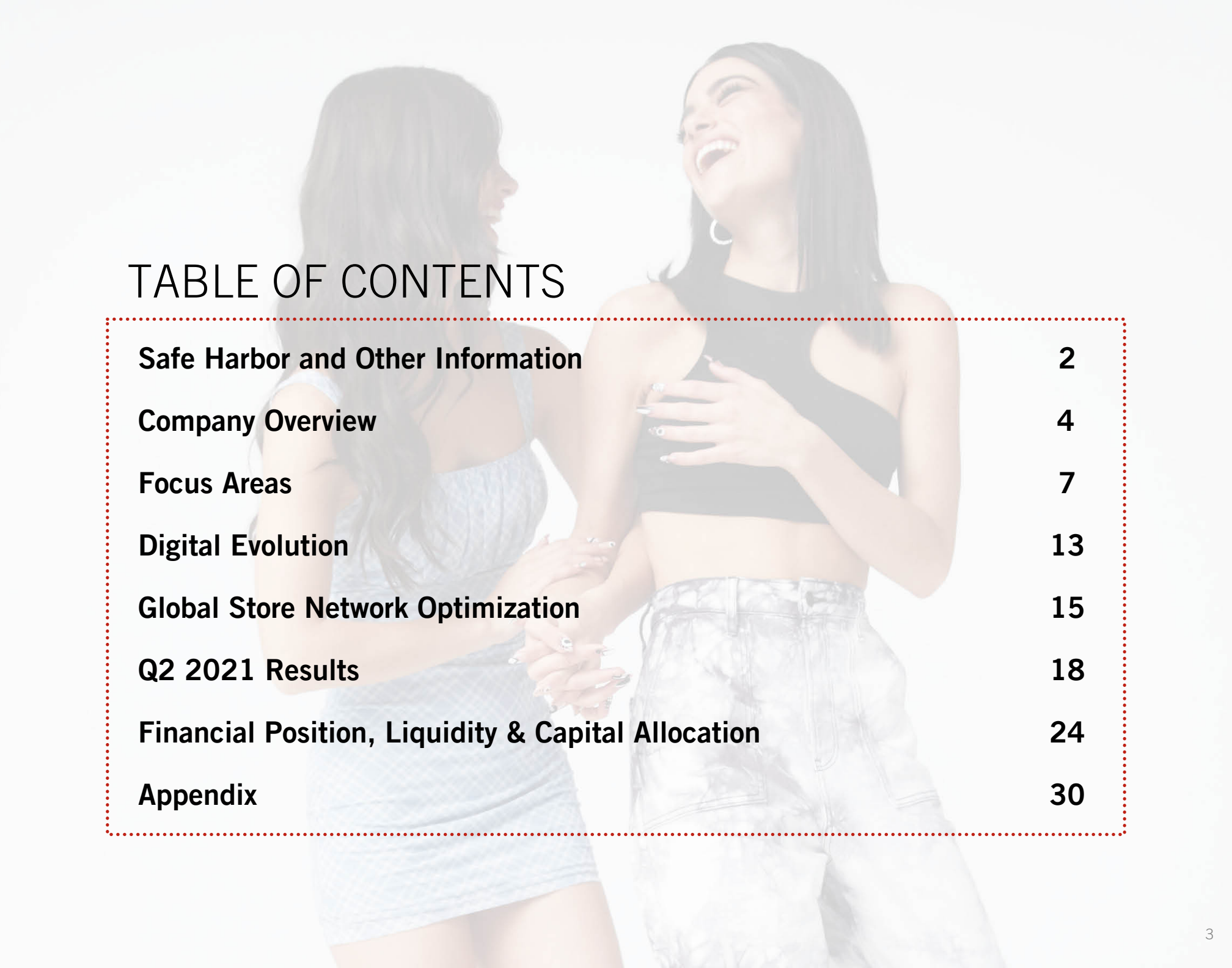
A background image of two young women with long dark hair, laughing joyfully. The woman on the left is wearing a light blue patterned dress, and the woman on the right is wearing a black halter-neck crop top and light blue denim jeans. They are both looking towards the right side of the frame.

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COMPANY OVERVIEW

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. At Gilly Hicks, we know everyone has their own unique happy place. We exist to help you find yours. Gilly Hicks is an underwear, activewear and loungewear brand designed to give all Gen Z customers their daily dose of happy.

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

54%

OF FISCAL 2020 NET SALES WERE DERIVED DIGITALLY

5

GLOBAL BRANDS

733

COMPANY-OPERATED RETAIL STORES

32%

OF FISCAL 2020 NET SALES WERE DERIVED INTERNATIONALLY

12

COUNTRIES WITH SHIP-FROM-STORE & 10 WITH PURCHASE-ONLINE-PICK-UP-IN-STORE CAPABILITIES

110

CAPABILITY TO SHIP TO OVER 110 COUNTRIES

23

INTERNATIONAL THIRD-PARTY OPERATED STORES

8

WHOLESALE PARTNERSHIPS, PRIMARILY INTERNATIONAL



FOCUS AREAS

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:

- 1 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
- 3 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
- 4 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

FOCUS AREAS

OUR FOCUS AREAS FOR 2021

WE ENTERED 2021 ON 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**

FOCUS AREAS

GILLY HICKS BRAND EVOLUTION

THE COMPANY RECENTLY ANNOUNCED STEPS IN ITS GROWTH STRATEGY INCLUDING A NEW MORE GENDER-INCLUSIVE ASSORTMENT



EXPANDED PRODUCT ASSORTMENT, A NEW STORE PROTOTYPE AND DIGITAL EXPERIENCE, AND A REIMAGINED BRAND PURPOSE

ANNOUNCED: July 15, 2021

BRAND PURPOSE: Giving Gen Z their daily dose of happy

NEW MORE GENDER-INCLUSIVE PRODUCT ASSORTMENT: Underwear, loungewear and activewear in patterns and colors that match everyone's styles, regardless of gender identity

STAND ALONE STORE CONCEPT: Gilly Hicks store opened at Easton Town Center in Columbus, Ohio

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

FOCUS AREAS

CUSTOMER REACTION TO GILLY HICKS RELAUNCH HAS BEEN POSITIVE

During Q2 2021, the company opened the first Gilly Hicks standalone store concept at Easton Town Center in Columbus, OH and introduced updated side-by-side with Hollister store experiences, including 20 refreshes to existing side-by-side formats and 3 new locations, all of which incorporate elements from the standalone stores.

STANDALONE STORE, EASTON TOWN CENTER



UPDATED STORE EXPERIENCES: RHEIN CENTER, DE; SHOPPING CITY SUD, AT; PROMENADE, CA



FOCUS AREAS

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 ensuring all stores follow local mandates relating to face coverings, social distancing, cleaning measures, reduced operating hours and/or temporary closures

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

DIGITAL EVOLUTION

INVESTMENTS TO SUPPORT TRANSFORMATION TO A DIGITALLY-LED GLOBAL OMNI-CHANNEL 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

GLOBAL STORE NETWORK OPTIMIZATION

**ROUGHLY HALF OF GLOBAL STORE BASE IN UPDATED FORMATS;
REMOVED 1.6M GROSS SQUARE FEET GLOBALLY SINCE 2017**



* Prior period figures have been revised to reflect a change in classification of certain stores to be consistent with current presentation.

GLOBAL STORE NETWORK OPTIMIZATION

90% OF U.S. STORES LOCATED IN A/B MALLS; CONTINUE TO REPOSITION GLOBAL FLEET

YTD STORE OPTIMIZATION ACTIVITY

	HOLLISTER	ABERCROMBIE	TOTAL
NEW STORES	12	6	18
REMODELS	1	—	1
RIGHT-SIZES	2	3	5
NEW EXPERIENCES	15	9	24
PERMANENT CLOSURES	(4)	(16)	(20)

Q2 2021 STORE FLEET DETAIL

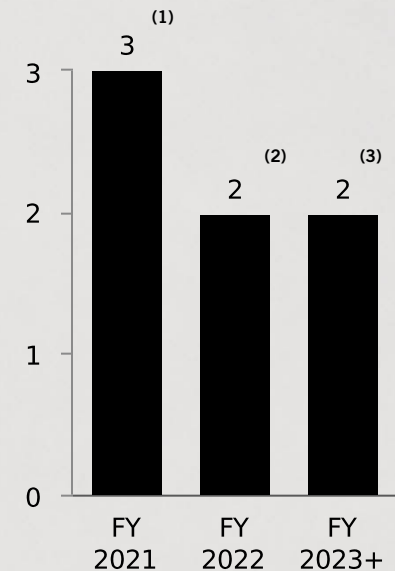
	HOLLISTER		ABERCROMBIE		TOTAL COMPANY	
	# OF STORES	% OF FLEET	# OF STORES	% OF FLEET	# OF STORES	% OF FLEET
LEGACY STORES	193	38%	106	46%	299	41%
UPDATED FORMATS	299	59%	78	34%	377	51%
OUTLETS	12	2%	39	17%	51	7%
FLAGSHIPS	1	—%	5	2%	6	1%
TOTAL	505	100%	228	100%	733	100%

Q2 2021 U.S. STORE FLEET *

	A MALL	B MALL	C MALL	FLAGSHIPS	TOTAL
# OF STORES	237	246	49	2	534
% OF U.S. FLEET	44%	46%	9%	—%	100%

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

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.



Q2 2021 RESULTS

CEO COMMENTARY

“As our customers’ mindset shifted to summer, we continued to deliver on product, voice and experience. Total net sales grew 24% year-over-year, or 3% from 2019. Our largest market, the U.S., had healthy net sales growth of 31% on a one-year and 11% on a two-year basis. As customers returned to stores, digital net sales held steady to last year, and remained highly penetrated, representing 44% of total second quarter sales. Our gross profit rate expanded dramatically, rising 450 basis points from last year and 590 basis points from the second quarter of 2019, benefiting from double-digit AUR improvement. Combined with ongoing expense management, we expanded our operating margin by 1130 basis points year-over-year and 1800 basis points on a two-year basis.”

“Momentum has continued quarter-to-date. We have had a strong start to the U.S. back-to-school season. Reception to the Gilly Hicks brand relaunch, associated product, and updated store experiences has been very positive. At our newest brand, Social Tourist, we are excited about our learnings and results since its launch just three months ago. Looking ahead, we will remain on offense and are confident that the proactive steps we have taken to evolve our operating model and cost structure, combined with evolved brand positioning, should continue to yield near and long-term benefits.”

FRAN HOROWITZ, CHIEF EXECUTIVE OFFICER

Q2 2021 RESULTS

NET INCOME (LOSS) PER SHARE

SIGNIFICANT ITEMS IMPACTING Q2 2021 RESULTS

- Net sales increased 24%, or \$167M, as compared to last year, reflecting an increase in store sales as the company anniversaries prior year COVID-19 related store closures.
- Gross margin rate improved 450 basis points as compared to last year to 65.2% driven by higher average unit retail on lower promotions.
- Store occupancy expense decreased \$25M, reflecting a decrease in store count and favorable rent negotiations, and approximately \$9M in benefits during Q2 2021 related to rent abatements and a settlement related to a prior flagship closure.
- Store payroll expense increased \$22M, reflecting the return of certain expenses saved last year during COVID-19 temporary store closures.
- Marketing expense increased \$13M, reflecting the company's initiatives to make strategic investments across marketing.
- Asset impairment charges of \$0.8M and \$8M for this year and last year, respectively.

	Q2 2021	Q2 2020
GAAP	\$1.69	\$0.09
EXCLUDED ITEMS, NET OF TAX EFFECT ⁽¹⁾	(0.01)	(0.15)
ADJUSTED NON-GAAP	\$1.70	\$0.23
IMPACT FROM FOREIGN CURRENCY EXCHANGE RATES ⁽²⁾	—	0.04
ADJUSTED NON-GAAP ON A CONSTANT CURRENCY BASIS	\$1.70	\$0.27

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

⁽²⁾ The estimated impact from foreign currency is calculated by applying current period exchange rates to prior year results using a 26% tax rate.

NET SALES

TOTAL COMPANY NET SALES UP 24% AND 3% COMPARED TO Q2 2020 AND Q2 2019, RESPECTIVELY, TO \$865M

DIGITAL SALES DOWN 3% AND UP 52% TO LAST YEAR AND 2019, RESPECTIVELY, RESULTING IN Q2 2021 DIGITAL SALES OF \$376M, OR 44% OF TOTAL NET SALES

HOLLISTER
\$514M

UP 20% TO LAST YEAR
59.5% OF TOTAL NET SALES

ABERCROMBIE
\$350M

UP 30% TO LAST YEAR
40.5% OF TOTAL NET SALES

UNITED STATES
\$602M

UP 31% TO LAST YEAR
69.6% OF TOTAL NET SALES

EMEA
\$191M

UP 11% TO LAST YEAR
22.1% OF TOTAL NET SALES

APAC
\$41M

DOWN 1% TO LAST YEAR
4.8% OF TOTAL NET SALES

OTHER
\$31M

UP 17% TO LAST YEAR
3.6% OF TOTAL NET SALES

Q2 2021 RESULTS

OPERATING EXPENSE

GAAP

<i>(in thousands)</i>	Q2 2021	% OF NET SALES	Q2 2020	% OF NET SALES	Δ BPS ⁽³⁾
STORE OCCUPANCY ⁽¹⁾	\$102,194	11.8%	\$126,733	18.1%	(630)
ALL OTHER ⁽²⁾	223,741	25.9%	183,637	26.3%	(40)
STORES AND DISTRIBUTION	325,935	37.7%	310,370	44.4%	(670)
MARKETING, GENERAL & ADMINISTRATIVE	123,913	14.3%	97,252	13.9%	40
FLAGSHIP STORE EXIT BENEFITS	(88)	0.0%	(3,884)	(0.6)%	60
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	786	0.1%	8,083	1.2%	(110)
TOTAL	\$450,546	52.1%	\$411,821	59.0%	(690)

NON-GAAP*

<i>(in thousands)</i>	Q2 2021	% OF NET SALES	Q2 2020	% OF NET SALES	Δ BPS ⁽³⁾
STORE OCCUPANCY ⁽¹⁾	\$102,194	11.8%	\$126,733	18.1%	(630)
ALL OTHER ⁽²⁾	223,741	25.9%	183,637	26.3%	(40)
STORES AND DISTRIBUTION	325,935	37.7%	310,370	44.4%	(670)
MARKETING, GENERAL & ADMINISTRATIVE	123,913	14.3%	97,252	13.9%	40
FLAGSHIP STORE EXIT BENEFITS	(88)	0.0%	(3,884)	(0.6)%	60
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	—	0.0%	—	0.0%	—
TOTAL	\$449,760	52.0%	\$403,738	57.8%	(580)

* Q2 non-GAAP operating expense is presented on an adjusted non-GAAP basis, and excludes the effect of certain items set out of page 31.

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

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

(3) Rounded based on reported percentages.

Q2 2021 RESULTS

INCOME STATEMENT

<i>(in thousands)</i>	GAAP					
	Q2 2021	% OF NET SALES	Q2 2020	% OF NET SALES	Q2 2019	% OF NET SALES
NET SALES	\$864,850	100.0%	\$698,328	100.0%	\$841,078	100.0%
GROSS PROFIT ⁽¹⁾	563,485	65.2%	423,608	60.7%	498,633	59.3%
OPERATING EXPENSE	450,546	52.1%	411,821	59.0%	537,750	63.9%
OTHER OPERATING (INCOME) LOSS, NET	(1,848)	(0.2)%	(2,356)	(0.3)%	367	0.0%
OPERATING INCOME (LOSS)	114,787	13.3%	14,143	2.0%	(39,484)	(4.7)%
INTEREST EXPENSE, NET	11,275	1.3%	7,098	1.0%	1,370	0.2%
INCOME (LOSS) BEFORE INCOME TAXES	103,512	12.0%	7,045	1.0%	(40,854)	(4.9)%
INCOME TAX (BENEFIT) EXPENSE	(6,944)	(0.8)%	1,253	0.2%	(11,330)	(1.3)%
NET INCOME (LOSS)	\$108,500	12.5%	\$5,464	0.8%	\$(31,142)	(3.7)%
NET INCOME (LOSS) PER SHARE						
BASIC	\$1.77		\$0.09		\$(0.48)	
DILUTED	\$1.69		\$0.09		\$(0.48)	
WEIGHTED-AVERAGE SHARES						
BASIC	61,428		62,527		65,156	
DILUTED	64,136		63,286		65,156	

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



FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

FINANCIAL POSITION AND LIQUIDITY SUMMARY

LIQUIDITY*



CASH & EQUIVALENTS

\$922M AS COMPARED TO \$767M LAST YEAR

SHORT-TERM BORROWINGS

NO BORROWINGS OUTSTANDING UNDER ABL FACILITY

\$249M OF BORROWING AVAILABLE UNDER ABL FACILITY AS OF JULY 31, 2021

GROSS LONG-TERM BORROWINGS

\$308M OUTSTANDING AS COMPARED TO \$350M LAST YEAR

INVENTORIES

\$416M DOWN 8% 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

<i>(in thousands)</i>	YEAR TO DATE PERIOD ENDED	
	JULY 31, 2021	AUGUST 1, 2020
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$49,945	\$46,233
NET CASH USED FOR INVESTING ACTIVITIES	\$(35,269)	\$(25,621)
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	\$(200,247)	\$71,329

<i>(in thousands)</i>	NET CASH PROVIDED BY OPERATING ACTIVITIES	CAPITAL EXPENDITURES	FREE CASH FLOW ⁽¹⁾
FY 2016	\$185,169	\$140,844	\$44,325
FY 2017	\$287,658	\$107,001	\$180,657
FY 2018	\$352,933	\$152,393	\$200,540
FY 2019	\$300,685	\$202,784	\$97,901
FY 2020	\$404,918	\$101,910	\$303,008

⁽¹⁾ 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.

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 Q2 2021, the Company had approximately 6.5 million shares remaining available for purchase under its publicly announced February 2021 stock repurchase authorization.

<i>(in thousands, except for average cost)</i>	SHARE REPURCHASES			DIVIDENDS	TOTAL
	NUMBER OF SHARES	COST	AVERAGE COST		
FY 2016	—	\$—	\$—	\$54,066	\$54,066
FY 2017	—	\$—	\$—	\$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	3,451	\$135,249	\$39.19	\$—	\$135,249

<i>(in thousands)</i>	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Q2 2021
ENDING SHARES OUTSTANDING	67,758	68,195	66,227	62,786	62,399	59,692

FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

BALANCE SHEET

<i>(in thousands)</i>	JULY 31, 2021	JANUARY 30, 2021	AUGUST 1, 2020
CASH AND EQUIVALENTS	\$921,504	\$1,104,862	\$766,721
RECEIVABLES	87,151	83,857	88,323
INVENTORIES	415,604	404,053	453,239
OTHER CURRENT ASSETS	77,392	68,857	75,160
TOTAL CURRENT ASSETS	\$1,501,651	\$1,661,629	\$1,383,443
PROPERTY AND EQUIPMENT, NET	532,795	550,587	635,703
OPERATING LEASE RIGHT-OF-USE ASSETS	791,036	893,989	1,073,464
OTHER ASSETS	229,911	208,697	216,204
TOTAL ASSETS	\$3,055,393	\$3,314,902	\$3,308,814
ACCOUNTS PAYABLE	\$289,475	\$289,396	\$284,221
ACCRUED EXPENSES	351,991	396,365	351,849
SHORT-TERM PORTION OF OPERATING LEASE LIABILITIES	219,453	248,846	278,495
INCOME TAXES PAYABLE	26,260	24,792	6,425
TOTAL CURRENT LIABILITIES	\$887,179	\$959,399	\$920,990
LONG-TERM PORTION OF OPERATING LEASE LIABILITIES	791,793	957,588	1,122,853
LONG-TERM BORROWINGS, NET	303,015	343,910	343,250
OTHER LIABILITIES	106,473	104,693	108,111
TOTAL LONG-TERM LIABILITIES	\$1,201,281	\$1,406,191	\$1,574,214
TOTAL ABERCROMBIE & FITCH CO. STOCKHOLDERS EQUITY	956,566	936,628	805,681
NONCONTROLLING INTEREST	10,367	12,684	7,929
TOTAL STOCKHOLDERS' EQUITY	\$966,933	\$949,312	\$813,610
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$3,055,393	\$3,314,902	\$3,308,814

FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

STATEMENT OF CASH FLOWS

<i>(in thousands)</i>	YEAR TO DATE PERIOD ENDED	
	JULY 31, 2021	AUGUST 1, 2020
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$49,945	\$46,233
PURCHASES OF PROPERTY AND EQUIPMENT	(35,269)	(75,621)
WITHDRAWAL OF FUNDS FROM RABBI TRUST ASSETS	—	50,000
NET CASH USED FOR INVESTING ACTIVITIES	\$(35,269)	\$(25,621)
PROCEEDS FROM ISSUANCE OF SENIOR SECURED NOTES	—	350,000
PURCHASE OF SENIOR SECURED NOTES	(46,969)	—
PROCEEDS FROM BORROWINGS UNDER THE ABL FACILITY	—	210,000
REPAYMENT OF TERM LOAN FACILITY BORROWINGS	—	(233,250)
REPAYMENT OF ABL FACILITY BORROWINGS	—	(210,000)
PAYMENT OF DEBT ISSUANCE OR MODIFICATION COSTS AND FEES	(1,837)	(6,558)
PURCHASES OF COMMON STOCK	(135,249)	(15,172)
DIVIDENDS PAID	—	(12,556)
OTHER FINANCING ACTIVITIES	(16,192)	(11,135)
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	\$(200,247)	\$71,329
EFFECT OF FOREIGN CURRENCY EXCHANGE RATES ON CASH	(2,547)	1,785
NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS	\$(188,118)	\$93,726
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	\$936,039	\$785,990



APPENDIX

APPENDIX

RECONCILIATION OF GAAP TO NON-GAAP RESULTS

NET SALES	Q2 2021	Q2 2020	Δ %
GAAP	\$864,850	\$698,328	24%
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	16,706	(2)%
NON-GAAP CONSTANT CURRENCY BASIS	\$864,850	\$715,034	21%
GROSS PROFIT	Q2 2021	Q2 2020	Δ BPS ⁽²⁾
GAAP	\$563,485	\$423,608	450
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	12,178	(20)
NON-GAAP CONSTANT CURRENCY BASIS	\$563,485	\$435,786	430
OPERATING INCOME (LOSS)	Q2 2021	Q2 2020	Δ BPS ⁽²⁾
GAAP	\$114,787	\$14,143	1,130
EXCLUDED ITEMS ⁽³⁾	(786)	(8,083)	110
ADJUSTED NON-GAAP	\$115,573	\$22,226	1,020
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	3,418	(40)
ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS	\$115,573	\$25,644	980
NET INCOME (LOSS) PER DILUTED SHARE	Q2 2021	Q2 2020	Δ \$
GAAP	\$1.69	\$0.09	\$1.60
EXCLUDED ITEMS, NET OF TAX ⁽³⁾	(0.01)	(0.15)	0.14
ADJUSTED NON-GAAP	\$1.70	\$0.23	\$1.47
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	0.04	(0.04)
ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS	\$1.70	\$0.27	\$1.43

⁽¹⁾ 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.

⁽²⁾ The estimated basis point impact has been rounded based on the percentage change.

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

APPENDIX

RECONCILIATION OF GAAP TO NON-GAAP RESULTS

<i>(in thousands)</i>	Q2 2021 GAAP	EXCLUDED ITEMS	Q2 2021 NON-GAAP
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	\$786	\$786	\$—
OPERATING INCOME	114,787	(786)	115,573
INCOME BEFORE INCOME TAXES	103,512	(786)	104,298
INCOME TAX EXPENSE ⁽¹⁾	(6,944)	(224)	(6,720)
NET INCOME	\$108,500	\$(562)	\$109,062
NET INCOME PER DILUTED SHARE	\$1.69	\$(0.01)	\$1.70
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	64,136		64,136

<i>(in thousands)</i>	Q2 2020 GAAP	EXCLUDED ITEMS	Q2 2020 NON-GAAP
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	\$8,083	\$8,083	\$—
OPERATING LOSS	14,143	(8,083)	22,226
LOSS BEFORE INCOME TAXES	7,045	(8,083)	15,128
INCOME TAX EXPENSE ⁽¹⁾	1,253	1,166	87
NET LOSS	\$5,464	\$(9,249)	\$14,713
NET LOSS PER DILUTED SHARE	\$0.09	\$(0.15)	\$0.23
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	63,286		63,286

⁽¹⁾ The tax effect of excluded items, calculated as the difference between the tax provision on a GAAP basis and an adjusted non-GAAP basis.



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