

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

	Thirteen Weeks Ended		Thirteen Weeks Ended	
	October 30, 2021	% of Net Sales	October 31, 2020	% of Net Sales
Net sales	\$ 905,160	100.0 %	\$ 819,653	100.0 %
Cost of sales, exclusive of depreciation and amortization	328,916	36.3 %	295,220	36.0 %
Gross profit	576,244	63.7 %	524,433	64.0 %
Stores and distribution expense	351,804	38.9 %	346,263	42.2 %
Marketing, general and administrative expense	146,269	16.2 %	121,000	14.8 %
Flagship store exit benefits (costs)	11	0.0 %	(8,063)	(1.0)%
Asset impairment, exclusive of flagship store exit charges	6,749	0.7 %	6,329	0.8 %
Other operating (income) expense, net	(1,320)	(0.1)%	288	0.0 %
Operating income	72,731	8.0 %	58,616	7.2 %
Interest expense, net	7,270	0.8 %	8,808	1.1 %
Income before income taxes	65,461	7.2 %	49,808	6.1 %
Income tax expense	16,383	1.8 %	5,779	0.7 %
Net income	49,078	5.4 %	44,029	5.4 %
Less: Net income attributable to noncontrolling interests	1,845	0.2 %	1,758	0.2 %
Net income attributable to Abercrombie & Fitch Co.	<u>\$ 47,233</u>	5.2 %	<u>\$ 42,271</u>	5.2 %

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

Basic	\$ 0.80	\$ 0.68
Diluted	\$ 0.77	\$ 0.66

Weighted-average shares outstanding:

Basic	58,796	62,558
Diluted	61,465	63,877

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	Thirty-nine Weeks Ended		Thirty-nine Weeks Ended	
	October 30, 2021	% of Net Sales	October 31, 2020	% of Net Sales
Net sales	\$ 2,551,415	100.0 %	\$ 2,003,340	100.0 %
Cost of sales, exclusive of depreciation and amortization	916,552	35.9 %	791,154	39.5 %
Gross profit	1,634,863	64.1 %	1,212,186	60.5 %
Stores and distribution expense	994,347	39.0 %	978,757	48.9 %
Marketing, general and administrative expense	391,129	15.3 %	326,509	16.3 %
Flagship store exit benefits	(1,177)	0.0 %	(12,490)	(0.6)%
Asset impairment, exclusive of flagship store exit charges	10,199	0.4 %	57,340	2.9 %
Other operating income, net	(4,586)	(0.2)%	(1,562)	(0.1)%
Operating income (loss)	244,951	9.6 %	(136,368)	(6.8)%
Interest expense, net	27,151	1.1 %	19,277	1.0 %
Income (loss) before income taxes	217,800	8.5 %	(155,645)	(7.8)%
Income tax expense	15,560	0.6 %	38,565	1.9 %
Net income (loss)	202,240	7.9 %	(194,210)	(9.7)%
Less: Net income attributable to noncontrolling interests	4,739	0.2 %	2,203	0.1 %
Net income (loss) attributable to Abercrombie & Fitch Co.	<u>\$ 197,501</u>	7.7 %	<u>\$ (196,413)</u>	(9.8)%

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

Basic	\$ 3.24	\$ (3.14)
Diluted	\$ 3.10	\$ (3.14)

Weighted-average shares outstanding:

Basic	60,879	62,541
Diluted	63,770	62,541

## 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 October 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>	\$ 6,749	\$ 6,749	\$ —
Operating income	72,731	(6,749)	79,480
Income before income taxes	65,461	(6,749)	72,210
Income tax expense <sup>(3)</sup>	16,383	(1,375)	17,758
Net income attributable to Abercrombie & Fitch Co.	\$ 47,233	\$ (5,374)	\$ 52,607
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 0.77	\$ (0.09)	\$ 0.86
Diluted weighted-average shares outstanding:	61,465		61,465

<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 \$6.7 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 October 31, 2020**  
(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>	\$ 6,329	\$ 6,329	\$ —
Operating income	58,616	(6,329)	64,945
Income before income taxes	49,808	(6,329)	56,137
Income tax expense <sup>(3)</sup>	5,779	(369)	6,148
Net income attributable to Abercrombie & Fitch Co.	\$ 42,271	\$ (5,960)	\$ 48,231
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 0.66	\$ (0.09)	\$ 0.76
Diluted weighted-average shares outstanding:	63,877		63,877

<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 \$6.3 million, which are principally the result of the impact of COVID-19 on store cash flows.

<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**  
**Thirty-nine Weeks Ended October 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>	\$ 10,199	\$ 10,199	\$ —
Operating income	244,951	(10,199)	255,150
Income before income taxes	217,800	(10,199)	227,999
Income tax expense <sup>(3)</sup>	15,560	(2,048)	17,608
Net income attributable to Abercrombie & Fitch Co.	\$ 197,501	\$ (8,151)	\$ 205,652
Net income per diluted share attributable to Abercrombie & Fitch Co.	\$ 3.10	\$ (0.13)	\$ 3.22
Diluted weighted-average shares outstanding:	63,770		63,770

<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 \$10.2 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**  
**Thirty-nine Weeks Ended October 31, 2020**  
(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>	\$ 57,340	\$ 57,340	\$ —
Operating loss	(136,368)	(57,340)	(79,028)
Loss before income taxes	(155,645)	(57,340)	(98,305)
Income tax expense <sup>(3)</sup>	38,565	(3,635)	42,200
Net loss attributable to Abercrombie & Fitch Co.	\$ (196,413)	\$ (53,705)	\$ (142,708)
Net loss per diluted share attributable to Abercrombie & Fitch Co.	\$ (3.14)	\$ (0.86)	\$ (2.28)
Diluted weighted-average shares outstanding:	62,541		62,541

<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 \$57.3 million, which are principally the result of the impact of COVID-19 on store cash flows.

<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 October 30, 2021**  
(in thousands, except percentage and basis point changes and per share data)  
(Unaudited)

	2021	2020	% Change
<b>Net sales</b>			
GAAP <sup>(1)</sup>	\$ 905,160	\$ 819,653	10%
Impact from changes in foreign currency exchange rates <sup>(2)</sup>	—	3,540	—%
Net sales on a constant currency basis	\$ 905,160	\$ 823,193	10%
<b>Gross profit</b>			
	2021	2020	BPS Change <sup>(3)</sup>
GAAP <sup>(1)</sup>	\$ 576,244	\$ 524,433	(30)
Impact from changes in foreign currency exchange rates <sup>(2)</sup>	—	(1,702)	50
Gross profit on a constant currency basis	\$ 576,244	\$ 522,731	20
<b>Operating income</b>			
	2021	2020	BPS Change <sup>(3)</sup>
GAAP <sup>(1)</sup>	\$ 72,731	\$ 58,616	80
Excluded items <sup>(4)</sup>	(6,749)	(6,329)	10
Adjusted non-GAAP	\$ 79,480	\$ 64,945	90
Impact from changes in foreign currency exchange rates <sup>(2)</sup>	—	(4,067)	50
Adjusted non-GAAP constant currency basis	\$ 79,480	\$ 60,878	140
<b>Net income per diluted share attributable to Abercrombie &amp; Fitch Co.</b>			
	2021	2020	\$ Change
GAAP <sup>(1)</sup>	\$ 0.77	\$ 0.66	\$0.11
Excluded items, net of tax <sup>(4)</sup>	(0.09)	(0.09)	0.00
Adjusted non-GAAP	\$ 0.86	\$ 0.76	\$0.10
Impact from changes in foreign currency exchange rates <sup>(2)</sup>	—	(0.05)	0.05
Adjusted non-GAAP constant currency basis	\$ 0.86	\$ 0.71	\$0.15

<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 store asset impairment charges of \$6.7 million and \$6.3 million for the current year and prior year, respectively.

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

	October 30, 2021	January 30, 2021	October 31, 2020
<b>Assets</b>			
Current assets:			
Cash and equivalents	\$ 865,622	\$ 1,104,862	\$ 812,881
Receivables	83,447	83,857	89,074
Inventories	543,713	404,053	545,548
Other current assets	111,423	68,857	73,776
<b>Total current assets</b>	<b>1,604,205</b>	<b>1,661,629</b>	<b>1,521,279</b>
Property and equipment, net	516,176	550,587	593,932
Operating lease right-of-use assets	762,641	893,989	955,781
Other assets	229,512	208,697	205,970
<b>Total assets</b>	<b>\$ 3,112,534</b>	<b>\$ 3,314,902</b>	<b>\$ 3,276,962</b>
<b>Liabilities and stockholders' equity</b>			
Current liabilities:			
Accounts payable	\$ 424,560	\$ 289,396	\$ 334,775
Accrued expenses	355,149	396,365	356,370
Short-term portion of operating lease liabilities	209,812	248,846	255,775
Income taxes payable	39,900	24,792	6,663
<b>Total current liabilities</b>	<b>1,029,421</b>	<b>959,399</b>	<b>953,583</b>
Long-term liabilities:			
Long-term portion of operating lease liabilities	\$ 764,346	\$ 957,588	\$ 1,010,051
Long-term borrowings, net	303,247	343,910	343,559
Other liabilities	97,191	104,693	110,965
<b>Total long-term liabilities</b>	<b>1,164,784</b>	<b>1,406,191</b>	<b>1,464,575</b>
Total Abercrombie & Fitch Co. stockholders' equity	908,934	936,628	849,379
Noncontrolling interests	9,395	12,684	9,425
<b>Total stockholders' equity</b>	<b>918,329</b>	<b>949,312</b>	<b>858,804</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 3,112,534</b>	<b>\$ 3,314,902</b>	<b>\$ 3,276,962</b>



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

	Thirty-nine Weeks Ended	
	October 30, 2021	October 31, 2020
<b>Operating activities</b>		
Net cash provided by operating activities	\$ 131,287	\$ 108,894
<b>Investing activities</b>		
Purchases of property and equipment	\$ (62,223)	\$ (91,748)
Withdrawal of funds from Rabbi Trust assets <sup>(1)</sup>	—	50,000
Net cash used for investing activities	\$ (62,223)	\$ (41,748)
<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 or modification costs and fees	(2,016)	(7,151)
Purchases of common stock	(235,249)	(15,172)
Dividends paid	—	(12,556)
Other financing activities	(20,124)	(11,742)
Net cash (used for) provided by financing activities	\$ (304,358)	\$ 70,129
Effect of foreign currency exchange rates on cash	\$ (8,560)	\$ 2,269
Net (decrease) increase in cash and equivalents, and restricted cash and equivalents	\$ (243,854)	\$ 139,544
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	\$ 880,303	\$ 831,808

<sup>(1)</sup> As disclosed in the Form 10-K for the year ended January 30, 2021, during the fourth quarter ended January 30, 2021, an error relating to the cash flow presentation of the \$50 million withdrawal of the excess funds from the company's Rabbi Trust assets was identified. The cash flows presented for the year-to-date periods ended May 2, 2020, August 1, 2020, and October 31, 2020 incorrectly classified such withdrawal as a cash inflow from operating activities, rather than a cash inflow from investing activities. This cash flow statement reflects the correct classification.

**Abercrombie & Fitch Co.  
Store Count**

**Thirteen Weeks Ended October 30, 2021**

	<b>Hollister <sup>(1)</sup></b>		<b>Abercrombie <sup>(2)</sup></b>		<b>Total Company <sup>(3)</sup></b>		
	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>	<b>Total</b>
July 31, 2021	355	150	179	49	534	199	733
New	1	1	2	1	3	2	5
Permanently closed	(1)	—	—	(2)	(1)	(2)	(3)
October 30, 2021	<u>355</u>	<u>151</u>	<u>181</u>	<u>48</u>	<u>536</u>	<u>199</u>	<u>735</u>

**Thirty-Nine Weeks Ended October 30, 2021**

	<b>Hollister <sup>(1)</sup></b>		<b>Abercrombie <sup>(2)</sup></b>		<b>Total Company <sup>(3)</sup></b>		
	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>	<b>United States</b>	<b>International</b>	<b>Total</b>
January 30, 2021	347	150	190	48	537	198	735
New	9	5	6	3	15	8	23
Permanently closed	(1)	(4)	(15)	(3)	(16)	(7)	(23)
October 30, 2021	<u>355</u>	<u>151</u>	<u>181</u>	<u>48</u>	<u>536</u>	<u>199</u>	<u>735</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 10 international franchise stores as of October 30, 2021, 10 international franchise stores as of July 31, 2021, and 9 international franchise stores as of January 30, 2021. Excludes 14 Company-operated temporary stores as of each of October 30, 2021 and July 31, 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 13 international franchise stores as of October 30, 2021, 12 international franchise stores as of and July 31, 2021, and 10 international franchise stores as of January 30, 2021. Excludes four Company-operated temporary stores as of each of October 30, 2021 and July 31, 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 October 30, 2021, July 31, 2021, and January 30, 2021.