

Abercrombie & Fitch Co.

Abercrombie & Fitch

abercrombie kids

HOLLISTER CALIFORNIA

gilly hicks by HOLLISTER

We are pleased with our second quarter performance, capping off a strong first half of the year. During the second quarter, we delivered both top and bottom line growth, while continuing to invest in the transformation of our business.

FRAN HOROWITZ • CHIEF EXECUTIVE OFFICER

SECOND QUARTER 2018

NET SALES



+16%

DIRECT-TO-CONSUMER NET SALES INCREASE

COMPARABLE SALES*

TOTAL COMPANY			
+3%			
HCO	ANF	U.S.	INTL
+4%	+2%	+7%	-4%

* Excludes the impacts from changes in foreign currency and the calendar shift

110 BPS

OF GROSS PROFIT RATE IMPROVEMENT

200 BPS

OF OPERATING EXPENSE LEVERAGE

\$39M

CASH RETURNED TO SHAREHOLDERS THROUGH SHARE REPURCHASES AND DIVIDENDS

NET INCOME (LOSS) PER DILUTED SHARE

	GAAP	NON-GAAP
Q2 2018	\$(0.06)	\$0.06
Q2 2017	\$(0.23)	\$(0.16)

CONTINUING TO TRANSFORM OUR BUSINESS AND DRIVE OUR BRANDS FORWARD

TOTAL COMPANY

20 MILLION+ LOYALTY PROGRAM MEMBER ACCOUNTS ACROSS BRANDS



CONTINUED IMPROVEMENT IN BRAND HEALTH METRICS



IMPROVED REAL ESTATE PRODUCTIVITY



LAUNCHED MULTIPLE PILOTS RELATED TO TRANSFORMATION INITIATIVES

NEW STORES

YONKERS, NEW YORK

TROY, MICHIGAN

CHANGSHA, CHINA

DUBAI, UNITED ARAB EMIRATES

kids brand first international prototype

HOLLISTER



RECORD SECOND QUARTER SALES IN BRAND HISTORY

CAPITALIZED ON FASHION TRENDS THROUGH SPEED TO MARKET AND CUSTOMER CLOSENESS



CARPE DENIM CAMPAIGN WITH ARTISTS KHALID & NOAH CYRUS



UPDATED FASHION, FIT, SIZING AND ASSORTMENT IN GILLY HICKS

ABERCROMBIE



THIRD CONSECUTIVE QUARTER OF POSITIVE COMPARABLE SALES



LEANED INTO TRENDS SUCH AS VARSITY AND TRACK



NEW PARTNERSHIPS WITH SBE & JAY Z'S ROC NATION



LAUNCH OF ABERCROMBIE KIDS 'DO ANYTHING' JEANS

870 STORES GLOBALLY

EXCLUDING 13 INTERNATIONAL FRANCHISE STORES

FULL YEAR OUTLOOK

NET SALES*

+ 2 - 4%

COMPARABLE SALES

+ 2 - 4%

GROSS PROFIT RATE

UP SLIGHTLY

GAAP OPERATING EXPENSE**

+ ~ 2.5%

CAPITAL EXPENDITURES

\$135M - \$140M

* Including adverse impacts from the loss of fiscal 2017's 53rd week and benefits from changes in foreign currency exchange rates.

** Including ~\$14M of store asset impairment and certain legal charges which will be excluded from non-GAAP adjusted operating expense.

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OTHER INFORMATION

This infographic includes certain adjusted non-GAAP financial measures. Additional details about non-GAAP financial measures and a reconciliation of GAAP to non-GAAP at corporate.abercrombie.com. 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. As used in the infographic, "Abercrombie" refers to the company's Abercrombie & Fitch and abercrombie kids brands. Net income (loss) per share financial measures included herein are attributable to Abercrombie & Fitch Co., excluding net income attributable to noncontrolling interests.