



INVESTOR DAY

APRIL 25, 2018

NEW YORK

AGENDA

CORPORATE STRATEGY & VISION

FRAN HOROWITZ

GLOBAL TRANSFORMATION

JOANNE CREVOISERAT

HOLLISTER & GILLY HICKS OVERVIEW

KRISTIN SCOTT

A&F AND ABERCROMBIE KIDS OVERVIEW

STACIA ANDERSEN

FINANCIAL OBJECTIVES

SCOTT LIPESKY

MORNING IN REVIEW

FRAN HOROWITZ

PANEL Q&A

EXECUTIVE LEADERSHIP

FORWARD LOOKING STATEMENTS

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," 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. The factors disclosed in "ITEM 1A. RISK FACTORS" of A&F's Annual Report on Form 10-K for the fiscal year ended February 3, 2018 in some cases have affected, and in the future could affect, the company's financial performance and could cause actual results for the 2018 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 references to 2017 adjusted non-GAAP results. Additional details and a reconciliation of GAAP to non-GAAP financial measures are included in the Form 10-K filed on April 2, 2018, which is available in the "Investors" section of the company's website located at corporate.bercrombie.com.

A&F

Abercrombie & Fitch

abercrombie kids


HOLLISTER
CALIFORNIA

gilly bricks



ABERCROMBIE & FITCH CO.

FRAN HOROWITZ

Chief Executive Officer

TRANSFORMING WHILE GROWING

**LOW SINGLE-DIGIT
TOTAL SALES CAGR**

**DOUBLE 2017 ADJ.
EBIT MARGIN**

**POSITIVE
COMP SALES**

**GLOBAL
GROWTH**

**GROSS MARGIN
EXPANSION**

**OPEX
LEVERAGE**

**STRONG ASSETS &
BALANCE SHEET**

**OMNICHANNEL
INFRASTRUCTURE**

**THE RIGHT TEAM
& RESOURCES**

CLEAR PLAN





FRAN HOROWITZ
Chief Executive Officer



KRISTIN SCOTT
President, Hollister and Gilly Hicks



STACIA ANDERSEN
President, Abercrombie & Fitch and kids



JOANNE CREVOISERAT
Chief Operating Officer



SCOTT LIPESKY
Chief Financial Officer



STRATEGIC PILLARS

▶ **INSPIRE CUSTOMERS**

▶ **INNOVATE RELENTLESSLY**

▶ **DEVELOP LEADERS**

CONVICTIONS

A photograph of a mountain range at sunset. The sky is a gradient of light blue and orange. The mountains are dark grey and black, with patches of snow and are illuminated from the side, creating a warm orange glow on their peaks and slopes. The foreground is a dark, silhouetted forest.

**PERSONAL
CONNECTION**



**BRANDS
MATTER**



**STORES
EVOLVING**



**CONTINUOUS
INNOVATION**



OUR JOURNEY



THREE YEAR OBJECTIVES

**LOW
SINGLE-DIGIT
TOTAL SALES
CAGR**

POSITIVE COMPARABLE SALES

GLOBAL MARKET EXPANSION

**DOUBLE
2017
ADJUSTED
EBIT
MARGIN**

MODEST GROSS MARGIN EXPANSION

OPERATING EXPENSE LEVERAGE

OUR VISION





OUR ASSETS

Iconic Brands
Global operating experience
Digital and omni infrastructure
Balance Sheet and resources



OUR TEAM

Diverse experience
Proven capabilities
Customer-centric
Financial discipline

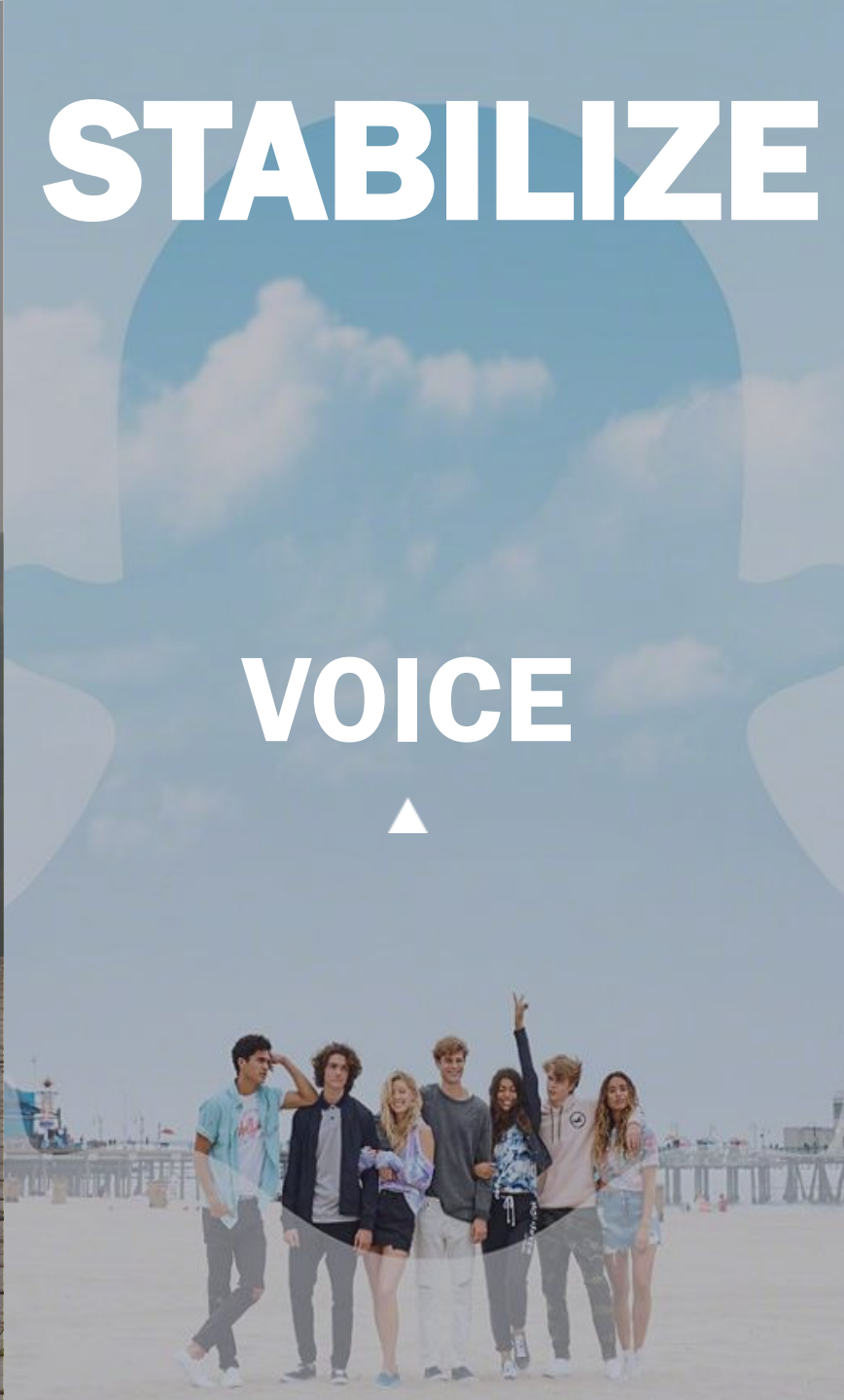


OUR TIME

Evolving market preferences
Agility and flexibility to adapt
Proven playbook

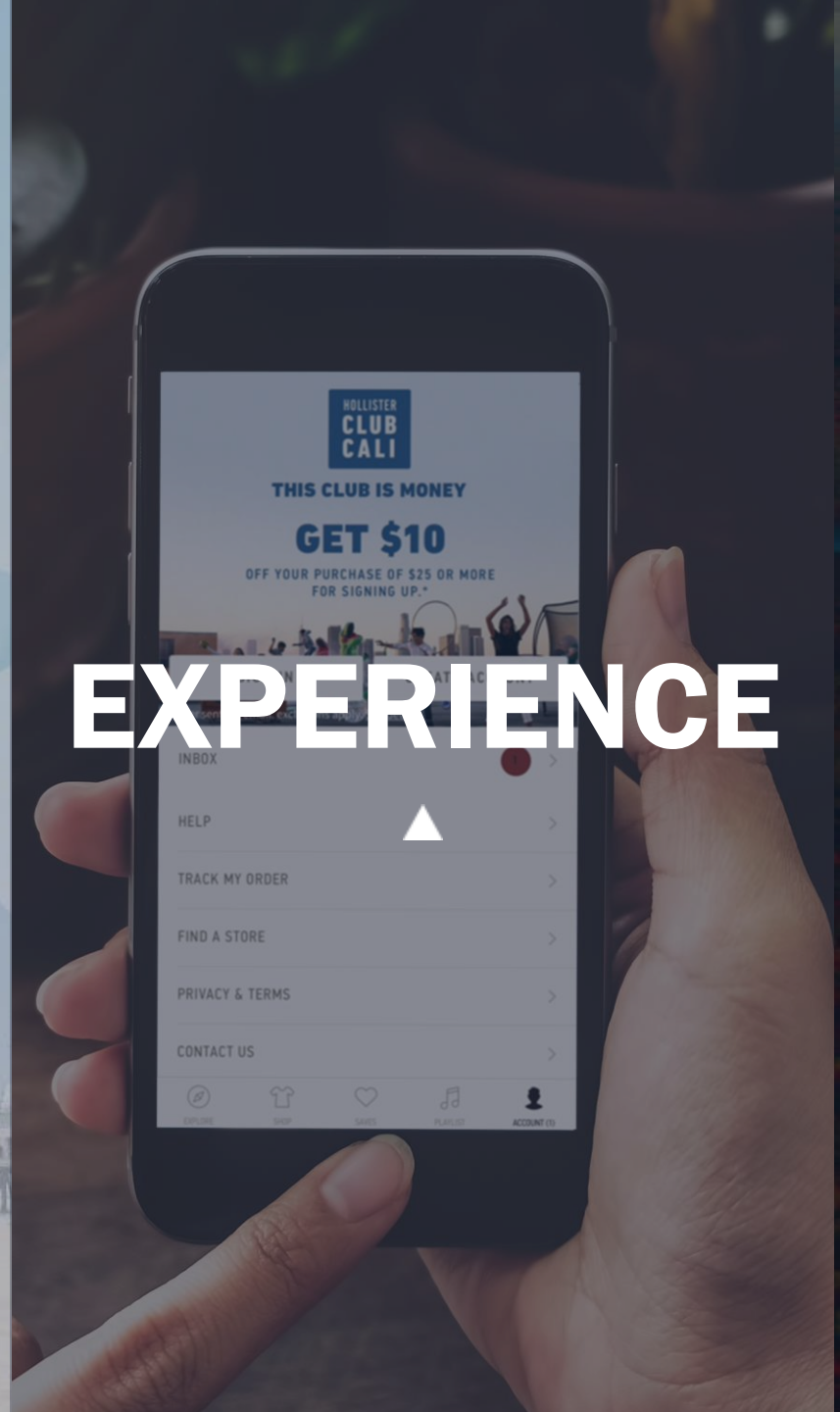


PRODUCT



STABILIZE

VOICE



EXPERIENCE

HOLLISTER
CLUB
CALI

THIS CLUB IS MONEY

GET \$10

OFF YOUR PURCHASE OF \$25 OR MORE
FOR SIGNING UP.*



INBOX

HELP

TRACK MY ORDER

FIND A STORE

PRIVACY & TERMS

CONTACT US



HOME

SHOP

WISHLIST

PLAYLIST

ACCOUNT (0)

OUR JOURNEY

- ▶ **ORIENTED AROUND CUSTOMER**
- ▶ **ALIGNED PRODUCT, VOICE & EXPERIENCE**
- ▶ **RETURNED TO GROWTH**
- ▶ **BUILT THE FOUNDATION**



STABILIZE

TRANSFORM

ACCELERATE



DIFFERENTIATION

PEOPLE



PRODUCT



PROCESS





WHO ARE WE?



**WHAT IS OUR
PURPOSE?**



**WHAT DO WE
STAND FOR?**



**WHO DO
WE SERVE?**



TALENT

EMPOWERED

**CUSTOMER
FOCUSED**

EXPERIENCED

THEN



NOW



THEN



MARKETING

NOW



THEN



NOW



THEN



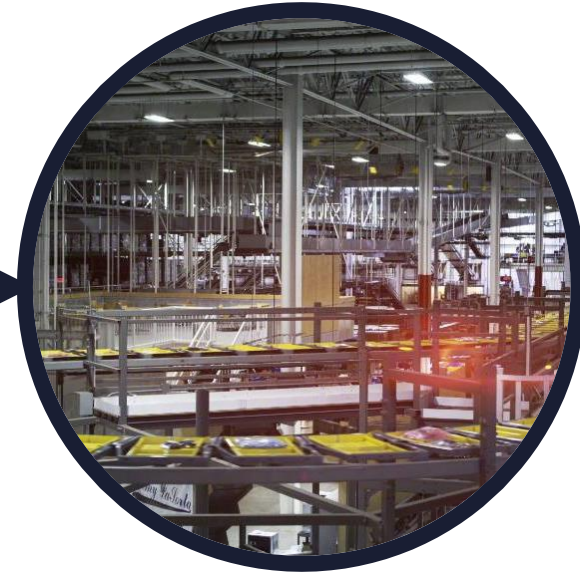
NOW



THEN

**SUPPLY
CHAIN &
SOURCING**

NOW



THEN



NOW



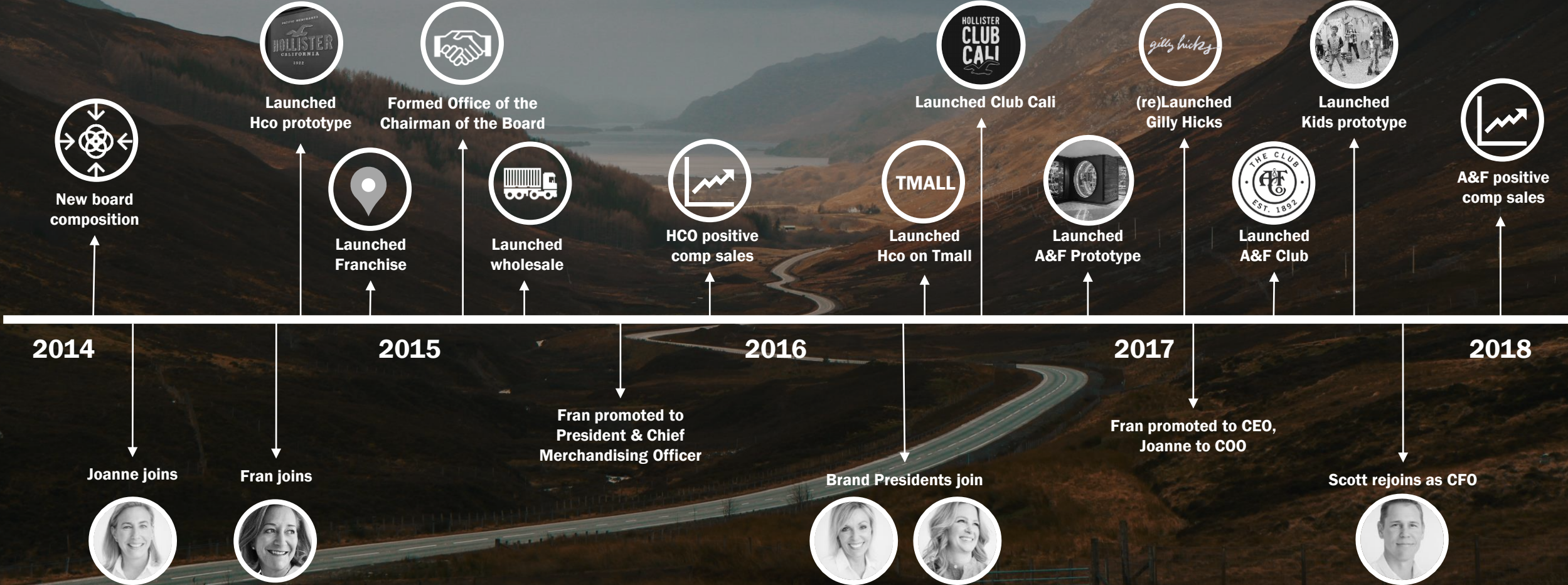
THEN



NOW



MILESTONES



TRANSFORMING WHILE GROWING

**LOW SINGLE-DIGIT
TOTAL SALES CAGR**

**DOUBLE 2017 ADJ.
EBIT MARGIN**

**POSITIVE
COMP SALES**

**GLOBAL
GROWTH**

**GROSS MARGIN
EXPANSION**

**OPEX
LEVERAGE**

**STRONG ASSETS &
BALANCE SHEET**

**OMNICHANNEL
INFRASTRUCTURE**

**THE RIGHT TEAM
& RESOURCES**

CLEAR PLAN



OUR VISION



\$5B

FAMILY OF GLOBAL
LEADING LIFESTYLE
BRANDS

ACCELERATE

TRANSFORM

STABILIZE



GLOBAL TRANSFORMATION

JOANNE CREVOISERAT

Chief Operating Officer

OUR JOURNEY



TRANSFORMATION

**OPTIMIZE
STORE
NETWORK**



**ENHANCE
OMNICHANNEL
CAPABILITIES**



**STREAMLINE
CONCEPT TO
CUSTOMER**



**OPTIMIZE
MARKETING
INVESTMENTS**





OPTIMIZE STORE NETWORK

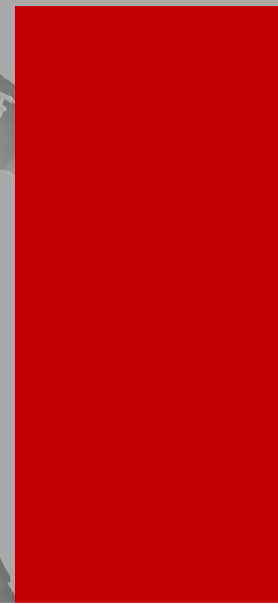
OPTIMIZE STORE NETWORK

~1,100

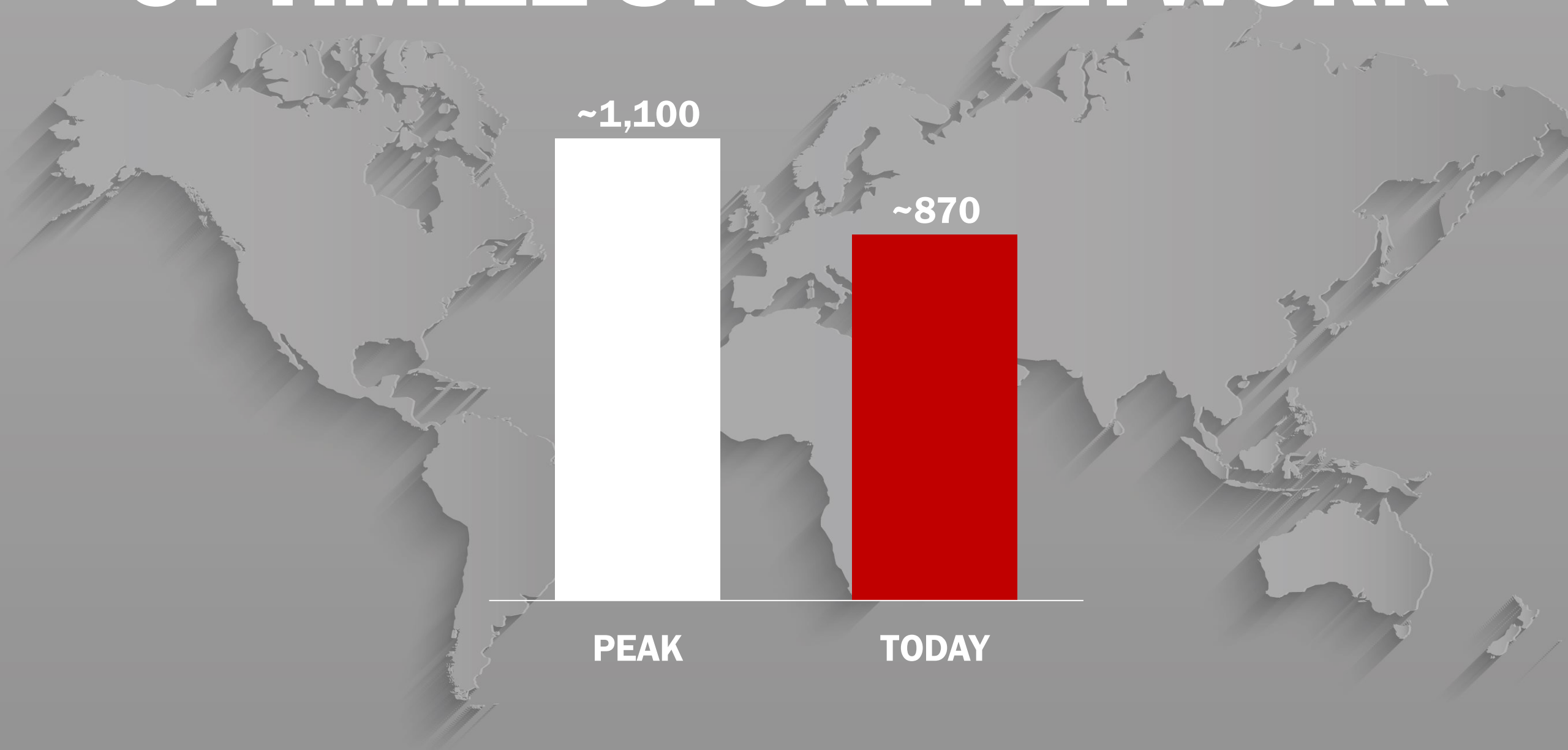


PEAK

~870



TODAY



US STORE DENSITY

Evolving customer preferences

Declining mall traffic

Lease flexibility

~1,200

394

285

MALLS

HOLLISTER

A&F / KIDS

UNITED STATES¹

1. Store counts as of 2017
Source: Cowen, Experiential Retail (April 2018)

NORTH AMERICA



Close underperforming stores

Invest in improved experiences

Selectively open stores

**COMP SALES
GROWTH &
PRODUCTIVITY**

EUROPE

Shift to more productive spaces

Open stores and capture local customers

Build brand awareness & consideration

**LONG-TERM
OPPORTUNITY
\$1.0⁺B**

ASIA



Selectively open stores

Build brand awareness on T-Mall

**LONG-TERM
OPPORTUNITY
\$500+M**

PROTOTYPES



HOLLISTER



**ABERCROMBIE
& FITCH**



**ABERCROMBIE
KIDS**

FLAGSHIP SHIFT

PEDDER STREET

~\$550

SALES / GSF

HARBOUR CITY

~\$1,700

SALES / GSF

GLOBAL NETWORK STRATEGY



NORTH AMERICA

Close underperforming stores

Invest in improved experiences

Selectively open stores

EUROPE

Shift to more productive spaces

Open stores and capture local customers

Build brand consideration with wholesale

ASIA

Selectively open stores

Build brand awareness on T-Mall

REST OF WORLD

Partner with leading wholesalers and JV / franchisers

ENHANCE OMNICHANNEL CAPABILITIES



OMNICHANNEL INFRASTRUCTURE

20

WEBSITES



11

LANGUAGES



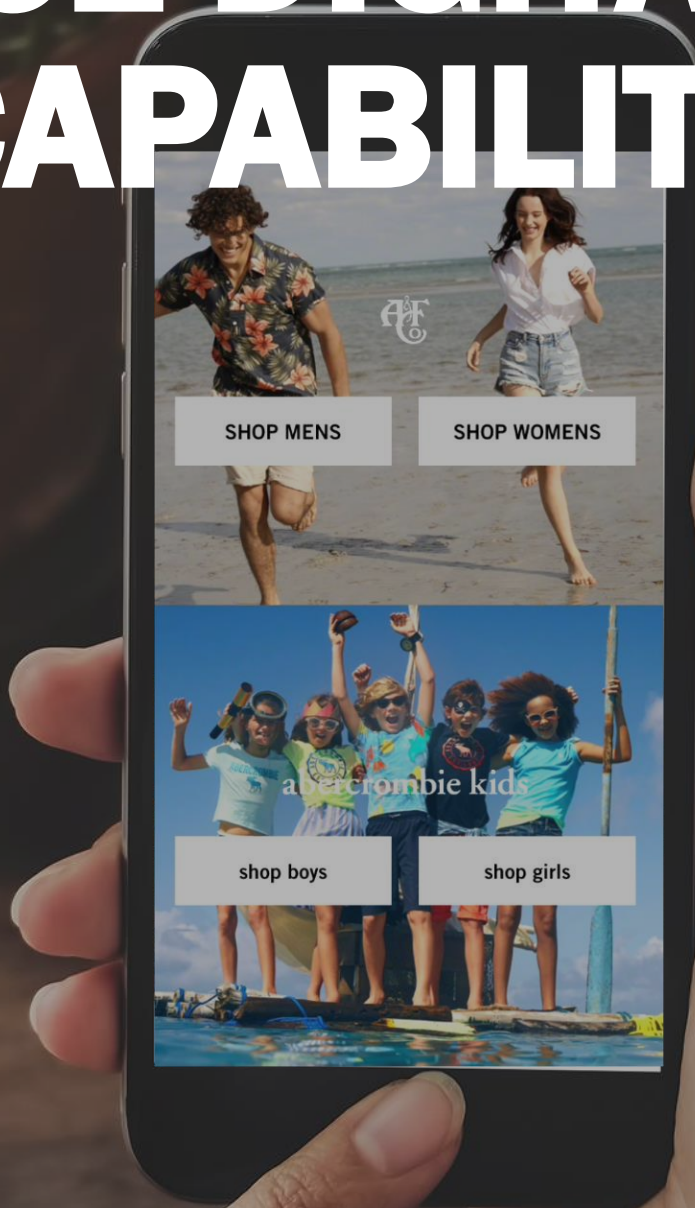
29

CURRENCIES

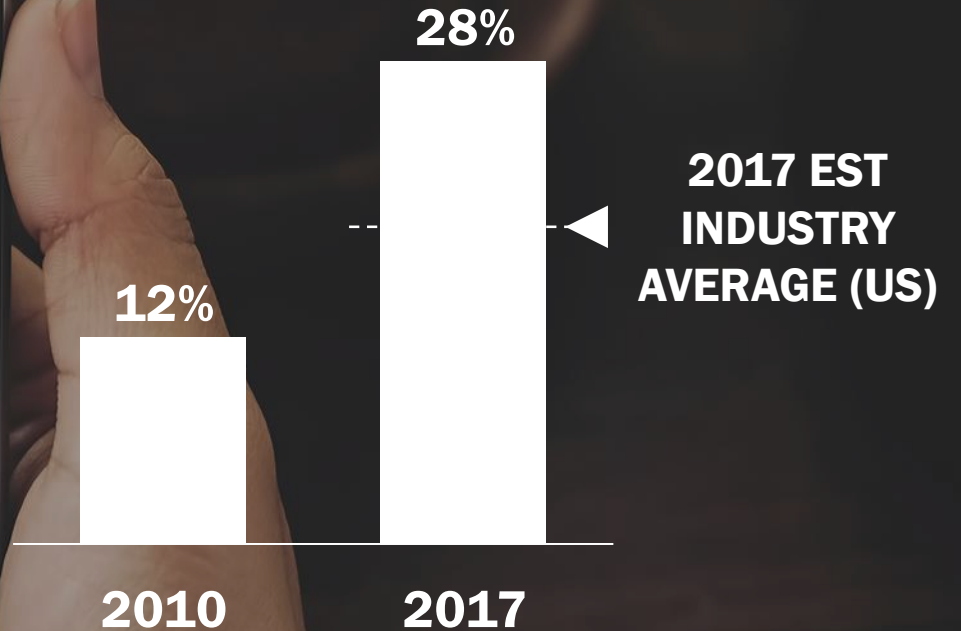


ENHANCE DIGITAL & OMNI CAPABILITIES

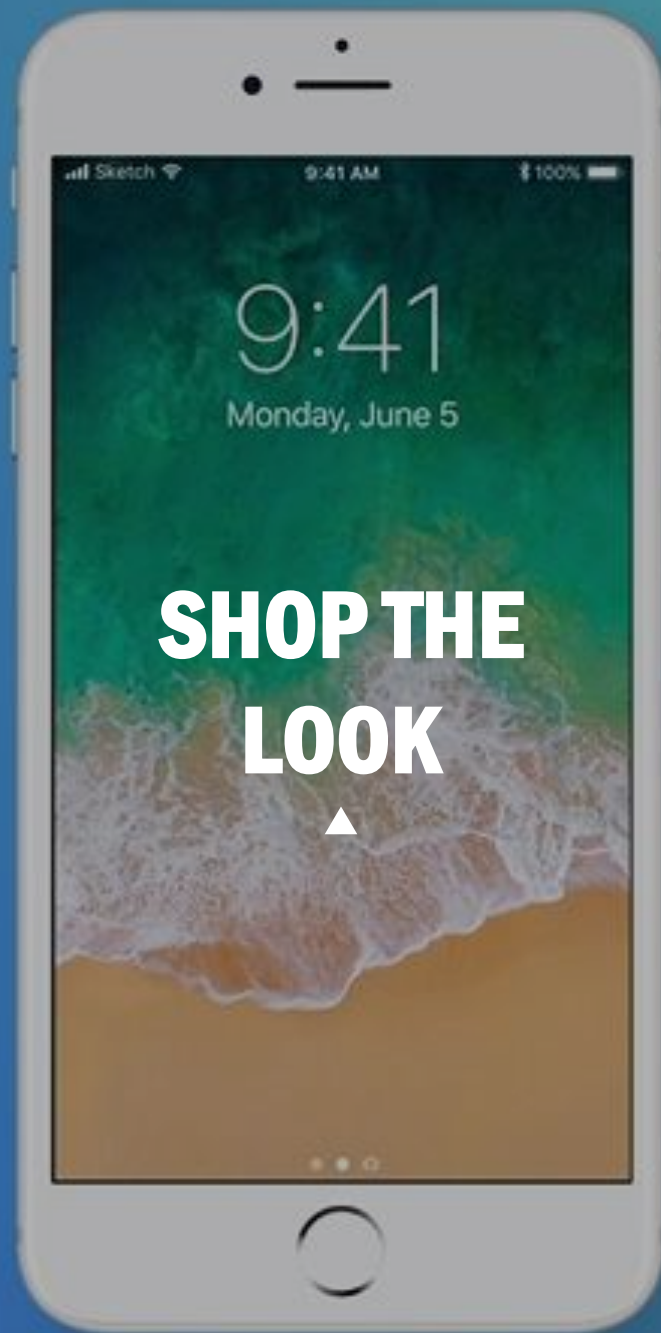
**~\$400M
INVESTED
(SINCE 2010)**



DIGITAL PENETRATION



**SCAN TO
SHOP**



**SHOP THE
LOOK**



**SEAMLESS
SHARING**



EXPAND CAPABILITIES

FOUNDATION

POPINS

**RESERVE
IN STORE**

**ORDER
IN STORE**

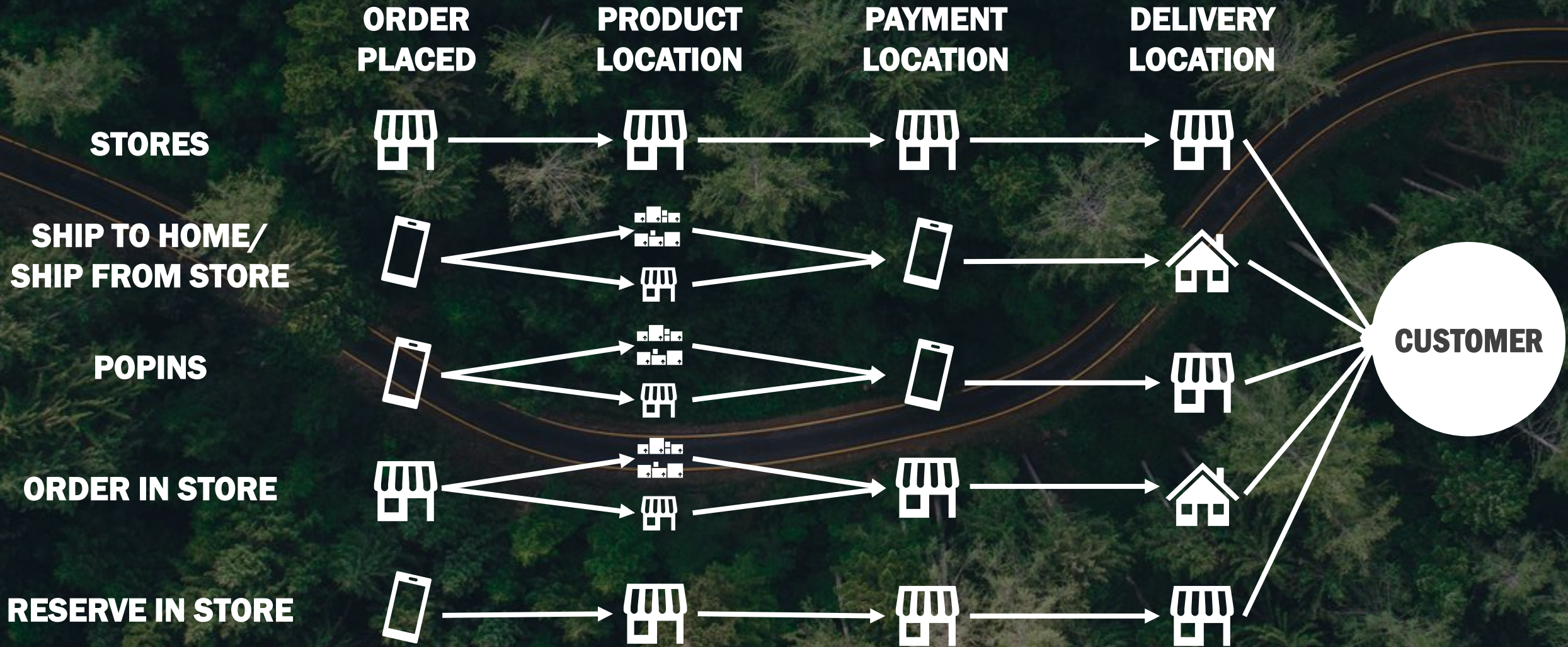
**SHIP FROM
STORE**

FUTURE INVESTMENT

**ASSOCIATE SELLING
TOOLS**

**STORES
TECHNOLOGY**

OPTIMIZE OMNI FULFILLMENT



Excludes return capabilities, including return to store or online returns

A photograph of three people walking in a city street at dusk. In the foreground, a woman with long blonde hair is wearing a grey trench coat. Behind her, a woman with long red hair is wearing a dark floral top and a bright yellow raincoat. To the left, a man with curly hair is wearing a brown hooded jacket. The background shows a city street with cars, buildings, and streetlights under a twilight sky.

**STREAMLINE
CONCEPT TO
CUSTOMER**

AGILE SUPPLY CHAIN



STRONG SUPPLIER RELATIONSHIPS

DIVERSE SOURCING NETWORK

CONCEPT TO CUSTOMER

WHAT WE
BUY

WHERE WE
SOURCE

HOW WE
BUY

HOW WE
ALLOCATE

HOW WE
PRICE





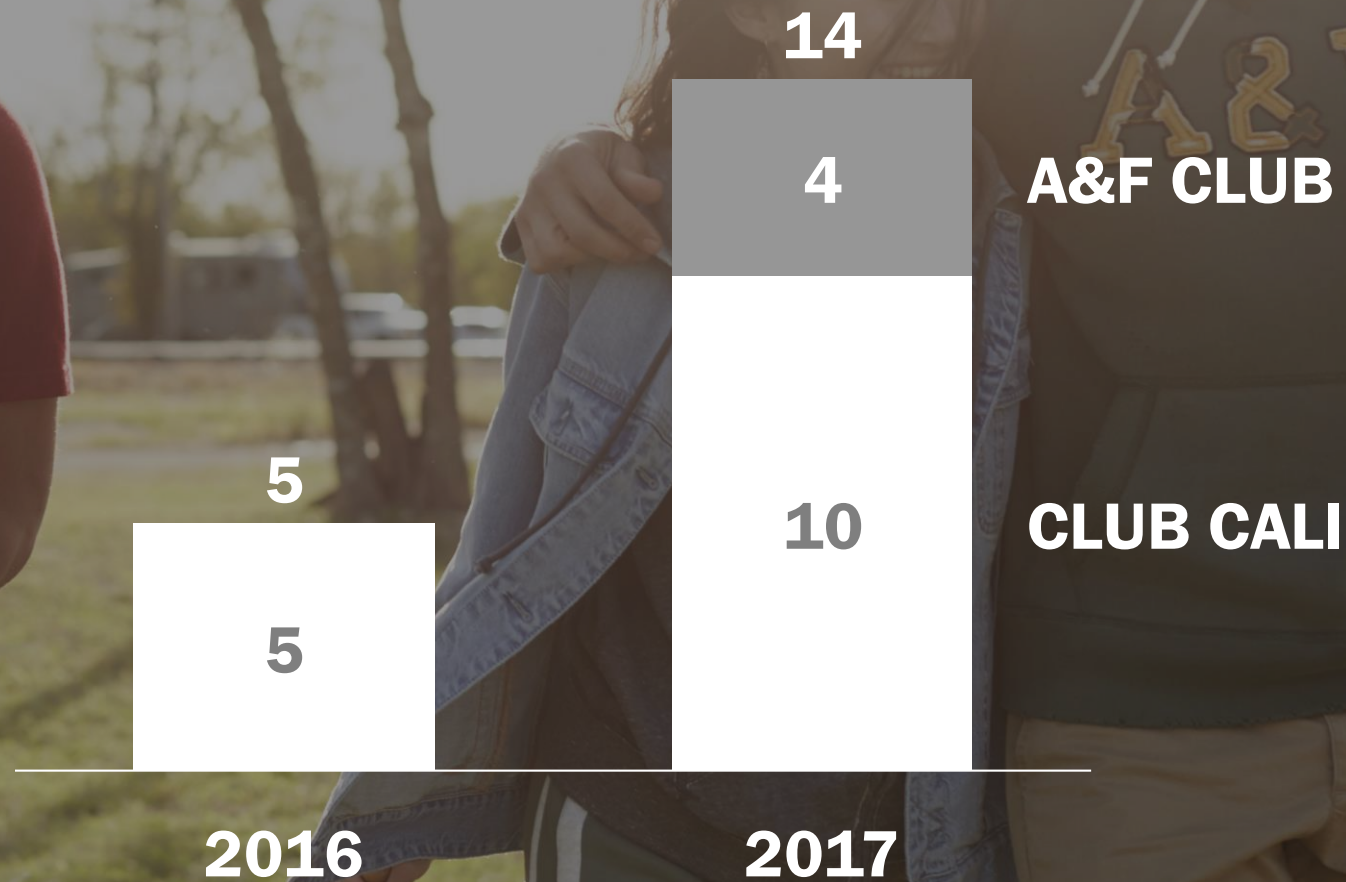
**THE CLUB LIFE
IS THE BEST LIFE**

OPTIMIZE MARKETING INVESTMENTS



LOYALTY PROGRAM

**MEMBER
ACCOUNTS
(IN MILLIONS)**



PERSONALIZATION



OUR JOURNEY

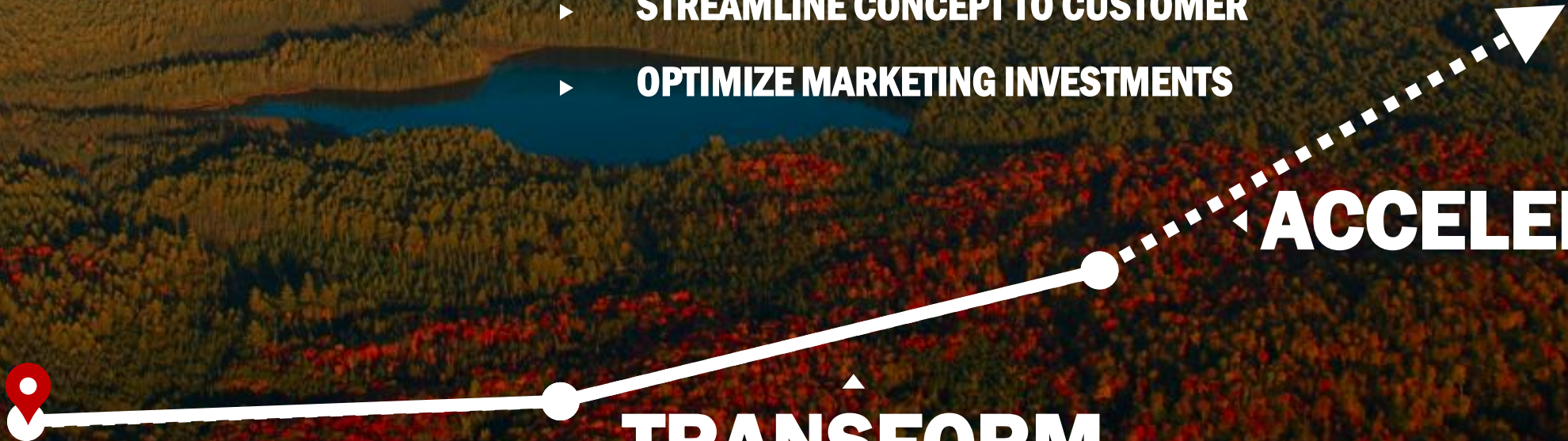
- ▶ OPTIMIZE STORE NETWORK
- ▶ ENHANCE OMNI CAPABILITIES
- ▶ STREAMLINE CONCEPT TO CUSTOMER
- ▶ OPTIMIZE MARKETING INVESTMENTS

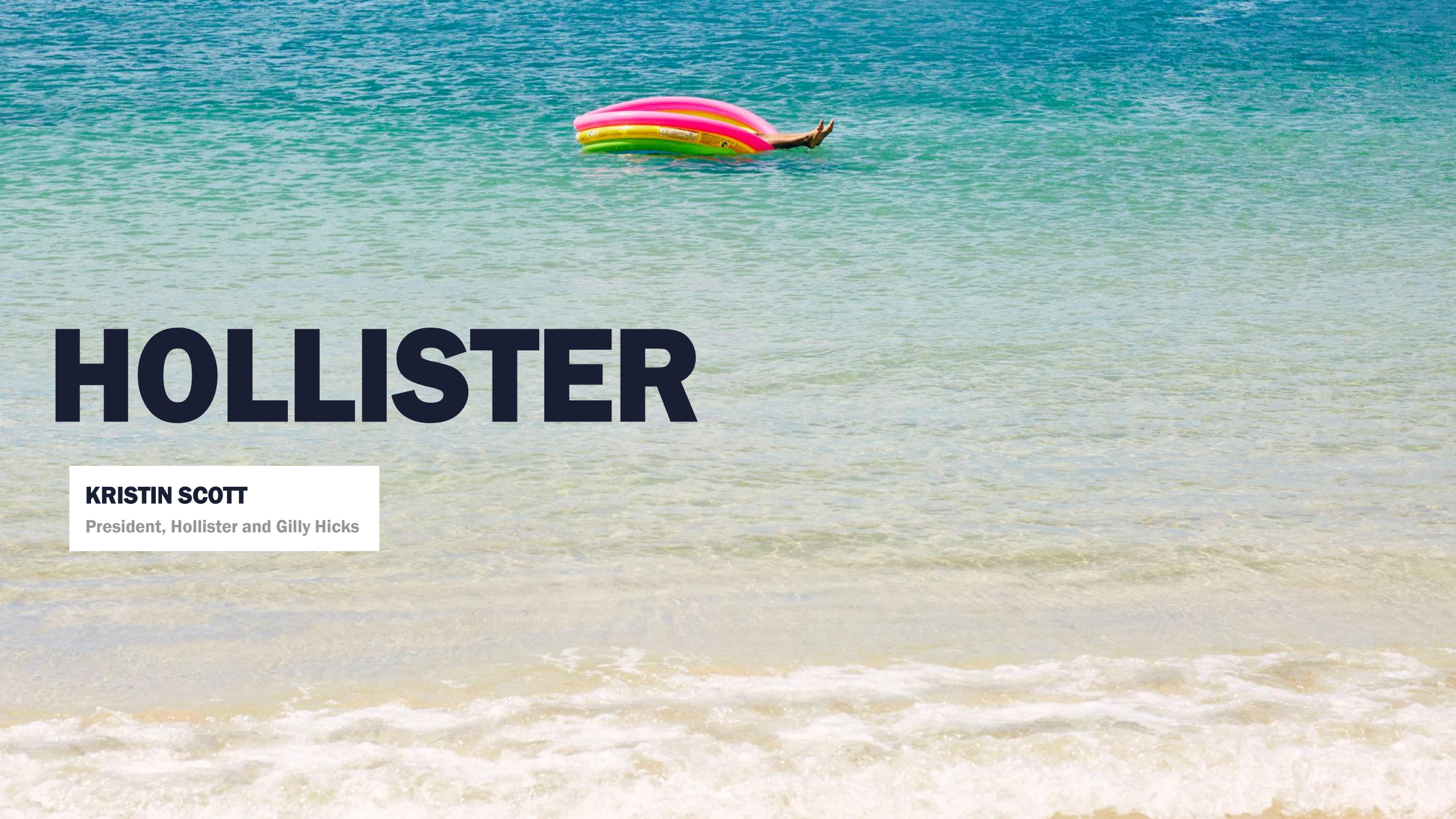


STABILIZE

TRANSFORM

ACCELERATE





HOLLISTER

KRISTIN SCOTT

President, Hollister and Gilly Hicks

BRAND DNA

CONVICTION

WE BELIEVE IN LIBERATING THE SPIRIT OF SUMMER INSIDE EVERYONE

POSITION

EFFORTLESS CALIFORNIAN STYLE CREATED TO MAKE FREEDOM AND POSSIBILITY FEEL ENDLESS

DNA

BRAND

CAREFREE
CALIFORNIA

FREEDOM TO
BELONG

ENDLESS
POSSIBILITIES

PRODUCT

NATURAL
STATE

PLAYFUL
EXPRESSION

IDEALISTIC
SPIRIT

OUR CUSTOMER

FREEDOM TO BELONG

INCLUSIVE

CREATIVE

ENDLESS POSSIBILITIES

SELF-STARTERS

ACHIEVEMENT ORIENTATED

STRESSED

GEN Z

ACCEPTING

CAREFREE CALIFORNIA



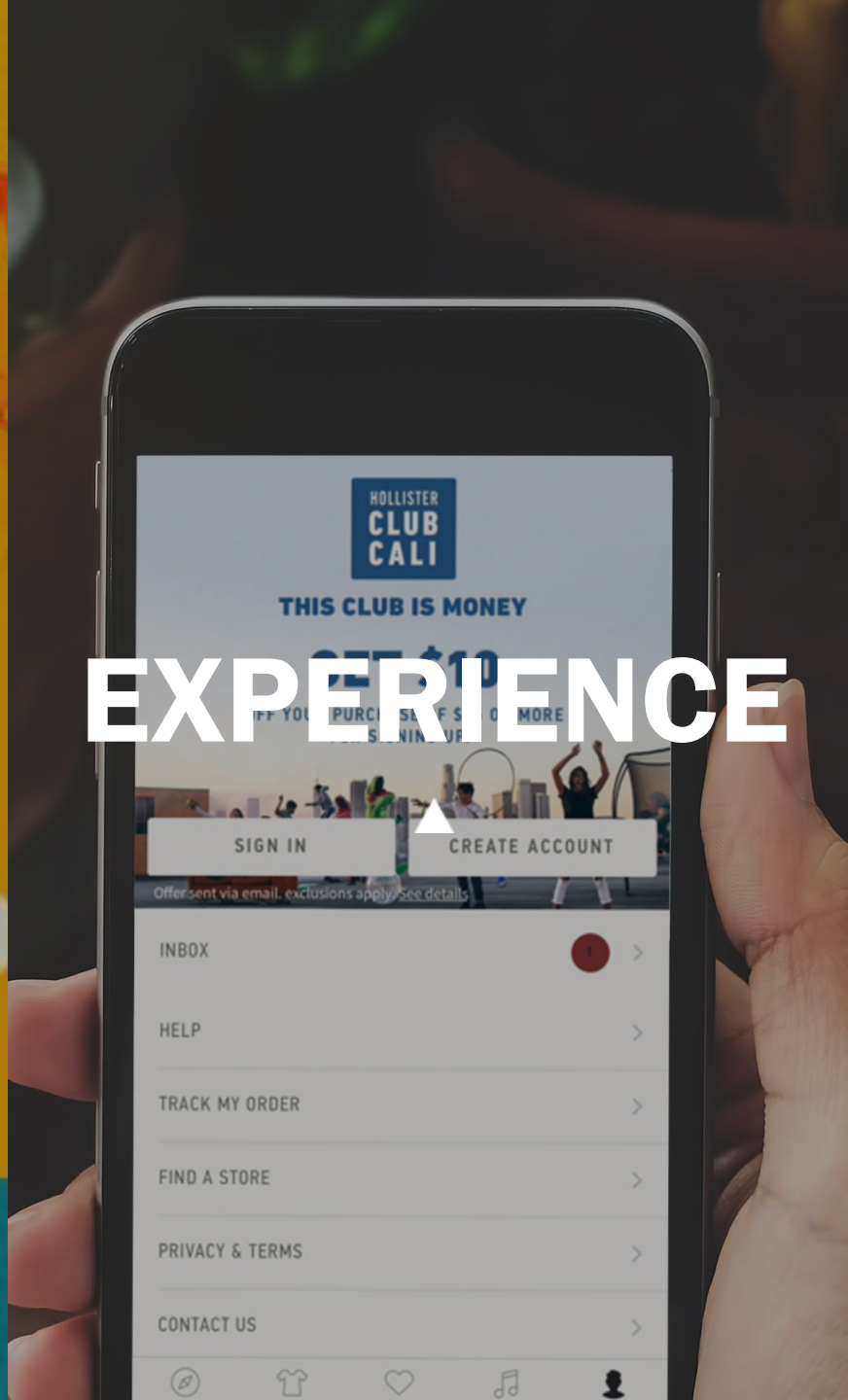


PRODUCT



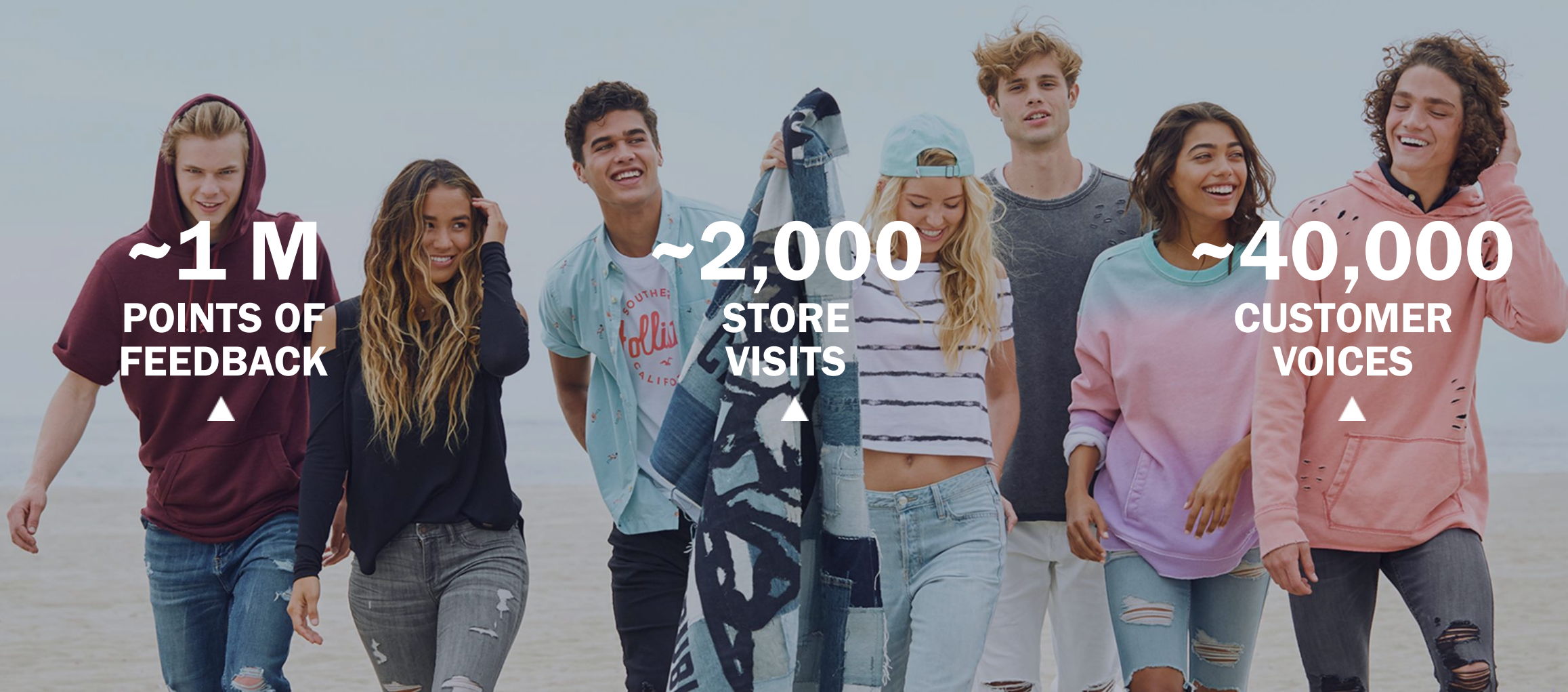
2017

VOICE



EXPERIENCE

CUSTOMER AT THE CENTER



~1 M

**POINTS OF
FEEDBACK**



~2,000

**STORE
VISITS**



~40,000

**CUSTOMER
VOICES**



WHERE OUR CUSTOMERS ARE



@BEAUTYCON



@HIGH SCHOOLS



@SNEAKERCON



@COFFEE RUNS

CUSTOMERS

A group of five young adults are celebrating at night. In the foreground, a young man with curly hair is sitting on a striped blanket, playing an acoustic guitar and smiling broadly. Behind him, four other young adults are standing and holding lit sparklers. They are all dressed in casual, trendy clothing like denim jackets, jeans, and shorts. The scene is illuminated by the warm glow of the sparklers and string lights hanging in the background. The overall atmosphere is festive and joyful.

PRODUCT



MUST WIN

MUST GROW

Gilly's Trucks



VOICE



PRESENTED BY



DISCOVERY

SURF'S UP

SOCIAL

- ▶ Industry leading Instagram engagement
- ▶ Snapchat “Best Filter of 2017”

VIDEO

- ▶ AwesomenessTV show, This is Summer
- ▶ Double-digit lifts across metrics

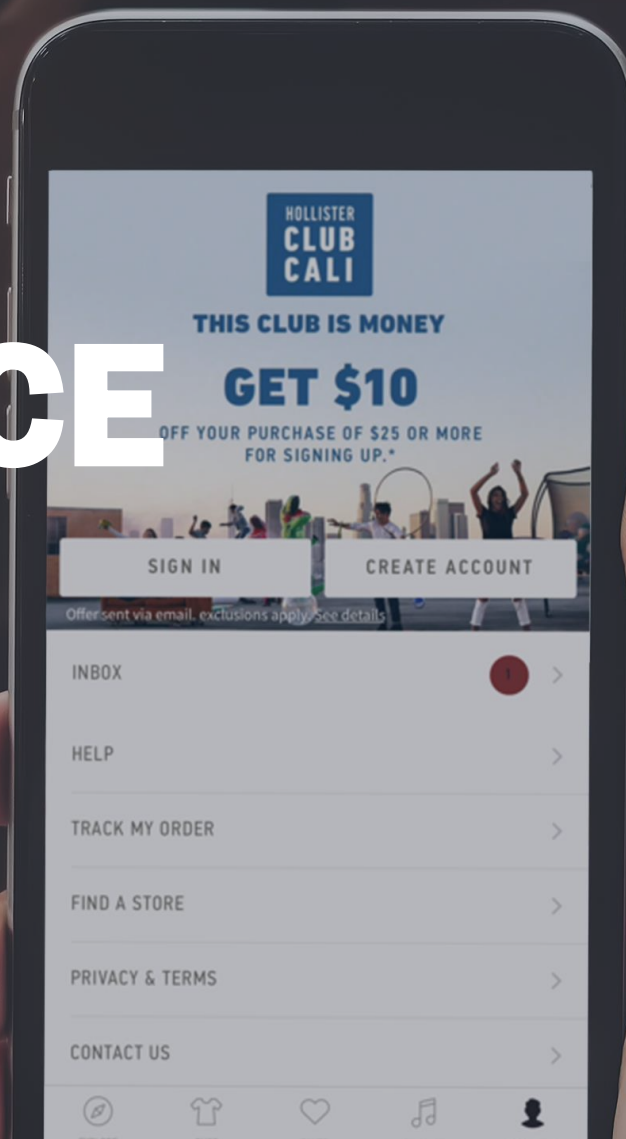
MUSIC

- ▶ Spotify generated 1+M views
- ▶ Artist collaborations

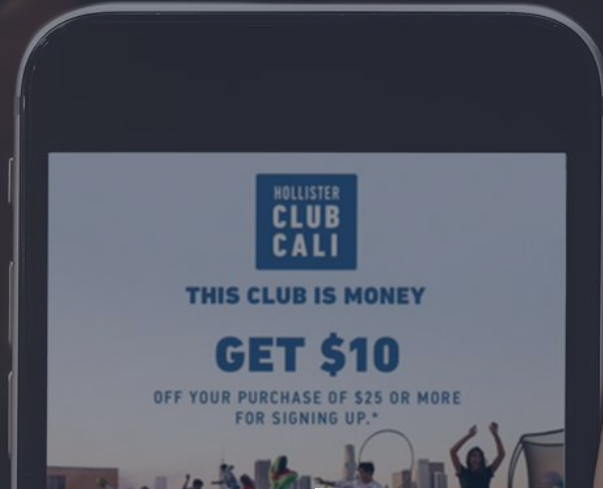
GAMING

- ▶ 4.5+M plays
- ▶ 15+ years playtime / engagement

EXPERIENCE



ENHANCED EXPERIENCE



OMNICHANNEL

- ▶ Industry leader in Omnichannel customer experiences
- ▶ Encouraged by the engagement

CLUB CALI

- ▶ 10+M members in 2 years
- ▶ High spend & transaction rates

REAL ESTATE

- ▶ Open & easy-to-shop remodels
- ▶ ~70% of best malls remodeled

STORE STAFFING

- ▶ Empowered associates
- ▶ New robust training tools



PRODUCT



2018

VOICE



EXPERIENCE



PRODUCT

**MUST
WIN**



**MUST
GROW**



**PRODUCT
DISTORTIONS**



**SPEED TO
MARKET**



VOICE

AWESOMENESS TV

CARPE NOW

PRESENTED BY HOLLISTER



A person in a dark jacket is seen from behind, holding up a large, white, rectangular sail or piece of fabric. The scene is set against a clear blue sky with soft, wispy clouds. Numerous pink petals are falling from the top left, creating a celebratory atmosphere. In the background, there are several wooden masts or poles, some with orange lights at their tips, suggesting a harbor or a sailing event. The overall mood is bright and joyful.

HOLLISTER
CARPE
NOW

INNOVATIVE MARKETING

AWESOMENESS TV

CARPE NOW

PRESENTED BY HOLLISTER





HOLLISTER
**CLUB
CALI**

EXPERIENCE

THE CLUB LIFE IS THE BEST LIFE

REAL ESTATE

CLUB CALI

OMNICHANNEL



OUR JOURNEY

- ▶ **ICONIC BRANDS**
- ▶ **STRONG FOUNDATIONS**
- ▶ **CUSTOMER FOCUSED**
- ▶ **EXPERIENCED TEAM**
- ▶ **GROWTH OPPORTUNITY**





INTERMISSION

INVESTOR DAY

APRIL 25, 2018

NEW YORK



ABERCROMBIE & FITCH

STACIA ANDERSEN

President, Abercrombie & Fitch and kids

OUR CUSTOMER

INNOVATIVE

**CHANGE
AGENTS**

INFLUENTIAL

INDEPENDENT

**INSPIRATION
AGED 21-24**

DISCERNING

**DIGITAL
NATIVES**

A&F BRAND DNA

CONVICTION

WE BELIEVE THAT ONLY THROUGH THE PURSUIT OF ADVENTURE CAN YOU FEEL TRULY ALIVE

POSITION

CASUAL ALL-AMERICAN STYLE THAT READIES YOU FOR LIFE'S EVERYDAY ADVENTURES

DNA

BRAND

AUDACIOUSLY
OPTIMISTIC

PUSHING YOU TO
DISCOVER

DARING
SPIRIT

PRODUCT

QUALITY
CRAFTSMANSHIP

CLASSIC;
ALL-AMERICAN

CASUAL;
EFFORTLESS

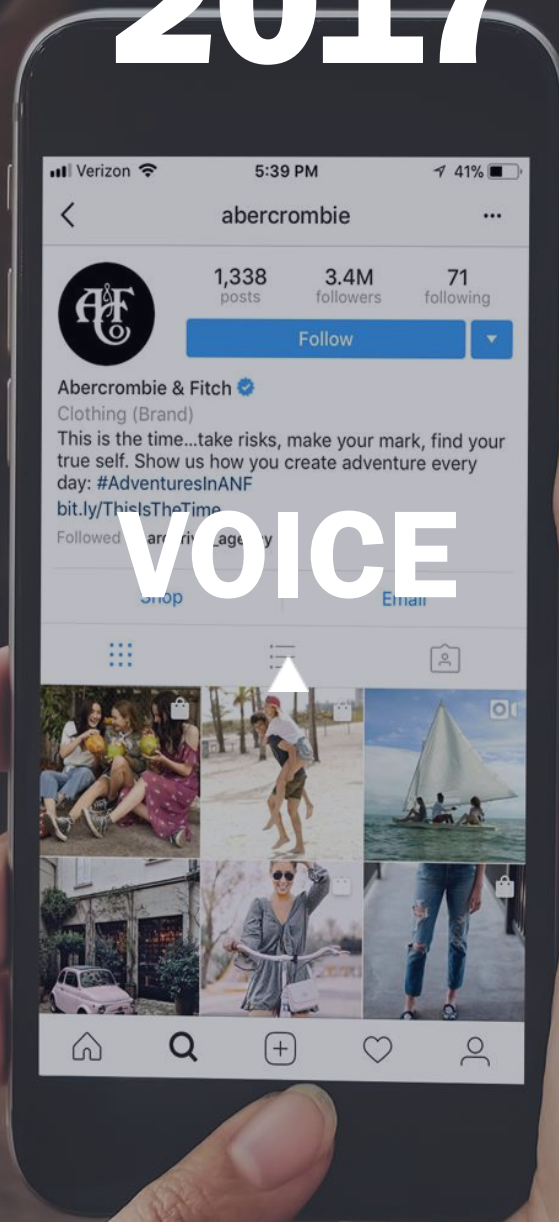




PRODUCT



2017



VOICE



EXPERIENCE





PRODUCT



ASSORTMENT ARCHITECTURE

VERSATILITY

INVENTORY

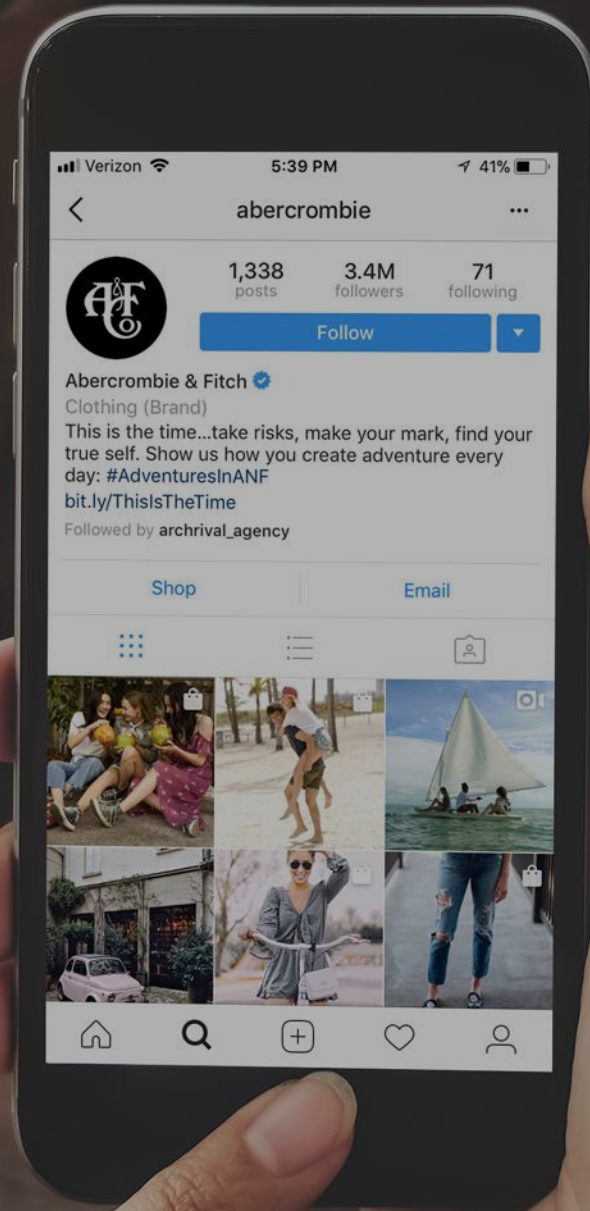
LIMITED EDITION
COLLECTION

BY

A&F



VOICE





+30%

**YOY SOCIAL
MENTIONS**



400,000+

**SITE
VISITS**



300+M

**BRAND
IMPRESSIONS**



INNOVATIVE MARKETING

50M

**IMPRESSIONS AMONG
18 TO 24-YEAR-OLD
SNAPCHAT USERS**



30+

**ADVANCED THOR &
JUSTICE LEAGUE
SCREENINGS**



**WORLD
ALONE**



JUSTICE LEAGUE

WARNER BROS. PICTURES PRESENTS

EXPERIENCE





OMNICHANNEL

- ▶ **5-star app**
- ▶ **POPinS**
- ▶ **Order-in-store**
- ▶ **Reserve-in-store**

LOYALTY

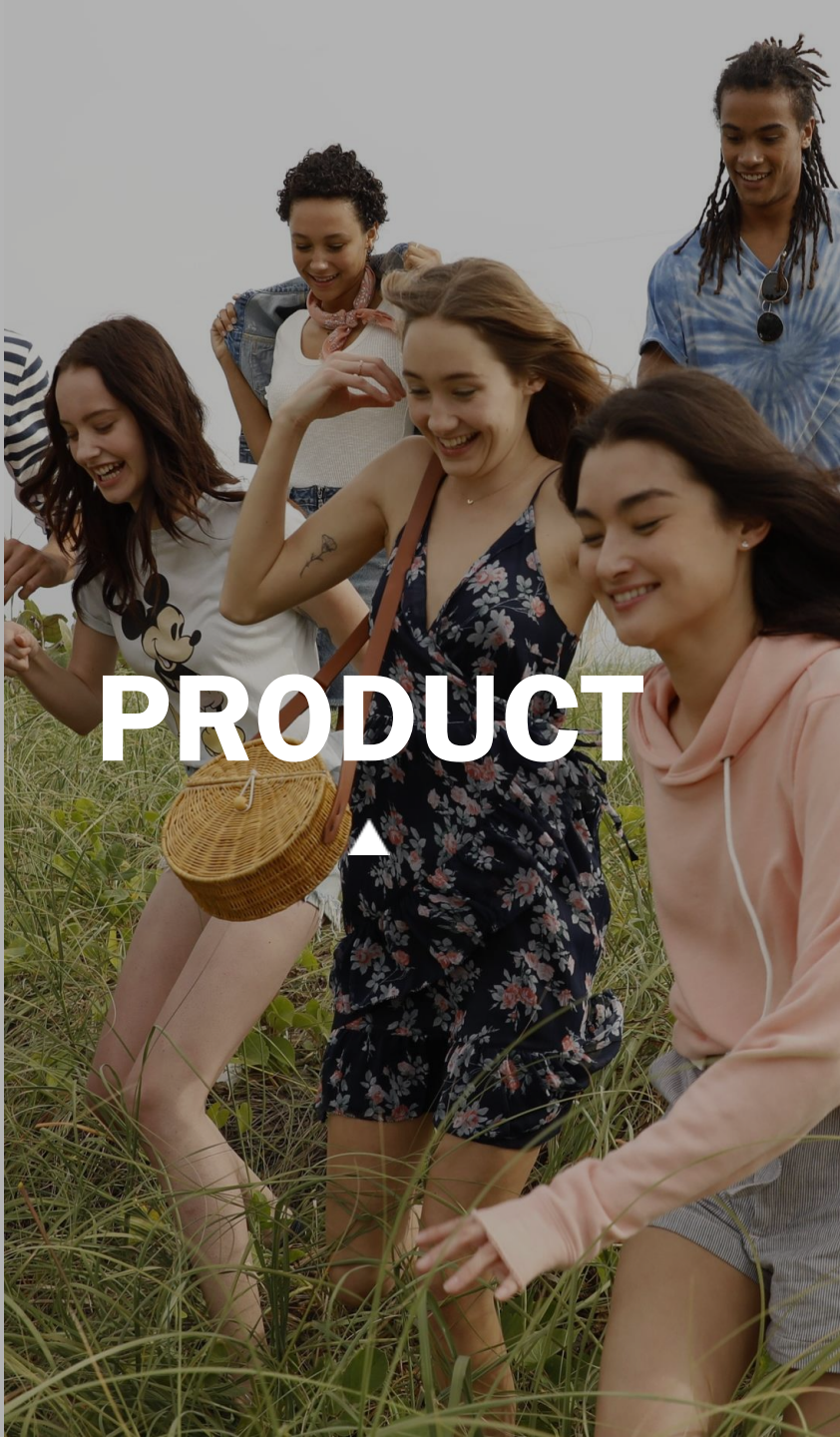
- ▶ **4 M customers**
- ▶ **Members spent & transacted more**

T-MALL

- ▶ **#1 ranked men's store on launch day**
- ▶ **Exceeded 2017 sales expectations**

STORE EXPERIENCE

- ▶ **Started prototype rollout**
- ▶ **Enhanced fitting rooms**
- ▶ **Store training**



PRODUCT



2018



VOICE



EXPERIENCE



PRODUCT

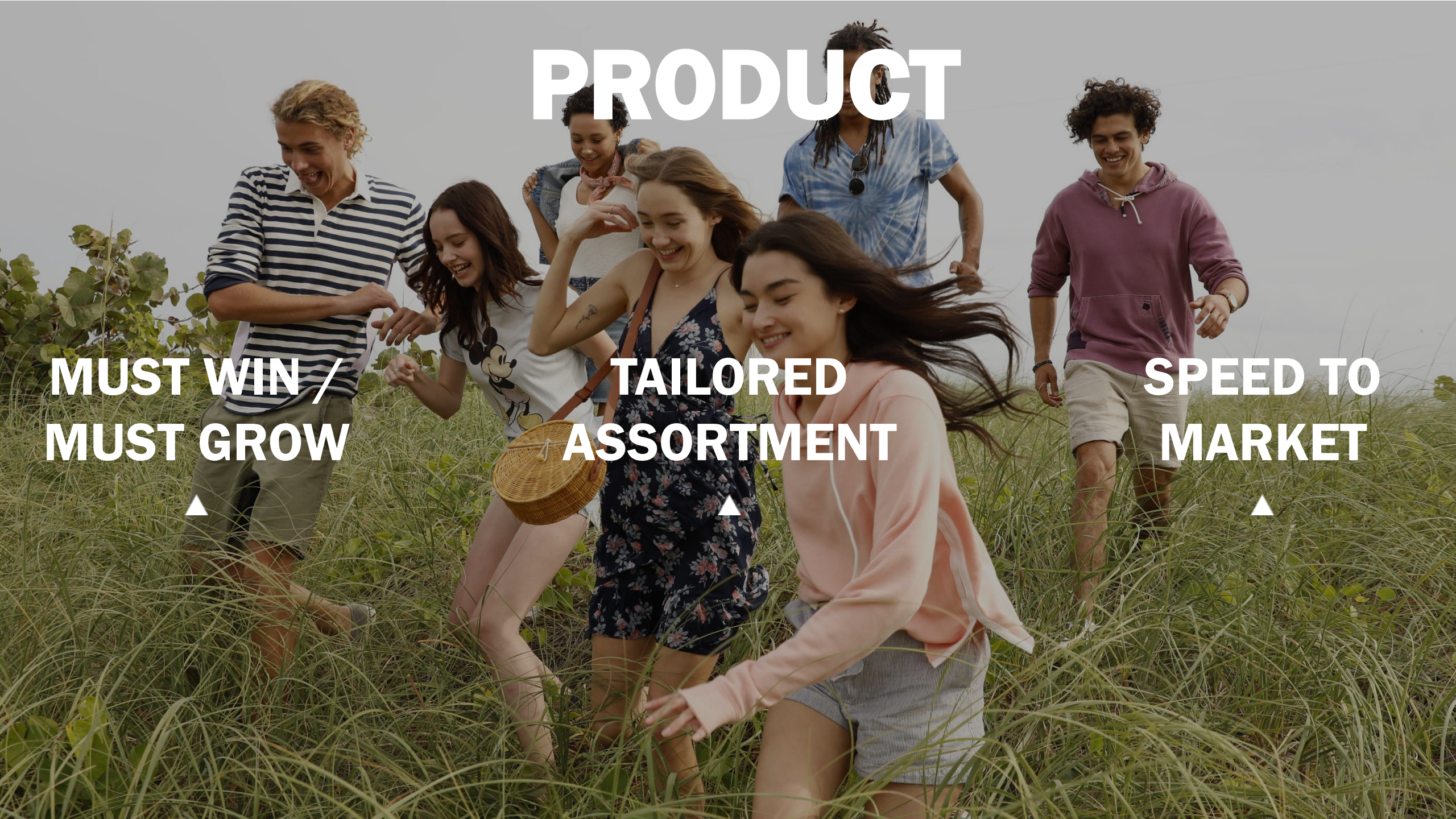
**MUST WIN /
MUST GROW**



**TAILORED
ASSORTMENT**



**SPEED TO
MARKET**

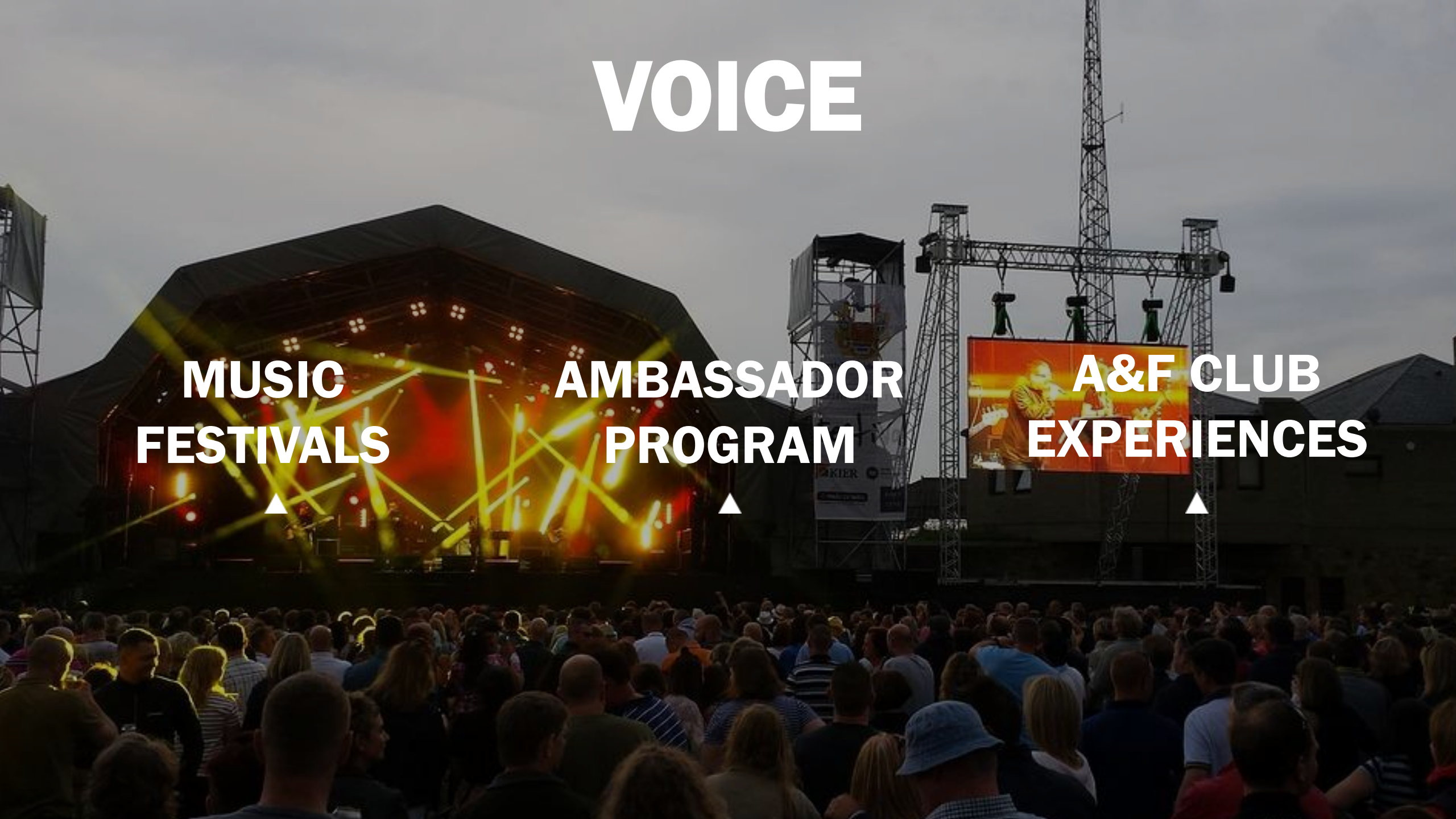


VOICE

**MUSIC
FESTIVALS**

**AMBASSADOR
PROGRAM**

**A&F CLUB
EXPERIENCES**



EXPERIENCE

**PROTOTYPE
STORE
ROLLOUT**



**EUROPE /
ASIA
EXPANSION**



**CAMPUS
BASED
STORES**



Abercrombie & Fitch

A photograph of two children sitting on a tennis court net. The child on the left is seen from the back, wearing a grey beanie and a white and navy blue varsity jacket with 'Abercrombie' written on the back. The child on the right is facing forward, wearing a white and navy blue varsity jacket with a moose logo on the chest, a black and white checkered shirt, and blue jeans with white paint splatters. The background shows a tennis court with a white wall and a chain-link fence under a cloudy sky.

ABERCROMBIE KIDS

abercrombie kids



A&F KIDS BRAND DNA

CONVICTION

WE BELIEVE KIDS ARE PERFECT JUST THE WAY THEY ARE

POSITION

WE CREATE PRODUCT OF ENDURING QUALITY, CRAFTED TO ENCOURAGE KIDS TO PLAY, EXPRESS THEIR CREATIVITY, AND GROW IN THEIR INDEPENDENCE

abercrombie kids



EVERYBODY COLLECTION



“Abercrombie & Fitch is breaking gender barriers with their new unisex collection...”



“Through its engagement with consumers, the division seeks to provide product that meets customers’ needs”



“...the move to advertise gender neutral apparel in stores is groundbreaking”



“Fashion should be fun, especially for little kids. This new collection gets that”

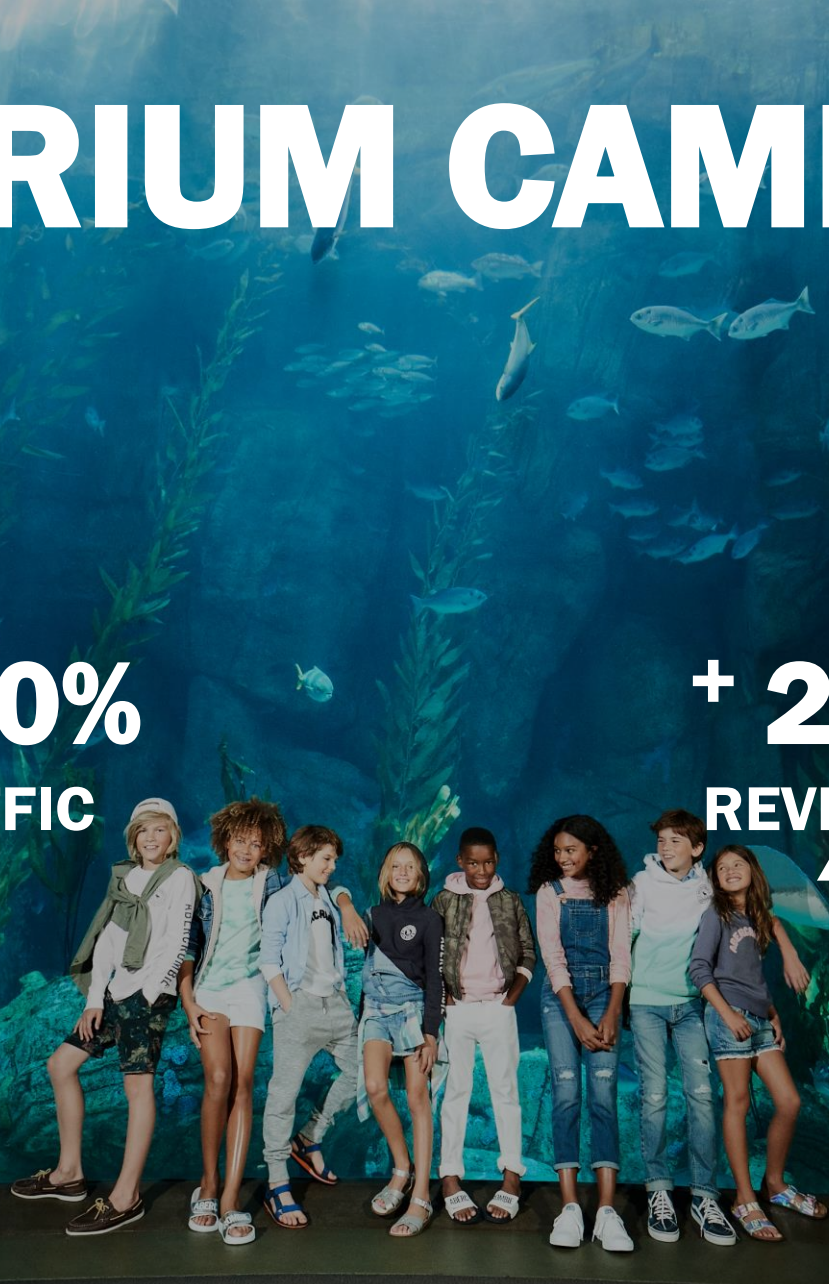


“We wish Abercrombie Kids’ new gender-neutral collection was around when we were young”

AQUARIUM CAMPAIGN



+200%
TRAFFIC



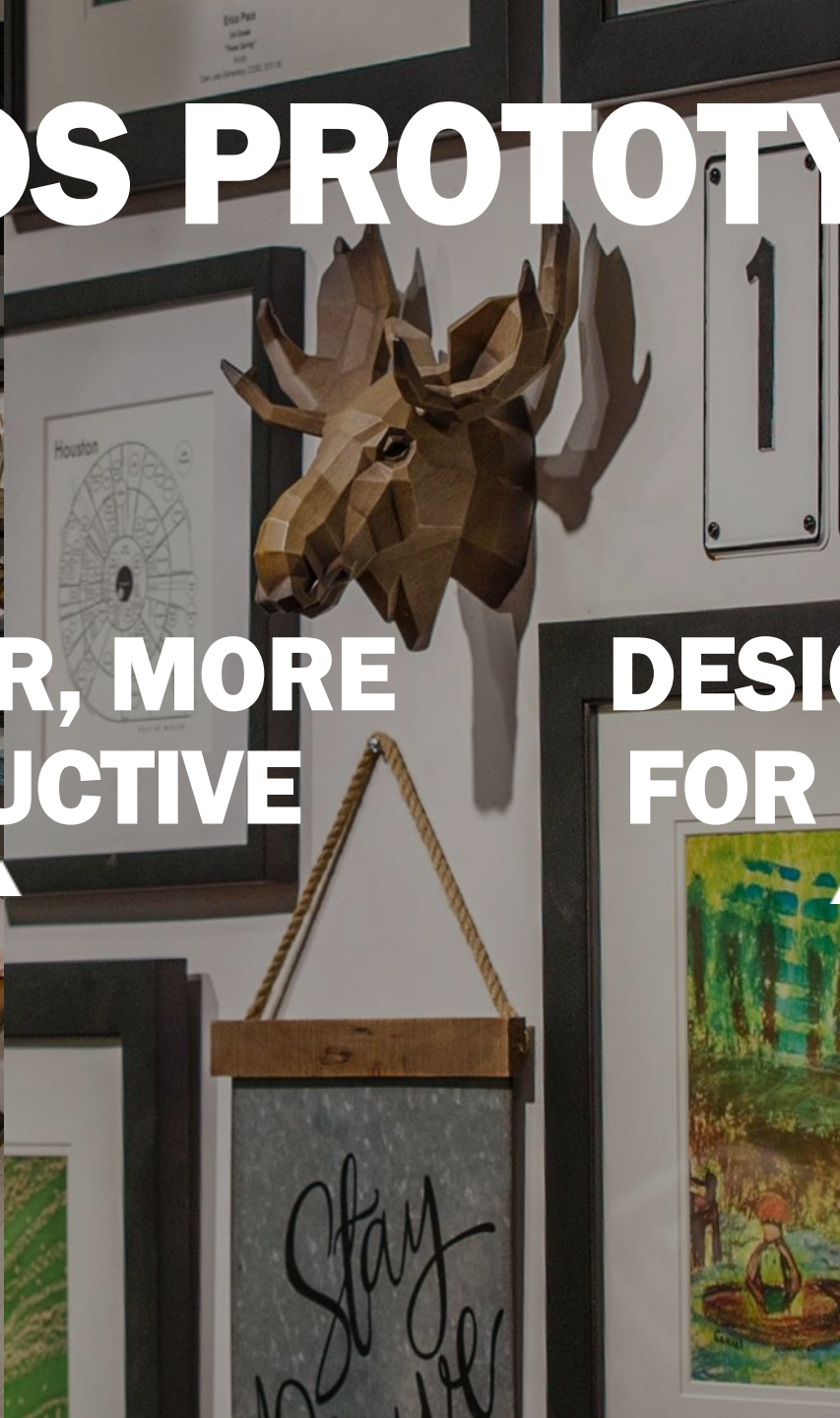
+ 21%
REVENUE



KIDS PROTOTYPE

SMALLER, MORE
PRODUCTIVE

DESIGNED
FOR PLAY



OUR JOURNEY

- ▶ **ICONIC BRANDS**
- ▶ **STRONG FOUNDATIONS**
- ▶ **CUSTOMER FOCUSED**
- ▶ **EXPERIENCED TEAM**
- ▶ **GROWTH OPPORTUNITY**





FINANCIAL OBJECTIVES

SCOTT LIPESKY

Chief Financial Officer

OUR JOURNEY



TRANSFORM

**LOW
SINGLE-DIGIT
TOTAL SALES
CAGR**

POSITIVE COMPARABLE SALES

GLOBAL MARKET EXPANSION

**DOUBLE
2017
ADJUSTED
EBIT MARGIN
2.9%**

MODEST GROSS MARGIN EXPANSION

OPERATING EXPENSE LEVERAGE

COMP SALES DRIVERS



CONVERSION

Must win / Must grow

Seamless Experience

Store Training & Incentives

TRAFFIC

Loyalty

Marketing

AVERAGE UNIT RETAIL

Data & Analytics

Brand Health

Store Remodels & Prototypes

GLOBAL MARKET EXPANSION

\$1.5B
**ADDRESSABLE
INTERNATIONAL
OPPORTUNITY**

EUROPE

\$1.0B
OPPORTUNITY

\$0.8B
2017 SALES

ASIA & ROW

\$0.5B
OPPORTUNITY

\$0.4B
2017 SALES

GLOBAL MARKET EXPANSION

FLEET ACTIVITY

2015-2017

OPENINGS	59
CLOSURES	(152)
NET CHANGE	(93)

~3X
\$/GSF

**PRODUCTIVITY
OF OPENINGS
VS. CLOSURES**

GROSS MARGIN EXPANSION

**AVERAGE UNIT
RETAIL**

DRIVE GROWTH



GROSS MARGIN EXPANSION

**AVERAGE UNIT
COST**

**FLAT TO UP
SLIGHTLY**

**INFLATION
PRESSURE**



**SOURCING
INITIATIVES**



OPERATING EXPENSE REDUCTION

**\$400M
GROSS EXPENSE
SAVINGS
SINCE 2013**



**CONTINUED
PROFIT
IMPROVEMENT
MINDSET**



OPERATING EXPENSE LEVERAGE

**LEVERAGE
FIXED EXPENSE
COMP GROWTH**

**WHAT'S
NEXT**

- ◀ **STORE OCCUPANCY**
- ◀ **CONTINUOUS PROFIT
IMPROVEMENT**
- ◀ **TRANSFORMATION
INITIATIVES**

EVOLVING COST STRUCTURE

INVESTMENT

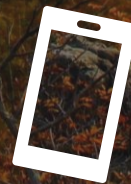
INCREASED COST

MARKETING &
ENGAGEMENT

ANALYTICS
CAPABILITIES

SHIFT TO
DIGITAL

INFLATION



CAPITAL ALLOCATION PHILOSOPHY

1

**INVEST & TRANSFORM
THE BUSINESS**

**ANNUAL CAPITAL
EXPENDITURES
\$125 – 175 M**

2

**RETURN EXCESS CASH
TO SHAREHOLDERS**

**MAINTAIN DIVIDEND
SHARE REPURCHASES**

STRONG BALANCE SHEET

\$935M
Q4 2017

\$700M
MINIMUM
LIQUIDITY
TARGET

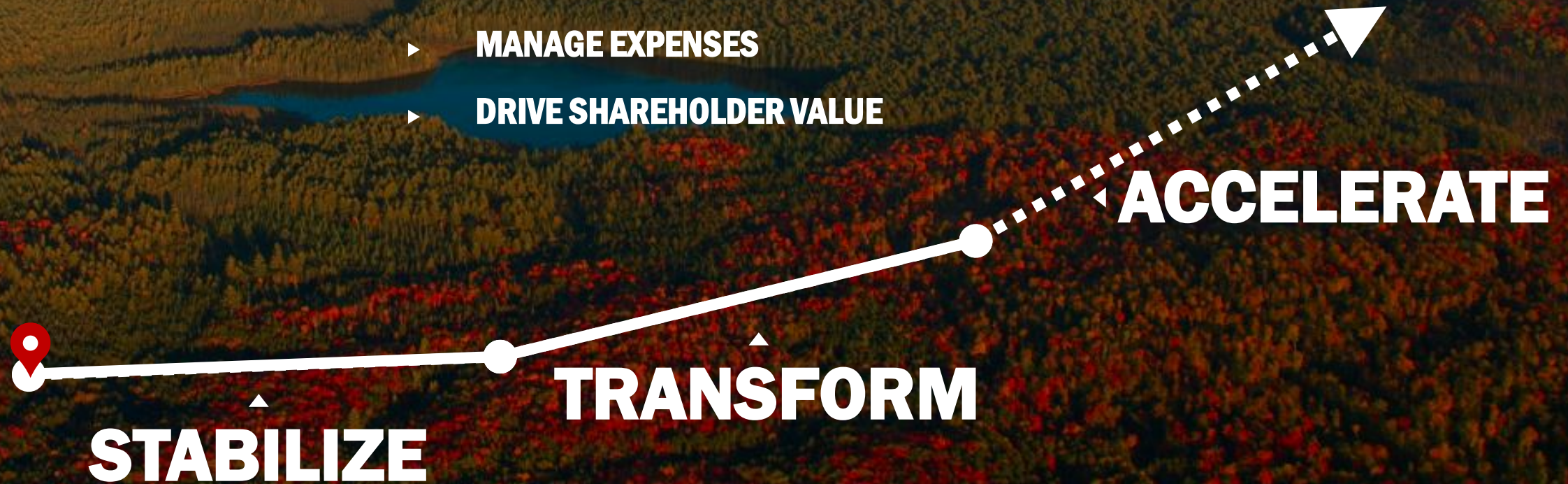
**ACCELERATION
OPPORTUNITIES**



- ▶ **STORE CLOSURES (INCL. FLAGSHIPS)**
- ▶ **FLEET PROTOTYPE CONVERSIONS**
- ▶ **NEW STORE OPENINGS**
- ▶ **TRANSFORMATION INVESTMENTS**

OUR JOURNEY

- ▶ GROW SALES
- ▶ EXPAND MARGINS
- ▶ MANAGE EXPENSES
- ▶ DRIVE SHAREHOLDER VALUE





MORNING IN REVIEW

FRAN HOROWITZ

Chief Executive Officer

GROWING WHILE TRANSFORMING

**LOW SINGLE-DIGIT
TOTAL SALES CAGR**

**DOUBLE 2017 ADJ.
EBIT MARGIN**

**POSITIVE
COMP SALES**

**GLOBAL
GROWTH**

**GROSS MARGIN
EXPANSION**

**OPEX
LEVERAGE**

**STRONG ASSETS &
BALANCE SHEET**

**OMNICHANNEL
INFRASTRUCTURE**

**THE RIGHT TEAM
& RESOURCES**

A CLEAR PLAN



◇ LIFE AT ANF ◇

OUR VALUES



N^o1 COMMITMENT
TO
Quality

N^o2
*Authentic
Goodness*

N^o3 ALWAYS
Forward →

her
+project



A&F Co.



**GIVES
BACK**



serioüsfunSM
children's network
founded by paul newman





A&F

Q & A



THANK YOU

INVESTOR DAY

APRIL 25, 2018

NEW YORK