

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

	Thirteen Weeks Ended		Thirteen Weeks Ended	
	August 2, 2025	% of Net Sales	August 3, 2024	% of Net Sales
Net sales	\$ 1,208,560	100.0 %	\$ 1,133,974	100.0 %
Cost of sales, exclusive of depreciation and amortization	451,590	37.4 %	397,712	35.1 %
Selling expense	375,356	31.1 %	382,557	33.7 %
General and administrative expense	175,325	14.5 %	178,147	15.7 %
Other operating income, net	<u>(369)</u>	— %	<u>(67)</u>	— %
Operating income	206,658	17.1 %	175,625	15.5 %
Interest expense	620	0.1 %	5,189	0.5 %
Interest income	<u>(3,094)</u>	(0.3)%	<u>(10,392)</u>	(0.9)%
Interest income, net	<u>(2,474)</u>	(0.2)%	<u>(5,203)</u>	(0.5)%
Income before income taxes	209,132	17.3 %	180,828	15.9 %
Income tax expense	<u>65,744</u>	5.4 %	<u>45,449</u>	4.0 %
Net income	143,388	11.9 %	135,379	11.9 %
Less: Net income attributable to noncontrolling interests	<u>2,005</u>	0.2 %	<u>2,211</u>	0.2 %
Net income attributable to A&F	<u><u>\$ 141,383</u></u>	11.7 %	<u><u>\$ 133,168</u></u>	11.7 %
Net income per share attributable to A&F				
Basic	\$ 2.97		\$ 2.60	
Diluted	\$ 2.91		\$ 2.50	
Weighted-average shares outstanding:				
Basic	47,550		51,246	
Diluted	48,551		53,279	

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	Twenty-Six Weeks Ended		Twenty-Six Weeks Ended	
	August 2, 2025	% of Net Sales	August 3, 2024	% of Net Sales
Net sales	\$ 2,305,871	100.0 %	\$ 2,154,704	100.0 %
Cost of sales, exclusive of depreciation and amortization	868,723	37.7 %	740,985	34.4 %
Selling expense	775,293	33.6 %	742,575	34.5 %
General and administrative expense	350,250	15.2 %	367,695	17.1 %
Other operating loss (income), net	<u>3,414</u>	0.1 %	<u>(2,025)</u>	(0.1)%
Operating income	308,191	13.4 %	305,474	14.2 %
Interest expense	1,281	0.1 %	10,969	0.5 %
Interest income	<u>(10,538)</u>	(0.5)%	<u>(21,195)</u>	(1.0)%
Interest income, net	<u>(9,257)</u>	(0.4)%	<u>(10,226)</u>	(0.5)%
Income before income taxes	317,448	13.8 %	315,700	14.7 %
Income tax expense	<u>92,321</u>	4.0 %	<u>65,243</u>	3.0 %
Net income	225,127	9.8 %	250,457	11.6 %
Less: Net income attributable to noncontrolling interests	<u>3,331</u>	0.1 %	<u>3,439</u>	0.2 %
Net income attributable to A&F	<u><u>\$ 221,796</u></u>	9.6 %	<u><u>\$ 247,018</u></u>	11.5 %
Net income per share attributable to A&F				
Basic	\$ 4.58		\$ 4.84	
Diluted	\$ 4.47		\$ 4.64	
Weighted-average shares outstanding:				
Basic	48,382		51,069	
Diluted	49,592		53,277	

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, 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 supplementally 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.

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.

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.

In addition, the company provides EBITDA and Adjusted EBITDA as supplemental measures used by the company's executive management to assess the company's performance. We also believe these supplemental performance measures are meaningful information for investors and other interested parties to use in computing the company's core financial performance over multiple periods and with other companies by excluding the impact of differences in tax jurisdictions, debt service levels and capital investment.

Abercrombie & Fitch Co.
Schedule of Non-GAAP Financial Measures
Thirteen Weeks Ended August 2, 2025
(in thousands, except per share data)
(Unaudited)

	GAAP ⁽¹⁾	% of Net Sales	Excluded item ⁽²⁾	Adjusted non-GAAP	% of Net Sales
Litigation settlement	\$ (38,574)		\$ (38,574)	\$ —	
Operating income	206,658	17.1 %	38,574	168,084	13.9 %
Income before income taxes	209,132	17.3 %	38,574	170,558	14.1 %
Income tax expense ⁽³⁾	65,744	5.4 %	9,949	55,795	4.6 %
Net income attributable to A&F	141,383	11.7 %	28,625	112,758	9.3 %
Net income per diluted share attributable to A&F	\$ 2.91		\$ 0.59	\$ 2.32	
Diluted weighted-average shares outstanding		48,551		48,551	

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

⁽²⁾ Excluded item consists of a favorable settlement, net of legal fees, of payment card interchange fee litigation.

⁽³⁾ 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
Twenty-Six Weeks Ended August 2, 2025
(in thousands, except per share data)
(Unaudited)

	GAAP ⁽¹⁾	% of Net Sales	Excluded item ⁽²⁾	Adjusted non-GAAP	% of Net Sales
Litigation settlement	\$ (38,574)		\$ (38,574)	\$ —	
Operating income	308,191	13.4 %	38,574	269,617	11.7 %
Income before income taxes	317,448	13.8 %	38,574	278,874	12.1 %
Income tax expense ⁽³⁾	92,321	4.0 %	9,949	82,372	3.6 %
Net income attributable to A&F	221,796	9.6 %	28,625	193,171	8.4 %
Net income per diluted share attributable to A&F	\$ 4.47		\$ 0.58	\$ 3.90	
Diluted weighted-average shares outstanding	49,592			49,592	

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

⁽²⁾ Excluded item consists of a favorable settlement, net of legal fees, of payment card interchange fee litigation

⁽³⁾ 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 August 2, 2025 and August 3, 2024
(in thousands, except percentage and basis point changes and per share data)
(Unaudited)

	2025	2024	% Change
Net sales			
GAAP ⁽¹⁾	\$ 1,208,560	\$ 1,133,974	7%
Impact from changes in foreign currency exchange rates ⁽²⁾	—	10,707	(1)
Net sales on a constant currency basis	\$ 1,208,560	\$ 1,144,681	6%
Operating income			
	2025	2024	BPS Change ⁽⁴⁾
GAAP ⁽¹⁾	\$ 206,658	\$ 175,625	160
Excluded item ⁽³⁾	38,574	—	320
Adjusted non-GAAP	\$ 168,084	\$ 175,625	(160)
Impact from changes in foreign currency exchange rates ⁽²⁾	—	2,272	0
Non-GAAP constant currency basis	\$ 168,084	\$ 177,897	(160)
Net income per share attributable to A&F			
	2025	2024	\$ Change
GAAP ⁽¹⁾	\$ 2.91	\$ 2.50	\$0.41
Excluded item, net of tax ⁽³⁾	0.59	—	0.59
Adjusted non-GAAP	\$ 2.32	\$ 2.50	\$(0.18)
Impact from changes in foreign currency exchange rates ⁽²⁾	—	0.03	(0.03)
Non-GAAP constant currency basis	\$ 2.32	\$ 2.53	\$(0.21)

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

⁽²⁾ 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.

⁽³⁾ Excluded item consists of a favorable settlement, net of legal fees, of payment card interchange fee litigation.

⁽⁴⁾ The estimated basis point change has been rounded based on the percentage change.

Abercrombie & Fitch Co.
Reconciliation of EBITDA and Adjusted EBITDA
Thirteen Weeks Ended August 2, 2025 and August 3, 2024
(in thousands)
(Unaudited)

	2025	% of Net Sales	2024	% of Net Sales
Net income	\$ 143,388	11.9 %	\$ 135,379	11.9 %
Income tax expense	65,744	5.4	45,449	4.0
Interest income, net	(2,474)	(0.2)	(5,203)	(0.5)
Depreciation and amortization	37,424	3.1	39,355	3.6
EBITDA ⁽¹⁾	<u>\$ 244,082</u>	20.2 %	<u>\$ 214,980</u>	19.0 %
Adjustments to EBITDA				
Litigation settlement	(38,574)	(3.2)	—	—
Adjusted EBITDA ⁽¹⁾	<u>\$ 205,508</u>	17.0 %	<u>\$ 214,980</u>	19.0 %

Abercrombie & Fitch Co.
Reconciliation of EBITDA and Adjusted EBITDA
Twenty-Six Weeks Ended August 2, 2025 and August 3, 2024
(in thousands)
(Unaudited)

	2025	% of Net Sales	2024	% of Net Sales
Net income	\$ 225,127	9.8 %	\$ 250,457	11.6 %
Income tax expense	92,321	4.0	65,243	3.0
Interest (income) expense, net	(9,257)	(0.4)	(10,226)	(0.5)
Depreciation and amortization	76,000	3.3	77,044	3.7
EBITDA ⁽¹⁾	<u>\$ 384,191</u>	16.7 %	<u>\$ 382,518</u>	17.8 %
Adjustments to EBITDA				
Litigation settlement	(38,574)	(1.7)%	—	— %
Adjusted EBITDA ⁽¹⁾	<u>\$ 345,617</u>	15.0 %	<u>\$ 382,518</u>	17.8 %

⁽¹⁾ EBITDA and Adjusted EBITDA are supplemental financial measures that are not defined or prepared in accordance with GAAP. EBITDA is defined as net income before interest, income taxes and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for a favorable settlement, net of legal fees, of payment card interchange fee litigation.

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

	August 2, 2025	February 1, 2025	August 3, 2024
Assets			
Current assets:			
Cash and equivalents	\$ 572,730	\$ 772,727	\$ 738,402
Marketable securities	30,795	116,221	15,014
Receivables	174,000	105,324	115,077
Inventories	592,966	575,005	539,759
Other current assets	118,624	104,154	108,401
Total current assets	1,489,115	1,673,431	1,516,653
Property and equipment, net	638,590	575,773	552,453
Operating lease right-of-use assets	933,559	803,121	746,788
Other assets	240,677	247,562	233,664
Total assets	<u>\$ 3,301,941</u>	<u>\$ 3,299,887</u>	<u>\$ 3,049,558</u>
Liabilities and stockholders' equity			
Current liabilities:			
Accounts payable	\$ 368,051	\$ 364,532	\$ 406,756
Accrued expenses	429,616	504,922	422,484
Short-term portion of operating lease liabilities	223,020	211,600	202,840
Income taxes payable	17,354	45,890	19,576
Total current liabilities	\$ 1,038,041	\$ 1,126,944	\$ 1,051,656
Long-term liabilities:			
Long-term portion of operating lease liabilities	\$ 876,461	\$ 740,013	\$ 688,006
Other liabilities	80,235	81,607	88,746
Total long-term liabilities	956,696	821,620	776,752
Total Abercrombie & Fitch Co. stockholders' equity	1,292,255	1,335,628	1,206,526
Noncontrolling interests	14,949	15,695	14,624
Total stockholders' equity	1,307,204	1,351,323	1,221,150
Total liabilities and stockholders' equity	<u>\$ 3,301,941</u>	<u>\$ 3,299,887</u>	<u>\$ 3,049,558</u>

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

	Twenty-Six Weeks Ended	
	August 2, 2025	August 3, 2024
Operating activities		
Net cash provided by operating activities	\$ 112,893	\$ 260,119
Investing activities		
Purchases of marketable securities	\$ —	\$ (15,000)
Proceeds from maturities of marketable securities	85,000	—
Purchases of property and equipment	(116,943)	(81,649)
Net cash used for investing activities	\$ (31,943)	\$ (96,649)
Financing activities		
Redemption of senior secured notes	\$ —	\$ (223,331)
Payment of debt modification costs and fees	—	(2,716)
Purchases of common stock	(251,223)	(30,000)
Acquisition of common stock for tax withholding obligations	(34,830)	(67,225)
Other financing activities	(4,660)	(3,689)
Net cash used for financing activities	\$ (290,713)	\$ (326,961)
Effect of foreign currency exchange rates on cash	\$ 9,700	\$ 101
Net decrease in cash and equivalents, and restricted cash and equivalents	\$ (200,063)	\$ (163,390)
Cash and equivalents, and restricted cash and equivalents, beginning of period	\$ 780,395	\$ 909,685
Cash and equivalents, and restricted cash and equivalents, end of period	<u>\$ 580,332</u>	<u>\$ 746,295</u>

Abercrombie & Fitch Co.

Financial Information

(Unaudited)

(in thousands, except per share data)

	2023	Fiscal 2024				2024	Fiscal 2025		2025
		Q1	Q2	Q3	Q4		Q1	Q2	
Net sales	\$ 4,280,677	\$ 1,020,730	\$ 1,133,974	\$ 1,208,966	\$ 1,584,917	\$ 4,948,587	\$ 1,097,311	\$ 1,208,560	\$ 2,305,871
Cost of sales, exclusive of depreciation and amortization	1,587,265	343,273	397,712	422,034	610,907	1,773,926	417,133	451,590	868,723
Selling expense	1,533,438	360,018	382,557	420,990	526,423	1,689,988	399,937	375,356	775,293
General and administrative expense	681,176	189,548	178,147	188,246	194,544	750,485	174,925	175,325	350,250
Other operating (income) loss, net	(5,873)	(1,958)	(67)	(1,586)	(3,021)	(6,632)	3,783	(369)	3,414
Operating income	484,671	129,849	175,625	179,282	256,064	740,820	101,533	206,658	308,191
Interest expense	30,352	5,780	5,189	569	539	12,077	661	620	1,281
Interest income	(29,980)	(10,803)	(10,392)	(9,302)	(9,437)	(39,934)	(7,444)	(3,094)	(10,538)
Interest (income) expense, net	372	(5,023)	(5,203)	(8,733)	(8,898)	(27,857)	(6,783)	(2,474)	(9,257)
Income before income taxes	484,299	134,872	180,828	188,015	264,962	768,677	108,316	209,132	317,448
Income tax expense	148,886	19,794	45,449	54,151	75,267	194,661	26,577	65,744	92,321
Net income	335,413	115,078	135,379	133,864	189,695	574,016	81,739	143,388	225,127
Less: Net income attributable to noncontrolling interests	7,290	1,228	2,211	1,885	2,469	7,793	1,326	2,005	3,331
Net income attributable to Abercrombie & Fitch Co.	<u>\$ 328,123</u>	<u>\$ 113,850</u>	<u>\$ 133,168</u>	<u>\$ 131,979</u>	<u>\$ 187,226</u>	<u>\$ 566,223</u>	<u>\$ 80,413</u>	<u>\$ 141,383</u>	<u>\$ 221,796</u>
Net income per share attributable to Abercrombie & Fitch Co.:									
Basic	\$6.53	\$2.24	\$2.60	\$2.59	\$3.72	\$11.14	\$1.63	\$2.97	\$4.58
Diluted	\$6.22	\$2.14	\$2.50	\$2.50	\$3.57	\$10.69	\$1.59	\$2.91	\$4.47
Weighted-average shares outstanding:									
Basic	50,250	50,893	51,246	50,951	50,265	50,839	49,214	47,550	48,382
Diluted	52,726	53,276	53,279	52,869	52,461	52,971	50,634	48,551	49,592

Abercrombie & Fitch Co.
Financial Information
(Unaudited)

	2023	Fiscal 2024				2024	Fiscal 2025		2025
		Q1	Q2	Q3	Q4		Q1	Q2	
Comparable sales by segment: ⁽¹⁾									
Americas comparable sales ^{(2) (3)}	13 %	21 %	18 %	16 %	15 %	17 %	4 %	5 %	5 %
EMEA comparable sales ^{(2) (4)}	7 %	23 %	17 %	13 %	12 %	16 %	6 %	(5)%	— %
APAC comparable sales ^{(2) (5)}	26 %	22 %	21 %	16 %	17 %	19 %	2 %	1 %	2 %
Comparable sales ⁽²⁾	13 %	21 %	18 %	16 %	14 %	17 %	4 %	3 %	4 %
Comparable sales by brand family:									
Abercrombie comparable sales ⁽²⁾	23 %	29 %	21 %	11 %	5 %	15 %	(10)%	(11)%	(10)%
Hollister comparable sales ⁽²⁾	4 %	13 %	15 %	21 %	24 %	19 %	23 %	19 %	20 %
Comparable sales ⁽²⁾	13 %	21 %	18 %	16 %	14 %	17 %	4 %	3 %	4 %

⁽¹⁾ Comparable sales by segment are presented by attributing revenues to a physical store location or geographical region that fulfills the order.

⁽²⁾ Comparable sales are calculated on a constant currency basis. Refer to "REPORTING AND USE OF GAAP AND NON-GAAP MEASURES," for further discussion.

⁽³⁾ The Americas segment includes the results of operations in North America and South America.

⁽⁴⁾ The EMEA segment includes the results of operations in Europe, the Middle East and Africa.

⁽⁵⁾ The APAC segment includes the results of operations in the Asia-Pacific region, including Asia and Oceania.