UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 30, 2022
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-12107

Abercrombie & Fitch Co.

(Exact name of Registrant as specified in its charter)

Delaware	**31-1469076**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
6301 Fitch Path, New Albany, Ohio	**43054**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code: (614) 283-6500

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.01 Par Value	**ANF**	**New York Stock Exchange**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes ☐ No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). x Yes ☐ No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes x No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class A Common Stock	Shares outstanding as of June 3, 2022
$0.01 Par Value	**50,446,862**

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Abercrombie & Fitch Co.
Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income
(Thousands, except per share amounts)
(Unaudited)

	Thirteen Weeks Ended	
	April 30, 2022	May 1, 2021
Net sales	$ 812,762	$ 781,405
Cost of sales, exclusive of depreciation and amortization	363,216	286,271
Gross profit	449,546	495,134
Stores and distribution expense	337,543	315,508
Marketing, general and administrative expense	122,149	120,947
Asset impairment	3,422	2,664
Other operating income, net	(3,842)	(1,418)
Operating (loss) income	(9,726)	57,433
Interest expense, net	7,307	8,606
(Loss) income before income taxes	(17,033)	48,827
Income tax (benefit) expense	(2,187)	6,121
Net (loss) income	(14,846)	42,706
Less: Net income attributable to noncontrolling interests	1,623	938
Net (loss) income attributable to A&F	$ (16,469)	$ 41,768
Net (loss) income attributable to A&F per share		
Basic	$ (0.32)	$ 0.67
Diluted	$ (0.32)	$ 0.64
Weighted-average shares outstanding		
Basic	52,077	62,380
Diluted	52,077	65,305
Other comprehensive (loss) income		
Foreign currency translation adjustments, net of tax	$ (10,403)	$ (1,274)
Derivative financial instruments, net of tax	1,712	2,599
Other comprehensive (loss) income	(8,691)	1,325
Comprehensive (loss) income	(23,537)	44,031
Less: Comprehensive income attributable to noncontrolling interests	1,623	938
Comprehensive (loss) income attributable to A&F	$ (25,160)	$ 43,093

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Abercrombie & Fitch Co.
Condensed Consolidated Balance Sheets
(Thousands, except par value amounts)
(Unaudited)

	April 30, 2022	January 29, 2022
Assets		
Current assets:		
Cash and equivalents	$ 468,378	$ 823,139
Receivables	88,807	69,102
Inventories	562,510	525,864
Other current assets	93,179	89,654
Total current assets	1,212,874	1,507,759
Property and equipment, net	497,976	508,336
Operating lease right-of-use assets	671,991	698,231
Other assets	224,462	225,165
Total assets	$ 2,607,303	$ 2,939,491
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 311,352	$ 374,829
Accrued expenses	320,681	395,815
Short-term portion of operating lease liabilities	195,599	222,823
Income taxes payable	25,400	21,773
Total current liabilities	853,032	1,015,240
Long-term liabilities:		
Long-term portion of operating lease liabilities	662,322	697,264
Long-term borrowings, net	303,901	303,574
Other liabilities	83,243	86,089
Total long-term liabilities	1,049,466	1,086,927
Stockholders' equity		
Class A Common Stock: $0.01 par value: 150,000 shares authorized and 103,300 shares issued for all periods presented	1,033	1,033
Paid-in capital	398,412	413,190
Retained earnings	2,350,807	2,386,156
Accumulated other comprehensive loss, net of tax ("AOCL")	(123,397)	(114,706)
Treasury stock, at average cost: 52,858 and 50,315 shares as of April 30, 2022 and January 29, 2022, respectively	(1,931,494)	(1,859,583)
Total Abercrombie & Fitch Co. stockholders' equity	695,361	826,090
Noncontrolling interests	9,444	11,234
Total stockholders' equity	704,805	837,324
Total liabilities and stockholders' equity	$ 2,607,303	$ 2,939,491

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Abercrombie & Fitch Co.
Condensed Consolidated Statements of Stockholders' Equity
(Thousands, except per share amounts)
(Unaudited)

	Thirteen Weeks Ended April 30, 2022									
	Common Stock						Treasury stock			
	Shares outstanding	Par value	Paid-in capital	Non-controlling interests	Retained earnings	AOCL	Shares	At average cost		Total stockholders' equity
Balance, January 29, 2022	52,985	$ 1,033	$ 413,190	$ 11,234	$ 2,386,156	$ (114,706)	50,315	$ (1,859,583)	$	837,324
Net loss	—	—	—	1,623	(16,469)	—	—	—		(14,846)
Purchase of Common Stock	(3,260)	—	—	—	—	—	3,260	(100,000)		(100,000)
Share-based compensation issuances and exercises	717	—	(23,134)	—	(18,880)	—	(717)	28,089		(13,925)
Share-based compensation expense	—	—	8,356	—	—	—	—	—		8,356
Derivative financial instruments, net of tax	—	—	—	—	—	1,712	—	—		1,712
Foreign currency translation adjustments, net of tax	—	—	—	—	—	(10,403)	—	—		(10,403)
Distributions to noncontrolling interests, net	—	—	—	(3,413)	—	—	—	—		(3,413)
Ending balance at April 30, 2022	50,442	$ 1,033	$ 398,412	$ 9,444	$ 2,350,807	$ (123,397)	52,858	$ (1,931,494)	$	704,805

	Thirteen Weeks Ended May 1, 2021									
	Common Stock						Treasury stock			
	Shares outstanding	Par value	Paid-in capital	Non-controlling interests	Retained earnings	AOCL	Shares	At average cost		Total stockholders' equity
Balance, January 30, 2021	62,399	$ 1,033	$ 401,283	$ 12,684	$ 2,149,470	$ (102,307)	40,901	$ (1,512,851)	$	949,312
Net income	—	—	—	938	41,768	—	—	—		42,706
Purchase of Common Stock	(1,077)	—	—	—			1,077	(35,249)		(35,249)
Share-based compensation issuances and exercises	613	—	(14,456)	—	(21,490)	—	(613)	24,198		(11,748)
Share-based compensation expense	—	—	8,450	—	—	—	—	—		8,450
Derivative financial instruments, net of tax	—	—	—	—	—	2,599	—	—		2,599
Foreign currency translation adjustments, net of tax	—	—	—	—	—	(1,274)	—	—		(1,274)
Distributions to noncontrolling interests, net	—	—	—	(4,846)	—	—	—	—		(4,846)
Ending balance at May 1, 2021	61,935	$ 1,033	$ 395,277	$ 8,776	$ 2,169,748	$ (100,982)	41,365	$ (1,523,902)	$	949,950

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Abercrombie & Fitch Co.
Condensed Consolidated Statements of Cash Flows
(Thousands)
(Unaudited)

	Thirteen Weeks Ended	
	April 30, 2022	May 1, 2021
Operating activities		
Net (loss) income	$ (14,846)	$ 42,706
Adjustments to reconcile net (loss) income to net cash used for operating activities:		
Depreciation and amortization	33,888	37,856
Asset impairment	3,422	2,664
(Gain) loss on disposal	(2,798)	189
(Benefit) provision for deferred income taxes	(5,853)	4,231
Share-based compensation	8,356	8,450
Changes in assets and liabilities:		
Inventories	(38,475)	15,186
Accounts payable and accrued expenses	(138,774)	(133,506)
Operating lease right-of-use assets and liabilities	(32,127)	(76,379)
Income taxes	2,664	1,751
Other assets	(33,475)	(34,162)
Other liabilities	231	(336)
Net cash used for operating activities	(217,787)	(131,350)
Investing activities		
Purchases of property and equipment	(26,292)	(14,404)
Proceeds from the sale of property and equipment	7,751	—
Net cash used for investing activities	(18,541)	(14,404)
Financing activities		
Payment of debt issuance or modification costs and fees	—	(1,490)
Purchases of Common Stock	(100,000)	(35,249)
Other financing activities	(16,945)	(16,452)
Net cash used for financing activities	(116,945)	(53,191)
Effect of foreign currency exchange rates on cash	(2,617)	(1,021)
Net decrease in cash and equivalents, and restricted cash and equivalents	(355,890)	(199,966)
Cash and equivalents, and restricted cash and equivalents, beginning of period	834,368	1,124,157
Cash and equivalents, and restricted cash and equivalents, end of period	$ 478,478	$ 924,191
Supplemental information related to non-cash activities		
Purchases of property and equipment not yet paid at end of period	$ 33,035	$ 22,597
Operating lease right-of-use assets additions, net of terminations, impairments and other reductions	35,521	4,856
Supplemental information related to cash activities		
Cash paid for interest	—	676
Cash paid for income taxes	2,887	1,848
Cash received from income tax refunds	114	235
Cash paid for amounts included in measurement of operating lease liabilities, net of abatements	88,322	145,052

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Abercrombie & Fitch Co.

Index for Notes to Condensed Consolidated Financial Statements (Unaudited)

Abercrombie & Fitch Co.

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. NATURE OF BUSINESS

Abercrombie & Fitch Co. (“A&F”), a company incorporated in Delaware in 1996, through its subsidiaries (collectively, A&F and its subsidiaries are referred to as “Abercrombie & Fitch” or the “Company”), is a global, digitally-led omnichannel retailer. The Company offers a broad assortment of apparel, personal care products and accessories for men, women and kids, which are sold primarily through its digital channels and Company-owned stores, as well as through various third-party arrangements. The Company’s two brand-based operating segments are Hollister, which includes the Company’s Hollister, Gilly Hicks and Social Tourist brands, and Abercrombie, which includes the Company’s Abercrombie & Fitch and abercrombie kids brands. These five brands share a commitment to offering unique products of enduring quality and exceptional comfort that allow customers around the world to express their own individuality and style. The Company operates primarily in North America, Europe and Asia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying Condensed Consolidated Financial Statements include historical financial statements of, and transactions applicable to, the Company and reflect its financial position, results of operations and cash flows.

The Company has interests in an Emirati business venture and in a Kuwaiti business venture with Majid al Futtaim Fashion L.L.C. (“MAF”) and in a United States of America (the “U.S.”) business venture with Dixar L.L.C. (“Dixar”), each of which meets the definition of a variable interest entity (“VIE”). The purpose of the business ventures with MAF is to operate stores in the United Arab Emirates and Kuwait and the purpose of the business venture with Dixar is to hold the intellectual property related to the Social Tourist brand. The Company is deemed to be the primary beneficiary of these VIEs; therefore, the Company has consolidated the operating results, assets and liabilities of these VIEs, with the noncontrolling interests’ (“NCI”) portions of net income presented as net income attributable to NCI on the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income and the NCI portion of stockholders’ equity presented as NCI on the Condensed Consolidated Balance Sheets.

Fiscal year

The Company’s fiscal year ends on the Saturday closest to January 31. This typically results in a fifty-two week year, but occasionally gives rise to an additional week, resulting in a fifty-three week year. Fiscal years are designated in the Condensed Consolidated Financial Statements and notes, as well as the remainder of this Quarterly Report on Form 10-Q, by the calendar year in which the fiscal year commences. All references herein to the Company’s fiscal years are as follows:

Fiscal year	Year ended/ ending	Number of weeks
Fiscal 2021	January 29, 2022	52
Fiscal 2022	January 28, 2023	52
Fiscal 2023	February 3, 2024	53

Interim financial statements

The Condensed Consolidated Financial Statements as of April 30, 2022, and for the thirteen week periods ended April 30, 2022 and May 1, 2021, are unaudited and are presented pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for interim consolidated financial statements. Accordingly, the Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto contained in A&F’s Annual Report on Form 10-K for Fiscal 2021 filed with the SEC on March 28, 2022 (the “Fiscal 2021 Form 10-K”). The January 29, 2022 consolidated balance sheet data, included herein, were derived from audited consolidated financial statements, but do not include all disclosures required by accounting principles generally accepted in the U.S. (“GAAP”).

In the opinion of management, the accompanying Condensed Consolidated Financial Statements reflect all adjustments (which are of a normal recurring nature) necessary to state fairly, in all material respects, the financial position, results of operations and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for Fiscal 2022.

During the first quarter of 2022, the Company reclassified Flagship store exit benefits into Stores and distribution expense on the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income. There were no changes to Operating (loss) income or Net (loss) income. Prior period amounts have been reclassified to conform to current year’s presentation.

Use of estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Due to the inherent uncertainty involved with estimates, actual results may differ. The extent to which the current outbreak of coronavirus disease (“COVID-19”) continues to impact the Company’s business and financial results will depend on numerous evolving factors including, but not limited to: the duration and spread of COVID-19 and the emergence of new variants of coronavirus, the availability and acceptance of effective vaccines, boosters or medical treatments, the impact of COVID-19 on the length or frequency of store closures, and the extent to which COVID-19 impacts worldwide macroeconomic conditions including interest rates, foreign currency exchange rates, the speed of the economic recovery, and governmental, business and consumer reactions to the pandemic. The Company’s assessment of these, as well as other factors, could impact management's estimates and result in material impacts to the Company’s consolidated financial statements in future reporting periods.

Recent accounting pronouncements

The Company reviews recent accounting pronouncements on a quarterly basis and has excluded discussion of those not applicable to the Company and those that did not have, or are not expected to have, a material impact on the Company’s consolidated financial statements.

Condensed Consolidated Statements of Cash Flows reconciliation

The following table provides a reconciliation of cash and equivalents and restricted cash and equivalents to the amounts shown on the Condensed Consolidated Statements of Cash Flows:

(in thousands)	Location	April 30, 2022	January 29, 2022	May 1, 2021	January 30, 2021
Cash and equivalents	Cash and equivalents	$ 468,378	$ 823,139	$ 909,008	$ 1,104,862
Long-term restricted cash and equivalents	Other assets	10,100	11,229	14,712	14,814
Short-term restricted cash and equivalents	Other current assets	—	—	471	4,481
Cash and equivalents and restricted cash and equivalents		$ 478,478	$ 834,368	$ 924,191	$ 1,124,157

3. REVENUE RECOGNITION

Disaggregation of revenue

All revenues are recognized in net sales in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income . For information regarding the disaggregation of revenue, refer to Note 14, “*SEGMENT REPORTING*.”

Contract liabilities

The following table details certain contract liabilities representing unearned revenue as of April 30, 2022, January 29, 2022 and May 1, 2021:

(in thousands)	April 30, 2022	January 29, 2022	May 1, 2021
Gift card liability	$ 35,665	$ 36,984	$ 27,919
Loyalty programs liability	22,177	22,757	19,991

The following table details recognized revenue associated with the Company’s gift card program and loyalty programs for the thirteen weeks ended April 30, 2022 and May 1, 2021:

	Thirteen Weeks Ended	
(in thousands)	April 30, 2022	May 1, 2021
Revenue associated with gift card redemptions and gift card breakage	$ 23,001	$ 16,156
Revenue associated with reward redemptions and breakage related to the Company’s loyalty programs	10,181	9,553

4. NET (LOSS) INCOME PER SHARE

Net (loss) income per basic and diluted share attributable to A&F is computed based on the weighted-average number of outstanding shares of Class A Common Stock ("Common Stock"). Additional information pertaining to net (loss) income per share attributable to A&F follows:

	Thirteen Weeks Ended	
(in thousands)	April 30, 2022	May 1, 2021
Shares of Common Stock issued	103,300	103,300
Weighted-average treasury shares	(51,223)	(40,920)
Weighted-average — basic shares	52,077	62,380
Dilutive effect of share-based compensation awards	—	2,925
Weighted-average — diluted shares	52,077	65,305
Anti-dilutive shares [1]	3,598	1,425

[1] Reflects the total number of shares related to outstanding share-based compensation awards that have been excluded from the computation of net (loss) income per diluted share because the impact would have been anti-dilutive. Unvested shares related to restricted stock units with performance-based and market-based vesting conditions can achieve up to 200% of their target vesting amount and are reflected at the maximum vesting amount less any dilutive portion.

5. FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs used to measure fair value are prioritized based on a three-level hierarchy. The three levels of inputs to measure fair value are as follows:

- Level 1—inputs are unadjusted quoted prices for identical assets or liabilities that are available in active markets that the Company can access at the measurement date.
- Level 2—inputs are other than quoted market prices included within Level 1 that are observable for assets or liabilities, directly or indirectly.
- Level 3—inputs to the valuation methodology are unobservable.

The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The three levels of the hierarchy and the distribution of the Company's assets measured at fair value on a recurring basis, as of April 30, 2022 and January 29, 2022, were as follows:

	Assets at Fair Value as of April 30, 2022			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents [1]	$ 25,314	$ 9,900	$ —	$ 35,214
Derivative instruments [2]	—	6,958	—	6,958
Rabbi Trust assets [3]	1	62,626	—	62,627
Restricted cash equivalents [1]	4,586	2,307	—	6,893
Total assets	$ 29,901	$ 81,791	$ —	$ 111,692

	Assets at Fair Value as of January 29, 2022			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents [1]	$ 49,309	$ 11,643	$ —	$ 60,952
Derivative instruments [2]	—	4,973	—	4,973
Rabbi Trust assets [3]	1	62,272	—	62,273
Restricted cash equivalents [1]	5,391	2,326	—	7,717
Total assets	$ 54,701	$ 81,214	$ —	$ 135,915

[1] Level 1 assets consisted of investments in money market funds and U.S. treasury bills. Level 2 assets consisted of time deposits.
[2] Level 2 assets consisted primarily of foreign currency exchange forward contracts.
[3] Level 1 assets consisted of investments in money market funds. Level 2 assets consisted of trust-owned life insurance policies.

The Company's Level 2 assets consisted of:

- Trust-owned life insurance policies, which were valued using the cash surrender value of the life insurance policies;
- Time deposits, which were valued at cost, approximating fair value, due to the short-term nature of these investments; and
- Derivative instruments, primarily foreign currency exchange forward contracts, which were valued using quoted market prices of the same or similar instruments, adjusted for counterparty risk.

Fair value of long-term borrowings

The Company's borrowings under its senior secured notes, which have a fixed 8.75% interest rate and mature on July 15, 2025 (the "Senior Secured Notes") are carried at historical cost in the accompanying Condensed Consolidated Balance Sheets. The carrying amount and fair value of the Company's long-term gross borrowings were as follows:

(in thousands)	April 30, 2022	January 29, 2022
Gross borrowings outstanding, carrying amount	$ 307,730	$ 307,730
Gross borrowings outstanding, fair value	323,501	327,732

6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of:

(in thousands)	April 30, 2022	January 29, 2022
Property and equipment, at cost	$ 2,436,019	$ 2,453,493
Less: Accumulated depreciation and amortization	(1,938,043)	(1,945,157)
Property and equipment, net	$ 497,976	$ 508,336

Refer to Note 8, "*ASSET IMPAIRMENT*," for details related to property and equipment impairment charges incurred during the thirteen weeks ended April 30, 2022 and May 1, 2021.

7. LEASES

The Company is a party to leases related to its Company-operated retail stores as well as for certain of its distribution centers, office space, information technology and equipment.

The following table provides a summary of the Company's operating lease costs for the thirteen weeks ended April 30, 2022 and May 1, 2021:

	Thirteen Weeks Ended	
(in thousands)	April 30, 2022	May 1, 2021
Single lease cost (1)	$ 57,580	$ 69,752
Variable lease cost (2)	33,158	23,166
Operating lease right-of-use asset impairment (3)	1,915	2,464
Sublease income (4)	(1,009)	(1,093)
Total operating lease cost	$ 91,644	$ 94,289

(1) Included amortization and interest expense associated with operating lease right-of-use assets and the impact from remeasurement of operating lease liabilities.

(2) Includes variable payments related to both lease and nonlease components, such as contingent rent payments made by the Company based on performance, and payments related to taxes, insurance, and maintenance costs, as well as the benefit of $1.7 million of rent abatements during the thirteen weeks ended April 30, 2022 related to the effects of the COVID-19 pandemic that resulted in the total payments required by the modified contract being substantially the same as or less than total payments required by the original contract. The benefit related to rent abatements recognized during the thirteen weeks ended May 1, 2021 was $7.7 million.

(3) Refer to Note 8, "*ASSET IMPAIRMENT*," for details related to operating lease right-of-use asset impairment charges.

(4) The terms of the sublease agreement entered into by the Company with a third party during Fiscal 2020 related to one of its previous flagship store locations have not changed materially from that disclosed in Note 8, "LEASES," of the Notes to Consolidated Financial Statements contained in "ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA" of the Fiscal 2021 Form 10-K. Sublease income is recognized in other operating (loss) income, net on the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income.

The Company suspended rent payments for a number of stores that were closed as a result of COVID-19, and has been successful in obtaining certain rent abatements and landlord concessions of rent payable.

The Company had minimum commitments related to operating lease contracts that have not yet commenced, primarily for its Company-operated retail stores, of approximately $20.5 million as of April 30, 2022.

8. ASSET IMPAIRMENT

Asset impairment charges for the thirteen weeks ended April 30, 2022 and May 1, 2021 were as follows:

	Thirteen Weeks Ended	
(in thousands)	April 30, 2022	May 1, 2021
Operating lease right-of-use asset impairment	$ 1,915	$ 2,464
Property and equipment asset impairment	1,507	200
Total asset impairment	$ 3,422	$ 2,664

Asset impairment charges for the thirteen weeks ended April 30, 2022 and May 1, 2021 related to certain of the Company's stores across brands, geographies and store formats. The impairment charges for the thirteen weeks ended April 30, 2022 reduced the then carrying amount of the impaired stores' assets to their fair value of approximately $7.5 million, including $6.5 million related to operating lease right-of-use assets. The impairment charges for the thirteen weeks ended May 1, 2021 reduced the then carrying amount of the impaired stores' assets to their fair value of approximately $6.3 million, including $5.7 million related to operating lease right-of-use assets.

9. INCOME TAXES

The quarterly provision for income taxes is based on the current estimate of the annual effective income tax rate and the tax effect of discrete items occurring during the quarter. The Company's quarterly provision and the estimate of the annual effective tax rate are subject to significant variation due to several factors. These factors include variability in the pre-tax jurisdictional mix of earnings, changes in how the Company does business including entering into new businesses or geographies, changes in foreign currency exchange rates, changes in laws, regulations, interpretations and administrative practices, relative changes in expenses or losses for which tax benefits are not recognized and the impact of discrete items. In addition, jurisdictions where the Company anticipates an ordinary loss for the fiscal year for which the Company does not anticipate future tax benefits are excluded from the overall computation of estimated annual effective tax rate and no tax benefits are recognized in the period related to losses in such jurisdictions. The impact of these items on the effective tax rate will be greater at lower levels of pre-tax earnings.

Impact of valuation allowances and other tax charges

During the thirteen weeks ended April 30, 2022, the Company did not recognize income tax benefits on $13.4 million of pretax losses, primarily in Switzerland, resulting in adverse tax impacts of $2.4 million.

During the thirteen weeks ended May 1, 2021, the Company recognized $3.1 million of tax benefits due to the anticipated utilization of deferred tax assets against projected pre-tax income for the full fiscal year, primarily in the U.S. based on information available, on which a valuation allowance had previously been established.

As of April 30, 2022, there were approximately $11.4 million of net deferred tax assets in China. The realization of these net deferred tax assets is dependent upon the future generation of sufficient taxable profits in China. While the Company believes that the net deferred tax assets are more-likely-than-not to be realized, it is not a certainty, as there are continued issues and related responses due to emerging situations, such as the COVID-19 pandemic. The company is closely monitoring its operations in China. Should circumstances change, the net deferred tax assets may become subject to a valuation allowance in the future. Additional valuation allowances would result in additional tax expense.

Share-based compensation

Refer to Note 11, "*SHARE-BASED COMPENSATION*," for details on income tax benefits and charges related to share-based compensation awards during the thirteen weeks ended April 30, 2022 and May 1, 2021.

10. BORROWINGS

Details on the Company's long-term borrowings, net, as of April 30, 2022 and January 29, 2022 are as follows:

(in thousands)	April 30, 2022	January 29, 2022
Long-term portion of borrowings, gross at carrying amount	$ 307,730	$ 307,730
Unamortized fees	(3,829)	(4,156)
Long-term borrowings, net	$ 303,901	$ 303,574

Senior Secured Notes

The terms of the Senior Secured Notes have remained unchanged from those disclosed in Note 13, “BORROWINGS,” of the Notes to Consolidated Financial Statements contained in “ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA” of on the Fiscal 2021 Form 10-K.

ABL Facility

The terms of the Company’s senior secured revolving credit facility of up to $400.0 million (the “ABL Facility”) remained unchanged from those disclosed in Note 13, “BORROWINGS,” of the Notes to Consolidated Financial Statements contained in “ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA” of the Fiscal 2021 Form 10-K.

The Company did not have any borrowings outstanding under the ABL Facility as of April 30, 2022 or as of January 29, 2022.

As of April 30, 2022, availability under the ABL Facility was $349.4 million, net of $0.8 million in outstanding stand-by letters of credit. As the Company must maintain excess availability equal to the greater of 10% of the loan cap or $30 million under the ABL Facility, borrowing capacity available to the Company under the ABL Facility was $314.4 million as of April 30, 2022.

Representations, warranties and covenants

The agreements related to the Senior Secured Notes and the ABL Facility contain various representations, warranties and restrictive covenants that, among other things and subject to specified exceptions, restrict the ability of the Company and its subsidiaries to: grant or incur liens; incur, assume or guarantee additional indebtedness; sell or otherwise dispose of assets, including capital stock of subsidiaries; make investments in certain subsidiaries; pay dividends, make distributions or redeem or repurchase capital stock; change the nature of their business; and consolidate or merge with or into, or sell substantially all of the assets of the Company or Abercrombie & Fitch Management Co. (“A&F Management”), a wholly-owned indirect subsidiary of A&F, to another entity.

The Senior Secured Notes are guaranteed on a senior secured basis, jointly and severally, by A&F and each of the existing and future wholly-owned domestic restricted subsidiaries of A&F that guarantee or will guarantee A&F Management’s Amended and Restated Credit Agreement (the “Amended and Restated Credit Agreement”) or certain future capital markets indebtedness.

Certain of the agreements related to the Senior Secured Notes and the ABL Facility also contain certain affirmative covenants, including reporting requirements such as delivery of financial statements, certificates and notices of certain events, maintaining insurance and providing additional guarantees and collateral in certain circumstances.

The Company was in compliance with all debt covenants under these agreements as of April 30, 2022.

11. SHARE-BASED COMPENSATION

Financial statement impact

The following table details share-based compensation expense and the related income tax impacts for the thirteen weeks ended April 30, 2022 and May 1, 2021:

	Thirteen Weeks Ended	
(in thousands)	April 30, 2022	May 1, 2021
Share-based compensation expense	$ 8,356	$ 8,450
Income tax benefit associated with share-based compensation expense recognized	965	298

The following table details discrete income tax benefits and charges related to share-based compensation awards during the thirteen weeks ended April 30, 2022 and May 1, 2021:

	Thirteen Weeks Ended	
(in thousands)	April 30, 2022	May 1, 2021
Income tax discrete benefits realized for tax deductions related to the issuance of shares	$ 2,111	$ 3,190
Income tax discrete charges realized upon cancellation of stock appreciation rights	(195)	(3)
Total income tax discrete benefits related to share-based compensation awards	$ 1,916	$ 3,187

The following table details the amount of employee tax withheld by the Company upon the issuance of shares associated with restricted stock units vesting and the exercise of stock appreciation rights for the thirteen weeks ended April 30, 2022 and May 1, 2021:

(in thousands)	Thirteen Weeks Ended April 30, 2022	Thirteen Weeks Ended May 1, 2021
Employee tax withheld upon issuance of shares [1]	$ 13,925	$ 11,748

[1] Classified within other financing activities on the Condensed Consolidated Statements of Cash Flows.

Restricted stock units

The following table summarizes activity for restricted stock units for the thirteen weeks ended April 30, 2022:

	Service-based Restricted Stock Units		Performance-based Restricted Stock Units		Market-based Restricted Stock Units	
	Number of Underlying Shares	Weighted-Average Grant Date Fair Value	Number of Underlying Shares	Weighted-Average Grant Date Fair Value	Number of Underlying Shares	Weighted-Average Grant Date Fair Value
Unvested at January 29, 2022	2,532,240	$ 17.16	340,149	$ 27.08	680,184	$ 22.81
Granted	725,142	32.19	165,263	32.07	82,635	45.15
Adjustments for performance achievement	—	—	5,668	23.05	18,881	36.24
Vested	(815,718)	16.70	(194,465)	23.05	(113,284)	36.24
Forfeited	(28,840)	17.38	—	—	—	—
Unvested at April 30, 2022 [1]	2,412,824	$ 21.84	316,615	$ 32.08	668,416	$ 23.67

[1] Unvested shares related to restricted stock units with performance-based and market-based vesting conditions are reflected at 100% of their target vesting amount in the table above. Unvested shares related to restricted stock units with performance-based and market-based vesting conditions can be achieved at up to 200% of their target vesting amount.

The following table details unrecognized compensation cost and the remaining weighted-average period over which these costs are expected to be recognized for restricted stock units as of April 30, 2022:

(in thousands)	Service-based Restricted Stock Units	Performance-based Restricted Stock Units	Market-based Restricted Stock Units
Unrecognized compensation cost	$ 46,317	$ —	$ 20,545
Remaining weighted-average period cost is expected to be recognized (years)	1.4	0.0	1.1

Additional information pertaining to restricted stock units for the thirteen weeks ended April 30, 2022 and May 1, 2021 follows:

(in thousands)	April 30, 2022	May 1, 2021
Service-based restricted stock units:		
Total grant date fair value of awards granted	$ 23,342	$ 19,445
Total grant date fair value of awards vested	13,622	10,639
Performance-based restricted stock units:		
Total grant date fair value of awards granted	5,300	4,658
Total grant date fair value of awards vested	4,482	—
Market-based restricted stock units:		
Total grant date fair value of awards granted	3,731	3,651
Total grant date fair value of awards vested	4,105	3,390

The weighted-average assumptions used for market-based restricted stock units in the Monte Carlo simulation during the thirteen weeks ended April 30, 2022 and May 1, 2021 were as follows:

	April 30, 2022	May 1, 2021
Grant date market price	$ 32.07	$ 31.78
Fair value	45.15	49.81
Assumptions:		
Price volatility	66 %	66 %
Expected term (years)	2.9	2.9
Risk-free interest rate	2.3 %	0.3 %
Dividend yield	— %	— %
Average volatility of peer companies	72.9	72.0
Average correlation coefficient of peer companies	0.5146	0.4694

Stock appreciation rights

The following table summarizes stock appreciation rights activity for the thirteen weeks ended April 30, 2022:

	Number of Underlying Shares	Weighted-Average Exercise Price	Aggregate Intrinsic Value	Weighted-Average Remaining Contractual Life (years)
Outstanding at January 29, 2022	236,139	$ 32.55		
Forfeited or expired	(33,300)	52.75		
Outstanding at April 30, 2022	202,839	$ 29.24	$ 1,523,587	2.4
Stock appreciation rights exercisable at April 30, 2022	202,839	$ 29.24	$ 1,523,587	2.4

No stock appreciation rights were exercised during the thirteen weeks ended April 30, 2022 or May 1, 2021.

12. DERIVATIVE INSTRUMENTS

The Company is exposed to risks associated with changes in foreign currency exchange rates and uses derivative instruments, primarily forward contracts, to manage the financial impacts of these exposures. The Company does not use forward contracts to engage in currency speculation and does not enter into derivative financial instruments for trading purposes.

The Company uses derivative instruments, primarily foreign currency exchange forward contracts designated as cash flow hedges, to hedge the foreign currency exchange rate exposure associated with forecasted foreign-currency-denominated intercompany inventory sales to foreign subsidiaries and the related settlement of the foreign-currency-denominated intercompany receivables. Fluctuations in foreign currency exchange rates will either increase or decrease the Company’s intercompany equivalent cash flows and affect the Company’s U.S. Dollar earnings. Gains or losses on the foreign currency exchange forward contracts that are used to hedge these exposures are expected to partially offset this variability. Foreign currency exchange forward contracts represent agreements to exchange the currency of one country for the currency of another country at an agreed upon settlement date. These foreign currency exchange forward contracts typically have a maximum term of twelve months. The sale of the inventory to the Company’s customers will result in the reclassification of related derivative gains and losses that are reported in AOCL into earnings.

The Company also uses foreign currency exchange forward contracts to hedge certain foreign-currency-denominated net monetary assets/liabilities. Examples of monetary assets/liabilities include cash balances, receivables and payables. Fluctuations in foreign currency exchange rates result in transaction gains or losses being recorded in earnings, as U.S. GAAP requires that monetary assets/liabilities be remeasured at the spot exchange rate at quarter-end and upon settlement. The Company has chosen not to apply hedge accounting to these instruments because there are no anticipated differences in the timing of gain or loss recognition on the hedging instruments and the hedged items.

As of April 30, 2022, the Company had outstanding the following foreign currency exchange forward contracts that were entered into to hedge either a portion, or all, of forecasted foreign-currency-denominated intercompany inventory transactions, the resulting settlement of the foreign-currency-denominated intercompany accounts receivable, or both:

(in thousands)	Notional Amount [1]
Euro	$ 41,015
British pound	34,626
Canadian dollar	6,132
Japanese yen	3,978

(1) Amounts reported are the U.S. Dollar notional amounts outstanding as of April 30, 2022.

The fair value of derivative instruments is valued using quoted market prices of the same or similar instruments, adjusted for counterparty risk. The location and amounts of derivative fair values of foreign currency exchange forward contracts on the Condensed Consolidated Balance Sheets as of April 30, 2022 and January 29, 2022 were as follows:

(in thousands)	Location	April 30, 2022	January 29, 2022	Location	April 30, 2022	January 29, 2022
Derivatives designated as cash flow hedging instruments	Other current assets	$ 6,958	$ 4,973	Accrued expenses	$ —	$ —
Derivatives not designated as hedging instruments	Other current assets	—	—	Accrued expenses	—	—
Total		$ 6,958	$ 4,973		$ —	$ —

Information pertaining to derivative gains or losses from foreign currency exchange forward contracts designated as cash flow hedging instruments for the thirteen weeks ended April 30, 2022 and May 1, 2021 follows:

	Thirteen Weeks Ended	
(in thousands)	April 30, 2022	May 1, 2021
Gain recognized in AOCL [1]	$ 5,363	$ 1,144
Gain (loss) reclassified from AOCL to cost of sales, exclusive of depreciation and amortization [2]	3,684	(1,455)

(1) Amount represents the change in fair value of derivative instruments.
(2) Amount represents gain (loss) reclassified from AOCL to cost of sales, exclusive of depreciation and amortization, on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) when the hedged item affects earnings, which is when merchandise is converted to cost of sales, exclusive of depreciation and amortization.

Substantially all of the unrealized gain will be recognized in costs of sales, exclusive of depreciation and amortization, on the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income over the next twelve months.

Additional information pertaining to derivative gains or losses from foreign currency exchange forward contracts not designated as hedging instruments for the thirteen weeks ended April 30, 2022 and May 1, 2021 follows:

	Thirteen Weeks Ended	
(in thousands)	April 30, 2022	May 1, 2021
Gain (loss) recognized in other operating income, net	$ 1,141	$ (468)

13. ACCUMULATED OTHER COMPREHENSIVE LOSS

For the thirteen weeks ended April 30, 2022, the activity in AOCL was as follows:

	Thirteen Weeks Ended April 30, 2022		
(in thousands)	Foreign Currency Translation Adjustment	Unrealized Gain on Derivative Financial Instruments	Total
Beginning balance at January 29, 2022	$ (120,689)	$ 5,983	$ (114,706)
Other comprehensive (loss) income before reclassifications	(10,403)	5,363	(5,040)
Reclassified gain from AOCL [(1)]	—	(3,684)	(3,684)
Tax effect	—	33	33
Other comprehensive (loss) income after reclassifications	(10,403)	1,712	(8,691)
Ending balance at April 30, 2022	$ (131,092)	$ 7,695	$ (123,397)

(1) Amount represents gain reclassified from AOCL to cost of sales, exclusive of depreciation and amortization, on the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income.

For the thirteen weeks ended May 1, 2021, the activity in AOCL was as follows:

	Thirteen Weeks Ended May 1, 2021		
(in thousands)	Foreign Currency Translation Adjustment	Unrealized Loss on Derivative Financial Instruments	Total
Beginning balance at January 30, 2021	$ (97,772)	$ (4,535)	$ (102,307)
Other comprehensive (loss) income before reclassifications	(1,274)	1,144	(130)
Reclassified loss from AOCL [(1)]	—	1,455	1,455
Other comprehensive (loss) income after reclassifications [(2)]	(1,274)	2,599	1,325
Ending balance at May 1, 2021	$ (99,046)	$ (1,936)	$ (100,982)

(1) Amount represents loss reclassified from AOCL to cost of sales, exclusive of depreciation and amortization, on the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income.
(2) No income tax benefit was recognized during the period due to the establishment of a valuation allowance

14. SEGMENT REPORTING

The Company's two operating segments are brand-based: Hollister, which includes the Company's Hollister, Gilly Hicks and Social Tourist brands, and Abercrombie, which includes the Company's Abercrombie & Fitch and abercrombie kids brands. These operating segments have similar economic characteristics, classes of consumers, products, and production and distribution methods, operate in the same regulatory environments, and have been aggregated into one reportable segment. Amounts shown below include net sales from wholesale, franchise and licensing operations, which are not a significant component of total revenue, and are aggregated within their respective operating segment and geographic area.

The Company's net sales by operating segment for the thirteen weeks ended April 30, 2022 and May 1, 2021 were as follows:

	Thirteen Weeks Ended	
(in thousands)	April 30, 2022	May 1, 2021
Hollister	$ 428,834	$ 442,408
Abercrombie	383,928	338,997
Total	$ 812,762	$ 781,405

Net sales by geographic area are presented by attributing revenues to an individual country on the basis of the country in which the merchandise was sold for in-store purchases and on the basis of the shipping location provided by customers for digital and wholesale orders. The Company's net sales by geographic area for the thirteen weeks ended April 30, 2022 and May 1, 2021 were as follows:

	Thirteen Weeks Ended	
(in thousands)	April 30, 2022	May 1, 2021
U.S.	$ 585,106	$ 553,846
EMEA [(1)]	163,969	159,002
APAC [(2)]	29,897	46,046
Other	33,790	22,511
International	$ 227,656	$ 227,559
Total	$ 812,762	$ 781,405

(1) Europe, Middle East and Africa ("EMEA")
(2) Asia-Pacific Region ("APAC")

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read together with the Company's Condensed Consolidated Financial Statements and notes thereto included in this Quarterly Report on Form 10-Q in "Item 1. Financial Statements (Unaudited)," to which all references to Notes in MD&A are made.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Company cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Quarterly Report on Form 10-Q or made by the Company, its management or spokespeople 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," or the negative version of those words or other comparable words and similar expressions may identify forward-looking statements. Future economic and industry trends that could potentially impact revenue and profitability are difficult to predict. Therefore, there can be no assurance that the forward-looking statements included in this Quarterly Report on Form 10-Q will prove to be accurate. Factors that could cause results to differ from those expressed in the Company's forward-looking statements include, but are not limited to, the risks described or referenced in Part I, Item 1A. "Risk Factors," in the Company's Annual Report on Fiscal 2021 Form 10-K for the fiscal year ended January 29, 2022 and otherwise in our reports and filings with the SEC, as well as the following:

- risks and uncertainty related to the ongoing COVID-19 pandemic and any other adverse public health developments;
- risks related to changes in global economic and financial conditions, and the resulting impact on consumer confidence and consumer spending, as well as other changes in consumer discretionary spending habits;
- risks related to recent inflationary pressures with respect to labor and raw materials and global supply chain constraints that have, and could continue to, affect freight, transit and other costs;
- risks related to geopolitical conflict, including the on-going hostilities in Ukraine, acts of terrorism, mass casualty events, social unrest, civil disturbance or disobedience;
- risks related to our failure to engage our customers, anticipate customer demand and changing fashion trends, and manage our inventory;
- risks related to our ability to successfully invest in customer, digital and omnichannel initiatives;
- risks related to our ability to execute on our global store network optimization initiative;
- risks related to our international growth strategy;
- risks related to cyber security threats and privacy or data security breaches or the potential loss or disruption of our information systems;
- risks associated with climate change and other corporate responsibility issues; and.
- uncertainties related to future legislation, regulatory reform, policy changes, or interpretive guidance on existing legislation.

In light of the significant uncertainties in the forward-looking statements included herein, including the uncertainty surrounding COVID-19, the inclusion of such information should not be regarded as a representation by the Company, or any other person, that the objectives of the Company will be achieved. The forward-looking statements included herein are based on information presently available to the management of the Company. Except as may be required by applicable law, the Company assumes no obligation to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

INTRODUCTION

MD&A is provided as a supplement to the accompanying Condensed Consolidated Financial Statements and notes thereto to help provide an understanding of the Company's results of operations, financial condition, and liquidity. MD&A is organized as follows:

- Overview. A general description of the Company's business and certain segment information.
- Current Trends and Outlook. A discussion related to certain of the Company's focus areas for the current fiscal year and discussion of certain risks and challenges as well as a summary of the Company's performance for the thirteen weeks ended April 30, 2022 and May 1, 2021.
- Results of Operations. An analysis of certain components of the Company's Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income for the thirteen weeks ended April 30, 2022 and May 1, 2021.
- Liquidity and Capital Resources. A discussion of the Company's financial condition, changes in financial condition and liquidity as of April 30, 2022, which includes (i) an analysis of financial condition as compared to January 29, 2022; (ii) an analysis of changes in cash flows for the thirteen weeks ended April 30, 2022 as compared to the thirteen weeks ended May 1, 2021; and (iii) an analysis of liquidity, including availability under the Company's credit facility, the Company's share repurchase program, and outstanding debt and covenant compliance.
- Recent Accounting Pronouncements. A discussion, as applicable, of the recent accounting pronouncements the Company has adopted or is currently evaluating, including the dates of adoption and/or expected dates of adoption, and anticipated effects on the Company's Condensed Consolidated Financial Statements.
- Critical Accounting Estimates. A discussion of the accounting estimates considered to be important to the Company's results of operations and financial condition, which typically require significant judgment and estimation on the part of management in their application.
- Non-GAAP Financial Measures. MD&A provides a discussion of certain financial measures that have been determined to not be presented in accordance with GAAP. This section includes certain reconciliations between GAAP and non-GAAP financial measures and additional details on non-GAAP financial measures, including information as to why the Company believes the non-GAAP financial measures provided within MD&A are useful to investors.

OVERVIEW

Business summary

The Company is a global, digitally led omnichannel retailer. The Company offers a broad assortment of apparel, personal care products and accessories for men, women and kids, which are sold primarily through its digital channels and Company-owned stores, as well as through various third-party arrangements. The Company's two brand-based operating segments are Hollister, which includes the Company's Hollister, Gilly Hicks and Social Tourist brands, and Abercrombie, which includes the Company's Abercrombie & Fitch and abercrombie kids brands. These five brands share a commitment to offering unique products of enduring quality and exceptional comfort that allow customers around the world to express their own individuality and style. The Company operates primarily in North America, Europe and Asia.

The Company's fiscal year ends on the Saturday closest to January 31. All references herein to the Company's fiscal years are as follows:

Fiscal year	Year ended/ ending	Number of weeks
Fiscal 2021	January 29, 2022	52
Fiscal 2022	January 28, 2023	52
Fiscal 2023	February 3, 2024	53

Seasonality

Due to the seasonal nature of the retail apparel industry, the results of operations for any current period are not necessarily indicative of the results expected for the full fiscal year and the Company could have significant fluctuations in certain asset and liability accounts. The Company historically experiences its greatest sales activity during the fall season, the third and fourth fiscal quarters, due to back-to-school and holiday sales periods, respectively.

CURRENT TRENDS AND OUTLOOK

Focus areas for Fiscal 2022

The Company remains committed to, and confident in, its long-term vision of being and becoming a digitally-led global omnichannel apparel retailer and continues to evaluate opportunities to make progress against initiatives that support this vision.

The following focus areas for Fiscal 2022 serve as a framework for the Company's achievement of sustainable growth and long-term operating margin expansion:
- Accelerate digital, data and technology investments to increase agility and improve the customer experience;
- Create a more personalized customer experience through a connected omnichannel ecosystem,
- Optimize our global distribution network to expand digital capacity and improve product delivery speed
- Opportunistically open new, omni-enabled stores in under penetrated markets, and
- Integrate environmental, social and governance practices and standards throughout the Company.

Supply chain disruptions, inflation and changing prices

The Company has continued to see global supply chain constraints impacting our business and operations. The inability to receive inventory in a timely manner could cause delays in responding to customer demand and adversely affect sales. During the latter half of Fiscal 2021, the Company increased its air freight usage in response to inventory delays imposed by temporary factory closures in Vietnam. This disruption and the associated increased costs adversely impacted the Company during the latter half of Fiscal 2021 and into the first quarter of Fiscal 2022. In addition, the Company has experienced and expects to continue to experience inflationary pressures affecting the Company's freight, transit, and other costs, and such rates are likely to remain elevated throughout Fiscal 2022.

In order to mitigate supply chain constraints and higher freight rates, the Company has taken and expects to continue to take actions to manage the impact, including scheduling earlier inventory receipts to allow for longer lead times, expanding its number of freight vendors, and reducing air freight usage where possible. It is possible that the Company's responses to factory closures, transportation delays, or freight rates will not be adequate to mitigate the impact, and that these events could continue to adversely affect the Company's business and results of operations.

The Company has also experienced inflationary pressures with respect to labor, cotton and other raw materials and other costs. Inflation can have a long-term impact on the Company because increasing costs may impact the ability to maintain satisfactory margins. The Company may be unsuccessful in passing these increased costs on to the customer through higher ticket prices. Furthermore, increases in inflation may not be matched by growth in consumer income, which also could have a negative impact on discretionary spending. In periods of perceived unfavorable conditions, consumers may reallocate available discretionary spending to areas outside of our core business. In addition, as COVID-19 restrictions begin to be lifted, consumers may use any remaining discretionary spending on travel and other experiences which may adversely impact demand for our products.

Global Store Network Optimization

As part of its ongoing global store network optimization initiative, the Company has a stated goal of repositioning from larger format locations, such as, tourist dependent and flagship locations, to smaller, omni-enabled stores that cater to local customers. The Company continues to focus on aligning store square footage with digital penetration, and during the first quarter of Fiscal 2022, the Company opened 4 new format stores, while closing 5 legacy stores. As part of this focus, the Company plans to open 60 new stores, while closing 30 stores, during Fiscal 2022, pending negotiations with our landlord partners.

Future closures could be completed through natural lease expirations, while certain other leases include early termination options that can be exercised under specific conditions. The Company may also elect to exit or modify other leases, and could incur charges related to these actions.Additional details related to store count and gross square footage follow:

	Hollister [(1)]		Abercrombie [(2)]		Total Company [(3)]		
	U.S.	International	U.S.	International	U.S.	International	Total
Number of stores:							
January 29, 2022	351	154	173	51	524	205	729
New	1	2	1	—	2	2	4
Permanently closed	—	—	(3)	(2)	(3)	(2)	(5)
April 30, 2022	352	156	171	49	523	205	728
Gross square footage *(in thousands)*:							
April 30, 2022	2,318	1,218	1,146	347	3,464	1,565	5,029

(1) 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 8 international franchise stores as of April 30, 2022, and January 29, 2022. Excludes 13 Company-operated temporary stores as of April 30, 2022 and 14 Company-operated temporary stores as of January 29, 2022.

(2) 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 14 international franchise stores as of April 30, 2022 and January 29, 2022. Excludes 5 Company-operated temporary stores as of each of April 30, 2022 and January 29, 2022.

(3) This store count excludes one international third-party operated multi-brand outlet store as of each of April 30, 2022, and January 29, 2022.

COVID-19

There continues to be uncertainty surrounding ongoing COVID-19 pandemic and its impact on the global economy, including government-mandated restrictions, supply chain disruptions, inflationary pressures, higher freight and labor costs, and labor shortages. As of April 30, 2022, all U.S. stores were fully open for in-store service; however, temporary store closures have been mandated in certain parts of the APAC region in response to COVID-19. During periods of temporary store closures, reductions in revenue have not been offset by proportional decreases in expense, as the Company continues to incur store occupancy costs such as operating lease costs, net of rent abatements agreed upon during the period, depreciation expense, and certain other costs such as compensation, net of government payroll relief, and administrative expenses resulting in a negative effect on the relationship between the Company's costs and revenues.

The Company's digital operations across brands have continued to serve the Company's customers during periods of temporary store closures. In response to elevated digital demand during this period, the Company leveraged its omnichannel capabilities by continuing to offer Purchase-Online-Pickup-in-Store, including curbside pickup at a majority of U.S. locations, and by utilizing ship-from-store capabilities, including same-day delivery across its entire U.S. store fleet. Despite the recent strength in digital sales, the Company has historically generated the majority of its annual net sales through stores and there can be no assurance that the current level of digital penetration will continue when stores operate at full capacity

Although U.S. and global economies have begun to recover from the COVID-19 pandemic as many health and safety restrictions have been lifted and vaccine distribution has increased, certain adverse consequences of the pandemic continue to impact the macroeconomic environment and may persist for some time, including labor shortages and disruptions of global supply chains and temporary store closures. The Company plans to follow the guidance of local governments to evaluate whether future store closures will be necessary. The extent of future impacts of COVID-19 on the Company's business, including the duration and impact on overall customer demand, are uncertain as current circumstances are dynamic and depend on future developments, including, but not limited to, the duration and spread of COVID-19, the emergence of new variants of coronavirus, and the availability and acceptance of effective vaccines, boosters or medical treatments.

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Impact of global events and uncertainty

We are a global multi-brand omnichannel specialty retailer, with operations in North America, Europe and Asia, among other regions, management is mindful of macroeconomic risks, global challenges and the changing global geopolitical environment, including the on-going conflict in Ukraine, that could adversely impact certain areas of the business. As a result, in addition to the events listed within MD&A, management continues to monitor certain other global events. The Company continues to assess the potential impacts these events and similar events may have on the business in future periods and continues to develop and update contingency plans to assist in mitigating potential impacts. It is possible that the Company's preparations for such events are not adequate to mitigate their impact, and that these events could further adversely affect its business and results of operations.

For a discussion of material risks that have the potential to cause our actual results to differ materially from our expectations, refer to the disclosures under the heading "FORWARD-LOOKING STATEMENTS AND RISK FACTORS" in "ITEM 1A. RISK FACTORS" on the Fiscal 2021 Form 10-K.

Summary of results

A summary of results for the thirteen weeks ended April 30, 2022 and May 1, 2021 follows:

	GAAP		Non-GAAP [1]	
(in thousands, except change in net sales, gross profit rate, operating (loss) income margin and per share amounts)	April 30, 2022	May 1, 2021	April 30, 2022	May 1, 2021
Thirteen Weeks Ended				
Net sales	$ 812,762	$ 781,405		
Change in net sales	4.0 %	61.0 %		
Gross profit rate	55.3 %	63.4 %		
Operating (loss) income	$ (9,726)	$ 57,433	$ (6,304)	$ 60,097
Operating (loss) income margin	(1.2)%	7.3 %	(0.8)%	7.7 %
Net (loss) income attributable to A&F	$ (16,469)	$ 41,768	$ (13,965)	$ 43,983
Net (loss) income attributable to A&F per dilutive share	(0.32)	0.64	(0.27)	0.67

[1] Discussion as to why the Company believes that these non-GAAP financial measures are useful to investors and a reconciliation of the Non-GAAP measures to the most directly comparable financial measure calculated and presented in accordance with GAAP are provided below under "*NON-GAAP FINANCIAL MEASURES*."

Certain components of the Company's Condensed Consolidated Balance Sheets as of April 30, 2022 and January 29, 2022 were as follows:

(in thousands)	April 30, 2022	January 29, 2022
Cash and equivalents	$ 468,378	$ 823,139
Gross long-term borrowings outstanding, carrying amount	307,730	307,730
Inventories	562,510	525,864

Certain components of the Company's Condensed Consolidated Statements of Cash Flows for the thirteen week periods ended April 30, 2022 and May 1, 2021 were as follows:

(in thousands)	April 30, 2022	May 1, 2021
Net cash used for operating activities	$ (217,787)	$ (131,350)
Net cash used for investing activities	(18,541)	(14,404)
Net cash used for financing activities	(116,945)	(53,191)

RESULTS OF OPERATIONS

The estimated basis point ("BPS") change disclosed throughout this Results of Operations section has been rounded based on the change in the percentage of net sales.

Net sales

For the first quarter of Fiscal 2022, net sales increased 4% as compared to the first quarter of Fiscal 2021, primarily due to an increase in stores sales, as well as an increase average unit retail driven by lower promotions and markdowns, partially offset by the adverse impact from changes in foreign currency exchange rates of approximately $9 million.

The Company's net sales by operating segment for the thirteen weeks ended April 30, 2022 and May 1, 2021 were as follows:

	Thirteen Weeks Ended			
(in thousands)	April 30, 2022	May 1, 2021	$ Change	% Change
Hollister [1]	$ 428,834	$ 442,408	$ (13,574)	(3)%
Abercrombie [2]	383,928	338,997	44,931	13%
Total	$ 812,762	$ 781,405	$ 31,357	4%

(1) Includes Hollister, Gilly Hicks and Social Tourist brands.

(2) Includes Abercrombie & Fitch and abercrombie kids brands.

Net sales by geographic area are presented by attributing revenues to an individual country on the basis of the country in which the merchandise was sold for in-store purchases and the shipping location provided by customers for digital orders. The Company's net sales by geographic area for the thirteen weeks ended April 30, 2022 and May 1, 2021 were as follows:

	Thirteen Weeks Ended			
(in thousands)	April 30, 2022	May 1, 2021	$ Change	% Change
U.S.	$ 585,106	$ 553,846	$ 31,260	6%
EMEA	163,969	159,002	4,967	3%
APAC	29,897	46,046	(16,149)	(35)%
Other	33,790	22,511	11,279	50%
International	$ 227,656	$ 227,559	$ 97	0%
Total	$ 812,762	$ 781,405	$ 31,357	4%

Cost of sales, exclusive of depreciation and amortization

	Thirteen Weeks Ended				
	April 30, 2022		May 1, 2021		
(in thousands)		% of Net sales		% of Net sales	BPS Change
Cost of sales, exclusive of depreciation and amortization	$ 363,216	44.7%	$ 286,271	36.6%	810

For the first quarter of Fiscal 2022, cost of sales, exclusive of depreciation and amortization, as a percentage of net sales increased by approximately 810 basis points as compared to the first quarter of Fiscal 2021. The year-over-year increase was driven by approximately $80 million higher average unit cost from freight inflation partially offset by higher average unit retail on lower promotions and higher ticket prices.

Gross profit, exclusive of depreciation and amortization

	Thirteen Weeks Ended					
	April 30, 2022		May 1, 2021			
(in thousands)		% of Net sales		% of Net sales	BPS Change
Gross profit, exclusive of depreciation and amortization	$ 449,546	55.3%	$ 495,134	63.4%	(810)

Stores and distribution expense

	Thirteen Weeks Ended				
	April 30, 2022		May 1, 2021		
(in thousands)		% of Net sales		% of Net sales	BPS Change
Stores and distribution expense	$ 337,543	41.5%	$ 315,508	40.4%	110

For the first quarter of Fiscal 2022, stores and distribution expense increased 7% as compared to the first quarter of Fiscal 2021. Approximately half of the $22 million increase was due to the lapping of COVID19-related rent abatements and payroll credits last year, with the remaining primarily due to an increase in marketing and digital fulfillment expenses. These increases were partially offset by a reduction in store occupancy expense reflecting a decrease in store count and favorable rent negotiations.

Marketing, general and administrative expense

	Thirteen Weeks Ended				
	April 30, 2022		May 1, 2021		
(in thousands)		% of Net sales		% of Net sales	BPS Change
Marketing, general and administrative expense	$ 122,149	15.0%	$ 120,947	15.5%	(50)

For the first quarter of Fiscal 2022, marketing, general and administrative expense increased 1% as compared to the first quarter of Fiscal 2021, primarily driven by increased digital media spend, consulting and information technology expense. These increases were partially offset by a decrease in depreciation expense.

Asset impairment

	Thirteen Weeks Ended				
	April 30, 2022		May 1, 2021		
(in thousands)		% of Net sales		% of Net sales	BPS Change
Asset impairment	$ 3,422	0.4%	$ 2,664	0.3%	10
Excluded items:					
Asset impairment charges [1]	(3,422)	(0.4)%	(2,664)	(0.3)%	(10)
Adjusted non-GAAP asset impairment	$ —	0.0%	$ —	—%	—

[1] Refer to *"NON-GAAP FINANCIAL MEASURES,"* for further details.

Refer to Note 8, "*ASSET IMPAIRMENT*."

Other operating income, net

	Thirteen Weeks Ended						
	April 30, 2022			May 1, 2021			
(in thousands)			% of Net sales			% of Net sales	BPS Change
Other operating income, net	$	3,842	0.5%	$	1,418	0.2%	(30)

For the first quarter of Fiscal 2022, other operating income, net increased $2.4 million as compared to the first quarter of Fiscal 2021, primarily driven by gains on foreign currency exchange forward contracts and a gain on the sale of property and equipment.

Operating (loss) income

	Thirteen Weeks Ended						
	April 30, 2022			May 1, 2021			
(in thousands)			% of Net sales			% of Net sales	BPS Change
Operating (loss) income	$	(9,726)	(1.2)%	$	57,433	7.3%	(850)
Excluded items:							
Asset impairment charges [1]		3,422	0.4%		2,664	0.3%	10
Adjusted non-GAAP operating (loss) income	$	(6,304)	(0.8)%	$	60,097	7.7%	(850)

(1) Refer to *"NON-GAAP FINANCIAL MEASURES,"* for further details.

Interest expense, net

	Thirteen Weeks Ended						
	April 30, 2022			May 1, 2021			
(in thousands)			% of Net sales			% of Net sales	BPS Change
Interest expense	$	7,809	1.0%	$	9,143	1.2%	(20)
Interest income		(502)	(0.1)%		(537)	(0.1)%	—
Interest expense, net	$	7,307	0.9%	$	8,606	1.1%	(20)

For the first quarter of Fiscal 2022, interest expense, net decreased $1.3 million as compared to the first quarter of Fiscal 2021, primarily driven by lower interest expense as a result of lower borrowings in the current quarter due to the purchase of Senior Secured Notes in the second quarter of Fiscal 2021.

Income tax (benefit) expense

	Thirteen Weeks Ended					
	April 30, 2022			May 1, 2021		
(in thousands, except ratios)			Effective Tax Rate			Effective Tax Rate
Income tax (benefit) expense	$	(2,187)	12.8%	$	6,121	12.5%
Excluded items:						
Tax effect of pre-tax excluded items [1]		918			449	
Adjusted non-GAAP income tax (benefit) expense	$	(1,269)	9.3%	$	6,570	12.8%

[1] The tax effect of pre-tax excluded items is the difference between the tax provision calculation on a GAAP basis and on an adjusted non-GAAP basis. Refer to "*Operating (loss) income*" and "*NON-GAAP FINANCIAL MEASURES*," for details of pre-tax excluded items.

Refer to Note 9, "*INCOME TAXES*."

Net (loss) income attributable to A&F

	Thirteen Weeks Ended						
	April 30, 2022			May 1, 2021			
(in thousands)			% of Net sales			% of Net sales	BPS Change
Net (loss) income attributable to A&F	$	(16,469)	(2.0)%	$	41,768	5.3%	(730)
Excluded items, net of tax [1]		2,504	0.3%		2,215	0.3%	—
Adjusted non-GAAP net (loss) income attributable to A&F [2]	$	(13,965)	(1.7)%	$	43,983	5.6%	(730)

[1] Excluded items presented above under "*Operating (loss) income*," and "*Income tax (benefit) expense*"

[2] Refer to "*NON-GAAP FINANCIAL MEASURES*," for further details.

Net (loss) income per diluted share attributable to A&F

	Thirteen Weeks Ended				
	April 30, 2022		May 1, 2021		$ Change
Net (loss) income attributable to A&F per diluted share	$	(0.32)	$	0.64	$(0.96)
Excluded items, net of tax [1]		0.05		0.03	0.02
Adjusted non-GAAP net (loss) income per diluted share attributable to A&F		(0.27)		0.67	(0.94)
Impact from changes in foreign currency exchange rates		—		0.05	(0.05)
Adjusted non-GAAP net (loss) income per diluted share attributable to A&F on a constant currency basis [2]		(0.27)		0.72	(0.99)

[1] Excluded items presented above under "*Operating (loss) income*," and "*Income tax (benefit) expense*."

[2] Refer to "*NON-GAAP FINANCIAL MEASURES*," for further details.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Company's capital allocation strategy, priorities and investments are reviewed by A&F's Board of Directors considering both liquidity and valuation factors. The Company believes that it will have adequate liquidity to fund operating activities over the next 12 months. The Company monitors financing market conditions and may in the future determine whether and when to amend, modify, or restructure its ABL Facility and/or the Senior Secured Notes. For a discussion of the Company's share repurchase activity and suspended dividend program, please see below under "Share repurchases and dividends."

Primary sources and uses of cash

The Company's business has two principal selling seasons: the spring season, which includes the first and second fiscal quarters ("Spring") and the fall season, which includes the third and fourth fiscal quarters ("Fall"). The Company generally experiences its greatest sales activity during the Fall season, due to the back-to-school and holiday sales periods. The Company relies on excess operating cash flows, which are largely generated in Fall, to fund operations throughout the year and to reinvest in the business to support future growth. The Company also has the ABL Facility available as a source of additional funding, which is described further below under "***Credit facility and Senior Secured Notes***".

Over the next twelve months, the Company expects its primary cash requirements to be directed towards prioritizing investments in the business and continuing to fund operating activities, including the acquisition of inventory, and obligations related to compensation, marketing, leases and any lease buyouts or modifications it may exercise, taxes and other operating activities.

The Company evaluates opportunities for investments in the business that are in line with initiatives that position the business for sustainable long-term growth that align with its strategic pillars as described within "Item 1. Business - STRATEGY AND KEY BUSINESS PRIORITIES" included on the Fiscal 2021 Form 10-K, including being opportunistic regarding growth opportunities. Examples of potential investment opportunities include, but are not limited to, new store experiences, and investments in its digital and omnichannel initiatives. Historically, the Company has utilized free cash flow generated from operations to fund any discretionary capital expenditures, which have been prioritized towards new store experiences, as well as digital and omnichannel investments, information technology, and other projects. For the year-to-date period ended April 30, 2022, the Company used $26.3 million towards capital expenditures. Total capital expenditures for Fiscal 2022 are expected to be approximately $150 million.

The Company measures liquidity using total cash and cash equivalents and incremental borrowing available under the ABL Facility. As of April 30, 2022, the Company has cash and cash equivalents of $0.5 billion and total liquidity of approximately $0.8 billion. This compares with cash and cash equivalents of $0.8 billion and total liquidity of approximately $1.1 billion at the beginning of Fiscal 2022. This allows the Company to evaluate potential opportunities to strategically deploy excess cash and/or deleverage the balance sheet, depending on various factors, such as market and business conditions, including the Company's ability to accelerate investments in the business. Such opportunities include, but are not limited to, returning cash to shareholders through share repurchases or repurchasing outstanding Senior Secured Notes.

Share repurchases and dividends

In November 2021, the A&F Board of Directors approved a new $500 million share repurchase authorization, replacing the prior 2021 share repurchase authorization of 10.0 million shares, which had approximately 3.9 million shares remaining available. During the year-to-date period ended April 30, 2022, the Company repurchased approximately 3.3 million shares and returned approximately $100.0 million to shareholder through repurchases.

Historically, the Company has repurchased shares of its Common Stock from time to time, dependent on market and business conditions, with the objectives of returning excess cash to shareholders and offsetting dilution from issuances of Common Stock associated with the exercise of employee stock appreciation rights and the vesting of restricted stock units. Shares may be repurchased in the open market, including pursuant to trading plans established in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), through privately negotiated transactions or other transactions or by a combination of such methods. Refer to "Item 2. Unregistered Sales of Equity Securities and Use of Proceeds" of Part II of this Quarterly Report on Form 10-Q for the amount remaining available for purchase under the Company's publicly announced stock repurchase authorization.

In May 2020, the Company announced that it had temporarily suspended its dividend program in order to preserve liquidity and maintain financial flexibility in light of COVID-19. The Company may in the future review its dividend program to determine, in light of facts and circumstances at that time, whether and when to reinstate. Any dividends are declared at the discretion of A&F's Board of Directors. A&F's Board of Directors reviews and establishes a dividend amount, if at all, based on A&F's financial condition, results of operations, capital requirements, current and projected cash flows, business prospects and other factors, including any restrictions under the Company's agreements related to the Senior Secured Notes and the ABL Facility. There can be no assurance that the Company will declare and pay dividends in the future or, if dividends are paid, that they will be in amounts similar to past dividends.

Credit facility and Senior Secured Notes

As of April 30, 2022, the Company had $307.7 million of gross borrowings outstanding under the Senior Secured Notes.

In addition, the Amended and Restated Credit Agreement provides for the ABL Facility, which is a senior secured asset-based revolving credit facility of up to $400 million. As of April 30, 2022, the Company did not have any borrowings outstanding under the ABL Facility. The ABL Facility matures on April 29, 2026.

Details regarding the remaining borrowing capacity under the ABL Facility as of April 30, 2022 are as follows:

(in thousands)		April 30, 2022
Borrowing base	$	350,232
Less: Outstanding stand-by letters of credit		(791)
Borrowing capacity		349,441
Less: Minimum excess availability [1]		(35,023)
Borrowing available	$	314,418

[1] The Company must maintain excess availability equal to the greater of 10% of the loan cap or $30 million under the ABL Facility.

Refer to Note 10, "*BORROWINGS*."

Income taxes

The Company's earnings and profits from its foreign subsidiaries could be repatriated to the U.S. without incurring additional federal income tax. The Company determined that the balance of the Company's undistributed earnings and profits from its foreign subsidiaries as of February 2, 2019 are considered indefinitely reinvested outside of the U.S., and if these funds were to be repatriated to the U.S., the Company would expect to incur an insignificant amount of state income taxes and foreign withholding taxes. The Company accrues for both state income taxes and foreign withholding taxes with respect to earnings and profits earned after February 2, 2019, in such a manner that these funds could be repatriated without incurring additional tax expense. As of April 30, 2022, $317.0 million of the Company's $468.4 million of cash and equivalents were held by foreign affiliates. The Company is not dependent on dividends from its foreign affiliates to fund its U.S. operations or to fund investing and financing cash flow activities.

Refer to Note 9, "*INCOME TAXES*."

Analysis of cash flows

The table below provides certain components of the Company's Condensed Consolidated Statements of Cash Flows for the thirteen weeks ended April 30, 2022 and May 1, 2021:

	Thirteen Weeks Ended			
		April 30, 2022		May 1, 2021
(in thousands)				
Cash and equivalents, and restricted cash and equivalents, beginning of period	$	834,368	$	1,124,157
Net cash used for operating activities		(217,787)		(131,350)
Net cash used for investing activities		(18,541)		(14,404)
Net cash used for financing activities		(116,945)		(53,191)
Effect of foreign currency exchange rates on cash		(2,617)		(1,021)
Net decrease in cash and equivalents, and restricted cash and equivalents		(355,890)		(199,966)
Cash and equivalents, and restricted cash and equivalents, end of period	$	478,478	$	924,191

Operating activities - During the year-to-date period ended April 30, 2022, net cash used for operating activities included the acquisition of inventory and increased payments to vendors, including additional rent payments made during the period due to fiscal calendar shifting relative to monthly rent due dates, partially offset by increased cash receipts as a result of the 4% year-over-year increase in net sales.

In addition, during the year-to-date period ended May 1, 2021, the Company finalized an agreement with and paid its landlord partner to settle all remaining obligations related to the SoHo Hollister flagship store in New York City, which closed during the second quarter of Fiscal 2019. Prior to this new agreement, the Company was required to make payments in aggregate of $80.1 million pursuant to the lease agreements through Fiscal 2028. The new agreement resulted in an acceleration of payments and provided for a discount resulting in an operating cash outflow of $63.8 million during the year-to-date period ended May 1, 2021.

Investing activities - During the year-to-date period ended April 30, 2022, net cash used for investing activities were primarily used for capital expenditures of $26.3 million, partially offset by the proceeds from the sale of property and equipment of $7.8 million. This compared net cash used for investing activities of capital expenditures of $14.4 million for the year-to-date period ended May 1, 2021.

Financing activities - During the year-to-date period ended April 30, 2022, net cash used for financing activities included the purchase of approximately 3.3 million shares of Common Stock with a market value of approximately $100.0 million. During the year-to-date period ended May 1, 2021, net cash used for financing activities primarily consisted of the purchase of approximately 1.1 million shares of Common Stock with a market value of approximately $35.2 million.

Contractual obligations

The Company's contractual obligations consist primarily of operating leases, purchase orders for merchandise inventory, unrecognized tax benefits, certain retirement obligations, lease deposits and other agreements to purchase goods and services that are legally binding and that require minimum quantities to be purchased. These contractual obligations impact the Company's short-term and long-term liquidity and capital resource needs.

There have been no material changes during the thirteen weeks ended April 30, 2022 in the contractual obligations as of January 29, 2022, with the exception of those obligations which occurred in the normal course of business (primarily changes in the Company's merchandise inventory-related purchases and lease obligations, which fluctuate throughout the year as a result of the seasonal nature of the Company's operations).

RECENT ACCOUNTING PRONOUNCEMENTS

The Company describes its significant accounting policies in Note 2, "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES," of the Notes to Consolidated Financial Statements contained in "Item 8. Financial Statements and Supplementary Data" included on the Fiscal 2021 Form 10-K. The Company reviews recent accounting pronouncements on a quarterly basis and has excluded discussion of those not applicable to the Company and those that did not have, or are not expected to have, a material impact on the Company's consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The Company describes its critical accounting estimates in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," included on the Fiscal 2021 Form 10-K. There have been no significant changes in critical accounting policies and estimates since the end of Fiscal 2021.

NON-GAAP FINANCIAL MEASURES

This Quarterly Report on Form 10-Q includes discussion of certain financial measures calculated and presented on both a GAAP and a non-GAAP basis. The Company believes that each of the non-GAAP financial measures presented in this "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" is useful to investors as it provides a meaningful basis to evaluate the Company's operating performance excluding the effect of certain items that the Company believes may not reflect its future operating outlook, such as certain asset impairment charges related to the Company's flagship stores and significant impairments primarily attributable to the COVID-19 pandemic, thereby 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. These non-GAAP financial measures should be used as a supplement 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.

Comparable sales

At times, the Company provides comparable sales, defined as the year-over-year percentage change in the aggregate of (1) net 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 the prior year's net sales converted at the current year's foreign currency exchange rates to remove the impact of foreign currency exchange rate fluctuations, and (2) digital net sales with the prior year's net sales converted at the current year's foreign currency exchange rates to remove the impact of foreign currency exchange rate fluctuations. Comparable sales exclude revenue other than store and digital sales. Management uses comparable sales to understand the drivers of year-over-year changes in net sales and believes comparable sales is a useful metric as it can assist investors in distinguishing the portion of the Company's revenue attributable to existing locations from the portion attributable to the opening or closing of stores. The most directly comparable GAAP financial measure is change in net sales. In light of store closures related to COVID-19, the Company has not disclosed comparable sales since Fiscal 2019.

Excluded items

The following financial measures are disclosed on a GAAP and on an adjusted non-GAAP basis excluding the following items, as applicable:

Financial measures [1]	Excluded items
Operating (loss) income	Asset impairment charges
Income tax (benefit) expense [2]	Tax effect of pre-tax excluded items
Net (loss) income and net (loss) income per share attributable to A&F [2]	Pre-tax excluded items and the tax effect of pre-tax excluded items

[1] Certain of these financial measures are also expressed as a percentage of net sales.
[2] The tax effect of excluded items is the difference between the tax provision calculation on a GAAP basis and on an adjusted non-GAAP basis.

Financial information on a constant currency basis

The Company 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. Management also uses financial information on a constant currency basis to award employee performance-based compensation. The effect from foreign currency exchange rates, calculated on a constant currency basis, is determined by applying the current period's foreign currency exchange rates to the prior year's results and is net of the year-over-year impact from hedging. The per diluted share effect from foreign currency exchange rates is calculated using a 26% effective tax rate.

A reconciliation of non-GAAP financial metrics on a constant currency basis to financial measures calculated and presented in accordance with GAAP for the thirteen weeks ended April 30, 2022 and May 1, 2021 follows:

(in thousands, except change in net sales, gross profit rate, operating margin and per share data)	Thirteen Weeks Ended		
Net sales	April 30, 2022	May 1, 2021	% Change
GAAP	$ 812,762	$ 781,405	4%
Impact from changes in foreign currency exchange rates	—	(8,529)	1%
Non-GAAP on a constant currency basis	$ 812,762	$ 772,876	5%
Gross profit, exclusive of depreciation and amortization expense	April 30, 2022	May 1, 2021	BPS Change (1)
GAAP	$ 449,546	$ 495,134	(810)
Impact from changes in foreign currency exchange rates	—	(3,283)	(20)
Non-GAAP on a constant currency basis	$ 449,546	$ 491,851	(830)
Operating (loss) income	April 30, 2022	May 1, 2021	BPS Change (1)
GAAP	$ (9,726)	$ 57,433	(850)
Excluded items (2)	(3,422)	(2,664)	(10)
Adjusted non-GAAP	$ (6,304)	$ 60,097	(860)
Impact from changes in foreign currency exchange rates	—	4,341	(50)
Adjusted non-GAAP on a constant currency basis	$ (6,304)	$ 64,438	(910)
Net (loss) income attributable to A&F per diluted share	April 30, 2022	May 1, 2021	$ Change
GAAP	$ (0.32)	$ 0.64	$(0.96)
Excluded items, net of tax (2)	(0.05)	(0.03)	(0.02)
Adjusted non-GAAP	$ (0.27)	$ 0.67	$(0.94)
Impact from changes in foreign currency exchange rates	—	0.05	(0.05)
Adjusted non-GAAP on a constant currency basis	$ (0.27)	$ 0.72	$(0.99)

(1) The estimated basis point change has been rounded based on the change in the percentage of net sales.
(2) Excluded items for the thirteen weeks ended April 30, 2022 and May 1, 2021 consisted of pre-tax store asset impairment charges and the tax effect of pre-tax excluded items.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

INVESTMENT SECURITIES

The Company maintains its cash equivalents in financial instruments, primarily time deposits and money market funds, with original maturities of three months or less. Due to the short-term nature of these instruments, changes in interest rates are not expected to materially affect the fair value of these financial instruments.

The Rabbi Trust includes amounts to meet funding obligations to participants in the Abercrombie & Fitch Co. Nonqualified Savings and Supplemental Retirement Plan I, the Abercrombie & Fitch Co. Nonqualified Savings and Supplemental Retirement Plan II and the Supplemental Executive Retirement Plan. The Rabbi Trust assets primarily consist of trust-owned life insurance policies which are recorded at cash surrender value. The change in cash surrender value of the trust-owned life insurance policies held in the Rabbi Trust resulted in realized gains of $0.4 million and $0.4 million for the thirteen weeks ended April 30, 2022 and May 1, 2021, respectively which are recorded in interest expense, net on the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income.

The Rabbi Trust assets were included in other assets on the Condensed Consolidated Balance Sheets as of April 30, 2022 and January 29, 2022, and are restricted in their use as noted above.

INTEREST RATE RISK

Prior to July 2, 2020, the Company's exposure to market risk due to changes in interest rates related primarily to the increase or decrease in the amount of interest expense from fluctuations in the LIBO rate, or an alternate base rate associated with the Company's former term loan facility (the "Term Loan Facility") and the ABL Facility. On July 2, 2020 the Company issued the Senior Secured Notes and repaid all outstanding borrowings under the Term Loan Facility and the ABL Facility, thereby eliminating any then existing cash flow market risk due to changes in interest rates. The Senior Secured Notes are exposed to interest rate risk that is limited to changes in fair value. This analysis for Fiscal 2022 may differ from the actual results due to potential changes in gross borrowings outstanding under the ABL Facility and potential changes in interest rate terms and limitations described within the Amended and Restated Credit Agreement.

In July 2017, the Financial Conduct Authority (the authority that regulates LIBO rate) announced it intended to stop compelling banks to submit rates for the calculation of LIBO rate after 2021. Certain publications of the LIBO rate were phased out at the end of 2021 and all LIBO rate publications will cease after June 30, 2023. The transition from the LIBO rate to alternative rates is not expected to have a material impact on the Company's interest expense. In addition, the Company has seen lower interest income earned on the Company's investments and cash holdings, reflecting average daily balances.

FOREIGN CURRENCY EXCHANGE RATE RISK

A&F's international subsidiaries generally operate with functional currencies other than the U.S. Dollar. Since the Company's Condensed Consolidated Financial Statements are presented in U.S. Dollars, the Company must translate all components of these financial statements from functional currencies into U.S. Dollars at exchange rates in effect during or at the end of the reporting period. The fluctuation in the value of the U.S. Dollar against other currencies affects the reported amounts of revenues, expenses, assets and liabilities. The potential impact of foreign currency exchange rate fluctuations increases as international operations relative to domestic operations increase.

A&F and its subsidiaries have exposure to changes in foreign currency exchange rates associated with foreign currency transactions and forecasted foreign currency transactions, including the purchase of inventory between subsidiaries and foreign-currency-denominated assets and liabilities. The Company has established a program that primarily utilizes foreign currency exchange forward contracts to partially offset the risks associated with the effects of certain foreign currency transactions and forecasted transactions. Under this program, increases or decreases in foreign currency exchange rate exposures are partially offset by gains or losses on foreign currency exchange forward contracts, to mitigate the impact of foreign currency exchange gains or losses. The Company does not use forward contracts to engage in currency speculation. Outstanding foreign currency exchange forward contracts are recorded at fair value at the end of each fiscal period.

Foreign currency exchange forward contracts are sensitive to changes in foreign currency exchange rates. The Company assessed the risk of loss in fair values from the effect of a hypothetical 10% devaluation of the U.S. Dollar against the exchange rates for foreign currencies under contract. Such a hypothetical devaluation would decrease derivative contract fair values by approximately $7.8 million. As the Company's foreign currency exchange forward contracts are primarily designated as cash flow hedges of forecasted transactions, the hypothetical change in fair values would be expected to be largely offset by the net change in fair values of the underlying hedged items. Refer to Note 12, "*DERIVATIVE INSTRUMENTS*," for the fair value of any outstanding foreign currency exchange forward contracts included in other current assets and accrued expenses as of April 30, 2022 and January 29, 2022.

Item 4. Controls and Procedures

DISCLOSURE CONTROLS AND PROCEDURES

A&F maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to provide reasonable assurance that information required to be disclosed in the reports that A&F files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to A&F's management, including A&F's principal executive officer and A&F's principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. Because of inherent limitations, disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of disclosure controls and procedures are met.

A&F's management, including the Chief Executive Officer of A&F (who serves as Principal Executive Officer of A&F) and the Executive Vice President and Chief Financial Officer of A&F (who serves as Principal Financial Officer and Principal Accounting Officer of A&F), evaluated the effectiveness of A&F's design and operation of its disclosure controls and procedures as of the end of the fiscal quarter ended April 30, 2022. The Chief Executive Officer of A&F (in such individual's capacity as the Principal Executive Officer of A&F) and the Executive Vice President and Chief Financial Officer of A&F (in such individual's capacity as the Principal Financial Officer of A&F) concluded that A&F's disclosure controls and procedures were effective at a reasonable level of assurance as of April 30, 2022.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in A&F's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during A&F's fiscal quarter ended April 30, 2022 that materially affected, or are reasonably likely to materially affect, A&F's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is a defendant in lawsuits and other adversary proceedings arising in the ordinary course of business. The Company's legal costs incurred in connection with the resolution of claims and lawsuits are generally expensed as incurred, and the Company establishes estimated liabilities for the outcome of litigation where losses are deemed probable and the amount of loss, or range of loss, is reasonably estimable. The Company also determines estimates of reasonably possible losses or ranges of reasonably possible losses in excess of related accrued liabilities, if any, when it has determined that a loss is reasonably possible and it is able to determine such estimates. The Company's accrued charges for certain legal contingencies are classified within accrued expenses on the Condensed Consolidated Balance Sheets included in "Item 1. Financial Statements (Unaudited)," of Part I of this Quarterly Report on Form 10-Q. Based on currently available information, the Company cannot estimate a range of reasonably possible losses in excess of the accrued charges for legal contingencies. In addition, the Company has not established accruals for certain claims and legal proceedings pending against the Company where it is not possible to reasonably estimate the outcome or potential liability, and the Company cannot estimate a range of reasonably possible losses for these legal matters. Actual liabilities may differ from the amounts recorded, due to uncertainties regarding final settlement agreement negotiations, court approvals and the terms of any approval by the courts, and there can be no assurance that the final resolution of legal matters will not have a material adverse effect on the Company's financial condition, results of operations or cash flows. The Company's assessment of the current exposure could change in the event of the discovery of additional facts.

In addition, pursuant to Item 103(c)(3)(iii) of Regulation S-K under the Exchange Act, the Company is required to disclose certain information about environmental proceedings to which a governmental authority is a party if the Company reasonably believes such proceedings may result in monetary sanctions, exclusive of interest and costs, above a stated threshold. The Company has elected to apply a threshold of $1 million for purposes of determining whether disclosure of any such proceedings is required.

Item 1A. Risk Factors

The Company's risk factors as of April 30, 2022 have not changed materially from those disclosed in Part I, "Item 1A. Risk Factors" included on the Fiscal 2021 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of equity securities during the first quarter of Fiscal 2022 that were not registered under the Securities Act of 1933, as amended.

The following table provides information regarding the purchase of shares of Common Stock of A&F made by or on behalf of A&F or any "affiliated purchaser" as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934, as amended, during each fiscal month of the thirteen weeks ended April 30, 2022:

Period (fiscal month)	Total Number of Shares Purchased [1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	Maximum Number of Shares (or Approximate Dollar Value) that May Yet Be Purchased Under the Plans or Programs [2][3]
January 30, 2022 through February 26, 2022	—	$ —	—	$ 357,959,371
February 27, 2022 through April 2, 2022	3,692,062	30.85	3,260,022	257,959,401
April 3, 2021 through April 30, 2022	451	34.79	—	257,959,401
Total	3,692,513	30.67	3,260,022	257,959,401

(1) An aggregate of 432,491 shares of A&F's Common Stock purchased during the thirteen weeks ended April 30, 2022 were withheld for tax payments due upon the vesting of employee restricted stock units and the exercise of employee stock appreciation rights.

(2) On November 23, 2021, we announced that the A&F Board of Directors approved a new $500 million share repurchase authorization, replacing the prior 2021 share repurchase authorization of 10.0 million shares, which had approximately 3.9 million shares remaining available.

(3) The number shown represents, as of the end of each period, the approximate dollar value of Common Stock that may yet be purchased under A&F's publicly announced stock repurchase authorization described in footnote 2 above. The shares may be purchased, from time to time depending on business and market conditions.

Item 6. Exhibits

Exhibit	Document
3.1	Amended and Restated Certificate of Incorporation of Abercrombie & Fitch Co., reflecting amendments through the date of this Quarterly Report on Form 10-Q, incorporated herein by reference to Exhibit 3.2 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended July 30, 2011 (File No. 001-12107). [This document represents the Amended and Restated Certificate of Incorporation of Abercrombie & Fitch Co. in compiled form incorporating all amendments. This compiled document has not been filed with the Delaware Secretary of State.]
3.2	Amended and Restated Bylaws of Abercrombie & Fitch Co. reflecting amendments through the date of this Quarterly Report on Form 10-Q, incorporated herein by reference to Exhibit 3.10 to A&F's Annual Report on Form 10-K for the fiscal year ended February 3, 2018 (File No. 001-12107). [This document represents the Amended and Restated Bylaws of Abercrombie & Fitch Co. in compiled form incorporating all amendments.]
10.1	Form of Performance Share Award Agreement used to evidence the grant of performance shares to associates (employees) of Abercrombie & Fitch Co. and its subsidiaries under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates on or after March 24, 2022.*
31.1	Certifications by Chief Executive Officer (Principal Executive Officer) pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certifications by Executive Vice President and Chief Financial Officer (Principal Financial Officer) pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certifications by Chief Executive Officer (who serves as Principal Executive Officer) and Executive Vice President and Chief Financial Officer (who serves as Principal Financial Officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its Inline XBRL tags are embedded within the Inline XBRL document.*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.*
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101).*

* Filed herewith.
** Furnished herewith.

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Abercrombie & Fitch Co.

Date: June 8, 2022

By: /s/ Scott Lipesky

Scott Lipesky
Executive Vice President and Chief Financial Officer
(Principal Financial Officer, Principal Accounting Officer and Authorized Officer)

PERFORMANCE SHARE AWARD AGREEMENT

(2016 Long-Term Incentive Plan for Associates)

This PERFORMANCE SHARE AWARD AGREEMENT (this "AGREEMENT") is made to be effective as of (the date on which the COMMITTEE (as defined below) approves the award, referred to as the "GRANT DATE"), by and between Abercrombie & Fitch Co., a Delaware corporation (the "COMPANY"), and employee of the COMPANY or one of the COMPANY's subsidiaries or affiliates ("PARTICIPANT").

WITNESSETH:

WHEREAS, pursuant to the provisions of the 2016 Long-Term Incentive Plan for Associates of the COMPANY (the "PLAN"), the Compensation and Organization Committee (the "COMMITTEE") of the Board of Directors of the COMPANY (the "BOARD") administers the PLAN; and

WHEREAS, the COMMITTEE has determined that PARTICIPANT should be granted rights to earn a target number of shares of Class A Common Stock, $0.01 par value (the "SHARES"), of the COMPANY equal to SHARES (such rights, the "AWARD"), subject to the restrictions, conditions and other terms set forth in this AGREEMENT;

NOW, THEREFORE, in consideration of the premises, the parties hereto make the following agreement, intending to be legally bound thereby:

1. Grant of AWARD. Pursuant to, and subject to, the terms and conditions set forth in this AGREEMENT and in the PLAN, the COMPANY hereby grants to PARTICIPANT an AWARD with a target number of SHARES of the COMPANY (the "TARGET AWARD") equal to SHARES (subject to adjustment as provided in Section 11(c) of the PLAN and Section 5(F) of this AGREEMENT, if applicable). The AWARD represents the right to earn up to 200% of the target number of SHARES of the COMPANY subject to the AWARD, subject to the restrictions, conditions and other terms set forth in this AGREEMENT.

2. Terms and Conditions of the AWARD.

(A) EARNED UNITS. The issuance of SHARES of the COMPANY pursuant to this AGREEMENT shall be subject to the COMPANY's achievement with respect to the performance goals of (i) ***RELATIVE TOTAL SHAREHOLDER RETURN,*** (ii)***CUMULATIVE GAAP SALES CAGR***, and (iii) ***THREE-YEAR AVERAGE NON-GAAP EBIT MARGIN PERCENT*** as set forth in the tables below (each and collectively, the "PERFORMANCE GOALS"). Each PERFORMANCE GOAL metric will be equally weighted. If any of the PERFORMANCE GOALS for the three-fiscal-year period ending February 1, 2025 does not exceed the respective THRESHOLD performance level set forth in the respective table below, the portion of the AWARD associated with such PERFORMANCE GOAL shall be forfeited. If all three of the PERFORMANCE GOALS fall below the respective THRESHOLD performance level set forth in the respective table below, the AWARD and PARTICIPANT's right to receive any SHARES of the COMPANY pursuant to this AGREEMENT shall expire and be forfeited without payment of any additional consideration, effective as of the last day of the fiscal year ending February 1, 2025. Subject to the foregoing, the number of "EARNED UNITS" for purposes of this AGREEMENT shall be determined in accordance with the following schedule:

(i) ***RELATIVE TOTAL SHAREHOLDER RETURN:***

Performance Level	**FY 2022 through FY 2024 Relative Total Shareholder Return [(1)] Required to Achieve Performance Level**	**% of TARGET AWARD Earned**
BELOW THRESHOLD	Below 30th percentile of COMPARATOR GROUP	0%
THRESHOLD	**30th** percentile as compared to COMPARATOR GROUP	25%
TARGET	**55th** percentile as compared to COMPARATOR GROUP	100%
MAXIMUM	At or above **80th** percentile as compared to COMPARATOR GROUP	200%

[(1)] Relative Total Shareholder Return is measured against the following fourteen companies (the "COMPARATOR GROUP"): AMERICAN EAGLE OUTFITTERS, INC.; CAPRI HOLDINGS LIMITED; CARTER'S, INC.; CHICO'S FAS, INC.; THE CHILDREN'S PLACE, INC.; EXPRESS, INC.; FOSSIL GROUP, INC.; GUESS?, INC.; LEVI STRAUSS & CO.; LULULEMON ATHLETICA INC.; RALPH LAUREN CORPORATION; TAPESTRY, INC.; URBAN OUTFITTERS, INC.; and VICTORIA'S SECRET & CO. Relative Total Shareholder Return shall be measured as follows:

(a) Total Shareholder Return shall be measured using an average of the closing stock price for the 20 trading days immediately before the first day of the COMPANY's 2022 fiscal year and an average of the closing stock price for the 20 trading days immediately before and including the last day of the COMPANY's 2024 fiscal year. Total shareholder return shall assume dividend reinvestment on the ex-dividend date.

(b) For companies that are in the COMPARATOR GROUP as of the first day of the COMPANY's 2022 fiscal year but that do not remain in the COMPARATOR GROUP through the last day of the COMPANY's 2024 fiscal year, treatment will be as follows:

i. **Acquisition** – For a company that is acquired (other than in connection with merger activity) during the PERFORMANCE PERIOD, it shall be removed entirely from the COMPARATOR GROUP and thus not considered for measurement purposes.

ii. **Merger** – For a company that is impacted by merger activity during the PERFORMANCE PERIOD:

1. Such company shall be removed from the COMPARATOR GROUP (and thus not considered for measurement purposes) if it is not the surviving company following a merger with either a non-COMPARATOR GROUP company or another COMPARATOR GROUP company; or

2. Such company shall be included in the COMPARATOR GROUP if it is the surviving company following a merger with another COMPARATOR GROUP company; or

3. Such company shall be included in the COMPARATOR GROUP if it is the surviving company in a merger with a non-COMPARATOR GROUP company (unless 50% or more of such company's post-merger business has a non-retail GICS code, in which case such company shall be removed from the COMPARATOR GROUP and thus not considered for measurement purposes).

iii. **Spin-Off** – For a company that is spun-off during the PERFORMANCE PERIOD, such company shall be removed from the COMPARATOR GROUP (and thus not considered for measurement purposes); however, the parent company of such spun-off company shall be included for measurement purposes if such parent company remains in the COMPARATOR GROUP and remains at least 50% of such company's pre-spin-off size as measured by revenues.

iv. **Bankruptcy** – For a company that goes bankrupt (either voluntarily or involuntarily) during the PERFORMANCE PERIOD, such company shall be placed at the bottom of the COMPARATOR GROUP for measurement purposes, with a deemed negative Total Shareholder Return of (-100%).

(c) Payout shall be capped at the TARGET AWARD if the COMPANY's Total Shareholder Return over the full PERFORMANCE PERIOD is negative. In the event that the COMPANY's level of achievement with respect to the PERFORMANCE GOAL is between the THRESHOLD and the TARGET performance levels, or between the TARGET and the MAXIMUM performance levels, linear interpolation will be used to determine the number of EARNED UNITS. Any portion of the TARGET AWARD not earned based upon the actual level of performance achieved by the COMPANY shall expire and be forfeited to the COMPANY without payment of any additional consideration, effective as of the last day of the fiscal year ending February 1, 2025. The COMPANY's level of achievement with respect to the PERFORMANCE GOAL set forth in this Section 2(A) (and the extent or lack thereof) shall be evidenced by the COMMITTEE's written certification.

(ii) ***CUMULATIVE GAAP SALES CAGR***:

Performance Level	FY 2022 through FY 2024 Cumulative GAAP Sales CAGR (1) Required to Achieve Performance Level	% of TARGET AWARD Earned
BELOW THRESHOLD	Less than **1.0%**	0%
THRESHOLD	**1.0%**	25%
TARGET	**2.0%**	100%
150%	**3.0%**	150%
MAXIMUM	**4.0%** or greater	200%

(1) For purposes of this Agreement, *"**CUMULATIVE GAAP SALES CAGR**"* is defined as the straight three-year average of the growth rate in GAAP Net Sales in each Fiscal Year of the three-year 2022-2024 performance period, in each case calculated in comparison to the GAAP Net Sales for Fiscal Year 2021, where GAAP Net Sales reflects net sales as reported in the Company's consolidated financial statements in accordance with generally accepted accounting principles as in effect on March 28, 2022.

(iii) ***THREE-YEAR AVERAGE NON-GAAP EBIT MARGIN PERCENT***:

Performance Level	FY 2022 through FY 2024 Three-Year Average Non-GAAP EBIT Margin Percent (1) Required to Achieve Performance Level	% of TARGET AWARD Earned
BELOW THRESHOLD	Less than **6.0%**	0%
THRESHOLD	**6.0%**	25%
TARGET	**8.0%**	100%
150%	**9.0%**	150%
MAXIMUM	**10.5%** or greater	200%

(1) For purposes of this Agreement, **EBIT** is defined as net income less interest and income taxes as reported in the Company's consolidated financial statements for each such year in accordance with generally accepted accounting principles as in effect on March 28, 2022. For purposes of this agreement, **EBIT Margin Percent** shall be equal to the **EBIT** (as defined herein) for each fiscal year of the three-year performance period FYs 2022-2024, divided by the corresponding fiscal year's net sales (as reported in the Company's consolidated financial statements in accordance with generally accepted accounting principles as in effect on March 28, 2022), and expressed as a percentage. Further, for purposes of this agreement, "***THREE-YEAR AVERAGE NON-GAAP EBIT MARGIN PRECENT***" shall be equal to the straight average of the **EBIT Margin Percent** results for each of the performance years of Fiscal 2022, Fiscal 2023, and Fiscal 2024. The measurement of **EBIT Margin Percent** shall exclude or adjust for the impact(s) of the following:

(a) changes in accounting principles (i.e., cumulative effect of U.S. GAAP changes);
(b) changes in accounting policies that were not contemplated in the initial targets;

(c) changes in tax structures or statutory rates that result in a cumulative EBIT impact of greater than $5.0 million (per fiscal year) during the performance period;
(d) all items of gain, loss or expense for the performance period related to an exit activity (including flagship closures);
(e) impairment of long-lived assets, finite or indefinite lived intangible assets, or goodwill;
(f) total legal settlements in excess of a cumulative amount of $5.0 million (per fiscal year) during the performance period; and
(g) charges or gains from the early extinguishment of funded debt obligations and/or lease obligations
(h) acquisition-related costs for acquisitions of business(es), as defined under U.S. GAAP

For the avoidance of doubt, the potential exclusions noted in (c) and (f) above would be triggered once the cumulative amount of the respective potential exclusion item exceeds $5.0 million (per fiscal year) during the performance period, in which case the amount greater than $5.0 million would be excluded.

In the event that performance for one, two, or three of the performance goals is between the respective THRESHOLD, TARGET, 150% (in the case of ***CUMULATIVE GAAP SALES CAGR*** and ***THREE-YEAR AVERAGE NON-GAAP EBIT MARGIN PRECENT)***, or MAXIMUM performance levels, linear interpolation will be used to determine the number of EARNED UNITS with respect to that metric. Any portion of the TARGET AWARD not earned based upon the actual performance achieved shall expire and be forfeited without payment of any additional consideration, effective as of the last day of the fiscal year ending February 1, 2025. The achievement of the performance goals set forth in this Section 2(A) (and the extent or lack thereof) shall be evidenced by the COMMITTEE's written certification.

(B) RESTRICTED PERIOD. Except as provided under Sections 3 and 4 of this AGREEMENT, the period of restriction (the "RESTRICTED PERIOD"), after which the EARNED UNITS shall become vested and no longer be subject to forfeiture to the COMPANY, shall lapse according to the following terms. The VESTING DATE shall be defined as the date for vesting which is approved by the COMMITTEE following completion of the three-year performance period and then recorded and communicated through the System of Record, but not later than 60 days after the close of the performance period (or the date of filing of Form 10-K, if sooner). The RESTRICTED PERIOD shall lapse as to one hundred percent of the EARNED UNITS (subject to adjustment as provided in Section 11(c) of the PLAN), and such EARNED UNITS shall become vested, on the VESTING DATE, provided PARTICIPANT is employed by the COMPANY or a subsidiary or affiliate of the COMPANY on such date;

(C) Non-Transferability of AWARD. The AWARD and any EARNED UNITS may not be pledged, hypothecated or otherwise encumbered or subject to any lien, obligation or liability of PARTICIPANT to any party (other than the COMPANY or a subsidiary or affiliate of the COMPANY), or assigned or transferred (whether by operation of law or otherwise) by PARTICIPANT, otherwise than by will or by the applicable laws of descent and distribution, and the AWARD and any EARNED UNITS shall not be subject to execution, attachment or similar process.

(D) Lapse of RESTRICTED PERIOD. Upon the lapse of the RESTRICTED PERIOD applicable to any EARNED UNITS, as promptly as is reasonably practicable, and in no case later than the 15th day of the third month immediately following the completion of the three-year performance period, SHARES of the COMPANY shall be issued to PARTICIPANT and the COMPANY shall deliver a stock certificate or other appropriate documentation evidencing the number of SHARES of the COMPANY issued in settlement of such vested EARNED UNITS to PARTICIPANT (with each EARNED UNIT representing the right to receive one SHARE of the COMPANY).

(E) Tax Withholding. The COMPANY shall have the right to require PARTICIPANT to remit to the COMPANY an amount sufficient to satisfy any applicable federal, state, local and foreign tax withholding requirements in respect of the settlement of the AWARD. Unless PARTICIPANT is notified otherwise, the COMPANY will withhold SHARES of the COMPANY otherwise deliverable upon settlement of the AWARD having a FAIR MARKET VALUE (as defined in the PLAN) on the date of settlement equal to the amount required to be withheld (but only to the extent of the minimum amount that must be withheld to comply with applicable federal, state, local and foreign income, employment and wage tax laws).

(F) Rights as Holder of AWARD. With respect to the AWARD, PARTICIPANT shall have no rights as a stockholder of the COMPANY (including no right to vote or receive dividends) with respect to any SHARES of the COMPANY covered by the AWARD until the date of issuance to PARTICIPANT of a certificate or other evidence of ownership representing such SHARES in settlement thereof. In addition, dividend equivalents will not be paid or payable with respect to the SHARES of the COMPANY and/or the EARNED UNITS subject to this AGREEMENT until such date of issuance.

3. Change of Control. Unless the BOARD or the COMMITTEE provides otherwise prior to a “Change of Control” (as such term is defined in the PLAN), upon a Change of Control, Section 9 of the PLAN shall govern the treatment of the AWARD. For the avoidance of doubt, the performance period under this AGREEMENT for purposes of Section 9(b) of the PLAN shall be the three-fiscal-year period ending February 1, 2025. Notwithstanding anything in Section 9(b) of the PLAN to the contrary, for all purposes under this AGREEMENT, in the event of a Change of Control in which fifty percent (50%) or more of the performance period applicable to the AWARD has elapsed as of the date of the Change of Control, the PARTICIPANT shall be entitled to a pro-rata payment, vesting or settlement of such AWARD based upon actual performance of each of the three performance goals. In the event of a Change of Control in which less than fifty percent (50%) of the performance period applicable to the AWARD has elapsed as of the date of the Change of Control, the PARTICIPANT shall be entitled to a pro-rata payment, vesting or settlement of such AWARD based upon a TARGET level of performance of each of the three performance goals.

4. Effect of Termination of Employment.

(A) The grant of the AWARD shall not confer upon PARTICIPANT any right to continue in the employment of the COMPANY or any of the subsidiaries or affiliates of the COMPANY or interfere with or limit in any way the right of the COMPANY or any of the subsidiaries or affiliates of the COMPANY to modify the terms of or terminate the employment of PARTICIPANT at any time in accordance with applicable law and the COMPANY’s or the subsidiary’s or affiliate’s governing corporate documents.

(B) Except as the COMMITTEE may at any time provide, if the employment of PARTICIPANT with the COMPANY and the subsidiaries and affiliates of the COMPANY is terminated by the COMPANY for “CAUSE” or as a result of PARTICIPANT’S resignation for any reason other than “retirement” (as defined below), in either case, prior to the lapsing of the RESTRICTED PERIOD applicable to the AWARD and/or any EARNED UNITS, such AWARD and/or the EARNED UNITS shall be forfeited to the COMPANY. For purposes of this AGREEMENT only, “CAUSE” shall mean: (i) PARTICIPANT’S conviction of, or entrance of a plea of guilty or nolo contendere to, a felony under federal or state law; or (ii) fraudulent conduct by PARTICIPANT in connection with the business affairs of the COMPANY; or (iii) PARTICIPANT'S willful refusal to materially perform PARTICIPANT'S duties; or (iv) PARTICIPANT'S willful misconduct which has, or would have if generally known, a materially adverse effect on the business or reputation of the COMPANY; or (v) PARTICIPANT'S material breach of a covenant, representation, warranty or obligation of PARTICIPANT to the COMPANY. As to the grounds stated in the above-mentioned clauses (iii), (iv), and (v), such grounds will only constitute CAUSE once the COMPANY has provided PARTICIPANT written notice and PARTICIPANT has failed to cure such issue within 30 days.

(C) If PARTICIPANT's employment is terminated by the COMPANY without CAUSE prior to the lapsing of the RESTRICTED PERIOD, such RESTRICTED PERIOD shall immediately lapse and (1) if such termination occurs within the first year of the three-year performance period, the AWARD and/or the EARNED UNITS shall be forfeited to the COMPANY, or (2) if such termination occurs after the first year of the three-year performance period, the AWARD shall remain outstanding, the number of EARNED UNITS shall be earned based upon the actual achievement of the respective performance goals over the full three-fiscal-year period and then pro-rated for the number of days PARTICIPANT was employed during the performance period, and such pro-rated number of EARNED UNITS shall become vested upon the COMMITTEE's written certification of the achievement of such goals and payable as of the VESTING DATE notwithstanding the fact that PARTICIPANT is not employed as of the VESTING DATE and any remaining portion of the AWARD shall be forfeited to the COMPANY.

(D) If PARTICIPANT becomes totally disabled prior to the lapsing of the RESTRICTED PERIOD, such RESTRICTED PERIOD shall immediately lapse and (1) if such termination occurs after the end of the three-year performance period, the EARNED UNITS shall become fully vested and payable immediately, or (2) if such termination occurs prior to the end of the three-year performance period, the TARGET AWARD shall become fully vested and payable immediately.

(E) If PARTICIPANT dies while employed by the COMPANY or one of the subsidiaries or affiliates of the COMPANY prior to the lapsing of the RESTRICTED PERIOD, such RESTRICTED PERIOD shall immediately lapse and (1) if PARTICIPANT's death occurs after the end of the three-year performance period, the EARNED UNITS shall become fully vested and payable immediately, or (2) if PARTICIPANT's death occurs prior to the end of the three-year performance period, the TARGET AWARD shall become fully vested and payable immediately.

(F) If PARTICIPANT retires from employment with the COMPANY and the subsidiaries and affiliates of the COMPANY at or after attaining the age of 65 (such termination of employment, a "retirement") prior to the lapsing of the RESTRICTED PERIOD applicable to any EARNED UNITS, such RESTRICTED PERIOD shall immediately lapse and the EARNED UNITS shall become fully vested and payable as of the VESTING DATE notwithstanding the fact that PARTICIPANT is not employed as of the VESTING DATE (and, if such termination occurs prior to February 1, 2025, the number of EARNED UNITS shall be based upon the actual achievement of the respective performance goals over the full three-fiscal-year period and such EARNED UNITS shall become fully vested upon the COMMITTEE's written certification of the achievement of such goals and payable as of the VESTING DATE notwithstanding the fact that PARTICIPANT is not employed as of the VESTING DATE and any remaining portion of the AWARD shall be forfeited to the COMPANY.

(G) For purposes of this AGREEMENT, "total disability" shall have the definition set forth in the Abercrombie & Fitch Co. Long Term Disability Plan, which definition is incorporated herein by reference.

5. <u>Forfeiture of AWARD</u>.

(A) The AWARD and any EARNED UNITS shall be subject to the following additional forfeiture conditions, to which PARTICIPANT, by accepting the AWARD, agrees. If any of the events specified in Section 5(B)(i), (ii), (iii) or (iv) of this AGREEMENT occurs (a "FORFEITURE EVENT"), the following forfeiture will result:

(i) the AWARD and any EARNED UNITS held by PARTICIPANT and not then settled will be immediately forfeited and canceled upon the occurrence of the FORFEITURE EVENT; and

(ii) PARTICIPANT will be obligated to repay to the COMPANY, in cash, within five business days after demand is made therefor by the COMPANY, the total amount of "AWARD GAIN" (as defined below) realized by PARTICIPANT upon settlement of the AWARD that occurred on or after (x) the date that is twenty-four months prior to the occurrence of the FORFEITURE EVENT, if the FORFEITURE EVENT occurred while PARTICIPANT was employed by the COMPANY or a subsidiary or affiliate of the COMPANY, or (y) the date that is twenty-four months prior to the date PARTICIPANT's employment by the COMPANY or a subsidiary or affiliate of the COMPANY terminated, if the FORFEITURE EVENT occurred after PARTICIPANT ceased to be so employed. For purposes of this Section 5, the term "AWARD GAIN" shall mean, in respect of any settlement of the AWARD granted to PARTICIPANT, the FAIR MARKET VALUE of the cash and/or SHARES of the COMPANY paid or payable to PARTICIPANT (regardless of any elective deferrals).

(B) The forfeitures specified in Section 5(A) of this AGREEMENT will be triggered upon the occurrence of any one of the following FORFEITURE EVENTS at any time during PARTICIPANT's employment by the COMPANY or a subsidiary or affiliate of the COMPANY, or during the twenty-four - month period following termination of such employment:

(i) PARTICIPANT, acting alone or with others, directly or indirectly, (I) engages, either as employee, employer, consultant, advisor, or director, or as an owner, investor, partner, or stockholder unless PARTICIPANT's interest is insubstantial, in any business in an area or region in which the COMPANY or any subsidiary or affiliate of the COMPANY conducts business at the date the event occurs, which is directly in competition with a business then conducted by the COMPANY or a subsidiary or affiliate of the COMPANY; (II) induces any customer or supplier of the COMPANY or a subsidiary or affiliate of the COMPANY, with which the COMPANY or a subsidiary or affiliate of the COMPANY has a business relationship, to curtail, cancel, not renew, or not continue his or her or its business with the COMPANY or any subsidiary or affiliate of the COMPANY; or (III) induces, or attempts to influence, any employee of or service provider to the COMPANY or a subsidiary or affiliate of the COMPANY to terminate such employment or service. The COMMITTEE shall, in its discretion, determine which lines of business the COMPANY and the subsidiaries and affiliates of the COMPANY conduct on any particular date and which third parties may reasonably be deemed to be in competition with the COMPANY or any subsidiary or affiliate of the COMPANY. For purposes of this Section 5(B)(i), PARTICIPANT's interest as a stockholder is insubstantial if it represents beneficial ownership of less than five percent of the outstanding class of stock, and PARTICIPANT's interest as an owner, investor, or partner is insubstantial if it represents ownership, as determined by the COMMITTEE in its discretion, of less than five percent of the outstanding equity of the entity;

(ii) PARTICIPANT discloses, uses, sells, or otherwise transfers, except in the course of employment with or other service to the COMPANY or any subsidiary or affiliate of the COMPANY, any confidential or proprietary information of the COMPANY or any subsidiary or affiliate of the COMPANY, including but not limited to information regarding the COMPANY's or any subsidiary's or affiliate's current and potential customers, organization, employees, finances, and methods of operations and investments, so long as such information has not otherwise been disclosed to the public or is not otherwise in the public domain (other than by PARTICIPANT's breach of this provision), except as required by law or pursuant to legal process, or PARTICIPANT makes statements or representations, or otherwise communicates, directly or indirectly, in writing, orally, or otherwise, or takes any other action which may, directly or indirectly, disparage or be damaging to the COMPANY or any of the subsidiaries or affiliates of the COMPANY or their respective officers, directors, employees, advisors, businesses or reputations, except as required by law or pursuant to legal process;

(iii) PARTICIPANT fails to cooperate with the COMPANY or any subsidiary or affiliate of the COMPANY in any way, including, without limitation, by making PARTICIPANT available to testify on behalf of the COMPANY or such subsidiary or affiliate of the COMPANY in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, or otherwise fails to assist the COMPANY or any subsidiary or affiliate of the COMPANY in any way, including, without limitation, in connection with any such action, suit, or proceeding by providing information and meeting and consulting with members of management of, other representatives of, or counsel to, the COMPANY or such subsidiary or affiliate of the COMPANY, as reasonably requested; or

(iv) PARTICIPANT, during the period PARTICIPANT is employed by the COMPANY or any subsidiary or affiliate of the COMPANY and for twenty-four months thereafter (the "NON-SOLICITATION PERIOD"), alone or in conjunction with another person, (I) interferes with or harms, or attempts to interfere with or harm, the relationship of the COMPANY or any subsidiary or affiliate of the COMPANY with any person who at any time was a customer or supplier of the COMPANY or any subsidiary or affiliate of the COMPANY or otherwise had a business relationship with the COMPANY or any subsidiary or affiliate of the COMPANY; or (II) hires, solicits for hire, aids in or facilitates the hire, or causes to be hired, either as an employee, contractor or consultant, any person who is currently employed, or was employed at any time during the six-month period prior thereto, as an employee, contractor or consultant of the COMPANY or any subsidiary or affiliate of the COMPANY.

(C) Despite the conditions set forth in this Section 5, PARTICIPANT is not hereby prohibited from engaging in any activity set forth in Section 5(B)(i) of this AGREEMENT, including but not limited to competition with the COMPANY and the subsidiaries and affiliates of the COMPANY. Rather, the non-occurrence of the FORFEITURE EVENTS set forth in Section 5(B) of this AGREEMENT is a condition to PARTICIPANT's right to realize and retain value from the AWARD, and the consequences under the PLAN and this AGREEMENT if PARTICIPANT engages in an activity giving rise to any such FORFEITURE EVENTS are the forfeitures specified therein and as otherwise provided in this AGREEMENT. The COMPANY and PARTICIPANT shall not be precluded by this provision or otherwise from entering into other agreements concerning the subject matter of Sections 5(A) and 5(B) of this AGREEMENT.

(D) The COMMITTEE may, in its discretion, waive in whole or in part the COMPANY's right to forfeiture under this Section 5, but no such waiver shall be effective unless evidenced by a writing signed by a duly authorized officer of the COMPANY.

(E) In addition to the above, PARTICIPANT agrees that any of the conduct described in Sections 5(B), (ii) and (iv) of this AGREEMENT would result in irreparable injury and damage to the COMPANY for which the COMPANY would have no adequate remedy at law. PARTICIPANT agrees that in the event of such occurrence or any threat thereof, the COMPANY shall be entitled to an immediate injunction and restraining order to prevent such conduct and threatened conduct and/or continued conduct by PARTICIPANT and/or any and all persons and/or entities acting for and/or with PARTICIPANT, and without having to prove damages and to all costs and expenses incurred by the COMPANY in seeking to enforce the COMPANY's rights under this AGREEMENT. These remedies are in addition to any other remedies to which the COMPANY may be entitled at law or in equity. PARTICIPANT agrees that the covenants of PARTICIPANT contained in Section 5(B) of this AGREEMENT are reasonable.

(F) If the COMMITTEE determines that the earlier determination as to the achievement of any performance goal or performance-based vesting criteria hereunder was based on incorrect data and that in fact the performance goal or performance-based vesting criteria had not been achieved or had been achieved to a lesser extent than originally determined and a number of the EARNED UNITS would not have been granted, earned and/or vested, given the correct data, then (i) the aggregate number of SHARES of the COMPANY subject to the TARGET AWARD set forth in Section 1 of this AGREEMENT, and/or the aggregate number of EARNED UNITS earned hereunder, shall be reduced by such number of EARNED UNITS that would not have been granted, earned and/or vested (such EARNED UNITS, the "EXCESS UNITS"), (ii) any EXCESS UNITS that have not yet vested in accordance with the terms of this AGREEMENT shall be forfeited and (iii) any SHARES of the COMPANY received upon settlement of vested EXCESS UNITS (or if such SHARES were disposed of, the cash equivalent) shall be returned to the COMPANY as provided by the COMMITTEE.

6. Restrictions on Transfers of SHARES. Anything contained in this AGREEMENT or elsewhere to the contrary notwithstanding, the COMPANY may postpone the issuance and delivery of SHARES of the COMPANY upon any settlement of the AWARD until completion of any stock exchange listing or registration or other qualification of such SHARES under any state, federal or foreign law, rule or regulation as the COMPANY may consider appropriate; and may require PARTICIPANT in connection with the issuance of the SHARES to make such representations and furnish such information as the COMPANY may consider appropriate in connection with the issuance of the SHARES in compliance with applicable laws, rules and regulations. SHARES of the COMPANY issued and delivered upon settlement of the AWARD shall be subject to such restrictions on trading, including appropriate legending of certificates to that effect, as the COMPANY, in its discretion, shall determine are necessary to satisfy applicable laws, rules and regulations.

7. PLAN as Controlling; PARTICIPANT Acknowledgments. All terms and conditions of the PLAN applicable to the AWARD which are not set forth in this AGREEMENT shall be deemed incorporated herein by reference. In the event that any term or condition of this AGREEMENT is inconsistent with the terms and conditions of the PLAN, the PLAN shall be deemed controlling. PARTICIPANT acknowledges receipt of a copy of the PLAN and of the Prospectus related to the PLAN. PARTICIPANT also acknowledges that all decisions, determinations and interpretations of the COMMITTEE in respect of the PLAN, this AGREEMENT and the AWARD shall be final, conclusive and binding on PARTICIPANT, all other persons interested in the PLAN and stockholders of the COMPANY.

8. Governing Law. To the extent not preempted by applicable federal or foreign law, this AGREEMENT shall be governed by and construed in accordance with the laws of the State of Delaware, except with respect to provisions relating to the covenants set forth in Section 5 of this AGREEMENT, which shall be governed by the laws of the State of Ohio.

9. Rights and Remedies Cumulative. All rights and remedies of the COMPANY and of PARTICIPANT enumerated in this AGREEMENT shall be cumulative and, except as expressly provided otherwise in this AGREEMENT, none shall exclude any other rights or remedies allowed by law or in equity, and each of said rights or remedies may be exercised and enforced concurrently.

10. Captions. The captions contained in this AGREEMENT are included only for convenience of reference and do not define, limit, explain or modify this AGREEMENT or its interpretation, construction or meaning and are in no way to be construed as a part of this AGREEMENT.

11. Severability. If any provision of this AGREEMENT or the application of any provision hereof to any person or any circumstance shall be determined to be invalid or unenforceable, then such determination shall not affect any other provision of this AGREEMENT or the application of said provision to any other person or circumstance, all of which other provisions shall remain in full force and effect, and it is the intention of each party to this AGREEMENT that if any provision of this AGREEMENT is susceptible of two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall have the meaning which renders it enforceable.

12. Number and Gender. When used in this AGREEMENT, the number and gender of each pronoun shall be construed to be such number and gender as the context, circumstances or its antecedent may require.

13. Entire Agreement. This AGREEMENT, including the PLAN incorporated herein by reference, constitutes the entire agreement between the COMPANY and PARTICIPANT in respect of the subject matter of this AGREEMENT, and this AGREEMENT supersedes all prior and contemporaneous agreements between the parties hereto in connection with the subject matter of this AGREEMENT. No officer, employee or other servant or agent of the COMPANY, and no servant or agent of PARTICIPANT, is authorized to make any representation, warranty or other promise not contained in this AGREEMENT. Other than as set forth in Section 11(e) of the PLAN, no change, termination or attempted waiver of any of the provisions of this AGREEMENT shall be binding upon either party hereto unless contained in a writing signed by the party to be charged.

14. Successors and Assigns of the COMPANY. The obligations of the COMPANY under this AGREEMENT shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the COMPANY, or upon any successor corporation or organization succeeding to substantially all of the assets and businesses of the COMPANY.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the COMPANY has caused this AGREEMENT to be executed by its duly authorized officer, and PARTICIPANT has executed this AGREEMENT, in each case effective as of the GRANT DATE.

COMPANY:

ABERCROMBIE & FITCH CO.

/S/Jay Rust
By: Jay Rust
Title: SVP & Head of Global Human Resources

PARTICIPANT:

—

Printed Name:

EXHIBIT 31.1

CERTIFICATIONS

I, Fran Horowitz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Abercrombie & Fitch Co. for the quarterly period ended April 30, 2022;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Abercrombie & Fitch Co.

Date: June 8, 2022

By: /s/ Fran Horowitz

Fran Horowitz

Chief Executive Officer

(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, Scott Lipesky, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Abercrombie & Fitch Co. for the quarterly period ended April 30, 2022;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Abercrombie & Fitch Co.

Date: June 8, 2022

By: /s/ Scott Lipesky

Scott Lipesky

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

EXHIBIT 32.1

Certifications by Chief Executive Officer (who serves as Principal Executive Officer) and Executive Vice President and Chief Financial Officer (who serves as Principal Financial Officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

In connection with the Quarterly Report of Abercrombie & Fitch Co. (the "Corporation") on Form 10-Q for the quarterly period ended April 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Fran Horowitz, Chief Executive Officer of the Corporation (serving as Principal Executive Officer of the Corporation) and Scott Lipesky, Executive Vice President and Chief Financial Officer of the Corporation (serving as Principal Financial Officer of the Corporation), certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Corporation and its subsidiaries.

/s/ Fran Horowitz
Fran Horowitz
Chief Executive Officer
(Principal Executive Officer)

Date: June 8, 2022

/s/ Scott Lipesky
Scott Lipesky
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: June 8, 2022

* These certifications are being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. These certifications shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Corporation specifically incorporates these certifications by reference in such filing.