



## INVESTOR PRESENTATION

2017 THIRD QUARTER

# SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

A&F cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this presentation or made by management or spokespeople of A&F involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond the company's control. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," and similar expressions may identify forward-looking statements. Except as may be required by applicable law, we assume no obligation to publicly update or revise our forward-looking statements. The factors disclosed in "ITEM 1A. RISK FACTORS" of A&F's Annual Report on Form 10-K for the fiscal year ended January 28, 2017 and in A&F's subsequently filed quarterly reports on Form 10-Q, in some cases have affected, and in the future could affect, the company's financial performance and could cause actual results for the 2017 fiscal year and beyond to differ materially from those expressed or implied in any of the forward-looking statements included in this presentation or otherwise made by management.

## OTHER INFORMATION

The following presentation includes certain adjusted non-GAAP financial measures. Additional details about non-GAAP financial measures and a reconciliation of GAAP financial measures to non-GAAP financial measures is included in the news release issued by the company on November 17, 2017, which is available in the "Investors" section of the company's website, located at [www.abercrombie.com](http://www.abercrombie.com). As used in the presentation, "GAAP" refers to accounting principles generally accepted in the United States of America.

All dollar and share amounts are in 000's unless otherwise stated. Sub-totals and totals may not foot due to rounding.

Net income and net income per share financial measures included herein are attributable to Abercrombie & Fitch Co., excluding net income attributable to noncontrolling interests.

# Q3 P&L SUMMARY

	2017	% OF NET SALES	2016	% OF NET SALES
NET SALES	\$859,112	100.0%	\$821,734	100.0%
GROSS PROFIT	526,627	61.3%	510,739	62.2%
OPERATING EXPENSE	503,957	58.7%	491,916	59.9%
OTHER OPERATING INCOME, NET	(70)	0.0%	(822)	(0.1)%
OPERATING INCOME	22,740	2.6%	19,645	2.4%
INTEREST EXPENSE, NET	4,571	0.5%	4,609	0.6%
INCOME BEFORE TAXES	18,169	2.1%	15,036	1.8%
TAX EXPENSE	7,553	0.9%	6,762	0.8%
NET INCOME	\$10,075	1.2%	\$7,881	1.0%
NET INCOME PER SHARE				
BASIC	\$0.15		\$0.12	
DILUTED	\$0.15		\$0.12	
WEIGHTED-AVERAGE SHARES OUTSTANDING				
BASIC	68,512		67,975	
DILUTED	69,425		68,277	

# Q3 ADJUSTED P&L SUMMARY\*

	2017	% OF NET SALES	2016	% OF NET SALES
NET SALES	\$859,112	100.0%	\$821,734	100.0%
GROSS PROFIT	526,627	61.3%	510,739	62.2%
OPERATING EXPENSE	489,407	57.0%	497,916	60.6%
OTHER OPERATING INCOME, NET	(70)	0.0%	(822)	(0.1)%
OPERATING INCOME	37,290	4.3%	13,645	1.7%
INTEREST EXPENSE, NET	4,571	0.5%	4,609	0.6%
INCOME BEFORE TAXES	32,719	3.8%	9,036	1.1%
TAX EXPENSE	11,670	1.4%	7,241	0.9%
NET INCOME	\$20,508	2.4%	\$1,402	0.2%
NET INCOME PER SHARE				
BASIC	\$0.30		\$0.02	
DILUTED	\$0.30		\$0.02	
WEIGHTED-AVERAGE SHARES OUTSTANDING				
BASIC	68,512		67,975	
DILUTED	69,425		68,277	

\* The Q3 Adjusted P&L Summary for the current and prior periods are presented on an adjusted non-GAAP basis, and excludes the effect of certain items set out on page 5.

# EXCLUDED ITEMS (PRE-TAX)

2017	Q1	Q2	Q3	YEAR TO DATE
LEGAL CHARGES	\$—	\$—	\$11,070	\$11,070
ASSET IMPAIRMENT	—	6,135	3,480	9,615
TOTAL	\$—	\$6,135	\$14,550	\$20,685

2016	Q1	Q2	Q3	YEAR TO DATE
CLAIMS SETTLEMENT BENEFITS	\$—	\$(12,282)	\$—	\$(12,282)
ASSET IMPAIRMENT	—	6,356	—	6,356
INDEMNIFICATION RECOVERY	—	—	(6,000)	(6,000)
TOTAL	\$—	\$(5,926)	\$(6,000)	\$(11,926)

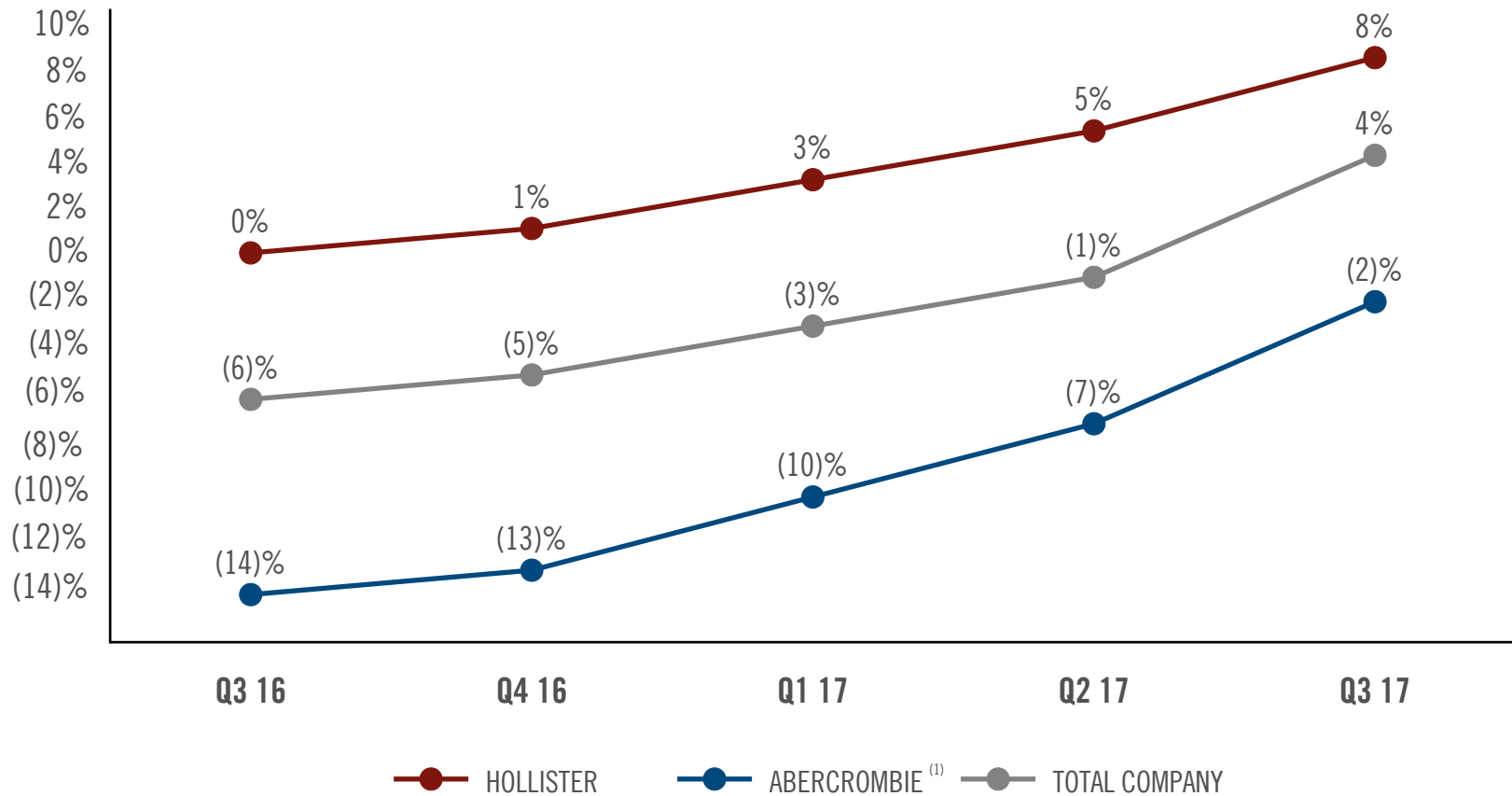
# Q3 2017 COMPARABLE SALES\*

	Q1	Q2	Q3	YTD
<b>TOTAL COMPANY</b>	<b>(3)%</b>	<b>(1)%</b>	<b>4%</b>	<b>0%</b>
<b>BRAND:</b>				
<b>HOLLISTER</b>	<b>3%</b>	<b>5%</b>	<b>8%</b>	<b>6%</b>
<b>ABERCROMBIE <sup>(1)</sup></b>	<b>(10)%</b>	<b>(7)%</b>	<b>(2)%</b>	<b>(6)%</b>
<b>GEOGRAPHY:</b>				
<b>UNITED STATES</b>	<b>(3)%</b>	<b>0%</b>	<b>6%</b>	<b>1%</b>
<b>INTERNATIONAL</b>	<b>(2)%</b>	<b>(1)%</b>	<b>0%</b>	<b>(1)%</b>

\* Comparable sales are calculated on a constant currency basis. Sales include store and DTC sales.

<sup>(1)</sup> Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands.

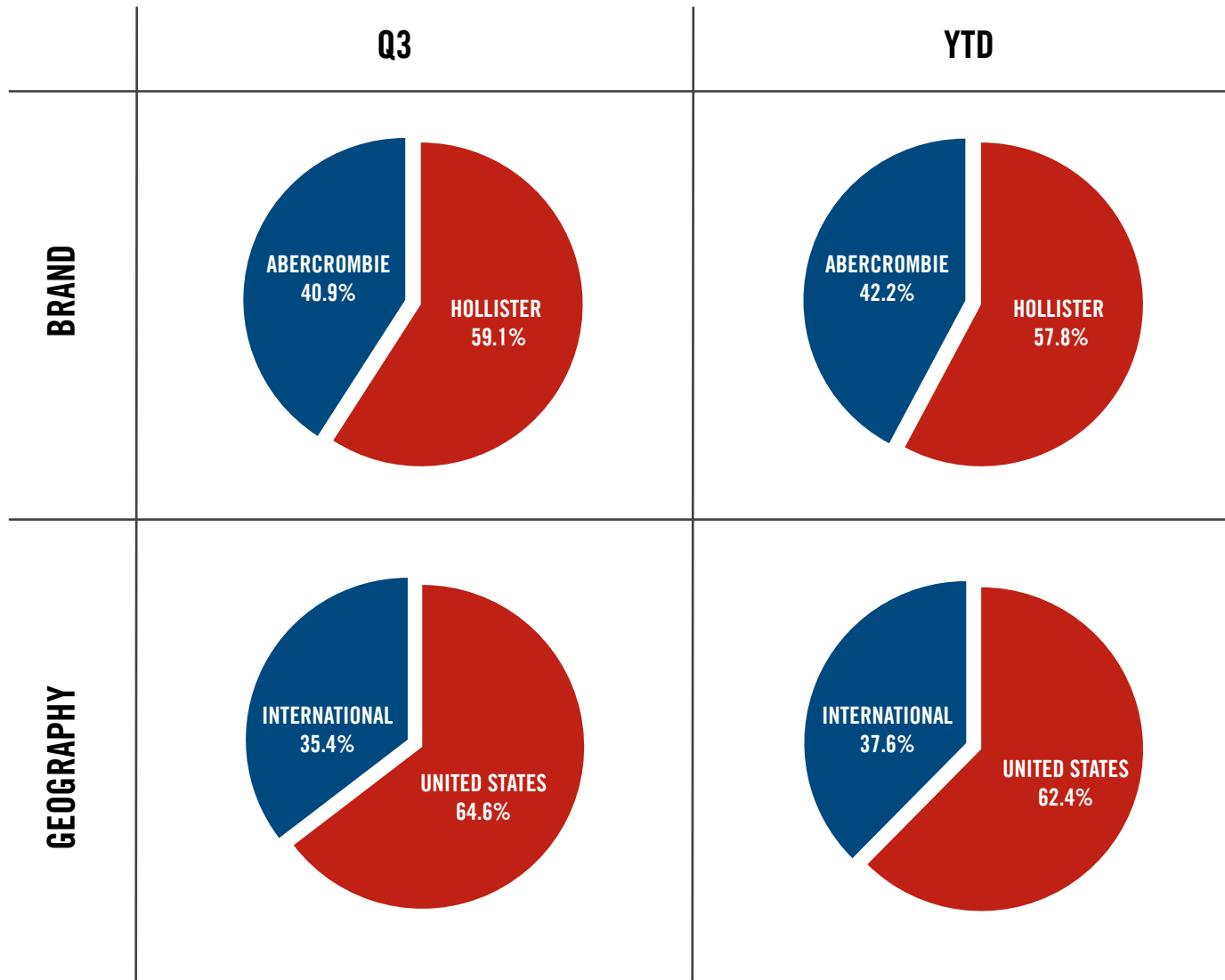
# COMPARABLE SALES TREND BY BRAND\*



\* Comparable sales are calculated on a constant currency basis. Sales include store and DTC sales.

<sup>(1)</sup> Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands.

# Q3 2017 SALES MIX\*



\* Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands.



# Q3 ADJUSTED OPERATING EXPENSE\*

	2017	% OF NET SALES	2016	% OF NET SALES	Δ bps <sup>(3)</sup>
<b>STORE OCCUPANCY <sup>(1)</sup></b>	\$165,911	19.3%	\$172,982	21.1%	(180)
<b>ALL OTHER <sup>(2)</sup></b>	210,033	24.4%	213,627	26.0%	(160)
<b>STORES AND DISTRIBUTION</b>	375,944	43.8%	386,609	47.0%	(320)
<b>MARKETING, GENERAL &amp; ADMINISTRATIVE</b>	113,463	13.2%	111,307	13.5%	(30)
<b>OTHER OPERATING INCOME, NET</b>	(70)	0.0%	(822)	(0.1)%	10
<b>TOTAL</b>	\$489,337	57.0%	\$497,094	60.5%	(350)

\* Q3 Adjusted Operating Expense for the current and prior periods are presented on an adjusted non-GAAP basis, and excludes the effect of certain items set out of page 5.

<sup>(1)</sup> Includes rent, other landlord charges, utilities, depreciation and other occupancy expense.

<sup>(2)</sup> Includes selling payroll, store management and support, other store expense, direct-to-consumer expense, and distribution center costs.

<sup>(3)</sup> Rounded based on reported percentages.

# Q3 STORE OPENINGS

	BRAND	CENTER	CITY	DATE
DOMESTIC	A&F	Westfield Century City	Los Angeles, CA	8/25/2017
OUTLET	A&F	Florentia Village	Tianjin, China	9/22/2017

# Q3 STORE COUNT ACTIVITY

ALL BRANDS	TOTAL	U.S.	CANADA	EUROPE	REST OF WORLD <sup>(3)</sup>
START OF Q3 2017	891	703	18	117	53
OPENINGS	2	1	—	—	1
CLOSINGS	(4)	(4)	—	—	—
END OF Q3 2017	889	700	18	117	54

## HOLLISTER <sup>(1)</sup>

START OF Q3 2017	542	397	11	100	34
OPENINGS	—	—	—	—	—
CLOSINGS	(1)	(1)	—	—	—
END OF Q3 2017	541	396	11	100	34

## ABERCROMBIE <sup>(2)</sup>

START OF Q3 2017	349	306	7	17	19
OPENINGS	2	1	—	—	1
CLOSINGS	(3)	(3)	—	—	—
END OF Q3 2017	348	304	7	17	20

<sup>(1)</sup> Excludes five international franchise stores as of October 28, 2017 and July 29, 2017.

<sup>(2)</sup> Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands. Locations with abercrombie kids carveouts within Abercrombie & Fitch stores are represented as a single store count. Excludes four international franchise stores as of October 28, 2017 and three international franchise stores as of July 29, 2017.

<sup>(3)</sup> Includes 46 stores in Asia and 8 stores in the Middle East.

# OUTLOOK

FOR THE FOURTH QUARTER OF FISCAL 2017, THE COMPANY EXPECTS:

- COMPARABLE SALES TO BE UP LOW-SINGLE DIGITS, AND NET SALES TO BE UP MID- TO HIGH-SINGLE DIGITS, INCLUDING BENEFITS FROM THE 53RD WEEK AND CHANGES IN FOREIGN CURRENCY EXCHANGE RATES
- THE 53RD WEEK TO BENEFIT NET SALES BY APPROXIMATELY \$38 MILLION AND OPERATING INCOME BY APPROXIMATELY \$2 MILLION
- CHANGES IN FOREIGN CURRENCY EXCHANGE RATES TO BENEFIT NET SALES BY APPROXIMATELY \$20 MILLION AND OPERATING INCOME BY APPROXIMATELY \$5 MILLION, NET OF HEDGING
- A GROSS PROFIT RATE DOWN APPROXIMATELY 100 BASIS POINTS TO LAST YEAR'S RATE OF 59.3%, IN LINE WITH THE THIRD QUARTER YEAR-OVER-YEAR DECLINE
- OPERATING EXPENSE, INCLUDING OTHER OPERATING INCOME, TO BE DOWN APPROXIMATELY 1% FROM \$553.7 MILLION LAST YEAR, WITH EXPENSE REDUCTIONS PARTIALLY OFFSET BY INCREASES IN VOLUME-RELATED EXPENSES FROM HIGHER SALES AND THE ADVERSE EFFECT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES
- THE EFFECTIVE TAX RATE TO BE IN THE MID 30S
- A WEIGHTED AVERAGE DILUTED SHARE COUNT OF APPROXIMATELY 70 MILLION SHARES, EXCLUDING THE EFFECT OF POTENTIAL SHARE BUYBACKS

THE COMPANY NOW EXPECTS FULL YEAR CAPITAL EXPENDITURES TO BE APPROXIMATELY \$110 MILLION

EST. 1892

Abercrombie  
& Fitch

NEW YORK