

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

Form 10-K

(Mark One)

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

For the fiscal year ended January 29, 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

(State or other jurisdiction of incorporation or organization)

6301 Fitch Path New Albany Ohio

(Address of principal executive offices)

31-1469076

(I.R.S. Employer Identification No.)

43054

(Zip Code)

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

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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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. 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 during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

Aggregate market value of the Registrant's Class A Common Stock (the only outstanding common equity of the Registrant) held by non-affiliates of the Registrant (for this purpose, executive officers and directors of the Registrant are considered affiliates) as of July 30, 2021: \$2,215,030,905. Number of shares outstanding of the Registrant's common stock as of March 25, 2022: 50,625,727 shares of Class A Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Registrant's definitive proxy statement for the Annual Meeting of Stockholders, scheduled to be held on June 8, 2022, are incorporated by reference into Part III of this Annual Report on Form 10-K. The Registrant expects to file such definitive proxy statement with the Securities and Exchange Commission within 120 days of its fiscal year ended January 29, 2022.

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PART I

Item 1. Business

GENERAL

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 the “Company” and “we”), 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. 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 Consolidated Financial Statements and Notes thereto, as well as the remainder of this Annual Report on Form 10-K, by the calendar year in which the fiscal year commenced. All references herein to the Company’s fiscal years are as follows:

<u>Fiscal year</u>	<u>Year ended/ ending</u>	<u>Number of weeks</u>
Fiscal 2019	February 1, 2020	52
Fiscal 2020	January 30, 2021	52
Fiscal 2021	January 29, 2022	52
Fiscal 2022	January 28, 2023	52

For additional information about the Company’s business, see “[ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS](#),” as well as “[ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA](#),” of this Annual Report on Form 10-K.

Impact of COVID-19

In March 2020, the COVID-19 outbreak was declared to be a global pandemic by the World Health Organization. In response to COVID-19, certain governments imposed travel restrictions and local statutory quarantines and the Company experienced widespread temporary store closures. As of January 29, 2022, all U.S. Company-operated stores were fully open for in-store service; however, temporary store closures have subsequently been mandated in certain parts of the Asia-Pacific (“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.

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 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 emergence of new variants of coronavirus, such as the Delta and Omicron variants, and the availability and acceptance of effective vaccines, boosters or medical treatments. The Company plans to follow the guidance of local governments to evaluate whether future store closures will be necessary.

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.

For further information about COVID-19, refer to “[ITEM 1A. RISK FACTORS](#),” and “[ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS](#),” of this Annual Report on Form 10-K.

BRANDS AND SEGMENT INFORMATION

The Company's brands are as follows:

Brand	Description
Hollister	The quintessential apparel brand of the global Gen Z consumer, Hollister Co. believes in liberating the spirit of an endless summer inside everyone. At Hollister, summer isn't just a season, it's a state of mind. Hollister creates carefree style designed to make everyone feel celebrated and comfortable in their own skin, so they can live in a summer mindset all year long, whatever the season.
Gilly Hicks	At Gilly Hicks, we know everyone has their own unique happy place. We exist to help you find yours. Gilly Hicks focuses on underwear, loungewear and activewear designed to give all Gen Z customers their daily dose of happy.
Social Tourist	Social Tourist is the creative vision of Hollister and social media personalities Charli and Dixie D'Amelio. The lifestyle brand creates trend-forward apparel that allows teens to experiment with their style, while exploring the duality of who they are both on social media and in real life.
Abercrombie & Fitch	Abercrombie & Fitch believes that every day should feel as exceptional as the start of the long weekend. Since 1892, the brand has been a specialty retailer of quality apparel, outerwear and fragrance - designed to inspire our global customers to feel confident, be comfortable and face their Fierce.
abercrombie kids	A global specialty retailer of quality, comfortable, made-to-play favorites, abercrombie kids sees the world through kids' eyes, where play is life and every day is an opportunity to be anything and better everything.

The Company determines its segments after taking into consideration a variety of factors, including its organizational structure and the basis that it uses to allocate resources and assess performance. The Company's two operating segments as of January 29, 2022 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 two operating segments have similar economic characteristics, classes of consumers, products, production and distribution methods, operate in the same regulatory environments, and have been aggregated into one reportable segment. Additional information concerning the Company's segment and geographic information is contained in Note 18, "[SEGMENT REPORTING](#)" of the Notes to Consolidated Financial Statements included in "ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA" of this Annual Report on Form 10-K.

STRATEGY AND KEY BUSINESS PRIORITIES

The Company remains committed to, and confident in, its long-term vision of being a leading digitally-led omnichannel global apparel retailer. The Company continues to evaluate opportunities to make progress against initiatives that support this vision, while balancing the near-term challenges and the continued global uncertainty presented by COVID-19 and the changing global geopolitical environment.

[Navigating COVID-19 and current geopolitical landscape](#)

As discussed above under "[Impact of COVID-19](#)", the Company's progress executing against its key transformation initiatives prior to Fiscal 2020 created the foundation to allow the Company to respond quickly to COVID-19. The Company remains focused on navigating the challenges presented by COVID-19.

The Company continues to monitor the latest developments regarding the ongoing conflict between Russia and Ukraine and the related economic measures taken by the United States, European Union and others. The Company has no associates, stores or direct operations in Russia or Ukraine, and no significant direct exposure to the Russian ruble. The duration and outcome of this conflict, any retaliatory actions taken by Russia and the impact on regional or global economies is unknown, but could have a material adverse effect on our business, financial condition and results of our operations.

[Long-term strategy](#)

The Company remains committed to meeting its customers' needs whenever, wherever and however they choose to shop and works to accomplish this, in a rapidly evolving retail landscape, through the following strategic pillars:

- Inspiring customers;
- Innovating relentlessly; and
- Developing leaders.

The Company continues to evaluate opportunities to make progress on initiatives that position the business for sustainable long-term growth and align with its strategic pillars.

The following priorities serve as a framework for the Company's achievement of its long-term vision of being a leading digitally-led omnichannel global apparel retailer and achieving sustainable long-term operating margin expansion:

- **Transform to a leading digitally-led omnichannel global business model**, by creating best-in-class customer experiences across channels;
- **Continue to make progress against stated transformation initiatives**, including: optimizing global store square footage while remaining opportunistic in global expansion of intimate, omni-enabled store experiences; enhancing digital and omnichannel capabilities; increasing the speed and efficiency of our concept-to-customer product life cycle; and improving customer engagement;
- **Address market opportunities for the Company's brands across Europe and Asia** through the ongoing build-out of the Company's London and Shanghai teams, which are focused on providing localized products, marketing, and the rollout of omni-enabled new store experiences that cater to local customers in under penetrated international markets.;
- **Focus on Gilly Hicks growth** by increasing domestic and international awareness through new store experiences, engaging product launches and thoughtful marketing.
- **Improve customer engagement** by leveraging data and analytics to retrieve timely customer insights that will accelerate responsiveness to customer demands and by introducing additional personalization measures;
- **Attract, retain, and develop the Company's human capital resources** by building upon the strength of its unique culture and by executing against the key initiatives discussed below under "HUMAN CAPITAL MANAGEMENT"; and
- **Integrate environment, social and governance practices and standards** throughout the organization through collaboration with the Company's associates, partners and communities.

OVERVIEW OF OPERATIONS

[Omnichannel initiatives](#)

As customer shopping preferences continue to shift and customers increasingly shop across multiple channels, the Company aims to create best-in-class customer experiences and grow total company profitability by delivering improvements through a continuous test-and-learn approach. Stores were the primary fulfillment point for orders prior to Fiscal 2020. With the impact of the COVID-19 pandemic in Fiscal 2020, the Company experienced an acceleration in sales fulfilled through the digital channel. Despite, this acceleration in channel shift, stores continue to be an important part of the customers' omnichannel experience and the Company believes that the customers' experience is improved by its offering of omnichannel capabilities, which include:

- Purchase-Online-Pickup-in-Store, allowing customers to purchase merchandise through one of the Company's websites or mobile apps and pick-up the merchandise in store, which often drives incremental in-store sales;
- Curbside pickup at a majority of U.S. locations.
- Same-day delivery service across its entire U.S. store fleet. Each brand's website features a "Get It Fast" filter to easily find products that are available, or shoppers can choose the same-day delivery option for available items at checkout.
- Order-in-Store, allowing customers to shop the brands' in-store and online offerings while in-store;
- Reserve-in-Store, allowing customers to reserve merchandise online and try it on in-store before purchase;
- Ship-from-Store, which allows the Company to ship in-store merchandise to customers and increases inventory productivity; and
- Cross-channel returns, allowing customers to return merchandise purchased through one channel to a different channel.

The Company also believes that its loyalty programs, Hollister's Club Cali® and Abercrombie's myAbercrombie®, are important parts of its omnichannel strategy as the Company aims to seamlessly interact and connect with customers across all touchpoints through members-only offers, items and experiences. Under these programs, customers accumulate points primarily based on purchase activity and earn rewards as points are converted at certain thresholds. These rewards can be redeemed for merchandise discounts either in-store or online. The loyalty programs continue to provide timely customer insights and the Company believes these programs contribute to higher average transaction value.

[Digital operations](#)

In order to create a more seamless shopping experience for its customers, the Company continues to invest in its digital infrastructure. The Company has the capability to ship merchandise to customers in more than 110 countries and process transactions in 28 currencies and through 28 forms of payment globally. The Company operates desktop and mobile websites for its brands globally, which are available in various local languages, and four mobile apps. In addition, in its efforts to expand its international brand reach, the Company also partners with certain third-party e-commerce platforms. The Company continues to develop its mobile capabilities as mobile engagement continues to grow, with over 80% of the Company's digital traffic generated from mobile devices in Fiscal 2021.

[Store operations](#)

The Company continues to thoughtfully open new stores and invest in smaller omni-enabled store experiences that align with local customer shopping preferences. New store formats are designed to provide the opportunity for higher productivity in a smaller footprint. During Fiscal 2021, the Company opened 38 new store locations, remodeled two store locations and right-sized an additional five store locations. Hollister and Abercrombie both have stores in updated formats, which are designed to be open and inviting, and include accommodating features such as innovative fitting rooms and omnichannel capabilities. These stores are tailored to reflect the personality of each brand, with unique furniture, fixtures, music and scent adding to a rich brand experience. The Company's stores continue to play an essential role in creating brand awareness serving as physical gateways to the brands. Stores also serve as local hubs for online engagement as the Company continues to grow its omnichannel capabilities to create seamless shopping experiences.

The Company continues to evaluate and manage its store fleet through its ongoing global store network optimization initiative and has taken actions to optimize store productivity by remodeling, right-sizing or relocating stores to smaller square footage locations, and closing legacy stores. As part of this initiative, the Company closed two flagship locations during Fiscal 2021, leaving the Company with five operating flagships at the end of Fiscal 2021, down from seven at the beginning of the year. In addition, the Company closed 42 non-flagship locations, resulting in 44 total store closures during Fiscal 2021. These actions reduced total Company store gross square footage by approximately 0.2 million gross square feet, or 3%, as compared to Fiscal 2020 year-end. The actions taken in Fiscal 2021 continued to transform the Company's operating model and reposition the Company for the future as the Company continues to focus on aligning store square footage with digital penetration.

All of the retail stores operated by the Company, as of January 29, 2022, are located in leased facilities, primarily in shopping centers. These leases generally have initial terms of between five and ten years. Certain leases also include early termination options, which can be exercised under specific conditions. The leases expire at various dates between Fiscal 2022 and Fiscal 2032.

As of January 29, 2022, the Company operated 729 retail stores as detailed in the table below:

	Hollister ⁽¹⁾	Abercrombie ⁽²⁾	Total ⁽³⁾
Europe	109	18	127
Asia	29	21	50
Canada	10	6	16
Middle East	6	6	12
International	154	51	205
United States	351	173	524
Total	505	224	729

⁽¹⁾ Includes the Hollister and Gilly Hicks brands. Locations with Gilly Hicks carveouts within Hollister stores are represented as a single store count. Excludes nine international franchise stores and 14 U.S. Company-operated temporary stores as of January 29, 2022.

⁽²⁾ Includes Abercrombie & Fitch and abercrombie kids brands. Locations with abercrombie kids carveouts within Abercrombie & Fitch stores are represented as a single store count. Excludes 10 international franchise stores and five U.S. Company-operated temporary stores as of January 29, 2022.

⁽³⁾ This store count excludes one international third-party operated multi-brand outlet store as of January 30, 2021.

For store count and gross square footage by brand and geographic region as of January 29, 2022 and January 30, 2021, refer to "[ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.](#)"

[Third-party operations](#)

The Company continues to expand its international brand reach, create brand awareness and develop local expertise through various wholesale, franchise, and licensing arrangements. As of January 29, 2022, the Company had nine wholesale partnerships, primarily internationally. As of January 29, 2022, the Company's franchisees operated 23 international franchise stores across the brands located in Mexico, Qatar and Saudi Arabia.

SOURCING OF MERCHANDISE INVENTORY

The Company works with its network of third-party vendors to supply compelling, on-trend and high-quality product assortments to its customers. These vendors are expected to respect local laws and have committed to follow the standards set forth in the Company's Vendor Code of Conduct, which details the Company's dedication to human rights, labor rights, environmental responsibility and workplace safety.

The Company sourced merchandise through approximately 114 vendors located in 16 countries, including the U.S., during Fiscal 2021. The Company's largest vendor accounted for approximately 14% of merchandise sourced in Fiscal 2021, based on the cost of sourced merchandise. The Company believes its product sourcing is appropriately distributed among vendors.

Refer to Note 6, "[INVENTORIES](#)," for a summary of inventory sourced based on vendor location and dollar cost of merchandise receipts during Fiscal 2021.

DISTRIBUTION OF MERCHANDISE INVENTORY

The Company's distribution network is built to deliver inventory to Company-operated and international franchise stores and fulfill digital and wholesale orders with speed and efficiency. Generally, merchandise is shipped directly from vendors to the Company's distribution centers, where it is received and inspected before being shipped to the Company's stores or its digital or wholesale customers.

The Company relies on both Company-owned and third-party distribution centers to manage the receipt, storage, sorting, packing and distribution of its merchandise. Additional information pertaining to certain of the Company's distribution centers as of January 29, 2022 follows:

<u>Location</u>	<u>Company-owned or third-party</u>
New Albany, Ohio (Primarily serves store and digital operations)	Company-owned
New Albany, Ohio (Serves only digital operations)	Company-owned
Bergen op Zoom, Netherlands	Third-party
Shanghai, China	Third-party

During Fiscal 2021, the Company opened a facility in the Phoenix, Arizona, which replaced the Company's third-party distribution center in Reno, Nevada to increase capacity and improve fulfillment capabilities. The Company primarily used four contract carriers to ship merchandise and related materials to its North American customers, and several contract carriers for its international customers during Fiscal 2021.

COMPETITION

The Company operates in a rapidly evolving and highly competitive retail business environment. Competitors include: individual and chain specialty apparel retailers; local, regional, national and international department stores; discount stores; and online- exclusive businesses. Additionally, the Company competes for consumers' discretionary spend with businesses in other product and experiential categories such as technology, restaurants, travel and media content.

The Company competes primarily on the basis of differentiating its brands from competition through: product, higher quality and increased newness; brand voice, amplifying and consolidating brand messaging; and experience, investing in immersive, participatory omnichannel shopping environments.

Operating in a highly competitive industry environment can cause the Company to engage in greater than expected promotional activity, which would result in pressure on average unit retail and gross profit. Refer to "[ITEM 1A. RISK FACTORS - Our failure to operate in a highly competitive and constantly evolving industry could have a material adverse impact on our business](#)" of this Annual Report on Form 10-K for further discussion of the potential impacts competition may have on the Company.

SEASONAL BUSINESS

Historically, the Company's operations have been seasonal in nature and consist of 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 experiences its greatest sales activity during Fall, due to Back-to-School and Holiday sales periods. Refer to "[ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS](#)" of this Annual Report on Form 10-K for further discussion.

TRADEMARKS

The trademarks Abercrombie & Fitch®, abercrombie®, Hollister®, Gilly Hicks®, Social Tourist® and the “Moose” and “Seagull” logos are registered with the U.S. Patent and Trademark Office and registered, or the Company has applications for registration pending, with the registries of countries in key markets within the Company’s sales and distribution channels. In addition, these trademarks are either registered, or the Company has applications for registration pending, with the registries of many of the foreign countries in which the manufacturers of the Company’s products are located. The Company has also registered, or has applied to register, certain other trademarks in the U.S. and around the world. The Company believes its products are identified by its trademarks and, therefore, its trademarks are of significant value. Each registered trademark has a duration of 10 to 20 years, depending on the date it was registered, and the country in which it is registered, and is subject to an indefinite number of renewals for a like period upon continued use and appropriate application. The Company intends to continue using its core trademarks and to timely renew each of its registered trademarks that remain in use.

INFORMATION SYSTEMS

The Company’s Company-owned and third-party-operated management information systems consist of a full range of retail, merchandising, human resource and financial systems. These systems include applications related to point-of-sale, digital operations, inventory management, supply chain, planning, sourcing, merchandising, payroll, scheduling and financial reporting. The Company continues to invest in technology to upgrade its core systems to create efficiencies and to support its digital operations, omnichannel capabilities, customer relationship management tools and loyalty programs.

WORKING CAPITAL

Refer to “[ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS](#)” of this Annual Report on Form 10-K for a discussion of the Company’s cash requirements and sources of cash available for working capital needs and investment opportunities.

HUMAN CAPITAL MANAGEMENT

The Company strives to create a culture that not only drives strategic and key business priorities forward, but is welcoming, inclusive, diverse and encourages associates to create a positive impact in their global communities. The Company believes that the strength of its unique culture is a competitive advantage, and intends to continue building upon that culture to improve performance across its business. This will become even more important as the Company expands globally and works towards achieving its long-term vision of being a leading digitally-led omnichannel global apparel retailer.

Therefore, the Company believes that the attraction, retention, and management of qualified talent representing diverse backgrounds, experiences, and skill sets - and fostering a diverse, equitable and inclusive work environment - are integral to its success in advancing the Company’s strategies and key business priorities and avoiding disruptions in the business. The Company relies on its associates across the organization, including those at its corporate offices, stores, and distribution centers, as well as their experience and expertise in the retail business. Examples of key initiatives that are intended to attract, retain, and manage the Company’s human capital resources include the following:

- **Offering competitive compensation and benefits**, including cash-based and equity-based incentive awards in order to align the interests of associates and stockholders. Maintaining competitive compensation and benefit programs helps the Company attract, motivate, and retain the key talent necessary to achieve outstanding business and financial results. In 2021, the Company expanded the pool of associates eligible to receive cash-based, performance-based incentive awards to include additional job levels. In addition, the Company continues to evolve its consideration of and approach to work flexibility, including supporting remote work arrangements for key roles and “work from anywhere days and weeks” for our corporate home office associates where feasible.
- **Improving associate engagement** through open communication channels and with a focus on development. The Company regularly holds all-company meetings to communicate with its associates. The Company also collects feedback through various engagement surveys to better understand associate experience and drive improvements, with the most recent organization-wide survey conducted in August 2021.
- **Fostering associate development** by providing a wide variety of growth and development opportunities throughout associates’ careers in order to be able to pivot resources to align with overall corporate strategies when necessary. This includes stretch assignments, internal career pathing, self-awareness exercises, and active coaching. The Company also uses leadership standards to help associates identify the core behaviors essential for their career growth, as well as personal growth, on their journey at the Company.

- **Embracing diversity and inclusion** in all forms, including gender, race, ethnicity, disability, nationality, religion, age, veteran, LGBTQIA+ status, and other factors. The Company continuously reviews representation, pay, and promotion among associates with diverse backgrounds, including those in senior leadership positions. The Company also encourages associates to enhance their understanding of diversity and inclusion through the Company's various associate resource groups, which allow associates from different business functions around the world to discuss relevant topics and help address region-specific needs. Additionally, the Company invests in year-round competency building training for associates on topics of bias, allyship, and advocacy.
- **Encouraging community involvement** by promoting various charitable, philanthropic, and social awareness programs, which fosters a collaborative and rewarding work environment. The Company provides support to global organizations in the form of donations, volunteerism and in-kind support. In partnership with its customers and associates, the Company is proud to support community partners with a focus on youth mental health and wellness, diversity, equity and inclusion and environmental advocacy. The Company supports its associates in giving back to the community through volunteering by offering associates a paid volunteer day each year for eligible volunteer work.
- **Focusing on the health and safety of its associates** by investing in various wellness programs throughout the year that are designed to enhance the physical, financial, and mental well-being of its associates globally. The Company is committed to providing a safe working environment for our people, as well as supporting our people in achieving and maintaining their health and well-being goals. To support this commitment, the Company provides benefits-eligible associates and their families with access to free and confidential counseling through our Employee Assistance Program, as well as free access to Headspace, a mediation and mindfulness app, and also provides regular programming on financial planning and mental health. In response to the ongoing COVID-19 pandemic, we have implemented and continue to implement safety measures in all our facilities to mitigate the spread of COVID-19 and to protect our customers and our store associates, our distribution center associates, and our corporate associates who returned to the office. During Fiscal 2021, certain segments of the Company's corporate associate population continued to work-from-home, and after thoughtful planning and while following appropriate laws and health guidance, the Company implemented phased return-to-office protocols. The Company also provided associates with access to vaccinations by hosting multiple vaccine and booster clinics for global home office and distribution center associates.

The Company employed approximately 31,500 associates globally as of January 29, 2022, of whom approximately 24,500 were part-time associates. As of January 29, 2022, the Company employed approximately 22,800 associates in the U.S., and employed approximately 8,700 associates outside of the U.S. The Company employs temporary, seasonal associates at times, particularly during Fall, when it experiences its greatest sales activity due to Back-to-School and Holiday sales periods.

The number of associates represented by works councils and unions is not significant and is generally limited to associates in the Company's European stores.

[Board oversight](#)

A&F's Board of Directors and its committees also play an integral role in the Company's human capital management. For example, the Environmental, Social and Governance Committee of the Board of Directors oversees the Company's strategies, policies and practices regarding social issues and trends, including diversity and inclusion initiatives, health and safety, human rights, and philanthropy and community investment matters. In addition, among other things, the Compensation and Human Capital Committee of the Board of Directors oversees the Company's overall compensation structure, policies and programs, as well as administration of our cash-based and equity-based performance incentive programs. Members of the Board of Directors also review succession plans for the Company's executive officers and discuss with senior leadership the Company's human capital management strategies, programs, policies and practices, including those relating to organizational structure and key reporting relationships, along with development of strategies and practices relating to recruitment, retention and development of the Company's associates as needed.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The executive officers serve at the pleasure of the Board of Directors of A&F. Set forth below is certain information regarding the executive officers of the Company as of March 25, 2022:

[Fran Horowitz, Chief Executive Officer and Director](#)

Age: 58

Executive Roles:

- Chief Executive Officer, Principal Executive Officer and Director (since February 2017)
- Former President and Chief Merchandising Officer for all brands of the Company (December 2015 - February 2017), former member of the Office of the Chairman of the Company (December 2014 to February 2017) and former Brand President of Hollister (October 2014 - December 2015)
- Former President of Ann Taylor Loft, a division of Ascena Retail Group, Inc., the parent company of specialty retail fashion brands in North America (October 2013 - October 2014)
- Formerly held various roles at Express, Inc., a specialty apparel and accessories retailer of women's and men's merchandise (February 2005 - November 2012), including Executive Vice President of Women's Merchandising and Design (May 2010 - November 2012)
- Formerly held various merchandising roles at Bloomingdale's and various positions at Bergdorf Goodman, Bonwit Teller and Saks Fifth Avenue

Other Leadership Roles:

- Member of the Board of Directors of Conagra Brands, Inc., one of North America's leading branded food companies (July 2021 to present), Audit/Finance Committee
- Member of the Board of Directors of SeriousFun Children's Network, Inc., a non-profit corporation that provides specially-adapted camp experiences for children with serious illnesses and their families, free of charge (since March 2017)
- Member of the Board of Directors of Chief Executives for Corporate Purpose (CECP), a CEO-led coalition that helps companies transform their social strategy by providing customized resources (since October 2019)

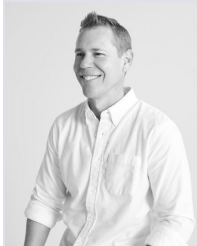


[Scott D. Lipesky, Executive Vice President and Chief Financial Officer](#)

Age: 47

Executive Roles:

- Executive Vice President and Chief Financial Officer of the Company, as well as Principal Financial Officer and Principal Accounting Officer of the Company (since April 2021)
- Senior Vice President and Chief Financial Officer of the Company, as well as Principal Financial Officer and Principal Accounting Officer of the Company (October 2017 - April 2021)
- Prior to rejoining the Company, formerly served as Chief Financial Officer of American Signature, Inc., a privately-held home furnishings company (October 2016 - October 2017)
- Formerly held various leadership roles and finance positions with the Company (November 2007 - October 2016) including: Chief Financial Officer, Hollister Brand (September 2014 - October 2016); Vice President, Merchandise Finance (March 2013 - September 2014); Vice President, Financial Planning and Analysis (November 2012 - March 2013); and Senior Director, Financial Planning and Analysis (November 2010 - November 2012)
- Former Corporate Finance Director with FTI Consulting Inc., a global financial services advisory firm
- Former Director of Corporate Business Development with The Goodyear Tire & Rubber Company
- Formerly held position as a Certified Public Accountant with PricewaterhouseCoopers LLP



[Kristin Scott, President, Global Brands](#)

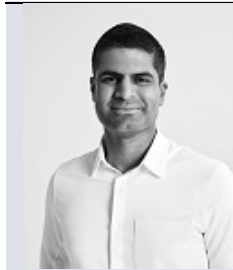
Age: 54

Executive Roles:

- President, Global Brands of the Company (since November 2018)
- Former Brand President of Hollister (August 2016 - November 2018)
- Formerly held senior positions at Victoria's Secret, a specialty retailer of women's intimate and other apparel which sells products at Victoria's Secret stores and online (December 2007 - April 2016), including: Executive Vice President, General Merchandise Manager (March 2013 - April 2016); Senior Vice President, General Merchandise Manager (March 2009 - March 2013); and Senior Vice President, General Merchandise Manager - Stores (December 2007 - March 2009)
- Formerly held various planning and merchandising positions at Gap Inc., Target, and Marshall Fields.



Samir Desai, Executive Vice President, Chief Digital Technology Officer

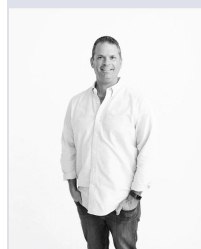


Age: 41

Executive Roles:

- Executive Vice President and Chief Digital and Technology Officer of the Company (since July 2021)
- Formerly held various leadership and technology positions at Equinox Group, a luxury fitness company that operates several lifestyle brands (October 2005 – June 2021), including: Chief Technology Officer (April 2016 – June 2021), Vice President, Technology (April 2013 – April 2016), Senior Director Technology (April 2011 – April 2013), Director Technology (October 2005 – April 2011)
- Formerly held technology roles at Intertex Apparel Group, a manufacturer and importer of branded and private label apparel (July 2002 – October 2005), including Director, Information Technology.

Gregory J. Henchel, Executive Vice President, General Counsel and Corporate Secretary



Age: 54

Executive Roles:

- Executive Vice President, General Counsel and Corporate Secretary of the Company (since October 2021)
- Senior Vice President, General Counsel and Corporate Secretary of the Company (October 2018 - October 2021)
- Former Executive Vice President, Chief Legal Officer and Secretary of HSN, Inc., a \$3+ billion multi-channel retailer (February 2010 - December 2017)
- Former Senior Vice President and General Counsel of Tween Brands, Inc., a specialty retailer (October 2005 - February 2010) and Secretary (August 2008 - February 2010)
- Formerly held various roles at Cardinal Health, Inc., a global medical device, pharmaceutical and healthcare technology company, including Assistant General Counsel (2001 - October 2005), and Senior Litigation Counsel (May 1998 - 2001)
- Formerly held position as a litigation associate with the law firm of Jones Day (September 1993 - May 1998)

GOVERNMENT REGULATIONS

As a global organization, the Company is subject to the laws and regulations of the U.S. and multiple foreign jurisdictions in which it operates. These laws and regulations include, but are not limited to: trade, transportation and logistic laws, including tariffs and import and export regulations; tax laws and regulations; product and consumer safety laws; anti-bribery and corruption laws; employment and labor laws; antitrust or competition laws; data privacy laws; and environmental regulations.

Laws and regulations have had, and may continue to have, a material impact on the Company's operations. In addition, certain governments' responses to COVID-19, such as travel restrictions and local statutory quarantines, negatively impacted the Company's earnings in Fiscal 2021 as is described further within "[ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS](#)" of this Annual Report on Form 10-K.

Refer to "[ITEM 1A. RISK FACTORS](#)," of this Annual Report on Form 10-K for a discussion of the potential impacts regulatory matters may have on the Company in the future, including those related to environmental matters. Compliance with government laws and regulations has not had a material effect on the Company's capital expenditures, earnings or competitive position.

OTHER INFORMATION

A&F makes available free of charge on its website, corporate.bercrombie.com, under the "Investors, Financials, SEC Filings," section, its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after A&F electronically files such material with, or furnishes it to, the Securities and Exchange Commission ("SEC"). A&F also makes available free of charge in the same section of the Company's website the definitive proxy materials filed pursuant to Section 14 of the Exchange Act, as soon as reasonably practicable after the Company electronically files such proxy materials with the SEC. The SEC maintains a website that contains electronic filings by the Company and other issuers at www.sec.gov.

A&F has included certain of its website addresses throughout this filing as textual references only. Information on the A&F websites shall not be deemed incorporated by reference into, and do not form any part of, this Form 10-K or any other report or document that A&F files with or furnish to the SEC.

Item 1A. Risk Factors

FORWARD-LOOKING STATEMENTS AND RISK FACTORS.

We caution that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Annual Report on Form 10-K or made by us, our management or our spokespeople involve risks and uncertainties and are subject to change based on various factors, many of which may be beyond our control. Words such as “guidance,” “outlook,” “estimate,” “project,” “plan,” “believe,” “expect,” “anticipate,” “intend,” “goal,” “should” 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 any forward-looking statements. Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict.

In March 2020, the COVID-19 outbreak was declared to be a global pandemic by the World Health Organization. In response to COVID-19, certain governments imposed travel restrictions and local statutory quarantines and the Company experienced widespread temporary store closures. The Company has seen a direct, material adverse impact to sales and operations as a result of COVID-19. COVID-19 poses various risks to the Company, certain of which are detailed throughout this “ITEM 1A. RISK FACTORS”. Any one of these risks, or a combination of risks, could result in further adverse impacts on the Company’s business, results of operations, financial condition and cash flows. In addition, the following factors, categorized by the primary nature of the associated risk, could affect our financial performance and cause actual results to differ materially from those expressed or implied in any of the forward-looking statements.

Macroeconomic and industry risks include:

- COVID-19 has and may continue to materially adversely impact and cause disruption to our business;
- 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 could have a material adverse impact on our business;
- Failure to engage our customers, anticipate customer demand and changing fashion trends, and manage our inventory commensurately could have a material adverse impact on our business;
- Our failure to operate effectively in a highly competitive and constantly evolving industry could have a material adverse impact on our business;
- Fluctuations in foreign currency exchange rates could have a material adverse impact on our business;
- Our ability to attract customers to our stores depends, in part, on the success of the shopping malls or area attractions that our stores are located in or around;
- The impact of war, acts of terrorism, mass casualty events, social unrest, civil disturbance or disobedience could have a material adverse impact on our business; and
- The impact of extreme weather, infectious disease outbreaks, including COVID-19, and other unexpected events could result in an interruption to our business, as well as to the operations of our third-party partners, and have a material adverse impact on our business.

Strategic risks include:

- Failure to successfully develop an omnichannel shopping experience, a significant component of our growth strategy, or failure to successfully invest in customer, digital and omnichannel initiatives could have a material adverse impact on our business;
- Our failure to optimize our global store network could have a material adverse impact on our business;
- Our failure to execute our international growth strategy successfully and our inability to conduct business in international markets as a result of legal, tax, regulatory, political and economic risks could have a material adverse impact on our business; and
- Our failure to appropriately address emerging environmental, social and governance matters could have a material adverse impact on our reputation and, as a result, our business.

Operational risks include:

- Failure to protect our reputation could have a material adverse impact on our business;
- If our information technology systems are disrupted or cease to operate effectively, it could have a material adverse impact on our business;
- We may be exposed to risks and costs associated with cyber-attacks, data protection, credit card fraud and identity theft that could have a material adverse impact on our business;
- Our reliance on our distribution centers makes us susceptible to disruptions or adverse conditions affecting our supply chain;
- Changes in the cost, availability and quality of raw materials, labor, transportation, and trade relations could have a material adverse impact on our business;
- We depend upon independent third parties for the manufacture and delivery of all our merchandise, and a disruption of the manufacture or delivery of our merchandise could have a material adverse impact on our business;

- We rely on the experience and skills of our executive officers and associates, and the failure to attract or retain this talent, effectively manage succession, and establish a diverse workforce could have a material adverse impact on our business; and
- If we identify a material weakness in our internal control over financial reporting, fail to remediate a material weaknesses, or fail to establish and maintain effective internal control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected.

Legal, tax, regulatory and compliance risks include:

- Fluctuations in our tax obligations and effective tax rate may result in volatility in our results of operations could have a material adverse impact on our business;
- Our litigation and stockholder activism, could have a material adverse impact on our business;
- Failure to adequately protect our trademarks could have a negative impact on our brand image and limit our ability to penetrate new markets which could have a material adverse impact on our business;
- Changes in the regulatory or compliance landscape could have a material adverse impact on our business; and
- The agreements related to our senior secured asset-based revolving credit facility and our senior secured notes include restrictive covenants that limit our flexibility in operating our business and our inability to obtain credit on reasonable terms in the future could have an adverse impact on our business.

The factors listed above are not our only risks. Additional risks may arise, and current evaluations of risks may change, which could lead to material, adverse effects on our business, operating results and financial condition. The following sets forth a description of the preceding risk factors that we believe may be relevant to an understanding of our business. These risk factors could cause actual results to differ materially from those expressed or implied in any of our forward-looking statements.

MACROECONOMIC AND INDUSTRY RISKS.

COVID-19 has and may continue to materially adversely impact and cause disruption to our business.

COVID-19 has had a material adverse effect on our business, including our financial performance and condition, operating results and cash flows, and may continue to materially adversely impact and cause disruption to our business in the future.

As a result of COVID-19, numerous state and local jurisdictions have imposed, and others in the future may impose, shelter-in-place orders, quarantines, executive orders and similar government orders and restrictions for their residents to control the spread of COVID-19. Such orders or restrictions have resulted in temporary store closures, modified store operating hours, a decrease in customer traffic, work stoppages, slowdowns and delays, travel restrictions and cancellation of events, among other effects, thereby negatively impacting our operations. The impact of regulations imposed in the future in response to the pandemic, could, among other things, require that we close our stores or distribution centers or otherwise make it difficult or impossible to operate our business.

Other factors that would negatively impact our ability to successfully operate during the current COVID-19 pandemic include, but are not limited to:

- Our ability to keep our stores open if there is a re-emergence or increase in infection rate;
- Our ability to attract customers to our stores, given the risks, or perceived risks, of gathering in public places;
- Our ability to incentivize and retain associates and to reinstate any furloughed store associates;
- Our ability to obtain rent abatements or enter into rent deferral arrangements with our landlords;
- Our ability to react to changes in anticipated customer demand and manage inventories, which may result in excess inventories;
- Our ability to rely on our distribution centers to manage the receipt, storage, sorting, packing and distribution of our merchandise as the distribution centers are susceptible to local and regional factors, such as system failures, accidents, labor disputes, economic and weather conditions, natural disasters, demographic and population changes;
- Supply chain delays due to closed factories, reduced workforces, scarcity of raw materials and scrutiny, as well as carrier constraints due to an increase in digital sales;
- Fluctuations in the cost, availability and quality of raw materials, as well as costs of labor and transportation;
- A more promotional retail environment or our ability to move existing inventory, may cause us to lower our prices, sell existing inventory at larger discounts than in the past, or write down the value of inventory, and increase the costs and expenses of updating and replacing inventory, negatively impacting our margins;
- Delays in, or our ability to complete, planned store openings on the expected terms or timing, or at all based on shortages in labor and materials and delays in the production and delivery of materials ;
- The deterioration or fluctuations in the economic conditions in the U.S. or international markets, which could have an impact on consumer confidence and discretionary consumer spending;
- Our ability to attract, retain and manage our associates during periods of extended work from home arrangements;
- Associates, whether our own or those of our third-party vendors, working offsite through work from home arrangements may rely on residential communication networks and internet providers and may be more susceptible to service interruptions and cyberattacks, and, this period of uncertainty could result in an increase in phishing and other scams, fraud, money laundering, theft and other criminal activity;
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- Our ability to successfully execute against our international expansion plans;
- Our ability to preserve liquidity to be able to take advantage of market conditions during periods of temporary store closures; and
- Difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets or deterioration in credit and financing conditions may affect our access to capital necessary to fund business operations or address maturing liabilities.

Factors and uncertainties related to future impacts of COVID-19 on our business, include, but are not limited to:

- The severity and duration of the pandemic, including additional periods of increases or spikes in the number of COVID-19 cases, future mutations or variants of the virus in areas in which we operate;
- The availability and acceptance of effective vaccines or medical treatments;
- The nature and size of federal economic stimulus and other governmental efforts;
- The impact of the pandemic on overall customer demand and consumer behaviors as well as its impact on macroeconomic factors such as general economic uncertainty, inflation, unemployment rates, and recessionary pressures; and
- Any unknown consequences on our business performance and initiatives stemming from the substantial investment of time and other resources to the pandemic response.

It is uncertain if and when we will see in-store traffic return to pre-COVID-19 levels in the future. In addition, customers have increasingly relied on technology to shop and to interact with our brands during this unprecedented period and our inability to continue to connect with our customers in this manner going forward could affect our ability to compete and adversely affect our results of operations.

The factors described above may exacerbate other risks within this section of "ITEM 1A. RISK FACTORS". Any future outbreak of any other highly infectious or contagious disease could also have a material adverse impact on our business.

[The impact of war, acts of terrorism, mass casualty events, social unrest, civil disturbance or disobedience could have a material adverse impact on our business](#)

In the past, the impact of war, acts of terrorism, mass casualty events, social unrest, civil disturbance or disobedience and the associated heightened security measures in response to these events have disrupted commerce. Further events of this nature, domestic or abroad, including international and domestic unrest, the on-going hostilities in Ukraine, and in China's Hong Kong Special Administrative Region ("SAR"), may disrupt commerce and undermine consumer confidence and consumer spending by causing a decline in traffic, store closures and a decrease in digital demand adversely affecting our operating results.

Furthermore, the existence or threat of any other unforeseen interruption of commerce, could negatively impact our business by interfering with the availability of raw materials or our ability to obtain merchandise from foreign manufacturers. With a substantial portion of our merchandise being imported from foreign countries, failure to obtain merchandise from our foreign manufacturers or substitute other manufacturers, at similar costs and in a timely manner, could adversely affect our operating results and financial condition.

[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 could have a material adverse impact on our business.](#)

Our business depends on consumer demand for our merchandise. Consumer preferences and discretionary spending habits, including purchases of our merchandise, can be adversely impacted by recessionary periods and other periods where disposable income is adversely affected. Our performance is subject to factors that affect worldwide economic conditions including unemployment, consumer credit availability, consumer debt levels, reductions in net worth based on declines in the financial, residential real estate and mortgage markets, sales and personal income tax rates, fuel and energy prices, global food supplies, interest rates, consumer confidence in future economic and political conditions, consumer perceptions of personal well-being and security, the value of the U.S. Dollar versus foreign currencies and other macroeconomic factors.

Global uncertainty, including the on-going hostilities in Ukraine, has in the past, and could in the future, cause changes in consumer confidence and in consumers' discretionary spending habits globally, resulting in a material adverse effect on our results of operations, liquidity and capital resources.

The economic conditions and factors described above could adversely impact our results of operations, liquidity and capital resources, and may exacerbate other risks within this section of "ITEM 1A. RISK FACTORS". Changes in economic conditions could also impact our ability to fund growth and/or result in our becoming reliant on external financing, the availability and cost of which may be uncertain.

[Failure to engage our customers, anticipate customer demand and changing fashion trends, and manage our inventory commensurately could have a material adverse impact on our business.](#)

Our success largely depends on our ability to anticipate and gauge the fashion preferences of our customers and provide merchandise that satisfies constantly shifting demands in a timely manner. Because we may enter into agreements for the

manufacture and purchase of merchandise well in advance of the applicable selling season, we are vulnerable to changes in consumer preferences and demand, pricing shifts, and the sub-optimal selection and timing of merchandise purchases.

Moreover, there can be no assurance that we will continue to anticipate consumer demands and accurately plan inventory successfully in the future. Changing consumer preferences and fashion trends, whether we are able to anticipate, identify and respond to them or not, could adversely impact our sales. Inventory levels for certain merchandise styles no longer considered to be "on trend" may increase, leading to higher markdowns to sell through excess inventory and, therefore, lower than planned margins. Conversely, if we underestimate consumer demand for our merchandise, or if our manufacturers fail to supply quality products in a timely manner, we may experience inventory shortages, which may negatively impact customer relationships, diminish brand loyalty and result in lost sales.

We could also be at a competitive disadvantage if we are unable to leverage data analytics to retrieve timely, customer insights to appropriately respond to customer demands and improve customer engagement. Any of these events could significantly harm our operating results and financial condition.

In addition to our own execution, we also need to react to factors affecting inventory flow that are outside our control, such as natural disasters or other unforeseen events that may significantly impact anticipated customer demand as we have seen with COVID-19. If we are not able to adjust appropriately to such factors, our inventory management may be affected, which could adversely impact our performance and our reputation.

Our failure to operate effectively in a highly competitive and constantly evolving industry could have a material adverse impact on our business.

The sale of apparel, personal care products and accessories for men, women and kids is a highly competitive business with numerous participants, including individual and chain specialty apparel retailers, local, regional, national and international department stores, discount stores and online-exclusive businesses. Proliferation of the digital channel within the last few years has encouraged the entry of many new competitors and an increase in competition from established companies. These increases in competition could reduce our ability to retain and grow sales, resulting in an adverse impact to our operating results and business.

We also face a variety of challenges in the highly competitive and constantly evolving retail industry, including:

- anticipating and quickly responding to changing consumer shopping preferences better than our competitors;
- maintaining favorable brand recognition;
- marketing our products to consumers in several diverse demographic markets effectively, including through social media platforms which have become increasingly more important in order to stay connected to our customers; as our digital sales penetration has increased.
- retaining customers, including our loyalty club members, and the resulting increased marketing costs to acquire new customers;
- developing innovative, high-quality merchandise in styles that appeal to consumers and in ways that favorably distinguish us from our competitors;
- countering the aggressive pricing and promotional activities of many of our competitors without diminishing the aspirational nature of our brands and brand equity; and
- identifying and assessing disruptive innovation, by existing or new competitors, that could alter the competitive landscape by: improving the customer experience and heightening customer expectations; transforming supply chain and corporate operations through digital technologies and artificial intelligence; and enhancing management decision-making through use of data analytics to develop new, consumer insights.

In addition, in order to compete in this highly competitive and constantly evolving industry, at times, we may launch and/or acquire new brands to expand our portfolio. This could result in significant financial and operational investments that do not provide the anticipated benefits or desired rates of return and there can be no guarantee that pursuing these investments will result in improved operating results.

In light of the competitive challenges we face, we may not be able to compete successfully in the future.

Fluctuations in foreign currency exchange rates could have a material adverse impact on our business.

Due to our international operations, we are exposed to foreign currency exchange rate risk with respect to our sales, profits, assets and liabilities denominated in currencies other than the U.S. dollar. In addition, certain of our subsidiaries transact in currencies other than their functional currency, including intercompany transactions, which results in foreign currency transaction gains or losses. Furthermore, we purchase substantially all of our inventory in U.S. Dollars. As a result, our sales, gross profit and gross profit rate from international operations will be negatively impacted during periods of a strengthened U.S. dollar relative to the functional currencies of our foreign subsidiaries. Additionally, changes in the effectiveness of our hedging instruments may negatively impact our ability to mitigate the risks associated with fluctuations in foreign currency exchange rates.

Fluctuations in foreign currency exchange rates could adversely impact consumer spending, delay or prevent successful penetration into new markets or adversely affect the profitability of our international operations. Certain events, such as the uncertainty as to the on-going hostilities in Ukraine, the ultimate scope and duration of COVID-19, and uncertainty with respect to trade policies, tariffs and government regulations affecting trade between the U.S. and other countries, have increased global economic and political uncertainty in recent years and could result in volatility of foreign currency exchange rates as these events develop. For example, changes in sales assumptions have resulted in changes in the effectiveness to certain of our hedging instruments, and we could see similar impacts in future periods.

Our ability to attract customers to our stores depends, in part, on the success of the shopping malls or area attractions that our stores are located in or around.

Our stores are primarily located in shopping malls and other shopping centers, certain of which had been experiencing declines in customer traffic prior to COVID-19. Our sales at these stores, as well as sales at our flagship locations, are partially dependent upon the volume of traffic in those shopping centers and the surrounding area. Our stores may benefit from the ability of a shopping center's other tenants and area attractions to generate consumer traffic in the vicinity of our stores and the continuing popularity of the shopping center. We cannot control the loss of a significant tenant in a shopping mall or area attraction, the development of new shopping malls in the U.S. or around the world, the availability or cost of appropriate locations or the success of individual shopping malls and there is competition with other retailers for prominent locations.

If the popularity of shopping malls declines among our customers, our sales may decline, and it may be appropriate to exit leases earlier than originally anticipated. In addition, COVID-19 has caused public health officials to recommend precautions to mitigate the spread of the virus, especially when congregating in heavily populated areas, such as shopping malls, and caused us to enact widespread temporary store closures and our landlords to temporarily close certain of the malls in which our stores operate.

While U.S. Company-operated stores were fully open for in-store service, we continue to see temporary reclosures in certain geographic areas as outbreaks of COVID-19 cases continue to occur and localized responses remain unpredictable. Furthermore, declines in traffic beyond our current expectations could result in additional impairment charges. While we were successful in obtaining certain rent abatements and landlord concessions of rent payable as a result of COVID-19 store closures, we may be limited in our ability to obtain rent abatements or landlord concessions of rent otherwise payable going forward.

All of these factors may impact our ability to meet our productivity or our growth objectives for our stores and could have a material adverse impact on our financial condition or results of operations. Part of our future growth is dependent on our ability to operate stores in desirable locations, with capital investment and lease costs providing the opportunity to earn a reasonable return. We cannot be sure when or whether such desirable locations will become available at reasonable costs.

The impact of extreme weather, infectious disease outbreaks, including COVID-19, and other unexpected events could result in an interruption to our business, as well as to the operations of our third-party partners, and have a material adverse impact on our business.

Our retail stores, corporate offices, distribution centers, infrastructure projects and digital operations, as well as the operations of our vendors and manufacturers, are vulnerable to disruption from natural disasters, infectious disease outbreaks and other unexpected events, such as COVID-19. These events could disrupt the operations of our corporate offices, global stores and supply chain and those of our third-party partners, including our vendors and manufacturers. In addition to impacts on global operations, these events could result in the potential loss of customers and revenues due to store closures, delay in merchandise deliveries, reduced consumer confidence or changes in consumers' discretionary spending habits.

These events could reduce the availability and quality of the fabrics or other raw materials used to manufacture our merchandise, which could result in delays in responding to consumer demand leading to the potential loss of customers and revenues or we may incur increased costs to meet demand and may not be able to pass all or a portion of higher costs on to our customers, which could adversely affect our gross margin and results of our operations.

Our business has been materially, adversely impacted by COVID-19. Refer to risk factor "*COVID-19 has and may continue to materially adversely impact and cause disruption to our business.*" included within this section for further discussion of the ongoing impacts and risks related to COVID-19.

Historically, our operations have been seasonal, and extreme weather conditions, including natural disasters, unseasonable weather or changes in weather patterns, may diminish demand for our seasonal merchandise and could also influence consumer preferences and fashion trends, consumer traffic and shopping habits. In addition, to the extent extreme weather causes a physical loss to our stores, distribution centers or offices, we may incur costs that exceed our applicable insurance coverage for any necessary repairs to damages or business disruption.

STRATEGIC RISKS.

Failure to successfully develop an omnichannel shopping experience, a significant component of our growth strategy, or failure to successfully invest in customer, digital and omnichannel initiatives could have a material adverse impact on our business.

As omnichannel retailing continues to grow and evolve, our customers increasingly interact with our brands through a variety of media including smart phones and tablets, and expect seamless integration across all touchpoints. As our success depends on our ability to respond to shifting consumer traffic patterns and engage our customers, we have made significant investments and operational changes to develop our digital and omnichannel capabilities globally, including the development of localized fulfillment, shipping and customer service operations, investments in digital media to attract new customers and the rollout of omnichannel capabilities listed in "[ITEM 1. BUSINESS](#)."

While we must keep up to date with emerging technology trends in the retail environment in order to develop a successful omnichannel shopping experience, it is possible these initiatives may not provide the anticipated benefits or desired rates of return. For example, we could be at a competitive disadvantage if we are unable to leverage data analytics to retrieve timely, customer insights to appropriately respond to customer demands and improve customer engagement across channels.

In addition, digital operations are subject to numerous risks, including reliance on third-party computer hardware/software and service providers, data breaches, violations of laws, including those relating to online privacy, credit card fraud, telecommunication failures, electronic break-ins and similar compromises, and disruption of internet service. Changes in foreign governmental regulations may also negatively impact our ability to deliver product to our customers. Failure to successfully respond to these risks may adversely affect sales as well as damage the reputation of our brands.

Our failure to optimize our global store network could have a material adverse impact on our business.

With the evolution of digital and omnichannel capabilities, customer expectations have shifted and there has been greater pressure for a seamless omnichannel experience across all channels. As a result, global store network optimization is an important part of our business and failure to optimize our global store network could have an adverse impact on our results of operations.

Opportunities to open new stores experiences and modify existing leases requires partnership with our landlords. If our partnerships with our landlords were to deteriorate, this could adversely affect the pace of opening new store experiences and/or lead to an increase in store closures. In addition, if there is an increase in events such as landlord bankruptcies, or mall foreclosures, competition between retailers could increase for remaining suitable store locations. Pursuing the wrong opportunities and any delays, cost increases, disruptions or other uncertainties related to those opportunities could adversely affect our results of operations. If our investments in new stores or remodeling and right-sizing existing stores do not achieve appropriate returns, our financial condition and results of operations could be adversely affected.

Although we attempt to open new stores in prominent locations, it is possible that prominent locations when we opened our stores lose favor. For example, our flagship stores, large-format stores in tourist locations with higher than average construction and operating costs, were initially successful upon opening, but are now outdated and, in the aggregate, have a disproportionate adverse impact on operating results. The cost involved to modernize many of these flagship stores is significant and oftentimes without promise of a return. As a result, we may elect to exit these leases and other of our store leases earlier than originally anticipated, or modify the leases, which could result in material incremental charges.

Our failure to execute our international growth strategy successfully and our inability to conduct business in international markets as a result of legal, tax, regulatory, political and economic risks could have a material adverse impact on our business.

International expansion is a significant component of our growth strategy and may require significant investment, which could strain our resources and adversely impact current store performance, while adding complexity to our current operations.

Operational issues that could have a material adverse effect on our reputation, business and results of operations if we fail to address them include, but are not limited to, the following:

- address the different operational characteristics present in each country in which we operate, including employment and labor, transportation, logistics, real estate, lease provisions and local reporting or legal requirements;
- support global growth by successfully implementing local customer and product-facing teams and certain corporate support functions at our regional headquarters located in Shanghai, China and London, United Kingdom;
- hire, train and retain qualified personnel;
- maintain good relations with individual associates and groups of associates;
- avoid work stoppages or other labor-related issues in our European stores where associates are represented by workers' councils and unions;
- retain acceptance from foreign customers;
- manage inventory effectively to meet the needs of existing stores on a timely basis; and
- manage foreign currency exchange rate risks effectively.

We are subject to domestic laws, including the Foreign Corrupt Practices Act, in addition to the laws of the foreign countries in which we operate. If any of our overseas operations, or our associates or agents, violate such laws, we could become subject to sanctions or other penalties that could negatively affect our reputation, business and operating results.

In addition, there continues to be global uncertainty, such as the uncertainty as to the on-going hostilities in Ukraine, and uncertainty with respect to trade policies, tariffs and government regulations affecting trade between the U.S. and other countries, and similar events of global unrest. These events have increased global economic and political uncertainty in recent years and could affect our international expansion plans.

Our failure to appropriately address emerging environmental, social and governance matters could have a material adverse impact on our reputation and, as a result, our business.

There is an increased focus from certain investors, customers, associates, business partners and other stakeholders concerning environmental, social and governance matters.

The expectations related to environmental, social and governance matters are rapidly evolving, and from time to time, we announce certain initiatives and goals, related to environmental, social or governmental matters, such as those through our participation in the United Nations Global Compact. We could fail, or be perceived to fail to act responsibly, in our environmental, social and governance efforts, or we could fail in accurately reporting our progress on such initiatives and goals. In addition, we could be criticized for the scope of such initiatives or goals. As a result, we could suffer negative publicity and our reputation could be adversely impacted, which in turn could have a negative impact on investor perception and our products' acceptance by consumers. This may also impact our ability to attract and retain talent to compete in the marketplace.

There is also uncertainty regarding potential policies related to global environmental sustainability matters. Changes in the legal or regulatory environment affecting responsible sourcing, supply chain transparency, or environmental protection, among others, including regulations to limit carbon dioxide and other greenhouse gas emissions, to discourage the use of plastic or to limit or to impose additional costs on commercial water use may result in increased compliance costs for us and our business partners, all of which may negatively impact our results of operations, financial condition and cash flows.

OPERATIONAL RISKS.

Failure to protect our reputation could have a material adverse impact on our business.

Our ability to maintain our reputation is critical and public perception about our products or operations, whether justified or not, could impair our reputation, involve us in litigation, damage our brands and have a material adverse impact on our business.

Events that could jeopardize our reputation, include, but are not limited to, the following:

- We fail to maintain high standards for merchandise quality and integrity;
- We fall victim to a cyber-attack, resulting in customer data being compromised;
- We fail to comply with ethical, social, product, labor, health and safety, legal, accounting or environmental standards, or related political considerations;
- Our associates' actions don't align with our values and fail to comply with our Associate Code of Conduct;
- Third parties with which we have a business relationship, including our brand representatives and influencer network, fail to represent our brands in a manner consistent with our brand image or act in a way that harms their reputation; and

- Third-party vendors fail to comply with our Vendor Code of Conduct or any third parties with which we have a business relationship with fail to represent our brands in a manner consistent with our brand image.

Our position or perceived lack of position on environmental, social, governance, public policy or other similar issues and any perceived lack of transparency about those matters could also harm our reputation with consumers or investors.

In addition, in recent years there has been increase in media platforms, and in particular, social media and our use of social media platforms is an important element of our omnichannel marketing efforts. For example, we maintain various social media accounts for our brands, including Instagram, TikTok, Facebook, Twitter and Pinterest accounts. Negative publicity or actions taken by individuals that we partner with, such as brand representatives, influencers or our associates, that fail to represent our brands in a manner consistent with our brand image or act in a way that harms their reputation, whether through our social media platforms or their own, could harm our brand reputation and materially impact our business. Social media also allows for anyone to provide public feedback that could influence perceptions of our brands and reduce demand for our merchandise.

Damage to our reputation and loss of consumer confidence for these or any other reasons could lead to adverse consumer actions, including boycotts, negative impacts on investor perception and could impact our ability to attract and retain the talent necessary to compete in the marketplace, all of which could have a material adverse impact on our business, as well as require additional resources to rebuild our reputation.

If our information technology systems are disrupted or cease to operate effectively, it could have a material adverse impact on our business.

We rely heavily on our information technology systems in both our customer-facing and corporate operations to: operate our websites and mobile apps; record and process transactions; respond to customer inquiries; manage inventory; purchase, sell and ship merchandise on a timely basis; maintain cost-efficient operations; create a customer relationship management database through our loyalty programs; and complete other customer-facing and business objectives. Given the significant number of transactions that are completed annually, it is vital to maintain constant operation of our computer hardware, telecommunication systems and software systems, and maintain data security. Despite efforts to prevent such an occurrence, our information technology systems may be vulnerable from time to time to damage or interruption from computer viruses, power system failures, third-party intrusions, inadvertent or intentional breach by our associates or third-party service providers, and other technical malfunctions. If our systems are damaged, fail to function properly, or are obsolete in comparison to those of our competition, we may have to make monetary investments to repair or replace the systems and we could endure delays in our operations. We have made and expect to continue to make significant monetary investments and devote significant attention to modernizing our core systems, and the effectiveness of these investments can be less predictable than others and may fail to provide the expected benefits.

While we regularly evaluate our information technology systems and requirements, we are aware of the inherent risks associated with replacing and modifying these systems, including inaccurate system information, system disruptions and user acceptance and understanding. Any material disruption or slowdown of our systems, including a disruption or slowdown caused by our failure to successfully upgrade our systems could cause information to be lost or delayed, including data related to customer orders. Such a loss or delay, especially if the disruption or slowdown occurred during our peak selling seasons, could have a material adverse effect on our results of operations.

We may be exposed to risks and costs associated with cyber-attacks, data protection, credit card fraud and identity theft that could have a material adverse impact on our business.

In the standard course of business, we receive and maintain confidential information about customers, associates and other third parties. In addition, third parties also receive and maintain certain confidential information. The protection of this information is critical to our business and subjects us to numerous laws, rules and regulations domestically and in foreign jurisdictions. The retail industry in particular has been the target of many cyber-attacks and it is possible that an individual or group could defeat our security measures, or those of a third-party service provider, and access confidential information about our business, customers and associates. Further, like other companies in the retail industry, during the ordinary course of business, we and our vendors have in the past experienced, and we expect to continue to experience, cyber-attacks of varying degrees and types, including phishing, and other attempts to breach, or gain unauthorized access to, our systems. In addition, recent sanctions issued by the U.S. government related to the on-going hostilities in Ukraine, could increase the risk of retaliatory state-sponsored cyber-attacks, phishing and other scams, fraud, money laundering, theft and other criminal activity. To date, these attacks have not had a material impact on our operations, but we cannot provide assurance that cyber attacks will not have a material impact in the future.

We have experienced, and expect to continue to experience increased costs associated with protecting confidential information through the implementation of security technologies, processes and procedures, including training programs for associates to raise awareness about phishing, malware and other cyber risks, especially as we implement new technologies, such as new payment capabilities or updates to our mobile apps and websites. Additionally, the techniques and sophistication used to conduct cyber-attacks and breaches of information technology systems change frequently and increase in complexity and are often not recognized until such attacks are launched or have been in place for a period of time. We may not have the resources or technical sophistication to anticipate, prevent, or immediately identify and remediate cyber-attacks.

Furthermore, the global regulatory environment is increasingly complex and demanding with frequent new and changing requirements surrounding , information security and privacy, including the China Cybersecurity Law, the California Consumer Privacy Act, and the European Union's General Data Protection Regulation. We may incur significant costs related to compliance with these laws and failure to comply with these regulatory standards, and others, could have a material adverse impact on our business.

In addition, as a result of COVID-19, a portion of our corporate associate population continues to work-from-home on a full or part-time basis. We have also implemented a flexible work policy allowing all of our corporate associates to work remotely from time to time, as have certain of our third-party vendors. Offsite working by associates, increased use of public Wi-Fi, and use of office equipment off premises may be necessary, and may make our business more vulnerable to cybersecurity breach attempts, phishing and other scams, fraud, money laundering, theft and other criminal activity.

If we, or a third-party partner, were to fall victim to a successful cyber-attack, suffer intentional or unintentional data and security breaches by associates or third-parties, it could have a material adverse impact on our business, especially an event that compromises customer data or results in the unauthorized release of confidential business or customer information. In addition, if we are unable to avert a denial of service attack that renders our site inoperable, it could result in negative consequences, such as lost sales and customer dissatisfaction. Additional negative consequences that could result from these and similar events may include, but are not limited to:

- remediation costs, such as liability for stolen assets or information, potential legal settlements to affected parties, repairs of system damage, and incentives to customers or business partners in an effort to maintain relationships after an attack;
- increased cybersecurity protection costs, which may include the costs of making organizational changes, deploying additional personnel and protection technologies, training associates, and engaging third party experts and consultants;
- lost revenues resulting from the unauthorized use of proprietary information or the failure to retain or attract customers following an attack;
- litigation and legal risks, including costs of litigation and regulatory, fines, penalties or actions by domestic or international governmental authorities;
- increased insurance premiums;
- reputational damage that adversely affects customer or investor confidence; and
- damage to the Company's competitiveness, stock price, and long-term shareholder value.

Although we maintain cybersecurity insurance, there can be no assurance that it will be sufficient for a specific cyber incident, or that insurance proceeds will be paid to us in a timely fashion.

Our reliance on our distribution centers makes us susceptible to disruptions or adverse conditions affecting our supply chain.

Our distribution center operations are susceptible to local and regional factors, such as system failures, accidents, labor disputes, economic and weather conditions, natural disasters, demographic and population changes, as well as other unforeseen events and circumstances, such as COVID-19. We rely on our distribution centers to manage the receipt, storage, sorting, packing and distribution of our merchandise. If our distribution centers are not adequate to support our operations, including as a result of capacity constraints in response to an increase in digital sales, we could experience adverse impacts such as shipping delays and customer dissatisfaction. In addition, if our distribution operations were disrupted, and we were unable to relocate operations or find other property adequate for conducting business, our ability to replace inventory in our stores and process digital and third-party orders could be interrupted, potentially resulting in adverse impacts to sales or increased costs. Refer to "[ITEM 1. BUSINESS](#)," for a listing of certain distribution centers on which we utilize.

Changes in the cost, availability and quality of raw materials, labor, transportation, and trade relations could have a material adverse impact on our business.

Changes in the cost, availability and quality of the fabrics or other raw materials used to manufacture our merchandise and fluctuations in the cost of transportation could have a material adverse effect on our cost of sales, or our ability to meet customer demand. The prices for such fabrics depend largely on the market prices for the raw materials used to produce them, particularly cotton, as well as the cost of compliance with sourcing laws. The price and availability of such raw materials may fluctuate significantly, depending on many factors, including crop yields, weather patterns and other unforeseen events.

In addition, we have experienced increasing wage pressures in recent years related to the cost of labor at our third-party manufacturers, at our distribution centers and at our stores. For example, recent government initiatives in the U.S. or changes to existing laws, such as the adoption and implementation of national, state, or local government proposals relating to increases in minimum wage rates, may increase our costs of doing business and adversely affect our results of operations. We may not be able to pass all or a portion of higher labor costs on to our customers, which could adversely affect our gross margin and results of operations.

We primarily used four contract carriers to ship merchandise and related materials to our North American customers, and several contract carriers for our international customers. If the shipping operations of these third-parties were disrupted, and we are

unable to respond in a quick and efficient manner, our ability to replace inventory in our stores and process digital and third-party orders could be interrupted, potentially resulting in adverse impacts to sales or increased costs.

In addition, there continues to be global uncertainty, such as to the on-going hostilities in Ukraine, the ultimate impact of uncertainty with respect to trade policies, tariffs and government regulations affecting trade between the U.S. and other countries, and similar events of global, political unrest. These events have increased global uncertainty and have impacted and may in the future impact the cost, availability and quality of merchandise, as well as the cost, availability and quality of the fabrics or other raw materials used to manufacture our merchandise.

In addition, compliance with the recent sanctions and customs trade orders issued by the U.S. government related to the on-going hostilities in Ukraine, entities and individuals who are connected to the China's Xinjiang Uyghur Autonomous Region, could affect the global supply chain and the price of cotton in the marketplace. We may face regulatory challenges in complying with applicable sanctions and trade regulations and reputational challenges with our consumers and other stakeholders if we are unable to sufficiently verify the origins for the material sourced.

We may not be able to pass all or a portion of higher raw materials prices or labor or transportation costs on to our customers, which could adversely affect our gross margin and results of operations. Such factors listed above may be exacerbated by legislation and regulations associated with global trade policies and climate change.

We depend upon independent third parties for the manufacture and delivery of all our merchandise, and a disruption of the manufacture or delivery of our merchandise could have a material adverse impact on our business.

We do not own or operate any manufacturing facilities. As a result, the continued success of our operations is tied to our timely receipt of quality merchandise from third-party manufacturers. We source the majority of our merchandise outside of the U.S. through arrangements with approximately 114 vendors, primarily located in southeast Asia. Political, social or economic instability in the regions in which our manufacturers are located could cause disruptions in trade, including exports to the U.S. In addition, the inability of vendors to access liquidity, or the insolvency of vendors, could lead to their failure to deliver merchandise to us. A manufacturer's inability to ship orders in a timely manner or meet our quality standards could cause delays in responding to consumer demand and negatively affect consumer confidence or negatively impact our competitive position, any of which could have a material adverse effect on our financial condition and results of operations.

All factories that we partner with are contractually required to adhere to the Company's Vendor Code of Conduct, go through social audits which include on-site walk-throughs to appraise the physical working conditions and health and safety practices, and review payroll and age documentation. If our factories are unwilling or not able to meet the standards set forth within the Company's Vendor Code of Conduct, it could limit the options available to us and could result in an increase of costs of manufacturing, which we may not be able to pass on to our customers.

Other events that could disrupt the timely delivery of our merchandise include new trade law provisions or regulations, reliance on a limited number of shipping carriers and associated alliances, weather events, significant labor disputes, port congestion and other unexpected events, such as COVID-19. Furthermore, we are susceptible to increases in fuel costs which may increase the cost of distribution. If we are not able to pass this cost on to our customers, our financial condition and results of operations could be adversely affected.

We rely on the experience and skills of our executive officers and associates, and the failure to attract or retain this talent, effectively manage succession, and establish a diverse workforce could have a material adverse impact on our business.

Our ability to succeed may be adversely impacted if we are not able to attract, retain and develop talent and future leaders, including our executive officers. We believe that the attraction, retention and management of qualified talent is integral to our success in advancing our strategies and key business priorities and avoiding disruptions in our business. We rely on our associates across the organization, including those at our corporate offices, stores and distribution centers, as well as their experience and expertise in the retail business.

Our executive officers closely supervise all aspects of our operations, including the design of our merchandise, have substantial experience and expertise in the retail business and have an integral role in the growth and success of our brands. If we were to lose the benefit of the involvement of executives or other personnel, without adequate succession plans, our business could be adversely affected.

In addition, if we are unable to attract and retain talent at the associate level without adequate succession plans, our business could be adversely impacted as competition for such qualified talent is intense, and we cannot be sure we will be able to attract, retain and develop a sufficient number of qualified individuals in future periods. For example, as automation, artificial intelligence and similar technological advancements continue to evolve, we may need to compete for talent that is familiar with these advancements in technologies in order to compete effectively with our industry peers. If we are not successful in these efforts, our business may be adversely affected.

If we are not successful in these efforts or fail to successfully execute against the key initiatives that are focused on attracting, retaining and managing our human capital resources listed in "[ITEM 1. BUSINESS](#)," our business could be adversely impacted.

If we identify a material weakness in our internal control over financial reporting, fail to remediate a material weaknesses, or fail to establish and maintain effective internal control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected.

The effectiveness of any controls or procedures is subject to certain inherent limitations, and as a result, there can be no assurance that our controls and procedures will prevent or detect misstatements. Even an effective system of internal control over financial reporting will provide only reasonable, not absolute, assurance with respect to financial statement preparation. Also, projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

If we fail to remediate a material weakness, or are otherwise unable to maintain effective internal control over financial reporting, management could be required to expend significant resources and we could fail to meet our public reporting requirements on a timely basis, and be subject to fines, penalties, investigations or judgements, all of which could negatively affect investor confidence and adversely impact our stock price.

LEGAL, TAX, REGULATORY AND COMPLIANCE RISKS.

Fluctuations in our tax obligations and effective tax rate may result in volatility in our results of operations could have a material adverse impact on our business.

We are subject to income taxes in many U.S. and foreign jurisdictions. In addition, our products are subject to import and excise duties and/or sales, consumption or value-added taxes ("VAT") in many jurisdictions. We record tax expense based on our estimates of future payments, which include reserves for estimates of probable settlements of foreign and domestic tax audits. At any time, many tax years are subject to audit by various taxing jurisdictions. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these issues. As a result, we expect that throughout the year, there could be ongoing variability in our quarterly tax rates as taxable events occur and exposures are evaluated. In addition, our effective tax rate in any given financial reporting period may be materially impacted by changes in the mix and level of earnings or losses by taxing jurisdictions or by changes to existing accounting rules or regulations. Fluctuations in duties could also have a material impact on our financial condition, results of operations or cash flows.

In some international markets, we are required to hold and submit VAT to the appropriate local tax authorities. Failure to correctly calculate or submit the appropriate amounts could subject us to substantial fines and penalties that could have an adverse effect on our financial condition, results of operations or cash flows.

The Organization for Economic Co-operation and Development, along with members of its inclusive framework, have through the Base Erosion and Profit Shifting project, proposed changes to numerous long-standing tax principles. These proposals, if finalized and adopted by the associated countries, will likely increase tax complexity, and may both create uncertainty and adversely affect our provision for income taxes.

In the U.S. the Administration along with some members in Congress have made various tax proposals including an increase in the U.S. corporate income tax rate, an increase in the rate of tax on certain earnings of foreign subsidiaries, a minimum tax on worldwide book income, changes to the deductibility of interest, among other proposals. If any or all of these (or similar) proposals are ultimately enacted into law, in whole or in part, they could have a negative impact to our effective tax rate.

In the past, tax law has been enacted, domestically and abroad, impacting our current or future tax structure and effective tax rate, such as the Swiss Tax Reform discussed further in Note 12, "[INCOME TAXES](#)." Tax law may be enacted in the future, domestically or abroad, that impacts our current or future tax structure and effective tax rate.

Our litigation and stockholder activism, could have a material adverse impact on our business.

We, along with third parties we do business with, are involved, from time to time, in litigation arising in the ordinary course of business. Litigation matters may include, but are not limited to, contract disputes, employment-related actions, labor relations, commercial litigation, intellectual property rights, product safety, environmental matters and shareholder actions.

Litigation, in general, may be expensive and disruptive. We cannot predict with certainty the outcomes of these legal proceedings and other contingencies, and the costs incurred in litigation can be substantial, regardless of the outcome. Substantial unanticipated verdicts, fines and rulings do sometimes occur. As a result, we could from time to time incur judgments, enter into settlements or revise our expectations regarding the outcome of certain matters, and such developments could have a material adverse effect on our results of operations in the period in which the amounts are accrued and/or our cash flows in the period in which the amounts are paid. The outcome of some of these legal proceedings and other contingencies could require us to take, or refrain from taking, actions which could negatively affect our operations and, depending on the nature of the allegations, could negatively impact our reputation. Additionally, defending against these legal proceedings may involve significant expense and diversion of management's attention and resources.

Stockholder activism, which could take many forms or arise in a variety of situations, remains popular with many public investors. Due to the potential volatility of our stock price and for a variety of other reasons, we may become the target of securities litigation or stockholder activism. Responding to stockholder activists campaigns may involve significant expense and diversion of management's attention and resources without yielding any improvement in our results of operations or financial condition.

[Failure to adequately protect our trademarks could have a negative impact on our brand image and limit our ability to penetrate new markets which could have a material adverse impact on our business.](#)

We believe our core trademarks, Abercrombie & Fitch®, abercrombie®, Hollister®, Gilly Hicks®, Social Tourist® and the "Moose" and "Seagull" logos, are essential to the effective implementation of our strategy. We have obtained or applied for federal registration of these trademarks with the U.S. Patent and Trademark Office and the registries of countries in key markets within the Company's sales and distribution channels. In addition, these trademarks are either registered, or the Company has applications for registration pending, with the registries of many of the foreign countries in which the manufacturers of the Company's products are located. There can be no assurance that we will obtain registrations that have been applied for or that the registrations we obtain will prevent the imitation of our products or infringement of our intellectual property rights by others. Although brand security initiatives are in place, we cannot guarantee that our efforts against the counterfeiting of our brands will be successful. If a third party copies our products in a manner that projects lesser quality or carries a negative connotation, our brand image could be materially adversely affected.

Because we have not yet registered all of our trademarks in all categories, or in all foreign countries in which we source or offer our merchandise now, or may in the future, our international expansion and our merchandising of products using these marks could be limited. The pending applications for international registration of various trademarks could be challenged or rejected in those countries because third parties of whom we are not currently aware have already registered similar marks in those countries. Accordingly, it may be possible, in those foreign countries where the status of various applications is pending or unclear, for a third-party owner of the national trademark registration for a similar mark to prohibit the manufacture, sale or exportation of branded goods in or from that country. Failure to register our trademarks or purchase or license the right to use our trademarks or logos in these jurisdictions could limit our ability to obtain supplies from, or manufacture in, less costly markets or penetrate new markets should our business plan include selling our merchandise in those non-U.S. jurisdictions.

Additionally, if a third party claims to have licensing rights with respect to merchandise we have produced or purchased from a vendor, we may be obligated to remove this merchandise from our inventory offering and incur related costs, and could be subject to liability under various civil and criminal causes of action, including actions to recover unpaid royalties and other damages.

[Changes in the regulatory or compliance landscape could have a material adverse impact on our business.](#)

We are subject to numerous laws and regulations, including customs, truth-in-advertising, securities laws, consumer protection, general privacy, health information privacy, identity theft, online privacy, general employment laws, employee health and safety, minimum wage laws, unsolicited commercial communication and zoning and occupancy laws and ordinances that regulate retailers generally and/or govern the importation, intellectual property, promotion and sale of merchandise and the operation of retail stores, digital operations and distribution centers. If these laws and regulations were to change, or were violated by our management, associates, suppliers, vendors or other parties with whom we do business, the costs of certain merchandise could increase, or we could experience delays in shipments of our merchandise, be subject to fines or penalties, temporary or permanent store closures, increased regulatory scrutiny or suffer reputational harm, which could reduce demand for our merchandise and adversely affect our business and results of operations. Any changes in regulations, the imposition of additional regulations, or the enactment of any new or more stringent legislation including the areas referenced above, could adversely affect our business and results of operations.

Laws and regulations at the local, state, federal and various international levels frequently change, and the ultimate cost of compliance cannot be precisely estimated. Changes in the legal or regulatory environment affecting responsible sourcing, supply chain transparency, or environmental protection, among others, may result in increased compliance costs for us and our business partners.

In addition, we are subject to a variety of regulatory, reporting requirements, including, but not limited to, those related to corporate governance and public disclosure. Stockholder activism, the current political environment, financial reform legislation, government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations. New requirements or changes in current regulatory reporting requirements may introduce additional complexities, lead to additional compliance costs, divert management's time and attention from strategic business activities, and could have a significant effect on our reported results for the affected periods. Failure to comply with such regulations could result in fines, penalties, or lawsuits and could have a material adverse impact on our business.

The agreements related to our senior secured asset-based revolving credit facility and our senior secured notes include restrictive covenants that limit our flexibility in operating our business and our inability to obtain credit on reasonable terms in the future could have an adverse impact on our business.

Our senior secured asset-based revolving credit agreement, as amended (the “ABL Facility”), expires on April 29, 2026 and our senior secured notes, which have a fixed 8.75% interest rate, will mature on July 15, 2025 (the “Senior Secured Notes”). Both our ABL Facility and the indenture governing our Senior Secured Notes contain restrictive covenants that, subject to specified exemptions, restrict, among other things, the following: our ability to incur, assume or guarantee additional indebtedness; grant or incur liens; sell or otherwise dispose of assets, including capital stock of subsidiaries; make investments in certain subsidiaries; pay dividends or make distributions on our capital stock; redeem or repurchase capital stock; change the nature of our business; and consolidate or merge with or into, or sell substantially all of our assets to another entity.

If an event of default occurs, any outstanding obligations under the Senior Secured Notes and the ABL Facility could be declared immediately due and payable or the lenders could foreclose on or exercise other remedies with respect to the assets securing the indebtedness under the Senior Secured Notes and the ABL Facility. In addition, there is no assurance that we would have the cash resources available to repay such accelerated obligations. In addition, the Senior Secured Notes and ABL Facility are secured by certain of our real property, inventory, intellectual property, general intangibles and receivables, among other things, and lenders may exercise remedies against the collateral in the event of our default.

We have, and expect to continue to have, a level of indebtedness. In addition, we may, from time to time, incur additional indebtedness. We may need to refinance all or a portion of our existing indebtedness before maturity, including the Senior Secured Notes, and any indebtedness under the ABL Facility. There can be no assurance that we would be able to obtain sufficient funds to enable us to repay or refinance our debt obligations on commercially reasonable terms, or at all. Changes in market conditions could potentially impact the size and terms of a replacement facility or facilities in the future. The inability to obtain credit on commercially reasonable terms in the future could adversely impact our liquidity and results of operations as well as limit our ability to take advantage of business opportunities that may arise.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The Company's global headquarters is located on a campus-like setting in New Albany, Ohio, which is owned by the Company. The Company also leases property for its regional headquarters located in London, United Kingdom and Shanghai, China. In addition, the Company owns or leases facilities both domestically and internationally to support the Company's operations, such as its distribution centers and various support centers.

The Company does not believe any individual regional headquarters, distribution center or support center lease is material as, if necessary or desirable to relocate an operation, other suitable property could be found. These properties are utilized by both of the Company's operating segments, and are currently suitable and adequate for conducting the Company's business.

As of January 29, 2022, the Company operated 729 retail stores across its brands. The Company does not believe that any individual store lease is material; however, certain geographic areas may have a higher concentration of store locations.

Item 3. Legal Proceedings

For information regarding legal proceedings, see Note 20 "[CONTINGENCIES](#)", to the Consolidated Financial Statements included in this Annual report on Form 10-K. The Company's accrued charges for certain legal contingencies are classified within accrued expenses on the Consolidated Balance Sheets included in "[ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA](#)," of this Annual Report on Form 10-K.

The Company notes that in connection with the SEC's recent modernization of the disclosures of legal proceedings required under Item 103 of Regulation S-K, the Company has elected to apply the threshold of \$1 million in potential monetary sanctions (with such amount being the lesser of \$1 million or 1% of the current assets of the Company on a consolidated basis) pursuant to Item 103(c)(3)(iii) of Regulation S-K in connection with determining the required disclosure with respect to environmental proceedings to which a governmental authority is a party.

Item 4. Mine Safety Disclosures

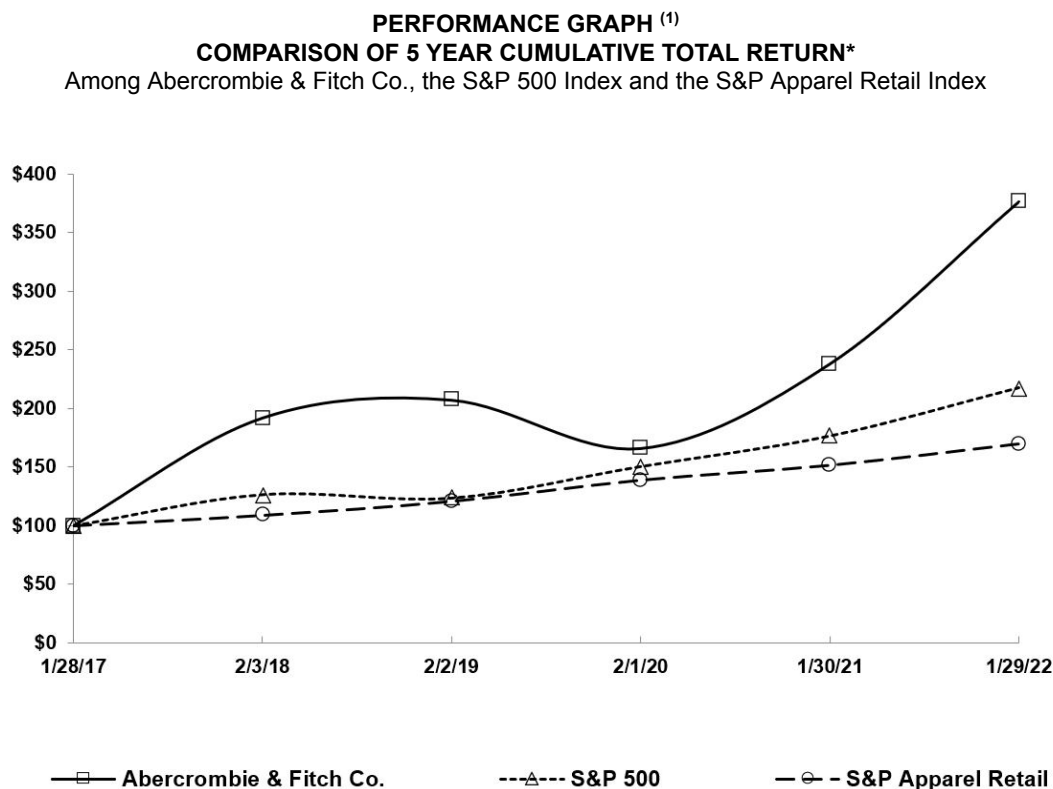
Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

A&F’s Class A Common Stock (“Common Stock”) is traded on the New York Stock Exchange under the symbol “ANF.”

The following graph shows the changes, over the five-year period ended January 29, 2022 (the last day of A&F’s Fiscal 2021) in the value of \$100 invested in (i) shares of A&F’s Common Stock; (ii) Standard & Poor’s 500 Stock Index (the “S&P 500”); and (iii) Standard & Poor’s Apparel Retail Composite Index (the “S&P Apparel Retail”), including reinvestment of dividends. The plotted points represent the closing price on the last trading day of the fiscal year indicated.



	1/28/17	2/3/18	2/2/19	2/1/20	1/30/21	1/29/22
Abercrombie & Fitch Co.	\$ 100.00	\$ 191.87	\$ 207.08	\$ 165.85	\$ 237.88	\$ 376.26
S&P 500	\$ 100.00	\$ 126.41	\$ 123.48	\$ 150.26	\$ 176.18	\$ 217.21
S&P Apparel Retail	\$ 100.00	\$ 108.83	\$ 120.76	\$ 138.82	\$ 151.49	\$ 169.74

* \$100 invested on 1/27/17 in stock or 1/31/17 in index, including reinvestment of dividends. Indexes calculated on month-end basis.
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⁽¹⁾ This graph shall not be deemed to be “soliciting material” or to be “filed” with the SEC or subject to SEC Regulation 14A or to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), except to the extent that A&F specifically requests that the graph be treated as soliciting material or specifically incorporates it by reference into a filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.

As of March 25, 2022, there were approximately 2,700 stockholders of record. However, when including investors holding shares of Common Stock in broker accounts under street name, A&F estimates that there were approximately 34,000 stockholders.

There were no sales of equity securities during Fiscal 2021 that were not registered under the Securities Act.

The following table provides information regarding the purchase of shares of the 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 Exchange Act during each fiscal month of the thirteen weeks ended January 29, 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	Maximum Number of Shares (or Approximate Dollar Value) that May Yet Be Purchased Under the Plans or Programs ⁽³⁾
October 31, 2021 through November 27, 2021	1,964	\$ 45.36	—	\$ 500,000,000
November 28, 2021 through January 1, 2022	2,866,256	\$ 35.29	2,865,332	\$ 398,872,318
January 2, 2022 through January 29, 2022	1,191,165	\$ 34.35	1,191,165	\$ 357,959,371
Total	4,059,385	\$ 35.02	4,056,497	\$ 357,959,371

⁽¹⁾ An aggregate of 2,888 shares of A&F’s Common Stock purchased during the thirteen weeks ended January 29, 2022 were withheld for tax payments due upon the vesting of employee restricted stock units and 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.

Dividends are declared at the discretion of A&F’s Board of Directors. In May 2020, the Company announced that it had temporarily suspended its dividend program. The Company’s dividend program remains suspended. 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. A&F’s Board of Directors reviews and establishes a dividend amount, if any, based on A&F’s financial condition, results of operations, capital requirements, current and projected cash flows, business prospects and other factors and 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 pay dividends in the future or, if dividends are paid, that they will be in amounts similar to past dividends.

Item 6. [Reserved]

Item 7. 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") generally discusses our results of operations for Fiscal 2021 and Fiscal 2020 and provides comparisons between such fiscal years. For our discussion and comparison of Fiscal 2020 and Fiscal 2019, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended January 30, 2021. This MD&A should be read together with the Company's audited Consolidated Financial Statements and notes thereto included in this Annual Report on Form 10-K in "[ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA](#)," to which all references to Notes in MD&A are made.

INTRODUCTION

MD&A is provided as a supplement to the accompanying 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, and an overview of key performance indicators reviewed by various members of management to gauge the Company's results.
- [Current Trends and Outlook](#). A discussion of the Company's long-term plans for growth. In addition, this section also provides a summary of the Company's performance over recent years, primarily Fiscal 2021 and Fiscal 2020.
- [Results of Operations](#). An analysis of certain components of the Company's Consolidated Statements of Operations and Comprehensive Income (Loss) for Fiscal 2021 as compared to Fiscal 2020.
- [Liquidity and Capital Resources](#). A discussion of the Company's financial condition, changes in financial condition and liquidity as of January 29, 2022, which includes (i) an analysis of changes in cash flows for Fiscal 2021 as compared to Fiscal 2020, (ii) an analysis of liquidity, including the availability under credit facilities, and outstanding debt and covenant compliance and (iii) a summary of contractual and other obligations as of January 29, 2022.
- [Recent Accounting Pronouncements](#). The recent accounting pronouncements the Company has adopted or is currently evaluating, including the dates of adoption or expected dates of adoption, as applicable, and anticipated effects on the Company's audited Consolidated Financial Statements, are included in Note 2 "[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES](#)."
- [Critical Accounting Policies and Estimates](#). The accounting policies 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 the Company's management in their application.
- [Non-GAAP Financial Measures](#). MD&A provides a discussion of certain financial measures that have been determined to not be in accordance with accounting principles generally accepted in the U.S. ("GAAP"). This section includes certain reconciliations for non-GAAP financial measures and additional details on these financial measures, including information as to why the Company believes the non-GAAP financial measures provided within MD&A are useful to investors.

A discussion of the Company's financial condition, changes in financial condition and results of operations for Fiscal 2020 as compared to Fiscal 2019, is incorporated by reference from "[ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS](#)," in PART II of A&F's Annual Report on Form 10-K for Fiscal 2020, filed with the SEC on March 29, 2021.

Safe harbor statement under the Private Securities Litigation Reform Act of 1995

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 Annual Report on Form 10-K or made by the Company, its management or its spokespeople involve risks and uncertainties and are subject to change based on various factors, many of which may be beyond the Company's control. Words such as "guidance," "outlook," "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," "goal," "should," 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 Annual Report on Form 10-K will prove to be accurate. In light of the significant uncertainties in the forward-looking statements included herein, including the on-going hostilities in Ukraine, 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. A discussion of material risks that could affect the Company's financial performance and cause actual results to differ materially from those expressed or implied in any of the forward-looking statements is included in "[ITEM 1A. RISK FACTORS](#)," of this Annual Report on Form 10-K.

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:

<u>Fiscal year</u>	<u>Year ended/ ending</u>	<u>Number of weeks</u>
Fiscal 2019	February 1, 2020	52
Fiscal 2020	January 30, 2021	52
Fiscal 2021	January 29, 2022	52
Fiscal 2022	January 28, 2023	52

Due to the seasonal nature of the retail apparel industry, the results of operations for any interim period are not necessarily indicative of the results expected for the full fiscal year and the Company could experience significant fluctuations in certain asset and liability accounts. The Company experiences its greatest sales activity during Fall, due to Back-to-School and Holiday sales periods, respectively.

Key performance indicators

The following measurements are among the key performance indicators reviewed by various members of the Company's management to gauge the Company's results:

- Changes in net sales and comparable sales;
- Comparative results of operations on a constant currency basis with the prior year's results converted at the current year's foreign currency exchange rate to remove the impact of foreign currency exchange rate fluctuation;
- Gross profit and gross profit rate;
- Cost of sales, exclusive of depreciation and amortization, as a percentage of net sales;
- Stores and distribution expense as a percentage of net sales;
- Marketing, general and administrative expense as a percentage of net sales;
- Operating income and operating income as a percentage of net sales ("operating margin");
- Net income and net income attributable to A&F;
- Cash flow and liquidity measures, such as the Company's current ratio, working capital and free cash flow;
- Inventory metrics, such as inventory turnover;
- Return on invested capital and return on equity;
- Store metrics, such as net sales per gross square foot, and store 4-wall operating margins;
- Digital and omnichannel metrics, such as total shipping expense as a percentage of digital sales, and certain metrics related to our purchase-online-pickup-in-store and order-in-store programs;
- Transactional metrics, such as traffic and conversion, performance across key product categories, average unit retail, average unit cost, average units per transaction and average transaction values; and
- Customer-centric metrics such as customer satisfaction, customer retention and acquisition, and certain metrics related to the loyalty programs.

While not all of these metrics are disclosed publicly by the Company due to the proprietary nature of the information, the Company publicly discloses and discusses many of these metrics within this MD&A.

CURRENT TRENDS AND OUTLOOK

Focus areas for Fiscal 2022

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

The Company entered Fiscal 2021 with positive momentum, and has made progress towards recovering from COVID-19 sales losses. Reflecting ongoing global uncertainty, the Company plans to continue to actively manage inventories, optimize its distribution center capacity for digital demand and tightly manage expenses.

The following focus areas for Fiscal 2022 serve as a framework to the Company achieving 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 organization.

Global Store Network Optimization

Reflecting a continued focus on its key transformation initiative 'Global Store Network Optimization,' the Company delivered new store experiences across brands during Fiscal 2021 and Fiscal 2020. Details related to these new store experiences follow:

Type of new store experience	Fiscal 2021	Fiscal 2020
New stores	38	15
Remodels	2	4
Right-sizes	5	6
Total	45	25

As part of its ongoing global store network optimization initiative and stated goal of repositioning from larger format, tourist-dependent flagship locations to smaller, omni-enabled stores that cater to local customers, the Company closed its Abercrombie & Fitch brand Singapore and Hamburg flagship locations during Fiscal 2021. This leaves the Company with five operating flagships at the end of Fiscal 2021, down from seven at the beginning of Fiscal 2021 and 15 at the beginning of Fiscal 2020.

In addition, the Company closed 42 non-flagship locations, resulting in 44 total store closures during Fiscal 2021. Store optimization efforts in Fiscal 2021 reduced total Company store gross square footage by approximately 0.2 million gross square feet, or 3%, as compared to Fiscal 2020 year-end. The actions taken in Fiscal 2021, combined with ongoing digital sales growth, are expected to continue to transform the Company's operating model and reposition the Company for the future as it continues to focus on aligning store square footage with digital penetration.

Store count and gross square footage by brand and geography as of January 30, 2021 and January 29, 2022 were as follows:

	Hollister ⁽¹⁾		Abercrombie ⁽²⁾		Total Company ⁽³⁾		
	United States	International	United States	International	United States	International	Total
Number of stores:							
January 30, 2021	347	150	190	48	537	198	735
New	10	12	7	9	17	21	38
Closed	(6)	(8)	(24)	(6)	(30)	(14)	(44)
January 29, 2022	351	154	173	51	524	205	729
Gross square footage (in thousands):							
January 30, 2021	2,309	1,219	1,311	393	3,620	1,612	5,232
January 29, 2022	2,312	1,212	1,161	367	3,473	1,579	5,052

⁽¹⁾ Hollister includes the Hollister and Gilly Hicks brands. Locations with Gilly Hicks carveouts within Hollister stores are represented as a single store count. Excludes nine international franchise stores as of each of January 29, 2022 and January 30, 2021. Excludes 14 Company-operated temporary stores as of January 29, 2022 and 12 as of January 30, 2021.

⁽²⁾ Abercrombie includes the 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 January 29, 2022 and 10 as of January 30, 2021. Excludes five Company-operated temporary stores as of January 29, 2022 and two as of January 30, 2021.

⁽³⁾ This store count excludes one international third-party operated multi-brand outlet store as of January 30, 2021.

[Impact of COVID-19](#)

In March 2020, the COVID-19 outbreak was declared to be a global pandemic by the World Health Organization. In response to COVID-19, certain governments imposed travel restrictions and local statutory quarantines and the Company experienced widespread temporary store closures. As of January 29, 2022, all U.S. Company-operated stores were fully open for in-store service; however, temporary store closures have subsequently 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.

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 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 emergence of new variants of coronavirus, such as the Delta and Omicron variants, and the availability and acceptance of effective vaccines, boosters or medical treatments. The Company plans to follow the guidance of local governments to evaluate whether future store closures will be necessary.

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.

For further information about how COVID-19 could impact our operations, refer to "[ITEM 1A. RISK FACTORS](#)," of this Annual Report on Form 10-K.

[Supply chain disruptions, inflation and changing prices](#)

The Company has continued to see disruptions in global supply chains, including temporary closures of factories. The inability to receive inventory in a timely manner could cause delays in responding to customer demand and adversely affect sales. In addition, the Company has seen and expects to continue to see inflationary pressures affecting the Company's transportation and other costs. In order to mitigate the risk associated with supply chain constraints, the Company has taken and expects to continue to take actions to manage through the disruption, including shipping inventory by air and shifting production as necessary and where possible. This adversely impacted the Company during the latter half of Fiscal 2021, and is likely to continue to cause increased inventory costs related to freight. It is possible that responses to extended factory closures and transportation delays are not adequate to mitigate their impact, and that these events could adversely affect the business and results of operations.

The Company has also recently experienced inflation in labor, 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 increases 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 spending.

[Impact of global events and uncertainty](#)

As a global multi-brand omnichannel specialty retailer, with operations in North America, Europe and Asia, among other regions and, as a result, management is mindful of macroeconomic risks, global challenges and the changing global geopolitical environment, including the on-going hostilities 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 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 actual results to differ materially from expectations, refer to "[ITEM 1A. RISK FACTORS](#)," included in this Annual Report on Form 10-K.

The Company continues to evaluate opportunities to invest in and make progress on initiatives that position the business for sustainable long-term growth that align with the strategic pillars as described within "[ITEM 1. BUSINESS - STRATEGY AND KEY BUSINESS PRIORITIES](#)," included in this Annual Report on Form 10-K.

[Summary of results](#)

A summary of results for Fiscal 2021 and Fiscal 2020 follows:

<i>(in thousands, except change in net sales, gross profit rate, operating margin and per share amounts)</i>	GAAP		Non-GAAP ⁽¹⁾	
	Fiscal 2021	Fiscal 2020	Fiscal 2021	Fiscal 2020
Net sales	\$ 3,712,768	\$ 3,125,384		
Change in net sales from the prior fiscal year	19 %	(14)%		
Gross profit rate ⁽²⁾	62.3	60.5		
Operating income (loss)	\$ 343,084	\$ (20,469)	\$ 355,184	\$ 52,468
Operating income (loss) margin	9.2 %	(0.7)%	9.6 %	1.7 %
Net income (loss) attributable to A&F ⁽³⁾	\$ 263,010	\$ (114,021)	\$ 272,689	\$ (45,383)
Net income (loss) per diluted share attributable to A&F ⁽³⁾	4.20	(1.82)	4.35	(0.73)

⁽¹⁾ Refer to "[RESULTS OF OPERATIONS](#)" for details on excluded items. A reconciliation from each non-GAAP financial measure presented in this Annual Report on Form 10-K to the most directly comparable financial measure calculated in accordance with GAAP, as well as a discussion as to why the Company believes that these non-GAAP financial measures are useful to investors is provided below under "[NON-GAAP FINANCIAL MEASURES](#)."

⁽²⁾ Gross profit is derived from cost of sales, exclusive of depreciation and amortization.

⁽³⁾ Fiscal 2021 results includes \$42.5 million of tax benefits due to the release of valuation allowances as a result of the improvement seen in business conditions. Fiscal 2020 results included \$101 million of adverse tax impacts related to valuation allowances on deferred tax assets and other tax charges as a result of the COVID-19 pandemic, which adversely impacted net loss per diluted share by or \$1.61 per share. Refer to Note 12, "[INCOME TAXES](#)."

Certain components of the Company's Consolidated Balance Sheets as of January 29, 2022 and January 30, 2021 and Consolidated Statements of Cash Flows for Fiscal 2021 and Fiscal 2020 were as follows:

(in thousands)

Balance Sheets data

	January 29, 2022	January 30, 2021
Cash and equivalents	\$ 823,139	\$ 1,104,862
Gross borrowings outstanding, carrying amount	307,730	350,000
Inventories	525,864	404,053

Statement of Cash Flows data

	Fiscal 2021	Fiscal 2020
Net cash provided by operating activities	\$ 277,782	\$ 404,918
Net cash used for investing activities	(96,979)	(51,910)
Net cash (used for) provided by financing activities	(446,898)	69,717

RESULTS OF OPERATIONS

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

Net sales

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	\$ Change	% Change
Hollister	\$ 2,147,979	\$ 1,834,349	\$ 313,630	17%
Abercrombie	1,564,789	1,291,035	273,754	21%
Total Company	\$ 3,712,768	\$ 3,125,384	\$ 587,384	19%

Net sales by geographic area are presented by attributing revenues 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 Fiscal 2021 and Fiscal 2020 were as follows:

<i>thousands)</i>	Fiscal 2021	Fiscal 2020	\$ Change	% Change
United States	\$ 2,652,158	2,127,453	524,755	25%
IEA	755,072	709,451	45,621	6%
AC	171,701	176,636	(4,935)	(3)%
Other	133,837	111,894	21,943	20%
International	\$ 1,060,600	997,951	62,629	6%
Total Company	\$ 3,712,768	3,125,384	587,384	19%

For Fiscal 2021, net sales increased 19% as compared to Fiscal 2020, primarily due to an increase in units sold as a result of increased store traffic relative to last year, which was impacted by widespread temporary store closures due to COVID-19, and 4% digital sales growth. Average unit retail increased year-over-year, driven by less promotions and lower clearance levels, with benefits from changes in foreign currency exchange rates of approximately \$26 million.

Cost of sales, exclusive of depreciation and amortization

<i>(in thousands)</i>	Fiscal 2021		Fiscal 2020		BPS Change
		% of Net Sales		% of Net Sales	
Cost of sales, exclusive of depreciation and amortization	\$ 1,400,773	37.7%	\$ 1,234,179	39.5%	(180)

For Fiscal 2021, cost of sales, exclusive of depreciation and amortization, as a percentage of net sales decreased approximately 180 basis points as compared to Fiscal 2020. The year-over-year decrease was primarily attributable to approximately 550 basis points of increased average unit retail as a result of lower promotions and markdowns, partially offset by higher average unit cost related to approximately 414 basis points of increased freight costs as well as other costs incurred to offset supply chain issues.

Gross profit, exclusive of depreciation and amortization

	Fiscal 2021		Fiscal 2020		BPS Change
		% of Net Sales		% of Net Sales	
Gross profit, exclusive of depreciation and amortization	\$ 2,311,995	62.3%	\$ 1,891,205	60.5%	180

[Stores and distribution expense](#)

<i>(in thousands)</i>	Fiscal 2021		Fiscal 2020		BPS Change
		% of Net Sales		% of Net Sales	
Stores and distribution expense	\$ 1,429,476	38.5%	\$ 1,391,584	44.5%	(600)

For Fiscal 2021, stores and distribution expense increased 3% as compared to Fiscal 2020, primarily driven by a \$42 million increase in digital sales marketing expense, \$36 million increase in payroll expense, reflecting the return of certain expenses not incurred in Fiscal 2020 due to COVID-19 temporary store closures, a \$15 million increase in digital shipping and handling expense reflecting 4% year-over-year digital sales growth and a \$11 million increase in digital direct expense. These increases in expense were partially offset by a \$68 million reduction in store occupancy expense, due to a decrease in store count and favorable rent negotiations and include approximately \$17.9 million in benefits related to rent abatements and a favorable resolution of a flagship store closure.

[Marketing, general and administrative expense](#)

<i>(in thousands)</i>	Fiscal 2021		Fiscal 2020		BPS Change
		% of Net Sales		% of Net Sales	
Marketing, general and administrative expense	\$ 536,815	14.5%	\$ 463,843	14.8%	(30)

For Fiscal 2021, marketing, general and administrative expense increased 16% as compared to Fiscal 2020, primarily driven by increased digital media spend, performance-based compensation, legal, consulting and information technology expense. These increases were partially offset by a decrease in depreciation expense.

[Flagship store exit \(benefits\) charges](#)

<i>(in thousands)</i>	Fiscal 2021		Fiscal 2020		BPS Change
		% of Net Sales		% of Net Sales	
Flagship store exit (benefits) charges	\$ (1,153)	0.0%	\$ (11,636)	(0.4)%	40

For Fiscal 2021, flagship store exit benefits primarily related to the closure of two international Abercrombie & Fitch flagship stores. Refer to Note 19, "[FLAGSHIP STORE EXIT \(BENEFITS\) CHARGES](#)."

[Asset impairment, exclusive of flagship store exit charges](#)

<i>(in thousands)</i>	Fiscal 2021		Fiscal 2020		BPS Change
		% of Net Sales		% of Net Sales	
Asset impairment, exclusive of flagship store exit charges	\$ 12,100	0.3%	\$ 72,937	2.3%	(200)
Excluded items:					
Asset impairment charges ⁽¹⁾	(12,100)	(0.3)%	(72,937)	(2.3)%	200
Adjusted non-GAAP asset impairment, exclusive of flagship store exit charges	\$ —	0.0%	\$ —	0.0%	—

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

Refer to Note 9, "[ASSET IMPAIRMENT](#)," for further discussion.

[Other operating income, net](#)

<i>(in thousands)</i>	Fiscal 2021		Fiscal 2020		BPS Change
		% of Net Sales		% of Net Sales	
Other operating income, net	\$ 8,327	0.2%	\$ 5,054	0.2%	—

For Fiscal 2021, other operating income, net, increased as compared to Fiscal 2020, primarily due to sublease rental income recognized in Fiscal 2021.

[Operating income \(loss\)](#)

<i>(in thousands)</i>	Fiscal 2021		Fiscal 2020		BPS Change
		% of Net Sales		% of Net Sales	
Operating (loss) income	\$ 343,084	9.2%	\$ (20,469)	(0.7)%	990
Excluded items:					
Asset impairment charges ⁽¹⁾	12,100	0.3%	72,937	2.3%	(200)
Adjusted non-GAAP operating income	\$ 355,184	9.6%	\$ 52,468	1.7%	790

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

[Interest expense, net](#)

<i>(in thousands)</i>	Fiscal 2021		Fiscal 2020		BPS Change
		% of Net Sales		% of Net Sales	
Interest expense	\$ 37,958	1.0%	\$ 31,726	1.0%	—
Interest income	(3,848)	(0.1)%	(3,452)	(0.1)%	—
Interest expense, net	\$ 34,110	0.9%	\$ 28,274	0.9%	—

For Fiscal 2021, interest expense, net, increased 21% primarily driven by the loss on the extinguishment of debt related to the purchase of Senior Secured Notes and higher interest expense in the current year, reflecting higher average borrowings outstanding than before the completion of the Senior Secured Notes private offering.

[Income tax expense](#)

<i>(in thousands, except ratios)</i>	Fiscal 2021		Fiscal 2020	
		Effective Tax Rate		Effective Tax Rate
Income tax expense	\$ 38,908	12.6%	\$ 60,211	(123.5)%
Excluded items:				
Tax effect of pre-tax excluded items ⁽¹⁾	2,421		4,299	
Adjusted non-GAAP income tax expense	\$ 41,329	12.9%	\$ 64,510	266.6%

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

The Company's effective tax rate for Fiscal 2021 was impacted by \$42.5 million of tax benefits due to the release of valuation allowances, primarily in the U.S. and Germany, and a discrete tax benefit of \$3.9 million due to a rate change in the U.K. The Company did not recognize income tax benefits on \$25.3 million of pre-tax losses generated in Fiscal 2021 primarily in Switzerland, resulting in adverse tax impacts of \$4.6 million.

Refer to Note 12, "[INCOME TAXES](#)," for further discussion on factors that impacted the effective tax rate in Fiscal 2021 and Fiscal 2020.

Net income (loss) attributable to A&F

<i>(in thousands)</i>	Fiscal 2021		Fiscal 2020		BPS Change
		% of Net Sales		% of Net Sales	
Net income (loss) attributable to A&F	\$ 263,010	7.1%	\$ (114,021)	(3.6)%	1,070
Excluded items, net of tax ⁽¹⁾	9,679	0.3%	68,638	2.2%	(190)
Adjusted non-GAAP net income (loss) attributable to A&F ⁽²⁾	\$ 272,689	7.3%	\$ (45,383)	(1.5)%	880

⁽¹⁾ Excludes items presented above under "Operating income (loss)," and "Income tax expense."

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

	Fiscal 2021	Fiscal 2020	\$ Change
Net income (loss) per diluted share attributable to A&F	\$ 4.20	\$ (1.82)	\$6.02
Excluded items, net of tax ⁽¹⁾	0.15	1.10	(0.95)
Adjusted non-GAAP net income (loss) per diluted share attributable to A&F	\$ 4.35	\$ (0.73)	\$5.08
Impact from changes in foreign currency exchange rates	—	0.01	(0.01)
Adjusted non-GAAP net income (loss) per diluted share attributable to A&F on a constant currency basis ⁽²⁾	\$ 4.35	\$ (0.74)	\$5.09

⁽¹⁾ Excludes items presented above under "Operating income (loss)," and "Income tax 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. Regarding returns to shareholders, although the dividend program remains suspended, during Fiscal 2021, the Company resumed share repurchases. The timing and amount of any future share repurchases will depend on various factors, such as market and business conditions, including the Company's ability to accelerate investments in the business. 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 Credit Facilities and/or Senior Secured Notes.

Primary sources and uses of cash

The Company's business has two principal selling seasons: Spring and Fall. The Company experiences its greatest sales activity during Fall, due to 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 facilities and Senior Secured Notes".

Over the next 12 months, the Company expects its primary cash requirements to be directed towards funding 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". Examples of potential investment opportunities include, but are not limited to, new store experiences and options to early terminate store leases, investments in its omnichannel initiatives and investments to increase the Company's capacity to fulfill digital orders. Historically, the Company has utilized 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 Fiscal 2021, the Company used \$97.0 million towards capital expenditures, down from \$101.9 million of capital expenditures in Fiscal 2020. Total capital expenditures for Fiscal 2022 are expected to be approximately \$150 million.

Share repurchases and dividends

In order to preserve liquidity and maintain financial flexibility in light of COVID-19, the Company announced that it had temporarily suspended its dividend and share repurchase programs in Fiscal 2020..

The Company has since adopted a new share repurchase program and may repurchase shares in the future, but the timing and amount of any further repurchases are dependent on various factors, such as market and business conditions, including the Company's ability to accelerate investments in the business. The Company's dividend program remains suspended. 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.

In November 2021, the A&F Board of Directors approved a new \$500 million share repurchase authorization, replacing the prior February 19, 2021 share repurchase authorization of 10.0 million shares, which had approximately 3.9 million shares remaining available at termination. During Fiscal 2021, the Company repurchased 10.2 million shares and returned \$377 million to shareholders through share repurchases. The timing and amount of any future share repurchases will depend on various factors, including market and business conditions.

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 any trading plans established in accordance with Rule 10b5-1 of the Exchange Act, through privately negotiated transactions or other transactions or by a combination of such methods. Refer to "ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES" for additional information regarding the Company's share repurchases during the fourth quarter of Fiscal 2021 and the number of shares remaining available for purchase under the Company's publicly announced stock repurchase authorization.

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 the potential severity of impacts to the business resulting from COVID-19 and 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 facilities and Senior Secured Notes](#)

In July 2020, the Company completed the private offering of the Senior Secured Notes, and received gross proceeds of \$350 million. The Senior Secured Notes will mature on July 15, 2025 and bear interest at a rate of 8.75% per annum, with semi-annual interest payments which began in January 2021. The Company's debt related to the Senior Secured Notes is presented on the Consolidated Balance Sheet, net of the unamortized fees. During Fiscal 2021, the Company repurchased \$42.3 million of its outstanding Senior Secured Notes and incurred \$5.3 million of loss on extinguishment of debt, comprised of a repayment premium of \$4.7 million and the write-off of unamortized fees of \$0.6 million. As of January 29, 2022, the Company had \$307.7 million of gross indebtedness outstanding under the Senior Secured Notes.

On April 29, 2021, A&F Management, in A&F Management's capacity as the lead borrower, and the other borrowers and guarantors party thereto, amended and restated in its entirety the Credit Agreement, dated as of August 7, 2014, as amended on September 10, 2015 and as further amended on October 19, 2017 (as amended and restated, the "Amended and Restated Credit Agreement"), among A&F Management, the other borrowers and guarantors party thereto, the lenders party thereto, Wells Fargo Bank, National Association, as administrative agent for the lenders, and the other parties thereto.

The Amended and Restated Credit Agreement continues to provide for a senior secured revolving credit facility of up to \$400.0 million (the "ABL Facility"), and (i) extends the maturity date of the ABL Facility from October 19, 2022 to April 29, 2026; and (ii) modifies the required fee on undrawn commitments under the ABL Facility from 0.25% per annum to either 0.25% or 0.375% per annum (with the ultimate amount dependent on the conditions detailed in the Amended and Restated Credit Agreement).

The Company did not have any borrowings outstanding under the ABL Facility as of January 29, 2022 or as of January 30, 2021.

Details regarding borrowing available to the Company under the ABL Facility as of January 29, 2022 follow:

<i>(in thousands)</i>	<u>January 29, 2022</u>
Borrowing base	\$ 279,105
Less: Outstanding stand-by letters of credit	(814)
Borrowing capacity	278,291
Less: Minimum excess availability ⁽¹⁾	(30,000)
Borrowing available under the ABL Facility	<u>\$ 248,291</u>

⁽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 13, "[BORROWINGS](#)," for additional information.

[Income taxes](#)

The Company's earnings and profits from its foreign subsidiaries may be repatriated to the U.S., without incurring additional U.S. 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 may be repatriated without incurring additional tax expense.

As of January 29, 2022, \$380.6 million of the Company's \$823.1 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 12, "[INCOME TAXES](#)," for additional details regarding the impact certain events related to the Company's income taxes had on the Company's Consolidated Financial Statements.

[Analysis of cash flows](#)

The table below provides certain components of the Company's Consolidated Statements of Cash Flows for Fiscal 2021 and Fiscal 2020:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020
Cash and equivalents, and restricted cash and equivalents, beginning of period	\$ 1,124,157	\$ 692,264
Net cash provided by operating activities	277,782	404,918
Net cash used for investing activities	(96,979)	(51,910)
Net cash (used for) provided by financing activities	(446,898)	69,717
Effects of foreign currency exchange rate changes on cash	(23,694)	9,168
Net (decrease) increase in cash and equivalents, and restricted cash and equivalents	\$ (289,789)	\$ 431,893
Cash and equivalents, and restricted cash and equivalents, end of period	\$ 834,368	\$ 1,124,157

Operating activities - For Fiscal 2021 the Company recognized higher cash receipts as compared to Fiscal 2020 as a result of the 19% year-over-year increase in net sales as the Company experienced widespread temporary store closures in response to COVID-19 during Fiscal 2020.

The Company also took various immediate, aggressive actions during Fiscal 2020 to preserve liquidity and manage cash flows in light of COVID-19 in order to best position the business for key stakeholders, including, but not limited to (i) partnering with merchandise and non-merchandise vendors in regards to payment terms; (ii) tightly managing inventory receipts to align inventory with expected market demand; and (iii) significantly reducing expenses to better align operating costs with sales.

The Company also suspended rent payments for a larger proportion of its stores in Fiscal 2020 than it has in Fiscal 2021 related to stores that were closed for a period of time as a result of COVID-19. Certain payment term extensions were temporary and certain previously deferred payments have since been made. There can be no assurance that the Company will be able to maintain extended payment terms or continue to defer payments, which may result in incremental operating cash outflows in future periods.

In addition, during Fiscal 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 Fiscal 2021.

While the Company has been successful in obtaining certain rent abatements and landlord concessions of rent payable during Fiscal 2021 as a result of COVID-19 store closures, the Company continues to engage with its landlords to find a mutually beneficial and agreeable path forward for certain of its other leases.

Investing activities - For Fiscal 2021, net cash outflows for investing activities were used for capital expenditures of \$97.0 million as compared to \$101.9 million in Fiscal 2020. In addition, Fiscal 2020 reflects the withdrawal of \$50.0 million from the overfunded Rabbi Trust assets, which represented the majority of excess funds, improving the Company's near-term cash position in light of COVID-19.

Financing activities - For Fiscal 2021, net cash used by financing activities primarily consisted of the repurchase of approximately 10.2 million shares of A&F's Common stock in the open market with a market value of approximately \$377 million. In addition, the Company repurchased \$42.3 million of its outstanding Senior Secured Notes at a premium of \$4.7 million. For Fiscal 2020, net cash provided by financing activities primarily consisted of the issuance of the Senior Secured Notes and receipt of related gross proceeds of \$350.0 million and borrowings under the ABL Facility of \$210.0 million. The gross proceeds from the Senior Secured Notes offering were used along with existing cash on hand, to repay all then outstanding borrowings and accrued interest under the Term Loan Facility and the ABL Facility, with the remaining net proceeds used towards fees and expenses in connection with such repayments and the offering. In addition, the Company repurchased approximately 1.4 million shares of A&F's Common Stock with a market value of approximately \$15.2 million and paid dividends of \$12.6 million during Fiscal 2020, prior to the Company's decision to temporarily suspend its share repurchase and dividend programs in light of COVID-19.

Contractual obligations

As of January 29, 2022, the Company's contractual obligations were as follows:

(in thousands)	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating lease obligations ⁽¹⁾	\$ 1,064,468	\$ 266,893	\$ 367,746	\$ 238,845	\$ 190,984
Purchase obligations ⁽²⁾	369,153	325,963	26,754	5,342	11,094
Long-term debt obligations ⁽³⁾	307,730	—	—	307,730	—
Other obligations ⁽⁴⁾	172,944	42,221	75,295	33,176	22,252
Total	\$ 1,914,295	\$ 635,077	\$ 469,795	\$ 585,093	\$ 224,330

⁽¹⁾ Operating lease obligations consist of the Company's future undiscounted operating lease payments, including future fixed lease payments associated with closed flagship stores. Operating lease obligations do not include 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. Total variable lease cost was \$110.9 million in Fiscal 2021. Refer to Note 2, "[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Leases](#)," and Note 8, "[LEASES](#)," for further discussion.

⁽²⁾ Purchase obligations primarily consist of non-cancelable purchase orders for merchandise to be delivered during Fiscal 2022 and commitments for fabric expected to be used during upcoming seasons. In addition, purchase obligations include agreements to purchase goods or services, including, but not limited to, information technology, digital and marketing contracts, as well as estimated obligations related to the Company's 13-year, 100% renewable energy supply agreement for its global home office and Company-owned distribution centers which is expected to begin in the Company's fiscal year ending January 28, 2023.

⁽³⁾ Long-term debt obligations consist of principal payments under the Senior Secured Notes. Refer to Note 13, "[BORROWINGS](#)," for further discussion.

⁽⁴⁾ Other obligations consists of: interest payments related to the Senior Secured Notes assuming normally scheduled principal payments; estimated asset retirement obligations; accrued rent related to stores where the Company suspended payments in light of COVID-19 temporary store closures and continues to engage with its landlords on a agreeable path forward; the amount of the employer-paid portion of social security taxes deferred in light of COVID-19; payments from the Supplemental Executive Retirement Plan; known and scheduled payments related to the Company's deferred compensation and supplemental retirement plans; tax payments associated with the provisional, mandatory one-time deemed repatriation tax on accumulated foreign earnings, net payable over eight years pursuant to the Act; and minimum contractual obligations related to leases signed but not yet commenced, primarily related to the Company's stores. Refer to Note 8, "[LEASES](#)," Note 12, "[INCOME TAXES](#)," Note 13, "[BORROWINGS](#)," and Note 17, "[SAVINGS AND RETIREMENT PLANS](#)," for further discussion.

Due to uncertainty as to the amounts and timing of future payments, tax related to uncertain tax positions, including accrued interest and penalties, of \$1.2 million as of January 29, 2022 is excluded from the contractual obligations table. Deferred taxes are also excluded in the contractual obligations table. For further discussion, refer to Note 12, "[INCOME TAXES](#)."

As of January 29, 2022, the Company had recorded \$2.8 million and \$42.3 million of obligations related to its deferred compensation and supplemental retirement plans in accrued expenses and other liabilities on the Consolidated Balance Sheet, respectively. Amounts payable with known payment dates of \$14.2 million have been classified in the contractual obligations table based on those scheduled payment dates. However, it is not reasonably practicable to estimate the timing and amounts for the remainder of these obligations, therefore, those amounts have been excluded in the contractual obligations table.

A&F had historically paid quarterly dividends on its Common Stock. Due to the fact that the dividend program is currently suspended and given the payment of future dividends are subject to determination and approval by A&F's Board of Directors, there are no amounts included in the contractual obligations table related to dividends.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company describes its significant accounting policies in Note 2, "[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES](#)." 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 POLICIES AND ESTIMATES

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's consolidated financial statements which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires the Company to make estimates and assumptions that affect the reported amounts. Since actual results may differ from those estimates, the Company revises its estimates and assumptions as new information becomes available. The Company believes the following policies are the most critical to the portrayal of the Company's financial condition and results of operations.

Policy**Inventory Valuation**

The Company reviews inventories on a quarterly basis. The Company reduces the inventory valuation when the carrying cost of specific inventory items on hand exceeds the amount expected to be realized from the ultimate sale or disposal of the goods, through a lower of cost and net realizable value ("LCNRV") adjustment.

The LCNRV adjustment reduces inventory to its net realizable value based on the Company's consideration of multiple factors and assumptions, including demand forecasts, current sales volumes, expected sell-off activity, composition and aging of inventory, historical recoverability experience and risk of obsolescence from changes in economic conditions or customer preferences.

Valuation of deferred tax assets

The provision for income taxes is determined using the asset and liability approach. Tax laws often require items to be included in tax filings at different times than the items are being reflected in the financial statements. Deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. Valuation allowances are recorded in certain jurisdictions to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

Policy**Long-lived Assets**

Long-lived assets, primarily operating lease right-of-use assets, leasehold improvements, furniture, fixtures and equipment, are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount of the long-lived asset group might not be recoverable. These include, but are not limited to, material declines in operational performance, a history of losses, an expectation of future losses, adverse market conditions and store closure or relocation decisions. On at least a quarterly basis, the Company reviews for indicators of impairment at the individual store level, the lowest level for which cash flows are identifiable.

Stores that display an indicator of impairment are subjected to an impairment assessment. The Company's impairment assessment requires management to make assumptions and judgments related, but not limited to, management's expectations for future operations and projected cash flows. The key assumption used in the Company's undiscounted future store cash flow models is estimated sales growth rate.

An impairment loss may be recognized when these undiscounted future cash flows are less than the carrying amount of the asset group. In the circumstance of impairment, any loss would be measured as the excess of the carrying amount of the asset group over its fair value. Fair value of the Company's store-related assets is determined at the individual store level based on the highest and best use of the asset group. The key assumptions used in the Company's fair value analysis are estimated sales growth and comparable market rents.

Leases

The Company's lease right-of-use assets represent the Company's right to use an underlying asset for the lease term. The Company's lease liabilities represent the Company's obligation to make lease payments arising from the lease. On the lease commencement date, the Company recognizes an asset for the right to use a leased asset and a liability based on the present value of remaining lease payments over the lease term on the Consolidated Balance Sheets.

In measuring the Company's lease liabilities, the remaining lease payments are discounted to present value using a discount rate. As the rates implicit in the Company's leases are not readily determinable, the Company uses its incremental borrowing rate based on the transactional currency of the lease and the lease term for the initial measurement of the lease right-of-use asset and the lease liability. For leases existing before the adoption of the new lease accounting standard, the Company used its incremental borrowing rate as of the date of adoption, determined using the remaining lease term as of the date of adoption. For leases commencing on or after the adoption of the new lease accounting standard, the incremental borrowing rate is determined using the remaining lease term as of the lease commencement date.

The Company estimates its incremental borrowing rate on a quarterly basis, based on the rate of interest that the Company would have to pay to borrow, on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment.

Effect if Actual Results Differ from Assumptions

The Company does not expect material changes to the underlying assumptions used to measure the LCNRV estimate as of January 29, 2022. However, actual results could vary from estimates and could significantly impact the ending inventory valuation at cost, as well as gross profit.

An increase or decrease in the LCNRV adjustment of 10% would have affected pre-tax loss by approximately \$1.7 million for Fiscal 2021.

The Company does not expect material changes in the judgments, assumptions or interpretations used to calculate the tax provision for Fiscal 2022. However, changes in these judgments, assumptions or interpretations may occur and should those changes be significant, they could have a material impact on the Company's income tax provision. As of the end of Fiscal 2021, the Company had recorded valuation allowances of \$110.1 million

Effect if Actual Results Differ from Assumptions

Store assets that were tested for impairment as of January 29, 2022 and not impaired, had long-lived assets with a net book value of \$60.6 million, which included \$53.6 million of operating lease right-of-use assets as of January 29, 2022.

Store assets that were previously impaired as of January 29, 2022, had a remaining net book value of \$80.9 million, which included \$73.5 million of operating lease right-of-use assets, as of January 29, 2022.

While the Company If actual results are not consistent with the estimates and assumptions used in assessing impairment or measuring impairment losses, there may be a material impact on the Company's financial condition or results of operation.

The Company does not expect material changes to the underlying assumptions used to measure its lease liabilities as of January 29, 2022.

An increase or decrease of 10% in the Company's weighted-average discount rate as of January 29, 2022, would impact both the Company's total assets and total liabilities by less than 1% and would not have a material impact on the Company's pre-tax loss for Fiscal 2021.

NON-GAAP FINANCIAL MEASURES

This Annual Report on Form 10-K includes discussion of certain financial measures on both a GAAP and a non-GAAP basis. The Company believes that each of the non-GAAP financial measures presented in this [“ITEM 7. 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 do 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, therefore supplementing investors’ understanding of comparability of operations across periods. Management used these non-GAAP financial measures during the periods presented to assess the Company’s performance and to develop expectations for future operating performance. 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) 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 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. Historically, management had used comparable sales to understand the drivers of year-over-year changes in net sales as well as a performance metric for certain performance-based restricted stock units. The Company believes comparable sales can be 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 for Fiscal 2021.

[Excluded items](#)

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

Financial measures ⁽¹⁾	Excluded items
Asset impairment, exclusive of flagship store exit charges	Certain asset impairment charges
Operating (loss) income	Certain asset impairment charges
Income tax 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 financial metrics on a constant currency basis to GAAP for Fiscal 2021 and Fiscal 2020 is as follows:

(in thousands, except change in net sales, gross profit rate, operating margin and per share data)

	Fiscal 2021	Fiscal 2020	% Change
Net sales			
GAAP	\$ 3,712,768	\$ 3,125,384	19%
Impact from changes in foreign currency exchange rates	—	(25,927)	1%
Net sales on a constant currency basis	\$ 3,712,768	\$ 3,151,311	18%
Gross profit			
	Fiscal 2021	Fiscal 2020	BPS Change ⁽¹⁾
GAAP	\$ 2,311,995	\$ 1,891,205	180
Impact from changes in foreign currency exchange rates	—	13,865	0
Gross profit on a constant currency basis	\$ 2,311,995	\$ 1,905,070	180
Operating (loss) income			
	Fiscal 2021	Fiscal 2020	BPS Change ⁽¹⁾
GAAP	\$ 343,084	\$ (20,469)	990
Excluded items ⁽²⁾	(12,100)	(72,937)	200
Adjusted non-GAAP	\$ 355,184	\$ 52,468	790
Impact from changes in foreign currency exchange rates	—	(1,399)	10
Adjusted non-GAAP on a constant currency basis	\$ 355,184	\$ 51,069	800
Net (loss) income per diluted share attributable to A&F			
	Fiscal 2021	Fiscal 2020	\$ Change
GAAP	\$ 4.20	\$ (1.82)	\$6.02
Excluded items, net of tax ⁽²⁾	(0.15)	(1.10)	0.95
Adjusted non-GAAP	\$ 4.35	\$ (0.73)	\$5.08
Impact from changes in foreign currency exchange rates	—	0.01	(0.01)
Adjusted non-GAAP on a constant currency basis	\$ 4.35	\$ (0.74)	\$5.09

⁽¹⁾ The estimated basis point change has been rounded based on the percentage of net sales change.

⁽²⁾ Refer to "[RESULTS OF OPERATIONS](#)," for details on excluded items. The tax effect of excluded items is calculated as the difference between the tax provision on a GAAP basis and an adjusted non-GAAP basis.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

INVESTMENT SECURITIES

The Company maintains its cash equivalents in financial instruments, primarily money market funds and time deposits, 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.

Refer to Note 10, "[RABBI TRUST ASSETS](#)," of the Notes to Consolidated Financial Statements included in "[ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA](#)" of this Annual Report on Form 10-K for a discussion of the Company's Rabbi Trust assets.

INTEREST RATE RISK

Prior to July 2, 2020, our 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 Term Loan Facility and the ABL Facility. On July 2, 2020, the Company issued the Senior Secured Notes due in 2025 with a 8.75% fixed interest rate per annum 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 associated 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 the lower interest rate environment.

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 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 instrument fair values by approximately \$10.2 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 15, "[DERIVATIVE INSTRUMENTS](#)," included in "[ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA](#)" of this Annual Report on Form 10-K for the fair value of outstanding foreign currency exchange forward contracts included in other current assets and accrued expenses as of January 29, 2022 and January 30, 2021.

For a detailed discussion of material risk factors that have the potential to cause our actual results to differ materially from our expectations, refer to "[ITEM 1A. RISK FACTORS](#)," included in this Annual Report on Form 10-K.

Item 8. Financial Statements and Supplementary Data

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

	Fiscal 2021	Fiscal 2020	Fiscal 2019
Net sales	\$ 3,712,768	\$ 3,125,384	\$ 3,623,073
Cost of sales, exclusive of depreciation and amortization	1,400,773	1,234,179	1,472,155
Gross profit	2,311,995	1,891,205	2,150,918
Stores and distribution expense	1,429,476	1,391,584	1,551,243
Marketing, general and administrative expense	536,815	463,843	464,615
Flagship store exit (benefits) charges	(1,153)	(11,636)	47,257
Asset impairment, exclusive of flagship store exit (benefits) charges	12,100	72,937	19,135
Other operating income, net	(8,327)	(5,054)	(1,400)
Operating income (loss)	343,084	(20,469)	70,068
Interest expense, net	34,110	28,274	7,737
Income (loss) before income taxes	308,974	(48,743)	62,331
Income tax expense	38,908	60,211	17,371
Net income (loss)	270,066	(108,954)	44,960
Less: Net income attributable to noncontrolling interests	7,056	5,067	5,602
Net income (loss) attributable to A&F	\$ 263,010	\$ (114,021)	\$ 39,358
Net income (loss) per share attributable to A&F			
Basic	\$ 4.41	\$ (1.82)	\$ 0.61
Diluted	\$ 4.20	\$ (1.82)	\$ 0.60
Weighted-average shares outstanding			
Basic	59,597	62,551	64,428
Diluted	62,636	62,551	65,778
Other comprehensive income (loss)			
Foreign currency translation, net of tax	\$ (22,917)	\$ 12,195	\$ (5,080)
Derivative financial instruments, net of tax	10,518	(5,616)	(1,354)
Other comprehensive (loss) income	(12,399)	6,579	(6,434)
Comprehensive income (loss)	257,667	(102,375)	38,526
Less: Comprehensive income attributable to noncontrolling interests	7,056	5,067	5,602
Comprehensive income (loss) attributable to A&F	\$ 250,611	\$ (107,442)	\$ 32,924

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

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

	January 29, 2022	January 30, 2021
Assets		
Current assets:		
Cash and equivalents	\$ 823,139	\$ 1,104,862
Receivables	69,102	83,857
Inventories	525,864	404,053
Other current assets	89,654	68,857
Total current assets	1,507,759	1,661,629
Property and equipment, net	508,336	550,587
Operating lease right-of-use assets	698,231	893,989
Other assets	225,165	208,697
Total assets	\$ 2,939,491	\$ 3,314,902
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 374,829	\$ 289,396
Accrued expenses	395,815	396,365
Short-term portion of operating lease liabilities	222,823	248,846
Income taxes payable	21,773	24,792
Total current liabilities	1,015,240	959,399
Long-term liabilities:		
Long-term portion of operating lease liabilities	697,264	957,588
Long-term portion of borrowings, net	303,574	343,910
Other liabilities	86,089	104,693
Total long-term liabilities	1,086,927	1,406,191
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	413,190	401,283
Retained earnings	2,386,156	2,149,470
Accumulated other comprehensive loss, net of tax ("AOCL")	(114,706)	(102,307)
Treasury stock, at average cost: 50,315 and 40,901 shares at January 29, 2022 and January 30, 2021, respectively	(1,859,583)	(1,512,851)
Total A&F stockholders' equity	826,090	936,628
Noncontrolling interests	11,234	12,684
Total stockholders' equity	837,324	949,312
Total liabilities and stockholders' equity	\$ 2,939,491	\$ 3,314,902

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

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

	Common Stock		Paid-in capital	Non-controlling interests	Retained earnings	AOCL	Treasury stock		Total stockholders' equity
	Shares outstanding	Par value					Shares	At average cost	
Balance, February 2, 2019	66,227	\$ 1,033	\$ 405,379	\$ 9,721	\$ 2,418,544	\$ (102,452)	37,073	\$ (1,513,604)	\$ 1,218,621
Impact from adoption of the new lease accounting standard	—	—	—	—	(75,165)	—	—	—	(75,165)
Net income	—	—	—	5,602	39,358	—	—	—	44,960
Purchase of common stock	(3,957)	—	—	—	—	—	3,957	(63,542)	(63,542)
Dividends (\$0.80 per share)	—	—	—	—	(51,510)	—	—	—	(51,510)
Share-based compensation issuances and exercises	516	—	(14,403)	—	(17,482)	—	(516)	25,081	(6,804)
Share-based compensation expense	—	—	14,007	—	—	—	—	—	14,007
Derivative financial instruments, net of tax	—	—	—	—	—	(1,354)	—	—	(1,354)
Foreign currency translation adjustments, net of tax	—	—	—	—	—	(5,080)	—	—	(5,080)
Distributions to noncontrolling interests, net	—	—	—	(2,955)	—	—	—	—	(2,955)
Balance, February 1, 2020	62,786	\$ 1,033	\$ 404,983	\$ 12,368	\$ 2,313,745	\$ (108,886)	40,514	\$ (1,552,065)	\$ 1,071,178
Net loss	—	—	—	5,067	(114,021)	—	—	—	(108,954)
Purchase of common stock	(1,397)	—	—	—	—	—	1,397	(15,172)	(15,172)
Dividends (\$0.28 per share)	—	—	—	—	(12,556)	—	—	—	(12,556)
Share-based compensation issuances and exercises	1,010	—	(22,382)	—	(37,698)	—	(1,010)	54,386	(5,694)
Share-based compensation expense	—	—	18,682	—	—	—	—	—	18,682
Derivative financial instruments, net of tax	—	—	—	—	—	(5,616)	—	—	(5,616)
Foreign currency translation adjustments, net of tax	—	—	—	—	—	12,195	—	—	12,195
Distributions to noncontrolling interests, net	—	—	—	(4,751)	—	—	—	—	(4,751)
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	—	—	—	7,056	263,010	—	—	—	270,066
Purchase of common stock	(10,200)	—	—	—	—	—	10,200	(377,290)	(377,290)
Dividends (\$0.00 per share)	—	—	—	—	—	—	—	—	—
Share-based compensation issuances and exercises	786	—	(17,397)	—	(26,324)	—	(786)	30,558	(13,163)
Share-based compensation expense	—	—	29,304	—	—	—	—	—	29,304
Derivative financial instruments, net of tax	—	—	—	—	—	10,518	—	—	10,518
Foreign currency translation adjustments, net of tax	—	—	—	—	—	(22,917)	—	—	(22,917)
Distributions to noncontrolling interests, net	—	—	—	(8,506)	—	—	—	—	(8,506)
Balance, January 29, 2022	52,985	\$ 1,033	\$ 413,190	\$ 11,234	\$ 2,386,156	\$ (114,706)	50,315	\$ (1,859,583)	\$ 837,324

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

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

	Fiscal 2021	Fiscal 2020	Fiscal 2019
<u>Operating activities</u>			
Net income (loss)	\$ 270,066	\$ (108,954)	\$ 44,960
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation and amortization	144,035	166,281	173,625
Asset impairment	12,100	72,937	22,364
Loss on disposal	5,020	16,353	6,298
Deferred income taxes	(31,922)	23,986	9,150
Share-based compensation	29,304	18,682	14,007
Loss on extinguishment of debt	5,347	—	—
Changes in assets and liabilities			
Inventories	(123,221)	33,312	2,270
Accounts payable and accrued expenses	77,910	186,747	10,821
Operating lease right-of-use assets and liabilities	(93,827)	(55,700)	46,442
Income taxes	(3,086)	10,753	(5,473)
Other assets	396	38,632	(20,137)
Other liabilities	(14,340)	1,889	(3,642)
Net cash provided by operating activities	<u>277,782</u>	<u>404,918</u>	<u>300,685</u>
<u>Investing activities</u>			
Purchases of property and equipment	(96,979)	(101,910)	(202,784)
Withdrawal of funds from Rabbi Trust assets	—	50,000	—
Net cash used for investing activities	<u>(96,979)</u>	<u>(51,910)</u>	<u>(202,784)</u>
<u>Financing activities</u>			
Proceeds from issuance of senior secured notes	—	350,000	—
Proceeds from borrowings under the senior secured asset-based revolving credit facility	—	210,000	—
Repayment of borrowings under the term loan facility	—	(233,250)	(20,000)
Repayment of borrowings under the senior secured asset-based revolving credit facility	—	(210,000)	—
Purchase of senior secured notes	(46,969)	—	—
Payment of debt issuance costs and fees	(2,016)	(7,318)	—
Purchases of common stock	(377,290)	(15,172)	(63,542)
Dividends paid	—	(12,556)	(51,510)
Other financing activities	(20,623)	(11,987)	(12,821)
Net cash (used for) provided by financing activities	<u>(446,898)</u>	<u>69,717</u>	<u>(147,873)</u>
Effect of foreign currency exchange rates on cash	(23,694)	9,168	(3,593)
Net (decrease) increase in cash and equivalents, and restricted cash and equivalents	(289,789)	431,893	(53,565)
Cash and equivalents, and restricted cash and equivalents, beginning of period	1,124,157	692,264	745,829
Cash and equivalents, and restricted cash and equivalents, end of period	<u>\$ 834,368</u>	<u>\$ 1,124,157</u>	<u>\$ 692,264</u>
<u>Supplemental information related to non-cash activities</u>			
Purchases of property and equipment not yet paid at end of period	\$ 29,932	\$ 16,250	\$ 44,199
Operating lease right-of-use assets additions, net of terminations, impairments and other reductions	\$ 29,241	\$ (38,279)	\$ 391,753
<u>Supplemental information related to cash activities</u>			
Cash paid for interest	\$ 28,413	\$ 26,629	\$ 17,514
Cash paid for income taxes	\$ 74,709	\$ 15,210	\$ 20,717
Cash received from income tax refunds	\$ 2,292	\$ 4,650	\$ 8,773
Cash paid for amounts included in measurement of operating lease liabilities, net of abatements received of \$17.9 million and \$30.7 million in Fiscal 2021 and 2020, respectively	<u>\$ 364,842</u>	<u>\$ 316,992</u>	<u>\$ 422,850</u>

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

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Abercrombie & Fitch Co.
Notes to Consolidated Financial Statements

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 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 Consolidated Statements of Operations and Comprehensive Income (Loss) and MAF’s portion of equity presented as NCI on the Consolidated Balance Sheets.

Fiscal year

The Company’s fiscal year ends on the Saturday closest to January 31. This typically results in a 52 week year, but occasionally gives rise to an additional week, resulting in a 53 week year. Fiscal years are designated in the Consolidated Financial Statements and notes by the calendar year in which the fiscal year commences. All references herein to the Company’s fiscal years are as follows:

<u>Fiscal year</u>	<u>Year ended/ ending</u>	<u>Number of weeks</u>
Fiscal 2019	February 1, 2020	52
Fiscal 2020	January 30, 2021	52
Fiscal 2021	January 29, 2022	52
Fiscal 2022	January 28, 2023	52

Use of estimates

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles (“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, 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.

[Cash and equivalents](#)

A summary of cash and equivalents on the Consolidated Balance Sheets follows:

<i>(in thousands)</i>	January 29, 2022	January 30, 2021
Cash ⁽¹⁾	\$ 762,187	\$ 796,994
Cash equivalents: ⁽²⁾		
Time deposits	11,643	11,589
Money market funds	49,309	296,279
Cash and equivalents	<u>\$ 823,139</u>	<u>\$ 1,104,862</u>

⁽¹⁾ Primarily consists of amounts on deposit with financial institutions.

⁽²⁾ Investments with original maturities of less than three months.

[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 Consolidated Statements of Cash Flows:

<i>(in thousands)</i>	Location	January 29, 2022	January 30, 2021	February 1, 2020
Cash and equivalents	Cash and equivalents	\$ 823,139	\$ 1,104,862	\$ 671,267
Long-term restricted cash and equivalents	Other assets	11,229	14,814	18,696
Short-term restricted cash and equivalents	Other current assets	—	4,481	2,301
Restricted cash and equivalents ⁽¹⁾		\$ 11,229	\$ 19,295	\$ 20,997
Cash and equivalents and restricted cash and equivalents		<u>\$ 834,368</u>	<u>\$ 1,124,157</u>	<u>\$ 692,264</u>

⁽¹⁾ Restricted cash and equivalents primarily consists of amounts on deposit with banks that are used as collateral for customary non-debt banking commitments and deposits into trust accounts to conform to standard insurance security requirements.

[Receivables](#)

Receivables on the Consolidated Balance Sheets primarily include credit card receivables, lessor construction allowances, value added tax ("VAT") receivables, trade receivables, income tax receivables and other tax credits or refunds.

As part of the normal course of business, the Company has approximately three to four days of proceeds from sales transactions outstanding with its third-party credit card vendors at any point. The Company classifies these outstanding balances as credit card receivables. Lessor construction allowances are recorded for certain store lease agreements for improvements completed by the Company. VAT receivables are payments the Company has made on purchases of goods that will be recovered as those goods are sold. Trade receivables are amounts billed by the Company to wholesale, franchise and licensing partners in the ordinary course of business. Income tax receivables represent refunds of certain tax payments along with net operating loss and credit carryback claims for which the Company expects to receive refunds within the next 12 months.

[Inventories](#)

Inventories on the Consolidated Balance Sheets are valued at the lower of cost and net realizable value on a weighted-average cost basis. The Company reduces the carrying value of inventory through a lower of cost and net realizable value adjustment, the impact of which is reflected in cost of sales, exclusive of depreciation and amortization, on the Consolidated Statements of Operations and Comprehensive Income (Loss). The lower of cost and net realizable value adjustment is based on the Company's consideration of multiple factors and assumptions including demand forecasts, current sales volumes, expected sell-off activity, composition and aging of inventory, historical recoverability experience and risk of obsolescence from changes in economic conditions or customer preferences.

Additionally, as part of inventory valuation, inventory shrinkage estimates based on historical trends from actual physical inventories are made each quarter that reduce the inventory value for lost or stolen items. The Company performs physical inventories on a periodic basis and adjusts the shrink estimate accordingly. Refer to Note 6, "[INVENTORIES](#)."

The Company's global sourcing of merchandise is generally negotiated and settled in U.S. Dollars.

[Other current assets](#)

Other current assets on the Consolidated Balance Sheets consists of: prepaid expenses including those related to rent, information technology maintenance and taxes; current store supplies; derivative contracts; short-term restricted cash and other.

[Property and equipment, net](#)

Depreciation of property and equipment is computed for financial reporting purposes on a straight-line basis using the following service lives:

Category of property and equipment	Service lives
Information technology	3 - 7 years
Furniture, fixtures and equipment	3 - 15 years
Leasehold improvements	3 - 15 years
Other property and equipment	3 - 20 years
Buildings	30 years

Leasehold improvements are amortized over either their respective lease terms or their service lives, whichever is shorter. The cost of assets sold or retired and the related accumulated depreciation are removed from the accounts with any resulting gain or loss included in net income on the Consolidated Statements of Operations and Comprehensive Income (Loss). Maintenance and repairs are charged to expense as incurred. Major remodels and improvements that extend the service lives of the related assets are capitalized.

The Company capitalizes certain direct costs associated with the development and purchase of internal-use software within property and equipment. Capitalized costs are amortized on a straight-line basis over the estimated useful lives of the software, generally not exceeding seven years.

Refer to Note 7, "[PROPERTY AND EQUIPMENT, NET](#)."

[Leases](#)

The Company determines if an arrangement is an operating lease at inception. For new operating leases, the Company recognizes an asset for the right to use a leased asset and a liability based on the present value of remaining lease payments over the lease term on the lease commencement date. The commencement date for new leases is when the lessor makes the leased asset available for use by the Company, typically the possession date.

As the rates implicit in the Company's leases are not readily determinable, the Company uses its incremental borrowing rate based on the transactional currency of the operating lease and the lease term for the initial measurement of the operating lease right-of-use asset and liability. For operating leases existing before the adoption of the current lease accounting standard, the Company used its incremental borrowing rate as of the date of adoption, determined using the remaining lease term as of the date of adoption. For operating leases commencing on or after the adoption of the current lease accounting standard, the incremental borrowing rate is determined using the remaining lease term as of the lease commencement date. The Company has elected to combine lease and nonlease components for all current classes of underlying leased assets.

The measurement of operating lease right-of-use assets and liabilities includes amounts related to:

- Lease payments made prior to the lease commencement date;
- Incentives from landlords received by the Company for signing a lease, including construction allowances or deferred lease credits paid to the Company by landlords towards construction and tenant improvement costs, which are presented as a reduction to the right-of-use asset recorded;
- Fixed payments related to operating lease components, such as rent escalation payments scheduled at the lease commencement date;
- Fixed payments related to nonlease components, such as taxes, insurance, and maintenance costs; and
- Unamortized initial direct costs incurred in conjunction with securing a lease, including key money, which are amounts paid directly to a landlord in exchange for securing the lease, and leasehold acquisition costs, which are amounts paid to parties other than the landlord, such as an existing tenant, to secure the desired lease.

The measurement of operating lease right-of-use assets and liabilities excludes amounts related to:

- Costs expected to be incurred to return a leased asset to its original condition, also referred to as asset retirement obligations, which are classified within other liabilities on the Consolidated Balance Sheets;
 - Variable payments related to operating lease components, such as contingent rent payments made by the Company based on performance, the expense of which is recognized in the period incurred on the Consolidated Statements of Operations and Comprehensive Income (Loss);
 - Variable payments related to nonlease components, such as taxes, insurance, and maintenance costs, the expense of which is recognized in the period incurred in the Consolidated Statements of Operations and Comprehensive Income (Loss); and
 - Leases not related to Company-operated retail stores with an initial term of 12 months or less, the expense of which is recognized in the period incurred in the Consolidated Statements of Operations and Comprehensive Income (Loss).
-

Certain of the Company's operating leases include options to extend the lease or to terminate the lease. The Company assesses these operating leases and, depending on the facts and circumstances, may or may not include these options in the measurement of the Company's operating lease right-of-use assets and liabilities. Generally, the Company's options to extend its operating leases are at the Company's sole discretion and at the time of lease commencement are not reasonably certain of being exercised. There may be instances in which a lease is being renewed on a month-to-month basis and, in these instances, the Company will recognize lease expense in the period incurred in the Consolidated Statements of Operations and Comprehensive Income (Loss) until a new agreement has been executed. Upon the signing of the renewal agreement, the Company recognizes an asset for the right to use the leased asset and a liability based on the present value of remaining lease payments over the lease term.

Amortization and interest expense related to operating lease right-of-use assets and liabilities are generally calculated on a straight-line basis over the lease term. Amortization and interest expense related to previously impaired operating lease right-of-use assets are calculated on a front-loaded pattern. Depending on the nature of the operating lease, amortization and interest expense are primarily recorded within stores and distribution expense, marketing, general and administrative expense, or flagship store exit (benefits) charges on the Consolidated Statements of Operations and Comprehensive Income (Loss).

The Company's operating lease agreements do not contain any material residual value guarantees or material restrictive covenants. In addition, the Company does not have any sublease arrangements with any related party.

The Company adopted Accounting Standards Update No. 2016-02, Leases (Topic 842) and its subsequent amendments effective February 3, 2019. Adoption of this standard resulted in the Company's total assets and total liabilities on the Consolidated Balance Sheet each increasing by approximately \$1.2 billion on the date of adoption, primarily due to the recognition of operating lease right-of-use assets and liabilities. Certain of these newly-established operating lease right-of-use assets related to previously impaired stores and, therefore, were assessed for impairment upon adoption. To the extent that the initial carrying amount for each such lease right-of-use asset was greater than its fair value, an asset impairment charge was recognized as an adjustment to the opening balance of retained earnings on the date of adoption. As a result, the Company recognized a cumulative adjustment decreasing the opening balance of retained earnings by \$0.1 billion on the date of adoption.

Refer to Note 8, "[LEASES](#)."

Long-lived asset impairment

For the purposes of asset impairment, the Company's long-lived assets, primarily operating lease right-of-use assets, leasehold improvements, furniture, fixtures and equipment, are grouped with other assets and liabilities at the store level, which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. On at least a quarterly basis, management reviews the Company's asset groups for indicators of impairment, which include, but are not limited to, material declines in operational performance, a history of losses, an expectation of future losses, adverse market conditions, store closure or relocation decisions, and any other events or changes in circumstances that would indicate the carrying amount of an asset group might not be recoverable.

If an asset group displays an indicator of impairment, it is tested for recoverability by comparing the sum of the estimated future undiscounted cash flows attributable to the asset group to the carrying amount of the asset group. This recoverability test requires management to make assumptions and judgments related, but not limited to, management's expectations for future cash flows from operating the store. The key assumption used in developing these projected cash flows used in the recoverability test is estimated sales growth rate.

If the sum of the estimated future undiscounted cash flows attributable to an asset group is less than its carrying amount, and it is determined that the carrying amount of the asset group is not recoverable, management determines if there is an impairment loss by comparing the carrying amount of the asset group to its fair value. Fair value of an asset group is based on the highest and best use of the asset group, often using a discounted cash flow model that utilizes Level 3 fair value inputs. The key assumptions used in the Company's fair value analysis are estimated sales growth rate and comparable market rents. An impairment loss is recognized based on the excess of the carrying amount of the asset group over its fair value.

Refer to Note 9, "[ASSET IMPAIRMENT](#)."

Other assets

Other assets on the Consolidated Balance Sheets consist primarily of the Company's trust-owned life insurance policies held in the irrevocable rabbi trust (the "Rabbi Trust"), deferred tax assets, long-term deposits, intellectual property, long-term restricted cash and equivalents, long-term supplies and various other assets.

[*Rabbi Trust assets*](#)

The Rabbi Trust includes amounts, restricted in their use, 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 and are included in other assets on the Consolidated Balance Sheets. The change in cash surrender value of the life insurance policies in the Rabbi Trust is recorded in interest expense, net on the Consolidated Statements of Operations and Comprehensive Income (Loss).

Refer to Note 10, "[RABBI TRUST ASSETS](#)."

[*Intellectual property*](#)

Intellectual property primarily includes trademark assets associated with the Company's international operations, consisting of finite-lived and indefinite-lived intangible assets. The Company's finite-lived intangible assets are amortized over a useful life of 10 to 20 years.

[*Income taxes*](#)

Income taxes are calculated using the asset and liability method. Deferred tax assets and liabilities are recognized based on the difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using current enacted tax rates in effect for the years in which those temporary differences are expected to reverse. Inherent in the determination of the Company's income tax liability and related deferred income tax balances are certain judgments and interpretations of enacted tax law and published guidance with respect to applicability to the Company's operations. The Company is subject to audit by taxing authorities, usually several years after tax returns have been filed, and the taxing authorities may have differing interpretations of tax laws. Valuation allowances are established to reduce deferred tax assets to the amount expected to be realized when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company records tax expense or benefit that does not relate to ordinary income in the current fiscal year discretely in the period in which it occurs. Examples of such types of discrete items include, but are not limited to: changes in estimates of the outcome of tax matters related to prior years, assessments of valuation allowances, return-to-provision adjustments, tax-exempt income, the settlement of tax audits and changes in tax legislation and/or regulations.

Tax benefits from uncertain tax positions are recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The amount recognized is measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon settlement. The Company's effective tax rate includes the impact of reserve provisions and changes to reserves on uncertain tax positions that are not more likely than not to be sustained upon examination as well as related interest and penalties.

A number of years may elapse before a particular matter, for which the Company has established a reserve, is audited and finally resolved. The number of years with open tax audits varies depending on the tax jurisdiction. While it is often difficult to predict the final outcome or the timing of resolution of any particular tax matter, the Company believes that its reserves reflect the probable outcome of known tax contingencies. Unfavorable settlement of any particular issue may require use of the Company's cash. Favorable resolution would be recognized as a reduction to the Company's effective tax rate in the period of resolution.

The Company recognizes accrued interest and penalties related to uncertain tax positions as a component of income tax expense on the Consolidated Statements of Operations and Comprehensive Income (Loss).

Refer to Note 12, "[INCOME TAXES](#)."

[*Foreign currency translation and transactions*](#)

The functional currencies of the Company's foreign subsidiaries are generally the respective local currencies in the countries in which they operate. Assets and liabilities denominated in foreign currencies are translated into U.S. Dollars (the reporting currency) at the exchange rate prevailing at the balance sheet date. Equity accounts denominated in foreign currencies are translated into U.S. Dollars at historical exchange rates. Revenues and expenses denominated in foreign currencies are translated into U.S. Dollars at the monthly average exchange rate for the period. Gains and losses resulting from foreign currency transactions are included in other operating income, net; whereas, translation adjustments and gains and losses associated with measuring inter-company loans of a long-term investment nature are reported as an element of other comprehensive income (loss).

[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.

In order to qualify for hedge accounting treatment, a derivative instrument must be considered highly effective at offsetting changes in either the hedged item's cash flows or fair value. Additionally, the hedge relationship must be documented to include the risk management objective and strategy, the hedging instrument, the hedged item, the risk exposure, and how hedge effectiveness will be assessed prospectively and retrospectively. The extent to which a hedging instrument has been, and is expected to continue to be, effective at offsetting changes in fair value or cash flows is assessed and documented at least quarterly. If the underlying hedged item is no longer probable of occurring, hedge accounting is discontinued.

For derivative instruments that either do not qualify for hedge accounting or are not designated as hedges, all changes in the fair value of the derivative instrument are recognized in earnings. For qualifying cash flow hedges, the change in the fair value of the derivative instrument is recorded as a component of other comprehensive income (loss) ("OCI") and recognized in earnings when the hedged cash flows affect earnings. If the cash flow hedge relationship is terminated, the derivative instrument gains or losses that are deferred in OCI will be recognized in earnings when the hedged cash flows occur. However, for cash flow hedges that are terminated because the forecasted transaction is not expected to occur in the original specified time period, or a two-month period thereafter, the derivative instrument gains or losses are immediately recognized in earnings, except as allowable under certain extenuating circumstances.

The Company uses derivative instruments, primarily forward contracts designated as cash flow hedges, to hedge the foreign currency exchange rate exposure associated with forecasted foreign-currency-denominated intercompany inventory transactions with foreign subsidiaries before inventory is sold to third parties. Fluctuations in 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 forward contracts typically have a maximum term of twelve months. The conversion of the inventory to cost of sales, exclusive of depreciation and amortization, will result in the reclassification of related derivative gains and losses that are reported in AOCL on the Consolidated Balance Sheets into earnings.

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

The Company presents its derivative assets and derivative liabilities at their gross fair values within other current assets and accrued liabilities, respectively, on the Consolidated Balance Sheets. However, the Company's derivative instruments allow net settlements under certain conditions.

Refer to Note 15, "[DERIVATIVE INSTRUMENTS](#)."

[Stockholders' equity](#)

A summary of the Company's Class A Common Stock (the "Common Stock"), \$0.01 par value, and Class B Common Stock, \$0.01 par value, follows:

<i>(in thousands)</i>	<u>January 29, 2022</u>	<u>January 30, 2021</u>
Class A Common Stock		
Shares authorized	150,000	150,000
Shares issued	103,300	103,300
Shares outstanding	52,985	62,399
Class B Common Stock ⁽¹⁾		
Shares authorized	106,400	106,400

⁽¹⁾ No shares were issued or outstanding as of each of January 29, 2022 and January 30, 2021.

Holders of Class A Common Stock generally have identical rights to holders of Class B Common Stock, except holders of Class A Common Stock are entitled to one vote per share while holders of Class B Common Stock are entitled to three votes per share on all matters submitted to a vote of stockholders.

[Revenue recognition](#)

The Company recognizes revenue from product sales when control of the good is transferred to the customer, generally upon pick up at, or shipment from, a Company location.

The Company provides shipping and handling services to customers in certain transactions under its digital operations. Revenue associated with the related shipping and handling obligations is deferred until the obligation is fulfilled, typically upon the customer's receipt of the merchandise. The related shipping and handling costs are classified in stores and distribution expense on the Consolidated Statements of Operations and Comprehensive Income (Loss).

Revenue is recorded net of estimated returns, associate discounts, promotions and other similar customer incentives. The Company estimates reserves for sales returns based on historical experience among other factors. The sales return reserve is classified in accrued expenses on the Consolidated Balance Sheets.

The Company accounts for gift cards sold to customers by recognizing an unearned revenue liability at the time of sale, which is recognized as net sales when redeemed by the customer or when the Company has determined the likelihood of redemption to be remote, referred to as gift card breakage. Gift card breakage is recognized proportionally with gift card redemptions in net sales. Gift cards sold to customers do not expire or lose value over periods of inactivity and the Company is not required by law to escheat the value of unredeemed gift cards to the jurisdictions in which it operates.

The Company also maintains loyalty programs, which primarily provide customers with the opportunity to earn points toward future merchandise discount rewards with qualifying purchases. The Company accounts for expected future reward redemptions by recognizing an unearned revenue liability as customers accumulate points, which remains until revenue is recognized at the earlier of redemption or expiration.

Unearned revenue liabilities related to the Company's gift card program and loyalty programs are classified in accrued expenses on the Consolidated Balance Sheets and are typically recognized as revenue within a 12-month period.

For additional details on the Company's unearned revenue liabilities related to the Company's gift card and loyalty programs, refer to Note 4, "[REVENUE RECOGNITION](#)."

The Company also recognizes revenue under wholesale arrangements, which revenue is generally recognized upon shipment, when control passes to the wholesale partner. Revenue from the Company's franchise and license arrangements, primarily royalties earned upon the sale of merchandise, is generally recognized at the time merchandise is sold to the franchisees' retail customers or to the licensees' wholesale customers.

The Company does not include tax amounts collected from customers on behalf of third parties, including sales and indirect taxes, in net sales.

All revenues are recognized in net sales in the Consolidated Statements of Operations and Comprehensive Income (Loss). For a discussion of the disaggregation of revenue, refer to Note 18, "[SEGMENT REPORTING](#)."

[Cost of sales, exclusive of depreciation and amortization](#)

Cost of sales, exclusive of depreciation and amortization on the Consolidated Statements of Operations and Comprehensive Income (Loss), primarily consists of cost incurred to ready inventory for sale, including product costs, freight, and import costs, as well as provisions for reserves for shrink and lower of cost and net realizable value. Gains and losses associated with the effective portion of designated foreign currency exchange forward contracts related to the hedging of intercompany inventory transactions are also recognized in cost of sales, exclusive of depreciation and amortization, on the Consolidated Statements of Operations and Comprehensive Income (Loss).

The Company's cost of sales, exclusive of depreciation and amortization, and consequently gross profit, may not be comparable to those of other retailers, as inclusion of certain costs vary across the industry. Some retailers include all costs related to buying, design and distribution operations in cost of sales, while others may include either all or a portion of these costs in selling, general and administrative expenses.

[Stores and distribution expense](#)

Stores and distribution expense on the Consolidated Statements of Operations and Comprehensive Income (Loss) primarily consists of: store payroll; store management; operating lease costs; utilities and other landlord expenses; depreciation and amortization, except for those amounts included in marketing, general and administrative expense; repairs and maintenance and other store support functions; marketing and other costs related to the Company's digital operations; shipping and handling costs; and distribution center ("DC") expense.

A summary of shipping and handling costs, which includes costs incurred to store, move and prepare product for shipment and costs incurred to physically move product to our customers across channels, follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Shipping and handling costs	\$ 306,222	\$ 291,534	\$ 224,604

[Marketing, general and administrative expense](#)

Marketing, general and administrative expense on the Consolidated Statements of Operations and Comprehensive Income (Loss) primarily consists of: home office compensation and marketing, except for those departments included in stores and distribution expense; information technology; outside services, such as legal and consulting; depreciation, primarily related to IT and other home office assets; amortization related to trademark assets; costs to design and develop the Company's merchandise; relocation; recruiting; and travel expenses.

[Other operating income, net](#)

Other operating income, net on the Consolidated Statements of Operations and Comprehensive Income (Loss) primarily consists of gains and losses resulting from foreign-currency-denominated transactions. A summary of foreign-currency-denominated transactions, including those related to derivative instruments, follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Foreign-currency-denominated transaction gains	\$ 4,232	\$ 3,933	\$ 348

[Interest expense, net](#)

Interest expense primarily consisted of interest expense on the Company's long-term borrowings outstanding. Interest income primarily consisted of interest income earned on the Company's investments and cash holdings and realized gains from the Rabbi Trust assets.

A summary of interest expense, net follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Interest expense	\$ 37,958	\$ 31,726	\$ 19,908
Interest income	(3,848)	(3,452)	(12,171)
Interest expense, net	<u>\$ 34,110</u>	<u>\$ 28,274</u>	<u>\$ 7,737</u>

[Advertising costs](#)

Advertising costs consist primarily of paid media advertising, direct digital advertising, including e-mail distribution, digital content and in-store photography and signage.

Advertising costs related specifically to digital operations are expensed as incurred and the production of in-store photography and signage is expensed when the marketing campaign commences as components of stores and distribution expense. All other advertising costs are expensed as incurred as components of marketing, general and administrative expense.

A summary of advertising costs follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Advertising costs	\$ 204,575	\$ 118,537	\$ 134,058

[Share-based compensation](#)

The Company issues shares of Common Stock from treasury stock upon exercise of stock appreciation rights and vesting of

restricted stock units, including those converted from performance share awards. As of January 29, 2022, the Company had sufficient treasury stock available to settle restricted stock units and stock appreciation rights outstanding. Settlement of stock awards in Common Stock also requires that the Company have sufficient shares available in stockholder-approved plans at the applicable time.

In the event, at each reporting date as of which share-based compensation awards remain outstanding, there are not sufficient shares of Common Stock available to be issued under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Directors (as amended effective May 20, 2020, the "2016 Directors LTIP") and the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates (as amended effective June 9, 2021, the "2016 Associates LTIP"), or under a successor or replacement plan, the Company may be required to designate some portion of the outstanding awards to be settled in cash, which would result in liability classification of such awards. The fair value of liability-classified awards would be re-measured each reporting date until such awards no longer remain outstanding or until sufficient shares of Common Stock become available to be issued under the existing plans or under a successor or replacement plan. As long as the awards are required to be classified as a liability, the change in fair value would be recognized in current period expense based on the requisite service period rendered.

Fair value of both service-based and performance-based restricted stock units is calculated using the market price of the underlying Common Stock on the date of grant reduced for anticipated dividend payments on unvested shares. In determining fair value, the Company does not take into account performance-based vesting requirements. Performance-based vesting requirements are taken into account in determining the number of awards expected to vest. For market-based restricted stock units, fair value is calculated using a Monte Carlo simulation with the number of shares that ultimately vest dependent on the Company's total stockholder return measured against the total stockholder return of a select group of peer companies over a three-year period. For awards with performance-based or market-based vesting requirements, the number of shares that ultimately vest can vary from 0% to 200% of target depending on the level of achievement of performance criteria.

The Company estimates the fair value of stock appreciation rights using the Black-Scholes option-pricing model, which requires the Company to estimate the expected term of the stock appreciation rights and expected future stock price volatility over the expected term. Estimates of expected terms, which represent the expected periods of time the Company believes stock appreciation rights will be outstanding, are based on historical experience. Estimates of expected future stock price volatility are based on the volatility of the Company's Common Stock price for the most recent historical period equal to the expected term of the stock appreciation rights, as appropriate. The Company calculates the volatility as the annualized standard deviation of the differences in the natural logarithms of the weekly closing price of the Common Stock, adjusted for stock splits and dividends.

Service-based restricted stock units are expensed on a straight-line basis over the award's requisite service period. Performance-based restricted stock units subject to graded vesting are expensed on an accelerated attribution basis. Performance share award expense is primarily recognized in the performance period of the award's requisite service period. Market-based restricted stock units without graded vesting features are expensed on a straight-line basis over the award's requisite service period. Compensation expense for stock appreciation rights is recognized on a straight-line basis over the award's requisite service period. The Company adjusts share-based compensation expense on a quarterly basis for actual forfeitures.

For awards that are expected to result in a tax deduction, a deferred tax asset is recorded in the period in which share-based compensation expense is recognized. A current tax deduction arises upon the issuance of restricted stock units and performance share awards or the exercise of stock options and stock appreciation rights and is principally measured at the award's intrinsic value. If the tax deduction differs from the recorded deferred tax asset, the excess tax benefit or deficit associated with the tax deduction is recognized within income tax expense.

Refer to Note 14, "[SHARE-BASED COMPENSATION](#)."

[Net income \(loss\) per share attributable to A&F](#)

Net income (loss) 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. Additional information pertaining to net income (loss) per share attributable to A&F follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Shares of Common Stock issued	103,300	103,300	103,300
Weighted-average treasury shares	(43,703)	(40,749)	(38,872)
Weighted-average — basic shares	59,597	62,551	64,428
Dilutive effect of share-based compensation awards	3,039	—	1,350
Weighted-average — diluted shares	62,636	62,551	65,778
Anti-dilutive shares ⁽¹⁾	1,002	3,270	1,462

⁽¹⁾ Reflects the total number of shares related to outstanding share-based compensation awards that have been excluded from the computation of net income (loss) 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.

[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 not expected to have or that did not have a material impact on the Company's consolidated financial statements.

3. IMPACT OF COVID-19

In March 2020, the COVID-19 outbreak was declared to be a global pandemic by the World Health Organization. In response to COVID-19, certain governments imposed travel restrictions and local statutory quarantines and the Company experienced widespread temporary store closures. As of January 29, 2022, all U.S. Company-operated stores were fully open for in-store service; however, temporary store closures have subsequently 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.

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 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 emergence of new variants of coronavirus, such as the Delta and Omicron variants, and the availability and acceptance of effective vaccines, boosters or medical treatments. The Company plans to follow the guidance of local governments to evaluate whether future store closures will be necessary.

During Fiscal 2020, the Company experienced a material adverse impact to net sales across brands and regions as a result of widespread temporary store closures in response to COVID-19, which was not offset by year-over-year digital sales growth. As a result, the Company recognized \$14.8 million of charges to reduce the carrying value of inventory, primarily as a result of COVID-19 and the temporary closure of the Company's stores, in cost of sales, exclusive of depreciation and amortization on the Consolidated Statements of Operations and Comprehensive Income (Loss). Further negative developments in the COVID-19 pandemic could result in additional charges to reduce the carrying value of inventory.

As a result of COVID-19, the Company suspended certain rent payments for periods of store closures, and continues to engage with its landlords to find a mutually beneficial and agreeable path forward. As of January 29, 2022 and January 30, 2021, the Company had \$13.5 million and \$24.2 million, respectively, related to suspended rent payments classified within accrued expenses on the Consolidated Balance Sheets. The Company obtained rent abatements of \$17.9 million and \$30.7 million, respectively, during Fiscal 2021 and Fiscal 2020. The majority of the benefits related to these abatements was recognized within variable lease cost during the applicable periods.

During Fiscal 2021 and Fiscal 2020, the Company recognized qualified payroll-related credits reducing payroll expenses by approximately \$5.6 million and \$18.1 millions, respectively, in the Consolidated Statements of Operations and Comprehensive Income. There are also instances where governments have provided wage subsidies through direct payments to the Company's associates. In these instances, no benefits are recognized on the Consolidated Statements of Operations and Comprehensive Income (Loss), but the Company does see a reduction in expense incurred. The Company also intends to continue to defer qualified payroll and other tax payments as permitted by applicable government laws and regulations.

The Company has recognized asset impairment charges related to the Company's operating lease right-of-use assets and property and equipment, which were principally the result of the impact of COVID-19 on store cash flows. Refer to Note 9, "[ASSET IMPAIRMENT](#)," for additional information.

The Company has also experienced other material impacts as a result of COVID-19, such as the establishment of deferred tax valuation allowances and other tax charges. Refer to Note 12, "[INCOME TAXES](#)," for additional information.

In March 2020, in an effort to improve the Company's near-term cash position, as a precautionary measure in response to COVID-19, the Company borrowed \$210.0 million under its senior secured asset-based revolving credit facility (the "ABL Facility") and withdrew the majority of excess funds from the overfunded Rabbi Trust assets, providing the Company with \$50.0 million of additional cash. In July 2020, the Company took additional actions to preserve liquidity in light of the continued global uncertainty then presented by COVID-19, and completed a private offering of \$350.0 million aggregate principal amount of senior secured notes (the "Senior Secured Notes"). The Company used the net proceeds of such offering to repay all outstanding borrowings under the Company's term loan facility (the "Term Loan Facility"), to repay a portion of the outstanding borrowings under the ABL Facility and to pay fees and expenses in connection with such repayments and the offering. Refer to Note 13 "[BORROWINGS](#)," for additional information.

As of January 29, 2022, the Company had liquidity of \$1.1 billion as compared to liquidity of \$1.3 billion as of January 30, 2021, comprised of cash and equivalents and borrowing available to the Company under the ABL Facility.

4. REVENUE RECOGNITION

Disaggregation of revenue

All revenues are recognized in net sales in the Consolidated Statements of Operations and Comprehensive Income (Loss). For information regarding the disaggregation of revenue, refer to Note 18, "[SEGMENT REPORTING](#)."

Contract liabilities

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

<i>(in thousands)</i>	<u>January 29, 2022</u>	<u>January 30, 2021</u>
Gift card liability	\$ 36,984	\$ 28,561
Loyalty programs liability	22,757	20,426

The following table details recognized revenue associated with the Company's gift card program and loyalty programs for Fiscal 2021 and Fiscal 2020:

<i>(in thousands)</i>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>
Revenue associated with gift card redemptions and gift card breakage	\$ 80,088	\$ 58,400
Revenue associated with reward redemptions and breakage related to the Company's loyalty programs	45,417	37,042

Refer to Note 2, "[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Revenue recognition](#)," for discussion regarding significant accounting policies related to the Company's revenue recognition.

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 and liabilities that are measured at fair value on a recurring basis, were as follows:

<i>(in thousands)</i>	Assets and Liabilities at Fair Value as of January 29, 2022			
	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

<i>(in thousands)</i>	Assets and Liabilities at Fair Value as of January 30, 2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents ⁽¹⁾	\$ 296,279	\$ 11,589	\$ —	\$ 307,868
Derivative instruments ⁽²⁾	—	79	—	79
Rabbi Trust assets ⁽³⁾	1	60,789	—	60,790
Restricted cash equivalents ⁽¹⁾	2,943	7,775	—	10,718
Total assets	\$ 299,223	\$ 80,232	\$ —	\$ 379,455
Liabilities:				
Derivative instruments ⁽²⁾	\$ —	\$ 4,694	\$ —	\$ 4,694
Total liabilities	\$ —	\$ 4,694	\$ —	\$ 4,694

⁽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 and liabilities 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 and liabilities 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 the Senior Secured Notes are carried at historical cost in the Consolidated Balance Sheets. The carrying amount and fair value of the Company's long-term gross borrowings were as follows:

<i>(in thousands)</i>	January 29, 2022	January 30, 2021
Gross borrowings outstanding, carrying amount	\$ 307,730	\$ 350,000
Gross borrowings outstanding, fair value	327,732	389,813

6. INVENTORIES

Inventories consisted of:

<i>(in thousands)</i>	January 29, 2022	January 30, 2021
Inventories at original cost	\$ 549,030	\$ 429,993
Less: Lower of cost and net realizable value adjustment	(17,196)	(21,076)
Less: Shrink estimate	(5,970)	(4,864)
Inventories ⁽¹⁾	<u>\$ 525,864</u>	<u>\$ 404,053</u>

⁽¹⁾ Includes \$142.7 million and \$106.0 million of inventory in transit, merchandise owned by the Company that has not yet been received at a Company distribution center, as of January 29, 2022 and January 30, 2021, respectively.

A summary of the Company's vendors based on location and the percentage of dollar cost of merchandise receipts during Fiscal 2021, and Fiscal 2020 follows:

Location	% of Total Company Merchandise Receipts ⁽¹⁾	
	Fiscal 2021	Fiscal 2020
Vietnam	36 %	41 %
China ⁽²⁾	14	12
Cambodia	16	15
Other ⁽³⁾	34	32
Total	<u>100 %</u>	<u>100 %</u>

⁽¹⁾ Calculated as the cost of merchandise receipts from all vendors within a country during the respective fiscal year divided by cost of total merchandise receipts during the respective fiscal year.

⁽²⁾ Only a portion of the Company's total merchandise sourced from China is subject to the additional U.S. tariffs on imported consumer goods that were effective beginning in Fiscal 2019. The Company estimates approximately 9%, 7% and 15% of total merchandise receipts were directly imported to the U.S. from China in Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively.

⁽³⁾ No country included within this category sourced more than 10% of total merchandise receipts during any fiscal year presented above.

Refer to Note 2, "[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Inventories](#)," for discussion regarding significant accounting policies related to the Company's inventories.

7. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of:

<i>(in thousands)</i>	January 29, 2022	January 30, 2021
Land	\$ 28,599	\$ 28,599
Buildings	233,523	230,104
Furniture, fixtures and equipment	622,912	608,210
Information technology	643,244	607,062
Leasehold improvements	913,729	990,238
Construction in progress	9,483	22,744
Other	2,003	2,000
Total	2,453,493	2,488,957
Less: Accumulated depreciation	(1,945,157)	(1,938,370)
Property and equipment, net	<u>\$ 508,336</u>	<u>\$ 550,587</u>

Depreciation expense for Fiscal 2021, Fiscal 2020 and Fiscal 2019 was \$141.4 million, \$167.2 million and \$172.6 million, respectively.

Refer to Note 9, "[ASSET IMPAIRMENT](#)," for details related to property and equipment impairment charges incurred during Fiscal 2021, Fiscal 2020 and Fiscal 2019.

Refer to Note 2, "[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Property and equipment, net](#)," for discussion regarding significant accounting policies related to the Company's property and equipment, net.

8. 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 Fiscal 2021, Fiscal 2020 and Fiscal 2019:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Single lease cost ⁽¹⁾	\$ 272,246	\$ 346,178	\$ 427,982
Variable lease cost ⁽²⁾	110,889	65,310	143,472
Operating lease right-of-use asset impairment ⁽³⁾	9,509	57,026	15,812
Sublease Income	(4,292)	—	—
Total operating lease cost	\$ 388,352	\$ 468,514	\$ 587,266

⁽¹⁾ Includes 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 \$14.1 million and \$30.1 million of rent abatements in Fiscal 2021 and Fiscal 2020, respectively, related to the effects of the COVID-19 pandemic that resulted in lease concessions with total payments required by the modified contract being substantially the same as or less than total payments required by the original contract. The total benefit related to rent abatements recognized during Fiscal 2021 and Fiscal 2020 was \$17.9 million and \$30.7 million respectively.

⁽³⁾ Refer to Note 9, "[ASSET IMPAIRMENT](#)," for details related to operating lease right-of-use asset impairment charges.

The following table provides the weighted-average remaining lease term of the Company's operating leases and the weighted-average discount rate used to calculate the Company's operating lease liabilities as of January 29, 2022 and January 30, 2021:

	January 29, 2022	January 30, 2021
Weighted-average remaining lease term (years)	5.3	5.7
Weighted-average discount rate	5.6 %	5.6 %

The following table provides a maturity analysis of the Company's operating lease liabilities, based on undiscounted cash flows, as of January 29, 2022:

<i>(in thousands)</i>	January 29, 2022
Fiscal 2022	\$ 266,893
Fiscal 2023	215,464
Fiscal 2024	152,282
Fiscal 2025	131,972
Fiscal 2026	106,873
Fiscal 2027 and thereafter	190,984
Total undiscounted operating lease payments	1,064,468
Less: Imputed interest	(144,381)
Present value of operating lease liabilities	\$ 920,087

The Company has 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. Refer to Note 3, "[IMPACT OF COVID-19](#)", for additional details.

During Fiscal 2020, the Company entered into a sublease agreement with a third party for the remaining lease term of one of its European Abercrombie & Fitch flagship store locations upon its closure. As of January 29, 2022, the Company's subleased property had a remaining lease term of 5.8 years with the sublease term from February 1, 2021 through November 30, 2027. Future minimum tenant operating lease payments remaining under this sublease as of January 29, 2022 were \$24.0 million.

The Company had minimum commitments related to operating lease contracts that have not yet commenced, primarily for its Company-operated retail stores, of approximately \$17.4 million as of January 29, 2022.

9. ASSET IMPAIRMENT

The following table provides additional details related to long-lived asset impairment charges:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Operating lease right-of-use asset impairment ⁽¹⁾	\$ 9,509	\$ 57,026	\$ 15,812
Property and equipment asset impairment	2,591	15,911	6,552
Total asset impairment	\$ 12,100	\$ 72,937	\$ 22,364

⁽¹⁾ Includes \$3.2 million of operating lease right-of-use asset impairment included in flagship store exit charges on the Consolidated Statement of Operations and Comprehensive Income for Fiscal 2019. Refer to Note 19, "[FLAGSHIP STORE EXIT \(BENEFITS\) CHARGES](#)."

Asset impairment charges for Fiscal 2021 were related to certain of the Company's stores across brands, geographies and store formats. The impairment charges for Fiscal 2021 reduced the then carrying amount of the impaired stores' assets to their fair value of approximately \$18.1 million, including \$15.6 million related to operating lease right-of-use assets.

Asset impairment charges for Fiscal 2020 were principally the result of the impact of COVID-19 and were related to certain of the Company's stores across brands, geographies and store formats. The impairment charges for Fiscal 2020 reduced the then carrying amount of the impaired stores' assets to their fair value of approximately \$95.0 million, including \$87.2 million related to operating lease right-of-use assets.

Asset impairment charges for Fiscal 2019 primarily related to certain of the Company's international flagship stores. The impairment charges for Fiscal 2019 reduced the then carrying amount of the impaired stores' assets to their fair value of approximately \$103.4 million, including \$99.2 million related to operating lease right-of-use assets.

Refer to Note 2, "[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Long-lived asset impairment](#)," for discussion regarding significant accounting policies related to impairment of the Company's long-lived assets.

10. RABBI TRUST ASSETS

Investments of Rabbi Trust assets consisted of the following as of January 29, 2022 and January 30, 2021:

<i>(in thousands)</i>	January 29, 2022	January 30, 2021
Trust-owned life insurance policies (at cash surrender value)	\$ 62,272	\$ 60,789
Money market funds	1	1
Rabbi Trust assets	\$ 62,273	\$ 60,790

Realized gains resulting from the change in cash surrender value of the Rabbi Trust assets for Fiscal 2021, Fiscal 2020 and Fiscal 2019 were as follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Realized gains related to Rabbi Trust assets	\$ 1,483	\$ 1,740	\$ 3,172

Refer to Note 2, "[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Rabbi Trust assets](#)," for further discussion related to the Company's Rabbi Trust assets.

11. ACCRUED EXPENSES

Accrued expenses consisted of:

<i>(in thousands)</i>	January 29, 2022	January 30, 2021
Accrued payroll and related costs ⁽¹⁾	\$ 90,906	\$ 119,978
Accrued costs related to the Company's DCs and digital operations	48,395	56,135
Other ⁽²⁾	256,514	220,252
Accrued expenses	<u>\$ 395,815</u>	<u>\$ 396,365</u>

⁽¹⁾ Accrued payroll and related costs include salaries, incentive compensation, benefits, withholdings and other payroll-related costs.

⁽²⁾ Other primarily includes the Company's gift card and loyalty programs liabilities, accrued taxes, accrued rent and expenses incurred but not yet paid primarily related to outside services associated with store and home office operations and construction in progress. Refer to Note 4, "[REVENUE RECOGNITION](#)."

12. INCOME TAXES

[Impact of valuation allowances and other tax charges](#)

During Fiscal 2021, as a result of the improvement seen in business conditions, the Company recognized \$42.5 million of tax benefits due to the release of valuation allowances, primarily in the U.S. and Germany, and a discrete tax benefit of \$3.9 million due to a rate change in the United Kingdom. The Company did not recognize income tax benefits on \$25.3 million of pre-tax losses generated in Fiscal 2021, primarily in Switzerland, resulting in adverse tax impacts of \$4.6 million.

The Company's effective tax rate for Fiscal 2020 was impacted by \$101.4 million of adverse tax impacts, ultimately giving rise to income tax expense on a consolidated pre-tax loss. Further details regarding these adverse tax impacts are as follows:

- Due to the significant adverse impacts of COVID-19, the Company did not recognize income tax benefits on \$203.4 million of pre-tax losses during Fiscal 2020, resulting in an adverse tax impact of \$39.5 million.
- The Company recognized charges of \$61.9 million related to the establishment of valuation allowances and other tax charges in certain jurisdictions during Fiscal 2020, including, but not limited to, the U.S., Switzerland, Germany and Japan, principally as a result of the significant adverse impacts of COVID-19.

[Swiss Tax Reform](#)

In May 2019, Switzerland voted to approve the Federal Act on Tax Reform and AHV Financing ("Swiss Tax Reform"), effective at the federal level beginning January 2020, which resulted in the abolishment of preferential tax regimes by the cantons. In addition to the abolishment of the preferential tax regimes, the cantons needed to implement new, mandatory tax provisions in their cantonal tax law which were subject to a referendum process as well. As a result of these changes and actions taken by the Company, both of which occurred in the third quarter of Fiscal 2019, the Company increased its deferred income tax assets and liabilities, which are recorded on the Consolidated Balance Sheets within other assets and other liabilities, respectively, by \$38.0 million during the third quarter of Fiscal 2019. In the fourth quarter of Fiscal 2019, the canton of Ticino formally enacted the tax reform effective January 1, 2020. As a result, the tax reform went into effect on January 1, 2020. The Company decreased its deferred income tax assets and liabilities by \$13.1 million during the fourth quarter of Fiscal 2019 for a net increase of deferred income tax assets and liabilities during Fiscal 2019 of \$24.9 million as a result of Swiss Tax Reform. In addition, the Company incurred tax benefits in Fiscal 2019 of \$2.9 million as a result of Swiss Tax Reform. Swiss Tax Reform did not have a material impact to the Consolidated Statements of Operations and Comprehensive Income (Loss) or the Company's cash flows during Fiscal 2021, Fiscal 2020 or Fiscal 2019.

[Components of income taxes](#)

Income (loss) before income taxes consisted of:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Domestic ⁽¹⁾	\$ 283,793	\$ (33,417)	\$ 17,590
Foreign	25,181	(15,326)	44,741
Income (loss) before income taxes	<u>\$ 308,974</u>	<u>\$ (48,743)</u>	<u>\$ 62,331</u>

⁽¹⁾ Includes intercompany charges to foreign affiliates for management fees, cost-sharing, royalties and interest and excludes a portion of foreign income that is currently includable on the U.S. federal income tax return.

Income tax expense (benefit) consisted of:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Current:			
Federal	\$ 51,321	\$ 9,434	\$ (2,193)
State	14,061	3,751	1,893
Foreign	5,448	23,041	8,521
Total current	<u>\$ 70,830</u>	<u>\$ 36,226</u>	<u>\$ 8,221</u>
Deferred:			
Federal ⁽¹⁾	\$ (15,401)	\$ (73,104)	\$ 29,012
State	(8,995)	8,828	(107)
Foreign ⁽¹⁾	(7,526)	88,261	(19,755)
Total deferred	<u>(31,922)</u>	<u>23,985</u>	<u>9,150</u>
Income tax expense	<u>\$ 38,908</u>	<u>\$ 60,211</u>	<u>\$ 17,371</u>

⁽¹⁾ Fiscal 2020 includes federal deferred tax benefit of \$79.0 million and foreign deferred tax expense of \$88.6 million due to the establishment of an additional valuation allowance in Switzerland. Fiscal 2019 federal deferred tax expense included charges of \$24.9 million and foreign deferred tax expense included benefits of \$24.9 million as a result of Swiss Tax Reform.

The Company's earnings and profits from its foreign subsidiaries may be repatriated to the U.S., without incurring additional U.S. 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 may be repatriated without incurring additional tax expense.

Abercrombie & Fitch Co.

Reconciliation between the statutory federal income tax rate and the effective tax rate is as follows:

	Fiscal 2021	Fiscal 2020	Fiscal 2019
U.S. federal corporate income tax rate	21.0 %	21.0 %	21.0 %
Audit and other adjustments to prior years' accruals, net	4.7	2.6	0.8
State income tax, net of U.S. federal income tax effect	4.4	2.6	1.9
Foreign taxation of non-U.S. operations ⁽¹⁾	3.5	32.7	5.5
Internal Revenue Code Section 162(m)	1.6	(5.5)	2.2
Additional U.S. taxation of non-U.S. operations	0.6	(0.2)	(1.4)
Permanent items	0.2	—	0.3
Net change in valuation allowances	(19.7)	(177.2)	8.2
Tax (benefit) expense recognized on share-based compensation ⁽²⁾	(1.3)	(7.5)	(0.9)
Other statutory tax rate and law changes	(1.2)	2.3	(0.9)
Credit for increasing research activities	(0.6)	2.6	(3.6)
Net income attributable to noncontrolling interests	(0.5)	2.2	(1.9)
Trust-owned life insurance policies (at cash surrender value)	(0.1)	0.7	(1.1)
Credit items	—	0.2	(0.8)
Write-off of stock basis in subsidiary	—	—	3.2
Statutory tax rate and law changes due to Swiss Tax Reform	—	—	(4.6)
Total	12.6 %	(123.5)%	27.9 %

⁽¹⁾ U.S. branch operations in Canada and Puerto Rico were subject to tax at the full U.S. tax rates. As a result, income from these operations do not create reconciling items. Effective in 2019, only Puerto Rico continues to be a branch of the U.S.

⁽²⁾ Refer to Note 14, "[SHARE-BASED COMPENSATION](#)," for details on discrete income tax benefits and charges related to share-based compensation awards during Fiscal 2021, Fiscal 2020, and Fiscal 2019.

The impact of various tax items on the Company's effective tax rate were amplified on a percentage basis at lower levels of consolidated pre-tax income (loss) in absolute dollars. The effective tax rate remains dependent on jurisdictional mix. The taxation of non-U.S. operations line items in the table above excludes items related to the Company's non-U.S. operations reported separately in the appropriate corresponding line items.

For both Fiscal 2021 and Fiscal 2020, the impact of taxation of non-U.S. operations on the Company's effective income tax rate was related to the Company's jurisdictional mix driven primarily by the Company's operations within Switzerland.

For Fiscal 2019, the impact of taxation of non-U.S. operations on the Company's effective income tax rate was primarily related to the Company's Japan subsidiary, along with the Company's NCI. For Fiscal 2019, the Company's Japan subsidiary earned pre-tax income of \$12.0 million with a jurisdictional effective tax rate of 35.1%. With respect to the NCI, the subsidiary incurred pre-tax income of \$5.6 million with no jurisdictional tax effect. The Swiss earnings are subject to U.S. tax and the effect is included in the U.S. taxation of non-U.S. operations above.

[Components of deferred income tax assets and deferred income tax liabilities](#)

The effect of temporary differences which gives rise to deferred income tax assets (liabilities) were as follows:

(in thousands)

	January 29, 2022	January 30, 2021
Deferred income tax assets:		
Operating lease liabilities	\$ 242,290	\$ 311,286
Intangibles, foreign step-up in basis ⁽¹⁾	64,281	81,357
Net operating losses (NOL), tax credit and other carryforwards	52,970	56,341
Accrued expenses and reserves	30,026	32,649
Deferred compensation	16,050	16,294
Inventory	3,578	—
Rent	—	530
Other	45	2,171
Valuation allowances	(110,057)	(174,302)
Total deferred income tax assets	\$ 299,183	\$ 326,326
Deferred income tax liabilities:		
Operating lease right-of-use assets	\$ (202,916)	\$ (253,417)
Property and equipment and intangibles	(10,150)	(15,328)
Prepaid expenses	(2,451)	(387)
Store supplies	(1,811)	(2,042)
Undistributed profits of non-U.S. subsidiaries	(1,082)	(318)
Rent	(360)	—
Inventory	—	(1,499)
U.S. offset to foreign deferred tax assets, excluding intangibles, foreign step-up in basis ⁽²⁾	—	(183)
Other	(30)	(3,499)
Total deferred income tax liabilities	\$ (218,800)	\$ (276,673)
Net deferred income tax assets ⁽²⁾	\$ 80,383	\$ 49,653

⁽¹⁾ The deferred tax asset relates to a step-up in basis associated with the intra-entity transfer of intangible assets to Switzerland which are being amortized for Swiss local tax purposes. As this subsidiary's income is also taxable in the U.S., a corresponding U.S. deferred tax liability was recognized to reflect lower resulting foreign tax credit due to the amortization of the Swiss step-up in basis. Included in the liability section is the remaining portion of deferred tax liabilities which are properly categorized in the table above. In Fiscal 2020, a full valuation allowance was established in Switzerland and the corresponding US deferred tax liability was released. During Fiscal 2021 an agreement was reached with the Swiss taxing authorities to decrease the basis step up to be amortized in the future thus decreasing the deferred asset by \$14.8 million. Because of the valuation allowance, there is no impact on consolidated tax expense for this agreement.

⁽²⁾ This table does not reflect deferred taxes classified within AOCL. As of January 29, 2022 and January 30, 2021, AOCL included deferred tax liabilities of \$1.1 million and deferred tax assets of \$0.9 million, respectively.

As of January 29, 2022, the Company had deferred tax assets related to foreign and state NOL and credit carryforwards of \$52.5 million and \$0.4 million, respectively, that could be utilized to reduce future years' tax liabilities. If not utilized, a portion of the foreign NOL carryforwards will begin to expire in 2025 and a portion of state NOL carryforwards will begin to expire in 2023. Some foreign NOLs have an indefinite carryforward period. As of January 29, 2022, the Company did not have any deferred tax assets related to federal NOL and credit carryforwards that could be utilized to reduce future years' tax liabilities.

As of January 29, 2022, valuation allowances of \$110.1 million have been established against deferred tax assets. All valuation allowances have been reflected through the Consolidated Statements of Operations and Comprehensive (Loss) Income. The valuation allowances will remain until there is sufficient positive evidence to release them, such positive evidence would include having positive income within the jurisdiction. In such case, the Company will record an adjustment in the period in which a determination is made. The Company continues to review the need for valuation allowances on a quarterly basis.

[Share-based compensation](#)

Refer to Note 14, "[SHARE-BASED COMPENSATION](#)," for details on income tax benefits and charges related to share-based compensation awards during Fiscal 2021, Fiscal 2020 and Fiscal 2019.

[Other](#)

The amount of uncertain tax positions as of January 29, 2022, January 30, 2021 and February 1, 2020, which would impact the Company's effective tax rate if recognized and a reconciliation of the beginning and ending amounts of uncertain tax positions, excluding accrued interest and penalties, are as follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Uncertain tax positions, beginning of the year	\$ 995	\$ 1,794	\$ 478
Gross addition for tax positions of the current year	490	235	131
Gross (reduction) addition for tax positions of prior years	(136)	395	1,349
Reductions of tax positions of prior years for:			
Lapses of applicable statutes of limitations	(81)	(48)	(151)
Settlements during the period	(154)	(1,381)	(13)
Uncertain tax positions, end of year	<u>\$ 1,114</u>	<u>\$ 995</u>	<u>\$ 1,794</u>

The IRS is currently conducting an examination of the Company's U.S. federal income tax return for Fiscal 2021 as part of the IRS' Compliance Assurance Process program. The IRS examinations for Fiscal 2020 and prior years have been completed. State and foreign returns are generally subject to examination for a period of three to five years after the filing of the respective return. The Company typically has various state and foreign income tax returns in the process of examination, administrative appeals or litigation. The outcome of the examinations is not expected to have a material impact on the Company's financial statements. The Company believes that some of these audits and negotiations will conclude within the next 12 months and that it is reasonably possible the amount of uncertain income tax positions, including interest, may change by an immaterial amount due to settlement of audits and expiration of statutes of limitations.

The Company does not expect material adjustments to the total amount of uncertain tax positions within the next 12 months, but the outcome of tax matters is uncertain and unforeseen results can occur.

Refer to Note 2, "[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Income taxes](#)," for discussion regarding significant accounting policies related to the Company's income taxes.

13. BORROWINGS

Details on the Company's long-term borrowings, net, as of January 29, 2022 and January 30, 2021 are as follows:

<i>(in thousands)</i>	January 29, 2022	January 30, 2021
Long-term portion of borrowings, gross at carrying amount	\$ 307,730	\$ 350,000
Unamortized fees	(4,156)	(6,090)
Long-term portion of borrowings, net	<u>\$ 303,574</u>	<u>\$ 343,910</u>

[Senior Secured Notes](#)

On July 2, 2020, Abercrombie & Fitch Management Co. ("A&F Management"), a wholly-owned indirect subsidiary of A&F, completed the private offering of the Senior Secured Notes, with \$350 million aggregate principal amount due in 2025 at an offering price of 100% of the principal amount thereof. The Senior Secured Notes will mature on July 15, 2025 and bear interest at a rate of 8.75% per annum, with semi-annual interest payments, which began in January 2021. The Senior Secured Notes were issued pursuant to an indenture, dated as of July 2, 2020, by and among A&F Management, A&F and certain of A&F's wholly-owned subsidiaries, as guarantors, and U.S. Bank National Association (now known as U.S. Bank Trust National Association), as trustee, and as collateral agent. During Fiscal 2021, A&F Management purchased \$42.3 million of its outstanding Senior Secured Notes and incurred \$5.3 million of loss on extinguishment of debt, comprised of a repayment premium of \$4.7 million and the write-off of unamortized fees of \$0.6 million, in interest expense, net on the Consolidated Statements of Operations and Comprehensive Income (Loss).

The Company used the net proceeds from the offering of the Senior Secured Notes to repay outstanding borrowings and accrued interest of \$233.6 million and \$110.8 million under the Term Loan Facility and the ABL Facility, respectively, with the remaining net proceeds used towards fees and expenses in connection with such repayments and the offering of the Senior Secured Notes.

The Company recorded deferred financing fees associated with the issuance of the Senior Secured Notes, which are being amortized to interest expense over the contractual term of the Senior Secured Notes.

ABL Facility

On April 29, 2021, A&F Management, in A&F Management's capacity as the lead borrower, and the other borrowers and guarantors party thereto, amended and restated in its entirety the Credit Agreement, dated as of August 7, 2014, as amended on September 10, 2015 and as further amended on October 19, 2017 (as amended and restated, the "Amended and Restated Credit Agreement"), among A&F Management, the other borrowers and guarantors party thereto, the lenders party thereto, Wells Fargo Bank, National Association, as administrative agent for the lenders, and the other parties thereto.

The Amended and Restated Credit Agreement continues to provide for a senior secured revolving credit facility of up to \$400.0 million (the "ABL Facility"), and (i) extends the maturity date of the ABL Facility from October 19, 2022 to April 29, 2026; and (ii) modifies the required fee on undrawn commitments under the ABL Facility from 0.25% per annum to either 0.25% or 0.375% per annum (with the ultimate amount dependent on the conditions detailed in the Amended and Restated Credit Agreement).

The Company did not have any borrowings outstanding under the ABL Facility as of January 29, 2022 or as of January 30, 2021.

The ABL Facility is subject to a borrowing base, consisting primarily of U.S. inventory, with a letter of credit sub-limit of \$50 million and an accordion feature allowing A&F to increase the revolving commitment by up to \$100 million subject to specified conditions. The ABL Facility is available for working capital, capital expenditures and other general corporate purposes.

As of January 29, 2022, the Company had availability under the ABL Facility of \$278.3 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 available to the Company under the ABL Facility was \$248.3 million as of January 29, 2022.

Obligations under the Amended ABL Facility are unconditionally guaranteed by A&F and certain of A&F's subsidiaries. The ABL Facility is secured by a first-priority security interest in certain working capital of the borrowers and guarantors consisting of inventory, accounts receivable and certain other assets. The Amended ABL Facility is also secured by a second-priority security interest in certain property and assets of the borrowers and guarantors, including certain fixed assets, intellectual property, stock of subsidiaries and certain after-acquired material real property.

At the Company's option, borrowings under the ABL Facility will bear interest at either (a) an adjusted LIBO rate plus a margin of 1.25% to 1.50% per annum, or (b) an alternate base rate plus a margin of 0.25% to 0.50% per annum. As of January 29, 2022, the applicable margins with respect to LIBO rate loans and base rate loans, including swing line loans, under the ABL Facility were 1.25% and 0.25% per annum, respectively, and are subject to adjustment each fiscal quarter based on average historical availability during the preceding quarter. Customary agency fees and letter of credit fees are also payable in respect of the ABL Facility.

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 Company's or A&F Management's assets 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 ABL Facility or certain future capital markets indebtedness.

The Company was in compliance with all debt covenants under the agreements related to the Senior Secured Notes and the ABL Facility as of January 29, 2022.

14. SHARE-BASED COMPENSATION

Plans

As of January 29, 2022, the Company had two primary share-based compensation plans: (i) the 2016 Directors LTIP, with 900,000 shares of the Company's Common Stock authorized for issuance, under which the Company is authorized to grant restricted stock, restricted stock units, stock appreciation rights, stock options and deferred stock awards to non-associate members of the Company's Board of Directors; and (ii) the 2016 Associates LTIP, with 10,350,000 shares of the Company's Common Stock authorized for issuance, under which the Company is authorized to grant restricted stock, restricted stock units, performance share awards, stock appreciation rights and stock options to associates of the Company. The Company also has outstanding shares from four other share-based compensation plans under which the Company granted restricted stock units, performance share awards, stock appreciation rights and stock options to associates of the Company and restricted stock units, stock options and deferred stock awards to non-associate members of the Company's Board of Directors in prior years. No new shares may be granted under these previously-authorized plans and any outstanding awards continue in effect in accordance with their respective terms.

The 2016 Directors LTIP, a stockholder-approved plan, permits the Company to annually grant awards to non-associate directors, subject to the following limits:

- *For non-associate directors:* awards with an aggregate fair market value on the date of the grant of no more than \$300,000;
- *For the non-associate director occupying the role of Non-Executive Chairperson of the Board (if any):* additional awards with an aggregate fair market value on the date of grant of no more than \$500,000; and
- *For the non-associate director occupying the role of Executive Chairperson of the Board (if any):* additional awards with an aggregate fair market value on the date of grant of no more than \$2,500,000.

Under the 2016 Directors LTIP, restricted stock units are subject to a minimum vesting period ending no sooner than the earlier of (i) the first anniversary of the grant date or (ii) the date of the next regularly scheduled annual meeting of stockholders held after the grant date. Any stock appreciation rights or stock options granted under this plan have the same minimum vesting period requirements as restricted stock units and, in addition, must have a term that does not exceed a period of ten years from the grant date, subject to forfeiture under the terms of the 2016 Directors LTIP.

The 2016 Associates LTIP, a stockholder-approved plan, permits the Company to annually grant one or more types of awards covering up to an aggregate for all awards of 1.0 million of underlying shares of the Company's Common Stock to any associate of the Company. Under the 2016 Associates LTIP, for restricted stock units that have performance-based vesting, performance must be measured over a period of at least one year and for restricted stock units that do not have performance-based vesting, vesting in full may not occur more quickly than in pro-rata installments over a period of three years from the date of the grant, with the first installment vesting no sooner than the first anniversary of the date of the grant. In addition, any stock options or stock appreciation rights granted under this plan must have a minimum vesting period of one year and a term that does not exceed a period of ten years from the grant date, subject to forfeiture under the terms of the 2016 Associates LTIP.

Each of the 2016 Directors LTIP and the 2016 Associates LTIP provides for accelerated vesting of awards if there is a change of control and certain other conditions specified in each plan are met.

Financial statement impact

The following table details share-based compensation expense and the related income tax benefit for Fiscal 2021, Fiscal 2020 and Fiscal 2019:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Share-based compensation expense	\$ 29,304	\$ 18,682	\$ 14,007
Income tax benefit associated with share-based compensation expense recognized during the period ⁽¹⁾	3,338	—	2,649

⁽¹⁾ No income tax benefit was recognized during Fiscal 2020 due to the establishment of a valuation allowance.

The following table details discrete income tax benefits and charges related to share-based compensation awards during Fiscal 2021, Fiscal 2020 and Fiscal 2019:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Income tax discrete benefits (charges) realized for tax deductions related to the issuance of shares during the period	\$ 4,198	\$ (1,719)	\$ 1,156
Income tax discrete charges realized upon cancellation of stock appreciation rights during the period	(204)	(1,943)	(611)
Total income tax discrete benefits (charges) related to share-based compensation awards	<u>\$ 3,994</u>	<u>\$ (3,662)</u>	<u>\$ 545</u>

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 Fiscal 2021, Fiscal 2020 and Fiscal 2019:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Employee tax withheld upon issuance of shares ⁽¹⁾	\$ 13,163	\$ 5,694	\$ 6,804

⁽¹⁾ Classified within other financing activities on the Consolidated Statements of Cash Flows.

Restricted stock units

The following table summarizes activity for restricted stock units for Fiscal 2021:

	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 ⁽¹⁾	Weighted-Average Grant Date Fair Value	Number of Underlying Shares ⁽¹⁾	Weighted-Average Grant Date Fair Value
Unvested at January 30, 2021	3,037,098	\$ 11.62	297,216	\$ 22.43	721,879	\$ 21.46
Granted	730,446	32.80	157,645	32.09	78,827	50.31
Adjustments for performance achievement	—	—	(106,715)	29.92	(6,084)	33.69
Vested	(1,089,706)	12.26	—	—	(100,634)	33.69
Forfeited	(145,598)	16.67	(7,997)	29.92	(13,804)	25.13
Unvested at January 29, 2022 ⁽¹⁾	<u>2,532,240</u>	<u>\$ 17.16</u>	<u>340,149</u>	<u>\$ 27.08</u>	<u>680,184</u>	<u>\$ 22.81</u>

⁽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 January 29, 2022:

<i>(in thousands)</i>	Service-based Restricted Stock Units		Performance-based Restricted Stock Units		Market-based Restricted Stock Units	
Unrecognized compensation cost	\$	28,333	\$	—	\$	14,173
Remaining weighted-average period cost is expected to be recognized (years)		1.2		0.0		0.8

Abercrombie & Fitch Co.

Additional information pertaining to restricted stock units for Fiscal 2021, Fiscal 2020 and Fiscal 2019 follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Service-based restricted stock units:			
Total grant date fair value of awards granted	\$ 23,959	\$ 19,843	\$ 16,175
Total grant date fair value of awards vested	13,360	14,083	13,630
Total intrinsic value of awards vested	36,507	8,147	18,596
Performance-based restricted stock units:			
Total grant date fair value of awards granted	5,059	—	5,391
Total grant date fair value of awards vested	—	4,635	—
Market-based restricted stock units:			
Total grant date fair value of awards granted	3,966	8,443	4,176
Total grant date fair value of awards vested	3,390	4,132	511
Total intrinsic value of awards vested	3,335	3,263	181

The weighted-average assumptions used for market-based restricted stock units in the Monte Carlo simulation during Fiscal 2021, Fiscal 2020 and Fiscal 2019 were as follows:

	Fiscal 2021	Fiscal 2020	Fiscal 2019
Grant date market price	\$ 31.78	\$ 12.31	\$ 25.34
Fair value	49.81	16.24	36.24
Assumptions:			
Price volatility	66 %	67 %	57 %
Expected term (years)	2.9	2.4	2.9
Risk-free interest rate	0.3 %	0.2 %	2.2 %
Dividend yield	—	—	3.2
Average volatility of peer companies	72.0 %	66.0 %	40.0 %
Average correlation coefficient of peer companies	0.4694	0.4967	0.2407

[Stock appreciation rights](#)

The following table summarizes stock appreciation rights activity for Fiscal 2021:

	Number of Underlying Shares	Weighted-Average Exercise Price	Aggregate Intrinsic Value	Weighted-Average Remaining Contractual Life (years)
Outstanding at January 30, 2021	384,757	\$ 33.04		
Granted	—	—		
Exercised	(111,868)	26.95		
Forfeited or expired	(36,750)	54.73		
Outstanding at January 29, 2022	236,139	\$ 32.55	\$ 1,276,809	2.3
Stock appreciation rights exercisable at January 29, 2022	236,139	\$ 32.55	\$ 1,276,809	2.3

No stock appreciation rights were exercised during Fiscal 2020. The grant date fair value of awards exercised during Fiscal 2021 and Fiscal 2019 follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2019
Total grant date fair value of awards exercised	\$ 1,069	\$ 626

Refer to Note 2, "[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Share-based compensation](#)," for discussion regarding significant accounting policies related to share-based compensation.

15. DERIVATIVE INSTRUMENTS

As of January 29, 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:

<i>(in thousands)</i>	Notional Amount ⁽¹⁾
Euro	\$ 60,962
British pound	32,044
Canadian dollar	10,026
Japanese yen	4,471

⁽¹⁾ Amounts reported are the U.S. Dollar notional amounts outstanding as of January 29, 2022.

The fair value of derivative instruments is determined 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 Consolidated Balance Sheets as of January 29, 2022 and January 30, 2021 were as follows:

<i>(in thousands)</i>	Location	January 29, 2022	January 30, 2021	Location	January 29, 2022	January 30, 2021
Derivatives designated as cash flow hedging instruments	Other current assets	\$ 4,973	\$ 79	Accrued expenses	\$ —	\$ 4,694

Refer to Note 5, "[FAIR VALUE](#)," for further discussion of the determination of the fair value of derivative instruments. Additional information pertaining to derivative gains or losses from foreign currency exchange forward contracts designated as cash flow hedging instruments for Fiscal 2021, Fiscal 2020 and Fiscal 2019 follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Gain recognized in AOCL ⁽¹⁾	\$ 11,987	\$ 7,619	\$ 7,495
Gain reclassified from AOCL into cost of sales, exclusive of depreciation and amortization ⁽²⁾	1,263	13,235	9,160

⁽¹⁾ Amount represents the change in fair value of derivative instruments. As a result of COVID-19 in Fiscal 2020, there was a significant change in the expected timing of previously hedged intercompany sales transactions, resulting in a dedesignation of the related hedge instruments. At the time of dedesignation of these hedges, they were in a net gain position of approximately \$12.6 million. Due to the extenuating circumstances leading to dedesignation, gains associated with these hedges at the time of dedesignation were deferred in AOCL until being reclassified into cost of goods sold, exclusive of depreciation and amortization when the originally forecasted transactions occurred and the hedged items affected earnings. During Fiscal 2020 and subsequent to the dedesignation of these hedges, these hedge contracts were settled.

⁽²⁾ Amount represents gain reclassified from AOCL to cost of sales, exclusive of depreciation and amortization, on the Consolidated Statements of Operations and Comprehensive Income (Loss) when the hedged item affected earnings, which was when merchandise was converted to cost of sales, exclusive of depreciation and amortization.

Substantially all of the unrealized gains or losses related to foreign currency exchange forward contracts designated as cash flow hedging instruments as of January 29, 2022 will be recognized within the Consolidated Statements of Operations and Comprehensive Income (Loss) over the next 12 months.

Additional information pertaining to derivative gains or losses from foreign currency exchange forward contracts not designated as hedging instruments for Fiscal 2021, Fiscal 2020 and Fiscal 2019 follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Gain (loss) recognized in other operating income, net	\$ 1,205	\$ 742	\$ (298)

Refer to Note 2, "[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Derivative instruments](#)," for discussion regarding significant accounting policies related to the Company's derivative instruments.

16. ACCUMULATED OTHER COMPREHENSIVE LOSS

For Fiscal 2021, the activity in AOCL was as follows:

<i>(in thousands)</i>	Fiscal 2021		
	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) on Derivative Financial Instruments	Total
Beginning balance at January 30, 2021	\$ (97,772)	\$ (4,535)	\$ (102,307)
Other comprehensive (loss) income before reclassifications	(22,917)	11,987	(10,930)
Reclassified gain from AOCL ⁽¹⁾	—	(1,263)	(1,263)
Tax effect	—	(206)	(206)
Other comprehensive income (loss) after reclassifications	(22,917)	10,518	(12,399)
Ending balance at January 29, 2022	\$ (120,689)	\$ 5,983	\$ (114,706)

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

For Fiscal 2020, the activity in AOCL was as follows:

<i>(in thousands)</i>	Fiscal 2020		
	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) on Derivative Financial Instruments	Total
Beginning balance at February 1, 2020	\$ (109,967)	\$ 1,081	\$ (108,886)
Other comprehensive income before reclassifications	12,195	7,619	19,814
Reclassified gain from AOCL ⁽¹⁾	—	(13,235)	(13,235)
Tax effect	—	—	—
Other comprehensive income (loss) after reclassifications ⁽²⁾	12,195	(5,616)	6,579
Ending balance at January 30, 2021	\$ (97,772)	\$ (4,535)	\$ (102,307)

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

⁽²⁾ No income tax benefit was recognized during Fiscal 2020 due to the establishment of a valuation allowance.

For Fiscal 2019, the activity in AOCL was as follows:

<i>(in thousands)</i>	Fiscal 2019		
	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) on Derivative Financial Instruments	Total
Beginning balance at February 2, 2019	\$ (104,887)	\$ 2,435	\$ (102,452)
Other comprehensive (loss) income before reclassifications	(5,080)	7,495	2,415
Reclassified gain from AOCL ⁽¹⁾	—	(9,160)	(9,160)
Tax effect	—	311	311
Other comprehensive (loss) income after reclassifications	(5,080)	(1,354)	(6,434)
Ending balance at February 1, 2020	\$ (109,967)	\$ 1,081	\$ (108,886)

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

17. SAVINGS AND RETIREMENT PLANS

The Company maintains the Abercrombie & Fitch Co. Savings and Retirement Plan, a qualified plan. All U.S. associates are eligible to participate in this plan if they are at least 21 years of age. In addition, the Company maintains the Abercrombie & Fitch Nonqualified Savings and Supplemental Retirement Plan, comprised of two sub-plans (Plan I and Plan II). Plan I contains contributions made through December 31, 2004, while Plan II contains contributions made on and after January 1, 2005. Participation in these plans is based on service and compensation. The Company's contributions to these plans are based on a percentage of associates' eligible annual compensation. The cost of the Company's contributions to these plans was \$15.4 million, \$14.1 million and \$14.8 million for Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively.

In addition, the Company maintains the Supplemental Executive Retirement Plan which provides retirement income to its former Chief Executive Officer for life, based on averaged compensation before retirement, including base salary and cash incentive compensation. As of January 29, 2022 and January 30, 2021, the Company has recorded \$8.4 million and \$9.2 million, respectively, in other liabilities on the Consolidated Balance Sheets related to future Supplemental Executive Retirement Plan distributions.

18. 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 two operating segments have similar economic characteristics, classes of consumers, products, 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 Fiscal 2021, Fiscal 2020 and Fiscal 2019 were as follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Hollister	\$ 2,147,979	\$ 1,834,349	\$ 2,158,514
Abercrombie	1,564,789	1,291,035	1,464,559
Total	\$ 3,712,768	\$ 3,125,384	\$ 3,623,073

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 orders. The Company's net sales by geographic area for Fiscal 2021, Fiscal 2020 and Fiscal 2019 were as follows:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
U.S.	\$ 2,652,158	\$ 2,127,403	\$ 2,410,802
EMEA	755,072	709,451	822,202
APAC	171,701	176,636	264,895
Other	133,837	111,894	125,174
Total international	\$ 1,060,610	\$ 997,981	\$ 1,212,271
Total	\$ 3,712,768	\$ 3,125,384	\$ 3,623,073

The Company's long-lived assets and intellectual property, which primarily relates to trademark assets associated with the Company's international operations, by geographic area as of January 29, 2022 and January 30, 2021 were as follows:

<i>(in thousands)</i>	January 29, 2022	January 30, 2021
U.S.	\$ 849,298	\$ 963,555
EMEA	272,348	350,136
APAC	83,830	120,256
Other	23,599	33,575
Total international	\$ 379,777	\$ 503,967
Total	\$ 1,229,075	\$ 1,467,522

19. FLAGSHIP STORE EXIT (BENEFITS) CHARGES

Global Store Network Optimization

Reflecting a continued focus on one of the Company's key transformation initiatives 'Global Store Network Optimization,' the Company continues to pivot away from its large format flagship stores and strives to open smaller, more productive omnichannel focused brand experiences. As a result, the Company has closed certain of its flagship stores and may have additional closures as it executes against this strategy.

The Company recognizes impacts related to the exit of its flagship stores in flagship store exit (benefits) charges on the Consolidated Statements of Operations and Comprehensive Income (Loss). Details of the (benefits) charges incurred during Fiscal 2021, Fiscal 2020 and Fiscal 2019 related to this initiative follow:

<i>(in thousands)</i>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Operating lease cost	\$ (841)	\$ (6,959)	\$ 46,716
Gain on lease assignment	—	(5,237)	—
Asset disposals and other store-closure benefits ⁽¹⁾	(514)	(2,658)	(1,687)
Employee severance and other employee transition costs	202	3,218	2,228
Total flagship store exit (benefits) charges	\$ (1,153)	\$ (11,636)	\$ 47,257

⁽¹⁾ Amounts represent costs incurred in returning the store to its original condition, including updates to previous accruals for asset retirement obligations and costs to remove inventory and store assets.

During Fiscal 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 the fiscal year ending January 30, 2029 ("Fiscal 2028"). The new agreement resulted in an acceleration of payments and provided for a discount resulting in a reduction of operating lease liabilities of \$65.0 million and a cash outflow of \$63.8 million to settle all remaining obligations related to this location. This cash outflow was classified within operating lease right-of-use assets and liabilities within operating activities on the Consolidated Statement of Cash Flows. The Company recognized a gain of \$0.9 million in flagship store exit benefits on the Consolidated Statement of Operations and Comprehensive Income (Loss) related to this transaction.

As the Company continues its 'Global Store Network Optimization' efforts, it may incur future cash expenditures or incremental charges or realize benefits not currently contemplated due to events that may occur as a result of, or that are associated with, previously announced flagship store closures and flagship store closures that have not yet been finalized. At this time, the Company is not able to quantify the amount of future impacts, including any cash expenditures that may take place in future periods resulting from any potential flagship store closures given the unpredictable nature of lease exit negotiations and ultimate lease renewal decisions.

20. CONTINGENCIES

The Company is a defendant in lawsuits and other adversarial 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. 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 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.

21. SUBSEQUENT EVENT

Subsequent to end of Fiscal 2021 and through the period ending March 25, 2022, the Company repurchased 2.7 million shares of common stock at an average price of \$30.14 per share. Shares were repurchased under the previously announced \$500 million share repurchase authorization. The timing and amount of any future share repurchases will depend on various factors, including market and business conditions.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Abercrombie & Fitch Co.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Abercrombie & Fitch Co. and its subsidiaries (the "Company") as of January 29, 2022 and January 30, 2021, and the related consolidated statements of operations and comprehensive income (loss), of stockholders' equity and of cash flows for each of the three years in the period ended January 29, 2022, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of January 29, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 29, 2022 and January 30, 2021, and the results of its operations and its cash flows for each of the three years in the period ended January 29, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 29, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leases on February 3, 2019.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of Long-Lived Assets – Stores

As described in Notes 2, 7 and 9 to the consolidated financial statements, the Company's consolidated property and equipment, net balance was \$508.3 million and consolidated operating lease right-of-use assets balance was \$698.2 million as of January 29, 2022. During fiscal 2021, the Company recognized long-lived asset store impairment charges of \$12.1 million. The Company's long-lived assets, primarily operating lease right-of-use assets, leasehold improvements, furniture, fixtures and equipment, are grouped with other assets and liabilities at the store level, which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. On at least a quarterly basis, management reviews the Company's asset groups for indicators of impairment, which include, but are not limited to, material declines in operational performance, a history of losses, an expectation of future losses, adverse market conditions, store closure or relocation decisions, and any other events or changes in circumstances that would indicate the carrying amount of an asset group might not be recoverable. If an asset group displays an indicator of impairment, it is tested for recoverability by comparing the sum of the estimated future undiscounted cash flows attributable to the asset group to the carrying amount of the asset group. This recoverability test requires management to make assumptions and judgments related, but not limited, to management's expectations for future cash flows from operating the store. The key assumption used in developing these projected cash flows used in the recoverability test is estimated sales growth rate. If the sum of the estimated future undiscounted cash flows attributable to an asset group is less than its carrying amount, and it is determined that the carrying amount of the asset group is not recoverable, management determines if there is an impairment loss by comparing the carrying amount of the asset group to its fair value. Fair value of an asset group is based on the highest and best use of the asset group, often using a discounted cash flow model that utilizes Level 3 fair value inputs. The key assumptions used in the Company's fair value analysis are estimated sales growth rate and comparable market rents. An impairment loss is recognized based on the excess of the carrying amount of the asset group over its fair value.

The principal considerations for our determination that performing procedures relating to the impairment of long-lived assets - stores is a critical audit matter are (i) the significant judgment by management when developing the future undiscounted cash flows attributable to an asset group when testing for recoverability and when determining the fair value of the asset groups to measure for impairment; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to estimated sales growth rate when developing the future undiscounted cash flows, and comparable market rents when estimating the fair value; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's long-lived assets - stores recoverability test and determination of the fair value of the asset groups. These procedures also included, among others (i) testing management's process for developing the future undiscounted cash flows attributable to an asset group when testing for recoverability and when determining the fair value of the asset groups to measure for impairment; (ii) evaluating the appropriateness of the models used by management in determining the fair value of the asset groups; (iii) testing the completeness and accuracy of underlying data used in the models; and (iv) evaluating the reasonableness of the significant assumptions related to estimated sales growth rate when developing the future undiscounted cash flows and comparable market rents when estimating the fair value. Evaluating management's assumptions related to estimated sales growth rate and comparable market rents involved evaluating whether the assumptions used by management were reasonable considering the current and past performance of the asset groups and the consistency with evidence obtained in other areas of the audit as it relates to estimated sales growth rate and consistency with external market data as it relates to estimated sales growth rate and comparable market rents. Professionals with specialized skill and knowledge were used to assist in the evaluation of the reasonableness of the comparable market rents significant assumption.

/s/ PricewaterhouseCoopers LLP
Columbus, Ohio
March 28, 2022

We have served as the Company's auditor since 1996.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. 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 Securities Exchange Act of 1934, as amended (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 and Principal Accounting Officer, as appropriate to allow timely decisions regarding required disclosure. 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 disclosure controls and procedures as of January 29, 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 January 29, 2022, the end of the period covered by this Annual Report on Form 10-K.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of A&F is responsible for establishing and maintaining adequate internal control over financial reporting. A&F's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) is a process designed 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.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

With the participation of the Chief Executive Officer of A&F and the Executive Vice President and Chief Financial Officer of A&F, management evaluated the effectiveness of A&F's internal control over financial reporting as of January 29, 2022 using criteria established in the *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on the assessment of A&F's internal control over financial reporting, under the criteria described in the preceding sentence, management has concluded that, as of January 29, 2022, A&F's internal control over financial reporting was effective.

The effectiveness of A&F's internal control over financial reporting as of January 29, 2022 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included in "ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA" of this Annual Report on Form 10-K.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in A&F's internal control over financial reporting during the quarter ended January 29, 2022 that have materially affected, or are reasonably likely to materially affect, A&F's internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable

PART III

Item 10. Directors, Executive Officers and Corporate Governance

DIRECTORS, EXECUTIVE OFFICERS AND PERSONS NOMINATED OR CHOSEN TO BECOME DIRECTORS OR EXECUTIVE OFFICERS

Information concerning directors and executive officers of A&F as well as persons nominated or chosen to become directors or executive officers is incorporated by reference from the text to be included under the caption “Proposal 1 — Election of Directors” in A&F’s definitive Proxy Statement for the Annual Meeting of Stockholders to be held on June 8, 2022 and from the text under the caption “INFORMATION ABOUT OUR EXECUTIVE OFFICERS” within [“ITEM 1. BUSINESS”](#) in PART I of this Annual Report on Form 10-K.

Compliance with Section 16(a) of the Exchange Act

Information concerning beneficial ownership reporting compliance under Section 16(a) of the Securities Exchange Act of 1934, as amended, is incorporated by reference from the text to be included under the caption “Ownership of our Shares — Delinquent Section 16(a) Reports ” in A&F’s definitive Proxy Statement for the Annual Meeting of Stockholders to be held on June 8, 2022.

CODE OF BUSINESS CONDUCT AND ETHICS

The Board of Directors has adopted the Abercrombie & Fitch Co. Code of Business Conduct and Ethics, which is available on the “Corporate Governance” page within the “Our Company” section of the Company’s website at corporate.abercrombie.com.

AUDIT AND FINANCE COMMITTEE

Information concerning A&F’s Audit and Finance Committee, including the determination of A&F’s Board of Directors that the Audit and Finance Committee has at least one “audit committee financial expert” (as defined under applicable SEC rules) serving on the Audit and Finance Committee, is incorporated by reference from the text to be included under the captions “Corporate Governance — Committees of the Board and Meeting Attendance — Committees of the Board” and “Audit and Finance Committee Matters” in A&F’s definitive Proxy Statement for the Annual Meeting of Stockholders to be held on June 8, 2022.

PROCEDURES BY WHICH STOCKHOLDERS MAY RECOMMEND NOMINEES TO A&F’S BOARD OF DIRECTORS

Information concerning the procedures by which stockholders of A&F may recommend nominees to A&F’s Board of Directors is incorporated by reference from the text to be included under the captions “Corporate Governance — Director Nominations — Stockholder Recommendations for Director Candidates,” “Corporate Governance — Director Qualifications and Consideration of Director Candidates,” “Stockholder Proposals for 2023 Annual Meeting” and “Additional Information About Our Annual Meeting and Voting — How do I nominate a director using the ‘Proxy Access’ provisions under the Company’s Bylaws?” in A&F’s definitive Proxy Statement for the Annual Meeting of Stockholders to be held on June 8, 2022. The procedures by which stockholders may recommend nominees to A&F’s Board of Directors have not materially changed from those described in A&F’s definitive Proxy Statement for the Annual Meeting of Stockholders held on June 9, 2021.

[Item 11. Executive Compensation](#)

Information regarding executive compensation is incorporated by reference from the text to be included under the captions “Corporate Governance — Board Role in Risk Oversight,” “Compensation of Directors,” “Compensation Discussion and Analysis,” “Report of the Compensation and Human Capital Committee on Executive Compensation,” and “Executive Compensation Tables” in A&F’s definitive Proxy Statement for the Annual Meeting of Stockholders to be held on June 8, 2022.

[Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters](#)

Information concerning the security ownership of certain beneficial owners and management is incorporated by reference from the text to be included under the caption “Ownership of Our Shares” in A&F’s definitive Proxy Statement for the Annual Meeting of Stockholders to be held on June 8, 2022.

Information regarding the number of shares of Common Stock of A&F to be issued and remaining available under equity compensation plans of A&F as of January 29, 2022 is incorporated by reference from the text to be included under the caption “Equity Compensation Plans” in A&F’s definitive Proxy Statement for the Annual Meeting of Stockholders to be held on June 8, 2022.

[Item 13. Certain Relationships and Related Transactions, and Director Independence](#)

Information concerning certain relationships and transactions involving the Company and certain related persons within the meaning of Item 404(a) of SEC Regulation S-K as well as information concerning A&F’s policies and procedures for the review, approval or ratification of transactions with related persons is incorporated by reference from the text to be included under the caption “Corporate Governance — Director Independence and Related Person Transactions” in A&F’s definitive Proxy Statement for the Annual Meeting of Stockholders to be held on June 8, 2022.

Information concerning the independence of the directors of A&F is incorporated by reference from the text to be included under the captions “Corporate Governance — Board Leadership Structure,” “Corporate Governance — Committees of the Board and Meeting Attendance,” and “Corporate Governance — Director Independence and Related Person Transactions” in A&F’s definitive Proxy Statement for the Annual Meeting of Stockholders to be held on June 8, 2022.

[Item 14. Principal Accountant Fees and Services](#)

Information concerning the pre-approval policies and procedures of A&F’s Audit and Finance Committee and the fees for services rendered by the Company’s principal independent registered public accounting firm is incorporated by reference from the text to be included under the caption “Audit and Finance Committee Matters -- Audit Fees” in A&F’s definitive Proxy Statement for the Annual Meeting of Stockholders to be held on June 8, 2022.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as a part of this Annual Report on Form 10-K:

(1) Consolidated Financial Statements:

Consolidated Statements of Operations and Comprehensive Income (Loss) for the fiscal years ended January 29, 2022, January 30, 2021 and February 1, 2020.

Consolidated Balance Sheets at January 29, 2022 and January 30, 2021.

Consolidated Statements of Stockholders' Equity for the fiscal years ended January 29, 2022, January 30, 2021 and February 1, 2020.

Consolidated Statements of Cash Flows for the fiscal years ended January 29, 2022, January 30, 2021 and February 1, 2020.

Notes to Consolidated Financial Statements.

Report of Independent Registered Public Accounting Firm — PricewaterhouseCoopers LLP. (PCAOB ID 238)

(2) Consolidated Financial Statement Schedules:

All financial statement schedules for which provision is made in the applicable accounting regulations of the SEC are omitted because the required information is either not applicable or not material.

(3) Exhibits:

The documents listed in the Index to Exhibits that immediately precedes the Signatures page of this Annual Report on Form 10-K are filed or furnished with this Annual Report on Form 10-K as exhibits or incorporated into this Annual Report on Form 10-K by reference as noted. Each management contract or compensatory plan or arrangement is identified as such in the Index to Exhibits.

(b) The documents listed in the Index to Exhibits that immediately precedes the Signatures page of this Annual Report on Form 10-K are filed or furnished with this Annual Report on Form 10-K as exhibits or incorporated into this Annual Report on Form 10-K by reference.

(c) Financial Statement Schedules

None

Item 16. Form 10-K Summary

None.

Index to Exhibits

Exhibit	Document
3.1	Amended and Restated Certificate of Incorporation of A&F as filed with the Delaware Secretary of State on August 27, 1996, incorporated herein by reference to Exhibit 3.1 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended November 2, 1996 (File No. 001-12107).
3.2	Certificate of Designation of Series A Participating Cumulative Preferred Stock of A&F as filed with the Delaware Secretary of State on July 21, 1998, incorporated herein by reference to Exhibit 3.2 to A&F's Annual Report on Form 10-K for the fiscal year ended January 30, 1999 (File No. 001-12107).
3.3	Certificate of Decrease of Shares Designated as Class B Common Stock as filed with the Delaware Secretary of State on July 30, 1999, incorporated herein by reference to Exhibit 3.3 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended July 31, 1999 (File No. 001-12107).
3.4	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of A&F, as filed with the Delaware Secretary of State on June 16, 2011, incorporated herein by reference to Exhibit 3.1 to A&F's Current Report on Form 8-K dated and filed June 17, 2011 (File No. 001-12107).
3.5	Amended and Restated Certificate of Incorporation of A&F, reflecting amendments through the date of this Annual Report on Form 10-K, 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.]
3.6	Amended and Restated Bylaws of A&F (reflecting amendments through May 20, 2004), incorporated herein by reference to Exhibit 3.7 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 1, 2004 (File No. 001-12107).
3.7	Certificate regarding Approval of Amendment to Section 2.03 of Amended and Restated Bylaws of Abercrombie & Fitch Co. by Stockholders of Abercrombie & Fitch Co. at Annual Meeting of Stockholders held on June 10, 2009, incorporated herein by reference to Exhibit 3.1 to A&F's Current Report on Form 8-K dated and filed June 16, 2009 (File No. 001-12107).
3.8	Certificate regarding Approval of Addition of New Article IX of Amended and Restated Bylaws by Board of Directors of Abercrombie & Fitch Co. on June 10, 2009, incorporated herein by reference to Exhibit 3.2 to A&F's Current Report on Form 8-K dated and filed June 16, 2009 (File No. 001-12107).
3.9	Certificate regarding Approval of Amendments to Sections 1.09 and 2.04 of Amended and Restated Bylaws of Abercrombie & Fitch Co. by Board of Directors of Abercrombie & Fitch Co. on November 15, 2011, incorporated herein by reference to Exhibit 3.1 to A&F's Current Report on Form 8-K dated and filed November 21, 2011 (File No. 001-12107).
3.10	Certificate regarding Adoption of Amendments to Section 2.04 of Amended and Restated Bylaws of Abercrombie & Fitch Co. by Board of Directors of Abercrombie & Fitch Co. on February 23, 2018, incorporated herein by reference to Exhibit 3.1 to A&F's Current Report on Form 8-K dated and filed February 27, 2018 (File No. 001-12107).
3.11	Amended and Restated Bylaws of Abercrombie & Fitch Co. reflecting amendments through the date of this Annual Report on Form 10-K, 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.]
4.1	Agreement to furnish instruments and agreements defining rights of holders of long-term debt.
4.2	Description of Abercrombie & Fitch Co.'s Securities Registered under Section 12 of the Securities Exchange Act of 1934, incorporated herein by reference to Exhibit 4.2 to A&F's Annual Report on Form 10-K for the fiscal year ended January 30, 2021 (File No. 001-12107).
4.3	Indenture, dated as of July 2, 2020, by and among Abercrombie & Fitch Management Co., Abercrombie & Fitch Co., as Parent, the other Guarantors party thereto and U.S. Bank National Association, as Trustee, Registrar, Paying Agent, and Notes Collateral Agent, incorporated herein by reference to Exhibit 4.1 to A&F's Current Report on Form 8-K dated and filed on July 9, 2020 (File No. 001-12107).
4.4	Form of 8.75% Senior Secured Notes due 2025 (included in Exhibit 4.3), incorporated herein by reference to Exhibit 4.2 (which is in turn included in Exhibit 4.1) to A&F's Current Report on Form 8-K dated and filed on July 9, 2020 (File No. 001-12107).
4.5	Intercreditor Agreement, entered into as of July 2, 2020, among Wells Fargo Bank, National Association, in its capacity as "ABL Agent," U.S. Bank National Association, in its capacity as "First Lien Notes Collateral Agent," and each other "Additional Notes Agent" from time to time party thereto., incorporated herein by reference to Exhibit 4.5 to A&F's Annual Report on Form 10-K for the fiscal year ended January 30, 2021 (File No. 001-12107).
10.1*	1998 Restatement of the Abercrombie & Fitch Co. 1996 Stock Plan for Non-Associate Directors (reflects amendments through January 30, 2003 and the two-for-one stock split distributed June 15, 1999 to stockholders of record on May 25, 1999), incorporated herein by reference to Exhibit 10.3 to A&F's Annual Report on Form 10-K for the fiscal year ended February 1, 2003 (File No. 001-12107).
10.2*	Amended and Restated Employment Agreement, entered into as of August 15, 2005, by and between A&F and Michael S. Jeffries, including as Exhibit A thereto the Abercrombie & Fitch Co. Supplemental Executive Retirement Plan (Michael S. Jeffries) effective February 2, 2003, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed August 26, 2005 (File No. 001-12107). [NOTE: Only the Abercrombie & Fitch Co. Supplemental Executive Retirement Plan (Michael S. Jeffries) is still in effect.]

10.3*	Abercrombie & Fitch Co. Directors' Deferred Compensation Plan (as amended and restated May 22, 2003) — as authorized by the Board of Directors of A&F on December 17, 2007, to become one of two plans following the division of said Abercrombie & Fitch Co. Directors' Deferred Compensation Plan (as amended and restated May 22, 2003) into two separate plans effective January 1, 2005 and to be named the Abercrombie & Fitch Co. Directors' Deferred Compensation Plan (Plan I) [terms to govern "amounts deferred" (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended) in taxable years beginning before January 1, 2005 and any earnings thereon], incorporated herein by reference to Exhibit 10.7 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 3, 2003 (File No. 001-12107).
10.4*	Abercrombie & Fitch Nonqualified Savings and Supplemental Retirement Plan (January 1, 2001 Restatement) — as authorized by the Compensation Committee (now known as the Compensation and Human Capital Committee) of the A&F Board of Directors on August 14, 2008, to become one of two sub-plans following the division of said Abercrombie & Fitch Nonqualified Savings and Supplemental Retirement Plan (January 1, 2001 Restatement) into two sub-plans effective immediately before January 1, 2009 and to be named the Abercrombie & Fitch Co. Nonqualified Savings and Supplemental Retirement Plan I [terms to govern amounts "deferred" (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended) before January 1, 2005, and any earnings thereon], incorporated herein by reference to Exhibit 10.9 to A&F's Annual Report on Form 10-K for the fiscal year ended February 1, 2003 (File No. 001-12107).
10.5*	First Amendment to the Abercrombie & Fitch Co. Nonqualified Savings and Supplemental Retirement Plan I (Plan I) (January 1, 2001 Restatement), as authorized by the Compensation Committee (now known as the Compensation and Human Capital Committee) of the A&F Board of Directors on August 14, 2008 and executed on behalf of A&F on September 3, 2008, incorporated herein by reference to Exhibit 10.13 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended August 2, 2008 (File No. 001-12107).
10.6*	Abercrombie & Fitch Co. Nonqualified Savings and Supplemental Retirement Plan (II), as amended and restated effective as of January 1, 2014 [governing amounts "deferred" (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended) in taxable years beginning on or after January 1, 2005, and any earnings thereon], incorporated herein by reference to Exhibit 10.3 to A&F's Current Report on Form 8-K dated and filed October 19, 2015 (File No. 001-12107).
10.7*	Abercrombie & Fitch Co. 2005 Long-Term Incentive Plan, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed June 17, 2005 (File No. 001-12107).
10.8*	Certificate regarding Approval of Amendment of Section 3(b) of the Abercrombie & Fitch Co. 2005 Long-Term Incentive Plan by Board of Directors of Abercrombie & Fitch Co. on August 20, 2014, incorporated herein by reference to Exhibit 10.11 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended July 30, 2016 (File No. 001-12107).
10.9*	Trust Agreement, made as of October 16, 2006, between A&F and Wilmington Trust Company, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed October 17, 2006 (File No. 001-12107).
10.10*	Amended and Restated Abercrombie & Fitch Co. 2007 Long-Term Incentive Plan, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed June 17, 2011 (File No. 001-12107).
10.11*	Certificate regarding Approval of Amendment of Section 3(b) of the Abercrombie & Fitch Co. Amended and Restated 2007 Long-Term Incentive Plan by Board of Directors of Abercrombie & Fitch Co. on August 20, 2014, incorporated herein by reference to Exhibit 10.12 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended July 30, 2016 (File No. 001-12107).
10.12*	Abercrombie & Fitch Co. Directors' Deferred Compensation Plan (Plan II) — as authorized by the Board of Directors of A&F on December 17, 2007, to become one of two plans following the division of the Abercrombie & Fitch Co. Directors' Deferred Compensation Plan (as amended and restated May 22, 2003) into two separate plans effective January 1, 2005 and to be named Abercrombie & Fitch Co. Directors' Deferred Compensation Plan (Plan II) [terms to govern "amounts deferred" (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended) in taxable years beginning on or after January 1, 2005 and any earnings thereon], incorporated herein by reference to Exhibit 10.50 to A&F's Annual Report on Form 10-K for the fiscal year ended January 31, 2009 (File No. 001-12107).
10.13*	Form of Stock Appreciation Right Agreement used to evidence the grant of stock appreciation rights to associates (employees) of A&F and its subsidiaries under the Abercrombie & Fitch Co. 2005 Long-Term Incentive Plan on or after March 26, 2013 and prior to August 20, 2013, incorporated herein by reference to Exhibit 10.2 to A&F's Current Report on Form 8-K dated and filed April 29, 2013 (File No. 001-12107).
10.14*	Form of Stock Appreciation Right Award Agreement used for grants of awards after August 20, 2013 and prior to June 16, 2016 under the Amended and Restated Abercrombie & Fitch Co. 2007 Long-Term Incentive Plan [For associates (employees); grant of award not associated with execution of Non-Competition and Non-Solicitation Agreement], incorporated herein by reference to Exhibit 10.2 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended November 2, 2013 (File No. 001-12107).
10.15*	Form of Stock Appreciation Right Award Agreement used for grants of awards after August 20, 2013 and prior to June 16, 2016 under the Abercrombie & Fitch Co. 2005 Long-Term Incentive Plan [For associates (employees); grant of award not associated with execution of Non-Competition and Non-Solicitation Agreement], incorporated herein by reference to Exhibit 10.9 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended November 2, 2013 (File No. 001-12107).
10.16	Amended and Restated Credit Agreement, dated as of April 29, 2021, among Abercrombie & Fitch Management Co., as Lead Borrower; the other Borrowers and Guarantors party thereto; Wells Fargo Bank, National Association, as administrative agent for the lenders, a L/C Issuer and Swing Line Lender; the other lenders party thereto; Citizens Business Capital, as a L/C Issuer; Citizens Bank, N.A., as Syndication Agent; JPMorgan Chase Bank, N.A., as Documentation Agent and a L/C Issuer; and Wells Fargo Bank, National Association, Citizens Bank, N.A. and JPMorgan Chase Bank, N.A., as Joint Lead Arrangers and Joint Bookrunners, incorporated herein by reference to Exhibit 10.3 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 1, 2021 (File No. 001-12107).†

10.17	Guaranty, dated as of August 7, 2014, made by Abercrombie & Fitch Co., as guarantor, and certain of its wholly-owned subsidiaries, each as a guarantor, in favor of Wells Fargo Bank, National Association, as administrative agent and collateral agent for its own benefit and the benefit of the other Credit Parties (as defined in the 2014 ABL Credit Agreement), and the Credit Parties, incorporated herein by reference to Exhibit 10.5 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended August 2, 2014 (File No. 001-12107).
10.18	Security Agreement, dated as of August 7, 2014, made by Abercrombie & Fitch Management Co., as lead borrower for itself and the other Borrowers (as defined in the 2014 ABL Credit Agreement), Abercrombie & Fitch Co. and certain of its wholly-owned subsidiaries, in their respective capacities as a guarantor, and the other borrowers and guarantors from time to time party thereto, in favor of Wells Fargo Bank, National Association, as administrative agent and collateral agent for the Credit Parties (as defined in the 2014 ABL Credit Agreement), incorporated herein by reference to Exhibit 10.7 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended August 2, 2014 (File No. 001-12107).†
10.19	Confirmation, Ratification and Amendment of Ancillary Loan Documents, made as of April 29, 2021, among Abercrombie & Fitch Co., for itself and as Lead Borrower; the other Borrowers from time to time party thereto; the Guarantors from time to time party thereto; and Wells Fargo Bank, National Association, as Administrative Agent and Collateral Agent.†
10.20*	Employment Offer, accepted October 9, 2014, between Fran Horowitz and A&F, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed October 15, 2014 (File No. 001-12107).
10.21*	Form of Director and Officer Indemnification Agreement, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed October 21, 2014 (File No. 001-12107).
10.22*	Retirement Agreement, dated December 8, 2014, between Michael S. Jeffries and A&F, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed December 9, 2014 (File No. 001-12107).
10.23*	First Amendment to the Abercrombie & Fitch Co. Nonqualified Savings and Supplemental Retirement Plan (II), as approved on October 14, 2015, incorporated herein by reference to Exhibit 10.4 to A&F's Current Report on Form 8-K dated and filed October 19, 2015 (File No. 001-12107).
10.24*	Second Amendment to the Abercrombie & Fitch Co. Nonqualified Savings and Supplemental Retirement Plan (II), as approved on December 16, 2019, incorporated herein by reference to Exhibit 10.33 to A&F's Annual Report on Form 10-K for the fiscal year ended February 1, 2020 (File No. 001-12107).
10.25*	Letter, dated December 16, 2015, from Abercrombie & Fitch Management Co. to Fran Horowitz setting forth terms of employment as President and Chief Merchandising Officer, and accepted by Fran Horowitz on December 19, 2015, incorporated herein by reference to Exhibit 10.74 to A&F's Annual Report on Form 10-K for the fiscal year ended January 30, 2016 (File No. 001-12107).
10.26*	Offer Letter from Abercrombie & Fitch to Kristin Scott, executed by Ms. Scott on May 15, 2016, incorporated herein by reference to Exhibit 10.3 to A&F's Current Report on Form 8-K dated and filed May 23, 2016 (File No. 001-12107).
10.27*	Form of Restricted Stock Unit Award Agreement used to evidence the grant of restricted stock units to associates (employees) of A&F and its subsidiaries under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates after June 16, 2016, incorporated herein by reference to Exhibit 10.6 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended July 30, 2016 (File No. 001-12107).
10.28*	Form of Restricted Stock Unit Award Agreement used to evidence the grant of restricted stock units to associates (employees) of A&F and its subsidiaries, subject to special non-competition and non-solicitation agreements, under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates after June 16, 2016, incorporated herein by reference to Exhibit 10.7 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended July 30, 2016 (File No. 001-12107).
10.29*	Form of Performance Share Award Agreement used to evidence the grant of performance shares to associates (employees) of A&F and its subsidiaries under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates after June 16, 2016 and prior to March 27, 2018, incorporated herein by reference to Exhibit 10.8 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended July 30, 2016 (File No. 001-12107).
10.30*	Form of Restricted Stock Unit Award Agreement used to evidence the grant of restricted stock units to non-associate directors of A&F under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Directors on and after June 16, 2016, incorporated herein by reference to Exhibit 10.10 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended July 30, 2016 (File No. 001-12107).
10.31*	Form of Agreement entered into between Abercrombie & Fitch Management Co. and Fran Horowitz as of May 10, 2017, the execution date by Abercrombie & Fitch Management Co., incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed May 12, 2017 (File No. 001-12107).
10.32*	Form of Agreement entered into between Abercrombie & Fitch Management Co. and Kristin Scott as of May 10, 2017, the execution date by Abercrombie & Fitch Management Co., incorporated herein by reference to Exhibit 10.2 to A&F's Current Report on Form 8-K dated and filed May 12, 2017 (File No. 001-12107).
10.33*	Form of Director and Officer Indemnification Agreement entered into by Abercrombie & Fitch Co. with directors and officers of international subsidiaries and other key individuals on or after May 11, 2017, incorporated herein by reference to Exhibit 10.3 to A&F's Quarterly Report on Form 10-Q/A for the quarterly period ended April 29, 2017 (File No. 001-12107).

10.34*	Abercrombie & Fitch Co. Short-Term Cash Incentive Compensation Performance Plan, effective from June 15, 2017 to March 20, 2021, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed June 15, 2017 (File No. 001-12107).
10.35*	Abercrombie & Fitch Co. Long-Term Cash Incentive Compensation Performance Plan, incorporated herein by reference to Exhibit 10.2 to A&F's Current Report on Form 8-K dated and filed June 15, 2017 (File No. 001-12107).
10.36*	Offer Letter from Abercrombie & Fitch to Scott Lipesky, executed by Mr. Lipesky on August 29, 2017, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed September 6, 2017 (File No. 001-12107).
10.37*	Agreement entered into between Abercrombie & Fitch Management Co. and Scott Lipesky, effective as of September 7, 2017, the execution date by Abercrombie & Fitch Management Co., incorporated herein by reference to Exhibit 10.2 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended October 28, 2017 (File No. 001-12107).
10.38	Abercrombie & Fitch Co. Associate Stock Purchase Plan (October 1, 2007 Restatement, reflecting amendment and restatement effective as of October 1, 2007 of Associate Stock Purchase Plan which was originally adopted effective July 1, 1998), incorporated herein by reference to Exhibit 10.6 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended October 28, 2017 (File No. 001-12107).
10.39*	Form of Performance Share Award Agreement used to evidence the grant of performance shares to associates (employees) of A&F and its subsidiaries under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates on or after March 27, 2018 and prior to March 26, 2019, incorporated herein by reference to Exhibit 10.67 to A&F's Annual Report on Form 10-K for the fiscal year ended February 3, 2018 (File No. 001-12107).
10.40*	Form of Performance Share Award Agreement used to evidence the grant of performance shares to associates (employees) of A&F and its subsidiaries under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates on or after March 26, 2019, and prior to August 28, 2020 incorporated herein by reference to Exhibit 10.1 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 4, 2019 (File No. 001-12107).
10.41*	Offer Letter from Abercrombie & Fitch to Gregory J. Henchel, executed by Mr. Henchel on September 3, 2018, incorporated herein by reference to Exhibit 10.1 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended November 3, 2018 (File No. 001-12107).
10.42*	Agreement entered into between Abercrombie & Fitch Management Co. and Gregory J. Henchel, effective as of September 13, 2018, the execution date by Abercrombie & Fitch Management Co., incorporated herein by reference to Exhibit 10.2 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended November 3, 2018 (File No. 001-12107).
10.43*	Summary of Annual Compensation Structure for Non-Associate Directors of Abercrombie & Fitch Co. for Fiscal 2019, incorporated herein by reference to Exhibit 10.2 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 4, 2019 (File No. 001-12107).
10.44*	Summary of terms of the Annual Restricted Stock Unit Grants made and to be made to the Non-Associate Directors of Abercrombie & Fitch Co. under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Directors in Fiscal 2019, incorporated herein by reference to Exhibit 10.3 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 4, 2019 (File No. 001-12107).
10.45*	Form of Restricted Stock Unit Award Agreement used to evidence the grant of restricted stock units to associates (employees) of Abercrombie & Fitch Co. and its subsidiaries under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates on and after March 26, 2019, incorporated herein by reference to Exhibit 10.1 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 2, 2020 (File No. 001-12107).
10.46*	Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Directors (as amended on May 20, 2020), incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed on May 21, 2020 (File No. 001-12107).
10.47*	Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates (as amended on June 9, 2021), incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed on June 10, 2021 (File No. 001-12107).
10.48*	Summary of Compensation Structure for Non-Associate Directors of Abercrombie & Fitch Co. for Fiscal 2020, incorporated herein by reference to Exhibit 10.4 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 2, 2020 (File No. 001-12107).
10.49*	Summary of Terms of the Annual Restricted Stock Unit Grants made and to be made to the Non-Associate Directors of Abercrombie & Fitch Co. under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Directors in Fiscal 2020, incorporated herein by reference to Exhibit 10.5 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 2, 2020 (File No. 001-12107).
10.50*	Form of Retention Restricted Stock Unit Award Agreement, made to be effective as of August 28, 2020, between Abercrombie & Fitch Co. and each of Scott Lipesky, Kristin Scott and Gregory J. Henchel, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed on September 2, 2020 (File No. 001-12107).
10.51*	Form of Performance Share Award Agreement used to evidence the grant of performance shares to associates (employees) of A&F and its subsidiaries under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates on or after August 28, 2020 and prior to March 23, 2021, incorporated herein by reference to Exhibit 10.1 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2020 (File No. 001-12107).
10.52*	Amended and Restated Abercrombie & Fitch Co. Short-Term Cash Incentive Compensation Performance Plan, effective beginning March 21, 2021, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed March 24, 2021 (File No. 001-12107).
10.53*	Form of Performance Share Award Agreement used to evidence the grant of performance share awards to associates (employees) of A&F and its subsidiaries under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Associates on or after March 23, 2021, incorporated herein by reference to Exhibit 10.2 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 1, 2021 (File No. 001-12107).
10.54*	Summary of Compensation Structure for Non-Associate Directors of Abercrombie & Fitch Co. for Fiscal 2021, incorporated herein by reference to Exhibit 10.4 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 1, 2021 (File No. 001-12107).
10.55*	Summary of Terms of the Annual Restricted Stock Unit Grants for the Non-Associate Directors of Abercrombie & Fitch Co. under the Abercrombie & Fitch Co. 2016 Long-Term Incentive Plan for Directors in Fiscal 2021, incorporated herein by reference to Exhibit 10.5 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended May 1, 2021 (File No. 001-12107).
10.56*	Offer Letter from A&F to Samir Desai (including as Exhibit A thereto the Agreement entered into between Abercrombie & Fitch Management Co. and Samir Desai, effective as of May 20, 2021, the execution date by Abercrombie & Fitch Management Co.), executed by Mr. Desai on May 24, 2021, incorporated herein by reference to Exhibit 10.2 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended July 31, 2021 (File No. 001-12107).

10.57*	Non-Compete Amendment entered into between Abercrombie & Fitch Management Co. and Fran Horowitz, effective as of November 5, 2021 (the date of execution by Abercrombie & Fitch Management Co.), together with Schedule identifying executive officers of A&F party to substantially identical Non-Compete Agreements with Abercrombie & Fitch Management Co., incorporated herein by reference to Exhibit 10.1 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended October 30, 2021 (File No. 001-12107).
21.1	List of Subsidiaries of A&F.
23.1	Consent of Independent Registered Public Accounting Firm — PricewaterhouseCoopers LLP.
24.1	Powers of Attorney.
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 (Principal Executive Officer) and Executive Vice President and Chief Financial Officer (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 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).

* Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report on Form 10-K pursuant to Item 15(a)(3) and Item 15(b) of this Annual Report on Form 10-K.

** These certifications are furnished.

† Certain portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

†† Certain portions of this exhibit have been omitted based upon a request for confidential treatment filed with the Securities and Exchange Commission (the "SEC"). The non-public information has been separately filed with the SEC in connection with that request.

Signatures

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: March 28, 2022

ABERCROMBIE & FITCH CO.

By: /s/ Scott D. Lipesky

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 28, 2022.

* _____ Terry L. Burman	Chairperson of the Board and Director
/s/ Fran Horowitz _____ Fran Horowitz	Chief Executive Officer and Director (Principal Executive Officer)
* _____ Kerri B. Anderson	Director
* _____ Felix J. Carbullido	Director
* _____ Susie Coulter	Director
* _____ Sarah M. Gallagher	Director
* _____ James A. Goldman	Director
* _____ Michael E. Greenlees	Director
/s/ Scott D. Lipesky _____ Scott D. Lipesky	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
* _____ Helen E. McCluskey	Director
* _____ Kenneth B. Robinson	Director
* _____ Nigel Travis	Director

* The undersigned, by signing his name hereto, does hereby sign this Annual Report on Form 10-K on behalf of each of the above-named directors of the Registrant pursuant to powers of attorney executed by such directors, which powers of attorney are filed with this Annual Report on Form 10-K as Exhibit 24.1.

By: /s/ Scott D. Lipesky

Scott D. Lipesky
Attorney-in-fact

Abercrombie & Fitch Co.
6301 Fitch Path
New Albany, Ohio 43054
(614) 283-6500

March 28, 2022

United States Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Abercrombie & Fitch Co.
Commission File Number: 001-12107
Annual Report on Form 10-K for the Fiscal Year Ended January 29, 2022

Ladies and Gentlemen:

Abercrombie & Fitch Co., a Delaware corporation (“A&F”), is today filing with the Securities and Exchange Commission (the “SEC”) the Annual Report on Form 10-K of A&F for the fiscal year ended January 29, 2022 (“A&F’s Fiscal 2021 Form 10-K”).

Neither (i) A&F nor (ii) any of A&F’s consolidated subsidiaries has outstanding any instrument or agreement with respect to its long-term debt, other than those filed or incorporated by reference as an exhibit to A&F’s Fiscal 2021 Form 10-K, under which the total amount of long-term debt authorized exceeds 10% of the total assets of A&F and A&F’s subsidiaries on a consolidated basis. In accordance with the provisions of Item 601(b)(4)(iii) of SEC Regulation S-K, A&F hereby agrees to furnish to the SEC, upon request, a copy of each instrument or agreement defining (i) the rights of holders of long-term debt of A&F or (ii) the rights of holders of long-term debt of a consolidated subsidiary of A&F, in each case which is not being filed or incorporated by reference as an exhibit to A&F’s Fiscal 2021 Form 10-K.

Very truly yours,

ABERCROMBIE & FITCH CO.

/s/ Scott D. Lipesky

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

CERTAIN INFORMATION CONTAINED IN THIS EXHIBIT, MARKED BY [*], HAS BEEN EXCLUDED FROM THIS EXHIBIT PURSUANT TO ITEM 601(b)(10)(iv) OF SEC REGULATION S-K BECAUSE ABERCROMBIE & FITCH CO. (THE "REGISTRANT") HAS DETERMINED THAT SUCH INFORMATION (I) IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE OR CONFIDENTIAL AND (II) CERTAIN OF THIS INFORMATION WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

CONFIRMATION, RATIFICATION AND AMENDMENT OF ANCILLARY LOAN DOCUMENTS

This Confirmation, Ratification and Amendment of Ancillary Loan Documents (this "Agreement") is made as of April 29, 2021, by and among:

ABERCROMBIE & FITCH MANAGEMENT CO., a Delaware corporation, for itself and as Lead Borrower (in such capacity, the "Lead Borrower") for the other Borrowers from time to time party hereto; the other Borrower's party hereto;

the Persons named on Schedule 1.01 hereto (collectively, with each other Person that from time to time becomes a "Guarantor" hereunder, the "Guarantors" and together with the Borrowers, collectively, the "Loan Parties"); and

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent and Collateral Agent (the "Agent");

in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH

WHEREAS, the Loan Parties, the Agent and the Lenders from time to time party thereto have previously entered into that certain Credit Agreement dated as of August 7, 2014 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement");

WHEREAS, in connection with the Existing Credit Agreement, the Loan Parties executed and delivered to the Agent, for the benefit of certain of the Credit Parties, among other documents, instruments and agreements, those documents, instruments and agreements set forth on Schedule 2.01 hereto (as amended, restated, supplemented or otherwise modified and in effect as of the date hereof, the "Ancillary Loan Documents");

WHEREAS, the Agent, the Lenders, and the Loan Parties have agreed to amend and restate the Existing Credit Agreement in its entirety pursuant to a certain Amended and Restated Credit Agreement of even date herewith (as amended, amended and restated, modified, supplemented or restated and in effect from time to time, the "Restated Credit Agreement");

WHEREAS, in connection with the execution and delivery of the Restated Credit Agreement, among other things, the Loan Parties and the Agent desire to enter into this Agreement to set forth their respective understanding with respect to the continued effectiveness of the Ancillary Loan Documents.

NOW, THEREFORE, it is hereby agreed by and among the Loan Parties and the Agent, for its own benefit and the benefit of the other Credit Parties, as follows:

1. Definitions. Unless otherwise defined herein, all capitalized terms used herein shall have the meaning set forth in the Restated Credit Agreement.

2. Amendments to Ancillary Loan Documents.

(a) Any and all references in the Ancillary Loan Documents to the “Credit Agreement” or “Loan Agreement” shall hereafter be deemed to refer to the Restated Credit Agreement.

(b) Any and all references to “Term Facility”, “Term Agent”, “Term Priority Collateral” or “Term Documents” contained in the Security Agreement shall hereafter be deemed to refer to the “Notes Facility”, “Notes Collateral Agent”, “Notes Priority Collateral” and “Notes Documents” respectively.

(c) The definition of “Excluded Property” set forth in the Security Agreement is hereby amended to insert the following text immediately following the reference to “(v) pledges and security interests prohibited by applicable Law, rule or regulation”:

“(including security interests in intent-to-use Trademark applications to the extent prohibited by the Lanham Act)”

(d) Schedules I, III, and IV to the Security Agreement are hereby restated and replaced in their entirety with the Schedules attached as Schedule 3.01 hereto.

(e) Schedule 1 (Assets in Possession of Third Parties) to the Information Certificate (setting forth the information required to be disclosed under Section I.C. (Warehousemen, Bailees, etc.) thereof) is hereby restated and replaced in its entirety with Schedule 4.01 attached hereto.

3. Confirmation and Ratification of Ancillary Loan Documents.

(a) Each of the Loan Parties hereby ratifies and confirms all of the terms and conditions of the Ancillary Loan Documents to which it is a party, and each of the Loan Parties acknowledges and agrees that each of the Ancillary Loan Documents (including any schedules and exhibits thereto) remains in full force and effect.

(b) Each of the Loan Parties hereby ratifies and confirms each of the representations and warranties contained in the Ancillary Loan Documents to which it is a party are true and correct in all material respects as of the date hereof, except (i) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, and (ii) in the case of any representation and warranty qualified by materiality, they are true and correct in all respects.

(c) Each of the Loan Parties hereby ratifies and confirms the information contained in the Ancillary Loan Documents (including any schedules and exhibits thereto) to which it is a party, except as amended, supplemented or otherwise modified pursuant to the revised/updated schedules attached hereto as Schedule 3.01.

(d) Each of the Guarantors hereby acknowledges, confirms and agrees that the Guaranteed Obligations of the Guarantors under, and as defined in, the Facility Guaranty include, without limitation, all Obligations of the Loan Parties at any time and from time to time outstanding under the Restated Credit Agreement.

(e) Without in any manner limiting the foregoing clauses 3(a)-(d), each of the Loan Parties hereby acknowledges, confirms and agrees that the Ancillary Loan Documents, and any and all Collateral previously pledged to the Agent or the Collateral Agent, as applicable, for the benefit of the Credit Parties, pursuant thereto, shall continue to secure all Secured Obligations (as defined in the Security Agreement) of the Loan Parties at any time and from time to time outstanding, as such Secured Obligations have been, and may hereafter be, amended, restated, supplemented, increased or otherwise modified from time to time.

4. Miscellaneous.

(a) This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, pdf or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

(b) If any provision of this Agreement is held to be illegal, invalid or unenforceable, (i) the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(c) The Loan Parties, at the Loan Parties' expense in accordance with Section 10.04 of the Restated Credit Agreement, shall execute such additional documents and undertake such additional actions as the Agent may reasonably request in order to more fully confirm, vest and perfect the Agent's security interests and liens in the Collateral that are the subject of the Ancillary Loan Documents.

(d) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(e) EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, SUBJECT TO THE LAST SENTENCE HEREOF, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING

ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT, SUBJECT TO THE LAST SENTENCE HEREOF, ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH PARTY HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY CREDIT PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THE EXERCISE OF THE CREDIT PARTIES OF THEIR RIGHTS AND REMEDIES WITH RESPECT TO THE COLLATERAL OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(f) EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (E) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(g) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the date first above written.

BORROWERS:

**ABERCROMBIE & FITCH
MANAGEMENT CO.**, as Lead Borrower
ABERCROMBIE & FITCH STORES, INC.
ABERCROMBIE & FITCH TRADING CO., as Borrowers

By: /s/ Everett Gallagher
Name: Everett E. Gallagher, Jr.
Title: Senior Vice President & Treasurer

GUARANTORS:

ABERCROMBIE & FITCH CO., as Parent and as a Guarantor

By: /s/ Everett Gallagher
Name: Everett E. Gallagher, Jr.
Title: Senior Vice President – Tax, Treasury & Risk Management & Treasurer

A & F TRADEMARK, INC.
ABERCROMBIE & FITCH HOLDING CORPORATION
HOLLISTER CO.
J.M.H. TRADEMARK, INC.
HOLLISTER CO. CALIFORNIA, LLC
AFH PUERTO RICO LLC
A&F CANADA HOLDING CO., as Guarantors

By: /s/ Everett Gallagher
Name: Everett E. Gallagher, Jr.
Title: Senior Vice President & Treasurer

ABERCROMBIE & FITCH PROCUREMENT SERVICES, LLC, as a Guarantor

By: Abercrombie & Fitch Trading Co.,
its Sole Member

By: /s/ Everett Gallagher
Name: Everett E. Gallagher, Jr.
Title: Senior Vice President & Treasurer

AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Jai Alexander
Name: Jai Alexander
Title: Its Authorized Signatory

SCHEDULE 1.01

Guarantors

ABERCROMBIE & FITCH CO.
A & F TRADEMARK, INC.
ABERCROMBIE & FITCH HOLDING CORPORATION
HOLLISTER CO.
J.M.H. TRADEMARK, INC.
HOLLISTER CO. CALIFORNIA, LLC
AFH PUERTO RICO LLC
A&F CANADA HOLDING CO.
ABERCROMBIE & FITCH PROCUREMENT SERVICES, LLC

SCHEDULE 2.01

Ancillary Loan Documents

1. Guaranty dated as of August 7, 2014 by the Guarantors in favor of the Agent (the "Facility Guaranty").
2. Security Agreement dated as of August 7, 2014 by and among the Lead Borrower, the other Grantors party thereto, and the Agent (as amended pursuant to the Confirmation, Ratification and Amendment of Ancillary Loan Documents, dated October 19, 2017, the "Security Agreement").
3. Grant of Security Interest in Untied States Copyrights dated as of August 7, 2014 by and among Abercrombie & Fitch Trading Co., A & F Trademark, Inc., and the Agent.
4. Grant of Security Interest in Untied States Patents dated as of August 7, 2014 by and among Abercrombie & Fitch Trading Co., A & F Trademark, Inc., and the Agent.
5. Grant of Security Interest in Untied States Trademarks dated as of August 7, 2014 by and among Abercrombie & Fitch Trading Co., and the Agent.
6. Deposit Account Control Agreement (Springing Agreement) dated as of November 7, 2014 by and among Abercrombie & Fitch Stores, Inc., PNC Bank, National Association, as depository bank, the Agent, as First Lien Lender, and Wells Fargo Bank, National Association, as Second Lien Lender.
7. Deposit Account Control Agreement (Access Restricted After Notice - Two Secured Parties) dated as of November 10, 2014 by and among Abercrombie & Fitch Stores, Inc., Wells Fargo Bank, National Association, as depository bank, the Agent, as First Lien Agent, and Wells Fargo Bank, National Association, as Second Lien Agent.
8. Blocked Account Control Agreement dated as of December 18, 2014 by and among Abercrombie & Fitch Stores, Inc., U.S. Bank National Association as depository bank, the Agent, as First Lien Agent, and Wells Fargo Bank, National Association, as Second Lien Agent.
9. Deposit Account Control Agreement dated as of January 14, 2015, by and among Abercrombie & Fitch Stores, Inc., Hollister Co., The Huntington National Bank, as depository bank, the Agent, as First Lien Creditor, and Wells Fargo Bank, National Association, as Second Lien Creditor, as amended by Amendment No. 1 thereto dated January 26, 2017.
10. Blocked Account Control Agreement ("Shifting Control"), dated as of January 27, 2015, by and among the Lead Borrower, Abercrombie & Fitch Stores, Inc., Abercrombie & Fitch Co., Abercrombie & Fitch Trading Co., Abercrombie & Fitch Procurement LLC, A & F Trademark, Inc., JPMorgan Chase Bank, N.A., as depository bank, the Agent, as First Lien Agent, and Wells Fargo Bank, National Association, as Second Lien Agent, as amended by Amendment No. 1 thereto, dated September 11, 2015, as further amended by Amendment No. 2 thereto, dated May 20, 2016, as further amendment by Amendment No. 3 thereto, dated December 20, 2017, as further amendment by amendment No. 4 thereto, dated May 25, 2018 and as further amended by Amendment No. 5 thereto, dated February 12, 2020.
11. Securities Deposit Account Control Agreement dated as of August 10, 2015 by and among the Lead Borrower, MUFG Union Bank, N.A., as depository bank, the Agent, as First Lien Agent, and Wells Fargo Bank, National Association, as Second Lien Agent.
12. Deposit Account Control Agreement (First Lien) dated as of January 6, 2016 by and among the Lead Borrower, HSBC Bank US, N.A., as depository bank, and the Agent.

13. Deposit Account Control Agreement (Springing Agreement) dated as of September 20, 2016 by and among the Lead Borrower, PNC Bank, National Association, as depository bank, the Agent, as First Lien Lender, and Wells Fargo Bank, National Association, as Second Lien Lender.

14. Bailment Agreement dated as of January 23, 2015 by and among, Abercrombie & Fitch Trading Co., Maersk Agency U.S.A., Inc. on behalf of A.P. Møller - Mærsk A/S trading as Maersk Line, the Agent, as ABL Agent, and Wells Fargo Bank, National Association, as Term Agent.

15. Inventory Agreement dated as of March 12, 2015 by and among, Abercrombie & Fitch Trading Co., Expeditors International of Washington, Inc., the Agent, as ABL Agent, and Wells Fargo Bank, National Association, as Term Agent.

16. Carrier Agency Agreement by and among, Abercrombie & Fitch Trading Co., US Lines, LLC, as agent for ANL Singapore, the Agent, as ABL Agent, and Wells Fargo Bank, National Association, as Term Agent.

17. Ocean Carrier Agency Agreement dated as of December 18, 2017, by and among, the Lead Borrower, Orient Overseas Container Line Limited, as the Freight Forwarder, the Agent, as ABL Agent, and Wells Fargo Bank, National Association, as Term Agent.

18. Freight Forwarder Agency Agreement dated as of December 4, 2017, by and among, the Lead Borrower, Schenker, Inc., as the Freight Forwarder, the Agent as ABL Agent, and Wells Fargo Bank, National Association, as Term Agent.

19. Freight Forwarder Agency Agreement dated as of December 13, 2017, by and among, the Lead Borrower, Toll Global Forwarding (Hong Kong) Limited, as the Freight Forwarder, the Agent, as ABL Agent, and Wells Fargo Bank, National Association, as Term Agent.

20. Freight Forwarder Agency Agreement dated as of February 2, 2018, by and among, the Lead Borrower, Hellmann Worldwide Logistics, as the Freight Forwarder, the Agent, as ABL Agent, and Wells Fargo Bank, National Association, as Term Agent.

21. Blocked Account Control Agreement dated as of January 29, 2018, by and among, Abercrombie & Fitch Stores, Inc., as the Company, the Agent, as the First Lien Agent, Wells Fargo Bank, National Association, as Second Lien Agent and U.S. Bank, National Association, as the Depository Bank.

22. Deposit Account (With Activation, Multi-Lender) Control Agreement dated as of February 27, 2018, by and among, the Lead Borrower, J.M. Hollister, LLC, AFH Puerto Rico LLC, the Agent, as the First Lien Agent, Wells Fargo Bank, National Association, as the Second Lien Agent, and Bank of America, National Association, as the Bank, as amended by Amendment No. 1 thereto, dated October 9, 2019.

23. Freight Forwarder Agency Agreement dated as of September 8, 2017, by and among, the Lead Borrower, Expolanka USA, LLC, as the Freight Forwarder, the Agent, as ABL Agent, and Wells Fargo Bank, National Association, as Term Agent.

24. Notification and Control Agreement (Trust, Custody or Brokerage Accounts) dated as of April 23, 2018, by and among, the Lead Borrower, PNC Bank, National Association, as Custodian, the Agent, as the First Lien Secured Party, and Wells Fargo Bank, National Association, as the Second Lien Secured Party.

25. Freight Forwarder Agency Agreement dated as of July 16, 2018, by and among, the Lead Borrower, JAS Forwarding USA Inc., as the Freight Forwarder, the Agent, as ABL Agent, and Wells Fargo Bank, National Association, as Term Agent.

26. Account Control Agreement dated as of September 24 2018, by and among, the Lead Borrower, the Agent, as First Lien Secured Party, Wells Fargo Bank, National Association, as Second Lien Secured Party, and Lloyds Bank Corporate Markets PLC, as the Depository Institution.

27. Freight Forwarder Agency Agreement dated as of October 8, 2019, by and among the Lead Borrower, Century Distribution Systems, Inc., as the Freight Forwarder, the Agent, as ABL Agent, and Wells Fargo Bank, National Association, as Term Agent.

28. Deposit Account Control Agreement (Access Restricted After Notice – Two Secured Parties), dated as of February 19, 2019, by an among the Lead Borrower, the Agent, as First Lien Agent, Wells Fargo Bank, National Association, as Second Lien Agent, and Wells Fargo Bank, National Association, as Bank.

29. Deposit Account Control Agreement (Springing Control – Single Secured Creditor), dated as of July 15, 2020, by and among the Lead Borrower, the Agent and Citizens Bank, N.A.

30. Open-End Second Lien Mortgage, Security Agreement, Fixture Filing, Financing Statement and Assignment of Rents and Leases, entered into as of July 2, 2020 by the Lead Borrower in favor of the Agent.

31. Notes by the Borrower in favor of the Lenders executed as of the date hereof.

32. Credit Card Notifications executed and delivered by the Loan Parties as of the date hereof.

33. UCC Financing Statements (including fixture filings) filed against the Loan Parties in favor of the Agent as of the date hereof.

Schedule 3.01

SCHEDULES TO SECURITY AGREEMENT

SCHEDULE I

Intercompany Notes

(a) Foreign Subsidiaries. As of the Closing Date, the following instruments, or loan agreements in connection with, are paid or payable to the Loan Parties from foreign subsidiaries:

[*]

(b) Domestic Subsidiaries and Loan Parties. As of the Closing Date, the following instruments, or loan agreements in connection with, are paid or payable to the Loan Parties from domestic subsidiaries or other Loan Parties:

[*]

SCHEDULE III
Pledged Interests

<u>Owner</u>	<u>Issuer</u>	<u>Type of Organization</u>	<u># of Shares or Percentage Owned</u>	<u>Total Shares Outstanding</u>	<u>% of Interest Pledged</u>	<u>Certificate No. (if uncertificated, please indicate so)</u>
Abercrombie & Fitch Co.	Abercrombie & Fitch Holding Corporation	Corporation	100	100	100%	2
Abercrombie & Fitch Holding Corporation	Abercrombie & Fitch Management Co.	Corporation	100	100	100%	1
Abercrombie & Fitch Holding Corporation	Abercrombie & Fitch Distribution Company	Corporation	100	100	100%	1
Abercrombie & Fitch Management Co.	A & F Trademark, Inc.	Corporation	105	105	100%	6
Abercrombie & Fitch Management Co.	Abercrombie & Fitch Stores, Inc.	Corporation	100	100	100%	1
Abercrombie & Fitch Management Co.	Hollister Co.	Corporation	100	100	100%	1
Abercrombie & Fitch Management Co.	Abercrombie & Fitch International, Inc.	Corporation	100	100	65%	3
Abercrombie & Fitch Management Co.	Fan Company, LLC	Limited liability company	100%	N/A	100%	Uncertificated
Abercrombie & Fitch Management Co.	Canoe, LLC	Limited liability company	100%	N/A	100%	Uncertificated
Abercrombie & Fitch Management Co.	Crombie, LLC	Limited liability company	100%	N/A	100%	Uncertificated
Abercrombie & Fitch Management Co.	DFZ, LLC	Limited liability company	100%	N/A	100%	Uncertificated
Abercrombie & Fitch Management Co.	NSOP, LLC	Limited liability company	100%	N/A	100%	Uncertificated
A & F Trademark, Inc.	J.M.H. Trademark, Inc.	Corporation	100	100	100%	4
J.M.H. Trademark, Inc.	Abercrombie & Fitch Trading Co.	Corporation	100	100	100%	3
Abercrombie & Fitch Trading Co.	Abercrombie & Fitch Procurement Services, LLC	Limited liability company	100%	N/A	100%	Uncertificated
Abercrombie & Fitch Trading Co.	Hollister Co. California, LLC	Limited liability company	100%	N/A	100%	Uncertificated
A&F Canada Holding Co.	AFH Canada Stores Co.	Corporation	100%	11,673,863	64.17%	2, 3 and 5

SCHEDULE IV
Intellectual Property.

Copyrights

Grantor	Registration Number	Date	Copyright
A & F Trademark, Inc.	VA 1-231-955	9/22/03	Moose I
Abercrombie & Fitch Trading Co.	VA 1-637-022	6/11/08	Miscellaneous Bird Design
Abercrombie & Fitch Trading Co.	VA 1-415-056	5/29/07	Seagull Design

Trademarks

Grantor	Trademark	App. No.	App. Date	Reg. No.	Reg. Date
Abercrombie & Fitch Trading Co.	A & F	86/142,294	12-Dec-2013	5,218,802	6-Jun-2017
Abercrombie & Fitch Trading Co.	A & F	86/285,193	19-May-2014	5,375,569	09-Jan-2018
Abercrombie & Fitch Trading Co.	A & F	73/239,161	14-Nov-1979	1,169,714	15-Sep-1981
Abercrombie & Fitch Trading Co.	A & F	75/981,420	31-Jan-2000	2,530,664	15-Jan-2002
Abercrombie & Fitch Trading Co.	A & F	78/787,866	09-Jan-2006	3,349,895	04-Dec-2007
Abercrombie & Fitch Trading Co.	A & F	77/923,258	29-Jan-2010	4,501,963	25-Mar-2014
Abercrombie & Fitch Trading Co.	A & F	85/547,931	21-Feb-2012	4,760,557	23-Jun-2015
Abercrombie & Fitch Trading Co.	A & F	85/549,384	22-Feb-2012	4,756,239	16-Jun-2015
Abercrombie & Fitch Trading Co.	ABERCROMBIE & FITCH	85/502,065	22-Dec-2011	4,597,577	02-Sep-2014
Abercrombie & Fitch Trading Co.	ABERCROMBIE & FITCH	86/162,324	10-Jan-2014	4,809,373	08-Sep-2015
Abercrombie & Fitch Trading Co.	ABERCROMBIE & FITCH	72/383,829	16-Feb-1971	951,410	23-Jan-1973
Abercrombie & Fitch Trading Co.	ABERCROMBIE & FITCH	73/239,158	14-Nov-1979	1,178,609	17-Nov-1981
Abercrombie & Fitch Trading Co.	ABERCROMBIE & FITCH	74/725,849	06-Sep-1995	1,999,665	10-Sep-1996
Abercrombie & Fitch Trading Co.	ABERCROMBIE & FITCH	76/124,449	08-Sep-2000	2,500,146	23-Oct-2001
Abercrombie & Fitch Trading Co.	ABERCROMBIE & FITCH	77/871,823	13-Nov-2009	4,361,667	02-Jul-2013
Abercrombie & Fitch Trading Co.	ABERCROMBIE & FITCH	77/923,252	29-Jan-2010	4,501,962	25-Mar-2014
Abercrombie & Fitch Trading Co.	ABERCROMBIE & FITCH	77/923,261	29-Jan-2010	4,392,587	27-Aug-2013

Abercrombie & Fitch Trading Co.	ABERCROMBIE & FITCH	77/923,473	29-Jan-2010	4,517,968	22-Apr-2014
Abercrombie & Fitch Trading Co.	ABERCROMBIE & FITCH	75/113,828	04-Jun-1996	2,061,284	13-May-1997
Abercrombie & Fitch Trading Co.	FIERCE	85/502,678	22-Dec-2011	4,597,578	02-Sep-2014
Abercrombie & Fitch Trading Co.	FIERCE	78/137,306	20-Jun-2002	2,713,598	06-May-2003
Abercrombie & Fitch Trading Co.	FIERCE	77/845,929	09-Oct-2009	4,361,661	02-Jul-2013
Abercrombie & Fitch Trading Co.	FIERCE	87/138,862	15-Aug-2016	6,029,487	07-Apr-2020
Abercrombie & Fitch Trading Co.	FIERCE	77/841,401	05-Oct-2009	4,238,034	06-Nov-2012
Abercrombie & Fitch Trading Co.	FIERCE	77/982,401	09-Oct-2009	4,057,045	15-Nov-2011
Abercrombie & Fitch Trading Co.	FIERCE	88/728,952	16-Dec-2019	6,091,027	30-Jun-2020
Abercrombie & Fitch Trading Co.	HOLLISTER	86/257,848	21-Apr-2014	4,871,400	15-Dec-2015
Abercrombie & Fitch Trading Co.	HOLLISTER	77/038,757	07-Nov-2006	3,310,650	16-Oct-2007
Abercrombie & Fitch Trading Co.	HOLLISTER	77/054,504	30-Nov-2006	3,358,499	25-Dec-2007
Abercrombie & Fitch Trading Co.	HOLLISTER	77/923,455	29-Jan-2010	4,485,432	18-Feb-2014
Abercrombie & Fitch Trading Co.	HOLLISTER	77/923,450	29-Jan-2010	4,485,431	18-Feb-2014
Abercrombie & Fitch Trading Co.	HOLLISTER	77/923,430	29-Jan-2010	4,501,964	25-Mar-2014
Abercrombie & Fitch Trading Co.	HOLLISTER	76/117,011	25-Aug-2000	2,648,144	12-Nov-2002
Abercrombie & Fitch Trading Co.	HOLLISTER	76/153,445	25-Oct-2000	2,774,426	21-Oct-2003
Abercrombie & Fitch Trading Co.	HOLLISTER	86/659,673	11-Jun-2015	5,392,226	30-Jun-2018
Abercrombie & Fitch Trading Co.	MOOSE Design (Solid)	78/743,432	31-Oct-2005	4,551,991	17-Jun-2014
Abercrombie & Fitch Trading Co.	MOOSE Design (Solid)	85/789,540	28-Nov-2012	4,804,428	01-Sep-2015
Abercrombie & Fitch Trading Co.	MOOSE Design (Solid)	86/142,248	12-Dec-2013	5,218,801	06-Jun-2017
Abercrombie & Fitch Trading Co.	MOOSE Design (Solid)	78/299,926	12-Sep-2003	3,065,016	07-Mar-2006
Abercrombie & Fitch Trading Co.	MOOSE Design (Solid)	78/743,723	31-Oct-2005	3,964,371	24-May-2011
Abercrombie & Fitch Trading Co.	MOOSE Design (Solid)	78/977,673	31-Oct-2005	3,220,225	20-Mar-2007
Abercrombie & Fitch Trading Co.	MOOSE Design (Solid)	78/979,398	31-Oct-2005	3,383,434	12-Feb-2008
Abercrombie & Fitch Trading Co.	MOOSE Design (Solid)	77/968,297	25-Mar-2010	4,436,783	19-Nov-2013
Abercrombie & Fitch Trading Co.	MOOSE Design (Solid)	78/981,467	31-Oct-2005	4,168,384	03-Jul-2012
Abercrombie & Fitch Trading Co.	SEAGULL Design – Solid	86/142,226	12-Dec-2013	4,874,959	22-Dec-2015
Abercrombie & Fitch Trading Co.	SEAGULL Design – Solid	86/232,482	26-Mar-2014	5,341,002	21-Nov-2017
Abercrombie & Fitch Trading Co.	SEAGULL Design – Solid	86/232,484	26-Mar-2014	5,087,019	22-Nov-2016
Abercrombie & Fitch Trading Co.	SEAGULL Design – Solid	76/516,815	16-May-2003	4,384,092	13-Aug-2013
Abercrombie & Fitch Trading Co.	SEAGULL Design – Solid	77/730,244	06-May-2009	3,756,961	09-Mar-2010

Abercrombie & Fitch Trading Co.	SEAGULL Design – Solid	77/865,065	04-Nov-2009	3,855,891	05-Oct-2010
Abercrombie & Fitch Trading Co.	SEAGULL Design – Solid	76/979,139	16-May-2003	4,022,932	06-Sep-2011
Abercrombie & Fitch Trading Co.	SEAGULL Design – Solid	85/359,504	29-Jun-2011	4,091,084	24-Jan-2012
Abercrombie & Fitch Trading Co.	SEAGULL Design – Solid	87/885,779	20-Apr-2018	5,617,334	27-Nov-2018
Abercrombie & Fitch Trading Co.	SEAGULL Design – Solid	88/614,689	12-Sep-2019	6,057,577	19-May-2020
Abercrombie & Fitch Trading Co.	GILLY HICKS	78/926,302	10-Jul-2006	3,849,017	14-Sep-2010
Abercrombie & Fitch Trading Co.	GILLY HICKS	78/980,930	10-Jul-2006	3,610,527	21-Apr-2009
Abercrombie & Fitch Trading Co.	GILLY HICKS	85/114,464	24-Aug-2010	4,505,599	01-Apr-2014
Abercrombie & Fitch Trading Co.	GILLY HICKS	78/926,293	10-Jul-2006	3,836,281	17-Aug-2010
Abercrombie & Fitch Trading Co.	GILLY HICKS	85/077,251	02-Jul-2010	4,384,294	13-Aug-2013
Abercrombie & Fitch Trading Co.	GILLY HICKS	78/926,288	10-Jul-2006	3,849,016	14-Sep-2010
Abercrombie & Fitch Trading Co.	GILLY HICKS	85/076,977	02-Jul-2010	4,505,587	01-Apr-2014

Patents

Grantor	Patent	Application / Patent Number	Application / Issue Date
Abercrombie & Fitch Trading Co.	Fragrance Bottle with Stopper	D663,218	07/10/2012
Abercrombie & Fitch Trading Co.	Bottle Cap – Moose Antlers	29/718,041	20-Dec-2019
Abercrombie & Fitch Trading Co.	Bottle for Fragrance, Perfume, Eau De Toilette, Cosmetics or Other Products	D573,035	07/15/2008

Subsidiaries of Abercrombie & Fitch Co.

The direct and indirect subsidiaries of Abercrombie & Fitch Co at January 29, 2022, are listed below.

Name:	State or Other Jurisdiction of Incorporation or Organization:
1. Abercrombie & Fitch Holding Corporation (a)	Delaware
2. Abercrombie & Fitch Distribution Company (b)	Ohio
3. Abercrombie & Fitch Management Co. (b)	Delaware
4. A & F Trademark, Inc. (c)	Delaware
5. Abercrombie & Fitch Stores, Inc. (c)	Ohio
6. Abercrombie & Fitch Foundation (a)	Ohio
7. Hollister Co. (c)	Delaware
8. Abercrombie & Fitch International, Inc. (c)	Delaware
9. Fan Company, LLC (c)	Ohio
10. Canoe, LLC (c)	Ohio
11. Crombie, LLC (c)	Ohio
12. DFZ, LLC (c)	Ohio
13. NSOP, LLC (c)	Ohio
14. J.M.H. Trademark, Inc. (d)	Delaware
15. Abercrombie & Fitch Europe SAGL (o)	Switzerland
16. Abercrombie & Fitch Hong Kong Limited (f)	Hong Kong
17. AFH Puerto Rico LLC (f)	Ohio (Qualified in PR)
18. A&F Canada Holding Co. (f)	Delaware
19. Abercrombie & Fitch Trading Co. (g)	Ohio
20. AF 1892 Mexico, S. de R. L. de C.V. (r)	Mexico
21. AFH Canada Stores Co. (h)	Nova Scotia
22. AFH Japan GK (i)	Japan
23. Abercrombie & Fitch Italia SRL (i)	Italy
24. AFH Stores UK Limited (i)	United Kingdom
25. Abercrombie & Fitch (France) SAS (i)	France
26. Abercrombie & Fitch (Spain) S.L. (i)	Spain
27. Abfico Netherlands Distribution B.V. (i)	The Netherlands
28. AFH Hong Kong Limited (i)	Hong Kong
29. A&F Hollister Ireland Limited (i)	Ireland
30. AFH Hong Kong Stores Limited (i)	Hong Kong
31. AFH Singapore Pte. Ltd. (i)	Singapore
32. A&F HCo Stores AT GmbH (i)	Austria
33. AFH Belgium SPRL (i)*	Belgium
34. AFH Korea Yuhan Hoesa in liquidation (i)	South Korea
35. AFH Poland Sp. z.o.o. (i)	Poland
36. AFH Co. Stores Netherlands B.V. (i)	The Netherlands
37. AFH Fulfillment NL B.V. (i)	The Netherlands
38. AFH Taiwan Co., Ltd. (i)	Taiwan
39. AFH Logistics DWC-LLC (i)	Dubai
40. Abercrombie & Fitch Procurement Services, LLC (j)	Ohio

41. Hollister Co. California, LLC (j)	California
42. AFH Germany GmbH (k)	Germany
43. AFH Sweden Aktiebolag (k)	Sweden
44. AFH Trading (Shanghai) Co., LTD. (l)	Peoples Republic of China
45. AFH International Trading Shanghai Co., Ltd. (l)	Peoples Republic of China
46. Hollister Fashion L.L.C (m)	Dubai
47. AFH BLP HK Limited (i)	Hong Kong
49. Majid Al Futtaim Apparel Ready Wear/WLL (p)	Kuwait
50. Abercrombie & Fitch Europe Holding GmbH in Liquidation (m)	Switzerland
51. Abercrombie & Fitch Holding B.V. (q)	The Netherlands
52. Abercrombie & Fitch Worldwide Holding LLC (f)	Ohio
53. Abercrombie & Fitch Holding SAGL (o)	Switzerland
55. AFH International Trading (Shenzhen) Co., Ltd. (l)	Peoples Republic of China
56. Social Tourist LLC (s)	Delaware

- (a) Wholly-owned subsidiary of Abercrombie & Fitch Co., the Registrant
- (b) Wholly-owned subsidiary of Abercrombie & Fitch Holding Corporation
- (c) Wholly-owned subsidiary of Abercrombie & Fitch Management Co.
- (d) Wholly-owned subsidiary of A&F Trademark, Inc.
- (e) Wholly-owned subsidiary of Abercrombie & Fitch Stores, Inc.
- (f) Wholly-owned subsidiary of Abercrombie & Fitch International, Inc.
- (g) Wholly-owned subsidiary of J.M.H. Trademark, Inc.
- (h) Wholly-owned subsidiary of A&F Canada Holding Co.
- (i) Wholly-owned subsidiary of Abercrombie & Fitch Holding SAGL
- (j) Wholly-owned subsidiary of Abercrombie & Fitch Trading Co.
- (k) Wholly-owned subsidiary of Abfico Netherlands Distribution B.V.
- (l) Wholly-owned subsidiary of AFH Hong Kong Limited
- (m) Subsidiary of third-party Majid Al Futtaim Fashion LLC (51.33%) and AFH Logistics DWC-LLC (48.67%)
- (n) Wholly-owned subsidiary of Abercrombie & Fitch Worldwide Holding LLC
- (o) Wholly-owned subsidiary of Abercrombie & Fitch Holding B.V.
- (p) A&F has no equity interest in this joint venture
- (q) Subsidiary of Abercrombie & Fitch Trading Co. (51.2 %) and Abercrombie & Fitch Europe Holding GmbH in Liquidation (48.8 %)
- (r) Subsidiary of Abercrombie & Fitch International, Inc. (99.0 %) and Abercrombie & Fitch Worldwide Holding LLC (1.0 %)
- (s) Subsidiary of Abercrombie & Fitch Management Co. and third-party Dixar L.L.C.

* Abfico Netherlands Distribution B.V. owns .0018% of AFH Belgium SPRL., and Abercrombie & Fitch Holding SAGL owns the remaining 99.9982%.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-15941, 333-15945, 333-60189, 333-81373, 333-100079, 333-107646, 333-107648, 333-128000, 333-145166, 333-176135, 333-212059, 333-212060, 333-218761, 333-218762, 333-227271, 333-233714, 333-239074, 333-239079, and 333-259385) of Abercrombie & Fitch Co. of our report dated March 28, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Columbus, Ohio
March 28, 2022

POWER OF ATTORNEY

The undersigned director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for the fiscal year ended January 29, 2022 under the provisions of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Fran Horowitz and Scott D. Lipesky, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent to sign for the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of March, 2022

/s/ TERRY L. BURMAN

Terry L. Burman

POWER OF ATTORNEY

The undersigned officer and director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for the fiscal year ended January 29, 2022 under the provisions of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Scott D. Lipesky, with full power of substitution and resubstitution, as attorney-in-fact and agent to sign for the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of March, 2022

/s/ FRAN HOROWITZ

Fran Horowitz

POWER OF ATTORNEY

The undersigned officer of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for the fiscal year ended January 29, 2022 under the provisions of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Fran Horowitz, with full power of substitution and resubstitution, as attorney-in-fact and agent to sign for the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent, or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of March, 2022.

/s/ SCOTT D. LIPESKY
Scott D. Lipesky

POWER OF ATTORNEY

The undersigned director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for the fiscal year ended January 29, 2022 under the provisions of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Fran Horowitz and Scott D. Lipesky, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent to sign for the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of March, 2022.

/s/ KERRI B. ANDERSON

Kerri B. Anderson

POWER OF ATTORNEY

The undersigned director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for the fiscal year ended January 29, 2022 under the provisions of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Fran Horowitz and Scott D. Lipesky, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent to sign for the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of March, 2022.

/s/ FELIX J. CARBULLIDO

Felix J. Carbullido

POWER OF ATTORNEY

The undersigned director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for the fiscal year ended January 29, 2022 under the provisions of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Fran Horowitz and Scott D. Lipesky, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent to sign for the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of March, 2022.

/s/ SUSIE COULTER

Susie Coulter

POWER OF ATTORNEY

The undersigned director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for the fiscal year ended January 29, 2022 under the provisions of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Fran Horowitz and Scott D. Lipesky, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent to sign for the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of March, 2022.

/s/ SARAH M. GALLAGHER

Sarah M. Gallagher

POWER OF ATTORNEY

The undersigned director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for the fiscal year ended January 29, 2022 under the provisions of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Fran Horowitz and Scott D. Lipesky, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent to sign for the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of March, 2022.

/s/ JAMES A. GOLDMAN

James A. Goldman

POWER OF ATTORNEY

The undersigned director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for the fiscal year ended January 29, 2022 under the provisions of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Fran Horowitz and Scott D. Lipesky, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent to sign for the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of March, 2022.

/s/ MICHAEL E. GREENLEES

Michael E. Greenlees

POWER OF ATTORNEY

The undersigned director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for the fiscal year ended January 29, 2022 under the provisions of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Fran Horowitz and Scott D. Lipesky, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent to sign for the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of March, 2022.

/s/ HELEN E. MCCLUSKEY

Helen E. McCluskey

POWER OF ATTORNEY

The undersigned director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for the fiscal year ended January 29, 2022 under the provisions of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Fran Horowitz and Scott D. Lipesky, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent to sign for the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of March, 2022.

/s/ KENNETH B. ROBINSON

Kenneth B. Robinson

POWER OF ATTORNEY

The undersigned director of Abercrombie & Fitch Co., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for the fiscal year ended January 29, 2022 under the provisions of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Fran Horowitz and Scott D. Lipesky, and each of them, with full power of substitution and resubstitution, as attorney-in-fact and agent to sign for the undersigned, in any and all capacities, such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that each said attorney-in-fact and agent, or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of March, 2022.

/s/ NIGEL TRAVIS

Nigel Travis

CERTIFICATIONS

I, Fran Horowitz, certify that:

1. I have reviewed this Annual Report on Form 10-K of Abercrombie & Fitch Co. for the fiscal year ended January 29, 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.

Date: March 28, 2022

By: /s/ Fran Horowitz

Fran Horowitz
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Scott D. Lipesky, certify that:

1. I have reviewed this Annual Report on Form 10-K of Abercrombie & Fitch Co. for the fiscal year ended January 29, 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.

Date: March 28, 2022

By: /s/ Scott D. Lipesky

Scott D. Lipesky
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

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 Annual Report of Abercrombie & Fitch Co. (the "Corporation") on Form 10-K for the fiscal year ended January 29, 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 D. 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.

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

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

Dated: March 28, 2022

Dated: March 28, 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.