



# Abercrombie & Fitch Co.

Abercrombie  
& Fitch

abercrombie  
kids

HOLLISTER

GILLY  
HICKS

SOCIAL  
TOURIST

INVESTOR PRESENTATION:  
THIRD QUARTER 2022

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

This presentation and related statements by management or spokespeople of A&F contain forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). These statements, including without limitation, statements regarding our fourth quarter and annual fiscal 2022 results, relate to our current assumptions, projections and expectations about our business and future events. Any such forward-looking statements involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond the company's control. 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. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," "should," "are confident," "will," "could," "outlook," 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, including any financial targets or estimates, whether as a result of new information, future events, or otherwise. Factors that may cause results to differ from those expressed in our forward-looking statements include, but are not limited to, the factors disclosed in Part I, Item 1A. "Risk Factors" of the company's Annual Report on Form 10-K for the fiscal year ended January 29, 2022, and otherwise in our reports and filings with the Securities and Exchange Commission, as well as the following factors: risks and uncertainty related to the ongoing COVID-19 pandemic and any other adverse public health developments; risks related to changes in global economic and financial conditions and the resulting impact on consumer confidence and consumer spending, as well as other changes in consumer discretionary spending habits; risks related to recent inflationary pressures with respect to labor and raw materials and global supply chain constraints that have, and could continue, to affect freight, transit, and other costs; risks related to geopolitical conflict, including the on-going hostilities in Ukraine, acts of terrorism, mass casualty events, social unrest, civil disturbance or disobedience; risks related to our failure to engage our customers, anticipate customer demand and changing fashion trends and manage our inventory commensurately; risks related to our failure to operate effectively in a highly competitive and constantly evolving industry; risks related to our ability to execute on our strategic initiatives, including our Always Forward Plan; risks related to fluctuations in foreign currency exchange rates; risks related to fluctuations in our tax obligations and effective tax rate may result in volatility in our results of operations; risks related to cybersecurity threats and privacy or data security breaches or the potential loss or disruption of our information systems; and risks associated with climate change and other corporate responsibility issues.

### OTHER INFORMATION

The following presentation includes certain adjusted non-GAAP financial measures. Additional details about non-GAAP financial measures and a reconciliation of GAAP financial measures to non-GAAP financial measures is included in the Appendix to this presentation. As used in the presentation, "GAAP" refers to accounting principles generally accepted in the United States of America. Sub-totals and totals may not foot due to rounding. Net income (loss) and net income (loss) per share financial measures included herein are attributable to Abercrombie & Fitch Co., excluding net income attributable to noncontrolling interests.

As used in this presentation, unless otherwise defined, references to "Hollister" include the company's Hollister, Gilly Hicks, and Social Tourist brands and references to "Abercrombie" includes the company's Abercrombie & Fitch and abercrombie kids brands.



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# COMPANY OVERVIEW



**Abercrombie & Fitch Co. is a global, digitally-led, omni-channel apparel and accessories retailer catering to kids through millennials with assortments curated for their specific lifestyle needs**

**Our corporate purpose of 'Being here for you on the journey to being and becoming who you are' fuels our purpose-led brands and our global associates**



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.



HOLLISTER

The quintessential apparel brand of the global teen 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 all teens 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 that 10 minutes of activity a day can lead to a happier life. That's why we offer active lifestyle products to help Gen Z customers create happiness through movement.



SOCIAL  
TOURIST

Social Tourist is the creative vision of Hollister and social media personalities Dixie and Charli D'Amelio. The lifestyle brand creates trend forward apparel that allows brand lovers to experiment with their style, while exploring the duality of who they are both on social media and in real life.

# GLOBAL, DIGITALLY-LED OMNICHANNEL RETAILER

THE COMPANY'S PRODUCTS ARE SOLD GLOBALLY, PRIMARILY THROUGH ITS COMPANY-OWNED DIGITAL AND STORE CHANNELS, AS WELL AS THROUGH VARIOUS THIRD-PARTY ARRANGEMENTS

**\$1.7B**

FISCAL 2021 DIGITAL SALES WERE ROUGHLY \$1.7 BILLION

**5**

GLOBAL BRANDS

**751**

COMPANY-OPERATED RETAIL STORES

**29%**

OF FISCAL 2021 NET SALES WERE DERIVED INTERNATIONALLY

**~90%**

OF GLOBAL STORE FLEET WITH SHIP-FROM-STORE AND PURCHASE-ONLINE-PICK-UP-IN-STORE CAPABILITIES

**110+**

CAPABILITY TO SHIP TO OVER 110 COUNTRIES

**17**

COUNTRIES WITH COMPANY OPERATED STORES

**10**

WHOLESALE PARTNERSHIPS, PRIMARILY INTERNATIONAL

Information provided on this slide is as of October 29, 2022 unless otherwise specified.

# ALWAYS FORWARD PLAN



# ALWAYS FORWARD PLAN

2025 TARGETS:  
**\$4.1B - \$4.3B**  
REVENUES

**8%+**  
OPERATING MARGIN

LONGER-TERM GOAL OF \$5B IN  
REVENUES AND A 10%+  
OPERATING MARGIN

Abercrombie & Fitch Co.



## INTRODUCED 2025 FINANCIAL TARGETS AT JUNE 2022 INVESTOR DAY

### EMBODY OUR AUTHENTIC PURPOSE

# 1

## EXECUTE FOCUSED BRAND GROWTH PLANS

- data driven approach to store expansion
- grow brand lovers through digital marketing and social selling

# 2

## ACCELERATE AN ENTERPRISE-WIDE DIGITAL REVOLUTION

- "Know Them Better" - continued expansion and acceleration of investments in customer analytics to improve customer engagement
- "Wow Them Everywhere" - continued investments in people, systems, and processes to improve the end-to-end customer experience

# 3

## OPERATE WITH FINANCIAL DISCIPLINE

- operate with a more agile cost structure
- seek expense efficiencies while protecting investments in digital, technology and store growth



ALWAYS FORWARD PLAN  
**CREATING SHAREHOLDER VALUE**  
2025 TARGETS

SALES CAGR  
**+3% TO 5%**  
OFF 2022

+

OPERATING  
**8%+**  
MARGINS

+

DISCIPLINED & AGILE  
**INVESTMENT**  
PLAN

+

**\$600M MINIMUM**  
**FREE CASH FLOW**  
GENERATION 2022-2025

A man with a beard and mustache is the central figure, wearing a bright orange beanie, a tan hoodie, and a dark green corduroy jacket. He is standing in front of a dark green car, with a brick wall and a black wrought-iron fence in the background. The scene is brightly lit, suggesting an outdoor urban setting.

# 2022 FOCUS AREAS

# OUR FOCUS AREAS FOR 2022

THE FOLLOWING FOCUS AREAS FOR FISCAL 2022 SERVE AS A FRAMEWORK TO THE COMPANY ACHIEVING SUSTAINABLE GROWTH AND PROGRESSING TOWARD THE 2025 ALWAYS FORWARD PLAN TARGETS

- Execute brand growth plans, primarily focused on continuing momentum at Abercrombie & Fitch and delivering standalone store experiences at Gilly Hicks
- Accelerate digital and technology investments in systems and people to increase agility, modernize foundational systems and improve the customer experience
- Operate with a more agile cost structure, and seeking expense efficiencies while protecting investments in digital, technology and store growth to fund our strategic principles
- Taking a data-driven approach to store expansion in under penetrated markets
- Optimize our global distribution network to increase capacity and improve delivery speed to customers
- Integrate environmental, social and governance practices and standards throughout the organization





# AGGRESSIVELY INVESTING TO BE A BEST-IN-CLASS DIGITALLY-LED GLOBAL OMNI-CHANNEL RETAILER

INVESTMENTS IN DIGITAL AND OMNICHANNEL CAPABILITIES OF **\$150M+**

EXPECTED DIGITAL AND OMNICHANNEL INVESTMENTS FOR THE YEAR OF **\$60M+**

FISCAL 2017 - FISCAL 2021

FISCAL 2022

**FISCAL 2018**

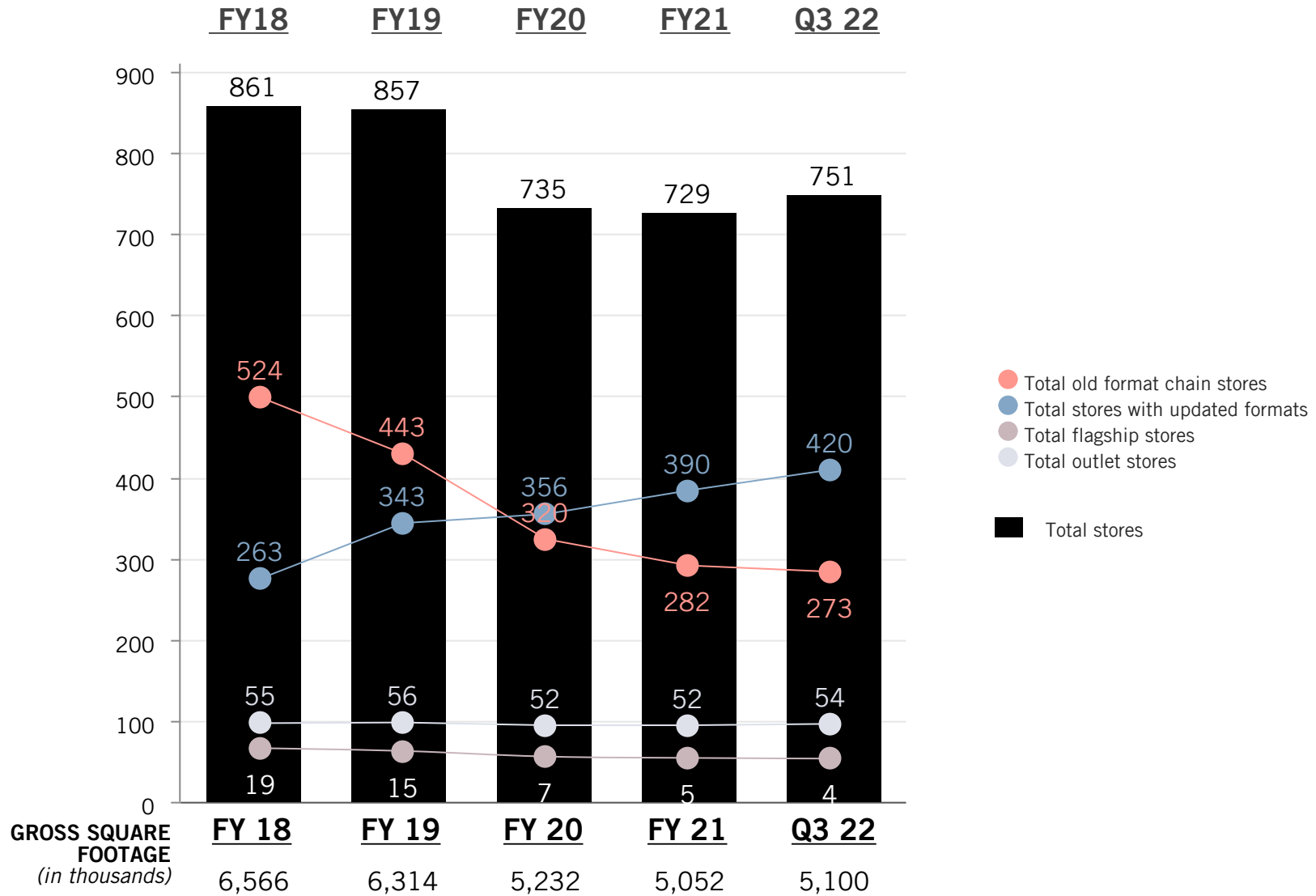
Digital sales penetration of **28%, <\$1.0B**

**FISCAL 2021\***

Digital sales penetration of **47%, \$1.7B+**

\* In fiscal 2021, the company was impacted by the COVID-19 pandemic and experienced widespread temporary store closures, while the company's digital operations continued to serve the customers during this unprecedented period.

**EXPECT TO SEE  
NET STORE  
OPENINGS IN 2022  
WHILE  
MAINTAINING  
ROUGHLY FLAT  
SQUARE FOOTAGE**



# GLOBAL FLEET WELL-POSITIONED; 91% OF U.S. STORES LOCATED IN A/B MALLS

## YTD STORE ACTIVITY

	HOLLISTER	ABERCROMBIE	TOTAL
<b>NEW STORES</b>	21 <sup>(1)</sup>	10	31
<b>REMODELS</b>	2	—	2
<b>RIGHT-SIZES</b>	3	3	6
<b>NEW EXPERIENCES</b>	26	13	39
<b>PERMANENT CLOSURES</b>	(3)	(6)	(9)

<sup>(1)</sup> Hollister store openings include 8 Gilly Hicks stores opened YTD

## Q3 2022 STORE FLEET DETAIL

	HOLLISTER		ABERCROMBIE		TOTAL	
	# OF STORES	% OF FLEET	# OF STORES	% OF FLEET	# OF STORES	% OF FLEET
<b>LEGACY STORES</b>	183	35%	90	39%	273	36%
<b>UPDATED FORMATS</b>	323	62%	97	43%	420	56%
<b>OUTLETS</b>	16	3%	38	17%	54	7%
<b>FLAGSHIPS</b>	1	—%	3	1%	4	1%
<b>TOTAL</b>	<b>523</b>	<b>100%</b>	<b>228</b>	<b>100%</b>	<b>751</b>	<b>100%</b>

## Q3 2022 U.S. STORE FLEET <sup>(2)</sup>

	A MALL	B MALL	C MALL	FLAGSHIPS	OTHER <sup>(3)</sup>	TOTAL
<b># OF STORES</b>	241	247	46	2	5	541
<b>% OF U.S. FLEET</b>	45%	46%	9%	—%	1%	100%

<sup>(2)</sup> Mall rating based on Green Street Advisors as of October 2022.

<sup>(3)</sup> Other includes street and outlet locations.



# Q3 2022 RESULTS



**Abercrombie & Fitch Co.**

# CEO COMMENTARY

“We were pleased to see year-over-year sales trends improve across brands in light of the global macroeconomic environment. While net sales were down 3% as compared to last year on a reported basis, net sales were flat on a constant currency basis. Results were driven by Abercrombie brands where we delivered the highest Q3 net sales since 2014 and the tenth consecutive quarter of average unit retail growth.

We are cautiously optimistic as the holiday season kicks into high gear. While the environment remains dynamic, we are focused on what we can control. We have strategically adjusted our inventory receipts for holiday and early-2023, and unlike last year, we have the inventory on hand to fulfill holiday demand in the peak Black Friday to Christmas period. Additionally, we have reduced controllable spend where appropriate. At the same time, we are leveraging our strong financial position to advance the long-term, strategic investments necessary to achieve our 2025 Always Forward Plan.”

**Fran Horowitz**  
**Chief Executive Officer**

# NET (LOSS) INCOME PER SHARE

## SIGNIFICANT ITEMS IMPACTING Q3 2022 RESULTS

- Net sales decreased 3%, or \$25M, as compared to last year.
- Gross margin rate declined 450 basis points as compared to last year to 59.2%, driven by higher freight costs and commodity inflation.
- Digital fulfillment expense increased \$21M, reflecting an increase in digital shipping and handling and digital direct expense.
- Asset impairment charges of \$4M for this year versus \$7M last year.

	Q3 2022	Q3 2021
<b>GAAP</b>	<b>\$(0.04)</b>	<b>\$0.77</b>
EXCLUDED ITEMS, NET OF TAX EFFECT <sup>(1)</sup>	(0.05)	(0.09)
<b>ADJUSTED NON-GAAP</b>	<b>\$0.01</b>	<b>\$0.86</b>
IMPACT FROM FOREIGN CURRENCY EXCHANGE RATES <sup>(2)</sup>	—	(0.10)
<b>ADJUSTED NON-GAAP ON A CONSTANT CURRENCY BASIS</b>	<b>\$0.01</b>	<b>\$0.76</b>

<sup>(1)</sup> Adjusted non-GAAP results exclude the effect of certain items set out in the Appendix.

<sup>(2)</sup> The estimated impact from foreign currency is calculated by applying current period exchange rates to prior year results using a 26% tax rate. Refer to the Appendix for further details.



# NET SALES

TOTAL COMPANY NET SALES DOWN 3% TO \$880M AND FLAT ON A CONSTANT CURRENCY BASIS COMPARED TO Q3 2021

**HOLLISTER**

**\$458M**

DOWN 12% TO LAST YEAR  
DOWN 9% ON A CONSTANT  
CURRENCY BASIS <sup>(1)</sup>  
52.0% OF TOTAL NET SALES

**ABERCROMBIE**

**\$422M**

UP 10% TO LAST YEAR  
UP 13% ON A CONSTANT  
CURRENCY BASIS <sup>(1)</sup>  
48.0% OF TOTAL NET SALES

**UNITED STATES <sup>(2)</sup>**

**\$675M**

UP 3% TO LAST YEAR  
UP 3% ON A CONSTANT  
CURRENCY BASIS <sup>(1)</sup>  
76.7% OF TOTAL NET SALES

**EMEA**

**\$140M**

DOWN 22% TO LAST YEAR  
DOWN 11% ON A CONSTANT  
CURRENCY BASIS <sup>(1)</sup>  
15.9% OF TOTAL NET SALES

**APAC**

**\$28M**

DOWN 26% TO LAST YEAR  
DOWN 19% ON A CONSTANT  
CURRENCY BASIS <sup>(1)</sup>  
3.2% OF TOTAL NET SALES

**OTHER <sup>(3)</sup>**

**\$37M**

UP 14% TO LAST YEAR  
UP 20% ON A CONSTANT  
CURRENCY BASIS <sup>(1)</sup>  
4.3% OF TOTAL NET SALES

<sup>(1)</sup> The estimated impact from foreign currency is calculated by applying current period exchange rates to prior year results using a 26% tax rate. Refer to the Appendix for further details.

<sup>(2)</sup> 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.

<sup>(3)</sup> Other includes all sales that do not fall within the United States, EMEA, or APAC regions, which are derived primarily in Canada.



# OPERATING EXPENSE

<i>(in thousands)</i>	Q3 2022	% OF NET SALES	Q3 2021	% OF NET SALES	1 YR Δ BPS <sup>(3)</sup>
<b>STORE OCCUPANCY <sup>(1)</sup></b>	112,377	12.8%	108,234	12.0%	80
<b>ALL OTHER <sup>(2)</sup></b>	254,956	29.0%	243,581	26.9%	210
<b>STORES AND DISTRIBUTION</b>	367,333	41.7%	351,815	38.9%	280
<b>MARKETING, GENERAL &amp; ADMINISTRATIVE</b>	133,201	15.1%	146,269	16.2%	(110)
<b>ASSET IMPAIRMENT</b>	3,744	0.4%	6,749	0.7%	(30)
<b>TOTAL OPERATING EXPENSE - GAAP</b>	<b>\$504,278</b>	<b>57.3%</b>	<b>\$504,833</b>	<b>55.8%</b>	<b>150</b>
<b>RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSE</b>					
<b>TOTAL OPERATING EXPENSE - GAAP</b>	<b>504,278</b>	<b>57.3%</b>	<b>504,833</b>	<b>55.8%</b>	<b>150</b>
<b>EXCLUDED ITEMS <sup>(4)</sup></b>	3,744	0.4%	6,749	0.7%	(30)
<b>TOTAL ADJUSTED OPERATING EXPENSE - NON-GAAP</b>	<b>\$500,534</b>	<b>56.9%</b>	<b>\$498,084</b>	<b>55.0%</b>	<b>190</b>

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

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

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

<sup>(4)</sup> Excluded items consist of pre-tax store and other asset impairment charges for the current year and pre-tax store asset impairment charges for the prior year, respectively. Refer to the Appendix for further details.

# INCOME STATEMENT

<i>(in thousands)</i>	GAAP			
	Q3 2022	% OF NET SALES	Q3 2021	% OF NET SALES
<b>NET SALES</b>	\$880,084	100.0%	\$905,160	100.0%
<b>GROSS PROFIT</b> <sup>(1) (2)</sup>	520,816	59.2%	576,244	63.7%
<b>OPERATING EXPENSE</b>	504,278	57.3%	504,833	55.8%
<b>OTHER OPERATING INCOME, NET</b>	(1,005)	(0.1)%	(1,320)	(0.1)%
<b>OPERATING INCOME</b>	17,543	2.0%	72,731	8.0%
<b>INTEREST EXPENSE, NET</b>	7,295	0.8%	7,270	0.8%
<b>INCOME BEFORE INCOME TAXES</b>	10,248	1.2%	65,461	7.2%
<b>INCOME TAX EXPENSE</b>	10,966	1.2%	16,383	1.8%
<b>NET (LOSS) INCOME</b>	\$(2,214)	(0.3)%	\$47,233	5.2%
<b>NET (LOSS) INCOME PER SHARE ATTRIBUTABLE TO A&amp;F</b>				
<b>BASIC</b>	\$(0.04)		\$0.80	
<b>DILUTED</b>	\$(0.04)		\$0.77	
<b>WEIGHTED-AVERAGE SHARES</b>				
<b>BASIC</b>	49,486		58,796	
<b>DILUTED</b>	49,486		61,465	

<sup>(1)</sup> Gross profit is derived from cost of sales, exclusive of depreciation and amortization.

<sup>(2)</sup> Gross profit rate of 59.2% is down 450 basis points as compared to last year, primarily driven higher product costs and the adverse impact of exchange rates, partially offset by higher AUR at Abercrombie.



# BALANCE SHEET

<i>(in thousands)</i>	OCTOBER 29, 2022	JANUARY 29, 2022	OCTOBER 30, 2021
CASH AND EQUIVALENTS	\$257,332	\$823,139	\$865,622
RECEIVABLES	108,468	69,102	83,447
INVENTORIES	741,963	525,864	543,713
OTHER CURRENT ASSETS	112,602	89,654	111,423
<b>TOTAL CURRENT ASSETS</b>	<b>\$1,220,365</b>	<b>\$1,507,759</b>	<b>\$1,604,205</b>
PROPERTY AND EQUIPMENT, NET	542,138	508,336	516,176
OPERATING LEASE RIGHT-OF-USE ASSETS	713,166	698,231	762,641
OTHER ASSETS	218,325	225,165	229,512
<b>TOTAL ASSETS</b>	<b>\$2,693,994</b>	<b>\$2,939,491</b>	<b>\$3,112,534</b>
ACCOUNTS PAYABLE	\$322,128	\$374,829	\$424,560
ACCRUED EXPENSES	378,366	395,815	355,149
SHORT-TERM PORTION OF OPERATING LEASE LIABILITIES	211,304	222,823	209,812
INCOME TAXES PAYABLE	23,694	21,773	39,900
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$935,492</b>	<b>\$1,015,240</b>	<b>\$1,029,421</b>
LONG-TERM PORTION OF OPERATING LEASE LIABILITIES	708,512	697,264	764,346
LONG-TERM BORROWINGS, NET	296,532	303,574	303,247
OTHER LIABILITIES	97,393	86,089	97,191
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$1,102,437</b>	<b>\$1,086,927</b>	<b>\$1,164,784</b>
TOTAL ABERCROMBIE & FITCH CO. STOCKHOLDERS EQUITY	646,231	826,090	908,934
NONCONTROLLING INTEREST	9,834	11,234	9,395
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>\$656,065</b>	<b>\$837,324</b>	<b>\$918,329</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$2,693,994</b>	<b>\$2,939,491</b>	<b>\$3,112,534</b>

# STATEMENT OF CASH FLOWS

<i>(in thousands)</i>	YEAR TO DATE PERIOD ENDED	
	OCTOBER 29, 2022	OCTOBER 30, 2021
<b>NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$(301,194)</b>	<b>\$131,287</b>
PURCHASES OF PROPERTY AND EQUIPMENT	(120,282)	(62,223)
PROCEEDS FROM THE SALE OF PROPERTY AND EQUIPMENT	11,891	—
WITHDRAWAL OF FUNDS FROM RABBI TRUST ASSETS	12,000	—
<b>NET CASH USED FOR INVESTING ACTIVITIES</b>	<b>\$(96,391)</b>	<b>\$(62,223)</b>
PURCHASE OF SENIOR SECURED NOTES	(7,862)	(46,969)
PAYMENT OF DEBT ISSUANCE OR MODIFICATION COSTS AND FEES	(181)	(2,016)
PURCHASES OF COMMON STOCK	(125,775)	(235,249)
OTHER FINANCING ACTIVITIES	(21,088)	(20,124)
<b>NET CASH USED FOR FINANCING ACTIVITIES</b>	<b>\$(154,906)</b>	<b>\$(304,358)</b>
EFFECT OF FOREIGN CURRENCY EXCHANGE RATES ON CASH	(14,871)	(8,560)
<b>NET DECREASE IN CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS</b>	<b>\$(567,362)</b>	<b>\$(243,854)</b>
<b>CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>\$834,368</b>	<b>\$1,124,157</b>
<b>CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS, END OF PERIOD</b>	<b>\$267,006</b>	<b>\$880,303</b>



A man and a woman are posed against a dark, starry night sky. The man, on the left, is wearing a black beanie, a black turtleneck sweater, and a black quilted puffer jacket. The woman, on the right, is wearing a tan quilted puffer jacket over a tan crop top and dark jeans. She has her hand on the man's shoulder. The overall mood is cozy and stylish.

# UPDATED FISCAL 2022 OUTLOOK



# UPDATED FISCAL 2022 OUTLOOK

**BASED ON THIRD QUARTER PERFORMANCE WE HAVE UPDATED OUR 2022 OUTLOOK WHICH CONTINUES TO REFLECT ESTIMATED IMPACTS FROM FOREIGN CURRENCY AND AN ASSUMED INFLATIONARY IMPACT ON CONSUMER SPENDING**

	PREVIOUS FULL YEAR OUTLOOK <sup>(1)</sup>	CURRENT FULL YEAR OUTLOOK
<b>NET SALES</b>	DOWN MID-SINGLE DIGITS <sup>(2)</sup>	DOWN IN THE RANGE OF 2 to 3% <sup>(2)</sup>
<b>OPERATING MARGIN</b>	IN THE RANGE OF 1% TO 3%	IN THE RANGE OF 2% TO 3%

		CURRENT Q4 OUTLOOK
<b>NET SALES</b>		DOWN IN THE RANGE OF 2 TO 4% <sup>(3)</sup>
<b>OPERATING MARGIN</b>		IN THE RANGE OF 5% TO 7%

<sup>(1)</sup> Released August 23, 2022

<sup>(2)</sup> The current full year outlook reflects an adverse impact of approximately 250 basis points from foreign currency, up from approximately 200 basis points in the previous outlook.

<sup>(3)</sup> The current Q4 outlook reflects an adverse impact of approximately 300 basis points from foreign currency.



# FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION



# STRONG FINANCIAL POSITION AND LIQUIDITY

## CASH & EQUIVALENTS

\$257M AS COMPARED TO \$866M LAST YEAR, AS COMPANY BROUGHT IN INVENTORY EARLIER THAN 2021 AND UTILIZED EXCESS CASH TO FUND SHARE REPURCHASES

## SHORT-TERM BORROWINGS

NO BORROWINGS OUTSTANDING UNDER ABL FACILITY

\$359M OF BORROWING AVAILABLE UNDER ABL FACILITY AS OF OCTOBER 29, 2022

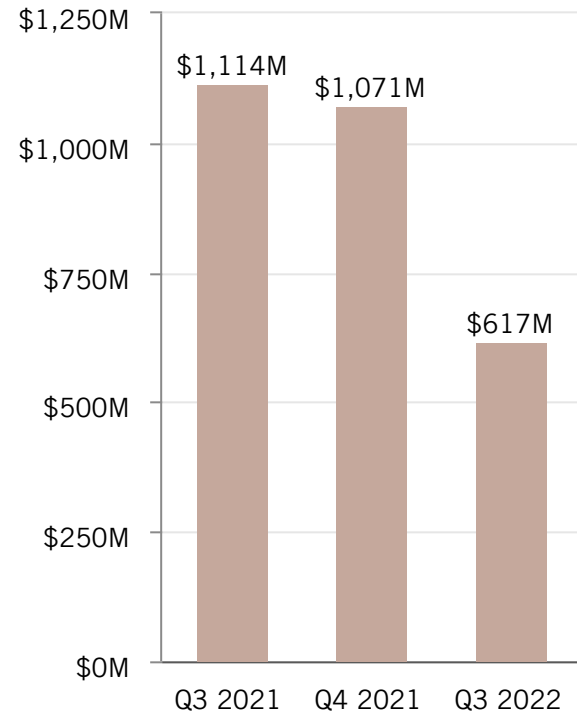
## GROSS LONG-TERM BORROWINGS

\$300M OUTSTANDING COMPARED WITH \$308M LAST YEAR, AS COMPANY PURCHASED \$8 MILLION OF ITS OUTSTANDING SENIOR SECURED NOTES DURING THIRD QUARTER 2022

## INVENTORIES

\$742M, UP 36% FROM LAST YEAR DUE PRIMARILY TO HIGHER IN-TRANSIT, UNITS ON HAND, AND INCREASED PRODUCT COSTS

## LIQUIDITY\*



\* Liquidity is comprised of cash and equivalents and borrowing available under the ABL Facility.

# CASH FLOW SUMMARY

<i>(in thousands)</i>	YEAR TO DATE PERIOD ENDED	
	OCTOBER 29, 2022	OCTOBER 30, 2021
NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	\$(301,194)	\$131,287
NET CASH USED FOR INVESTING ACTIVITIES	\$(96,391)	\$(62,223)
NET CASH USED FOR FINANCING ACTIVITIES	\$(154,906)	\$(304,358)

<i>(in thousands)</i>	NET CASH PROVIDED BY OPERATING ACTIVITIES	CAPITAL EXPENDITURES	FREE CASH FLOW <sup>(1)</sup>
FY 2017	\$287,658	\$107,001	\$180,657
FY 2018	\$352,933	\$152,393	\$200,540
FY 2019	\$300,685	\$202,784	\$97,901
FY 2020	\$404,918	\$101,910	\$303,008
FY 2021	\$277,782	\$96,979	\$180,803

<sup>(1)</sup> Free cash flow is a non-GAAP measure and is computed by subtracting capital expenditures from net cash (used for) provided by operating activities, both of which are disclosed in the table above, preceding the measure of free cash flow.



# SHARE REPURCHASES AND DIVIDENDS

THE COMPANY REPURCHASED APPROXIMATELY 4.8 MILLION SHARES AND HAS RETURNED \$126 MILLION TO SHAREHOLDERS DURING THE YEAR-TO-DATE PERIOD ENDED OCTOBER 29, 2022

<i>(in thousands, except for average cost)</i>	SHARE REPURCHASES			DIVIDENDS	TOTAL
	NUMBER OF SHARES	COST	AVERAGE COST		
FY 2017	—	\$—	\$—	\$54,392	\$54,392
FY 2018	2,932	\$68,670	\$23.42	\$53,714	\$122,384
FY 2019	3,957	\$63,542	\$16.06	\$51,510	\$115,052
FY 2020	1,397	\$15,172	\$10.86	\$12,556	\$27,728
FY 2021	10,200	\$377,290	\$36.99	\$—	\$377,290
<b>YTD 2022</b>	<b>4,770</b>	<b>\$125,775</b>	<b>\$26.37</b>	<b>\$—</b>	<b>\$125,775</b>

<i>(in thousands)</i>	FY 2017	FY 2018	FY 2019	FY 2020	FY2021	Q3 2022
<b>ENDING SHARES OUTSTANDING</b>	68,195	66,227	62,786	62,399	52,985	49,000

# APPENDIX



# RECONCILIATION OF GAAP TO NON-GAAP RESULTS

## STATEMENT OF OPERATIONS

(in thousands)	Q3 2022 GAAP	EXCLUDED ITEMS	Q3 2022 NON-GAAP
ASSET IMPAIRMENT	\$3,744	\$3,744	\$—
OPERATING INCOME	17,543	(3,744)	21,287
INCOME BEFORE TAXES	10,248	(3,744)	13,992
INCOME TAX EXPENSE <sup>(1)</sup>	10,966	(976)	11,942
NET (LOSS) INCOME	\$(2,214)	\$(2,768)	\$554
NET (LOSS) INCOME PER DILUTED SHARE	\$(0.04)	\$(0.05)	\$0.01
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	49,486		50,648

(in thousands)	Q3 2021 GAAP	EXCLUDED ITEMS	Q3 2021 NON-GAAP
ASSET IMPAIRMENT	\$6,749	\$6,749	\$—
OPERATING INCOME	72,731	(6,749)	79,480
INCOME BEFORE TAXES	65,461	(6,749)	72,210
INCOME TAX EXPENSE <sup>(1)</sup>	16,383	(1,375)	17,758
NET INCOME	\$47,233	\$(5,374)	\$52,607
NET INCOME PER DILUTED SHARE	\$0.77	\$(0.09)	\$0.86
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	61,465		61,465

<sup>(1)</sup> The tax effect of excluded items, calculated as the difference between the tax provision on a GAAP basis and an adjusted non-GAAP basis.





# RECONCILIATION OF GAAP TO NON-GAAP RESULTS

## STATEMENT OF OPERATIONS

NET SALES	Q3 2022	Q3 2021	Δ %
<b>GAAP</b>	\$880,084	\$905,160	(3)%
<b>IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES <sup>(1)</sup></b>	—	(26,860)	3%
<b>NON-GAAP CONSTANT CURRENCY BASIS</b>	\$880,084	\$878,300	0%
GROSS PROFIT	Q3 2022	Q3 2021	Δ BPS <sup>(2)</sup>
<b>GAAP</b>	\$520,816	\$576,244	(450)
<b>IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES <sup>(1)</sup></b>	—	(22,419)	60
<b>NON-GAAP CONSTANT CURRENCY BASIS</b>	\$520,816	\$553,825	(390)
OPERATING INCOME	Q3 2022	Q3 2021	Δ BPS <sup>(2)</sup>
<b>GAAP</b>	\$17,543	\$72,731	(600)
<b>EXCLUDED ITEMS <sup>(3)</sup></b>	(3,744)	(6,749)	30
<b>ADJUSTED NON-GAAP</b>	\$21,287	\$79,480	(640)
<b>IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES <sup>(1)</sup></b>	—	(8,341)	70
<b>ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS</b>	\$21,287	\$71,139	(570)
NET (LOSS) INCOME PER DILUTED SHARE	Q3 2022	Q3 2021	Δ \$
<b>GAAP</b>	\$(0.04)	\$0.77	\$(0.81)
<b>EXCLUDED ITEMS, NET OF TAX <sup>(3)</sup></b>	(0.05)	(0.09)	0.04
<b>ADJUSTED NON-GAAP</b>	\$0.01	\$0.86	\$(0.85)
<b>IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES <sup>(1)</sup></b>	—	(0.10)	0.10
<b>ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS</b>	\$0.01	\$0.76	\$(0.75)

<sup>(1)</sup> The impact from foreign currency is determined by applying current period exchange rates to prior year results and is net of the year-over-year impact from hedging. The per diluted share impact from foreign currency is calculated using a 26% tax rate.

<sup>(2)</sup> The estimated basis point impact has been rounded based on the percentage change.

<sup>(3)</sup> Excluded items consist of pre-tax store and other asset impairment charges for the current year and pre-tax store asset impairment charges for the prior year, respectively.

# RECONCILIATION OF GAAP TO NON-GAAP RESULTS

## NET SALES BY BRAND AND GEOGRAPHY

(in thousands)	Q3 2022	Q3 2021			GAAP Δ %	NON-GAAP CONSTANT CURRENCY BASIS Δ %
		GAAP	IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES <sup>(1)</sup>	NON-GAAP CONSTANT CURRENCY BASIS		
<b>NET SALES BY BRAND:</b>						
<b>HOLLISTER <sup>(2)</sup></b>	\$ 457,752	\$ 522,311	\$ (18,740)	\$ 503,571	(12)%	(9)%
<b>ABERCROMBIE <sup>(3)</sup></b>	422,332	382,849	(8,120)	374,729	10%	13%
<b>TOTAL COMPANY</b>	<u>\$ 880,084</u>	<u>\$ 905,160</u>	<u>\$ (26,860)</u>	<u>\$ 878,300</u>	(3)%	0%

(in thousands)	Q3 2022	Q3 2021			GAAP Δ %	NON-GAAP CONSTANT CURRENCY BASIS Δ %
		GAAP	IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES <sup>(1)</sup>	NON-GAAP CONSTANT CURRENCY BASIS		
<b>NET SALES BY REGION: <sup>(4)</sup></b>						
<b>UNITED STATES</b>	\$ 674,555	\$ 654,858	\$ —	\$ 654,858	3%	3%
<b>EMEA</b>	139,826	179,156	(21,686)	157,470	(22)%	(11)%
<b>APAC</b>	28,293	38,215	(3,431)	34,784	(26)%	(19)%
<b>OTHER <sup>(5)</sup></b>	37,410	32,931	(1,743)	31,188	14%	20%
<b>INTERNATIONAL</b>	<u>\$ 205,529</u>	<u>\$ 250,302</u>	<u>\$ (26,860)</u>	<u>\$ 223,442</u>	(18)%	(8)%
<b>TOTAL COMPANY</b>	<u>\$ 880,084</u>	<u>\$ 905,160</u>	<u>\$ (26,860)</u>	<u>\$ 878,300</u>	(3)%	0%

<sup>(1)</sup> The estimated impact from foreign currency is determined by applying current period exchange rates to prior year results and is net of the year-over-year impact from hedging. The per diluted share estimated impact from foreign currency is calculated using a 26% tax rate.

<sup>(2)</sup> Hollister includes the Hollister, Gilly Hicks and Social Tourist brands.

<sup>(3)</sup> Abercrombie includes the Abercrombie & Fitch and abercrombie kids brands.

<sup>(4)</sup> 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.

<sup>(5)</sup> Other includes all sales that do not fall within the United States, EMEA, or APAC regions, which are derived primarily in Canada.





# Abercrombie & Fitch Co.

Abercrombie  
& Fitch

abercrombie  
kids

HOLLISTER

GILLY  
HICKS

SOCIAL  
TOURIST®