

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

	Thirteen Weeks Ended		Thirteen Weeks Ended	
	May 3, 2025	% of Net Sales	May 4, 2024	% of Net Sales
Net sales	\$ 1,097,311	100.0 %	\$ 1,020,730	100.0 %
Cost of sales, exclusive of depreciation and amortization	417,133	38.0 %	343,273	33.6 %
Selling expense	399,937	36.4 %	360,018	35.3 %
General and administrative expense	174,925	15.9 %	189,548	18.6 %
Other operating loss (income), net	<u>3,783</u>	0.3 %	<u>(1,958)</u>	(0.2)%
Operating income	101,533	9.3 %	129,849	12.7 %
Interest expense	661	0.1 %	5,780	0.6 %
Interest income	<u>(7,444)</u>	(0.7)%	<u>(10,803)</u>	(1.1)%
Interest income, net	<u>(6,783)</u>	(0.6)%	<u>(5,023)</u>	(0.5)%
Income before income taxes	108,316	9.9 %	134,872	13.2 %
Income tax expense	<u>26,577</u>	2.4 %	<u>19,794</u>	1.9 %
Net income	81,739	7.4 %	115,078	11.3 %
Less: Net income attributable to noncontrolling interests	<u>1,326</u>	0.1 %	<u>1,228</u>	0.1 %
Net income attributable to A&F	<u><u>\$ 80,413</u></u>	7.3 %	<u><u>\$ 113,850</u></u>	11.2 %
Net income per share attributable to A&F				
Basic	\$ 1.63		\$ 2.24	
Diluted	\$ 1.59		\$ 2.14	
Weighted-average shares outstanding:				
Basic	49,214		50,893	
Diluted	50,634		53,276	

Reporting and Use of GAAP and Non-GAAP Measures

The company believes that each of the non-GAAP financial measures presented are useful to investors as they provide a measure of the company's operating performance excluding the effect of certain items which the company believes do not reflect its future operating outlook, such as asset impairment charges, therefore supplementing investors' understanding of comparability of operations across periods. Management used these non-GAAP financial measures during the periods presented to assess the company's performance and to develop expectations for future operating performance. Non-GAAP financial measures should be used supplemental to, and not as an alternative to, the company's GAAP financial results, and may not be calculated in the same manner as similar measures presented by other companies.

The company provides comparable sales, defined as the percentage year-over-year change in the aggregate of: (1) sales for stores that have been open as the same brand at least one year and whose square footage has not been expanded or reduced by more than 20% within the past year, with prior year's net sales converted at the current year's foreign currency exchange rate to remove the impact of foreign currency rate fluctuation, and (2) digital net sales with prior year's net sales converted at the current year's foreign currency exchange rate to remove the impact of foreign currency rate fluctuation.

The company also provides certain financial information on a constant currency basis to enhance investors' understanding of underlying business trends and operating performance, by removing the impact of foreign currency exchange rate fluctuations. The effect from foreign currency, calculated on a constant currency basis, is determined by applying current year average exchange rates to prior year results and is net of the year-over-year impact from hedging. The per diluted share effect from foreign currency is calculated using a 26% tax rate.

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

Abercrombie & Fitch Co.
Reconciliation of Constant Currency Financial Measures
Thirteen Weeks Ended May 3, 2025 and May 4, 2024
(in thousands, except percentage and basis point changes and per share data)
(Unaudited)

	2025	2024	% Change
Net sales			
GAAP ⁽¹⁾	\$ 1,097,311	\$ 1,020,730	8%
Impact from changes in foreign currency exchange rates ⁽²⁾	—	(208)	—
Net sales on a constant currency basis	\$ 1,097,311	\$ 1,020,522	8%
Operating income			
	2025	2024	BPS Change ⁽³⁾
GAAP ⁽¹⁾	\$ 101,533	\$ 129,849	(340)
Impact from changes in foreign currency exchange rates ⁽²⁾	—	(5,234)	50
Non-GAAP constant currency basis	\$ 101,533	\$ 124,615	(290)
Net income attributable to A&F			
	2025	2024	\$ Change
GAAP ⁽¹⁾	\$ 1.59	\$ 2.14	\$(0.55)
Impact from changes in foreign currency exchange rates ⁽²⁾	—	(0.08)	0.08
Non-GAAP constant currency basis	\$ 1.59	\$ 2.06	\$(0.47)

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

⁽²⁾ The estimated impact from foreign currency is determined by applying current period exchange rates to prior year results and is net of the year-over-year impact from hedging. The per diluted share estimated impact from foreign currency is calculated using a 26% tax rate.

⁽³⁾ The estimated basis point change has been rounded based on the percentage change.

Abercrombie & Fitch Co.
Reconciliation of EBITDA
Thirteen Weeks Ended May 3, 2025 and May 4, 2024
(in thousands)
(Unaudited)

	2025	% of Net Sales	2024	% of Net Sales
Net income	\$ 81,739	7.4 %	\$ 115,078	11.3 %
Income tax expense	26,577	2.4	19,794	1.9
Interest income, net	(6,783)	(0.6)	(5,023)	(0.5)
Depreciation and amortization	38,576	3.6	37,689	3.7
EBITDA ⁽¹⁾	<u>\$ 140,109</u>	12.8 %	<u>\$ 167,538</u>	16.4 %

⁽¹⁾ EBITDA is a supplemental financial measure that is not defined or prepared in accordance with GAAP. EBITDA is defined as net income before interest, income taxes and depreciation and amortization.

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

	May 3, 2025	February 1, 2025	May 4, 2024
Assets			
Current assets:			
Cash and equivalents	\$ 510,563	\$ 772,727	\$ 864,195
Marketable securities	97,006	116,221	—
Receivables	113,311	105,324	93,605
Inventories	542,059	575,005	449,267
Other current assets	111,231	104,154	102,516
Total current assets	1,374,170	1,673,431	1,509,583
Property and equipment, net	606,060	575,773	540,697
Operating lease right-of-use assets	868,130	803,121	699,471
Other assets	247,816	247,562	220,334
Total assets	<u>\$ 3,096,176</u>	<u>\$ 3,299,887</u>	<u>\$ 2,970,085</u>
Liabilities and stockholders' equity			
Current liabilities:			
Accounts payable	\$ 296,738	\$ 364,532	\$ 266,925
Accrued expenses	433,682	504,922	402,786
Short-term portion of operating lease liabilities	215,511	211,600	188,851
Income taxes payable	52,939	45,890	61,137
Total current liabilities	998,870	1,126,944	919,699
Long-term liabilities:			
Long-term portion of operating lease liabilities	\$ 810,391	\$ 740,013	\$ 656,862
Long-term borrowings, net	—	—	213,102
Other liabilities	84,321	81,607	89,252
Total long-term liabilities	894,712	821,620	959,216
Total Abercrombie & Fitch Co. stockholders' equity	1,189,126	1,335,628	1,078,886
Noncontrolling interests	13,468	15,695	12,284
Total stockholders' equity	1,202,594	1,351,323	1,091,170
Total liabilities and stockholders' equity	<u>\$ 3,096,176</u>	<u>\$ 3,299,887</u>	<u>\$ 2,970,085</u>

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

	Thirteen Weeks Ended	
	May 3, 2025	May 4, 2024
Operating activities		
Net cash (used for) provided by operating activities	\$ (4,000)	\$ 95,010
Investing activities		
Proceeds from maturities of marketable securities	20,000	—
Purchases of property and equipment	(50,764)	(38,886)
Net cash used for investing activities	\$ (30,764)	\$ (38,886)
Financing activities		
Redemption of senior secured notes	—	(9,425)
Purchases of common stock	(200,000)	(15,000)
Acquisition of common stock for tax withholding obligations	(34,062)	(65,173)
Other financing activities	(451)	(3,353)
Net cash used for financing activities	\$ (234,513)	\$ (92,951)
Effect of foreign currency exchange rates on cash	\$ 7,407	\$ (857)
Net decrease in cash and equivalents, and restricted cash and equivalents	\$ (261,870)	\$ (37,684)
Cash and equivalents, and restricted cash and equivalents, beginning of period	\$ 780,395	\$ 909,685
Cash and equivalents, and restricted cash and equivalents, end of period	<u>\$ 518,525</u>	<u>\$ 872,001</u>