



Abercrombie & Fitch Co.

Abercrombie
& Fitch

| abercrombie
kids

|  HOLLISTER

| GILLY
HICKS

| *SOCIAL
TOURIST*

INVESTOR PRESENTATION:
FOURTH 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 first quarter and annual fiscal 2023 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 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 and uncertainty related to the COVID-19 pandemic and any other adverse public health developments; 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, including as a result of earnings and losses generated from our international operations, may result in volatility in our results of operations; risks associated with corporate responsibility issues; risks related to cybersecurity threats and privacy or data security breaches; and the potential loss or disruption to our information systems.

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 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.



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 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.



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 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

\$1.6B

FISCAL 2022 DIGITAL SALES
WERE ROUGHLY \$1.6 BILLION

25%

OF FISCAL 2022 NET SALES WERE
DERIVED INTERNATIONALLY

44%

DIGITAL PENETRATION

16

COUNTRIES WITH COMPANY
OPERATED STORES

762

COMPANY-OPERATED RETAIL STORES

110+

COUNTRIES SERVED VIA DIGITAL
FULFILLMENT

~90%

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

10

WHOLESALE PARTNERSHIPS,
PRIMARILY INTERNATIONAL

Information provided on this slide is as of January 28, 2023 unless otherwise specified.



ALWAYS FORWARD PLAN

2025 TARGETS:

**\$4.1B - \$4.3B
REVENUES**

**8%+
OPERATING MARGIN**

**\$600M
MINIMUM FREE CASH FLOW
GENERATION OVER 3 YEARS**

**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

Q4 2022 AND FULL YEAR RESULTS





CEO COMMENTARY

“We had a solid finish to the quarter delivering year-over-year, fourth quarter net sales growth of 3% on a reported basis and 5% on a constant currency basis. Results were driven by continued, strong momentum in the Abercrombie & Fitch brand and sequential improvement in Hollister as we continue to stabilize the brand’s performance.

In a year with significant inflation and global macroeconomic disruption, our teams leveraged our agile operating model to redirect expense and inventory investments. These efforts helped drive sequential sales improvement in the last two quarters, while progressing on key growth initiatives across digital, technology and stores. For the year, we achieved net sales of \$3.7 billion, approximately flat to last year on a reported basis and up 2% on a constant currency basis. We ended the year with 44% digital penetration, growth in AUR, net store count growth, inventory down 4% to 2021, and reported and adjusted operating margins consistent with 2019 pre-pandemic levels despite approximately \$300 million of product cost inflation since that time.

As we look to 2023, we remain cautiously optimistic on consumer demand. Our Abercrombie & Fitch brand continues to be a leader in the industry, and multiple actions we have taken in the Hollister brand are resulting in sequential net sales trend improvement. We are pleased with our inventory levels and each of our brands is in a position to chase. While we expect to see net product cost benefits in 2023, we will continue to tightly manage our expenses, inventory and cash flow to properly balance investing for the long-term while improving profitability as we execute to deliver our 2025 Always Forward Plan.”

Fran Horowitz
Chief Executive Officer

NET INCOME PER SHARE

SIGNIFICANT ITEMS IMPACTING RESULTS

- Net sales for the fourth quarter grew 3% and for the full year were approximately flat, as compared to last year.
- Gross profit rate for the fourth quarter declined 260 basis points as compared to last year to 55.7%, driven by the adverse impact of exchange rates and higher product costs with higher cotton costs and inventory reserves more than offsetting lower freight costs. Full year gross margin decreased 540 basis points to 56.9% driven by higher freight and raw material costs and the adverse impact of exchange rates partially offset by higher average unit retail.
- Fulfillment expense for the fourth quarter was flat and for the full year increased by \$40M, respectively, reflecting higher shipping and handling and other fulfillment expenses, including the opening of a new third-party fulfillment facility in the United States.
- Asset impairment charges for the fourth quarter and full year of \$5M and \$14M, respectively.
- Operating income for the fourth quarter and full year decreased by \$11M and \$250M, respectively, with the adverse impact of exchange rates negatively impacting operating income by \$18M and \$30M, respectively.

	Q4 2022		Q4 2021		FY 2022		FY 2021	
GAAP	\$	0.75	\$	1.12	\$	0.05	\$	4.20
EXCLUDED ITEMS, NET OF TAX EFFECT ⁽¹⁾		(0.07)		(0.03)		(0.20)		(0.15)
ADJUSTED NON-GAAP		\$0.81		\$1.14		\$0.25		\$4.35
IMPACT FROM FOREIGN CURRENCY EXCHANGE RATES ⁽²⁾		—		(0.23)		—		(0.36)
ADJUSTED NON-GAAP ON A CONSTANT CURRENCY BASIS		\$0.81		\$0.91		\$0.25		\$3.99

⁽¹⁾ Adjusted non-GAAP results exclude the effect of certain items set out in the [Appendix](#).

⁽²⁾ 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.



Q4 NET SALES

TOTAL COMPANY NET SALES GROWTH OF 3% TO \$1.2B AND 5% ON A CONSTANT CURRENCY BASIS COMPARED TO Q4 2021

HOLLISTER

\$639M

DOWN 4% TO LAST YEAR
DOWN 2% ON A CONSTANT
CURRENCY BASIS ⁽¹⁾
53.3% OF TOTAL NET SALES

ABERCROMBIE

\$560M

UP 14% TO LAST YEAR
UP 16% ON A CONSTANT
CURRENCY BASIS ⁽¹⁾
46.7% OF TOTAL NET SALES

UNITED STATES ⁽²⁾

\$921M

UP 9% TO LAST YEAR
UP 9% ON A CONSTANT
CURRENCY BASIS ⁽¹⁾
76.7% OF TOTAL NET SALES

EMEA

\$195M

DOWN 14% TO LAST YEAR
DOWN 7% ON A CONSTANT
CURRENCY BASIS ⁽¹⁾
16.3% OF TOTAL NET SALES

APAC

\$36M

DOWN 21% TO LAST YEAR
DOWN 13% ON A CONSTANT
CURRENCY BASIS ⁽¹⁾
3.0% OF TOTAL NET SALES

OTHER ⁽³⁾

\$48M

UP 1% TO LAST YEAR
UP 7% ON A CONSTANT
CURRENCY BASIS ⁽¹⁾
4.0% OF TOTAL NET SALES

- ⁽¹⁾ 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.
- ⁽²⁾ 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.
- ⁽³⁾ Other includes all sales that do not fall within the United States, EMEA, or APAC regions, which are derived primarily in Canada.

FULL YEAR NET SALES

TOTAL COMPANY NET SALES APPROXIMATELY FLAT TO \$3.7B AND GROWTH OF 2% ON A CONSTANT CURRENCY BASIS COMPARED TO 2021

HOLLISTER

\$1,963M

DOWN 9% TO LAST YEAR
DOWN 6% ON A CONSTANT
CURRENCY BASIS ⁽¹⁾
53.1% OF TOTAL NET SALES

ABERCROMBIE

\$1,735M

UP 11% TO LAST YEAR
UP 13% ON A CONSTANT
CURRENCY BASIS ⁽¹⁾
46.9% OF TOTAL NET SALES

UNITED STATES ⁽²⁾

\$2,758M

UP 4% TO LAST YEAR
UP 4% ON A CONSTANT
CURRENCY BASIS ⁽¹⁾
74.6% OF TOTAL NET SALES

EMEA

\$666M

DOWN 12% TO LAST YEAR
DOWN 4% ON A CONSTANT
CURRENCY BASIS ⁽¹⁾
18.0% OF TOTAL NET SALES

APAC

\$122M

DOWN 29% TO LAST YEAR
DOWN 22% ON A CONSTANT
CURRENCY BASIS ⁽¹⁾
3.3% OF TOTAL NET SALES

OTHER ⁽³⁾

\$151M

UP 13% TO LAST YEAR
UP 19% ON A CONSTANT
CURRENCY BASIS ⁽¹⁾
4.1% OF TOTAL NET SALES

⁽¹⁾ 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.

⁽²⁾ 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.

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

Q4 OPERATING EXPENSE

<i>(in thousands)</i>	Q4 2022	% OF NET SALES	Q4 2021	% OF NET SALES	1 YR Δ BPS ⁽³⁾
STORE OCCUPANCY ⁽¹⁾	\$115,030	9.6%	\$112,591	9.7%	(10)
ALL OTHER ⁽²⁾	322,234	26.9%	322,562	27.8%	(90)
STORES AND DISTRIBUTION	437,264	36.4%	435,153	37.5%	(110)
MARKETING, GENERAL & ADMINISTRATIVE	138,084	11.5%	145,686	12.5%	(100)
ASSET IMPAIRMENT	4,695	0.4%	1,901	0.2%	20
TOTAL OPERATING EXPENSE - GAAP	\$580,043	48.3%	\$582,740	50.2%	(190)
RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSE					
TOTAL OPERATING EXPENSE - GAAP	\$580,043	48.3%	\$582,740	50.2%	(190)
EXCLUDED ITEMS ⁽⁴⁾	4,695	0.4%	1,901	0.2%	(20)
TOTAL ADJUSTED OPERATING EXPENSE - NON-GAAP	\$575,348	48.0%	\$580,839	50.0%	(200)

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

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

⁽³⁾ Rounded based on reported percentages.

⁽⁴⁾ 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.

FULL YEAR OPERATING EXPENSE

<i>(in thousands)</i>	2022	% OF NET SALES	2021	% OF NET SALES	1 YR Δ BPS ⁽³⁾
STORE OCCUPANCY ⁽¹⁾	\$433,758	11.7%	\$427,409	11.5%	20
ALL OTHER ⁽²⁾	1,049,173	28.4%	1,000,914	27.0%	140
STORES AND DISTRIBUTION	1,482,931	40.1%	1,428,323	38.5%	160
MARKETING, GENERAL & ADMINISTRATIVE	517,602	14.0%	536,815	14.5%	(50)
ASSET IMPAIRMENT	14,031	0.4%	12,100	0.3%	10
TOTAL OPERATING EXPENSE - GAAP	\$2,014,564	54.5%	\$1,977,238	53.3%	120
RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSE					
TOTAL OPERATING EXPENSE - GAAP	\$2,014,564	54.5%	\$1,977,238	53.3%	120
EXCLUDED ITEMS ⁽⁴⁾	14,031	0.4%	12,100	0.3%	(10)
TOTAL ADJUSTED OPERATING EXPENSE - NON-GAAP	\$2,000,533	54.1%	\$1,965,138	52.9%	120

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

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

⁽³⁾ Rounded based on reported percentages.

⁽⁴⁾ 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.

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



INCOME STATEMENT

	Q4 GAAP				FULL YEAR GAAP			
<i>(in thousands)</i>	Q4 2022	% OF NET SALES	Q4 2021	% OF NET SALES	2022	% OF NET SALES	2021	% OF NET SALES
NET SALES	\$1,199,814	100.0%	\$1,161,353	100.0%	\$3,697,751	100.0%	\$3,712,768	100.0%
GROSS PROFIT ⁽¹⁾	668,285	55.7%	677,132	58.3%	2,104,538	56.9%	2,311,995	62.3%
OPERATING EXPENSE	580,043	48.3%	582,740	50.2%	2,014,564	54.5%	1,977,238	53.3%
OTHER OPERATING EXPENSE (INCOME), NET	1,220	0.1%	(3,741)	(0.3)%	(2,674)	(0.1)%	(8,327)	(0.2)%
OPERATING INCOME	87,022	7.3%	98,133	8.4%	92,648	2.5%	343,084	9.2%
INTEREST EXPENSE, NET	4,113	0.3%	6,959	0.6%	25,632	0.7%	34,110	0.9%
INCOME BEFORE INCOME TAXES	82,909	6.9%	91,174	7.9%	67,016	1.8%	308,974	8.3%
INCOME TAX EXPENSE	42,218	3.5%	23,348	2.0%	56,631	1.5%	38,908	1.0%
NET INCOME	\$38,333	3.2%	\$65,509	5.6%	\$2,816	0.1%	\$263,010	7.1%
NET INCOME PER SHARE								
BASIC	\$0.78		\$1.18		\$0.06		\$4.41	
DILUTED	\$0.75		\$1.12		\$0.05		\$4.20	
WEIGHTED-AVERAGE SHARES								
BASIC	49,216		55,740		50,307		59,597	
DILUTED	51,217		58,700		52,327		62,636	

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

BALANCE SHEET

<i>(in thousands)</i>	JANUARY 28, 2023	JANUARY 29, 2022
CASH AND EQUIVALENTS	\$517,602	\$823,139
RECEIVABLES	104,506	69,102
INVENTORIES	505,621	525,864
OTHER CURRENT ASSETS	100,289	89,654
TOTAL CURRENT ASSETS	\$1,228,018	\$1,507,759
PROPERTY AND EQUIPMENT, NET	551,585	508,336
OPERATING LEASE RIGHT-OF-USE ASSETS	723,550	698,231
OTHER ASSETS	209,947	225,165
TOTAL ASSETS	\$2,713,100	\$2,939,491
ACCOUNTS PAYABLE	\$258,895	\$374,829
ACCRUED EXPENSES	413,303	395,815
SHORT-TERM PORTION OF OPERATING LEASE LIABILITIES	213,979	222,823
INCOME TAXES PAYABLE	16,023	21,773
TOTAL CURRENT LIABILITIES	\$902,200	\$1,015,240
LONG-TERM PORTION OF OPERATING LEASE LIABILITIES	713,361	697,264
LONG-TERM BORROWINGS, NET	296,852	303,574
OTHER LIABILITIES	94,118	86,089
TOTAL LONG-TERM LIABILITIES	\$1,104,331	\$1,086,927
TOTAL ABERCROMBIE & FITCH CO. STOCKHOLDERS EQUITY	694,841	826,090
NONCONTROLLING INTEREST	11,728	11,234
TOTAL STOCKHOLDERS' EQUITY	\$706,569	\$837,324
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$2,713,100	\$2,939,491



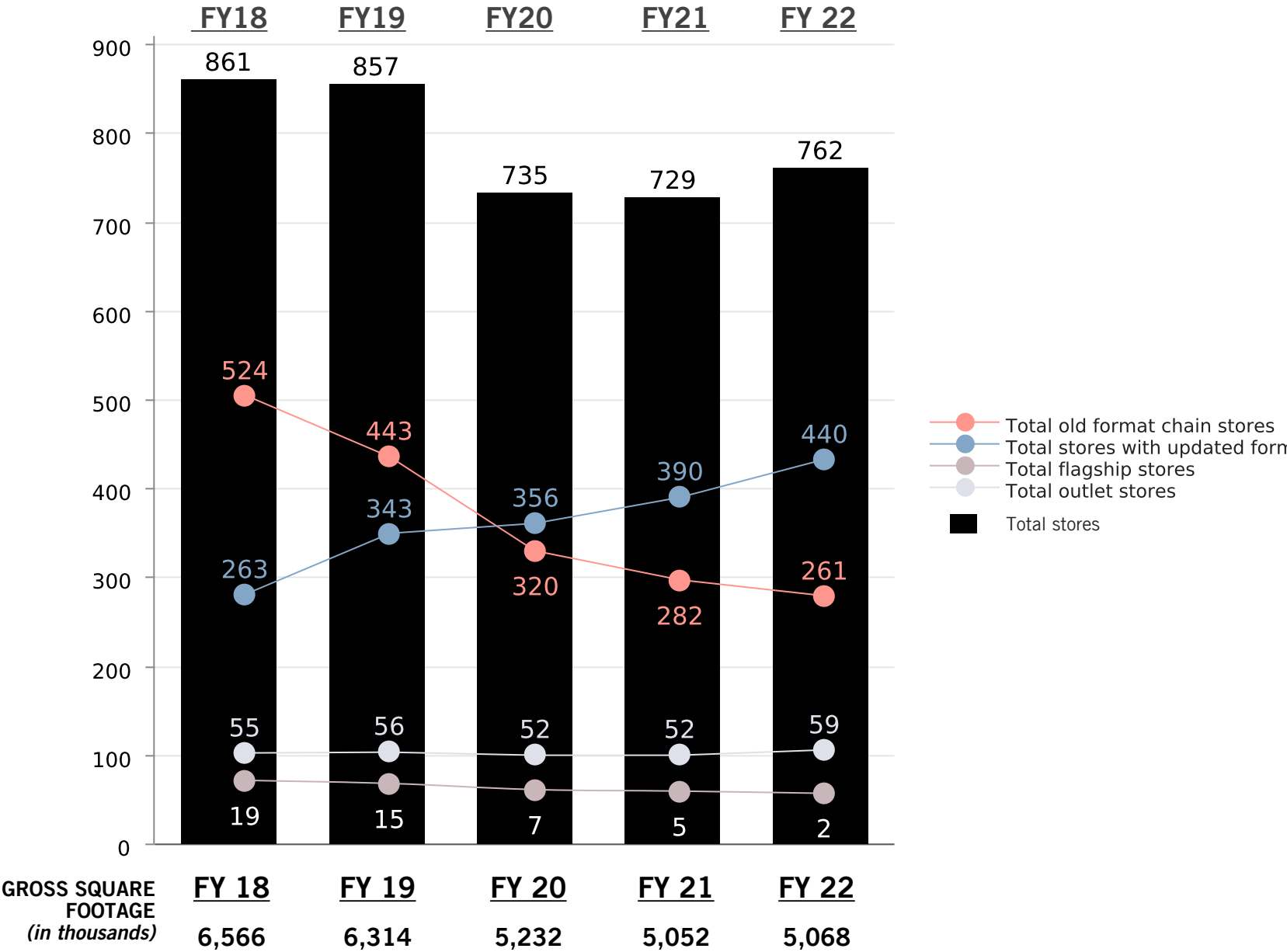
STATEMENT OF CASH FLOWS

<i>(in thousands)</i>	YEAR TO DATE PERIOD ENDED	
	JANUARY 28, 2023	January 29, 2022
NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	\$(2,343)	\$277,782
PURCHASES OF PROPERTY AND EQUIPMENT	(164,566)	(96,979)
PROCEEDS FROM THE SALE OF PROPERTY AND EQUIPMENT	11,891	—
WITHDRAWAL OF RABBI TRUST ASSETS	12,000	—
NET CASH USED FOR INVESTING ACTIVITIES	\$(140,675)	\$(96,979)
PURCHASE OF SENIOR SECURED NOTES	(7,862)	(46,969)
PAYMENT OF DEBT ISSUANCE COSTS AND FEES	(181)	(2,016)
PURCHASES OF COMMON STOCK	(125,775)	(377,290)
OTHER FINANCING ACTIVITIES	(21,511)	(20,623)
NET CASH USED FOR FINANCING ACTIVITIES	\$(155,329)	\$(446,898)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATES ON CASH	(8,452)	(23,694)
NET DECREASE IN CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS	\$(306,799)	\$(289,789)
CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS, BEGINNING OF PERIOD	\$834,368	\$1,124,157
CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS, END OF PERIOD	\$527,569	\$834,368



NET STORE
OPENINGS IN
2022 WHILE
MAINTAINING
ROUGHLY FLAT
SQUARE FOOTAGE

Abercrombie & Fitch Co.



FINANCIAL POSITION AND LIQUIDITY

CASH & EQUIVALENTS

\$518M AS COMPARED TO \$823M LAST YEAR

SHORT-TERM BORROWINGS

NO BORROWINGS OUTSTANDING UNDER ABL FACILITY
\$348M OF BORROWING AVAILABLE UNDER ABL FACILITY

GROSS LONG-TERM BORROWINGS

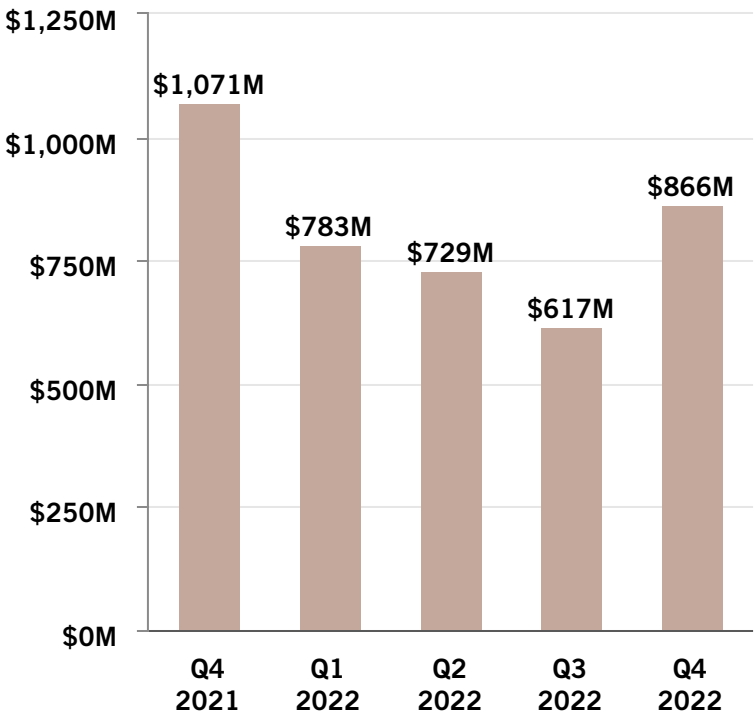
\$300M OUTSTANDING AS COMPARED TO \$308M LAST YEAR, AS COMPANY PURCHASED \$8 MILLION OF ITS OUTSTANDING SENIOR SECURED NOTES DURING THIRD QUARTER 2022

INVENTORIES

\$506M DOWN 4% FROM LAST YEAR

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

LIQUIDITY*



SHARE REPURCHASES AND DIVIDENDS

THE COMPANY REPURCHASED APPROXIMATELY 4.8 MILLION SHARES AND HAS RETURNED \$126 MILLION TO SHAREHOLDERS DURING FISCAL YEAR 2022

(in thousands, except for average cost)	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
FY 2022	4,770	\$125,775	\$26.37	\$—	\$125,775

(in thousands)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ENDING SHARES OUTSTANDING	68,195	66,227	62,786	62,399	52,985	49,002





APPENDIX

EXCLUDED ITEMS

<i>(in thousands)</i>	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
ASSET IMPAIRMENT	\$3,422	\$2,170	\$3,744	\$4,695	14,031
TAX EFFECT ⁽¹⁾	(918)	(611)	(976)	(1,297)	(3,802)
TOTAL EXCLUDED ITEMS	\$2,504	\$1,559	\$2,768	\$3,398	\$10,229

<i>(in thousands)</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
ASSET IMPAIRMENT	\$2,664	\$786	\$6,749	\$1,901	12,100
TAX EFFECT ⁽¹⁾	(449)	(224)	(1,375)	(373)	(2,421)
TOTAL EXCLUDED ITEMS	\$2,215	\$562	\$5,374	\$1,528	\$9,679

⁽¹⁾ The tax effect of excluded items is the difference between the tax provision calculation on a GAAP basis and an adjusted non-GAAP basis.





Q4 RECONCILIATION OF GAAP TO NON-GAAP RESULTS

STATEMENT OF OPERATIONS

	Q4 2022 GAAP	EXCLUDED ITEMS	Q4 2022 NON-GAAP
ASSET IMPAIRMENT	\$4,695	\$4,695	\$—
OPERATING INCOME	87,022	(4,695)	91,717
INCOME BEFORE INCOME TAXES	82,909	(4,695)	87,604
INCOME TAX EXPENSE ⁽¹⁾	42,218	(1,297)	43,515
NET INCOME	\$38,333	\$(3,398)	\$41,731
NET INCOME PER DILUTED SHARE	\$0.75	\$(0.07)	\$0.81
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	51,217		51,217

	Q4 2021 GAAP	EXCLUDED ITEMS	Q4 2021 NON-GAAP
ASSET IMPAIRMENT	\$1,901	\$1,901	\$—
OPERATING INCOME	98,133	(1,901)	100,034
INCOME BEFORE INCOME TAXES	91,174	(1,901)	93,075
INCOME TAX EXPENSE ⁽¹⁾	23,348	(373)	23,721
NET INCOME	\$65,509	\$(1,528)	\$67,037
NET INCOME PER DILUTED SHARE	\$1.12	\$(0.03)	\$1.14
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	58,700		58,700

⁽¹⁾ The tax effect of excluded items is the difference between the tax provision calculation on a GAAP basis and an adjusted non-GAAP basis.

FULL YEAR RECONCILIATION OF GAAP TO NON-GAAP RESULTS

STATEMENT OF OPERATIONS

	FY 2022 GAAP	EXCLUDED ITEMS	FY 2022 NON-GAAP
ASSET IMPAIRMENT	\$14,031	\$14,031	\$—
OPERATING INCOME	92,648	(14,031)	106,679
INCOME BEFORE INCOME TAXES	67,016	(14,031)	81,047
INCOME TAX EXPENSE ⁽¹⁾	56,631	(3,802)	60,433
NET INCOME	\$2,816	\$(10,229)	\$13,045
NET INCOME PER DILUTED SHARE	\$0.05	\$(0.20)	\$0.25
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	52,327		52,327

	FY 2021 GAAP	EXCLUDED ITEMS	FY 2021 NON-GAAP
ASSET IMPAIRMENT	\$12,100	\$12,100	\$—
OPERATING INCOME	343,084	(12,100)	355,184
INCOME BEFORE INCOME TAXES	308,974	(12,100)	321,074
INCOME TAX EXPENSE ⁽¹⁾	38,908	(2,421)	41,329
NET INCOME	\$263,010	\$(9,679)	\$272,689
NET INCOME PER DILUTED SHARE	\$4.20	\$(0.15)	\$4.35
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	62,636		62,636

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



Q4 RECONCILIATION OF CONSTANT CURRENCY RESULTS

NET SALES	Q4 2022	Q4 2021	Δ %
GAAP	\$1,199,814	\$1,161,353	3%
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	(23,290)	2%
NON-GAAP CONSTANT CURRENCY BASIS	\$1,199,814	\$1,138,063	5%
GROSS PROFIT	Q4 2022	Q4 2021	Δ BPS ⁽²⁾
GAAP	\$668,285	\$677,132	(260)
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	(25,027)	100
NON-GAAP CONSTANT CURRENCY BASIS	\$668,285	\$652,105	(160)
OPERATING INCOME	Q4 2022	Q4 2021	Δ BPS ⁽²⁾
GAAP	\$87,022	\$98,133	(110)
EXCLUDED ITEMS ⁽³⁾	(4,695)	(1,901)	(10)
ADJUSTED NON-GAAP	\$91,717	\$100,034	(100)
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	(18,145)	140
ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS	\$91,717	\$81,889	40
NET INCOME PER DILUTED SHARE	Q4 2022	Q4 2021	Δ \$
GAAP	\$0.75	\$1.12	\$(0.37)
EXCLUDED ITEMS, NET OF TAX ⁽³⁾	(0.07)	(0.03)	(0.04)
ADJUSTED NON-GAAP	\$0.81	\$1.14	\$(0.33)
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	(0.23)	0.23
ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS	\$0.81	\$0.91	\$(0.10)

⁽¹⁾ 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.

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

⁽³⁾ 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.

FULL YEAR RECONCILIATION OF CONSTANT CURRENCY RESULTS

NET SALES	FY 2022	FY 2021	Δ %
GAAP	\$3,697,751	\$3,712,768	0%
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	(81,803)	2%
NON-GAAP CONSTANT CURRENCY BASIS	\$3,697,751	\$3,630,965	2%
GROSS PROFIT	FY 2022	FY 2021	Δ BPS ⁽²⁾
GAAP	\$2,104,538	\$2,311,995	(540)
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	(66,846)	50
NON-GAAP CONSTANT CURRENCY BASIS	\$2,104,538	\$2,245,149	(490)
OPERATING (LOSS) INCOME	FY 2022	FY 2021	Δ BPS ⁽²⁾
GAAP	\$92,648	\$343,084	(670)
EXCLUDED ITEMS ⁽³⁾	(14,031)	(12,100)	—
ADJUSTED NON-GAAP	\$106,679	\$355,184	(670)
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	(30,130)	60
ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS	\$106,679	\$325,054	(610)
NET (LOSS) INCOME PER DILUTED SHARE	FY 2022	FY 2021	Δ \$
GAAP	\$0.05	\$4.20	\$(4.15)
EXCLUDED ITEMS, NET OF TAX ⁽³⁾	(0.20)	(0.15)	(0.05)
ADJUSTED NON-GAAP	\$0.25	\$4.35	\$(4.10)
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	(0.36)	0.36
ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS	\$0.25	\$3.99	\$(3.74)

⁽¹⁾ 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.

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

⁽³⁾ 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.



Q4 RECONCILIATION OF GAAP TO NON-GAAP RESULTS

NET SALES BY BRAND AND GEOGRAPHY

(in thousands)	Q4 2022		Q4 2021			GAAP Δ %	NON-GAAP CONSTANT CURRENCY BASIS Δ %
			GAAP	IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	NON-GAAP CONSTANT CURRENCY BASIS		
NET SALES BY BRAND:							
HOLLISTER ⁽²⁾	\$ 639,376	\$	668,777	\$ (15,575)	\$ 653,202	(4)%	(2)%
ABERCROMBIE ⁽³⁾	560,438		492,576	(7,715)	484,861	14%	16%
TOTAL COMPANY	\$ 1,199,814	\$	1,161,353	\$ (23,290)	\$ 1,138,063	3%	5%

(in thousands)	Q4 2022	Q4 2021			GAAP Δ %	NON-GAAP CONSTANT CURRENCY BASIS Δ %
		GAAP	IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	NON-GAAP CONSTANT CURRENCY BASIS		
NET SALES BY REGION: ⁽⁴⁾						
UNITED STATES	\$ 920,533	\$ 841,687	\$ —	\$ 841,687	9%	9%
EMEA	195,253	226,074	(15,839)	210,235	(14)%	(7)%
APAC	36,400	46,212	(4,600)	41,612	(21)%	(13)%
OTHER ⁽⁵⁾	47,628	47,380	(2,851)	44,529	1%	7%
INTERNATIONAL	\$ 279,281	\$ 319,666	\$ (23,290)	\$ 296,376	(13)%	(6)%
TOTAL COMPANY	\$ 1,199,814	\$ 1,161,353	\$ (23,290)	\$ 1,138,063	3%	5%

⁽¹⁾ 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.

⁽²⁾ Hollister includes the Hollister and Gilly Hicks brands.

⁽³⁾ Abercrombie includes the Abercrombie & Fitch and abercrombie kids brands.

⁽⁴⁾ 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.

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

FULL YEAR RECONCILIATION OF GAAP TO NON-GAAP RESULTS

NET SALES BY BRAND AND GEOGRAPHY

(in thousands)	FY 2022	FY 2021			GAAP Δ %	NON-GAAP CONSTANT CURRENCY BASIS Δ %
		GAAP	IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	NON-GAAP CONSTANT CURRENCY BASIS		
NET SALES BY BRAND:						
HOLLISTER ⁽²⁾	\$ 1,962,885	\$ 2,147,979	\$ (56,855)	\$ 2,091,124	(9)%	(6)%
ABERCROMBIE ⁽³⁾	1,734,866	1,564,789	(24,948)	1,539,841	11%	13%
TOTAL COMPANY	\$ 3,697,751	\$ 3,712,768	\$ (81,803)	\$ 3,630,965	0%	2%

(in thousands)	FY 2022	FY 2021			GAAP Δ %	NON-GAAP CONSTANT CURRENCY BASIS Δ %
		GAAP	IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	NON-GAAP CONSTANT CURRENCY BASIS		
NET SALES BY REGION: ⁽⁴⁾						
UNITED STATES	\$ 2,758,294	\$ 2,652,158	\$ —	\$ 2,652,158	4%	4%
EMEA	665,828	755,072	(61,083)	693,989	(12)%	(4)%
APAC	122,367	171,701	(14,119)	157,582	(29)%	(22)%
OTHER ⁽⁵⁾	151,262	133,837	(6,601)	127,236	13%	19%
INTERNATIONAL	\$ 939,457	\$ 1,060,610	\$ (81,803)	\$ 978,807	(11)%	(4)%
TOTAL COMPANY	\$ 3,697,751	\$ 3,712,768	\$ (81,803)	\$ 3,630,965	0%	2%

⁽¹⁾ 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.

⁽²⁾ Hollister includes the Hollister and Gilly Hicks brands.

⁽³⁾ Abercrombie includes the Abercrombie & Fitch and abercrombie kids brands.

⁽⁴⁾ 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.

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





CASH FLOW SUMMARY

	FULL YEAR ENDED	
<i>(in thousands)</i>	JANUARY 28, 2023	JANUARY 29, 2022
NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	\$(2,343)	\$277,782
NET CASH USED FOR INVESTING ACTIVITIES	\$(140,675)	\$(96,979)
NET CASH USED FOR FINANCING ACTIVITIES	\$(155,329)	\$(446,898)

<i>(in thousands)</i>	NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	CAPITAL EXPENDITURES	FREE CASH FLOW ⁽²⁾
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
FY 2022	\$(2,343)	\$164,566	\$(166,909)

⁽¹⁾ 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.

Q4 2022 GLOBAL FLEET POSITION

91% OF U.S. STORES LOCATED IN A/B MALLS

YTD STORE ACTIVITY

	HOLLISTER	ABERCROMBIE	TOTAL
NEW STORES	38 ⁽¹⁾	21	59
REMODELS	1	—	1
RIGHT-SIZES	4	4	8
NEW EXPERIENCES	43	25	68
PERMANENT CLOSURES	(14)	(12)	(26)

⁽¹⁾ Hollister store openings include 14 Gilly Hicks stores opened YTD

Q4 2022 STORE FLEET DETAIL

	HOLLISTER		ABERCROMBIE		TOTAL	
	# OF STORES	% OF FLEET	# OF STORES	% OF FLEET	# OF STORES	% OF FLEET
LEGACY STORES	173	33%	88	38%	261	34%
UPDATED FORMATS	334	63%	106	45%	440	58%
OUTLETS	22	4%	37	16%	59	8%
FLAGSHIPS	—	—%	2	1%	2	—%
TOTAL	529	100%	233	100%	762	100%

Q4 2022 U.S. STORE FLEET ⁽²⁾

	A MALL	B MALL	C MALL	FLAGSHIPS	OTHER ⁽³⁾	TOTAL
# OF STORES	258	253	45	1	3	560
% OF U.S. FLEET	46%	45%	8%	—%	1%	100%

⁽²⁾ Mall rating based on Green Street Advisors as of January 2023.

⁽³⁾ Other includes street and outlet locations.



Abercrombie & Fitch Co.

Abercrombie
& Fitch

| abercrombie
kids

| HOLLISTER

| GILLY
HICKS

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