



Abercrombie & Fitch Co.

A&F | a&f |  | *Gilly Hicks*

INVESTOR PRESENTATION: **FIRST QUARTER 2020**



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

A&F cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this presentation or made by management or spokespeople of A&F involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond the company's control. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," and similar expressions may identify forward-looking statements. Except as may be required by applicable law, we assume no obligation to publicly update or revise our forward-looking statements. Risks and uncertainties related to the duration and impact of the COVID-19 pandemic on the Company and the factors disclosed in "ITEM 1A. RISK FACTORS" of A&F's Annual Report on Form 10-K for the fiscal year ended February 1, 2020, in some cases have affected, and in the future could affect, the company's financial performance and could cause actual results for the 2020 fiscal year and beyond to differ materially from those expressed or implied in any of the forward-looking statements included in this presentation or otherwise made by management.

OTHER INFORMATION

The following presentation includes certain adjusted non-GAAP financial measures. Additional details about non-GAAP financial measures and a reconciliation of GAAP financial measures to non-GAAP financial measures is included in the news release issued by the company on May 28, 2020 which is available in the "Investors" section of the company's website, located at corporate.abercrombie.com. As used in the presentation, "GAAP" refers to accounting principles generally accepted in the United States of America. As used in the presentation, "Abercrombie" refers to the company's Abercrombie & Fitch and abercrombie kids brands. Sub-totals and totals may not foot due to rounding. Net loss and net loss per share financial measures included herein are attributable to Abercrombie & Fitch Co., excluding net income attributable to noncontrolling interests.

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COMPANY OVERVIEW

COMPANY OVERVIEW

ICONIC BRANDS

HOLLISTER



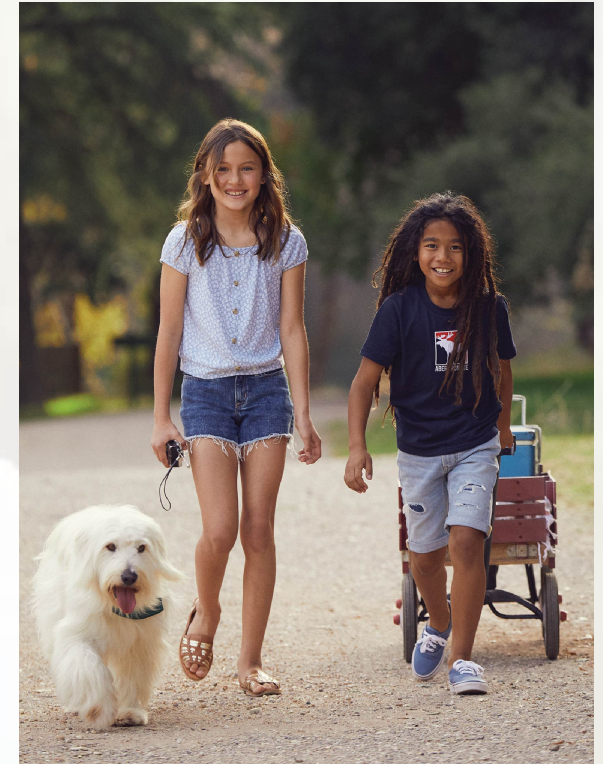
The quintessential apparel brand of the global teen consumer, Hollister Co. believes in liberating the spirit of an endless summer inside everyone. At Hollister, summer isn't just a season, it's a state of mind. Hollister creates carefree style designed to make all teens feel celebrated and comfortable in their own skin, so they can live in a summer mindset all year long, whatever the season. Hollister also carries an intimates brand, Gilly Hicks by Hollister, which offers intimates, loungewear and sleepwear. Its products are designed to invite everyone to embrace who they are underneath it all.

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.

COMPANY OVERVIEW

GLOBAL, OMNICHANNEL RETAILER*

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

849

**COMPANY-OPERATED
RETAIL STORES**

120

**CAPABILITY TO SHIP
MERCHANDISE TO MORE THAN
120 COUNTRIES**

33%

**OF FISCAL 2019 NET SALES
WERE DERIVED FROM DIGITAL
OPERATIONS**

34%

**OF FISCAL 2019 NET SALES WERE
DERIVED INTERNATIONALLY**

10

**COUNTRIES WITH
PURCHASE-ONLINE-PICK-
UP-IN-STORE CAPABILITY**

2

**NEW REGIONAL HEADQUARTERS
INTRODUCED DURING FISCAL
2019 IN LONDON AND SHANGHAI**

18

**INTERNATIONAL
FRANCHISE STORES**

7

**WHOLESALE PARTNERSHIPS,
PRIMARILY INTERNATIONAL**

*As of May 2, 2020 unless otherwise specified.

RESPONSE TO COVID-19



RESPONSE TO COVID-19

OUR PREVIOUSLY-STATED TRANSFORMATION INITIATIVES

THESE TRANSFORMATION INITIATIVES HAVE CREATED THE FOUNDATION TO ALLOW US TO QUICKLY RESPOND TO COVID-19:

1

OPTIMIZING OUR GLOBAL STORE NETWORK

- Rightsizing store fleet and adapting to the evolving role of the store as customers' shopping preferences shift

2

ENHANCING DIGITAL AND OMNI-CHANNEL CAPABILITIES

- Creating best-in-class customer experiences while growing profitably across channels

3

INCREASING THE SPEED AND EFFICIENCY OF OUR CONCEPT-TO-CUSTOMER PRODUCT LIFE CYCLE

- Investing in capabilities to position supply chain for greater speed, agility and flexibility
- Utilizing data and analytics to offer the right product at the right time and the right price

4

IMPROVING OUR CUSTOMER ENGAGEMENT THROUGH OUR LOYALTY PROGRAMS AND MARKETING OPTIMIZATION

- Leveraging data, including our loyalty programs, to engage with customers across channels
- Driving more efficient and effective marketing spend

RESPONSE TO COVID-19

TIMELINE OF ACTIONS TAKEN IN RESPONSE TO COVID-19

In late January, the company began to experience business disruptions from COVID-19 in the APAC region, resulting in the temporary closure of its stores in China.

JANUARY 2020

February 1, 2020

FY 2019 Year-End

By mid-February, the company had reopened over 75% of stores in China.

FEBRUARY 2020

The scope of COVID-19 worsened beyond the APAC region, with Europe and the United States experiencing significant outbreaks and, on March 11th, COVID-19 was declared a pandemic by the World Health Organization.

MARCH 11, 2020

The company announced updates to its global store operations, including the temporary closure of all Company-operated stores in North America and the EMEA region.

MARCH 15, 2020

The company withdrew the majority of excess funds from its Rabbi Trust assets, providing the company with \$50M of additional cash.

MARCH 20, 2020

The company borrowed \$210M under its senior secured, asset-based revolving credit facility.

MARCH 26, 2020

RESPONSE TO COVID-19

TIMELINE OF ACTIONS TAKEN IN RESPONSE TO COVID-19

The company announced expense management actions to further strengthen its financial position and implementing temporary payroll actions related to the company's store and corporate associates, temporarily reducing director pay, and suspending the company's share repurchase program.

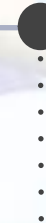
The board of directors authorized the temporary suspension of the company's quarterly cash dividend to increase financial flexibility in light of COVID-19.

APRIL 6, 2020

MAY 20, 2020



Q1 2020
Quarter-End
May 2, 2020



Q1 2020
Earnings Call
May 28, 2020

APRIL 2020

APRIL 2020

MAY 27, 2020

While the majority of APAC stores had reopened, in early April the company had temporarily closed its store locations in Japan and Singapore, which remained closed through the remainder of the quarter.

In late April, the company began to reopen stores in North America and the EMEA region where local regulations allow, and following the guidance from government and health authorities.

As of May 27th the company had reopened 48% of stores, and has implemented certain procedures promoting safe social distancing as described further on slide 13

RESPONSE TO COVID-19

PLANS TO NAVIGATE RECENT COVID-19 CHALLENGES

FOCUSING ON THE WELL-BEING OF ASSOCIATES AND CUSTOMERS WHILE ROLLING OUT STORE REOPENINGS

- Requiring associates to use face coverings and conducting associate wellness checks in accordance with local government direction
- Implementing various measures to encourage social distancing and managing occupancy limits within our stores
- Installing plexiglass barriers and encouraging contactless payment options at checkout in certain store locations
- Removing returned merchandise from the sales floor for a period of time
- Maximizing work-from-home and digital collaboration alternatives to minimize in-person meetings whenever possible
- Enhancing cleaning measures at the company's distribution centers to promote safe product shipping, per recommendations from the Centers for Disease Control and World Health Organization

OPTIMIZING DIGITAL OPERATIONS

- Following recommended cleaning and distancing measures in the company's distribution centers to continue digital operations and mitigate shipping delays
- Shifting marketing expense towards digital operations and focusing on a seamless digital checkout experience for customers
- Working cross-functionally and developing plans on how to best leverage in-store inventory
- Offering flexible return dates as stores reopen and extending our return policy to cover the period of store closures

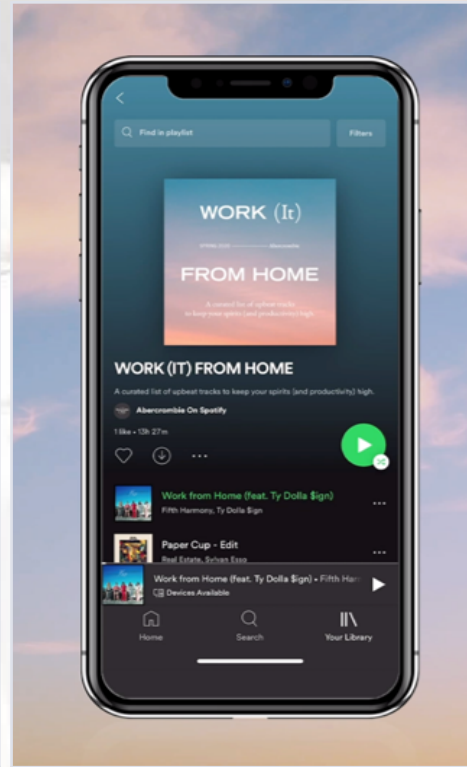
PRESERVING LIQUIDITY AND MANAGING CASH FLOWS

- Partnering with vendors, landlords, and lenders
- Reevaluating all expenditures and tightly managing inventories by reducing and recadencing inventory receipts for orders not already in production
- Borrowed \$210M under the company's asset-based revolving credit facility
- Withdrew \$50M from the overfunded Rabbi Trust assets, which represented the majority of excess funds
- Implemented payroll expense management actions, including the furloughing of certain store associates and temporary pay reductions for certain corporate associates and the Board of Directors
- Temporarily suspended the company's share repurchase and dividend programs
- Assessing rapidly emerging government policy and economic stimulus responses to COVID-19

RESPONSE TO COVID-19

PIVOTING MARKETING AND UPDATING MESSAGING

In response to the rapidly evolving global environment, the company quickly adapted to the challenges presented by COVID-19 and pivoted its marketing and messaging to engage with customers in meaningful, authentic and relatable ways through its social media, influencer network, apps, online events, websites and e-mail.



RESPONSE TO COVID-19

REIMAGINING THE STORE SHOPPING EXPERIENCE

We are following guidance from government and health authorities, and complying with the requirements, to put a range of precautionary measures in place, including:

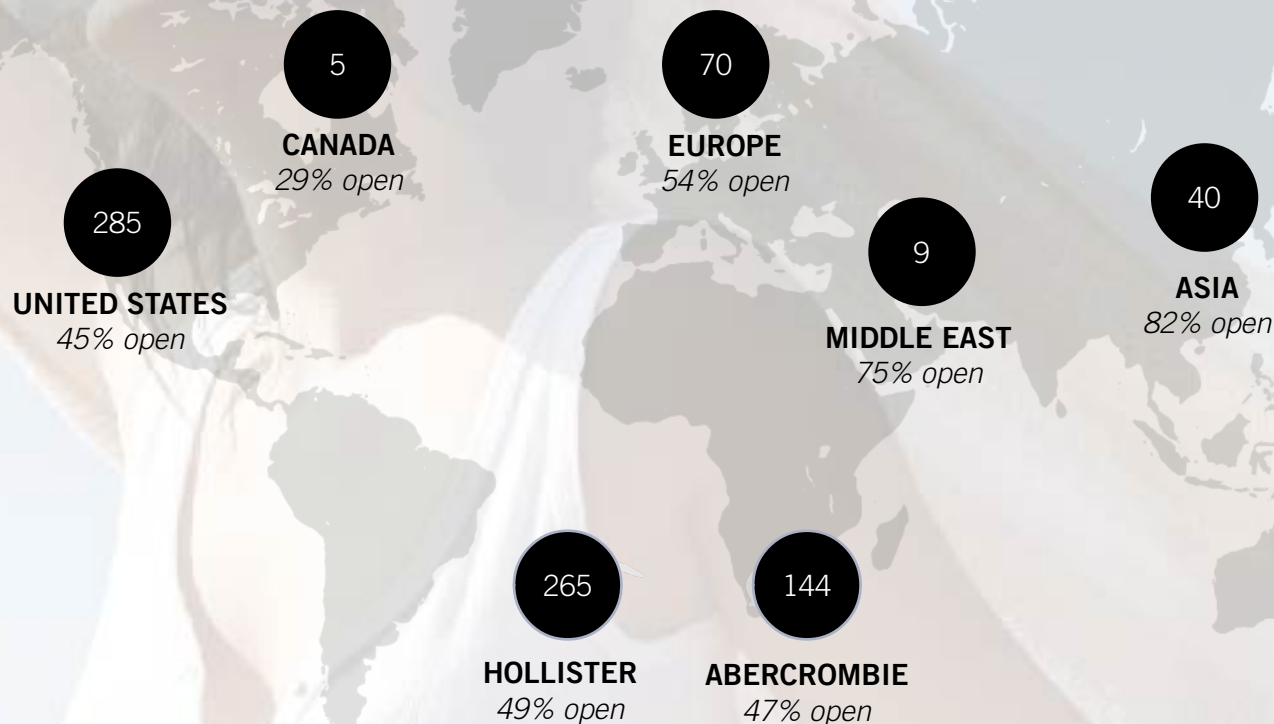
- Requiring associates to use face coverings;
- Encouraging or requiring customers to use face coverings, in accordance with local government direction;
- Conducting associate wellness checks in accordance with local government direction;
- Enhancing cleaning routines;
- Implementing various measures to encourage social distancing;
- Managing occupancy limits to encourage social distancing;
- Installing plexiglass barriers at checkout in some locations;
- Encouraging contactless payment options, where available;
- Opening fitting rooms where permissible, with additional cleaning and social distancing procedures;
- Reducing hours in select locations;
- Removing returned merchandise from the sales floor for a period of time; and
- Continuing to offer in-store pickups for online orders at certain locations when selected during the online checkout.

RESPONSE TO COVID-19

409 STORES, 48% OF STORE FLEET, CURRENTLY OPEN*

We continue to reopen stores temporarily closed in response to COVID-19 on a rolling basis, with new processes in place to promote a safe shopping environment for our associates and customers as described on slide 13.

We plan to follow the guidance of local governments to determine when we can reopen stores and when evaluating whether further store closures will be necessary. We hope to have reopened a majority of our stores by the end of June.



*Figures presented are number of stores open as of May 27, 2020. Excludes international franchise stores and temporary stores with initial lease terms of less than 24 months.

A photograph of two men standing on a beach. The man in the foreground is a Black man with short hair, wearing a dark green button-down shirt, looking towards the right and smiling. The man in the background is a white man with short hair, wearing a white and blue striped short-sleeved shirt, also smiling. The background shows the ocean and a sandy beach under a bright sky.

Q1 2020 RESULTS

Q1 2020 RESULTS

CEO COMMENTARY

“I am proud of our global teams’ and partners’ perseverance and swift call to action during this unprecedented period. We entered this fiscal year in a strong financial position, and in light of COVID-19 took immediate, strategic and aggressive steps to balance our short and longer-term liquidity needs to best position the business for our key stakeholders.”

“With the well-being of our associates, customers and communities a top priority, and to help limit the spread of COVID-19, in mid-March we temporarily closed all stores across brands outside of the APAC region. Although our physical stores were closed, we continued to engage with our customer base through social media, influencer networks, apps, online events, websites and email. Our distribution centers remained operational, enabling us to fulfill digital customer demand globally, partially mitigating lost sales from temporary store closures. For the first quarter, we registered year-over-year global digital sales growth of approximately 25% with acceleration in the mid-March through April period and further acceleration in May.”

“Today, roughly half of our global store base is open. With stores reopening in the U.S. and the EMEA regions, we have experienced sales productivity for reopened stores of approximately 80% and 60%, respectively, as compared to last year’s levels. We look forward to continuing to serve our customers across channels, and remain committed to, and confident in, our long-term vision including the global opportunities available to us.”

FRAN HOROWITZ, Chief Executive Officer

Q1 2020 RESULTS

NET LOSS PER SHARE

SIGNIFICANT ITEMS IMPACTING Q1 2020 RESULTS

- Net sales decreased 34%, or \$249M, as compared to last year, creating significant operating expense deleverage driven by widespread temporary store closures across brands and regions
- Charges of approximately \$15M, or 300 basis points, to reduce the carrying value of inventory, primarily as a result of the continued effects of COVID-19
- Asset impairment charges of \$43M, adversely impacting results by \$0.62 per diluted share, reflecting the impact of COVID-19 on store cash flows
- Store occupancy decreased \$14M, reflecting the impact of temporary store closures
- Store payroll expense decreased \$28M, primarily related to expense management actions taken to furlough certain associates and estimates of government relief for eligible payroll during period of store closures
- Shipping and handling expense increased \$9M as compared to last year, driven by year-over-year digital sales growth of approximately 25%
- The significant adverse impacts of COVID-19 resulted in the establishment of additional valuation allowances in certain jurisdictions during the first quarter of fiscal 2020, ultimately giving rise to income tax expense on a pre-tax loss. Income tax expense for the first quarter reflects adverse tax impacts of \$91M related to valuation allowances on deferred tax assets and other tax charges, adversely impacting results by \$1.45 per diluted share.

	Q1 2020 ⁽¹⁾	Q1 2019
GAAP	\$(3.90)	\$(0.29)
EXCLUDED ITEMS, NET OF TAX EFFECT ⁽²⁾	(0.62)	—
ADJUSTED NON-GAAP	\$(3.29)	\$(0.29)
IMPACT FROM FOREIGN CURRENCY EXCHANGE RATES ⁽³⁾	—	(0.03)
ADJUSTED NON-GAAP ON A CONSTANT CURRENCY BASIS	\$(3.29)	\$(0.32)

⁽¹⁾ Net loss per diluted share for the first quarter of fiscal 2020 reflects adverse tax impacts of \$90.9 million, or \$1.45 per diluted share, related to valuation allowances on deferred tax assets and other tax charges, and material adverse impacts as a result of the COVID-19 pandemic.

⁽²⁾ Adjusted non-GAAP net loss per diluted share excludes the effect of certain items set out of page 35.

⁽³⁾ The estimated impact from foreign currency is calculated by applying current period exchange rates to prior year results using a 26% tax rate.

Q1 2020 RESULTS

NET SALES

TOTAL COMPANY NET SALES DOWN 34% TO \$485M

NET SALES DECREASED 33% ON A CONSTANT CURRENCY BASIS OVER LAST YEAR, DRIVEN BY WIDESPREAD TEMPORARY STORE CLOSURES, PARTIALLY OFFSET BY YEAR-OVER-YEAR DIGITAL SALES GROWTH OF APPROXIMATELY 25%

HOLLISTER

\$273M

DOWN 36% TO LAST YEAR
56.2% OF TOTAL NET SALES

ABERCROMBIE

\$212M

DOWN 30% LAST YEAR
43.8% OF TOTAL NET SALES

UNITED STATES

\$323M

DOWN 31% TO LAST YEAR
66.5% OF TOTAL NET SALES

EMEA

\$113M

DOWN 35% TO LAST YEAR
23.2% OF TOTAL NET SALES

APAC

\$32M

DOWN 51% TO LAST YEAR
6.7% OF TOTAL NET SALES

OTHER

\$18M

DOWN 29% TO LAST YEAR
3.6% OF TOTAL NET SALES

Q1 2020 RESULTS

OPERATING EXPENSE

GAAP

<i>(in thousands)</i>	Q1 2020	% OF NET SALES	Q1 2019	% OF NET SALES	Δ BPS ⁽³⁾
STORE OCCUPANCY ⁽¹⁾	\$138,962	28.6%	\$153,015	20.8%	780
ALL OTHER ⁽²⁾	183,162	37.7%	203,597	27.7%	1,000
STORES AND DISTRIBUTION	322,124	66.4%	356,612	48.6%	1,780
MARKETING, GENERAL & ADMINISTRATIVE	108,257	22.3%	111,947	15.3%	700
FLAGSHIP STORE EXIT (BENEFITS) CHARGES	(543)	(0.1)%	1,744	0.2%	(30)
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	42,928	8.8%	1,662	0.2%	860
TOTAL	\$472,766	97.4%	\$471,965	64.3%	3,310

NON-GAAP*

<i>(in thousands)</i>	Q1 2020	% OF NET SALES	Q1 2019	% OF NET SALES	Δ BPS ⁽³⁾
STORE OCCUPANCY ⁽¹⁾	\$138,962	28.6%	\$153,015	20.8%	780
ALL OTHER ⁽²⁾	183,162	37.7%	203,597	27.7%	1,000
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FLAGSHIP STORE EXIT (BENEFITS) CHARGES	(543)	(0.1)%	1,744	0.2%	(30)
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	—	0.0%	1,662	0.2%	(20)
TOTAL	\$429,838	88.6%	\$471,965	64.3%	2,430

* Q1 non-GAAP operating expense for the current period is presented on an adjusted non-GAAP basis, and excludes the effect of certain items set out of page 35.

⁽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.

Q1 2020 RESULTS

INCOME STATEMENT

	GAAP				NON-GAAP*			
	2020	% OF NET SALES	2019	% OF NET SALES	2020	% OF NET SALES	2019	% OF NET SALES
<i>(in thousands)</i>								
NET SALES	\$485,359	100.0%	\$733,972	100.0%	\$485,359	100.0%	\$733,972	100.0%
GROSS PROFIT ⁽¹⁾	264,145	54.4%	444,090	60.5%	264,145	54.4%	444,090	60.5%
OPERATING EXPENSE	472,766	97.4%	471,965	64.3%	429,838	88.6%	471,965	64.3%
OTHER OPERATING LOSS (INCOME), NET	506	0.1%	(617)	(0.1)%	506	0.1%	(617)	(0.1)%
OPERATING LOSS	(209,127)	(43.1)%	(27,258)	(3.7)%	(166,199)	(34.2)%	(27,258)	(3.7)%
INTEREST EXPENSE, NET	3,371	0.7%	616	0.1%	3,371	0.7%	616	0.1%
LOSS BEFORE INCOME TAXES	(212,498)	(43.8)%	(27,874)	(3.8)%	(169,570)	(34.9)%	(27,874)	(3.8)%
INCOME TAX EXPENSE (BENEFIT)	31,533	6.5%	(9,588)	(1.3)%	35,965	7.4%	(9,588)	(1.3)%
NET LOSS	\$(244,148)	(50.3)%	\$(19,155)	(2.6)%	\$(205,652)	(42.4)%	\$(19,155)	(2.6)%
NET LOSS PER SHARE								
BASIC	\$(3.90)		\$(0.29)		\$(3.29)		\$(0.29)	
DILUTED	\$(3.90)		\$(0.29)		\$(3.29)		\$(0.29)	
WEIGHTED-AVERAGE SHARES								
BASIC	62,541		66,540		62,541		66,540	
DILUTED	62,541		66,540		62,541		66,540	

* The non-GAAP income statement is presented on an adjusted non-GAAP basis, and excludes the effect of certain items set out on page 35.

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



FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

FINANCIAL POSITION AND LIQUIDITY SUMMARY

LIQUIDITY



CASH & EQUIVALENTS

\$704M AS COMPARED TO \$586M LAST YEAR

ABL FACILITY SHORT-TERM BORROWINGS

\$210M OUTSTANDING

\$59M OF INCREMENTAL BORROWING AVAILABLE UNDER THE FACILITY

TERM LOAN LONG-TERM BORROWINGS

\$233M OUTSTANDING AS COMPARED TO \$253M LAST YEAR

INVENTORIES

\$427M DOWN 1% FROM LAST YEAR

FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

CASH FLOW SUMMARY

CASH USED FOR OPERATING ACTIVITIES

DURING Q1 2020 OF \$91M AS COMPARED TO \$71M DURING Q1 2019

CASH USED FOR INVESTING ACTIVITIES

DURING Q1 2020 OF \$47M AS COMPARED TO \$44M DURING Q1 2019

CASH PROVIDED BY FINANCING ACTIVITIES

DURING Q1 2020 OF \$172M AS COMPARED TO CASH USED OF \$20M DURING Q1 2019

<i>(in thousands)</i>	NET CASH PROVIDED BY OPERATING ACTIVITIES	CAPITAL EXPENDITURES	FREE CASH FLOW ⁽¹⁾
FY 2015	\$315,755	\$143,199	\$172,556
FY 2016	\$185,169	\$140,844	\$44,325
FY 2017	\$287,658	\$107,001	\$180,657
FY 2018	\$352,933	\$152,393	\$200,540
FY 2019	\$300,685	\$202,784	\$97,901

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

FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

SHARE REPURCHASES AND DIVIDENDS

In order to preserve liquidity and increase financial flexibility, the Company has temporarily suspended its share repurchase and dividend programs and plans to reevaluate throughout the year to determine whether and when to reinstate.

At the end of Q1 2020, the Company had approximately 3.2 million shares remaining available for purchase under its publicly announced June 2019 stock repurchase authorization.

<i>(in thousands, except for average cost)</i>	SHARE REPURCHASES			DIVIDENDS	
	NUMBER OF SHARES	COST	AVERAGE COST	COST	TOTAL
YTD 2020	1,397	\$15,172	\$10.86	\$12,556	\$27,728

<i>(in thousands, except for average cost)</i>	SHARE REPURCHASES			DIVIDENDS	
	NUMBER OF SHARES	COST	AVERAGE COST	COST	TOTAL
FY 2015	2,461	\$50,033	\$20.33	\$55,145	\$105,178
FY 2016	—	\$—	\$—	\$54,066	\$54,066
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

<i>(in thousands)</i>	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Q1 2020
ENDING SHARES OUTSTANDING	67,348	67,758	68,195	66,227	62,786	62,284

FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

BALANCE SHEET

<i>(in thousandths)</i>	MAY 2, 2020	FEBRUARY 1, 2020	MAY 4, 2019
CASH AND EQUIVALENTS	\$703,989	\$671,267	\$586,133
RECEIVABLES	88,639	80,251	82,026
INVENTORIES	426,594	434,326	432,350
OTHER CURRENT ASSETS	67,412	78,905	71,803
TOTAL CURRENT ASSETS	\$1,286,634	\$1,264,749	\$1,172,312
PROPERTY AND EQUIPMENT, NET	654,784	665,290	633,686
OPERATING LEASE RIGHT-OF-USE ASSETS	1,133,618	1,230,954	1,252,249
OTHER ASSETS	216,795	388,672	364,719
TOTAL ASSETS	\$3,291,831	\$3,549,665	\$3,422,966
ACCOUNTS PAYABLE	\$162,747	\$219,919	\$180,041
ACCRUED EXPENSES	285,799	302,214	240,050
SHORT-TERM PORTION OF BORROWINGS	210,000	—	—
SHORT-TERM PORTION OF OPERATING LEASE LIABILITIES	307,173	282,829	278,392
INCOME TAXES PAYABLE	8,232	10,392	16,022
TOTAL CURRENT LIABILITIES	\$973,951	\$815,354	\$714,505
LONG-TERM PORTION OF OPERATING LEASE LIABILITIES	1,184,448	1,252,634	1,207,103
LONG-TERM PORTION OF BORROWINGS, NET	232,178	231,963	250,736
OTHER LIABILITIES	103,188	178,536	145,659
TOTAL LONG-TERM LIABILITIES	\$1,519,814	\$1,663,133	\$1,603,498
TOTAL ABERCROMBIE & FITCH CO. STOCKHOLDERS EQUITY	790,239	1,058,810	1,094,839
NONCONTROLLING INTEREST	7,827	12,368	10,124
TOTAL STOCKHOLDERS' EQUITY	\$798,066	\$1,071,178	\$1,104,963
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$3,291,831	\$3,549,665	\$3,422,966

FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

STATEMENT OF CASH FLOWS

<i>(in thousandths)</i>	MAY 2, 2020	MAY 4, 2019
NET CASH USED FOR OPERATING ACTIVITIES	\$(90,776)	\$(71,316)
PURCHASES OF PROPERTY AND EQUIPMENT	(46,990)	(43,872)
NET CASH USED FOR INVESTING ACTIVITIES	\$(46,990)	\$(43,872)
PROCEEDS FROM ABL FACILITY BORROWINGS	210,000	—
PURCHASES OF COMMON STOCK	(15,172)	—
DIVIDENDS PAID	(12,556)	(13,246)
OTHER FINANCING ACTIVITIES	(10,604)	(7,076)
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	\$171,668	\$(20,322)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATES ON CASH	(3,891)	(2,638)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS	\$30,011	\$(138,148)
CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS, BEGINNING OF PERIOD	\$692,264	\$745,829
CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS, END OF PERIOD	\$722,275	\$607,681



GLOBAL STORE NETWORK OPTIMIZATION

GLOBAL STORE NETWORK OPTIMIZATION

849 STORES AS OF Q1 2020

NEW STORE OPENINGS & CLOSINGS

TOTAL COMPANY	TOTAL	UNITED STATES	CANADA	EUROPE	ASIA	MIDDLE EAST
END OF Q4 2019	854	647	17	129	51	10
OPENINGS	2	1	—	—	—	1
PERMANENT CLOSINGS	(7)	(5)	—	—	(2)	—
END OF Q1 2020	849	643	17	129	49	11
HOLLISTER ⁽¹⁾	TOTAL	UNITED STATES	CANADA	EUROPE	ASIA	MIDDLE EAST
END OF Q4 2019	546	391	10	109	30	6
OPENINGS	—	—	—	—	—	—
PERMANENT CLOSINGS	(3)	(1)	—	—	(2)	—
END OF Q1 2020	543	390	10	109	28	6
ABERCROMBIE ⁽²⁾	TOTAL	UNITED STATES	CANADA	EUROPE	ASIA	MIDDLE EAST
END OF Q4 2019	308	256	7	20	21	4
OPENINGS	2	1	—	—	—	1
PERMANENT CLOSINGS	(4)	(4)	—	—	—	—
END OF Q1 2020	306	253	7	20	21	5

⁽¹⁾ Locations with Gilly Hicks carveouts within Hollister stores are represented as a single store count. Excludes ten international franchise stores as of May 2, 2020 and nine as of February 1, 2020. Excludes 14 company operated temporary stores as of May 2, 2020 and 16 as of February 1, 2020.

⁽²⁾ Abercrombie includes the company's Abercrombie & Fitch and abercrombie kids brands. Locations with abercrombie kids carveouts within Abercrombie & Fitch stores are represented as a single store count. Excludes eight international franchise stores as of May 2, 2020 and seven as of February 1, 2020. Excludes four company operated temporary stores as of May 2, 2020 and eight as of February 1, 2020.

GLOBAL STORE NETWORK OPTIMIZATION

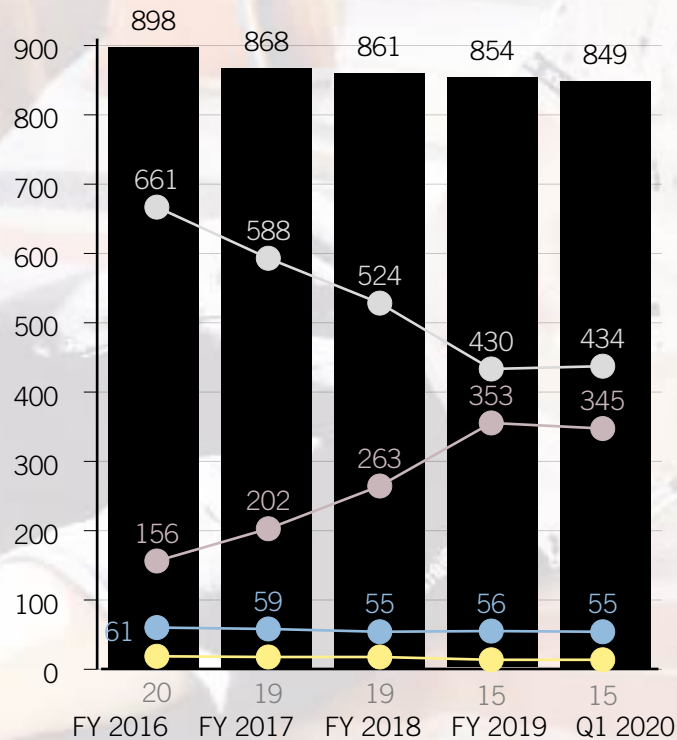
REDUCED GROSS SQUARE FOOTAGE BY 14% SINCE 2015

<i>(in thousands)</i>	HOLLISTER		ABERCROMBIE		TOTAL COMPANY		
	U.S.	INTERNATIONAL	U.S.	INTERNATIONAL	U.S.	INTERNATIONAL	TOTAL
FY 2015	2,856	1,183	2,634	619	5,490	1,802	7,292
FY 2016	2,737	1,218	2,411	641	5,148	1,859	7,007
	(4)%	3%	(8)%	4%	(6)%	3%	(4)%
FY 2017	2,681	1,200	2,210	619	4,891	1,819	6,710
	(2)%	(1)%	(8)%	(3)%	(5)%	(2)%	(4)%
FY 2018	2,658	1,234	2,028	646	4,686	1,880	6,566
	(1)%	3%	(8)%	4%	(4)%	3%	(2)%
FY 2019	2,600	1,263	1,827	613	4,427	1,876	6,303
	(2)%	2%	(10)%	(5)%	(6)%	—%	(4)%
Q1 2020	2,594	1,244	1,812	615	4,406	1,859	6,265
	—%	(2)%	(1)%	—%	—%	(1)%	(1)%

GLOBAL STORE NETWORK OPTIMIZATION

STORE FLEET DETAIL

41% OF GLOBAL FLEET IN UPDATED FORMATS



- Total stores
- Total stores with updated formats
- Total old format chain stores
- Total outlet stores
- Total flagship stores

Q1 2020 STORE OPTIMIZATION ACTIVITY

	HOLLISTER	ABERCROMBIE	TOTAL
NEW STORES	—	2	2
REMODELS	1	—	1
RIGHT-SIZES	—	—	—
NEW EXPERIENCES	1	2	3
STORE CLOSURES	(3)	(4)	(7)

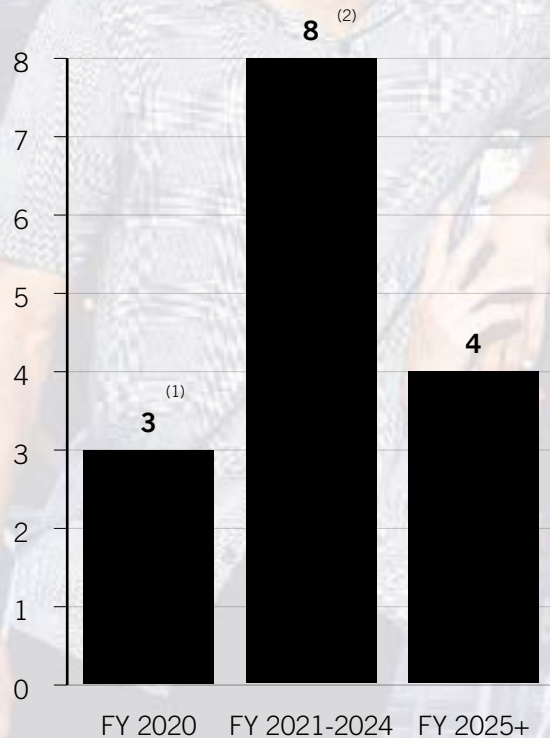
Q1 2020 STORE FLEET DETAIL

	HOLLISTER		ABERCROMBIE		TOTAL COMPANY	
	# OF STORES	% OF FLEET	# OF STORES	% OF FLEET	# OF STORES	% OF FLEET
LEGACY STORES	245	45%	189	62%	434	51%
UPDATED FORMATS	283	52%	62	20%	345	41%
OUTLETS	14	3%	41	13%	55	6%
FLAGSHIPS	1	—%	14	5%	15	2%
TOTAL	543	100%	306	100%	849	100%

GLOBAL STORE NETWORK OPTIMIZATION

FLAGSHIP STORE FLEET

FLAGSHIP NATURAL LEASE EXPIRATION CADENCE



P&L IMPACT OF FLAGSHIP STORES

Entered fiscal 2019 with 15 flagships after closing five flagship locations since fiscal 2017.

The combined 4-wall operating margin of the 15 flagships remaining at the end of fiscal 2019 adversely impacted fiscal 2019 operating margin by 60 basis points and adversely impacted comparable sales by 50 basis points.

The A&F Fukuoka, Japan location and two additional flagship locations are available for closure in fiscal 2020. These three flagships' combined did not have a significant impact on fiscal 2019 operating margin.

(1) Includes the A&F Fukuoka, Japan locations.

(2) Includes the Hollister and the A&F 5th Avenue, New York City locations.



OUTLOOK

OUTLOOK

FISCAL 2020 OUTLOOK

The company has seen, and may continue to see, material adverse impacts as a result of COVID-19. As the current circumstances and the impacts of COVID-19 on the company's operations, including the duration and impact on overall customer demand, are dynamic, the company is not providing a detailed outlook for the second quarter or full year of fiscal 2020.

Based on actions taken, the company expects capital expenditures for fiscal 2020 to be approximately \$100 million.

A young boy with blonde hair is lying on a black inflatable ring on a wooden boat deck, smiling. A young girl with dark hair is sitting on the deck in the foreground, wearing a yellow bikini and a colorful bucket hat. The scene is illuminated by warm sunlight and strings of white lights hanging over the water.

APPENDIX

APPENDIX

RECONCILIATION OF GAAP TO NON-GAAP RESULTS

	Q1 2020 GAAP	EXCLUDED ITEMS	Q1 2020 NON-GAAP
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	\$42,928	\$42,928	\$—
OPERATING LOSS	(209,127)	(42,928)	(166,199)
LOSS BEFORE INCOME TAXES	(212,498)	(42,928)	(169,570)
INCOME TAX EXPENSE ⁽¹⁾	31,533	(4,432)	35,965
NET LOSS	\$(244,148)	\$(38,496)	\$(205,652)
NET LOSS PER DILUTED SHARE	\$(3.90)	\$(0.62)	\$(3.29)
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	62,541		62,541

⁽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.

APPENDIX

RECONCILIATION OF GAAP TO NON-GAAP RESULTS

NET SALES	Q1 2020	Q1 2019	Δ %
GAAP	\$485,359	\$733,972	(34)%
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	(6,824)	1%
NON-GAAP CONSTANT CURRENCY BASIS	\$485,359	\$727,148	(33)%
GROSS PROFIT	Q1 2020	Q1 2019	Δ BPS ⁽²⁾
GAAP	\$264,145	\$444,090	(610)
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	(6,048)	30
NON-GAAP CONSTANT CURRENCY BASIS	\$264,145	\$438,042	(580)
OPERATING LOSS	Q1 2020	Q1 2019	Δ BPS ⁽²⁾
GAAP	\$(209,127)	\$(27,258)	(3,940)
EXCLUDED ITEMS ⁽³⁾	(42,928)	—	(890)
ADJUSTED NON-GAAP	\$(166,199)	\$(27,258)	(3,050)
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	(3,115)	50
ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS	\$(166,199)	\$(30,373)	(3,000)
NET LOSS PER DILUTED SHARE	Q1 2020	Q1 2019	Δ \$
GAAP	\$(3.90)	\$(0.29)	\$(3.61)
EXCLUDED ITEMS, NET OF TAX ⁽³⁾	(0.62)	—	(0.62)
ADJUSTED NON-GAAP	\$(3.29)	\$(0.29)	\$(3.00)
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES ⁽¹⁾	—	(0.03)	0.03
ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS	\$(3.29)	\$(0.32)	\$(2.97)

⁽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⁾ Excludes the effect of certain items set out on page 35.



Abercrombie & Fitch Co.

Abercrombie
& Fitch

abercrombie
kids


HOLLISTER
CALIFORNIA

Gilly Hicks
BY HOLLISTER

