

Abercrombie & Fitch Co.

Abercrombie & Fitch

abercrombie kids

HOLLISTER CALIFORNIA

gilly hicks HOLLISTER

"As expected, we had a solid start to the holiday season, demonstrating the effectiveness of our continued focus on the customer. We are well-positioned to deliver top-line growth, gross profit rate expansion, and operating expense leverage for the full year."

Fran Horowitz • Chief Executive Officer

THIRD QUARTER 2018

NET SALES INCREASED TO \$861M

- DESPITE ADVERSE IMPACTS FROM THE CALENDAR SHIFT AND CHANGES IN FOREIGN CURRENCY EXCHANGE RATES
- DIGITAL NET SALES INCREASED 16% FROM LAST YEAR

COMPARABLE SALES OF 3%, ON TOP OF 4% LAST YEAR

- EXCLUDING ADVERSE IMPACTS FROM THE CALENDAR SHIFT AND CHANGES IN FOREIGN CURRENCY EXCHANGE RATES

HOLLISTER	ABERCROMBIE
+4%	+1%
UNITED STATES	INTERNATIONAL
+6%	-3%

IMPROVED NET INCOME PER DILUTED SHARE

	Q3 2018	Q3 2017
GAAP	\$0.35	\$0.15
ADJUSTED NON-GAAP	\$0.33	\$0.30

CONTINUED INVESTMENT IN TRANSFORMATION INITIATIVES

- GLOBAL STORE NETWORK OPTIMIZATION
- ENHANCING DIGITAL AND OMNICHANNEL CAPABILITIES
- CONCEPT TO CONSUMER – SUPPLY CHAIN SPEED AND EFFICIENCY
- OPTIMIZATION OF MARKETING INVESTMENTS, INCLUDING LEVERAGING OUR LOYALTY PROGRAMS

TOTAL COMPANY

FOCUSED ON THE CONSISTENT EXECUTION OF OUR BRAND PLAYBOOKS AND KEEPING THE CUSTOMER AT THE CENTER OF EVERYTHING WE DO

DELIVERED TOP-LINE GROWTH AND IMPROVED NET INCOME, WHILE MAKING PROGRESS WITH OUR TRANSFORMATION INITIATIVES

INVESTED IN FULLY-INTEGRATED MARKETING CAMPAIGNS, OUR GROWING LOYALTY PROGRAMS AND THE ROLLOUT OF OMNICHANNEL CAPABILITIES AND NEW STORE EXPERIENCES

GREW LOYALTY PROGRAM MEMBER ACCOUNTS TO OVER 23 MILLION COMPARED TO 11 MILLION LAST YEAR

HOLLISTER

DELIVERED POSITIVE COMPARABLE SALES OF 4%, ON TOP OF 8% LAST YEAR

RECORD THIRD QUARTER SALES IN GUYS' DENIM AND IN GIRLS WE REMAINED HIGHLY RESPONSIVE TO THE GROWING DEMAND FOR 'WEAR NOW' SOFT DRESSING

RECEIVED A STRONG RESPONSE TO GILLY HICKS' BACK-TO-SCHOOL SET DUE TO THE TEAM'S FOCUS ON FIT, SIZING AND ASSORTMENT

WON A BILLBOARD LIVE MUSIC AWARD FOR THE BRAND'S MARKETING COLLABORATION WITH KHALID

ABERCROMBIE

FOURTH CONSECUTIVE QUARTER OF POSITIVE COMPARABLE SALES

LEVERAGED CLOSENESS TO THE CUSTOMER TO BETTER REACT TO PRODUCT TRENDS AND THE GROWING DEMAND FOR FASHION ITEMS

LAUNCHED FULLY INTEGRATED MARKETING CAMPAIGN TO SUPPORT KEY OUTERWEAR PRODUCT, THE ULTRA COAT

ABERCROMBIE KIDS ANNOUNCED COLLABORATION WITH TV PERSONALITY GIULIANA RANCIC AND HER SON DUKE

879 STORES GLOBALLY

EXCLUDING 14 INTERNATIONAL FRANCHISE STORES

Q3 NEW STORE EXPERIENCES

INCLUDING NEW STORES, REMODELS AND RIGHT-SIZES



19

HOLLISTER



9

ABERCROMBIE

FULL YEAR 2018 OUTLOOK

NET SALES	COMPARABLE SALES	GROSS PROFIT RATE	GAAP OPERATING EXPENSE	EFFECTIVE TAX RATE
• ↑ 2 – 4%*	• ↑ 2 – 4%	• ↑ SLIGHTLY**	• ↑ APPROXIMATELY 2%***	• MID-TO-UPPER 30S

* Including the adverse impact from the loss of fiscal 2017's 53rd week and benefits from changes in foreign currency exchange rates.

** As compared to fiscal 2017 gross profit rate of 59.7%.

*** As compared to fiscal 2017 adjusted non-GAAP operating expense of \$2B. Fiscal 2018 GAAP operating expense includes ~\$11B of net charges that are excluded from adjusted non-GAAP operating expense. Operating expense excludes other operating income, net.

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 infographic 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. The factors disclosed in "ITEM 1A. RISK FACTORS" of A&F's Annual Report on Form 10-K for the fiscal year ended February 3, 2018, and in A&F's subsequently filed quarterly reports on Form 10-Q, in some cases have affected, and in the future could affect, the company's financial performance and could cause actual results for the 2018 fiscal year and beyond to differ materially from those expressed or implied in any of the forward-looking statements included in this infographic or otherwise made by management.

OTHER INFORMATION

This infographic was issued in conjunction with the news release issued by the company on November 29, 2018 (the "Release") which is available in the "Investors" section of the company's website located at corporate.abercrombie.com. This infographic includes certain adjusted non-GAAP financial measures and. Additional details about non-GAAP financial measures and a reconciliation of GAAP to adjusted non-GAAP financial measures are included in the Release. 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. As used in the infographic, "Abercrombie" refers to the company's Abercrombie & Fitch and abercrombie kids brands. Net income per share financial measures included herein are attributable to Abercrombie & Fitch Co., excluding net income attributable to noncontrolling interests.

FOR FURTHER INFORMATION CONTACT:

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