

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

	Thirteen Weeks Ended		Thirteen Weeks Ended	
	November 2, 2024	% of Net Sales	October 28, 2023	% of Net Sales
Net sales	\$ 1,208,966	100.0 %	\$ 1,056,431	100.0 %
Cost of sales, exclusive of depreciation and amortization	422,034	34.9 %	370,762	35.1 %
Gross profit	786,932	65.1 %	685,669	64.9 %
Stores and distribution expense	419,235	34.7 %	383,883	36.3 %
Marketing, general and administrative expense	190,001	15.7 %	162,510	15.4 %
Other operating (income) loss, net	(1,586)	(0.1)%	1,256	0.1 %
Operating income	179,282	14.8 %	138,020	13.1 %
Interest expense	569	— %	8,568	0.8 %
Interest income	(9,302)	(0.8)%	(7,897)	(0.7)%
Interest (income) expense, net	(8,733)	(0.7)%	671	0.1 %
Income before income taxes	188,015	15.6 %	137,349	13.0 %
Income tax expense	54,151	4.5 %	39,617	3.8 %
Net income	133,864	11.1 %	97,732	9.3 %
Less: Net income attributable to noncontrolling interests	1,885	0.2 %	1,521	0.1 %
Net income attributable to A&F	<u>\$ 131,979</u>	10.9 %	<u>\$ 96,211</u>	9.1 %

Net income per share attributable to A&F

Basic	\$ 2.59	\$ 1.91
Diluted	\$ 2.50	\$ 1.83

Weighted-average shares outstanding:

Basic	50,951	50,504
Diluted	52,869	52,624

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	Thirty-Nine Weeks Ended		Thirty-Nine Weeks Ended	
	November 2, 2024	% of Net Sales	October 28, 2023	% of Net Sales
Net sales	\$ 3,363,670	100.0 %	\$ 2,827,770	100.0 %
Cost of sales, exclusive of depreciation and amortization	1,163,019	34.6 %	1,047,927	37.1 %
Gross profit	2,200,651	65.4 %	1,779,843	62.9 %
Stores and distribution expense	1,181,154	35.1 %	1,072,662	37.9 %
Marketing, general and administrative expense	538,352	16.0 %	449,643	15.9 %
Other operating income, net	(3,611)	(0.1)%	(4,332)	(0.2)%
Operating income	484,756	14.4 %	261,870	9.3 %
Interest expense	11,538	0.3 %	23,661	0.8 %
Interest income	(30,497)	(0.9)%	(18,450)	(0.7)%
Interest (income) expense, net	(18,959)	(0.6)%	5,211	0.2 %
Income before income taxes	503,715	15.0 %	256,659	9.1 %
Income tax expense	119,394	3.5 %	82,349	2.9 %
Net income	384,321	11.4 %	174,310	6.2 %
Less: Net income attributable to noncontrolling interests	5,324	0.2 %	4,634	0.2 %
Net income attributable to A&F	<u>\$ 378,997</u>	11.3 %	<u>\$ 169,676</u>	6.0 %

Net income per share attributable to A&F

Basic	\$ 7.43	\$ 3.38
Diluted	\$ 7.13	\$ 3.25

Weighted-average shares outstanding:

Basic	51,030	50,138
Diluted	53,141	52,154

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 and Adjusted EBITDA as supplemental measures 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 November 2, 2024 and October 28, 2023
(in thousands, except percentage and basis point changes and per share data)
(Unaudited)

	2024	2023	% Change
Net sales			
GAAP ⁽¹⁾	\$ 1,208,966	\$ 1,056,431	14%
Impact from changes in foreign currency exchange rates ⁽²⁾	—	5,289	(1)
Net sales on a constant currency basis	\$ 1,208,966	\$ 1,061,720	14%
Gross profit			
	2024	2023	BPS Change ⁽³⁾
GAAP ⁽¹⁾	\$ 786,932	\$ 685,669	20
Impact from changes in foreign currency exchange rates ⁽²⁾	—	5,319	(20)
Gross profit on a constant currency basis	\$ 786,932	\$ 690,988	0
Operating income			
	2024	2023	BPS Change ⁽³⁾
GAAP ⁽¹⁾	\$ 179,282	\$ 138,020	170
Impact from changes in foreign currency exchange rates ⁽²⁾	—	4,915	(40)
Adjusted non-GAAP constant currency basis	\$ 179,282	\$ 142,935	130
Net income attributable to A&F			
	2024	2023	\$ Change
GAAP ⁽¹⁾	\$ 2.50	\$ 1.83	\$0.67
Impact from changes in foreign currency exchange rates ⁽²⁾	—	0.07	(0.07)
Adjusted non-GAAP constant currency basis	\$ 2.50	\$ 1.90	\$0.60

⁽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 Constant Currency Net Sales by Geography and Brand
Thirteen Weeks Ended November 2, 2024 and October 28, 2023
(in thousands, except percentage changes)
(Unaudited)

	2024		2023		GAAP % Change	Non-GAAP Constant Currency Basis % Change
	GAAP	GAAP	Impact From Changes In Foreign Currency Exchanges Rates ⁽¹⁾	Non-GAAP Constant Currency Basis		
Net sales by segment: ⁽²⁾						
Americas ⁽³⁾	\$ 986,449	\$ 867,566	\$ (266)	\$ 867,300	14%	14%
EMEA ⁽⁴⁾	181,592	157,976	5,055	163,031	15%	11%
APAC ⁽⁵⁾	40,925	30,889	500	31,389	32%	30%
Total company	\$ 1,208,966	\$ 1,056,431	\$ 5,289	\$ 1,061,720	14%	14%

	2024		2023		GAAP % Change	Non-GAAP Constant Currency Basis % Change
	GAAP	GAAP	Impact From Changes In Foreign Currency Exchanges Rates ⁽¹⁾	Non-GAAP Constant Currency Basis		
Net sales by brand:						
Abercrombie ⁽⁶⁾	\$ 629,835	\$ 547,728	\$ 1,643	\$ 549,371	15%	15%
Hollister ⁽⁷⁾	579,131	508,703	3,646	512,349	14%	13%
Total company	\$ 1,208,966	\$ 1,056,431	\$ 5,289	\$ 1,061,720	14%	14%

- ⁽¹⁾ The estimated impact from foreign currency is determined by applying current period exchange rates to prior year results.
- ⁽²⁾ Net sales by segment are presented by attributing revenues to a physical store location or geographical region that fulfills the order.
- ⁽³⁾ The Americas segment includes the results of operations in North America and South America.
- ⁽⁴⁾ The EMEA segment includes the results of operations in Europe, the Middle East and Africa.
- ⁽⁵⁾ The APAC segment includes the results of operations in the Asia-Pacific region, including Asia and Oceania.
- ⁽⁶⁾ For purposes of the above table, Abercrombie includes Abercrombie & Fitch and abercrombie kids.
- ⁽⁷⁾ For purposes of the above table, Hollister includes Hollister and Gilly Hicks.

Abercrombie & Fitch Co.
Reconciliation of EBITDA and Adjusted EBITDA
Thirteen Weeks Ended November 2, 2024 and October 28, 2023
(in thousands)
(Unaudited)

	2024	% of Net Sales	2023	% of Net Sales
Net income	\$ 133,864	11.1 %	\$ 97,732	9.3 %
Income tax expense	54,151	4.5	39,617	3.8
Interest (income) expense, net	(8,733)	(0.7)	671	0.1
Depreciation and amortization	39,566	3.2	33,136	3.0
EBITDA ⁽¹⁾	<u>\$ 218,848</u>	18.1 %	<u>\$ 171,156</u>	16.2 %

Abercrombie & Fitch Co.
Schedule of Non-GAAP Financial Measures
Thirty-Nine Weeks Ended November 2, 2024 and October 28, 2023
(in thousands)
(Unaudited)

	2024	% of Net Sales	2023	% of Net Sales
Net income	\$ 384,321	11.4 %	\$ 174,310	6.2 %
Income tax expense	119,394	3.5	82,349	2.9
Interest (income) expense, net	(18,959)	(0.6)	5,211	0.2
Depreciation and amortization	116,610	3.6	105,547	3.7
EBITDA ⁽¹⁾	<u>\$ 601,366</u>	17.9 %	<u>\$ 367,417</u>	13.0 %

⁽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)

	November 2, 2024	February 3, 2024	October 28, 2023
Assets			
Current assets:			
Cash and equivalents	\$ 683,089	\$ 900,884	\$ 649,489
Receivables	111,583	78,346	96,762
Inventories	692,596	469,466	595,067
Other current assets	168,499	88,569	100,085
Total current assets	1,655,767	1,537,265	1,441,403
Property and equipment, net	570,440	538,033	546,935
Operating lease right-of-use assets	798,290	678,256	682,559
Other assets	245,375	220,679	226,749
Total assets	<u>\$ 3,269,872</u>	<u>\$ 2,974,233</u>	<u>\$ 2,897,646</u>
Liabilities and stockholders' equity			
Current liabilities:			
Accounts payable	\$ 466,303	\$ 296,976	\$ 373,930
Accrued expenses	469,148	436,655	402,572
Short-term portion of operating lease liabilities	210,335	179,625	195,025
Income taxes payable	36,303	53,564	55,615
Total current liabilities	1,182,089	966,820	1,027,142
Long-term liabilities:			
Long-term portion of operating lease liabilities	\$ 734,918	\$ 646,624	\$ 658,923
Long-term borrowings, net	—	222,119	248,033
Other liabilities	92,405	88,683	87,435
Total long-term liabilities	827,323	957,426	994,391
Total Abercrombie & Fitch Co. stockholders' equity	1,247,133	1,035,160	866,108
Noncontrolling interests	13,327	14,827	10,005
Total stockholders' equity	1,260,460	1,049,987	876,113
Total liabilities and stockholders' equity	<u>\$ 3,269,872</u>	<u>\$ 2,974,233</u>	<u>\$ 2,897,646</u>

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

	Thirty-Nine Weeks Ended	
	November 2, 2024	October 28, 2023
Operating activities		
Net cash provided by operating activities	\$ 402,756	\$ 350,142
Investing activities		
Purchases of marketable securities	\$ (55,000)	\$ —
Purchases of property and equipment	(132,040)	(128,601)
Proceeds from sale of property and equipment	—	615
Net cash used for investing activities	\$ (187,040)	\$ (127,986)
Financing activities		
Redemption of senior secured notes	(223,331)	(50,933)
Payment of debt modification costs and fees	(3,273)	(180)
Purchases of common stock	(129,807)	—
Acquisition of common stock for tax withholding obligations	(69,613)	(29,079)
Other financing activities	(6,546)	(6,914)
Net cash used for financing activities	\$ (432,570)	\$ (87,106)
Effect of foreign currency exchange rates on cash	\$ (1,834)	\$ (4,491)
Net (decrease) increase in cash and equivalents, and restricted cash and equivalents	\$ (218,688)	\$ 130,559
Cash and equivalents, and restricted cash and equivalents, beginning of period	\$ 909,685	\$ 527,569
Cash and equivalents, and restricted cash and equivalents, end of period	<u>\$ 690,997</u>	<u>\$ 658,128</u>