



AEO INC.

ICR 2022

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

This release and related statements by management contain forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995), which represent our expectations or beliefs concerning future events, including fourth quarter and annual fiscal 2021 results. All forward-looking statements made by the company involve material risks and uncertainties and are subject to change based on many important factors, some of which may be beyond the company's control. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," "potential," and similar expressions may identify forward-looking statements. Except as may be required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise and even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized. The following factors, in addition to the risks disclosed in Item 1A., Risk Factors, of our Annual Report on Form 10-K for the fiscal year ended January 30, 2021 and in any other filings that we may make with the Securities and Exchange Commission in some cases have affected, and in the future could affect, the company's financial performance and could cause actual results for the fourth quarter and fiscal 2021 and beyond to differ materially from those expressed or implied in any of the forward-looking statements included in this release or otherwise made by management: the negative impacts of the COVID-19 pandemic and related operational disruptions; the risk that the company's operating, financial and capital plans may not be achieved; our inability to anticipate customer demand and changing fashion trends and to manage our inventory commensurately; seasonality of our business; our inability to achieve planned store financial performance; our inability to react to raw material cost, labor and energy cost increases; our inability to gain market share in the face of declining shopping center traffic; our inability to respond to changes in e-commerce and leverage omni-channel demands; our inability to expand internationally; difficulty with our international merchandise sourcing strategies; challenges with information technology systems, including safeguarding against security breaches; and global economic, public health, social, political and financial conditions, and the resulting impact on consumer confidence and consumer spending, as well as other changes in consumer discretionary spending habits, which could have a material adverse effect on our business, results of operations and liquidity.



Fourth Quarter Update

Strong Holiday Sales & Execution

Revenue

- Up mid-to-high teens versus 2020
- Up mid-teens versus 2019

Operating Income

- \$90-100 million including \$80 million in freight costs
- Meaningful growth versus 2019

AEO Inc.

Revenue

Operating Income

2021E

>\$5B

>\$600M

Internal Initiatives Fuel Leading Results

- ✓ Structural Improvements to **AE** Profitability Through Inventory & Real-Estate Optimization
- ✓ Powerful **Aerie/OFFLINE** Platform Drives Robust Growth + Profit-Flow Through
- ✓ Best-In-Class Product and Shopper Experience Supports Customer Acquisition and Retention
- ✓ Innovative and Industry-Leading Logistics and Supply Chain Capabilities



Outstanding
Execution on the
**Real Power.
Real Growth.**
Value Creation Plan

Raising Our 2023 Outlook

REVENUE	PREVIOUS TARGETS	NEW TARGETS	INCREASE (%)
AE	\$3.5B	\$3.6B	3%
AERIE	\$2.0B	\$2.2B	10%
OTHER*		\$100M	
AEO INC.	\$5.5B	\$5.8B	5%

OPERATING INCOME	PREVIOUS TARGETS	NEW TARGETS	INCREASE (%)
AE	\$560M	\$700M	25%
AERIE	\$310M	\$480M	55%
CORPORATE/OTHER*	-\$320M	-\$380M	19%
AEO INC.	\$550M	\$800M	45%

OPERATING MARGIN	PREVIOUS TARGETS	NEW TARGETS	INCREASE (BPS)
AE	16.0%	19.0%	300BPS
AERIE	15.5%	22.0%	650BPS
AEO INC.	10.0%	13.5%	350BPS

*Other reflects revenue from emerging brands. Corporate/Other reflects operating performance of emerging brands and certain costs that are not directly attributable to another reportable segment.

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Raising Our 2023 Outlook

REVENUE	PREVIOUS TARGETS	NEW TARGETS	2019-2023E CAGR
AE	\$3.5B	\$3.6B	1%
AERIE	\$2.0B	\$2.2B	28%
OTHER*		\$100M	
AEO INC.	\$5.5B	\$5.8B	8%
OPERATING INCOME	PREVIOUS TARGETS	NEW TARGETS	2019-2023E CAGR
AE	\$560M	\$700M	7%
AERIE	\$310M	\$480M	63%
CORPORATE/OTHER*	-\$320M	-\$380M	8%
AEO INC.	\$550M	\$800M	26%
OPERATING MARGIN	PREVIOUS TARGETS	NEW TARGETS	2019-2023E EXPANSION
AE	16.0%	19.0%	400BPS
AERIE	15.5%	22.0%	1,350BPS
AEO INC.	10.0%	13.5%	620BPS

*Other reflects revenue from emerging brands. Corporate/Other reflects operating performance of emerging brands and certain costs that are not directly attributable to another reportable segment.

A young man with dark hair, smiling, wearing a blue and red plaid shirt over a pink t-shirt. He is standing outdoors in front of a green hedge and palm trees under a clear blue sky.

American Eagle

Leveraging Structural Improvements to Drive Profitability

- Re-energized Brand Marketing & Messaging
- Superior Product Innovation
- Inventory Optimization
- Building Real-Estate Flexibility

#1 Jeans Brand - Ages 15-25¹

#2 Women's Apparel Brand²

#3 Men's Apparel Brand²

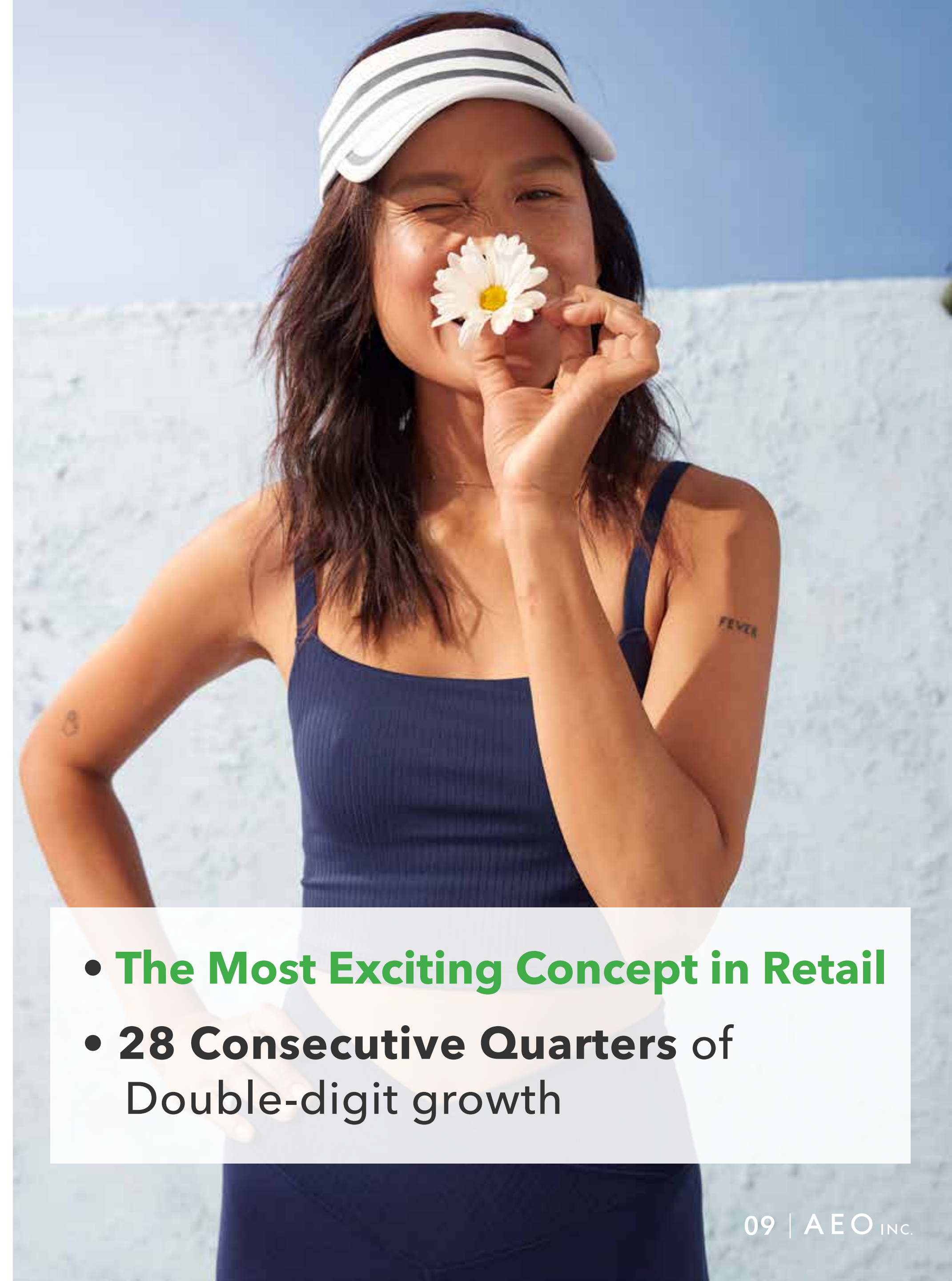
¹ NPD

² Piper Sandler Fall 2021 "Taking Stock With Teens" Data Reflects % of Surveyed Teens Preferring the Brand

Aerie

Fueling Consistent Robust Growth + Profit Flow Through

- Leveraging **Aerie's** Powerful Brand Platform
- Significant Runway For Growth In Existing Markets
- New Market Expansion And Customer Acquisition
- Winning In Intimates, Lounge & Swim
- **OFFLINE By Aerie** Brand Extension

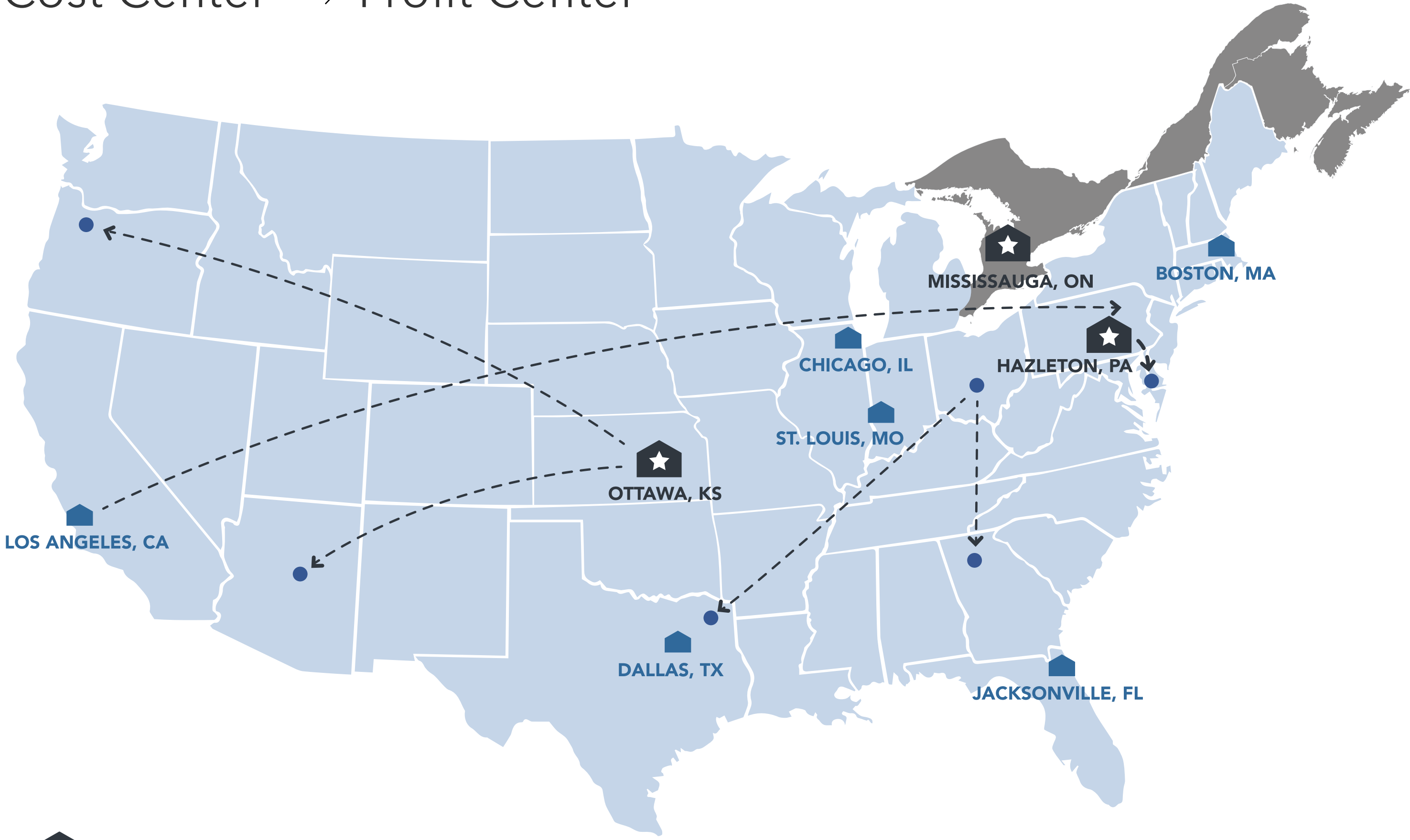






- **The Most Exciting Concept in Retail**
- **28 Consecutive Quarters** of Double-digit growth

SUPPLY CHAIN

Quiet Logistics + AirTerra

Unlocking Supply Chain Efficiencies
Cost Center → Profit Center



-  AEO DISTRIBUTION CENTERS (DCS)
-  QUIET LOGISTIC IN-MARKET FULFILLMENT CENTERS (NODES)
-  AIRTERRA ROUTES
-  SORT CENTERS

*Airterra routes are for illustrative purposes only

ADVANTAGES OF QUIET LOGISTICS

- In-Market Fulfillment
- Faster + Cheaper Delivery to Store and Customers
- Inventory Efficiencies
- Advanced Robotics, High Tech Systems
- Capacity For Growth

ADVANTAGES OF AIRTERRA

- Economies of Scale Through Middle Mile Consolidation
- Cost Efficiencies and Speed
- Growth Potential



Opportunity to \$1 Billion in Operating Income

- Robust Growth of **AEO Logistics**
- Revenue Upside for **AE**
- Stronger Margin Performance
- Better Cost Environment
- International Growth