



# Abercrombie & Fitch Co.

Abercrombie  
& Fitch

abercrombie  
kids

HOLLISTER

GILLY  
HICKS

SOCIAL  
TOURIST

INVESTOR PRESENTATION: **THIRD QUARTER 2021**



## 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," "should," "are confident," 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 January 30, 2021, in some cases have affected, and in the future could affect, the company's financial performance and could cause actual results for the 2021 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 November 23, 2021 which is available in the "Investors" section of the company's website, located at [corporate.abercrombie.com](http://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, "Hollister" refers to the company's Hollister, Gilly Hicks, and Social Tourist brands and "Abercrombie" refers to the company's Abercrombie & Fitch and abercrombie kids brands. 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.

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# COMPANY OVERVIEW



# OUR FIVE GLOBAL BRANDS

COMPANY OVERVIEW




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.

## 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.

## GILLY HICKS



Hollister also carries a lifestyle brand, Gilly Hicks.

At Gilly Hicks, we know everyone has their own unique happy place. We exist to help you find yours. Gilly Hicks focuses on underwear, loungewear and activewear designed to give all Gen Z customers their daily dose of happy.

## 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.

## SOCIAL TOURIST



Social Tourist is the creative vision of Hollister, the teen brand liberating the spirit of an endless summer, and social media personalities Dixie and Charli D'Amelio. The lifestyle brand creates trend forward apparel that allows teens 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

## COMPANY OVERVIEW

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

**54%**

OF FISCAL 2020 NET SALES  
WERE DERIVED DIGITALLY FOR A  
TOTAL OF \$1.7 BILLION

**5**

GLOBAL BRANDS

**735**

COMPANY-OPERATED  
RETAIL STORES

**32%**

OF FISCAL 2020 NET SALES WERE  
DERIVED INTERNATIONALLY

**12**

COUNTRIES WITH SHIP-  
FROM-STORE & 10 WITH  
PURCHASE-ONLINE-PICK-  
UP-IN-STORE CAPABILITIES

**110**

CAPABILITY TO SHIP TO OVER  
110 COUNTRIES

**545**

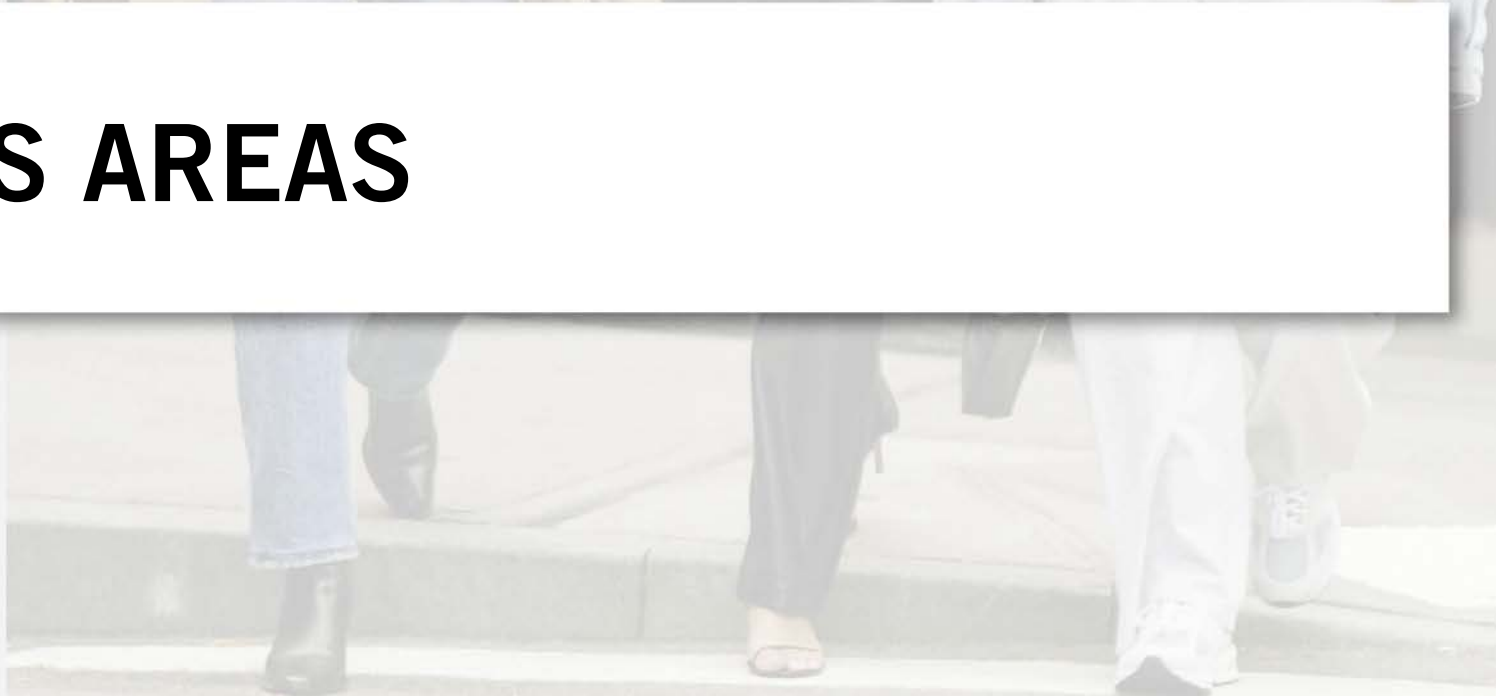
U.S. STORES AVAILABLE TO  
FULFILL SAME DAY  
SHIPPING

**9**

WHOLESALE PARTNERSHIPS,  
PRIMARILY INTERNATIONAL



# FOCUS AREAS



# OUR PREVIOUSLY-STATED TRANSFORMATION INITIATIVES

## FOCUS AREAS

**THE FOLLOWING TRANSFORMATION INITIATIVES HAVE CREATED THE FOUNDATION TO ALLOW US TO QUICKLY RESPOND TO COVID-19 AND FOCUS ON LONG-TERM SUSTAINABLE GROWTH:**

**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 OMNICHANNEL 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



# OUR FOCUS AREAS FOR 2021

## FOCUS AREAS

WE ENTERED 2021 ON OFFENSE WHILE WORKING TOWARDS RECAPTURING LOST SALES DUE TO COVID-19  
WHILE WE CONTINUE TO OPERATE IN AN UNCERTAIN ENVIRONMENT, WE WILL FOCUS ON WHAT WE CAN CONTROL

**ACCELERATING DIGITAL, DATA AND TECHNOLOGY INVESTMENTS TO INCREASE AGILITY  
AND IMPROVE CUSTOMER EXPERIENCE**

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**INCREASING OUR MARKETING INVESTMENTS TO BUILD ON THE MOMENTUM  
WE SEE ACROSS BRANDS AND GEOGRAPHIES**

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**DEDICATING RESOURCES TOWARDS CONTINUING GILLY HICKS  
AND SOCIAL TOURIST GROWTH**

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**OPTIMIZING SQUARE FOOTAGE WHILE BEING OPPORTUNISTIC IN GLOBAL STORE EXPANSION**

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**INTEGRATING ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES  
AND STANDARDS THROUGHOUT THE ORGANIZATION**

# HOW WE ARE NAVIGATING COVID-19

## FOCUS AREAS

### FOCUSING ON THE WELL-BEING OF ASSOCIATES AND CUSTOMERS

Implemented a range of health and safety measures with the well-being of the Company's customers, associates and business partners in mind, including but not limited to ensuring all stores follow local mandates relating to face coverings, social distancing, cleaning measures, reduced operating hours and/or temporary closures

### OPTIMIZING DIGITAL OPERATIONS

- Following recommended cleaning and distancing measures in the company's distribution centers to continue digital operations and mitigate shipping delays
- Focusing on a seamless digital checkout experience for customers
- Continuing to offer Purchase-Online-Pickup-in-Store, including curbside pickup at a majority of U.S. locations
- Working cross-functionally and utilizing Ship-from-Store capabilities to best leverage in-store inventory

### PRUDENTLY MANAGING CASH FLOWS IN THE NEAR-TERM GIVEN CONTINUED GLOBAL UNCERTAINTY AND TEMPORARY STORE CLOSURES

- Partnering with merchandise and non-merchandise vendors in regards to payment terms
- Reevaluating budgeted expenses to better align operating costs with expected sales
- Tightly managing inventories
- Continuing suspension of the company's dividend program
- Assessing government policy and economic stimulus responses to COVID-19



# DIGITAL EVOLUTION

# AGGRESSIVELY INVESTING TO SUPPORT TRANSFORMATION TO A DIGITALLY-LED GLOBAL OMNI- CHANNEL RETAILER

DIGITAL EVOLUTION

INVESTMENTS IN DIGITAL AND  
OMNICHANNEL CAPABILITIES OF  
**\$150M+**

FISCAL 2017 - FISCAL 2020

EXPECTED DIGITAL AND  
OMNICHANNEL INVESTMENTS  
FOR THE YEAR OF  
**\$50M+**

FISCAL 2021

FISCAL 2017

Digital sales penetration of  
**28%, <\$1.0B**

FISCAL 2020\*

Digital sales penetration of  
**54%, \$1.7B+**

\* In fiscal 2020, the company was impacted by the COVID-19 pandemic and experienced widespread temporary store closures, while the company's digital operations continued to serve the customers during this unprecedented period.

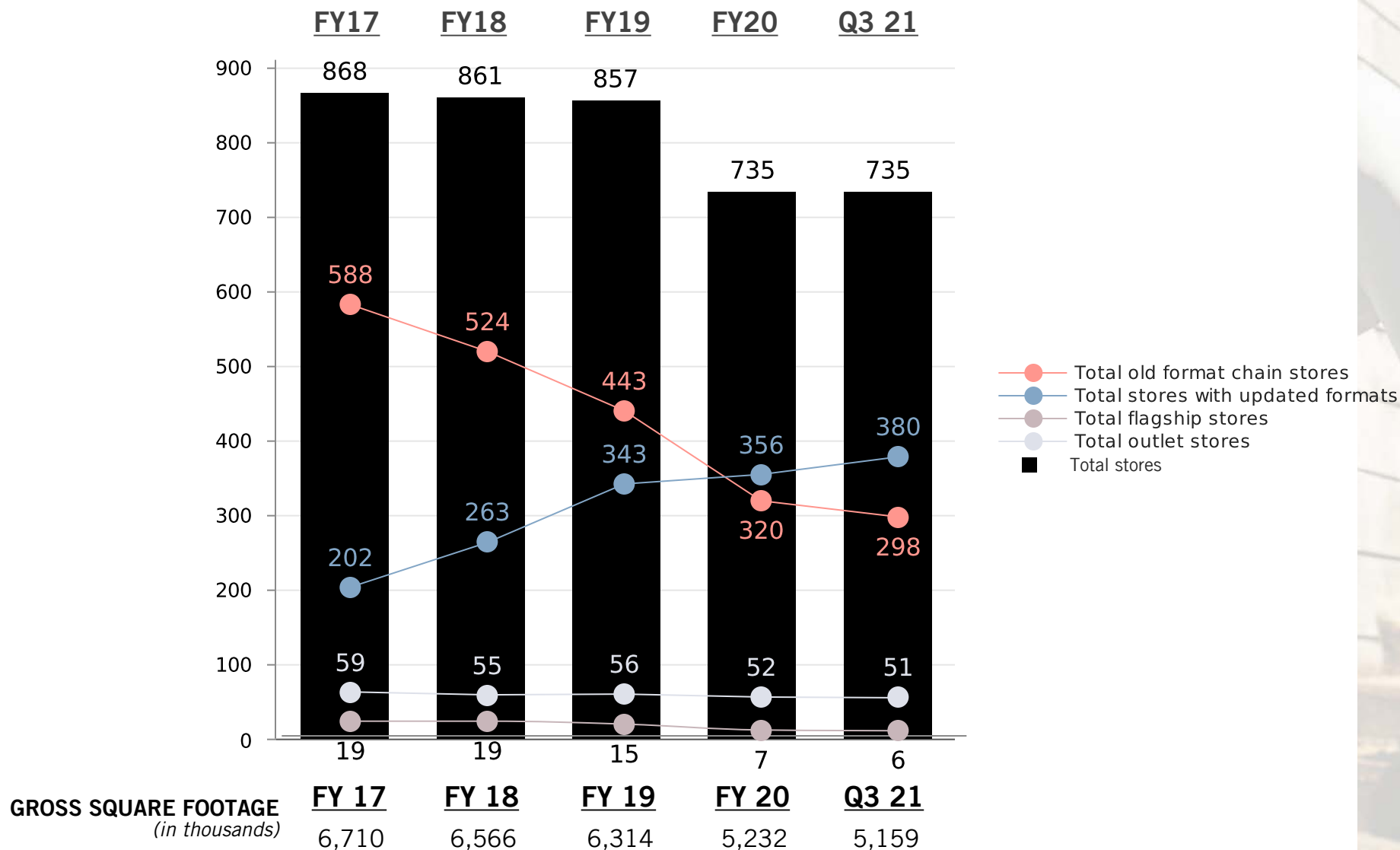




# GLOBAL STORE NETWORK OPTIMIZATION

# ROUGHLY HALF OF GLOBAL STORE BASE IN UPDATED FORMATS; REMOVED 1.6M GROSS SQUARE FEET GLOBALLY SINCE 2017

## GLOBAL STORE NETWORK OPTIMIZATION



\* Prior period figures have been revised to reflect a change in classification of certain stores to be consistent with current presentation.

# 91% OF U.S. STORES LOCATED IN A/B MALLS; CONTINUE TO REPOSITION GLOBAL FLEET

GLOBAL STORE NETWORK  
OPTIMIZATION

## YTD STORE OPTIMIZATION ACTIVITY

	HOLLISTER	ABERCROMBIE	TOTAL
NEW STORES	14	9	23
REMODELS	2	—	2
RIGHT-SIZES	2	3	5
NEW EXPERIENCES	18	12	30
PERMANENT CLOSURES	(5)	(18)	(23)

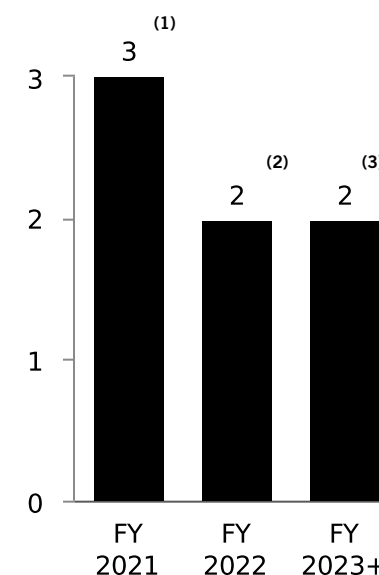
## Q3 2021 STORE FLEET DETAIL

	HOLLISTER		ABERCROMBIE		TOTAL COMPANY	
	# OF STORES	% OF FLEET	# OF STORES	% OF FLEET	# OF STORES	% OF FLEET
LEGACY STORES	192	38%	106	46%	298	41%
UPDATED FORMATS	301	59%	79	34%	380	52%
OUTLETS	12	2%	39	17%	51	7%
FLAGSHIPS	1	—%	5	2%	6	1%
TOTAL	506	100%	229	100%	735	100%

## Q3 2021 U.S. STORE FLEET \*

	A MALL	B MALL	C MALL	FLAGSHIPS	TOTAL
# OF STORES	239	246	49	2	536
% OF U.S. FLEET	45%	46%	9%	—%	100%

## FLAGSHIP STORE CLOSURES/ LEASE EXPIRATIONS



(1) Includes the A&F Singapore location, which closed in the first quarter of 2021, as well as the A&F 5th Avenue, New York City and A&F Hamburg, Germany locations.

(2) Includes the A&F Amsterdam, Netherlands and the A&F Shanghai, China locations.

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



# Q3 2021 RESULTS



# CEO COMMENTARY

Q3 2021 RESULTS

“We were very pleased with our third quarter results. Total net sales grew 10% year-over-year, or 5% from 2019 levels. Our largest market, the U.S., experienced ongoing strength, growing 17% on a one-year and 12% on a two-year basis. Digital net sales rose 8% from last year, representing 46% of total third quarter sales. Gross profit rate declined 30 basis points on a one-year and increased 360 basis points on a two-year basis, benefiting from AUR improvements, offset by elevated supply chain costs. Combined with ongoing tight expense controls, we achieved an 8% operating margin, representing our best third quarter operating margin and income since 2012.”

“The start of the holiday season has been promising. Customers have come out early to shop and have been responding well to assortments. We continue to actively manage through ongoing supply chain constraints, including production and delivery delays and elevated costs, and are confident that we have the product, marketing voice and omnichannel experience to surprise and delight new and existing customers throughout the fourth quarter.”

**FRAN HOROWITZ, CHIEF EXECUTIVE OFFICER**

# NET INCOME (LOSS) PER SHARE

Q3 2021 RESULTS

## SIGNIFICANT ITEMS IMPACTING Q3 2021 RESULTS

- Net sales increased 10%, or \$86M, as compared to last year, reflecting an increase in both store and digital sales as the company anniversaries prior year COVID-19 related store closures
- Gross margin rate declined 30 basis points as compared to last year to 63.7%, driven by approximately 300 basis points of higher average unit cost from freight inflation and efforts to offset supply chain issues, almost fully offset by higher average unit retail on lower promotions
- Store occupancy expense decreased \$19M, reflecting a decrease in store count and favorable rent negotiations
- Marketing expense increased \$30M, including digital sales marketing, reflecting the company's initiatives to make strategic investments across marketing
- Asset impairment charges of \$7M and \$6M for this year and last year, respectively

	Q3 2021	Q3 2020
<b>GAAP</b>	<b>\$0.77</b>	<b>\$0.66</b>
EXCLUDED ITEMS, NET OF TAX EFFECT <sup>(1)</sup>	(0.09)	(0.09)
<b>ADJUSTED NON-GAAP</b>	<b>\$0.86</b>	<b>\$0.76</b>
IMPACT FROM FOREIGN CURRENCY EXCHANGE RATES <sup>(2)</sup>	—	(0.05)
<b>ADJUSTED NON-GAAP ON A CONSTANT CURRENCY BASIS</b>	<b>\$0.86</b>	<b>\$0.71</b>

<sup>(1)</sup> Adjusted non-GAAP results exclude the effect of certain items set out of page 29.

<sup>(2)</sup> The estimated impact from foreign currency is calculated by applying current period exchange rates to prior year results using a 26% tax rate.

# NET SALES

Q3 2021 RESULTS

## TOTAL COMPANY NET SALES UP 10% AND 5% COMPARED TO Q3 2020 AND Q3 2019, RESPECTIVELY, TO \$905M

DIGITAL SALES UP 8% AND UP 55% TO LAST YEAR AND 2019, RESPECTIVELY, RESULTING IN Q3 2021 DIGITAL SALES OF \$413M, OR 46% OF TOTAL NET SALES

HOLLISTER  
\$522M

UP 10% TO LAST YEAR  
57.7% OF TOTAL NET SALES

ABERCROMBIE  
\$383M

UP 12% TO LAST YEAR  
42.3% OF TOTAL NET SALES

UNITED STATES <sup>(1)</sup>  
\$655M

UP 17% TO LAST YEAR  
72.4% OF TOTAL NET SALES

EMEA  
\$179M

DOWN 6% TO LAST YEAR  
19.8% OF TOTAL NET SALES

APAC  
\$38M

DOWN 12% TO LAST YEAR  
4.2% OF TOTAL NET SALES

OTHER <sup>(2)</sup>  
\$33M

UP 18% TO LAST YEAR  
3.6% OF TOTAL NET SALES

<sup>(1)</sup> 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.

<sup>(2)</sup> Other includes all sales that do not fall within the United States, EMEA, or APAC regions.

# OPERATING EXPENSE

Q3 2021 RESULTS

## GAAP

<i>(in thousands)</i>	Q3 2021	% OF NET SALES	Q3 2020	% OF NET SALES	Q3 2019	% OF NET SALES	1 YR $\Delta$ BPS <sup>(3)</sup>	2 YR $\Delta$ BPS <sup>(3)</sup>
STORE OCCUPANCY <sup>(1)</sup>	\$108,234	12.0%	\$126,918	15.5%	\$150,794	17.5%	(350)	(550)
ALL OTHER <sup>(2)</sup>	243,570	26.9%	219,345	26.8%	226,903	26.3%	10	60
STORES AND DISTRIBUTION	351,804	38.9%	346,263	42.2%	377,697	43.7%	(330)	(480)
MARKETING, GENERAL & ADMINISTRATIVE	146,269	16.2%	121,000	14.8%	114,075	13.2%	140	300
FLAGSHIP STORE EXIT BENEFITS	11	0.0%	(8,063)	(1.0)%	285	0.0%	100	—
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	6,749	0.7%	6,329	0.8%	12,610	1.5%	(10)	(80)
<b>TOTAL</b>	<b>\$504,833</b>	<b>55.8%</b>	<b>\$465,529</b>	<b>56.8%</b>	<b>\$504,667</b>	<b>58.4%</b>	<b>(100)</b>	<b>(260)</b>

## NON-GAAP\*

<i>(in thousands)</i>	Q3 2021	% OF NET SALES	Q3 2020	% OF NET SALES	Q3 2019	% OF NET SALES	1 YR $\Delta$ BPS <sup>(3)</sup>	2 YR $\Delta$ BPS <sup>(3)</sup>
STORE OCCUPANCY <sup>(1)</sup>	\$108,234	12.0%	\$126,918	15.5%	\$150,794	17.5%	(350)	(550)
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FLAGSHIP STORE EXIT BENEFITS	11	0.0%	(8,063)	(1.0)%	285	0.0%	100	—
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	—	0.0%	—	0.0%	2,142	0.2%	—	(20)
<b>TOTAL</b>	<b>\$498,084</b>	<b>55.0%</b>	<b>\$459,200</b>	<b>56.0%</b>	<b>\$494,199</b>	<b>57.2%</b>	<b>(100)</b>	<b>(220)</b>

\* Q3 non-GAAP operating expense is presented on an adjusted non-GAAP basis, and excludes the effect of certain items set out of page 29.

(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.



# INCOME STATEMENT

Q3 2021 RESULTS

	GAAP					
<i>(in thousands)</i>	Q3 2021	% OF NET SALES	Q3 2020	% OF NET SALES	Q3 2019	% OF NET SALES
<b>NET SALES</b>	\$905,160	100.0%	\$819,653	100.0%	\$863,472	100.0%
<b>GROSS PROFIT</b> <sup>(1) (2)</sup>	576,244	63.7%	524,433	64.0%	518,931	60.1%
<b>OPERATING EXPENSE</b>	504,833	55.8%	465,529	56.8%	504,667	58.4%
<b>OTHER OPERATING (INCOME) LOSS, NET</b>	(1,320)	(0.1)%	288	0.0%	(215)	0.0%
<b>OPERATING INCOME</b>	72,731	8.0%	58,616	7.2%	14,479	1.7%
<b>INTEREST EXPENSE, NET</b>	7,270	0.8%	8,808	1.1%	2,922	0.3%
<b>INCOME BEFORE INCOME TAXES</b>	65,461	7.2%	49,808	6.1%	11,557	1.3%
<b>INCOME TAX (BENEFIT) EXPENSE</b>	16,383	1.8%	5,779	0.7%	3,987	0.5%
<b>NET INCOME (LOSS)</b>	\$47,233	5.2%	\$42,271	5.2%	\$6,523	0.8%
<b>NET INCOME (LOSS) PER SHARE</b>						
<b>BASIC</b>	\$0.80		\$0.68		\$0.10	
<b>DILUTED</b>	\$0.77		\$0.66		\$0.10	
<b>WEIGHTED-AVERAGE SHARES</b>						
<b>BASIC</b>	58,796		62,558		63,099	
<b>DILUTED</b>	61,465		63,877		63,911	

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

<sup>(2)</sup> Gross profit rate of 63.7% is down 30 basis points as compared to last year, driven by approximately 300 basis points of higher average unit cost from freight inflation and efforts to offset supply chain issues, almost fully offset by higher average unit retail on lower promotions.



# FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

# CASH FLOW SUMMARY

## FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

<i>(in thousands)</i>	YEAR TO DATE PERIOD ENDED	
	OCTOBER 30, 2021	OCTOBER 31, 2020
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$131,287	\$108,894
NET CASH USED FOR INVESTING ACTIVITIES	\$(62,223)	\$(41,748)
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	\$(304,358)	\$70,129

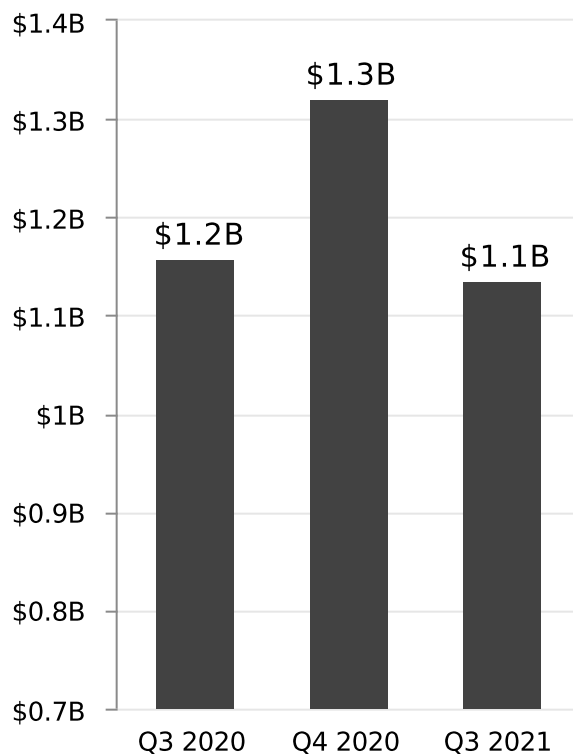
<i>(in thousands)</i>	NET CASH PROVIDED BY OPERATING ACTIVITIES	CAPITAL EXPENDITURES	FREE CASH FLOW <sup>(1)</sup>
FY 2016	\$185,169	\$140,844	\$44,325
FY 2017	\$287,658	\$107,001	\$180,657
FY 2018	\$352,933	\$152,393	\$200,540
FY 2019	\$300,685	\$202,784	\$97,901
FY 2020	\$404,918	\$101,910	\$303,008

<sup>(1)</sup> 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.

# STRONG FINANCIAL POSITION AND LIQUIDITY

FINANCIAL POSITION, LIQUIDITY  
& CAPITAL ALLOCATION

## LIQUIDITY\*



## CASH & EQUIVALENTS

\$866M AS COMPARED TO \$813M LAST YEAR

## SHORT-TERM BORROWINGS

NO BORROWINGS OUTSTANDING UNDER ABL FACILITY

\$271M OF BORROWING AVAILABLE UNDER ABL FACILITY  
AS OF OCTOBER 30, 2021

## GROSS LONG-TERM BORROWINGS

\$308M OUTSTANDING AS COMPARED TO \$350M LAST YEAR

## INVENTORIES

\$544M, FLAT TO LAST YEAR

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



# SHARE REPURCHASES AND DIVIDENDS

## FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

**THE A&F BOARD OF DIRECTORS APPROVED A NEW SHARE REPURCHASE PROGRAM OF UP TO \$500 MILLION OF COMMON STOCK, REPLACING THE FEBRUARY 2021 REPURCHASE PROGRAM OF 10 MILLION SHARES, WHICH HAD APPROXIMATELY 3.9 MILLION SHARES OF AVAILABILITY REMAINING**

The company repurchased approximately 2.7 million shares during Q3 2021, and has returned \$235 million to shareholders during the year-to-date period ended October 30, 2021 through share repurchases.

	SHARE REPURCHASES				
<i>(in thousands, except for average cost)</i>	NUMBER OF SHARES	COST	AVERAGE COST	DIVIDENDS	TOTAL
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
FY 2020	1,397	\$15,172	\$10.86	\$12,556	\$27,728
<b>YTD 2021</b>	<b>6,143</b>	<b>\$235,249</b>	<b>\$38.30</b>	<b>\$—</b>	<b>\$235,249</b>

<i>(in thousands)</i>	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Q3 2021
<b>ENDING SHARES OUTSTANDING</b>	67,758	68,195	66,227	62,786	62,399	57,037

# BALANCE SHEET

## FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

<i>(in thousands)</i>	OCTOBER 30, 2021	JANUARY 30, 2021	OCTOBER 31, 2020
CASH AND EQUIVALENTS	\$865,622	\$1,104,862	\$812,881
RECEIVABLES	83,447	83,857	89,074
INVENTORIES	543,713	404,053	545,548
OTHER CURRENT ASSETS	111,423	68,857	73,776
<b>TOTAL CURRENT ASSETS</b>	<b>\$1,604,205</b>	<b>\$1,661,629</b>	<b>\$1,521,279</b>
PROPERTY AND EQUIPMENT, NET	516,176	550,587	593,932
OPERATING LEASE RIGHT-OF-USE ASSETS	762,641	893,989	955,781
OTHER ASSETS	229,512	208,697	205,970
<b>TOTAL ASSETS</b>	<b>\$3,112,534</b>	<b>\$3,314,902</b>	<b>\$3,276,962</b>
ACCOUNTS PAYABLE	\$424,560	\$289,396	\$334,775
ACCRUED EXPENSES	355,149	396,365	356,370
SHORT-TERM PORTION OF OPERATING LEASE LIABILITIES	209,812	248,846	255,775
INCOME TAXES PAYABLE	39,900	24,792	6,663
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$1,029,421</b>	<b>\$959,399</b>	<b>\$953,583</b>
LONG-TERM PORTION OF OPERATING LEASE LIABILITIES	764,346	957,588	1,010,051
LONG-TERM BORROWINGS, NET	303,247	343,910	343,559
OTHER LIABILITIES	97,191	104,693	110,965
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$1,164,784</b>	<b>\$1,406,191</b>	<b>\$1,464,575</b>
TOTAL ABERCROMBIE & FITCH CO. STOCKHOLDERS EQUITY	908,934	936,628	849,379
NONCONTROLLING INTEREST	9,395	12,684	9,425
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>\$918,329</b>	<b>\$949,312</b>	<b>\$858,804</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$3,112,534</b>	<b>\$3,314,902</b>	<b>\$3,276,962</b>

# STATEMENT OF CASH FLOWS

## FINANCIAL POSITION, LIQUIDITY & CAPITAL ALLOCATION

	YEAR TO DATE PERIOD ENDED	
(in thousands)	OCTOBER 30, 2021	OCTOBER 31, 2020
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$131,287</b>	<b>\$108,894</b>
PURCHASES OF PROPERTY AND EQUIPMENT	(62,223)	(91,748)
WITHDRAWAL OF FUNDS FROM RABBI TRUST ASSETS	—	50,000
<b>NET CASH USED FOR INVESTING ACTIVITIES</b>	<b>\$(62,223)</b>	<b>\$(41,748)</b>
PROCEEDS FROM ISSUANCE OF SENIOR SECURED NOTES	—	350,000
PURCHASE OF SENIOR SECURED NOTES	(46,969)	—
PROCEEDS FROM BORROWINGS UNDER THE ABL FACILITY	—	210,000
REPAYMENT OF TERM LOAN FACILITY BORROWINGS	—	(233,250)
REPAYMENT OF ABL FACILITY BORROWINGS	—	(210,000)
PAYMENT OF DEBT ISSUANCE OR MODIFICATION COSTS AND FEES	(2,016)	(7,151)
PURCHASES OF COMMON STOCK	(235,249)	(15,172)
DIVIDENDS PAID	—	(12,556)
OTHER FINANCING ACTIVITIES	(20,124)	(11,742)
<b>NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES</b>	<b>\$(304,358)</b>	<b>\$70,129</b>
EFFECT OF FOREIGN CURRENCY EXCHANGE RATES ON CASH	(8,560)	2,269
<b>NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS</b>	<b>\$(243,854)</b>	<b>\$139,544</b>
<b>CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>\$1,124,157</b>	<b>\$692,264</b>
<b>CASH AND EQUIVALENTS, AND RESTRICTED CASH AND EQUIVALENTS, END OF PERIOD</b>	<b>\$880,303</b>	<b>\$831,808</b>



# APPENDIX

# RECONCILIATION OF GAAP TO NON-GAAP RESULTS

## APPENDIX

NET SALES	Q3 2021	Q3 2020	Δ %
GAAP	\$905,160	\$819,653	10%
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES <sup>(1)</sup>	—	3,540	0%
NON-GAAP CONSTANT CURRENCY BASIS	\$905,160	\$823,193	10%
GROSS PROFIT	Q3 2021	Q3 2020	Δ BPS <sup>(2)</sup>
GAAP	\$576,244	\$524,433	(30)
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES <sup>(1)</sup>	—	(1,702)	50
NON-GAAP CONSTANT CURRENCY BASIS	\$576,244	\$522,731	20
OPERATING INCOME (LOSS)	Q3 2021	Q3 2020	Δ BPS <sup>(2)</sup>
GAAP	\$72,731	\$58,616	80
EXCLUDED ITEMS <sup>(3)</sup>	(6,749)	(6,329)	10
ADJUSTED NON-GAAP	\$79,480	\$64,945	90
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES <sup>(1)</sup>	—	(4,067)	50
ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS	\$79,480	\$60,878	140
NET INCOME (LOSS) PER DILUTED SHARE	Q3 2021	Q3 2020	Δ \$
GAAP	\$0.77	\$0.66	\$0.11
EXCLUDED ITEMS, NET OF TAX <sup>(3)</sup>	(0.09)	(0.09)	0.00
ADJUSTED NON-GAAP	\$0.86	\$0.76	\$0.10
IMPACT FROM CHANGES IN FOREIGN CURRENCY EXCHANGE RATES <sup>(1)</sup>	—	(0.05)	0.05
ADJUSTED NON-GAAP CONSTANT CURRENCY BASIS	\$0.86	\$0.71	\$0.15

<sup>(1)</sup> 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.

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

<sup>(3)</sup> Excludes pre-tax store asset impairment charges.



# RECONCILIATION OF GAAP TO NON-GAAP RESULTS

## APPENDIX

(in thousands)	Q3 2021 GAAP	EXCLUDED ITEMS	Q3 2021 NON-GAAP
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	\$6,749	\$6,749	\$—
OPERATING INCOME	72,731	(6,749)	79,480
INCOME BEFORE INCOME TAXES	65,461	(6,749)	72,210
INCOME TAX EXPENSE <sup>(1)</sup>	16,383	(1,375)	17,758
NET INCOME	\$47,233	\$(5,374)	\$52,607
NET INCOME PER DILUTED SHARE	\$0.77	\$(0.09)	\$0.86
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	61,465		61,465

(in thousands)	Q3 2020 GAAP	EXCLUDED ITEMS	Q3 2020 NON-GAAP
ASSET IMPAIRMENT, EXCLUSIVE OF FLAGSHIP STORE EXIT CHARGES	\$6,329	\$6,329	\$—
OPERATING LOSS	58,616	(6,329)	64,945
LOSS BEFORE INCOME TAXES	49,808	(6,329)	56,137
INCOME TAX EXPENSE <sup>(1)</sup>	5,779	(369)	6,148
NET LOSS	\$42,271	\$(5,960)	\$48,231
NET LOSS PER DILUTED SHARE	\$0.66	\$(0.09)	\$0.76
DILUTED WEIGHTED-AVERAGE SHARES OUTSTANDING	63,877		63,877

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



# Abercrombie & Fitch Co.

Abercrombie  
& Fitch

abercrombie  
kids

HOLLISTER

GILLY  
HICKS

SOCIAL  
TOURIST

