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DELTA REPORT

10-Q

ANF - ABERCROMBIE & FITCH CO /D

10-Q - AUGUST 03, 2024 COMPARED TO 10-Q - MAY 04, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	875
CHANGES	219
DELETIONS	268
ADDITIONS	388

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended May 4, 2024 August 3, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-12107

Abercrombie & Fitch Co.

(Exact name of Registrant as specified in its charter)

Delaware	**31-1469076**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
6301 Fitch Path, New Albany, Ohio	**43054**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code: (614) 283-6500

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.01 Par Value	**ANF**	**New York Stock Exchange**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes ¨ No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). x Yes ¨ No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ¨

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes x No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class A Common Stock	Shares outstanding as of June 5, 2024 September 5, 2024
$0.01 Par Value	**51,105,328 51,078,656**

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Abercrombie & Fitch Co.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Thousands, except per share amounts)
(Unaudited)

Thirteen Weeks Ended

	Thirteen Weeks Ended
	Thirteen Weeks Ended
	May 4, 2024
	May 4, 2024
	May 4, 2024
	August 3, 2024
	August 3, 2024
	August 3, 2024
Net sales	
Net sales	
Net sales	
Cost of sales, exclusive of depreciation and amortization	
Cost of sales, exclusive of depreciation and amortization	
Cost of sales, exclusive of depreciation and amortization	
Gross profit	
Gross profit	
Gross profit	
Stores and distribution expense	
Stores and distribution expense	
Stores and distribution expense	
Marketing, general and administrative expense	
Marketing, general and administrative expense	
Marketing, general and administrative expense	
Other operating income, net	
Other operating income, net	
Other operating income, net	
Operating income	
Operating income	
Operating income	
Interest expense	
Interest expense	
Interest expense	
Interest income	
Interest income	
Interest income	
Interest (income) expense, net	
Interest (income) expense, net	
Interest (income) expense, net	
Income before income taxes	
Income before income taxes	
Income before income taxes	
Income tax expense	
Income tax expense	
Income tax expense	
Net income	

Net income
Net income
Less: Net income attributable to noncontrolling interests
Less: Net income attributable to noncontrolling interests
Less: Net income attributable to noncontrolling interests
Net income attributable to A&F
Net income attributable to A&F
Net income attributable to A&F
Net income per share attributable to A&F
Net income per share attributable to A&F
Net income per share attributable to A&F
Basic
Basic
Basic
Diluted
Diluted
Diluted
Weighted-average shares outstanding
Weighted-average shares outstanding
Weighted-average shares outstanding
Basic
Basic
Basic
Diluted
Diluted
Diluted
Other comprehensive (loss) income
Other comprehensive income (loss)
Other comprehensive (loss) income
Other comprehensive income (loss)
Other comprehensive (loss) income
Other comprehensive income (loss)
Foreign currency translation adjustments, net of tax
Foreign currency translation adjustments, net of tax
Foreign currency translation adjustments, net of tax
Derivative financial instruments, net of tax
Derivative financial instruments, net of tax
Derivative financial instruments, net of tax
Other comprehensive (loss) income
Other comprehensive (loss) income
Other comprehensive (loss) income
Other comprehensive income (loss)
Other comprehensive income (loss)
Other comprehensive income (loss)
Comprehensive income
Comprehensive income

Comprehensive income		
Less: Comprehensive income attributable to noncontrolling interests		
Less: Comprehensive income attributable to noncontrolling interests		
Less: Comprehensive income attributable to noncontrolling interests		
Comprehensive income attributable to A&F		
Comprehensive income attributable to A&F		
Comprehensive income attributable to A&F		

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Abercrombie & Fitch Co.
Condensed Consolidated Balance Sheets
(Thousands, except par value amounts)
(Unaudited)

	May 4, 2024	February 3, 2024
	August 3, 2024	February 3, 2024
Assets		
Current assets:		
Current assets:		
Current assets:		
Cash and equivalents		
Cash and equivalents		
Cash and equivalents		
Receivables		
Inventories		
Other current assets		
Total current assets		
Property and equipment, net		
Operating lease right-of-use assets		
Other assets		
Total assets		
Liabilities and stockholders' equity		
Current liabilities:		
Current liabilities:		
Current liabilities:		
Accounts payable		
Accounts payable		
Accounts payable		
Accrued expenses		
Short-term portion of operating lease liabilities		
Income taxes payable		

Total current liabilities	
Long-term liabilities:	
Long-term portion of operating lease liabilities	
Long-term portion of operating lease liabilities	
Long-term portion of operating lease liabilities	
Long-term borrowings, net	
Other liabilities	
Total long-term liabilities	
Stockholders' equity	
Class A Common Stock: $0.01 par value: 150,000 shares authorized and 103,300 shares issued for all periods presented Class A Common Stock: $0.01 par value: 150,000 shares authorized and 103,300 shares issued for all periods presented Class A Common Stock: $0.01 par value: 150,000 shares authorized and 103,300 shares issued for all periods presented	
Paid-in capital	
Retained earnings	
Accumulated other comprehensive loss, net of tax ("AOCL")	
Treasury stock, at average cost: 52,198 and 52,800 shares as of May 4, 2024 and February 3, 2024, respectively Treasury stock, at average cost: 52,231 and 52,800 shares as of August 3, 2024 and February 3, 2024, respectively	
Total Abercrombie & Fitch Co. stockholders' equity	
Noncontrolling interests	
Total stockholders' equity	
Total liabilities and stockholders' equity	

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Abercrombie & Fitch Co.
Condensed Consolidated Statements of Stockholders' Equity
(Thousands, except per share amounts)
(Unaudited)

	Thirteen Weeks Ended May 4, 2024									Thirteen Weeks Ended August 3, 2024								
	Common Stock		Paid-				Treasury stock		Total	Common Stock		Paid-	Non-			Treasury stock		Total
	Shares outstanding	Par value	in capital	Non-controlling interests	Retained earnings	AOCL	Shares	At average cost	stockholders' equity	Shares outstanding	Par value	in capital	controlling interests	Retained earnings	AOCL	Shares	At average cost	stockholders' equity
Balance, February 3, 2024																		
Balance, May 4, 2024																		
Net income																		
Purchase of Common Stock																		
Share-based compensation issuances and exercises																		
Share-based compensation issuances and exercises																		
Share-based compensation issuances and exercises																		

Share-based compensation expense
Derivative financial instruments, net of tax
Foreign currency translation adjustments, net of tax
Distributions to noncontrolling interests, net
Ending balance at May 4, 2024
Contribution from noncontrolling interests, net
Ending balance at August 3, 2024

Thirteen Weeks Ended April 29, 2023

Thirteen Weeks Ended April 29, 2023

Thirteen Weeks Ended April 29, 2023

Thirteen Weeks Ended July 29, 2023

Thirteen Weeks Ended July 29, 2023

Thirteen Weeks Ended July 29, 2023

	Common Stock		Paid-				Treasury stock		Total	Common Stock		Paid-	Non-			Treasury stock		Total
	Shares outstanding	Par value	in capital	Non-controlling interests	Retained earnings	AOCL	Shares	At average cost	stockholders' equity	Shares outstanding	Par value	in capital	controlling interests	Retained earnings	AOCL	Shares	At average cost	stockholders' equity
Balance, January 28, 2023																		
Balance, April 29, 2023																		
Net income																		
Share-based compensation issuances and exercises																		
Share-based compensation issuances and exercises																		
Share-based compensation issuances and exercises																		
Share-based compensation expense																		
Derivative financial instruments, net of tax																		
Foreign currency translation adjustments, net of tax																		
Distributions to noncontrolling interests, net																		
Ending balance at April 29, 2023																		
Distribution to noncontrolling interests, net																		
Ending balance at July 29, 2023																		

Abercrombie & Fitch Co.
Condensed Consolidated Statements of Stockholders' Equity
(Thousands, except per share amounts)
(Unaudited)

	Twenty-Six Weeks Ended August 3, 2024								
	Common Stock						Treasury stock		
	Shares outstanding	Par value	Paid-in capital	Non-controlling interests	Retained earnings	AOCL	Shares	At average cost	Total stockholders' equity
Balance, February 3, 2024	50,500	$ 1,033	$ 421,609	$ 14,827	$ 2,643,629	$ (135,968)	52,800	$ (1,895,143)	$ 1,049,987
Net income	—	—	—	3,439	247,018	—	—	—	250,457
Purchase of Common Stock	(203)	—	—	—	—	—	203	(30,000)	(30,000)
Share-based compensation issuances and exercises	772	—	(33,912)	—	(12,678)	—	(772)	(20,635)	(67,225)
Share-based compensation expense	—	—	20,596	—	—	—	—	—	20,596
Derivative financial instruments, net of tax	—	—	—	—	—	(627)	—	—	(627)
Foreign currency translation adjustments, net of tax	—	—	—	—	—	1,604	—	—	1,604
Distribution to noncontrolling interests, net	—	—	—	(3,642)	—	—	—	—	(3,642)
Ending balance at August 3, 2024	51,069	$ 1,033	$ 408,293	$ 14,624	$ 2,877,969	$ (134,991)	52,231	$ (1,945,778)	$ 1,221,150

	Twenty-Six Weeks Ended July 29, 2023								
	Common Stock						Treasury stock		
	Shares outstanding	Par value	Paid-in capital	Non-controlling interests	Retained earnings	AOCL	Shares	At average cost	Total stockholders' equity
Balance, January 28, 2023	49,002	$ 1,033	$ 416,255	$ 11,728	$ 2,368,815	$ (137,527)	54,298	$ (1,953,735)	$ 706,569
Net income	—	—	—	3,113	73,465	—	—	—	76,578
Share-based compensation issuances and exercises	1,139	—	(25,504)	—	(42,248)	—	(1,139)	48,983	(18,769)
Share-based compensation expense	—	—	19,647	—	—	—	—	—	19,647
Derivative financial instruments, net of tax	—	—	—	—	—	2,647	—	—	2,647
Foreign currency translation adjustments, net of tax	—	—	—	—	—	(3,525)	—	—	(3,525)
Distribution to noncontrolling interests, net	—	—	—	(4,363)	—	—	—	—	(4,363)
Ending balance at July 29, 2023	50,141	$ 1,033	$ 410,398	$ 10,478	$ 2,400,032	$ (138,405)	53,159	$ (1,904,752)	$ 778,784

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Abercrombie & Fitch Co.
Condensed Consolidated Statements of Cash Flows

(Thousands)
(Unaudited)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	May 4, 2024	April 29, 2023	August 3, 2024	July 29, 2023
Operating activities				
Net income				
Net income				
Net income				
Adjustments to reconcile net income to net cash provided by (used for) operating activities:				
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				
Asset impairment				
Loss on disposal				
Provision for deferred income taxes				
Benefit from deferred income taxes				
Share-based compensation				
Loss on extinguishment of debt				
Changes in assets and liabilities:				
Inventories				
Inventories				
Inventories				
Accounts payable and accrued expenses				
Operating lease right-of-use assets and liabilities				
Income taxes				
Other assets				
Other liabilities				
Net cash provided by (used for) operating activities				
Net cash provided by operating activities				
Investing activities				
Purchases of marketable securities				
Purchases of marketable securities				
Purchases of marketable securities				
Purchases of property and equipment				
Purchases of property and equipment				
Purchases of property and equipment				
Net cash used for investing activities				
Net cash used for investing activities				
Net cash used for investing activities				
Financing activities				
Purchase of senior secured notes				
Repayment/redemption of senior secured notes				
Purchase of senior secured notes				
Repayment/redemption of senior secured notes				
Purchase of senior secured notes				
Repayment/redemption of senior secured notes				
Purchases of Common Stock				

Payment of debt modification costs and fees
Purchases of Common Stock
Payment of debt modification costs and fees
Payment of debt modification costs and fees
Purchases of Common Stock
Acquisition of Common stock for tax withholding obligations
Acquisition of Common stock for tax withholding obligations
Acquisition of Common stock for tax withholding obligations
Other financing activities
Net cash used for financing activities
Effect of foreign currency exchange rates on cash
Net decrease in cash and equivalents, and restricted cash and equivalents
Net (decrease) increase in cash and equivalents, and restricted cash and equivalents
Cash and equivalents, and restricted cash and equivalents, beginning of period
Cash and equivalents, and restricted cash and equivalents, end of period
Supplemental information related to non-cash activities
Purchases of property and equipment not yet paid at end of period
Purchases of property and equipment not yet paid at end of period
Purchases of property and equipment not yet paid at end of period
Operating lease right-of-use assets additions, net of terminations, impairments and other reductions
Supplemental information related to cash activities
Cash paid for interest
Cash paid for interest
Cash paid for interest
Cash paid for income taxes
Cash received from income tax refunds
Cash paid for amounts included in measurement of operating lease liabilities, net of abatements

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Abercrombie & Fitch Co.

Index for Notes to Condensed Consolidated Financial Statements (Unaudited)

Abercrombie & Fitch Co.

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. NATURE OF BUSINESS

Abercrombie & Fitch Co. (“A&F”), a company incorporated in Delaware in 1996, through its subsidiaries (collectively, A&F and its subsidiaries are referred to as the “Company”), is a global, digitally-led omnichannel retailer. The Company offers a broad assortment of apparel, personal care products and accessories for men, women and kids, which are sold primarily through its Company-owned stores and digital channels, as well as through various third-party arrangements.

The Company manages its business on a geographic basis, consisting of three reportable segments: Americas; Europe, the Middle East and Africa (EMEA) (“EMEA”); and Asia-Pacific (APAC) (“APAC”). Corporate functions and other income and expenses are evaluated on a consolidated basis and are not allocated to the Company’s segments, and therefore are included as a reconciling item between segment and total operating income.

The Company’s brands include Abercrombie brands, which includes Abercrombie & Fitch and abercrombie kids, and Hollister brands, which includes Hollister and Gilly Hicks. These brands share a commitment to offering unique products of enduring quality and exceptional comfort that allow customers around the world to express their own individuality and style.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying Condensed Consolidated Financial Statements include historical financial statements of, and transactions applicable to, the Company and reflect its financial position, results of operations and cash flows.

The Company has interests in Emirati and Kuwaiti business ventures with Majid al Futtaim Fashion Lifestyle L.L.C. (“MAF”) and in a United States of America (the “U.S.”) business venture with Dixar L.L.C. (“Dixar”), each of which meets the definition of a variable interest entity (“VIE”). The purpose of the business ventures with MAF is to operate stores in the United Arab Emirates and Kuwait and the purpose of the business venture with Dixar is to hold the intellectual property related to the Social Tourist brand. The Company is deemed to be the primary beneficiary of these VIEs; therefore, the Company has consolidated the operating results, assets and liabilities of these VIEs, with the noncontrolling interests' ("NCI") portions of net income presented as net income attributable to NCI on the Condensed Consolidated Statements of Operations and Comprehensive Income and the NCI portion of stockholders' equity presented as NCI on the Condensed Consolidated Balance Sheets.

Fiscal year

The Company's fiscal year ends on the Saturday closest to January 31. This typically results in a fifty-two week year, but occasionally gives rise to an additional week, resulting in a fifty-three week year. Fiscal years are designated in the Condensed Consolidated Financial Statements and notes, as well as the remainder of this Quarterly Report on Form 10-Q, by the calendar year in which the fiscal year commences. All references herein to the Company's fiscal years are as follows:

Fiscal year	Year ended/ending	Number of weeks
Fiscal 2023	February 3, 2024	53
Fiscal 2024	February 1, 2025	52
Fiscal 2025	January 31, 2026	52

Interim financial statements

The Condensed Consolidated Financial Statements as of May 4, 2024 August 3, 2024, and for the thirteen and twenty-six week periods ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023, are unaudited and are presented pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim consolidated financial statements. Accordingly, the Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto contained in A&F's Annual Report on Form 10-K for Fiscal 2023 filed with the SEC on April 1, 2024 (the "Fiscal 2023 Form 10-K"). The February 3, 2024 consolidated balance sheet data, included herein, were derived from audited consolidated financial statements, but do not include all disclosures required by accounting principles generally accepted in the U.S. ("GAAP").

In the opinion of management, the accompanying Condensed Consolidated Financial Statements reflect all adjustments (which are of a normal recurring nature) necessary to state fairly, in all material respects, the financial position, results of operations and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for Fiscal 2024.

Use of estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Due to the inherent uncertainty involved with estimates, actual results may differ. Additionally, these estimates and assumptions may change as a result of the impact of global economic conditions such as the uncertainty regarding a slowing economy, rising interest rates, continued inflation, fluctuation in foreign exchange rates, the ongoing conflicts between Russia and Ukraine or Israel and Hamas geopolitical concerns, all of which could result in material impacts to the Company's consolidated financial statements in future reporting periods.

Recent accounting pronouncements

The Company reviews recent accounting pronouncements on a quarterly basis and has excluded discussion of those not applicable to the Company and those that did not have, or are not expected to have, a material impact on the Company's consolidated financial statements. The following table provides a brief description of certain accounting pronouncements the Company has not yet adopted and that could affect the company has adopted. Company's financial statements.

Accounting Standards Update (ASU)	Description	Effect on the financial statements or other significant matters
ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	The update modifies the disclosure/presentation requirements of reportable segments. The amendments in the update require the disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (CODM) (“CODM”) and included within each reported measure of segment profit and loss, The amendments also require disclosure of all other segment items by reportable segment and a description of its composition. Additionally, the amendments require disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources.This resources. This update is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted.	The Company is currently evaluating Other than the impact that new disclosure requirements, the adoption of this guidance will not have a significant impact on its the Company's consolidated financial statements and accompanying notes statements.
ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures	The standard requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as information on income taxes paid. For public business entities (PBEs) (“PBEs”), the requirement will be effective for annual periods beginning after December 15, 2024. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted.	Other than the new disclosure requirements, the adoption of this guidance will not have a significant impact on the Company's consolidated financial statements.

Condensed Consolidated Statements of Cash Flows reconciliation

The following table provides a reconciliation of cash and equivalents and restricted cash and equivalents to the amounts shown on the Condensed Consolidated Statements of Cash Flows:

(in thousands)	*(in thousands)* Location	May 4, 2024	February 3, 2024	April 29, 2023	January 28, 2023	*(in thousands)* Location	August 3, 2024	February 3, 2024	July 29, 2023	January 28, 2023
Cash and equivalents										
Long-term restricted cash and equivalents										
Cash and equivalents and restricted cash and equivalents										
Cash and equivalents and restricted cash and equivalents										
Cash and equivalents and restricted cash and equivalents										

Supply Chain Finance Program

Under the supply chain finance (“SCF”) program, which is administered by a third party, the Company’s vendors, at their sole discretion, are given the opportunity to sell receivables from the Company to a participating financial institution at a discount that leverages the Company’s credit profile. The commercial terms negotiated by the Company with its vendors are consistent, irrespective of whether a vendor participates in the SCF program. A participating vendor has the option to be paid by the financial institution earlier than the original invoice due date. The Company’s responsibility is limited to making payment on the terms originally negotiated by the Company with each vendor, regardless of whether the vendor sells its receivable to a financial institution. If a vendor chooses to participate in the SCF program, the Company pays the financial institution the stated amount of confirmed merchandise invoices on the stated maturity date, which is typically 75 days from the invoice date. The agreement with the financial institution does not require the Company to provide assets pledged as security or other forms of guarantees for the SCF program.

As of May 4, 2024 August 3, 2024 and February 3, 2024, $58.0 million $97.2 million and $72.4 million of SCF program liabilities were recorded in accounts payable in the Condensed Consolidated Balance Sheets, respectively, and reflected as a cash flow from operating activities in the Condensed Consolidated Statements of Cash Flows when settled.

The following table provides activity in the SCF program for the thirteen twenty-six weeks ended May 4, 2024 August 3, 2024:

		Thirteen Twenty-Six Weeks Ended
(in thousands)		May 4, August 3, 2024
Confirmed obligations outstanding at the beginning of the period	$	72,376
Invoices confirmed during the period		186,761
Confirmed invoices paid during the period		(161,890)
Confirmed obligations outstanding at the end of the period	$	58,028 97,247

3. REVENUE RECOGNITION

Disaggregation of revenue

All revenues are recognized in net sales in the Condensed Consolidated Statements of Operations and Comprehensive Income. For information regarding the disaggregation of revenue, refer to Note 14, "*SEGMENT REPORTING*."

Contract liabilities

The following table details certain contract liabilities representing unearned revenue as of May 4, 2024 August 3, 2024, February 3, 2024, April 29, 2023 July 29, 2023 and January 28, 2023:

(in thousands)	*(in thousands)*	May 4, 2024	February 3, 2024	April 29, 2023	January 28, 2023	*(in thousands)*	August 3, 2024	February 3, 2024	July 29, 2023	January 28, 2023
Gift card liability (1)										
Loyalty programs liability										

(1) Includes $9.9 million $14.8 million and $13.4 million $26.4 million of revenue recognized during the thirteen twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023, respectively, that was included in the gift card liability at the beginning of February 3, 2024 and January 28, 2023, respectively.

The following table details recognized revenue associated with the Company's gift card program and loyalty programs for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

		Thirteen Weeks Ended		Thirteen Weeks Ended		Twenty-Six Weeks Ended
		Thirteen Weeks Ended				
		Thirteen Weeks Ended				
(in thousands)						
(in thousands)						
(in thousands)	*(in thousands)*	August 3, 2024	July 29, 2023		August 3, 2024	July 29, 2023
Revenue associated with gift card redemptions and gift card breakage						
Revenue associated with gift card redemptions and gift card breakage						
Revenue associated with gift card redemptions and gift card breakage						
Revenue associated with reward redemptions and breakage related to the Company's loyalty programs						
Revenue associated with reward redemptions and breakage related to the Company's loyalty programs						
Revenue associated with reward redemptions and breakage related to the Company's loyalty programs						

4. NET INCOME PER SHARE

Net income per basic and diluted share attributable to A&F is computed based on the weighted-average number of outstanding shares of A&F's Class A Common Stock, $0.01 par value ("Common Stock"). The following table provides additional information pertaining to net income per share attributable to A&F for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

		Thirteen Weeks Ended		Twenty-Six Weeks Ended	
(in thousands)	*(in thousands)*	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
(in thousands)					
(in thousands)					
Shares of Common Stock issued					
Shares of Common Stock issued					
Shares of Common Stock issued					
Weighted-average treasury shares					
Weighted-average treasury shares					
Weighted-average treasury shares					
Weighted-average — basic shares					
Weighted-average — basic shares					
Weighted-average — basic shares					
Dilutive effect of share-based compensation awards					
Dilutive effect of share-based compensation awards					
Dilutive effect of share-based compensation awards					
Weighted-average — diluted shares					
Weighted-average — diluted shares					
Weighted-average — diluted shares					
Anti-dilutive shares (1)					
Anti-dilutive shares (1)					
Anti-dilutive shares (1)					

(1) Reflects the total number of shares related to outstanding share-based compensation awards that have been excluded from the computation of net income per diluted share because the impact would have been anti-dilutive. Unvested shares related to restricted stock units with performance-based and market-based vesting conditions can achieved from zero up to 200% of their target vesting amount and are reflected at the maximum vesting amount less any dilutive portion.

5. FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs used to measure fair value are prioritized based on a three-level hierarchy. The three levels of inputs to measure fair value are as follows:

- Level 1—inputs are unadjusted quoted prices for identical assets or liabilities that are available in active markets that the Company can access at the measurement date.
- Level 2—inputs are other than quoted market prices included within Level 1 that are observable for assets or liabilities, directly or indirectly.
- Level 3—inputs to the valuation methodology are unobservable.

The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The following table provides the three levels of the hierarchy and the distribution of the Company's assets measured at fair value on a recurring basis, as of May 4, 2024 August 3, 2024 and February 3, 2024:

	Assets and Liabilities at Fair Value as of May 4, 2024			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents (1)	$ 302,285	$ 17,912	$ —	$ 320,197
Derivative instruments (2)	—	1,613	—	1,613
Rabbi Trust assets (3)	1,164	52,863	—	54,027
Restricted cash equivalents (1)	3,285	1,441	—	4,726
Total assets	$ 306,734	$ 73,829	$ —	$ 380,563

	Level 1	Level 2	Level 3	Total
Liabilities:				
Derivative instruments (2)	$ —	$ 117	$ —	$ 117
Total liabilities	$ —	$ 117	$ —	$ 117

	Assets and Liabilities at Fair Value as of February 3, 2024			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents (1)	$ 349,174	$ 26,975	$ —	$ 376,149
Derivative instruments (2)	—	1,092	—	1,092
Rabbi Trust assets (3)	1,164	52,521	—	53,685
Restricted cash equivalents (1)	4,282	1,420	—	5,702
Total assets	$ 354,620	$ 82,008	$ —	$ 436,628
Liabilities:				
Derivative instruments (2)	$ —	$ 539	$ —	$ 539
Total liabilities	$ —	$ 539	$ —	$ 539

	Assets and Liabilities at Fair Value as of August 3, 2024			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents (1)	$ 135,547	$ 27,609	$ —	$ 163,156
Marketable securities (2)	—	15,014	—	15,014
Derivative instruments (3)	—	390	—	390
Rabbi Trust assets (4)	1,164	53,207	—	54,371
Restricted cash equivalents (1)	3,300	1,458	—	4,758
Total assets	$ 140,011	$ 97,678	$ —	$ 237,689
Liabilities:				
Derivative instruments (3)	$ —	$ 360	$ —	$ 360
Total liabilities	$ —	$ 360	$ —	$ 360

	Assets and Liabilities at Fair Value as of February 3, 2024			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents (1)	$ 349,174	$ 26,975	$ —	$ 376,149
Derivative instruments (3)	—	1,092	—	1,092
Rabbi Trust assets (4)	1,164	52,521	—	53,685
Restricted cash equivalents (1)	4,282	1,420	—	5,702
Total assets	$ 354,620	$ 82,008	$ —	$ 436,628
Liabilities:				
Derivative instruments (3)	$ —	$ 539	$ —	$ 539
Total liabilities	$ —	$ 539	$ —	$ 539

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(1) Level 1 assets consisted of investments in money market funds and U.S. treasury bills. Level 2 assets consisted of time deposits. deposits with original maturities of less than three months.

(2) Level 2 assets consisted of time deposits with original maturities greater than three months, but less than one year.

(3) Level 2 assets and liabilities consisted primarily of foreign currency exchange forward contracts.

(3) (4) Level 1 assets consisted of investments in money market funds. Level 2 assets consisted of trust-owned life insurance policies.

The Company's Level 2 assets and liabilities consisted of:

- Trust-owned life insurance policies, which were valued using the cash surrender value of the life insurance policies;
- Time deposits which with original maturities of three months or less were valued recorded at cost, approximating fair value, due to the short-term nature of these investments;
- Time deposits with original maturities greater than three months were recorded at fair value, which approximates their carrying value, and are primarily based upon quoted vendor or broker priced securities in active markets; and
- Derivative instruments, primarily foreign currency exchange forward contracts, which were valued using quoted market prices of the same or similar instruments, adjusted for counterparty risk.

Fair value of long-term borrowings

The Company's borrowings under its senior secured notes, which have a fixed 8.75% interest rate and mature on July 15, 2025 (the "Senior Secured Notes"), are were carried at historical cost in the accompanying Condensed Consolidated Balance Sheets. The following table provides the carrying amount Sheet as of February 3, 2024. On July 15, 2024 (the "Redemption Date"), Abercrombie & Fitch Management Co. ("A&F Management") redeemed all of its outstanding senior secured notes at par value, which had a fixed 8.75% interest rate and fair value were scheduled to mature on July 15, 2025 (the "Senior Secured Notes"). As of the Company's long-term gross borrowings as of May 4, 2024 and February 3, 2024:

(in thousands)	May 4, 2024	February 3, 2024
Gross borrowings outstanding, carrying amount	$ 213,906	$ 223,214
Gross borrowings outstanding, fair value (1)	215,510	226,004

(1) Classified as Level 2 measurements within Redemption Date, the fair value hierarchy. Senior Secured Notes were no longer deemed outstanding.

6. PROPERTY AND EQUIPMENT, NET

The following table provides property and equipment, net as of May 4, 2024 August 3, 2024 and February 3, 2024:

(in thousands)	*(in thousands)* May 4, 2024	February 3, 2024	*(in thousands)* August 3, 2024	February 3, 2024
Property and equipment, at cost				
Less: Accumulated depreciation and amortization				
Property and equipment, net				

Refer to Note 8, "*ASSET IMPAIRMENT*," for details related to property and equipment impairment charges incurred during the thirteen weeks and twenty-six ended May 4, 2024 August 3, 2024 and thirteen weeks ended April 29, 2023 July 29, 2023.

7. LEASES

The Company is a party to leases related to its Company-operated retail stores as well as for certain of its distribution centers, office space, information technology and equipment.

The following table provides a summary of the Company's operating lease costs for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

	Thirteen Weeks Ended		Thirteen Weeks Ended		Twenty-Six Weeks Ended
	Thirteen Weeks Ended				
	Thirteen Weeks Ended				
(in thousands)					
(in thousands)					
(in thousands)	*(in thousands)*	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Single lease cost (1)					
Single lease cost (1)					
Single lease cost (1)					
Variable lease cost (2)					
Variable lease cost (2)					
Variable lease cost (2)					
Operating lease right-of-use asset impairment (3)					
Operating lease right-of-use asset impairment (3)					
Operating lease right-of-use asset impairment (3)					
Sublease income					
Sublease income					
Sublease income					
Total operating lease cost					
Total operating lease cost					
Total operating lease cost					

(1) Includes amortization and interest expense associated with operating lease right-of-use assets and the impact from remeasurement of operating lease liabilities.

(2) Includes variable payments related to both lease and nonlease components, such as contingent rent payments made by the Company based on performance, and payments related to taxes, insurance, and maintenance costs.

(3) Refer to Note 8, "*ASSET IMPAIRMENT*," for details related to operating lease right-of-use asset impairment charges.

The Company had minimum commitments related to operating lease contracts that have not yet commenced, primarily for certain Company-operated retail stores, of approximately $72.1 $107.1 million as of May 4, 2024 August 3, 2024.

8. ASSET IMPAIRMENT

The following table provides asset impairment charges for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

	Thirteen Weeks Ended		Thirteen Weeks Ended		Twenty-Six Weeks Ended
	Thirteen Weeks Ended				
	Thirteen Weeks Ended				
(in thousands)					
(in thousands)					
(in thousands)	*(in thousands)*	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Operating lease right-of-use asset impairment					

Operating lease right-of-use asset impairment
Operating lease right-of-use asset impairment
Property and equipment asset impairment
Property and equipment asset impairment
Property and equipment asset impairment
Total asset impairment
Total asset impairment
Total asset impairment

Asset impairment charges for the thirteen twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023 related to certain of the Company's store assets. The store impairment charges for the thirteen twenty-six weeks ended May 4, 2024 August 3, 2024 reduced the then carrying amount of the impaired stores' assets to their fair value of approximately $8.3 $6.0 million, including $6.7 $5.3 million related to operating lease right-of-use assets.

9. INCOME TAXES

The quarterly provision for income taxes is based on the current estimate of the annual effective income tax rate and the tax effect of discrete items occurring during the quarter. The Company's quarterly provision and the estimate of the annual effective tax rate are subject to significant variation due to several factors. These factors include variability in the pre-tax jurisdictional mix of earnings, changes in how the Company does business including entering into new businesses or geographies, changes in foreign currency exchange rates, changes in laws, regulations, interpretations and administrative practices, relative changes in expenses or losses for which tax benefits are not recognized and the impact of discrete items. In addition, jurisdictions where the Company anticipates an ordinary loss for the fiscal year for which the Company does not anticipate future tax benefits are excluded from the overall computation of estimated annual effective tax rate and no tax benefits are recognized in the period related to losses in such jurisdictions. The impact of these items on the effective tax rate will be greater at lower levels of pre-tax earnings.

Impact of valuation allowances

During the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024, the Company did not recognize income tax benefits on $7.6 million $7.0 million and $14.6 million respectively, of pretax losses, primarily in Switzerland, resulting in adverse tax impacts of $1.1 million. and $2.2 million, respectively.

As of May 4, 2024 August 3, 2024, the Company had foreign net deferred tax assets of approximately $38.3 million $40.3 million, including $8.1 million $9.7 million, $7.4 million $7.7 million, and $12.7 million $13.0 million in China, Japan and the United Kingdom, respectively. While the Company believes that these net deferred tax assets are more-likely-than-not to be realized, it is not a certainty, as the Company continues to evaluate and respond to emerging situations. Should circumstances change, the net deferred tax assets may become subject to additional valuation allowances in the future. Additional valuation allowances would result in additional tax expense.

During the thirteen and twenty-six weeks ended April 29, 2023 July 29, 2023, the Company did not recognize income tax benefits on $20.3 million $22.7 million and $43.0 million of pretax losses, primarily in Switzerland, resulting in adverse tax impacts of $3.1 million. $3.4 million and $6.5 million, respectively.

As of February 3, 2024, there were approximately $7.6 million, $7.5 million, and $12.6 million of net deferred tax assets in China, Japan, and the United Kingdom, respectively.

Share-based compensation

Refer to Note 11, "*SHARE-BASED COMPENSATION*," for details on income tax benefits and charges related to share-based compensation awards during the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023.

10. BORROWINGS

The following table provides details on the Company's long-term borrowings, net, as of May 4, 2024 and February 3, 2024 :

(in thousands)		May 4, 2024		February 3, 2024
Long-term portion of borrowings, gross at carrying amount	$	213,906	$	223,214
Unamortized fees		(804)		(1,095)
Long-term borrowings, net	$	213,102	$	222,119

Senior Secured Notes

During On the thirteen weeks ended May 4, 2024, Redemption Date, A&F Management purchased $9.3 million redeemed all of its outstanding 8.75% Senior Secured Notes in due July 15, 2025, which had an aggregate principal amount of $214 million, at a redemption price equal to 100% of the open market principal amount, plus accrued and unpaid interest to, but excluding, the Redemption Date, and incurred a $0.2 million $0.9 million loss on extinguishment of debt, recognized in interest expense on the Condensed Consolidated Statements of Operations and Comprehensive Income. The terms During the twenty-six weeks ended August 3, 2024, A&F Management repurchased $9.3 million in the open market and redeemed $214 million of its Senior Secured Notes and incurred a loss on extinguishment of debt of $1.1 million. As of the Redemption Date, the Senior Secured Notes have remained unchanged from those disclosed in Note 12, "BORROWINGS," of were no longer deemed outstanding and interest on the Senior Secured Notes ceased to Consolidated Financial Statements contained in "Item 8. Financial Statements and Supplementary Data" of the Fiscal 2023 Form 10-K. accrue.

ABL Facility

On August 2, 2024, A&F, as parent and a guarantor, A&F Management, as lead borrower, and certain of A&F's direct and indirect wholly-owned subsidiaries, as additional borrowers and guarantors, entered into the Second Amendment to Amended and Restated Credit Agreement (the "Second Amendment"), together with the lenders party thereto and Wells Fargo Bank, National Association, as administrative agent for the lenders. The terms Second Amendment amends the existing Amended and Restated Credit Agreement, dated as of April 29, 2021 (the "ABL Credit Agreement"), which provided for a $400 million senior secured asset-based revolving credit facility. The Company incurred customary fees and expenses in connection with the entry into the Second Amendment.

The Second Amendment amended the ABL Credit Agreement to, among other things:

- increase the aggregate commitments thereunder to $500 million;
- establish a $100 million sub-facility for the benefit of Abfico Netherlands Distribution B.V. ("Abfico") and AFH Stores UK Limited ("AFH UK") that is (i) secured by a first priority security interest in all assets (subject to specified exclusions) of each of Abfico and AFH UK, (ii) guaranteed by A&F and certain of its domestic direct and indirect wholly-owned subsidiaries and (iii) subject to a borrowing base as described therein;
- extend the maturity date from April 29, 2026 to August 2, 2029;
- increase the letter of credit sub-limit from $50 million to $62.5 million;
- decrease the swing line availability from $50 million to $30 million;
- decrease the unused line fee from a variable rate of 25 basis points to 37.5 basis points to a flat rate of 25 basis points; and
- increase pricing of the Company's senior secured revolving credit facility of up interest rate margin applicable to $400.0 million (the "ABL Facility") have remained unchanged borrowings as follows:
    - from those disclosed in Note 12, "*BORROWINGS*," 1.25% to 1.50% when average availability is greater than or equal to 50% of the Notes Loan Cap (as defined in the Second Amendment); and
    - from 1.50% to Consolidated Financial Statements contained in "Item 8. Financial Statements and Supplementary Data" 1.75% when average availability is less than 50% of the Fiscal 2023 Form 10-K. Loan Cap.

The Company did not have any borrowings outstanding under the ABL Facility as is subject to a borrowing base, consisting primarily of May 4, 2024 or as inventory located in the U.S., the United Kingdom and the Netherlands, with a letter of February 3, 2024. credit sub-limit of $62.5 million, a swing line loan sub-limit of $30 million, and an accordion feature allowing A&F to increase the revolving commitment by up to $150 million subject to specified conditions. The ABL Facility is available for working capital, capital expenditures, and other general corporate purposes.

As of May 4, 2024 August 3, 2024, availability under the ABL Facility was $325.2 million, $478.4 million, net of $0.4 million in outstanding stand-by letters of credit. As the Company must maintain excess availability equal to the greater of 10% of the loan cap or $30 million $36 million under the ABL Facility, borrowing capacity available to the Company under the ABL Facility was $292.7 million $430.5 million as of May 4, 2024 August 3, 2024.

Representations, warranties and covenants

The agreements related to the Senior Secured Notes and the ABL Facility contain various representations, warranties and restrictive covenants that, among other things and subject to specified exceptions, restrict the ability of the Company and its subsidiaries to: grant or incur liens; incur, assume or guarantee additional indebtedness; sell or otherwise dispose of assets, including capital stock of subsidiaries; make investments in certain subsidiaries; pay dividends, make distributions or redeem or repurchase capital stock; change the nature of their business; and consolidate or merge with or into, or sell substantially all of the assets of the Company or Abercrombie & Fitch Management Co. ("A&F Management") Management to another entity.

The Senior Secured Notes are guaranteed on a senior secured basis, jointly and severally, by A&F and each of the existing and future wholly-owned domestic restricted subsidiaries of A&F that guarantee or will guarantee A&F Management's Amended and Restated Credit Agreement (the "Amended and Restated Credit Agreement") or certain future capital markets indebtedness.

Certain of the agreements related to the Senior Secured Notes and the ABL Facility also contain certain affirmative covenants, including reporting requirements such as delivery of financial statements, certificates and notices of certain events, maintaining insurance and providing additional guarantees and collateral in certain circumstances.

The Company was in compliance with all debt covenants under these agreements as of May 4, 2024 August 3, 2024.

11. SHARE-BASED COMPENSATION

Financial statement impact

The following table provides share-based compensation expense and the related income tax impacts for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

		Thirteen Weeks Ended		Thirteen Weeks Ended	Twenty-Six Weeks Ended
		Thirteen Weeks Ended			
		Thirteen Weeks Ended			
(in thousands)					
(in thousands)					
(in thousands)	*(in thousands)*	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Share-based compensation expense					
Share-based compensation expense					
Share-based compensation expense					
Income tax benefits associated with share-based compensation expense recognized					
Income tax benefits associated with share-based compensation expense recognized					
Income tax benefits associated with share-based compensation expense recognized					

The following table provides discrete income tax benefits and charges related to share-based compensation awards during the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

		Thirteen Weeks Ended		Twenty-Six Weeks Ended	
		Thirteen Weeks Ended			
		Thirteen Weeks Ended			
(in thousands)	*(in thousands)*	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
(in thousands)					
(in thousands)					
Income tax discrete benefits realized for tax deductions related to the issuance of shares					
Income tax discrete benefits realized for tax deductions related to the issuance of shares					
Income tax discrete benefits realized for tax deductions related to the issuance of shares					
Income tax discrete charges realized upon cancellation of stock appreciation rights					
Income tax discrete charges realized upon cancellation of stock appreciation rights					
Income tax discrete charges realized upon cancellation of stock appreciation rights					
Total income tax discrete benefits related to share-based compensation awards					
Total income tax discrete benefits related to share-based compensation awards					
Total income tax discrete benefits related to share-based compensation awards					

The following table provides the amount of employee tax withheld by the Company upon the issuance of shares associated with restricted stock units vesting and the exercise of stock appreciation rights for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

	Thirteen Weeks Ended		Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	Thirteen Weeks Ended					
	Thirteen Weeks Ended					
(in thousands)						
(in thousands)						
(in thousands)	*(in thousands)*	August 3, 2024	July 29, 2023	August 3, 2024		July 29, 2023
Employee tax withheld upon issuance of shares (1)						
Employee tax withheld upon issuance of shares (1)						
Employee tax withheld upon issuance of shares (1)						

(1) Classified within financing activities on the Condensed Consolidated Statements of Cash Flows.

Restricted stock units

The following table provides the summarized activity for restricted stock units for the thirteen twenty-six weeks ended May 4, 2024 August 3, 2024:

	Service-based Restricted Stock Units		Service-based Restricted Stock Units		Performance-based Restricted Stock Units	Market-based Restricted Stock Units		Service-based Restricted Stock Units		Performance-based Restricted Stock Units	Market-based Restricted Stock Units		
	Number of Underlying Shares	Number of Underlying Shares	Weighted-Average Grant Date Fair Value	Number of Underlying Shares	Weighted-Average Grant Date Fair Value	Number of Underlying Shares	Weighted-Average Grant Date Fair Value	Number of Underlying Shares	Weighted-Average Grant Date Fair Value	Number of Underlying Shares	Weighted-Average Grant Date Fair Value	Number of Underlying Shares	Weighted-Average Grant Date Fair Value
Unvested at February 3, 2024													
Granted													
Adjustments for performance achievement													
Vested													
Forfeited													
Unvested at May 4, 2024 (1)													
Unvested at August 3, 2024 (1)													

(1) Unvested shares related to restricted stock units with performance-based and market-based vesting conditions are reflected at 100% of their target vesting amount in the table above. Unvested shares related to restricted stock units with performance-based and market-based vesting conditions can be achieved from zero up to 200% of their target vesting amount.

The following table provides the unrecognized compensation cost and the remaining weighted-average period over which these costs are expected to be recognized for restricted stock units as of May 4, 2024 August 3, 2024:

	Service-based Restricted Stock Units	Performance-based Restricted Stock Units	Market-based Restricted Stock Units
Unrecognized compensation cost *(in thousands)*	$ 53,083	$ 20,866	$ 8,037
Remaining weighted-average period cost is expected to be recognized (years)	1.5	1.6	1.6

	Service-based Restricted Stock Units		Performance-based Restricted Stock Units		Market-based Restricted Stock Units	
Unrecognized compensation cost *(in thousands)*	$	48,233	$	19,172	$	7,105
Remaining weighted-average period cost is expected to be recognized (years)		1.3		1.4		1.4

The following table provides additional information pertaining to restricted stock units for the thirteen twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

		Thirteen Weeks Ended			Twenty-Six Weeks Ended	
(in thousands)	*(in thousands)*	May 4, 2024	April 29, 2023	*(in thousands)*	August 3, 2024	July 29, 2023
Service-based restricted stock units:						
Total grant date fair value of awards granted						
Total grant date fair value of awards granted						
Total grant date fair value of awards granted						
Total grant date fair value of awards vested						
Performance-based restricted stock units:						
Performance-based restricted stock units:						
Performance-based restricted stock units:						
Total grant date fair value of awards granted						
Total grant date fair value of awards granted						
Total grant date fair value of awards granted						
Total grant date fair value of awards vested						
Market-based restricted stock units:						
Market-based restricted stock units:						
Market-based restricted stock units:						
Total grant date fair value of awards granted						
Total grant date fair value of awards granted						
Total grant date fair value of awards granted						
Total grant date fair value of awards vested						

The following table provides the weighted-average assumptions used for market-based restricted stock units in the Monte Carlo simulation during the thirteen twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

		Thirteen Weeks Ended			Twenty-Six Weeks Ended	
		May 4, 2024	April 29, 2023		August 3, 2024	July 29, 2023
Grant date market price						
Fair value						
Price volatility						
Price volatility						
Price volatility		59 %	63 %		59 %	63 %
Expected term (years)	Expected term (years)	2.9	2.9	Expected term (years)	2.9	2.9
Risk-free interest rate	Risk-free interest rate	4.3 %	4.6 %	Risk-free interest rate	4.3 %	4.6 %
Dividend yield						

Average volatility of peer companies				
Average correlation coefficient of peer companies	Average correlation coefficient of peer companies 0.4866	0.5295	Average correlation coefficient of peer companies 0.4866	0.5295

Stock appreciation rights

The following table provides the summarized stock appreciation rights activity for the thirteen twenty-six weeks ended May 4, 2024 August 3, 2024:

	Number of Underlying Shares	Number of Underlying Shares	Weighted-Average Exercise Price	Aggregate Intrinsic Value *(in thousands)*	Weighted-Average Remaining Contractual Life (years)	Number of Underlying Shares	Weighted-Average Exercise Price	Aggregate Intrinsic Value *(in thousands)*	Weighted-Average Remaining Contractual Life (years)
Outstanding at February 3, 2024									
Exercised									
Exercised									
Exercised									
Forfeited or expired									
Forfeited or expired									
Forfeited or expired									
Outstanding at May 4, 2024									
Outstanding at May 4, 2024									
Outstanding at May 4, 2024	—	$—	$—	0.0					
Stock appreciation rights exercisable at May 4, 2024	—	$—	$—	0.0					
Outstanding at August 3, 2024									
Outstanding at August 3, 2024									
Outstanding at August 3, 2024	—	$—	$—	0.0					
Stock appreciation rights exercisable at August 3, 2024	—	$—	$—	0.0					

As of August 3, 2024, no stock appreciation rights remain outstanding.

The following table provides additional information pertaining to stock appreciation rights exercised during the thirteen twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

(in thousands)	*(in thousands)*	May 4, 2024	April 29, 2023	*(in thousands)*	August 3, 2024	July 29, 2023
Total grant date fair value of awards exercised						

12. DERIVATIVE INSTRUMENTS

The Company is exposed to risks associated with changes in foreign currency exchange rates and uses derivative instruments, primarily forward contracts, to manage the financial impacts of these exposures. The Company does not use forward contracts to engage in currency speculation and does not enter into derivative financial instruments for trading purposes.

The Company uses derivative instruments, primarily foreign currency exchange forward contracts designated as cash flow hedges, to hedge the foreign currency exchange rate exposure associated with forecasted foreign-currency-denominated intercompany inventory sales to foreign subsidiaries and the related settlement of the foreign-currency-denominated intercompany receivables. Fluctuations in foreign currency exchange rates will either increase or decrease the Company's intercompany equivalent cash flows and affect the Company's U.S. dollar earnings. Gains or losses on the foreign currency exchange forward contracts that are used to hedge these exposures are expected to partially offset this variability. Foreign currency exchange forward contracts represent agreements to exchange the currency of one country for the currency of another country at an agreed upon settlement date. These foreign currency exchange forward contracts typically have a maximum term of twelve months. The sale of the inventory to the Company's customers will result in the reclassification of related derivative gains and losses that are reported in AOCL into earnings.

The Company also uses foreign currency exchange forward contracts to hedge certain foreign-currency-denominated net monetary assets/liabilities. Examples of monetary assets/liabilities include cash balances, receivables and payables. Fluctuations in foreign currency exchange rates result in transaction gains or losses being recorded in earnings, as GAAP requires that monetary assets/liabilities be remeasured at the spot exchange rate at quarter-end and upon settlement. The Company has chosen not to apply hedge accounting to these instruments because there are no anticipated differences in the timing of gain or loss recognition on the hedging instruments and the hedged items.

As of May 4, 2024 August 3, 2024, the Company had outstanding the following foreign currency exchange forward contracts that were entered into to hedge either a portion, or all, of forecasted foreign-currency-denominated intercompany transactions:

(in thousands)		Notional Amount (1)
Euro	$	46,741 51,655
British pound		43,758 60,046
Canadian dollar		16,150 22,045

(1) Amounts reported are the U.S. Dollar notional amounts outstanding as of May 4, 2024 August 3, 2024.

As of May 4, 2024 August 3, 2024, foreign currency exchange forward contracts that were entered into to hedge foreign-currency-denominated net monetary assets and liabilities were as follows:

(in thousands)			Notional Amount (1)
British pound		$	12,325 11,557
	21,307		

(1) Amounts reported are the U.S. Dollar notional amounts outstanding as of May 4, 2024 August 3, 2024.

The fair value of derivative instruments is determined using quoted market prices of the same or similar instruments, adjusted for counterparty risk. The following table provides the location and amounts of derivative fair values of foreign currency exchange forward contracts on the Condensed Consolidated Balance Sheets as of May 4, 2024 August 3, 2024 and February 3, 2024:

(in thousands)	*(in thousands)* Location	May 4, 2024	February 3, 2024	Location	May 4, 2024	February 3, 2024	*(in thousands)* Location	August 3, 2024	February 3, 2024	Location	August 3, 2024	February 3, 2024
Derivatives designated as cash flow hedging instruments												
Derivatives not designated as hedging instruments												
Total												

The following table provides information pertaining to derivative gains or losses from foreign currency exchange forward contracts designated as cash flow hedging instruments for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

		Thirteen Weeks Ended Thirteen Weeks Ended Thirteen Weeks Ended		Twenty-Six Weeks Ended	
(in thousands)	*(in thousands)*	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
(in thousands)					
(in thousands)					
Gain (loss) recognized in AOCL (1)					
Gain (loss) recognized in AOCL (1)					
Gain (loss) recognized in AOCL (1)					
(Loss) gain recognized in AOCL (1)					
Gain (loss) reclassified from AOCL to cost of sales, exclusive of depreciation and amortization (2)					
Gain (loss) reclassified from AOCL to cost of sales, exclusive of depreciation and amortization (2)					
Gain (loss) reclassified from AOCL to cost of sales, exclusive of depreciation and amortization (2)					

(1) Amount represents the change in fair value of derivative instruments.

(2) Amount represents gain (loss) reclassified from AOCL to cost of sales, exclusive of depreciation and amortization, on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) when the hedged item affects earnings, which is when merchandise is converted to cost of sales, exclusive of depreciation and amortization.

Substantially all of the unrealized gain will be recognized in costs of sales, exclusive of depreciation and amortization, on the Condensed Consolidated Statements of Operations and Comprehensive Income over the next twelve months.

The following table provides additional information pertaining to derivative gains or losses from foreign currency exchange forward contracts not designated as hedging instruments for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

		Thirteen Weeks Ended		Twenty-Six Weeks Ended	
		Thirteen Weeks Ended			
		Thirteen Weeks Ended			
(in thousands)	*(in thousands)*	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
(in thousands)					
(in thousands)					
Gain (loss) recognized in other operating income, net					
Gain (loss) recognized in other operating income, net					
Gain (loss) recognized in other operating income, net					
(Loss) gain, net recognized in other operating income, net					

13. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following tables provide activity in AOCL for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024:

	Thirteen Weeks Ended May 4, 2024			Thirteen Weeks Ended August 3, 2024
(in thousands)	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) on Derivative Financial Instruments	Total	
Beginning balance at May 4, 2024				
Other comprehensive income (loss) before reclassifications				
Reclassified gain from AOCL (1)				
Tax effect				
Other comprehensive income (loss) after reclassifications				
Ending balance at August 3, 2024				

		Twenty-Six Weeks Ended August 3, 2024						
		Twenty-Six Weeks Ended August 3, 2024						
		Twenty-Six Weeks Ended August 3, 2024						
(in thousands)	*(in thousands)*	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) on Derivative Financial Instruments	Total	*(in thousands)*	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) on Derivative Financial Instruments	Total
Beginning balance at February 3, 2024								
Other comprehensive (loss) income before reclassifications								
Other comprehensive income before reclassifications								
Reclassified gain from AOCL (1)								
Tax effect								

Other comprehensive (loss) income after reclassifications			
Ending balance at May 4, 2024			
Other comprehensive income (loss) after reclassifications			
Ending balance at August 3, 2024			

(1) Amount represents gain reclassified from AOCL to cost of sales, exclusive of depreciation and amortization, on the Condensed Consolidated Statements of Operations and Comprehensive Income.

The following tables provide activity in AOCL for the thirteen and twenty-six weeks ended April 29, 2023 July 29, 2023:

	Thirteen Weeks Ended April 29, 2023			Thirteen Weeks Ended July 29, 2023
(in thousands)	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) on Derivative Financial Instruments	Total	
Beginning balance at April 29, 2023				
Other comprehensive (loss) income before reclassifications				
Reclassified loss from AOCL (1)				
Tax effect				
Other comprehensive (loss) income after reclassifications				
Ending balance at July 29, 2023				

Twenty-Six Weeks Ended July 29, 2023

Twenty-Six Weeks Ended July 29, 2023

Twenty-Six Weeks Ended July 29, 2023

(in thousands)	*(in thousands)*	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) on Derivative Financial Instruments	Total	*(in thousands)*	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) on Derivative Financial Instruments	Total
Beginning balance at January 28, 2023								
Other comprehensive income (loss) before reclassifications								
Other comprehensive (loss) income before reclassifications								
Reclassified loss from AOCL (1)								
Tax effect								
Other comprehensive income after reclassifications								
Ending balance at April 29, 2023								
Other comprehensive (loss) income after reclassifications								
Ending balance at July 29, 2023								

(1) Amount represents loss reclassified from AOCL to cost of sales, exclusive of depreciation and amortization, on the Condensed Consolidated Statements of Operations and Comprehensive Income.

14. SEGMENT REPORTING

The Company's reportable segments are based on the financial information the chief operating decision maker ("CODM") uses to allocate resources and assess performance of its business.

The Company manages its business on a geographic basis, consisting of three reportable segments: Americas; Europe, the Middle East EMEA; and Africa (EMEA); and Asia-Pacific (APAC). APAC. Corporate functions and other income and expenses are evaluated on a consolidated basis and are not allocated to the Company's segments, and therefore are included as a reconciling item between segment and total operating income. The Americas reportable segment includes the results of operations in North America and South America. The EMEA reportable segment includes the results of operations in Europe, the Middle East and Africa. The APAC reportable segment includes the results of operations in the Asia-Pacific region, including Asia and Oceania. Intersegment sales and transfers are recorded at cost and are treated as a transfer of inventory. All intercompany revenues are eliminated in consolidation and are not reviewed when evaluating segment performance. All prior periods presented are recast to conform to the new segment presentation.

The group comprised of the Company's (i) Chief Executive Officer and (ii) Chief Financial Officer and Chief Operating Officer functions as the Company's CODM. The Company's CODM manages business operations and evaluates the performance of each segment based on the net sales and operating income (loss) of the segment.

Net sales by segment are presented by attributing revenues on the basis of the segment that fulfills the order. Operating income (loss) for each segment includes net sales to third parties, related cost of sales and operating expenses directly attributed to the segment. Corporate/other expenses include expenses incurred that are not directly attributed to a reportable segment and primarily relate to corporate or global functions such as design, sourcing, brand management, corporate strategy, information

technology, finance, treasury, legal, human resources, and other corporate support services, as well as certain globally managed components of the planning, merchandising, and marketing functions.

The Company reports inventories by segment as that information is used by the CODM in determining allocation of resources to the segments. The Company does not report its other assets by segment as that information is not used by the CODM in assessing segment performance or allocating resources.

The following tables provide the Company's segment information as of May 4, 2024 August 3, 2024 and February 3, 2024, and for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

	Net Sales			
	Net Sales			
	Net Sales		Net Sales	
	Thirteen Weeks Ended	Thirteen Weeks Ended		Twenty-Six Weeks Ended
(in thousands)	*(in thousands)* August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
(in thousands)				
(in thousands)				
Americas				
Americas				
Americas				
EMEA				
EMEA				
EMEA				
APAC				
APAC				
APAC				
Segment total				
Segment total				

Segment total

	Operating Income (Loss)			
	Thirteen Weeks Ended		Thirteen Weeks Ended	Twenty-Six Weeks Ended
(in thousands)	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023

Operating Income (Loss)
Operating Income (Loss)
(in thousands)
(in thousands)
(in thousands)

Americas
Americas
Americas
EMEA
EMEA
EMEA
APAC
APAC
APAC
Segment total
Segment total
Segment total
Operating (loss) income not attributed to segments:
Operating (loss) income not attributed to segments:
Operating (loss) income not attributed to segments:
Stores and distribution expense
Stores and distribution expense
Stores and distribution expense
Marketing, general and administrative expense
Marketing, general and administrative expense
Marketing, general and administrative expense
Other operating income,net
Other operating income,net
Other operating income,net
Other operating income, net
Other operating income, net
Other operating income, net
Total operating income
Total operating income
Total operating income

	Assets	
(in thousands)	May 4, 2024	February 3, 2024
Inventories		
Americas	$ 361,061	$ 372,371
EMEA	70,829	77,125
APAC	17,377	19,970
Total inventories	$ 449,267	$ 469,466
Assets not attributed to segments	2,520,818	2,504,767

Assets

(in thousands)	August 3, 2024	February 3, 2024
Inventories		
Americas	$ 438,076	$ 372,371
EMEA	80,418	77,125
APAC	21,265	19,970
Total inventories	$ 539,759	$ 469,466
Assets not attributed to segments	2,509,799	2,504,767
Total assets	$ 3,049,558	$ 2,974,233

Brand Information

The following table provides additional disaggregated revenue information, which is categorized by brand, for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

	Thirteen Weeks Ended		Thirteen Weeks Ended		Twenty-Six Weeks Ended
	Thirteen Weeks Ended				
	Thirteen Weeks Ended				
(in thousands)					
(in thousands)					
(in thousands)	*(in thousands)*	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Abercrombie (1)					
Abercrombie (1)					
Abercrombie (1)					
Hollister (2)					
Hollister (2)					
Hollister (2)					
Total					
Total					
Total					

(1) Abercrombie brands includes Abercrombie & Fitch and abercrombie kids.

(2) Hollister brands includes Hollister and Gilly Hicks

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read together with the Company's Condensed Consolidated Financial Statements and Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q in "Item 1. Financial Statements (Unaudited)," to which all references to Notes in MD&A are made.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Company cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Quarterly Report on Form 10-Q or made by the Company or its management and spokespeople 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," "will," "could," "outlook," or the negative versions of these words or other comparable words, and similar expressions may identify forward-looking statements. Future economic and industry trends that could potentially impact revenue and profitability are difficult to predict. Therefore, there can be no assurance that the forward-looking statements included in this Quarterly Report on Form 10-Q will prove to be accurate. Factors that could cause results to differ from those expressed in the Company's forward-looking statements include, but are not limited to, the risks described or referenced in Part I, Item 1A. "Risk Factors," in the Company's Fiscal 2023 Form 10-K and otherwise in our subsequent reports and filings with the SEC, as well as the following:

- risks related to changes in global economic and financial conditions, including inflation, and the resulting impact on consumer spending generally and on our operating results, financial condition, and expense management, and our ability to adequately mitigate the impact;
- risks related to the geopolitical conflict, armed conflict, landscape and conflicts, such as the conflicts between Russia and Ukraine or Israel and Hamas recent attacks on marine vessels in the Red Sea, and the possible expansion potential escalation of conflict in the surrounding areas, including such conflicts and the impact of such conflicts on international trade, supplier delivery or increased freight costs, acts of terrorism, mass casualty events, social unrest, civil disturbance or disobedience;
- risks related to natural disasters and other unforeseen catastrophic events;
- risks related to our failure to engage our customers, anticipate customer demand and changing fashion trends, and manage our inventory;
- risks related to our ability to successfully invest in and execute on our customer, digital and omnichannel initiatives;
- risks related to the effects of seasonal fluctuations on our sales and our performance during the back-to-school and holiday selling seasons;
- risks related to fluctuations in foreign currency exchange rates;
- risks related to fluctuations in our tax obligations and effective tax rate, including as a result of earnings and losses generated from our international operations;
- risks related to our ability to execute on, and maintain the success of, our strategic and growth initiatives, including those outlined in our 2025 Always Forward Plan;
- risks related to global operations, including changes in the economic or political conditions where we sell or source our products or changes in import tariffs or trade restrictions;
- risks and uncertainty related to adverse public health developments;
- risks related to cybersecurity threats and privacy or data security breaches;
- risks related to the potential loss or disruption of our information systems;
- risks related to the continued validity of our trademarks and our ability to protect our intellectual property;
- risks associated with climate change and other corporate responsibility issues;
- risks related to reputational harm to the Company, its officers, and directors;
- risks related to actual or threatened litigation; and
- uncertainties related to future legislation, regulatory reform, policy changes, or interpretive guidance on existing legislation.

In light of the significant uncertainties in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company, or any other person, that the objectives of the Company will be achieved. The forward-looking statements included herein are based on information presently available to the management of the Company. Except as may be required by applicable law, the Company assumes no obligation to publicly update or revise its forward-looking statements, including any financial targets and estimates, whether as a result of new information, future events, or otherwise. As used herein, "Abercrombie & Fitch Co.," "the Company," "we," "us," "our," and similar terms include Abercrombie & Fitch Co. ("A&F") and its subsidiaries, unless the context indicates otherwise.

INTRODUCTION

MD&A is provided as a supplement to the accompanying Condensed Consolidated Financial Statements and notes thereto to help provide an understanding of the Company's results of operations, financial condition, and liquidity. MD&A is organized as follows:

- Overview. A general description of the Company's business and certain segment information.
- Current Trends and Outlook. A discussion related to certain of the Company's focus areas for the current fiscal year and a discussion of certain risks and challenges, as well as a summary of the Company's performance for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023.

- Results of Operations. An analysis of certain components of the Company's Condensed Consolidated Statements of Operations and Comprehensive Income for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023.
- Liquidity and Capital Resources. A discussion of the Company's financial condition, changes in financial condition and liquidity as of May 4, 2024 August 3, 2024, which includes (i) an analysis of financial condition as compared to February 3, 2024; (ii) an analysis of changes in cash flows for the thirteen twenty-six weeks ended May 4, 2024 August 3, 2024, as compared to the thirteen twenty-six weeks ended April 29, 2023 July 29, 2023; and (iii) an analysis of liquidity, including availability under the Company's ABL Facility (as defined below), the Company's share repurchase program, and outstanding debt and covenant compliance.
- Recent Accounting Pronouncements. A discussion, as applicable, of the recent accounting pronouncements that the Company has adopted or is currently evaluating, including the dates of adoption and/or expected dates of adoption, and anticipated effects on the Company's Condensed Consolidated Financial Statements.
- Critical Accounting Estimates. A discussion of the accounting estimates considered to be important to the Company's results of operations and financial condition, which typically require significant judgment and estimation on the part of management in their application.
- Non-GAAP Financial Measures. MD&A provides a discussion of certain financial measures that have been determined to not be presented in accordance with GAAP. This section includes certain reconciliations between GAAP and non-GAAP financial measures and additional details on non-GAAP financial measures, including information as to why the Company believes that the non-GAAP financial measures provided within MD&A are useful to investors.

OVERVIEW

Business summary

The Company is a global, digitally-led omnichannel retailer. The Company offers a broad assortment of apparel, personal care products and accessories for men, women and kids, which are sold primarily through its Company-owned stores and digital channels, as well as through various third-party arrangements.

The Company manages its business on a geographic basis, consisting of three reportable segments: Americas; Europe, the Middle East and Africa (EMEA) ("EMEA"); and Asia-Pacific (APAC) ("APAC"). Corporate functions and other income and expenses are evaluated on a consolidated basis and are not allocated to the Company's segments, and therefore are included as a reconciling item between segment and total operating income.

The Company's brands include Abercrombie brands, which includes Abercrombie & Fitch and abercrombie kids, and Hollister brands, which includes Hollister and Gilly Hicks. These brands share a commitment to offering unique products of enduring quality and exceptional comfort that allow customers around the world to express their own individuality and style.

The Company's fiscal year ends on the Saturday closest to January 31. All references herein to the Company's fiscal years are as follows:

Fiscal year	Year ended/ending	Number of weeks
Fiscal 2023	February 3, 2024	53
Fiscal 2024	February 1, 2025	52
Fiscal 2025	January 31, 2026	52

Seasonality

Historically, the Company's operations have been seasonal in nature and consist of two principal selling seasons: the spring season, which includes the first and second fiscal quarters ("Spring"), and the fall season, which includes the third and fourth fiscal quarters ("Fall"). Due to the seasonal nature of the retail apparel industry, the results of operations for any current period are not necessarily indicative of the results expected for the full fiscal year and the Company could have significant fluctuations in certain asset and liability accounts. The Company historically experiences its greatest sales activity during the Fall season due to back-to-school and holiday sales periods, respectively.

CURRENT TRENDS AND OUTLOOK

Focus areas for fiscal 2024

In June of Fiscal 2022, we announced our 2025 Always Forward Plan, which outlines our long-term strategy and goals, including growing shareholder value. The 2025 Always Forward Plan is anchored on our strategic growth principles, which are to:

- Execute focused growth plans;
- Accelerate an enterprise-wide digital revolution; and
- Operate with financial discipline discipline.

The 2025 Always Forward Plan growth principles serve as a framework for the Company achieving sustainable and profitable growth and profitability in Fiscal 2024. Below are some additional details specific to Fiscal 2024 objectives within the 2025 Always Forward Plan:

Execute focused growth plans by:

- driving sales growth across regions and brands primarily through marketing and store investment. investment;
- using our playbooks globally to align the brands' products, voices, and experiences with customers, both digitally and in-store; and
- using testing and chase strategies to deliver compelling assortments and product collections across genders.

Accelerate an enterprise-wide digital revolution to improve the customer and associate experience by:

- continuing to progress on our multi-year enterprise resource planning ("ERP") transformation and cloud migration journey; and
- investing in digital and technology to improve experiences across key parts of the customer journey while delivering a consistent omnichannel experience.

Operate with financial discipline by:

- actively managing inventory levels and positioning Abercrombie brands and Hollister brands to chase inventory as appropriate throughout the year; and
- funding our growth strategies while properly balancing investments, impacts of inflation and efficiency efforts.

Current macroeconomic conditions and impact of inflation

Macroeconomic conditions, including inflation, higher interest rates, the geopolitical landscape, political uncertainty including elections in several countries, foreign exchange rate fluctuations, and declines in consumer discretionary spending continue to negatively impact the global economy. In periods of perceived or actual unfavorable economic conditions, consumers may reallocate available discretionary spending, which may adversely impact demand for our products. The Company continues to experience pricing volatility with respect to cotton, raw materials and freight costs. While In addition, while cotton and raw material costs have decreased from prior year-end levels, stabilized during the second quarter of Fiscal 2024, freight costs have recently been increasing. increasing since the start of the second quarter of Fiscal 2024. Continued inflationary pressures and pricing volatility could further impact expenses and have a long-term impact on the Company because increasing costs may impact its ability to maintain satisfactory margins.

Global events and supply chain disruptions

As a global multi-brand omnichannel specialty retailer, with operations in North America, Europe, the Middle East, and Asia, among other regions, management is mindful of macroeconomic risks, global challenges and the changing global geopolitical environment, including the ongoing armed conflicts between Russia and Ukraine or Israel and Hamas, and conflict in the surrounding areas, which could adversely impact certain areas of the business. environment. Starting in late Fiscal 2023, disruptions to ocean vessels in the Red Sea resulted in delayed deliveries to the EMEA region. Such disruptions have also increased freight costs, which may continue to impact the Company through the remainder of Fiscal 2024. The Company has taken certain mitigating actions in response to these events, disruptions, including increasing air freight usage where appropriate and prioritizing critical orders earlier to allow for longer lead times. Further mitigating actions may be needed, particularly if there is prolonged or escalating conflict in the Red Sea.

Management continues to monitor global events and assess the potential impacts that these events and similar events may have on the business in future periods. Although management also develops and updates contingency plans to assist in mitigating potential impacts, it is possible that the Company's preparations for such events are not adequate to mitigate their impact, and that these events could further adversely affect its business and results of operations.

Global store network optimization

The Company has a goal of finding the right size, right location and right economics for omni-enabled stores that cater to local customers. The Company continues to use data to inform its focus on aligning store square footage with digital penetration, and has delivered new store experiences across brands during Fiscal 2024. Through the year-to-date period end of Fiscal 2024, the second fiscal quarter, the Company opened 1 18 new store, stores, remodeled 23 stores and right-sized seven stores while closing 13 26 stores. As part of this focus, the Company has updated and increased its Company' store investment plan to include includes delivering approximately 60 new stores, along with approximately 60 remodels and rightsizes, while closing approximately 40 stores, during Fiscal 2024, pending negotiations with our landlord partners.

Future closures could be completed through natural lease expirations, while certain other leases include early termination options that can be exercised under specific conditions. The Company may also elect to exit or modify other leases, and could incur charges related to these actions.

Pillar Two Model Rules

In 2021, the Organization for Economic Cooperation and Development ("OECD") released Pillar Two Global Anti-Base Erosion model rules ("Pillar Two Rules"), designed to ensure large corporations are taxed at a minimum rate of 15% in all countries of operation. Although the U.S. has not yet enacted legislation implementing Pillar Two Rules, other countries where the Company does business, including the U.K. and Germany, have enacted legislation implementing Pillar Two Rules, which are effective from January 1, 2024. The implementation of the Pillar Two Rules in each jurisdiction in which it operates did not have a material impact on the Company's effective tax rate. The Company will continue to evaluate the impact as additional jurisdictions implement legislation and provide further guidance.

For a discussion of material risks that have the potential to cause our actual results to differ materially from our expectations, refer to Part I, "Item 1A. Risk Factors" on the Fiscal 2023 Form 10-K.

Summary of results

A The following provides a summary of results for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 was as follows: July 29, 2023:

		GAAP		GAAP		Non-GAAP (1)	GAAP		Non-GAAP (1)	
Thirteen Weeks Ended	**Thirteen Weeks Ended**	May 4, 2024	April 29, 2023	May 4, 2024	April 29, 2023	**Thirteen Weeks Ended**	August 3, 2024	July 29, 2023	August 3, 2024	July 29, 2023
Net sales *(in thousands)*										
Net sales *(in thousands)*										
Net sales *(in thousands)*										
Change in net sales										
Change in net sales										
Change in net sales										
Comparable sales (2)										
Comparable sales (2)										
Comparable sales (2)				21 %		3 %			18 %	13 %
Gross profit rate										
Operating income *(in thousands)*										
Operating income *(in thousands)*										
Operating income *(in thousands)*										
Operating income margin	Operating income margin	12.7 %	4.1 %	12.7 %	4.6 %					
Operating income margin										
Operating income margin										
Net income attributable to A&F *(in thousands)*										
Net income attributable to A&F *(in thousands)*										
Net income attributable to A&F *(in thousands)*										
Net income per share attributable to A&F										
Net income per share attributable to A&F										
Net income per share attributable to A&F										
Twenty-Six Weeks Ended										

Twenty-Six Weeks Ended				
Twenty-Six Weeks Ended				
Net sales				
Net sales				
Net sales				
Change in net sales				
Change in net sales				
Change in net sales				
Comparable sales (2)				
Comparable sales (2)				
Comparable sales (2)			19 %	8 %
Gross profit rate				
Operating income				
Operating income				
Operating income				
Operating income margin	14.2 %	7.0 %		7.2 %
Net income attributable to A&F				
Net income per share attributable to A&F				

(1) Discussion as to why the Company believes that these non-GAAP financial measures are useful to investors and a reconciliation of the non-GAAP measures to the most directly comparable financial measure calculated and presented in accordance with GAAP are provided below under "*NON-GAAP FINANCIAL MEASURES*."

(2) Comparable sales are calculated on a constant currency basis and exclude revenue other than store and digital sales. Refer to the discussion below in "*NON-GAAP FINANCIAL MEASURES*," for further details on the comparable sales calculation.

Certain components of the Company's Condensed Consolidated Balance Sheets as of May 4, 2024 August 3, 2024 and February 3, 2024 were as follows:

(in thousands)	*(in thousands)*	May 4, 2024	February 3, 2024	*(in thousands)*	August 3, 2024	February 3, 2024
Cash and equivalents						
Inventories						
Gross long-term borrowings outstanding, carrying amount						

Certain components of the Company's Condensed Consolidated Statements of Cash Flows for the thirteen twenty-six week periods ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023 were as follows:

(in thousands)	*(in thousands)*	May 4, 2024	April 29, 2023	*(in thousands)*	August 3, 2024	July 29, 2023
Net cash provided by (used for) operating activities						
Net cash provided by operating activities						
Net cash used for investing activities						
Net cash used for financing activities						

RESULTS OF OPERATIONS

The estimated basis point ("BPS") change disclosed throughout this Results of Operations section has been rounded based on the change in the percentage of net sales.

Net sales

Net sales by segment are presented by attributing revenues on the basis of the segment that fulfills the order. The Company's net sales by reportable segment for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023 were as follows:

Thirteen Weeks Ended

(in thousands, except ratios)

(in thousands, except ratios)

(in thousands, except ratios)	May 4, 2024	April 29, 2023	$ Change	% Change	Comparable Sales (1)	August 3, 2024	July 29, 2023	$ Change	% Change	Comparable Sales (1)
By segment:										
Americas										
Americas										
Americas	$ 820,121	$ $ 665,423	$ $154,698	23 23 %	21 %	$ 901,224	$ $ 731,427	$ $169,797	23 23 %	18 %
EMEA										
APAC										
Total										

Twenty-Six Weeks Ended

Twenty-Six Weeks Ended

Twenty-Six Weeks Ended

(in thousands, except ratios)

(in thousands, except ratios)

(in thousands, except ratios)	August 3, 2024	July 29, 2023	$ Change	% Change	Comparable Sales (1)
Americas	$ 1,721,345	$ 1,396,850	$324,495	23 %	19 %
EMEA					
APAC					
Total					

(1) Comparable sales are calculated on a constant currency basis. Refer to "NON-GAAP FINANCIAL MEASURES," for further details on the comparable sales calculation.

For the first second quarter of Fiscal 2024, net sales increased 21% as compared to the second quarter of Fiscal 2023. The increase was primarily attributable to a double-digit increase in average unit retail ("AUR") from lower promotional activity and category mix into higher ticket items. Mid-single digit growth in unit volume also contributed to the increase in net sales, following increases in traffic and transactions in company owned and operated channels. Additionally, there was a benefit of approximately $30 million due to the timing of sales volume based on the impact of the calendar shift in Fiscal 2024 due to the 53rd selling week in Fiscal 2023. The year-over-year increase in net sales reflects positive comparable sales of 18%, as compared to the second quarter of Fiscal 2023.

- Net sales growth in the Americas region of 23%. The increase was attributable to a higher AUR from lower promotional activity and category mix into higher ticket items. Growth in unit volume as a result of increased traffic and transactions in company owned and operated stores and digital channels also contributed to the increase in net sales.
- Net sales growth in the EMEA region of 16%. The increase was attributable to a higher AUR from lower promotional activity and category mix into higher ticket items. Growth in unit volume as a result of increased traffic and transactions in company owned and operated stores and digital channels also contributed to the increase in net sales.
- In the APAC region net sales grew 3% and 21% on a comparable sales basis. Comparable sales growth percentage is higher than net sales growth percentage, as comparable sales excludes the impact of store closures during the period and the effects of foreign currency, both of which had a negative impact on net sales growth.

For the year-to-date period of Fiscal 2024, net sales increased 22%, as compared to the first quarter year-to-date period of Fiscal 2023, 2023. The increase was primarily attributable to a double-digit increase in AUR from lower promotional activity and category mix into higher ticket items. Mid-single digit growth in unit volume also contributed to the increase in net sales, following increases in traffic and transactions in company owned and operated channels. Additionally, there was a benefit of approximately $40 million due to broad-based net the timing of sales growth across segments, mainly driven by a higher AUR as a result volume based on the impact of lower promotional activity. the calendar shift in Fiscal 2024 due to the 53rd selling week in Fiscal 2023. The year-over-year increase in net sales reflects a positive comparable sales of 21% 19%, as compared to the first quarter year-to-date period of Fiscal 2023, with double-digit comparable 2023.

- Net sales growth in the Americas region of 23%. The increase was attributable to a higher AUR from lower promotional activity and category mix into higher ticket items. Growth in unit volume as a result of increased traffic and transactions in company owned and operated stores and digital channels also contributed to the increase in net sales.
- Net sales growth in the EMEA region of 18%. The increase was attributable to a higher AUR from lower promotional activity and category mix into higher ticket items. Growth in unit volume as a result of increased traffic and transactions in company owned and operated stores and digital channels also contributed to the increase in net sales.
- In the APAC segments. region net sales grew 7% and 21% on a comparable sales basis. Comparable sales growth percentage is higher than net sales growth percentage, as comparable sales excludes the impact of store closures during the period and the effects of foreign currency, both of which had a negative impacts on net sales growth.

The Company's net sales by brand for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023 were as follows:

Thirteen Weeks Ended

(in thousands, except ratios)

(in thousands, except ratios)

(in thousands, except ratios)	May 4, 2024	April 29, 2023	$ Change	% Change	Comparable Sales (1)	August 3, 2024	July 29, 2023	$ Change	% Change	Comparable Sales (1)
Abercrombie (2) Abercrombie (2)	$ 571,513	$ 436,044	$ 135,469	31 %	29 %	Abercrombie (2) $ 582,416	$ 462,711	$ 119,705	26 %	21 %
Hollister (3)										
Total										

Twenty-Six Weeks Ended

Twenty-Six Weeks Ended

Twenty-Six Weeks Ended

(in thousands, except ratios)

(in thousands, except ratios)

(in thousands, except ratios)	August 3, 2024	July 29, 2023	$ Change	% Change	Comparable Sales (1)
Abercrombie (2)	$ 1,153,929	$ 898,755	$ 255,174	28 %	25 %
Hollister (3)					
Total					

(1) Comparable sales are calculated on a constant currency basis. Refer to "NON-GAAP FINANCIAL MEASURES," for further details on the comparable sales calculation.

(2) Includes Abercrombie & Fitch and abercrombie kids.

(3) Includes Hollister and Gilly Hicks.

Cost of sales, exclusive of depreciation and amortization

	Thirteen Weeks Ended					
	May 4, 2024					
	May 4, 2024					
	May 4, 2024					
	August 3, 2024					
	August 3, 2024					
	August 3, 2024					
(in thousands, except ratios)						
(in thousands, except ratios)						
(in thousands, except ratios)	% of Net sales	% of Net sales	BPS Change	% of Net sales	% of Net sales	BPS Change
Cost of sales, exclusive of depreciation and amortization						

	Twenty-Six Weeks Ended		
	Twenty-Six Weeks Ended		
	Twenty-Six Weeks Ended		
	August 3, 2024		
	August 3, 2024		
	August 3, 2024		
(in thousands, except ratios)			
(in thousands, except ratios)			
(in thousands, except ratios)	% of Net Sales	% of Net Sales	BPS Change
Cost of sales, exclusive of depreciation and amortization			

For the first second quarter of Fiscal 2024, cost of sales, exclusive of depreciation and amortization, as a percentage of net sales decreased by approximately 540 240 basis points, as compared to the first second quarter of Fiscal 2023. The year-over-year percentage decline was primarily attributable to lower cotton and raw material costs cost of sales leverage from a higher AUR on reduced promotions, as well as a benefit in product costs, as certain raw material prices have declined. These benefits were partially offset by higher freight costs compared to the second quarter of Fiscal 2023.

For the year-to-date period of Fiscal 2024, cost of sales, exclusive of depreciation and amortization, as a percentage of net sales decreased by approximately 380 basis points as compared to the year-to-date period of Fiscal 2023. The percentage decline was primarily attributable to cost of sales leverage from a higher AUR on reduced promotions, as well as a benefit in product costs, as certain raw material prices have declined. These benefits were partially offset by higher freight costs compared to the year-to-date period of Fiscal 2023.

Gross profit, exclusive of depreciation and amortization

	Thirteen Weeks Ended				
	August 3, 2024		July 29, 2023		
(in thousands, except ratios)		% of Net sales		% of Net sales	BPS Change
Gross profit, exclusive of depreciation and amortization	$ 736,262	64.9 %	$ 584,380	62.5 %	240

	Twenty-Six Weeks Ended				
	August 3, 2024		July 29, 2023		
(in thousands, except ratios)		% of Net Sales		% of Net Sales	BPS Change
Gross profit, exclusive of depreciation and amortization	$ 1,413,719	65.6 %	$ 1,094,174	61.8 %	380

Stores and distribution expense

	Thirteen Weeks Ended				
	August 3, 2024		July 29, 2023		
(in thousands, except ratios)		% of Net sales		% of Net sales	BPS Change
Stores and distribution expense	$ 390,233	34.4 %	$ 352,730	37.7 %	(330)

	Twenty-Six Weeks Ended				
	August 3, 2024		July 29, 2023		
(in thousands, except ratios)		% of Net Sales		% of Net Sales	BPS Change
Stores and distribution expense	$ 761,919	35.4 %	$ 688,779	38.9 %	(350)

For the second quarter of Fiscal 2024, stores and distribution expense increased average unit retail. Year-over-year decreases by $38 million compared to the second quarter of 2023. Stores and distribution expense as a percentage of net sales decreased 330 basis points, as compared to the second quarter of Fiscal 2023. The decrease in the Americas and EMEA region were rate was primarily driven by lower discounts expense leverage as a result of net sales growth, including approximately 300 basis points in stores expense, primarily relating to store occupancy and clearance selling. store payroll, and 30 basis points in distribution center and order fulfillment costs as compared to the second quarter of Fiscal 2023.

For the year-to-date period of Fiscal 2024, stores and distribution expense increased by $73 million and decreased 350 basis points, as a percentage of net sales, as compared to the year-to-date period of Fiscal 2023. The APAC region also benefited from lower raw material decrease as a percent of net sales was primarily driven by expense leverage as a result of net sales growth, including approximately 340 basis points in stores expense, primarily relating to store occupancy and store payroll, and 20 basis points in distribution center costs partially compared to the year-to-date period of Fiscal 2023.

Marketing, general and administrative expense

	Thirteen Weeks Ended				
	August 3, 2024		July 29, 2023		
(in thousands, except ratios)		% of Net sales		% of Net sales	BPS Change
Marketing, general and administrative expense	$ 170,471	15.0 %	$ 144,502	15.4 %	(40)

	Twenty-Six Weeks Ended				
	August 3, 2024		July 29, 2023		
(in thousands, except ratios)		% of Net Sales		% of Net Sales	BPS Change
Marketing, general and administrative expense	$ 348,351	16.2 %	$ 287,133	16.2 %	—

For the second quarter of Fiscal 2024, marketing, general and administrative expense increased by $26 million compared to the second quarter of Fiscal 2023. Marketing, general and administrative expense as a percentage of net sales decreased 40 basis points, as compared to the second quarter of Fiscal 2023. The decrease in rate was primarily driven by expense leverage as a result of net sales growth, including approximately 40 basis points in compensation expense slightly offset by the impact of changes a 30 basis point increase in foreign currency. marketing expense.

For the year-to-date period of Fiscal 2024, marketing, general and administration expense increased by $61 million and remained approximately flat, as a percentage of net sales, as compared to the year-to-date period of Fiscal 2023, with a 20 basis point decrease in compensation and other expense, offset by a 30 basis point increase in marketing expense.

Other operating income, net

	Thirteen Weeks Ended

	August 3, 2024			July 29, 2023			
(in thousands, except ratios)			% of Net sales			% of Net sales	BPS Change
Other operating income, net	$	67	— %	$	2,694	0.3 %	(30)

	Twenty-Six Weeks Ended						
	August 3, 2024			July 29, 2023			
(in thousands, except ratios)			% of Net Sales			% of Net Sales	BPS Change
Other operating income, net	$	2,025	0.1 %	$	5,588	0.3 %	(20)

Gross profit, exclusive of depreciation and amortization

	Thirteen Weeks Ended						
	May 4, 2024			April 29, 2023			
(in thousands, except ratios)			% of Net sales			% of Net sales	BPS Change
Gross profit, exclusive of depreciation and amortization	$	677,457	66.4 %	$	509,794	61.0 %	540

Stores and distribution expense

	Thirteen Weeks Ended						
	May 4, 2024			April 29, 2023			
(in thousands, except ratios)			% of Net sales			% of Net sales	BPS Change
Stores and distribution expense	$	371,686	36.4 %	$	336,049	40.2 %	(380)

For the first quarter of Fiscal 2024, stores and distribution expense, as a percentage of net sales decreased, as compared to the first quarter of Fiscal 2023. The decrease was primarily driven by expense leverage as a result of net sales growth, slightly offset with increases in distribution center and order fulfillment costs as compared to the first quarter of 2023.

Marketing, general and administrative expense

	Thirteen Weeks Ended						
	May 4, 2024			April 29, 2023			
(in thousands, except ratios)			% of Net sales			% of Net sales	BPS Change
Marketing, general and administrative expense	$	177,880	17.4 %	$	142,631	17.1 %	30

For the first quarter of Fiscal 2024, marketing, general and administrative expense, as a percentage of net sales, increased 30 basis points, as compared to the first quarter of Fiscal 2023, primarily driven by an increase in marketing expense and investments in technology and people.

Other operating income, net

	Thirteen Weeks Ended						
	May 4, 2024			April 29, 2023			
(in thousands, except ratios)			% of Net sales			% of Net sales	BPS Change
Other operating income, net	$	1,958	0.2 %	$	2,894	0.3 %	(10)

Operating income

	Thirteen Weeks Ended						
	May 4, 2024						
	May 4, 2024						
	May 4, 2024						
	August 3, 2024						
	August 3, 2024						
	August 3, 2024						
(in thousands, except ratios)							
(in thousands, except ratios)							
(in thousands, except ratios)		% of Net sales	% of Net sales	BPS Change			
Operating income							
	Twenty-Six Weeks Ended						
	Twenty-Six Weeks Ended						
	Twenty-Six Weeks Ended						
	August 3, 2024						
	August 3, 2024						
	August 3, 2024						
(in thousands, except ratios)							
(in thousands, except ratios)							
(in thousands, except ratios)		% of Net sales	% of Net sales	BPS Change	% of Net Sales	% of Net Sales	BPS Change
Operating income							
Excluded items:							
Asset impairment charges (1)							
Asset impairment charges (1)							
Asset impairment charges (1)							
Adjusted non-GAAP operating income (1)							
Adjusted non-GAAP operating income							

(1) Refer to "*NON-GAAP FINANCIAL MEASURES*" for further details.

For the second quarter of Fiscal 2024, operating income increased by $86 million, or 590 basis points, as a percentage of net sales, as compared to the second quarter of Fiscal 2023.

- Operating income for the Americas region increased $98 million or 630 basis points as a percentage of net sales, as compared to the second quarter of Fiscal 2023. The increase as a percent of sales primarily relates to positive comparable sales of 18%, relating to higher unit volume, increased AUR on reduced promotions, and expense leverage relating to payroll and occupancy expenses.
- Operating income for the EMEA region increased $8 million or 170 basis points as a percentage of net sales, as compared to the second quarter of Fiscal 2023. The increase as a percent of sales primarily relates to positive comparable sales of 17%, relating to higher unit volume, increased AUR on reduced promotions, and expense leverage relating to payroll and occupancy expenses.
- Operating (loss) for the APAC region increased by $(3) million or (840) basis points as a percentage of net sales, as compared to the second quarter of Fiscal 2023. The decrease as a percent of sales primarily relates to increased marketing investments.

For the year-to-date period of Fiscal 2024, operating income increased by $182 million, or 720 basis points, as a percentage of net sales as compared to the year-to-date period of Fiscal 2023.

- Operating income for the Americas increased $194 million or 680 basis points as a percentage of net sales as compared to the year-to-date period of Fiscal 2023. The increase as a percent of sales primarily relates to positive comparable sales of 19%, relating to higher unit volume, increased AUR on reduced promotions, and expense leverage relating to payroll and occupancy expenses.
- Operating income for EMEA increased $34 million or 800 basis points as a percentage of net sales as compared to the year-to-date period of Fiscal 2023. The increase as a percent of sales primarily relates to positive comparable sales of 19%, relating to higher unit volume, increased AUR on reduced promotions, and expense leverage relating to payroll and occupancy expenses.

- Operating (loss) for APAC increased $(1) million or (50) basis points as a percentage of net sales as compared to the year-to-date period of Fiscal 2023 as a result of increased marketing investments.

Interest (income) expense, net

	Thirteen Weeks Ended						
	May 4, 2024						
	May 4, 2024						
	May 4, 2024						
	August 3, 2024						
	August 3, 2024						
	August 3, 2024						
(in thousands, except ratios)							
(in thousands, except ratios)							
(in thousands, except ratios)		% of Net sales	% of Net sales	BPS Change	% of Net sales	% of Net sales	BPS Change
Interest expense							
Interest income							
Interest (income) expense, net							

	Twenty-Six Weeks Ended			
	Twenty-Six Weeks Ended			
	Twenty-Six Weeks Ended			
	August 3, 2024			
	August 3, 2024			
	August 3, 2024			
(in thousands, except ratios)				
(in thousands, except ratios)				
(in thousands, except ratios)		% of Net Sales	% of Net Sales	BPS Change
Interest expense				
Interest income				
Interest (income) expense, net				

For the first second quarter of Fiscal 2024, interest (income) expense, net decreased $8.5 million increased $6.3 million, as compared to the first second quarter of Fiscal 2023, as 2023. The increase was a result of lower borrowings due to the purchase of Senior Secured Notes as well as an increase in interest income due to the increase in balance and rates received on deposits and money market accounts. accounts as well as lower borrowings due to repurchases of Senior Secured Notes in the open market.

For the year-to-date period of Fiscal 2024, interest expense, net increased $14.8 million, as compared to the year-to-date period of Fiscal 2023. The increase was a result of higher interest income due to the increase in balance and rates received on deposits and money market accounts as well as lower borrowings due to repurchases of Senior Secured Notes in the open market.

Income tax expense

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
	August 3, 2024	July 29, 2023

(in thousands, except ratios)	(in thousands, except ratios)			Effective Tax Rate				Effective Tax Rate	(in thousands, except ratios)		Effective Tax Rate			Effective Tax Rate
Income tax expense	Income tax expense	$19,794	14.7	14.7 %	$ 12,718	41.6	41.6 %		Income tax expense	$45,449	25.1	25.1 %	$30,014	33.8	33.8 %
Excluded items:														
Tax effect of pre-tax excluded items (1)														
Tax effect of pre-tax excluded items (1)														
Tax effect of pre-tax excluded items (1)														
Adjusted non-GAAP income tax expense (1)														
Adjusted non-GAAP income tax expense (1)														
Adjusted non-GAAP income tax expense (1)														

	Twenty-Six Weeks Ended Twenty-Six Weeks Ended Twenty-Six Weeks Ended			
	August 3, 2024		July 29, 2023	
(in thousands, except ratios)		Effective Tax Rate		Effective Tax Rate
Income tax expense	$65,243	20.7 %	$42,732	35.8 %
Excluded items:				
Tax effect of pre-tax excluded items (1)				
Tax effect of pre-tax excluded items (1)				
Tax effect of pre-tax excluded items (1)				
Adjusted non-GAAP income tax expense				
Adjusted non-GAAP income tax expense				
Adjusted non-GAAP income tax expense				

(1) The tax effect of pre-tax excluded items is the difference between the tax provision calculation on a GAAP basis and on an adjusted non-GAAP basis. Refer to "*Operating income*" and "*NON-GAAP FINANCIAL MEASURES*" for details of pre-tax excluded items.

Compared with the first second quarter of Fiscal 2023, the change in the effective tax rates during the first second quarter of Fiscal 2024 is due to jurisdictional mix and higher levels of pre-tax income. Compared with the year-to-date period of 2023, the change in the effective tax rates during Fiscal 2024 is due to jurisdictional mix and higher levels of pre-tax income offset by a larger tax benefit on share based compensation.

Refer to Note 9, "*INCOME TAXES*."

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Net income attributable to A&F

	Thirteen Weeks Ended			
	May 4, 2024			
	May 4, 2024			
	May 4, 2024			
	August 3, 2024			
	August 3, 2024			
	August 3, 2024			
(in thousands)				
(in thousands)				
(in thousands)		% of Net sales	% of Net sales	BPS Change
Net income attributable to A&F				

	Twenty-Six Weeks Ended						
	Twenty-Six Weeks Ended						
	Twenty-Six Weeks Ended						
	August 3, 2024						
	August 3, 2024						
	August 3, 2024						
(in thousands)							
(in thousands)							
(in thousands)		% of Net sales	% of Net sales	BPS Change	% of Net Sales	% of Net Sales	BPS Change
Net income attributable to A&F							
Excluded items, net of tax (1)							
Adjusted non-GAAP net income attributable to A&F (2)							

(1) Excluded items presented above under "*Operating income*," and "*Income tax expense*"

(2) Refer to "*NON-GAAP FINANCIAL MEASURES*" for further details.

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Net income per share attributable to A&F

	Thirteen Weeks Ended		
	May 4, 2024		
	May 4, 2024		
	May 4, 2024	April 29, 2023	$ Change
	August 3, 2024		
	August 3, 2024		
	August 3, 2024	July 29, 2023	$ Change

Net income per diluted share attributable to A&F			
Excluded items, net of tax (1)			
Adjusted non-GAAP net income per diluted share attributable to A&F			
Impact from changes in foreign currency exchange rates			
Impact from changes in foreign currency exchange rates			
Impact from changes in foreign currency exchange rates			
Adjusted non-GAAP net income per diluted share attributable to A&F on a constant currency basis (2)			

	Twenty-Six Weeks Ended Twenty-Six Weeks Ended Twenty-Six Weeks Ended		
	August 3, 2024 August 3, 2024 August 3, 2024	July 29, 2023	$ Change
Net income per diluted share attributable to A&F			
Excluded items, net of tax (1)			
Adjusted non-GAAP net income per diluted share attributable to A&F (2)			
Impact from changes in foreign currency exchange rates			
Adjusted non-GAAP net income per diluted share attributable to A&F on a constant currency basis (2)			

(1) Excluded items presented above under "*Operating income*," and "*Income tax expense*."

(2) Refer to "*NON-GAAP FINANCIAL MEASURES*" for further details.

EBITDA and adjusted EBITDA

	Thirteen Weeks Ended				
	May 4, 2024 May 4, 2024 May 4, 2024 August 3, 2024 August 3, 2024 August 3, 2024				
(in thousands, except ratios) *(in thousands, except ratios)* *(in thousands, except ratios)*		% of Net sales		% of Net sales	BPS Change
Net income					
Income tax expense					
Interest (income) expense, net					
Depreciation and amortization					
EBITDA (1)					
	Twenty-Six Weeks Ended Twenty-Six Weeks Ended				

	Twenty-Six Weeks Ended						
	August 3, 2024						
	August 3, 2024						
	August 3, 2024						
(in thousands, except ratios)							
(in thousands, except ratios)							
(in thousands, except ratios)		% of Net sales	% of Net sales	BPS Change	% of Net sales	% of Net sales	BPS Change
Net income							
Income tax expense							
Interest (income) expense, net							
Depreciation and amortization							
EBITDA (1)							
Excluded items:							
Asset impairment charges (1)							
Asset impairment charges (1)							
Asset impairment charges (1)							
Adjusted EBITDA (1)							

(1) EBITDA and Adjusted EBITDA are supplemental financial measures that are not defined or prepared in accordance with GAAP. EBITDA is defined as net income before interest, income taxes and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for asset impairment. Refer to "*NON-GAAP FINANCIAL MEASURES*" for further details.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Company's capital allocation strategy and priorities are reviewed by A&F's Board of Directors quarterly, considering both liquidity and valuation factors. The Company believes that it will have adequate liquidity to fund operating activities for the next twelve months. The Company monitors financing market conditions and may in the future determine whether and when to amend, modify, repurchase, or restructure its ABL Facility and/or the Senior Secured Notes or repurchase shares of its Common Stock. For a discussion of the Company's share repurchase activity and suspended dividend program, please see below under "*Share repurchases and dividends*."

Primary sources and uses of cash

The Company's business has two principal selling seasons: the spring season, which includes the first Spring and second fiscal quarters ("Spring") and the fall season, which includes the third and fourth fiscal quarters ("Fall"). Fall, The Company generally experiences its greatest sales activity during the Fall season, due to the back-to-school and holiday sales periods. The Company relies on excess operating cash flows, which are largely generated in Fall, to fund operations throughout the year and to reinvest in the business to support future growth. The Company also has the ABL Facility available as a source of additional funding, which is described further below under "*Credit facility and Senior Secured Notes*".

Over the next twelve months, the Company expects its primary cash requirements to be directed towards prioritizing investments in the business and continuing to fund operating activities, including the acquisition of inventory, and obligations related to compensation, marketing, data and technology, leases and any lease buyouts or modifications it may exercise, taxes and other operating activities. In addition, the Company management continuously evaluates potential opportunities to strategically deploy excess cash and/or deleverage the balance sheet, depending in consideration of on various factors, such as market and business conditions, including and the Company's ability to accelerate investments in the business. Such opportunities may include, but are not limited to, purchasing outstanding Senior Secured Notes or share repurchases.

The Company evaluates When evaluating opportunities for investments in the business, that are in line management considers alignment with initiatives that position the business for sustainable long-term growth that align and with its the Company's strategic pillars as described within Part I, "Item 1. Business - STRATEGY AND KEY BUSINESS PRIORITIES" included on the Fiscal 2023 Form 10-K, including being opportunistic regarding growth opportunities. Examples of potential investment opportunities include, but are not limited to, new store experiences, and investments in the Company's digital and omnichannel initiatives. Historically, the Company has utilized free cash flow generated from operations to fund any discretionary capital expenditures, which have been prioritized towards new store experiences, as well as digital and omnichannel investments, and information technology, and other projects. technology. For the year-to-date period ended May 4, 2024 August 3, 2024, the Company used $38.9 million invested $81.6 million towards capital expenditures. Total capital expenditures for Fiscal 2024 are expected to be approximately $170 million.

The Company measures liquidity using total cash and cash equivalents and incremental borrowing available under the ABL Facility. As of May 4, 2024 August 3, 2024, the Company had cash and cash equivalents of $864.2 million $738.4 million and total liquidity of approximately $1.2 billion, compared with cash and cash equivalents of $900.9 million and total liquidity of approximately $1.2 billion at the beginning of Fiscal 2024.

Share repurchases and dividends

In November 2021, A&F's Board of Directors approved a $500 million share repurchase authorization, replacing the prior 2021 share repurchase authorization of 10.0 million shares, which had approximately 3.9 million shares remaining available. During the year-to-date period ended May 4, 2024 August 3, 2024, the Company repurchased approximately 0.1 million 0.2 million shares of its common stock Common Stock pursuant to this share repurchase authorization for approximately $15.0 million $30.0 million. As of August 3, 2024 tThe he Company has $217 had $202 million in share repurchase authorization repurchases remaining under the authorization approved in November 2021.

Historically, the Company has repurchased shares of its Common Stock from time to time, which repurchases are dependent on excess liquidity, market conditions, and business conditions, with the objectives of returning excess cash to shareholders and offsetting dilution from issuances of Common Stock associated with the exercise of employee stock appreciation rights and the vesting of restricted stock units. Shares may be repurchased in the open market, including pursuant to trading plans established in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), through privately negotiated transactions or other transactions or by a combination of such methods. Refer to "Item 2. Unregistered Sales of Equity Securities and Use of Proceeds" of Part II of this Quarterly Report on Form 10-Q for the amount remaining available for purchase under the Company's publicly announced share repurchase authorization.

The Company's In May 2020, the Company suspended its dividend program is currently suspended in order to preserve liquidity and maintain financial flexibility. program. The Company may in the future review its dividend program to determine, in light of facts and circumstances at that time, whether and when to reinstate. Any dividends are declared at the discretion of A&F's Board of Directors. A&F's Board of Directors reviews and establishes a dividend amount, if at all, based on A&F's financial condition, results of operations, capital requirements, current and projected cash flows, business prospects and other factors, including any restrictions under the Company's agreements related to the Senior Secured Notes and the ABL Facility. There can be no assurance that the Company will declare and pay dividends in the future or, if dividends are paid, that they will be in amounts similar to past dividends.

Credit facility and

Senior Secured Notes

As On July 15, 2024 (the "Redemption Date"), Abercrombie & Fitch Management Co ("A&F Management") redeemed all of May 4, 2024 its outstanding 8.75% Senior Secured Notes due 2025, which had an aggregate principal amount of $214 million, pursuant to the Company had $213.9 million terms of gross borrowings outstanding under the indenture governing the Senior Secured Notes. During Notes, at a redemption price equal to 100% of the thirteen weeks ended May 4, 2024, A&F Management purchased $9.3 million principal amount, plus accrued and unpaid interest to, but excluding, the Redemption Date. As of outstanding the Redemption Date, the Senior Secured Notes in the open market were no longer deemed outstanding and incurred a $0.2 million loss on extinguishment of debt, recognized in interest expense on the Condensed Consolidated Statements of Operations and Comprehensive Income. Senior Secured Notes ceased to accrue.

In addition, Credit facility

On August 2, 2024, A&F, as parent and a guarantor, A&F Management, as lead borrower, and certain of A&F's direct and indirect wholly-owned subsidiaries, as additional borrowers and guarantors, entered into the Second Amendment to Amended and Restated Credit Agreement (the "Second Amendment"), together with the lenders party thereto and Wells Fargo Bank, National Association, as amended by the First Amendment (as defined below), provides administrative agent for the ABL Facility, lenders. The Second

Amendment amends the existing Amended and Restated Credit Agreement, dated as of April 29, 2021 (the "ABL Credit Agreement"), which is provided for a $400 million senior secured asset-based revolving credit facility facility. The Company incurred customary fees and expenses in connection with the entry into the Second Amendment.

The Second Amendment amended the ABL Credit Agreement to, among other things:

- increase the aggregate commitments thereunder to $500 million;
- establish a $100 million sub-facility for the benefit of up Abfico Netherlands Distribution B.V. ("Abfico") and AFH Stores UK Limited ("AFH UK") that is (i) secured by a first priority security interest in all assets (subject to specified exclusions) of each of Abfico and AFH UK, (ii) guaranteed by A&F and certain of its domestic direct and indirect wholly-owned subsidiaries and (iii) subject to a borrowing base as described therein;
- extend the maturity date from April 29, 2026 to August 2, 2029;
- $400 million. increase the letter of credit sub-limit from $50 million to $62.5 million;
- decrease the swing line availability from $50 million to $30 million;
- decrease the unused line fee from a variable rate of 25 basis points to 37.5 basis points to a flat rate of 25 basis points; and
- increase pricing of the interest rate margin applicable to borrowings as follows:
    - from 1.25% to 1.50% when average availability is greater than or equal to 50% of the Loan Cap (as defined in the Second Amendment); and
    - from 1.50% to 1.75% when average availability is less than 50% of the Loan Cap.

As of May 4, 2024 August 3, 2024, the Company did not have any borrowings outstanding under the ABL Facility. The ABL Facility matures on April 29, 2026.

Details regarding the remaining borrowing capacity under the ABL Facility as of May 4, 2024 August 3, 2024 are as follows:

(in thousands)		May 4, August 3, 2024
Loan cap	$	325,648 478,787
Less: Outstanding stand-by letters of credit		(430) (427)
Borrowing capacity		325,218 478,360
Less: Minimum excess availability (1)		(32,565) (47,878)
Borrowing capacity available	$	292,653 430,482

(1) The Under the ABL Facility, the Company must maintain excess availability equal to the greater of 10% of the loan cap or $30 million under the ABL Facility. $36 million.

Refer to Note 10, "*BORROWINGS*."

Income taxes

The Company's earnings and profits from its foreign subsidiaries could be repatriated to the U.S. without incurring additional federal income tax. The Company determined that the balance of the Company's undistributed earnings and profits from its foreign subsidiaries as of February 2, 2019 are considered indefinitely reinvested outside of the U.S., and if these funds were to be repatriated to the U.S., the Company would expect to incur an insignificant amount of state income taxes and foreign withholding taxes. The Company accrues for both state income taxes and foreign withholding taxes with respect to earnings and profits earned after February 2, 2019, in such a manner that these funds could be repatriated without incurring additional tax expense. As of May 4, 2024 August 3, 2024, $249.9 million $286.2 million of the Company's $864.2 million $738.4 million of cash and equivalents were held by foreign affiliates.

Refer to Note 9, "*INCOME TAXES*."

Analysis of cash flows

The table below provides certain components of the Company's Condensed Consolidated Statements of Cash Flows for the thirteen twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023:

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023

	Twenty-Six Weeks Ended	
	August 3, 2024	July 29, 2023
(in thousands)		
Cash and equivalents, and restricted cash and equivalents, beginning of period		
Cash and equivalents, and restricted cash and equivalents, beginning of period		
Cash and equivalents, and restricted cash and equivalents, beginning of period		
Net cash provided by (used for) operating activities		
Net cash provided by operating activities		
Net cash used for investing activities		
Net cash used for financing activities		
Effect of foreign currency exchange rates on cash		
Net decrease in cash and equivalents, and restricted cash and equivalents		
Net (decrease) increase in cash and equivalents, and restricted cash and equivalents		
Cash and equivalents, and restricted cash and equivalents, end of period		

Operating activities - During the year-to-date period ended May 4, 2024 August 3, 2024, net cash provided by operating activities included increased cash receipts as a result of the 22% year-over-year increase in net sales. During the year-to-date period ended April 29, 2023 July 29, 2023, net cash used for operating activities included increased cash receipts as a result of the 3% 9% year-over-year increase in net sales, as well as increased payments to vendors in the fourth quarter of Fiscal 2022, which resulted in lower cash payments in the first quarter of Fiscal 2023.

Investing activities - During the year-to-date period ended May 4, 2024 August 3, 2024, net cash used for investing activities was primarily used for capital expenditures of $38.9 million. $81.6 million, as well as the purchase of $15 million of marketable securities. Net cash used for investing activities for the year-to-date period ended April 29, 2023 July 29, 2023 was primarily used for capital expenditures of $46.4 million $89.8 million.

Financing activities - During the year-to-date period ended May 4, 2024 August 3, 2024, net cash used for financing activities included $65 the repurchase of $9.3 million in the open market and redemption of $214.0 million of outstanding Senior Secured Notes, $67 million related to shares of Common Stock withheld (repurchased) to cover tax withholdings upon vesting of share-based compensation awards, and the purchase of approximately 0.1 million 0.2 million shares of Common Stock with a market value of approximately $15.0 million and the purchase of $9.3 million of outstanding Senior Secured Notes at a premium of $0.1 million $30.0 million. During the year-to-date period ended April 29, 2023 July 29, 2023, net cash used for financing activities included amounts related to shares of Common Stock withheld (repurchased) to cover tax withholdings upon vesting of share-based compensation awards.

Contractual obligations

The Company's contractual obligations consist primarily of operating leases, purchase orders for merchandise inventory, unrecognized tax benefits, certain retirement obligations, lease deposits, and other agreements to purchase goods and services that are legally binding and that require minimum quantities to be purchased. These contractual obligations impact the Company's short-term and long-term liquidity and capital resource needs.

There have been no material changes in the Company's contractual obligations since February 3, 2024, with the exception of those obligations which occurred in the normal course of business (primarily changes in the Company's merchandise inventory-related purchases and lease obligations, which fluctuate throughout the year as a result of the seasonal nature of the Company's operations).

RECENT ACCOUNTING PRONOUNCEMENTS

The Company describes its significant accounting policies in Note 2, "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES," of the Notes to Consolidated Financial Statements contained in "Item 8. Financial Statements and Supplementary Data" included on the Fiscal 2023 Form 10-K. The Company reviews recent accounting pronouncements on a quarterly basis and has excluded discussion of those not applicable to the Company and those that did not have, or are not expected to have, a material impact on the Company's consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The Company describes its critical accounting estimates in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," Operations" included on the Fiscal 2023 Form 10-K. There have been no significant changes in critical accounting policies and estimates since the end of Fiscal 2023.

NON-GAAP FINANCIAL MEASURES

This Quarterly Report on Form 10-Q includes discussion of certain financial measures calculated and presented on both a GAAP and a non-GAAP basis. The Company believes that each of the non-GAAP financial measures presented in this "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" is useful to investors as it provides a meaningful basis to evaluate the Company's operating performance excluding the effect of certain items that the Company believes may not reflect its future operating outlook, such as certain asset impairment charges, thereby 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. These non-GAAP financial measures should be used as a supplement 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.

Comparable sales

The Company provides comparable sales, defined as the year-over-year percentage change in the aggregate of (1) net sales for stores that have been open as the same brand at least one year and square footage has not been expanded or reduced by more than 20% within the past year, with the prior year's net sales converted at the current year's foreign currency exchange rates to remove the impact of foreign currency exchange rate fluctuations, and (2) digital net sales with the prior year's net sales converted at the current year's foreign currency exchange rates to remove the impact of foreign currency exchange rate fluctuations. Comparable sales excludes revenue other than store and digital sales. Management uses comparable sales to understand the drivers of year-over-year changes in net sales and believes that comparable sales can be a useful metric as it can

assist investors in distinguishing the portion of the Company's revenue attributable to existing locations from the portion attributable to the opening or closing of stores. The most directly comparable GAAP financial measure is change in net sales.

Excluded items

The following financial measures are disclosed on a GAAP and on an adjusted non-GAAP basis excluding the following items, as applicable:

Financial measures (1)	Excluded items
Operating income	Asset impairment charges
Income tax expense (2)	Tax effect of pre-tax excluded items
Net income and net income per share attributable to A&F (2)	Pre-tax excluded items and the tax effect of pre-tax excluded items

(1) Certain of these financial measures are also expressed as a percentage of net sales.

(2) The tax effect of excluded items is the difference between the tax provision calculation on a GAAP basis and on an adjusted non-GAAP basis.

Financial information on a constant currency basis

The Company 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. Management also uses financial information on a constant currency basis to award employee performance-based compensation.The effect from foreign currency exchange rates, calculated on a constant currency basis, is determined by applying the current period's foreign currency exchange rates to the prior year's results and is net of the year-over-year impact from hedging. The per diluted share effect from foreign currency exchange rates is calculated using a 26% effective tax rate.

Reconciliations of non-GAAP financial metrics on a constant currency basis to financial measures calculated and presented in accordance with GAAP for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023 were as follows:

(in thousands, except change in net sales, gross profit rate, operating margin and per share data)	Thirteen Weeks Ended			Twenty-Six Weeks Ended		
Net sales	August 3, 2024	July 29, 2023	% Change	August 3, 2024	July 29, 2023	% Change
GAAP	$ 1,133,974	$ 935,345	21 %	$ 2,154,704	$ 1,771,339	22 %
Impact from changes in foreign currency exchange rates						
Non-GAAP on a constant currency basis	$ 1,133,974	$ 932,975	22 %	$ 2,154,704	$ 1,768,427	22 %

(in thousands, except change in net sales, gross profit rate, operating margin and per share data)
(in thousands, except change in net sales, gross profit rate, operating margin and per share data)
(in thousands, except change in net sales, gross profit rate, operating margin and per share data)
Net sales
Net sales
Net sales
GAAP
GAAP

Gross profit, exclusive of depreciation and amortization expense	August 3, 2024	July 29, 2023	BPS Change (1)	August 3, 2024	July 29, 2023	BPS Change (1)
GAAP						
Impact from changes in foreign currency exchange rates						
Non-GAAP on a constant currency basis						

Impact from changes in foreign currency exchange rates
Impact from changes in foreign currency exchange rates
Non-GAAP on a constant currency basis

Non-GAAP on a constant currency basis

Gross profit, exclusive of depreciation and amortization expense

Gross profit, exclusive of depreciation and amortization expense

Gross profit, exclusive of depreciation and amortization expense

GAAP

GAAP

GAAP

Impact from changes in foreign currency exchange rates

Impact from changes in foreign currency exchange rates

Impact from changes in foreign currency exchange rates

Non-GAAP on a constant currency basis

Non-GAAP on a constant currency basis

Non-GAAP on a constant currency basis

Operating income	**Operating income**	August 3, 2024	July 29, 2023	BPS Change (1)	August 3, 2024	July 29, 2023	BPS Change (1)

Operating income

Operating income

GAAP

GAAP

GAAP

Excluded items (2)

Excluded items (2)

Excluded items (2)

Adjusted non-GAAP

Adjusted non-GAAP

Adjusted non-GAAP

Impact from changes in foreign currency exchange rates

Impact from changes in foreign currency exchange rates

Adjusted non-GAAP on a constant currency basis

Net income per share attributable to A&F	August 3, 2024	July 29, 2023	$ Change	August 3, 2024	July 29, 2023	$ Change

GAAP
Excluded items, net of tax (2)
Adjusted non-GAAP
Impact from changes in foreign currency exchange rates
Adjusted non-GAAP on a constant currency basis
Adjusted non-GAAP on a constant currency basis
Adjusted non-GAAP on a constant currency basis
Net income per share attributable to A&F
Net income per share attributable to A&F
Net income per share attributable to A&F
GAAP
GAAP
GAAP
Excluded items, net of tax (2)
Excluded items, net of tax (2)
Excluded items, net of tax (2)
Adjusted non-GAAP
Adjusted non-GAAP
Adjusted non-GAAP
Impact from changes in foreign currency exchange rates
Impact from changes in foreign currency exchange rates
Impact from changes in foreign currency exchange rates
Adjusted non-GAAP on a constant currency basis
Adjusted non-GAAP on a constant currency basis
Adjusted non-GAAP on a constant currency basis

(1) The estimated basis point change has been rounded based on the change in the percentage of net sales.

(2) Excluded items for the thirteen twenty-six weeks ended April 29, 2023 July 29, 2023 consisted of pre-tax store asset impairment charges and the tax effect of pre-tax excluded items.

EBITDA and ~~adjusted~~ Adjusted EBITDA

The company 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.

Reconciliations of non-GAAP EBITDA and adjusted EBITDA to financial measures calculated and presented in accordance with GAAP for the thirteen and twenty-six weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023 were as follows:

	Thirteen Weeks Ended			
	May 4, 2024	% of Net Sales	April 29, 2023	% of Net Sales
	August 3, 2024	% of Net Sales	July 29, 2023	% of Net Sales
Net income	$135,379	11.9 %	$ 58,731	6.3 %
Income tax expense				
Interest (income) expense, net				
Depreciation and amortization				
EBITDA (1)	$214,980	19.0 %	$ 126,225	13.5 %
	Twenty-Six Weeks Ended			
	Twenty-Six Weeks Ended			
	Twenty-Six Weeks Ended			
	August 3, 2024	% of Net Sales	July 29, 2023	% of Net Sales

Net income	Net income	$115,078	11.3	11.3 %	$ 17,847	2.1	2.1 %	Net income	$250,457	11.6	11.6 %	$ 76,578	4.3	4.3 %
Income tax expense														
Interest (income) expense, net														
Depreciation and amortization														
EBITDA (1)	EBITDA (1)	$167,538	16.4	16.4 %	$ 70,036	8.4	8.4 %	EBITDA (1)	$382,518	17.8	17.8 %	$196,261	11.1	11.1 %
Adjustments to EBITDA														
Adjustments to EBITDA														
Adjustments to EBITDA														
Asset impairment (1)														
Asset impairment (1)														
Asset impairment (1)														
Adjusted EBITDA (1)	Adjusted EBITDA (1)	$167,538	16.4	16.4 %	$ 74,472	8.9	8.9 %	Adjusted EBITDA (1)	$382,518	17.8	17.8 %	$200,697	11.4	11.4 %

(1) EBITDA and Adjusted EBITDA are supplemental financial measures that are not defined or prepared in accordance with GAAP. EBITDA is defined as net income before interest, income taxes and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for asset impairment.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

INVESTMENT SECURITIES

The Company maintains its cash equivalents in financial instruments, primarily time deposits and money market funds, with original maturities of three months or less. Recently the Company invested in short-term marketable securities with maturities less than twelve months. Due to the short-term nature of these instruments, changes in interest rates are not expected to materially affect the fair value of these financial instruments.

The Rabbi Trust includes amounts to meet funding obligations to participants in the Abercrombie & Fitch Co. Nonqualified Savings and Supplemental Retirement Plan I, the Abercrombie & Fitch Co. Nonqualified Savings and Supplemental Retirement Plan II, and the Supplemental Executive Retirement Plan. The Rabbi Trust assets primarily consist of trust-owned life insurance policies, which are recorded at cash surrender value. The change in cash surrender value resulted in realized gains of $0.3 million and $0.3 million $0.9 million for the thirteen weeks ended May 4, 2024 August 3, 2024 and April 29, 2023 July 29, 2023, respectively and $0.7 million and $1.3 million for the twenty-six weeks ended August 3, 2024 and July 29, 2023, respectively. The realized gains were recorded in interest (income) expense, net on the Condensed Consolidated Statements of Operations and Comprehensive Income.

The Rabbi Trust assets were included in other assets on the Condensed Consolidated Balance Sheets as of May 4, 2024 August 3, 2024 and February 3, 2024 and are restricted in their use as noted above.

INTEREST RATE RISK

Prior to July 2, 2020, the Company's exposure to market risk due to changes in interest rates related primarily to the increase or decrease in the amount of interest expense from fluctuations in the LIBO rate, or an alternate base rate associated with the Company's former term loan facility (the "Term Loan Facility") and the ABL Facility. On July 2, 2020, the Company issued the Senior Secured Notes and repaid all outstanding borrowings under the Term Loan Facility and the ABL Facility, thereby eliminating any then-existing cash flow market risk due to changes in interest rates. The Senior Secured Notes are exposed to interest rate risk that is limited to changes in fair value. This analysis for Fiscal 2024 may differ from the actual results due to potential changes in gross borrowings outstanding under the ABL Facility and potential changes in interest rate terms and limitations described within the Amended and Restated Credit Agreement.

In July 2017, the Financial Conduct Authority (the authority that regulates LIBO rate) announced it intended to stop compelling banks to submit rates for the calculation of LIBO rate after 2021. Certain publications of the LIBO rate were phased out at the end of 2021 and all LIBO rate publications ceased after June 30, 2023. On March 15, 2023, the Company entered into the First Amendment to the Amended and Restated Credit Agreement (the "First Amendment") to eliminate LIBO rate based loans and to use the current market definitions with respect to the Secured Overnight Financing Rate, as well as to make other conforming changes.

FOREIGN CURRENCY EXCHANGE RATE RISK

A&F's international subsidiaries generally operate with functional currencies other than the U.S. dollar. Since the Company's Condensed Consolidated Financial Statements are presented in U.S. dollars, the Company must translate all components of these financial statements from functional currencies into U.S. dollars at exchange rates in effect during or at the end of the reporting period. The fluctuation in the value of the U.S. dollar against other currencies affects the reported amounts of revenues, expenses, assets, and liabilities. The potential impact of foreign currency exchange rate fluctuations increases as international operations relative to domestic operations increase.

A&F and its subsidiaries have exposure to changes in foreign currency exchange rates associated with foreign currency transactions and forecasted foreign currency transactions, including the purchase of inventory between subsidiaries and foreign-currency-denominated assets and liabilities. The Company has established a program that primarily utilizes foreign currency exchange forward contracts to partially offset the risks associated with the effects of certain foreign currency transactions and forecasted transactions. Under this program, increases or decreases in foreign currency exchange rate exposures are partially offset by gains or losses on foreign currency exchange forward contracts, to mitigate the impact of foreign currency exchange gains or losses. The Company does not use forward contracts to engage in currency speculation. Outstanding foreign currency exchange forward contracts are recorded at fair value at the end of each fiscal period.

Foreign currency exchange forward contracts are sensitive to changes in foreign currency exchange rates. As of May 4, 2024 August 3, 2024, the Company assessed the risk of loss in fair values from the effect of a hypothetical 10% devaluation of the U.S. dollar against the exchange rates for foreign currencies under contract. Such a hypothetical devaluation would decrease derivative contract fair values by approximately $7.1 $14.5 million. As the Company's foreign currency exchange forward contracts are primarily designated as cash flow hedges of forecasted transactions, the hypothetical change in fair values would be expected to be largely offset by the net change in fair values of the underlying hedged items. Refer to Note 12, "*DERIVATIVE INSTRUMENTS*," for the fair value of any outstanding foreign currency exchange forward contracts included in other current assets and accrued expenses as of May 4, 2024 August 3, 2024 and February 3, 2024.

Item 4. Controls and Procedures

DISCLOSURE CONTROLS AND PROCEDURES

A&F maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to provide reasonable assurance that information required to be disclosed in the reports that A&F files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to A&F's management, including A&F's Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Because of inherent limitations, disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of disclosure controls and procedures are met.

A&F's management, including the Chief Executive Officer of A&F (who serves as Principal Executive Officer of A&F) and the Executive Vice President, Chief Financial Officer and Chief Operating Officer of A&F (who serves as Principal Financial Officer and Principal Accounting Officer of A&F), evaluated the effectiveness of A&F's design and operation of its disclosure controls and procedures as of the end of the fiscal quarter ended May 4, 2024 August 3, 2024. The Chief Executive Officer of A&F (in such individual's capacity as the Principal Executive Officer of A&F) and the Executive Vice President, Chief Financial Officer and Chief Operating Officer of A&F (in such individual's capacity as the Principal Financial Officer of A&F) concluded that A&F's disclosure controls and procedures were effective at a reasonable level of assurance as of May 4, 2024 August 3, 2024.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in A&F's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended May 4, 2024 August 3, 2024 that materially affected, or are reasonably likely to materially affect, A&F's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company and its affiliates are defendants in lawsuits and other adversary proceedings that may range from individual actions involving a single plaintiff to class action lawsuits. The Company's legal costs incurred in connection with the resolution of claims and lawsuits are generally expensed as incurred, and the Company establishes estimated liabilities for the outcome of litigation where losses are deemed probable and the amount of loss, or range of loss, is reasonably estimable. The Company also determines estimates of reasonably possible losses or ranges of reasonably possible losses in excess of related accrued liabilities, if any, when it has determined that a loss is reasonably possible, and it is able to determine such estimates. The Company's accrued charges for certain legal contingencies are classified within accrued expenses on the Condensed Consolidated Balance Sheets included in "Item 1. Financial Statements (Unaudited)," of Part I of this Quarterly Report on Form 10-Q. Based on currently available information, the Company cannot estimate a range of reasonably possible losses in excess of the accrued charges for legal contingencies. In addition, the Company has not established accruals for certain claims and legal proceedings pending against the Company where it is not possible to reasonably estimate the outcome or potential liability, and the Company cannot estimate a range of reasonably possible losses for these legal matters. Actual liabilities may differ from the amounts recorded, due to uncertainties regarding final settlement agreement negotiations and the terms of any approval by the courts, and there can be no assurance that the final resolution of legal matters will not have a material adverse effect on the Company's financial condition, results of operations, or cash flows. The Company's assessment of the current exposure could change in the event of the discovery of additional facts.

In addition, pursuant to Item 103(c)(3)(iii) of Regulation S-K under the Exchange Act, the Company is required to disclose certain information about environmental proceedings to which a governmental authority is a party if the Company reasonably believes such proceedings may result in monetary sanctions, exclusive of interest and costs, above a stated threshold. The Company has elected to apply a threshold of $1 million for purposes of determining whether disclosure of any such proceedings is required.

Item 1A. Risk Factors

The Company's risk factors as of May 4, 2024 August 3, 2024 have not changed materially from those disclosed in Part I, "Item 1A. Risk Factors" of the Fiscal 2023 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of equity securities during the first second quarter of Fiscal 2024 that were not registered under the Securities Act of 1933, as amended.

The following table provides information regarding the purchase of shares of Common Stock made by or on behalf of A&F or any "affiliated purchaser" as defined in Rule 10b-18(a)(3) under the Exchange Act during each fiscal month of the thirteen weeks ended May 4, 2024 August 3, 2024:

Period (fiscal month)	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (2)(3)
February 4, 2024 through March 2, 2024	1,339	$ 121.37	—	$ 232,184,768
March 3, 2024 through April 6, 2024	582,642	127.36	79,731	221,844,410
April 7, 2024 through May 4, 2024	42,217	116.83	39,733	217,184,802
Total	626,198	126.64	119,464	217,184,802

Period (fiscal month)	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (2)(3)
May 5, 2024 through June 1, 2024	1,527	$ 137.66	—	$ 217,184,802
June 2, 2024 through July 6, 2024	69,957	180.45	61,664	206,101,637
July 7, 2024 through August 3, 2024	24,179	173.94	22,390	202,184,894
Total	95,663	178.12	84,054	202,184,894

(1) An aggregate of 506,734 11,609 shares of Common Stock purchased during the thirteen weeks ended May 4, 2024 August 3, 2024 were withheld for tax payments due upon the vesting of employee restricted stock units and the exercise of employee stock appreciation rights.

(2) On November 23, 2021, the Company announced that A&F's Board of Directors approved a new $500 million share repurchase authorization, replacing the prior 2021 share repurchase authorization of 10.0 million shares, which had approximately 3.9 million shares remaining available for repurchase.

(3) The number shown represents, as of the end of each period, the approximate dollar value of Common Stock that may yet be purchased under A&F's publicly announced share repurchase authorization described in footnote 2 above. The shares may be purchased, from time to time depending on business and market conditions.

Item 5. Other Information

During the thirteen weeks ended May 4, 2024 August 3, 2024, no director or officer of the Company adopted a new "Rule 10b5-1 trading arrangement " or "non-Rule 10b5-1 trading arrangement," and no director or officer of the Company modified or terminated an

existing "Rule 10b5-1 trading arrangement " or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K under the Exchange Act.

Item 6. Exhibits

Exhibit	Document
3.1	Amended and Restated Certificate of Incorporation of Abercrombie & Fitch Co., reflecting amendments through the date of this Quarterly Report on Form 10-Q, incorporated herein by reference to Exhibit 3.2 to A&F's Quarterly Report on Form 10-Q for the quarterly period ended July 30, 2011 (File No. 001-12107). [This document represents the Amended and Restated Certificate of Incorporation of Abercrombie & Fitch Co. in compiled form incorporating all amendments. This compiled document has not been filed with the Delaware Secretary of State.]
3.2	Amended and Restated Bylaws of Abercrombie & Fitch Co. reflecting amendments through the date of this Quarterly Report on Form 10-Q, incorporated herein by reference to Exhibit 3.1 to A&F's Current Report on Form 8-K dated and filed November 22, 2022 (File No. 001-12107) [This document represents the Amended and Restated Bylaws of Abercrombie & Fitch Co. in compiled form incorporating all amendments.]
10.1	Separation Second Amendment to Amended and Restated Credit Agreement, entered into by and between A&F Management and Kristin Scott, effective February 13, 2024 (filed herewith) dated as of August 2, 2024, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K/A dated and filed February 16, 2024 (File No. 001-12107).
10.2	Form of Performance Share Award Agreement used to evidence the grant of performance share awards to associates (employees) of A&F and its subsidiaries under the among Abercrombie & Fitch Management Co. 2016 Long-Term Incentive Plan for Associates on or after March 12, 2024, incorporated herein by reference to Exhibit 10.43 to A&F'sAnnual Report on Form 10-K as Lead Borrower; the other Borrowers and Guarantors party thereto, the Lenders party thereto, and Wells Fargo Bank, National Association, as administrative agent for the fiscal year endedFebruary 3, 2024 (File No. 001-12107)
10.3	Amended and Restated Abercrombie & Fitch Co. Short-Term Cash Incentive Compensation Performance Plan, Lenders, incorporated herein by reference to Exhibit 10.1 to A&F's Current Report on Form 8-K dated and filed March 13, 2024 August 7, 2024 (File No. 001-12107).
31.1	Certifications by Chief Executive Officer (Principal Executive Officer) pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certifications by Executive Vice President, Chief Financial Officer and Chief Operating Officer (Principal Financial Officer) pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certifications by Chief Executive Officer (who serves as Principal Executive Officer) and Executive Vice President, Chief Financial Officer and Chief Operating Officer (who serves as Principal Financial Officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its Inline XBRL tags are embedded within the Inline XBRL document.*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.*
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101).*

* Filed herewith.
** Furnished herewith.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Abercrombie & Fitch Co.

Date: June 7, 2024 September 6, 2024

By: /s/ Scott D. Lipesky

Scott D. Lipesky

Executive Vice President, Chief Financial Officer and Chief Operating Officer

(Principal Financial Officer, Principal Accounting Officer and Authorized Officer)

EXHIBIT 31.1

CERTIFICATIONS

I, Fran Horowitz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Abercrombie & Fitch Co. for the quarterly period ended May 4, 2024 August 3, 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Abercrombie & Fitch Co.

Date: June 7, 2024 September 6, 2024

By: /s/ Fran Horowitz

Fran Horowitz

Chief Executive Officer

(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, Scott D. Lipesky, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Abercrombie & Fitch Co. for the quarterly period ended May 4, 2024 August 3, 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Abercrombie & Fitch Co.

Date: June 7, 2024 September 6, 2024

By: /s/ Scott D. Lipesky

Scott D. Lipesky

Executive Vice President, Chief Financial Officer and Chief Operating Officer

(Principal Financial Officer)

EXHIBIT 32.1

Certifications by Chief Executive Officer (who serves as Principal Executive Officer) and Executive Vice President, Chief Financial Officer and Chief Operating Officer (who serves as Principal Financial Officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

In connection with the Quarterly Report of Abercrombie & Fitch Co. (the "Corporation") on Form 10-Q for the quarterly period ended May 4, 2024 August 3, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Fran Horowitz, Chief Executive Officer of the Corporation (serving as Principal Executive Officer of the Corporation) and Scott D. Lipesky, Executive Vice President, Chief Financial Officer and Chief Operating Officer of the Corporation (serving as Principal Financial Officer of the Corporation), certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Corporation and its subsidiaries.

/s/ Fran Horowitz	/s/ Scott D. Lipesky
Fran Horowitz Chief Executive Officer (Principal Executive Officer)	Scott D. Lipesky Executive Vice President, Chief Financial Officer and Chief Operating Officer (Principal Financial Officer)
Date: June 7, 2024 September 6, 2024	Date: June 7, 2024 September 6, 2024

* These certifications are being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. These certifications shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Corporation specifically incorporates these certifications by reference in such filing.

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