Urban Outfitters, Inc.

FY'26 Q3 RESULTS



URBN

Introduction

Urban Outfitters, Inc. “URBN” is providing fiscal 2026 third quarter commentary ahead of our earnings call scheduled for November 25th at 5:00pm.

We remind you that any forward-looking statements made in this commentary are subject to our safe harbor statement found in our SEC filings.

Our third quarter earnings release and related financial information are available on our website, **www.urbn.com**.

As used in this document, unless otherwise defined,“Anthropologie” refers to the Company’s Anthropologie and Terrain brands and “Free People” refers to the Company’s Free People and FP Movement brands.

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Key Financial Highlights

	Three Months Ended	
	October 31, 2025	October 31, 2024
URBN Net Sales Change	12.3%	6.3%
Gross Profit*	36.8%	36.5%
Selling, General and Admin. Expenses*	27.4%	27.1%
Income from Operations*	9.4%	9.4%
Earnings Per Diluted Share	$ 1.28	$ 1.10

**Expressed as a percent of net sales*

URBN sales for the third quarter increased by 12% to a record $1.53 billion. The increase in sales was due to a 10% increase in Retail segment sales, a 49% increase in Subscription segment sales and an 8% increase in Wholesale segment sales. Retail segment sales comp increased 8%.

Gross profit dollars increased by 13% to $563 million for the quarter, while the gross profit rate increased 31 bps to 36.8%. The increase in gross profit rate was primarily due to improved Retail segment markdowns driven by lower markdowns at Urban Outfitters and Free People and a leverage in store occupancy costs due to the increase in comparable Retail segment net sales, partially offset by a deleverage in initial merchandise costs. The increase in gross profit dollars was due to higher net sales and the improved gross profit rate. Additionally, the Company recorded store impairment charges of $2 million during the quarter.

Selling general & administrative ('SG&A') expenses increased by 14% to $419 million while SG&A expenses as a percentage of net sales deleveraged by 32 bps to 27.4%. The deleverage in SG&A expenses as a percentage of net sales was primarily related to increased marketing expenses to support customer growth and increased sales in the Retail and Subscription segments, partially offset by a leverage in store payroll expenses due to the Retail segment stores net sales growth. The dollar growth in SG&A expenses was primarily related to increased marketing expenses to support customer growth and increased sales in the Retail and Subscription segments, as well as increased store payroll expenses to support the Retail segment stores net sales growth.

Operating income dollars increased by 12% to $144 million while the operating income rate remained constant at 9.4%. The increase in operating income dollars was driven by the increase in gross profit dollars.

Net income for the quarter was a record $116 million or $1.28 per diluted share.

Sales by Segment

($ in millions)
(unaudited)

	Three Months Ended		Variance	
	October 31, 2025	October 31, 2024	$	%
Total Sales	**$ 1,529.4**	**$ 1,361.9**	**$ 167.5**	**12%**
Retail Segment	**$ 1,296.5**	**$ 1,182.6**	**$ 113.9**	**10%**
URBN Comp	**$ 1,237.5**	**$ 1,146.2**	**$ 91.3**	**8%**
Anthropologie	611.6	568.3	43.3	8%
Free People	293.4	281.9	11.5	4%
Urban Outfitters	321.8	285.9	35.9	13%
Menus & Venues	10.7	10.1	0.6	6%
Retail Segment Comp By Geography				
North America	1,074.2	1,004.1	70.1	7%
Europe and ROW	163.3	142.1	21.2	15%
URBN Non-Comp	**$ 59.0**	**$ 36.4**	**$ 22.6**	**62%**
Wholesale Segment	**$ 88.3**	**$ 82.1**	**$ 6.2**	**8%**
Free People	83.6	77.1	6.5	8%
Urban Outfitters	4.7	5.0	(0.3)	(6%)
Subscription Segment*	**$ 144.6**	**$ 97.2**	**$ 47.4**	**49%**

Total Company or URBN sales for the third quarter increased by 12% to a record $1.53 billion. URBN Retail segment sales increased 10% to $1.30 billion, with Retail segment comparable sales increasing 8%. Comparable sales increased due to high single-digit positive growth in digital channel sales driven by increases in sessions and units per transaction, as well as high single-digit positive growth in retail store sales due to higher traffic, transactions, and average unit retail.

URBN Wholesale segment sales for the third quarter increased by 8% to $88 million, driven by an 8%, or $6 million, increase in Free People wholesale sales. The increase in Free People wholesale sales was primarily due to an increase in sales to specialty customers.

Subscription segment sales for the third quarter increased by 49% to $145 million primarily driven by a 42% increase in average active subscribers in the current quarter versus the prior year quarter.

** The Subscription segment was formerly known as the Nuuly segment*

A Revenue Metrics ANTHROPOLOGIE

($ in millions) *(unaudited)*	Three Months Ended		Variance	
	October 31, 2025	October 31, 2024	$	%
Total Sales	**$ 634.8**	**$ 587.9**	**$ 46.9**	**8%**
Retail Segment	**$ 634.8**	**$ 587.9**	**$ 46.9**	**8%**
Retail Segment Comp	**$ 611.6**	**$ 568.3**	**$ 43.3**	**8%**
Sales by Geography				
North America	589.3	547.4	41.9	8%
Europe and ROW	22.3	20.9	1.4	7%
Retail Segment Non-Comp	**$ 23.2**	**$ 19.6**	**$ 3.6**	**18%**

Total Anthropologie sales increased 8% to $635 million for the quarter.

Retail segment sales increased by 8%, with comparable sales also increasing 8%. The increase in Retail segment comparable sales was driven by double-digit growth in digital channel sales due to increases in sessions and units per transaction, as well as mid single-digit growth in retail store sales due to higher traffic, transactions and average unit retail. All product categories were positive. The increase in non-comparable Retail segment sales was primarily due to the opening of new stores since the prior comparable quarter.

Revenue Metrics FREE PEOPLE

($ in millions) *(unaudited)*	Three Months Ended		Variance	
	October 31, 2025	October 31, 2024	$	%
Total Sales	**$ 399.3**	**$ 365.9**	**$ 33.4**	**9%**
Total Sales by Segment				
Retail Segment	**$ 315.7**	**$ 288.8**	**$ 26.9**	**9%**
Retail Segment Comp	$ 293.4	$ 281.9	$ 11.5	4%
North America	278.6	268.5	10.1	4%
Europe and ROW	14.8	13.4	1.4	10%
Retail Segment Non-Comp	$ 22.3	$ 6.9	$ 15.4	224%
Wholesale Segment	**$ 83.6**	**$ 77.1**	**$ 6.5**	**8%**
North America	81.1	75.4	5.7	8%
Europe and ROW	2.5	1.7	0.8	48%
Total Sales by Brand				
Free People Brand	**$ 297.8**	**$ 280.0**	**$ 17.8**	**6%**
Retail Segment	242.7	225.0	17.7	8%
Wholesale Segment	55.1	55.0	0.1	flat
FP Movement Brand	**$ 101.5**	**$ 85.9**	**$ 15.6**	**18%**
Retail Segment	73.0	63.8	9.2	15%
Wholesale Segment	28.5	22.1	6.4	29%

Total Free People sales increased by 9% to $399 million for the quarter. The increase was due to an increase in Retail segment sales of 9% and an 8% increase in Wholesale segment sales. Total Free People brand sales increased by 6% and total FP Movement brand sales increased by 18%.

The growth in Free People Retail segment sales was driven by an increase in non-comparable sales primarily due to the opening of new stores since the prior comparable quarter and a 4% increase in comparable sales. The increase in Retail segment comparable sales was driven by mid single-digit growth in retail store sales due to higher traffic, transactions and average unit retail, as well as mid single-digit growth in digital channel sales due to increases in sessions and units per transaction. The Free People and FP Movement brands Retail segment comparable sales each increased by 4%. All product categories were positive.

Free People Wholesale segment sales increased by 8% primarily due to an increase in sales to specialty customers.

UO Revenue Metrics URBAN OUTFITTERS

($ in millions) *(unaudited)*	Three Months Ended		Variance	
	October 31, 2025	October 31, 2024	$	%
Total Sales	**$ 339.8**	**$ 300.6**	**$ 39.2**	**13%**
Retail Segment	**$ 335.1**	**$ 295.5**	**$ 39.6**	**13%**
Retail Segment Comp	**$ 321.8**	**$ 285.9**	**$ 35.9**	**13%**
Sales by Geography				
North America	195.6	178.1	17.5	10%
Europe and ROW	126.2	107.8	18.4	17%
Retail Segment Non-Comp	**$ 13.3**	**$ 9.7**	**$ 3.6**	**39%**
Wholesale Segment	**$ 4.7**	**$ 5.0**	**$ (0.3)**	**(6%)**
North America	2.4	3.6	(1.2)	(32%)
Europe and ROW	2.3	1.4	0.9	60%

Total Urban Outfitters sales increased by 13% to $340 million for the quarter.

Retail segment sales increased by 13%, with comparable sales also increasing 13%. The increase in Retail segment comparable sales was driven by increases in Europe and North America. The increase in Retail segment comparable sales was driven by a double-digit increase in retail store sales due to increases in traffic, transactions, conversion rate and average unit retail, as well as a double-digit increase in digital channel sales due to an increase in sessions. All product categories were positive. The increase in non-comparable Retail segment sales was primarily due to the positive impact of foreign currency translation.

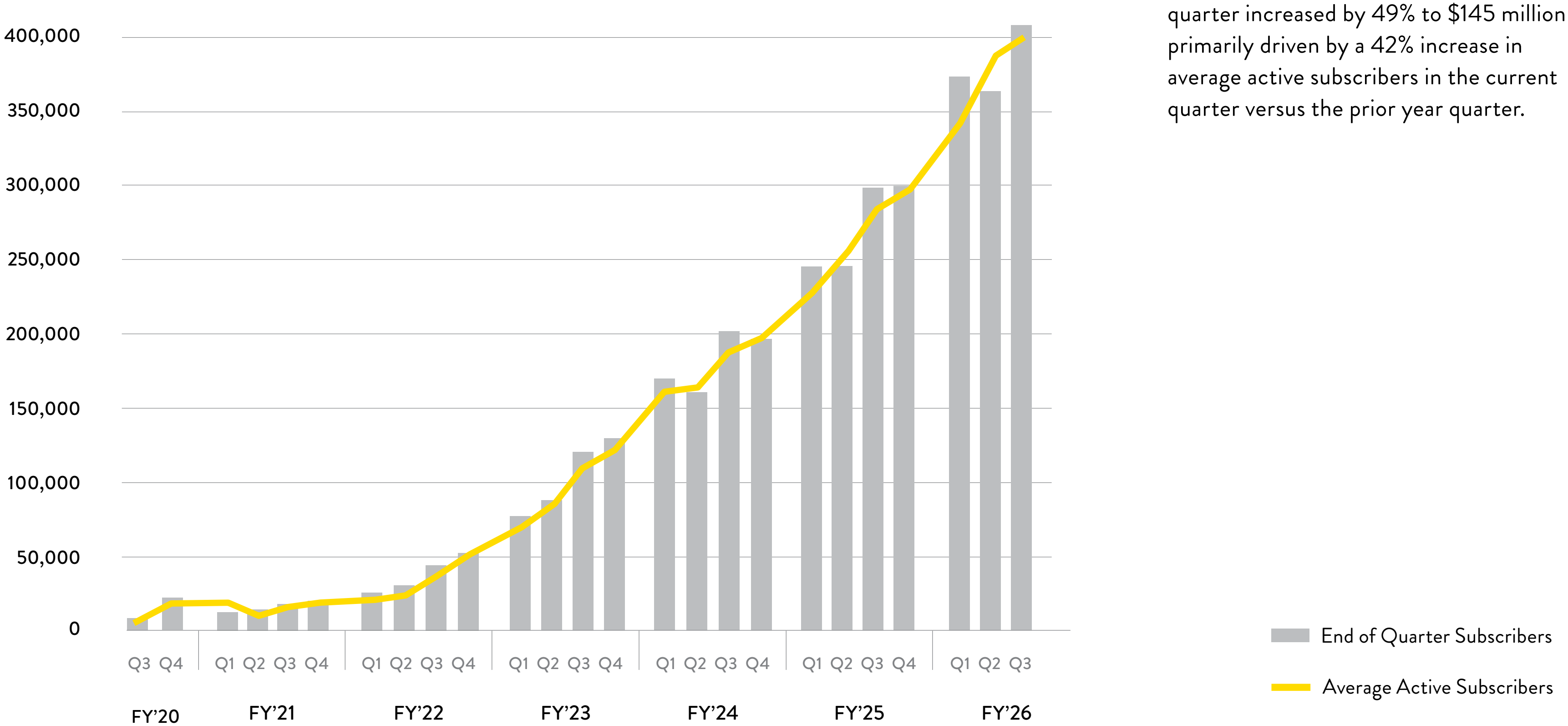
Urban Outfitters Wholesale segment sales decreased by 6%, or less than $1 million.

Revenue and Subscription Metrics nuuly

($ in millions)
(unaudited)

	Three Months Ended		Variance	
	October 31, 2025	October 31, 2024	$	%
Total Sales	**$ 144.6**	**$ 97.2**	**$ 47.4**	**49%**

Nuuly Subscribers



Subscription segment sales for the third quarter increased by 49% to $145 million primarily driven by a 42% increase in average active subscribers in the current quarter versus the prior year quarter.

Gross Profit by Segment

($ in millions) (unaudited)	Three Months Ended		Variance	
	October 31, 2025	October 31, 2024	$	%
Gross Profit* $'s	**$ 563.3**	**$ 497.3**	**$ 66.0**	**13%**
Gross Profit* %	**36.8%**	**36.5%**		
Retail Segment				
Gross Profit $'s	$ 496.3	$ 440.3	$ 56.0	13%
Gross Profit %	38.3%	37.2%		
Wholesale Segment**				
Gross Profit $'s	$ 27.7	$ 29.2	$ (1.5)	(5%)
Gross Profit %	31.4%	35.6%		
Subscription Segment				
Gross Profit $'s	$ 39.3	$ 27.8	$ 11.5	41%
Gross Profit %	27.2%	28.6%		

**Gross Profit includes merchandise costs, logistics, delivery and freight expenses, property costs and merchant expenses*
***Net of intersegment elimination*

Gross profit dollars increased by 13% to $563 million for the quarter, while the gross profit rate increased 31 bps to 36.8%. The increase in gross profit rate was primarily due to improved Retail segment markdowns driven by lower markdowns at Urban Outfitters and Free People and a leverage in store occupancy costs due to the increase in comparable Retail segment net sales, partially offset by a deleverage in initial merchandise costs. The increase in gross profit dollars was due to higher net sales and the improved gross profit rate. Additionally, the Company recorded store impairment charges of $2 million during the quarter.

Retail segment gross profit increased 13% to $496 million while the Retail segment gross profit rate increased 104 bps to 38.3% for the quarter. The increase in gross profit rate was primarily due to improved markdowns driven by lower markdowns at Urban Outfitters and Free People and a leverage in store occupancy costs due to the increase in comparable net sales, partially offset by a deleverage in initial merchandise costs. The increase in gross profit dollars was due to higher net sales and the improved gross profit rate. Additionally, the Company recorded store impairment charges of $2 million during the quarter.

Wholesale segment gross profit decreased 5% to $28 million while the Wholesale segment gross profit rate decreased 412 bps to 31.4%. The decreases in gross profit dollars and gross profit rate were due to higher merchandise costs.

Subscription segment gross profit increased 41% to $39 million while the Subscription segment gross profit rate decreased 142 bps to 27.2%. The increase in gross profit dollars was primarily due to the increase in sales. The decrease in gross profit rate was primarily due to an increase in sales of rental product which generates a lower gross margin than monthly subscription revenue.

SG&A–Total Company

($ in millions) *(unaudited)*	Three Months Ended		Variance	
	October 31, 2025	October 31, 2024	$	%
SG&A* $'s	$ 419.0	$ 368.6	$ 50.4	14%
SG&A* %	27.4%	27.1%		

Selling general & administrative ('SG&A') expenses increased by 14% to $419 million while SG&A expenses as a percentage of net sales deleveraged by 32 bps to 27.4%. The deleverage in SG&A expenses as a percentage of net sales was primarily related to increased marketing expenses to support customer growth and increased sales in the Retail and Subscription segments, partially offset by a leverage in store payroll expenses due to the Retail segment stores net sales growth. The dollar growth in SG&A expenses was primarily related to increased marketing expenses to support customer growth and increased sales in the Retail and Subscription segments, as well as increased store payroll expenses to support the Retail segment stores net sales growth.

**SG&A includes direct selling expenses, creative and marketing expenses, corporate overhead and credit and banking expenses*

Operating Income by Segment

($ in millions)
(unaudited)

	Three Months Ended		Variance	
	October 31, 2025	October 31, 2024	$	%
Operating Income $'s	**$ 144.3**	**$ 128.7**	**$ 15.6**	**12%**
Operating Income %	**9.4%**	**9.4%**		
Retail Segment				
Operating Income $'s	$ 137.4	$ 119.1	$ 18.3	15%
Operating Income %	10.6%	10.1%		
Wholesale Segment*				
Operating Income $'s	$ 18.0	$ 20.4	$ (2.4)	(12%)
Operating Income %	20.4%	24.8%		
Subscription Segment				
Operating Income $'s	$ 5.9	$ 4.1	$ 1.8	47%
Operating Income %	4.1%	4.2%		
General Corporate Expenses $'s	$ 17.0	$ 14.9	$ 2.1	15%

Operating income dollars increased by 12% to $144 million while the operating income rate remained constant at 9.4%. The increase in operating income dollars was driven by the increase in gross profit dollars.

Retail segment operating income increased by 15%, or $18 million, to $137 million for the quarter. The increase in operating income dollars was primarily driven by the increase in gross profit dollars. The increase in operating income rate was primarily due to the improved gross profit rate.

Wholesale segment operating income decreased by 12%, or $2 million, to $18 million for the quarter. The decrease in operating income dollars was primarily driven by the decrease in gross profit dollars. The decrease in operating income rate was primarily due to the reduced gross profit rate.

Subscription segment operating income was $6 million for the quarter compared to $4 million in the prior year quarter. The increase in operating income dollars was primarily driven by the increase in gross profit dollars. The decrease in operating income rate was primarily due to the reduced gross profit rate.

General corporate expenses increased by 15%, or $2 million, due to the funding of certain company initiatives.

** Net of intersegment elimination*

Income Statement Summary

($ in millions)
(share count in millions)
(unaudited)

	Three Months Ended			
	October 31, 2025	% of Net Sales	October 31, 2024	% of Net Sales
Net Sales	$ 1,529.4	100.0%	$ 1,361.9	100.0%
Cost of Sales (excluding Store Impairment)	964.1	63.1	864.6	63.5
Store Impairment	2.0	0.1	–	–
Gross Profit	563.3	36.8	497.3	36.5
Selling, General and Admin. Expenses	419.0	27.4	368.6	27.1
Income from Operations	144.3	9.4	128.7	9.4
Other Income, Net	8.1	0.6	7.1	0.6
Income Before Income Taxes	152.4	10.0	135.8	10.0
Income Tax Expense	36.0	2.4	32.9	2.4
Net Income	$ 116.4	7.6%	$ 102.9	7.6%
Diluted Share Count	91.3		93.9	
Earnings per Diluted Share	$ 1.28		$ 1.10	

The effective tax rate was 24% in both the third quarter of fiscal 2026 and the third quarter of fiscal 2025.

Net income for the quarter was a record $116 million or $1.28 per diluted share.

Balance Sheet Summary

($ in millions)
(unaudited)

	October 31, 2025	October 31, 2024
Assets		
Cash and Cash Equivalents	$ 307	$ 183
Marketable Securities	305	340
Accounts Receivable, Net	96	97
Inventory	840	793
Other Current Assets	210	224
Total Current Assets	**1,758**	**1,637**
Property and Equipment, Net	1,429	1,325
Operating Lease ROU Assets	1,017	947
Marketable Securities	352	240
Other Assets	351	337
Total Assets	**$ 4,907**	**$ 4,486**
Liabilities and Shareholders' Equity		
Accounts Payable	$ 382	$ 363
Current Operating Lease Liabilities	224	228
Other Current Liabilities	559	535
Total Current Liabilities	**1,165**	**1,126**
Non-Current Operating Lease Liabilities	960	879
Other Non-Current Liabilities	78	128
Total Liabilities	**2,203**	**2,133**
Total Shareholders' Equity	**2,704**	**2,353**
Total Liabilities and Shareholders' Equity	**$ 4,907**	**$ 4,486**

As of October 31, 2025, cash and marketable securities totaled $964 million with $0 drawn down on our $350 million asset backed line of credit facility.

Cash Flows Summary

($ in millions)
(unaudited)

	Nine Months Ended October 31, 2025	Nine Months Ended October 31, 2024
Cash Flows from Operating Activities		
Net Income	$ 369	$ 282
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation & Amortization	94	86
Inventory	(215)	(242)
Payables, Accrued Expenses and Other Liabilities	92	114
Other Operating Activities	(28)	(58)
Net Cash Provided by Operating Activities	312	182
Cash Flows from Investing Activities		
Cash Paid for Property & Equipment	(191)	(144)
Net Marketable Securities	77	42
Net Cash Used in Investing Activities	(114)	(102)
Cash Flows from Financing Activities		
Share Repurchases related to Share Repurchase Program	(152)	(52)
Other Financing Activities	(33)	(21)
Net Cash Used in Financing Activities	(185)	(73)
Effect of Exchange Rate	4	(2)
Increase in Cash and Cash Equivalents	17	5
Cash and Cash Equivalents at Beginning of Period	**290**	**178**
Cash and Cash Equivalents at End of Period	**$ 307**	**$ 183**

Inventory Data

($ in millions)
(unaudited)

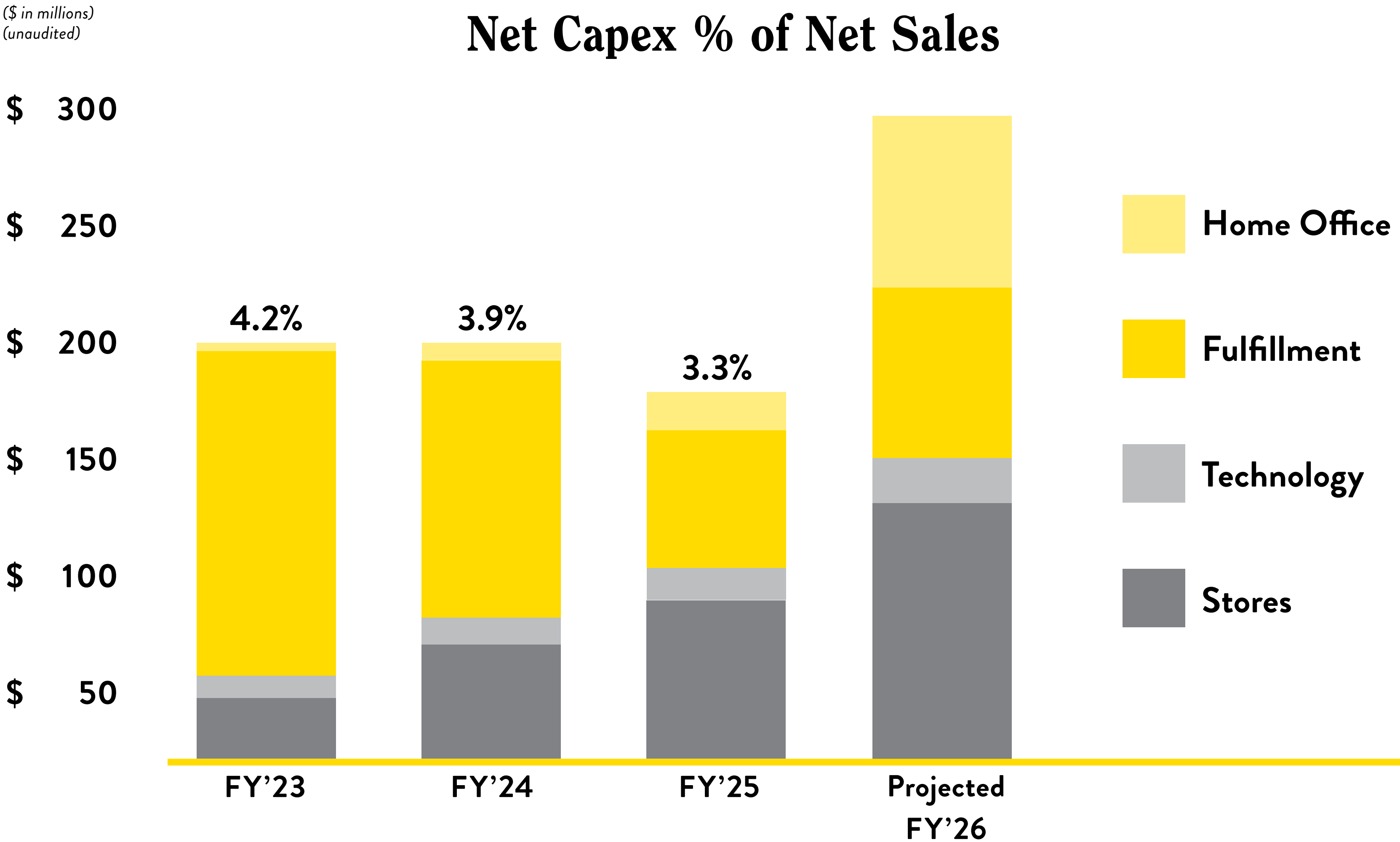
	October 31, 2025		October 31, 2024		Cost Variance $		Cost Variance %
URBN Total Inventory	**$**	**839.8**	**$**	**793.3**	**$**	**46.5**	**6%**
Retail Segment Total Inventory	**$**	**781.2**	**$**	**734.9**	**$**	**46.3**	**6%**
Retail Segment Comparable Inventory by Brand		**630.4**		**587.2**		**43.2**	**7%**
Anthropologie		339.4		306.1		33.3	11%
Free People		131.8		126.8		5.0	4%
Urban Outfitters		159.2		154.3		4.9	3%
Wholesale Segment by Brand	**$**	**58.6**	**$**	**58.4**	**$**	**0.2**	**flat**
Free People		54.9		54.1		0.8	2%
Urban Outfitters		3.7		4.3		(0.6)	(13%)
Subscription Segment Rental Product, Net*	**$**	**244.2**	**$**	**210.3**	**$**	**33.9**	**16%**

As of October 31, 2025, total inventory increased 6% as compared to the prior year to $840 million. Total Retail segment inventory increased by 6% and comparable Retail segment inventory increased by 7%. Wholesale segment inventory was flat. The increase in Retail segment inventory was due to increased sales.

**Rental Product, net of amortization, is included in Other Assets*

Capital Spending

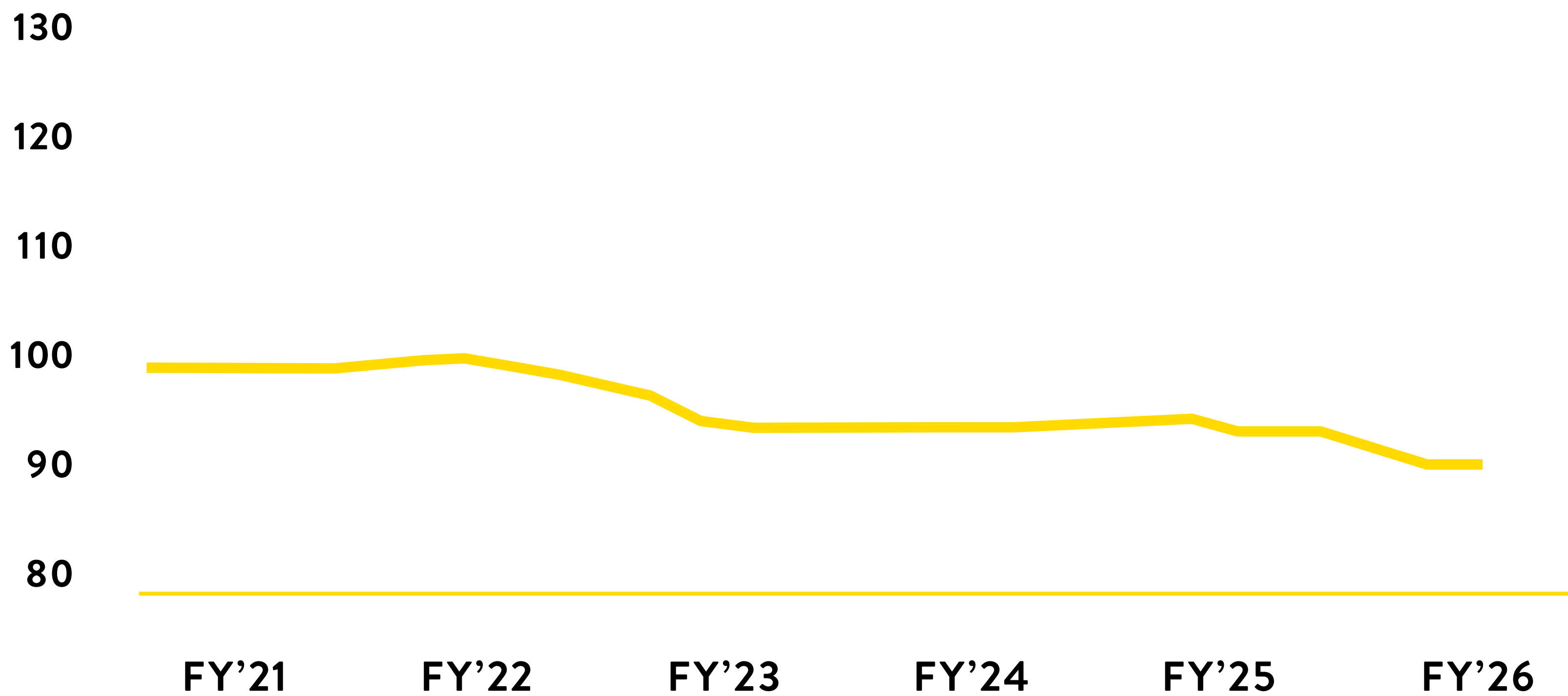
($ in millions)
(unaudited)



During the third quarter, capital expenditures were $84 million while depreciation & amortization was $33 million.

Shares Outstanding

($ in millions)
(share count in millions)
(unaudited)



Shares Repurchased						
Number of Shares	0.5	2.0	4.7	–	1.2	3.3
Total Cost	$ 7	$ 56	$ 112	–	$ 52	$ 152

The Company did not repurchase any shares during the quarter. The Company has authorization to repurchase approximately 15 million additional shares remaining granted by the Board of Directors resolution on June 4, 2019. Our weighted average diluted share count for the quarter was 91.3 million shares.

Global Retail Stores Summary

	Q1–Q3 FY'26				Q4 FY'26		
	Open as of January 31, 2025	Openings	Closings	Open as of October 31, 2025	Projected Openings	Projected Closings	Projected Open as of January 31, 2026
Anthropologie NA	222	9	–	231	4	2	233
Anthropologie EU	17	–	–	17	3	–	20
Total Anthropologie	**239**	**9**	–	**248**	**7**	**2**	**253**
Free People NA	156	10	2	164	5	2	167
FP Movement NA	63	13	–	76	12	–	88
Free People EU	11	2	–	13	1	–	14
Total Free People	**230**	**25**	**2**	**253**	**18**	**2**	**269**
Urban Outfitters NA	187	1	3	185	–	7	178
Urban Outfitters EU	68	6	1	73	3	–	76
Total Urban Outfitters	**255**	**7**	**4**	**258**	**3**	**7**	**254**
Menus & Venues	**9**	–	–	**9**	–	–	**9**
Total Company-Owned Stores	**733**	**41**	**6**	**768**	**28**	**11**	**785**
Franchisee-Owned Stores	**9**	–	–	**9**	–	–	**9**
Total URBN	**742**	**41**	**6**	**777**	**28**	**11**	**794**

Global Store Count & Square Footage

(all data is as of the respective period ended)
(Selling SF in thousands)

			AN	FP*	UO	M&V	URBN**
FY'25	Q1	Store Count	238	199	264	9	710
		Selling SF	1,808	413	2,260	n/a	4,481
	Q2	Store Count	239	205	263	9	716
		Selling SF	1,812	428	2,249	n/a	4,489
	Q3	Store Count	242	216	264	9	731
		Selling SF	1,826	449	2,253	n/a	4,528
	Q4	Store Count	239	230	255	9	733
		Selling SF	1,796	472	2,161	n/a	4,429

			AN	FP*	UO	M&V	URBN**
FY'26	Q1	Store Count	241	237	257	9	744
		Selling SF	1,802	480	2,172	n/a	4,454
	Q2	Store Count	243	247	257	9	756
		Selling SF	1,805	499	2,172	n/a	4,476
	Q3	Store Count	248	253	258	9	768
		Selling SF	1,825	512	2,168	n/a	4,505

*includes 76 FP Movement stores as of Q3 FY'26, with a total Selling SF of 113
**excludes franchisee-owned stores