

# Urban Outfitters, Inc.

## FY'22 Q1 RESULTS





# Introduction

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Urban Outfitters, Inc. “URBN” is providing fiscal 2022 first quarter commentary ahead of our earnings call scheduled for *May 25th at 5:30pm.*

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

This commentary is comparing fiscal 2022 results to fiscal 2020. Due to the material impact of COVID-19 on our business operations in fiscal 2021, including mandated store closures, management views the comparison of fiscal 2022 results to fiscal 2020 as the more meaningful measurement of our business performance. For a selected comparison of fiscal 2022 results to fiscal 2021, please refer to the Appendix at the end of this document.

Our first quarter earnings release and related financial information are available on our website, [www.urbn.com](http://www.urbn.com).



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# Key Financial Highlights

	Three Months Ended	
	April 30, 2021	April 30, 2019
URBN Net Sales Change	7.3%	1.0%
Gross Profit*	32.4%	31.1%
Selling, General and Admin. Expenses*	24.5%	26.5%
Income from Operations*	7.9%	4.6%
Earnings Per Diluted Share	\$ 0.54	\$ 0.31

URBN sales for the first quarter increased by 7% to a record \$927 million. The increase in sales was due to a 10% increase in Retail segment sales, partially offset by a 24% decline in Wholesale segment sales. Retail segment sales comp also increased 10%.

Gross profit dollars increased by 12% to \$301 million for the quarter, while gross profit rate increased 129 bps to 32.4%. The increase in gross profit rate was primarily due to record low first quarter merchandise markdown rates in the Retail segment and benefits associated with negotiated rent concessions with landlords and international government assistance programs. All three brands recorded lower merchandise markdown rates with the Urban Outfitters and Free People brands achieving record low first quarter merchandise markdown rates. This was partially offset by an increase in delivery and logistics expenses and lower initial merchandise markups. Delivery and logistics expense deleverage was primarily driven by the increased penetration of the digital channel as well as an increase in home category sales. Lower initial merchandise markups are primarily due to higher inbound freight and logistics expenses.

Selling general & administrative ('SG&A') expenses decreased by 1% to \$227 million while SG&A as a % of sales leveraged by 201 bps to 24.5%. The leverage in SG&A as a rate to sales was primarily related to disciplined store payroll management and overall expense control. This was partially offset by an increase in digital marketing expenses during the quarter to support the strong digital sales and customer growth.

Operating income dollars increased by 84% to \$74 million while operating income rate increased by 330 bps to 7.9%. The increase in dollars was due to the increase in sales, the improved gross profit rate and the leverage in SG&A expenses in the quarter.

Net income for the quarter was \$54 million or \$0.54 per diluted share.

\*expressed as a percent of net sales



# Sales by Segment

(\$ in millions)  
(unaudited)

	Three Months Ended		Variance	
	April 30, 2021	April 30, 2019	\$	%
<b>Total Sales</b>	<b>\$ 927.4</b>	<b>\$ 864.4</b>	<b>\$ 63.0</b>	<b>7%</b>
<b>Retail Segment</b>	<b>\$ 857.5</b>	<b>\$ 782.6</b>	<b>\$ 74.9</b>	<b>10%</b>
<b>URBN Comp</b>	<b>\$ 829.6</b>	<b>\$ 754.4</b>	<b>\$ 75.2</b>	<b>10%</b>
Anthropologie Group	345.6	341.0	4.6	1%
Free People Group	149.5	103.8	45.7	44%
Urban Outfitters	330.9	304.9	26.0	9%
Menus & Venues	3.6	4.7	(1.1)	-24%
<b>Retail Segment Comp</b>				
<b>By Geography</b>				
North America	742.0	671.0	71.0	11%
Europe and ROW	87.6	83.4	4.2	5%
<b>URBN Non-Comp</b>	<b>\$ 27.9</b>	<b>\$ 28.2</b>	<b>\$ (0.3)</b>	<b>-1%</b>
<b>Wholesale Segment</b>	<b>\$ 62.1</b>	<b>\$ 81.8</b>	<b>\$ (19.7)</b>	<b>-24%</b>
Anthropologie Group	-	2.2	(2.2)	-100%
Free People Group	56.5	78.5	(22.0)	-28%
Urban Outfitters	5.6	1.1	4.5	398%
<b>Subscription Segment</b>	<b>\$ 7.8</b>	<b>\$ -</b>	<b>\$ 7.8</b>	<b>n/a</b>

Total Company or URBN sales for the first quarter increased by 7% to a record \$927 million. URBN Retail segment sales also increased 10% to \$857 million. Retail segment sales increased due to strong double-digit growth in digital channel sales due to increases in sessions and conversion rate. Higher digital sales were partially offset by negative retail store sales as stronger conversion rates, units per transaction and average transaction price could not offset the reduced store traffic impacted by temporary store closures and occupancy restrictions in Europe and Canada.

URBN Wholesale segment sales for the first quarter declined 24% to \$62 million, driven by a 28%, or \$22 million, decline in Free People Group wholesale sales due in part to realigning the Free People brand customer base to focus on more regular priced selling.

(\$ in millions) (unaudited)	Three Months Ended		Variance	
	April 30, 2021	April 30, 2019	\$	%
<b>Total Sales</b>	<b>\$ 353.6</b>	<b>\$ 355.0</b>	<b>\$ (1.4)</b>	<b>flat</b>
<b>Retail Segment Comp</b>	<b>\$ 345.6</b>	<b>\$ 341.0</b>	<b>\$ 4.6</b>	<b>1%</b>
Sales by Geography				
North America	331.8	327.1	4.7	1%
Europe and ROW	13.8	13.9	(0.1)	-1%
<b>Wholesale Segment</b>	<b>\$ –</b>	<b>\$ 2.2</b>	<b>\$ (2.2)</b>	<b>-100%</b>
North America	–	1.9	(1.9)	-100%
Europe and ROW	–	0.3	(0.3)	-100%
<b>Retail Segment Non-Comp</b>	<b>\$ 8.0</b>	<b>\$ 11.8</b>	<b>\$ (3.8)</b>	<b>-33%</b>

Total Anthropologie Group brand sales were flat.

Retail segment sales were flat, with comparable sales increasing 1%. The increase in Retail segment comparable sales was driven by a strong double-digit increase in the digital channel due to increases in sessions and conversion rate partially offset by negative retail store sales due to reduced store traffic. By product category, home and Terrain led the way while apparel and BHLDN were negative.

Wholesale segment sales declined \$2 million as Anthropologie Group exited the wholesale business in the third quarter of fiscal 2021.

# fp Revenue Metrics *free people*

(\$ in millions)  
(unaudited)

	Three Months Ended		Variance	
	April 30, 2021	April 30, 2019	\$	%
<b>Total Sales</b>	<b>\$ 212.8</b>	<b>\$ 186.2</b>	<b>\$ 26.6</b>	<b>14%</b>
<b>Retail Segment Comp</b>	<b>\$ 149.5</b>	<b>\$ 103.8</b>	<b>\$ 45.7</b>	<b>44%</b>
Sales by Geography				
North America	143.4	100.3	43.1	43%
Europe and ROW	6.1	3.5	2.6	74%
<b>Wholesale Segment</b>	<b>\$ 56.5</b>	<b>\$ 78.5</b>	<b>\$ (22.0)</b>	<b>-28%</b>
North America	53.0	74.9	(21.9)	-29%
Europe and ROW	3.5	3.6	(0.1)	-3%
<b>Retail Segment Non-Comp</b>	<b>\$ 6.8</b>	<b>\$ 3.9</b>	<b>\$ 2.9</b>	<b>77%</b>

Total Free People Group sales increased by 14% to \$213 million for the quarter. This increase was due to an increase in Retail segment sales of 45%, which was partially offset by a 28% decline in Wholesale segment sales.

The growth in Retail segment sales was driven by a 44% increase in comparable sales as strong double-digit digital channel growth due to increases in sessions and conversion rate more than offset negative retail store sales due to reduced store traffic. By product category, all categories delivered exceptional growth with FP Movement delivering triple-digit growth in the quarter.

Wholesale segment sales declined by 28% due in part to realigning the Free People brand customer base to focus on more regular price selling.



# Revenue Metrics

## URBAN OUTFITTERS

(\$ in millions)  
(unaudited)

	Three Months Ended		Variance	
	April 30, 2021	April 30, 2019	\$	%
<b>Total Sales</b>	<b>\$ 349.7</b>	<b>\$ 316.8</b>	<b>\$ 32.9</b>	<b>10%</b>
<b>Retail Segment Comp</b>	<b>\$ 330.9</b>	<b>\$ 304.9</b>	<b>\$ 26.0</b>	<b>9%</b>
Sales by Geography				
North America	263.2	238.9	24.3	10%
Europe and ROW	67.7	66.0	1.7	3%
<b>Wholesale Segment</b>	<b>\$ 5.6</b>	<b>\$ 1.1</b>	<b>\$ 4.5</b>	<b>398%</b>
North America	1.9	0.4	1.5	445%
Europe and ROW	3.7	0.7	3.0	377%
<b>Retail Segment Non-Comp</b>	<b>\$ 13.2</b>	<b>\$ 10.8</b>	<b>\$ 2.4</b>	<b>22%</b>

Total Urban Outfitters brand sales increased by 10% to \$350 million for the quarter.

The increase in Urban Outfitters sales during the quarter was primarily driven by a 9% increase in total and comparable Retail segment sales as strong double-digit digital channel growth due to increases in sessions, conversion rate and average order value more than offset negative retail store sales due to reduced store traffic impacted by temporary store closures and occupancy restrictions in Europe and Canada. By product category, home and women's apparel led the way while women's and men's accessories and beauty were negative.

Wholesale segment net sales increased \$4 million due to the continued expansion of wholesale partners.





# Gross Profit by Segment

(\$ in millions) (unaudited)	Three Months Ended		Variance	
	April 30, 2021	April 30, 2019	\$	%
<b>Gross Profit* \$'s</b>	<b>\$ 300.7</b>	<b>\$ 269.1</b>	<b>\$ 31.6</b>	<b>12%</b>
<b>Gross Profit* %</b>	<b>32.4%</b>	<b>31.1%</b>		
Retail Segment				
Gross Profit \$'s	\$ 280.2	\$ 245.1	\$ 35.1	14%
Gross Profit %	32.7%	31.3%		
Wholesale Segment**				
Gross Profit \$'s	\$ 19.1	\$ 24.7	\$ (5.6)	-23%
Gross Profit %	30.7%	30.1%		
Subscription Segment				
Gross Profit (Loss) \$'s	\$ 1.4	\$ (0.7)	\$ 2.1	n/a

Gross profit dollars increased by 12% to \$301 million for the quarter, while gross profit rate increased 129 bps to 32.4%. The increase in gross profit rate was primarily due to record low first quarter merchandise markdown rates in the Retail segment and benefits associated with negotiated rent concessions with landlords and international government assistance programs. All three brands recorded lower merchandise markdown rates with the Urban Outfitters and Free People brands achieving record low first quarter merchandise markdown rates. This was partially offset by an increase in delivery and logistics expenses and lower initial merchandise markups. Delivery and logistics expense deleverage was primarily driven by the increased penetration of the digital channel as well as an increase in home category sales. Lower initial merchandise markups are primarily due to higher inbound freight and logistics expenses.

Retail segment gross profit increased 14% to \$280 million while the Retail segment gross profit rate increased 136 bps to 32.7% for the quarter. The increase in gross profit rate was primarily due to record low first quarter merchandise markdown rates in the Retail segment and benefits associated with negotiated rent concessions with landlords and international government assistance programs. All three brands recorded lower merchandise markdown rates with the Urban Outfitters and Free People brands achieving record low first quarter merchandise markdown rates. This was partially offset by an increase in delivery and logistics expenses and lower initial merchandise markups. Delivery and logistics expense deleverage was primarily driven by the increased penetration of the digital channel as well as an increase in home category sales. Lower initial merchandise markups are primarily due to higher inbound freight and logistics expenses.

Wholesale segment gross profit decreased 23% to \$19 million while the Wholesale segment gross profit rate increased 56 bps to 30.7%. The decrease in gross profit dollars was primarily due to the decline in Free People Group Wholesale segment sales. Wholesale gross profit this quarter also benefited from a reduction in inventory reserves due to the improved full price selling and aging in the wholesale inventory.

Subscription segment gross profit was \$1 million for the quarter. We continue to leverage into our investments and work to achieve greater operating efficiency.

\*Cost of Sales includes initial mark-up, markdowns, store occupancy, delivery, freight and logistics expenses and merchant expenses

\*\*Net of intersegment elimination



# SG&A—Total Company

(\$ in millions) (unaudited)	Three Months Ended		Variance	
	April 30, 2021	April 30, 2019	\$	%
SG&A* \$'s	\$ 227.2	\$ 229.1	\$ (1.9)	-1%
SG&A* %	24.5%	26.5%		

Selling general & administrative ('SG&A') expenses decreased by 1% to \$227 million while SG&A as a % of sales leveraged by 201 bps to 24.5%. The leverage in SG&A as a rate to sales was primarily related to disciplined store payroll management and overall expense control. This was partially offset by an increase in digital marketing expenses during the quarter to support the strong digital sales and customer growth.

\*SG&A includes direct store controllable, creative and marketing, corporate overhead and credit and banking expenses



# Operating Income by Segment

(\$ in millions) (unaudited)	Three Months Ended		Variance	
	April 30, 2021	April 30, 2019	\$	%
<b>Operating Income \$'s</b>	<b>\$ 73.5</b>	<b>\$ 40.0</b>	<b>\$ 33.5</b>	<b>84%</b>
<b>Operating Income %</b>	<b>7.9%</b>	<b>4.6%</b>		
Retail Segment				
Operating Income \$'s	\$ 74.0	\$ 34.7	\$ 39.3	113%
Operating Income %	8.6%	4.4%		
Wholesale Segment*				
Operating Income \$'s	\$ 14.3	\$ 16.7	\$ (2.4)	-15%
Operating Income %	23.0%	20.4%		
Subscription Segment				
Operating Loss \$'s	\$ (3.3)	\$ (2.1)	\$ (1.2)	-56%
General Corporate Expenses \$'s	\$ 11.5	\$ 9.3	\$ 2.2	24%

Operating income dollars increased by 84% to \$74 million while operating income rate increased by 330 bps to 7.9%. The increase in dollars was due to the increase in sales, the improved gross profit rate and the leverage in SG&A expenses in the quarter.

Retail segment operating income increased by 113% or \$39 million to \$74 million for the quarter. The increase in operating income was primarily due to the increase in sales, the improved gross profit rate and the leverage in SG&A expenses in the quarter.

Wholesale segment operating income declined 15% or \$2 million to \$14 million. The decrease in operating profit was due to the decline in sales which was partially offset by the improved gross profit rate and SG&A leverage.

Subscription segment operating loss was \$3 million for the quarter.

General corporate expenses increased by \$2 million primarily due to severance expenses and higher bonus expense in the current year quarter.

\*Net of intersegment elimination



# Income Statement Summary

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

Three Months Ended

	April 30, 2021	% of Net Sales	April 30, 2019	% of Net Sales
Net Sales	\$ 927.4	100%	\$ 864.4	100%
Cost of Sales	<u>626.7</u>	<u>67.6</u>	<u>595.3</u>	<u>68.9</u>
Gross Profit	300.7	32.4	269.1	31.1
Selling, General and Admin. Expenses	<u>227.2</u>	<u>24.5</u>	<u>229.1</u>	<u>26.5</u>
Income from Operations	73.5	7.9	40.0	4.6
Other (Loss) Income, Net	<u>(0.2)</u>	<u>0.0</u>	<u>2.7</u>	<u>0.3</u>
Income Before Income Taxes	73.3	7.9	42.7	4.9
Income Tax Expense	<u>19.8</u>	<u>2.1</u>	<u>10.1</u>	<u>1.1</u>
Net Income	\$ 53.5	5.8%	\$ 32.6	3.8%
Diluted Share Count	99.3		105.3	
Earnings Per Diluted Share	\$ 0.54		\$ 0.31	

The effective tax rate for the first quarter was 27% compared to 24% in the first quarter of fiscal 2020. The change in the effective tax rate was primarily driven by the ratio of foreign taxable losses to global taxable profits and a lower benefit of equity activity compared to the first quarter of fiscal 2020.

Net income was \$54 million or \$0.54 per diluted share for the first quarter.



# Balance Sheet Summary

(\$ in millions)  
(unaudited)

	April 30, 2021	April 30, 2019
<b>Assets</b>		
Cash and Cash Equivalents	\$ 364	\$ 291
Marketable Securities	164	229
Accounts Receivable, Net	85	88
Inventory	478	408
Other Current Assets	190	123
<b>Total Current Assets</b>	<b>1,281</b>	<b>1,139</b>
Property and Equipment, Net	989	829
Operating Lease ROU Assets	1,093	1,088
Marketable Securities	101	94
Other Assets	116	102
<b>Total Assets</b>	<b>\$ 3,580</b>	<b>\$ 3,252</b>
<b>Liabilities and Shareholders' Equity</b>		
Accounts Payable	\$ 252	\$ 174
Current Operating Lease Liabilities	246	214
Other Current Liabilities	394	260
<b>Total Current Liabilities</b>	<b>892</b>	<b>648</b>
Non-Current Operating Lease Liabilities	1,060	1,092
Deferred Rent and Other Liabilities	93	64
<b>Total Liabilities</b>	<b>2,045</b>	<b>1,804</b>
<b>Total Shareholders' Equity</b>	<b>1,535</b>	<b>1,448</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 3,580</b>	<b>\$ 3,252</b>

As of April 30, 2021, inventory increased 17% to \$478 million driven by an increase in in-transit inventory due to global transportation delays.

As of April 30, 2021, cash and marketable securities totaled \$629 million with \$0 drawn down on our \$350 million asset backed line of credit facility.



# Cash Flows Summary

(\$ in millions)  
(unaudited)

	Three Months Ended	
	April 30, 2021	April 30, 2019
<b>Cash Flows from Operating Activities</b>		
Net Income	\$ 54	\$ 33
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation & Amortization	26	28
Inventory	(87)	(39)
Payables, Accrued Expenses and Other Liabilities	43	15
Other Operating Activities	1	(11)
Net Cash Provided by Operating Activities:	<u>37</u>	<u>26</u>
<b>Cash Flows from Investing Activities</b>		
Cash Paid for Property & Equipment	(43)	(38)
Net Marketable Securities	<u>(21)</u>	<u>22</u>
Net Cash Used in Investing Activities	<u>(64)</u>	<u>(16)</u>
<b>Cash Flows from Financing Activities</b>		
Share Repurchases related to Share		
Repurchase Program	–	(71)
Other Financing Activities	<u>(6)</u>	<u>(5)</u>
Net Cash Used in Financing Activities	<u>(6)</u>	<u>(76)</u>
Effect of Exchange Rate	<u>1</u>	<u>(1)</u>
Decrease in Cash and Cash Equivalents	(32)	(67)
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b><u>396</u></b>	<b><u>358</u></b>
<b>Cash and Cash Equivalents at End of Period</b>	<b><u>\$ 364</u></b>	<b><u>\$ 291</u></b>

# URBN Inventory Data

(\$ in millions)  
(unaudited)

	April 30, 2021	April 30, 2019	Variance	
			\$	%
<b>URBN Inventory</b>	<b>\$ 477.8</b>	<b>\$ 408.4</b>	<b>\$69.4</b>	<b>17%</b>
<b>Retail Segment by Brand</b>	<b>\$ 425.9</b>	<b>\$ 365.6</b>	<b>\$60.3</b>	<b>17%</b>
Anthropologie Group	193.6	169.5	24.1	14%
Free People Group	70.8	47.8	23.0	48%
Urban Outfitters	161.5	148.3	13.2	9%
<b>Wholesale Segment by Brand</b>	<b>\$ 51.9</b>	<b>\$ 42.8</b>	<b>\$ 9.1</b>	<b>21%</b>
Anthropologie Group	–	1.5	(1.5)	-100%
Free People Group	39.0	40.8	(1.8)	-4%
Urban Outfitters	12.9	0.5	12.4	n/a
<b>Subscription Segment Rental Product, Net*</b>	<b>\$ 10.2</b>	<b>\$ –</b>	<b>\$10.2</b>	<b>n/a</b>

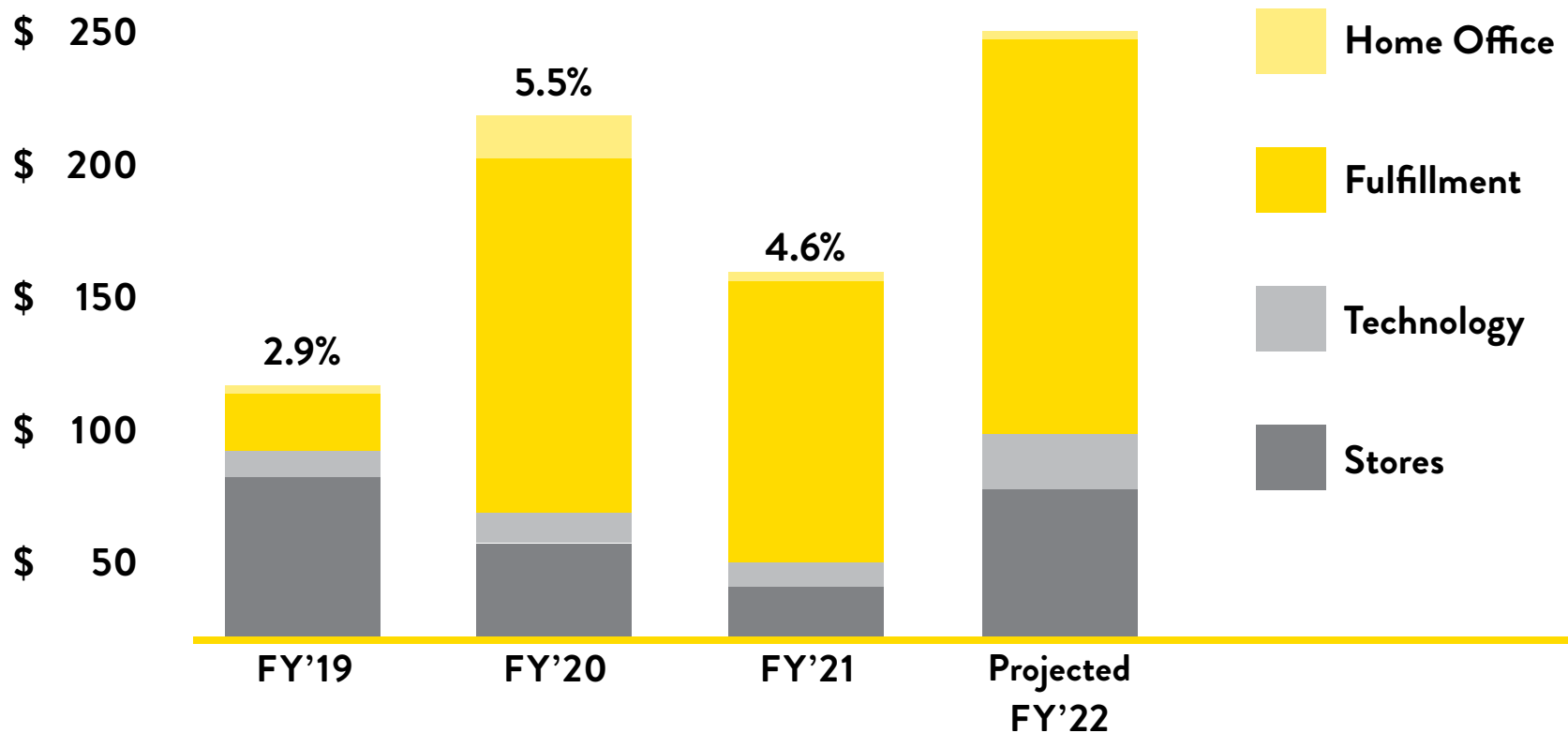
\*Rental Product, net of amortization, is included in Other Assets



# Capital Spending

(\$ in millions)  
(unaudited)

## Net Capex % of Net Sales



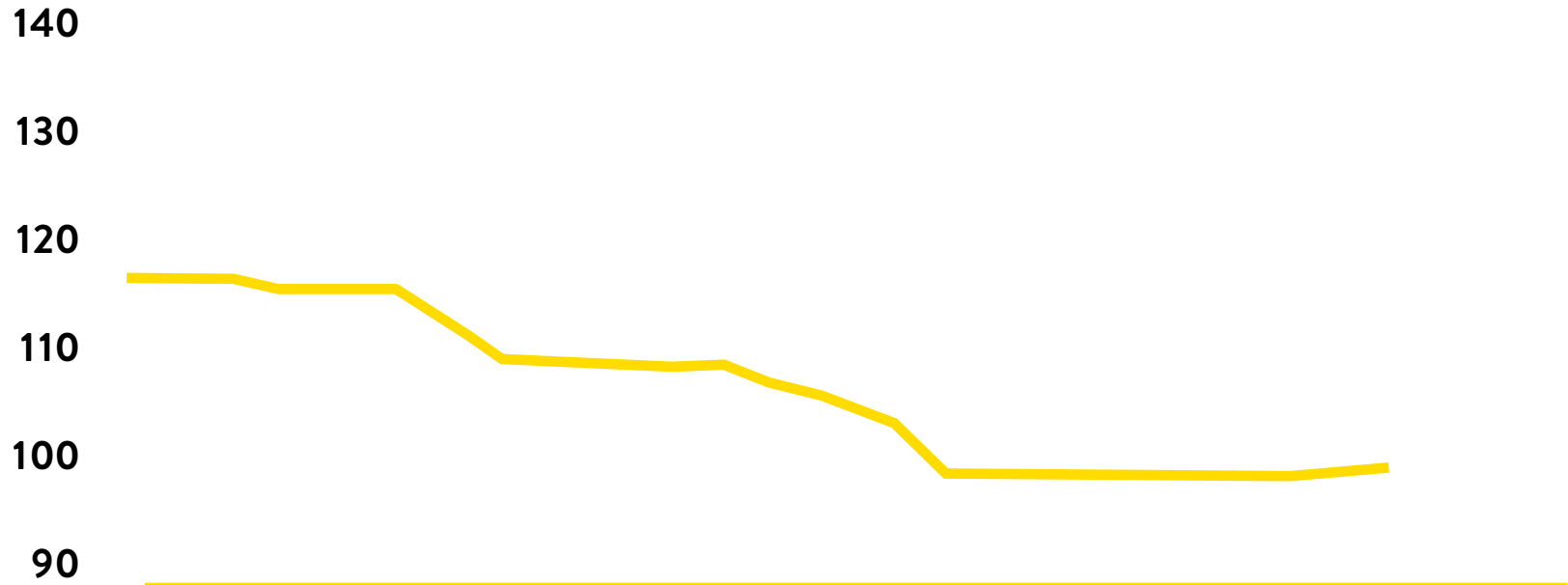
During the first quarter, capital expenditures were \$43 million while depreciation & amortization was \$26 million.





# Shares Outstanding

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



	FY'17	FY'18	FY'19	FY'20	FY'21	Q1 FY'22
<b>Shares Repurchased</b>						
Number of Shares	1.3	8.1	3.5	8.1	0.5	0
Total Cost	\$ 46	\$ 157	\$ 121	\$ 217	\$ 7	\$ 0

The Company did not repurchase any shares during the quarter. The Company has authorization to repurchase approximately 26 million additional shares remaining granted by the Board of Directors resolutions on August 22, 2017 and June 4, 2019. Our weighted average diluted share count for the quarter was 99.3 million shares.



# Global Retail Stores Summary

	Q1 FY'22				Q2-Q4 FY'22		
	Open as of January 31, 2021	Openings	Closings	Open as of April 30, 2021	Projected Openings	Projected Closings	Projected Open as of January 31, 2022
Anthropologie Group NA	215	1	1	215	5	5	215
Anthropologie Group EU	22	1	-	23	2	2	23
<b>Total Anthropologie Group</b>	<b>237</b>	<b>2</b>	<b>1</b>	<b>238</b>	<b>7</b>	<b>7</b>	<b>238</b>
Free People NA	142	4	2	144	5	-	149
FP Movement NA	2	1	-	3	15	-	18
Free People EU	5	1	-	6	1	-	7
<b>Total Free People Group</b>	<b>149</b>	<b>6</b>	<b>2</b>	<b>153</b>	<b>21</b>	<b>-</b>	<b>174</b>
Urban Outfitters NA	191	3	-	194	12	8	198
Urban Outfitters EU	56	1	-	57	2	-	59
<b>Total Urban Outfitters</b>	<b>247</b>	<b>4</b>	<b>-</b>	<b>251</b>	<b>14</b>	<b>8</b>	<b>257</b>
<b>Menus &amp; Venues</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>11</b>
<b>Total Company-Owned Stores</b>	<b>644</b>	<b>12</b>	<b>3</b>	<b>653</b>	<b>42</b>	<b>15</b>	<b>680</b>
<b>Franchisee-Owned Stores</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>4</b>	<b>-</b>	<b>5</b>
<b>Total URBN</b>	<b>645</b>	<b>12</b>	<b>3</b>	<b>654</b>	<b>46</b>	<b>15</b>	<b>685</b>



# 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'21	Q1	Store Count	233	144	249	11	637
		Selling SF	1,793	325	2,220	n/a	4,338
	Q2	Store Count	233	143	248	11	635
		Selling SF	1,793	321	2,212	n/a	4,326
	Q3	Store Count	234	146	250	11	641
		Selling SF	1,795	327	2,227	n/a	4,349
	Q4	Store Count	237	149	247	11	644
		Selling SF	1,815	331	2,195	n/a	4,341

		AN	FP*	UO	M&V	URBN**	
FY'22	Q1	Store Count	238	153	251	11	653
		Selling SF	1,816	338	2,224	n/a	4,378

\*includes 3 FP Movment stores as of Q1 FY'22, with a total Selling SF of 3

\*\*excludes franchisee-owned stores

# Appendix



# Sales by Brand and Segment

(\$ in millions) (unaudited)	Three Months Ended		Variance	
	April 30, 2021	April 30, 2020	\$	%
<b>Sales by Brand</b>	<b>\$ 927.4</b>	<b>\$ 588.5</b>	<b>\$ 338.9</b>	<b>58%</b>
Anthropologie Group	353.5	234.0	119.5	51%
Free People Group	212.8	107.7	105.1	98%
Urban Outfitters	349.7	237.3	112.4	47%
Menus & Venues	3.6	3.2	0.4	14%
Nuuly	7.8	6.3	1.5	25%
<b>Sales by Segment</b>	<b>\$ 927.4</b>	<b>\$ 588.5</b>	<b>\$ 338.9</b>	<b>58%</b>
Retail Segment	857.5	561.2	296.3	53%
Wholesale Segment	62.1	21.0	41.1	196%
Subscription Segment	7.8	6.3	1.5	25%



# Statement of Operations Summary

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

Three Months Ended

	April 30, 2021	% of Net Sales	April 30, 2020	% of Net Sales
Net Sales	\$ 927.4	100%	\$ 588.5	100%
Cost of Sales (excluding store impairment)	626.7	67.6	562.2	95.5
Store Impairment	<u>—</u>	<u>—</u>	<u>14.5</u>	<u>2.5</u>
Gross Profit	300.7	32.4	11.8	2.0
Selling, General and Admin. Expenses	<u>227.2</u>	<u>24.5</u>	<u>210.5</u>	<u>35.8</u>
Income (Loss) from Operations	73.5	7.9	(198.7)	(33.8)
Other (Loss) Income, Net	<u>(0.2)</u>	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>
Income (Loss) Before Income Taxes	73.3	7.9	(198.6)	(33.7)
Income Tax Expense (Benefit)	<u>19.8</u>	<u>2.1</u>	<u>(60.2)</u>	<u>(10.2)</u>
Net Income (Loss)	\$ 53.5	5.8%	\$ (138.4)	(23.5)%
Diluted Share Count	99.3		97.9	
Earnings (Loss) Per Diluted Share	\$ 0.54		\$ (1.41)	



# Balance Sheet Summary

(\$ in millions)  
(unaudited)

	April 30, 2021	April 30, 2020
<b>Assets</b>		
Cash and Cash Equivalents	\$ 364	\$ 589
Marketable Securities	164	65
Accounts Receivable, Net	85	56
Inventory	478	336
Other Current Assets	190	131
<b>Total Current Assets</b>	<b>1,281</b>	<b>1,177</b>
Property and Equipment, Net	989	880
Operating Lease ROU Assets	1,093	1,117
Marketable Securities	101	13
Other Assets	116	169
<b>Total Assets</b>	<b>\$ 3,580</b>	<b>\$ 3,356</b>
<b>Liabilities and Shareholders' Equity</b>		
Accounts Payable	\$ 252	\$ 105
Current Operating Lease Liabilities	246	244
Short-Term Debt <sup>(1)</sup>	–	220
Other Current Liabilities	394	315
<b>Total Current Liabilities</b>	<b>892</b>	<b>884</b>
Non-Current Operating Lease Liabilities	1,060	1,089
Long-Term Debt <sup>(1)</sup>	–	–
Deferred Rent and Other Liabilities	93	85
<b>Total Liabilities</b>	<b>2,045</b>	<b>2,058</b>
<b>Total Shareholders' Equity</b>	<b>1,535</b>	<b>1,298</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 3,580</b>	<b>\$ 3,356</b>

(1) As noted in the Company's Quarterly Report on Form 10-Q for the period ended July 31, 2020, the Company reclassified the borrowings under the Amended Credit Facility as of April 30, 2020 from long-term debt to short-term debt. See Note 6 in such filing for further discussion.