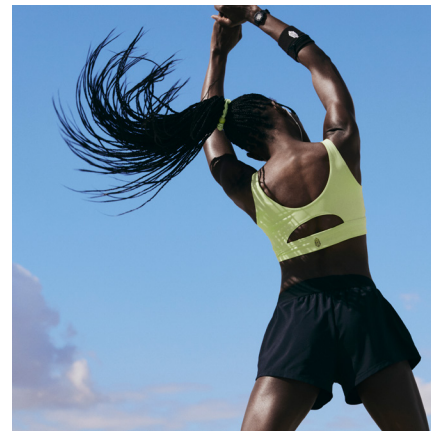


Urban Outfitters, Inc.

FY'25 Q2 RESULTS





Introduction

Urban Outfitters, Inc. “URBN” is providing fiscal 2025 second quarter commentary ahead of our earnings call scheduled for August 21st at 5:15pm.

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 second 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.



Table of Contents

Key Financial Highlights.....	4
Sales by Segment.....	5
Sales by Brand.....	6–9
Gross Profit by Segment.....	10
Selling, General & Administrative Expenses.....	11
Operating Income by Segment.....	12
Income Statement.....	13
Balance Sheet.....	14
Cash Flows.....	15
Inventory Data.....	16
Capital Spending.....	17
Shares Outstanding.....	18
Global Store Summary.....	19
Global Store Count & Square Footage.....	20



Key Financial Highlights

	Three Months Ended	
	July 31, 2024	July 31, 2023
URBN Net Sales Change	6.3%	7.5%
Gross Profit*	36.5%	35.8%
Selling, General and Admin. Expenses*	25.8%	25.4%
Income from Operations*	10.7%	10.4%
Earnings Per Diluted Share	\$ 1.24	\$ 1.10

URBN sales for the second quarter increased by 6% to a record \$1.35 billion. The increase in sales was due to a 3% increase in Retail segment sales, a 63% increase in Nuuly segment sales and a 15% increase in Wholesale segment sales. Retail segment sales comp increased 2%.

Gross profit dollars increased by 8% to \$493 million for the quarter, while gross profit rate increased 68 bps to 36.5%. The increase in gross profit rate was primarily due to higher initial merchandise markups for all segments primarily driven by Company cross-functional initiatives, partially offset by higher Retail segment merchandise markdowns, primarily at the Urban Outfitters brand. The increase in gross profit dollars was due to higher sales and the improved gross profit rate.

Selling general & administrative ('SG&A') expenses increased by 8% to \$348 million while SG&A expenses as a percentage of sales deleveraged by 32 bps to 25.8%. The deleverage in SG&A expenses as a percentage of sales was primarily related to the Urban Outfitters brand not being able to reduce expenses at the same rate of net sales. 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 Nuuly segments and increased store payroll expenses to support the Retail segment stores comparable sales growth.

Operating income dollars increased by 10% to \$145 million while operating income rate increased by 36 bps to 10.7%. 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.

Net income for the quarter was \$117 million or \$1.24 per diluted share.

*expressed as a percent of net sales

URBN Sales by Segment

(\$ in millions)
(unaudited)

	Three Months Ended		Variance	
	July 31, 2024	July 31, 2023	\$	%
Total Sales	\$ 1,352.0	\$ 1,272.2	\$ 79.8	6%
Retail Segment	\$ 1,196.5	\$ 1,160.1	\$ 36.4	3%
URBN Comp	\$ 1,149.5	\$ 1,126.4	\$ 23.1	2%
Anthropologie*	549.6	515.1	34.5	7%
Free People**	294.3	274.8	19.5	7%
Urban Outfitters	298.6	329.4	(30.8)	(9%)
Menus & Venues	7.0	7.1	(0.1)	(2%)
Retail Segment Comp				
By Geography				
North America	1,009.2	985.4	23.8	2%
Europe and ROW	140.3	141.0	(0.7)	(1%)
URBN Non-Comp	\$ 47.0	\$ 33.7	\$ 13.3	39%
Wholesale Segment	\$ 64.8	\$ 56.3	\$ 8.5	15%
Free People**	60.7	51.7	9.0	18%
Urban Outfitters	4.1	4.6	(0.5)	(12%)
Nuuly Segment	\$ 90.7	\$ 55.8	\$ 34.9	63%

* Anthropologie includes the Anthropologie and Terrain brands.

** Free People includes the Free People and FP Movement brands.

Total Company or URBN sales for the second quarter increased by 6% to a record \$1.35 billion. URBN Retail segment sales increased 3% to \$1.20 billion, with Retail segment comparable sales increasing 2%. Comparable sales increased due to low single-digit positive growth in digital channel sales driven by an increase in sessions and low single-digit positive growth in retail store sales due to higher traffic and transactions.

URBN Wholesale segment sales for the second quarter increased by 15% to \$65 million, driven by an 18%, or \$9 million, increase in Free People wholesale sales, partially offset by a \$1 million decrease in Urban Outfitters wholesale sales. The increase in Free People wholesale sales was due to an increase in sales to department stores and specialty customers.

Nuuly segment sales for the second quarter increased by 63% to \$91 million primarily driven by a 55% increase in average active subscribers in the current quarter versus the prior year quarter.



Revenue Metrics

ANTHROPOLOGIE

(\$ in millions)
(unaudited)

	Three Months Ended		Variance	
	July 31, 2024	July 31, 2023	\$	%
Total Sales	\$ 569.1	\$ 530.1	\$ 39.0	7%
Retail Segment	\$ 569.1	\$ 530.1	\$ 39.0	7%
Retail Segment Comp	\$ 549.6	\$ 515.1	\$ 34.5	7%
Sales by Geography				
North America	529.0	496.5	32.5	7%
Europe and ROW	20.6	18.6	2.0	11%
Retail Segment Non-Comp	\$ 19.5	\$ 15.0	\$ 4.5	30%

Total Anthropologie sales increased 7% to \$569 million for the quarter.

Retail segment sales increased 7%, with comparable sales also increasing 7%. The increase in Retail segment comparable sales was driven by high single-digit growth in retail store sales due to higher traffic, transactions, conversion rate and units per transaction, as well as mid single-digit growth in digital channel sales due to increases in sessions and units per transaction. All product categories were positive except home. 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 *for movement*

(\$ in millions)
(unaudited)

	Three Months Ended		Variance	
	July 31, 2024	July 31, 2023	\$	%
Total Sales	\$ 365.1	\$ 331.2	\$ 33.9	10%

Total Sales by Segment

Retail Segment	\$ 304.4	\$ 279.5	\$ 24.9	9%
Retail Segment Comp	\$ 294.3	\$ 274.8	\$ 19.5	7%
North America	278.5	260.6	17.9	7%
Europe and ROW	15.8	14.2	1.6	11%
Retail Segment Non-Comp	\$ 10.1	\$ 4.7	\$ 5.4	112%
Wholesale Segment	\$ 60.7	\$ 51.7	\$ 9.0	18%
North America	59.3	50.9	8.4	17%
Europe and ROW	1.4	0.8	0.6	84%

Total Sales by Brand

Free People Brand	\$ 285.2	\$ 263.7	\$ 21.5	8%
Retail Segment	239.8	221.2	18.6	8%
Wholesale Segment	45.4	42.5	2.9	7%
FP Movement Brand	\$ 79.9	\$ 67.5	\$ 12.4	18%
Retail Segment	64.6	58.3	6.3	11%
Wholesale Segment	15.3	9.2	6.1	67%

Total Free People sales increased by 10% to \$365 million for the quarter. This increase was due to an increase in Retail segment sales of 9% and an 18% increase in Wholesale segment sales. Total Free People brand sales increased by 8% and total FP Movement brand sales increased by 18%.

The growth in Free People Retail segment sales was driven by a 7% increase in comparable sales due to high single-digit growth in retail store sales due to higher traffic, transactions and average unit retail, as well as high single-digit growth in digital channel sales due to an increase in sessions and units per transaction. Free People brand Retail segment comparable sales increased by 7% and FP Movement brand Retail segment comparable sales increased by 6%. All product categories were positive except intimates. The increase in non-comparable Retail segment sales was primarily due to the opening of new stores since the prior comparable quarter.

Free People Wholesale segment sales increased by 18% due to an increase in sales to department stores and specialty customers.



Revenue Metrics

URBAN OUTFITTERS

(\$ in millions)
(unaudited)

	Three Months Ended		Variance	
	July 31, 2024	July 31, 2023	\$	%
Total Sales	\$ 316.7	\$ 346.4	\$(29.7)	(9%)
Retail Segment	\$ 312.6	\$ 341.8	\$(29.2)	(9%)
Retail Segment Comp	\$ 298.6	\$ 329.4	\$(30.8)	(9%)
Sales by Geography				
North America	194.7	221.2	(26.5)	(12%)
Europe and ROW	103.9	108.2	(4.3)	(4%)
Retail Segment Non-Comp	\$ 14.0	\$ 12.4	\$ 1.6	13%
Wholesale Segment	\$ 4.1	\$ 4.6	\$(0.5)	(12%)
North America	3.2	3.3	(0.1)	(6%)
Europe and ROW	0.9	1.3	(0.4)	(30%)

Total Urban Outfitters sales decreased by 9% to \$317 million for the quarter.

Retail segment sales decreased 9%, with comparable sales also decreasing 9%. The Retail segment comparable sales decline was driven by declines in North America and Europe. The decrease in Retail segment comparable sales was driven by a double-digit decline in digital channel sales due to decreases in average order value, conversion rate and units per transaction, as well as a high single-digit decline in retail store sales due to decreases in traffic, transactions, conversion rate, average unit retail and units per transaction. All product categories were negative, except home. The increase in non-comparable Retail segment sales was due to the opening of new stores since the prior comparable quarter.

Urban Outfitters Wholesale segment sales decreased by \$1 million.



Revenue and Subscription Metrics



(\$ in millions)
(unaudited)

Three Months Ended

Variance

July 31, 2024

July 31, 2023

\$

%

Total Sales

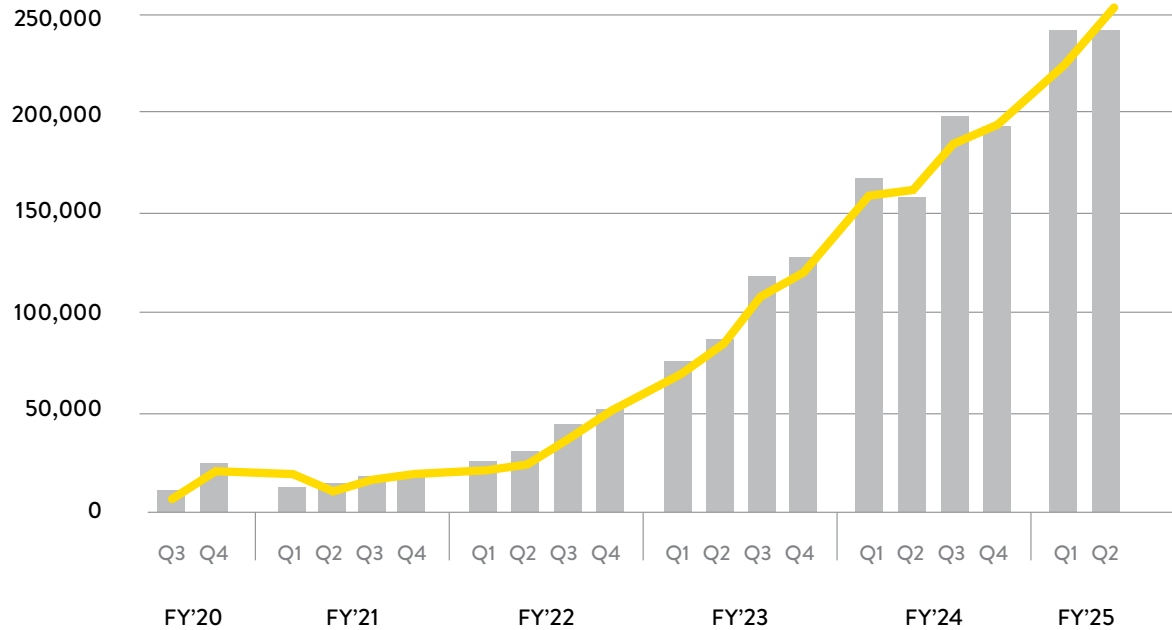
\$90.7

\$ 55.8

\$ 34.9

63%

Nuuly Subscribers



Nuuly segment sales for the second quarter increased by 63% to \$91 million primarily driven by a 55% increase in average active subscribers in the current quarter versus the prior year quarter.

End of Quarter Subscribers

Average Active Subscribers



Gross Profit by Segment

(\$ in millions) (unaudited)	Three Months Ended		Variance	
	July 31, 2024	July 31, 2023	\$	%
Gross Profit* \$'s	\$ 493.3	\$ 455.6	\$ 37.7	8%
Gross Profit* %	36.5%	35.8%		
Retail Segment				
Gross Profit \$'s	\$ 445.2	\$ 429.9	\$ 15.3	4%
Gross Profit %	37.2%	37.1%		
Wholesale Segment**				
Gross Profit \$'s	\$ 22.5	\$ 14.5	\$ 8.0	56%
Gross Profit %	34.7%	25.7%		
Nuuly Segment				
Gross Profit \$'s	\$ 25.6	\$ 11.2	\$ 14.4	129%
Gross Profit %	28.2%	20.0%		

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

**Net of intersegment elimination

Gross profit dollars increased by 8% to \$493 million for the quarter, while gross profit rate increased 68 bps to 36.5%. The increase in gross profit rate was primarily due to higher initial merchandise markups for all segments primarily driven by Company cross-functional initiatives, partially offset by higher Retail segment merchandise markdowns, primarily at the Urban Outfitters brand. The increase in gross profit dollars was due to higher sales and the improved gross profit rate.

Retail segment gross profit increased 4% to \$445 million while the Retail segment gross profit rate increased 15 bps to 37.2% for the quarter. The increase in gross profit rate was primarily due to higher initial merchandise markups primarily driven by Company cross-functional initiatives, partially offset by higher merchandise markdowns, primarily at the Urban Outfitters brand. The increase in gross profit dollars was due to higher sales and the improved gross profit rate.

Wholesale segment gross profit increased 56% to \$23 million while the Wholesale segment gross profit rate increased 903 bps to 34.7%. The higher gross profit dollars and rate were driven by an increase in sales to regular price customers as well as the prior year quarter having increased sales discounts to clear out merchandise.

Nuuly segment gross profit increased 129% to \$26 million while the Nuuly segment gross profit rate increased 813 bps to 28.2%. The increase in gross profit dollars was primarily due to the increase in sales. The higher gross profit rate was primarily due to the impact of the increase in the monthly subscription fee in the third quarter of fiscal 2024.



SG&A – Total Company

(\$ in millions) (unaudited)	Three Months Ended		Variance	
	July 31, 2024	July 31, 2023	\$	%
SG&A* \$'s	\$ 348.2	\$ 323.5	\$ 24.7	8%
SG&A* %	25.8%	25.4%		

Selling general & administrative ('SG&A') expenses increased by 8% to \$348 million while SG&A expenses as a percentage of sales deleveraged by 32 bps to 25.8%. The deleverage in SG&A expenses as a percentage of sales was primarily related to the Urban Outfitters brand not being able to reduce expenses at the same rate of net sales. The dollar growth in SG&A expenses was primarily related to increased marketing expenses to support customer traffic growth and increased sales in the Retail and Nuuly segments and increased store payroll expenses to support the Retail segment stores comparable sales 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	
	July 31, 2024	July 31, 2023	\$	%
Operating Income \$'s	\$ 145.1	\$ 132.1	\$ 13.0	10%
Operating Income %	10.7%	10.4%		
Retail Segment				
Operating Income \$'s	\$ 139.2	\$ 144.0	\$ (4.8)	(3%)
Operating Income %	11.6%	12.4%		
Wholesale Segment*				
Operating Income \$'s	\$ 13.4	\$ 6.7	\$ 6.7	102%
Operating Income %	20.7%	11.8%		
Nuuly Segment				
Operating Income (Loss) \$'s	\$ 5.3	\$ (2.4)	\$ 7.7	n/a
Operating Income (Loss) %	5.9%	(4.4%)		
General Corporate				
Expenses \$'s	\$ 12.8	\$ 16.2	\$ (3.4)	(21%)

Operating income dollars increased by 10% to \$145 million while operating income rate increased by 36 bps to 10.7%. The increase in operating income dollars was driven by the increase in gross profit dollars. The increase in operating income rate was due to the improved gross profit rate.

Retail segment operating income decreased by 3%, or \$5 million, to \$139 million for the quarter. The decrease in operating income was due to the increase in SG&A expenses, primarily marketing expenses, to support increased sales and customer traffic growth and increased store payroll expenses to support the retail stores comparable sales growth, partially offset by the increase in gross profit.

Wholesale segment operating income increased by 102%, or \$7 million, to \$13 million for the quarter. The increase in operating income was primarily due to the higher sales and gross profit rate.

Nuuly segment operating income was \$5 million for the quarter compared to a \$2 million loss in the prior year quarter. The increase in operating income was primarily due to the increase in gross profit.

General corporate expenses decreased by 21%, or \$3 million, primarily due to higher litigation expenses in the prior year quarter.

*Net of intersegment elimination



Income Statement Summary

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

Three Months Ended

	July 31, 2024		July 31, 2023	
	\$	% of Net Sales	\$	% of Net Sales
Net Sales	1,352.0	100.0%	1,272.2	100.0%
Cost of Sales	858.7	63.5	816.6	64.2
Gross Profit	493.3	36.5	455.6	35.8
Selling, General and Admin. Expenses	348.2	25.8	323.5	25.4
Income from Operations	145.1	10.7	132.1	10.4
Other Income, Net	7.5	0.6	3.4	0.3
Income Before Income Taxes	152.6	11.3	135.5	10.7
Income Tax Expense	35.1	2.6	31.4	2.5
Net Income	\$ 117.5	8.7%	\$ 104.1	8.2%
Diluted Share Count	94.7		94.2	
Earnings per Diluted Share	\$ 1.24		\$ 1.10	

The effective tax rate was 23% in both the second quarter of fiscal 2025 and the second quarter of fiscal 2024.

Net income for the quarter was \$117 million or \$1.24 per diluted share.



Balance Sheet Summary

(\$ in millions)
(unaudited)

	July 31, 2024	July 31, 2023
Assets		
Cash and Cash Equivalents	\$ 209	\$ 225
Marketable Securities	352	251
Accounts Receivable, Net	79	79
Inventory	605	587
Other Current Assets	229	223
Total Current Assets	1,474	1,365
Property and Equipment, Net	1,315	1,222
Operating Lease ROU Assets	941	962
Marketable Securities	209	122
Other Assets	320	299
Total Assets	\$ 4,259	\$ 3,970
Liabilities and Shareholders' Equity		
Accounts Payable	\$ 299	\$ 270
Current Operating Lease Liabilities	228	228
Other Current Liabilities	483	459
Total Current Liabilities	1,010	957
Non-Current Operating Lease Liabilities	875	883
Other Non-Current Liabilities	132	163
Total Liabilities	2,017	2,003
Total Shareholders' Equity	2,242	1,967
Total Liabilities and Shareholders' Equity	\$ 4,259	\$ 3,970

As of July 31, 2024, cash and marketable securities totaled \$771 million with \$0 drawn down on our \$350 million asset backed line of credit facility.



Cash Flows Summary

(\$ in millions)
(unaudited)

	Six Months Ended	
	July 31, 2024	July 31, 2023
Cash Flows from Operating Activities		
Net Income	\$ 179	\$ 157
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	57	47
Inventory	(54)	3
Payables, Accrued Expenses and Other Liabilities	17	55
Other Operating Activities	35	(51)
Net Cash Provided by Operating Activities	<u>164</u>	<u>211</u>
Cash Flows from Investing Activities		
Cash Paid for Property & Equipment	(99)	(79)
Net Marketable Securities	38	(79)
Other Investing Activities	<u>-</u>	<u>(20)</u>
Net Cash Used in Investing Activities	<u>(61)</u>	<u>(178)</u>
Cash Flows from Financing Activities		
Share Repurchases related to Share Repurchase Program	(52)	-
Other Financing Activities	<u>(17)</u>	<u>(9)</u>
Net Cash Used in Financing Activities	<u>(69)</u>	<u>(9)</u>
Effect of Exchange Rate	<u>(3)</u>	<u>(0)</u>
Increase in Cash and Cash Equivalents	31	24
Cash and Cash Equivalents at Beginning of Period	<u>178</u>	<u>201</u>
Cash and Cash Equivalents at End of Period	<u>\$ 209</u>	<u>\$ 225</u>

URBN Inventory Data

(\$ in millions)
(unaudited)

	July 31, 2024	July 31, 2023	Cost Variance	
			\$	%
URBN Total Inventory	\$ 604.7	\$ 586.5	\$ 18.2	3%
Retail Segment Total Inventory	\$ 552.4	\$ 535.9	\$ 16.5	3%
Retail Segment Comparable Inventory by Brand	430.1	435.7	\$ (5.6)	(1%)
Anthropologie	218.7	222.5	(3.8)	(2%)
Free People	96.5	83.2	13.3	16%
Urban Outfitters	114.9	130.0	(15.1)	(12%)
Wholesale Segment by Brand	\$ 52.3	\$ 50.6	\$ 1.7	3%
Free People	47.4	44.4	3.0	7%
Urban Outfitters	4.9	6.2	(1.3)	(20%)
Nuuly Segment Rental Product, Net*	\$ 193.1	\$ 119.1	\$ 74.0	62%

As of July 31, 2024, total inventory increased 3% as compared to the prior year to \$605 million. Total Retail segment inventory increased 3%, while Retail segment comparable inventory decreased 1%. Wholesale segment inventory increased by 3%.

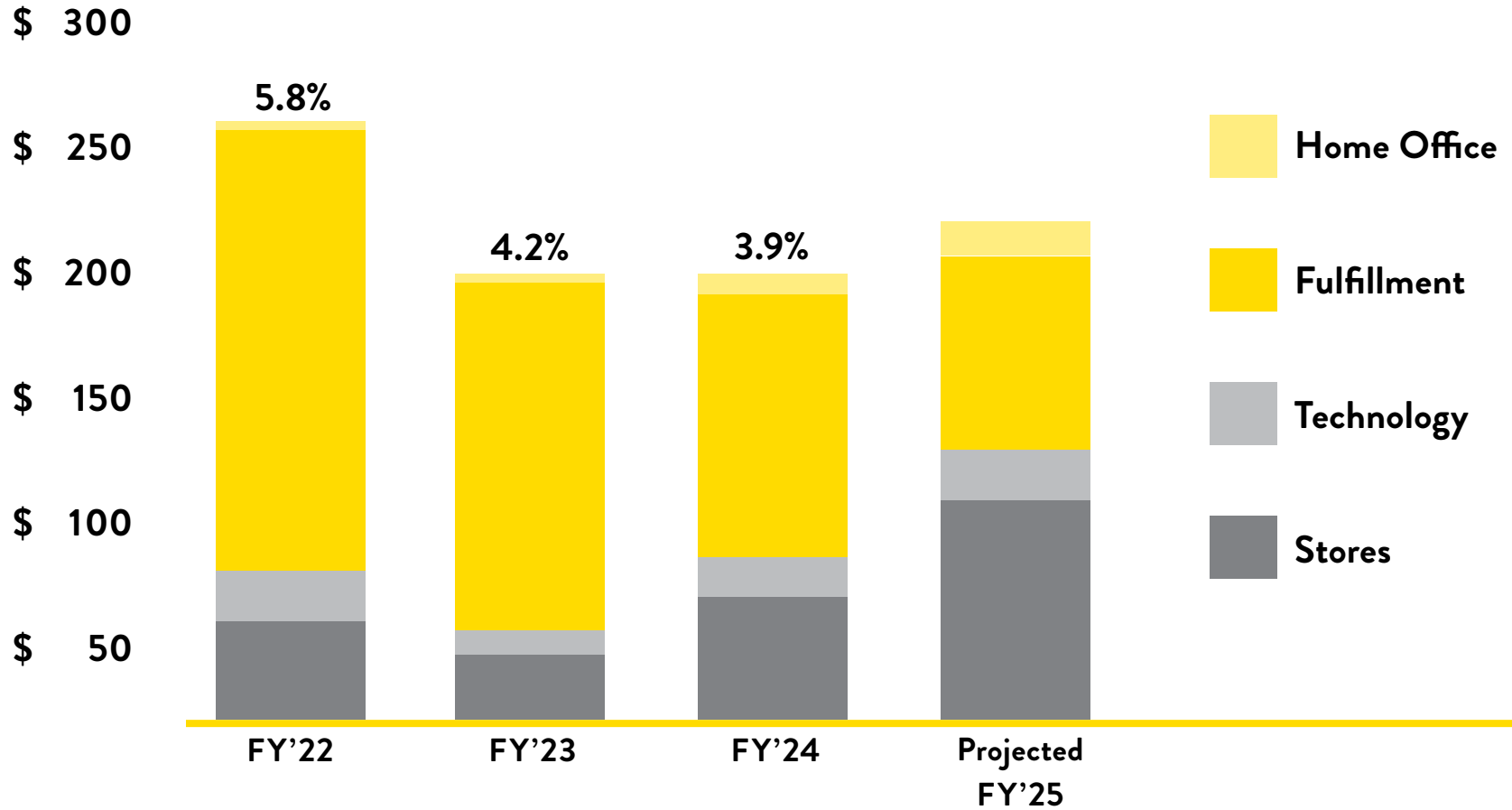
*Rental Product, net of amortization, is included in Other Assets



Capital Spending

(\$ in millions)
(unaudited)

Net Capex % of Net Sales



During the second quarter, capital expenditures were \$58 million while depreciation & amortization was \$29 million.



Shares Outstanding

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



	FY'20	FY'21	FY'22	FY'23	FY'24	FY'25
Shares Repurchased						
Number of Shares	8.1	0.5	2.0	4.7	-	1.2
Total Cost	\$ 217	\$ 7	\$ 56	\$ 112	-	\$ 52

During the second quarter, the Company repurchased 1.2 million shares for \$52 million at an average share price of \$43.55. The Company has authorization to repurchase approximately 18 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 94.7 million shares.



Global Retail Stores Summary

	Q1–Q2 FY'25				Q3–Q4 FY'25		
	Open as of January 31, 2024	Openings	Closings	Open as of July 31, 2024	Projected Openings	Projected Closings	Projected Open as of January 31, 2025
Anthropologie NA	218	5	1	222	8	8	222
Anthropologie EU	19	–	2	17	–	–	17
Total Anthropologie	237	5	3	239	8	8	239
Free People NA	148	2	2	148	10	–	158
FP Movement NA	38	7	–	45	18	–	63
Free People EU	12	–	–	12	–	–	12
Total Free People	198	9	2	205	28	–	233
Urban Outfitters NA	196	2	4	194	1	8	187
Urban Outfitters EU	66	3	–	69	1	–	70
Total Urban Outfitters	262	5	4	263	2	8	257
Menus & Venues	9	–	–	9	–	–	9
Total Company-Owned Stores	706	19	9	716	38	16	738
Franchisee-Owned Stores	9	–	–	9	–	–	9
Total URBN	715	19	9	725	38	16	747



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'24	Q1	Store Count	237	193	260	10	700
		Selling SF	1,805	404	2,249	n/a	4,458
	Q2	Store Count	237	196	264	11	708
		Selling SF	1,806	407	2,275	n/a	4,488
	Q3	Store Count	239	197	264	11	711
		Selling SF	1,813	409	2,272	n/a	4,494
	Q4	Store Count	237	198	262	9	706
		Selling SF	1,810	411	2,263	n/a	4,484

		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

*includes 45 FP Movement stores as of Q2 FY'25, with a total Selling SF of 63

**excludes franchisee-owned stores