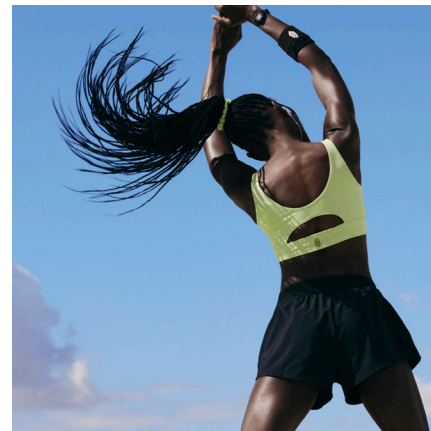


Urban Outfitters, Inc.
FY'25 Q3 RESULTS





Introduction

Urban Outfitters, Inc. “URBN” is providing fiscal 2025 third quarter commentary ahead of our earnings call scheduled for November 26th 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 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, 2024	October 31, 2023
URBN Net Sales Change	6.3%	9.0%
Gross Profit*	36.5%	35.5%
Selling, General and Admin. Expenses*	27.1%	27.0%
Income from Operations*	9.4%	8.5%
Earnings Per Diluted Share	\$ 1.10	\$ 0.88

URBN sales for the third quarter increased by 6% to a record \$1.36 billion. The increase in sales was due to a 3% increase in Retail segment sales, a 48% increase in Nuuly segment sales and a 17% increase in Wholesale segment sales. Retail segment sales comp increased 2%.

Gross profit dollars increased by 9% to \$497 million for the quarter, while gross profit rate increased 105 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. Additionally, Retail segment merchandise markdowns improved driven by lower merchandise markdowns at Urban Outfitters, which were partially offset by an increase at Free People. 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 7% to \$369 million while SG&A expenses as a percentage of sales deleveraged by 11 bps to 27.1%. The deleverage in SG&A expenses as a percentage of sales was primarily related to increased marketing expenses to support customer growth and increased sales at the Retail and Nuuly segments. 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, as well as increased store payroll expenses to support the Retail segment stores comparable sales growth.

Operating income dollars increased by 18% to \$129 million while operating income rate increased by 94 bps to 9.4%. 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 a record \$103 million or \$1.10 per diluted share.

*expressed as a percent of net sales



Sales by Segment

(\$ in millions)
(unaudited)

	Three Months Ended		Variance	
	October 31, 2024	October 31, 2023	\$	%
Total Sales	\$ 1,361.9	\$ 1,281.2	\$ 80.7	6%
Retail Segment	\$ 1,182.6	\$ 1,145.8	\$ 36.8	3%
URBN Comp	\$ 1,140.1	\$ 1,122.8	\$ 17.3	2%
Anthropologie*	567.3	536.4	30.9	6%
Free People**	277.5	263.6	13.9	5%
Urban Outfitters	285.5	313.6	(28.1)	(9%)
Menus & Venues	9.8	9.2	0.6	7%
Retail Segment Comp				
By Geography				
North America	1,002.6	988.7	13.9	1%
Europe and ROW	137.5	134.1	3.4	2%
URBN Non-Comp	\$ 42.5	\$ 23.0	\$ 19.5	85%
Wholesale Segment	\$ 82.1	\$ 69.9	\$ 12.2	17%
Free People**	77.1	64.0	13.1	20%
Urban Outfitters	5.0	5.9	(0.9)	(14%)
Nuuly Segment	\$ 97.2	\$ 65.5	\$ 31.7	48%

* Anthropologie includes the Anthropologie and Terrain brands.

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

Total Company or URBN sales for the third quarter increased by 6% to a record \$1.36 billion. URBN Retail segment sales increased 3% to \$1.18 billion, with Retail segment comparable sales increasing 2%. Comparable sales increased due to low single-digit positive growth in digital channel sales driven by increases in sessions and units per transaction, as well as low single-digit positive growth in retail store sales due to higher traffic and transactions.

URBN Wholesale segment sales for the third quarter increased by 17% to \$82 million, driven by a 20%, or \$13 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 specialty customers and department stores.

Nuuly segment sales for the third quarter increased by 48% to \$97 million primarily driven by a 51% increase in average active subscribers in the current quarter versus the prior year quarter.



Revenue Metrics

ANTHROPOLOGIE

(\$ in millions)
(unaudited)

	Three Months Ended		Variance	
	October 31, 2024	October 31, 2023	\$	%
Total Sales	\$ 587.9	\$ 549.8	\$ 38.1	7%
Retail Segment	\$ 587.9	\$ 549.8	\$ 38.1	7%
Retail Segment Comp	\$ 567.3	\$ 536.4	\$ 30.9	6%
Sales by Geography				
North America	547.0	516.9	30.1	6%
Europe and ROW	20.3	19.5	0.8	4%
Retail Segment Non-Comp	\$ 20.6	\$ 13.4	\$ 7.2	54%

Total Anthropologie sales increased 7% to \$588 million for the quarter.

Retail segment sales increased 7%, with comparable sales increasing 6%. The increase in Retail segment comparable sales was driven by high single-digit growth in digital channel sales due to increases in sessions, conversion rate and units per transaction, as well as mid single-digit growth in retail store sales due to higher traffic and transactions. 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 *fp movement*

(\$ in millions)
(unaudited)

	Three Months Ended		Variance	
	October 31, 2024	October 31, 2023	\$	%
Total Sales	\$ 365.9	\$ 331.8	\$ 34.1	10%

Total Sales by Segment

Retail Segment	\$ 288.8	\$ 267.8	\$ 21.0	8%
Retail Segment Comp	\$ 277.5	\$ 263.6	\$ 13.9	5%
North America	264.3	252.0	12.3	5%
Europe and ROW	13.2	11.6	1.6	13%
Retail Segment Non-Comp	\$ 11.3	\$ 4.2	\$ 7.1	176%
Wholesale Segment	\$ 77.1	\$ 64.0	\$ 13.1	20%
North America	75.4	62.6	12.8	20%
Europe and ROW	1.7	1.4	0.3	15%

Total Sales by Brand

Free People Brand	\$ 280.0	\$ 265.7	\$ 14.3	5%
Retail Segment	225.0	214.3	10.7	5%
Wholesale Segment	55.0	51.4	3.6	7%
FP Movement Brand	\$ 85.9	\$ 66.1	\$ 19.8	30%
Retail Segment	63.8	53.5	10.3	19%
Wholesale Segment	22.1	12.6	9.5	74%

Total Free People sales increased by 10% to \$366 million for the quarter. This increase was due to an increase in Retail segment sales of 8% and a 20% increase in Wholesale segment sales. Total Free People brand sales increased by 5% and total FP Movement brand sales increased by 30%.

The growth in Free People Retail segment sales was driven by a 5% increase in comparable sales due to mid single-digit growth in digital channel sales due to increases in sessions and units per transaction, as well as low single-digit growth in retail store sales due to higher traffic, transactions and units per transaction. Free People brand Retail segment comparable sales increased by 3% and FP Movement brand Retail segment comparable sales increased by 14%. 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 20% due to an increase in sales to specialty customers and department stores.



Revenue Metrics

URBAN OUTFITTERS

(\$ in millions)
(unaudited)

	Three Months Ended		Variance	
	October 31, 2024	October 31, 2023	\$	%
Total Sales	\$ 300.6	\$ 324.4	\$(23.8)	(7%)
Retail Segment	\$ 295.5	\$ 318.5	\$(23.0)	(7%)
Retail Segment Comp	\$ 285.5	\$ 313.6	\$(28.1)	(9%)
Sales by Geography				
North America	181.5	210.6	(29.1)	(14%)
Europe and ROW	104.0	103.0	1.0	1%
Retail Segment Non-Comp	\$ 10.1	\$ 4.9	\$ 5.2	102%
Wholesale Segment	\$ 5.0	\$ 5.9	\$ (0.9)	(14%)
North America	3.6	4.8	(1.2)	(24%)
Europe and ROW	1.4	1.1	0.3	30%

Total Urban Outfitters sales decreased by 7% to \$301 million for the quarter.

Retail segment sales decreased 7%, with comparable sales decreasing 9%. The Retail segment comparable sales decline was driven by a decline in North America. 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 mid 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 women's accessories. 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 \$1 million.



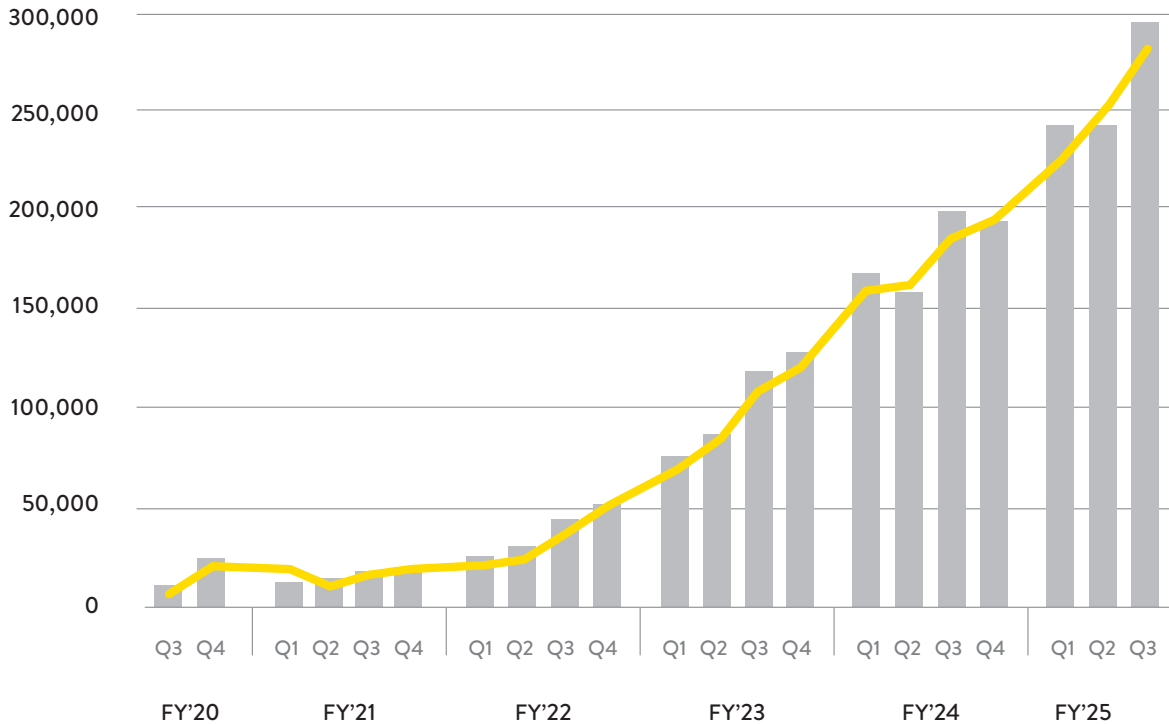
Revenue and Subscription Metrics



(\$ in millions)
(unaudited)

	Three Months Ended		Variance	
	October 31, 2024	October 31, 2023	\$	%
Total Sales	\$97.2	\$ 65.5	\$ 31.7	48%

Nuuly Subscribers



Nuuly segment sales for the third quarter increased by 48% to \$97 million primarily driven by a 51% 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	
	October 31, 2024	October 31, 2023	\$	%
Gross Profit* \$'s	\$ 497.3	\$ 454.4	\$ 42.9	9%
Gross Profit* %	36.5%	35.5%		
Retail Segment				
Gross Profit \$'s	\$ 440.3	\$ 415.5	\$ 24.8	6%
Gross Profit %	37.2%	36.3%		
Wholesale Segment**				
Gross Profit \$'s	\$ 29.2	\$ 22.2	\$ 7.0	31%
Gross Profit %	35.6%	31.8%		
Nuuly Segment				
Gross Profit \$'s	\$ 27.8	\$ 16.7	\$ 11.1	67%
Gross Profit %	28.6%	25.5%		

*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 9% to \$497 million for the quarter, while gross profit rate increased 105 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. Additionally, Retail segment merchandise markdowns improved driven by lower merchandise markdowns at Urban Outfitters, which were partially offset by an increase at Free People. The increase in gross profit dollars was due to higher sales and the improved gross profit rate.

Retail segment gross profit increased 6% to \$440 million while the Retail segment gross profit rate increased 97 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. Additionally, merchandise markdowns improved driven by lower merchandise markdowns at Urban Outfitters, which were partially offset by an increase at Free People. The increase in gross profit dollars was due to higher sales and the improved gross profit rate.

Wholesale segment gross profit increased 31% to \$29 million while the Wholesale segment gross profit rate increased 374 bps to 35.6%. The higher gross profit dollars and rate were driven by an increase in sales to regular price customers.

Nuuly segment gross profit increased 67% to \$28 million while the Nuuly segment gross profit rate increased 315 bps to 28.6%. The increase in gross profit dollars was primarily due to the increase in sales.



SG&A – Total Company

(\$ in millions) (unaudited)	Three Months Ended		Variance	
	October 31, 2024	October 31, 2023	\$	%
SG&A* \$'s	\$ 368.6	\$ 345.4	\$ 23.2	7%
SG&A* %	27.1%	27.0%		

SG&A expenses increased by 7% to \$369 million while SG&A expenses as a percentage of sales deleveraged by 11 bps to 27.1%. The deleverage in SG&A expenses as a percentage of sales was primarily related to increased marketing expenses to support customer growth and increased sales at the Retail and Nuuly segments. 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, as well as 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	
	October 31, 2024	October 31, 2023	\$	%
Operating Income \$'s	\$ 128.7	\$ 109.0	\$ 19.7	18%
Operating Income %	9.4%	8.5%		
Retail Segment				
Operating Income \$'s	\$ 119.1	\$ 111.7	\$ 7.4	7%
Operating Income %	10.1%	9.8%		
Wholesale Segment*				
Operating Income \$'s	\$ 20.4	\$ 14.6	\$ 5.8	40%
Operating Income %	24.8%	20.9%		
Nuuly Segment				
Operating Income \$'s	\$ 4.1	\$ 0.3	\$ 3.8	n/m**
Operating Income %	4.2%	0.4%		
General Corporate				
Expenses \$'s	\$ 14.9	\$ 17.6	\$ (2.7)	(16%)

Operating income dollars increased by 18% to \$129 million while operating income rate increased by 94 bps to 9.4%. 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.

Retail segment operating income increased by 7%, or \$7 million, to \$119 million for the quarter. The increase in operating income was primarily due to the increase in gross profit.

Wholesale segment operating income increased by 40%, or \$6 million, to \$20 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 \$4 million for the quarter compared to \$0.3 million in the prior year quarter. The increase in operating income was primarily due to the increase in gross profit.

General corporate expenses decreased by 16%, or \$3 million, primarily due to higher litigation expenses in the prior year quarter.

*Net of intersegment elimination

**Not meaningful



Income Statement Summary

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

Three Months Ended

	October 31, 2024	% of Net Sales	October 31, 2023	% of Net Sales
Net Sales	\$ 1,361.9	100.0%	\$ 1,281.2	100.0%
Cost of Sales (excluding Store Impairment)	864.6	63.5	825.4	64.4
Store Impairment	—	—	1.4	0.1
Gross Profit	497.3	36.5	454.4	35.5
Selling, General and Admin. Expenses	368.6	27.1	345.4	27.0
Income from Operations	128.7	9.4	109.0	8.5
Other Income, Net	7.1	0.6	0.7	0.1
Income Before Income Taxes	135.8	10.0	109.7	8.6
Income Tax Expense	32.9	2.4	26.7	2.1
Net Income	<u>\$ 102.9</u>	<u>7.6%</u>	<u>\$ 83.0</u>	<u>6.5%</u>
Diluted Share Count	93.9		94.4	
Earnings per Diluted Share	\$ 1.10		\$ 0.88	

The effective tax rate was 24% in both the third quarter of fiscal 2025 and the third quarter of fiscal 2024.

Net income for the quarter was a record \$103 million or \$1.10 per diluted share.



Balance Sheet Summary

(\$ in millions)
(unaudited)

	October 31, 2024	October 31, 2023
Assets		
Cash and Cash Equivalents	\$ 183	\$ 206
Marketable Securities	340	249
Accounts Receivable, Net	97	77
Inventory	793	721
Other Current Assets	224	236
Total Current Assets	1,637	1,489
Property and Equipment, Net	1,325	1,273
Operating Lease ROU Assets	947	934
Marketable Securities	240	133
Other Assets	337	281
Total Assets	\$ 4,486	\$ 4,110
Liabilities and Shareholders' Equity		
Accounts Payable	\$ 363	\$ 319
Current Operating Lease Liabilities	228	224
Other Current Liabilities	535	506
Total Current Liabilities	1,126	1,049
Non-Current Operating Lease Liabilities	879	858
Other Non-Current Liabilities	128	156
Total Liabilities	2,133	2,063
Total Shareholders' Equity	2,353	2,047
Total Liabilities and Shareholders' Equity	\$ 4,486	\$ 4,110

As of October 31, 2024, cash and marketable securities totaled \$763 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, 2024	October 31, 2023
Cash Flows from Operating Activities		
Net Income	\$ 282	\$ 240
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	86	75
Inventory	(242)	(135)
Payables, Accrued Expenses and Other Liabilities	114	139
Other Operating Activities	(58)	(39)
Net Cash Provided by Operating Activities	<u>182</u>	<u>280</u>
Cash Flows from Investing Activities		
Cash Paid for Property & Equipment	(144)	(151)
Net Marketable Securities	42	(93)
Other Investing Activities	<u>-</u>	<u>(20)</u>
Net Cash Used in Investing Activities	<u>(102)</u>	<u>(264)</u>
Cash Flows from Financing Activities		
Share Repurchases related to Share Repurchase Program	(52)	-
Other Financing Activities	<u>(21)</u>	<u>(11)</u>
Net Cash Used in Financing Activities	<u>(73)</u>	<u>(11)</u>
Effect of Exchange Rate	<u>(2)</u>	<u>(0)</u>
Increase in Cash and Cash Equivalents	5	5
Cash and Cash Equivalents at Beginning of Period	<u>178</u>	<u>201</u>
Cash and Cash Equivalents at End of Period	<u>\$ 183</u>	<u>\$ 206</u>



Inventory Data

(\$ in millions)
(unaudited)

	October 31, 2024	October 31, 2023	Cost Variance	
			\$	%
URBN Total Inventory	\$ 793.3	\$ 721.0	\$ 72.3	10%
Retail Segment Total Inventory	\$ 734.9	\$ 679.8	\$ 55.1	8%
Retail Segment Comparable Inventory by Brand	585.7	564.8	\$ 20.9	4%
Anthropologie	306.4	282.2	24.2	9%
Free People	124.3	113.6	10.7	9%
Urban Outfitters	155.0	169.0	(14.0)	(8%)
Wholesale Segment by Brand	\$ 58.4	\$ 41.2	\$ 17.2	42%
Free People	54.1	36.2	17.9	49%
Urban Outfitters	4.3	5.0	(0.7)	(14%)
Nuuly Segment Rental Product, Net*	\$ 210.3	\$ 140.7	\$ 69.6	49%

As of October 31, 2024, total inventory increased 10% as compared to the prior year to \$793 million. Total Retail segment inventory increased by 8% due to a Retail segment comparable inventory increase of 4% and planned early receipts of holiday merchandise. Wholesale segment inventory increased by 42% due to the timing of receipts and to support increased sales.

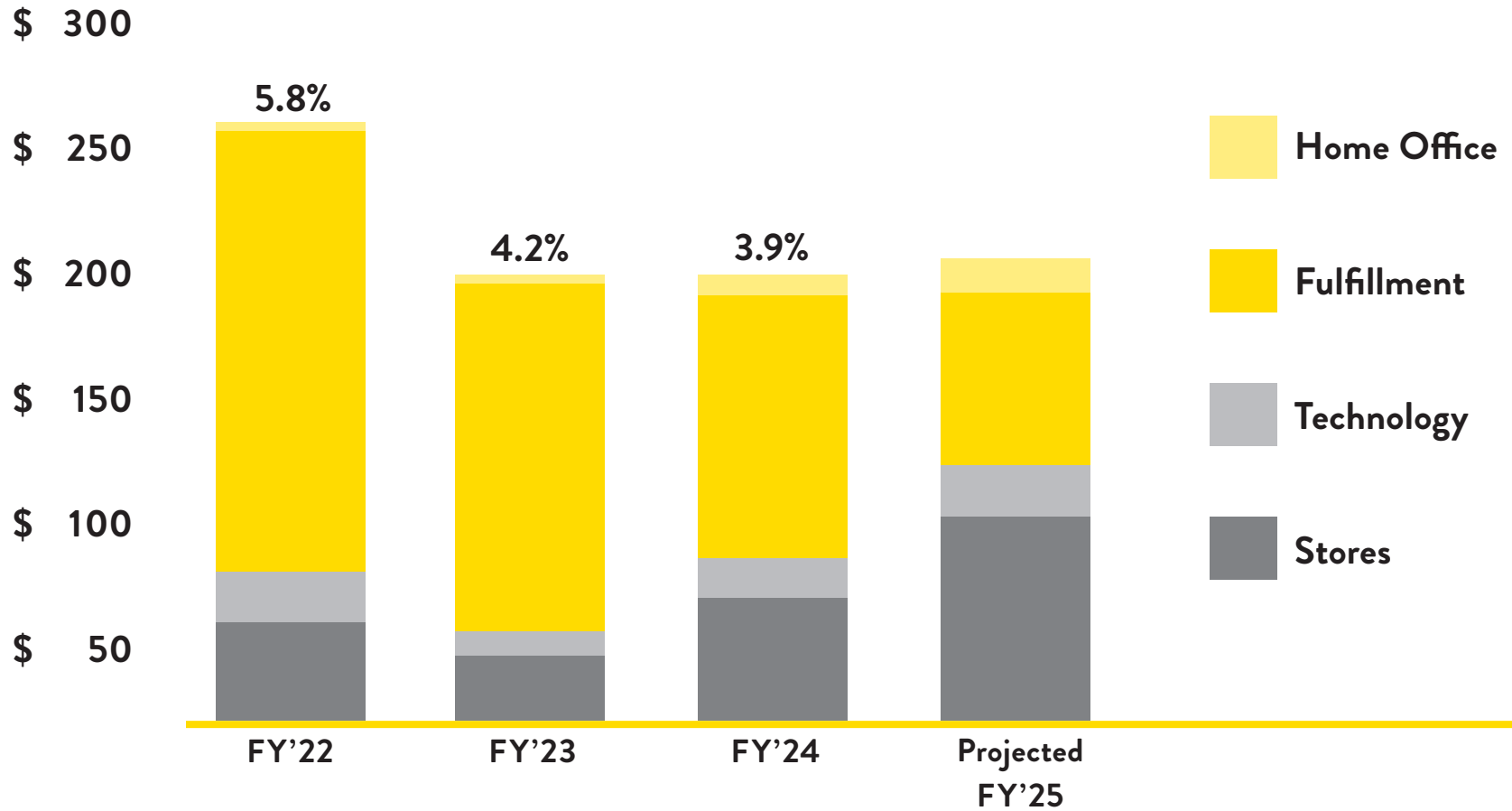
*Rental Product, net of amortization, is included in Other Assets



Capital Spending

(\$ in millions)
(unaudited)

Net Capex % of Net Sales



During the third quarter, capital expenditures were \$45 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

The Company did not repurchase any shares during the quarter. 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 93.9 million shares.



Global Retail Stores Summary

	Q1–Q3 FY'25				Q4 FY'25		
	Open as of January 31, 2024	Openings	Closings	Open as of October 31, 2024	Projected Openings	Projected Closings	Projected Open as of January 31, 2025
Anthropologie NA	218	9	2	225	4	6	223
Anthropologie EU	19	–	2	17	–	–	17
Total Anthropologie	237	9	4	242	4	6	240
Free People NA	148	8	2	154	5	3	156
FP Movement NA	38	12	–	50	13	–	63
Free People EU	12	–	–	12	–	1	11
Total Free People	198	20	2	216	18	4	230
Urban Outfitters NA	196	3	5	194	–	9	185
Urban Outfitters EU	66	4	–	70	–	1	69
Total Urban Outfitters	262	7	5	264	–	10	254
Menus & Venues	9	–	–	9	–	–	9
Total Company-Owned Stores	706	36	11	731	22	20	733
Franchisee-Owned Stores	9	–	–	9	–	–	9
Total URBN	715	36	11	740	22	20	742



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
	Q3	Store Count	242	216	264	9	731
		Selling SF	1,826	449	2,253	n/a	4,528

*includes 50 FP Movement stores as of Q3 FY'25, with a total Selling SF of 71

**excludes franchisee-owned stores