UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the Quarterly Period Ended July 31, 2021

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 No. 000-22754

Urban Outfitters, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania **(State or Other Jurisdiction of Incorporation or Organization)**	**23-2003332** **(I.R.S. Employer Identification No.)**
5000 South Broad Street, Philadelphia, PA **(Address of Principal Executive Offices)**	**19112-1495** **(Zip Code)**

Registrant's telephone number, including area code: (215) 454-5500

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, par value $.0001 per share	URBN	NASDAQ Global Select Market

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. 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). 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	☒	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 ☐ No ☒

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

Common shares, $0.0001 par value—98,363,862 shares outstanding on September 3, 2021.

TABLE OF CONTENTS

PART I
FINANCIAL INFORMATION

PART II
OTHER INFORMATION

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except share data)
(unaudited)

	July 31, 2021	January 31, 2021	July 31, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	$ 464,811	$ 395,635	$ 662,860
Marketable securities	156,982	174,695	501
Accounts receivable, net of allowance for doubtful accounts of $1,302, $4,028 and $4,123, respectively	94,402	89,952	60,441
Inventory	483,148	389,618	351,771
Prepaid expenses and other current assets	196,070	173,432	195,393
Total current assets	1,395,413	1,223,332	1,270,966
Property and equipment, net	1,047,751	967,422	889,126
Operating lease right-of-use assets	1,068,919	1,114,762	1,134,678
Marketable securities	113,249	123,662	9,216
Deferred income taxes and other assets	117,556	117,167	121,292
Total Assets	$ 3,742,888	$ 3,546,345	$ 3,425,278
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 240,245	$ 237,386	$ 207,261
Current portion of operating lease liabilities	243,338	254,703	270,326
Accrued expenses, accrued compensation and other current liabilities	462,782	414,043	293,629
Total current liabilities	946,365	906,132	771,216
Non-current portion of operating lease liabilities	1,030,212	1,074,009	1,102,250
Long-term debt	—	—	120,000
Deferred rent and other liabilities	96,891	88,846	81,219
Total Liabilities	2,073,468	2,068,987	2,074,685
Commitments and contingencies (see Note 12)			
Shareholders' equity:			
Preferred shares; $.0001 par value, 10,000,000 shares authorized, none issued	—	—	—
Common shares; $.0001 par value, 200,000,000 shares authorized, 98,357,090, 97,815,985 and 97,779,586 shares issued and outstanding, respectively	10	10	10
Additional paid-in-capital	26,581	19,360	9,956
Retained earnings	1,655,917	1,475,108	1,369,830
Accumulated other comprehensive loss	(13,088)	(17,120)	(29,203)
Total Shareholders' Equity	1,669,420	1,477,358	1,350,593
Total Liabilities and Shareholders' Equity	$ 3,742,888	$ 3,546,345	$ 3,425,278

The accompanying notes are an integral part of these condensed consolidated financial statements.

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(amounts in thousands, except share and per share data)

(unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2021	2020	2021	2020
Net sales	$ 1,157,725	$ 803,266	$ 2,085,140	$ 1,391,749
Cost of sales (excluding store impairment)	722,460	565,228	1,349,224	1,127,340
Store impairment	—	—	—	14,528
Gross profit	435,265	238,038	735,916	249,881
Selling, general and administrative expenses	269,412	168,619	496,560	379,197
Income (loss) from operations	165,853	69,419	239,356	(129,316)
Other loss, net	(1,797)	(533)	(1,952)	(371)
Income (loss) before income taxes	164,056	68,886	237,404	(129,687)
Income tax expense (benefit)	36,794	34,486	56,595	(25,645)
Net income (loss)	$ 127,262	$ 34,400	$ 180,809	$ (104,042)
Net income (loss) per common share:				
Basic	$ 1.29	$ 0.35	$ 1.84	$ (1.06)
Diluted	$ 1.28	$ 0.35	$ 1.82	$ (1.06)
Weighted-average common shares outstanding:				
Basic	98,315,441	97,778,749	98,213,555	97,843,796
Diluted	99,601,292	98,104,918	99,463,468	97,843,796

The accompanying notes are an integral part of these condensed consolidated financial statements.

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(amounts in thousands)

(unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2021	**2020**	**2021**	**2020**
Net income (loss)	$ 127,262	$ 34,400	$ 180,809	$ (104,042)
Other comprehensive income (loss):				
Foreign currency translation	(1,394)	11,765	4,028	(852)
Change in unrealized gains (losses) on marketable securities, net of tax	47	(43)	4	(347)
Total other comprehensive income (loss)	(1,347)	11,722	4,032	(1,199)
Comprehensive income (loss)	$ 125,915	$ 46,122	$ 184,841	$ (105,241)

The accompanying notes are an integral part of these condensed consolidated financial statements.

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(amounts in thousands, except share data)

(unaudited)

	Common Shares		Additional		Accumulated Other	
	Number of Shares	Par Value	Paid-in Capital	Retained Earnings	Comprehensive Loss	Total
Balances as of April 30, 2021	98,235,127	$ 10	$ 17,585	$ 1,528,655	$ (11,741)	$ 1,534,509
Comprehensive income	—	—	—	127,262	(1,347)	125,915
Share-based compensation	—	—	7,398	—	—	7,398
Share-based awards	125,800	—	1,742	—	—	1,742
Share repurchases	(3,837)	—	(144)	—	—	(144)
Balances as of July 31, 2021	98,357,090	$ 10	$ 26,581	$ 1,655,917	$ (13,088)	$ 1,669,420

	Common Shares		Additional		Accumulated Other	
	Number of Shares	Par Value	Paid-in Capital	Retained Earnings	Comprehensive Loss	Total
Balances as of April 30, 2020	97,777,322	$ 10	$ 3,593	$ 1,335,430	$ (40,925)	$ 1,298,108
Comprehensive income	—	—	—	34,400	11,722	46,122
Share-based compensation	—	—	6,385	—	—	6,385
Share-based awards	3,334	—	—	—	—	—
Share repurchases	(1,070)	—	(22)	—	—	(22)
Balances as of July 31, 2020	97,779,586	$ 10	$ 9,956	$ 1,369,830	$ (29,203)	$ 1,350,593

The accompanying notes are an integral part of these condensed consolidated financial statements.

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(amounts in thousands, except share data)

(unaudited)

	Common Shares		Additional		Accumulated Other	
	Number of Shares	Par Value	Paid-in Capital	Retained Earnings	Comprehensive Loss	Total
Balances as of January 31, 2021	97,815,985	$ 10	$ 19,360	$ 1,475,108	$ (17,120)	$ 1,477,358
Comprehensive income	—	—	—	180,809	4,032	184,841
Share-based compensation	—	—	11,968	—	—	11,968
Share-based awards	763,636	—	2,815	—	—	2,815
Share repurchases	(222,531)	—	(7,562)	—	—	(7,562)
Balances as of July 31, 2021	98,357,090	$ 10	$ 26,581	$ 1,655,917	$ (13,088)	$ 1,669,420

	Common Shares		Additional		Accumulated Other	
	Number of Shares	Par Value	Paid-in Capital	Retained Earnings	Comprehensive Loss	Total
Balances as of January 31, 2020	97,976,815	$ 10	$ 9,477	$ 1,473,872	$ (28,004)	$ 1,455,355
Comprehensive (loss)	—	—	—	(104,042)	(1,199)	(105,241)
Share-based compensation	—	—	11,257	—	—	11,257
Share-based awards	440,508	—	—	—	—	—
Share repurchases	(637,737)	—	(10,778)	—	—	(10,778)
Balances as of July 31, 2020	97,779,586	$ 10	$ 9,956	$ 1,369,830	$ (29,203)	$ 1,350,593

The accompanying notes are an integral part of these condensed consolidated financial statements.

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

(unaudited)

	Six Months Ended July 31, 2021	Six Months Ended July 31, 2020
Cash flows from operating activities:		
Net income (loss)	$ 180,809	$ (104,042)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	51,223	53,388
Non-cash lease expense	95,097	97,655
Benefit for deferred income taxes	(1,275)	(17,074)
Share-based compensation expense	11,968	11,257
Store impairment	—	14,528
Loss on disposition of property and equipment, net	121	679
Changes in assets and liabilities:		
Receivables	(4,349)	27,912
Inventory	(93,049)	58,002
Prepaid expenses and other assets	4,272	(62,170)
Payables, accrued expenses and other liabilities	61,586	94,196
Operating lease liabilities	(111,210)	(59,115)
Net cash provided by operating activities	195,193	115,216
Cash flows from investing activities:		
Cash paid for property and equipment	(105,624)	(72,103)
Cash paid for marketable securities	(165,927)	(92,949)
Sales and maturities of marketable securities	148,582	383,056
Net cash (used in) provided by investing activities	(122,969)	218,004
Cash flows from financing activities:		
Borrowings under debt	—	220,000
Repayments of debt	—	(100,000)
Proceeds from the exercise of stock options	2,815	—
Share repurchases related to share repurchase program	—	(7,036)
Share repurchases related to taxes for share-based awards	(7,562)	(3,742)
Net cash (used in) provided by financing activities	(4,747)	109,222
Effect of exchange rate changes on cash and cash equivalents	1,699	(1,421)
Increase in cash and cash equivalents	69,176	441,021
Cash and cash equivalents at beginning of period	395,635	221,839
Cash and cash equivalents at end of period	$ 464,811	$ 662,860
Supplemental cash flow information:		
Cash paid during the year for:		
Income taxes	$ 42,767	$ 11,287
Non-cash investing activities—Accrued capital expenditures	$ 60,168	$ 2,710

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These condensed financial statements should be read in conjunction with Urban Outfitters, Inc.'s (the "Company's") Annual Report on Form 10-K for the fiscal year ended January 31, 2021, filed with the United States Securities and Exchange Commission on April 1, 2021.

The Company's business experiences seasonal fluctuations in net sales and net income, with a more significant portion typically realized in the second half of each year predominantly due to the year-end holiday period. Historically, and consistent with the retail industry, this seasonality also impacts our working capital requirements, particularly with regard to inventory. Accordingly, the results of operations for the three and six months ended July 31, 2021 are not necessarily indicative of the results to be expected for the full year.

The Company's fiscal year ends on January 31. All references in these notes to the Company's fiscal years refer to the fiscal years ended on January 31 in those years. For example, the Company's fiscal year 2022 will end on January 31, 2022.

Historically and for the six months ended July 31, 2021, the Company has calculated its provision for income taxes during its interim reporting periods by applying an estimate of the annual effective tax rate for the full year "ordinary" income or loss for the respective reporting period. For the six months ended July 31, 2020, however, the Company computed its provision for income taxes under the discrete method which allowed the Company to calculate its tax provision based upon the actual effective tax rate for the year-to-date. The discrete method was determined to be an appropriate method for estimating the tax provision for the six months ended July 31, 2020 as it provided a reliable estimate as opposed to changes in estimated "ordinary" income or loss which would have resulted in significant fluctuations when estimating the annual effective tax rate.

Recent Accounting Pronouncements

The Company has considered all new accounting standards updates issued by the Financial Accounting Standards Board ("FASB") and has concluded that there are no recent accounting standard updates that will have a material impact on its consolidated financial statements and related disclosures.

2. Impact of the Coronavirus Pandemic

Impact on Fiscal 2021

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. On March 14, 2020, the Company announced that it temporarily closed all stores, offices and showrooms globally. The Company's distribution and fulfillment centers remained open to support the digital business and the Wholesale segment operations but did so with additional safety procedures and enhanced cleaning measures in place to protect the health of employees. All other corporate and showroom employees worked remotely.

In response to the COVID-19 pandemic, the Company took many measures to protect its financial position and increase financial flexibility. For details of all such material measures taken during fiscal 2021, refer to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2021, filed with the SEC on April 1, 2021. See Note 6, "Debt," for discussion of the Company's borrowings and subsequent repayments under its Amended Credit Facility during fiscal 2021.

As a result of the COVID-19 pandemic, during fiscal 2021, the Company recorded certain additional reserves, including inventory obsolescence reserves and an allowance for doubtful accounts for Wholesale segment customer accounts receivables, and non-cash charges, primarily store impairment charges. For further discussion of such reserves and non-cash charges for the first six months of fiscal 2021 and the full year impact on fiscal 2021, see the Company’s Quarterly Report on Form 10-Q for the quarterly period ended July 31, 2020, filed with the SEC on September 9, 2020, and the Company’s Annual Report on Form 10-K for the fiscal year ended January 31, 2021.

Beginning April 25, 2020, the Company reopened stores in select states and countries in accordance with local government guidelines. As of July 31, 2020, substantially all of the Company’s stores had reopened. Where opening was permitted, the Company followed newly established health protocols, provided personal protective equipment to its employees, and implemented social distancing working practices. Additionally, the Company implemented occupancy limits, reduced operating hours, and instituted new cleaning regimens. As a result, the Company incurred incremental costs for personal protective equipment and additional payroll and other costs associated with implementing these health protocols in its stores, distribution and fulfillment centers, and corporate offices. During the fourth quarter of fiscal 2021, certain store operations were again impacted by an additional round of temporary store closures and occupancy restrictions, primarily in Europe and Canada.

As a result of the COVID-19 pandemic, certain governments implemented programs (some of which expired in fiscal 2021) to encourage companies to retain and pay employees that were unable to work or were limited in the work they could perform in light of closures or a significant decline in sales. The Company qualified for certain of these programs during the second quarter and remainder of fiscal 2021 and recorded the benefit as an offset to selling, general and administrative expenses or to store occupancy expenses in cost of sales based on the nature of the related expenses offset by such programs.

Impact on Fiscal 2022

The COVID-19 pandemic continued to negatively impact the Company’s store operations during the first half of fiscal 2022 due to reduced store traffic as closures and occupancy restrictions continued primarily in Europe and Canada. During the second quarter of fiscal 2022, all remaining COVID-19 related store closures in Europe and Canada expired, although some capacity restrictions remain continued in certain European and Canadian stores.

The Company continued to qualify for certain government assistance programs that partially offset related expenses in locations impacted by closures during fiscal 2022, but as of July 31, 2021, the Company no longer qualified for such programs in the United States and Canada. The Company recorded the benefit of the government assistance programs as an offset to selling, general and administrative expenses or store occupancy expenses in cost of sales based on the nature of the related expenses offset by such programs.

Impact on Future Operations

The COVID-19 pandemic continues to impact the Company’s operations and related government and private sector responsive actions could continue to affect its business operations. Additionally, the Company is experiencing some COVID-19 supply chain disruptions from sourcing and inventory receipt delays, as well as an increase in inbound freight costs. The Company cannot reasonably estimate the duration and severity of the COVID-19 pandemic, which has had and may continue to have a material impact on its business. As a result, current financial information may not be necessarily indicative of future operating results and the Company’s plans to address the impact of the COVID-19 pandemic may change.

3. Revenue from Contracts with Customers

Contract receivables occur when the Company satisfies all of its performance obligations under a contract and recognizes revenue prior to billing or receiving consideration from a customer for which it has an unconditional right to payment. Contract receivables arise from credit card transactions and sales to the Company’s Wholesale segment customers and franchisees. For the six month period ended July 31, 2021, the opening and closing balances of contract receivables, net of allowance for doubtful accounts, was $89,952 and $94,402, respectively. For the six month period ended July 31, 2020, the opening and closing balances of contract receivables, net of allowance for doubtful accounts, was $88,288 and $60,441, respectively. During the three month period ended July 31, 2020, the Company reduced the allowance for doubtful accounts by $2,200 due to the collection of certain outstanding receivable balances for Wholesale segment customer accounts, resulting in a net increase in the allowance for doubtful accounts of $3,600 for the six months ended July 31, 2020. During the remainder of fiscal 2021 and the first quarter of fiscal 2022, the Company continued to reduce the allowance for doubtful accounts due to the collection of certain outstanding accounts receivables. Contract receivables are included in “Accounts receivable, net of allowance for doubtful accounts” in the Condensed Consolidated Balance Sheets.

Contract liabilities represent unearned revenue and result from the Company receiving consideration in a contract with a customer for which it has not satisfied all of its performance obligations. The Company’s contract liabilities result from customer deposits, customer loyalty programs and the issuance of gift cards. Gift cards are expected to be redeemed within two years of issuance, with the majority of redemptions occurring in the first year. For the six month period ended July 31, 2021, the opening and closing balances of contract liabilities were $61,986 and $63,375, respectively. For the six month period ended July 31, 2020, the opening and closing balances of contract liabilities were $52,926 and $47,709, respectively. Contract liabilities are included in “Accrued expenses, accrued compensation and other current liabilities” in the Condensed Consolidated Balance Sheets. During the six month period ended July 31, 2021, the Company recognized $21,325 of revenue that was included in the contract liability balance at the beginning of the period. During the six month period ended July 31, 2020, the Company recognized $18,781 of revenue that was included in the contract liability balance at the beginning of the period.

4. Marketable Securities

During all periods shown, marketable securities are classified as available-for-sale. The amortized cost, gross unrealized gains (losses) and fair value of available-for-sale securities by major security type and class of security as of July 31, 2021, January 31, 2021 and July 31, 2020 were as follows:

	Amortized Cost	Unrealized Gains	Unrealized (Losses)	Fair Value
As of July 31, 2021				
Short-term Investments:				
Municipal and pre-refunded municipal bonds	$ 122,173	$ 14	$ (87)	$ 122,100
Corporate bonds	28,808	2	(24)	28,786
Commercial paper	6,096	—	—	6,096
	157,077	16	(111)	156,982
Long-term Investments:				
Municipal and pre-refunded municipal bonds	40,069	34	(56)	$ 40,047
Corporate bonds	61,646	4	(159)	61,491
Mutual funds, held in rabbi trust	11,610	143	(42)	11,711
	113,325	181	(257)	113,249
	$ 270,402	$ 197	$ (368)	$ 270,231
As of January 31, 2021				
Short-term Investments:				
Municipal and pre-refunded municipal bonds	$ 127,097	$ 11	$ (53)	$ 127,055
Corporate bonds	38,695	1	(48)	38,648
Commercial paper	8,992	—	—	8,992
	174,784	12	(101)	174,695
Long-term Investments:				
Municipal and pre-refunded municipal bonds	53,134	17	(46)	53,105
Corporate bonds	59,890	3	(129)	59,764
Mutual funds, held in rabbi trust	10,827	20	(54)	10,793
	123,851	40	(229)	123,662
	$ 298,635	$ 52	$ (330)	$ 298,357

		Amortized Cost		Unrealized Gains		Unrealized (Losses)		Fair Value
As of July 31, 2020								
Short-term Investments:								
Municipal and pre-refunded municipal bonds	$	210	$	—	$	—	$	210
Corporate bonds		291		—		—		291
		501		—		—		501
Long-term Investments:								
Municipal and pre-refunded municipal bonds		53		1		—		54
Corporate bonds		30		—		—		30
Mutual funds, held in rabbi trust		8,767		365		—		9,132
		8,850		366		—		9,216
	$	9,351	$	366	$	—	$	9,717

Proceeds from the sales and maturities of available-for-sale securities were $148,582 and $383,056 for the six months ended July 31, 2021 and 2020, respectively. The Company initially liquidated its marketable securities portfolio in the six months ended July 31, 2020 primarily to preserve financial flexibility and maintain liquidity in response to the COVID-19 pandemic, but reinvested in a marketable securities portfolio by January 31, 2021. The Company included in "Other loss, net," in the Condensed Consolidated Statements of Operations, a net realized gain of $4 for the three and six months ended July 31, 2021, and a net realized gain of $34 and a net realized loss of $420 for the three and six months ended July 31, 2020, respectfully. Amortization of discounts and premiums, net, resulted in a reduction of "Other loss, net" of $1,398 and $2,736 for the three and six months ended July 31, 2021, respectively, and $208 and $617 for the three and six months ended July 31, 2020, respectfully. Mutual funds represent assets held in an irrevocable rabbi trust for the Company's Non-qualified Deferred Compensation Plan ("NQDC"). These assets are a source of funds to match the funding obligations to participants in the NQDC but are subject to the Company's general creditors. The Company elected the fair value option for financial assets for the mutual funds held in the rabbi trust resulting in all unrealized gains and losses being recorded in "Other loss, net" in the Condensed Consolidated Statements of Operations.

5. Fair Value

The Company utilizes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach and cost approach that relate to its financial assets and financial liabilities). The levels of the hierarchy are described as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the Company's own assumptions.

Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of financial assets and liabilities and their placement within the fair value hierarchy. The Company's financial assets that are accounted for at fair value on a recurring basis are presented in the tables below:

	Marketable Securities Fair Value as of July 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Municipal and pre-refunded municipal bonds	$ —	$ 162,147	$ —	$ 162,147
Corporate bonds	—	90,277	—	90,277
Mutual funds, held in rabbi trust	11,711	—	—	11,711
Commercial paper	—	6,096	—	6,096
	$ 11,711	$ 258,520	$ —	$ 270,231

	Marketable Securities Fair Value as of January 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Municipal and pre-refunded municipal bonds	$ —	$ 180,160	$ —	$ 180,160
Corporate bonds	—	98,412	—	98,412
Mutual funds, held in rabbi trust	10,793	—	—	10,793
Commercial paper	—	8,992	—	8,992
	$ 10,793	$ 287,564	$ —	$ 298,357

	Marketable Securities Fair Value as of July 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Municipal and pre-refunded municipal bonds	$ 264	$ —	$ —	$ 264
Corporate bonds	321	—	—	321
Mutual funds, held in rabbi trust	9,132	—	—	9,132
	9,717	—	—	9,717

Financial assets

Level 1 assets consist of financial instruments whose value has been based on inputs that use, as their basis, readily observable market data that are actively quoted and are validated through external sources, including third-party pricing services and brokers.

Level 2 assets consist of financial instruments whose value has been based on quoted prices for similar assets and liabilities in active markets as well as quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 assets consist of financial instruments where there has been no active market. The Company held no Level 3 financial instruments as of July 31, 2021, January 31, 2021 and July 31, 2020.

The fair value of cash and cash equivalents (Level 1) approximates carrying value since cash and cash equivalents consist of short-term highly liquid investments with maturities of less than three months at the time of purchase. As of July 31, 2021, January 31, 2021 and July 31, 2020, cash and cash equivalents included cash on hand, cash in banks, money market accounts and marketable securities with maturities of less than three months at the time of purchase. The fair value of debt approximates its carrying value as it is all variable rate debt.

Non-financial assets

The Company’s non-financial assets, primarily consisting of property and equipment and lease-related right-of-use assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The fair value of property and equipment was determined using a discounted cash-flow model that utilized Level 3 inputs. The Company’s retail locations are reviewed for impairment at the retail location level, which is the lowest level at which individual cash flows can be identified. In calculating future cash flows, the Company makes estimates regarding future operating results based on its experience and knowledge of market factors in which the retail location is located. Right-of-use assets are tested for impairment in the same manner as property and equipment. During the three months ended July 31, 2020, impairment charges were zero, however, during the six months ended July 31, 2020, the Company determined that certain long-lived assets at the Company’s retail locations were unable to recover their carrying value primarily due to the impact of the mandated store closures and anticipated reduced store net sales during the remainder of fiscal 2021 as a result of the COVID-19 pandemic. These assets were written down to a fair value resulting in impairment charges of $14,528 across 39 retail locations, with a carrying value after impairment of $96,523 related to the right-of-use assets.

6. Debt

On June 29, 2018, the Company and its domestic subsidiaries entered into an amended and restated credit agreement (the “Amended Credit Agreement”) that amended the Company’s asset-based revolving credit facility with certain lenders, including JPMorgan Chase Bank, N.A., as administrative agent, and J.P. Morgan Chase Bank, N.A. and Wells Fargo Bank, National Association, as joint lead arrangers and co-book managers.

The Amended Credit Agreement extended the maturity date of the senior secured revolving credit facility to June 2023 (the “Amended Credit Facility”). The Amended Credit Facility provides for loans and letters of credit up to $350,000, subject to a borrowing base that is comprised of the Company’s eligible accounts receivable and inventory. The Amended Credit Facility includes a swing-line sub-facility, a multicurrency sub-facility and the option to expand the facility by up to $150,000. The funds available under the Amended Credit Facility may be used for working capital and other general corporate purposes.

The Amended Credit Facility provides for interest on borrowings, at the Company’s option, at either (i) adjusted LIBOR, CDOR or EURIBOR plus an applicable margin ranging from 1.125% to 1.375%, or (ii) an adjusted ABR plus an applicable margin ranging from 0.125% to 0.375%, each such applicable margin depending on the level of availability under the Amended Credit Facility. Depending on the type of borrowing, interest on the Amended Credit Agreement is payable monthly, quarterly or at the end of the interest period. A commitment fee of 0.20% is payable quarterly on the unused portion of the Amended Credit Facility.

All obligations under the Amended Credit Facility are unconditionally guaranteed by the Company and certain of its U.S. subsidiaries. The obligations under the Amended Credit Facility are secured by a first-priority security interest in inventory, accounts receivable and certain other assets of the Company and certain of its U.S. subsidiaries. The obligations of URBN Canada Retail, Inc. are secured by a first-priority security interest in its inventory, accounts receivable and certain other assets. The Amended Credit Agreement contains customary representations and warranties, negative and affirmative covenants and provisions relating to events of default.

As of July 31, 2021, the Company had $0 in borrowings under the Amended Credit Facility. The Company borrowed $220,000 during the first quarter of fiscal 2021 in order to preserve financial flexibility and maintain liquidity and flexibility in response to the COVID-19 pandemic. The Company repaid $100,000 during the three months ended July 31, 2020 and repaid the remaining $120,000 during the three months ended October 31, 2020. As of May 31, 2020, the availability under the Amended Credit Agreement had been reduced to a level that triggered measurement of the Company’s Fixed Charge Coverage Ratio. The Fixed Charge Coverage Ratio covenant was not met as of May 31, 2021. The Company obtained a waiver effective through September 15, 2020 to cure the technical default. As of July 31, 2021, the Company was in compliance with the terms of the Amended Credit Agreement. The Company expects to remain in compliance with all terms, including covenants, of the Amended Credit Agreement. Outstanding stand-by letters of credit, which reduce the funds available under the Amended Credit

Facility, were $13,501. Interest expense for the Amended Credit Facility for the six months ended July 31, 2021 and July 31, 2020, was $520 and $1,976, respectively, which was included in “Other loss, net,” in the Condensed Consolidated Statements of Income.

7. Leases

The Company has operating leases for stores, distribution and fulfillment centers, corporate offices and equipment. The Company subleases certain properties to third parties.

Total operating lease costs were $67,794 and $136,502 during the three and six months ended July 31, 2021, respectively, and $69,183 and $137,193 during the three and six months ended July 31, 2020, respectively. Total variable lease costs were $28,179 and $48,681 during the three and six months ended July 31, 2021, respectively, and $23,154 and $51,594 during the three and six months ended July 31, 2020, respectively. Short-term lease costs and sublease income were not material during the three and six months ended July 31, 2021 and July 31, 2020.

The following is a schedule by year of the maturities of operating lease liabilities with original terms in excess of one year, as of July 31, 2021:

Fiscal Year		Operating Leases
2022 (excluding the six months ended July 31, 2021)	$	174,494
2023		266,195
2024		227,951
2025		193,491
2026		152,539
Thereafter		408,528
Total undiscounted future minimum lease payments		1,423,198
Less imputed interest		(149,648)
Total discounted future minimum lease payments	$	1,273,550

As of July 31, 2021, the Company had commitments of approximately $3,007 not included in the amounts above related to two executed but not yet commenced leases.

In response to the COVID-19 pandemic and mandated store closures, the Company withheld certain minimum lease payments due to landlords. The amounts withheld at July 31, 2021 and 2020 were included in “Current portion of operating lease liabilities” in the Condensed Consolidated Balance Sheets.

During the six months ended July 31, 2021, the Company received rent concessions for a number of stores and continue to negotiate for additional rent concessions at various other store locations. To the extent the rent concessions do not result in a substantial increase in total payments in the existing lease, the Company has accounted for such rent concessions as negative variable rent. To the extent the rent concessions do result in a substantial increase in total payments in the existing lease, the Company has accounted for such rent concessions as a lease modification. Rent concessions recorded by the Company in fiscal 2022 and 2021 as either negative variable rent or lease modifications have not had a material impact on the Company’s Condensed Consolidated Financial Statements.

8. Share-Based Compensation

The Company maintains stock incentive plans pursuant to which it can grant restricted shares, unrestricted shares, incentive stock options, non-qualified stock options, restricted stock units ("RSU's"), performance stock units ("PSU's") or stock appreciation rights ("SAR's"). A Black-Scholes model was used to estimate the fair value of stock options. The fair value of PSU's and RSU's is equal to the stock price on the date of the grant. Share-based compensation expense included in "Selling, general and administrative expenses" in the Condensed Consolidated Statements of Operations, for the three and six months ended July 31, 2021 and 2020, was as follows:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2021	2020	2021	2020
Stock Options	$ —	$ 129	$ —	$ 471
Performance Stock Units	1,527	894	1,926	1,044
Restricted Stock Units	5,871	5,362	10,042	9,742
Total	$ 7,398	$ 6,385	$ 11,968	$ 11,257

Share-based awards granted and the weighted-average fair value of such awards for the six months ended July 31, 2021 was as follows:

	Six Months Ended July 31, 2021	
	Awards Granted	Weighted-Average Fair Value
Stock Options	—	$ —
Performance Stock Units	213,750	$ 38.15
Restricted Stock Units	1,010,250	$ 37.58
Total	1,224,000	

During the six months ended July 31, 2021, 100,000 stock options were exercised, 70,001 PSU's vested and 593,635 RSU's vested.

The total unrecognized compensation cost related to outstanding share-based awards and the weighted-average period in which the cost is expected to be recognized as of July 31, 2021 was as follows:

	July 31, 2021	
	Unrecognized Compensation Cost	Weighted-Average Years
Stock Options	$ —	—
Performance Stock Units	8,812	2.5
Restricted Stock Units	45,839	2.3
Total	$ 54,651	

9. Shareholders' Equity

Share repurchase activity under the Company's share repurchase programs was as follows:

	Three Months Ended July 31, 2021	Three Months Ended July 31, 2020	Six Months Ended July 31, 2021	Six Months Ended July 31, 2020
Number of common shares repurchased and subsequently retired	—	—	—	482,003
Total cost	$ —	$ —	$ —	$ 7,036
Average cost per share, including commissions	$ —	$ —	$ —	$ 14.60

The shares repurchased during the six months ended July 31, 2020, were prior to the known spread of the COVID-19 pandemic in the United States, which forced the Company to close its stores for an extended period of time. The Company temporarily suspended all share repurchase activity under the programs during fiscal 2021.

On August 22, 2017, the Company's Board of Directors authorized the repurchase of 20,000,000 common shares under a share repurchase program. On June 4, 2019, the Company's Board of Directors authorized the repurchase of an additional 20,000,000 common shares under a share repurchase program. As of July 31, 2021, 25,851,954 common shares were remaining under the programs.

During the six months ended July 31, 2021, the Company acquired and subsequently retired 222,531 common shares at a total cost of $7,562 from employees to meet minimum statutory tax withholding requirements. During the six months ended July 31, 2020, the Company acquired and subsequently retired 155,734 common shares at a total cost of $3,742 from employees to meet minimum statutory tax withholding requirements.

10. Other Comprehensive Income (Loss) and Accumulated Other Comprehensive Loss

The following tables present the changes in "Accumulated other comprehensive loss," by component, net of tax, for the three and six months ended July 31, 2021 and 2020:

	Three Months Ended July 31, 2021			Six Months Ended July 31, 2021		
	Foreign Currency Translation	Unrealized Gains and (Losses) on Available-for-Sale Securities	Total	Foreign Currency Translation	Unrealized Gains and (Losses) on Available-for-Sale Securities	Total
Balance at beginning of period	$ (11,528)	$ (213)	$ (11,741)	$ (16,950)	$ (170)	$ (17,120)
Other comprehensive income (loss) before reclassifications	(1,394)	43	(1,351)	4,028	—	4,028
Amounts reclassified from accumulated other comprehensive income (loss)	—	4	4	—	4	4
Net current-period other comprehensive income (loss)	(1,394)	47	(1,347)	4,028	4	4,032
Balance at end of period	$ (12,922)	$ (166)	$ (13,088)	$ (12,922)	$ (166)	$ (13,088)

	Three Months Ended July 31, 2020			Six Months Ended July 31, 2020		
	Foreign Currency Translation	Unrealized Gains and (Losses) on Available-for-Sale Securities	Total	Foreign Currency Translation	Unrealized Gains and (Losses) on Available-for-Sale Securities	Total
Balance at beginning of period	$ (40,945)	$ 20	$ (40,925)	$ (28,328)	$ 324	$ (28,004)
Other comprehensive income (loss) before reclassifications	11,765	(77)	11,688	(852)	73	(779)
Amounts reclassified from accumulated other comprehensive income (loss)	—	34	34	—	(420)	(420)
Net current-period other comprehensive income (loss)	11,765	(43)	11,722	(852)	(347)	(1,199)
Balance at end of period	$ (29,180)	$ (23)	$ (29,203)	$ (29,180)	$ (23)	$ (29,203)

All unrealized gains and losses on available-for-sale securities reclassified from accumulated other comprehensive loss were recorded in "Other loss, net" in the Condensed Consolidated Statements of Operations.

11. Net Income (Loss) per Common Share

The following is a reconciliation of the weighted-average common shares outstanding used for the computation of basic and diluted net income (loss) per common share:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2021	2020	2021	2020
Basic weighted-average common shares outstanding	98,315,441	97,778,749	98,213,555	97,843,796
Effect of dilutive options, stock appreciation rights, performance stock units and restricted stock units	1,285,851	326,169	1,249,913	—
Diluted weighted-average shares outstanding	99,601,292	98,104,918	99,463,468	97,843,796

For the three months ended July 31, 2021 and 2020, awards to purchase 160,000 common shares ranging in price from $38.09 to $46.42 and 560,000 common shares ranging in price from $18.81 to $46.42, respectively, were excluded from the calculation of diluted net income per common share because the impact would be anti-dilutive.

For the six months ended July 31, 2021, awards to purchase 180,000 common shares ranging in price from $35.85 to $46.42 were excluded from the calculation of diluted net income per common share because the impact would be anti-dilutive. As a result of the net loss for the six months ended July 31, 2020, all share-based awards were excluded from the calculation of diluted loss per share and therefore there was no difference in the weighted average number of common shares for basic and diluted loss per share as the effect of all potentially dilutive shares outstanding was anti-dilutive.

Excluded from the calculation of diluted net income per common share as of July 31, 2021 and July 31, 2020, were 30,001 and 706,794 performance-based equity awards, respectively, because they did not meet the required performance criteria.

12. Commitments and Contingencies

The Company is party to various legal proceedings arising from normal business activities. Management believes that the ultimate resolution of these matters will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

13. Segment Reporting

The Company offers lifestyle-oriented general merchandise and consumer products and services through a portfolio of global consumer brands. The Company operates three reportable segments – “Retail,” “Wholesale” and “Subscription.”

The Company’s Retail segment consists of the Anthropologie, Bhldn, Free People, FP Movement, Terrain, Urban Outfitters and Menus & Venues brands. The Company has aggregated its brands into the Retail segment based upon their shared management, customer base and economic characteristics. Reporting in this format provides management with the financial information necessary to evaluate the success of the segments and the overall business. The Company’s Retail segment omni-channel strategy enhances its customers’ brand experience by providing a seamless approach to the customer shopping experience. All available Company-owned Retail segment shopping channels are fully integrated, including retail locations, websites, mobile applications, catalogs and customer contact centers.

The Company’s Wholesale segment consists of the Free People, FP Movement and Urban Outfitters brands. The Wholesale segment sells through department and specialty stores worldwide, digital businesses and the Retail segment.

The Subscription segment consists of the “Nuuly” brand, which is a monthly women’s apparel subscription rental service that launched on July 30, 2019.

The Company evaluates the performance of each segment based on the net sales and pre-tax income from operations (excluding intercompany charges) of the segment. The Company accounts for intersegment sales and transfers as if the sales and transfers were made to third parties making similar volume purchases. Corporate expenses include expenses incurred and directed by the corporate office that are not allocated to segments. The principal identifiable assets for the Retail and Wholesale segments are inventory and property and equipment. The principal identifiable assets for the Subscription segment are rental product and property and equipment.

The accounting policies of the reportable segments are the same as the policies described in Note 2, “Summary of Significant Accounting Policies,” in the Notes to Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended January 31, 2021. All of the Company’s segments are highly diversified. No one customer constitutes more than 10% of the Company’s total consolidated net sales. A summary of the information about the Company’s operations by segment is as follows:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2021	2020	2021	2020
Net sales				
Retail operations	$ 1,089,022	$ 757,471	$ 1,946,508	$ 1,318,703
Wholesale operations	61,985	49,877	128,563	75,589
Subscription operations	9,939	4,672	17,759	10,942
Intersegment elimination	(3,221)	(8,754)	(7,690)	(13,485)
Total net sales	$ 1,157,725	$ 803,266	$ 2,085,140	$ 1,391,749
Income (loss) from operations				
Retail operations	$ 176,829	$ 58,405	$ 250,874	$ (77,096)
Wholesale operations	9,099	14,161	23,279	(31,467)
Subscription operations	(3,618)	(4,611)	(6,900)	(10,575)
Intersegment elimination	264	(84)	345	(494)
Total segment operating income (loss)	182,574	67,871	267,598	(119,632)
General corporate expenses	(16,721)	1,548	(28,242)	(9,684)
Total income (loss) from operations	$ 165,853	$ 69,419	$ 239,356	$ (129,316)

(1) General corporate expenses during the three and six months ended July 31, 2020 benefitted from the recognition of COVID-19 related government relief packages in the three months ended July 31, 2020.

	July 31, 2021	January 31, 2021	July 31, 2020
Inventory			
Retail operations	$ 438,144	$ 348,797	$ 321,885
Wholesale operations	45,004	40,821	29,886
Total inventory	$ 483,148	$ 389,618	$ 351,771
Rental product, net (1)			
Subscription operations	$ 10,900	$ 11,857	$ 15,764
Total rental product, net	$ 10,900	$ 11,857	$ 15,764

(1) Rental product, net is included in “Deferred income taxes and other assets” in the Condensed Consolidated Balance Sheets.

	July 31, 2021	January 31, 2021	July 31, 2020
Property and equipment, net			
Retail operations	$ 1,016,644	$ 938,020	$ 859,188
Wholesale operations	1,762	2,096	2,375
Subscription operations	29,345	27,306	27,563
Total property and equipment, net	$ 1,047,751	$ 967,422	$ 889,126

The following tables summarize net sales and percentage of net sales from contracts with customers by merchandise category:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2021	2020	2021	2020
Net sales				
Apparel (1)	$ 777,912	$ 507,930	$ 1,385,714	$ 878,277
Home (2)	188,298	156,621	361,684	266,420
Accessories (3)	135,620	89,751	237,274	159,944
Other (4)	55,895	48,964	100,468	87,108
Total net sales	$ 1,157,725	$ 803,266	$ 2,085,140	$ 1,391,749
As a percentage of net sales				
Apparel (1)	67%	63%	67%	63%
Home (2)	16%	19%	17%	19%
Accessories (3)	12%	12%	11%	12%
Other (4)	5%	6%	5%	6%
Total net sales	100%	100%	100%	100%

(1) Apparel includes intimates and activewear
(2) Home includes home furnishings, electronics, gifts and decorative items
(3) Accessories includes footwear, jewelry and handbags
(4) Other includes beauty, shipping and handling, the Menus & Venues brand and the Subscription segment

Apparel, Home, and Accessories are sold through both the Retail and Wholesale segments. Revenue recognized from the Other category is primarily attributable to the Retail segment.

The Company has foreign operations primarily in Europe and Canada. Revenues and long-lived assets, based upon the Company's domestic and foreign operations, are as follows:

	July 31, 2021	January 31, 2021	July 31, 2020
Property and equipment, net			
Domestic operations	$ 844,912	$ 768,440	$ 722,934
Foreign operations	202,839	198,982	166,192
Total property and equipment, net	$ 1,047,751	$ 967,422	$ 889,126

	Three Months Ended July 31,		Six Months Ended July 31,	
	2021	2020	2021	2020
Net Sales				
Domestic operations	$ 998,580	$ 709,697	$ 1,825,375	$ 1,233,253
Foreign operations	159,145	93,569	259,765	158,496
Total net sales	$ 1,157,725	$ 803,266	$ 2,085,140	$ 1,391,749

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

Certain matters contained in this filing with the United States Securities and Exchange Commission (“SEC”) may contain forward-looking statements and are being made pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. When used in this Quarterly Report on Form 10-Q, the words “project,” “believe,” “plan,” “will,” “anticipate,” “expect” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Any one, or all, of the following factors could cause actual financial results to differ materially from those financial results mentioned in the forward-looking statements: the impacts of public health crises such as the coronavirus (COVID-19) pandemic, overall economic and market conditions and worldwide political events and the resultant impact on consumer spending patterns, the difficulty in predicting and responding to shifts in fashion trends, changes in the level of competitive pricing and promotional activity and other industry factors, the effects of the implementation of the United Kingdom’s withdrawal from membership in the European Union (commonly referred to as “Brexit”), including currency fluctuations, economic conditions and legal or regulatory changes, any effects of war, terrorism and civil unrest, natural disasters, severe or unseasonable weather conditions (including as a result of climate change) or public health crises, increases in labor costs, increases in raw material costs, availability of suitable retail space for expansion, timing of store openings, risks associated with international expansion, seasonal fluctuations in gross sales, response to new concepts, our ability to integrate acquisitions, risks associated with digital sales, our ability to maintain and expand our digital sales channels, any material disruptions or security breaches with respect to our technology systems, the departure of one or more key senior executives, import risks (including any shortage of transportation capacities or delays at ports), changes to U.S. and foreign trade policies (including the enactment of tariffs, border adjustment taxes or increases in duties or quotas), the closing or disruption of, or any damage to, any of our distribution centers, our ability to protect our intellectual property rights, failure of our manufacturers and third-party vendors to comply with our social compliance program, risks related to environmental, social and governance activities, changes in our effective income tax rate, changes in accounting standards and subjective assumptions, regulatory changes and legal matters and other risks identified in our filings with the SEC, including those set forth in Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 31, 2021, filed on April 1, 2021. We disclaim any intent or obligation to update forward-looking statements even if experience or future changes make it clear that actual results may differ materially from any projected results expressed or implied therein.

Unless the context otherwise requires, all references to the “Company,” “we,” “us” or “our” refer to Urban Outfitters, Inc., together with its subsidiaries.

Overview

We operate under three reportable segments – Retail, Wholesale and Subscription. Our Retail segment consists of our Anthropologie, Bhldn, Free People, FP Movement, Terrain, Urban Outfitters and Menus & Venues brands. Our Retail segment consumer products and services are sold directly to our customers through our retail locations, websites, mobile applications, catalogs and customer contact centers and franchised or third-party operated stores and digital businesses. The Wholesale segment consists of our Free People, FP Movement and Urban Outfitters brands that sell through department and specialty stores worldwide, digital businesses and our Retail segment. The Wholesale segment primarily designs, develops and markets apparel, intimates and activewear. Our Subscription segment consists of the Nuuly brand, which is a monthly women’s apparel subscription rental service that launched on July 30, 2019.

Our fiscal year ends on January 31. All references to our fiscal years refer to the fiscal years ended on January 31 in those years. For example, our fiscal year 2022 will end on January 31, 2022, our fiscal year 2021 ended on January 31, 2021 and our fiscal year 2020 ended on January 31, 2020.

Impact of the Coronavirus Pandemic

Impact on Fiscal 2021

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (“COVID-19”) a global pandemic and recommended containment and mitigation measures worldwide. On March 14, 2020, the

Company announced that it temporarily closed all stores, offices and showrooms globally. The Company's distribution and fulfillment centers remained open to support the digital business and the Wholesale segment operations but did so with additional safety procedures and enhanced cleaning measures in place to protect the health of employees. All other corporate and showroom employees worked remotely.

In response to the COVID-19 pandemic, the Company took measures to protect its financial position and increase financial flexibility. For details of all such material measures taken during fiscal 2021, refer to our Annual Report on Form 10-K for the fiscal year ended January 31, 2021, filed with the SEC on April 1, 2021. See Note 6, "Debt," of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for discussion of the Company's borrowings and subsequent repayments under its Amended Credit Facility during fiscal 2021.

As a result of the COVID-19 pandemic, during fiscal 2021, the Company recorded certain additional reserves, including inventory obsolescence reserves and an allowance for doubtful accounts for Wholesale segment customer accounts receivables, and non-cash charges, primarily store impairment charges. For further discussion of such reserves and non-cash charges for the first six months of fiscal 2021 and the full year impact on fiscal 2021, see the Company's Quarterly Report on Form 10-Q for the quarterly period ended July 31, 2020, filed with the SEC on September 9, 2020, and the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2021.

Beginning April 25, 2020, the Company reopened stores in select states and countries in accordance with local government guidelines. As of July 31, 2020, substantially all of the Company's stores had reopened. Where opening was permitted, we followed newly established health protocols, provided personal protective equipment to our employees, and implemented social distancing working practices. Additionally, we implemented occupancy limits, reduced operating hours, and instituted new cleaning regimens. As a result, the Company incurred incremental costs for personal protective equipment and additional payroll and other costs associated with implementing these health protocols in our stores, distribution and fulfillment centers, and corporate offices. During the fourth quarter of fiscal 2021, certain store operations were again impacted by an additional round of temporary store closures and occupancy restrictions, primarily in Europe and Canada.

As a result of the COVID-19 pandemic, certain governments implemented programs (some of which expired in fiscal 2021) to encourage companies to retain and pay employees that were unable to work or were limited in the work they could perform in light of closures or a significant decline in sales. The Company qualified for certain of these programs during the second quarter and remainder of fiscal 2021 and recorded the benefit as an offset to selling, general and administrative expenses or to store occupancy expenses in cost of sales based on the nature of the related expenses offset by such programs.

Impact on Fiscal 2022

The COVID-19 pandemic continued to negatively impact the Company's store operations during the first half of fiscal 2022 due to reduced store traffic as closures and occupancy restrictions continued primarily in Europe and Canada. During the second quarter of fiscal 2022, all remaining COVID-19 related store closures in Europe and Canada expired, although some capacity restrictions remain continued in certain European and Canadian stores.

The Company continued to qualify for certain government assistance programs that partially offset related expenses in locations impacted by closures during fiscal 2022, but as of July 31, 2021 the Company no longer qualified for such programs in the United States and Canada. The Company recorded the benefit of the government assistance programs as an offset to selling, general and administrative expenses or store occupancy expenses in cost of sales based on the nature of the related expenses offset by such programs.

Impact on Future Operations

The COVID-19 pandemic continues to impact the Company's operations and related government and private sector responsive actions could continue to affect its business operations. Additionally, the Company is experiencing some COVID-19 supply chain disruptions from sourcing and inventory receipt delays, as well as an increase in inbound freight costs. The Company cannot reasonably estimate the duration and severity of the COVID-19 pandemic, which has had and may continue to have a material impact on its business. As a result, current financial information may not be necessarily indicative of future operating results and the Company's plans to address the impact of the COVID-19 pandemic may change.

Retail Segment

Our Retail segment omni-channel strategy enhances our customers' brand experience by providing a seamless approach to the customer shopping experience. All available Company-owned Retail segment shopping channels are fully integrated, including retail locations, websites, mobile applications, catalogs and customer contact centers. Our investments in areas such as marketing campaigns and technology advancements are designed to generate demand for the Retail segment omni-channel and not the separate store or digital channels. We manage and analyze our performance based on a single Retail segment omni-channel rather than separate channels and believe that the Retail segment omni-channel results present the most meaningful and appropriate measure of our performance.

Our comparable Retail segment net sales data is equal to the sum of our comparable store and comparable digital channel net sales. A store is considered to be comparable if it has been open at least 12 full months, unless it was materially expanded or remodeled within that year or was not otherwise operating at its full capacity within that year due to store specific closures from events such as damage from fire, flood and natural weather events. The Company did not remove stores that were closed or operating for an extended period of time at a reduced capacity due to the COVID-19 pandemic from the comparable stores net sales calculations. A digital channel is considered to be comparable if it has been operational for at least 12 full months. Sales from stores and digital channels that do not fall within the definition of comparable store or channel are considered to be non-comparable. Franchise net sales and the effects of foreign currency translation are also considered non-comparable.

We monitor Retail segment metrics including customer traffic, conversion rates, average units per transaction at our stores and on our websites and mobile applications and average unit selling price at our stores and average order value on our websites and mobile applications. We believe that changes in any of these metrics may be caused by a response to our brands' fashion offerings, our marketing campaigns, circulation of our catalogs and an overall growth in brand recognition.

Urban Outfitters targets young adults aged 18 to 28 through a unique merchandise mix, compelling store environment, websites and mobile applications and a product offering that includes women's and men's fashion apparel, activewear, intimates, footwear, accessories, home goods, electronics and beauty. A large portion of our merchandise is exclusive to Urban Outfitters, consisting of an assortment of products designed or in collaboration with third-party brands. Urban Outfitters stores are in street locations in large metropolitan areas and select university communities, specialty centers and enclosed malls that accommodate our customers' propensity not only to shop, but also to congregate with their peers. Urban Outfitters operates websites and mobile applications in North America, Europe and Asia that capture the spirit of the brand by offering a similar yet broader selection of merchandise as found in its stores, sells merchandise through franchisee-owned stores in the United Arab Emirates, and partners with third-party digital businesses to offer a limited selection of merchandise, which is available globally. Urban Outfitters' North American Retail segment net sales accounted for approximately 28.8% of consolidated net sales for the six months ended July 31, 2021, compared to approximately 31.9% for the comparable period in fiscal 2021. European and Asian Retail segment net sales accounted for 8.7% of consolidated net sales for the six months ended July 31, 2021, compared to approximately 8.2% for the comparable period in fiscal 2021.

The Anthropologie Group consists of the Anthropologie, Bhldn and Terrain brands. Merchandise at the Anthropologie brand is tailored to sophisticated and contemporary women aged 28 to 45. The product assortment includes women's casual apparel, accessories, intimates, shoes, home furnishings, a diverse array of gifts and decorative items and beauty and wellness. The Bhldn brand emphasizes every element that contributes to a wedding. The Bhldn brand offers a curated collection of heirloom quality wedding gowns, bridesmaid frocks, party dresses, assorted jewelry, head pieces, footwear, lingerie and decorations. The Terrain brand is designed to appeal to women and men interested in a creative and sophisticated outdoor living and gardening experience. Merchandise includes lifestyle home, garden and outdoor living products, antiques, live plants, flowers, wellness products and accessories. In addition to individual brand stores, the Anthropologie Group operates expanded format stores that include multiple Anthropologie Group brands, which allows for the presentation of an expanded assortment of products in certain categories. Anthropologie Group stores are located in specialty centers, upscale street locations and enclosed malls. The Anthropologie Group operates websites and mobile applications in North America and Europe that capture the spirit of its brands by offering a similar yet broader selection of merchandise as found in its stores, offers a catalog in North America that markets select merchandise, most of which is also available in Anthropologie brand stores, sells merchandise through a franchisee-owned store in the United Arab Emirates, and partners with third-party digital businesses to offer a limited selection of merchandise, which is available globally. The Anthropologie

Group's North American Retail segment net sales accounted for approximately 36.7% of consolidated net sales for the six months ended July 31, 2021, compared to approximately 36.3% for the comparable period in fiscal 2021. European and Asian Retail segment net sales accounted for 1.9% of consolidated net sales for the six months ended July 31, 2021, compared to approximately 1.7% for the comparable period in fiscal 2021.

The Free People Group consists of the Free People and FP Movement brands. The Free People brand focuses its product offering on private label merchandise targeted to young contemporary women aged 25 to 30 and provides a unique merchandise mix of casual women's apparel, intimates, FP Movement activewear, shoes, accessories, home products, gifts and beauty and wellness. The FP Movement brand offers performance-ready activewear, beyond-the-gym staples and wellness essentials. Free People Group stores are located in enclosed malls, upscale street locations and specialty centers. The Free People Group operates websites and mobile applications in North America, Europe and Asia that capture the spirit of the brand by offering a similar yet broader selection of merchandise as found in its stores, as well as substantially all of the Free People and FP Movement wholesale offerings. The Free People Group also offers catalogs that market select merchandise, most of which is also available in our Free People and FP Movement stores, and partners with third-party digital businesses to offer a limited selection of merchandise, which is available globally. The Free People Group's North American Retail segment net sales accounted for approximately 16.2% of consolidated net sales for the six months ended July 31, 2021, compared to approximately 15.5% for the comparable period in fiscal 2021. European and Asian Retail segment net sales accounted for less than 1.0% of consolidated net sales for the six months ended July 31, 2021 and the comparable period in fiscal 2021.

The Menus & Venues brand focuses on a dining experience that provides excellence in food, beverage and service. The Menus & Venues brand net sales accounted for less than 1.0% of consolidated net sales for the six months ended July 31, 2021 and the comparable period in fiscal 2021.

Net sales from the Retail segment accounted for approximately 93.4% of consolidated net sales for the six months ended July 31, 2021, compared to 94.8% for the comparable period in fiscal 2021.

Store data for the six months ended July 31, 2021 was as follows:

	January 31, 2021	Stores Opened	Stores Closed	July 31, 2021
Urban Outfitters				
United States	174	5	(1)	178
Canada	17	1	—	18
Europe	56	3	—	59
Urban Outfitters Global Total	**247**	**9**	**(1)**	**255**
Anthropologie Group				
United States	204	2	(2)	204
Canada	11	—	—	11
Europe	22	2	—	24
Anthropologie Group Global Total	**237**	**4**	**(2)**	**239**
Free People Group				
United States (1)	138	14	(1)	151
Canada	6	—	(1)	5
Europe	5	1	—	6
Free People Group Global Total	**149**	**15**	**(2)**	**162**
Menus & Venues				
United States	11	—	(1)	10
Menus & Venues Total	**11**	**—**	**(1)**	**10**
Total Company-Owned Stores	**644**	**28**	**(6)**	**666**
Franchisee-Owned Stores (2)	1	2	—	3
Total URBN	**645**	**30**	**(6)**	**669**

(1) 7 FP Movement stores were opened during the six months ended July 31, 2021. 9 FP Movement stores were open as of July 31, 2021.
(2) Franchisee-owned stores are located in the United Arab Emirates.

Selling square footage by brand as of July 31, 2021 and 2020 was as follows:

	July 31, 2021	July 31, 2020	Change
Selling square footage (in thousands):			
Urban Outfitters	2,238	2,212	1.2%
Anthropologie Group	1,820	1,793	1.5%
Free People Group (1)	352	321	9.7%
Total URBN (2)	**4,410**	**4,326**	**1.9%**

(1) Selling square footage for FP Movement was 12 as of July 31, 2021. There were no FP Movement stores open as of July 31, 2020.
(2) Menus & Venues restaurants and franchisee-owned stores are not included in selling square footage.

We plan for future store growth for all three brands to come from expansion domestically and internationally, which may include opening stores in new and existing markets or entering into additional franchise or joint venture agreements. We plan for future digital channel growth to come from expansion domestically and internationally.

Projected openings and closings for fiscal 2022 are as follows:

	January 31, 2021	Projected Openings	Projected Closings	January 31, 2022
Urban Outfitters	247	17	(4)	260
Anthropologie Group	237	9	(9)	237
Free People Group (1)	149	28	(3)	174
Menus & Venues	11	—	(1)	10
Total Company-Owned Stores	**644**	**54**	**(17)**	**681**
Franchisee-Owned Stores	1	2	—	3
Total URBN	**645**	**56**	**(17)**	**684**

(1) Includes 16 FP Movement projected store openings.

Wholesale Segment

Our Wholesale segment consists of the Free People, FP Movement and Urban Outfitters brands that sell through department and specialty stores worldwide, third-party digital businesses and our Retail segment. The Wholesale segment primarily designs, develops and markets young women's contemporary casual apparel, intimates, FP Movement activewear and shoes under the Free People brand and the BDG and other own brand apparel collections under the Urban Outfitters brand. The Anthropologie brand exited the wholesale business in the third quarter of fiscal 2021. Our Wholesale segment net sales accounted for approximately 5.8% of consolidated net sales for the six months ended July 31, 2021, compared to 4.5% for the comparable period in fiscal 2021.

Subscription Segment

Our Subscription segment consists of the Nuuly brand, which is a monthly women's apparel subscription rental service that launched on July 30, 2019. For a monthly fee, Nuuly subscribers can select rental product from a wide selection of the Company's own brands, third-party labels and one-of-a-kind vintage pieces via a custom-built, digital platform. Subscribers select their products each month, wear them as often as they like and then swap into new products the following month. Subscribers are also able to purchase the rented product. Our Subscription segment net sales accounted for less than 1.0% of consolidated net sales for the six months ended July 31, 2021 and the comparable period in fiscal 2021.

Critical Accounting Policies and Estimates

Our Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States. These generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, net sales and expenses during the reporting period.

Our senior management has reviewed the critical accounting policies and estimates with the Audit Committee of our Board of Directors. Our significant accounting policies are described in Note 2, "Summary of Significant Accounting Policies," in the Notes to our Consolidated Financial Statements for the fiscal year ended January 31, 2021, which are included in our Annual Report on Form 10-K filed with the SEC on April 1, 2021. Critical accounting policies are those that are most important to the portrayal of our financial condition, results of operations and cash flows and require management's most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. If actual results were to differ significantly from estimates made, the reported results could be materially affected. There have been no significant changes to our critical accounting policies during the six months ended July 31, 2021.

Results of Operations

As a Percentage of Net Sales

Because of the material impact COVID-19 had on our business operations in fiscal 2021, including mandated store closures, the following financial highlights have been provided as a comparison of fiscal 2022 results to fiscal 2020. Management views the comparison of fiscal 2022 results to fiscal 2020 as a meaningful measurement of the Company's business performance.

- Total net sales increased 20.3% over the second quarter of fiscal 2020 and increased 14.1% over the first half of fiscal 2020, setting records for net sales in dollars for the respective periods. Both increases were driven by an increase in comparable Retail segment net sales, partially offset by a decline in Wholesale segment net sales.
- Gross profit rate improved to 37.6% for the second quarter of fiscal 2022 and 35.3% for the first half of fiscal 2022, compared to 32.8% for the second quarter of fiscal 2020 and 32.0% for the first half of fiscal 2020. The improvement in both periods was primarily driven by record low merchandise markdowns for the respective periods and improved leverage in store occupancy expense due to the increased penetration of the digital channel in Retail segment net sales, partially offset by an increase in delivery and logistics expenses.
- As of July 31, 2021, total inventory increased by $43.1 million, or 9.8%, compared to total inventory as of July 31, 2019.
- Selling, general and administrative expenses expressed as a percentage of sales decreased to 23.3% for the second quarter of fiscal 2022 and 23.8% for the first half of fiscal 2022, compared to 24.7% for the second quarter of fiscal 2020 and 25.5% for the first half of fiscal 2020. The leverage was primarily related to disciplined store payroll management and overall expense control, partially offset by deleverage in digital marketing and creative expenses during the quarter to drive overall customer growth and strong digital sales.
- Income from operations expressed as a percentage of net sales improved to 14.3% for the second quarter of fiscal 2022 and 11.5% for the first half of fiscal 2022, compared to 8.1% for the second quarter of fiscal 2020 and 6.5% for the first half of fiscal 2020.

The tables below set forth, for the periods indicated, the results of operations and the percentage of our net sales represented by certain statement of operations data. The tables should be read in conjunction with the discussions that follow. As a result of the COVID-19 pandemic, all of our stores were closed for a portion of the first half of fiscal 2021 (see further details under *Impact of the Coronavirus Pandemic* above). In addition to lost revenues, we incurred expenses that were not commensurate with the current level of sales. As a result, comparisons of expense ratios and year-over-year trends were impacted in a meaningful way.

Three Months Ended July 31, 2021 (Fiscal 2022) Compared To
Three Months Ended July 31, 2020 (Fiscal 2021)

(amounts in millions)	Three Months Ended July 31,			
	2021		2020	
Net sales	$ 1,157.7	100.0 %	$ 803.3	100.0 %
Cost of sales	722.4	62.4	565.3	70.4
Gross profit	435.3	37.6	238.0	29.6
Selling, general and administrative expenses	269.4	23.3	168.6	21.0
Income from operations	165.9	14.3	69.4	8.6
Other loss, net	(1.8)	(0.1)	(0.5)	(0.0)
Income before income taxes	164.1	14.2	68.9	8.6
Income tax expense	36.8	3.2	34.5	4.3
Net income	$ 127.3	11.0 %	$ 34.4	4.3 %

Net sales for the second quarter of fiscal 2022 were $1,157.7 million, compared to $803.3 million in the second quarter of fiscal 2021. The $354.4 million increase was attributable to a $331.5 million, or 43.8%, increase in Retail segment net sales, a $17.6 million, or 42.9%, increase in Wholesale segment net sales and an increase in Subscription segment net sales of $5.3 million. Retail segment net sales for the second quarter of fiscal 2022 accounted for 94.1% of total net sales compared to 94.3% of total net sales in the second quarter of fiscal 2021.

The increase in our Retail segment net sales during the second quarter of fiscal 2022 was due to an increase of $301.2 million, or 39.9%, in Retail segment comparable net sales, and an increase of $30.3 million in non-comparable net sales, including the net impact of store openings and closings since the prior comparable period and the impact of foreign currency translation. Retail segment comparable net sales increased 51.3% at the Anthropologie Group, 36.9% at the Free People Group and 29.8% at Urban Outfitters. Retail segment comparable net sales increased in North America, Europe and Asia. The increase in Retail segment comparable net sales was driven by triple-digit growth in retail store sales partially offset by low single-digit negative digital channel sales. Net sales for the three months ended July 31, 2020, were significantly impacted by store closures and reduced store traffic in reopened locations and significant growth in our digital channel. As a result, the relative proportion of sales attributable to store and digital channels changed significantly. Positive comparable store net sales in the second quarter of fiscal 2022 resulted from an increase in store traffic, transactions and average unit selling price, while units per transaction declined. The digital channel net sales decline was driven by a decrease in sessions and units per transaction, while average order value increased and conversion rate was flat. The increase in non-comparable net sales was primarily due to the negative impact of the COVID-19 pandemic in the second quarter of fiscal 2021, which resulted in store closures and lower store productivity in the 44 new Company-owned stores opened and 15 Company-owned stores and restaurants closed since the prior comparable period. The benefit from foreign currency translation in the second quarter of fiscal 2022 also contributed to the increase in non-comparable net sales.

The increase in Wholesale segment net sales in the second quarter of fiscal 2022, as compared to the second quarter of fiscal 2021, was primarily due to a $14.4 million, or 36.8%, increase in sales for the Free People Group, due to a significant number of the brand's wholesale partners having had a meaningful portion of their businesses negatively impacted by the COVID-19 pandemic during the second quarter of fiscal 2021. The segment increase was also due to an increase of $4.1 million in Urban Outfitters wholesale sales.

Gross profit percentage for the second quarter of fiscal 2022 increased to 37.6% of net sales, from 29.6% of net sales in the second quarter of fiscal 2021. Gross profit increased to $435.3 million for the second quarter of fiscal 2022 from $238.0 million in the second quarter of fiscal 2021. The increase in gross profit rate and dollars was due to the significant negative impact of COVID-19 related store closures on the Company's Retail segment and its partners in the Wholesale segment in the prior year quarter. Additionally, the Company recorded record low second quarter merchandise markdown rates in the Retail segment during the three months ended July 31, 2021, further contributing to the improvement over the prior year quarter.

Selling, general and administrative expenses increased by $100.8 million, or 59.8%, to $269.4 million in the second quarter of fiscal 2022, compared to the second quarter of fiscal 2021. Selling, general and administrative expenses as a percentage of net sales increased in the second quarter of fiscal 2022 to 23.3% of net sales, compared to 21.0% of net sales for the second quarter of fiscal 2021. The increase in selling, general and administrative expenses was primarily related to direct selling expenses and digital marketing expenses to support the increase in net sales, higher incentive-based compensation due to the impacts of COVID-19 on the prior year period and the benefits associated with COVID-19 related government relief packages recorded in the prior year period. The deleverage in selling, general and administrative expenses for the three months ended July 31, 2021 is primarily due to the benefit of COVID-19 related government relief packages recorded in the prior year quarter.

Income from operations was 14.3% of net sales, or $165.9 million, for the second quarter of fiscal 2022 compared to 8.6% of net sales, or $69.4 million, for the second quarter of fiscal 2021.

Our effective tax rate for the second quarter of fiscal 2022 was 22.4% compared to 50.1% in the second quarter of fiscal 2021. The higher effective tax rate in the second quarter of fiscal 2021 was due to the partial reversal of the tax benefit recorded in the first quarter of fiscal 2021 based on the improved company performance in the second quarter of fiscal 2021.

Six Months Ended July 31, 2021 (Fiscal 2022) Compared To
Six Months Ended July 31, 2020 (Fiscal 2021)

(amounts in millions)	Six Months Ended July 31,			
	2021		2020	
Net sales	$ 2,085.1	100.0 %	$ 1,391.7	100.0 %
Cost of sales (excluding store impairment)	1,349.2	64.7	1,127.3	81.0
Store impairment	—	—	14.5	1.0
Gross profit	735.9	35.3	249.9	18.0
Selling, general and administrative expenses	496.5	23.8	379.2	27.3
Income (loss) from operations	239.4	11.5	(129.3)	(9.3)
Other loss, net	(2.0)	(0.1)	(0.4)	—
Income (loss) before income taxes	237.4	11.4	(129.7)	(9.3)
Income tax expense (benefit)	56.6	2.7	(25.7)	(1.8)
Net income (loss)	$ 180.8	8.7 %	$ (104.0)	(7.5) %

Net sales for the six months ended July 31, 2021 were $2.09 billion, compared to $1.39 billion in the comparable period of fiscal 2021. The $693.4 million increase was attributable to a $627.8 million, or 47.6%, increase in Retail segment net sales and a $58.8 million, or 94.6%, increase in Wholesale segment net sales and an increase in Subscription segment net sales of $6.8 million. Retail segment net sales for the six months ended July 31, 2021 accounted for 93.4% of total net sales compared to 94.8% of total net sales in the six months ended July 31, 2020.

The increase in our Retail segment net sales during the first six months of fiscal 2022 was due to an increase of $579.2 million, or 44.3%, in Retail segment comparable net sales, and an increase of $48.6 million in non-comparable net sales, including the net impact of store openings and closings since the prior comparable period and the impact of foreign currency translation. Retail segment comparable net sales increased 52.3% at Free People Group, 50.5% at the Anthropologie Group and 34.6% at Urban Outfitters. The increase in Retail segment comparable net sales was driven by triple-digit growth in retail store sales and strong double-digit growth in digital channel sales. Net sales for the six months ended July 31, 2020, were significantly impacted by store closures and reduced store traffic in reopened locations and significant growth in our digital channel. As a result, the relative proportion of sales attributable to store and digital channels changed significantly. Positive comparable store net sales resulted from an increase in store traffic, transactions and average unit selling price, while units per transaction declined. The digital channel net sales increase was driven by an increase in conversion rate, sessions and average order value, while units per transaction decreased. The increase in non-comparable net sales was primarily due to the store closures and lower store productivity as a result of the COVID-19 pandemic at the 48 new Company-owned stores opened and 16 Company-owned stores and restaurants closed since the prior comparable period. The benefit from foreign currency translation in the first half of fiscal 2022 also contributed to the increase in non-comparable net sales.

The increase in Wholesale segment net sales in the first six months of fiscal 2022, as compared to the first six months of fiscal 2021, was primarily due to a $50.7 million, or 85.7%, increase in sales for the Free People Group brand, due to a significant number of the brand's wholesale partners having had a meaningful portion of their businesses negatively impacted by the COVID-19 pandemic during fiscal 2021. The segment increase was also due to an increase of $8.9 million in Urban Outfitters wholesale sales.

Gross profit percentage for the first six months of fiscal 2022 increased to 35.3% of net sales, from 18.0% of net sales in the comparable period in fiscal 2021. Gross profit increased to $735.9 million for the first six months of fiscal 2022 from $249.9 million in the comparable period in fiscal 2021. The increase in gross profit rate was due to the significant negative impact of COVID-19 related store closures on the Company's Retail segment and its partners in the Wholesale segment in the prior year period. Additionally, during the prior year period, the Company recorded a $14.5 million store impairment charge and a meaningful increase in inventory obsolescence reserves due to the impact the store closures had on the aging of the Company's inventory. Finally, all three brands recorded record low first half merchandise markdown rates during the six months ended July 31, 2021, further contributing to the improvement in the current period.

Selling, general and administrative expenses increased by $117.4 million, or 31.0%, to $496.5 million in the first six months of fiscal 2022, compared to the first six months of fiscal 2021. Selling, general and administrative expenses as a percentage of net sales decreased in the first six months of fiscal 2022 to 23.8% of net sales, compared to 27.3% of net sales for the first six months of fiscal 2021. The increase in selling, general and administrative expenses was primarily related to direct selling and digital marketing expenses in the current year to support the increase in net sales, higher incentive-based compensation due to the impacts of COVID-19 on the prior year period and the benefit of COVID-19 related government relief packages recorded in the prior year period. The leverage in selling, general and administrative expenses for the six months ended July 31, 2021, was primarily due to the increase in retail store sales, as net sales for the six months ended July 31, 2020 were significantly impacted by store closures and reduced store traffic in reopened locations.

Income from operations was 11.5% of net sales, or $239.4 million, for the first six months of fiscal 2022 compared to a loss from operations of 9.3% of net sales, or $129.3 million, for the first six months of fiscal 2021.

Our effective tax rate for the first six months of fiscal 2022 was an expense of 23.8% compared to a benefit of 19.8% in the first six months of fiscal 2021.

Liquidity and Capital Resources

The following tables set forth certain balance sheet and cash flow data for the periods indicated. These tables should be read in the conjunction with the discussion that follows:

(amounts in millions)

	July 31, 2021	January 31, 2021	July 31, 2020
Cash, cash equivalents and marketable securities	$ 735.0	$ 694.0	$ 672.6
Working capital	449.0	317.2	499.8

	Six Months Ended July 31, 2021	Six Months Ended July 31, 2020
Net cash provided by operating activities	$ 195.2	$ 115.2
Net cash (used in) provided by investing activities	(123.0)	218.0
Net cash (used in) provided by financing activities	(4.7)	109.2

The increase in working capital as of July 31, 2021 as compared to January 31, 2021 was primarily due to an increase in inventory to support the increase in net sales and the seasonal nature of the Company's business. The decrease in working capital as of July 31, 2021 as compared to July 31, 2020 was primarily due to higher accrued incentive based compensation due to stronger results in fiscal 2022 as compared to fiscal 2021 and the timing of disbursements.

During the last two years, we have satisfied our cash requirements primarily through our cash flow from operating activities. Additionally, during the first quarter of fiscal 2021, and in response to the COVID-19 pandemic, we borrowed $220.0 million under our Amended Credit Facility to further protect our cash reserves. We subsequently repaid the entire $220.0 million during the second and third quarters of fiscal 2021. Our primary uses of cash have been to fund business operations, purchase inventory, expand our home offices and fulfillment centers and open new stores.

Cash Flows from Operating Activities

Our major source of cash from operations was merchandise sales and our primary outflow of cash from operations was for the payment of operational costs. Store closures and lower store productivity, as a result of the COVID-19 pandemic, resulted in lower cash provided by operating activities during fiscal 2021, which was primarily driven by the net loss incurred in the first six months of fiscal 2021. Although the Company's stores were closed for a part of the first six months of fiscal 2021, the Company continued to incur various store operational costs for a large portion of its store teams.

Cash Flows from Investing Activities

Cash used in investing activities in the first six months of fiscal 2022 primarily related to purchases of marketable securities and property and equipment, partially offset by the sales and maturities of marketable securities. Net liquidations of our marketable securities portfolio in the first six months of fiscal 2021 were primarily to preserve financial flexibility and maintain liquidity in response to the COVID-19 pandemic, but reinvested in a marketable securities portfolio in the fourth quarter of fiscal 2021. Cash paid for property and equipment in the first six months of fiscal 2022 and 2021 was $105.6 million and $72.1 million, respectively, which was primarily used to expand our fulfillment center network in both periods.

Cash Flows from Financing Activities

Cash used in financing activities in the first six months of fiscal 2022 primarily related to repurchases of our common shares from employees to meet minimum statutory withholding requirements. Cash provided from financing activities during the first six months of fiscal 2021 was primarily due to borrowings of $220.0 million under our Amended Credit Facility in order to preserve financial flexibility and maintain liquidity and flexibility in response to the COVID-19 pandemic. The borrowings were subsequently repaid in the second and third quarters of fiscal 2021. During the first half of fiscal 2021, the Company also repurchased $7.0 million of shares under our share repurchase programs prior to the known spread of the COVID-19 pandemic.

Credit Facilities

See Note 6, "Debt," of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional information regarding the Company's debt.

Capital and Operating Expenditures

During fiscal 2022, we plan to continue construction on a new omni-channel fulfillment center in Kansas City, Kansas, finalize setup of material handling equipment at our new omni-channel fulfillment center in the United Kingdom, open approximately 54 new Company-owned retail locations, expand or relocate certain existing retail locations, invest in new products, markets and brands, purchase inventory for our operating segments at levels appropriate to maintain our planned sales, upgrade our systems, improve and expand our digital capabilities and invest in omni-channel marketing when appropriate. We may also repurchase common shares. We believe that our new brand initiatives, new store openings, merchandise expansion programs, international growth opportunities and our marketing, social media, website and mobile initiatives are significant contributors to our sales. During fiscal 2022, we plan to continue our investment in these initiatives for all brands. We anticipate our capital expenditures during fiscal 2022 to be approximately $285 million, a portion of which will be to support new and expanded fulfillment and distribution centers. All fiscal 2022 capital expenditures are expected to be financed by cash flow from operating activities and existing cash and cash equivalents. We believe that our new store investments generally have the potential to generate positive cash flow within a year; however, the impact of the COVID-19 pandemic may result in a slightly longer timeframe. We may also enter into one or more acquisitions or transactions related to the expansion of our brand offerings, including additional franchise and joint venture agreements. We believe that our existing cash and cash equivalents, availability under our current credit facilities and future cash flows provided by operations will be sufficient to fund these initiatives.

Share Repurchases

See Note 9, “Shareholders’ Equity,” of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional information regarding the Company’s share repurchases.

Other Matters

See Note 1, “Basis of Presentation,” *Recent Accounting Pronouncements*, of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for a description of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to our quantitative or qualitative disclosures found in Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” in the Company’s Annual Report on Form 10-K for the fiscal year ended January 31, 2021.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed by us in our Securities Exchange Act of 1934 reports is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and communicated to management, including the Principal Executive Officer and the Principal Financial Officer, as appropriate, to allow timely decisions regarding the required disclosure. As of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was performed under the supervision and with the participation of our management, including the Principal Executive Officer and the Principal Financial Officer, of the effectiveness of the design and operation of these disclosure controls and procedures. Based on that evaluation, the Principal Executive Officer and the Principal Financial Officer concluded that our disclosure controls and procedures were effective.

There have been no changes in our internal controls over financial reporting during the three months ended July 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

We are party to various legal proceedings arising from normal business activities. Management believes that the ultimate resolution of these matters will not have a material adverse effect on our financial position, results of operations or cash flows.

Item 1A. Risk Factors

There have been no material changes in our risk factors since January 31, 2021. Please refer to our Annual Report on Form 10-K for the fiscal year ended January 31, 2021, filed with the SEC on April 1, 2021, for our risk factors.

Item 6. Exhibits

Exhibit Number	Description
3.1	Amended and Restated Articles of Incorporation are incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q (file no. 000-22754) filed on September 9, 2004.
3.2	Amendment No. 1 to Amended and Restated Articles of Incorporation is incorporated by reference to Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q (file no. 000-22754) filed on September 9, 2004.
3.3	Amendment No. 2 to Amended and Restated Articles of Incorporation is incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K (file no 000-22754) filed on May 31, 2013.
3.4	Amended and Restated By-laws are incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K (file no 000-22754) filed on March 30, 2020.
10.1*	Employment Agreement, dated February 20, 2021, between Urban Outfitters, Inc. and Tricia Smith.
31.1*	Rule 13a-14(a)/15d-14(a) Certification of the Principal Executive Officer.
31.2*	Rule 13a-14(a)/15d-14(a) Certification of the Principal Financial Officer.
32.1**	Section 1350 Certification of the Principal Executive Officer.
32.2**	Section 1350 Certification of the Principal Financial Officer.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith
** Furnished herewith

Attached as Exhibits 101 to this report are the following financial statements from the Company's Quarterly Report on Form 10-Q for the three months ended July 31, 2021, filed with the Securities and Exchange Commission on September 9, 2021, formatted in inline XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Income; (iii) the Condensed Consolidated Statements of Comprehensive Income; (iv) the Condensed Consolidated Statements of Shareholders' Equity; (v) the Condensed Consolidated Statements of Cash Flows and (vi) the Notes to Condensed Consolidated Financial Statements.

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.

		URBAN OUTFITTERS, INC.
Date: September 9, 2021	By:	/s/ RICHARD A. HAYNE
		Richard A. Hayne **Chief Executive Officer**
		URBAN OUTFITTERS, INC.
Date: September 9, 2021	By:	/s/ MELANIE MAREIN-EFRON
		Melanie Marein-Efron **Chief Financial Officer**

Exhibit 10.1

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is entered into by and between Urban Outfitters, Inc. (the "URBN" or "Company") and Tricia Smith (the "Executive") as of February 20, 2021.

WHEREAS, the Company desires to employ the Executive as its Global Chief Executive Officer, Anthropologie Group and the Executive desires to serve in such capacity on behalf of the Company.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the Company and the Executive hereby agree as follows:

1. Employment.

(a) Term. The term of this Agreement shall begin on April 12, 2021 (the "Effective Date"), and shall continue until sooner terminated by either party as set forth below. The period commencing on the Effective Date and ending on the date on which the term of the Agreement terminates is referred to herein as the "Term."

(b) Duties. During the Term, the Executive shall serve as the Global Chief Executive Officer, Anthropologie Group of the Company with duties, responsibilities and authority commensurate therewith and shall report to the Co-President and Chief Creative Officer, URBN (the "CEO"). The Executive shall perform all duties and accept all responsibilities incident to such position as may be reasonably assigned to the Executive by the CEO. The Executive represents to the Company that the Executive is not subject to or a party to any employment agreement, non-competition covenant, or other agreement that would be breached by, or prohibit the Executive from executing, this Agreement and performing fully Executive's duties and responsibilities hereunder.

(c) Best Efforts. During the Term, the Executive shall devote her best efforts and full time and attention to promote the business and affairs of the Company and its affiliated entities, and shall be engaged in other business activities only to the extent that such activities do not materially interfere or conflict with the Executive's obligations to the Company hereunder, including, without limitation, obligations pursuant to Section 14 below. The foregoing shall not be construed as preventing the Executive from (1) serving on civic, educational, philanthropic or charitable boards or committees, or, with the prior written consent of the Board, in its sole discretion, on corporate boards, and (2) managing personal investments, so long as such activities are permitted under the Company's code of conduct and employment policies and do not violate the provisions of Section 14 below.

(d) Principal Place of Employment. The Executive understands and agrees that her principal place of employment will be in the Company's offices located in the Philadelphia metropolitan area and that the Executive will be required to travel for business in the course of performing her duties for the Company.

2. Compensation.

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (“Base Salary”), at the annual rate of $750,000.00, which shall be paid in installments in accordance with the Company’s normal payroll practices. The Executive’s Base Salary shall be reviewed annually by the Board pursuant to the normal performance review policies for senior level executives and may be adjusted from time to time as the Compensation Committee deems appropriate, provided however that Executive’s salary shall not be reduced unless such reduction is uniformly applied to other executives at the same or a similar level as a result of business needs. The Compensation Committee of the Board may take any actions of the Board pursuant to this Agreement.

(b) Sign on Bonus. The Company shall issue Executive in her first regularly scheduled pay day following her start date two payments: (1) a payment of $175,000 (grossed up for taxes), intended for Executive to use in part to reimburse her former employer for paid but unvested bonus compensation, and (2) a payment of $300,000 (not grossed up for taxes) intended as a sign on bonus. If Executive resigns without Good Reason or is terminated for Cause within 12 months of her start date, then Executive agrees to repay the gross amount of both payments and hereby authorizes the Company to set off repayment against any outstanding amounts owed to Executive.

(c) Annual Bonus. The Executive shall be eligible to receive an annual bonus for each fiscal year during the Term, commencing with Fiscal Year ‘22, based on the attainment of individual and corporate performance goals and targets established by the Board (“Annual Bonus”). The Executive will be eligible to earn an Annual Bonus for any fiscal year during the Term up to 150% of the Executive’s annual Base Salary as set forth in the annual bonus goals and targets established by the Board. Any Annual Bonus shall be paid at the same time and under the same terms and conditions as the bonuses for other executives of the Company; provided that in no event shall the Executive’s Annual Bonus be paid later than March 15 after the calendar year to which the Annual Bonus relates. The Annual Bonus shall be subject to the terms of the annual bonus plan that is applicable to other executives of the Company, including requirements as to continued employment, if any, subject to the provisions of Section 6 below. Notwithstanding the foregoing, if she is employed on the applicable payment date, Executive shall be guaranteed that her Annual Bonus for Fiscal Year ’22 shall not be less than 50% of her Base Salary, and that her Annual Bonus for Fiscal Year ’23 shall not be less than 25% of her Base Salary. Executive’s Annual Bonus will be prorated according to the length of time in position, if applicable.

(d) Equity Compensation. Executive will receive a new hire grant of 30,000 Restricted Stock Units (“RSUs”) pursuant to the Company’s applicable Stock Incentive Plan and standard grant instrument. The Award of RSUs is subject to approval of the Administrator under the applicable incentive plan, and will be granted on the date of the next regular Board of Director’s meeting following Executive’s start date. Conditioned on continued employment and the terms of the applicable incentive plan and grant instrument, the RSU’s will vest as follows:

(1) 1/3 on the second anniversary of the grant date, (2) 1/3 on the third anniversary of the grant date, and (3) 1/3 on the fourth anniversary of the grant date.

(e) Relocation Payment. The Company will pay Executive a Lump Sum Relocation allowance of $205,000 (grossed up for taxes), and payment for 6 months of temporary housing. The lump sum payment will be subject to URBN's "Lump Sum Plus Relocation Policy". Executive acknowledges receipt of the Lump Sum Plus Relocation Policy. If Executive resigns without Good Reason or is terminated for Cause within 12 months of her start date, Executive agrees to repay the gross amount of the lump sum relocation payment, and hereby authorizes the Company to set off repayment against any outstanding amounts owed to Executive.

3. Retirement and Welfare Benefits. During the Term, the Executive shall be eligible to participate in the Company's health, life insurance, long-term disability, retirement and welfare benefit plans and programs available to employees of the Company, pursuant to their respective terms and conditions. Nothing in this Agreement shall preclude the Company or any affiliate of the Company from terminating or amending any employee benefit plan or program from time to time after the Effective Date. To the extent Executive incurs COBRA premiums during her first 90 days' employment with URBN, the Company will reimburse Executive for such premiums.

4. Vacation. During the Term, the Executive shall be entitled to 20 days of vacation each year and holiday and sick leave at levels commensurate with those provided to other senior executives of the Company, in accordance with the Company's vacation, holiday and other pay for time not worked policies.

5. Expenses. The Company shall reimburse the Executive for all necessary and reasonable travel (which does not include commuting) and other business expenses incurred by the Executive in the performance of her duties hereunder in accordance with such reasonable accounting procedures as the Company may adopt generally from time to time for executives.

6. Termination without Cause; Resignation for Good Reason. The Company may terminate the Executive's employment at any time without Cause. The Executive may terminate the Executive's employment hereunder upon written notice of a termination for Good Reason as set forth below. Upon termination by the Company without Cause or resignation by the Executive for Good Reason, if the Executive executes and does not revoke a written Release (as defined below), the Executive shall be entitled to receive, in lieu of any payments under any severance plan or program for employees or executives, the following:

(a) The Company will pay the Executive an amount equal to one times the Executive's annual Base Salary, Payment shall be made over the one year period following the termination date in installments in accordance with the Company's normal payroll practices. Payment will begin within 60 days after the Executive's termination date, and any installments not paid between the termination date and the date of the first payment will be paid with the first payment.

(b) The Company will subsidize the expense of Executive's continuation of medical, dental and vision benefit coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986 over the one-year period following the termination date ("COBRA Subsidy"). With respect to the COBRA Subsidy, the Company will pay COBRA premiums directly to the Plan's COBRA Administrator provided that Executive timely elect COBRA coverage directly through the COBRA Administrator.

(c) The Company shall pay any other amounts earned, accrued, vested and owing but not yet paid under Section 2 above and any benefits accrued and due under any applicable benefit plans and programs of the Company, regardless of whether the Executive executes or revokes the Release.

7. Cause. The Company may terminate the Executive's employment at any time for Cause upon written notice to the Executive, in which event all payments under this Agreement shall cease, except for any amounts earned, accrued and owing but not yet paid under Section 2 above and any benefits accrued and due under any applicable benefit plans and programs of the Company.

8. Voluntary Resignation without Good Reason. The Executive may voluntarily terminate employment without Good Reason for any reason upon 60 days' prior written notice to the Company. No payments shall be due under this Agreement, except that the Executive shall be entitled to any amounts earned, accrued, vested and owing but not yet paid under Section 2 above and any benefits accrued and due under any applicable benefit plans and programs of the Company. The Company may elect, in its sole discretion, to end Executive's active employment prior to the end of the 60 day notice period but will pay Executive through the end of the 60 day notice period.

9. Disability. If the Executive incurs a Disability during the Term, the Company may terminate the Executive's employment on or after the date of Disability. If the Executive's employment terminates on account of Disability, the Executive shall be entitled to receive any amounts earned, accrued, vested and owing but not yet paid under Section 2 above and any benefits accrued and due under any applicable benefit plans and programs of the Company. For purposes of this Agreement, the term "Disability" shall mean the Executive is eligible to receive long-term disability benefits under the Company's long-term disability plan.

10. Death. If the Executive dies during the Term, the Executive's employment shall terminate on the date of death and the Company shall pay to the Executive's executor, legal representative, administrator or designated beneficiary, as applicable, any amounts earned, accrued, vested and owing but not yet paid under Section 2 above and any benefits accrued and due under any applicable benefit plans and programs of the Company. Otherwise, the Company shall have no further liability or obligation under this Agreement to the Executive's executors, legal representatives, administrators, heirs or assigns or any other person claiming under or through the Executive.

11. Resignation of Positions. Effective as of the date of any termination of employment, the Executive will resign and will be deemed to have resigned all Company-related positions, including as an officer and director of the Company and its parents, subsidiaries and affiliates.

12. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Cause" shall mean the Executive's (1) breach of any material provision of this Agreement or any confidentiality, non-solicitation, non-competition or inventions assignment agreement with the Company; (2) commission of an act of dishonesty, fraud, embezzlement or theft; (3) engagement in conduct that causes, or is likely to cause, material damage to the property or reputation of the Company; (4) willful failure to perform the material duties of Executive's position (other than by reason of Disability) that is not cured to the satisfaction of the CEO within five days after the Company's written notice to the Executive specifying the failure; (5) commission of a felony or any crime of moral turpitude; or (6) material violation of the Company's code of conduct or written employment policies, which is not cured (if susceptible to cure) to the satisfaction of the CEO within five days after the Company's written notice to the Executive specifying the breach or violation.

(b) "Good Reason" shall mean the occurrence of one or more of the following without the Executive's consent, other than on account of the Executive's Disability:

(1) A material diminution by the Company of the Executive's authority, duties or responsibilities;

(2) A material change in the geographic location at which Executive must perform services under this Agreement (which, for purposes of this Agreement, means relocation of the offices of the Company at which Executive is principally employed to a location that increases the Executive's commute to work by more than 50 miles);

(3) A material diminution in the Executive's Base Salary; or

(4) Any action or inaction that constitutes a material breach by the Company of this Agreement.

The Executive must provide written notice of termination for Good Reason to the Company within 30 days after the event constituting Good Reason. The Company shall have a period of 30 days in which it may correct the act or failure to act that constitutes the grounds for Good Reason as set forth in the Executive's notice of termination. If the Company does not correct the act or failure to act, the Executive's employment will terminate for Good Reason on the first business day following the Company's 30-day cure period.

(c) "Release" shall mean a separation agreement and general release of any and all claims against the Company and all related parties with respect to all matters arising out of the Executive's employment by the Company, and the termination thereof (other than claims for any entitlements under the terms of this Agreement or under any plans or programs of the Company under which the Executive has accrued and is due a benefit). The Release will be in the form attached hereto as Exhibit A, subject to such legally required changes as the Company may require.

13. Section 409A.

(a) This Agreement is intended to comply with section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and its corresponding regulations, or an exemption, and payments may only be made under this Agreement upon an event and in a manner permitted by section 409A of the Code, to the extent applicable. Severance benefits under the Agreement are intended to be exempt from section 409A of the Code under the "short-term deferral" exception, to the maximum extent applicable, and then under the "separation pay" exception, to the maximum extent applicable. Notwithstanding anything in this Agreement to the contrary, if required by section 409A of the Code, if the Executive is considered a "specified employee" for purposes of section 409A of the Code and if payment of any amounts under this Agreement is required to be delayed for a period of six months after separation from service pursuant to section 409A of the Code, payment of such amounts shall be delayed as required by section 409A of the Code, and the accumulated amounts shall be paid in a lump sum payment within ten days after the end of the six-month period. If the Executive dies during the postponement period prior to the payment of benefits, the amounts withheld on account of section 409A of the Code shall be paid to the personal representative of the Executive's estate within 60 days after the date of the Executive's death.

(b) All payments to be made upon a termination of employment under this Agreement may only be made upon a "separation from service" under section 409A of the Code. For purposes of section 409A of the Code, each payment hereunder shall be treated as a separate payment and the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. In no event may the Executive, directly or indirectly, designate the calendar year of a payment. Notwithstanding any provision of this Agreement to the contrary, in no event shall the timing of the Executive's execution of the Release, directly or indirectly, result in the Executive designating the calendar year of payment of any amounts of deferred compensation subject to section 409A of the Code, and if a payment that is subject to execution of the Release could be made in more than one taxable year, payment shall be made in the later taxable year.

(c) All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of section 409A of the Code, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

14. Restrictive Covenants.

(a) Non-Solicitation of Company Personnel. The Executive agrees that during the Executive's employment with the Company and its Affiliates and the 12-month period following the date on which the Executive's employment terminates for any reason (the "Restriction Period"), the Executive will not, either directly or through others, hire or attempt to hire any employee, consultant or independent contractor of the Company or its Affiliates, or solicit or attempt to solicit any such person to change or terminate his or her relationship with the Company or an Affiliate or otherwise to become an employee, consultant or independent contractor to, for or of any other person or business entity, unless more than 12 months shall have elapsed between the last day of such person's employment or service with the Company or

Affiliate and the first date of such solicitation or hiring or attempt to solicit or hire. If any employee, consultant or independent contractor is hired or solicited by any entity that has hired or agreed to hire the Executive, such hiring or solicitation shall be conclusively presumed to be a violation of this subsection.

(b) Proprietary Information. At all times, the Executive will hold in strictest confidence and will not disclose, use, lecture upon or publish any of the Proprietary Information (defined below) of the Company or an Affiliate, except as such disclosure, use or publication may be required in connection with the Executive's work for the Company or as described in Section 14(d) below, or unless the Company expressly authorizes such disclosure in writing. "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company and its Affiliates and shareholders, including but not limited to information relating to financial matters, investments, budgets, business plans, marketing plans, personnel matters, business contacts, products, processes, know-how, designs, methods, improvements, discoveries, inventions, ideas, data, programs, and other works of authorship.

(c) Reports to Government Entities. Nothing in this Agreement shall restrict or prohibit the Executive from initiating communications directly with, responding to any inquiries from, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. The Executive shall not need the prior authorization of the Company to engage in conduct protected by this paragraph, and the Executive does not need to notify the Company that Executive has engaged in such conduct. Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

(d) Inventions Assignment. The Executive agrees that all inventions, innovations, improvements, developments, methods, designs, analyses, reports, and all similar or related information which relates to the Company's or its Affiliates' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by Executive while employed by the Company ("Work Product") belong to the Company. The Executive will promptly disclose such Work Product to the Board and perform all actions reasonably requested by the Board (whether during or after the Term) to establish and confirm such ownership (including, without limitation, assignments, consents, powers of attorneys and other instruments). If requested by the Company, the Executive agrees to execute any inventions assignment and confidentiality agreement that is required to be signed by Company employees generally. Notwithstanding anything herein to the contrary, this Agreement shall not apply to an invention that Executive developed entirely on Executive's own time without using the Company's equipment, supplies, facilities, or confidential information except for those inventions that either: (1) relate at the time of conception or reduction to practice of the invention to the Company's business, or actual or demonstrably anticipated research or development of the Company; or (2) result from any work performed by Executive for the Company.

(e) Return of Company Property. Upon termination of the Executive's employment with the Company for any reason, and at any earlier time the Company requests, the Executive will deliver to the person designated by the Company all originals and copies of all documents and property of the Company or an Affiliate that is in the Executive's possession, under the Executive's control or to which the Executive may have access. The Executive will not reproduce or appropriate for the Executive's own use, or for the use of others, any property, Proprietary Information or Work Product.

15. Legal and Equitable Remedies.

(a) Because the Executive's services are personal and unique and the Executive has had and will continue to have access to and has become and will continue to become acquainted with the proprietary information of the Company and its Affiliates, and because any breach by the Executive of any of the restrictive covenants contained in Section 14 would result in irreparable injury and damage for which money damages would not provide an adequate remedy, the Company shall have the right to enforce Section 14 and any of its provisions by injunction, specific performance or other equitable relief, without bond and without prejudice to any other rights and remedies that the Company may have for a breach, or threatened breach, of the restrictive covenants set forth in Section 14. The Executive agrees that in any action in which the Company seeks injunction, specific performance or other equitable relief, the Executive will not assert or contend that any of the provisions of Section 14 are unreasonable or otherwise unenforceable.

(b) Unless resolved pursuant to the terms of an arbitration agreement, the Executive irrevocably and unconditionally (1) agrees that any legal proceeding arising out of this Agreement shall be brought solely in the United States District Court for the Eastern District of Pennsylvania, or if such court does not have jurisdiction or will not accept jurisdiction, in any court of general jurisdiction in Pennsylvania, (2) consents to the exclusive jurisdiction of such court in any such proceeding, and (3) waives any objection to the laying of venue of any such proceeding in any such court. The Executive also irrevocably and unconditionally consents to the service of any process, pleadings, notices or other papers.

(c) Notwithstanding anything in this Agreement to the contrary, if the Executive breaches any of the Executive's obligations under Section 14, the Company shall be obligated to provide only the compensation and accrued benefits required by any Company benefit plans, policies or practices then applicable to the Executive in accordance with the terms thereof, and all payments under Section 2 or Section 6 hereof, as applicable, shall cease. In such event, the Company may require that the Executive repay all amounts theretofore paid to her pursuant to Section 6 hereof, and in such case, the Executive shall promptly repay such amounts on the terms determined by the Company.

16. Survival. The respective rights and obligations of the parties under this Agreement (including, but not limited to, Sections 14, 15 and 24) shall survive any termination of the

Executive's employment or termination or expiration of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

17. Section 280G. In the event of a change in ownership or control under section 280G of the Code, if it shall be determined that any payment or distribution in the nature of compensation (within the meaning of section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of section 280G of the Code, the aggregate present value of the Payments under the Agreement shall be reduced (but not below zero) to the Reduced Amount (defined below) if and only if the Accounting Firm (described below) determines that the reduction will provide Executive with a greater net after-tax benefit than would no reduction. No reduction shall be made unless the reduction would provide Executive with a greater net after-tax benefit. The determinations under this Section shall be made as follows:

(a) The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of Payments under this Agreement without causing any Payment under this Agreement to be subject to the Excise Tax (defined below), determined in accordance with section 280G(d)(4) of the Code. The term "Excise Tax" means the excise tax imposed under section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax

(b) Payments under this Agreement shall be reduced on a nondiscretionary basis in such a way as to minimize the reduction in the economic value deliverable to the Executive. Where more than one payment has the same value for this purpose and they are payable at different times, they will be reduced on a pro rata basis. Only amounts payable under this Agreement shall be reduced pursuant to this Section.

(c) All determinations to be made under this Section shall be made by an independent certified public accounting firm selected by the Company and agreed to by Executive immediately prior to the change in ownership or control transaction (the "Accounting Firm"). The Accounting Firm shall provide its determinations and any supporting calculations both to the Company and Executive within ten days of the transaction. Any such determination by the Accounting Firm shall be binding upon the Company and Executive. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section shall be borne solely by the Company.

18. Notices. All notices and other communications required or permitted under this Agreement or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when hand delivered or mailed by registered or certified mail, as follows (provided that notice of change of address shall be deemed given only when received):

If to the Company, to:

Attention: General Counsel
Urban Outfitters, Inc.
5000 South Broad Street

Philadelphia, PA 19112

If to the Executive, to the most recent address on file with the Company or to such other names or addresses as the Company or the Executive, as the case may be, shall designate by notice to each other person entitled to receive notices in the manner specified in this Section.

19. Withholding. All payments under this Agreement shall be made subject to applicable tax withholding, and the Company shall withhold from any payments under this Agreement all federal, state and local taxes as the Company is required to withhold pursuant to any law or governmental rule or regulation. The Executive shall bear all expense of, and be solely responsible for, all federal, state and local taxes due with respect to any payment received under this Agreement.

20. Remedies Cumulative; No Waiver. No remedy conferred upon a party by this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission by a party in exercising any right, remedy or power under this Agreement or existing at law or in equity shall be construed as a waiver thereof, and any such right, remedy or power may be exercised by such party from time to time and as often as may be deemed expedient or necessary by such party in its sole discretion.

21. Assignment. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, except that the duties and responsibilities of the Executive under this Agreement are of a personal nature and shall not be assignable or delegable in whole or in part by the Executive.

22. Company Policies. This Agreement and the compensation payable hereunder shall be subject to any applicable clawback or recoupment policies, share trading policies, and other policies that may be implemented by the Board from time to time with respect to officers of the Company.

23. Indemnification. In the event the Executive is made, or threatened to be made, a party to any legal action or proceeding, whether civil or criminal, including any governmental or regulatory proceedings or investigations, by reason of the fact that the Executive is or was a director or officer of the Company or its Affiliates, Executive shall be indemnified by the Company, and the Company shall pay Executive’s related expenses when and as incurred, to the fullest extent permitted by the laws of the Commonwealth of Pennsylvania and the Company’s articles of incorporation and bylaws. During the Executive’s employment with the Company and its Affiliates and after termination of employment for any reason, the Company shall cover the Executive under the Company’s directors and officers insurance applicable to other officers and directors.

24. Cooperation. Executive agrees to cooperate with Company and its attorneys, both during and for twelve months after the termination of Executive’s employment, in connection with any litigation or other proceeding arising out of or relating to matters of which Executive was

involved prior to the termination of Executive's employment. Executive's cooperation shall include, without limitation, providing assistance to Company's counsel, experts and consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that
Executive's cooperation is requested after the termination of Executive's employment, Company will (a) seek to minimize interruptions to Executive's schedule to the extent consistent with its interests in the matter; and (b) reimburse Executive for all reasonable and appropriate out-of- pocket expenses actually incurred by Executive in connection with such cooperation upon reasonable substantiation of such expenses.

25. Entire Agreement. This Agreement, together with any mutual arbitration agreement between Company and Executive, sets forth the entire agreement of the parties hereto and supersedes any and all prior agreements and understandings concerning the Executive's employment by the Company. This Agreement may be changed only by a written document signed by the Executive and the Company.

26. Severability. If any provision of this Agreement or application thereof to anyone or under any circumstances is adjudicated to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect any other provision or application of this Agreement which can be given effect without the invalid or unenforceable provision or application and shall not invalidate or render unenforceable such provision or application in any other jurisdiction. If any provision is held void, invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

27. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive and procedural laws of the Commonwealth of Pennsylvania without regard to rules governing conflicts of law.

28. Counterparts. This Agreement may be executed in any number of counterparts (including facsimile counterparts), each of which shall be an original, but all of which together shall constitute one instrument.

* * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

URBAN OUTFITTERS, INC.

/s/ Richard A. Hayne
Name: Richard A. Hayne
Title: Chief Executive Officer
Date: 2/20/2021

EXECUTIVE

/s/ Tricia Smith
Name: Tricia Smith
Date: 2/20/2021

EXHIBIT A

SEPARATION OF EMPLOYMENT AGREEMENT AND GENERAL RELEASE

1. I,____________________, for and in consideration of certain payments to be made and the benefits to be provided to me under the Employment Agreement, dated as of ____________, 201_ (the "Employment Agreement") with Urban Outfitters, Inc. (the "Company") on the date this Release becomes irrevocable, and conditioned upon such payments and provisions, do hereby REMISE, RELEASE, AND FOREVER DISCHARGE the Company and each of its past or present subsidiaries and affiliates, its and their past or present officers, directors, shareholders, employees and agents, their respective successors and assigns, heirs, executors and administrators, the pension and employee benefit plans of the Company, or of its past or present subsidiaries or affiliates, and the past or present trustees, administrators, agents, or employees of the pension and employee benefit plans (hereinafter collectively included within the term the "Company"), acting in any capacity whatsoever, of and from any and all manner of actions and causes of actions, suits, debts, claims and demands whatsoever in law or in equity, which I ever had, now have, or hereafter may have, or which my heirs, executors or administrators hereafter may have, by reason of any matter, cause or thing whatsoever from the beginning of my employment with the Company to the date this Release is executed by me, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to my employment relationship and the termination of my employment relationship with the Company, including but not limited to, any claims which have been asserted, could have been asserted, or could be asserted now or in the future under any federal, state or local laws, including any claims under the Rehabilitation Act of 1973, 29 U.S.C §§ 701 et seq., as amended, Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e et seq., as amended ("Title VII"), the Civil Rights Act of 1871, 42 U.S.C. § 1981, the Civil Rights Act of 1991, 2 U.S.C. §§ 60 et seq., as amended, the Age Discrimination in Employment Act of 1967, 29 U.S.C. §§ 621 et seq., as amended (the "ADEA"), the Older Workers Benefit Protection Act (the "OWBPA"), the Americans with Disabilities Act of 1990, 29 U.S.C. §§ 706 et seq. (the "ADA"), the Family Medical Leave Act of 1993, 29 U.S.C. §§ 2601 et seq., as amended (the "FMLA", the Equal Pay Act of 1963, 29 U.S.C. §§ 206(d) et seq., as amended (the "EPA"), the Employee Retirement Security Act of 1974, 29 U.S.C. §§ 301 et seq., as amended ("ERISA"), the Pennsylvania Human Relations Act, the Pennsylvania Equal Pay Law, the common law of the Commonwealth of Pennsylvania and any similar law of any state or governmental entity, and any contracts between the Company and me, and any common law claims now or hereafter recognized and all claims for counsel fees and costs. Notwithstanding any language to the contrary contained herein, the release and discharge of rights and claims herein arising under the ADEA does not include any waiver of rights or claims that may arise after the date this Release is executed by me. Expressly excluded from this Release, however, are (i) all express obligations of the Company under this Release, (ii) my existing right to receive accrued benefits under and pursuant to any employee benefit plan maintained by the Company, (iii) indemnification under the terms of the Company's charter or bylaws as applicable to officers of the Company with respect to matters that occurred while the Executive served as an officer of the Company, and coverage under any applicable

directors and officers insurance policy maintained by the Company, and (iv) any non- waivable claims such as unemployment compensation benefits, workers compensation benefits, claims under the Fair Labor Standards Act of 1938, 29 U.S.C. §§ 201 et seq., as amended, or health insurance benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, 29 U.S.C. § 1161 et seq., as amended.

2. Subject to the limitations of Section 1 above, I expressly waive all rights afforded byany statute which expressly limits the effect of a release with respect to unknown claims. I understand the significance of this release of unknown claims and the waiver of statutory protection against a release of unknown claims.

3. I hereby agree and recognize that my employment by the Company was permanently and irrevocably severed on______________________, 20_and the Company has no obligation,contractual or otherwise to me to hire, rehire or reemploy me in the future. I acknowledge that the terms of the Employment Agreement provide me with payments and benefits which are in addition to any amounts to which I otherwise would have been entitled.

4. I hereby agree and acknowledge that the payments and benefits provided by the Company pursuant to Section 6 of the Employment Agreement are to bring about an amicableresolution of my employment arrangements and are not to be construed as an admission of any violation of any federal, state or local statute or regulation, or of any duty owed by the Company and that the Employment Agreement was, and this Release is, executed voluntarily to provide an amicable resolution of my employment relationship with the Company.

5. I hereby acknowledge that nothing in this Release or the Employment Agreement shallprohibit or restrict me from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. However, to the maximum extent permitted by law, I am waiving my right to receive any individual monetary relief from the Company resulting from such claims or conduct, regardless of whether I or another party has filed them,and in the event I obtain such monetary relief the Company will be entitled to an offset for thepayments made pursuant to the Employment Agreement. This Release does not limit my right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. I do not need the prior authorization of the Company to engage in conduct protected by this paragraph, and I do not need to notify the Company that I have engaged in such conduct.

Please take notice that federal law provides criminal and civil immunity to federal and stateclaims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of asuspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

6. I hereby agree not to disclose the terms of this Release to anyone, except to my spouse, attorney and tax or financial advisor. Likewise, the Company agrees that the terms ofthis Release will not be disclosed except as may be necessary to obtain approval or authorization to fulfill its obligations hereunder or as required by law.

7. I hereby certify that I have read the terms of this Release, that I have been advised bythe Company to discuss it with my attorney, that I have received the advice of counsel and that I understand its terms and effects. I acknowledge, further, that I am executing this Release of my own volition with a full understanding of its terms and effects and with the intention of releasing all claims recited herein in exchange for the consideration described inthe Employment Agreement, which I acknowledge is adequate and satisfactory to me. Noneof the above named parties, nor their agents, representatives, or attorneys have made any representations to me concerning the terms or effects of this Release other than those contained herein.

8. I hereby acknowledge that I have been informed that I have the right to consider this Release for a period of [21/45] days prior to execution. I also understand that I have the right to revoke this Release for a period of seven (7) days following execution by giving written notice to the Company at___________________________, Attention:__________________.

9. I hereby further acknowledge that the terms of Sections 14 and 15 of the Employment Agreement shall continue to apply for the time periods provided therein and that I will abide by and fully perform such obligations.

10. This Release, and the provisions of the Employment Agreement that survive Executive's termination of employment, constitute the complete and entire understanding between the parties, and supersede any and all prior agreements and understandings betweenthe parties to the extent they are inconsistent with this Release and the Employment Agreement.

11. If any provision of this Release is deemed invalid, the remaining provisions shall not be affected.

12. The provisions of this Release shall be governed by the laws of Commonwealth of Pennsylvania, without regard to any choice of law provisions.

Intending to be legally bound hereby, I execute the foregoing Release this _____ day of __________,_____.

____
Name:

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard A. Hayne, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Urban Outfitters, Inc.;

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.

Date: September 9, 2021

By: /s/ RICHARD A. HAYNE

Richard A. Hayne
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Melanie Marein-Efron, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Urban Outfitters, Inc.;
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.

Date: September 9, 2021

By: /s/ MELANIE MAREIN-EFRON

Melanie Marein-Efron
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

**Certification Pursuant to 18 U.S.C. Section 1350, as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

I, Richard A. Hayne, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that (1) the Form 10-Q of Urban Outfitters, Inc. (the "Company") for the three month period ended July 31, 2021, as filed with the Securities and Exchange Commission (the "Form 10-Q"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and (2) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 9, 2021

By: /s/ RICHARD A. HAYNE
Richard A. Hayne
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

Certification Pursuant to 18 U.S.C. Section 1350, as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Melanie Marein-Efron, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that (1) the Form 10-Q of Urban Outfitters, Inc. (the “Company”) for the three month period ended July 31, 2021, as filed with the Securities and Exchange Commission (the “Form 10-Q”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and (2) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 9, 2021

By: /s/ MELANIE MAREIN-EFRON

Melanie Marein-Efron
Chief Financial Officer
(Principal Financial Officer)