
URBN
URBAN OUTFITTERS, INC.

# URBN HOLIDAY 2013

"THE FOLLOWING DISCUSSIONS MAY INCLUDE FORWARD-LOOKING STATEMENTS. PLEASE NOTE THAT THE ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE STATEMENTS. ADDITIONAL INFORMATION CONCERNING FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM PROJECTED RESULTS IS CONTAINED IN THE COMPANY'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION."

# URBN HOLIDAY* SALES

*Holiday referred to in this presentation includes November and December

# URBN HOLIDAY SALES

Total year-over-year sales: +8%

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**Total retail segment* 'comp' sales: +3%**

* Total retail segment 'comp' includes sales from the direct-to-consumer channel

# URBN HOLIDAY SALES

| | |
|---|---|
| Total year-over-year sales: | +8% |
| Total retail segment* 'comp' sales: | +3% |
| Wholesale sales: | +21% |

* Total retail segment 'comp' includes sales from the direct-to-consumer channel

# HOLIDAY RETAIL 'COMP' SALES BY BRAND

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| | |
|---|---|
| Anthropologie | +11% |

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| Free People | +21% |

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| Free People | +21% |
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| Urban Outfitters | -6% |

## URBAN BRAND ISSUES

Fashion misses in key classifications

Product offering too narrow

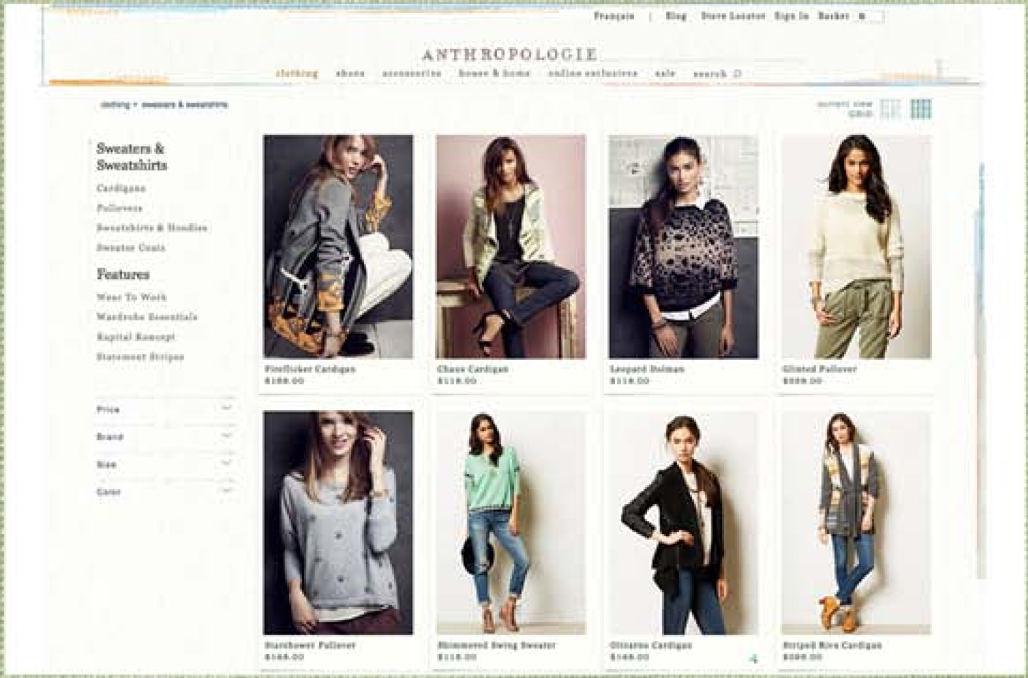
Looks and silhouettes poorly defined

Highly competitive and promotional environment

# HOLIDAY 2013
# MACRO TRENDS

# HOLIDAY 2013 MACRO TRENDS

CATEGORY




CHANNEL

# HOLIDAY 2013 CATEGORY RESULTS

# HOLIDAY 2013 MACRO TRENDS

## SHIFT IN DEMAND BY CATEGORY


Source: Bureau of Labor Statistics' Consumer Expenditure Survey, 2012 Indexed Household Spending Per Consumer Unit (1992 =100)

## HOLIDAY 2013 MACRO TRENDS

## SHIFT IN DEMAND BY CATEGORY

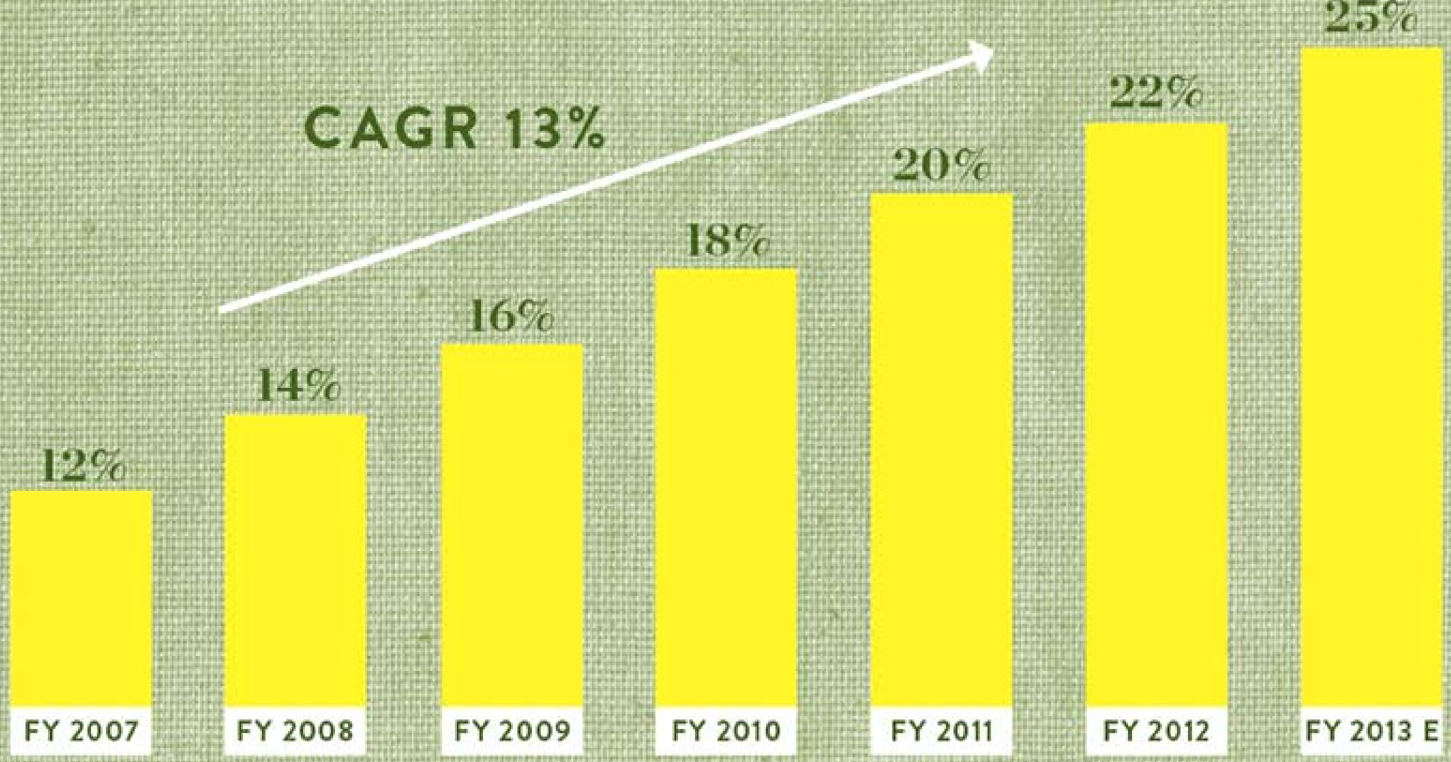
**URBN direct-to-consumer sales grew approximately 8x faster than 'comp' store sales**

**URBN mobile sales grew 77% this holiday season**

# HOLIDAY 2013 MACRO TRENDS

## SHIFT IN DEMAND BY CATEGORY

Direct-to-consumer penetration climbs to approximately 25% during the holiday season




Source: Mastercard

# HOLIDAY 2013 MACRO TRENDS

DECLINING
MALL TRAFFIC

SALE

50% OFF

entire store

PRICE
COMPETITION

# HOLIDAY 2013 MACRO TRENDS
## DECLINING MALL TRAFFIC


Source: ShopperTrack

## HOLIDAY 2013 MACRO TRENDS

## PRICE COMPETITION

# WHAT DOES THIS MEAN FOR URBN

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# Continue to focus on creating strong brands

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Continue to focus on creating strong brands

Diversify our product offering

## WHAT DOES THIS MEAN FOR URBN

Continue to focus on creating strong brands

Diversify our product offering

Continue to invest in omni-channel growth

A strong brand is created through an emotional connection by . . .

Creating compelling products

Creating an engaging customer experience

CREATING STRONG BRANDS

# Retailers must compete on price or emotion

HYUNDAI SONATA HYBRID
$22,145*

TESLA MODEL S
$71,500*

*MSRP according to caranddriver.com

## CREATING STRONG BRANDS

# Strong brands have less price sensitivity


7-ELEVEN COFFEE
20oz - $1.59


STARBUCKS COFFEE
VENTI - $2.25

# 42% Premium

## ENGAGING CUSTOMER EXPERIENCE

SCIQ:RETAIL2013

# Social Platforms Analyzed

Social Platforms Analyzed

Facebook YouTube Twitter Instagram

Pinterest Google+ Vine

# ENGAGING CUSTOMER EXPERIENCE

SCIQ:RETAIL2013

## Top 25 Companies

| Company | Rank | Brand Awareness on Social Networks Score | Social Upstream Traffic Score | Website Social Lift Score | SCRM Potential Score | SCIQ |
|---|---|---|---|---|---|---|
| **Free People** | **1** | **130.1** | **120.0** | **146.7** | **139.4** | **133.0** |
| Lancome | 2 | 114.4 | 180.0 | 106.6 | 119.4 | 132.2 |
| Smashbox | 3 | 109.6 | 160.0 | 113.3 | 151.5 | 130.0 |
| Lolly Wolly Doodle | 4 | 78.1 | 200.0 | 113.3 | 97.0 | 127.1 |
| Plndr | 5 | 92.7 | 160.0 | 113.3 | 109.1 | 120.7 |
| Target | 6 | 138.6 | 40.0 | 180.0 | 127.3 | 120.3 |
| Bourbon & Boots | 7 | 63.6 | 200.0 | 86.7 | 151.5 | 120.2 |
| Toys"R"Us | 8 | 102.6 | 50.0 | 180.0 | 200.0 | 119.8 |
| WWE | 9 | 148.7 | 180.0 | 66.7 | 0 | 118.6 |
| ModCloth | 10 | 119.3 | 100.0 | 120.0 | 139.4 | 115.7 |
| Fab.com | 11 | 91.4 | 120.0 | 126.7 | 127.3 | 114.2 |
| BodyBuilding.com | 12 | 126.8 | 80.0 | 120.0 | 139.4 | 112.0 |
| Sears Holdings | 13 | 101.9 | 33.3 | 173.3 | 181.8 | 110.8 |
| Diamond Candles | 14 | 80.5 | 200.0 | 53.3 | 97.0 | 109.8 |
| TheKnot.com | 15 | 117.3 | 80.0 | 120.0 | 139.4 | 109.1 |
| American Eagle Outfitters | 15 | 123.8 | 60.0 | 133.3 | 139.4 | 109.1 |
| Birchbox | 16 | 134.5 | 160.0 | 66.7 | 0 | 108.3 |
| Zappos.com | 17 | 108.1 | 120.0 | 100.0 | 97.0 | 108.1 |
| BucketFeet | 18 | 61.8 | 200.0 | 73.3 | 60.6 | 106.6 |
| Etsy | 19 | 154.5 | 120.0 | 66.7 | 36.4 | 106.0 |
| Vans | 21 | 132.2 | 80.0 | 120.0 | 60.6 | 105.7 |
| ShoeDazzle | 22 | 124.3 | 80.0 | 106.7 | 121.2 | 105.4 |
| CCS | 22 | 102.3 | 40.0 | 166.7 | 127.3 | 105.4 |
| JustFab | 22 | 104.7 | 100.0 | 100.0 | 139.4 | 105.4 |
| Vat19.com | 23 | 89.9 | 200.0 | 53.3 | 0 | 103.0 |

# URBN GROWTH STRATEGY

## URBN GROWTH STRATEGY

Please customers more by expanding categories

Please more customers by expanding geographically

# PLEASE CUSTOMERS MORE:
# URBN CONCEPT

## PLEASE CUSTOMERS MORE:
## EXPAND AND ADD CATEGORIES

Anthropologie – petites, wedding, home, intimates, beauty, jewelry, shoes, accessories, outdoor living, services

Urban Outfitters – beauty, apartmentwares, active, electronics, services

Free People – shoes, intimates, special occasion dresses, active

## PLEASE CUSTOMERS MORE:
## OFFER EXPANDED CATEGORIES

Online

Through larger stores

Through wholesale channel

# PLEASE MORE CUSTOMERS:
# OPEN MORE STORES

| BRAND | CURRENT STORES | POTENTIAL STORES |
| --- | --- | --- |
| **Anthropologie** | | |
| North America | 184 | 200-250 |
| Europe | 4 | 60-100 |
| Asia | – | undetermined |
| **Urban Outfitters** | | |
| North America | 189 | 200-250 |
| Europe | 40 | 60-100 |
| Asia | – | undetermined |
| **Free People** | | |
| North America | 89 | 125-150 |
| Europe | – | undetermined |
| Asia | 2* | undetermined |

*Owned and operated by World Co. Ltd.

## PLEASE MORE CUSTOMERS:
## GROW DIRECT-TO-CONSUMER GLOBALLY

Fast and free shipping

Multi-language sites

Multi-currency checkout

Global assortment through single SKU

Country specific marketing

## PLEASE MORE CUSTOMERS:
## GROW WHOLESALE GLOBALLY

Opened showroom in London (July 2013)

Opened showroom in Tokyo (October 2013)

Entered into exclusive distribution agreement in Japan

# FY 2015 PRIORITIES

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# Our highest priority is to regain momentum at the Urban Outfitters brand

Ensure the right talent is in place

Emphasize training and development

Improve procedures and communication

Infuse more creativity

## FY 2015 PRIORITIES

# Grow store count

| FY 2015 STORE OPENING PLAN | ANTHROPOLOGIE | URBAN OUTFITTERS | FREE PEOPLE |
|---|---|---|---|
| North America | 12 | 10 | 12 |
| Europe | 3 | 2 | – |
| Total | 15 | 12 | 12 |

## FY 2015 PRIORITIES

# Grow direct-to-consumer

Increase global presence

Add new categories

# Expand Wholesale

Launch new shoe category and expand intimates assortment

Grow global presence

## FY 2015 PRIORITIES

# Launch larger format stores with expanded categories

Present larger format store concept at URBN 2014 Investor Day

Open expanded store in late FY'15 or early FY'16

# CONCLUSION

URBN produced solid holiday 2013 sales

Direct-to-consumer continues to gain market share

A strong brand is the primary anecdote to price competition

URBN brands are customer-centric not category-centric

All URBN brands have multiple paths to grow

URBN

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