

Urban Outfitters, Inc.
FY'19 Q4 RESULTS



Important Information Regarding Non-GAAP Financial Measures

In addition to evaluating the financial condition and results of our operations in accordance with U.S. generally accepted accounting principles (“GAAP”), from time to time our management evaluates and analyzes results and any impact on the Company of certain events outside of normal, or “core,” business and operations, by considering adjusted financial measures not prepared in accordance with GAAP. Examples of items that we consider non-core include impairment charges, gains or losses on the disposal of our stores or restaurant locations and the nonrecurring impact of the comprehensive United States tax legislation commonly referred to as the Tax Cuts and Jobs Act. In order to improve the transparency of our disclosures, provide a meaningful presentation of results from our core business operations and improve period-over-period comparability, we have included certain adjusted financial measures that exclude the impact of these non-core business items.

We believe these adjusted financial measures are important indicators of our recurring results of operations because they exclude items that may not be indicative of, or are unrelated to, our underlying results of operations and provide a useful baseline for analyzing trends in our underlying business. Management uses adjusted financial measures for planning, forecasting and evaluating business and financial performance.

Non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, the Company’s financial results prepared in accordance with GAAP. Certain of the items that may be excluded or included in non-GAAP financial measures may be significant items that could impact the Company’s financial position, results of operations or cash flows and should therefore be considered in assessing the Company’s actual and future financial condition and performance. These adjusted financial measures are not consistent with GAAP and may not be calculated the same as similarly titled measures used by other companies.



Key Financial Highlights

	Three Months Ended January 31, 2019	Three Months Ended January 31, 2018
URBN Net Sales Change	3.7%	5.7%
Adjusted Gross Profit^{*(1)}	33.3%	32.3%
Adjusted Selling, General and Admin. Expenses^{*(1)}	22.9%	22.7%
Adjusted Income from Operations^{*(1)}	10.4%	9.6%
Adjusted Earnings Per Diluted Share^{*(1)}	\$ 0.83	\$ 0.69

**expressed as a percent of net sales*

(1) refer to adjustments on pages 3 and 4



Income Statement Summary

(in millions)
(unaudited)

Three Months Ended January 31, 2019

	As Reported	Total Adjustments	Adjusted
Net Sales	\$ 1,128.9	\$ —	\$ 1,128.9
Cost of Sales ^(a)	756.4	(3.5)	752.9
Gross Profit	372.5	3.5	376.0
Selling, General and Admin. Expenses	258.3	—	258.3
Income from Operations	114.2	3.5	117.7
Other Income, Net	1.2	—	1.2
Income Before Income Taxes	115.4	3.5	118.9
Income Tax Expense ^(b)	29.0	(0.3)	28.7
Net Income	\$ 86.4	\$ 3.8	\$ 90.2
Diluted Share Count	108.4		108.4
EPS (Diluted)	\$ 0.80		\$ 0.83

(a) Adjusted for retail location impairment costs

(b) Adjusted for: (i) the one-time charges for the effects of the comprehensive U.S. tax legislation commonly referred to as the Tax Cuts and Jobs Act; and (ii) the income tax impact of the adjustment noted in (a)



Income Statement Summary

(in millions)
(unaudited)

Three Months Ended January 31, 2018

	As Reported	Total Adjustments	Adjusted
Net Sales	\$ 1,089.1	\$ —	\$ 1,089.1
Cost of Sales ^(a)	748.5	(11.4)	737.1
Gross Profit	340.6	11.4	352.0
Selling, General and Admin. Expenses ^(b)	249.8	(2.1)	247.7
Income from Operations	90.8	13.5	104.3
Other Income, Net	0.3	—	0.3
Income Before Income Taxes	91.1	13.5	104.6
Income Tax Expenses ^(c)	89.8	(60.2)	29.6
Net Income	\$ 1.3	\$ 73.7	\$ 75.0
Diluted Share Count	109.2		109.2
EPS (Diluted)	\$ 0.01		\$ 0.69

(a) Adjusted for retail location impairment costs

(b) Adjusted for reduction of goodwill

(c) Adjusted for: (i) the one-time charges for the effects of the comprehensive U.S. tax legislation commonly referred to as the Tax Cuts and Jobs Act; and (ii) the income tax impact of the adjustments noted in (a) and (b)



Key Sales Performance Indicators

(change vs. prior year comparable period)

Three Months Ended
January 31, 2019

Three Months Ended
January 31, 2018

Retail Segment Comparable Net Sales Change:

URBN

- Urban Outfitters
- Anthropologie Group
- Free People

3%	4%
4%	2%
2%	5%
4%	8%

URBN Metric Changes

Store Channel

AUR	down	up
UPT	down	down
Transactions	down	down

Digital Channel

Sessions	up	up
Conversion Rate	up	up
AOV	down	flat
UPT	down	flat

Wholesale Segment Net Sales Change:

3%	6%
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Balance Sheet Summary

(\$ in millions)
(unaudited)

January 31, 2019

January 31, 2018

Assets

Cash and Cash Equivalents	\$ 358	\$ 282
Marketable Securities	279	165
Accounts Receivable, Net	80	77
Inventory	371	351
Other Current Assets	115	104
Total Current Assets	1,203	979
Property and Equipment, Net	796	814
Marketable Securities	57	59
Other Assets	105	101
Total Assets	\$ 2,161	\$ 1,953

Liabilities and Shareholders' Equity

Accounts Payable	\$ 144	\$ 128
Other Current Liabilities	243	232
Total Current Liabilities	387	360
Long-Term Debt	-	-
Deferred Rent and Other Liabilities	285	292
Total Liabilities	672	652
Total Shareholders' Equity	1,489	1,301
Total Liabilities and Shareholders' Equity	\$ 2,161	\$ 1,953



Inventory Data

(\$ in millions)
(unaudited)

	<u>January 31, 2019</u>
URBN Inventory	\$ 371
% Change from Prior Year	5.4%

	<u>January 31, 2019 Cost</u>
URBN	3%
Urban Outfitters	flat
Anthropologie Group	3%
Free People	8%



Global Retail Stores Summary

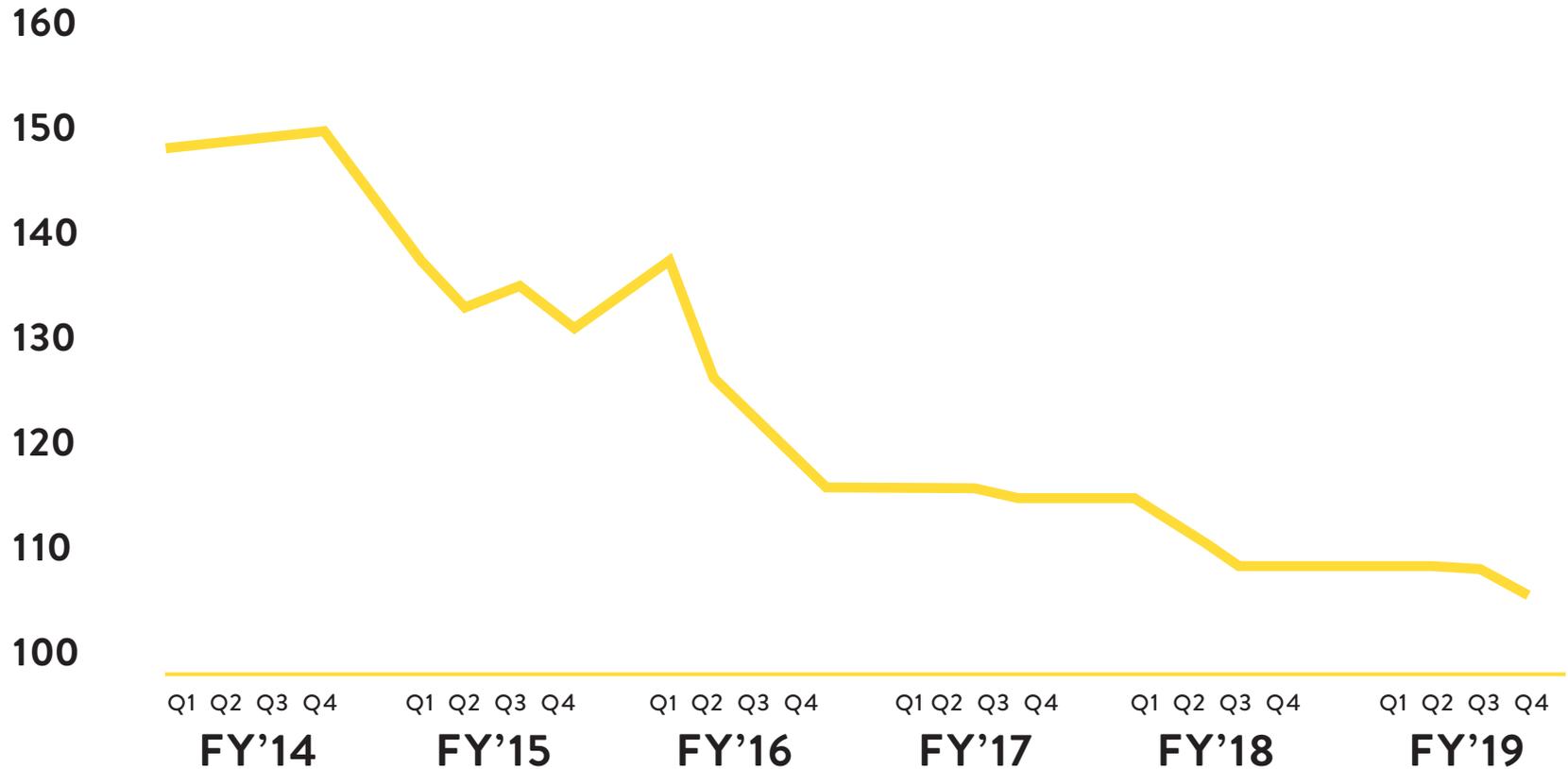
	YTD FY'19				Projected FY'20		
	Open as of January 31, 2018	Openings	Closings	Open as of January 31, 2019	Projected Openings	Projected Closings	Projected Open as of January 31, 2020
Urban Outfitters NA	198	1	4	195	4	3	196
Urban Outfitters EU	47	4	1	50	5	–	55
Total Urban Outfitters	245	5	5	245	9	3	251
Anthropologie Group NA	216	3	3	216	–	7	209
Anthropologie Group EU	10	1	–	11	3	–	14
Total Anthropologie Group	226	4	3	227	3	7	223
Free People NA	132	4	3	133	8	3	138
Free People EU	–	2	–	2	2	–	4
Total Free People	132	6	3	135	10	3	142
Food & Beverage	10	3	–	13	2	–	15
Total Company-Owned Stores	613	18	11	620	24	13	631
Franchisee-Owned Stores	–	5	–	5	4	–	9
Total URBN	613	23	11	625	28	13	640



Shares Outstanding

(share count in millions)

Ending Shares Outstanding





Capital Spending

(\$ in millions)

Net Capex % of Net Sales

