Urban Outfitters, Inc.

FY'27 Q3 RESULTS





URBN


Introduction

Urban Outfitters, Inc. "URBN" is providing fiscal 2027 third quarter commentary ahead of our earnings call scheduled for November 24th at 5:00 p.m.

We remind you that any forward-looking statements made in this commentary are subject to our safe harbor statement found in our SEC filings.

Our third quarter earnings release and related financial information are available on our website, **www.urbn.com**.

As used in this document, unless otherwise defined, "Anthropologie Group" refers to the Company's Anthropologie, Terrain and Maeve brands and "FP Group" refers to the Company's Free People and FP Movement brands.

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Key Financial Highlights

	Three Months Ended	
	October 31, 2026	October 31, 2025
URBN Net Sales Change	8.9%	12.3%
Gross Profit*	37.1%	36.8%
Selling, General and Admin. Expenses*	26.8%	27.4%
Income from Operations*	10.3%	9.4%
Earnings Per Diluted Share	$ 1.54	$ 1.28

Expressed as a percent of net sales

URBN sales for the third quarter increased by 9% to a record $1.67 billion. The increase in sales was due to a 6% increase in Retail segment sales, a 28% increase in Subscription segment sales and a 19% increase in Wholesale segment sales. Retail segment sales comp increased by 4% and non-comparable Retail segment sales increased by 47%.

Gross profit dollars increased by 10% to $618 million for the quarter, while the gross profit rate increased 26 bps to 37.1%. The increase in gross profit rate was primarily driven by leverage in initial merchandise costs due in part to the lower year over year impact of tariffs which was partially offset by higher inbound freight fuel surcharges, leverage in delivery expense as a result of several company initiatives, and leverage in store occupancy costs due to the increase in total Company net sales. These benefits were partially offset by an increase in Retail segment markdowns primarily driven by Anthropologie Group. The increase in gross profit dollars was primarily due to higher net sales.

Selling general & administrative ('SG&A') expenses increased by 6% to $446 million, while SG&A expenses as a percentage of net sales leveraged by 64 bps to 26.8%. The leverage in SG&A expenses as a percentage of net sales was primarily from leverage in store payroll expenses due to the growth in Retail segment store net sales and lower incentive-based compensation costs. The dollar growth in SG&A expenses was primarily due to higher marketing expenses to support customer and net sales growth in the Retail and Subscription segments, as well as increased store payroll expenses to support the growth in Retail segment store net sales.

Operating income dollars increased by 19% to $172 million while the operating income rate leveraged by 90 bps to 10.3%. The increase in operating income dollars was driven by the increase in gross profit dollars. The increase in operating income rate was due to the increase in the gross profit rate and the leverage in SG&A expenses.

Net income for the quarter was $134 million or $1.54 per diluted share.

Sales by Segment

($ in millions) (unaudited)	Three Months Ended		Variance	
	October 31, 2026	October 31, 2025	$	%
Total Sales	**$ 1,665.1**	**$ 1,529.4**	**$ 135.7**	**9%**
Retail Segment	**$ 1,375.2**	**$ 1,296.5**	**$ 78.7**	**6%**
URBN Comp	**$ 1,301.4**	**$ 1,246.4**	**$ 55.0**	**4%**
Anthropologie Group	628.6	617.9	10.7	2%
FP Group	329.8	303.9	25.9	9%
Urban Outfitters	333.0	314.8	18.2	6%
Menus & Venues	10.0	9.8	0.2	3%
Retail Segment Comp By Geography				
North America	1,125.1	1,082.2	42.9	4%
Europe and ROW	176.3	164.2	12.1	7%
URBN Non-Comp	**$ 73.8**	**$ 50.1**	**$ 23.7**	**47%**
Wholesale Segment	**$ 104.8**	**$ 88.3**	**$ 16.5**	**19%**
FP Group	100.9	83.6	17.3	21%
Urban Outfitters	3.9	4.7	(0.8)	(18%)
Subscription Segment	**$ 185.1**	**$ 144.6**	**$ 40.5**	**28%**

Total Company or URBN sales for the third quarter increased by 9% to a record $1.67 billion. URBN Retail segment sales increased by 6% to $1.38 billion, with Retail segment comparable sales increasing 4%. Comparable sales increased due to mid single-digit positive growth in retail store sales due to higher transactions, conversion rate and average unit retail, and mid single-digit positive growth in digital channel sales driven by increases in sessions, average order value and units per transaction. Non-comparable Retail segment sales increased by $24 million, or 47%, primarily due to the opening of new stores since the prior comparable quarter.

URBN Wholesale segment sales for the third quarter increased by 19% to $105 million, driven by a 21%, or $17 million, increase in Free People wholesale sales. The increase in Free People wholesale sales was primarily due to an increase in sales to specialty customers and department stores.

Subscription segment sales for the third quarter increased by 28% to $185 million primarily driven by a 28% increase in average active subscribers in the current quarter versus the prior year quarter.

Revenue Metrics ANTHROPOLOGIE

($ in millions) (unaudited)	Three Months Ended		Variance	
	October 31, 2026	October 31, 2025	$	%
Total Sales	**$ 655.1**	**$ 634.8**	**$ 20.3**	**3%**
Retail Segment	**$ 655.1**	**$ 634.8**	**$ 20.3**	**3%**
Retail Segment Comp	**$ 628.6**	**$ 617.9**	**$ 10.7**	**2%**
Sales by Geography				
North America	606.8	595.6	11.2	2%
Europe and ROW	21.8	22.3	(0.5)	(2%)
Retail Segment Non-Comp	**$ 26.5**	**$ 16.9**	**$ 9.6**	**58%**

Total Anthropologie Group sales increased by 3% to $655 million for the quarter.

Retail segment sales increased by 3%, with comparable sales increasing 2%. The increase in Retail segment comparable sales was driven by low single-digit positive growth in digital channel sales due to an increase in sessions, while retail store sales were flat due to higher conversion rate, average unit retail and units per transaction being offset by lower traffic and transactions. All product categories were positive except home. The increase in non-comparable Retail segment sales was primarily due to the opening of new stores since the prior comparable quarter.

Revenue Metrics

FREE PEOPLE fp movement

($ in millions) (unaudited)	Three Months Ended		Variance	
	October 31, 2026	October 31, 2025	$	%
Total Sales	**$ 457.6**	**$ 399.3**	**$ 58.3**	**15%**
Total Sales by Segment				
Retail Segment	**$ 356.7**	**$ 315.7**	**$ 41.0**	**13%**
Retail Segment Comp	$ 329.8	$ 303.9	$ 25.9	9%
North America	313.2	289.9	23.3	8%
Europe and ROW	16.6	14.0	2.6	19%
Retail Segment Non-Comp	$ 26.9	$ 11.8	$ 15.1	126%
Wholesale Segment	**$ 100.9**	**$ 83.6**	**$ 17.3**	**21%**
North America	98.2	81.1	17.1	21%
Europe and ROW	2.7	2.5	0.2	8%
Total Sales by Brand				
Free People Brand	**$ 329.1**	**$ 297.8**	**$ 31.3**	**11%**
Retail Segment	266.9	242.7	24.2	10%
Wholesale Segment	62.2	55.1	7.1	13%
FP Movement Brand	**$ 128.5**	**$ 101.5**	**$ 27.0**	**27%**
Retail Segment	89.8	73.0	16.8	23%
Wholesale Segment	38.7	28.5	10.2	36%

Total FP Group sales increased by 15% to $458 million for the quarter driven by a 13% increase in Retail segment sales and a 21% increase in Wholesale segment sales. Total Free People brand sales increased by 11% and total FP Movement brand sales increased by 27%.

The growth in FP Group Retail segment sales was driven by a 9% increase in comparable sales driven by low double-digit growth in retail store sales due to higher traffic, transactions, conversion rate and average unit retail, as well as mid single-digit growth in digital channel sales due to increases in sessions, average order value and units per transaction. Free People brand Retail segment comparable sales increased by 7% and FP Movement brand Retail segment comparable sales increased by 12%. All product categories were positive. The increase in non-comparable sales was primarily due to the opening of new stores since the prior comparable quarter.

FP Group Wholesale segment sales increased by 21% primarily due to an increase in sales to specialty customers and department stores.

UO Revenue Metrics URBAN OUTFITTERS

($ in millions) (unaudited)	Three Months Ended		Variance	
	October 31, 2026	October 31, 2025	$	%
Total Sales	**$ 355.4**	**$ 339.8**	**$ 15.6**	**5%**
Retail Segment	**$ 351.5**	**$ 335.1**	**$ 16.4**	**5%**
Retail Segment Comp	**$ 333.0**	**$ 314.8**	**$ 18.2**	**6%**
Sales by Geography				
North America	195.1	186.9	8.2	4%
Europe and ROW	137.9	127.9	10.0	8%
Retail Segment Non-Comp	**$ 18.5**	**$ 20.3**	**$ (1.8)**	**(9%)**
Wholesale Segment	**$ 3.9**	**$ 4.7**	**$ (0.8)**	**(18%)**
North America	1.9	2.4	(0.5)	(24%)
Europe and ROW	2.0	2.3	(0.3)	(12%)

Total Urban Outfitters sales increased by 5% to $355 million for the quarter.

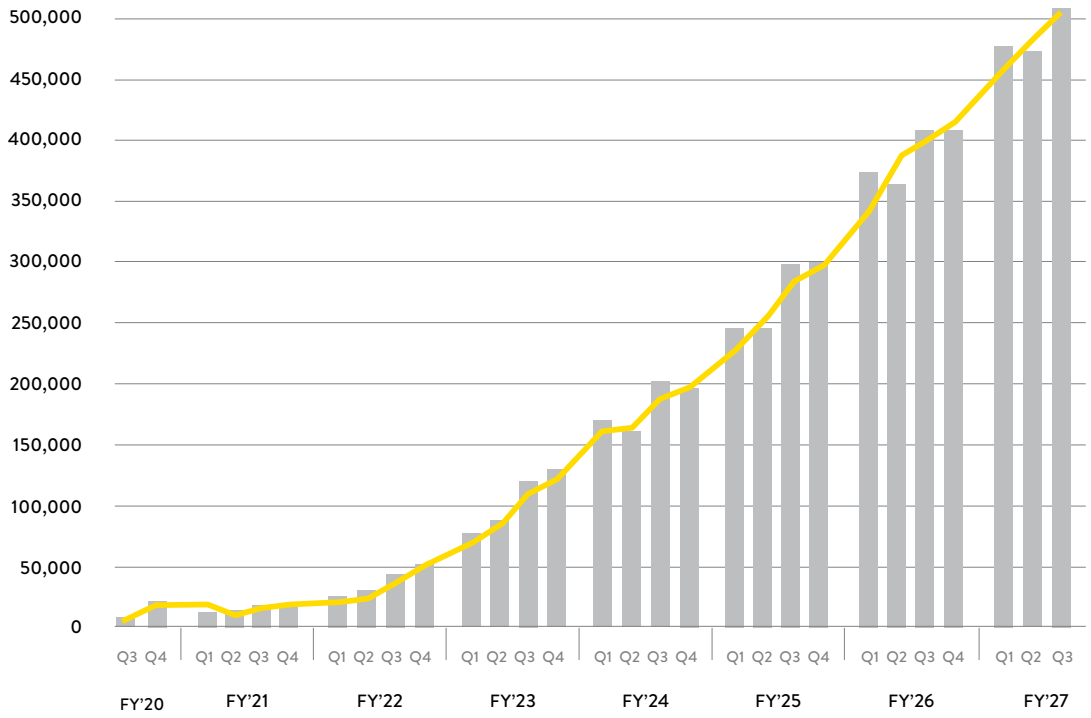
Retail segment sales increased by 5%, with comparable sales increasing 6%. The increase in Retail segment comparable sales was driven by increases in Europe and North America. The increase in Retail segment comparable sales was driven by high single-digit growth in retail store sales due to higher transactions, conversion rate and average unit retail, as well as mid single-digit growth in digital channel sales due to increases in sessions, average order value and conversion rate. All product categories were positive except home and beauty. The decrease in non-comparable Retail segment sales was primarily due to the negative impact of foreign currency translation.

Urban Outfitters Wholesale segment sales decreased by less than $1 million.

Revenue and Subscription Metrics

($ in millions) (unaudited)	Three Months Ended		Variance	
	October 31, 2026	October 31, 2025	$	%
Total Sales	**$ 185.1**	**$ 144.6**	**$ 40.5**	**28%**

Nuuly Subscribers



Subscription segment sales for the third quarter increased by 28% to $185 million primarily driven by a 28% increase in average active subscribers in the current quarter versus the prior year quarter.

Gross Profit by Segment

($ in millions) (unaudited)	Three Months Ended		Variance	
	October 31, 2026	October 31, 2025	$	%
Gross Profit* $'s	**$ 617.6**	**$ 563.3**	**$ 54.3**	**10%**
Gross Profit* %	**37.1%**	**36.8%**		
Retail Segment				
Gross Profit $'s	$ 530.2	$ 496.3	$ 33.9	7%
Gross Profit %	38.6%	38.3%		
Wholesale Segment**				
Gross Profit $'s	$ 36.1	$ 27.7	$ 8.4	30%
Gross Profit %	34.5%	31.4%		
Subscription Segment				
Gross Profit $'s	$ 51.3	$ 39.3	$ 12.0	31%
Gross Profit %	27.7%	27.2%		

**Gross Profit includes merchandise costs, logistics, delivery and freight expenses, property costs and merchant expenses*
***Net of intersegment elimination*

Gross profit dollars increased by 10% to $618 million for the quarter, while the gross profit rate increased 26 bps to 37.1%. The increase in gross profit rate was primarily driven by leverage in initial merchandise costs due in part to the lower year over year impact of tariffs which was partially offset by higher inbound freight fuel surcharges, leverage in delivery expense as a result of several company initiatives, and leverage in store occupancy costs due to the increase in total Company net sales. These benefits were partially offset by an increase in Retail segment markdowns primarily driven by Anthropologie Group. The increase in gross profit dollars was primarily due to higher net sales.

Retail segment gross profit increased by 7% to $530 million while the Retail segment gross profit rate increased 27 bps to 38.6% for the quarter. The increase in the gross profit rate was primarily driven by leverage in initial merchandise costs due in part to the lower year over year impact of tariffs which was partially offset by higher inbound freight fuel surcharges, leverage in delivery expense as a result of several company initiatives, and leverage in store occupancy costs due to the increase in comparable store net sales. These benefits were partially offset by an increase in markdowns primarily driven by Anthropologie Group. The increase in gross profit dollars was primarily due to higher net sales.

Wholesale segment gross profit increased by 30% to $36 million while the Wholesale segment gross profit rate increased 301 bps to 34.5%. The increases in gross profit dollars and gross profit rate were driven by an increase in sales to regular price customers.

Subscription segment gross profit increased by 31% to $51 million while the Subscription segment gross profit rate increased 55 bps to 27.7%. The increase in gross profit dollars was primarily due to higher net sales. The increase in gross profit rate was primarily due to a leverage in delivery expense as a result of several company initiatives.

SG&A–Total Company

($ in millions) (unaudited)	Three Months Ended		Variance	
	October 31, 2026	October 31, 2025	$	%
SG&A* $'s	$ 445.5	$ 419.0	$ 26.5	6%
SG&A* %	26.8%	27.4%		

Selling general & administrative ('SG&A') expenses increased by 6% to $446 million, while SG&A expenses as a percentage of net sales leveraged by 64 bps to 26.8%. The leverage in SG&A expenses as a percentage of net sales was primarily from leverage in store payroll expenses due to the growth in Retail segment store net sales and lower incentive-based compensation costs. The dollar growth in SG&A expenses was primarily due to higher marketing expenses to support customer and net sales growth in the Retail and Subscription segments, as well as increased store payroll expenses to support the growth in Retail segment store net sales.

**SG&A includes direct selling expenses, creative and marketing expenses, corporate overhead and credit and banking expenses*

Operating Income by Segment

($ in millions) (unaudited)	Three Months Ended		Variance	
	October 31, 2026	October 31, 2025	$	%
Operating Income $'s	**$ 172.1**	**$ 144.3**	**$ 27.8**	**19%**
Operating Income %	**10.3%**	**9.4%**		
Retail Segment				
Operating Income $'s	$ 152.6	$ 137.4	$ 15.2	11%
Operating Income %	11.1%	10.6%		
Wholesale Segment*				
Operating Income $'s	$ 25.1	$ 18.0	$ 7.1	40%
Operating Income %	24.0%	20.4%		
Subscription Segment				
Operating Income $'s	$ 13.8	$ 5.9	$ 7.9	133%
Operating Income %	7.5%	4.1%		
General Corporate Expenses $'s	$ 19.4	$ 17.0	$ 2.4	14%

Operating income dollars increased by 19% to $172 million while the operating income rate leveraged by 90 bps to 10.3%. The increase in operating income dollars was driven by the increase in gross profit dollars. The increase in operating income rate was due to the increase in the gross profit rate and the leverage in SG&A expenses.

Retail segment operating income increased by 11%, or $15 million, to $153 million for the quarter. The increase in operating income dollars was primarily driven by the increase in gross profit dollars, partially offset by the increase in SG&A expenses. The increase in operating income rate was due to the increase in the gross profit rate and the leverage in SG&A expenses.

Wholesale segment operating income increased by 40%, or $7 million, to $25 million for the quarter. The increase in operating income dollars was primarily driven by the increase in gross profit dollars.

Subscription segment operating income increased by 133%, or $8 million, to $14 million for the quarter. The increase in operating income dollars was primarily driven by the increase in gross profit dollars.

General corporate expenses increased by 14%, or $2 million, to $19 million for the quarter due to professional services costs to support certain company initiatives.

** Net of intersegment elimination*

Income Statement Summary

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

	Three Months Ended			
	October 31, 2026	% of Net Sales	October 31, 2025	% of Net Sales
Net Sales	$ 1,665.1	100.0%	$ 1,529.4	100.0%
Cost of Sales (excluding Store Impairment)	1,046.5	62.8	964.1	63.1
Store Impairment	1.0	0.1	2.0	0.1
Gross Profit	617.6	37.1	563.3	36.8
Selling, General and Admin. Expenses	445.5	26.8	419.0	27.4
Income from Operations	172.1	10.3	144.3	9.4
Other Income, Net	6.3	0.4	8.1	0.6
Income Before Income Taxes	178.4	10.7	152.4	10.0
Income Tax Expense	44.3	2.6	36.0	2.4
Net Income	$ 134.1	8.1%	$ 116.4	7.6%
Diluted Share Count	86.8		91.3	
Earnings per Diluted Share	$ 1.54		$ 1.28	

The effective tax rate for the third quarter of fiscal 2027 was 25%, compared to an effective tax rate of 24% for the third quarter of fiscal 2026. The change in the effective tax rate was primarily attributable to the ratio of foreign taxable earnings to global taxable earnings.

Net income for the quarter was $134 million or $1.54 per diluted share.

Balance Sheet Summary

($ in millions)
(unaudited)

	October 31, 2026	October 31, 2025
Assets		
Cash and Cash Equivalents	$ 501	$ 307
Marketable Securities	195	305
Accounts Receivable, Net	132	96
Inventory	924	840
Other Current Assets	237	210
Total Current Assets	**1,989**	**1,758**
Property and Equipment, Net	1,732	1,429
Operating Lease ROU Assets	1,102	1,017
Marketable Securities	251	352
Other Assets	377	351
Total Assets	**$ 5,451**	**$ 4,907**
Liabilities and Shareholders' Equity		
Accounts Payable	$ 500	$ 382
Current Operating Lease Liabilities	225	224
Other Current Liabilities	563	559
Total Current Liabilities	**1,288**	**1,165**
Non-Current Operating Lease Liabilities	1,046	960
Other Non-Current Liabilities	124	78
Total Liabilities	**2,458**	**2,203**
Total Shareholders' Equity	**2,993**	**2,704**
Total Liabilities and Shareholders' Equity	**$ 5,451**	**$ 4,907**

As of October 31, 2026, cash and marketable securities totaled $947 million with $0 drawn down on our $350 million asset backed line of credit facility.

Cash Flows Summary

($ in millions)
(unaudited)

	Nine Months Ended	
	October 31, 2026	October 31, 2025
Cash Flows from Operating Activities		
Net Income	$ 490	$ 369
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities		
Depreciation & Amortization	112	94
Inventory	(226)	(215)
Payables, Accrued Expenses and Other Liabilities	170	92
Other Operating Activities	(32)	(28)
Net Cash Provided by Operating Activities	514	312
Cash Flows from Investing Activities		
Cash Paid for Property & Equipment	(383)	(191)
Net Marketable Securities	338	77
Net Cash Used in Investing Activities	(45)	(114)
Cash Flows from Financing Activities		
Share Repurchases related to Share Repurchase Program	(300)	(152)
Other Financing Activities	(34)	(33)
Net Cash Used in Financing Activities	(334)	(185)
Effect of Exchange Rate	(3)	4
Increase in Cash and Cash Equivalents	132	17
Cash and Cash Equivalents at Beginning of Period	**369**	**290**
Cash and Cash Equivalents at End of Period	**$ 501**	**$ 307**

Inventory Data

($ in millions)
(unaudited)

	October 31, 2026	October 31, 2025	Cost Variance $	Cost Variance %
URBN Total Inventory	**$ 924.2**	**$ 839.8**	**$ 84.4**	**10%**
Retail Segment Total Inventory	**$ 852.9**	**$ 781.2**	**$ 71.7**	**9%**
Retail Segment Comparable Inventory by Brand	**671.6**	**635.9**	**35.7**	**6%**
Anthropologie Group	349.3	343.7	5.6	2%
FP Group	148.6	136.1	12.5	9%
Urban Outfitters	173.7	156.1	17.6	11%
Wholesale Segment by Brand	**$ 71.3**	**$ 58.6**	**$ 12.7**	**22%**
FP Group	70.6	54.9	15.7	29%
Urban Outfitters	0.7	3.7	(3.0)	(81%)
Subscription Segment Rental Product, Net*	**$ 310.3**	**$ 244.2**	**$ 66.1**	**27%**

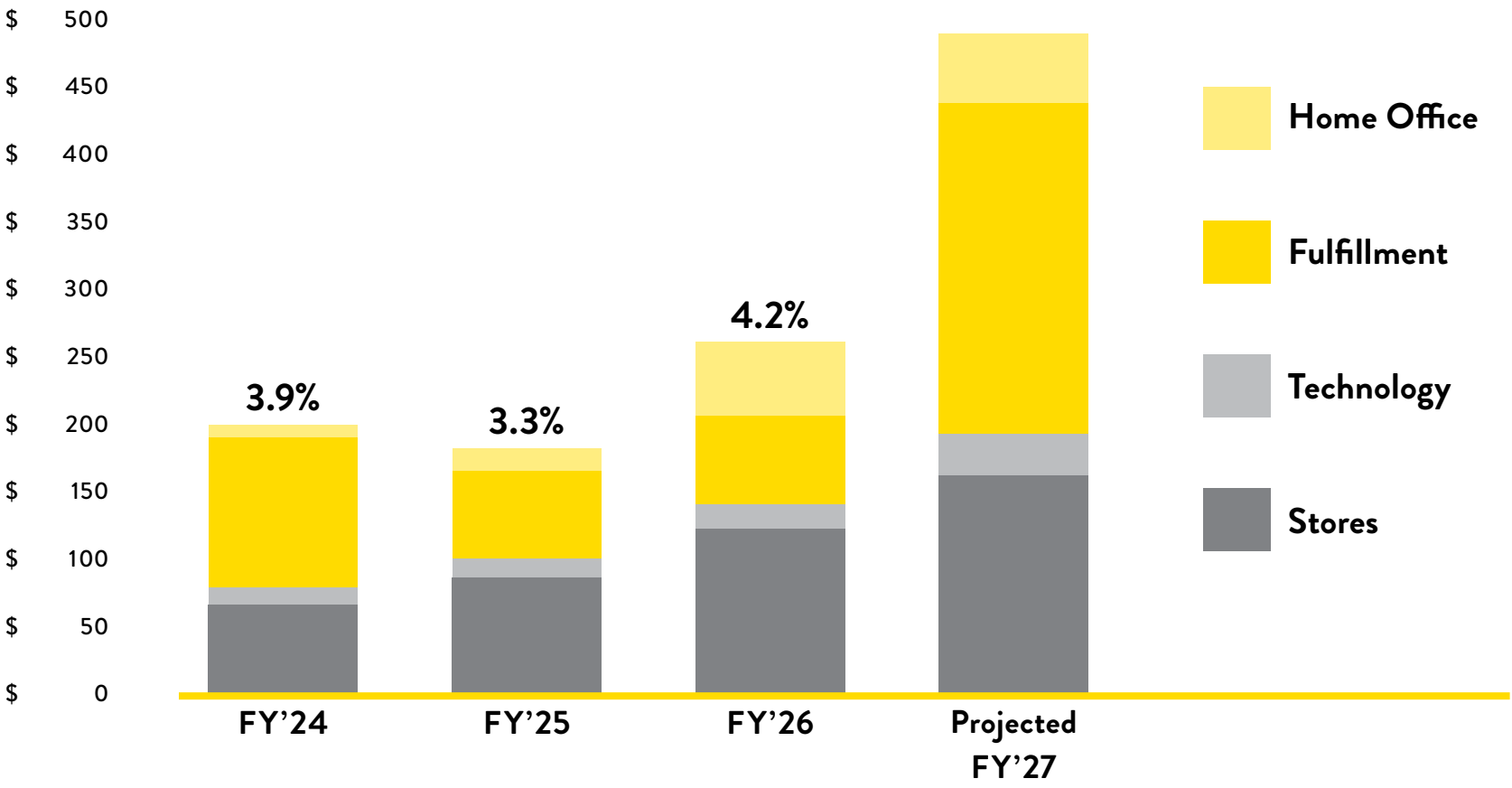
As of October 31, 2026, total inventory increased by 10% as compared to the prior year to $924 million. Total Retail segment inventory increased by 9% and comparable Retail segment inventory increased by 6%. Wholesale segment inventory increased by 22%. The increase in inventory for both segments was due to the increase in net sales and timing of inventory receipts.

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

Capital Spending

($ in millions)
(unaudited)

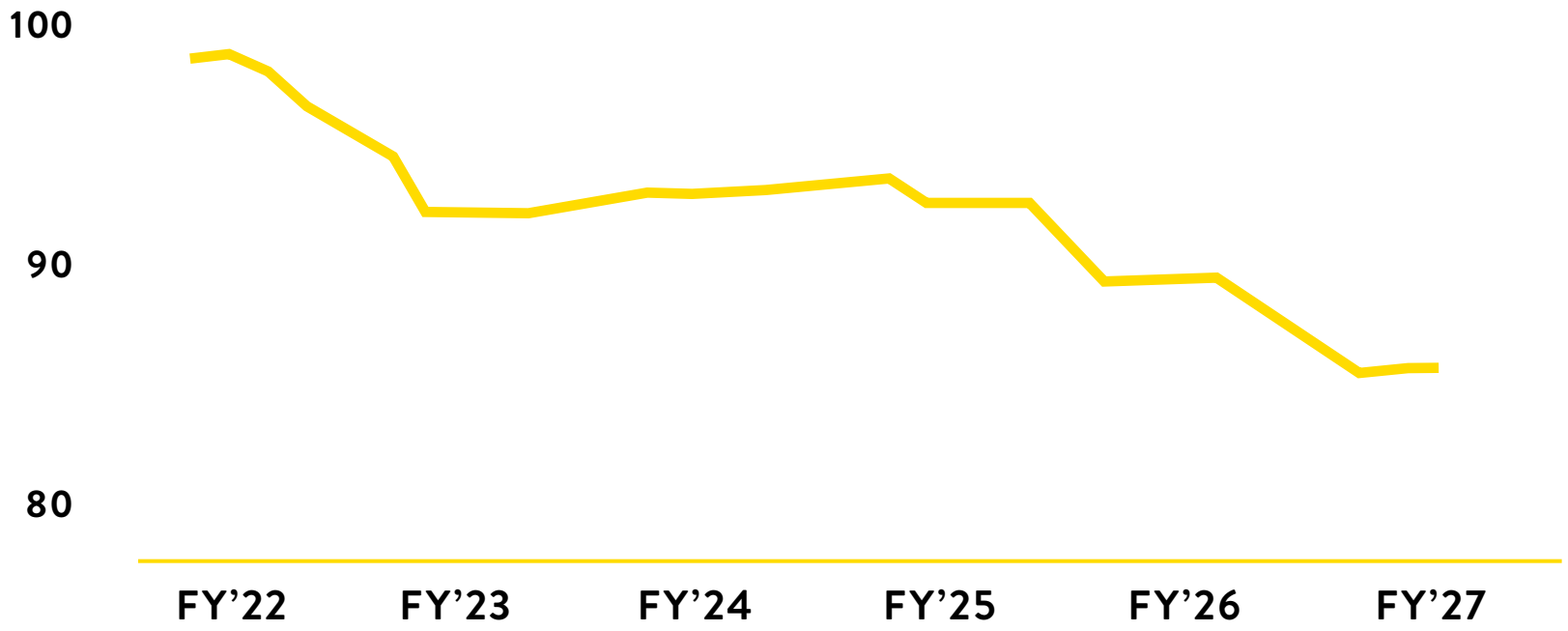
Net Capex % of Net Sales



During the third quarter, capital expenditures were $115 million while depreciation & amortization was $38 million.

Shares Outstanding

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



Shares Repurchased						
Number of Shares	2.0	4.7	–	1.2	3.3	4.6
Total Cost	$ 56	$ 112	–	$ 52	$ 154	$300

The Company did not repurchase any shares during the quarter. The Company has authorization to repurchase approximately 10 million additional shares remaining granted by the Board of Directors resolution on June 4, 2019. Our weighted average diluted share count for the quarter was 86.8 million shares.

Global Retail Stores Summary

	Q1–Q3 FY'27				Q4 FY'27		
	Open as of January 31, 2026	Openings	Closings	Open as of October 31, 2026	Projected Openings	Projected Closings	Projected Open as of January 31, 2027
Anthropologie NA	234	4	1	237	4	1	240
Anthropologie EU	20	2	–	22	–	–	22
Total Anthropologie Group	**254**	**6**	**1**	**259**	**4**	**1**	**262**
Free People NA	167	6	–	173	2	2	173
FP Movement NA	88	13	2	99	4	–	103
Free People EU	13	3	–	16	–	–	16
Total FP Group	**268**	**22**	**2**	**288**	**6**	**2**	**292**
Urban Outfitters NA	177	1	3	175	1	3	173
Urban Outfitters EU	76	4	1	79	2	–	81
Total Urban Outfitters	**253**	**5**	**4**	**254**	**3**	**3**	**254**
Menus & Venues	**9**	**1**	**1**	**9**	**–**	**–**	**9**
Total Company-Owned Stores	**784**	**34**	**8**	**810**	**13**	**6**	**817**
Franchisee-Owned Stores	**9**	**–**	**1**	**8**	**–**	**–**	**8**
Total URBN	**793**	**34**	**9**	**818**	**13**	**6**	**825**

Global Store Count & Square Footage

(all data is as of the respective period ended)
(Selling SF in thousands)

			AN	FPG*	UO	M&V	URBN**
FY'26	Q1	Store Count	241	237	257	9	744
		Selling SF	1,802	480	2,172	n/a	4,454
	Q2	Store Count	243	247	257	9	756
		Selling SF	1,805	499	2,172	n/a	4,476
	Q3	Store Count	248	253	258	9	768
		Selling SF	1,825	512	2,168	n/a	4,505
	Q4	Store Count	254	268	253	9	784
		Selling SF	1,837	539	2,118	n/a	4,494

			AN	FPG*	UO	M&V	URBN**
FY'27	Q1	Store Count	256	276	252	8	792
		Selling SF	1,847	554	2,111	n/a	4,512
	Q2	Store Count	257	284	252	8	801
		Selling SF	1,843	569	2,102	n/a	4,514
	Q3	Store Count	259	288	254	9	810
		Selling SF	1,859	580	2,102	n/a	4,541

**includes 99 FP Movement stores as of Q3 FY'27, with a total Selling SF of 153*
***excludes franchisee-owned stores*